

# Consolidated Financial Results for the Six Months Ended June 30, 2019 (Japanese GAAP)



August 5, 2019

Company Name: RYOBI LIMITED  
 Stock Code: 5851  
 (URL: <http://www.ryobi-group.co.jp/>)  
 Stock Exchange Listing: Tokyo  
 Representative: Akira Urakami, President and Chief Executive Officer  
 Contact: Hiromu Arihiro, Corporate Officer General Manager of Finance Department  
 Phone: +81-3-3501-0511  
 Scheduled date to submit the Quarterly Securities Report: August 8, 2019  
 Scheduled date to commence dividend payments: August 30, 2019  
 Availability of supplementary briefing material on quarterly results : Yes  
 Presentation Meeting : Yes (for financial analysts / investors)

(Any amount less than one million is disregarded.)

## 1. Consolidated Financial Results for the Six Months Ended June 30, 2019 (From January 1, 2019 to June 30, 2019)

(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	%
Six months ended June 30, 2019	112,099	–	4,805	–	4,813	–	3,683	–
Six months ended September 30, 2018	151,053	–	10,333	–	10,655	–	8,309	–

(Note) Comprehensive income: Six months ended June 30, 2019: 2,440 million yen [– %]  
 Six months ended September 30, 2018: 7,479 million yen [– %]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Six months ended June 30, 2019	113.79	–
Six months ended September 30, 2018	256.70	–

\* With regard to the fiscal year ended December 31, 2018, which fell under the transitional period, the consolidated fiscal period for the six months ended September 30, 2018 of the Company and its domestic consolidated companies was the six-month period from April 1, 2018 to September 30, 2018. For overseas consolidated companies, the consolidated fiscal period was the nine-month period from January 1, 2018 to September 30, 2018. For this reason, the report does not indicate year-on-year percentage changes.

\* Because the Company has finalized the provisional accounting for business combinations in the fiscal year ended December 31, 2018, the Company has reflected the contents of the finalized provisional accounting on the values for the six months ended September 30, 2018.

## (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	265,672	127,459	44.6
As of December 31, 2018	268,982	125,521	43.4

(Reference) Shareholders' Equity: As of June 30, 2019: 118,527 million yen  
 As of December 31, 2018: 116,705 million yen

## 2. Dividends

	Cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY December 2018	–	35.00	–	35.00	70.00
FY December 2019	–	35.00			
FY December 2019 (Forecast)			–	35.00	70.00

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2019 (From January 1, 2019 to December 31, 2019)

	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
Full year	224,500	–	8,100	–	8,000	–	5,800	–	179.18

\* With regard to the fiscal year ended December 31, 2018, which fell under the transitional period, the consolidated fiscal year of the Company and its domestic consolidated companies was the nine-month period from April 1, 2018 to December 31, 2018. For overseas consolidated companies, the consolidated fiscal period was the 12-month period from January 1, 2018 to December 31, 2018. For this reason, the report does not indicate year-on-year percentage changes.

### \* Notes

- (1) Significant changes of companies during the fiscal year ended June 30, 2019 (changes in specific companies involving changes in the scope of consolidation): Not applicable
- (2) Adoption of specific accounting treatments to the preparation of consolidated quarterly financial statements: Not applicable
- (3) Changes in accounting policies, changes in accounting estimates and restatements
  - 1) Changes in accounting policies due to the revision of accounting standards: Applicable
  - 2) Changes in accounting policies other than 1): Not applicable
  - 3) Changes in accounting estimates: Not applicable
  - 4) Restatements: Not applicable
- (4) Shares issued (common stock)
  - 1) Shares issued (including treasury stock)
 

As of June 30, 2019	32,646,143	As of December 31, 2018	32,646,143
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  - 2) Treasury stock
 

As of June 30, 2019	277,113	As of December 31, 2018	277,069
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  - 3) Average shares outstanding during the period
 

Six months ended June 30, 2019	32,369,042	Six months ended September 30, 2018	32,369,086
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\* These consolidated quarterly financial results are outside the scope of the quarterly review.

\* 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.

## Comparative Balance Sheets (Consolidated)

(Millions of yen)

	December 31, 2018	June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	20,791	24,120
Notes and accounts receivable - trade	58,358	44,684
Securities	770	768
Merchandise and finished goods	17,049	17,753
Work in process	14,006	14,293
Raw materials and supplies	15,842	15,409
Other	3,711	3,404
Allowance for doubtful accounts	(260)	(251)
Total current assets	130,269	120,182
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,305	33,316
Machinery, equipment and vehicles, net	46,821	47,413
Land	18,289	18,299
Construction in progress	9,928	13,819
Other, net	4,946	5,425
Total property, plant and equipment	112,291	118,274
Intangible assets		
Other	3,504	3,639
Total intangible assets	3,504	3,639
Investments and other assets		
Investment securities	17,726	17,845
Other	5,203	5,755
Allowance for doubtful accounts	(66)	(67)
Total investments and other assets	22,862	23,533
Total non-current assets	138,658	145,446
Deferred assets		
Bond issuance cost	54	43
Total deferred assets	54	43
Total assets	268,982	265,672

## Comparative Balance Sheets (Consolidated)

(Millions of yen)

	December 31, 2018	June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	45,196	37,035
Short-term loans payable	24,774	26,057
Current portion of long-term loans payable	7,481	8,348
Income taxes payable	772	517
Provision for bonuses	762	738
Provision for directors' bonuses	45	—
Other	21,884	25,301
Total current liabilities	100,917	97,999
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term loans payable	21,256	18,759
Net defined benefit liability	8,369	7,932
Other	4,517	5,121
Total non-current liabilities	42,542	40,214
Total liabilities	143,460	138,213
<b>Net assets</b>		
Shareholders' equity		
Capital stock	18,472	18,472
Capital surplus	21,820	21,846
Retained earnings	74,831	78,036
Treasury shares	(346)	(346)
Total shareholders' equity	114,777	118,009
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,127	5,224
Revaluation reserve for land	808	811
Foreign currency translation adjustment	(1,530)	(3,248)
Remeasurements of defined benefit plans	(2,478)	(2,268)
Total accumulated other comprehensive income	1,927	518
Non-controlling interests	8,816	8,931
Total net assets	125,521	127,459
<b>Total liabilities and net assets</b>	<b>268,982</b>	<b>265,672</b>

## Comparative Statements of Income (Consolidated)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended June 30, 2019
Net sales	151,053	112,099
Cost of sales	128,751	96,480
Gross profit	22,301	15,618
Selling, general and administrative expenses	11,968	10,813
Operating profit	10,333	4,805
Non-operating income		
Interest income	59	50
Dividend income	211	204
Rent income	238	165
Foreign exchange gains	69	—
Share of profit of entities accounted for using equity method	52	83
Usage income of trademark	144	133
Other	561	195
Total non-operating income	1,336	832
Non-operating expenses		
Interest expenses	859	538
Sales discounts	4	7
Foreign exchange losses	—	175
Depreciation	27	22
Other	124	79
Total non-operating expenses	1,015	823
Ordinary profit	10,655	4,813
Extraordinary income		
Gain on disposal of non-current assets	14	53
Gain on sales of investment securities	0	28
Gain on bargain purchase	646	—
Total extraordinary income	661	82
Extraordinary losses		
Loss on disposal of non-current assets	57	56
Total extraordinary losses	57	56
Profit before income taxes	11,258	4,839
Income taxes	2,670	1,011
Profit	8,587	3,827
Profit attributable to non-controlling interests	278	144
Profit attributable to owners of parent	8,309	3,683

## Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended June 30, 2019
Profit	8,587	3,827
Other comprehensive income		
Valuation difference on available-for-sale securities	184	115
Revaluation reserve for land	—	2
Foreign currency translation adjustment	(1,438)	(1,634)
Remeasurements of defined benefit plans, net of tax	145	212
Share of other comprehensive income of entities accounted for using equity method	(0)	(83)
Total other comprehensive income	(1,108)	(1,387)
Comprehensive income	7,479	2,440
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,202	2,273
Comprehensive income attributable to non-controlling interests	276	166

## Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended June 30, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,258	4,839
Depreciation	8,902	7,399
Increase (decrease) in allowance for doubtful accounts	(3)	(2)
Increase (decrease) in provision for bonuses	(13)	(23)
Increase (decrease) in net defined benefit liability	69	(238)
Interest and dividend income	(271)	(254)
Interest expenses	859	538
Share of loss (profit) of entities accounted for using equity method	(52)	(83)
Loss (gain) on sales of investment securities	(0)	(28)
Loss (gain) on disposal of non-current assets	43	2
Gain on bargain purchase	(646)	—
Decrease (increase) in notes and accounts receivable - trade	2,014	12,580
Decrease (increase) in inventories	(5,068)	(963)
Decrease (increase) in other current assets	518	148
Increase (decrease) in notes and accounts payable - trade	1,054	(8,012)
Increase (decrease) in other current liabilities	447	1,448
Other, net	(402)	(218)
Subtotal	18,709	17,131
Interest and dividend income received	271	278
Interest expenses paid	(879)	(547)
Income taxes (paid) refund	(1,595)	(470)
Net cash provided by (used in) operating activities	16,505	16,392
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,661)	(10,869)
Proceeds from sales of property, plant and equipment	15	150
Purchase of securities	(30)	(680)
Proceeds from sales of securities	30	680
Purchase of investment securities	(23)	(6)
Proceeds from sales of investment securities	0	45
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,058)	—
Payments for transfer of business	—	(1,221)
Payments into time deposits	(34)	(1,214)
Proceeds from withdrawal of time deposits	34	1,214
Other, net	(715)	(226)
Net cash provided by (used in) investing activities	(11,442)	(12,127)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(296)	1,719
Proceeds from long-term loans payable	1,691	2,447
Repayments of long-term loans payable	(4,959)	(3,730)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(1,130)	(1,132)
Other, net	(27)	(94)
Net cash provided by (used in) financing activities	(4,723)	(789)
Effect of exchange rate change on cash and cash equivalents	(140)	(148)
Net increase (decrease) in cash and cash equivalents	199	3,326
Cash and cash equivalents at beginning of period	21,931	19,632
Cash and cash equivalents at end of period	22,131	22,958

## Segment Information

### Industry Segment Information

Six months ended September 30, 2018

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	133,127	5,024	12,762	138	—	151,053
Intersegment	72	—	—	39	(112)	—
Total	133,200	5,024	12,762	177	(112)	151,053
Operating income	9,743	214	347	28	(0)	10,333

Six months ended June 30, 2019

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	95,264	5,087	11,653	93	—	112,099
Intersegment	66	—	—	31	(98)	—
Total	95,330	5,087	11,653	125	(98)	112,099
Operating income	4,421	245	139	(1)	0	4,805

\* All amounts have been rounded down to the nearest million yen.