



Financial Results Briefing for the Fiscal Year Ended March 2023

May, 2023

RIKEN KEIKI Co., Ltd.



Disclaimer

The forecasts and estimates shown in this document are dependent on a variety of assumptions and economic conditions. Plans and figures depicting the future do not imply a guarantee of actual outcomes.

Securities Code:7734

Management Philosophy

We are a pioneer in creating **safe working environments
for **workers**.**

Management Policy

RIKEN KEIKI endeavors for its operations to be in full Legal Compliance, to strive for Preservation of the Environment, and to maintain our role of high Social Responsibility as a good corporate citizen.

1. Manage our Research and Development in an efficient manner, to create useful and needed products which will be suitably profitable, to assure excellent and sustainable company growth.
2. Contribute to society by producing high quality products and enhanced services to assist our customers in creating safe working environments.
3. Reward stockholders by operating in a profitable manner to continually increase our corporate value.
4. Develop mutually beneficial bilateral cooperative relations with vendors by providing stable business transactions.
5. Create a rewarding working environment, to provide challenge and satisfaction for all employees, and also provides adequate compensation for their work efforts to assist in providing comfort and stability to their personal lives.

History



1939

Established in 1939 to commercialize and mass produce optical interferometric combustible gas detectors designed by the Institute of Physical and Chemical Research (RIKEN)

1961

Listed on the Tokyo Stock Exchange's 2nd Section

1972

RIKEN KEIKI NARA MFG. Co., Ltd. established.



1995

Listed on the First Section of the Tokyo Stock Exchange

2009

RIKEN KEIKI COMMERCIAL (SHANGHAI) CO.,LTD. China established.

2015

New development center opened. (Kasukabe City, Saitama Prefecture)



2008

Launch of flagship portable gas-detector GX-2009
Launch of stationary gas-detection GD-70D for semiconductor plants

2017

RKI INSTRUMENTS, INC. USA established.

2018

Acquired R K INSTRUMENTS (S) PTE LTD, Singapore

2019

Launch of portable gas detector GX-3R series

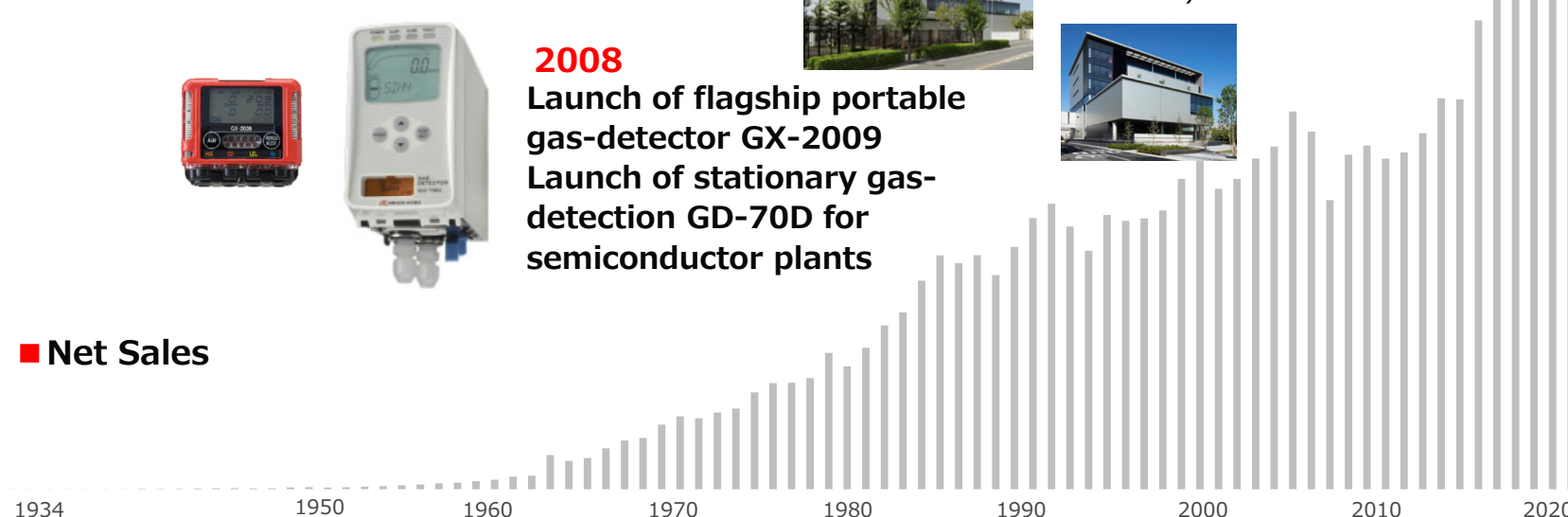
2020

New production center completed. (Kasukabe City, Saitama Prefecture)



FY 2022 Sales
45 billion yen

■ Net Sales

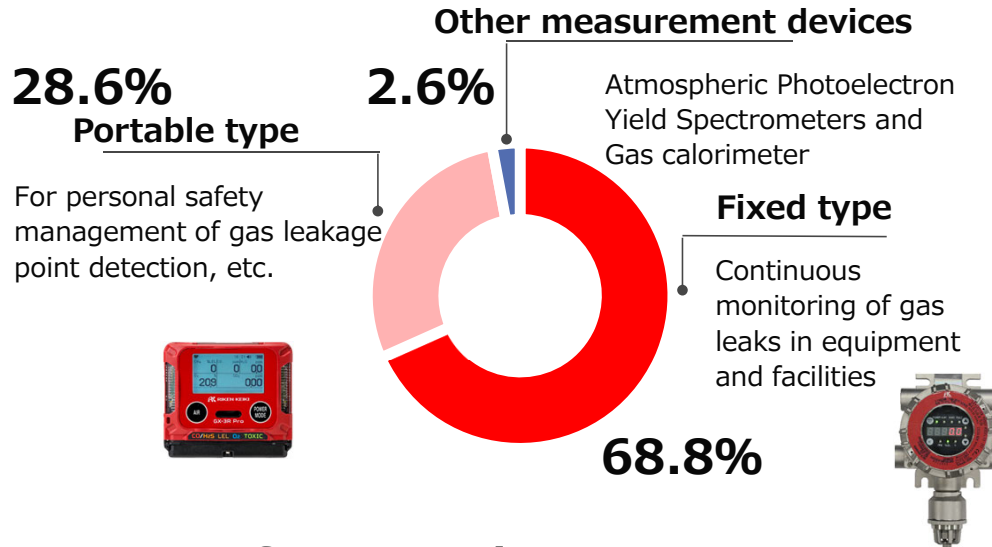


Our Products

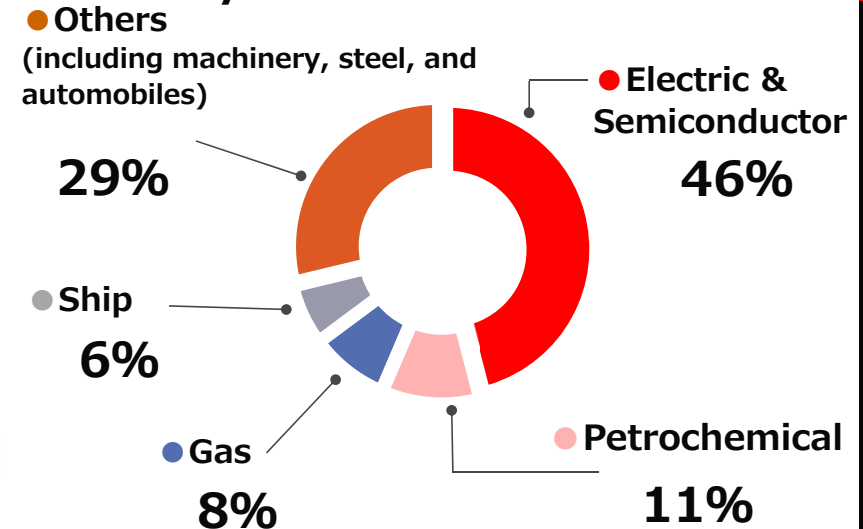


■ Industrial gas detection and alarm equipment

Product range of 100 different products



■ Percentage of sales by customer industry



*Figures are rounded off to the nearest whole number, so the total percentage may not add up to 100%.

■ Use of our products

Contributing to creating safe working environments



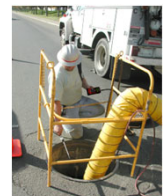
● Monitoring of toxic gases

Semiconductor, liquid crystal, petroleum refining, petrochemical and chemical plants



● Prevention of gas explosion

Petrochemical plants, LNG•LPG receiving terminals, tankers, printing plants, etc.



● Prevention of oxygen deficiency

Sewage treatment plants, manhole work, paper and pulp mills, steel mills, etc.



● Environmental measurement

Control of dioxin generation, measurement of atmospheric environment, etc.



● Other

Surface analysis of electronic materials, surface analysis by X-ray, etc.



FINANCIAL RESULTS

Full year ended March 31, 2023

Summary of Operating Results (FY 2022)



- Sales and profits increased year on year due to strong sales to the semiconductor industry and the lithium-ion battery factory, which exceeded expectations.

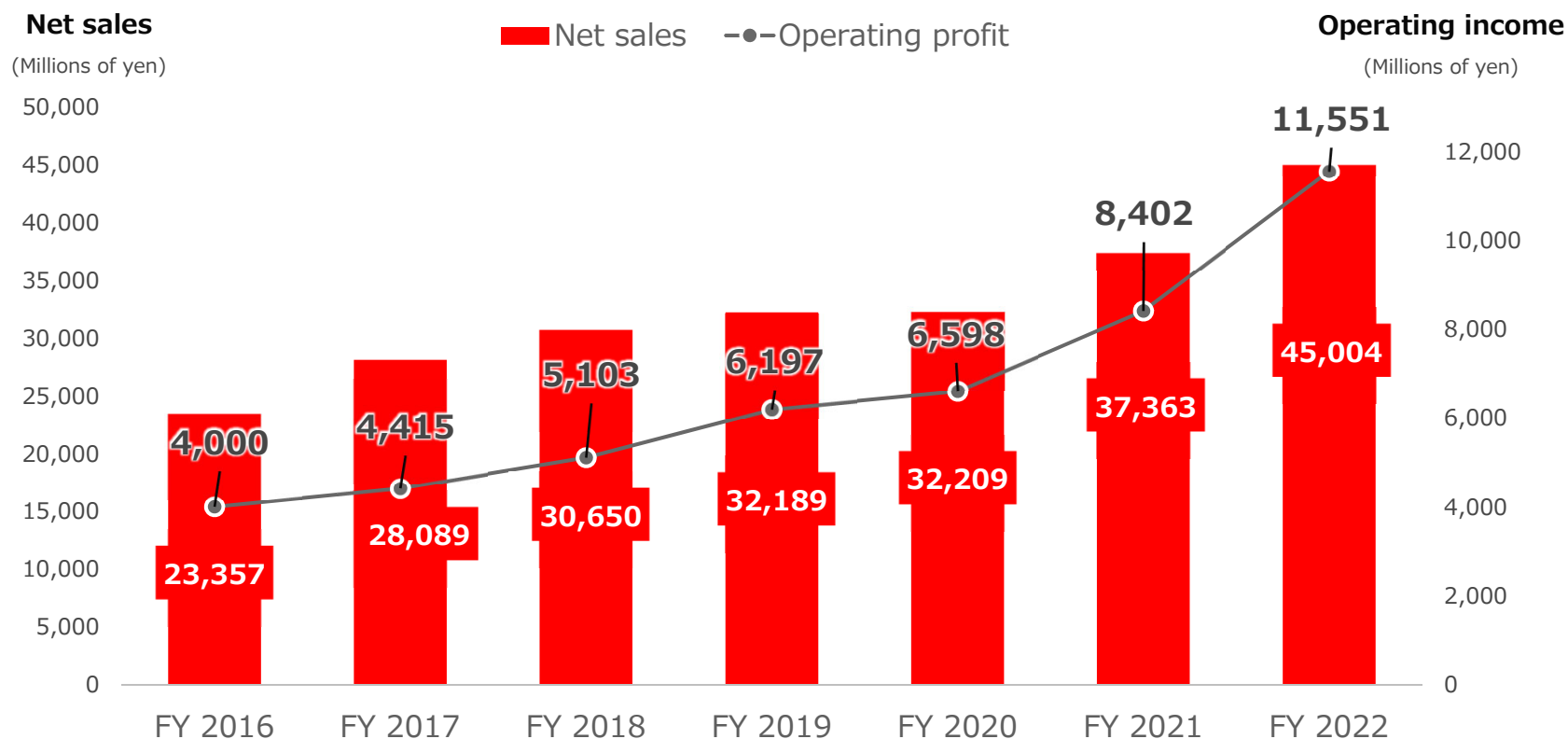
(Millions of yen)

	FY2021	FY2022			
	Full-year results	Full-year results	Y on Y	Full-year forecast	Achievement rate
Net sales	37,363	45,004	120.4%	42,800	105.1%
Operating profit	8,402	11,551	137.5%	11,450	100.9%
Operating profit margin	22.5%	25.7%	114.2%	26.7%	—
Ordinary profit	8,819	11,944	135.4%	12,000	99.5%
Net profit	5,963	8,670	145.4%	8,400	103.2%
Earning per share – Basic-	256.26	372.41	145.3%	360.80	103.2%
Annual Dividend per share	60	80	133.33%	80	100.00%

Net Sales and Profit/Loss (Full Year)

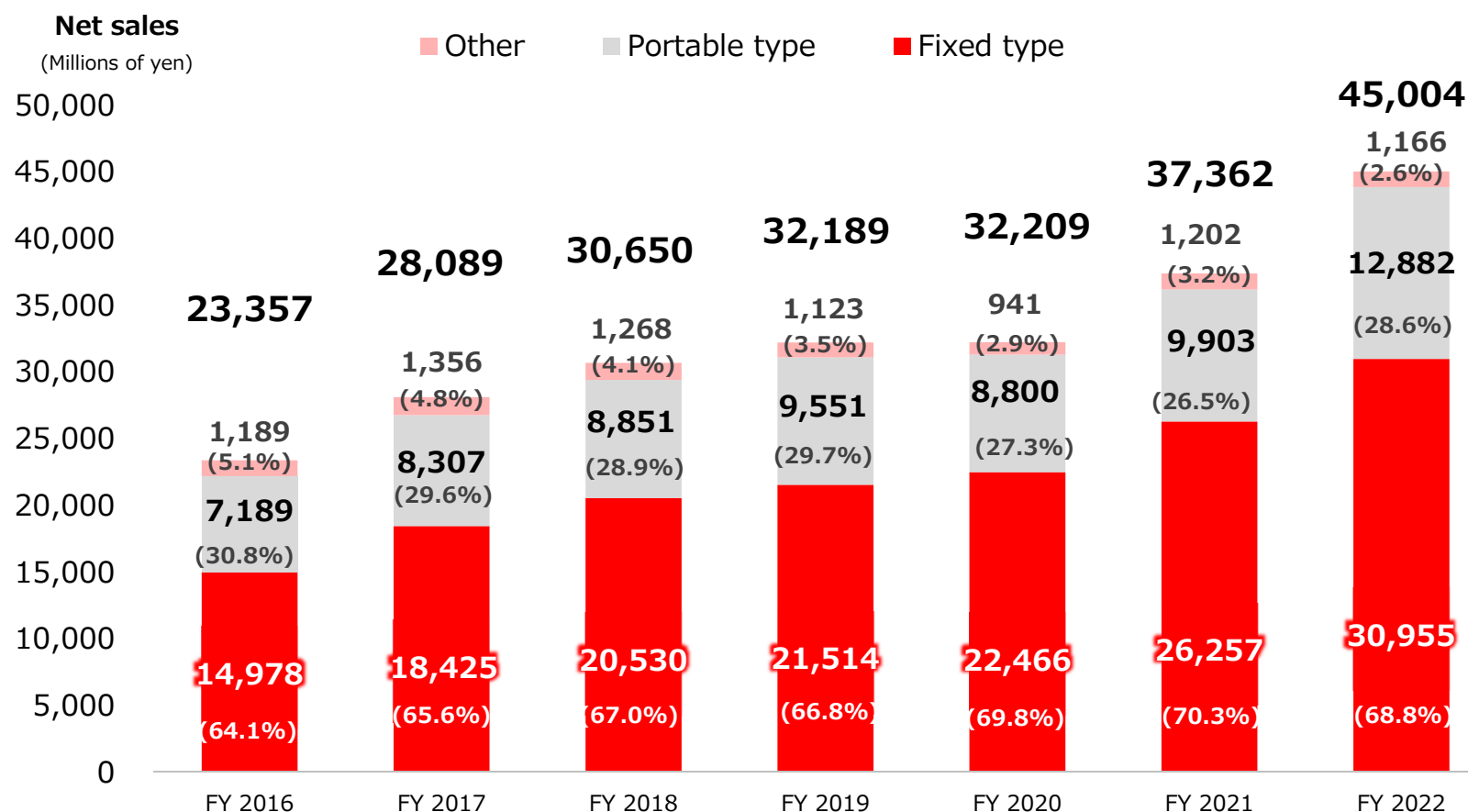


- Net sales and operating profit increased in FY 2022.
- Sales growth due to continued vigorous capital investment in the semiconductor industry and strong sales to overseas markets
- Increase in profit due to keeping fixed costs and to the impact of exchange rates, etc. compared to its sales expansion



Sales by Device Type (Full Year)

- Steady growth in sales of fixed type due to vigorous capital investment in the semiconductor industry
- Steady sales of portable type due to strong sales in North America

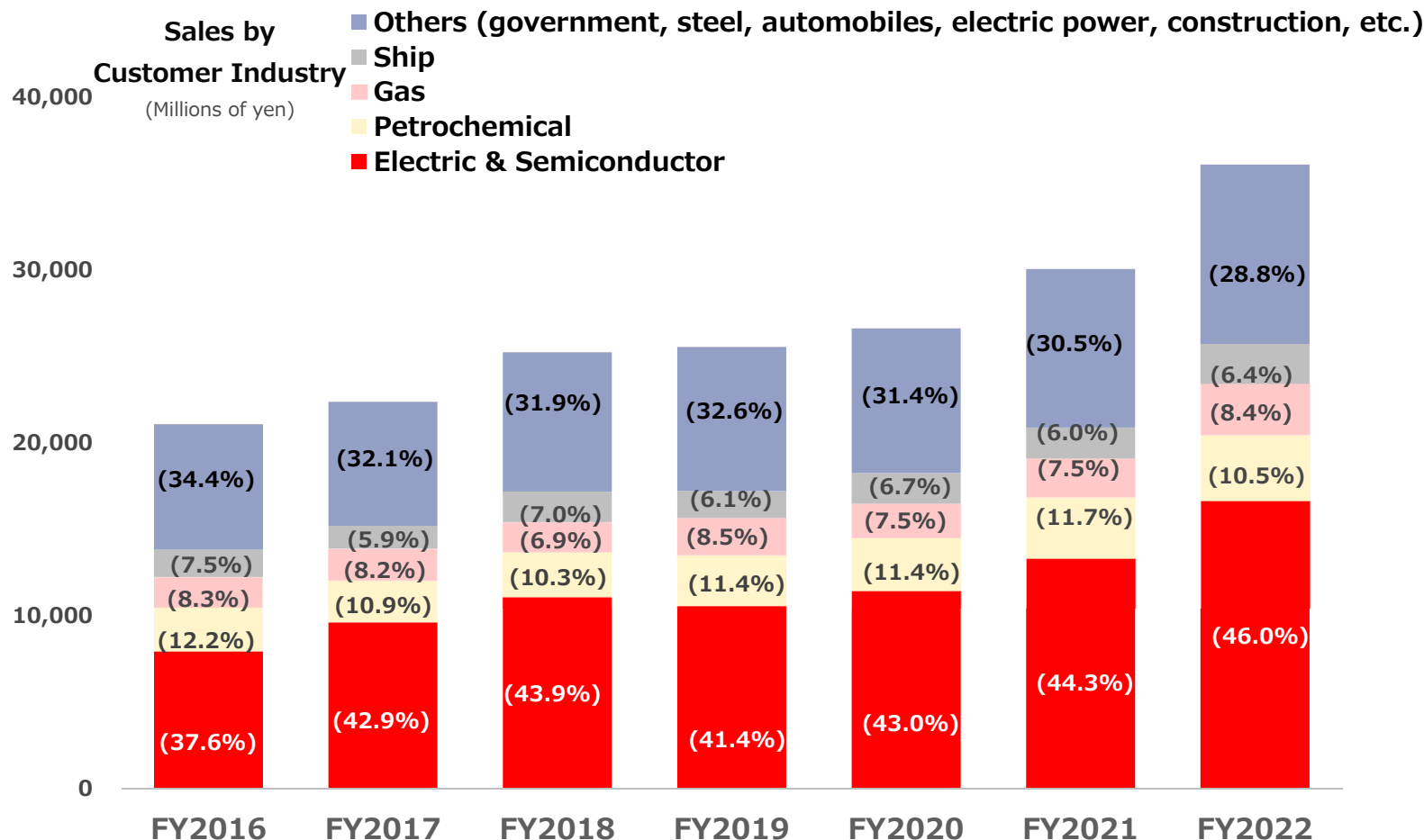


※The total ratio may not amount to 100% due to rounding.

Sales by Customer Industry (Non-Consolidated)



- 46.0% for the electrical and semiconductor industries, 10.5% for the petrochemical industry, and 6.4% for the shipping industry
- Vigorous demand for capital investment by the semiconductor industry increased the sales ratio to the semiconductor industry.

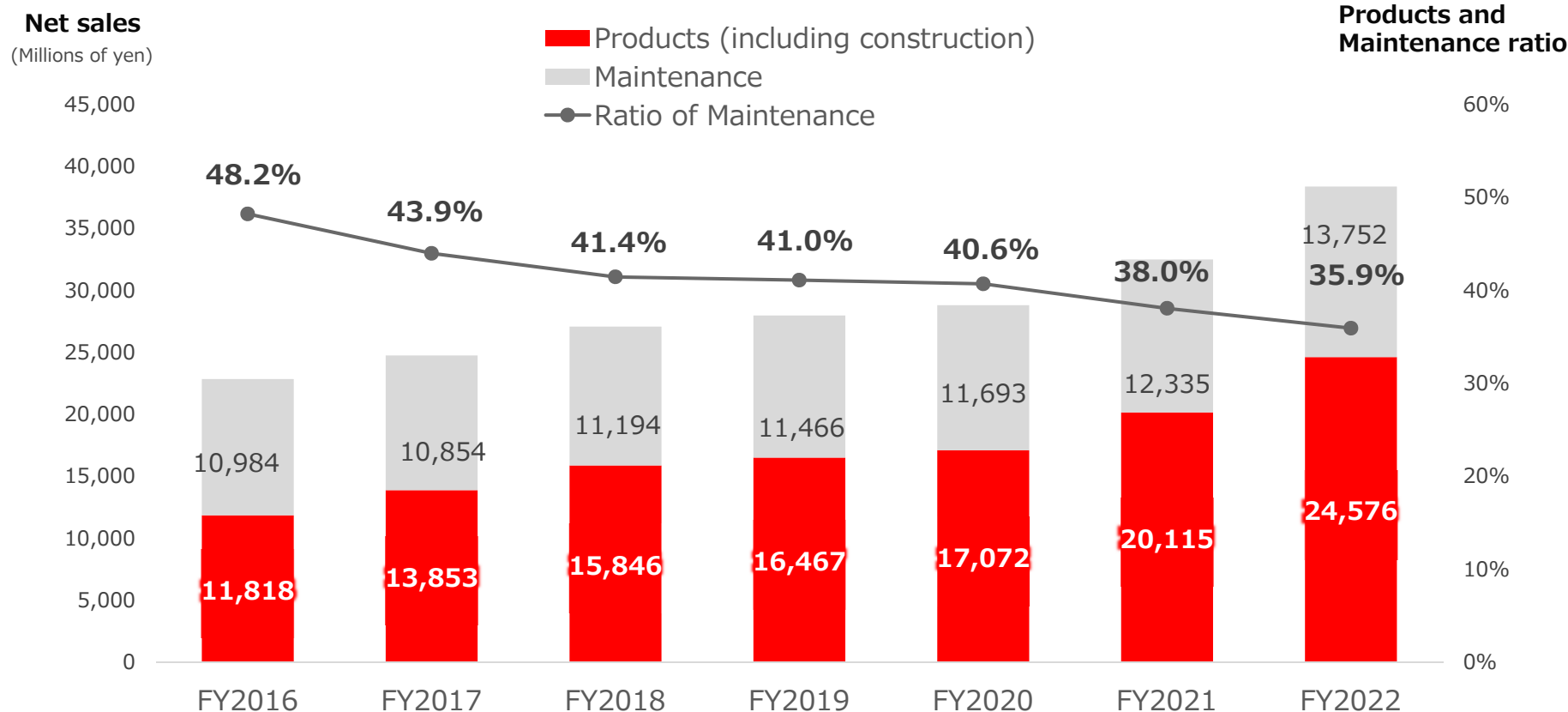


Sales Ratio of Products and Maintenance (Non-Consolidated)



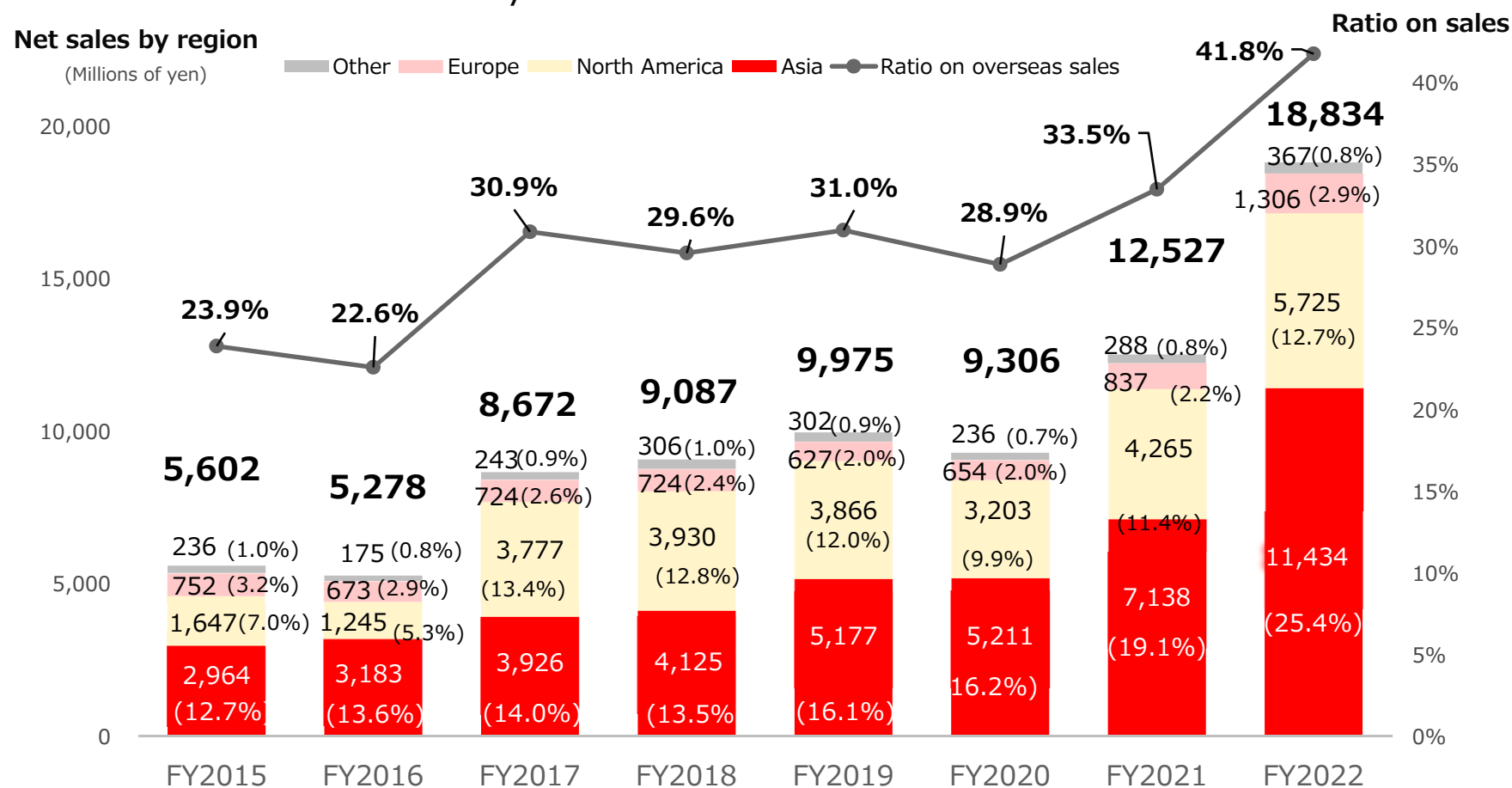
- Product sales grew due to vigorous capital investment in the semiconductor industry and strong sales of portable type for North America.
- Revenue related to maintenance after product sales increased slightly

Sales of Products and Maintenance



Overseas Sales by Region (Full Year)

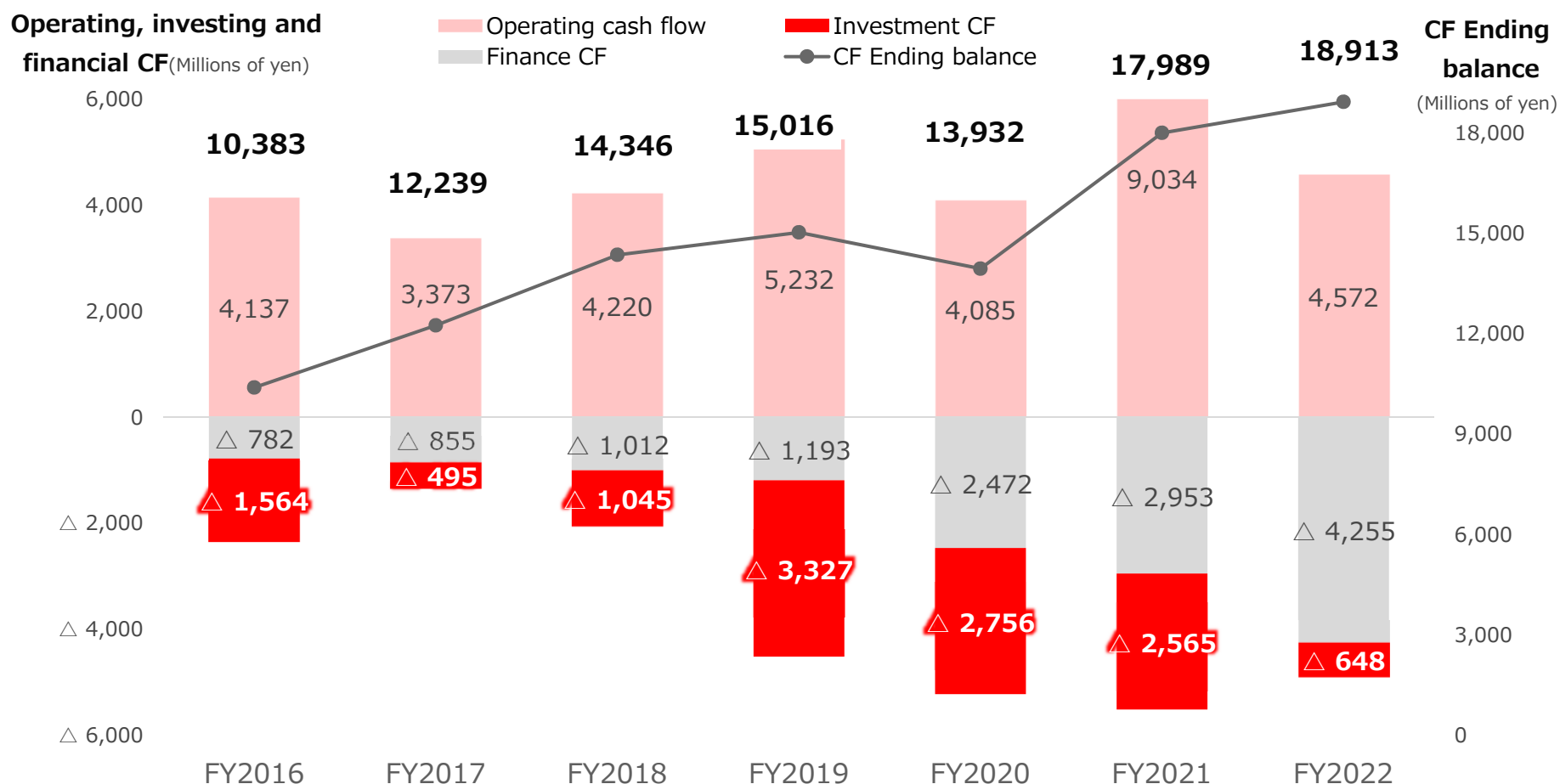
- Overseas sales ratio increased due to growth in overseas market, particularly in Asia and North America.
- Sales for Asian market was strong, particularly for the semiconductor industry and for lithium-ion battery factories.



※The sum of the ratios to net sales may not match due to rounding.

Cash flows

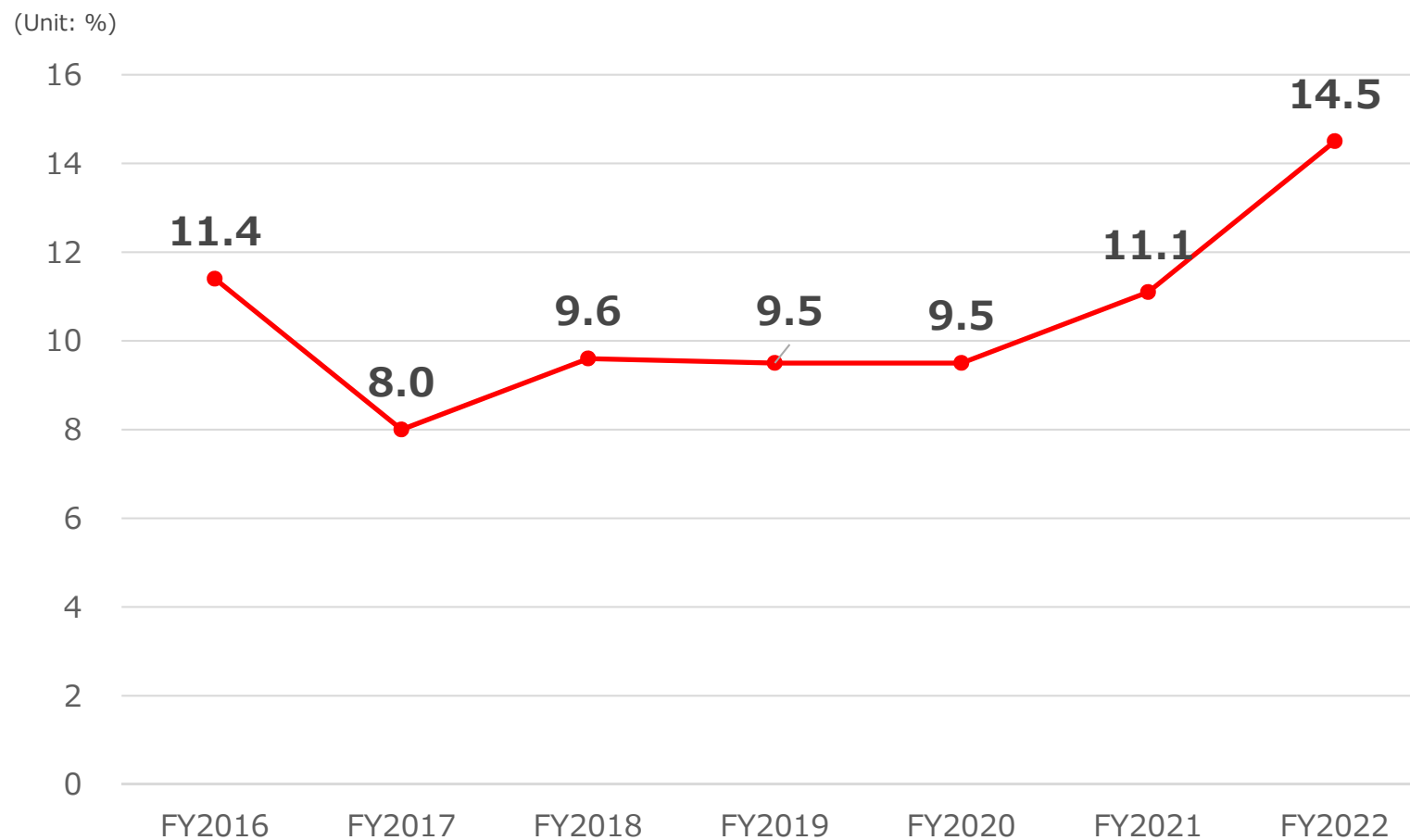
- Operating CF decreased due to an increase in inventories and trade receivables.
- As a topic of financial CF, the US subsidiary was turned into a wholly owned subsidiary by investment.



Changes in ROE

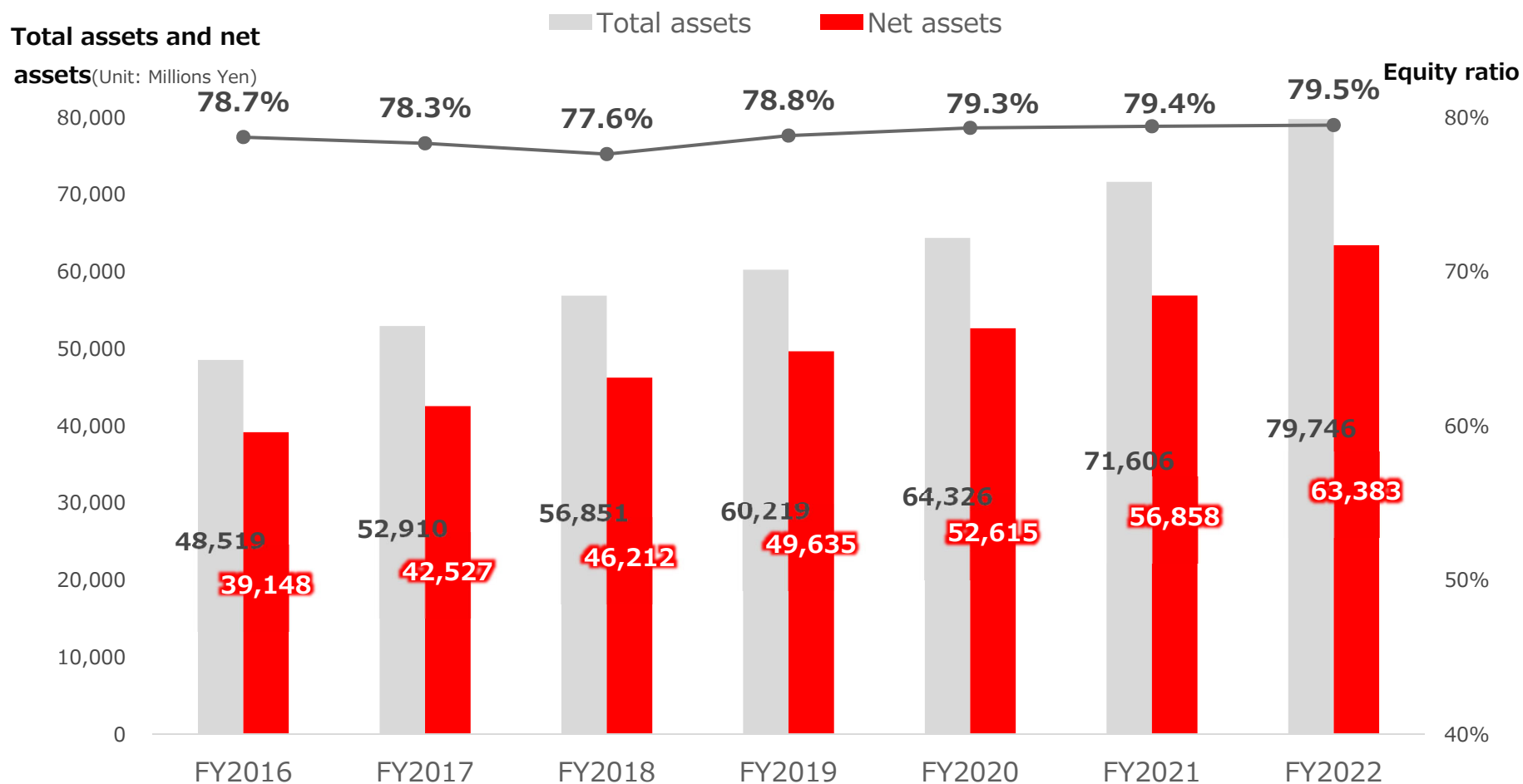


- ROE rose to 14.5 percentage points due to growth in net income



Total Assets and Net Assets

- Increase in current assets due to securing necessary inventories in response to difficulties in procuring semiconductor components
- Maintain safety with high equity ratio

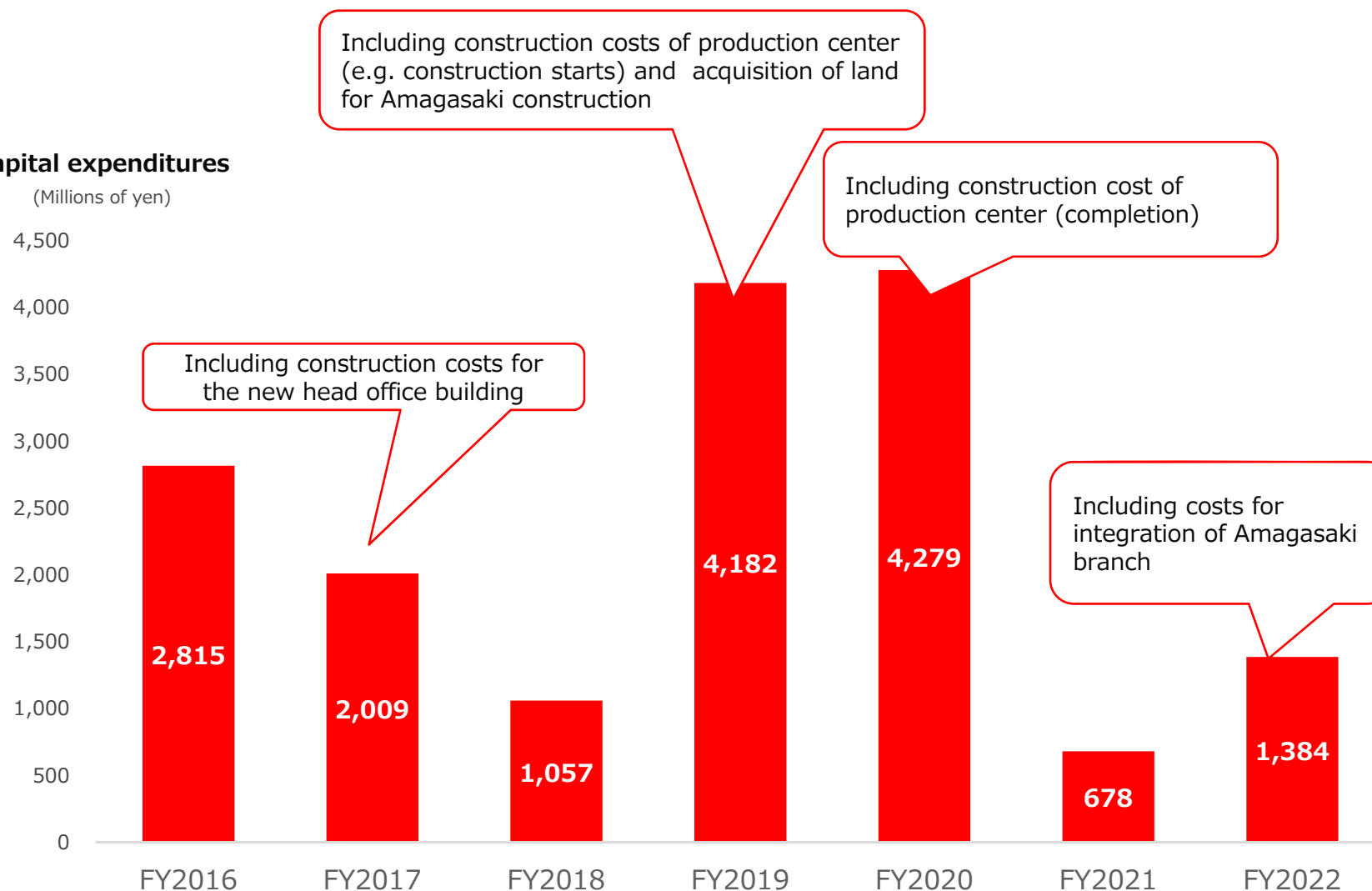


CAPEX

- Increased due to integration costs of sales offices and maintenance bases

Capital expenditures

(Millions of yen)



Depreciation

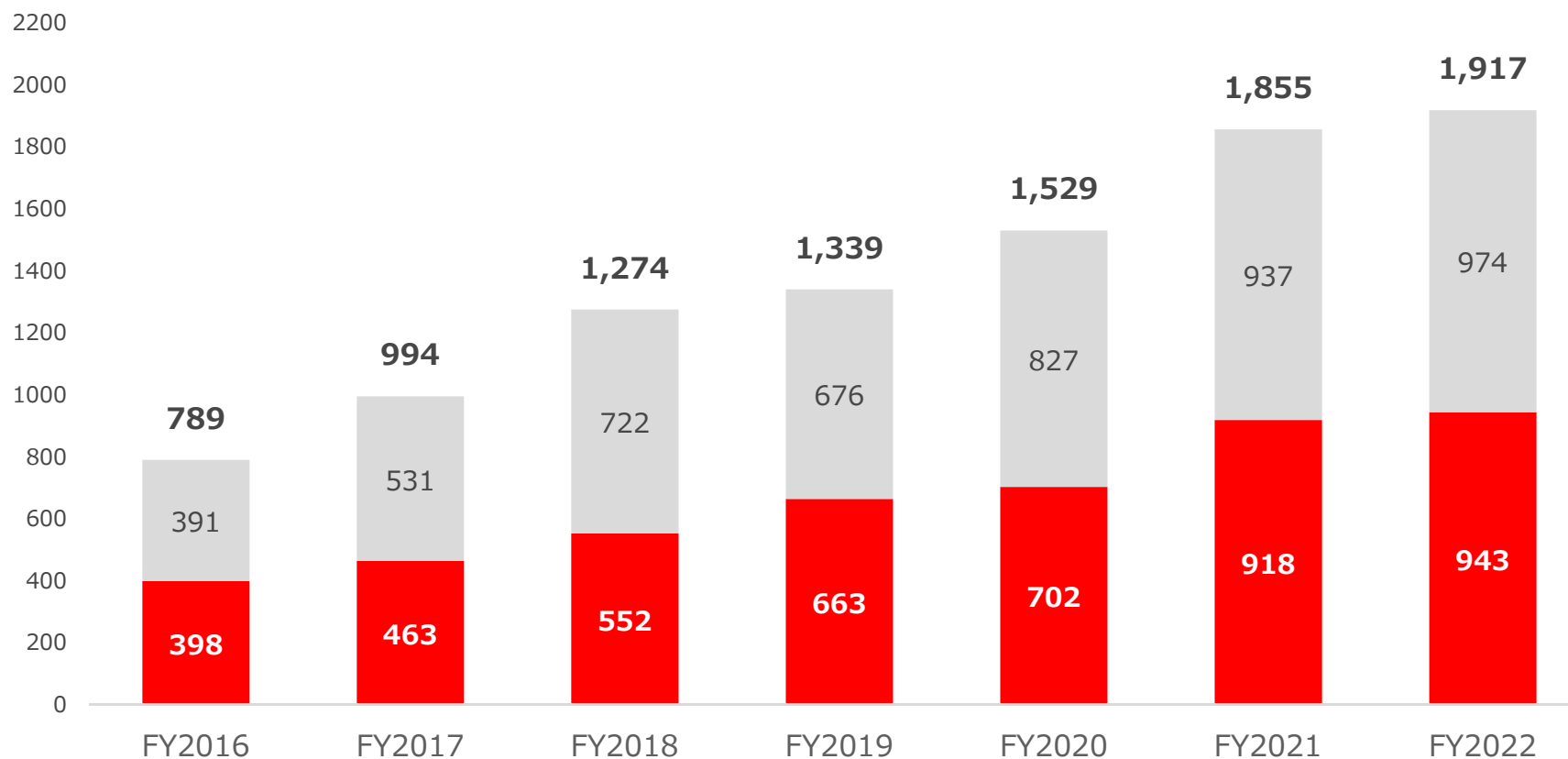


- Depreciation cost was at the similar level as last year

Depreciation and amortization
(Millions of yen)

■ First half

■ Second half



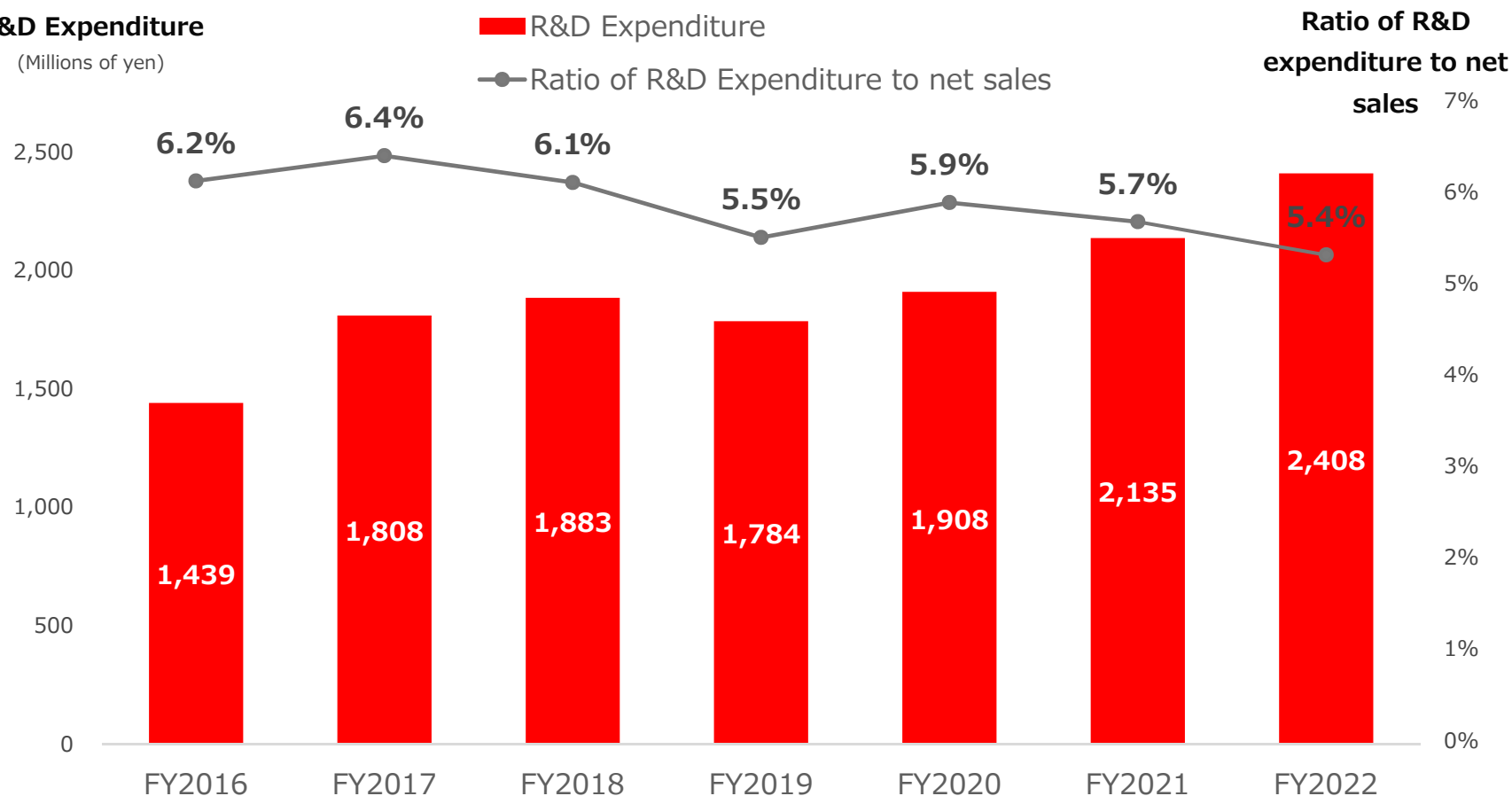
R&D Expenditure



- Continuous investment in new product development and enhancement of functions of existing model of products
- Expected to remain at a level of around 6% in the ratio of R&D expenses to net sales

R&D Expenditure

(Millions of yen)



Shareholder Returns



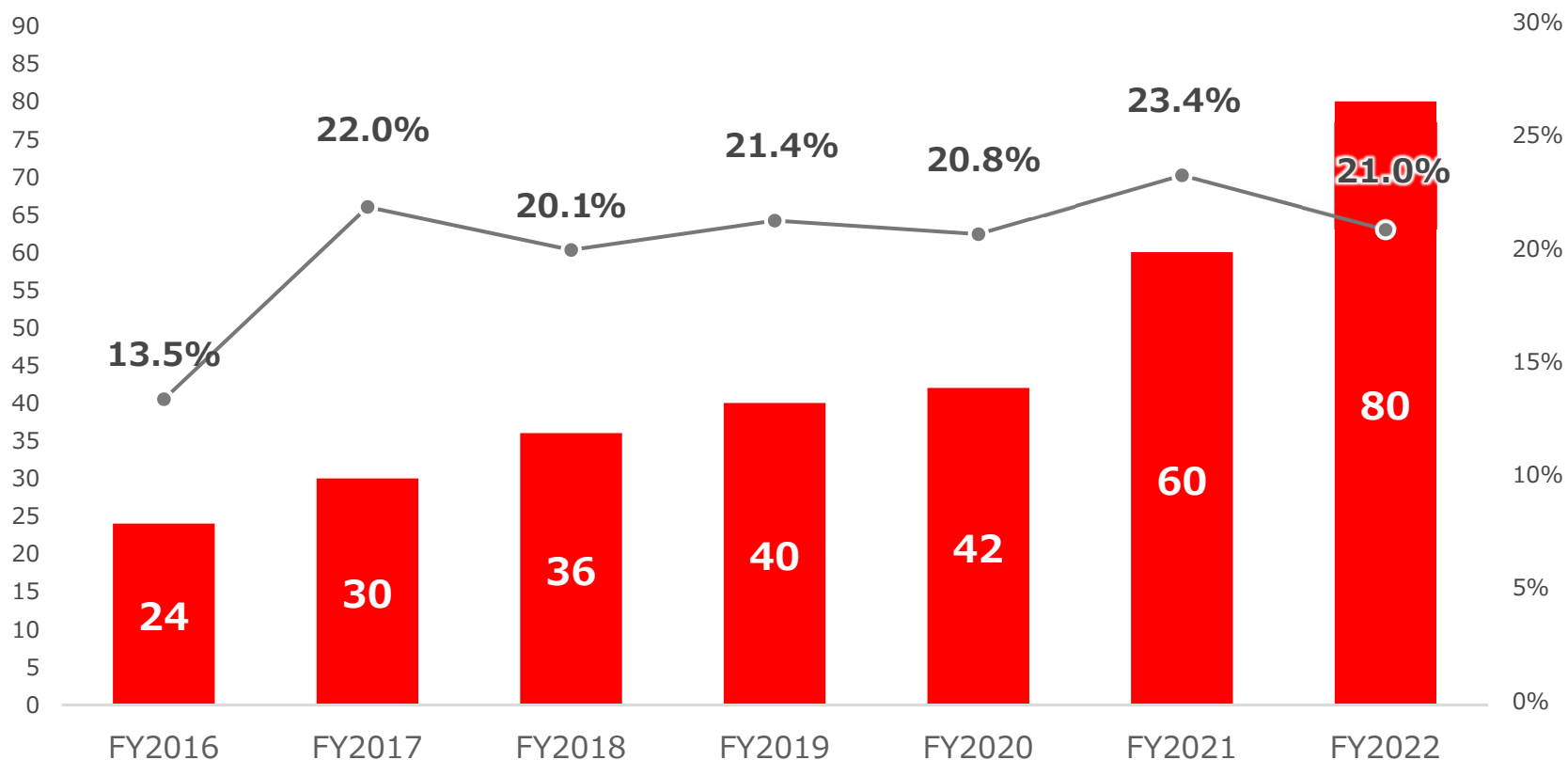
- Dividend increased by ¥20 to ¥80 in FY2022 for the full year
- Stable dividend policy is basically adopted.

Cash dividends paid

(Unit: yen)

■ Cash dividends paid ● Dividend payout ratio

Dividend payout ratio





**FORECAST FOR THE FISCAL
YEAR ENDING MARCH 2024**

FY 2023

Earnings Forecasts (Year Ending March 31, 2024)



- Demand is expected to continue for the semiconductor industry and for lithium-ion battery factories.
- However, there is a risk of restrained capital investment in memory semiconductors, mainly in the first half of FY2023
- Expect to increase the number of staffs and to improve operation in response to rapid sales expansion

(Millions of yen)

	FY2022		FY2023	
	Q2 (cumulative) Results	Full-year results	Q2 (cumulative) forecast	Full-year forecast
Net sales	22,404	45,004	22,200	46,400
Operating income	6,408	11,551	5,350	11,600
Operating income margin	28.60%	25.7%	24.0%	25.0%
Ordinary income	6,633	11,944	5,150	12,000
Net income	4,546	8,670	3,600	8,700
Net income per share	195.29	372.41	154.62	373.66
Dividend per share	-	80	-	80