

## Translation

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# Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 6, 2024

Company name: Musashi Seimitsu Industry Co.,Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 7220 URL <https://www.musashi.co.jp>  
 Representative: President & CEO Hiroshi Otsuka  
 Deputy CFO & General Manager Finance & Accounting Div. Hiroki Matsuda  
 Inquiries: TEL 0532-25-8111  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

### (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                         | %    |
| Three months ended June 30, 2024 | 88,941          | 7.9  | 3,985            | 73.0 | 4,322           | 68.3 | 2,939                                   | 65.4 |
| Three months ended June 30, 2023 | 82,437          | 29.0 | 2,303            | –    | 2,567           | –    | 1,777                                   | –    |

|                                  | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
|                                  | Yen                | Yen                        |
| Three months ended June 30, 2024 | 44.88              | –                          |
| Three months ended June 30, 2023 | 27.21              | –                          |

### (2) Consolidated financial position

|                      | Total assets    | Net assets      | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
|                      | Millions of yen | Millions of yen | %            | Yen                  |
| As of June 30, 2024  | 305,196         | 133,647         | 40.5         | 1,885.88             |
| As of March 31, 2024 | 290,339         | 125,391         | 39.9         | 1,767.95             |

## 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, 2024             | –                          | 15.00           | –               | 25.00           | 40.00 |
| Year ending March 31, 2025            | –                          |                 |                 |                 |       |
| Year ending March 31, 2025 (Forecast) |                            | 25.00           | –               | 25.00           | 50.00 |

## 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                |
| Full year | 340,000         | (2.8) | 20,500           | 11.6 | 17,500          | 12.5 | 11,000                                  | 38.9 | 168.36             |

#### 4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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: Yes
- 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 June 30, 2024 | 65,517,161 shares | As of March 31, 2024 | 65,517,161 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                     |               |                      |               |
|---------------------|---------------|----------------------|---------------|
| As of June 30, 2024 | 31,635 shares | As of March 31, 2024 | 31,040 shares |
|---------------------|---------------|----------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                  |                   |                                  |                   |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2024 | 65,485,783 shares | Three months ended June 30, 2023 | 65,302,346 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

# Quarterly consolidated financial statements

## Consolidated balance sheets

(Millions of yen)

|  | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| <b>Assets</b>                          |                      |                     |
| Current assets                         |                      |                     |
| Cash and deposits                      | 26,698               | 30,235              |
| Notes and accounts receivable - trade  | 49,428               | 49,312              |
| Merchandise and finished goods         | 13,039               | 14,838              |
| Work in process                        | 10,804               | 11,961              |
| Raw materials and supplies             | 31,587               | 33,505              |
| Other                                  | 10,766               | 14,147              |
| Allowance for doubtful accounts        | (516)                | (388)               |
| Total current assets                   | 141,808              | 153,611             |
| Non-current assets                     |                      |                     |
| Property, plant and equipment          |                      |                     |
| Buildings and structures               | 60,755               | 63,085              |
| Accumulated depreciation               | (33,319)             | (34,860)            |
| Accumulated impairment                 | (4)                  | (4)                 |
| Buildings and structures, net          | 27,430               | 28,220              |
| Machinery, equipment and vehicles      | 305,549              | 319,185             |
| Accumulated depreciation               | (239,291)            | (252,177)           |
| Accumulated impairment                 | (548)                | (580)               |
| Machinery, equipment and vehicles, net | 65,709               | 66,427              |
| Tools, furniture and fixtures          | 17,963               | 18,922              |
| Accumulated depreciation               | (13,582)             | (14,414)            |
| Tools, furniture and fixtures, net     | 4,381                | 4,507               |
| Land                                   | 9,730                | 10,019              |
| Construction in progress               | 8,804                | 10,341              |
| Total property, plant and equipment    | 116,056              | 119,516             |
| Intangible assets                      |                      |                     |
| Goodwill                               | 674                  | 987                 |
| Customer-related intangible assets     | 2,047                | 2,031               |
| Software                               | 888                  | 832                 |
| Software in progress                   | 12                   | 12                  |
| Other                                  | 615                  | 629                 |
| Total intangible assets                | 4,239                | 4,493               |
| Investments and other assets           |                      |                     |
| Investment securities                  | 16,574               | 16,261              |
| Investments in capital                 | 1,758                | 1,850               |
| Long-term loans receivable             | 524                  | 532                 |
| Retirement benefit asset               | 557                  | 546                 |
| Deferred tax assets                    | 3,996                | 4,347               |
| Other                                  | 4,955                | 4,129               |
| Allowance for doubtful accounts        | (133)                | (91)                |
| Total investments and other assets     | 28,234               | 27,574              |
| Total non-current assets               | 148,530              | 151,584             |
| Total assets                           | 290,339              | 305,196             |

(Millions of yen)

|  | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Liabilities  |                      |                     |
| Current liabilities                                      |                      |                     |
| Notes and accounts payable - trade                       | 24,309               | 24,562              |
| Short-term borrowings                                    | 49,587               | 50,124              |
| Current portion of long-term borrowings                  | 8,154                | 7,950               |
| Accounts payable - other                                 | 4,255                | 3,534               |
| Accrued expenses   | 9,746                | 10,406              |
| Income taxes payable                                     | 1,435                | 1,899               |
| Provision for bonuses                                    | 2,759                | 2,425               |
| Provision for bonuses for directors (and other officers) | 27                   | 42                  |
| Provision for product warranties                         | 74                   | 77                  |
| Provision for loss on guarantees                         | 200                  | 200                 |
| Provision for loss on litigation                         | 315                  | 344                 |
| Other  | 6,159                | 8,494               |
| Total current liabilities                                | 107,025              | 110,062             |
| Non-current liabilities                                  |                      |                     |
| Long-term borrowings                                     | 41,625               | 44,704              |
| Deferred tax liabilities                                 | 6,257                | 6,178               |
| Retirement benefit liability                             | 7,780                | 8,287               |
| Other  | 2,258                | 2,316               |
| Total non-current liabilities                            | 57,921               | 61,486              |
| Total liabilities  | 164,947              | 171,548             |
| Net assets   |                      |                     |
| Shareholders' equity                                     |                      |                     |
| Share capital  | 5,602                | 5,602               |
| Retained earnings  | 88,650               | 89,952              |
| Treasury shares  | (8)                  | (8)                 |
| Total shareholders' equity                               | 94,243               | 95,545              |
| Accumulated other comprehensive income                   |                      |                     |
| Valuation difference on available-for-sale securities    | 5,608                | 5,357               |
| Foreign currency translation adjustment                  | 15,616               | 22,296              |
| Remeasurements of defined benefit plans                  | 307                  | 297                 |
| Total accumulated other comprehensive income             | 21,532               | 27,951              |
| Non-controlling interests                                | 9,615                | 10,149              |
| Total net assets   | 125,391              | 133,647             |
| Total liabilities and net assets                         | 290,339              | 305,196             |

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

## Consolidated statements of income (cumulative)

(Millions of yen)

|   | Three months ended<br>June 30, 2023 | Three months ended<br>June 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 82,437                              | 88,941                              |
| Cost of sales   | 72,573                              | 76,248                              |
| Gross profit  | 9,863                               | 12,693                              |
| Selling, general and administrative expenses                | 7,560                               | 8,708                               |
| Operating profit  | 2,303                               | 3,985                               |
| Non-operating income  |                                     |                                     |
| Interest income   | 117                                 | 153                                 |
| Dividend income   | 114                                 | 230                                 |
| Gain on valuation of investment securities                  | 19                                  | —                                   |
| Foreign exchange gains                                      | 789                                 | 333                                 |
| Compensation income   | —                                   | 13                                  |
| Other   | 131                                 | 407                                 |
| Total non-operating income                                  | 1,172                               | 1,139                               |
| Non-operating expenses                                      |                                     |                                     |
| Interest expenses   | 680                                 | 659                                 |
| Loss on valuation of investment securities                  | 2                                   | 14                                  |
| Share of loss of entities accounted for using equity method | 135                                 | 16                                  |
| Other   | 89                                  | 113                                 |
| Total non-operating expenses                                | 908                                 | 802                                 |
| Ordinary profit   | 2,567                               | 4,322                               |
| Extraordinary income  |                                     |                                     |
| Gain on sale of non-current assets                          | 34                                  | 15                                  |
| Total extraordinary income                                  | 34                                  | 15                                  |
| Extraordinary losses  |                                     |                                     |
| Loss on sale of non-current assets                          | —                                   | 0                                   |
| Loss on retirement of non-current assets                    | 21                                  | 16                                  |
| Loss on valuation of investment securities                  | 64                                  | —                                   |
| Total extraordinary losses                                  | 85                                  | 16                                  |
| Profit before income taxes                                  | 2,515                               | 4,320                               |
| Income taxes  | 698                                 | 1,177                               |
| Profit  | 1,817                               | 3,143                               |
| Profit attributable to non-controlling interests            | 40                                  | 204                                 |
| Profit attributable to owners of parent                     | 1,777                               | 2,939                               |

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

|  | Three months ended<br>June 30, 2023 | Three months ended<br>June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 1,817                               | 3,143                               |
| Other comprehensive income   |                                     |                                     |
| Valuation difference on available-for-sale securities                                | 1,938                               | (251)                               |
| Deferred gains or losses on hedges   | 0                                   | —                                   |
| Foreign currency translation adjustment  | 9,572                               | 7,054                               |
| Remeasurements of defined benefit plans, net of tax                                  | (83)                                | (14)                                |
| Share of other comprehensive income of entities accounted<br>for using equity method | (69)                                | (75)                                |
| Total other comprehensive income   | 11,357                              | 6,713                               |
| Comprehensive income   | 13,174                              | 9,857                               |
| Comprehensive income attributable to   |                                     |                                     |
| Comprehensive income attributable to owners of parent                                | 12,285                              | 9,358                               |
| Comprehensive income attributable to non-controlling<br>interests                    | 888                                 | 498                                 |