

Earnings Release Conference FY2022 (April 2022 to March 2023)

April 28, 2023

Murata Manufacturing Co., Ltd.





Financial Results of FY2022(U.S.GAAP)

Financial Results

- Net sales were 1,686.8 billion yen, down 6.9% year on year, and operating income was 297.9 billion yen down 29.8% year on year. Not only did sales of capacitors decrease for computers and smartphones, but SAW filters and RF modules also fell, resulting in a net sales decrease. In terms of profits, a loss in productivity from lower capacity utilization, resulting from a decrease in production output, was the main profit-decreasing factor.
- Both net sales and operating income were largely in line with latest projected financial results, partly because the yen remained weaker than assumed.

Shareholder returns

- The Company plans to pay a year-end dividend of 75 yen per share as planned at the beginning of the fiscal year.
(The annual dividend will be 150 yen per share, an increase of 20 yen from the previous fiscal year.)

Projected Financial Results for FY2023(IFRS)

* % indicates changes between FY2023 projected financial results (IFRS) and FY2022 results (US GAAP).

Projected Financial Results

- Net sales are planned to be 1,640.0 billion yen, down 2.8%* year on year. Although sales of capacitors will increase for mobility, a recovery in demand for parts for the consumer product market will be moderate. Additionally, expecting lower sales of connectivity modules, the company expects a decrease in net sales due in part to the appreciation of the yen.
- Operating income is planned to be 220.0 billion yen, down 26.1%* year on year. The Company forecasts a decrease in profits due to selling price reductions and the appreciation of the yen.

Capital expenditures

- Capital expenditures are planned to be 220.0 billion yen, up 11.9 billion yen year on year, mainly for expanding and reinforcing production capacity and the construction of a production building in preparation for medium-term growth in the demand for parts.

Shareholder returns

- The Company plans to pay an annual dividend of 150 yen per share, the same as in the previous fiscal year.



Financial Results of FY2022

From April 2022 to March 2023
Consolidated Basis

Financial Results Overview for FY2022

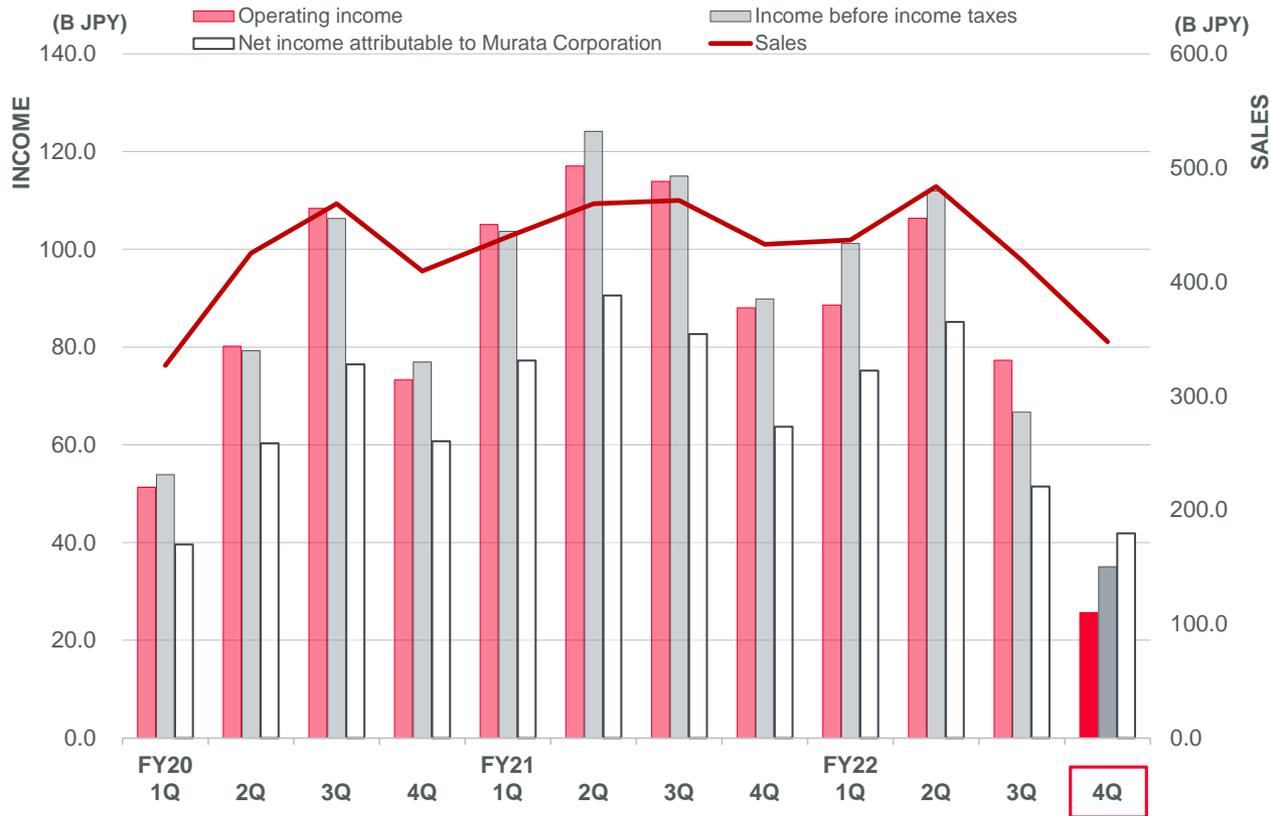
	FY2021		FY2022		Y on Y Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	1,812.5	100.0	1,686.8	100.0	(125.7)	(6.9)
Operating income	424.1	23.4	297.9	17.7	(126.2)	(29.8)
Income before income taxes	432.7	23.9	314.9	18.7	(117.8)	(27.2)
Net income attributable to Murata Corporation	314.1	17.3	253.7	15.0	(60.4)	(19.2)
ROIC (pre-tax basis) (%)	22.6		14.6		(8.0)	
Average exchange rates yen/US dollar	112.38		135.48			

- Net sales decreased as sales of RF modules, connectivity modules, SAW filters and others declined for smartphones, and capacitors also fell for computers although sales of capacitors grew for mobility, and sales of lithium-ion secondary batteries rose for power tools. (Down 19.7% year on year excluding the impact of foreign exchange)
- Operating income decreased due to the occurrence of a loss of productivity from lower capacity utilization, as opposed to the profit-increasing effect of the depreciation of the yen. (Down 57.0% year on year excluding the impact of foreign exchange)
- ROIC (before taxes) declined due to a decrease in operating income, as opposed to increases in inventories and fixed costs.

*Exchange rate sensitivity (per 1 JPY/US\$ change per year) Net sales FY2022 : 10.0 BJPY Operating income FY2022 : 5.0 BJPY

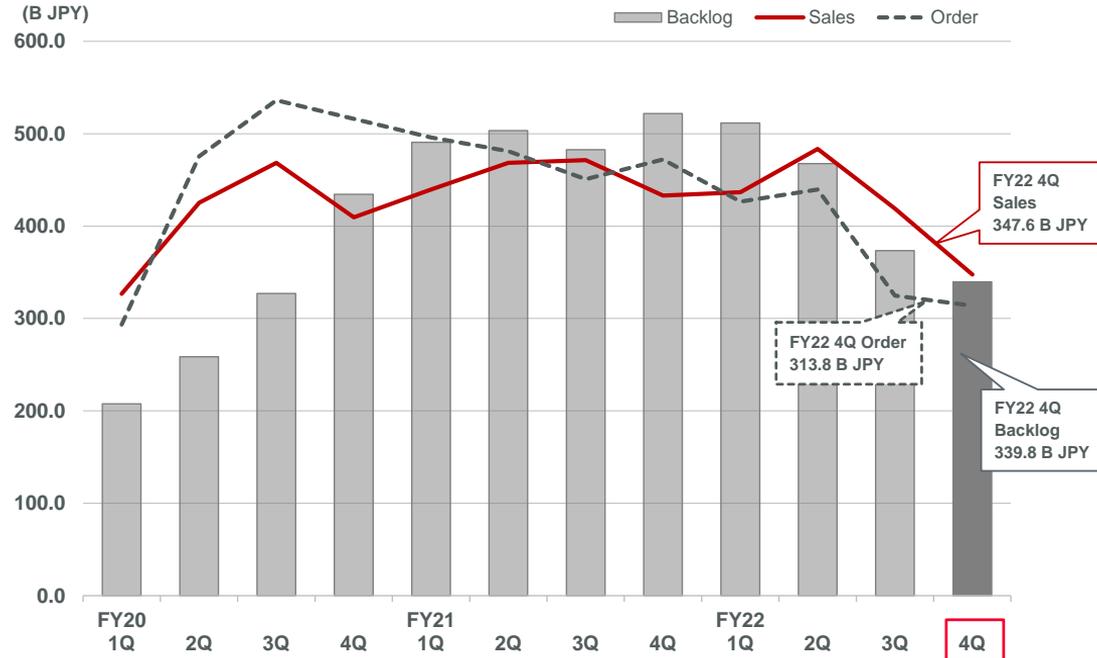
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Quarterly Financial Results



Quarterly Sales, Order and Backlog

- On a quarter on quarter basis, orders received decreased.
- The book-to-bill ratio remains below 1, but rose from the last quarter.



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

* Exchange rate against the U.S. dollar: 132.70 yen at the end of December 2022, 133.54 yen at the end of March 2023

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Operating segment sales for FY2022

	FY2021		FY2022		Y on Y Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Capacitors	788.5	43.5	738.8	43.8	(49.7)	(6.3)
Inductors and EMI filters	195.8	10.8	175.3	10.4	(20.4)	(10.4)
High-Frequency Device and Communications Module	528.2	29.1	453.6	26.9	(74.6)	(14.1)
Battery and Power supply	180.4	10.0	214.6	12.7	+34.1	+18.9
Functional Device	106.4	5.9	92.8	5.5	(13.6)	(12.8)
Others	13.2	0.7	11.7	0.7	(1.5)	(11.6)
Net sales	1,812.5	100.0	1,686.8	100.0	(125.7)	(6.9)

Operating segment sales [FY2021 to FY2022]

Capacitors (6.3%)	<i>MLCCs :</i> Whereas sales for mobility increased, sales decreased for computers and smartphones.
Inductors and EMI filters (10.4%)	<i>Electromagnetic Interference(EMI) suppression filters :</i> Sales increased for mobility. <i>Inductors :</i> Sales decreased for computers and smartphones.
High-Frequency Device and Communications Module (14.1%)	<i>Multilayer resin substrates :</i> Sales increased for smartphones. <i>SAW Filters, High-frequency modules, Connectivity modules :</i> Sales decreased for smartphones.
Battery and Power supply +18.9%	<i>Lithium-Ion secondary batteries :</i> Sales increased for power tools.
Functional Device (12.8%)	<i>Sensors :</i> Whereas sales for mobility increased, sales decreased for computers.

Sales by Application for FY2022

	FY2021		FY2022		Y on Y Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Communication	779.2	43.0	659.2	39.1	(120.0)	(15.4)
Mobility	336.3	18.6	390.2	23.1	+53.9	+16.0
Computers	297.5	16.4	224.7	13.3	(72.8)	(24.5)
Home Electronics	183.2	10.1	197.8	11.7	+14.6	+8.0
Industry and Others	216.3	11.9	214.8	12.8	(1.5)	(0.7)
Net sales	1,812.5	100.0	1,686.8	100.0	(125.7)	(6.9)

*Based on our estimate

Sales by Application [FY2021 to FY2022]

Communication (15.4%)	<p>Sales of multilayer resin substrates increased for smartphones.</p> <p>Sales of high-frequency modules, connectivity modules, SAW Filters, and capacitors decreased for smartphones.</p>
Mobility +16.0%	<p>Sales of MLCCs and EMI suppression filters increased mainly due to the sales-increasing factor of a weaker yen and a recovery in the quantity of automobiles produced.</p>
Computers (24.5%)	<p>Sales of capacitors and inductors decreased for PCs.</p>
Home Electronics +8.0%	<p>Sales of lithium-ion secondary batteries increased for power tools.</p>
Industry and Others (0.7%)	<p>Sales for healthcare products and Industrial equipment increased.</p> <p>Sales for distributors decreased.</p>

*Based on our estimate

Segment Information

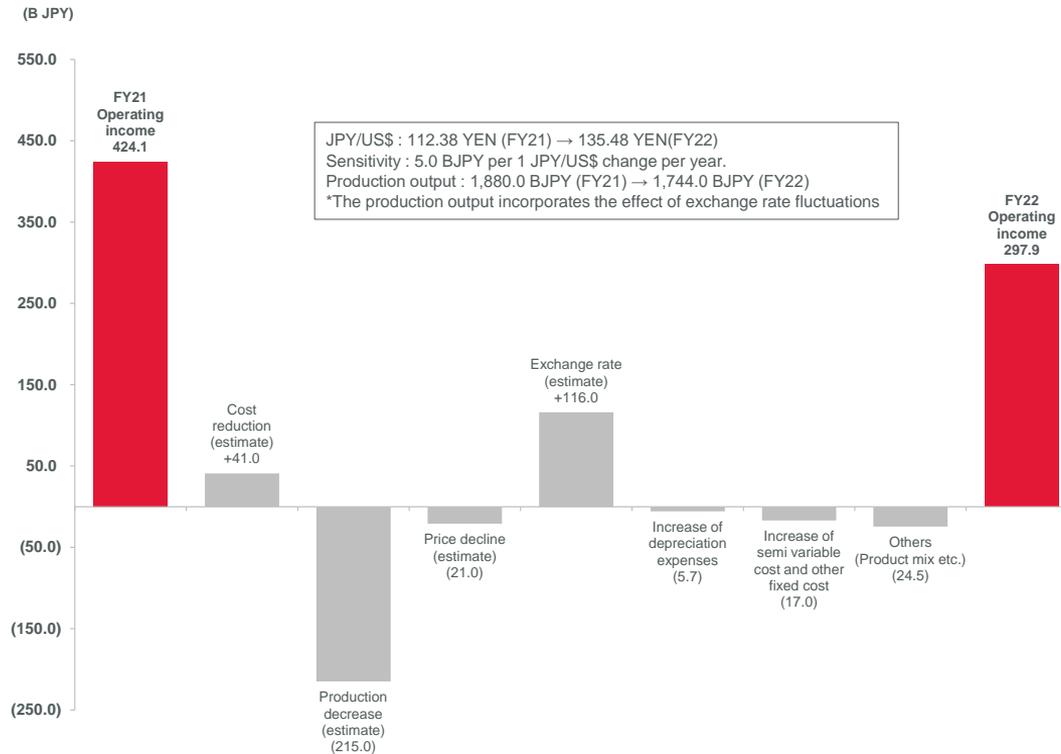
		FY2021		FY2022		Y on Y Change	
		(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Components	Total Revenues	998.1	100.0	924.4	100.0	(73.8)	(7.4)
	Operating income	355.5	35.6	280.1	30.3	(75.4)	(21.2)
	ROIC (pre-tax basis) (%)	34.3		24.0		(10.3)	
Devices and modules	Total Revenues	815.1	100.0	761.0	100.0	(54.1)	(6.6)
	Operating income	69.7	8.6	20.6	2.7	(49.1)	(70.5)
	ROIC (pre-tax basis) (%)	8.7		2.5		(6.2)	
Others	Total Revenues	71.2	100.0	74.6	100.0	+3.4	+4.8
	Operating income	(1.2)	(1.6)	(2.8)	(3.8)	(1.6)	-
Eliminations	ROIC (pre-tax basis) (%)	(71.8)	-	(73.1)	-	(1.3)	-
Consolidated	Total Revenues	1,812.5	100.0	1,686.8	100.0	(125.7)	(6.9)
	Operating income	424.1	23.4	297.9	17.7	(126.2)	(29.8)
	ROIC (pre-tax basis) (%)	22.6		14.6		(8.0)	

- Components** Profits decreased due to the occurrence of a loss of productivity from lower capacity utilization resulting from a decrease in production output and an increase in fixed costs despite the profit-increasing effect of the depreciation of the yen. ROIC (before taxes) lowered partly due to an increase in invested capital.
- Devices and modules** Profits fell due to a deterioration in profitability caused by lower sales of SAW filters and functional devices. ROIC (before taxes) declined as a result of a decrease in operating income.

Note : we have changed classifications of income on represents from “segment income” to “operating income” from the current fiscal year.

Note : we started disclosing the full-year cumulative results of ROIC (before taxes) for each of components, devices and modules from the current fiscal year.

Breakdown of Operating Income Changes [FY2021 to FY2022]



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

*Changes in semi variable cost and other fixed cost include the impact of one-time expenses that occurred in the third quarter of FY2022.

Cash Flows

	FY2021	FY2022	Y on Y Change
	(B JPY)	(B JPY)	(B JPY)
Operating activities	421.5	276.3	(145.2)
Investing activities	(212.3)	(157.9)	+54.5
Financing activities	(117.5)	(173.7)	(56.2)
Effect of exchange rate changes	12.7	12.6	(0.1)
Cash and cash equivalents	512.1	469.4	(42.7)
Free Cash Flows	209.2	118.4	(90.7)
Capital expenditures	(150.5)	(190.0)	(39.4)
Depreciation and amortization	155.6	161.3	+5.7

- Cash flow from operating activities fell due to a year-on-year profit decrease and an increase in inventories.
- Cash flows from financing activities decreased due to the acquisition of treasury stock (80.0 billion yen).

Projected Financial Results for FY2023

From April 2023 to March 2024

*Our Company will voluntarily adopt International Financial Reporting Standards (IFRS) from FY2023 in place of U.S. GAAP, which was previously applied. Accordingly, the projected Financial Results for FY2023 has been prepared based on IFRS.

“Y on Y Change (for reference)” described on the next pages indicates the difference and percentage change between the projections for FY2023 (IFRS) and the actual for FY2022 (U.S. GAAP).

Projected Financial Results for FY2023

	FY2022 (U.S. GAAP)		FY2023 (IFRS)				Y on Y Change (for reference)	
	Actual		1st Half	2nd Half	Projections		(B JPY)	(%)
	(B JPY)	(%)	(B JPY)	(B JPY)	(B JPY)	(%)		
Net sales	1,686.8	100.0	788.0	852.0	1,640.0	100.0	(46.8)	(2.8)
Operating income	297.9	17.7	84.0	136.0	220.0	13.4	(77.9)	(26.1)
Income before income taxes	314.9	18.7	84.0	136.0	220.0	13.4	(94.9)	(30.1)
Net income attributable to Murata Corporation	253.7	15.0	63.0	101.0	164.0	10.0	(89.7)	(35.4)
ROIC (pre-tax basis) (%)	14.6				10.2		(4.4)	
Average exchange rates yen/US dollar	135.48			127.00				

- Although sales of capacitors will increase for mobility, the appreciation of the yen will persist, and we expect sluggish final demand for the consumer product market and an impact from the business portfolio review of connectivity modules among others. Based on the above, the Company expects a year-on-year net sales decrease.
- Profits are forecast to decrease year on year due to profit-decreasing factors such as product price reductions and the appreciation of the yen.

Recognition of Business Environment

	Assumptions for projected financial results	Risks not factored into projected financial results
Sales	<ul style="list-style-type: none"> - The smartphone market is expected to recover around the summer - Mounting downward pressure on product prices due to sluggish final demand - Continued holding of BCP inventory by customers for mobility - Inventory adjustment in the power tools market will improve slightly in the second half - Exchange rate set at 127 yen 	<ul style="list-style-type: none"> - A delay in the recovery of the smartphone market - Prolonged curbs on investment for servers and data centers primarily due to a deterioration of business sentiment - Slowdown of a recovery in the number of automobiles produced - Prolonged inventory adjustment in the power tools market - More-than-expected appreciation of the yen
Productions	<ul style="list-style-type: none"> - Execution of production plans for inventory reduction 	<ul style="list-style-type: none"> - Additional production reduction accompanying a downturn in the quantity of sets
Costs	<ul style="list-style-type: none"> - Continued high level of material prices and energy COSTS (Estimated based on the situation as of the end of March 2023) - Increase in strategic expenditures such as for strengthening of IT infrastructure 	<ul style="list-style-type: none"> - Further soaring of material prices and energy costs

Projections of Demand

	FY2022 Actual		FY2023 Projections		Change
Smartphones (units)	1,080	M	1,110	M	+3%
therein					
5G smartphones	600	M	650	M	+8%
PCs (units)	420	M	380	M	(10%)
Vehicles (units)	82	M	86	M	+5%
therein xEV	24	M	32	M	1.3 times

* Smartphones and PCs are based on the number of demand for components.
Vehicles are based on the number of units produced.

- Smartphones** Although inventory adjustment will come to an end, an increase in the quantity of sets will be moderate due to weak final demand. Additionally, the ratio of low-end devices to all smartphones is expected to rise.
- PCs** Although inventory adjustment will come to an end, demand is expected to remain weak due to the low level of consumers' purchasing appetite. High-end tablet PCs, whose sales were brisk, are expected to fall as a downward correction of the brisk sales.
- Vehicles** The quantity is expected to rise mainly in xEV as semiconductor shortages gradually lessen.

Projected Sales by Operating segment

	FY2022 (U.S. GAAP) Actual (B JPY)	FY2023 (IFRS) Projections (B JPY)		Y on Y Change (for reference) (B JPY) (%)		
		1st Half (B JPY)	2nd Half (B JPY)			
Capacitors	738.8	371.2	403.2	774.4	+35.5	+4.8
Inductors and EMI filters	175.3	86.9	92.3	179.1	+3.8	+2.2
Components	914.2	458.1	495.5	953.5	+39.4	+4.3
High-Frequency Device and Communications Module	453.6	186.5	201.5	388.0	(65.6)	(14.5)
Battery and Power supply	214.6	88.4	96.2	184.6	(29.9)	(13.9)
Functional Device	92.8	49.4	52.9	102.2	+9.5	+10.2
Devices/Module	761.0	324.3	350.6	674.9	(86.1)	(11.3)
Others	11.7	5.6	6.0	11.6	(0.1)	(0.5)
Total	1,686.8	788.0	852.0	1,640.0	(46.8)	(2.8)

Projected Sales by Operating segment [FY2022 to FY2023]

Capacitors +4.8%	MLCCs : Sales are planned to grow for mobility due to an increase in the number of parts, resulting from a greater number of vehicles produced and progress in the electrification of automobiles.
Inductors and EMI filters +2.2%	EMI suppression filters: : Sales are planned to grow for mobility due to an increase in the number of parts, resulting from a greater number of vehicles produced and progress in the electrification of automobiles.
High-Frequency Device and Communications Module (14.5%)	Connectivity modules : Sales are planned to decline due to the continued review of the business portfolio. Multilayer resin substrates : Sales are expected to decline for smartphones. RF modules, SAW Filters : Sales are expected to increase for smartphones.
Battery and Power supply (13.9%)	Lithium-Ion secondary batteries : Sales are expected to decline for power tools due to lower demand and inventory adjustment.
Functional Device +10.2%	Sensors : Sales are planned to increase for mobility due to a high functionality of automobiles and a greater number of vehicles produced.

Projected Sales by Application

	FY2022 (U.S. GAAP) Actual (B JPY)	FY2023 (IFRS) Projections (B JPY)		Y on Y Change (for reference) (B JPY) (%)		
		1st Half (B JPY)	2nd Half (B JPY)	(B JPY)	(%)	
Communication	659.2	288.0	312.5	600.5	(58.8)	(8.9)
Mobility	390.2	211.1	223.9	435.1	+44.9	+11.5
Computers	224.7	101.1	113.6	214.6	(10.1)	(4.5)
Home Electronics	197.8	87.4	96.6	184.0	(13.9)	(7.0)
Industry and Others	214.8	100.4	105.5	205.8	(9.0)	(4.2)
Total	1,686.8	788.0	852.0	1,640.0	(46.8)	(2.8)

*Based on our estimate

Projected Financial Results for FY2023

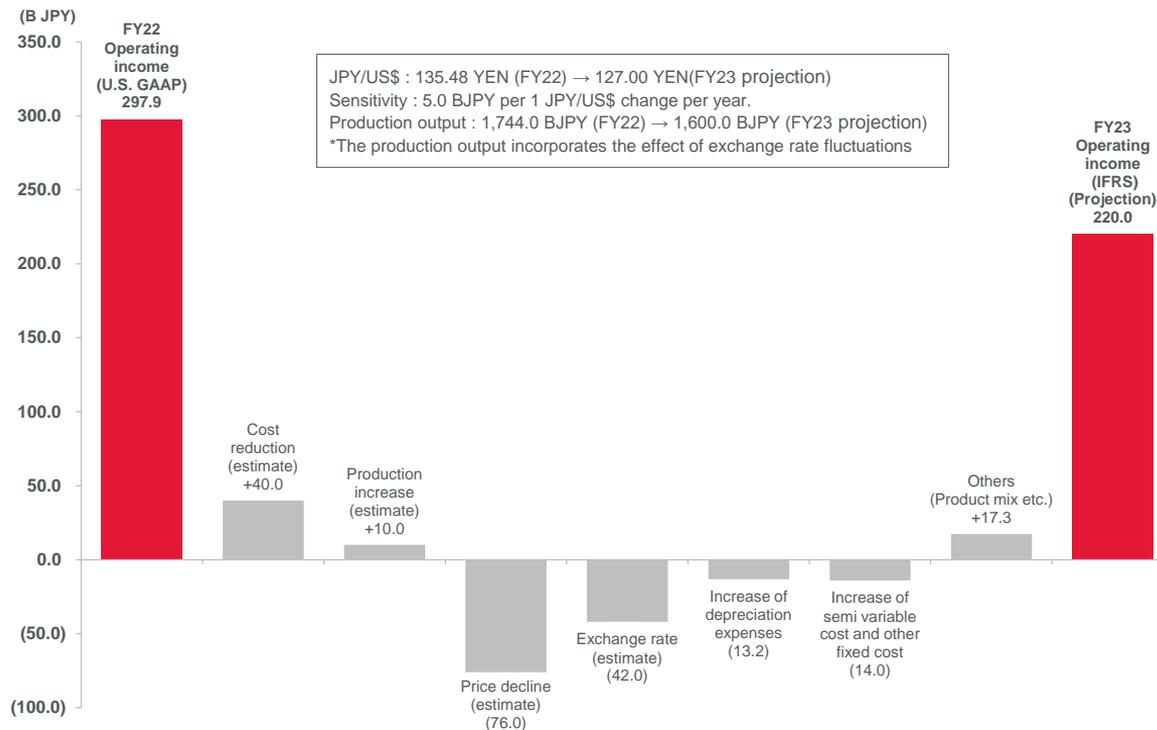
	FY2022 (U.S. GAAP) Actual	FY2023 (IFRS) Projections
Depreciation and amortization	161.3 B JPY	170.0 B JPY
R & D expenses	124.2 B JPY	130.0 B JPY
Capital expenditures	208.1 B JPY	220.0 B JPY
Average exchange rate (JPY/USD)	135.48	127.00

[Exchange rate sensitivity (per 1 JPY/US\$ change per year)]

Net sales FY2023 : 10.0 BJPY

Operating income FY2023 : 5.0 BJPY

Breakdown of Operating Income Changes [FY2022 to FY2023]



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

*Changes in semi variable cost and other fixed cost include the impact of one-time expenses that occurred in the third quarter of FY2022.

*According to a change in accounting standards, lease expenses (approximately 10 billion yen), which were recorded as semi variable cost and other fixed cost, have been reclassified to depreciation expenses.

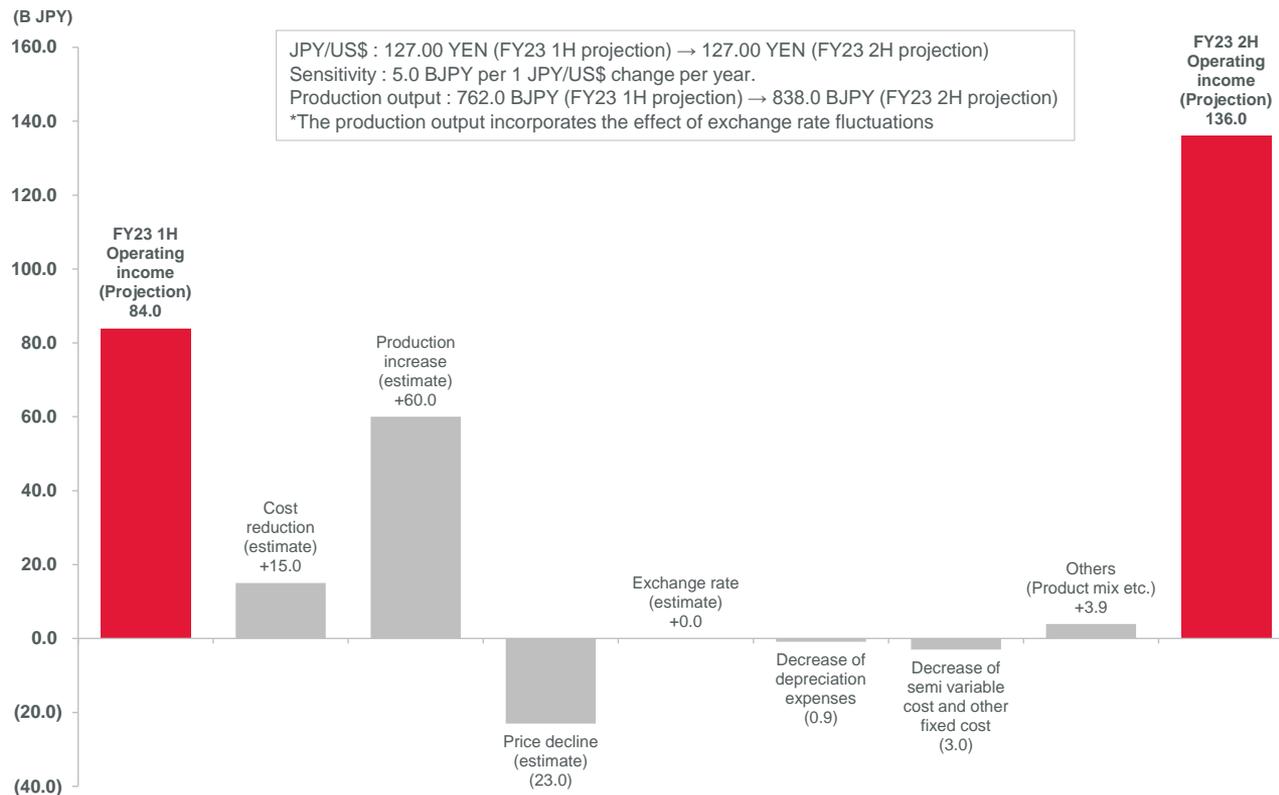
Financial Results Overview

[FY23 1st Half Projections to FY23 2nd Half Projections]

	FY2023		FY2023		H on H Change	
	1st Half Projections		2nd Half Projections			
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	788.0	100.0	852.0	100.0	+64.0	+8.1
Operating income	84.0	10.7	136.0	16.0	+52.0	+61.9
Income before income taxes	84.0	10.7	136.0	16.0	+52.0	+61.9
Net income attributable to Murata Corporation	63.0	8.0	101.0	11.9	+38.0	+60.3

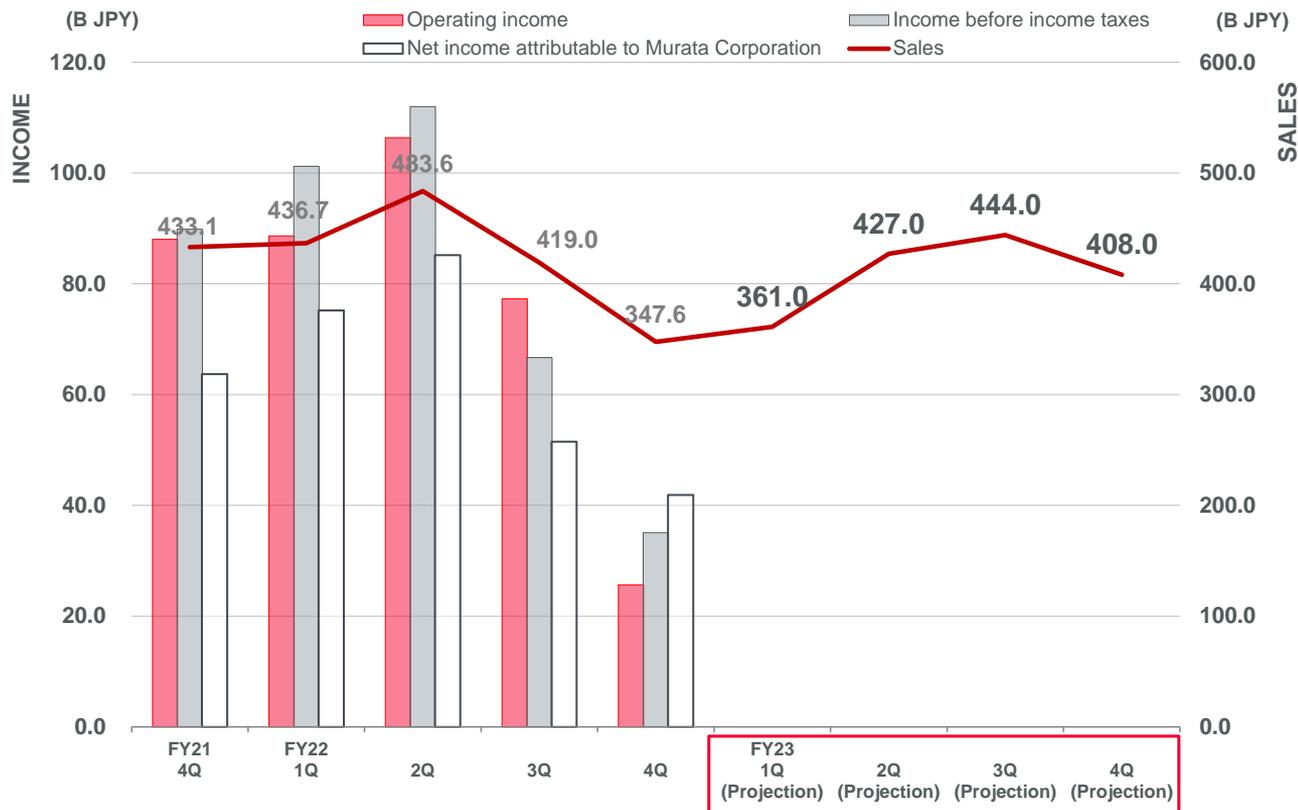
Breakdown of Operating Income Changes

[FY23 1st Half Projections to FY23 2nd Half Projections]



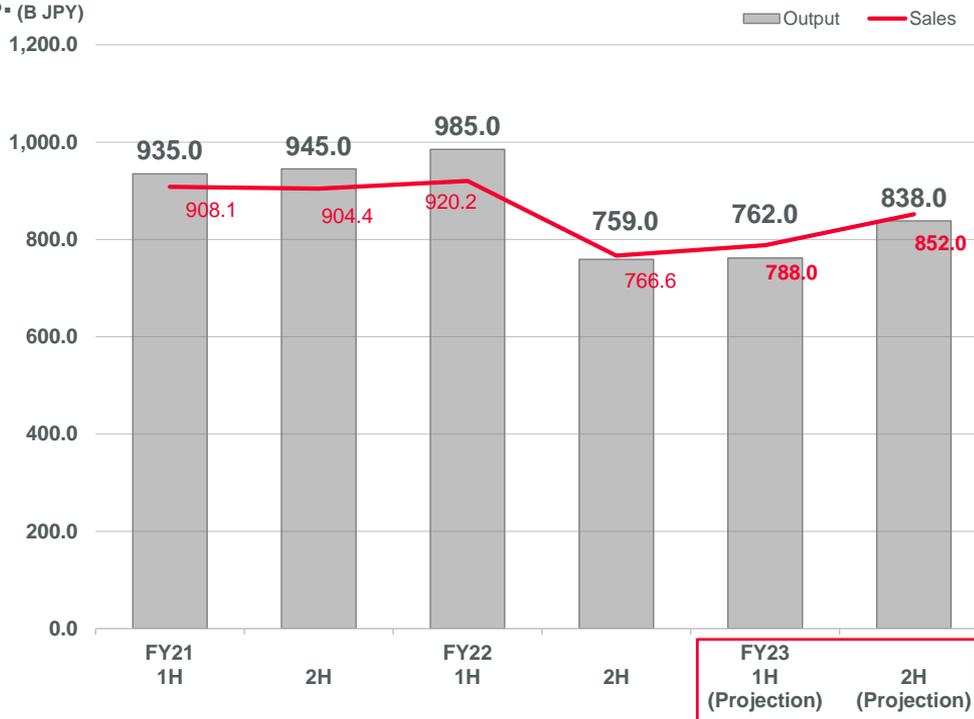
**“Production increase” is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

Quarterly Financial Results



Production Plan for FY 2023

- Production output for FY2023 is planned to be 1,600.0 billion yen (down 140.0 billion yen year on year).
- The Company will reduce inventories by about 40.0 billion yen by keeping production output below net sales.



Dividends per Share

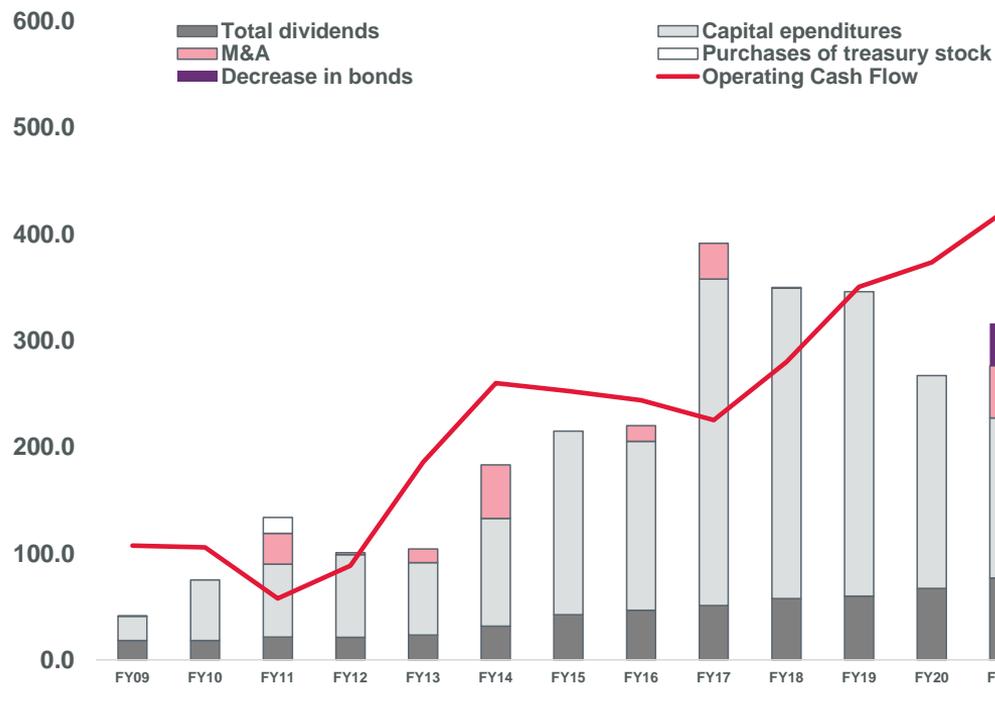
- FY2023(Year Ending March 31, 2024) projected annual dividends per share
150 JPY per share
(Interim: 75 JPY per share, Year-end: 75 JPY per share)
* Set the annual dividend at the same amount as the previous year.
- FY2022(Year Ending March 31, 2023) annual dividends per share
150 JPY per share
(Interim: 75 JPY per share, Year-end: 75 JPY per share)

Note: The above projections are based on our view of the current business environment and our projections for FY2023.

Cash Flows

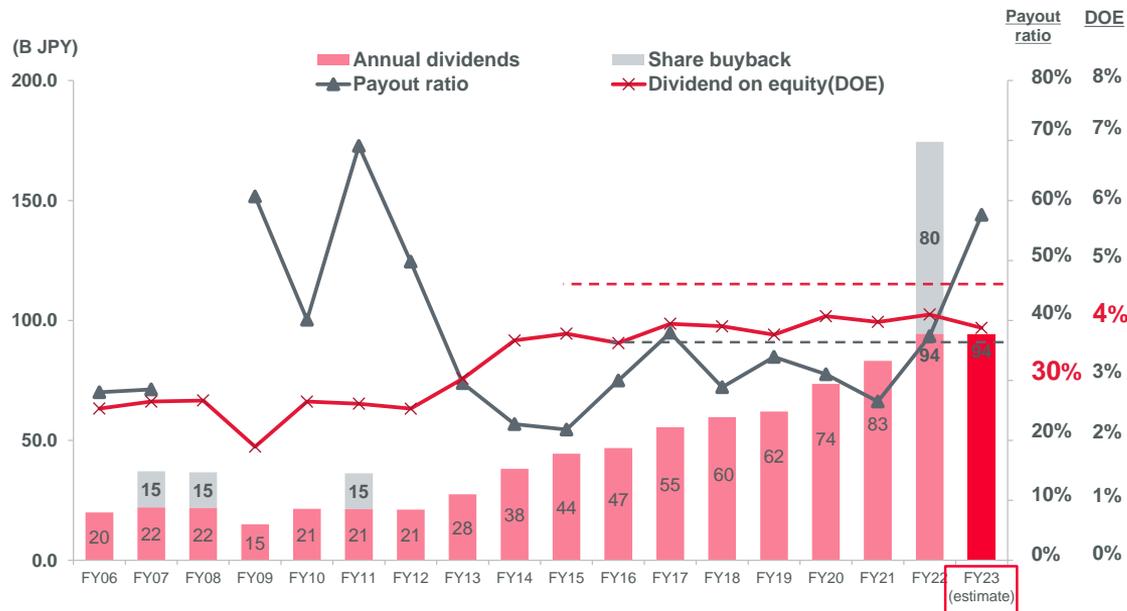
- Operating cash flow is expected to increase in FY2023 due to inventory reduction.
- On the other hand, the Company plans an increase in capital expenditures and in the second half of the fiscal year, the redemption of corporate bonds (60.0 billion yen).

(B JPY)



Return to Shareholders

- Dividend** As a stable increase in dividends is our basic policy, we aim to achieve DOE (Dividend on equity ratio) of 4% or higher over the medium term with reference to dividend payout ratio of approximately 30%.
- Share buyback** As a means of returning profits to shareholders, we implement share buybacks in a timely manner to improve capital efficiency.



Medium-Term Direction 2024

- Progress in Economic Value
- Progress in Strategic investment

Progress in Economic Value

- Demand for parts in FY2022 declined more than expected due to sluggish smartphone and PC markets and prolonged inventory adjustment. The Company expects a recovery to remain limited in the consumer product market in FY2023.
- In such circumstances, the Company will speed up internal initiatives, such as improving profitability and enhancing capital efficiency toward achieving Economic Value Targets in Medium-Term Direction 2024.

	FY2022 Actual	FY2023 Projections	FY2024 Targets
Net sales (JPY)	1,686.8billion	1,640.0billion	2,000.0billion
Operating income ratio	17.7%	13.4%	20% or higher
ROIC (pre-tax basis)	14.6%	10.2%	20% or higher

Progress in Strategic investment

Medium-term Direction 2024
Capital Allocation Policy (Unit: billion yen)

<u>In</u>	<u>Out</u>
Operating cash flows 1,250.0	Capital investment 640.0 (Land, buildings 100.0)
	Strategic investment 230.0
	Shareholder returns 270.0
	Redemption of bonds 110.0

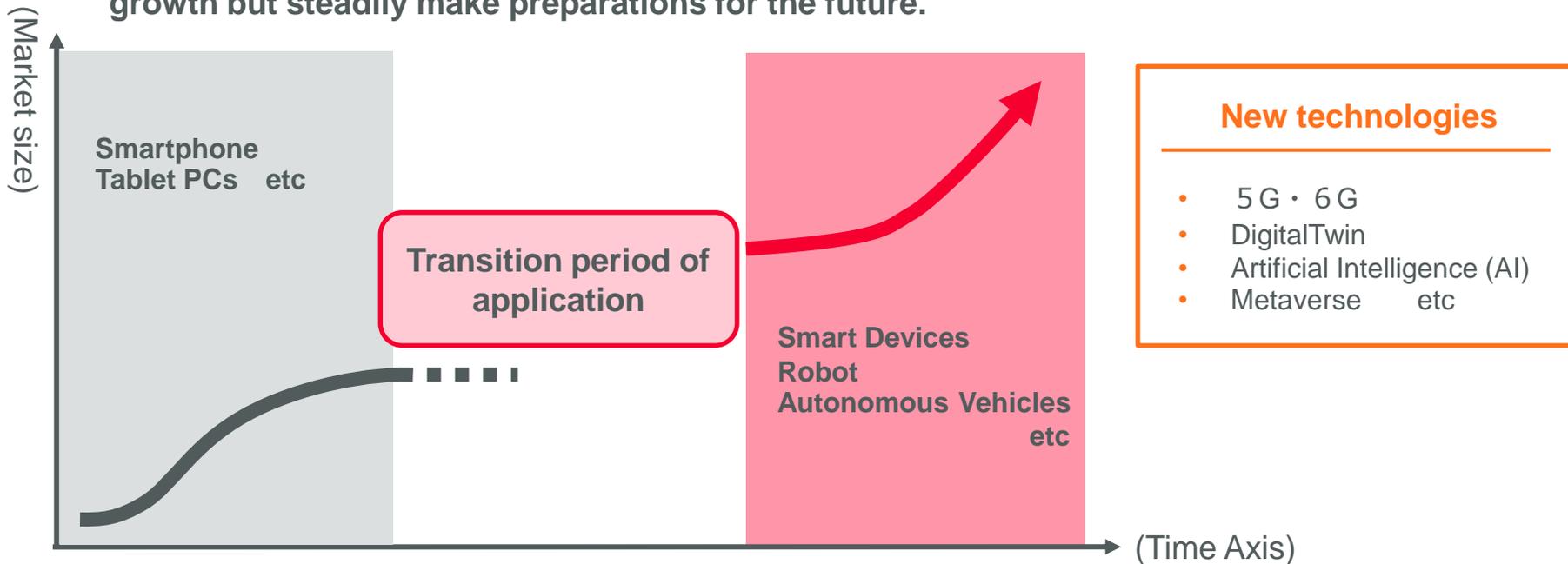


	FY2022 Actual	FY2023 Projections
Environmental investment	Approximately 4.0billion yen*	Approximately 30.0billion yen* (However, "M&A and other growth investment" is not included in the projection.)
M&A and other growth investment	Approximately 4.0billion yen	
Other (Stronger IT infrastructure etc)	Approximately 16.0billion yen	
Total	23.6billion yen	

*Environmental investment is included in capital expenditures in results for FY2022 and the projected financial results for FY2023.

Perception of the Market Environment

- Regarding the expansion of the electronics domain for 2030, signs of change, such as advancement in automotive electrification, establishment of 5G infrastructure and growing investment in data centers, have started showing up.
- The Company will avoid slackening investment and strategic expenditures for future growth but steadily make preparations for the future.



Expansion of the Usage of Electronics

2030s 6G

Expansion of sea, air, and space communications coverage.
Creating a world where even more people and things are connected

Digitalization of all types of measurable information through evolutionary advances in sensors

Widespread use of cyber-physical systems where AI processes and handles digitalized big data

2020s 5G

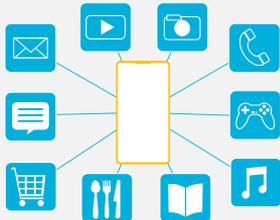
IoT = Connection of all types of devices to the Internet

Communication becomes part of society's infrastructure

Widespread adoption of local 5G, as well as smart factories and offices.

2010s 4G

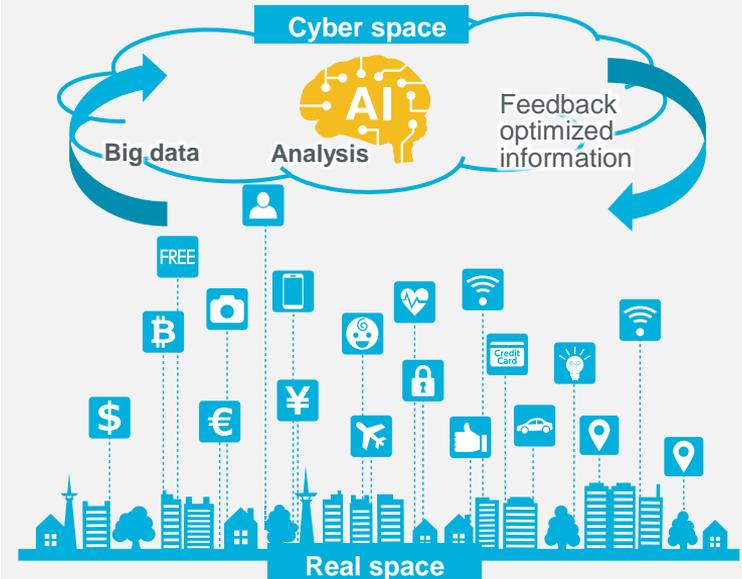
Smartphone-centric
Communication is primarily between people



Toward a better life and solutions to social issues

6G keywords

- Digital twins
- Holograms
- Automatic charging
- Communication robots
- Healthcare using biological information
- Completely autonomous vehicles
- Flying cars (eVTOL)



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

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

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

Thank you



Appendixes

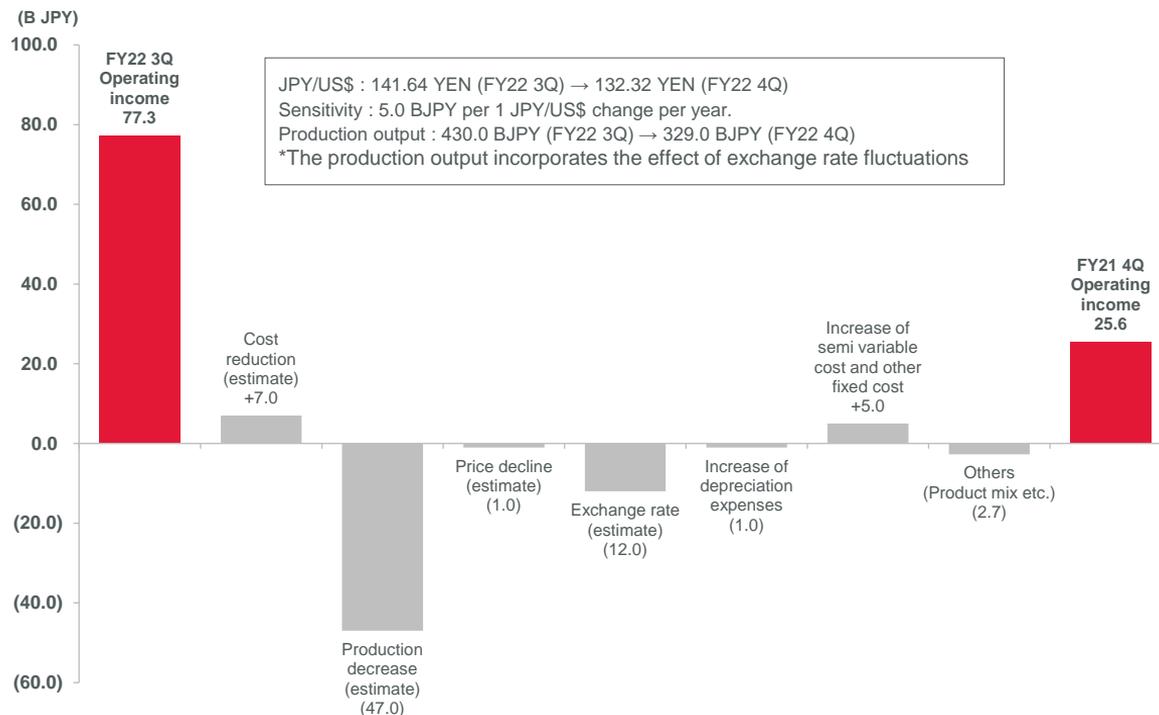


Financial Results Overview [FY22 3rd Quarter to FY22 4th Quarter]

	FY2022 3rd Quarter		FY2022 4th Quarter		Q on Q Change	
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Net sales	419.0	100.0	347.6	100.0	(71.4)	(17.0)
Operating income	77.3	18.4	25.6	7.4	(51.7)	(66.8)
Income before income taxes	66.7	15.9	35.0	10.1	(31.7)	(47.5)
Net income attributable to Murata Corporation	51.5	12.3	41.9	12.0	(9.6)	(18.7)

Breakdown of Operating Income Changes

[FY22 3rd Quarter to FY22 4th Quarter]

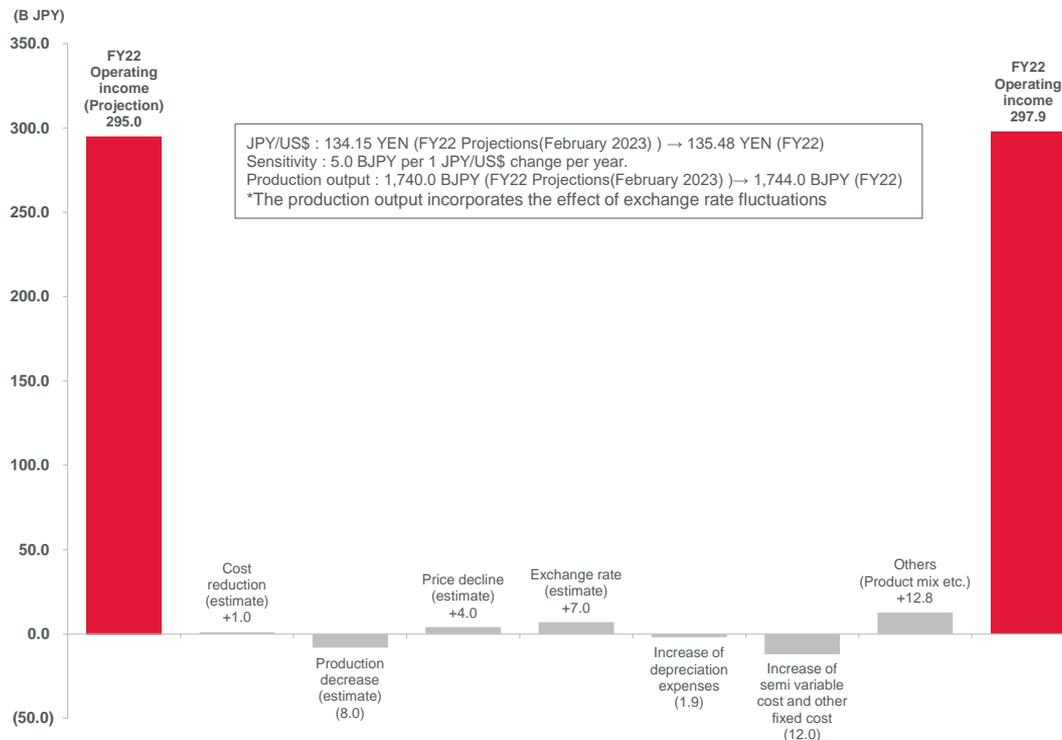


**“Production decrease” is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

*Changes in semi variable cost and other fixed cost include the impact of one-time expenses that occurred in the third quarter of FY2022.

Breakdown of Operating Income Changes

[FY22 Projections(February 2023) to FY22 Actual]



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

Financial Data (1/3)

(B JPY)

	FY2019	FY2020				FY2021				FY2022			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	362.9	326.8	425.2	468.6	409.5	439.6	468.5	471.4	433.1	436.7	483.6	419.0	347.6
Operating income	52.4	51.3	80.2	108.4	73.3	105.1	117.0	113.9	88.0	88.6	106.4	77.3	25.6
Income before income taxes	51.3	53.9	79.2	106.3	76.9	103.7	124.1	115.0	89.8	101.2	112.0	66.7	35.0
Net income attributable to Murata Corporation	36.2	39.6	60.3	76.5	60.7	77.2	90.6	82.6	63.7	75.2	85.2	51.5	41.9
Capital expenditures	85.4	40.2	43.8	48.9	63.9	42.6	32.1	33.4	44.7	38.6	45.1	54.2	70.2
Depreciation and amortization	36.4	34.0	35.9	35.7	37.5	37.3	38.7	39.6	40.0	39.8	40.1	40.2	41.3
R & D expenses	26.4	24.8	26.2	24.4	26.3	27.0	27.2	28.2	28.9	30.7	31.5	30.3	31.7
Average exchange rates (yen)	108.97	107.62	106.22	104.51	105.90	109.49	110.11	113.71	116.21	129.57	138.38	141.64	132.32

Financial Data (2/3)

		FY2021				FY2022				(B JPY)
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Operating segment sales	Capacitors	190.0	203.4	201.4	193.8	202.1	194.4	182.7	159.5	
	Inductors and EMI filters	49.3	51.9	51.1	43.5	46.9	48.3	43.4	36.8	
	Components	239.3	255.2	252.5	237.3	249.0	242.7	226.1	196.3	
	High-Frequency Device and Communications Module	128.3	137.4	140.2	122.4	108.4	147.6	114.4	83.3	
	Battery and Power supply	42.6	45.3	48.8	43.7	51.3	65.0	53.9	44.4	
	Functional Device	26.7	27.7	26.3	25.6	24.8	24.9	22.1	20.9	
	Devices/Module	197.6	210.3	215.3	191.8	184.5	237.5	190.4	148.6	
	Others	2.6	3.0	3.6	4.0	3.1	3.3	2.5	2.7	
	Net sales	439.6	468.5	471.4	433.1	436.7	483.6	419.0	347.6	
Sales by Application	Communication	185.7	207.1	210.4	176.1	169.2	205.0	162.6	122.4	
	Mobility	82.7	82.1	80.3	91.2	91.9	94.3	106.3	97.7	
	Computers	74.6	77.0	75.1	70.7	68.2	65.2	50.7	40.6	
	Home Electronics	44.2	48.3	47.1	43.7	51.3	61.9	45.6	39.0	
	Industry and Others	52.4	54.1	58.6	51.3	56.1	57.0	53.8	47.9	
	Net sales	439.6	468.5	471.4	433.1	436.7	483.6	419.0	347.6	

Financial Data (3/3)

(B JPY)

		FY2021				FY2022			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Components	Total revenue	242.2	258.5	255.9	241.5	252.0	245.2	228.6	198.6
	Operating income	86.3	94.3	93.6	81.3	86.8	81.0	66.9	45.4
Devices and modules	Total revenue	197.6	210.3	215.3	191.8	184.5	237.5	190.4	148.6
	Operating income	18.9	23.6	20.8	6.4	1.6	26.1	11.4	(18.5)
Others	Total revenue	17.5	17.8	17.5	18.4	20.2	16.5	18.1	19.8
	Operating income	(0.1)	(0.9)	(0.5)	0.3	0.2	(0.7)	(1.0)	(1.3)
Eliminations	Total revenue	(17.7)	(18.2)	(17.3)	(18.6)	(20.0)	(15.7)	(18.1)	(19.3)
Consolidated	Total revenue	439.6	468.5	471.4	433.1	436.7	483.6	419.0	347.6
	Operating income	105.1	117.0	113.9	88.0	88.6	106.4	77.3	25.6



References : The impact of voluntary adoption of International Financial Reporting Standards (IFRS)

*To aid in your understanding of our projections for FY2023, materials that we notified on November 25, 2022 are reposted here.

Disclosure schedule for voluntary adoption of IFRS

As we have notified in “Notice of Voluntary Adoption of International Financial Reporting Standards (IFRS)” issued on Nov. 25, 2022, our company has resolved the voluntary adoption of International Financial Reporting Standards (IFRS), in place of current U.S. Generally Accepted Accounting Standards (U.S.GAAP) from the fiscal year ending Mar. 31, 2024.

Our disclosure schedule in the future will be:

Timing of disclosure	Accounting period	Document for disclosure	Accounting standard
April 2023	Fiscal year ending March 2023	Financial Results *	U.S.GAAP
June 2023		Consolidated Financial Statements and Auditor’s Report	
July 2023	Fiscal year ending March 2024	Financial results for the first quarter	IFRS

* The earnings forecasts of financial results for the fiscal year ending March 2024 will be reported based on IFRS.

Major impacts to the Consolidated Balance Sheets at the date of transition to IFRS (April 1, 2022)

Unit: B JPY

	U.S.GAAP	Impacts brought by IFRS adoption						IFRS
		① Goodwill impairment	② Post-employment benefits	③ Levies	④ non-refundable purchase taxes etc.	⑤ Deferred income	Others	
Total assets	2,809.2	(3.3)	(11.3)	+1.9	+2.6	+4.2	+0.8	2,804.1
Total liabilities	545.3		(4.6)	+6.2		+13.9	+3.3	564.1
Total equity	2,263.9	(3.3)	(6.7)	(4.3)	+2.6	(9.7)	(2.5)	2,240.0
Total liabilities and equity	2,809.2	(3.3)	(11.3)	+1.9	+2.6	+4.2	+0.8	2,804.1

* These digits have not been audited yet, and they may be different from those in the official IFRS financial statements disclosed at a later date.

Major impacts

- ① **Goodwill impairment** : Additional impairment loss is recognized for the goodwill from part of reporting units which belong to “Devices and modules” segment, as a result of impairment test in accordance with IFRS.
- ② **Post-employment benefits** : While all pension assets is allowed to be on-balanced under U.S.GAAP, the amount in excess of limit (asset ceiling) is drawn down under IFRS.
- ③ **Levies** : Levies (such as property tax) are expensed at the date of payment under U.S.GAAP, but expensed at the date of debt accrual under IFRS.
- ④ **Necessary direct auxiliary expenses such as non-refundable purchase taxes** : Expenses such as purchase taxes are incurred in the period when the fixed assets are purchased under U.S.GAAP, but IFRS requires they are included in cost of lands or buildings.
- ⑤ **Deferred income** : Government grants related to acquisition of assets are recognized as profit in full under U.S.GAAP, but are incurred on a systematic basis over the useful life of the related assets under IFRS.

Major changes in total equity at the date of transition to IFRS (April 1, 2022)

Unit: B JPY

	U.S.GAAP	Impacts brought by IFRS adoption						IFRS
		Goodwill impairment	Post-employment benefits *1	Levies	Deferred income	Cumulative translation differences *2	Others	
Common stock	69.4							69.4
Capital surplus	121.0							121.0
Retained earnings	2,024.4	(3.3)	(9.6)	(4.3)	(9.7)	+104.3	(2.4)	2,099.4
Accumulated other comprehensive income (loss)	102.3		+2.9			(104.3)	+2.5	3.4
Treasury stock, at cost	(53.5)							(53.5)
Total shareholders' equity	2,263.6	(3.3)	(6.7)	(4.3)	(9.7)		+0.1	2,239.7
Noncontrolling interests	0.3							0.3
Total equity	2,263.9	(3.3)	(6.7)	(4.3)	(9.7)		+0.1	2,240.0

* These digits have not been audited yet, and they may be different from those in the official IFRS financial statements disclosed at a later date.

Major changes

*1 Post-employment benefits:

<How to deal with past service cost and actuarial gains and losses>

U.S.GAAP: Both of them are recognized as other comprehensive income and reclassified into P/L over a period of time in the future.

IFRS : Past service cost is recognized as an expense in full when incurred, and actuarial gains/losses are recorded as other comprehensive income and immediately transferred to retained earnings.

*2 Cumulative translation differences:

By using an exemption, cumulative translation differences at the date of transition to IFRS are deemed to be zero.

Changes in accounting brought by IFRS adoption (on consolidated statements of income)

Topics		U.S.GAAP	IFRS
Post-employment benefits	How to recognize past service cost	Recorded as other comprehensive income and reclassified into P/L over a period of time in the future	Expensed in full in the period when it is incurred
	How to recognize actuarial gains and losses		Recorded as other comprehensive income and immediately transferred to retained earnings
Financial instruments	How to deal with valuation profit/loss from equity instruments	Recognized in P/L	Mainly recognized as other comprehensive income

Changes in accounting brought by IFRS adoption (on consolidated statements of cash flows)



Topics		U.S.GAAP	IFRS
Leases	Payments for lease liabilities	Payments for operating lease liabilities are classified into cash flows from operating activities	All payments are dealt as cash flows from financing activities
		Payments for finance lease liabilities are classified into cash flows from financing activities	

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