

# **FACT BOOK 2017**



**MUSASHI CO., LTD.**

# System Creation Company



President  
Representative Director  
Masataka Hatori

## [Business Overview]

(Millions of Yen)

Fiscal Year Ended:	2013/3	2014/3	2015/3	2016/3	2017/3
Net Sales	37,856	36,412	37,252	35,709	35,268
Operating Income	1,603	1,204	1,420	925	1,107

### Business Segment

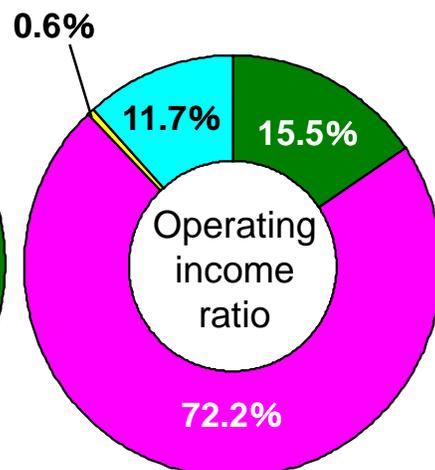
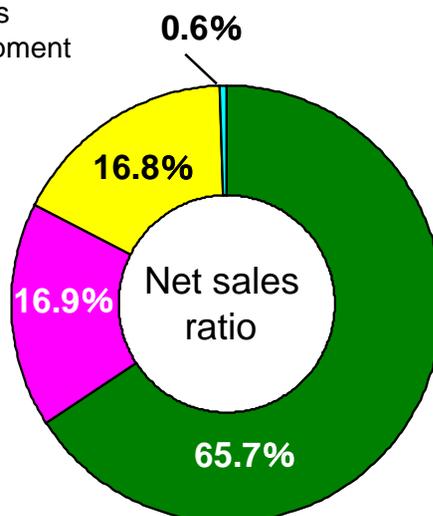
### Average ratio per 5 years by Business Segment (2013/3-2017/3)

■ Imaging Systems, Printing Systems  
and Industrial X-ray Systems Equipment

■ Cash handling Equipment,  
Election Systems Equipment

■ Paper and  
Processed Paper Products

■ Leasing and others



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

### [ Imaging/Industrial Systems Equipment ]

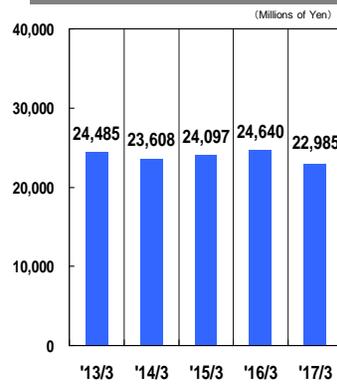
- Media conversion services to digitalize documents/microfilms, and to microfilm; data entry services;
- Consultation and sales of scanners, electronic archive systems as FUJIFILM Corporation's sole distributor in the Japanese market;
- Development and sales of image processing software;
- Consultation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

### [ Printing Systems Equipment ]

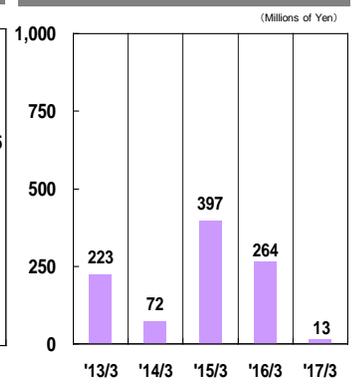
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Development and sales of a compact print-on-demand system for fine-printed business cards and cards;
- Maintenance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

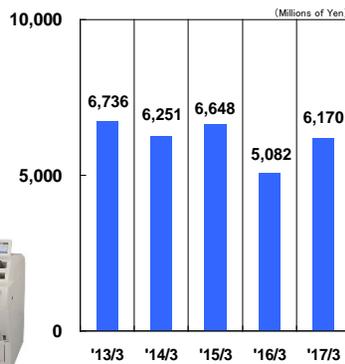
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Administrative products for keys;
- Security products including digital surveillance cameras;
- Maintenance services for the above products.
- Export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

### [ Election Systems Equipment ]

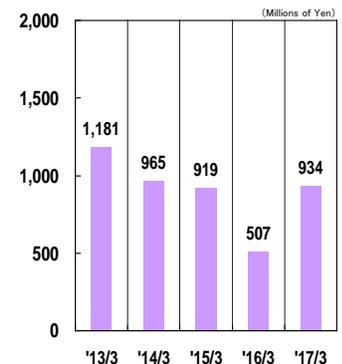
- Consultation and sales of support products for elections including ballot paper dispensers, counters, reader sorters, self-opening ballot papers, administrative software, promotional items and other tools;
- Maintenance services for equipment.



### Segment Net Sales



### Segment Operating Income

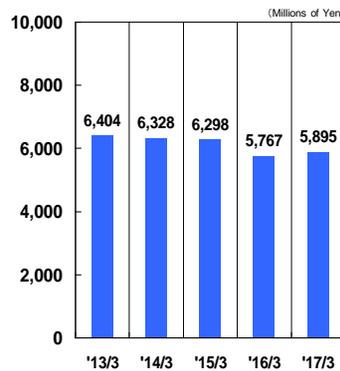


## Paper and Processed Paper Products

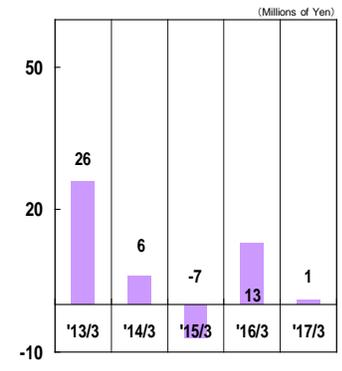
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.



### Segment Net Sales



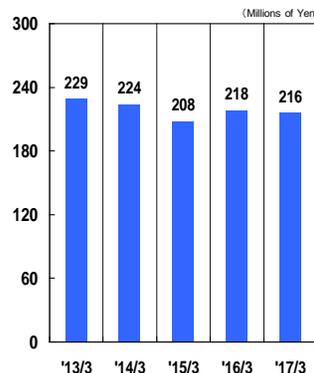
### Segment Operating Income



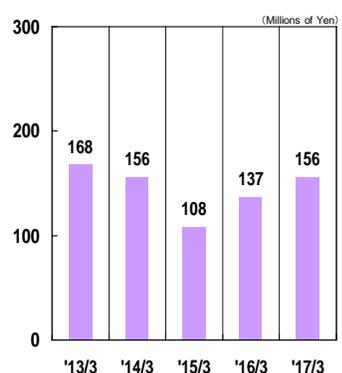
## Leasing and others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

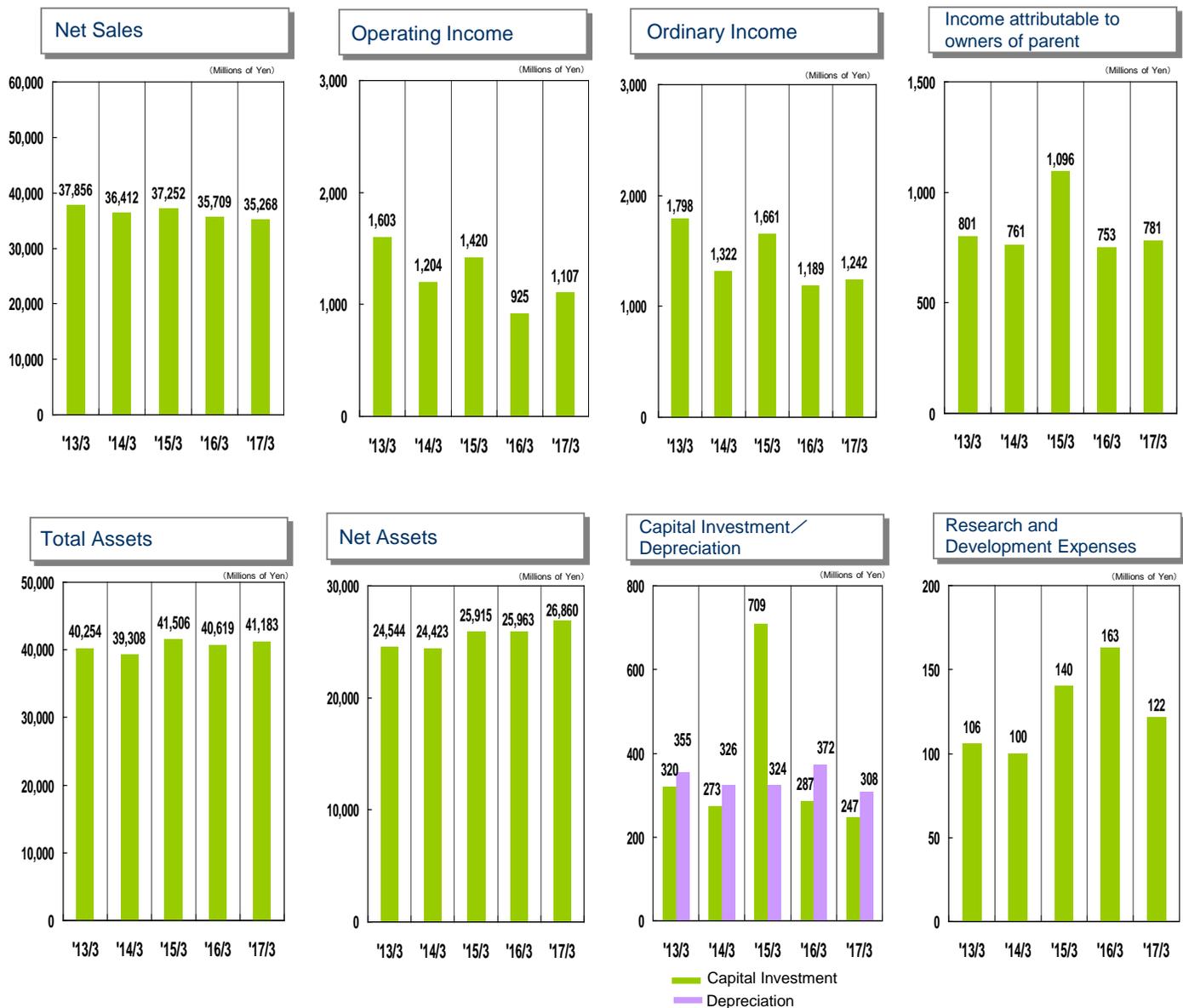
### Segment Net Sales



### Segment Operating Income



# [Consolidated Financial Highlights]

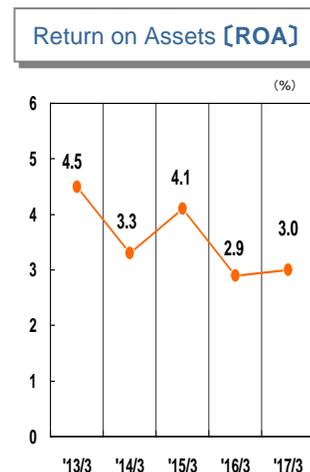
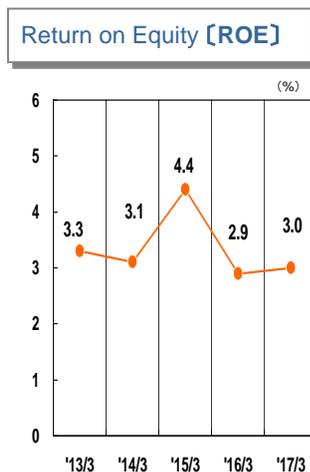
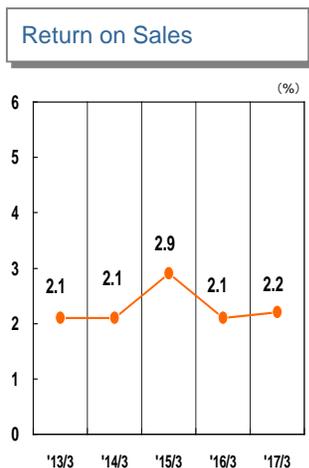


(Millions of Yen)

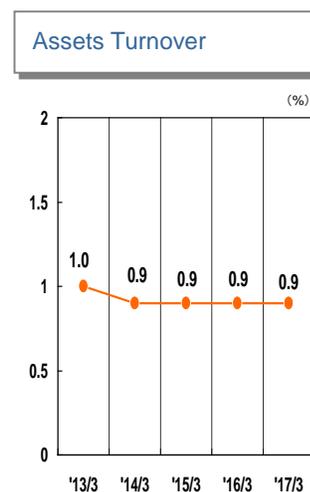
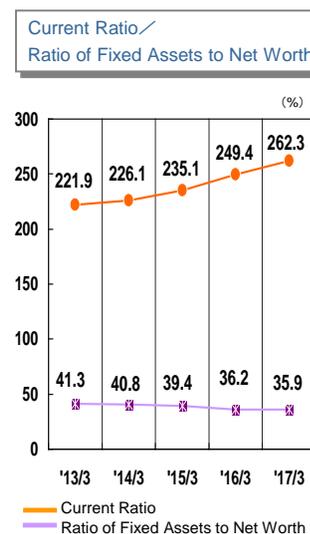
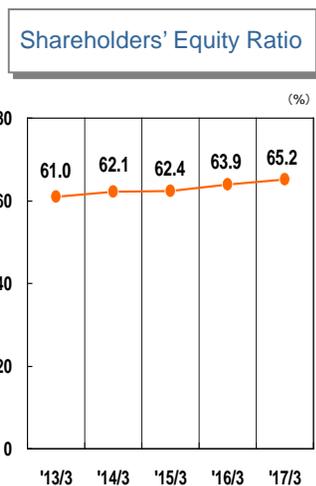
Fiscal Year Ended:	2013/3	2014/3	2015/3	2016/3	2017/3
Net Sales	37,856	36,412	37,252	35,709	35,268
Operating Income	1,603	1,204	1,420	925	1,107
Ordinary Income	1,798	1,322	1,661	1,189	1,242
Income attributable to owners of parent	801	761	1,096	753	781
Total Assets	40,254	39,308	41,506	40,619	41,183
Net Assets	24,544	24,423	25,915	25,963	26,860
Capital Investment	320	273	709	287	247
Depreciation	355	326	324	372	308
Research and Development Expenses	106	100	140	163	122

# [Consolidated Financial Data]

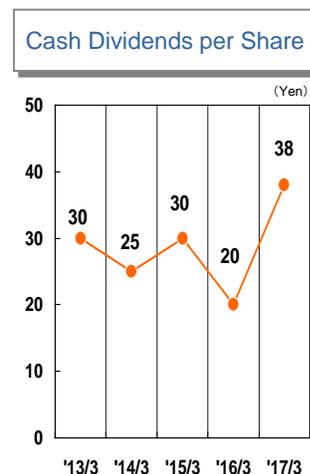
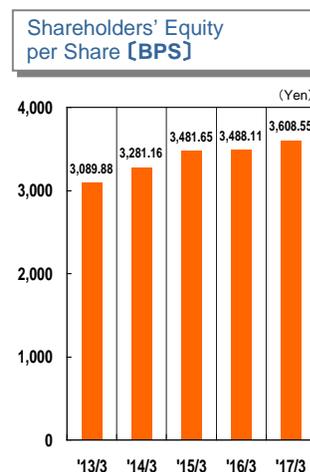
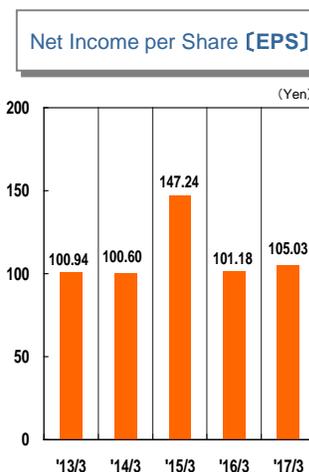
## Profitability



## 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:	2013/3	2014/3	2015/3	2016/3	2017/3
<b>Assets</b>					
<b>Current Assets:</b>	<b>30,108</b>	<b>29,335</b>	<b>31,302</b>	<b>31,229</b>	<b>31,541</b>
Cash and Deposits	16,935	16,439	17,795	17,553	19,615
Notes and Accounts Receivable - Trade	10,436	9,945	10,528	10,351	9,020
Merchandise and Finished Goods	1,394	1,771	1,653	1,624	1,555
Work in Process	55	49	62	81	77
Raw Materials and Supplies	578	397	664	959	759
Deferred Tax Assets	411	370	239	237	256
Others	324	373	383	442	262
Allowance for Doubtful Accounts	-28	-10	-24	-20	-5
<b>Fixed Assets:</b>	<b>10,145</b>	<b>9,972</b>	<b>10,203</b>	<b>9,389</b>	<b>9,641</b>
<b>Property, Plant and Equipment</b>	<b>3,529</b>	<b>3,442</b>	<b>3,404</b>	<b>3,339</b>	<b>3,290</b>
Buildings and Structures	1,111	1,038	1,192	1,125	1,070
Machinery, Equipment and Vehicles	93	79	72	66	52
Land	1,991	1,991	1,800	1,800	1,796
Construction in Progress	-	-	33	33	33
Others	333	333	304	313	337
<b>Intangible Assets</b>	<b>97</b>	<b>113</b>	<b>198</b>	<b>165</b>	<b>137</b>
Software	77	92	178	145	117
Others	20	20	20	20	20
<b>Investments and Other Assets</b>	<b>6,518</b>	<b>6,416</b>	<b>6,600</b>	<b>5,884</b>	<b>6,213</b>
Investment Securities	1,673	1,794	1,962	1,659	1,910
Stocks of Subsidiaries and Affiliates	397	404	419	418	423
Deferred Tax Assets	57	141	52	54	61
Net defined benefit asset	-	666	1,299	902	990
Guarantee Deposits	2,567	2,569	2,545	2,546	2,547
Others	1,889	916	377	366	335
Allowance for Doubtful Accounts	-67	-75	-56	-64	-55
<b>Total Assets:</b>	<b>40,254</b>	<b>39,308</b>	<b>41,506</b>	<b>40,619</b>	<b>41,183</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>	<b>13,569</b>	<b>12,972</b>	<b>13,316</b>	<b>12,522</b>	<b>12,023</b>
Notes and Accounts Payable - Trade	8,225	7,821	8,265	7,868	4,365
Electronically recorded obligations - operating	-	-	-	-	2,697
Short - term Loans Payable	3,512	3,521	3,521	3,521	3,516
Income Taxes Payable	459	205	299	254	312
Deferred tax liabilities	-	0	-	-	-
Provision for Bonuses	386	377	369	368	379
Provision for Product Warranties	45	-	-	-	-
Provision for loss on order received	34	11	-	-	-
Others	906	1,036	860	509	753
<b>Non - current Liabilities:</b>	<b>2,139</b>	<b>1,912</b>	<b>2,274</b>	<b>2,132</b>	<b>2,298</b>
Deferred Tax Liabilities	213	301	527	277	347
Provision for Retirement Benefits	201	-	-	-	-
Net defined benefit liability	-	179	187	189	206
Provision for Directors' and Corporate Auditors' Retirement Benefit	934	939	1,025	1,094	1,188
Others	789	492	533	571	556
<b>Total Liabilities:</b>	<b>15,709</b>	<b>14,884</b>	<b>15,590</b>	<b>14,655</b>	<b>14,322</b>
<b>Net Assets</b>					
<b>Shareholders' Equity:</b>	<b>24,266</b>	<b>24,189</b>	<b>25,275</b>	<b>25,805</b>	<b>26,378</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	21,061	21,552	22,638	23,168	23,741
Treasury Stock	-8	-576	-576	-576	-576
<b>Valuation and Translation Adjustments:</b>	<b>278</b>	<b>234</b>	<b>640</b>	<b>158</b>	<b>481</b>
Valuation Difference on Available - for - sale Securities	278	352	494	295	494
Remeasurements of defined benefit plans	-	-118	145	-136	-12
<b>Total Net Assets:</b>	<b>24,544</b>	<b>24,423</b>	<b>25,915</b>	<b>25,963</b>	<b>26,860</b>
<b>Total Liabilities and Net Assets:</b>	<b>40,254</b>	<b>39,308</b>	<b>41,506</b>	<b>40,619</b>	<b>41,183</b>

# [Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2013/3	2014/3	2015/3	2016/3	2017/3
<b>Net Sales:</b>	<b>37,856</b>	<b>36,412</b>	<b>37,252</b>	<b>35,709</b>	<b>35,268</b>
Cost of Sales	29,736	28,892	29,474	28,562	27,867
Gross Profit	8,119	7,520	7,778	7,146	7,400
Selling, General and Administrative Expenses	6,516	6,315	6,357	6,220	6,293
<b>Operating Income:</b>	<b>1,603</b>	<b>1,204</b>	<b>1,420</b>	<b>925</b>	<b>1,107</b>
Non - operating Income	267	180	281	304	173
Interest Income	44	39	37	36	29
Dividends Income	41	49	49	55	59
Equity in Earnings of Affiliates	-	5	11	4	8
Reversal of allowance for doubtful accounts	24	-	1	-	15
Surrender value of insurance	77	20	33	5	-
Compensation Income	-	-	83	155	-
Miscellaneous Income	79	65	64	46	61
Non - operating Expenses	72	62	40	39	39
Interest Expenses	39	38	37	37	34
Loss on Sales of Notes Payable	-	22	-	-	-
Equity in Losses of Affiliates	29	-	-	-	-
Miscellaneous Loss	3	0	2	2	5
<b>Ordinary Income:</b>	<b>1,798</b>	<b>1,322</b>	<b>1,661</b>	<b>1,189</b>	<b>1,242</b>
Extraordinary Income	1	-	122	-	-
Gain on sales of noncurrent assets	1	-	-	-	-
Gain on Sales of Land	-	-	121	-	-
Gain on Sales of Investment Securities	-	-	1	-	-
Extraordinary Loss	301	12	14	5	17
Loss on Retirement of Property, Plant and Equipment	2	12	-	-	-
Loss on Sales of Investment Securities	1	-	-	-	-
Loss on Valuation of Investment Securities	42	-	9	5	-
Loss on Sale of Membership	1	0	-	-	10
Loss on Valuation of Membership	7	-	4	-	3
Impairment loss	247	-	-	-	4
Income before Income Taxes	1,498	1,309	1,770	1,184	1,224
Income Taxes - Current	615	476	474	444	505
Income Taxes - Deferred	81	71	199	-12	-63
<b>Total Income Taxes</b>	<b>696</b>	<b>547</b>	<b>674</b>	<b>431</b>	<b>442</b>
<b>Net Income</b>	<b>801</b>	<b>761</b>	<b>1,096</b>	<b>753</b>	<b>781</b>
Income attributable to non-controlling interests	-	-	-	-	-
Income attributable to owners of parent	801	761	1,096	753	781

# [Consolidated Statements of Comprehensive Income]

(Millions of Yen)

Fiscal Year Ended	2013/3	2014/3	2015/3	2016/3	2017/3
<b>Net Income</b>	<b>801</b>	<b>761</b>	<b>1,096</b>	<b>753</b>	<b>781</b>
Other Comprehensive Income	245	74	406	-481	323
Valuation Difference on Available-for-sale Securities, net of tax	247	73	137	-199	198
Remeasurements of defined benefit plans, net of tax	-	-	264	-282	123
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	-1	1	4	-0	1
<b>Comprehensive Income</b>	<b>1,047</b>	<b>836</b>	<b>1,502</b>	<b>271</b>	<b>1,104</b>

# [Consolidated Statements of Changes in Net Assets]

(April 1, 2016 - March 31, 2017)

(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, 2016</b>	1,208	2,005	23,168	-576	25,805	295	-136	158	25,963
Changes of Items during the period									
Dividends from Surplus			-208		-208				-208
Income attributable to owners of parent			781		781				781
Purchase of Treasury Stock									-
Net Changes of Items other than Shareholders' Equity						199	123	323	323
<b>Total Changes of Items during the period</b>	-	-	573	-	573	199	123	323	896
<b>Balance at March 31, 2017</b>	1,208	2,005	23,741	-576	26,378	494	-12	481	26,860

# [Consolidated Statements of Cash Flows]

(Millions of Yen)

Fiscal Year Ended:	2013/3	2014/3	2015/3	2016/3	2017/3
Net Cash Provided by Operating Activities	2,508	450	1,238	256	2,500
Net Cash Used in Investment Activities	-570	-720	666	-171	-325
Net Cash Used in Financing Activities	-182	-831	-149	-225	-213
Effect of Exchange Rate Change on Cash and Cash Equivalents	6	4	0	-1	-0
Increase (Decrease) in Cash and Cash Equivalents	1,762	-1,096	1,756	-141	1,961
Cash and Cash Equivalents at Beginning of Period	14,483	16,245	15,149	16,905	16,763
Cash and Cash Equivalents at End of Period	16,245	15,149	16,905	16,763	16,725

# [Non - Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2013/3	2014/3	2015/3	2016/3	2017/3
<b>Assets</b>					
<b>Current Assets:</b>	<b>26,400</b>	<b>25,829</b>	<b>26,954</b>	<b>26,346</b>	<b>26,109</b>
Cash and Deposits	13,916	13,236	14,061	13,508	14,942
Notes and Accounts Receivable - Trade	10,059	9,693	10,304	10,163	8,694
Merchandise and Finished Goods	1,387	1,849	1,674	1,678	1,623
Others	1,065	1,077	940	1,017	855
Allowance for Doubtful Accounts	-28	-27	-26	-22	-5
<b>Fixed Assets:</b>	<b>8,469</b>	<b>8,300</b>	<b>8,344</b>	<b>8,000</b>	<b>8,151</b>
<b>Property, Plant and Equipment</b>	<b>2,068</b>	<b>2,050</b>	<b>1,999</b>	<b>1,953</b>	<b>1,960</b>
Buildings	548	513	474	440	424
Land	1,444	1,444	1,444	1,444	1,440
Others	75	92	80	68	95
<b>Intangible Assets</b>	<b>73</b>	<b>66</b>	<b>140</b>	<b>119</b>	<b>103</b>
<b>Investments and Other Assets</b>	<b>6,327</b>	<b>6,183</b>	<b>6,204</b>	<b>5,927</b>	<b>6,088</b>
<b>Total Assets:</b>	<b>34,870</b>	<b>34,130</b>	<b>35,298</b>	<b>34,346</b>	<b>34,261</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>	<b>12,637</b>	<b>12,387</b>	<b>12,755</b>	<b>11,822</b>	<b>11,272</b>
Notes and Accounts Payable - Trade	8,169	8,029	8,419	7,775	4,238
Electronically recorded obligations - operating	-	-	-	-	2,913
Short - term Loans Payable	3,462	3,471	3,471	3,471	3,466
Others	1,005	886	865	576	653
<b>Non - current Liabilities</b>	<b>1,403</b>	<b>1,430</b>	<b>1,594</b>	<b>1,563</b>	<b>1,642</b>
Provision for Directors' and Corporate Auditors' Retirement Benefit	752	822	880	927	991
Long Term Accounts Payable-other	216	-	-	-	-
Deferred tax liabilities	149	270	341	227	254
Others	284	336	372	408	396
<b>Total Liabilities:</b>	<b>14,041</b>	<b>13,817</b>	<b>14,350</b>	<b>13,386</b>	<b>12,914</b>
<b>Net Assets</b>					
<b>Shareholders' Equity</b>	<b>20,547</b>	<b>19,957</b>	<b>20,468</b>	<b>20,673</b>	<b>20,866</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	17,342	17,320	17,831	18,036	18,229
Treasury Stock	-8	-576	-576	-576	-576
<b>Valuation and Translation Adjustments:</b>	<b>281</b>	<b>354</b>	<b>479</b>	<b>285</b>	<b>480</b>
Valuation Difference on Available - for - sale Securities	281	354	479	285	480
<b>Total Net Assets:</b>	<b>20,828</b>	<b>20,312</b>	<b>20,947</b>	<b>20,959</b>	<b>21,346</b>
<b>Total Liabilities and Net Assets:</b>	<b>34,870</b>	<b>34,130</b>	<b>35,298</b>	<b>34,346</b>	<b>34,261</b>

# [Non - Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2013/3	2014/3	2015/3	2016/3	2017/3
<b>Net Sales</b>	<b>35,769</b>	<b>34,545</b>	<b>35,224</b>	<b>33,715</b>	<b>32,941</b>
<b>Operating Income</b>	<b>824</b>	<b>589</b>	<b>678</b>	<b>370</b>	<b>462</b>
Non - operating Income	245	225	268	350	237
Non - operating Expenses	39	76	39	37	35
<b>Ordinary Income</b>	<b>1,030</b>	<b>737</b>	<b>907</b>	<b>683</b>	<b>604</b>
Extraordinary Income	-	-	1	-	-
Extraordinary Loss	49	143	14	5	7
<b>Income before Income Taxes</b>	<b>980</b>	<b>593</b>	<b>894</b>	<b>678</b>	<b>656</b>
Income Taxes - Current	316	217	301	245	272
Income Taxes - Deferred	110	127	48	3	-16
Total Income Taxes	427	344	349	249	255
<b>Net Income</b>	<b>553</b>	<b>249</b>	<b>544</b>	<b>428</b>	<b>401</b>

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

(April 1, 2016 - March 31, 2017)

(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, 2016	1,208	2,005	197	15,000	2,839	18,036	-576	20,673	285	20,959
Changes of Items during the period										
Dividends from Surplus					-208	-208		-208		-208
Net Income					401	401		401		401
Net Changes of Items other than Shareholders' Equity									194	194
Total Changes of Items during the period	-	-	-	-	192	192	-	192	194	387
Balance at March 31, 2017	1,208	2,005	197	15,000	3,032	18,229	-576	20,866	480	21,346

# [Stock Information] (As of March 31,2017)

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	1,225

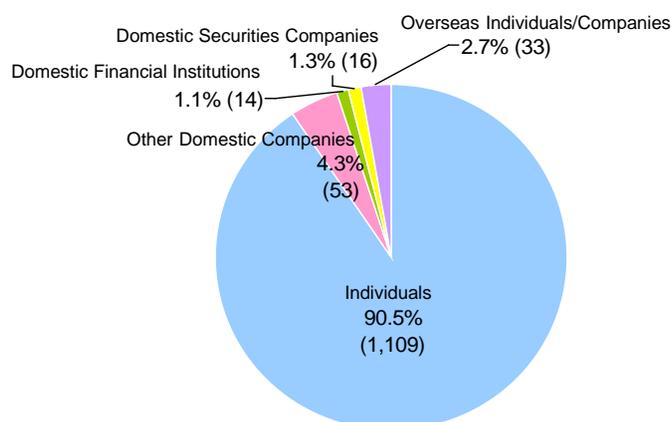
## 【Major Shareholders】

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	490,200	6.6%
Japan Trustee Services Bank, Ltd.(trust account)	360,600	4.8%
Mizuho Bank, Ltd.	360,000	4.8%
MSCO CUSTOMER SECURITIES	342,600	4.6%
Company's Gojokai Association	299,100	4.0%
Hirokazu Kobayashi	237,700	3.2%
Sumitomo Mitsui Banking Corporation	190,000	2.6%
Masataka Hatori	137,200	1.8%

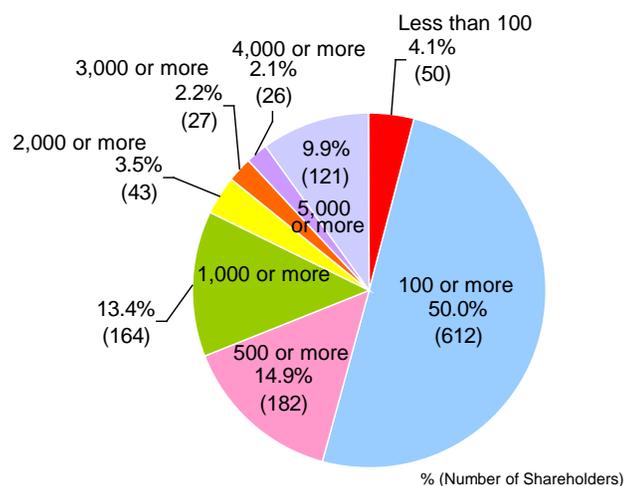
※excluding treasury shares(506,463)

## 【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>	539(Group) 230 (Musashi) (As of March 31, 2017 )
<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.

8-20-36 Ginza Chuo-ku Tokyo  
TEL.03-3437-2925  
Automobile Leasing and Insurance Agency

### ■ MUSASHI ABC CO.,LTD.

1-9-1 Shintomi Chuo-ku Tokyo  
TEL.03-6228-4810  
Microfilming, Digitalizing Image  
Information, Data-Entry Services

### ■ FBM CO.,LTD.

2-13-7 Iidabashi Chiyoda-ku Tokyo  
TEL.03-6272-3453  
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