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May 20, 2026

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 Representative: Mikio Kobayashi, President & C.E.O.  
 (Securities Code: 6272;  
 Tokyo Stock Exchange Prime Market)  
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## Measures to Realize Management with Awareness of Capital Cost and Stock Price (Update)

At a meeting of the Board of Directors held on May 20, 2026, RHEON AUTOMATIC MACHINERY CO., LTD. (the "Company") reanalyzed the current status of its measures for realizing management that takes into account capital costs and stock prices, and decided on future initiatives as follows.

### 1. Assessment of the current situation

The ROE of the Company has decreased by 0.9% compared to the previous year. In addition, the Company's PBR has been below 1x for two consecutive periods, and it will continue to strive to gain market recognition and improve its PBR.

	FYE March 31, 2022	FYE March 31, 2023	FYE March 31, 2024	FYE March 31, 2025	FYE March 31, 2026
Net sales (Millions of yen)	26,585	35,269	37,703	39,214	42,014
Operating profit (Millions of yen)	1,099	3,007	4,883	5,298	5,174
Ordinary profit (Millions of yen)	1,468	3,209	4,987	5,415	5,588
Profit attributable to owners of parent (Millions of yen)	1,486	2,737	3,675	3,889	3,898
Operating profit margin%	4.1	8.5	13.0	13.5	12.3
ROE %	5.4	9.2	10.9	10.4	9.5
Year-end stock price (Yen)	1,018	1,305	1,563	1,258	1,445
PBR (times)	0.96	1.12	1.17	0.88	0.91

### 2. Policy for improvement

Based on the current assessment, taking into account the recent economic situation and the new factory construction plan of our US consolidated subsidiary, we have revised the targets for our current medium-term management plan (fiscal year ending March 2024 to fiscal year ending March 2028) to an operating profit margin of 12.4% or more and an ROE of 8.5% or more. Going forward, we will proceed with the new factory construction plan, improve the profitability of the entire group, and aim for an operating profit margin of 13.0% or more and an ROE of 10.0% or more after the new factory is fully operational. This will allow us to receive appropriate evaluation from shareholders and investors, reduce capital costs, and improve our PBR.

### 3. Efforts for improvement

#### (1) Improving profitability

The following policies in the current Medium-Term Management Plan will be promoted in order to improve profitability.

[1] Strengthening the foundations for growth

- Investing in growth areas

[Food processing machinery manufacturing and sales business]

Development of smart lines is the first step towards realizing smart factories.

Development of the successor model to the CORNUCOPIA KN551, a main model for overseas markets.

Expanding markets in India and Middle Eastern countries, and developing the African market.

[Food manufacturing and sales business]

Introduction of production equipment and preparation for operation at the new

Orange Bakery factory. Scheduled to start operations in April 2027.

[2] Strengthening the profit base

- Productivity improvement

Standardization of confectionery and bread making lines.

Introduction and operation of automated pallet warehouses.

Improving the accuracy and transparency of actual costs in the ADISIGHT system.

Research on humanoid robots to be utilized at production sites.

[3] Strengthening the management base

- Promotion of sustainability

Contributing to environmental and social issues through business.

Proposals for food production lines aimed at automation and labor saving.

Reducing food waste in the food production process.

- Promote sustainability management

Strengthening corporate governance.

Strengthening human capital by improving personnel systems and employee benefits.

Promoting diversity, including hiring foreigners and empowering women.

Developing global human resources.

(2) Strengthening shareholder returns

To maintain and continue shareholder returns by taking into consideration a comprehensive review of its business performance and business environment, etc., the Company's basic policy is to maintain a "consolidated payout ratio of 40% or more" and implement "progressive dividends" during the current medium-term management plan period (from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028).

(3) Enhancing IR activities

The Company will strive to increase opportunities for dialogue with shareholders and investors and actively disclose information on its business activities. Disclosure of non-financial information in addition to financial information will also be enhanced.