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August 9, 2022

## Consolidated Financial Results for the Three Months Ended June 30, 2022 [Under Japanese GAAP]

Company name: RIKEN KEIKI Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7734  
 URL: <https://www.rikenkeiki.co.jp/>  
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 Scheduled date to file quarterly securities report: August 9, 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 Three Months Ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

#### (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	%
Three months ended June 30, 2022	10,763	19.1	3,428	68.8	3,664	75.6	2,581	76.0
June 30, 2021	9,038	17.5	2,031	39.5	2,087	44.1	1,466	47.3

Note: Comprehensive income For the three months ended June 30, 2022: ¥2,882 million [42.9%]  
 For the three months ended June 30, 2021: ¥2,017 million [106.8%]

	Earnings per share -Basic-	Earnings per share -Diluted-
Three months ended	Yen	Yen
June 30, 2022	110.91	-
June 30, 2021	63.05	-

#### (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
June 30, 2022	72,507	59,008	80.4	2,504.10
June 30, 2021	71,606	56,858	78.4	2,412.75

Reference: Equity

As of June 30, 2022: ¥58,286 million  
 As of June 30, 2021: ¥56,160 million

### 2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2022	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2022	-	21.00	-	39.00	60.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		30.00	-	30.00	60.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	19,800	8.3	4,500	3.5	4,800	6.6	3,450	8.9	148.22
Full year	38,900	4.1	8,550	1.7	9,100	3.2	6,350	6.5	272.81

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 June 30, 2022	23,661,000 shares
As of March 31, 2022	23,661,000 shares

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

As of June 30, 2022	384,720 shares
As of March 31, 2022	384,642 shares

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

Three months ended June 30, 2022	23,276,319 shares
Three months ended June 30, 2021	23,264,735 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 Three Months of the Current Fiscal Year” on page 3 of the attachment.

o Table of Contents of Attachment

1.	Qualitative Information on Financial Results for the First Three Months of the Current Fiscal Year.....	2
	(1) Explanation of Operating Results .....	2
	(2) Explanation of Financial Position.....	2
	(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information .....	3
2.	Quarterly Consolidated Financial Statements and Significant Notes Thereto.....	4
	(1) Quarterly Consolidated Balance Sheet .....	4
	(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income .....	6
	Quarterly Consolidated Statement of Income	
	First three months.....	6
	Quarterly Consolidated Statement of Comprehensive Income	
	First three months.....	7
	(3) Notes to Quarterly Consolidated Financial Statements .....	8
	(Notes on Going Concern Assumptions) .....	8
	(Change in Scope of Consolidation or Adoption of the Equity Method).....	8
	(Notes on Substantial Changes in the Amount of Shareholders' Equity) .....	8
	(Changes in Accounting Policies).....	8

## **1. Qualitative Information on Financial Results for the First Three Months of the Current Fiscal Year**

### **(1) Explanation of Operating Results**

In the first three months of the fiscal year under review, the outlook for the Japanese economy continued to remain uncertain due to the protracted situation in Russia and Ukraine, the rapid depreciation of the yen, and changes in the business environment caused by the sharp rise in resource prices, despite moves toward normalization of socioeconomic activities amid the prolonged impact of COVID-19.

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 and the EU region, remained steady. However, sufficient caution is necessary regarding the impact of a supply shortage of components, such as semiconductors, soaring resource prices, and other factors, 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 three months of the fiscal year under review were 10,763 million yen (up 19.1% year-on-year), operating profit was 3,428 million yen (up 68.8% year-on-year), ordinary profit came to 3,664 million yen (up 75.6% year-on-year), and net profit attributable to owners of parent was 2,581 million yen (up 76.0% 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 7,272 million yen (up 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 3,227 million yen (up 27.3% 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 263 million yen (up 8.9% year-on-year).

### **(2) Explanation of Financial Position**

At the end of the first quarter of the fiscal year under review, assets totaled 72,507 million yen, an increase of 900 million yen (up 1.3%) compared with the end of the previous fiscal year. Current assets increased 1,204 million yen from the end of the previous fiscal year to 44,457 million yen. This was mainly due to an 819 million yen increase in notes and accounts receivable–trade, a 520 million yen increase in raw materials and supplies, and a 511 million yen increase in electronically recorded monetary claims–operating, despite a 1,049 million yen decrease in cash and deposits. Non-current assets fell 304 million yen from the end of the previous fiscal year to 28,049 million yen. This was mainly due to a 212 million yen decrease in investment securities.

At the end of the first quarter of the fiscal year under review, liabilities totaled 13,498 million yen, a decrease of 1,249 million yen (down 8.5%) compared with the end of the previous fiscal year. Current liabilities fell 1,155 million yen from the end of the previous fiscal year to 10,975 million yen. This was mainly due to a 602 million yen decrease in income taxes payable, a 581 million yen decrease in notes and accounts payable–trade, a 534 million yen decrease in accounts payable–other included in other current liabilities, and a 410 million yen decrease in provision for bonuses despite an 838 million yen increase in accrued expenses included in other under current liabilities. Non-current liabilities fell 94 million yen from the end of the

previous fiscal year to 2,522 million yen. This was mainly due to an 87 million yen decrease in long-term borrowings.

At the end of the first quarter of the fiscal year under review, net assets totaled 59,008 million yen, an increase of 2,150 million yen (up 3.8%) compared with the end of the previous fiscal year. This was mainly due to a 1,865 million yen increase in retained earnings as a result of net profit attributable to owners of parent of 2,581 million yen and dividends of surplus of 907 million yen.

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

There is no change to the first six-month and full-year financial results forecasts announced in the consolidated financial statements for the fiscal year ended March 31, 2022 on May 12, 2022.

## 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, 2022)	As of the end of the first quarter of the fiscal year under review (June 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	11,551,206	10,501,400
Notes and accounts receivable–trade	9,198,690	10,018,397
Electronically recorded monetary claims–operating	3,519,418	4,030,947
Securities	9,952,268	9,827,930
Merchandise and finished goods	2,744,435	2,763,438
Work in process	3,307,349	3,713,369
Raw materials and supplies	2,391,516	2,911,516
Other	591,190	694,053
Allowance for doubtful accounts	(3,697)	(3,718)
Total current assets	43,252,378	44,457,334
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,317,187	11,217,735
Machinery, equipment and vehicles, net	358,475	364,011
Land	4,079,123	4,077,333
Construction in progress	46,435	47,665
Other, net	1,639,162	1,592,799
Total property, plant and equipment	17,440,385	17,299,544
Intangible assets		
Goodwill	595,387	592,568
Customer-related assets	830,848	847,682
Other	436,567	420,440
Total intangible assets	1,862,803	1,860,690
Investments and other assets		
Investment securities	5,881,220	5,668,442
Retirement benefit assets	1,813,344	1,841,435
Other	1,359,851	1,383,288
Allowance for doubtful accounts	(3,500)	(3,500)
Total investments and other assets	9,050,916	8,889,666
Total non-current assets	28,354,106	28,049,901
Total assets	71,606,484	72,507,236

(Unit: Thousand yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the first quarter of the fiscal year under review (June 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	4,625,929	4,044,098
Short-term borrowings	995,000	1,235,000
Current portion of bonds payable	300,000	300,000
Income taxes payable	1,786,207	1,183,853
Provision for bonuses	920,836	510,442
Provision for product warranties	98,239	94,344
Provision for loss on orders received	32,008	39,442
Other	3,372,969	3,568,786
Total current liabilities	12,131,190	10,975,967
Non-current liabilities		
Long-term borrowings	850,580	763,520
Asset retirement obligations	11,133	11,133
Other	1,754,861	1,747,757
Total non-current liabilities	2,616,574	2,522,411
<b>Total liabilities</b>	<b>14,747,765</b>	<b>13,498,378</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	1,885,187	1,893,291
Retained earnings	49,604,449	51,469,717
Treasury shares	(226,384)	(226,695)
Total shareholders' equity	53,828,752	55,701,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,853,706	1,710,538
Foreign currency translation adjustment	477,683	873,877
Total accumulated other comprehensive income	2,331,389	2,584,416
Non-controlling interests	698,577	722,627
<b>Total net assets</b>	<b>56,858,719</b>	<b>59,008,857</b>
<b>Total liabilities and net assets</b>	<b>71,606,484</b>	<b>72,507,236</b>

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

### Quarterly Consolidated Statement of Income

First three months

(Unit: Thousand yen)

	First three months of the previous fiscal year (From April 1, 2021 to June 30, 2021)	First three months of the fiscal year under review (From April 1, 2022 to June 30, 2022)
Net sales	9,038,653	10,763,292
Cost of sales	4,593,693	4,697,496
Gross profit	4,444,960	6,065,796
Selling, general and administrative expenses	2,413,640	2,637,257
Operating profit	2,031,320	3,428,538
Non-operating income		
Interest income	11,962	13,905
Dividend income	54,110	58,477
Foreign exchange gains	7,523	232,105
Insurance claim and dividend income	1,935	261
Gain on sale of securities	640	19,133
Miscellaneous income	20,140	18,928
Total non-operating income	96,313	342,811
Non-operating expenses		
Interest expenses	12,319	11,133
Loss on retirement of non-current assets	3,893	0
Loss on sale of securities	-	2,614
Loss on valuation of securities	22,701	86,639
Miscellaneous losses	1,205	6,272
Total non-operating expenses	40,120	106,659
Ordinary profit	2,087,513	3,664,690
Extraordinary income		
Gain on sale of non-current assets	-	2,554
Total extraordinary income	-	2,554
Extraordinary losses		
Loss on sale of non-current assets	20	1,141
Total extraordinary losses	20	1,141
Profit before income taxes	2,087,492	3,666,103
Income taxes—current	728,313	986,284
Income taxes—deferred	(133,225)	93,302
Total income taxes	595,088	1,079,586
Net profit	1,492,404	2,586,517
Net profit attributable to non-controlling interests	25,522	4,911
Net profit attributable to owners of parent	1,466,881	2,581,605



Quarterly Consolidated Statement of Comprehensive Income

First three months

(Unit: Thousand yen)

	First three months of the previous fiscal year (From April 1, 2021 to June 30, 2021)	First three months of the fiscal year under review (From April 1, 2022 to June 30, 2022)
Profit	1,492,404	2,586,517
Other comprehensive income		
Valuation difference on available-for-sale securities	110,156	(143,167)
Foreign currency translation adjustment	415,421	439,615
Total other comprehensive income	525,577	296,447
Comprehensive income	2,017,982	2,882,964
(attributable to)		
Comprehensive income attributable to owners of parent	1,901,072	2,834,631
Comprehensive income attributable to non-controlling interests	116,909	48,333

### **(3) Notes to Quarterly Consolidated Financial Statements**

(Notes on Going Concern Assumptions)

Not applicable.

(Change in Scope of Consolidation or Adoption of the Equity Method)

(Material Changes in the Scope of Consolidation)

RIKEN KEIKI GmbH is included in the scope of consolidation due to its increased importance from the first quarter of the fiscal year under review.

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

Not applicable.

(Changes in Accounting Policies)

(Adoption of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Implementation Guidance on Fair Value Measurement Accounting Standard") from the beginning of the first quarter of the fiscal year under review, adopting new accounting policies defined in the Implementation Guidance on Fair Value Measurement Accounting Standard over the future, according to the transitional treatment specified in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard. This has no impact on the quarterly consolidated financial statements.