

Consolidated Financial Results for the Nine Months Ended September 30, 2019 (Japanese GAAP)



November 11, 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
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 Scheduled date to submit the Quarterly Securities Report: November 12, 2019
 Availability of supplementary briefing material on quarterly results : Yes
 Presentation Meeting : Not Scheduled

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2019 (From January 1, 2019 to September 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	%
Nine months ended September 30, 2019	167,081	—	6,827	—	6,965	—	4,983	—
Nine months ended September 30, 2018	—	—	—	—	—	—	—	—

(Note) Comprehensive income: Nine months ended September 30, 2019: 2,824 million yen [—%]

Nine months ended September 30, 2018: —million yen [—%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Nine months ended September 30, 2019	153.97	—
Nine months ended September 30, 2018	—	—

* With regard to the fiscal year ended December 31, 2018, which fell under the transitional period, consolidated financial statements for the nine months ended September 30, 2018 were not prepared. For this reason, the report does not indicate consolidated results of operations for the nine months ended September 30, 2018 and year-on-year percentage changes.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	256,182	126,697	45.9
As of December 31, 2018	268,982	125,521	43.4

(Reference) Shareholders' Equity: As of September 30, 2019: 117,633 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 September 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 September 30, 2019	32,646,143	As of December 31, 2018	32,646,143
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 - 2) Treasury stock

	As of September 30, 2019	277,173	As of December 31, 2018	277,069
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 - 3) Average shares outstanding during the period

	Nine months ended September 30, 2019	32,369,029	Nine months ended September 30, 2018	–
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* With regard to the fiscal year ended December 31, 2018, which fell under the transitional period, consolidated financial statements for the nine months ended September 30, 2018 were not prepared. For this reason, the report does not indicate average shares outstanding for the nine months ended September 30, 2018.

* 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	September 30, 2019
Assets		
Current assets		
Cash and deposits	20,791	14,933
Notes and accounts receivable - trade	58,358	45,902
Securities	770	765
Merchandise and finished goods	17,049	16,519
Work in process	14,006	14,758
Raw materials and supplies	15,842	14,847
Other	3,711	3,042
Allowance for doubtful accounts	(260)	(137)
Total current assets	130,269	110,632
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,305	33,063
Machinery, equipment and vehicles, net	46,821	50,857
Land	18,289	18,302
Construction in progress	9,928	10,447
Other, net	4,946	5,338
Total property, plant and equipment	112,291	118,009
Intangible assets		
Other	3,504	3,580
Total intangible assets	3,504	3,580
Investments and other assets		
Investment securities	17,726	17,871
Other	5,203	6,116
Allowance for doubtful accounts	(66)	(65)
Total investments and other assets	22,862	23,922
Total non-current assets	138,658	145,512
Deferred assets		
Bond issuance cost	54	37
Total deferred assets	54	37
Total assets	268,982	256,182

Comparative Balance Sheets (Consolidated)

(Millions of yen)

	December 31, 2018	September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,196	33,275
Short-term loans payable	24,774	24,620
Current portion of long-term loans payable	7,481	6,484
Income taxes payable	772	496
Provision for bonuses	762	2,157
Provision for directors' bonuses	45	—
Other	21,884	17,484
Total current liabilities	100,917	84,518
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term loans payable	21,256	23,528
Net defined benefit liability	8,369	7,939
Other	4,517	5,099
Total non-current liabilities	42,542	44,966
Total liabilities	143,460	129,484
Net assets		
Shareholders' equity		
Capital stock	18,472	18,472
Capital surplus	21,820	21,854
Retained earnings	74,831	78,208
Treasury shares	(346)	(346)
Total shareholders' equity	114,777	118,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,127	5,242
Revaluation reserve for land	808	811
Foreign currency translation adjustment	(1,530)	(4,460)
Remeasurements of defined benefit plans	(2,478)	(2,149)
Total accumulated other comprehensive income	1,927	(555)
Non-controlling interests	8,816	9,063
Total net assets	125,521	126,697
Total liabilities and net assets	268,982	256,182

Comparative Statements of Income (Consolidated)

(Millions of yen)

	Nine months ended September 30, 2019
Net sales	167,081
Cost of sales	144,111
Gross profit	22,969
Selling, general and administrative expenses	16,141
Operating profit	6,827
Non-operating income	
Interest income	70
Dividend income	227
Rent income	236
Share of profit of entities accounted for using equity method	113
Usage income of trademark	188
Other	443
Total non-operating income	1,279
Non-operating expenses	
Interest expenses	795
Sales discounts	11
Foreign exchange losses	192
Depreciation	32
Other	110
Total non-operating expenses	1,141
Ordinary profit	6,965
Extraordinary income	
Gain on disposal of non-current assets	55
Gain on sales of investment securities	28
Total extraordinary income	83
Extraordinary losses	
Loss on disposal of non-current assets	87
Total extraordinary losses	87
Profit before income taxes	6,961
Income taxes	1,717
Profit	5,244
Profit attributable to non-controlling interests	260
Profit attributable to owners of parent	4,983

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

	Nine months ended September 30, 2019
Profit	5,244
Other comprehensive income	
Valuation difference on available-for-sale securities	174
Revaluation reserve for land	2
Foreign currency translation adjustment	(2,746)
Remeasurements of defined benefit plans, net of tax	332
Share of other comprehensive income of entities accounted for using equity method	(183)
Total other comprehensive income	(2,420)
Comprehensive income	2,824
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,500
Comprehensive income attributable to non-controlling interests	323

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

	Nine months ended September 30, 2019
Cash flows from operating activities	
Profit before income taxes	6,961
Depreciation	11,246
Increase (decrease) in allowance for doubtful accounts	(118)
Increase (decrease) in provision for bonuses	1,394
Increase (decrease) in net defined benefit liability	(121)
Interest and dividend income	(297)
Interest expenses	795
Share of loss (profit) of entities accounted for using equity method	(113)
Loss (gain) on sales of investment securities	(28)
Loss (gain) on disposal of non-current assets	32
Decrease (increase) in notes and accounts receivable - trade	10,962
Decrease (increase) in inventories	74
Decrease (increase) in other current assets	520
Increase (decrease) in notes and accounts payable - trade	(11,626)
Increase (decrease) in other current liabilities	(2,109)
Other, net	(422)
Subtotal	17,149
Interest and dividend income received	321
Interest expenses paid	(818)
Income taxes paid	(1,183)
Net cash provided by (used in) operating activities	15,469
Cash flows from investing activities	
Purchase of property, plant and equipment	(19,700)
Proceeds from sales of property, plant and equipment	186
Purchase of securities	(690)
Proceeds from sales of securities	690
Purchase of investment securities	(26)
Proceeds from sales of investment securities	46
Payments for transfer of business	(1,194)
Payments into time deposits	(1,214)
Proceeds from withdrawal of time deposits	1,214
Other, net	(489)
Net cash provided by (used in) investing activities	(21,178)
Cash flows from financing activities	
Net increase (decrease) in short-term loans payable	515
Proceeds from long-term loans payable	8,777
Repayments of long-term loans payable	(6,856)
Purchase of treasury shares	(0)
Cash dividends paid	(2,259)
Other, net	(140)
Net cash provided by (used in) financing activities	36
Effect of exchange rate change on cash and cash equivalents	(190)
Net increase (decrease) in cash and cash equivalents	(5,863)
Cash and cash equivalents at beginning of period	19,632
Cash and cash equivalents at end of period	13,768

Segment Information

Industry Segment Information

(Nine months ended September 30, 2019)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	140,698	7,870	18,354	157	-	167,081
Intersegment	96	-	-	47	(143)	-
Total	140,794	7,870	18,354	205	(143)	167,081
Operating income	6,023	474	328	0	0	6,827

* With regard to the fiscal year ended December 31, 2018, which fell under the transitional period, consolidated financial statements for the nine months ended September 30, 2018 were not prepared. For this reason, the report does not indicate segment information for the nine months ended September 30, 2018.

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