

Image managing system



Digital printing system



IPS system



Cash processing system



Election system



Paper



FACTBOOK

2011

System Creation Company



President
Representative Director
Hirokazu Kobayashi

[Business Overview]

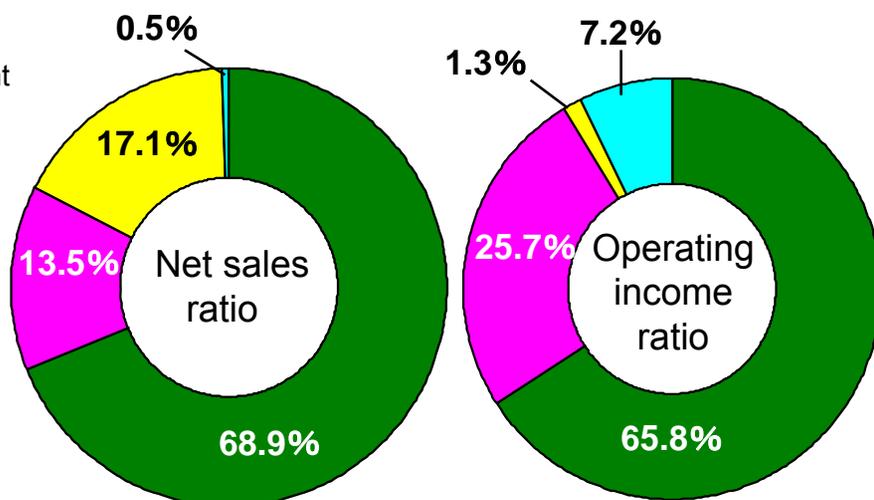
(Millions of Yen)

Fiscal Year Ended:	2007/3	2008/3	2009/3	2010/3	2011/3
Net Sales	43,355	46,563	42,438	46,669	43,604
Operating Income	1,206	2,476	923	3,557	1,870

Business Segment

- Information Systems, Printing Systems and Industrial X-ray Systems Equipment
- Cash handling Equipment, Election Systems Equipment
- Paper and Processed Paper Products
- Others

Average ratio per 5 years (07/3 - 11/3)



Information Systems, Printing Systems and Industrial X-ray Systems Equipment

[Information/Industrial Systems Equipment]

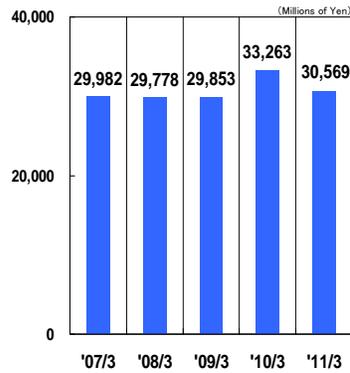
- Media conversion services to digitalize documents/microfilms, and to microfilm; data entry services;
- Consultation and sales of scanners, electronic archive systems as FUJIFILM Corporation's sole distributor in the Japanese market;
- Development and sales of image processing software;
- Consultation and sales of industrial non-destructive inspection systems by X-ray for buildings and manufactured products.
- Maintenance services for equipment.

[Printing Systems Equipment]

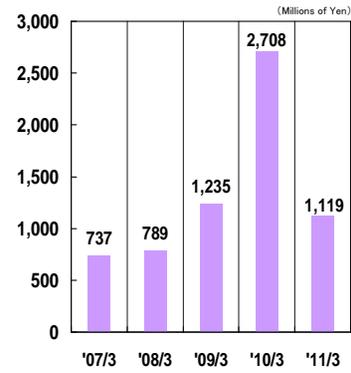
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Development and sales of a compact print-on-demand system for fine-printed business cards and post cards;
- Maintenance services for equipment.



Segment Net Sales



Segment Operating Income



Cash Handling Equipment, Election Systems Equipment

(Original products developed and manufactured by the MUSASHI Group)

[Cash Handling Equipment]

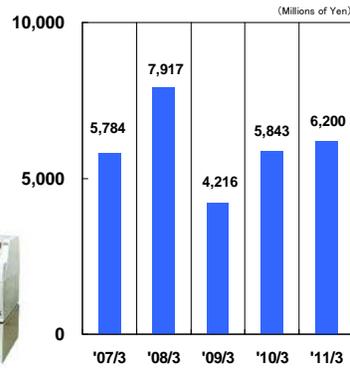
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Administrative products for keys, ID cards, personal seals;
- Security products including digital surveillance cameras;
- Maintenance services for the above products.
- Export of cash handling machines including bill counters and bill binding machines to Europe and other overseas markets.

[Election Systems Equipment]

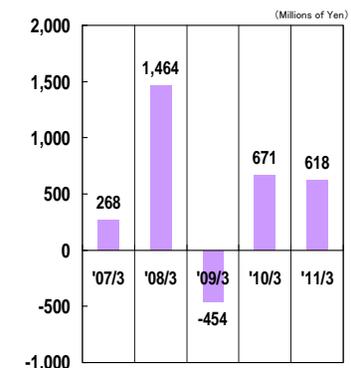
- Consultation and sales of support products for elections including ballot paper dispensers, counters, reader sorters, self-opening ballot papers, administrative software, promotional items and other tools;
- Maintenance services for equipment.



Segment Net Sales



Segment Operating Income

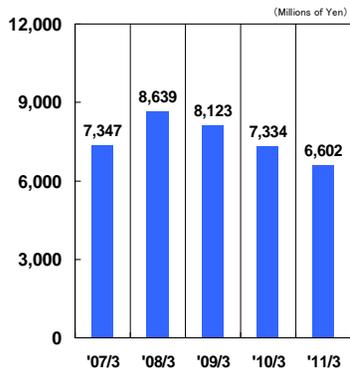


Paper and Processed Paper Products

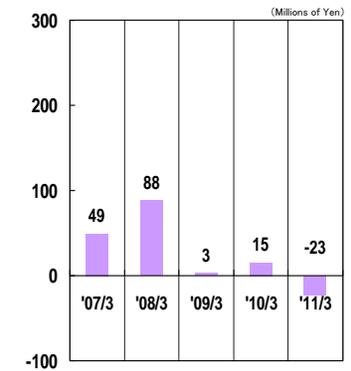
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.



Segment Net Sales



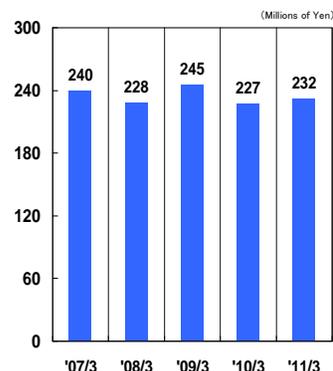
Segment Operating Income



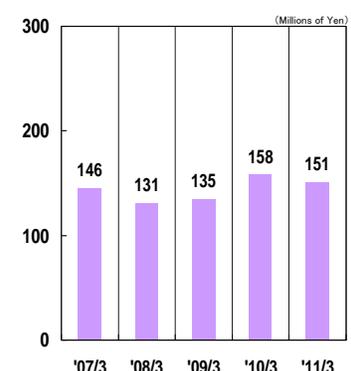
Others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

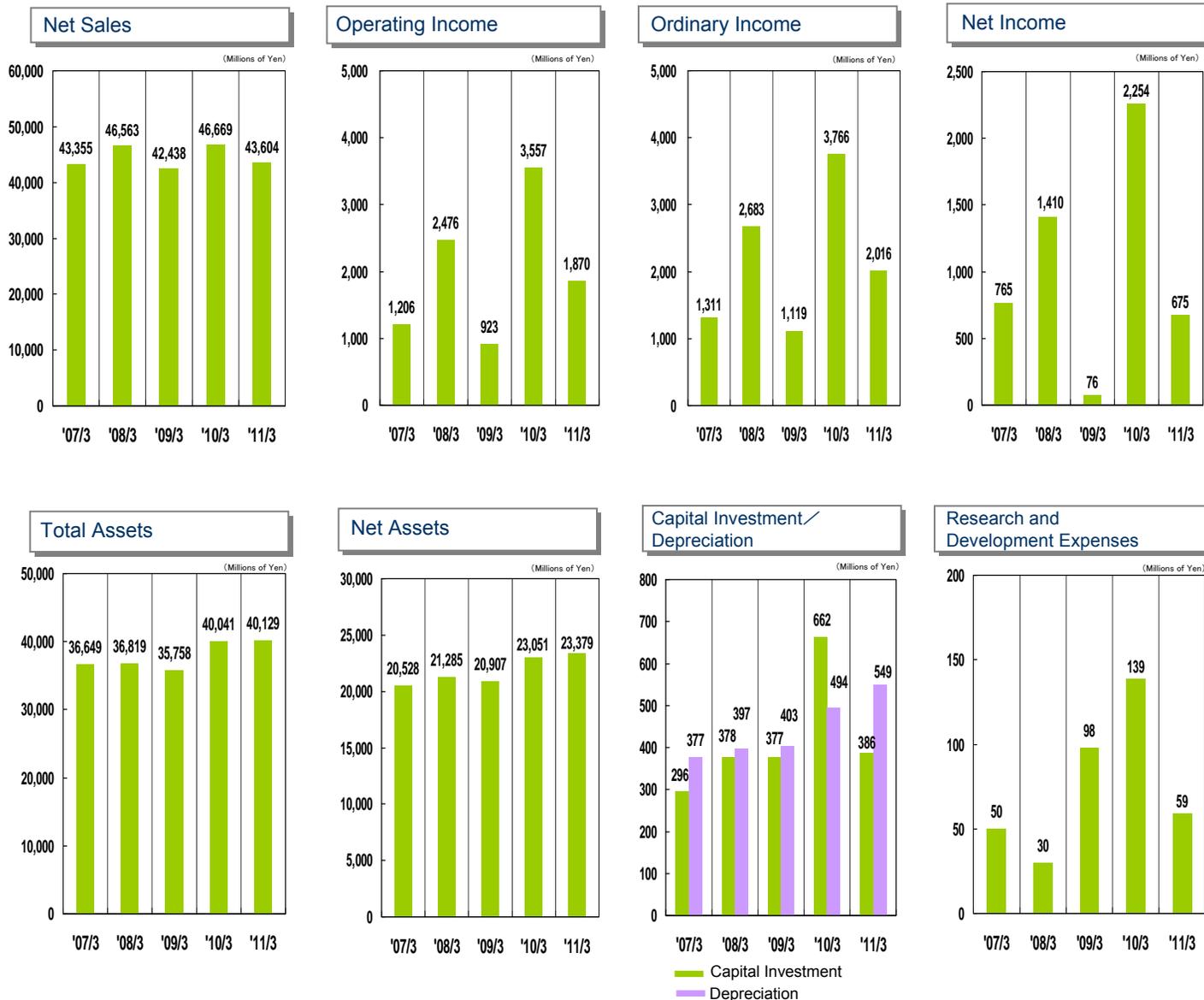
Segment Net Sales



Segment Operating Income



[Consolidated Financial Highlights]

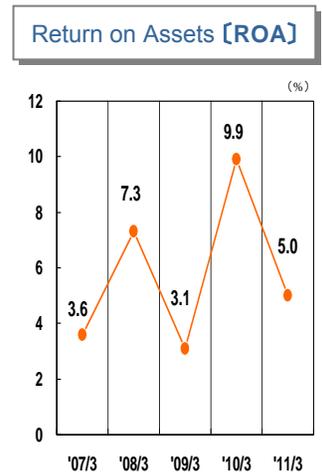
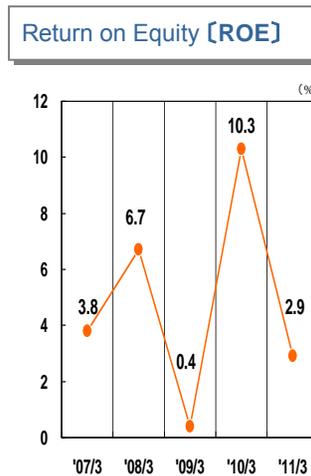
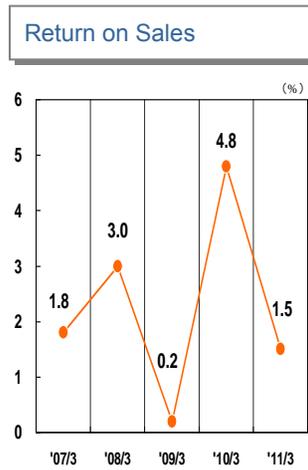


(Millions of Yen)

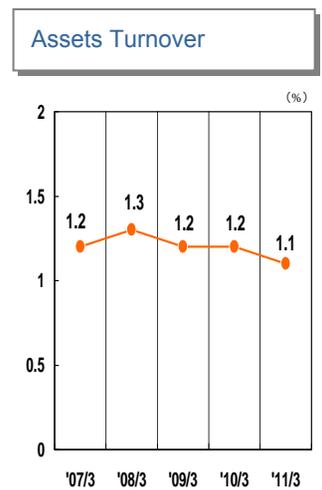
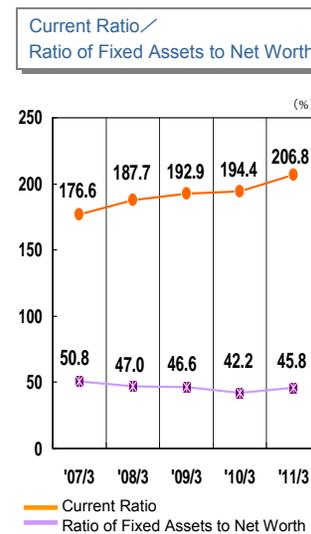
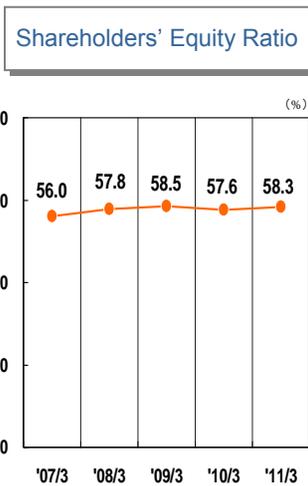
Fiscal Year Ended:	2007/3	2008/3	2009/3	2010/3	2011/3
Net Sales	43,355	46,563	42,438	46,669	43,604
Operating Income	1,206	2,476	923	3,557	1,870
Ordinary Income	1,311	2,683	1,119	3,766	2,016
Net Income	765	1,410	76	2,254	675
Total Assets	36,649	36,819	35,758	40,041	40,129
Net Assets	20,528	21,285	20,907	23,051	23,379
Capital Investment	296	378	377	662	386
Depreciation	377	397	403	494	549
Research and Development Expenses	50	30	98	139	59

[Consolidated Financial Data]

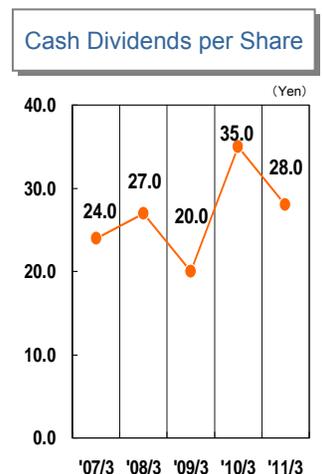
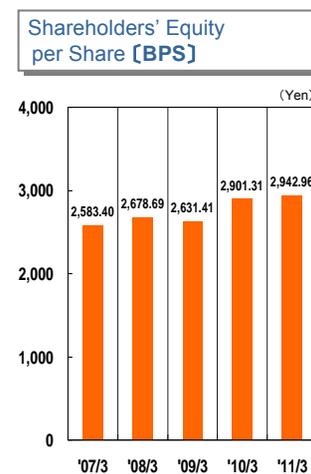
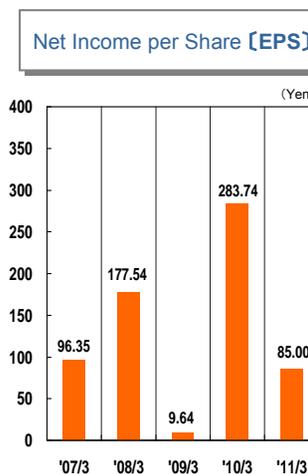
Profitability



Stability



Investment Data



• Return on Assets = Ordinary Income / Total Assets (Yearly Average) × 100

• Assets Turnover = Net Sales / Total Assets (Yearly Average)

[Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2007/3	2008/3	2009/3	2010/3	2011/3
Assets					
Current Assets:	26,220	26,808	26,012	30,319	29,412
Cash and Deposits	11,276	14,004	11,588	11,044	13,961
Notes and Accounts Receivable - Trade	12,160	10,374	11,419	16,594	12,240
Inventories	2,210	1,868	—	—	—
Merchandise and Finished Goods	—	—	2,094	1,726	1,719
Work in Process	—	—	52	130	113
Raw Materials and Supplies	—	—	249	237	288
Deferred Tax Assets	280	340	249	425	475
Others	322	241	378	217	656
Allowance for Doubtful Accounts	-30	-20	-19	-58	-42
Fixed Assets:	10,429	10,010	9,746	9,722	10,717
Property, Plant and Equipment	3,941	3,933	3,858	4,000	3,822
Buildings and Structures	1,208	1,164	1,153	1,304	1,218
Machinery, Equipment and Vehicles	154	139	96	127	114
Land	2,182	2,182	2,182	2,159	2,131
Others	396	446	426	408	358
Intangible Assets	239	184	211	191	168
Good Will	11	—	—	—	—
Software	188	144	172	151	129
Others	40	40	39	39	39
Investments and Other Assets	6,247	5,892	5,676	5,531	6,725
Investment Securities	2,642	1,934	1,707	1,662	1,379
Stocks of Subsidiaries and Affiliates	430	431	427	446	459
Deferred Tax Assets	102	150	53	83	187
Guarantee Deposits	2,525	2,538	2,553	2,561	2,564
Others	617	931	1,044	887	2,235
Allowance for Doubtful Accounts	-71	-94	-110	-109	-102
Total Assets:	36,649	36,819	35,758	40,041	40,129
Liabilities					
Current Liabilities:	14,851	14,284	13,484	15,593	14,221
Notes and Accounts Payable - Trade	10,142	9,357	8,698	9,019	8,903
Short - term Loans Payable	3,250	2,649	3,723	3,622	3,537
Income Taxes Payable	271	872	79	1,426	150
Defferd Tax Liabilities	0	0	0	0	—
Provision for Bonuses	443	441	432	439	437
Provision for Product Warranties	—	—	—	150	150
Others	742	963	550	934	1,042
Non - current Liabilities:	1,270	1,249	1,366	1,396	2,529
Long - term Loans Payable	6	—	—	—	—
Defferd Tax Liabilities	163	35	39	28	9
Provision for Retirement Benefits	176	180	181	188	199
Provision for Retirement Benefits for Directors and Corporate Auditors	596	622	718	735	887
Asset Retirement Obligations	—	—	—	—	30
Others	327	410	427	443	1,403
Total Liabilities:	16,121	15,533	14,851	16,990	16,750
Net Assets					
Shareholders' Equity:	19,901	21,090	20,967	23,062	23,418
Capital Stock	1,208	1,208	1,208	1,208	1,208
Capital Surplus	2,005	2,005	2,005	2,005	2,005
Retained Earnings	16,693	17,881	17,759	19,855	20,212
Treasury Stock	-5	-5	-6	-6	-7
Valuation and Translation Adjustments:	626	195	-59	-10	-39
Valuation Difference on Available - for - sale Securities	626	195	-59	-10	-39
Total Net Assets:	20,528	21,285	20,907	23,051	23,379
Total Liabilities and Net Assets:	36,649	36,819	35,758	40,041	40,129

[Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2007/3	2008/3	2009/3	2010/3	2011/3
Net Sales:	43,355	46,563	42,438	46,669	43,604
Cost of Sales	34,865	36,830	34,467	35,950	34,858
Gross Profit	8,489	9,733	7,970	10,718	8,746
Selling, General and Administrative Expenses	7,283	7,256	7,047	7,160	6,875
Operating Income:	1,206	2,476	923	3,557	1,870
Non - operating Income	172	281	271	261	195
Interest Income	63	117	116	69	60
Dividends Income	30	43	48	35	39
Equity in Earnings of Affiliates	10	6	0	22	19
Miscellaneous Income	68	114	106	133	77
Non - operating Expenses	67	74	75	52	50
Interest Expenses	44	49	56	49	42
Loss on Sales of Notes Payable	21	22	7	—	—
Miscellaneous Loss	1	2	10	3	7
Ordinary Income:	1,311	2,683	1,119	3,766	2,016
Extraordinary Income	13	—	15	4	3
Gain on Bad Debts Recovered	0	—	—	—	2
Gain on Sales of Land	—	—	—	4	1
Gain on Sales of Investment Securities	13	—	15	—	—
Extraordinary Loss	9	91	169	97	707
Loss on Prior Period Adjustment	0	—	—	—	—
Loss on Disposal of Goods	5	—	—	—	—
Loss on Sales of Property, Plant and Equipment	—	—	1	—	0
Loss on Retirement of Property, Plant and Equipment	2	22	13	15	6
Loss on Sales of Investment Securities	—	0	—	3	—
Loss on Valuation of Investment Securities	—	4	99	19	182
Loss on Sale of Membership	—	—	—	—	1
Loss on Valuation of Membership	—	6	26	20	—
Provision for Retirement Benefits for Directors and Corporate Auditors	—	28	29	0	9
Retirement Benefits for Directors and Corporate Auditors	—	29	—	38	—
Loss on Revision of Retirement Benefit Plan	—	—	—	—	480
Loss on Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	—	—	—	—	27
Income before Income Taxes	1,316	2,592	965	3,673	1,311
Income Taxes - Current	569	1,122	522	1,645	808
Income Taxes - Deferred	-18	58	366	-226	-171
Total Income Taxes	550	1,181	888	1,418	636
Income before Minority interests	—	—	—	—	675
Net Income:	765	1,410	76	2,254	675

[Consolidated Statements of Comprehensive Income]

Fiscal Year Ended	2007/3	2008/3	2009/3	2010/3	2011/3
Income before Minority Interests	—	—	—	—	675
Other Comprehensive Income	—	—	—	—	-28
Valuation Difference on Available-for-sale Securities	—	—	—	—	-27
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	—	—	—	—	-0
Comprehensive Income	—	—	—	—	646

[Consolidated Statements of Changes in Net Assets]

(April 1, 2010 - March 31, 2011)

(Millions of Yen)

	Shareholders' Equity					Total Valuation and translation adjustments	Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Valuation Difference on Available - for - sale Securities	
Balance at March 31, 2010	1,208	2,005	19,855	-6	23,062	-10	23,051
Changes of Items during the period							
Dividends from Surplus			-317		-317		-317
Net Income			675		675		675
Purchase of treasury stock				-1	-1		-1
Net Changes of Items other than Shareholders' Equity						-28	-28
Total Changes of Items during the period	—	—	357	-1	356	-28	327
Balance at March 31, 2011	1,208	2,005	20,212	-7	23,418	-39	23,379

[Consolidated Statements of Cash Flows]

(Millions of Yen)

Fiscal Year Ended:	2007/3	2008/3	2009/3	2010/3	2011/3
Net Cash Provided by Operating Activities	-2,092	4,057	-2,499	253	4,478
Net Cash Used in Investment Activities	1,126	-999	-790	-533	-650
Net Cash Used in Financing Activities	273	-829	873	-263	-408
Effect of Exchange Rate Change on Cash and Cash Equivalents	0	-0	-0	-1	-1
Increase (Decrease) in Cash and Cash Equivalents	-692	2,228	-2,416	-543	3,417
Cash and Cash Equivalents at Beginning of Period	11,968	11,276	13,504	11,088	10,544
Cash and Cash Equivalents at End of Period	11,276	13,504	11,088	10,544	13,961

[Non - Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2007/3	2008/3	2009/3	2010/3	2011/3
Assets					
Current Assets:	23,505	24,156	24,258	27,567	26,781
Cash and Deposits	9,123	11,553	9,743	8,528	11,700
Notes and Accounts Receivable - Trade	11,798	9,989	11,136	16,222	11,925
Merchandise and Finished Goods	1,640	1,523	2,253	1,830	1,848
Others	969	1,106	1,142	1,041	1,350
Allowance for Doubtful Accounts	-27	-17	-16	-55	-42
Fixed Assets:	9,294	8,304	8,134	8,083	8,527
Property, Plant and Equipment	2,058	2,099	2,104	2,211	2,127
Buildings	541	508	527	707	654
Land	1,388	1,388	1,388	1,365	1,337
Others	128	201	188	138	136
Intangible Assets	127	63	113	110	104
Investments and Other Assets	7,107	6,142	5,916	5,761	6,294
Total Assets:	32,799	32,461	32,392	35,650	35,309
Liabilities					
Current Liabilities:	13,061	12,858	12,904	14,779	13,706
Notes and Accounts Payable - Trade	9,993	9,072	8,861	9,391	9,228
Short - term Loans Payable	2,268	2,268	3,488	3,487	3,487
Others	800	1,517	554	1,901	991
Non - current Liabilities	741	666	736	780	1,663
Deferred Tax Liabilities	147	—	—	—	—
Provision for Retirement Benefits for Directors and Corporate Auditors	511	508	553	589	712
Long Term Accounts Payable-other	—	—	—	—	705
Asset Retirement Obligations	—	—	—	—	30
Others	82	157	183	190	214
Total Liabilities:	13,803	13,524	13,640	15,559	15,370
Net Assets					
Shareholders' Equity	18,381	18,748	18,812	20,098	19,970
Capital Stock	1,208	1,208	1,208	1,208	1,208
Capital Surplus	2,005	2,005	2,005	2,005	2,005
Retained Earnings	15,173	15,539	15,605	16,891	16,764
Treasury Stock	-5	-5	-6	-6	-7
Valuation and Translation Adjustments:	614	188	-60	-7	-31
Valuation Difference on Available - for - sale Securities	614	188	-60	-7	-31
Total Net Assets:	18,996	18,937	18,751	20,090	19,939
Total Liabilities and Net Assets:	32,799	32,461	32,392	35,650	35,309

[Non - Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2007/3	2008/3	2009/3	2010/3	2011/3
Net Sales	40,927	44,178	40,145	44,637	41,242
Operating Income	677	1,754	758	2,281	931
Non - operating Income	246	339	348	293	239
Non - operating Expenses	50	62	61	47	42
Ordinary Income	874	2,031	1,046	2,528	1,128
Extraordinary Income	14	—	15	4	3
Extraordinary Loss	0	552	110	55	574
Income before Income Taxes	888	1,479	950	2,477	557
Income Taxes - Current	351	840	432	1,229	463
Income Taxes - Deferred	59	49	254	-197	-97
Total Income Taxes	411	889	686	1,032	366
Net Income	477	589	264	1,445	190

[Non - Consolidated Statements of Changes in Net Assets]

(April 1, 2010 - March 31, 2011)

(Millions of Yen)

	Shareholders' Equity								Valuation and Translation Adjustments	Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings				Treasury Stock	Total Shareholders' Equity	Valuation Difference on Available - for - sale Securities	
		Legal Capital Surplus	Legal Retained Earnings	Other Retained Earnings		Total Retained Earnings				
				General Reserve	Retained Earnings Brought Forward					
Balance at March 31, 2010	1,208	2,005	197	14,000	2,694	16,891	-6	20,098	-7	20,090
Changes of Items during the period										
Dividends from Surplus					-317	-317		-317		-317
Provision of General Reserve				1,000	-1,000	—		—		—
Net Income					190	190		190		190
Purchase of Treasury Stock							-1	-1		-1
Net Changes of Items other than Shareholders' Equity									-23	-23
Total Changes of Items during the period	—	—	—	1,000	-1,126	-126	-1	-128	-23	-151
Balance at March 31, 2011	1,208	2,005	197	15,000	1,567	16,764	-7	19,970	-31	19,939

[Stock Information] (As of March 31, 2011)

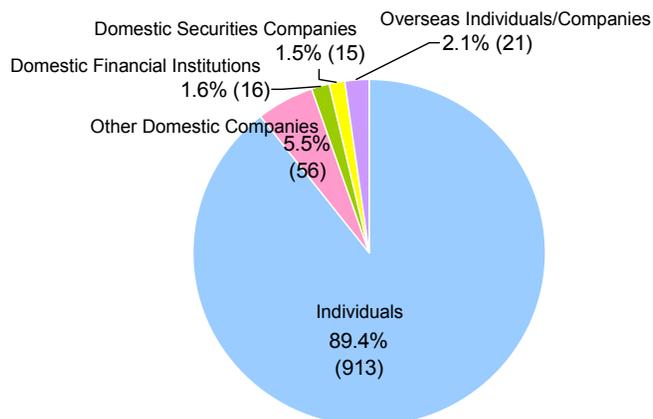
Stock Exchange Listing	Jasdaq Securities Exchange (Code: 7521)
Transfer Agent of the Shares	Mizuho Trust & Banking Co., Ltd.
Fiscal Year-end	March 31
General Meeting of Shareholders	Convened in June Each Year
Dividends	
Record Date for Payment of Final Dividend	March 31
Record Date for Payment of Interim Dividend	September 30
Number of Common Stock Issued	7,950,000
Number of Shareholders	1,021

【Major Shareholders】

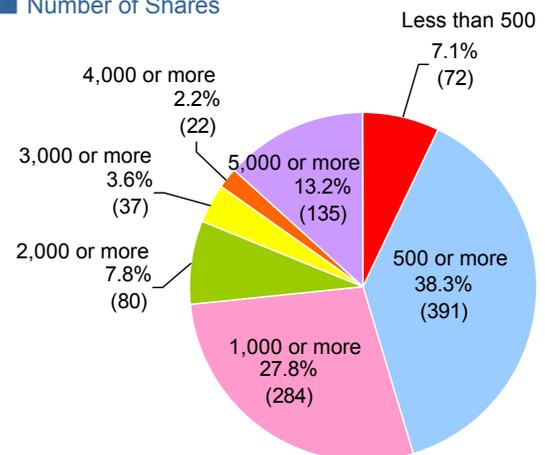
Name	Number of Stock Held	Stock Holding Ratio
Jyomou Jitsugyou Co., Ltd.	1,365,600	17.2%
Shourin Shouji Co., Ltd.	1,150,400	14.5%
Employees' Stockholding	534,200	6.7%
Masataka Hatori	360,200	4.5%
Mizuho Bank, Ltd.	360,000	4.5%
Company's Gojokai Association	299,100	3.8%
Hirokazu Kobayashi	284,700	3.6%
Sumitomo Mitsui Banking Corporation	190,000	2.4%
The Master Trust Bank of Japan, Ltd. (Trust account)	133,500	1.7%

【Breakdown of Shareholders】

■ Type of Shareholders

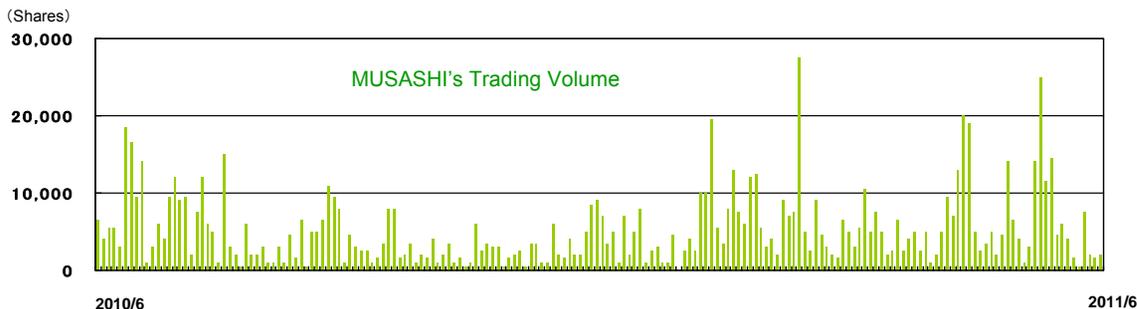
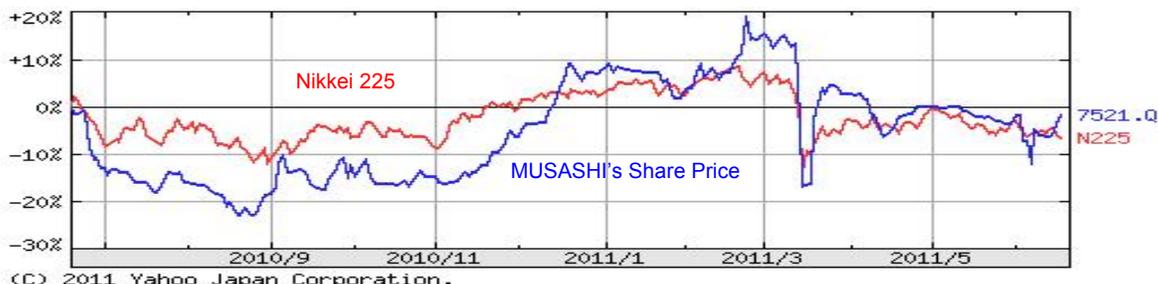


■ Number of Shares



% (Number of Shareholders)

[Share Price] (June, 2010 – June, 2011)



[Company Profile]

Company Name	MUSASHI CO., LTD.	Branch	Tokyo
Established	December, 1946		Sapporo
Head Office	8-20-36 Ginza Chuo-ku Tokyo, Japan		Sendai
Paid-in Capital	¥ 1,208,500,000		Saitama
Employees	574 (Group) 284 (Musashi) (As of March 31, 2011)		Chiba
			Yokohama
			Nagoya
Banks	The Mizuho Bank, Limited.		Osaka
	The Mitsui Sumitomo Bank, Limited.		Hiroshima
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		Fukuoka
			and other 6 sales offices

[Musashi Group]

- **MUSASHI FIELD SUPPORT CO.,LTD.**
8-20-36 Ginza Chuo-ku Tokyo
TEL.03-3546-7779
Technical Support
- **MUSASHI-IMAGE JOHO CO.,LTD.**
4-3-4 Shibaura Minato-ku Tokyo
TEL.03-5730-6034
Microfilming, Digitalizing Image
Information, Data-Entry Services
- **MUSASHI KOUSAN CO.,LTD.**
7-2-4 Ginza Chuo-ku Tokyo
TEL.03-3572-8461
Real Estate Rental
- **Musashi Engineering CO.,LTD.**
3-11-7 Nishishimbashi Minato-ku Tokyo
TEL.03-3437-2911
Development and Production of Cash
Handling Equipment, Election Systems
Equipment
- **MUSASHI I TECHNO CO.,LTD.**
3-6-1 Nagatanaka Higashiosaka-shi
Osaka
TEL.06-6744-6311
Microfilming, Digitalizing Image
Information, Data-Entry Services
- **MUSASHI ENTERPRISE CO.,LTD.**
3-11-7 Nishishimbashi Minato-ku Tokyo
TEL.03-3437-2925
Automobile Leasing and Insurance Agency
- **MUSASHI ABC CO.,LTD.**
2-11-26 Tsukiji Chuo-ku Tokyo
TEL.03-5565-8301
Microfilming, Digitalizing Image
Information, Data-Entry Services
- **FBM CO.,LTD.**
4-7 Shinogawa-machi Shinjuku-ku Tokyo
TEL.03-3269-5821
Sales of Printing Systems Equipment
- **JIM CORPORATION**
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