

Earnings Release Conference First Quarter of FY2024 (April 1, 2024 to June 30, 2024)

July 30, 2024

Murata Manufacturing Co., Ltd.



Financial Results of First Quarter of FY2024

- Revenue were 421.7 billion yen, up 14.7% year on year, and operating profit came to 66.4 billion yen, up 32.5% year on year. Revenue of capacitors increased for computers and mobility. And revenue of high frequency modules increased for smartphones. In terms of profits, weaker yen and a recovery in the operation rate were the main profit-increasing factors.
- Revenue ended generally in line with the latest forecast excluding the impact of foreign currency exchange. For computers, AI-server-related demand exceeded the assumption in addition to PCs.

Projected Financial Results for FY2024

- The Company has kept the full-year projections and dividend forecasts for FY2024 unchanged from the announced figures.

Financial Results First Quarter of FY2024

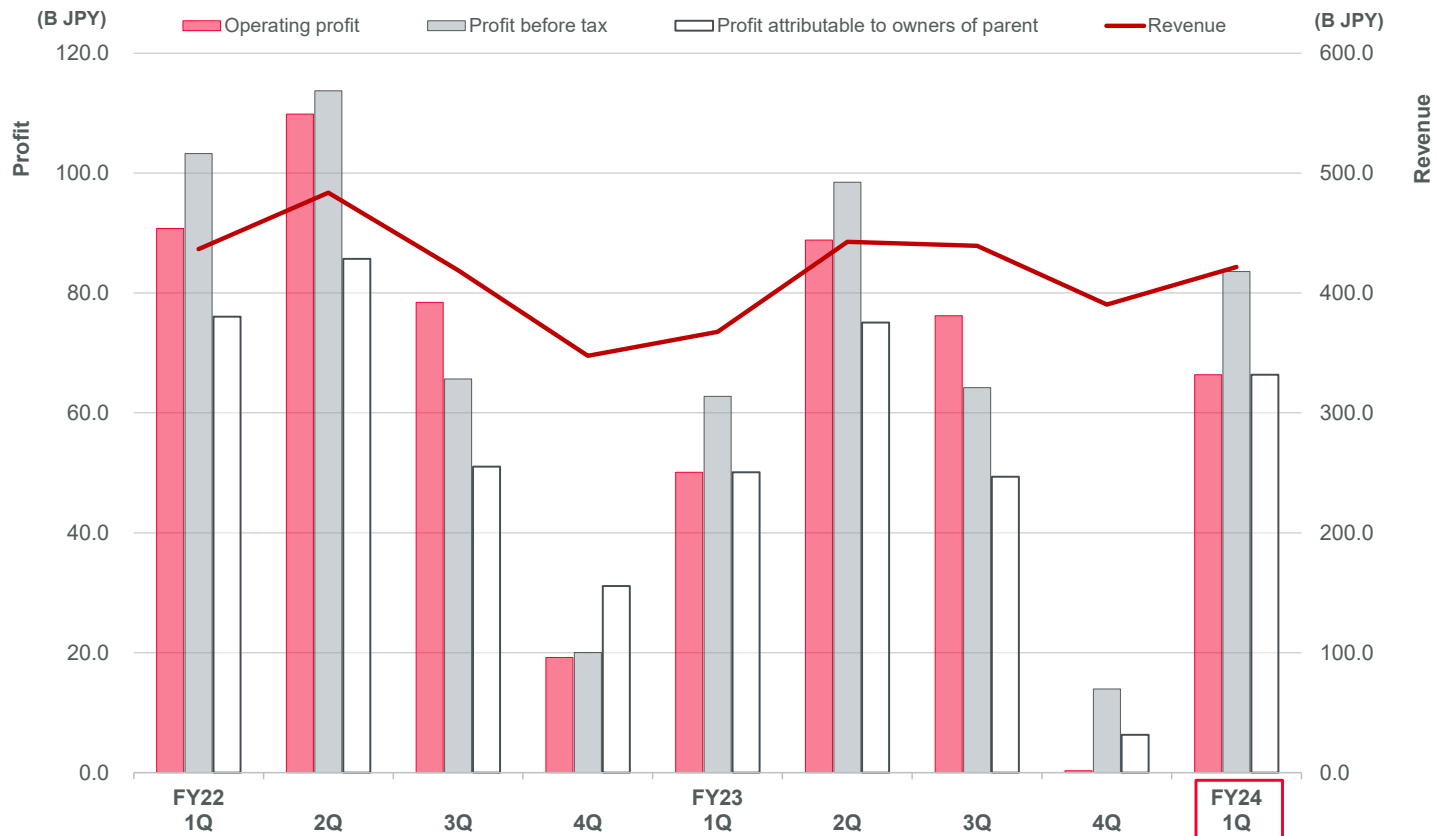
From April 1, 2024 to
June 30, 2024
Consolidated Basis

Financial Results Overview

- Revenue of capacitors and high frequency modules increased for computers year on year. And revenue of capacitors and EMI suppression filters increased for mobility year on year. Operating profit increased year on year due to profit-increasing factors such as a weaker yen and an increase in the operation rate, despite profit-decreasing factors such as a fall in product selling prices and an increase in fixed costs.
- The factors leading to an increase in operating profit compared with the previous quarter include the impact of the impairment loss of 49.5 billion yen recorded in the fourth quarter of FY2023.

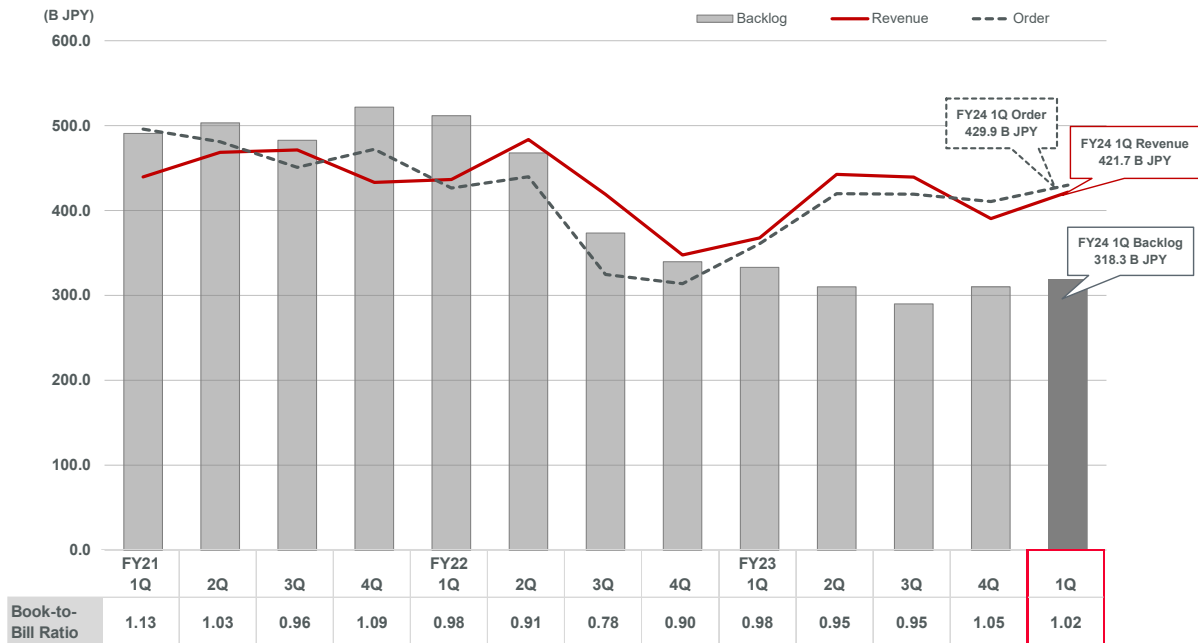
	FY2023		FY2023		FY2024		Y on Y Change		Impact of exchange rate	Constant Currency basis		Q on Q Change	
	1st Quarter		4th Quarter		1st Quarter		(B JPY)	(%)		(B JPY)	(B JPY)	(%)	(B JPY)
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)			(B JPY)				
Revenue	367.7	100.0	390.4	100.0	421.7	100.0	+54.0	+14.7	+41.7	+12.3	+2.9	+31.3	+8.0
Operating profit	50.1	13.6	0.3	0.1	66.4	15.7	+16.3	+32.5	+20.8	(4.6)	(6.9)	+66.0	201 times
Profit before tax	62.8	17.1	14.0	3.6	83.6	19.8	+20.8	+33.1				+69.6	5.0 times
Profit attributable to owners of parent	50.1	13.6	6.3	1.6	66.4	15.7	+16.3	+32.5				+60.0	9.5 times
Average exchange rates yen/US dollar	137.37		148.60		155.89		*Exchange rate sensitivity (per 1 JPY/US\$ change per year) Revenue :9.0 BJPY Operating profit : 4.5 BJPY						

Quarterly Financial Results



Quarterly Revenue, Order and Backlog

- On a quarter on quarter basis, orders received increased. The main factor in the increase is that demand for computers remained firm in addition to a rise in the revaluation of order backlogs, denominated in foreign currencies, as the depreciation of the yen further progressed.
- The book-to-bill ratio in the entire company remained at 1 or more.



* Orders = Revenue + Backlogs at the Current Quarter - Backlogs at the Previous Quarter * Backlogs are calculated based on exchange rates as of the end of each quarter.

* Exchange rate against the U.S. dollar: 151.40 yen at the end of March 2024 , 161.14 yen at the end of June 2024

Revenue by Operating segments

	FY2023 1st Quarter		FY2023 4th Quarter		FY2024 1st Quarter		Y on Y Change		Q on Q Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Capacitors	169.5	46.1	189.0	48.4	203.3	48.2	+33.8	+20.0	+14.3	+7.6
Inductors and EMI filters	38.9	10.6	44.8	11.5	48.3	11.4	+9.4	+24.2	+3.4	+7.7
High-Frequency Device and Communications Module	87.9	23.9	93.6	24.0	99.3	23.6	+11.4	+13.0	+5.7	+6.1
Battery and Power supply	48.0	13.0	36.7	9.4	42.6	10.1	(5.4)	(11.2)	+5.9	+16.2
Functional Device	20.9	5.7	23.5	6.0	25.2	6.0	+4.3	+20.6	+1.8	+7.5
Others	2.5	0.7	2.9	0.7	2.9	0.7	+0.4	+17.1	+0.1	+2.5
Total	367.7	100.0	390.4	100.0	421.7	100.0	+54.0	+14.7	+31.3	+8.0

Revenue by Operating segments

[FY24 1st Quarter vs FY23 4th Quarter]



Capacitors +7.6%	MLCCs : Revenue increased in wide range of applications, mainly for computers and mobility.
Inductors and EMI filters +7.7%	Inductors, EMI suppression filters : Revenue increased for smartphones.
High-Frequency Device and Communications Module +6.1%	High frequency modules : Revenue increased for PCs and smartphones. Multilayer resin substrates : Revenue increased for smartphones. SAW Filters : Revenue decreased for smartphones.
Battery and Power supply +16.2%	Lithium-Ion secondary batteries : Revenue increased for power tools, video game consoles and servers.
Functional Device +7.5%	Sensors : Revenue increased for mobility and computers. Actuator : Revenue increased for computers.

Revenue by Application

	FY2023 1st Quarter		FY2023 4th Quarter		FY2024 1st Quarter		Y on Y Change		Q on Q Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Communication	134.1	36.5	149.2	38.2	154.9	36.7	+20.8	+15.5	+5.7	+3.8
Mobility	99.6	27.1	109.3	28.0	115.0	27.3	+15.4	+15.5	+5.7	+5.2
Computers	45.2	12.3	55.0	14.1	65.8	15.6	+20.6	+45.6	+10.9	+19.7
Home Electronics	42.0	11.4	33.4	8.6	41.0	9.7	(1.0)	(2.5)	+7.5	+22.5
Industry and Others	46.8	12.7	43.4	11.1	45.0	10.7	(1.8)	(3.8)	+1.5	+3.6
Total	367.7	100.0	390.4	100.0	421.7	100.0	+54.0	+14.7	+31.3	+8.0

*Based on our estimate

Revenue by Application [FY24 1st Quarter vs FY23 4th Quarter]



Communication +3.8%	Revenue of capacitors, multilayer resin substrates, and inductors increased for smartphones.
Mobility +5.2%	Revenue of capacitors increased mainly for xEV.
Computers +19.7%	Revenue of capacitors and high frequency modules increased for PCs. Revenue of capacitors and lithium-ion secondary batteries increased for servers.
Home Electronics +22.5%	Revenue of lithium-ion secondary batteries increased for power tools and video game consoles.
Industry and Others +3.6%	Revenue of capacitor increased for industrial equipment and distributors.

*Based on our estimate

Revenue by Application and Main Applications

- AI-server-related revenue is included mainly in revenue for computers.
- Demand for parts to be employed in edge devices, including PCs, smartphones and wearables appliance, is expected to rise once the use of on-device AI spreads widely.

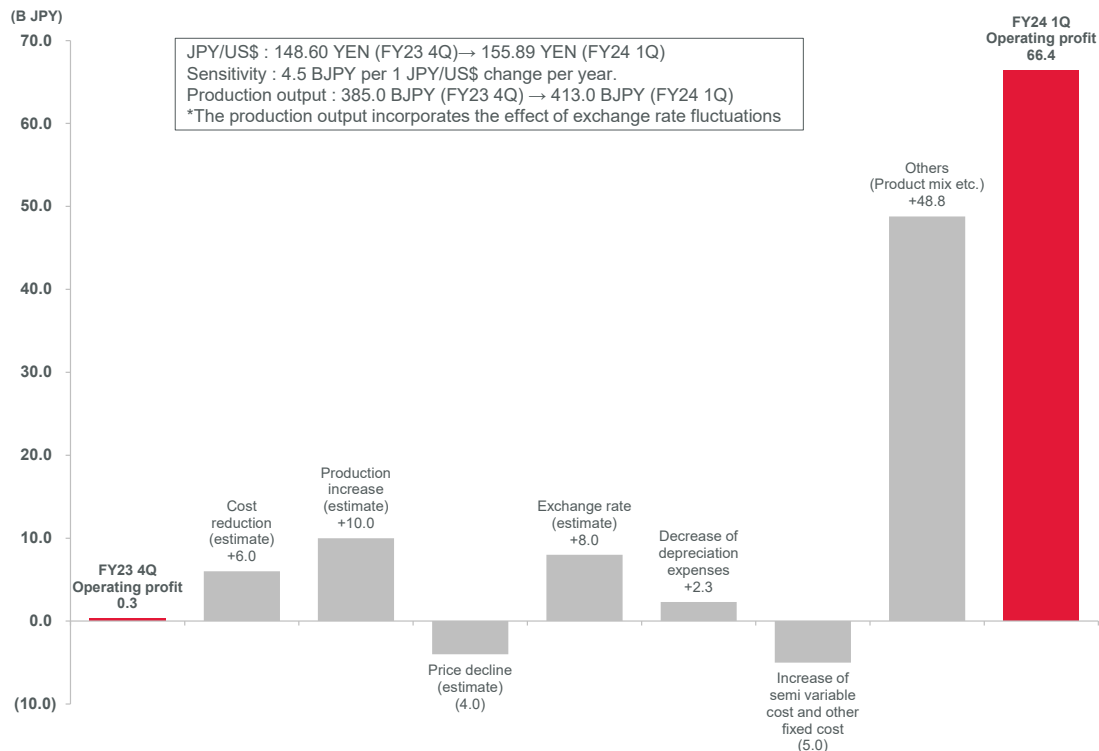
Revenue by Application	Main Applications
Communication	Smartphone
	Wearable Appliance
	Base Station
Mobility	Automobile
	Motor Cycle
Computers	PCs (including Tablet PCs)
	Servers
	HDDs
	Computers Peripherals
Home Electronics	Power Tool and Outdoor Power Equipment
	AV Equipment
	Home Electrical Appliance
Industry and Others	Industrial Equipment
	Distributors
	Healthcare Products
	Others

Segment Information

- **Components** Profits grew due to the impact of the weaker yen and gains in capacity utilization, associated with an increase in production output.
- **Devices and modules** Profits decreased due to a fall in the profitability of lithium-ion secondary batteries mainly resulting from lower capacity utilization and a delay in the recovery of demand for SAW filters.

		FY2023 1st Quarter		FY2024 1st Quarter		Y on Y Change	
		(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Components	Revenue	210.5	100.0	254.3	100.0	+43.9	+20.8
	Operating profit	52.5	24.9	73.7	29.0	+21.2	+40.3
Devices and modules	Revenue	156.8	100.0	167.2	100.0	+10.3	+6.6
	Operating profit	(0.2)	(0.1)	(6.1)	(3.7)	(5.9)	-
Others	Revenue	15.2	100.0	15.4	100.0	+0.2	+1.2
	Operating profit	(2.2)	(14.4)	(1.2)	(7.5)	+1.0	-
Eliminations	Revenue	(14.9)	-	(15.2)	-	(0.4)	-
Consolidated	Revenue	367.7	100.0	421.7	100.0	+54.0	+14.7
	Operating profit	50.1	13.6	66.4	15.7	+16.3	+32.5

Breakdown of Operating Profit Changes [FY2023 Fourth Quarter to FY2024 First Quarter]

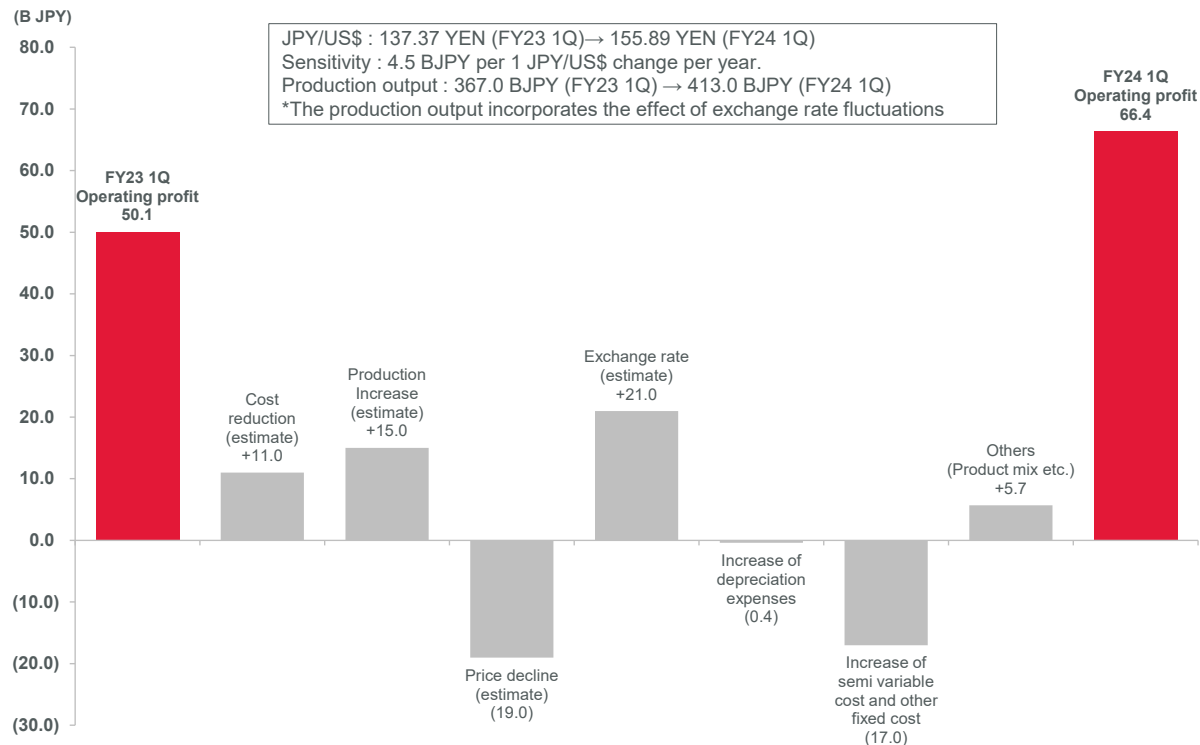


**“Production increase” is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

**“Change in semi variable cost and other fixed cost” include the impact of one-time revenue generated in FY2023.

**“Others(Product mix etc.)” include the profit-changing factor brought by the impairment loss for manufacturing machineries, etc. for cylindrical type lithium-ion secondary batteries in FY2023 and the impact of one-time revenue and expenses generated in the first quarter of FY2024.

Breakdown of Operating Profit Changes [FY2023 First Quarter to FY2024 First Quarter]



**“Production increase” is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

**“Others(Product mix etc.)” include the impact of one-time revenue and expenses generated in the first quarter of FY2024.

Current Inventory Situation



*Inventory age on a monthly basis = [Merchandise and finished goods plus work in process at the end of the period] divided by [Average monthly revenue for the most recent quarter]

Cash Flows

- Cash flows from financing activities decreased as a result of stock repurchase.

	FY2023	FY2024	Y on Y Change
	(B JPY)	(B JPY)	(B JPY)
Cash flows from operating activities	59.4	58.5	(0.9)
Cash flows from investing activities	(75.7)	(61.6)	+14.1
Cash flows from financing activities	(49.7)	(103.7)	(54.0)
Effect of exchange rate changes	19.6	22.4	+2.9
Cash and cash equivalents at end of period	423.0	537.6	+114.7
Free Cash Flows	(16.3)	(3.1)	+13.2
Purchase of property, plant and equipment	(72.2)	(57.1)	+15.1
Depreciation and amortization	42.1	42.4	+0.4

Projected Financial Results for FY2024

From April 2024 to March 2025

Projected Financial Results for FY2024

- The Company has not revised the projected financial results for FY2024.
- Also, the company has not changed the expected exchange rates for the full year.

	FY2023 Actual		FY2024 Projections		Y on Y Change		MTD 2024 Economic Value Target		
	(B JPY)	(%)	1st Half (B JPY)	2nd Half (B JPY)	(B JPY)	(%)			
Revenue	1,640.2	100.0	852.0	848.0	1,700.0	100.0	+59.8	+3.6	2,000.0 B JPY
Operating profit	215.4	13.1	154.0	146.0	300.0	17.6	+84.6	+39.2	20% or higher
Profit before tax	239.4	14.6	160.0	153.0	313.0	18.4	+73.6	+30.7	-
Profit attributable to owners of parent	180.8	11.0	120.0	115.0	235.0	13.8	+54.2	+30.0	-
ROIC (pre-tax basis) (%)	10.0				13.8		+3.8		20% or higher
Average exchange rates yen/US dollar	144.62				145.00		*Exchange rate sensitivity (per 1 JPY/US\$ change per year) Revenue : 9.0 BJPY Operating profit : 4.5 BJPY		

Recognition of Business Environment

	Premises of projected financial results as of April	Recognition of the current situation as of July
Revenue	<ul style="list-style-type: none"> - Growth in demand for components for mobility, centered on xEV - A recovery in demand for components as a result of the end of inventory adjustments in a wide range of applications (However, no stockpiling by major clients) - The inventory adjustment in the power tools market will continue into the first half. 	<ul style="list-style-type: none"> - Demand for AI-server-related parts continues to be firm. - The growth rate of the EV market is slowing down. - Inventory adjustment in the power tools market remains ongoing. - The decline in product prices is progressing within our assumption. - The yen is becoming weaker than assumed in exchange rates.
Productions	<ul style="list-style-type: none"> - An increase in production output to meet a higher demand quantity - The establishment of a production system in preparation for a demand increase 	<ul style="list-style-type: none"> - A production increase is planned to meet the seasonality of smartphones from the second quarter onward. - Production adjustment of lithium-ion secondary batteries will continue.
Costs	<ul style="list-style-type: none"> - An increase in production-related expenses coupled with an improvement in the operation rate - Increases in human capital investments and DX-related expenses for the purpose of building a strong business and management foundation 	<ul style="list-style-type: none"> - Human capital investments and DX-related expenses are progressing as expected. - Recognition of costs for structural reforms including an additional impairment of lithium-ion secondary batteries facility, etc.

This report contains forward-looking statements concerning Murata Manufacturing Co., Ltd. and its group companies' projections, plans, policies, strategies, schedules, and decisions. These forward-looking statements are not historical facts; rather, they represent the assumptions of the Murata Group (the “Group”) based on information currently available and certain assumptions we deem as reasonable. Actual results may differ materially from expectations due to various risks and uncertainties. Readers are therefore requested not to rely on these forward-looking statements as the sole basis for evaluating the Group. The Company has 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 Company's 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 Group's 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 Group's financial assets; (6) drastic legal, political, and social changes in the Group's business environment; and (7) other uncertainties and contingencies.

The Company undertakes no obligation to publicly update any forward-looking statements included in this report.

Thank you



Appendixes

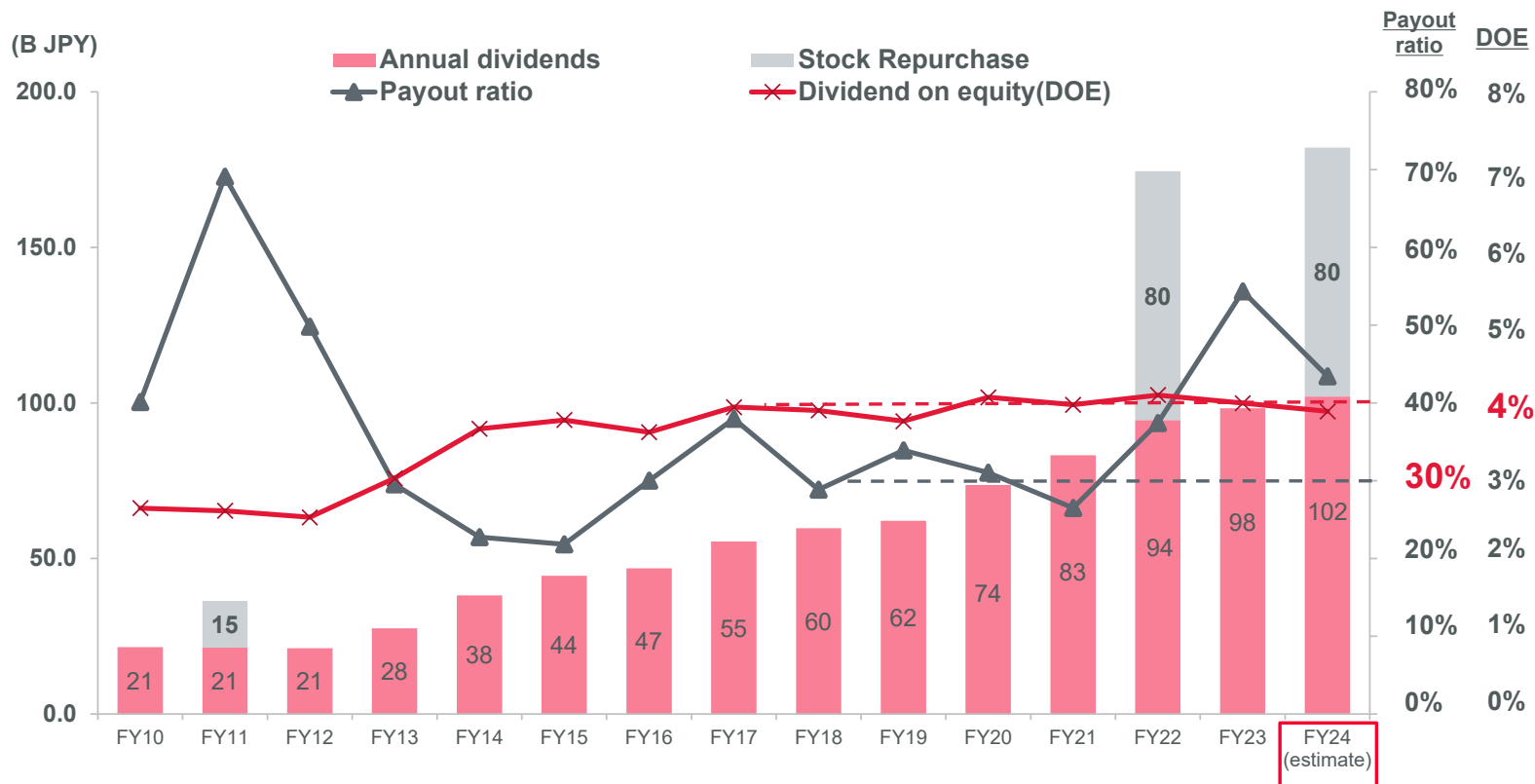


Dividends per Share

- FY2024 (Year Ending March 31, 2025) projected annual dividends per share
54 JPY per share
(Interim: 27 JPY per share, Year-end: 27 JPY per share)
 - FY2023 (Year Ending March 31, 2024) annual dividends per share
Interim: 25 JPY per share, Year-end: 27 JPY per share
- * The company implemented a three-for-one common stock split, effective October 1, 2023. Information per share was calculated on the assumption that the relevant stock split had been implemented.

Note: The above projections are based on our view of the current business environment and our projections for FY2024.

Return to Shareholders



Consolidated Statement of Financial Position



							(B JPY)
	Mar.2024	Jul.2024	Change from Jul.2024		Mar.2024	Jul.2024	Change from Jul.2024
Cash and cash equivalents	622.0	537.6	(84.4)	Bonds and borrowings	52.8	53.0	+0.1
Trade receivables	292.7	306.5	+13.7	Trade payables	67.6	68.1	+0.5
Inventories	513.0	514.4	+1.4	Other current liabilities· non-current liabilities	361.8	330.5	(31.4)
Other current assets	72.0	106.8	+34.8	Total liabilities	482.3	451.6	(30.7)
Total current assets	1,499.8	1,465.3	(34.4)	Equity attributable to owners of parent	2,556.1	2,585.8	+29.7
Property, plant and equipment	1,184.6	1,205.1	+20.4	Non-controlling interests	(0.5)	(0.7)	(0.1)
Right-of-use assets	59.4	60.7	+1.3	Total equity	2,555.6	2,585.2	+29.6
Goodwill	137.1	144.7	+7.5	Total liabilities and equity	3,037.9	3,036.7	(1.1)
Other non-current assets	157.0	161.0	+4.0				
Total non-current assets	1,538.1	1,571.4	+33.3				
Total assets	3,037.9	3,036.7	(1.1)				
							(JPY)
				Exchange rates	Mar.2024	Jul.2024	Change from Jul.2024
				Yen/US dollar	151.40	161.14	9.74 Yen depreciation

Financial Data (1/3)

	FY2022				FY2023				(B JPY) FY2024
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Revenue	436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7
Operating profit	90.8	109.8	78.4	19.2	50.1	88.8	76.2	0.3	66.4
Profit before tax	103.3	113.7	65.7	20.0	62.8	98.5	64.2	14.0	83.6
Profit attributable to owners of parent	76.1	85.7	51.0	31.1	50.1	75.1	49.4	6.3	66.4
Capital expenditures	38.6	45.2	54.2	70.2	53.1	55.3	52.2	58.9	41.7
Depreciation and amortization	39.8	40.0	40.2	41.3	42.1	42.9	46.1	44.8	42.4
R & D expenses	30.7	31.5	30.3	31.7	32.7	33.6	33.5	32.7	37.9
Average exchange rates (yen)	129.57	138.38	141.64	132.32	137.37	144.63	147.89	148.60	155.89

Financial Data (2/3)

		FY2022				FY2023				(B JPY) FY2024
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Revenue by Operating segments	Capacitors	202.1	194.4	182.7	159.5	169.5	197.0	198.1	189.0	203.3
	Inductors and EMI filters	46.9	48.3	43.4	36.8	38.9	48.4	48.2	44.8	48.3
	Components	249.0	242.7	226.1	196.3	208.3	245.4	246.2	233.8	251.6
	High-Frequency Device and Communications Module	108.4	147.6	114.4	83.3	87.9	127.7	130.9	93.6	99.3
	Battery and Power supply	51.3	65.0	53.9	44.4	48.0	43.1	36.6	36.7	42.6
	Functional Device	24.8	24.9	22.1	20.9	20.9	23.5	22.8	23.5	25.2
	Devices/Module	184.5	237.5	190.4	148.6	156.8	194.4	190.3	153.7	167.2
	Others	3.1	3.3	2.5	2.7	2.5	2.9	2.9	2.9	2.9
	Total	436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7
	Revenue by Application	Communication	169.2	205.0	162.6	122.4	134.1	194.1	199.1	149.2
Mobility		91.9	94.3	106.3	97.7	99.6	110.7	113.0	109.3	115.0
Computers		68.2	65.2	50.7	40.6	45.2	50.7	52.2	55.0	65.8
Home Electronics		51.3	61.9	45.6	39.0	42.0	40.3	32.7	33.4	41.0
Industry and Others		56.1	57.0	53.8	47.9	46.8	46.8	42.4	43.4	45.0
Total		436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7

Financial Data (3/3)

(B JPY)

		FY2022				FY2023				FY2024
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Components	Revenue	252.0	245.2	228.6	198.6	210.5	247.5	248.9	235.6	254.3
	Operating profit	88.1	82.8	67.5	43.9	52.5	64.0	62.3	55.4	73.7
Devices and modules	Revenue	184.5	237.5	190.4	148.6	156.8	194.4	190.3	153.8	167.2
	Operating profit	2.4	27.7	12.0	(22.0)	(0.2)	26.4	14.7	(53.8)	(6.1)
Others	Revenue	20.2	16.5	18.1	19.8	15.2	17.0	15.5	19.7	15.4
	Operating profit	0.2	(0.7)	(1.1)	(2.7)	(2.2)	(1.5)	(0.7)	(1.3)	(1.2)
Eliminations	Revenue	(20.0)	(15.7)	(18.1)	(19.3)	(14.9)	(16.2)	(15.3)	(18.7)	(15.2)
Consolidated	Revenue	436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7
	Operating profit	90.8	109.8	78.4	19.2	50.1	88.8	76.2	0.3	66.4

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