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MUSASHI CO., LTD.

System Creation Company



President
Representative director
Masataka Hatori

[Business overview]

(Millions of yen)

Fiscal year ended:	2019/3	2020/3	2021/3	2022/3	2023/3
Net sales	37,135	37,589	30,261	36,213	37,072
Operating income	306	1,025	(97)	1,746	2,619

Business segment

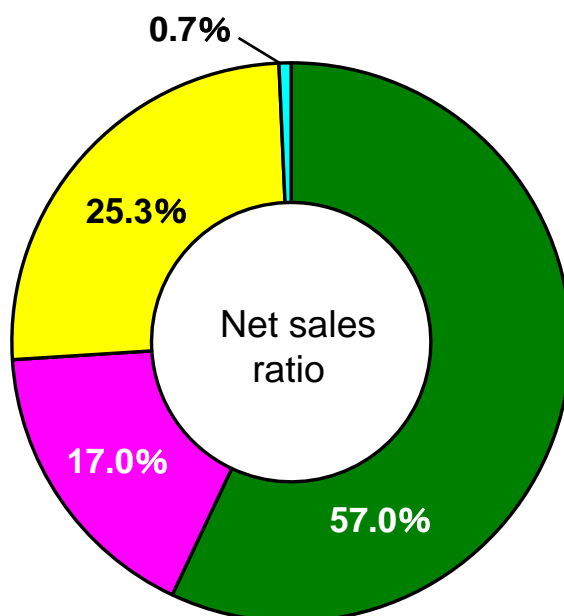
■ Imaging systems, Printing systems
and Industrial X-ray systems equipment

■ Cash handling equipment,
Election systems equipment

■ Paper and
processed paper products

■ Leasing and others

Average ratio per 5 years by business segment (2019/3-2023/3)



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.

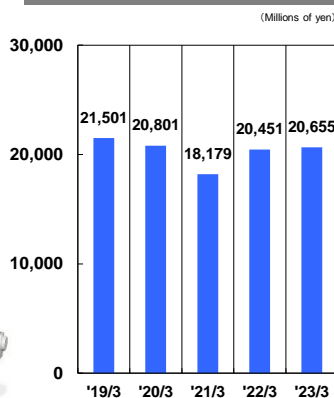


[Printing systems equipment]

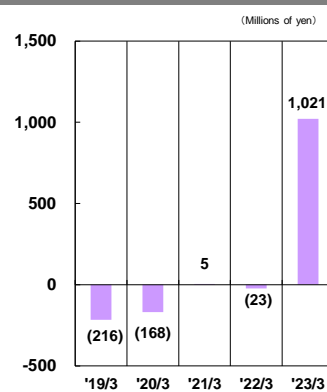
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Consultation and sales of Galvo Laser Systems
- Development and sales of a compact print-on-demand system for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

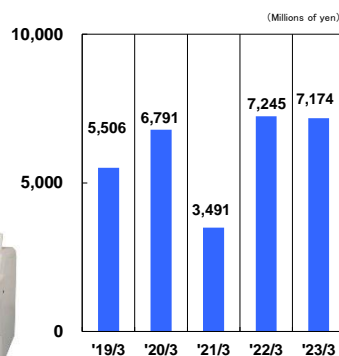
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Security products including Administrative products for keys;
- Maintenance services for the above products.
- Export of cash handling machines including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

[Election systems equipment]

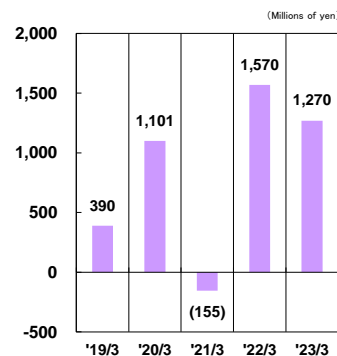
- Ballot paper dispensers, counters, reader sorters, self-opening ballot paper, administrative software, promotional items and other tools;
- Maintenance services for equipment.



Segment net sales



Segment operating income

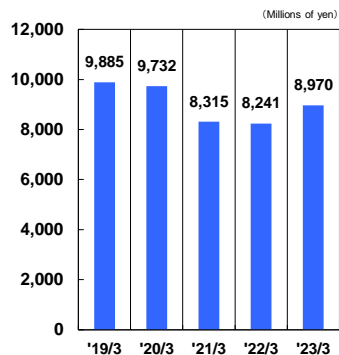


Paper and processed paper products

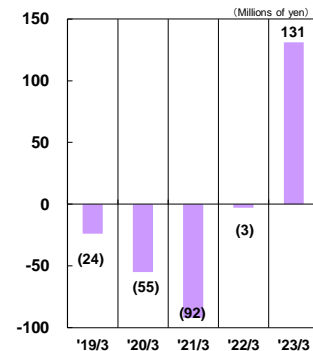
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.
- Carbonless Duplicating Paper (manufactured)



Segment net sales



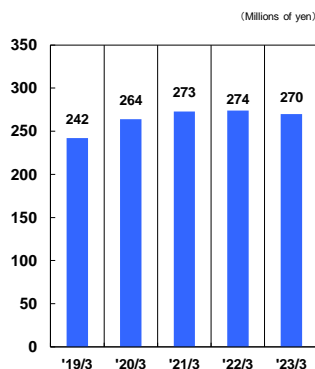
Segment operating income



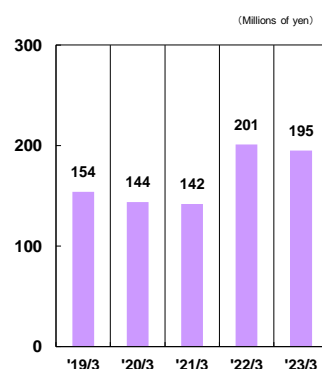
Leasing and others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

Segment net sales

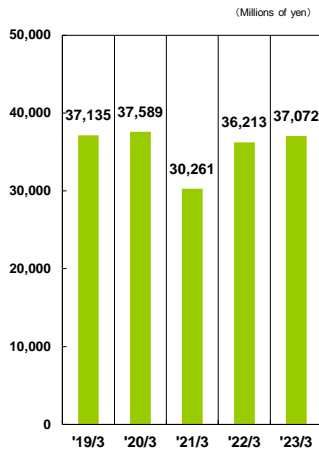


Segment operating income

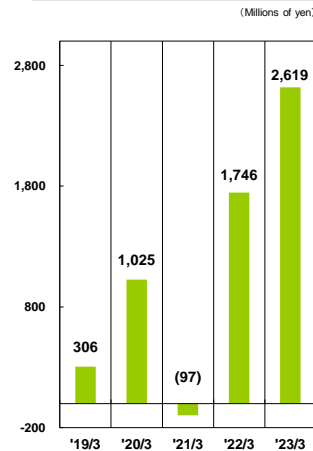


[Consolidated financial highlights]

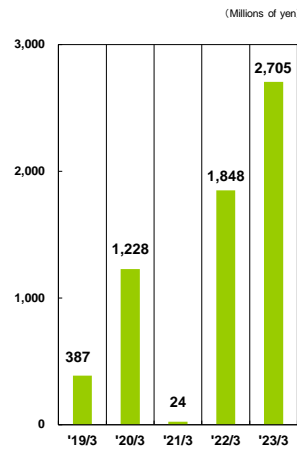
Net sales



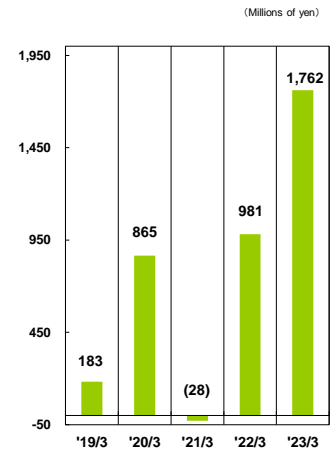
Operating income



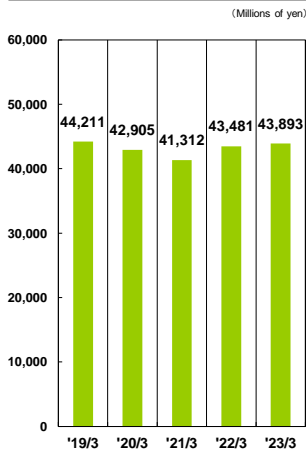
Ordinary income



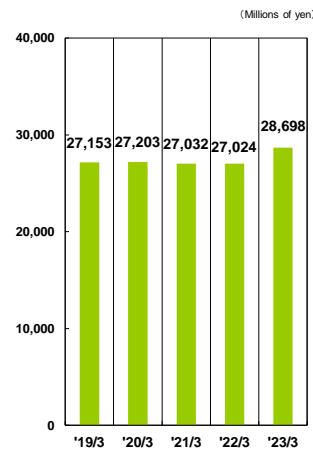
Income attributable to owners of parent



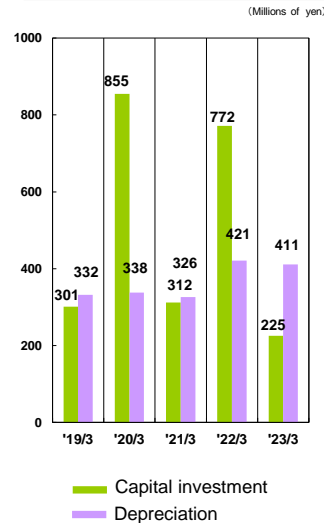
Total assets



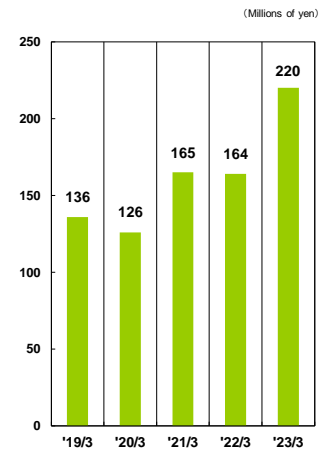
Net assets



Capital investment / Depreciation



Research and development expenses



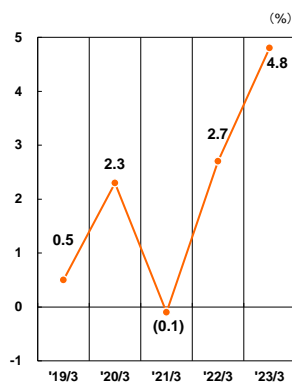
(Millions of yen)

Fiscal year ended:	2019/3	2020/3	2021/3	2022/3	2023/3
Net sales	37,135	37,589	30,261	36,213	37,072
Operating income	306	1,025	(97)	1,746	2,619
Ordinary income	387	1,228	24	1,848	2,705
Income attributable to owners of parent	183	865	(28)	981	1,762
Total assets	44,211	42,905	41,312	43,481	43,893
Net assets	27,153	27,203	27,032	27,024	28,698
Capital investment	301	855	312	772	225
Depreciation	332	338	326	421	411
Research and development expenses	136	126	165	164	220

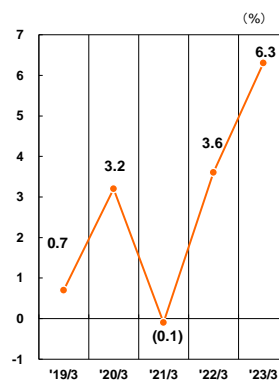
[Consolidated financial data]

Profitability

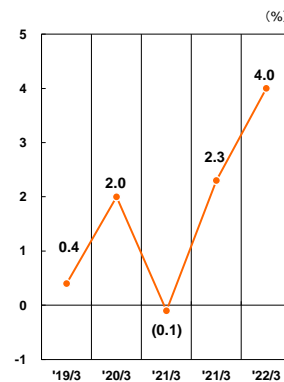
Return on sales



Return on equity [ROE]

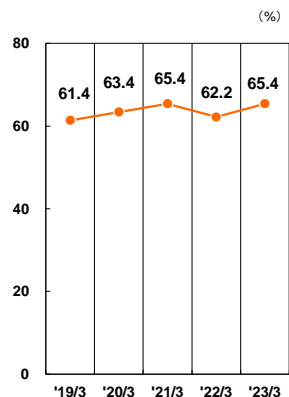


Return on assets [ROA]

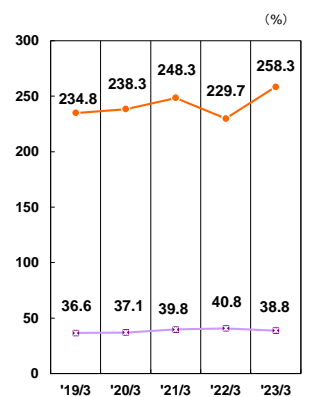


Stability

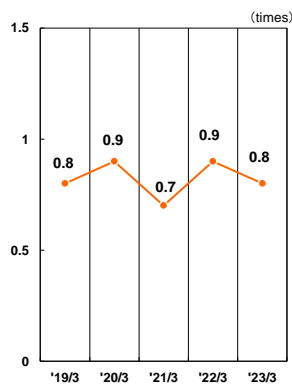
Shareholders' equity ratio



Current ratio/
Ratio of fixed assets to net worth

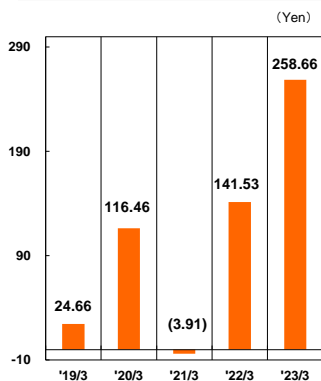


Assets turnover

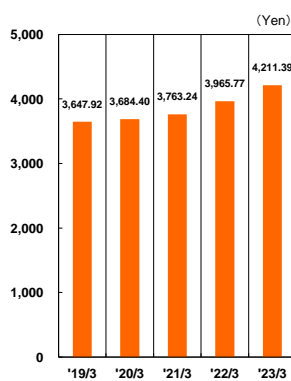


Investment data

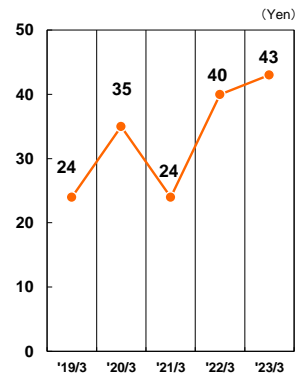
Net income per share [EPS]



Shareholders' equity per share [BPS]



Cash dividends per share



• Return on assets=Net income/Total assets(Yearly average) × 100

• Assets turnover=Net sales/Total assets(Yearly average)

[Consolidated balance sheets]

(Millions of yen)

Fiscal year ended:	2019/3	2020/3	2021/3	2022/3	2023/3
Assets					
Current assets:	34,279	32,809	30,568	32,459	32,751
Cash and deposits	18,747	20,180	18,481	19,485	20,676
Notes and accounts receivable - trade	11,754	9,319	8,518	-	-
Notes receivable - trade	-	-	-	2,801	2,888
Accounts receivable - trade	-	-	-	6,727	5,931
Merchandise and finished goods	2,739	2,442	2,411	2,189	2,226
Work in process	78	69	68	155	99
Raw materials and supplies	470	429	473	545	618
Others	495	404	645	592	325
Allowance for doubtful accounts	(6)	(36)	(30)	(37)	(14)
Fixed assets:	9,931	10,095	10,744	11,022	11,141
Property, plant and equipment	3,216	3,647	3,552	3,954	3,816
Buildings and structures, net	993	1,269	1,208	1,197	1,144
Machinery, equipment and vehicles, net	50	40	50	48	51
Land	1,811	1,969	1,969	1,969	1,969
Others, net	361	368	323	738	650
Intangible assets	408	409	400	238	168
Goodwill	272	205	133	39	20
Software	115	183	246	178	127
Others	20	20	20	20	20
Investments and other assets	6,307	6,038	6,791	6,829	7,157
Investment securities	1,424	1,020	1,271	1,428	1,804
Stocks of subsidiaries and affiliates	431	473	492	518	567
Deferred tax assets	301	418	382	234	196
Net defined benefit asset	1,133	940	1,392	1,421	1,361
Guarantee deposits	2,548	2,549	2,549	2,549	2,550
Others	512	813	766	718	716
Allowance for doubtful accounts	(45)	(176)	(62)	(41)	(41)
Total assets:	44,211	42,905	41,312	43,481	43,893
Liabilities					
Current liabilities:	14,600	13,768	12,310	14,133	12,677
Notes and accounts payable - trade	6,122	5,073	4,904	5,167	4,724
Electronically recorded obligations – operating	3,698	3,397	2,766	2,879	2,468
Short - term loans payable	3,516	3,516	3,516	3,516	3,516
Income taxes payable	68	291	29	703	477
Provision for bonuses	425	413	388	387	386
Provision for product warranties	-	-	-	108	-
Others	769	1,076	704	1,370	1,105
Non - current liabilities:	2,457	1,932	1,969	2,323	2,516
Deferred tax liabilities	181	67	176	167	355
Net defined benefit liability	214	224	223	230	246
Provision for directors' and corporate auditors' retirement benefit	1,386	971	889	910	989
Others	674	668	679	1,015	924
Total liabilities:	17,058	15,701	14,279	16,457	15,194
Net assets					
Shareholders' equity:	26,827	27,335	26,714	26,722	28,178
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	24,190	24,818	24,590	25,363	26,819
Treasury stock	(576)	(696)	(1,089)	(1,854)	(1,854)
Valuation and translation adjustments:	325	(132)	318	301	519
Valuation difference on available - for sale securities	214	(32)	153	171	493
Remeasurements of defined benefit plans	110	(99)	164	130	26
Total net assets:	27,153	27,203	27,032	27,024	28,698
Total liabilities and net assets:	44,211	42,905	41,312	43,481	43,893

[Consolidated statements of income]

(Millions of yen)

Fiscal year ended:	2019/3	2020/3	2021/3	2022/3	2023/3
Net sales:	37,135	37,589	30,261	36,213	37,072
Cost of sales	29,309	28,920	23,492	27,449	27,628
Gross profit	7,826	8,669	6,768	8,763	9,444
Selling, general and administrative expenses	7,519	7,644	6,865	7,017	6,824
Operating income:	306	1,025	(97)	1,746	2,619
Non - operating income	116	255	158	144	134
Interest income	2	3	1	1	2
Dividends income	49	47	43	47	55
Equity in earnings of affiliates	1	43	23	33	26
Reversal of allowance for doubtful accounts	1	-	0	0	0
Subsidy income	-	-	20	-	-
Miscellaneous income	61	161	69	62	49
Non - operating expenses	36	52	37	43	48
Interest expenses	34	34	34	40	41
Provision of allowance for doubtful accounts	-	2	-	-	-
Retirement benefit expenses	-	11	-	-	-
Loss on investments in investment partnership	-	-	-	1	2
Miscellaneous loss	1	3	2	0	4
Ordinary income:	387	1,228	24	1,848	2,705
Extraordinary income	111	24	-	1	-
Gain on sale of investment securities	111	24	-	-	-
Gain on sale of membership	-	-	-	1	-
Extraordinary loss	16	73	1	28	15
Loss on valuation of investment securities	16	6	-	-	2
Loss on sale of investment securities	-	-	-	-	12
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	482	1,179	22	1,821	2,690
Income taxes - current	216	362	86	695	797
Income taxes - deferred	83	(48)	(35)	143	130
Total income taxes	299	313	50	839	927
Net income	183	865	(28)	981	1,762
Income attributable to non-controlling interests	-	-	-	-	-
Income attributable to owners of parent	183	865	(28)	981	1,762

[Consolidated statements of comprehensive income]

(Millions of yen)

Fiscal year ended	2019/3	2020/3	2021/3	2022/3	2023/3
Net income	183	865	(28)	981	1,762
Other comprehensive income	(232)	(457)	450	(16)	217
Valuation difference on available-for-sale securities, net of tax	(217)	(245)	185	18	321
Remeasurements of defined benefit plans, net of tax	(11)	(210)	264	(34)	(103)
Share of other comprehensive income of associates accounted for using equity method	(3)	(1)	(0)	(0)	0
Comprehensive income	(49)	407	422	965	1,980

[Consolidated statements of changes in net assets]

(April 1, 2022 - March 31, 2023)

(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, 2022	1,208	2,005	25,363	(1,854)	26,722	171	130	301	27,024
Changes of items during the period									
Dividends from surplus			(306)		(306)				(306)
Income attributable to owners of parent			1,762		1,762				1,762
Net changes of items other than shareholders' equity						321	(103)	217	217
Total changes of items during the period	-	-	1,455	-	1,455	321	(103)	217	1,673
Balance at March 31, 2023	1,208	2,005	26,819	(1,854)	28,178	493	26	519	28,698

[Consolidated statements of cash flows]

(Millions of yen)

Fiscal year ended:	2019/3	2020/3	2021/3	2022/3	2023/3
Net cash provided by operating activities	(585)	2,765	(689)	2,601	1,590
Net cash used in investment activities	(93)	(979)	(612)	(904)	(10)
Net cash used in financing activities	(238)	(357)	(591)	(594)	(390)
Effect of exchange rate change on cash and cash equivalents	(0)	(1)	0	1	1
Increase (Decrease) in cash and cash equivalents	(917)	1,427	(1,893)	1,104	1,190
Cash and cash equivalents at beginning of period	18,775	17,857	19,285	17,391	18,495
Cash and cash equivalents at end of period	17,857	19,285	17,391	18,495	19,686

[Non - consolidated balance sheets]

(Millions of yen)

Fiscal year ended:	2019/3	2020/3	2021/3	2022/3	2023/3
Assets					
Current assets:	25,829	24,381	22,948	24,085	23,659
Cash and deposits	13,340	14,595	13,705	13,499	14,035
Notes and accounts receivable - trade	9,426	7,233	6,448	-	-
Notes receivable - trade	-	-	-	2,430	2,565
Accounts receivable - trade	-	-	-	5,298	4,455
Merchandise and finished goods	2,199	1,776	1,866	1,692	1,770
Others	869	805	952	1,197	838
Allowance for doubtful accounts	(5)	(28)	(24)	(33)	(6)
Fixed assets:	9,529	9,601	9,864	9,942	10,288
Property, plant and equipment	1,894	1,939	1,897	1,906	1,894
Buildings	378	398	372	377	355
Land	1,440	1,440	1,440	1,440	1,440
Others	75	101	84	88	99
Intangible assets	44	90	105	75	59
Investments and other assets	7,591	7,571	7,861	7,960	8,333
Total assets:	35,359	33,983	32,813	34,027	33,947
Liabilities					
Current liabilities:	12,516	11,550	10,571	11,924	10,528
Notes and accounts payable - trade	4,384	3,511	3,692	3,986	3,748
Electronically recorded obligations - operating	4,188	3,701	2,950	3,081	2,480
Short - term loans payable	3,466	3,466	3,466	3,466	3,466
Others	476	871	462	1,390	833
Non - current liabilities	1,596	1,146	1,213	1,169	1,438
Provision for directors' and corporate auditors' retirement benefit	1,125	741	738	744	791
Deferred tax liabilities	58	-	59	10	221
Others	412	405	415	414	425
Total liabilities:	14,112	12,697	11,785	13,093	11,967
Net assets					
Shareholders' equity	21,047	21,296	20,881	20,771	21,533
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	18,410	18,779	18,757	19,411	20,174
Treasury stock	(576)	(696)	(1,089)	(1,854)	(1,854)
Valuation and translation adjustments:	198	(11)	146	162	446
Valuation difference on available - for - sale securities	198	(11)	146	162	446
Total net assets:	21,246	21,285	21,027	20,933	21,980
Total liabilities and net assets:	35,359	33,983	32,813	34,027	33,947

[Non - consolidated statements of income]

(Millions of yen)

Fiscal year ended:	2019/3	2020/3	2021/3	2022/3	2023/3
Net sales	28,902	29,554	23,122	29,824	30,131
Operating income	59	423	51	1,137	1,468
Non - operating income	177	313	247	174	176
Non - operating expenses	84	34	44	34	37
Ordinary income	152	702	254	1,277	1,607
Extraordinary income	111	24	-	1	-
Extraordinary loss	16	8	-	3	15
Income before income taxes	247	718	254	1,275	1,592
Income taxes - current	78	126	31	470	435
Income taxes - deferred	10	(15)	45	(58)	88
Total income taxes	88	111	77	411	523
Net income	159	606	177	863	1,069

[Non - consolidated statements of changes in net assets]

(April 1, 2022 - March 31, 2023)

(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, 2022	1,208	2,005	197	15,000	4,214	19,411	(1,854)	20,771	162	20,933
Changes of items during the period										
Dividends from surplus					(306)	(306)		(306)		(306)
Net income					1,069	1,069		1,069		1,069
Net changes of items other than shareholders' equity									283	283
Total changes of items during the period	-	-	-	-	762	762	-	762	283	1,046
Balance at March 31, 2023	1,208	2,005	197	15,000	4,977	20,174	(1,854)	21,533	446	21,980

[Stock information] (As of March 31,2023)

Stock exchange listing	Standard Market (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	1,417

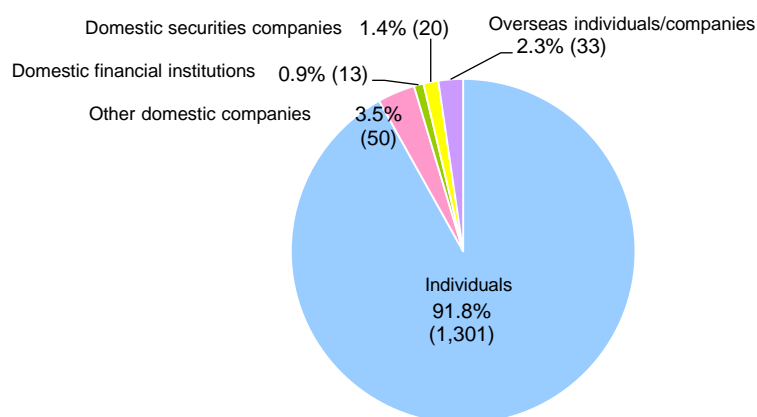
【Major shareholders】

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.	419,100	6.2%
Employees' Stockholding	357,300	5.2%
Company's Gojokai Association	299,100	4.4%
Custody Bank of Japan, Ltd. (trust account)	249,900	3.7%
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%

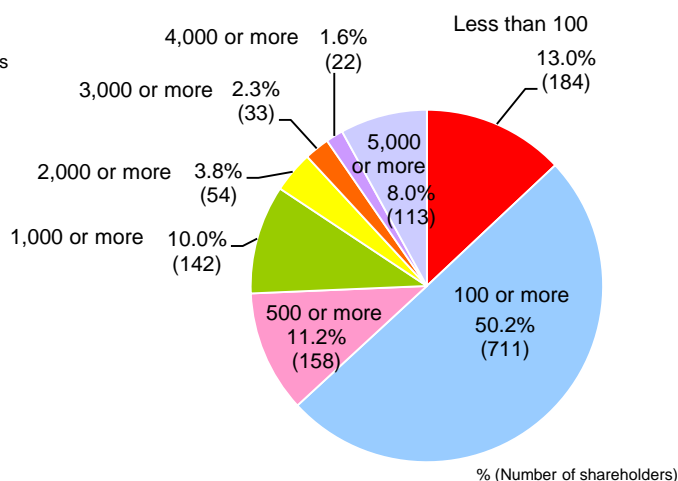
※excluding treasury shares(1,135,544)

【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	540 (Group) 193 (Musashi) (As of March 31, 2023)
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