

Consolidated Financial Flash Report (September 30, 2023)

Date: October 31, 2023

Company Name : Murata Manufacturing Co., Ltd.
Listing Code : 6981
(URL <https://corporate.murata.com>)
Phone : (075) 955-6525
The date of payout of dividends : November 27, 2023

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2023

(1) Operating results

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	810,350	(11.9)	138,922	(30.7)	161,224	(25.7)	125,153	(22.6)	208,807	(21.0)
Six months ended September 30, 2022	920,224	-	200,585	-	216,983	-	161,771	-	264,312	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	66.25	-
Six months ended September 30, 2022	84.98	-

* Percentage represents year-on-year changes.

* Murata Manufacturing Co., Ltd. (hereinafter, the "Company") implemented a three-for-one common stock split, effective October 1, 2023. Basic earnings per share were calculated on the assumption that the stock split had been implemented at the beginning of the consolidated fiscal year ended March 31, 2023.

(2) Financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	3,022,430	2,521,537	2,521,824	83.4	1,334.84
As of March 31, 2023	2,858,303	2,359,942	2,359,985	82.6	1,249.22

* The Company implemented a three-for-one common stock split, effective October 1, 2023. Basic earnings per share were calculated on the assumption that the stock split had been implemented at the beginning of the consolidated fiscal year ended March 31, 2023.

2. Dividends (Year ended March 31, 2023, and the year ending March 31, 2024)

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2023	-	75.00	-	75.00	150.00
2024	-	75.00	-	-	-
2024 (Projected)	-	-	-	25.00	-

* No change in the projected dividends during the three months ended June 30, 2023.

* The Company implemented a three-for-one common stock split, effective October 1, 2023. Concerning the projected year-end dividend per share for the fiscal year ending March 31, 2024, the dividend amount based on the number of shares after the stock split is shown, and the total full-year dividend is displayed as "-". Based on the number of shares prior to the stock split, the projected year-end dividend for the fiscal year ending March 31, 2024, is 75.00 yen for a full-year dividend of 150.00 yen per share.

3. Projected financial results for the year ending March 31, 2024 (Consolidated basis)

	Revenue		Operating income		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2024	1,620,000	(4.0)	270,000	(9.5)	298,000	(1.5)	225,000	(7.8)	119.10

* Projected financial results have been revised during the three months ended September 30, 2023.

* Percentage represents year-on-year changes.

* The Company implemented a three-for-one common stock split, effective October 1, 2023. Projected basic earnings per share for the year ending March 31, 2024, uses the number of shares after the stock split. Based on the number of shares prior to the stock split, basic earnings per share are expected to be 357.30 yen.

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2023 (changes in specific subsidiaries that caused change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None

(3) Number of common shares outstanding

Number of shares outstanding, including treasury shares: 2,027,442,843 shares as of September 30, 2023, and March 31, 2023

Number of treasury shares: 138,207,456 shares as of September 30, 2023, and 138,272,181 shares as of March 31, 2023

Average number of shares outstanding: 1,889,172,698 shares for the six months ended September 30, 2023, and 1,903,565,445 shares for the six months ended September 30, 2022

* The Company implemented a three-for-one common stock split, effective October 1, 2023. Average number of shares outstanding were calculated on the assumption that the stock split had been implemented at the beginning of the consolidated fiscal year ended March 31, 2023.

*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, 2023 through September 30, 2023)

1. Business Results

The global economic environment for the period under review saw a growing concern over a slowdown of the global economic growth rate due to the tightening of the monetary policies in various countries, as well as rising geopolitical risk. As a result, the economic outlook has become more uncertain. In the U.S., although the risk of an economic downturn has been calm down, the Federal Reserve Board (FRB) maintains its monetary-tightening stance, soaring oil prices, and the automobile industry is on strike. These concerns are mounting across the U.S. economy. In Europe, it is feared that in addition to a deterioration in foreign demand, the prolonged inflation may cause an economic downturn. In China, although service consumption is on a recovery trend after the lifting of the zero-COVID policy, economic stimulus measures against stagnant domestic and foreign demand and the deterioration of the real estate market have been announced intermittently. It is necessary to closely monitor future economic trend. In Japan, inbound demand has kept recovering, and the economy is on a moderately upward trend but exports became weak due to the slowdown of foreign demand, and the further depreciation of the yen.

In the electronic market where Murata Manufacturing Co., Ltd. and its subsidiaries (hereinafter the “Companies”) operate, demand for parts grew for mobility due to recovery in automotive production following easing semiconductor shortages. However, demand in wide-ranging applications, mainly for PCs and home electronics, declined as a result of a downturn in final demand for consumer electronic equipment in the wake of inflation in countries.

In these circumstances, regarding revenue for the period under review, revenue of multilayer ceramic capacitors (MLCCs) increased for mobility, but decreased in a wide range of applications, mainly for computers and base stations. Additionally, revenue of connectivity modules fell for smartphones and lithium-ion secondary batteries decreased for power tools. As a result, revenue decreased by 11.9 % year on year to 810,350 million yen despite the impact of foreign currency fluctuations (the yen depreciated by 7.02 yen year on year).

Looking at profits, operating profit was 138,922 million yen, down 30.7 % year on year, profit before tax was 161,224 million yen, down 25.7 % year on year, and profit attributable to owners of parent came to 125,153 million yen, down 22.6 % year on year. This was due to profit-decreasing factors such as a decrease in the operation rate and a fall in product selling prices, despite profit-increasing factors such as a cost reduction, a further depreciation of the yen and a decrease in fixed costs.

	Millions of yen					
	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
		%*		%*		%
Revenue	920,224	100.0	810,350	100.0	(109,874)	(11.9)
Operating profit	200,585	21.8	138,922	17.1	(61,663)	(30.7)
Profit before tax	216,983	23.6	161,224	19.9	(55,759)	(25.7)
Profit attributable to owners of parent	161,771	17.6	125,153	15.4	(36,618)	(22.6)
Average exchange rate (Yen/U.S. dollar)	133.98	-	141.00	-	7.02	-

*Component ratio as a percentage of revenue

Revenue by Operating Segments

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

	Millions of yen					
	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
		%*		%*		%
Capacitors	396,579	43.1	366,487	45.2	(30,092)	(7.6)
Inductors and EMI filters	95,173	10.4	87,258	10.8	(7,915)	(8.3)
Components	491,752	53.5	453,745	56.0	(38,007)	(7.7)
High-Frequency Device and Communications Module	256,004	27.8	215,648	26.6	(40,356)	(15.8)
Battery and Power supply	116,273	12.6	91,121	11.2	(25,152)	(21.6)
Functional Device	49,709	5.4	44,450	5.5	(5,259)	(10.6)
Devices and Modules	421,986	45.8	351,219	43.3	(70,767)	(16.8)
Others	6,486	0.7	5,386	0.7	(1,100)	(17.0)
Revenue	920,224	100.0	810,350	100.0	(109,874)	(11.9)

*Component ratio as a percentage of revenue

<Components>

Revenue of Components for the period under review decreased by 7.7 % year-on-year to 453,745 million yen.

[Capacitors]

The Capacitors category includes MLCCs.

For the period under review, revenue of MLCCs increased for mobility, but decreased in a wide range of applications, mainly for computers and base stations.

As a result, overall revenue decreased by 7.6 % year-on-year to 366,487 million yen.

[Inductors and EMI Filters]

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

For the period under review, revenue of inductors and EMI suppression filters increased for mobility. However, revenue of inductors decreased in a wide range of applications, mainly for computers.

As a result, overall revenue decreased by 8.3 % year-on-year to 87,258 million yen.

<Devices and Modules>

Revenue of Devices and Modules for the period under review decreased by 16.8 % year-on-year to 351,219 million yen.

[High-Frequency Device and Communications Module]

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

For the period under review, while revenue of SAW filters increased for smartphones, revenue of connectivity modules and high-frequency modules fell for smartphones.

As a result, overall revenue decreased by 15.8 % year-on-year to 215,648 million yen.

[Battery and Power supply]

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

For the period under review, revenue of lithium-ion secondary batteries decreased for power tools.

As a result, overall revenue decreased by 21.6 % year-on-year to 91,121 million yen.

[Functional Device]

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

For the period under review, revenue of sensors increased for mobility. However, revenue of sensors decreased in a wide range of applications, mainly for computers and smartphones.

As a result, overall revenue decreased by 10.6 % year-on-year to 44,450 million yen.

Revenue by Application Category

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

	Millions of yen					
	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
		%		%		%
Communication	374,231	40.7	328,204	40.5	(46,027)	(12.3)
Mobility	186,205	20.2	210,347	26.0	24,142	13.0
Computers	133,389	14.5	95,894	11.8	(37,495)	(28.1)
Home Electronics	113,282	12.3	82,293	10.2	(30,989)	(27.4)
Industry and Others	113,117	12.3	93,612	11.5	(19,505)	(17.2)
Revenue	920,224	100.0	810,350	100.0	(109,874)	(11.9)

*Based on our estimate

[Communication]

For the period under review, while revenue of SAW filters increased for smartphones, revenue of connectivity modules and high-frequency modules fell for smartphones. And MLCCs decreased for base stations.

As a result, overall revenue decreased by 12.3 % year-on-year to 328,204 million yen.

[Mobility]

For the period under review, revenue of MLCCs, inductors and sensors increased mainly due to the revenue-increasing factor of a weaker yen and a recovery in the automotive production.

As a result, overall revenue increased by 13.0 % year-on-year to 210,347 million yen.

[Computers]

For the period under review, revenue of MLCCs, connectivity modules and inductors decreased for PCs.

As a result, overall revenue decreased by 28.1 % year-on-year to 95,894 million yen.

[Home Electronics]

For the period under review, revenue of lithium-ion secondary batteries for power tools decreased.

As a result, overall revenue decreased by 27.4 % year-on-year to 82,293 million yen.

[Industry and Others]

For the period under review, revenue of MLCCs for Industrial equipment and distributors decreased.

As a result, overall revenue decreased by 17.2 % year-on-year to 93,612 million yen.

2. Financial Position

Total assets at the end of the period under review increased by 164,127 million yen from the end of the previous fiscal year to 3,022,430 million yen primarily due to increases in trade receivables, property, plant and equipment and cash and cash equivalents. Total liabilities increased by 2,532 million yen from the end of the previous fiscal year to 500,893 million yen mainly due to increases in other current liabilities and lease liabilities, despite a decrease in other financial liabilities. Total equity increased by 161,595 million yen from the end of the previous fiscal year to 2,521,537 million yen, primarily due to increases in other components of equity and retained earnings. The ratio of equity attributable to owners of parent up by 0.8 points from the end of the previous fiscal year to 83.4 %.

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, cash flows from operating activities were an inflow of 191,658 million yen mainly due to profit for the period of 124,923 million yen, which is the source of cash flows, depreciation and amortization of 84,978 million yen, and decrease in inventories of 33,732 million yen.

Net cash provided by cash flows from operating activities increased by 35,916 million yen from the same period of the previous fiscal year.

<Net cash used in investing activities>

For the period under review, cash flows from investing activities were an outflow of 115,362 million yen primarily due to purchase of property, plant and equipment of 124,544 million yen, aimed at boosting production capacity and construction of buildings for production in particular, despite proceeds from sale and redemption of investments of 11,116 million yen.

Net cash used in investing activities decreased by 57,139 million yen from the same period of the previous fiscal year.

<Net cash used in financing activities>

For the period under review, net cash used in financing activities was 53,115 million yen primarily due to the payment of dividends of 47,229 million yen.

Net cash used in financing activities increased by 78,170 million yen from the same period of the previous fiscal year.

3. Projected Results for the Year Ending March 31, 2024

In the projected finance results for the full year ending March 2024, revenue is expected to fall short of the previous projected finance results due to a forecast decline in the sales quantities of the Company's components for home electronics and computers, resulting from decreases in the power tool market and final demand for PC peripherals and servers, even though a sales-increasing factor of a weaker yen is taken into account. On the other hand, profits are expected to surpass the previous projections due to profit-increasing factors such as a further depreciation of the yen and decreases in quasi-variable and fixed costs despite a decline in the operation rate and other profit-decreasing factors.

Under these 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 2024, which were announced on April 28, 2023, have been adjusted.

		Consolidated Basis	
		Previous Projections	Revised Projections
Revenue	Millions of yen	1,640,000	1,620,000
	< % > * 1	< 13.4 >	< 16.7 >
Operating income	Millions of yen	220,000	270,000
	< % > * 1	< 13.4 >	< 18.4 >
Profit before tax	Millions of yen	220,000	298,000
	< % > * 1	< 10.0 >	< 13.9 >
Profit attributable to owners of parent	Millions of yen	164,000	225,000
Return on invested capital (ROIC)*2 (pre-tax basis)	< % >	10.2	12.3
Capital expenditures	Millions of yen	220,000	220,000
	< % > * 1	< 10.4 >	< 10.7 >
Depreciation and amortization	Millions of yen	170,000	174,000
	< % > * 1	< 7.9 >	< 8.0 >
Research and development expenses	Millions of yen	130,000	130,000

*1 Ratio to revenue

*2 ROIC (pre-tax basis) = Operating income / Average invested capital at the beginning and end of the period (= Property, plant and equipment + right-of-use assets + goodwill + intangible assets + inventories + trade receivable - trade payables)

For the above projected finance results, the assumed exchange rate has been changed from 127 yen in the previous forecast to 145 yen against the U.S. dollar from the third quarter of this fiscal year onwards.

[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.

Condensed quarterly consolidated financial statements and primary notes

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	April 1, 2022	March 31, 2023	September 30, 2023
Assets			
Current assets			
Cash and cash equivalents	512,072	469,406	521,801
Trade receivables	358,395	270,239	332,086
Inventories	465,139	574,632	559,030
Other financial assets	66,872	43,014	38,273
Other current assets	33,346	50,321	45,911
Total current assets	1,435,824	1,407,612	1,497,101
Non-current assets			
Property, plant and equipment	1,084,161	1,146,222	1,200,952
Right-of-use assets	41,041	49,845	54,551
Goodwill	114,722	123,247	135,384
Intangible assets	42,030	39,375	39,060
Investments accounted for using equity method	-	-	46
Other financial assets	43,210	39,248	41,142
Deferred tax assets	31,704	42,952	39,553
Other non-current assets	11,389	9,802	14,641
Total non-current assets	1,368,257	1,450,691	1,525,329
Total assets	2,804,081	2,858,303	3,022,430

(Millions of yen)

	April 1, 2022	March 31, 2023	September 30, 2023
Liabilities			
Current liabilities			
Bonds and borrowings	99	60,534	110,435
Trade payables	93,842	65,597	60,951
Lease liabilities	6,843	7,729	8,708
Other financial liabilities	49,952	59,857	44,300
Income taxes payable	55,318	12,755	16,812
Deferred income	673	854	854
Provisions	2,136	2,859	1,908
Other current liabilities	110,502	87,723	97,468
Total current liabilities	319,365	297,908	341,436
Non-current liabilities			
Bonds and borrowings	110,979	51,464	2,057
Lease liabilities	28,703	35,500	39,268
Other financial liabilities	2,562	2,707	2,925
Deferred income	13,621	19,093	19,432
Retirement benefit liability	66,949	70,251	70,202
Provisions	6,470	9,102	9,173
Deferred tax liabilities	12,082	9,031	12,965
Other non-current liabilities	3,361	3,305	3,435
Total non-current liabilities	244,727	200,453	159,457
Total liabilities	564,092	498,361	500,893
Equity			
Share capital	69,444	69,444	69,444
Capital surplus	121,004	121,116	121,141
Retained earnings	2,099,426	2,246,258	2,324,413
Other components of equity	3,343	56,661	140,261
Treasury shares	(53,538)	(133,494)	(133,435)
Equity attributable to owners of parent	2,239,679	2,359,985	2,521,824
Non-controlling interests	310	(43)	(287)
Total equity	2,239,989	2,359,942	2,521,537
Total liabilities and equity	2,804,081	2,858,303	3,022,430

(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income

Condensed quarterly consolidated statement of profit or loss

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Revenue	920,224	810,350
Cost of sales	(540,431)	(487,167)
Gross profit	379,793	323,183
Selling, general and administrative expenses	(120,552)	(119,540)
Research and development expenses	(61,873)	(66,337)
Other income	5,228	3,925
Other expenses	(2,011)	(2,309)
Operating profit	200,585	138,922
Finance income	18,448	23,180
Finance costs	(2,050)	(877)
Share of profit (loss) of investments accounted for using equity method	-	(1)
Profit before tax	216,983	161,224
Income tax expense	(55,385)	(36,301)
Profit for the period	161,598	124,923
Profit attributable to:		
Owners of parent	161,771	125,153
Non-controlling interests	(173)	(230)
Profit for the period	161,598	124,923
Earnings per share		
Basic earnings per share	84.98	66.25

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Revenue	483,567	442,656
Cost of sales	(282,923)	(263,187)
Gross profit	200,644	179,469
Selling, general and administrative expenses	(60,458)	(58,452)
Research and development expenses	(31,345)	(33,606)
Other income	2,554	2,584
Other expenses	(1,561)	(1,184)
Operating profit	109,834	88,811
Finance income	5,442	9,999
Finance costs	(1,554)	(353)
Share of profit (loss) of investments accounted for using equity method	-	(1)
Profit before tax	113,722	98,456
Income tax expense	(28,082)	(23,475)
Profit for the period	85,640	74,981
Profit attributable to:		
Owners of parent	85,704	75,055
Non-controlling interests	(64)	(74)
Profit for the period	85,640	74,981
Earnings per share		
Basic earnings per share	45.21	39.73

Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit for the period	161,598	124,923
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,793)	1,010
Total of items that will not be reclassified to profit or loss	(1,793)	1,010
Items that may be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1	10
Exchange differences on translation of foreign operations	104,506	82,864
Total of items that may be reclassified to profit or loss	104,507	82,874
Total other comprehensive income, net of tax	102,714	83,884
Comprehensive income for the period	264,312	208,807
Comprehensive income attributable to:		
Owners of parent	264,428	208,984
Non-controlling interests	(116)	(177)
Comprehensive income for the period	264,312	208,807

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Profit for the period	85,640	74,981
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(662)	(366)
Total of items that will not be reclassified to profit or loss	(662)	(366)
Items that may be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1	3
Exchange differences on translation of foreign operations	27,880	25,005
Total of items that may be reclassified to profit or loss	27,881	25,008
Total other comprehensive income, net of tax	27,219	24,642
Comprehensive income for the period	112,859	99,623
Comprehensive income attributable to:		
Owners of parent	112,924	99,671
Non-controlling interests	(65)	(48)
Comprehensive income for the period	112,859	99,623

(3) Condensed quarterly consolidated statement of changes in equity

For the six months ended September 30, 2022

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury shares	Total		
Balance as of April 1, 2022	69,444	121,004	2,099,426	3,343	(53,538)	2,239,679	310	2,239,989
Profit for the period	-	-	161,771	-	-	161,771	(173)	161,598
Other comprehensive income	-	-	-	102,657	-	102,657	57	102,714
Comprehensive income	-	-	161,771	102,657	-	264,428	(116)	264,312
Purchase of treasury shares	-	-	-	-	(80,004)	(80,004)	-	(80,004)
Disposal of treasury shares	-	0	-	-	1	1	-	1
Dividends	-	-	(44,788)	-	-	(44,788)	(66)	(44,854)
Share-based payment transactions	-	29	-	-	51	80	-	80
Transfer from other components of equity to retained earnings	-	-	(17)	17	-	-	-	-
Other	-	(3)	-	-	-	(3)	-	(3)
Balance as of September 30, 2022	69,444	121,030	2,216,392	106,017	(133,490)	2,379,393	128	2,379,521

For the six months ended September 30, 2023

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury shares	Total		
Balance as of April 1, 2023	69,444	121,116	2,246,258	56,661	(133,494)	2,359,985	(43)	2,359,942
Profit for the period	-	-	125,153	-	-	125,153	(230)	124,923
Other comprehensive income	-	-	-	83,831	-	83,831	53	83,884
Comprehensive income	-	-	125,153	83,831	-	208,984	(177)	208,807
Purchase of treasury shares	-	-	-	-	(5)	(5)	-	(5)
Disposal of treasury shares	-	0	-	-	0	0	-	0
Dividends	-	-	(47,229)	-	-	(47,229)	(67)	(47,296)
Share-based payment transactions	-	25	-	-	64	89	-	89
Transfer from other components of equity to retained earnings	-	-	231	(231)	-	-	-	-
Other	-	-	-	-	-	-	-	-
Balance as of September 30, 2023	69,444	121,141	2,324,413	140,261	(133,435)	2,521,824	(287)	2,521,537

(4) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit for the period	161,598	124,923
Depreciation and amortization	83,268	84,978
Impairment losses	161	46
Finance income and finance costs	(16,398)	(22,303)
Income tax expense	55,385	36,301
Share of loss (profit) of investments accounted for using equity method	-	1
Loss (gain) on sale and retirement of fixed assets	(114)	474
Decrease (increase) in inventories	(71,959)	33,732
Decrease (increase) in trade receivables	17,536	(40,104)
Decrease (increase) in other assets	(3,962)	(8,113)
Increase (decrease) in trade payables	(8,458)	(6,210)
Increase (decrease) in other liabilities	(6,712)	6,999
Other	16,237	(1,509)
Subtotal	226,582	209,215
Income taxes paid	(70,840)	(17,557)
Net cash provided by operating activities	155,742	191,658
Cash flows from investing activities		
Net decrease (increase) in time deposits	13,523	111
Purchase of property, plant and equipment	(87,000)	(124,544)
Proceeds from sale of property, plant and equipment	2,342	415
Purchase of intangible assets	(3,334)	(3,525)
Purchase of investments	(26,777)	(4,616)
Proceeds from sale and redemption of investments	41,239	11,116
Interest and dividends received	1,579	5,567
Other	205	114
Net cash provided by (used in) investing activities	(58,223)	(115,362)
Cash flows from financing activities		
Proceeds from long-term borrowings	340	476
Repayments of long-term borrowings	(6)	(7)
Purchase of treasury shares	(80,004)	(5)
Repayments of lease liabilities	(5,525)	(5,107)
Interest paid	(421)	(439)
Dividends paid	(44,788)	(47,229)
Other	(881)	(804)
Net cash provided by (used in) financing activities	(131,285)	(53,115)
Effect of exchange rate changes on cash and cash equivalents	20,110	29,214
Net increase (decrease) in cash and cash equivalents	(13,656)	52,395
Cash and cash equivalents at beginning of period	512,072	469,406
Cash and cash equivalents at end of period	498,416	521,801

(5) Notes to condensed quarterly consolidated financial statements

(Going concern assumption)

None

(Reporting entity)

Murata Manufacturing Co., Ltd. (hereinafter, the "Company") is a stock company based in Japan. The Companies' condensed quarterly consolidated financial statements are composed of financial statements of the Company and its subsidiaries.

The Companies mainly develop, manufacture and sell electronic components and related products. The Companies' business is divided into three operating segments: Components (Capacitors, Inductors, EMI suppression filters, etc.), Devices/Modules (RF modules, SAW Filters, Lithium-ion secondary batteries, Sensors, etc.), and Others (Medical products, Solution business, etc.).

(Basis of preparation)

(i) Statement of compliance with International Financial Reporting Standards (IFRS) and matters relating to first-time adoption

The Companies' condensed quarterly consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" pursuant to the provisions of Article 93 of the "Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Order No. 64 of 2007), as the Companies meet the requirements of a "specified company complying with designated international accounting standards" as stipulated in Article 1-2 of the said regulation.

The Companies first applied IFRS in the first quarter of the current fiscal year (April 1, 2023, to March 31, 2024), with the date of transition to IFRS being April 1, 2022. In transitioning to IFRS, IFRS 1, "First-time Adoption of International Financial Reporting Standards" has been adopted, and the impact of the transition to IFRS on the Company's financial position, results of operations and cash flows is described in Note "First-time Adoption."

(ii) Basis of measurement

As described in note "(Material accounting policies)," the condensed quarterly consolidated financial statements of the Companies have been prepared on the historical cost basis, except for certain financial instruments, etc. measured at fair value.

(iii) Functional currency and presentation currency

The condensed quarterly consolidated financial statements of the Companies are presented in Japanese yen, which is the functional currency of the Company, and figures less than one million yen are rounded to the nearest million yen.

(Material accounting policies)

(i) Basis of consolidation

(1) Subsidiaries

A subsidiary is an entity that is controlled by the Companies. The Companies control an entity when they are exposed or have rights to variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity.

The financial statements of subsidiaries are included in the scope of consolidation from the date on which the Companies obtain control of the subsidiary until the date on which the Companies lose the control.

If any accounting policies applied by a subsidiary differ from those applied by the Companies, adjustments are made to the subsidiary's financial statements where needed. Receivables and payables balances and intragroup transactions, as well as unrealized gains or losses arising from transactions within the Companies, are eliminated in the preparation of the condensed quarterly consolidated financial statements.

Comprehensive income of subsidiaries is attributed to the owners of the parent company and the noncontrolling interests, even if the noncontrolling interests results in a negative balance.

Changes in ownership interests in subsidiaries that do not result in the loss of control are accounted for as equity transactions, and gains and losses resulting from the loss of control are recognized in profit or loss when control is lost.

(2) Affiliated companies

Affiliated companies are those entities in which the Companies have significant influence, but not control, over the financial and operating policies. If the Companies hold 20% or more and up to 50% of the voting rights of another entity, the Companies are presumed to have significant influence over the entity.

Affiliated companies are accounted for by the equity method from the date the Companies obtain significant influence until the date they lose the significant influence.

If any accounting policies applied by an affiliated company differ from those applied by the Companies, adjustments are made to the affiliated company's financial statements where needed.

(ii) Business combinations

Business combinations are accounted for using the acquisition method. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are, in principle, measured at fair value at the acquisition date.

If the sum of the consideration transferred in the business combination, the amount of any noncontrolling interests in the acquiree, and the fair value of any equity interests in the acquiree previously held by the Companies exceeds the net amount of identifiable assets acquired and liabilities assumed, the excess is recognized as goodwill, and if the sum goes below the said net amount, the amount is recognized as profit. The consideration transferred is calculated as the sum of the fair value of the assets transferred, the liabilities assumed, and the equity interests issued, and it includes the fair value of any assets or liabilities arising from the arrangement of contingent consideration.

The noncontrolling interests are measured for each business combination transaction at fair value or at the noncontrolling interests' proportionate share of the acquiree's identifiable net assets.

(iii) Foreign currency translation

Based on IAS 21 "The Effects of Changes in Foreign Exchange Rates," the Companies translate foreign currency items in the following manner:

(1) Translation of foreign currency transactions

Foreign currency transactions are translated and recorded in the respective functional currency of each company of the Companies at the exchange rates prevailing on the transaction dates.

Foreign currency monetary items at the balance sheet date are translated into functional currency at the exchange rate prevailing at the end of the period, and foreign currency non-monetary items measured at fair value are translated into functional currency at the exchange rate prevailing at the date when such fair value is calculated.

Translation differences arising from the settlement and translation of monetary items are recognized as profit or loss.

(2) Translation of foreign operations

Assets and liabilities of foreign operations are translated into the presentation currency at the exchange rate prevailing at the end of the period, and income and expenses are translated into the presentation currency at the average exchange rate during the period, except in the case of significant fluctuations in exchange rates. Translation differences arising from such translation are recognized in other comprehensive income.

When a foreign operation is disposed of, the cumulative translation differences related to the foreign operation are transferred to profit or loss at the time of disposal.

The Companies have adopted the exemption provisions of IFRS 1, and the cumulative exchange differences on translating foreign operations as of the date of transition are considered to be zero and all of them are transferred to retained earnings.

(iv) Financial instruments

1. Financial assets

(1) Initial recognition and measurement

The Companies classify financial assets as financial assets measured at amortized cost, debt and equity financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss. This classification is determined at initial recognition.

The Companies recognize a financial instrument on the trade date when the Companies become a party to the contract of the financial asset.

All financial assets are measured at fair value, plus transaction cost, except for those classified as financial assets measured at fair value through profit or loss.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met.

- Assets are held based on a business model in which assets are held for the purpose of collecting contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets measured at fair value

Financial assets other than financial assets measured at amortized cost are classified as financial assets measured at fair value.

1) Debt financial assets measured at fair value through other comprehensive income

Debt financial assets measured at fair value are classified as debt financial assets measured at fair value through other comprehensive income if both of the following conditions are met.

- Assets are held based on a business model in which the objective is achieved by both the collection and sale of contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2) Equity financial assets measured at fair value through other comprehensive income

Equity financial assets measured at fair value are classified as equity financial assets measured at fair value through other comprehensive income if an irrevocable election has been made at initial recognition to recognize changes in fair value in other comprehensive income rather than in profit or loss.

3) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value other than 1) and 2) are classified as financial assets measured at fair value through profit or loss.

(2) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows.

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured using the amortized cost based on the effective interest method.

(b) Financial assets measured at fair value

1) Debt financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of such financial assets, other than impairment gains or losses and foreign currency exchange gain or loss, are recognized in other comprehensive income until the financial assets are derecognized or reclassified. Upon derecognition of such financial assets, previously recognized other comprehensive income is reclassified to profit or loss.

2) Equity financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of such financial assets are recognized in other comprehensive income. Dividends relating to such financial assets are recognized as part of finance income in profit or loss for the fiscal year under review.

3) Financial assets measured at fair value through profit or loss

Subsequent changes in the fair value of such financial assets are recognized in profit or loss.

(3) Derecognition of financial assets

The Companies derecognize financial assets when contractual rights to cash flows from the financial assets expire, or when the Companies transfer substantially all the risks and rewards of ownership of the financial assets. If the Companies retain control over the transferred financial asset, the Companies recognize the asset and related liability to the extent of their continuing involvement.

(4) Impairment of financial assets

For financial assets measured at amortized cost, allowance for doubtful accounts is recognized for expected credit losses.

At the end of each period, the Companies assess whether the credit risk associated with each financial asset has increased significantly since initial recognition, and if the credit risk has not increased significantly since initial recognition, the Companies recognize expected credit losses for 12 months as allowance for doubtful accounts. On the other hand, if the credit risk has increased significantly since initial recognition, an amount equal to the expected credit losses for the entire period is recognized as allowance for doubtful accounts. However, for trade receivables and contract assets that do not contain a significant financial component, allowance for doubtful accounts is always recognized in an amount equal to the expected credit losses for the entire period, regardless of whether the credit risk has increased significantly since initial recognition.

The Companies determine whether credit risk has increased significantly based on changes in the risk of default occurrence, and in making this determination, the Companies consider downgrades of internal credit ratings, deterioration in the business performance of counterparties, and information on the elapse of due dates, etc.

Expected credit losses are recognized at the present value of the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive.

The Companies estimate expected credit losses on financial assets in a manner that reflects the following:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- Time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

In case of being affected by significant economic fluctuations, etc., necessary adjustments are made to the expected credit losses measured above.

The carrying amount of a financial asset is directly reduced if the Companies do not have a reasonable expectation of recovering the entirety or a portion of a financial asset.

2. Financial liabilities

(1) Initial recognition and measurement

The Companies classify financial liabilities as either financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost. This classification is determined at initial recognition.

The Companies initially recognize the debt securities issued on the date of their issuance. All other financial liabilities are initially recognized on the date of the transaction in which the Companies become a party to the contract for the financial instruments.

All financial liabilities are initially measured at fair value, except for financial liabilities measured at amortized cost, which are measured at the amount net of directly attributable transaction costs.

(2) Subsequent measurement

After initial recognition, financial liabilities are measured based on the classification as follows.

(a) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at initial recognition to be measured at fair value through profit or loss.

Subsequent changes in the fair value of such financial liabilities are recognized in profit or loss.

(b) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured using the amortized cost based on the effective interest method after initial recognition.

Amortization using the effective interest method and gains and losses associated with derecognition are recognized in profit or loss for the fiscal year under review as part of finance costs.

(3) Derecognition of financial liabilities

The Companies derecognize a financial liability when it is extinguished, which is when the obligation identified in the contract is discharged, cancelled, or expired.

3. Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are offset and presented net in the condensed quarterly consolidated statement of financial position only when the Companies have the legal right to offset the balances and have the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

4. Fair value of financial instruments

The fair value of financial instruments traded in an active market at each reporting date is determined by reference to quoted prices in a market or prices provided by dealers. The fair value of financial instruments for which there is no active market is determined using appropriate valuation techniques.

5. Derivatives and hedge accounting

Derivatives are initially recognized at fair value on the date the derivative contract is entered into and are remeasured at fair value at the end of each quarterly period after initial recognition.

The Companies use forward exchange contracts to fix cash flows related to recognized financial assets and liabilities and future transactions.

There are no derivatives to which hedge accounting is applied for the above derivatives.

(v) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments with maturities of three months or less at the time of acquisition that are readily convertible into cash and are only exposed to an insignificant risk of changes in value.

(vi) Inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs required for completion and estimated selling expenses. Cost is determined primarily based on the periodic average method and includes purchase costs, processing costs, and all costs incurred to reach the current location and condition.

(vii) Property, plant, and equipment

The acquisition cost includes costs directly related to the acquisition of the asset, demolition and removal, and restoration costs. The cost model is used for measurement after initial recognition, and the assets are stated at acquisition cost, less accumulated depreciation and accumulated impairment losses. Depreciation of each asset other than land and construction in progress is recognized on a straight-line method over their respective estimated useful lives.

The estimated useful lives of major asset items are as follows.

Buildings: 10 to 50 years

Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks: 4 to 17 years

Estimated useful lives, residual values, and depreciation methods are reviewed at each fiscal year end, and any changes are applied prospectively as changes in accounting estimates.

(viii) Goodwill and intangible assets

(1) Goodwill

The Companies initially measure goodwill as the fair value of the consideration for transfer, including the recognized amount of any noncontrolling interests in the acquiree measured as of the acquisition date, less the net amount of identifiable assets acquired and liabilities assumed as of the acquisition date.

Goodwill is not amortized, but tested for impairment each period or whenever an indication of impairment exists. Goodwill impairment losses are recognized in the condensed quarterly consolidated statement of income and are not subsequently reversed.

Goodwill is stated at acquisition cost, less accumulated impairment losses, in the condensed quarterly consolidated statement of financial position.

(2) Intangible assets

Intangible assets acquired individually are measured at acquisition cost at initial recognition. Intangible assets acquired in a business combination are measured at fair value as of the acquisition date. The cost model is used for measurement after initial recognition, and the intangible assets are stated at acquisition cost, less accumulated amortization and accumulated impairment losses.

Research and development expenses incurred within the Companies are expensed as incurred, except for expenditures for development activities that meet all of the following capitalization requirements:

- Technical feasibility of completing the intangible asset so that it is available for use or sale
- Intent to complete and use or sell the intangible asset
- Ability to use or sell the intangible asset
- How the intangible asset generates probable future economic benefits
- Availability of adequate technical, financial, and other resources required to complete the development and use or sell the intangible asset
- Ability to reliably measure expenditures attributable to intangible assets during the development period

Intangible assets with definite useful lives are amortized using straight-line method over their estimated useful lives. The estimated useful lives of intangible assets are as follows.

Software: 3 to 10 years

Technology: 5 to 13 years

Estimated useful lives, residual values, and depreciation methods are reviewed at each fiscal year end, and any changes are applied prospectively as changes in accounting estimates.

(ix) Leases

In the case of becoming the lessee under a lease contract, right-of-use assets and lease liabilities are recognized at the commencement of the lease. The initial measurement of the lease liabilities is measured at the present value of the total lease payments not paid as of the commencement date, and right-of-use assets are measured at acquisition cost, adjusted for initial direct costs incurred by the lessee, such as lease payments paid up to the commencement date, to the amount of lease liabilities initially measured.

After the commencement date, right-of-use assets are depreciated using a straight-line method over the lease term and depreciation is charged to cost of sales; selling, general and administrative expenses; and research and development expenses in the condensed quarterly consolidated statements of profit or loss. For lease liabilities, lease payments are allocated between interest expense and repayment of the lease liabilities based on the interest method, with interest expense recorded in finance costs in the condensed quarterly consolidated statement of profit or loss.

However, for short-term leases with a lease term of 12 months or less and leases with a small underlying asset, the right-of-use assets and lease liabilities are not recognized and the total lease payments are recognized as expenses over the lease term either by a straight-line method or on another regular basis.

(x) Impairment of non-financial assets

The carrying amount of the Companies' non financial assets, excluding inventories and deferred tax assets, etc., is evaluated at end of each period for any indication that the assets may be impaired, and if any indication of impairment exists, the recoverable amount of such assets is estimated. For goodwill and intangible assets with indefinite useful lives or not yet available for use, the recoverable amount is estimated at the same time each year, regardless of whether there is any indication of impairment.

The recoverable amount of an asset or cash-generating unit is recognized at the higher of its value in use or its fair value, less costs to dispose of. In calculating value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the time value of money and the risks inherent in the asset.

Assets that are not tested individually in impairment testing are consolidated into the smallest cash-generating unit that, through continuous use, generates cash inflows that are generally independent of the cash inflows of other assets or asset groups. When testing goodwill for impairment, the cash-generating units to which goodwill is allocated are integrated so that impairment is tested to reflect the smallest unit to which the goodwill relates. Goodwill acquired in a business combination is allocated to the cash-generating unit or group of cash-generating units that are expected to benefit from the synergies of the integration.

The Companies' corporate assets do not generate independent cash inflows. When there is any indication that corporate assets may be impaired, the recoverable amount of the cash-generating unit to which the corporate assets are attributed is estimated.

An impairment loss is recognized in profit or loss when the carrying amount of the cash-generating unit or group of cash-generating units exceeds its estimated recoverable amount. Impairment losses recognized in relation to a cash-generating unit or group of cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to that unit and then proportionately to the carrying amount of other assets within that unit.

No impairment losses related to goodwill are reversed. For other assets, previously recognized impairment losses are evaluated at end of each period to determine whether there is any indication that the loss will decrease or disappear. If the estimates used to determine the recoverable amount change, the impairment losses are reversed. Impairment losses are reversed up to the carrying amount of the asset after deducting the required depreciation and amortization from the carrying amount if no impairment loss had been recognized.

(xi) Employee benefits

Short-term employee benefits are not discounted, but are charged to expense when the related services are rendered.

For bonuses and paid leave costs, the Companies have a legal or constructive obligation to pay them and recognize as a liability the amount estimated to be paid under those plans when reliable estimates can be made.

The obligation for long-term employee benefits other than post-employment benefits is calculated by discounting to present value the amount of future benefits earned by employees for services rendered in prior and current fiscal years.

The Companies operate both defined benefit plan and defined contribution plan as retirement benefit plans for employees. The net asset or liability for a defined benefit plan is calculated as the present value of the defined benefit plan obligation less the fair value of the plan assets. The asset ceiling for this calculation is limited to the present value of available future economic benefits in the form of a return from the plan or a reduction in future contributions.

The Companies calculate the present value of defined benefit plan obligation and related current service cost and past service cost using the projected unit credit method.

The discount rate is calculated based on the market yield of high-quality corporate bonds at the end of the period corresponding to the discount period, setting the discount period based on the period up to the expected date of benefit payments each fiscal year in the future.

The rereasurement of the net amount of defined benefit liability or asset is recognized in a lump sum in other comprehensive income in the period in which it occurs and is immediately reclassified from other components of equity to retained earnings.

Past service cost is accounted for as profit or loss in the period in which it is incurred.

The cost of defined contribution retirement benefits is recognized as an expense when contributions are made.

(xii) Stock-based compensation

The Company has introduced a restricted compensation plan for Directors (excluding directors serving as Audit and Supervisory Committee members and Outside Directors) and executive officers as equity-settled stock-based compensation.

The consideration for services received is measured at the fair value of the Company's shares at the date of grant and recognized as an expense from the date of grant over the vesting period, with the corresponding amount recognized as an increase in equity.

(xiii) Provisions

Provisions are recognized when, as a result of past events, the Companies have a present legal or constructive obligation, it is probable that an outflow of economic resources will be required in order to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the time value of money is significant, estimated future cash flows are discounted to present value using a pre-tax interest rate that reflects the time value of money and the risks inherent in the liability. The unwinding of the discount due to passage of time is recognized as finance costs.

(xiv) Revenue recognition

The Companies recognize revenue from contracts with customers, excluding interest and dividend income and other income under IFRS 9 "Financial Instruments," by applying the following steps as prescribed in IFRS 15 "Revenue from Contracts with Customers."

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Companies sell electronic components that comprise the Companies' operating segments (Components, Devices and Modules, and Others) and related products. With regard to the sales of products, the Companies recognize revenue at the time of delivery of a product since they consider that the customer obtains control over the product and performance obligations are satisfied at the time of delivery of the product. In addition, revenue is recognized at the amount of consideration promised in the contract with the customer, less discounts, rebates, returned goods, etc.

(xv) Finance income and finance costs

Finance income consists primarily of interest income, dividend income, foreign currency exchange gain, and changes in the fair value of financial assets measured at fair value through profit or loss.

Interest income is recognized as earned using the effective interest method. Dividend income is recognized when the right to receive dividends is established.

Finance costs consist primarily of interest expense, foreign currency exchange loss, and changes in the fair value of financial assets measured at fair value through profit or loss.

Interest expense is recognized as incurred using the effective interest method.

(xvi) Government grants

Government grants are recognized at fair value when there is a reasonable assurance that the Companies will comply with the conditions attaching to it, and that the grant will be received.

Government grants relating to assets are recognized as deferred income and are recognized in profit or loss on a systematic basis over the estimated useful life of the assets to which the grants relate.

Government grants relating to costs are recognized in profit or loss over the period in which the Companies recognize expenses for which the grants are intended to compensate.

(xvii) Income taxes

Income tax expense consists of current and deferred income taxes. They are recognized in profit or loss, except when they arise from items recognized directly in other comprehensive income or equity, or from business combinations.

Current income taxes are measured at the amount expected to be paid to or refunded from the tax authorities. Tax rates and tax laws used in the calculation of tax amounts are those in effect or substantially in effect at the end of the period.

Deferred taxes are recognized on temporary differences that are differences between the tax basis amount of assets and liabilities and their carrying amounts on accounting basis at the end of the period, loss carryforwards and tax credit carryforwards.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Temporary differences arising from the initial recognition of goodwill
- Temporary differences arising from the initial recognition of assets or liabilities arising from transactions that neither affect accounting profit nor taxable income (loss) for tax purposes, except for business combination transactions
- With respect to deductible temporary differences related to investments in subsidiaries, affiliated companies, and interests in jointly controlled arrangements, if it is probable that the temporary differences will not reverse in the foreseeable future or it is less probable that the taxable income for which the temporary differences are to be used will be earned.
- With respect to the taxable temporary differences related to investments in subsidiaries, affiliate, and interests in a jointly controlled arrangement, if the timing of reversal of the temporary differences is controllable and it is probable that the temporary difference will not reverse within a foreseeable period of time

Deferred tax liabilities are, in principle, recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be earned to allow for the use of the deductible temporary differences in the future.

The carrying amount of deferred tax assets is reviewed each period and the carrying amount is reduced to the extent that it is probable that sufficient taxable income will not be earned to allow for the full or partial use of the deferred tax assets.

Unrecognized deferred tax assets are reviewed each period and recognized to the extent that it becomes probable that the deferred tax assets will be recovered through future taxable income.

Deferred tax assets and liabilities are measured at the tax rates and by the tax laws expected to apply in the period in which the asset is realized or the liability is settled, based on tax rates and tax laws in effect or substantially in effect as of the end of the period.

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to set off current tax assets and current tax liabilities and they are imposed by the same tax authority on the same taxable entity, or on the different taxable entities, but the entities have an intention to settle current tax liabilities and current tax assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

For uncertain tax positions for income taxes, a reasonably estimated amount is recognized as an asset or liability if it is probable that the tax position will be incurred based on the interpretation of the tax law.

Income tax expense in the condensed quarterly consolidated statements of profit or loss is calculated based on the estimated annual effective tax rate.

The Companies applies the temporary exception under "International tax reform - Pillar 2 Model Rules (amendments of IAS 12)", issued on May 2023.

(xviii) Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to common shares of the parent entity by the weighted average number of common shares outstanding during the period (adjusted for treasury stock). Diluted earnings per share is calculated by adjusting the effects of all dilutive potential shares.

(xix) Treasury stock

Treasury stock is measured at cost and deducted from equity. No gain or loss is recognized associated with the purchase, sale, or cancellation of treasury stock of the Company. Any difference between the carrying amount and the consideration received from the sale is recognized as equity.

(Significant accounting estimates and judgments)

In preparing the condensed quarterly consolidated financial statements in accordance with IFRS, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and their underlying assumptions are continuously reviewed. The effects of a change in any accounting estimate are recognized in the period of the change and future periods.

The judgments and estimates made by management that have a significant effect on the amounts reported in the condensed quarterly consolidated financial statements are as follows:

- Fair value of financial instruments ((5) Notes to condensed quarterly consolidated financial statements, “(Material accounting policies) (iv) Financial instruments”)
- Evaluation of inventories ((5) Notes to condensed quarterly consolidated financial statements, “(Material accounting policies) (vi) Inventories”)
- Impairment of non-financial assets ((5) Notes to condensed quarterly consolidated financial statements, “(Material accounting policies) (x) Impairment of non-financial assets”)
- Measurement of defined benefit plan obligations ((5) Notes to condensed quarterly consolidated financial statements, “(Material accounting policies) (xi) Employee benefits”)
- Measurement of provisions ((5) Notes to condensed quarterly consolidated financial statements, “(Material accounting policies) (xiii) Provisions”)
- Recoverability of deferred tax assets ((5) Notes to condensed quarterly consolidated financial statements, “(Material accounting policies) (xvii) Income taxes”)

(Segment Information)

Operating Segment Information

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

Operating segments of the Companies are classified based on the business strategies of the Companies, and the Companies recognized three segments that are the Components, Devices and Modules, and Others.

		Millions of yen			
		Six months ended September 30, 2022		Six months ended September 30, 2023	
Components	Revenue to:		%		%
	Unaffiliated customers	491,752		453,745	
	Intersegment	5,423		4,245	
	Total revenue	497,175	100.0	457,990	100.0
Operating profit (loss)		170,858	34.4	116,471	25.4
Devices and Modules	Revenue to:		%		%
	Unaffiliated customers	421,986		351,219	
	Intersegment	4		7	
	Total revenue	421,990	100.0	351,226	100.0
Operating profit (loss)		30,136	7.1	26,185	7.5
Others	Revenue to:		%		%
	Unaffiliated customers	6,486		5,386	
	Intersegment	30,244		26,859	
	Total revenue	36,730	100.0	32,245	100.0
Operating profit (loss)		(409)	(1.1)	(3,734)	(11.6)
Eliminations and Corporate	Revenue to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(35,671)		(31,111)	
	Total revenue	(35,671)	-	(31,111)	-
Operating profit (loss)		-	-	-	-
Consolidated	Revenue to:		%		%
	Unaffiliated customers	920,224		810,350	
	Intersegment	-		-	
	Total revenue	920,224	100.0	810,350	100.0
Operating profit		200,585	21.8	138,922	17.1

		Millions of yen			
		Three months ended September 30, 2022		Three months ended September 30, 2023	
Components	Revenue to:		%		%
	Unaffiliated customers	242,727		245,403	
	Intersegment	2,493		2,099	
	Total revenue	245,220	100.0	247,502	100.0
	Operating profit (loss)	82,803	33.8	63,972	25.8
Devices and Modules	Revenue to:		%		%
	Unaffiliated customers	237,501		194,376	
	Intersegment	2		3	
	Total revenue	237,503	100.0	194,379	100.0
	Operating profit (loss)	27,687	11.7	26,384	13.6
Others	Revenue to:		%		%
	Unaffiliated customers	3,339		2,877	
	Intersegment	13,203		14,130	
	Total revenue	16,542	100.0	17,007	100.0
	Operating profit (loss)	(656)	(4.0)	(1,545)	(9.1)
Eliminations and Corporate	Revenue to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(15,698)		(16,232)	
	Total revenue	(15,698)	-	(16,232)	-
	Operating profit (loss)	-	-	-	-
Consolidated	Revenue to:		%		%
	Unaffiliated customers	483,567		442,656	
	Intersegment	-		-	
	Total revenue	483,567	100.0	442,656	100.0
	Operating profit	109,834	22.7	88,811	20.1

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

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

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

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

Notes: 2. Intersegment transactions are based on market price

(Significant subsequent events)

Based on the resolution at Board of Directors held on May 23, 2023, the Company implemented a stock split, effective October 1, 2023.

(1) Purpose of the stock split

The purpose of the stock split is to expand its investor base by lowering the stock price per investment unit and to increase the liquidity of the Company's stock.

(2) Overview of the stock split

1) Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of Saturday, September 30, 2023, split into three shares. Since this day fell on a non-business day of the shareholder registry administrator, the substantial record date was Friday, September 29, 2023.

2) Increase in shares due to the stock split

Total number of issued shares prior to the stock split	675,814,281 shares
Increase in shares due to the stock split	1,351,628,562 shares
Total number of issued shares following the stock split	2,027,442,843 shares
Total number of shares authorized to be issued following the stock split	5,229,000,000 shares

3) Schedule for the stock split

Public notice of record date	Thursday, September 14, 2023
Record date	Saturday, September 30, 2023
Effective date	Sunday, October 1, 2023

4) Impact on per share information

Per share information based on the assumption that the stock split had been implemented at the beginning of the consolidated fiscal year ended March 31, 2023 is as follows.

Diluted earnings per share is not shown because there are no residual shares having a dilutive effect.

	Six months ended September 30, 2022	Six months ended September 30, 2023
Basic earnings per share	84.98 yen	66.25 yen

(First-time adoption)

The Companies have disclosed condensed quarterly consolidated financial statements in accordance with IFRS since the first quarter of the current fiscal year (April 1, 2023 to June 30, 2023). The most recent consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") relate to the fiscal year ended March 31, 2023 and the date of transition to IFRS is April 1, 2022.

(1) Exemption provisions of IFRS 1

IFRS requires companies applying IFRS for the first time ("first-time adopter") to apply the standards required by IFRS retrospectively, in principle. However, IFRS 1 stipulates, for some of the standards required by IFRS, those to which exception provisions are compulsorily applied and those to which exemption provisions are voluntarily applied. The effect of the application of these provisions is adjusted in retained earnings or other components of equity at the date of transition to IFRS. The exemption provisions adopted by the Companies in transitioning from U.S. GAAP to IFRS are as follows.

- Business combinations

A first-time adopter is allowed to elect not to retrospectively apply IFRS 3 "Business Combinations" to the business combinations that took place before the date of transition to IFRS. The Companies elected, by applying this exemption provision, not to retrospectively apply IFRS 3 to the business combinations that took place before the date of transition. As a result, the amount of goodwill arising from the business combinations before the date of transition is recognized at the carrying amount as of the date of transition based on U.S. GAAP.

In addition, an impairment test with regard to goodwill was conducted as of the date of transition, regardless of any indication of impairment.

- Cumulative exchange differences on translating foreign operations

Under IFRS 1, an option is allowed whereby cumulative translation differences of foreign operations as of the date of transition to IFRS may be assumed to be nil. The Companies elected to assume such cumulative translation differences to be nil as of the date of transition to IFRS.

- Designation of previously recognized financial instruments

IFRS 1 permits judgements regarding classification under IFRS 9 "Financial Instruments" based on the facts and circumstances as of the date of transition, rather than on the facts and circumstances existing at the time of initial recognition. In addition, it is permitted to designate equity financial assets as financial assets measured at fair value through other comprehensive income based on facts and circumstances existing at the date of transition.

The Companies have made judgments regarding classification under IFRS 9 based on facts and circumstances existing at the date of transition and have designated certain equity financial assets as financial assets measured at fair value through other comprehensive income.

- Fair value measurement of financial instruments at initial recognition

The Companies have elected to apply prospectively the provisions of IFRS 9 on fair value measurement and recognition of gains or losses on initial recognition of financial assets and liabilities.

(2) Compulsory exceptions under IFRS 1

IFRS 1 prohibits retrospective application of IFRS with respect to "estimates," "derecognition of financial assets and financial liabilities," "hedge accounting," "noncontrolling interests," and "classification and measurement of financial instruments." Thus the Companies apply IFRS to these items from the date of transition and onwards.

(3) Reconciliations

The reconciliations required to be disclosed on first-time adoption of IFRS are as follows:

In the reconciliations, "Reclassification" includes items that do not affect retained earnings and comprehensive income, while "Adjustment of recognition and measurement" includes items that affect retained earnings and comprehensive income.

Reconciliation of equity as of the transition date (April 1, 2022)

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
(Assets)						(Assets)
Current assets						Current assets
Cash	370,388					
Short-term investments	174,074					
	544,462	(32,390)	-	512,072	A	Cash and cash equivalents
Marketable securities	23,979	(23,979)				
		66,872	-	66,872	A	Other financial assets
Trade notes receivable	0					
Trade accounts receivable	360,517					
Allowance for doubtful notes and accounts	(2,207)					
	358,310	(117)	202	358,395		Trade receivables
Inventories	464,723	-	416	465,139		Inventories
Prepaid expenses and other	43,732	(10,386)	-	33,346		Other current assets
Total current assets	1,435,206	-	618	1,435,824		Total current assets
Property, plant and equipment						Non-current assets
Land	81,213					
Buildings	789,142					
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,530,121					
Construction in progress	89,723					
Accumulated depreciation	(1,405,460)					
	1,084,739	(4,386)	3,808	1,084,161		Property, plant and equipment
Operating lease right-of-use assets	31,863	9,498	(320)	41,041	A	Right-of-use assets
Total property, plant and equipment	1,116,602					
Investments and other assets						
Investments	34,618	8,412	180	43,210	A	Other financial assets
Intangible assets	47,141	(5,111)	-	42,030	A	Intangible assets
Goodwill	118,014	-	(3,292)	114,722	B	Goodwill
Deferred income taxes	26,562	-	5,142	31,704		Deferred tax assets
Other	31,028	(8,413)	(11,226)	11,389	C	Other non-current assets
Total investments and other assets	257,363					
				1,368,257		Total non-current assets
Total assets	2,809,171	-	(5,090)	2,804,081		Total assets

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
(Liabilities)						(Liabilities)
Current liabilities						Current liabilities
		99	-	99		Bonds and borrowings
Trade accounts payable	93,842	-	-	93,842		Trade payables
Accrued payroll and bonuses	63,997	(63,997)			A	
Income taxes payable	59,228	(3,910)	-	55,318		Income taxes payable
Accrued expenses and other	97,816	(47,864)	-	49,952	A	Other financial liabilities
		-	673	673	E	Deferred income
		2,136	-	2,136	A	Provisions
		104,206	6,296	110,502	A,D	Other current liabilities
Current operating lease liabilities	6,375	493	(25)	6,843	A	Lease liabilities
Total current liabilities	321,258	(8,837)	6,944	319,365		Total current liabilities
Long-term liabilities						Non-current liabilities
Bonds	109,901					
Long-term debt	1,078					
	110,979	-	-	110,979		Bonds and borrowings
Termination and retirement benefits	64,566	3,710	(1,327)	66,949	C	Retirement benefit liability
Deferred income taxes	13,233	-	(1,151)	12,082		Deferred tax liabilities
Noncurrent operating lease liabilities	25,627	3,076	-	28,703		Lease liabilities
Other	9,596	(7,034)	-	2,562	A	Other financial liabilities
		397	13,224	13,621	E	Deferred income
		6,470	-	6,470	A	Provisions
		2,218	1,143	3,361		Other non-current liabilities
Total long-term liabilities	224,001	8,837	11,889	244,727		Total non-current liabilities
Total liabilities	545,259	-	18,833	564,092		Total liabilities
(Equity)						(Equity)
Murata Corporation's shareholders' equity						
Common stock	69,444	-	-	69,444		Share capital
Capital surplus	121,004	-	-	121,004		Capital surplus
Retained earnings	2,024,368	-	75,058	2,099,426	G	Retained earnings
Unrealized gains (losses) on securities	(43)					
Pension liability adjustments	(1,963)					
Foreign currency translation adjustments	104,324					
Accumulated other comprehensive income (loss):	102,318	(102,318)				
		102,318	(98,975)	3,343	C, F	Other components of equity
Treasury stock, at cost	(53,538)	-	-	(53,538)		Treasury shares
Total Murata Corporation's shareholders' equity	2,263,596	-	(23,917)	2,239,679		Equity attributable to owners of parent
Noncontrolling interests	316	-	(6)	310		Non-controlling interests
Total equity	2,263,912	-	(23,923)	2,239,989		Total equity
Total liabilities and equity	2,809,171	-	(5,090)	2,804,081		Total liabilities and equity

Reconciliation of equity as of September 30, 2022

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
(Assets)						(Assets)
Current assets						Current assets
Cash	416,621					
Short-term investments	103,004					
	519,625	(21,209)	-	498,416	A	Cash and cash equivalents
Marketable securities	10,280	(10,280)				
		42,352	-	42,352	A	Other financial assets
Trade notes receivable	7					
Trade accounts receivable	373,955					
Allowance for doubtful notes and accounts	(2,586)					
	371,376	(289)	(65)	371,022		Trade receivables
Inventories	561,293	-	(1,617)	559,676		Inventories
Prepaid expenses and other	51,567	(10,574)	(2,982)	38,011		Other current assets
Total current assets	1,514,141	-	(4,664)	1,509,477		Total current assets
Property, plant and equipment						Non-current assets
Land	81,907					
Buildings	821,773					
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,593,078					
Construction in progress	101,907					
Accumulated depreciation	(1,482,353)					
	1,116,312	(4,881)	3,685	1,115,116		Property, plant and equipment
Operating lease right-of-use assets	36,481	10,195	(433)	46,243	A	Right-of-use assets
Total property, plant and equipment	1,152,793					
Investments and other assets						
Investments	30,996	8,287	432	39,715	A	Other financial assets
Intangible assets	45,510	(5,314)	-	40,196	A	Intangible assets
Goodwill	134,497	-	(3,894)	130,603	B	Goodwill
Deferred income taxes	34,878	-	2,918	37,796		Deferred tax assets
Other	32,103	(8,287)	(11,989)	11,827	C	Other non-current assets
Total investments and other assets	277,984					
				1,421,496		Total non-current assets
Total assets	2,944,918	-	(13,945)	2,930,973		Total assets

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
(Liabilities)						(Liabilities)
Current liabilities						Current liabilities
Short-term borrowings	28	348	-	376		Bonds and borrowings
Trade accounts payable	88,729	-	-	88,729		Trade payables
Accrued payroll and bonuses	64,505	(64,505)			A	
Income taxes payable	52,353	-	(2,788)	49,565		Income taxes payable
Accrued expenses and other	99,979	(51,177)	-	48,802	A	Other financial liabilities
			-	701	E	Deferred income
		5,948	-	5,948	A	Provisions
		99,372	135	99,507	A,D	Other current liabilities
Current operating lease liabilities	7,381	680	(197)	7,864	A	Lease liabilities
Total current liabilities	312,975	(9,334)	(2,149)	301,492		Total current liabilities
Long-term liabilities						Non-current liabilities
Bonds	109,925					
Long-term debt	1,163					
	111,088	-	-	111,088		Bonds and borrowings
Termination and retirement benefits	64,738	4,049	(1,326)	67,461	C	Retirement benefit liability
Deferred income taxes	13,728	-	(1,276)	12,452		Deferred tax liabilities
Noncurrent operating lease liabilities	29,079	2,860	-	31,939		Lease liabilities
Other	9,804	(7,158)	-	2,646	A	Other financial liabilities
		389	13,839	14,228	E	Deferred income
		6,691	-	6,691	A	Provisions
		2,503	952	3,455		Other non-current liabilities
Total long-term liabilities	228,437	9,334	12,189	249,960		Total non-current liabilities
Total liabilities	541,412	-	10,040	551,452		Total liabilities
(Equity)						(Equity)
Murata Corporation's shareholders' equity						
Common stock	69,444	-	-	69,444		Share capital
Capital surplus	121,030	-	-	121,030		Capital surplus
Retained earnings	2,139,936	-	76,456	2,216,392	G	Retained earnings
Unrealized gains (losses) on securities	(41)					
Pension liability adjustments	(2,111)					
Foreign currency translation adjustments	208,593					
Accumulated other comprehensive income (loss):	206,441	(206,441)				
		206,441	(100,424)	106,017	C,F	Other components of equity
Treasury stock, at cost	(133,490)	-	-	(133,490)		Treasury shares
Total Murata Corporation's shareholders' equity	2,403,361	-	(23,968)	2,379,393		Equity attributable to owners of parent
Noncontrolling interests	145	-	(17)	128		Non-controlling interests
Total equity	2,403,506	-	(23,985)	2,379,521		Total equity
Total liabilities and equity	2,944,918	-	(13,945)	2,930,973		Total liabilities and equity

Reconciliation of equity as of March 31, 2023

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
(Assets)						(Assets)
Current assets						Current assets
Cash	318,557					
Short-term investments	162,456					
	481,013	(11,607)	-	469,406	A	Cash and cash equivalents
Marketable securities	12,240	(12,240)				
		43,014	-	43,014	A	Other financial assets
Trade notes receivable	272,894					
Allowance for doubtful notes and accounts	(2,276)					
	270,618	(261)	(118)	270,239		Trade receivables
Inventories	575,026	-	(394)	574,632		Inventories
Prepaid expenses and other	69,193	(18,906)	34	50,321		Other current assets
Total current assets	1,408,090	-	(478)	1,407,612		Total current assets
Property, plant and equipment						Non-current assets
Land	85,649					
Buildings	846,923					
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,609,043					
Construction in progress	135,966					
Accumulated depreciation	(1,529,644)					
	1,147,937	(5,181)	3,466	1,146,222		Property, plant and equipment
Operating lease right-of-use assets	40,261	10,193	(609)	49,845	A	Right-of-use assets
Total property, plant and equipment	1,188,198					
Investments and other assets						
Investments	30,365	8,440	443	39,248	A	Other financial assets
Intangible assets	44,387	(5,012)	-	39,375	A	Intangible assets
Goodwill	126,839	-	(3,592)	123,247	B	Goodwill
Deferred income taxes	31,885	-	11,067	42,952		Deferred tax assets
Other	42,999	(8,440)	(24,757)	9,802	C	Other non-current assets
Total investments and other assets	276,475					
				1,450,691		Total non-current assets
Total assets	2,872,763	-	(14,460)	2,858,303		Total assets

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
(Liabilities)						(Liabilities)
Current liabilities						Current liabilities
		60,534	-	60,534		Bonds and borrowings
Trade accounts payable	65,597	-	-	65,597		Trade payables
Current portion of bonds	59,981	(59,981)				
Accrued payroll and bonuses	54,984	(54,984)			A	
Income taxes payable	14,184	(1,429)	-	12,755		Income taxes payable
Accrued expenses and other	101,922	(42,065)	-	59,857	A	Other financial liabilities
		-	854	854	E	Deferred income
		2,859	-	2,859	A	Provisions
		81,583	6,140	87,723	A,D	Other current liabilities
Current operating lease liabilities	6,929	668	132	7,729	A	Lease liabilities
Total current liabilities	303,597	(12,815)	7,126	297,908		Total current liabilities
Long-term liabilities						Non-current liabilities
Bonds	49,968					
Long-term debt	1,496					
	51,464	-	-	51,464		Bonds and borrowings
Termination and retirement benefits	63,261	4,727	2,263	70,251	C	Retirement benefit liability
Deferred income taxes	10,601	-	(1,570)	9,031		Deferred tax liabilities
Noncurrent operating lease liabilities	32,626	2,874	-	35,500		Lease liabilities
Other	8,738	(6,031)	-	2,707	A	Other financial liabilities
		355	18,738	19,093	E	Deferred income
		9,102	-	9,102	A	Provisions
		1,788	1,517	3,305		Other non-current liabilities
Total long-term liabilities	166,690	12,815	20,948	200,453		Total non-current liabilities
Total liabilities	470,287	-	28,074	498,361		Total liabilities
(Equity)						(Equity)
Murata Corporation's shareholders' equity						
Common stock	69,444	-	-	69,444		Share capital
Capital surplus	121,116	-	-	121,116		Capital surplus
Retained earnings	2,186,040	-	60,218	2,246,258	G	Retained earnings
Unrealized gains (losses) on securities	(49)					
Pension liability adjustments	2,267					
Foreign currency translation adjustments	157,187					
Accumulated other comprehensive income (loss):	159,405	(159,405)				
		159,405	(102,744)	56,661	C,F	Other components of equity
Treasury stock, at cost	(133,494)	-	-	(133,494)		Treasury shares
Total Murata Corporation's shareholders' equity	2,402,511	-	(42,526)	2,359,985		Equity attributable to owners of parent
Noncontrolling interests	(35)	-	(8)	(43)		Non-controlling interests
Total equity	2,402,476	-	(42,534)	2,359,942		Total equity
Total liabilities and equity	2,872,763	-	(14,460)	2,858,303		Total liabilities and equity

Reconciliation of profit or loss and comprehensive income for the six months ended September 30, 2022

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
Net sales	920,224	-	-	920,224		Revenue
Operating expense						
Cost of sales	(539,852)	(706)	127	(540,431)	D	Cost of sales
				379,793		Gross profit
Selling, general and administrative	(123,234)	(830)	3,512	(120,552)	D	Selling, general and administrative expenses
Research and development	(62,164)	-	291	(61,873)	D	Research and development expenses
		6,077	(849)	5,228	A,E	Other income
		(1,594)	(417)	(2,011)	A	Other expenses
Operating income	194,974	2,947	2,664	200,585		Operating profit
Other income (expense)						
Interest and dividend income	1,686	17,247	(485)	18,448	A	Finance income
Interest expense	(218)	(3,474)	1,642	(2,050)	A	Finance costs
Foreign currency exchange gain (loss)	16,151	(16,151)				
Other (net)	569	(569)			A	
Income before income taxes	213,162	-	3,821	216,983		Profit before tax
Income taxes						
Current income tax	(63,387)					
Deferred income tax	10,420					
	(52,967)	-	(2,418)	(55,385)		Income tax expense
Net income	160,195	-	1,403	161,598		Profit for the period
						Profit attributable to:
Net income (loss) attributable to noncontrolling interests	(161)	-	(12)	(173)		Non-controlling interests
Net income attributable to Murata Corporation	160,356	-	1,415	161,771		Owners of parent

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
Net income	160,195	-	1,403	161,598		Profit for the period
Other comprehensive income (loss), net of tax:						Other comprehensive income, net of tax
Unrealized gains (losses) on securities	2	(2)				Items that will not be reclassified to profit or loss
Pension liability adjustments	(148)	-	(1,793)	(1,793)		Financial assets measured at fair value through other comprehensive income
Foreign currency translation adjustments	104,325	-	148	-	C	Remeasurements of defined benefit plans
Other comprehensive income (loss)	104,179	-	2	1		Items that may be reclassified to profit or loss
Comprehensive income	264,374	-	(1)	1		Financial assets measured at fair value through other comprehensive income
Less: Comprehensive income (loss) attributable to noncontrolling interests	(105)	-	181	104,506		Exchange differences on translation of foreign operations
Comprehensive income attributable to Murata Corporation	264,479	-	(1,465)	102,714		Total other comprehensive income, net of tax
			(62)	264,312		Comprehensive income
			(11)	(116)		Comprehensive income attributable to:
			(51)	264,428		Non-controlling interests
						Owners of parent

Reconciliation of profit or loss and comprehensive income for the three months ended September 30, 2022

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
Net sales	483,567	-	-	483,567		Revenue
Operating expense						
Cost of sales	(283,360)	(104)	541	(282,923)	D	Cost of sales
				200,644		Gross profit
Selling, general and administrative	(62,356)	160	1,738	(60,458)	D	Selling, general and administrative expenses
Research and development	(31,490)	-	145	(31,345)	D	Research and development expenses
		3,261	(707)	2,554	A,E	Other income
		(1,144)	(417)	(1,561)	A	Other expenses
Operating income	106,361	2,173	1,300	109,834		Operating profit
Other income (expense)						
Interest and dividend income	1,038	4,138	266	5,442	A	Finance income
Interest expense	(46)	(1,706)	198	(1,554)	A	Finance costs
Foreign currency exchange gain (loss)	4,151	(4,151)				
Other (net)	454	(454)			A	
Income before income taxes	111,958	-	1,764	113,722		Profit before tax
Income taxes						
Current income tax	(40,692)					
Deferred income tax	13,823					
	(26,869)	-	(1,213)	(28,082)		Income tax expense
Net income	85,089	-	551	85,640		Profit for the period
						Profit attributable to:
Net income (loss) attributable to noncontrolling interests	(66)	-	2	(64)		Non-controlling interests
Net income attributable to Murata Corporation	85,155	-	549	85,704		Owners of parent

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
Net income	85,089	-	551	85,640		Profit for the period
Other comprehensive income (loss), net of tax:						Other comprehensive income, net of tax
Unrealized gains (losses) on securities	28	(28)				Items that will not be reclassified to profit or loss
Pension liability adjustments	(57)	-	(662)	(662)		Financial assets measured at fair value through other comprehensive income
Foreign currency translation adjustments	27,293	-	57	-	C	Remeasurements of defined benefit plans
Other comprehensive income (loss)	27,264	-	(27)	1		Items that may be reclassified to profit or loss
Comprehensive income	112,353	-	587	27,880		Financial assets measured at fair value through other comprehensive income
Less: Comprehensive income (loss) attributable to noncontrolling interests	(67)	-	(45)	27,219		Exchange differences on translation of foreign operations
Comprehensive income attributable to Murata Corporation	112,420	-	506	112,859		Total other comprehensive income, net of tax
			2	(65)		Comprehensive income attributable to:
						Non-controlling interests
						Owners of parent

Reconciliation of profit or loss and comprehensive income for the fiscal year ended March, 2023

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
Net sales	1,686,796	-	-	1,686,796		Revenue
Operating expense						
Cost of sales	(1,010,948)	(914)	(1,400)	(1,013,262)	C	Cost of sales
				673,534		Gross profit
Selling, general and administrative	(253,722)	(412)	(1,703)	(255,837)	C	Selling, general and administrative expenses
Research and development	(124,239)	-	(421)	(124,660)	C	Research and development expenses
		15,282	(5,819)	9,463	A,E	Other income
		(3,649)	(620)	(4,269)	A	Other expenses
Operating income	297,887	10,307	(9,963)	298,231		Operating profit
Other income (expense)						
Interest and dividend income	6,512	2,481	(1,205)	7,788	A	Finance income
Interest expense	(335)	(1,957)	(1,044)	(3,336)	A	Finance costs
Foreign currency exchange gain (loss)	992	(992)				
Other (net)	9,839	(9,839)			A	
Income before income taxes	314,895	-	(12,212)	302,683		Profit before tax
Income taxes						
Current income tax	(71,932)					
Deferred income tax	10,432					
	(61,500)	-	2,465	(59,035)		Income tax expense
Net income	253,395	-	(9,747)	243,648		Profit for the period
						Profit attributable to:
Net income (loss) attributable to noncontrolling interests	(295)	-	(3)	(298)		Non-controlling interests
Net income attributable to Murata Corporation	253,690	-	(9,744)	243,946		Owners of parent

(Millions of yen)

Accounts under U.S. GAAP	U.S. GAAP	Reclassification	Adjustment of recognition and measurement	IFRS	Notes	Accounts under IFRS
Net income	253,395	-	(9,747)	243,648		Profit for the period
Other comprehensive income (loss), net of tax:						Other comprehensive income, net of tax
Unrealized gains (losses) on securities	(6)	6				Items that will not be reclassified to profit or loss
Pension liability adjustments	4,230	-	(10)	(10)		Financial assets measured at fair value through other comprehensive income
Foreign currency translation adjustments	52,873	(6)	(9,313)	(5,083)	C	Remeasurements of defined benefit plans
Other comprehensive income (loss)	57,097	-	14	8		Items that may be reclassified to profit or loss
Comprehensive income	310,492	-	445	53,318		Financial assets measured at fair value through other comprehensive income
Less: Comprehensive income (loss) attributable to noncontrolling interests	(285)	-	(8,864)	48,233		Exchange differences on translation of foreign operations
Comprehensive income attributable to Murata Corporation	310,777	-	(18,611)	291,881		Total other comprehensive income, net of tax
			(2)	(287)		Comprehensive income
			(18,609)	292,168		Comprehensive income attributable to:
						Non-controlling interests
						Owners of parent

Notes to equity and comprehensive income

A. Reclassification

The following items are the main items that have been reclassified in the above reconciliation and have no effect on equity and comprehensive income.

- (1) Time deposits with maturities of more than three months from the date of acquisition, which were included in "Short-term investments" under U.S. GAAP, are included in "Other financial assets" under IFRS.
- (2) "Other financial assets," "Other financial liabilities" and "Provisions" are presented separately in accordance with IFRS presentation rules.
- (3) "Accrued payroll and bonuses," which was separately presented under U.S. GAAP, is included in "Other current liabilities" based on IFRS presentation rules.
- (4) Based on the IFRS treatment of lessee leases, right-of-use assets and lease liabilities are recognized for all significant lessee leases and presented as "Right-of-use assets" and "Lease liabilities." In addition, the balance of leasehold interests in land is reclassified from "Intangible assets" to "Right-of-use assets."
- (5) "Other income," "Other expenses," "Finance income" and "Finance costs" are presented separately based on IFRS presentation rules. In addition, certain items included in non-operating income (loss) as "Other - net" under U.S. GAAP have been reclassified to these separate line items.

B. Goodwill

Under U.S. GAAP, for the goodwill impairment test, the fair value of a reporting unit, including goodwill, is compared to its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, the difference is recognized as a goodwill impairment loss up to the carrying amount of goodwill allocated to that reporting unit.

On the other hand, under IFRS, if the carrying amount of a cash-generating unit or group of cash-generating units, including goodwill, exceeds its recoverable amount, the excess amount is recognized as an impairment loss. For an impairment loss incurred for a cash-generating unit or group of cash-generating units, including goodwill, the goodwill is impaired first and the remaining amount, if any, is recognized against other assets within the unit as impairment losses.

At the date of transition, each cash-generating unit or group of cash-generating units was tested for impairment and an impairment loss of "goodwill" was recognized at the date of transition to IFRS as the recoverable amount was less than the carrying amount, including goodwill.

C. Post-employment benefit

Under U.S. GAAP, the portion of past service cost and actuarial gains and losses arising from a defined benefit pension plan and a lump-sum retirement pension plan that are not recognized as components of retirement benefit expenses for the fiscal year under review is recognized in accumulated other comprehensive income, net of tax. The amount recognized in accumulated other comprehensive income is recognized in profit or loss as a component of retirement benefit expenses over a certain period in the future.

Under IFRS, past service cost is recognized in profit or loss as incurred. In addition, the remeasurement of the net amount of defined benefit liability or asset is recognized in full as other comprehensive income in the period in which it occurs and is immediately reclassified from other components of equity to retained earnings. If a defined benefit pension plan becomes overfunded, the asset ceiling is the present value of available future economic benefits in the form of a return from the plan or a reduction in future contributions.

D. Levies

Under U.S. GAAP, property tax falling under levies is recognized upon payment. Under IFRS, such levies are recorded in "Other current liabilities" and recognized in profit or loss when the event giving rise to the obligation occurs.

E. Government grant income

Under IFRS, government grants are recorded in "Deferred income" and recognized systematically in profit or loss over the estimated useful lives of the related assets, while they were recognized in full as revenue under U.S. GAAP.

F. Exchange differences on translating foreign operations

Under IFRS 1, an option is allowed whereby cumulative exchange differences on translating foreign operations as of the date of transition to IFRS may be assumed to be nil. The Company have adopted the said exemption provision and transferred the entire amount of cumulative exchange differences on translating foreign operations at the date of transition to IFRS to retained earnings.

G. Reconciliation of retained earnings

The effect of the reconciliation from U.S. GAAP to IFRS on retained earnings (after tax effect) is as follows:

(Millions of yen)

	April 1, 2022	September 30, 2022	March 31, 2023
Goodwill	(3,292)	(3,292)	(3,292)
Post-employment benefit	(9,613)	(10,312)	(17,049)
Levies	(4,297)	(173)	(4,217)
Government grant income	(9,690)	(10,199)	(13,876)
Exchange differences on translating foreign operations	104,324	104,324	104,324
Other	(2,374)	(3,892)	(5,672)
Total	75,058	76,456	60,218

Reconciliation of consolidated statement of cash flows for the six months ended September 30, 2022, and fiscal year ended March 31, 2023

There are no material differences between the consolidated statement of cash flows presented under U.S. GAAP and the consolidated statement of cash flows presented under IFRS.

Other

October 31, 2023
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL <https://corporate.murata.com>)

Flash Report (Six months ended September 30, 2023)

Selected Financial Data - Consolidated basis
Six months ended September 30, 2022, and 2023

		Six months ended September 30, 2022	Six months ended September 30, 2023	Growth ratio
Revenue	Millions of yen	920,224	810,350	(11.9) %
Operating profit	<%>*2 Millions of yen	<21.8> 200,858	<17.1> 138,922	(30.7)
Profit before tax	<%>*2 Millions of yen	<23.6> 216,983	<19.9> 161,224	(25.7)
Profit attributable to owners of parent	<%>*2 Millions of yen	<17.6> 161,771	<15.4> 125,153	(22.6)
Total assets	Millions of yen	2,930,973	3,022,430	3.1
Total equity	Millions of yen	2,379,521	2,521,537	6.0
Ratio of equity attributable to owners of parent	%	81.2	83.4	-
Basic earnings per share	*5 Yen	84.98	66.25	(22.0)
Diluted earnings per share	*3 Yen	-	-	-
Equity attributable to owners of parent per share	*5 Yen	1,259.49	1,334.84	-
Capital expenditures	Millions of yen	83,685	108,382	29.5
Depreciation and amortization	<%>*2 Millions of yen	<9.0> 83,268	<10.5> 84,978	2.1
Research and development expenses	<%>*2 Millions of yen	<6.7> 61,873	<8.2> 66,337	7.2
Number of employees	*4	<43,414> 76,711	<39,218> 73,326	(4.4)
Average exchange rates Yen/US dollar	Yen	133.98	141.00	-

Three months ended September 30, 2022, and 2023

		Three months ended September 30, 2022	Three months ended September 30, 2023	Growth ratio
Revenue	Millions of yen	483,567	442,656	(8.5) [%]
	<%>*2	<22.7>	<20.1>	
Operating income	Millions of yen	109,834	88,811	(19.1)
	<%>*2	<23.5>	<22.2>	
Profit before tax	Millions of yen	113,722	98,456	(13.4)
	<%>*2	<17.7>	<17.0>	
Profit attributable to owners of parent	Millions of yen	85,704	75,055	(12.4)
	*5			
Basic earnings per share	Yen	45.21	39.73	(12.1)
	*3			
Diluted earnings per share	Yen	-	-	-
Capital expenditures	Millions of yen	45,138	55,326	22.6
	<%>*2	<8.7>	<9.7>	
Depreciation and amortization	Millions of yen	42,192	42,914	1.7
	<%>*2	<6.5>	<7.6>	
Research and development expenses	Millions of yen	31,345	33,606	7.2

*1 Condensed quarterly consolidated financial statements are prepared in accordance with IFRS.

*2 Ratio to revenue

*3 Diluted earnings 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 The Company implemented a three-for-one common stock split, effective October 1, 2023. Basic earnings per share were calculated on the assumption that the relevant stock split had been implemented at the beginning of the consolidated fiscal year ended March 31, 2023.

Orders, Backlogs, and Revenue

(1) Orders and Backlogs by Operating Segment

<Orders>

Six months ended September 30, 2022, and 2023

	Millions of yen					
	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
Capacitors	362,349	%*1 41.9	354,635	%*1 45.4	(7,714)	(2.1)
Inductors and EMI filters	86,718	10.0	87,201	11.2	483	0.6
Components	449,067	51.9	441,836	56.6	(7,231)	(1.6)
High-Frequency Device and Communications Module	243,637	28.1	219,641	28.1	(23,996)	(9.8)
Battery and Power supply	118,845	13.7	74,942	9.6	(43,903)	(36.9)
Functional Device	49,247	5.7	39,661	5.1	(9,586)	(19.5)
Devices and Modules	411,729	47.5	334,244	42.8	(77,485)	(18.8)
Others	5,369	0.6	4,693	0.6	(676)	(12.6)
Total	866,165	100.0	780,773	100.0	(85,392)	(9.9)

Three months ended September 30, 2022, and 2023

	Millions of yen					
	Three months ended September 30, 2022		Three months ended September 30, 2023		Change	
Capacitors	164,870	%*1 37.5	190,321	%*1 45.3	25,451	15.4
Inductors and EMI filters	42,102	9.6	48,244	11.5	6,142	14.6
Components	206,972	47.1	238,565	56.8	31,593	15.3
High-Frequency Device and Communications Module	137,929	31.3	126,505	30.1	(11,424)	(8.3)
Battery and Power supply	67,677	15.4	32,158	7.7	(35,519)	(52.5)
Functional Device	23,697	5.4	20,417	4.9	(3,280)	(13.8)
Devices and Modules	229,303	52.1	179,080	42.7	(50,223)	(21.9)
Others	3,411	0.8	2,163	0.5	(1,248)	(36.6)
Total	439,686	100.0	419,808	100.0	(19,878)	(4.5)

*1 Component ratio

*2 Figures are based on sales prices to customers.

<Backlogs>

	Millions of yen					
	As of March 31, 2023		As of September 30, 2023		Change	
		%*1		%*1		%
Capacitors	135,868	40.0	124,016	40.0	(11,852)	(8.7)
Inductors and EMI filters	28,923	8.5	28,866	9.3	(57)	(0.2)
Components	164,791	48.5	152,882	49.3	(11,909)	(7.2)
High-Frequency Device and Communications Module	70,205	20.7	74,198	23.9	3,993	5.7
Battery and Power supply	77,388	22.8	61,209	19.7	(16,179)	(20.9)
Functional Device	21,784	6.4	16,995	5.5	(4,789)	(22.0)
Devices and Modules	169,377	49.9	152,402	49.1	(16,975)	(10.0)
Others	5,590	1.6	4,897	1.6	(693)	(12.4)
Total	339,758	100.0	310,181	100.0	(29,577)	(8.7)

*1 Component ratio

*2 Figures are based on sales prices to customers.

(2) Revenue by Operating Segment, Application and Area

1. Revenue by Operating Segment

Six months ended September 30, 2022, and 2023

	Millions of yen					
	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
		%*1		%*1		%
Capacitors	396,579	43.1	366,487	45.2	(30,092)	(7.6)
Inductors and EMI filters	95,173	10.4	87,258	10.8	(7,915)	(8.3)
Components	491,752	53.5	453,745	56.0	(38,007)	(7.7)
High-Frequency Device and Communications Module	256,004	27.8	215,648	26.6	(40,356)	(15.8)
Battery and Power supply	116,273	12.6	91,121	11.2	(25,152)	(21.6)
Functional Device	49,709	5.4	44,450	5.5	(5,259)	(10.6)
Devices and Modules	421,986	45.8	351,219	43.3	(70,767)	(16.8)
Others	6,486	0.7	5,386	0.7	(1,100)	(17.0)
Revenue	920,224	100.0	810,350	100.0	(109,874)	(11.9)

Three months ended September 30, 2022, and 2023

	Millions of yen					
	Three months ended September 30, 2022		Three months ended September 30, 2023		Change	
		%*1		%*1		%
Capacitors	194,436	40.2	197,017	44.5	2,581	1.3
Inductors and EMI filters	48,291	10.0	48,386	10.9	95	0.2
Components	242,727	50.2	245,403	55.4	2,676	1.1
High-Frequency Device and Communications Module	147,608	30.5	127,726	28.9	(19,882)	(13.5)
Battery and Power supply	64,997	13.4	43,106	9.7	(21,891)	(33.7)
Functional Device	24,896	5.2	23,544	5.3	(1,352)	(5.4)
Devices and Modules	237,501	49.1	194,376	43.9	(43,125)	(18.2)
Others	3,339	0.7	2,877	0.7	(462)	(13.8)
Revenue	483,567	100.0	442,656	100.0	(40,911)	(8.5)

*1 Component ratio

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

Six months ended September 30, 2022, and 2023

	Millions of yen					
	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
		%*1		%*1		%
Communication	374,231	40.7	328,204	40.5	(46,027)	(12.3)
Mobility	186,205	20.2	210,347	26.0	24,142	13.0
Computers	133,389	14.5	95,894	11.8	(37,495)	(28.1)
Home Electronics	113,282	12.3	82,293	10.2	(30,989)	(27.4)
Industry and Others	113,117	12.3	93,612	11.5	(19,505)	(17.2)
Revenue	920,224	100.0	810,350	100.0	(109,874)	(11.9)

Three months ended September 30, 2022, and 2023

	Millions of yen					
	Three months ended September 30, 2022		Three months ended September 30, 2023		Change	
		%*1		%*1		%
Communication	205,047	42.4	194,123	43.9	(10,924)	(5.3)
Mobility	94,297	19.5	110,744	25.0	16,447	17.4
Computers	65,229	13.5	50,683	11.4	(14,546)	(22.3)
Home Electronics	61,947	12.8	40,259	9.1	(21,688)	(35.0)
Industry and Others	57,047	11.8	46,847	10.6	(10,200)	(17.9)
Revenue	483,567	100.0	442,656	100.0	(40,911)	(8.5)

*1 Component ratio

3. Revenue by Area

Six months ended September 30, 2022, and 2023

	Millions of Yen					
	Six months ended September 30, 2022		Six months ended September 30, 2023		Change	
		%*1		%*1		%
The Americas	133,782	14.5	127,244	15.7	(6,538)	(4.9)
Europe	86,523	9.4	90,266	11.1	3,743	4.3
Greater China	480,010	52.2	397,557	49.1	(82,453)	(17.2)
Asia and Others	142,670	15.5	130,260	16.1	(12,410)	(8.7)
Overseas total	842,985	91.6	745,327	92.0	(97,658)	(11.6)
Japan	77,239	8.4	65,023	8.0	(12,216)	(15.8)
Revenue	920,224	100.0	810,350	100.0	(109,874)	(11.9)

Three months ended September 30, 2022, and 2023

	Millions of Yen					
	Three months ended September 30, 2022		Three months ended September 30, 2023		Change	
		%*1		%*1		%
The Americas	81,888	16.9	74,249	16.8	(7,639)	(9.3)
Europe	43,012	8.9	45,361	10.2	2,349	5.5
Greater China	250,398	51.8	222,831	50.3	(27,567)	(11.0)
Asia and Others	70,606	14.6	69,388	15.7	(1,218)	(1.7)
Overseas total	445,904	92.2	411,829	93.0	(34,075)	(7.6)
Japan	37,663	7.8	30,827	7.0	(6,836)	(18.2)
Revenue	483,567	100.0	442,656	100.0	(40,911)	(8.5)

*1 Component ratio

*2 Revenue 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, 2022		Three months ended September 30, 2022	
Revenue	436,657	% *1 100.0	483,567	100.0
Operating profit	90,751	20.8	109,834	22.7
Profit before income tax	103,261	23.6	113,722	23.5
Profit attributable to owners of parent	76,067	17.4	85,704	17.7

	Millions of yen			
	Three months ended June 30, 2023		Three months ended September 30, 2023	
Revenue	367,694	% *1 100.0	442,656	100.0
Operating profit	50,111	13.6	88,811	20.1
Profit before income tax	62,768	17.1	98,456	22.2
Profit attributable to owners of parent	50,098	13.6	75,055	17.0

*1 Ratio to revenue

(2) Revenue by Operating Segment

	Millions of Yen							
	Three months ended June 30, 2022		Three months ended September 30, 2022		Three months ended December 31, 2022		Three months ended March 31, 2023	
Capacitors	202,143	% *1 46.3	194,436	% *1 40.2	182,717	% *1 43.6	159,545	% *1 45.9
Inductors and EMI filters	46,882	10.7	48,291	10.0	43,386	10.3	36,765	10.6
Components	249,025	57.0	242,727	50.2	226,103	53.9	196,310	56.5
High-Frequency Device and Communications Module	108,396	24.8	147,608	30.5	114,369	27.3	83,273	23.9
Battery and Power supply	51,276	11.8	64,997	13.4	53,920	12.9	44,363	12.8
Functional Device	24,813	5.7	24,896	5.2	22,132	5.3	20,937	6.0
Devices and Modules	184,485	42.3	237,501	49.1	190,421	45.5	148,573	42.7
Others	3,147	0.7	3,339	0.7	2,454	0.6	2,711	0.8
Revenue	436,657	100.0	483,567	100.0	418,978	100.0	347,594	100.0

	Millions of Yen			
	Three months ended June 30, 2023		Three months ended September 30, 2023	
Capacitors	169,470	% *1 46.1	197,017	44.5
Inductors and EMI filters	38,872	10.6	48,386	10.9
Components	208,342	56.7	245,403	55.4
High-Frequency Device and Communications Module	87,922	23.9	127,726	28.9
Battery and Power supply	48,015	13.0	43,106	9.7
Functional Device	20,906	5.7	23,544	5.3
Devices and Modules	156,843	42.6	194,376	43.9
Others	2,509	0.7	2,877	0.7
Revenue	367,694	100.0	442,656	100.0

*1 Component ratio

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

	Millions of yen							
	Three months ended June 30, 2022		Three months ended September 30, 2022		Three months ended December 31, 2022		Three months ended March 31, 2023	
Communication	169,184	% *1 38.7	205,047	% *1 42.4	162,587	% *1 38.8	122,426	% *1 35.2
Mobility	91,908	21.0	94,297	19.5	106,284	25.4	97,709	28.1
Computers	68,160	15.6	65,229	13.5	50,739	12.1	40,586	11.7
Home Electronics	51,335	11.8	61,947	12.8	45,575	10.9	38,974	11.2
Industry and Others	56,070	12.9	57,047	11.8	53,793	12.8	47,899	13.8
Revenue	436,657	100.0	483,567	100.0	418,978	100.0	347,594	100.0

	Millions of yen			
	Three months ended June 30, 2023		Three months ended September 30, 2023	
Communication	134,081	% *1 36.5	194,123	43.9
Mobility	99,603	27.1	110,744	25.0
Computers	45,211	12.3	50,683	11.4
Home Electronics	42,034	11.4	40,259	9.1
Industry and Others	46,765	12.7	46,847	10.6
Revenue	367,694	100.0	442,656	100.0

*1 Component ratio