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August 7, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024

[Under Japanese GAAP]

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 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 Three Months Ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Cumulative) (% indicates 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	%
Three months ended June 30, 2024	11,243	(2.2)	2,673	(12.6)	3,226	(9.4)	2,239	(11.6)
June 30, 2023	11,490	6.8	3,058	(10.8)	3,560	(2.8)	2,533	(1.9)

Note: Comprehensive income For the three months ended June 30, 2024 2,909 million Yen [(14.1)%]
 For the three months ended June 30, 2023 3,387 million Yen [17.5%]

	Earnings per share -Basic-	Earnings per share -Diluted-
	Yen	Yen
Three months ended June 30, 2024	48.08	–
June 30, 2023	54.41	–

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 was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of June 30, 2024	89,694	74,436	83.0	1,598.23
As of March 31, 2024	88,591	72,453	81.8	1,555.65

Reference: Equity As of June 30, 2024 74,436 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	–				
Fiscal year ending March 31, 2025 (Forecast)		20.00	–	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)

(% indicates 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
Six months ending September 30, 2024	23,600	4.1	5,900	0.9	6,150	(4.7)	4,600	1.1	98.77
Full year	48,000	5.3	11,800	2.8	12,300	0.2	9,000	7.4	193.24

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 issued shares (common shares)

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

As of June 30, 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 June 30, 2024	747,476 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)

Three months ended June 30, 2024	46,574,524 shares
Three months ended June 30, 2023	46,566,854 shares

Note: Effective as of April 1, 2024, the Company implemented a 2-for-1 share split of common shares. The total number of issued shares 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 of them. 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 three months of the fiscal year under review, the outlook for the Japanese economy remained uncertain due to the protraction of effect of the Russia-Ukraine situation, the globally high prices of resources, and yen depreciation, despite signs of gradual recovery, such as improvement in the employment and personal income environment.

In the industrial disaster prevention and safety equipment industry in which the Group belongs, our main customers in the domestic semiconductor industry are still expected to require more time before they can resume capital investment, and this situation of uncertainty is expected to continue in 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 three months of the fiscal year under review were 11,243 million Yen (down 2.2% year-on-year), operating profit was 2,673 million Yen (down 12.6% year-on-year), ordinary profit came to 3,226 million Yen (down 9.4% year-on-year), and net profit attributable to owners of parent was 2,239 million Yen (down 11.6% 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 three months of the fiscal year under review were 6,472 million Yen (down 16.1% year-on-year).

(ii) Portable gas detection alarm devices

Net sales of portable gas detection alarm devices for the first three months of the fiscal year under review were 4,419 million Yen (up 25.9% year-on-year).

(iii) Other measurement devices

Net sales of other measurement devices for the first three months of the fiscal year under review were 351 million Yen (up 32.6% year-on-year).

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

At the end of the first quarter of the fiscal year under review, assets totaled 89,694 million Yen, an increase of 1,102 million Yen (up 1.2%) compared with the end of the previous fiscal year.

Current assets increased 566 million Yen from the end of the previous fiscal year to 57,620 million Yen. This was mainly due to a 1,330 million Yen increase in securities, and a 964 million Yen increase in raw materials and supplies, despite a 1,556 million Yen decrease in cash and deposits.

Non-current assets increased 536 million Yen from the end of the previous fiscal year to 32,073 million Yen. This was mainly due to a 350 million Yen increase in software in progress included in other in intangible assets, and a 252 million Yen increase in investment securities.

At the end of the first quarter of the fiscal year under review, liabilities totaled 15,257 million Yen, a decrease of 880 million Yen (down 5.5%) compared with the end of the previous fiscal year.

Current liabilities fell 659 million Yen from the end of the previous fiscal year to 11,762 million Yen. This was mainly due to a 1,566 million Yen decrease in notes and accounts payable - trade, and a 477 million Yen decrease in provision for bonuses, despite a 1,131 million Yen increase in accrued expenses included in other in current liabilities.

Non-current liabilities fell 221 million Yen from the end of the previous fiscal year to 3,494 million Yen. This was mainly due to an 87 million Yen decrease in long-term borrowings, and a 76 million Yen decrease in lease liabilities.

At the end of the first quarter of the fiscal year under review, net assets totaled 74,436 million Yen, an increase of 1,983 million Yen (up 2.7%) compared with the end of the previous fiscal year. This was mainly due to a 1,307 million Yen increase in retained earnings as a result of recording 2,239 million Yen in net profit attributable to owners of parent and dividend payments of 931 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 first six months ending September 30, 2024 and 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 June 30, 2024
Assets		
Current assets		
Cash and deposits	16,642,563	15,086,499
Notes and accounts receivable - trade	10,788,891	10,727,859
Electronically recorded monetary claims - operating	4,333,862	4,510,177
Securities	4,948,457	6,279,180
Merchandise and finished goods	4,719,951	4,568,032
Work in process	6,962,062	6,978,112
Raw materials and supplies	7,660,781	8,625,123
Other	1,003,625	851,624
Allowance for doubtful accounts	(5,865)	(5,814)
Total current assets	57,054,330	57,620,794
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,369,119	11,400,738
Machinery, equipment and vehicles, net	365,855	372,462
Land	4,839,970	4,902,582
Construction in progress	103,669	58,534
Other, net	1,643,694	1,557,578
Total property, plant and equipment	18,322,309	18,291,895
Intangible assets		
Goodwill	357,441	326,932
Customer-related assets	703,362	675,520
Other	729,880	1,070,382
Total intangible assets	1,790,684	2,072,835
Investments and other assets		
Investment securities	7,796,455	8,048,749
Retirement benefit asset	2,156,416	2,181,485
Other	1,473,901	1,481,137
Allowance for doubtful accounts	(2,600)	(2,600)
Total investments and other assets	11,424,172	11,708,773
Total non-current assets	31,537,166	32,073,504
Total assets	88,591,497	89,694,299

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,718,162	3,151,354
Electronically recorded obligations - operating	816,514	645,458
Short-term borrowings	995,000	1,235,000
Income taxes payable	1,646,861	1,274,778
Provision for bonuses	1,053,459	575,988
Provision for product warranties	99,234	136,417
Provision for loss on orders received	20,575	25,519
Other	3,071,987	4,718,244
Total current liabilities	12,421,794	11,762,761
Non-current liabilities		
Long-term borrowings	850,580	763,520
Asset retirement obligations	11,695	11,695
Other	2,853,777	2,719,522
Total non-current liabilities	3,716,053	3,494,738
Total liabilities	16,137,847	15,257,500
Net assets		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	1,115,360	1,120,764
Retained earnings	63,142,804	64,450,485
Treasury shares	(221,541)	(221,541)
Total shareholders' equity	66,602,123	67,915,208
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,729,980	3,894,752
Foreign currency translation adjustment	2,121,546	2,626,837
Total accumulated other comprehensive income	5,851,527	6,521,590
Total net assets	72,453,650	74,436,798
Total liabilities and net assets	88,591,497	89,694,299

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

Quarterly Consolidated Statement of Income
First three months

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	11,490,772	11,243,418
Cost of sales	5,557,851	5,231,789
Gross profit	5,932,920	6,011,628
Selling, general and administrative expenses	2,874,736	3,338,136
Operating profit	3,058,184	2,673,491
Non-operating income		
Interest income	21,109	14,383
Dividend income	68,485	83,144
Foreign exchange gains	322,744	431,422
Insurance claim and dividend income	21,942	–
Gain on valuation of securities	80,531	7,432
Miscellaneous income	16,583	28,916
Total non-operating income	531,396	565,300
Non-operating expenses		
Interest expenses	10,018	11,230
Loss on retirement of non-current assets	9	950
Loss on sale of securities	18,793	284
Miscellaneous losses	24	93
Total non-operating expenses	28,845	12,558
Ordinary profit	3,560,735	3,226,233
Extraordinary income		
Gain on sale of non-current assets	5,550	–
Total extraordinary income	5,550	–
Extraordinary losses		
Loss on sale of non-current assets	5,655	–
Total extraordinary losses	5,655	–
Profit before income taxes	3,560,631	3,226,233
Income taxes - current	873,360	1,115,790
Income taxes - deferred	153,622	(128,727)
Total income taxes	1,026,982	987,062
Net profit	2,533,648	2,239,171
Net profit attributable to owners of parent	2,533,648	2,239,171

Quarterly Consolidated Statement of Comprehensive Income
First three months

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net profit	2,533,648	2,239,171
Other comprehensive income		
Valuation difference on available-for-sale securities	715,807	164,772
Foreign currency translation adjustment	138,480	505,290
Total other comprehensive income	854,287	670,063
Comprehensive income	3,387,936	2,909,234
(attributable to)		
Comprehensive income attributable to owners of parent	3,387,936	2,909,234

(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 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 the accounting policy has been applied retrospectively, in principle. Therefore, the new accounting policy was reflected in the consolidated financial statements for the first quarter of the previous fiscal year and for the previous fiscal year. This change in accounting policy does not have an impact on the consolidated financial statements for the first quarter of the previous fiscal year and for the previous fiscal year.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Quarterly consolidated statement of cash flows for the three months ended June 30, 2024 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2023 and 2024 are as follows.

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	432,854 thousand Yen	477,045 thousand Yen
Amortization of goodwill	44,432	48,891

(Notes on Segment Information, Etc.)

[Segment information]

Three months ended June 30, 2023 (from April 1, 2023 to June 30, 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.

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 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.