

Consolidated Financial Results
for the Nine Months Ended September 30, 2024
[Japanese GAAP]



November 7, 2024

Company Name: RYOBI LIMITED

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

Date of scheduled payment of dividend: —

Availability of supplementary briefing material on financial results: Yes

Presentation Meeting: No

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the September 30, 2024 (From January 1, 2024 to September 30, 2024)

(1) Consolidated Results of Operations

(% indicates changes YoY.)

	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	%
Nine months ended September 30, 2024	215,219	5.9	6,055	(28.5)	7,251	(27.1)	5,511	(22.4)
Nine months ended September 30, 2023	203,218	13.3	8,469	187.4	9,945	148.1	7,100	219.6

(Note) Comprehensive income: Nine months ended September 30, 2024: 9,051 million yen [(51.6%)]

Nine months ended September 30, 2023: 18,689 million yen [18.3%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended September 30, 2024	170.29	—
Nine months ended September 30, 2023	219.37	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	309,639	166,801	50.8
As of December 31, 2023	318,839	160,721	47.5

(Reference) Shareholders' Equity: As of September 30, 2024: 157,426 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 31, 2023	—	35.00	—	45.00	80.00
FY December 31, 2024	—	42.50	—		
FY December 31, 2024 (Forecast)				42.50	85.00

(Note) Revisions to the most recently announced dividend forecast: No

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 YoY.)

	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	292,000	3.3	8,500	(30.4)	9,500	(31.5)	7,000	(30.8)	216.26

(Note) Revisions to the most recently announced consolidated forecast: Yes

*Notes

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2024: Not applicable

New Company: —

Excluded companies: —

(2) Adoption of specific accounting treatments to the preparation of quarterly consolidated 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 September 30, 2024	32,646,143	As of December 31, 2023	32,646,143
2) Treasury stock	As of September 30, 2024	277,865	As of December 31, 2023	277,764
3) Average shares outstanding during the period	Nine months ended September 30, 2024	32,368,325	Nine months ended September 30, 2023	32,368,476

*Review of the quarterly consolidated financial statements by certified public accountant's or audit firm's: Yes (voluntary)

*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 us. 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 nine months ended September 30, 2024 (January 1 – September 30, 2024), the business environment in which we operate 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, we engaged in aggressive sales activities, undertook measures to lower costs and improve productivity, and streamlined operations.

Consequently, the financial results for the nine months ended September 30, 2024, showed growth in sales and a decline in profits YoY.

Consolidated financial results

(Millions of yen)

	Nine months ended September 30, 2023		Nine months ended September 30, 2024		Increase/Decrease	
Net sales	203,218		215,219		12,001	5.9%
Operating income	8,469	4.2%	6,055	2.8%	(2,414)	(28.5%)
Ordinary income	9,945	4.9%	7,251	3.4%	(2,693)	(27.1%)
Net income attributable to owners of parent	7,100	3.5%	5,511	2.6%	(1,588)	(22.4%)

Percentages indicate profit margin or rate of increase/decrease.

Viewed by segment, in the Die Castings business, sales were up YoY while profits declined, with net sales in Japan remaining flat YoY and overseas sales increasing. Sales volume was flat YoY due to lower sales at automotive manufacturers, our major customer, in China, despite a recovery in automobile production in North America. Overall, net sales increased due to the depreciation of yen, which led to higher yen-equivalent sales of overseas subsidiaries, whereas profits decreased due to an increase in fixed costs such as labor costs.

In the Builders' Hardware business, sales were up YoY, while profits declined. Net sales remained flat YoY, whereas profits decreased due to rising procurement costs of overseas production, despite efforts to improve productivity and reduce costs.

In the Printing Equipment business, both sales and profits declined YoY. Net sales decreased both in Japan and overseas, while profits decreased due to rising raw material prices and lower sales, despite efforts to undertake measures to lower costs and improve productivity.

(i) Net sales by segment

(Millions of yen)

	Nine months ended September 30, 2023		Nine months ended September 30, 2024		Increase/Decrease	
Die Castings	178,218	87.7%	190,482	88.5%	12,264	6.9%
Builders' Hardware	7,820	3.8%	7,957	3.7%	137	1.8%
Printing Equipment	17,020	8.4%	16,605	7.7%	(414)	(2.4%)

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

(ii) Operating income or loss by segment

(Millions of yen)

	Nine months ended September 30, 2023		Nine months ended September 30, 2024		Increase/Decrease	
Die Castings	7,702	4.3%	6,149	3.2%	(1,553)	(20.2%)
Builders' Hardware	148	1.9%	(312)	(3.9%)	(460)	—
Printing Equipment	630	3.7%	236	1.4%	(393)	(62.5%)

Percentages indicate profit margin or rate of increase/decrease.

(2) Description of Financial Position

Total assets at the end of Q3 were down 9,199 million yen from the end of the previous consolidated fiscal year to 309,639 million yen. This was due mainly to decreases of 10,583 million yen in notes and accounts receivable-trade and 7,391 million yen in cash and deposits. On the other hand, inventories increased by 6,054 million yen.

Liabilities were down 15,280 million yen from the end of the previous consolidated fiscal year to 142,838 million yen. This was due mainly to a decrease of 8,454 million yen in long-and short-term borrowings and 7,900 million yen in notes and accounts payable-trade. On the other hand, provision for bonuses increased by 1,563 million yen. The balance of interest-bearing debt excluding discounts on notes receivable and lease liabilities was 61,741 million yen.

Net assets were up 6,080 million yen from the end of the previous consolidated fiscal year to 166,801 million yen. Main accounts showing increases over the same period included retained earnings (up 2,679 million yen), foreign currency translation adjustments (up 1,810 million yen) and valuation difference on available-for-sale securities (up 1,638 million yen). Shareholders' equity, the result of subtracting non-controlling interests from net assets, was up 6,124 million yen from the end of the previous consolidated fiscal year to 157,426 million yen. As a result, the equity ratio improved by 3.3 percentage points from the end of the previous consolidated fiscal year to 50.8%.

(Millions of yen)

	As of December 31, 2023		As of September 30, 2024		Increase/Decrease	
Total assets	318,839		309,639		(9,199)	(2.9%)
Shareholders' equity	151,302	47.5%	157,426	50.8%	6,124	4.0%
Interest-bearing debt	70,195	22.0%	61,741	19.9%	(8,454)	(12.0%)

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 18,908 million yen, down 7,493 million yen from the end of the previous consolidated fiscal year.

Cash flow provided by operating activities was 15,938 million yen, up 1,007 million yen YoY. This increase was due mainly to 14,868 million yen in depreciation and 11,213 million yen in decrease in trade receivables. Factors including a decrease of 7,889 million yen in trade payables had negative effects on cash flow.

Cash flow used in investing activities was 11,186 million yen, down 508 million yen YoY. This was due mainly to 10,707 million yen on the purchase of property, plant and equipment.

Cash flow used in financing activities was 12,599 million yen, up 7,304 million yen YoY. This was due to a decrease of 9,476 million yen in long-and short-term borrowings and the payment of 2,822 million yen in dividends.

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024	Increase/Decrease
Cash flow from operating activities	14,930	15,938	1,007
Cash flow from investing activities	(11,694)	(11,186)	508
Cash flow from financing activities	(5,295)	(12,599)	(7,304)

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

Forecasts of consolidated financial results for the fiscal year ending December 31, 2024, have been revised in light of the progress of operating results during the nine months ended September 30, 2024. For details, please refer to the "Notice of Revision to Full-Year Financial Forecasts" announced today (November 7, 2024).

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: millions of yen)

	December 31, 2023	September 30, 2024
Assets		
Current assets		
Cash and deposits	27,641	20,250
Notes and accounts receivable - trade	64,298	53,715
Securities	650	650
Merchandise and finished goods	21,470	23,388
Work in process	17,245	20,949
Raw materials and supplies	21,233	21,666
Other	4,144	4,441
Allowance for doubtful accounts	(37)	(22)
Total current assets	156,646	145,038
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,886	33,785
Machinery, equipment and vehicles, net	59,750	59,520
Land	15,242	15,313
Construction in progress	8,406	9,944
Other, net	6,162	6,177
Total property, plant and equipment	123,447	124,740
Intangible assets		
Other	2,619	2,888
Total intangible assets	2,619	2,888
Investments and other assets		
Investment securities	19,182	19,033
Other	17,006	18,005
Allowance for doubtful accounts	(63)	(66)
Total investments and other assets	36,125	36,972
Total non-current assets	162,193	164,601
Total assets	318,839	309,639

(Unit: millions of yen)

	December 31, 2023	September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	50,912	43,011
Short-term borrowings	36,625	32,711
Current portion of long-term borrowings	9,553	5,291
Income taxes payable	1,300	719
Provision for bonuses	645	2,208
Provision for directors' bonuses	62	—
Other	18,815	18,039
Total current liabilities	117,915	101,982
Non-current liabilities		
Long-term borrowings	24,016	23,738
Retirement benefit liability	7,044	7,130
Other	9,141	9,987
Total non-current liabilities	40,202	40,855
Total liabilities	158,118	142,838
Net assets		
Shareholders' equity		
Common stock	18,472	18,472
Additional paid in capital	22,294	22,339
Retained earnings	84,292	86,971
Treasury stock	(347)	(347)
Total shareholders' equity	124,711	127,436
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,394	10,033
Revaluation reserve for land	811	812
Foreign currency translation adjustment	16,299	18,110
Remeasurements of defined benefit plans	1,084	1,034
Total accumulated other comprehensive income	26,590	29,990
Non-controlling interests	9,418	9,375
Total net assets	160,721	166,801
Total liabilities and net assets	318,839	309,639

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Nine months ended September 30, 2024)

(Unit: millions of yen)

	from: January 1, 2023 to: September 30, 2023	from: January 1, 2024 to: September 30, 2024
Net sales	203,218	215,219
Cost of sales	178,477	191,230
Gross profit	24,741	23,989
Selling, general and administrative expenses	16,271	17,934
Operating income	8,469	6,055
Non-operating income		
Interest income	98	144
Dividend income	236	286
Rental income	113	126
Foreign exchange gains	1,176	514
Share of profit of entities accounted for using equity method	130	248
Usage income of trademark	335	494
Other	627	606
Total non-operating income	2,720	2,421
Non-operating expenses		
Interest expenses	1,044	1,053
Depreciation	9	10
Other	189	161
Total non-operating expenses	1,244	1,224
Ordinary income	9,945	7,251
Extraordinary income		
Gain on disposal of non-current assets	47	14
Gain on sale of investment securities	3	252
Gain on step acquisitions	—	180
Total extraordinary income	50	447
Extraordinary losses		
Loss on disposal of non-current assets	90	39
Loss on valuation of investment securities	—	12
Impairment loss	38	—
Total extraordinary losses	128	52
Income before income taxes	9,867	7,646
Income taxes	2,431	1,973
Net income	7,436	5,673
Net income attributable to non-controlling interests	335	161
Net income attributable to owners of parent	7,100	5,511

(Quarterly Consolidated Statement of Comprehensive Income)
(Nine months ended September 30, 2024)

(Unit: millions of yen)

	from: January 1, 2023 to: September 30, 2023	from: January 1, 2024 to: September 30, 2024
Net income	7,436	5,673
Other comprehensive income		
Valuation difference on available-for-sale securities	3,151	1,616
Revaluation reserve for land	0	0
Foreign currency translation adjustment	7,695	1,701
Remeasurements of defined benefit plans	235	(49)
Share of other comprehensive income of entities accounted for using equity method	170	109
Total other comprehensive income	11,253	3,377
Comprehensive income	18,689	9,051
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,225	8,911
Comprehensive income attributable to non-controlling interests	463	139

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: millions of yen)

	from: January 1, 2023 to: September 30, 2023	from: January 1, 2024 to: September 30, 2024
Cash flows from operating activities		
Income before income taxes	9,867	7,646
Depreciation	13,365	14,868
Impairment loss	38	—
Increase (decrease) in allowance for doubtful accounts	4	(12)
Increase (decrease) in provision for bonuses	1,129	1,563
Increase (decrease) in retirement benefit liability	(80)	72
Interest and dividend income	(335)	(431)
Interest expenses	1,044	1,053
Subsidy income	(15)	(62)
Share of loss (profit) of entities accounted for using equity method	(130)	(248)
Loss (gain) on step acquisitions	—	(180)
Loss (gain) on sale of investment securities	—	(252)
Loss (gain) on valuation of investment securities	—	12
Loss (gain) on disposal of non-current assets	42	24
Decrease (increase) in trade receivables	(3,413)	11,213
Decrease (increase) in inventories	(3,483)	(4,727)
Decrease (increase) in other current assets	(84)	(215)
Increase (decrease) in trade payables	749	(7,889)
Increase (decrease) in other current liabilities	(655)	(2,386)
Other, net	(991)	(885)
Subtotal	17,052	19,164
Interest and dividends received	307	783
Interest paid	(966)	(1,268)
Subsidies received	15	62
Income taxes paid	(1,477)	(2,801)
Net cash provided by operating activities	14,930	15,938
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,859)	(10,707)
Proceeds from sale of property, plant and equipment	214	52
Purchase of securities	(650)	(650)
Proceeds from sale of securities	650	650
Purchase of investment securities	(8)	(3)
Proceeds from sale of investment securities	4	0
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	244
Payments into time deposits	(1,312)	(1,319)
Proceeds from withdrawal of time deposits	1,214	1,214
Other, net	(948)	(667)
Net cash used in investing activities	(11,694)	(11,186)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,627)	(4,682)
Proceeds from long-term borrowings	4,130	4,200
Repayments of long-term borrowings	(4,606)	(8,993)
Purchase of treasury stock	(0)	(0)
Dividends paid	(1,938)	(2,822)
Other, net	(253)	(300)
Net cash used in financing activities	(5,295)	(12,599)
Effect of exchange rate change on cash and cash equivalents	532	354
Net increase (decrease) in cash and cash equivalents	(1,526)	(7,493)
Cash and cash equivalents at beginning of period	26,099	26,401
Cash and cash equivalents at end of period	24,573	18,908

(4) Main Notes to the Quarterly Consolidated Financial Statements

(Key Considerations on the Basis for the Preparation of the Quarterly Consolidated Financial Statements)

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Consolidated Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (However, in accordance with Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, some disclosures are omitted.)

(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]

- I. Information regarding amounts of net sales, profits or losses by reportable segment in the nine months ended September 30, 2023 (January 1 – September 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	178,218	7,820	17,020	203,058	160	203,218	—	203,218
Inter-segment sales or transfers	41	—	—	41	14	55	(55)	—
Total	178,259	7,820	17,020	203,100	174	203,274	(55)	203,218
Segment income (loss)	7,702	148	630	8,481	(11)	8,470	(0)	8,469

Notes:

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

- II. Information regarding amounts of net sales, profits or losses by reportable segment in the nine months ended September 30, 2024 (January 1 – September 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	190,482	7,957	16,605	215,045	174	215,219	—	215,219
Inter-segment sales or transfers	46	—	—	46	16	62	(62)	—
Total	190,529	7,957	16,605	215,092	190	215,282	(62)	215,219
Segment income (loss)	6,149	(312)	236	6,073	(18)	6,055	(0)	6,055

Notes:

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

Supplementary materials for the financial results
for the nine months ended September 30, 2024

November 7, 2024
RYOBI LIMITED

(Units: millions of yen, %)

	December 2022		December 2023		December 2024	
	First nine months	Full year	First nine months	Full year	First nine months	Full year (forecast)
Net sales	Profit margin		Profit margin		Profit margin	
	179,311	249,521	203,218	282,693	215,219	292,000
Operating income	2,947 1.6	6,969 2.8	8,469 4.2	12,214 4.3	6,055 2.8	8,500 2.9
Ordinary income	4,009 2.2	7,791 3.1	9,945 4.9	13,861 4.9	7,251 3.4	9,500 3.3
Net income attributable to owners of parent	2,221 1.2	4,784 1.9	7,100 3.5	10,115 3.6	5,511 2.6	7,000 2.4
Net income per share	68.64 yen	147.80 yen	219.37 yen	312.51 yen	170.29 yen	216.26 yen

Net sales by segment

	Share		Share		Share		Share		Share			
Die Castings	155,896	86.9	215,726	86.5	178,218	87.7	247,551	87.6	190,482	88.5	256,500	87.8
Builders' Hardware	7,359	4.1	10,145	4.1	7,820	3.8	10,823	3.8	7,957	3.7	10,500	3.6
Printing Equipment	15,884	8.9	23,417	9.4	17,020	8.4	24,094	8.5	16,605	7.7	25,000	8.6
Domestic	82,264	45.9	114,726	46.0	89,773	44.2	124,786	44.1	89,402	41.5	124,500	42.6
Overseas	97,046	54.1	134,794	54.0	113,445	55.8	157,907	55.9	125,817	58.5	167,500	57.4

Operating income by segment

	Profit margin		Profit margin		Profit margin		Profit margin		Profit margin		Profit margin	
Die Castings	1,870	1.2	5,232	2.4	7,702	4.3	10,916	4.4	6,149	3.2	8,000	3.1
Builders' Hardware	187	2.5	226	2.2	148	1.9	172	1.6	(312)	(3.9)	0	0.0
Printing Equipment	885	5.6	1,506	6.4	630	3.7	1,136	4.7	236	1.4	500	2.0

Total assets	303,309	%	300,285	%	321,764	%	318,839	%	309,639	%	—
Shareholders' equity	138,213	45.6	134,460	44.8	151,141	47.0	151,302	47.5	157,426	50.8	—
Retained earnings	73,556	24.3	76,118	25.3	81,277	25.3	84,292	26.4	86,971	28.1	—
Interest-bearing debt	77,371	25.5	74,358	24.8	74,475	23.1	70,195	22.0	61,741	19.9	65,000

Capital expenditure	13,277	18,646	10,401	13,896	12,070	21,000
Depreciation	13,658	18,327	13,365	18,489	14,868	19,000

Cash flow from operating activities	4,206	16,787	14,930	26,005	15,938	—
Cash flow from investing activities	(12,889)	(15,860)	(11,694)	(17,432)	(11,186)	—
Cash flow from financing activities	(1,862)	(2,856)	(5,295)	(8,593)	(12,599)	—

(Unit: persons)

Number of employees at the end of the period	7,352	7,375	7,533	7,497	7,916	—
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(Projected exchange rates starting from October 1, 2024)

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