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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 11, 2022

Company name: RHEON AUTOMATIC MACHINERY CO., LTD.

Stock exchange listing: Tokyo

Code number: 6272

URL: <https://www.rheon.com>

Representative: Mikio Kobayashi

President &amp; C.E.O.

Contact: Tadao Fukuda

Managing Operating Officer

Phone: 028-665-1111

Scheduled date of filing quarterly securities report: November 14, 2022

Scheduled date of commencing dividend payments: December 12, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

## (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	17,337	36.6	853	9.1	992	19.4	821	5.6
September 30, 2021	12,691	11.2	782	(26.3)	830	(29.4)	777	(49.0)

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 2,176 million [ 139.4%]  
Six months ended September 30, 2021: ¥ 908 million [ (39.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	30.63	30.56
September 30, 2021	29.02	28.95

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2022	39,164	30,348	77.3	1,129.14
March 31, 2022	36,651	28,377	77.2	1,055.92

(Reference) Equity: As of September 30, 2022: ¥ 30,269 million  
As of March 31, 2022: ¥ 28,303 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	8.00	-	8.00	16.00
Fiscal year ending March 31, 2023	-	12.00			
Fiscal year ending March 31, 2023 (Forecast)			-	12.00	24.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	31,420	18.2	2,540	131.0	2,550	73.7	2,190	47.3	81.70

(Note) Revision to the financial results forecast announced most recently: No

## \* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2022: 28,392,000 shares

March 31, 2022: 28,392,000 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 1,584,174 shares

March 31, 2022: 1,587,157 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 26,807,127 shares

Six months ended September 30, 2021: 26,801,123 shares

Quarterly Consolidated Financial Statements  
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	10,000,186	9,628,429
Notes and accounts receivable - trade	2,330,771	3,874,991
Merchandise and finished goods	4,474,788	4,995,557
Work in process	1,675,657	1,752,486
Raw materials and supplies	431,829	471,383
Other	903,724	728,890
Allowance for doubtful accounts	(24,604)	(23,355)
Total current assets	19,792,353	21,428,383
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,340,529	16,291,152
Accumulated depreciation	(8,077,671)	(8,760,510)
Buildings and structures, net	7,262,857	7,530,641
Machinery, equipment and vehicles	8,516,409	9,631,523
Accumulated depreciation	(7,112,203)	(8,165,554)
Machinery, equipment and vehicles, net	1,404,205	1,465,969
Tools, furniture and fixtures	1,964,886	2,048,811
Accumulated depreciation	(1,819,455)	(1,887,632)
Tools, furniture and fixtures, net	145,431	161,178
Land	3,908,191	4,037,201
Leased assets	45,286	5,454
Accumulated depreciation	(44,203)	(1,926)
Leased assets, net	1,082	3,528
Construction in progress	241,252	597,029
Total property, plant and equipment	12,963,021	13,795,549
Intangible assets	1,237,879	1,104,974
Investments and other assets		
Investment securities	975,683	1,104,822
Retirement benefit asset	1,454,691	1,491,688
Other	233,886	243,160
Allowance for doubtful accounts	(5,581)	(3,968)
Total investments and other assets	2,658,680	2,835,702
Total non-current assets	16,859,580	17,736,226
Total assets	36,651,934	39,164,610

(Thousand yen)

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,143,424	1,593,494
Short-term borrowings	703,678	793,684
Lease liabilities	583	1,147
Accrued expenses	594,887	643,884
Income taxes payable	422,950	388,524
Advances received	1,936,308	2,078,213
Provision for bonuses	600,348	738,508
Provision for bonuses for directors (and other officers)	2,500	8,400
Accounts payable - other	643,548	614,381
Other	226,682	139,770
Total current liabilities	6,274,914	7,000,010
Non-current liabilities		
Long-term borrowings	1,362,927	1,210,565
Lease liabilities	571	2,712
Deferred tax liabilities	204,669	171,465
Deferred tax liabilities for land revaluation	347,009	347,009
Asset retirement obligations	36,266	36,280
Other	48,078	47,767
Total non-current liabilities	1,999,523	1,815,802
Total liabilities	8,274,437	8,815,812
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus	7,075,427	7,078,397
Retained earnings	15,579,255	16,185,932
Treasury shares	(771,143)	(769,944)
Total shareholders' equity	29,235,289	29,846,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	349,537	444,712
Revaluation reserve for land	(1,692,816)	(1,692,816)
Foreign currency translation adjustment	245,826	1,477,012
Remeasurements of defined benefit plans	166,023	194,782
Total accumulated other comprehensive income	(931,429)	423,690
Share acquisition rights	73,636	78,971
Total net assets	28,377,496	30,348,798
Total liabilities and net assets	36,651,934	39,164,610

Quarterly Consolidated Statements of Income and Comprehensive Income  
 Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	12,691,910	17,337,828
Cost of sales	7,290,153	10,608,309
Gross profit	5,401,756	6,729,518
Selling, general and administrative expenses		
Advertising expenses	66,649	196,027
Packing and transportation costs	670,021	1,105,864
Provision of allowance for doubtful accounts	678	(6,350)
Sales commission	255,970	412,637
Salaries and allowances	1,393,604	1,462,401
Provision for bonuses	358,584	427,844
Provision for bonuses for directors (and other officers)	12,250	8,400
Retirement benefit expenses	76,333	74,956
Travel and transportation expenses	139,415	223,079
Depreciation	268,476	265,603
Research and development expenses	221,108	360,118
Other	1,156,352	1,345,788
Total selling, general and administrative expenses	4,619,447	5,876,370
Operating profit	782,308	853,147
Non-operating income		
Interest income	2,254	2,650
Dividend income	11,264	12,248
Gain on sale of goods	8,081	10,180
Foreign exchange gains	6,608	81,956
Subsidy income	2,069	-
Surrender value of insurance policies	2,287	-
Sold power	13,660	12,816
Other	26,427	36,897
Total non-operating income	72,652	156,750
Non-operating expenses		
Interest expenses	6,593	6,391
Loss on sale of non-current assets	7,321	-
Sold power expenses	4,913	4,365
Other	5,331	6,833
Total non-operating expenses	24,160	17,589
Ordinary profit	830,801	992,308
Profit before income taxes	830,801	992,308
Income taxes - current	246,602	258,465
Income taxes - deferred	(193,647)	(87,273)
Total income taxes	52,955	171,192
Profit	777,846	821,115
Profit attributable to owners of parent	777,846	821,115

## Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	777,846	821,115
Other comprehensive income		
Valuation difference on available-for-sale securities	44,917	95,174
Foreign currency translation adjustment	75,424	1,231,186
Remeasurements of defined benefit plans, net of tax	10,809	28,759
Total other comprehensive income	131,151	1,355,120
Comprehensive income	908,997	2,176,236
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	908,997	2,176,236

## Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	830,801	992,308
Depreciation	558,525	577,272
Increase (decrease) in allowance for doubtful accounts	(2,449)	(6,775)
Increase (decrease) in provision for bonuses	145,384	136,469
Increase (decrease) in provision for bonuses for directors (and other officers)	650	5,900
Interest and dividend income	(13,518)	(14,898)
Surrender value of insurance policies	(2,287)	-
Interest expenses	6,593	6,391
Loss (gain) on sale of non-current assets	5,441	(195)
Decrease (increase) in retirement benefit asset	(14,227)	(18,091)
Decrease (increase) in trade receivables	(494,750)	(1,384,178)
Decrease (increase) in inventories	(734,308)	(278,576)
Decrease (increase) in other current assets	175,623	16,993
Increase (decrease) in accrued expenses	(20,782)	17,914
Increase (decrease) in trade payables	392,225	300,789
Decrease (increase) in consumption taxes refund receivable	(88,971)	(23,312)
Increase (decrease) in accrued consumption taxes	48,994	(74,951)
Increase (decrease) in other current liabilities	798,869	(25,336)
Increase (decrease) in other non-current liabilities	(312)	(310)
Other, net	24,757	17,017
Subtotal	1,616,256	244,428
Interest and dividends received	13,518	14,898
Interest paid	(7,235)	(6,546)
Income taxes paid	(181,421)	(298,372)
Income taxes refund	300,132	194,056
Net cash provided by (used in) operating activities	1,741,251	148,465

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(342,160)	(371,671)
Proceeds from sale of property, plant and equipment	2,380	195
Purchase of intangible assets	(7,178)	(105,937)
Purchase of investment securities	(3,859)	(3,957)
Other, net	3,562	8,416
Net cash provided by (used in) investing activities	(347,254)	(472,954)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	35,910	120,000
Proceeds from long-term borrowings	350,000	-
Repayments of long-term borrowings	(160,231)	(189,155)
Repayments of lease liabilities	(1,438)	(462)
Purchase of treasury shares	(347)	(404)
Dividends paid	(268,349)	(214,805)
Net cash provided by (used in) financing activities	(44,456)	(284,828)
Effect of exchange rate change on cash and cash equivalents	12,376	237,560
Net increase (decrease) in cash and cash equivalents	1,361,916	(371,756)
Cash and cash equivalents at beginning of period	7,484,219	10,000,186
Cash and cash equivalents at end of period	8,846,136	9,628,429