

# Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 2022

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  
 Inquiries: Finance & Accounting Division General Shinichi Takahashi TEL 0532-25-8111  
 Manager  
 Scheduled date to file Quarterly Securities Report: August 5, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly 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, 2022 (from April 1, 2022 to June 30, 2022)

#### (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, 2022	63,925	9.9	(1,186)	–	(63)	–	(200)	–
Three months ended June 30, 2021	58,186	109.3	1,676	–	1,629	–	1,562	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(3.08)	–
Three months ended June 30, 2021	23.95	–

#### (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, 2022	274,364	118,171	38.6	1,622.09
As of March 31, 2022	259,960	112,269	38.7	1,541.26

### 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, 2022	–	15.00	–	30.00	45.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		20.00	–	25.00	45.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	275,000	13.7	10,000	18.9	9,500	0.7	6,500	19.7	99.61

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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, 2022	65,287,701 shares	As of March 31, 2022	65,287,701 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	30,955 shares	As of March 31, 2022	24,144 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	65,256,746 shares	Three months ended June 30, 2021	65,234,461 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	27,554	32,210
Notes and accounts receivable - trade	39,188	38,158
Merchandise and finished goods	11,159	12,831
Work in process	9,308	9,956
Raw materials and supplies	26,477	29,424
Other	8,574	9,366
Allowance for doubtful accounts	(83)	(88)
Total current assets	122,180	131,860
Non-current assets		
Property, plant and equipment		
Buildings and structures	51,636	54,102
Accumulated depreciation	(27,388)	(28,963)
Accumulated impairment	(382)	(384)
Buildings and structures, net	23,864	24,754
Machinery, equipment and vehicles	251,601	268,159
Accumulated depreciation	(192,256)	(204,930)
Accumulated impairment	(753)	(781)
Machinery, equipment and vehicles, net	58,590	62,447
Tools, furniture and fixtures	14,566	15,505
Accumulated depreciation	(10,951)	(11,747)
Accumulated impairment	(20)	(20)
Tools, furniture and fixtures, net	3,594	3,736
Land	7,735	7,980
Construction in progress	17,912	17,732
Total property, plant and equipment	111,699	116,651
Intangible assets		
Goodwill	416	347
Customer relationship assets	2,543	2,546
Software	1,428	1,305
Software in progress	7	7
Other	1,130	1,043
Total intangible assets	5,525	5,248
Investments and other assets		
Investment securities	12,583	12,484
Investments in capital	997	1,003
Long-term loans receivable	224	231
Deferred tax assets	2,782	2,595
Other	4,023	4,345
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	20,556	20,603
Total non-current assets	137,780	142,503
Total assets	259,960	274,364

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,508	18,860
Short-term borrowings	42,380	55,926
Current portion of long-term borrowings	12,287	12,516
Accounts payable - other	3,738	3,508
Accrued expenses	6,257	6,533
Income taxes payable	1,393	1,305
Provision for bonuses	2,267	1,916
Provision for bonuses for directors (and other officers)	20	26
Provision for product compensations	212	221
Other	5,760	6,412
Total current liabilities	92,827	107,226
Non-current liabilities		
Long-term borrowings	41,914	37,685
Deferred tax liabilities	3,785	3,366
Retirement benefit liability	6,152	5,528
Other	3,010	2,385
Total non-current liabilities	54,863	48,966
Total liabilities	147,690	156,192
Net assets		
Shareholders' equity		
Share capital	5,427	5,427
Capital surplus	3,126	3,126
Retained earnings	87,724	85,565
Treasury shares	(8)	(8)
Total shareholders' equity	96,270	94,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,878	3,558
Foreign currency translation adjustment	215	7,757
Remeasurements of defined benefit plans	223	425
Total accumulated other comprehensive income	4,317	11,741
Non-controlling interests	11,681	12,318
Total net assets	112,269	118,171
Total liabilities and net assets	259,960	274,364

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

## Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	58,186	63,925
Cost of sales	50,331	57,891
Gross profit	7,854	6,033
Selling, general and administrative expenses	6,178	7,219
Operating profit (loss)	1,676	(1,186)
Non-operating income		
Interest income	81	113
Dividend income	106	78
Foreign exchange gains	—	950
Compensation income	—	266
Other	79	113
Total non-operating income	267	1,522
Non-operating expenses		
Interest expenses	122	210
Loss on valuation of investment securities	—	112
Share of loss of entities accounted for using equity method	—	39
Foreign exchange losses	161	—
Other	30	36
Total non-operating expenses	313	399
Ordinary profit (loss)	1,629	(63)
Extraordinary income		
Gain on termination of retirement benefit plan	—	405
Gain on sale of non-current assets	16	13
Total extraordinary income	16	419
Extraordinary losses		
Loss on sale of non-current assets	6	0
Loss on retirement of non-current assets	3	5
Loss on valuation of investment securities	5	—
Total extraordinary losses	15	5
Profit before income taxes	1,630	350
Income taxes	(20)	609
Profit (loss)	1,650	(258)
Profit (loss) attributable to non-controlling interests	88	(57)
Profit (loss) attributable to owners of parent	1,562	(200)

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	1,650	(258)
Other comprehensive income		
Valuation difference on available-for-sale securities	333	(319)
Foreign currency translation adjustment	1,083	8,090
Remeasurements of defined benefit plans, net of tax	294	414
Total other comprehensive income	1,712	8,185
Comprehensive income	3,362	7,927
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,197	7,222
Comprehensive income attributable to non-controlling interests	165	704