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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 12, 2024

Company name: RHEON AUTOMATIC MACHINERY CO., LTD.

Listing: Tokyo

Securities code: 6272

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

Representative: Mikio Kobayashi

President & C.E.O.

Inquiries: Tadao Fukuda

Managing Operating Officer

Telephone: +81-28-665-1111

Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: December 9, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	19,693	8.3	2,764	21.3	2,727	15.5	1,889	0.5
September 30, 2023	18,177	4.8	2,279	167.2	2,362	138.1	1,880	129.0

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 1,220 million [(62.3) %]
Six months ended September 30, 2023: ¥ 3,239 million [48.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	70.38	70.28
September 30, 2023	70.09	69.95

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	44,919	36,531	81.2	1,358.34
March 31, 2024	44,574	35,884	80.4	1,334.77

(Reference) Equity: As of September 30, 2024: ¥ 36,483 million
As of March 31, 2024: ¥ 35,836 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, 2024	-	20.00	-	22.00	42.00
Fiscal year ending March 31, 2025	-	21.00			
Fiscal year ending March 31, 2025 (Forecast)			-	21.00	42.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,950	3.3	5,380	10.2	5,450	9.3	3,750	2.0	139.75

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 28,392,000 shares

March 31, 2024: 28,392,000 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 1,532,923 shares

March 31, 2024: 1,543,459 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 26,851,508 shares

Six months ended September 30, 2023: 26,821,767 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The performance forecast figures stated in this document are estimates based on the information currently available to the company, and actual results may differ from these forecast figures due to various factors that may occur in the future.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	13,591,862	13,490,712
Notes and accounts receivable - trade	3,236,132	3,867,380
Merchandise and finished goods	5,997,307	5,880,705
Work in process	1,341,552	1,592,984
Raw materials and supplies	481,909	456,959
Other	783,038	509,431
Allowance for doubtful accounts	(27,470)	(38,214)
Total current assets	25,404,332	25,759,959
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,925,188	16,570,925
Accumulated depreciation	(9,449,270)	(9,446,848)
Buildings and structures, net	7,475,917	7,124,077
Machinery, equipment and vehicles	11,117,581	11,072,201
Accumulated depreciation	(8,686,306)	(8,514,881)
Machinery, equipment and vehicles, net	2,431,275	2,557,320
Tools, furniture and fixtures	2,127,046	2,158,123
Accumulated depreciation	(1,924,257)	(1,930,773)
Tools, furniture and fixtures, net	202,789	227,349
Land	4,088,572	4,060,363
Leased assets	27,262	27,330
Accumulated depreciation	(4,870)	(6,839)
Leased assets, net	22,391	20,490
Construction in progress	178,490	387,869
Total property, plant and equipment	14,399,436	14,377,471
Intangible assets	1,157,935	1,114,153
Investments and other assets		
Investment securities	1,583,569	1,559,199
Retirement benefit asset	1,813,279	1,886,085
Other	223,060	224,119
Allowance for doubtful accounts	(6,794)	(1,153)
Total investments and other assets	3,613,115	3,668,250
Total non-current assets	19,170,487	19,159,876
Total assets	44,574,820	44,919,835

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,285,250	1,163,870
Short-term borrowings	704,722	797,722
Lease liabilities	6,275	6,066
Accounts payable - other	727,957	629,083
Accrued expenses	615,716	617,901
Income taxes payable	524,664	530,381
Advances received	1,981,695	2,006,950
Provision for bonuses	765,722	772,139
Provision for bonuses for directors (and other officers)	29,300	14,650
Other	102,955	91,397
Total current liabilities	6,744,261	6,630,163
Non-current liabilities		
Long-term borrowings	903,481	741,120
Lease liabilities	18,653	16,553
Deferred tax liabilities	640,412	616,841
Deferred tax liabilities for land revaluation	347,009	347,009
Asset retirement obligations	36,321	36,321
Other	213	144
Total non-current liabilities	1,946,093	1,757,991
Total liabilities	8,690,355	8,388,154
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus	7,105,902	7,118,564
Retained earnings	20,409,779	21,708,920
Treasury shares	(750,865)	(746,022)
Total shareholders' equity	34,116,565	35,433,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	801,635	778,771
Revaluation reserve for land	(1,692,816)	(1,692,816)
Foreign currency translation adjustment	2,248,344	1,578,227
Remeasurements of defined benefit plans	362,825	386,375
Total accumulated other comprehensive income	1,719,987	1,050,557
Share acquisition rights	47,911	47,911
Total net assets	35,884,465	36,531,681
Total liabilities and net assets	44,574,820	44,919,835

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	18,177,320	19,693,871
Cost of sales	10,051,644	10,644,896
Gross profit	8,125,676	9,048,975
Selling, general and administrative expenses		
Advertising expenses	172,447	158,819
Packing and transportation costs	793,503	942,702
Provision of allowance for doubtful accounts	10,544	5,341
Sales commission	449,732	516,435
Salaries and allowances	1,534,649	1,615,772
Provision for bonuses	456,441	442,551
Provision for bonuses for directors (and other officers)	14,650	14,650
Retirement benefit expenses	77,099	69,006
Legal welfare expenses	318,509	334,832
Travel and transportation expenses	251,020	264,486
Depreciation	271,365	308,400
Research and development expenses	351,669	374,993
Other	1,144,409	1,236,676
Total selling, general and administrative expenses	5,846,042	6,284,668
Operating profit	2,279,633	2,764,306
Non-operating income		
Interest income	5,744	30,868
Dividend income	15,693	22,836
Gain on sale of goods	8,459	9,537
Foreign exchange gains	20,634	-
Surrender value of insurance policies	2,278	703
Sold power	12,420	13,595
Other	32,891	14,869
Total non-operating income	98,122	92,411
Non-operating expenses		
Interest expenses	5,551	5,185
Foreign exchange losses	-	107,160
Sold power expenses	4,071	9,681
Loss on retirement of non-current assets	4,185	5,239
Other	1,476	1,925
Total non-operating expenses	15,285	129,193
Ordinary profit	2,362,470	2,727,524
Profit before income taxes	2,362,470	2,727,524
Income taxes - current	522,772	846,232
Income taxes - deferred	(40,368)	(8,517)
Total income taxes	482,404	837,715
Profit	1,880,066	1,889,809
Profit attributable to owners of parent	1,880,066	1,889,809

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	1,880,066	1,889,809
Other comprehensive income		
Valuation difference on available-for-sale securities	249,206	(22,863)
Foreign currency translation adjustment	1,099,565	(670,117)
Remeasurements of defined benefit plans, net of tax	10,852	23,550
Total other comprehensive income	1,359,624	(669,430)
Comprehensive income	3,239,691	1,220,379
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,239,691	1,220,379

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,362,470	2,727,524
Depreciation	601,422	727,058
Increase (decrease) in allowance for doubtful accounts	10,717	7,177
Increase (decrease) in provision for bonuses	22,127	7,644
Increase (decrease) in provision for bonuses for directors (and other officers)	(2,150)	(14,650)
Interest and dividend income	(21,437)	(53,705)
Surrender value of insurance policies	(2,278)	(703)
Interest expenses	5,551	5,185
Loss (gain) on sale of non-current assets	(2,646)	(27)
Loss on retirement of non-current assets	4,185	5,239
Decrease (increase) in retirement benefit asset	(16,592)	(38,940)
Decrease (increase) in trade receivables	(663,131)	(718,462)
Decrease (increase) in inventories	(533,599)	(260,473)
Decrease (increase) in other current assets	(59,945)	36,849
Increase (decrease) in accrued expenses	6,631	31,389
Increase (decrease) in trade payables	(42,862)	(81,289)
Decrease (increase) in consumption taxes refund receivable	28,952	26,015
Increase (decrease) in accrued consumption taxes	(122,746)	(9,521)
Increase (decrease) in other current liabilities	141,210	(109,112)
Increase (decrease) in other non-current liabilities	(116)	(69)
Other, net	18,303	114,568
Subtotal	1,734,065	2,401,698
Interest and dividends received	21,437	53,705
Interest paid	(5,551)	(5,185)
Income taxes paid	(627,821)	(658,186)
Income taxes refund	3,064	32,471
Net cash provided by (used in) operating activities	1,125,194	1,824,503

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(319,332)	(743,561)
Proceeds from sale of property, plant and equipment	2,646	27
Purchase of intangible assets	(114,316)	(177,813)
Purchase of investment securities	(4,091)	(4,478)
Other, net	6,349	(3,005)
Net cash provided by (used in) investing activities	(428,744)	(928,831)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,000	93,000
Proceeds from long-term borrowings	100,000	-
Repayments of long-term borrowings	(162,361)	(162,361)
Repayments of lease liabilities	(1,347)	(3,391)
Purchase of treasury shares	(555)	(416)
Dividends paid	(508,483)	(589,638)
Net cash provided by (used in) financing activities	(552,747)	(662,807)
Effect of exchange rate change on cash and cash equivalents	298,809	(334,015)
Net increase (decrease) in cash and cash equivalents	442,511	(101,150)
Cash and cash equivalents at beginning of period	11,440,477	13,591,862
Cash and cash equivalents at end of period	11,882,989	13,490,712