

(English Translation)

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

1. Consolidated balance sheet
2. Consolidated statement of income
3. Non-consolidated balance sheet
4. Non-consolidated statement of income

MURATA MACHINERY, LTD.

Murata Machinery, Ltd.
Consolidated Balance Sheet
March 31, 2021 and 2022

	(Millions of Yen)	
	2021	2022
Assets		
Current assets	320,251	389,915
Cash and deposits	143,225	152,546
Notes and accounts receivable - trade	66,330	143,079
Securities	11,624	12,018
Merchandise and finished goods	5,828	16,221
Work in process	69,655	16,797
Raw materials and supplies	13,672	25,645
Other	10,043	23,767
Allowance for doubtful accounts	(128)	(161)
Non-current assets	144,886	155,727
Property, plant and equipment	41,858	43,721
Buildings and structures	24,867	25,709
Machinery, equipment and vehicles	4,882	5,576
Tools, furniture and fixtures	1,804	1,815
Land	8,029	8,011
Leased assets	113	93
Construction in progress	1,965	2,324
Other	195	190
Intangible assets	4,169	3,644
Software	1,956	1,775
Goodwill	1,123	968
Other	1,089	900
Investments and other assets	98,858	108,361
Investment securities	95,192	100,041
Investments in capital	885	1,673
Retirement benefit asset	2,599	7,289
Deferred tax assets	2,131	1,357
Other	1,294	1,151
Allowance for doubtful accounts	(123)	(60)
Allowance for investment loss	(3,121)	(3,091)
Total assets	465,138	545,642

Murata Machinery, Ltd.
Consolidated Balance Sheet
March 31, 2021 and 2022

	(Millions of Yen)	
	2021	2022
Liabilities	151,738	160,858
Current liabilities	148,908	153,224
Notes and accounts payable - trade	48,948	72,725
Short-term borrowings	11,698	10,280
Accrued expenses	5,491	6,642
Income taxes payable	7,218	20,826
Advances received	61,802	27,666
Provision for bonuses	5,281	6,193
Provision for product warranties	4,672	4,408
Other	3,794	4,480
Non-current liabilities	2,830	7,633
Long-term borrowings	68	60
Deferred tax liabilities	1,369	6,158
Other	1,392	1,414
Net assets	313,399	384,784
Shareholders' equity	297,544	359,466
Share capital	900	900
Capital surplus	442	442
Retained earnings	296,201	358,124
Accumulated other comprehensive income	15,752	25,194
Valuation difference on available-for-sale securities	19,429	21,211
Foreign currency translation adjustment	1,147	5,817
Remeasurements of defined benefit plans	(4,824)	(1,834)
Non-controlling interests	102	122
Total Liabilities and net assets	465,138	545,642

Murata Machinery, Ltd.

Consolidated statement of income

Years Ended March 31, 2021 and March 31, 2022

	(Millions of Yen)	
	2021	2022
Net sales	256,780	391,826
Cost of sales	170,355	266,887
Gross profit (loss)	<u>86,424</u>	<u>124,938</u>
Selling, general and administrative expenses	55,257	64,503
Operating profit (loss)	<u>31,166</u>	<u>60,435</u>
Non-operating income	<u>11,498</u>	<u>20,794</u>
Interest and dividend income	3,585	3,968
Share of profit of entities accounted for using equity method	3,235	1,941
Foreign exchange gains	3,264	10,269
Gain on valuation of derivatives	554	3,228
Other	858	1,386
Non-operating expenses	<u>387</u>	<u>498</u>
Interest expenses	88	129
Loss on investments in silent partnerships	123	0
Provision of allowance for investment loss	50	173
Other	124	196
Ordinary profit (loss)	<u>42,277</u>	<u>80,730</u>
Extraordinary income	<u>17</u>	<u>139</u>
Gain on sale of non-current assets	7	139
Gain on sale of investment securities	9	0
Other	0	0
Extraordinary loss	<u>159</u>	<u>289</u>
Loss on disposal of non-current assets	141	58
Loss on sale of investment securities	2	99
Impairment losses	0	0
Other	17	132
Profit (loss) before income taxes	<u>42,135</u>	<u>80,580</u>
Income taxes - current	14,513	29,400
Income taxes - deferred	413	812
Profit (loss)	<u>27,208</u>	<u>50,366</u>
Profit (loss) attributable to non-controlling interests	11	6
Profit (loss) attributable to owners of parent	<u><u>27,196</u></u>	<u><u>50,360</u></u>

Murata Machinery, Ltd.
Balance Sheet
March 31, 2021 and 2022

	(Millions of Yen)	
	2021	2022
Assets		
Current assets	239,638	312,481
Cash and deposits	115,673	121,294
Notes receivable - trade	2,331	1,787
Electronically recorded monetary claims		
- operating	8,430	7,039
Accounts receivable - trade	43,223	110,725
Securities	5,607	7,200
Finished goods	2,030	11,990
Work in process	41,884	8,515
Raw materials	3,950	9,666
Supplies	175	165
Advances paid	1,590	1,388
Short-term loans receivable	579	3,128
Accounts receivable - other	10,382	18,468
Other	3,809	11,154
Allowance for doubtful accounts	(32)	(41)
Non-current assets	144,509	149,827
Property, plant and equipment	33,911	35,856
Buildings	18,583	19,373
Structures	1,289	1,371
Machinery and equipment	3,154	3,883
Vehicles	11	31
Tools, furniture and fixtures	1,184	1,190
Land	7,786	7,967
Leased assets	0	-
Construction in progress	1,901	2,038
Intangible assets	2,528	2,202
Software	1,498	1,359
Other	1,030	842
Investments and other assets	108,069	111,768
Investment securities	80,813	83,370
Shares and investments in capital		
of subsidiaries and associates	18,384	18,628
Investments in capital	884	1,673
Long-term loans receivable	415	255
Long-term prepaid expenses	142	77
Prepaid pension costs	10,314	10,593
Distressed receivables	45	-
Other	311	319
Allowance for doubtful accounts	(121)	(58)
Allowance for investment loss	(3,121)	(3,091)
Total assets	384,148	462,308

Murata Machinery, Ltd.
Balance Sheet
March 31, 2021 and 2022

	(Millions of Yen)	
	2021	2022
Liabilities	118,945	145,910
Current liabilities	115,203	139,437
Electronically recorded obligations - operating	21,876	28,610
Accounts payable - trade	29,542	43,134
Short-term borrowings	10,000	10,000
Accounts payable - other	55	42
Accrued expenses	2,938	3,913
Income taxes payable	6,219	18,877
Accrued business office tax	34	35
Advances received	29,525	19,871
Provision for bonuses	3,425	3,965
Provision for product warranties	4,254	3,169
Provision for loss on construction contracts	-	865
Other	7,331	6,950
Non-current liabilities	3,741	6,472
Provision for retirement benefits	1,290	1,279
Deferred tax liabilities	1,406	4,077
Other	1,044	1,115
Net assets	265,203	316,398
Shareholders' equity	245,965	295,356
Share capital	900	900
Capital surplus	442	442
Legal capital surplus	442	442
Retained earnings	244,623	294,014
Legal retained earnings	225	225
Other retained earnings	244,398	293,789
Reserve for special depreciation	386	197
Reserve for tax purpose reduction entry	1,465	1,455
General reserve	78,720	78,720
Retained earnings brought forward	163,827	213,416
Valuation and translation adjustments	19,237	21,041
Valuation difference on available-for-sale securities	19,237	21,041
Total Liabilities and net assets	384,148	462,308

Murata Machinery, Ltd.

Statement of income

Years Ended March 31, 2021 and March 31, 2022

	(Millions of Yen)	
	2021	2022
Net sales	192,271	304,320
Cost of sales	131,564	211,966
Gross profit (loss)	<u>60,707</u>	<u>92,354</u>
Selling, general and administrative expenses	34,269	41,978
Operating profit (loss)	<u>26,438</u>	<u>50,376</u>
Non-operating income	<u>10,654</u>	<u>22,021</u>
Interest and dividend income	6,278	7,490
Foreign exchange gains	3,523	10,261
Reversal of allowance for investment loss	-	203
Gain on valuation of derivatives	554	3,228
Other	297	838
Non-operating expenses	<u>311</u>	<u>448</u>
Interest expenses	85	134
Loss on investments in silent partnerships	123	-
Provision of allowance for investment loss	50	173
Other	51	141
Ordinary profit (loss)	<u>36,781</u>	<u>71,949</u>
Extraordinary income	<u>305</u>	<u>229</u>
Gain on sale of non-current assets	2	5
Gain on extinguishment of tie-in shares	303	223
Extraordinary losses	<u>214</u>	<u>54</u>
Loss on disposal of non-current assets	109	54
Loss on extinguishment of tie-in shares	105	-
Other	0	0
Profit (loss) before income taxes	<u>36,872</u>	<u>72,124</u>
Income taxes - current	12,734	26,215
Income taxes - deferred	(292)	185
Profit (loss)	<u><u>24,430</u></u>	<u><u>45,723</u></u>