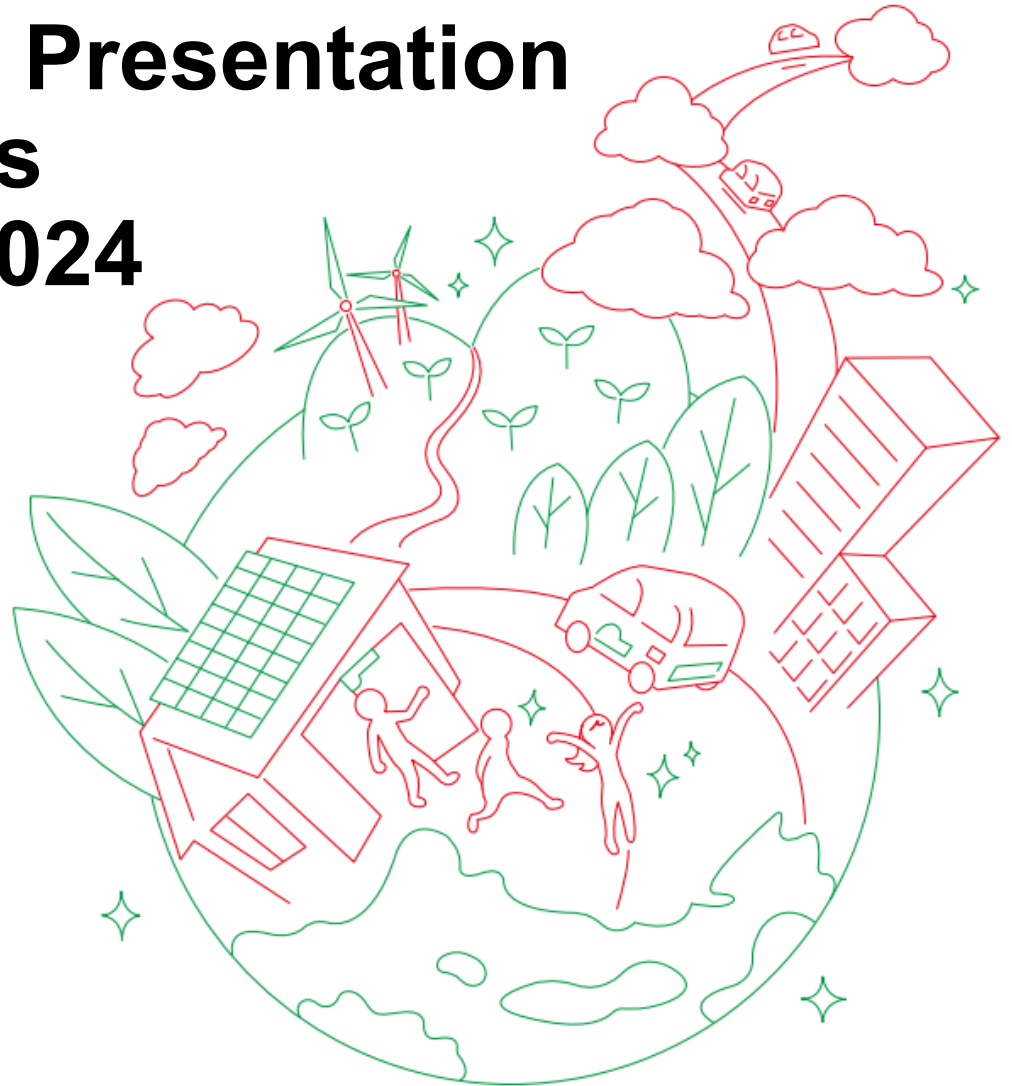




# **Ryobi Limited Financial Results Presentation for the Six Months Ended June 30, 2024**

**August 8, 2024**



<b>1. Results for the Six Months Ended June 30, 2024</b>	<b>3</b>
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# **1. Results for the Six Months Ended June 30, 2024**

# Highlights of Financial Results

## ➤ Consolidated results:

**Sales and profits increased compared to the previous corresponding period**

### **Die Castings**

- Sales increased both in Japan and overseas. Although some automotive manufacturers suspended production and shipments, sales increased thanks to recovering domestic and overseas automotive production and higher yen-based sales of overseas subsidiaries due to the weak yen.
- Growth in sales boosted profits, despite increasing labor costs and other factors.

### **Builders' Hardware**

- Sales increased both in Japan and overseas.  
Profits fell due to rising procurement costs of overseas production.

### **Printing Equipment**

- Sales increased both in Japan and overseas.  
Profits were slightly higher due to the impact of rising raw material prices.

## ➤ FY2024 Forecasts

- Sales are expected to increase thanks to the recovery in automotive production.  
Sales to set another record high, exceeding 300 billion yen for the first time.
- Despite the impact of increasing labor costs, remaining high energy and rising raw material prices, higher sales will bring growth in operating income. (No changes from the last announcement on February 13th.)

## ➤ Shareholder Returns

- For FY2024, the interim dividend is 42.5 yen per share and the year-end dividend is to be 42.5 yen per share for an annual dividend of 85 yen per share.
- 5 yen higher than in the previous year, 5 yen higher than in the initial forecast.

# Results Summary

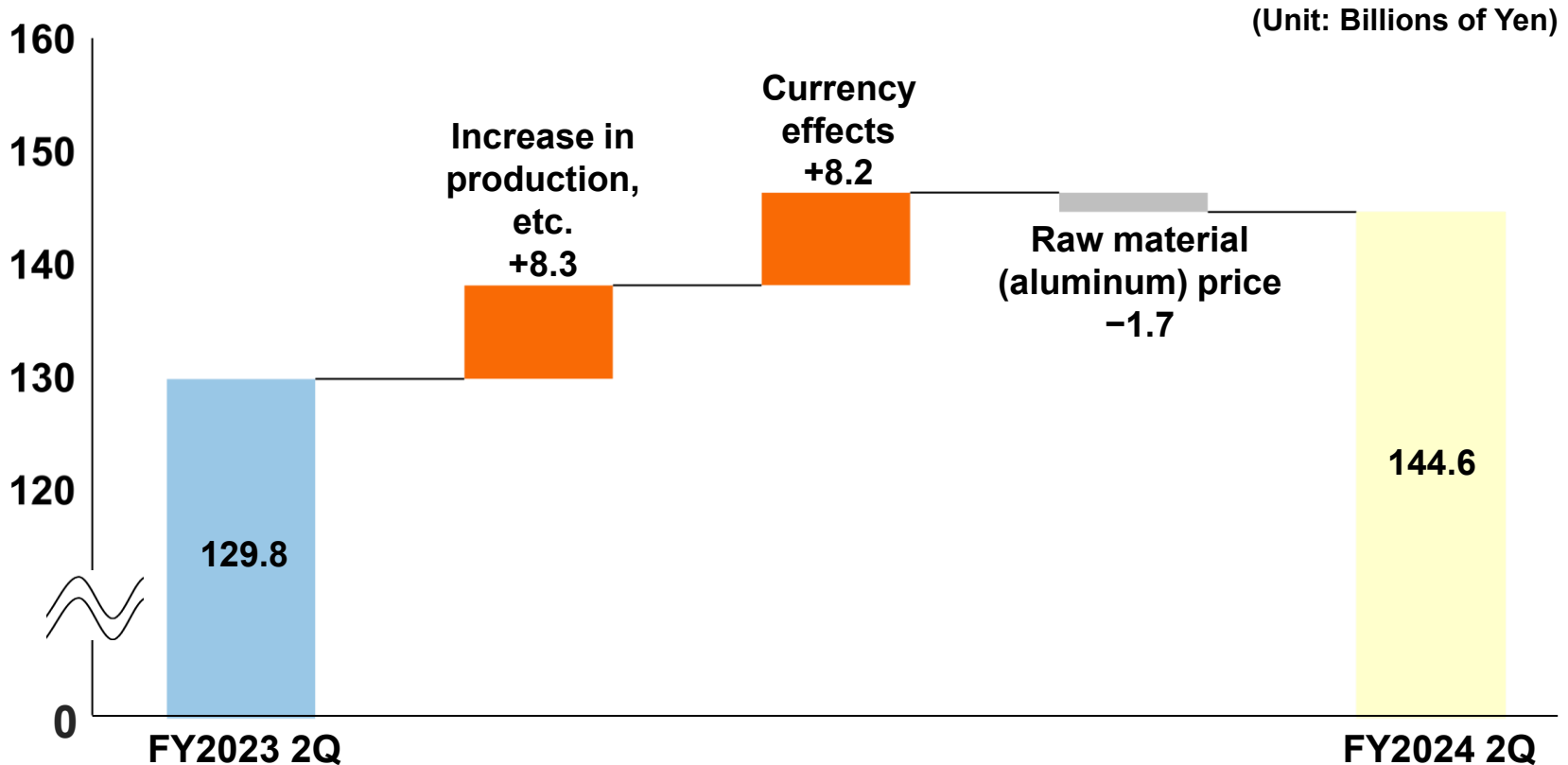
- Both sales and profits increased from the previous corresponding period thanks to recovering in domestic and overseas automotive production.
- Under the uncertain situation, sales activities, measures intended to lower costs, improved productivity and business efficiency were promoted.

(Unit: Billions of Yen)

	FY2023 2Q	FY2024 2Q			
	Results	Results	Change	Forecasts (Announced on Feb. 13)	Change (vs. forecasts)
Net sales	129.8	144.6	14.8 (11.4%)	150.0	-5.4 (-3.6%)
Operating income	4.8	5.2	0.3 (7.1%)	5.6	-0.4 (-7.3%)
Ordinary income	6.1	6.7	0.6 (10.2%)	5.5	1.2 (21.6%)
Net income attributable to owners of parent	4.3	4.8	0.4 (10.2%)	4.0	0.8 (19.3%)

# Analysis of Changes in Net Sales

Sales increased by 14.8 billion yen due to an increase in die casting production volume and the impact of the weak yen.

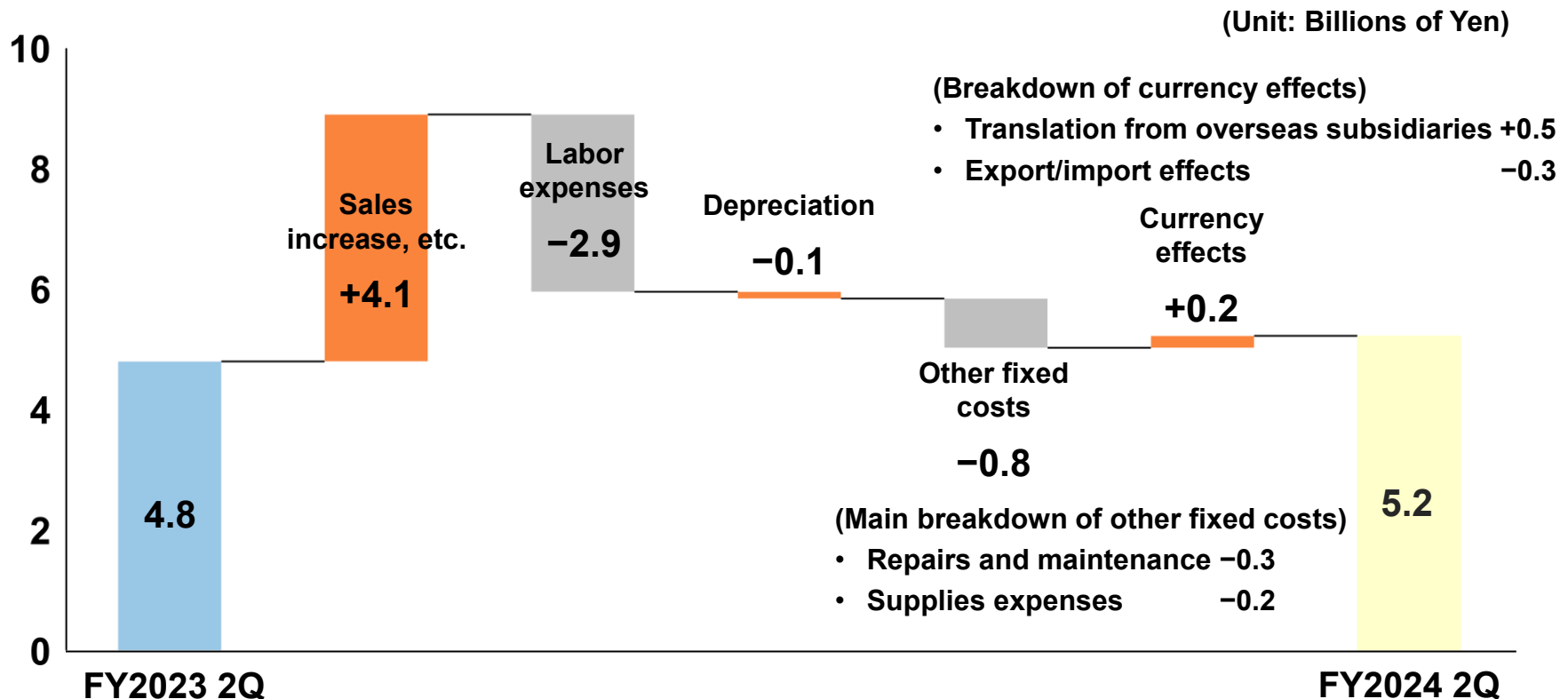


Exchange rates (average for the period)

	USD	GBP	CNY	THB
FY2023 2Q	¥134.42	¥164.96	¥19.39	¥3.92
FY2024 2Q	¥151.20	¥191.15	¥20.93	¥4.20

# Analysis of Changes in Operating Income

- Growth in sales boosted profits, despite increasing labor costs in Japan, Americas and Europe.
- Sales increase, etc. includes recovery of energy costs and other factors.

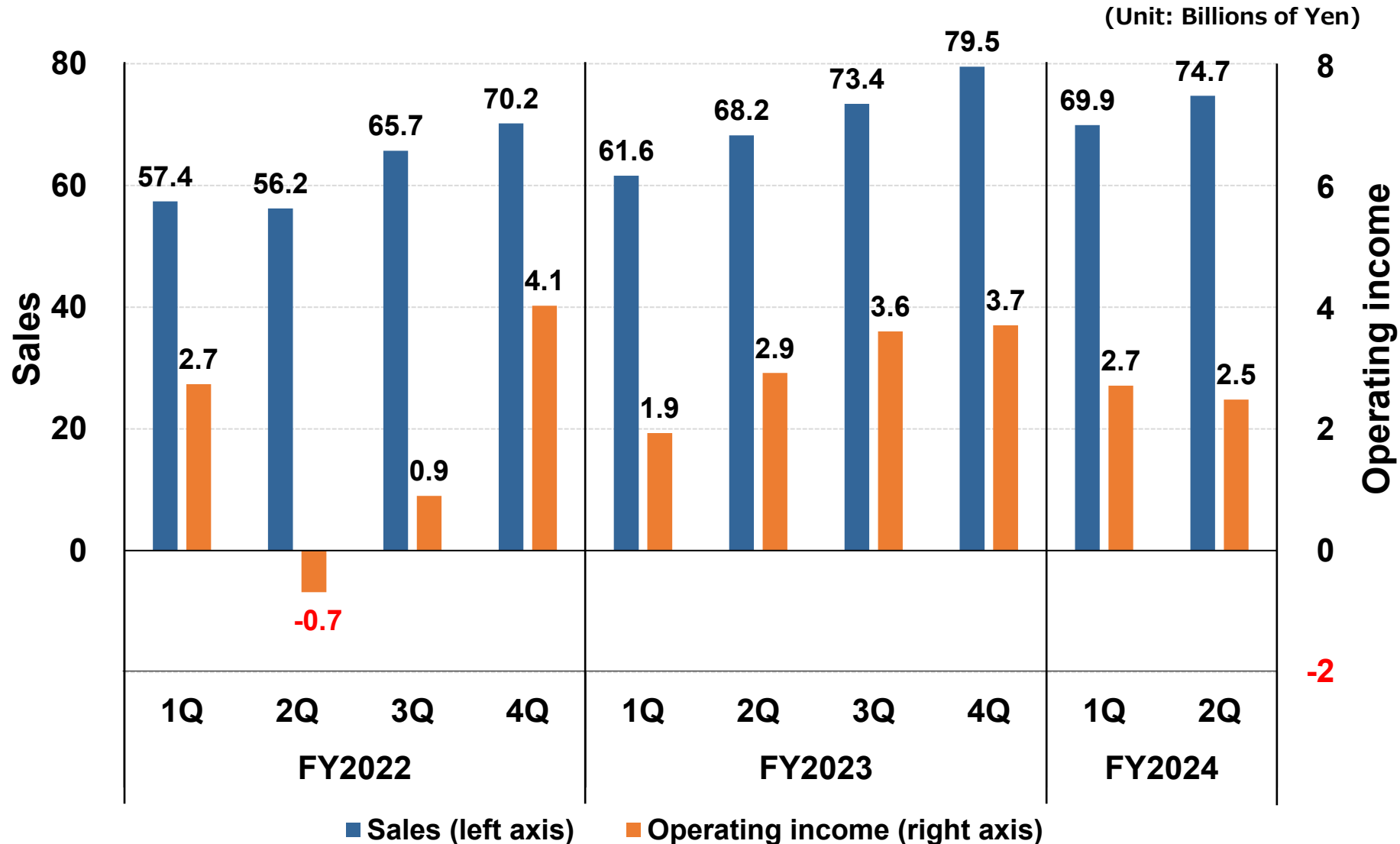


Exchange rates (average for the period)

	USD	GBP	CNY	THB
FY2023 2Q	¥134.42	¥164.96	¥19.39	¥3.92
FY2024 2Q	¥151.20	¥191.15	¥20.93	¥4.20

# Trends in Sales and Operating Income (Consolidated)

- Sales in the second quarter grew from the first quarter thanks to the recovery in automotive production.
- Profits decreased due to higher labor costs and exhibition expenses in Printing equipment.



# Results by Business Segment

- Die Castings:** Higher sales and higher profits thanks to the recovery in automotive production and the impact of the weak yen.
- Builders' Hardware:** Sales increased, but profits declined due to higher procurement costs for overseas production and other factors.
- Printing Equipment:** Sales increased, but profits were slightly higher due to the impact of rising raw material prices.

(Unit: Billions of Yen)

	FY2023 2Q	FY2024 2Q			
	Results	Results	Change	Forecasts (Announced on Feb. 13)	Change (vs. forecasts)
<b>Net sales</b>	<b>129.8</b>	<b>144.6</b>	<b>14.8</b> (11.4%)	<b>150.0</b>	<b>-5.4</b> (-3.6%)
Die castings	113.6	127.2	13.6 (12.0%)	132.2	-5.0 (-3.8%)
Builders' hardware	5.2	5.3	0.1 (2.5%)	5.3	0.0 (0.9%)
Printing equipment	11.0	12.0	1.0 (9.6%)	12.5	-0.5 (-3.9%)
<b>Operating income</b>	<b>4.8</b>	<b>5.2</b>	<b>0.3</b> (7.1%)	<b>5.6</b>	<b>-0.4</b> (-7.3%)
Die castings	4.4	4.9	0.5 (11.5%)	5.5	-0.6 (-11.4%)
Builders' hardware	0.1	-0.1	-0.2 (—)	0.1	-0.2 (—)
Printing equipment	0.4	0.4	0.0 (2.1%)	0.1	0.3 (297%)

# Consolidated Balance Sheet

- Total assets increased by 16.1 billion yen compared to the previous year, of which 16.2 billion yen was due to the impact of foreign exchange fluctuations.
- Of the 17.2 billion yen increase in total net assets, 11.4 billion yen is due to foreign exchange fluctuations.

(Unit: Billions of Yen)

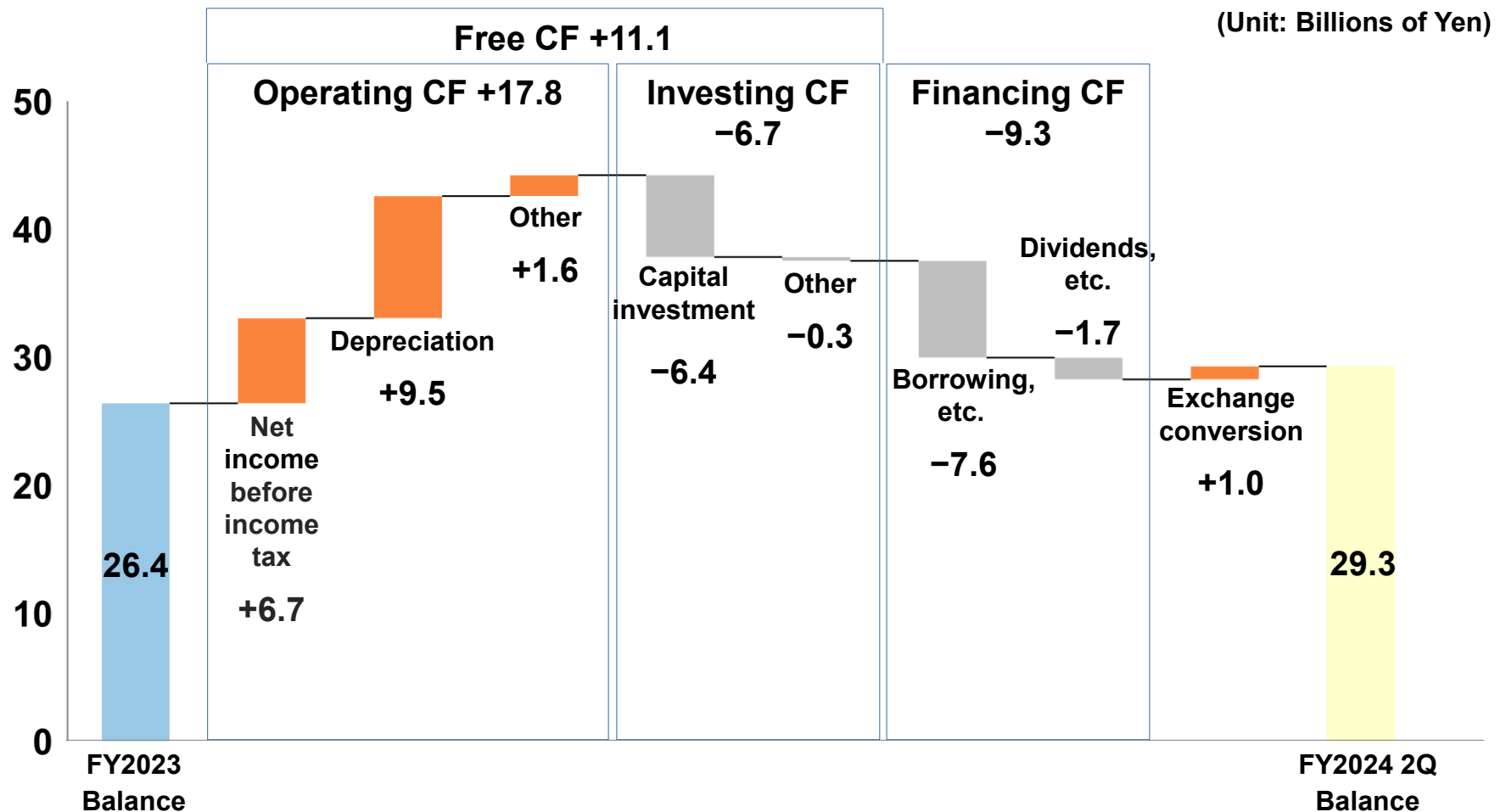
	FY2023	FY2024 2Q	Change	Currency Translation Effect		FY2023	FY2024 2Q	Change	Currency Translation Effect
Current assets	156.6	159.4	2.8	6.9	Current liabilities	117.9	115.4	-2.5	4.0
Cash and deposits	27.6	30.6	3.0	1.0	Notes and accounts payable – trade	50.9	49.5	-1.5	1.3
Notes and accounts receivable – trade	64.3	60.1	-4.2	2.9	Short-term borrowings	46.2	42.4	-3.8	2.3
Securities	0.7	0.7	0.0	—	Other	20.8	23.6	2.8	0.4
Inventories	59.9	64.2	4.2	2.9	Non-current liabilities	40.2	41.6	1.4	0.9
Other	4.1	3.9	-0.2	0.1	Long-term borrowings	24.0	23.6	-0.5	0.6
Non-current assets	162.2	175.5	13.3	9.3	Other	16.2	18.0	1.9	0.2
Property, plant and equipment	123.4	130.1	6.7	8.1	Shareholders' equity	124.7	128.1	3.4	1.0
Intangible assets	2.6	2.6	0.0	0.1	Accumulated other comprehensive income	26.6	40.4	13.8	10.3
Investments and other assets	36.1	42.8	6.7	1.1	Non-controlling interests	9.4	9.5	0.1	—
Deferred assets	—	—	—	—	Total net assets	160.7	177.9	17.2	11.4
Total assets	318.8	335.0	16.1	16.2	Total liabilities and net assets	318.8	335.0	16.1	16.2

Exchange rates (as of end of period)

	USD	GBP	CNY	THB
FY2023	¥141.83	¥180.68	¥19.93	¥4.13
FY2024 2Q	¥161.07	¥203.48	¥22.04	¥4.36

# Change in Cash Flows

- Operating CF exceeded Investing CF, resulting in positive free CF.
- Free cash flow is applied to repayments of borrowings, dividend payments, and other disbursements/expenses.



## **2. Forecasts for the Fiscal Year Ending December 31, 2024**

# Forecasts

- No changes from the last announcement on February 13th.
- Sales are expected to increase thanks to the recovery in automotive production.
- Operating income is expected to increase due to higher sales. Ordinary income and net income figures are expected to decrease due to lower foreign exchange gains and other factors.

(Unit: Billions of Yen)

	FY2023	FY2024	
	Results	Forecasts	Change
Net sales	282.7	305.0	22.3 (7.9%)
Operating income	12.2	13.0	0.8 (6.4%)
Ordinary income	13.9	12.8	-1.1 (-7.7%)
Net income attributable to owners of parent	10.1	9.0	-1.1 (-11.0%)

# Forecasts by Business Segment

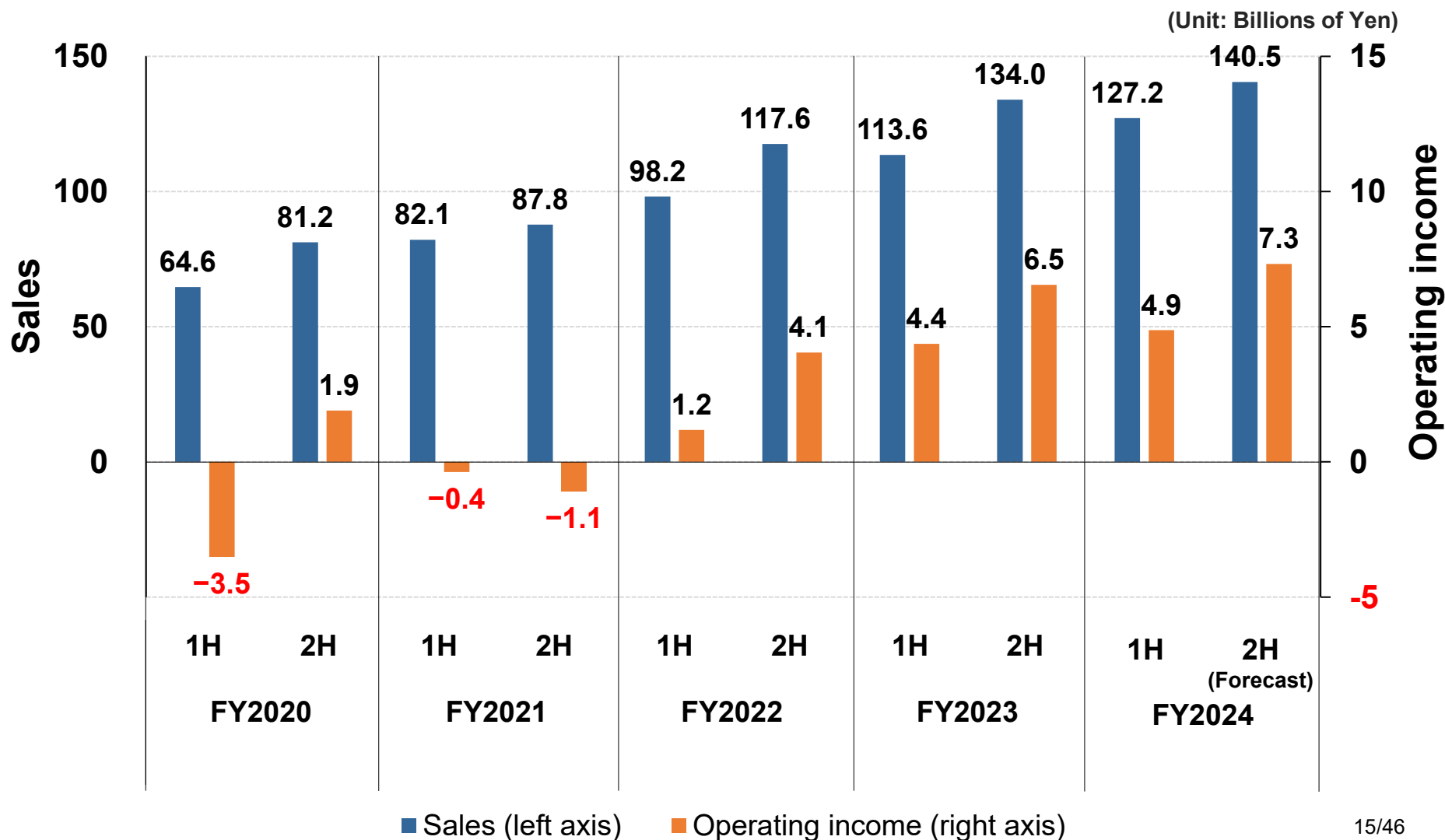
- Die Castings:** Automotive production is expected to maintain its current course of recovery in the second half. Profits are expected to increase due to the higher sales.
- Builders' Hardware:** Higher sales both in Japan and overseas. Reversing course from losses sustained in the first half to profits due to higher sales. Profits are expected to increase.
- Printing Equipment:** Higher sales both in Japan and overseas. Profits are expected to decrease due to the effects of rising raw material prices and exhibition expenses.

(Unit: Billions of Yen)

	FY2023	FY2024	
	Results	Forecasts	Change
<b>Net sales</b>	<b>282.7</b>	<b>305.0</b>	<b>22.3</b> <b>(7.9%)</b>
<b>Die castings</b>	<b>247.6</b>	<b>267.7</b>	<b>20.1</b> <b>(8.1%)</b>
<b>Builders' hardware</b>	<b>10.8</b>	<b>11.0</b>	<b>0.2</b> <b>(1.6%)</b>
<b>Printing equipment</b>	<b>24.1</b>	<b>26.3</b>	<b>2.2</b> <b>(9.2%)</b>
<b>Operating income</b>	<b>12.2</b>	<b>13.0</b>	<b>0.8</b> <b>(6.4%)</b>
<b>Die castings</b>	<b>10.9</b>	<b>12.2</b>	<b>1.3</b> <b>(11.8%)</b>
<b>Builders' hardware</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b> <b>(74.3%)</b>
<b>Printing equipment</b>	<b>1.1</b>	<b>0.5</b>	<b>-0.6</b> <b>(-56.0%)</b>

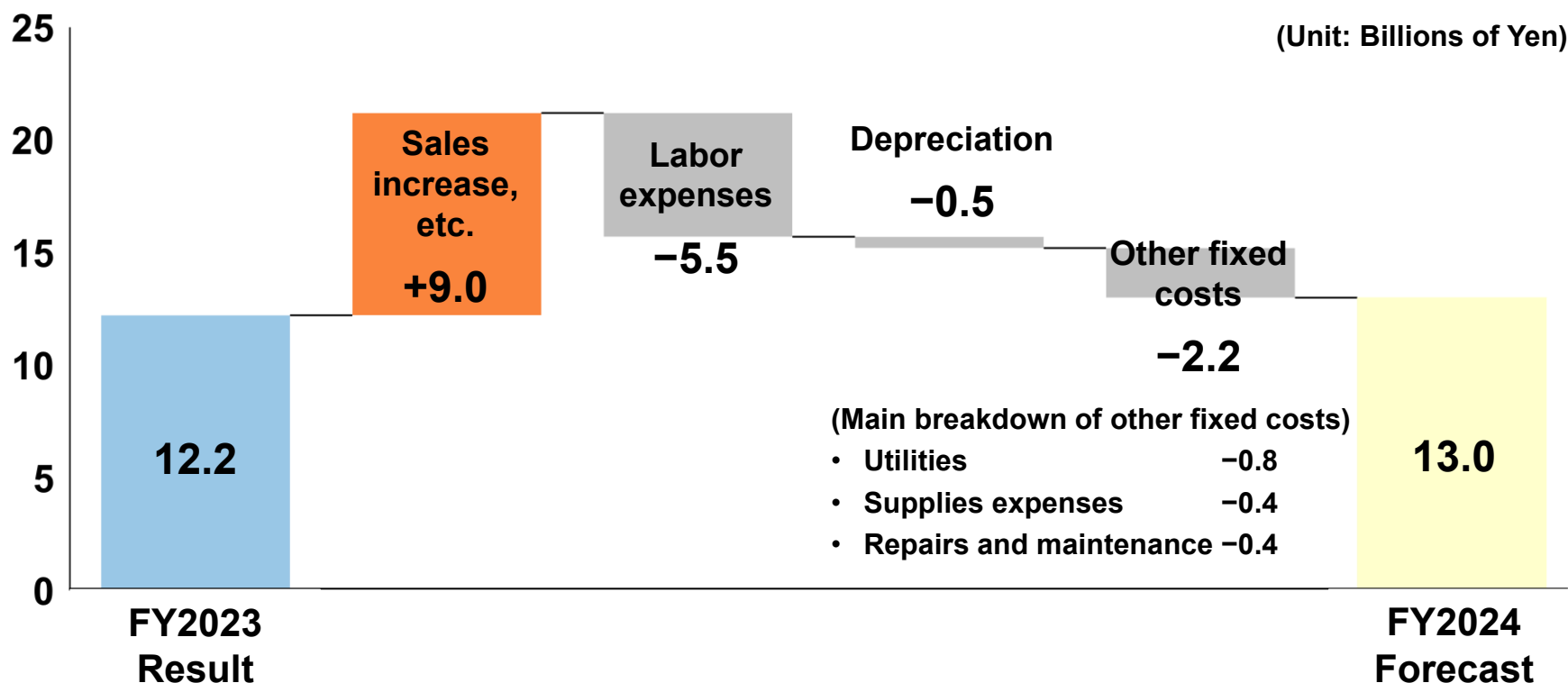
# Trends in Sales and Operating Income (Die Castings)

- Full-year sales are expected to increase both in Japan and overseas due to the continued recovery in automotive production.
- Full-year sales are expected to reach record high due in part to new product launches and other factors.



# Analysis of Changes in Operating Income Forecast

- Labor expenses will increase in Japan and overseas.
- Other fixed costs also will increase due to increased semi-variable costs resulting from increased production volume.
- Operating income is expected to increase due to continued efforts for cost reduction and productivity improvement, despite increased expenses.



Exchange rates  
(average for the period)

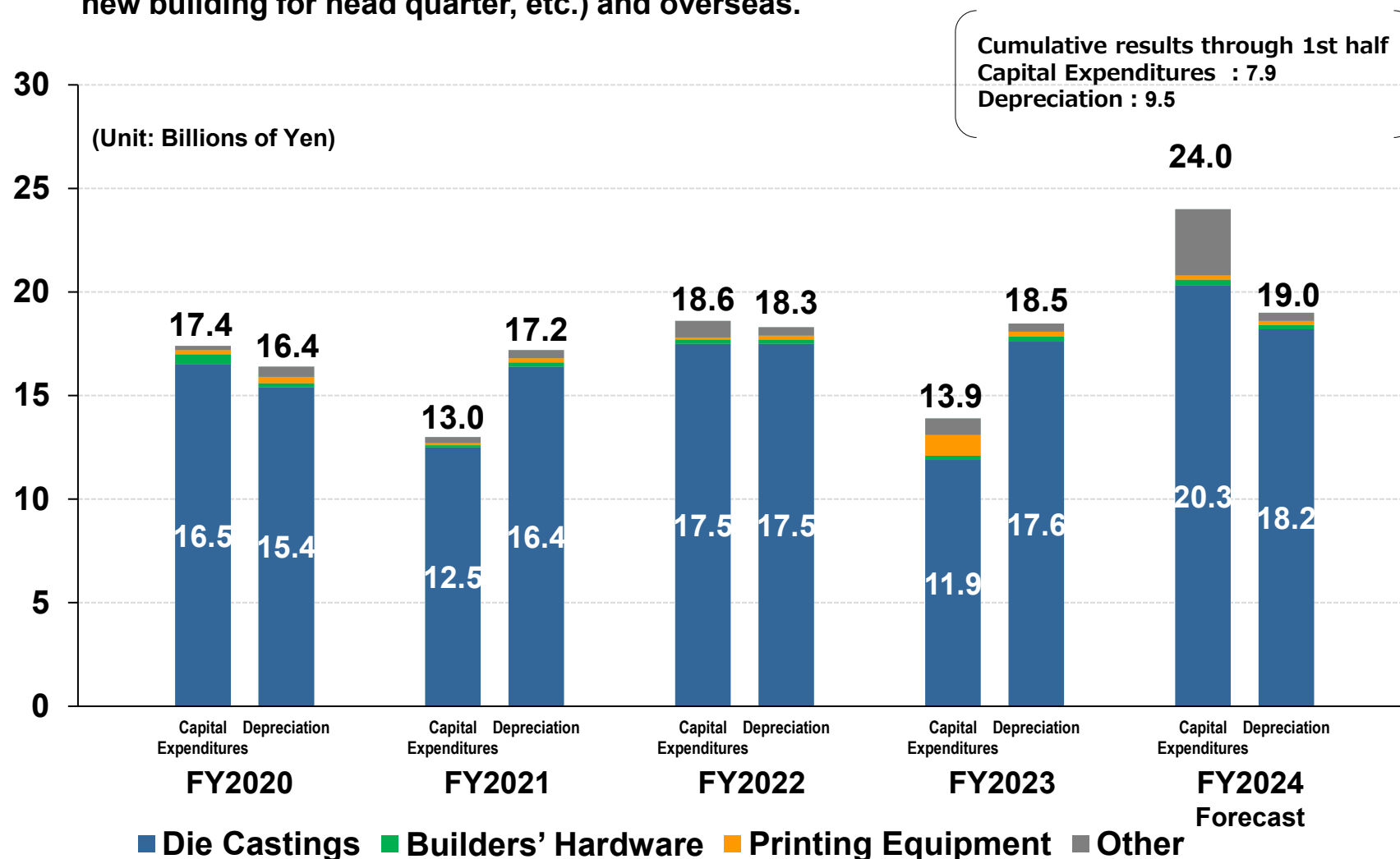
	USD	GBP	CNY	THB
FY2023 Result	¥140.69	¥174.49	¥19.83	¥4.03
FY2024 Forecast	¥145	¥190	¥20.5	¥4.0

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

USD	- ¥50 million
GBP	- ¥10 million
CNY	+ ¥20 million
THB	- ¥10 million

# Trends in Capital Expenditures and Depreciation

- For FY2024, investment is expected to be 24.0 billion yen; depreciation is expected to be 19.0 billion yen.
- Increased from the previous year due to investments to expand production capacity and introduce new technologies in Japan (various equipment relating to giga casting machine, and new building for head quarter, etc.) and overseas.

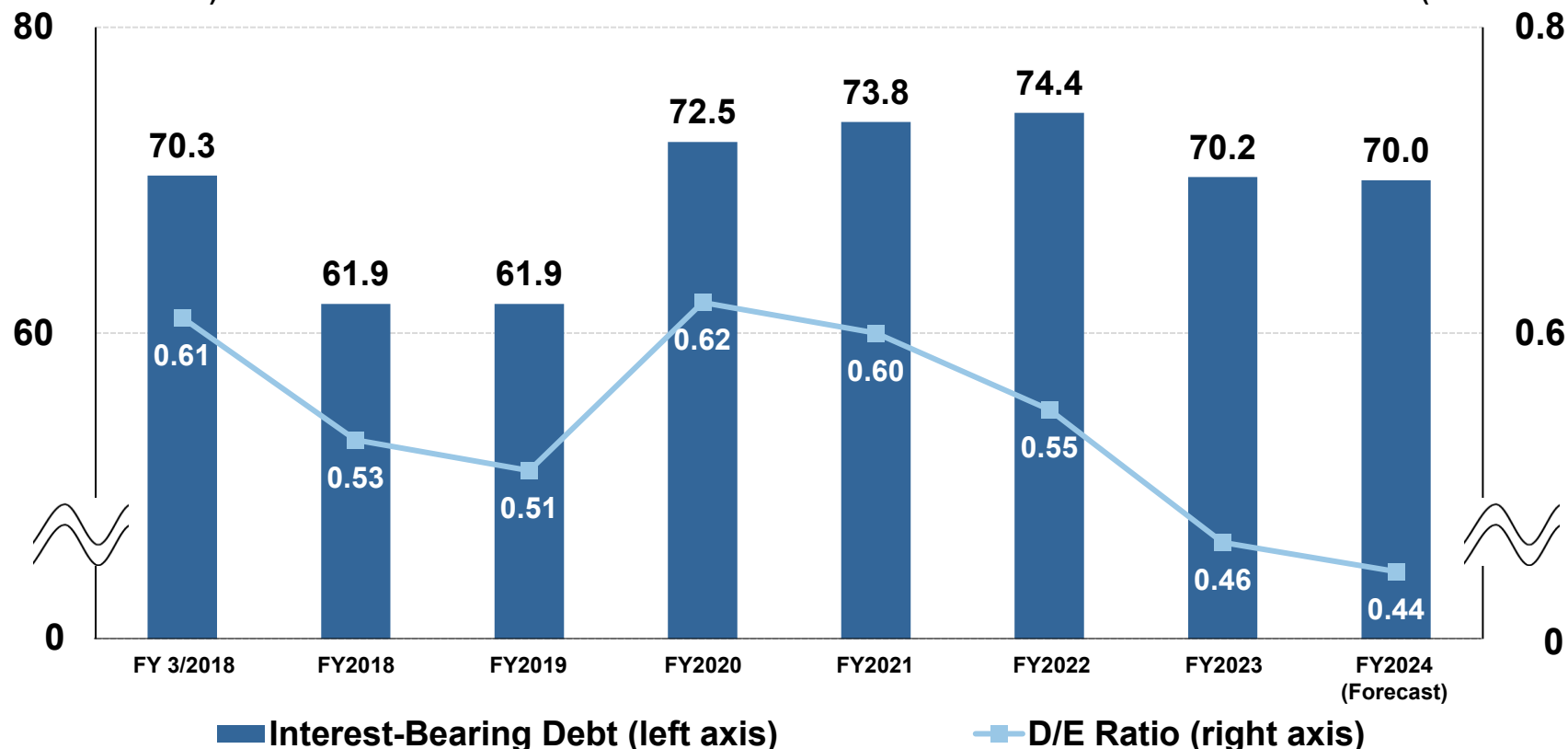


# Trends in Interest-Bearing Debt and D/E Ratio

- Interest-bearing debt at the end of FY2024 is expected to be 70.0 billion yen (no change from previous forecast).
- D/E ratio is expected to remain below 0.5 times.

(Unit: Billions of Yen)

(Unit: Times)

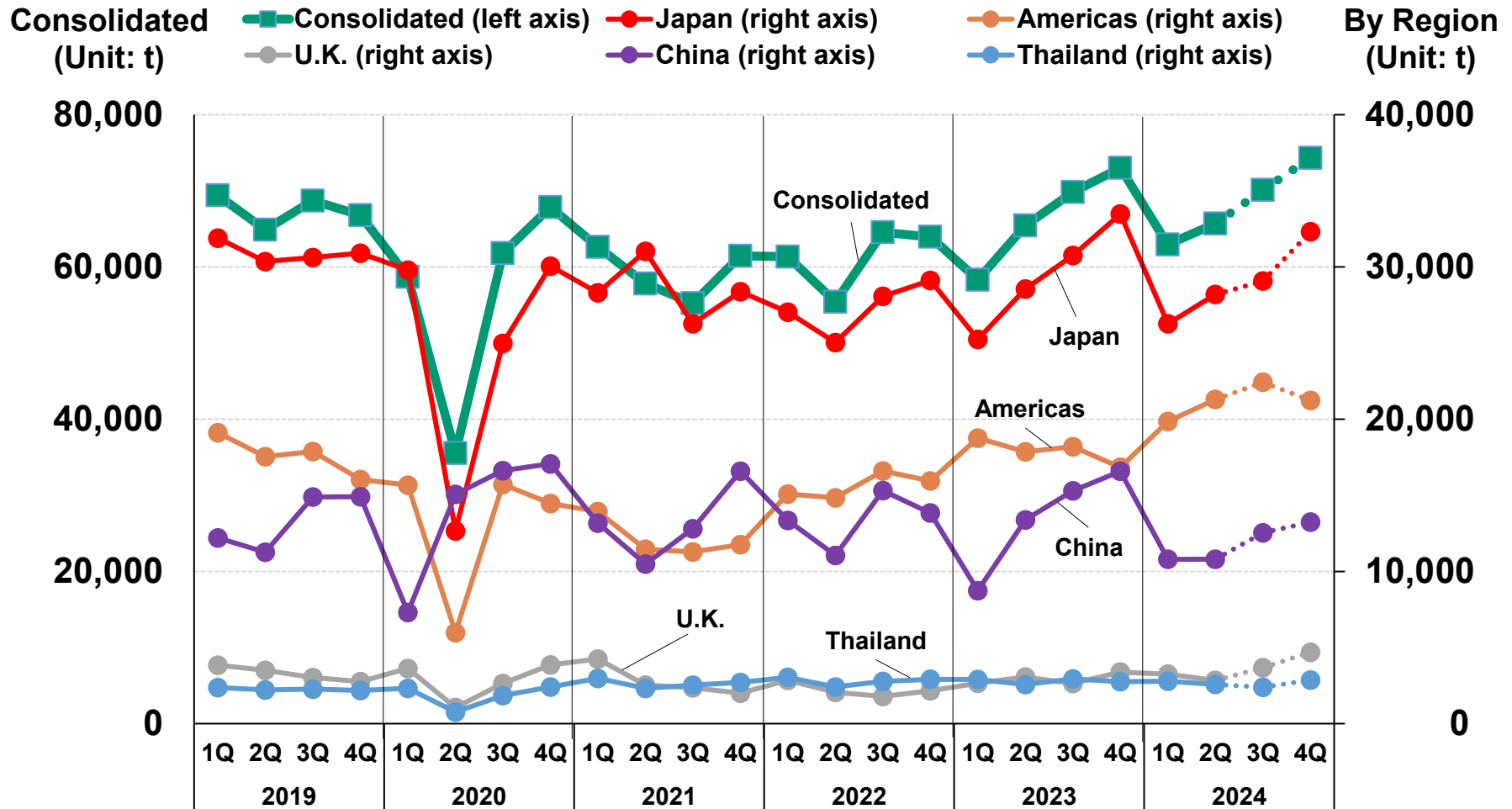


	FY 3/2018	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
Borrowing dependence (Interest-bearing debt/total assets)	25.8%	23.0%	23.5%	28.0%	26.4%	24.8%	22.0%	21.4%

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

## Trends in Production Weight of Die Castings (Results/Forecasts)

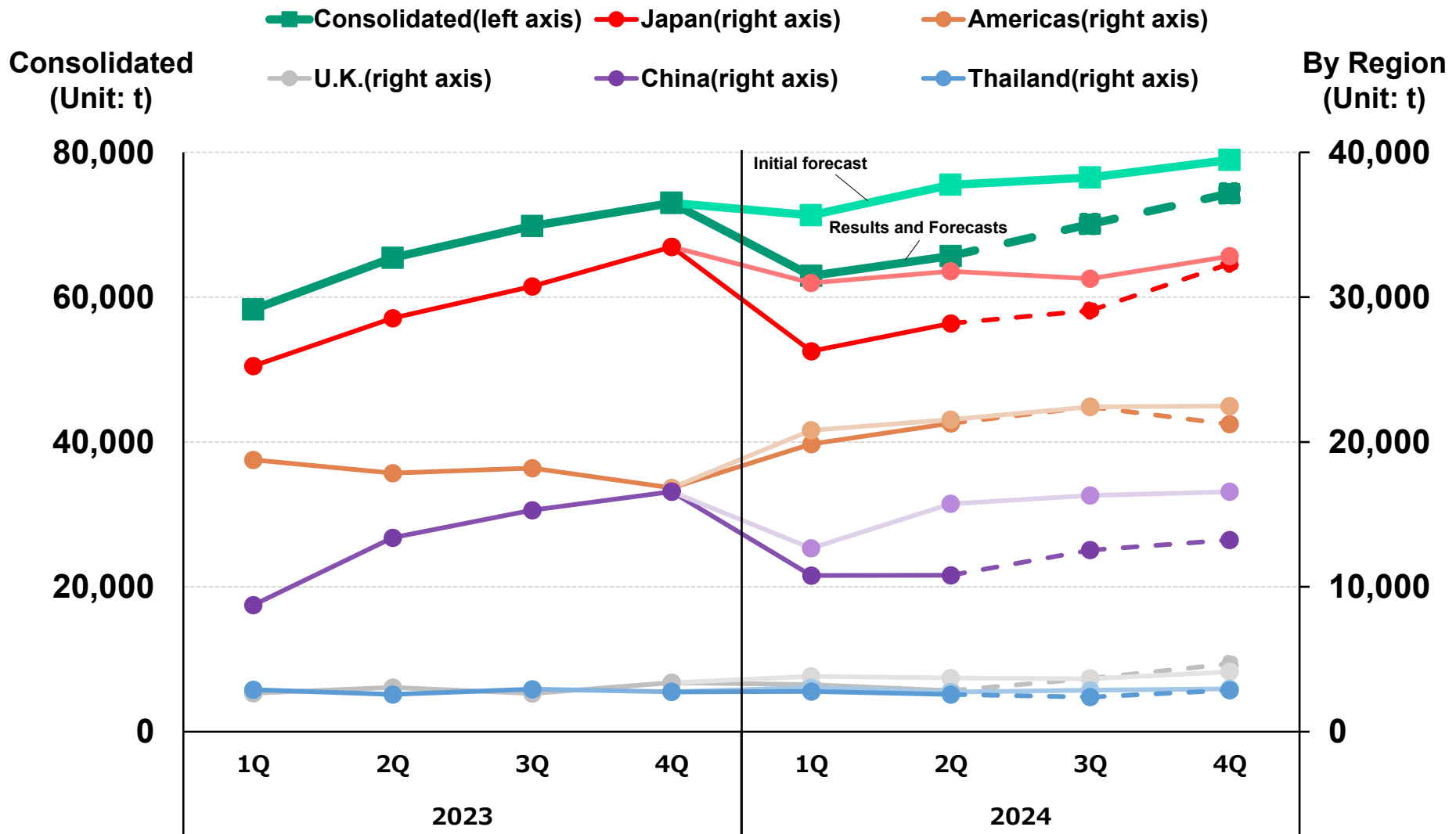
- Americas and U.K. are expected to see a year-on-year increase in FY2024.
- While lower than initial forecast, production is expected to exceed 270,000 tons (consolidated) for this year.



\*Solid lines indicate actual results; dotted lines indicate forecasts.

## Trends in Production Weight of Die Castings (Initial forecast and Results/Forecasts)

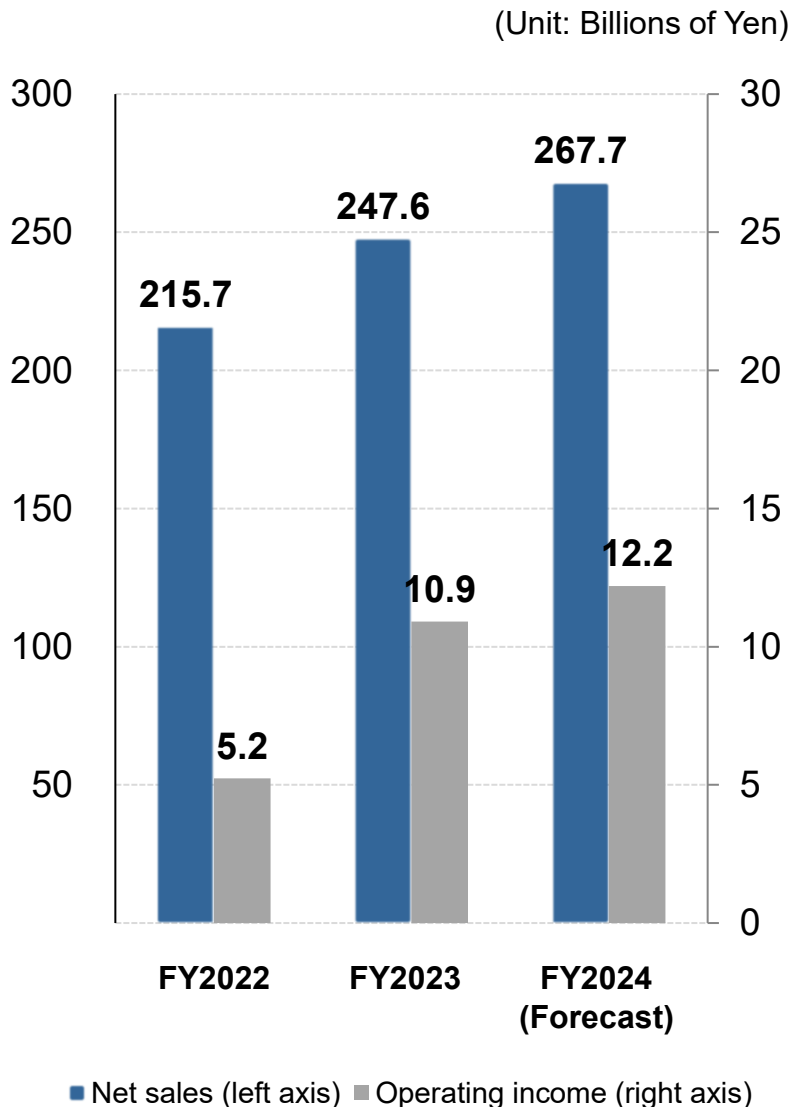
- Forecasts indicate figures short of those assumed in plans for Japan and China and slightly short of figures targeted in plans for other regions.



\*Solid lines indicate actual results; dotted lines indicate forecasts; lighter shades of the same color indicate initial forecasts.

# Die Castings – Summary –

## Forecasts of net sales and operating income



## FY2024 regional conditions

### (Japan)

The pace of recovery in automotive production has been slow due to quality and other problems at automotive manufacturers. Sales growth is sluggish.

### (Americas)

The momentum for BEVs has slowed; additionally, HEVs are gaining in popularity. The introduction of new products led to growth in sales.

Decision made to expand Mexico-based factory.

### (U.K.)

The momentum for BEVs has slowed; additionally, HEVs are gaining in popularity. Production (by weight) has picked up since the second half due to the launch of production of new products.

### (China)

The struggle involving Japanese and western automotive manufacturers owing to the advance of Chinese-owned automotive manufacturers.

(Unit: Billions of Yen)

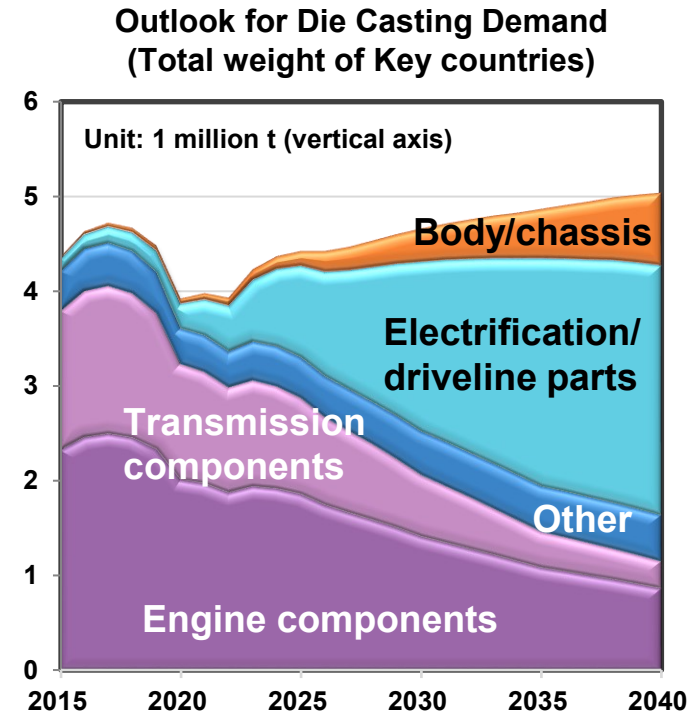
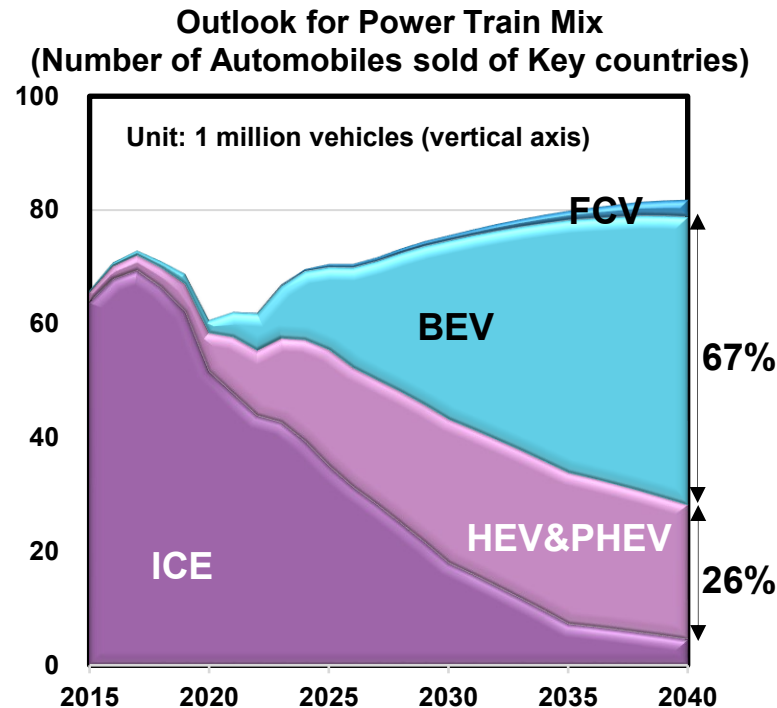
Net sales	FY2022	FY2023	FY2024 (Forecast)
Japan	93.0	102.0	101.7
Americas	58.2	74.1	90.0
U.K.	13.0	16.6	23.0
China	42.6	44.8	43.0
Thailand	8.9	10.0	10.0

# Die Castings

## Initiatives to achieve weight reductions and electrification – External conditions for the Die Castings business –

- New automobile sales is expected to increase up to around 2040.
- Surely proceed to BEV (projected percentage of BEV in 2040: 67%).
- The growth of BEVs has slowed; HEVs remain strong. HEVs will continue to have a significant presence in the 2030s.
- Production of weight reductions (body/chassis) parts and electrification parts grow, alongside sales of existing parts for internal combustion vehicles (ICE; engine and transmission parts), resulting in increased demand for die castings.

As of October 2023



Key countries: Japan, Europe, U.S.A., China, India

# Die Castings

## Outlook on Die Casting Demand - Our opportunities in the shift to electrification -

- Aluminum die casting products are used regardless of power source.
- Currently, HEVs account for the highest proportion of aluminum die castings.
- The continuing strength of HEVs is a tailwind for Ryobi.

### Use of aluminum die casting by power source

	ICE	HEV/PHEV	BEV	Main Die Casting Products
Transmission parts	✓	✓		• Transmission case
Engine parts	✓	✓		• Cylinder block
Electrification/ Drive parts		✓	✓	• Battery Case, eAxle case • Inverter/converter case
Body/Chassis parts	✓	✓	✓	• Subframe • Suspension housing

### Volume of use for die casting by power source (Kg / unit) Ryobi's forecast

Power source	ICE	HEV	PHEV	BEV A-B*	BEV C-D*	BEV E-F*
FY2024	64	70	77	31	42	57
FY2035	64	68	76	33	53	65
FY2040	62	67	76	32	59	68

- Volume of use in HEVs/PHEVs is higher than in ICE vehicles.
- In the C-D segment of BEVs, figures relative to 2022 are projected to be +14 kg in 2035 and +20 kg in 2040.

\* A-B segment : Small & Compact size  
C-D segment : Medium size  
E-F segment : Executive & Full size

# Die Castings – Making automobiles lighter –

Initiatives to achieve weight reductions and electrification – Winning businesses for strategic products –

Winning businesses of strategic products are steady.

Automobile models equipped with our body/chassis and electrification parts

BEV



Foreign OEMs



Foreign OEMs

Adopted for 11 models produced by four companies, including the above (within the past 1 year)

HEV, PHEV



TOYOTA Lexus RX Hybrid



TOYOTA RAV4 Hybrid



Geely Lynk&Co06 PHEV



SUZUKI SPACIA

Adopted for 9 models produced by four companies, including the above (within the past 1 year)

Products for which mass production began recently  
(within the past 1 year)

Product details	
Body/Chassis Parts	Steering knuckle
	Shock towers
	Subframes
Electrification parts	HEV inverter/converter case
	HEV motor housing
	HEV transaxle housing
	HEV battery case
	PHEV transmission case
	BEV compressor housing
	BEV eAxle motor housing

Products for which plans for mass production are in place

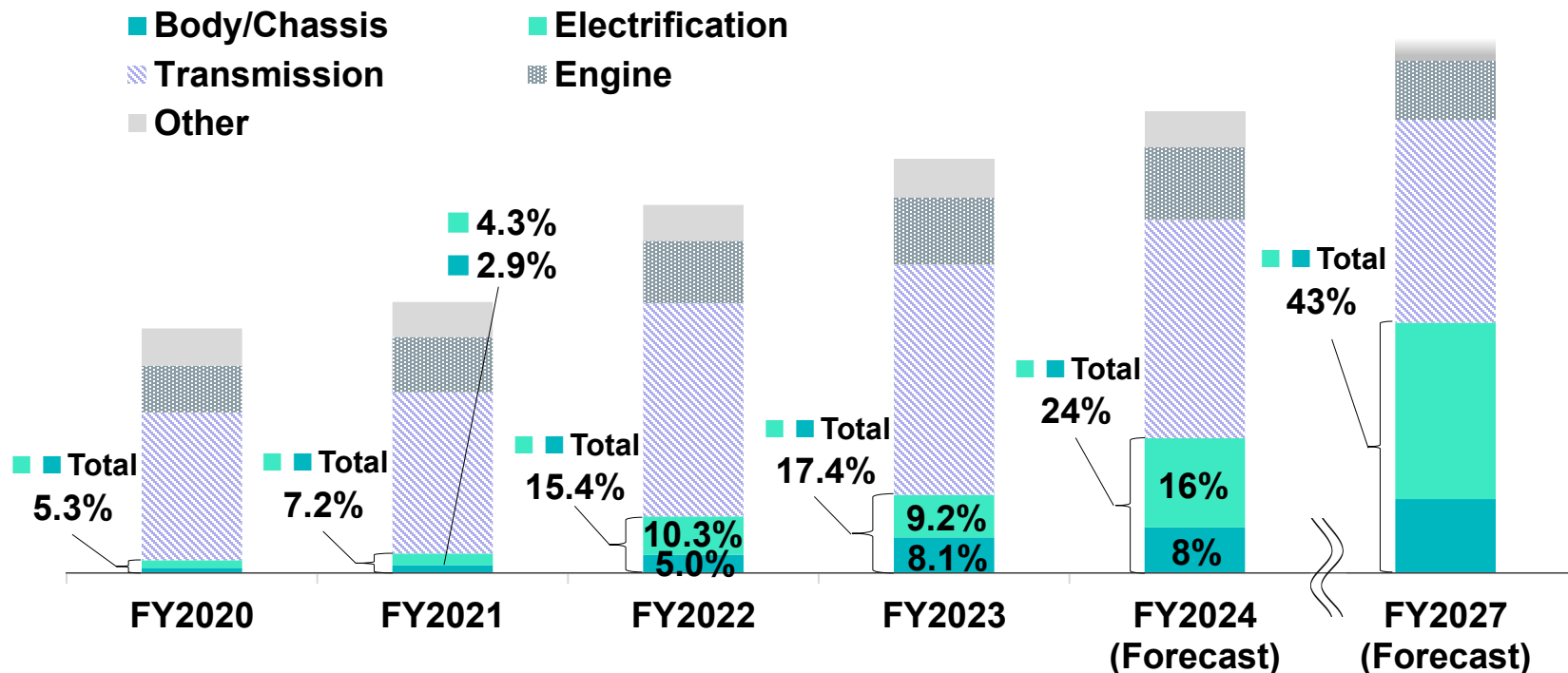
Product details	
Body/Chassis Parts	Brackets (suspension components)
	Frame parts
	Subframes
Electrification parts	HEV/BEV battery case
	HEV generator case
	HEV motor case/housing
	HEV converter case
	PHEV transaxle housing
	PHEV charger case
	BEV eAxle case/housing

# Die Castings

Initiatives to achieve weight reductions and electrification – Sales contribution of strategic products –

- Sales of strategic products (electrification and weight reductions (body/chassis parts) show solid growth.
- Sales of strategic products to grow to 43% of net sales in 2027.
- Electrification and body/chassis components accounted for approximately 91% of new businesses in the forecast FY2024.  
(New businesses received: FY2020: 38%, FY2021: 55%, FY2022: 77%, FY2023: 85%)

## Trends in sales and share by die casting parts category



# Die Castings

Initiatives to achieve weight reductions and electrification – Exhibiting at the Automotive Engineering Exposition –

Exhibited at the Automotive Engineering Exposition (held at Pacifico Yokohama) in May 2024, attracting numerous enquiries and reactions.

- ✓ Exhibited: A number of mass-produced products of electrification parts and weight reduction parts.
- ✓ Also presented: giga casting-based prototyping services.

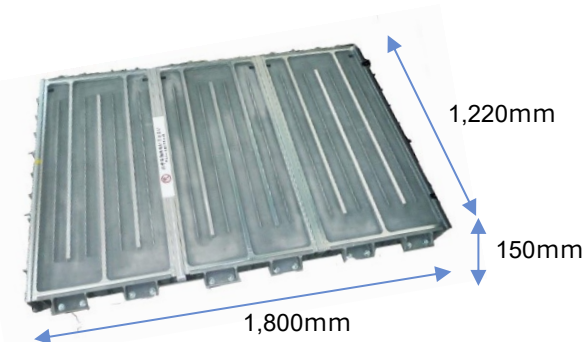
## Key products exhibited

- Products for electric vehicles for which development has been proposed (e.g., battery case, eAxle case, motor case)
- Body/chassis products for needs of weight reduction (e.g., suspension housing)
- Introduction of giga casting machine and presentation of prototyping services

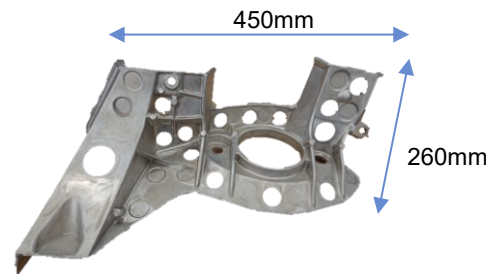
The Ryobi booth



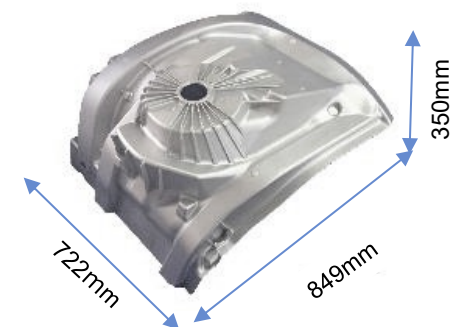
## Exhibit examples



Battery case



Rear suspension housing



Front suspension housing

# Die Castings

## Initiatives to achieve weight reductions and electrification – Giga casting efforts –

Development of giga casting prototyping business system.

- ✓ Construction of new plant in line with plans for launching prototyping services in March 2025.
- ✓ Acquiring giga casting prototyping technologies and establishing business foundations.

Image of completed casting machine

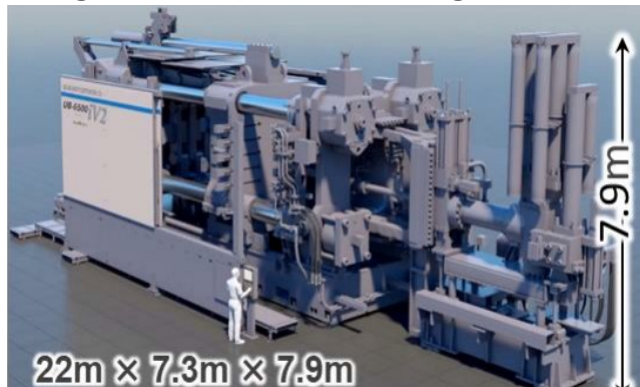


Image of completed plant

Area of new plant 3,159m<sup>2</sup>



Status of plant construction



Finishing plant



Die and casting plant

# Builders' Hardware

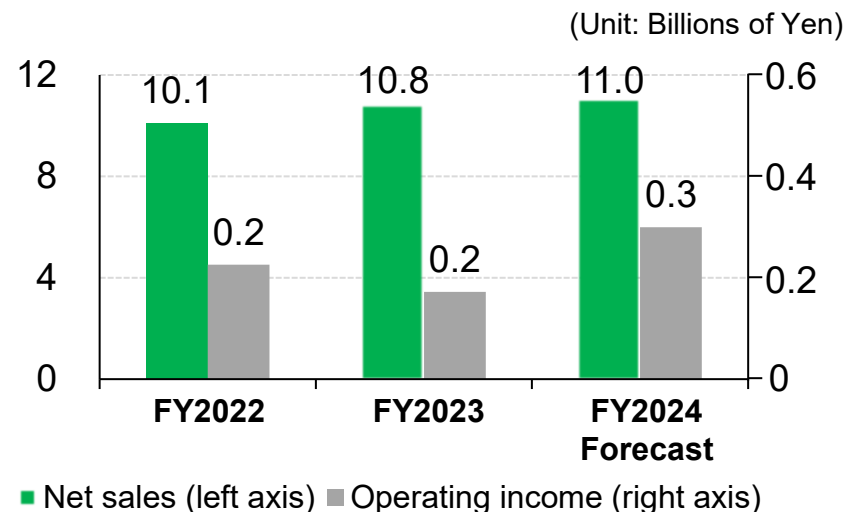
## Business environment

- In Japan, the market for residential housing and (non-residential) buildings is almost flat.
- Increase procurement cost due to strengthening of the Chinese yuan.
- Growing demand for non-contact devices in the living environment field.
- Domestic demand for remodeling and renovation is growing.

## Main initiatives

- Improve profitability in the Japanese market.
- Expand sales of high-value-added products (next-generation key products).
- Expand sales in overseas markets.
- Take preventive measures against possible defectiveness and promote quality stabilization.
- Promoting stronger collaboration and optimization within the business unit by making Chinese manufacturing company a wholly-owned subsidiary.

## Forecast of net sales and operating income



## Performance summary

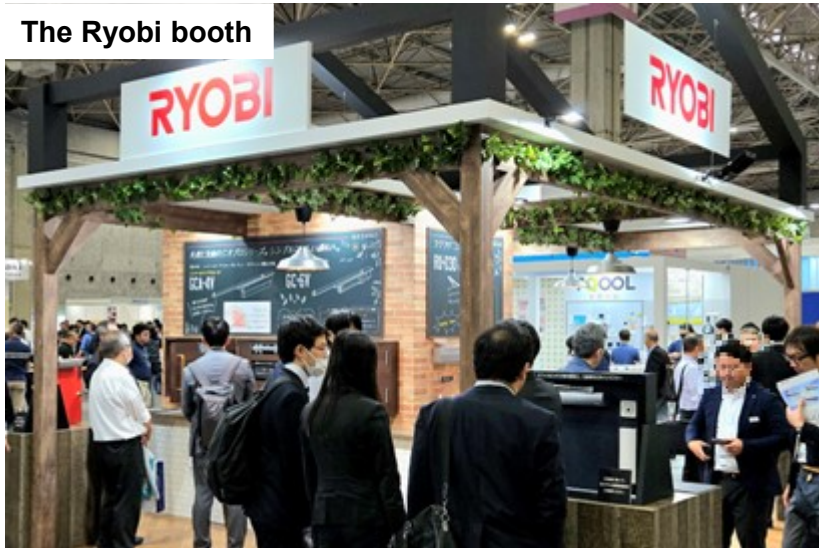
- **(FY2024 2Q)**  
Sales increased both in Japan and overseas.  
Profits declined due to rising procurement costs of overseas production, despite efforts to improve productivity and reduce expenses.
- **(FY2024 forecast)**  
Sales are expected to increase both in Japan and overseas. Profits are expected to increase due to higher sales.

# Builders' Hardware

## Topics in the Builders' Hardware business

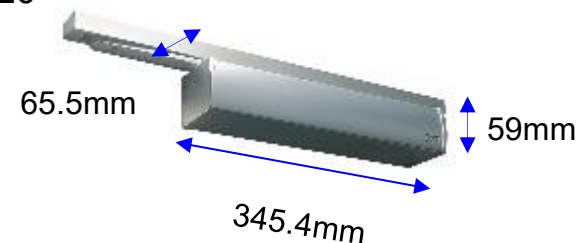
- In May 2024, we exhibited at the Building Materials Fair for Ideal Housing and Architecture.
- Various products were displayed, including the RUCAD electric door opening/closing equipment and the GEOPRO series door closers.

The Ryobi booth



Exhibited four cases involving RUCAD adoption to support safe and comfortable door opening/closing.

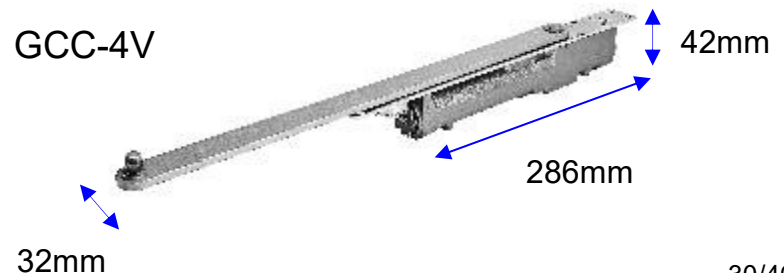
RU-020



More compact body among existing concealed-in products.

Can be mounted in doors with small internal mounting space.

GCC-4V



## Summary of the Fair

- Dates : May 30 - May 31, 2024
- Number of attendees : 15,000
- Models exhibited:  
The RUCAD electric door opening/closing equipment RU-020  
The GEOPRO series  
Concealed-in door closers GCC-4V  
Door closers, pivot hinge, etc.

# Printing Equipment

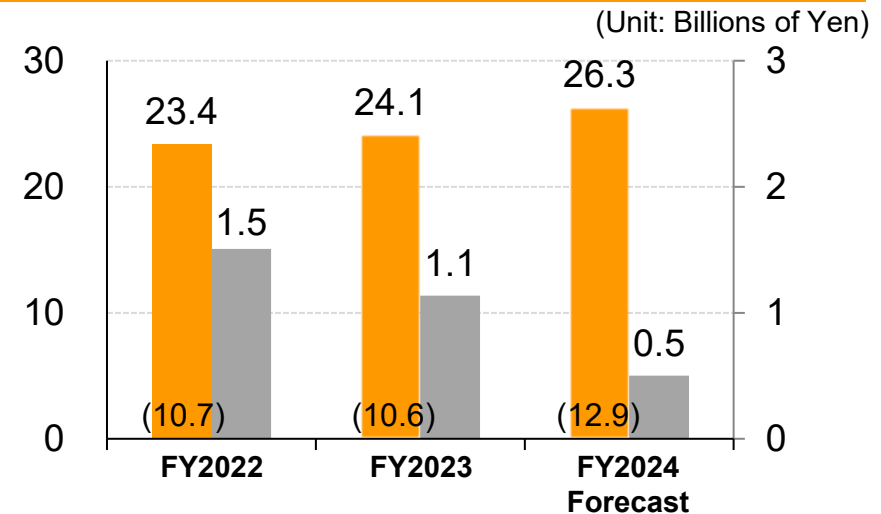
## Business environment

- Demands for automation and labor savings due to labor shortages and aging of printing press operators.
- Steady sales of presses for package printing.
- Decrease in supply and sharp rise in prices of paper are leading to going down in printing production volume.
- Continuation of rising prices of procurement items.

## Main initiatives

- Development of automation, labor-savings, and assist functions for printing presses.
- Expanding sales of products that meet customer needs (publication printing, package printing).
- Reflecting higher raw material prices in selling prices.
- Development of new businesses through alliances with companies related to printing industry.

## Forecast of net sales and operating income



■ Net sales (left axis) ■ Operating income (right axis)

\* Figures in parentheses indicate export components of sales.

## Performance summary

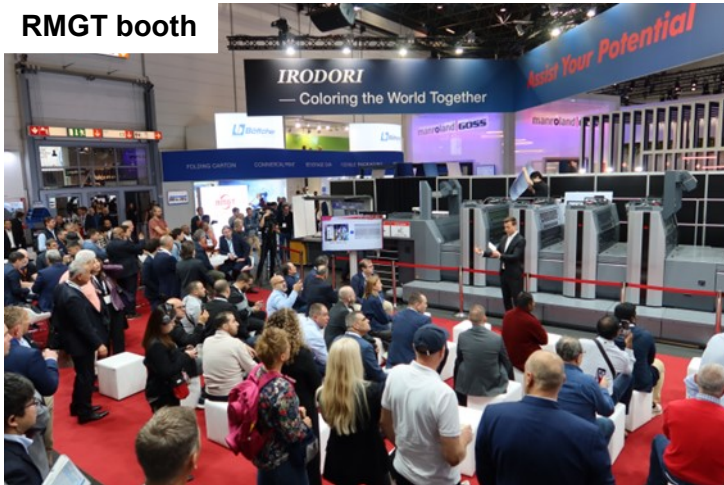
- **(FY2024 2Q)**  
Sales increased both in Japan and overseas. Profits were slightly higher due to growth in sales, despite the impact of rising raw material prices and other factors.
- **(FY2024)**  
Sales are expected to increase both in Japan and overseas. Profits are expected to decrease due to the effects of rising raw material prices and other related factors.

# Printing Equipment

## Topics in the Printing Equipment business

- We exhibited at drupa 2024 (May-June 2024 in Düsseldorf, Germany).
- Exhibition and demonstration for package and commercial printing.

RMGT booth



### Summary of the Exhibition

- Dates: May 28 - June 7, 2024 (11 days)
- Number of attendees: 170,000
- Number of exhibitors: 1,643 companies
- Models exhibited:

#### RMGT1060

(Proposal of labor saving process for the packaging field)

Based on the concept of expanding the automation of package printing, promoted high productivity through the non-stop operation for continuous jobs.

#### RMGT970

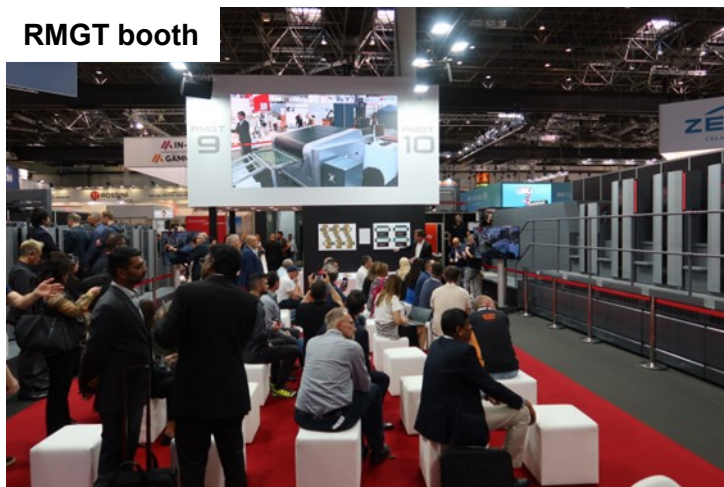
(Proposal of skillless printing for the commercial printing field)

Based on the concept of improving the productivity of commercial printing through the automated operations, promoted the improved utilization and skillless operation.

#### Drying equipment using electron beam

Environmentally-friendly device for curing ink exhibited as a reference.

RMGT booth



## **4. Initiatives to improve corporate value and market valuation**

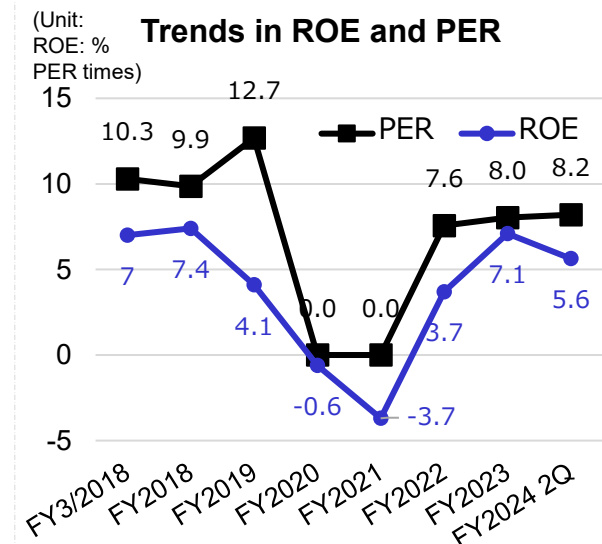
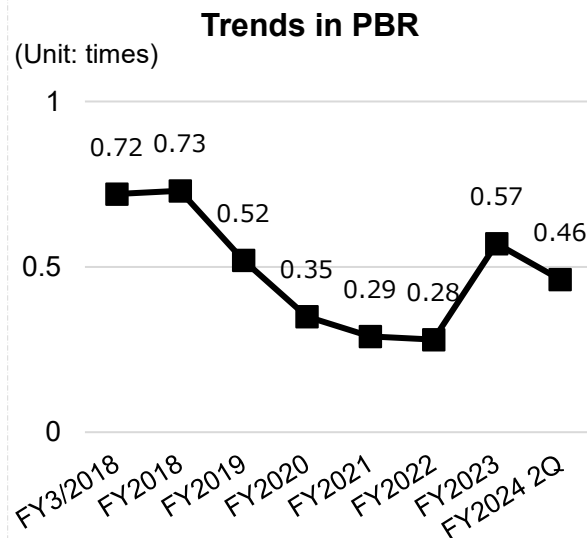
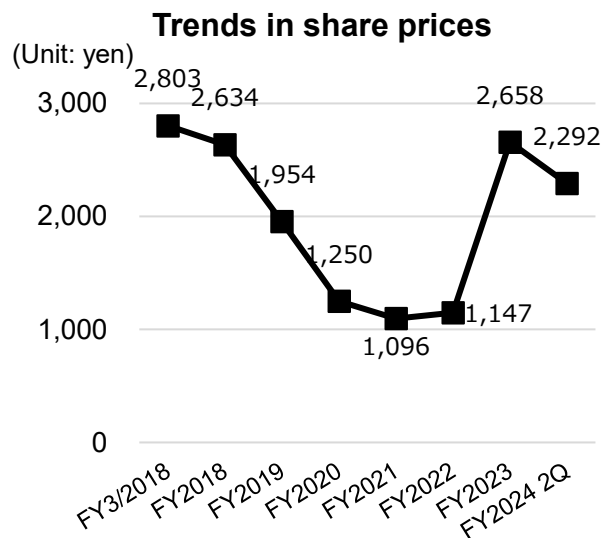
# Current state analysis

## Return on capital (ROE)

- ROE is lower than the cost of capital (cost of equity capital of about 8-9%\*) and the equity spread remain negative.
- Despite our recovery from the low business performance due to COVID-19, improvements in profitability are still needed.

## Market's valuation (PER)

- Stock prices, which rose in 2023 due to better business performance and reports of venture into giga casting, are currently flagging.
- P/E ratio remains low, at around 8. Expectations for our profit growth are low.
- Explanations of specific cash allocations, measures to enhance shareholder returns, and other matters are inadequate.



\* Calculated by CAPM, i.e., risk free rate +  $\beta$ (beta) x risk premium

# **Policy and measure for improvement**

## **Policy for improvement**

- With the Die Castings business as our core business, we will continue to invest in future growth areas to strengthen earning power.
- We will formulate medium- to long-term business strategies to enhance corporate value, disclose specific initiatives, and thereby seek to improve the market's valuation.



## **Disclosure of next medium-term management plan**

**To clearly indicate to the market the direction of earnings power enhancements and growth strategies.**

## **Next medium-term management plan**

- To be announced in February 2025.
- To achieve the desired vision looking ahead to 2035, we will formulate a medium-term management plan with 2025 to 2027 as the period set for strengthening our foundations.

# Proposed measures to improve PBR

$$\text{PBR} = \text{ROE (return on capital)} \times \text{PER (growth potential)}$$

## Measures to improve ROE

### Strengthening earning power

- Continue to invest in growth areas and seek to increase new businesses for strategic products (for electrification and weight reduction) and improve profitability.
- Maximize profits by reducing costs through productivity improvements.

### Improving asset efficiency

### Promoting financial strategy

- Reduce cross-shareholdings.
- Review returns to shareholders.
  - ✓ Review dividend payout ratio
  - ✓ Implement flexible purchases of treasury stock

## Measures to improve PER

### Enhancing IR activities

### Reducing capital costs

- Demonstrate financial and nonfinancial KPIs and explain our direction and management's intention to the market in a plain manner.
- Expand adoption into ESG indices through improvement in FTSE Score and other aspects.
- Consider introduction of stock remuneration program and other measures.
- Strengthen dissemination of information within capital markets. Introduction of research reports.

# Cash allocation

## Cumulative operating cash flow

Approximately  
75.0 billion yen

2022-2024  
(Forecast)

2025 Medium-Term  
Management Plan projection  
(2025-2027)

Growth  
investments

Shareholder  
returns

## Key measures

Strengthening  
the  
production  
structure

Strengthening  
management  
foundations

**Strategic investments  
(including renewal investments)**

- Expanding investment to accommodate growing demand for strategic products
- Research investments to expand applications
- Investments in DX and human capital

- Reductions and repayments of interest-bearing debt

- Comprehensive examination of enhancements of the return policy
  - ✓ Review dividend payout ratio
  - ✓ Implement flexible purchases of treasury stock

## Cash inflows:

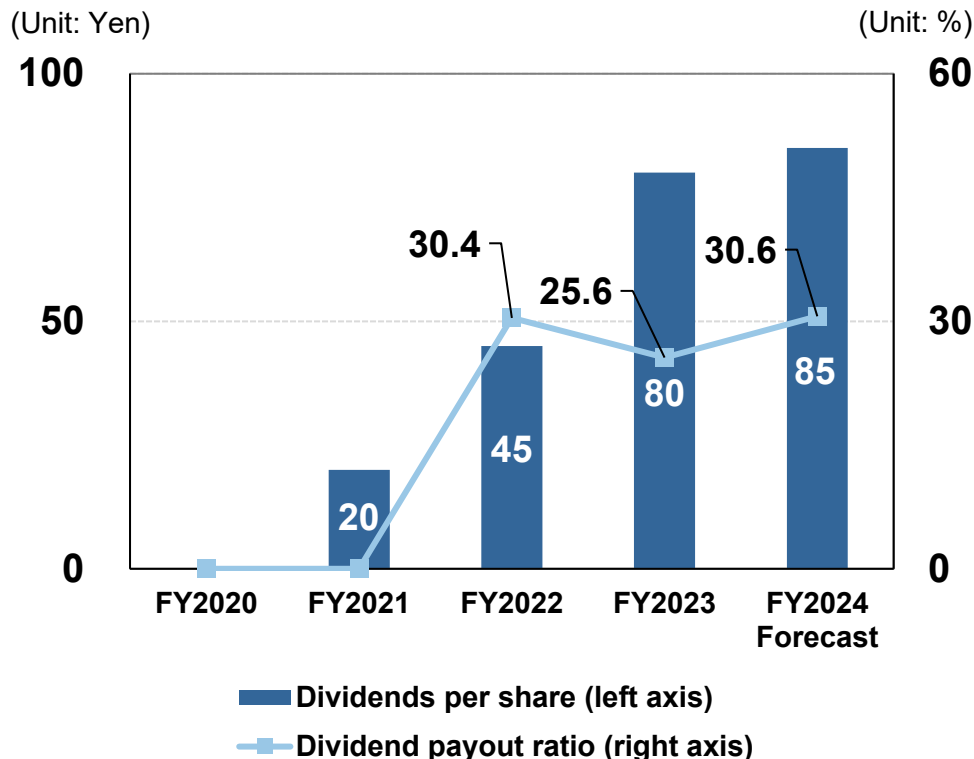
- Strengthened earnings power through improved profitability and cost reductions in each business
- Improvements in CCC through inventory reductions and other measures
- Sale of cross-shareholdings and non-current assets

## Cash outflows:

- Implementation of growth investments and infrastructure development centered on core Die Castings business
- Enhanced shareholder returns, including reviews of dividend payout ratios and implementation of flexible treasury stock purchases

# Shareholder returns

## Trends in dividends per share and dividend payout ratio



	FY2020	FY2021	FY2022	FY2023	FY2024 Forecast
Dividends per share (yen)	0	20	45	80	85
Dividend payout ratio (%)	-	-	30.4	25.6	30.6

## Dividend policy

### ➤ (FY2024)

- ✓ 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%.

### ➤ (Subsequent period and beyond)

- ✓ Plans to announce in next medium-term management plan.

## Status of dividends

### ➤ (FY2023)

- ✓ Annual dividends were 80 yen (30 yen higher than forecast, up 35 yen from the previous year).

### ➤ (FY2024)

- ✓ We will strive to increase shareholder value over the medium to long term as well as enhance opportunities to return profits to shareholders.
- ✓ Dividends are planned to be increased by 5 yen from the forecast, for an annual dividend of 85 yen.

## About forward-looking statements

This document contains forward-looking statements regarding matters such as Ryobi's business plans, strategies, and operating results.

Such forward-looking statements reflect Ryobi's judgements based on information available at the time of preparation. They involve inherent risks and uncertainties.

Ryobi's actual activities and operating results may differ from these forward-looking statements due to economic conditions, the business environment, trends in market demand, trends in exchange rates, and other factors.

# RYOBI

Beyond Ideals and Dreams

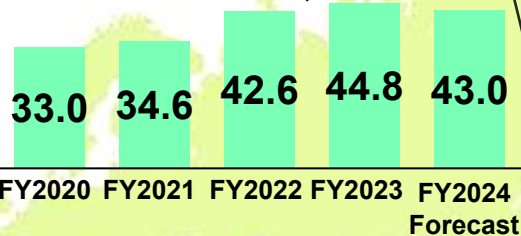
# Die Castings

## Trends in sales by region

(Unit: Billions of Yen)

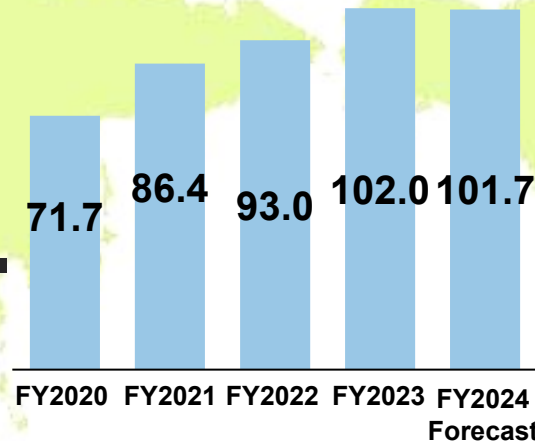
### China

RYOBI DIE CASTING DALIAN CO., LTD.  
RYOBI DIE CASTING CHANGZHOU CO., LTD.



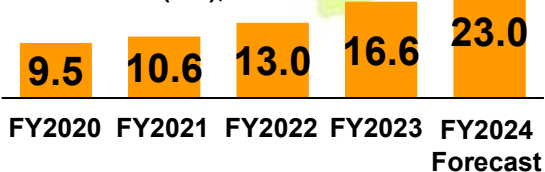
### Japan

RYOBI LIMITED  
RYOBI MIRASAKA CO.  
RYOBI MITSUGI CO.  
TOKYO LIGHT ALLOY CO., LTD. etc.



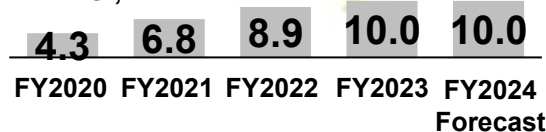
### U.K.

RYOBI ALUMINIUM CASTING (UK), LIMITED



### Thailand

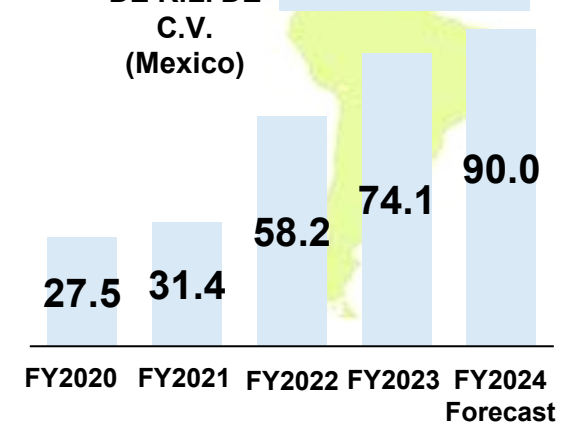
RYOBI DIE CASTING (THAILAND) CO., LTD.



RYOBI DIE CASTING (USA), INC.

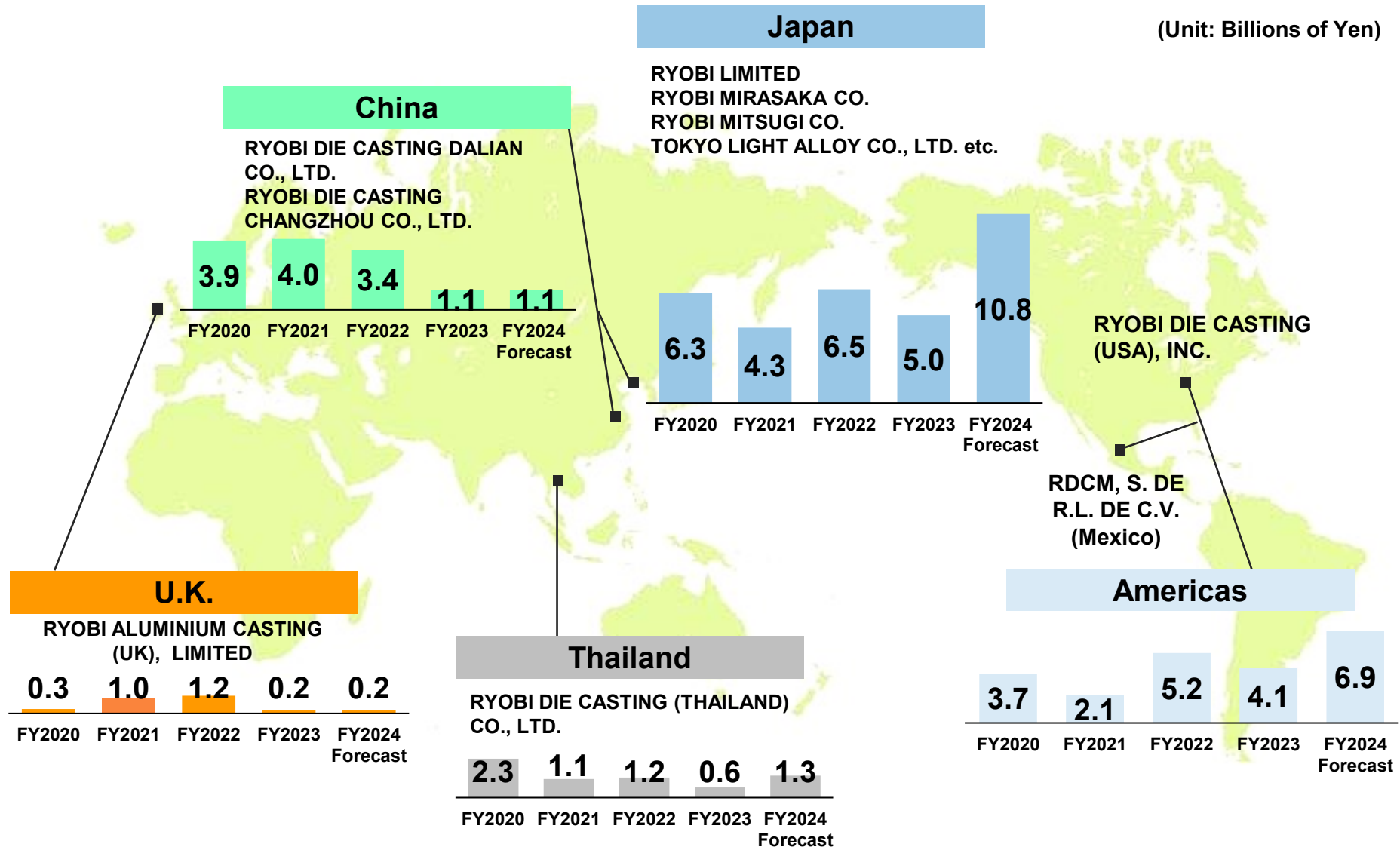
RDCM, S. DE R.L. DE C.V. (Mexico)

### Americas



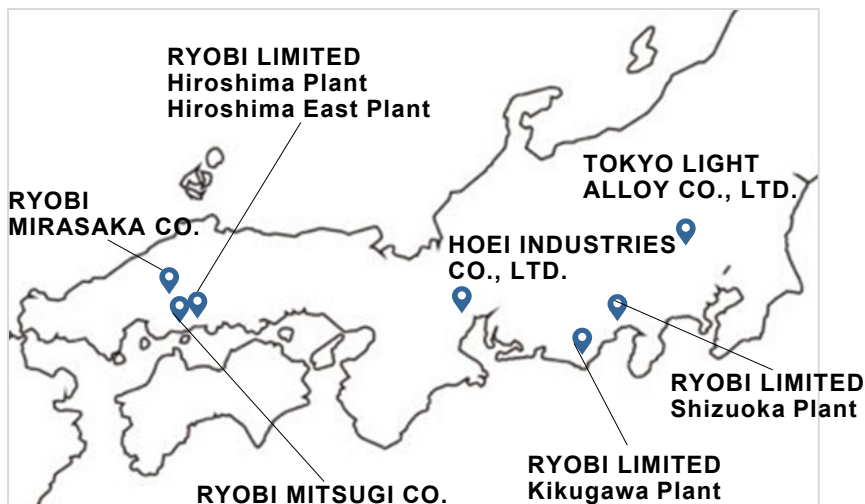
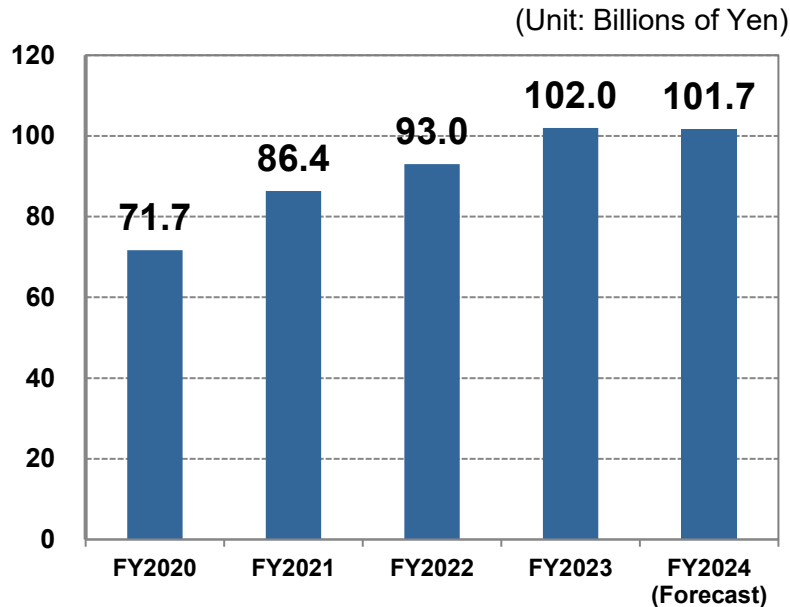
# Die Castings

## Trends in capital expenditure by region



# Die Castings – Japan –

## Sales trend



## Business environment

- The pace of recovery in automotive production has been slow due to quality and other problems at automotive manufacturers. Sales growth has been sluggish.
- BEV sales volume has grown but continues to lag behind other countries.
- The momentum for BEVs has slowed while HEVs were gaining in popularity.
- Demand for light weight components is growing (replacing iron with aluminum).

## Main initiatives

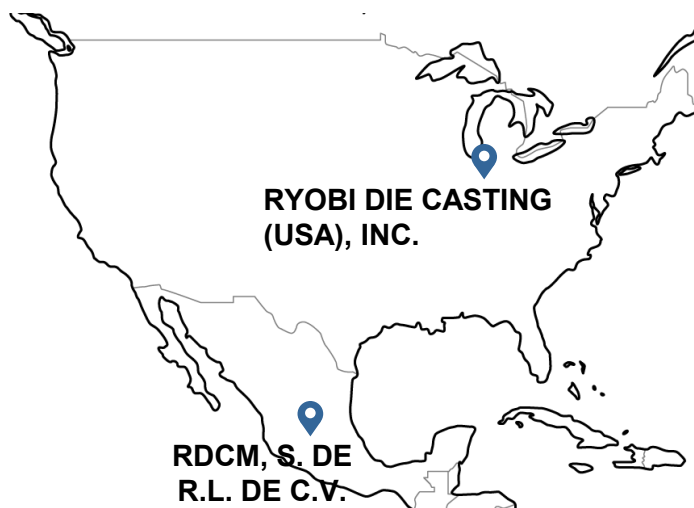
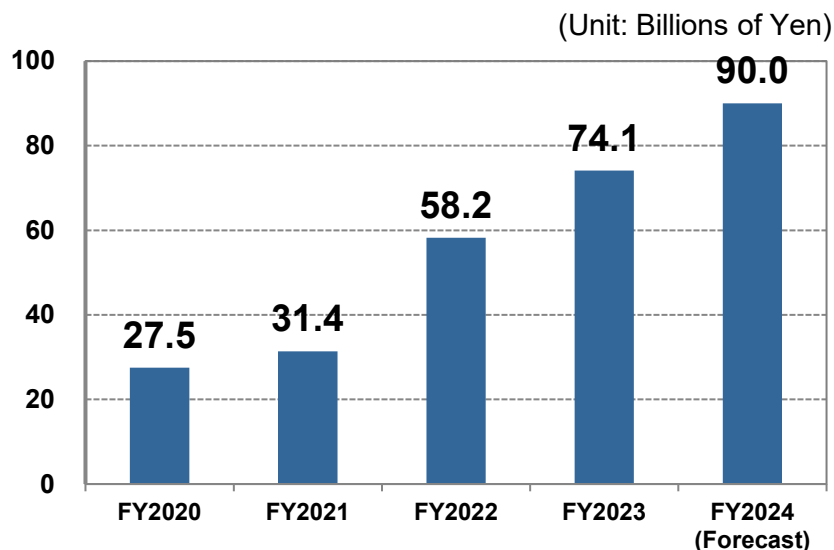
- Increasing new businesses for strategic products (weight reduction and electrification parts).
- Building structures for production of strategic products.
- Tackling giga casting.



**RYOBI LIMITED  
Hiroshima East  
Plant**

# Die Castings – Americas –

## Sales trend



## Business environment

- Production is on the increase, with problems such as parts shortages and logistics stagnation stemming from the effects of COVID-19 nearly resolved.
- Strong sales of small trucks and SUVs in the US. The momentum for BEVs has slowed while HEVs were gaining in popularity.
- Labor costs remaining high due to wage hikes.
- An interest rate reduction phase will begin in 2024 and appetite for automobile purchases will increase due to improved financing environment.

## Main initiatives

- Smooth launch of new products and improving productivity.
- Expanded building and augmented casting and other equipment at Mexico-based factory in response to increased demand for electric vehicle parts in North America.
- Responding to rising labor expenses, etc. (review of production processes, etc.)



RYOBI DIE CASTING (USA), INC.

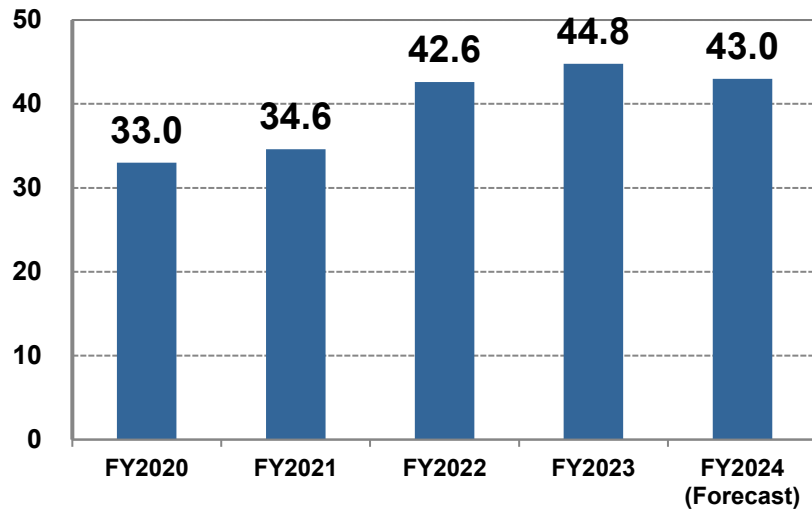


RDCM, S. DE R.L. DE C.V.

# Die Castings – China –

## Sales trend

(Unit: Billions of Yen)



## Business environment

- Chinese-owned automotive manufacturers have improved their brand image by introducing high end models of new energy vehicles.
- Market scale: expanding for new energy vehicles, shrinking for ICE vehicles.
- Exemptions from purchase taxes and favorable policies for number plate acquisition for new energy vehicles have been extended (bringing price competitiveness to levels comparable to ICE vehicles).

## Main initiatives

- Strengthening ties with leading customers and growing sales.
- Optimizing production structures in China and making effective use of existing facilities (promoting transfers of idle equipment).



**RYOBI DIE CASTING  
DALIAN CO., LTD.**



**RYOBI DIE CASTING  
CHANGZHOU CO., LTD.**

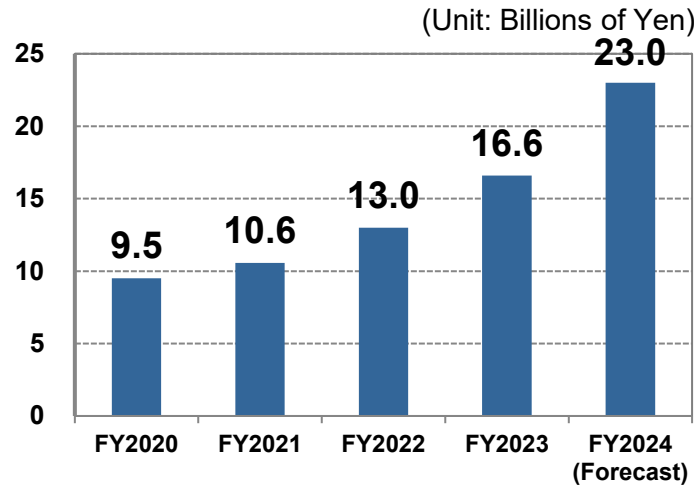
# Die Castings – U.K., Thailand –

## U.K.



RYOBI ALUMINIUM  
CASTING (UK), LIMITED

### Sales trend



### Business environment

- The momentum for BEVs has slowed while HEVs were gaining in popularity.
- Increased appetite for automobile purchases due to lower policy rates.
- Automobile sales volumes have recovered marginally in Europe in parallel with the recovery from the semiconductor supply shortage.

### Main initiatives

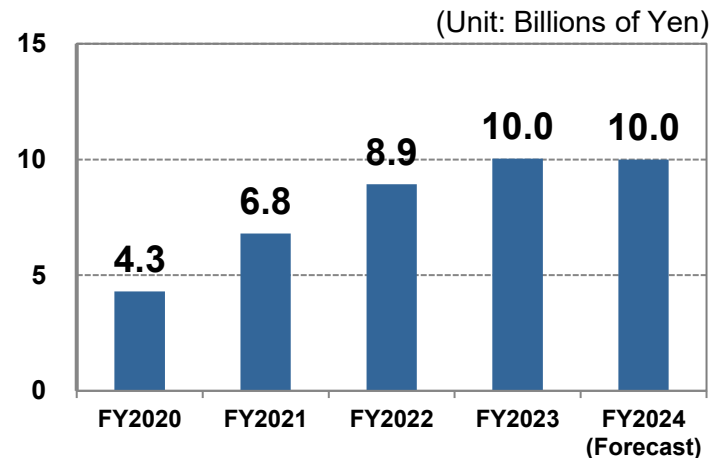
- Improving productivity (reducing cost ratios).
- Promoting price negotiations (rectification).

## Thailand



RYOBI DIE CASTING  
(THAILAND) CO., LTD.

### Sales trend



### Business environment

- Declining EV sales (due to lower subsidies).
- Rise of Chinese-owned EV manufacturers.
- Sluggish sales of pickup trucks (financial institutions tightening loan approval standards).

### Main initiatives

- Securing new orders as main project for Japanese company.
- Improving productivity (improvement in defect rates).