

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japanese GAAP]



May 15, 2020

Company name: FUKUSHIMA GALILEI CO. LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6420

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Scheduled date of Annual General Meeting of Shareholders: June 29, 2020

Scheduled date of commencing dividend payments: June 30, 2020

Scheduled date of filing annual securities report: June 29, 2020

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: No (undecided)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2020	86,801	0.3	9,087	(3.4)	9,446	(2.4)	6,226	(5.9)
March 31, 2019	86,529	0.4	9,405	8.7	9,678	7.9	6,615	16.4

(Note) Comprehensive income: Fiscal year ended March 31, 2020: ¥5,185 million [(10.4)%]

Fiscal year ended March 31, 2019: ¥5,788 million [(21.9)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2020	310.75	-	11.1	10.8	10.5
March 31, 2019	330.19	-	12.9	11.4	10.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2020: ¥- million

Fiscal year ended March 31, 2019: ¥- million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	88,318	58,111	65.7	2,897.55
As of March 31, 2019	86,622	53,887	62.1	2,686.64

(Reference) Equity: As of March 31, 2020: ¥58,056 million

As of March 31, 2019: ¥53,831 million

## (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2020	5,162	(6,466)	(1,017)	31,259
March 31, 2019	6,564	(3,229)	(1,298)	33,669

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2019	-	0.00	-	48.00	48.00	961	14.5	1.9
March 31, 2020 (Forecast)	-	0.00	-	48.00	48.00	961	15.4	1.7
Fiscal year ending March 31, 2021 (Forecast)	-	-	-	-	-		-	

The year-end dividend for the fiscal year ended March 31, 2020 will be resolved at the meeting of the Board of Directors to be held on May 18, 2020 and disclosed immediately after the resolution is approved.

The forecast of the dividend for the fiscal year ending March 31, 2021 has not been made as it is difficult to reasonably calculate the dividend at the moment due to unforeseeable impact of the economic stagnation caused by the pandemic of Coronavirus disease (COVID-19). The forecast of the dividend will be disclosed immediately when it becomes available.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

The forecast of the consolidated financial result for the fiscal year ending March 31, 2021 has not been made as it is difficult to reasonably calculate the result at the moment due to unforeseeable impact of the economic stagnation caused by the pandemic of Coronavirus disease (COVID-19). The forecast of the consolidated financial result will be disclosed immediately when it becomes available.

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No  
New: - (Company name: -)  
Exclusion: - (Company name: -)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):  
March 31, 2020: 22,066,160 shares  
March 31, 2019: 22,066,160 shares
  - 2) Total number of treasury shares at the end of the period:  
March 31, 2020: 2,029,667 shares  
March 31, 2019: 2,029,601 shares
  - 3) Average number of shares during the period:  
Fiscal Year ended March 31, 2020: 20,036,523 shares  
Fiscal Year ended March 31, 2019: 20,036,617 shares

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2020	65,502	(0.1)	6,018	(13.7)	6,714	(13.6)	4,375	(18.7)
March 31, 2019	65,579	(1.1)	6,973	16.0	7,769	18.0	5,384	28.0

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2020	218.38		-	
March 31, 2019	268.76		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	70,007	48,489	69.3	2,420.05
As of March 31, 2019	69,514	46,065	66.3	2,299.05

(Reference) Equity: As of March 31, 2020: ¥48,489 million  
As of March 31, 2019: ¥46,065 million

\* These financial results are outside the scope of audit conducted by certified public accountants and an audit corporation.

\* Explanation of the proper use of financial results forecast and other notes

Financial results forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

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## 1. Overview of Operating Results, etc.

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

During the fiscal year under review (April 1, 2019 to March 31, 2020), the domestic economy remained on a moderate recovery path thanks to such factors as improvements in the employment and income environments. However, future prospects of the economy remained uncertain due to trade friction caused by the trade policies of the U.S. and other countries around the world, and slowdown of the Chinese economy. Since the beginning of 2020, concerns about a slowdown of economic activity have strengthened, due to such factors as restrained inbound and domestic consumption under the impact of the global spread of the novel coronavirus (Covid-19) infection.

In the business environment in which our Group operates, harsh conditions persist in the restaurant industry due to a rise in labor costs, soaring food prices, and the impact of the consumption tax hike, as well as the impact of self-restraint from going out in response to the novel coronavirus (Covid-19) infection, etc., although sales had remained solid in fast food and other businesses, owing to higher spending per customer as a result of price revisions and the launch of limited time offers. In the distribution industry, the business environment continued to be harsh for reasons including a serious personnel shortage and rising distribution costs, while a persistent consumer trend to restrain spending continued, despite contributions from brisk sales of delicatessen and fresh foods as well as price increases on processed foods.

Net sales of commercial refrigerators and freezers increased by 4.0% year on year to ¥24,240 million, mainly due to continued robust sales of ice machines with large-scale model changes that further enhanced the product lineup, blast chillers that rapidly cool cooked foods, and hygienic defrosters that can thaw foods in a fixed timeframe with less degradation in quality.

Net sales of refrigerated and freezer showcases increased by 2.8% year on year to ¥30,729 million mainly due to sales to supermarkets and continued robust overseas sales of showcases, despite a decrease in the number of remodeling projects by convenience stores and a decline in sales to drug stores.

Net sales of large-scale food processing equipment decreased by 9.8% year on year to ¥7,261 million, mainly due to sluggish net sales in the first half of the fourth quarter, despite high net sales from concentrated deliveries of tunnel freezers mainly to food manufacturers in the quarter.

Net sales of large-scale panel refrigerators decreased by 7.7% year on year to ¥10,646 million, mainly due to lower sales compared to the previous year owing to decreased sales for low-temperature distribution centers and food factories, despite continued robust sales to supermarket processing centers and other distribution-related facilities.

Net sales of small-scale panel refrigerators decreased by 2.4% year on year to ¥5,523 million, mainly due to a decrease in orders for panel refrigerators used in back rooms of convenience stores, etc., despite solid sales to commercial kitchens.

Net sales from services increased by 3.8% year on year to ¥8,399 million, mainly due to increases sales owing to maintenance contracts with convenience stores, etc., a rush of demand before the consumption tax hike, and an increase in maintenance contracts for showcases for supermarkets, etc.

At the manufacturing department, the Company undertook initiatives to improve production efficiency by introducing the automation of a single operation and the image recognition system to monitor the quality in production processes, as well as adding automatic conveyors at its Shiga and Okayama factories. In addition, the Company continued to undertake initiatives to reduce fixed costs and purchasing costs in order to offset higher costs, such as a sharp increase in the prices of raw materials and import products, as well as transportation costs.

As a result, for the fiscal year under review, net sales increased by 0.3% year on year to ¥86,801 million. Operating profit decreased by 3.4% year on year to ¥9,087 million, ordinary profit decreased by 2.4% year on year to ¥9,446 million, and profit attributable to owners of parent decreased by 5.9% year on year to ¥6,226 million, due to expenses entailed in moving the headquarters and in a full change of commercial refrigerator and freezer models.

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

### (Current assets)

Current assets as of the end of the fiscal year under review decreased by ¥1,444 million to ¥58,978 million (¥60,422 million in the previous fiscal year). This is mainly attributable to a decrease in cash and deposits.

### (Non-current assets)

Non-current assets as of the end of the fiscal year under review increased by ¥3,139 million to ¥29,339 million (¥26,200 million in the previous fiscal year). This is mainly attributable to an increase in buildings and structures under property, plant and equipment.

### (Current liabilities)

Current liabilities as of the end of the fiscal year under review decreased by ¥2,599 million to ¥28,489 million (¥31,088 million in the previous fiscal year). This is mainly attributable to a decrease in notes and accounts payable - trade.

### (Non-current liabilities)

Non-current liabilities as of the end of the fiscal year under review increased by ¥71 million to ¥1,717 million (¥1,646 million in the previous fiscal year). This is mainly attributable to an increase in retirement benefit liability.

### (Net assets)

Net assets as of the end of the fiscal year under review increased by ¥4,224 million to ¥58,111 million (¥53,887 million in the previous fiscal year). This is mainly attributable to an increase in retained earnings due to the recording of profit attributable to owners of parent.

## (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “capital”) as of the end of the fiscal year under review decreased by ¥2,409 million from the end of the previous fiscal year to ¥31,259 million as a result of the recording of profit before income taxes of ¥9,183 million, and ¥7,484 million used in investing activities and financing activities.

The conditions of each cash flow and factors thereof are as follows.

### (Net cash provided by (used in) operating activities)

Capital provided by operating activities decreased by ¥1,402 million from the corresponding period of the previous year to ¥5,162 million. This is mainly attributable to the recording of profit before income taxes.

### (Net cash provided by (used in) investing activities)

Capital used in investing activities increased by ¥3,237 million from the corresponding period of the previous year to ¥6,466 million. This is mainly attributable to the purchase of property, plant and equipment such as land for business use, office buildings and production facilities at various factories.

### (Net cash provided by (used in) financing activities)

Capital used in financing activities decreased by ¥281 million from the corresponding period of the previous year to ¥1,017 million. This is mainly attributable to cash dividends paid.

#### (4) Future Outlook

Regarding the fiscal year ending March 31, 2021, the extent to which the spread of the novel coronavirus (Covid-19) infection will affect economic stagnation and changes in the business environment is uncertain. As such, it is currently difficult to rationally calculate a financial results forecast and, therefore, we have decided not to announce one at this time. We will promptly announce a financial results forecast once the situation returns to normal and it is possible to disclose one.

#### (5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years.

The Company's basic profit distribution policy is a policy of stable dividends independent of financial results, while trying to maintain sufficient shareholders' equity to capture expanding business opportunities promptly and securely.

Internal reserves will be used to expand shareholder value by continuing efficient investments in business areas with high profit and growth potential, such as infrastructure development and enhancement.

In addition, in order to repay shareholders for their daily support, the Company has a shareholder benefit program. A QUO CARD will be presented to shareholders with 100 or more shares as of March 31, 2020.

We will decide on the year-end dividend for the fiscal year under review at a Board of Directors meeting to be held on May 18, 2020, and will disclose it as soon as the decision is made.

Regarding the dividend for the next fiscal year, like the financial results forecast, it is difficult to make a rational calculation. Therefore, we have decided not to announce an estimate at this time, and will announce one once the situation returns to normal and it is possible to disclose one.

## 2. Basic Stance Concerning Choice of Accounting Standards

As the Corporate Group has a low proportion of overseas net sales and conducts activities primarily within Japan, it will utilize Japanese accounting standards for the foreseeable future. The application of International Financial Reporting Standards (IFRS) will be determined appropriately by taking into consideration various domestic and international situations.

3. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	34,283	31,696
Notes and accounts receivable - trade	19,913	21,600
Merchandise and finished goods	2,239	2,265
Work in process	2,166	1,558
Raw materials and supplies	2,038	2,031
Other	946	873
Allowance for doubtful accounts	(1,166)	(1,046)
Total current assets	60,422	58,978
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,358	8,411
Machinery, equipment and vehicles, net	992	1,784
Land	5,294	6,731
Other, net	4,253	1,533
Total property, plant and equipment	14,899	18,461
Intangible assets	421	416
Investments and other assets		
Investment securities	7,948	6,813
Deferred tax assets	-	382
Other	2,941	3,324
Allowance for doubtful accounts	(9)	(59)
Total investments and other assets	10,879	10,461
Total non-current assets	26,200	29,339
Total assets	86,622	88,318



(Million yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	20,996	19,656
Short-term borrowings	185	125
Income taxes payable	1,641	1,655
Provision for bonuses	1,724	1,586
Provision for product warranties	370	380
Provision for loss on construction contracts	187	120
Other	5,981	4,963
Total current liabilities	31,088	28,489
Non-current liabilities		
Deferred tax liabilities	304	-
Provision for retirement benefits for directors (and other officers)	921	1,034
Provision for contingent loss	250	238
Retirement benefit liability	39	311
Asset retirement obligations	119	120
Other	11	12
Total non-current liabilities	1,646	1,717
<b>Total liabilities</b>	<b>32,735</b>	<b>30,206</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,760	2,760
Capital surplus	3,168	3,168
Retained earnings	47,057	52,321
Treasury shares	(3,214)	(3,214)
Total shareholders' equity	49,771	55,035
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,058	3,076
Foreign currency translation adjustment	65	122
Remeasurements of defined benefit plans	(64)	(177)
Total accumulated other comprehensive income	4,059	3,020
Non-controlling interests	56	54
<b>Total net assets</b>	<b>53,887</b>	<b>58,111</b>
<b>Total liabilities and net assets</b>	<b>86,622</b>	<b>88,318</b>

(2) Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net sales	86,529	86,801
Cost of sales	63,765	63,985
Gross profit	22,763	22,816
Selling, general and administrative expenses	13,358	13,728
Operating profit	9,405	9,087
Non-operating income		
Interest income	11	13
Dividend income	96	95
Rental income from buildings	98	106
Insurance claim and dividend income	34	51
Purchase discounts	48	50
Foreign exchange gains	5	-
Compensation income	5	22
Other	148	242
Total non-operating income	447	582
Non-operating expenses		
Interest expenses	11	4
Compensation expenses	24	52
Foreign exchange losses	-	104
Condolence money	51	-
Loss on sales of non-current assets	17	-
Other	69	63
Total non-operating expenses	174	224
Ordinary profit	9,678	9,446
Extraordinary income		
Gain on sales of investment securities	39	23
Total extraordinary income	39	23
Extraordinary losses		
Loss on valuation of investment securities	-	18
Impairment loss	-	52
Provision for contingent loss	-	215
Total extraordinary losses	-	286
Profit before income taxes	9,718	9,183
Income taxes - current	3,252	3,063
Income taxes - deferred	(161)	(93)
Total income taxes	3,091	2,969
Profit	6,627	6,214
Profit (loss) attributable to non-controlling interests	11	(12)
Profit attributable to owners of parent	6,615	6,226

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Profit	6,627	6,214
Other comprehensive income		
Valuation difference on available-for-sale securities	(812)	(982)
Foreign currency translation adjustment	13	66
Remeasurements of defined benefit plans, net of tax	(39)	(113)
Total other comprehensive income	(838)	(1,028)
Comprehensive income	5,788	5,185
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,764	5,187
Comprehensive income attributable to non-controlling interests	23	(2)

(3) Consolidated Statements of Changes in Equity  
For the fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,760	3,168	41,242	(3,213)	43,957
Changes during period					
Dividends of surplus			(801)		(801)
Profit attributable to owners of parent			6,615		6,615
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,814	(0)	5,813
Balance at end of period	2,760	3,168	47,057	(3,214)	49,771

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,870	65	(24)	4,910	32	48,901
Changes during period						
Dividends of surplus						(801)
Profit attributable to owners of parent						6,615
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(812)	0	(39)	(850)	23	(827)
Total changes during period	(812)	0	(39)	(850)	23	4,986
Balance at end of period	4,058	65	(64)	4,059	56	53,887

For the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,760	3,168	47,057	(3,214)	49,771
Changes during period					
Dividends of surplus			(961)		(961)
Profit attributable to owners of parent			6,226		6,226
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,264	(0)	5,264
Balance at end of period	2,760	3,168	52,321	(3,214)	55,035

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,058	65	(64)	4,059	56	53,887
Changes during period						
Dividends of surplus						(961)
Profit attributable to owners of parent						6,226
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(982)	56	(113)	(1,038)	(2)	(1,040)
Total changes during period	(982)	56	(113)	(1,038)	(2)	4,223
Balance at end of period	3,076	122	(177)	3,020	54	58,111

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	9,718	9,183
Depreciation	939	1,270
Increase (decrease) in allowance for doubtful accounts	(56)	(41)
Increase (decrease) in provision for bonuses	288	(138)
Increase (decrease) in provision for product warranties	1	9
Increase (decrease) in provision for loss on construction contracts	(364)	(66)
Increase (decrease) in retirement benefit liability	(35)	108
Increase (decrease) in provision for retirement benefits for directors (and other officers)	101	112
Increase (decrease) in provision for contingent loss	(38)	(11)
Interest and dividend income	(107)	(109)
Foreign exchange losses (gains)	(155)	121
Loss (gain) on valuation of investment securities	-	18
Loss (gain) on sales of investment securities	(38)	(24)
Loss (gain) on investments in capital	(1)	-
Interest expenses	11	4
Loss (gain) on sales of property, plant and equipment	17	(0)
Loss on retirement of property, plant and equipment	21	47
Impairment loss	-	52
Decrease (increase) in trade receivables	496	(1,520)
Decrease (increase) in inventories	(141)	589
Decrease (increase) in other current assets	31	122
Decrease (increase) in other non-current assets	(282)	(232)
Increase (decrease) in trade payables	(214)	(1,366)
Increase (decrease) in other current liabilities	112	(34)
Other, net	1	1
Subtotal	10,308	8,094
Interest and dividends received	107	109
Interest paid	(10)	(11)
Income taxes paid	(3,839)	(3,029)
Net cash provided by (used in) operating activities	6,564	5,162

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
<b>Cash flows from investing activities</b>		
Payments into time deposits	(934)	(796)
Proceeds from withdrawal of time deposits	421	811
Purchase of property, plant and equipment	(2,498)	(5,819)
Proceeds from sales of property, plant and equipment	33	1
Purchase of intangible assets	(229)	(212)
Purchase of investment securities	(58)	(299)
Proceeds from sales of investment securities	43	8
Loan advances	(35)	(159)
Proceeds from sales of investments in capital	29	-
Net cash provided by (used in) investing activities	(3,229)	(6,466)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(249)	(54)
Repayments of long-term borrowings	(244)	-
Purchase of treasury shares	(0)	(0)
Repayments of finance lease obligations	(1)	(1)
Dividends paid	(802)	(960)
Net cash provided by (used in) financing activities	(1,298)	(1,017)
Effect of exchange rate change on cash and cash equivalents	150	(88)
Net increase (decrease) in cash and cash equivalents	2,187	(2,409)
Cash and cash equivalents at beginning of period	31,481	33,669
Cash and cash equivalents at end of period	33,669	31,259

#### 4. Others

Significant litigation matters, etc.

The following lawsuits, etc. against the Company or a joint venture comprised of four companies including the Company are pending in the Osaka District Court.

Lawsuit Filing Date	Plaintiff	Claimed Amount	Lawsuit Overview
August 10, 2017	Daiichi-tec Co., Ltd.	¥740 million	A lawsuit filed against the Company, with the plaintiff seeking payment for contracts regarding specific construction work of a joint venture comprised of four companies including the Company. The Company asserts that there is no basis for any such claim, and the case is currently pending in the Osaka District Court.
October 17, 2019	NIHON DENKI-KIKI CO., LTD.	¥388 million	A lawsuit filed against a joint venture comprised of four companies including the Company, with the plaintiff seeking payment for construction contracts. The Company asserts that the construction work claimed is not within the scope of work managed by the Company, and the case is currently pending in the Osaka District Court.