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February 12, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024

[Under Japanese GAAP]

Company name: RIKEN KEIKI Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7734
 URL: <https://www.rikenkeiki.co.jp/>
 Representative: Tetsuya Matsumoto, President
 Inquiries: Takuro Maeda, General Manager, Accounting Department, Corporate Administration Division
 Telephone: +81-3-3966-1128
 Scheduled date to commence dividend payments: –
 Preparation of supplementary materials on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended December 31, 2024	35,946	4.7	8,069	(6.8)	8,690	(5.5)	6,141	(6.5)
December 31, 2023	34,325	(1.3)	8,655	(17.2)	9,200	(10.9)	6,567	(7.7)

Note: Comprehensive income For the nine months ended December 31, 2024 6,335 million yen [(26.4)%]
 For the nine months ended December 31, 2023 8,612 million yen [2.4%]

	Earnings per share -Basic-	Earnings per share -Diluted-
	Yen	Yen
Nine months ended December 31, 2024	131.85	–
December 31, 2023	141.03	–

Note: Effective as of April 1, 2024, the Company implemented a 2-for-1 share split of common shares. Earnings per share are calculated assuming the share split had been implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2024	90,512	76,941	85.0	1,651.82
As of March 31, 2024	88,591	72,453	81.8	1,555.65

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of December 31, 2024 76,941 million yen As of March 31, 2024 72,453 million yen

Note: Effective as of April 1, 2024, the Company implemented a 2-for-1 share split of common shares. Net assets per share are calculated assuming the share split was implemented at the beginning of the previous fiscal year.

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	40.00	–	40.00	80.00
Fiscal year ending March 31, 2025	–	20.00	–		
Fiscal year ending March 31, 2025 (Forecast)				20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: Effective as of April 1, 2024, the Company implemented a 2-for-1 share split of common shares. For the fiscal year ended March 31, 2024, the amounts of actual dividends prior to the share split are stated. For the fiscal year ending March 31, 2025 (Forecast), the figures are stated taking the impact of the share split into consideration.

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

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Earnings per share -Basic-
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full year	48,000	5.3	11,800	2.8	12,300	0.2	9,000	7.4	193.22

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

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – companies (Company name)

Excluded: – companies (Company name)

(2) Adoption of accounting process specific to the preparation of quarterly consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of shares issued (common shares)

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

As of December 31, 2024	47,322,000 shares
As of March 31, 2024	47,322,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	742,058 shares
As of March 31, 2024	747,476 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	46,577,775 shares
Nine months ended December 31, 2023	46,571,532 shares

Note: Effective as of April 1, 2024, the Company implemented a 2-for-1 share split of common shares. The total number of shares issued at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period are calculated assuming the share split was implemented at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements such as financial results forecasts contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not guarantee their achievement. Actual financial results may differ significantly from the forecasts due to various factors. For assumptions underlying the financial results forecasts and cautions concerning the use thereof, please refer to “(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information” in “1. Outline of Operating Results” on page 2 of the attachment.

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1. Outline of Operating Results

(1) Outline of Operating Results for the Period under Review

In the first nine months of the fiscal year under review, the Japanese economy showed signs of gradual recovery due to improvements in the employment and income environment, however the economic outlook remained uncertain due to rising prices, prolonged global instability, and the risk of financial market volatility.

In the industrial disaster prevention and safety equipment industry, to which the Group belongs, there are positive signs of resumption of capital investment in the domestic semiconductor industry, our main customer base. However, the outlook is expected to remain uncertain for the foreseeable future.

Under these circumstances, the Group has continued to take measures to reduce costs by streamlining production, thoroughly reduce expenses, develop aggressive sales activities, aggressively invest in new product development, and enhance its quality control and service systems.

As a result of these measures, net sales for the first nine months of the fiscal year under review were 35,946 million yen (up 4.7% year-on-year), operating profit was 8,069 million yen (down 6.8% year-on-year), ordinary profit came to 8,690 million yen (down 5.5% year-on-year), and net profit attributable to owners of parent was 6,141 million yen (down 6.5% year-on-year).

As the Group engages in a single segment of the manufacture and sale of various types of industrial measurement devices and their related businesses, in place of the operating results by segment, sales by device type are described below.

(i) Fixed gas detection alarm devices

Net sales of fixed gas detection alarm devices for the first nine months of the fiscal year under review were 22,654 million yen (down 0.5% year-on-year).

(ii) Portable gas detection alarm devices

Net sales of portable gas detection alarm devices for the first nine months of the fiscal year under review were 12,269 million yen (up 14.7% year-on-year).

(iii) Other measurement devices

Net sales of other measurement devices for the first nine months of the fiscal year under review were 1,023 million yen (up 20.5% year-on-year).

(2) Outline of Financial Position for the Period under Review

As of December 31, 2024, assets totaled 90,512 million yen, an increase of 1,920 million yen (up 2.2%) compared with the end of the previous fiscal year. Current assets increased 1,826 million yen from the end of the previous fiscal year to 58,881 million yen. This was mainly due to an increase of 1,153 million yen in notes and accounts receivable - trade and an increase of 1,056 million yen in raw materials and supplies. Non-current assets increased 93 million yen from the end of the previous fiscal year to 31,631 million yen. This was mainly due to an increase of 510 million yen in software in progress included in other in intangible assets and an increase of 327 million yen in investment securities, while buildings and structures decreased by 275 million yen, goodwill decreased by 140 million yen and customer-related assets decreased by 108 million yen.

As of December 31, 2024, liabilities totaled 13,570 million yen, a decrease of 2,567 million yen (down 15.9%) compared with the end of the previous fiscal year. Current liabilities fell 2,395 million yen from the end of the previous fiscal year to 10,026 million yen. This was mainly due to a decrease of 1,934 million yen in notes and accounts payable - trade and a decrease of 809 million yen in income taxes payable. Non-current liabilities fell 172 million yen from the end of the previous fiscal year to 3,543 million yen. This was mainly due to a decrease of 256 million yen in long-term borrowings.

As of December 31, 2024, net assets totaled 76,941 million yen, an increase of 4,487 million yen (up 6.2%) compared with the end of the previous fiscal year. This was mainly due to an increase of 4,278 million yen in retained earnings as a result of recording 6,141 million yen in net profit attributable to owners of parent and dividend payments of 1,863 million yen.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information

There is no change to the consolidated financial results forecasts for the fiscal year ending March 31, 2025, that were stated in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2024, released on May 10, 2024.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	16,642,563	16,273,309
Notes and accounts receivable - trade	10,788,891	11,942,250
Electronically recorded monetary claims - operating	4,333,862	4,671,159
Securities	4,948,457	5,224,851
Merchandise and finished goods	4,719,951	4,528,432
Work in process	6,962,062	6,703,540
Raw materials and supplies	7,660,781	8,717,552
Other	1,003,625	835,350
Allowance for doubtful accounts	(5,865)	(15,297)
Total current assets	57,054,330	58,881,149
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,369,119	11,093,944
Machinery, equipment and vehicles, net	365,855	348,085
Land	4,839,970	4,845,021
Construction in progress	103,669	78,360
Other, net	1,643,694	1,508,439
Total property, plant and equipment	18,322,309	17,873,851
Intangible assets		
Goodwill	357,441	217,199
Customer-related assets	703,362	594,952
Other	729,880	1,168,364
Total intangible assets	1,790,684	1,980,516
Investments and other assets		
Investment securities	7,796,455	8,123,761
Retirement benefit asset	2,156,416	2,203,288
Other	1,473,901	1,452,275
Allowance for doubtful accounts	(2,600)	(2,600)
Total investments and other assets	11,424,172	11,776,725
Total non-current assets	31,537,166	31,631,093
Total assets	88,591,497	90,512,242

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,718,162	2,783,896
Electronically recorded obligations - operating	816,514	342,582
Short-term borrowings	995,000	1,215,000
Income taxes payable	1,646,861	837,357
Provision for bonuses	1,053,459	596,062
Provision for product warranties	99,234	113,906
Provision for loss on orders received	20,575	11,047
Other	3,071,987	4,126,920
Total current liabilities	12,421,794	10,026,773
Non-current liabilities		
Long-term borrowings	850,580	594,400
Asset retirement obligations	11,695	11,695
Other	2,853,777	2,937,755
Total non-current liabilities	3,716,053	3,543,851
Total liabilities	16,137,847	13,570,624
Net assets		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	1,115,360	1,129,925
Retained earnings	63,142,804	67,420,895
Treasury shares	(221,541)	(220,271)
Total shareholders' equity	66,602,123	70,896,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,729,980	3,838,523
Foreign currency translation adjustment	2,121,546	2,207,044
Total accumulated other comprehensive income	5,851,527	6,045,568
Total net assets	72,453,650	76,941,618
Total liabilities and net assets	88,591,497	90,512,242

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income
First nine months

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	34,325,272	35,946,712
Cost of sales	16,755,216	17,586,587
Gross profit	17,570,055	18,360,124
Selling, general and administrative expenses	8,914,867	10,290,922
Operating profit	8,655,188	8,069,202
Non-operating income		
Interest income	73,697	72,643
Dividend income	128,754	158,592
Foreign exchange gains	215,161	297,615
Insurance claim and dividend income	34,551	32,450
Gain on sale of securities	-	2,353
Gain on valuation of securities	214,148	19,448
Miscellaneous income	52,151	83,749
Total non-operating income	718,464	666,852
Non-operating expenses		
Interest expenses	30,982	36,696
Loss on retirement of non-current assets	580	5,244
Loss on sale of securities	141,114	-
Miscellaneous losses	912	3,479
Total non-operating expenses	173,590	45,421
Ordinary profit	9,200,062	8,690,634
Extraordinary income		
Gain on sale of non-current assets	107,872	99
Gain on sale of securities of other subsidiaries and associates	-	25,034
Total extraordinary income	107,872	25,134
Extraordinary losses		
Loss on sale of non-current assets	5,666	-
Total extraordinary losses	5,666	-
Profit before income taxes	9,302,268	8,715,768
Income taxes - current	2,082,787	2,426,692
Income taxes - deferred	651,587	147,895
Total income taxes	2,734,374	2,574,588
Net profit	6,567,893	6,141,179
Net profit attributable to owners of parent	6,567,893	6,141,179

Quarterly Consolidated Statement of Comprehensive Income
 First nine months

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net profit	6,567,893	6,141,179
Other comprehensive income		
Valuation difference on available-for-sale securities	954,135	108,543
Foreign currency translation adjustment	1,090,353	85,497
Total other comprehensive income	2,044,488	194,041
Comprehensive income	8,612,382	6,335,221
(attributable to)		
Comprehensive income attributable to owners of parent	8,612,382	6,335,221

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes When There Are Significant Changes in Amounts of Shareholders' Equity)

Not applicable.

(Notes on Change in Scope of Consolidation or Application of the Equity Method)

RIKEN KEIKI (CHANGZHOU) ELECTRONIC TECHNOLOGY CO., LTD., which was newly established, is included in the scope of consolidation from the second quarter of the fiscal year under review.

(Notes on Changes in Accounting Policies)

(Application of the "Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; the "Revised Implementation Guidance of 2022"). This change in accounting policy does not have an impact on the quarterly consolidated financial statements.

In addition, for revisions related to the review of treatment in consolidated financial statements when gain or loss on sales arising from sale of shares of subsidiaries, etc. among consolidated subsidiaries is deferred for tax purposes, the Company has applied the Revised Implementation Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025.

The change in accounting policy has been applied retrospectively, and the quarterly consolidated and consolidated financial statements for the previous quarterly period and the previous fiscal year have been prepared on a retrospective basis. This change in accounting policy does not have an impact on the consolidated financial statements for the previous quarterly period and for the previous fiscal year.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows for the nine months ended December 31, 2024 is not prepared.

Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2023 and 2024 are as follows.

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	1,316,426 thousand yen	1,412,817 thousand yen
Amortization of goodwill	138,947	151,212

(Notes on Segment Information, Etc.)

[Segment information]

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

As the Group engages in a single segment of the manufacture and sale of various types of industrial measurement devices and their related businesses, the description is omitted.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

As the Group engages in a single segment of the manufacture and sale of various types of industrial measurement devices and their related businesses, the description is omitted.