

(English Translation)

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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, 2022 and 2023

	(Millions of Yen)	
	2022	2023
Assets		
Current assets	389,915	450,860
Cash and deposits	152,546	124,996
Notes and accounts receivable - trade	143,079	196,653
Securities	12,018	13,143
Merchandise and finished goods	16,221	22,924
Work in process	16,797	20,064
Raw materials and supplies	25,645	48,188
Other	23,767	25,058
Allowance for doubtful accounts	(161)	(168)
Non-current assets	155,727	169,502
Property, plant and equipment	43,721	47,833
Buildings and structures	25,709	25,706
Machinery, equipment and vehicles	5,576	6,459
Tools, furniture and fixtures	1,815	2,557
Land	8,011	8,212
Leased assets	93	427
Construction in progress	2,324	4,257
Other	190	213
Intangible assets	3,644	3,441
Software	1,775	1,901
Goodwill	968	816
Other	900	724
Investments and other assets	108,361	118,227
Investment securities	100,041	105,856
Investments in capital	1,673	2,769
Retirement benefit asset	7,289	9,290
Deferred tax assets	1,357	1,707
Other	1,151	1,459
Allowance for doubtful accounts	(60)	(83)
Allowance for investment loss	(3,091)	(2,771)
Total assets	545,642	620,363

Murata Machinery, Ltd.
Consolidated Balance Sheet
March 31, 2022 and 2023

	(Millions of Yen)	
	2022	2023
Liabilities	160,858	182,752
Current liabilities	153,224	177,772
Notes and accounts payable - trade	72,725	86,469
Short-term borrowings	10,280	10,241
Accrued expenses	6,642	7,597
Income taxes payable	20,826	18,260
Advances received	27,666	29,165
Provision for bonuses	6,193	6,684
Provision for product warranties	3,542	2,902
Provision for loss on construction contracts	865	11,307
Other	4,480	5,143
Non-current liabilities	7,633	4,980
Long-term borrowings	60	60
Deferred tax liabilities	6,158	3,191
Other	1,414	1,728
Net assets	384,784	437,610
Shareholders' equity	359,466	408,499
Share capital	900	900
Capital surplus	442	442
Retained earnings	358,124	407,157
Accumulated other comprehensive income	25,194	28,984
Valuation difference on available-for-sale securities	21,211	20,637
Foreign currency translation adjustment	5,817	9,226
Remeasurements of defined benefit plans	(1,834)	(879)
Non-controlling interests	122	126
Total Liabilities and net assets	545,642	620,363

Murata Machinery, Ltd.
Consolidated statement of income
Years Ended March 31, 2022 and March 31, 2023

	(Millions of Yen)	
	2022	2023
Net sales	391,826	466,133
Cost of sales	266,887	327,319
Gross profit (loss)	<u>124,938</u>	<u>138,813</u>
Selling, general and administrative expenses	64,503	74,966
Operating profit (loss)	<u>60,435</u>	<u>63,847</u>
Non-operating income	<u>20,794</u>	<u>20,909</u>
Interest and dividend income	3,968	6,017
Share of profit of entities accounted for using equity method	1,941	2,849
Gain on valuation of derivatives	3,228	376
Foreign exchange gains	10,269	10,494
Other	1,386	1,172
Non-operating expenses	<u>498</u>	<u>2,924</u>
Interest expenses	129	84
Provision of allowance for investment loss	173	152
Compensation for damage	63	2,255
Other	132	431
Ordinary profit (loss)	<u>80,730</u>	<u>81,833</u>
Extraordinary income	<u>139</u>	<u>374</u>
Gain on sale of non-current assets	139	5
Gain on redemption of investment securities	-	368
Other	0	-
Extraordinary loss	<u>289</u>	<u>55</u>
Loss on disposal of non-current assets	58	31
Loss on sale of investment securities	99	24
Other	132	0
Profit (loss) before income taxes	<u>80,580</u>	<u>82,151</u>
Income taxes - current	29,400	36,714
Income taxes - deferred	812	(3,834)
Profit (loss)	<u>50,366</u>	<u>49,271</u>
Profit (loss) attributable to non-controlling interests	6	(0)
Profit (loss) attributable to owners of parent	<u><u>50,360</u></u>	<u><u>49,271</u></u>

Murata Machinery, Ltd.
Balance Sheet
March 31, 2022 and 2023

	(Millions of Yen)	
	2022	2023
Assets		
Current assets	312,481	366,052
Cash and deposits	121,294	87,916
Notes receivable - trade	1,787	1,319
Electronically recorded monetary claims - operating	7,039	9,885
Accounts receivable - trade	110,725	162,391
Securities	7,200	9,127
Finished goods	11,990	15,356
Work in process	8,515	11,921
Raw materials	9,666	24,074
Supplies	165	222
Advances paid	1,388	1,759
Short-term loans receivable	3,128	2,495
Accounts receivable - other	18,468	21,236
Other	11,154	18,389
Allowance for doubtful accounts	(41)	(43)
Non-current assets	149,827	157,469
Property, plant and equipment	35,856	39,063
Buildings	19,373	19,132
Structures	1,371	1,414
Machinery and equipment	3,883	4,654
Vehicles	31	13
Tools, furniture and fixtures	1,190	1,726
Land	7,967	8,125
Leased assets	-	9
Construction in progress	2,038	3,987
Intangible assets	2,202	2,238
Software	1,359	1,580
Other	842	657
Investments and other assets	111,768	116,166
Investment securities	83,370	86,856
Shares of subsidiaries and associates	18,628	17,643
Investments in capital	1,673	2,769
Long-term loans receivable	255	121
Long-term prepaid expenses	77	77
Prepaid pension costs	10,593	11,141
Other	319	387
Allowance for doubtful accounts	(58)	(59)
Allowance for investment loss	(3,091)	(2,771)
Total assets	462,308	523,521

Murata Machinery, Ltd.
Balance Sheet
March 31, 2022 and 2023

	(Millions of Yen)	
	2022	2023
Liabilities	145,910	164,124
Current liabilities	139,437	161,298
Electronically recorded obligations - operating	28,610	33,617
Accounts payable - trade	43,134	53,762
Short-term borrowings	10,000	10,000
Accounts payable - other	42	43
Accrued expenses	3,913	4,881
Income taxes payable	18,877	16,268
Accrued business office tax	35	36
Advances received	19,871	19,997
Provision for bonuses	3,965	4,291
Provision for product warranties	3,169	2,498
Provision for loss on construction contracts	865	11,307
Other	6,950	4,592
Non-current liabilities	6,472	2,825
Provision for retirement benefits	1,279	1,256
Deferred tax liabilities	4,077	426
Other	1,115	1,142
Net assets	316,398	359,397
Shareholders' equity	295,356	338,928
Share capital	900	900
Capital surplus	442	442
Legal capital surplus	442	442
Retained earnings	294,014	337,586
Legal retained earnings	225	225
Other retained earnings	293,789	337,361
Reserve for special depreciation	197	77
Reserve for tax purpose reduction entry	1,455	1,446
General reserve	78,720	78,720
Retained earnings brought forward	213,416	257,117
Valuation and translation adjustments	21,041	20,468
Valuation difference on available-for-sale securities	21,041	20,468
Total Liabilities and net assets	462,308	523,521

Murata Machinery, Ltd.

Statement of income

Years Ended March 31, 2022 and March 31, 2023

	(Millions of Yen)	
	2022	2023
Net sales	304,320	365,390
Cost of sales	211,966	260,689
Beginning finished goods inventory	2,030	11,990
Cost of purchased goods	120	100
Cost of products manufactured	221,805	263,954
Ending finished goods inventory	11,990	15,356
Gross profit (loss)	92,354	104,700
Selling, general and administrative expenses	41,978	49,204
Operating profit (loss)	50,376	55,496
Non-operating income	22,021	21,403
Interest and dividend income	7,490	9,640
Foreign exchange gains	10,261	10,560
Reversal of allowance for investment loss	203	472
Gain on valuation of derivatives	3,228	376
Other	838	352
Non-operating expenses	448	2,830
Interest expenses	134	76
Provision of allowance for investment loss	173	152
Compensation for damage	63	2,253
Other	77	347
Ordinary profit (loss)	71,949	74,070
Extraordinary income	229	368
Gain on sale of non-current assets	5	-
Gain on redemption of investment securities	-	368
Gain on extinguishment of tie-in shares	223	-
Extraordinary losses	54	1,037
Loss on disposal of non-current assets	54	22
Loss on valuation of shares of subsidiaries and associates	-	1,014
Other	0	0
Profit (loss) before income taxes	72,124	73,401
Income taxes - current	26,215	33,042
Income taxes - deferred	185	(3,451)
Profit (loss)	45,723	43,810