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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 10, 2023

Company name: RHEON AUTOMATIC MACHINERY CO., LTD.

Stock exchange listing: Tokyo

Code number: 6272

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

Representative: Mikio Kobayashi

President & C.E.O.

Contact: Tadao Fukuda

Managing Operating Officer

Phone: +81-28-665-1111

Scheduled date of filing quarterly securities report: November 14, 2023

Scheduled date of commencing dividend payments: December 11, 2023

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, 2023 (April 1, 2023 to September 30, 2023)

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

	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, 2023	18,177	4.8	2,279	167.2	2,362	138.1	1,880	129.0
September 30, 2022	17,337	36.6	853	9.1	992	19.4	821	5.6

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 3,239 million [48.9%]
Six months ended September 30, 2022: ¥ 2,176 million [139.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	70.09	69.95
September 30, 2022	30.63	30.56

(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, 2023	43,253	34,131	78.8	1,269.46
March 31, 2023	40,212	31,384	77.9	1,167.80

(Reference) Equity: As of September 30, 2023: ¥ 34,083 million
As of March 31, 2023: ¥ 31,305 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, 2023	-	12.00	-	19.00	31.00
Fiscal year ending March 31, 2024	-	20.00			
Fiscal year ending March 31, 2024 (Forecast)			-	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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

(% indicates changes from the previous corresponding period.)

	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	37,010	4.9	4,580	52.3	4,740	47.7	3,600	31.5	134.22

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(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: No

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, 2023: 28,392,000 shares

March 31, 2023: 28,392,000 shares

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

September 30, 2023: 1,543,289 shares

March 31, 2023: 1,584,469 shares

3) Average number of shares outstanding during the period:

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

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

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	11,440,477	11,882,989
Notes and accounts receivable - trade	3,234,012	4,032,250
Merchandise and finished goods	5,339,139	5,732,752
Work in process	1,632,710	1,995,115
Raw materials and supplies	401,263	497,728
Other	637,868	792,781
Allowance for doubtful accounts	(21,490)	(33,727)
Total current assets	22,663,980	24,899,890
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,073,737	16,744,380
Accumulated depreciation	(8,720,808)	(9,231,107)
Buildings and structures, net	7,352,928	7,513,273
Machinery, equipment and vehicles	9,366,488	10,323,533
Accumulated depreciation	(7,855,260)	(8,838,138)
Machinery, equipment and vehicles, net	1,511,228	1,485,394
Tools, furniture and fixtures	2,031,752	2,098,686
Accumulated depreciation	(1,874,688)	(1,913,608)
Tools, furniture and fixtures, net	157,064	185,077
Land	3,976,623	4,074,718
Leased assets	8,741	11,627
Accumulated depreciation	(2,331)	(3,598)
Leased assets, net	6,410	8,029
Construction in progress	482,361	707,581
Total property, plant and equipment	13,486,616	13,974,074
Intangible assets	1,176,670	1,186,981
Investments and other assets		
Investment securities	1,241,474	1,577,354
Retirement benefit asset	1,350,370	1,382,839
Other	297,672	237,981
Allowance for doubtful accounts	(4,109)	(5,968)
Total investments and other assets	2,885,407	3,192,207
Total non-current assets	17,548,694	18,353,264
Total assets	40,212,675	43,253,155

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,195,475	1,231,568
Short-term borrowings	794,722	824,722
Lease liabilities	1,999	2,677
Accrued expenses	610,501	609,903
Income taxes payable	381,540	332,493
Advances received	2,295,474	2,699,505
Provision for bonuses	762,834	788,677
Provision for bonuses for directors (and other officers)	16,800	14,650
Accounts payable - other	683,952	701,880
Other	205,561	78,005
Total current liabilities	6,948,863	7,284,085
Non-current liabilities		
Long-term borrowings	1,138,204	1,065,842
Lease liabilities	5,051	6,201
Deferred tax liabilities	341,304	371,405
Deferred tax liabilities for land revaluation	347,009	347,009
Asset retirement obligations	36,294	36,321
Other	11,158	11,041
Total non-current liabilities	1,879,023	1,837,824
Total liabilities	8,827,886	9,121,909
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus	7,078,397	7,105,902
Retained earnings	17,780,924	19,151,647
Treasury shares	(770,280)	(750,617)
Total shareholders' equity	31,440,791	32,858,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	544,701	793,907
Revaluation reserve for land	(1,692,816)	(1,692,816)
Foreign currency translation adjustment	943,612	2,043,177
Remeasurements of defined benefit plans	69,528	80,381
Total accumulated other comprehensive income	(134,974)	1,224,650
Share acquisition rights	78,971	47,911
Total net assets	31,384,788	34,131,245
Total liabilities and net assets	40,212,675	43,253,155

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

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	17,337,828	18,177,320
Cost of sales	10,608,309	10,051,644
Gross profit	6,729,518	8,125,676
Selling, general and administrative expenses		
Advertising expenses	196,027	172,447
Packing and transportation costs	1,105,864	793,503
Provision of allowance for doubtful accounts	(6,350)	10,544
Sales commission	412,637	449,732
Salaries and allowances	1,462,401	1,534,649
Provision for bonuses	427,844	456,441
Provision for bonuses for directors (and other officers)	8,400	14,650
Retirement benefit expenses	74,956	77,099
Travel and transportation expenses	223,079	251,020
Depreciation	265,603	271,365
Research and development expenses	360,118	351,669
Other	1,345,788	1,462,919
Total selling, general and administrative expenses	5,876,370	5,846,042
Operating profit	853,147	2,279,633
Non-operating income		
Interest income	2,650	5,744
Dividend income	12,248	15,693
Gain on sale of goods	10,180	8,459
Foreign exchange gains	81,956	20,634
Surrender value of insurance policies	-	2,278
Sold power	12,816	12,420
Other	36,897	32,891
Total non-operating income	156,750	98,122
Non-operating expenses		
Interest expenses	6,391	5,551
Sold power expenses	4,365	4,071
Other	6,833	5,661
Total non-operating expenses	17,589	15,285
Ordinary profit	992,308	2,362,470
Profit before income taxes	992,308	2,362,470
Income taxes - current	258,465	522,772
Income taxes - deferred	(87,273)	(40,368)
Total income taxes	171,192	482,404
Profit	821,115	1,880,066
Profit attributable to owners of parent	821,115	1,880,066

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

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	821,115	1,880,066
Other comprehensive income		
Valuation difference on available-for-sale securities	95,174	249,206
Foreign currency translation adjustment	1,231,186	1,099,565
Remeasurements of defined benefit plans, net of tax	28,759	10,852
Total other comprehensive income	1,355,120	1,359,624
Comprehensive income	2,176,236	3,239,691
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,176,236	3,239,691

Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	992,308	2,362,470
Depreciation	577,272	601,422
Increase (decrease) in allowance for doubtful accounts	(6,775)	10,717
Increase (decrease) in provision for bonuses	136,469	22,127
Increase (decrease) in provision for bonuses for directors (and other officers)	5,900	(2,150)
Interest and dividend income	(14,898)	(21,437)
Surrender value of insurance policies	-	(2,278)
Interest expenses	6,391	5,551
Loss (gain) on sale of non-current assets	(195)	(2,646)
Decrease (increase) in retirement benefit asset	(18,091)	(16,592)
Decrease (increase) in trade receivables	(1,384,178)	(663,131)
Decrease (increase) in inventories	(278,576)	(533,599)
Decrease (increase) in other current assets	16,993	(59,945)
Increase (decrease) in accrued expenses	17,914	6,631
Increase (decrease) in trade payables	300,789	(42,862)
Decrease (increase) in consumption taxes refund receivable	(23,312)	28,952
Increase (decrease) in accrued consumption taxes	(74,951)	(122,746)
Increase (decrease) in other current liabilities	(25,336)	141,210
Increase (decrease) in other non-current liabilities	(310)	(116)
Other, net	17,017	22,488
Subtotal	244,428	1,734,065
Interest and dividends received	14,898	21,437
Interest paid	(6,546)	(5,551)
Income taxes paid	(298,372)	(627,821)
Income taxes refund	194,056	3,064
Net cash provided by (used in) operating activities	148,465	1,125,194

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(371,671)	(319,332)
Proceeds from sale of property, plant and equipment	195	2,646
Purchase of intangible assets	(105,937)	(114,316)
Purchase of investment securities	(3,957)	(4,091)
Other, net	8,416	6,349
Net cash provided by (used in) investing activities	(472,954)	(428,744)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	120,000	20,000
Proceeds from long-term borrowings	-	100,000
Repayments of long-term borrowings	(189,155)	(162,361)
Repayments of lease liabilities	(462)	(1,347)
Purchase of treasury shares	(404)	(555)
Dividends paid	(214,805)	(508,483)
Net cash provided by (used in) financing activities	(284,828)	(552,747)
Effect of exchange rate change on cash and cash equivalents	237,560	298,809
Net increase (decrease) in cash and cash equivalents	(371,756)	442,511
Cash and cash equivalents at beginning of period	10,000,186	11,440,477
Cash and cash equivalents at end of period	9,628,429	11,882,989