

Consolidated Financial Flash Report (March 31, 2021)

Date: April 28, 2021

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <https://corporate.murata.com>)
Phone : (075) 955-6525
The date of payout of dividends: June 30, 2021

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated Financial results for the year ended March 31, 2021

(1) Operating results (Years ended March 31, 2021 and 2020)

	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	%
2021	1,630,193	6.3	313,240	23.7	316,417	24.6	237,057	29.5
2020	1,534,045	(2.6)	253,247	(5.1)	254,032	(5.0)	183,012	(11.6)

Comprehensive income attributable to Murata Corporation: 293,766 million yen for the year ended March 31, 2021 and 149,950 million yen for the year ended March 31, 2020.

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share	Net income attributable to Murata Corporation / Shareholders' equity	Income before income taxes / Total assets	Operating income / Net sales
	Yen	Yen	%	%	%
2021	370.51	-	13.1	13.4	19.2
2020	286.05	-	11.1	11.8	16.5

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

(2) Financial position (At March 31, 2021 and 2020)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2021	2,462,261	1,920,805	78.0	3,002.12
2020	2,250,230	1,694,104	75.3	2,647.88

(3) Cash flows (Years ended March 31, 2021 and 2020)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2021	373,571	(150,275)	(118,189)	407,699
2020	350,334	(284,431)	17,650	302,320

2. Dividends (Years ended March 31, 2021 and 2020, and the year ending March 31, 2022)

	Cash dividends per share					Cash dividends (Total)	Consolidated basis	
	First Quarter	Second Quarter	Third Quarter	Year-end	Total		Payout ratio	Dividend on equity (DOE)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
2020	-	47.00	-	50.00	97.00	62,060	33.9	3.8
2021	-	55.00	-	60.00	115.00	73,579	31.0	4.1
2022 (Projected)	-	60.00	-	60.00	120.00		32.0	

3. Projected financial results for the six months ending September 30, 2021 and 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
Six months ending September 30, 2021	847,000	12.6	157,000	19.4	158,000	18.7	118,000	18.2	184.43
Year ending March 31, 2022	1,660,000	1.8	320,000	2.2	322,000	1.8	240,000	1.2	375.11

* Percentages in the fields of Net sales, Operating income, Income before income taxes, and Net income attributable to Murata Corporation for the six months ending September 30, 2021 are the growth ratios against the six months ended September 30, 2020.

Percentages for the year ended March 31, 2021 are the growth ratios against the previous year.

4. Notes

(1) Changes in significant subsidiaries (changes in specific subsidiaries that caused change in scope of consolidation): None

(2) Changes in accounting policy

Changes due to adoption of new accounting standard: None

Changes due to reasons other than above: None

(3) Number of common shares outstanding

Number of shares outstanding, including treasury stock: 675,814,281 shares at March 31, 2021 and 675,814,281 shares at March 31, 2020

Number of treasury stock: 35,998,818 shares at March 31, 2021 and 36,017,849 shares at March 31, 2020

Average number of shares outstanding: 639,801,439 shares for the year ended March 31, 2021 and 639,777,067 shares for the year ended March 31, 2020

*See "Amounts per Share" for the average common shares outstanding, which is the basis of computation of earnings per share.

[Reference] Financial Results on Parent Company Basis

1. Financial results for the year ended March 31, 2021

(1) Operating results (Years ended March 31, 2021 and 2020)

	Net sales		Operating income		Income before income taxes and extraordinary items		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2021	1,107,863	6.0	47,138	24.7	90,872	32.4	85,317	26.1
2020	1,044,772	(0.8)	37,814	(18.1)	68,629	7.9	67,669	1.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2021	133.35	-
2020	105.77	-

*1 Percentages in the fields of Net sales, Operating income, Income before income taxes and extraordinary items, and Net income are the growth ratios against the previous year.

*2 The diluted earnings per share are not stated since there were no dilutive potential securities.

(2) Financial position (At March 31, 2021 and 2020)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
2021	1,268,960	623,496	49.1	974.49
2020	1,147,829	601,650	52.4	940.38

*Notes to the projected financial results

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

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

Business Results and Financial Position (from April 1, 2020 through March 31, 2021)

1. Business Results

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

Murata Manufacturing Co., Ltd. and subsidiaries (hereinafter referred to as the Companies) operate in the electronics market. In this market, demand for personal computers (PCs) used in teleworking and online education remained firm along with robust demand for video game consoles on the back of stay-at-home demand. In the smartphone market, from the second quarter onward there were signs of a strong move to secure components against the background of the launch of 5G. In the automotive market, there was a suspension of production by automakers during the first quarter and shortages of semiconductors in the fourth quarter. Mainly due to these factors, the production output of automobiles fell on a year-on-year basis, but there was a move to secure components for a future production increase.

Given such background, by product, sales of multilayer resin substrates and lithium ion secondary batteries decreased for smartphones. However, multilayer ceramic capacitors (MLCCs), the main product in this category, remained firm in a wide range of applications, and inductors and connectivity modules increased for PCs with more RF modules being used for smartphones. As a result, net sales for the period under review increased 6.3% year on year to 1,630,193 million yen, marking a record high, despite the impact of currency fluctuations (year-on-year appreciation of 2.69 yen to the U.S. dollar).

Looking at profits, operating income was 313,240 million yen, up 23.7% from the fiscal year ended March 31, 2020, income before income taxes was 316,417 million yen, up 24.6% from the above-mentioned period, and net income attributable to Murata Corporation was 237,057 million yen, up 29.5% from the above-mentioned period. We marked a record high in each profit level. Negative factors, such as a fall in product prices and the impact of currency fluctuations, were offset by positive factors, including the effects of a production increase and cost reduction initiatives.

ROIC (Return on Invested Capital) (pre-tax) is established as a priority management index in “Mid-term Direction 2021.” ROIC (pre-tax) in the period under review was 18.5%, up 2.4 percentage points

from the fiscal year ended March 31, 2020. The increase in ROIC (pre-tax) was due to higher operating income despite greater invested capital with capital expenditures incurred to expand buildings and production capacity in anticipation of stronger demand for electronic components in the medium to long term.

	Millions of yen					
	Year ended March 31, 2020		Year ended March 31, 2021		Change	
Net sales	1,534,045	%* 100.0	1,630,193	%* 100.0	96,148	% 6.3
Operating income	253,247	16.5	313,240	19.2	59,993	23.7
Income before income taxes	254,032	16.6	316,417	19.4	62,385	24.6
Net income attributable to Murata Corporation	183,012	11.9	237,057	14.5	54,045	29.5
Return on invested capital (ROIC) (pre-tax basis)	16.1	-	18.5	-	2.4	-
Average exchange rate (Yen/US dollar)	108.75	-	106.06	-	(2.69)	-
Average exchange rate (Yen/Euro)	120.83	-	123.70	-	2.87	-

Sales by Product Category

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

	Millions of yen					
	Year ended March 31, 2020		Year ended March 31, 2021		Change	
Capacitors	559,438	%* 36.6	626,546	%* 38.5	67,108	% 12.0
Piezoelectric Components	129,254	8.4	129,288	8.0	34	0.0
Other Components	363,029	23.7	387,648	23.8	24,619	6.8
Components Total	1,051,721	68.7	1,143,482	70.3	91,761	8.7
Modules	478,619	31.3	484,099	29.7	5,480	1.1
Net sales	1,530,340	100.0	1,627,581	100.0	97,241	6.4

*Component ratio as a percentage of net sales

<Components>

Sales of Components for the period under review increased by 8.7 % year-on-year to 1,143,482 million yen.

[Capacitors]

The Capacitors category includes MLCCs.

For the period under review, sales of MLCCs, the main product in this category, increased for PCs and PC peripherals significantly and for smartphones and car electronics as a strong move to secure components started.

As a result, overall net sales increased by 12.0 % year-on-year to 626,546 million yen.

[Piezoelectric Components]

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

For the period under review, sales of piezoelectric sensors declined for car electronics although SAW filters increased for IoT devices.

As a result, sales of piezoelectric components were 129,288 million yen, almost unchanged from the fiscal year ended March 31, 2020.

[Other Components]

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

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

As a result, overall net sales increased by 6.8 % year-on-year to 387,648 million yen.

<Modules>

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

For the period under review, sales of RF modules increased for smartphones, and sales of connectivity modules rose for PC whereas sales of multilayer resin substrates declined for smartphones.

As a result, overall net sales increased by 1.1 % year-on-year to 484,099 million yen.

Sales by Application Category

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

	Millions of Yen					
	Year ended March 31, 2020		Year ended March 31, 2021		Change	
		%		%		%
AV	61,046	4.0	71,889	4.4	10,843	17.8
Communications	792,165	51.8	804,927	49.5	12,762	1.6
Computers and Peripherals	230,469	15.0	291,502	17.9	61,033	26.5
Automotive Electronics	263,533	17.2	273,185	16.8	9,652	3.7
Home and Others	183,127	12.0	186,078	11.4	2,951	1.6
Net sales	1,530,340	100.0	1,627,581	100.0	97,241	6.4

*Based on our estimate

[AV]

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

As a result, overall net sales increased by 17.8 % year-on-year to 71,889 million yen.

[Communication]

For the period under review, sales of MLCCs declined for base stations, but sales of MLCCs and RF modules increased for smartphones, and sales of MLCCs and connectors rose for wearable devices.

As a result, overall net sales increased by 1.6 % year-on-year to 804,927 million yen.

[Computers and Peripherals]

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

As a result, overall net sales increased by 26.5 % year-on-year to 291,502 million yen.

[Automotive Electronics]

For the period under review, the production output of automobiles dropped. However, demand for MLCCs grew as there was a move to secure components in anticipation of an increase in the production output of automobiles.

As a result, overall net sales increased by 3.7 % year-on-year to 273,185 million yen.

2. Financial Position

Total assets at March 31, 2021 increased by 212,031 million yen from the end of the previous fiscal year to 2,462,261 million yen, mainly due to increases in cash, and property, plant and equipment. Liabilities decreased by 14,807 million yen from the end of the previous fiscal year to 540,616 million yen, mainly due to a decrease in short-term borrowings. Equity increased by 226,838 million yen from the end of the previous fiscal year to 1,921,645 million yen, mainly due to an increase in retained earnings. Using the profit generated in the period under review as financial resources, the Companies made reinvestments in anticipation of growing demand for electronic components in the medium to long term, and repaid loans while distributing profit to shareholders. The ratio of shareholders' equity to total assets increased by 2.7 percentage points from the end of the previous fiscal year to 78.0 % at March 31, 2021.

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 flow provided by operating activities was 373,571 million yen. An increase of 42,560 million yen in trade notes and accounts receivable was offset by net income, as the source of cash flows, of 237,025 million yen and depreciation and amortization of 143,074 million yen.

Net cash provided by operating activities increased by 23,237 million yen from the year ended March 31, 2020.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 150,275 million yen. While cash inflows included maturities and sales of marketable securities, investments and other of 42,705 million yen, there were cash outflows due to 199,876 million yen in capital expenditures aimed at boosting production capacity in particular, and an increase of 26,542 million yen in payment for purchases of marketable securities, investments and other.

Net cash used in investing activities increased by 134,156 million yen from the year ended March 31, 2020.

<Net Cash Provided by Financing Activities>

For the period under review, net cash used in financing activities was 118,189 million yen. There were cash outflows due to dividend payment of 67,180 million yen and a 50,908 million yen decrease in short-term borrowing.

Net cash used in financing activities decreased by 135,839 million yen from the year ended March 31, 2020.

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

In the year ending March 31, 2022, government stimulus measures will be in place in countries across the world with vaccinations gathering momentum. But with the prospects for an end to the pandemic still unclear in addition to continued U.S.–China confrontation, the outlook for the global economy is uncertain.

In the electronics market in which the Companies operate, it is projected that demand for electronic components will expand. This will be mainly due to progress in the popularization of 5G, a recovery in the production output of automobiles and advance of electrification although there are disruptions in some of the supply chains caused by shortages of semiconductors.

On the basis of the above outlook, the Companies have made the following business projections for the fiscal year ending March 31, 2022.

[Consolidated Projections for the Year Ending March 31, 2021]

		Consolidated Basis	
		2020 (Actual)	2021 Projections
Net sales	Millions of yen	1,630,193	1,660,000
	<%>*1	<19.2>	<19.3>
Operating income	Millions of yen	313,240	320,000
	<%>*1	<19.4>	<19.4>
Income before income taxes	Millions of yen	316,417	322,000
Net income attributable to Murata Corporation	Millions of yen	237,057	240,000
	<%>*1	<14.5>	<14.5>
Return on invested capital (ROIC) (pre-tax basis)	<%>	18.5	17.9
Capital expenditures	Millions of yen	196,660	160,000
	<%>*1	<8.8>	<8.9>
Depreciation and amortization	Millions of yen	143,074	148,000
	<%>*1	<6.2>	<6.3>
R & D expenses	Millions of yen	101,727	104,000

*1 Ratio to net sales

*2 The projections above are based on the assumed average exchange rates of 107 yen per US dollar and 128 yen per Euro for the year ending March 31, 2022.

For the year ending March 31, 2022, the Companies forecast 1,660,000 million yen in annual net sales, a 1.8% year-on-year increase. This is in anticipation that sales of capacitors will grow for car electronics and smartphones despite a decline in modules resulting from specification changes in smartphones. Looking at profits, the Companies forecast operating income to be 320,000 million yen, up 2.2% from the fiscal year ended March 31, 2021, income before income taxes to be 322,000 million yen, up 1.8% from the above-mentioned period, and net income attributable to Murata Corporation to be

240,000 million yen, up 1.2% from the above-mentioned period. Negative factors, such as a fall in product prices and an increase in production-related expenses, will be offset by positive factors, including the effects of a production increase and cost reduction initiatives.

From a mid-term perspective, the Companies are planning a total of 160,000 million yen in capital expenditures for the year ending March 31, 2022. This will be used mainly for investments to boost production capacity for products expected to see demand growth, to promote rationalization for reducing product costs and to advance R&D.

ROIC (pre-tax) for the year ending March 31, 2022, is projected to be 17.9%, down 0.6 percentage points from the period under review. The decline in ROIC (pre-tax) will be due to a higher growth rate of invested capital which will slightly outpace an increase in operating income.

4. Basic Policy on Profit Distribution and Dividends for the Year Ended March 31, 2021 and the Year Ending March 31, 2022

The Companies belong to the electronics component industry segment which experiences rapid fluctuation in technological innovation. We endeavor to flexibly respond to changes in the market, achieve continuous profit growth and substantially of equity capital in order to continue stabilization of management in the severe business environment.

Our basic policy on profit distribution to shareholders is to prioritize the sharing of profits through payment of dividends. We will steadily raise the dividends by increasing profit per share, while enhancing long-term corporate value and strengthening its capital structure, and aim to realize DOE (Dividends on Equity) of 4% or higher with a target payout ratio of about 30% in the mid-term. In accordance with this policy, our dividends are determined after comprehensively considering our business performance on a consolidated basis, as well as the accumulation of internal reserves necessary for reinvestment to ensure future development.

The Companies regard the repurchase of own shares as an approach for returning profits to shareholders. We accordingly implement this measure as appropriate in order to improve our capital efficiency.

For the year ended March 31, 2021, the Companies revise the projected year-end dividend upward by 5 yen from the current 55 yen per share to 60 yen per share. This is based on the comprehensive evaluation of factors, such as the consolidated business performance for the year ended March 31, 2021, 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, 2021 is 115 yen after combining with the interim dividend of 55 yen per share, which was already distributed.

Based on the comprehensive evaluation of factors such as forecasts for consolidated business performance, earnings retention for reinvestment for future development, and the dividend policy that aims to realize DOE of 4% or higher with a target payout ratio of about 30% in the mid-term, for the year ending March 31, 2022, we plan to increase our annual dividend by 5 yen to 120 yen per share (comprising an interim dividend of 60 yen per share and an year-end dividend of 60 yen per share).

Note that the annual dividend above is calculated considering the business environment and performance forecasts for the year ending March 31, 2022.

[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.

Management Policy, Management Environment and Challenges Facing by the Company

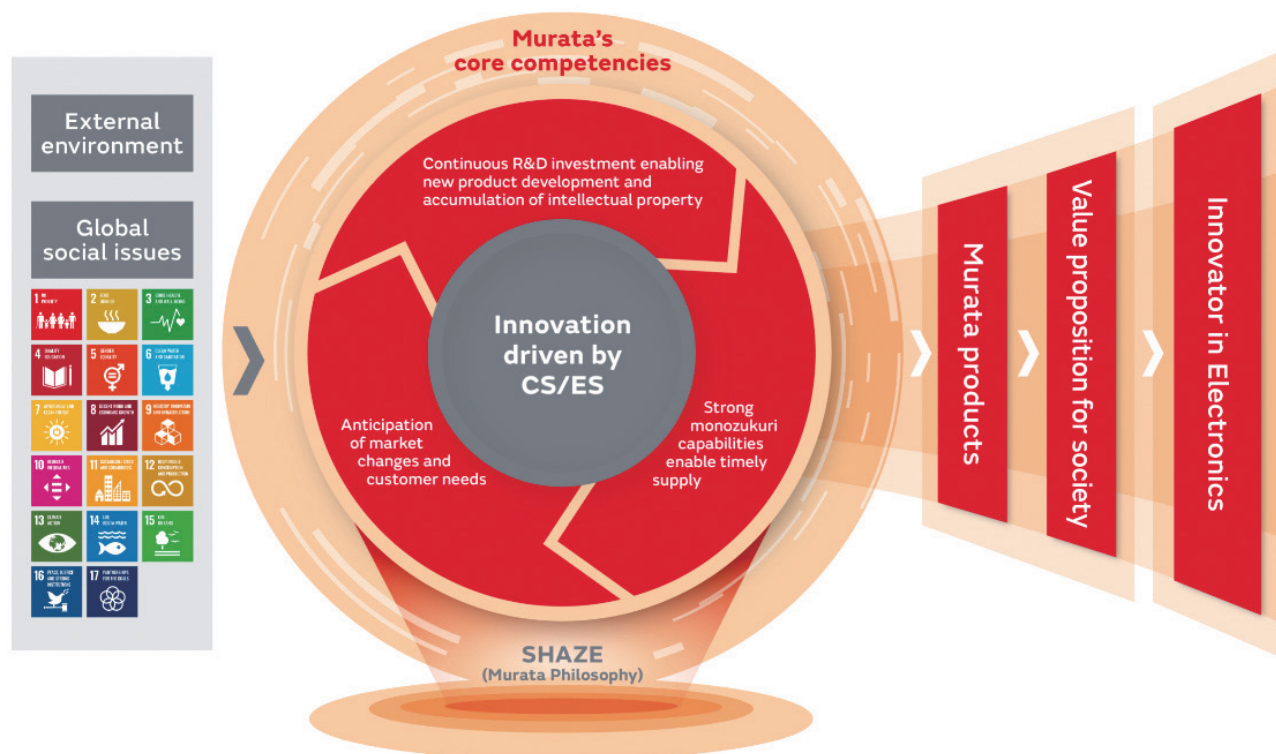
1. Murata's Fundamental Management Policy

“We contribute to the advancement of society by creating innovative products and solutions. “Murata implements management based upon this corporate philosophy. All Murata members share this philosophy and also focus on employee satisfaction (ES) and customer satisfaction (CS) as an important value. At the same time, we enhance our core competences - “global network and relationship with a broad range of customers”, “technology development capability” and “manufacturing capability” - and demonstrate our collective strength by integrating these competencies through our “organizational cooperation”. Murata continues to supply the products required by the market quickly and stably. This is how we create our value.

In technology and product development, based on the fundamental corporate principle “New quality electronic devices begin with new quality components, and new quality components begin with new quality materials” we develop and supply distinctive and innovative products, with the ultimate goal of contributing toward the advancement of an electronic society. We focus on the research and development of elemental technology including electronic materials technology (e. g. ,ceramic materials), circuit design technology, processing technology (e. g. , thin-film and microfabrication technology), and development technologies for production machinery. By intelligently combining the achievements from these efforts, we create multilayer ceramic capacitors (MLCCs), ceramic piezoelectric products, noise suppression components, microwave devices, circuit modules, and other electronic components. These components are indispensable for various applications, such as communication devices, computing devices and automotive electronics.

At Murata, these principles comprise our basic management policy and are embedded in the slogan “Innovator in Electronics,” which is shared by all employees. By seeking mutual prosperity with our partners and actively endeavoring to find solutions to social issues, we will contribute to the realization of a plentiful and sustainable society.

Process of Value Creation



2. Business Goals

Our management indices are operating income ratio and ROIC (Return on Invested Capital)(before tax)*. In particular, we place importance on ROIC in order to enhance our corporate value by improving capital efficiency, and we have set a target of 20% to achieve healthy and sustainable growth.

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

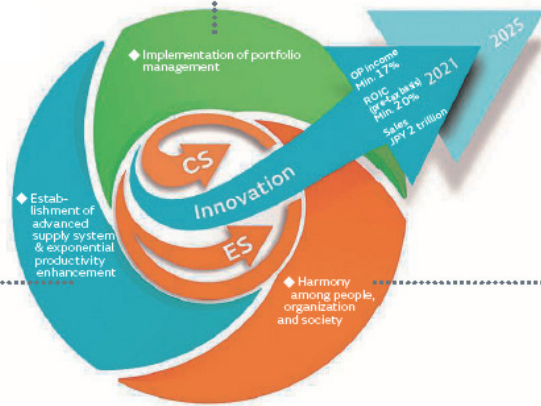
* ROIC is calculated on a pre-tax operating income basis as we assess performance of each business unit by its pre-tax operating income, while after-tax operating income is commonly used.

3. Medium to Long-Term Management Strategy and Management Issues

In the “Mid-term direction 2021”, started from the fiscal year ended March 31, 2020, we set communication and automotive market as our important growing market. We aim to expand business in these markets by accurately capturing business opportunities and maintaining competitive advantages. In order to realize healthy and sustainable growth, we have defined three corporate-wide issues to tackle. Firstly, we aim to create further customer value by implementing efficient resource allocation through portfolio management. Secondly, we improve capital and labor productivity dramatically and establish a stable supply system that can respond to demand fluctuations. Lastly, we focus on strengthening “Business and Management Foundation” to accommodate the expansion of our business, while fully recognizing our impact on the society and the environment, and conduct business in consideration of these factors.

Implementation of portfolio management

"Murata's business portfolio is composed of 'Global No.1' products and we create additional customer value by designing and proposing specific technologies and products in combination."



Establishment of advanced supply system & exponential productivity enhancement

"While satisfying each customer's QCDS, Murata achieves dramatic improvement in capital and labor productivity and a stable supply system that responds to demand fluctuation."

Basic policy

1. In order to respond to changes in the market environment, the key requirements are to identify promising businesses, acquire necessary management resources, and conduct optimal allocation. From a market perspective, Murata concentrates management resources into the Communication and Automotive markets.
2. Murata tackles new business creation with a long-term perspective. In the Energy and Medical/Healthcare markets, Murata continues to challenge in the identified business domains.
3. Murata acquires and strengthens core competencies that enable sustainable growth.

Harmony among people, organization and society

"Murata earns the trust of society, and is able to respond to changing business opportunities by improving its systems and organization in adapting to each employee's growth and to business growth."

Basic policy

1. Murata makes the company attractive to employees in order to support growth, and strengthens its organization to accommodate growth.
2. Murata renovates its organizational culture and business process to enable engendering of "trust and respect."
3. Murata complies with regulations and laws. In addition, Murata operates its businesses in harmony with society.

Basic policy

1. Murata enhances direct/indirect labor efficiency, utilizing all appropriate methods, including AI and RPA.
2. Murata learns best practices from internal organizations and other companies, and optimizes and horizontally expands on them.
3. Murata prepares development and production structures ahead of fluctuating demand.
4. Murata flexibly responds to demand fluctuation by ascertaining in a timely manner the flow of information and goods throughout the supply chain and organizations and sites.
5. Autonomous overseas factories collaborate with and support one another, and we strengthen all Murata Monozukuri capabilities.

4. Fiscal 2020: Business Environment and Issues to be Resolved

(1) Capturing Business Opportunities in Growth Markets

Pursuit of Competitive Advantages in the Communication Market

The growth of production volumes of mobile communication equipment, mainly smartphones, is slowing down. However, we can still expect an increase in the number of electronic components per device, due to the improved functionality of devices and the increase in added value of devices following the greater demand for new products. During the consolidated fiscal year, although demand for electronic components slowed temporarily due to COVID-19, there were also signs that recovery in demand would occur sooner than expected. Especially in China, sales of devices compatible with 5G (fifth-generation mobile communications systems) increased, resulting in an increase in sales of MLCCs and high-frequency modules. We will aim to maintain our competitive advantages and increase our market shares by offering technology and products that can meet advanced customer needs required for applications utilizing 5G performance.

Making the Automotive Market the Next Pillar of Revenue

As our next pillar of revenue, we are currently focusing on the automotive market, which, along with the communication market, will lead the demand for electronic components. The industry continues to adjust to such current realities as the worldwide shortage of automotive semiconductors, but over the medium to long term, there is no change to the outlook that demand for electronic components will expand with the advance of electrification of vehicles. Providing our customers with the high reliability that ensures their safety and peace of mind is our shared value. We will offer a wide-ranging lineup that takes advantage of our strengths in areas such as sensing, communication, small size, and noise suppression to firm up our business foundation. Furthermore, we will monitor technological trends and changes in industrial structure. In addition to the demand for components used in automobiles as electrification progresses, we see business opportunities in the rise of automotive IoT (Internet of Things), smart cities, and other emerging aspects of mobility and will act accordingly.

(2) Current Status of Our Three Corporate-Wide Issues

Implementation of Portfolio Management

By implementing portfolio management within Murata, we hope to create a business portfolio composed of “Global No. 1” products and create additional customer value by designing and offering combinations of different technologies and products. The Murata Group aims to build a strong and sustainable organization. We have implemented a business evaluation model that facilitates autonomous and self-correcting portfolio management and have been working to build a system that enables efficient resource allocation from an overall corporate perspective. Going forward, we will endeavor to enhance our business management and view our portfolio from a very-long-term perspective. We will work to nurture innovation of all types and continually create new value.

Establishment of Advanced Supply System & Exponential Productivity Enhancement

Our goal is to drastically improve capital and labor productivity, and to establish a stable supply system that can respond to demand fluctuation while maintaining quality that satisfies our customers. We hope to improve productivity by utilizing IoT (Internet of Things) and eliminating constraints and wasteful activities to achieve optimization and standardization. It is particularly important to reinforce our efforts for higher quality in order to expand our business in the automotive market. We need to realize zero-defect manufacturing by foreseeing quality variances and taking preventive measures to achieve manufacturing that does not allow defective goods to leave the plant, and correct problems in a timely manner. In addition, to adapt to volatile demand fluctuations especially in consumer markets and to create a stable supply system, we will strive to unitarily manage our entire supply chain. We will also create business processes and systems that enable high-speed, high-precision decision making and execution.

Harmony among People, Organization, and Society

By solving this issue, we want to realize the statement, “The Murata group is a company trusted by society, and is able to improve its systems and organization according to the growth of each employee and the growth of its businesses to adapt to ever-changing business opportunities.” We have established key

“materiality issues” for Murata and our stakeholders as efforts that address social issues we need to prioritize. With this groundwork, we will practice business operations while continually monitoring their impacts on society and making appropriate improvements. During this fiscal year, the Murata group joined the RE100 global initiative as we aim to offset our energy use with 100% renewable energy by 2050. Our sites in Japan and abroad are already implementing renewable energy, and now we will increase those efforts by combining them with Murata products and systems. Going forward, we will place even greater emphasis on helping to resolve social issues in our management. Embedded in the Murata slogan “Innovator in Electronics” is a commitment to work proactively for the betterment of the environment and society, and we intend to put that commitment into practice. We will achieve greater corporate value by contributing to the realization of a sustainable society. Murata continues to view corporate governance as one of the top priorities of management and we will continue striving to establish and operate an optimal management system for the sound and sustainable development of our company.

Basic Policies on Identifying Materiality Issues

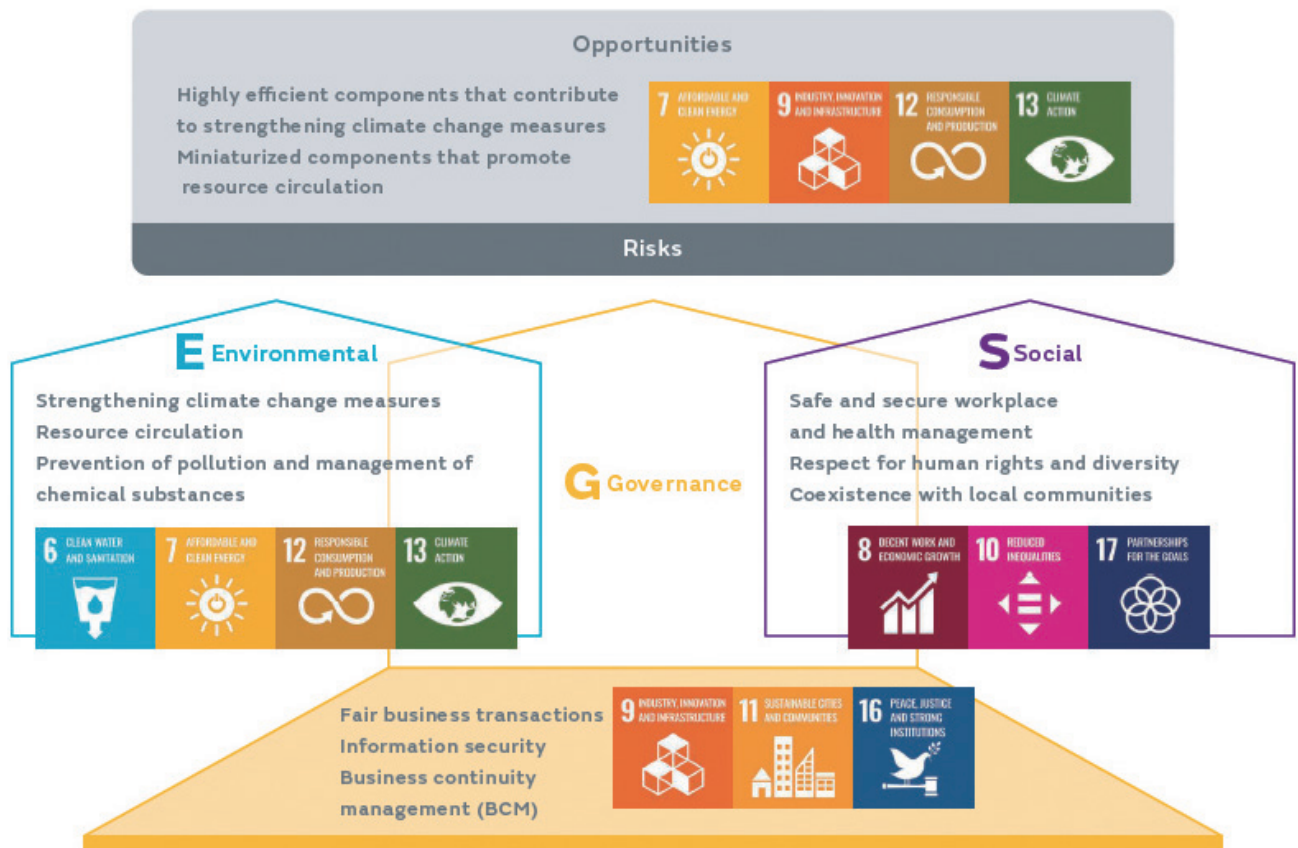
In our work on social issues thus far, Murata has adopted an approach of “taking the initiative for the better environment and society” defined by our identity “Innovator in Electronics”. This identity shall be shared and valued by all employees of the Murata Group around the world. We will continue to value this ideal. Murata’s basic policy is to contribute to resolving social issues through its business activities.

Murata’s Materiality Issues

In July 2019, we established 11 materiality issues, classifying them into two categories: resolving social issues through business activities (opportunities) and confronting social issues related to business processes (risks). We are endeavoring to make progress on these issues.

The process of identifying key issues

- STEP1** **Drafted an extended list of about 100 social issues based on the United Nations Sustainable Development Goals (SDGs), global risks, and issues faced by Murata**
- ▼
- STEP2** **Scored these issues in accordance with their importance for Murata’s business and their importance for stakeholders in terms of both risks and opportunities after excluding issues that lack close affinity to relevant business**
- ▼
- STEP3** **Held discussions among executives including representative directors, and persons concerned and determined 11 key issues at the Board of Director’s meeting**



(3) The Effects of COVID-19

During the first quarter period, the COVID-19 pandemic and restrictions that various countries placed on economic activity temporarily damaged economic conditions across the world. During this second quarter period, the extent of deterioration in business has eased, and some countries have been moving to reopen their economies, in part due to vaccination.

However, there are concerns of spread of coronavirus variants in the short term, and the future remains unpredictable.

On the other hand, in the electronics market to which the Murata Group belongs, the introduction of 5G to the communications market and progress in automobile electrification mean that there is no change to the forecast that demand for electronic components will grow in the medium to long term.

In this business environment, we will continue to pursue two objectives outlined in our Mid-term Direction 2021: (1) capturing business opportunities in growth markets, and (2) tackling our three corporate-wide issues.

(1) Consolidated Balance Sheets (Assets)

At March 31, 2021 and 2020

	Millions of Yen			
	2020		2021	
		%		%
Assets	2,250,230	100.0	2,462,261	100.0
Current assets	1,027,227	45.7	1,184,180	48.1
Cash	239,656		363,979	
Short-term investments	106,950		64,218	
Marketable securities	29,554		22,599	
Trade notes receivable	100		25	
Trade accounts receivable	281,958		342,260	
Allowance for doubtful notes and accounts	(1,026)		(1,414)	
Inventories	334,408		361,331	
Prepaid expenses and other	35,627		31,182	
Property, plant and equipment	1,002,210	44.5	1,078,838	43.8
Land	72,707		73,359	
Buildings	633,041		741,346	
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,310,534		1,418,356	
Construction in progress	133,148		100,277	
Accumulated depreciation	(1,182,318)		(1,286,598)	
Operating lease right-of-use assets	35,098		32,098	
Investments and other assets	220,793	9.8	199,243	8.1
Investments	49,059		41,438	
Intangible assets	38,576		33,524	
Goodwill	73,032		71,058	
Deferred income taxes	42,220		37,796	
Other	17,906		15,427	
Total assets	2,250,230	100.0	2,462,261	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2021 and 2020

	Millions of Yen			
	2020		2021	
		%		%
Liabilities	555,423	24.7	540,616	22.0
Current liabilities	284,300	12.6	317,911	13.0
Short-term borrowings	51,000		97	
Trade accounts payable	79,330		85,927	
Accrued payroll and bonuses	45,374		52,909	
Income taxes payable	28,294		41,525	
Accrued expenses and other	73,611		130,498	
Current operating lease liabilities	6,691		6,955	
Long-term liabilities	271,123	12.1	222,705	9.0
Bonds	149,764		109,853	
Long-term debt	207		772	
Termination and retirement benefits	84,602		74,005	
Deferred income taxes	5,644		7,603	
Noncurrent operating lease liabilities	28,408		25,051	
Other	2,498		5,421	
Equity	1,694,807	75.3	1,921,645	78.0
Murata Corporation's shareholders' equity	1,694,104	75.3	1,920,805	78.0
Common stock	69,444		69,444	
Capital surplus	120,775		120,880	
Retained earnings	1,616,783		1,786,660	
Accumulated other comprehensive income (loss):	(59,335)		(2,627)	
Unrealized gains (losses) on securities	(61)		(32)	
Pension liability adjustments	(25,999)		(14,814)	
Foreign currency translation adjustments	(33,275)		12,219	
Treasury stock, at cost	(53,563)		(53,552)	
Noncontrolling interests	703	0.0	840	0.0
Total liabilities and equity	2,250,230	100.0	2,462,261	100.0

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

Consolidated Statements of Income

For the years ended March 31, 2021 and 2020

	Millions of Yen			
	2020		2021	
		%		%
Net sales	1,534,045	100.0	1,630,193	100.0
Cost of sales	952,583	62.1	1,007,992	61.8
Selling, general and administrative	229,587	15.0	203,680	12.6
Research and development	102,486	6.7	101,727	6.2
Impairment losses on goodwill	3,934	0.2	3,554	0.2
Other operating income	7,792	0.5	-	-
Operating income	253,247	16.5	313,240	19.2
Interest and dividend income	4,017	0.3	1,667	0.1
Interest expense	(512)	(0.1)	(384)	(0.0)
Foreign currency exchange gain (loss)	(3,614)	(0.2)	(10,237)	(0.6)
Other - net	894	0.1	12,131	0.7
Income before income taxes	254,032	16.6	316,417	19.4
Income taxes	71,050	4.7	79,392	4.9
<Current income tax>	<69,127>		<80,476>	
<Deferred income tax>	<1,923>		<(1,084)>	
Net income	182,982	11.9	237,025	14.5
Less: Net income (loss) attributable to noncontrolling interests	(30)	(0.0)	(32)	(0.0)
Net income attributable to Murata Corporation	183,012	11.9	237,057	14.5

Consolidated Statements of Comprehensive Income

For the years ended March 31, 2021 and 2020

	Millions of Yen	
	2020	2021
Net income	182,982	237,025
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	(107)	29
Pension liability adjustments	(4,425)	11,185
Foreign currency translation adjustments	(28,588)	45,568
Other comprehensive income (loss)	(33,120)	56,782
Comprehensive income	149,862	293,807
Less: Comprehensive income (loss) attributable to noncontrolling interests	(88)	41
Comprehensive income attributable to Murata Corporation	149,950	293,766

(3) Consolidated Statements of Shareholders' Equity

	Number of common shares issued	Millions of Yen							
		Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Controlling interests	Noncontrolling interests	Total equity
		Balance at March 31, 2019	675,814,281	69,444	120,702	1,493,697	(26,273)	(53,594)	1,603,976
Purchases of treasury stock at cost						(12)	(12)		(12)
Disposal of treasury stock			1			0	1		1
Net income				183,012			183,012	(30)	182,982
Cash dividends				(59,926)			(59,926)	(9)	(59,935)
Other comprehensive income (loss), net of tax					(33,062)		(33,062)	(58)	(33,120)
Restricted stock compensation			92			43	135		135
Equity transaction with noncontrolling interests and other			(20)				(20)	236	216
Balance at March 31, 2020	675,814,281	69,444	120,775	1,616,783	(59,335)	(53,563)	1,694,104	703	1,694,807
Purchases of treasury stock at cost						(21)	(21)		(21)
Disposal of treasury stock			1			0	1		1
Net income				237,057			237,057	(32)	237,025
Cash dividends				(67,180)			(67,180)	(3)	(67,183)
Other comprehensive income (loss), net of tax					56,708		56,708	74	56,782
Restricted stock compensation			104			32	136		136
Equity transaction with noncontrolling interests and other								98	98
Balance at March 31, 2021	675,814,281	69,444	120,880	1,786,660	(2,627)	(53,552)	1,920,805	840	1,921,645

(4) Consolidated Statements of Cash Flows

Years ended March 31, 2021 and 2020

	Millions of Yen			
	2020		2021	
Operating activities:				
Net income		182,982		237,025
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	140,267		143,074	
Losses on sales and disposals of property, plant and equipment	2,477		1,054	
Impairment losses on long-lived assets	23,756		1,531	
Impairment losses on goodwill	3,934		3,554	
Provision for termination and retirement benefits, less payments	2,719		4,918	
Deferred income taxes	1,923		(1,084)	
Changes in assets and liabilities:				
(Increase) decrease in trade notes and accounts receivable	(14,481)		(42,560)	
(Increase) decrease in inventories	8,680		(16,027)	
(Increase) decrease in prepaid expenses and other	(4,185)		4,644	
Increase (decrease) in trade notes and accounts payable	4,492		4,353	
Increase (decrease) in accrued payroll and bonuses	2,209		6,986	
Increase (decrease) in income taxes payable	(9,631)		12,636	
Increase (decrease) in accrued expenses and other	(690)		19,755	
Other-net	5,882	167,352	(6,288)	136,546
Net cash provided by operating activities		350,334		373,571
Investing activities:				
Payment for purchases of property, plant and equipment		(285,935)		(199,876)
Payment for purchases of marketable securities, investments and other		(27,018)		(26,542)
Maturities and sales of marketable securities, investments and other		30,666		42,705
Decrease in long-term deposits and loans		5,913		5,827
(Increase) decrease in short-term investments		(10,781)		23,299
Acquisition of businesses, net of cash acquired		(479)		-
Other-net		3,203		4,312
Net cash used in investing activities		(284,431)		(150,275)
Financing activities:				
Net increase (decrease) in short-term borrowings		27,993		(50,908)
Proceeds from long-term debt		98		249
Repayment of long-term debt		(211)		(136)
Proceeds from issuance of bonds		49,889		-
Dividends paid		(59,926)		(67,180)
Other-net		(193)		(214)
Net cash provided by financing activities		17,650		(118,189)
Effect of exchange rate changes on cash and cash equivalents		962		272
Net increase (decrease) in cash and cash equivalents		84,515		105,379
Cash and cash equivalents at beginning of year		217,805		302,320
Cash and cash equivalents at end of year		302,320		407,699
Additional cash and cash equivalents information:				
Cash		239,656		363,979
Short-term investments		106,950		64,218
Short-term investments with the original maturities over 3 months		(44,286)		(20,498)
Cash and cash equivalents at end of year		302,320		407,699

(5) Assumptions for Going Concern

None

(6) 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.

		Millions of Yen			
		2020		2021	
Components	Sales to:		%		%
	Unaffiliated customers	1,051,721		1,143,482	
	Intersegment	46,599		31,929	
	Total revenue	1,098,320	100.0	1,175,411	100.0
	Segment income	249,651	22.7	312,998	26.6
Modules	Sales to:		%		%
	Unaffiliated customers	478,619		484,099	
	Intersegment	11		2	
	Total revenue	478,630	100.0	484,101	100.0
	Segment income (loss)	49,431	10.3	54,277	11.2
Others	Sales to:		%		%
	Unaffiliated customers	3,705		2,612	
	Intersegment	55,529		58,455	
	Total revenue	59,234	100.0	61,067	100.0
	Segment income	5,717	9.7	7,778	12.7
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(102,139)		(90,386)	
	Total revenue	(102,139)	-	(90,386)	-
	Corporate expenses	(51,552)	-	(61,813)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	1,534,045		1,630,193	
	Intersegment	-		-	
	Total revenue	1,534,045	100.0	1,630,193	100.0
	Operating income	253,247	16.5	313,240	19.2

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 expenses of headquarters functions and fundamental research.

(7) Amounts per Share

The Company introduced a restricted compensation plan (hereinafter, the "Plan") for the Company's Directors (except directors serving as Audit and Supervisory Committee members and Outside Directors) and executive officers. Among the new shares issued under the Plan, those transfer restrictions which have not been cancelled are distinguished as participating securities from common shares.

A holder of participating securities has the same rights as a holder of common shares to net income attributable to Murata Corporation.

A reconciliation of the basic earnings per share computation was as follows:

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

		Year ended March 31, 2020	Year ended March 31, 2021
Net income attributable to Murata Corporation	Millions of yen	183,012	237,057
Net income available to participating securities	Millions of yen	4	4
Net income available to common shareholders	Millions of yen	183,008	237,053
Weighted-average number of common shares outstanding	Number of shares	639,792,288	639,813,238
Weighted-average number of participating securities	Number of shares	15,221	11,799
Weighted-average number of common shares	Number of shares	639,777,067	639,801,439
Basic earnings attributable to Murata Corporation per share	Yen	286.05	370.51

Shareholders' equity per share for the years ended March 31, 2021 and 2020 was 3,002.12 yen and 2,647.88 yen, respectively.

(8) Subsequent Events

None

(9) Other

Date: April 28, 2021
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <https://corporate.murata.com>)

Flash Report (Year ended March 31, 2021)**Selected Financial Data - Consolidated basis**

Years ended March 31, 2021 and 2020/at March 31, 2021 and 2020

		Consolidated Basis		
		2020	2021	Growth ratio
Net sales	Millions of yen	1,534,045	1,630,193	6.3
	<*>2	<16.5>	<19.2>	
Operating income	Millions of yen	253,247	313,240	23.7
	<*>2	<16.6>	<19.4>	
Income before income taxes	Millions of yen	254,032	316,417	24.6
Net income attributable to Murata Corporation	Millions of yen	183,012	237,057	29.5
	<*>2	<11.9>	<14.5>	
Total assets	Millions of yen	2,250,230	2,462,261	9.4
Shareholders' equity	Millions of yen	1,694,104	1,920,805	13.4
Shareholders' equity ratio	%	75.3	78.0	-
Basic earnings attributable to Murata Corporation per share	Yen	286.05	370.51	29.5
Diluted earnings attributable to Murata Corporation per share	Yen	-	-	-
	*3			
Return on equity (ROE)	%	11.1	13.1	-
Shareholders' equity per share	Yen	2,647.88	3,002.12	-
Return on invested capital (ROIC) (pre-tax basis)	%	16.1	18.5	-
	*5			
Capital expenditures	Millions of yen	281,599	196,660	(30.2)
	<*>2	<9.1>	<8.8>	
Depreciation and amortization	Millions of yen	140,267	143,074	2.0
	<*>2	<6.7>	<6.2>	
Research and development expenses	Millions of yen	102,486	101,727	(0.7)
	*4	<42,851>	<43,409>	
Number of employees		74,109	75,184	1.5
Average exchange rates				
Yen/US dollar	Yen	108.75	106.06	-
Yen/Euro	Yen	120.83	123.70	-

*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.

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

+ accounts receivable-trade - accounts payable-trade)

Projected Financial Data - Consolidated basis

		Six months ending September 30, 2021 and six months ended September 30, 2020			Year ending March 31, 2022 and year ended March 31, 2021		
		2020 (Actual)	2021 (Projection)	Growth ratio %	2020 (Actual)	2021 (Projection)	Growth ratio %
Net sales	Millions of yen	752,005	847,000	12.6	1,630,193	1,660,000	1.8
	<%>*1	<17.5>	<18.5>		<19.2>	<19.3>	
Operating income	Millions of yen	131,518	157,000	19.4	313,240	320,000	2.2
	<%>*1	<17.7>	<18.7>		<19.4>	<19.4>	
Income before income taxes	Millions of yen	133,154	158,000	18.7	316,417	322,000	1.8
	<%>*1	<13.3>	<13.9>		<14.5>	<14.5>	
Net income attributable to Murata Corporation	Millions of yen	99,860	118,000	18.2	237,057	240,000	1.2
Basic earnings attributable to Murata Corporation per share	Yen	156.08	184.43	18.2	370.51	375.11	1.2
Capital expenditures	Millions of yen	83,958	77,900	(7.2)	196,660	160,000	(18.6)
	<%>*1	<9.3>	<8.9>		<8.8>	<8.9>	
Depreciation and amortization	Millions of yen	69,844	75,000	7.4	143,074	148,000	3.4
	<%>*1	<6.8>	<6.1>		<6.2>	<6.3>	
Research and development expenses	Millions of yen	51,014	52,000	1.9	101,727	104,000	2.2

*1 Ratio to net sales

*2 The projections above are based on the assumed average exchange rates of 107 yen per US dollar and 128 yen per Euro for the year ending March 31, 2022.

*3 The projections above 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".

Orders, Backlogs and Sales

(1) Orders and Backlogs by Product

<Orders>

		Millions of Yen					
		Year ended March 31, 2020		Year ended March 31, 2021		Change	
			%*1		%*1		%
Capacitors		538,529	35.7	706,901	38.8	168,372	31.3
Piezoelectric Components		132,220	8.8	151,765	8.3	19,545	14.8
Other Components		362,600	24.1	453,822	24.9	91,222	25.2
Components Total		1,033,349	68.6	1,312,488	72.0	279,139	27.0
Modules		473,700	31.4	509,251	28.0	35,551	7.5
Total		1,507,049	100.0	1,821,739	100.0	314,690	20.9

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

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

<Backlogs>

		Millions of Yen					
		At March 31, 2020		At March 31, 2021		Change	
			%*1		%*1		%
Capacitors		109,363	45.5	189,718	43.7	80,355	73.5
Piezoelectric Components		20,524	8.6	43,001	9.9	22,477	109.5
Other Components		60,950	25.4	127,124	29.3	66,174	108.6
Components Total		190,837	79.5	359,843	82.9	169,006	88.6
Modules		49,319	20.5	74,471	17.1	25,152	51.0
Total		240,156	100.0	434,314	100.0	194,158	80.8

*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

		Millions of Yen					
		Year ended March 31, 2020		Year ended March 31, 2021		Change	
			%*1		%*1		%
	Capacitors	559,438	36.6	626,546	38.5	67,108	12.0
	Piezoelectric Components	129,254	8.4	129,288	8.0	34	0.0
	Other Components	363,029	23.7	387,648	23.8	24,619	6.8
	Components Total	1,051,721	68.7	1,143,482	70.3	91,761	8.7
	Modules	478,619	31.3	484,099	29.7	5,480	1.1
	Net sales	1,530,340	100.0	1,627,581	100.0	97,241	6.4

*1 Component ratio

*2 Exclusive of consumption taxes

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

		Millions of Yen					
		Year ended March 31, 2020		Year ended March 31, 2021		Change	
			%*1		%*1		%
	AV	61,046	4.0	71,889	4.4	10,843	17.8
	Communications	792,165	51.8	804,927	49.5	12,762	1.6
	Computers and Peripherals	230,469	15.0	291,502	17.9	61,033	26.5
	Automotive Electronics	263,533	17.2	273,185	16.8	9,652	3.7
	Home and Others	183,127	12.0	186,078	11.4	2,951	1.6
	Net sales	1,530,340	100.0	1,627,581	100.0	97,241	6.4

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

		Millions of Yen					
		Year ended March 31, 2020		Year ended March 31, 2021		Change	
			%*1		%*1		%
	The Americas	189,609	12.4	170,495	10.5	(19,114)	(10.1)
	Europe	132,037	8.6	126,352	7.8	(5,685)	(4.3)
	Greater China	810,085	52.9	951,169	58.4	141,084	17.4
	Asia and Others	258,068	16.9	242,105	14.9	(15,963)	(6.2)
	Overseas total	1,389,799	90.8	1,490,121	91.6	100,322	7.2
	Japan	140,541	9.2	137,460	8.4	(3,081)	(2.2)
	Net sales	1,530,340	100.0	1,627,581	100.0	97,241	6.4

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

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

	Millions of yen							
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		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

*1 Ratio to net sales

(2) Sales by Product Category

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

	Millions of yen							
	Three months ended June 30, 2020		Three months ended September 30, 2020		Three months ended December 31, 2020		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	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

*1 Component ratio

*2 Exclusive of consumption taxes