

Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (Japanese GAAP)



February 14, 2022

Company Name: RYOBI LIMITED
 Stock Code: 5851
 (URL: <https://www.ryobi-group.co.jp/>)
 Stock Exchange Listing: Tokyo
 Representative: Akira Urakami, President and CEO
 Contact: Hiromu Arihiro, Corporate Officer
 Divisional Deputy General Manager of Corporate Planning Division
 General Manager of Finance Department
 Phone: +81-3-3501-0511
 Scheduled date of Ordinary General Meeting of Shareholders : March 29, 2022
 Scheduled date to submit the Annual Securities Report : March 29, 2022
 Date of scheduled payment of dividend : March 30, 2022
 Availability of supplementary briefing material on yearly results : Yes
 Presentation Meeting : Yes (for securities analysts / institutional investors)

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (From January 1, 2021 to December 31, 2021)

(1) Consolidated Results of Operations

(% indicates changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY December 2021	198,073	15.9	(1,524)	—	4	—	(4,397)	—
FY December 2020	170,973	(22.5)	(1,789)	—	(35)	—	(697)	—

(Note) Comprehensive income: FY December 31, 2021: 6,131 million yen [—%]
 FY December 31, 2020: (2,451) million yen [—%]

	Profit per share	Fully diluted profit per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FY December 2021	(135.87)	—	(3.7)	0.0	(0.8)
FY December 2020	(21.54)	—	(0.6)	(0.0)	(1.0)

(Reference) Equity in earnings of affiliated companies FY December 31, 2021 : 59 million yen
 FY December 31, 2020 : 71 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	279,422	131,717	44.0	3,797.69
As of December 31, 2020	258,660	125,930	45.3	3,619.16

(Reference) Shareholders' Equity: As of December 31, 2021 : 122,926 million yen
 As of December 31, 2020 : 117,147 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY December 2021	14,900	(12,162)	(1,936)	27,388
FY December 2020	11,795	(17,567)	9,718	25,405

2. Dividends

	Cash dividends per share					Total dividends paid(annual)	Payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY December 2020	—	0.00	—	0.00	0.00	—	—	—
FY December 2021	—	10.00	—	10.00	20.00	647	—	0.5
FY December 2022 (Forecast)	—	20.00	—	20.00	40.00		34.1	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2022
(From January 1, 2022 to December 31, 2022)

(% indicates changes from the previous fiscal year for full year, and indicates changes from the previous half for first half.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	114,800	20.1	1,800	—	1,800	—	1,200	431.6	37.07
Full year	240,000	21.2	5,300	—	5,400	—	3,800	—	117.40

* As year-on-year (also previous half) percentage changes of ordinary profit would be more than 1,000%, it is indicated as “-”.

*Notes

(1) Significant changes of companies during the fiscal year ended December 31, 2021 (changes in specific companies involving changes in the scope of consolidation): Applicable
New Company: —
Excluded companies: 1 (Company Name) Ryobi Holdings (USA), Inc.

(2) Changes in accounting policies, changes in accounting estimates and restatements
1) Changes in accounting policies due to the revision of accounting standards: Not applicable
2) Changes in accounting policies other than 1): Not applicable
3) Changes in accounting estimates: Not applicable
4) Restatements: Not applicable

(3) Shares issued (common stock)

1) Shares issued (including treasury stock)	As of December 31, 2021	32,646,143	As of December 31, 2020	32,646,143
2) Treasury stock	As of December 31, 2021	277,412	As of December 31, 2020	277,298
3) Average shares outstanding during the period	FY December 31, 2021	32,368,784	FY December 31, 2020	32,368,933

(Reference) Summary of the Non-consolidated Financial Results

Overview of the Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2021

(From January 1, 2021 to December 31, 2021)

(1) Non-consolidated Results of Operations

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY December 2021	92,508	20.4	(1,868)	—	2,120	149.1	(3,372)	—
FY December 2020	76,836	(22.1)	(4,522)	—	851	(78.7)	741	(81.4)

	Profit per share	Fully diluted profit per share
	Yen	Yen
FY December 2021	(104.18)	—
FY December 2020	22.91	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	167,028	71,429	42.8	2,206.73
As of December 31, 2020	163,394	74,356	45.5	2,297.15

(Reference) Shareholders' Equity As of December 31, 2021: 71,429 million yen
As of December 31, 2020: 74,356 million yen

* These consolidated financial results are outside the scope of audit.

* Explanation for the appropriate use of performance forecasts and other special notes:

(Cautionary note on forward-looking statement)

The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ from forecast values.

Index of Attached Documents

1. Overview of Operating Results.....	- 2 -
(1) Overview of Operating Results for the Fiscal Year under Review	- 2 -
(2) Overview of Financial Position for the Fiscal Year under Review.....	- 4 -
(3) Basic Profit Allocation Policy, and Dividends for the Current and New Fiscal Year	- 5 -
2. Basic Policy for the Selection of Accounting Standards	- 5 -
3. Consolidated Financial Statements and Important Notes	- 6 -
(1) Consolidated Balance Sheets	- 6 -
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	- 8 -
Consolidated Statements of Income	- 8 -
Consolidated Statements of Comprehensive Income	- 9 -
(3) Consolidated Statements of Changes in Equity	- 10 -
(4) Consolidated Statements of Cash Flows	- 12 -
(5) Notes Regarding the Consolidated Financial Statements.....	- 13 -
(Note related to going-concern assumption)	- 13 -
(Segment information)	- 13 -
(Per share information).....	- 15 -
(Important subsequent events)	- 15 -
4. Non-consolidated Financial Statements and Important Note	- 16 -
(1) Balance Sheets.....	- 16 -
(2) Statements of Income	- 18 -
(3) Statements of Changes in Equity.....	- 19 -
5. Others.....	- 21 -
Changes in Officers	- 21 -

(Appendix) Supplementary materials for financial results for the fiscal year ended December 31, 2021

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

1) Operating Results for the Consolidated Fiscal Year under Review

The environment surrounding the Group in the consolidated fiscal year under review exhibited an overall trend of gradual recovery. Domestic economic activity continued to return to normal, rates of COVID-19 vaccinations increased, and overseas economies continued to improve. Nevertheless, with the resurgence of infections, slowing automobile production attributable to global semiconductor shortages and soaring raw material prices, and other trends, the future remains uncertain.

Under these circumstances, the Group pursued energetic sales activities, including Web-based business negotiations, worked to maintain our product supply system while taking measures to prevent the pandemic of infections, and implemented initiatives to cut costs, improve productivity, strengthen operational efficiency.

As a result, sales for the current consolidated fiscal year increased compared to the previous fiscal year. Ordinary income turned positive. However, profit attributable to owners of parent fell due to the impairment losses of 4,134 million yen.

Consolidated business result

	Results for the Fiscal Year Ended December 31, 2020		Results for the Fiscal Year Ended December 31, 2021		Increase / decrease	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	170,973		198,073		27,099	15.9
Operating loss	(1,789)	(1.0)	(1,524)	(0.8)	265	—
Ordinary income (loss)	(35)	(0.0)	4	0.0	39	—
Loss attributable to owners of parent	(697)	(0.4)	(4,397)	(2.2)	(3,700)	—

% indicates the profit margin on sales.

% in the increase/decrease column indicates the increase/decrease rate.

2) Performance by Segment

Die Castings business posted higher sales and a smaller loss than in the previous consolidated fiscal year. While the global semiconductor shortage and the shortage of automotive parts attributable to the resurgence of COVID-19 infections around Southeast Asia affected automobile production, progress on vaccinations, recovery in automotive sales accompanying economic recovery and upward revisions of sales prices to offset rising raw material (aluminum) prices, among other factors, led to higher sales in all regions. While the increase in sales boosted earnings, earnings failed to return to positive territory due to delays in reflecting ongoing increases in raw material prices in sales prices.

Builders' Hardware business posted higher sales and lower profit compared to the previous consolidated fiscal year. Both domestic and overseas sales increased slightly. Profit declined despite efforts to reduce costs and expenses due to the significant impact of higher procurement costs attributable to the strong Chinese yuan.

Printing Equipment business posted higher sales and a smaller loss than in the previous consolidated fiscal year. Sales declined in Japan while rising overseas. A difficult sales environment persisted in Japan as uncertainty about the future and other factors dampened the corporate mood for capital investment. On the other hand, overseas sales increased, due mainly to strong exports to China and South Korea. Earnings improved due to higher sales, lower costs, and other factors.

Sales by segment

	Results for the Fiscal Year Ended December 31, 2020		Results for the Fiscal Year Ended December 31, 2021		Increase / decrease	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Die Castings	145,869	85.3	169,898	85.8	24,029	16.5
Builders' Hardware	9,406	5.5	9,574	4.8	168	1.8
Printing Equipment	15,513	9.1	18,393	9.3	2,880	18.6

% indicates the percentage of each segment sales to net sales.

% in the increase/decrease column indicates the increase/decrease rate.

Operating profit(loss) by segment

	Results for the Fiscal Year Ended December 31, 2020		Results for the Fiscal Year Ended December 31, 2021		Increase / decrease	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Die Castings	(1,612)	(1.1)	(1,449)	(0.9)	163	—
Builders' Hardware	799	8.5	362	3.8	(437)	(54.7)
Printing Equipment	(944)	(6.1)	(417)	(2.3)	527	—

% indicates the profit margin on sales.

% in the increase/decrease column indicates the increase/decrease rate.

3) Outlook for the fiscal year ending December 31, 2022

While the effects of a resurgence of COVID-19, supply chain disruptions, soaring raw material prices, and other trends and events are a cause for concern, we expect the economic situation to recover gradually.

Under these circumstances, as shown below, we currently expect higher sales and profits for the consolidated full-year results for the fiscal year ending December 2022 compared to the current consolidated fiscal year.

The assumed foreign exchange rates are 112 yen to the US dollar, 150 yen to the British pound, 17.5 yen to the Chinese yuan and 3.4 yen to the Thai baht.

Consolidated business forecast

	Results for the Fiscal Year Ended December 31, 2021		Forecasts for the Fiscal Year Ending December 31, 2022		Increase / decrease	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Net sales	198,073		240,000		41,926	21.2
Operating income (loss)	(1,524)	(0.8)	5,300	2.2	6,824	—
Ordinary income	4	0.0	5,400	2.3	5,395	—
Profit (loss) attributable to owners of parent	(4,397)	(2.2)	3,800	1.6	8,197	—

% indicates the profit margin on sales.

% in the increase/decrease column indicates the increase/decrease rate.

The outlook for the full-year consolidated performance by segment for the next fiscal year is as follows:

We expect sales of the Die Castings business to increase both domestic and overseas markets. We anticipate automobile production to recover gradually and segment sales to increase as a greater portion of the increase in raw material prices is passed on to sales prices. We expect profits to increase thanks to higher sales.

Sales of the Builders' Hardware business is expected to remain flat both domestically and overseas. We expect profits to decline due to higher procurement costs generated by the strong Chinese yuan.

Sales of the Printing Equipment business is expected to increase both domestic and overseas markets. In Japan, sales are expected to increase on the back of subsidies from the government and other entities, while overseas sales are expected to increase due to recovery in exports to Europe and the United States. Higher sales are expected to boost profits.

Sales by segment

	Results for the Fiscal Year Ended December 31, 2021		Forecasts for the Fiscal Year Ending December 31, 2022		Increase / decrease	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Die Castings	169,898	85.8	208,100	86.7	38,201	22.5
Builder's Hardware	9,574	4.8	9,400	3.9	(174)	(1.8)
Printing Equipment	18,393	9.3	22,500	9.4	4,106	22.3

% indicates the percentage of each segment sales to net sales.

% in the increase/decrease column indicates the increase/decrease rate.

Operating profit(loss) by segment

	Results for the Fiscal Year Ended December 31, 2021		Forecasts for the Fiscal Year Ending December 31, 2022		Increase / decrease	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Die castings	(1,449)	(0.9)	4,600	2.2	6,049	—
Builder's hardware	362	3.8	300	3.2	(62)	(17.2)
Printing Equipment	(417)	(2.3)	400	1.8	817	—

% indicates the profit margin on sales.

% in the increase/decrease column indicates the increase/decrease rate.

(2) Overview of Financial Position for the Fiscal Year under Review

1) Asset, liabilities and net assets

Total assets at the end of the fiscal year under review increased by 20,762 million yen from the end of the previous consolidated fiscal year to 279,422 million yen. This increase was due mainly to increases in inventories of 11,120 million yen, notes and accounts receivable-trade of 4,170 million yen, retirement benefit asset of 2,438 million yen, and cash and deposits of 1,972 million yen. Certain assets declined, including a decline in property, plant and equipment of 1.8 billion yen.

Liabilities grew by 14,975 million yen from the end of the previous consolidated fiscal year to 147,705 million yen, due mainly to increases in notes and accounts payable-trade of 12,491 million yen and long- and short-term borrowings of 5,893 million yen. Certain liabilities shrank, including bonds payable, which declined by 4.6 billion yen. Interest-bearing debt outstanding, excluding discounted notes receivable and lease obligations, was 73,769 million yen.

Net assets increased by 5,786 million yen from the end of the previous consolidated fiscal year to 131,717 million yen, due mainly to a foreign currency translation adjustment of 8,102 million yen and remeasurements of defined benefit plans of 1,611 million yen. Decreases included a decrease in retained earnings of 4,721 million yen. Shareholders' equity—net assets minus non-controlling interests—increased by 5,778 million yen from the end of the previous fiscal year to 122,926 million yen. As a result, the shareholders' equity ratio decreased by 1.3 percentage points from the end of the previous consolidated fiscal year to 44.0%.

	As of December 31, 2020		As of December 31, 2021		Increase / decrease	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Total asset	258,660		279,422		20,762	8.0
Net asset	117,147	45.3	122,926	44.0	5,778	4.9
Interest-bearing debt	72,475	28.0	73,769	26.4	1,293	1.8

% indicates the percentage of each item to total assets.

% in the increase/decrease column indicates the increase/decrease rate.

2) Cash flows

Cash and cash equivalents at the end of the fiscal year under review increased by 1,983 million yen from the end of the previous consolidated fiscal year to 27,388 million yen.

Cash flows from operating activities increased by 14.9 billion yen. The increase in funds was due mainly to depreciation expenses of 17,240 million yen and an increase in trade payables of 11,934 million yen. Funds declined due to an increase in inventories of 9,214 million yen and a loss before income taxes of 4,329 million yen, among other factors.

Cash flows from investing activities—primarily, expenditures of 11,851 million yen for the purchase of property, plant and equipment—reduced funds by 12,162 million yen.

Cash flows from financing activities decreased by 1,936 million yen. The decrease in funds due mainly to redemptions of bonds of 4.6 billion yen. Funds increased due to other factors, including increases in long- and short-term borrowings of 3,142 million yen.

	Results for the Fiscal Year Ended December 31,2020	Results for the Fiscal Year Ended December 31,2021	Increase / decrease
	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities	11,795	14,900	3,104
Cash flows from investing activities	(17,567)	(12,162)	5,405
Cash flows from financing activities	9,718	(1,936)	(11,655)

The trend in cash flow indicators is as follows.

	Results for the Fiscal Year Ended December 31,2020	Results for the Fiscal Year Ended December 31,2021
Equity ratio	45.3%	44.0%
Equity ratio based on market value	15.6%	12.7%
Ratio of interest-bearing debt to cash flows	6.1 years	5.0 years
Interest coverage ratio	12.3 times	16.5 times

(Notes) Equity ratio : Shareholders' equity / Total asset

Equity ratio based on market value : Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows from Operating activities

Interest coverage ratio : Cash flows from Operating activities / Interest paid

1. Each indicator is calculated based on consolidated figures.
2. Market capitalization is calculated as the closing stock price at the end of the term × the number of shares issued (net of treasury stock) at the end of the term.
3. Interest-bearing debt covers debt recorded on the consolidated balance sheet on which interest is paid (discounted notes receivable and lease obligations are excluded).
4. Operating cash flow is the cash flow from operating activities stated on the consolidated cash flow statement.
5. Interest paid is the amount of interest paid stated on the consolidated statement of cash flows.

(3) Basic Profit Allocation Policy, and Dividends for the Current and New Fiscal Year

Our basic policy for profit distribution is to maintain a stable return of profits to shareholders while securing funds for growth investment along with a medium- to long-term improvement in consolidated operating performance. Funds retained internally are used to strengthen our production and sales systems that account for changes in the business environment, capital growth expenditures, the development of new technologies and products, operational rationalization, and other efforts to strengthen competitiveness and improve earnings power over the medium to long term.

Based on comprehensive considerations, including of the above policy and future improvements in earning power, the scheduled year-end dividend for the fiscal year ending December 2021 is 10 yen per share.

The planned dividend for the fiscal year ending December 2022 is 40 yen per share per annum (interim dividend of 20 yen and year-end dividend of 20 yen).

2. Basic Policy for the Selection of Accounting Standards

The Group's policy is to prepare consolidated financial statements based on Japanese Accounting Standards with consideration for inter-period and inter-company comparability.

Regarding the application of International Accounting Standards, our policy is to respond appropriately after taking into account domestic and overseas conditions.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	2020/12/31	2021/12/31
Assets		
Current assets		
Cash and deposits	26,566	28,538
Notes and accounts receivable - trade	40,157	44,327
Securities	759	740
Merchandise and finished goods	15,353	19,603
Work in process	12,320	14,813
Raw materials and supplies	13,714	18,092
Other	3,379	3,505
Allowance for doubtful accounts	(32)	(30)
Total current assets	112,218	129,591
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,741	32,793
Machinery, equipment and vehicles, net	50,334	51,314
Land	15,964	15,598
Construction in progress	14,323	11,733
Other, net	5,595	5,718
Total property, plant and equipment	118,959	117,158
Intangible assets		
Other	3,482	3,159
Total intangible assets	3,482	3,159
Investments and other assets		
Investment securities	14,396	15,772
Retirement benefit asset	4,478	6,916
Deferred tax assets	2,967	3,879
Other	2,212	3,006
Allowance for doubtful accounts	(63)	(62)
Total investments and other assets	23,991	29,512
Total non-current assets	146,432	149,830
Deferred assets		
Bond issuance costs	8	0
Total deferred assets	8	0
Total assets	258,660	279,422

	2020/12/31	2021/12/31
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,115	41,606
Short-term borrowings	25,595	36,498
Current portion of bonds payable	4,600	1,500
Current portion of long-term borrowings	7,110	13,005
Income taxes payable	476	636
Provision for bonuses	390	387
Other	16,601	17,131
Total current liabilities	83,890	110,765
Non-current liabilities		
Bonds payable	1,500	—
Long-term borrowings	33,670	22,765
Deferred tax liabilities	2,085	2,948
Deferred tax liabilities for land revaluation	510	510
Retirement benefit liability	8,055	7,872
Other	3,017	2,842
Total non-current liabilities	48,839	36,939
Total liabilities	132,730	147,705
Net assets		
Shareholders' equity		
Share capital	18,472	18,472
Capital surplus	21,861	21,875
Retained earnings	76,309	71,587
Treasury shares	(346)	(346)
Total shareholders' equity	116,295	111,588
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,733	5,503
Revaluation reserve for land	810	811
Foreign currency translation adjustment	(3,814)	4,288
Remeasurements of defined benefit plans	(877)	734
Total accumulated other comprehensive income	852	11,337
Non-controlling interests	8,782	8,790
Total net assets	125,930	131,717
Total liabilities and net assets	258,660	279,422

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	from:2020/1/1 to:2020/12/31	from:2021/1/1 to:2021/12/31
Net sales	170,973	198,073
Cost of sales	153,882	179,600
Gross profit	17,090	18,472
Selling, general and administrative expenses	18,879	19,996
Operating loss	(1,789)	(1,524)
Non-operating income		
Interest income	104	164
Dividend income	339	366
Rental income	198	164
Foreign exchange gains	—	200
Dividend income of insurance	128	145
Share of profit of entities accounted for using equity method	71	59
Usage income of trademark	247	270
Subsidy income	1,451	378
Other	624	833
Total non-operating income	3,166	2,582
Non-operating expenses		
Interest expenses	967	894
Loss on abandonment of inventories	68	31
Foreign exchange losses	225	—
Depreciation	29	16
Other	121	112
Total non-operating expenses	1,412	1,054
Ordinary profit (loss)	(35)	4
Extraordinary income		
Gain on disposal of non-current assets	23	4
Gain on sale of investment securities	—	0
Total extraordinary income	23	5
Extraordinary losses		
Loss on disposal of non-current assets	97	203
Impairment losses	1,228	4,134
Loss on valuation of investment securities	85	2
Loss on sale of investment securities	0	—
Loss on sale of shares of subsidiaries and associates	78	—
Total extraordinary losses	1,490	4,339
Loss before income taxes	(1,501)	(4,329)
Income taxes - current	1,080	1,001
Income taxes - deferred	(1,758)	(969)
Total income taxes	(678)	31
Loss	(823)	(4,361)
Profit (loss) attributable to non-controlling interests	(126)	36
Loss attributable to owners of parent	(697)	(4,397)

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	from: 2020/1/1 to: 2020/12/31	from: 2021/1/1 to: 2021/12/31
Loss	(823)	(4,361)
Other comprehensive income		
Valuation difference on available-for-sale securities	(763)	771
Revaluation reserve for land	0	0
Foreign currency translation adjustment	(1,238)	7,821
Remeasurements of defined benefit plans, net of tax	350	1,618
Share of other comprehensive income of entities accounted for using equity method	23	281
Total other comprehensive income	(1,627)	10,492
Comprehensive income	(2,451)	6,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,245)	6,087
Comprehensive income attributable to non-controlling interests	(205)	43

(3) Consolidated Statements of Changes in Equity
 Previous consolidated fiscal year (January 1, 2020 - December 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,472	21,854	78,139	(346)	118,120
Changes during period					
Dividends of surplus			(1,132)		(1,132)
Loss attributable to owners of parent			(697)		(697)
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		6			6
Net changes in items other than shareholders' equity					
Total changes during period	—	6	(1,830)	(0)	(1,824)
Balance at end of period	18,472	21,861	76,309	(346)	116,295

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,443	809	(2,626)	(1,226)	2,400	9,054	129,575
Changes during period							
Dividends of surplus							(1,132)
Loss attributable to owners of parent							(697)
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							6
Net changes in items other than shareholders' equity	(710)	0	(1,187)	348	(1,548)	(272)	(1,821)
Total changes during period	(710)	0	(1,187)	348	(1,548)	(272)	(3,645)
Balance at end of period	4,733	810	(3,814)	(877)	852	8,782	125,930

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,472	21,861	76,309	(346)	116,295
Changes during period					
Dividends of surplus			(323)		(323)
Loss attributable to owners of parent			(4,397)		(4,397)
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		14			14
Net changes in items other than shareholders' equity					
Total changes during period	—	14	(4,721)	(0)	(4,707)
Balance at end of period	18,472	21,875	71,587	(346)	111,588

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,733	810	(3,814)	(877)	852	8,782	125,930
Changes during period							
Dividends of surplus							(323)
Loss attributable to owners of parent							(4,397)
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							14
Net changes in items other than shareholders' equity	770	0	8,102	1,611	10,485	8	10,494
Total changes during period	770	0	8,102	1,611	10,485	8	5,786
Balance at end of period	5,503	811	4,288	734	11,337	8,790	131,717

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	from: 2020/1/1 to: 2020/12/31	from: 2021/1/1 to: 2021/12/31
Cash flows from operating activities		
Loss before income taxes	(1,501)	(4,329)
Depreciation	16,402	17,240
Impairment losses	1,228	4,134
Increase (decrease) in allowance for doubtful accounts	(14)	(3)
Increase (decrease) in provision for bonuses	(185)	(3)
Increase (decrease) in retirement benefit liability	131	33
Interest and dividend income	(443)	(530)
Interest expenses	967	894
Subsidy income	(1,451)	(378)
Share of loss (profit) of entities accounted for using equity method	(71)	(59)
Loss (gain) on disposal of non-current assets	75	198
Loss (gain) on sale of investment securities	0	—
Loss (gain) on valuation of investment securities	85	2
Loss (gain) on sale of shares of subsidiaries and associates	78	—
Decrease (increase) in trade receivables	819	(2,520)
Decrease (increase) in inventories	3,382	(9,214)
Decrease (increase) in other current assets	(524)	(208)
Increase (decrease) in trade payables	(6,477)	11,934
Increase (decrease) in other current liabilities	72	(1,253)
Other, net	(213)	(424)
Subtotal	12,360	15,510
Interest and dividends received	463	613
Interest paid	(958)	(904)
Subsidies received	1,267	455
Income taxes refund (paid)	(1,338)	(773)
Net cash provided by (used in) operating activities	11,795	14,900
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,291)	(11,851)
Proceeds from sale of property, plant and equipment	1,148	520
Purchase of securities	(1,330)	(1,300)
Proceeds from sale of securities	1,340	1,330
Purchase of investment securities	(32)	(15)
Proceeds from sale of investment securities	15	13
Proceeds from sale of shares of subsidiaries and associates	2,630	—
Payments into time deposits	(2,404)	(2,404)
Proceeds from withdrawal of time deposits	2,404	2,404
Other, net	(1,049)	(859)
Net cash provided by (used in) investing activities	(17,567)	(12,162)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,315	9,325
Proceeds from long-term borrowings	18,670	1,866
Repayments of long-term borrowings	(7,606)	(8,050)
Redemption of bonds	(2,300)	(4,600)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,135)	(328)
Other, net	(225)	(150)
Net cash provided by (used in) financing activities	9,718	(1,936)
Effect of exchange rate change on cash and cash equivalents	103	1,182
Net increase (decrease) in cash and cash equivalents	4,048	1,983
Cash and cash equivalents at beginning of period	21,356	25,405
Cash and cash equivalents at end of period	25,405	27,388

(5) Notes Regarding the Consolidated Financial Statements

(Note related to going-concern assumption)

Not applicable.

(Segment information)

a. Segment Information

1. Overview of reported segments

The Company's reported segments are the constituent units of the Company for which separate financial information is available. They are subject to periodic review by the board of directors to determine the allocation of the company's resources and to provide a management evaluation.

The Group consists of product-based segments, with Die Castings, Builders' Hardware, and Printing Equipment representing the three reported segments.

Die Castings consists of die-cast products and aluminum castings used as components for automobiles and other equipment.

Builders' Hardware consists of door closers and other products.

Printing Equipment consists of offset-printing machines, printing peripheral equipment, and other products.

2. Method of calculating amounts of net sales, profits or losses, assets and other items by reportable segment

The earnings of the reported segments are operating profits or operating losses. Intersegment sales or transfers are based on arm's-length prices.

3. Information regarding amounts of net sales, profits or losses, assets and other items by reportable segment

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

(Millions of yen)

	Reported segment				Other (Note)1	Total	Adjustment (Note)2	Consolidated (Note)3
	Die Castings	Builders' Hardware	Printing Equipment	Total				
Net Sales:								
Unaffiliated customers	145,869	9,406	15,513	170,789	183	170,973	—	170,973
Intersegment	53	—	—	53	33	87	(87)	—
Total	145,922	9,406	15,513	170,843	217	171,060	(87)	170,973
Segment profit (loss)	(1,612)	799	(944)	(1,757)	(31)	(1,789)	0	(1,789)
Segment assets	202,516	9,931	19,996	232,444	303	232,748	25,911	258,660
Other items								
Depreciation	15,919	187	280	16,386	15	16,402	—	16,402
Amount invested in equity-method affiliates	—	2,039	—	2,039	—	2,039	—	2,039
Increase in tangible fixed assets and intangible fixed assets	16,687	470	217	17,375	17	17,392	—	17,392

(Notes) 1. Other refers to business segments not included in the reported segments, including the insurance agency business and golf course management.

2. The adjustment amounts are as follows:

(1) Adjustments to segment profits or losses are due to the elimination of inter-segment transactions, etc.

(2) Adjustments to segment assets are due to corporate assets and the elimination of inter-segment transactions, etc.

3. Segment profit or loss matches the operating loss stated on the consolidated income statement.

Consolidated fiscal year under review(from January 1, 2021 to December 31, 2021)

(Millions of yen)

	Reported segment				Other (Note)1	Total	Adjustment (Note)2	Consolidated (Note)3
	Die Castings	Builders' Hardware	Printing Equipment	Total				
Net Sales:								
Unaffiliated customers	169,898	9,574	18,393	197,867	205	198,073	—	198,073
Intersegment	75	—	—	75	24	99	(99)	—
Total	169,974	9,574	18,393	197,942	229	198,172	(99)	198,073
Segment profit (loss)	(1,449)	362	(417)	(1,505)	(18)	(1,523)	(0)	(1,524)
Segment assets	214,262	10,606	22,240	247,109	179	247,289	32,133	279,422
Other items								
Depreciation	16,783	195	258	17,237	2	17,240	—	17,240
Amount invested in equity-method affiliates	—	2,312	—	2,312	—	2,312	—	2,312
Increase in tangible fixed assets and intangible fixed assets	12,829	139	53	13,021	48	13,070	—	13,070

(Notes) 1. Other refers to business segments not included in the reported segments, including the insurance agency business and golf course management.

2. The adjustment amounts are as follows:

(1) Adjustments to segment profits or losses are due to the elimination of inter-segment transactions, etc.

(2) Adjustments to segment assets are due to corporate assets and the elimination of inter-segment transactions, etc.

3. Segment profit or loss matches the operating loss stated on the consolidated income statement.

b. Related information

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

1. Information by product and service

It is omitted here because similar information is disclosed in the segment information section.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	U.S.A.	China	Others	Total
91,088	17,242	34,264	28,377	170,973

(Notes) Sales by region are based on the locations of customers and are classified by country or region.

(2) Tangible fixed assets

(Millions of yen)

Japan	U.S.A.	Mexico	China	Others	Total
54,151	13,001	9,770	29,688	12,347	118,959

Consolidated fiscal year under review(from January 1, 2021 to December 31, 2021)

1. Information by product and service

It is omitted here because similar information is disclosed in the segment information section.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	U.S.A.	China	Others	Total
103,649	20,814	38,605	35,003	198,073

(Notes) Sales by region are based on the locations of customers and are classified by country or region.

(2) Tangible fixed assets

(Millions of yen)

Japan	U.S.A.	Mexico	China	Others	Total
51,191	14,271	9,951	32,940	8,803	117,158

c. Information on impairment losses on fixed assets by reported segment

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Total
Impairment loss	—	—	—	1,107	121	1,228

Consolidated fiscal year under review (from January 1, 2021 to December 31, 2021)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Total
Impairment loss	3,993	—	—	140	—	4,134

(Per share information)

	Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)	Consolidated fiscal year under review (from January 1, 2021 to December 31, 2021)
Net asset per share	3,619.16 yen	3,797.69 yen
Loss per share	(21.54) yen	(135.87) yen
Fully diluted net income per share	—	—

(Notes) 1. Diluted net income per share was omitted because there are no dilutive shares.

2. The basis for calculating net loss per share () is as follows.

	Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)	Consolidated fiscal year under review (from January 1, 2021 to December 31, 2021)
Loss attributable to owners of parent (million yen)	(697)	(4,397)
Amount not attributable to common shareholders (million yen)	—	—
Loss attributable to owners of parent in relation to common shares (million yen)	(697)	(4,397)
Average number of shares during the fiscal year (thousand shares)	32,368	32,368

(Important subsequent events)

Not applicable.

4. Non-consolidated Financial Statements and Important Note

(1) Balance Sheets

(Millions of yen)

	2020/12/31	2021/12/31
Assets		
Current assets		
Cash and deposits	10,063	13,204
Notes receivable - trade	499	492
Electronically recorded monetary claims - operating	2,091	2,452
Accounts receivable - trade	18,438	23,047
Securities	650	650
Merchandise and finished goods	5,830	6,184
Work in process	5,993	6,939
Raw materials and supplies	2,076	2,956
Accounts receivable - other	4,563	3,942
Short-term loans receivable	7,050	6,604
Other	181	175
Allowance for doubtful accounts	(0)	(1,554)
Total current assets	57,438	65,094
Non-current assets		
Property, plant and equipment		
Buildings	10,332	9,722
Structures	665	662
Machinery and equipment	7,391	7,987
Vehicles	54	66
Tools, furniture and fixtures	2,964	2,892
Land	12,121	11,827
Construction in progress	5,465	2,721
Other	4	2
Total property, plant and equipment	38,999	35,882
Intangible assets		
Software	2,192	1,747
Other	48	31
Total intangible assets	2,241	1,779
Investments and other assets		
Investment securities	10,636	11,734
Shares of subsidiaries and associates	19,462	17,789
Investments in capital of subsidiaries and associates	29,041	29,041
Other	6,508	6,763
Allowance for doubtful accounts	(941)	(1,057)
Total investments and other assets	64,707	64,271
Total non-current assets	105,947	101,933
Deferred assets		
Bond issuance costs	8	0
Total deferred assets	8	0
Total assets	163,394	167,028

	2020/12/31	2021/12/31
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	7,953	12,371
Accounts payable - trade	11,881	14,735
Short-term borrowings	22,190	26,490
Current portion of bonds payable	4,600	1,500
Current portion of long-term borrowings	1,855	8,855
Accounts payable - other	3,735	3,101
Accrued expenses	862	810
Income taxes payable	42	191
Provision for bonuses	198	189
Deposits received from employees	1,649	1,634
Electronically recorded obligations-facilities	592	354
Other	321	177
Total current liabilities	55,883	70,410
Non-current liabilities		
Bonds payable	1,500	—
Long-term borrowings	25,616	17,060
Provision for retirement benefits	5,719	5,720
Deferred tax liabilities	281	499
Provision for loss on guarantees	—	1,874
Other	38	34
Total non-current liabilities	33,155	25,188
Total liabilities	89,038	95,599
Net assets		
Shareholders' equity		
Share capital	18,472	18,472
Capital surplus		
Legal capital surplus	11,617	11,617
Other capital surplus	10,052	10,052
Total capital surplus	21,669	21,669
Retained earnings		
Other retained earnings		
Retained earnings brought forward	30,126	26,431
Total retained earnings	30,126	26,431
Treasury shares	(346)	(346)
Total shareholders' equity	69,922	66,226
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,433	5,202
Total valuation and translation adjustments	4,433	5,202
Total net assets	74,356	71,429
Total liabilities and net assets	163,394	167,028

(2) Statements of Income

(Millions of yen)

	from:2020/1/1 to:2020/12/31	from:2021/1/1 to:2021/12/31
Net sales	76,836	92,508
Cost of sales	69,701	82,291
Gross profit	7,134	10,217
Selling, general and administrative expenses	11,657	12,085
Operating loss	(4,522)	(1,868)
Non-operating income		
Interest income	62	71
Dividend income	4,176	2,577
Rental income	481	442
Outsourcing service income	299	258
Foreign exchange gains	—	176
Other	1,253	1,020
Total non-operating income	6,273	4,547
Non-operating expenses		
Interest expenses	318	313
Depreciation	188	159
Loss on abandonment of inventories	34	13
Foreign exchange losses	257	—
Other	101	71
Total non-operating expenses	900	558
Ordinary profit	851	2,120
Extraordinary income		
Gain on disposal of non-current assets	2	0
Gain on sale of investment securities	—	0
Gain on sale of shares of subsidiaries and associates	308	—
Total extraordinary income	311	1
Extraordinary losses		
Loss on disposal of non-current assets	8	87
Impairment losses	121	—
Loss on valuation of investment securities	50	2
Loss on valuation of shares of subsidiaries and associates	106	1,678
Loss on valuation of golf club membership	55	—
Provision of allowance for doubtful accounts	878	1,671
Provision for loss on guarantees	—	1,874
Total extraordinary losses	1,221	5,314
Loss before income taxes	(58)	(3,193)
Income taxes - current	6	295
Income taxes - deferred	(806)	(116)
Total income taxes	(799)	178
Profit (loss)	741	(3,372)

(3) Statements of Changes in Equity

Previous non-consolidated fiscal year (from January 1, 2020 to December 31, 2020)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at beginning of period	18,472	11,617	10,052	21,669	30,518	30,518	(346)	70,313
Changes during period								
Dividends of surplus					(1,132)	(1,132)		(1,132)
Loss					741	741		741
Purchase of treasury shares							(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	(391)	(391)	(0)	(391)
Balance at end of period	18,472	11,617	10,052	21,669	30,126	30,126	(346)	69,922

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	4,947	4,947	75,261
Changes during period			
Dividends of surplus			(1,132)
Loss			741
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	(513)	(513)	(513)
Total changes during period	(513)	(513)	(905)
Balance at end of period	4,433	4,433	74,356

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at beginning of period	18,472	11,617	10,052	21,669	30,126	30,126	(346)	69,922
Changes during period								
Dividends of surplus					(323)	(323)		(323)
Loss					(3,372)	(3,372)		(3,372)
Purchase of treasury shares							(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	(3,695)	(3,695)	(0)	(3,695)
Balance at end of period	18,472	11,617	10,052	21,669	26,431	26,431	(346)	66,226

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	4,433	4,433	74,356
Changes during period			
Dividends of surplus			(323)
Loss			(3,372)
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	768	768	768
Total changes during period	768	768	(2,927)
Balance at end of period	5,202	5,202	71,429

5. Others

Changes in Officers (scheduled for March 29, 2022)

Changes in other officers

- Directors scheduled to retire

Name	Current position
Takashi Suzuki	Director, Corporate Officer, and Director of Tokyo Branch Divisional General Manager of the Builders' Hardware Division

- Candidate for new standing corporate auditor

Name	New position	Current position
Takashi Suzuki	Standing Corporate Auditor	Director, Corporate Officer, and Director of Tokyo Branch Divisional General Manager of the Builders' Hardware Division

- Standing corporate auditor scheduled to retire

Name	Current position
Yoshimi Takino	Standing Corporate Auditor

Supplementary materials for financial results for the fiscal year ended December 31, 2021

 February 14, 2022
 RYOBI LIMITED

Consolidated

(unit: millions of yen, %)

	'18/12	'19/12	'20/12	'21/12	'22/12 (Forecast)	
					First half	
Net sales	216,187	220,519	170,973	198,073	240,000	114,800
Operating profit	13,579 6.3	8,495 3.9	(1,789) (1.0)	(1,524) (0.8)	5,300 2.2	1,800 1.6
Ordinary profit	13,965 6.5	8,734 4.0	(35) (0.0)	4 0.0	5,400 2.3	1,800 1.6
Profit attributable to owners of parent	8,588 4.0	4,913 2.2	(697) (0.4)	(4,397) (2.2)	3,800 1.6	1,200 1.0

Price earnings ratio (unit: yen)	265.32	151.79	(21.54)	(135.87)	117.40	37.07
Return on equity (%)	7.4	4.1	(0.6)	(3.7)	—	—
Ordinary profit to total asset ratio (%)	5.2	3.3	(0.0)	0.0	—	—

Net sales by segment

Die Castings	188,403 87.1	185,938 84.3	145,869 85.3	169,898 85.8	208,100 86.7	100,000 87.1
Builders' Hardware	7,885 3.6	10,712 4.9	9,406 5.5	9,574 4.8	9,400 3.9	4,500 3.9
Printing Equipment	19,704 9.1	23,661 10.7	15,513 9.1	18,393 9.3	22,500 9.4	10,300 9.0
In Japan	97,746 45.2	116,571 52.9	91,088 53.3	103,649 52.3	121,400 50.6	58,600 51.0
Overseas	118,440 54.8	103,948 47.1	79,884 46.7	94,424 47.7	118,600 49.4	56,200 49.0

Operating profit by segment

Die Castings	12,580 6.7	7,659 4.1	(1,612) (1.1)	(1,449) (0.9)	4,600 2.2	1,600 1.6
Builders' Hardware	372 4.7	697 6.5	799 8.5	362 3.8	300 3.2	100 2.2
Printing Equipment	603 3.1	144 0.6	(944) (6.1)	(417) (2.3)	400 1.8	100 1.0

Total asset	268,982	263,179	258,660	279,422	—	—
Shareholders' equity	116,705 43.4	120,520 45.8	117,147 45.3	122,926 44.0	—	—
Retained earnings	74,831 27.8	78,139 29.7	76,309 29.5	71,587 25.6	—	—
Interest-bearing debt	61,912 23.0	61,908 23.5	72,475 28.0	73,769 26.4	73,000	—

Capital expenditure	19,987	24,839	17,392	13,070	17,000	—
Depreciation	12,531	15,370	16,402	17,240	18,000	—

Cash flows from operating activities	24,664	30,326	11,795	14,900	—	—
Cash flows from investing activities	(17,547)	(26,278)	(17,567)	(12,162)	—	—
Cash flows from financing activities	(9,139)	(2,268)	9,718	(1,936)	—	—

(unit: people)

Year-end staff	7,819	7,683	7,396	7,243	—	—
----------------	-------	-------	-------	-------	---	---

Assumed foreign exchange rates for FY2022

USD/JPY	112	GBP/JPY	150
CNY/JPY	17.5	THB/JPY	3.4