

Consolidated Financial Flash Report (June 30, 2020)

Date: July 31, 2020

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

Stock Exchange Listings:
Tokyo Stock Exchange
Stock Exchange of Singapore

1. Consolidated financial results for the three months ended June 30, 2020

(1) Operating results

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	326,798	(8.6)	51,339	(17.9)	53,922	(14.7)	39,583	(15.5)
Three months ended June 30, 2019	357,556	3.5	62,550	29.9	63,241	26.6	46,825	20.1

Comprehensive income attributable to Murata Corporation: 38,683 million yen for the three months ended June 30, 2020 and 24,643 million yen for the three months ended June 30, 2019.

	Basic earnings attributable to Murata Corporation per share	Diluted earnings attributable to Murata Corporation per share
	Yen	Yen
Three months ended June 30, 2020	61.87	-
Three months ended June 30, 2019	73.19	-

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

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At June 30, 2020	2,245,824	1,700,828	75.8	2,658.39
At March 31, 2020	2,250,230	1,694,104	75.3	2,647.88

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

	Cash dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2020	-	47.00	-	50.00	97.00
2021	-	-	-	-	-
2021 (Projected)	-	55.00	-	55.00	110.00

* No change in the projected dividends during the three months ended June 30, 2020.

3. Projected financial results for the six months ending September 30, 2020 and the year ending March 31, 2021 (Consolidated basis)

	Net sales		Operating income		Income before income taxes		Net income attributable to Murata Corporation		Basic earnings attributable to Murata Corporation per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	681,000	(10.5)	97,000	(20.1)	98,000	(21.5)	69,300	(23.6)	108.32
Year ending March 31, 2021	1,430,000	(6.8)	210,000	(17.1)	212,000	(16.5)	150,000	(18.0)	234.45

* No change in the projected financial results during the three months ended June 30, 2020.

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

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2020 (changes in specific subsidiaries that caused change in scope of consolidation): None

(2) Adoption of simplified and specifically applied accounting methods

Murata Manufacturing Co., Ltd. and Subsidiaries (the "Companies") adopted accounting methods specifically applied for quarterly consolidated financial reporting.

(3) Changes in accounting policy

Changes due to adoption of new accounting standard: None

Changes due to reasons other than above: None

(4) Number of common shares outstanding

Number of shares outstanding, including treasury stock: 675,814,281 shares at June 30, 2020 and at March 31, 2020

Number of treasury stock: 36,018,212 shares at June 30, 2020 and 36,017,849 shares at March 31, 2020

Average number of shares outstanding: 639,793,799 shares for the three months ended June 30, 2020 and 639,767,329 shares for the three months ended June 30, 2019

*Notes to the projected financial results

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

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

Business Results and Financial Position (from April 1, 2020 through June 30, 2020)

1. Business Results

In the global economic environment for the period under review, there was a significant worsening in business mainly in the United States and Europe caused by the global spread of COVID-19 (a new coronavirus) and resultant restrictions on economic activities implemented by countries. On the other hand, China resumed economic activities at an early stage, leading production and investment activities to recover moderately. Although the resumption of economic activities is making progress in many countries around the world, the outlook remains extremely uncertain due to growing concerns about a second wave of infections and the ongoing trade friction between the United States and China, which started last year.

In the electronics market in which Murata Manufacturing Co., Ltd. and subsidiaries (hereinafter referred to as the Companies), demand remained firm for products related to 5G technology and for personal computer (PC) components along with an increase in people working from home. On the other hand, demand mainly for products for car electronics and smartphones plunged due to cooling consumer sentiment following the economic deterioration.

Given such a background, net sales decreased by 8.6% year-on-year to 326,798 million yen for the period under review. The decrease was caused by a plunge in sales of multilayer ceramic capacitors (MLCCs) for car electronics despite a steady trend in sales for base stations and PCs, and a drastic fall in sales of multilayer resin substrates and lithium ion secondary batteries for smartphones and a negative effect of foreign exchange (year-on-year appreciation of 2.28 yen to the U.S. dollar).

Operating income was 51,339 million yen, down 17.9%, income before income taxes was 53,922 million yen, down 14.7%, and net income attributable to Murata Corporation was 39,583 million yen, down 15.5% from the three months ended June 30, 2019. Negative factors, such as a fall in product prices and the impact of currency fluctuations, were not offset by positive factors in profit increase from cost-reduction activities.

	Millions of yen					
	Three months ended June 30, 2019		Three months ended June 30, 2020		Change	
		%*		%*		%
Net sales	357,556	100.0	326,798	100.0	(30,758)	(8.6)
Operating income	62,550	17.5	51,339	15.7	(11,211)	(17.9)
Income before income taxes	63,241	17.7	53,922	16.5	(9,319)	(14.7)
Net income attributable to Murata Corporation	46,825	13.1	39,583	12.1	(7,242)	(15.5)
Average exchange rate (Yen/U.S. dollar)	109.90	—	107.62	—	(2.28)	—
Average exchange rate (Yen/Euro)	123.49	—	118.47	—	(5.02)	—

*Component ratio as a percentage of net sales

Sales by Product Category

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

	Millions of yen					
	Three months ended June 30, 2019		Three months ended June 30, 2020		Change	
		%*		%*		%
Capacitors	137,734	38.6	134,494	41.2	(3,240)	(2.4)
Piezoelectric Components	31,426	8.8	26,389	8.1	(5,037)	(16.0)
Other Components	92,352	25.9	77,365	23.7	(14,987)	(16.2)
Components Total	261,512	73.3	238,248	73.0	(23,264)	(8.9)
Modules	95,225	26.7	87,945	27.0	(7,280)	(7.6)
Net sales	356,737	100.0	326,193	100.0	(30,544)	(8.6)

*Component ratio as a percentage of net sales

<Components>

Sales of Components for the period under review decreased by 8.9% year-on-year to 238,248 million yen.

[Capacitors]

The Capacitors category includes MLCCs.

For the period under review, sales of MLCCs, the main product in this category, plummeted for car electronics due to a decrease in the number of automobiles sold, although they increased for PCs and PC peripherals and base stations.

As a result, overall net sales decreased by 2.4% year-on-year to 134,494 million yen.

[Piezoelectric Components]

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

For the period under review, SAW filters for smartphones performed poorly.

As a result, overall net sales decreased by 16.0% year-on-year to 26,389 million yen.

[Other Components]

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

For the period under review, sales of inductors for PCs increased, while sales of lithium ion secondary batteries for smartphones and PCs significantly decreased.

As a result, overall net sales decreased by 16.2% year-on-year to 77,365 million yen.

<Modules>

The Modules category includes connectivity modules (short-range wireless communication

modules), RF modules (circuit modules and radio frequency submodules), multilayer resin substrates, power supplies modules, and multilayer ceramic devices.

For the period under review, sales of RF modules for new smartphone models grew, but sales of multilayer resin substrates and connectivity modules for high-end smartphones fell significantly.

As a result, overall net sales decreased by 7.6% year-on-year to 87,945 million yen.

Sales by Application Category

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

	Millions of Yen					
	Three months ended June 30, 2019		Three months ended June 30, 2020		Change	
		%		%		%
AV	16,861	4.7	15,400	4.7	(1,461)	(8.7)
Communications	163,878	46.0	159,229	48.8	(4,649)	(2.8)
Computers and Peripherals	58,550	16.4	67,992	20.9	9,442	16.1
Automotive Electronics	66,806	18.7	42,829	13.1	(23,977)	(35.9)
Home and Others	50,642	14.2	40,743	12.5	(9,899)	(19.5)
Net sales	356,737	100.0	326,193	100.0	(30,544)	(8.6)

*Based on our estimate

[AV]

For the period under review, although sales of lithium ion secondary batteries increased for video game consoles, connectivity modules and lithium ion secondary batteries for digital cameras plunged.

As a result, overall net sales decreased by 8.7% year-on-year to 15,400 million yen.

[Communication]

For the period under review, sales of RF modules for new smartphone models increased, and sales of MLCCs for base stations were solid, but overall sales for smartphones declined due to the impact of COVID-19 infections.

As a result, overall net sales decreased by 2.8% year-on-year to 159,229 million yen.

[Computers and Peripherals]

For the period under review, sales of MLCCs and inductors grew on the back of demand for products for teleworking, and sales of MLCCs, used for servers and data storage, increased.

As a result, overall net sales increased by 16.1% year-on-year to 67,992 million yen.

[Automotive Electronics]

For the period under review, demand for automotive MLCCs declined significantly due to a considerable fall in automobile sales.

As a result, overall net sales decreased by 35.9% year-on-year to 42,829 million yen.

2. Financial Position

Total assets on June 30, 2020, decreased by 4,406 million yen from the end of the previous fiscal year to 2,245,824 million yen, mainly due to a decrease in trade accounts receivable. Liabilities decreased by 11,167 million yen from the end of the previous fiscal year to 544,256 million yen due to decreases in income taxes payable, and accrued payroll and bonuses as a result of the execution of payment of taxes and bonuses. Equity increased by 6,761 million yen from the end of the previous fiscal year to 1,701,568 million yen mainly due to an increase in retained earnings. The ratio of shareholders' equity to total assets increased by 0.5 percentage points from the end of the previous fiscal year to 75.8% at June 30, 2020.

Compared with the same period of the previous year, cash flows for the period under review were as follows:

<Net Cash Provided by Operating Activities>

For the period under review, net cash provided by operating activities was 45,594 million yen. Negative factors—an increase of 30,573 million yen in inventories and a decrease of 14,455 million yen in income taxes payable—were offset by net income of 39,529 million yen and depreciation and amortization of 33,962 million yen.

Net cash provided by operating activities decreased by 4,206 million yen for the three months ended June 30, 2019.

<Net Cash Used in Investing Activities>

For the period under review, net cash used in investing activities was 46,811 million yen. While cash inflows included maturities and sales of marketable securities, investments and other of 7,718 million yen, there were cash outflows due to 47,731 million yen in capital expenditures aimed at boosting production capacity in particular, and an increase of 8,246 million yen in short-term investments.

Net cash used in investing activities increased by 14,564 million yen for the three months ended June 30, 2019.

<Net Cash Used in Financing Activities>

For the period under review, net cash used in financing activities was 12,150 million yen. While there were cash inflows due to a 20,000 million yen increase in short-term borrowings, cash outflows included dividend payment of 31,990 million yen.

Net cash used in financing activities decreased by 38,413 million yen for the three months ended June 30, 2019.

3. Projected Results for the Year Ending March 31, 2021

The Companies have not revised their projected results for the year ending March 31, 2021, which were announced on April 30, 2020.

4. Impact of COVID-19

<Impact on production activities>

Following the policies of national and local governments, some overseas production facilities of the Companies suspended production for a certain time of period. Some production facilities in Japan also suspended production temporarily since COVID-19 infection cases were confirmed. At present, production has resumed at all the affected facilities.

<Responses of the Companies>

The Companies have established a crisis management headquarters with the president and representative director as its director to determine and implement various preventive measures against the occurrence and spread of infections. Specifically, the Companies have been working to minimize the impact of COVID-19 on employees' health and business activities of the Companies. Ongoing measures include the use of teleworking, staggered commuting hours, restriction on business trips, recording of employees' movements in offices, and installation of protective screens in cafeterias and workplaces to prevent employees from contracting the virus, as well as the formulation of BCPs(Business Continuity Plan) in case infections are confirmed.

In addition, the Companies have secured necessary liquidity in order to flexibly respond to the need for funds by business activities and minimize risks, such as a tightening in the financial market.

[Cautionary Statement on Forward-Looking Statements]

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

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

(1) Consolidated Balance Sheets (Assets)

At March 31, 2020 and June 30, 2020

	Millions of Yen			
	At March 31, 2020		At June 30, 2020	
		%		%
Assets	2,250,230	100.0	2,245,824	100.0
Current assets	1,027,227	45.7	1,028,811	45.8
Cash	239,656		242,662	
Short-term investments	106,950		97,843	
Marketable securities	29,554		29,732	
Trade notes receivable	100		168	
Trade accounts receivable	281,958		261,812	
Allowance for doubtful notes and accounts	(1,026)		(1,128)	
Inventories	334,408		364,942	
Prepaid expenses and other	35,627		32,780	
Property, plant and equipment	1,002,210	44.5	1,005,869	44.8
Land	72,707		72,864	
Buildings	633,041		659,807	
Machinery and equipment, tools, dies, furniture and fixtures, and autos and trucks	1,310,534		1,335,331	
Construction in progress	133,148		111,524	
Accumulated depreciation	(1,182,318)		(1,204,792)	
Operating lease right-of-use assets	35,098		31,135	
Investments and other assets	220,793	9.8	211,144	9.4
Investments	49,059		47,531	
Intangible assets	38,576		36,421	
Goodwill	73,032		72,734	
Deferred income taxes	42,220		42,324	
Other	17,906		12,134	
Total assets	2,250,230	100.0	2,245,824	100.0

Consolidated Balance Sheets (Liabilities and Equity)

At March 31, 2020 and June 30, 2020

	Millions of Yen			
	At March 31, 2020		At June 30, 2020	
		%		%
Liabilities	555,423	24.7	544,256	24.2
Current liabilities	284,300	12.6	276,501	12.3
Short-term borrowings	51,000		71,000	
Trade accounts payable	79,330		77,921	
Accrued payroll and bonuses	45,374		31,966	
Income taxes payable	28,294		13,883	
Accrued expenses and other	73,611		75,329	
Current operating lease liabilities	6,691		6,402	
Long-term liabilities	271,123	12.1	267,755	11.9
Bonds	149,764		149,782	
Long-term debt	207		319	
Termination and retirement benefits	84,602		85,298	
Deferred income taxes	5,644		5,012	
Noncurrent operating lease liabilities	28,408		24,732	
Other	2,498		2,612	
Equity	1,694,807	75.3	1,701,568	75.8
Murata Corporation's shareholders' equity	1,694,104	75.3	1,700,828	75.8
Common stock	69,444		69,444	
Capital surplus	120,775		120,809	
Retained earnings	1,616,783		1,624,376	
Accumulated other comprehensive income (loss):	(59,335)		(60,235)	
Unrealized gains (losses) on securities	(61)		(30)	
Pension liability adjustments	(25,999)		(25,410)	
Foreign currency translation adjustments	(33,275)		(34,795)	
Treasury stock, at cost	(53,563)		(53,566)	
Noncontrolling interests	703	0.0	740	0.0
Total liabilities and equity	2,250,230	100.0	2,245,824	100.0

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

Consolidated Statements of Income

Three months ended June 30, 2019 and 2020

	Millions of Yen			
	Three months ended June 30, 2019		Three months ended June 30, 2020	
		%		%
Net sales	357,556	100.0	326,798	100.0
Cost of sales	219,821	61.5	202,576	62.0
Selling, general and administrative	50,201	14.0	48,072	14.7
Research and development	26,077	7.3	24,811	7.6
Other operating income	1,093	0.3	-	-
Operating income	62,550	17.5	51,339	15.7
Interest and dividend income	899	0.3	593	0.2
Interest expense	(66)	(0.0)	(137)	(0.0)
Foreign currency exchange gain (loss)	(963)	(0.3)	(1,628)	(0.5)
Other - net	821	0.2	3,755	1.1
Income before income taxes	63,241	17.7	53,922	16.5
Income taxes	16,404	4.6	14,393	4.4
<Current income tax>	< 11,452 >		< 15,297 >	
<Deferred income tax>	< 4,952 >		<(904)>	
Net income	46,837	13.1	39,529	12.1
Less: Net income (loss) attributable to noncontrolling interests	12	0.0	(54)	(0.0)
Net income attributable to Murata Corporation	46,825	13.1	39,583	12.1

Consolidated Statements of Comprehensive Income

Three months ended June 30, 2019 and 2020

	Millions of Yen	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Net income	46,837	39,529
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on securities	20	31
Pension liability adjustments	146	589
Foreign currency translation adjustments	(22,388)	(1,523)
Other comprehensive income (loss)	(22,222)	(903)
Comprehensive income	24,615	38,626
Less: Comprehensive income (loss) attributable to noncontrolling interests	(28)	(57)
Comprehensive income attributable to Murata Corporation	24,643	38,683

(3) Consolidated Statements of Cash Flows

Three months ended June 30, 2019 and 2020

	Millions of Yen			
	Three months ended June 30, 2019		Three months ended June 30, 2020	
Operating activities:				
Net income		46,837		39,529
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	33,606		33,962	
Losses on sales and disposals of property, plant and equipment	379		345	
Impairment losses on long-lived assets	-		376	
Provision for termination and retirement benefits, less payments	336		952	
Deferred income taxes	4,952		(904)	
Changes in assets and liabilities:				
(Increase) decrease in trade notes and accounts receivable	4,897		19,476	
(Increase) decrease in inventories	(3,934)		(30,573)	
(Increase) decrease in prepaid expenses and other	(6,735)		2,846	
Increase (decrease) in trade notes and accounts payable	(148)		(1,454)	
Increase (decrease) in accrued payroll and bonuses	(11,306)		(13,387)	
Increase (decrease) in income taxes payable	(24,086)		(14,455)	
Increase (decrease) in accrued expenses and other	2,743		10,102	
Other-net	2,259	2,963	(1,221)	6,065
Net cash provided by operating activities		49,800		45,594
Investing activities:				
Payment for purchases of property, plant and equipment		(52,910)		(47,731)
Payment for purchases of marketable securities, investments and other		(2,083)		(4,058)
Maturities and sales of marketable securities, investments and other		5,000		7,718
(Increase) decrease in long-term deposits and loans		-		5,381
(Increase) decrease in short-term investments		(12,139)		(8,246)
Other-net		757		125
Net cash used in investing activities		(61,375)		(46,811)
Financing activities:				
Net increase (decrease) in short-term borrowings		56,000		20,000
Proceeds from long-term debt		18		25
Dividends paid		(29,856)		(31,990)
Other-net		101		(185)
Net cash provided by financing activities		26,263		(12,150)
Effect of exchange rate changes on cash and cash equivalents		773		(714)
Net increase (decrease) in cash and cash equivalents		15,461		(14,081)
Cash and cash equivalents at beginning of period		217,805		302,320
Cash and cash equivalents at end of period		233,266		288,239
Additional cash and cash equivalents information:				
Cash		205,022		242,662
Short-term investments		73,631		97,843
Short-term investments with original maturities over 3 months		(45,387)		(52,266)
Cash and cash equivalents at end of period		233,266		288,239

(4) Assumptions for Going Concern

None

(5) Segment Information

Operating Segment Information

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

Operating segments of the Companies are classified based on the nature of products, and the Companies recognized the Components segment, the Modules segment, and Others.

Three months ended June 30, 2019 and 2020

		Millions of Yen			
		Three months ended June 30, 2019		Three months ended June 30, 2020	
Components	Sales to:		%		%
	Unaffiliated customers	261,512		238,248	
	Intersegment	10,235		7,346	
	Total revenue	271,747	100.0	245,594	100.0
	Segment income	67,518	24.8	58,886	24.0
Modules	Sales to:		%		%
	Unaffiliated customers	95,225		87,945	
	Intersegment	5		0	
	Total revenue	95,230	100.0	87,945	100.0
	Segment income	7,880	8.3	6,922	7.9
Others	Sales to:		%		%
	Unaffiliated customers	819		605	
	Intersegment	16,117		13,800	
	Total revenue	16,936	100.0	14,405	100.0
	Segment income	1,477	8.7	1,925	13.4
Corporate and eliminations	Sales to:		%		%
	Unaffiliated customers	-		-	
	Intersegment	(26,357)		(21,146)	
	Total revenue	(26,357)	-	(21,146)	-
	Corporate expenses	(14,325)	-	(16,394)	-
Consolidated	Sales to:		%		%
	Unaffiliated customers	357,556		326,798	
	Intersegment	-		-	
	Total revenue	357,556	100.0	326,798	100.0
	Operating income	62,550	17.5	51,339	15.7

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

- (1) Components: Capacitors and Piezoelectric Components, and Lithium Ion Batteries
 - (2) Modules: Communication Modules
 - (3) Others: Machinery manufacturing, welfare services, and sales of software
2. Intersegment transactions are based on market prices.
3. Segment income (loss) for each operating segment represents net sales less related costs.
- Corporate expenses represent expenses of headquarters functions and fundamental research.

(6) Significant changes in shareholders' equity

None

(7) Other

July 31, 2020
Murata Manufacturing Co., Ltd.
Listing Code: 6981
(URL: <https://www.murata.com/>)

Flash Report (Three months ended June 30, 2020)

Selected Financial Data - Consolidated basis

Three months ended June 30, 2019 and 2020/at June 30, 2019 and 2020

		Consolidated Basis		
		2019	2020	Growth ratio
Net sales	Millions of yen	357,556	326,798	(8.6)
Operating income	<*>2 Millions of yen	< 17.5 > 62,550	< 15.7 > 51,339	(17.9)
Income before income taxes	<*>2 Millions of yen	< 17.7 > 63,241	< 16.5 > 53,922	(14.7)
Net income attributable to Murata Corporation	<*>2 Millions of yen	< 13.1 > 46,825	< 12.1 > 39,583	(15.5)
Total assets	Millions of yen	2,096,887	2,245,824	7.1
Shareholders' equity	Millions of yen	1,598,773	1,700,828	6.4
Shareholders' equity ratio	%	76.3	75.8	-
Basic earnings attributable to Murata Corporation per share	Yen	73.19	61.87	(15.5)
Diluted earnings attributable to Murata Corporation per share	*3 Yen	-	-	-
Shareholders' equity per share	Yen	2,498.98	2,658.39	-
Capital expenditures	Millions of yen	52,910	40,180	(24.1)
Depreciation and amortization	<*>2 Millions of yen	< 9.4 > 33,606	< 10.4 > 33,962	1.1
Research and development expenses	<*>2 Millions of yen	< 7.3 > 26,077	< 7.6 > 24,811	(4.9)
Number of employees	*4	< 45,366 > 76,819	< 42,767 > 74,961	(2.4)
Average exchange rates				
Yen/US dollar	Yen	109.90	107.62	-
Yen/Euro	Yen	123.49	118.47	-

*1 The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP).

*2 Ratio to net sales

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

*4 Figures in parentheses indicate the number of employees in foreign countries.

Orders, Backlogs and Sales

(1) Orders and Backlogs by Product

<Orders>

Three months ended June 30, 2019 and 2020

	Millions of Yen					
	Three months ended June 30, 2019		Three months ended June 30, 2020		Change	
		%*1		%*1		%
Capacitors	110,322	32.5	117,519	40.0	7,197	6.5
Piezoelectric Components	29,513	8.7	19,946	6.8	(9,567)	(32.4)
Other Components	97,438	28.8	73,705	25.1	(23,733)	(24.4)
Components Total	237,273	70.0	211,170	71.9	(26,103)	(11.0)
Modules	101,829	30.0	82,354	28.1	(19,475)	(19.1)
Total	339,102	100.0	293,524	100.0	(45,578)	(13.4)

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

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

<Backlogs>

	Millions of Yen					
	At March 31, 2020		At June 30, 2020		Change	
		%*1		%*1		%
Capacitors	109,363	45.5	92,388	44.5	(16,975)	(15.5)
Piezoelectric Components	20,524	8.6	14,081	6.8	(6,443)	(31.4)
Other Components	60,950	25.4	57,290	27.6	(3,660)	(6.0)
Components Total	190,837	79.5	163,759	78.9	(27,078)	(14.2)
Modules	49,319	20.5	43,728	21.1	(5,591)	(11.3)
Total	240,156	100.0	207,487	100.0	(32,669)	(13.6)

*1 Component ratio

*2 Figures are based on sales prices to customers.

*3 Exclusive of consumption taxes

(2) Sales by Product Category, Application and Area

1. Sales by Product Category

Three months ended June 30, 2019 and 2020

	Millions of Yen					
	Three months ended June 30, 2019		Three months ended June 30, 2020		Change	
		%*1		%*1		%
Capacitors	137,734	38.6	134,494	41.2	(3,240)	(2.4)
Piezoelectric Components	31,426	8.8	26,389	8.1	(5,037)	(16.0)
Other Components	92,352	25.9	77,365	23.7	(14,987)	(16.2)
Components Total	261,512	73.3	238,248	73.0	(23,264)	(8.9)
Modules	95,225	26.7	87,945	27.0	(7,280)	(7.6)
Net sales	356,737	100.0	326,193	100.0	(30,544)	(8.6)

*1 Component ratio

*2 Exclusive of consumption taxes

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

Three months ended June 30, 2019 and 2020

	Millions of Yen					
	Three months ended June 30, 2019		Three months ended June 30, 2020		Change	
		%*1		%*1		%
AV	16,861	4.7	15,400	4.7	(1,461)	(8.7)
Communications	163,878	46.0	159,229	48.8	(4,649)	(2.8)
Computers and Peripherals	58,550	16.4	67,992	20.9	9,442	16.1
Automotive Electronics	66,806	18.7	42,829	13.1	(23,977)	(35.9)
Home and Others	50,642	14.2	40,743	12.5	(9,899)	(19.5)
Net sales	356,737	100.0	326,193	100.0	(30,544)	(8.6)

*1 Component ratio

*2 Exclusive of consumption taxes

3. Sales by Area

Three months ended June 30, 2019 and 2020

	Millions of Yen					
	Three months ended June 30, 2019		Three months ended June 30, 2020		Change	
		%*1		%*1		%
The Americas	47,176	13.2	28,557	8.8	(18,619)	(39.5)
Europe	36,127	10.1	21,222	6.5	(14,905)	(41.3)
Greater China	172,714	48.4	198,818	60.9	26,104	15.1
Asia and Others	62,952	17.7	48,650	14.9	(14,302)	(22.7)
Overseas total	318,969	89.4	297,247	91.1	(21,722)	(6.8)
Japan	37,768	10.6	28,946	8.9	(8,822)	(23.4)
Net sales	356,737	100.0	326,193	100.0	(30,544)	(8.6)

*1 Component ratio

*2 Exclusive of consumption taxes

Quarterly Consolidated Performance

(1) Consolidated Financial Results

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

	Millions of yen	
	Three months ended June 30, 2020	
Net sales	326,798	% *1 100.0
Operating income	51,339	15.7
Income before income taxes	53,922	16.5
Net income attributable to Murata Corporation	39,583	12.1

*1 Ratio to net sales

(2) Sales by Product Category

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

	Millions of yen	
	Three months ended June 30, 2020	
Capacitors	134,494	% *1 41.2
Piezoelectric Components	26,389	8.1
Other Components	77,365	23.7
Components Total	238,248	73.0
Modules	87,945	27.0
Net sales	326,193	100.0

*1 Component ratio

*2 Exclusive of consumption taxes