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May 12, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Under Japanese GAAP]

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 Listing: Tokyo Stock Exchange
 Securities code: 7734
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 Scheduled date of the annual general meeting of shareholders: June 28, 2022
 Scheduled date to commence dividend payments: June 8, 2022
 Scheduled date to file annual securities report: June 28, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	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	%
March 31, 2022	37,363	16.0	8,402	27.4	8,819	27.4	5,963	27.1
March 31, 2021	32,209	0.1	6,598	6.5	6,923	7.1	4,691	8.0

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥6,734 million [32.0 %]
 For the fiscal year ended March 31, 2021: ¥5,102 million [16.1 %]

Fiscal year ended	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	%	%	%
March 31, 2022	256.26	-	11.1	13.0	22.5
March 31, 2021	201.71	-	9.5	11.1	20.5

Reference: Investment profit (loss) under the equity method For the fiscal year ended March 31, 2022: ¥ - million
 For the fiscal year ended March 31, 2021: ¥ - million

(2) Consolidated Financial Position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	71,606	56,858	78.4	2,412.75
March 31, 2021	64,326	52,615	79.3	2,193.61

Reference: Equity

As of March 31, 2022: ¥56,160 million
 As of March 31, 2021: ¥51,033 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	9,034	(2,565)	(2,953)	17,989
March 31, 2021	4,085	(2,756)	(2,472)	13,932

2. Cash Dividends

	Annual dividends per share					Total amount of cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	-	20.00	-	22.00	42.00	977	20.8	2.0
Fiscal year ended March 31, 2022	-	21.00	-	39.00	60.00	1,396	23.4	2.6
Fiscal year ending March 31, 2023 (Forecast)	-	30.00	-	30.00	60.00		22.0	

Note: The year-end dividends for the fiscal year ended March 31, 2022 were revised to ¥39 from ¥21.

For more details, please refer to the notice concerning dividend of surplus (increase in dividends) announced today on May 12, 2022.

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
Six months ending September 30, 2022	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

* 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) 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

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.”

(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, 2022	23,661,000 shares
As of March 31, 2021	23,661,000 shares

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

As of March 31, 2022	384,642 shares
As of March 31, 2021	396,265 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	23,272,807 shares
Fiscal year ended March 31, 2021	23,261,271 shares

[Reference] Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	32,449	12.8	6,373	19.8	7,635	27.6	5,725	35.4
March 31, 2021	28,765	3.0	5,320	9.9	5,984	12.2	4,229	10.9

Fiscal year ended	Earnings per share - Basic	Earnings per share - Diluted
	Yen	Yen
March 31, 2022	246.00	-
March 31, 2021	181.83	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	62,110	49,198	79.2	2,113.68
March 31, 2021	55,426	44,511	80.3	1,913.27

Reference: Equity As of March 31, 2022: ¥49,198 million

As of March 31, 2021: ¥44,511 million

2. Non-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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	17,100	5.7	3,700	9.8	3,900	10.3	2,900	14.7	124.59
Full year	33,500	3.2	6,900	8.3	8,200	7.4	6,150	7.4	264.22

* Financial results reports are exempt from audit 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 “(4) Prospects for the Future” in “1. Outline of Operating Results” on page 4 of the attachment.

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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, restrictions on people's activities were lifted gradually as economic measures were implemented and the COVID-19 vaccination ratio improved globally, resulting in the resumption of economic activities and progress in economic recovery. On the other hand, there was a periodic spread of the infection which caused supply chain confusion and a shortage of semiconductors and other materials, and constrained supply due mainly to geopolitical risks. This meant the economy stagnated and the outlook for the Japanese economy remained uncertain. The economy, prices, and financial circumstances need continued and careful observation.

The business environment surrounding the Group benefited from active capital investment in the semiconductor industry, the Group's major customer, since 5G-related factors and DX advancement boosted demand for semiconductors. Automobile-related and secondary battery-related industries also performed steadily on the back of the accelerating move toward a decarbonized society.

Under these circumstances, the periodic waves of COVID-19 caused regional economic closures and a shortage of semiconductors, etc. intensified concern about the outlook for our production and sales activities. However, the Group continued development, production, and sales activities in pursuit of building safe workplaces and turning the danger caused by the invisibility of gases into a visible and measurable security.

The Production Center (Kasukabe City, Saitama Pref.) was completed in July 2020 and went into full-scale operation in April 2021. Facilities of the Hakodate Plant were partially transferred to this quake-resistant Production Center to establish a stable sensor supply system and stable product supply. In addition, in an effort to increase its corporate value from a medium- to long-term perspective, the Group 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 37,363 million yen (up 16.0% year-on-year), operating profit was 8,402 million yen (up 27.4% year-on-year), ordinary profit was 8,819 million yen (up 27.4% year-on-year), and net profit attributable to owners of parent was 5,963 million yen (up 27.1% year-on-year).

(Summary of sales by device type)

A summary of sales by device type is as follows:

Fixed gas detection alarm devices

Sales of Smart-type Gas Detector GD-70D increased for semiconductor plants in Japan and eastern Asia, and for semiconductor manufacturing equipment makers in Japan.

Sales of Furnace Safety Monitor SD-2500 grew for lithium battery manufacturing equipment makers in Japan and lithium battery production plants in China, on the back of the growing capital investment in lithium battery manufacturing in China. Sales of Smart-type Gas Detector SD-1 were up for the ship-building, petrochemical, and semiconductor industries, and also for lithium battery production plants.

Since the after-sale maintenance service also grew steadily, net sales were 26,257 million yen (up 16.9% year-on-year).

Portable gas detection alarm devices

Sales of GX-3R Series, the mainstay portable gas monitor, increased mainly for the domestic and overseas petroleum and petrochemical industries, and also for governmental agencies, boosted by improved economic activities in Europe and the United States and seasonal domestic demand for renewal.

As a decrease in sales due to COVID-19 in the Southeast Asian market was offset by the favorable performance of the after-sale maintenance service, net sales were 9,903 million yen (up 12.5% year-on-year).

Other measurement devices

Sales of Explosion-proof Calorimeter OHC-800 jumped in the fiscal year under review as they benefited from a well-received solution that combines OHC-800 and other gas detectors.

The latest AC-2S of Atmospheric Photoelectron Spectrometer AC Series had yet to penetrate the market, but the series of products are in demand in universities and laboratories. Their sales stayed at the previous year's level despite the global impact of COVID-19.

As a result, net sales were 1,202 million yen (up 27.6% year-on-year).

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

At the end of the fiscal year under review, assets totaled 71,606 million yen, an increase of 7,280 million yen (up 11.3%) compared with the end of the previous fiscal year.

Current assets increased 7,776 million yen from the end of the previous fiscal year to 43,252 million yen. This was mainly due to a 3,657 million yen increase in securities, a 1,919 million yen increase in cash and deposits, a 1,438 million yen increase in work in process, and a 1,393 million yen increase in raw materials and supplies despite a 695 million yen decrease in notes and accounts receivable - trade and a 931 million yen decrease in accounts receivable – other included in other under current assets.

Non-current assets decreased 495 million yen from the end of the previous fiscal year to 28,354 million yen. This was mainly due to a 336 million yen decrease in buildings and structures and a 230 million yen decrease in leased assets despite a 366 million yen increase in investment securities.

At the end of the fiscal year under review, liabilities totaled 14,747 million yen, an increase of 3,037 million yen (up 25.9%) compared with the end of the previous fiscal year.

Current liabilities grew 3,554 million yen from the end of the previous fiscal year to 12,131 million yen. This was mainly due to a 1,419 million yen increase in notes and accounts payable – trade, a 908 million yen increase in income taxes payable and a 498 million yen increase in accrued consumption taxes included in other under current liabilities. Non-current liabilities fell 517 million yen from the end of the previous fiscal year to 2,616 million yen. This was mainly due to a 300 million yen decrease in bonds payable and a 263 million yen decrease in lease liabilities.

At the end of the fiscal year under review, net assets totaled 56,858 million yen, an increase of 4,243 million yen (up 8.1%) compared with the end of the previous fiscal year. This was mainly due to a 4,963 million yen increase in retained earnings as a result of the recording of a net profit attributable to owners of parent of 5,963 million yen and dividends of surplus of 1,000 million yen despite a 408 million yen decrease in capital surplus and an 883 million yen decrease in non-controlling interests caused by the additional acquisition of shares of R K INSTRUMENTS (S) PTE LTD, a consolidated subsidiary in Singapore.

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

At the end of the fiscal year under review, cash and cash equivalents increased 4,056 million yen from the end of the previous fiscal year to 17,989 million yen (up 29.1%).

(Cash flows from operating activities)

Profit before income taxes was 8,827 million yen, depreciation was 1,702 million yen, and increase in trade payables was 1,301 million yen, while the increase in inventories was 2,962 million yen and income tax paid was 1,877 million yen. As a result of the above, among other factors, net cash provided by operating activities increased 4,948 million yen (up 121.1%) year-on-year to 9,034 million yen.

(Cash flows from investing activities)

Proceeds from withdrawal of time deposits was 863 million yen, while purchase of securities was 1,697 million yen, and payments into time deposits were 936 million yen, purchase of property, plant and equipment was 773 million yen. As a result of the above, among other factors, net cash used in investing activities decreased 190 million yen (down 6.9%) year-on-year to 2,565 million yen.

(Cash flows from financing activities)

Purchase of shares of subsidiaries not resulting in change in scope of consolidation was 1,481 million yen, and payment of dividends paid was 1,000 million yen. As a result of the above, among other factors, net cash used in financing activities increased 480 million yen (up 19.4%) to 2,953 million yen.

(Reference) History of cash flow-related indicators

	FY2017	FY2018	FY2019	FY2020	FY2021
Equity-to-asset ratio (%)	78.3	77.6	78.8	79.3	78.4
Market value equity-to-asset ratio (%)	101.9	87.3	78.8	99.6	159.3
Cash flows to interest-bearing debt (years)	0.8	0.6	0.5	0.9	0.4
Interest coverage ratio (times)	115.0	147.7	187.6	120.5	190.6

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

Despite the spread of new variants of COVID-19, the influence on economic activities is expected to be limited compared with the past cases because vaccinations have progressed. On the other hand, a delay in the supply of semiconductors and other materials, supply chain confusion, and geopolitical issues, etc. may continue to be unpredictable.

Looking at the Group's business environment, the semiconductor industry, the Group's major customer, can expect continued strong demand due to the widespread adoption of remote work and demand for at-home consumption. The energy-related, automobile-related, and steel-related industries are also expected to increase their capital investment amid the accelerating trend of decarbonization.

The consolidated earnings forecasts for fiscal 2022 are as follows:

Net sales	38,900 million yen (4.1% increase year-on-year)
Operating profit	8,550 million yen (1.7% increase year-on-year)
Ordinary profit	9,100 million yen (3.2% increase year-on-year)
Net profit attributable to owners of parent	6,350 million yen (6.5% 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, 2021)	As of the end of the fiscal year under review (March 31, 2022)
Assets		
Current assets		
Cash and deposits	9,631,315	11,551,206
Notes and accounts receivable - trade	9,894,686	9,198,690
Electronically recorded monetary claims - operating	2,803,268	3,519,418
Securities	6,294,967	9,952,268
Merchandise and finished goods	2,538,714	2,744,435
Work in process	1,869,207	3,307,349
Raw materials and supplies	998,259	2,391,516
Other	1,450,726	591,190
Allowance for doubtful accounts	(4,853)	(3,697)
Total current assets	35,476,292	43,252,378
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,943,213	15,997,275
Accumulated depreciation	(4,289,841)	(4,680,088)
Buildings and structures, net	11,653,372	11,317,187
Machinery, equipment and vehicles	1,087,740	1,175,827
Accumulated depreciation	(761,082)	(817,351)
Machinery, equipment and vehicles, net	326,658	358,475
Land	4,075,901	4,079,123
Leased assets	3,170,660	3,103,053
Accumulated depreciation	(1,710,533)	(1,873,436)
Leased assets, net	1,460,126	1,229,616
Construction in progress	155,430	46,435
Other	3,184,884	3,347,976
Accumulated depreciation	(2,709,855)	(2,938,431)
Other, net	475,029	409,545
Total property, plant and equipment	18,146,517	17,440,385
Intangible assets		
Software	565,692	409,065
Software in progress	13,220	10,108
Goodwill	676,468	595,387
Customer-related assets	876,699	830,848
Other	17,392	17,392
Total intangible assets	2,149,473	1,862,803
Investments and other assets		
Investment securities	5,514,420	5,881,220
Retirement benefit asset	1,672,351	1,813,344
Deferred tax assets	126,296	112,866
Other	1,244,681	1,246,984
Allowance for doubtful accounts	(4,000)	(3,500)
Total investments and other assets	8,553,749	9,050,916
Total non-current assets	28,849,741	28,354,106
Total assets	64,326,034	71,606,484

	As of the end of the previous fiscal year (March 31, 2021)	As of the end of the fiscal year under review (March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,206,800	4,625,929
Short-term borrowings	995,000	995,000
Current portion of bonds payable	-	300,000
Lease liabilities	417,013	434,303
Accrued expenses	584,539	676,608
Income taxes payable	877,653	1,786,207
Provision for bonuses	873,596	920,836
Provision for product warranties	130,855	98,239
Provision for loss on orders received	609	32,008
Asset retirement obligations	22,291	-
Other	1,468,178	2,262,057
Total current liabilities	8,576,538	12,131,190
Non-current liabilities		
Bonds payable	300,000	-
Long-term borrowings	850,580	850,580
Long-term accounts payable - other	15,250	15,250
Lease liabilities	1,240,422	976,555
Deferred tax liabilities	709,833	720,603
Asset retirement obligations	11,094	11,133
Other	7,000	42,452
Total non-current liabilities	3,134,179	2,616,574
Total liabilities	11,710,718	14,747,765
Net assets		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	2,294,089	1,885,187
Retained earnings	44,641,217	49,604,449
Treasury shares	(232,906)	(226,384)
Total shareholders' equity	49,267,900	53,828,752
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,921,384	1,853,706
Foreign currency translation adjustment	(155,642)	477,683
Total accumulated other comprehensive income	1,765,742	2,331,389
Non-controlling interests	1,581,673	698,577
Total net assets	52,615,315	56,858,719
Total liabilities and net assets	64,326,034	71,606,484

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

Consolidated Statement of Income

(Unit: Thousand yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Fiscal year under review (From April 1, 2021 to March 31, 2022)
Net sales	32,209,297	37,363,952
Cost of sales	16,827,621	18,931,464
Gross profit	15,381,675	18,432,488
Selling, general and administrative expenses		
Commission expenses	658,926	832,212
Advertising expenses	190,117	270,961
Salaries and allowances	2,631,452	2,837,090
Provision for bonuses	255,742	274,164
Retirement benefit expenses	(59,609)	92,007
Research and development expenses	1,908,104	2,135,561
Depreciation	509,392	582,440
Other	2,689,350	3,005,083
Total selling, general and administrative expenses	8,783,477	10,029,522
Operating profit	6,598,198	8,402,966
Non-operating income		
Interest income	60,586	48,129
Dividend income	107,894	129,633
Foreign exchange gains	193,199	110,511
Insurance claim and dividend income	5,446	47,338
Gain on sale of securities	-	18,703
Gain on valuation of securities	7,965	-
Subsidy income	-	100,000
Miscellaneous income	88,189	68,781
Total non-operating income	463,281	523,097
Non-operating expenses		
Interest expenses	33,902	47,407
Loss on retirement of non-current assets	22,096	4,953
Loss on sale of securities	69,254	-
Loss on valuation of securities	-	8,142
Compensation expenses	-	40,591
Miscellaneous losses	12,954	5,069
Total non-operating expenses	138,208	106,165
Ordinary profit	6,923,271	8,819,898
Extraordinary income		
Gain on sale of non-current assets	350	7,491
Total extraordinary income	350	7,491
Extraordinary losses		
Loss on sale of non-current assets	174	270
Impairment losses	259,578	-
Loss on valuation of golf club membership	2,590	-
Loss on sale of golf club membership	1,400	-
Total extraordinary losses	263,742	270
Profit before income taxes	6,659,879	8,827,119
Income taxes - current	1,750,240	2,734,757
Income taxes - deferred	134,851	38,855
Total income taxes	1,885,091	2,773,613
Net profit	4,774,788	6,053,505
Net profit attributable to non-controlling interests	82,862	89,644
Net profit attributable to owners of parent	4,691,926	5,963,861

Consolidated Statement of Comprehensive Income

(Unit: Thousand yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Fiscal year under review (From April 1, 2021 to March 31, 2022)
Net profit	4,774,788	6,053,505
Other comprehensive income		
Valuation difference on available-for-sale securities	554,505	(69,408)
Foreign currency translation adjustment	(226,878)	749,985
Total other comprehensive income	327,626	680,577
Comprehensive income	5,102,415	6,734,083
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,101,178	6,529,509
Comprehensive income attributable to non-controlling interests	1,236	204,574

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Unit: Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,565,500	2,826,219	40,926,160	(239,152)	46,078,726
Changes during period					
Dividends of surplus			(976,869)		(976,869)
Net profit attributable to owners of parent			4,691,926		4,691,926
Purchase of treasury shares				(599)	(599)
Disposal of treasury shares		20,749		6,845	27,594
Change in ownership interest of parent due to transactions with non-controlling interests		(552,878)			(552,878)
Net changes in items other than shareholders' equity					
Total changes during period	-	(532,129)	3,715,057	6,245	3,189,173
Balance at end of period	2,565,500	2,294,089	44,641,217	(232,906)	49,267,900

	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	1,363,947	(7,457)	1,356,489	2,200,593	49,635,810
Changes during period					
Dividends of surplus					(976,869)
Net profit attributable to owners of parent					4,691,926
Purchase of treasury shares					(599)
Disposal of treasury shares					27,594
Change in ownership interest of parent due to transactions with non-controlling interests					(552,878)
Net changes in items other than shareholders' equity	557,437	(148,185)	409,252	(618,919)	(209,667)
Total changes during period	557,437	(148,185)	409,252	(618,919)	2,979,505
Balance at end of period	1,921,384	(155,642)	1,765,742	1,581,673	52,615,315

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

(4) Consolidated Statement of Cash Flows

(Unit: Thousand yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Fiscal year under review (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	6,659,879	8,827,119
Depreciation	1,391,179	1,702,074
Amortization of goodwill	138,632	153,402
Impairment losses	259,578	-
Increase (decrease) in allowance for doubtful accounts	(3,071)	(2,187)
Increase (decrease) in provision for bonuses	23,860	47,240
Increase (decrease) in provision for product warranties	(32,659)	(32,616)
Increase (decrease) in provision for loss on order received	609	31,398
Decrease (increase) in retirement benefit asset	(673,065)	(140,992)
Interest and dividend income	(168,480)	(177,762)
Insurance claim income	(5,446)	(47,338)
Interest expenses	33,902	47,407
Foreign exchange losses (gains)	(87,338)	(321,678)
Loss (gain) on sale of non-current assets	(176)	(7,220)
Loss on retirement of non-current assets	22,096	4,953
Loss on valuation of golf club membership	2,590	-
Decrease (increase) in trade receivables	(802,891)	163,370
Decrease (increase) in inventories	64,428	(2,962,385)
Increase (decrease) in trade payables	435,318	1,301,657
Increase (decrease) in accrued consumption taxes	(504,116)	861,536
Loss (gain) on sale of golf club membership	1,400	-
Loss (gain) on sale of securities	69,254	(18,703)
Other	(785,600)	1,294,334
Subtotal	6,039,884	10,723,608
Interest and dividends received	169,414	178,662
Interest paid	(33,902)	(47,407)
Income tax paid	(2,101,086)	(1,877,999)
Proceeds from insurance income	11,473	57,756
Net cash provided by (used in) operating activities	4,085,782	9,034,619

(Unit: Thousand yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Fiscal year under review (From April 1, 2021 to March 31, 2022)
Cash flows from investing activities		
Purchase of securities	(1,189,611)	(1,697,102)
Proceeds from redemption of securities	578,010	135,150
Proceeds from sale of securities	998,126	392,257
Payments into time deposits	(811,069)	(936,398)
Proceeds from withdrawal of time deposits	728,943	863,216
Purchase of property, plant and equipment	(2,623,226)	(773,933)
Proceeds from sale of property, plant and equipment	1,222	11,143
Payments for retirement of property, plant and equipment	-	(33,553)
Purchase of intangible assets	(161,045)	(51,883)
Purchase of investment securities	(487,433)	(510,983)
Proceeds from redemption of investment securities	201,395	42,575
Proceeds from sale of golf club membership	8,283	-
Payments for asset retirement obligations	-	(6,282)
Net cash provided by (used in) investing activities	(2,756,404)	(2,565,794)
Cash flows from 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	(323,398)	(437,937)
Net decrease (increase) in treasury shares	(599)	(361)
Dividends paid	(975,911)	(1,000,113)
Dividends paid to non-controlling interests	(57,967)	(33,479)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,114,995)	(1,481,340)
Net cash provided by (used in) financing activities	(2,472,872)	(2,953,232)
Effect of exchange rate change on cash and cash equivalents	59,804	541,234
Net increase (decrease) in cash and cash equivalents	(1,083,689)	4,056,826
Cash and cash equivalents at beginning of period	15,016,366	13,932,676
Cash and cash equivalents at end of period	13,932,676	17,989,503

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

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 subsidiary companies: Five

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

(2) Number of unconsolidated subsidiary companies: Three

Names of unconsolidated subsidiaries

RIKEN KEIKI Technocrats Co., Ltd.

RIKEN KEIKI GmbH

RIKEN KEIKI (M) SDN.BHD.

Reason for the exclusion from the scope of consolidation

All three unconsolidated subsidiary companies 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 the three 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 subsidiary companies or affiliated companies to which the equity method is not applied

RIKEN KEIKI Technocrats Co., Ltd.

RIKEN KEIKI GmbH

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 subsidiary companies

The last day of consolidated subsidiary companies' 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 are 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 is used.)
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 is used.)
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 is used.)
 - (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 (28,139 thousand yen) is expensed as incurred.

(5) Accounting policies for significant revenue and expenses

The Company shall adopt the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020; hereinafter "Revenue Recognition Accounting Standard"), etc. from the beginning of the fiscal year under review. Revenue is recognized when control of promised goods or services is transferred to customers, at the amounts expected to be received in exchange for those goods or services.

(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 Accounting Standard for Revenue Recognition, Etc.)

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

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

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

The Company has adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, issued on July 4, 2019; hereinafter referred to as the “Fair Value Measurement Accounting Standard”), etc. from the beginning of the fiscal year under review, adopting new accounting policies defined in the Fair Value Measurement Accounting Standard over the future, according to the transitional treatment specified in Paragraph 19 of the Fair Value Measurement Accounting Standard and in Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, issued on July 4, 2019). 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 408,902 thousand yen mainly due to the additional acquisition of shares of R K INSTRUMENTS(S)PTE LTD, a consolidated subsidiary of the Company, from a non-controlling shareholder.

As a result, capital surplus at the end of the fiscal year under review was 1,885,187 thousand yen.

(Segment Information, Etc.)

[Segment information]

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

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, 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.

[Related information]

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

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
22,466,803	8,800,531	941,961	32,209,297

2. Information by region

(1) Net sales

	Japan	Overseas sales					Consolidated net sales
		Asia	North America	Europe	Others	Total	
I Net sales (Thousand yen)	22,902,924	5,211,712	3,203,373	654,744	236,541	9,306,372	32,209,297
II Percentage of consolidated net sales	71.1	16.2	10.0	2.0	0.7	28.9	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 consolidated balance sheet.

3. Information on major customers

(Unit: Thousand yen)

Name of customer	Net sales
KIOXIA Corporation	3,624,062

(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, 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.

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

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

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, 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.

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

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

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, 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.

[Information concerning gain on bargain purchase by reportable segment]

Not applicable.

(Per Share Information)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Fiscal year under review (From April 1, 2021 to March 31, 2022)
Net assets per share	2,193.61 yen	2,412.75 yen
Earnings per share	201.71 yen	256.26 yen

(Notes) 1. Diluted earnings per share is 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, 2020 to March 31, 2021)	Fiscal year under review (From April 1, 2021 to March 31, 2022)
Net profit attributable to owners of parent	(Thousand yen)	4,691,926	5,963,861
Amount not attributable to shareholders of common stock	(Thousand yen)	-	-
Net profit attributable to owners of parent associated with common stock	(Thousand yen)	4,691,926	5,963,861
Average number of shares of common stock outstanding during the period	(Thousand shares)	23,261	23,272

(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, 2020 to March 31, 2021)		Fiscal year under review (From April 1, 2021 to March 31, 2022)		Rise or (fall)
		Amount	Composition ratio	Amount	Composition ratio	
Production*	Fixed gas detection alarm devices	13,759	65.4	16,216	68.8	2,457
	Portable gas detection alarm devices	6,418	30.5	6,317	26.8	(101)
	Other measurement devices	871	4.1	1,035	4.4	164
	Total	21,049	100.0	23,569	100.0	2,519
Orders received	Fixed gas detection alarm devices	23,705	70.9	29,966	71.2	6,260
	Portable gas detection alarm devices	8,804	26.3	10,824	25.7	2,019
	Other measurement devices	927	2.8	1,323	3.1	395
	Total	33,437	100.0	42,114	100.0	8,676
Net sales	Fixed gas detection alarm devices	22,466	69.8	26,257	70.3	3,791
	Portable gas detection alarm devices	8,800	27.3	9,903	26.5	1,103
	Other measurement devices	941	2.9	1,202	3.2	260
	Total	32,209	100.0	37,363	100.0	5,154
	Overseas sales (included in total sales)	9,306	28.9	12,527	33.5	3,221
Order backlog	Fixed gas detection alarm devices	4,163	71.4	7,872	74.4	3,708
	Portable gas detection alarm devices	1,429	24.5	2,350	22.2	920
	Other measurement devices	235	4.1	356	3.4	121
	Total	5,829	100.0	10,579	100.0	4,750

* The amount is converted into sales price.