

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 10, 2023

Company name: FUKUSHIMA GALILEI CO. LTD.

Stock exchange listing: Tokyo

Code number: 6420

URL: <https://www.galilei.co.jp>

Representative: Go Fukushima President & COO

Contact: Tatsuo Hino Director & Senior Executive Officer General Manager of Administration Headquarters

Phone: +81-6-6477-2011

Scheduled date of Annual General Meeting of Shareholders: June 27, 2023

Scheduled date of commencing dividend payments: June 28, 2023

Scheduled date of filing annual securities report: June 27, 2023

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	104,996	9.3	11,485	17.1	12,292	9.1	8,654	5.9
March 31, 2022	96,073	16.5	9,806	21.7	11,265	30.2	8,172	29.7

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 9,142 million [12.4%]
Fiscal year ended March 31, 2022: ¥ 8,137 million [7.8%]

	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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	431.60	-	11.4	11.3	10.9
March 31, 2022	407.88	-	12.0	11.2	10.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ million
Fiscal year ended March 31, 2022: ¥ million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	112,997	79,907	70.7	3,979.14
March 31, 2022	103,700	71,910	69.3	3,586.20

(Reference) Equity: As of March 31, 2023: ¥ 79,834 million
As of March 31, 2022: ¥ 71,854 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	5,502	(2,247)	(1,242)	46,182
March 31, 2022	6,573	(1,504)	(1,063)	43,954

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	Millions of yen	%	%
March 31, 2022	-	0.00	-	62.00	62.00	1,242	15.2	1.8
March 31, 2023	-	0.00	-	73.00	73.00	1,464	16.9	1.9
Fiscal year ending March 31, 2024 (Forecast)	-	0.00	-	73.00	73.00		20.6	

(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, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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
Six months ending September 30, 2023	50,462	4.1	4,703	4.5	4,786	(14.1)	3,245	(16.4)	161.76
Full year	103,047	(1.9)	10,066	(12.4)	10,375	(15.6)	7,115	(17.8)	354.65

* 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, 2023: 22,066,160 shares

March 31, 2022: 22,066,160 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 2,003,002 shares

March 31, 2022: 2,029,840 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 20,052,503 shares

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

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	82,527	9.7	8,191	6.5	9,569	0.0	6,743	(2.0)
March 31, 2022	75,216	12.0	7,692	21.2	9,569	26.9	6,882	17.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	336.27	-
March 31, 2022	343.50	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	89,505	66,260	74.0	3,302.58
March 31, 2022	82,340	60,357	73.3	3,012.42

(Reference) Equity: As of March 31, 2023: ¥ 66,260 million
As of March 31, 2022: ¥ 60,357 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	44,164	46,392
Notes and accounts receivable - trade, and contract assets	17,091	19,653
Electronically recorded monetary claims - operating	5,598	5,380
Merchandise and finished goods	2,265	3,072
Work in process	1,170	1,396
Raw materials and supplies	2,713	4,068
Other	1,075	759
Allowance for doubtful accounts	(941)	(162)
Total current assets	73,137	80,561
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,310	8,156
Machinery, equipment and vehicles, net	1,451	1,352
Land	6,954	7,047
Other, net	612	1,469
Total property, plant and equipment	17,330	18,025
Intangible assets	497	649
Investments and other assets		
Investment securities	8,545	9,118
Deferred tax assets	120	188
Retirement benefit asset	189	255
Other	3,976	4,311
Allowance for doubtful accounts	(96)	(113)
Total investments and other assets	12,735	13,760
Total non-current assets	30,562	32,435
Total assets	103,700	112,997

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,749	20,760
Income taxes payable	1,610	2,644
Provision for bonuses	1,756	2,231
Provision for product warranties	401	468
Provision for loss on construction contracts	75	36
Other	4,364	5,329
Total current liabilities	29,958	31,471
Non-current liabilities		
Deferred tax liabilities	345	121
Provision for retirement benefits for directors (and other officers)	1,272	24
Long-term accounts payable - other	-	1,244
Retirement benefit liability	118	127
Asset retirement obligations	82	86
Other	13	13
Total non-current liabilities	1,831	1,618
Total liabilities	31,789	33,089
Net assets		
Shareholders' equity		
Share capital	2,760	2,760
Capital surplus	3,168	3,222
Retained earnings	64,905	72,318
Treasury shares	(3,215)	(3,172)
Total shareholders' equity	67,619	75,127
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,218	4,536
Foreign currency translation adjustment	(19)	123
Remeasurements of defined benefit plans	36	47
Total accumulated other comprehensive income	4,235	4,706
Non-controlling interests	56	73
Total net assets	71,910	79,907
Total liabilities and net assets	103,700	112,997

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	96,073	104,996
Cost of sales	72,121	77,862
Gross profit	23,952	27,133
Selling, general and administrative expenses	14,146	15,647
Operating profit	9,806	11,485
Non-operating income		
Interest income	19	58
Dividend income	89	104
Rental income from buildings	114	103
Purchase discounts	55	59
Foreign exchange gains	519	296
Reversal of allowance for doubtful accounts	202	10
Other	549	279
Total non-operating income	1,551	912
Non-operating expenses		
Provision of allowance for doubtful accounts	-	6
Compensation expenses	56	42
Other	35	56
Total non-operating expenses	91	105
Ordinary profit	11,265	12,292
Extraordinary income		
Gain on sale of investment securities	58	-
Gain on sale of non-current assets	-	21
Gain on forgiveness of debts	185	-
Total extraordinary income	244	21
Extraordinary losses		
Loss on valuation of investment securities	9	4
Loss on sale of non-current assets	-	0
Loss on disposal of non-current assets	19	8
Impairment losses	72	-
Contingent loss expense	142	-
Settlement payments	-	22
Total extraordinary losses	244	35
Profit before income taxes	11,265	12,279
Income taxes - current	2,995	4,010
Income taxes - deferred	85	(398)
Total income taxes	3,080	3,612
Profit	8,184	8,666
Profit attributable to non-controlling interests	12	12
Profit attributable to owners of parent	8,172	8,654

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	8,184	8,666
Other comprehensive income		
Valuation difference on available-for-sale securities	206	317
Foreign currency translation adjustment	(44)	147
Remeasurements of defined benefit plans, net of tax	(209)	10
Total other comprehensive income	(47)	475
Comprehensive income	8,137	9,142
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,122	9,126
Comprehensive income attributable to non-controlling interests	14	16

Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2022

(Millions of 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)
Disposal of treasury shares					-
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)
Disposal of treasury shares				-		-
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

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,760	3,168	64,905	(3,215)	67,619
Cumulative effects of changes in accounting policies					-
Restated balance	2,760	3,168	64,905	(3,215)	67,619
Changes during period					
Dividends of surplus			(1,242)		(1,242)
Profit attributable to owners of parent			8,654		8,654
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		53		42	96
Net changes in items other than shareholders' equity					
Total changes during period	-	53	7,412	42	7,508
Balance at end of period	2,760	3,222	72,318	(3,172)	75,127

	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	4,218	(19)	36	4,235	56	71,910
Cumulative effects of changes in accounting policies				-		-
Restated balance	4,218	(19)	36	4,235	56	71,910
Changes during period						
Dividends of surplus						(1,242)
Profit attributable to owners of parent						8,654
Purchase of treasury shares						(0)
Disposal of treasury shares						96
Net changes in items other than shareholders' equity	317	142	10	471	16	487
Total changes during period	317	142	10	471	16	7,996
Balance at end of period	4,536	123	47	4,706	73	79,907

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	11,265	12,279
Depreciation	1,367	1,289
Increase (decrease) in allowance for doubtful accounts	(303)	(805)
Increase (decrease) in provision for bonuses	(30)	474
Increase (decrease) in provision for product warranties	34	67
Increase (decrease) in provision for loss on construction contracts	(12)	(38)
Decrease (increase) in retirement benefit asset	(312)	(51)
Increase (decrease) in retirement benefit liability	2	8
Increase (decrease) in provision for retirement benefits for directors (and other officers)	111	(1,248)
Increase (decrease) in long-term accounts payable - other	-	1,244
Interest and dividend income	(109)	(162)
Foreign exchange losses (gains)	(444)	(210)
Loss (gain) on valuation of investment securities	9	4
Loss (gain) on sale of investment securities	(58)	-
Gain on forgiveness of debts	(185)	-
Loss (gain) on sale of property, plant and equipment	-	(21)
Loss on disposal of fixed assets	19	8
Impairment losses	72	-
Contingent loss expense	142	-
Decrease (increase) in notes and accounts receivable-trade and contract assets	(1,336)	(2,275)
Decrease (increase) in inventories	(565)	(2,310)
Increase (decrease) in trade payables	400	(884)
Other, net	(1,049)	993
Subtotal	9,017	8,363
Interest and dividends received	107	162
Interest paid	-	-
Proceeds from compensation for expropriation	827	102
Payment of contingent loss expense	(387)	-
Settlement paid	-	(22)
Income taxes paid	(2,992)	(3,105)
Net cash provided by (used in) operating activities	6,573	5,502

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(775)	(105)
Proceeds from withdrawal of time deposits	633	-
Purchase of property, plant and equipment	(1,107)	(1,975)
Proceeds from sale of property, plant and equipment	90	38
Purchase of intangible assets	(260)	(34)
Purchase of investment securities	(102)	(143)
Proceeds from sale of investment securities	64	-
Purchase of shares of subsidiaries	-	(15)
Loan advances	-	(34)
Proceeds from collection of loans receivable	1	11
Payments for investments in capital	(50)	-
Other, net	2	10
Net cash provided by (used in) investing activities	(1,504)	(2,247)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Repayments of finance lease liabilities	(0)	(0)
Dividends paid	(1,063)	(1,241)
Net cash provided by (used in) financing activities	(1,063)	(1,242)
Effect of exchange rate change on cash and cash equivalents	374	214
Net increase (decrease) in cash and cash equivalents	4,378	2,227
Cash and cash equivalents at beginning of period	39,575	43,954
Cash and cash equivalents at end of period	43,954	46,182