

FACTBOOK 2022

MUSASHI CO., LTD.

System Creation Company



President
Representative director
Masataka Hatori


[Business overview]


(Millions of yen)


Fiscal year ended:	2018/3	2019/3	2020/3	2021/3	2022/3
Net sales	37,298	37,135	37,589	30,261	36,213
Operating income	960	306	1,025	(97)	1,746


Business segment

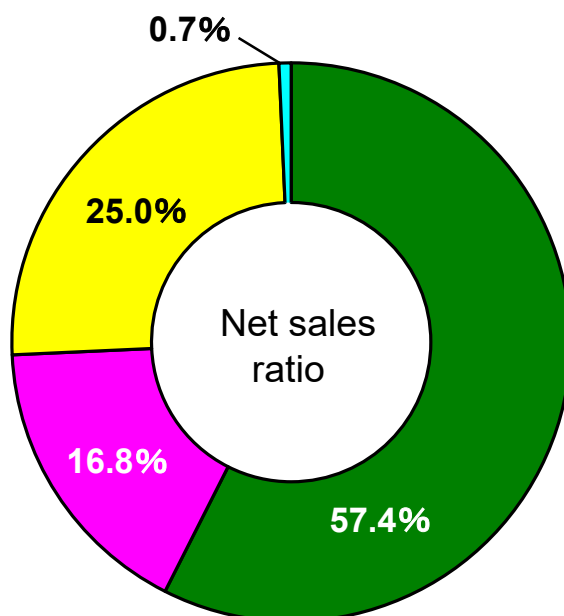
Average ratio per 5 years by business segment (2018/3-2022/3)

 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.

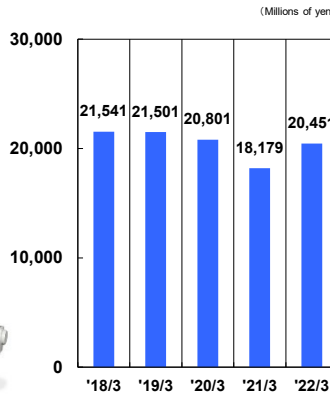


[Printing systems equipment]

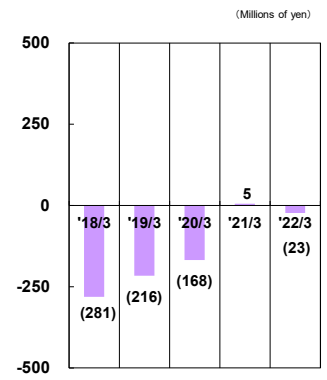
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Consultation and sales of Galvo Laser Systems
- Development and sales of a compact print-on-demand system for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

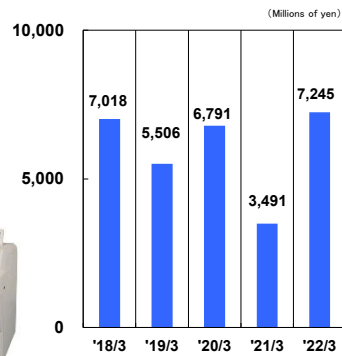
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Security products including Administrative products for keys;
- Maintenance services for the above products.
- Export of cash handling machines including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

[Election systems equipment]

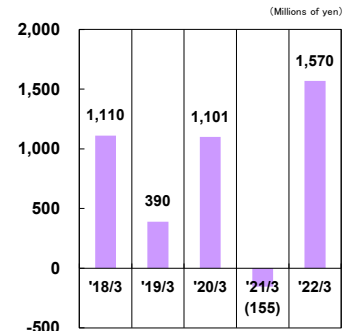
- Ballot paper dispensers, counters, reader sorters, self-opening ballot paper, administrative software, promotional items and other tools;
- Maintenance services for equipment.



Segment net sales



Segment operating income

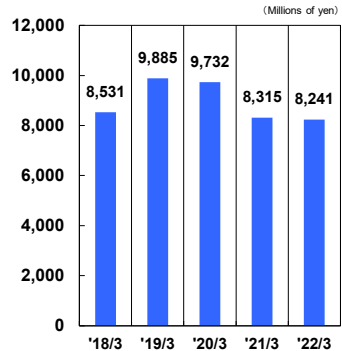


Paper and processed paper products

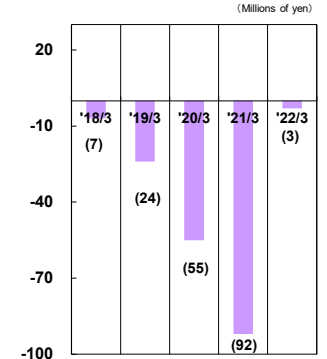
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.
- Carbonless Duplicating Paper (manufactured)



Segment net sales



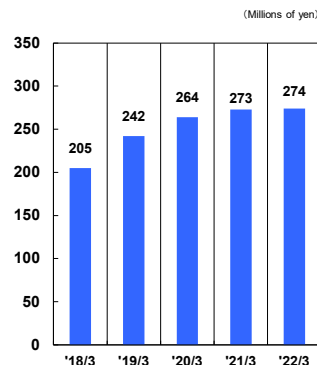
Segment operating income



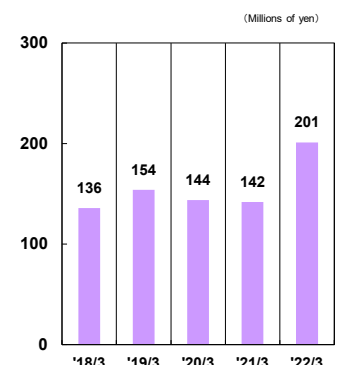
Leasing and others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

Segment net sales



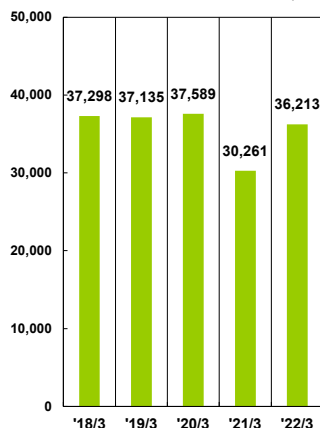
Segment operating income



[Consolidated financial highlights]

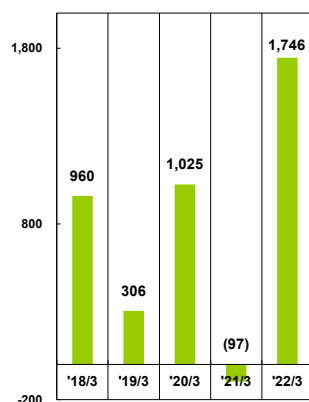
Net sales

(Millions of yen)



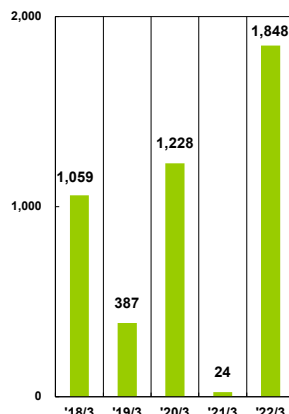
Operating income

(Millions of yen)



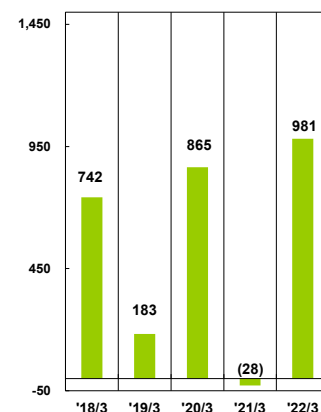
Ordinary income

(Millions of yen)



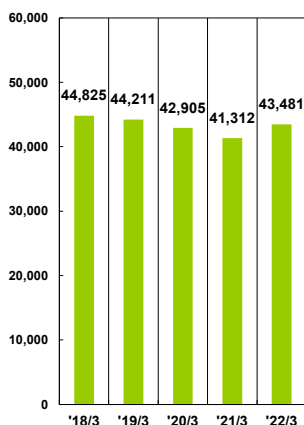
Income attributable to owners of parent

(Millions of yen)



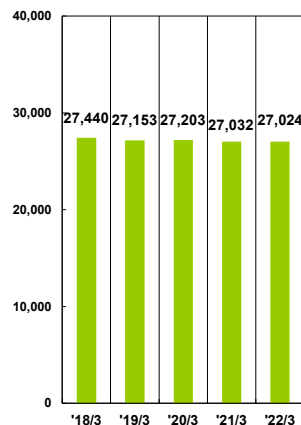
Total assets

(Millions of yen)



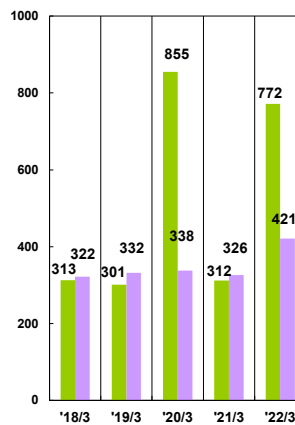
Net assets

(Millions of yen)



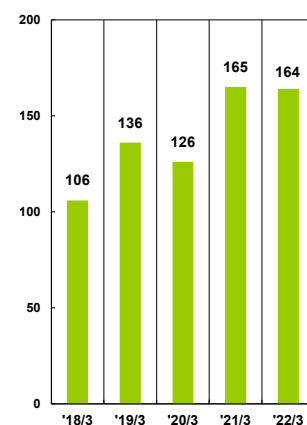
Capital investment/ Depreciation

(Millions of yen)



Research and development expenses

(Millions of yen)



— Capital investment
— Depreciation

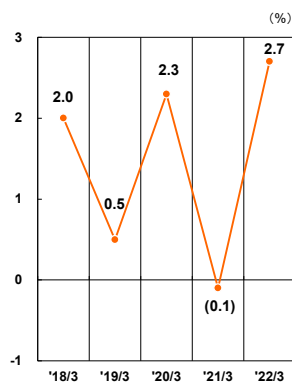
(Millions of yen)

Fiscal year ended:	2018/3	2019/3	2020/3	2021/3	2022/3
Net sales	37,298	37,135	37,589	30,261	36,213
Operating income	960	306	1,025	(97)	1,746
Ordinary income	1,059	387	1,228	24	1,848
Income attributable to owners of parent	742	183	865	(28)	981
Total assets	44,825	44,211	42,905	41,312	43,481
Net assets	27,440	27,153	27,203	27,032	27,024
Capital investment	313	301	855	312	772
Depreciation	322	332	338	326	421
Research and development expenses	106	136	126	165	164

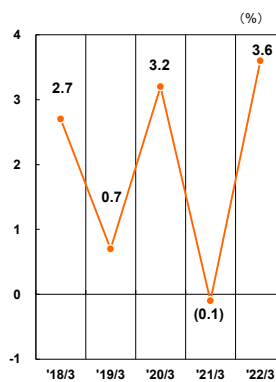
[Consolidated financial data]

Profitability

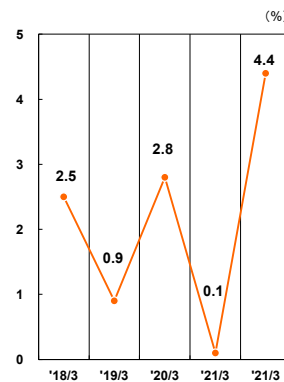
Return on sales



Return on equity [ROE]

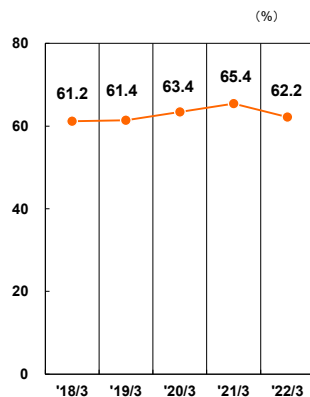


Return on assets [ROA]

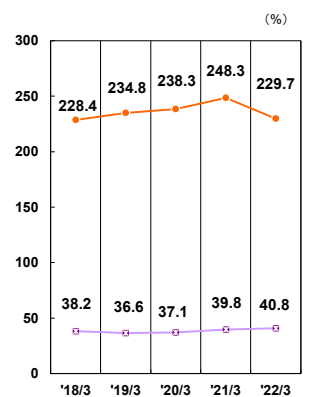


Stability

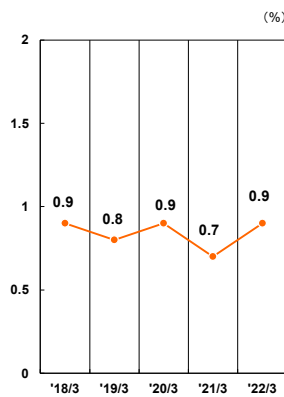
Shareholders' equity ratio



Current ratio /
Ratio of fixed assets to net worth



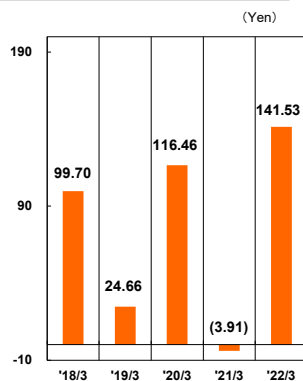
Assets turnover



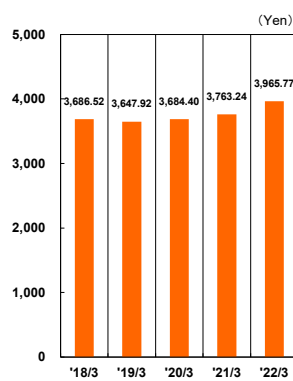
— Current ratio
— Ratio of fixed assets to net worth

Investment data

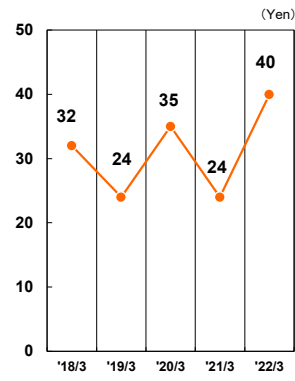
Net income per share [EPS]



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)

[Consolidated balance sheets]

(Millions of yen)

Fiscal year ended:	2018/3	2019/3	2020/3	2021/3	2022/3
Assets					
Current assets:	34,354	34,279	32,809	30,568	32,459
Cash and deposits	19,665	18,747	20,180	18,481	19,485
Notes and accounts receivable - trade	11,013	11,754	9,319	8,518	-
Notes receivable - trade	-	-	-	-	2,801
Accounts receivable - trade	-	-	-	-	6,727
Merchandise and finished goods	2,515	2,739	2,442	2,411	2,189
Work in process	70	78	69	68	155
Raw materials and supplies	611	470	429	473	545
Others	487	495	404	645	592
Allowance for doubtful accounts	(8)	(6)	(36)	(30)	(37)
Fixed assets:	10,470	9,931	10,095	10,744	11,022
Property, plant and equipment	3,263	3,216	3,647	3,552	3,954
Buildings and structures, net	1,047	993	1,269	1,208	1,197
Machinery, equipment and vehicles, net	35	50	40	50	48
Land	1,811	1,811	1,969	1,969	1,969
Others, net	369	361	368	323	738
Intangible assets	477	408	409	400	238
Goodwill	352	272	205	133	39
Software	104	115	183	246	178
Others	20	20	20	20	20
Investments and other assets	6,728	6,307	6,038	6,791	6,829
Investment securities	1,857	1,424	1,020	1,271	1,428
Stocks of subsidiaries and affiliates	439	431	473	492	518
Deferred tax assets	361	301	418	382	234
Net defined benefit asset	1,121	1,133	940	1,392	1,421
Guarantee deposits	2,548	2,548	2,549	2,549	2,549
Others	448	512	813	766	718
Allowance for doubtful accounts	(46)	(45)	(176)	(62)	(41)
Total assets:	44,825	44,211	42,905	41,312	43,481
Liabilities					
Current liabilities:	15,041	14,600	13,768	12,310	14,133
Notes and accounts payable - trade	6,566	6,122	5,073	4,904	5,167
Electronically recorded obligations – operating	3,301	3,698	3,397	2,766	2,879
Short - term loans payable	3,516	3,516	3,516	3,516	3,516
Income taxes payable	277	68	291	29	703
Provision for bonuses	433	425	413	388	387
Provision for product warranties	-	-	-	-	108
Others	946	769	1,076	704	1,370
Non - current liabilities:	2,343	2,457	1,932	1,969	2,323
Deferred tax liabilities	207	181	67	176	167
Net defined benefit liability	189	214	224	223	230
Provision for directors' and corporate auditors' retirement benefit	1,276	1,386	971	889	910
Others	670	674	668	679	1,015
Total liabilities:	17,384	17,058	15,701	14,279	16,457
Net assets					
Shareholders' equity:	26,882	26,827	27,335	26,714	26,722
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	24,245	24,190	24,818	24,590	25,363
Treasury stock	(576)	(576)	(696)	(1,089)	(1,854)
Valuation and translation adjustments:	558	325	(132)	318	301
Valuation difference on available - for sale securities	435	214	(32)	153	171
Remeasurements of defined benefit plans	122	110	(99)	164	130
Total net assets:	27,440	27,153	27,203	27,032	27,024
Total liabilities and net assets:	44,825	44,211	42,905	41,312	43,481

[Consolidated statements of income]

(Millions of yen)

Fiscal year ended:	2018/3	2019/3	2020/3	2021/3	2022/3
Net sales:	37,298	37,135	37,589	30,261	36,213
Cost of sales	29,132	29,309	28,920	23,492	27,449
Gross profit	8,165	7,826	8,669	6,768	8,763
Selling, general and administrative expenses	7,205	7,519	7,644	6,865	7,017
Operating income:	960	306	1,025	(97)	1,746
Non - operating income	146	116	255	158	144
Interest income	20	2	3	1	1
Dividends income	59	49	47	43	47
Equity in earnings of affiliates	17	1	43	23	33
Reversal of allowance for doubtful accounts	-	1	-	0	0
Subsidy income	-	-	-	20	-
Miscellaneous income	48	61	161	69	62
Non - operating expenses	46	36	52	37	43
Interest expenses	34	34	34	34	40
Shares of subsidiaries acquisition related cost	8	-	-	-	-
Provision of allowance for doubtful accounts	-	-	2	-	-
Retirement benefit expenses	-	-	11	-	-
Loss on investments in investment partnership	-	-	-	-	1
Miscellaneous loss	3	1	3	2	0
Ordinary income:	1,059	387	1,228	24	1,848
Extraordinary income	180	111	24	-	1
Gain on sale of investment securities	180	111	24	-	-
Gain on sale of membership	-	-	-	-	1
Extraordinary loss	-	16	73	1	28
Loss on valuation of investment securities	-	16	6	-	-
Loss on retirement of non-current assets	-	-	-	-	5
Loss on sale of membership	-	-	-	1	-
Loss on valuation of membership	-	-	2	-	-
Impairment loss	-	-	64	-	22
Income before income taxes	1,240	482	1,179	22	1,821
Income taxes - current	497	216	362	86	695
Income taxes - deferred	1	83	(48)	(35)	143
Total income taxes	498	299	313	50	839
Net income	742	183	865	(28)	981
Income attributable to non-controlling interests	-	-	-	-	-
Income attributable to owners of parent	742	183	865	(28)	981

[Consolidated statements of comprehensive income]

(Millions of yen)

Fiscal year ended	2018/3	2019/3	2020/3	2021/3	2022/3
Net income	742	183	865	(28)	981
Other comprehensive income	76	(232)	(457)	450	(16)
Valuation difference on available-for-sale securities, net of tax	(62)	(217)	(245)	185	18
Remeasurements of defined benefit plans, net of tax	135	(11)	(210)	264	(34)
Share of other comprehensive income of associates accounted for using equity method	3	(3)	(1)	(0)	(0)
Comprehensive income	818	(49)	407	422	965

[Consolidated statements of changes in net assets]

(April 1, 2021 - March 31, 2022)

(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, 2021	1,208	2,005	24,590	(1,089)	26,714	153	164	318	27,032
Changes of items during the period									
Dividends from surplus			(208)		(208)				(208)
Income attributable to owners of parent			981		981				981
Purchase of treasury stock				(764)	(764)				(764)
Net changes of items other than shareholders' equity						18	(34)	(16)	(16)
Total changes of items during the period	-	-	(773)	(764)	8	18	(34)	(16)	(8)
Balance at March 31, 2022	1,208	2,005	25,363	(1,854)	26,722	171	130	301	27,024

[Consolidated statements of cash flows]

(Millions of yen)

Fiscal year ended:	2018/3	2019/3	2020/3	2021/3	2022/3
Net cash provided by operating activities	2,367	(585)	2,765	(689)	2,601
Net cash used in investment activities	(2,078)	(93)	(979)	(612)	(904)
Net cash used in financing activities	(239)	(238)	(357)	(591)	(594)
Effect of exchange rate change on cash and cash equivalents	0	(0)	(1)	0	1
Increase (Decrease) in cash and cash equivalents	50	(917)	1,427	(1,893)	1,104
Cash and cash equivalents at beginning of period	18,725	18,775	17,857	19,285	17,391
Cash and cash equivalents at end of period	18,775	17,857	19,285	17,391	18,495

[Non - consolidated balance sheets]

(Millions of yen)

Fiscal year ended:	2018/3	2019/3	2020/3	2021/3	2022/3
Assets					
Current assets:	25,199	25,829	24,381	22,948	24,085
Cash and deposits	13,980	13,340	14,595	13,705	13,499
Notes and accounts receivable - trade	8,512	9,426	7,233	6,448	-
Notes receivable - trade	-	-	-	-	2,430
Accounts receivable - trade	-	-	-	-	5,298
Merchandise and finished goods	1,800	2,199	1,776	1,866	1,692
Others	911	869	805	952	1,197
Allowance for doubtful accounts	(5)	(5)	(28)	(24)	(33)
Fixed assets:	9,975	9,529	9,601	9,864	9,942
Property, plant and equipment	1,933	1,894	1,939	1,897	1,906
Buildings	407	378	398	372	377
Land	1,440	1,440	1,440	1,440	1,440
Others	85	75	101	84	88
Intangible assets	72	44	90	105	75
Investments and other assets	7,969	7,591	7,571	7,861	7,960
Total assets:	35,174	35,359	33,983	32,813	34,027
Liabilities					
Current liabilities:	12,105	12,516	11,550	10,571	11,924
Notes and accounts payable - trade	4,139	4,384	3,511	3,692	3,986
Electronically recorded obligations - operating	3,690	4,188	3,701	2,950	3,081
Short - term loans payable	3,466	3,466	3,466	3,466	3,466
Others	809	476	871	462	1,390
Non - current liabilities	1,542	1,596	1,146	1,213	1,169
Provision for directors' and corporate auditors' retirement benefit	1,049	1,125	741	738	744
Deferred tax liabilities	84	58	-	59	10
Others	408	412	405	415	414
Total liabilities:	13,647	14,112	12,697	11,785	13,093
Net assets					
Shareholders' equity	21,126	21,047	21,296	20,881	20,771
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	18,489	18,410	18,779	18,757	19,411
Treasury stock	(576)	(576)	(696)	(1,089)	(1,854)
Valuation and translation adjustments:	400	198	(11)	146	162
Valuation difference on available - for - sale securities	400	198	(11)	146	162
Total net assets:	21,527	21,246	21,285	21,027	20,933
Total liabilities and net assets:	35,174	35,359	33,983	32,813	34,027

[Non - consolidated statements of income]

(Millions of yen)

Fiscal year ended:	2018/3	2019/3	2020/3	2021/3	2022/3
Net sales	31,104	28,902	29,554	23,122	29,824
Operating income	405	59	423	51	1,137
Non - operating income	214	177	313	247	174
Non - operating expenses	36	84	34	44	34
Ordinary income	583	152	702	254	1,277
Extraordinary income	180	111	24	-	1
Extraordinary loss	-	16	8	-	3
Income before income taxes	764	247	718	254	1,275
Income taxes - current	290	78	126	31	470
Income taxes - deferred	(24)	10	(15)	45	(58)
Total income taxes	265	88	111	77	411
Net income	498	159	606	177	863

[Non - consolidated statements of changes in net assets]

(April 1, 2021 - March 31, 2022)

(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, 2021	1,208	2,005	197	15,000	3,559	18,757	(1,089)	20,881	(146)	21,027
Changes of items during the period										
Dividends from surplus					(208)	(208)		(208)		(208)
Net income					863	863		863		863
Purchase of treasury stock							(764)	(764)		(764)
Net changes of items other than shareholders' equity									16	16
Total changes of items during the period	-	-	-	-	654	654	(764)	(110)	16	(93)
Balance at March 31, 2022	1,208	2,005	197	15,000	4,214	19,411	(1,854)	20,771	162	20,933

[Stock information] (As of March 31,2022)

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	1,209

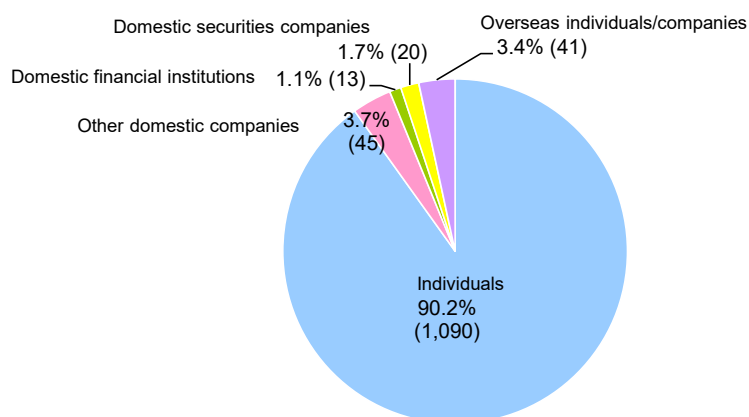
【Major shareholders】

Name	Number of stock held	Stock holding ratio
Jyomou Jitsugyou Co., Ltd.	1,388,600	20.4%
Shourin Shouji Co., Ltd.	897,400	13.2%
Hikari Tsushin K.K.	517,800	7.6%
Employees' Stockholding	354,900	5.2%
Company's Gojokai Association	299,100	4.4%
Custody Bank of Japan, Ltd. (trust account)	262,800	3.9%
Hirokazu Kobayashi	237,700	3.5%
Sumitomo Mitsui Banking Corporation	190,000	2.8%
Mizuho Bank, Ltd.	160,000	2.3%
Masataka Hatori	137,200	2.0%

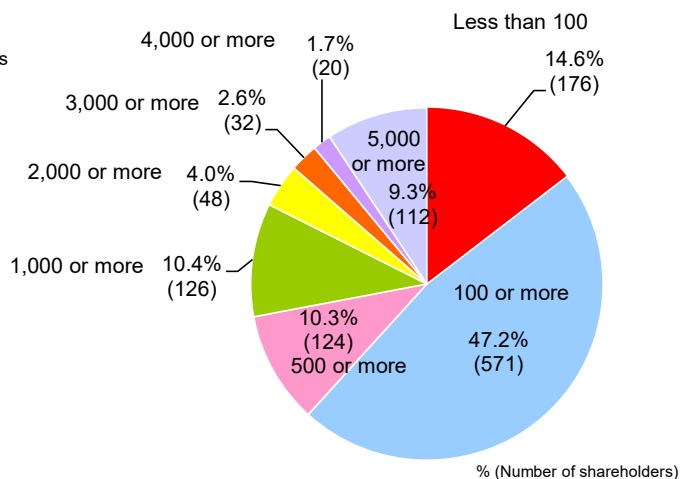
※excluding treasury shares(1,135,544)

【Breakdown of shareholders】

■ Type of shareholders



■ Number of shares



[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) 196 (Musashi) (As of March 31, 2022)
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