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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 14, 2022

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: 06-6477-2011

Scheduled date of filing quarterly securities report: November 14, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

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, 2022 (April 01, 2022 to September 30, 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	%
Six months ended September 30, 2022	48,469	3.1	4,503	(20.8)	5,573	(10.3)	3,884	(10.7)
September 30, 2021	47,028	24.2	5,686	70.6	6,216	81.9	4,348	95.2

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 3,878 million [(11.0)%]
Six months ended September 30, 2021: ¥ 4,359 million [49.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	193.79	-
September 30, 2021	217.03	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2022	106,195	74,643	70.2	3,717.15
March 31, 2022	103,700	71,910	69.3	3,586.20

(Reference) Equity: As of September 30, 2022: ¥ 74,577 million
As of March 31, 2022: ¥ 71,854 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, 2022	-	0.00	-	62.00	62.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	55.00	55.00

(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, 2023 :

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
Full year	97,159	1.1	8,685	(11.4)	9,074	(19.5)	6,066	(25.8)	302.75

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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, 2022: 22,066,160 shares

March 31, 2022: 22,066,160 shares

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

September 30, 2022: 2,002,955 shares

March 31, 2022: 2,029,840 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 20,041,903 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	44,164	43,104
Notes and accounts receivable - trade, and contract assets	17,091	16,424
Electronically recorded monetary claims - operating	5,598	5,817
Merchandise and finished goods	2,265	3,405
Work in process	1,170	1,756
Raw materials and supplies	2,713	3,528
Other	1,075	1,101
Allowance for doubtful accounts	(941)	(138)
Total current assets	73,137	74,999
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,310	8,231
Machinery, equipment and vehicles, net	1,451	1,458
Land	6,954	6,968
Other, net	612	1,064
Total property, plant and equipment	17,330	17,723
Intangible assets	497	622
Investments and other assets		
Investment securities	8,545	8,393
Deferred tax assets	120	155
Retirement benefit asset	189	147
Other	3,976	4,236
Allowance for doubtful accounts	(96)	(81)
Total investments and other assets	12,735	12,850
Total non-current assets	30,562	31,195
Total assets	103,700	106,195
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,749	19,793
Income taxes payable	1,610	1,931
Provision for bonuses	1,756	1,982
Provision for product warranties	401	424
Provision for loss on construction contracts	75	42
Other	4,364	5,761
Total current liabilities	29,958	29,935
Non-current liabilities		
Deferred tax liabilities	345	165
Provision for retirement benefits for directors (and other officers)	1,272	23
Long-term accounts payable - other	-	1,244
Retirement benefit liability	118	84
Asset retirement obligations	82	82
Other	13	15
Total non-current liabilities	1,831	1,615
Total liabilities	31,789	31,551

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Shareholders' equity		
Share capital	2,760	2,760
Capital surplus	3,168	3,222
Retained earnings	64,905	67,547
Treasury shares	(3,215)	(3,172)
Total shareholders' equity	67,619	70,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,218	4,063
Foreign currency translation adjustment	(19)	139
Remeasurements of defined benefit plans	36	18
Total accumulated other comprehensive income	4,235	4,220
Non-controlling interests	56	65
Total net assets	71,910	74,643
Total liabilities and net assets	103,700	106,195

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 30,2021	For the six months ended September 30,2022
Net sales	47,028	48,469
Cost of sales	34,256	36,273
Gross profit	12,772	12,196
Selling, general and administrative expenses	7,086	7,693
Operating profit	5,686	4,503
Non-operating income		
Interest income	9	19
Dividend income	54	64
Rental income from buildings	57	52
Purchase discounts	28	18
Foreign exchange gains	152	786
Gain on sale of investment securities	58	-
Reversal of allowance for doubtful accounts	122	31
Other	107	185
Total non-operating income	590	1,157
Non-operating expenses		
Compensation expenses	24	21
Loss on retirement of non-current assets	16	3
Settlement payments	-	22
Other	19	39
Total non-operating expenses	60	87
Ordinary profit	6,216	5,573
Extraordinary losses		
Provision for contingent loss	142	-
Total extraordinary losses	142	-
Profit before income taxes	6,073	5,573
Income taxes - current	1,904	1,833
Income taxes - deferred	(185)	(145)
Total income taxes	1,719	1,687
Profit	4,354	3,885
Profit attributable to non-controlling interests	5	1
Profit attributable to owners of parent	4,348	3,884

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	4,354	3,885
Other comprehensive income		
Valuation difference on available-for-sale securities	145	(155)
Foreign currency translation adjustment	(16)	166
Remeasurements of defined benefit plans, net of tax	(123)	(18)
Total other comprehensive income	5	(6)
Comprehensive income	4,359	3,878
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,353	3,869
Comprehensive income attributable to non-controlling interests	6	9

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	6,073	5,573
Depreciation	644	610
Increase (decrease) in allowance for doubtful accounts	(126)	(921)
Increase (decrease) in provision for bonuses	221	225
Increase (decrease) in provision for product warranties	34	23
Increase (decrease) in provision for loss on construction contracts	-	(29)
Increase (decrease) in retirement benefit liability	(155)	143
Increase (decrease) in provision for retirement benefits for directors (and other officers)	32	(1,249)
Increase (decrease) in long-term accounts payable - other	-	1,244
Increase (decrease) in provision for contingent loss	142	-
Interest and dividend income	(64)	(83)
Foreign exchange losses (gains)	18	(425)
Loss (gain) on sale of investment securities	(58)	-
Loss (gain) on sale of property, plant and equipment	(0)	(21)
Loss (gain) on disposal of non-current assets	16	3
Decrease (increase) in trade receivables and contract assets	229	1,734
Decrease (increase) in inventories	(948)	(2,434)
Increase (decrease) in trade payables	1,617	(2,131)
Other, net	(853)	186
Subtotal	6,824	2,447
Interest and dividends received	63	83
Proceeds from compensation for expropriation	784	103
Income taxes paid	(1,655)	(1,570)
Net cash provided by (used in) operating activities	6,016	1,064
Cash flows from investing activities		
Payments into time deposits	(560)	(212)
Proceeds from withdrawal of time deposits	619	6
Purchase of property, plant and equipment	(495)	(843)
Purchase of intangible assets	(156)	(191)
Purchase of investment securities	(43)	(66)
Proceeds from sale of investment securities	64	-
Payments for investments in capital	(50)	-
Other, net	2	5
Net cash provided by (used in) investing activities	(618)	(1,303)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from financing activities		
Purchase of treasury shares	(0)	-
Repayments of finance lease liabilities	(0)	(0)
Dividends paid	(1,060)	(1,236)
Net cash provided by (used in) financing activities	(1,060)	(1,237)
Effect of exchange rate change on cash and cash equivalents	(49)	421
Net increase (decrease) in cash and cash equivalents	4,287	(1,053)
Cash and cash equivalents at beginning of period	39,575	43,954
Cash and cash equivalents at end of period	43,863	42,900