

Earnings Release Conference Second Quarter of FY2024

November 1, 2024

Murata Manufacturing Co., Ltd.



Financial Results of FY2024 1st Half

- Revenue were 883.5 billion yen, up 9.0% year on year, and operating profit came to 158.2 billion yen, up 13.9% year on year. Not only did revenue of capacitors increase for computers and mobility but those of high-frequency modules and multilayer resin substrates also rose for smartphones partly due to a weak yen. In terms of profits, a recovery in the operation rate and weaker yen were the main profit-increasing factors.
- Revenue and operating profit are up 3.7% and up 2.7% respectively, compared with the most recent earnings forecast. Although the effort to reduce inventories, mainly devices and modules, progressed, both revenue and profits outperformed the forecast as the yen depreciated more than the assumed rate.

Projected Financial Results for FY2024

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

Financial Results Second Quarter of FY2024

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



Financial Results Overview

2nd Quarter of FY2024(QoQ)

- Revenue of multilayer resin substrates, high frequency modules, and capacitors increased for smartphones. And revenue of capacitors increased for computers.
- Operating profit increased due to profit-increasing factors such as an increase in the operation rate, despite profit-decreasing factors such as a stronger yen and a fall in product selling prices.

1st Half of FY2024(YoY)

- Revenue of capacitors increased for computers and revenue of multilayer resin substrates and high frequency modules increased for smartphones. Also, revenue of capacitors increased for mobility.
- Operating profit increased due to profit-increasing factors such as an increase in the operation rate, a weaker yen, and cost reductions, despite profit-decreasing factors such as a fall in product selling prices and an increase in fixed costs..

	FY2023		FY2024						Q on Q Change		Y on Y Change		Impact of exchange rate (B JPY)	Constant Currency basis	
	1st Half		1st Quarter		2nd Quarter		1st Half		(B JPY)	(%)	(B JPY)	(%)		(B JPY)	(B JPY)
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)							
Revenue	810.4	100.0	421.7	100.0	461.8	100.0	883.5	100.0	+40.1	+9.5	+73.1	+9.0	+52.3	+20.8	+2.6
Operating profit	138.9	17.1	66.4	15.7	91.8	19.9	158.2	17.9	+25.4	+38.3	+19.3	+13.9	+26.1	(6.9)	(5.0)
Profit before tax	161.2	19.9	83.6	19.8	80.5	17.4	164.0	18.6	(3.1)	(3.7)	+2.8	+1.7			
Profit attributable to owners of parent	125.2	15.4	66.4	15.7	64.0	13.8	130.3	14.8	(2.4)	(3.6)	+5.2	+4.1			
Average exchange rates yen/US dollar	141.00		155.89		149.36		152.62								

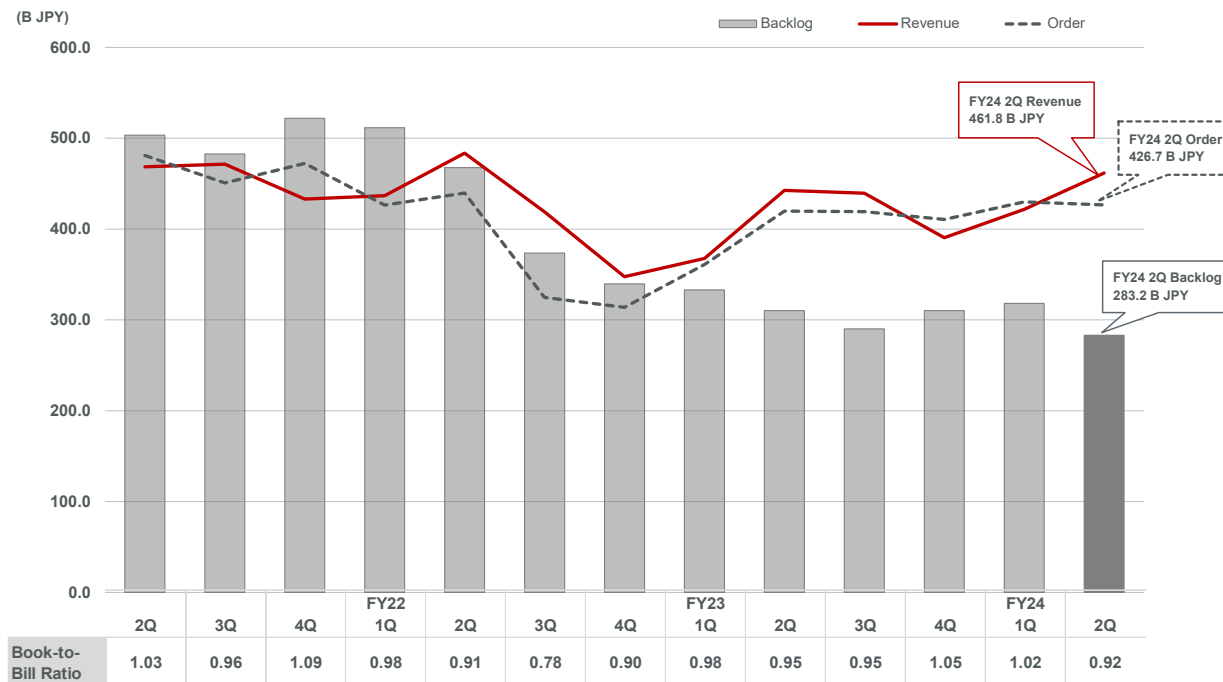
*Exchange rate sensitivity (per 1 JPY/US\$ change per year)
Revenue :9.0 BJPY Operating profit : 4.5 BJPY

Quarterly Financial Results



Quarterly Revenue, Order and Backlog

- Orders received decreased from the previous quarter. The main reasons for the decrease were a fall in orders received for lithium-ion secondary batteries and connectivity modules in addition to a decline in the revaluation of order backlogs denominated in foreign currencies due to progress in the appreciation of the yen.
- Due to the significant impact of a revaluation of exchange rates, the BB ratio of capacitors for 24Q2 was below 1 at 0.96.



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

* Exchange rate against the U.S. dollar: 161.14 yen at the end of June 2024 , 142.82 yen at the end of September 2024

Revenue by Operating segments

	FY2023 1st Half		FY2024 1st Half				Q on Q Change		Y on Y Change	
	(B JPY)	(%)	1Q (B JPY)	2Q (B JPY)	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Capacitors	366.5	45.2	203.3	214.0	417.3	47.2	+10.7	+5.3	+50.8	+13.9
Inductors and EMI filters	87.3	10.8	48.3	52.8	101.1	11.4	+4.5	+9.3	+13.8	+15.8
High-Frequency Device and Communications Module	215.6	26.6	99.3	126.3	225.7	25.6	+27.0	+27.2	+10.0	+4.6
Battery and Power supply	91.1	11.2	42.6	41.1	83.7	9.5	(1.5)	(3.6)	(7.4)	(8.1)
Functional Device	44.5	5.5	25.2	24.0	49.2	5.6	(1.2)	(4.9)	+4.8	+10.7
Others	5.4	0.7	2.9	3.6	6.5	0.7	+0.6	+22.0	+1.1	+21.1
Revenue	810.4	100.0	421.7	461.8	883.5	100.0	+40.1	+9.5	+73.1	+9.0

Revenue by Operating segments [FY24 1st Half vs. FY23 1st Half]

Capacitors +13.9%	MLCCs : Revenue increased for computers on the back of expanding AI-server-related demand. Revenue increased for smartphones and mobility.
Inductors and EMI filters +15.8%	Inductors : Revenue increased for smartphones and mobility. EMI suppression filters : Revenue increased for mobility.
High-Frequency Device and Communications Module +4.6%	High frequency modules : Revenue increased for smartphones and PCs. Multilayer resin substrates : Revenue increased for smartphones. Connectivity modules, SAW Filters : Revenue decreased for smartphones.
Battery and Power supply (8.1%)	Power supplies modules : Revenue decreased for industrial equipment. Lithium-Ion secondary batteries : Revenue decreased for video game consoles.
Functional Device +10.7%	Actuator, Sensors : Revenue increased for computers.

Revenue by Operating segments [FY24 2nd Quarter vs. FY24 1st Quarter]

Capacitors +5.3%	MLCCs : Revenue increased for computers and smartphones.
Inductors and EMI filters +9.3%	Inductors : Revenue increased for smartphones and computers.
High-Frequency Device and Communications Module +27.2%	Multilayer resin substrates, High frequency modules : Revenue increased for smartphones.
Battery and Power supply (3.6%)	Lithium-Ion secondary batteries : Revenue decreased for power tools.
Functional Device (4.9%)	Actuator : Revenue increased for computers. Sensors : Revenue decreased for mobility.

Revenue by Application

	FY2023 1st Half		FY2024 1st Half		Q on Q Change		Y on Y Change			
	(B JPY)	(%)	1Q (B JPY)	2Q (B JPY)	(B JPY)	(%)	(B JPY)	(%)		
Communication	328.2	40.5	154.9	191.3	346.2	39.2	+36.4	+23.5	+18.0	+5.5
Mobility	210.3	26.0	115.0	112.8	227.8	25.8	(2.3)	(2.0)	+17.4	+8.3
Computers	95.9	11.8	65.8	74.4	140.2	15.9	+8.6	+13.0	+44.3	+46.2
Home Electronics	82.3	10.2	41.0	38.2	79.1	8.9	(2.8)	(6.9)	(3.1)	(3.8)
Industry and Others	93.6	11.5	45.0	45.2	90.1	10.2	+0.2	+0.4	(3.5)	(3.7)
Revenue	810.4	100.0	421.7	461.8	883.5	100.0	+40.1	+9.5	+73.1	+9.0

*Based on our estimate

Revenue by Application [FY24 1st Half vs. FY23 1st Half]



Communication +5.5%	Revenue of high frequency modules and multilayer resin substrates increased for smartphones. Revenue of SAW Filters and connectivity modules decreased for smartphones.
Mobility +8.3%	Revenue of capacitors, EMI suppression filters, and inductors increased for automobiles.
Computers +46.2%	Revenue of capacitors and lithium-ion secondary batteries increased for servers. Revenue of high frequency modules and capacitors increased for PCs.
Home Electronics (3.8%)	Revenue of lithium-ion secondary batteries decreased for video game consoles.
Industry and Others (3.7%)	Revenue of power supplies modules decreased for industrial equipment. Revenue of capacitors decreased for energy generation equipment.

*Based on our estimate

Revenue by Application [FY24 2nd Quarter vs. FY24 1st Quarter]



Communication +23.5%	Revenue of multilayer resin substrates, high frequency modules, and capacitors increased for smartphones.
Mobility (2.0%)	Revenue of sensors decreased for automobiles.
Computers +13.0%	Revenue of capacitors increased for servers. Revenue of capacitors increased for PCs.
Home Electronics (6.9%)	Revenue of lithium-ion secondary batteries decreased for power tools.
Industry and Others +0.4%	Revenue of capacitor increased for distributors.

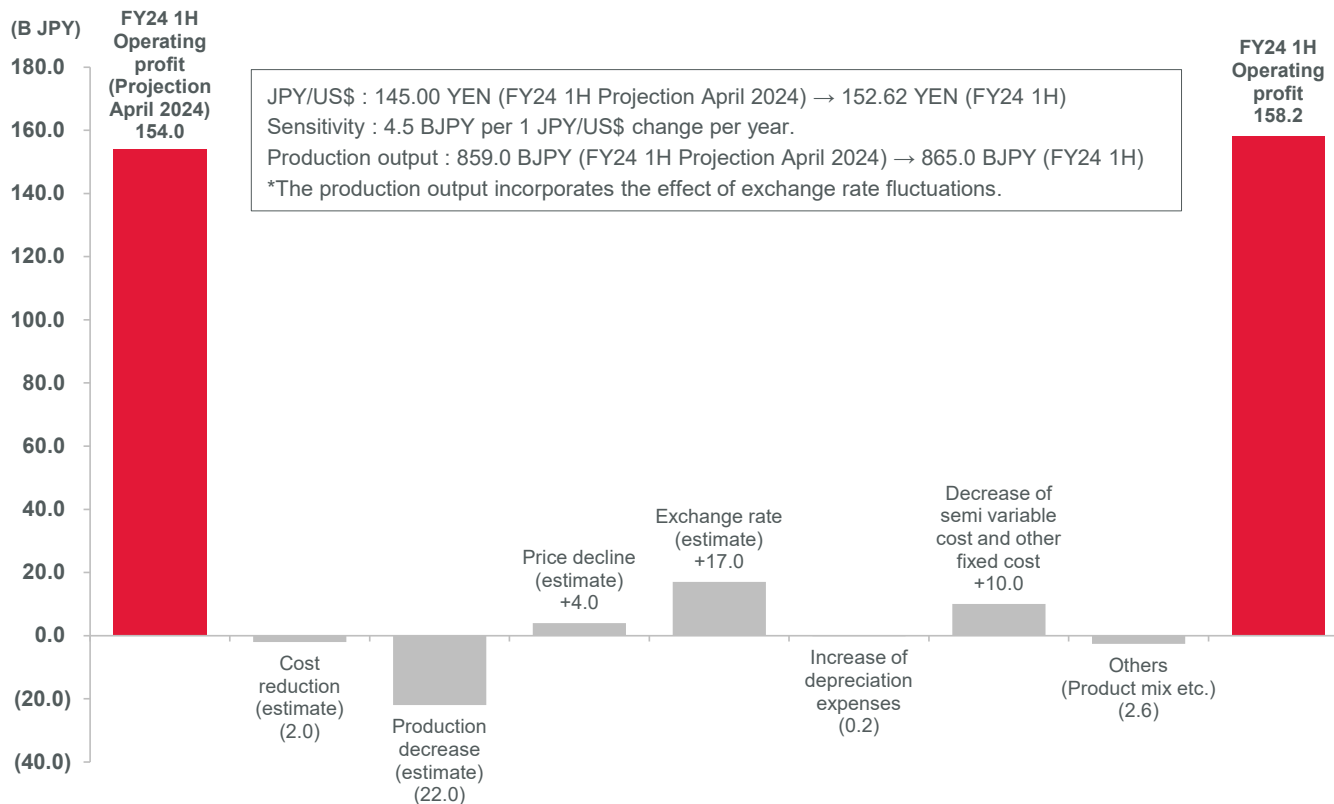
*Based on our estimate

Segment Information

- **Components** Profits grew due to the impact of the weaker yen and gains in capacity utilization, associated with an increase in production output.
- **Devices and modules** Profits decreased due to lower capacity utilization, coupled with inventory adjustment, in addition to the recognition of structural reform expenses for lithium-ion secondary batteries.

		FY2023 1st Half		FY2024 1st Half		Y on Y Change	
		(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)
Components	Revenue	458.0	100.0	524.1	100.0	+66.1	+14.4
	Operating profit	116.5	25.4	150.5	28.7	+34.0	+29.2
Devices and modules	Revenue	351.2	100.0	358.6	100.0	+7.4	+2.1
	Operating profit	26.2	7.5	9.6	2.7	(16.6)	(63.4)
Others	Revenue	32.2	100.0	31.9	100.0	(0.4)	(1.1)
	Operating profit	(3.7)	(11.6)	(1.9)	(6.1)	+1.8	-
Eliminations	Revenue	(31.1)	-	(31.1)	-	+0.0	-
Consolidated	Revenue	810.4	100.0	883.5	100.0	+73.1	+9.0
	Operating profit	138.9	17.1	158.2	17.9	+19.3	+13.9

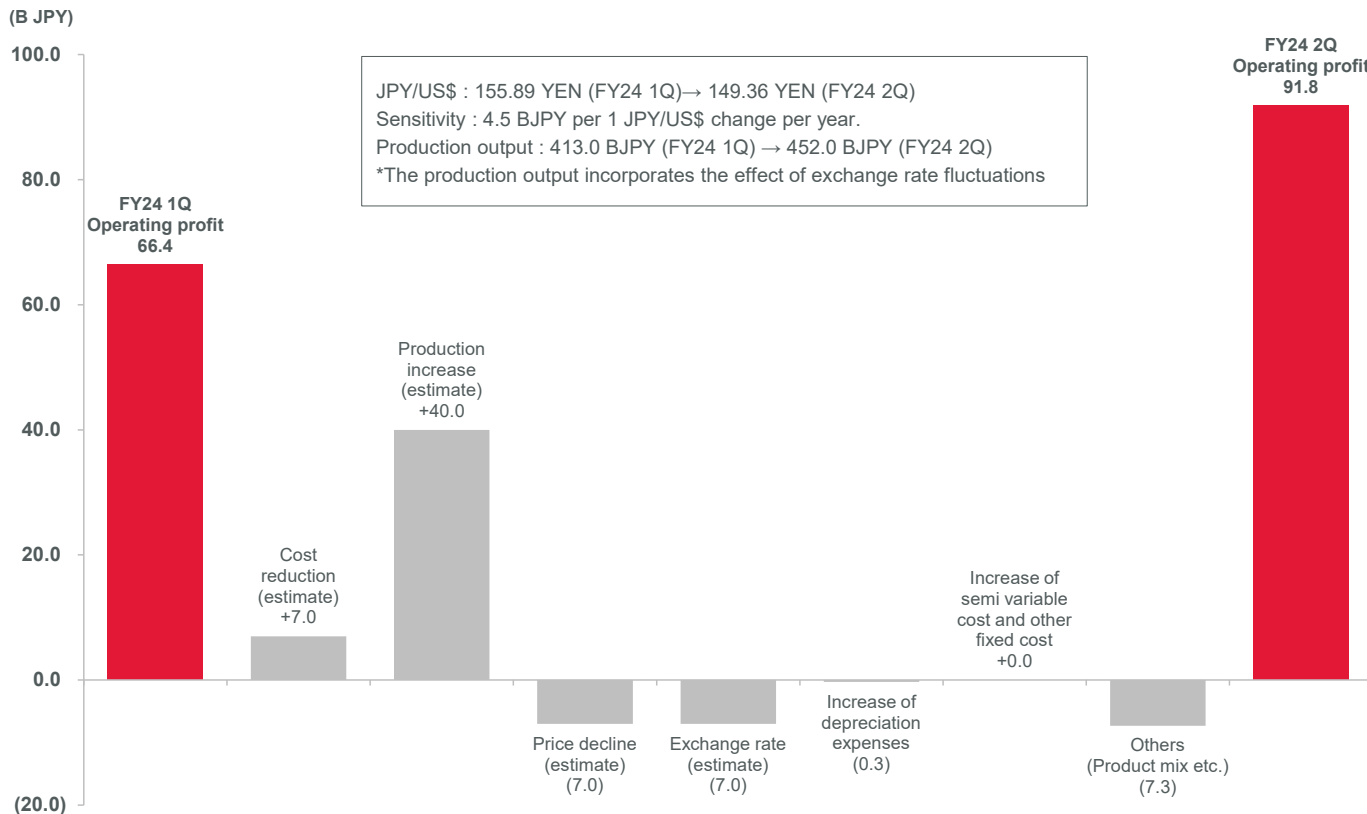
Breakdown of Operating Profit Changes [FY24 1st Half Projection (April 2024) to FY24 1st Half]



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

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

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

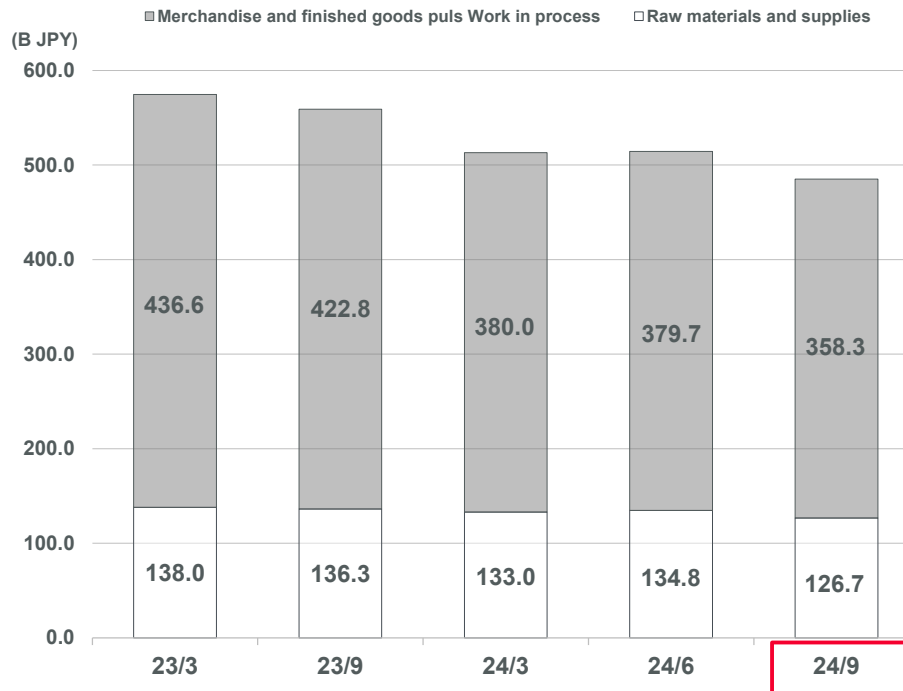


*“Production increase” is calculated on the basis of production output excluding the effect of sales price reductions and exchange rate fluctuations.

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

Current Inventory Situation

- Inventories at the end of September 2024 decreased by about 13.0 billion yen from the end of the previous quarter, excluding the effect of the yen's appreciation on exchange rates at the end of the period.
- Mainly, inventories of lithium-ion secondary batteries were reduced, and inventories of high-frequency devices and communications modules decreased due to the seasonality of smartphones.



Cash Flows

- Cash flow from operating activities increased as a result of year on year profit increase.
- Cash flows from financing activities decreased as a result of stock repurchase.

	FY2023 1st Half (B JPY)	FY2024 1st Half (B JPY)	Y on Y Change (B JPY)
Cash flows from operating activities	191.7	216.0	+24.4
Cash flows from investing activities	(115.4)	(97.2)	+18.1
Cash flows from financing activities	(53.1)	(155.7)	(102.6)
Effect of exchange rate changes	29.2	(13.3)	(42.6)
Cash and cash equivalents at end of period	521.8	571.7	+49.9
Free Cash Flows	76.3	118.8	+42.5
Purchase of property, plant and equipment	(124.5)	(95.2)	+29.3
Depreciation and amortization	85.0	85.2	+0.2

Projected Financial Results for FY2024

From April 2024 to March 2025



Projected Financial Results for FY2024

- The Company has not revised the projected financial results for FY2024.
- Projected financial results didn't change considerably as of the time of the financial result announcement as a result of setting the assumed exchange rate for the 2nd half at 145 yen per US\$ and running simulations again although the market environment has changed since this past April.

	FY2023 Actual		FY2024 Projections		Y on Y Change		MTD 2024 Economic Value Target
	(B JPY)	(%)	(B JPY)	(%)	(B JPY)	(%)	
Revenue	1,640.2	100.0	1,700.0	100.0	+59.8	+3.6	2,000.0 B JPY
Operating profit	215.4	13.1	300.0	17.6	+84.6	+39.2	20% or higher
Profit before tax	239.4	14.6	313.0	18.4	+73.6	+30.7	-
Profit attributable to owners of parent	180.8	11.0	235.0	13.8	+54.2	+30.0	-
ROIC (pre-tax basis) (%)	10.0		13.8		+3.8		20% or higher
Average exchange rates yen/US dollar	144.62		145.00				

*Exchange rate sensitivity
(per 1 JPY/US\$ change per year)
Revenue : 9.0 BJPY Operating profit : 4.5 BJPY

Recognition of Business Environment

	Premises of projected financial results as of April	Recognition of the current situation as of November
Revenue	<ul style="list-style-type: none"> • Growth in demand for components for mobility, centered on xEV • A recovery in demand for components as a result of the end of inventory adjustments in a wide range of applications (However, no stockpiling by major clients) • The inventory adjustment in the power tools market will continue into the first half. 	<ul style="list-style-type: none"> • Demand for AI-server-related parts continues to be firm. • The ratio of low-end smartphones to overall smartphones has risen. The ratio of high-end smartphones remains unchanged. • The growth rate in the EV market is moderate compared with the assumed rate although the trend toward electrification and the increased usage of electrical components remains unchanged. • Inventory adjustment in the power tools were completed in the 1st half. Production will be in line with actual demand for the 2nd half. • The decline in product prices is progressing within our assumption.
Productions	<ul style="list-style-type: none"> • An increase in production output to meet a higher demand quantity • The establishment of a production system in preparation for a demand increase 	<ul style="list-style-type: none"> • In the 1st half, production output decreased in response to the market environment excluding the impact of foreign exchange rates. Inventory reduction of devices and modules progressed well. • For the 2nd half, production output is planned to be a slight addition to inventories of components is scheduled.
Costs	<ul style="list-style-type: none"> • An increase in production-related expenses coupled with an improvement in the operation rate • Increases in human capital investments and DX-related expenses for the purpose of building a strong business and management foundation 	<ul style="list-style-type: none"> • Recognition of one-time expenses such as the structural reforms expenses for lithium-ion secondary batteries. • Reduction of fixed costs compared to the April forecast

Progress Rate in Full-Year Projections by Application

	FY2024 Projections (April)		FY2024 1st Half Actual	Change 1st Half Projections vs 1st Half Actual		Projections Progress Rate	
	1st Half (B JPY)	2nd Half (B JPY)		(B JPY)	(B JPY)		(%)
Communication	344.3	333.7	678.0	+346.2	+1.9	+0.5	51%
Mobility	233.5	242.7	476.2	+227.8	(5.7)	(2.5)	48%
Computers	110.0	109.8	219.8	+140.2	+30.2	+27.4	64%
Home Electronics	72.3	67.4	139.6	+79.1	+6.9	+9.5	57%
Industry and Others	91.9	94.5	186.4	+90.1	(1.7)	(1.9)	48%
Total	852.0	848.0	1,700.0	+883.5	+31.5	+3.7	52%

*Based on our estimate

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



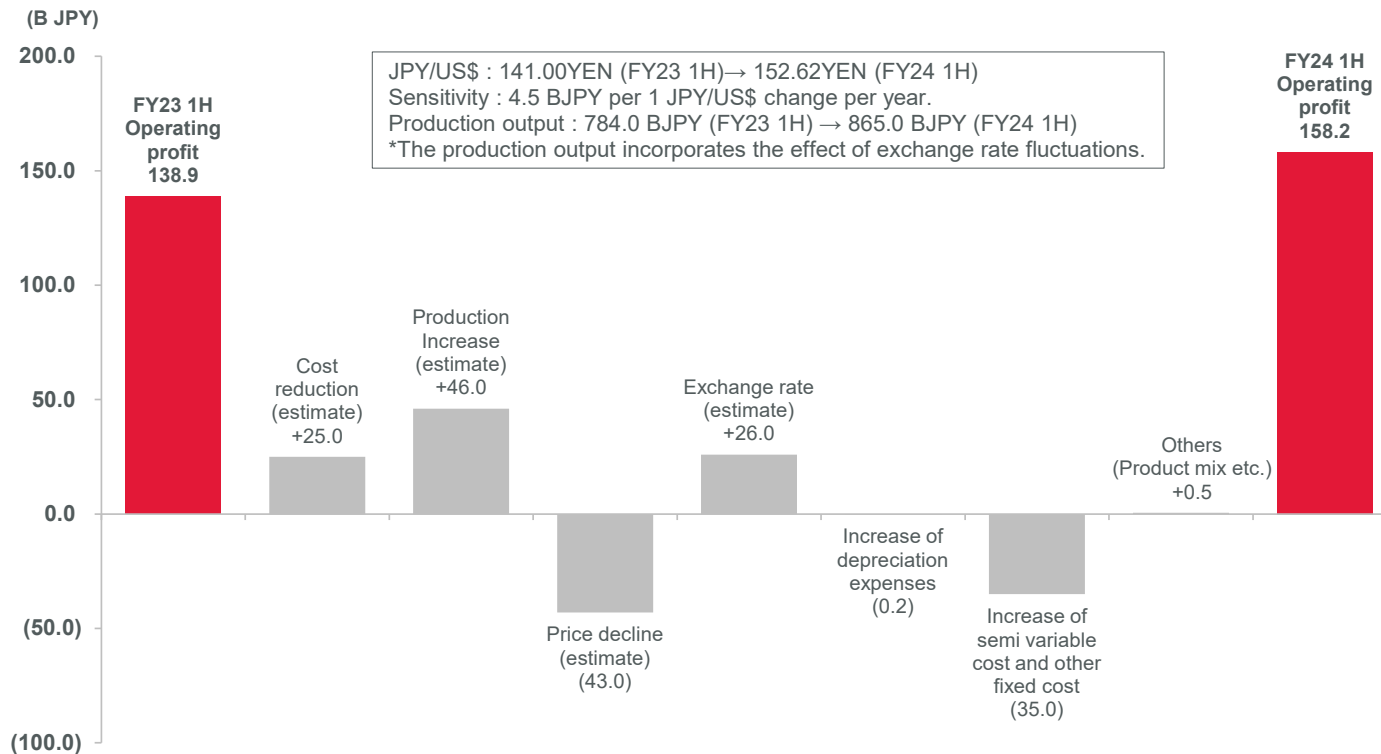
Appendixes



Progress Rate in Full-Year Projections by Operating segment

	FY2024 Projections (April)		FY2024 1st Half Actual (B JPY)	Change 1st Half Projections vs 1st Half Actual (B JPY)		Projections Progress Rate	
	1st Half (B JPY)	2nd Half (B JPY)		(B JPY)	(%)		
Capacitors	407.4	411.5	818.9	+417.3	+9.9	+2.4	51%
Inductors and EMI filters	96.6	97.6	194.2	+101.1	+4.5	+4.6	52%
Components	504.0	509.1	1,013.1	+518.4	+14.4	+2.8	51%
High-Frequency Device and Communications Module	218.5	213.1	431.6	+225.7	+7.1	+3.3	52%
Battery and Power supply	73.9	70.3	144.2	+83.7	+9.9	+13.4	58%
Functional Device	48.8	49.3	98.0	+49.2	+0.4	+0.9	50%
Devices/Module	341.1	332.7	673.8	+358.6	+17.4	+5.1	53%
Others	6.8	6.2	13.1	+6.5	(0.3)	(4.7)	50%
Total	852.0	848.0	1,700.0	+883.5	+31.5	+3.7	52%

Breakdown of Operating Profit Changes [FY23 1st Half to FY24 1st Half]



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

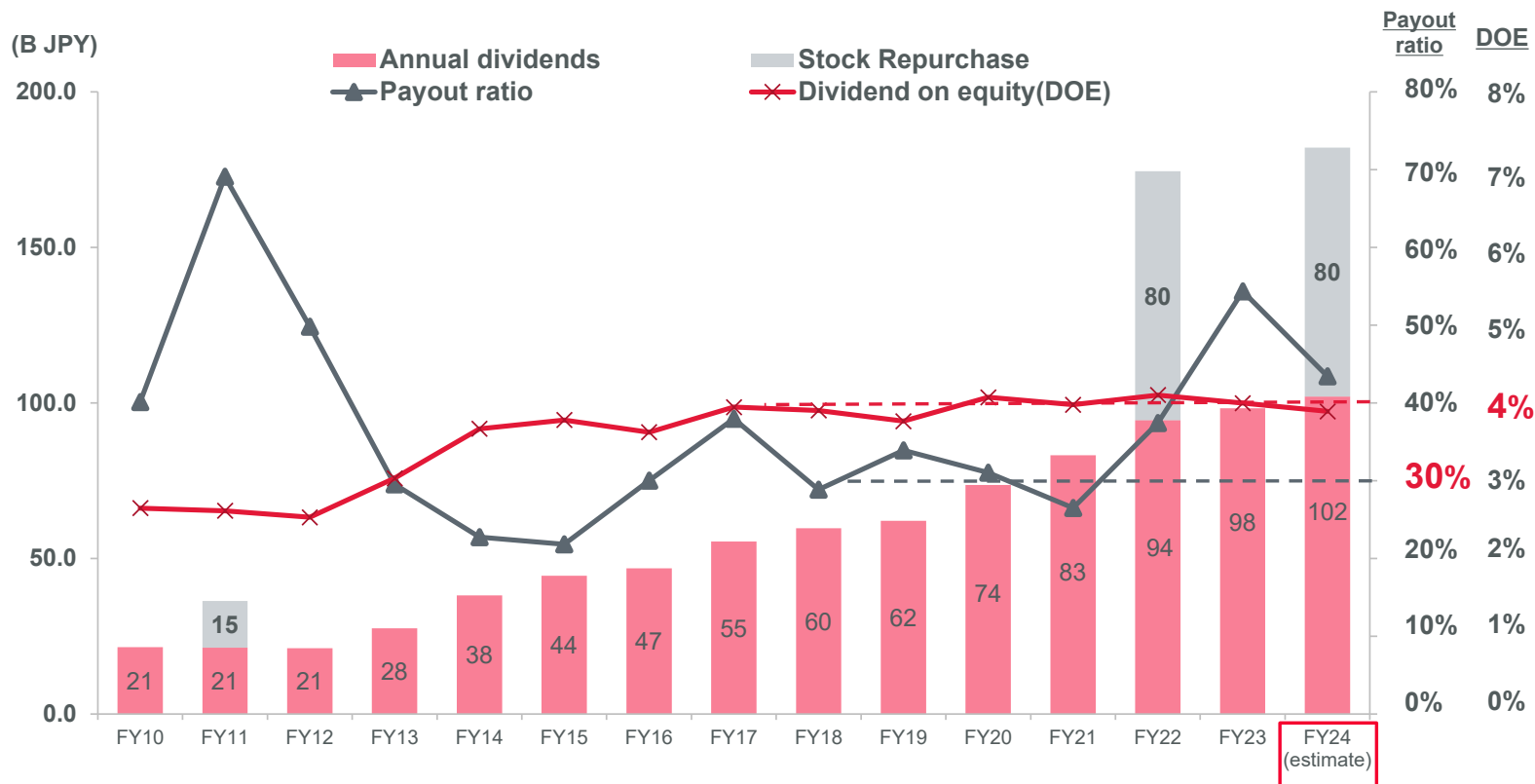
**“Others(Product mix etc.)” include the impact of one-time revenue and expenses generated in the first quarter and the second quarter of FY2024.

Dividends per Share

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

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

Return to Shareholders



Consolidated Statement of Financial Position



	Mar.2024	Sep.2024	Change from Mar.2024		Mar.2024	Sep.2024	Change from Mar.2024
							(B JPY)
Cash and cash equivalents	622.0	571.7	(50.3)	Bonds and borrowings	52.8	3.2	(49.6)
Trade receivables	292.7	311.6	+18.8	Trade payables	67.6	65.7	(1.9)
Inventories	513.0	485.1	(28.0)	Other current liabilities· non-current liabilities	361.8	353.6	(8.3)
Other current assets	72.0	76.8	+4.8	Total liabilities	482.3	422.5	(59.8)
Total current assets	1,499.8	1,445.1	(54.6)	Equity attributable to owners of parent	2,556.1	2,549.0	(7.2)
Property, plant and equipment	1,184.6	1,177.5	(7.1)	Non-controlling interests	(0.5)	(1.3)	(0.8)
Right-of-use assets	59.4	56.3	(3.1)	Total equity	2,555.6	2,547.6	(8.0)
Goodwill	137.1	130.9	(6.2)	Total liabilities and equity	3,037.9	2,970.1	(67.8)
Other non-current assets	157.0	160.2	+3.2				(JPY)
Total non-current assets	1,538.1	1,525.0	(13.1)	Exchange rates	Mar.2024	Sep.2024	Change from Mar.2024
Total assets	3,037.9	2,970.1	(67.8)	Yen/US dollar	151.40	142.82	8.58 yen appreciation

Financial Data (1/3)

(B JPY)

	FY2022				FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue	436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7	461.8
Operating profit	90.8	109.8	78.4	19.2	50.1	88.8	76.2	0.3	66.4	91.8
Profit before tax	103.3	113.7	65.7	20.0	62.8	98.5	64.2	14.0	83.6	80.5
Profit attributable to owners of parent	76.1	85.7	51.0	31.1	50.1	75.1	49.4	6.3	66.4	64.0
Capital expenditures	38.6	45.2	54.2	70.2	53.1	55.3	52.2	58.9	41.7	43.0
Depreciation and amortization	39.8	40.0	40.2	41.3	42.1	42.9	46.1	44.8	42.4	42.8
R & D expenses	30.7	31.5	30.3	31.7	32.7	33.6	33.5	32.7	37.9	35.7
Average exchange rates (yen)	129.57	138.38	141.64	132.32	137.37	144.63	147.89	148.60	155.89	149.36

Financial Data (2/3)

(B JPY)

		FY2022				FY2023				FY2024	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue by Operating segments	Capacitors	202.1	194.4	182.7	159.5	169.5	197.0	198.1	189.0	203.3	214.0
	Inductors and EMI filters	46.9	48.3	43.4	36.8	38.9	48.4	48.2	44.8	48.3	52.8
	Components	249.0	242.7	226.1	196.3	208.3	245.4	246.2	233.8	251.6	266.8
	High-Frequency Device and Communications Module	108.4	147.6	114.4	83.3	87.9	127.7	130.9	93.6	99.3	126.3
	Battery and Power supply	51.3	65.0	53.9	44.4	48.0	43.1	36.6	36.7	42.6	41.1
	Functional Device	24.8	24.9	22.1	20.9	20.9	23.5	22.8	23.5	25.2	24.0
	Devices/Module	184.5	237.5	190.4	148.6	156.8	194.4	190.3	153.7	167.2	191.4
	Others	3.1	3.3	2.5	2.7	2.5	2.9	2.9	2.9	2.9	3.6
	Total	436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7	461.8
	Revenue by Application	Communication	169.2	205.0	162.6	122.4	134.1	194.1	199.1	149.2	154.9
Mobility		91.9	94.3	106.3	97.7	99.6	110.7	113.0	109.3	115.0	112.8
Computers		68.2	65.2	50.7	40.6	45.2	50.7	52.2	55.0	65.8	74.4
Home Electronics		51.3	61.9	45.6	39.0	42.0	40.3	32.7	33.4	41.0	38.2
Industry and Others		56.1	57.0	53.8	47.9	46.8	46.8	42.4	43.4	45.0	45.2
Total		436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7	461.8

Financial Data (3/3)

(B JPY)

		FY2022				FY2023				FY2024	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Components	Revenue	252.0	245.2	228.6	198.6	210.5	247.5	248.9	235.6	254.3	269.8
	Operating profit	88.1	82.8	67.5	43.9	52.5	64.0	62.3	55.4	73.7	76.8
Devices and modules	Revenue	184.5	237.5	190.4	148.6	156.8	194.4	190.3	153.8	167.2	191.4
	Operating profit	2.4	27.7	12.0	(22.0)	(0.2)	26.4	14.7	(53.8)	(6.1)	15.7
Others	Revenue	20.2	16.5	18.1	19.8	15.2	17.0	15.5	19.7	15.4	16.5
	Operating profit	0.2	(0.7)	(1.1)	(2.7)	(2.2)	(1.5)	(0.7)	(1.3)	(1.2)	(0.8)
Eliminations	Revenue	(20.0)	(15.7)	(18.1)	(19.3)	(14.9)	(16.2)	(15.3)	(18.7)	(15.2)	(15.9)
Consolidated	Revenue	436.7	483.6	419.0	347.6	367.7	442.7	439.4	390.4	421.7	461.8
	Operating profit	90.8	109.8	78.4	19.2	50.1	88.8	76.2	0.3	66.4	91.8

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