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May 11, 2023

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

[Under Japanese GAAP]

Company name: RIKEN KEIKI Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7734  
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 Scheduled date of the annual general meeting of shareholders: June 28, 2023  
 Scheduled date to commence dividend payments: June 7, 2023  
 Scheduled date to file annual securities report: June 28, 2023  
 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 Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated Operating Results

(% 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	%
Fiscal year ended								
March 31, 2023	45,004	20.4	11,551	37.5	11,944	35.4	8,670	45.4
March 31, 2022	37,363	16.0	8,402	27.4	8,819	27.4	5,963	27.1

Note: Comprehensive income For the fiscal year ended March 31, 2023 ¥9,778 million [45.2%]  
 For the fiscal year ended March 31, 2022 ¥6,734 million [32.0%]

	Earnings per share -Basic-	Earnings per share -Diluted-	Net profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2023	372.41	-	14.5	15.8	25.7
March 31, 2022	256.26	-	11.1	13.0	22.5

(Reference) Investment profit (loss) under the equity method For the fiscal year ended March 31, 2023 ¥ - million  
 For the fiscal year ended March 31, 2022 ¥ - million

#### (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				
March 31, 2023	79,746	63,383	79.5	2,722.26
March 31, 2022	71,606	56,858	78.4	2,412.75

(Reference) Equity As of March 31, 2023 ¥63,383 million  
 As of March 31, 2022 ¥56,160 million

#### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2023	4,572	(648)	(4,255)	18,913
March 31, 2022	9,034	(2,565)	(2,953)	17,989

## 2. Cash Dividends

	Annual dividends per share					Total amount of cash dividends (annual) (Millions of yen)	Dividend payout ratio (consolidated) (%)	Ratio of dividends to net assets (consolidated) (%)
	First quarter-end (Yen)	Second quarter-end (Yen)	Third quarter-end (Yen)	Fiscal year-end (Yen)	Total (Yen)			
Fiscal year ended March 31, 2022	-	21.00	-	39.00	60.00	1,396	23.4	2.6
Fiscal year ended March 31, 2023	-	40.00	-	40.00	80.00	1,862	21.5	3.1
Fiscal year ending March 31, 2024 (forecast)	-	40.00	-	40.00	80.00		21.4	

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

(% indicate 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, 2023	22,200	(0.9)	5,350	(16.5)	5,150	(22.4)	3,600	(20.8)	154.62
Full year	46,400	3.1	11,600	0.4	12,000	0.5	8,700	0.3	373.66

### \* Note

- (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) 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 reasons other than (i): None  
 (iii) Changes in accounting estimates: None  
 (iv) Restatement: None  
 (Note) For more details, please refer to “(5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” in “3. Consolidated Financial Statements and Significant Notes Thereto” on page 16 of the attached document.

### (3) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	377,565 shares
As of March 31, 2022	384,642 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	23,281,253 shares
Fiscal year ended March 31, 2022	23,272,807 shares



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## 1. Outline of Operating Results

### (1) Outline of Operating Results for the Fiscal Year under Review

(Outline of overall business)

In the fiscal year under review, the economy saw the gradual resumption of economic activities mainly due to progress in COVID-19 vaccinations and the easing of restrictions on movements. On the other hand, with disruptions in supply chains due to lockdowns in some cities in the wake of the continued zero-COVID policy in China, soaring prices of natural resources triggered by the situation between Russia and Ukraine, fluctuations in the foreign exchange caused by the rapid depreciation of the yen, and others, the economic outlook remains uncertain.

The business environment surrounding the Group stayed steady partly due to the effect of the weak yen as well as the fact that capital investment by the semiconductor industry in East Asia, centered on China and Taiwan, and by the lithium-ion battery industry in China became brisker than expected. This was due to global demand for semiconductors and in response to the trend for aggressive investment in electric vehicles.

Under these circumstances, the Group has engaged in maintaining and improving quality, cost and delivery to meet customer demand for deliveries amid shortages of materials, most notably semiconductors.

Furthermore, in an attempt to expand its market share overseas, the Group proceeded with improving the quality of the system of overseas subsidiaries through measures including turning a subsidiary in North America into a wholly-owned subsidiary and aggressively dispatching the Company's human resources to overseas subsidiaries. In addition, in an effort to increase its corporate value from a medium- to long-term perspective, at the Group we actively worked on sustainability-related issues, including SDGs, as well as development, production, sales and after-sale maintenance activities where we are conscious of the need for decarbonization.

As a result of these measures, net sales for the fiscal year under review were 45,004 million yen (up 20.4% year-on-year), operating profit was 11,551 million yen (up 37.5% year-on-year), ordinary profit was 11,944 million yen (up 35.4% year-on-year), and net profit attributable to owners of parent was 8,670 million yen (up 45.4% year-on-year).

(Summary of sales by device type)

A summary of sales by device type is as follows:

#### Fixed gas detection alarm devices

Net sales of fixed gas detection alarm devices remained firm, particularly for Smart-type Gas Detector GD-70D, due to continued brisk sales to semiconductor factories in Japan and the East Asia region, which are our main customers, and semiconductor manufacturing equipment makers in Japan.

Additionally, sales, mainly of Furnace Safety Monitor SD-2500, grew to lithium-ion battery manufacturing equipment makers in Japan and plants for manufacturing the above equipment in China as capital investment in manufacturing lithium-ion batteries too has kept expanding in China.

Besides, sales remained firm to the ocean freight industry and government agencies. Since the after-sale maintenance service also grew steadily, net sales were 30,955 million yen (up 17.9% year-on-year).

#### Portable gas detection alarm devices

Sales of GX-3R Series, the mainstay portable gas monitor, increased mainly to the petroleum and petrochemical industries as well as the ocean freight industry in Japan and overseas in the wake of economic activities recovering globally.

Since the after-sale maintenance service also grew steadily, net sales were 12,882 million yen (up 30.1% year-on-year).

#### Other measurement devices

Net sales of other measuring devices were 1,166 million yen (down 2.9% year-on-year).

The Group will leverage the long track record of its products employed in a wide range of industries and academic fields to provide solutions to bring about a decarbonized society and prevent global warming, and continue to explore markets.

## **(2) Outline of Financial Position for the Fiscal Year under Review**

At the end of the fiscal year under review, assets totaled 79,746 million yen, an increase of 8,140 million yen (up 11.4%) compared with the end of the previous fiscal year.

Current assets increased 8,048 million yen from the end of the previous fiscal year to 51,301 million yen. This was mainly due to a 2,731 million yen increase in work in process, a 2,141 million yen increase in raw materials and supplies, and a 2,054 million yen increase in cash and deposits as well as a 1,240 million yen increase in notes and accounts receivable–trade, despite a 1,538 million yen decrease in securities.

Non-current assets increased 91 million yen from the end of the previous fiscal year to 28,445 million yen. This was mainly due to a 362 million yen increase in construction in progress and a 152 million yen increase in investment securities despite a 491 million yen decrease in buildings and structures.

At the end of the fiscal year under review, liabilities totaled 16,363 million yen, an increase of 1,615 million yen (up 11.0%) compared with the end of the previous fiscal year.

Current liabilities grew 1,892 million yen from the end of the previous fiscal year to 14,023 million yen. This was mainly due to a 1,107 million yen increase in notes and accounts payable–trade, and a 438 million yen increase in account payable–other included in Other despite a 507 million yen decrease in accrued consumption tax included in Other, and others. Non-current liabilities fell 277 million yen from the end of the previous fiscal year to 2,339 million yen. This was mainly due to a 183 million yen decrease in lease liabilities.

At the end of the fiscal year under review, net assets totaled 63,383 million yen, an increase of 6,524 million yen (up 11.5%) compared with the end of the previous fiscal year. This was mainly due to a 7,022 million yen increase in retained earnings as a result of recording 8,670 million yen in net profit attributable to owners of parent and dividends of surplus of 1,839 million yen despite a 790 million yen decrease in capital surplus and a 698 million yen decrease in non-controlling interests as a result of acquiring additional shares of a subsidiary of RKI Instruments, Inc., a consolidated subsidiary in the United States.

## **(3) Outline of Cash Flows for the Fiscal Year under Review**

At the end of the fiscal year under review, cash and cash equivalents increased 923 million yen from the end of the previous fiscal year to 18,913 million yen (up 5.1%).

(Net cash provided by (used in) operating activities)

Profit before income taxes was 11,753 million yen, depreciation was 1,740 million yen, and an increase in trade payables was 1,086 million yen, while the increase in inventories was 5,542 million yen, income tax paid was 3,363 million yen, and the increase in trade receivables was 1,093 million yen. As a result of the above, among other factors, net cash provided by operating activities decreased 4,461 million yen (down 49.4%) year-on-year to 4,572 million yen.

(Cash flows from investing activities)

Proceeds from redemption of securities and withdrawal of time deposits were 1,049 million yen and 1,029 million yen respectively, while payments into time deposits were 1,031 million yen, purchase of property, plant and equipment was 943 million yen and purchase of securities was 880 million yen. As a result of the above, among other factors, net cash used in investing activities decreased 1,917 million yen (down 74.7%) year-on-year to -648 million yen.

(Cash flows from financing activities)

Dividends paid was 1,836 million yen and purchase of shares of subsidiaries not resulting in a change in the scope of consolidation was 1,608 million yen. As a result of the above, among other factors, net cash used in financing activities increased 1,302 million yen year on year (up 44.1%) to -4,255 million yen.

(Reference) History of cash flow-related indicators

	FY2018	FY2019	FY2020	FY2021	FY2022
Equity-to-asset ratio (%)	77.6	78.8	79.3	78.4	79.5
Market value equity-to-asset ratio (%)	87.3	78.8	99.6	159.3	165.8
Cash flows to interest-bearing debt (years)	0.6	0.5	0.9	0.4	0.7
Interest coverage ratio (times)	147.7	187.6	120.5	190.6	111.4

Equity-to-asset ratio	:	Equity to total assets
Market value equity-to-asset ratio	:	Market value of shares to total assets
Cash flows to interest-bearing debt	:	Interest-bearing debt to operating cash flows
Interest coverage ratio	:	Operating cash flows to interest payment

(Note 1) The figures above are calculated using consolidated financial data.

(Note 2) The market value of shares is calculated by multiplying the closing share price at year-end by the number of outstanding shares at year-end (excluding treasury shares).

(Note 3) Operating cash flows refer to cash flows from operating activities in the Consolidated Statement of Cash Flows. Interest-bearing debt includes any liabilities recorded on the Consolidated Balance Sheet that incur interest expenses. Payment of interest refers to the amount of interest payment stated in the Consolidated Statement of Cash Flows.

#### (4) Prospects for the Future

As for the prospects for the future, it is expected that the impact of the pandemic will subside, and that economic activities will pick up gradually. On the other hand, it is also necessary to pay close attention to the impact from soaring prices of materials and resources, foreign exchange fluctuations and others, and a rise in geopolitical risks including the prolonged situation in Russia and Ukraine. Also, the semiconductor industry, which is our major customer, is experiencing inventory adjustments due to a slowdown in global demand for memory semiconductors, so the unpredictable situation is likely to continue.

The consolidated earnings forecasts for fiscal 2023 are as follows:

Net sales	46,400 million yen (3.1% increase year on year)
Operating profit	11,600 million yen (0.4% increase year on year)
Ordinary profit	12,000 million yen (0.5% increase year on year)
Net profit attributable to owners of parent	8,700 million yen (0.3% increase year on year)

Financial results forecasts are the Company's forecasts based on information currently available to the Company. Actual financial results may differ significantly from the forecasts due to various factors.

## 2. Basic Stance on Adopting Accounting Standards

The Group will continue to disclose consolidated financial statements under J-GAAP, taking into consideration the historical comparability of terms and comparability of companies.

The Group will also adopt IFRS standards depending on domestic and overseas developments accordingly.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheet

(Unit: Thousand yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the fiscal year under review (March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	11,551,206	13,605,281
Notes and accounts receivable–trade	9,198,690	10,439,153
Electronically recorded monetary claims–operating	3,519,418	3,713,877
Securities	9,952,268	8,414,092
Merchandise and finished goods	2,744,435	3,584,070
Work in process	3,307,349	6,039,294
Raw materials and supplies	2,391,516	4,532,924
Other	591,190	976,706
Allowance for doubtful accounts	(3,697)	(4,346)
Total current assets	43,252,378	51,301,053
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,997,275	15,157,911
Accumulated depreciation	(4,680,088)	(4,331,838)
Buildings and structures, net	11,317,187	10,826,073
Machinery, equipment and vehicles	1,175,827	1,264,555
Accumulated depreciation	(817,351)	(903,194)
Machinery, equipment and vehicles, net	358,475	361,360
Land	4,079,123	4,150,454
Leased assets	3,103,053	3,512,318
Accumulated depreciation	(1,873,436)	(2,406,443)
Leased assets, net	1,229,616	1,105,875
Construction in progress	46,435	409,421
Other	3,347,976	3,677,310
Accumulated depreciation	(2,938,431)	(3,192,632)
Other, net	409,545	484,677
Total property, plant and equipment	17,440,385	17,337,862
Intangible assets		
Software	409,065	308,321
Software in progress	10,108	125,811
Goodwill	595,387	510,481
Customer-related assets	830,848	805,777
Other	17,392	17,392
Total intangible assets	1,862,803	1,767,784
Investments and other assets		
Investment securities	5,881,220	6,033,462
Retirement benefit asset	1,813,344	1,827,197
Deferred tax assets	112,866	162,882
Other	1,246,984	1,319,402
Allowance for doubtful accounts	(3,500)	(2,900)
Total investments and other assets	9,050,916	9,340,044
Total non-current assets	28,354,106	28,445,691
<b>Total assets</b>	<b>71,606,484</b>	<b>79,746,745</b>



(Unit: Thousand yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the fiscal year under review (March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	4,093,889	5,201,320
Electronically recorded obligations–operating	532,039	847,302
Short-term borrowings	995,000	995,000
Current portion of bonds payable	300,000	-
Lease liabilities	434,303	471,600
Accrued expenses	676,608	913,981
Income taxes payable	1,786,207	1,816,425
Provision for bonuses	920,836	988,058
Provision for product warranties	98,239	106,260
Provision for loss on orders received	32,008	152,203
Other	2,262,057	2,531,544
Total current liabilities	12,131,190	14,023,696
Non-current liabilities		
Long-term borrowings	850,580	850,580
Long-term accounts payable–other	15,250	15,250
Lease liabilities	976,555	792,762
Deferred tax liabilities	720,603	636,000
Asset retirement obligations	11,133	11,172
Other	42,452	33,648
Total non-current liabilities	2,616,574	2,339,414
Total liabilities	14,747,765	16,363,110
Net assets		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	1,885,187	1,094,969
Retained earnings	49,604,449	56,626,968
Treasury shares	(226,384)	(222,609)
Total shareholders' equity	53,828,752	60,064,829
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,853,706	1,982,144
Foreign currency translation adjustment	477,683	1,336,660
Total accumulated other comprehensive income	2,331,389	3,318,805
Non-controlling interests	698,577	-
Total net assets	56,858,719	63,383,634
Total liabilities and net assets	71,606,484	79,746,745

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

### Consolidated Statement of Income

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net sales	37,363,952	45,004,807
Cost of sales	18,931,464	21,842,195
Gross profit	18,432,488	23,162,611
Selling, general and administrative expenses		
Commission expenses	832,212	962,790
Advertising expenses	270,961	337,178
Salaries and allowances	2,837,090	3,364,508
Provision for bonuses	274,164	287,266
Retirement benefit expenses	92,007	140,488
Research and development expenses	2,135,561	2,408,509
Depreciation	582,440	604,865
Other	3,005,083	3,505,697
Total selling, general and administrative expenses	10,029,522	11,611,304
Operating profit	8,402,966	11,551,307
Non-operating income		
Interest income	48,129	77,969
Dividend income	129,633	162,970
Foreign exchange gains	110,511	376,042
Insurance claim and dividend income	47,338	9,824
Gain on sale of securities	18,703	19,133
Subsidy income	100,000	-
Miscellaneous income	68,781	76,082
Total non-operating income	523,097	722,023
Non-operating expenses		
Interest expenses	47,407	41,041
Loss on retirement of non-current assets	4,953	817
Loss on sale of securities	-	31,922
Loss on valuation of securities	8,142	249,273
Compensation expenses	40,591	1,000
Miscellaneous losses	5,069	5,221
Total non-operating expenses	106,165	329,274
Ordinary profit	8,819,898	11,944,056
Extraordinary income		
Gain on sale of non-current assets	7,491	17,568
Insurance claim income	-	112,915
Total extraordinary income	7,491	130,484
Extraordinary losses		
Loss on sale of non-current assets	270	13,927
Impairment losses	-	26,160
Loss on disposal of non-current assets	-	102,000
Loss on valuation of investment securities	-	79,528
Loss on disaster	-	99,100
Total extraordinary losses	270	320,716
Profit before income taxes	8,827,119	11,753,823
Income taxes—current	2,734,757	3,315,613
Income taxes—deferred	38,855	(225,144)
Total income taxes	2,773,613	3,090,469
Net profit	6,053,505	8,663,354
Net profit (loss) attributable to non-controlling interests	89,644	(6,840)
Net profit attributable to owners of parent	5,963,861	8,670,194

## Consolidated Statement of Comprehensive Income

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net profit	6,053,505	8,663,354
Other comprehensive income		
Valuation difference on available-for-sale securities	(69,408)	128,438
Foreign currency translation adjustment	749,985	986,540
Total other comprehensive income	680,577	1,114,979
Comprehensive income	6,734,083	9,778,333
(Breakdown)		
Comprehensive income attributable to owners of parent	6,529,509	9,657,610
Comprehensive income attributable to non-controlling interests	204,574	120,723

**(3) Consolidated Statement of Changes in Equity**

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Unit: Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,565,500	2,294,089	44,641,217	(232,906)	49,267,900
Changes during period					
Dividends of surplus			(1,000,628)		(1,000,628)
Net profit attributable to owners of parent			5,963,861		5,963,861
Purchase of treasury shares				(361)	(361)
Disposal of treasury shares		17,405		6,883	24,288
Change in ownership interest of parent due to transactions with non-controlling interests		(426,307)			(426,307)
Net changes in items other than shareholders' equity					
Total changes during period	-	(408,902)	4,963,232	6,521	4,560,851
Balance at end of period	2,565,500	1,885,187	49,604,449	(226,384)	53,828,752

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,921,384	(155,642)	1,765,742	1,581,673	52,615,315
Changes during period					
Dividends of surplus					(1,000,628)
Net profit attributable to owners of parent					5,963,861
Purchase of treasury shares					(361)
Disposal of treasury shares					24,288
Change in ownership interest of parent due to transactions with non-controlling interests					(426,307)
Net changes in items other than shareholders' equity	(67,678)	633,326	565,647	(883,096)	(317,448)
Total changes during period	(67,678)	633,326	565,647	(883,096)	4,243,403
Balance at end of period	1,853,706	477,683	2,331,389	698,577	56,858,719

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Unit: Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,565,500	1,885,187	49,604,449	(226,384)	53,828,752
Changes during period					
Dividends of surplus			(1,839,116)		(1,839,116)
Net profit attributable to owners of parent			8,670,194		8,670,194
Purchase of treasury shares				(461)	(461)
Disposal of treasury shares		23,652		4,236	27,889
Changes in the scope of consolidation			191,440		191,440
Change in ownership interest of parent due to transactions with non-controlling interests		(813,870)			(813,870)
Net changes in items other than shareholders' equity					
Total changes during period	-	(790,217)	7,022,519	3,775	6,236,076
Balance at end of period	2,565,500	1,094,969	56,626,968	(222,609)	60,064,829

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,853,706	477,683	2,331,389	698,577	56,858,719
Changes during period					
Dividends of surplus					(1,839,116)
Net profit attributable to owners of parent					8,670,194
Purchase of treasury shares					(461)
Disposal of treasury shares					27,889
Changes in the scope of consolidation					191,440
Change in ownership interest of parent due to transactions with non-controlling interests					(813,870)
Net changes in items other than shareholders' equity	128,438	858,976	987,415	(698,577)	288,838
Total changes during period	128,438	858,976	987,415	(698,577)	6,524,915
Balance at end of period	1,982,144	1,336,660	3,318,805	-	63,383,634

**(4) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net cash provided by (used in) operating activities		
Profit before income taxes	8,827,119	11,753,823
Depreciation	1,702,074	1,740,235
Amortization of goodwill	153,402	177,205
Impairment losses	-	26,160
Loss on disaster	-	99,100
Increase (decrease) in allowance for doubtful accounts	(2,187)	(179)
Increase (decrease) in provision for bonuses	47,240	67,221
Increase (decrease) in provision for product warranties	(32,616)	8,020
Increase (decrease) in provision for loss on order received	31,398	120,195
Decrease (increase) in retirement benefit asset	(140,992)	(13,853)
Interest and dividend income	(177,762)	(240,939)
Insurance claim income	(47,338)	(122,740)
Interest expenses	47,407	41,041
Foreign exchange losses (gains)	(321,678)	(721,502)
Loss (gain) on sale of non-current assets	(7,220)	(3,640)
Loss on retirement of non-current assets	4,953	817
Decrease (increase) in trade receivables	163,370	(1,093,435)
Loss (gain) on disposal of non-current assets	-	102,000
Decrease (increase) in inventories	(2,962,385)	(5,542,325)
Increase (decrease) in trade payables	1,301,657	1,086,973
Increase (decrease) in accrued consumption taxes	861,536	(721,305)
Loss (gain) on sale of securities	(18,703)	12,788
Loss (gain) on valuation of securities	8,142	249,273
Loss (gain) on valuation of investment securities	-	79,528
Other	1,286,192	491,052
Subtotal	10,723,608	7,595,513
Interest and dividends received	178,662	244,535
Interest paid	(47,407)	(41,041)
Income tax paid	(1,877,999)	(3,363,099)
Proceeds from insurance income	57,756	136,802
Net cash provided by (used in) operating activities	9,034,619	4,572,711

(Unit: Thousand yen)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net cash provided by (used in) investing activities		
Purchase of securities	(1,697,102)	(880,710)
Proceeds from redemption of securities	135,150	1,049,380
Proceeds from sale of securities	392,257	376,535
Payments into time deposits	(936,398)	(1,031,390)
Proceeds from withdrawal of time deposits	863,216	1,029,209
Purchase of property, plant and equipment	(773,933)	(943,155)
Proceeds from sale of property, plant and equipment	11,143	67,348
Payments for retirement of property, plant and equipment	(33,553)	(102,000)
Purchase of intangible assets	(51,883)	(65,552)
Purchase of investment securities	(510,983)	(314,555)
Proceeds from redemption of investment securities	42,575	200,000
Payments for asset retirement obligations	(6,282)	-
Loan advances	-	(33,132)
Net cash provided by (used in) investing activities	(2,565,794)	(648,024)
Net cash provided by (used in) financing activities		
Proceeds from long-term borrowings	400,000	400,000
Repayments of long-term borrowings	(400,000)	(400,000)
Repayments of finance lease liabilities	(437,937)	(483,452)
Redemption of bonds	-	(300,000)
Net decrease (increase) in treasury shares	(361)	(461)
Dividends paid	(1,000,113)	(1,836,787)
Dividends paid to non-controlling interests	(33,479)	(25,701)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,481,340)	(1,608,888)
Net cash provided by (used in) financing activities	(2,953,232)	(4,255,291)
Effect of exchange rate change on cash and cash equivalents	541,234	1,015,224
Net increase (decrease) in cash and cash equivalents	4,056,826	684,619
Cash and cash equivalents at beginning of period	13,932,676	17,989,503
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	238,914
Cash and cash equivalents at end of period	17,989,503	18,913,037

## (5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements)

### 1. Matters regarding the scope of consolidation

#### (1) Number of consolidated subsidiaries: Six

Names of consolidated subsidiaries

RIKEN KEIKI NARA MFG. Co., Ltd.

RIKEN KEIKI TAIWAN CO., LTD.

RIKEN KEIKI COMMERCIAL (SHANGHAI) CO., LTD.

RKI Instruments, Inc.

R K INSTRUMENTS (S) PTE LTD

RIKEN KEIKI GmbH

RIKEN KEIKI GmbH, which was a non-consolidated subsidiary in the previous fiscal year, is included in the scope of consolidation from the fiscal year under review, due to its increased importance.

#### (2) Number of unconsolidated subsidiaries: Two

Names of unconsolidated subsidiaries

RIKEN KEIKI Technocrats Co., Ltd.

RIKEN KEIKI (M) SDN.BHD.

Reason for the exclusion from the scope of consolidation

Both unconsolidated subsidiaries are small in scale, and the total of total assets, net sales, profit and retained earnings (an amount corresponding to the equity interests of the Company), etc. of both companies does not exert a material influence on consolidated financial statements.

### 2. Matters regarding adoption of equity method

#### (1) Number of affiliated companies to which the equity method is applied

Not applicable.

#### (2) Names of major unconsolidated subsidiaries or affiliated companies to which the equity method is not applied

RIKEN KEIKI Technocrats Co., Ltd.

RIKEN KEIKI KOREA CO., LTD.

Reason for not applying the equity method

In terms of profit and retained earnings (an amount corresponding to the equity interests of the Company), etc., the companies to which the equity method is not applied may only exert an immaterial influence on the Company's consolidated financial statements even if the companies are excluded from the scope of the application of the equity method, and also on the overall financial results.

### 3. Matters regarding the fiscal year, etc. of consolidated subsidiaries

The last day of consolidated subsidiaries' business year is December 31, which differs from the consolidated closing date. Any significant transaction between the last day of their business year and the consolidated closing date is subject to adjustment required for consolidated reporting.



#### 4. Matters regarding accounting policies

##### (1) Valuation standards and accounting treatment for important assets

###### (i) Securities

###### (a) Held-to-maturity debt securities

Held-to-maturity debt securities are stated at amortized cost (the straight-line method).

###### (b) Other securities

Securities other than stocks without quoted market prices

These are stated at fair market value. The difference between acquisition cost and market value is accounted for as net unrealized holding gains or losses on securities in net assets, with the cost of sales determined by the moving average method.

Stocks without quoted market prices

They are carried at cost, which is determined by the moving average method.

###### (ii) Derivatives

Derivatives are stated at fair market value.

(However, the market value method shall not be applied to interest rate swap transactions that satisfy the requirements for exceptional accounting treatment. The net amount to be paid or received under the interest rate swap transaction shall be added to or subtracted from the amount of interest on debt subject to the interest rate swap agreement.)

###### (iii) Inventories

###### (a) Merchandise and finished goods

Stated at cost, with cost being determined by the gross-average method. (The method of book value devaluation based on a decline in profitability applies to values in the balance sheet.)

However, the identified-cost method shall be applied for certain finished goods.

###### (b) Work in process

Stated at cost, with cost being determined by the gross-average method. (The method of book value devaluation based on a decline in profitability applies to values in the balance sheet.)

However, the identified-cost method shall be applied for certain work in process.

###### (c) Raw materials and supplies

Stated at cost, with cost being determined by the gross-average method. (The method of book value devaluation based on a decline in profitability applies to values in the balance sheet.)

##### (2) Depreciation method for material depreciable assets

###### (i) Property, plant and equipment (excluding leased assets)

Straight-line method

The principal useful lives are as follows.

Buildings and structures: 31 to 50 years

###### (ii) Intangible assets

Computer software purchased for internal use is amortized by the straight-line method based on the estimated internal useful life (five years).

Customer-related assets are amortized by the straight-line method based on estimated profitable period (nine to fifteen years), the basis of calculating the proceeds.

###### (iii) Leased assets

Leased assets related to finance lease transactions other than those where ownership of the lease assets is deemed to be transferred to the lessee are amortized by the straight-line method, assuming the lease period is the useful life and no residual value.

##### (3) Accounting standards for allowance and provisions

###### (i) Allowance for doubtful accounts

The allowance for doubtful accounts is provided in an amount sufficient to cover possible losses estimated as a historical write-off ratio of bad debts for general receivables, with the addition of required amounts for doubtful accounts and bankrupt receivables based on a case-by-case assessment of the possibility of collection.

###### (ii) Provision for bonuses

Accrued employees' bonuses are provided based on the estimated amount to be paid.

(iii) Provision for product warranties

Provision for product warranties is provided for product after-sale service expenses based on the historical performance.

(iv) Provision for loss on orders received

As a reserve against future losses on sales of ordered products, the estimated loss on sale of ordered products is calculated for those undelivered at the end of the current consolidated fiscal year.

(4) Accounting treatment of retirement benefit payments

(i) Attribution method for projected retirement benefits

In calculating retirement benefit obligations, the benefit formula basis is applied as the method for attributing projected retirement benefits to the period up to end of the current consolidated fiscal year.

(ii) Treatment method of actuarial losses

The actuarial loss (88,161 thousand yen) is expensed as incurred.

(5) Accounting policies for significant revenue and expenses

For contracts with customers, we recognize revenue arising from contracts with customers based on the following five-step approach.

Step 1: Identify a contract with the customer

Step 2: Identify performance obligations in the contract

Step 3: Calculate the transaction price

Step 4: Allocate the transaction price to performance obligations in the contract

Step 5: Recognize revenue when or as performance obligations are fulfilled

In recognizing revenue, we identify performance obligations for the sale of products, services and other sales in the Group under contracts with customers, and usually recognize revenue at the following times when we determine that we have fulfilled the Group's performance obligations.

(i) Revenue from the sale of products

With respect to the sale of a product, under the contract with the customer, if the Group is obligated to execute tasks up to the installation of the product, we regard the sale and installation of the product as a single performance obligation, and when the installation of the product is completed, we determine that the performance obligation will be fulfilled by the transfer of control of the asset to the customer, then recognize revenue.

On the other hand, under the contract with the customer, if the Group is not obligated to install the product, we recognize the revenue at a time when the product is shipped because the period from the time of shipment to the transfer of control of the product to the customer is a normal period.

(ii) Revenue from services and other sales

Revenue from services and other sales primarily includes revenue from product-related operations such as warranty, repair, maintenance and relocation, and performance obligations are fulfilled at a point in time. Therefore, we recognize the revenue at a time when the provision of services is completed.

(6) Standards of translation of significant foreign-currency-denominated assets or liabilities into Japanese yen

Foreign-currency-denominated money claims and liabilities are translated into Japanese yen at the spot exchange rates in effect on the consolidated balance sheet date, and the difference arising from such translation is stated as a gain or loss. Assets, liabilities, revenue and expenses of consolidated subsidiaries outside of Japan are translated into Japanese yen at the spot exchange rates in effect at the balance sheet date of these companies and the exchange differences are included in foreign currency translation adjustment and non-controlling interests under net assets.

(7) Accounting for significant hedges

(i) Hedge accounting

The exceptional accounting treatment is applied for interest rate swap transactions that satisfy the requirements for the treatment.

(ii) Hedging instrument and hedged items

Hedging instrument: Interest rate swaps

Hedged item: Interest on debts

(iii) Hedge policy

To reduce interest rate risks and improve financial balance, hedging shall be conducted within the extent of the liabilities involved.

(iv) Evaluation of hedge effectiveness

For interest rate swaps with the exceptional accounting treatment, hedge effectiveness is not evaluated.

(8) Amortization of goodwill and amortization period

Amortization has been based on the seven-to-nine year-period straight line method.

(9) Scope of cash in the Consolidated Statement of Cash Flows

Cash and cash equivalents in the Consolidated Statement of Cash Flows comprise cash on hand, readily available deposits, and short-term liquid investments expiring within six (6) months of the date they were acquired and incurring minimal risk from fluctuations in value.

(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 fiscal year under review, and decided to adopt the 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 consolidated financial statements.

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

During the second quarter of the fiscal year under review, capital surplus decreased by 790,217 thousand yen due to the acquisition of additional shares of RKI Instruments, Inc., a consolidated subsidiary of the Company, from non-controlling shareholders.

As a result, capital surplus at the end of the fiscal year under review was 1,094,969 thousand yen.

(Changes in presentation)

(Related to Consolidated Balance Sheet)

“Electronically recorded obligations–operating” which were included in “Notes and accounts payable–trade” in the previous fiscal year, have become more significant in terms of monetary value and, as a result, are separately presented from the fiscal year under review. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 4,625,929 thousand yen included in “Notes and accounts payable–trade” in the consolidated balance sheet for the previous fiscal year has been reclassified as 4,093,889 thousand yen presented in “Notes and accounts payable–trade” and as 532,039 thousand yen presented in “Electronically recorded obligations–operating.”

(Consolidated Statement of Cash Flows)

“Loss (gain) on valuation of securities,” which was included in “Other” under “Cash flows from operating activities” in the previous fiscal year, is now separately presented from the fiscal year under review due to its increased monetary importance. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 1,294,334 thousand yen presented in “Other” in Consolidated Statement of Cash Flows for the previous fiscal year has been reclassified as 8,142 thousand yen presented in “Loss (gain) on valuation of securities” and as 1,286,192 thousand yen presented in “Other.”

(Segment Information, Etc.)

[Segment information]

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

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 disclosure of business segment information has been omitted.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 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 disclosure of business segment information has been omitted.

[Related information]

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Information by product and service

(1) Net sales

(Unit: Thousand yen)

Fixed gas detection alarm devices	Portable gas detection alarm devices	Other measurement devices	Total
26,257,981	9,903,865	1,202,105	37,363,952

2. Information by region

(1) Net sales

	Japan	Overseas sales					Consolidated net sales
		Asia	North America	Europe	Others	Total	
I Net sales (thousand yen)	24,836,424	7,138,742	4,265,296	834,922	288,566	12,527,528	37,363,952
II Percentage of consolidated net sales	66.5	19.1	11.4	2.2	0.8	33.5	100.0

(Note) Net sales are classified by country or region based on the customer’s location.

(2) Property, plant and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the

property, plant, and equipment on the balance sheets.

3. Information on major customers

(Unit: Thousand yen)

Name of customer	Net sales
KIOXIA Corporation	3,878,721

(Note) 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 disclosure of relevant segment information has been omitted.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Information by product and service

(1) Net sales

(Unit: Thousand yen)

Fixed gas detection alarm devices	Portable gas detection alarm devices	Other measurement devices	Total
30,955,063	12,882,820	1,166,923	45,004,807

2. Information by region

(1) Net sales

	Japan	Overseas sales					Consolidated net sales
		Asia	North America	Europe	Others	Total	
I Net sales (thousand yen)	26,170,747	11,434,836	5,725,658	1,306,077	367,487	18,834,060	45,004,807
II Percentage of consolidated net sales	58.2	25.4	12.7	2.9	0.8	41.8	100

(Note) Net sales are classified by country or region based on the customer's location.

(2) Property, plant and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the balance sheets.

3. Information on major customers

Of net sales, no specific external customer accounts for 10% or more of the net sales recorded in the consolidated statement of income, and therefore, description is omitted.

[Information on impairment losses of fixed assets by reportable segment]

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

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 disclosure of business segment information has been omitted.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 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 disclosure of business segment information has been omitted.

[Information concerning amortization of goodwill and unamortized balances by reportable segment]

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

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 disclosure of business segment information has been omitted.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 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 disclosure of business segment information has been omitted.

[Information concerning gain on bargain purchase by reportable segment]

Not applicable.

(Per Share Information)

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net assets per share	2,412.75 yen	2,722.26 yen
Earnings per share	256.26 yen	372.41 yen

(Note) 1. Diluted earnings per share are not presented because there are no dilutive shares.

2. The basis for calculating earnings per share is shown below.

	Previous fiscal year (from April 1, 2021 to March 31, 2022)	Fiscal year under review (from April 1, 2022 to March 31, 2023)
Net profit attributable to owners of parent (Thousand yen)	5,963,861	8,670,194
Amount not attributable to shareholders of common stock (Thousand yen)	-	-
Net profit attributable to owners of parent associated with common stock (Thousand yen)	5,963,861	8,670,194
Average number of shares of common stock outstanding during the period (Thousand shares)	23,272	23,281

(Significant Subsequent Events)

Not applicable.

#### 4. Other

##### (1) Production, orders received, and sales

(Unit: Yen amounts are rounded down to millions, unless otherwise noted.)

		Previous fiscal year (from April 1, 2021 to March 31, 2022)		Fiscal year under review (from April 1, 2022 to March 31, 2023)		Rise or (fall)
		Amount	Composition ratio	Amount	Composition ratio	
Production*	Fixed gas detection alarm devices	16,216	68.8	20,383	71.0	4,166
	Portable gas detection alarm devices	6,317	26.8	7,314	25.5	997
	Other measurement devices	1,035	4.4	1,012	3.5	(22)
	Total	23,569	100.0	28,711	100.0	5,141
Orders received	Fixed gas detection alarm devices	29,966	71.2	32,342	68.7	2,376
	Portable gas detection alarm devices	10,824	25.7	13,455	28.6	2,630
	Other measurement devices	1,323	3.1	1,249	2.7	(73)
	Total	42,114	100.0	47,047	100.0	4,932
Net sales	Fixed gas detection alarm devices	26,257	70.3	30,955	68.8	4,697
	Portable gas detection alarm devices	9,903	26.5	12,882	28.6	2,978
	Other measurement devices	1,202	3.2	1,166	2.6	(35)
	Total	37,363	100.0	45,004	100.0	7,640
	Overseas sales (included in total sales)	12,527	33.5	18,834	41.8	6,307
Order backlog	Fixed gas detection alarm devices	7,872	74.4	9,259	73.3	1,387
	Portable gas detection alarm devices	2,350	22.2	2,923	23.2	572
	Other measurement devices	356	3.4	439	3.5	82
	Total	10,579	100.0	12,621	100.0	2,042

\* The amount is converted into sales price.