

FACTBOOK2021

MUSASHI CO., LTD.

System Creation Company



President
Representative Director
Masataka Hatori

[Business Overview]

(Millions of Yen)

Fiscal Year Ended:	2017/3	2018/3	2019/3	2020/3	2021/3
Net Sales	35,268	37,298	37,135	37,589	30,261
Operating Income	1,107	960	306	1,025	(97)

Business Segment

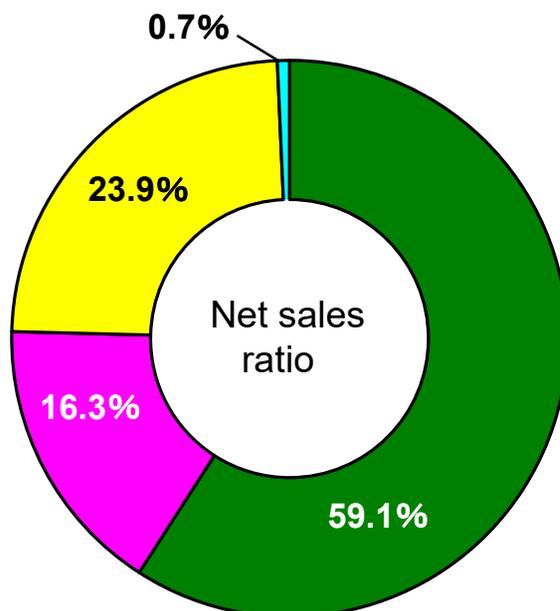
 Imaging Systems, Printing Systems and Industrial X-ray Systems Equipment

 Cash handling Equipment, Election Systems Equipment

 Paper and Processed Paper Products

 Leasing and others

Average ratio per 5 years by Business Segment (2017/3-2021/3)



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.

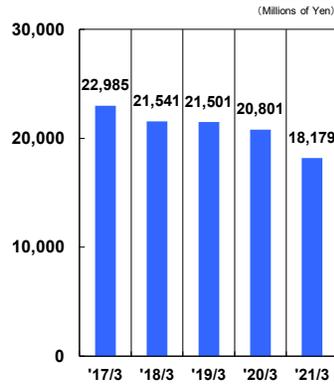


[Printing Systems Equipment]

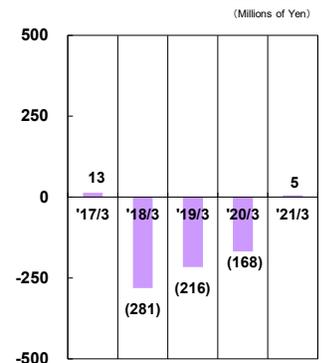
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Consultation and sales of Galvo Laser Systems
- Development and sales of a compact print-on-demand system for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

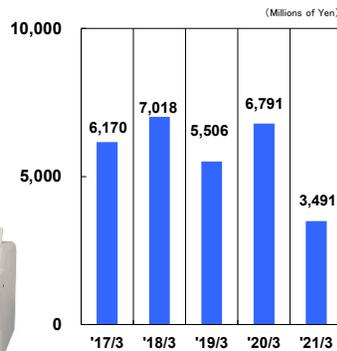
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Security products including Administrative products for keys;
- Maintenance services for the above products.
- Export of cash handling machines including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

[Election Systems Equipment]

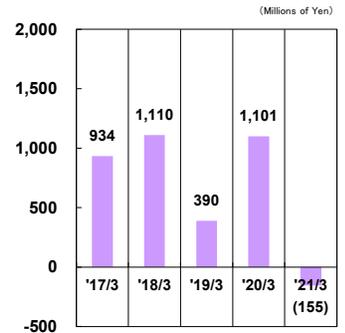
- Ballot paper dispensers, counters, reader sorters, self-opening ballot paper, administrative software, promotional items and other tools;
- Maintenance services for equipment.



Segment Net Sales



Segment Operating Income

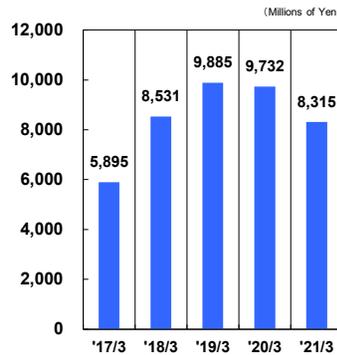


Paper and Processed Paper Products

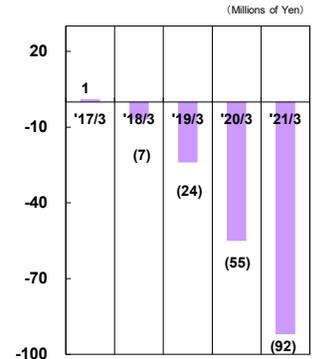
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.
- Carbonless Duplicating Paper (manufactured)



Segment Net Sales



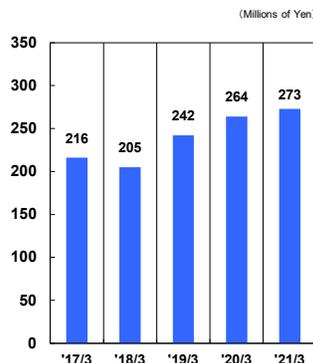
Segment Operating Income



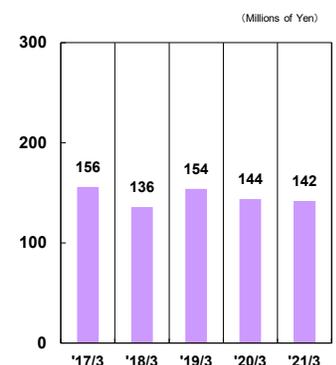
Leasing and Others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

Segment Net Sales

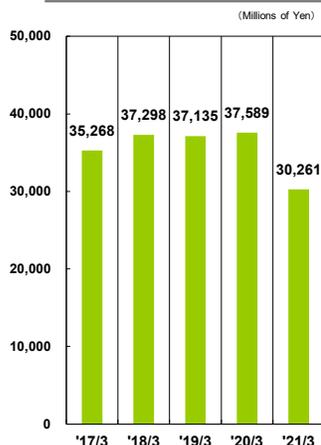


Segment Operating Income

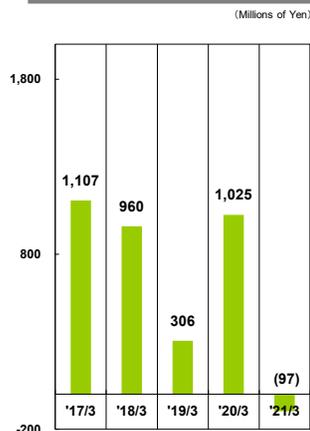


[Consolidated Financial Highlights]

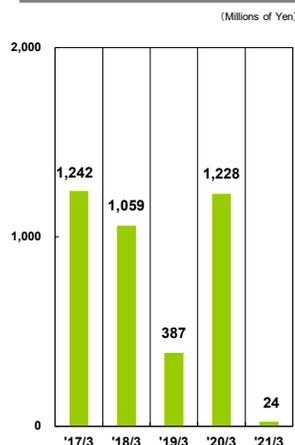
Net Sales



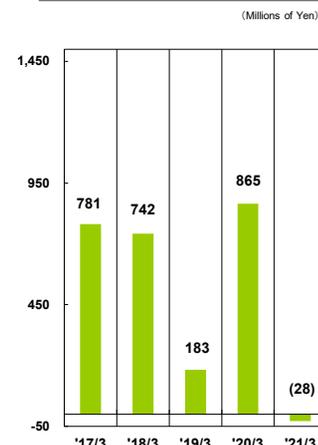
Operating Income



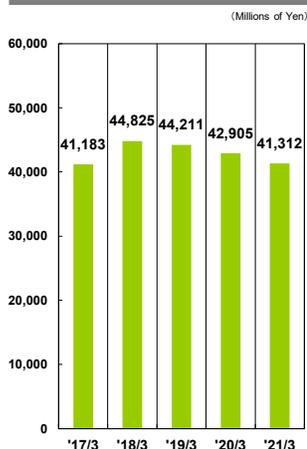
Ordinary Income



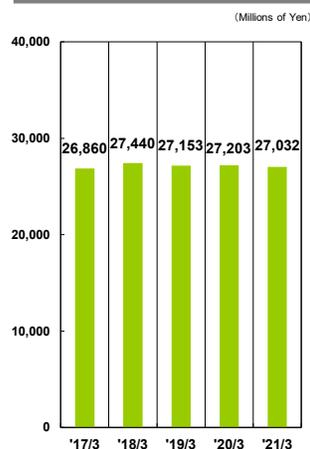
Income attributable to owners of parent



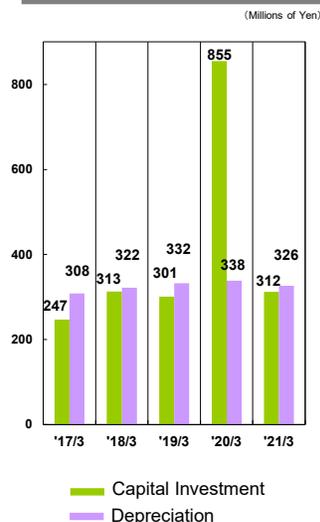
Total Assets



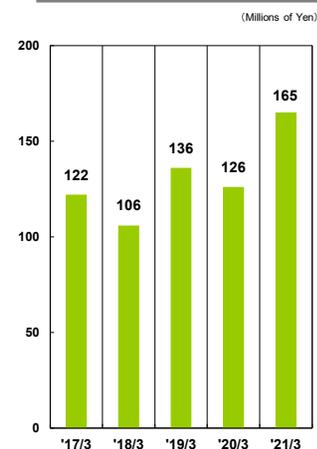
Net Assets



Capital Investment / Depreciation



Research and Development Expenses



— Capital Investment
— Depreciation

(Millions of Yen)

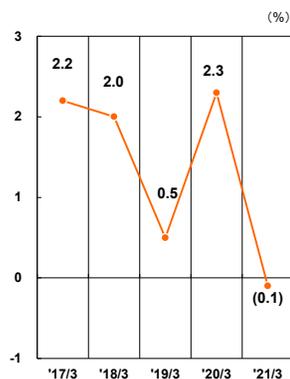
Fiscal Year Ended:	2017/3	2018/3	2019/3	2020/3	2021/3
Net Sales	35,268	37,298	37,135	37,589	30,261
Operating Income	1,107	960	306	1,025	(97)
Ordinary Income	1,242	1,059	387	1,228	24
Income attributable to owners of parent	781	742	183	865	(28)
Total Assets	41,183	44,825	44,211	42,905	41,312
Net Assets	26,860	27,440	27,153	27,203	27,032
Capital Investment	247	313	301	855	312
Depreciation	308	322	332	338	326
Research and Development Expenses	122	106	136	126	165

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

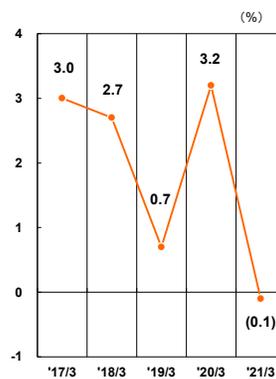
[Consolidated Financial Data]

Profitability

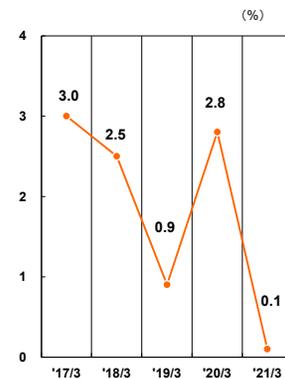
Return on Sales



Return on Equity [ROE]

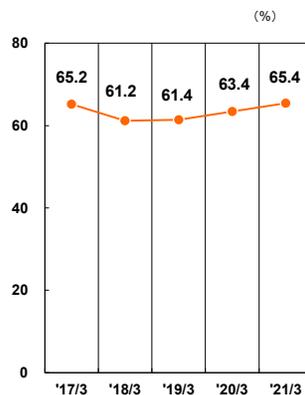


Return on Assets [ROA]

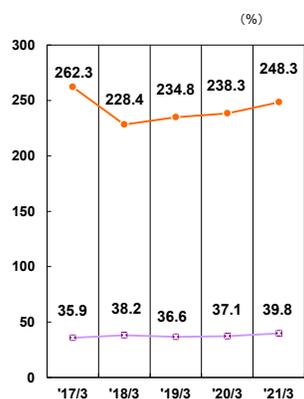


Stability

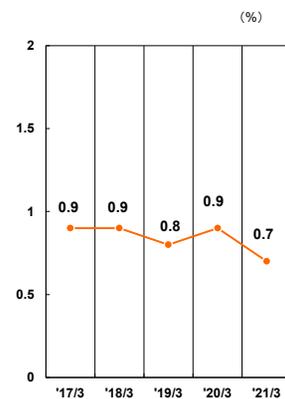
Shareholders' Equity Ratio



Current Ratio / Ratio of Fixed Assets to Net Worth



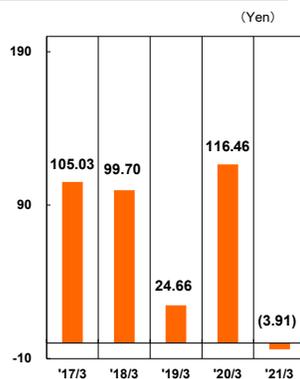
Assets Turnover



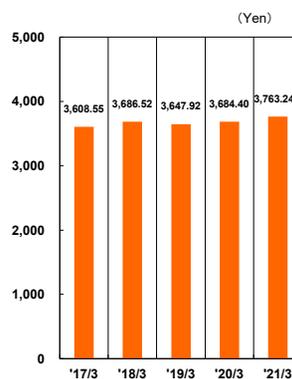
— Current Ratio
— Ratio of Fixed Assets to Net Worth

Investment Data

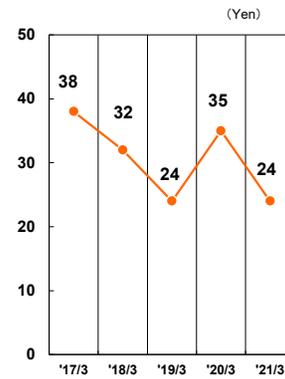
Net Income per Share [EPS]



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:	2017/3	2018/3	2019/3	2020/3	2021/3
Assets					
Current Assets:	31,541	34,354	34,279	32,809	30,568
Cash and Deposits	19,615	19,665	18,747	20,180	18,481
Notes and Accounts Receivable - Trade	9,020	11,013	11,754	9,319	8,518
Merchandise and Finished Goods	1,555	2,515	2,739	2,442	2,411
Work in Process	77	70	78	69	68
Raw Materials and Supplies	759	611	470	429	473
Deferred Tax Assets	256	-	-	-	-
Others	262	487	495	404	645
Allowance for Doubtful Accounts	(5)	(8)	(6)	(36)	(30)
Fixed Assets:	9,641	10,470	9,931	10,095	10,744
Property, Plant and Equipment	3,290	3,263	3,216	3,647	3,552
Buildings and Structures	1,070	1,047	993	1,269	1,208
Machinery, Equipment and Vehicles	52	35	50	40	50
Land	1,796	1,811	1,811	1,969	1,969
Construction in Progress	33	-	-	-	-
Others	337	369	361	368	323
Intangible Assets	137	477	408	409	400
Goodwill	-	352	272	205	133
Software	117	104	115	183	246
Others	20	20	20	20	20
Investments and Other Assets	6,213	6,728	6,307	6,038	6,791
Investment Securities	1,910	1,857	1,424	1,020	1,271
Stocks of Subsidiaries and Affiliates	423	439	431	473	492
Deferred Tax Assets	61	361	301	418	382
Net defined benefit asset	990	1,121	1,133	940	1,392
Guarantee Deposits	2,547	2,548	2,548	2,549	2,549
Others	335	448	512	813	766
Allowance for Doubtful Accounts	(55)	(46)	(45)	(176)	(62)
Total Assets:	41,183	44,825	44,211	42,905	41,312
Liabilities					
Current Liabilities:	12,023	15,041	14,600	13,768	12,310
Notes and Accounts Payable - Trade	4,365	6,566	6,122	5,073	4,904
Electronically recorded obligations – operating	2,697	3,301	3,698	3,397	2,766
Short - term Loans Payable	3,516	3,516	3,516	3,516	3,516
Income Taxes Payable	312	277	68	291	29
Provision for Bonuses	379	433	425	413	388
Others	753	946	769	1,076	704
Non - current Liabilities:	2,298	2,343	2,457	1,932	1,969
Deferred Tax Liabilities	347	207	181	67	176
Net defined benefit liability	206	189	214	224	223
Provision for Directors' and Corporate Auditors' Retirement Benefit	1,188	1,276	1,386	971	889
Others	556	670	674	668	679
Total Liabilities:	14,322	17,384	17,058	15,701	14,279
Net Assets					
Shareholders' Equity:	26,378	26,882	26,827	27,335	26,714
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	23,741	24,245	24,190	24,818	24,590
Treasury Stock	(576)	(576)	(576)	(696)	(1,089)
Valuation and Translation Adjustments:	481	558	325	(132)	318
Valuation Difference on Available - for sale Securities	494	435	214	(32)	153
Remeasurements of defined benefit plans	(12)	122	110	(99)	164
Total Net Assets:	26,860	27,440	27,153	27,203	27,032
Total Liabilities and Net Assets:	41,183	44,825	44,211	42,905	41,312

*"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:	2017/3	2018/3	2019/3	2020/3	2021/3
Net Sales:	35,268	37,298	37,135	37,589	30,261
Cost of Sales	27,867	29,132	29,309	28,920	23,492
Gross Profit	7,400	8,165	7,826	8,669	6,768
Selling, General and Administrative Expenses	6,293	7,205	7,519	7,644	6,865
Operating Income:	1,107	960	306	1,025	(97)
Non - operating Income	173	146	116	255	158
Interest Income	29	20	2	3	1
Dividends Income	59	59	49	47	43
Equity in Earnings of Affiliates	8	17	1	43	23
Reversal of allowance for doubtful accounts	15	-	1	-	0
Subsidy income-2-NOI	-	-	-	-	18
Subsidy income-NOI	-	-	-	-	20
Miscellaneous Income	61	48	61	161	50
Non - operating Expenses	39	46	36	52	37
Interest Expenses	34	34	34	34	34
Shares of subsidiaries acquisition related cost	-	8	-	-	-
Provision of allowance for doubtful accounts	-	-	-	2	-
Retirement benefit expenses	-	-	-	11	-
Miscellaneous Loss	5	3	1	3	2
Ordinary Income:	1,242	1,059	387	1,228	24
Extraordinary Income	-	180	111	24	-
Gain on Sales of Investment Securities	-	180	111	24	-
Extraordinary Loss	17	-	16	73	1
Loss on Valuation of Investment Securities	-	-	16	6	-
Loss on Sale of Membership	10	-	-	-	1
Loss on Valuation of Membership	3	-	-	2	-
Impairment loss	4	-	-	64	-
Income before Income Taxes	1,224	1,240	482	1,179	22
Income Taxes - Current	505	497	216	362	86
Income Taxes - Deferred	(63)	1	83	(48)	(35)
Total Income Taxes	442	498	299	313	50
Net Income	781	742	183	865	(28)
Income attributable to non-controlling interests	-	-	-	-	-
Income attributable to owners of parent	781	742	183	865	(28)

[Consolidated Statements of Comprehensive Income]

(Millions of Yen)

Fiscal Year Ended	2017/3	2018/3	2019/3	2020/3	2021/3
Net Income	781	742	183	865	(28)
Other Comprehensive Income	323	76	(232)	(457)	450
Valuation Difference on Available-for-sale Securities, net of tax	198	(62)	(217)	(245)	185
Remeasurements of defined benefit plans, net of tax	123	135	(11)	(210)	264
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	1	3	(3)	(1)	(0)
Comprehensive Income	1,104	818	(49)	407	422

[Consolidated Statements of Changes in Net Assets]

(April 1, 2020 - March 31, 2021)

(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, 2020	1,208	2,005	24,818	(696)	27,335	(32)	(99)	(132)	27,203
Changes of Items during the period									
Dividends from Surplus			(199)		(199)				(199)
Income attributable to owners of parent			(28)		(28)				(28)
Purchase of treasury stock				(393)	(393)				(393)
Net Changes of Items other than Shareholders' Equity						185	264	450	450
Total Changes of Items during the period	-	-	(227)	(393)	(621)	185	264	450	(170)
Balance at March 31, 2021	1,208	2,005	24,590	(1,089)	26,714	153	164	318	27,032

[Consolidated Statements of Cash Flows]

(Millions of Yen)

Fiscal Year Ended:	2017/3	2018/3	2019/3	2020/3	2021/3
Net Cash Provided by Operating Activities	2,500	2,367	(585)	2,765	(689)
Net Cash Used in Investment Activities	(325)	(2,078)	(93)	(979)	(612)
Net Cash Used in Financing Activities	(213)	(239)	(238)	(357)	(591)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(0)	0	(0)	(1)	0
Increase (Decrease) in Cash and Cash Equivalents	1,961	50	(917)	1,427	(1,893)
Cash and Cash Equivalents at Beginning of Period	16,763	18,725	18,775	17,857	19,285
Cash and Cash Equivalents at End of Period	18,725	18,775	17,857	19,285	17,391

[Non - Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2017/3	2018/3	2019/3	2020/3	2021/3
Assets					
Current Assets:	26,109	25,199	25,829	24,381	22,948
Cash and Deposits	14,942	13,980	13,340	14,595	13,705
Notes and Accounts Receivable - Trade	8,694	8,512	9,426	7,233	6,448
Merchandise and Finished Goods	1,623	1,800	2,199	1,776	1,866
Others	855	911	869	805	952
Allowance for Doubtful Accounts	(5)	(5)	(5)	(28)	(24)
Fixed Assets:	8,151	9,975	9,529	9,601	9,864
Property, Plant and Equipment	1,960	1,933	1,894	1,939	1,897
Buildings	424	407	378	398	372
Land	1,440	1,440	1,440	1,440	1,440
Others	95	85	75	101	84
Intangible Assets	103	72	44	90	105
Investments and Other Assets	6,088	7,969	7,591	7,571	7,861
Total Assets:	34,261	35,174	35,359	33,983	32,813
Liabilities					
Current Liabilities:	11,272	12,105	12,516	11,550	10,571
Notes and Accounts Payable - Trade	4,238	4,139	4,384	3,511	3,692
Electronically recorded obligations - operating	2,913	3,690	4,188	3,701	2,950
Short - term Loans Payable	3,466	3,466	3,466	3,466	3,466
Others	653	809	476	871	462
Non - current Liabilities	1,642	1,542	1,596	1,146	1,213
Provision for Directors' and Corporate Auditors' Retirement Benefit	991	1,049	1,125	741	738
Deferred tax liabilities	254	84	58	-	59
Others	396	408	412	405	415
Total Liabilities:	12,914	13,647	14,112	12,697	11,785
Net Assets					
Shareholders' Equity	20,866	21,126	21,047	21,296	20,881
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	18,229	18,489	18,410	18,779	18,757
Treasury Stock	(576)	(576)	(576)	(696)	(1,089)
Valuation and Translation Adjustments:	480	400	198	(11)	146
Valuation Difference on Available - for - sale Securities	480	400	198	(11)	146
Total Net Assets:	21,346	21,527	21,246	21,285	21,027
Total Liabilities and Net Assets:	34,261	35,174	35,359	33,983	32,813

*"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:	2017/3	2018/3	2019/3	2020/3	2021/3
Net Sales	32,941	31,104	28,902	29,554	23,122
Operating Income	462	405	59	423	51
Non - operating Income	237	214	177	313	247
Non - operating Expenses	35	36	84	34	44
Ordinary Income	664	583	152	702	254
Extraordinary Income	-	180	111	24	-
Extraordinary Loss	7	-	16	8	-
Income before Income Taxes	656	764	247	718	254
Income Taxes - Current	272	290	78	126	31
Income Taxes - Deferred	(16)	(24)	10	(15)	45
Total Income Taxes	255	265	88	111	77
Net Income	401	498	159	606	177

[Non - Consolidated Statements of Changes in Net Assets]

(April 1, 2020 - March 31, 2021)

(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, 2020	1,208	2,005	197	15,000	3,582	18,779	(696)	21,296	(11)	21,285
Changes of Items during the period										
Dividends from Surplus					(199)	(199)		(199)		(199)
Net Income					177	177		177		177
Purchase of treasury stock							(393)	(393)		(393)
Net Changes of Items other than Shareholders' Equity									157	157
Total Changes of Items during the period	-	-	-	-	(22)	(22)	(393)	(415)	157	(257)
Balance at March 31, 2021	1,208	2,005	197	15,000	3,559	18,757	(1,089)	20,881	146	21,027

[Stock Information] (As of March 31,2021)

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	1,053

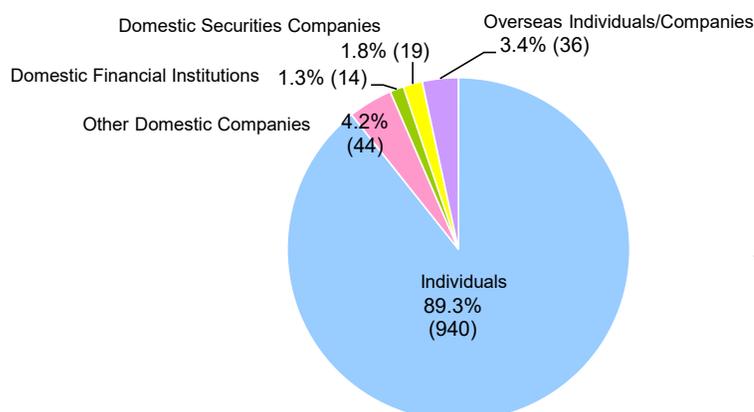
【Major Shareholders】

Name	Number of Stock Held	Stock Holding Ratio
Jyomou Jitsugyou Co., Ltd.	1,388,600	19.3%
Shourin Shouji Co., Ltd.	897,400	12.5%
Hikari Tsushin K.K.	566,300	7.9%
Employees' Stockholding	373,500	5.2%
MSCO CUSTOMER SECURITIES	324,500	4.5%
Company's Gojokai Association	299,100	4.2%
Custody Bank of Japan, Ltd. (trust account)	261,200	3.6%
Hirokazu Kobayashi	237,700	3.3%
Sumitomo Mitsui Banking Corporation	190,000	2.6%
Mizuho Bank, Ltd.	160,000	2.2%
Masataka Hatori	137,200	1.9%

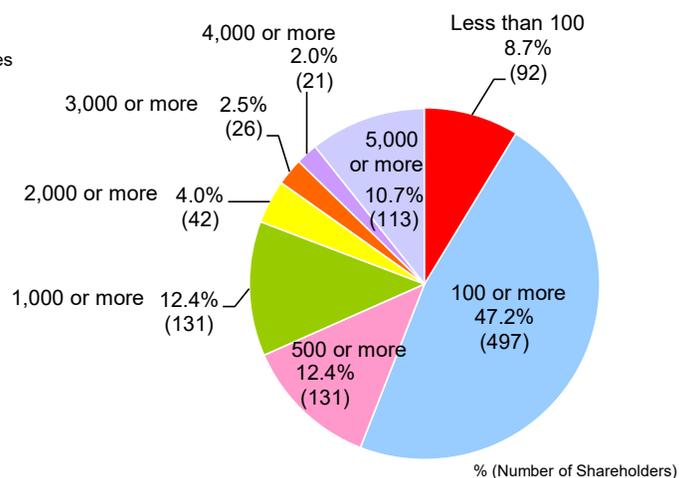
※excluding treasury shares(766,609)

【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	542 (Group) 204 (Musashi) (As of March 31, 2021)
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