



RIKEN KEIKI



# Financial Results Briefing for the Fiscal Year Ended March 2024

May, 2024

RIKEN KEIKI Co., Ltd.

Securities Code: 7734

## Disclaimer

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

## Management Philosophy

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

## Medium-Term Management Vision

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In response to sustainable social and customer needs such as for the IoT and decarbonization, the RIKEN KEIKI Group will develop new technologies and expand overseas markets to aim for a global company that achieves sustainable growth by utilizing the power of 'people' and 'technology'

# History

**1939**

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

**1961**

Listed on the Tokyo Stock Exchange's 2nd Section

**1972**

RIKEN KEIKI NARA MFG. Co., Ltd. established

**1995**

Listed on the First Section of the Tokyo Stock Exchange



**2009**

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

**2015**

New development center opened (Kasukabe-shi, Saitama, Japan)



**2008**

Launch of flagship portable gas detector GX-2009  
Launch of fixed-type gas detector GD-70D for semiconductor plants

**2017**

RKI INSTRUMENTS, INC. USA becomes a subsidiary.

**2018**

R K INSTRUMENTS (S) PTE LTD, Singapore becomes a subsidiary

**2019**

Launch of portable gas detector GX-3R/GX-3R Pro series

**2020**

New production center completed

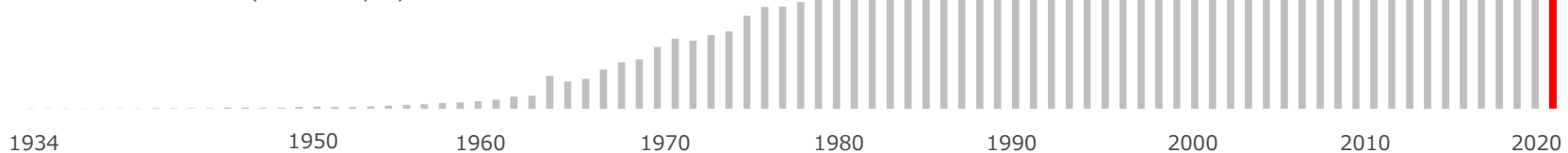
(Kasukabe-shi, Saitama, Japan)



FY2023 Sales  
**45.5 billion yen**



■ Net Sales (Millions of yen)



# Our Products

## ■ Industrial gas detection and alarm equipment

More than 100 different products

### Portable-type

For personal safety management and gas leakage point detection, etc.



31.5%

2.6%

### Other measurement devices

Surface analysis of electronic materials and gas calorimeters

### Fixed-type

Continuous monitoring of gas leaks in equipment and facilities



65.9%

## ■ Percentage of sales by customer industry

### Others

(including machinery, steel, and automobiles)

29%

### Electrical & Semiconductor

43%

### Ship

6%

### Gas

9%

### Petrochemical

11%

## ■ Use of our products

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

Contributing to creating safe working environments



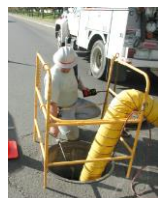
### ● Monitoring of toxic gases

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



### ● Prevention of gas explosions

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



### ● Prevention of oxygen deficiency

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



### ● Environmental measurement

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



### ● Others

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



# FINANCIAL RESULTS

Fiscal ended March 31, 2024

# Summary of Operating Results (FY2023)



- Sales increased slightly and profits were flat year on year due to soft sales to the semiconductor industry and lithium-ion battery factories.

(Millions of yen)

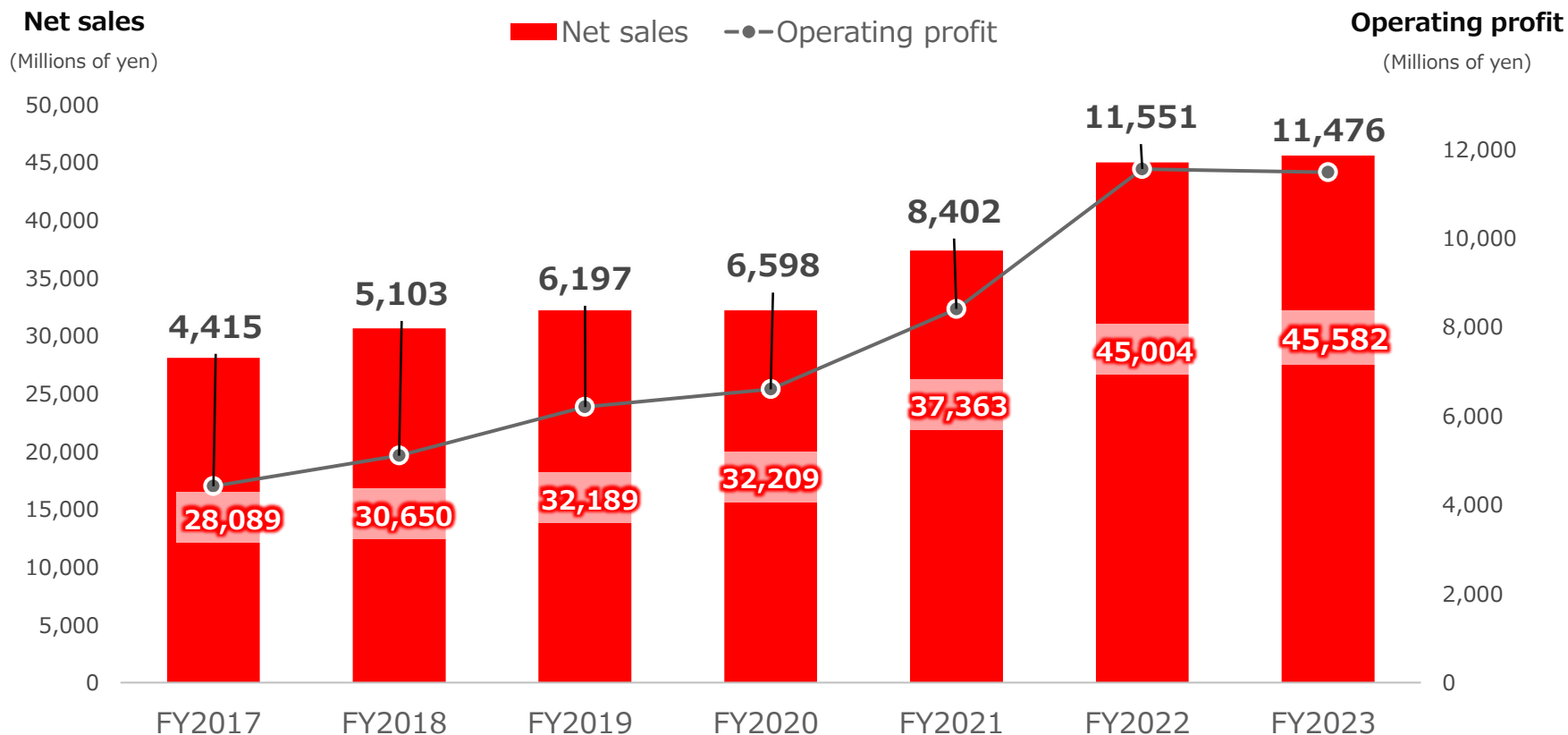
	FY2022	FY2023			
	Full-year results	Full-year results	Y on Y	Full-year forecast	Achievement rate
Net sales	45,004	45,581	101.3%	46,400	98.2%
Operating profit	11,551	11,476	99.4%	11,600	98.9%
Operating profit sales	25.7%	25.2%	98.1%	25.0%	—
Ordinary profit	11,944	12,272	102.7%	12,000	102.3%
Net profit	8,670	8,378	96.6%	8,700	96.3%
Earnings per share – Basic-	186.21 <sup>*</sup>	179.91 <sup>*</sup>	96.6%	186.83 <sup>*</sup>	96.3%
Annual dividends per share	80	80	-	80	-

\*On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. Net profit per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

# Net Sales and Profit/Loss (Full Year)



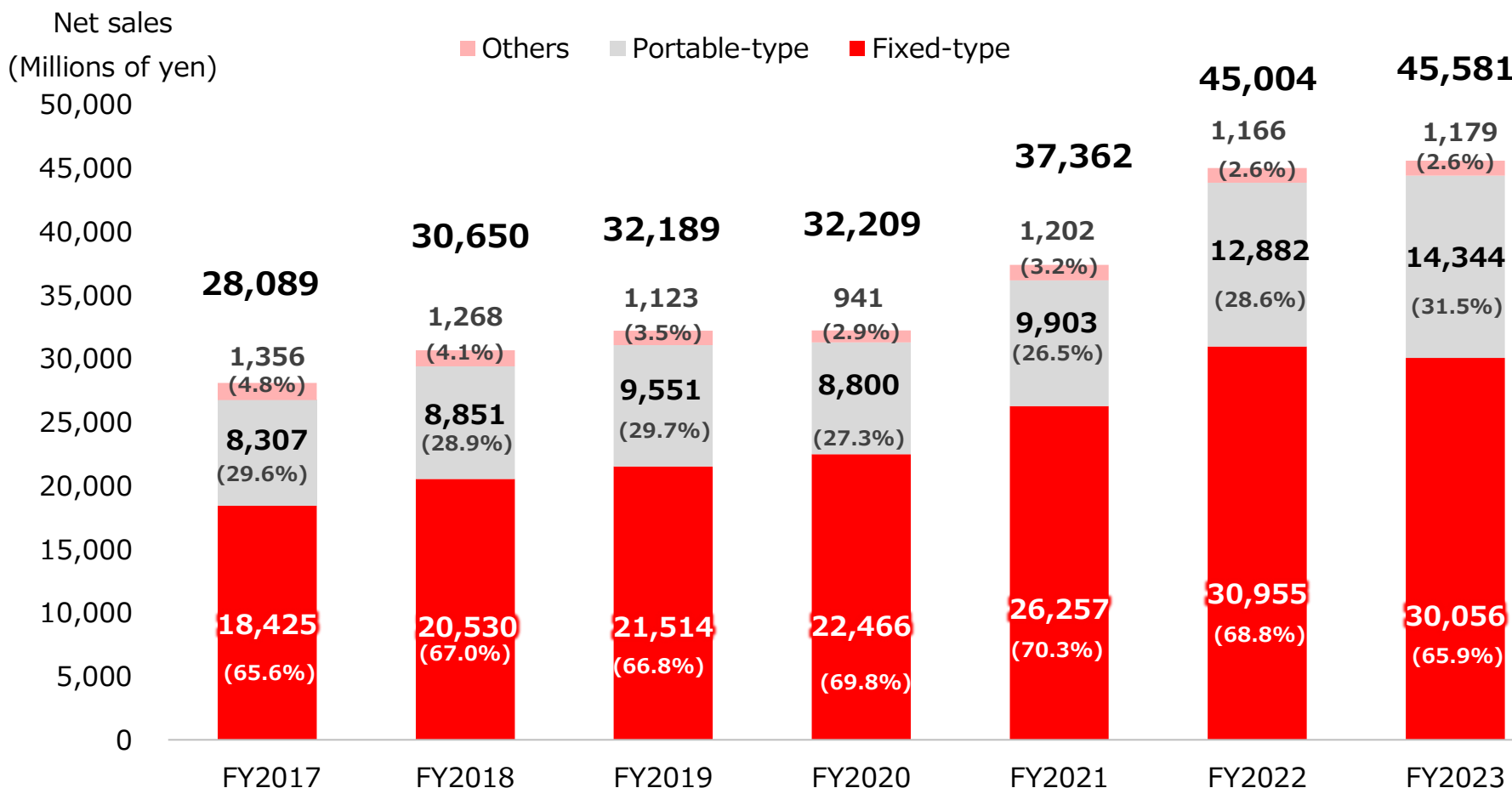
- Sales increased slightly and operating profit remained flat in FY2023.
- Sales were weak due to delayed market recovery in semiconductor industry capex investment, sluggish market conditions in China, etc.



# Sales by Device Type (Full Year)



- Sales of fixed detectors were sluggish due to delays in the recovery of capital investment in the semiconductor industry.
- Sales of portable detectors increased due to healthy sales in North America, etc.

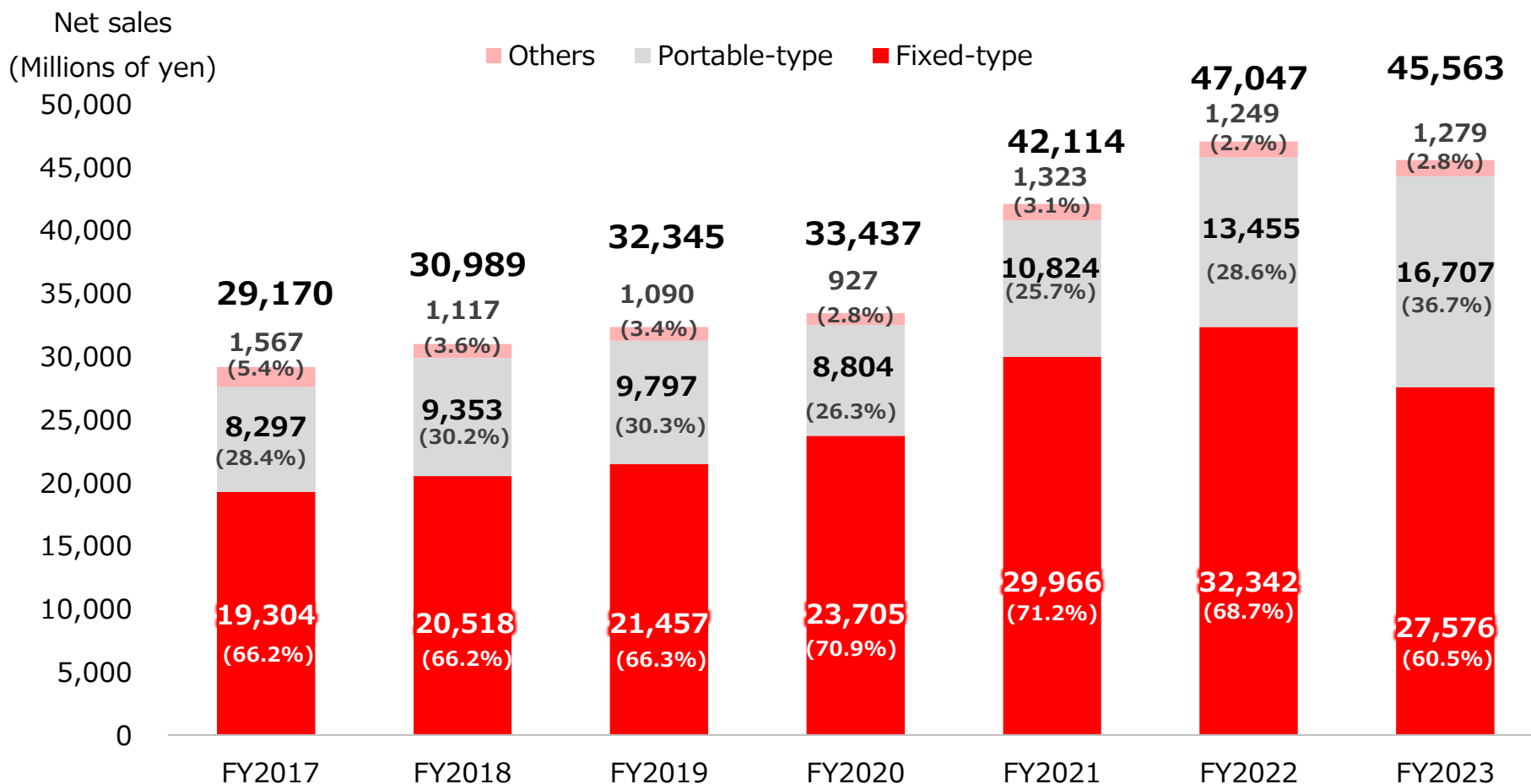


\* The total ratio may not amount to 100% due to rounding.



# Orders by Device Type (Full Year)

- Orders for fixed-type detectors fell due to delays in the recovery of capital investment in the semiconductor industry.
- Orders for portable-type detectors increased steady due to strong sales in North America, etc.

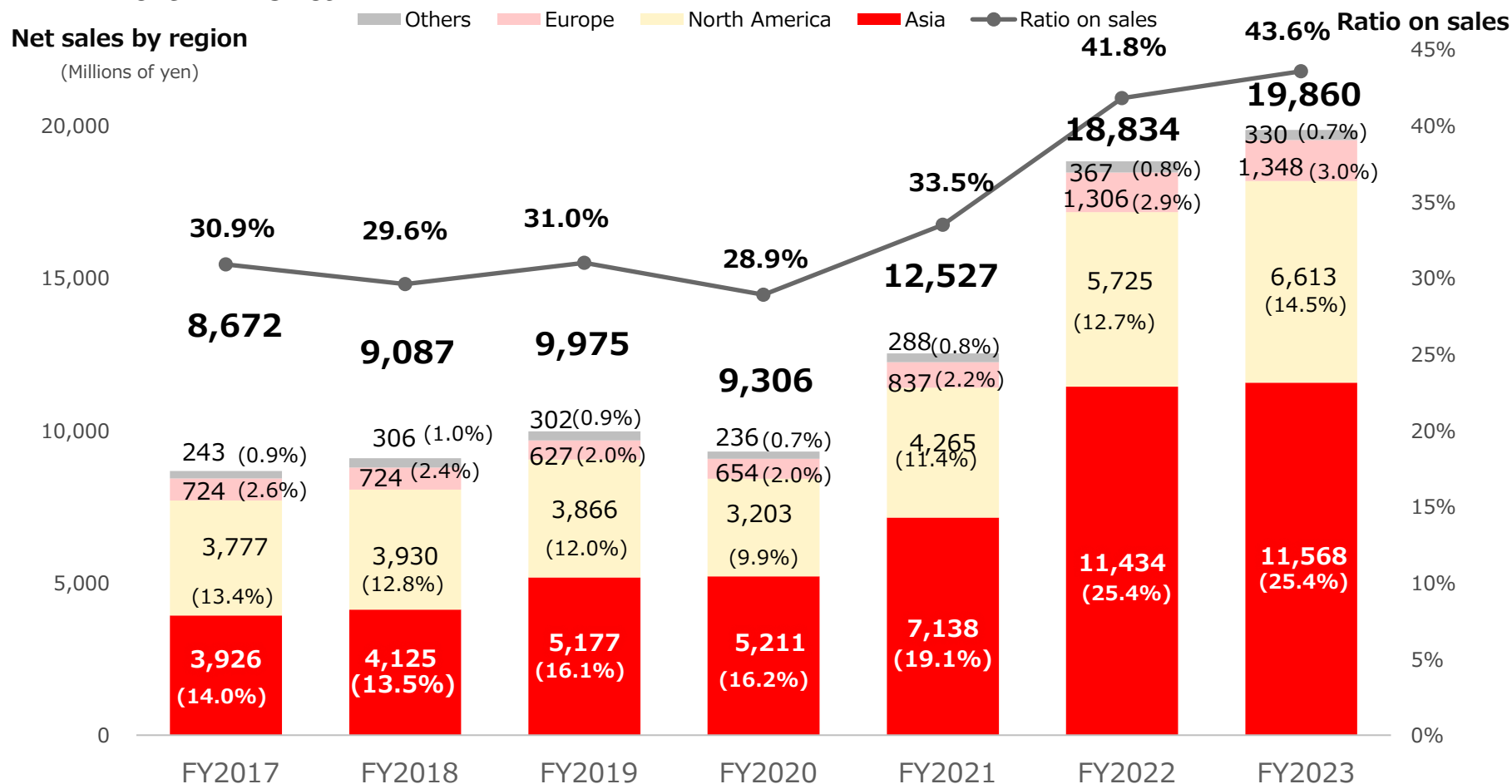


\* The total ratio may not amount to 100% due to rounding.

# Overseas Sales by Region (Full Year)



- Asian markets were weak, particularly for semiconductor industry and lithium-ion battery factories.
- Overseas sales ratio increased due to growth in overseas markets, particularly North America.



\* The sum of the ratios to net sales may not match due to rounding

# Sales by Customer Industry (Non-consolidated)

- 43% for the electrical and semiconductor industries, 11% for the petrochemical industry, 9% for the gas industry, and 6% for the shipping industry.
- Sales ratio to the semiconductor industry declined due to slow market recovery in capital investment in the industry.

Sales by Customer Industry

(Millions of yen)

40,000

■ Others (government, steel, automobiles, electric power, construction, etc.)  
■ Ship  
■ Gas  
■ Petrochemical  
■ Electrical & Semiconductor

30,000

20,000

10,000

0

FY2016

FY2017

FY2018

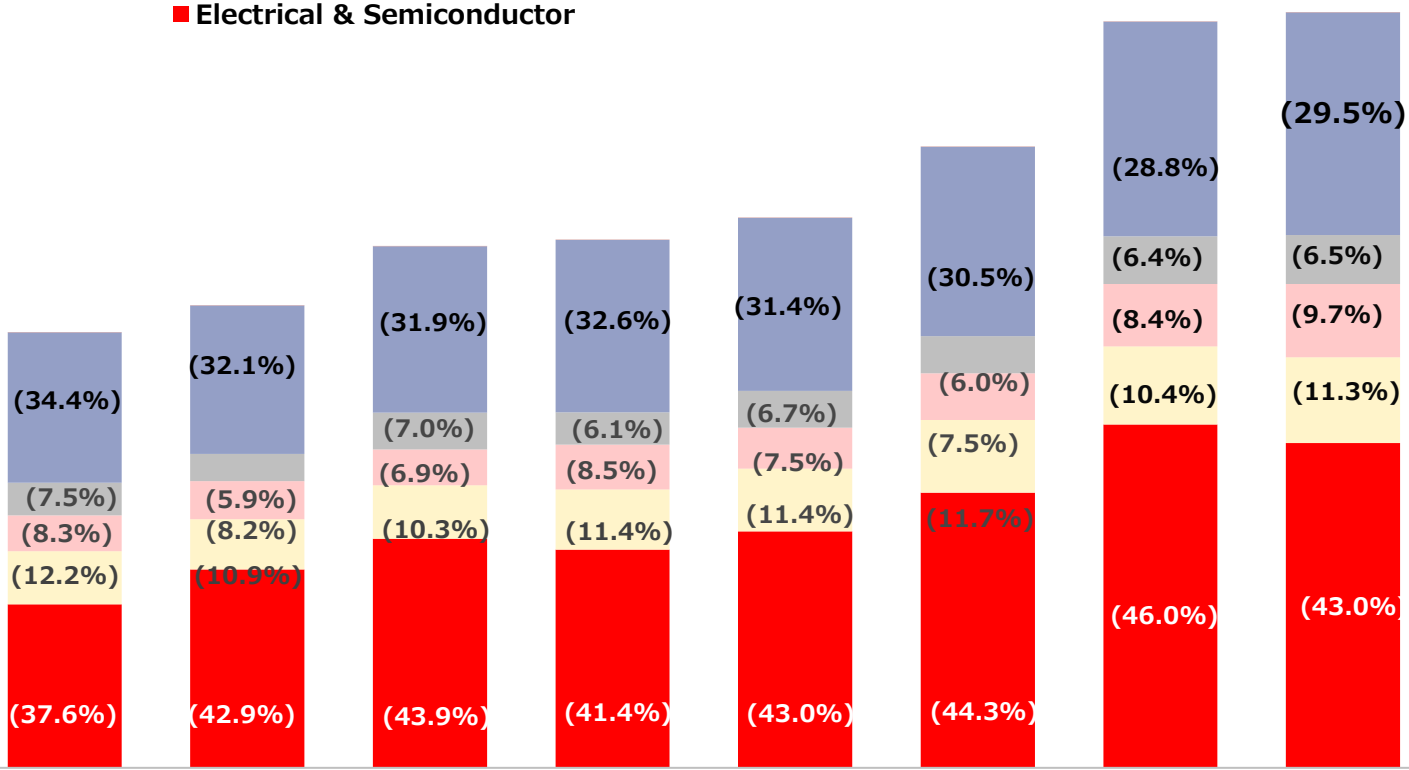
FY2019

FY2020

FY2021

FY2022

FY2023

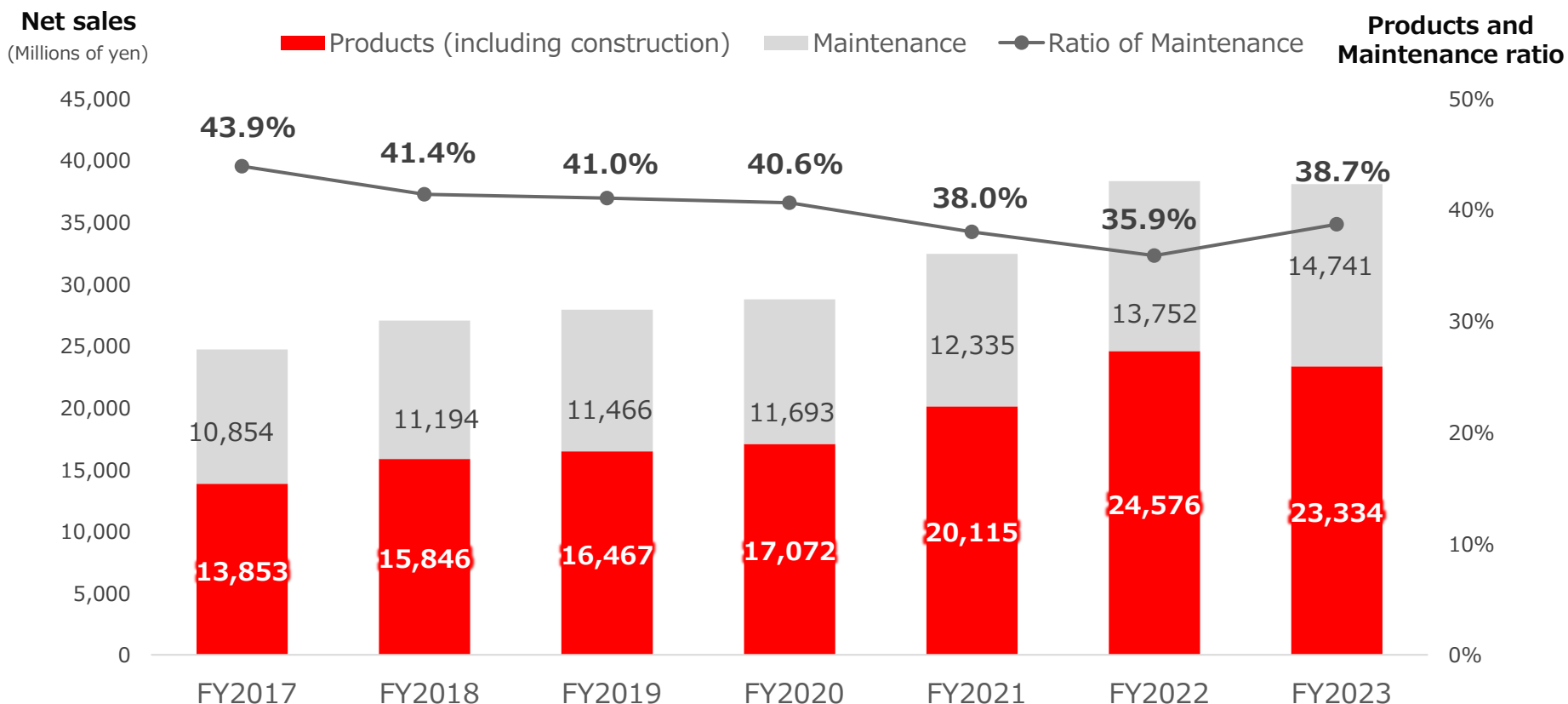


# Sales Ratio of Products and Maintenance (Non-Consolidated)



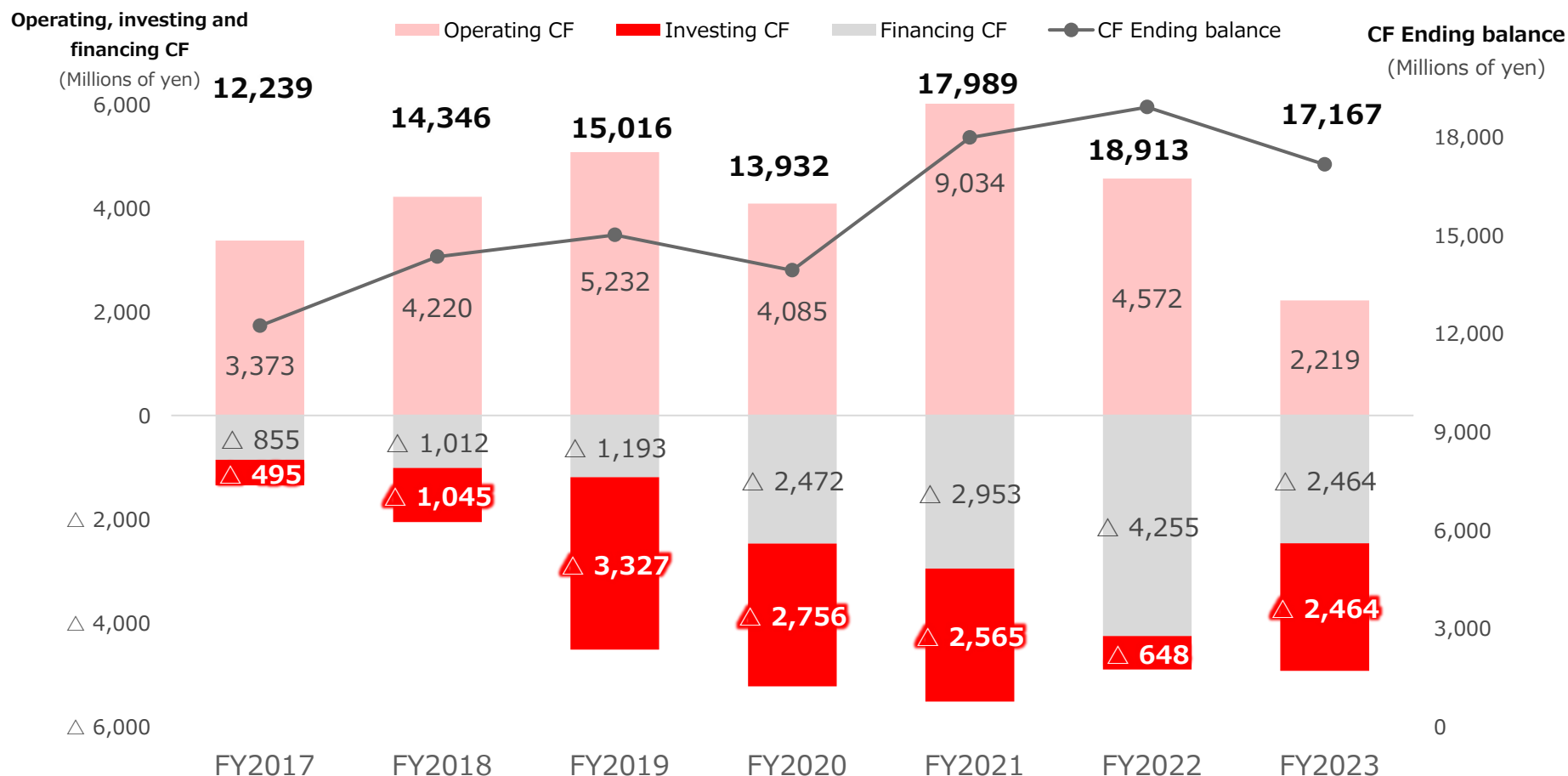
- Product sales were weak due to delays in the recovery of capital investment in the semiconductor industry.
- Post-sales maintenance sales rose due to recent increase in product sales and renewal projects.

## Sales of Products and Maintenance



# Cash Flows

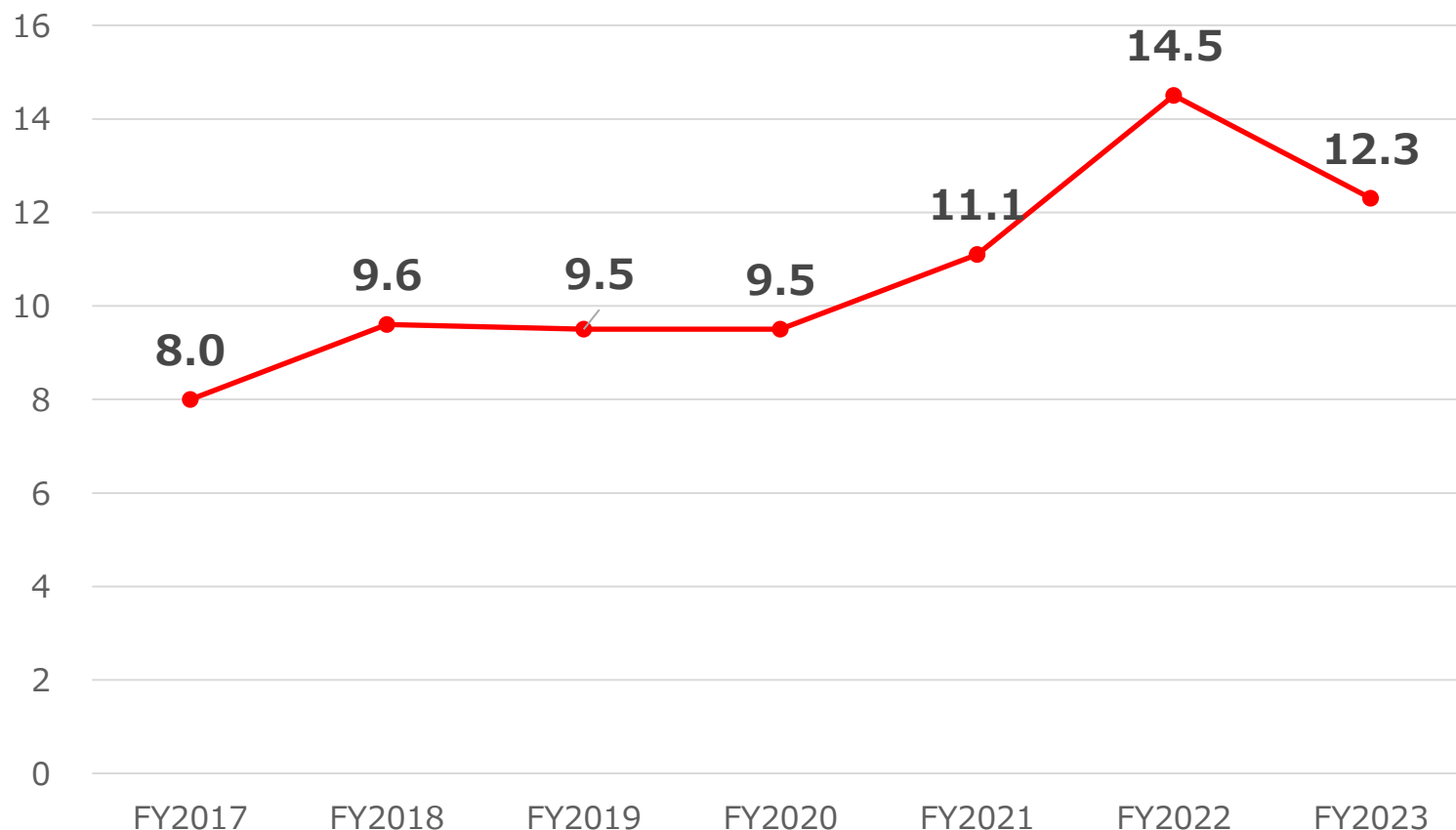
- Operating CF decreased due to a decline in accounts payable and other factors.
- Topics in investing CF included acquisition of land and buildings by our U.S. subsidiary.



# Changes in ROE

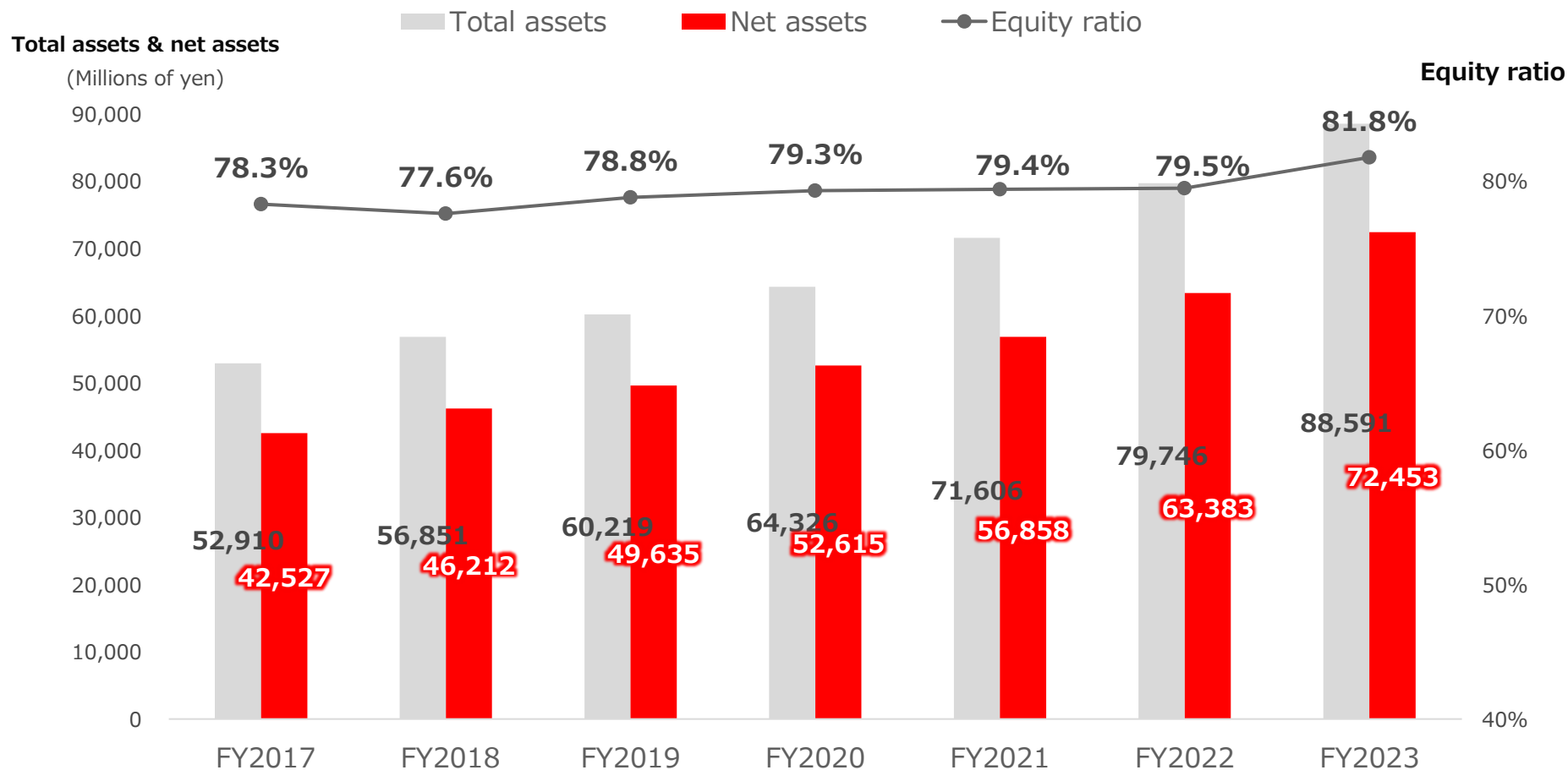
- ROE held steady at 12.3% and we will aim to maintain the level above double digits going forward.

(Unit: %)

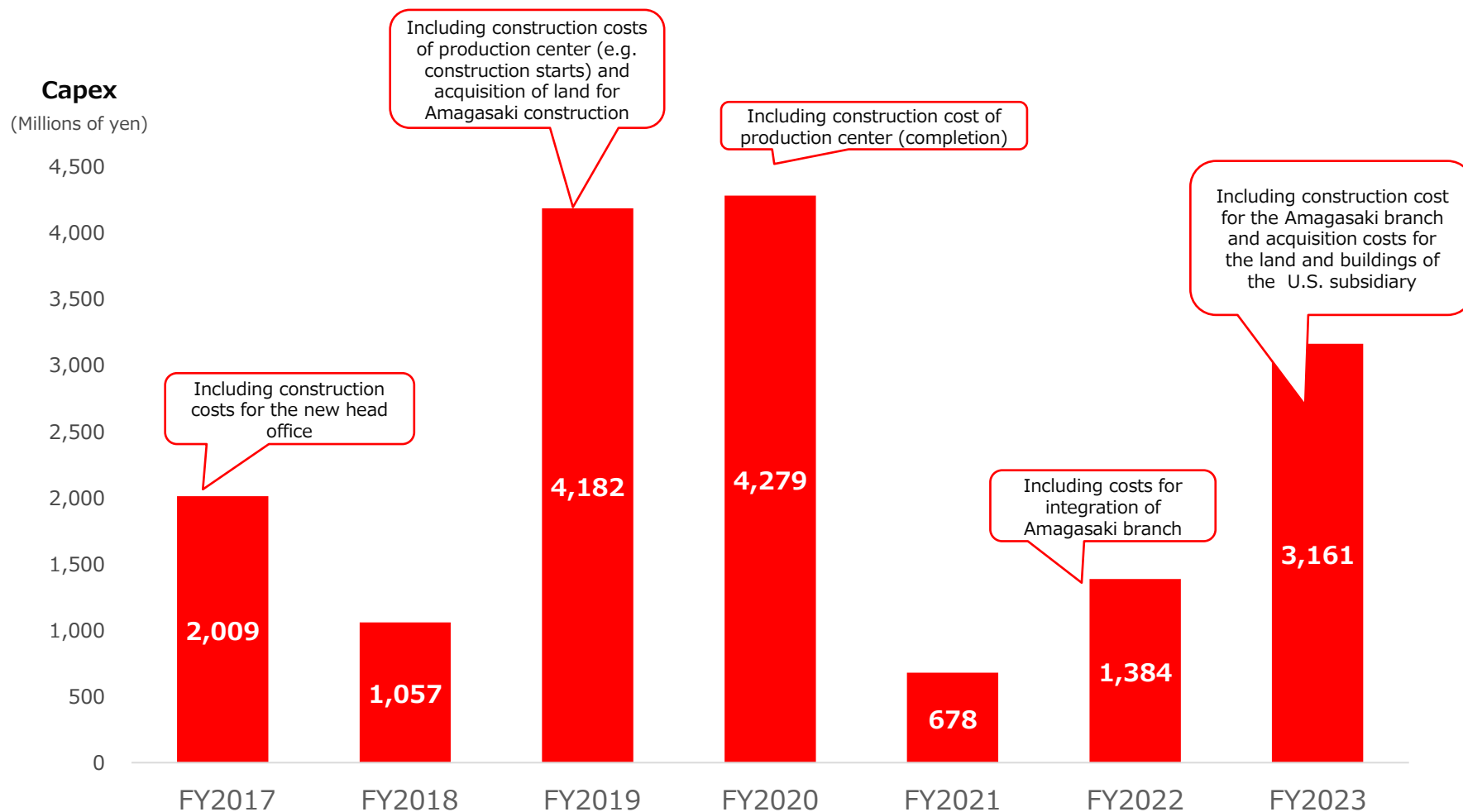


# Total Assets and Net Assets

- Increase in current assets due to securing necessary inventories in response to difficulties in procuring semiconductor components and a delayed semiconductor market recovery.
- Maintaining high equity ratio with high degree of safety.



- Increased due to integration costs of sales and maintenance bases and acquisition of land and buildings of U.S. subsidiary.





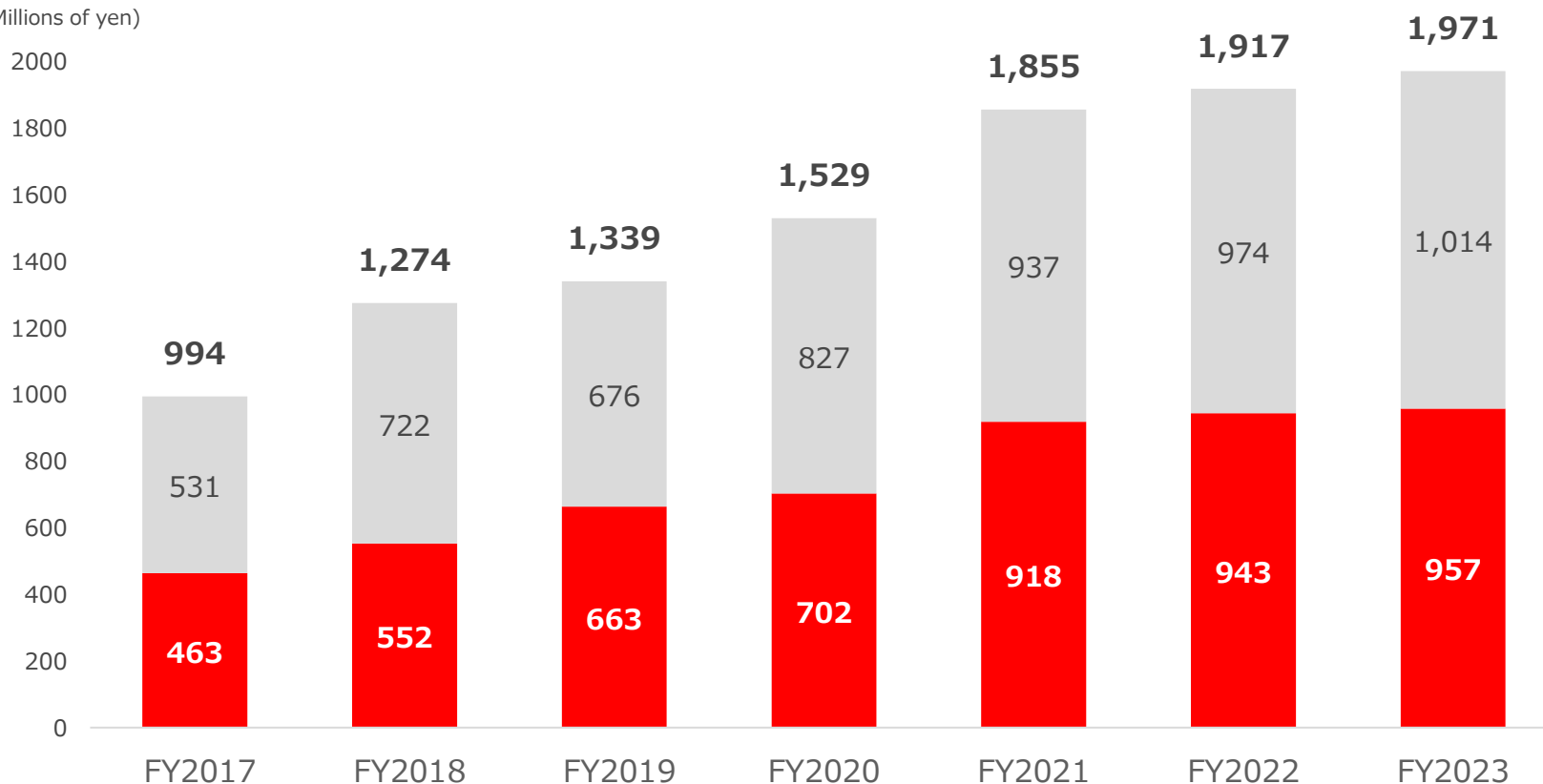
# Depreciation

- Depreciation cost was at the similar level as last year.

## Depreciation

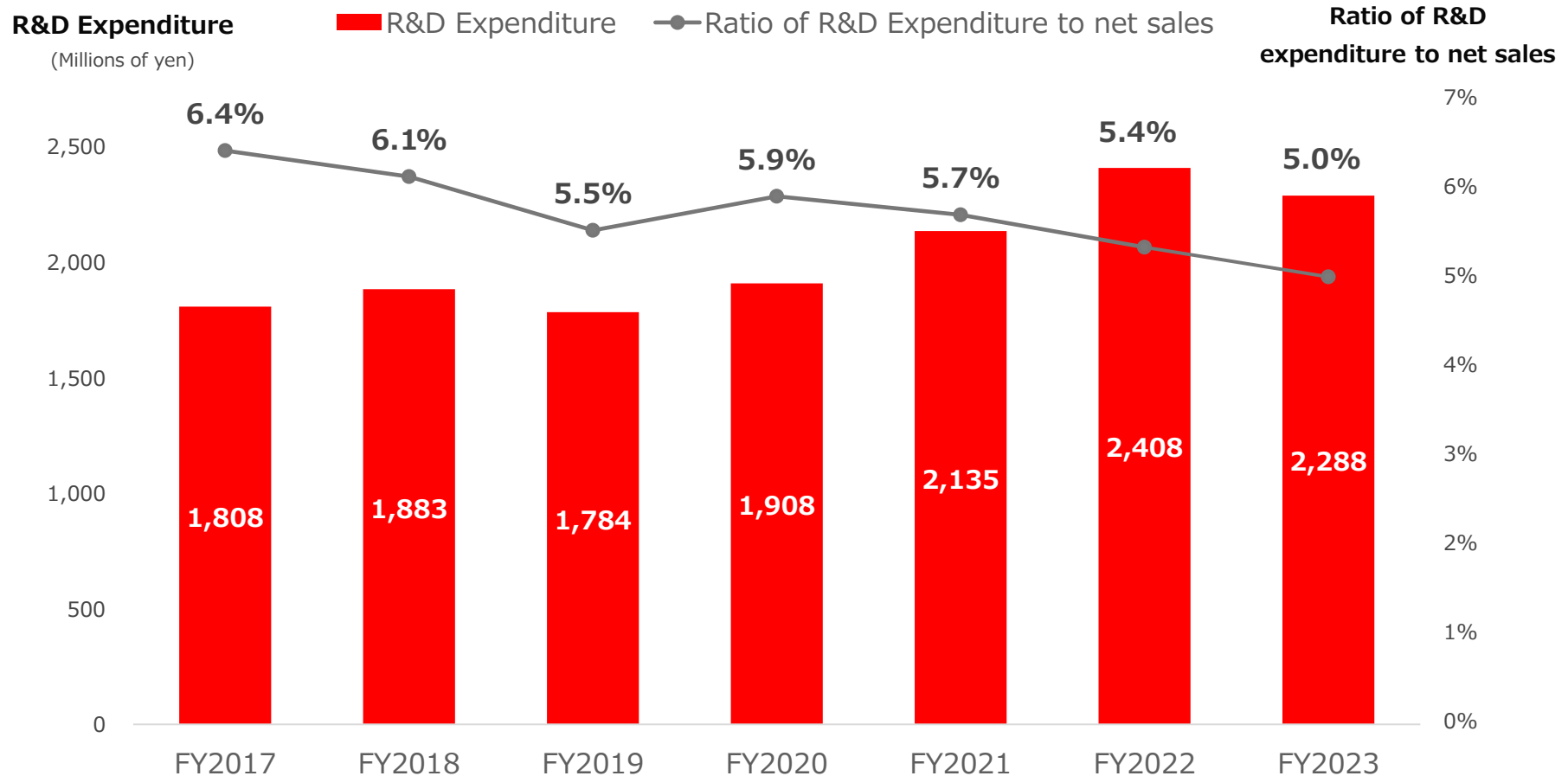
(Millions of yen)

■ 1H ■ 2H



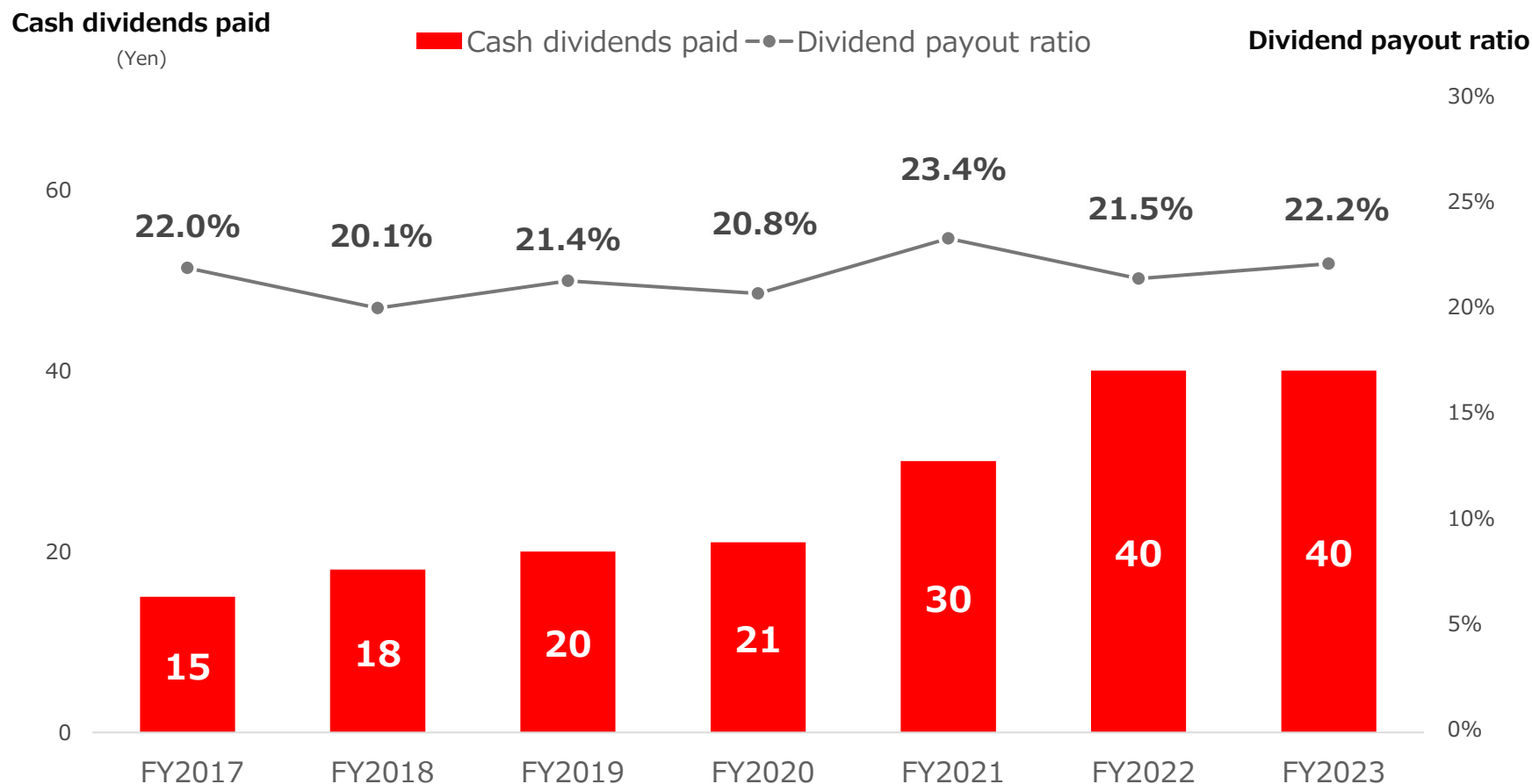
# R&D Expenditure

- Continuous investment in new product development and enhancement of functions of existing model of products.
- The ratio of R&D expenditure to net sales is expected to remain around 6% in the future.



# Shareholder Returns

- Dividends for FY2023 were the same as the previous year.  
(¥40 for the full year, factoring in a stock split)
- Basic dividend policy is stable dividends.



\* On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. The dividend per share for each fiscal year is adjusted as if the stock split had been conducted at the beginning of the previous fiscal year.



# **FORECAST FOR THE FISCAL YEAR ENDING MARCH 2025**

# Earnings Forecasts

## (Year Ending March 31, 2025)

- We expect the semiconductor market to recover from the second half of 2025.
- We will focus on expanding sales of fixed-type products in overseas markets, especially in Asia and North America, and securing domestic capital investment projects.
- We expect to increase headcount and to improve operation in response to sales expansion and new market development.

(Millions of yen)

	FY2023		FY2024	
	Q2 (cumulative) results	Full-year results	Q2 (cumulative) forecast	Full-year forecast
<b>Net sales</b>	22,675	45,581	23,600	48,000
<b>Operating profit</b>	5,847	11,476	5,900	11,800
<b>Operating profit sales</b>	25.8%	25.2%	25.0%	24.6%
<b>Ordinary profit</b>	6,456	12,272	6,150	12,300
<b>Net profit</b>	4,548	8,378	4,600	9,000
<b>Earnings per share -Basic-</b>	97.67 *	179.91 *	98.77 *	193.24 *
<b>Annual dividends per share</b>	-	40 *	-	40 *

\*On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. Dividends per share are adjusted as if the stock split had been conducted at the beginning of the previous fiscal year.



## **PROGRESS OF THE MEDIUM- TERM MANAGEMENT PLAN**

**FY2023 to FY2025**

# Medium-term Management Plan Numerical Targets

- In the first year of the Medium-term Management Plan (FY2023), we worked to improve our operation. The result fell slightly below the plan due to continued cutbacks in capital investment in memory semiconductors, etc.
- In the second year, fiscal 2024, we will step up the challenge of developing new markets, including those overseas. Anticipating a recovery in capital investment in the semiconductor industry, we will continue to increase headcount and to improve operation in response to sales expansion.
- We will maintain a high profit margin of 20% or more, and ensure achievement of second and third year targets by developing new products, strengthening overseas strategies, etc.

(Millions of yen)

Medium-Term Management Plan Period				
	FY2023		FY2024	FY2025
	Actual	Plan	Forecast	Plan
Net sales	45,581	46,400	48,000	50,000 or more
Operating profit	11,476	11,600	11,800	12,000 or more
Net profit	8,378	8,700	9,000	-
ROE	12.3%	-	-	-