



# **FACT BOOK 2018**

**MUSASHI CO., LTD.**

# System Creation Company



President  
Representative Director  
Masataka Hatori


## [Business Overview]


(Millions of Yen)


Fiscal Year Ended:	2014/3	2015/3	2016/3	2017/3	2018/3
Net Sales	36,412	37,252	35,709	35,268	37,298
Operating Income	1,204	1,420	925	1,107	960


### Business Segment

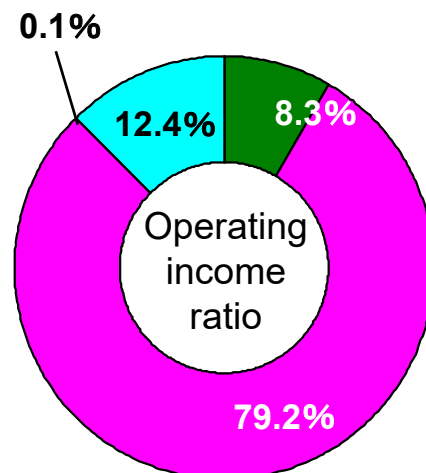
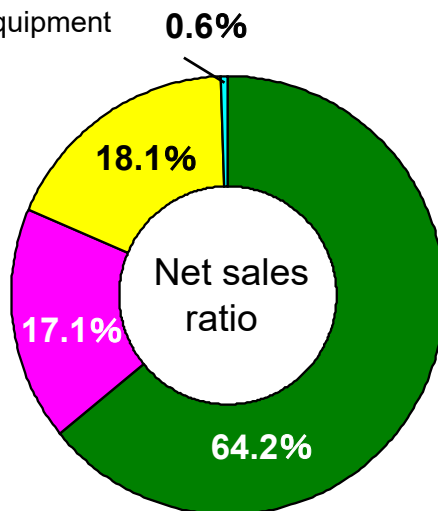
### Average ratio per 5 years by Business Segment (2014/3-2018/3)

 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.
- Maintenance services for equipment.

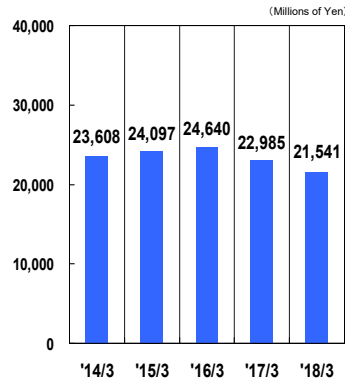


### [ Printing Systems Equipment ]

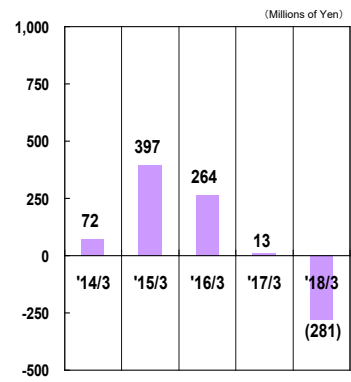
- Consultation and sales of printing equipment, materials and software for digital pre-press systems and print-on-demand systems as FUJIFILM Corporation's distributor in the Japanese market;
- Consultation and sales of Galvo Laser Systems
- Development and sales of a compact print-on-demand system for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

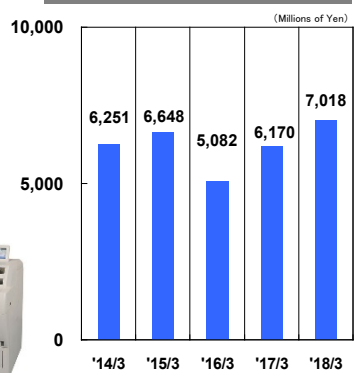
- Cash handling machines that improve operational efficiency across various industries including finance, retail, courier, transport, and amusement;
- Security products including Administrative products for keys;
- Maintenance services for the above products.
- Export of cash handling machines including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

### [ Election Systems Equipment ]

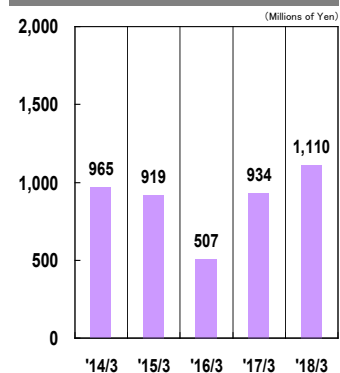
- Ballot paper dispensers, counters, reader sorters, self-opening ballot paper, administrative software, promotional items and other tools;
- Maintenance services for equipment.



Segment Net Sales

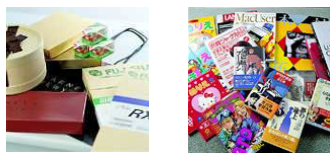


Segment Operating Income

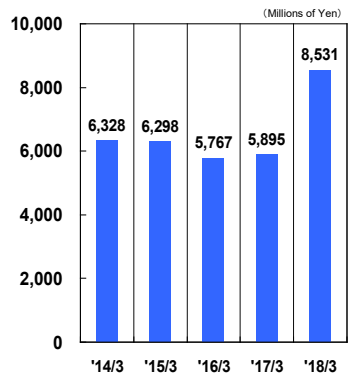


## Paper and Processed Paper Products

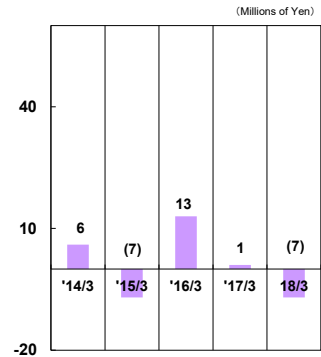
- Various types of paper and paperboards for printing, publishing, information, administration and other special applications; processed paper products.
- Carbonless Duplicating Paper (manufactured)



Segment Net Sales



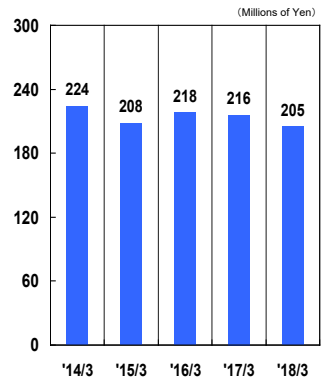
Segment Operating Income



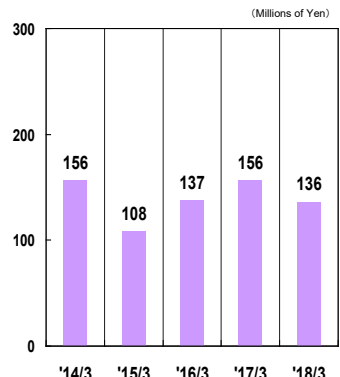
## Leasing and Others

- Real-estate leasing
- Auto leasing
- Insurance brokerage

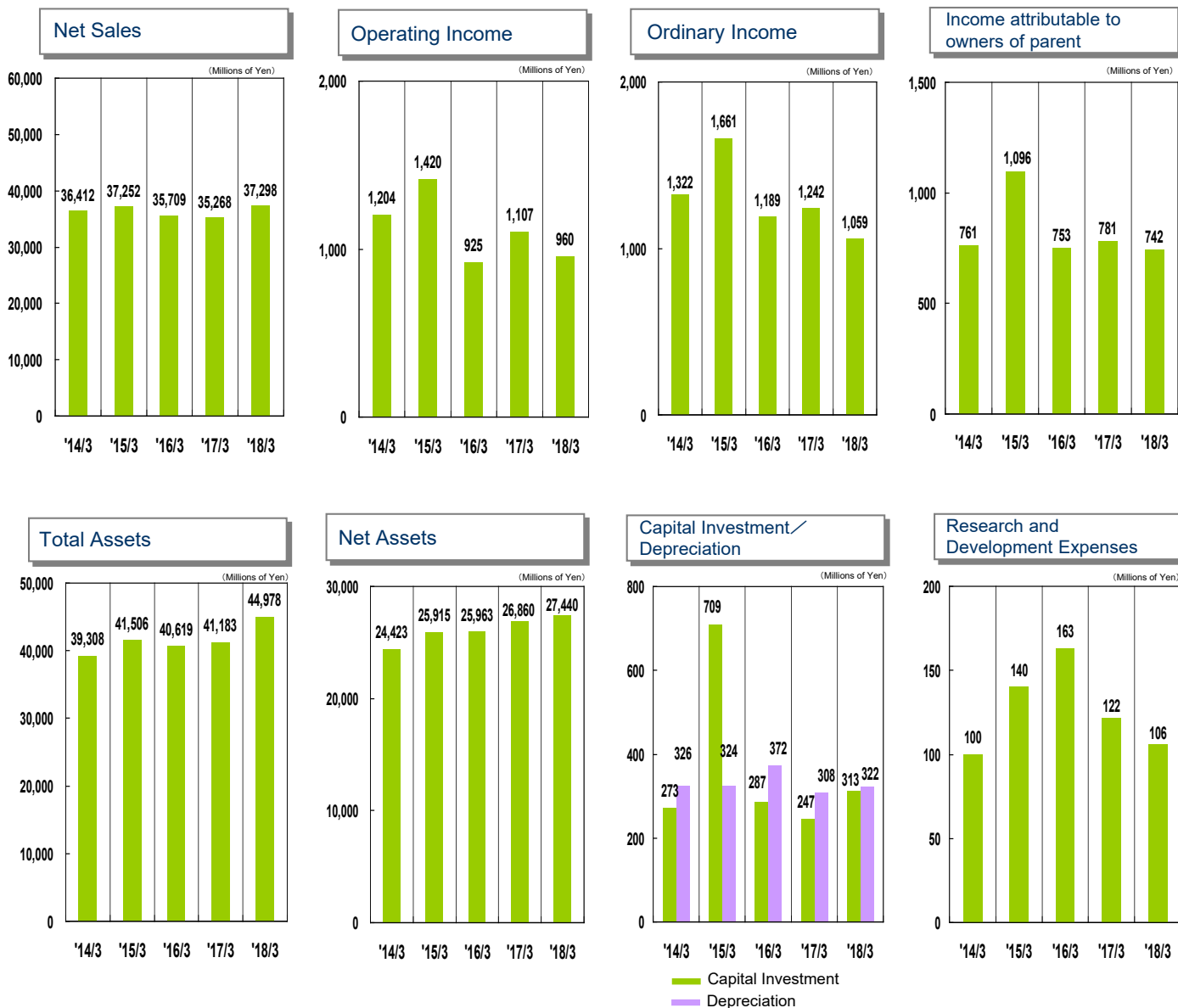
Segment Net Sales



Segment Operating Income



# [Consolidated Financial Highlights]



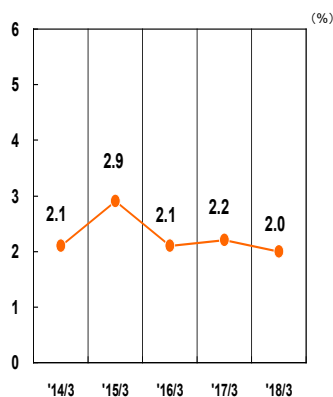
(Millions of Yen)

Fiscal Year Ended:	2014/3	2015/3	2016/3	2017/3	2018/3
Net Sales	36,412	37,252	35,709	35,268	37,298
Operating Income	1,204	1,420	925	1,107	960
Ordinary Income	1,322	1,661	1,189	1,242	1,059
Income attributable to owners of parent	761	1,096	753	781	742
Total Assets	39,308	41,506	40,619	41,183	44,978
Net Assets	24,423	25,915	25,963	26,860	27,440
Capital Investment	273	709	287	247	313
Depreciation	326	324	372	308	322
Research and Development Expenses	100	140	163	122	106

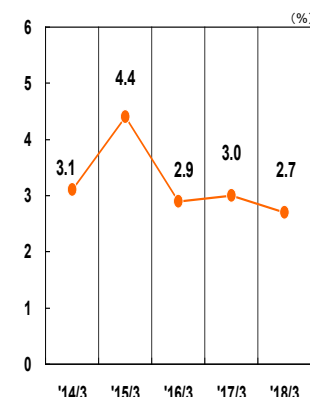
# [Consolidated Financial Data]

## Profitability

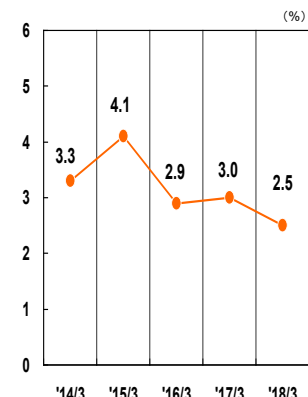
Return on Sales



Return on Equity [ROE]

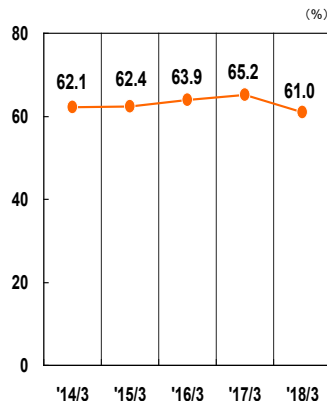


Return on Assets [ROA]

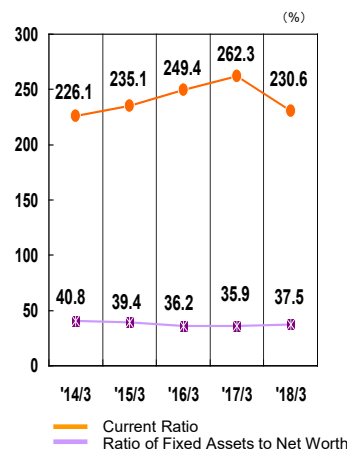


## Stability

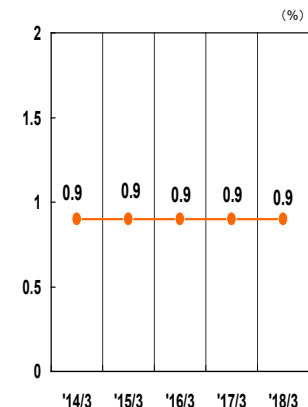
Shareholders' Equity Ratio



Current Ratio /  
Ratio of Fixed Assets to Net Worth

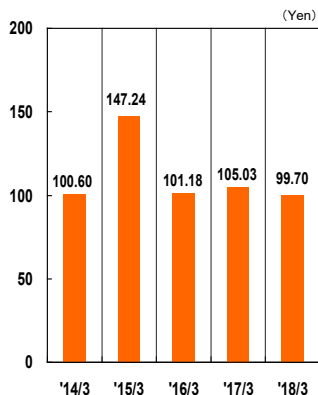


Assets Turnover

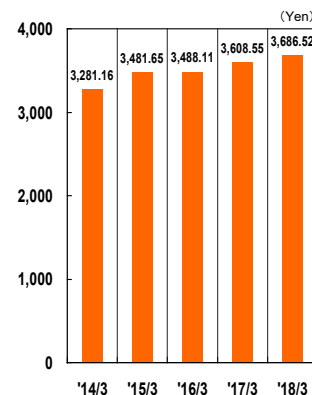


## Investment Data

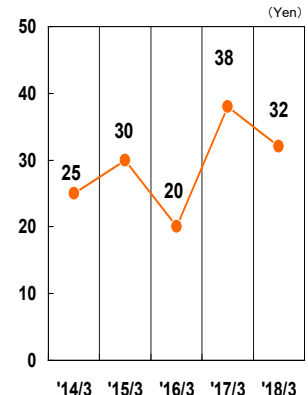
Net Income per Share [EPS]



Shareholders' Equity per Share [BPS]



Cash Dividends per Share



•Return on Assets=Ordinary Income/Total Assets(Yearly Average) × 100

•Assets Turnover=Net Sales/Total Assets(Yearly Average)

# [Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2014/3	2015/3	2016/3	2017/3	2018/3
<b>Assets</b>					
<b>Current Assets:</b>	<b>29,335</b>	<b>31,302</b>	<b>31,229</b>	<b>31,541</b>	<b>34,679</b>
Cash and Deposits	16,439	17,795	17,553	19,615	19,665
Notes and Accounts Receivable - Trade	9,945	10,528	10,351	9,020	11,013
Merchandise and Finished Goods	1,771	1,653	1,624	1,555	2,515
Work in Process	49	62	81	77	70
Raw Materials and Supplies	397	664	959	759	611
Deferred Tax Assets	370	239	237	256	324
Others	373	383	442	262	487
Allowance for Doubtful Accounts	(10)	(24)	(20)	(5)	(8)
<b>Fixed Assets:</b>	<b>9,972</b>	<b>10,203</b>	<b>9,389</b>	<b>9,641</b>	<b>10,299</b>
<b>Property, Plant and Equipment</b>	<b>3,442</b>	<b>3,404</b>	<b>3,339</b>	<b>3,290</b>	<b>3,263</b>
Buildings and Structures	1,038	1,192	1,125	1,070	1,047
Machinery, Equipment and Vehicles	79	72	66	52	35
Land	1,991	1,800	1,800	1,796	1,811
Construction in Progress	-	33	33	33	-
Others	333	304	313	337	369
<b>Intangible Assets</b>	<b>113</b>	<b>198</b>	<b>165</b>	<b>137</b>	<b>477</b>
Goodwill	-	-	-	-	352
Software	92	178	145	117	104
Others	20	20	20	20	20
<b>Investments and Other Assets</b>	<b>6,416</b>	<b>6,600</b>	<b>5,884</b>	<b>6,213</b>	<b>6,558</b>
Investment Securities	1,794	1,962	1,659	1,910	1,857
Stocks of Subsidiaries and Affiliates	404	419	418	423	439
Deferred Tax Assets	141	52	54	61	190
Net defined benefit asset	666	1,299	902	990	1,121
Guarantee Deposits	2,569	2,545	2,546	2,547	2,548
Others	916	377	366	335	448
Allowance for Doubtful Accounts	(75)	(56)	(64)	(55)	(46)
<b>Total Assets:</b>	<b>39,308</b>	<b>41,506</b>	<b>40,619</b>	<b>41,183</b>	<b>44,978</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>	<b>12,972</b>	<b>13,316</b>	<b>12,522</b>	<b>12,023</b>	<b>15,041</b>
Notes and Accounts Payable - Trade	7,821	8,265	7,868	4,365	6,566
Electronically recorded obligations - operating	-	-	-	2,697	3,301
Short - term Loans Payable	3,521	3,521	3,521	3,516	3,516
Income Taxes Payable	205	299	254	312	277
Deferred tax liabilities	0	-	-	-	-
Provision for Bonuses	377	369	368	379	433
Provision for loss on order received	11	-	-	-	-
Others	1,036	860	509	753	946
<b>Non - current Liabilities:</b>	<b>1,912</b>	<b>2,274</b>	<b>2,132</b>	<b>2,298</b>	<b>2,497</b>
Deferred Tax Liabilities	301	527	277	347	360
Net defined benefit liability	179	187	189	206	189
Provision for Directors' and Corporate Auditors' Retirement Benefit	939	1,025	1,094	1,188	1,276
Others	492	533	571	556	670
<b>Total Liabilities:</b>	<b>14,884</b>	<b>15,590</b>	<b>14,655</b>	<b>14,322</b>	<b>17,538</b>
<b>Net Assets</b>					
<b>Shareholders' Equity:</b>	<b>24,189</b>	<b>25,275</b>	<b>25,805</b>	<b>26,378</b>	<b>26,882</b>
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	21,552	22,638	23,168	23,741	24,245
Treasury Stock	(576)	(576)	(576)	(576)	(576)
<b>Valuation and Translation Adjustments:</b>	<b>234</b>	<b>640</b>	<b>158</b>	<b>481</b>	<b>558</b>
Valuation Difference on Available - for - sale Securities	352	494	295	494	435
Remeasurements of defined benefit plans	(118)	145	(136)	(12)	122
<b>Total Net Assets:</b>	<b>24,423</b>	<b>25,915</b>	<b>25,963</b>	<b>26,860</b>	<b>27,440</b>
<b>Total Liabilities and Net Assets:</b>	<b>39,308</b>	<b>41,506</b>	<b>40,619</b>	<b>41,183</b>	<b>44,978</b>

# [Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2014/3	2015/3	2016/3	2017/3	2018/3
<b>Net Sales:</b>	<b>36,412</b>	<b>37,252</b>	<b>35,709</b>	<b>35,268</b>	<b>37,298</b>
Cost of Sales	28,892	29,474	28,562	27,867	29,132
Gross Profit	7,520	7,778	7,146	7,400	8,615
Selling, General and Administrative Expenses	6,315	6,357	6,220	6,293	7,205
<b>Operating Income:</b>	<b>1,204</b>	<b>1,420</b>	<b>925</b>	<b>1,107</b>	<b>960</b>
Non - operating Income	180	281	304	173	146
Interest Income	39	37	36	29	20
Dividends Income	49	49	55	59	59
Equity in Earnings of Affiliates	5	11	4	8	17
Reversal of allowance for doubtful accounts	-	1	-	15	-
Surrender value of insurance	20	33	5	-	-
Compensation Income	-	83	155	-	-
Miscellaneous Income	65	64	46	61	48
Non - operating Expenses	62	40	39	39	46
Interest Expenses	38	37	37	34	34
Loss on Sales of Notes Payable	22	-	-	-	-
Shares of subsidiaries acquisition related cost	-	-	-	-	8
Miscellaneous Loss	0	2	2	5	3
<b>Ordinary Income:</b>	<b>1,322</b>	<b>1,661</b>	<b>1,189</b>	<b>1,242</b>	<b>1,059</b>
Extraordinary Income	-	122	-	-	180
Gain on Sales of Land	-	121	-	-	-
Gain on Sales of Investment Securities	-	1	-	-	180
Extraordinary Loss	12	14	5	17	-
Loss on Retirement of Property, Plant and Equipment	12	-	-	-	-
Loss on Valuation of Investment Securities	-	9	5	-	-
Loss on Sale of Membership	0	-	-	10	-
Loss on Valuation of Membership	-	4	-	3	-
Impairment loss	-	-	-	4	-
Income before Income Taxes	1,309	1,770	1,184	1,224	1,240
Income Taxes - Current	476	474	444	505	497
Income Taxes - Deferred	71	199	(12)	(63)	1
<b>Total Income Taxes</b>	<b>547</b>	<b>674</b>	<b>431</b>	<b>442</b>	<b>498</b>
<b>Net Income</b>	<b>761</b>	<b>1,096</b>	<b>753</b>	<b>781</b>	<b>742</b>
Income attributable to non-controlling interests	-	-	-	-	-
<b>Income attributable to owners of parent</b>	<b>761</b>	<b>1,096</b>	<b>753</b>	<b>781</b>	<b>742</b>

# [Consolidated Statements of Comprehensive Income]

(Millions of Yen)

Fiscal Year Ended	2014/3	2015/3	2016/3	2017/3	2018/3
<b>Net Income</b>	<b>761</b>	<b>1,096</b>	<b>753</b>	<b>781</b>	<b>742</b>
Other Comprehensive Income	74	406	(481)	323	76
Valuation Difference on Available-for-sale Securities, net of tax	73	137	(199)	198	(62)
Remeasurements of defined benefit plans, net of tax	-	264	(282)	123	135
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	1	4	(0)	1	3
<b>Comprehensive Income</b>	<b>836</b>	<b>1,502</b>	<b>271</b>	<b>1,104</b>	<b>818</b>

# [Consolidated Statements of Changes in Net Assets]

(April 1, 2017 - March 31, 2018)

(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	
<b>Balance at March 31, 2017</b>	<b>1,208</b>	<b>2,005</b>	<b>23,741</b>	<b>(576)</b>	<b>26,378</b>	<b>494</b>	<b>(12)</b>	<b>481</b>	<b>26,860</b>
Changes of Items during the period									
Dividends from Surplus			(238)		(238)				(238)
Income attributable to owners of parent			742		742				742
Purchase of Treasury Stock				(0)	(0)				(0)
Net Changes of Items other than Shareholders' Equity						(58)	135	76	76
<b>Total Changes of Items during the period</b>	<b>-</b>	<b>-</b>	<b>503</b>	<b>(0)</b>	<b>503</b>	<b>(58)</b>	<b>135</b>	<b>76</b>	<b>580</b>
<b>Balance at March 31, 2018</b>	<b>1,208</b>	<b>2,005</b>	<b>24,245</b>	<b>(576)</b>	<b>26,882</b>	<b>435</b>	<b>122</b>	<b>558</b>	<b>27,440</b>

# [Consolidated Statements of Cash Flows]

(Millions of Yen)

Fiscal Year Ended:	2014/3	2015/3	2016/3	2017/3	2018/3
Net Cash Provided by Operating Activities	450	1,238	256	2,500	2,367
Net Cash Used in Investment Activities	(720)	666	(171)	(325)	(2,078)
Net Cash Used in Financing Activities	(831)	(149)	(225)	(213)	(239)
Effect of Exchange Rate Change on Cash and Cash Equivalents	4	0	(1)	(0)	0
Increase (Decrease) in Cash and Cash Equivalents	(1,096)	1,756	(141)	1,961	50
Cash and Cash Equivalents at Beginning of Period	16,245	15,149	16,905	16,763	18,725
Cash and Cash Equivalents at End of Period	15,149	16,905	16,763	18,725	18,775

# [Non - Consolidated Balance Sheets]

(Millions of Yen)

Fiscal Year Ended:	2014/3	2015/3	2016/3	2017/3	2018/3
<b>Assets</b>					
<b>Current Assets:</b>	<b>25,829</b>	<b>26,954</b>	<b>26,346</b>	<b>26,109</b>	<b>25,317</b>
Cash and Deposits	13,236	14,061	13,508	14,942	13,980
Notes and Accounts Receivable - Trade	9,693	10,304	10,163	8,694	8,512
Merchandise and Finished Goods	1,849	1,674	1,678	1,623	1,800
Others	1,077	940	1,017	855	1,030
Allowance for Doubtful Accounts	(27)	(26)	(22)	(5)	(5)
<b>Fixed Assets:</b>	<b>8,300</b>	<b>8,344</b>	<b>8,000</b>	<b>8,151</b>	<b>9,975</b>
<b>Property, Plant and Equipment</b>	<b>2,050</b>	<b>1,999</b>	<b>1,953</b>	<b>1,960</b>	<b>1,933</b>
Buildings	513	474	440	424	407
Land	1,444	1,444	1,444	1,440	1,440
Others	92	80	68	95	85
<b>Intangible Assets</b>	<b>66</b>	<b>140</b>	<b>119</b>	<b>103</b>	<b>72</b>
<b>Investments and Other Assets</b>	<b>6,183</b>	<b>6,204</b>	<b>5,927</b>	<b>6,088</b>	<b>7,969</b>
<b>Total Assets:</b>	<b>34,130</b>	<b>35,298</b>	<b>34,346</b>	<b>34,261</b>	<b>35,293</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>	<b>12,387</b>	<b>12,755</b>	<b>11,822</b>	<b>11,272</b>	<b>12,105</b>
Notes and Accounts Payable - Trade	8,029	8,419	7,775	4,238	4,139
Electronically recorded obligations - operating	-	-	-	2,913	3,690
Short - term Loans Payable	3,471	3,471	3,471	3,466	3,466
Others	886	865	576	653	809
<b>Non - current Liabilities</b>	<b>1,430</b>	<b>1,594</b>	<b>1,563</b>	<b>1,642</b>	<b>1,660</b>
Provision for Directors' and Corporate Auditors' Retirement Benefit	822	880	927	991	1,049
Deferred tax liabilities	270	341	227	254	203
Others	336	372	408	396	408
<b>Total Liabilities:</b>	<b>13,817</b>	<b>14,350</b>	<b>13,386</b>	<b>12,914</b>	<b>13,766</b>
<b>Net Assets</b>					
<b>Shareholders' Equity</b>	<b>19,957</b>	<b>20,468</b>	<b>20,673</b>	<b>20,866</b>	<b>21,126</b>
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	17,320	17,831	18,036	18,229	18,489
Treasury Stock	(576)	(576)	(576)	(576)	(576)
<b>Valuation and Translation Adjustments:</b>	<b>354</b>	<b>479</b>	<b>285</b>	<b>480</b>	<b>400</b>
Valuation Difference on Available - for - sale Securities	354	479	285	480	400
<b>Total Net Assets:</b>	<b>20,312</b>	<b>20,947</b>	<b>20,959</b>	<b>21,346</b>	<b>21,527</b>
<b>Total Liabilities and Net Assets:</b>	<b>34,130</b>	<b>35,298</b>	<b>34,346</b>	<b>34,261</b>	<b>35,293</b>



# [Non - Consolidated Statements of Income]

(Millions of Yen)

Fiscal Year Ended:	2014/3	2015/3	2016/3	2017/3	2018/3
<b>Net Sales</b>	<b>34,545</b>	<b>35,224</b>	<b>33,715</b>	<b>32,941</b>	<b>31,104</b>
<b>Operating Income</b>	<b>589</b>	<b>678</b>	<b>370</b>	<b>462</b>	<b>405</b>
Non - operating Income	225	268	350	237	214
Non - operating Expenses	76	39	37	35	36
<b>Ordinary Income</b>	<b>737</b>	<b>907</b>	<b>683</b>	<b>664</b>	<b>583</b>
Extraordinary Income	-	1	-	-	180
Extraordinary Loss	143	14	5	7	-
<b>Income before Income Taxes</b>	<b>593</b>	<b>894</b>	<b>678</b>	<b>656</b>	<b>764</b>
Income Taxes - Current	217	301	245	272	290
Income Taxes - Deferred	127	48	3	(16)	(24)
Total Income Taxes	344	349	249	255	265
<b>Net Income</b>	<b>249</b>	<b>544</b>	<b>428</b>	<b>401</b>	<b>498</b>

# [Non - Consolidated Statements of Changes in Net Assets]

(April 1, 2017 - March 31, 2018)

(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, 2017	1,208	2,005	197	15,000	3,032	18,229	(576)	20,866	480	21,346
Changes of Items during the period										
Dividends from Surplus					(238)	(238)		(238)		(238)
Net Income					498	498		498		498
Purchase of Treasury Stock							(0)	(0)		(0)
Net Changes of Items other than Shareholders' Equity									(79)	(79)
Total Changes of Items during the period	-	-	-	-	259	259	(0)	259	(79)	180
Balance at March 31, 2018	1,208	2,005	197	15,000	3,292	18,489	(576)	21,126	400	21,527

# [Stock Information] (As of March 31,2018)

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	812

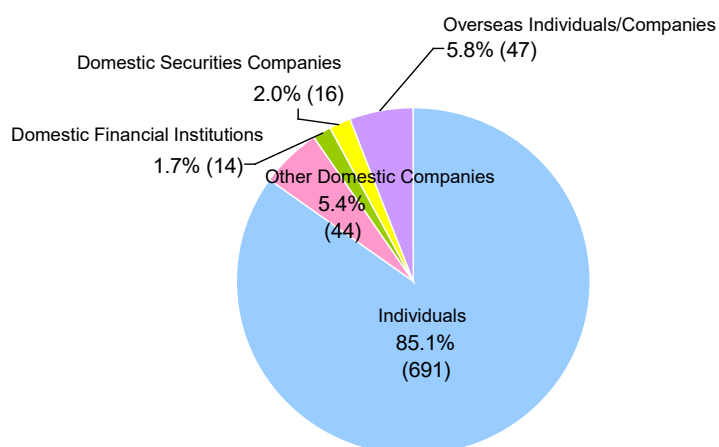
## 【Major Shareholders】

Name	Number of Stock Held	Stock Holding Ratio
Jyoumou Jitsugyou Co., Ltd.	1,388,600	18.7%
Shourin Shouji Co., Ltd.	897,400	12.1%
Employees' Stockholding	474,200	6.4%
Mizuho Bank, Ltd.	360,000	4.8%
MSCO CUSTOMER SECURITIES	317,968	4.3%
Japan Trustee Services Bank, Ltd.(trust account)	308,500	4.1%
Company's Gojokai Association	299,100	4.0%
HIKARI TSUSHIN, INC.	277,000	3.7%
Hirokazu Kobayashi	237,700	3.2%
Sumitomo Mitsui Banking Corporation	190,000	2.6%
Masataka Hatori	137,200	1.8%

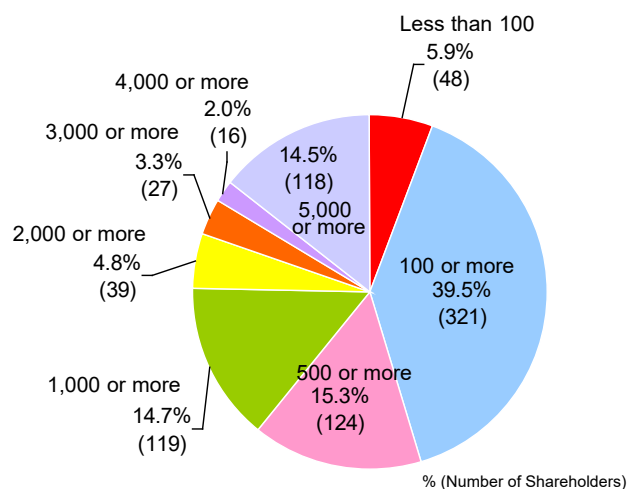
※excluding treasury shares(506,537)

## 【Breakdown of Shareholders】

■ Type of Shareholders



■ Number of Shares



## [Company Profile]

<b>Company Name</b>	MUSASHI CO., LTD.
<b>Established</b>	December, 1946
<b>Head Office</b>	8-20-36 Ginza Chuo-ku Tokyo, Japan
<b>Paid-in Capital</b>	¥ 1,208,500,000
<b>Employees</b>	577(Group) 221 (Musashi) (As of March 31, 2018 )
<b>Banks</b>	The Mizuho Bank, Limited. The Mitsui Sumitomo Bank, Limited. MUFG Bank, Ltd.
<b>Branch</b>	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