

Consolidated Financial Flash Report (December 31, 2021)

Date: February 1, 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 : -

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the nine months ended December 31, 2021

(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, 2021	1,379,461	13.0	336,028	40.1	342,867	43.2	250,434	42.0
Nine months ended December 31, 2020	1,220,653	4.2	239,909	19.4	239,494	18.1	176,323	20.1

Comprehensive income attributable to Murata Corporation: 285,699 million yen for the nine months ended December 31, 2021 and 180,229 million yen for the nine months ended December 31, 2020.

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share
	Yen	Yen
Nine months ended December 31, 2021	391.41	-
Nine months ended December 31, 2020	275.58	-

* 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 December 31, 2021	2,657,231	2,130,187	80.2	3,329.29
At March 31, 2021	2,462,261	1,920,805	78.0	3,002.12

2. Dividends (Year ended March 31, 2021 and the year ending March 31, 2022)

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2021	-	55.00	-	60.00	115.00
2022	-	60.00	-		
2022 (Projected)				65.00	125.00

* Projected dividends have been revised during the three months ended December 31, 2021.

3. Projected financial results for the year ending March 31, 2022 (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, 2022	1,770,000	8.6	410,000	30.9	416,000	31.5	302,000	27.4	472.00

* Projected financial results have been revised during the three months ended December 31, 2021.

Percentage represents year-on-year changes.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2021 (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, 2021 and at March 31, 2021

Number of treasury stock: 35,981,913 shares at December 31, 2021 and 35,998,818 shares at March 31, 2021

Average number of shares outstanding: 639,817,803 shares for the nine months ended December 31, 2021 and 639,799,064 shares for the nine months ended December 31, 2020

*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, 2021 through December 31, 2021)

1. Business Results

The global economy during the nine months ended December 31, 2021 showed signs of recovery, resulting from progress in economic activities driven by the spread of COVID-19 vaccinations and government stimulus measures in various countries although global shortages of semiconductors and others constrained production activities.

In the U.S., personal consumption and employment recovered due to the implementation of large-scale economic measures and progress in vaccinations. On the other hand, in China, a sense of economic stagnation is growing primarily owing to a resurgence of COVID-19 infections and a slowdown in the real estate industry although its exports and imports grew on the back of a global expansion in demand for electronic equipment, etc.

Additionally, the outlook for the global economy is uncertain with COVID-19 variants spreading and shortages of semiconductors and others continuing, among others.

Murata Manufacturing Co., Ltd and subsidiaries (hereinafter referred to as the Companies) operate in the electronics market. In this market, demand for Automotive electronics increased significantly year on year due to progress in electrification of automobiles and the accumulation of parts inventory by customers. Demand also expanded in the smartphone market driven by an increase in 5G smartphones, and moreover, demand for PCs continued to be steady, boosted mainly by the demand for remote work.

In these circumstances, in the nine months ended December 31, 2021, net sales of connectivity modules and multilayer resin substrates for smartphones decreased. However, net sales of our mainstay multilayer ceramic capacitors (MLCCs) increased significantly in the areas of car electronics and computers and peripherals. Further, net sales of lithium ion secondary batteries for power tools increased. Net sales of inductors increased in the areas of smartphones, and computers and peripherals. As a result, net sales in the nine months ended December 31, 2021 increased by 13.0% year-on-year to 1,379,461 million yen, boosted in part by currency fluctuations (the yen depreciated by 4.99 yen year-on-year).

Performance was positively contributed to by an improved operation ratio and cost reduction, depreciation of the yen, despite an increase in production-related expenses driven by production growth. As a result, operating income was 336,028 million yen, up 40.1% year on year, income before income taxes was 342,867 million yen, up 43.2% year on year, and net income attributable to Murata Corporation was 250,434 million yen, up 42.0% year on year.

	Millions of yen					
	Nine months ended December 31, 2020		Nine months ended December 31, 2021		Change	
		%*		%*		%
Net sales	1,220,653	100.0	1,379,461	100.0	158,808	13.0
Operating income	239,909	19.7	336,028	24.4	96,119	40.1
Income before income taxes	239,494	19.6	342,867	24.9	103,373	43.2
Net income attributable to Murata Corporation	176,323	14.4	250,434	18.2	74,111	42.0
Average exchange rate (Yen/U.S. dollar)	106.11	-	111.10	-	4.99	-
Average exchange rate (Yen/Euro)	122.37	-	130.62	-	8.25	-

*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, 2020		Nine months ended December 31, 2021		Change	
		%*		%*		%
Capacitors	457,848	37.6	592,327	43.0	134,479	29.4
Piezoelectric Components	92,735	7.6	109,763	8.0	17,028	18.4
Other Components	285,660	23.4	353,114	25.6	67,454	23.6
Components Total	836,243	68.6	1,055,204	76.6	218,961	26.2
Modules	382,488	31.4	321,941	23.4	(60,547)	(15.8)
Net sales	1,218,731	100.0	1,377,145	100.0	158,414	13.0

*Component ratio as a percentage of net sales

<Components>

Sales of Components for the period under review increased by 26.2% year-on-year to 1,055,204 million yen.

[Capacitors]

The Capacitors category includes MLCCs.

Sales of capacitors for PCs increased significantly against the background of demand for remote work and online education in the nine months ended December 31, 2021. Sales of capacitors for car electronics increased due to demand generated by the accumulation of parts inventory by customers.

As a result, overall net sales increased by 29.4% year-on-year to 592,327 million yen.

[Piezoelectric Components]

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

Sales of SAW filters increased for smartphones and IoT devices, in the nine months ended December 31, 2021.

As a result, overall net sales increased by 18.4% year-on-year to 109,763 million yen.

[Other Components]

Other Components include lithium-ion secondary batteries, inductors, electromagnetic interference suppression filters, connectors, sensors and thermistors.

Sales of lithium-ion secondary batteries for power tools, as well as sales of inductors for smartphones and PCs, increased significantly in the nine months ended December 31, 2021.

As a result, overall net sales increased by 23.6% year-on-year to 353,114 million yen.

<Modules>

The Modules category includes connectivity modules, RF modules, multilayer resin substrates, power supplies modules, and multilayer ceramic devices.

In the nine months ended December 31, 2021, sales of connectivity modules decreased for smartphones due to the restructuring of product portfolios, and sales of multilayer resin substrates also fell for smartphones.

As a result, overall net sales decreased by 15.8% year-on-year to 321,941 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, 2020		Nine months ended December 31, 2021		Change	
		%		%		%
AV	54,579	4.5	56,201	4.1	1,622	3.0
Communications	629,024	51.6	603,085	43.8	(25,939)	(4.1)
Computers and Peripherals	213,796	17.6	275,262	20.0	61,466	28.7
Automotive Electronics	189,261	15.5	245,111	17.8	55,850	29.5
Home and Others	132,071	10.8	197,486	14.3	65,415	49.5
Net sales	1,218,731	100.0	1,377,145	100.0	158,414	13.0

*Based on our estimate

[AV]

On the back of demand from the stay-at-home economy, sales of MLCCs for video game consoles increased in the nine months ended December 31, 2021.

As a result, overall net sales increased by 3.0% year-on-year to 56,201 million yen.

[Communication]

Sales of MLCCs for smartphones increased in the nine months ended December 31, 2021. As a result of a revision to the business portfolio for the above application, sales of connectivity modules and RF modules decreased.

As a result, overall net sales decreased by 4.1% year-on-year to 603,085 million yen.

[Computers and Peripherals]

Sales of MLCCs and inductors for PCs increased significantly in the nine months ended December 31, 2021 on the back of the healthy demand for remote work and e-learning.

As a result, overall net sales increased by 28.7% year-on-year to 275,262 million yen.

[Automotive Electronics]

Sales of MLCCs increased significantly due to demand generated by the accumulation of parts inventory by customers in the nine months ended December 31, 2021. Sales of electromagnetic interference (EMI) suppression filters and inductors also increased.

As a result, overall net sales increased by 29.5% year-on-year to 245,111 million yen.

[Home and Others]

Sales of lithium-ion secondary batteries for power tools increased significantly, and sales of MLCCs for distributors increased in the nine months ended December 31, 2021.

As a result, overall net sales increased by 49.5% year-on-year to 197,486 million yen.

2. Financial Position

Total assets on December 31, 2021, increased by 194,970 million yen from the end of the previous fiscal year to 2,657,231 million yen, mainly due to increases in inventories, and cash. Liabilities decreased by 13,902 million yen from the end of the previous fiscal year to 526,714 million yen due to decreases in accrued payroll and bonuses, and income taxes payable as a result of the execution of payment of bonuses and taxes. Equity increased by 208,872 million yen from the end of the previous fiscal year to 2,130,517 million yen mainly due to an increase in retained earnings. The ratio of shareholders' equity to total assets increased by 2.2 percentage points from the end of the previous fiscal year to 80.2 % at December 31, 2021.

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 311,749 million yen. Negative factors—an increase of 54,914 million yen in inventories—were offset by net income of 250,263 million yen and depreciation and amortization of 115,609 million yen.

Net cash provided by operating activities increased by 114,013 million yen for the nine months ended December 31, 2021.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 116,366 million yen. While cash inflows included maturities and sales of marketable securities, investments and other of 24,491 million yen, there were cash outflows of 115,182 million yen in capital expenditures aimed at boosting production capacity and 19,697 million yen in the payment for purchases of marketable securities, investments and other, among other factors.

Net cash used in investing activities increased by 8,939 million yen for the nine months ended December 31, 2021.

<Net Cash Used in Financing Activities>

Cash flow from financing activities in the nine months ended December 31, 2021 resulted in a net cash outflow of 77,385 million yen due mainly to dividend payment of 76,779 million yen.

Net cash used in financing activities decreased by 46,052 million yen for the nine months ended December 31, 2021.

3. Projected Results for the Year Ending March 31, 2022

In the projected results for the fiscal year ending March 31, 2022, net sales are expected to exceed the previous assumption. This is thanks to the continuing high level of demand for computers and peripherals and the impact of foreign currency fluctuations. Operating income as well is forecast to surpass the previous assumption primarily due to productivity gains generated by a high level of capacity utilization resulting from the increased output and the depreciation of the Japanese 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, 2022, which was announced on July 29, 2021, has been adjusted as below.

		Consolidated Basis	
		Previous Projections	Revised Projections
Net sales	Millions of yen	1,730,000	1,770,000
	<%>*1	<21.1>	<23.2>
Operating income	Millions of yen	365,000	410,000
	<%>*1	<21.2>	<23.5>
Income before income taxes	Millions of yen	367,000	416,000
Net income attributable to Murata Corporation	Millions of yen	271,000	302,000
Return on invested capital (ROIC)*2 (pre-tax basis)	<%>	20.4	22.5
Capital expenditures	Millions of yen	170,000	150,000
	<%>*1	<8.8>	<8.6>
Depreciation and amortization	Millions of yen	152,000	152,000
	<%>*1	<6.2>	<6.2>
Research and development expenses	Millions of yen	108,000	110,000

*1 Ratio to net sales

*2 ROIC (pre-tax basis) = Pre-tax operating income / Invested capital (=Net fixed assets[book value] + inventories + accounts receivable-trade - accounts payable-trade)

This forecast is based on the assumed exchange rates of 112 yen against the U.S. dollar and 128 yen against the Euro for the fourth quarter of this fiscal year.

The Companies have revised the figure for capital expenditure of 170,000 million yen, which was announced on July 29, 2021, to 150,000 million yen. This is due to the shortages of semiconductors and other materials and incipient delays in delivery of equipment, etc. resulting from the impact of COVID-19 infections.

4. Dividends for the Year Ending March 31, 2022

For the year ended March 31, 2022, the Companies revise the projected year-end dividend upward by 5 yen from the current 60 yen per share to 65 yen per share. This is based on the comprehensive evaluation of factors, such as the consolidated business performance for the year ended March 31, 2022, the shareholder return indicator (a payout ratio and DOE) and earnings retention for reinvestment for future development. Note that the annual dividend for the year ended March 31, 2022 is 125 yen after combining with the interim dividend of 60 yen per share, which was already distributed.

[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, 2021 and December 31, 2021

	Millions of Yen			
	At March 31, 2021		At December 31, 2021	
		%		%
Assets	2,462,261	100.0	2,657,231	100.0
Current assets	1,184,180	48.1	1,374,091	51.7
Cash	363,979		424,319	
Short-term investments	64,218		119,511	
Marketable securities	22,599		18,857	
Trade notes receivable	25		1	
Trade accounts receivable	342,260		350,427	
Allowance for doubtful notes and accounts	(1,414)		(2,140)	
Inventories	361,331		425,129	
Prepaid expenses and other	31,182		37,987	
Property, plant and equipment	1,078,838	43.8	1,087,485	40.9
Land	73,359		79,823	
Buildings	741,346		770,338	
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,418,356		1,489,314	
Construction in progress	100,277		83,608	
Accumulated depreciation	(1,286,598)		(1,367,021)	
Operating lease right-of-use assets	32,098		31,423	
Investments and other assets	199,243	8.1	195,655	7.4
Investments	41,438		33,526	
Intangible assets	33,524		42,894	
Goodwill	71,058		79,544	
Deferred income taxes	37,796		23,675	
Other	15,427		16,016	
Total assets	2,462,261	100.0	2,657,231	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2021 and December 31, 2021

	Millions of Yen			
	At March 31, 2021		At December 31, 2021	
		%		%
Liabilities	540,616	22.0	526,714	19.8
Current liabilities	317,911	13.0	298,540	11.2
Short-term borrowings	97		—	
Trade accounts payable	85,927		83,659	
Current portion of bonds	39,982		40,000	
Accrued payroll and bonuses	52,909		41,120	
Income taxes payable	41,525		36,506	
Accrued expenses and other	90,516		91,105	
Current operating lease liabilities	6,955		6,150	
Long-term liabilities	222,705	9.0	228,174	8.6
Bonds	109,853		109,889	
Long-term debt	772		1,004	
Termination and retirement benefits	74,005		75,200	
Deferred income taxes	7,603		11,519	
Noncurrent operating lease liabilities	25,051		25,022	
Other	5,421		5,540	
Equity	1,921,645	78.0	2,130,517	80.2
Murata Corporation's shareholders' equity	1,920,805	78.0	2,130,187	80.2
Common stock	69,444		69,444	
Capital surplus	120,880		120,963	
Retained earnings	1,786,660		1,960,678	
Accumulated other comprehensive income (loss):	(2,627)		32,638	
Unrealized gains (losses) on securities	(32)		(42)	
Pension liability adjustments	(14,814)		(14,726)	
Foreign currency translation adjustments	12,219		47,406	
Treasury stock, at cost	(53,552)		(53,536)	
Noncontrolling interests	840	0.0	330	0.0
Total liabilities and equity	2,462,261	100.0	2,657,231	100.0

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

Consolidated Statements of Income

Nine months ended December 31, 2020 and 2021

	Millions of Yen			
	Nine months ended December 31, 2020		Nine months ended December 31, 2021	
		%		%
Net sales	1,220,653	100.0	1,379,461	100.0
Cost of sales	753,481	61.7	787,167	57.1
Selling, general and administrative	151,843	12.4	173,783	12.5
Research and development	75,420	6.2	82,483	6.0
Operating income	239,909	19.7	336,028	24.4
Interest and dividend income	1,499	0.1	992	0.1
Interest expense	(321)	(0.0)	(230)	(0.0)
Foreign currency exchange gain (loss)	(10,093)	(0.8)	(450)	(0.0)
Other - net	8,500	0.6	6,527	0.4
Income before income taxes	239,494	19.6	342,867	24.9
Income taxes	63,203	5.2	92,604	6.8
<Current income tax>	<55,639>		<79,831>	
<Deferred income tax>	<7,564>		<12,773>	
Net income	176,291	14.4	250,263	18.1
Less: Net income (loss) attributable to noncontrolling interests	(32)	(0.0)	(171)	(0.1)
Net income attributable to Murata Corporation	176,323	14.4	250,434	18.2

Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2020 and 2021

	Millions of Yen	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net income	176,291	250,263
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	50	(10)
Pension liability adjustments	1,649	88
Foreign currency translation adjustments	2,234	35,247
Other comprehensive income (loss)	3,933	35,325
Comprehensive income	180,224	285,588
Less: Comprehensive income (loss) attributable to noncontrolling interests	(5)	(111)
Comprehensive income attributable to Murata Corporation	180,229	285,699

Consolidated Statements of Income

Three months ended December 31, 2020 and 2021

	Millions of Yen			
	Three months ended December 31, 2020		Three months ended December 31, 2021	
		%		%
Net sales	468,648	100.0	471,387	100.0
Cost of sales	286,312	61.1	269,747	57.2
Selling, general and administrative	49,539	10.6	59,499	12.6
Research and development	24,406	5.2	28,222	6.0
Operating income	108,391	23.1	113,919	24.2
Interest and dividend income	516	0.1	385	0.1
Interest expense	(182)	(0.0)	(71)	(0.0)
Foreign currency exchange gain (loss)	(5,358)	(1.1)	(828)	(0.2)
Other - net	2,973	0.6	1,609	0.3
Income before income taxes	106,340	22.7	115,014	24.4
Income taxes	29,846	6.4	32,421	6.9
<Current income tax>	<17,873>		<23,348>	
<Deferred income tax>	<11,973>		<9,073>	
Net income	76,494	16.3	82,593	17.5
Less: Net income (loss) attributable to noncontrolling interests	31	0.0	(53)	(0.0)
Net income attributable to Murata Corporation	76,463	16.3	82,646	17.5

Consolidated Statements of Comprehensive Income

Three months ended December 31, 2020 and 2021

	Millions of Yen	
	Three months ended December 31, 2020	Three months ended December 31, 2021
Net income	76,494	82,593
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	25	(5)
Pension liability adjustments	529	78
Foreign currency translation adjustments	3,278	27,191
Other comprehensive income (loss)	3,832	27,264
Comprehensive income	80,326	109,857
Less: Comprehensive income (loss) attributable to noncontrolling interests	47	(14)
Comprehensive income attributable to Murata Corporation	80,279	109,871

(3) Consolidated Statements of Cash Flows

Nine months ended December 31, 2020 and 2021

	Millions of Yen			
	Nine months ended December 31, 2020		Nine months ended December 31, 2021	
Operating activities:				
Net income		176,291		250,263
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	105,578		115,609	
Losses (gains) on sales and disposals of property, plant and equipment	10		18	
Impairment losses on long-lived assets	581		2,497	
Provision for termination and retirement benefits, less payments	3,541		1,097	
Deferred income taxes	7,564		12,773	
Changes in assets and liabilities:				
(Increase) decrease in trade notes and accounts receivable	(87,438)		4,537	
(Increase) decrease in inventories	(13,816)		(54,914)	
(Increase) decrease in prepaid expenses and other	(4,389)		(4,970)	
Increase (decrease) in trade notes and accounts payable	11,101		(4,057)	
Increase (decrease) in accrued payroll and bonuses	(10,602)		(12,215)	
Increase (decrease) in income taxes payable	(8,331)		(5,557)	
Increase (decrease) in accrued expenses and other	21,003		6,217	
Other-net	(3,357)	21,445	451	61,486
Net cash provided by operating activities		197,736		311,749
Investing activities:				
Payment for purchases of property, plant and equipment		(142,159)		(115,182)
Payment for purchases of marketable securities, investments and other		(17,535)		(19,697)
Maturities and sales of marketable securities, investments and other		29,011		24,491
Increase in long-term deposits and loans		-		(30)
Decrease in long-term deposits and loans		-		5,475
(Increase) decrease in short-term investments		2,134		(70)
Acquisitions of businesses, net of cash acquired		-		(13,378)
Other-net		3,244		2,025
Net cash used in investing activities		(125,305)		(116,366)
Financing activities:				
Net increase (decrease) in short-term borrowings		36,095		(91)
Proceeds from long-term debt		172		273
Repayment of long-term debt		(136)		(6)
Dividends paid		(67,180)		(76,779)
Other-net		(284)		(782)
Net cash provided by (used in) financing activities		(31,333)		(77,385)
Effect of exchange rate changes on cash and cash equivalents		(2,358)		3,002
Net increase (decrease) in cash and cash equivalents		38,740		121,000
Cash and cash equivalents at beginning of period		302,320		407,699
Cash and cash equivalents at end of period		341,060		528,699
Additional cash and cash equivalents information:				
Cash		294,117		424,319
Short-term investments		92,943		119,511
Short-term investments with original maturities over 3 months		(46,000)		(15,131)
Cash and cash equivalents at end of period		341,060		528,699

(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, 2020 and 2021

		Millions of Yen			
		Nine months ended December 31, 2020		Nine months ended December 31, 2021	
Components	Sales to:		%		%
	Unaffiliated customers	836,243		1,055,204	
	Intersegment	25,189		24,936	
	Total revenue	861,432	100.0	1,080,140	100.0
	Segment income (loss)	229,506	26.6	353,797	32.8
Modules	Sales to:		%		%
	Unaffiliated customers	382,488		321,941	
	Intersegment	2		0	
	Total revenue	382,490	100.0	321,941	100.0
	Segment income (loss)	54,668	14.3	30,603	9.5
Others	Sales to:		%		%
	Unaffiliated customers	1,922		2,316	
	Intersegment	44,421		43,545	
	Total revenue	46,343	100.0	45,861	100.0
	Segment income (loss)	5,866	12.7	5,613	12.2
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(69,612)		(68,481)	
	Total revenue	(69,612)	-	(68,481)	-
	Corporate expenses	(50,131)	-	(53,985)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	1,220,653		1,379,461	
	Intersegment	-		-	
	Total revenue	1,220,653	100.0	1,379,461	100.0
	Operating income	239,909	19.7	336,028	24.4

Three months ended December 31, 2020 and 2021

		Millions of Yen			
		Three months ended December 31, 2020		Three months ended December 31, 2021	
Components	Sales to:		%		%
	Unaffiliated customers	306,240		355,302	
	Intersegment	8,792		8,633	
	Total revenue	315,032	100.0	363,935	100.0
	Segment income (loss)	91,400	29.0	120,104	33.0
Modules	Sales to:		%		%
	Unaffiliated customers	161,757		115,214	
	Intersegment	2		0	
	Total revenue	161,759	100.0	115,214	100.0
	Segment income (loss)	32,943	20.4	11,116	9.6
Others	Sales to:		%		%
	Unaffiliated customers	651		871	
	Intersegment	14,470		13,952	
	Total revenue	15,121	100.0	14,823	100.0
	Segment income (loss)	1,933	12.8	1,629	11.0
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(23,264)		(22,585)	
	Total revenue	(23,264)	-	(22,585)	-
	Corporate expenses	(17,885)	-	(18,930)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	468,648		471,387	
	Intersegment	-		-	
	Total revenue	468,648	100.0	471,387	100.0
	Operating income	108,391	23.1	113,919	24.2

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 income (expenses) of headquarters functions and fundamental research.

(6) Significant changes in shareholders' equity

None

(7) Other

February 1, 2022
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <https://corporate.murata.com>)

Flash Report (Nine months ended December 31, 2021)

Selected Financial Data - Consolidated basis

Nine months ended December 31, 2020 and 2021/at December 31, 2020 and 2021

		Consolidated Basis		
		2020	2021	Growth ratio
Net sales	Millions of yen	1,220,653	1,379,461	13.0
	<%>*2	<19.7>	<24.4>	
Operating income	Millions of yen	239,909	336,028	40.1
	<%>*2	<19.6>	<24.9>	
Income before income taxes	Millions of yen	239,494	342,867	43.2
Net income attributable to Murata Corporation	Millions of yen	176,323	250,434	42.0
	<%>*2	<14.4>	<18.2>	
Total assets	Millions of yen	2,401,327	2,657,231	10.7
Shareholders' equity	Millions of yen	1,807,243	2,130,187	17.9
Shareholders' equity ratio	%	75.3	80.2	-
Basic earnings attributable to Murata Corporation per share	Yen	275.58	391.41	42.0
Diluted earnings attributable to Murata Corporation per share	*3 Yen	-	-	-
Shareholders' equity per share	Yen	2,824.63	3,329.29	-
Capital expenditures	Millions of yen	132,810	108,023	(18.7)
	<%>*2	<8.6>	<8.4>	
Depreciation and amortization	Millions of yen	105,578	115,609	9.5
	<%>*2	<6.2>	<6.0>	
Research and development expenses	Millions of yen	75,420	82,483	9.4
	*4	<42,382>	<45,007>	
Number of employees		74,340	77,398	4.1
Average exchange rates				
Yen/US dollar	Yen	106.11	111.10	-
Yen/Euro	Yen	122.37	130.62	-

Three months ended December 31, 2020 and 2021

		Consolidated Basis		
		2020	2021	Growth ratio
Net sales	Millions of yen	468,648	471,387	0.6
	<%>*2	<23.1>	<24.2>	
Operating income	Millions of yen	108,391	113,919	5.1
	<%>*2	<22.7>	<24.4>	
Income before income taxes	Millions of yen	106,340	115,014	8.2
Net income attributable to Murata Corporation	Millions of yen	76,463	82,646	8.1
	<%>*2	<16.3>	<17.5>	
Basic earnings attributable to Murata Corporation per share	Yen	119.51	129.17	8.1
Diluted earnings attributable to Murata Corporation per share	*3 Yen	-	-	-
Capital expenditures	Millions of yen	48,852	33,398	(31.6)
	<%>*2	<7.6>	<8.4>	
Depreciation and amortization	Millions of yen	35,734	39,599	10.8
	<%>*2	<5.2>	<6.0>	
Research and development expenses	Millions of yen	24,406	28,222	15.6

*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, 2020 and 2021

		Millions of Yen					
		Nine months ended December 31, 2020		Nine months ended December 31, 2021		Change	
			%*1		%*1		%
Capacitors	484,314	37.1	611,875	42.9	127,561	26.3	
Piezoelectric Components	104,123	8.0	93,402	6.5	(10,721)	(10.3)	
Other Components	323,785	24.8	362,876	25.5	39,091	12.1	
Components Total	912,222	69.9	1,068,153	74.9	155,931	17.1	
Modules	393,359	30.1	357,354	25.1	(36,005)	(9.2)	
Total	1,305,581	100.0	1,425,507	100.0	119,926	9.2	

Three months ended December 31, 2020 and 2021

		Millions of Yen					
		Three months ended December 31, 2020		Three months ended December 31, 2021		Change	
			%*1		%*1		%
Capacitors	199,821	37.2	189,879	42.2	(9,942)	(5.0)	
Piezoelectric Components	38,589	7.2	24,369	5.4	(14,220)	(36.8)	
Other Components	135,062	25.2	115,990	25.8	(19,072)	(14.1)	
Components Total	373,472	69.6	330,238	73.4	(43,234)	(11.6)	
Modules	162,925	30.4	119,673	26.6	(43,252)	(26.5)	
Total	536,397	100.0	449,911	100.0	(86,486)	(16.1)	

*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, 2021		At December 31, 2021		Change	
			%*1		%*1		%
Capacitors	189,718	43.7	209,266	43.3	19,548	10.3	
Piezoelectric Components	43,001	9.9	26,640	5.5	(16,361)	(38.0)	
Other Components	127,124	29.3	136,886	28.4	9,762	7.7	
Components Total	359,843	82.9	372,792	77.2	12,949	3.6	
Modules	74,471	17.1	109,884	22.8	35,413	47.6	
Total	434,314	100.0	482,676	100.0	48,362	11.1	

*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, 2020 and 2021

		Millions of Yen					
		Nine months ended December 31, 2020		Nine months ended December 31, 2021		Change	
			%*1		%*1		%
Capacitors	457,848	37.6	592,327	43.0	134,479	29.4	
Piezoelectric Components	92,735	7.6	109,763	8.0	17,028	18.4	
Other Components	285,660	23.4	353,114	25.6	67,454	23.6	
Components Total	836,243	68.6	1,055,204	76.6	218,961	26.2	
Modules	382,488	31.4	321,941	23.4	(60,547)	(15.8)	
Net sales	1,218,731	100.0	1,377,145	100.0	158,414	13.0	

Three months ended December 31, 2020 and 2021

		Millions of Yen					
		Three months ended December 31, 2020		Three months ended December 31, 2021		Change	
			%*1		%*1		%
Capacitors	167,291	35.7	200,644	42.6	33,353	19.9	
Piezoelectric Components	31,993	6.8	33,435	7.1	1,442	4.5	
Other Components	106,956	22.9	121,223	25.8	14,267	13.3	
Components Total	306,240	65.4	355,302	75.5	49,062	16.0	
Modules	161,757	34.6	115,214	24.5	(46,543)	(28.8)	
Net sales	467,997	100.0	470,516	100.0	2,519	0.5	

*1 Component ratio

*2 Exclusive of consumption taxes

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

Nine months ended December 31, 2020 and 2021

		Millions of Yen					
		Nine months ended December 31, 2020		Nine months ended December 31, 2021		Change	
			%*1		%*1		%
AV	54,579	4.5	56,201	4.1	1,622	3.0	
Communications	629,024	51.6	603,085	43.8	(25,939)	(4.1)	
Computers and Peripherals	213,796	17.6	275,262	20.0	61,466	28.7	
Automotive Electronics	189,261	15.5	245,111	17.8	55,850	29.5	
Home and Others	132,071	10.8	197,486	14.3	65,415	49.5	
Net sales	1,218,731	100.0	1,377,145	100.0	158,414	13.0	

Three months ended December 31, 2020 and 2021

		Millions of Yen					
		Three months ended December 31, 2020		Three months ended December 31, 2021		Change	
			%*1		%*1		%
AV	18,436	4.0	16,587	3.5	(1,849)	(10.0)	
Communications	247,709	52.9	210,362	44.7	(37,347)	(15.1)	
Computers and Peripherals	74,532	15.9	92,505	19.7	17,973	24.1	
Automotive Electronics	79,998	17.1	80,274	17.1	276	0.3	
Home and Others	47,322	10.1	70,788	15.0	23,466	49.6	
Net sales	467,997	100.0	470,516	100.0	2,519	0.5	

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Nine months ended December 31, 2020 and 2021

		Millions of Yen					
		Nine months ended December 31, 2020		Nine months ended December 31, 2021		Change	
			%*1		%*1		%
	The Americas	132,506	10.9	157,150	11.4	24,644	18.6
	Europe	88,038	7.2	121,413	8.8	33,375	37.9
	Greater China	719,362	59.0	764,981	55.6	45,619	6.3
	Asia and Others	179,189	14.7	208,352	15.1	29,163	16.3
	Overseas total	1,119,095	91.8	1,251,896	90.9	132,801	11.9
	Japan	99,636	8.2	125,249	9.1	25,613	25.7
	Net sales	1,218,731	100.0	1,377,145	100.0	158,414	13.0

Three months ended December 31, 2020 and 2021

		Millions of Yen					
		Three months ended December 31, 2020		Three months ended December 31, 2021		Change	
			%*1		%*1		%
	The Americas	55,249	11.8	52,890	11.2	(2,359)	(4.3)
	Europe	35,037	7.5	40,722	8.7	5,685	16.2
	Greater China	276,404	59.1	263,062	55.9	(13,342)	(4.8)
	Asia and Others	62,842	13.4	70,595	15.0	7,753	12.3
	Overseas total	429,532	91.8	427,269	90.8	(2,263)	(0.5)
	Japan	38,465	8.2	43,247	9.2	4,782	12.4
	Net sales	467,997	100.0	470,516	100.0	2,519	0.5

*1 Component ratio

*2 Exclusive of consumption taxes

*3 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, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		Three months ended March 31, 2021	
Net sales	326,798	% *1 100.0	425,207	% *1 100.0	468,648	% *1 100.0	409,540	% *1 100.0
Operating income	51,339	15.7	80,179	18.9	108,391	23.1	73,331	17.9
Income before income taxes	53,922	16.5	79,232	18.6	106,340	22.7	76,923	18.8
Net income attributable to Murata Corporation	39,583	12.1	60,277	14.2	76,463	16.3	60,734	14.8

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

*1 Ratio to net sales

(2) Sales by Product Category

	Millions of Yen							
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		Three months ended March 31, 2021	
Capacitors	134,494	% *1 41.2	156,063	% *1 36.7	167,291	% *1 35.7	168,698	% *1 41.3
Piezoelectric Components	26,389	8.1	34,353	8.1	31,993	6.8	36,553	8.9
Other Components	77,365	23.7	101,339	23.9	106,956	22.9	101,988	24.9
Components Total	238,248	73.0	291,755	68.7	306,240	65.4	307,239	75.1
Modules Total	87,945	27.0	132,786	31.3	161,757	34.6	101,611	24.9
Net sales	326,193	100.0	424,541	100.0	467,997	100.0	408,850	100.0

	Millions of yen					
	Three months ended June 30, 2021		Three months ended September 30, 2021		Three months ended December 31, 2021	
Capacitors	189,255	% *1 43.1	202,428	% *1 43.3	200,644	% *1 42.6
Piezoelectric Components	38,770	8.8	37,558	8.0	33,435	7.1
Other Components	110,928	25.3	120,963	25.9	121,223	25.8
Components Total	338,953	77.2	360,949	77.2	355,302	75.5
Modules Total	99,860	22.8	106,867	22.8	115,214	24.5
Net sales	438,813	100.0	467,816	100.0	470,516	100.0

*1 Component ratio

*2 Exclusive of consumption taxes

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

	Millions of yen							
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		Three months ended March 31, 2021	
		% *1		% *1		% *1		% *1
AV	15,400	4.7	20,743	4.9	18,436	4.0	17,310	4.2
Communications	159,229	48.8	222,086	52.3	247,709	52.9	175,903	43.0
Computers and Peripherals	67,992	20.9	71,272	16.8	74,532	15.9	77,706	19.0
Automotive Electronics	42,829	13.1	66,434	15.6	79,998	17.1	83,924	20.6
Home and Others	40,743	12.5	44,006	10.4	47,322	10.1	54,007	13.2
Net sales	326,193	100.0	424,541	100.0	467,997	100.0	408,850	100.0

	Millions of yen					
	Three months ended June 30, 2021		Three months ended September 30, 2021		Three months ended December 31, 2021	
		% *1		% *1		% *1
AV	18,969	4.3	20,645	4.4	16,587	3.5
Communications	185,656	42.3	207,067	44.3	210,362	44.7
Computers and Peripherals	89,656	20.4	93,101	19.9	92,505	19.7
Automotive Electronics	82,734	18.9	82,103	17.5	80,274	17.1
Home and Others	61,798	14.1	64,900	13.9	70,788	15.0
Net sales	438,813	100.0	467,816	100.0	470,516	100.0

*1 Component ratio

*2 Exclusive of consumption taxes