



# FACT BOOK 2014



# System Creation Company



President  
Representative Director  
Masataka Hatori

## [Business Overview]

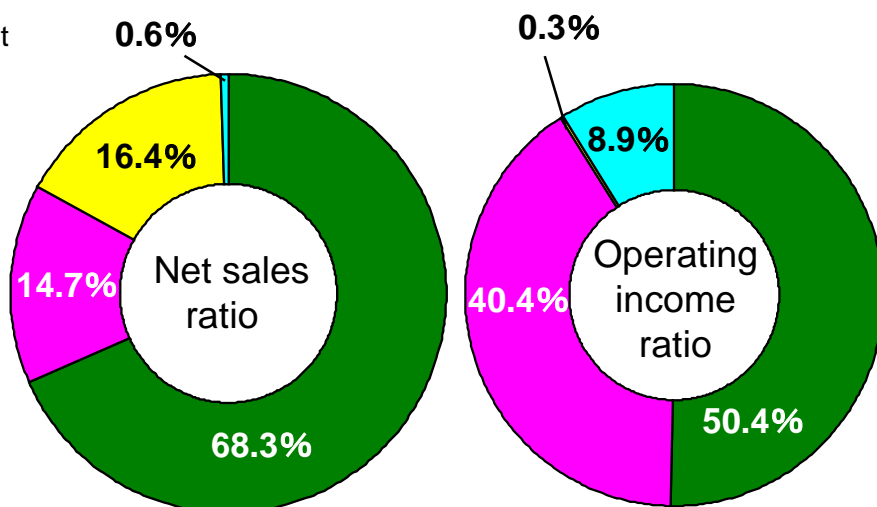
(Millions of Yen)

Fiscal Year Ended:	2010/3	2011/3	2012/3	2013/3	2014/3
Net Sales	46,669	43,604	38,126	37,856	36,412
Operating Income	3,557	1,870	795	1,603	1,204

### Business Segment

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

### Average ratio per 5 years by Business Segment (2010/3-2014/3)



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

## [ Information/Industrial Systems Equipment ]

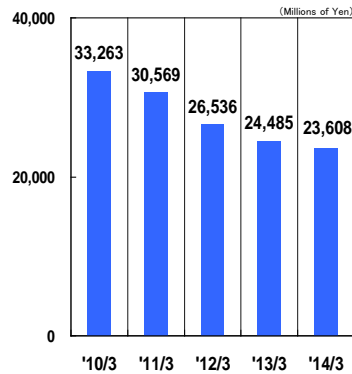
- Media conversion services to digitalize documents/microfilms, and to microfilm; data entry services;
- Consultation and sales of scanners, electronic archive systems as FUJIFILM Corporation's sole distributor in the Japanese market;
- Development and sales of image processing software;
- Consultation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

## [ Printing Systems Equipment ]

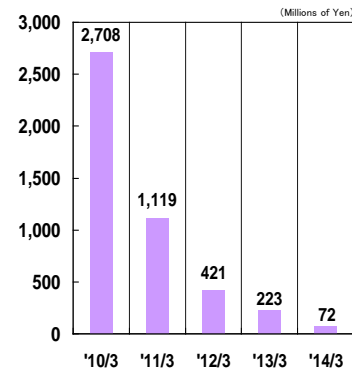
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Development and sales of a compact print-on-demand system for fine-printed business cards and post cards;
-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



### Segment Net Sales



### Segment Operating Income



# Cash Handling Equipment, Election Systems Equipment

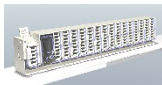
(Original products developed and manufactured by the MUSASHI Group)

## [ Cash Handling Equipment ]

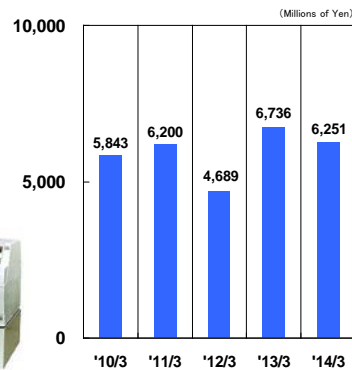
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Administrative products for keys;
- Security products including digital surveillance cameras;
- Maintenance services for the above products.
- Export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

## [ Election Systems Equipment ]

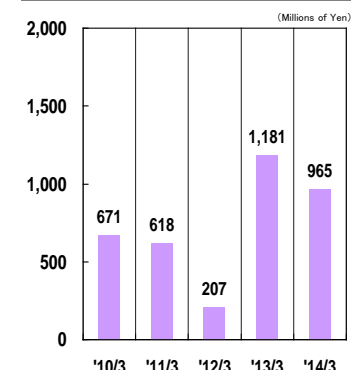
- Consultation and sales of support products for elections including ballot paper dispensers, counters, reader sorters, self-opening ballot papers, administrative software, promotional items and other tools;
- Maintenance services for equipment.



### Segment Net Sales

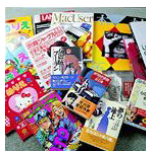


### Segment Operating Income

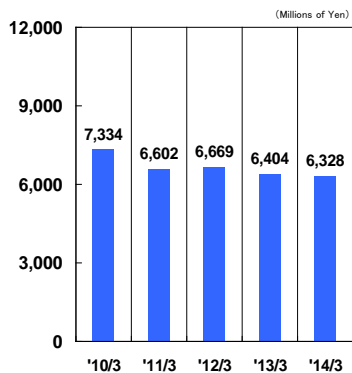


# Paper and Processed Paper Products

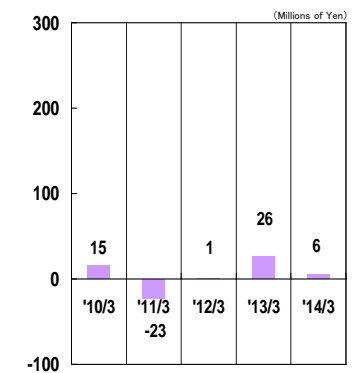
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.



### Segment Net Sales



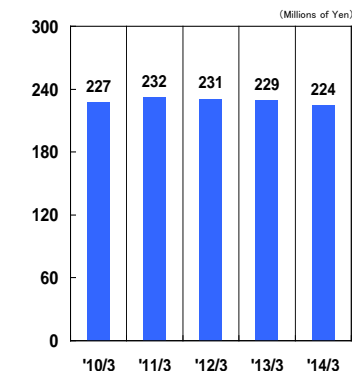
### Segment Operating Income



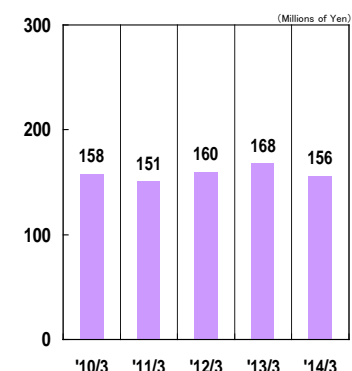
# Leasing and others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

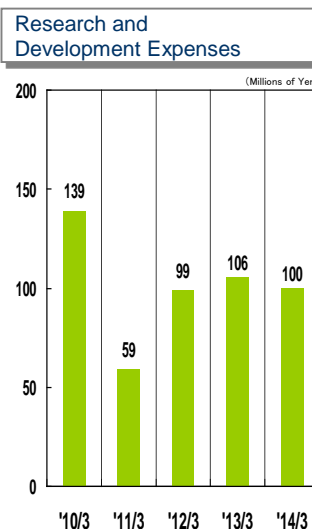
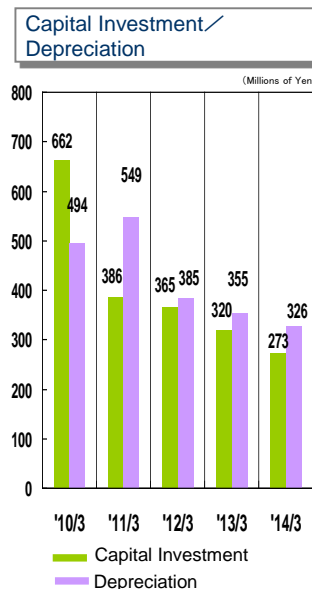
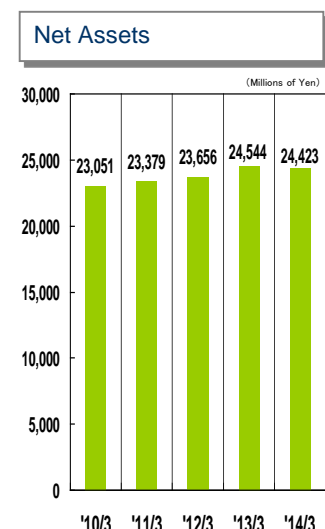
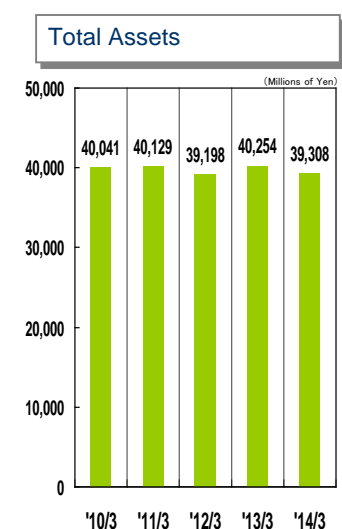
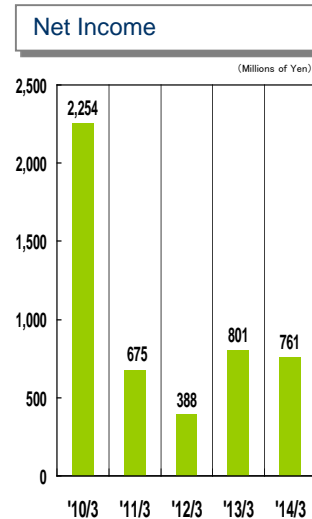
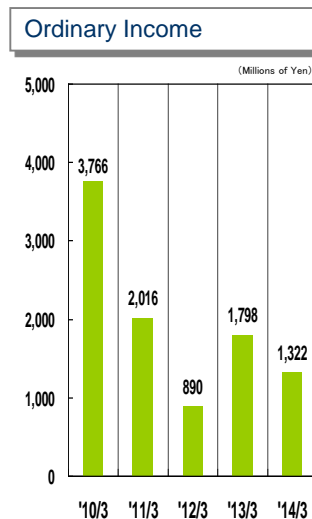
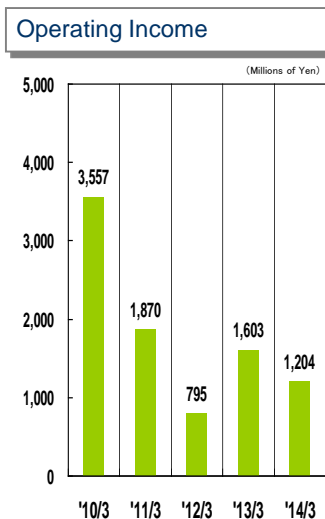
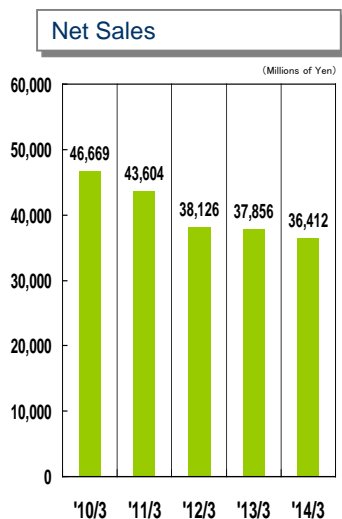
### Segment Net Sales



### Segment Operating Income



# [Consolidated Financial Highlights]

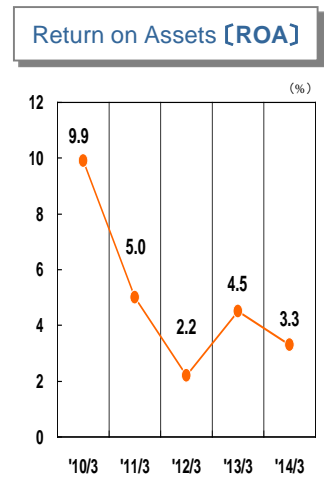
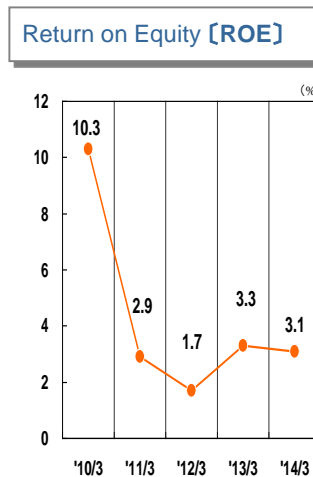
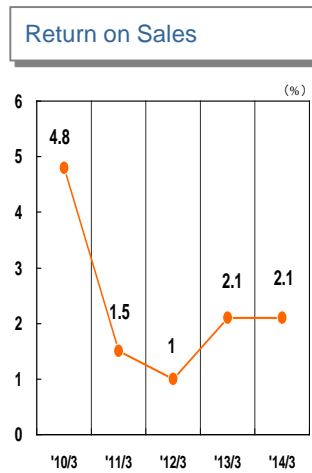


(Millions of Yen)

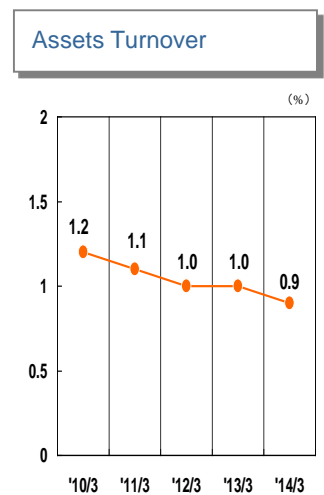
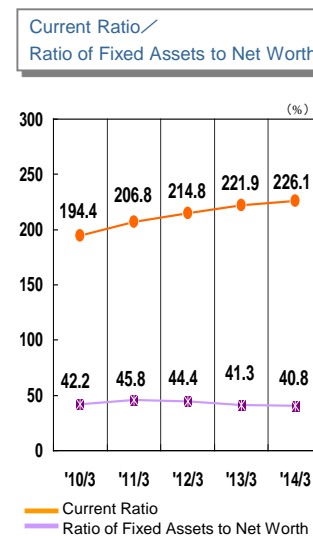
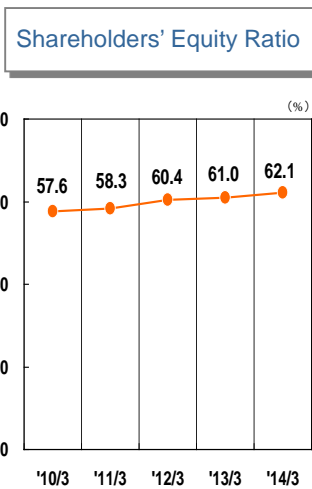
Fiscal Year Ended:	2010/3	2011/3	2012/3	2013/3	2014/3
Net Sales	46,669	43,604	38,126	37,856	36,412
Operating Income	3,557	1,870	795	1,603	1,204
Ordinary Income	3,766	2,016	890	1,798	1,322
Net Income	2,254	675	388	801	761
Total Assets	40,041	40,129	39,198	40,254	39,308
Net Assets	23,051	23,379	23,656	24,544	24,423
Capital Investment	662	386	365	320	273
Depreciation	494	549	385	355	326
Research and Development Expenses	139	59	99	106	100

# [Consolidated Financial Data]

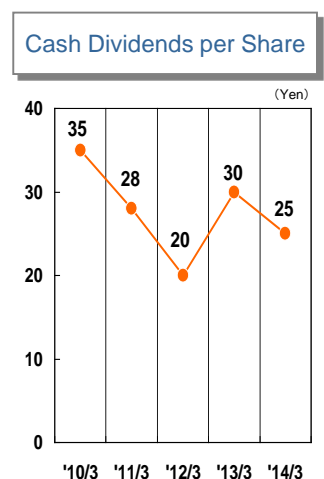
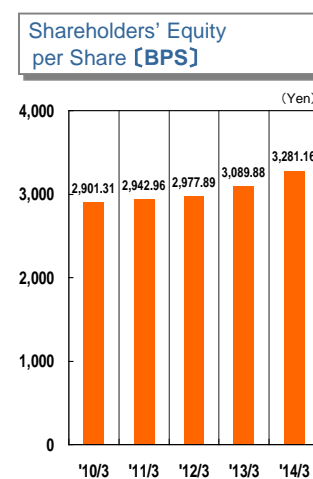
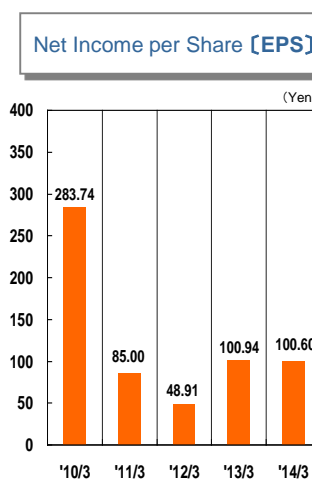
## Profitability



## 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:	2010/3	2011/3	2012/3	2013/3	2014/3
<b>Assets</b>					
<b>Current Assets:</b>	<b>30,319</b>	<b>29,412</b>	<b>28,683</b>	<b>30,108</b>	<b>29,335</b>
Cash and Deposits	11,044	13,961	14,343	16,935	16,439
Notes and Accounts Receivable - Trade	16,594	12,240	11,388	10,436	9,945
Short-term Investment Securities	—	—	299	—	—
Merchandise and Finished Goods	1,726	1,719	1,509	1,394	1,771
Work in Process	130	113	79	55	49
Raw Materials and Supplies	237	288	288	578	397
Deferred Tax Assets	425	475	367	411	370
Others	217	656	456	324	373
Allowance for Doubtful Accounts	-58	-42	-48	-28	-10
<b>Fixed Assets:</b>	<b>9,722</b>	<b>10,717</b>	<b>10,514</b>	<b>10,145</b>	<b>9,972</b>
<b>Property, Plant and Equipment</b>	<b>4,000</b>	<b>3,822</b>	<b>3,782</b>	<b>3,529</b>	<b>3,442</b>
Buildings and Structures	1,304	1,218	1,115	1,111	1,038
Machinery, Equipment and Vehicles	127	114	108	93	79
Land	2,159	2,131	2,238	1,991	1,991
Others	408	358	320	333	333
<b>Intangible Assets</b>	<b>191</b>	<b>168</b>	<b>136</b>	<b>97</b>	<b>113</b>
Software	151	129	116	77	92
Others	39	39	20	20	20
<b>Investments and Other Assets</b>	<b>5,531</b>	<b>6,725</b>	<b>6,595</b>	<b>6,518</b>	<b>6,416</b>
Investment Securities	1,662	1,379	1,361	1,673	1,794
Stocks of Subsidiaries and Affiliates	446	459	428	397	404
Deferred Tax Assets	83	187	120	57	141
Net defined benefit asset	—	—	—	—	666
Guarantee Deposits	2,561	2,564	2,566	2,567	2,569
Others	887	2,235	2,184	1,889	916
Allowance for Doubtful Accounts	-109	-102	-66	-67	-75
<b>Total Assets:</b>	<b>40,041</b>	<b>40,129</b>	<b>39,198</b>	<b>40,254</b>	<b>39,308</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>	<b>15,593</b>	<b>14,221</b>	<b>13,352</b>	<b>13,569</b>	<b>12,972</b>
Notes and Accounts Payable - Trade	9,019	8,903	8,359	8,225	7,821
Short - term Loans Payable	3,622	3,537	3,532	3,512	3,521
Income Taxes Payable	1,426	150	47	459	205
Deferred tax liabilities	0	—	—	—	0
Provision for Bonuses	439	437	406	386	377
Provision for Product Warranties	150	150	150	45	—
Provision for loss on order received	—	—	—	34	11
Others	935	1,042	857	906	1,036
<b>Non - current Liabilities:</b>	<b>1,396</b>	<b>2,529</b>	<b>2,189</b>	<b>2,139</b>	<b>1,912</b>
Deferred Tax Liabilities	28	9	34	213	301
Provision for Retirement Benefits	188	199	211	201	—
Net defined benefit liability	—	—	—	—	179
Provision for Retirement Benefits for Directors and Corporate Auditors	735	887	863	934	939
Asset Retirement Obligations	—	30	—	—	—
Others	443	1,403	1,079	789	492
<b>Total Liabilities:</b>	<b>16,990</b>	<b>16,750</b>	<b>15,542</b>	<b>15,709</b>	<b>14,884</b>
<b>Net Assets</b>					
<b>Shareholders' Equity:</b>	<b>23,062</b>	<b>23,418</b>	<b>23,624</b>	<b>24,266</b>	<b>24,189</b>
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	19,855	20,212	20,418	21,061	21,552
Treasury Stock	-6	-7	-8	-8	-576
<b>Valuation and Translation Adjustments:</b>	<b>-10</b>	<b>-39</b>	<b>32</b>	<b>278</b>	<b>234</b>
Valuation Difference on Available - for - sale Securities	-10	-39	32	278	352
Remeasurements of defined benefit plans	—	—	—	—	-118
<b>Total Net Assets:</b>	<b>23,051</b>	<b>23,379</b>	<b>23,656</b>	<b>24,544</b>	<b>24,423</b>
<b>Total Liabilities and Net Assets:</b>	<b>40,041</b>	<b>40,129</b>	<b>39,198</b>	<b>40,254</b>	<b>39,308</b>

# [Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2010/3	2011/3	2012/3	2013/3	2014/3
<b>Net Sales:</b>	<b>46,669</b>	<b>43,604</b>	<b>38,126</b>	<b>37,856</b>	<b>36,412</b>
Cost of Sales	35,950	34,858	30,675	29,736	28,892
Gross Profit	10,718	8,746	7,450	8,119	7,520
Selling, General and Administrative Expenses	7,160	6,875	6,655	6,516	6,315
<b>Operating Income:</b>	<b>3,557</b>	<b>1,870</b>	<b>795</b>	<b>1,603</b>	<b>1,204</b>
Non - operating Income	261	195	165	267	180
Interest Income	69	60	56	44	39
Dividends Income	35	39	44	41	49
Equity in Earnings of Affiliates	22	19	—	—	5
Reversal of allowance for doubtful accounts	—	—	—	24	—
Surrender value of insurance	—	—	—	77	20
Miscellaneous Income	133	77	64	79	65
Non - operating Expenses	52	50	69	72	62
Interest Expenses	49	42	40	39	38
Loss on Sales of Notes Payable	—	—	—	—	22
Equity in Losses of Affiliates	—	—	26	29	—
Miscellaneous Loss	3	7	2	3	0
<b>Ordinary Income:</b>	<b>3,766</b>	<b>2,016</b>	<b>890</b>	<b>1,798</b>	<b>1,322</b>
Extraordinary Income	4	3	22	1	—
Gain on Bad Debts Recovered	—	2	—	—	—
Gain on sales of noncurrent assets	—	—	—	1	—
Gain on Sales of Land	4	1	—	—	—
Gain on Extinguishment of Asset Retirement Obligations	—	—	22	—	—
Extraordinary Loss	97	707	45	301	12
Loss on Sales of Property, Plant and Equipment	—	0	—	—	—
Loss on Retirement of Property, Plant and Equipment	15	6	2	2	12
Loss on Sales of Investment Securities	3	—	—	1	—
Loss on Valuation of Investment Securities	19	182	36	42	—
Loss on Sale of Membership	—	1	1	1	0
Loss on Valuation of Membership	20	—	5	7	—
Provision for Retirement Benefits for Directors and Corporate Auditors	0	9	—	—	—
Retirement Benefits for Directors and Corporate Auditors	38	—	—	—	—
Loss on Revision of Retirement Benefit Plan	—	480	—	—	—
Loss on Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	—	27	—	—	—
Impairment loss	—	—	—	247	—
Income before Income Taxes	3,673	1,311	867	1,498	1,309
Income Taxes - Current	1,645	808	315	615	476
Income Taxes - Deferred	-226	-171	162	81	71
<b>Total Income Taxes</b>	<b>1,418</b>	<b>636</b>	<b>478</b>	<b>696</b>	<b>547</b>
<b>Income before Minority interests</b>	<b>—</b>	<b>675</b>	<b>388</b>	<b>801</b>	<b>761</b>
<b>Net Income:</b>	<b>2,254</b>	<b>675</b>	<b>388</b>	<b>801</b>	<b>761</b>

# [Consolidated Statements of Comprehensive Income]

(Millions of Yen)

Fiscal Year Ended	2010/3	2011/3	2012/3	2013/3	2014/3
<b>Income before Minority Interests</b>	<b>—</b>	<b>675</b>	<b>388</b>	<b>801</b>	<b>761</b>
Other Comprehensive Income	—	-28	71	245	74
Valuation Difference on Available-for-sale Securities	—	-27	71	247	73
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	—	-0	0	-1	1
<b>Comprehensive Income</b>	<b>—</b>	<b>646</b>	<b>459</b>	<b>1,047</b>	<b>836</b>

# [Consolidated Statements of Changes in Net Assets]

(April 1, 2013 - March 31, 2014)

(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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
<b>Balance at March 31, 2013</b>	1,208	2,005	21,061	-8	24,266	278	—	278	24,544
Changes of Items during the period									
Dividends from Surplus			-270		-270				-270
Net Income			761		761				761
Purchase of treasury stock				-568	-568				-568
Net Changes of Items other than Shareholders' Equity						74	-118	-44	-44
<b>Total Changes of Items during the period</b>	<b>—</b>	<b>—</b>	<b>490</b>	<b>-568</b>	<b>-77</b>	<b>74</b>	<b>-118</b>	<b>-44</b>	<b>-121</b>
<b>Balance at March 31, 2014</b>	<b>1,208</b>	<b>2,005</b>	<b>21,552</b>	<b>-576</b>	<b>24,189</b>	<b>352</b>	<b>-118</b>	<b>234</b>	<b>24,423</b>

# [Consolidated Statements of Cash Flows]

(Millions of Yen)

Fiscal Year Ended:	2010/3	2011/3	2012/3	2013/3	2014/3
Net Cash Provided by Operating Activities	253	4,478	1,052	2,508	450
Net Cash Used in Investment Activities	-533	-650	-337	-570	-720
Net Cash Used in Financing Activities	-263	-408	-192	-182	-831
Effect of Exchange Rate Change on Cash and Cash Equivalents	-1	-1	-1	6	4
Increase (Decrease) in Cash and Cash Equivalents	-543	3,417	521	1,762	-1,096
Cash and Cash Equivalents at Beginning of Period	11,088	10,544	13,961	14,483	16,245
Cash and Cash Equivalents at End of Period	10,544	13,961	14,483	16,245	15,149

# [Non - Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2010/3	2011/3	2012/3	2013/3	2014/3
<b>Assets</b>					
<b>Current Assets:</b>	<b>27,567</b>	<b>26,781</b>	<b>26,135</b>	<b>26,400</b>	<b>25,829</b>
Cash and Deposits	8,528	11,700	12,150	13,916	13,236
Notes and Accounts Receivable - Trade	16,222	11,925	11,023	10,059	9,693
Merchandise and Finished Goods	1,830	1,848	1,581	1,387	1,849
Others	1,041	1,350	1,428	1,065	1,077
Allowance for Doubtful Accounts	-55	-42	-49	-28	-27
<b>Fixed Assets:</b>	<b>8,083</b>	<b>8,527</b>	<b>8,348</b>	<b>8,469</b>	<b>8,300</b>
<b>Property, Plant and Equipment</b>	<b>2,211</b>	<b>2,127</b>	<b>2,131</b>	<b>2,068</b>	<b>2,050</b>
Buildings	707	654	590	548	513
Land	1,365	1,337	1,444	1,444	1,444
Others	138	136	96	75	92
<b>Intangible Assets</b>	<b>110</b>	<b>104</b>	<b>96</b>	<b>73</b>	<b>66</b>
<b>Investments and Other Assets</b>	<b>5,761</b>	<b>6,294</b>	<b>6,120</b>	<b>6,327</b>	<b>6,183</b>
<b>Total Assets:</b>	<b>35,650</b>	<b>35,309</b>	<b>34,484</b>	<b>34,870</b>	<b>34,130</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>	<b>14,779</b>	<b>13,706</b>	<b>12,888</b>	<b>12,637</b>	<b>12,387</b>
Notes and Accounts Payable - Trade	9,391	9,228	8,506	8,169	8,029
Short - term Loans Payable	3,487	3,487	3,482	3,462	3,471
Others	1,901	991	899	1,005	886
<b>Non - current Liabilities</b>	<b>780</b>	<b>1,663</b>	<b>1,403</b>	<b>1,403</b>	<b>1,430</b>
Provision for Retirement Benefits for Directors and Corporate Auditors	589	712	702	752	822
Long Term Accounts Payable-other	—	705	461	216	—
Deferred tax liabilities	—	—	—	149	270
Asset Retirement Obligations	—	30	—	—	—
Others	190	214	240	284	336
<b>Total Liabilities:</b>	<b>15,559</b>	<b>15,370</b>	<b>14,291</b>	<b>14,041</b>	<b>13,817</b>
<b>Net Assets</b>					
<b>Shareholders' Equity</b>	<b>20,098</b>	<b>19,970</b>	<b>20,153</b>	<b>20,547</b>	<b>19,957</b>
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	16,891	16,764	16,947	17,342	17,320
Treasury Stock	-6	-7	-8	-8	-576
<b>Valuation and Translation Adjustments:</b>	<b>-7</b>	<b>-31</b>	<b>39</b>	<b>281</b>	<b>354</b>
Valuation Difference on Available - for - sale Securities	-7	-31	39	281	354
<b>Total Net Assets:</b>	<b>20,090</b>	<b>19,939</b>	<b>20,192</b>	<b>20,828</b>	<b>20,312</b>
<b>Total Liabilities and Net Assets:</b>	<b>35,650</b>	<b>35,309</b>	<b>34,484</b>	<b>34,870</b>	<b>34,130</b>



# [Non - Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2010/3	2011/3	2012/3	2013/3	2014/3
<b>Net Sales</b>	<b>44,637</b>	<b>41,242</b>	<b>35,909</b>	<b>35,769</b>	<b>34,545</b>
<b>Operating Income</b>	<b>2,281</b>	<b>931</b>	<b>503</b>	<b>824</b>	<b>589</b>
Non - operating Income	293	239	241	245	225
Non - operating Expenses	47	42	41	39	76
<b>Ordinary Income</b>	<b>2,528</b>	<b>1,128</b>	<b>703</b>	<b>1,030</b>	<b>737</b>
Extraordinary Income	4	3	22	—	—
Extraordinary Loss	55	574	43	49	143
<b>Income before Income Taxes</b>	<b>2,477</b>	<b>557</b>	<b>682</b>	<b>980</b>	<b>593</b>
Income Taxes - Current	1,229	463	224	316	217
Income Taxes - Deferred	-197	-97	92	110	127
Total Income Taxes	1,032	366	317	427	344
<b>Net Income</b>	<b>1,445</b>	<b>190</b>	<b>365</b>	<b>553</b>	<b>249</b>

# [Non - Consolidated Statements of Changes in Net Assets]

(April 1, 2013 - March 31, 2014)

(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 Retained Earnings	Other Retained Earnings	Total Retained Earnings					
		Legal Capital Surplus	General Reserve	Retained Earnings Brought Forward						
Balance at March 31, 2013	1,208	2,005	197	15,000	2,144	17,342	-8	20,547	281	20,828
Changes of Items during the period										
Dividends from Surplus					-270	-270		-270		-270
Net Income					249	249		249		249
Purchase of Treasury Stock							-568	-568		-568
Net Changes of Items other than Shareholders' Equity									73	73
Total Changes of Items during the period	—	—	—	—	-21	-21	-568	-589	73	-516
Balance at March 31, 2014	1,208	2,005	197	15,000	2,123	17,320	-576	19,957	354	20,312

# [Stock Information] (As of March 31, 2014)

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	1,354

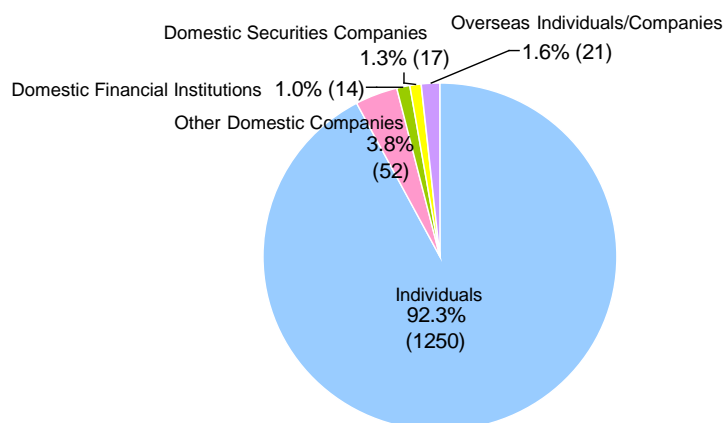
## 【Major Shareholders】

Name	Number of Stock Held	Stock Holding Ratio
Jyoumou Jitsugyou Co., Ltd.	1,388,600	18.7%
Shourin Shouji Co., Ltd.	897,400	12.1%
Employees' Stockholding	514,600	6.9%
Mizuho Bank, Ltd.	360,000	4.8%
Company's Gojokai Association	299,100	4.0%
Hirokazu Kobayashi	237,700	3.2%
Sumitomo Mitsui Banking Corporation	190,000	2.6%
Japan Trustee Services Bank, Ltd.(trust account)	160,800	2.2%
Masataka Hatori	137,200	1.8%

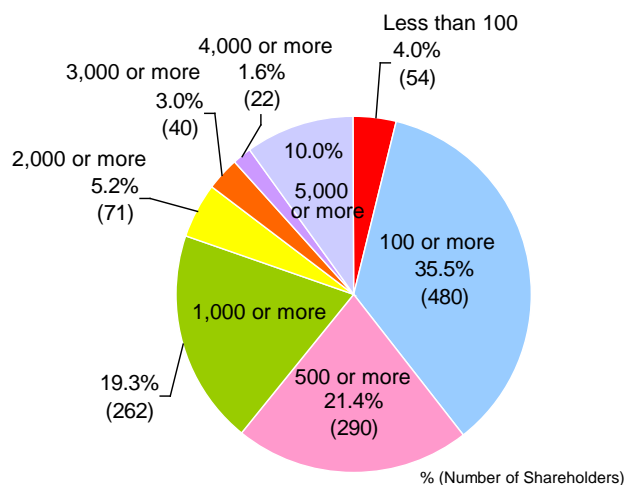
※excluding treasury shares (506,413)

## 【Breakdown of Shareholders】

■ Type of Shareholders



■ Number of Shares



% (Number of Shareholders)

# [Company Profile]

<b>Company Name</b>	MUSASHI CO., LTD.
<b>Established</b>	December, 1946
<b>Head Office</b>	8-20-36 Ginza Chuo-ku Tokyo, Japan
<b>Paid-in Capital</b>	¥ 1,208,500,000
<b>Employees</b>	538 (Group) 256 (Musashi) (As of March 31, 2014 )
<b>Banks</b>	The Mizuho Bank, Limited. The Mitsui Sumitomo Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
<b>Branch</b>	Tokyo Sapporo Sendai Saitama Chiba Yokohama Nagoya Osaka Hiroshima Fukuoka and other 7 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.**  
1-7-12 Shinonome Koto-ku Tokyo  
TEL.03-6228-4056  
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**  
3-1-1 Iidabashi Chiyoda-ku Tokyo  
TEL.03-5212-6001  
Microfilming, Digitalizing Image  
Information, Data-Entry Services

■ Subsidiaries  
□ Equity-method affiliate