

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 17, 2024

Company name: MUSASHI CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 7521 URL <https://www.musashinet.co.jp>  
 Representative: Representative Director Masataka Hatori  
 President  
 Director  
 Inquiries: General Manager of Financial Department Yoshiaki Yamamoto TEL 03-3546-7710  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to file Securities Report: June 28, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	33,140	(10.6)	1,077	(58.9)	1,123	(58.5)	767	(56.4)
Year ended March 31, 2023	37,072	2.4	2,619	50.0	2,705	46.4	1,762	79.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	112.70	—	2.6	2.5	3.3
Year ended March 31, 2023	258.66	—	6.3	6.2	7.1

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	45,031	30,198	67.1	4,431.60
As of March 31, 2023	43,893	28,698	65.4	4,211.39

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	(322)	(3,372)	(324)	15,670
Year ended March 31, 2023	1,590	(10)	(390)	19,686

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	23.00	—	20.00	43.00	293	16.6	1.1
Year ended March 31, 2024	—	15.00	—	21.00	36.00	245	31.9	0.8
Year ending March 31, 2025 (Forecast)	—	18.00	—	18.00	36.00		17.0	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	16,275	(3.0)	282	(61.4)	1,454	93.6	1,122	125.2	164.65
Full year	33,739	1.8	790	(26.7)	1,946	73.3	1,439	87.4	211.17

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	7,950,000 shares	As of March 31, 2023	7,950,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	1,135,648 shares	As of March 31, 2023	1,135,544 shares
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Average number of shares during the period

Year ended March 31, 2024	6,814,374 shares	Year ended March 31, 2023	6,814,456 shares
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## Consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	20,676	16,660
Notes receivable - trade	1,300	1,334
Accounts receivable - trade	5,931	5,904
Electronically recorded monetary claims - operating	1,587	1,552
Merchandise and finished goods	2,226	2,418
Work in process	99	85
Raw materials and supplies	618	977
Short-term loans receivable from subsidiaries and associates	—	3,000
Other	325	520
Allowance for doubtful accounts	(14)	(17)
Total current assets	32,751	32,436
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,144	1,286
Machinery, equipment and vehicles, net	51	74
Land	1,969	1,969
Other, net	650	557
Total property, plant and equipment	3,816	3,887
Intangible assets		
Goodwill	20	1
Software	127	90
Other	20	19
Total intangible assets	168	111
Investments and other assets		
Investment securities	1,804	2,538
Shares of subsidiaries and associates	567	553
Deferred tax assets	196	205
Retirement benefit asset	1,361	2,073
Guarantee deposits	2,550	2,550
Other	716	716
Allowance for doubtful accounts	(41)	(42)
Total investments and other assets	7,157	8,595
Total non-current assets	11,141	12,594
Total assets	43,893	45,031

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,724	4,452
Electronically recorded obligations - operating	2,468	2,528
Short-term borrowings	3,516	3,516
Income taxes payable	477	67
Provision for bonuses	386	388
Other	1,105	1,079
Total current liabilities	12,677	12,033
Non-current liabilities		
Deferred tax liabilities	355	769
Retirement benefit liability	246	215
Provision for retirement benefits for directors (and other officers)	989	989
Other	924	824
Total non-current liabilities	2,516	2,799
Total liabilities	15,194	14,832
Net assets		
Shareholders' equity		
Share capital	1,208	1,208
Capital surplus	2,005	2,005
Retained earnings	26,819	27,348
Treasury shares	(1,854)	(1,854)
Total shareholders' equity	28,178	28,707
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	493	1,016
Remeasurements of defined benefit plans	26	473
Total accumulated other comprehensive income	519	1,490
Total net assets	28,698	30,198
Total liabilities and net assets	43,893	45,031

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	37,072	33,140
Cost of sales	27,628	25,052
Gross profit	9,444	8,087
Selling, general and administrative expenses	6,824	7,010
Operating profit	2,619	1,077
Non-operating income		
Interest income	2	1
Dividend income	55	62
Share of profit of entities accounted for using equity method	26	—
Reversal of allowance for doubtful accounts	0	0
Miscellaneous income	49	53
Total non-operating income	134	117
Non-operating expenses		
Interest expenses	41	39
Share of loss of entities accounted for using equity method	—	7
Loss on investments in investment partnerships	2	6
Loss on abandonment of non-current assets	—	15
Miscellaneous losses	4	2
Total non-operating expenses	48	71
Ordinary profit	2,705	1,123
Extraordinary income		
Gain on sale of investment securities	—	27
Total extraordinary income	—	27
Extraordinary losses		
Loss on sale of investment securities	12	—
Loss on valuation of investment securities	2	—
Total extraordinary losses	15	—
Profit before income taxes	2,690	1,150
Income taxes - current	797	392
Income taxes - deferred	130	(9)
Total income taxes	927	382
Profit	1,762	767
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,762	767

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,762	767
Other comprehensive income		
Valuation difference on available-for-sale securities	321	522
Remeasurements of defined benefit plans, net of tax	(103)	447
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	217	970
Comprehensive income	1,980	1,738
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,980	1,738

# Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,208	2,005	25,363	(1,854)	26,722
Changes during period					
Dividends of surplus			(306)		(306)
Profit (loss) attributable to owners of parent			1,762		1,762
Purchase of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,455	—	1,455
Balance at end of period	1,208	2,005	26,819	(1,854)	28,178

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	171	130	301	27,024
Changes during period				
Dividends of surplus				(306)
Profit (loss) attributable to owners of parent				1,762
Purchase of treasury shares				—
Net changes in items other than shareholders' equity	321	(103)	217	217
Total changes during period	321	(103)	217	1,673
Balance at end of period	493	26	519	28,698

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,208	2,005	26,819	(1,854)	28,178
Changes during period					
Dividends of surplus			(238)		(238)
Profit (loss) attributable to owners of parent			767		767
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	529	(0)	529
Balance at end of period	1,208	2,005	27,348	(1,854)	28,707

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	493	26	519	28,698
Changes during period				
Dividends of surplus				(238)
Profit (loss) attributable to owners of parent				767
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	523	447	970	970
Total changes during period	523	447	970	1,500
Balance at end of period	1,016	473	1,490	30,198



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,690	1,150
Depreciation	411	395
Amortization of goodwill	19	19
Loss (gain) on sale of investment securities	12	(27)
Loss (gain) on valuation of investment securities	2	—
Increase (decrease) in allowance for doubtful accounts	(23)	5
Increase (decrease) in provision for bonuses	(1)	2
Increase (decrease) in provision for product warranties	(108)	—
Increase (decrease) in retirement benefit liability	15	(30)
Decrease (increase) in retirement benefit asset	(44)	(63)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	78	0
Interest and dividend income	(57)	(63)
Interest expenses	41	39
Share of loss (profit) of entities accounted for using equity method	(26)	7
Foreign exchange losses (gains)	(1)	(4)
Loss (gain) on investments in investment partnerships	2	6
Decrease (increase) in trade receivables	709	26
Decrease (increase) in inventories	(53)	(536)
Decrease (increase) in other current assets	57	(69)
Increase (decrease) in trade payables	(853)	(212)
Increase (decrease) in accounts payable - other	(117)	17
Increase (decrease) in other current liabilities	(122)	(162)
Other, net	(5)	(12)
Subtotal	2,624	487
Interest and dividends received	57	62
Interest paid	(41)	(39)
Income taxes refund (paid)	(1,049)	(832)
Net cash provided by (used in) operating activities	1,590	(322)
Cash flows from investing activities		
Purchase of property, plant and equipment	(230)	(380)
Proceeds from sale of property, plant and equipment	3	6
Purchase of intangible assets	(23)	(23)
Purchase of investment securities	(58)	(34)
Proceeds from sale of investment securities	127	58
Loan advances	(0)	(3,000)
Proceeds from collection of loans receivable	0	—
Other, net	171	1
Net cash provided by (used in) investing activities	(10)	(3,372)
Cash flows from financing activities		
Repayments of lease liabilities	(84)	(86)
Purchase of treasury shares	—	(0)
Dividends paid	(306)	(238)
Net cash provided by (used in) financing activities	(390)	(324)
Effect of exchange rate change on cash and cash equivalents	1	4
Net increase (decrease) in cash and cash equivalents	1,190	(4,015)
Cash and cash equivalents at beginning of period	18,495	19,686
Cash and cash equivalents at end of period	19,686	15,670