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## Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 13, 2024

Company name: FUKUSHIMA GALILEI CO. LTD.

Listing: Tokyo

Securities code: 6420

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

Representative: Go Fukushima President

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Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	61,011	14.0	6,975	5.1	7,098	(5.1)	5,166	(2.6)
September 30, 2023	53,536	10.5	6,634	47.3	7,477	34.2	5,303	36.5

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 5,207 million [ (13.1)%]  
Six months ended September 30, 2023: ¥ 5,990 million [ 54.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	258.06	-
September 30, 2023	264.38	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	134,051	96,610	71.5	4,787.02
March 31, 2024	130,532	92,826	71.0	4,631.37

(Reference) Equity: As of September 30, 2024: ¥ 95,902 million  
As of March 31, 2024: ¥ 92,714 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, 2024	-	0.00	-	105.00	105.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	52.50	52.50

(Note) Revision to the forecast for dividends announced most recently: Yes

\* As FUKUSHIMA GALILEI CO. LTD. plans to conduct a 2-for-1 stock split of shares of common stock, effective January 1, 2025.

The year-end dividend per share for the fiscal year ending March 31, 2025 (forecasts) without considering the stock split is 105.00 yen.

For details, please refer to “Proper use of earnings forecasts, and other special matters”.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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
Full year	119,383	3.1	13,191	(13.8)	13,575	(16.0)	9,784	(20.5)	244.39

(Note) Revision to the financial results forecast announced most recently: None

\* “Basic earnings per share” in the consolidated forecasts takes into account the effect of the stock split. Without considering the stock split, Basic earnings per share in the consolidated earnings forecasts for the fiscal year ending March 31, 2025 (full year) would be 488.78 yen. For details, please refer to “Proper use of earnings forecasts, and other special matters”.

\* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 (Company name: Nippon Senjoki K.K., FUKUSHIMA GALILEI SPLIT PREPARATION CO. LTD. )  
 Excluded: 1 (Company name: )

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 22,066,160 shares  
 March 31, 2024: 22,066,160 shares

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

September 30, 2024: 2,032,296 shares  
 March 31, 2024: 2,047,283 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 20,021,986 shares  
 Six months ended September 30, 2023: 20,058,380 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

1. Forward-looking statements in this report, including earnings forecasts, are based on assumptions about economic conditions, market trends, and other factors at the time the report was published. Actual results may differ significantly due to a variety of factors.

2. At a meeting of the Board of Directors held on November 13, 2024, the Company resolved to conduct a stock split, whereby each share of common stock will be divided into 2 shares effective January 1, 2025. The Company's dividend forecasts and consolidated earnings forecasts for the fiscal year ending March 31, 2025, without taking the stock split into consideration, are as follows.

(1) Dividend forecasts for the fiscal year ending March 31, 2025

Year-end dividend per share: 105.00 yen

(2) Consolidated earnings forecasts for the year ending March 31, 2025

Basic earnings per share: 488.78 yen

Semi-annual Consolidated Financial Statements  
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	54,236	51,044
Notes and accounts receivable - trade, and contract assets	21,443	20,447
Electronically recorded monetary claims - operating	7,540	6,710
Merchandise and finished goods	2,854	3,427
Work in process	1,412	2,248
Raw materials and supplies	4,123	5,165
Other	1,386	1,407
Allowance for doubtful accounts	(191)	(207)
<b>Total current assets</b>	<b>92,805</b>	<b>90,246</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,968	8,800
Machinery, equipment and vehicles, net	1,525	1,539
Land	7,881	12,027
Other, net	687	2,262
<b>Total property, plant and equipment</b>	<b>19,063</b>	<b>24,630</b>
Intangible assets	561	620
Investments and other assets		
Investment securities	12,184	12,230
Deferred tax assets	158	279
Retirement benefit asset	354	382
Other	5,511	5,756
Allowance for doubtful accounts	(106)	(94)
<b>Total investments and other assets</b>	<b>18,102</b>	<b>18,554</b>
<b>Total non-current assets</b>	<b>37,727</b>	<b>43,805</b>
<b>Total assets</b>	<b>130,532</b>	<b>134,051</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,562	21,970
Income taxes payable	2,133	2,348
Provision for bonuses	2,681	2,800
Provision for product warranties	435	485
Provision for loss on construction contracts	49	57
Other	5,483	7,436
<b>Total current liabilities</b>	<b>35,347</b>	<b>35,098</b>
Non-current liabilities		
Deferred tax liabilities	858	672
Provision for retirement benefits for directors (and other officers)	21	4
Long-term accounts payable - other	1,244	1,231
Retirement benefit liability	132	283
Asset retirement obligations	87	87
Other	13	62
<b>Total non-current liabilities</b>	<b>2,357</b>	<b>2,342</b>
<b>Total liabilities</b>	<b>37,705</b>	<b>37,440</b>

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	2,760	2,760
Capital surplus	3,576	3,657
Retained earnings	83,191	86,256
Treasury shares	(3,799)	(3,769)
Total shareholders' equity	85,728	88,903
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,449	6,204
Foreign currency translation adjustment	450	750
Remeasurements of defined benefit plans	87	43
Total accumulated other comprehensive income	6,986	6,998
Non-controlling interests	112	708
Total net assets	92,826	96,610
Total liabilities and net assets	130,532	134,051

## Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	53,536	61,011
Cost of sales	38,584	44,523
Gross profit	14,951	16,487
Selling, general and administrative expenses	8,317	9,512
Operating profit	6,634	6,975
Non-operating income		
Interest income	49	58
Dividend income	63	87
Rental income from buildings	52	47
Purchase discounts	18	66
Foreign exchange gains	581	-
Other	169	168
Total non-operating income	935	428
Non-operating expenses		
Foreign exchange losses	-	226
Provision of allowance for doubtful accounts	36	-
Compensation expenses	11	11
Other	44	66
Total non-operating expenses	92	305
Ordinary profit	7,477	7,098
Extraordinary income		
Gain on sale of investment securities	-	206
Gain on sale of non-current assets	97	0
Gain on bargain purchase	-	48
Total extraordinary income	97	255
Extraordinary losses		
Condolence money	-	55
Total extraordinary losses	-	55
Profit before income taxes	7,574	7,298
Income taxes - current	2,334	2,245
Income taxes - deferred	(80)	(135)
Total income taxes	2,254	2,109
Profit	5,320	5,188
Profit attributable to non-controlling interests	17	21
Profit attributable to owners of parent	5,303	5,166

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	5,320	5,188
Other comprehensive income		
Valuation difference on available-for-sale securities	476	(243)
Foreign currency translation adjustment	217	306
Remeasurements of defined benefit plans, net of tax	(23)	(43)
Total other comprehensive income	669	19
Comprehensive income	5,990	5,207
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,965	5,178
Comprehensive income attributable to non-controlling interests	24	29

## Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,574	7,298
Depreciation	624	729
Increase (decrease) in allowance for doubtful accounts	(1)	(10)
Increase (decrease) in provision for bonuses	354	72
Increase (decrease) in provision for product warranties	(56)	38
Increase (decrease) in provision for loss on construction contracts	-	7
Decrease (increase) in retirement benefit asset	13	(27)
Increase (decrease) in retirement benefit liability	(1)	55
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	(33)
Increase (decrease) in long-term accounts payable - other	-	(12)
Interest and dividend income	(112)	(146)
Foreign exchange losses (gains)	(9)	(33)
Gain on bargain purchase	-	(48)
Loss (gain) on sale of investment securities	(33)	(206)
Loss (gain) on sale of property, plant and equipment	(96)	0
Decrease (increase) in accounts receivable - trade, and contract assets	1,023	4,122
Decrease (increase) in inventories	(829)	(1,791)
Increase (decrease) in trade payables	2,026	(3,170)
Increase (decrease) in accrued consumption taxes	(783)	223
Other, net	(148)	(41)
Subtotal	9,538	7,026
Interest and dividends received	111	143
Condolence money paid	-	(55)
Income taxes paid	(2,583)	(2,145)
Net cash provided by (used in) operating activities	7,066	4,968
<b>Cash flows from investing activities</b>		
Payments into time deposits	(851)	(1,844)
Proceeds from withdrawal of time deposits	205	1,642
Purchase of property, plant and equipment	(1,429)	(4,903)
Proceeds from sale of property, plant and equipment	280	1
Purchase of intangible assets	(49)	(135)
Purchase of investment securities	(46)	(251)
Proceeds from sale of investment securities	180	254
Loan advances	(10)	(15)
Proceeds from collection of loans receivable	1	108
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,157)
Net cash provided by (used in) investing activities	(1,719)	(6,300)



(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from financing activities		
Proceeds from share issuance to non-controlling shareholders	4	-
Purchase of treasury shares	(836)	(0)
Dividends paid	(1,460)	(2,090)
Other, net	(0)	(12)
Net cash provided by (used in) financing activities	(2,293)	(2,103)
Effect of exchange rate change on cash and cash equivalents	42	158
Net increase (decrease) in cash and cash equivalents	3,095	(3,277)
Cash and cash equivalents at beginning of period	46,182	54,026
Cash and cash equivalents at end of period	49,277	50,748