

Consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (Japanese GAAP)



February 12, 2021

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 Finance Department
 Phone: +81-3-3501-0511
 Scheduled date of Ordinary General Meeting of Shareholders : March 26, 2021
 Scheduled date to submit the Annual Securities Report : March 26, 2021
 Date of scheduled payment of dividend : —
 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, 2020 (From January 1, 2020 to December 31, 2020)

(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 2020 | 170,973 | -22.5 | -1,789 | — | -35 | — | -697 | — |
| FY December 2019 | 220,519 | — | 8,495 | — | 8,734 | — | 4,913 | — |

(Note) Comprehensive income: FY December 31, 2020: -2,451 million yen [—%]
 FY December 31, 2019: 5,700 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 2020 | -21.54 | — | -0.6 | -0.0 | -1.0 |
| FY December 2019 | 151.79 | — | 4.1 | 3.3 | 3.9 |

(Note) Equity in earnings of affiliated companies FY December 31, 2020 : 71 million yen
 FY December 31, 2019 : 103 million yen

* The Company changed its fiscal year-end from March 31 to December 31 as of the fiscal year ended December 31, 2018. The increase-decrease rates from the previous fiscal year were not presented because the period covered by the fiscal year ended December 31, 2019 (from January 1, 2019 to December 31, 2019) and the period covered by the fiscal year ended December 31, 2018 (Domestic: from April 1, 2018 to December 31, 2018, Overseas: from January 1, 2018 to December 31, 2018), which would be used for comparison, are different.

(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, 2020 | 258,660 | 125,930 | 45.3 | 3,619.16 |
| As of December 31, 2019 | 263,179 | 129,575 | 45.8 | 3,723.34 |

(Reference) Shareholders' Equity: As of December 31, 2020 : 117,147 million yen
 As of December 31, 2019 : 120,520 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 2020 | 11,795 | -17,567 | 9,718 | 25,405 |
| FY December 2019 | 30,326 | -26,278 | -2,268 | 21,356 |

2. Dividends

| | Cash dividends per share | | | | | Total dividends paid(annual) | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--------------------------------|--------------------------|-----------|-----------|----------|--------|---------------------------------|--------------------------------|---|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| FY December 2019 | - | 35.00 | - | 35.00 | 70.00 | 2,265 | 46.1 | 1.9 |
| FY December 2020 | - | 0.00 | - | 0.00 | 0.00 | - | - | - |
| FY December 2021 (Forecast) | - | 10.00 | - | 25.00 | 35.00 | | 26.3 | |

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2021 (From January 1, 2021 to December 31, 2021)

| | 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 | 93,500 | 20.3 | 500 | - | 500 | - | 300 | - | 9.27 |
| Full year | 198,000 | 15.8 | 5,500 | - | 5,500 | - | 4,300 | - | 132.84 |

*Notes

- (1) Significant changes of companies during the fiscal year ended December 31, 2020 (changes in specific companies involving changes in the scope of consolidation): Not applicable
New Company: —
Excluded companies: —
- (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, 2020 | 32,646,143 | As of December 31, 2019 | 32,646,143 |
| 2) Treasury stock | As of December 31, 2020 | 277,298 | As of December 31, 2019 | 277,173 |
| 3) Average shares outstanding during the period | FY December 31, 2020 | 32,368,933 | FY December 31, 2019 | 32,369,014 |

(Reference) Summary of the Non-consolidated Financial Results

Overview of the Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2020

(From January 1, 2020 to December 31, 2020)

(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 2020 | 76,836 | -22.1 | -4,522 | — | 851 | -78.7 | 741 | -81.4 |
| FY December 2019 | 98,582 | — | 67 | — | 3,994 | — | 3,975 | — |

| | Profit per share | Fully diluted profit per share |
|------------------|------------------|--------------------------------|
| | Yen | Yen |
| FY December 2020 | 22.91 | — |
| FY December 2019 | 122.83 | — |

* With regard to the fiscal year ended December 31, 2018, which fall under the transitional period, the fiscal year of the Company was the nine-month period from April 1, 2018 to December 31, 2018. For this reason, the report does not indicate year-on-year percentage changes.

(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, 2020 | 163,394 | 74,356 | 45.5 | 2,297.15 |
| As of December 31, 2019 | 160,338 | 75,261 | 46.9 | 2,325.11 |

(Reference) Shareholders' Equity As of December 31, 2020: 74,356 million yen
As of December 31, 2019: 75,261 million yen

* These consolidated quarterly 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.

Comparative Balance Sheets (Consolidated)

(Millions of yen)

| | December 31, 2019 | December 31, 2020 |
|--|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,518 | 26,566 |
| Notes and accounts receivable - trade | 41,197 | 40,157 |
| Securities | 768 | 759 |
| Merchandise and finished goods | 17,006 | 15,353 |
| Work in process | 13,853 | 12,320 |
| Raw materials and supplies | 14,294 | 13,714 |
| Other | 2,951 | 3,379 |
| Allowance for doubtful accounts | (47) | (32) |
| Total current assets | 112,543 | 112,218 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 33,375 | 32,741 |
| Machinery, equipment and vehicles, net | 52,112 | 50,334 |
| Land | 17,850 | 15,964 |
| Construction in progress | 12,692 | 14,323 |
| Other, net | 5,576 | 5,595 |
| Total property, plant and equipment | 121,607 | 118,959 |
| Intangible assets | | |
| Other | 3,716 | 3,482 |
| Total intangible assets | 3,716 | 3,482 |
| Investments and other assets | | |
| Investment securities | 18,217 | 14,396 |
| Retirement benefit asset | 3,736 | 4,478 |
| Deferred tax assets | 1,781 | 2,967 |
| Other | 1,608 | 2,212 |
| Allowance for doubtful accounts | (62) | (63) |
| Total investments and other assets | 25,280 | 23,991 |
| Total non-current assets | 150,604 | 146,432 |
| Deferred assets | | |
| Bond issuance costs | 31 | 8 |
| Total deferred assets | 31 | 8 |
| Total assets | 263,179 | 258,660 |

Comparative Balance Sheets (Consolidated)

(Millions of yen)

| | December 31, 2019 | December 31, 2020 |
|--|-------------------|-------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 35,673 | 29,115 |
| Short-term borrowings | 23,427 | 25,595 |
| Current portion of bonds payable | 2,300 | 4,600 |
| Current portion of long-term borrowings | 6,788 | 7,110 |
| Income taxes payable | 804 | 476 |
| Provision for bonuses | 576 | 390 |
| Provision for bonuses for directors (and other officers) | 12 | — |
| Other | 20,390 | 16,601 |
| Total current liabilities | 89,972 | 83,890 |
| Non-current liabilities | | |
| Bonds payable | 6,100 | 1,500 |
| Long-term borrowings | 23,292 | 33,670 |
| Deferred tax liabilities | 2,790 | 2,085 |
| Deferred tax liabilities for land revaluation | 510 | 510 |
| Retirement benefit liability | 8,032 | 8,055 |
| Other | 2,906 | 3,017 |
| Total non-current liabilities | 43,631 | 48,839 |
| Total liabilities | 133,604 | 132,730 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 18,472 | 18,472 |
| Capital surplus | 21,854 | 21,861 |
| Retained earnings | 78,139 | 76,309 |
| Treasury shares | (346) | (346) |
| Total shareholders' equity | 118,120 | 116,295 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,443 | 4,733 |
| Revaluation reserve for land | 809 | 810 |
| Foreign currency translation adjustment | (2,626) | (3,814) |
| Remeasurements of defined benefit plans | (1,226) | (877) |
| Total accumulated other comprehensive income | 2,400 | 852 |
| Non-controlling interests | 9,054 | 8,782 |
| Total net assets | 129,575 | 125,930 |
| Total liabilities and net assets | 263,179 | 258,660 |

Comparative Statements of Income (Consolidated)

(Millions of yen)

| | Fiscal year ended December 31, 2019 | Fiscal year ended December 31, 2020 |
|---|--|--|
| Net sales | 220,519 | 170,973 |
| Cost of sales | 190,305 | 153,882 |
| Gross profit | 30,214 | 17,090 |
| Selling, general and administrative expenses | 21,719 | 18,879 |
| Operating profit (loss) | 8,495 | (1,789) |
| Non-operating income | | |
| Interest income | 93 | 104 |
| Dividend income | 410 | 339 |
| Rental income | 302 | 198 |
| Dividend income of insurance | 133 | 128 |
| Share of profit of entities accounted for using equity method | 103 | 71 |
| Usage income of trademark | 243 | 247 |
| Subsidy income | — | 1,451 |
| Other | 446 | 624 |
| Total non-operating income | 1,732 | 3,166 |
| Non-operating expenses | | |
| Interest expenses | 1,036 | 967 |
| Loss on abandonment of inventories | 43 | 68 |
| Foreign exchange losses | 195 | 225 |
| Depreciation | 42 | 29 |
| Other | 176 | 121 |
| Total non-operating expenses | 1,493 | 1,412 |
| Ordinary profit (loss) | 8,734 | (35) |
| Extraordinary income | | |
| Gain on disposal of non-current assets | 57 | 23 |
| Gain on sales of investment securities | 44 | — |
| Total extraordinary income | 101 | 23 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 163 | 97 |
| Impairment loss | 639 | 1,228 |
| Loss on valuation of investment securities | 15 | 85 |
| Loss on sales of investment securities | — | 0 |
| Loss on sales of shares of subsidiaries and associates | — | 78 |
| Total extraordinary losses | 818 | 1,490 |
| Profit (loss) before income taxes | 8,017 | (1,501) |
| Income taxes - current | 1,070 | 1,080 |
| Income taxes - deferred | 1,746 | (1,758) |
| Total income taxes | 2,817 | (678) |
| Profit (loss) | 5,200 | (823) |
| Profit (loss) attributable to non-controlling interests | 287 | (126) |
| Profit (loss) attributable to owners of parent | 4,913 | (697) |

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

| | Fiscal year ended December 31, 2019 | Fiscal year ended December 31, 2020 |
|--|--|--|
| Profit (loss) | 5,200 | (823) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 337 | (763) |
| Revaluation reserve for land | (0) | 0 |
| Foreign currency translation adjustment | (1,009) | (1,238) |
| Remeasurements of defined benefit plans, net of tax | 1,258 | 350 |
| Share of other comprehensive income of entities accounted for using equity method | (86) | 23 |
| Total other comprehensive income | 500 | (1,627) |
| Comprehensive income | 5,700 | (2,451) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 5,386 | (2,245) |
| Comprehensive income attributable to non-controlling interests | 314 | (205) |

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

| | Fiscal year ended December 31, 2019 | Fiscal year ended December 31, 2020 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit (loss) before income taxes | 8,017 | (1,501) |
| Depreciation | 15,370 | 16,402 |
| Impairment loss | 639 | 1,228 |
| Increase (decrease) in allowance for doubtful accounts | (214) | (14) |
| Increase (decrease) in provision for bonuses | (186) | (185) |
| Increase (decrease) in retirement benefit liability | (221) | 131 |
| Interest and dividend income | (503) | (443) |
| Interest expenses | 1,036 | 967 |
| Subsidy income | — | (1,451) |
| Share of loss(profit) of entities accounted for using equity method | (103) | (71) |
| Loss (gain) on disposal of non-current assets | 106 | 75 |
| Loss (gain) on sales of investment securities | (44) | 0 |
| Loss (gain) on valuation of investment securities | 15 | 85 |
| Loss (gain) on sales of shares of subsidiaries and associates | — | 78 |
| Decrease (increase) in trade receivables | 16,210 | 819 |
| Decrease (increase) in inventories | 1,661 | 3,382 |
| Decrease (increase) in other current assets | 514 | (524) |
| Increase (decrease) in trade payables | (9,477) | (6,477) |
| Increase (decrease) in other current liabilities | (803) | 72 |
| Other, net | (375) | (213) |
| Subtotal | 31,641 | 12,360 |
| Interest and dividends received | 539 | 463 |
| Interest paid | (1,018) | (958) |
| Proceeds from subsidy income | — | 1,267 |
| Income taxes (paid) refund | (835) | (1,338) |
| Net cash provided by (used in) operating activities | 30,326 | 11,795 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (24,586) | (20,291) |
| Proceeds from sales of property, plant and equipment | 214 | 1,148 |
| Purchase of securities | (1,340) | (1,330) |
| Proceeds from sales of securities | 1,340 | 1,340 |
| Purchase of investment securities | (44) | (32) |
| Proceeds from sales of investment securities | 73 | 15 |
| Proceeds from sales of shares of subsidiaries and associates | — | 2,630 |
| Payments for acquisition of businesses | (1,192) | — |
| Payments into time deposits | (2,404) | (2,404) |
| Proceeds from withdrawal of time deposits | 2,404 | 2,404 |
| Other, net | (742) | (1,049) |
| Net cash provided by (used in) investing activities | (26,278) | (17,567) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (1,211) | 2,315 |
| Proceeds from long-term borrowings | 8,819 | 18,670 |
| Repayments of long-term borrowings | (7,424) | (7,606) |
| Redemption of bonds | — | (2,300) |
| Purchase of treasury shares | (0) | (0) |
| Dividends paid | (2,265) | (1,135) |
| Other, net | (184) | (225) |
| Net cash provided by (used in) financing activities | (2,268) | 9,718 |
| Effect of exchange rate change on cash and cash equivalents | (54) | 103 |
| Net increase (decrease) in cash and cash equivalents | 1,724 | 4,048 |
| Cash and cash equivalents at beginning of period | 19,632 | 21,356 |
| Cash and cash equivalents at end of period | 21,356 | 25,405 |

Segment Information

Industry Segment Information

(The Fiscal Year ended December 31, 2019)

(Millions of yen)

| | Die Castings | Builders' Hardware | Printing Equipment | Other | Eliminations / Corporate | Consolidated |
|--|--------------|--------------------|--------------------|-------|--------------------------|--------------|
| Net Sales: | | | | | | |
| Unaffiliated customers | 185,938 | 10,712 | 23,661 | 207 | — | 220,519 |
| Intersegment | 122 | — | — | 55 | (177) | — |
| Total | 186,060 | 10,712 | 23,661 | 263 | (177) | 220,519 |
| Operating profit (loss) | 7,659 | 697 | 144 | (5) | (0) | 8,495 |
| Assets, Depreciation and Capital Expenditure | | | | | | |
| Total Assets | 202,898 | 10,292 | 23,017 | 1,627 | 25,344 | 263,179 |
| Depreciation | 14,871 | 175 | 307 | 16 | — | 15,370 |
| Capital Expenditure | 24,322 | 363 | 137 | 14 | — | 24,839 |

(The Fiscal Year ended December 31, 2020)

(Millions of yen)

| | Die Castings | Builders' Hardware | Printing Equipment | Other | Eliminations / Corporate | Consolidated |
|--|--------------|--------------------|--------------------|-------|--------------------------|--------------|
| Net Sales: | | | | | | |
| Unaffiliated customers | 145,869 | 9,406 | 15,513 | 183 | — | 170,973 |
| Intersegment | 53 | — | — | 33 | (87) | — |
| Total | 145,922 | 9,406 | 15,513 | 217 | (87) | 170,973 |
| Operating profit (loss) | (1,612) | 799 | (944) | (31) | 0 | (1,789) |
| Assets, Depreciation and Capital Expenditure | | | | | | |
| Total Assets | 202,516 | 9,931 | 19,996 | 303 | 25,911 | 258,660 |
| Depreciation | 15,919 | 187 | 280 | 15 | — | 16,402 |
| Capital Expenditure | 16,687 | 470 | 217 | 17 | — | 17,392 |

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