

Translation

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Consolidated Financial Results for the Six Months Ended September 30, 2025 (Based on Japanese GAAP)

November 11, 2025

Company name: MUSASHI CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 7521 URL <https://www.musashinet.co.jp>
 Representative: Representative Director Koichi Ono
 President
 Director
 Inquiries: General Manager of Financial Department Yoshiaki Yamamoto TEL 03-3546-7710
 Scheduled date to file Semi-annual Securities Report: November 12, 2025
 Scheduled date to commence dividend payments: December 10, 2025
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2025	19,932	20.2	2,359	288.2	2,389	21.7	1,273	(15.4)
Six months ended September 30, 2024	16,581	(1.2)	607	(16.8)	1,963	161.4	1,506	202.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2025	186.95		—	
Six months ended September 30, 2024	221.09		—	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	50,303	35,258	70.1
As of March 31, 2025	49,811	33,965	68.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	30.00	—	30.00	60.00
Year ending March 31, 2026	—	28.00	—	—	—
Year ending March 31, 2026 (Forecast)	—	—	—	18.00	46.00

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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
Full year	37,373	(0.0)	2,687	(19.9)	2,744	(42.1)	1,468	(57.2)	215.43

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2025: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2025	7,950,000 shares	As of March 31, 2025	7,950,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2025	1,135,741 shares	As of March 31, 2025	1,135,648 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	6,814,313 shares	Six months ended September 30, 2024	6,814,352 shares
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* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable. These statements are not guarantees of future performance. Actual results may differ materially from those expressed in forward-looking statements due to a variety of factors. For the assumptions underlying the forecasts and notes on the use of the forecasts, please refer to "1. Overview of Operating Results and Other Information (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 3 of the attached document.

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1. Overview of Operating Results, etc.

(1) Overview of Business Results for the Interim Period

During the interim consolidated accounting period, the Japanese economy saw a gradual recovery in personal consumption, supported by improvements in employment and income conditions.

On the other hand, uncertainties remain regarding the future due to factors such as the impact of domestic political instability on the economy, prolonged tensions in Ukraine, rising tensions in the Middle East leading to persistently high prices for raw materials and energy, and global economic uncertainty stemming from U.S. tariff policies.

Under these circumstances, the overview of each segment of our group is as follows.

(Imaging systems, Printing systems and Industrial X-ray systems equipment)

Imaging systems and Industrial X-ray systems equipment saw increased sales of digitization devices such as scanners and commercial filtration filters, while industrial inspection equipment also performed steadily by capturing demand for inspection services.

The LTO tapes, which began sales in August, are also showing a steady start.

On the other hand, in the document digitization business, orders from government and municipalities were sluggish.

In printing systems business, sales of printing materials were sluggish, and equipment sales also struggled due to weak demand.

(Cash handling equipment and Election systems equipment)

In the Cash handling equipment business, sales of cash handling equipment to financial institutions remained steady, but sales of security equipment were sluggish due to delays in business negotiations.

In the Election equipment business, sales of election equipment such as ballot paper dispensers and ballot paper reading / sorting machines for the Tokyo Metropolitan Assembly and House of Councilors elections increased. In addition, sales of the voting and ballot management system and support services were also strong.

(Paper and processed paper products)

Sales of paper and paper processed products remained steady for paperboard used in pharmaceutical and cosmetic packaging, on the other hand, sales of printing and information paper declined due to decreased demand.

(Leasing and others)

The real estate leasing and leasing businesses, etc., performed strongly.

As a result, the consolidated business performance for this interim consolidated accounting period was net sales of 19,932 million yen (up 20.2% year-on-year), operating profit of 2,359 million yen (up 288.2% year-on-year), and ordinary profit of 2,389 million yen (up 21.7% year-on-year). However, due to the recording of an impairment loss of 213 million yen at a consolidated subsidiary, net income attributable to owners of the parent was 1,273 million yen (down 15.4% year-on-year).

(2) Overview of the financial position for the interim period

(Current Assets)

The balance of current assets at the end of the current interim consolidated accounting period were 34,897 billion yen, an increase of 54 million yen compared to the end of the previous consolidated fiscal year.

The main factors for the increase were an increase in cash and deposits (1,530 million yen) and an increase in inventories (101 million yen), while the main factor for the decrease was a decrease in accounts receivable (1,564 million yen).

(Non-current assets)

The balance of non-current assets at the end of the current interim consolidated accounting period was 15,406 billion yen, an increase of 438 million yen compared to the end of the previous consolidated fiscal year.

The main factors for the increase were the rise in software and software in progress (134 million yen) and the increase in investment securities due to the rise in stock prices (337 million yen).

(Current Liabilities)

The balance of current liabilities at the end of the current interim consolidated accounting period was 11,946 million yen, a decrease of 872 million yen compared to the end of the previous consolidated fiscal year.

The main factors for the decrease were decrease in trade payables (496 million yen), a decrease in accrued corporate taxes, etc. (254 million yen), and a decrease in "Other" current liabilities (361 million yen). The main factor for the increase was an increase in asset retirement obligations (243 million yen).

(Non-current liabilities)

The balance of non-current liabilities at the end of the current interim consolidated accounting period was 3,098 million yen, an increase of 72 million yen compared to the end of the previous consolidated fiscal year.

The main factor for the increase was the rise in "Other" non-current liabilities (60 million yen).

(Net Assets)

The balance of net assets at the end of the current interim consolidated accounting period was 35,258 million yen, an increase of 1,292 million yen compared to the end of the previous consolidated fiscal year.

The factors for the increase were interim net income attributable to owners of the parent (1,273 million yen) and an increase in valuation difference on available-for-sale securities (238 million yen), while the factors for the decrease were dividends of surplus (204 million yen) and a decrease in remeasurements of defined benefit plans (15 million yen).

As a result, the equity ratio was 70.1% (68.2% at the end of the previous consolidated fiscal year).

Cash Flows

The balance of cash and cash equivalents (hereinafter referred to as "cash") at the end of the current interim consolidated accounting period increased by 2,830 million yen compared to the end of the previous consolidated fiscal year, reaching 23,731 million yen.

The status of each cash flow and their factors during the current interim consolidated accounting period are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 2,226 billion yen. (In the same period of the previous year, 581 million yen was used.)

This was due to income factors such as interim net income before income taxes of 2,172 million-yen, depreciation of 207 million yen, a decrease in trade receivable of 1,564 million yen, and impairment losses of 213 million yen, which were offset by expenditure factors such as a decrease in trade payable of 497 million yen, a decrease in other current liabilities of 369 million yen, and income taxes paid of 1,059 million yen.

(Cash flows from investing activities)

Net cash provided by investing activities was 850 million yen. (In the same period of the previous year, 437 million yen were obtained)

This was mainly due to income factors such as 1.3 billion yen for proceeds from withdrawal of time deposits, which were offset by expenditure factors such as 252 million yen for purchase of property, plant and equipment and 204 million yen for purchase of intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities was 248 million yen. (In the same period of the previous year, 185 million yen was used.)

This was mainly due to expenditures such as 43 million yen for repayment of lease liabilities and 204 million yen for dividend payments.

(3) Explanation regarding forward-looking information such as consolidated earnings forecasts

Regarding the consolidated earnings forecast, there is no change to the full-year earnings forecast announced in the "Notice of Revision of Earnings Forecast and Dividend Forecast" dated October 28, 2025. If it is determined that a revision of the full-year earnings forecast is necessary due to future business performance trends, etc., we will promptly disclose such information.

The above forecasts are based on information available as of the date of this release, and actual results may differ from the forecasts due to various factors in the future.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	22,291	23,821
Notes and accounts receivable - trade, and contract assets	7,244	5,571
Electronically recorded monetary claims - operating	1,789	1,897
Merchandise and finished goods	2,002	2,219
Work in process	103	68
Raw materials and supplies	1,111	1,030
Other	316	298
Allowance for doubtful accounts	(16)	(11)
Total current assets	34,843	34,897
Non-current assets		
Property, plant and equipment	3,767	3,801
Intangible assets	204	339
Investments and other assets	10,995	11,265
Total non-current assets	14,967	15,406
Total assets	49,811	50,303
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,496	3,883
Electronically recorded obligations - operating	1,875	1,992
Short-term borrowings	3,516	3,516
Income taxes payable	1,111	856
Provision for bonuses	396	392
Asset retirement obligations	—	243
Other	1,422	1,061
Total current liabilities	12,819	11,946
Non-current liabilities		
Retirement benefit liability	211	216
Provision for retirement benefits for directors (and other officers)	1,069	1,077
Other	1,744	1,804
Total non-current liabilities	3,025	3,098
Total liabilities	15,845	15,044
Net assets		
Shareholders' equity		
Share capital	1,208	1,208
Capital surplus	2,005	2,005
Retained earnings	30,434	31,503
Treasury shares	(1,854)	(1,854)
Total shareholders' equity	31,793	32,862
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,703	1,942
Remeasurements of defined benefit plans	468	453
Total accumulated other comprehensive income	2,172	2,396
Total net assets	33,965	35,258
Total liabilities and net assets	49,811	50,303

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	16,581	19,932
Cost of sales	12,502	14,050
Gross profit	4,078	5,882
Selling, general and administrative expenses	3,470	3,523
Operating profit	607	2,359
Non-operating income		
Interest income	15	32
Dividend income	33	47
Share of profit of entities accounted for using equity method	1,304	—
Reversal of allowance for doubtful accounts	0	0
Other	31	25
Total non-operating income	1,384	106
Non-operating expenses		
Interest expenses	21	28
Share of loss of entities accounted for using equity method	—	44
Loss on investments in investment partnerships	5	2
Other	2	0
Total non-operating expenses	28	75
Ordinary profit	1,963	2,389
Extraordinary income		
Gain on sale of investment securities	—	3
Total extraordinary income	—	3
Extraordinary losses		
Loss on retirement of non-current assets	—	7
Impairment losses	—	213
Total extraordinary losses	—	220
Profit before income taxes	1,963	2,172
Income taxes - current	292	806
Income taxes - deferred	164	91
Total income taxes	456	898
Profit	1,506	1,273
Profit attributable to owners of parent	1,506	1,273

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,506	1,273
Other comprehensive income		
Valuation difference on available-for-sale securities	133	238
Remeasurements of defined benefit plans, net of tax	(24)	(15)
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	108	223
Comprehensive income	1,615	1,497
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,615	1,497

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,963	2,172
Depreciation	193	207
Amortization of goodwill	1	—
Loss on retirement of non-current assets	—	7
Impairment losses	—	213
Increase (decrease) in allowance for doubtful accounts	(3)	(4)
Increase (decrease) in provision for bonuses	(9)	(3)
Increase (decrease) in retirement benefit liability	5	4
Decrease (increase) in retirement benefit asset	(48)	(33)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	38	7
Interest and dividend income	(48)	(80)
Interest expenses	21	28
Foreign exchange losses (gains)	1	(1)
Share of loss (profit) of entities accounted for using equity method	(1,304)	44
Loss (gain) on investments in investment partnerships	5	2
Decrease (increase) in trade receivables	(296)	1,564
Decrease (increase) in inventories	(685)	(101)
Decrease (increase) in other current assets	86	39
Increase (decrease) in trade payables	(274)	(497)
Loss (gain) on sale of investment securities	—	(3)
Increase (decrease) in accounts payable - other	(93)	54
Increase (decrease) in other current liabilities	(114)	(369)
Other, net	(33)	(15)
Subtotal	(596)	3,235
Interest and dividends received	48	78
Interest paid	(22)	(28)
Income taxes refund (paid)	(11)	(1,059)
Net cash provided by (used in) operating activities	(581)	2,226
Cash flows from investing activities		
Payments into time deposits	(3,300)	—
Proceeds from withdrawal of time deposits	900	1,300
Purchase of property, plant and equipment	(133)	(252)
Proceeds from sale of property, plant and equipment	5	0
Purchase of intangible assets	(10)	(204)
Purchase of investment securities	(7)	(10)
Proceeds from sale of investment securities	2	17
Proceeds from collection of loans receivable	3,000	—
Other, net	(18)	0
Net cash provided by (used in) investing activities	437	850
Cash flows from financing activities		
Repayments of lease liabilities	(42)	(43)
Purchase of treasury shares	—	(0)
Dividends paid	(142)	(204)
Net cash provided by (used in) financing activities	(185)	(248)
Effect of exchange rate change on cash and cash equivalents	(1)	1
Net increase (decrease) in cash and cash equivalents	(330)	2,830
Cash and cash equivalents at beginning of period	15,670	20,901
Cash and cash equivalents at end of period	15,340	23,731

(4) Notes on interim consolidated financial statements

(Notes on segment information, etc.)

[Segment information]

I Previous interim consolidated accounting period (from April 1, 2024 to September 30, 2024)

1. Information on net sales and profit or loss amounts by reportable segment, as well as breakdown information of revenue

(Millions of yen)

	Reportable segments					Reconciling items (note1)	Per semi-annual consolidated financial statements (note2)
	Information systems, Printing systems and Industrial X-ray systems equipment	Cash handling equipment, Election systems equipment	Paper and processed paper products	Leasing and others	Reportable segments		
Sales							
Goods or services transferred at a single point in time	8,515	2,892	4,502	—	15,910	—	15,910
Goods or services transferred over a certain period	370	151	—	—	522	—	522
Income arising from contracts with customers	8,886	3,044	4,502	—	16,432	—	16,432
Other income	—	—	—	148	148	—	148
Revenues from external customers	8,886	3,044	4,502	148	16,581	—	16,581
Transactions with other segments	12	—	—	152	165	(165)	—
Net sales	8,899	3,044	4,502	301	16,746	(165)	16,581
Operating profit (loss)	148	257	95	105	606	1	607

(note) 1. Elimination of intersegment transactions

2. The total amount of segment profit is adjusted with operating profit in the interim consolidated statement of income.

2. Information about impairment loss of non-current assets or goodwill, etc. for each reportable segment

Not applicable

II During the interim consolidated accounting period (from April 1, 2025 to September 30, 2025)

1. Information on sales and profit or loss amounts by reportable segment, as well as breakdown information of revenue

(Millions of yen)

	Reportable segments					Reconciling items (note1)	Per semi-annual consolidated financial statements (note2)
	Information systems, Printing systems and Industrial X-ray systems equipment	Cash handling equipment, Election systems equipment	Paper and processed paper products	Leasing and others	Reportable segments		
Sales							
Goods or services transferred at a single point in time	8,080	6,885	4,228	—	19,195	—	19,195
Goods or services transferred over a certain period	411	174	—	—	585	—	585
Income arising from contracts with customers	8,491	7,060	4,228	—	19,780	—	19,780
Other income	—	—	—	151	151	—	151
Revenues from external customers	8,491	7,060	4,228	151	19,932	—	19,932
Transactions with other segments	13	0	—	174	188	(188)	—
Net sales	8,505	7,060	4,228	326	20,121	(188)	19,932
Operating profit (loss)	(57)	2,247	59	109	2,358	1	2,359

(note) 1. Elimination of intersegment transactions

2. The total amount of segment profit is adjusted with operating profit in the interim consolidated statement of income.

2. Information about impairment loss of non-current assets or goodwill, etc. for each reportable segment

In the Imaging systems, Printing systems and Industrial X-ray systems equipment segment, an impairment loss of 213 million yen has been recorded.

(Notes on significant fluctuations in the amount of shareholders' equity)

Not applicable

(Notes on going concern assumption)

Not applicable