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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 08, 2021

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: 028-665-1111

Scheduled date of filing quarterly securities report: November 10, 2021

Scheduled date of commencing dividend payments: December 13, 2021

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, 2021 (April 01, 2021 to September 30, 2021)

(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, 2021	12,697	11.2	971	(8.5)	1,020	(13.3)	911	(40.3)
September 30, 2020	11,415	(21.5)	1,062	(44.1)	1,176	(38.6)	1,526	18.8

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 1,045 million [(30.3)%]
Six months ended September 30, 2020: ¥ 1,500 million [31.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	34.01	33.93
September 30, 2020	56.95	56.83

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2021	36,339	27,420	75.3	1,020.22
March 31, 2021	34,124	26,632	77.8	991.12

(Reference) Equity: As of September 30, 2021: ¥ 27,346 million
As of March 31, 2021: ¥ 26,560 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, 2021	-	7.00	-	10.00	17.00
Fiscal year ending March 31, 2022	-	8.00			
Fiscal year ending March 31, 2022 (Forecast)			-	8.00	16.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% 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	26,290	18.0	2,010	43.2	2,110	30.0	1,560	(3.0)	58.21

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

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

New - (Company name:)

Exclusion: - (Company name:)

(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, 2021: 28,392,000 shares

March 31, 2021: 28,392,000 shares

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

September 30, 2021: 1,587,040 shares

March 31, 2021: 1,593,686 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2020: 26,798,569 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	7,484,219	8,846,367
Notes and accounts receivable - trade	2,690,355	3,190,822
Merchandise and finished goods	4,170,084	4,439,839
Work in process	975,989	1,445,174
Raw materials and supplies	328,369	468,986
Other	1,326,759	899,891
Allowance for doubtful accounts	(14,548)	(14,208)
Total current assets	16,961,228	19,276,872
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,017,115	15,190,455
Accumulated depreciation	(7,737,700)	(7,957,479)
Buildings and structures, net	7,279,414	7,232,976
Machinery, equipment and vehicles	7,931,499	8,053,738
Accumulated depreciation	(6,380,314)	(6,575,555)
Machinery, equipment and vehicles, net	1,551,185	1,478,182
Tools, furniture and fixtures	1,924,816	1,937,714
Accumulated depreciation	(1,728,089)	(1,765,518)
Tools, furniture and fixtures, net	196,726	172,196
Land	4,093,968	4,086,397
Leased assets	45,286	45,286
Accumulated depreciation	(42,045)	(43,352)
Leased assets, net	3,241	1,933
Construction in progress	35,058	99,452
Total property, plant and equipment	13,159,594	13,071,137
Intangible assets	1,463,960	1,304,507
Investments and other assets		
Investment securities	976,863	1,047,538
Retirement benefit asset	1,407,227	1,436,999
Other	161,992	206,009
Allowance for doubtful accounts	(6,036)	(4,043)
Total investments and other assets	2,540,046	2,686,503
Total non-current assets	17,163,601	17,062,148
Total assets	34,124,830	36,339,020

(Thousand yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	740,599	1,087,562
Short-term borrowings	734,006	829,490
Lease obligations	2,334	1,252
Accrued expenses	587,624	546,395
Income taxes payable	231,165	333,494
Advances received	1,205,429	1,961,561
Provision for bonuses	485,486	630,816
Provision for bonuses for directors (and other officers)	11,600	12,250
Accounts payable - other	959,295	927,206
Other	121,154	160,020
Total current liabilities	5,078,696	6,490,049
Non-current liabilities		
Long-term borrowings	1,406,934	1,537,672
Lease obligations	1,154	815
Deferred tax liabilities	573,083	457,768
Deferred tax liabilities for land revaluation	347,422	347,422
Asset retirement obligations	36,240	36,253
Other	48,705	48,558
Total non-current liabilities	2,413,540	2,428,491
Total liabilities	7,492,237	8,918,540
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus	7,069,407	7,075,427
Retained earnings	14,591,084	15,234,721
Treasury shares	(773,996)	(770,991)
Total shareholders' equity	28,238,245	28,890,906
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	345,996	390,913
Revaluation reserve for land	(1,708,996)	(1,708,996)
Foreign currency translation adjustment	(466,919)	(388,788)
Remeasurements of defined benefit plans	151,997	162,807
Total accumulated other comprehensive income	(1,677,921)	(1,544,062)
Share acquisition rights	72,268	73,636
Total net assets	26,632,592	27,420,479
Total liabilities and net assets	34,124,830	36,339,020

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 30,2020	For the six months ended September 30,2021
Net sales	11,415,762	12,697,343
Cost of sales	6,310,686	7,104,697
Gross profit	5,105,076	5,592,645
Selling, general and administrative expenses		
Advertising expenses	21,535	66,649
Packing and transportation costs	356,909	670,021
Provision of allowance for doubtful accounts	5,744	678
Sales commission	232,946	255,970
Salaries and allowances	1,381,679	1,393,604
Provision for bonuses	277,339	358,584
Provision for bonuses for directors (and other officers)	15,000	12,250
Retirement benefit expenses	90,693	76,333
Travel and transportation expenses	112,168	139,415
Depreciation	172,076	268,476
Research and development expenses	295,631	221,108
Other	1,081,317	1,157,746
Total selling, general and administrative expenses	4,043,040	4,620,840
Operating profit	1,062,035	971,804
Non-operating income		
Interest income	1,930	2,252
Dividend income	12,253	11,264
Gain on sale of goods	4,358	8,081
Foreign exchange gains	7,428	6,608
Subsidy income	51,542	2,069
Surrender value of insurance policies	-	2,287
Sold power	14,724	13,660
Other	38,025	26,427
Total non-operating income	130,263	72,650
Non-operating expenses		
Interest expenses	8,119	6,593
Loss on sale of non-current assets	29	7,321
Sold power expenses	5,577	4,913
Other	1,601	5,331
Total non-operating expenses	15,327	24,160
Ordinary profit	1,176,971	1,020,295
Extraordinary income		
Reversal of provision for loss on litigation	7,646	-
Gain on sale of non-current assets	682,713	-
Total extraordinary income	690,360	-
Profit before income taxes	1,867,331	1,020,295
Income taxes - current	22,112	284,127
Income taxes - deferred	319,155	(175,451)
Total income taxes	341,268	108,675
Profit	1,526,063	911,619
Profit attributable to owners of parent	1,526,063	911,619

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

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	1,526,063	911,619
Other comprehensive income		
Valuation difference on available-for-sale securities	44,273	44,917
Foreign currency translation adjustment	(69,866)	78,130
Remeasurements of defined benefit plans, net of tax	140	10,809
Total other comprehensive income	(25,451)	133,858
Comprehensive income	1,500,611	1,045,478
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,500,611	1,045,478

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	1,867,331	1,020,295
Depreciation	477,732	558,525
Increase (decrease) in allowance for doubtful accounts	(3,242)	(2,449)
Increase (decrease) in provision for bonuses	(140,983)	145,384
Increase (decrease) in provision for bonuses for directors (and other officers)	(6,700)	650
Increase (decrease) in provision for loss on litigation	(7,646)	-
Interest and dividend income	(14,183)	(13,516)
Surrender value of insurance policies	-	(2,287)
Interest expenses	8,119	6,593
Loss (gain) on sale of non-current assets	(682,713)	5,441
Decrease (increase) in retirement benefit asset	2,273	(14,227)
Decrease (increase) in trade receivables	(999,653)	(500,183)
Decrease (increase) in inventories	244,743	(860,672)
Decrease (increase) in other current assets	48,943	175,623
Increase (decrease) in accrued expenses	127,015	(20,782)
Increase (decrease) in trade payables	(192,014)	342,041
Decrease (increase) in consumption taxes refund receivable	42,290	(88,971)
Increase (decrease) in accrued consumption taxes	67,773	48,994
Increase (decrease) in other current liabilities	(430,491)	791,582
Increase (decrease) in other non-current liabilities	(1,755)	(312)
Other, net	20,540	24,757
Subtotal	427,379	1,616,485
Interest and dividends received	14,183	13,516
Interest paid	(8,899)	(7,235)
Income taxes paid	(323,586)	(181,421)
Income taxes refund	571	300,132
Net cash provided by (used in) operating activities	109,648	1,741,477

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from investing activities		
Purchase of property, plant and equipment	(688,318)	(342,160)
Proceeds from sale of property, plant and equipment	1,253,084	2,380
Purchase of intangible assets	(360,611)	(7,178)
Purchase of investment securities	(3,927)	(3,859)
Other, net	(16,432)	3,562
Net cash provided by (used in) investing activities	183,794	(347,254)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	115,910	35,910
Proceeds from long-term borrowings	1,100,000	350,000
Repayments of long-term borrowings	(173,730)	(160,231)
Repayments of lease obligations	(3,743)	(1,438)
Purchase of treasury shares	(173)	(347)
Dividends paid	(188,178)	(268,349)
Net cash provided by (used in) financing activities	850,083	(44,456)
Effect of exchange rate change on cash and cash equivalents	17,678	12,380
Net increase (decrease) in cash and cash equivalents	1,161,204	1,362,147
Cash and cash equivalents at beginning of period	4,820,663	7,484,219
Cash and cash equivalents at end of period	5,981,867	8,846,367