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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 10, 2021

Company name: FUKUSHIMA GALILEI CO. LTD.
 Stock exchange listing: Tokyo
 Code number: 6420
 URL: <https://www.galilei.co.jp>
 Representative: Yutaka Fukushima, President
 Contact: Tatsuo Hino, Director and General Manager, Management Headquarters
 Phone: 06-6477-2011
 Scheduled date of filing quarterly securities report: November 10, 2021
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 2021)

(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 | % |
| Six months ended September 30, 2021 | 47,028 | 24.2 | 5,686 | 70.6 | 6,216 | 81.9 | 4,348 | 95.2 |
| September 30, 2020 | 37,865 | (11.9) | 3,332 | (26.4) | 3,416 | (27.4) | 2,227 | (33.6) |

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 4,359 million [49.8%]
 Six months ended September 30, 2020: ¥ 2,909 million [(6.5) %]

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| Six months ended September 30, 2021 | Yen 217.03 | Yen - |
| September 30, 2020 | 111.16 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|--------------------------|------------------------|-----------------------|------------------------|----------------------|
| As of September 30, 2021 | Million yen 102,086 | Million yen 68,133 | % 66.7 | Yen 3,398.08 |
| March 31, 2021 | 96,911 | 64,700 | 66.7 | 3,227.05 |

(Reference) Equity: As of September 30, 2021: ¥ 68,085 million
 As of March 31, 2021: ¥ 64,658 million

2. Dividends

| | Annual dividends | | | | |
|---|------------------|-----------------|-----------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2021 | - | 0.00 | | | |
| Fiscal year ending March 31, 2022 | - | 0.00 | | | |
| Fiscal year ending March 31, 2022 (Forecast) | | | - | 53.00 | 53.00 |

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2022 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|------|------------------|------|-----------------|------|---|------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 92,755 | 12.5 | 9,966 | 23.7 | 10,570 | 22.2 | 7,590 | 20.5 | 378.86 |

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2021: 22,066,160 shares

March 31, 2021: 22,066,160 shares

2) Total number of treasury shares at the end of the period:

September 30, 2021: 2,029,840 shares

March 31, 2021: 2,029,795 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 20,036,353 shares

Six months ended September 30, 2020: 20,036,461 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31,2021 | As of September 30,2021 |
|--|---------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 39,918 | 44,195 |
| Notes and accounts receivable - trade | 17,963 | - |
| Notes and accounts receivable - trade, and contract assets | - | 17,642 |
| Electronically recorded monetary claims - operating | 2,718 | 3,409 |
| Merchandise and finished goods | 2,232 | 2,516 |
| Work in process | 1,515 | 1,626 |
| Raw materials and supplies | 2,250 | 2,369 |
| Other | 1,619 | 1,102 |
| Allowance for doubtful accounts | (1,132) | (1,062) |
| Total current assets | 67,085 | 71,799 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 8,357 | 8,499 |
| Machinery, equipment and vehicles, net | 1,317 | 1,414 |
| Land | 7,086 | 7,084 |
| Other, net | 861 | 665 |
| Total property, plant and equipment | 17,623 | 17,664 |
| Intangible assets | 365 | 460 |
| Investments and other assets | | |
| Investment securities | 8,145 | 8,394 |
| Deferred tax assets | - | 61 |
| Retirement benefit asset | 180 | 157 |
| Other | 3,586 | 3,641 |
| Allowance for doubtful accounts | (74) | (94) |
| Total investments and other assets | 11,836 | 12,161 |
| Total non-current assets | 29,825 | 30,286 |
| Total assets | 96,911 | 102,086 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 20,835 | 22,991 |
| Income taxes payable | 1,817 | 1,999 |
| Provision for bonuses | 1,787 | 2,009 |
| Provision for product warranties | 367 | 401 |
| Provision for loss on construction contracts | 87 | 87 |
| Other | 5,663 | 4,685 |
| Total current liabilities | 30,559 | 32,175 |
| Non-current liabilities | | |
| Deferred tax liabilities | 64 | 14 |
| Provision for retirement benefits for directors (and other officers) | 1,160 | 1,192 |
| Provision for contingent loss | 215 | 358 |
| Retirement benefit liability | 116 | 117 |
| Asset retirement obligations | 81 | 81 |
| Other | 12 | 12 |
| Total non-current liabilities | 1,651 | 1,777 |
| Total liabilities | 32,211 | 33,952 |

(Million yen)

| | As of March 31,2021 | As of September 30,2021 |
|---|---------------------|-------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,760 | 2,760 |
| Capital surplus | 3,168 | 3,168 |
| Retained earnings | 57,659 | 61,081 |
| Treasury shares | (3,215) | (3,215) |
| Total shareholders' equity | 60,373 | 63,795 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,011 | 4,156 |
| Foreign currency translation adjustment | 27 | 9 |
| Remeasurements of defined benefit plans | 246 | 123 |
| Total accumulated other comprehensive income | 4,285 | 4,289 |
| Non-controlling interests | 41 | 48 |
| Total net assets | 64,700 | 68,133 |
| Total liabilities and net assets | 96,911 | 102,086 |

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

| | For the six months ended September 30,2020 | For the six months ended September 30,2021 |
|---|---|---|
| Net sales | 37,865 | 47,028 |
| Cost of sales | 27,920 | 34,256 |
| Gross profit | 9,944 | 12,772 |
| Selling, general and administrative expenses | 6,612 | 7,086 |
| Operating profit | 3,332 | 5,686 |
| Non-operating income | | |
| Interest income | 9 | 9 |
| Dividend income | 54 | 54 |
| Rental income from buildings | 51 | 57 |
| Foreign exchange gains | - | 152 |
| Gain on sale of investment securities | - | 58 |
| Reversal of allowance for doubtful accounts | - | 122 |
| Other | 188 | 135 |
| Total non-operating income | 303 | 590 |
| Non-operating expenses | | |
| Interest expenses | 17 | - |
| Compensation expenses | 6 | 24 |
| Foreign exchange losses | 118 | - |
| Loss on retirement of non-current assets | - | 16 |
| Other | 76 | 19 |
| Total non-operating expenses | 219 | 60 |
| Ordinary profit | 3,416 | 6,216 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 93 | - |
| Provision for contingent loss | - | 142 |
| Total extraordinary losses | 93 | 142 |
| Profit before income taxes | 3,323 | 6,073 |
| Income taxes - current | 1,089 | 1,904 |
| Income taxes - deferred | 13 | (185) |
| Total income taxes | 1,102 | 1,719 |
| Profit | 2,220 | 4,354 |
| Profit (loss) attributable to non-controlling interests | (6) | 5 |
| Profit attributable to owners of parent | 2,227 | 4,348 |

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

| | For the six months ended September 30,2020 | For the six months ended September 30,2021 |
|--|---|---|
| Profit | 2,220 | 4,354 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 611 | 145 |
| Foreign currency translation adjustment | (10) | (16) |
| Remeasurements of defined benefit plans, net of tax | 88 | (123) |
| Total other comprehensive income | 688 | 5 |
| Comprehensive income | 2,909 | 4,359 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,918 | 4,353 |
| Comprehensive income attributable to non-controlling interests | (9) | 6 |

Quarterly Consolidated Statements of Cash Flows

(Million yen)

| | For the six months ended September 30,2020 | For the six months ended September 30,2021 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,323 | 6,073 |
| Depreciation | 786 | 644 |
| Increase (decrease) in allowance for doubtful accounts | 100 | (126) |
| Increase (decrease) in provision for bonuses | (63) | 221 |
| Increase (decrease) in provision for product warranties | (14) | 34 |
| Increase (decrease) in provision for loss on construction contracts | (25) | - |
| Increase (decrease) in retirement benefit liability | 124 | (155) |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 21 | 32 |
| Increase (decrease) in provision for contingent loss | (22) | 142 |
| Interest and dividend income | (63) | (64) |
| Foreign exchange losses (gains) | (21) | 18 |
| Loss (gain) on valuation of investment securities | 28 | - |
| Loss (gain) on sale of investment securities | - | (58) |
| Interest expenses | 17 | - |
| Loss (gain) on sale of property, plant and equipment | - | (0) |
| Loss on retirement of property, plant and equipment | 93 | 16 |
| Decrease (increase) in trade receivables | 1,786 | - |
| Decrease (increase) in trade receivables and contract assets | - | 229 |
| Decrease (increase) in inventories | (291) | (948) |
| Increase (decrease) in trade payables | (2,362) | 1,617 |
| Other, net | (57) | (853) |
| Subtotal | 3,359 | 6,824 |
| Interest and dividends received | 63 | 63 |
| Interest paid | (0) | - |
| Proceeds from compensation for expropriation | - | 784 |
| Income taxes paid | (1,523) | (1,655) |
| Net cash provided by (used in) operating activities | 1,899 | 6,016 |
| Cash flows from investing activities | | |
| Payments into time deposits | (283) | (560) |
| Proceeds from withdrawal of time deposits | 231 | 619 |
| Purchase of property, plant and equipment | (1,178) | (495) |
| Proceeds from sale of property, plant and equipment | - | 2 |
| Purchase of intangible assets | (109) | (156) |
| Purchase of investment securities | (38) | (43) |
| Proceeds from sale of investment securities | (0) | 64 |
| Loan advances | (47) | - |
| Payments for investments in capital | - | (50) |
| Net cash provided by (used in) investing activities | (1,425) | (618) |

(Million yen)

| | For the six months ended September 30,2020 | For the six months ended September 30,2021 |
|---|---|---|
| Cash flows from financing activities | | |
| Purchase of treasury shares | (0) | (0) |
| Repayments of finance lease obligations | (0) | (0) |
| Dividends paid | (960) | (1,060) |
| Net cash provided by (used in) financing activities | (961) | (1,060) |
| Effect of exchange rate change on cash and cash equivalents | 48 | (49) |
| Net increase (decrease) in cash and cash equivalents | (439) | 4,287 |
| Cash and cash equivalents at beginning of period | 31,259 | 39,575 |
| Cash and cash equivalents at end of period | 30,820 | 43,863 |