

Consolidated Financial Flash Report (December 31, 2020)

Date: January 29, 2021

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <https://www.murata.com/>)
Phone : (075) 955-6525
The date of payout of dividends: -

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the nine months ended December 31, 2020

(1) Operating results

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	1,220,653	4.2	239,909	19.4	239,494	18.1	176,323	20.1
Nine months ended December 31, 2019	1,171,160	(3.7)	200,896	(10.7)	202,772	(8.9)	146,779	(12.8)

Comprehensive income attributable to Murata Corporation: 180,229 million yen for the nine months ended December 31, 2020 and 132,467 million yen for the nine months ended December 31, 2019.

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share
	Yen	Yen
Nine months ended December 31, 2020	275.58	-
Nine months ended December 31, 2019	229.42	-

* Percentages in the fields of Net sales, Operating income, Income before income taxes, and Net income attributable to Murata Corporation are the growth ratios against the same period of the previous fiscal year.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At December 31, 2020	2,401,327	1,807,243	75.3	2,824.63
At March 31, 2020	2,250,230	1,694,104	75.3	2,647.88

2. Dividends (Year ended March 31, 2020 and the year ending March 31, 2021)

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2020	-	47.00	-	50.00	97.00
2021	-	55.00	-	-	-
2021 (Projected)	-	-	-	55.00	110.00

* No change in the projected dividends during the three months ended December 31, 2020.

3. Projected financial results for the year ending March 31, 2021 (Consolidated basis)

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation		Basic earnings attributable to Murata Corporation per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2021	1,570,000	(2.3)	290,000	(14.5)	291,000	(14.6)	216,000	(18.0)	337.60

* Projected financial results have been revised during the three months ended December 31, 2020.
Percentages for the year ending March 31, 2021 are the growth ratios against the previous year.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (changes in specific subsidiaries that caused change in scope of consolidation): None

(2) Adoption of simplified and specifically applied accounting methods

Murata Manufacturing Co., Ltd. and Subsidiaries (the "Companies") adopted accounting methods specifically applied for quarterly consolidated financial reporting.

(3) Changes in accounting policy

Changes due to adoption of new accounting standard: None

Changes due to reasons other than above: None

(4) Number of common shares outstanding

Number of shares outstanding, including treasury stock: 675,814,281 shares at December 31, 2020 and at March 31, 2020

Number of treasury stock: 35,998,052 shares at December 31, 2020 and 36,017,849 shares at March 31, 2020

Average number of shares outstanding: 639,799,064 shares for the nine months ended December 31, 2020 and 639,773,737 shares for the nine months ended December 31, 2019

*Notes to the projected financial results

The above projections were prepared based on estimates using information currently available.

Actual results may differ from the projections. For assumptions and other information regarding the projections, refer to "Business Results and Financial Position".

Business Results and Financial Position (from April 1, 2020 through December 31, 2020)

1. Business Results

In the global economic environment for the period under review, there was a significant worsening in business for the first quarter due to the COVID-19 (novel coronavirus) pandemic and restrictions on economic activities taken by countries. However, the extent of deterioration in business has eased since the second quarter. China resumed economic activities at an early stage, followed by moves toward resuming business activities in regions like the U.S. and Europe. Nonetheless, the outlook for the global economy remains uncertain due to the ongoing U.S.–China trade friction on top of the resurgence of COVID-19 infections.

In the electronics market in which Murata Manufacturing Co., Ltd. and subsidiaries (hereinafter referred to as the Companies) operate, demand for personal computers (PCs) used in teleworking and online education remained firm along with robust demand for products incorporated into video game consoles due to demand generated by the new stay-at-home economy. Additionally, regarding products for smartphones, from the second quarter onward there were signs of a strong move to secure components against the background of the launch of 5G phones. As for products for car electronics, the production output of automobiles was on a recovery path due to the restart of production of automakers and the effects of government stimulus measures in countries from the latter half of the first quarter. However, car production remained on a year-on-year decrease, leaving demand for components sluggish.

Given such background, regarding net sales for the period under review, sales for PCs and smartphones of multilayer ceramic capacitors (MLCCs), the main product in this category, remained firm. Also, sales of RF modules for smartphones increased although sales of multilayer resin substrates and lithium ion secondary batteries decreased for smartphones. As a result, net sales increased by 4.2% year on year to 1,220,653 million yen for the period under review despite the impact of currency fluctuations (year-on-year appreciation of 2.56 yen to the U.S. dollar).

Looking at profits, operating income was 239,909 million yen, up 19.4% from the nine months ended December 31, 2019; income before income taxes was 239,494 million yen, up 18.1% from the above-mentioned period; and net income attributable to Murata Corporation was 176,323 million yen, up 20.1% from the above-mentioned period. Negative factors in decreasing profits, including a fall in product prices and the impact of currency fluctuations, were offset by positive factors in increasing profits, such as productivity gains from a higher capacity utilization rate resulting from greater production output and reduced costs.

	Millions of yen					
	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Change	
Net sales	1,171,160	%*	1,220,653	%*	49,493	%
Operating income	200,896	17.2	239,909	19.7	39,013	19.4
Income before income taxes	202,772	17.3	239,494	19.6	36,722	18.1
Net income attributable to Murata Corporation	146,779	12.5	176,323	14.4	29,544	20.1
Average exchange rate (Yen/U.S. dollar)	108.67	-	106.11	-	(2.56)	-
Average exchange rate (Yen/Euro)	121.05	-	122.37	-	1.32	-

*Component ratio as a percentage of net sales

Sales by Product Category

Net sales by product category for the period under review were as follows.

	Millions of yen					
	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Change	
Capacitors	421,241	%*	457,848	%*	36,607	%
Piezoelectric Components	96,912	8.3	92,735	7.6	(4,177)	(4.3)
Other Components	283,801	24.3	285,660	23.4	1,859	0.7
Components Total	801,954	68.6	836,243	68.6	34,289	4.3
Modules	366,489	31.4	382,488	31.4	15,999	4.4
Net sales	1,168,443	100.0	1,218,731	100.0	50,288	4.3

*Component ratio as a percentage of net sales

<Components>

Sales of components for the period under review increased by 4.3% year-on-year to 836,243 million yen.

[Capacitors]

The Capacitors category includes MLCCs.

For the period under review, sales of MLCCs, the main product in this category, decreased for car electronics due to a fall in the number of automobiles produced, but increased for PCs and PC peripherals and smartphones.

As a result, overall net sales increased by 8.7% year on year to 457,848 million yen.

[Piezoelectric Components]

The Piezoelectric Components category includes SAW filters, piezoelectric sensors, and ceramic resonators.

For the period under review, sales of SAW filters remained flat, and sales of piezoelectric sensors and ceramic resonators declined for car electronics.

As a result, overall net sales decreased by 4.3% year on year to 92,735million yen.

[Other Components]

Other Components include lithium ion batteries, inductors (coils), electromagnetic interference suppression filters, sensors, connectors, and thermistors.

For the period under review, sales of lithium ion secondary batteries slipped for smartphones due to the impact of an ongoing review of the business portfolio. On the other hand, sales of inductors for PCs rose and sales of connectors for smartphones grew.

As a result, overall net sales increased by 0.7% year on year to 285,660million yen.

<Modules>

The Modules category includes connectivity modules (short-range wireless communication modules), RF modules (circuit modules and radio frequency submodules), multilayer resin substrates, power supplies modules, and multilayer ceramic devices.

For the period under review, for smartphones, sales of multilayer resin substrates declined but sales of RF modules increased sharply.

As a result, overall net sales increased by 4.4% year on year to 382,488 million yen.

Sales by Product Category

Net sales by Application Category for the period under review were as follows.

	Millions of yen					
	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Change	
		%		%		%
AV	49,412	4.2	54,579	4.5	5,167	10.5
Communications	602,134	51.5	629,024	51.6	26,890	4.5
Computers and Peripherals	177,254	15.2	213,796	17.6	36,542	20.6
Automotive Electronics	199,112	17.1	189,261	15.5	(9,851)	(4.9)
Home and Others	140,531	12.0	132,071	10.8	(8,460)	(6.0)
Net sales	1,168,443	100.0	1,218,731	100.0	50,288	4.3

*Based on our estimate

[AV]

For the period under review, sales of connectivity modules and lithium ion secondary batteries fell for digital cameras. However, sales of lithium ion secondary batteries and MLCCs increased significantly for video game consoles against the background of demand generated by the stay-at-home economy.

As a result, overall net sales increased by 10.5% year on year to 54,579million yen.

[Communication]

For the period under review, sales of MLCCs decreased for base stations, but sales of RF modules and MLCCs increased for smartphones.

As a result, overall net sales increased by 4.5% year on year to 629,024 million yen.

[Computers and Peripherals]

For the period under review, sales of MLCCs and connectivity modules rose considerably for PCs due to demand for products used in teleworking and online education, and MLCCs increased for servers and data storage.

As a result, overall net sales increased by 20.6% year on year to 213,796million yen.

[Automotive Electronics]

For the period under review, demand for sensors and MLCCs contracted as the number of automobiles produced declined significantly.

As a result, overall net sales decreased by 4.9% year on year to 189,261 million yen.

2. Financial Position

Total assets on December 31, 2020, increased by 151,097 million yen from the end of the previous fiscal year to 2,401,327 million yen, mainly due to increases in trade accounts receivable, and cash. Liabilities increased by 37,869 million yen from the end of the previous fiscal year to 593,292 million yen mainly due to an increase in short-term borrowings. Equity increased by 113,228 million yen from the end of the previous fiscal year to 1,808,035 million yen mainly due to an increase in retained earnings. The ratio of shareholders' equity to total assets remained at 75.3%, almost unchanged from the end of the previous fiscal year.

Compared with the same period of the previous fiscal year, cash flows for the period under review were as follows:

<Net Cash Provided by Operating Activities>

For the period under review, net cash provided by operating activities was 197,736 million yen. An increase of 87,438 million yen in trade notes and accounts receivable was offset by net income, as the source of cash flows, of 176,291 million yen and depreciation and amortization of 105,578 million yen.

Net cash provided by operating activities decreased by 23,330 million yen for the nine months ended December 31, 2019.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 125,305 million yen. While cash inflows included maturities and sales of marketable securities, investments and other of 29,011 million yen, there were cash outflows due to 142,159 million yen in capital expenditures aimed at boosting production capacity in particular, and an increase of 17,535 million yen in payment for purchases of

marketable securities, investments and other.

Net cash used in investing activities increased by 47,836 million yen for the nine months ended December 31, 2019.

<Net Cash Used in Financing Activities>

For the period under review, net cash used in financing activities was 31,333 million yen. While there were cash inflows due to a 36,095 million yen increase in short-term borrowings, cash outflows included dividend payment of 67,180 million yen.

Net cash used in financing activities decreased by 60,864 million yen for the nine months ended December 31, 2019.

3. Projected Results for the Year Ending March 31, 2020

In the projected results for the fiscal year ending March 2021, net sales are expected to exceed the previous assumption. This is thanks to an increase in smartphone-related demand based on customers' brisk securing of components, an expansion in demand for PCs and PC peripherals on the back of teleworking and online education, and growing demand for components for automobiles resulting from government stimulus measures around the world. Operating income as well is forecast to surpass the previous assumption due to productivity gains generated by a higher capacity utilization rate resulting from the increased output.

Under the circumstances, the Company reviewed the forecast by taking into account performance for the period under review. As a result, the projected results for the fiscal year ending March 31, 2021, which was announced on October 30, 2020, has been adjusted as below.

		Consolidated Basis	
		Previous Projections	Revised Projections
Net sales	Millions of yen	1,490,000	1,570,000
	<%>*	<16.8>	<18.5>
Operating income	Millions of yen	250,000	290,000
	<%>*	<6.9>	<18.5>
Income before income taxes	Millions of yen	252,000	291,000
Net income attributable to Murata Corporation	Millions of yen	189,000	216,000
	<%>*	<12.7>	<13.8>
Capital expenditures	Millions of yen	200,000	200,000
	<%>*	<9.9>	<9.2>
Depreciation and amortization	Millions of yen	147,000	145,000
	<%>*	<7.0>	<6.4>
Research and development expenses	Millions of yen	105,000	101,000

* Ratio to net sales

This forecast is based on the assumed exchange rates of 102 yen against the U.S. dollar and 122 yen against the Euro for the fourth quarter of this fiscal year. The projection for capital expenditures of 200,000 million yen, announced on October 30, 2020, remains unchanged. This is designed to accommodate growing demand for electric components as it is expected that, from the next fiscal year onward, 5G-related demand will continue growing and the number of components mounted on automobiles will continue increasing following electrification.

However, the outlook remains uncertain due to the ongoing U.S.–China trade friction on top of the resurgence of COVID-19 infections. Adjustments to projected financial results will be announced immediately should the need arise.

(1) Consolidated Balance Sheets (Assets)

At March 31, 2020 and December 31, 2020

	Millions of Yen			
	At March 31, 2020		At December 31, 2020	
		%		%
Assets	2,250,230	100.0	2,401,327	100.0
Current assets	1,027,227	45.7	1,169,283	48.6
Cash	239,656		294,117	
Short-term investments	106,950		92,943	
Marketable securities	29,554		22,900	
Trade notes receivable	100		78	
Trade accounts receivable	281,958		370,162	
Allowance for doubtful notes and accounts	(1,026)		(1,303)	
Inventories	334,408		350,153	
Prepaid expenses and other	35,627		40,233	
Property, plant and equipment	1,002,210	44.5	1,033,922	43.1
Land	72,707		73,344	
Buildings	633,041		715,406	
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,310,534		1,379,897	
Construction in progress	133,148		85,692	
Accumulated depreciation	(1,182,318)		(1,249,902)	
Operating lease right-of-use assets	35,098		29,485	
Investments and other assets	220,793	9.8	198,122	8.3
Investments	49,059		45,791	
Intangible assets	38,576		33,990	
Goodwill	73,032		71,630	
Deferred income taxes	42,220		34,380	
Other	17,906		12,331	
Total assets	2,250,230	100.0	2,401,327	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2020 and December 31, 2020

	Millions of Yen			
	At March 31, 2020		At December 31, 2020	
		%		%
Liabilities	555,423	24.7	593,292	24.7
Current liabilities	284,300	12.6	324,195	13.5
Short-term borrowings	51,000		87,097	
Trade accounts payable	79,330		91,001	
Accrued payroll and bonuses	45,374		34,779	
Income taxes payable	28,294		20,133	
Accrued expenses and other	73,611		84,541	
Current operating lease liabilities	6,691		6,644	
Long-term liabilities	271,123	12.1	269,097	11.2
Bonds	149,764		149,817	
Long-term debt	207		659	
Termination and retirement benefits	84,602		85,774	
Deferred income taxes	5,644		7,004	
Noncurrent operating lease liabilities	28,408		22,752	
Other	2,498		3,091	
Equity	1,694,807	75.3	1,808,035	75.3
Murata Corporation's shareholders' equity	1,694,104	75.3	1,807,243	75.3
Common stock	69,444		69,444	
Capital surplus	120,775		120,846	
Retained earnings	1,616,783		1,725,926	
Accumulated other comprehensive income (loss):	(59,335)		(55,429)	
Unrealized gains (losses) on securities	(61)		(11)	
Pension liability adjustments	(25,999)		(24,350)	
Foreign currency translation adjustments	(33,275)		(31,068)	
Treasury stock, at cost	(53,563)		(53,544)	
Noncontrolling interests	703	0.0	792	0.0
Total liabilities and equity	2,250,230	100.0	2,401,327	100.0

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Nine months ended December 31, 2019 and 2020

	Millions of Yen			
	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
		%		%
Net sales	1,171,160	100.0	1,220,653	100.0
Cost of sales	729,089	62.3	753,481	61.7
Selling, general and administrative	172,295	14.6	151,843	12.4
Research and development	76,054	6.5	75,420	6.2
Other operating income	7,174	0.6	-	-
Operating income	200,896	17.2	239,909	19.7
Interest and dividend income	2,803	0.2	1,499	0.1
Interest expense	(226)	(0.0)	(321)	(0.0)
Foreign currency exchange gain (loss)	(4,846)	(0.4)	(10,093)	(0.8)
Other - net	4,145	0.3	8,500	0.6
Income before income taxes	202,772	17.3	239,494	19.6
Income taxes	56,001	4.8	63,203	5.2
<Current income tax>	<51,395>		<55,639>	
<Deferred income tax>	<4,606>		<7,564>	
Net income	146,771	12.5	176,291	14.4
Less: Net income (loss) attributable to noncontrolling interests	(8)	(0.0)	(32)	(0.0)
Net income attributable to Murata Corporation	146,779	12.5	176,323	14.4

Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2019 and 2020

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income	146,771	176,291
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	(2)	50
Pension liability adjustments	899	1,649
Foreign currency translation adjustments	(15,250)	2,234
Other comprehensive income (loss)	(14,353)	3,933
Comprehensive income	132,418	180,224
Less: Comprehensive income (loss) attributable to noncontrolling interests	(49)	(5)
Comprehensive income attributable to Murata Corporation	132,467	180,229

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Three months ended December 31, 2019 and 2020

	Millions of Yen			
	Three months ended December 31, 2019		Three months ended December 31, 2020	
		%		%
Net sales	410,222	100.0	468,648	100.0
Cost of sales	257,446	62.8	286,312	61.1
Selling, general and administrative	51,088	12.4	49,539	10.6
Research and development	24,669	6.0	24,406	5.2
Other operating income	2,484	0.6	-	-
Operating income	79,503	19.4	108,391	23.1
Interest and dividend income	860	0.2	516	0.1
Interest expense	(85)	(0.0)	(182)	(0.0)
Foreign currency exchange gain (loss)	(4,842)	(1.2)	(5,358)	(1.1)
Other - net	2,517	0.6	2,973	0.6
Income before income taxes	77,953	19.0	106,340	22.7
Income taxes	21,905	5.3	29,846	6.4
<Current income tax>	<16,269>		<17,873>	
<Deferred income tax>	<5,636>		<11,973>	
Net income	56,048	13.7	76,494	16.3
Less: Net income (loss) attributable to noncontrolling interests	(2)	(0.0)	31	0.0
Net income attributable to Murata Corporation	56,050	13.7	76,463	16.3

Consolidated Statements of Comprehensive Income

Three months ended December 31, 2019 and 2020

	Millions of Yen	
	Three months ended December 31, 2019	Three months ended December 31, 2020
Net income	56,048	76,494
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	(29)	25
Pension liability adjustments	361	529
Foreign currency translation adjustments	19,745	3,278
Other comprehensive income (loss)	20,077	3,832
Comprehensive income	76,125	80,326
Less: Comprehensive income (loss) attributable to noncontrolling interests	23	47
Comprehensive income attributable to Murata Corporation	76,102	80,279

(3) Consolidated Statements of Cash Flows

Nine months ended December 31, 2019 and 2020

	Millions of Yen			
	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
Operating activities:				
Net income		146,771		176,291
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	103,914		105,578	
Losses on sales and disposals of property, plant and equipment	1,209		10	
Impairment losses on long-lived assets	21,766		581	
Provision for termination and retirement benefits, less payments	1,785		3,541	
Deferred income taxes	4,606		7,564	
Changes in assets and liabilities:				
(Increase) decrease in trade notes and accounts receivable	(52,284)		(87,438)	
(Increase) decrease in inventories	19,119		(13,816)	
(Increase) decrease in prepaid expenses and other	(4,959)		(4,389)	
Increase (decrease) in trade notes and accounts payable	(3,685)		11,101	
Increase (decrease) in accrued payroll and bonuses	(10,306)		(10,602)	
Increase (decrease) in income taxes payable	(20,110)		(8,331)	
Increase (decrease) in accrued expenses and other	13,211		21,003	
Other-net	29	74,295	(3,357)	21,445
Net cash provided by operating activities		221,066		197,736
Investing activities:				
Payment for purchases of property, plant and equipment		(176,129)		(142,159)
Payment for purchases of marketable securities, investments and other		(10,120)		(17,535)
Maturities and sales of marketable securities, investments and other		15,085		29,011
Decrease in long-term deposits and loans		5,367		-
(Increase) decrease in short-term investments		(8,764)		2,134
Other-net		1,420		3,244
Net cash used in investing activities		(173,141)		(125,305)
Financing activities:				
Net increase (decrease) in short-term borrowings		39,993		36,095
Proceeds from long-term debt		70		172
Repayment of long-term debt		(105)		(136)
Proceeds from issuance of bonds		49,889		-
Dividends paid		(59,926)		(67,180)
Other-net		(390)		(284)
Net cash provided by (used in) financing activities		29,531		(31,333)
Effect of exchange rate changes on cash and cash equivalents		719		(2,358)
Net increase (decrease) in cash and cash equivalents		78,175		38,740
Cash and cash equivalents at beginning of period		217,805		302,320
Cash and cash equivalents at end of period		295,980		341,060
Additional cash and cash equivalents information:				
Cash		234,904		294,117
Short-term investments		103,527		92,943
Short-term investments with original maturities over 3 months		(42,451)		(46,000)
Cash and cash equivalents at end of period		295,980		341,060

(4) Assumptions for Going Concern

None

(5) Segment Information

Operating Segment Information

The Companies mainly develop, manufacture and sell electronic components and related products.

Operating segments of the Companies are classified based on the nature of products, and the Companies recognized the Components segment, the Modules segment, and Others.

Nine months ended December 31, 2019 and 2020

		Millions of Yen			
		Nine months ended December 31, 2019		Nine months ended December 31, 2020	
Components	Sales to:		%		%
	Unaffiliated customers	801,954		836,243	
	Intersegment	33,824		25,189	
	Total revenue	835,778	100.0	861,432	100.0
	Segment income	186,589	22.3	229,506	26.6
Modules	Sales to:		%		%
	Unaffiliated customers	366,489		382,488	
	Intersegment	8		2	
	Total revenue	366,497	100.0	382,490	100.0
	Segment income	47,766	13.0	54,668	14.3
Others	Sales to:		%		%
	Unaffiliated customers	2,717		1,922	
	Intersegment	43,640		44,421	
	Total revenue	46,357	100.0	46,343	100.0
	Segment income	4,228	9.1	5,866	12.7
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(77,472)		(69,612)	
	Total revenue	(77,472)	-	(69,612)	-
	Corporate expenses	(37,687)	-	(50,131)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	1,171,160		1,220,653	
	Intersegment	-		-	
	Total revenue	1,171,160	100.0	1,220,653	100.0
	Operating income	200,896	17.2	239,909	19.7

Three months ended December 31, 2019 and 2020

		Millions of Yen			
		Three months ended December 31, 2019		Three months ended December 31, 2020	
Components	Sales to:		%		%
	Unaffiliated customers	272,168		306,240	
	Intersegment	13,048		8,792	
	Total revenue	285,216	100.0	315,032	100.0
	Segment income	68,928	24.2	91,400	29.0
Modules	Sales to:		%		%
	Unaffiliated customers	136,991		161,757	
	Intersegment	1		2	
	Total revenue	136,992	100.0	161,759	100.0
	Segment income	21,938	16.0	32,943	20.4
Others	Sales to:		%		%
	Unaffiliated customers	1,063		651	
	Intersegment	12,966		14,470	
	Total revenue	14,029	100.0	15,121	100.0
	Segment income	1,168	8.3	1,933	12.8
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(26,015)		(23,264)	
	Total revenue	(26,015)	-	(23,264)	-
	Corporate expenses	(12,531)	-	(17,885)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	410,222		468,648	
	Intersegment	-		-	
	Total revenue	410,222	100.0	468,648	100.0
	Operating income	79,503	19.4	108,391	23.1

Notes: 1. Major products and businesses included in the operating segments

(1) Components: Capacitors and Piezoelectric Components, and Lithium Ion Batteries

(2) Modules: Communication Modules

(3) Others: Machinery manufacturing, welfare services, and sales of software

2. Intersegment transactions are based on market prices.

3. Segment income (loss) for each operating segment represents net sales less related costs.

Corporate expenses represent expenses of headquarters functions and fundamental research.

(6) Significant changes in shareholders' equity

None

(7) Other

January 29, 2021
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <https://www.murata.com/>)

Flash Report (Nine months ended December 31, 2020)**Selected Financial Data - Consolidated basis**

Nine months ended December 31, 2019 and 2020/at December 31, 2019 and 2020

		Consolidated Basis		
		2019	2020	Growth ratio
Net sales	Millions of yen	1,171,160	1,220,653	4.2%
	<%>*2	<17.2>	<19.7>	
Operating income	Millions of yen	200,896	239,909	19.4
	<%>*2	<17.3>	<19.6>	
Income before income taxes	Millions of yen	202,772	239,494	18.1
Net income attributable to Murata Corporation	Millions of yen	146,779	176,323	20.1
	<%>*2	<12.5>	<14.4>	
Total assets	Millions of yen	2,243,104	2,401,327	7.1
Shareholders' equity	Millions of yen	1,676,589	1,807,243	7.8
Shareholders' equity ratio	%	74.8	75.3	-
Basic earnings attributable to Murata Corporation per share	Yen	229.42	275.58	20.1
Diluted earnings attributable to Murata Corporation per share	Yen	-	-	-
	*3			
Shareholders' equity per share	Yen	2,620.50	2,824.63	-
Capital expenditures	Millions of yen	196,238	132,810	(32.3)
	<%>*2	<8.9>	<8.6>	
Depreciation and amortization	Millions of yen	103,914	105,578	1.6
	<%>*2	<6.5>	<6.2>	
Research and development expenses	Millions of yen	76,054	75,420	(0.8)
	*4	<44,129>	<42,382>	
Number of employees		75,587	74,340	(1.6)
Average exchange rates				
Yen/US dollar	Yen	108.67	106.11	-
Yen/Euro	Yen	121.05	122.37	-

Three months ended December 31, 2019 and 2020

		Consolidated Basis		
		2019	2020	Growth ratio
Net sales	Millions of yen	410,222	468,648	14.2%
	<%>*2	<19.4>	<23.1>	
Operating income	Millions of yen	79,503	108,391	36.3
	<%>*2	<19.0>	<22.7>	
Income before income taxes	Millions of yen	77,953	106,340	36.4
Net income attributable to Murata Corporation	Millions of yen	56,050	76,463	36.4
	<%>*2	<13.7>	<16.3>	
Basic earnings attributable to Murata Corporation per share	Yen	87.61	119.51	36.4
Diluted earnings attributable to Murata Corporation per share	Yen	-	-	-
	*3			
Capital expenditures	Millions of yen	81,366	48,852	(40.0)
	<%>*2	<8.7>	<7.6>	
Depreciation and amortization	Millions of yen	35,664	35,734	0.2
	<%>*2	<6.0>	<5.2>	
Research and development expenses	Millions of yen	24,669	24,406	(1.1)

*1 The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP).

*2 Ratio to net sales

*3 Diluted earnings attributable to Murata Corporation per share are not stated since there were no potential dilutive securities.

*4 Figures in parentheses indicate the number of employees in foreign countries.

Orders, Backlogs and Sales

(1) Orders and Backlogs by Product

<Orders>

Nine months ended December 31, 2019 and 2020

		Millions of Yen					
		Nine months ended December 31, 2019		Nine months ended December 31, 2020		Change	
			%*1		%*1		%
	Capacitors	384,046	33.6	484,314	37.1	100,268	26.1
	Piezoelectric Components	101,539	8.9	104,123	8.0	2,584	2.5
	Other Components	281,910	24.6	323,785	24.8	41,875	14.9
	Components Total	767,495	67.1	912,222	69.9	144,727	18.9
	Modules	377,063	32.9	393,359	30.1	16,296	4.3
	Total	1,144,558	100.0	1,305,581	100.0	161,023	14.1

Three months ended December 31, 2019 and 2020

		Millions of Yen					
		Three months ended December 31, 2019		Three months ended December 31, 2020		Change	
			%*1		%*1		%
	Capacitors	156,238	37.8	199,821	37.2	43,583	27.9
	Piezoelectric Components	36,217	8.8	38,589	7.2	2,372	6.5
	Other Components	93,672	22.7	135,062	25.2	41,390	44.2
	Components Total	286,127	69.3	373,472	69.6	87,345	30.5
	Modules	126,999	30.7	162,925	30.4	35,926	28.3
	Total	413,126	100.0	536,397	100.0	123,271	29.8

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

*4 The tables by product indicate orders, backlogs, and sales of electronic components and related products.

<Backlogs>

		Millions of Yen					
		At March 31, 2020		At December 31, 2020		Change	
			%*1		%*1		%
	Capacitors	109,363	45.5	135,829	41.5	26,466	24.2
	Piezoelectric Components	20,524	8.6	31,912	9.8	11,388	55.5
	Other Components	60,950	25.4	99,075	30.3	38,125	62.6
	Components Total	190,837	79.5	266,816	81.6	75,979	39.8
	Modules	49,319	20.5	60,190	18.4	10,871	22.0
	Total	240,156	100.0	327,006	100.0	86,850	36.2

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

(2) Sales by Product Category, Application and Area

1. Sales by Product Category

Nine months ended December 31, 2019 and 2020

	Millions of Yen					
	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Change	
		%*1		%*1		%
Capacitors	421,241	36.0	457,848	37.6	36,607	8.7
Piezoelectric Components	96,912	8.3	92,735	7.6	(4,177)	(4.3)
Other Components	283,801	24.3	285,660	23.4	1,859	0.7
Components Total	801,954	68.6	836,243	68.6	34,289	4.3
Modules	366,489	31.4	382,488	31.4	15,999	4.4
Net sales	1,168,443	100.0	1,218,731	100.0	50,288	4.3

Three months ended December 31, 2019 and 2020

	Millions of Yen					
	Three months ended December 31, 2019		Three months ended December 31, 2020		Change	
		%*1		%*1		%
Capacitors	145,738	35.6	167,291	35.7	21,553	14.8
Piezoelectric Components	33,616	8.2	31,993	6.8	(1,623)	(4.8)
Other Components	92,814	22.7	106,956	22.9	14,142	15.2
Components Total	272,168	66.5	306,240	65.4	34,072	12.5
Modules	136,991	33.5	161,757	34.6	24,766	18.1
Net sales	409,159	100.0	467,997	100.0	58,838	14.4

*1 Component ratio

*2 Exclusive of consumption taxes

2. Sales by Application (based on the Company's estimate)

Nine months ended December 31, 2019 and 2020

	Millions of Yen					
	Nine months ended December 31, 2019		Nine months ended December 31, 2020		Change	
		%*1		%*1		%
AV	49,412	4.2	54,579	4.5	5,167	10.5
Communications	602,134	51.5	629,024	51.6	26,890	4.5
Computers and Peripherals	177,254	15.2	213,796	17.6	36,542	20.6
Automotive Electronics	199,112	17.1	189,261	15.5	(9,851)	(4.9)
Home and Others	140,531	12.0	132,071	10.8	(8,460)	(6.0)
Net sales	1,168,443	100.0	1,218,731	100.0	50,288	4.3

Three months ended December 31, 2019 and 2020

	Millions of Yen					
	Three months ended December 31, 2019		Three months ended December 31, 2020		Change	
		%*1		%*1		%
AV	14,841	3.6	18,436	4.0	3,595	24.2
Communications	226,133	55.3	247,709	52.9	21,576	9.5
Computers and Peripherals	58,082	14.2	74,532	15.9	16,450	28.3
Automotive Electronics	66,165	16.2	79,998	17.1	13,833	20.9
Home and Others	43,938	10.7	47,322	10.1	3,384	7.7
Net sales	409,159	100.0	467,997	100.0	58,838	14.4

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Nine months ended December 31, 2019 and 2020

		Millions of Yen					
		Nine months ended December 31, 2019		Nine months ended December 31, 2020		Change	
			%*1		%*1		%
	The Americas	150,889	12.9	132,506	10.9	(18,383)	(12.2)
	Europe	98,199	8.4	88,038	7.2	(10,161)	(10.3)
	Greater China	618,007	52.9	719,362	59.0	101,355	16.4
	Asia and Others	193,423	16.6	179,189	14.7	(14,234)	(7.4)
	Overseas total	1,060,518	90.8	1,119,095	91.8	58,577	5.5
	Japan	107,925	9.2	99,636	8.2	(8,289)	(7.7)
	Net sales	1,168,443	100.0	1,218,731	100.0	50,288	4.3

Three months ended December 31, 2019 and 2020

		Millions of Yen					
		Three months ended December 31, 2019		Three months ended December 31, 2020		Change	
			%*1		%*1		%
	The Americas	45,843	11.2	55,249	11.8	9,406	20.5
	Europe	30,402	7.4	35,037	7.5	4,635	15.2
	Greater China	237,199	58.0	276,404	59.1	39,205	16.5
	Asia and Others	60,835	14.9	62,842	13.4	2,007	3.3
	Overseas total	374,279	91.5	429,532	91.8	55,253	14.8
	Japan	34,880	8.5	38,465	8.2	3,585	10.3
	Net sales	409,159	100.0	467,997	100.0	58,838	14.4

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

	Millions of yen							
	Three months ended June 30, 2019		Three months ended September 30, 2019		Three months ended December 31, 2019		Three months ended March 31, 2020	
Net sales	357,556	% *1 100.0	403,382	% *1 100.0	410,222	% *1 100.0	362,885	% *1 100.0
Operating income	62,550	17.5	58,843	14.6	79,503	19.4	52,351	14.4
Income before income taxes	63,241	17.7	61,578	15.3	77,953	19.0	51,260	14.1
Net income attributable to Murata Corporation	46,825	13.1	43,904	10.9	56,050	13.7	36,233	10.0

	Millions of yen					
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020	
Net sales	326,798	% *1 100.0	425,207	% *1 100.0	468,648	% *1 100.0
Operating income	51,339	15.7	80,179	18.9	108,391	23.1
Income before income taxes	53,922	16.5	79,232	18.6	106,340	22.7
Net income attributable to Murata Corporation	39,583	12.1	60,277	14.2	76,463	16.3

*1 Ratio to net sales

(2) Sales by Product Category

	Millions of Yen							
	Three months ended June 30, 2019		Three months ended September 30, 2019		Three months ended December 31, 2019		Three months ended March 31, 2020	
Capacitors	137,734	% *1 38.6	137,769	% *1 34.2	145,738	% *1 35.6	138,197	% *1 38.2
Piezoelectric Components	31,426	8.8	31,870	7.9	33,616	8.2	32,342	8.9
Other Components	92,352	25.9	98,635	24.5	92,814	22.7	79,228	21.9
Components Total	261,512	73.3	268,274	66.6	272,168	66.5	249,767	69.0
Modules Total	95,225	26.7	134,273	33.4	136,991	33.5	112,130	31.0
Net sales	356,737	100.0	402,547	100.0	409,159	100.0	361,897	100.0

	Millions of yen					
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020	
Capacitors	134,494	% *1 41.2	156,063	% *1 36.7	167,291	% *1 35.7
Piezoelectric Components	26,389	8.1	34,353	8.1	31,993	6.8
Other Components	77,365	23.7	101,339	23.9	106,956	22.9
Components Total	238,248	73.0	291,755	68.7	306,240	65.4
Modules Total	87,945	27.0	132,786	31.3	161,757	34.6
Net sales	326,193	100.0	424,541	100.0	467,997	100.0

*1 Component ratio

*2 Exclusive of consumption taxes