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## Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 12, 2022

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 Annual General Meeting of Shareholders: June 27, 2022  
 Scheduled date of commencing dividend payments: June 28, 2022  
 Scheduled date of filing annual securities report: June 27, 2022  
 Availability of supplementary briefing material on annual financial results: No  
 Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

#### (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, 2022 | 96,073      | 16.5  | 9,806            | 21.7   | 11,265          | 30.2  | 8,172                                   | 29.7 |
| March 31, 2021                   | 82,451      | (5.0) | 8,054            | (11.4) | 8,651           | (8.4) | 6,299                                   | 1.2  |

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 8,137 million [ 7.8%]  
 Fiscal year ended March 31, 2021: ¥ 7,551 million [ 45.6%]

|                                  | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|----------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| Fiscal year ended March 31, 2022 | Yen 407.88               | Yen -                      | % 12.0                   | % 11.2                                | % 10.2                              |
| March 31, 2021                   | 314.41                   | -                          | 10.3                     | 9.3                                   | 9.8                                 |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ million  
 Fiscal year ended March 31, 2021: ¥ million

#### (2) Consolidated Financial Position

|                      | Total assets        | Net assets         | Capital adequacy ratio | Net assets per share |
|----------------------|---------------------|--------------------|------------------------|----------------------|
| As of March 31, 2022 | Million yen 103,700 | Million yen 71,910 | % 69.3                 | Yen 3,586.20         |
| March 31, 2021       | 96,911              | 64,700             | 66.7                   | 3,227.05             |

(Reference) Equity: As of March 31, 2022: ¥ 71,854 million  
 As of March 31, 2021: ¥ 64,658 million

#### (3) Consolidated Cash Flows

|                                  | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended March 31, 2022 | Million yen 6,000                    | Million yen (1,476)                  | Million yen (1,063)                  | Million yen 43,954                             |
| March 31, 2021                   | 11,176                               | (1,654)                              | (1,090)                              | 39,575   |

## 2. Dividends

|                              | Annual dividends |                 |                 |          |       | Total dividends | Payout ratio<br>(consolidated) | Dividends to net assets<br>(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, 2021               | -                | 0.00            | -               | 53.00    | 53.00 | 1,061           | 16.9                           | 1.7                                       |
| March 31, 2022               | -                | 0.00            | -               | 62.00    | 62.00 | 1,242           | 15.2                           | 1.8                                       |
| Fiscal year ending           |                  |                 |                 |          |       |                 |                                |   |
| March 31, 2023<br>(Forecast) | -                | 0.00            | -               | 55.00    | 55.00 |                 | 18.2                           |   |

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 :

Commemorative dividend 7.00- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% 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                      |
| Six months ended<br>September 30, 2022 | 46,410      | (1.3) | 3,712            | (34.7) | 3,956           | (36.3) | 2,638                                   | (39.3) | 131.69                   |
| Full year                              | 97,159      | 1.1   | 8,685            | (11.4) | 9,074           | (19.5) | 6,066                                   | (25.8) | 302.75                   |

\* 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: Yes

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, 2022: 22,066,160 shares

March 31, 2021: 22,066,160 shares

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

March 31, 2022: 2,029,840 shares

March 31, 2021: 2,029,795 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 20,036,336 shares

Fiscal Year ended March 31, 2021: 20,036,422 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

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

| Fiscal year ended | Net sales   |      | Operating profit |      | Ordinary profit |      | Net income  |      |
|-------------------|-------------|------|------------------|------|-----------------|------|-------------|------|
|                   | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen | %    |
| March 31, 2022    | 75,216      | 12.0 | 7,692            | 21.2 | 9,569           | 26.9 | 6,882       | 17.4 |
| March 31, 2021    | 67,173      | 2.6  | 6,347            | 5.5  | 7,543           | 12.3 | 5,862       | 34.0 |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| March 31, 2022    | 343.50                   | -                          |
| March 31, 2021    | 292.60                   | -                          |

(2) Non-consolidated Financial Position

| As of          | Total assets | Net assets  | Capital adequacy ratio | Net assets per share |
|----------------|--------------|-------------|------------------------|----------------------|
|                | Million yen  | Million yen | %                      | Yen                  |
| March 31, 2022 | 82,340       | 60,357      | 73.3                   | 3,012.42             |
| March 31, 2021 | 79,655       | 54,323      | 68.2                   | 2,711.25             |

(Reference) Equity: As of March 31, 2022: ¥ 60,357 million  
As of March 31, 2021: ¥ 54,323 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

|  | As of March 31,2021 | As of March 31,2022 |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Current assets   |                     |                     |
| Cash and deposits  | 39,918              | 44,164              |
| Notes and accounts receivable - trade                      | 17,963              | -                   |
| Notes and accounts receivable - trade, and contract assets | -                   | 17,091              |
| Electronically recorded monetary claims - operating        | 2,718               | 5,598               |
| Merchandise and finished goods                             | 2,232               | 2,265               |
| Work in process  | 1,515               | 1,170               |
| Raw materials and supplies                                 | 2,250               | 2,713               |
| Other  | 1,619               | 1,075               |
| Allowance for doubtful accounts                            | (1,132)             | (941)               |
| Total current assets                                       | 67,085              | 73,137              |
| Non-current assets   |                     |                     |
| Property, plant and equipment                              |                     |                     |
| Buildings and structures, net                              | 8,357               | 8,310               |
| Machinery, equipment and vehicles, net                     | 1,317               | 1,451               |
| Land   | 7,086               | 6,954               |
| Other, net   | 861                 | 612                 |
| Total property, plant and equipment                        | 17,623              | 17,330              |
| Intangible assets  | 365                 | 497                 |
| Investments and other assets                               |                     |                     |
| Investment securities                                      | 8,145               | 8,545               |
| Deferred tax assets  | -                   | 120                 |
| Retirement benefit asset                                   | 180                 | 189                 |
| Other  | 3,586               | 3,976               |
| Allowance for doubtful accounts                            | (74)                | (96)                |
| Total investments and other assets                         | 11,836              | 12,735              |
| Total non-current assets                                   | 29,825              | 30,562              |
| Total assets   | 96,911              | 103,700             |

(Million yen)

|  | As of March 31,2021 | As of March 31,2022 |
|--|---------------------|---------------------|
| <b>Liabilities</b>   |                     |                     |
| Current liabilities  |                     |                     |
| Notes and accounts payable - trade                                   | 20,835              | 21,749              |
| Income taxes payable   | 1,817               | 1,610               |
| Provision for bonuses  | 1,787               | 1,756               |
| Provision for product warranties                                     | 367                 | 401                 |
| Provision for loss on construction contracts                         | 87                  | 75                  |
| Other  | 5,663               | 4,364               |
| Total current liabilities  | 30,559              | 29,958              |
| Non-current liabilities  |                     |                     |
| Deferred tax liabilities   | 64                  | 345                 |
| Provision for retirement benefits for directors (and other officers) | 1,160               | 1,272               |
| Provision for contingent loss  | 215                 | -                   |
| Retirement benefit liability   | 116                 | 118                 |
| Asset retirement obligations   | 81                  | 82                  |
| Other  | 12                  | 13                  |
| Total non-current liabilities  | 1,651               | 1,831               |
| Total liabilities  | 32,211              | 31,789              |
| <b>Net assets</b>  |                     |                     |
| Shareholders' equity   |                     |                     |
| Share capital  | 2,760               | 2,760               |
| Capital surplus  | 3,168               | 3,168               |
| Retained earnings  | 57,659              | 64,905              |
| Treasury shares  | (3,215)             | (3,215)             |
| Total shareholders' equity   | 60,373              | 67,619              |
| Accumulated other comprehensive income                               |                     |                     |
| Valuation difference on available-for-sale securities                | 4,011               | 4,218               |
| Foreign currency translation adjustment                              | 27                  | (19)                |
| Remeasurements of defined benefit plans                              | 246                 | 36                  |
| Total accumulated other comprehensive income                         | 4,285               | 4,235               |
| Non-controlling interests  | 41                  | 56                  |
| Total net assets   | 64,700              | 71,910              |
| Total liabilities and net assets                                     | 96,911              | 103,700             |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

|   | For the fiscal year<br>ended March 31,2021 | For the fiscal year<br>ended March 31,2022 |
|---|--|--|
| Net sales   | 82,451                                     | 96,073                                     |
| Cost of sales   | 60,761                                     | 72,121                                     |
| Gross profit  | 21,690                                     | 23,952                                     |
| Selling, general and administrative expenses            | 13,636                                     | 14,146                                     |
| Operating profit  | 8,054                                      | 9,806                                      |
| Non-operating income                                    |  |  |
| Interest income   | 12   | 19   |
| Dividend income   | 88   | 89   |
| Rental income from buildings                            | 107  | 114  |
| Insurance claim income                                  | 32   | -  |
| Purchase discounts                                      | 70   | 55   |
| Foreign exchange gains                                  | 30   | 519  |
| Reversal of allowance for doubtful accounts             | 121  | 202  |
| Compensation income                                     | 10   | -  |
| Other   | 223  | 549  |
| Total non-operating income                              | 696  | 1,551                                      |
| Non-operating expenses                                  |  |  |
| Interest expenses                                       | 19   | -  |
| Compensation expenses                                   | 6  | 56   |
| Other   | 74   | 35   |
| Total non-operating expenses                            | 100  | 91   |
| Ordinary profit   | 8,651                                      | 11,265                                     |
| Extraordinary income                                    |  |  |
| Gain on sale of investment securities                   | -  | 58   |
| Gain on sale of non-current assets                      | 173  | -  |
| Compensation for expropriation                          | 1,345                                      | -  |
| Gain on forgiveness of debts                            | -  | 185  |
| Total extraordinary income                              | 1,519                                      | 244  |
| Extraordinary losses                                    |  |  |
| Loss on valuation of investment securities              | 76   | 9  |
| Impairment losses                                       | -  | 72   |
| Contingent loss expense                                 | -  | 142  |
| Loss on disposal of non-current assets                  | 93   | 19   |
| Loss on liquidation of subsidiaries                     | 876  | -  |
| Total extraordinary losses                              | 1,046                                      | 244  |
| Profit before income taxes                              | 9,124                                      | 11,265                                     |
| Income taxes - current                                  | 2,987                                      | 2,995                                      |
| Income taxes - deferred                                 | (153)                                      | 85   |
| Total income taxes                                      | 2,833                                      | 3,080                                      |
| Profit  | 6,290                                      | 8,184                                      |
| Profit (loss) attributable to non-controlling interests | (8)  | 12   |
| Profit attributable to owners of parent                 | 6,299                                      | 8,172                                      |

Consolidated Statements of Comprehensive Income

(Million yen)

|  | For the fiscal year<br>ended March 31,2021 | For the fiscal year<br>ended March 31,2022 |
|--|--|--|
| Profit   | 6,290                                      | 8,184                                      |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 935  | 206  |
| Foreign currency translation adjustment                        | (98)                                       | (44)                                       |
| Remeasurements of defined benefit plans, net of tax            | 423  | (209)                                      |
| Total other comprehensive income                               | 1,260                                      | (47)                                       |
| Comprehensive income   | 7,551                                      | 8,137                                      |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 7,563                                      | 8,122                                      |
| Comprehensive income attributable to non-controlling interests | (12)                                       | 14   |

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31,2021

(Million yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 2,760                | 3,168           | 52,321            | (3,214)         | 55,035                     |
| Cumulative effects of changes in accounting policies |                      |                 |                   |                 |                            |
| Restated balance                                     |                      |                 |                   |                 |                            |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (961)             |                 | (961)                      |
| Profit attributable to owners of parent              |                      |                 | 6,299             |                 | 6,299                      |
| Purchase of treasury shares                          |                      |                 |                   | (0)             | (0)                        |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | -                    | -               | 5,337             | (0)             | 5,337                      |
| Balance at end of period                             | 2,760                | 3,168           | 57,659            | (3,215)         | 60,373                     |

|  | 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                       | 3,076   | 122                                     | (177)                                   | 3,020  | 54                        | 58,111           |
| Cumulative effects of changes in accounting policies |   |   |   |  |                           | -                |
| Restated balance                                     |   |   |   |  |                           | -                |
| Changes during period                                |   |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |   |  |                           | (961)            |
| Profit attributable to owners of parent              |   |   |   |  |                           | 6,299            |
| Purchase of treasury shares                          |   |   |   |  |                           | (0)              |
| Net changes in items other than shareholders' equity | 935   | (95)                                    | 423                                     | 1,264  | (12)                      | 1,251            |
| Total changes during period                          | 935   | (95)                                    | 423                                     | 1,264  | (12)                      | 6,588            |
| Balance at end of period                             | 4,011   | 27                                      | 246                                     | 4,285  | 41                        | 64,700           |



For the fiscal year ended March 31,2022

(Million yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 2,760                | 3,168           | 57,659            | (3,215)         | 60,373                     |
| Cumulative effects of changes in accounting policies |                      |                 | 135               |                 | 135                        |
| Restated balance                                     | 2,760                | 3,168           | 57,795            | (3,215)         | 60,508                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (1,061)           |                 | (1,061)                    |
| Profit attributable to owners of parent              |                      |                 | 8,172             |                 | 8,172                      |
| Purchase of treasury shares                          |                      |                 |                   | (0)             | (0)                        |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | -                    | -               | 7,110             | (0)             | 7,110                      |
| Balance at end of period                             | 2,760                | 3,168           | 64,905            | (3,215)         | 67,619                     |

|  | 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                       | 4,011   | 27                                      | 246                                     | 4,285  | 41                        | 64,700           |
| Cumulative effects of changes in accounting policies |   |   |   |  |                           | 135              |
| Restated balance                                     | 4,011   | 27                                      | 246                                     | 4,285  | 41                        | 64,835           |
| Changes during period                                |   |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |   |  |                           | (1,061)          |
| Profit attributable to owners of parent              |   |   |   |  |                           | 8,172            |
| Purchase of treasury shares                          |   |   |   |  |                           | (0)              |
| Net changes in items other than shareholders' equity | 206   | (47)                                    | (209)                                   | (49)   | 14                        | (35)             |
| Total changes during period                          | 206   | (47)                                    | (209)                                   | (49)   | 14                        | 7,075            |
| Balance at end of period                             | 4,218   | (19)                                    | 36                                      | 4,235  | 56                        | 71,910           |

## Consolidated Statements of Cash Flows

(Million yen)

|   | For the fiscal year<br>ended March 31,2021 | For the fiscal year<br>ended March 31,2022 |
|---|--|--|
| <b>Cash flows from operating activities</b>   |  |  |
| Profit before income taxes  | 9,124                                      | 11,265                                     |
| Depreciation  | 1,628                                      | 1,367                                      |
| Increase (decrease) in allowance for doubtful accounts                                      | 101  | (303)                                      |
| Increase (decrease) in provision for bonuses  | 200  | (30)                                       |
| Increase (decrease) in provision for product warranties                                     | (13)                                       | 34   |
| Increase (decrease) in provision for loss on construction contracts                         | (32)                                       | (12)                                       |
| Decrease (increase) in retirement benefit asset   | -  | (312)                                      |
| Increase (decrease) in retirement benefit liability   | 239  | 2  |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 126  | 111  |
| Increase (decrease) in provision for contingent loss  | (22)                                       | -  |
| Interest and dividend income  | (100)                                      | (109)                                      |
| Foreign exchange losses (gains)   | 68   | (989)                                      |
| Loss (gain) on valuation of investment securities   | 76   | 9  |
| Loss (gain) on sale of investment securities  | -  | (58)                                       |
| Gain on forgiveness of debt   | -  | (185)                                      |
| Interest expenses   | 19   | -  |
| Loss on retirement of non-current assets  | 93   | 19   |
| Impairment losses   | -  | 72   |
| Contingent loss expense   | -  | 142  |
| Loss on liquidation of subsidiaries   | 876  | -  |
| Compensation for expropriation  | (1,345)                                    | -  |
| Decrease (increase) in trade receivables  | 1,053                                      | -  |
| Decrease (increase) in notes and accounts receivable-trade and contract assets              | -  | (1,336)                                    |
| Decrease (increase) in inventories  | (257)                                      | (565)                                      |
| Increase (decrease) in trade payables   | 1,327                                      | 400  |
| Other, net  | 166  | (953)                                      |
| Subtotal  | 13,327                                     | 8,568                                      |
| Interest and dividends received   | 99   | 107  |
| Interest paid   | (34)                                       | -  |
| Proceeds from compensation for expropriation  | 746  | 827  |
| Payment of contingent loss expense  | -  | (358)                                      |
| Other paid  | (177)                                      | -  |
| Income taxes paid   | (2,785)                                    | (3,145)                                    |
| Net cash provided by (used in) operating activities   | 11,176                                     | 6,000                                      |

(Million yen)

|   | For the fiscal year<br>ended March 31,2021 | For the fiscal year<br>ended March 31,2022 |
|---|--|--|
| <b>Cash flows from investing activities</b>                 |  |  |
| Payments into time deposits                                 | (232)                                      | (775)                                      |
| Proceeds from withdrawal of time deposits                   | 101  | 633  |
| Purchase of property, plant and equipment                   | (1,573)                                    | (1,079)                                    |
| Proceeds from sale of property, plant and equipment         | 266  | 92   |
| Purchase of intangible assets                               | (103)                                      | (260)                                      |
| Purchase of investment securities                           | (62)                                       | (102)                                      |
| Proceeds from sale of investment securities                 | -  | 64   |
| Loan advances   | (47)                                       | -  |
| Proceeds from collection of loans receivable                | -  | 1  |
| Purchase of membership                                      | (4)  | -  |
| Payments for investments in capital                         | (1)  | (50)                                       |
| <b>Net cash provided by (used in) investing activities</b>  | <b>(1,654)</b>                             | <b>(1,476)</b>                             |
| <b>Cash flows from financing activities</b>                 |  |  |
| Net increase (decrease) in short-term borrowings            | (127)                                      | -  |
| Purchase of treasury shares                                 | (0)  | (0)  |
| Repayments of finance lease liabilities                     | (0)  | (0)  |
| Dividends paid  | (962)                                      | (1,063)                                    |
| <b>Net cash provided by (used in) financing activities</b>  | <b>(1,090)</b>                             | <b>(1,063)</b>                             |
| Effect of exchange rate change on cash and cash equivalents | (114)                                      | 919  |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>8,316</b>                               | <b>4,378</b>                               |
| Cash and cash equivalents at beginning of period            | 31,259                                     | 39,575                                     |
| <b>Cash and cash equivalents at end of period</b>           | <b>39,575</b>                              | <b>43,954</b>                              |