

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 5, 2021

Company name: Musashi Seimitsu Industry Co.,Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 7220 URL <http://www.musashi.co.jp>  
 Representative: President & CEO Hiroshi Otsuka  
 Executive Officer General Manager of Finance & Accounting Div. Shinichi Takahashi TEL 0532-25-8111  
 Inquiries: Finance & Accounting Div.  
 Scheduled date to file Quarterly Securities Report: August 5, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for financial institutions and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

#### (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, 2021	58,186	109.3	1,676	–	1,629	–	1,562	–
Three months ended June 30, 2020	27,803	(55.5)	(5,796)	–	(5,637)	–	(3,135)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	23.95		–	
Three months ended June 30, 2020	(48.11)		–	

#### (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, 2021	232,507	97,320	37.2	1,324.17
As of March 31, 2021	226,066	95,914	37.7	1,305.03

### 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, 2021	–	5.00	–	30.00	35.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	30.00	–	30.00	60.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	230,000	12.4	16,000	113.1	15,100	82.4	10,200	38.2	156.40

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021  
 (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, 2021	65,258,601 shares	As of March 31, 2021	65,258,601 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	24,144 shares	As of March 31, 2021	17,558 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, 2021	65,234,461 shares	Three months ended June 30, 2020	65,166,531 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	24,143	25,982
Notes and accounts receivable - trade	33,776	31,390
Merchandise and finished goods	8,309	10,685
Work in process	8,077	8,824
Raw materials and supplies	21,417	22,757
Other	6,430	7,184
Allowance for doubtful accounts	(102)	(104)
Total current assets	102,053	106,721
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,213	47,902
Accumulated depreciation	(24,197)	(24,770)
Accumulated impairment	(293)	(333)
Buildings and structures, net	22,722	22,798
Machinery, equipment and vehicles	223,359	225,647
Accumulated depreciation	(168,586)	(171,603)
Accumulated impairment	(527)	(570)
Machinery, equipment and vehicles, net	54,245	53,473
Tools, furniture and fixtures	13,057	13,621
Accumulated depreciation	(9,315)	(9,774)
Accumulated impairment	(15)	(17)
Tools, furniture and fixtures, net	3,726	3,830
Land	7,488	7,471
Construction in progress	14,065	14,962
Total property, plant and equipment	102,249	102,536
Intangible assets		
Goodwill	694	625
Customer relationship assets	2,807	2,746
Software	1,318	1,387
Software in progress	36	36
Other	1,559	1,453
Total intangible assets	6,416	6,249
Investments and other assets		
Investment securities	9,749	11,402
Investments in capital	777	770
Long-term loans receivable	65	72
Deferred tax assets	2,243	2,267
Other	2,556	2,551
Allowance for doubtful accounts	(43)	(63)
Total investments and other assets	15,348	17,001
Total non-current assets	124,013	125,786
Total assets	226,066	232,507

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,843	17,217
Short-term borrowings	38,932	49,456
Current portion of long-term borrowings	11,410	11,474
Accounts payable - other	3,967	4,754
Accrued expenses	7,614	7,391
Income taxes payable	1,954	600
Provision for bonuses	2,054	1,709
Provision for bonuses for directors (and other officers)	23	33
Provision for product compensations	235	230
Other	5,826	7,148
Total current liabilities	89,862	100,017
Non-current liabilities		
Long-term borrowings	27,151	23,692
Deferred tax liabilities	2,653	2,257
Retirement benefit liability	6,695	6,367
Other	3,788	2,853
Total non-current liabilities	40,289	35,170
<b>Total liabilities</b>	<b>130,152</b>	<b>135,187</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,394	5,394
Capital surplus	3,093	3,093
Retained earnings	85,992	85,597
Treasury shares	(8)	(8)
Total shareholders' equity	94,472	94,077
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,605	2,939
Foreign currency translation adjustment	(11,581)	(10,580)
Remeasurements of defined benefit plans	(354)	(54)
Total accumulated other comprehensive income	(9,330)	(7,695)
Non-controlling interests	10,773	10,938
<b>Total net assets</b>	<b>95,914</b>	<b>97,320</b>
<b>Total liabilities and net assets</b>	<b>226,066</b>	<b>232,507</b>

**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, 2020	Three months ended June 30, 2021
Net sales	27,803	58,186
Cost of sales	28,827	50,331
Gross profit (loss)	(1,023)	7,854
Selling, general and administrative expenses	4,772	6,178
Operating profit (loss)	(5,796)	1,676
Non-operating income		
Interest income	85	81
Dividend income	64	106
Foreign exchange gains	23	–
Subsidy income	127	–
Other	46	79
Total non-operating income	347	267
Non-operating expenses		
Interest expenses	155	122
Foreign exchange losses	–	161
Other	32	30
Total non-operating expenses	187	313
Ordinary profit (loss)	(5,637)	1,629
Extraordinary income		
Gain on sale of non-current assets	2	16
Gain on bargain purchase	877	–
Gain on reversal of liabilities	534	–
Total extraordinary income	1,413	16
Extraordinary losses		
Loss on sale of non-current assets	2	6
Loss on retirement of non-current assets	8	3
Loss on valuation of investment securities	–	5
Total extraordinary losses	11	15
Profit (loss) before income taxes	(4,234)	1,630
Income taxes	(411)	(20)
Profit (loss)	(3,823)	1,650
Profit (loss) attributable to non-controlling interests	(687)	88
Profit (loss) attributable to owners of parent	(3,135)	1,562

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

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	(3,823)	1,650
Other comprehensive income		
Valuation difference on available-for-sale securities	382	333
Foreign currency translation adjustment	2,122	1,083
Remeasurements of defined benefit plans, net of tax	(33)	294
Total other comprehensive income	2,470	1,712
Comprehensive income	(1,352)	3,362
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,084)	3,197
Comprehensive income attributable to non-controlling interests	(267)	165