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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 14, 2017

Company name:	Musashi Seimitsu Industry Co., Ltd.		
Stock exchange listing:	Tokyo, Nagoya		
Stock code:	7220 URL http://www.musashi.co.j	р	
Representative:	President & CEO	Hiroshi Otsuka	
Inquiries:	Director Senior Executive Officer Head of	Isao Kamiya	TEL 0532-25-8111
inquiries.	Finance & Accounting	isao Kaliliya	TEL 0552-25-0111
Scheduled date to file (Quarterly Securities Report:	February 14, 2017	
Scheduled date to comm	nence dividend payments:	-	
Preparation of supplem	entary material on quarterly financial results:	No	
Holding of quarterly fir	nancial results meeting:	Yes (for institutional i	nvestors and analysts)

(Amounts less than one million yen are rounded down)

Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)
(1) Consolidated operating results (cumulative)
Percentages indicate year-on-year changes

	Net sales		Net sales Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	125,240	2.1	6,547	(32.7)	5,802	(30.9)	3,780	(39.2)
Nine months ended December 31, 2015	122,674	5.2	9,724	20.6	8,395	1.6	6,221	16.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	121.18	110.70
Nine months ended December 31, 2015	199.43	182.29

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2016	216,773	67,404	28.3	1,963.47
As of March 31, 2016	155,152	77,947	43.1	2,142.11

2. Cash dividends

		Annual dividends per share					
	1st quarter-end	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total					
	Yen	Yen	Yen	Yen	Yen		
Year ended March 31, 2016	-	25.00	-	25.00	50.00		
Year ending March 31, 2017	-	26.00	-				
Year ending March 31, 2017 (Forecast)				26.00	52.00		

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Percentages indicate year-on-year changes							ear-on-year changes		
		Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
Ī		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	Full year	175,000	6.5	11,000	(17.9)	10,000	(12.7)	6,300	(7.5)	201.96

4. Notes				
(1) Changes in significant subsidiaries during th	e nine months ended Dece	mber 31, 2016	Yes	
(changes in specified subsidiaries resulting in	105			
(2) Application of special accounting methods for	or preparing quarterly cons	solidated financial statements:	Yes	
(3) Changes in accounting policies, changes in a	ccounting estimates, and r	estatement of prior period financ	ial stateme	nts
Changes in accounting policies due to revis	sions to accounting standar	ds and other regulations:	No	
Changes in accounting policies due to othe	r reasons:		No	
Changes in accounting estimates:			No	
Restatement of prior period financial stater	nents:		No	
(4) Number of issued shares (common shares)				
Total number of issued shares at the end of	the period (including treas	sury shares)		
As of December 31, 2016	31,200,000 shares	As of March 31, 2016		31,200,000 shares
Number of treasury shares at the end of the	period			
As of December 31, 2016	5,752 shares	As of March 31, 2016		5,539 shares
Average number of shares during the perio	d (cumulative from the beg	ginning of the fiscal year)		
Nine months ended December 31, 2016	31,194,424 shares	Nine months ended December	31, 2015	31,194,524 shares

Quarterly consolidated financial statements Consolidated balance sheets

		(Millions of yen
	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	13,059	16,06
Notes and accounts receivable - trade	16,851	17,59
Merchandise and finished goods	3,966	7,71
Work in process	3,574	5,29
Raw materials and supplies	14,171	17,33
Deferred tax assets	1,294	1,25
Other	5,948	10,89
Allowance for doubtful accounts	(66)	(3
Total current assets	58,800	76,10
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,843	39,45
Accumulated depreciation	(16,622)	(16,99
Accumulated impairment loss	(806)	(81
Buildings and structures, net	16,414	21,64
Machinery, equipment and vehicles	178,357	186,28
Accumulated depreciation	(123,616)	(120,94
Accumulated impairment loss	(1,008)	(1,01
Machinery, equipment and vehicles, net	53,732	64,32
Tools, furniture and fixtures	7,900	9,91
Accumulated depreciation	(6,243)	(6,35
Accumulated impairment loss	(44)	(4,55
Tools, furniture and fixtures, net	1,611	3,51
Land	5,045	6,16
Construction in progress	4,761	6,99
Total property, plant and equipment	81,565	102,65
Intangible assets	1.007	1.41
Software	1,226	1,61
Software in progress	542	20
Goodwill	-	8,33
Other	11	16,53
Total intangible assets	1,780	26,70
Investments and other assets		
Investment securities	5,443	5,81
Investments in capital	2,062	7
Long-term loans receivable	47	4
Deferred tax assets	3,014	2,68
Other	2,490	2,74
Allowance for doubtful accounts	(51)	(5
Total investments and other assets	13,006	11,31
Total non-current assets	96,352	140,66
Total assets	155,152	216,77

	As of March 31, 2016	(Millions of yen) As of December 31, 2016
Liabilities	715 01 March 51, 2010	115 01 December 51, 2010
Current liabilities		
Notes and accounts payable - trade	11,122	15,740
Short-term loans payable	17,188	36,388
Current portion of long-term loans payable	3,368	9,275
Accounts payable - other	3,206	3,160
Accrued expenses	4,811	5,836
Income taxes payable	745	849
Provision for bonuses	1,729	1,698
Provision for directors' bonuses	51	54
Provision for product compensations	22	30
Other	1,783	5,427
Total current liabilities	44,029	78,462
Non-current liabilities		
Bonds payable	10,026	10,019
Long-term loans payable	18,472	47,749
Deferred tax liabilities	1,620	6,314
Net defined benefit liability	2,284	4,931
Other	770	1,891
Total non-current liabilities	33,175	70,900
Total liabilities	77,204	149,368
Net assets		
Shareholders' equity		
Capital stock	2,973	2,973
Capital surplus	2,714	1,734
Retained earnings	66,103	68,578
Treasury shares	(7)	(7)
Total shareholders' equity	71,783	73,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,160	2,457
Foreign currency translation adjustment	(6,485)	(13,934
Remeasurements of defined benefit plans	(637)	(552
Total accumulated other comprehensive income	(4,961)	(12,029
Non-controlling interests	11,125	6,155
Total net assets	77,947	67,404
Total liabilities and net assets	155,152	216,773

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

Consolidated statements of income (cumulative)

Cost of sales $102,195$ $106,18$ Gross profit $20,478$ $19,05$ Selling, general and administrative expenses $10,754$ $12,51$ Operating income $9,724$ $6,54$ Non-operating income 45 21 Interest income 106 12 Subsidy income $ 228$ Other 156 27 Total non-operating income 307 89 Non-operating expenses 307 89 Interest expenses 729 80 Loss on retirement of non-current assets 32 Foreign exchange losses 673 65 Other 200 18 Total non-operating expenses $1,636$ $1,64$ Ordinary income $8,395$ $5,80$ Extraordinary income 115 5 Casi on sales of non-current assets 9 13 Impairment loss $ -$ Total extraordinary losses 39 16 Profit extraordinary losses 39 16 Profit before income taxes $8,471$ $5,69$ Income taxes $8,471$ $5,69$ Income taxes $8,471$ $5,69$ Income taxes $1,343$ $1,55$ Profit attributable to non-controlling interests 906 37			(Millions of yen)
Net sales122,674125,24Cost of sales102,195106,18Gross profit $20,478$ 19,05Selling, general and administrative expenses $10,754$ 12,51Operating income $9,724$ $6,54$ Non-operating income 45 21Dividend income 106 12Subsidy income $-$ 28Other 156 27Total non-operating income 307 89Non-operating expenses 32 673 Interest expenses 729 80 Loss on retirement of non-current assets 32 673 Total non-operating expenses $1,636$ $1,64$ Other 200 18 73 Total non-operating expenses $1,636$ $1,64$ Other 200 115 5 Total non-operating expenses $1,636$ $1,64$ Other 200 115 5 Total non-operating expenses 29 11 Loss on sales of non-current assets 9 13 Impairment loss $ -$ Total extraordinary losses 39 16 Profit before income taxes $8,471$ $5,69$ Income taxes $8,471$ $5,69$ Profit attributable to non-controlling interests 906 37		Nine months ended	Nine months ended
Cost of sales $102,195$ $106,18$ Gross profit $20,478$ $19,05$ Selling, general and administrative expenses $10,754$ $12,51$ Operating income $9,724$ $6,54$ Non-operating income 45 21 Interest income 106 12 Subsidy income $ 228$ Other 156 27 Total non-operating income 307 89 Non-operating expenses 307 89 Interest expenses 729 80 Loss on retirement of non-current assets 32 Foreign exchange losses 673 65 Other 200 18 Total non-operating expenses $1,636$ $1,64$ Ordinary income $8,395$ $5,80$ Extraordinary income 115 5 Casi on sales of non-current assets 9 13 Impairment loss $ -$ Total extraordinary losses 39 16 Profit extraordinary losses 39 16 Profit before income taxes $8,471$ $5,69$ Income taxes $8,471$ $5,69$ Income taxes $8,471$ $5,69$ Income taxes $1,343$ $1,55$ Profit attributable to non-controlling interests 906 37		December 31, 2015	December 31, 2016
Gross profit 20,478 19,05 Selling, general and administrative expenses 10,754 12,51 Operating income 9,724 6,54 Non-operating income 45 21 Dividend income 106 12 Subsidy income - 28 Other 156 27 Total non-operating expenses 307 89 Interest expenses 32 673 Interest expenses 673 655 Other 200 18 Total non-operating expenses 115 5 Interest expenses 673 655 Other 200 18 Total non-operating expenses 11,636 1,64 Ordinary income 115 5 Gain on sales of non-current assets 29 1 Loss on retirement of non-current assets 9 13 Impairment loss - - Total extraordinary losses 39 16 Profit extrordinary losses 39	Net sales	122,674	125,240
Selling, general and administrative expenses $10,754$ $12,51$ Operating income $9,724$ $6,54$ Non-operating income 45 21 Interest income 46 12 Subsidy income $ 28$ Other 156 27 Total non-operating income 307 89 Non-operating expenses 729 80 Loss on retirement of non-current assets 32 673 Other 200 18 Total non-operating expenses $1,636$ $1,64$ Ordinary income $8,395$ $5,80$ Extraordinary income 115 5 Gain on sales of non-current assets 29 11 Loss on retirement of non-current assets 9 13 Indiary income 115 5 Total non-operating vincome 9 13 Ingairment loss $ -$ Total extraordinary losses 29 1 Loss on retirement of non-current assets 9 13 Impairment loss $ -$ Total extraordinary losses 39 16 Profit before income taxes $8,471$ $5,69$ Income taxes $8,471$ $5,69$ Income taxes $1,343$ $1,53$ Profit attributable to non-controlling interests 906 37	Cost of sales	102,195	106,181
Operating income9,7246,54Non-operating income4521Dividend income10612Subsidy income-28Other15627Total non-operating income30789Non-operating expenses32Interest expenses32Interest expenses32Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets913Impairment lossTotal extraordinary losses913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes8,4715,69Income taxes9,1331,53Profit attributable to non-controlling interests90637	Gross profit	20,478	19,059
Non-operating income4521Interest income4521Dividend income10612Subsidy income-28Other15627Total non-operating expenses30789Non-operating expenses72980Loss on retirement of non-current assets32Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary losses291Loss on retirement of non-current assets913Ingairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit attributable to non-controlling interests90637	Selling, general and administrative expenses	10,754	12,511
Interest income 45 21 Dividend income 106 12 Subsidy income - 28 Other 156 27 Total non-operating income 307 89 Non-operating expenses 307 89 Interest expenses 32 729 80 Loss on retirement of non-current assets 32 73 65 Other 200 18 73 65 Other 200 18 1.636 1.64 Ordinary income 8,395 5,80 5,80 Extraordinary income 115 5 5 Gain on sales of non-current assets 115 5 5 Total extraordinary income 115 5 5 Loss on sales of non-current assets 29 1 1 5 Loss on sales of non-current assets 9 13 13 1,343 1,33 Inpairment of nos-current assets 39 16 6 7,127 4,15	Operating income	9,724	6,54
Dividend income 106 12 Subsidy income $ 28$ Other 156 27 Total non-operating income 307 89 Non-operating expenses 307 89 Interest expenses 729 80 Loss on retirement of non-current assets 32 729 Foreign exchange losses 673 65 Other 200 18 Total non-operating expenses 1.636 1.64 Ordinary income 8.395 5.80 Extraordinary income 115 5 Gain on sales of non-current assets 115 5 Index son sales of non-current assets 9 113 Inso on sales of non-current assets 9 13 Impairment loss $ -$ Total extraordinary losses 39 16 Profit before income taxes 8.471 5.69 Income taxes 1.343 1.53 Profit attributable to non-controlling interests 906 37	Non-operating income		
Subsidy income-28Other15627Total non-operating income30789Non-operating expenses30789Interest expenses3280Loss on retirement of non-current assets32673Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Loss on sales of non-current assets291Loss on sales of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Interest income	45	211
Other15627Total non-operating income30789Non-operating expenses72980Loss on retirement of non-current assets32Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Total extraordinary income1155Extraordinary income1155Loss on sales of non-current assets291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Dividend income	106	121
Total non-operating income30789Non-operating expenses72980Interest expenses3232Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Subsidy income	_	284
Non-operating expenses72980Interest expenses72980Loss on retirement of non-current assets32Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Loss on sales of non-current assets291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit attributable to non-controlling interests90637	Other	156	278
Interest expenses72980Loss on retirement of non-current assets32Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Total non-operating income	307	890
Loss on retirement of non-current assets32Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses291Loss on retirement of non-current assets291Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit attributable to non-controlling interests90637	Non-operating expenses		
Foreign exchange losses67365Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses291Loss on sales of non-current assets291Impairment lossTotal extraordinary losses3916Profit before income taxes3916Profit7,1274,15Profit attributable to non-controlling interests90637	Interest expenses	729	80
Other20018Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income8,3955,80Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses291Loss on sales of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit attributable to non-controlling interests90637	Loss on retirement of non-current assets	32	:
Total non-operating expenses1,6361,64Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses291Loss on sales of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Foreign exchange losses	673	65
Ordinary income8,3955,80Extraordinary income1155Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses291Loss on sales of non-current assets291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Other	200	18
Extraordinary income115Gain on sales of non-current assets115Total extraordinary income115Extraordinary losses29Loss on sales of non-current assets9Loss on retirement of non-current assets9Impairment loss-Total extraordinary losses39Profit before income taxes8,471Income taxes1,343Profit7,127Profit attributable to non-controlling interests906	Total non-operating expenses	1,636	1,642
Gain on sales of non-current assets1155Total extraordinary income1155Extraordinary losses1155Loss on sales of non-current assets291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Ordinary income	8,395	5,802
Total extraordinary income1155Extraordinary losses291Loss on sales of non-current assets291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Extraordinary income		
Extraordinary losses291Loss on sales of non-current assets291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Gain on sales of non-current assets	115	5
Loss on sales of non-current assets291Loss on retirement of non-current assets913Impairment lossTotal extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Total extraordinary income	115	5
Loss on retirement of non-current assets913Impairment loss-Total extraordinary losses39Profit before income taxes8,471Income taxes1,343Profit7,127Profit attributable to non-controlling interests906	Extraordinary losses		
Impairment loss-Total extraordinary losses39Profit before income taxes8,471Income taxes1,343Profit7,127Profit attributable to non-controlling interests906	Loss on sales of non-current assets	29	1
Total extraordinary losses3916Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Loss on retirement of non-current assets	9	13
Profit before income taxes8,4715,69Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Impairment loss		
Income taxes1,3431,53Profit7,1274,15Profit attributable to non-controlling interests90637	Total extraordinary losses	39	16
Profit7,1274,15Profit attributable to non-controlling interests90637	Profit before income taxes	8,471	5,69
Profit attributable to non-controlling interests 906 37	Income taxes	1,343	1,53
	Profit	7,127	4,15
	Profit attributable to non-controlling interests	906	37
	Profit attributable to owners of parent	6,221	3,78

		(Millions of yen)
	Nine months ended	Nine months ended
	December 31, 2015	December 31, 2016
Profit	7,127	4,151
Other comprehensive income		
Valuation difference on available-for-sale securities	40	297
Foreign currency translation adjustment	(9,857)	(8,652)
Remeasurements of defined benefit plans, net of tax	125	88
Total other comprehensive income	(9,690)	(8,266)
Comprehensive income	(2,562)	(4,114)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,688)	(3,287)
Comprehensive income attributable to non-controlling interests	(874)	(826)