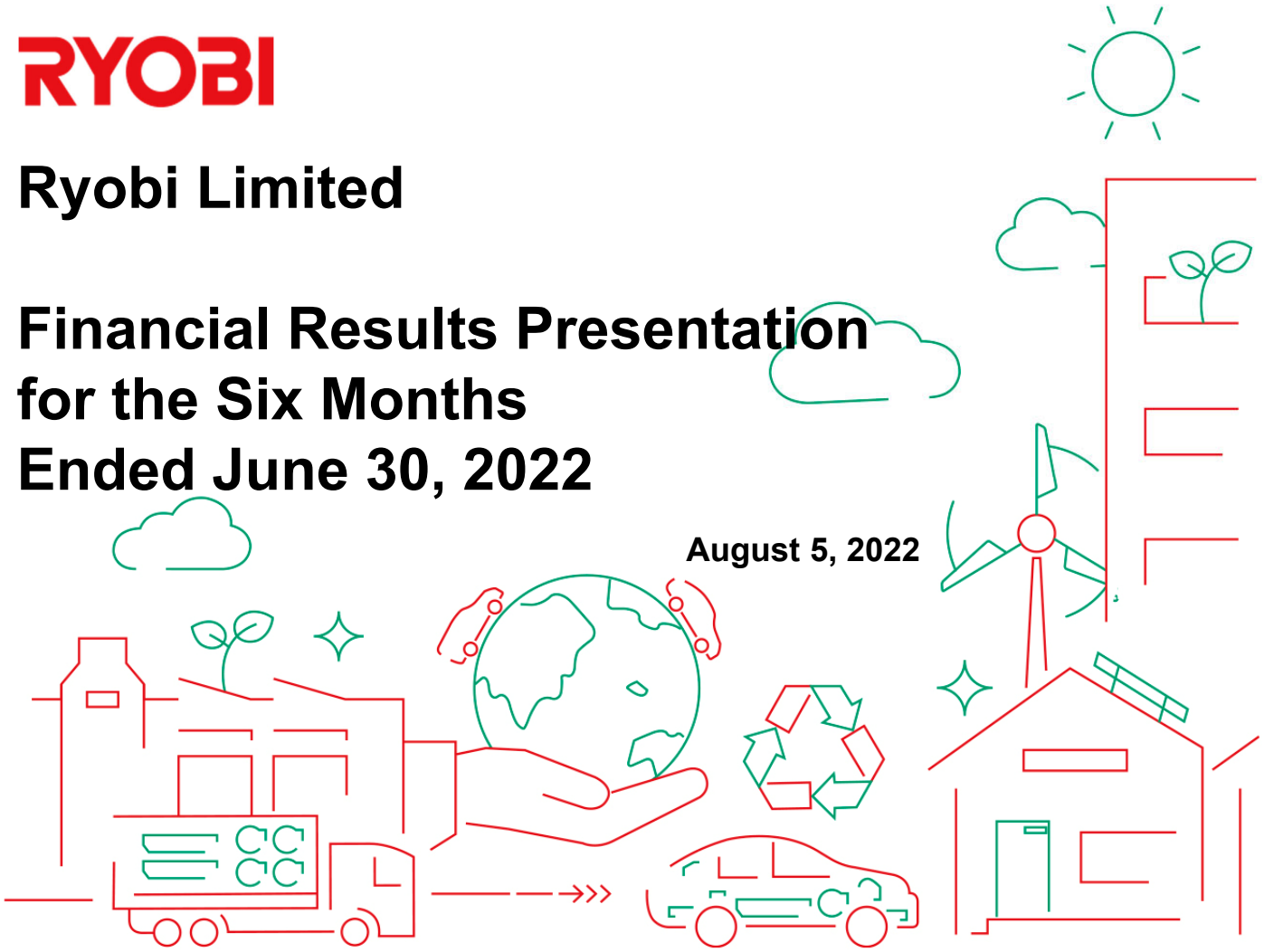
Ryobi Limited

Financial Results Presentation for the Six Months Ended June 30, 2022



August 5, 2022

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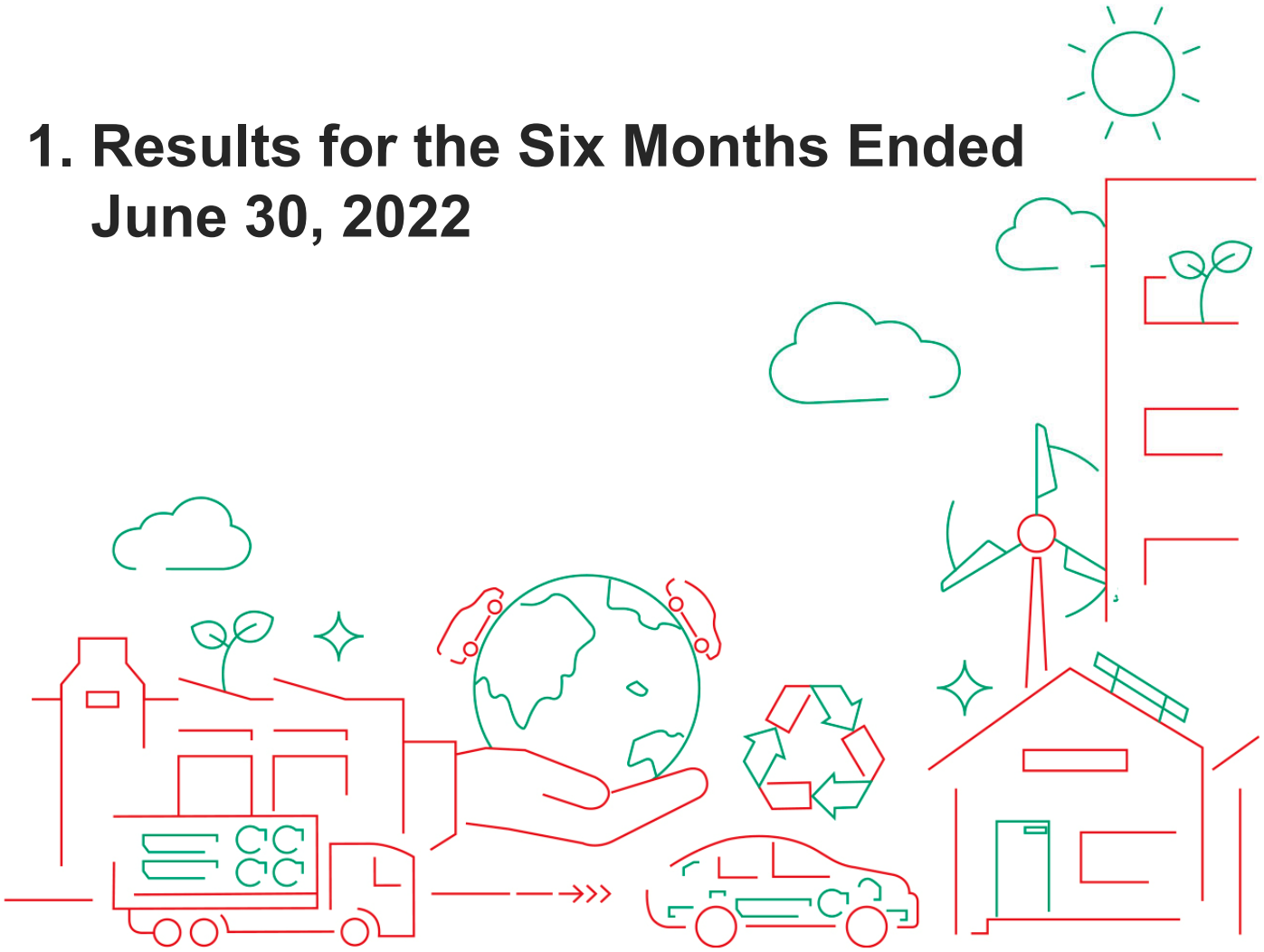


Highlights of Financial Results

- **Consolidated results: Sales and profitability increased compared to the previous corresponding period**

  Die Castings
  - Sales increased both in Japan and overseas Although there was no recovery in terms of production volume (weight) due to the impact on automobile production of the global shortage of semiconductors and other components and the lockdown in Shanghai, China, sales increased due to offsetting of higher raw material prices with an upward revision of sales prices, as well as the increase in sales at overseas subsidiaries due to the weaker yen
  - Profitability increased as a result of the benefit of increasing sales

  Builders' Hardware

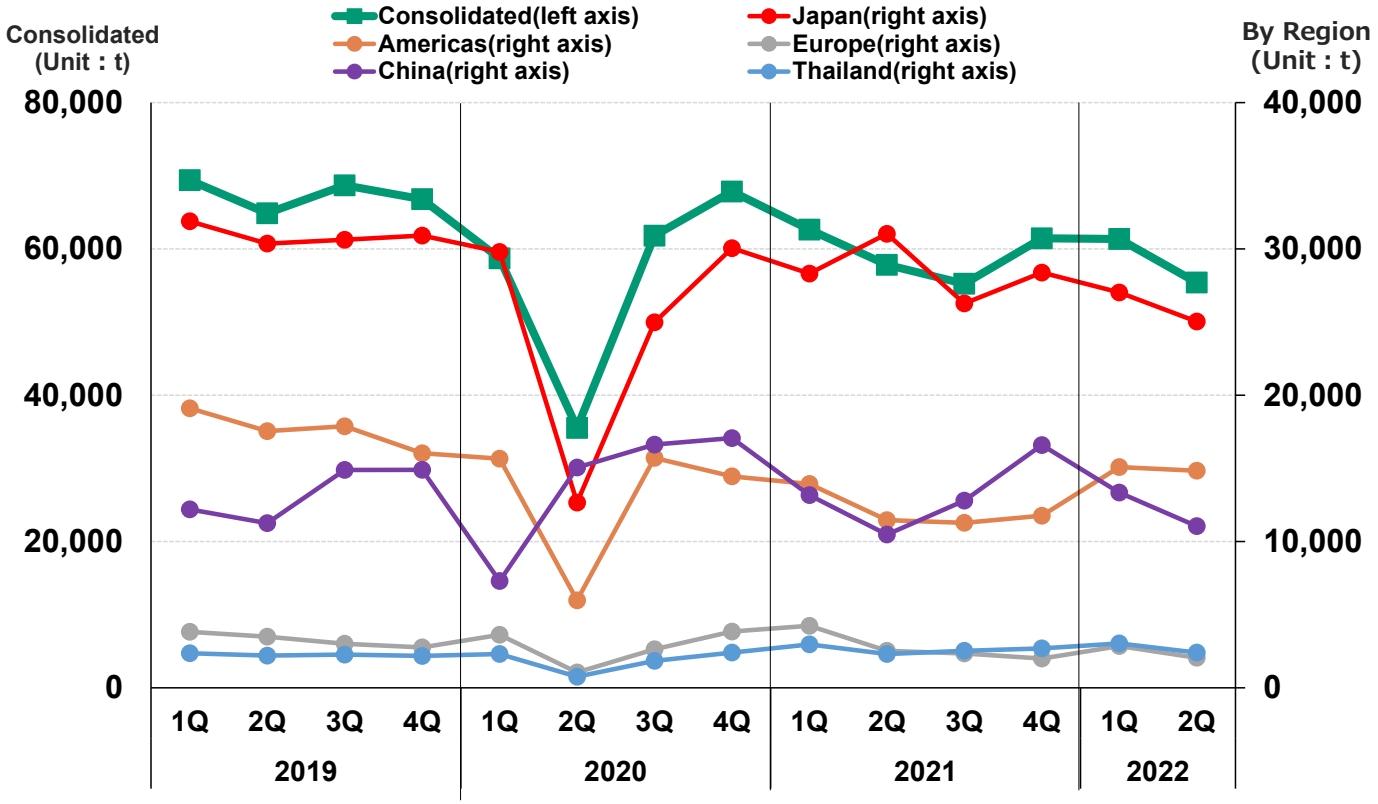
  Sales increased both in Japan and overseas Profitability declined due to higher procurement costs caused by the appreciation of the Chinese yuan

  Printing Equipment
  - Sales increased both in Japan and overseas Profitability increased as government subsidies promoted capital investment in Japan and business remained strong in Europe and the U.S.
  - Profitability increased as a result of the benefit of increasing sales and cost reductions
- **FY2022 forecasts : Revenue and earnings increase compared to the previous year**
  - In the die castings segment, in the second half of 2022, automotive production is expected to recover from the impact of shortages of semiconductors and other components and the lockdown in Shanghai, China
  - Offsetting of higher raw material prices with an upward revision of sales prices is expected to continue in the 3rd quarter and beyond

Trends in the Production weight of Die Castings

Production has been showing signs of recovery since the second half of 2021, but fell year-on-year due to shortages of semiconductors and other components and the lockdown in Shanghai, China

Trends in the Production weight(FY2019 – 2Q of FY2022)



Results Summary

Production volume (weight) decreased due to lower automobile production, but sales increased year-on-year due to higher raw material prices and the weaker yen; Profitability increased due to offsetting of higher raw material prices with an upward revision of sales prices, as well as foreign exchange gains

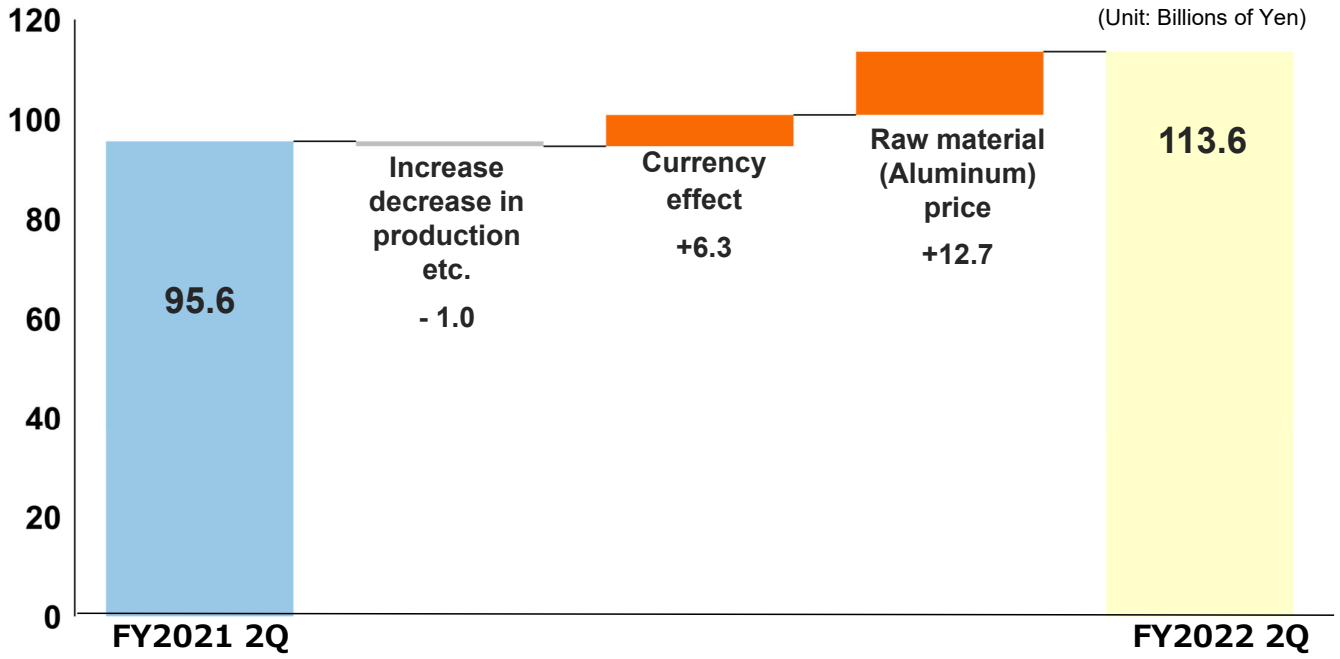
(Unit: Billions of Yen)

	FY2021 2Q	FY2022 2Q			
	Results	Results	Change	Forecasts (Announced on 2/14)	Change (Announced on 2/14)
Net sales	95.6	113.6	18.0 (18.9%)	114.8	- 1.2 (- 1.0%)
Operating profit	- 0.6	2.0	2.7 (—)	1.8	0.2 (13.8%)
Ordinary Profit	0.1	3.1	3.0 ※(—)	1.8	1.3 (71.7%)
Profit attributable to owners of parent	0.2	1.8	1.6 (700.6%)	1.2	0.6 (50.6%)

※Since the year-on-year rate of ordinary profit from the corresponding period of the previous fiscal year is over 1,000%, "-" is indicated.

Analysis of Changes in Net sales

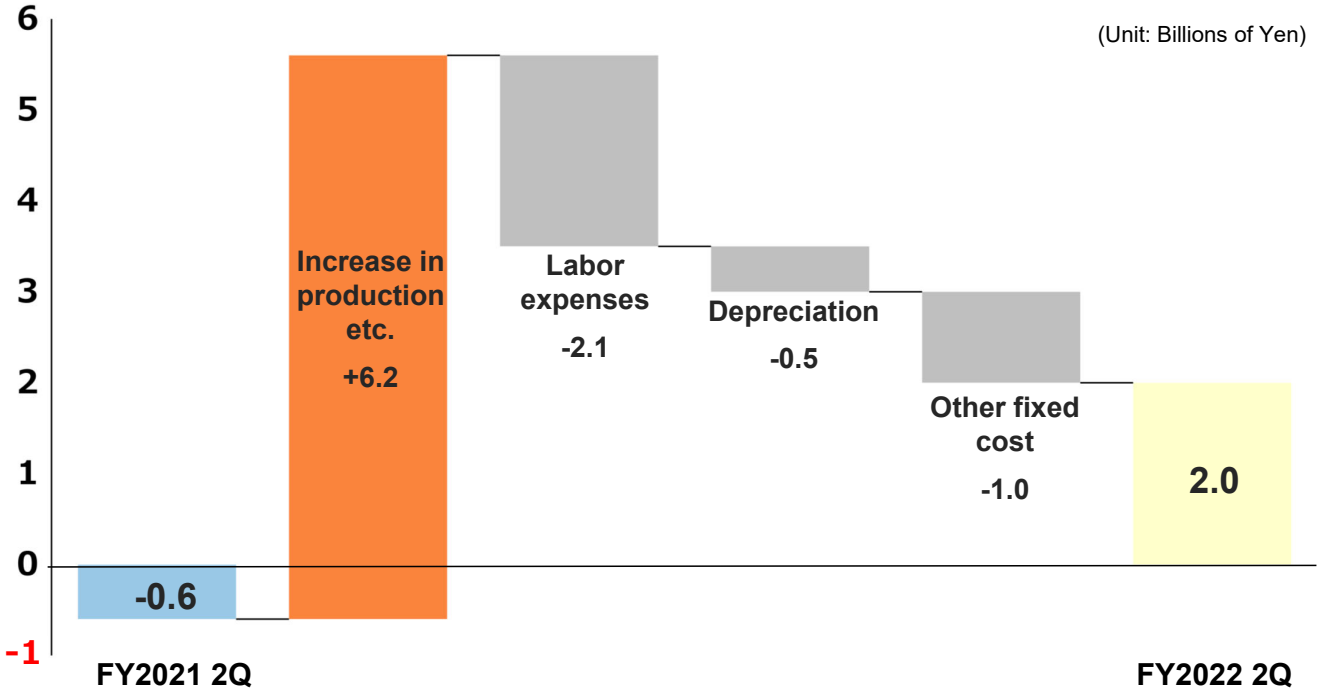
Sales increased by 18.0 billion yen due to higher raw material prices and the weaker yen despite a year-on-year decrease in die castings production volume



Exchange rates (average during the period)	USD	GBP	CNY	THB
FY2021 2Q	¥107.31	¥149.00	¥16.58	¥3.50
FY2022 2Q	¥121.19	¥158.62	¥18.76	¥3.61

Analysis of Changes in Operating profit

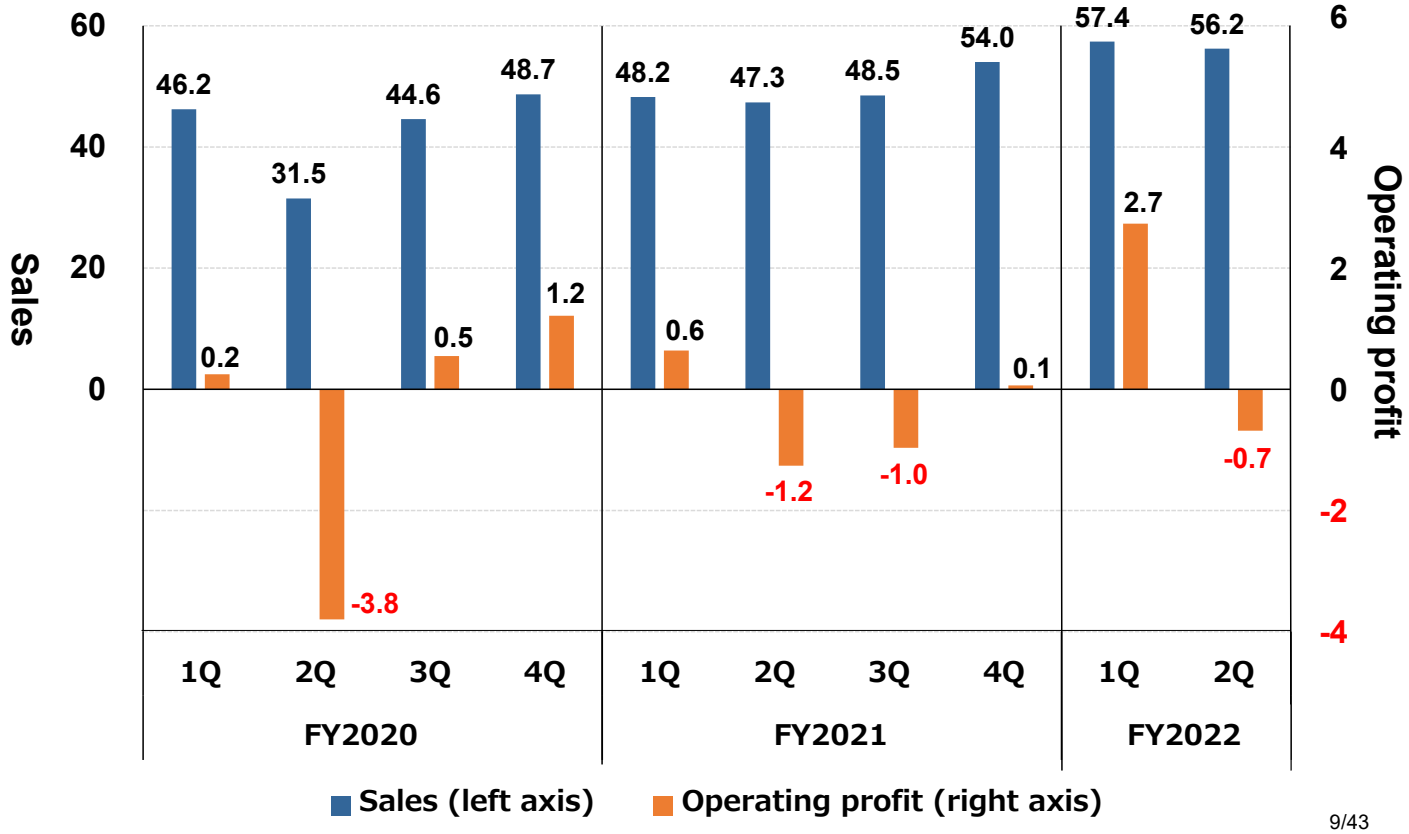
Operating profit increased due to benefit of increasing sales despite an increase in fixed costs



Trends in Sales and Operating profit (Consolidated)

An operating loss was recorded in the second quarter (April-June 2022) due to the rapid decline in automobile production volume

(Unit: Billions of Yen)



Result by Business Segment

Die Castings: Sales and profitability increased due to higher raw material prices and the weak yen despite a decrease in production volume

Builders' Hardware: Sales increased, but profitability decreased due to the appreciation of the Chinese yuan

Printing Equipment: Profitability increased due to benefit of increasing sales in Japan and overseas

(Unit: Billions of Yen)

	FY2021 2Q	FY2022 2Q			
	Results	Results	Change	Forecasts (Announced on 2/14)	Change (Announced on 2/14)
Net sales	**95.6**	**113.6**	**18.0 (18.9%)**	**114.8**	**- 1.2 (- 1.0%)**
Die castings	82.1	98.2	16.0 (19.5%)	100.0	- 1.8 (- 1.8%)
Builders' hardware	4.5	4.9	0.4 (8.1%)	4.5	0.4 (8.6%)
Printing equipment	8.8	10.5	1.6 (18.6%)	10.3	0.2 (1.5%)
Operating profit	**- 0.6**	**2.0**	**2.7 (—)**	**1.8**	**0.2 (13.8%)**
Die castings	- 0.4	1.2	1.6 (—)	1.6	- 0.4 (-26.0%)
Builders' hardware	0.2	0.1	- 0.1 (- 45.4%)	0.1	0.0 (27.0%)
Printing equipment	- 0.5	0.7	1.2 (—)	0.1	0.6 (644.0%)

Consolidated Balance Sheet

Total assets increased by 22.2 billion yen year-on-year, of which 18.0 billion yen was due to the impact of foreign exchange fluctuations
Cash and deposits decreased by 4.0 billion yen due to the impact of holidays at the end of FY2021

(Unit: Billions of Yen)

	FY2021	FY2022 2Q	Change	Currency Translation Effect
Current assets	129.6	141.2	11.6	7.1
Cash and deposits	28.5	22.8	-5.7	0.8
Notes and accounts receivable—trade	44.3	54.4	10.1	2.8
Securities	0.7	0.7	-0.1	0.0
Inventories	52.5	58.7	6.2	3.3
Other	3.5	4.6	1.1	0.2
Non-current assets	149.8	160.4	10.6	10.9
Property, plant and equipment	117.2	126.9	9.7	9.7
Intangible assets	3.2	3.1	-0.1	0.2
Investments and other assets	29.5	30.4	0.9	1.0
Deferred assets	0.0	-	0.0	-
Total assets	279.4	301.6	22.2	18.0

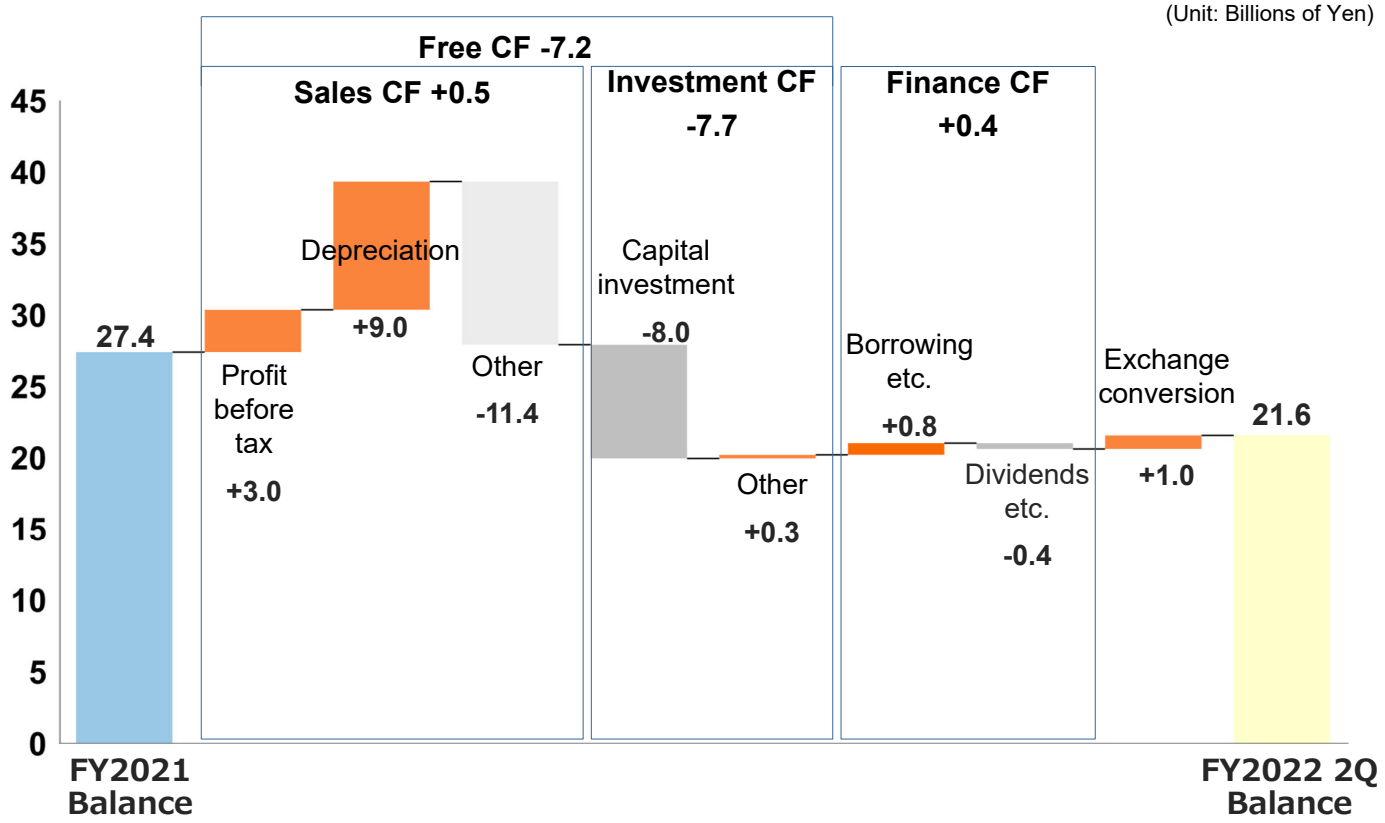
	FY2021	FY2022 2Q	Change	Currency Translation Effect
Current liabilities	110.8	110.6	-0.1	5.2
Notes and accounts payable—trade	41.6	41.6	-0.0	1.2
Short-term borrowings	51.0	47.9	-3.1	3.0
Other	18.2	21.2	3.0	1.0
Non-current liabilities	36.9	45.1	8.2	1.3
Long-term borrowings	22.8	30.6	7.9	1.0
Other	14.2	14.5	0.3	0.3
Shareholders' equity	111.6	113.8	2.2	0.1
Accumulated other comprehensive income	11.3	23.0	11.6	11.4
Non-controlling interests	8.8	9.1	0.3	-
Total net assets	131.7	145.8	14.1	11.5
Total liabilities and net assets	279.4	301.6	22.2	18.0

Exchange rates (as of fiscal-year end)	USD	GBP	CNY	THB
Dec. 31 2021	¥115.02	¥155.24	¥18.06	¥3.43
Jun. 30 2022	¥136.68	¥165.71	¥20.38	¥3.85

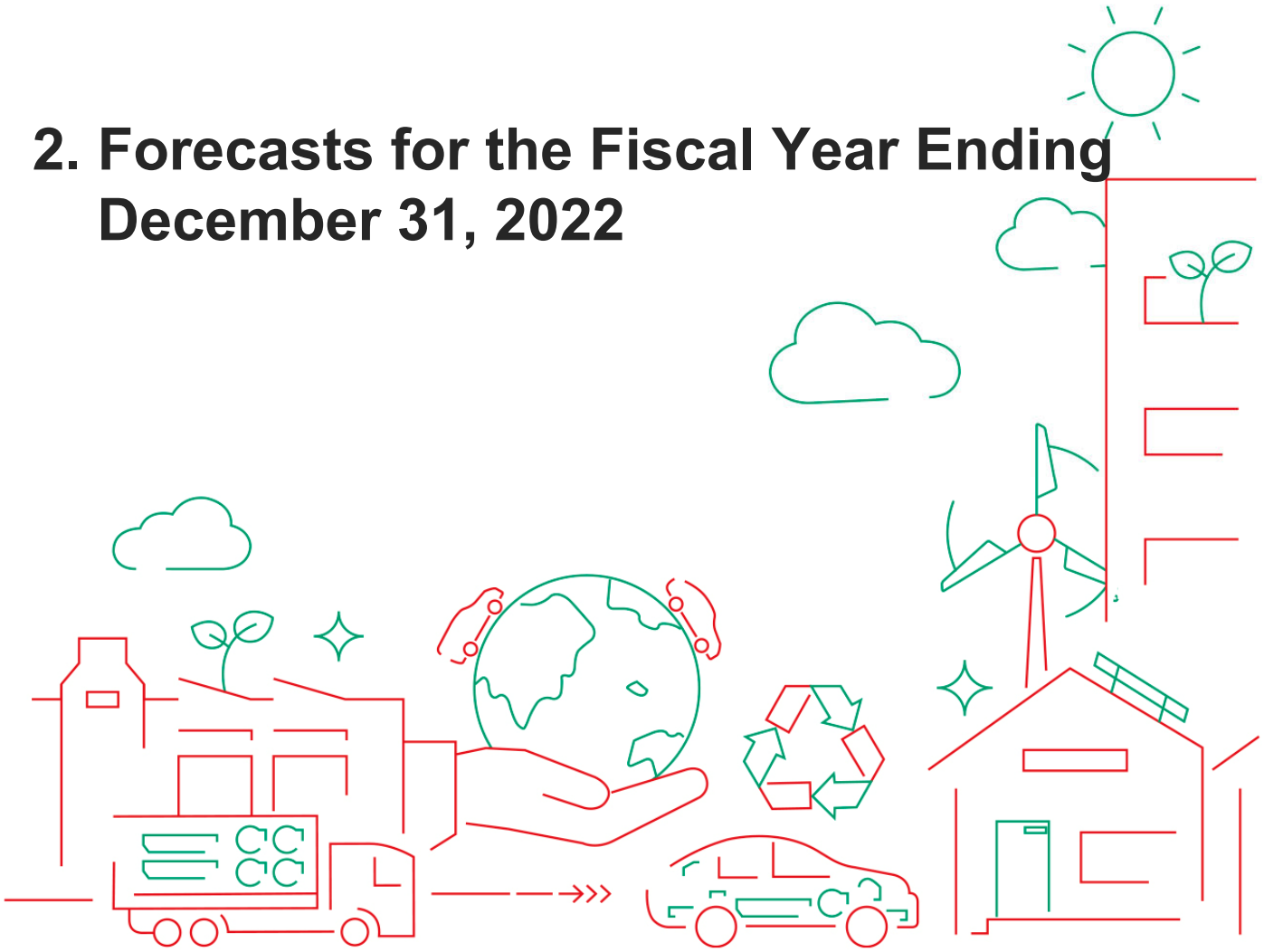
Changing in Cash Flows

Of the -7.2 billion yen in free cash flow, -4.0 billion yen was due to the impact of holidays at the end of FY2021
Capital investment was made to meet new orders for lighter weight and electrification products

(Unit: Billions of Yen)



2. Forecasts for the Fiscal Year Ending December 31, 2022



Forecasts

Revenue and earnings increase year on year

(Unit: Billions of Yen)

	FY2021	FY2022	
	Results	Forecasts (Announced on 8/4)	Change
Net sales	**198.1**	**248.0**	**49.9 (25.2%)**
Operating profit	**- 1.5**	**6.4**	**7.9 (—)**
Ordinary profit	**0.0**	**7.6**	**7.6 ※(—)**
Profit attributable to owners of parent	**- 4.4**	**5.1**	**9.5 (—)**

※Since the year-on-year rate of ordinary profit from the corresponding period of the previous fiscal year is over 1,000%, "-" is indicated.

Forecasts by Business Segment

Die Castings: Sales and profitability increase due to expecting recover of automotive production and offsetting of higher raw material prices with an upward revision of sales prices

Builders' Hardware: Sales increase, but profitability decrease due to the appreciation of the Chinese yuan

Printing Equipment: Profitability increase due to benefit of increasing sales in Japan and overseas

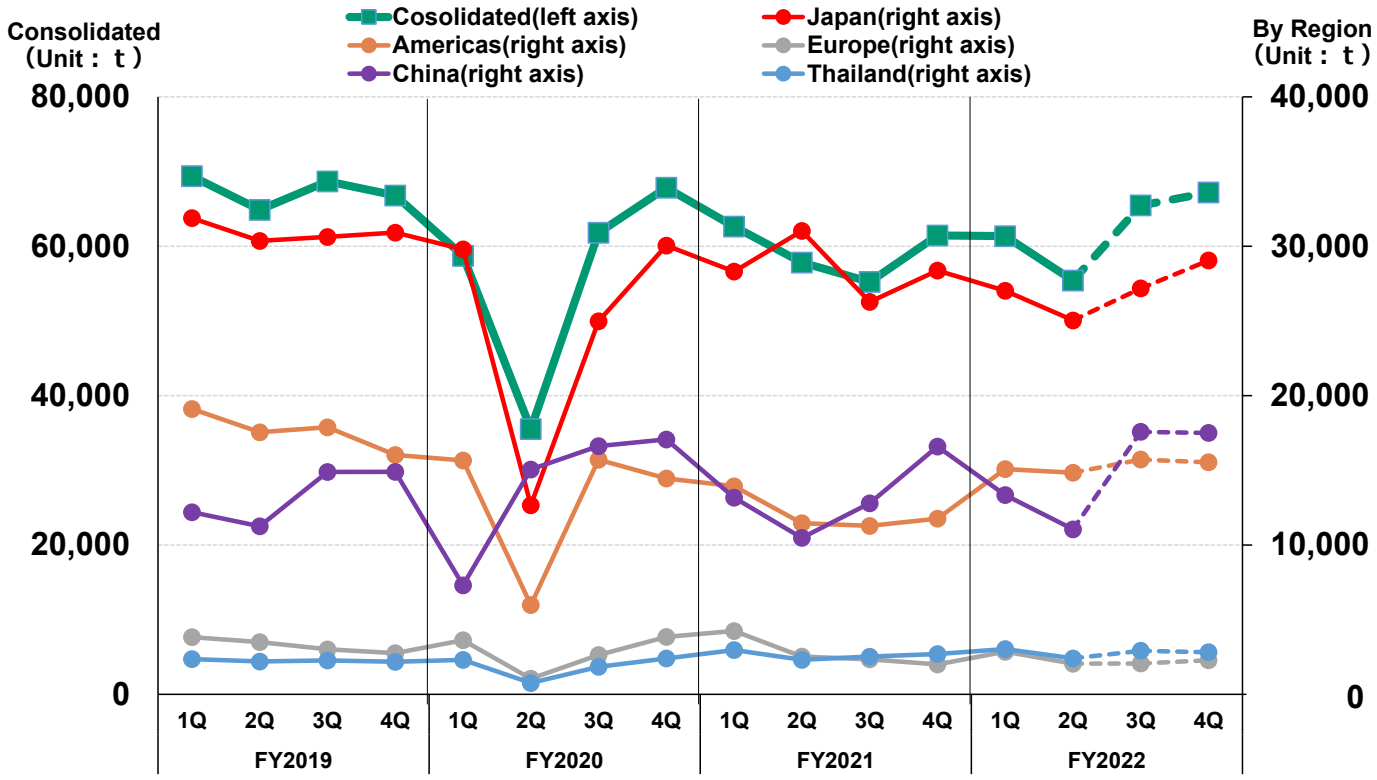
(Unit: Billions of Yen)

	FY2021	FY2022	
	Results	Forecasts (Announced on 8/4)	Change
Net sales	**198.1**	**248.0**	**49.9 (25.2%)**
Die castings	**169.9**	**215.0**	**45.1 (26.5%)**
Builders' hardware	**9.6**	**10.0**	**0.4 (4.4%)**
Printing equipment	**18.4**	**23.0**	**4.6 (25.0%)**
Operating profit	**- 1.5**	**6.4**	**7.9 (—)**
Die castings	**- 1.4**	**5.4**	**6.8 (—)**
Builders' hardware	**0.4**	**0.3**	**- 0.1 (- 17.1%)**
Printing equipment	**- 0.4**	**0.7**	**1.1 (—)**

Trends in the Production weight of Die Castings

In the second half of 2022, production is expected to recover from the impact of the shortages of semiconductors and other components and the lockdown in Shanghai, China, to be at the same level as in 2019

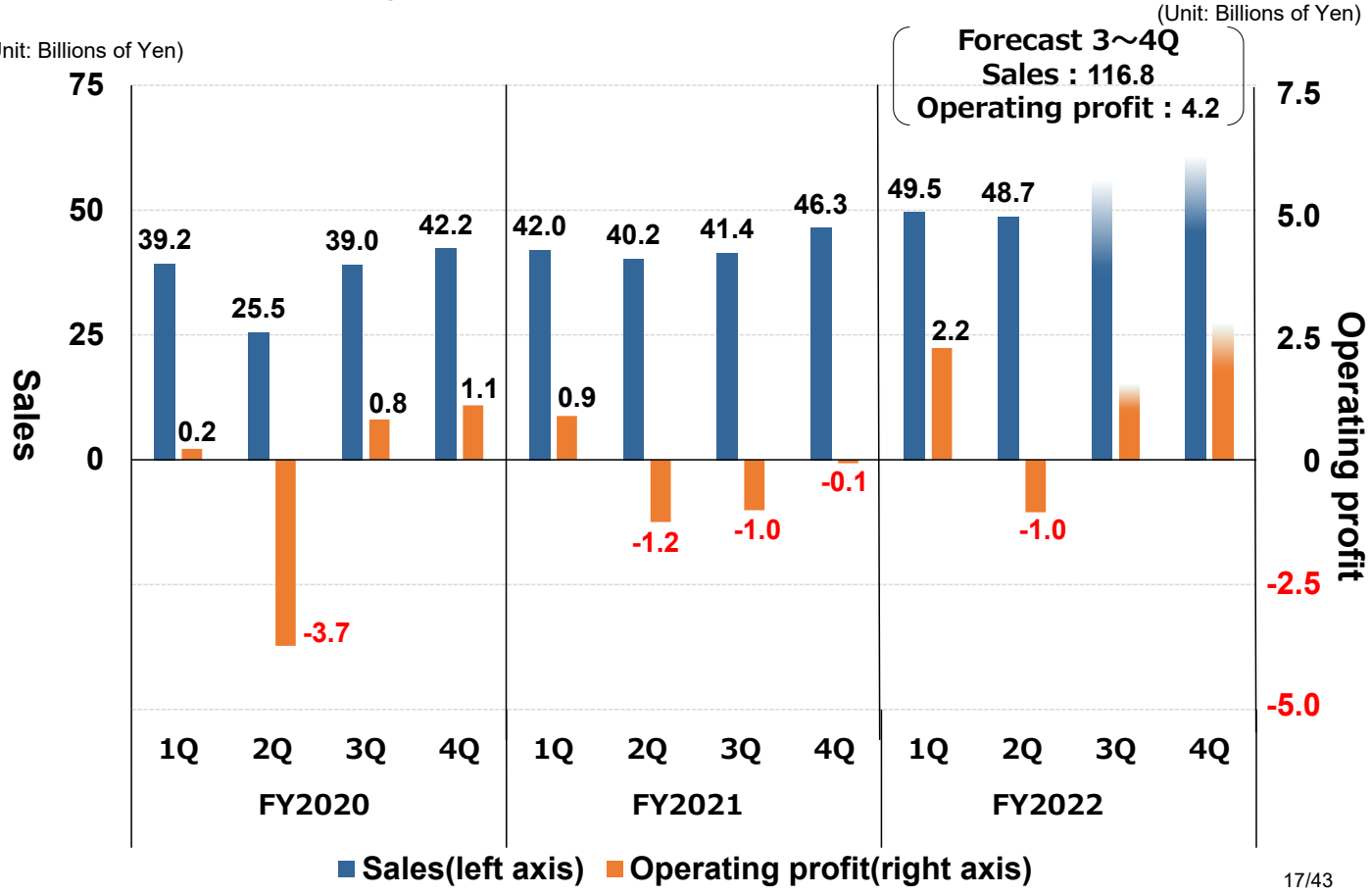
Trends in the Production weight(FY2019 – FY2022)



Trends in Sales and Operating profit (Die Castings)

In the second half of 2022, both revenue and earnings are expected to increase as automobile production recovers and higher material prices are offset with an upward revision of sales prices

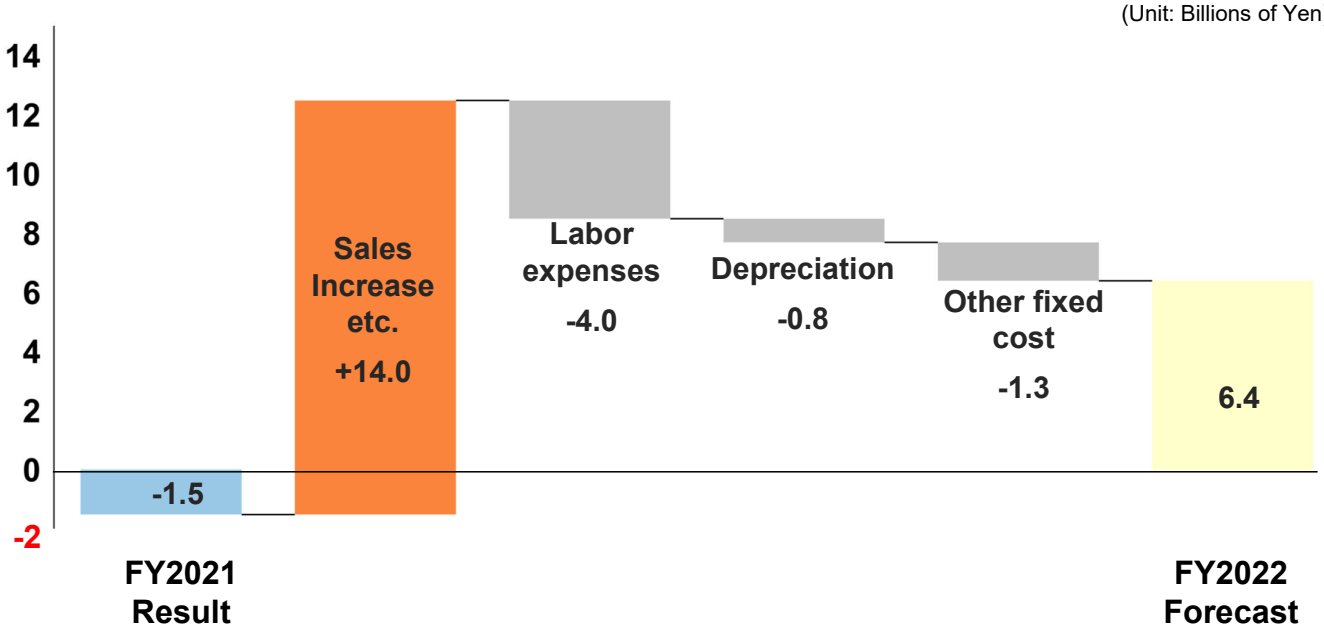
(Unit: Billions of Yen)



Analysis of Changes in Operating Profit Forecast

An increase in production will be accompanied by an increase in labor and other fixed costs, mainly at overseas locations, but earnings will be higher due to revenue growth both in Japan and overseas

(Unit: Billions of Yen)



Exchange rates (average during the period)	USD	GBP	CNY	THB
FY2021	¥109.46	¥150.64	¥16.96	¥3.44
FY2022 (Forecast)	¥125.00	¥156.00	¥19.00	¥3.60

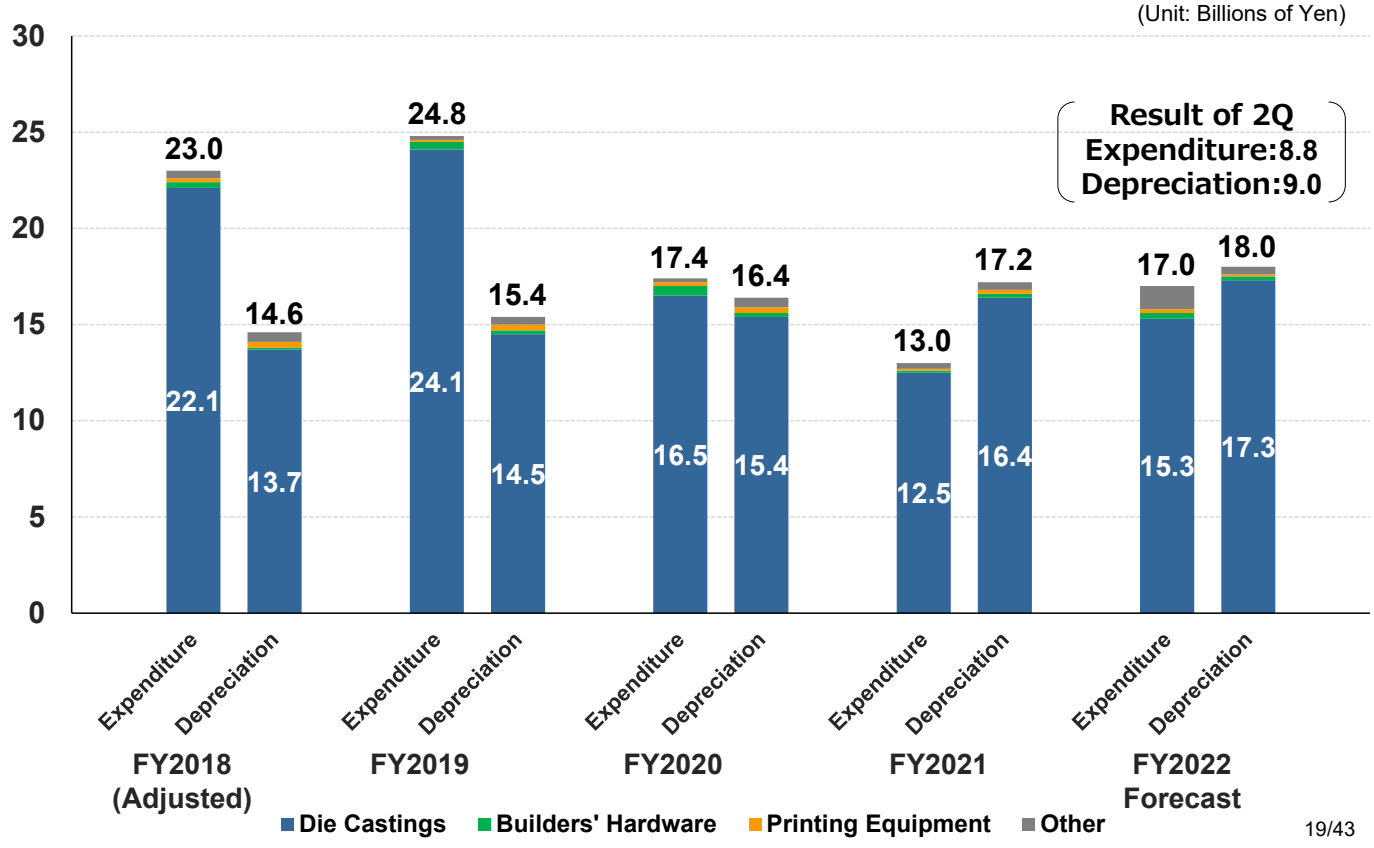
Annual impact of yen appreciation on operating income (1% higher than forecasts)

USD	- ¥40 million
GBP	- ¥10 million
CNY	+ ¥10 million

Trends in Capital Expenditure and Depreciation

For FY2022, investment is expected to be 17.0 billion yen and depreciation is expected to be 18.0 billion yen (no change from the previous forecast)

(Unit: Billions of Yen)

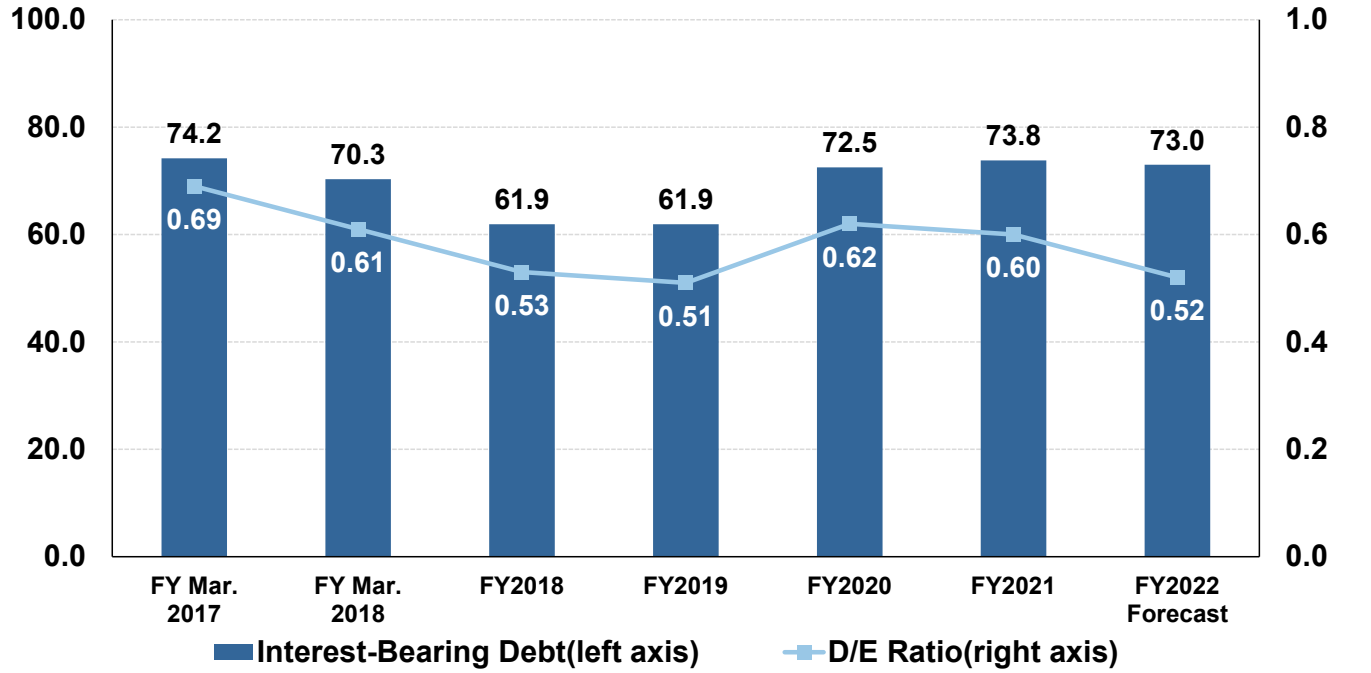


Trends in Interest-Bearing Debt and D/E Ratio

Interest-bearing debt at the end of FY2022 is expected to be 73.0 billion yen (no change from the previous forecast)

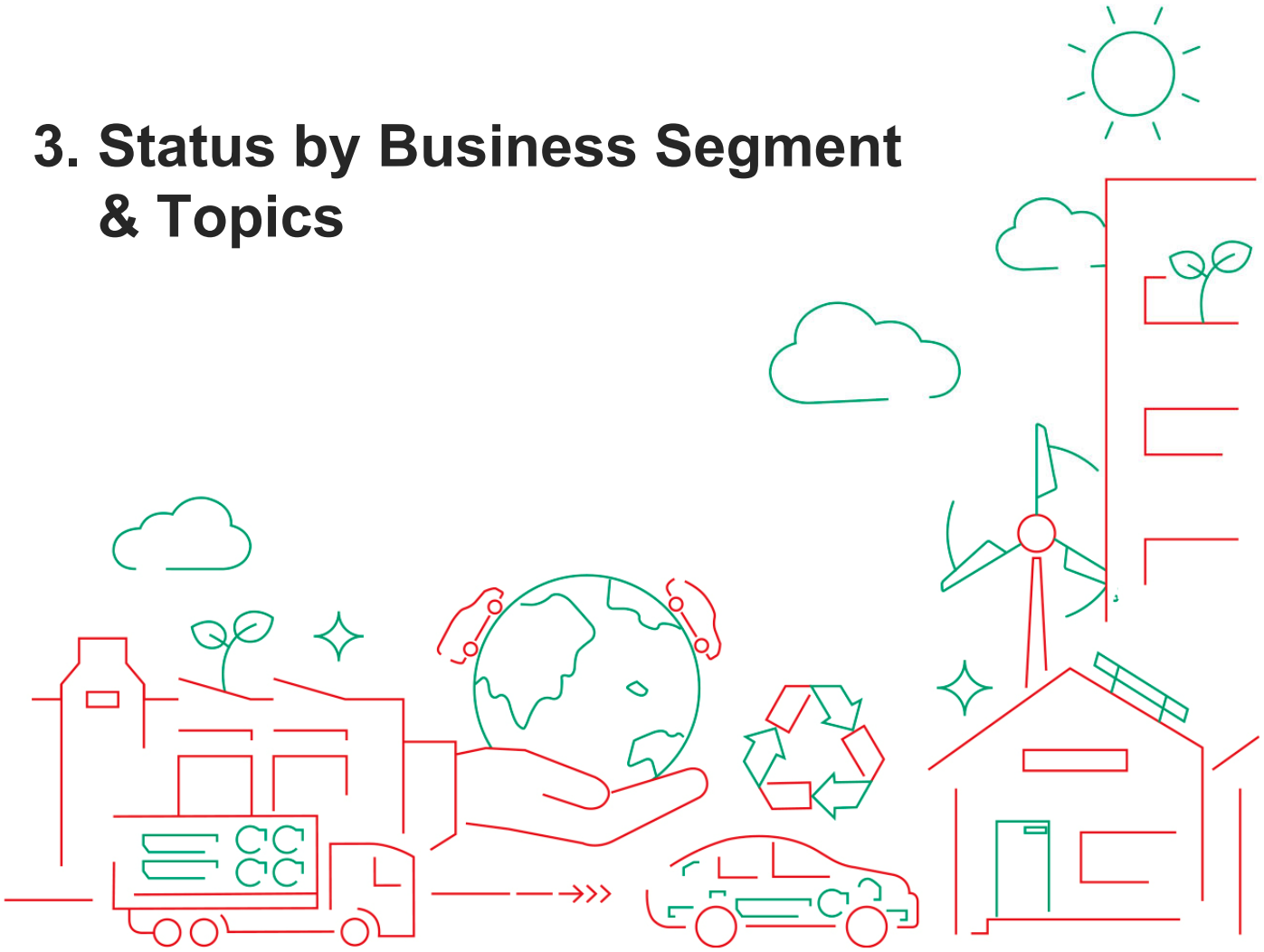
(Unit: Billions of Yen)

(Unit: Times)



	FY Mar. 2017	FY Mar. 2018	FY2018	FY2019	FY2020	FY2021	FY2022 Forecast
Borrowing dependence (Interest-bearing Debt/total assets)	28.2%	25.8%	23.0%	23.5%	28.0%	26.4%	24.9%

3. Status by Business Segment & Topics



RYOBI

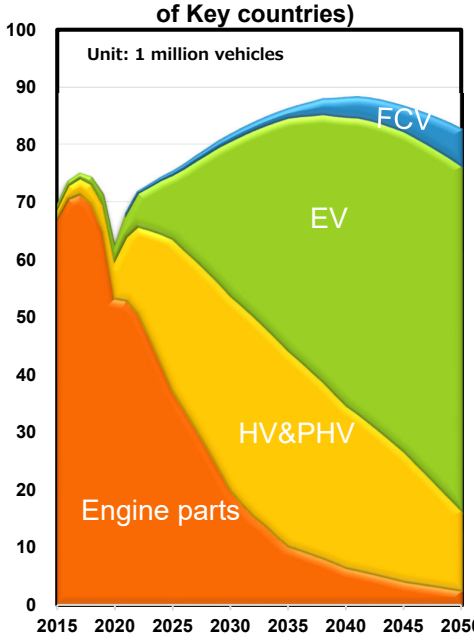
Die Castings

Outlook on Die Casting Demand
- Growth arising from the use of alternative materials employing parts unification -

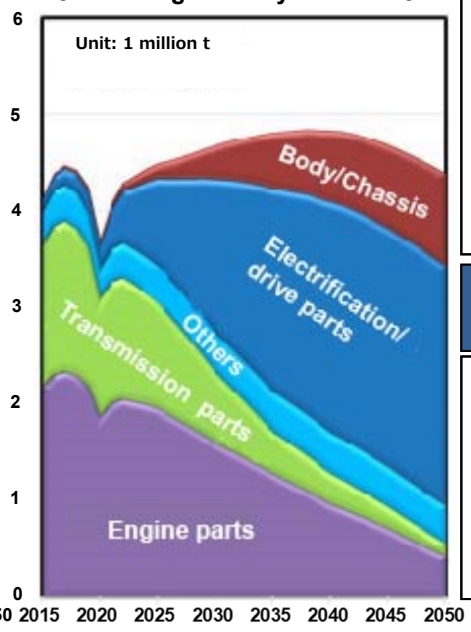
- **Long-term automobile sales forecast has not changed despite geopolitical risks such as the Russia-Ukraine conflict**
- **Transmission and engine parts sales will shrink**
- **Body/Chassis, and electrification parts sales will increase**

Sales volume base As of Oct. 2021
Key countries: Japan, U.S.A, Europe, China, India

Outlook on Power Train Mix (Number of automobiles sold of Key countries)



Outlook on Die Casting Demand (Total weight of Key countries)



①Iron→Aluminum
Body/Chassis parts, Battery cases

✓Creating new markets

✓Superiority: Sheet metal, Cast iron vs Aluminum Die Casting
- Environmental performance, Molding performance, Material property

②ICE parts→Electrification parts
eAxle, Inverter case etc.

✓Demand will increase in the short term to compensate for ICE-related decline

Die Castings

Initiatives for Weight Reduction and Electrification - Advantages of Aluminum Die casting -

◆ **Characteristics of aluminum die casting**
(Comparison of material properties with those of steel)

✓ Lightweight	Approx. 20% to 40% lighter than steel → Contributes to a reduction in CO_2 emissions when driving
✓ Excellent corrosion resistance	No painting required for general use areas Even when painting is required, lower-grade paint can be used
✓ Excellent thermal conductivity	Advantage in heat dissipation design
✓ Less than half the energy required to melt aluminum than steel	Low CO_2 emissions with recycled ingots
✓ Realization of resource recycling	Sustainable materials

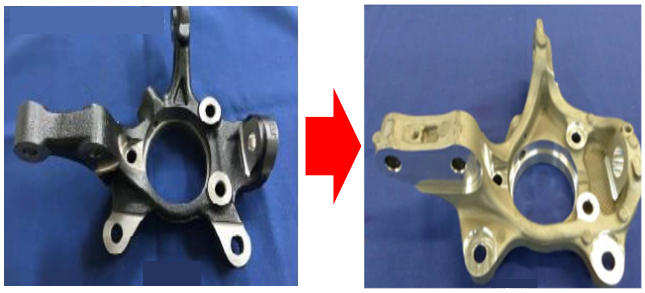
◆ **Resin trends: Although effective in reducing weight, there are concerns in heat dissipation, rigidity, cost, and recyclability**

Die Castings

Initiatives for Weight Reduction and Electrification - Advantages of Aluminum Die casting -

◆ **Specific examples of weight reduction through the use of alternative materials and unification (already commercialized)**

(Knuckle)



Sand mold cast iron
Weight: 4.8kg

Aluminum
Weight: 2.6kg

Succeeded in reducing the weight of knuckles by approx. 46% by using Ryobi's proprietary GD squeeze casting method*

＊GD Squeeze Casting :
Ryobi's unique method in which inclined casting is combined with pressurization
Excellent productivity and dimensional accuracy

(Battery case)

Advantages such as weight reduction, fewer parts, and improved recyclability by switching from steel to aluminum die casting

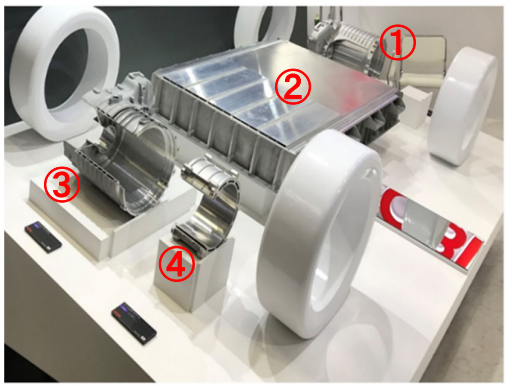
Construction method	Steel plate	Aluminum Die casting
Recycle and quality	Quality decreases each time materials are recycled	Recyclable with little quality deterioration
Weight*1	Heavy	Light (1/3 of Iron)
CO_2 emissions when running	Much	Little

*1 Compare with same volume

Die Castings

Initiatives for Weight Reduction and Electrification
- Exhibited at Automotive Engineering Exposition -

Ryobi exhibited many products developed for electric vehicles and mass-produced products such as bodies and chassis to realize carbon neutrality, and made various proposals that contribute to weight reduction

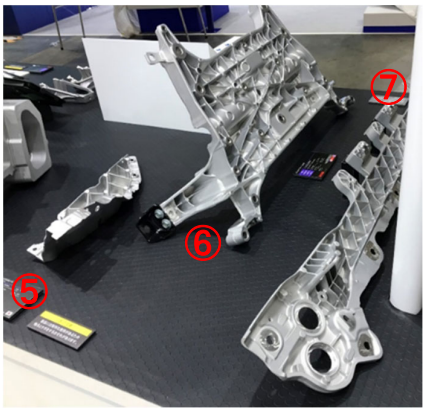


①eAxle case

②Battery case
Perforated plate for PHV
Laser welding type

③eAxle case
(Cut model)

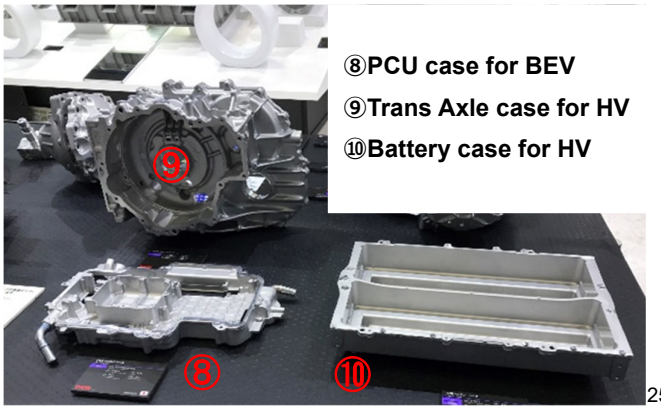
④Taper less
Motor case



⑤Door window plate

⑥Front Sub frame

⑦Cowl top



⑧PCU case for BEV

⑨Trans Axle case for HV

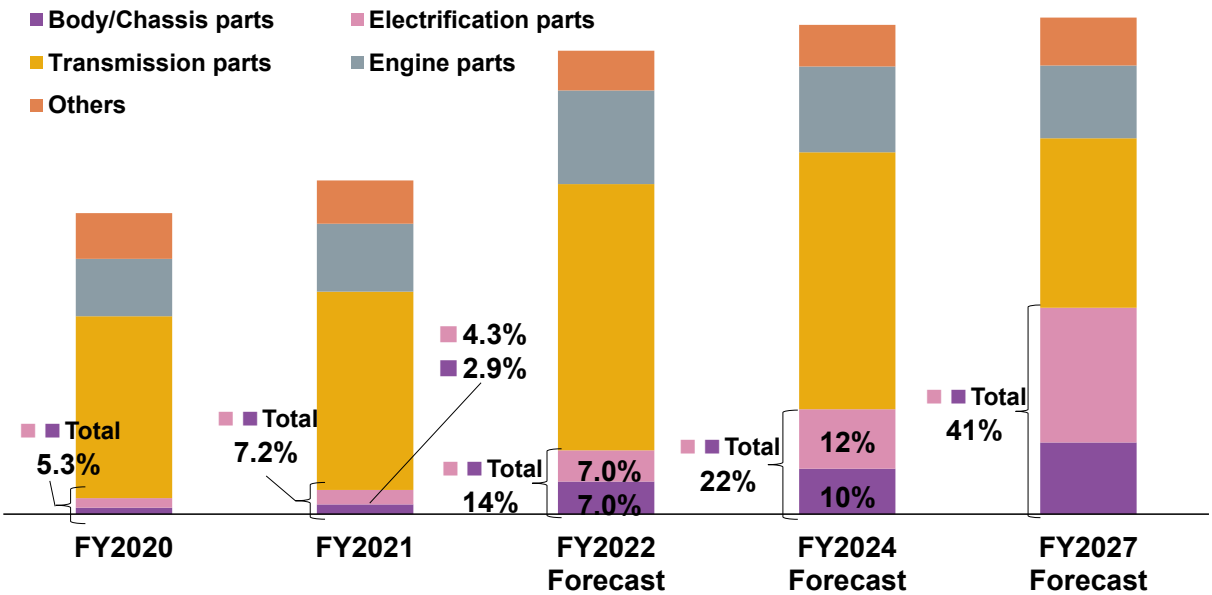
⑩Battery case for HV

Die Castings

Initiatives for Weight Reduction and Electrification - Strategic Product Sales Mix -

Weight-reduction and electrification components accounted for approximately 75% of new orders in the second quarter of 2022
Orders are steady and expected to become a pillar of future earnings

Sales mix of Body/Chassis and Electrification parts



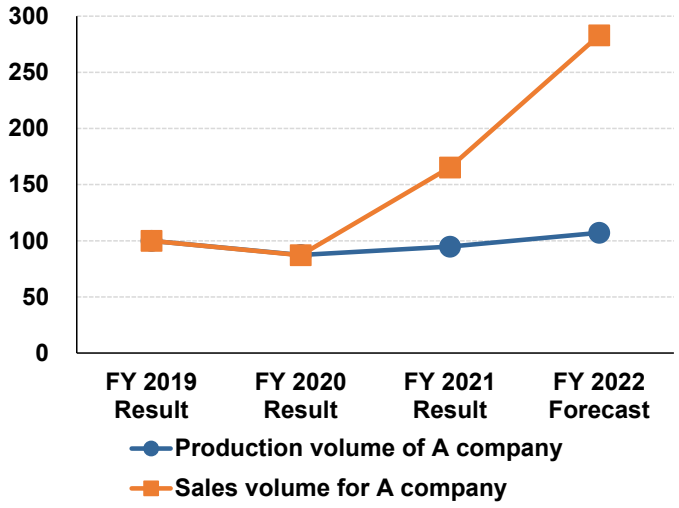
Die Castings

Initiatives for Weight Reduction and Electrification
- Effect to Sales of Body/Chassis and Electrification parts -

- Given the stagnant automobile production from 2020 due to the COVID-19 pandemic and semiconductor shortages, the production volume of the two OEMs will remain flat (compared with 2019)
- However, Ryobi sales to the two companies in 2022 are expected to be approximately 2 to 3 times higher than in 2019
- A switch to aluminum was proposed several years prior to the start of mass production, guest engineers were dispatched, prototypes were presented, and the environmental performance of die castings and Ryobi development capabilities were promoted to win orders

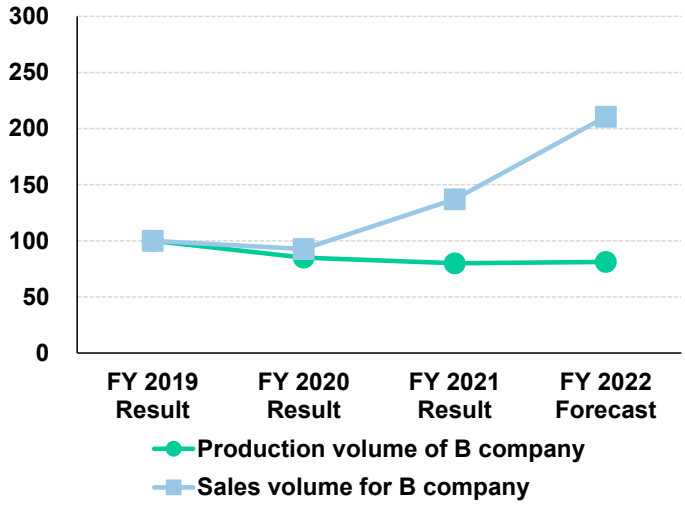
Unit: %

Trend in production volume of OEM A company and our sales volume for A company



Unit: %

Trend in production volume of OEM B company and our sales volume for B company



※ Both production units and sales are indexed with 2019 as 100%
※ Sales figures are based on 2019 and exclude the effects of raw materials and foreign exchange fluctuations

Die Castings

Initiatives for Weight Reduction and Electrification - Orders Received for Strategic Products -

Orders for strategic products remain steady

Models equipped with Ryobi body, chassis, and electrification parts


Toyota Voxy


Mitsubishi Outlander PHEV


SAIC-General Motors Velite 6 PHEV


Honda CIVIC


Toyota Land Cruiser 300


Suzuki Spacia


Toyota LexusRX


Toyota MIRAI FCV


STELLANTIS Peugeot 308 PHEV


Subaru Impreza Hybrid


Toyota Aqua


Mazda MX-30 EV


Geely XingYue L Hybrid


Honda Honda e


Nissan Maria


Toyota CH-R

Current mass-production initiatives (within 1 year)

Product description	
Body/Chassis parts	Front door frame
	Cowl top panel
	Sub frame
Electrification parts	Motor case
	Binding plate
	Battery case
	Defarensial retainer

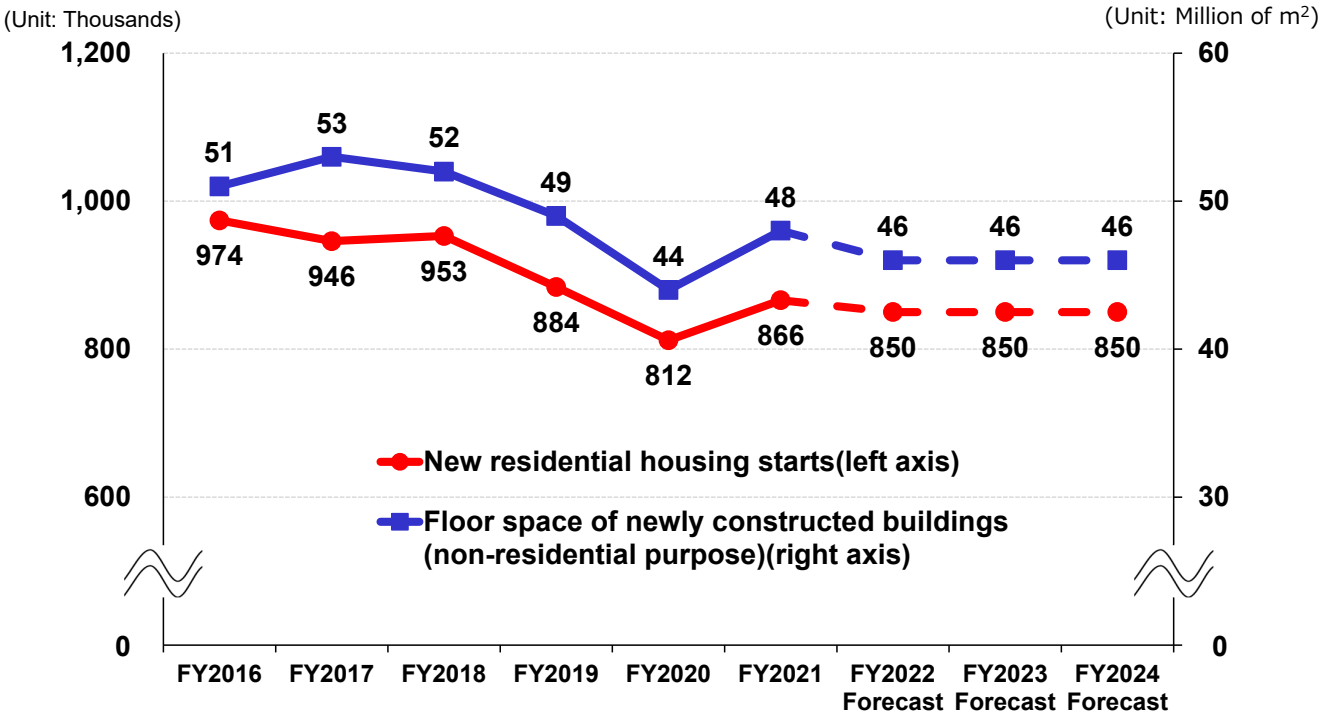
Planned future production initiatives

Product description	
Body/Chassis parts	Sub frame
	Steering parts
	Shock tower
	Steering knucke
	Cowl top panel
Electrification parts	Motor housing
	Motor end cover
	Converter case
	Inverter case
	HEV transmission case
	HEV converter housing
	PHV transmission case
	Battery case

Builders' Hardware

Outlook on the Domestic Builders' Hardware Market

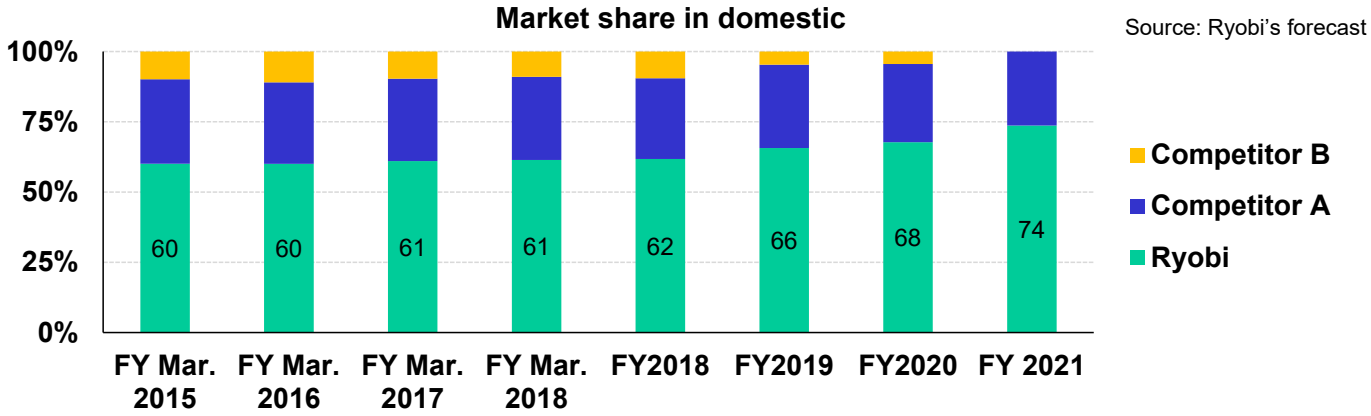
New residential housing starts and non-residential floor space are both expected to remain at around 850 thousand units and 46 million m², respectively, from 2022 onward



Source: Ministry of Land, Infrastructure, Transport and Tourism (figures for 2022 and later are Ryobi's forecasts

Builders' Hardware

Situation of Market Share



Source: Ryobi's forecast

- **In March 2021, Competitor B withdrew from the door closer business, enabling us to further increase our sales share**
- **Ryobi's share in the building market is over 80% in the Tokyo metropolitan area and over 60% in the Kansai area. We are leveraging our high market share to secure stable sales**

Orders received in FY2022

Shinagawa development project

Mita 3&4 development project

Examples of properties we started to deliver in FY2022

Tranomon & Azabudai project

JP tower OSAKA Umeda

Builders' Hardware

Initiatives of Sales / Manufacturing

Initiatives to improve profitability

- **Expand share in the Japanese market**

  Almost 100% share in the detached house market
  Aiming for 70% share in the building market → Overall market share of 85%

- **Expand sales of high-value-added products**

  Propose next-generation core products

- **Promote production in optimal locations**

  We are promoting an increase in production in Japan to reduce the risk of high costs associated with the appreciation of the Chinese yuan, and to ensure a stable supply of products to customers
  We plan to approximately double production of door closers at our automated production facilities in Japan

- **Further improve productivity**

  Promote in-house production (in-house production of currently outsourced processed products)
  Promote labor reduction (renewal of assembly and inspection lines)

- **Revise sales prices**

  Although we are making efforts to reduce costs to absorb the sharp rise in raw material prices, we have implemented price revisions (price increases) due to being unable to absorb the entire cost increase on our own

- **Expand sales in overseas markets**

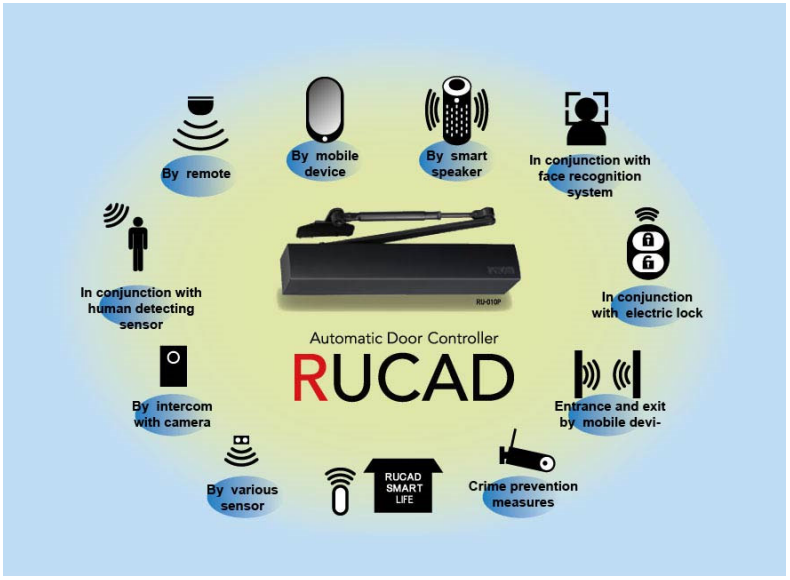
  Retention of spec-in sales in priority markets
  Development of new markets

Builders' Hardware

Initiatives to Expand Sales of Strategic Products
-Improve recognition of strategic products and enhance functions-

Exhibited in June 2022 at KENTEN 2022, a general exhibition of building materials and housing equipment, and introduced strategic products

RUCAD: electrically operated door controller (equipped with batteries) linked to external systems



Enables contactless door opening and closing in a variety of situations by linking to IC cards and face recognition devices etc.

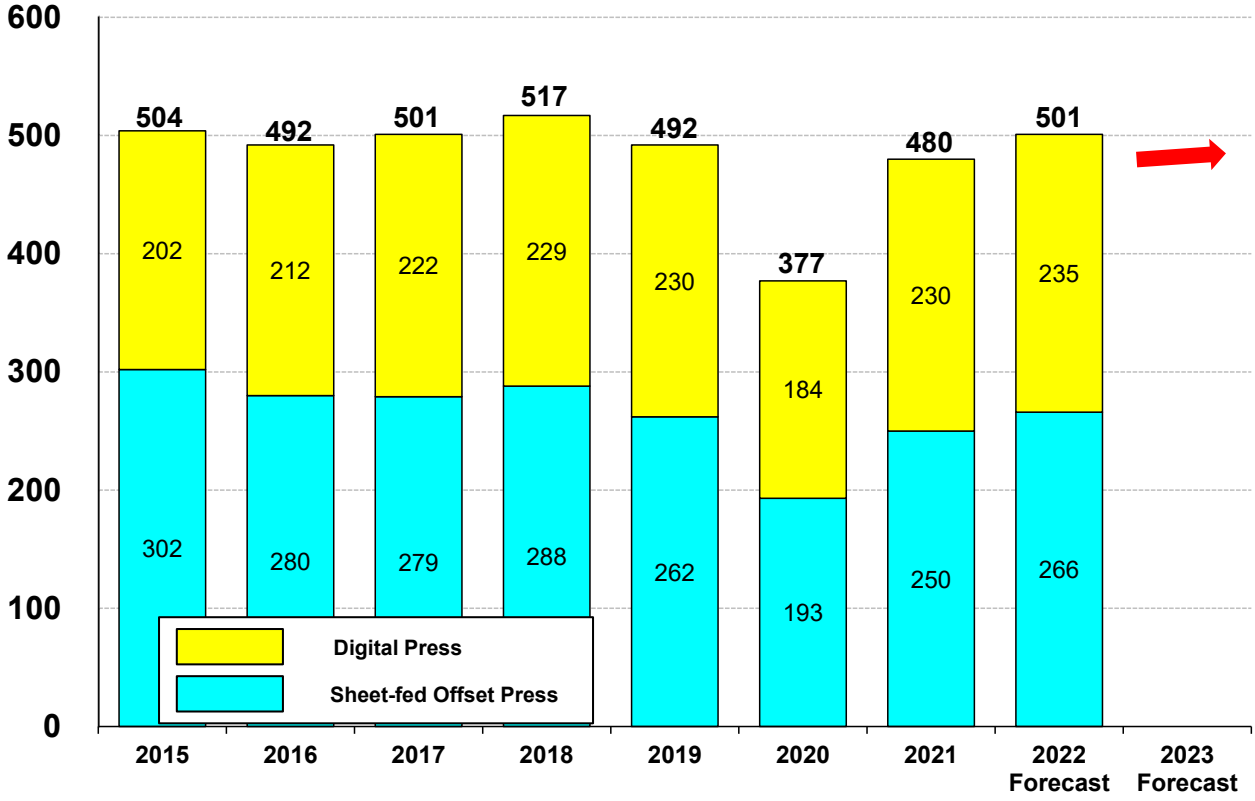
GC-6V is capable of easily opening and securely closing even a large door

GCA-4V has a "delayed action" function which causes the door to start closing slowly

Printing Equipment

Forecast of the Global Sheet-fed Printing Press Market (All Size)

(Unit: Billions of Yen)



Source: Estimated by RYOBI MHI Graphic Technology Ltd. based on financial results materials disclosed by manufactures (as of Jul. 2022)

Printing Equipment

Initiatives of Sales / Manufacturing

Initiatives for improving printing press functionality, relationships with customers, and profitability

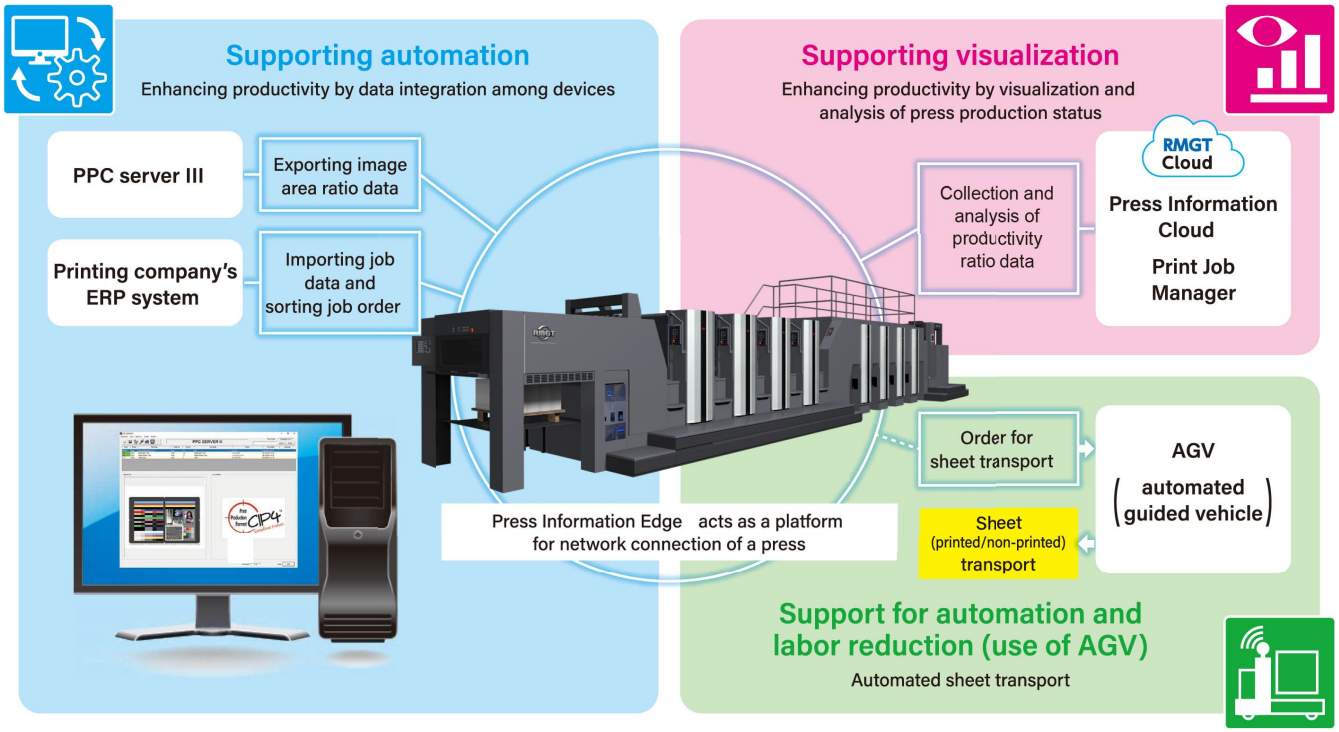
- **Automation by linking to peripheral equipment**
  - Link to AGV and peripheral equipment systems
  - Link to post-press equipment
- **Development of automation, labor-saving, and assistance functions for printing press**
  - Develop automatic operation functions
  - Utilize “AI”
- **Strengthening of relationship with customers and distributors**
  - Improve customer satisfaction and hold technical exchange meetings
  - Develop new customers
- **Appropriately management parts inventory and enhance response to procurement risks**
  - Multiple purchasing and in-house production of parts and equipment with production risks
- **Development of functions for package printing**
- **Cost reduction of core models**

Printing Equipment

Initiatives to Expand the Peripheral Equipment Business

Transcending the scope of printing equipment manufacturing, we offer proposals for the overall optimization of printing factories.
We help create "smart factory" via collaboration with peripheral equipment manufacturers.

RMGT Smart Factory Solution Concept



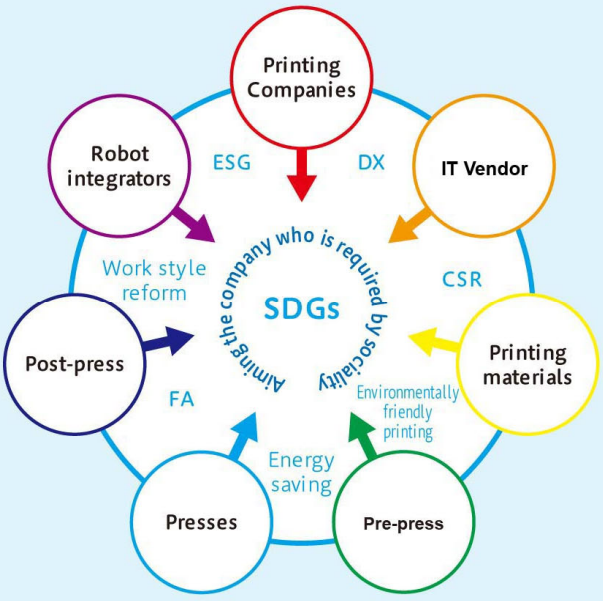
Printing Equipment

Establishment of a Consortium for Smart Printing Factories

We plan to establish a consortium with peripheral equipment manufacturers, aiming to achieve sustainable growth by, for example, converting printing factories into smart factories

Consortium for Sustainable Printing Industry

- **New values will be provided to the printing industry, not just by RMGT, but through collaboration and co-creation that transcends barriers between printing companies and other companies providing printing materials, printing equipment, and peripheral equipment**
- **All companies participating in the consortium will aim to continue to grow sustainably as "companies that will continue to be needed by society"**



Integrated Report

Ryobi Integrated Report 2022

Ryobi Integrated Report 2022 is published to proactively disclose ESG and other non-financial initiatives, and to help stakeholders understand our medium- to long-term growth potential and strengths

〔Main contents〕

- **Top Message**
- **Value creation process**
- **Strengths cultivated**
- **Medium-term themes and Ryobi initiatives**
- **Ryobi's Challenge**
- **ESG (Environment, Social, Governance)**
- **Finance Information**

Posting in our website (Japanese only)
https://www.ryobi-group.co.jp/ir/library/integrated.html

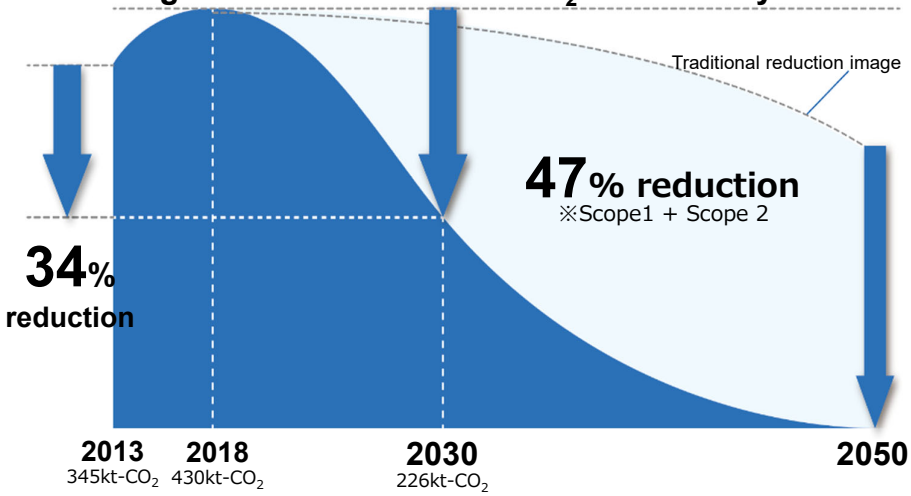
Sustainability ESG/SGDs

Initiative to Environment

FY2022 Environmental Targets

- **Achieve carbon neutrality by 2050**
- **Curb CO_2 emissions from domestic and overseas bases by 47% from the FY2018 level by 2030 ※**

Target curb the volume of CO_2 emission by 2050



※ **CO_2 emissions are absolute amounts for Scopes 1 and 2**
Reduce by 34% or more compared with FY2013
(Domestic: 46% or more. Overseas: 25% or more)

Major measures to become carbon neutral

- **Recognize the energy consumption structure and promote the introduction of energy-saving equipment**
- **Use of renewable energy (solar, hydro-electric, etc.)**
- **Switch to low-carbon fuels (from fuel oil to LNG, etc.)**
- **Switch to non-fossil energy (hydrogen, ammonia, etc.)**

We are developing a CO_2 emissions reduction roadmap to become carbon neutral by 2050

Sustainability ESG/SDGs

Initiative to Environment –Initiatives for reducing CO_2 emissions-

Reduce CO_2 emissions by converting the fuel used in aluminum melting furnaces at our Shizuoka Plant

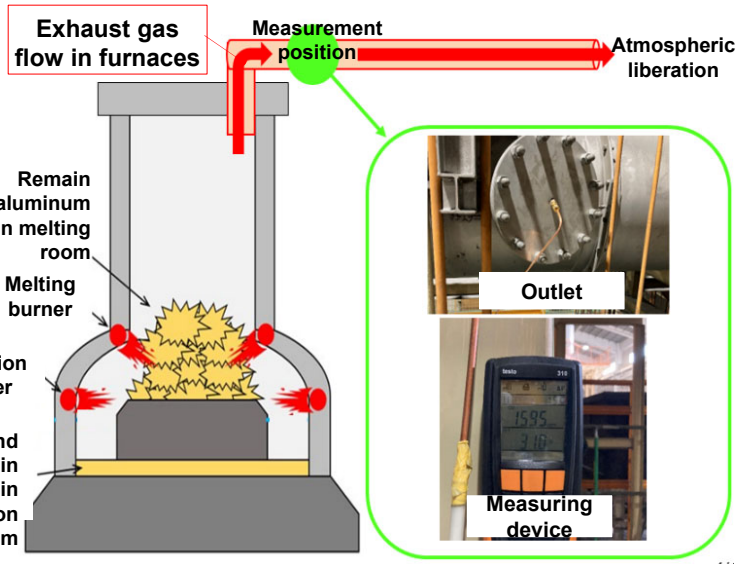
- Switch from fuel oil to city gas
- CO_2 emissions Approx. -4,000t-CO_2/year (12,600t-CO_2 → 8,600t-CO_2 -31.7%)

Optimize combustion conditions by adjusting burner opening and airflow in aluminum melting furnaces

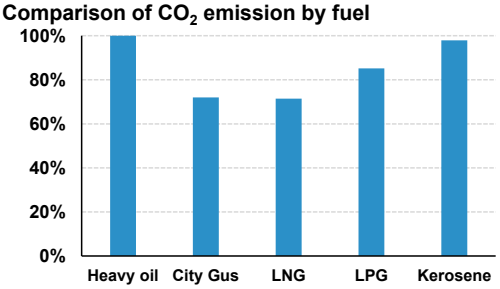
- Amount of fuel oil used Approx. -9,800ℓ/year
- CO_2 emissions Approx. -27t-CO_2/year

Image of Melting furnaces

Image of CO_2 emission concentration measurement



Comparison of CO_2 emission by fuel

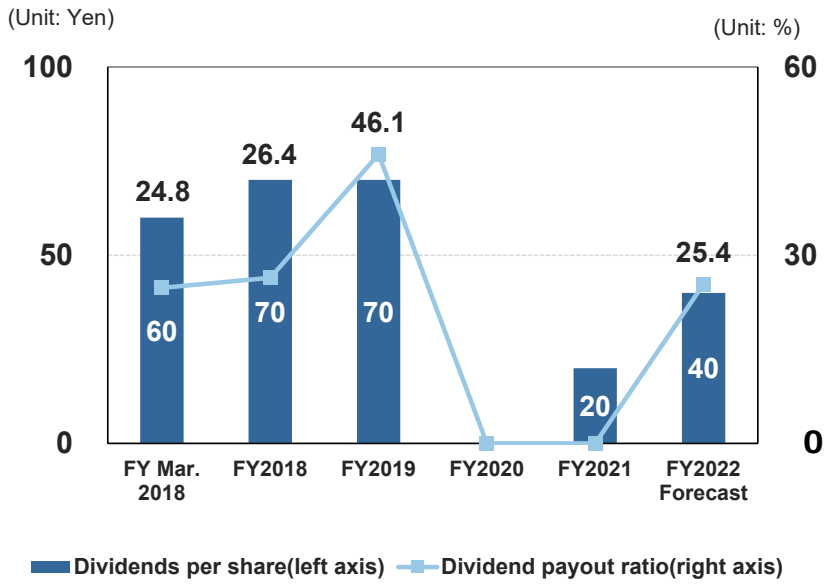


※Compare CO_2 emissions of individual fuels with A-fuel oil as 100%

4. Shareholder Returns

Shareholder Returns

Trends in Dividends per Share and 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

- Dividends for FY2021 were resumed in consideration of the return to profitability in terms of operating income and free cash flow, as well as the continuation of stable dividend payments (20 yen per share annually).
- Dividends of 40 yen per share (annual dividend) are planned for FY2022.

	FY Mar. 2018	FY2018	FY2019	FY2020	FY2021	FY2022 Forecast	FY2023 Forecast
Dividends per share	¥60	¥70	¥70	¥0	¥20	¥40	Dividend payout ratio of around 30%
Dividend payout ratio	24.8%	26.4%	46.1%	–	–	25.4%	

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 from these projections due to economic conditions, the business environment, trends in market demand, changes in exchange rates, and other factors.

Beyond Ideals and Dreams