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February 10, 2022

Consolidated Financial Results
for the Nine Months Ended December 31, 2021
[Under Japanese GAAP]

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 Listing: Tokyo Stock Exchange
 Securities code: 7734
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 Scheduled date to file quarterly securities report: February 10, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary materials on quarterly financial results: None
 Holding of quarterly 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, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated Operating Results (Cumulative) (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	%
Nine months ended								
December 31, 2021	27,909	19.4	6,710	55.6	6,876	55.9	4,827	57.5
December 31, 2020	23,381	(2.0)	4,314	(8.0)	4,410	(10.8)	3,064	(7.1)

Note: Comprehensive income For the nine months ended December 31, 2021: ¥5,745 million [66.9%]
 For the nine months ended December 31, 2020: ¥3,442 million [(9.9)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	207.42	-
December 31, 2020	131.74	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2021	68,871	55,861	80.1	2,371.51
March 31, 2021	64,326	52,615	79.3	2,193.61

Reference: Equity

As of December 31, 2021: ¥55,200 million
 As of March 31, 2021: ¥51,033 million

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, 2021	-	20.00	-	22.00	42.00
Fiscal year ending March 31, 2022	-	21.00	-		
Fiscal year ending March 31, 2022 (Forecast)				21.00	42.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	35,900	11.5	7,850	19.0	8,050	16.3	5,750	22.6	247.07

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

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: -- companies (company name)

Excluded: -- companies (company name)

(2) Adoption of accounting treatment 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 December 31, 2021	23,661,000 shares
As of March 31, 2021	23,661,000 shares

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

As of December 31, 2021	384,642 shares
As of March 31, 2021	396,265 shares

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

Nine months ended December 31, 2021	23,271,742 shares
Nine months ended December 31, 2020	23,260,230 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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 the achievement of them. Actual financial results may differ significantly from the forecasts due to various factors. For the assumptions underlying the financial results forecasts and cautions concerning the use thereof, please refer to “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information” in “1. Qualitative Information on Financial Results for the First Nine Months of the Current Fiscal Year” on page 3 of the attachment.

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1. Qualitative Information on Financial Results for the First Nine Months of the Current Fiscal Year

(1) Explanation of Operating Results

In the first nine months of the fiscal year under review, the outlook for the Japanese economy remained uncertain. This was mainly due to the emergence of new variants of COVID-19, soaring crude oil prices, and a shortage of semiconductor supplies, despite signs of a gradual recovery.

In the industrial disaster prevention and safety device industry to which the Group belongs, capital investment in the semiconductor industry in East Asia (mainly Japan, China and Taiwan), our main customer, as well as the lithium-ion battery industry in China, remained steady, and orders were strong in North America. However, sufficient caution is necessary regarding the impact of a supply shortage of components, such as semiconductors, and the outlook will remain uncertain.

Under these circumstances, in addition to taking measures to prevent COVID-19, the Group has continued to reduce costs by streamlining production, thoroughly cut expenses, developed sales activities online, aggressively invested in new product development, and enhanced 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 27,909 million yen (up 19.4% year-on-year), operating profit was 6,710 million yen (up 55.6% year-on-year), ordinary profit was 6,876 million yen (up 55.9% year-on-year), and profit attributable to owners of parent was 4,827 million yen (up 57.5% 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 19,493 million yen (up 20.0% 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 7,551 million yen (up 17.4% 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 864 million yen (up 22.8% year-on-year).

(2) Explanation of Financial Position

At the end of the third quarter of the fiscal year under review, assets totaled 68,871 million yen, an increase of 4,545 million yen (up 7.1%) compared with the end of the previous fiscal year. Current assets increased 4,806 million yen from the end of the previous fiscal year to 40,282 million yen. This was mainly due to a 1,041 million yen increase in electronically recorded monetary claims - operating, a 2,646 million yen increase in securities, an 891 million yen increase in work in progress, and an 859 million yen increase in raw materials and supplies despite a 600 million yen decrease in accounts receivable - other included in other under current assets. Non-current assets decreased 260 million yen from the end of the previous fiscal year to 28,588 million yen. This was mainly due to a 229 million yen decrease in buildings and structures, net despite a 434 million yen increase in investment securities.

At the end of the third quarter of the fiscal year under review, liabilities totaled 13,009 million yen, an increase of 1,298 million yen (up 11.1%) compared with the end of the previous fiscal year. Current liabilities grew 1,456 million yen from the end of the previous fiscal year to 10,033 million yen. This was mainly due to a 1,104 million yen increase in notes and accounts payable - trade and a 457 million yen increase in accrued consumption taxes included in other under current liabilities despite a 503 million yen decrease in accounts payable - other included in other under current liabilities. Non-current liabilities fell 157 million yen from the end of the previous fiscal year to 2,976 million yen.

At the end of the third quarter of the fiscal year under review, net assets totaled 55,861 million yen, an increase of 3,246 million yen (up 6.2%) compared with the end of the previous fiscal year. This was mainly due to a 3,826 million yen increase in retained earnings as a result of the recording of a profit attributable to owners of parent of 4,827 million yen and dividends of surplus of 1,000 million yen despite a 416 million yen decrease in capital surplus and a 920 million yen decrease in non-controlling interests caused by the additional acquisition of shares of R K Instruments (S) Pte Ltd., a consolidated subsidiary in Singapore.

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

There is no change to the full-year financial results forecast announced in the consolidated financial statements for the six months ended September 30, 2021 on November 11, 2021.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Unit: Thousand yen)

	As of the end of the previous fiscal year (March 31, 2021)	As of the end of the third quarter of the fiscal year under review (December 31, 2021)
Assets		
Current assets		
Cash and deposits	9,631,315	9,606,118
Notes and accounts receivable - trade	9,894,686	10,337,715
Electronically recorded monetary claims - operating	2,803,268	3,844,962
Securities	6,294,967	8,941,394
Merchandise and finished goods	2,538,714	2,427,186
Work in process	1,869,207	2,761,002
Raw materials and supplies	998,259	1,858,124
Other	1,450,726	509,457
Allowance for doubtful accounts	(4,853)	(3,548)
Total current assets	35,476,292	40,282,415
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,653,372	11,423,838
Machinery, equipment and vehicles, net	326,658	334,908
Land	4,075,901	4,078,232
Construction in progress	155,430	39,993
Other, net	1,935,155	1,727,451
Total property, plant and equipment	18,146,517	17,604,424
Intangible assets		
Goodwill	676,468	615,606
Customer-related assets	876,699	837,674
Other	596,305	479,071
Total intangible assets	2,149,473	1,932,352
Investments and other assets		
Investment securities	5,514,420	5,949,129
Retirement benefit asset	1,672,351	1,762,376
Other	1,370,978	1,344,194
Allowance for doubtful accounts	(4,000)	(3,500)
Total investments and other assets	8,553,749	9,052,200
Total non-current assets	28,849,741	28,588,977
Total assets	64,326,034	68,871,393

(Unit: Thousand yen)

	As of the end of the previous fiscal year (March 31, 2021)	As of the end of the third quarter of the fiscal year under review (December 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,206,800	4,310,832
Short-term borrowings	995,000	1,215,000
Income taxes payable	877,653	925,837
Provision for bonuses	873,596	482,847
Provision for product warranties	130,855	87,237
Provision for loss on orders received	609	1,041
Asset retirement obligations	22,291	-
Other	2,469,731	3,010,462
Total current liabilities	8,576,538	10,033,258
Non-current liabilities		
Bonds payable	300,000	300,000
Long-term borrowings	850,580	594,400
Asset retirement obligations	11,094	11,094
Other	1,972,505	2,070,902
Total non-current liabilities	3,134,179	2,976,397
Total liabilities	11,710,718	13,009,655
Net assets		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	2,294,089	1,877,091
Retained earnings	44,641,217	48,467,623
Treasury shares	(232,906)	(226,384)
Total shareholders' equity	49,267,900	52,683,829
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,921,384	2,259,967
Foreign currency translation adjustment	(155,642)	256,411
Total accumulated other comprehensive income	1,765,742	2,516,379
Non-controlling interests	1,581,673	661,529
Total net assets	52,615,315	55,861,737
Total liabilities and net assets	64,326,034	68,871,393

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

Quarterly Consolidated Statement of Income

First nine months

(Unit: Thousand yen)

	First nine months of the previous fiscal year (From April 1, 2020 to December 31, 2020)	First nine months of the fiscal year under review (From April 1, 2021 to December 31, 2021)
Net sales	23,381,404	27,909,322
Cost of sales	12,408,110	13,991,487
Gross profit	10,973,294	13,917,835
Selling, general and administrative expenses	6,659,241	7,207,063
Operating profit	4,314,053	6,710,772
Non-operating income		
Interest income	39,813	33,156
Dividend income	79,980	99,257
Foreign exchange gains	12,232	50,698
Insurance claim and dividend income	4,285	9,381
Gain on sale of securities	-	115
Gain on valuation of securities	-	3,496
Miscellaneous income	69,762	54,268
Total non-operating income	206,074	250,373
Non-operating expenses		
Interest expenses	23,096	35,636
Loss on retirement of non-current assets	16,888	4,892
Compensation expenses	-	40,591
Loss on sale of securities	50,554	-
Loss on valuation of securities	15,605	-
Miscellaneous losses	3,817	3,554
Total non-operating expenses	109,962	84,674
Ordinary profit	4,410,164	6,876,471
Extraordinary income		
Gain on sale of non-current assets	301	386
Total extraordinary income	301	386
Extraordinary losses		
Loss on sale of non-current assets	172	262
Loss on valuation of golf club membership	2,590	-
Loss on sales of golf club memberships	1,400	-
Total extraordinary losses	4,162	262
Profit before income taxes	4,406,303	6,876,595
Income taxes - current	1,040,914	1,827,101
Income taxes - deferred	244,428	152,616
Total income taxes	1,285,343	1,979,718
Profit	3,120,960	4,896,877
Profit attributable to non-controlling interests	56,676	69,842
Profit attributable to owners of parent	3,064,283	4,827,034

Quarterly Consolidated Statement of Comprehensive Income

First nine months

(Unit: Thousand yen)

	First nine months of the previous fiscal year (From April 1, 2020 to December 31, 2020)	First nine months of the fiscal year under review (From April 1, 2021 to December 31, 2021)
Profit	3,120,960	4,896,877
Other comprehensive income		
Valuation difference on available-for-sale securities	532,053	336,853
Foreign currency translation adjustment	(210,841)	511,466
Total other comprehensive income	321,212	848,320
Comprehensive income	3,442,172	5,745,197
(attributable to)		
Comprehensive income attributable to owners of parent	3,466,155	5,577,671
Comprehensive income attributable to non-controlling interests	(23,982)	167,526

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

During the second quarter of the fiscal year under review, capital surplus decreased by 425,100 thousand yen mainly due to the additional acquisition of shares of R K Instruments (S) Pte Ltd., a consolidated subsidiary of the Company, from a non-controlling shareholder.

As a result, capital surplus at the end of the third quarter of the fiscal year under review was 1,877,091 thousand yen.

(Changes in Accounting Policies)

(Adoption of the Accounting Standard for Revenue Recognition, Etc.)

The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the “Revenue Recognition Accounting Standard”), etc. from the beginning of the first quarter of the fiscal year under review, according to which revenue is recognized when control of promised goods or services is transferred to customers, at the amounts expected to be received in exchange for those goods or services.

While the adoption of the Revenue Recognition Accounting Standard, etc. is in accordance with the transitional treatment specified in the proviso of paragraph 84 of the Revenue Recognition Accounting Standard, this has no impact on the profit and loss during the first nine months of the fiscal year under review and the retained earnings at the beginning of the period.

Additionally, in accordance with the transitional treatment set forth in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), disaggregated information of revenue from contracts with customers for the first nine months of the previous fiscal year is not stated.

(Adoption of the Accounting Standard for Fair Value Measurement, Etc.)

The Company has adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the “Fair Value Measurement Accounting Standard”), etc. from the beginning of the first quarter of the fiscal year under review, adopting new accounting policies defined in the Fair Value Measurement Accounting Standard over the future, according to the transitional treatment specified in Paragraph 19 of the Fair Value Measurement Accounting Standard and in Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This has no impact on the quarterly consolidated financial statements.