



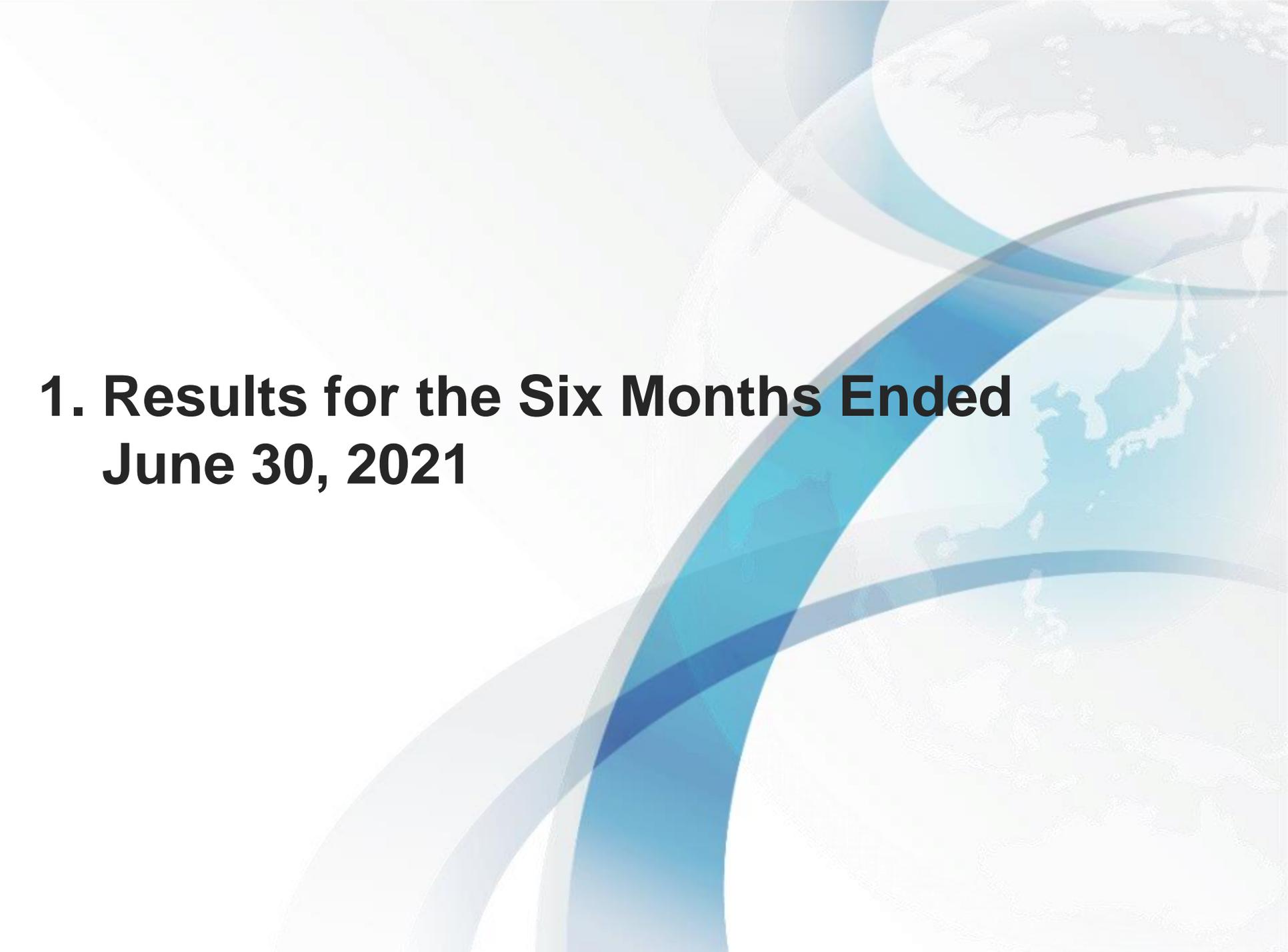
**Ryobi Limited**

**Financial Results Presentation  
for the Six Months Ended June 30, 2021**

**August 6, 2021**



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# **1. Results for the Six Months Ended June 30, 2021**

## ➤ **Consolidated results: Revenue and earnings increased compared to the previous corresponding period**

### **Die Castings**

- Sales increased in Japan and overseas due to improving business confidence and the resulting recovery in automobile sales as well as higher raw material (aluminum) prices, despite the impact of global semiconductor shortages on automobile production
- Segment earnings did not recover as ongoing rises in raw material prices have yet to be offset by the upward revision of sales prices

### **Builders' Hardware**

- Sales decreased in Japan and overseas, while segment earnings declined due to higher procurement costs caused by the appreciation of the Chinese yuan

### **Printing Equipment**

- Sales in Japan decreased, but overseas exports to China and South Korea were strong, resulting in an overall increase in sales compared with the previous corresponding period
- Segment earnings decreased as cost reduction and productivity improvement initiatives failed to offset the impact of lower revenue in Japan

## ➤ **FY2021 forecasts**

- Expect raw material prices to continue to rise in the third quarter and beyond
- Expect sales to be higher and income to be lower than initially forecast (announced Feb. 12)

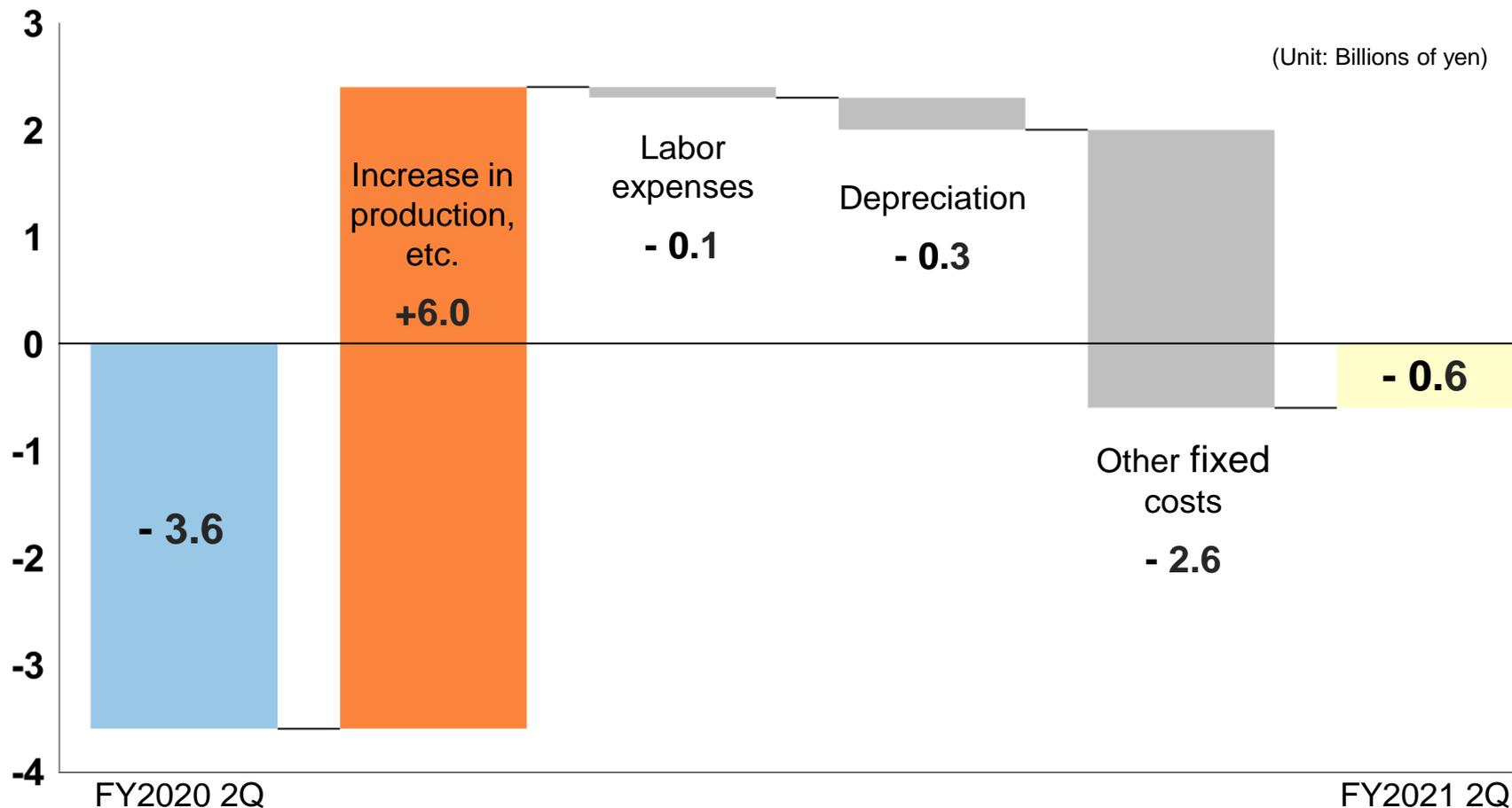
# Results Summary

(Unit: Billions of Yen)

	FY2020 2Q	FY2021 2Q			
	Results	Results	Change	Forecasts (Announced on 2/12)	Change (Announced on 2/12)
Net sales	<b>77.7</b>	<b>95.6</b>	<b>17.9</b> <b>(23.0%)</b>	<b>93.5</b>	<b>2.1</b> <b>(2.2%)</b>
Operating profit	<b>- 3.6</b>	<b>- 0.6</b>	<b>2.9</b> <b>(—)</b>	<b>0.5</b>	<b>- 1.1</b> <b>(—)</b>
Ordinary Profit	<b>- 2.8</b>	<b>0.1</b>	<b>2.9</b> <b>(—)</b>	<b>0.5</b>	<b>- 0.4</b> <b>(-79.8%)</b>
Profit attributable to owners of parent	<b>- 1.7</b>	<b>0.2</b>	<b>1.9</b> <b>(—)</b>	<b>0.3</b>	<b>- 0.1</b> <b>(-24.8%)</b>

# Analysis of Changes in Operating Profit

1. Results for the Six Months Ended June 30, 2021



## Breakdown of major components of other fixed costs

Utilities	- ¥0.6 billion
Office supplies and expenses	- ¥0.5 billion
Repairs	- ¥0.2 billion

## Exchange rates (average during the period)

	FY2020 2Q	FY2021 2Q
USD	¥107.82	¥107.31
GBP	¥137.36	¥149.00
CNY	¥15.31	¥16.58
THB	¥3.41	¥3.50

# Results by Business Segment

1. Results for the Six Months  
Ended June 30, 2021

**RYOBI**

(Unit: Billions of yen)

	FY2020 2Q	FY2021 2Q			
	Results	Results	Change	Forecasts (Announced on 2/12)	Change (Announced on 2/12)
<b>Net sales</b>	<b>77.7</b>	<b>95.6</b>	<b>17.9</b> <b>(23.0%)</b>	<b>93.5</b>	<b>2.1</b> <b>(2.2%)</b>
Die castings	64.6	82.1	17.5 (27.1%)	81.0	1.1 (1.4%)
Builders' hardware	4.7	4.5	-0.2 (- 3.3%)	4.5	0.0 (0.4%)
Printing equipment	8.3	8.8	0.5 (6.2%)	8.0	0.8 (10.2%)
<b>Operating profit</b>	<b>- 3.6</b>	<b>- 0.6</b>	<b>2.9</b> <b>(-)</b>	<b>0.5</b>	<b>- 1.1</b> <b>(-)</b>
Die castings	- 3.5	- 0.4	3.1 (-)	1.0	- 1.4 (-)
Builders' hardware	0.4	0.2	- 0.1 (- 37.2%)	0.2	0.0 (16.9%)
Printing equipment	- 0.4	- 0.5	- 0.1 (-)	- 0.7	0.2 (-)

# Consolidated Balance Sheet

1. Results for the Six Months  
Ended June 30, 2021

**RYOBI**

(Unit: Billions of yen)

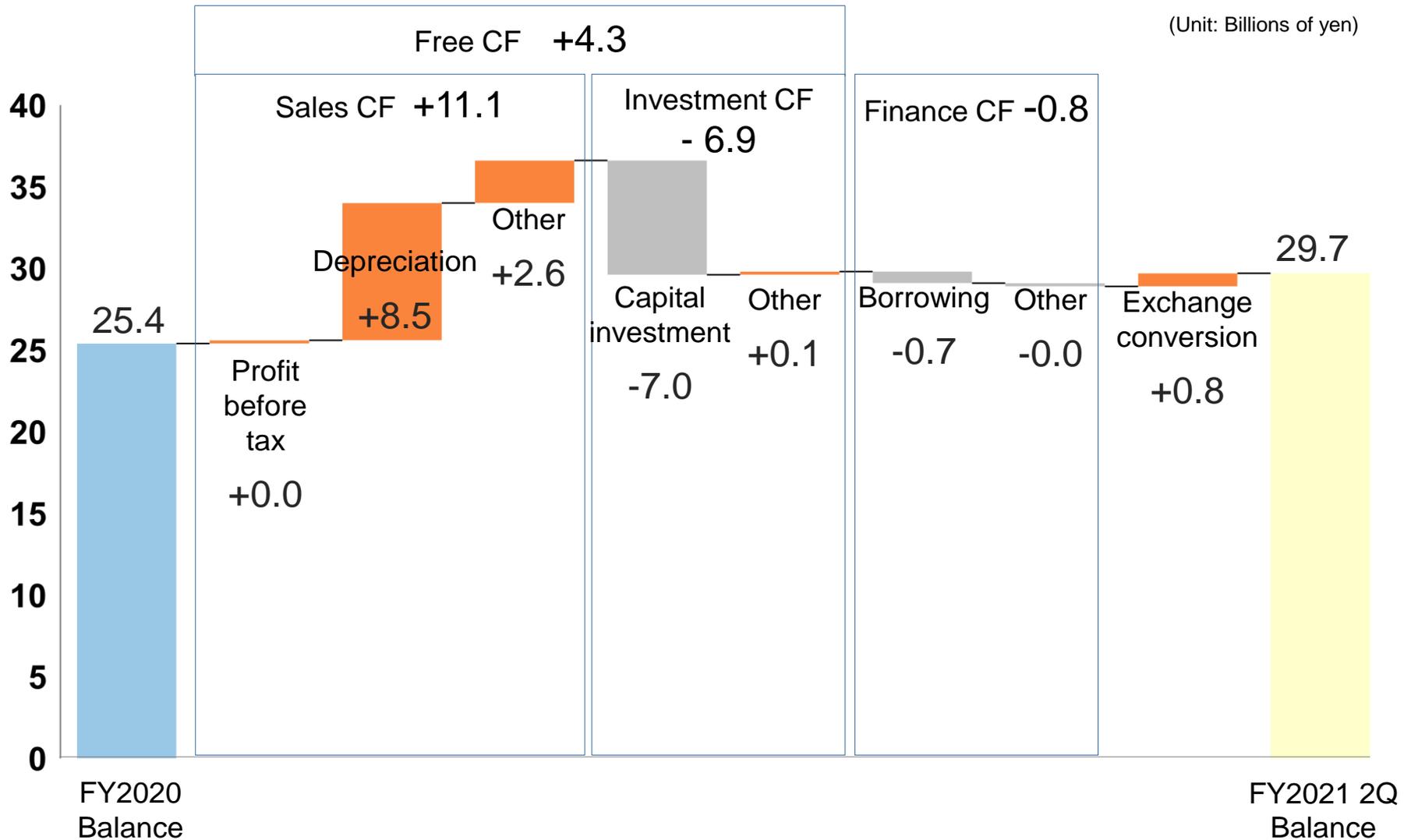
	FY2020	FY2021 2Q	Change	Currency Translation Effect		FY2020	FY2021 2Q	Change	Currency Translation Effect
Current assets	112.2	120.7	8.5	2.9	Current liabilities	83.9	99.0	15.2	2.2
Cash and deposits	26.6	30.9	4.3	0.7	Notes and accounts payable—trade	29.1	34.0	4.9	0.4
Notes and accounts receivable—trade	40.2	38.5	-1.7	0.7	Short-term borrowings	37.3	48.1	10.8	1.3
Securities	0.8	0.8	0.0	0.0	Other	17.5	16.9	-0.5	0.5
Inventories	41.4	46.8	5.4	1.3	Non-current liabilities	48.8	39.1	-9.8	0.6
Other	3.3	3.8	0.5	0.2	Long-term borrowings (including bonds)	35.2	25.4	-9.8	0.4
Non-current assets	146.4	149.3	2.9	4.8	Other	13.7	13.6	-0.0	0.2
Property, plant and equipment	119.0	120.2	1.2	4.3	Shareholders' equity	116.3	116.5	0.2	-0.0
Intangible assets	3.5	3.4	-0.1	0.4	Accumulated other comprehensive income	0.9	6.7	5.8	4.9
Investments and other assets	24.0	25.8	1.8	0.1	Non-controlling interests	8.8	8.7	-0.0	-
Deferred tax assets	0.0	0.0	-0.0	-	Total net assets	125.9	132.0	6.0	4.9
Total assets	258.7	270.1	11.4	7.7	Total liabilities and net assets	258.7	270.1	11.4	7.7

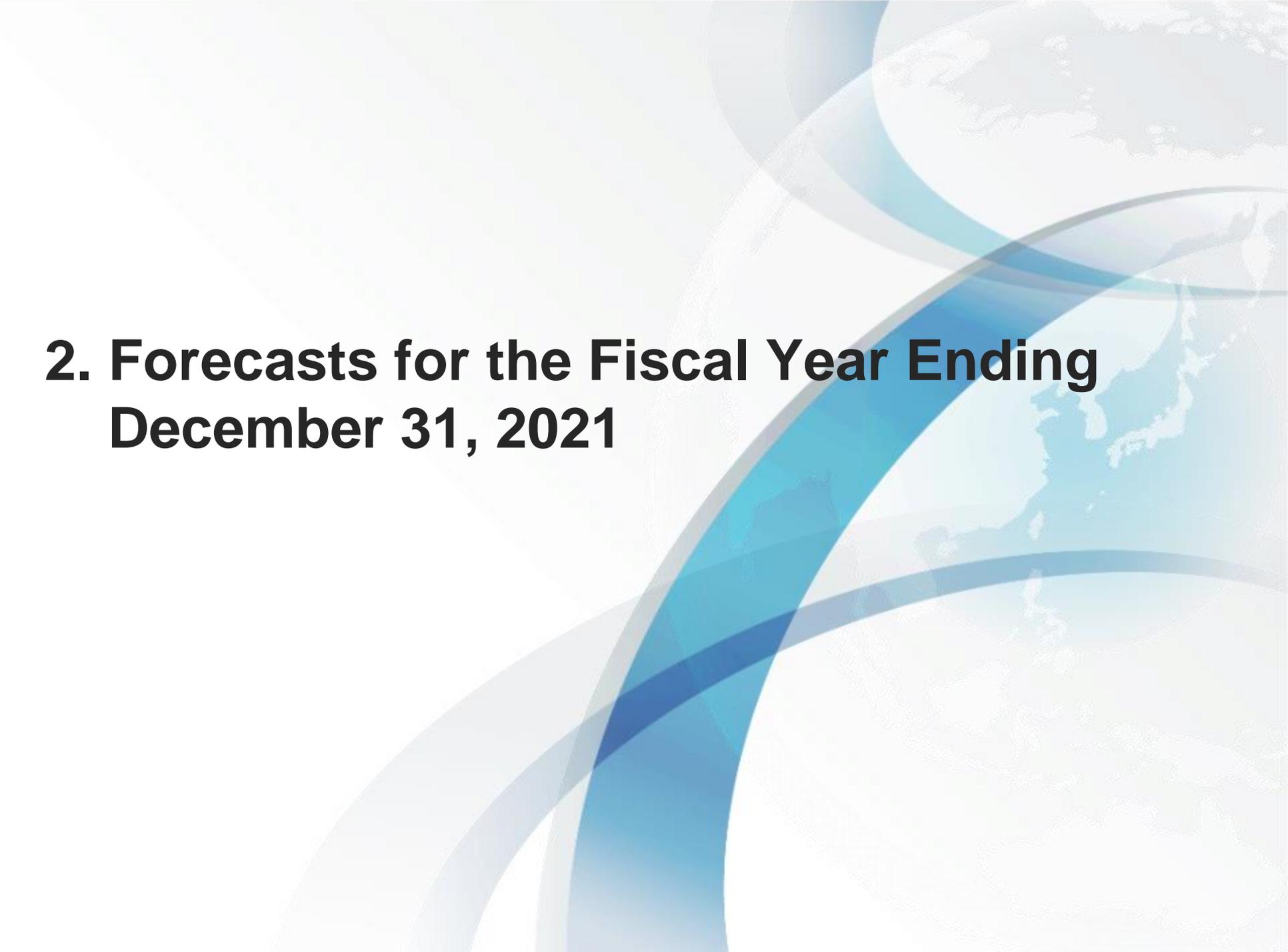
- Total assets increased by 7.7 billion yen due to the impact of foreign exchange and decreased by 2.2 billion yen due to the impact of holidays at the end of the previous fiscal year
- Interest-Bearing Debt (including bonds) decreased by 0.7 billion yen in real terms excluding the impact of foreign exchange
- Net assets increased by 1.1 billion yen excluding the impact of foreign exchange

Exchange rates (as of fiscal-year end)	USD	GBP	CNY	THB
Dec. 31, 2020	¥103.50	¥139.82	¥15.88	¥3.44
Jun. 30, 2021	¥110.58	¥153.16	¥17.11	¥3.44

# Change in Cash Flows

1. Results for the Six Months  
Ended June 30, 2021



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

# Forecasts

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



(Unit: Billions of yen)

	FY2020	FY2021	
	Results	Forecasts (Announced on 7/16)	Change
Net sales	<b>171.0</b>	<b>211.0</b>	<b>40.0</b> <b>(23.4%)</b>
Operating profit	<b>- 1.8</b>	<b>2.3</b>	<b>4.1</b> <b>(—)</b>
Ordinary profit	<b>- 0.0</b>	<b>3.0</b>	<b>3.0</b> <b>(—)</b>
Profit attributable to owners of parent	<b>- 0.7</b>	<b>2.2</b>	<b>2.9</b> <b>(—)</b>

# Analysis of Changes in Operating Profit Forecast

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



(Unit: Billions of yen)



- 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	¥150
CNY	¥15.40	¥16.5
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

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



(Unit: Billions of yen)

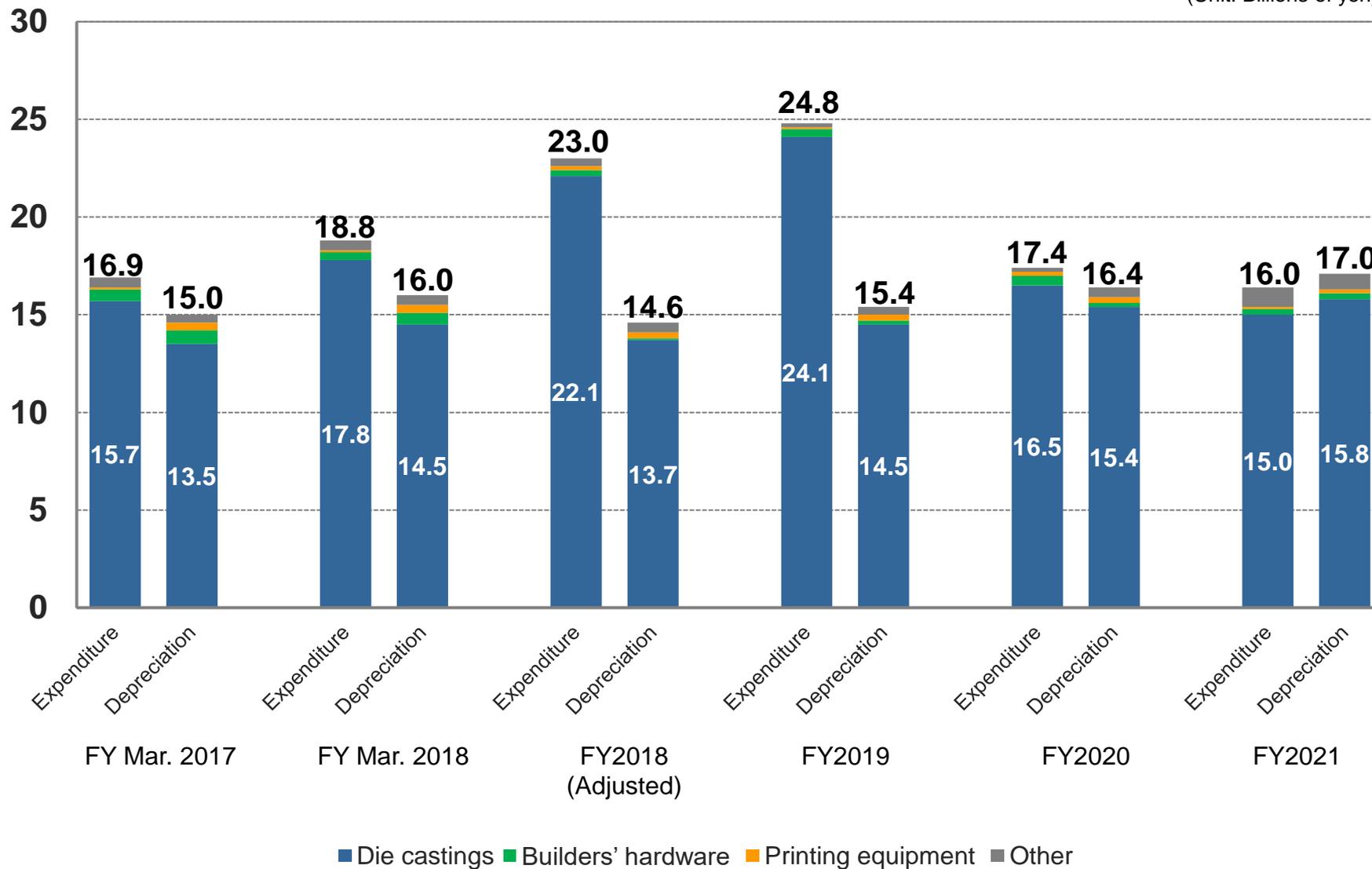
	FY2020	FY2021	
	Results	Forecasts	Change
<b>Net sales</b>	<b>171.0</b>	<b>211.0</b>	<b>40.0</b> <b>(23.4%)</b>
Die castings	145.9	183.6	37.7 (25.9%)
Builders' hardware	9.4	9.4	- 0.0 (- 0.1%)
Printing equipment	15.5	18.0	2.5 (16.1%)
<b>Operating profit</b>	<b>- 1.8</b>	<b>2.3</b>	<b>4.1</b> <b>(-)</b>
Die castings	- 1.6	2.3	3.9 (-)
Builders' hardware	0.8	0.4	- 0.4 (- 50.0%)
Printing equipment	- 0.9	- 0.4	0.5 (-)

# Trends in Capital Expenditure and Depreciation

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



(Unit: Billions of yen)



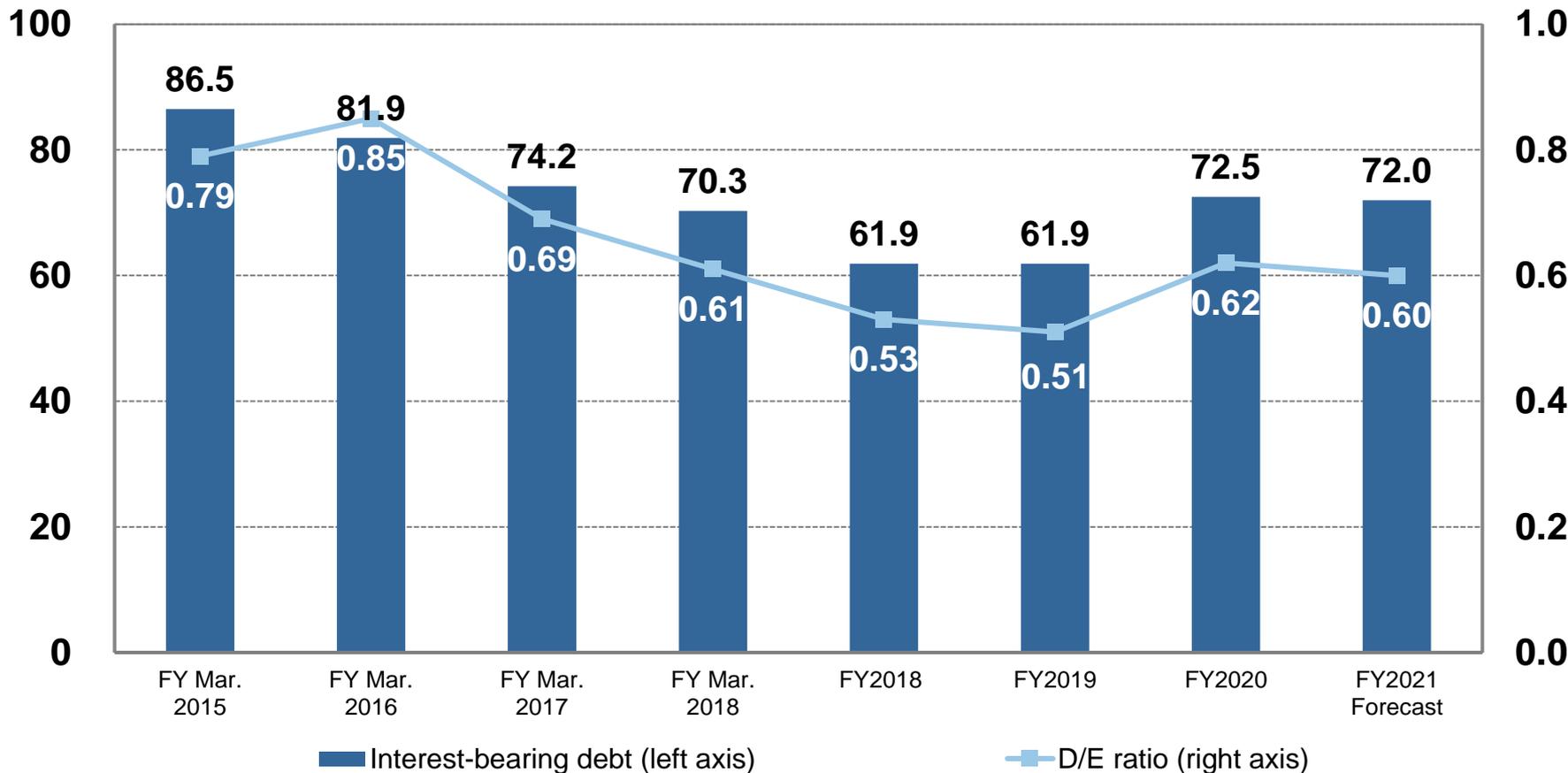
# Trends in Interest-Bearing Debt and D/E Ratio

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



(Unit: Billions of yen)

(Unit: Times)



	FY Mar. 2015	FY Mar. 2016	FY Mar. 2017	FY Mar. 2018	FY2018	FY2019	FY2020	FY2021 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>27.9%</b>

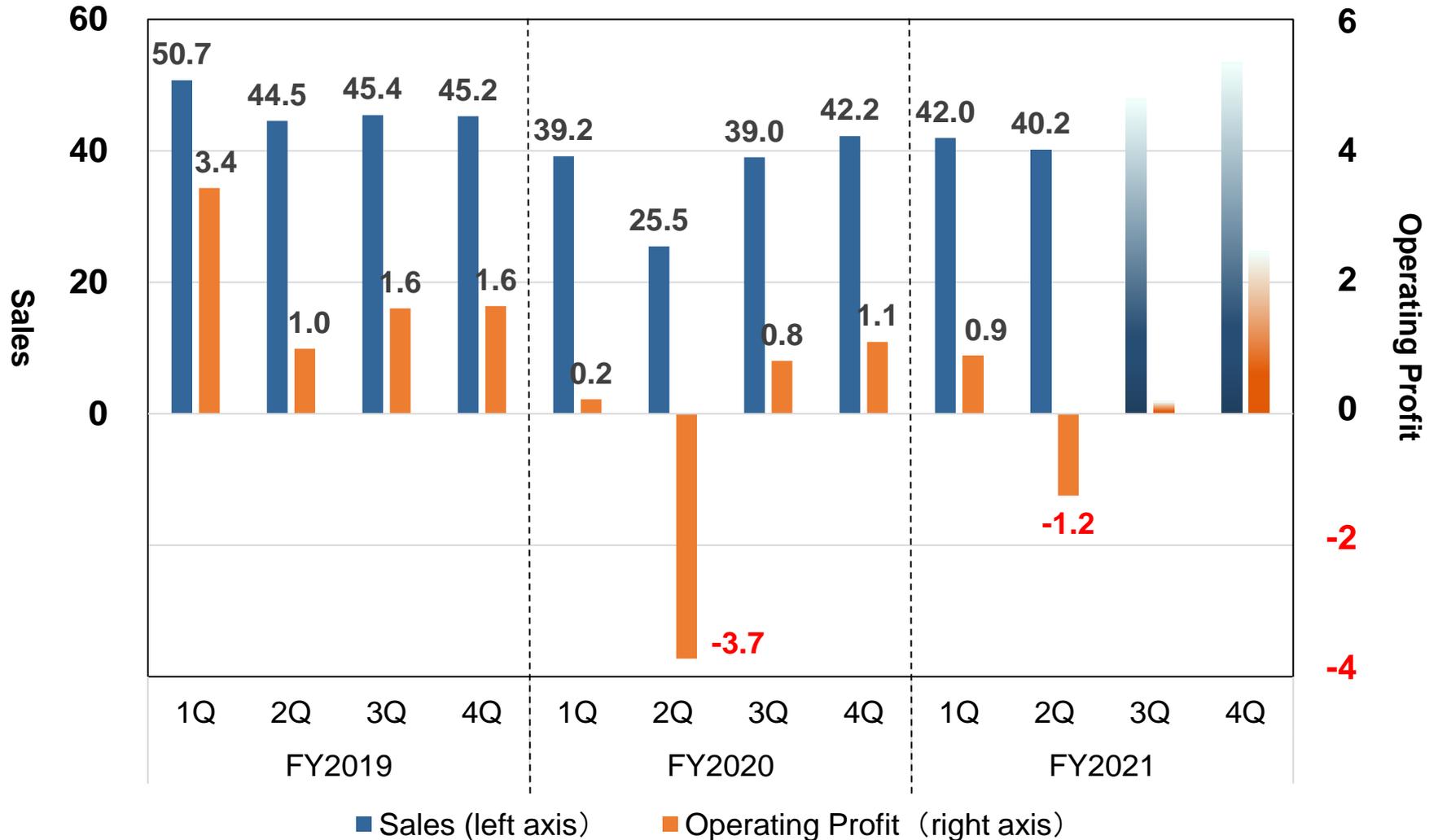
The background of the slide features a light gray globe with a grid of latitude and longitude lines. Overlaid on the globe are several thick, curved, semi-transparent blue lines that sweep across the frame from the bottom left towards the top right, creating a sense of motion and global connectivity.

## **3. Status by Business Segment**

## Trends in Sales and Operating Profit

(Unit: Billions of yen)

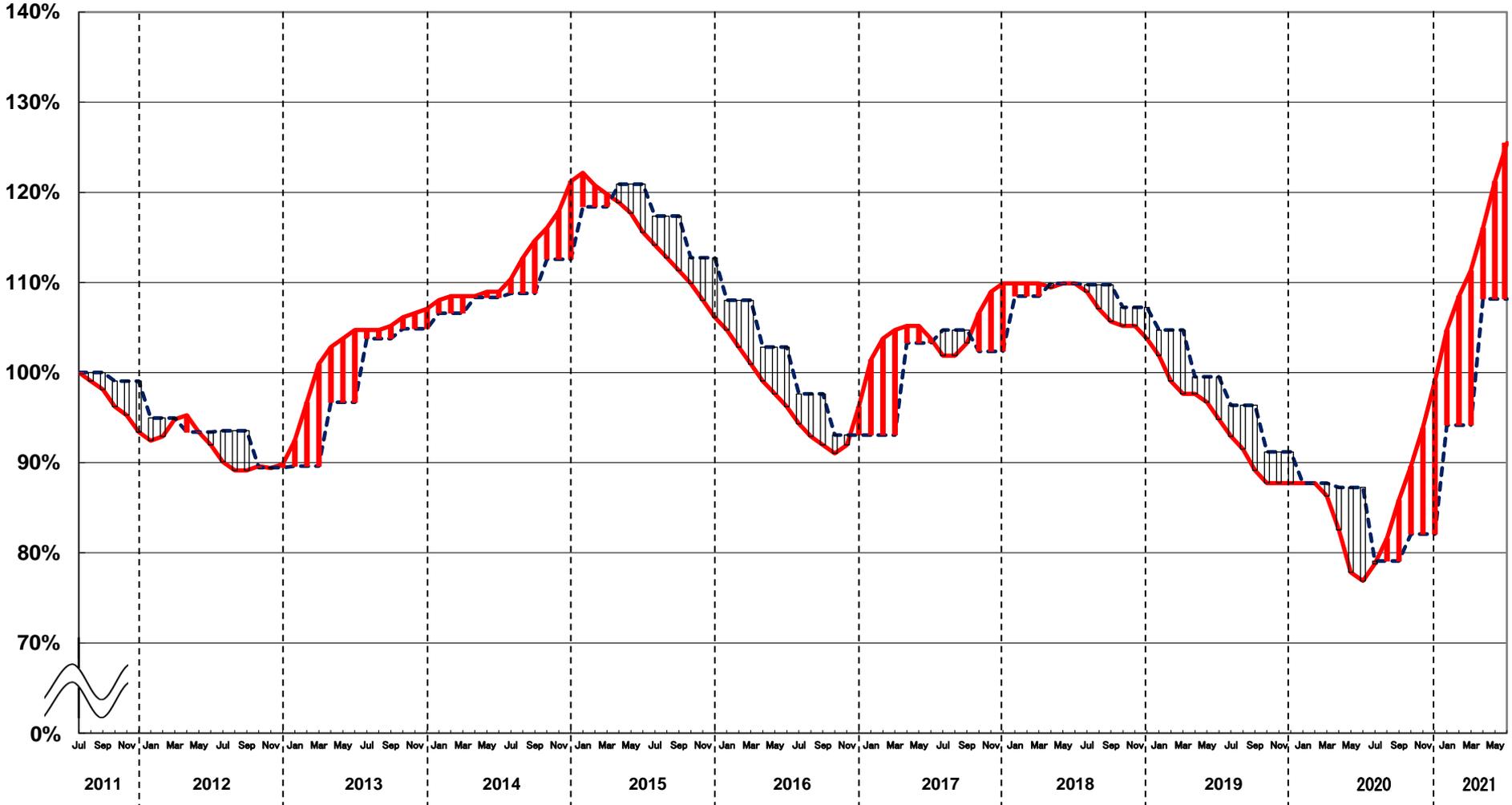
(Unit: Billions of yen)



## Impact of Aluminum Market Prices on Profit and Loss

1. Trends in Aluminum Market Prices and Aluminum Sales Prices (10-year period from Jul. 2011-Jun. 2021)

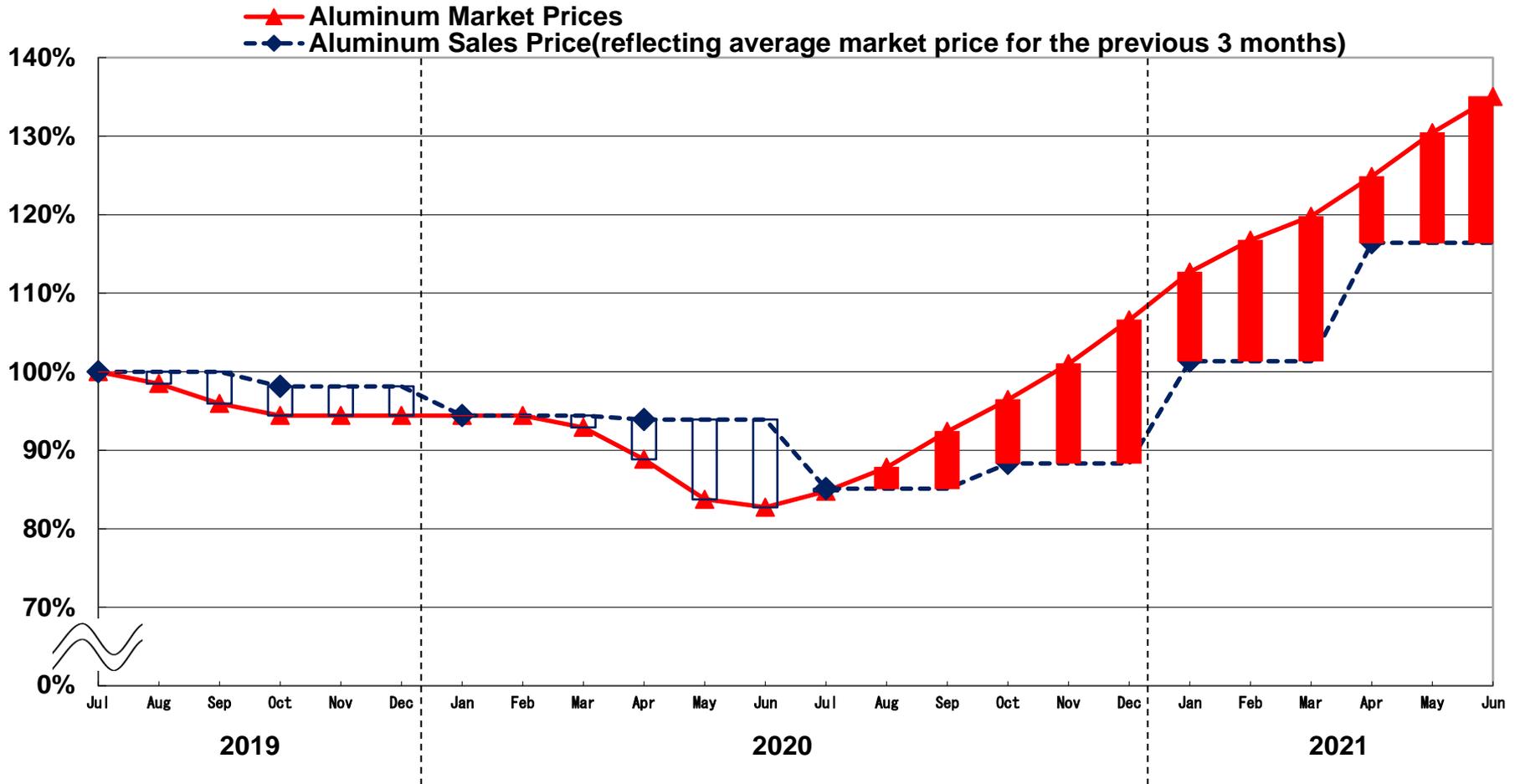
— Aluminum Market Prices    - - - Aluminum Sales price(reflecting average market price for the previous 3 months)



※ Based on the market price of aluminum at 100 in Jul. 2011

## Impact of Aluminum Market Prices on Profit and Loss

2. Trends in Aluminum Market Prices and Aluminum Sales Prices (2-year period from Jul. 2019–Jun. 2021)

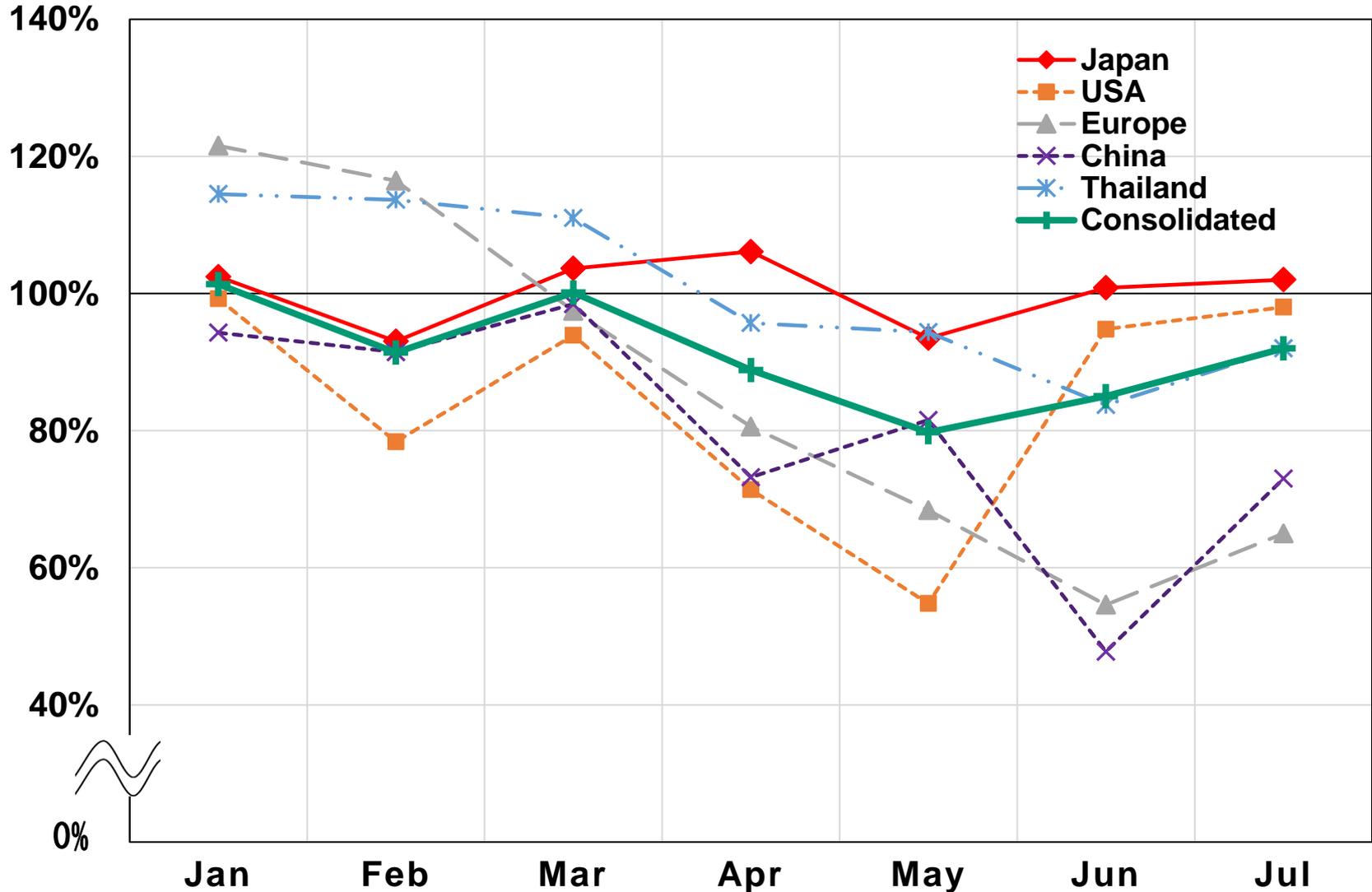


**Ongoing surges in aluminum market prices since Jun. 2020, which have yet to be offset by the upward revision of sales prices, put pressure on profits**

※ Based on the market price of aluminum at 100 in Jul. 2019

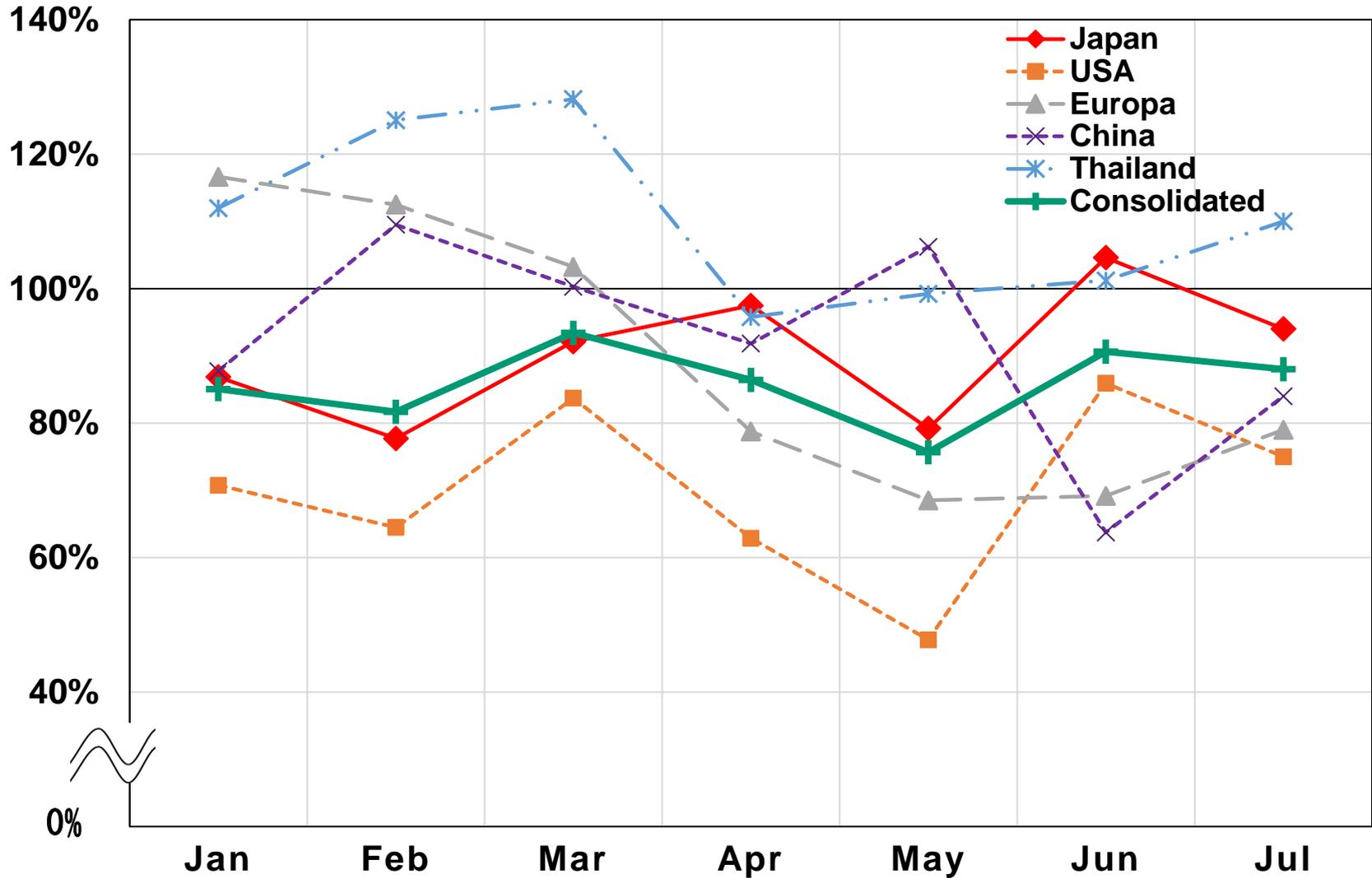
## 2021 Regional Trends in Production Volume

(weight basis: % of plan at beginning of year)



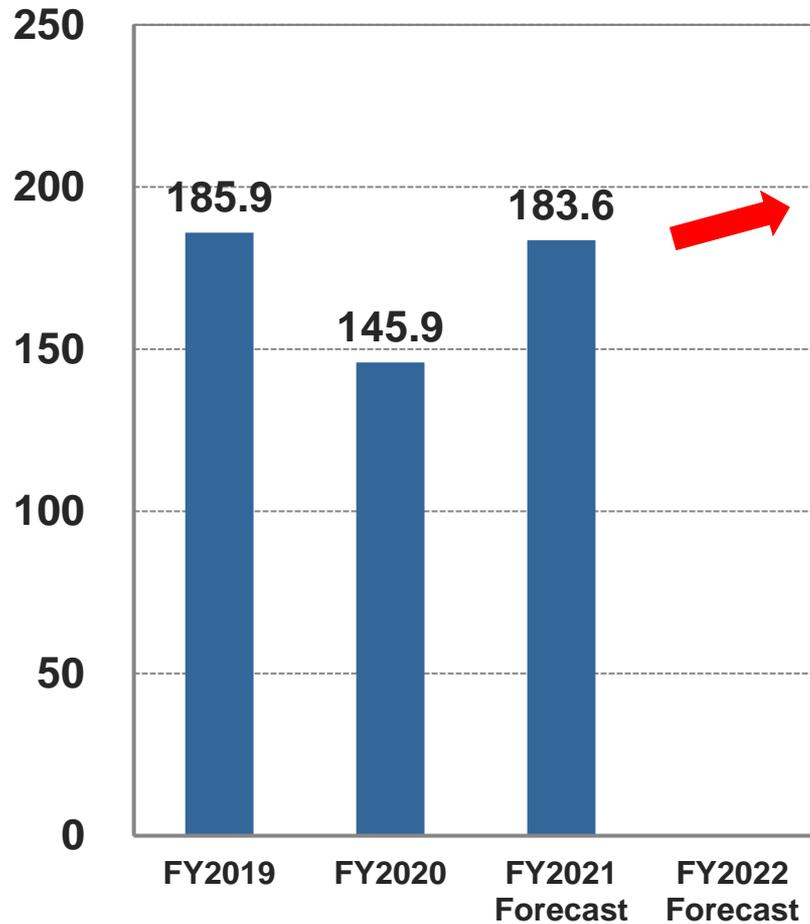
## 2021 Regional Trends in Production Volume

(weight basis: % compared with the same month in 2019)



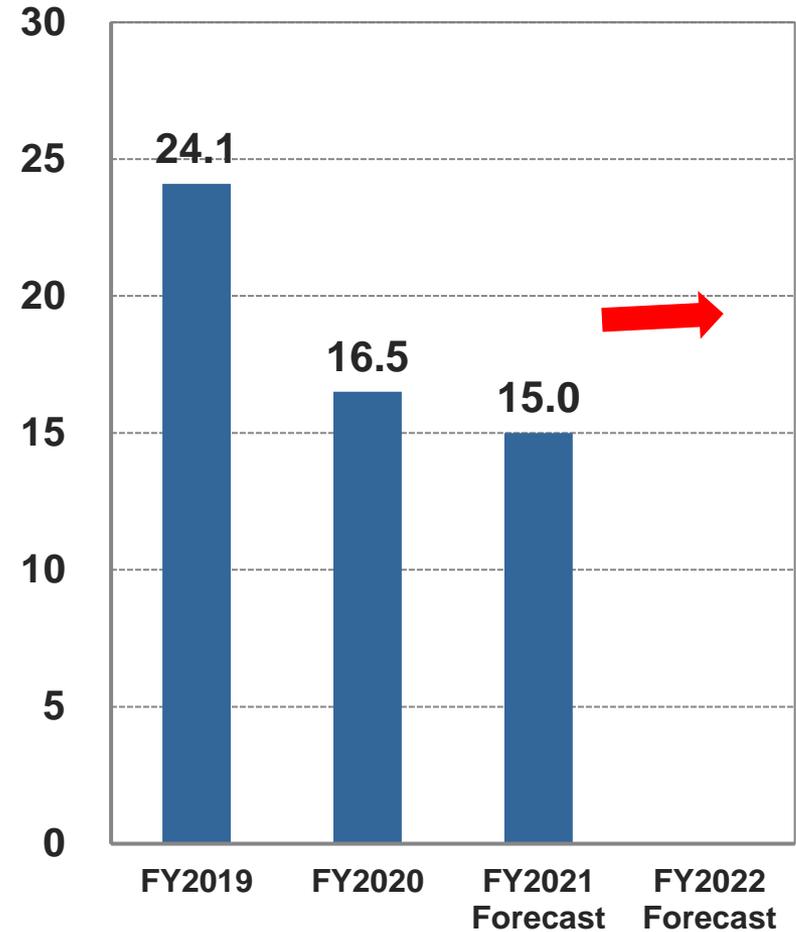
## Outlook on Net Sales

(Unit: Billions of yen)



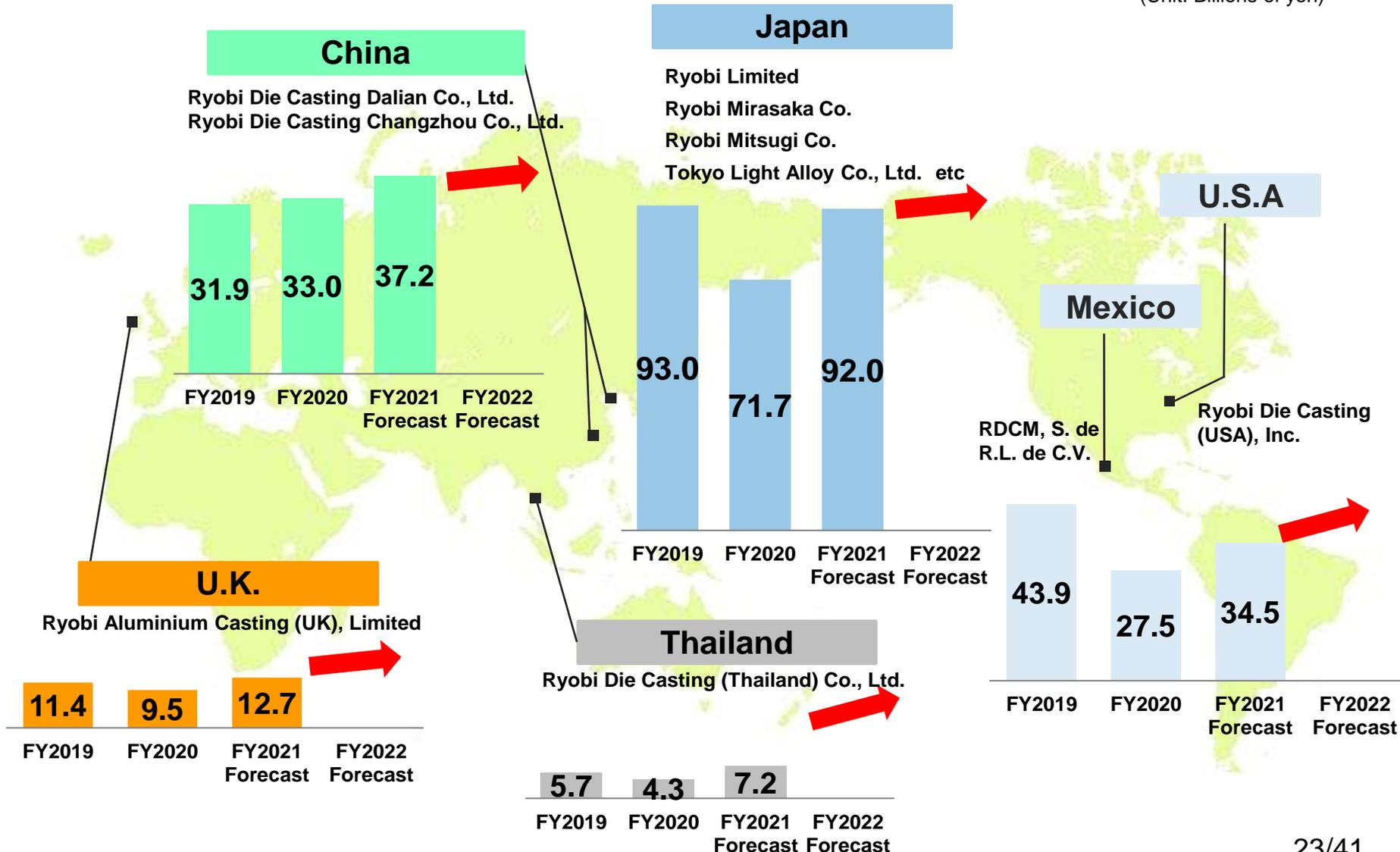
## Outlook on Capital Expenditure

(Unit: Billions of yen)



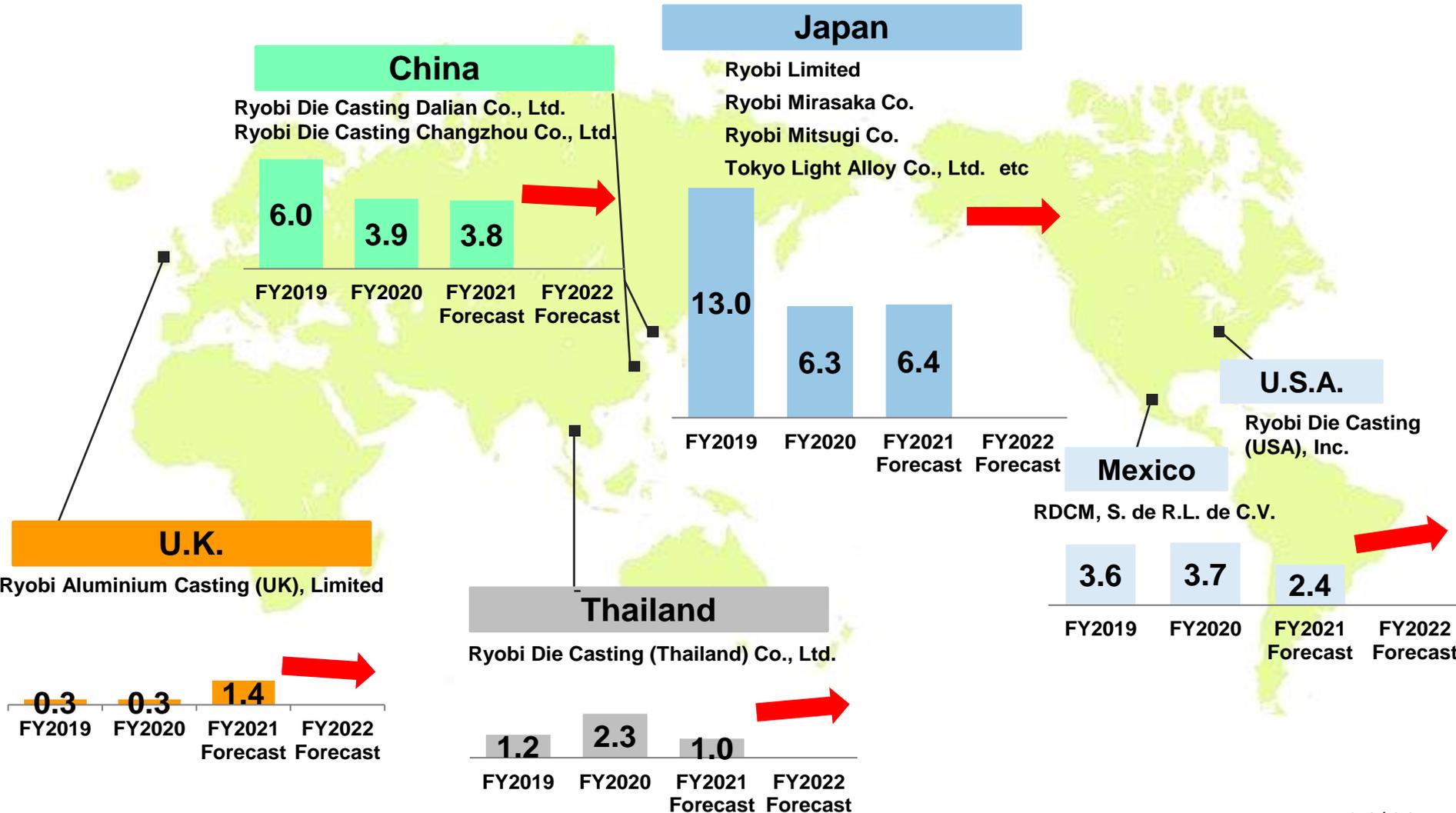
## Net Sales by Region

(Unit: Billions of yen)



## Capital Expenditure by Region

(Unit: Billions of yen)



## 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

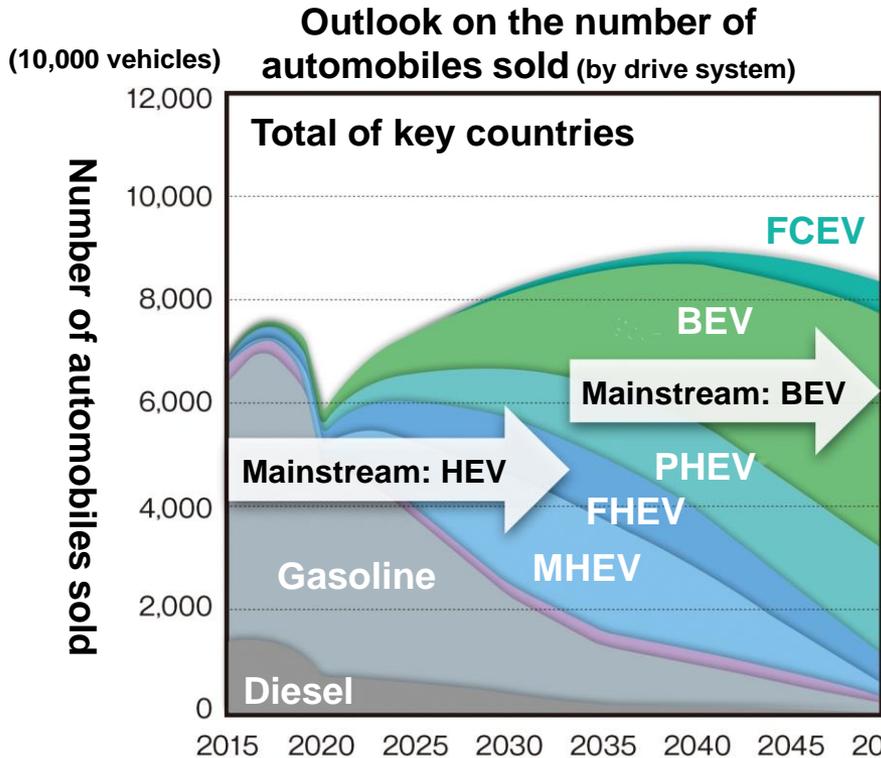
- For the time being, hybrid electric vehicles (HEV) will remain mainstream and continue to accommodate ongoing needs for vehicle electrification.
- Our future outlook may be revised in light of changes in environmental regulations and battery trends.

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

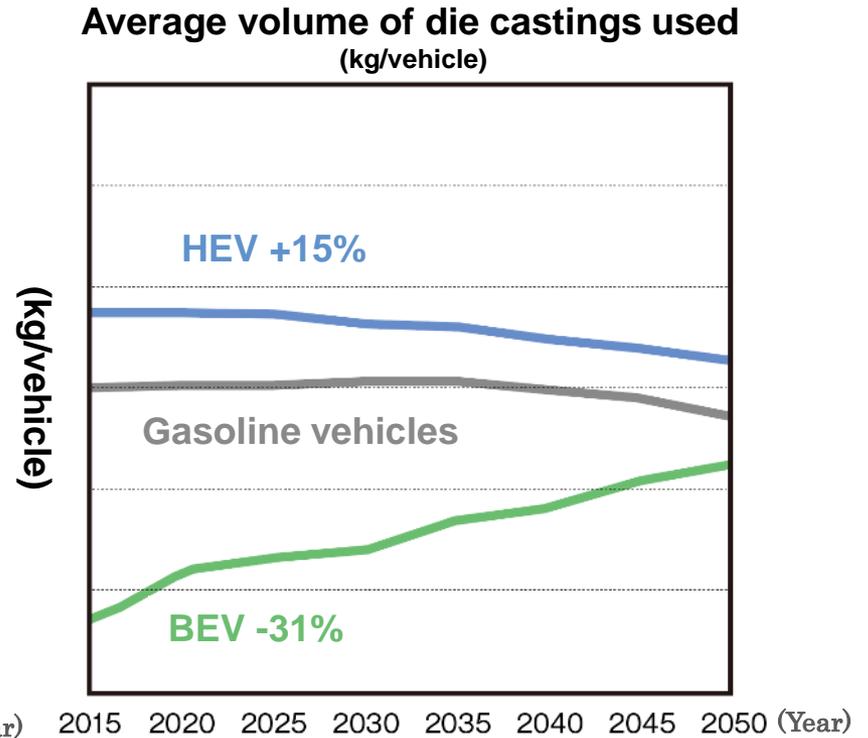
- The manufacturing volume of die castings is expected to peak in the 2035 to 2040 period.
- Although there will be changes in vehicle power sources, demand for large die casting products (items massing around 10 kilograms) is likely to grow continuously.

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

Compiled by Ryobi as of Nov. 1, 2020



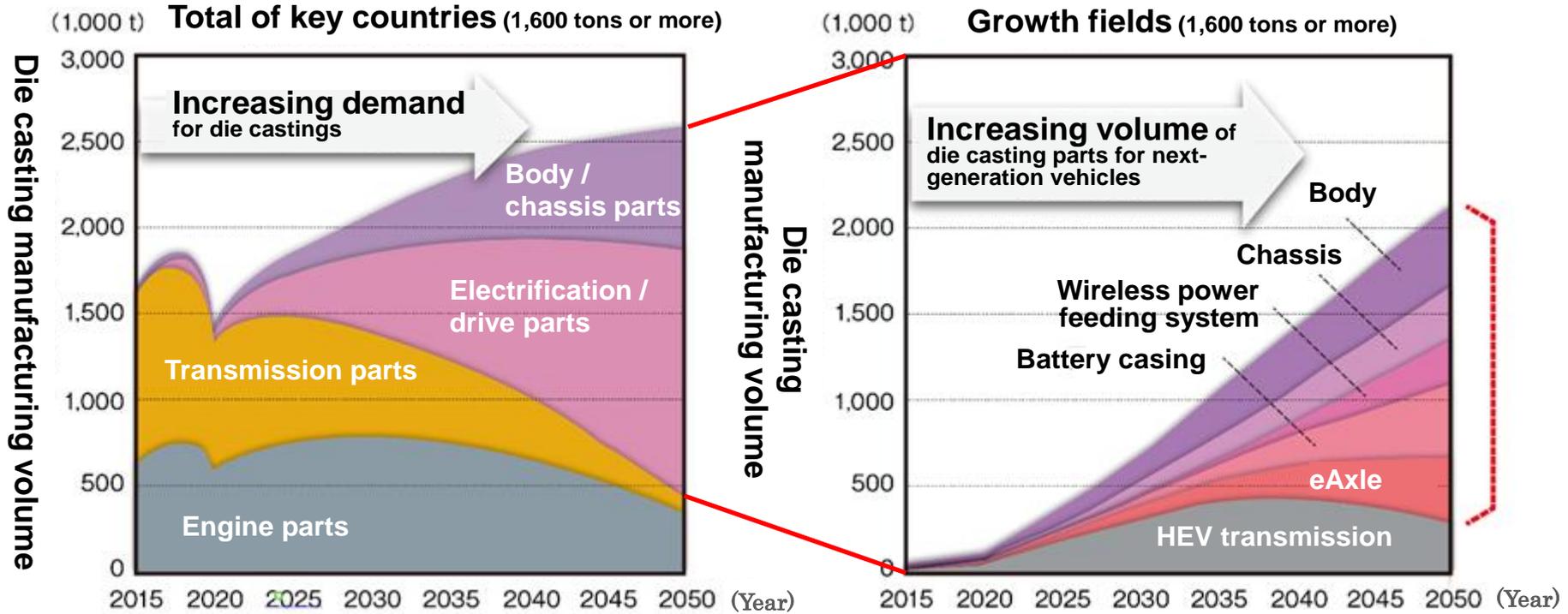
FCEV: Fuel cell electric vehicles  
 PHEV: Plug-in hybrid electric vehicles  
 FHEV: Full hybrid electric vehicles  
 BEV: Battery electric vehicles  
 MHEV: Mild hybrid electric vehicles



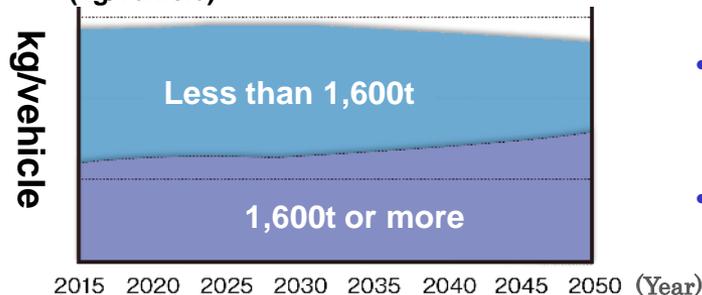
**The volume of die castings used in HEV is 15% higher than those used in gasoline vehicles**  
 (based on average figures for the period spanning 2015 to 2050)

## 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

## Initiatives to support vehicle electrification and weight saving

**Current mass-production initiatives: Introduction of electrification parts, body/chassis parts, and vehicle model application**

Production	Product description		Customer	Vehicle type	Scheduled Start of production
Japan	BEV drive parts	Motor front cover, rear cover	Nissan	Leaf	Oct. 2009
		Motor front cover, rear cover	Nissan	KICKS/Serena e-POWER	Oct. 2015
		Motor case, housing, other	Honda	Honda-e	Jan. 2020
	FCV parts	Cover inverter	Toyota	MIRAI, other	Sep. 2020
	HEV drive parts	Housing, retainer	Hino	Dutro HEV	Jun. 2011
		Transaxle housing	Aisin	Peugeot: 508 3008HV, other	Jan. 2019
PHEV drive parts	Case, motor housing	Mitsubishi	Outlander, PHEV, Eclipse Cross	Nov. 2012	
U.S.A	Body, chassis parts	Subframe	Honda	Civic, Accord	Jan. 2021
China	HEV PHEV drive parts	Case, housing	Aisin	Toyota: RAV4, Highlander, other	Aug. 2019
	Body, chassis parts	Subframe	Honda	Civic	Jun. 2021

### Planned future mass production initiatives

Production	Product description		Scheduled Start of production
Japan	Body, chassis parts	Front door plate	Aug. 2021
		Cowl top panel	Dec. 2021
		Shock tower	Feb. 2022
		Steering part	Sep. 2022
	Battery parts	Binding plate, stack, UPR, LWR	Aug. 2021
		HEV lower battery case	Jan. 2022
		PHEV battery case	Feb. 2022
HEV drive parts	Differential retainer	Aug. 2021	
U.S.A.	BEV drive parts	Motor housing	Mar. 2023
		Motor housing	Jun. 2023
U.K.	PHEV drive parts	PHV DCT transmission case	Dec. 2022
China	Body, chassis parts	Cowl top panel	Jan. 2022
	BEV drive parts	Case, housing	Sep. 2022
	Battery parts	Battery case	Apr. 2023

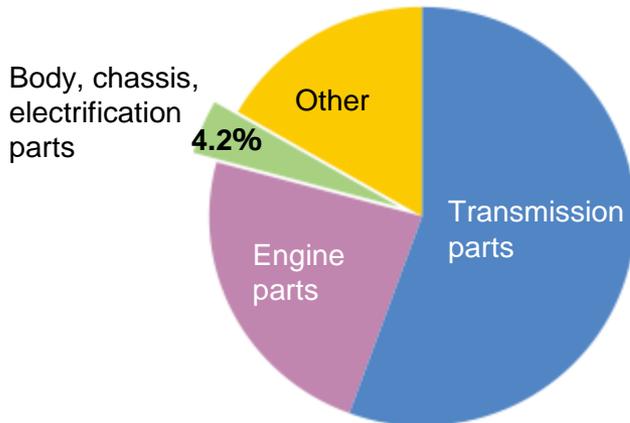


The new Honda Civic equipped with a Ryobi subframe

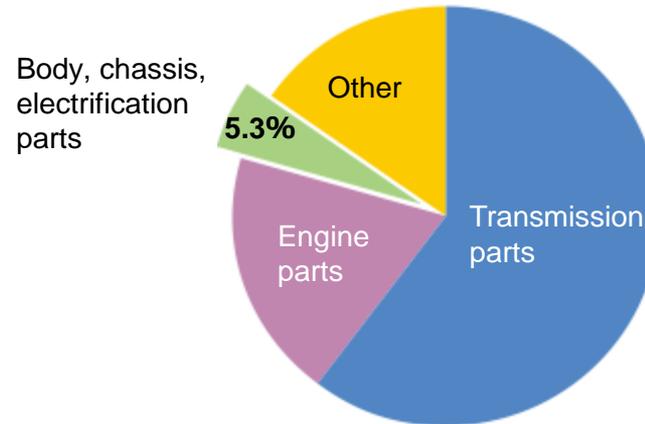
## Initiatives to support vehicle electrification and weight saving

### Trends in Sales Composition of Electrification, Body, and Chassis Parts

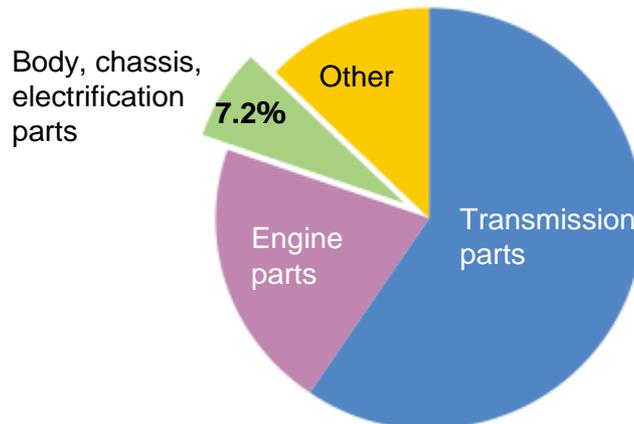
**FY Mar. 2018 Results**



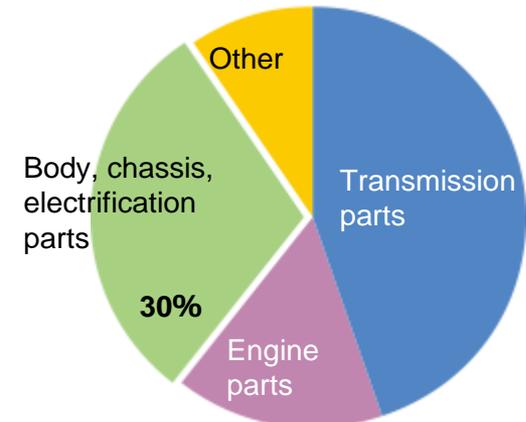
**FY Dec. 2020 Results**



**FY Dec. 2021 Estimate**



**FY Dec. 2025 Estimate**



Note: Transmission and engine parts include those for use in HEVs.

# Builders' Hardware

## The Business Environment

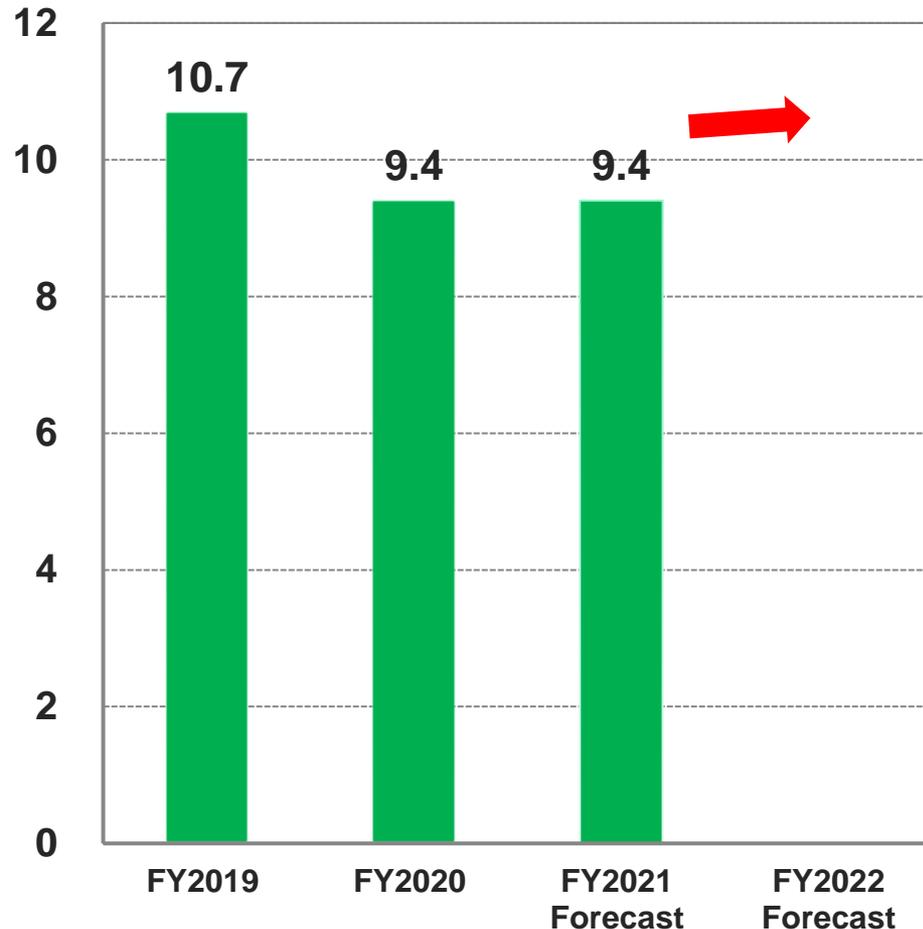
- Floor space of newly constructed buildings (non-residential purposes) declines 2% annually on average, while new residential housing starts remain flat
- Gradual shrinkage of door closer and sliding door closer markets continues
- The market of contactless-suite door devices is expanding under the COVID-19 calamity

## 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
- Expand Sales of electric automatic swing door products
- Improve productivity by launching automated facilities (machining, assembly and packing process)

## Outlook on Net Sales

(Unit: Billions of yen)



## Launched Operation of Automated Manufacturing Facilities for Door Closers in Japan (at Mitsugi Daiichi Logistics Center)

### Automated assembly & inspection lines



**A door closer housing  
after machining**



**Finished door closer**

Details of expenditure	Automatic machining equipment, automatic assembly and inspection equipment, automatic packaging equipment Maximum production capacity of 50,000 units/month (3-shift operations)	
Total investment amount	¥900 million(3 lines in total)	
Start of mass-production	Automated machining line	Apr. 2019
	Automated assembly & inspection line	Jul. 2021
	Automated packaging line	Aug. 2021
Reasons for Installation	<ul style="list-style-type: none"> <li>To counter rising labor costs and exchange rate fluctuation risks (appreciation of the Chinese yuan) at factories in China</li> <li>To improve our BCP response capability by enhancing our domestic manufacturing structure</li> </ul>	
Product	Door closers for use in entrance doors of general residential housing	

# Printing Equipment

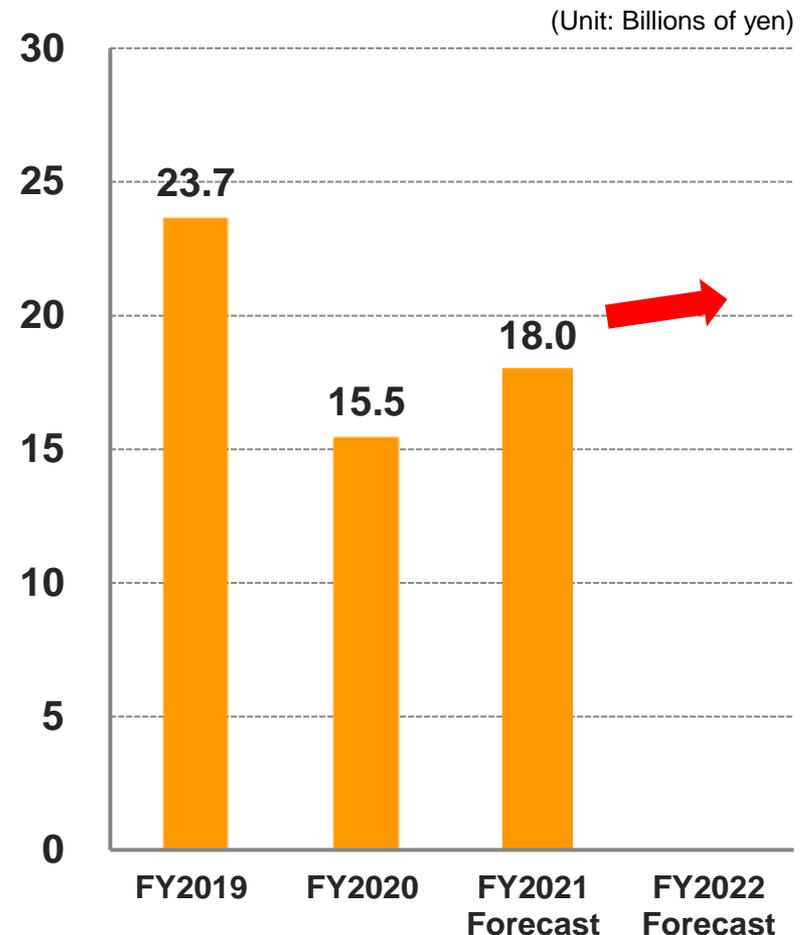
## The Business Environment

- The offset printing press market, which had been affected by the COVID-19 pandemic, is now recovering, albeit in varying degrees by region
- Especially in China and South Korea, the market is stronger than before COVID-19
- Needs for automated and labor-saving products are strong due to labor shortages in Japan and surging personnel expenses in emerging countries

## Main Initiatives

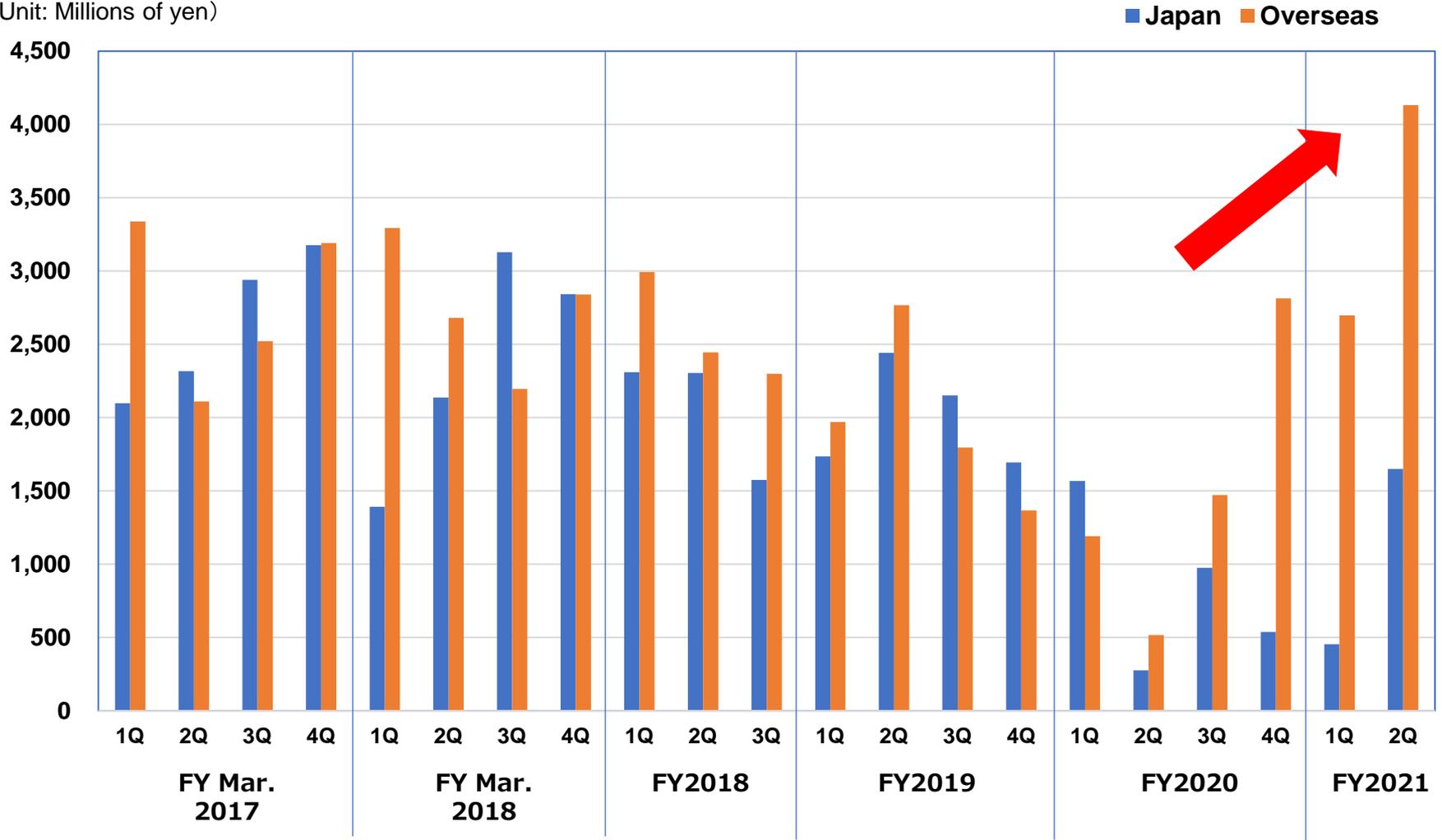
- Reduce manufacturing costs for flagship models
- Enhance functions of new models
- Promote a service structure employing IoT, the Remote Maintenance System (RMS) and wearable smart glasses
- Step up the marketing of strategic models by taking a region-specific approach
- Strengthen the marketing of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

## Outlook on Net Sales



## Trends in Financial Results of Machinery Orders

(Unit: Millions of yen)



Overseas markets are recovering as of FY2020 3Q

## **4. Shareholder Returns**

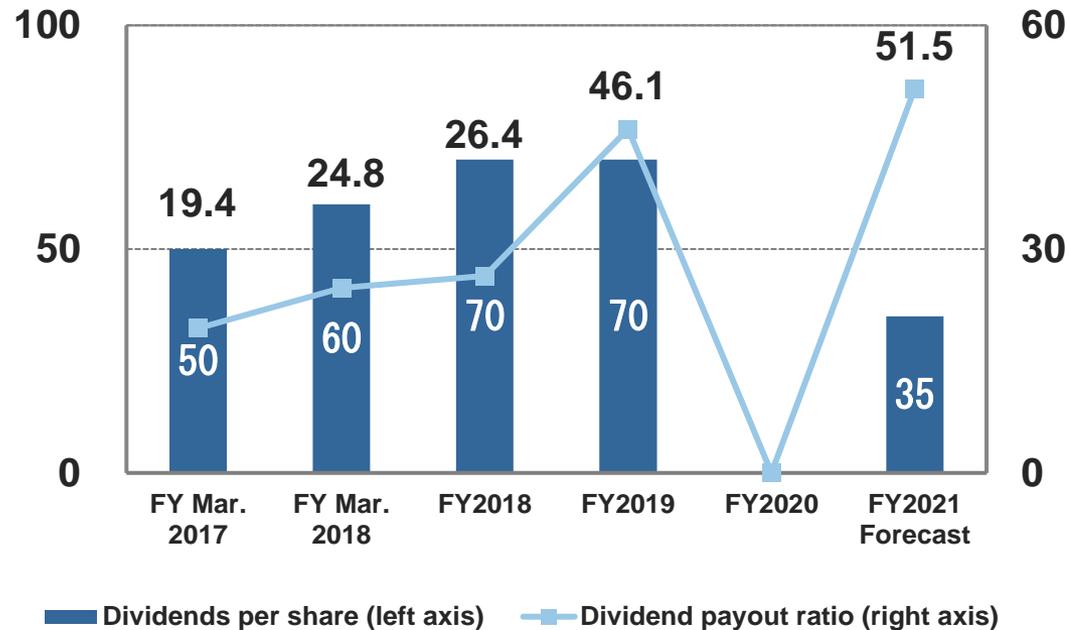
The background of the slide features a stylized, light-colored globe showing the outlines of continents. Overlaid on the globe are several thick, curved bands in shades of blue and grey, creating a sense of motion and global connectivity. The bands are semi-transparent and overlap each other, with the most prominent one being a vibrant blue that curves from the bottom left towards the top right.

# Shareholder Returns

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

(Unit: Yen)

(Unit: %)



## 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

- For FY2021, our plans call for resuming the payment of dividends as we expect to regain profitability.

	FY Mar. 2017	FY Mar. 2018	FY2018	FY2019	FY2020	FY2021 Forecast	FY2022 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%	—	51.5%	

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 movement and global connectivity. The text is positioned on the left side of the slide, centered vertically relative to the main graphic elements.

## **5. Initiatives to Address the SDGs**

# Initiatives to Address the 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> 

# Initiatives to Address the SDGs

## Participation in the "Shizukuri Project" linking companies with junior and senior high school students in Shizuoka Prefecture

- Shizukuri Project:  
Sponsored by Shizukuri Association, this program aims to promote regional vitalization and create a prosperous future for Shizuoka Prefecture through collaboration between companies in Shizuoka Prefecture and junior and senior high school students.
- Period: Sep. 2020-Jan. 2021
- Participating companies: 8 (including Ryobi)
- Participants: 140 teams composed of approx. 560 students from 5 junior high schools and 2 senior high schools
- We received ideas from 19 teams from three junior high schools, and selected a team from Numazu City Oooka Junior High School to win the award of excellence.



Junior high school students presenting their ideas



Award ceremony

# Initiatives to Address the SDGs (2)

## Fund Procurement through SDGs Green Loans

Loan amount: ¥13.0 billion Loan period: 7 years (Jan. 31, 2020-Jan. 29, 2027)



- To procure the funds, we obtained a GA1 rating, the highest rating of the R&I Green Bond Assessment, from Rating & Investment Information, Inc.
- The installation of environmentally friendly production equipment for aluminum die cast products and contributions to automobile weight savings and fuel efficiency through aluminum die cast products were highly evaluated.
- Sumitomo Mitsui Financial Group, Inc. showcased Ryobi as an example of innovation in the Keidanren's "Challenge Zero."\*

\* "Challenge Zero" is a new initiative by Keidanren (Japan Business Federation), in collaboration with the Japanese government, aiming to support actions to create innovation taken by companies and organizations towards a "decarbonized society" which the Paris Agreement (the international framework on climate change) sets as the long-term goal.



### Support of corporate challenge for environmental issues through extending "SDGs Green Loan"

#### Example of innovation



<Partner 2: Reduction of environmental burden in the production process, a challenge by Ryobi Limited>

Headquartered in Fuchu City, Hiroshima Prefecture, Ryobi (a major aluminum diecast component manufacturer) raised the funds necessary for introducing highly environment-friendly equipment (i.e. die casting machines and processing facilities for making aluminum diecast products, etc.) through an "SDGs Green Loan." This was the first domestic case of a green loan for the purpose of reducing environmental burden in the production process.

This project is noteworthy from the following viewpoints: i.e. There would be a reduction in carbon emissions in the production process thanks to the introduction of new production facilities that are effective in energy saving; and aluminum diecast products would contribute to weight reduction of transportation equipment, which is an important element in reducing greenhouse gas emissions in the transportation sector.

The progress situation will be confirmed with regard to the challenge of reducing environmental burden in the production process through comprehension of the following reporting items agreed upon between the company and SMBC.

<https://www.challenge-zero.jp/en/casestudy/590>  
Extract available on the Challenge Zero website

## 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