August 5, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (J-GAAP)

Company name:	Musashi Seimitsu Industry Co., Ltd.
Listing:	Tokyo Stock Exchange/Nagoya Stock Exchange
Securities code:	7220
URL:	https://www.musashi.co.jp
Representative:	Hiroshi Otsuka, President & Representative Director
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Scheduled date to commence dividend payments:	-
Preparation of supplementary material on financial results:	Yes
Holding financial results briefing:	Yes (for institutional investors and analysts)

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	89,157	7.3	4,878	28.1	4,923	47.4	1,849	11.0
June 30, 2025	83,076	(6.6)	3,808	(4.4)	3,339	(22.7)	1,666	(43.3)

Note: Comprehensive income For the three months ended June 30, 2026: ¥4,319 million [-%]
For the three months ended June 30, 2025: ¥(86) million [-%]

	Basic Earnings per Share	Diluted Earnings per Share
Three months ended	Yen	Yen
June 30, 2026	28.22	-
June 30, 2025	25.43	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio	Net Assets per Share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	315,167	134,403	39.7	1,908.57
March 31, 2026	301,614	131,252	40.5	1,861.88

Reference: Equity As of June 30, 2026: ¥125,084 million
As of March 31, 2026: ¥122,029 million

2. Cash Dividends

	Annual Dividends per Share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	25.00	-	15.00	40.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		20.00	-	20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	335,000	(3.5)	18,500	(9.9)	16,000	(20.9)	6,500	414.2	99.18

Note: Revisions to the earnings forecasts most recently announced: None

*Notes

(1) Significant changes in the Scope of Consolidation during the Period: None

(2) Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements: Yes

Note: For details, please refer to "(3) Notes to Quarterly Consolidated Financial Statements (Application of Specific Accounting Treatments in Preparing Quarterly Consolidated Financial Statements)" of "2. Quarterly Consolidated Financial Statements and Main Notes" on page 8 of the attached documents.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement of changes: None

(4) Number of issued shares (common shares)

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

As of June 30, 2026	65,581,861 shares
As of March 31, 2026	65,581,861 shares

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

As of June 30, 2026	43,634 shares
As of March 31, 2026	40,990 shares

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

Three months ended June 30, 2026	65,539,084 shares
Three months ended June 30, 2025	65,519,967 shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

*Explanation on proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these documents 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 "(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements" of "1. Qualitative Information on Quarterly Financial Results" on page 3 of the attached materials or the conditions that form the assumptions for the earnings forecasts and cautions concerning the use thereof.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the first quarter of the fiscal year ending March 31, 2027, (April 1, 2026 to June 30, 2026), the global economy remained on a moderate recovery trend. However, the outlook continued to be uncertain due to concerns over U.S. tariff policies, particularly their impact on the automotive industry, and fluctuations in crude oil prices caused by rising geopolitical tensions in the Middle East. By region, the U.S. economy remained firm, supported by a strong labor market. In Europe, weakness in the manufacturing sector persisted, while in China, economic conditions continued to be affected by adjustments in the real estate market. As a result, economic trends varied across regions.

In the automotive industry, the review of global EV strategies continued. Against the backdrop of revisions to subsidy programs and regulations in major markets, growth in demand for battery electric vehicles (BEVs) slowed, while demand for hybrid electric vehicles (HEVs) remained strong globally. In response to these market trends, automakers continued to pursue diversified powertrain portfolio strategies encompassing BEVs, HEVs, and plug-in hybrid electric vehicles (PHEVs). Furthermore, in markets such as the United States, where the effects of tariff policies persisted, automakers took measures to optimize their production and supply chain structures.

To respond to these changes in the business environment, the Group has been promoting initiatives to strengthen its management foundation and transform its business portfolio. In the four-wheel business of the Mobility segment, orders for components used in BEVs and HEVs, including differential gears, a product in which the Group holds the world's largest market share, remain strong. As customers restructure their production and supply chain networks, demand for localized production has increased, resulting in a growing number of business opportunities for the Group. In China, orders from local automakers are expanding, while in Europe the Group has been steadily implementing structural reforms centered on production capacity optimization and site reorganization. In the two-wheel business, sales of components for internal combustion engine (ICE) vehicles remain strong, particularly in India and Southeast Asia. In the electrification field, efforts to expand external sales of the Group's e-Axle (EV drive unit) are also progressing steadily.

In the Energy Solution business, the Company has been strengthening its production and supply capabilities for Hybrid Super Capacitors (HSCs), for which demand has expanded rapidly, particularly from AI data centers driven by the widespread adoption of generative AI. In North America, the Group has also accelerated business development through its Austin R&D Center, which was established in the previous fiscal year.

Under these circumstances, consolidated net sales for the first quarter cumulative period increased to 89,157 million yen (up 7.3% year on year). In terms of profitability, consolidated operating profit increased to 4,878 million yen (up 28.1% year on year), consolidated ordinary profit was 4,923 million yen (up 47.4% year on year), and quarterly net profit attributable to owners of the parent was 1,849 million yen (up 11.0% year on year).

The business performance by segment is as follows:

(Japan)
Driven by strong demand, net sales totaled 11,163 million yen (up 17.3% year on year), and segment profit amounted to 938 million yen (up 175.3% year on year).
(Americas)
Sales remained strong, continuing the favorable trend from the previous fiscal year, and were positively affected by foreign exchange movements. As a result, net sales totaled 30,694 million yen (up 12.7% year on year), while segment profit amounted to 2,165 million yen (up 55.8% year on year).
(Asia)
Reflecting solid sales of motorcycle-related products and favorable foreign exchange effects, net sales totaled 20,134 million yen (up 10.4% year on year), and segment profit amounted to 2,311 million yen (up 33.6% year on year).
(China)
Although orders from local automakers continued to expand, sales to Japanese automobile manufacturers remained sluggish. As a result, net sales totaled 5,433 million yen (down 16.6% year on year), and the segment recorded a loss of 77 million yen (compared with a segment profit of 32 million yen in the same period of the previous year).
(Europe)
In Europe, the Group continued to promote improvement measures, including cost management initiatives. However, despite favorable foreign exchange effects, lower sales resulted in net sales of 21,731 million yen, up 0.7% year on year, and a segment loss of 495 million yen (compared with a segment profit of 295 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets increased by 13,552 million yen from the end of the previous fiscal year to 315,167 million yen.
Current assets increased by 4,243 million yen to 154,296 million yen, mainly due to an increase in cash and deposits.
Fixed assets increased by 9,309 million yen to 160,871 million yen, primarily due to an increase in construction in progress.
Liabilities increased by 10,401 million yen to 180,763 million yen, mainly due to increases in short-term borrowings and long-term borrowings.
Net assets, including non-controlling interests, increased by 3,150 million yen from the end of the previous fiscal year to 134,403 million yen.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

There are no changes to the consolidated earnings forecasts announced on May 12, 2026.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	32,651	38,075
Notes and accounts receivable - trade	50,204	44,593
Merchandise and finished goods	13,066	12,945
Work in process	12,543	13,009
Raw materials and supplies	31,931	32,172
Other	11,162	14,941
Allowance for doubtful accounts	(1,506)	(1,441)
Total current assets	150,052	154,296
Non-current assets		
Property, plant and equipment		
Buildings and structures	68,441	69,197
Accumulated depreciation	(39,390)	(40,225)
Accumulated impairment	(5)	-
Buildings and structures, net	29,046	28,972
Machinery, equipment and vehicles	334,012	336,241
Accumulated depreciation	(272,856)	(276,865)
Accumulated impairment	(404)	(945)
Machinery, equipment and vehicles, net	60,751	58,430
Tools, furniture and fixtures	19,805	20,035
Accumulated depreciation	(15,601)	(15,993)
Accumulated impairment	-	(1)
Tools, furniture and fixtures, net	4,204	4,041
Land	10,234	10,269
Construction in progress	24,710	35,390
Total property, plant and equipment	128,947	137,103
Intangible assets		
Goodwill	586	529
Customer-related intangible assets	1,189	1,061
Software	761	722
Software in progress	15	15
Other	435	406
Total intangible assets	2,988	2,736
Investments and other assets		
Investment securities	9,798	10,926
Investments in capital	1,648	1,679
Long-term loans receivable	124	98
Deferred tax assets	5,192	5,239
Other	2,863	3,087
Total investments and other assets	19,626	21,031
Total non-current assets	151,561	160,871

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,892	20,571
Short-term borrowings	45,206	48,517
Current portion of long-term borrowings	16,734	16,787
Accounts payable - other	6,339	9,592
Accrued expenses	10,307	11,612
Income taxes payable	2,511	1,477
Provision for bonuses	3,565	2,582
Provision for bonuses for directors (and other officers)	51	67
Provision for product warranties	22	22
Provision for loss on guarantees	200	200
Provision for loss on litigation	662	603
Provision for business restructuring	6,108	5,901
Other	5,252	6,534
Total current liabilities	117,857	124,471
Non-current liabilities		
Long-term borrowings	36,796	40,377
Deferred tax liabilities	3,929	4,142
Retirement benefit liability	8,451	8,507
Other	3,327	3,264
Total non-current liabilities	52,504	56,292
Total liabilities	170,361	180,763
Net assets		
Shareholders' equity		
Share capital	5,675	5,675
Capital surplus	73	73
Retained earnings	91,156	92,023
Treasury shares	(8)	(8)
Total shareholders' equity	96,897	97,763
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,017	3,706
Foreign currency translation adjustment	21,644	23,077
Remeasurements of defined benefit plans	470	537
Total accumulated other comprehensive income	25,132	27,321
Non-controlling interests	9,223	9,319
Total net assets	131,252	134,403
Total liabilities and net assets	301,614	315,167

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Income Statement)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	83,076	89,157
Cost of sales	70,905	75,130
Gross profit	12,170	14,026
Selling, general and administrative expenses	8,361	9,147
Operating profit	3,808	4,878
Non-operating income		
Interest income	133	176
Dividend income	199	199
Foreign exchange gains	-	252
Compensation income	0	108
Other	101	155
Total non-operating income	434	894
Non-operating expenses		
Interest expenses	512	579
Loss on valuation of investment securities	3	24
Share of loss of entities accounted for using equity method	26	23
Provision of allowance for doubtful accounts	230	-
Foreign exchange losses	12	-
Other	118	222
Total non-operating expenses	903	849
Ordinary profit	3,339	4,923
Extraordinary income		
Gain on sale of non-current assets	12	20
Gain on sale of investment securities	-	12
Gain on termination of retirement benefit plan	25	-
Total extraordinary income	37	33
Extraordinary losses		
Loss on sale of non-current assets	3	0
Loss on retirement of non-current assets	6	22
Provision for loss on litigation	165	-
Business restructuring costs	-	143
Impairment losses	-	*1 871
Production process change cost	-	*2 436
Total extraordinary losses	175	1,475
Profit before income taxes	3,201	3,481
Income taxes	1,316	1,334
Profit	1,885	2,146
Profit attributable to non-controlling interests	219	297
Profit attributable to owners of parent	1,666	1,849

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	1,885	2,146
Other comprehensive income		
Valuation difference on available-for-sale securities	89	760
Foreign currency translation adjustment	(1,569)	1,427
Remeasurements of defined benefit plans, net of tax	(490)	0
Share of other comprehensive income of entities accounted for using equity method	(2)	(15)
Total other comprehensive income	(1,972)	2,172
Comprehensive income	(86)	4,319
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(281)	4,038
Comprehensive income attributable to non-controlling interests	194	281

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)
None.

(Notes on Significant Changes in the Amount of Shareholders' Equity)
None.

(Application of Specific Accounting Treatments in Preparing Quarterly Consolidated Financial Statements)
With respect to income taxes, the Company and its domestic consolidated subsidiaries calculate tax expense by reasonably estimating the effective tax rate after the application of tax effect accounting to income before income taxes for the current consolidated fiscal year and multiplying quarterly income before income taxes by the estimated effective tax rate. However, when the calculation of tax expense using the estimated effective tax rate would result in a significantly unreasonable outcome, the statutory effective tax rate is applied.

(Accounting Standards Not Yet Applied)

- Accounting Standard for Leases (Accounting Standards Board of Japan Statement No. 34, issued on September 13, 2024, by the Accounting Standards Board of Japan)
- Guidance on Accounting Standard for Leases (Accounting Standards Board of Japan Guidance No. 33, issued on September 13, 2024, by the Accounting Standards Board of Japan), etc.

(1) Overview
As part of efforts by the Accounting Standards Board of Japan (ASBJ) to align Japanese standards with international norms, a lease accounting standard has been developed that requires lessees to recognize assets and liabilities for all leases. This development was based on international accounting standards, and while the basic policy adopts the single accounting model of IFRS 16, it does not incorporate all provisions of IFRS 16. Instead, only the key provisions are adopted to ensure simplicity and usability, with the aim that applying IFRS 16 to individual financial statements would generally not require adjustments.
Under the lessee's accounting treatment, the method of allocating lease expenses follows a single accounting model, similar to IFRS 16. Regardless of whether the lease is classified as a finance lease or an operating lease, all leases are accounted for by recognizing depreciation of the right-of-use asset and interest on the lease liability.

(2) Scheduled Date of Application
The standard will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Effect of the Adoption of the Accounting Standard
The impact of applying the "*Accounting Standard for Leases*", etc., on the consolidated financial statements is currently under evaluation.

(Consolidated Income Statement Related Matters)
*1 Impairment losses
During the first quarter consolidated cumulative period, the Group recorded impairment losses on the following assets.

Location	Use	Type	Amount
Japan	Business assets	Machinery, equipment and vehicles	536 million yen
Japan	Business assets	Tools, furniture and fixtures	1 million yen
Japan	Business assets	Construction in progress	334 million yen

For the purpose of assessing impairment, the Group generally groups assets on a company-by-company basis, except for operations in Europe. However, idle assets are grouped on an individual asset basis.
During the three-month period ended June 30, 2026, as a result of a decision to change production process, the above idle assets were written down to their recoverable amount, and the resulting reduction was recognized as an impairment loss.
The recoverable amount is measured based on the net selling price calculated using the estimated selling price and other factors.

*2 Production process change cost
During the three-month period ended June 30, 2026, due to changes in production process, certain production equipment that had been scheduled for use under the original plan was no longer expected to be utilized for its intended purpose. Accordingly, the Group recognized, as extraordinary losses, the amount expected to be borne by the Group in relation to such unaccepted production equipment as expenses related to changes in production preparation.

(Notes on Quarterly Consolidated Statement of Cash Flows)
The quarterly consolidated statement of cash flows for the first quarter cumulative period has not been prepared. However, depreciation expenses for the first quarter cumulative period (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill are as follows:

	Previous First Quarter (From April 1, 2025 To June 30, 2025)	First Quarter Consolidated Cumulative Period (From April 1, 2026 To June 30, 2026)
Depreciation	4,282 million yen	4,800 million yen
Amortization of goodwill	57	57

(Notes on Segment Information, etc.)
Segment Information
I. The three months of the previous fiscal year (April 1, 2025 to June 30, 2025)
1. Information on the amounts of net sales and profit for each reportable segment

(Millions of yen)

	Japan	Americas	Asia	China	Europe	Total	Adjustment amount (Note) 1	Quarterly consolidated income statement amounts (Note)2
Net sales								
Sales to external customers	9,515	27,228	18,236	6,516	21,578	83,076	-	83,076
Internal sales or transfers between segments	7,527	11	1,509	886	351	10,287	(10,287)	-
Total	17,043	27,239	19,745	7,403	21,930	93,363	(10,287)	83,076
Segment profit	341	1,390	1,730	32	295	3,790	17	3,808

Note: 1. The adjustment amount of ¥17 million for segment profit or loss represents elimination of intersegment transactions.
2. Segment profit or loss is reconciled with operating profit in the quarterly consolidated income statement.

2. Information on impairment losses on fixed assets and goodwill by reportable segment
None.

II. The three months of the current fiscal year (April 1, 2026 to June 30, 2026)

1. Information on the amounts of net sales and profit or loss for each reportable segment

(Millions of yen)

	Japan	Americas	Asia	China	Europe	Total	Adjustment amount (Note) 1	Quarterly consolidated income statement amounts (Note) 2
Net sales								
Sales to external customers	11,163	30,694	20,134	5,433	21,731	89,157	-	89,157
Internal sales or transfers between segments	5,617	33	1,480	1,159	202	8,494	(8,494)	-
Total	16,781	30,727	21,615	6,592	21,934	97,651	(8,494)	89,157
Segment profit or loss (loss)	938	2,165	2,311	(77)	(495)	4,843	35	4,878

Note: 1. The adjustment amount of ¥35 million for segment profit or loss (loss) represents elimination of intersegment transactions.

2. Segment profit or loss (loss) is reconciled with operating profit in the quarterly consolidated income statement.

2. Information on impairment losses on fixed assets and goodwill by reportable segment

In the Japan segment, an impairment loss of JPY 871 million was recognized on fixed assets.

(Revenue Recognition)

Breakdown of revenue arising from contracts with customers

(From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Japan	Americas	Asia	China	Europe	Total
Honda Motor Co., Ltd. and its affiliates	5,205	21,574	12,869	2,082	-	41,732
Other global customers	4,310	5,653	5,367	4,434	21,578	41,343
Revenue from contracts with customers	9,515	27,228	18,236	6,516	21,578	83,076
Other income	-	-	-	-	-	-
Sales to external customers	9,515	27,228	18,236	6,516	21,578	83,076

(From April 1, 2026 to June 30, 2026)

(Millions of yen)

	Japan	Americas	Asia	China	Europe	Total
Honda Motor Co., Ltd. and its affiliates	6,271	24,456	13,989	1,250	-	45,968
Other global customers	4,892	6,195	6,145	4,182	21,731	43,147
Revenue from contracts with customers	11,163	30,652	20,134	5,433	21,731	89,116
Other income	-	41	-	-	-	41
Sales to external customers	11,163	30,694	20,134	5,433	21,731	89,157

Note: Other income consists of lease income recognized in accordance with Accounting Standard No. 13, "Accounting Standard for Lease Transactions."

(Significant Subsequent Events)

None.