

Consolidated Financial Flash Report (September 30, 2022)

Date: October 31, 2022

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <https://corporate.murata.com>)
Phone : (075) 955-6525
The date of payout of dividends : November 28, 2022

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the six months ended September 30, 2022

(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	%
Six months ended September 30, 2022	920,224	1.3	194,974	(12.2)	213,162	(6.4)	160,356	(4.4)
Six months ended September 30, 2021	908,074	20.8	222,109	68.9	227,853	71.1	167,788	68.0

Comprehensive income attributable to Murata Corporation: 264,479 million yen for the six months ended September 30, 2022 and 175,828 million yen for the six months ended September 30, 2021.

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share
	Yen	Yen
Six months ended September 30, 2022	252.71	-
Six months ended September 30, 2021	262.24	-

* Percentage represents year-on-year changes.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At September 30, 2022	2,944,918	2,403,361	81.6	3,816.53
At March 31, 2022	2,809,171	2,263,596	80.6	3,537.80

2. Dividends (Year ended March 31, 2022 and the year ending March 31, 2023)

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2022	-	60.00	-	70.00	130.00
2023	-	75.00	-	75.00	150.00
2023 (Projected)	-	-	-	75.00	150.00

* No change in the projected dividends during the three months ended September 30, 2022.

3. Projected financial results for the year ending March 31, 2023 (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, 2023	1,820,000	0.4	380,000	(10.4)	399,000	(7.8)	297,000	(5.5)	471.64

* Projected financial results have been revised during the three months ended September 30, 2022.

* Percentage represents year-on-year changes.

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2022 (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 September 30, 2022 and at March 31, 2022
Number of treasury stock: 46,090,135 shares at September 30, 2022 and 35,982,533 shares at March 31, 2022
Average number of shares outstanding: 634,521,815 shares for the six months ended September 30, 2022 and 639,815,713 shares for the six months ended September 30, 2021

*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, 2022 through September 30, 2022)

1. Business Results

The global economic environment in the period under review showed a slowdown in the growth rate against the backdrop of sharp interest rate hikes by the central banks in various countries and a deterioration in the European situation resulting from the state of affairs in Ukraine. In the United States, the Federal Reserve Board (FRB) maintained its stance of continuing to increase interest rates amid signs of a gradual economic recovery, which raised concerns over an economic downturn. In Europe, the European Central Bank (ECB) and others raised interest rates, and the economy is expected to be worsened by factors including rising energy prices due to fears of a disruption in the natural gas supply. China saw a continued stagnation in its economy mainly due to a re-imposition of restrictions on freedom of movement and a worsening in the real estate market. In Japan, the yen depreciated rapidly primarily because of the continued negative interest rate policy and a widening trade deficit.

In the electronics market where Murata Manufacturing Co., Ltd. and subsidiaries (hereinafter referred to as the Companies) operate, demand for components declined due to stagnation in the smartphone and PC markets and spreading inventory adjustments. In addition, demand for automotive components stagnated due to the prolonged shortage of semiconductors and other components.

In these circumstances, regarding net sales for the period under review, whereas sales of SAW filters decreased for smartphones, sales of lithium-ion secondary batteries significantly increased for power tools, in addition currency fluctuations (the yen depreciated by 24.18 yen year-on-year). As a result, net sales in the six months ended September 30, 2022 increased by 1.3% year-on-year to 920,224 million yen.

Looking at profits, operating income was 194,974 million yen, down 12.2% year-on-year, income before taxes came to 213,162 million yen, down 6.4% year-on-year, and net income attributable to Murata Corporation posted 160,356 million yen, down 4.4% year-on-year. This was due to a decrease in the operation rate and an increase in fixed costs, despite profit-increasing factors such as a weaker yen and cost reduction.

	Millions of yen					
	Six months ended September 30, 2021		Six months ended September 30, 2022		Change	
		%*		%*		%
Net sales	908,074	100.0	920,224	100.0	12,150	1.3
Operating income	222,109	24.5	194,974	21.2	(27,135)	(12.2)
Income before income taxes	227,853	25.1	213,162	23.2	(14,691)	(6.4)
Net income attributable to Murata Corporation	167,788	18.5	160,356	17.4	(7,432)	(4.4)
Average exchange rate (Yen/U.S. dollar)	109.80	-	133.98	-	24.18	-

*Component ratio as a percentage of net sales

Sales by Operating Segments

Net sales by Operating Segment for the period under review were as follows.

Please note that operating segments and classifications of sales in the operating segments have been changed since the period under review. Please refer to page 8 for details. To compare with the previous consolidated fiscal year below, the amounts for the period under view are analyzed and compared with those of the same period a year earlier after reclassifying the latter into classifications of sales after change.

		Millions of yen					
		Six months ended September 30, 2021		Six months ended September 30, 2022		Change	
			%*		%*		%
	Capacitors	393,377	43.3	396,579	43.1	3,202	0.8
	Inductors and EMI filters	101,165	11.1	95,173	10.4	(5,992)	(5.9)
Components		494,542	54.4	491,752	53.5	(2,790)	(0.6)
	High-Frequency Device and Communications Module	265,652	29.3	256,004	27.8	(9,648)	(3.6)
	Battery and Power supply	87,887	9.7	116,273	12.6	28,386	32.3
	Functional Device	54,394	6.0	49,709	5.4	(4,685)	(8.6)
Devices and Modules		407,933	45.0	421,986	45.8	14,053	3.4
Others		5,599	0.6	6,486	0.7	887	15.8
Net sales		908,074	100.0	920,224	100.0	12,150	1.3

*Component ratio as a percentage of net sales

<Components>

Sales of Components for the period under review decreased by 0.6% year-on-year to 491,752 million yen.

[Capacitors]

The Capacitors category includes MLCCs.

For the period under review, sales of multilayer ceramic capacitors (MLCCs) decreased for computers, but increased for mobility due in part to sales-increasing factors including a weaker yen.

As a result, overall net sales increased by 0.8% year-on-year to 396,579 million yen.

[Inductors and EMI Filters]

The Inductors and EMI filters category includes Inductors, EMI Suppression Filters.

For the period under review, sales of EMI suppression filters and inductors increased for mobility. However, sales of inductors decreased for computers and smartphones.

As a result, overall net sales decreased by 5.9% year-on-year to 95,173 million yen.

<Devices and Modules>

Sales of Devices and Modules for the period under review increased by 3.4% year-on-year to 421,986 million yen.

[High-Frequency Device and Communications Module]

The High-Frequency Device and Communications Module category includes Connectivity modules, High-frequency modules, SAW filters, Multilayer resin substrates.

For the period under review, while sales of multilayer resin substrates increased, sales of SAW filters, high-frequency modules and connectivity modules considerably fell for smartphones.

As a result, overall net sales decreased by 3.6% year-on-year to 256,004 million yen.

[Battery and Power supply]

The Battery and Power supply category includes Lithium-ion secondary batteries, Power supplies modules.

For the period under review, sales of lithium-ion secondary batteries increased significantly for power tools.

As a result, overall net sales increased by 32.3% year-on-year to 116,273 million yen.

[Functional Device]

The Functional Device category includes Sensors, Timing devices (Resonators).

For the period under review, sales of sensors decreased for computers.

As a result, overall net sales decreased by 8.6% year-on-year to 49,709 million yen.

Sales by Application Category

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

Please note that classifications of sales by application category have been changed since the period under review. Please refer to page 8 for details. To compare with the previous consolidated fiscal year below, the amounts for the period under view are analyzed and compared with those of the same period a year earlier after reclassifying the latter into classifications of sales after change.

	Millions of yen					
	Six months ended September 30, 2021		Six months ended September 30, 2022		Change	
		%		%		%
Communication	392,724	43.2	374,231	40.7	(18,493)	(4.7)
Mobility	164,837	18.2	186,205	20.2	21,368	13.0
Computers	151,675	16.7	133,389	14.5	(18,286)	(12.1)
Home Electronics	92,408	10.2	113,282	12.3	20,874	22.6
Industry and Others	106,430	11.7	113,117	12.3	6,687	6.3
Net sales	908,074	100.0	920,224	100.0	12,150	1.3

*Based on our estimate

[Communication]

For the period under review, although sales of MLCCs for wearable devices and base stations increased, sales of SAW filters, MLCCs and connectivity modules for smartphones significantly dropped.

As a result, overall net sales decreased by 4.7% year-on-year to 374,231 million yen.

[Mobility]

For the period under review, sales of MLCCs and EMI suppression filters increased partly due to the sales-increasing factor of a weaker yen.

As a result, overall net sales increased by 13.0% year-on-year to 186,205 million yen.

[Computers]

For the period under review, sales of inductors and MLCCs decreased for PCs.

As a result, overall net sales decreased by 12.1% year-on-year to 133,389 million yen.

[Home Electronics]

For the period under review, sales of lithium-ion secondary batteries for power tools increased significantly.

As a result, overall net sales increased by 22.6% year-on-year to 113,282 million yen.

[Industry and Others]

For the period under review, sales for Industrial equipment and healthcare products increased.

As a result, overall net sales increased by 6.3% year-on-year to 113,117 million yen.

2. Financial Position

Total assets on September 30, 2022, increased by 135,747 million yen from the end of the previous fiscal year to 2,944,918 million yen, mainly due to an increase in inventories and cash. Liabilities decreased by 3,847 million yen to 541,412 million yen from the end of the previous fiscal year due to a decrease in income taxes payable and trade accounts payable. Equity increased by 139,594 million yen from the end of the previous fiscal year to 2,403,506 million yen, mainly due to an increase in retained earnings. The ratio of shareholders' equity to total assets increased by 1.0 points from the end of the previous fiscal year to 81.6% on September 30, 2022.

Compared with 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 153,317 million yen.

Negative factors—an increase of 73,992 million yen in inventories—were offset by net income of 160,195 million yen and depreciation and amortization of 79,819 million yen.

Net cash provided by operating activities decreased by 54,601 million yen from the same period of the previous fiscal year.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 59,641 million yen. While cash inflows included maturities and sales of marketable securities, investments and other of 41,239 million yen, there were cash outflows due to 86,839 million yen in capital expenditures aimed at boosting production capacity in particular, and 30,111 million yen in payment for purchases of marketable securities, investments and other.

Net cash used in investing activities increased by 20,584 million yen from the same period of the previous fiscal year.

<Net Cash Used in Financing Activities>

For the period under review, net cash used in financing activities was 126,550 million yen primarily due to acquisition of treasury shares of 80,004 million yen and the payment of dividends of 44,788 million yen.

Net cash used in financing activities decreased by 87,550 million yen from the same period of the previous fiscal year.

3. Projected Results for the Year Ending March 31, 2023

In the projected results for the fiscal year ending March 2023, net sales are expected to be short of the previous projections even when incorporating the sales-increasing factor of a weaker yen. This is due to concerns that production of smartphones and PCs will significantly decline partly owing to the impact of inflation that is accelerating globally, causing a decrease in sales quantities of the Companies' products for communications and computers. Looking at profits, operating income too is expected to fail to reach the previous projection due to a lower capacity utilization resulting from a decrease in production despite the profit-increasing factor of a weaker yen. 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, 2023, which was announced on April 28, 2022, has been adjusted.

		Consolidated Basis	
		Previous Projections	Revised Projections
Net sales	Millions of yen	1,930,000	1,820,000
Operating income	<%>*1 Millions of yen	<22.8> 440,000	<20.9> 380,000
Income before income taxes	<%>*1 Millions of yen	<22.9> 442,000	<21.9> 399,000
Net income attributable to Murata Corporation	<%>*1 Millions of yen	<16.8> 324,000	<16.3> 297,000
Return on invested capital (ROIC)*2 (pre-tax basis)	<%>	21.6	18.7
Capital expenditures	Millions of yen	240,000	210,000
Depreciation and amortization	<%>*1 Millions of yen	<8.6> 166,000	<8.8> 160,000
Research and development expenses	<%>*1 Millions of yen	<6.0> 116,000	<6.6> 121,000

*1 Ratio to net sales

*2 ROIC (pre-tax basis)=Pre-tax operating income/Average invested capital at the beginning and end of the period(=Net fixed assets[book value]+inventories+accounts receivable-trade—accounts payable-trade)

The above forecast is based on the assumption that the exchange rate will be ¥140 to the U.S. dollar from the third quarter of this fiscal year. The Companies have revised the figure for capital expenditure of 240,000 million yen, which was announced on April 28, 2022, to 210,000 million yen. This is due to incipient delays in the delivery of equipment, etc. resulting from shortages of semiconductors and other materials.

4. Changes in Operating Segments

In Vision 2030 and Medium-term Direction 2024, announced in November 2021, we organized the thinking of our business portfolio under the name of "3-layer Portfolio." Accordingly, we have changed operating segments in line with the 3-Layer Portfolio from the period under review. Additionally, we have changed classifications of sales in operating segments and sales by application category. The following are details of the changes in operating segments and classifications of sales in the operating segments, sales by application category.

<Changes in Operating Segments and Classifications of Sales in Operating Segments>

~FY2021

Segment	Sales Category	Main products
Components	Capacitors	Multilayer ceramic capacitors (MLCCs)
	Piezoelectric Components	SAW filters Piezoelectric sensors Ceramic resonators
	Other Components	Inductors EMI filters Lithium ion secondary batteries Connectors Sensors Thermistors
		RF modules Multilayer ceramic devices Connectivity modules Multilayer resin substrates Power supplies modules Solutions
Modules		
Others		Machinery manufacturing Sales of software

FY2022~

Segment	Sales Category	Main products
Components	Capacitors	Multilayer ceramic capacitors (MLCCs)
	Inductors and EMI filters	Inductors EMI Suppression filters
Devices and Modules	High-Frequency Device and Communications Module	SAW filters RF modules Multilayer ceramic devices Connectors Connectivity modules Multilayer resin substrates
		Lithium-ion secondary batteries Power supplies modules
		Sensors Timing devices (Resonators)
	Battery and Power supply	
Others	Functional Device	
		Solutions business Medical Products Machinery manufacturing etc..

<Change in sales by Application Category>

~FY2021

Sales by Application	Main applications
AV	TV, Video Game
	Digital Camera
Communication	Smartphone
	Wearable Appliance
	Base Station
Computers and Peripherals	Electronic Data Processing
	Industrial equipment
Automotive Electronics	Automobile
	Motor cycle
Home Electronics and Others	Home Electrical Appliance
	Others

FY2022~

Sales by Application	Main applications
Communication	Smartphone
	Wearable Appliance
	Base Station
Mobility	Automobile
	Motor cycle
Computers	Electronic Data Processing
Home Electronics	TV, Video Game
	Digital Camera
	Power tool
	Home Electrical Appliance
Industry and Others	Industrial equipment
	Others

[Cautionary Statement on Forward-looking Statements]

This report contains forward-looking statements concerning the Companies' projections, plans, policies, strategies, schedules, and decisions. These forward-looking statements are not historical facts; rather, they represent the assumptions of the Companies based on information currently available and certain assumptions we deem as reasonable. Actual results may differ materially from expectations owing to various risks and uncertainties. Readers are therefore requested not to rely on these forward-looking statements as the sole basis for evaluating the Companies. The Companies have no obligation to revise any of the forward-looking statements as a result of new information, future events or otherwise.

Risks and uncertainties that may affect actual results include, but are not limited to, the following: (1) economic conditions of the Companies' business environment, and trends, supply-demand balance, and price fluctuations in the markets for electronic devices and components; (2) price fluctuations and insufficient supply of raw materials; (3) exchange rate fluctuations; (4) the Companies' ability to provide a stable supply of new products that are compatible with the rapid technical innovation of the electronic components market and to continue to design and develop products and services that satisfy customers; (5) changes in the market value of the Companies' financial assets; (6) drastic legal, political, and social changes in the Companies' business environment; and (7) other uncertainties and contingencies.

(1) Consolidated Balance Sheets (Assets)

At March 31, 2022 and September 30, 2022

	Millions of Yen			
	At March 31, 2022		At September 30, 2022	
		%		%
Assets	2,809,171	100.0	2,944,918	100.0
Current assets	1,435,206	51.1	1,514,141	51.5
Cash	370,388		416,621	
Short-term investments	174,074		103,004	
Marketable securities	23,979		10,280	
Trade notes receivable	0		7	
Trade accounts receivable	360,517		373,955	
Allowance for doubtful notes and accounts	(2,207)		(2,586)	
Inventories	464,723		561,293	
Prepaid expenses and other	43,732		51,567	
Property, plant and equipment	1,116,602	39.7	1,152,793	39.1
Land	81,213		81,907	
Buildings	789,142		821,773	
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,530,121		1,593,078	
Construction in progress	89,723		101,907	
Accumulated depreciation	(1,405,460)		(1,482,353)	
Operating lease right-of-use assets	31,863		36,481	
Investments and other assets	257,363	9.2	277,984	9.4
Investments	34,618		30,996	
Intangible assets	47,141		45,510	
Goodwill	118,014		134,497	
Deferred income taxes	26,562		34,878	
Other	31,028		32,103	
Total assets	2,809,171	100.0	2,944,918	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2022 and September 30, 2022

	Millions of Yen			
	At March 31, 2022		At September 30, 2022	
		%		%
Liabilities	545,259	19.4	541,412	18.4
Current liabilities	321,258	11.4	312,975	10.6
Short-term borrowings	-		28	
Trade accounts payable	93,842		88,729	
Accrued payroll and bonuses	63,997		64,505	
Income taxes payable	59,228		52,353	
Accrued expenses and other	97,816		99,979	
Current operating lease liabilities	6,375		7,381	
Long-term liabilities	224,001	8.0	228,437	7.8
Bonds	109,901		109,925	
Long-term debt	1,078		1,163	
Termination and retirement benefits	64,566		64,738	
Deferred income taxes	13,233		13,728	
Noncurrent operating lease liabilities	25,627		29,079	
Other	9,596		9,804	
Equity	2,263,912	80.6	2,403,506	81.6
Murata Corporation's shareholders' equity	2,263,596	80.6	2,403,361	81.6
Common stock	69,444		69,444	
Capital surplus	121,004		121,030	
Retained earnings	2,024,368		2,139,936	
Accumulated other comprehensive income (loss):	102,318		206,441	
Unrealized gains (losses) on securities	(43)		(41)	
Pension liability adjustments	(1,963)		(2,111)	
Foreign currency translation adjustments	104,324		208,593	
Treasury stock, at cost	(53,538)		(133,490)	
Noncontrolling interests	316	0.0	145	0.0
Total liabilities and equity	2,809,171	100.0	2,944,918	100.0

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

Consolidated Statements of Income

Six months ended September 30, 2021 and 2022

	Millions of Yen			
	Six months ended September 30, 2021		Six months ended September 30, 2022	
		%		%
Net sales	908,074	100.0	920,224	100.0
Cost of sales	517,420	57.0	539,852	58.6
Selling, general and administrative	114,284	12.5	123,234	13.4
Research and development	54,261	6.0	62,164	6.8
Operating income	222,109	24.5	194,974	21.2
Interest and dividend income	607	0.1	1,686	0.2
Interest expense	(159)	(0.0)	(218)	(0.0)
Foreign currency exchange gain (loss)	378	0.0	16,151	1.7
Other - net	4,918	0.5	569	0.1
Income before income taxes	227,853	25.1	213,162	23.2
Income taxes	60,183	6.6	52,967	5.8
<Current income tax>	<56,483>		<63,387>	
<Deferred income tax>	<3,700>		<(10,420)>	
Net income	167,670	18.5	160,195	17.4
Less: Net income (loss) attributable to noncontrolling interests	(118)	(0.0)	(161)	(0.0)
Net income attributable to Murata Corporation	167,788	18.5	160,356	17.4

Consolidated Statements of Comprehensive Income

Six months ended September 30, 2021 and 2022

	Millions of Yen	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Net income	167,670	160,195
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	(5)	2
Pension liability adjustments	10	(148)
Foreign currency translation adjustments	8,056	104,325
Other comprehensive income (loss)	8,061	104,179
Comprehensive income	175,731	264,374
Less: Comprehensive income (loss) attributable to noncontrolling interests	(97)	(105)
Comprehensive income attributable to Murata Corporation	175,828	264,479

Consolidated Statements of Income

Three months ended September 30, 2021 and 2022

	Millions of Yen			
	Three months ended September 30, 2021		Three months ended September 30, 2022	
		%		%
Net sales	468,517	100.0	483,567	100.0
Cost of sales	265,733	56.7	283,360	58.6
Selling, general and administrative	58,531	12.5	62,356	12.9
Research and development	27,213	5.8	31,490	6.5
Operating income	117,040	25.0	106,361	22.0
Interest and dividend income	187	0.0	1,038	0.2
Interest expense	(69)	(0.0)	(46)	(0.0)
Foreign currency exchange gain (loss)	2,101	0.5	4,151	0.9
Other - net	4,884	1.0	454	0.1
Income before income taxes	124,143	26.5	111,958	23.2
Income taxes	33,626	7.2	26,869	5.6
<Current income tax>	<38,666>		40,692	
<Deferred income tax>	<(5,040)>		(13,823)	
Net income	90,517	19.3	85,089	17.6
Less: Net income (loss) attributable to noncontrolling interests	(53)	(0.0)	(66)	(0.0)
Net income attributable to Murata Corporation	90,570	19.3	85,155	17.6

Consolidated Statements of Comprehensive Income

Three months ended September 30, 2021 and 2022

	Millions of Yen	
	Three months ended September 30, 2021	Three months ended September 30, 2022
Net income	90,517	85,089
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	2	28
Pension liability adjustments	59	(57)
Foreign currency translation adjustments	2,787	27,293
Other comprehensive income (loss)	2,848	27,264
Comprehensive income	93,365	112,353
Less: Comprehensive income (loss) attributable to noncontrolling interests	(45)	(67)
Comprehensive income attributable to Murata Corporation	93,410	112,420

(3) Consolidated Statements of Cash Flows

Six months ended September 30, 2021 and 2022

	Millions of Yen			
	Six months ended September 30, 2021		Six months ended September 30, 2022	
Operating activities:				
Net income		167,670		160,195
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	76,010		79,819	
Losses (gains) on sales and disposals of property, plant and equipment	(57)		(114)	
Impairment losses on long-lived assets	2,188		161	
Provision for termination and retirement benefits, less payments	480		(274)	
Deferred income taxes	3,700		(10,420)	
Changes in assets and liabilities:				
(Increase) decrease in trade notes and accounts receivable	1,669		17,382	
(Increase) decrease in inventories	(37,100)		(73,992)	
(Increase) decrease in prepaid expenses and other	(5,186)		(7,126)	
Increase (decrease) in trade notes and accounts payable	1,913		(8,458)	
Increase (decrease) in accrued payroll and bonuses	2,946		(911)	
Increase (decrease) in income taxes payable	8,152		(8,552)	
Increase (decrease) in accrued expenses and other	(12,690)		3,820	
Other-net	(1,777)	40,248	1,787	(6,878)
Net cash provided by operating activities		207,918		153,317
Investing activities:				
Payment for purchases of property, plant and equipment		(80,003)		(86,839)
Payment for purchases of marketable securities, investments and other		(12,306)		(30,111)
Maturities and sales of marketable securities, investments and other		19,239		41,239
Increase in long-term deposits and loans		(30)		(13)
Decrease in long-term deposits and loans		5,475		-
(Increase) decrease in short-term investments		93		13,523
Acquisitions of businesses, net of cash acquired		(13,378)		-
Other-net		685		2,560
Net cash used in investing activities		(80,225)		(59,641)
Financing activities:				
Net increase (decrease) in short-term borrowings		(91)		28
Proceeds from long-term debt		84		340
Repayment of long-term debt		(6)		(6)
Dividends paid		(38,389)		(44,788)
Payment for purchases of treasury stock		(8)		(80,004)
Other-net		(590)		(2,120)
Net cash provided by (used in) financing activities		(39,000)		(126,550)
Effect of exchange rate changes on cash and cash equivalents		(93)		19,218
Net increase (decrease) in cash and cash equivalents		88,600		(13,656)
Cash and cash equivalents at beginning of period		407,699		512,072
Cash and cash equivalents at end of period		496,299		498,416
Additional cash and cash equivalents information:				
Cash		395,345		416,621
Short-term investments		115,919		103,004
Short-term investments with original maturities over 3 months		(14,965)		(21,209)
Cash and cash equivalents at end of period		496,299		498,416

(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 business strategies of the Companies, and the Companies recognized three segments that are the Components, Devices and Modules, and Others.

The Companies have changed operating segments from the period. Please refer to page 8 for details.

Additionally, we have changed classifications of income on represents from “segment income” to “operating income” from the period under review. Accordingly, income (expenses) of headquarters functions and fundamental research, which were initially represented as “Corporate expenses”, have been recorded in each respective segment.

Please note that the amounts of the same period a year earlier have been restated after reclassifying due to the change above.

Six months ended September 30, 2021 and 2022

		Millions of Yen			
		Six months ended September 30, 2021		Six months ended September 30, 2022	
Components	Sales to:		%		%
	Unaffiliated customers	494,542		491,752	
	Intersegment	6,216		5,423	
	Total revenue	500,758	100.0	497,175	100.0
	Operating income (loss)	180,652	36.1	167,829	33.8
Devices and Modules	Sales to:		%		%
	Unaffiliated customers	407,933		421,986	
	Intersegment	4		4	
	Total revenue	407,937	100.0	421,990	100.0
	Operating income (loss)	42,449	10.4	27,705	6.6
Others	Sales to:		%		%
	Unaffiliated customers	5,599		6,486	
	Intersegment	29,693		30,244	
	Total revenue	35,292	100.0	36,730	100.0
	Operating income (loss)	(992)	(2.8)	(560)	(1.5)
Eliminations and Corporate	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(35,913)		(35,671)	
	Total revenue	(35,913)	-	(35,671)	-
	Operating income (loss)	-	-	-	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	908,074		920,224	
	Intersegment	-		-	
	Total revenue	908,074	100.0	920,224	100.0
	Operating income	222,109	24.5	194,974	21.2

Three months ended September 30, 2021 and 2022

		Millions of Yen			
		Three months ended September 30, 2021		Three months ended September 30, 2022	
Components	Sales to:		%		%
	Unaffiliated customers	255,203		242,727	
	Intersegment	3,327		2,493	
	Total revenue	258,530	100.0	245,220	100.0
	Operating income (loss)	94,313	36.5	80,989	33.0
Devices and Modules	Sales to:		%		%
	Unaffiliated customers	210,344		237,501	
	Intersegment	2		2	
	Total revenue	210,346	100.0	237,503	100.0
	Operating income (loss)	23,596	11.2	26,089	11.0
Others	Sales to:		%		%
	Unaffiliated customers	2,970		3,339	
	Intersegment	14,867		13,203	
	Total revenue	17,837	100.0	16,542	100.0
	Operating income (loss)	(869)	(4.9)	(717)	(4.3)
Eliminations and Corporate	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(18,196)		(15,698)	
	Total revenue	(18,196)	-	(15,698)	-
	Operating income (loss)	-	-	-	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	468,517		483,567	
	Intersegment	-		-	
	Total revenue	468,517	100.0	483,567	100.0
	Operating income	117,040	25.0	106,361	22.0

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

(1) Components: Capacitors, Inductors, and EMI filters

(2) Devices and Modules: RF modules, SAW filters, Lithium-ion secondary batteries, and Sensors

(3) Others: Machinery manufacturing, Medical Products, and Solutions business

2. Intersegment transactions are based on market prices.

(6) Significant changes in shareholders' equity

None

(7) Other

October 31, 2022
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <https://corporate.murata.com>)

Flash Report (Six months ended September 30, 2022)

Selected Financial Data - Consolidated basis

Six months ended September 30, 2021 and 2022/at September 30, 2021 and 2022

		Consolidated Basis		
		2021	2022	Growth ratio
Net sales	Millions of yen	908,074	920,224	1.3
	<%>*2	<24.5>	<21.2>	
Operating income	Millions of yen	222,109	194,974	(12.2)
	<%>*2	<25.1>	<23.2>	
Income before income taxes	Millions of yen	227,853	213,162	(6.4)
Net income attributable to Murata Corporation	<%>*2	<18.5>	<17.4>	
	Millions of yen	167,788	160,356	(4.4)
Total assets	Millions of yen	2,598,565	2,944,918	13.3
Shareholders' equity	Millions of yen	2,058,671	2,403,361	16.7
Shareholders' equity ratio	%	79.2	81.6	-
Basic earnings attributable to Murata Corporation per share	Yen	262.24	252.71	(3.6)
Diluted earnings attributable to Murata Corporation per share	*3	-	-	-
	Yen	-	-	-
Shareholders' equity per share	Yen	3,217.51	3,816.53	-
Capital expenditures	Millions of yen	74,625	83,694	12.2
	<%>*2	<8.4>	<8.7>	
Depreciation and amortization	Millions of yen	76,010	79,819	5.0
	<%>*2	<6.0>	<6.8>	
Research and development expenses	Millions of yen	54,261	62,164	14.6
	*4	<44,432>	<43,414>	
Number of employees		76,847	76,711	(0.2)
Average exchange rates Yen/US dollar	Yen	109.80	133.98	-

Three months ended September 30, 2021 and 2022

		Consolidated Basis		
		2021	2022	Growth ratio
Net sales	Millions of yen	468,517	483,567	3.2
	<%>*2	<25.0>	<22.0>	
Operating income	Millions of yen	117,040	106,361	(9.1)
	<%>*2	<26.5>	<23.2>	
Income before income taxes	Millions of yen	124,143	111,958	(9.8)
Net income attributable to Murata Corporation	<%>*2	<19.3>	<17.6>	
	Millions of yen	90,570	85,155	(6.0)
Basic earnings attributable to Murata Corporation per share	Yen	141.55	134.76	(4.8)
Diluted earnings attributable to Murata Corporation per share	*3	-	-	-
	Yen	-	-	-
Capital expenditures	Millions of yen	32,072	45,143	40.8
	<%>*2	<8.3>	<8.3>	
Depreciation and amortization	Millions of yen	38,746	40,050	3.4
	<%>*2	<5.8>	<6.5>	
Research and development expenses	Millions of yen	27,213	31,490	15.7

*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

We have changed operating segments and classifications of sales in the operating segments, sales by application category from the period under review. Accordingly, the following reporting categories have been changed from the period under review. Please note that the amounts of the same period a year earlier have been restated after reclassifying due to the changes.

(1) Orders and Backlogs by Operating Segment

<Orders>

Six months ended September 30, 2021 and 2022

		Millions of yen					
		Six months ended September 30, 2021		Six months ended September 30, 2022		Change	
			%*1		%*1		%
	Capacitors	423,868	43.4	362,349	41.9	(61,519)	(14.5)
	Inductors and EMI filters	112,334	11.5	86,718	10.0	(25,616)	(22.8)
Components		536,202	54.9	449,067	51.9	(87,135)	(16.3)
	High-Frequency Device and Communications Module	278,300	28.5	243,637	28.1	(34,663)	(12.5)
	Battery and Power supply	95,712	9.8	118,845	13.7	23,133	24.2
	Functional Device	58,762	6.0	49,247	5.7	(9,515)	(16.2)
Devices and Modules		432,774	44.3	411,729	47.5	(21,045)	(4.9)
Others		8,065	0.8	5,369	0.6	(2,696)	(33.4)
Net sales		977,041	100.0	866,165	100.0	(110,876)	(11.3)

Three months ended September 30, 2021 and 2022

		Millions of yen					
		Three months ended September 30, 2021		Three months ended September 30, 2022		Change	
			%*1		%*1		%
	Capacitors	199,018	41.4	164,870	37.5	(34,148)	(17.2)
	Inductors and EMI filters	56,562	11.8	42,102	9.6	(14,460)	(25.6)
Components		255,580	53.2	206,972	47.1	(48,608)	(19.0)
	High-Frequency Device and Communications Module	146,922	30.5	137,929	31.3	(8,993)	(6.1)
	Battery and Power supply	48,153	10.0	67,677	15.4	19,524	40.5
	Functional Device	26,678	5.5	23,697	5.4	(2,981)	(11.2)
Devices and Modules		221,753	46.0	229,303	52.1	7,550	3.4
Others		3,738	0.8	3,411	0.8	(327)	(8.7)
Net sales		481,071	100.0	439,686	100.0	(41,385)	(8.6)

*1 Component ratio

*2 Figures are based on sales prices to customers.

<Backlogs>

		Millions of yen					
		At March 31, 2022		At September 30, 2022		Change	
			%*1		%*1		%
	Capacitors	228,710	43.8	194,480	41.6	(34,230)	(15.0)
	Inductors and EMI filters	47,252	9.1	38,797	8.3	(8,455)	(17.9)
	Components	275,962	52.9	233,277	49.9	(42,685)	(15.5)
	High-Frequency Device and Communications Module	106,456	20.4	94,089	20.1	(12,367)	(11.6)
	Battery and Power supply	104,058	19.9	106,630	22.8	2,572	2.5
	Functional Device	26,624	5.1	26,162	5.6	(462)	(1.7)
	Devices and Modules	237,138	45.4	226,881	48.5	(10,257)	(4.3)
	Others	8,724	1.7	7,607	1.6	(1,117)	(12.8)
	Net sales	521,824	100.0	467,765	100.0	(54,059)	(10.4)

*1 Component ratio

*2 Figures are based on sales prices to customers.

(2) Sales by Operating Segment, Application and Area

1. Sales by Operating Segment

Six months ended September 30, 2021 and 2022

		Millions of yen					
		Six months ended September 30, 2021		Six months ended September 30, 2022		Change	
			%*1		%*1		%
	Capacitors	393,377	43.3	396,579	43.1	3,202	0.8
	Inductors and EMI filters	101,165	11.1	95,173	10.4	(5,992)	(5.9)
	Components	494,542	54.4	491,752	53.5	(2,790)	(0.6)
	High-Frequency Device and Communications Module	265,652	29.3	256,004	27.8	(9,648)	(3.6)
	Battery and Power supply	87,887	9.7	116,273	12.6	28,386	32.3
	Functional Device	54,394	6.0	49,709	5.4	(4,685)	(8.6)
	Devices and Modules	407,933	45.0	421,986	45.8	14,053	3.4
	Others	5,599	0.6	6,486	0.7	887	15.8
	Net sales	908,074	100.0	920,224	100.0	12,150	1.3

Three months ended September 30, 2021 and 2022

		Millions of yen					
		Three months ended September 30, 2021		Three months ended September 30, 2022		Change	
			%*1		%*1		%
	Capacitors	203,350	43.4	194,436	40.2	(8,914)	(4.4)
	Inductors and EMI filters	51,853	11.1	48,291	10.0	(3,562)	(6.9)
	Components	255,203	54.5	242,727	50.2	(12,476)	(4.9)
	High-Frequency Device and Communications Module	137,358	29.3	147,608	30.5	10,250	7.5
	Battery and Power supply	45,280	9.7	64,997	13.4	19,717	43.5
	Functional Device	27,706	5.9	24,896	5.2	(2,810)	(10.1)
	Devices and Modules	210,344	44.6	237,501	49.1	27,157	12.9
	Others	2,970	0.6	3,339	0.7	369	12.4
	Net sales	468,517	100.0	483,567	100.0	15,050	3.2

*1 Component ratio

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

Six months ended September 30, 2021 and 2022

	Millions of yen					
	Six months ended September 30, 2021		Six months ended September 30, 2022		Change	
		%*1		%*1		%
Communication	392,724	43.2	374,231	40.7	(18,493)	(4.7)
Mobility	164,837	18.2	186,205	20.2	21,368	13.0
Computers	151,675	16.7	133,389	14.5	(18,286)	(12.1)
Home Electronics	92,408	10.2	113,282	12.3	20,874	22.6
Industry and Others	106,430	11.7	113,117	12.3	6,687	6.3
Net sales	908,074	100.0	920,224	100.0	12,150	1.3

Three months ended September 30, 2021 and 2022

	Millions of yen					
	Three months ended September 30, 2021		Three months ended September 30, 2022		Change	
		%*1		%*1		%
Communication	207,068	44.2	205,047	42.4	(2,021)	(1.0)
Mobility	82,103	17.5	94,297	19.5	12,194	14.9
Computers	77,039	16.5	65,229	13.5	(11,810)	(15.3)
Home Electronics	48,252	10.3	61,947	12.8	13,695	28.4
Industry and Others	54,055	11.5	57,047	11.8	2,992	5.5
Net sales	468,517	100.0	483,567	100.0	15,050	3.2

*1 Component ratio

3. Sales by Area

Six months ended September 30, 2021 and 2022

		Millions of Yen					
		Six months ended September 30, 2021		Six months ended September 30, 2022		Change	
			%*1		%*1		%
	The Americas	104,505	11.5	133,782	14.5	29,277	28.0
	Europe	80,765	8.9	86,523	9.4	5,758	7.1
	Greater China	501,927	55.3	480,010	52.2	(21,917)	(4.4)
	Asia and Others	137,758	15.1	142,670	15.5	4,912	3.6
	Overseas total	824,955	90.8	842,985	91.6	18,030	2.2
	Japan	83,119	9.2	77,239	8.4	(5,880)	(7.1)
	Net sales	908,074	100.0	920,224	100.0	12,150	1.3

Three months ended September 30, 2021 and 2022

		Millions of Yen					
		Three months ended September 30, 2021		Three months ended September 30, 2022		Change	
			%*1		%*1		%
	The Americas	58,718	12.6	81,888	16.9	23,170	39.5
	Europe	40,352	8.6	43,012	8.9	2,660	6.6
	Greater China	256,898	54.8	250,398	51.8	(6,500)	(2.5)
	Asia and Others	69,355	14.8	70,606	14.6	1,251	1.8
	Overseas total	425,323	90.8	445,904	92.2	20,581	4.8
	Japan	43,194	9.2	37,663	7.8	(5,531)	(12.8)
	Net sales	468,517	100.0	483,567	100.0	15,050	3.2

*1 Component ratio

*2 Sales are attributed to countries or areas based on customer locations.

Quarterly Consolidated Performance

(1) Consolidated Financial Results

	Millions of yen							
	Three months ended June 30, 2021		Three months ended September 30, 2021		Three months ended December 31, 2021		Three months ended March 31, 2022	
		% *1		% *1		% *1		% *1
Net sales	439,557	100.0	468,517	100.0	471,387	100.0	433,060	100.0
Operating income	105,069	23.9	117,040	25.0	113,919	24.2	88,032	20.3
Income before income taxes	103,710	23.6	124,143	26.5	115,014	24.4	89,835	20.7
Net income attributable to Murata Corporation	77,218	17.6	90,570	19.3	82,646	17.5	63,690	14.7

	Millions of yen			
	Three months ended June 30, 2022		Three months ended September 30, 2022	
		% *1		% *1
Net sales	436,657	100.0	483,567	100.0
Operating income	88,613	20.3	106,361	22.0
Income before income taxes	101,204	23.2	111,958	23.2
Net income attributable to Murata Corporation	75,201	17.2	85,155	17.6

*1 Ratio to net sales

(2) Sales by Operating Segment

	Millions of Yen							
	Three months ended June 30, 2021		Three months ended September 30, 2021		Three months ended December 31, 2021		Three months ended March 31, 2022	
		% *1		% *1		% *1		% *1
Capacitors	190,027	43.2	203,350	43.4	201,387	42.7	193,775	44.8
Inductors and EMI filters	49,312	11.2	51,853	11.1	51,107	10.8	43,488	10.0
Components	239,339	54.4	255,203	54.5	252,494	53.5	237,263	54.8
High-Frequency Device and Communications Module	128,294	29.2	137,358	29.3	140,150	29.7	122,415	28.3
Battery and Power supply	42,607	9.7	45,280	9.7	48,822	10.4	43,729	10.1
Functional Device	26,688	6.1	27,706	5.9	26,343	5.6	25,648	5.9
Devices and Modules	197,589	45.0	210,344	44.9	215,315	45.7	191,792	44.3
Others	2,629	0.6	2,970	0.6	3,578	0.8	4,005	0.9
Net sales	439,557	100.0	468,517	100.0	471,387	100.0	433,060	100.0

	Millions of Yen			
	Three months ended June 30, 2022		Three months ended September 30, 2022	
		% *1		% *1
Capacitors	202,143	46.3	194,436	40.2
Inductors and EMI filters	46,882	10.7	48,291	10.0
Components	249,025	57.0	242,727	50.2
High-Frequency Device and Communications Module	108,396	24.8	147,608	30.5
Battery and Power supply	51,276	11.8	64,997	13.4
Functional Device	24,813	5.7	24,896	5.2
Devices and Modules	184,485	42.3	237,501	49.1
Others	3,147	0.7	3,339	0.7
Net sales	436,657	100.0	483,567	100.0

*1 Component ratio

*2 We have changed operating segments and classifications of sales in the operating segments from the period under review.
Please note that the amounts of the same period a year earlier have been restated after reclassifying due to the changes.

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

	Millions of yen							
	Three months ended June 30, 2021		Three months ended September 30, 2021		Three months ended December 31, 2021		Three months ended March 31, 2022	
		% *1		% *1		% *1		% *1
Communication	185,656	42.2	207,068	44.2	210,362	44.6	176,123	40.7
Mobility	82,734	18.8	82,103	17.5	80,274	17.0	91,210	21.1
Computers	74,636	17.0	77,039	16.5	75,113	16.0	70,685	16.3
Home Electronics	44,156	10.1	48,252	10.3	47,080	10.0	43,749	10.1
Industry and Others	52,375	11.9	54,055	11.5	58,558	12.4	51,293	11.8
Net sales	439,557	100.0	468,517	100.0	471,387	100.0	433,060	100.0

	Millions of yen			
	Three months ended June 30, 2022		Three months ended September 30, 2022	
		% *1		% *1
Communication	169,184	38.7	205,047	42.4
Mobility	91,908	21.0	94,297	19.5
Computers	68,160	15.6	65,229	13.5
Home Electronics	51,335	11.8	61,947	12.8
Industry and Others	56,070	12.9	57,047	11.8
Net sales	436,657	100.0	483,567	100.0

*1 Component ratio

*2 We have changed classifications of sales by application category from the period under review. Please note that the amounts of the same period a year earlier have been restated after reclassifying due to the change.