

# RYOBI INTEGRATED REPORT 2024

Integrated Report

Beyond Ideals and Dreams



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June 2024  
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**RYOBI**



Editorial policy

Ryobi publishes this Integrated Report to inform our shareholders, investors, and other stakeholders about our financial and non-financial efforts to create value and as a communication tool. Please note that the IFRS\* Foundation’s International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry’s Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation were used as references during the editing process. In the report, the entire group, including Ryobi Limited and consolidated subsidiaries (domestic and overseas), is referred to as “Ryobi,” while “Ryobi Limited” is also referred to separately.

\* IFRS: International Financial Reporting Standards

Scope of the report

Period: January 2023 to December 2023  
(Some sections include information from January 2024 or later)

Scope: Ryobi Limited and 19 subsidiaries  
(As of December 31, 2023)

Cautionary note on forward-looking statements

This integrated report includes forward-looking statements regarding our future outlook and plans. These statements are subject to risks and uncertainties, and actual outcomes and performance may differ materially from those expressed or implied in this report.



Die cast products are used in a variety of industries, including the manufacture of automobile parts such as transmission cases, body chassis, and battery cases. We provide high-quality products that meet the diverse needs of our customers worldwide.



Providing door closers to ensure quiet and secure closing and other building hardware. From houses to offices and commercial facilities, we support safe and comfortable door use.



High-precision, multi-functional offset printing presses that speedily produce beautiful printed materials such as catalogs, posters, magazines, and packages. We offer innovative, high-quality printing presses and services to customers around the world.

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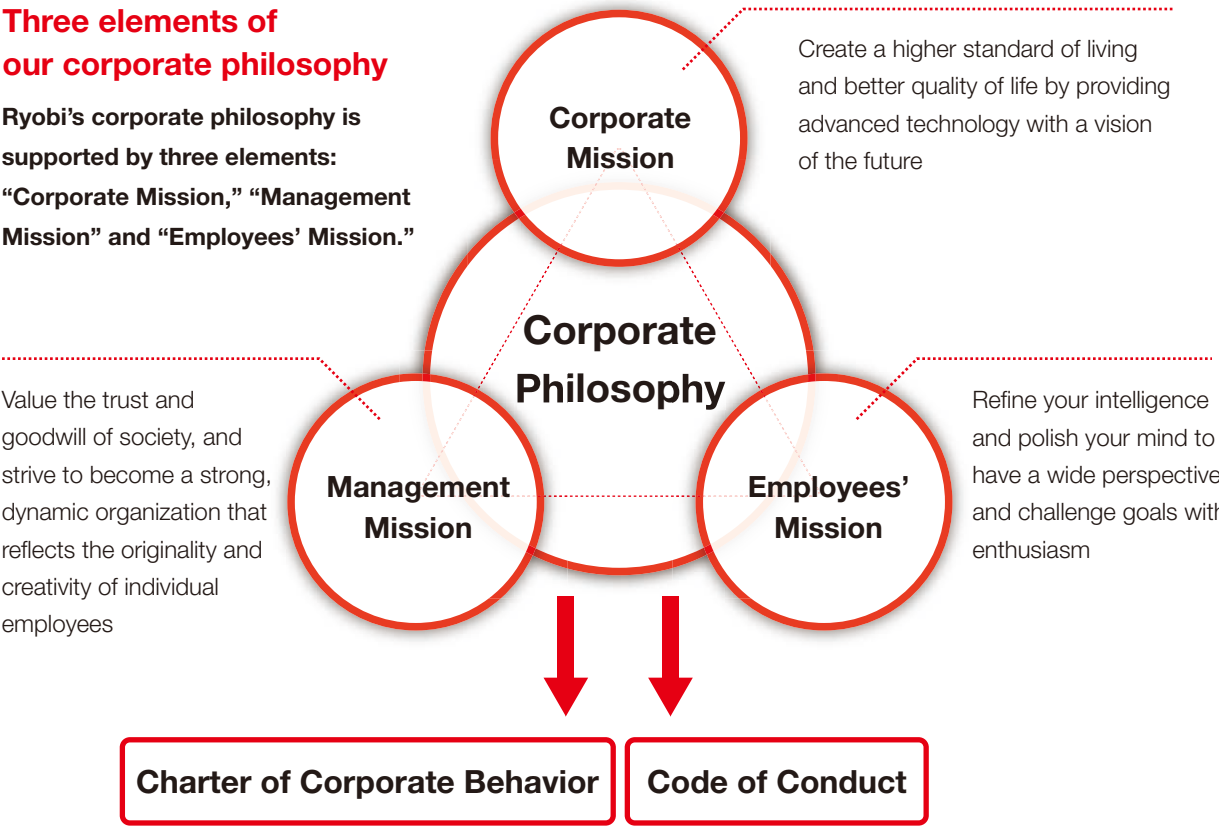
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# Create a Sound and Dynamic Corporation through Technology, Trust and Challenge

Ryobi is committed to creating a sound and dynamic corporation through technology, trust, and challenge. Guided by this corporate philosophy, we seek to establish ourselves as an indispensable entity by responding to the needs of customers and society and by creating and providing innovative, top-quality products and services.

### Three elements of our corporate philosophy

Ryobi's corporate philosophy is supported by three elements: "Corporate Mission," "Management Mission" and "Employees' Mission."



## Charter of Corporate Behavior

The Ryobi Charter of Corporate Behavior establishes a set of principles that Group companies and employees must follow in order to raise awareness of corporate ethics. With the purpose of realizing a "sound and dynamic corporation" as part of its corporate philosophy, the Ryobi Group adheres to all laws and international rules in word and spirit. In addition, beyond being an economic agent that conducts business rooted in common sense, while pursuing profits through fair competition, the Group aims to become a trustworthy company that has a useful presence in society as a whole.

1. While taking the measures necessary to protect personal data, we shall make efforts to obtain consumer and user trust by the development and provision of useful products and services in a safe and responsible manner.
2. We shall undertake fair, transparent, free competition and sound business transactions. We will also ensure that interactions with political organizations, governments and government agencies are sound and correct.
3. In addition to targeting stakeholders, we shall communicate with members of society who are not direct stakeholders and disclose corporate information in a proactive and fair manner.
4. Recognizing that initiatives to alleviate environmental problems are necessary for the continuing survival of companies, we shall take a proactive approach in preserving the global environment.
5. We shall actively undertake social contribution activities to fulfill our role as a good corporate citizen.
6. Along with ensuring a safe and comfortable work environment, we shall respect the diversity, character and individuality of those we hire to build a workplace culture that promotes creativity and dynamism. This, as a consequence, will improve the mental and physical well-being of employees.
7. We repudiate any connection between antisocial forces and groups that pose a threat to social order and security.
8. We shall follow international rules and regional laws when undertaking international business activities as well as respect the cultures and customs of such regions and countries, making every effort to contribute to the development of these regions and countries.
9. With the intent of contributing to the realization of corporate ethics—recognizing the social desires and expectations inherent in their roles—our management shall make efforts to ensure that business partners are fully informed regarding those social desires and expectations and develop systems to realize this.
10. In cases where violations of this code in fact occur, our management shall assume responsibility in confirming the actual situation, investigate the causes and make efforts to prevent such violations from reoccurring. Disclosure of these events will also occur in a timely and accurate manner, the responsible parties will be identified and disciplinary actions will be undertaken.

## Code of Conduct

We abide by a code of conduct that each and every employee must observe in the course of his or her daily work.

### Long-term vision

**Combining die castings and finished products to be chosen by customers around the world**

Ryobi's long-term vision outlines where our company wants to be in the future. It represents an image that we share throughout our organization, and indicates the direction for our efforts to resolve business issues.

### Corporate message

**Beyond Ideals and Dreams**

Our corporate message represents our corporate philosophy condensed into one sentence, and serves to convey Ryobi's medium- to long-term approach and direction to various stakeholders in an easily understandable manner.

### Medium-term objectives

**Lightening the load worldwide**

#### Lightening vehicle weight

Harnessing the properties of aluminum and die casting technologies

#### Doors that open and close safely and quietly with a light touch

Builders' hardware that turns doors into universally accessible portals, not barriers

#### Lightening the workload for printing factories

Multi-functional printing equipment that supports customers' switch to smart factories

#### Lightening the impact on the environment

Doing our part in the global effort toward carbon neutrality and a circular economy

#### Lightening workstyles

A variety of systems to support employees on their career paths





## Akira Urakami

President and CEO  
Ryobi Limited

# TOP MESSAGE

Message from top management

## From Akira Urakami to each of you

**We follow societal trends and embrace new challenges.**

**We can change and grow as a company that lightens the load.**

### Introduction

Ryobi celebrated its 80th anniversary on December 16, 2023. Over these eight decades, we have overcome many hardships to reach the point we are at today thanks to the generous support of our customers, business partners, local communities, and many other stakeholders.

Starting out as a die casting manufacturer, in the early 1960s Ryobi expanded into builders' hardware, printing equipment, and the manufacturing of other finished products. We continued to broaden the scope of our business into many other fields, including power tools, fishing tackle, and golfing goods, but in the early 2000s, a sweeping review of our businesses was done, so today we concentrate on the die castings business, complemented by builders' hardware and printing equipment.

In-house die fabrication, essential to Ryobi's die castings business since its inception, is the foundation of our current vertically integrated system. We have faced significant difficulties in changing times as products have become larger and more complex, requiring high production efficiency with each evolution. But we persevered through the most challenging times and environments, and that resilient effort has become one of our greatest strengths. Particularly in this age of volatility, uncertainty, complexity, and ambiguity (VUCA), we reaffirm our commitment to take on challenges. We will put forth every effort required of us in the face of evolving business conditions to provide innovative, top-quality products and services so that our stakeholders remain happy to be on this journey with Ryobi.

### Achieving operational management with an awareness of capital costs and share prices

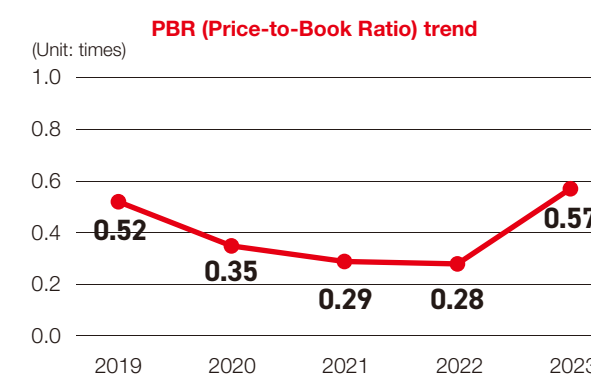
In 2023, COVID-19 was reclassified to the less severe category of Class 5 under Japan's Infectious Diseases Control Law, which resulted in a return to more normalized domestic economic activity. However, the extended war in Ukraine and the worsening situation in the Middle East pose the risk of increased raw material prices, the trade balance worsening, and possible inflationary pressures. Nevertheless, the semiconductor shortage has eased for car manufacturers, which form the main customer base for our die castings business, and both production and sales of automobiles are bouncing back. Our production volume in the die castings business has also increased. The weak yen has led to a year-on-year 13.3% increase in consolidated net sales at our overseas group companies, a yen equivalent of 282.7 billion yen, setting another all-time record.

Soaring energy prices and higher labor costs affected profits, but higher sales led to a year-on-year increase in profits.

Our PBR (price-to-book ratio) was 0.57 as of December 31, 2023, remaining below 1.0. Market participants are calling for management to be more conscious of capital costs and share prices. We believe increasing return on equity (ROE) and

reducing capital costs to improve the equity spread is an urgent priority.

Going forward, as we work to strengthen our earnings capacity in each of our businesses, we will lay out our medium-to long-term strategies and specific initiatives so that the capital market can see our business potential and growth prospects. By clearly expressing our vision for the future and business strategies, we aim to further bolster our corporate value.





## Formulating a long-term management strategy

We are currently formulating a new long-term management strategy to guide us to 2035, exploring avenues that will help us align with the corporate mission in our corporate philosophy “to create a higher standard of living and better quality of life by providing advanced technology with a vision of the future.”

As we strategize, the business environment is changing rapidly, obscuring the view ahead. More than ever, we need to consider how the environment is likely to change over the next ten years if we are to achieve sustainable growth.

In formulating our long-term management strategy, we identify threats and opportunities that can be anticipated in the 2035 business environment based on macro trends with a through line to 2050.

In this process, we have selected young and mid-career

employees who will be responsible for Ryobi's future and are drawing heavily upon their ideas and considered opinions. I see my role at the top of management as presenting a vision, showing the way forward, and getting our employees onto the same page to affect change.

Together with the long-term management strategy, we will formulate a medium-term management plan covering the three-year period starting in fiscal year 2025. We will continue our proactive efforts to disclose information, thereby meeting the expectations of our stakeholders. We will devise specific measures to achieve growth as a company that solves societal issues through manufacturing, and we plan to present them in early 2025.

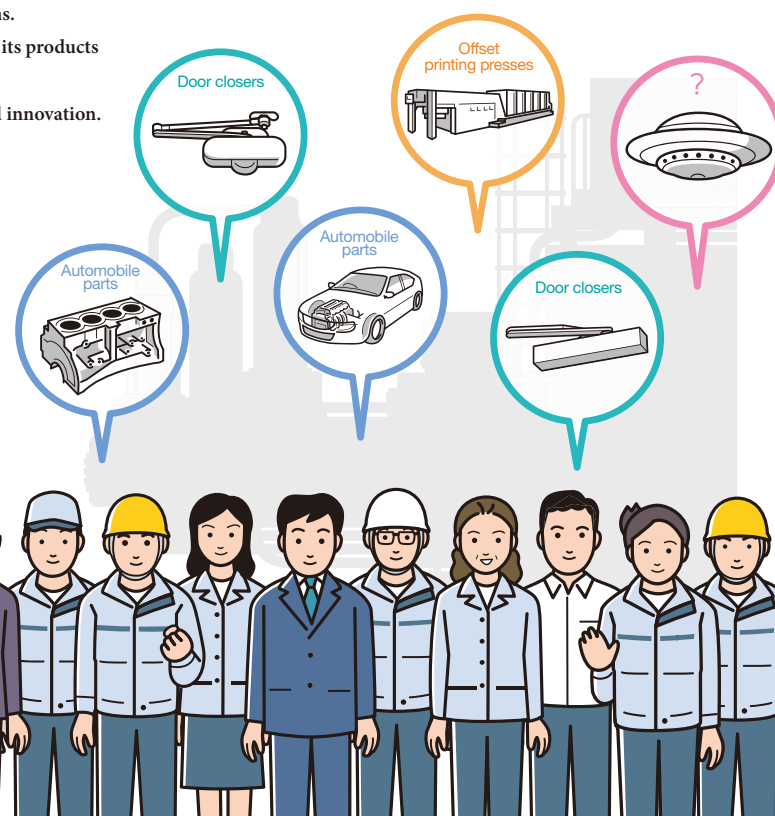
## Beyond Ideals and Dreams

The act of creation springs from people's ideals and dreams.

Ryobi aspires to embody these ideals and dreams through its products and technologies.

This is why we engage in manufacturing and strive toward innovation. We believe that our manufacturing ideals can be reached through the ceaseless pursuit of better solutions.

Ryobi will continue striving to realize what people envision and, further, to create something that goes beyond any ideals and dreams.



## Creating a corporate culture that emphasizes dialoguing with employees to hear their many valuable ideas

As social and economic environments diversify along with people's core values, Ryobi remains committed to “creating a sound and dynamic corporation through technology, trust, and challenge.” This philosophy at the heart of our corporate activities consists of three elements—our Corporate Mission, Management Mission, and Employees' Mission. We want our employees to become more familiar with these elements, especially the third: “Refine your intelligence and polish your mind to have a wide perspective, and challenge goals with enthusiasm.” With a deeper, shared awareness of their mission, I believe that every employee will be better able to take on new challenges using their creativity and ingenuity in line with our corporate philosophy.

The long-term management strategy currently being formulated will set the ground for putting these ideas into practice. Our young and mid-career employees will play a key role in the process of working toward our goals, so we felt it essential to incorporate their ideas and perspectives into the long-term strategy. We therefore selected 20 employees to

discuss with top management management targets (financial and non-financial), the long-term direction of our businesses, and our system of promotion.

During these discussions, it became clear that implementing the three elements of our corporate philosophy—our corporate mission, management mission, and employees' mission—is the path to realizing both social and economic value.

Through various annual events, we aim to familiarize employees with the corporate philosophy and deepen their understanding of it. Visits are also arranged for me to engage in dialogues with employees at each of our business locations.

To share our main direction and values with all of our employees, we distribute the Ryobi Group's Corporate Philosophy Employee Guidebook also to employees at our overseas sites. To ensure that the nuances of the text are understood as clearly as possible, the guidebook has been translated into English, Chinese, Spanish, and Thai.

## Developing die casting technologies that can respond to long-term changes in the automotive industry

Our core die castings business has long-standing relationships with major global automakers and a solid delivery track record. Leveraging these relationships, we provide expertise developed as a specialized die casting manufacturer to build strong partnerships. We actively propose expanded uses for aluminum die-cast parts, including the replacement of materials—using aluminum instead of steel components. The increasing demand for vehicle weight reduction amid tightening environmental regulations worldwide is favorable for expanding sales of aluminum die castings.

“Giga casting” is a process that assimilates dozens of large components into the casting of a single “giga component” to significantly reduce costs and eliminate production steps. This manufacturing method is garnering attention worldwide for its potential to transform manufacturing in industries well beyond automotive. As a leading die casting company, we are rapidly acquiring die casting technology on an unprecedented scale and refining our production techniques. In 2025, we plan to introduce a die casting machine with a clamping force of 6,500 tonnes, the first of its kind to be used by a specialized die casting manufacturer in Japan.

In the future, we plan to build a dedicated factory building at our Kikugawa Plant in Kikugawa, Shizuoka Prefecture, to prepare to offer prototyping services for ultra-large components. Starting around March 2025, we plan to offer new value to customers, primarily in prototype design and die manufacturing.

The manufacturing techniques and expertise we have cultivated in conventional large die cast products will give us a significant advantage as we make the anticipated shift to even larger die cast components. We believe we will be able to collaborate well with our customers to meet new challenges based on long-standing relationships built on trust. Manufacturing using giant die casting machines is expanding, particularly in China. The size of these new die casting machines, as well as the dies, products, and every other aspect, far exceed the scale used in conventional manufacturing. However, technical challenges exist, such as in the injecting and filling of aluminum melt into dies with a large projected area and managing distortion during product manufacturing. In Japan, there are many other issues that also need to be resolved, not only in casting but in non-productive conveyance time, for example. We intend to overcome these challenges and usher in a new era of die cast manufacturing by March 2025.

Ryobi's forecast for die-cast usage weight by component type up to 2040 predicts declining demand for aluminum die castings for engine and transmission parts, but increasing demand for electrified components, drive parts, and body/chassis components. Moving forward, we will continue to develop production systems and technologies to accurately respond to such changes in demand for die castings.

## Developing products to meet the needs of domestic and international customers

In the builders' hardware business, we have been a market leader in domestic door closers since 1963, when we first succeeded in producing a die cast door closer body. Over the years, we have developed one hit product after another by enhancing performance through innovative mechanisms and improving durability with new aluminum alloys. Despite a gradual contraction of the domestic builders' hardware market that is expected due to decreasing housing starts and reduced building floor areas, we will strive to maintain and expand our market share by identifying dormant market needs and adding new value to door closers. We will continue bringing ease and comfort to homes and offices through such products as our RUCAD automatic door controller and GEOPRO Series

builders' hardware, which received the Good Design Award in 2009. The RUCAD is a new product that quietly and firmly closes a door with expanded functionality that contributes to a barrier-free society.

Outside of Japan, we are expanding sales in regions where demand is expected to grow and where the builders' hardware market remains strong, such as the North American market. We plan to strengthen our sales structure and product development capabilities for these priority overseas areas. Since the functions and designs required for door closers differ by region and country, we will work to develop products that match market needs to win favor for our products among customers in other countries.

## Providing solutions to meet all of a printing company's plant needs, including pre- and post-printing processes

In the printing equipment business, RYOBI MHI Graphic Technology Ltd. is expanding its lineup of RMGT brand sheet-fed offset printing presses to meet diversifying needs. Using the tagline "IRODORI—Coloring the World Together," the company offers a wide selection of printing presses from small to large formats, developing and manufacturing advanced products that are labor-saving and environmentally friendly, based on feedback from equipment users.

While the market is shrinking for publication printing, such as magazines and books, and commercial printing, such as flyers and pamphlets, the market for package printing, such as product packaging, is showing solid growth. There is strong demand for high-value-added special printing in areas requiring an aesthetic touch, such as gift boxes, requiring advanced production values, including quality. In addition, the printing industry is facing labor shortages and difficulty passing on skills,

so there is rising demand for automating and deskilling the printing process so that it requires less human labor and no special skills. Going forward, we will continue to listen to customer feedback both domestic and international to create new added value for printing presses.

We are working with companies in the printing industry to go beyond automating and reducing human labor in the printing process to providing one-stop solutions for converting printing sites into smart factories. This includes visualizing production and optimizing processes across the entire factory, encompassing pre- and post-printing processes. For inter-process optimization, RMGT proposes the use of automated guided vehicle (AGV) robots and jointly developed automatic paper stackers.

We will continue to strengthen the RMGT brand by solidifying the trust of users in 170 countries worldwide.

## Accelerating our efforts toward carbon neutrality

We aim to reduce CO<sub>2</sub> emissions by 47% by 2030 compared to 2018 levels and achieve carbon neutrality by 2050. In January 2022, the Ryobi Group Environmental Policy was formulated and environmental targets were set. To achieve carbon neutrality, we have created a roadmap for reducing CO<sub>2</sub> emissions, as stipulated in the Environmental Policy, and are advancing initiatives accordingly.

The secondary aluminum alloy we employ as a raw material for our die cast products consists of recycled alloys derived

from scrap collected through an established recycling system. Our current usage ratio in the die castings business is 95% secondary alloy to 5% new ingots. We view both the material and the process as ecological means of helping to realize a circular economy. Producing secondary alloy ingots releases only 3% of the carbon emissions released when producing new aluminum ingots by refining aluminum extracted from bauxite ore. While the refining process for producing new ingots requires significant electrical power, recent developments have

seen progress in "green aluminum" methods that entail refining ore using renewable energy. Currently, new ingots are used for manufacturing body and chassis parts that require ductility. However, we are working with material manufacturers and customers to expand the use of green aluminum and recycled ingots to achieve manufacturing with lower environmental impact.

Ryobi is strengthening its PR and solutions-proposing activities to promote a fuller understanding of the environmental performance of these aluminum die castings and expand their applications.

To reduce carbon emissions in our business activities, we will promote environmentally conscious capital investment by setting our own internal carbon price as a criterion for investment. Die casting, which involves melting metals like aluminum and injecting them into molds at high speed and high pressure, emits large amounts of CO<sub>2</sub> during the raw material melting process. To address this issue, Ryobi is participating in the development of a hydrogen combustion industrial furnace under the Green Innovation Fund Project of the New Energy and Industrial Technology Development Organization (NEDO).

## Promoting diversity, equity & inclusion to build a highly diverse company

"Manufacturing is about people," as the saying goes, indicating that the manufacturing industry relies on people as its source of strength. To adapt to an increasingly diverse society and properly address customers' needs, we must strengthen our human resources by leveraging and developing the diverse skills, values, and experience of our employees. We strive continuously to create safe, healthy, dynamic, and comfortable workplaces and we believe it is essential to secure and develop a diverse workforce to achieve sustainable growth in the future.

In terms of creating comfortable workplaces, we are focusing on child-rearing support, taking steps to improve the effectiveness of systems that enable employees to balance work and childcare, along with ensuring peace of mind in the workplace environment. Regarding women's career advancement, the current ratio of female employees in managerial and supervisory positions is only 16%. We aim to raise this to 18% or higher in the future.

Ms. Mami Ito, who was appointed as an outside director in March 2023, provides advice on management issues, including the promotion of women's career advancement, through the Board of Directors and other means. With her guidance, we aim to revamp educational and training programs and further improve our work environments.

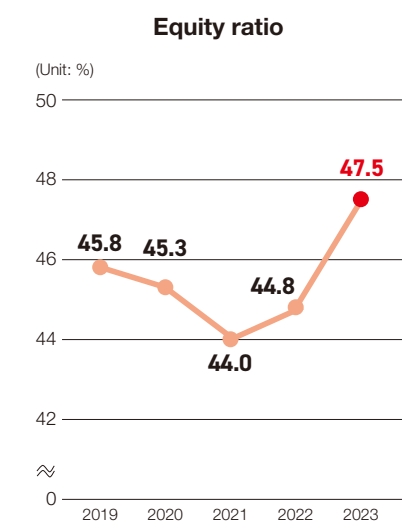
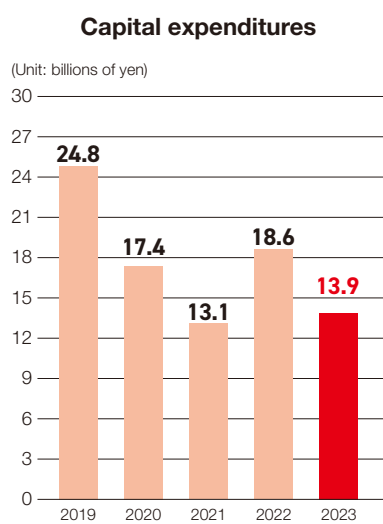
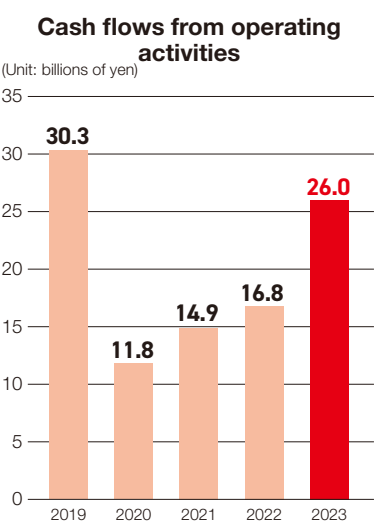
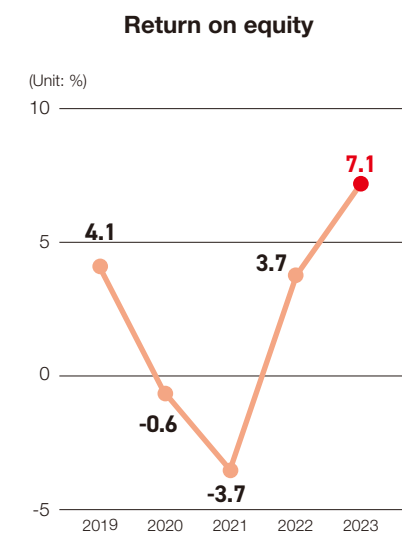
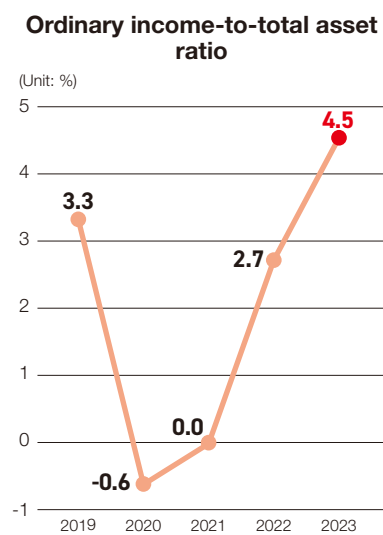
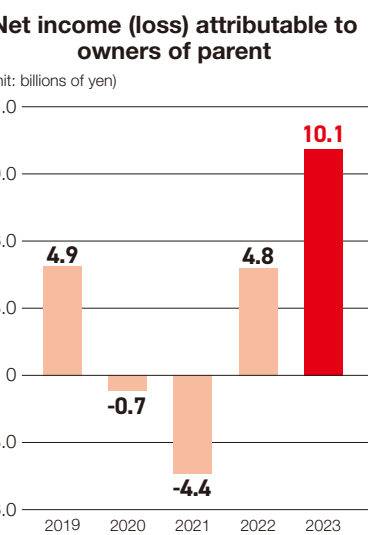
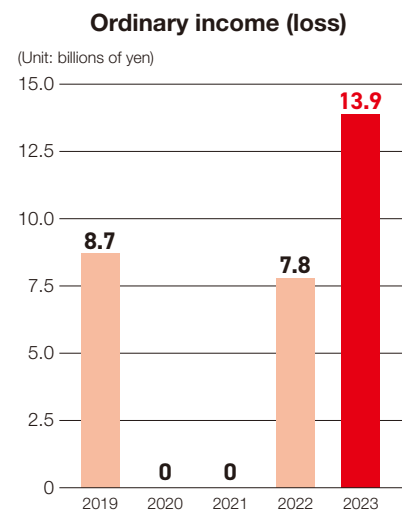
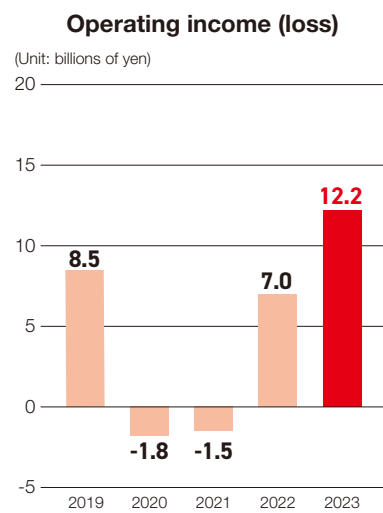
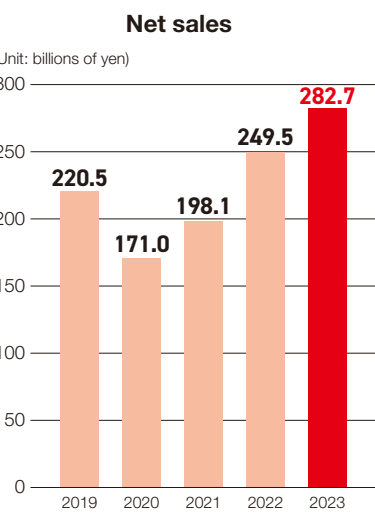
The Ryobi Group will continue working to deepen the bonds of trust with society we have established through manufacturing that brings comfort and affluence to people's lives. We will also continue to take on the challenges involved in creating technologies, products, and services that anticipate future changes. Aiming to be a sound and dynamic company, we encourage our employees to work as one to further enhance our corporate value. We look forward to your continued understanding and support.



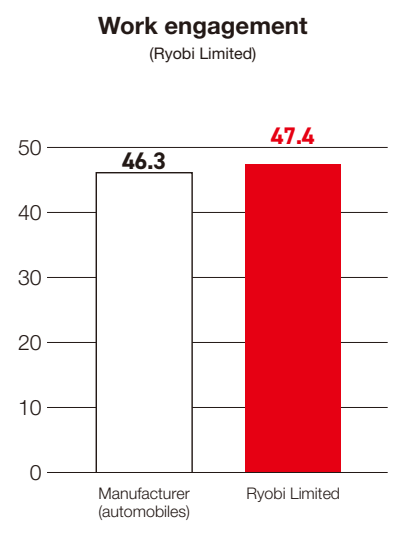
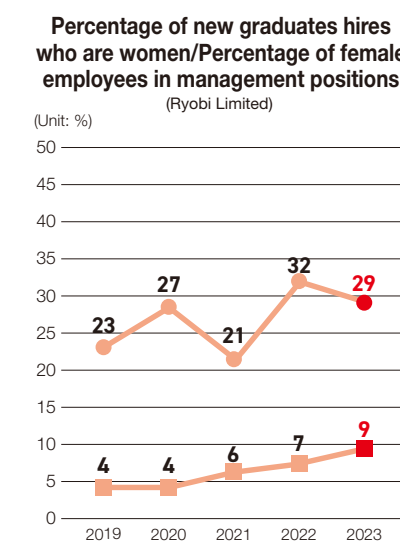
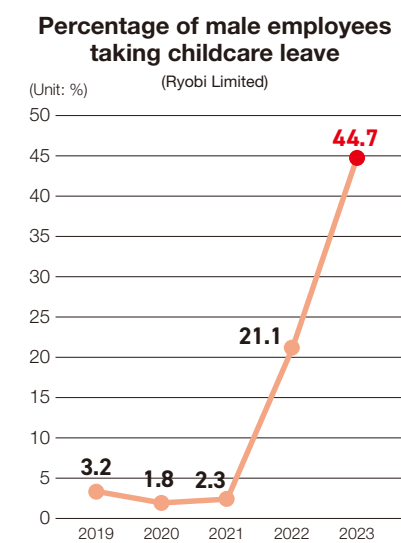
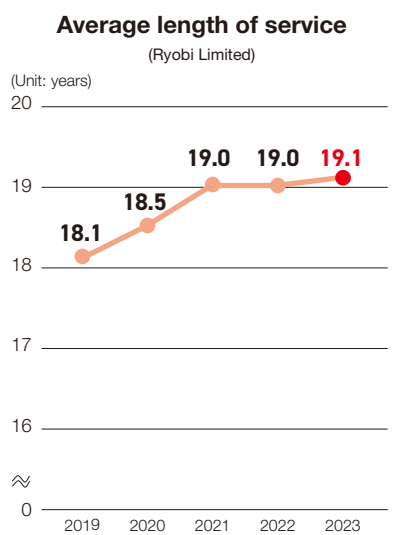
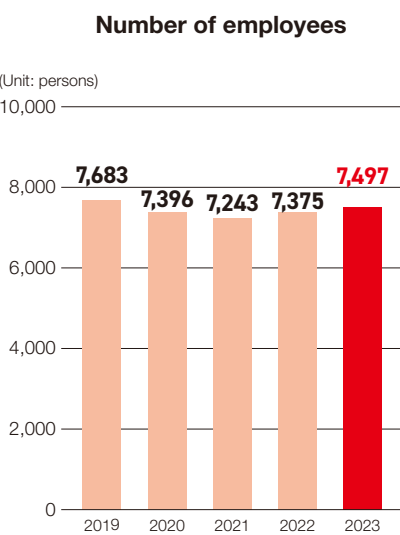
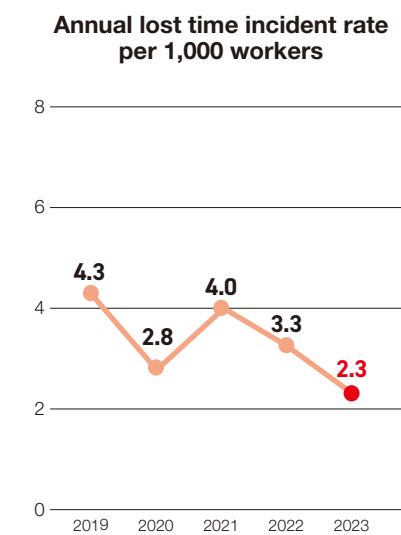
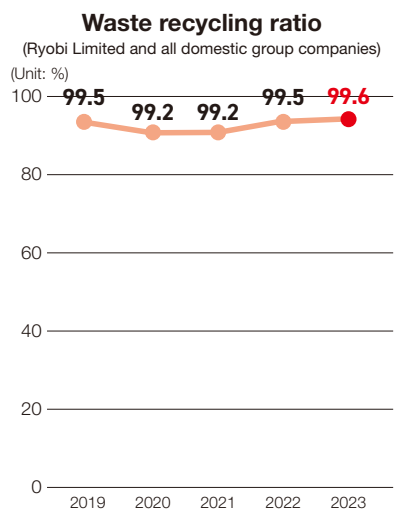
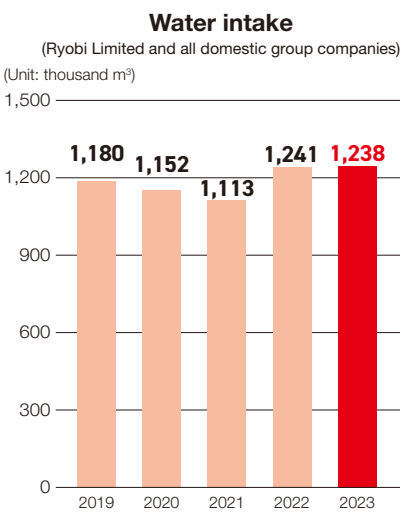
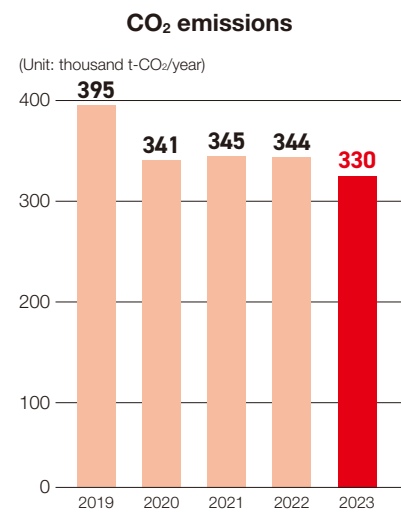


Financial and non-financial highlights [Fiscal year ended December 31, 2023]

Finance



Non-finance



Deviation surveyed using services provided by Advantage Risk Management Co., Ltd. starting in 2023.



DIE CASTINGS

BUILDERS' HARDWARE

PRINTING EQUIPMENT

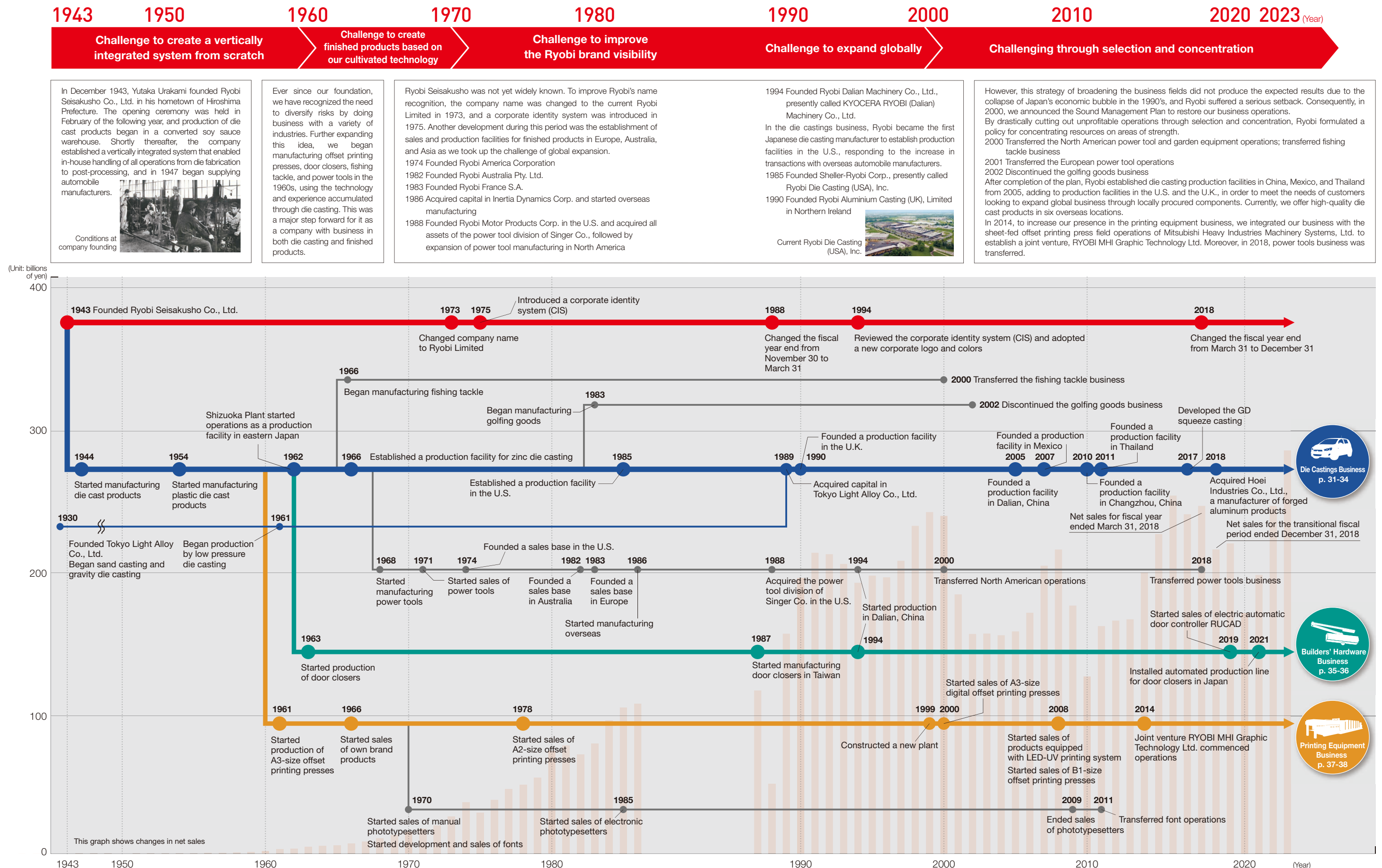
## Value creation story

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# VALUE CREATION STORY



## History of Ryobi's growth



## Cultivated strengths (1) Die casting technology

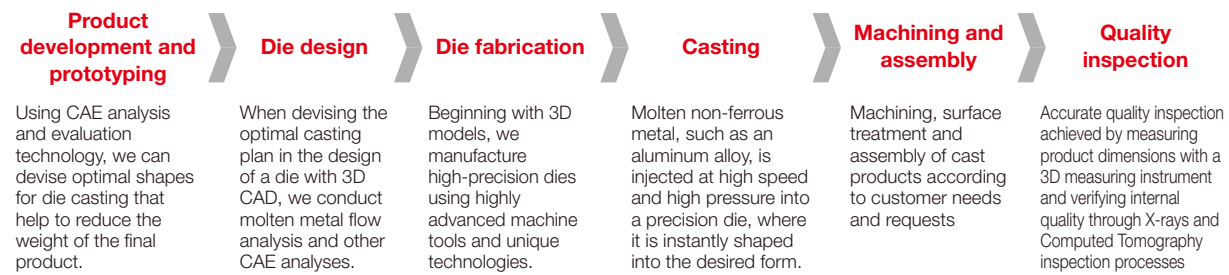
### Beyond manufacturing with integrated die casting technology

Ryobi's die castings business has adopted a proprietary vertically integrated system that encompasses product development and prototyping, die design, die fabrication, casting, machining and assembly, and quality inspection, in addition to providing development support for customers.

Looking to the future, Ryobi is taking on the challenge of developing various materials and new production methods. With the aim of developing products intended to enhance reliability and functionality, we are eager to contribute to the future of industry, particularly in the field of mobility.

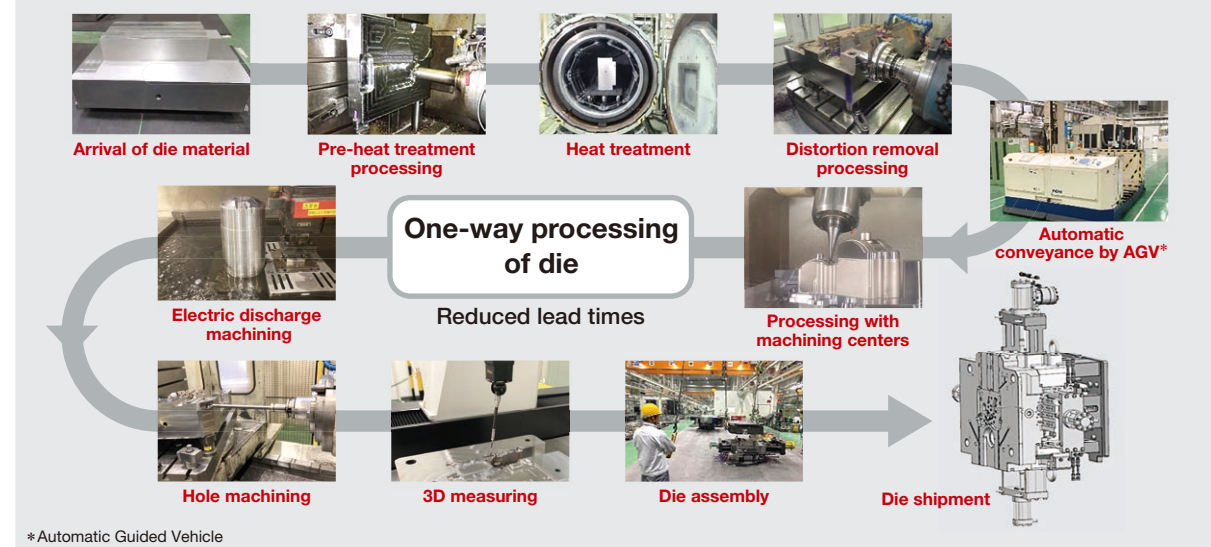
### Processes of the vertically integrated system

Ryobi's proprietary vertically integrated system enables us to respond with agility and precision to the diverse needs of our customers. In addition, by automating production lines, adopting information and communications technology, and upgrading our quality assurance expertise, we have achieved stable quality, accelerated delivery times, and reduced costs.



#### Converting die fabrication processes into a comprehensive production line

The dies that are the key to our die cast products are fabricated at the die plant of the Hiroshima East Plant in Fuchu, Hiroshima Prefecture. These dies are supplied to the manufacturing plants of the Ryobi Group around the world. Because dies have a significant impact on product quality, we constantly strive to improve machining accuracy through strict control of the temperatures of our fabrication facilities. Moreover, die fabrication is required to extend the service life and shorten the lead time. For this reason, the die fabrication process takes place on a line that integrates each process from material receipt to die shipment; we have thus built a system that reduces delays and rework between processes. We have developed an integrated production system that includes heat treatment and automatic transportation by AGVs to meet the needs for high quality and short delivery times.



### Ryobi's casting methods

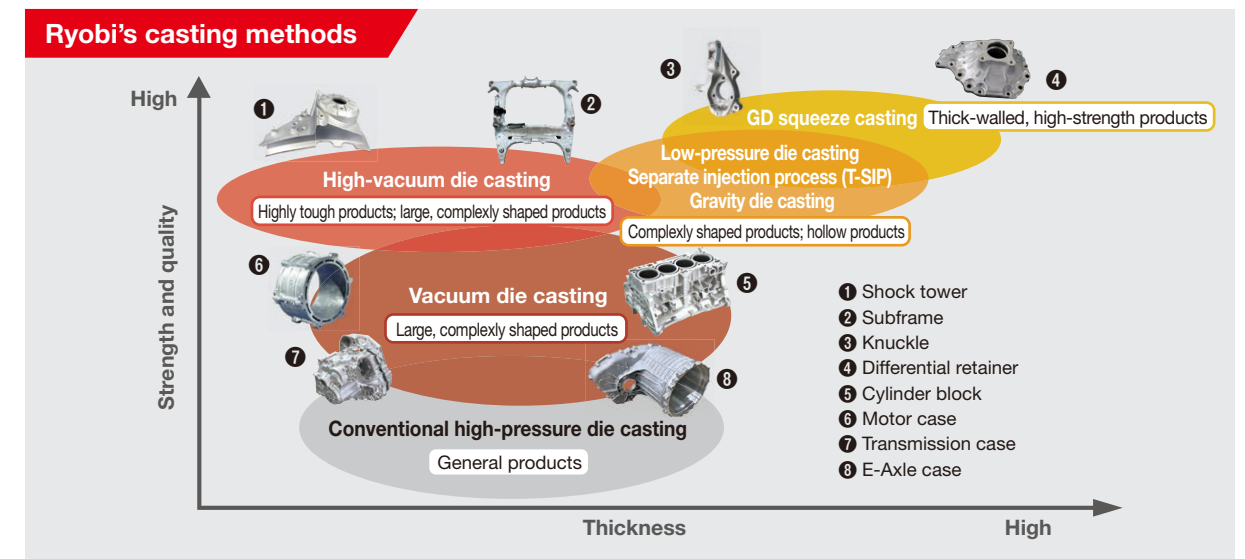
The production of high-quality die cast products requires strategies to suppress the formation of blisters caused by entrapped air. To this end, we have developed the Ryobi Shut Valve (RSV), a proprietary vacuum exhaust valve, as well as a vacuum die casting method that reduces the pressure inside the die. Currently, all our products are cast in dies incorporating an RSV to ensure stable quality.

In addition, we have established a die sealing technology to improve the airtightness of dies and have developed a high-vacuum die casting method that accommodates welding and high-temperature heat treatment (T6, T7), which had long been considered impossible.

In recent years, we have developed a technology that allows for smaller vacuum exhaust valves (our "new RSV") as well as a lower casting pressure. This has contributed to cost reductions through the downsizing of casting machines and the adoption of methods to cast multiple pieces at once.

In addition to these die casting methods, we are able to offer optimal solutions incorporating a variety of other methods, such as gravity die casting, which is suitable for thick-walled products to ensure strength and rigidity; the separate injection process; low-pressure die casting; and GD squeeze casting, which is a novel casting method.

Moreover, the development of aluminum die casting alloys with high ductility has made it possible to substitute aluminum for steel in body and chassis parts, thereby contributing to the weight reduction of automobiles.



### Ryobi's efforts to optimize the entire production process

#### Streamlining coordination between processes

In the die castings business, we seek to optimize the entire production process by seamlessly coordinating processes while improving the technical and management refinement of each production process. The initial stage of mass production of new orders is a time when product quality is at risk of instability in the form of product defects. As production volumes increase, small defects in each process can accumulate and manifest themselves in the form of product defects. In order to reduce these unstable factors across processes, in September 2022 we established a department within the Die Department to supervise everything from pre-order technical review and process design to the start of mass production and support. By establishing these systems and implementing appropriate measures, we have achieved improved productivity, reduced costs, higher quality, and stable supply on a global basis.

#### Standardizing technologies and expertise

In order to maintain and manage the production of die cast products with stable quality, we are working to standardize the technologies and expertise we have cultivated through a history of numerous production innovations. In the die castings business, it is necessary to incorporate a stable production system to meet customer needs that are becoming more sophisticated and complex in terms of the quality required. For this reason, we have established the RYOBI Engineering Standard (RES) as a means of accumulating and improving technology, maintaining and improving quality, and implementing standardization and similar improvements. Technology is an asset of the entire company that we accumulate, and stable production is now possible due to clear regulations on working methods and quality standards.



## Cultivated strengths (2) Global production structure

### Ryobi's die casting production system for customers worldwide

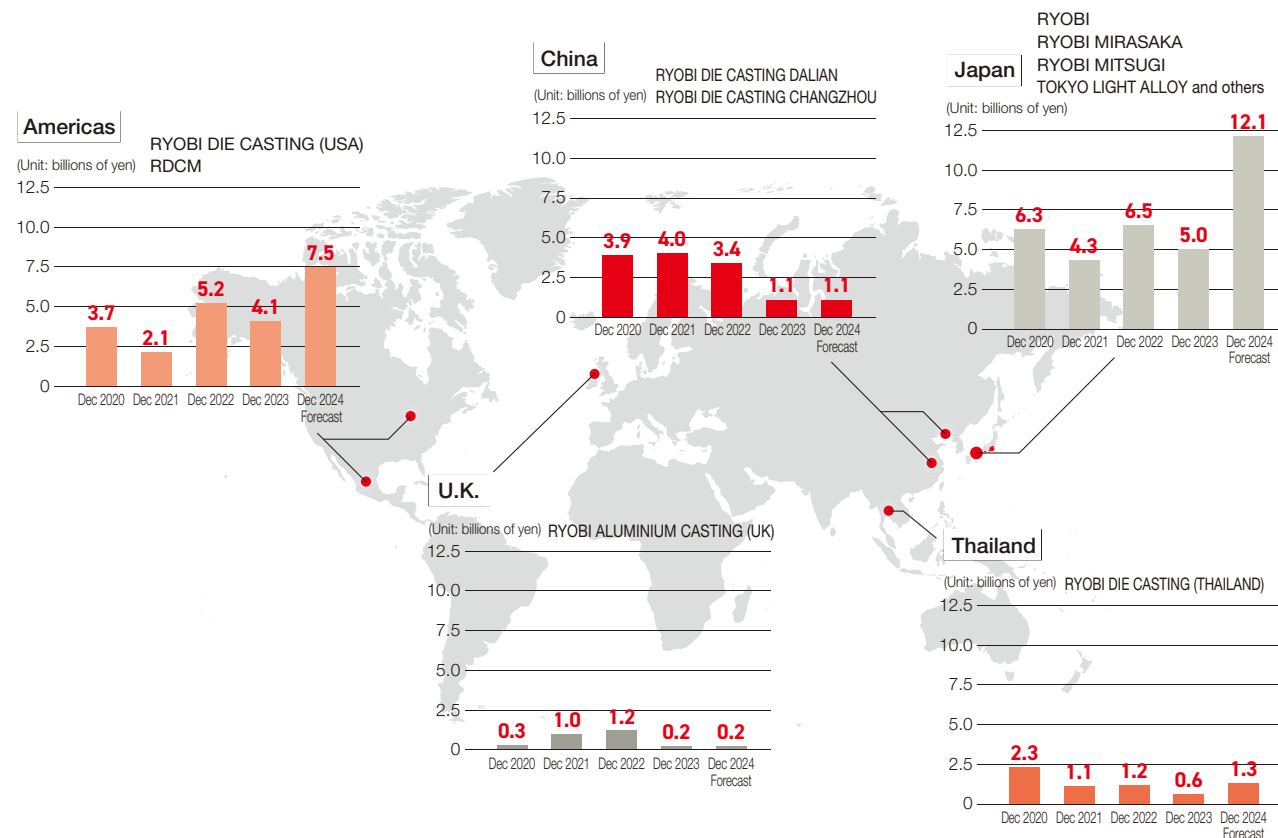
In 1985, Ryobi became the first Japanese die casting manufacturer to establish a production facility in the United States. Today, we have production facilities in six countries around the world, including the United Kingdom, China, Mexico, and Thailand, providing high-quality die cast products to customers around the world.

Our dies are manufactured in Japan and supplied to our overseas group companies.

The Hiroshima Plant serves as our home factory, promoting Group-wide improvements in productivity and quality through the automation of production lines, ICT, and quality assurance levels. Ryobi is committed to further deepening and expanding its relationships with customers, including automobile manufacturers around the world.

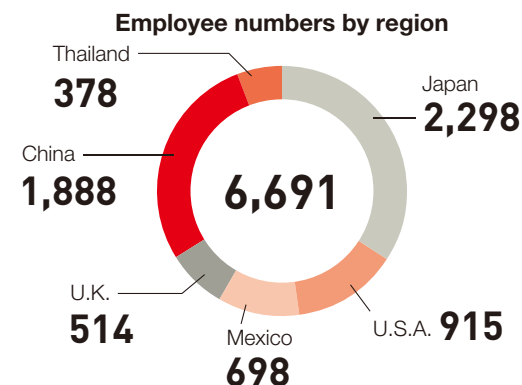
### Die castings business capital expenditures by region

We are making methodical capital investments in order to establish a stable supply system for customers in each region.



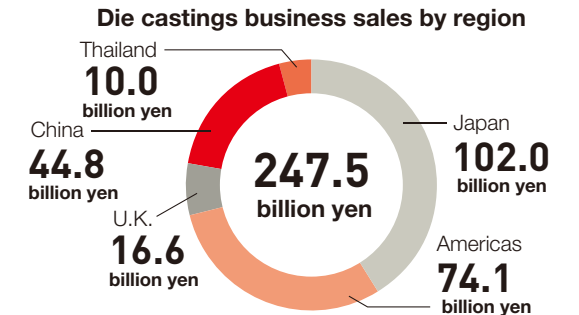
### Die castings business employee numbers by region

At the end of December 2023, the die castings business had 6,691 employees, of which 2,298 were in Japan and 4,393 overseas. The number of employees by overseas location is shown in the graph on the right.



### Die castings business sales by region

By contributing to the expansion of production by automobile manufacturers and automobile parts manufacturers, domestic sales ratio accounted for 41% of total sales and overseas sales ratio accounted for 59% of total sales. Sales by region are shown in the graph on the right.



### Business with customers worldwide

The Ryobi Group is impartial to any specific automobile manufacturer's affiliation and serves customers globally.

- Aisin Corporation
- Isuzu Motors Limited
- JATCO Ltd
- Suzuki Motor Corporation
- Stellantis NV
- Zhejiang Geely Holding Group
- Subaru Corporation
- General Motors Company
- Daihatsu Motor Co., Ltd.
- Toyota Motor Corporation
- Nissan Motor Co., Ltd.
- Punch Powertrain PSA e-Transmissions
- Hino Motors, Ltd.
- BYD Company Limited
- Hyundai Motor Company
- Ford Motor Company
- Volkswagen AG
- Prime Planet Energy & Solutions, Inc.
- Honda Motor Co., Ltd.
- Mazda Motor Corporation
- Mitsubishi Motors Corporation and others

### Recognition received from customers around the world

Ryobi has strengthened and enhanced its quality system by acquiring ISO 9001 certification, the international standard for quality control and quality assurance systems, and IATF 16949 certification, the quality management system standard for the automotive industry. Furthermore, in order to ensure price competitiveness, we are promoting productivity improvement and global cost reductions. These efforts have been highly regarded by our customers around the world.

Awards received in 2023

Project Commendation  
from Toyota Motor Corporation  
for Engineering



2022 Best Quality Award  
from SAIC General Motors



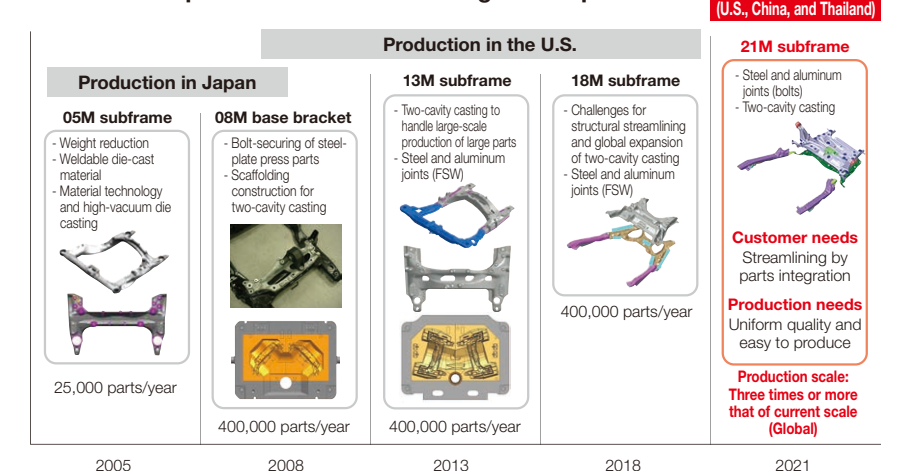
Best Partner Award  
from Geely



### Global expansion of aluminum die-cast subframes

With the globalization of automobile production, customers are seeking the supply of products with the same specifications and stable quality across all regions. Ryobi has simultaneously launched operations at three global sites, including one that had never produced body and chassis parts before.

#### Measures for production evolution and global expansion





## Cultivated strengths (3) Manufacturing capabilities cultivated through die casting

### Application from die casting technology to finished products

Using precision die machining technology and other die casting technologies, Ryobi began manufacturing offset printing presses, door closers, fishing tackle, power tools, and golfing goods. Our current business activities span three fields: die castings, builders' hardware, and printing equipment.

#### Fishing tackle

(1966 to 2000)

Reel bodies were manufactured through die casting.  
Precision machining technologies were used for gears and spools.

In 2000, fishing tackle business was transferred to Johshuya Co., Ltd.

Discontinued the manufacture and sales of golfing goods in 2002.

#### Golfing goods

(1983 to 2002)

We developed golf clubs with integrally molded aluminum alloy heads.

#### Power tools

(1968 to 2018)

Many power tool bodies were manufactured through die casting.

#### BUILDERS' HARDWARE

(1963 to present)

In 1963, the company began manufacturing door closers, using the advanced casting and machining technologies cultivated in our die casting operations.

Since then, we have been offering high-performance products with original mechanisms. Our product development focuses on functionality and safety as well as barrier-free, inclusive design.

Ryobi produces door guards, hinges, and other builders' hardware for various building applications.

## DIE CASTING

(1943 to present)

#### PRINTING EQUIPMENT

(1961 to present)

In 1961, the company began manufacturing offset printing presses by applying its precision machining technology for die casting molds.

We strive to achieve high-accuracy, multi-coloring, and highly advanced functionality by accumulating the production technologies that we use to assemble high-precision parts.

We offer a wide range of products, from small to large printing presses, and develop and manufacture products that provides solutions for digitalization and environment.



## Value creation process

## Societal changes

- Increased awareness of the global environment
- Increased uncertainty about the global situation
- Demographic changes
- Increased awareness of human rights
- Accelerated digitalization of society
- Increased demand for transparency improvement and disclosure in corporate management

## Corporate philosophy

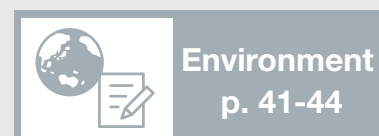
Create a sound and dynamic corporation through technology, trust and challenge

- Corporate Mission  
Create a higher standard of living and better quality of life by providing advanced technology with a vision of the future

- Management Mission  
Value the trust and goodwill of society, and strive to become a strong, dynamic organization that reflects the originality and creativity of individual employees

- Employees' Mission  
Refine your intelligence and polish your mind to have a wide perspective, and challenge goals with enthusiasm

## Foundation for sustainable value creation / ESG



## Foundations of our business

\* Figures are actual results for FY2023.

- Financial capital**
  - Total assets: 318.8 billion yen (end of fiscal year)
  - Cash flows from operating activities: 26 billion yen
- Manufacturing capital**
  - Established production facilities in Japan, the U.S., Mexico, the U.K., China, and Thailand
  - Capital expenditures: 13.9 billion yen
- Intellectual capital**
  - Development of materials, advanced casting, and machining technologies, as well as collective strength and corporate agility.
- Human capital**
  - Number of consolidated employees: 7,497 (end of fiscal year)
- Social capital**
  - Trusted relationship with shareholders, business partners, and other stakeholders
- Natural capital**
  - Energy consumption (in Japan)  
Electricity: 159,585 thousand kWh  
City gas: 8,793 thousand m³  
Liquefied natural gas (LNG): 3,307 t  
Liquefied petroleum gas (LPG): 2,055 t  
Oil (crude oil equivalent): 2,644 kl
  - Water consumption (in Japan): 1,238 thousand m³

## Strengths of the Ryobi Group

Having started out as a die casting manufacturer, Ryobi has cultivated its own unique technologies to produce a variety of components mainly for the automotive industry. We have since expanded our operations by using these technologies and experiences to manufacture finished products such as builders' hardware and printing equipment.



## Business development



## Value co-created with stakeholders

- Environment**  
Addressing environmental issues
  - Supporting weight reduction and electrification of automobiles
  - Achieving carbon neutrality
  - Effective use of resources
- Society**  
Facilitating comfortable living and enriching people's lives
  - Contributing to the safety, security, and comfort of people's lives
  - Reducing workloads by providing automated and labor-saving products and services
- Creating an environment in which all employees can play an active role**
  - Promoting diversity, equity, and inclusion
- Economy**  
Maintaining stable profits and cash flow  
Continuation of stable dividends

Business environment awareness and materiality

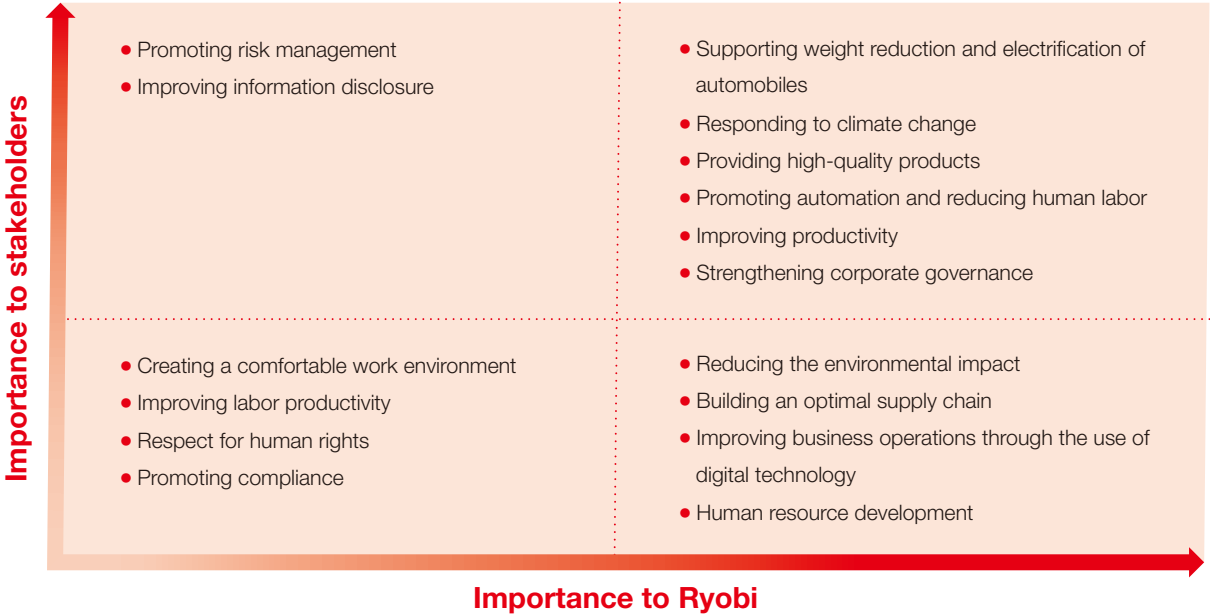
Ryobi believes that in order to maintain sustainable growth and meet the expectations of customers, shareholders, investors, business partners, employees, local communities, and other stakeholders, we should identify the long-term values we can provide to customers and society and incorporate these values into our management strategy.

Business environment awareness

Societal changes	Risks	Opportunities	Materiality
Increased awareness of the global environment	<ul style="list-style-type: none"><li>Decreasing sales of engine and transmission parts</li></ul>	<ul style="list-style-type: none"><li>Increasing sales of lightweight parts and electric vehicle parts</li><li>Improving the corporate image by reducing the environmental impact</li></ul>	<ul style="list-style-type: none"><li>Supporting weight reduction and electrification of automobiles</li><li>Responding to climate change</li><li>Reducing the environmental impact</li></ul>
Increased uncertainty about the global situation	<ul style="list-style-type: none"><li>Supply chain disruption</li><li>Soaring raw material prices and sharp fluctuations in foreign exchange rates</li></ul>	<ul style="list-style-type: none"><li>Increasing corporate credibility by improving customer satisfaction</li></ul>	<ul style="list-style-type: none"><li>Providing high-quality products</li><li>Building an optimal supply chain</li></ul>
Demographic changes	<ul style="list-style-type: none"><li>Difficulty in recruiting younger generations</li><li>Aging employees</li><li>Decreasing business opportunities and transaction volume</li></ul>	<ul style="list-style-type: none"><li>Increasing need for automation and reduction of human labor</li></ul>	<ul style="list-style-type: none"><li>Promoting automation and reducing human labor</li><li>Improving productivity</li></ul>
Increased awareness of human rights	<ul style="list-style-type: none"><li>Declining engagement</li><li>Outflow of human resources</li></ul>	<ul style="list-style-type: none"><li>Internal revitalization</li><li>Securing skilled human resources that were concentrated in urban areas</li></ul>	<ul style="list-style-type: none"><li>Human resource development</li><li>Creating a comfortable work environment</li><li>Respect for human rights</li></ul>
Accelerated digitalization of society	<ul style="list-style-type: none"><li>Existing businesses becoming obsolete</li></ul>	<ul style="list-style-type: none"><li>Growing need for touchless access</li><li>Improving labor productivity and quality through the use of AI and IoT technologies</li><li>Improving operational efficiency through predictive facility maintenance</li></ul>	<ul style="list-style-type: none"><li>Improving business operations through the use of digital technology</li><li>Improving labor productivity</li></ul>
Improved transparency in corporate management and increased demand for disclosure	<ul style="list-style-type: none"><li>Shrinking number of shareholders and investors</li><li>Scandals</li></ul>	<ul style="list-style-type: none"><li>Strengthening trust with stakeholders</li></ul>	<ul style="list-style-type: none"><li>Strengthening corporate governance</li><li>Promoting compliance</li><li>Promoting risk management</li><li>Improving information disclosure</li></ul>

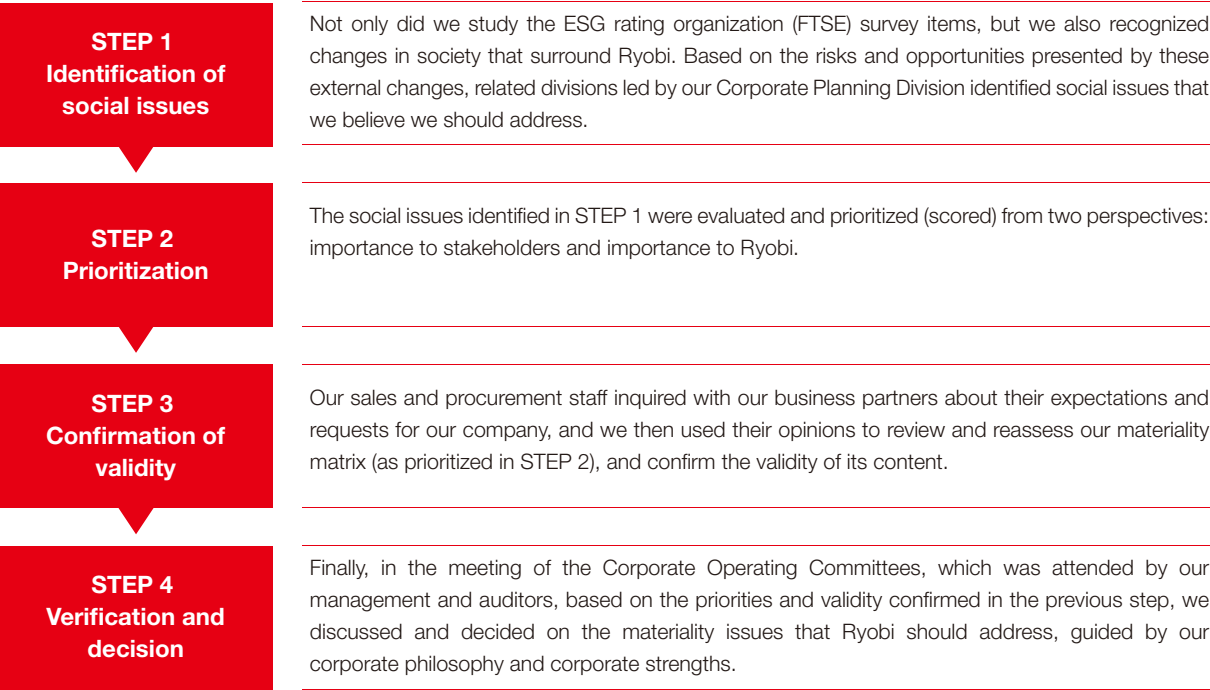
Materiality matrix

We have identified materiality issues that are key to a sustainable society and we should first address.



Materiality identification process

To maintain awareness of the environment in which our business operates, we listened closely to the opinions of our stakeholders as we conducted our materiality assessment. We will continue to review our materiality assessments incorporating even more opinions from our stakeholders going forward.





## Medium-term objectives and our initiatives

In considering our medium-term measures from 2022, Ryobi established “Lightening the load worldwide” as the theme of the measures to represent our common sentiment across all departments and throughout the company.

This slogan expresses our desire to reduce the burden of the various issues that society faces.

## Medium-term objectives

### Lightening the load worldwide



#### Lightening vehicle weight

Harnessing the properties of aluminum and die casting technologies

#### Doors that open and close safely and quietly with a light touch

Builders' hardware that turns doors into universally accessible portals, not barriers

#### Lightening the workload for printing factories

Multi-functional printing equipment that supports customers' switch to smart factories

#### Lightening the impact on the environment

Doing our part in the global effort toward carbon neutrality and a circular economy

#### Lightening workstyles

A variety of systems to support employees on their career paths

Materiality	Our approach	Related SDGs
<ul style="list-style-type: none"> <li>Supporting weight reduction and electrification of automobiles</li> <li>Responding to climate change</li> <li>Reducing the environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Expanding sales of lightweight parts (body and chassis) and electric vehicle parts (die castings) [p. 31-34]</li> <li>Developing massive casted parts for automobiles and putting in place a supply system (die casting) [p. 34]</li> <li>Reducing CO<sub>2</sub> emissions (company-wide) [p. 43]</li> <li>Promoting the reduction and recycling of industrial waste (company-wide) [p. 44]</li> </ul>	  
<ul style="list-style-type: none"> <li>Providing high-quality products</li> <li>Building an optimal supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Further developing and putting in place a supply system capable of meeting the needs of customers worldwide (company-wide) [p. 19-20]</li> <li>Maintaining and improving good relationships with business partners (company-wide) [p. 48]</li> <li>Establishing a consistent supply system (company-wide)</li> </ul>	  
<ul style="list-style-type: none"> <li>Promoting automation and reducing human labor</li> <li>Improving productivity</li> </ul>	<ul style="list-style-type: none"> <li>Expanding sales of door closer products with high added value that support barrier-free and touchless access (builders' hardware) [p. 35-36]</li> <li>Supporting customers' smart factory conversion (printing equipment) [p. 37-38]</li> </ul>	 
<ul style="list-style-type: none"> <li>Human resource development</li> <li>Creating a comfortable work environment</li> <li>Respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing education and training programs (company-wide) [p. 45]</li> <li>Improving work engagement (company-wide) [p. 46]</li> <li>Promoting diversity (company-wide) [p. 46]</li> <li>Promoting health and safety in the workplace as well as mental and physical health (company-wide) [p. 47]</li> <li>Respect for human rights (company-wide) [p. 48]</li> </ul>	  
<ul style="list-style-type: none"> <li>Improving business operations through the use of digital technology</li> <li>Improving labor productivity</li> </ul>	<ul style="list-style-type: none"> <li>DX working group activities (company-wide)</li> <li>Automating appearance inspections by using image processing and AI technology (die castings)</li> <li>Automating domestic door closer production line (builders' hardware)</li> </ul>	
<ul style="list-style-type: none"> <li>Strengthening corporate governance</li> <li>Promoting compliance</li> <li>Promoting risk management</li> <li>Improving information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Increasing transparent governance (company-wide) [p. 49-50]</li> <li>Enhancing disclosure of ESG-related information (company-wide)</li> <li>Ensuring information security (company-wide) [p. 52]</li> </ul>	

\* Pages that contain more details are indicated by brackets [ ].

## Medium-term objectives and our initiatives

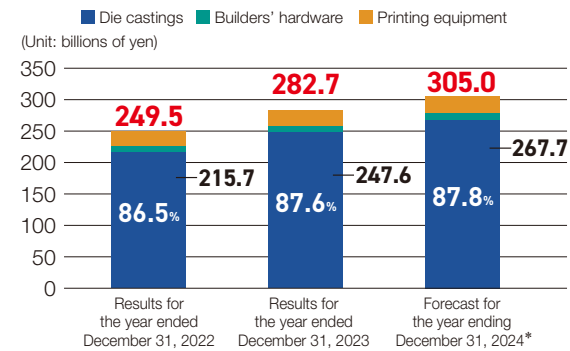
### Business results, basic financial policies, and dividend policy

#### Business results

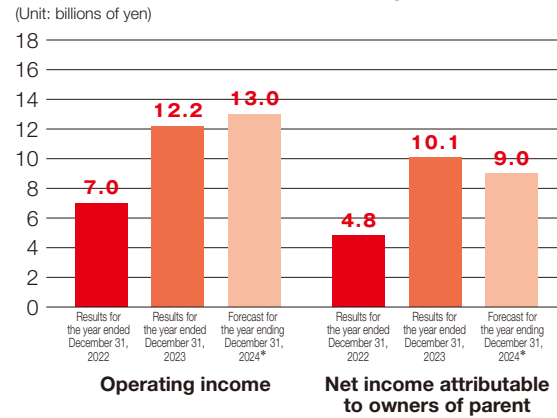
Consolidated net sales for the fiscal year ending December 31, 2023, amounted to 282.7 billion yen, reflecting a 13.3% increase from the previous year. This growth was driven by higher sales in the die castings, builders' hardware, and printing equipment businesses both in domestic and overseas markets. Specifically, sales in the die casting business increased by 14.8%, with its sales composition ratio increasing to 87.6% (up 1.1 percentage points from the previous year). This was due mainly to the domestic and overseas recovery in automotive production as semiconductor supply improved. For the fiscal year ending December 31, 2024, consolidated net sales are projected to reach 305.0 billion yen, marking a 7.9% increase from the previous year.

Operating income for the fiscal year ending December 31, 2023, was 12.2 billion yen, up 75.3% from the previous year driven by growth in sales, despite a 10.0 billion yen rise in labor and other fixed costs. Net income attributable to owners of parent reached 10.1 billion yen, marking a 111.4% increase. For the year ending December 31, 2024, operating income is projected to be 13.0 billion yen, a 6.4% increase from the previous year, due to growth in sales, although raw material prices and labor costs are expected to continue rising. Net income attributable to owners of parent is expected to be 9.0 billion yen, down 11.0% from the previous year.

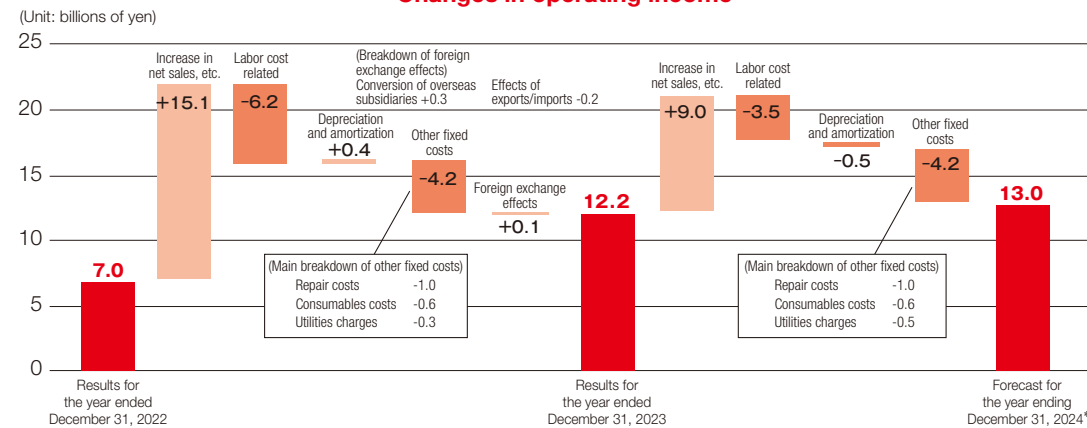
#### Ryobi's net sales and sales composition ratio by business segment



#### Ryobi's operating income and net income attributable to owners of parent



#### Changes in operating income



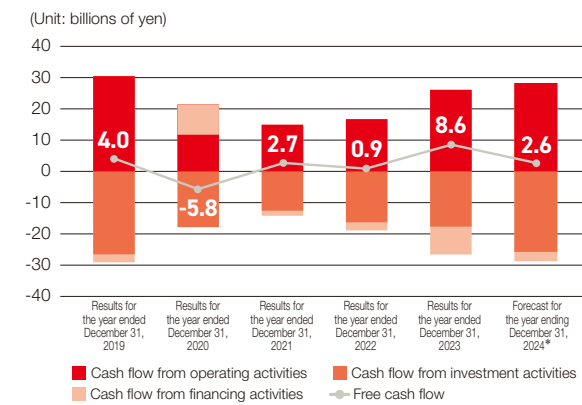
#### Target management indicators

Society's expectations for companies encompass various aspects, including not only enhancing business performance but also fulfilling a range of social responsibilities. Our Group is intensifying and expanding its efforts in these areas. For business performance, we are concentrating on achieving profitable sales growth and reducing costs, while actively developing new technologies and products. Our goals include improving the return on assets and increasing free cash flow.

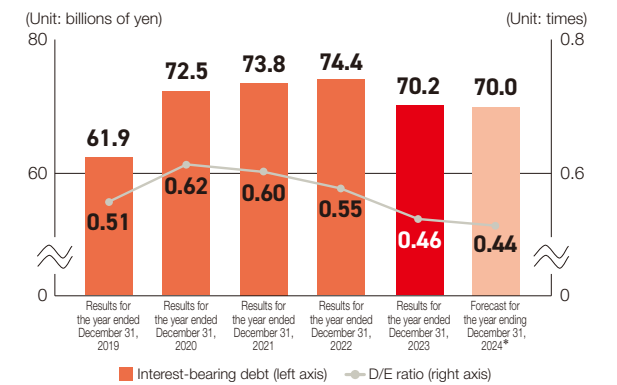
#### Basic financial policies

Ryobi plans to utilize operating cash flow to fund investments aimed at enhancing corporate value and maintaining or improving shareholder returns. We will also strive to generate internal cash by improving the cash conversion cycle (CCC) and optimizing held assets. Our basic policies are to use long-term borrowings for capital investments and other long-term financing needs, while relying on short-term borrowings for working capital as necessary. We aim to manage our capital size and lower our overall cost of capital by primarily financing our operations through borrowings from financial institutions, prioritizing debt financing. As of December 31, 2023, we have commitment line contracts totaling 18.0 billion yen with our financial institutions to ensure stable funding and prepare for increased demand due to temporary business environment changes, enabling flexible fund procurement. Investments in enhancing domestic and overseas facilities that will lead to an increase in corporate value, strengthening of R&D, etc., and investments associated with manufacturing massive casted parts with giant die casting machines will continue, ensuring financial soundness in terms of the debt-to-equity (D/E) ratio and other factors.

#### Trends in cash flow



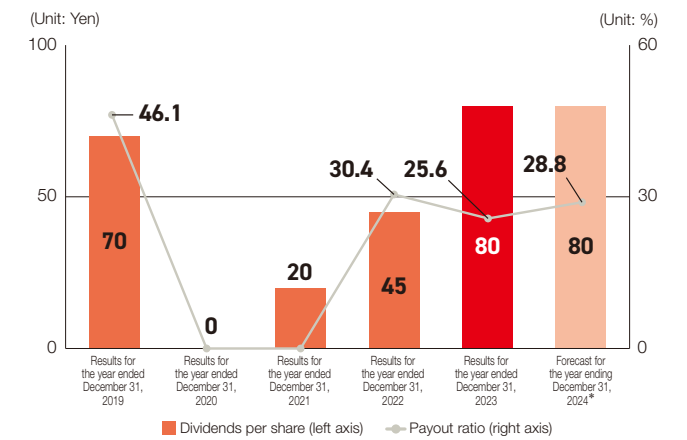
#### Trends in interest-bearing debt and D/E ratio



#### Dividend policy

We are committed to maintaining stable dividends and determine shareholder profit returns by considering various factors, aiming for a target payout ratio of approximately 30%. Based on this policy, we paid an annual dividend of 80 yen per share for the fiscal year ended December 31, 2023, an increase of 35 yen from the previous year. Although we have no plan to repurchase our shares at this time since we are making capital investments to increase our corporate value, we will consider increasing the total payout ratio based on the circumstances.

#### Trends in dividends per share and payout ratio



#### Formulating the next medium-term management plan

We are currently in the process of formulating and preparing to disclose the next medium-term management plan for 2025 to 2027, aimed at increasing our corporate value. The disclosure is scheduled for early 2025.

\* Numerical forecasts for the fiscal year ending December 31, 2024 are as of February 13, 2024.



## Ryobi's challenge



### Die Castings Business

Lightening vehicle weight

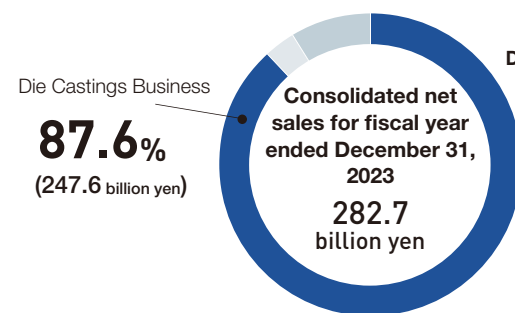
Become a world-renowned global supplier in the mobility industry with our core of die castings business

Hideki Tanifuji

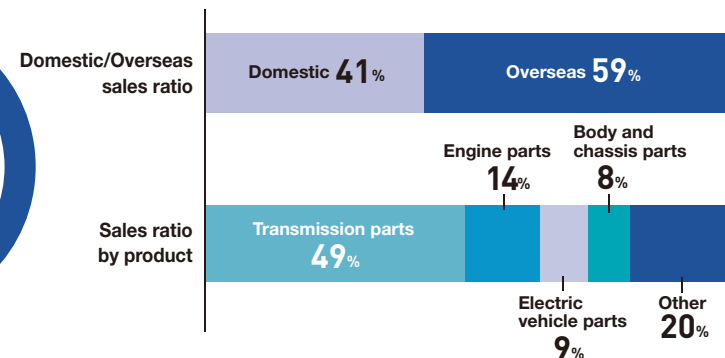
Director and Corporate Officer  
Divisional General Manager of  
Die Casting Planning and Development Division



### Sales composition ratio



### Domestic/Overseas sales ratio and sales ratio by product (Fiscal year ended December 31, 2023)

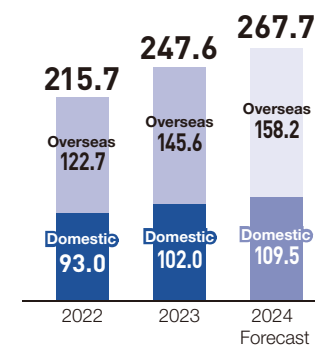


### Financial results for 2023 and forecast for 2024

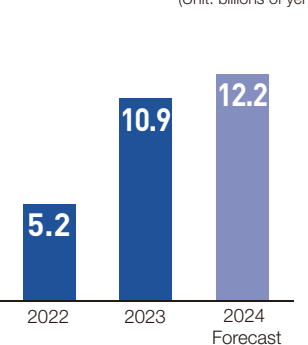
Sales for 2023 were 247.6 billion yen (up 15% year-on-year), reflecting a recovery in automobile production in Japan and worldwide due to the easing of semiconductor supply constraints, as well as an increase in the yen-equivalent value of sales of overseas subsidiaries due to the depreciation of the yen. Operating income totaled 10.9 billion yen (up 9% year-on-year) due to the effect of increased sales, despite the impacts of increased labor costs and other factors.

In 2024, we expect sales to increase both within and outside Japan as automobile production continues to recover, with sales forecast to be 267.7 billion yen (up 8% year-on-year) and operating income forecast at 12.2 billion yen (up 12% year-on-year).

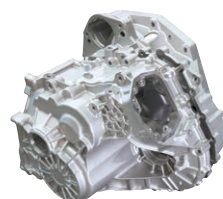
#### Net sales (Unit: billions of yen)



#### Operating income (Unit: billions of yen)



### Main die cast products



Transmission case



Subframe



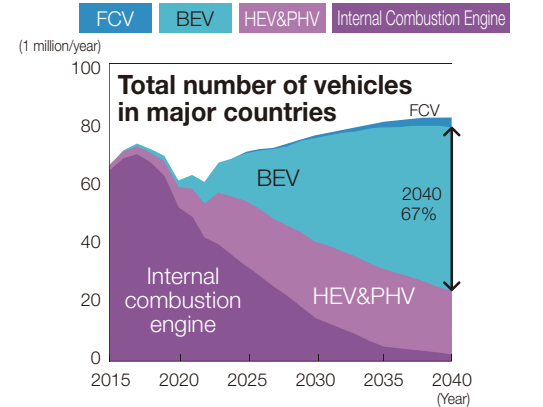
Battery case

### Business environment awareness

The automotive industry, which is our main customer, is entering a period of massive change typically seen only once in a century. Due to the progress of the CASE (connected, autonomous, shared, electric) concept targeting automobiles and the more stringent fuel efficiency regulations intended to reduce CO<sub>2</sub> emissions, it is expected that demand for Ryobi's current mainstay products, which include engine blocks and transmission cases, will decline in the future.

On the other hand, with the ongoing electrification of automobiles and the increase in the share of electric vehicles (FCVs, BEVs, PHVs, and HEVs) in the global automobile market, we believe that the scope of application of aluminum die casting will expand into EV parts such as battery cases and body and chassis parts, where the need for weight reduction is likely to increase. By 2040, we expect that 67% of new vehicle sales in major countries will be battery electric vehicles (BEVs).

#### Automobile sales by power unit in major countries



\* Major countries/regions: Europe, Japan, U.S., China, India  
Our forecast as of October 2023

\* FCV: Fuel cell vehicle BEV: Battery electric vehicle  
HEV: Hybrid electric vehicle PHV: Plug-in hybrid vehicle

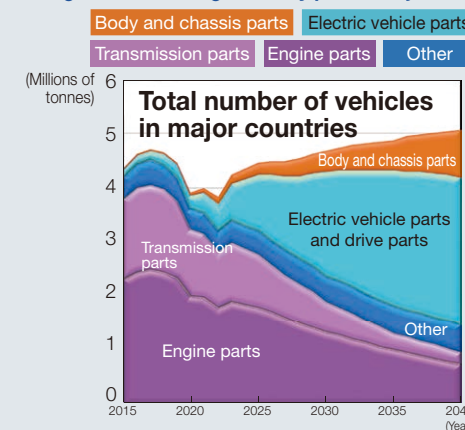
### Our strengths

- Our vertically integrated system that covers all operations from product development, prototyping, die design, and fabrication to casting, machining, and assembly
- Our global production structure
- Access to a variety of production methods
- Our R&D department capable of developing new production methods and production technologies
- Access to a great number of large casting machines
- Close collaboration with customers enabling us to proactively make technical suggestions

### Our initiatives for weight reduction and electrification of automobiles

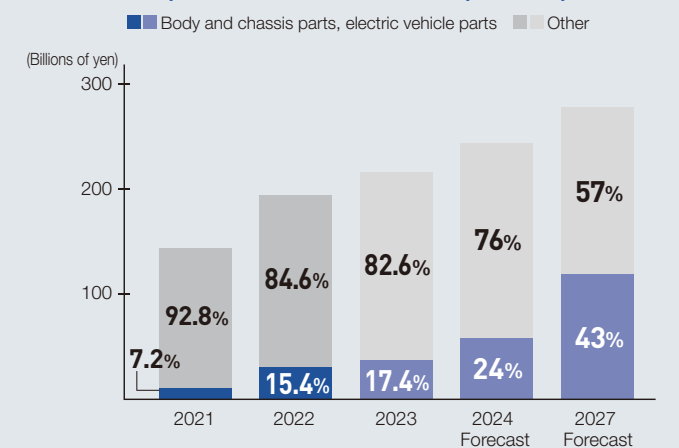
- Considering the increasing proportion of lightweight parts in vehicle bodies and in chassis as well as in electric vehicle parts comprising new orders, we expect the share of these strategic products will account for 43% of sales in the fiscal year ending December 2027 (from 17.4% in the fiscal year ended December 2023).
- Our high-vacuum die casting and GD squeeze casting (p. 18) will lead to further expansion of orders for lightweight and electric vehicle parts.

#### Weight of die castings used by part in major countries



\* Major countries/regions: Europe, Japan, U.S., China, India  
Our forecast as of October 2023

#### Composition ratio of sales for mass-produced products



## Ryobi's aluminum die castings contribute to solving environmental problems through vehicle weight reduction and electric vehicle applications.

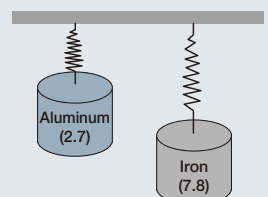
The increased global environmental consciousness and carbon neutrality have resulted in a shift toward electrification and weight reduction in order to improve fuel efficiency in automobiles. Amid these developments, aluminum die castings have attracted attention.

Ryobi is contributing to the emergence of a society committed to sustainability by providing die cast products that contribute to the electrification of automobiles while reducing their weight.

### Aluminum's contribution to weight reduction and the electrification of automobiles

Compared to conventional gasoline-powered vehicles, FCVs, BEVs, PHVs, and HEVs require ever-greater weight reduction due to the increased weight of the batteries in electrified vehicles. Aluminum has a specific gravity of 2.7 g/cm<sup>3</sup>, which is about one-third the weight of iron at 7.8 g/cm<sup>3</sup>. Replacing iron with aluminum die castings will result in a lighter vehicle body, which in turn leads to lower fuel and electric consumption and reduced CO<sub>2</sub> emissions. In addition, among the metals, aluminum exhibits a very high thermal conductivity at about three times that of iron. While it conducts heat well, it also cools rapidly. This property is used to advantage for parts used in electric vehicles such as battery cases, drive motor cases, and inverter cases that must be designed to dissipate heat. As well, aluminum has a lower melting point than iron or copper, so it can be easily recycled. Since the quality of products manufactured from recycled ingots is the same as those made from the non-recycled metal, aluminum die cast products incorporated into automobiles and other products can be recycled after disposal and reused as recycled ingots.

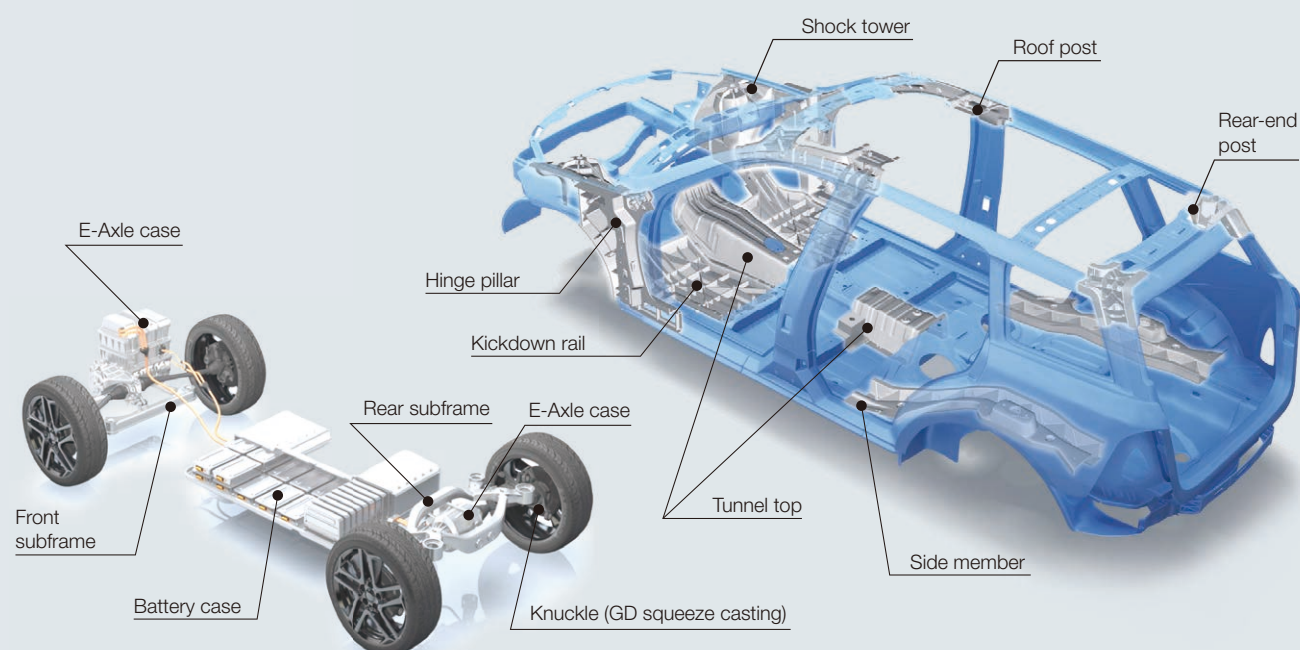
Comparison of aluminum and iron  
Weight comparison of ingots of the same size (specific gravity)



Thermal conductivity

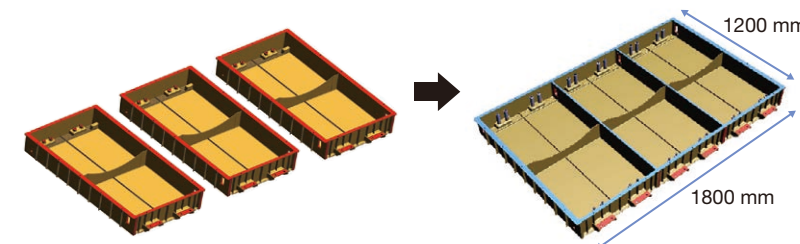


### Die cast products by Ryobi contributing to reducing weight and electrification of vehicles



### Using laser bonding technology to develop large parts for automobiles

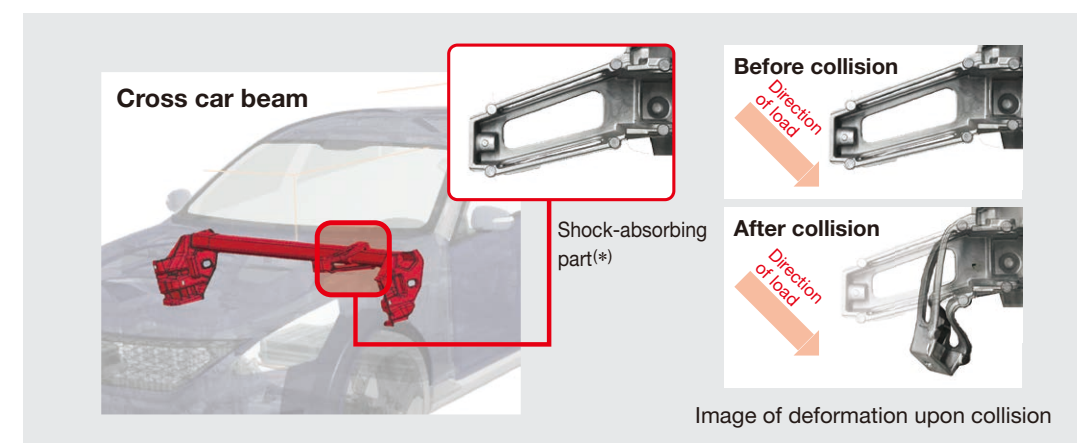
In conventional die casting, laser bonding is considered by some to be impractical because of the potential for internal defects to result from the release of gases from the molten base metal during welding. Through its development of laser bonding technology, Ryobi has been devising a method that does not generate internal gases, thus establishing a reliable technology for joining die cast products by means of laser welding. As on-board battery capacity is continuing to increase in order to extend the cruising range of electric vehicles, the use of laser welding technology will enable the production of even larger battery cases.



Example of multiple pieces welded together

### Challenge to expand the range of application of aluminum die castings

In an effort to improve the crashworthiness of automobiles, pressed steel sheets have been widely used as conventional components that exhibit high energy absorption in a collision. Aluminum die casting, which uses secondary aluminum alloys as its main raw material, has not been widely used in areas where ductility is required because of the characteristics of the alloy and the manufacturing method. In light of this, Ryobi has developed alloys with high ductility, achieving the best combination of heat treatment technology and high vacuum technology used in casting. This has resulted in the development of functional parts(\*) that offer high energy absorption and that will not break due to deformation. In order to meet the weight reduction needs of our customers, we will continue to focus on development that expands the scope of application as well as the potential of die casting.



### Initiatives for massive casted parts

In recent years, some automobile manufacturers have sought to reduce costs and CO<sub>2</sub> emissions by using giant die casting machines to produce massive integrated casted parts used in the manufacture of automobile bodies. Ryobi is also preparing for the introduction of a next-generation die casting technology called "giga casting" by constructing a dedicated factory building at our Kikugawa Plant in Kikugawa, Shizuoka Prefecture. In or around March 2025, we plan to provide prototyping services for massive casted parts demand for which is expected to increase as part of the development of new vehicle models. We will offer this solution to customers who are considering employing the giga casting method. We remain focused on developing innovative production methods by utilizing the production technology and expertise we have gained through years of manufacturing subframes and other large aluminum die cast components.



Conceptual diagram of a giant casting machine



## Ryobi's challenge



### Builders' Hardware Business

Doors that open and close safely and quietly with a light touch

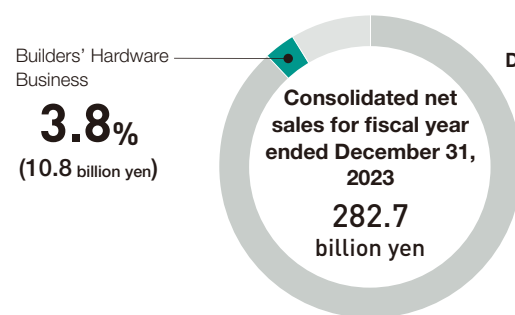
Provide more convenience while addressing the needs of society in our role as a market leader in the door closer industry

**Taichi Shimizu**

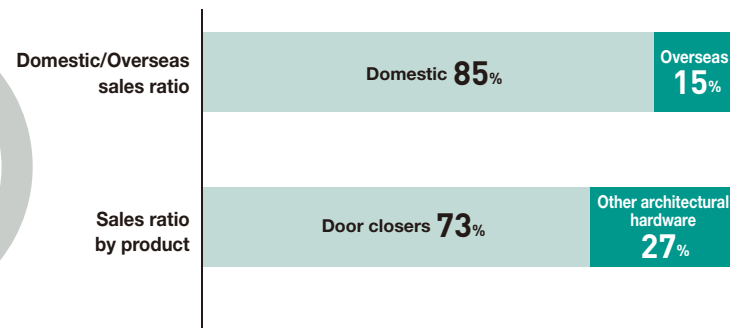
Corporate Officer  
Divisional General Manager  
of Builders' Hardware Division



### Sales composition ratio



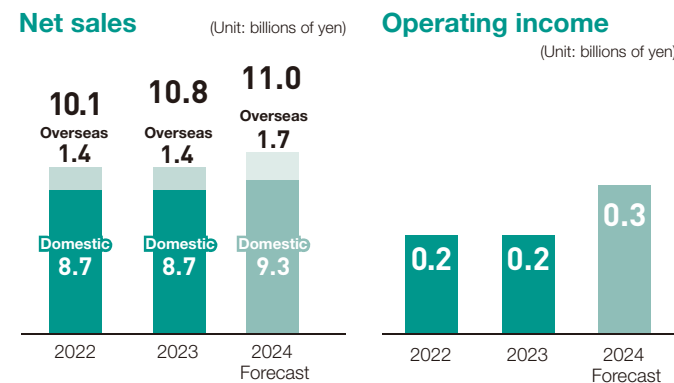
### Domestic/Overseas sales ratio and sales ratio by product (Fiscal year ended December 31, 2023)



### Financial results for 2023 and forecast for 2024

Sales in 2023 were 10.8 billion yen (up 7% year-on-year) thanks to an increase in both domestic and overseas sales. Despite the positive effects of this increase, operating income totaled 0.2 billion yen (down 24% year-on-year) due to the rising cost of procuring parts for products manufactured overseas, higher labor costs, and so on.

In 2024, we expect sales to increase both domestically and overseas, with sales forecast to be 11.0 billion yen (up 2% year-on-year) and operating income forecast at 0.3 billion yen (up 74% year-on-year).



### Business environment awareness

Because of a long-term decline in the construction of new housing in Japan, we expect the domestic market for builders' hardware to shrink somewhat. We also expect reduced demand in the market for office buildings due to the popularization of telework. At the same time, the declining birthrate and aging population mean there is likely to be a further increase in the demand for barrier-free facilities in people's everyday lives. This trend encourages us to develop and offer products that cater to the demand for remodeling homes and support safe and comfortable door use, thereby continuing to respond to the demands of the domestic market.

There is expected to be increased demand internationally, particularly in regions of economic growth such as South Asia, Southeast Asia, and Africa. Meanwhile, we expect demand to be maintained in major economic regions such as East Asia and North America.

### Our strengths

- High market share in the domestic door closer market
- Ability to closely respond to customer needs and develop products and services to match these needs
- Factory automation and reduction of human labor
- Product lineup not only providing comfort and functionality but also contributing to the overall design of spaces where used
- Consistent supply capabilities using domestic and overseas production facilities

### Our efforts toward products that support safe and comfortable door use

In the domestic market, we are introducing products with high added value and products that respond to customer needs relating to a variety of door types, thereby promoting increased market share and profitability. In February 2024, we launched two new products. The first are the GCC-4V and GCCS-4V concealed door closers from our flagship GEOPRO Series. Up to now, customers such as partition manufacturers have asked us to develop compact concealed door closers that provide strong closing force. Many doors fitted to office partitions are so-called frame and panel doors,\* in which panels made of glass or other materials are inserted in a door frame. Because of this, sometimes there is insufficient space for a concealed door closer to be embedded in the door. Compared with our existing GC-6V and GCS-6V models, the thickness (depth) and height of the GCC-4V and GCCS-4V models have been reduced by about 20%, so they can be fitted to thinner doors than before and to various frame and panel doors. Both models of this new product employ Ryobi's unique Twin-Cam mechanism, which enables doors to be firmly and securely closed at a stable speed.

\*Frame and panel doors: Doors in which glass or other panels are inserted in and surrounded on all four sides by a frame made from wood, etc.



GCC-4V/GCCS-4V concealed door closer

We have also expanded our product lineup by launching the new RU-020 model of RUCAD automatic door controller.\* The RU-020 can now be fitted to doors weighing up to 85 kg and utilized in a variety of contexts, from offices to factories. Furthermore, it is compatible with multiple door applications, with a choice of three different types, standard, track-rail, and the traditional parallel. We have also added a model with an integral battery pack, which acts as an emergency power supply and enables doors to be automatically opened and closed a certain number of times, even when there is a power outage. Going forward, we intend to further increase the adoption of our products by expanding our lineup and responding to customer requests.

\*When a door is opened a little, RUCAD then opens the door electrically and automatically to a predetermined angle. Having stopped in its open state, the door automatically closes up to 15 seconds later.



RU-020 model of RUCAD automatic door controller

Expanding sales in overseas markets is an important strategy for growing our business. We will redeploy human resources in the sales and development departments within the company, and improve our sales capabilities internationally and our ability to develop products for overseas markets. Depending on the country or region, different functions, designs, and so on are required of door closers for overseas markets, so we are working on product development to suit each of those markets. We are strengthening our sales network in the United States to expand sales of mid- to high-end door closers. We are also enhancing our lineup in Europe, through products with the design quality that is appreciated by consumers in that market. There are countries in Asia where Japanese door manufacturers are making inroads, so we will leverage the track record and sales techniques that we have cultivated domestically to strengthen our sales initiatives for office buildings.



D-1200 overhead door closers for overseas markets

## Ryobi's challenge



### Printing Equipment Business

Lightening the workload for printing factories

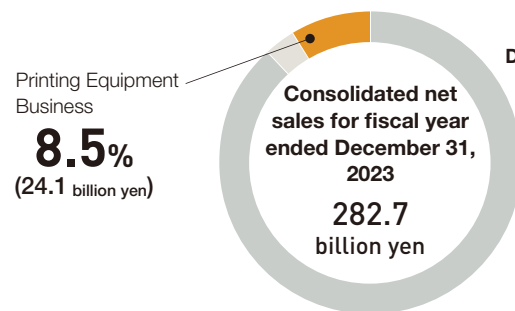
Contribute to the creation of a colorful and prosperous society by providing products and services that meet customer needs

**Katsushi Hirokawa**

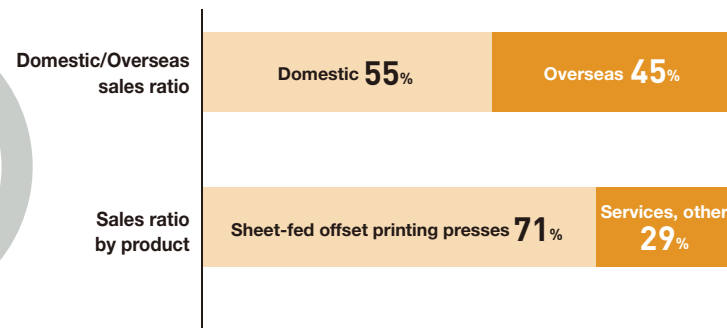
President  
RYOBI MHI Graphic Technology Ltd.



#### Sales composition ratio



#### Domestic/Overseas sales ratio and sales ratio by product (Fiscal year ended December 31, 2023)



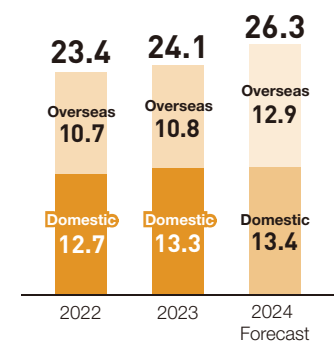
#### Financial results for 2023 and forecast for 2024

Sales in 2023 were 24.1 billion yen (up 3% year-on-year) thanks to an increase in both domestic and overseas sales. Despite efforts to improve productivity, operating income totaled 1.1 billion yen (down 25% year-on-year) due to factors such as the impact of sharp rises in raw material prices and increased labor costs.

In 2024, we expect sales to increase both domestically and overseas, with sales forecast to be 26.3 billion yen (up 9% year-on-year), which will have a positive effect on operating income. However, due to factors such as the ongoing impact of soaring raw material prices and the increased cost of exhibiting at trade shows, we expect operating income to be 0.5 billion yen (down 56% year-on-year).

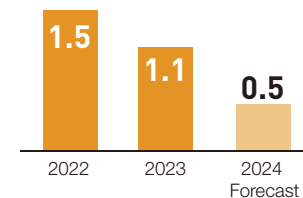
#### Net sales

(Unit: billions of yen)



#### Operating income

(Unit: billions of yen)



#### Business environment awareness

Because of the transition to digital media, the trend toward a long-term decline in the printing of publications such as magazines and books, and in commercial printing business such as fliers, advertising mail, and pamphlets is forecast to continue. However, printing presses installed prior to the 2008 global financial crisis are reaching the time at which they need to be replaced, and for the time being, we expect this to boost demand. The market for printed packaging also remains strong. This area involves many requests for printing with high added value, and requires printing presses that guarantee high quality and speed. In recent years, there has been a pronounced trend in the printing market for high-mix, small-lot jobs with short deadlines. This places a significant strain on printing operators, and a decline in the number of skilled workers makes printing quality and productivity hard to maintain. In this context, there is a greater need for automation and labor-saving, not just in printing presses but also at printing company plants overall.

#### Our strengths

- Broad domestic customer base
- Sales network covering more than 170 countries
- Wide variety of products from small to large format to meet our customers' needs
- High development capability to meet customer needs
- Strong collaboration with peripheral equipment manufacturers

#### Our efforts in providing products and services that meet customer needs

There is a global demand for improved productivity and cost effectiveness in offset printing presses, along with an increasing need for printing presses that can handle a wide range of applications in a single device, from multi-page jobs to posters and multi-up printing for packages. Even now, in relation to standard paper sizes around the world, printing presses that can comfortably handle 1,020 mm formats are the mainstream, and Ryobi has introduced the new A1-plus size RMGT 970 model. This model can fully cover the 636 × 939 mm paper size, which is popular in the current market. It also enables double-sided printing on A1-plus size paper, and is compatible with the thicker 650 × 950 mm size used in package printing. Amid the demand for energy conservation to reduce environmental impact, the RMGT 970 can cut power consumption by around 34% compared with the devices for 1,020 mm paper available to date. Its compact design also enables it to be installed in a space that is around 30% smaller, and even plants that may have given up on installation due to a lack of space can now accommodate a printing press for paper sizes of B1 and above.

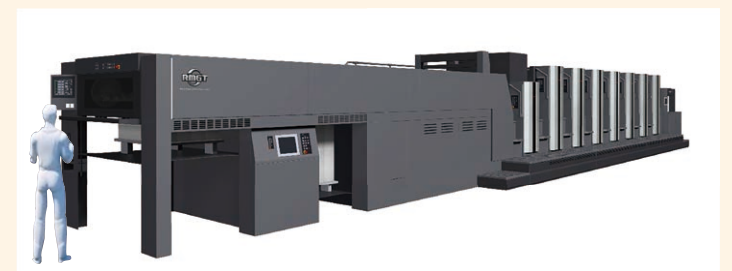
Note: Power and space reduction ratios are based on in-house research by RMGT.



RMGT 970 model

There is also a demand for improved productivity in the market for printed packaging, which is expected to remain strong, and in pursuit of this demand, Ryobi has introduced the RMGT 10 Series LX model. This model realizes improved productivity through its delivery shutter—which provides continuous operation by allowing delivery pile changing to be undertaken without interruption to printing—and automatic non-stop feeder.

Thanks to features such as the retractable coating unit that enables varnish preparation during printing and the fully automatic simultaneous plate changer, this model also facilitates reduced preparation times. Going forward, we will continue to work on product development in line with a variety of customer needs.



RMGT 10 Series LX model

To assist printing companies in developing smart factories, we are supporting the creation of workflows from pre- to post-printing processes in a network that interlinks the processes and devices necessary for producing printed materials, thereby realizing the visualization and optimization of production. For in-process optimization, we are also working on the use of automated guided vehicles (AGVs) for labor-saving in paper transportation work. In addition, in collaboration with another company, we have developed an automatic paper stacker for use in conjunction with Ryobi printing presses. Using this device makes it possible to automatically remove all the craft paper (wrapping paper) in which printing paper is wrapped and to restack a fresh pile of printing paper. Going forward, we will promote initiatives for the evolution of smart factories at printing companies.



Automated guided vehicle (AGV) Nipper





Environment



Social



Governance

## ESG (Environmental, Social, and Governance)

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ENVIRONMENT  
SOCIAL  
GOVERNANCE



Environmental initiatives

TCFD-related measures

As people are becoming more aware of increasing climate change and natural disasters being urgent global issues, the importance of corporate actions to create a sustainable society to resolve climate change issues is growing by capitalizing on the opportunity of the adoption of the Paris Agreement by the United Nations.

Ryobi is utilizing the framework of recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) for our climate-related financial disclosures. We have taken actions to realize the identified opportunities and perform risk management according to the TCFD recommendations as we pursue the goals of contributing to achieving carbon neutrality and the sustainable development of our company.

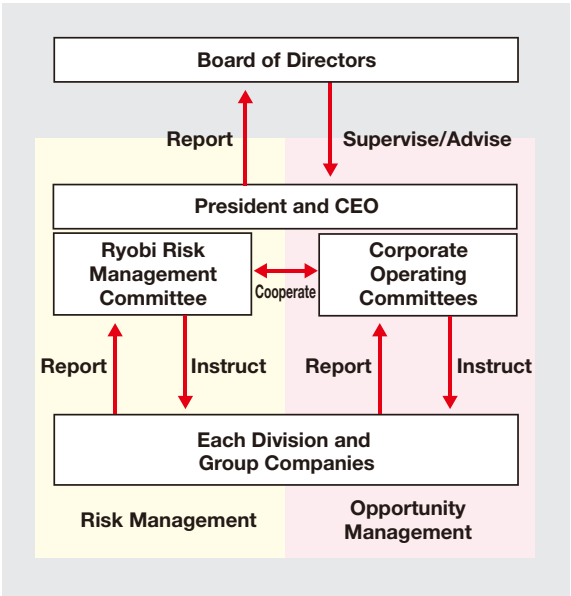


Governance

Under the supervision of our Board of Directors, the Ryobi Risk Management Committee deals with climate change-related risks and, to this end, integrates these risks into company-wide risks to manage them robustly. Meanwhile, the Corporate Operating Committees are tasked with opportunity management, including the establishment of management strategy and management of progress.

The Ryobi Risk Management Committee, chaired by the President and CEO, has been established in accordance with our risk management regulations in order to supervise and manage risk. The Committee performs tasks such as evaluating and managing risks related to climate change and other company-wide risks, as well as planning responses and monitoring the progress of implemented measures. In addition, on an annual basis it provides the Board of Directors with a risk report covering climate-change related risks that Ryobi has identified as particularly important and the status of measures taken in response. Rounding out this risk management system, the Board of Directors provides supervision and advice to the Ryobi Risk Management Committee while incorporating the input from the latter into business management.

The Corporate Operating Committees meet once a month or more with the President and CEO serving as the chair of all meetings. Among these, management strategy planning meetings are held once or more a year and management strategy progress meetings are held once or more a quarter, both with the participation of members of the Board of Directors, at which climate-change issues are considered as an important element in the comprehensive discussions and decisions made in these meetings.



Strategy

In accordance with the framework advocated for by the TCFD, we identified the risks and opportunities related to climate change among our die castings, builders' hardware, and printing equipment businesses. In order to analyze these risks and opportunities, we have assumed a 2°C scenario and a 1.5°C scenario to make transitional impacts apparent, and a 4°C scenario to make physical impacts apparent, and then performed corresponding scenario analyses.

Risk management

Guided by our basic risk management policy, the Ryobi Risk Management Committee identifies climate-related and company-wide risks, including medium- to long-term risks, that require the involvement of our management, presents response policies, and instructs the applicable departments and group companies to take appropriate measures. A review of risk identification and evaluation is performed once a year across the entire group for the corresponding risks and a report is made to this Committee. If any of the identified major risks poses a critical situation that requires urgent action, our risk management framework, headed by the crisis task force, is mobilized in accordance with crisis management regulations.

Metrics and targets

- 1. Metrics for evaluating risks related to carbon tax**  
We are utilizing the "Scope 1+2 Emissions" as metrics in order to evaluate the risks and opportunities related to carbon tax introduction, identified as a climate-related risk. One of Ryobi's materiality issues is addressing climate change, and we aim to achieve carbon neutrality by 2050.
- 2. Metrics for evaluating risks and opportunities related to transitioning to ZEV and low-carbon vehicles**  
We are utilizing the "Sales composition ratios of lightweight parts (body and chassis) and electric vehicle parts" in the die castings business as metrics in order to evaluate risks and opportunities related to the transition to ZEV and low-carbon vehicles, identified as climate related risks. Note that consolidated net sales of our die castings business are 87.6% out of total sales (fiscal year ended December 31, 2023), making it an essential business segment for Ryobi.

See information disclosure based on TCFD recommendations <https://www.ryobi-group.co.jp/en/csr/tcfcd.html>

Promoting environmental protection

Basic approach

As the protection of the global environment grows increasingly important, Ryobi prioritizes reducing the environmental impact of our business activities and safeguarding the environment as one of our most crucial management issues.

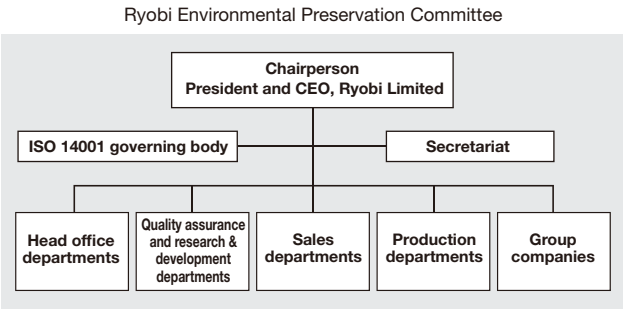
Under the Ryobi Group Environmental Policy, the Environmental Preservation Committee at each of our group companies and sites sets targets and strives to conserve energy and resources, reduce waste, and minimize greenhouse gas emissions. Ryobi has obtained ISO 14001 certification and has established, maintains, and operates an environmental management system.

The Ryobi Group Environmental Policy

- The Ryobi Group will, through the initiatives listed below, strive to avoid and mitigate various risks associated with the operating environment and work to reduce the environmental impact of its business activities, thereby helping realize a sustainable society.
1. Identify and counter risks arising from changes in the operating environment.
  2. Endeavor to reduce environmental footprints associated with each stage of a product's life cycle and prevent environmental pollution attributable to such life cycle. Specifically, the Group will:
    - (1) Work to reduce CO<sub>2</sub> emissions.
    - (2) Conserve energy and resources.
    - (3) Reduce or recycle industrial waste.
    - (4) Enforce rigorous measures to prevent environmental pollution.
    - (5) Reduce environmental footprints associated with procured goods.
    - (6) Furnish proposals on and otherwise promote environmentally friendly products and services.
  3. Comply with environmental laws, regulations, ordinances, and agreements as well as relevant requests from interested parties.
  4. Strive to ensure that the Group's entire workforce is highly conscious of the need for concerted efforts to improve the environment, to this end providing all Group members with robust education on the subject and otherwise helping them raise their environmental awareness.
  5. Strive to preserve biodiversity and otherwise give back to regional communities through environmental protection efforts.
  6. Constantly endeavor to improve the environmental management system to achieve the goals of initiatives listed above by formulating environmental targets, executing measures to achieve such targets, and implementing revisions based on the results of such measures.
  7. Ensure that this environmental policy is understood by all Group members and publicly disclosed to external stakeholders.

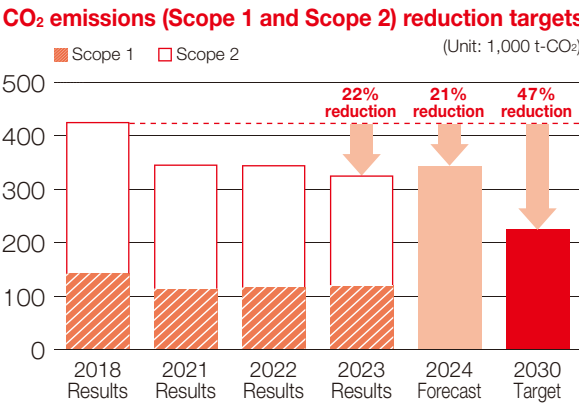
Organization

Ryobi has established the Ryobi Environmental Preservation Committee, chaired by the President and CEO, to minimize the environmental impact of our business activities and contribute to the development of local communities. The Committee plays a central role in conserving energy and resources, reducing waste, and lowering greenhouse gas emissions.



Towards achieving carbon neutrality

Ryobi has made addressing climate change one of our materialities and is committed to achieving carbon neutrality by 2050. In 2023, our CO<sub>2</sub> emissions totaled 330 thousand tonnes, marking a 22.3% reduction from 2018 levels. Since measures with significant reduction effects will not be achieved until 2025 or later, we will continue our efforts to reduce CO<sub>2</sub> emissions in 2024, although CO<sub>2</sub> emissions will increase due to an increase in production weight. Currently, we use Scope 1 and 2 emissions as an indicator, but we will work on Scope 3 in the future.





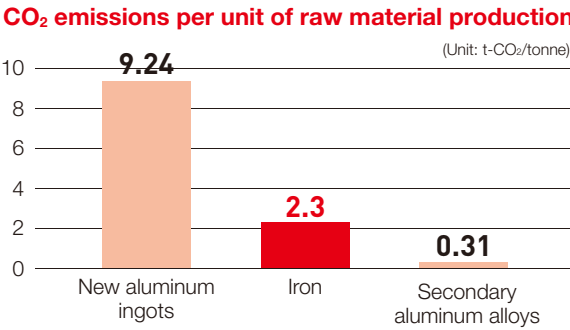
Environmental initiatives

Initiatives

When air leaks occur from compressors or other piping equipment, power is wasted. The Hiroshima Plant used an inspection device called an air leak viewer to identify the location of air leaks and carry out repair activities, and was able to stop leaks up to 110 L/min. As a result, we were able to cut losses of 3,727 kwh/year (1,942 kg-CO<sub>2</sub>/year) from compressor electricity. We will promote this system by expanding it to our group companies in the future. We are also promoting the visualization of energy consumption and CO<sub>2</sub> emissions in the manufacturing process. The display system is made in-house and is shared among our group companies. This system allows us to monitor CO<sub>2</sub> emissions at every stage of the process, resulting in reduced energy consumption and increased environmental awareness among all employees.

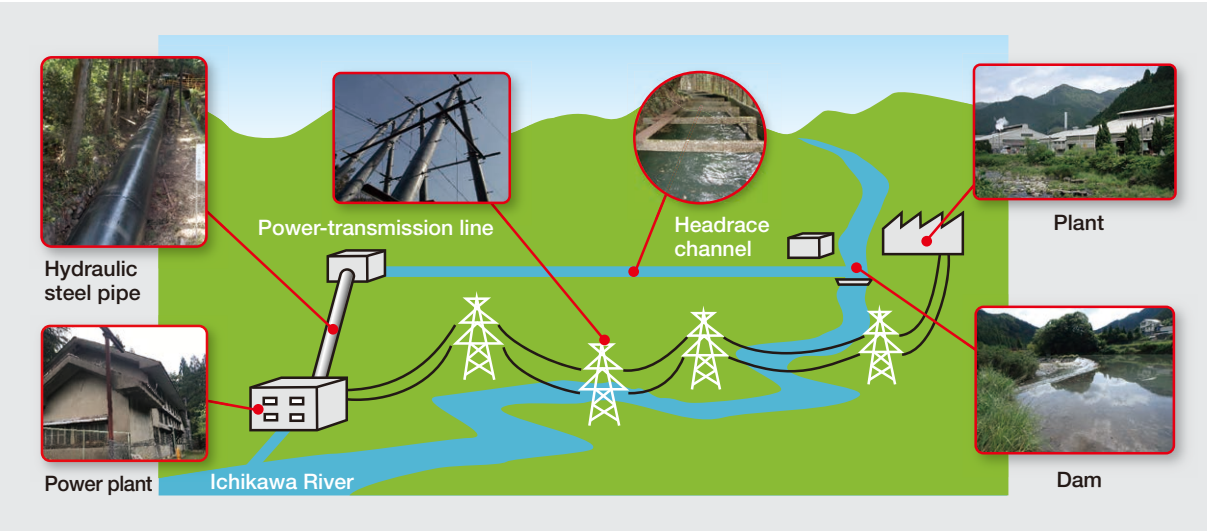
Manufacturing with environmentally friendly raw materials

Secondary aluminum alloys, the main raw material for aluminum die castings, can be produced with 3% of the CO<sub>2</sub> emissions of new aluminum ingots, which are made by extracting alumina from bauxite ore and electrolytically refining it. It can also be manufactured with 13% of the CO<sub>2</sub> emissions of steel. Most of the raw materials used in automobiles are composed of iron, which can be replaced with secondary aluminum alloys to reduce CO<sub>2</sub> emissions. 95.3% of the raw materials for aluminum die casting produced by Ryobi are secondary aluminum alloys.



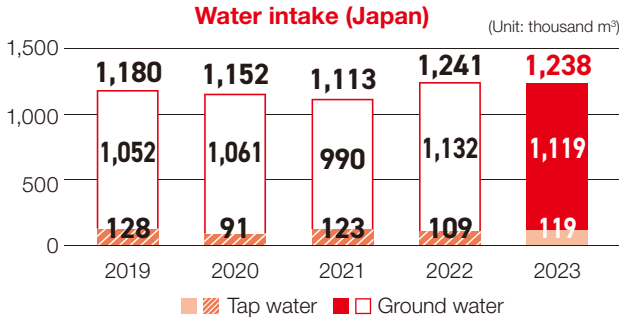
Hydroelectric power generation by Ikuno Co.

Ikuno Co., a Ryobi Group company that manufactures secondary aluminum alloys, uses hydroelectric power generation to provide 40 to 50% of the electricity used by the company, harnessing that power from the river that runs near the plant. This use of clean energy helps reduce CO<sub>2</sub> emissions.



Protection of water resources

Ryobi has set a target of reducing water consumption by 1% from the previous year. We are striving to achieve this through effective water management, which includes utilizing recycled industrial water and promptly addressing water leaks by monitoring flow meters. We are also committed to preventing water pollution in rivers and other discharge points by implementing wastewater treatment facilities and appropriate management of wastewater quality.



Promotion of industrial waste reduction and recycling

Ryobi has set a target of maintaining a waste recycling rate of at least 99%. We are working to reduce the amount of waste sent to landfills through rigorous waste separation. The amount of hazardous waste generated in Japan in fiscal 2023 was 19.9 tonnes, and the waste recycling rate was 99.6%.

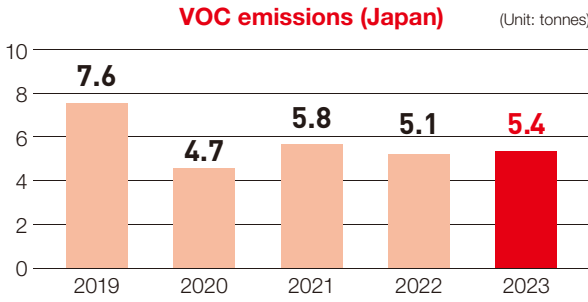
**Amount of waste (Japan)**  
(Unit: tonnes)

	2019	2020	2021	2022	2023
Amount of waste	18,426.8	12,364.9	15,731.0	14,692.7	19,408.0
Waste recycled	18,326.3	12,260.3	15,605.1	14,613.7	19,338.0
Non-recyclable waste generated	100.5	104.6	125.9	79.0	70.0
Hazardous waste generated	47.8	44.0	35.6	17.8	19.9

Prevention of air pollution

Ryobi is working to reduce emissions of hazardous substances into the atmosphere by switching from heavy oil to LNG or other fuels. In fiscal 2023, domestic emissions of volatile organic compounds (VOCs) were 5.4 tonnes.

In compliance with the Air Pollution Control Law, nitrogen oxide (NO<sub>x</sub>) and sulfur oxide (SO<sub>x</sub>) concentrations are measured regularly to confirm their safety relative to air pollution, but the total annual amount of NO<sub>x</sub> and SO<sub>x</sub> is not tabulated.



\* This data was compiled in accordance with the PRTR Law, and the data period is from April to March.

Measures to preserve biodiversity

Plastic waste discharged into marine environments via rivers and other waterways is having a serious impact on ecosystems. Ryobi is engaged in cleanups of rivers and seashores near our plants and other activities that help promote biodiversity, starting with those areas closest to us. About 20 employees participated in a beach cleanup at the Shizuoka Plant and collected a large amount of trash.



Seashore clean-up activity

Social initiatives

Ryobi promotes the effective use of diverse human resources, the creation of an environment in which employees can fully demonstrate their abilities, and the development of a safe, healthy, and energetic workplace for the benefit of all employees.

We are also working to sustain and strengthen good relationships with our business partners and local communities.

Personnel strategy

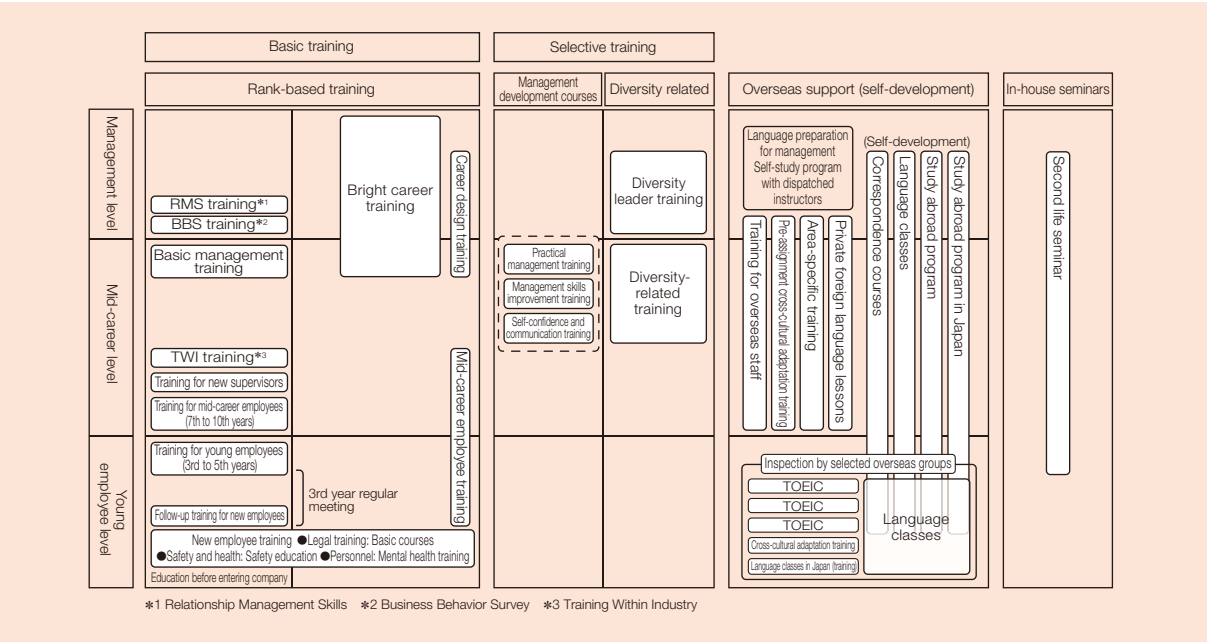
Basic approach

We regard a safe, sound, dynamic, and comfortable workplace as the foundation for sustainable growth. The basic policy of our personnel strategy is to ensure that our employees are sound in mind and body and are able to maximize their individual talents and abilities, thereby enhancing our corporate value. This is based on our corporate philosophy of “create a sound and dynamic corporation through technology, trust and challenge.” We aim to be an indispensable presence in society by creating and providing original, high-quality products and services that meet the needs of our customers and society. This approach is intended to encourage employees and others involved with Ryobi to become Ryobi fans. To fulfill the basic policy of our personnel strategy, we will continue to enhance our personnel development and work engagement.

Enhancing personnel development

•Training programs

Ryobi Limited mainly conducts training by job rank as well as selective training. The purpose of the rank-based training is to improve job performance skills and role recognition common to all levels of employees, from new hires to managers. Selective training provides educational opportunities for employees with high motivation to grow and play an active role in the company. We have set a target of 100% participation in various rank-based training programs, but the result for fiscal 2023 was 75%. We will continue to strive to achieve a 100% training participation rate in order to strengthen personnel development.



•Self-development support

We encourage and support employees to develop a range of skills to pursue their dreams, and provide subsidies for correspondence courses, incentives to acquire qualifications specified by the company, and language classes (English and Chinese) taught by native instructors.

Enhancing work engagement

In aiming to create a company where employees are sound in mind and body, and are able to maximize their individual talents and abilities, and work with enthusiasm, we view work engagement as a crucial indicator. Defined as the psychological state where employees feel positive and fulfilled related to their work; they are energized and motivated from work (dynamism), feel pride and fulfillment in their work (dedication), and are deeply absorbed in their work (involvement). We began measuring the work engagement score in 2023. The results for fiscal 2023 were 47.4\* (p. 12). We are working on formulating and implementing action plans to make improvements to the score.

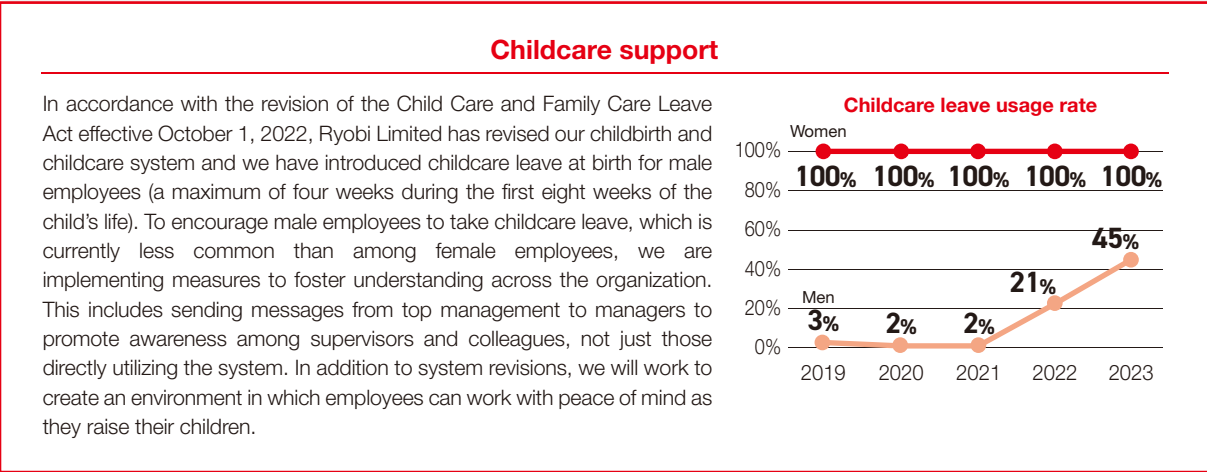
\*Results of engagement survey (number of respondents: 1,613, response rate: 98.4%)

Promoting diversity, equity, and inclusion

Basic approach

Promoting diversity, equity and inclusion is an essential initiative for achieving sustainable growth. Under the Management Mission in our corporate philosophy to “value the trust and goodwill of society, and strive to become a strong, dynamic organization that reflects the originality and creativity of individual employees,” Ryobi aims to create an environment in which employees with a range of qualities and abilities can make the most of their attributes and strengths.

Concrete initiatives



Promotion of women's career advancement						
With the aim of creating a workplace where women can play an active role, Ryobi Limited has set the following targets for the recruitment and promotion of women by 2024, and we are working to provide training for the career development of female employees and to promote awareness among managers, and to expand the assignment of women to sales and manufacturing departments. In the builders' hardware business, sales roles have traditionally been held primarily by men. However, we have recently increased the number of women in these positions. These women are building strong, trusting relationships with the purchasing departments of housing and building materials manufacturers, as well as with factory customers, and are increasingly becoming the face of Ryobi.						
Indicators and targets						
	Targets	Results for 2019	Results for 2020	Results for 2021	Results for 2022	Results for 2023
Percentage of women hired as new graduates	30% or more per year	23%	27%	21%	32%	29%
Number of female managers	7 or more	3	3	5	6	8
Percentage of female employees in managerial positions	6.9% or more	4%	4%	6%	7%	9%
Percentage of female employees in managerial and supervisory positions	18% or more	11%	14%	14%	15%	16%

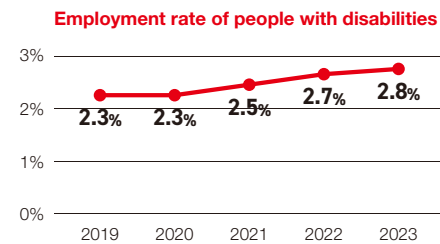


## Social initiatives

### Work support for people with disabilities

Ryobi Limited has a placement system that enables individuals with disabilities\* to work in a lively and fulfilling manner, tailored to their specific needs. We hire new graduates from special needs schools, and after they join the company, their workplace supervisor works closely together with a disability counselor to check their work situation and the degree of growth of the individual. In addition, regular interviews are held during the first three years of employment to assess problems and provide appropriate support, leading to a more rewarding and fulfilling life. As of the end of December 2023, the employment rate was 2.8%, above the legal employment rate of 2.3%.

\* Qualified persons with disabilities as based on the Act to Facilitate the Employment of Persons with Disabilities



## Promotion of occupational safety and health as well as mental and physical health

### Basic approach

To cultivate a safety-focused culture at Ryobi, the General Safety and Health Committee, chaired by the President and CEO, spearheads efforts to gather information on safety, health, health promotion, fire prevention, and related issues. The Committee discusses and implements measures aligned with the company's basic policy and slogans.

### Basic policy

**We strive to create a safe and healthy workplace for our employees. To this end, we conduct various activities to foster a “safety-focused culture” where everyone puts safety first, and to improve people's mental and physical health.**

\*“Safety-focused culture” is a workplace culture where the organization and individuals have been cultivated to consider safety to be the top priority and where they naturally comply with rules and regulations.

### Slogans

**Let's increase our awareness of danger and safety together!  
Let's strive for mental and physical health together!**

### Occupational safety and health activities

To eliminate occupational accidents, Ryobi actively identifies the number, details, and causes of such incidents. We then implement preventive measures across the entire group to ensure recurrence is avoided. In addition, with the aim of preventing occupational accidents, we conduct risk assessments, and based on their results, we implement initiatives to promote essential safety, as well as safety and health education by job rank, simulations, and risk prediction training to improve knowledge of safety and health. In 2023, we held an industrial accident simulation workshop using virtual reality (VR) technology to improve employee awareness of hazards, with more than 1,200 people participating. Participants donned special goggles and stood on a simulator that moved up and down in sync with the screen, experiencing a simulated industrial accident through VR images. In a post-experience questionnaire, 93% of employees reported that the experience effectively heightened their accident awareness. We will continue our efforts to eliminate occupational accidents.



Industrial accident simulation



VR image

## Respect for human rights

### Basic approach

The Ryobi Code of Conduct stipulates that Ryobi will not harass or discriminate against any employee, either within or outside the company, on the basis of race, creed, nationality, gender, age, religion, physical characteristics, wealth, place of birth, or any other grounds, and will strive to create a sound working environment. We will never tolerate harassment of any kind and we will take decisive measures against it.

## Maintaining favorable relationships with suppliers

### Basic approach

The Ryobi Code of Conduct states that one of the key standards of behavior for Ryobi is to establish and maintain sound and favorable relationships with our business partners. In March 2022, we issued a Declaration of Partnership Building to reiterate and ensure that our workforce is fully aware of the importance of our partnerships.

### Promotion of fair business transactions with suppliers

In order to promote fair business transactions, Ryobi conducts an annual business transaction optimization survey of its suppliers. Based on the opinions we receive from our suppliers, we strive to make improvements and further strengthen our partnerships with suppliers.



## Active social contributions

### Basic approach

Ryobi is actively involved in contributing to our community with the aim of creating a genuinely prosperous society.

### Initiatives for social contributions

#### •Supporting local education through outreach classes

As part of a course sponsored by Hiroshima Prefecture, Ryobi employees visited a nearby high school and delivered a lecture on the importance of work and the qualities needed by people in society. After the lecture, we received comments from students such as, “I was struck by the importance of having the courage to take action.”

#### •Providing learning opportunities

Ryobi Limited employees visit nearby nursery schools to offer children opportunities to experience nature. They hold learning sessions on the importance of nature and organize activities such as releasing young fish into the wild.

#### •Support for community welfare

Ryobi employees bring aluminum cans from their homes and other locations and sell them to aluminum recyclers. The proceeds are donated to the Ryobi Social Contribution Foundation, a non-profit organization (NPO), for use in donating goods to social welfare corporations, subsidizing their activities, and so on. In 2023, we donated approximately 770,000 yen.



Outreach lecture



Releasing fish

Governance

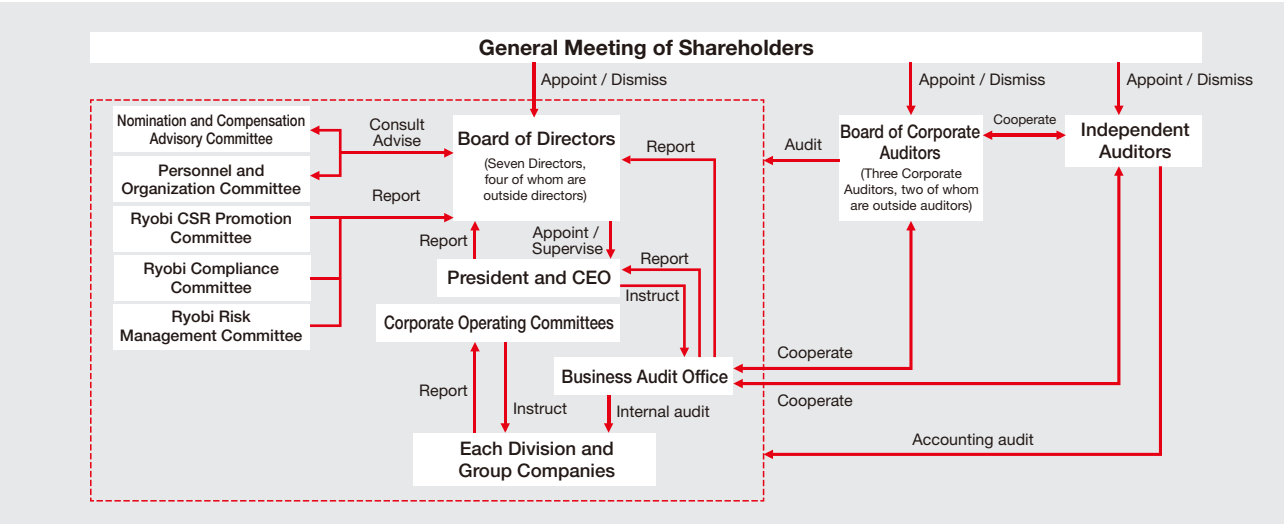
Corporate governance

Basic approach

To ensure Ryobi's growth and development while fulfilling our social responsibilities rooted in our corporate philosophy, we believe it is essential that our stakeholders—including customers, shareholders, investors, business partners, employees, and local communities—have a positive experience with Ryobi through our corporate activities. In order to achieve this, we are working to further improve the efficiency and the soundness of our management. We also strive for prompt and accurate information disclosure to enhance management transparency.

Organization chart

Our Board of Directors, chaired by the President and CEO, serves to make major corporate decisions and supervise the execution of operations, while the corporate operating committees, attended by corporate officers, mainly serve to assess the progress of operations. Both types of meetings are held at least once a month. To serve as an advisory body to the Board of Directors, we have also established the Nomination and Compensation Advisory Committee, in which independent outside officers constitute the majority. The Committee reviews both the appointment and dismissal of directors and corporate officers, as well as succession plans for the CEO and other officers. It reports its findings to the Board of Directors in a timely manner. It also deliberates on the compensation of directors and corporate auditors. These results are also reported back to the Board of Directors. The Personnel and Organization Committee is responsible for HR matters. These include the assignment and development of human resources, excluding directors and corporate officers, as well as the optimization of organizational functions. At Ryobi, we consider compliance to be the observance of laws, social norms, internal regulations, business standards, and other rules that govern our corporate activities. We are committed to maintaining strict compliance and raising awareness of corporate ethics. As a way to further promote compliance, we have established the Ryobi Compliance Committee, which has set out a Charter of Corporate Behavior and Code of Conduct, etc. to ensure observance of the laws, fairness, and high ethical standards in our corporate activities. Our Ryobi CSR Promotion Committee and the departments and committees responsible for environmental conservation, social contribution, compliance, information disclosure, and the like work together across the board to promote CSR initiatives.



Skills matrix for directors and corporate auditors

The expertise of the directors and corporate auditors of Ryobi Limited is shown on the right. Please note that this skills matrix does not present the complete expertise of each person, but rather up to four items that are especially expected of each person.

Knowledge / Experience	Directors							Corporate Auditors		
	Internal Directors			Outside Directors				Standing	Non-Standing	
	Akira Urakami	Kazuhiko Fujii	Hideki Tanifuji	Satoshi Ohoka	Masahiko Ikaga	Mami Ito	Yoichi Arai	Takashi Suzuki	Takashi Hatagawa	Takashi Hirano
Corporate Management	○	○	○		○	○		○	○	
Global Business	○	○	○	○		○			○	○
Marketing	○					○		○		
Technology		○	○		○			○		
Finance & Accounting				○	○				○	
HR Development	○			○						
Risk Management, Corporate Governance & Compliance				○	○	○	○		○	○
Qualifications, etc.				Academic expert	CPA Corporate manager	Corporate manager	Lawyer		Corporate manager	Lawyer

Compensation of directors and corporate auditors

• Compensation structure

Compensation for directors (excluding outside directors) consists of base compensation and performance-based compensation that varies depending on business performance. Performance-based compensation is based on company-wide profitability indicators and performance targets set for the company as a whole or for each area under management, with the main goal of achieving medium- to long-term objectives. Compensation for outside directors, standing corporate auditors, and outside corporate auditors consists solely of base compensation in accordance with their roles. The base compensation follows certain criteria based on the position. Performance-based compensation consists of (a) bonuses that reflect company-wide profitability indicators (performance-based pay) and (b) bonuses that reflect the degree of achievement of targets across the entire company or in the areas under management of each director (excluding outside directors) (non-deductible bonuses), with a standard payment ratio of 7:3.

(a) Bonuses that reflect company-wide profitability indicators (performance-based pay)  
The amount to be paid for these is determined based on the following formula:  
(Method for calculating performance-based pay)  
Formula: Standard amount of performance-based pay by position (Table 1) × Profit ratio (Table 2)

Table 1\_Standard amount of performance-based pay by position

Position	Amount
President and CEO	18.2 million yen
Director and Corporate Executive Officer	9.8 million yen
Director and Corporate Officer	4.9 million yen

Table 2\_Profit ratio<sup>(\*)</sup>

Return on assets <sup>(*)2</sup>	Formula used to calculate profit multiplying factor		
	Less than 50% of operating income target achieved	50% or more but less than 100% of operating income target achieved	100% or more of operating income target achieved
5% or more	No payment	2.1 × percentage of operating income target achieved <sup>(*)3</sup> - 0.55	3.0 × percentage of operating income target achieved <sup>(*)3</sup> - 1.9
3% or more but less than 5%		1.75 × percentage of operating income target achieved <sup>(*)3</sup> - 0.375	2.5 × percentage of operating income target achieved <sup>(*)3</sup> - 1.5
Less than 3%		1.4 × percentage of operating income target achieved <sup>(*)3</sup> - 0.2	2.0 × percentage of operating income target achieved <sup>(*)3</sup> - 1.1

\*1: The profit ratio is determined by the formula for calculating the return on total assets.  
\*2: Return on assets = Net income attributable to owners of the parent ÷ consolidated total assets  
\*3: Percentage of operating income target achieved = consolidated operating income ÷ consolidated operating income forecast (as stated in the summary of financial statements for the previous fiscal year) (Consolidated operating income for the current fiscal year was 12,214 million yen and consolidated operating income forecast was 7,500 million yen.)  
\*4: Operating income (absolute amount) is used to evaluate profitability, and return on assets (ROA) is used to evaluate the balance between assets and revenues.

Notes  
(1) The performance-based pay is as stipulated in Article 34, Paragraph 1, Item 3 of the Corporation Tax Act, and is payable to directors who are executive officers as stipulated in the same item. Outside directors and corporate auditors are not included.  
(2) The "indicators on profits of the business year" as stipulated in Article 34, Paragraph 1, Item 3 (a) of the Corporation Tax Act shall be consolidated operating income based on the Annual Securities Report.  
(3) The "defined amount" stipulated in Article 34, Paragraph 1, Item 3 (a) (1) of the Corporation Tax Act regarding the maximum amount of performance-based pay to be paid is 420 million yen.  
(b) Bonuses that reflect the degree of achievement of targets across the entire company or in the areas under management of each director (excluding outside directors):  
For each director (excluding outside directors), Ryobi sets performance targets for the entire company or for the director's area of responsibility based mostly on achievement of medium- to long-term goals. The bonuses are determined according to how many targets are met. We do not give compensation directly linked to medium- to long-term business results or stock compensation such as stock options, but we use these bonuses to provide incentives to directors (excluding outside directors) to achieve medium- to long-term business results.

• Determination of directors' compensation

Ryobi Limited has established the Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors to ensure fairness, objectivity, and transparency with respect to directors' compensation under the system of a company with a board of corporate auditors. This committee deliberates on such compensation and the results are reported back to the Board of Directors. The Board of Directors then determines the compensation based on these results.

Evaluation of the effectiveness of the Board of Directors

Ryobi Limited conducts an annual evaluation of the effectiveness of its Board of Directors with the aim of enhancing the effectiveness of the Board and increasing its corporate value. In FY2023, based on advice from external organizations, we conducted a survey that evaluated the composition and operation of the Board of Directors, business and management strategies, corporate ethics and risk management, performance monitoring and evaluation/compensation of management, and dialogue with shareholders. The survey results were analyzed, evaluated, and discussed by the Board of Directors. The outcomes of these analyses and evaluations regarding the effectiveness of the Board of Directors are as follows:

- The agenda for Board meetings is set appropriately. Effective orientation and training are provided to newly appointed directors and officers, and on-going efforts are being made after their appointment.
- Appropriate venues have been established outside of the meetings of the Board of Directors for discussion and monitoring of business strategies and medium-term management plans.
- The internal control system is properly structured and operated, and the whistle-blowing system is also functioning effectively.
- Efforts are being made to enhance communication with shareholders at the General Meeting of Shareholders, and the Board of Directors regularly receives reports on the content of the dialogue with shareholders and other stakeholders.

Based on the above, our Board of Directors has confirmed that it is being appropriately managed and it is generally effective. As identified from the survey results, key challenges for improving the effectiveness of the Board include formulating policies and promoting initiatives to enhance capital profitability and stock price, overseeing sustainability and IT strategies, and supervising critical management talent. Moving forward, we will continue to work on these areas to further enhance and maintain the effectiveness of the Board of Directors.



## Governance

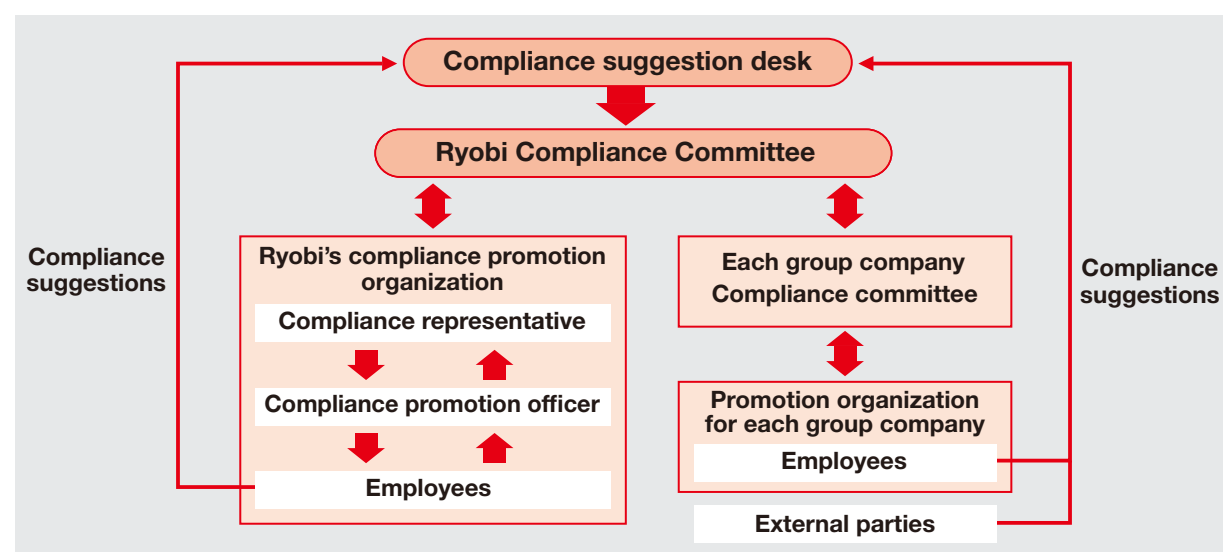
### Compliance

#### Basic approach

At Ryobi, we believe that to sustainably earn trust from society, it is crucial to establish a framework that consistently promotes ethical conduct. This includes adhering to laws and ethical standards, and refusing to tolerate actions that violate them when identified. Therefore, Ryobi has established the Ryobi Charter of Corporate Behavior (see page 4) as a set of universal rules that we must adhere to in our business activities. Additionally, we have defined the Ryobi Code of Conduct to provide clear standards for each executive and employee in their daily tasks, aiming to raise awareness and ensure widespread understanding and compliance.

#### Organization

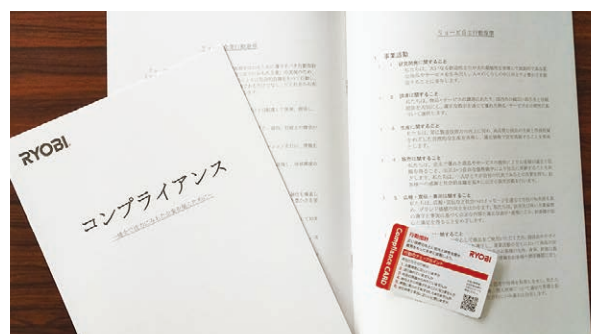
We have established a system to promote compliance, centered on the Ryobi Compliance Committee, and have set up a compliance suggestion desk.



#### Implementation and promotion of compliance

Ryobi conducts training by job rank related to compliance, as well as training by law on specific topics, such as power harassment. In rank-based training, education focuses on the contents of the Ryobi Code of Conduct, which includes standards for the prevention of bribery and other forms of corruption, and is used to expand awareness of compliance.

In addition, as a tool for instilling compliance, we distribute to employees a Compliance booklet that includes the Ryobi Charter of Corporate Behavior and the Ryobi Code of Conduct, as well as a "Compliance Card," which shows action checkpoints.



#### Consultation and whistleblower desk

Ryobi has set up a compliance suggestion desk, an internal and external (lawyer) consultation service, as a whistleblower system to accept compliance issues related to harassment, bribery, and other corruption-related issues, and has built a system that allows anonymous reporting. The system is available not only to Ryobi employees but also to our business partners.

### Risk management

#### Basic approach

Ryobi recognizes that for a company to sustainably create value, it is essential to accurately identify potential risks that may impede operations, accurately assess their impact, and proactively implement measures to prevent crises and mitigate losses in the event that a crisis should occur.

#### Organization

The Ryobi Risk Management Committee, chaired by the President and CEO, has been established under the risk management regulations to oversee and manage Ryobi's risks. The Ryobi Risk Management Committee identifies important risks in which management should be involved in accordance with the basic risk management policy, and instructs the responsible departments and group companies on how to deal with such risks by presenting a response policy. Among the identified major risks, critical situations that require urgent action are handled by a promotion system centering on the crisis task force in accordance with the crisis management regulations.

#### Concrete initiatives

##### •Responding to natural disasters and accidents

To mitigate the impact of natural disasters and accidents on our business operations, we work to reduce risk through measures such as the development of a crisis management system and a business continuity plan (BCP). Moreover, we reinforce our buildings and conduct periodic drills to prepare against natural disasters and accidents. In addition to these efforts, we also maintain a means for emergency communication and stockpile food and emergency supplies.



Evacuation drill for natural disasters

##### •Ensuring information security

Regarding information security, we recognize the importance of electronic information and the significant legal and social responsibilities associated with handling it. To ensure the proper use and secure handling of electronic information assets, we developed internal regulations, provide security education to employees, conduct drills surrounding targeted email attacks, and sustain our commitment to enhancing literacy in information security.

Moreover, as measures to prevent cyber-attacks, infection with malware, and information leaks, we are strengthening network traffic monitoring and building a system that prohibits unmanaged PCs, smartphones, tablet terminals, and other devices from connecting to our internal networks.

Additionally, in order to improve the level of security throughout the supply chain, including partner companies, we support the promotion of cyber security measures at each company in line with our Declaration of Partnership Building. Specifically, we are promoting cyber security awareness that transcends the boundaries of the Ryobi Group by presenting actual cases of malware infection incidents, holding briefings on basic cyber security measures, and providing support for the introduction of security measures.

## 10-year financial highlights

Unit: millions of yen

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Business results</b>											
Net sales	199,697	227,163	254,508	241,251	247,192	216,187	220,519	170,973	198,073	249,521	282,693
Operating income (loss)	7,665	9,122	12,832	12,624	13,212	13,579	8,495	(1,789)	(1,524)	6,969	12,214
Ordinary income (loss)	7,264	8,399	12,132	12,013	13,030	13,965	8,734	(35)	4	7,791	13,861
Net income (loss) attributable to owners of parent	4,132	3,809	9,305	8,348	7,844	8,588	4,913	(697)	(4,397)	4,784	10,115
Comprehensive income	14,863	13,934	4,014	6,944	10,007	3,172	5,700	(2,451)	6,131	12,215	19,046
<b>Financial position</b>											
Net assets	96,433	107,403	110,107	115,428	123,796	125,521	129,575	125,930	131,717	143,723	160,721
Total assets	244,976	267,854	265,197	262,869	272,743	268,982	263,179	258,660	279,422	300,285	318,839
Interest-bearing debt	85,357	86,503	81,881	74,161	70,331	61,912	61,908	72,475	73,769	74,358	70,195
<b>Per share information</b>											
Net assets per share (yen)	2,828.69	3,144.44	3,201.77	3,342.96	3,585.22	3,605.47	3,723.34	3,619.16	3,797.69	4,154.04	4,674.39
Basic income per share (yen)	127.65	117.67	287.47	257.90	242.35	265.32	151.79	(21.54)	(135.87)	147.80	312.51
Dividends per share (yen)	35.0	40.0	45.0	50.0	60.0	70.0	70.0	0.0	20.0	45.0	80.0
<b>Financial indicators</b>											
Equity ratio (%)	37.4	38.0	39.1	41.2	42.5	43.4	45.8	45.3	44.0	44.8	47.5
Return on equity (%)	4.9	3.9	9.1	7.9	7.0	7.4	4.1	(0.6)	(3.7)	3.7	7.1
Price-earnings ratio (times)	12.3	15.0	7.7	9.4	11.6	9.9	12.9	—	—	7.8	8.5
Ordinary income-to-total asset ratio (%)	3.2	3.3	4.6	4.5	4.9	5.2	3.3	(0.0)	0.0	2.7	4.5
Debt equity ratio (times)	0.93	0.85	0.79	0.69	0.61	0.53	0.51	0.62	0.60	0.55	0.46
Payout ratio (consolidated) (%)	27.4	34.0	15.7	19.4	24.8	26.4	46.1	—	—	30.4	25.6
<b>Cash flow</b>											
Cash flows from operating activities	16,404	18,331	22,784	18,552	23,558	24,664	30,326	11,795	14,900	16,787	26,005
Cash flows from investing activities	(21,096)	(15,019)	(14,817)	(15,142)	(11,427)	(17,547)	(26,278)	(17,567)	(12,162)	(15,860)	(17,432)
Cash flows from financing activities	(934)	(4,876)	(4,456)	(6,660)	(6,496)	(9,139)	(2,268)	9,718	(1,936)	(2,856)	(8,593)
Free cash flow	(4,692)	3,312	7,967	3,410	12,131	7,117	4,048	(5,772)	2,738	926	8,573
Cash and cash equivalents at end of period	17,711	16,609	19,850	16,170	21,931	19,632	21,356	25,405	27,388	26,099	26,401
<b>Capital expenditures, depreciation and amortization</b>											
Capital expenditures	16,228	15,592	16,243	16,856	18,841	19,987	24,839	17,392	13,070	18,646	13,896
Depreciation and amortization	13,141	14,269	15,725	15,020	16,010	12,531	15,370	16,402	17,240	18,327	18,489
<b>Segment information</b>											
Die castings											
Net sales	154,480	173,329	198,809	186,377	196,377	188,403	185,938	145,869	169,898	215,726	247,551
Operating income (loss)	6,250	6,672	10,534	9,761	10,561	12,580	7,659	(1,612)	(1,449)	5,232	10,916
Total assets	175,041	193,066	192,307	186,479	206,225	207,661	202,898	202,516	214,262	234,174	246,865
Power tools and builders' hardware											
Net sales	25,960	26,236	27,076	26,174	23,113	7,885	10,712	9,406	9,574	10,145	10,823
Operating income (loss)	1,103	812	430	1,481	1,466	372	697	799	362	226	172
Total assets	25,866	27,347	26,949	25,963	10,403	10,362	10,292	9,931	10,606	11,283	11,997
Printing equipment											
Net sales	19,027	27,380	28,383	28,459	27,473	19,704	23,661	15,513	18,393	23,417	24,094
Operating income (loss)	305	1,625	1,848	1,360	1,177	603	144	(944)	(417)	1,506	1,136
Total assets	23,797	24,706	24,758	25,150	24,538	24,969	23,017	19,996	22,240	23,028	25,733
<b>Sales by region</b>											
Japan	119,278	126,019	128,161	125,131	127,131	97,746	116,571	91,088	103,649	114,726	124,786
U.S.A.	30,273	34,238	42,752	35,562	35,847	33,216	29,852	17,242	20,814	36,951	50,178
China	24,083	29,741	38,131	38,191	43,713	40,897	34,301	34,264	38,605	45,002	47,564
Other	26,062	37,164	45,463	42,366	40,500	44,326	39,794	28,377	35,003	52,840	60,163
<b>Overseas sales ratio (%)</b>	<b>40.3</b>	<b>44.5</b>	<b>49.6</b>	<b>48.1</b>	<b>48.6</b>	<b>54.8</b>	<b>47.1</b>	<b>46.7</b>	<b>47.7</b>	<b>54.0</b>	<b>55.9</b>

Note 1) Effective October 1, 2017, five shares of common stock were consolidated into one share. Net assets per share, basic income per share, and dividends per share are calculated on the assumption that this reverse stock split was implemented at the beginning of the fiscal year ended March 31, 2014.

Note 2) The power tools and builders' hardware business transferred its power tool operations to Kyocera Corporation in the fiscal year ended March 31, 2018. Therefore, the figures for the power tools and builders' hardware business were replaced with those of the builders' hardware business after the fiscal year ended December 31, 2018.

Note 3) Effective from the fiscal year ended December 31, 2018, the closing date was changed from March 31 to December 31. As a result of this change, in the fiscal year ended December 31, 2018, we had irregular account periods from April 1, 2018 to December 31, 2018 for domestic consolidated companies, and from January 1, 2018 to December 31, 2018 for overseas consolidated companies.

Note 4) Price-earnings ratio and payout ratio (consolidated) for the fiscal years ended December 31, 2020 and 2021 are not shown due to loss attributable to owners of parent.

Note 5) Sales by region are based on the locations of customers and are classified by country or region.



Consolidated financial statements

Consolidated Balance Sheet

Unit: millions of yen

	December 31, 2022	December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	27,339	27,641
Notes and accounts receivable - trade	58,337	64,298
Securities	650	650
Merchandise and finished goods	18,104	21,470
Work in process	16,829	17,245
Raw materials and supplies	20,526	21,233
Other	3,586	4,144
Allowance for doubtful accounts	(32)	(37)
Total current assets	145,341	156,646
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,716	33,886
Machinery, equipment and vehicles, net	56,196	59,750
Land	15,778	15,242
Construction in progress	13,084	8,406
Other, net	6,183	6,162
Total property, plant and equipment	123,959	123,447
Intangible assets		
Other	2,803	2,619
Total intangible assets	2,803	2,619
Investments and other assets		
Investment securities	14,826	19,182
Retirement benefit asset	6,439	8,235
Deferred tax assets	4,053	4,445
Other	2,923	4,325
Allowance for doubtful accounts	(63)	(63)
Total investments and other assets	28,179	36,125
Total non-current assets	154,943	162,193
Total assets	300,285	318,839
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	46,546	50,912
Short-term borrowings	39,942	36,625
Current portion of long-term borrowings	6,545	9,553
Income taxes payable	879	1,300
Provision for bonuses	549	645
Provision for directors' bonuses	36	62
Other	20,199	18,815
Total current liabilities	114,698	117,915
Non-current liabilities		
Long-term borrowings	27,869	24,016
Deferred tax liabilities	3,242	5,366
Deferred tax liabilities for land revaluation	510	510
Retirement benefit liability	7,183	7,044
Other	3,056	3,265
Total non-current liabilities	41,863	40,202
Total liabilities	156,561	158,118
<b>Net assets</b>		
Shareholders' equity		
Common stock	18,472	18,472
Additional paid in capital	21,892	22,294
Retained earnings	76,118	84,292
Treasury stock	(346)	(347)
Total shareholders' equity	116,136	124,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,649	8,394
Revaluation reserve for land	811	811
Foreign currency translation adjustment	11,675	16,299
Remeasurements of defined benefit plans	186	1,084
Total accumulated other comprehensive income	18,323	26,590
Non-controlling interests	9,263	9,418
Total net assets	143,723	160,721
Total liabilities and net assets	300,285	318,839

Consolidated Statement of Income

Unit: millions of yen

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Net sales</b>	249,521	282,693
<b>Cost of sales</b>	221,275	248,199
<b>Gross profit</b>	28,245	34,494
<b>Selling, general and administrative expenses</b>	21,276	22,280
<b>Operating income</b>	6,969	12,214
<b>Non-operating income</b>		
Interest income	123	141
Dividend income	413	465
Rental income	156	152
Foreign exchange gains	321	893
Dividend income of insurance	41	147
Share of profit of entities accounted for using equity method	—	154
Usage income of trademark	342	417
Other	889	965
Total non-operating income	2,289	3,338
<b>Non-operating expenses</b>		
Interest expenses	1,025	1,424
Loss on abandonment of inventories	44	—
Depreciation and amortization	13	13
Share of loss of entities accounted for using equity method	225	—
Other	156	252
Total non-operating expenses	1,466	1,690
<b>Ordinary income</b>	7,791	13,861
<b>Extraordinary income</b>		
Gain on disposal of non-current assets	23	66
Gain on sale of investment securities	—	3
Total extraordinary income	23	69
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	170	197
Impairment losses	—	512
Loss on valuation of investment securities	4	—
Loss on sale of investment securities	250	—
Compensation expenses	430	—
Total extraordinary losses	855	710
<b>Net income before income taxes</b>	6,960	13,220
Income taxes - current	1,345	2,221
Income taxes - deferred	374	304
Total income taxes	1,720	2,525
<b>Net income</b>	5,240	10,695
Net income attributable to non-controlling interests	455	579
<b>Net income attributable to owners of parent</b>	4,784	10,115

Consolidated Statement of Comprehensive Income

Unit: millions of yen

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Net income</b>	5,240	10,695
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	137	2,824
Revaluation reserve for land	—	0
Foreign currency translation adjustment	7,251	4,519
Remeasurements of defined benefit plans, net of tax	(549)	902
Share of other comprehensive income of entities accounted for using equity method	136	103
Total other comprehensive income	6,975	8,350
<b>Comprehensive income</b>	12,215	19,046
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,769	18,383
Comprehensive income attributable to non-controlling interests	445	663

Consolidated financial statements

Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2022Unit: millions of yen

	Shareholders' equity				
	Common stock	Additional paid in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	18,472	21,875	71,587	(346)	111,588
Amount of cumulative impact due to changes in accounting policy			718		718
Balance at beginning of period reflecting changes in accounting policy	18,472	21,875	72,305	(346)	112,306
Changes during period					
Dividends of surplus			(971)		(971)
Net income attributable to owners of parent			4,784		4,784
Purchase of treasury stock				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		17			17
Net changes in items other than shareholders' equity					
Total changes during period	—	17	3,813	(0)	3,830
Balance at end of period	18,472	21,892	76,118	(346)	116,136

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,503	811	4,288	734	11,337	8,790	131,717
Amount of cumulative impact due to changes in accounting policy							718
Balance at beginning of period reflecting changes in accounting policy	5,503	811	4,288	734	11,337	8,790	132,435
Changes during period							
Dividends of surplus							(971)
Net income attributable to owners of parent							4,784
Purchase of treasury stock							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							17
Net changes in items other than shareholders' equity	146	—	7,387	(547)	6,985	472	7,458
Total changes during period	146	—	7,387	(547)	6,985	472	11,288
Balance at end of period	5,649	811	11,675	186	18,323	9,263	143,723

Fiscal year ended December 31, 2023Unit: millions of yen

	Shareholders' equity				
	Common stock	Additional paid in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	18,472	21,892	76,118	(346)	116,136
Amount of cumulative impact due to changes in accounting policy					—
Balance at beginning of period reflecting changes in accounting policy	18,472	21,892	76,118	(346)	116,136
Changes during period					
Dividends of surplus			(1,942)		(1,942)
Net income attributable to owners of parent			10,115		10,115
Purchase of treasury stock				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		401			401
Net changes in items other than shareholders' equity					
Total changes during period	—	401	8,173	(0)	8,574
Balance at end of period	18,472	22,294	84,292	(347)	124,711

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,649	811	11,675	186	18,323	9,263	143,723
Amount of cumulative impact due to changes in accounting policy							—
Balance at beginning of period reflecting changes in accounting policy	5,649	811	11,675	186	18,323	9,263	143,723
Changes during period							
Dividends of surplus							(1,942)
Net income attributable to owners of parent							10,115
Purchase of treasury stock							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							401
Net changes in items other than shareholders' equity	2,745	0	4,623	898	8,267	155	8,423
Total changes during period	2,745	0	4,623	898	8,267	155	16,997
Balance at end of period	8,394	811	16,299	1,084	26,590	9,418	160,721

Consolidated Statements of Cash Flows

Unit: millions of yen

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Net income before income taxes	6,960	13,220
Depreciation	18,327	18,489
Impairment losses	—	512
Increase (decrease) in allowance for doubtful accounts	2	4
Increase (decrease) in provision for bonuses	161	96
Increase (decrease) in retirement benefit liability	(319)	(195)
Interest and dividend income	(537)	(606)
Interest expenses	1,025	1,424
Subsidy income	(66)	(77)
Share of loss (profit) of entities accounted for using equity method	225	(154)
Loss (gain) on disposal of non-current assets	147	132
Loss (gain) on sale of investment securities	250	(3)
Loss (gain) on valuation of investment securities	4	—
Decrease (increase) in trade receivables	(12,038)	(4,363)
Decrease (increase) in inventories	(1,538)	(2,768)
Decrease (increase) in other current assets	(14)	(423)
Increase (decrease) in trade payables	4,074	3,637
Increase (decrease) in other current liabilities	1,038	451
Other, net	246	(1,032)
Subtotal	17,947	28,343
Interest and dividends received	600	553
Interest paid	(1,011)	(1,198)
Subsidies received	86	77
Income taxes refund (paid)	(835)	(1,769)
Net cash provided by operating activities	16,787	26,005
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(16,879)	(16,322)
Proceeds from sale of property, plant and equipment	76	429
Purchase of securities	(1,300)	(1,300)
Proceeds from sale of securities	1,300	1,300
Purchase of investment securities	(11)	(18)
Proceeds from sale of investment securities	750	4
Payments into time deposits	(2,404)	(2,404)
Proceeds from withdrawal of time deposits	2,404	2,404
Other, net	202	(1,526)
Net cash used in investing activities	(15,860)	(17,432)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	2,039	(4,871)
Proceeds from long-term borrowings	11,110	5,320
Repayments of long-term borrowings	(13,365)	(6,768)
Redemption of bonds	(1,500)	—
Purchase of treasury stock	(0)	(0)
Dividends paid	(973)	(1,941)
Other, net	(167)	(332)
Net cash used in financing activities	(2,856)	(8,593)
<b>Effect of exchange rate change on cash and cash equivalents</b>	640	322
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,289)	301
<b>Cash and cash equivalents at beginning of period</b>	27,388	26,099
<b>Cash and cash equivalents at end of period</b>	26,099	26,401



Organization profile

Corporate information (as of December 31, 2023)

Company name	RYOBI LIMITED
Location of Head Office	762 Mesaki-cho, Fuchu-shi, Hiroshima-ken 726-8628, Japan
Phone number	+81-847-41-1111
Established	December 16, 1943
Capital	18,472 million yen
Major products	•Die cast products •Builders' hardware (door closers, hinges, architectural hardware, etc.) •Printing equipment (offset printing presses, peripherals, etc.)
Fiscal year	From January 1 to December 31
Stock exchange listing	Tokyo Stock Exchange: Prime Market
Stock code	5851
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation
Independent auditor	Deloitte Touche Tohmatsu LLC

Changes in share price over the past 5 years (January 2019 to December 2023)



Management members (as of May 31, 2024)

Directors Asterisk (\*) indicates outside director



Akira Urakami  
President and CEO



Satoshi Ohoka  
Director\*



Masahiko Ikaga  
Director\*



Mami Ito  
Director\*



Kazuhiko Fujii  
Director and  
Corporate Officer



Hideki Tanifuji  
Director and  
Corporate Officer



Yoichi Arai  
Director\*

Corporate Auditors Asterisk (\*) indicates outside auditor



Takashi Suzuki  
Standing Corporate  
Auditor



Takashi Hatagawa  
Corporate Auditor\*



Takashi Hirano  
Corporate Auditor\*

Corporate Officers

Taichi Shimizu  
Koji Urakami  
Osamu Suemori

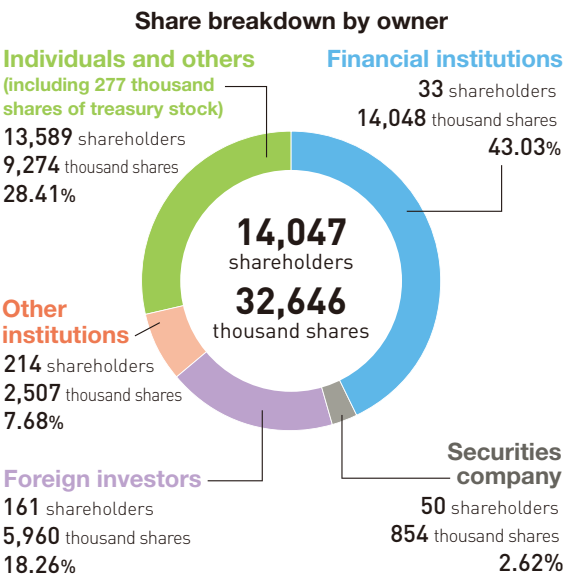
Hiromu Arihiro  
Tadashi Takeguchi

Stock information (as of December 31, 2023)

Number of shares authorized 100,000 thousand shares

Number of shares issued 32,646 thousand shares

Number of shareholders 14,047  
(increased by 4,289 since the end of the previous fiscal year)



Principal shareholders

Shareholders	Investment in Ryobi Limited	
	Number of shares held (in thousands)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	3,136	9.69
Ryokokai Shareholding Association	2,095	6.47
Meiji Yasuda Life Insurance Company	1,860	5.74
Custody Bank of Japan, Ltd. (trust account)	1,642	5.07
The Dai-ichi Life Insurance Company, Limited	1,613	4.98
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT	1,367	4.22
Nippon Life Insurance Company	1,248	3.85
The Urakami Scholarship Foundation	1,162	3.58
MUFG Bank, Ltd.	1,043	3.22
Sumitomo Mitsui Trust Bank, Limited	700	2.16

(Note) Ryobi Limited holds 277 thousand shares of treasury stock.  
Investment ratio above is calculated excluding treasury stock.

# Organization profile

## Network



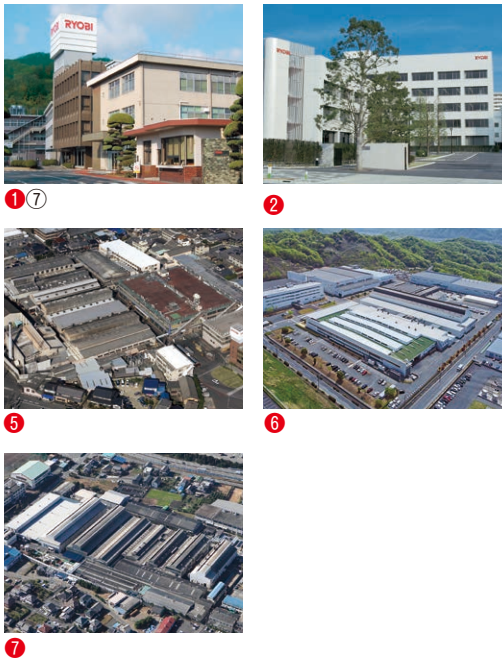
### Overseas group companies

- ① RYOBİ DIE CASTİNG (USA), İNC.  
Die casting manufacturing and sales
- ② RDCM, S. DE R.L. DE C.V.  
Die casting manufacturing
- ③ RYOBİ ALUMİNİUM CASTİNG (UK), LİTED  
Die casting manufacturing and sales
- ④ RYOBİ DIE CASTİNG DALİAN CO., LİTD.  
Die casting and die manufacturing and sales
- ⑤ RYOBİ DIE CASTİNG CHANGZHOU CO., LİTD.  
Die casting manufacturing and sales
- ⑥ RYOBİ DIE CASTİNG (THAILAND) CO., LİTD.  
Die casting manufacturing and sales
- ⑦ RYOBİ (SHANGHAI) SALES, LİTD.  
Die casting and die sales



### RYOBİ LİTED

- ① Head Office
- ② Tokyo Branch
- ③ Toranomōn Office
- ④ Ōsaka Branch
- Sales Offices (7 locations across Japan)
  - a Sapporo
  - b Sendai
  - c Hamamatsu
  - d Nagoya
  - e Toyama
  - f Hiroshima
  - g Fukuoka
- ⑤ Hiroshima Plant
- ⑥ Hiroshima East Plant
- ⑦ Shizuoka Plant
- ⑧ Kikugawa Plant



### Domestic group companies

- ① RYOBİ MİRASAKA CO.  
Die casting manufacturing
- ② RYOBİ MİTSUGİ CO.  
Plastic molding and die casting manufacturing
- ③ TOKYO LİGHİ ALLOY CO., LİTD.  
Cast aluminum and die casting manufacturing and sales
- ④ İKUNO CO.  
Secondary aluminum alloy bullion manufacturing and sales
- ⑤ HOEI İNDUSTRIES CO., LİTD.  
Aluminum forged product manufacturing and sales
- ⑥ RYOBİ MHI GRAPHİC TECHNOLOGY LİTD.  
Printing equipment and related product manufacturing and sales
- ⑦ ASAHI SANGYO CO.  
Insurance agency
- ⑧ RYOBİ LAND DEVELOPMENT LİTD.  
Golf course management
- ⑨ RYOBİ LİFE SERVICES LİTD.  
Nursery school management

