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February 8, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023

[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: February 8, 2024  
 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, 2023 (from April 1, 2023 to December 31, 2023)

#### (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	%
Nine months ended								
December 31, 2023	34,325	(1.3)	8,655	(17.2)	9,200	(10.9)	6,567	(7.7)
December 31, 2022	34,768	24.6	10,457	55.8	10,324	50.1	7,119	47.5

Note: Comprehensive income For the nine months ended December 31, 2023 8,612 million Yen [2.4%]  
 For the nine months ended December 31, 2022 8,406 million Yen [46.3%]

	Earnings per share -Basic-	Earnings per share -Diluted-
	Yen	Yen
Nine months ended		
December 31, 2023	282.06	–
December 31, 2022	305.79	–

#### (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				
December 31, 2023	85,982	70,149	81.6	3,012.35
As of March 31, 2023	79,746	63,383	79.5	2,722.26

Reference: Equity As of December 31, 2023 70,149 million Yen As of March 31, 2023 63,383 million Yen

### 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, 2023	–	40.00	–	40.00	80.00
Fiscal year ending					
March 31, 2024	–	40.00	–		
Fiscal year ending					
March 31, 2024 (Forecast)				40.00	80.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(% indicates 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
Full year	46,400	3.1	11,600	0.4	12,000	0.5	8,700	0.3	373.61

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 change in scope of consolidation): 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: None

(ii) Changes in accounting policies due to other reasons: Yes

(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, 2023	23,661,000 shares
As of March 31, 2023	23,661,000 shares

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

As of December 31, 2023	373,710 shares
As of March 31, 2023	377,565 shares

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

Nine months ended December 31, 2023	23,285,766 shares
Nine months ended December 31, 2022	23,280,598 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 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. Qualitative Information on Financial Results for the First Nine Months of the Current Fiscal Year” on page 2 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 Japanese economy recovered moderately as the impact of COVID-19 weakened further after it was reclassified into a Category 5 infectious disease.

The uncertain outlook in the economic situation, however, is still continuing given the unstable state of global affairs, sharp fluctuations in foreign exchange rates, and rising prices for raw materials and energy.

In the industrial disaster prevention and safety equipment industry in which the Group belongs, our main customers, many of which are in the semiconductor industry, are taking a cautious approach to capital investment. They are also in a situation where it is important to pay suitable attention to potential impacts from instability in the supply of components and the rising price of goods. Accordingly, 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 nine months of the fiscal year under review were 34,325 million Yen (down 1.3% year-on-year), operating profit was 8,655 million Yen (down 17.2% year-on-year), ordinary profit came to 9,200 million Yen (down 10.9% year-on-year), and net profit attributable to owners of parent was 6,567 million Yen (down 7.7% 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 22,774 million Yen (down 4.4% 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 10,701 million Yen (up 6.6% 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 849 million Yen (down 6.4% year-on-year).

### (2) Explanation of Financial Position

At the end of the third quarter of the fiscal year under review, assets totaled 85,982 million Yen, an increase of 6,235 million Yen (up 7.8%) compared with the end of the previous fiscal year. Current assets increased 3,549 million Yen from the end of the previous fiscal year to 54,850 million Yen. This was mainly due to a 3,025 million Yen increase in raw materials and supplies, a 1,023 million Yen increase in merchandise and finished goods, a 908 million Yen increase in work in process, and an 849 million Yen increase in notes and accounts receivable-trade, despite a 2,144 million Yen decrease in securities. Non-current assets increased 2,686 million Yen from the end of the previous fiscal year to 31,131 million Yen. This was mainly due to a 1,108 million Yen increase in buildings and structures, and a 1,427 million Yen increase in investment securities.

At the end of the third quarter of the fiscal year under review, liabilities totaled 15,832 million Yen, a decrease of 530 million Yen (down 3.2%) compared with the end of the previous fiscal year. Current liabilities fell 1,380 million Yen from the end of the previous fiscal year to 12,643 million Yen. This was mainly due to a 1,206 million Yen decrease in income taxes payable, an 816 million Yen decrease in accounts payable included in other in current liabilities, despite a 306 million Yen increase in notes and accounts payable - trade. Non-current liabilities grew 850 million Yen from the end of the previous fiscal year to 3,189 million Yen. This was mainly due to a 1,142 million Yen increase in deferred tax liabilities included in other in non-current liabilities.

At the end of the third quarter of the fiscal year under review, net assets totaled 70,149 million Yen, an increase of 6,765 million Yen (up 10.7%) compared with the end of the previous fiscal year. This was mainly due to a 4,705 million Yen increase in retained earnings as a result of recording 6,567 million Yen in net profit attributable to owners of parent and dividend payments of 1,862 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, 2024, that were stated in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2023, released on May 11, 2023.

## 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, 2023)	As of the end of the third quarter of the fiscal year under review (December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	13,605,281	13,097,163
Notes and accounts receivable - trade	10,439,153	11,288,986
Electronically recorded monetary claims - operating	3,713,877	4,089,162
Securities	8,414,092	6,269,468
Merchandise and finished goods	3,584,070	4,607,140
Work in process	6,039,294	6,947,711
Raw materials and supplies	4,532,924	7,557,961
Other	976,706	998,103
Allowance for doubtful accounts	(4,346)	(5,003)
Total current assets	51,301,053	54,850,695
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,826,073	11,934,358
Machinery, equipment and vehicles, net	361,360	354,792
Land	4,150,454	4,519,850
Construction in progress	409,421	89,462
Other, net	1,590,552	1,494,169
Total property, plant and equipment	17,337,862	18,392,632
Intangible assets		
Goodwill	510,481	424,225
Customer-related assets	805,777	768,564
Other	451,525	712,673
Total intangible assets	1,767,784	1,905,463
Investments and other assets		
Investment securities	6,033,462	7,460,908
Retirement benefit asset	1,827,197	1,879,497
Other	1,482,284	1,496,118
Allowance for doubtful accounts	(2,900)	(2,900)
Total investments and other assets	9,340,044	10,833,623
Total non-current assets	28,445,691	31,131,720
Total assets	79,746,745	85,982,415

(Unit: Thousand Yen)

	As of the end of the previous fiscal year (March 31, 2023)	As of the end of the third quarter of the fiscal year under review (December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,201,320	5,507,772
Electronically recorded obligations - operating	847,302	1,101,944
Short-term borrowings	995,000	1,215,000
Income taxes payable	1,816,425	609,830
Provision for bonuses	988,058	551,299
Provision for product warranties	106,260	118,107
Provision for loss on orders received	152,203	22,472
Other	3,917,125	3,516,883
Total current liabilities	14,023,696	12,643,310
Non-current liabilities		
Long-term borrowings	850,580	594,400
Asset retirement obligations	11,172	11,172
Other	1,477,661	2,584,074
Total non-current liabilities	2,339,414	3,189,646
Total liabilities	16,363,110	15,832,957
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	1,094,969	1,109,961
Retained earnings	56,626,968	61,332,030
Treasury shares	(222,609)	(221,327)
Total shareholders' equity	60,064,829	64,786,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,982,144	2,936,279
Foreign currency translation adjustment	1,336,660	2,427,013
Total accumulated other comprehensive income	3,318,805	5,363,293
Total net assets	63,383,634	70,149,458
Total liabilities and net assets	79,746,745	85,982,415

**(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, 2022 to December 31, 2022)	First nine months of the fiscal year under review (From April 1, 2023 to December 31, 2023)
Net sales	34,768,490	34,325,272
Cost of sales	15,906,351	16,755,216
Gross profit	18,862,138	17,570,055
Selling, general and administrative expenses	8,404,820	8,914,867
Operating profit	10,457,318	8,655,188
Non-operating income		
Interest income	58,692	73,697
Dividend income	109,574	128,754
Foreign exchange gains	–	215,161
Insurance claim and dividend income	8,237	34,551
Gain on sale of securities	19,133	–
Gain on valuation of securities	–	214,148
Miscellaneous income	61,159	52,151
Total non-operating income	256,797	718,464
Non-operating expenses		
Interest expenses	31,535	30,982
Loss on retirement of non-current assets	589	580
Foreign exchange losses	8,392	–
Loss on sale of securities	18,467	141,114
Loss on valuation of securities	323,114	–
Miscellaneous losses	7,780	912
Total non-operating expenses	389,880	173,590
Ordinary profit	10,324,235	9,200,062
Extraordinary income		
Gain on sale of non-current assets	2,559	107,872
Total extraordinary income	2,559	107,872
Extraordinary losses		
Loss on sale of non-current assets	1,141	5,666
Impairment losses	26,160	–
Loss on disposal of non-current assets	102,000	–
Loss on valuation of investment securities	79,528	–
Total extraordinary losses	208,830	5,666
Profit before income taxes	10,117,963	9,302,268
Income taxes - current	2,570,993	2,082,787
Income taxes - deferred	434,800	651,587
Total income taxes	3,005,794	2,734,374
Net profit	7,112,169	6,567,893
Net loss attributable to non-controlling interests	(6,840)	–
Net profit attributable to owners of parent	7,119,009	6,567,893

Quarterly Consolidated Statement of Comprehensive Income  
First nine months

(Unit: Thousand Yen)

	First nine months of the previous fiscal year (From April 1, 2022 to December 31, 2022)	First nine months of the fiscal year under review (From April 1, 2023 to December 31, 2023)
Profit	7,112,169	6,567,893
Other comprehensive income		
Valuation difference on available-for-sale securities	(211,719)	954,135
Foreign currency translation adjustment	1,506,476	1,090,353
Total other comprehensive income	1,294,757	2,044,488
Comprehensive income	8,406,926	8,612,382
(attributable to)		
Comprehensive income attributable to owners of parent	8,286,203	8,612,382
Comprehensive income attributable to non-controlling interests	120,723	—



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

(Notes on Going Concern Assumptions)

Not applicable.

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

Not applicable.

(Changes in Accounting Policies)

(Changes in the Method of Translation of Revenues and Expenses of Subsidiaries outside of Japan)

Revenues and expenses of consolidated subsidiaries outside of Japan had previously been translated into Japanese Yen at the spot exchange rates in effect at the balance sheet date of these companies. However, the Company changed to a method of translating them into Japanese Yen at an average exchange rate for the period, starting from the first quarter of the fiscal year under review.

This change was made in order to lessen the impact of temporary foreign exchange fluctuations on our period profit or loss as the revenues and expenses of the subsidiaries outside of Japan had grown in importance and to more aptly reflect their profit or loss occurring throughout each accounting period on our consolidated financial statements.

The impact of this change was negligible.

(Significant Subsequent Events)

(Share Split and Amendment to the Articles of Incorporation in Connection with the Share Split)

The Company, at a meeting of the Board of Directors held on February 8, 2024, resolved to implement a share split and amend the Articles of Incorporation in connection with the share split.

1. Share split

(1) Purpose of share split

The purpose is to improve the liquidity of the Company's shares and expand the investor base by implementing a share split to lower the value per investment unit for the Company's shares.

(2) Overview of share split

(i) Method of share split

The Company will implement a 2-for-1 share split of common shares owned by shareholders listed or recorded in the register of shareholders with a record date of Sunday, March 31, 2024 (however, since this day falls on a non-business day of the share registration agent, the practical record date shall be Friday, March 29, 2024).

(ii) Number of shares to be increased by share split

Total number of issued shares before the share split:	23,661,000 shares
Number of shares to be increased by this share split:	23,661,000 shares
Total number of issued shares after the share split:	47,322,000 shares
Total number of shares authorized to be issued after the share split:	188,000,000 shares

(iii) Timetable for share split

Date of public notice of the record date: Friday, March 15, 2024

Record date: Sunday, March 31, 2024

Effective date: Monday, April 1, 2024

(iv) Effect on per share information

Given below are the values of per-share information for the respective periods assuming that the share split was conducted at the beginning of the previous fiscal year.

	First nine months of the previous fiscal year (From April 1, 2022 to December 31, 2022)	First nine months of the fiscal year under review (From April 1, 2023 to December 31, 2023)
Basic earnings per share	152.90 Yen	141.03 Yen

(v) Other

There will be no change in the amount of stated capital at the time of the share split.

2. Amendment to the Articles of Incorporation in connection with the share split

(1) Reasons for the amendment

As a result of this share split, pursuant to the provisions of Article 184, paragraph (2) of the Companies Act, the total number of shares authorized to be issued set forth in Article 6 of the Company's Articles of Incorporation will be amended effective April 1, 2024.

(2) Content of the amendment

Content of the amendment is as shown below.

(Amendment is underlined.)

Current Articles of Incorporation	Articles of Incorporation after amendment
(Total Number of Shares Authorized to be Issued) Article 6 The total number of shares authorized to be issued of the Company shall be <u>94,000,000</u> shares.	(Total Number of Shares Authorized to be Issued) Article 6 The total number of shares authorized to be issued of the Company shall be <u>188,000,000</u> shares.

(3) Schedule of the amendment

Effective date: April 1, 2024

(Outbreak of fire at a warehouse facility subcontracted by a consolidated subsidiary of the Company)

On January 31, 2024, a fire broke out at a warehouse owned by a third-party that was consigned by the Company's Chinese subsidiary RIKEN KEIKI COMMERCIAL (SHANGHAI) CO., LTD. ("RKC") and RKC's distribution agent to store inventories.

At the time of the fire, the warehouse was storing inventories of RKC and products that had been handed over to the distribution agent. The values of RKC inventories and receivables at the time of sale come to a total of approximately ¥589,000 thousand (approximately RMB 30,000 thousand).

The amount of loss from the destruction of inventories and estimated unrecoverable amount of receivables is currently under review, which will include investigation of the business agreements with the warehouse company and the distribution agent, and the relevant insurance policies. At present, however, it is difficult to provide a reasonable estimate for the loss.