

Consolidated Financial Results for the Six Months Ended June 30, 2024 [Japanese GAAP]



August 7, 2024

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 Stock Code: 5851 URL <https://www.ryobi-group.co.jp/> Stock exchange listing: Tokyo
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 Divisional Deputy General Manager of
 Corporate Planning Division
 General Manager of Finance Department

Scheduled date to submit Semi-annual Securities Report: August 7, 2024

Date of scheduled payment of dividend: September 2, 2024

Availability of supplementary briefing material on financial results: Yes

Presentation Meeting: Yes (for securities analysts and institutional investors)

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (From January 1, 2024 to June 30, 2024)

(1) Consolidated Results of Operations

(% indicates changes from the corresponding period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2024	144,638	11.4	5,192	7.1	6,686	10.2	4,772	10.2
Six months ended June 30, 2023	129,836	14.3	4,847	136.7	6,066	96.2	4,331	139.7

(Note) Comprehensive income: Six months ended June 30, 2024: 18,820 million yen [50.7%]

Six months ended June 30, 2023: 12,488 million yen [(8.7%)]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended June 30, 2024	147.45	—
Six months ended June 30, 2023	133.83	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	334,958	177,946	50.3
As of December 31, 2023	318,839	160,721	47.5

(Reference) Shareholders' Equity: As of June 30, 2024: 168,435 million yen

As of December 31, 2023: 151,302 million yen

2. Dividends

	Cash dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY December 2023	—	35.00	—	45.00	80.00
FY December 2024	—	42.50			
FY December 2024 (Forecast)			—	42.50	85.00

(Note) Correction from the dividend forecast, which is published in the most recent: Yes

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024
(From January 1, 2024 to December 31, 2024)

(% indicates percentage changes from previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	305,000	7.9	13,000	6.4	12,800	(7.7)	9,000	(11.0)	278.05

(Note) Correction from the consolidated forecast, which is published in the most recent: No

*Notes

- (1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: Not applicable
New Company: –
Excluded companies: –
- (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: Not 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, 2024	32,646,143	As of December 31, 2023	32,646,143
2) Treasury stock	As of June 30, 2024	277,865	As of December 31, 2023	277,764
3) Average shares outstanding during the period	Six months ended June 30, 2024	32,368,349	Six months ended June 30, 2023	32,368,510

*These quarterly consolidated financial results are outside the scope of certified public accountant's or audit firm's quarterly review.

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

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. Regarding the note for prerequisite and use of performance forecasts, please see “(3) Description of Forecasts of Consolidated Financial Results and Forward-looking Information” under “1. Qualitative Information Concerning the Quarter” on page 3.

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1. Qualitative Information Concerning the Quarter

(1) Description of Business Results

During the six months ended June 30, 2024 (January 1 – June 30, 2024), the business environment in which the Group operates continues to be uncertain for various reasons, including the continuing conflict in Ukraine, the deteriorating situation in the Middle East, remaining high energy prices, and fluctuation of price and exchange rate attributable to tight monetary policies worldwide.

Under these conditions, the Group actively promoted sales activities and made progress on measures, including measures intended to lower costs and improved productivity and business efficiency.

Consequently, the financial results for the six months ended June 30, 2024, showed growth in sales and profits compared to the same period of the previous fiscal year.

Consolidated financial results

(Millions of yen)

	Six months ended June 30, 2023		Six months ended June 30, 2024		Increase/Decrease	
Net sales	129,836		144,638		14,801	11.4%
Operating income	4,847	3.7%	5,192	3.6%	345	7.1%
Ordinary income	6,066	4.7%	6,686	4.6%	619	10.2%
Net income attributable to owners of parent	4,331	3.3%	4,772	3.3%	440	10.2%

Percentages indicate profit margin or rate of increase/decrease.

Viewed by segment, both sales and profits in the Die Castings business were up year on year (YoY). Net sales increased in both domestic and overseas markets. Although some automotive manufacturers suspended production and shipments, sales increased thanks to various factors, including recovering domestic and overseas automotive production and higher yen-based sales of overseas subsidiaries due to the weak yen. Growth in sales boosted profits, despite increasing labor costs, among other factors.

In the Builders' Hardware business, sales were up YoY, while profits declined. Net sales increased in both the domestic and overseas markets. Despite efforts to improve productivity and reduce costs, profits decreased due to various factors, including rising procurement costs for products manufactured overseas.

In the Printing Equipment business, both sales and profits grew YoY. Net sales increased in both the domestic and overseas markets. Profits were slightly higher due to growth in sales, despite the impact of rising raw material prices and other factors.

(i) Net sales by segment

(Millions of yen)

	Six months ended June 30, 2023		Six months ended June 30, 2024		Increase/Decrease	
Die Castings	113,566	87.5%	127,175	87.9%	13,608	12.0%
Builders' Hardware	5,213	4.0%	5,346	3.7%	132	2.5%
Printing Equipment	10,961	8.4%	12,010	8.3%	1,049	9.6%

Percentages indicate share of the total or rate of increase/decrease.

(ii) Operating income or loss by segment

(Millions of yen)

	Six months ended June 30, 2023		Six months ended June 30, 2024		Increase/Decrease	
Die Castings	4,371	3.8%	4,874	3.8%	503	11.5%
Builders' Hardware	104	2.0%	(62)	(1.2%)	(166)	–
Printing Equipment	388	3.5%	397	3.3%	8	2.1%

Percentages indicate profit margin or rate of increase/decrease.

(2) Description of Financial Position

Total assets at the end of the second quarter were up 16,118 million yen from the end of the previous consolidated fiscal year to 334,958 million yen. This was due mainly to increases of 6,650 million yen in property, plant and equipment, 5,309 million yen in investment securities and 4,239 million yen in inventories. On the other hand, notes and accounts receivable-trade decreased by 4,228 million yen.

Liabilities were down 1,105 million yen from the end of the previous consolidated fiscal year to 157,012 million yen. This was due mainly to a decrease of 4,273 million yen in long-and short-term borrowings. On the other hand, other current liabilities increased by 3,050 million yen. The balance of interest-bearing debt excluding discounts on notes receivable and lease liabilities was 65,921 million yen.

Net assets were up 17,224 million yen from the end of the previous consolidated fiscal year to 177,946 million yen. Main accounts showing increases over the same period included foreign currency translation adjustments (up 10,285 million yen), valuation difference on available-for-sale securities (up 3,519 million yen) and retained earnings (up 3,316 million yen). Shareholders' equity, the result of subtracting non-controlling interests from net assets, was up 17,133 million yen from the end of the previous consolidated fiscal year to 168,435 million yen. As a result, the equity ratio improved by 2.8 percentage points from the end of the previous consolidated fiscal year to 50.3%.

(Millions of yen)

	As of December 31, 2023		As of June 30, 2024		Increase/Decrease	
Total assets	318,839		334,958		16,118	5.1%
Shareholders' equity	151,302	47.5%	168,435	50.3%	17,133	11.3%
Interest-bearing debt	70,195	22.0%	65,921	19.7%	(4,273)	(6.1%)

Percentages indicate percentage of total assets or rate of increase/decrease.

(Cash flow)

The balance of cash and cash equivalents at the end of the quarter stood at 29,285 million yen, up 2,883 million yen from the end of the previous consolidated fiscal year.

Cash flow provided by operating activities was 17,814 million yen, up 13,319 million yen from the same quarter in the previous consolidated fiscal year. This increase was due mainly to 9,521 million yen in depreciation, 7,202 million yen in decrease in trade receivables and 6,655 million yen in income before income taxes. Factors including a decrease of 2,745 million yen in trade payables had negative effects on cash flow.

Cash flow used in investing activities was 6,687 million yen, down 1,687 million yen from the same quarter in the previous consolidated fiscal year. This was due mainly to various expenditures, including 6,399 million yen on the purchase of property, plant and equipment.

Cash flow used in financing activities was 9,259 million yen, up 7,626 million yen from the same quarter in the previous consolidated fiscal year. This was due to various factors, including a decrease of 7,561 million yen in long-and short-term borrowings and the payment of 1,453 million yen in dividends.

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Increase/Decrease
Cash flow from operating activities	4,494	17,814	13,319
Cash flow from investing activities	(8,375)	(6,687)	1,687
Cash flow from financing activities	(1,633)	(9,259)	(7,626)

(3) Description of Forecasts of Consolidated Financial Results and Forward-looking Information

Forecasts of consolidated financial results in the fiscal year ending December 31, 2024, remain unchanged from those announced on February 13, 2024 (during the announcement of financial results for the fiscal year ended December 31, 2023).

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: millions of yen)

	December 31, 2023	June 30, 2024
Assets		
Current assets		
Cash and deposits	27,641	30,635
Notes and accounts receivable - trade	64,298	60,070
Securities	650	650
Merchandise and finished goods	21,470	23,018
Work in process	17,245	18,937
Raw materials and supplies	21,233	22,233
Other	4,144	3,919
Allowance for doubtful accounts	(37)	(22)
Total current assets	156,646	159,442
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,886	34,762
Machinery, equipment and vehicles, net	59,750	64,231
Land	15,242	15,394
Construction in progress	8,406	9,708
Other, net	6,162	6,001
Total property, plant and equipment	123,447	130,098
Intangible assets		
Other	2,619	2,638
Total intangible assets	2,619	2,638
Investments and other assets		
Investment securities	19,182	24,491
Other	17,006	18,355
Allowance for doubtful accounts	(63)	(67)
Total investments and other assets	36,125	42,779
Total non-current assets	162,193	175,516
Total assets	318,839	334,958

(Unit: millions of yen)

	December 31, 2023	June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	50,912	49,457
Short-term borrowings	36,625	34,201
Current portion of long-term borrowings	9,553	8,167
Income taxes payable	1,300	982
Provision for bonuses	645	737
Provision for directors' bonuses	62	–
Other	18,815	21,866
Total current liabilities	117,915	115,412
Non-current liabilities		
Long-term borrowings	24,016	23,552
Retirement benefit liability	7,044	7,019
Other	9,141	11,027
Total non-current liabilities	40,202	41,599
Total liabilities	158,118	157,012
Net assets		
Shareholders' equity		
Common stock	18,472	18,472
Additional paid in capital	22,294	22,339
Retained earnings	84,292	87,608
Treasury stock	(347)	(347)
Total shareholders' equity	124,711	128,072
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,394	11,914
Revaluation reserve for land	811	812
Foreign currency translation adjustment	16,299	26,584
Remeasurements of defined benefit plans	1,084	1,051
Total accumulated other comprehensive income	26,590	40,363
Non-controlling interests	9,418	9,510
Total net assets	160,721	177,946
Total liabilities and net assets	318,839	334,958

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Six months ended June 30, 2024)

(Unit: millions of yen)

	from: January 1, 2023 to: June 30, 2023	from: January 1, 2024 to: June 30, 2024
Net sales	129,836	144,638
Cost of sales	114,412	127,618
Gross profit	15,424	17,020
Selling, general and administrative expenses	10,577	11,828
Operating income	4,847	5,192
Non-operating income		
Interest income	62	102
Dividend income	233	282
Rental income	77	71
Foreign exchange gains	1,074	1,198
Share of profit of entities accounted for using equity method	101	165
Usage income of trademark	198	249
Other	312	319
Total non-operating income	2,060	2,389
Non-operating expenses		
Interest expenses	669	779
Depreciation	6	4
Other	165	111
Total non-operating expenses	840	895
Ordinary income	6,066	6,686
Extraordinary income		
Gain on disposal of non-current assets	38	10
Gain on sale of investment securities	3	0
Total extraordinary income	41	10
Extraordinary losses		
Loss on disposal of non-current assets	58	30
Loss on valuation of investment securities	–	11
Impairment loss	38	–
Total extraordinary losses	97	41
Income before income taxes	6,010	6,655
Income taxes	1,507	1,720
Net income	4,503	4,934
Net income attributable to non-controlling interests	171	161
Net income attributable to owners of parent	4,331	4,772

(Quarterly Consolidated Statement of Comprehensive Income)
(Six months ended June 30, 2024)

(Unit: millions of yen)

	from: January 1, 2023 to: June 30, 2023	from: January 1, 2024 to: June 30, 2024
Net income	4,503	4,934
Other comprehensive income		
Valuation difference on available-for-sale securities	2,398	3,633
Revaluation reserve for land	0	0
Foreign currency translation adjustment	5,321	10,022
Remeasurements of defined benefit plans	157	(33)
Share of other comprehensive income of entities accounted for using equity method	107	262
Total other comprehensive income	7,984	13,885
Comprehensive income	12,488	18,820
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,220	18,544
Comprehensive income attributable to non-controlling interests	267	275

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: millions of yen)

	from: January 1, 2023 to: June 30, 2023	from: January 1, 2024 to: June 30, 2024
Cash flows from operating activities		
Income before income taxes	6,010	6,655
Depreciation	8,847	9,521
Impairment loss	38	-
Increase (decrease) in allowance for doubtful accounts	(3)	(12)
Increase (decrease) in provision for bonuses	3	91
Increase (decrease) in retirement benefit liability	(170)	(33)
Interest and dividend income	(295)	(385)
Interest expenses	669	779
Subsidy income	(14)	(36)
Share of loss (profit) of entities accounted for using equity method	(101)	(165)
Loss (gain) on valuation of investment securities	-	11
Loss (gain) on disposal of non-current assets	20	19
Decrease (increase) in trade receivables	(656)	7,202
Decrease (increase) in inventories	(2,632)	(1,165)
Decrease (increase) in other current assets	(244)	330
Increase (decrease) in trade payables	(4,815)	(2,745)
Increase (decrease) in other current liabilities	(98)	858
Other, net	(744)	(1,010)
Subtotal	5,812	19,915
Interest and dividends received	275	736
Interest paid	(613)	(919)
Subsidies received	14	36
Income taxes refund (paid)	(994)	(1,953)
Net cash provided by operating activities	4,494	17,814
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,697)	(6,399)
Proceeds from sale of property, plant and equipment	167	26
Purchase of securities	(650)	(650)
Proceeds from sale of securities	650	650
Purchase of investment securities	(6)	(3)
Proceeds from sale of investment securities	4	0
Payments into time deposits	(1,214)	(1,319)
Proceeds from withdrawal of time deposits	1,214	1,214
Other, net	(842)	(206)
Net cash used in investing activities	(8,375)	(6,687)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,158)	(4,598)
Proceeds from long-term borrowings	4,032	1,800
Repayments of long-term borrowings	(2,593)	(4,762)
Purchase of treasury stock	(0)	(0)
Dividends paid	(810)	(1,453)
Other, net	(103)	(245)
Net cash used in financing activities	(1,633)	(9,259)
Effect of exchange rate change on cash and cash equivalents	420	1,016
Net increase (decrease) in cash and cash equivalents	(5,093)	2,883
Cash and cash equivalents at beginning of period	26,099	26,401
Cash and cash equivalents at end of period	21,006	29,285

(4) Main Notes to the Quarterly Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Notes on marked fluctuations in amounts of shareholders' equity, if any)

Not applicable

(Notes on Segment Information, etc.)

[Segment Information]

Information regarding amounts of net sales, profits or losses by reportable segment in the six months ended June 30, 2023
(January 1 – June 30, 2023)

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statement of income (Note 3)
	Die Castings	Builders' Hardware	Printing Equipment	Total				
Net Sales								
Sales unaffiliated customers	113,566	5,213	10,961	129,741	95	129,836	–	129,836
Inter-segment sales or transfers	25	–	–	25	2	28	(28)	–
Total	113,592	5,213	10,961	129,767	98	129,865	(28)	129,836
Segment income (loss)	4,371	104	388	4,864	(16)	4,847	(0)	4,847

Notes:

1. The “Other” category consists of businesses excluded in reporting segments, including the insurance agency and golf course businesses.
2. Adjustments to segment income or loss include elimination of intersegment transactions, etc.
3. Segment income or loss matches operating income on the Quarterly Consolidated Statement of Income.

Information regarding amounts of net sales, profits or losses by reportable segment in the six months ended June 30, 2024
(January 1 – June 30, 2024)

(Millions of yen)

	Reporting segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statement of income (Note 3)
	Die Castings	Builders' Hardware	Printing Equipment	Total				
Net Sales								
Sales unaffiliated customers	127,175	5,346	12,010	144,532	106	144,638	–	144,638
Inter-segment sales or transfers	29	–	–	29	3	32	(32)	–
Total	127,204	5,346	12,010	144,561	109	144,671	(32)	144,638
Segment income (loss)	4,874	(62)	397	5,209	(17)	5,192	(0)	5,192

Notes:

1. The “Other” category consists of businesses excluded in reporting segments, including the insurance agency and golf course businesses.
2. Adjustments to segment income or loss include elimination of intersegment transactions, etc.
3. Segment income or loss matches operating income on the Quarterly Consolidated Statement of Income.

Supplementary materials for the financial results
for the six months ended June 30, 2024

August 7, 2024
RYOBI LIMITED

(Units: millions of yen, %)

	December 2022		December 2023		December 2024	
	First six months	Full year	First six months	Full year	First six months	Full year (forecast)
Net sales	Profit margin		Profit margin		Profit margin	
	113,606	249,521	129,836	282,693	144,638	305,000
Operating income	2,048 1.8	6,969 2.8	4,847 3.7	12,214 4.3	5,192 3.6	13,000 4.3
Ordinary income	3,091 2.7	7,791 3.1	6,066 4.7	13,861 4.9	6,686 4.6	12,800 4.2
Net income attributable to owners of parent	1,807 1.6	4,784 1.9	4,331 3.3	10,115 3.6	4,772 3.3	9,000 3.0
Net income per share	55.83 yen	147.80 yen	133.83 yen	312.51 yen	147.45 yen	278.05 yen

Net sales by segment

	Share		Share		Share		Share		Share			
Die Castings	98,160	86.4	215,726	86.5	113,566	87.5	247,551	87.6	127,175	87.9	267,700	87.8
Builders' Hardware	4,885	4.3	10,145	4.1	5,213	4.0	10,823	3.8	5,346	3.7	11,000	3.6
Printing Equipment	10,458	9.2	23,417	9.4	10,961	8.4	24,094	8.5	12,010	8.3	26,300	8.6
Domestic	53,193	46.8	114,726	46.0	57,478	44.3	124,786	44.1	59,499	41.1	125,200	41.0
Overseas	60,412	53.2	134,794	54.0	72,358	55.7	157,907	55.9	85,139	58.9	179,800	59.0

Operating income by segment

	Profit margin		Profit margin		Profit margin		Profit margin		Profit margin		Profit margin	
Die Castings	1,184	1.2	5,232	2.4	4,371	3.8	10,916	4.4	4,874	3.8	12,200	4.6
Builders' Hardware	127	2.6	226	2.2	104	2.0	172	1.6	(62)	(1.2)	300	2.7
Printing Equipment	744	7.1	1,506	6.4	388	3.5	1,136	4.7	397	3.3	500	1.9

Total assets	301,572	%	300,285	%	311,392	%	318,839	%	334,958	%	–
Shareholders' equity	136,754	45.3	134,460	44.8	145,874	46.8	151,302	47.5	168,435	50.3	–
Retained earnings	73,789	24.5	76,118	25.3	79,641	25.6	84,292	26.4	87,608	26.2	–
Interest-bearing debt	78,535	26.0	74,358	24.8	76,173	24.5	70,195	22.0	65,921	19.7	70,000

Capital expenditure	8,825	18,646	7,506	13,896	7,861	24,000
Depreciation	8,972	18,327	8,847	18,489	9,521	19,000

Cash flow from operating activities	513	16,787	4,494	26,005	17,814	–
Cash flow from investing activities	(7,705)	(15,860)	(8,375)	(17,432)	(6,687)	–
Cash flow from financing activities	405	(2,856)	(1,633)	(8,593)	(9,259)	–

(Unit: persons)

Number of employees at the end of the period	7,266	7,375	7,403	7,497	7,519	–
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(Projected exchange rates starting from July 1, 2024)

USD/JPY	145	GBP/JPY	190
CNY/JPY	20.5	THB/JPY	4.0