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MUSASHI CO., LTD.

System Creation Company



President
Representative Director
Masataka Hatori

[Business Overview]

(Millions of Yen)

Fiscal Year Ended:	2016/3	2017/3	2018/3	2019/3	2020/3
Net Sales	35,709	35,268	37,298	37,135	37,589
Operating Income	925	1,107	960	306	1,025

Business Segment

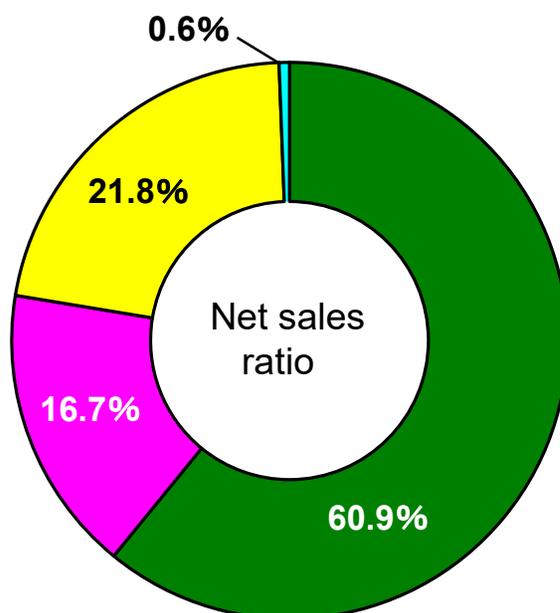
Average ratio per 5 years by Business Segment (2016/3-2020/3)

 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;
- Manufacture and sales of Thermal Enlarger Printer and Thermal Paper.
- Development and sales of image processing software;
- Consultation and sales of industrial non-destructive inspection systems by X-ray for buildings and manufactured products.
- Micro Filter provides reliable precision-filtering microorganisms and fine particles with its outstanding microporous structure
- Maintenance services for equipment.

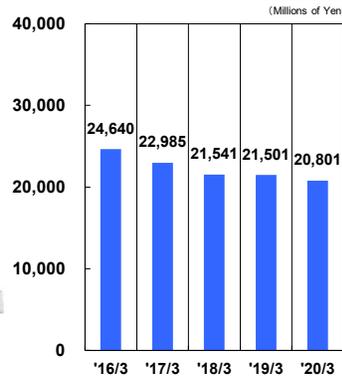


[Printing Systems Equipment]

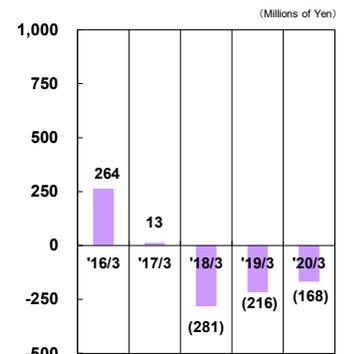
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Consultation and sales of Galvo Laser Systems
- Development and sales of a compact print-on-demand system for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

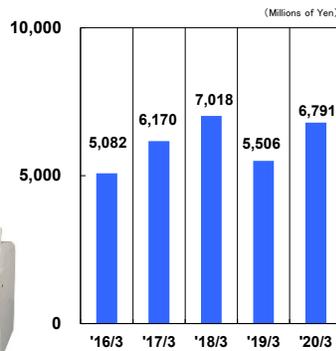
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Security products including Administrative products for keys;
- Maintenance services for the above products.
- Export of cash handling machines including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

[Election Systems Equipment]

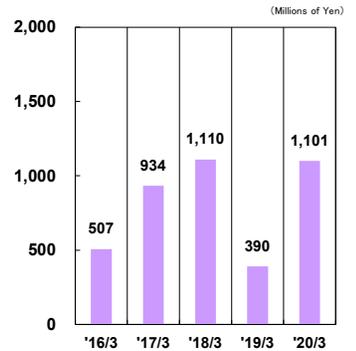
- Ballot paper dispensers, counters, reader sorters, self-opening ballot paper, administrative software, promotional items and other tools;
- Maintenance services for equipment.



Segment Net Sales



Segment Operating Income

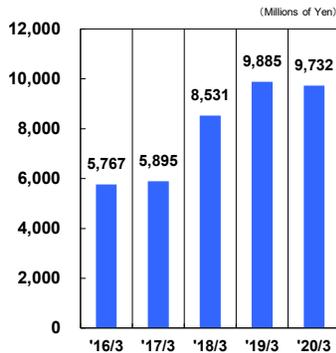


Paper and Processed Paper Products

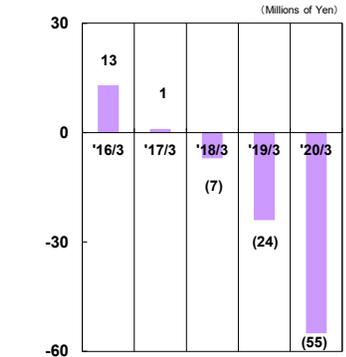
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.
- Carbonless Duplicating Paper (manufactured)



Segment Net Sales



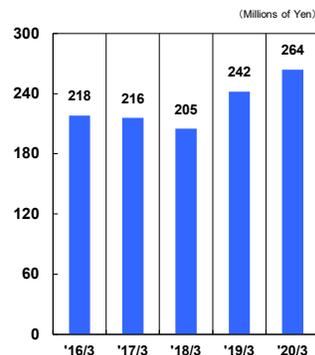
Segment Operating Income



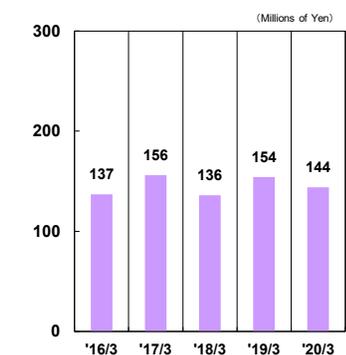
Leasing and Others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

Segment Net Sales

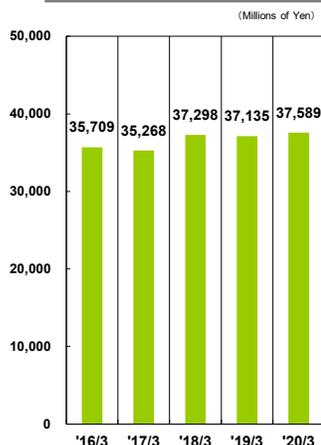


Segment Operating Income

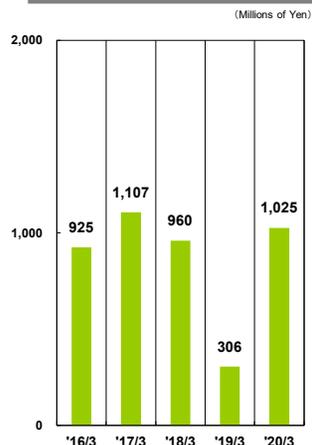


[Consolidated Financial Highlights]

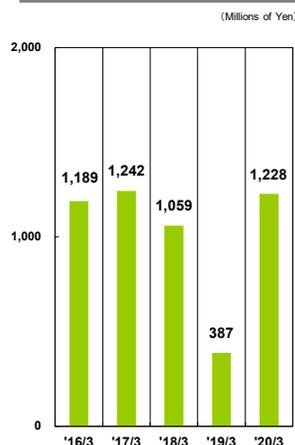
Net Sales



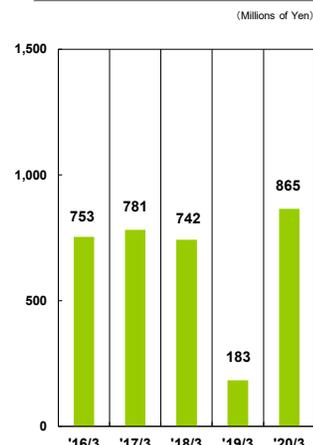
Operating Income



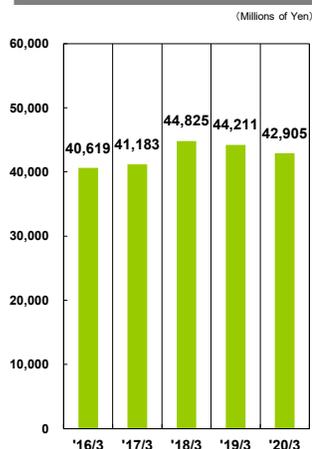
Ordinary Income



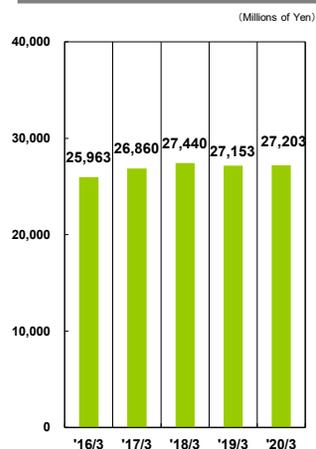
Income attributable to owners of parent



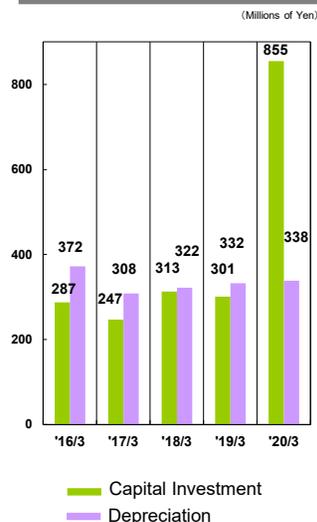
Total Assets



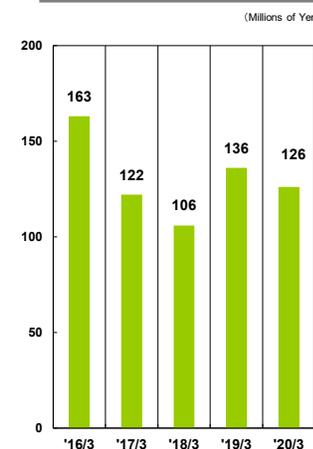
Net Assets



Capital Investment / Depreciation



Research and Development Expenses



— Capital Investment
— Depreciation

(Millions of Yen)

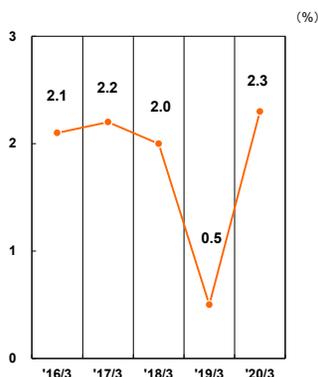
Fiscal Year Ended:	2016/3	2017/3	2018/3	2019/3	2020/3
Net Sales	35,709	35,268	37,298	37,135	37,589
Operating Income	925	1,107	960	306	1,025
Ordinary Income	1,189	1,242	1,059	387	1,228
Income attributable to owners of parent	753	781	742	183	865
Total Assets	40,619	41,183	44,825	44,211	42,905
Net Assets	25,963	26,860	27,440	27,153	27,203
Capital Investment	287	247	313	301	855
Depreciation	372	308	322	332	338
Research and Development Expenses	163	122	106	136	126

*"Partial Amendments to Accounting Standard for Tax Effect Accounting" are applied after FY2018/3, according to the update of Japanese GAAP.

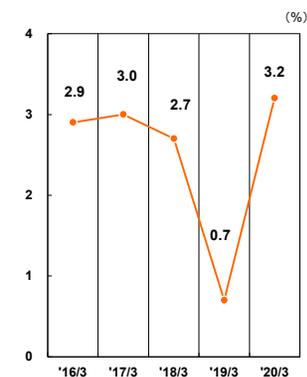
[Consolidated Financial Data]

Profitability

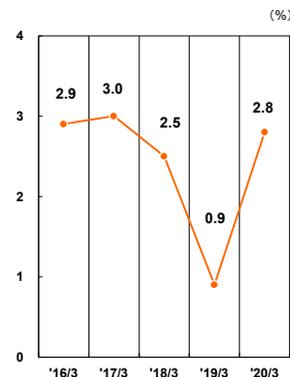
Return on Sales



Return on Equity [ROE]

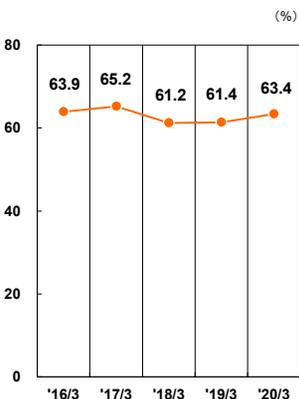


Return on Assets [ROA]

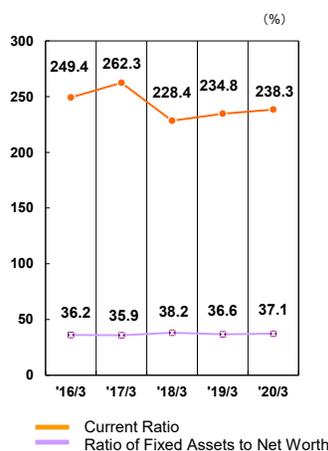


Stability

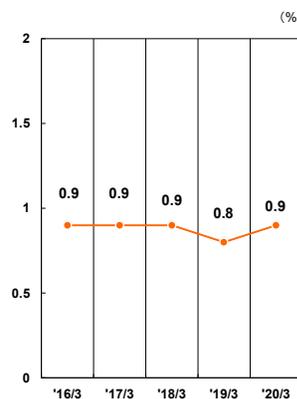
Shareholders' Equity Ratio



Current Ratio / Ratio of Fixed Assets to Net Worth

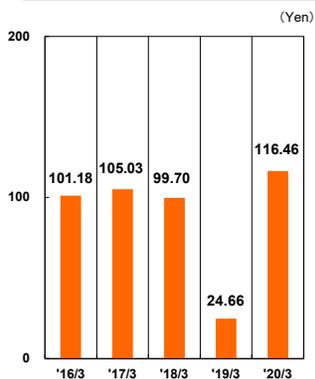


Assets Turnover

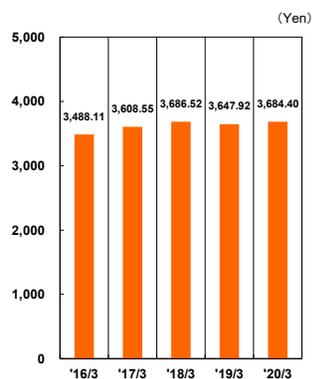


Investment Data

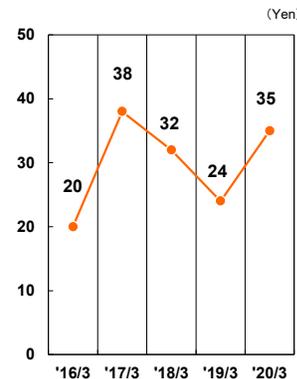
Net Income per Share [EPS]



Shareholders' Equity per Share [BPS]



Cash Dividends per Share



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

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

*"Partial Amendments to Accounting Standard for Tax Effect Accounting" are applied after FY2018/3, according to the update of Japanese GAAP.

[Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2016/3	2017/3	2018/3	2019/3	2020/3
Assets					
Current Assets:	31,229	31,541	34,354	34,279	32,809
Cash and Deposits	17,553	19,615	19,665	18,747	20,180
Notes and Accounts Receivable - Trade	10,351	9,020	11,013	11,754	9,319
Merchandise and Finished Goods	1,624	1,555	2,515	2,739	2,442
Work in Process	81	77	70	78	69
Raw Materials and Supplies	959	759	611	470	429
Deferred Tax Assets	237	256	-	-	-
Others	442	262	487	495	404
Allowance for Doubtful Accounts	(20)	(5)	(8)	(6)	(36)
Fixed Assets:	9,389	9,641	10,470	9,931	10,095
Property, Plant and Equipment	3,339	3,290	3,263	3,216	3,647
Buildings and Structures	1,125	1,070	1,047	993	1,269
Machinery, Equipment and Vehicles	66	52	35	50	40
Land	1,800	1,796	1,811	1,811	1,969
Construction in Progress	33	33	-	-	-
Others	313	337	369	361	368
Intangible Assets	165	137	477	408	409
Goodwill	-	-	352	272	205
Software	145	117	104	115	183
Others	20	20	20	20	20
Investments and Other Assets	5,884	6,213	6,728	6,307	6,038
Investment Securities	1,659	1,910	1,857	1,424	1,020
Stocks of Subsidiaries and Affiliates	418	423	439	431	473
Deferred Tax Assets	54	61	361	301	418
Net defined benefit asset	902	990	1,121	1,133	940
Guarantee Deposits	2,546	2,547	2,548	2,548	2,549
Others	366	335	448	512	813
Allowance for Doubtful Accounts	(64)	(55)	(46)	(45)	(176)
Total Assets:	40,619	41,183	44,825	44,211	42,905
Liabilities					
Current Liabilities:	12,522	12,023	15,041	14,600	13,768
Notes and Accounts Payable - Trade	7,868	4,365	6,566	6,122	5,073
Electronically recorded obligations – operating	-	2,697	3,301	3,698	3,397
Short - term Loans Payable	3,521	3,516	3,516	3,516	3,516
Income Taxes Payable	254	312	277	68	291
Provision for Bonuses	368	379	433	425	413
Others	509	753	946	769	1,076
Non - current Liabilities:	2,132	2,298	2,343	2,457	1,932
Deferred Tax Liabilities	277	347	207	181	67
Net defined benefit liability	189	206	189	214	224
Provision for Directors' and Corporate Auditors' Retirement Benefit	1,094	1,188	1,276	1,386	971
Others	571	556	670	674	668
Total Liabilities:	14,655	14,322	17,384	17,058	15,701
Net Assets					
Shareholders' Equity:	25,805	26,378	26,882	26,827	27,335
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	23,168	23,741	24,245	24,190	24,818
Treasury Stock	(576)	(576)	(576)	(576)	(696)
Valuation and Translation Adjustments:	158	481	558	325	(132)
Valuation Difference on Available - for sale Securities	295	494	435	214	(32)
Remeasurements of defined benefit plans	(136)	(12)	122	110	(99)
Total Net Assets:	25,963	26,860	27,440	27,153	27,203
Total Liabilities and Net Assets:	40,619	41,183	44,825	44,211	42,905

*"Partial Amendments to Accounting Standard for Tax Effect Accounting" are applied after FY2018/3, according to the update of Japanese GAAP.

[Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2016/3	2017/3	2018/3	2019/3	2020/3
Net Sales:	35,709	35,268	37,298	37,135	37,589
Cost of Sales	28,562	27,867	29,132	29,309	28,920
Gross Profit	7,146	7,400	8,165	7,826	8,669
Selling, General and Administrative Expenses	6,220	6,293	7,205	7,519	7,644
Operating Income:	925	1,107	960	306	1,025
Non - operating Income	304	173	146	116	255
Interest Income	36	29	20	2	3
Dividends Income	55	59	59	49	47
Equity in Earnings of Affiliates	4	8	17	1	43
Reversal of allowance for doubtful accounts	-	15	-	1	-
Surrender value of insurance	5	-	-	-	-
Compensation Income	155	-	-	-	-
Insurance Claim Income	-	-	-	6	92
Miscellaneous Income	46	61	48	55	69
Non - operating Expenses	39	39	46	36	52
Interest Expenses	37	34	34	34	34
Shares of subsidiaries acquisition related cost	-	-	8	-	-
Provision of allowance for doubtful accounts	-	-	-	-	2
Retirement benefit expenses	-	-	-	-	11
Miscellaneous Loss	2	5	3	1	3
Ordinary Income:	1,189	1,242	1,059	387	1,228
Extraordinary Income	-	-	180	111	24
Gain on Sales of Investment Securities	-	-	180	111	24
Extraordinary Loss	5	17	-	16	73
Loss on Valuation of Investment Securities	5	-	-	16	6
Loss on Sale of Membership	-	10	-	-	-
Loss on Valuation of Membership	-	3	-	-	2
Impairment loss	-	4	-	-	64
Income before Income Taxes	1,184	1,224	1,240	482	1,179
Income Taxes - Current	444	505	497	216	362
Income Taxes - Deferred	(12)	(63)	1	83	(48)
Total Income Taxes	431	442	498	299	313
Net Income	753	781	742	183	865
Income attributable to non-controlling interests	-	-	-	-	-
Income attributable to owners of parent	753	781	742	183	865

[Consolidated Statements of Comprehensive Income]

(Millions of Yen)

Fiscal Year Ended	2016/3	2017/3	2018/3	2019/3	2020/3
Net Income	753	781	742	183	865
Other Comprehensive Income	(481)	323	76	(232)	(457)
Valuation Difference on Available-for-sale Securities, net of tax	(199)	198	(62)	(217)	(245)
Remeasurements of defined benefit plans, net of tax	(282)	123	135	(11)	(210)
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	(0)	1	3	(3)	(1)
Comprehensive Income	271	1,104	818	(49)	407

[Consolidated Statements of Changes in Net Assets]

(April 1, 2019 - March 31, 2020)

(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	
Balance at March 31, 2019	1,208	2,005	24,190	(576)	26,827	214	110	325	27,153
Changes of Items during the period									
Dividends from Surplus			(238)		(238)				(238)
Income attributable to owners of parent			865		865				865
Purchase of treasury stock				(119)	(119)				(119)
Net Changes of Items other than Shareholders' Equity						(247)	(210)	(457)	(457)
Total Changes of Items during the period	-	-	627	(119)	507	(247)	(210)	(457)	50
Balance at March 31, 2020	1,208	2,005	24,818	(696)	27,335	(32)	(99)	(132)	27,203

[Consolidated Statements of Cash Flows]

(Millions of Yen)

Fiscal Year Ended:	2016/3	2017/3	2018/3	2019/3	2020/3
Net Cash Provided by Operating Activities	256	2,500	2,367	(585)	2,765
Net Cash Used in Investment Activities	(171)	(325)	(2,078)	(93)	(979)
Net Cash Used in Financing Activities	(225)	(213)	(239)	(238)	(357)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(1)	(0)	0	(0)	(1)
Increase(Decrease) in Cash and Cash Equivalents	(141)	1,961	50	(917)	1,427
Cash and Cash Equivalents at Beginning of Period	16,905	16,763	18,725	18,775	17,857
Cash and Cash Equivalents at End of Period	16,763	18,725	18,775	17,857	19,285

[Non - Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2016/3	2017/3	2018/3	2019/3	2020/3
Assets					
Current Assets:	26,346	26,109	25,199	25,829	24,381
Cash and Deposits	13,508	14,942	13,980	13,340	14,595
Notes and Accounts Receivable - Trade	10,163	8,694	8,512	9,426	7,233
Merchandise and Finished Goods	1,678	1,623	1,800	2,199	1,776
Others	1,017	855	911	869	805
Allowance for Doubtful Accounts	(22)	(5)	(5)	(5)	(28)
Fixed Assets:	8,000	8,151	9,975	9,529	9,601
Property, Plant and Equipment	1,953	1,960	1,933	1,894	1,939
Buildings	440	424	407	378	398
Land	1,444	1,440	1,440	1,440	1,440
Others	68	95	85	75	101
Intangible Assets	119	103	72	44	90
Investments and Other Assets	5,927	6,088	7,969	7,591	7,571
Total Assets:	34,346	34,261	35,174	35,359	33,983
Liabilities					
Current Liabilities:	11,822	11,272	12,105	12,516	11,550
Notes and Accounts Payable - Trade	7,775	4,238	4,139	4,384	3,511
Electronically recorded obligations - operating	-	2,913	3,690	4,188	3,701
Short - term Loans Payable	3,471	3,466	3,466	3,466	3,466
Others	576	653	809	476	871
Non - current Liabilities	1,563	1,642	1,542	1,596	1,146
Provision for Directors' and Corporate Auditors' Retirement Benefit	927	991	1,049	1,125	741
Deferred tax liabilities	227	254	84	58	-
Others	408	396	408	412	405
Total Liabilities:	13,386	12,914	13,647	14,112	12,697
Net Assets					
Shareholders' Equity	20,673	20,866	21,126	21,047	21,296
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	18,036	18,229	18,489	18,410	18,779
Treasury Stock	(576)	(576)	(576)	(576)	(696)
Valuation and Translation Adjustments:	285	480	400	198	(11)
Valuation Difference on Available - for - sale Securities	285	480	400	198	(11)
Total Net Assets:	20,959	21,346	21,527	21,246	21,285
Total Liabilities and Net Assets:	34,346	34,261	35,174	35,359	33,983

*"Partial Amendments to Accounting Standard for Tax Effect Accounting" are applied after FY2018/3, according to the update of Japanese GAAP.

[Non - Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2016/3	2017/3	2018/3	2019/3	2020/3
Net Sales	33,715	32,941	31,104	28,902	29,554
Operating Income	370	462	405	59	423
Non - operating Income	350	237	214	177	313
Non - operating Expenses	37	35	36	84	34
Ordinary Income	683	664	583	152	702
Extraordinary Income	-	-	180	111	24
Extraordinary Loss	5	7	-	-	8
Income before Income Taxes	678	656	764	247	718
Income Taxes - Current	245	272	290	78	126
Income Taxes - Deferred	3	(16)	(24)	10	(15)
Total Income Taxes	249	255	265	88	111
Net Income	428	401	498	159	606

[Non - Consolidated Statements of Changes in Net Assets]

(April 1, 2019 - March 31, 2020)

(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, 2019	1,208	2,005	197	15,000	3,213	18,410	(576)	21,047	198	21,246
Changes of Items during the period										
Dividends from Surplus					(238)	(238)		(238)		(238)
Net Income					606	606		606		606
Purchase of treasury stock						-	(119)	(119)		(119)
Net Changes of Items other than Shareholders' Equity						-		-	(210)	(210)
Total Changes of Items during the period	-	-	-	-	368	368	(119)	249	(210)	39
Balance at March 31, 2020	1,208	2,005	197	15,000	3,582	18,779	(696)	21,296	(11)	21,285

[Stock Information] (As of March 31,2020)

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	902

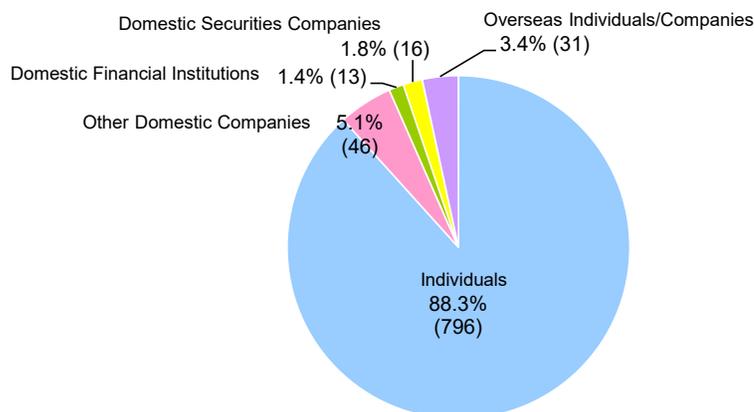
【Major Shareholders】

Name	Number of Stock Held	Stock Holding Ratio
Jyoumou Jitsugyou Co., Ltd.	1,388,600	18.8%
Shourin Shouji Co., Ltd.	897,400	12.2%
Broad Peak, Inc.	561,300	7.6%
Employees' Stockholding	389,900	5.3%
Mizuho Bank, Ltd.	360,000	4.9%
MSCO CUSTOMER SECURITIES	324,900	4.4%
Company's Gojokai Association	299,100	4.1%
Japan Trustee Services Bank, Ltd.(trust account)	296,900	4.0%
Hirokazu Kobayashi	237,700	3.2%
Sumitomo Mitsui Banking Corporation	190,000	2.6%
Masataka Hatori	137,200	1.9%

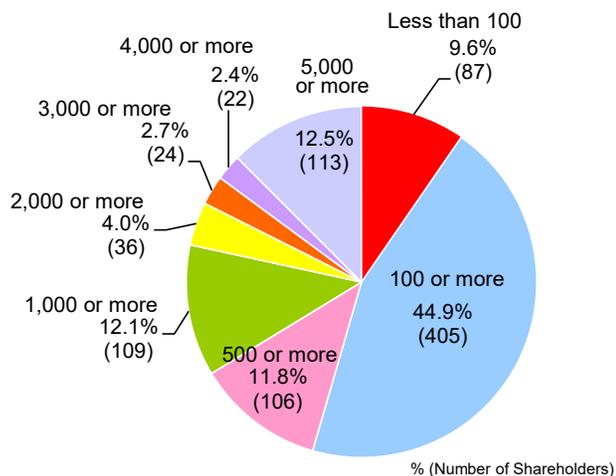
※excluding treasury shares(566,609)

【Breakdown of Shareholders】

■ Type of Shareholders



■ Number of Shares



% (Number of Shareholders)

[Company Profile]

Company Name	MUSASHI CO., LTD.
Established	December, 1946
Head Office	8-20-36 Ginza Chuo-ku Tokyo, Japan
Paid-in Capital	¥ 1,208,500,000
Employees	552 (Group) 211 (Musashi) (As of March 31, 2020)
Banks	The Mizuho Bank, Limited. The Mitsui Sumitomo Bank, Limited. MUFG Bank, Ltd.
Branch	Tokyo Sapporo Sendai Saitama Chiba Yokohama Nagoya Osaka Hiroshima Fukuoka and other 7 sales offices



[Musashi Group]

- **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 KOUSAN CO.,LTD.**
7-2-4 Ginza Chuo-ku Tokyo
TEL.03-3572-8461
Real Estate Rental
- **MUSASHI FIELD SUPPORT CO.,LTD.**
8-20-36 Ginza Chuo-ku Tokyo
TEL.03-3546-7779
Technical Support
- **MBS CO.,LTD.**
1-24-1 Shinkawa Chuo-ku Tokyo
TEL.03-5244-9590
Manufactures and Sales of Carbonless Duplicating Paper, Thermal Enlarger Printer
- **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
- **MUSASHI IMAGE JOHO CO.,LTD.**
1-7-12 Shinonome Koto-ku Tokyo
TEL.03-6228-4056
Microfilming, Digitalizing Image Information, Data-Entry Services

■ Subsidiaries
□ Equity-method affiliate