

# **FINANCIAL SUMMARY**

**FY2024**

(April 1, 2024 through March 31, 2025)

English translation from the original Japanese-language document

**Musashi Seimitsu Industry Co., Ltd.**

# FY2024 Consolidated Financial Results (J-GAAP)

May 14, 2025

Company name	: MUSASHI SEIMITSU INDUSTRY CO.,LTD.	
Listing	: Tokyo Stock Exchange/Nagoya Stock Exchange	
Code number	: 7220	
URL	: <a href="https://www.musashi.co.jp">https://www.musashi.co.jp</a>	
Representative	: Otsuka Hiroshi, President & CEO	
Contact person	: Matsuda Hiroki, Deputy CFO	
Telephone	: +81-532-25-8111	
Date of the ordinary general shareholders' meeting	: June 26, 2025	
Payment date of cash dividends	: June 27, 2025	
Filing date of annual securities report	: June 20, 2025	
Supplemental materials for financial results	: Yes	
Earnings announcement for financial results	: Yes (for institutional investors and analysts)	

(Amounts are rounded to the nearest million yen)

## 1. Consolidated financial results for FY2024 (from April 1, 2024 to March 31, 2025)

### (1) Consolidated operating results

(% of change from previous year)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent	
Fiscal year ended March 31, 2025	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	347,196	(0.8)	19,720	7.3	17,981	15.6	7,782	(1.7)
	349,917	16.1	18,374	139.3	15,560	121.3	7,921	225.1

Note :Comprehensive profit For the fiscal year ended March 31, 2025 :3,181 million yen [(86.5)%]  
For the fiscal year ended March 31, 2024 :23,573 million yen [290.5%]

	Earnings per share -Basic-	Earnings per share -Diluted-	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended March 31, 2025	Yen	Yen	%	%	%
March 31, 2024	118.80	-	6.8	6.2	5.7
	121.24	-	7.3	5.6	5.3

### (2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio		Net assets per share	
Fiscal year ended March 31, 2025	Million yen		Million yen		%		Yen	
March 31, 2024	285,126		123,969		40.2		1,751.52	
	290,339		125,391		39.9		1,767.95	

Reference :Equity As of March 31, 2025 :114,761 million yen As of March 31, 2024 :115,776 million yen

### (3) Consolidated cash flows

	From operating activities		From investing activities		From financing activities		Cash and cash equivalents at end of year	
Fiscal year ended March 31, 2025	Million yen		Million yen		Million yen		Million yen	
March 31, 2024	31,918		(16,096)		(7,743)		34,157	
	31,642		(15,994)		(17,752)		26,747	

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of First quarter	End of Second quarter	End of third quarter	Year-end	Total			
Fiscal year ended March 31, 2024	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2025	-	15.00	-	25.00	40.00	2,617	33.0	2.4
Fiscal year ending March 31, 2026 (Forecast)		25.00		25.00	50.00	3,276	42.1	2.8
		25.00		25.00	50.00		29.8	

### 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026

(from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Earnings per share -Basic-
Fiscal year ending March 31, 2026	Million yen 330,000	% (5.0)	Million yen 21,000	% 6.5	Million yen 18,500	% 2.9	Million yen 11,000	% 41.3	Yen 167.91

#### \*Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company Musashi WIRED Co.,Ltd. (former Wired Co.,Ltd. )

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	65,556,761 shares
As of March 31, 2024	65,517,161 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	35,825 shares
As of March 31, 2024	31,040 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	65,511,732 shares
Fiscal year ended March 31, 2024	65,334,293 shares

#### [Reference] Overview of non-consolidated financial results

##### 1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

###### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	58,643	(1.9)	4,617	(18.4)	14,031	18.7	9,629	15.7
March 31, 2024	59,779	17.0	5,657	174.6	11,823	87.0	8,363	72.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended March 31, 2025	Yen 146.99	Yen -
March 31, 2024	128.01	-

###### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
Fiscal year ended March 31, 2025	Million yen 140,451	Million yen 55,718	% 39.7	Yen 850.40
March 31, 2024	143,449	51,554	35.9	787.26

Reference: Equity As of March 31, 2025: 55,718 million yen

As of March 31, 2024: 51,554 million yen

\*Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\*Cautionary Statement with respect to Forward-Looking Statements, and other special Information

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved.

Actual financial results, etc. may differ substantially due to various factors. Please refer to "(4) Future outlook" of "1. Overview of Operating Results" on page 3 of the attached materials for the conditions that form the assumptions for the forecasts of financial results and cautions concerning the use thereof.

## Table of Contents

1. Overview of Operating Results .....	2
(1) Overview of Business Results for the Fiscal Year under Review .....	2
(2) Overview of Financial Position for the Fiscal Year under Review .....	2
(3) Overview of Cash Flows for the Period .....	3
(4) Future Outlook .....	3
2. Basic Approach to the Selection of Accounting Standards.....	3
3. Consolidated Financial Statements and Major Notes.....	4
(1) Consolidated Balance Sheets.....	4
(2) Consolidated Income Statements and Comprehensive Income Statements.....	6
(3) Consolidated Statements of changes in Equity.....	8
(4) Consolidated Statements of Cash Flows.....	10
(5) Notes to Consolidated Financial Statements.....	12
(Assumption for Going Concern) .....	12
(Notes on Changes in Accounting Policies) .....	12
(Changes in Scope of Consolidation or Scope of Equity Method Application) .....	12
(Segment Information) .....	13
(Revenue Recognition Related) .....	15
(Information about per share) .....	15
(Significant Subsequent Events) .....	15

## 1. Overview of Operating Results

### (1) Overview of Business Results for the Fiscal Year under Review

During the fiscal year under review (April 1, 2024 to March 31, 2025), the global economy as a whole maintained a moderate expansion trend. Growth disparities were observed by the region. In Europe, the situation in inflation and the slump in the manufacturing industry continue. The United States achieved stable growth supported by solid labor market. In China, while the real estate problem persists, it is supported by the government's economic measures. Investment in semiconductors and AI is driving growth in the Asia-Pacific region.

In the automotive industry, the trend of EV shift is changing, and the response varies from region to region. The sales ratio of new energy vehicles (NEVs) to new vehicle sales in China has risen to nearly 50%, and PHEVs are growing rapidly. In Europe, growth is slowing due to a review of government subsidy policies. In the U.S., though IRA support is continuing and the market share of HEV vehicles is increasing, automakers are reconsidering their EV strategies. Under these circumstances, global manufacturers are increasingly seeking to develop their businesses by selecting from a variety of powertrain options, such as BEVs, PHEVs, and HEVs, in accordance with local characteristics.

Our group, while accelerating its response to electrification, have focused on strengthening its business foundation to adapt to a variety of powertrains. The Linkage and Suspension Business, our core business, is highly evaluated for its high load capacity and low friction that can cope with the increased weight of EV vehicles. Demand from local manufacturers such as BYD is growing particularly in China. In the powertrain segment, we also received new orders for differential assemblies for HEV and BEV from global customers such as Honda, thereby expanding our customer base. Digital transformation (DX) is also progressing at manufacturing sites. Through the use of the Musashi Active Connection (MAC), which enables remote monitoring of manufacturing sites, we are realizing more real-time production management and faster decision-making, thereby contributing to higher profitability.

In the new business domain, our Energy Solution business is going into a full-fledged growth stage. Hybrid supercapacitors (HSC), key devices, with its high-power density and long life, are evaluated, and there is a growing need for HSC for peak-shaving applications in AI data centers. Currently, we are developing a system to meet increased demand and expand the capacity of our existing plants. At the same time, we are preparing to construct a new plant with an annual production capacity of 5 million cells in the South Alps, Yamanashi Prefecture.

With regard to the e-Mobility business, we began mass production of the e-Axle for 2-wheel EVs in India last fiscal year. In the African market, we are working to promote e-Mobility technology in emerging countries through developing business in collaboration with local partners mainly in Kenyan and Ethiopian markets.

With regard to the smart Industry business, AI visual inspection business expanded in North America. We are also collaborating with the logistics industry to provide solutions for efficient warehouse operations.

Under these circumstances, consolidated net sales decreased to 347,196 million yen (down 0.8% from the previous fiscal year).

In terms of profits, consolidated operating profit increased to 19,720 million yen (up 7.3% year on year), consolidated ordinary income increased by 17,981 million yen (up 15.6% year on year), and net income attributable to owners of parent decreased to 7,782 million yen (down 1.7% year on year).

The status of each segment is as follows.

(Japan)

Due to a decrease in overseas parts sales etc., net sales were 39,913 million yen (down 5.8% year on year) and segment profit was 4,387 million yen (down 9.6% year on year).

(Americas)

Due to continued strong demand from customers and the impact of the depreciation of the yen, net sales were 104,566 million yen (up 3.0% year on year), and segment profit were 6,331 million yen (up 9.6% year on year).

(Asia)

Due to an increase in motorcycle sales and the impact of the depreciation of the yen, net sales were 81,903 million yen (up 7.7% year on year) and segment profit was 9,163 million yen (up 39.4% year on year).

(China)

Due to the continued slump in the sales of Japanese automakers, net sales were 31,539 million yen (down 6.9% year on year) and segment profit was 542 million yen (down 41.0% year on year).

(Europe)

As demand from customers continued to decline, net sales were 89,274 million yen (down 7.1% year on year) and segment loss was 740 million yen (profit of ¥145 million in the previous fiscal year).

### (2) Overview of Financial Position for the Fiscal Year under Review

Total assets decreased by 5,212 million yen from the end of the previous fiscal year to 285,126 million yen.

Current assets increased by 5,099 million yen from the end of the previous fiscal year to 146,908 million yen. This was mainly due to an increase of 7,151 million yen in cash and deposits.

Non-current assets decreased by 10,312 million yen from the end of the previous fiscal year to 138,218 million yen. The main factors were a decrease of 4,840 million yen in property, plant and equipment and a decrease of 3,439 million yen in investment securities.

Current liabilities decreased by 11,986 million yen from the end of the previous fiscal year to 95,038 million yen. The main factor was a decrease of 13,646 million yen in short-term borrowings.

Non-current liabilities increased by 8,195 million yen from the end of the previous fiscal year to 66,117 million yen. The main factor was an increase of 8,371 million yen in long-term debt.

Net assets, including non-controlling interests, decreased by 1,422 million yen from the end of the previous fiscal year to 123,969 million yen.

### (3) Overview of Cash Flows for the Period

Cash and cash equivalents at the end of the consolidated fiscal year under review were 34,157 million yen, an increase of 7,409 million yen compared to the end of the previous consolidated fiscal year. Changes in cash flow during the consolidated fiscal year under review are as follows.

#### (Cash flows from operating activities)

Cash and cash equivalents provided by operating activities during the consolidated fiscal year under review was 31,918 million yen. This was mainly due to an increase in cash and cash equivalents, including income before income taxes of 15,348 million yen (13,714 million yen in the previous fiscal year) and depreciation expenses of 18,710 million yen (19,569 million yen in the previous fiscal year).

#### (Cash flows from investing activities)

Cash and cash equivalents decreased as a result of investing activities during the consolidated fiscal year under review to 16,096 million yen. This was mainly due to a decrease in cash and cash equivalents of 15,055 million yen for the purchase of property, plant and equipment (12,642 million yen in the previous fiscal year) and 1,825 million yen for the purchase of investment securities (2,767 million yen in the previous fiscal year).

#### (Cash flows from financing activities)

Cash and cash equivalents decreased as a result of financing activities during the consolidated fiscal year under review to 7,743 million yen. This decrease was mainly due to the repayment of loans of 2,432 million yen (4,398 million yen in the previous fiscal year) and the payment of dividends of 3,275 million yen (1,633 million yen in the previous fiscal year).

### (4) Future Outlook

Current forecasts of consolidated financial results for the fiscal year ending March 2026 are as follows.

Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net Income Per Share
Million yen 330,000	Million yen 21,000	Million yen 18,500	Million yen 11,000	Yen 167.91

The full-year foreign exchange rates are expected to be 140.00 yen/US\$, 155.00 yen/EUR, and 19.50 yen/yuan.

The above earnings forecasts are based on information available as of the date of this release. Actual results may differ from the forecasts due to various factors in the future.

## 2. Basic Approach to the Selection of Accounting Standards

For the time being, our group will prepare consolidated financial statements in accordance with Japanese GAAP, taking into account the comparability of the consolidated financial statements over time and the comparability between companies. With regard to the application of IFRS, we will respond appropriately in consideration of domestic and international circumstances.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	26,698	33,849
Notes and accounts receivable - trade	49,428	51,033
Merchandise and finished goods	13,039	11,518
Work in process	10,804	11,059
Raw materials and supplies	31,587	31,018
Other	10,766	9,052
Allowance for doubtful accounts	(516)	(622)
<b>Total current assets</b>	<b>141,808</b>	<b>146,908</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures	60,755	61,072
Accumulated depreciation	(33,319)	(34,864)
Accumulated impairment	(4)	(4)
Buildings and structures, net	27,430	26,203
Machinery, equipment and vehicles	305,549	307,774
Accumulated depreciation	(239,291)	(245,664)
Accumulated impairment	(548)	(514)
Machinery, equipment and vehicles, net	65,709	61,595
Tools, furniture and fixtures	17,963	18,511
Accumulated depreciation	(13,582)	(14,126)
Tools, furniture and fixtures, net	4,381	4,384
Land	9,730	9,860
Construction in progress	8,804	9,171
<b>Total property, plant and equipment</b>	<b>116,056</b>	<b>111,216</b>
Intangible assets		
Goodwill	674	815
Customer-related intangible assets	2,047	1,541
Software	888	784
Software in progress	12	7
Other	615	509
<b>Total intangible assets</b>	<b>4,239</b>	<b>3,658</b>
Investments and other assets		
Investment securities	16,574	13,135
Investments in capital	1,758	1,528
Long-term loans receivable	524	154
Retirement benefit asset	557	661
Deferred tax assets	3,996	4,179
Other	4,955	3,729
Allowance for doubtful accounts	(133)	(45)
<b>Total investments and other assets</b>	<b>28,234</b>	<b>23,343</b>
<b>Total non-current assets</b>	<b>148,530</b>	<b>138,218</b>
<b>Total assets</b>	<b>290,339</b>	<b>285,126</b>

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	24,309	22,342
Short-term borrowings	49,587	35,940
Current portion of long-term borrowings	8,154	10,852
Accounts payable - other	4,255	5,926
Accrued expenses	9,746	9,253
Income taxes payable	1,435	2,069
Provision for bonuses	2,759	2,824
Provision for bonuses for directors (and other officers)	27	61
Provision for product warranties	74	37
Provision for loss on guarantees	200	200
Provision for loss on litigation	315	162
Other	6,159	5,367
<b>Total current liabilities</b>	<b>107,025</b>	<b>95,038</b>
<b>Non-current liabilities</b>		
Long-term borrowings	41,625	49,996
Deferred tax liabilities	6,257	5,233
Retirement benefit liability	7,780	8,247
Other	2,258	2,640
<b>Total non-current liabilities</b>	<b>57,921</b>	<b>66,117</b>
<b>Total liabilities</b>	<b>164,947</b>	<b>161,156</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,602	5,639
Capital surplus	-	37
Retained earnings	88,650	93,157
Treasury shares	(8)	(8)
<b>Total shareholders' equity</b>	<b>94,243</b>	<b>98,826</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,608	3,221
Foreign currency translation adjustment	15,616	12,350
Remeasurements of defined benefit plans	307	362
<b>Total accumulated other comprehensive income</b>	<b>21,532</b>	<b>15,935</b>
<b>Non-controlling interests</b>	<b>9,615</b>	<b>9,208</b>
<b>Total net assets</b>	<b>125,391</b>	<b>123,969</b>
<b>Total liabilities and net assets</b>	<b>290,339</b>	<b>285,126</b>

(2) Consolidated Income Statements and Comprehensive Income Statements

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	349,917	347,196
Cost of sales	299,204	294,535
Gross profit	50,713	52,660
Selling, general and administrative expenses	32,339	32,939
Operating profit	18,374	19,720
Non-operating income		
Interest income	464	557
Dividend income	400	495
Gain on valuation of investment securities	0	-
Foreign exchange gains	49	-
Subsidy income	53	135
Compensation income	81	69
Other	456	666
Total non-operating income	1,507	1,923
Non-operating expenses		
Interest expenses	2,808	2,363
Loss on valuation of investment securities	92	2
Foreign exchange losses	-	516
Share of loss of entities accounted for using equity method	394	363
Provision of allowance for doubtful accounts	391	125
Other	634	290
Total non-operating expenses	4,321	3,662
Ordinary profit	15,560	17,981
Extraordinary income		
Gain on sale of non-current assets	99	83
Gain on sale of investment securities	362	-
Insurance claim income	297	70
Gain on reversal of impairment loss	412	-
Total extraordinary income	1,171	154
Extraordinary losses		
Loss on sale of non-current assets	27	37
Loss on retirement of non-current assets	60	76
Impairment losses	647	717
Loss on sale of investment securities	115	-
Loss on valuation of investment securities	1,851	1,955
Provision for loss on litigation	315	-
Total extraordinary losses	3,018	2,787
Profit before income taxes	13,714	15,348
Income taxes - current	5,705	6,551
Income taxes - deferred	(303)	(169)
Total income taxes	5,402	6,382
Net Profit	8,311	8,966
Net Profit attributable to non-controlling interests	390	1,183
Net Profit attributable to Musashi Seimitsu Industry Co., Ltd.	7,921	7,782

## (Comprehensive Income Statements)

(Million yen)

	<b>Fiscal year ended March 31, 2024</b>	<b>Fiscal year ended March 31, 2025</b>
Profit	8,311	8,966
Other comprehensive income		
Valuation difference on available-for-sale securities	2,663	(2,386)
Deferred gains or losses on hedges	(1)	-
Foreign currency translation adjustment	12,768	(3,391)
Remeasurements of defined benefit plans, net of tax	(53)	75
Share of other comprehensive income of entities accounted for using equity method	(115)	(83)
Total other comprehensive income	15,261	(5,785)
Comprehensive income	<hr/> 23,573	<hr/> 3,181
Comprehensive income attributable to		
Musashi Seimitsu Industry Co., Ltd.	22,223	2,185
Non-controlling interests	1,349	995

(3) Consolidated statement of changes in equity

Previous fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)  
(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,458	3,158	86,897	(8)	95,505
Issuance of new shares	143	143			287
Dividends of surplus			(1,633)		(1,633)
Profit attributable to owners of parent			7,921		7,921
Purchase of shares of consolidated subsidiaries		(7,836)			(7,836)
Transfer from retained earnings to capital surplus		4,534	(4,534)		-
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					-
Total changes during period	143	(3,158)	1,753	-	(1,261)
Balance at end of fiscal year	5,602	-	88,650	(8)	94,243

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,945	0	3,979	304	7,230	11,697	114,432
Issuance of new shares							287
Dividends of surplus							(1,633)
Profit attributable to owners of parent							7,921
Purchase of shares of consolidated subsidiaries							(7,836)
Transfer from retained earnings to capital surplus							-
Purchase of treasury shares							-
Net changes in items other than shareholders' equity	2,663	(0)	11,636	3	14,302	(2,081)	12,220
Total changes during period	2,663	(0)	11,636	3	14,302	(2,081)	10,959
Balance at end of period	5,608	-	15,616	307	21,532	9,615	125,391

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,602	-	88,650	(8)	94,243
Issuance of new shares	37	37			75
Dividends of surplus			(3,275)		(3,275)
Profit attributable to owners of parent			7,782		7,782
Purchase of shares of consolidated subsidiaries		-			-
Transfer from retained earnings to capital surplus					-
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	37	37	4,507	(0)	4,582
Balance at end of period	5,639	37	93,157	(8)	98,826

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,608	-	15,616	307	21,532	9,615	125,391
Issuance of new shares							75
Dividends of surplus							(3,275)
Profit attributable to owners of parent							7,782
Purchase of shares of consolidated subsidiaries							-
Transfer from retained earnings to capital surplus							-
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(2,386)	-	(3,265)	55	(5,597)	(407)	(6,004)
Total changes during period	(2,386)	-	(3,265)	55	(5,597)	(407)	(1,422)
Balance at end of period	3,221	-	12,350	362	15,935	9,208	123,969

(4) Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	13,714	15,348
Depreciation	19,569	18,710
Impairment losses	647	717
Gain on reversal of impairment loss	(412)	-
Amortization of goodwill	257	211
Increase (decrease) in allowance for doubtful accounts	402	21
Increase (decrease) in provision for bonuses	96	77
Increase (decrease) in provision for bonuses for directors (and other officers)	0	34
Increase (decrease) in Provision for Product Warranties	(82)	(39)
Increase (decrease) in retirement benefit liability	757	589
Decrease (increase) in retirement benefit asset	(557)	(104)
Increase (decrease) in provision for loss on litigation	315	(163)
Interest and dividend income	(865)	(1,052)
Interest expenses	2,808	2,363
Foreign exchange losses (gains)	118	488
Loss (gain) on sale and retirement of property, plant and equipment	(11)	30
Loss (gain) on sale of investment securities	(246)	-
Loss (gain) on valuation of investment securities	1,943	1,957
Share of loss (profit) of entities accounted for using equity method	394	363
Decrease (increase) in trade receivables	1,869	(2,722)
Decrease (increase) in inventories	(138)	902
Increase (decrease) in trade payables	(1,846)	(1,286)
Other, net	784	2,713
<b>Subtotal</b>	<b>39,519</b>	<b>39,162</b>
Interest and dividends received	835	1,001
Interest paid	(2,987)	(2,363)
Income taxes paid	(5,725)	(5,882)
<b>Net cash provided by (used in) operating activities</b>	<b>31,642</b>	<b>31,918</b>

	<b>Fiscal year ended March 31, 2024</b>	<b>Fiscal year ended March 31, 2025</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,642)	(15,055)
Proceeds from sale of property, plant and equipment	82	1,356
Purchase of intangible assets	(350)	(201)
Purchase of investment securities	(2,767)	(1,825)
Proceeds from sale of investment securities	677	0
Loan advances	(1,105)	(354)
Proceeds from collection of loans receivable	772	176
Purchase of shares of subsidiaries	-	(238)
Payments for acquisition of businesses	(1,148)	-
Other, net	487	44
<b>Net cash provided by (used in) investing activities</b>	<b>(15,994)</b>	<b>(16,096)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(12,234)	(13,421)
Proceeds from long-term borrowings	20,473	19,149
Repayments of long-term borrowings	(12,637)	(8,160)
Dividends paid	(1,633)	(3,275)
Dividends paid to non-controlling interests	(800)	(1,438)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10,437)	(0)
Purchase of treasury shares	-	(0)
Other, net	(484)	(596)
<b>Net cash provided by (used in) financing activities</b>	<b>(17,752)</b>	<b>(7,743)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>2,099</b>	<b>(668)</b>
Net increase (decrease) in cash and cash equivalents	(6)	7,409
<b>Cash and cash equivalents at beginning of period</b>	<b>26,753</b>	<b>26,747</b>
<b>Cash and cash equivalents at end of period</b>	<b>26,747</b>	<b>34,157</b>

(5) Notes to Consolidated financial Statements

(Notes on Going Concern Assumption)

None.

(Notes on Changes in Accounting Policies)

(Application of "Accounting Standards for Corporation Tax, Inhabitants Tax and Enterprise Tax, etc.")

"Accounting standards for corporation tax, inhabitant tax, enterprise tax, etc."(Accounting Standard (ASBJ) No. 27 October 28, 2022. Hereinafter referred to as "2022 Revised Accounting Standards".) has been applied from the beginning of the current consolidated accounting period.

The changes relating to the classification of Corporation tax etc. (taxation on other comprehensive income) have been made in accordance with the transitional treatments as prescribed in the proviso to Paragraph-3 of Article 20 of 2022 Revised Accounting Standards and the proviso to Paragraph 65, Paragraph-2 (2) of the "Guidance on Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28 issued on October 28, 2022. Hereinafter referred to as the "2022 Revised ASBJ Guidance"). The changes in accounting policy have no impact on the consolidated financial statements.

In addition, with regard to the revision related to the review of the treatment in the consolidated financial statements in the case of deferring for tax purposes a gain or loss on sale of shares of subsidiaries, etc. between consolidated companies, 2022 Revised ASBJ Guidance have been applied from the beginning of the consolidated accounting period under review. This changes in accounting policy have no effect on the consolidated financial statements for the previous consolidated fiscal year.

(Changes in the Scope of Consolidation or the Scope of Application of the Equity Method)

(Material Change in the Scope of Consolidation)

During the first quarter of the consolidated fiscal year under review, the Company made Musashi Wired Co., Ltd. (former Wired Co., Ltd.) a subsidiary through the acquisition of shares and included it in the scope of consolidation.

(Significant change in the scope of application of the equity method)

From the second quarter of the fiscal year under review, the Company established Musashi delta e-Axle India Private Limited as a joint venture, and accordingly, it is included in the scope of equity method affiliates.

(Notes on segment information, etc.)

[Segment Information]

1. Overview of Reporting Segments

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Group mainly manufactures and sells automotive parts, etc., and formulates comprehensive strategies for the products each region handles and develops business activities.

We manufacture and sell products in the PT business and products in the L&S business in all five segments of Japan, Americas, Asia, China, and Europe, and products in the two-wheeler business in the Japan, Americas, and Asia segments.

2. Method of calculating the number of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reporting segment is in accordance with the accounting principles and procedures employed to prepare consolidated financial statements.

Segment profit is based on operating profit.

Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the number of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (From April 1, 2023 to March 31, 2024)

(Million yen)

	Japan	Americas	Asia	China	Europe	Total	Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note) 2
Sales								
(1) Sales to external customers	42,354	101,552	76,082	33,873	96,054	349,917	-	349,917
(2) Internal sales or transfers between segments	25,860	683	4,545	3,152	2,211	36,453	(36,453)	-
Total	68,214	102,235	80,628	37,025	98,266	386,370	(36,453)	349,917
Segment Profit	4,853	5,778	6,575	919	145	18,272	101	18,374
Segment Assets	147,521	62,587	83,290	45,059	69,986	408,445	(118,105)	290,339
Other items								
Depreciation	2,576	4,935	4,722	3,145	4,471	19,851	(281)	19,569
Amortization of goodwill	257	-	-	-	-	257	-	257
Increase in property, plant and equipment and intangible assets	2,899	3,816	2,731	1,038	3,171	13,656	363	14,019

Note: 1. Segment profit was adjusted by 101 million yen. The adjustment for segment assets of (118,105) million yen, the adjustment of depreciation expenses of (281) million yen and the adjustment of increase in property, plant and equipment and intangible assets of 363 million yen are intersegment eliminations.

2. Segment profit is adjusted to operating profit in consolidated financial statements.

3. In the Japan segment, effective June 30, 2023, the Company acquired the unmanned delivery vehicle business from Nidec Drive Technology Co., Ltd., through the sale and purchase of trust beneficiary rights. The increase in goodwill as a result of this event was 793 million yen for the consolidated cumulative period of the previous fiscal year.

The number of goodwill is the amount determined after the identification of identifiable assets and liabilities, the calculation of market value, and the allocation of acquisition costs have been completed.

	Japan	Americas	Asia	China	Europe	Total	Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
Sales								
(1) Sales to external customers	39,913	104,566	81,903	31,539	89,274	347,196	-	347,196
(2) Internal sales or transfers between segments	26,033	597	5,897	3,795	1,692	38,016	(38,016)	-
Total	65,946	105,163	87,801	35,334	90,967	385,212	(38,016)	347,196
Segment Profit	4,387	6,331	9,163	542	(740)	19,685	35	19,720
Segment Assets	141,559	62,198	80,217	36,442	64,660	385,077	(99,951)	285,126
Other items								
Depreciation	2,441	4,693	4,367	3,169	4,284	18,955	(245)	18,710
Amortization of goodwill	211	-	-	-	-	211	-	211
Increase in property, plant and equipment and intangible assets	2,678	5,238	6,670	1,023	1,664	17,275	314	17,590

Note: 1. Segment profit was adjusted to 35 million yen. The adjustment for segment assets of (99,951) million yen, the adjustment for depreciation of (245) million yen, and the adjustment for the increase in property, plant and equipment and intangible assets of 314 million yen are intersegment transactions elimination.

2. Segment profit is adjusted to operating profit in consolidated financial statements.

3. In the Japan segment, the Company acquired 60% of shares of Musashi Wired Corporation (former Wired Co., Ltd.) on April 26, 2024. The increase in goodwill due to this event was 353 million yen during the period under review.

The number of goodwill is the amount determined after the identification of identifiable assets and liabilities, the calculation of market value, and the allocation of acquisition costs have been completed.

(Revenue Recognition Relationship)

1. Information disaggregated by revenue from contracts with customers  
 Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)

(Million yen)

	Japan	Americas	Asia	China	Europe	Total
Honda Motor Co., Ltd. and its affiliated companies	23,609	79,016	53,944	15,090	—	171,661
Other Global Customers	18,744	22,536	22,138	18,782	96,054	178,255
Revenue from contracts with customers	42,354	101,552	76,082	33,873	96,054	349,917
Other income	—	—	—	—	—	—
Sales to external customers	42,354	101,552	76,082	33,873	96,054	349,917

Current Fiscal Year (From April 1, 2024 to March 31, 2025)

(Million yen)

	Japan	Americas	Asia	China	Europe	Total
Honda Motor Co., Ltd. and its affiliated companies	23,627	83,016	58,267	10,020	0	174,931
Other Global Customers	16,285	21,549	23,635	21,518	89,274	172,265
Revenue from contracts with customers	39,913	104,566	81,903	31,539	89,274	347,196
Other income	—	—	—	—	—	—
Sales to external customers	39,913	104,566	81,903	31,539	89,274	347,196

(Information about per share)

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024) To March 31, 2025)
Net assets per share	1,767 yen 95 Sen	1,751 yen 52 Sen
Net profit per share	121 yen 40 Sen	118 yen 80 Sen

Notes: 1. Diluted net profit per share is not stated because there are no dilutive shares.

2. The basis for the calculation of net profit per share is as follows.

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024) To March 31, 2025)
Net profit attributable to owners of parent (million yen)	7,921	7,782
Amount not attributable to common shareholders (million yen)	—	—
Net profit attributable to owners of parent (million yen)	7,921	7,782
Average number of shares of common stock during the period	65,334,293	65,511,732

(Significant Subsequent Events)

None.