



**Ryobi Limited**

**Financial Results Presentation  
for the Fiscal Year Ended December 31, 2020**

**February 18, 2021**



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The background of the slide features a stylized globe with a light blue and white color scheme. Overlaid on the globe are several thick, curved, semi-transparent blue lines that sweep across the frame from the bottom left towards the top right, creating a sense of motion and global connectivity.

# **1. Highlights of Financial Results**

# Highlights of Financial Results (1)

## ➤ **FY2020 consolidated results: Revenue and earnings decreased compared to the previous year**

### **Die Castings**

- A substantial decline in revenues due to the COVID-19 pandemic
- Our business bases in the United States, the United Kingdom, and Thailand recorded declines in revenues, while those in China saw revenue growth
- Segment earnings decreased as a lower cost of sales and higher productivity failed to offset lower sales

### **Builders' Hardware**

Sales decreased in Japan and overseas, while segment earnings increased thanks to our initiatives to reduce costs and expenses

### **Printing Equipment**

- Sales were down in Japan and overseas, with overseas exports, those to North America and Europe, declining
- Segment earnings dropped as the negative effects of intensifying price competition and other factors outpaced our initiatives to reduce the cost of sales and improve productivity

## ➤ **FY2021 forecasts: Increases in revenues and earnings**

In 2021, Ryobi expects gradual recovery in economies at home and abroad, anticipating rebound in sales

# Highlights of Financial Results (2)

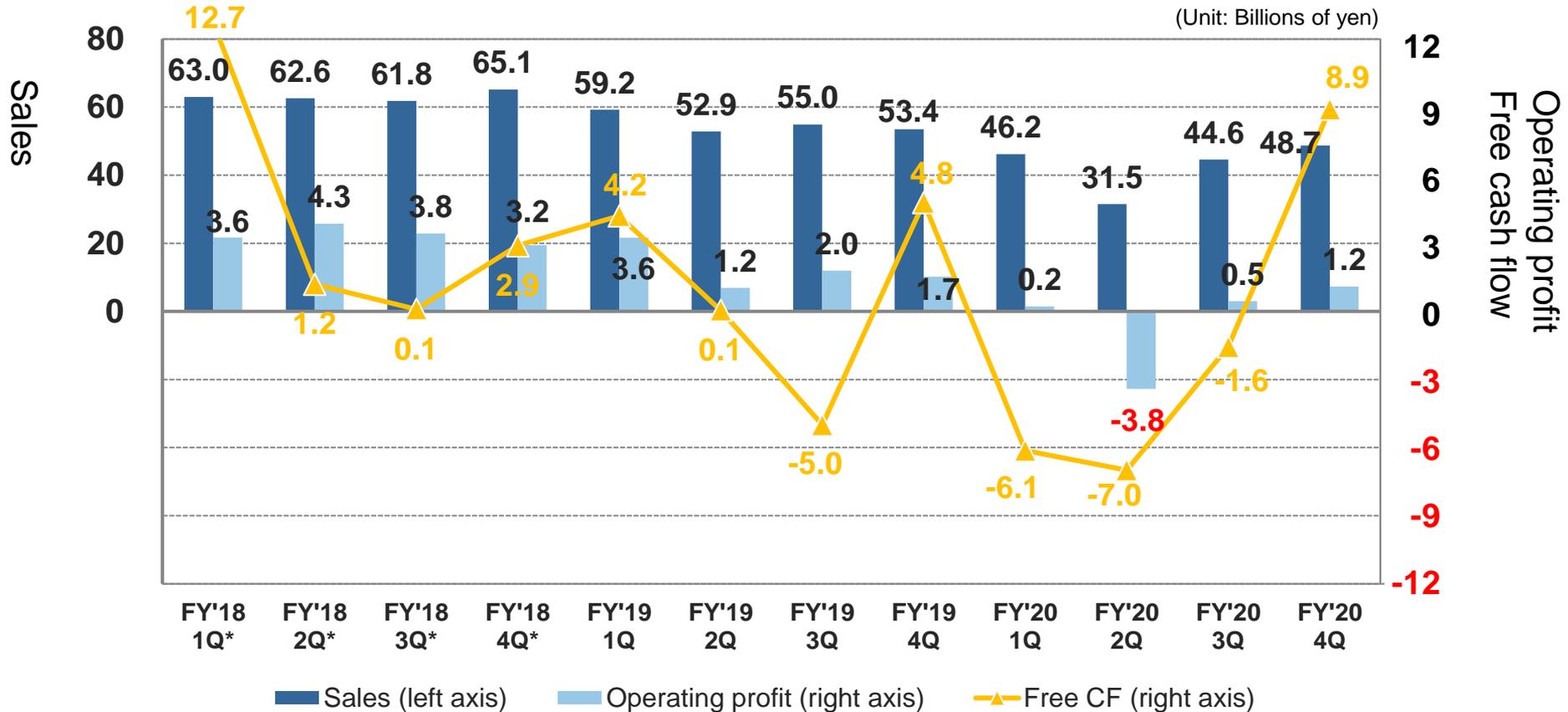
## Most Recent Two-Year Results and FY2021 Forecasts

(Unit: Billions of Yen)

	FY2019	FY2020		FY2021	
	Results	Results	Change	Forecasts	Change
Net sales	220.5	171.0	- 49.5 (- 22.5%)	198.0	27.0 (15.8%)
Operating profit	8.5	- 1.8	- 10.3 (-)	5.5	7.3 (-)
Ordinary Profit	8.7	- 0.0	- 8.8 (-)	5.5	5.5 (-)
Profit attributable to owners of parent	4.9	- 0.7	- 5.6 (-)	4.3	5.0 (-)

# Highlights of Financial Results (3)

## Trends in Quarterly Operating Results



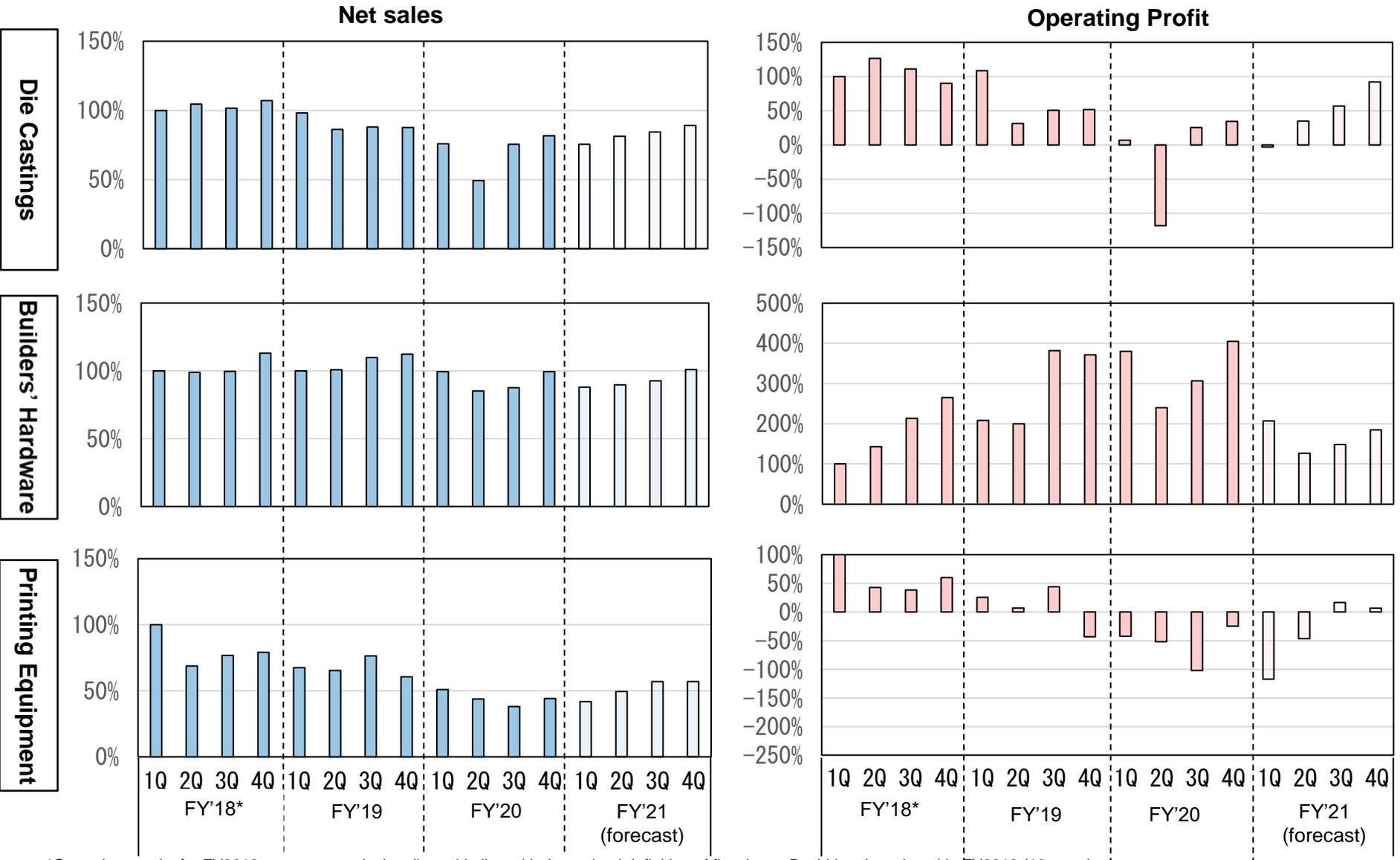
- Due to the impact of the COVID-19 pandemic, sales declined particularly in China from the FY2020 1Q
- FY2020 2Q saw a pronounced impact on our business bases in Japan and overseas, causing the Group to post a quarterly operating loss for the first time since FY2010 2Q
- However, we regained profitability from 3Q onward

\* Quarterly operating results for FY2018 are retrospectively adjusted as the Ryobi Group's fiscal year was redefined to the Jan. 1 – Dec. 31 period in FY2019.

# Highlights of Financial Results (4)

## Quarterly Net Sales and Operating Profit of Each Business

(Net sales and Operating Profit for FY2018 1Q are set at 100.)

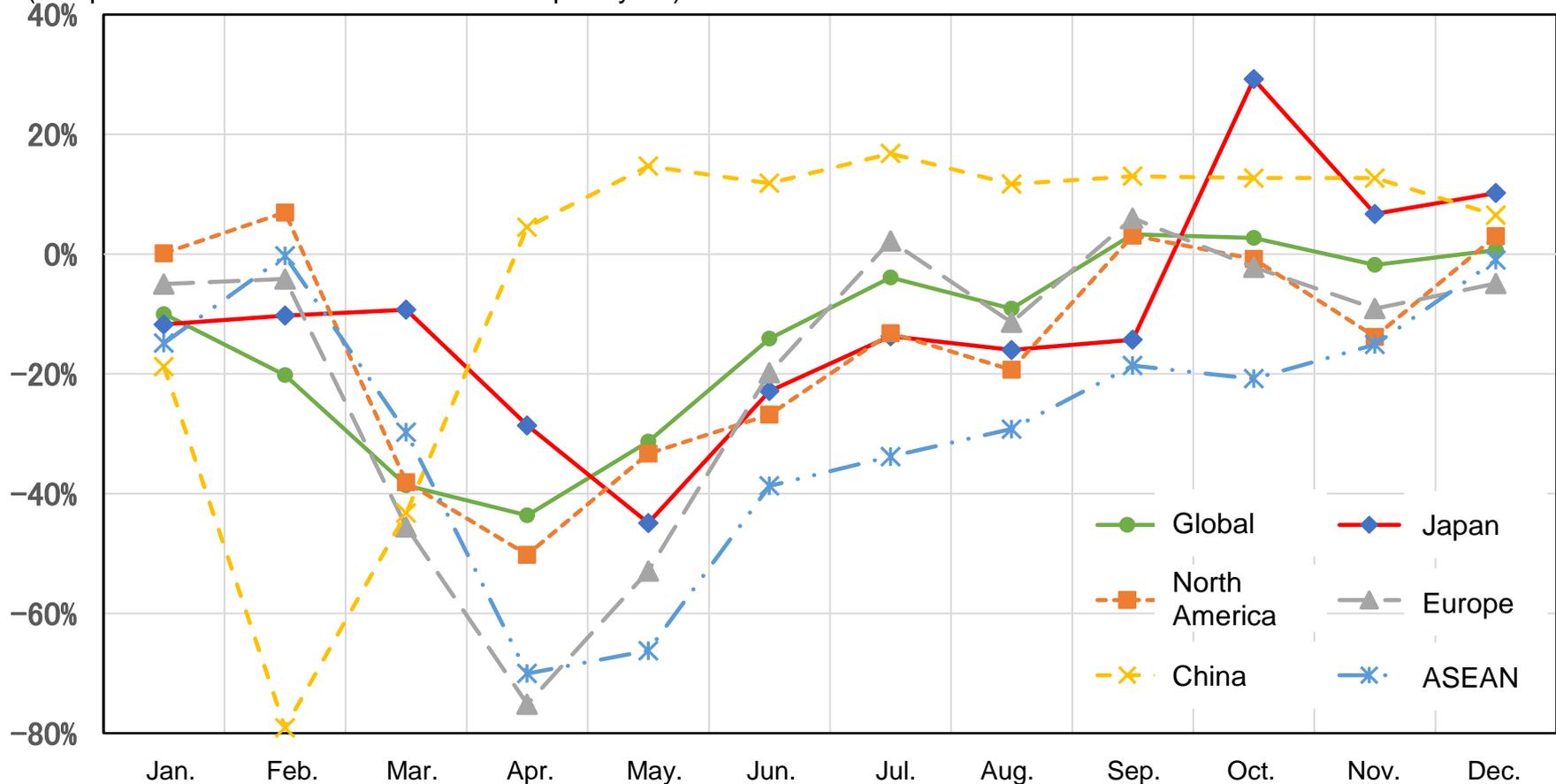


\*Operating results for FY2018 are retrospectively adjusted in line with the revised definition of fiscal year Ryobi has introduced in FY2019 (12 months (Jan.-Dec. 2018) for domestic operations and 12 months (Jan.-Dec. 2018) for overseas operations)

# Highlights of Financial Results (5) 1. Highlights of Financial Results Impact of the COVID-19 Pandemic

## Regional Trends in 2020 Automobile Sales

(comparisons with the same month of the prior year)



- Global: Reinstated to a recovery track in May
- Japan: Recovery began in June, with monthly automobile sales showing year-on-year growth from October onward
- North America, Europe and ASEAN: Reinstated to a recovery track in May
- China: Recovery began in March, with monthly automobile sales showing year-on-year growth from April onward

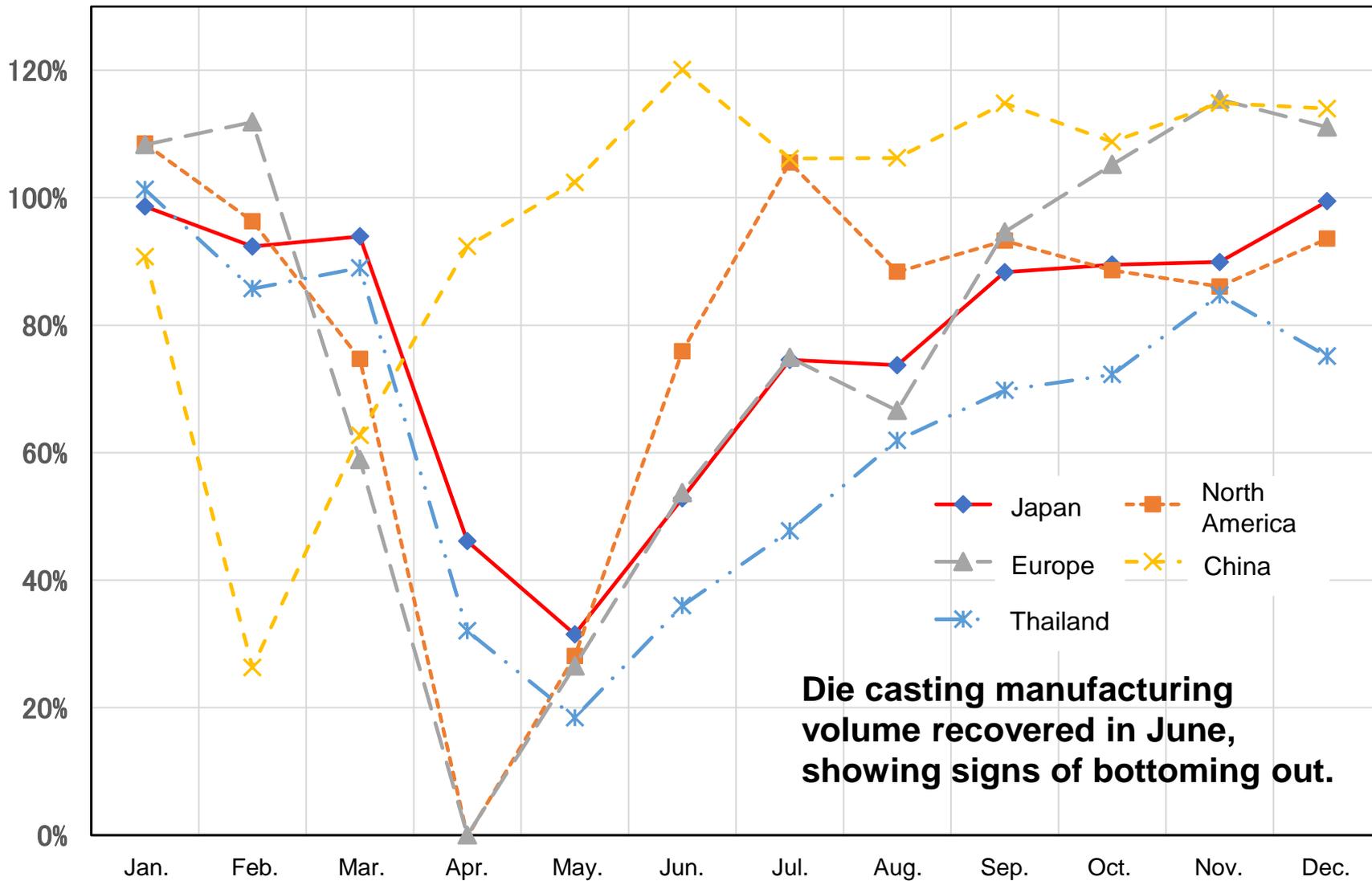
Overall, automobile sales were reinstated to a recovery track in each region.

# Highlights of Financial Results (6)

1. Highlights of Financial Results  
Impact of the COVID-19 Pandemic

## 2020 Die Castings Business Production by Region

(% of plan at beginning of year)



**Die casting manufacturing volume recovered in June, showing signs of bottoming out.**

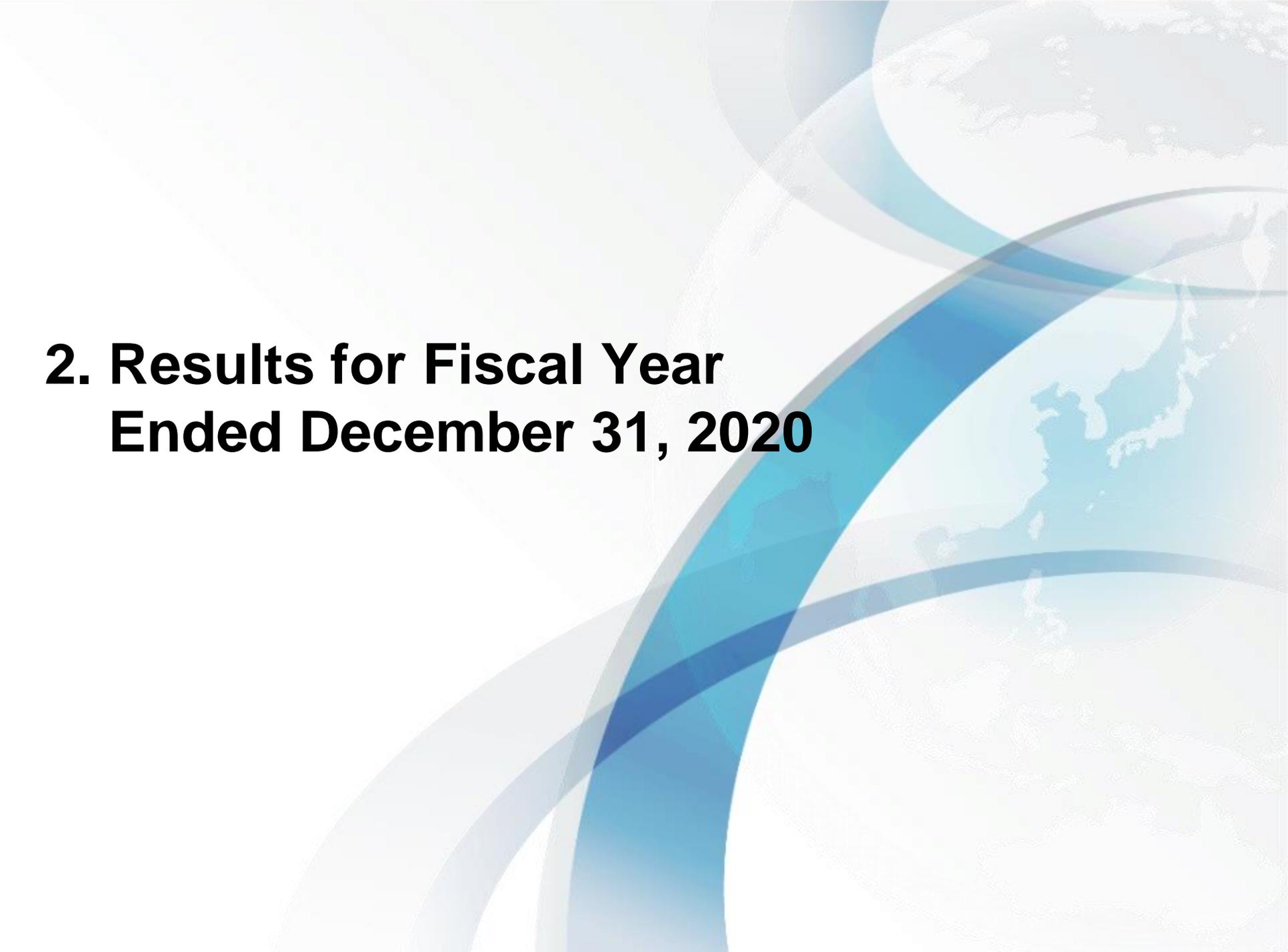
# Highlights of Financial Results (7)

1. Highlights of Financial Results

## Results and Forecasts by Segment

(Unit: Billions of Yen)

	FY2019	FY2020		FY2021	
	Results	Results	Change	Forecasts	Change
<b>Net sales</b>	<b>220.5</b>	<b>171.0</b>	<b>- 49.5</b> <b>(-22.5%)</b>	<b>198.0</b>	<b>27.0</b> <b>(15.8%)</b>
Die castings	185.9	145.9	- 40.1 (-21.6%)	170.6	24.7 (16.9%)
Builders' hardware	10.7	9.4	- 1.3 (-12.1%)	9.4	0.0 (0.0%)
Printing equipment	23.7	15.5	- 8.1 (-34.2%)	18.0	2.5 (16.1%)
<b>Operating profit</b>	<b>8.5</b>	<b>- 1.8</b>	<b>- 10.3</b> <b>(—)</b>	<b>5.5</b>	<b>7.3</b> <b>(—)</b>
Die castings	7.7	- 1.6	- 9.3 (—)	5.7	7.3 (—)
Builders' hardware	0.7	0.8	0.1 (14.7%)	0.4	- 0.4 (-50.0%)
Printing equipment	0.1	- 0.9	- 1.1 (—)	- 0.6	0.3 (—)

The background of the slide features a stylized globe with a light blue and white color scheme. Overlaid on the globe are several thick, wavy, blue lines that curve across the frame, creating a sense of motion and global connectivity. The text is positioned on the left side of the slide, overlaid on the white background.

## **2. Results for Fiscal Year Ended December 31, 2020**

# Results Summary

2. Results for Fiscal Year  
Ended December 31, 2020

(Unit: Billions of Yen)

	FY2019	FY2020			
	Results	Results	Change	Forecasts	Deviation from forecasts
Net sales	<b>220.5</b>	<b>171.0</b>	<b>- 49.5 (-22.5%)</b>	<b>171.0</b>	<b>- 0.0 (-0.0%)</b>
Operating profit	<b>8.5</b>	<b>- 1.8</b>	<b>- 10.3 (-)</b>	<b>- 2.9</b>	<b>1.1 (-)</b>
Ordinary Profit	<b>8.7</b>	<b>- 0.0</b>	<b>- 8.8 (-)</b>	<b>- 1.7</b>	<b>1.7 (-)</b>
Profit attributable to owners of parent	<b>4.9</b>	<b>- 0.7</b>	<b>- 5.6 (-)</b>	<b>- 1.5</b>	<b>0.8 (-)</b>

# Analysis of Changes in Operating Profit Forecast

2. Results for Fiscal Year  
Ended December 31, 2020



Breakdown of major components of other fixed costs

Utilities	+ ¥1.2 billion
Office supplies and expenses	+ ¥1.0 billion
Repairs	+ ¥0.9 billion

Exchange rates (average during the period)

	FY2019	FY2020
USD	¥108.99	¥106.80
GBP	¥138.85	¥137.43
CNY	¥15.80	¥15.40
THB	¥3.51	¥3.41

# Results by Business Segment

2. Results for Fiscal Year  
Ended December 31, 2020

(Unit: Billions of yen)

	FY2019	FY2020			
	Results	Results	Change	Forecasts	Deviation from forecasts
<b>Net sales</b>	<b>220.5</b>	<b>171.0</b>	<b>- 49.5</b> <b>(-22.5%)</b>	<b>171.0</b>	<b>- 0.0</b> <b>(-0.0%)</b>
Die castings	185.9	145.9	- 40.1 (-21.6%)	146.5	- 0.6 (-0.4%)
Builders' hardware	10.7	9.4	- 1.3 (-12.1%)	9.5	- 0.1 (-1.1%)
Printing equipment	23.7	15.5	- 8.1 (-34.2%)	15.0	0.5 (3.3%)
<b>Operating profit</b>	<b>8.5</b>	<b>- 1.8</b>	<b>- 10.3</b> <b>(—)</b>	<b>- 2.9</b>	<b>1.1</b> <b>(—)</b>
Die castings	7.7	- 1.6	- 9.3 (—)	- 1.8	0.2 (—)
Builders' hardware	0.7	0.8	0.1 (14.7%)	0.7	0.1 (14.7%)
Printing equipment	0.1	- 0.9	- 1.1 (—)	- 1.8	0.9 (—)

# Consolidated Balance Sheet

2. Results for Fiscal Year  
Ended December 31, 2020

(Unit: Billions of yen)

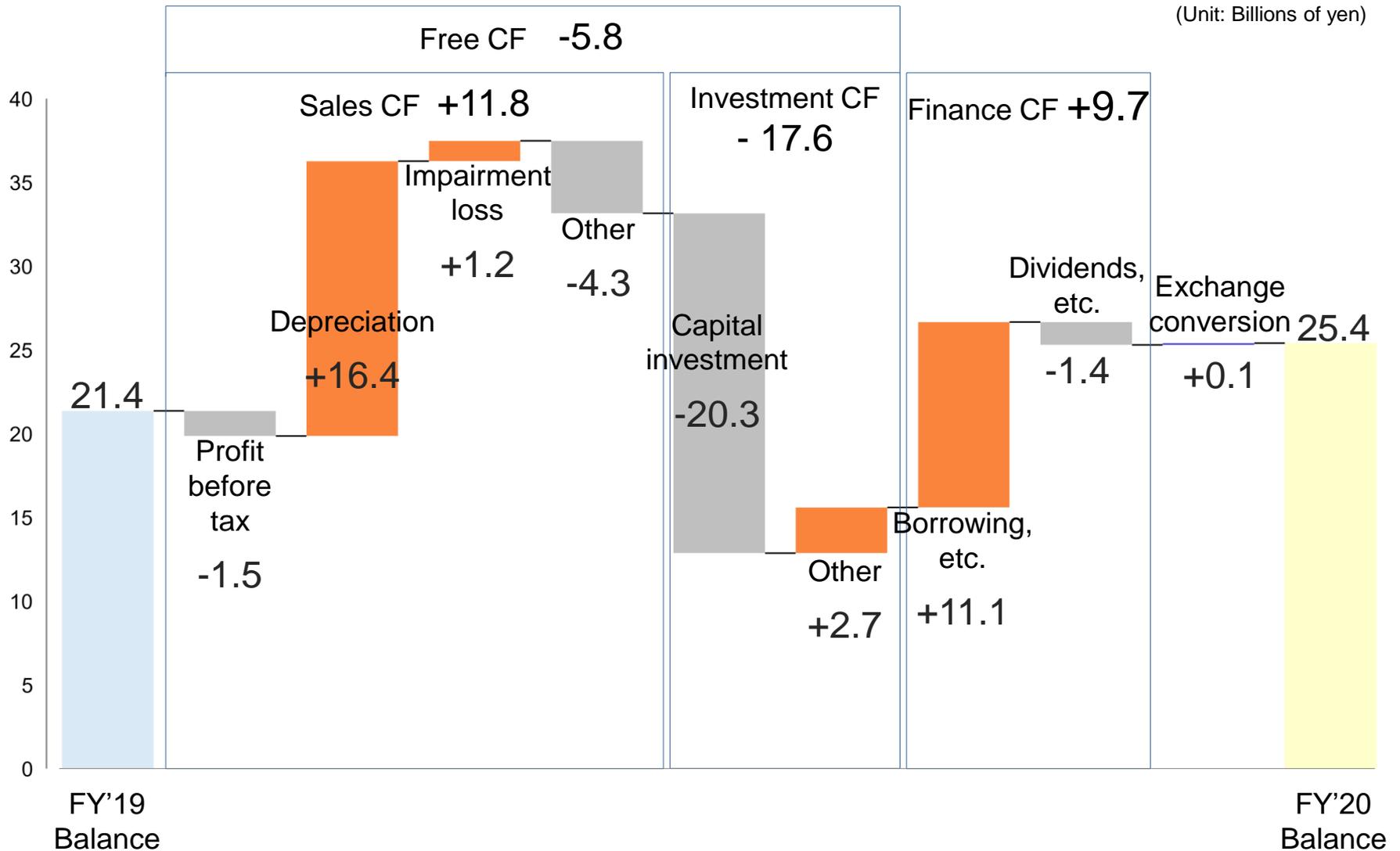
	FY2019	FY2020	Change	Currency Translation Effect		FY2019	FY2020	Change	Currency Translation Effect
Current assets	112.5	112.2	- 0.3	- 0.4	Current liabilities	90.0	83.9	- 6.1	- 0.4
Cash and deposits	22.5	26.6	4.0	0.1	Notes and accounts payable—trade	35.7	29.1	- 6.6	- 0.1
Notes and accounts receivable—trade	41.2	40.2	- 1.0	- 0.2	Short-term borrowings	32.5	37.3	4.8	- 0.3
Securities	0.8	0.8	- 0.0	- 0.0	Other	21.8	17.5	- 4.3	- 0.1
Inventories	45.2	41.4	- 3.8	- 0.3	Non-current liabilities	43.6	48.8	5.2	- 0.3
Other	2.9	3.3	0.4	0.0	Long-term borrowings (including bonds)	29.4	35.2	5.8	- 0.3
Non-current assets	150.6	146.4	- 4.2	- 1.5	Other	14.2	13.7	- 0.6	- 0.0
Property, plant and equipment	121.6	119.0	- 2.6	- 1.5	Shareholders' equity	118.1	116.3	- 1.8	0.0
Intangible assets	3.7	3.5	- 0.2	0.0	Accumulated other comprehensive income	2.4	0.9	- 1.5	- 1.2
Investments and other assets	25.3	24.0	- 1.3	- 0.0	Non-controlling interests	9.1	8.8	- 0.3	—
Deferred tax assets	0.0	0.0	- 0.0	—	Total net assets	129.6	125.9	- 3.6	- 1.1
Total assets	263.2	258.7	- 4.5	- 1.9	Total liabilities and net assets	263.2	258.7	- 4.5	- 1.9

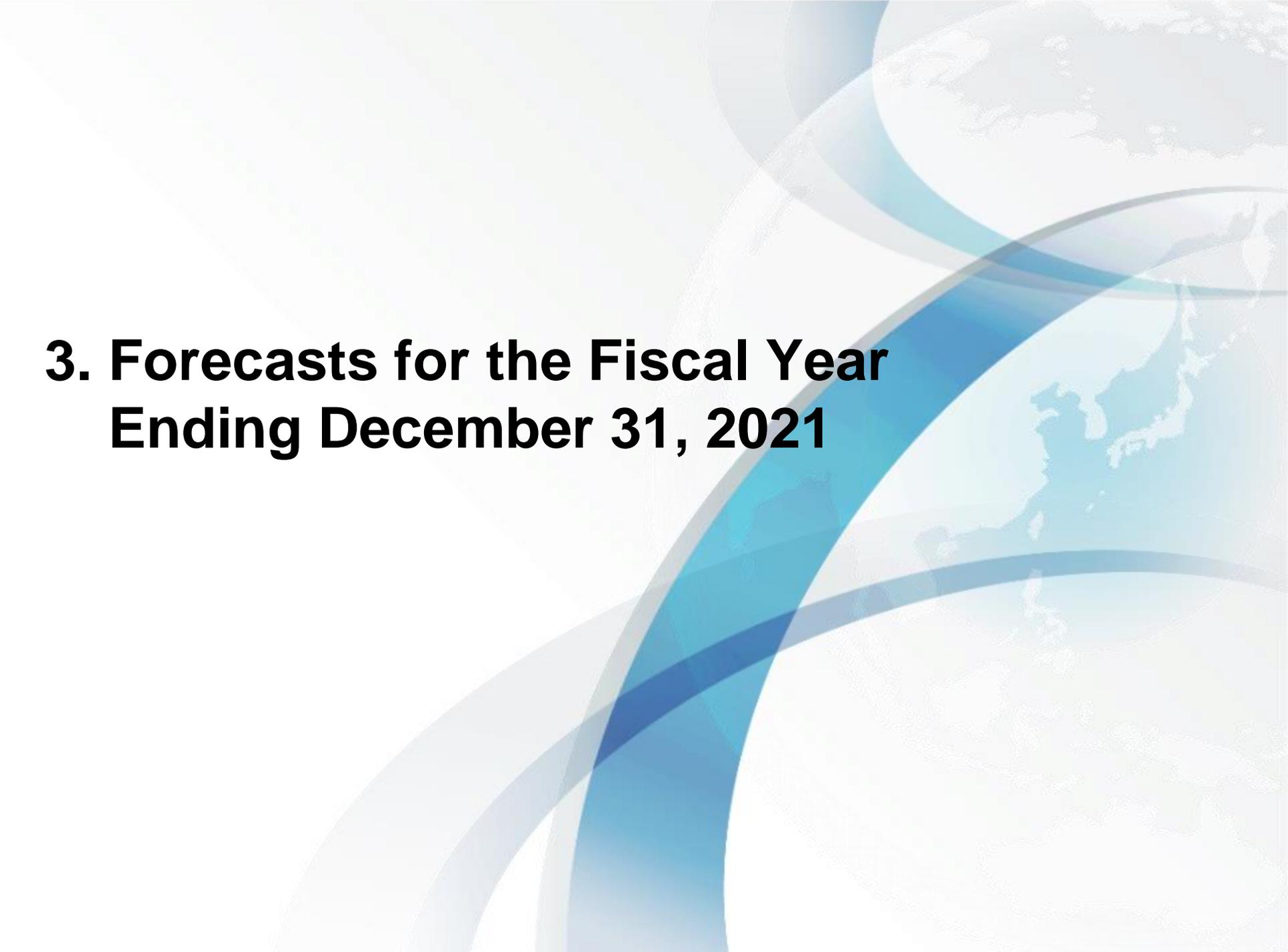
- The sales decrease caused both notes and accounts receivable—trade and notes and accounts payable—trade to decline
- Long-term borrowings increased to secure funds for capital investment
- Short-term borrowings also grew to secure the robust volume of cash at hand in light of volatile circumstances influenced by the COVID-19 pandemic

Exchange rates (as of fiscal-year end)	USD	GBP	CNY	THB
Dec. 31, 2019	¥109.56	¥143.48	¥15.67	¥3.63
Dec. 31, 2020	¥103.50	¥139.82	¥15.88	¥3.44

# Change in Cash Flows

(Unit: Billions of yen)



The background of the slide features a light blue and white globe on the right side, partially obscured by several thick, overlapping, wavy blue lines that sweep across the frame from the bottom left towards the top right. The overall aesthetic is clean and modern.

## **3. Forecasts for the Fiscal Year Ending December 31, 2021**

# Forecasts

3. Forecasts for the Fiscal Year  
Ending December 31, 2021

(Unit: Billions of yen)

	FY2020	FY2021	
	Results	Forecasts	Change
Net sales	<b>171.0</b>	<b>198.0</b>	<b>27.0 (15.8%)</b>
Operating profit	<b>- 1.8</b>	<b>5.5</b>	<b>7.3 (—)</b>
Ordinary profit	<b>- 0.0</b>	<b>5.5</b>	<b>5.5 (—)</b>
Profit attributable to owners of parent	<b>- 0.7</b>	<b>4.3</b>	<b>5.0 (—)</b>

# Analysis of Changes in Operating Profit Forecast

3. Forecasts for the Fiscal Year  
Ending December 31, 2021



- Earnings will increase along with revenue growth in Japan and overseas
- Labor expenses and fixed costs will grow particularly at our overseas business bases in step with an increase in production volume
- Depreciation costs will increase as Ryobi carries out capital investment

## Exchange rates

	Average during FY2020	Forecasts for FY2021
USD	¥106.80	¥105
GBP	¥137.43	¥135
CNY	¥15.40	¥15.5
THB	¥3.41	¥3.4

Annual impact of yen appreciation on operating income (1% higher than forecasts)

USD - ¥50 million  
GBP - ¥10 million  
CNY - ¥10 million

# Forecasts by Business Segment

3. Forecasts for the Fiscal Year  
Ending December 31, 2021

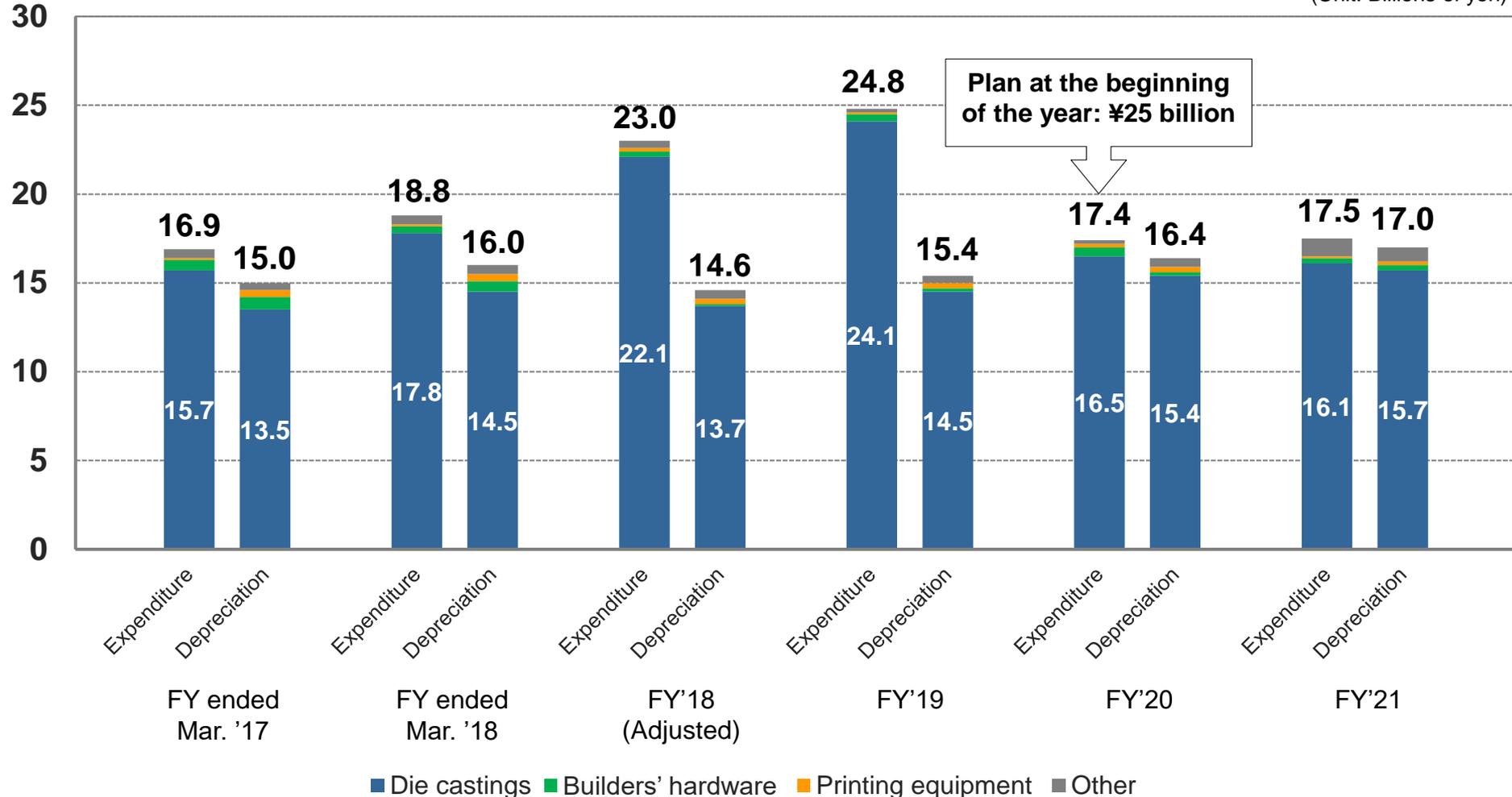
(Unit: Billions of yen)

	FY2020	FY2021	
	Results	Forecasts	Change
<b>Net sales</b>	<b>171.0</b>	<b>198.0</b>	<b>27.0</b> <b>(15.8%)</b>
Die castings	<b>145.9</b>	<b>170.6</b>	<b>24.7</b> <b>(16.9%)</b>
Builders' hardware	<b>9.4</b>	<b>9.4</b>	<b>0.0</b> <b>(0.0%)</b>
Printing equipment	<b>15.5</b>	<b>18.0</b>	<b>2.5</b> <b>(16.1%)</b>
<b>Operating profit</b>	<b>- 1.8</b>	<b>5.5</b>	<b>7.3</b> <b>(—)</b>
Die castings	<b>- 1.6</b>	<b>5.7</b>	<b>7.3</b> <b>(—)</b>
Builders' hardware	<b>0.8</b>	<b>0.4</b>	<b>- 0.4</b> <b>(- 50.0%)</b>
Printing equipment	<b>- 0.9</b>	<b>- 0.6</b>	<b>0.3</b> <b>(—)</b>

# Capital Expenditure and Depreciation

## Trends in Capital Expenditure and Depreciation

(Unit: Billions of yen)

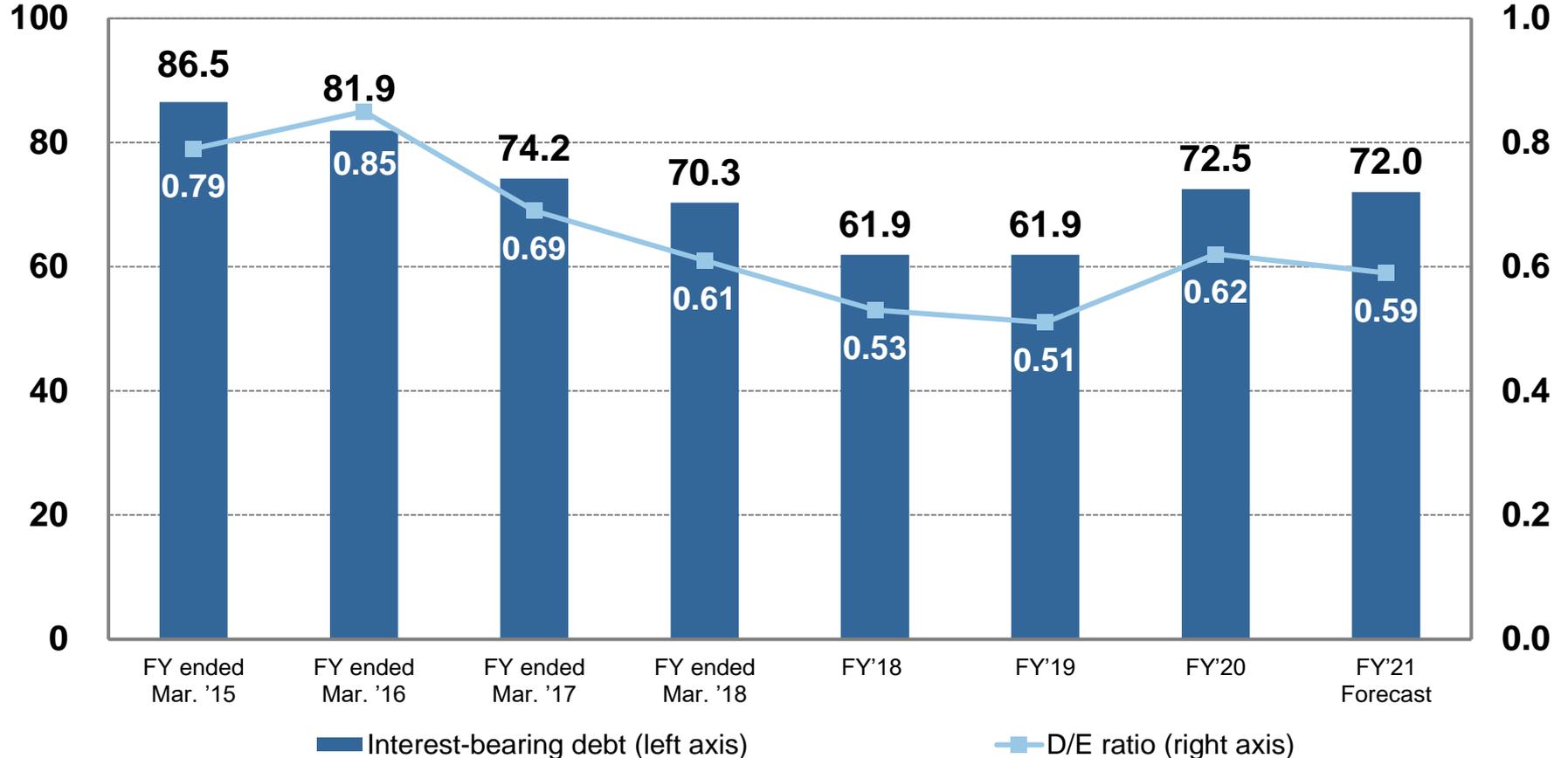


# Interest-Bearing Debt and D/E Ratio

## Trends in Interest-Bearing Debt and D/E Ratio

(Unit: Billions of yen)

(Unit: Times)



	FY ended Mar. '15	FY ended Mar. '16	FY ended Mar. '17	FY ended Mar. '18	FY'18	FY'19	FY'20	FY'21 Forecast
Borrowing dependence (interest-bearing debt/total assets)	<b>32.3%</b>	<b>30.9%</b>	<b>28.2%</b>	<b>25.8%</b>	<b>23.0%</b>	<b>23.5%</b>	<b>28.0%</b>	<b>27.8%</b>

## 4. Future Initiatives

The background of the slide features a stylized globe in light gray tones, showing the outlines of continents. Overlaid on the globe are several thick, curved, semi-transparent blue lines that sweep across the frame from the bottom left towards the top right, creating a sense of motion and forward-looking direction.

# Outline of Our Business Strategies

## Corporate Philosophy

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

## Strategies for Each Business Segment

### Die Castings

- Enhance sales capabilities
- Strengthen technological development capabilities (meet needs for weight saving and alternative materials)
- Upgrade a global manufacturing structure
- Promote the automation of production facilities

### Builders' Hardware

- Expand our domestic market share of door closers
- Develop competitive products
- Pursue an optimal manufacturing structure

### Printing Equipment

- Raise product capabilities
- Step up sales and service activities
- Improve both manufacturing capabilities and productivity

# Die Castings—Ryobi's Initiatives

## Summary of Future Outlook on Demand

### 1. Number of automobiles sold

- The number will peak around 2040 and then start to decline.

### 2. Powertrain mix

- For the time being, hybrid electric vehicles (HEV) will remain mainstream and continue to accommodate ongoing needs for vehicle electrification.
- Our future outlook may be revised in light of changes in environmental regulations and battery trends.

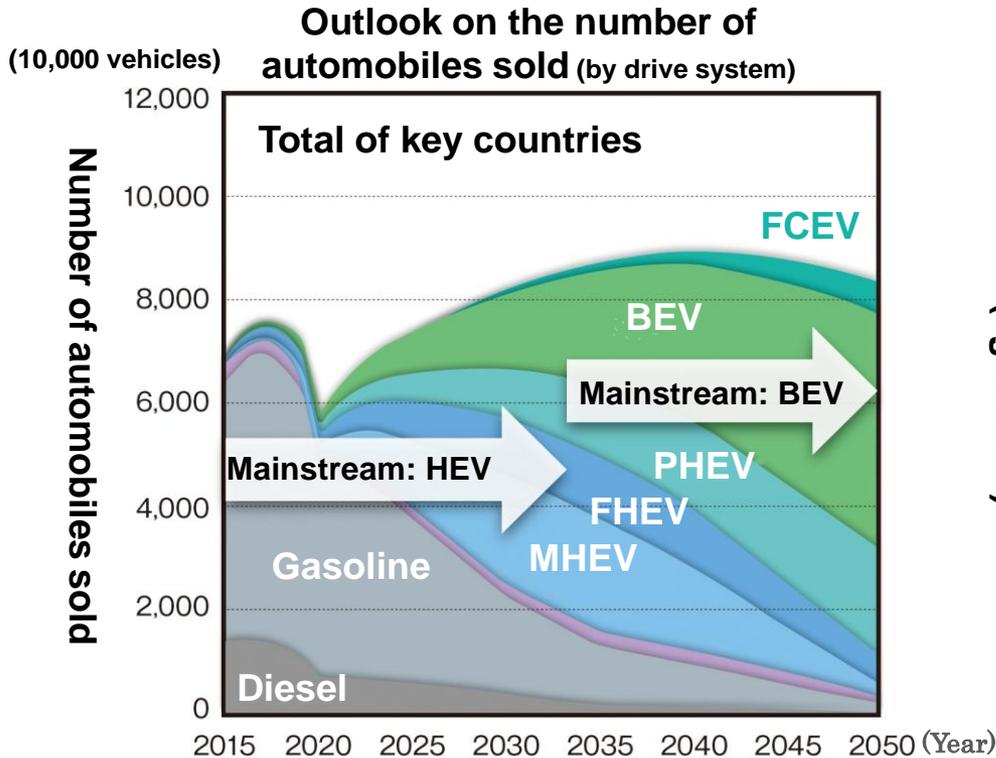
### 3. Die casting demand (demand in consuming locations)

- The manufacturing volume of die castings is expected to peak in the 2035 to 2040 period.
- Although there will be changes in vehicle power sources, demand for large die casting products (items massing around 10 kilograms) is likely to grow continuously.

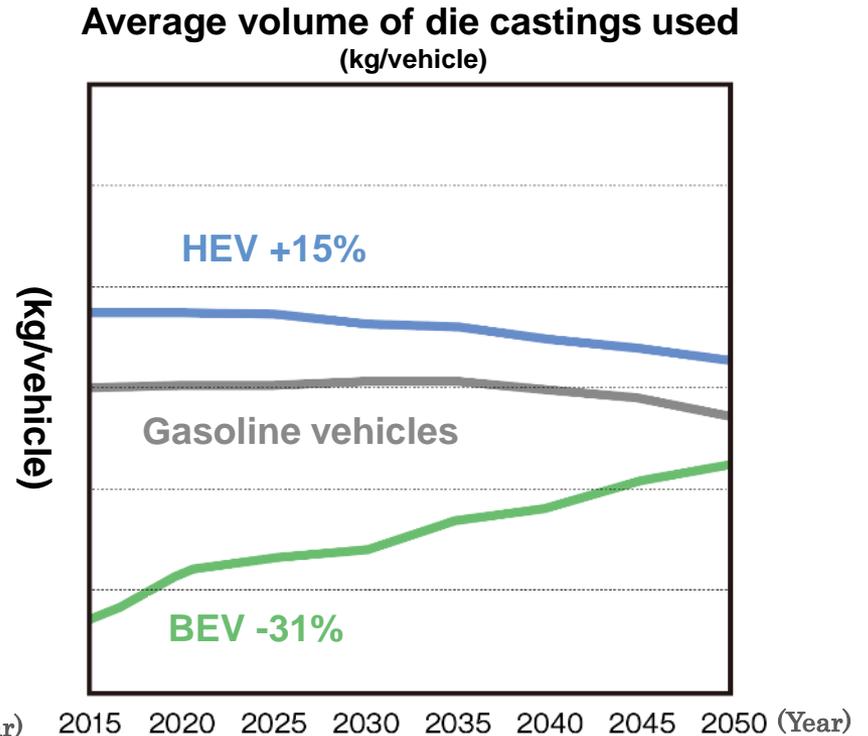
# Die Castings—Ryobi’s Initiatives

## Number of Automobiles Sold and Future Outlook on Powertrain Mix

Compiled by Ryobi as of Nov. 1, 2020



FCEV: Fuel cell electric vehicles  
 BEV: Battery electric vehicles  
 PHEV: Plug-in hybrid electric vehicles  
 MHEV: Mild hybrid electric vehicles  
 FHEV: Full hybrid electric vehicles



**The volume of die castings used in HEV is 15% higher than those used in gasoline vehicles**

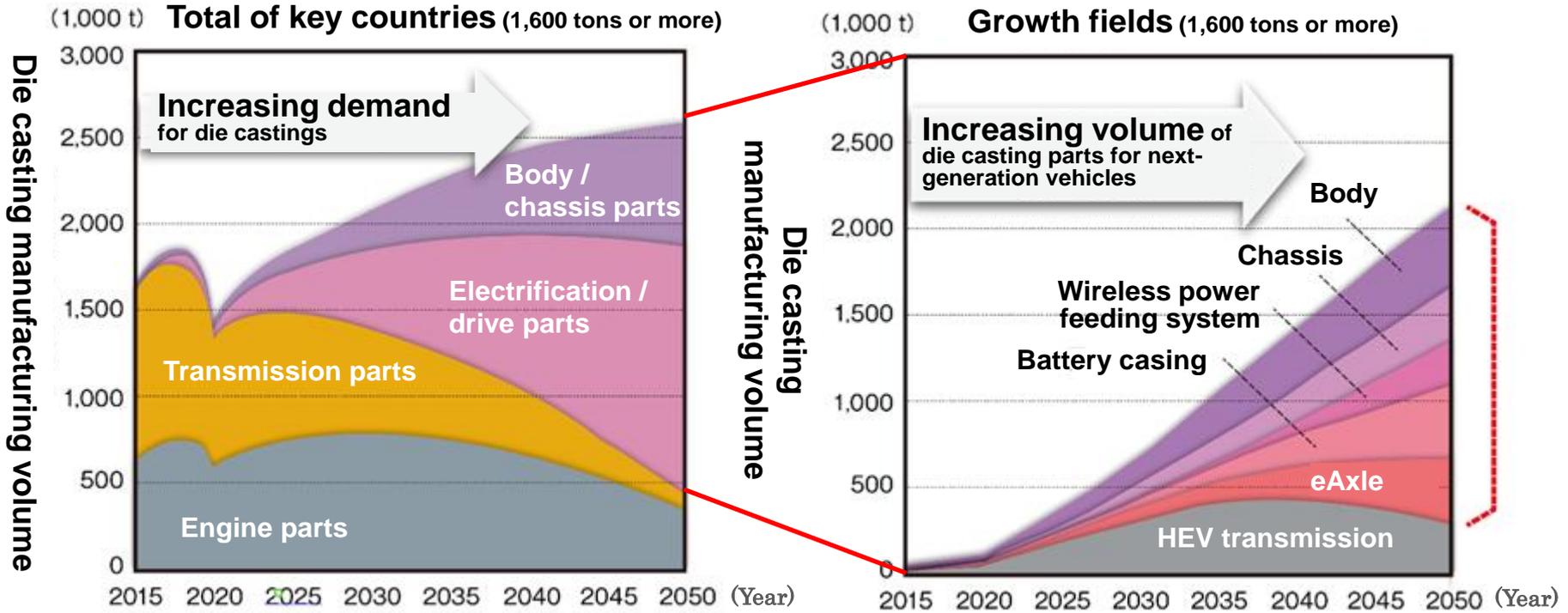
(based on average figures for the period spanning 2015 to 2050)

- Number of HEV will grow due to the need to meet environmental regulations
- So-called “zero emission vehicles” will account for approximately 60% of sales in 2050

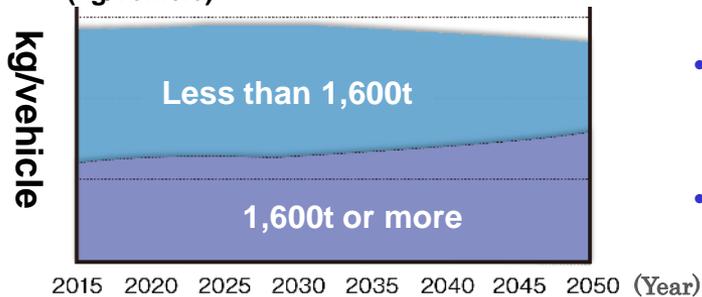
# Die Castings—Ryobi’s Initiatives

## Outlook on Die Casting Demand—Growth Arising from the Use of Alternative Materials Employing Parts Unification

Compiled by Ryobi as of Nov. 1, 2020



Outlook on the Average volume of die castings used in vehicle (kg/vehicle)



Needs for body, chassis, battery casing, eAxle, and other die casting parts will grow.

- With continuing growth in the volume of large die casting products used, future demand is likely to remain steady.
- The per vehicle volume of die castings used will not change substantially.

Next-generation vehicles: HEV, PHEV, BEV, and FCEV

# Die Castings—Ryobi's Initiatives

Our Strategic Products for the Future—Meeting Diverse Needs Ranging from Weight Saving to EV Parts

Short term 2020~

Medium term 2025~

Long term 30~



HEV transmission



Motor casing



eAxe



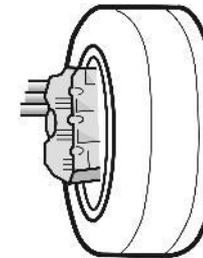
Wireless power feeding



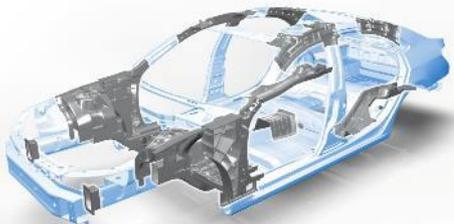
PCU, inverter, etc.



Speed reducer, differential gear, etc.



In-wheel motor



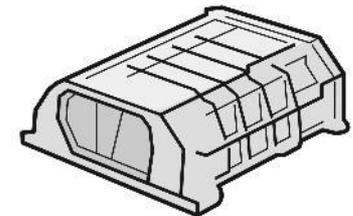
Body / chassis



PHEV battery casing



BEV battery casing



FC stack

# Die Castings—Ryobi's Initiatives

Initiatives to support vehicle electrification and weight saving

Supply aluminum die castings for use in body and chassis



Shock tower



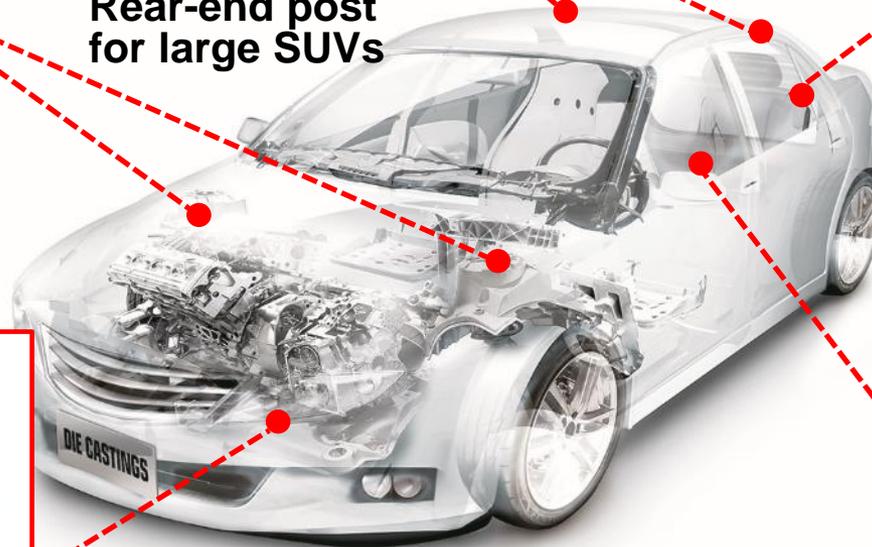
Rear-end post for large SUVs



Body parts for *Lexus*



Front subframe for Honda *Accord*



Rear subframe

# Die Castings—Ryobi's Initiatives

## Initiatives to support vehicle electrification and weight saving

**Enhance sales capabilities to serve manufacturers of next-generation vehicles** (Push ahead with sales activities centered on electrification and weight saving)

- **FY2020**

Of new orders received, die castings for next-generation vehicles account for 38% (on a net sales basis)

**Strengthen technological development aimed at supporting next-generation vehicles**

- **Weight saving parts**

Develop body and chassis parts (subframe, instrument panel reinforcement, etc.)

- **Parts for electrification**

Develop battery casings and eAxle casings

**Capital expenditure**

- **Breakdown of FY2021 capital expenditure**

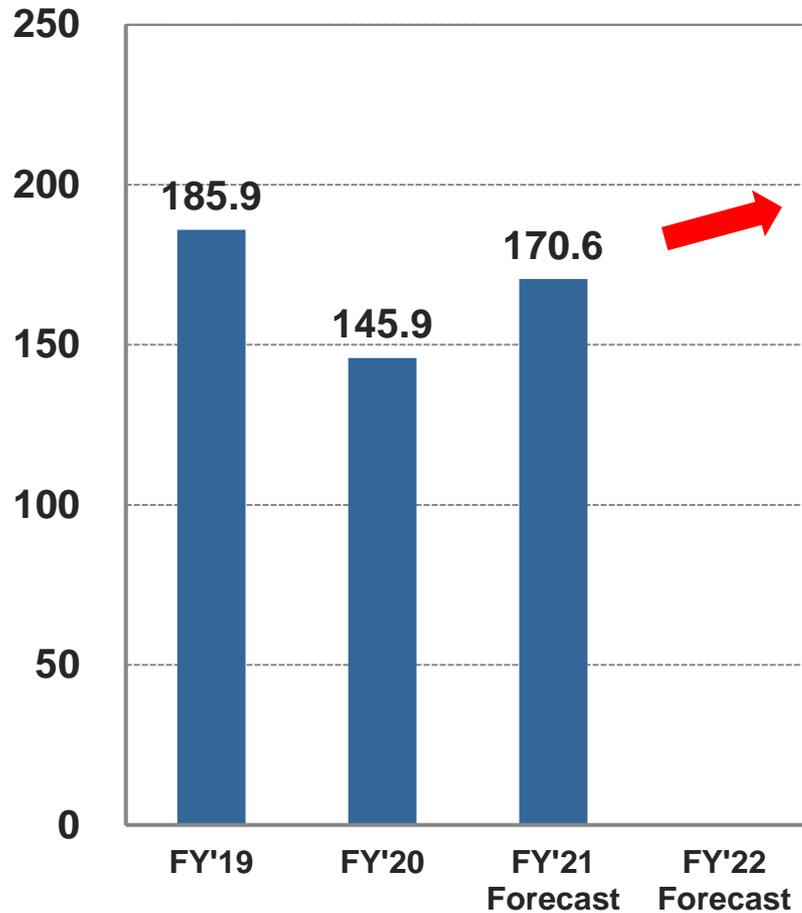
Investment in new products: 63%

Investment in parts for electrification and weight saving: 32%

# Die Castings—Net Sales and Capital Expenditure

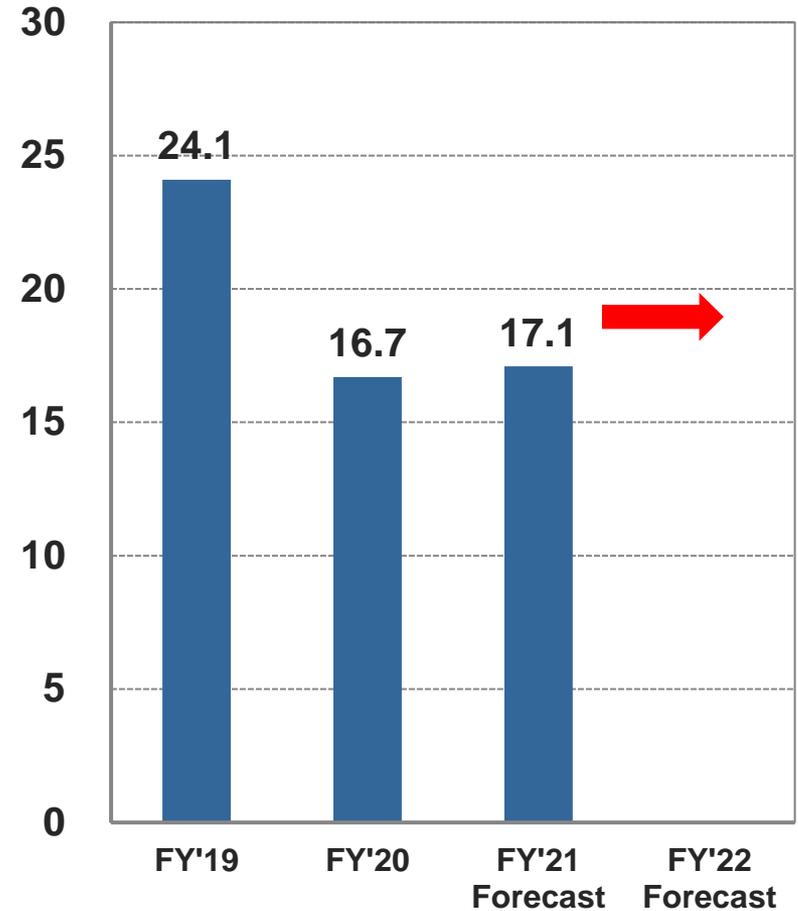
## Outlook on Net Sales

(Unit: Billions of yen)



## Outlook on Capital Expenditure

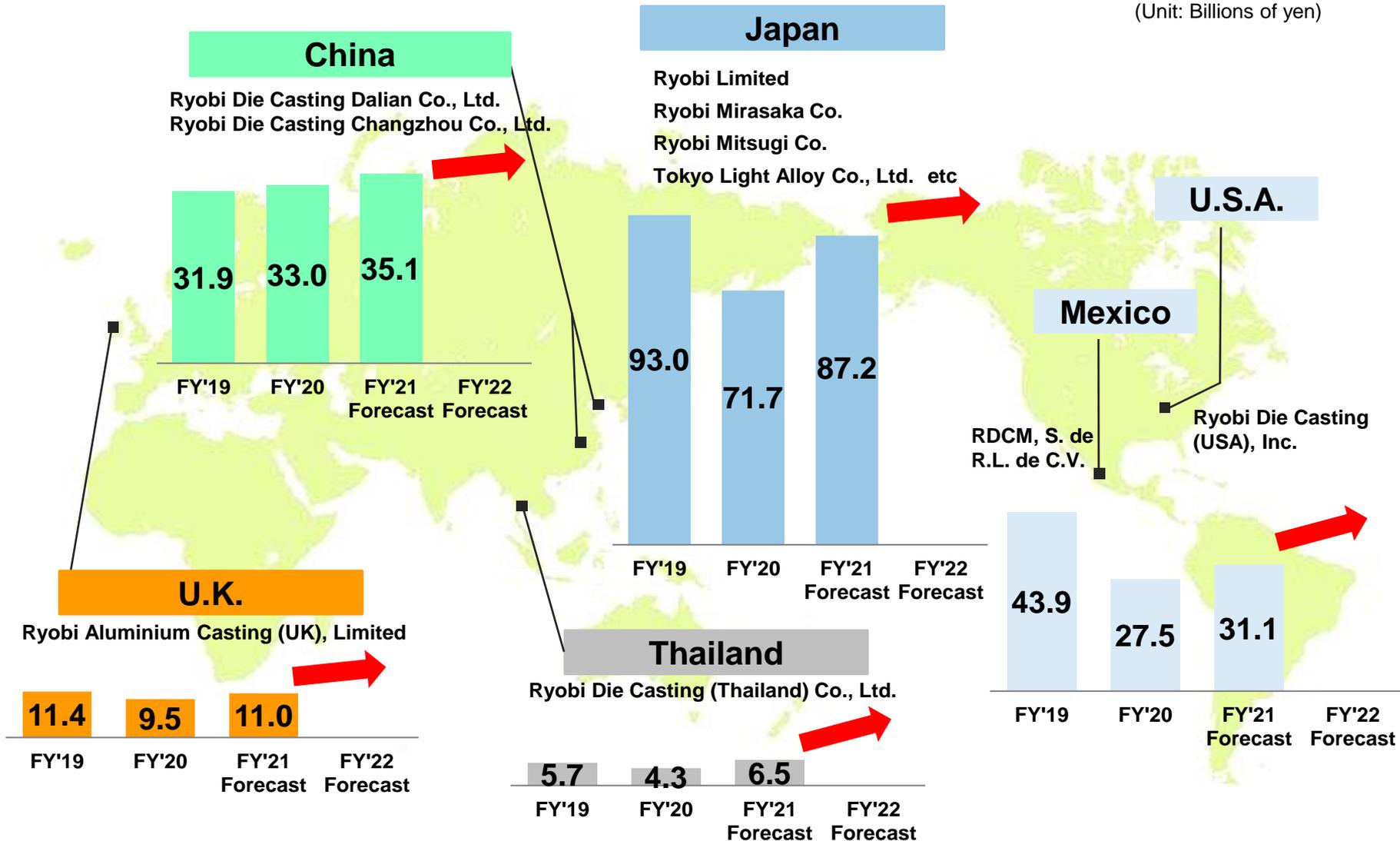
(Unit: Billions of yen)



# Die Castings—Global Operations

## Net Sales by Region

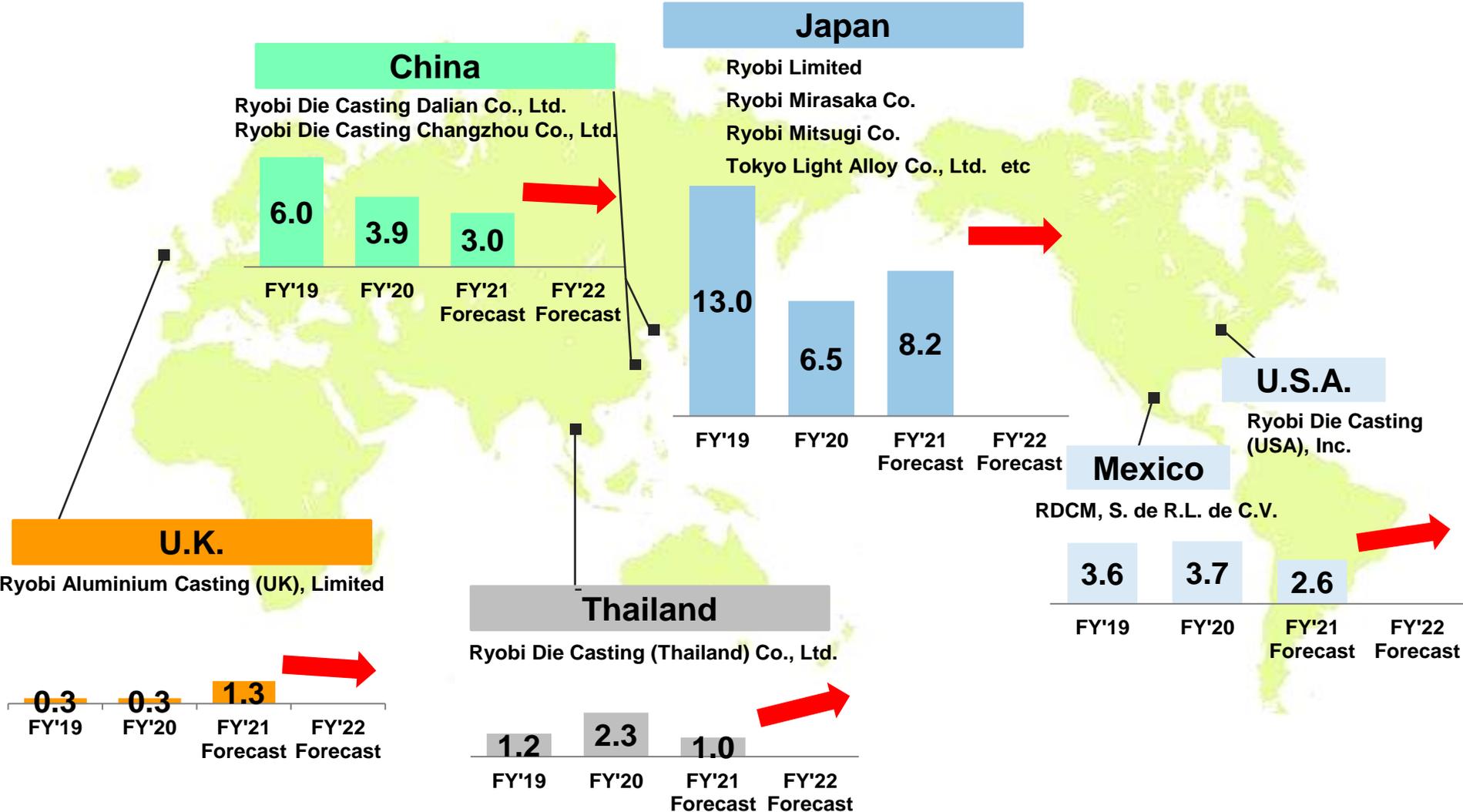
(Unit: Billions of yen)



# Die Castings—Global Operations

## Capital Expenditure by Region; Results and Forecasts

(Unit: Billions of yen)



# Die Castings—Key Capital Expenditure in FY2020

## Ryobi Die Casting Changzhou Co., Ltd.



Details of expenditure	Factory construction (floor space: 15,000 m <sup>2</sup> ) 1 die casting machine (3,500 t), 30 units of machining equipment, etc. (Existing floor space: 71,600 m <sup>2</sup> )		
Start of construction	Aug. 2019	Completion	Jul. 2020
Expenditure amount	¥3.5 billion		
Start of mass-production	Aug. 2021 (chassis parts)		
Products	Chassis parts Transmission parts for ICE* vehicles		

\* Internal combustion engine

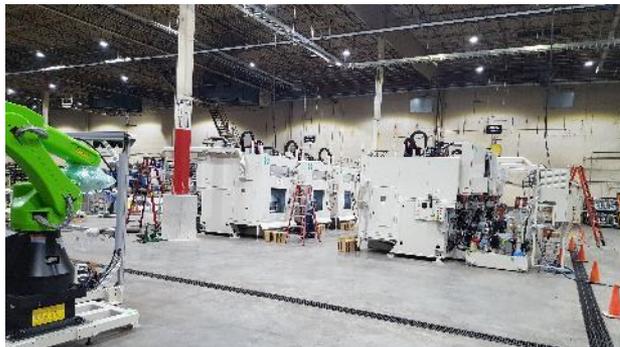
## Ryobi Die Casting (Thailand) Co., Ltd.



Details of expenditure	Factory construction (floor space: 8,600 m <sup>2</sup> ) 1 die casting machine (3,550 t), 6 units of machining equipment, etc. (Existing floor space: 22,800 m <sup>2</sup> )		
Start of construction	Jul. 2020	Completion	Jan. 2021
Expenditure amount	¥1.5 billion		
Start of mass-production	Mar. 2021 (chassis parts)		
Products	Chassis parts Electrification parts for next-generation vehicles*		

\*HEV, PHEV, BEV and FCEV

## Ryobi Die Casting (USA), Inc.



Details of expenditure	Installation of 12 units of equipment for machining, finishing and inspection, etc.
Expenditure amount	¥1.4 billion
Start of mass-production	Jan. 2021 (chassis parts)
Products	Chassis parts Transmission parts for next-generation vehicles

# Die Castings—Key Capital Expenditure in FY2021

## Ryobi Mirasaka Co.



Type of facilities scheduled for installation

## Ryobi Aluminium Casting (UK), Limited



Type of facilities scheduled for installation

Details of expenditure	Installation of 15 units of machining equipment, renovation of 1 existing die casting machine (3,500 t), construction of heat treatment furnace, etc.
Expenditure amount	¥1.3 billion
Start of mass-production	Dec. 2021
Products	Electrification parts for next-generation vehicles*

Details of expenditure	Installation of 9 units of machining equipment and 1 leak tester, etc.
Expenditure amount	¥1.0 billion
Start of mass-production	Nov. 2022
Products	Transmission parts for next-generation vehicles

\*HEV, PHEV, BEV and FCEV

# Builders' Hardware—Ryobi's Initiatives

## The Business Environment

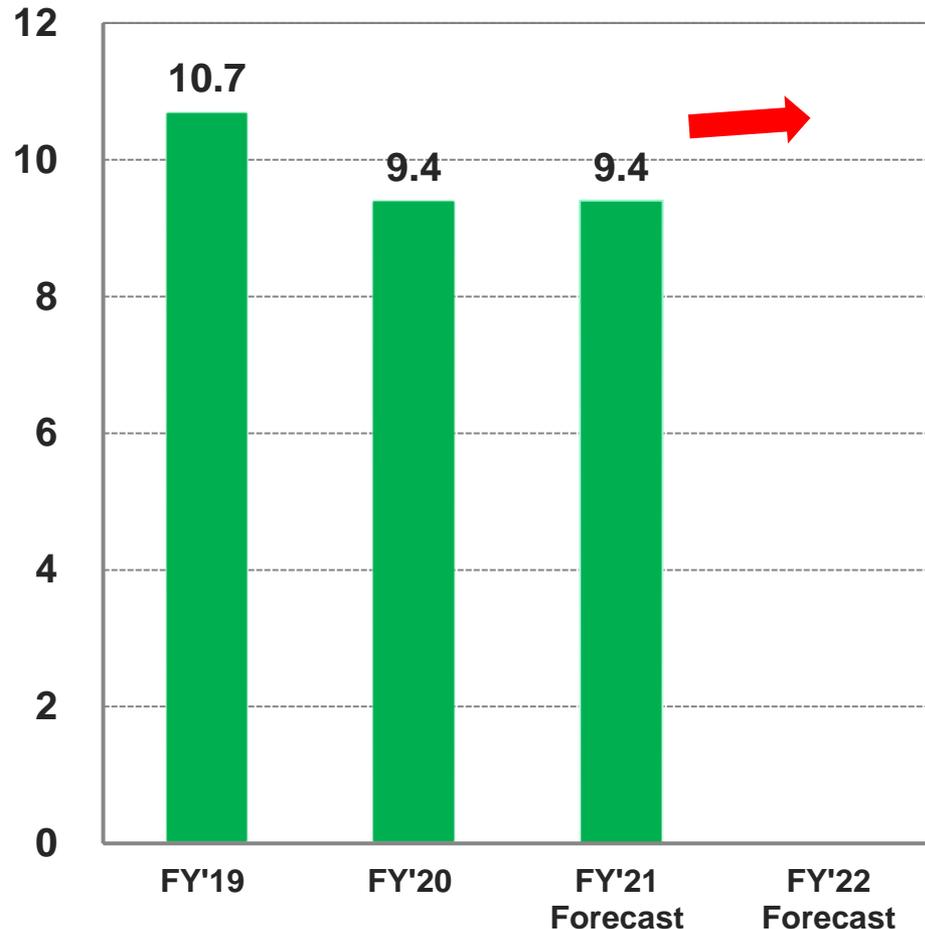
- Floor space of newly constructed buildings (non-residential purposes) declines 3% annually on average, while new residential housing starts remain flat
- Gradual shrinkage of door closer and sliding door closer markets continues
- Competitors withdraw from the door closer business

## Main Initiatives

- Expand our market share (enhance Ryobi's market presence through increasing spec-in awards of construction sites and floor spaces using Ryobi products)
- Pursue sales growth in markets overseas
- Develop competitive products
- Develop new electric automatic swing door products
- Launch automated facilities (assembly and packing process)

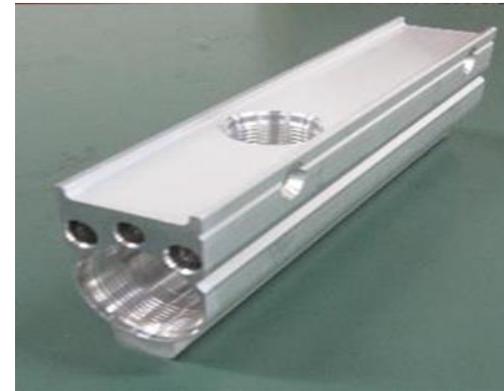
## Outlook on Net Sales

(Unit: Billions of yen)



# Builders' Hardware—Ryobi's Initiatives

## Introduction of automated facilities for producing door closer housings in the Mitsugi Plant in Japan



**A door closer housing after machining**

Current status	<ul style="list-style-type: none"> <li>• Already completed installation of three automated lines, namely, machining, assembly &amp; inspection and packing lines, in our domestic mass-production factory</li> <li>• Our FY2021 initiatives are focused on raising each line's utilization ratio, minimizing the defect ratio and further reducing the need for human labor.</li> </ul>	
Total investment amount	¥925 million	
Start of mass-production	Automated machining line	Apr. 2019 (mass-production already initiated)
	Automated assembly & inspection line	Jun. 2021 (schedule)
	Automated packing line	Jun. 2021 (schedule)
Maximum production capacity	50,000 units/month (via the three-shift system)	
Reasons for installing the facilities in Japan	<ul style="list-style-type: none"> <li>• Given that consumers of relevant production items are based in Japan, we aim to promote local production for local consumption.</li> <li>• If we were to produce these items in China, we would be affected by rising labor expenses and the risk of exchange rate fluctuations (i.e., appreciation of Chinese yuan).</li> <li>• By enhancing our domestic manufacturing structure, we aim to raise our business continuity capabilities.</li> </ul>	
Usage of production items and their features	<ul style="list-style-type: none"> <li>• Door closers for use in entrance doors of general residential housing.</li> <li>• While boasting compact size, these door closers are equipped with a backcheck* function as a standard feature.</li> <li>• The function to control sudden door opening by strong wind, etc.</li> </ul>	

# Printing Equipment—Ryobi's Initiatives

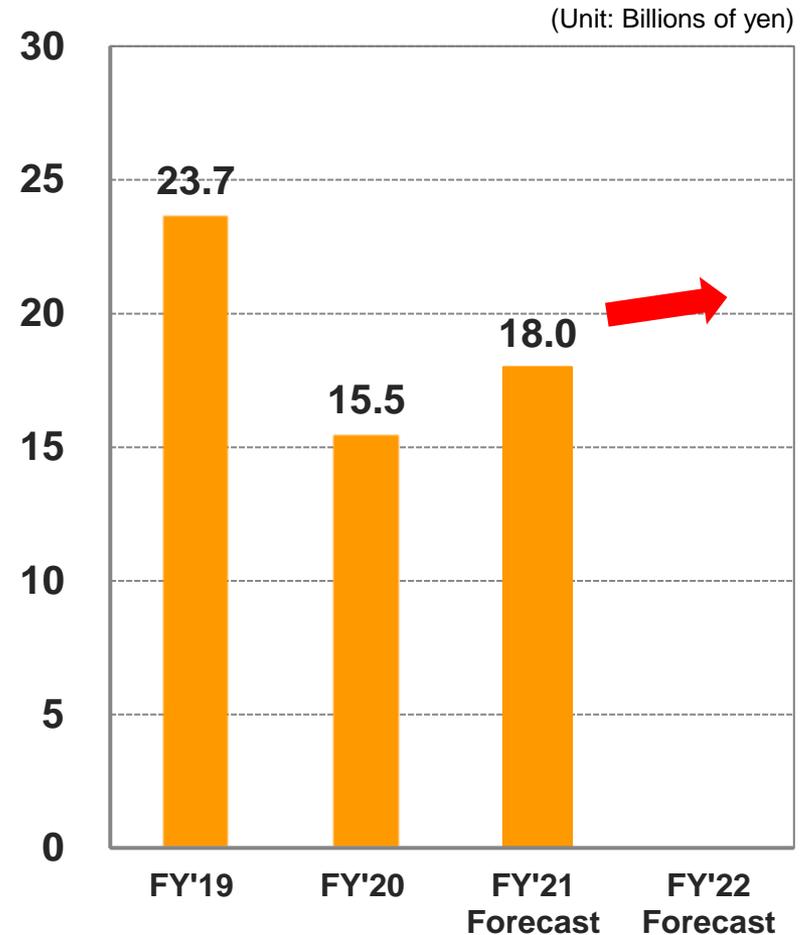
## The Business Environment

- The offset printing press market, which had been affected by the COVID-19 pandemic and thus stagnated, is now recovering gradually, albeit in varying degrees by region
- Needs for automated and labor-saving products are strong due to labor shortages in Japan and surging personnel expenses in emerging countries
- The number of large printing presses in operation is decreasing in Japan

## Main Initiatives

- Reduce manufacturing costs for flagship models
- Enhance functions of new models
- Establish a service structure employing IoT, the Remote Maintenance System (RMS) and wearable smart glasses
- Step up the marketing of strategic models by taking a region-specific approach
- Strengthen the marketing of digital printing presses and sheet-transferring equipment
- Promote automatic guided vehicles (AGVs) and other robotics-based solutions

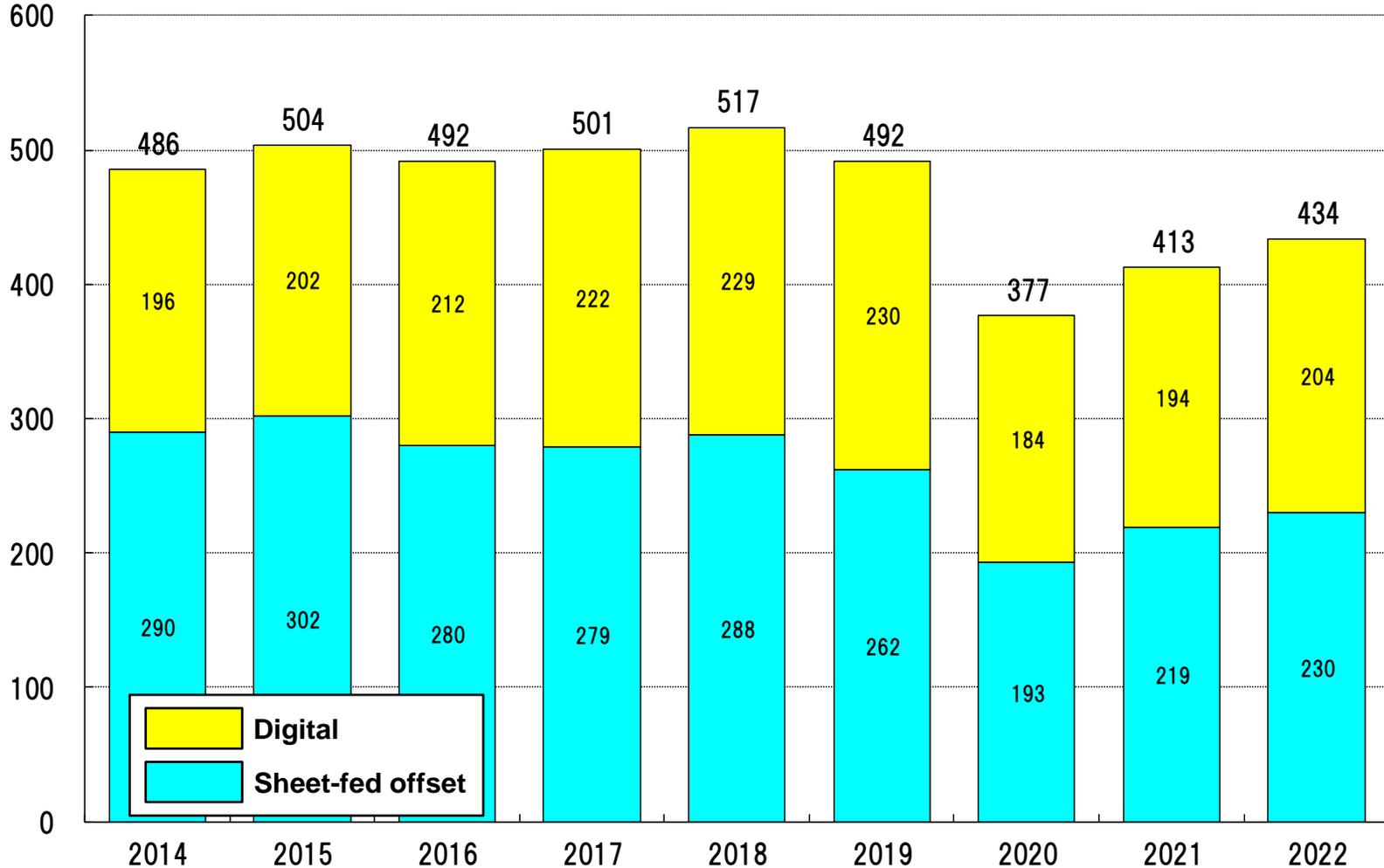
## Outlook on Net Sales



# Printing Equipment

## The Global Sheet-Fed Printing Press Market (all sizes)

(Unit: Billions of yen)



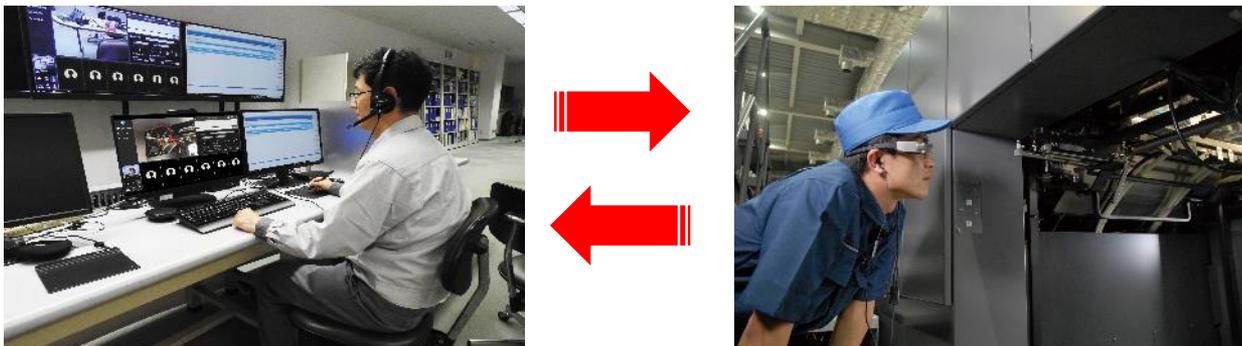
Source: Estimated by Ryobi MHI Graphic Technology Ltd. based on financial results materials disclosed by manufacturers (as of Dec. 2020)

# Printing Equipment—Ryobi's Initiatives

- **Propose and market AGVs (automatic guided vehicles) with the aim of developing a new business that accommodates labor-saving needs**



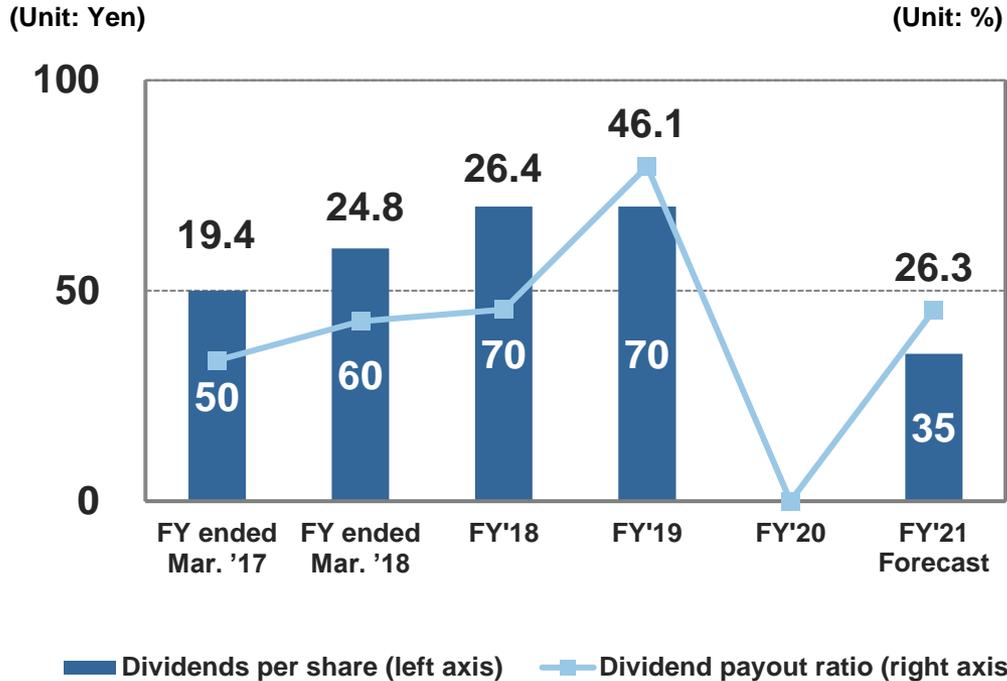
- **Establish a new service structure employing RMS (Remote Maintenance System)**



# Shareholder Returns

## Shareholder Returns

### Trends in Dividends per Share and the Dividend Payout Ratio



### Dividend Policy

- Ryobi's basic policy for profit distribution is to maintain a stable return of profits to shareholders while securing funds for growth investment along with a medium- to long-term improvement in consolidated operating performance.
- Along with giving due consideration to maintaining a stable stream of dividends, the amount of shareholder returns is determined in light of prevailing conditions, with an eye to achieving a dividend payout ratio of around 30%.

### Status of Dividends

- Due to significant deterioration in operating results for FY2020, we decided not to pay dividends for said year as we had to prioritize securing funds for capital expenditure and working capital for business continuity.
- For FY2021, our plans call for resuming the payment of dividends in line with our conventional dividend policy as we expect to regain profitability.

	FY ended Mar. '17	FY ended Mar. '18	FY'18	FY'19	FY'20	FY'21 Forecast	FY'22 Forecast
Dividends per share	¥50	¥60	¥70	¥70	¥0	¥35	<b>Dividend payout ratio of around 30%</b>
Dividend payout ratio	19.4%	24.8%	26.4%	46.1%	—	26.3%	

# Initiatives to Address the United Nations Sustainable Development Goals (SDGs)

Priority themes	Relevant SDGs	Ryobi's initiatives
Concerns for the global environment	   	<ul style="list-style-type: none"> <li>➤ Expand sales of aluminum die casting products</li> <li>➤ Reduce CO<sub>2</sub> emissions</li> <li>➤ Ensure the efficient use of water resources</li> <li>➤ Pursue waste reduction</li> <li>➤ Reduce hazardous substances</li> <li>➤ Accommodate needs for energy-saving and weight-saving products</li> <li>➤ Promote recycling</li> </ul> 
Technological innovation		<ul style="list-style-type: none"> <li>➤ Develop new products employing novel technologies and materials</li> <li>➤ Create new products and services to accommodate needs for automation and labor-saving solutions</li> </ul>  
Work style reforms	  	<ul style="list-style-type: none"> <li>➤ Promote diversity</li> <li>➤ Help employees embrace diverse work styles</li> <li>➤ Practice health-oriented management</li> </ul> 
Addressing other requests from society	    	<ul style="list-style-type: none"> <li>➤ Create employment</li> <li>➤ Pass down our technological legacy to future generations</li> <li>➤ Maintain strict legal compliance</li> <li>➤ Thoroughly put our corporate philosophy into practice</li> </ul> 

## Disclaimer

This material contains future projections regarding such factors as Ryobi's business plans, strategies, and operating results.

Said projections reflect Ryobi's judgements based on information available at the time of preparation, and therefore, involve inherent risks and uncertainties.

Ryobi's actual endeavors and operating results may differ substantially from these projections due to economic conditions, the business environment, trends in market demand, changes in exchange rates, and other factors.

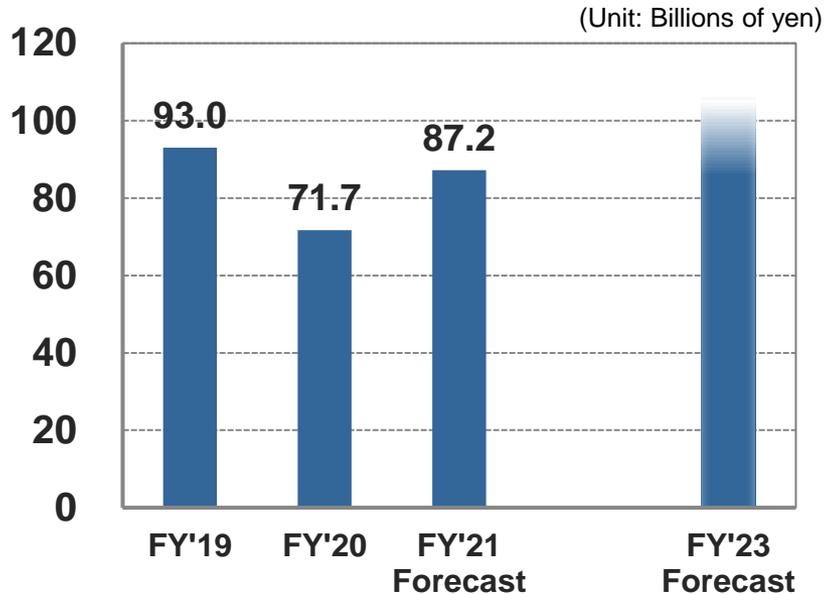
**RYOBI**

Beyond Ideals and Dreams

# **Supplementary Material**

# Die Castings—Japan

## Outlook on Net Sales

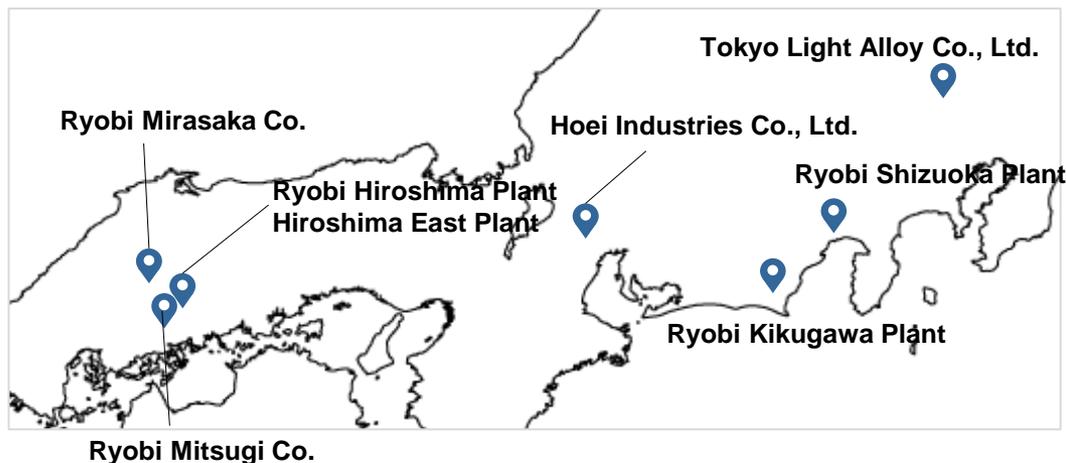


## The Business Environment

- The likelihood of recovery in the Japanese economy is unclear and could be severely affected by future developments in the COVID-19 pandemic, with progress in vaccination considered the key factor.
- The general public's environmental awareness is rising as Japan pursues its national target of realizing carbon neutrality in 2050.
- Needs for car parts supporting weight saving and electrification are growing.
- Japanese society is facing an even lower birth rate and the increasing demographic aging.

## Main Initiatives

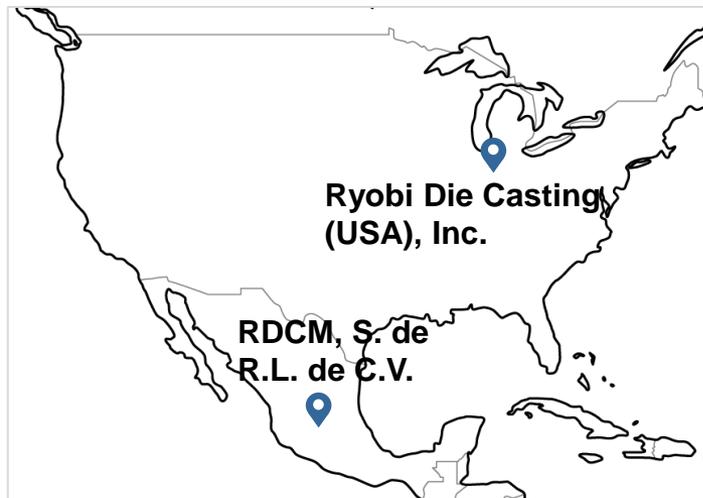
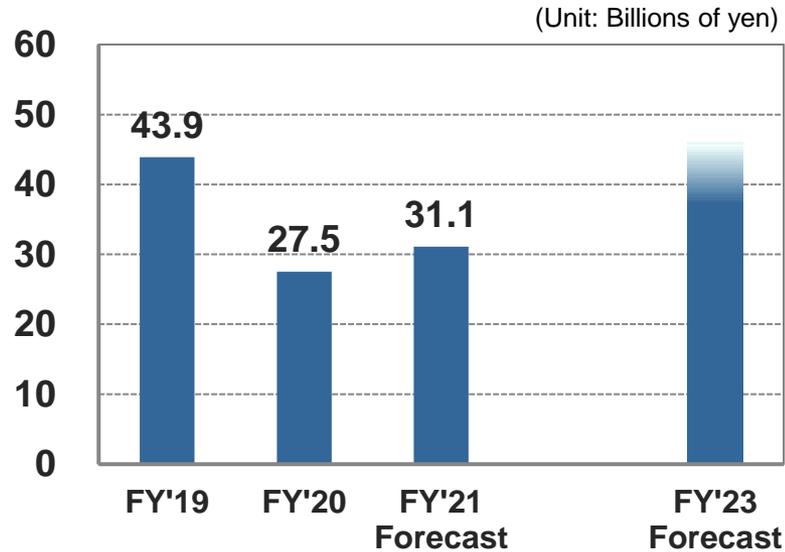
- Secure orders for strategic new products
- Develop manufacturing methods for strategic products
- Push ahead with automation



**Ryobi Hiroshima Plant**

# Die Castings—U.S.A and Mexico

## Outlook on Net Sales



## The Business Environment

- Despite ongoing fallout from the COVID-19 pandemic, automobile sales are on a recovery track.
- The U.S. policies on China remain unchanged by President Biden, with U.S.-China trade friction expected to continue.
- With the U.S. reinstatement to the Paris Agreement, tighter environmental regulations could possibly be introduced and cause an acceleration in vehicle electrification.
- Automobile production is affected by semiconductor shortages on a global scale.

## Main Initiatives

- Secure orders for strategic products
- Improve productivity



**Ryobi Die Casting (USA), Inc.**

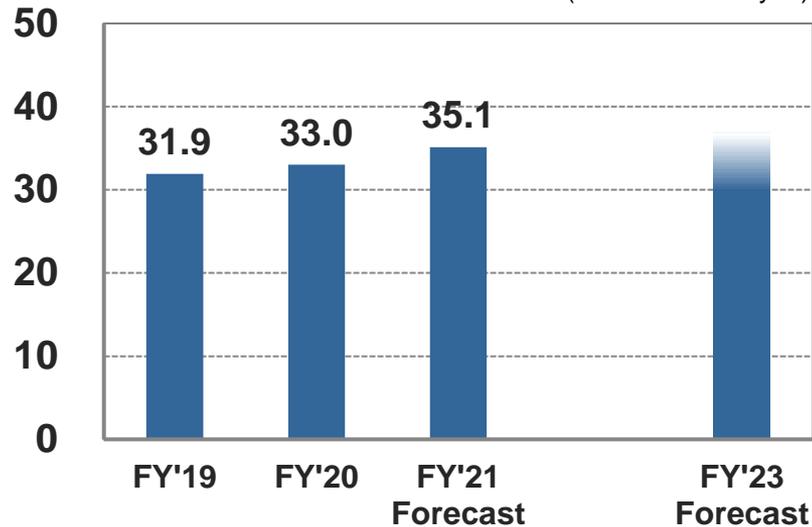


**RDCM, S. de R.L. de C.V.**

# Die Castings—China

## Outlook on Net Sales

(Unit: Billions of yen)



## The Business Environment

- Automobile sales are likely to grow over the medium term even though deceleration had continued from 2018 to the end of 2020.
- From 2021 onward, HEV are expected to enjoy privileges under the New Energy Vehicle (NEV) regulations as they boast fuel efficiency.
- Ryobi faces intensifying price competition against other companies.

## Main Initiatives

- Strengthen ties with excellent customers and expand sales
- Enhance price competitiveness



**Ryobi Die Casting  
Dalian Co., Ltd.**



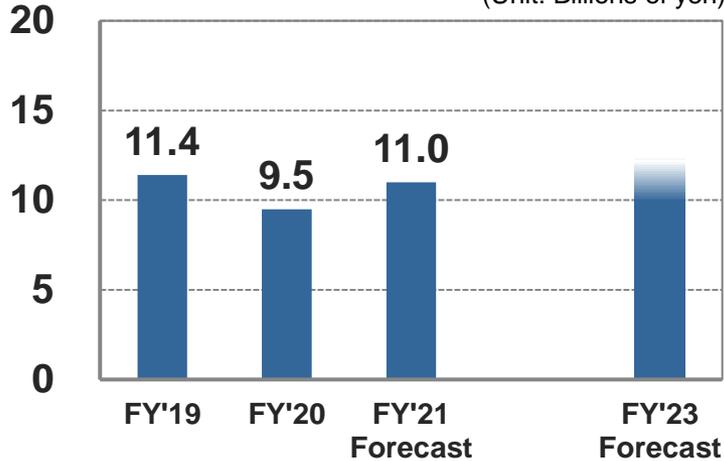
**Ryobi Die Casting  
Changzhou Co., Ltd.**

# Die Castings—U.K. and Thailand

## U.K.

### Outlook on Net Sales

(Unit: Billions of yen)



### The Business Environment

- Europe's overall automobile production will increase slightly over the medium term.
- U.K. and EU enter into an FTA to avoid the reinstatement of customs tariffs.

### Main Initiatives

- Improve productivity
- Upgrade our manufacturing structure

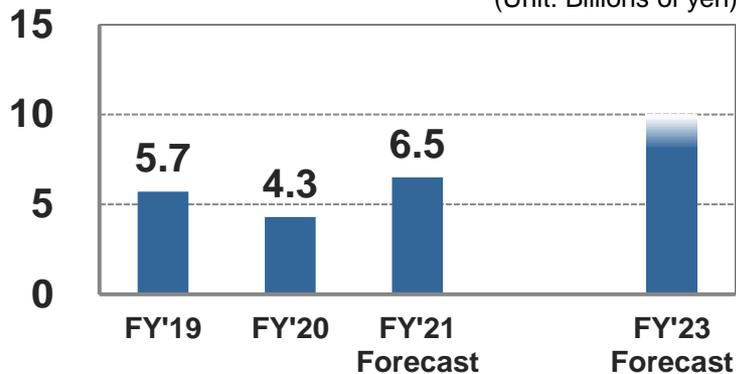


**Ryobi Aluminium Casting (UK), Limited**

## Thailand

### Outlook on Net Sales

(Unit: Billions of yen)



### The Business Environment

- In South Asia, growth in automobile production will constantly increase over the medium term.

### Main Initiatives

- Secure orders for new products
- Augment our manufacturing structure



**Ryobi Die Casting (Thailand) Co., Ltd.**