



February 13, 2025

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### **Notice Regarding the Formulation of the Medium-Term Management Plan**

RYOBILIMITED (the “Company”) hereby announces the formulation of the Medium-Term Management Plan for the three-year period from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2027 as follows.

#### 1. Positioning of the Medium-Term Management Plan

Aiming to achieve our vision for FY2035, the Medium-Term Management Plan sets out the key measures the Company will implement over the next three years, up to FY2027, to strengthen its management foundation and actively invest for growth to expand its business domains.

#### 2. Financial Targets

	FY12/2024 (Results)	FY12/2027 (Target)
Net sales	¥293.3 billion	¥337.0 billion
Ordinary income	¥11.6 billion	¥15.0 billion
ROE	4.4%	7.0%

#### 3. Shareholder Return Policy

The Company will adopt a progressive dividend policy, setting a minimum annual dividend of ¥100 per share in the first year. Thereafter, dividends will be maintained or increased, with a target total return ratio of approximately 40%. In addition, share buybacks will be conducted flexibly at an appropriate time and scale, taking into account stock price trends and other relevant factors with an optimal capital structure in mind.

For further details on the Medium-Term Management Plan, please refer to the attached document: “RYOBI GROUP Medium-Term Management Plan (2025–2027) “Challenge 2027 Paving the Future with Our Wisdom and Actions”



**RYOBI GROUP**

## **Medium-Term Management Plan (2025–2027)**

# **Challenge 2027**

**Paving the Future with Our Wisdom and Actions**

**February 13, 2025**  
**RYOBI LIMITED**

A decorative graphic at the bottom of the slide consisting of several overlapping, semi-transparent red shapes that create a sense of upward movement and growth, resembling a stylized wave or a rising horizon.

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# **1. Positioning of Medium-Term Management Plan (2025–2027)**

# Ryobi's Vision for 2035

MTMP developed by backcasting from 2035

## Corporate Philosophy

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

## Corporate Mission

**Create a higher standard of living and better quality of life by providing advanced technology with a vision for the future.**

## Values Ryobi will deliver in 2035

### Economic Value

- ✓ Net sales: ¥450bn
- ✓ Ordinary income: ¥27bn
- ✓ ROE: 9.0% or higher
- ✓ Enhanced shareholder returns

### Social Value

- ✓ Contributing to a circular society through molding technology and lightweight solutions.
- ✓ Providing safe and comfortable access to living spaces.
- ✓ Advancing smart factory solutions in the printing industry.

## Vision for 2035 for Each Business Segment



**Die Castings Business**

**Evolving beyond aluminum die casting to deliver essential precision-formed materials that fulfill societal needs**



**Builders' Hardware Business**

**Becoming a provider of safe and comfortable access to living spaces**



**Printing Equipment Business**

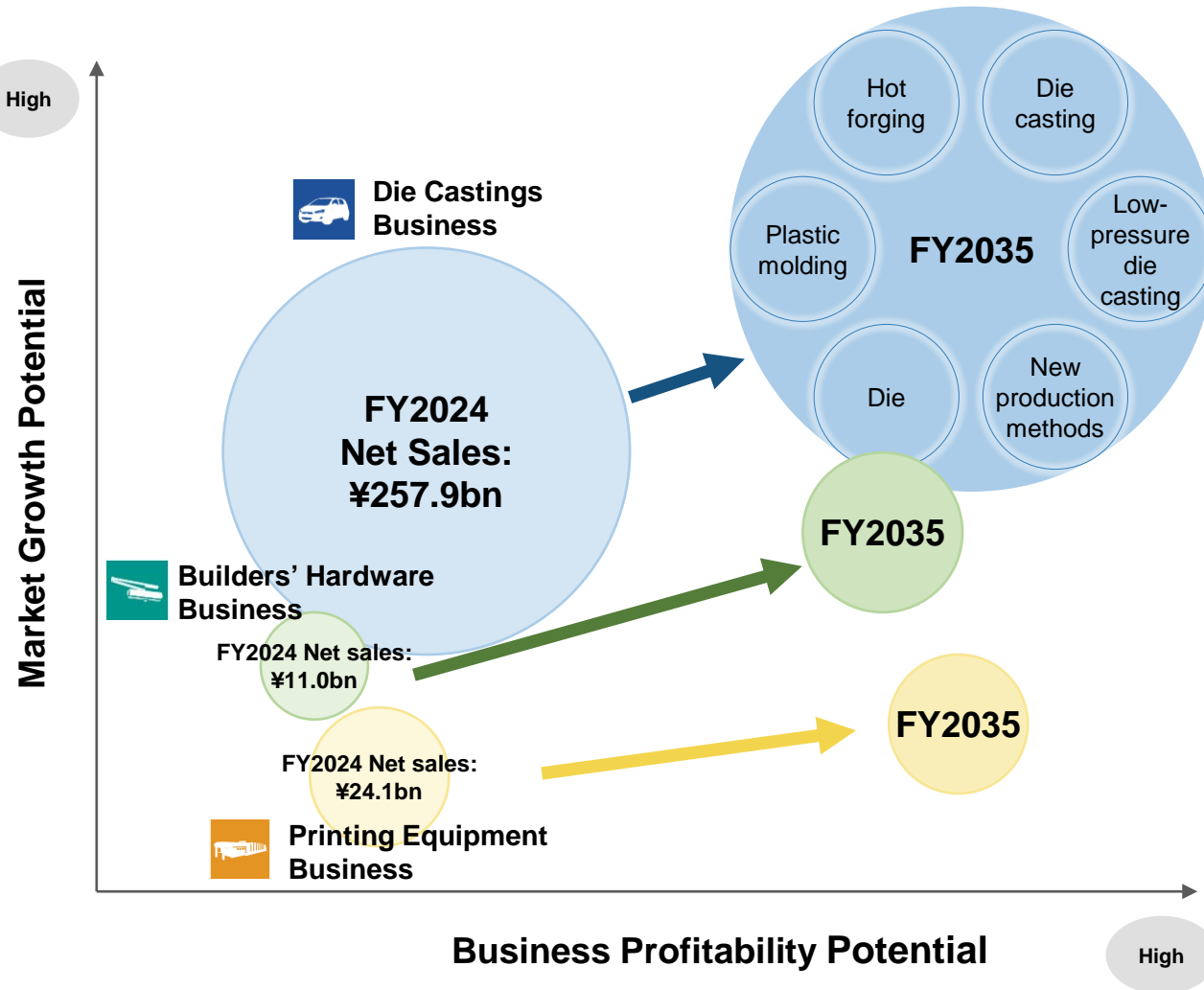
**Becoming a provider of innovative equipment and services that drive smart factory transformation in the printing industry**

+

**Creating new businesses by leveraging technologies cultivated across the three existing business segments.**

# Business Expansion toward 2035 (Illustrative)

Driving business expansion through growth market integration and enhanced solution offerings.



Business expansion through “manufacturing” and “solution areas” development



Expanding into growth markets with strategic products (including giga casting) contributing to automotive weight reduction and electrification.



Strengthening marketing efforts in high-growth countries and regions and enhancing profitability through expansion into the door-related solution sector.



Boosting profitability through the expansion of print factory optimization services and the growth of custom-made machinery.

## Positioning of MTMP (2025–2027)

**FY2024**

**MTMP Period (2025–2027)**

**FY2035**

**“Paving the Future  
with Our Wisdom and Actions”  
—Challenge 2027—**

**Backcasting**

Positioned as a period for proactive growth investments to strengthen the management foundation and expand business domains in line with our vision for FY2035.

### Financial Targets

Net sales: ¥293.3bn  
Ordinary income: ¥11.6bn  
ROE: 4.4%

Net sales: ¥337bn  
Ordinary income: ¥15bn  
ROE: 7.0%

Net sales: ¥450bn  
Ordinary income: ¥27bn  
ROE: 9.0% or higher

Increase ROE in phases to achieve a level that exceeds the cost of equity over the medium-to long-term.

### Shareholder Return Policy

¥85 per share  
Target payout ratio: 30%

- ✓ Plan to pay dividends of minimum ¥100 per share for FY2025 and then maintain or increase them thereafter (progressive dividend policy).
- ✓ Target total return ratio of 40% over the MTMP period.

# Company-Wide Basic Policy

We continue to grow each business and further advance ourselves into an employee-friendly organization to enhance workplace conditions, thereby generating both economic and social value.

## Basic Policy A (Business)

### Enhancing market presence

- Improving profitability
- Improving efficiency
- Strengthening growth potential

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## Basic Policy B (Organization)

### Creating a safe, sound and dynamic workplace

- Promoting health and safety in the workplace as well as mental and physical health
- Activating participation of diverse human resources
- Leveraging digital technologies such as ICT and AI

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## Basic Policy C (Environmental and Social)

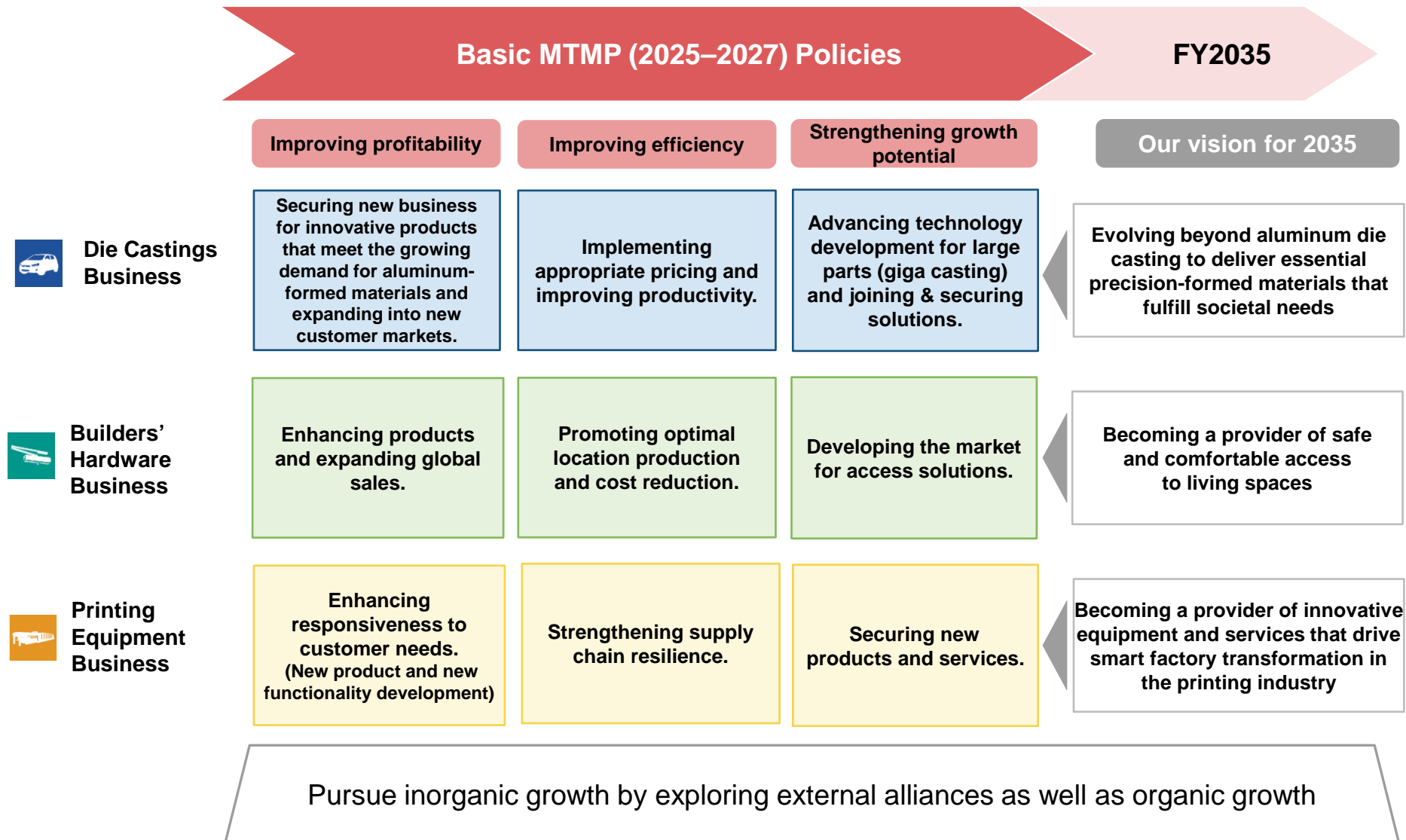
### Addressing environmental and social challenges

- Promoting initiatives to minimize environmental impact
- Co-creating sustainable supply chains
- Strengthening governance

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# Basic Policies by Business Segment



## **2. Policies and Objectives by Business Segment**

# Target Figures toward FY2027 by Business Segment

Legend:  
Net sales (Operating income)

## FY2025 (Forecast)

**Consolidated: ¥305.0bn (¥11.7bn)**

Die Castings: ¥270.0bn (¥11.0bn)

Builders' Hardware: ¥11.0bn (¥0.2bn)

Printing Equipment: ¥24.0bn (¥0.5bn)

## FY2027 (Target)

**Consolidated: ¥337.0bn (¥14.8bn)**

Die Castings: ¥300.0bn (¥13.5bn)

Builders' Hardware: ¥13.0bn (¥0.5bn)

Printing Equipment: ¥24.0bn (¥0.8bn)

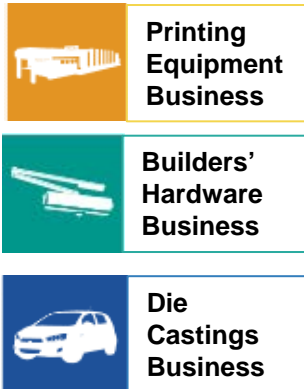
## FY2024 (Results)

**Consolidated: ¥293.3bn (¥9.5bn)**

Die Castings: ¥257.9bn (¥9.0bn)

Builders' Hardware: ¥11.0bn (¥(0.4)bn)

Printing Equipment: ¥24.1bn (¥0.9bn)

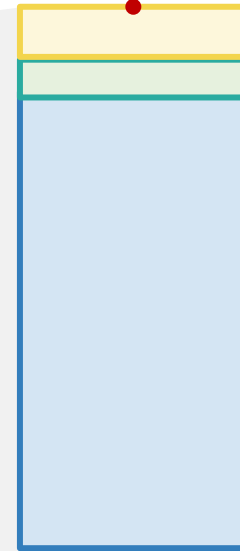


**FY2024**



**FY2025**

Driving growth in  
existing businesses  
with a strong focus on  
die castings.









**FY2027**

**ROE**

**4.4%**




**7.0%**

# Business Environment by Segment

	Internal Environment	External Environment	
		Details	Projected Market Size
Die Castings	<ol style="list-style-type: none"> <li>1. Operates global production facilities.</li> <li>2. Established track record with major domestic and international automotive manufacturers.</li> <li>3. Maintains an integrated system for co-development with automotive manufacturers, from product design to die fabrication and production.</li> <li>4. Utilizes various aluminum shaping processes, including hot forging.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Japanese automotive market remains stagnant while the global market continues to expand.</li> <li>2. <u>Electric vehicle production is projected to rise across all regions</u>, with significant growth in China, North America, and Europe.</li> <li>3. Chinese automotive manufacturers are rapidly gaining prominence in BEVs production.</li> <li>4. Rising demand to replace steel with aluminum to reduce vehicle weight and improve fuel efficiency.</li> <li>5. Increasing pressure to transition toward a circular economy.</li> </ol>	<p>Domestic</p>  <p>Overseas</p> 
Builders' Hardware	<ol style="list-style-type: none"> <li>1. Retains the No.1 market share in the domestic door closer industry.</li> <li>2. Provides a range of electrically operated door systems.</li> <li>3. Exports to 40 countries worldwide.</li> </ol>	<ol style="list-style-type: none"> <li>1. The housing and commercial building construction markets are experiencing a gradual decline.</li> <li>2. <u>An aging population and declining birth rates are fueling greater demand for barrier-free living solutions.</u></li> <li>3. <u>Increasing demand for automated doors and seamless network integration in smart homes and intelligent buildings.</u></li> <li>4. Overseas demand is rising in the U.S., Mexico, Southeast Asia, China, India, and the Middle East.</li> </ol>	<p>Domestic</p>  <p>Overseas</p> 
Printing Equipment	<ol style="list-style-type: none"> <li>1. A broad customer base spanning from small and medium-sized enterprises to major corporations.</li> <li>2. Improving competitiveness in packaging printing machinery is crucial.</li> </ol>	<ol style="list-style-type: none"> <li>1. The domestic printing market is steadily shrinking annually. While packaging printing remains stable, the commercial printing sector continues to contract.</li> <li>2. <u>A shortage of printing press operators and an aging workforce are accelerating demand for automation and labor-saving solutions.</u></li> <li>3. In advanced economies, particularly in Europe and U.S., the printing industry is expected to decline, while emerging markets such as India and Southeast Asia are projected to expand.</li> </ol>	<p>Domestic</p>  <p>Overseas</p> 

# Key Issues

Enhancing profitability, efficiency, and growth across all businesses while developing the business foundation as a key priority.

	 <b>Die Castings Business</b>	 <b>Builders' Hardware Business</b>	 <b>Printing Equipment Business</b>
Profitability	<b>Securing business for new products and expanding the customer base</b> <ul style="list-style-type: none"> <li>✓ Identifying high-growth segments in die casting and strategically optimizing the customer-product portfolio.</li> <li>✓ Securing new business for lightweight and electric vehicle parts.</li> <li>✓ Expanding into new customer markets within and beyond the automotive industry.</li> </ul>	<b>Enhancing products and expanding global sales</b> <ul style="list-style-type: none"> <li>✓ Expanding product lineup.</li> <li>✓ Driving sales of high-value-added products.</li> <li>✓ Strengthening partnerships with distributors in the U.S. and Southeast Asia.</li> </ul>	<b>Enhancing responsiveness to customer needs</b> <ul style="list-style-type: none"> <li>✓ Offering differentiated products that drive energy efficiency and labor savings.</li> <li>✓ Enhancing customer support.</li> <li>✓ Offering new innovative equipment leveraging technological expertise.</li> </ul>
Efficiency	<b>Implementing appropriate pricing and improving productivity</b> <ul style="list-style-type: none"> <li>✓ Improving productivity, reducing labor, and promoting automation.</li> <li>✓ Ensuring appropriate pricing to improve profitability.</li> <li>✓ Accelerating growth investments in North America while restructuring/reinvesting in overseas operations.</li> </ul>	<b>Promoting optimal location production and cost reduction</b> <ul style="list-style-type: none"> <li>✓ Leveraging automated production lines.</li> <li>✓ Driving cost reductions at China-based facilities.</li> <li>✓ Implementing strategic pricing for profitability.</li> </ul>	<b>Strengthening supply chain resilience</b> <ul style="list-style-type: none"> <li>✓ Improving quality while optimizing manufacturing costs.</li> <li>✓ Reinforcing in-house machining capabilities.</li> </ul>
Growth potential	<b>Technology development</b> <ul style="list-style-type: none"> <li>✓ Implementing a flexible and steady adaptation to structural shifts in the automotive industry.</li> <li>✓ Advancing technology for large parts (giga casting) and innovative joining/securing solutions.</li> </ul>	<b>Developing the market for access solutions</b> <ul style="list-style-type: none"> <li>✓ Strengthening solution-based proposals focused on electrically operated door systems.</li> </ul>	<b>Securing new products and services</b> <ul style="list-style-type: none"> <li>✓ Establishing new businesses, such as print factory optimization services.</li> <li>✓ Leveraging external alliances to secure business opportunities.</li> </ul>

## Developing business foundation

- Promoting a sound and dynamic workplace environment.
- Improving organizational capabilities.
- Promoting operational efficiency initiatives.

### **3. Strategies and Key Initiatives by Business Segment**

# Strategies and Key Initiatives by Business Segment (Die Castings 1/2)

## FY2027 Targets

**Net Sales: ¥300.0bn**

**Operating income: ¥13.5bn**

## Summary of external environment

1. The Japanese automotive market remains flat, while the global automotive market is growing.
2. Production of BEVs is projected to increase across all regions worldwide.
3. Growing demand for replacing steel with aluminum to improve fuel efficiency and reduce weight.

## Die Castings Business Strategy

### Key Challenges

**Implementing appropriate pricing strategy and improving productivity**

**Securing business for new products and expanding the customer base**

**Develop technologies**

**Enhancing profitability through price updates and productivity gains**

**Exploring non-automotive markets and rebuilding global partnership**

**Strengthening sales and technology development for new product orders**

**Establishing technologies for large components (giga casting) and joining/securing**

**Automating inter-process transportation with automated conveyors**



**6500t die casting machine (at Kikugawa Factory)**



# Strategies and Key Initiatives by Business Segment (Die Castings 2/2)

## Enhancing profitability through price updates and productivity gains

1. Promoting unit price updates and cost recovery.
2. Reducing man-hours in die manufacturing and automating indirect tasks.
3. Reducing man-hours by automating quality inspections and inter-process transportation.
4. Shortening lead times to ensure die competitiveness.
5. Enhancing CAE analysis capabilities.
6. Improving profitability through new manufacturing methods.

Automated  
visual  
inspection  
equipment



## Strengthening sales and technology for new product orders

1. Developing and selling new products based on domestic/oversea customer needs.
2. Developing and selling strategic products for lightweight and electric applications.
3. Engaging in early-stage customer development through prototype parts orders.
4. Conducting cross-departmental, proposal-driven presentations with in-house technologies.
5. Developing sustainable materials.

Examples of  
strategic parts



(Right)  
Suspension  
housing

(Left)  
Battery case



## Exploring non-automotive markets and rebuilding global partnership

1. Investigating and developing new customers outside the automotive market.
2. Promoting inter-company collaboration for lightweighting and electrification.
3. Reviewing the global collaboration system and driving equipment investment.
4. Enhancing management efficiency through asset utilization across all area.



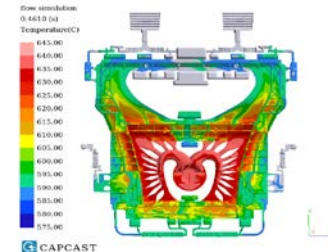
## Establishing technologies for large components (giga casting) and joining/securing

1. Developing large components (giga casting) and securing prototype orders.
2. Building production systems for large components (giga casting).
3. Collecting data for die manufacturing and casting conditions for standardization.
4. Establishing joining technologies such as laser welding and friction stir welding (FSW).

Example of giga casting  
(Rear undercarriage)



Data analysis of large components





# Strategies and Key Initiatives by Business Segment (Builders' Hardware)

## FY2027 Targets

**Net Sales: ¥13.0bn**

**Operating income: ¥0.5bn**

## External Environment Summary

**(Domestic)** The housing and commercial building construction markets are experiencing a gradual decline, yet there is growing demand for barrier-free designs and smart homes.

**(Overseas)** Demand is increasing in regions such as the United States, Mexico, Southeast Asia, China, India, and the Middle East.

## Builders' Hardware Business Strategy

### Enhancing products and expanding global sales

#### Driving sales of high-value-added products

1. Enhancing spec-in initiatives for the GEOPRO and RUCAD series.
2. Expanding product lineup.

#### Enhancing product offerings and sales for overseas markets

1. Expanding internationally certified products while boosting price competitiveness for standard models.
2. Strengthening partnerships with distributors in the U.S. and Southeast Asia.

### Promoting optimal location production and cost reduction

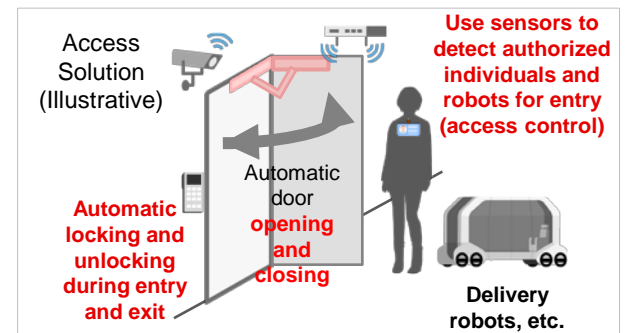
#### Improving productivity across all processes

1. Promoting labor-saving and automation in production processes.
2. Reducing inventory levels of finished goods and work-in-process items.

### Developing the market for access solutions

#### Establishing the Access Solutions Business to address door-related challenges

1. Enhancing brand value by promoting the expanded sales of automatically opened and closed products for hinged doors (RUCAD series).
2. Leveraging external resources.



# Strategies and Key Initiatives by Business Segment (Printing Equipment)

## FY2027 Targets

**Net Sales: ¥24.0bn**

**Operating income: ¥0.8bn**

## External Environment Summary

**(Domestic)** The printing equipment market continues to shrink annually.

**(Overseas)** While advanced economies, particularly in Europe and North America, are expected to contract, emerging markets such as India and Southeast Asia are projected to expand.

## Printing Equipment Business Strategy

### Enhancing responsiveness to customer needs

#### [Equipment sales] Strengthening competitiveness through customer-centric development and manufacturing cost efficiency

1. Enhancing the development of innovative products driven by customer needs.
2. Strengthening the ability to tailor solutions to individual customer requests.
3. Strengthening competitiveness in quality, cost, and delivery lead time in collaboration with suppliers.

#### [Maintenance services] Driving revenue growth through strengthened customer relationships

1. Supporting stable operations through proactive inspection and maintenance proposals.
2. Strengthening support for improving customer sites through enhanced technical exchange forums.
3. Promoting proposal activities for customers to upgrade their machines and enhancing the capability to address their needs.

### Strengthening supply chain resilience

### Securing new products and services

#### Acquiring New Products for the Launch of Print Factory Optimization Services

1. Strengthening the collection of customer requirements through comprehensive support for factory optimization assessments.
2. Enhancing solution proposals by integrating the technologies, products, and services of partner companies.



(Left)  
Coordinating the  
loading of printing  
paper and  
transportation of  
printed matters  
with an AGV\*

# Strategies and Key Initiatives by Business Segment (Developing Business Foundation)

## Key Challenges in Developing Business Foundation

### Promoting a sound and dynamic workplace environment

#### Promoting health and safety in the workplace as well as mental and physical health

- Maintaining and improving occupational health and safety
  - Cultivating a safer work environment.
  - Supporting employee mental health and stress management.
- Fostering a comfortable and revitalized workplace
  - Improving on-site working environment.
  - Strengthening employee welfare programs.
- Improving work styles and operations efficiency
  - Creating an environment that enables flexible work arrangements.



Management training for creating harmonious, supportive workplaces.

### Improving organizational capabilities

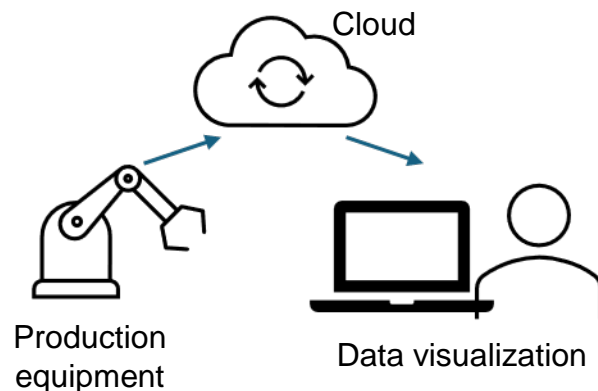
#### Activating participation of diverse human resources

- Improving employee engagement
  - Establishing systems to support career development.
- Strengthening human resource development framework
  - Cultivating management leadership, promoting certification achievements, offering specialized training across various business areas, and implementing mid-career job rotations.
- Promoting diverse work styles
  - Advancing diversity initiatives, including the promotion of women in the workplace.
- Securing human resources
  - Enhancing recruitment promotions and leveraging global human resources.
- Reviewing employee treatment in response to work style reforms
  - Reviewing the evaluation and compensation system.

### Promoting operational efficiency initiatives

#### Leveraging digital technologies such as ICT and AI

- Utilizing digital technologies
  - Leading the DX Promotion Committee.
  - Digitizing business operations across functions.
  - Establishing systems for digital human resource development.
  - Building a foundation for integrating and visualizing internal data.



## **4. Towards Enhancing Corporate Value**

# Toward Achieving Management Conscious of Cost of Capital and Stock Price

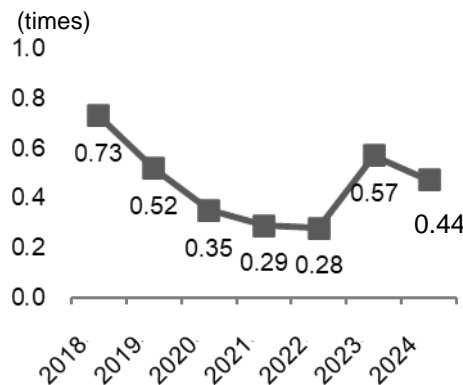
To overcome the situation where the P/B ratio is less than 1x, Ryobi is urgently required to improve the equity spread\* by increasing ROE and reducing the cost of equity.

## Current Status

- As of December 2024, the P/B ratio stands at 0.44x, continuing the situation of being below 1x.
- ROE is below the company's recognized cost of equity (8–9%).
  - ✓ The level of return on capital expected by investors has not been achieved.
- To enhance our corporate value, it is important to improve the return on capital and foster expectations of future earnings growth.

### P/B ratio

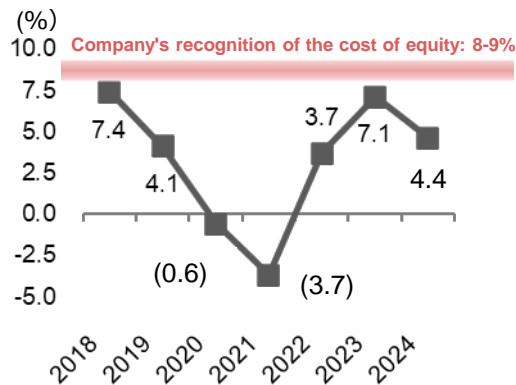
(Initiatives to improve P/B ratio)



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### ROE

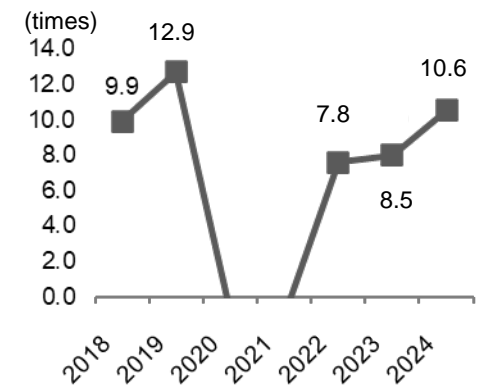
- ✓ Strengthening the profitability of each business.
- ✓ Initiatives for an appropriate capital strategy.



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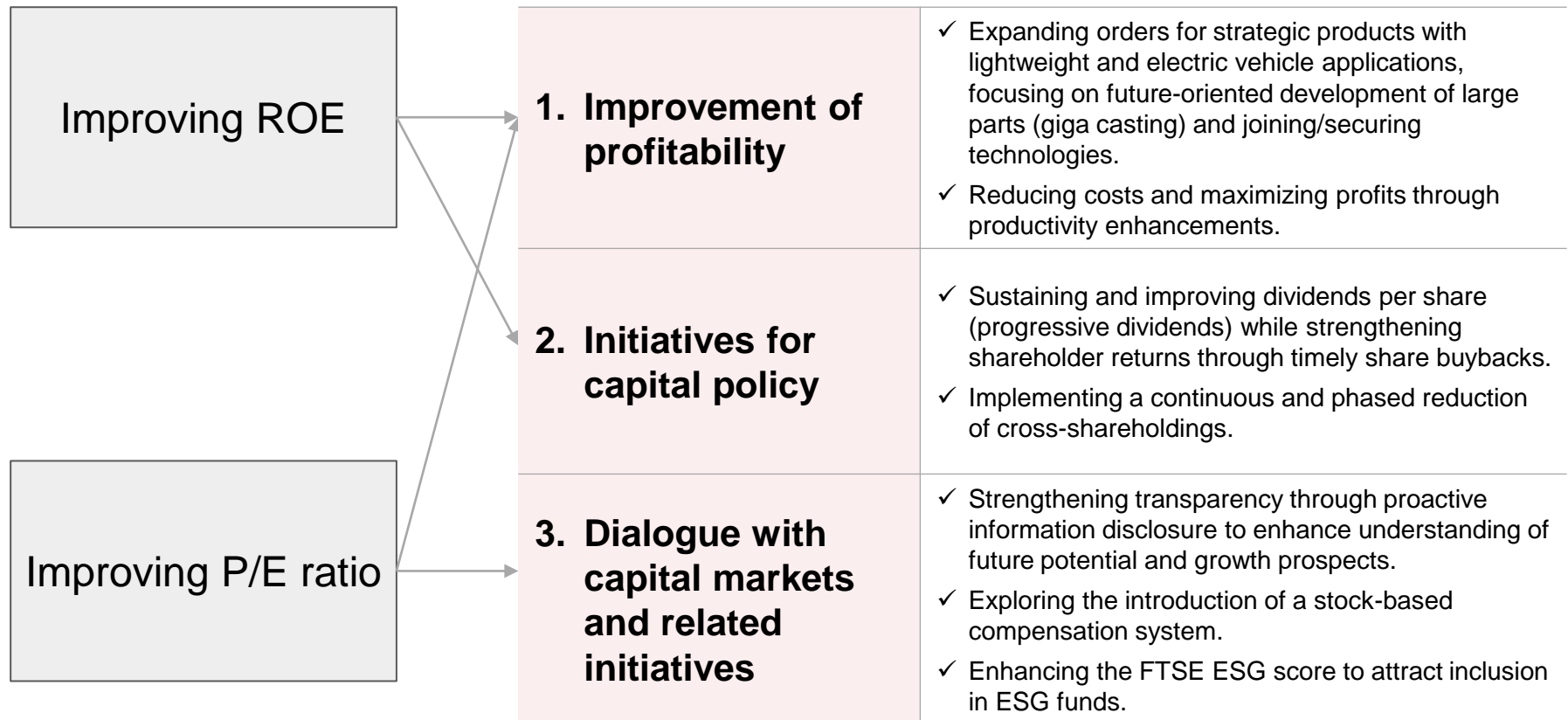
### P/E ratio

- ✓ Fostering understanding of future prospects and growth through transparent information disclosure.



# Toward Enhancing Corporate Value

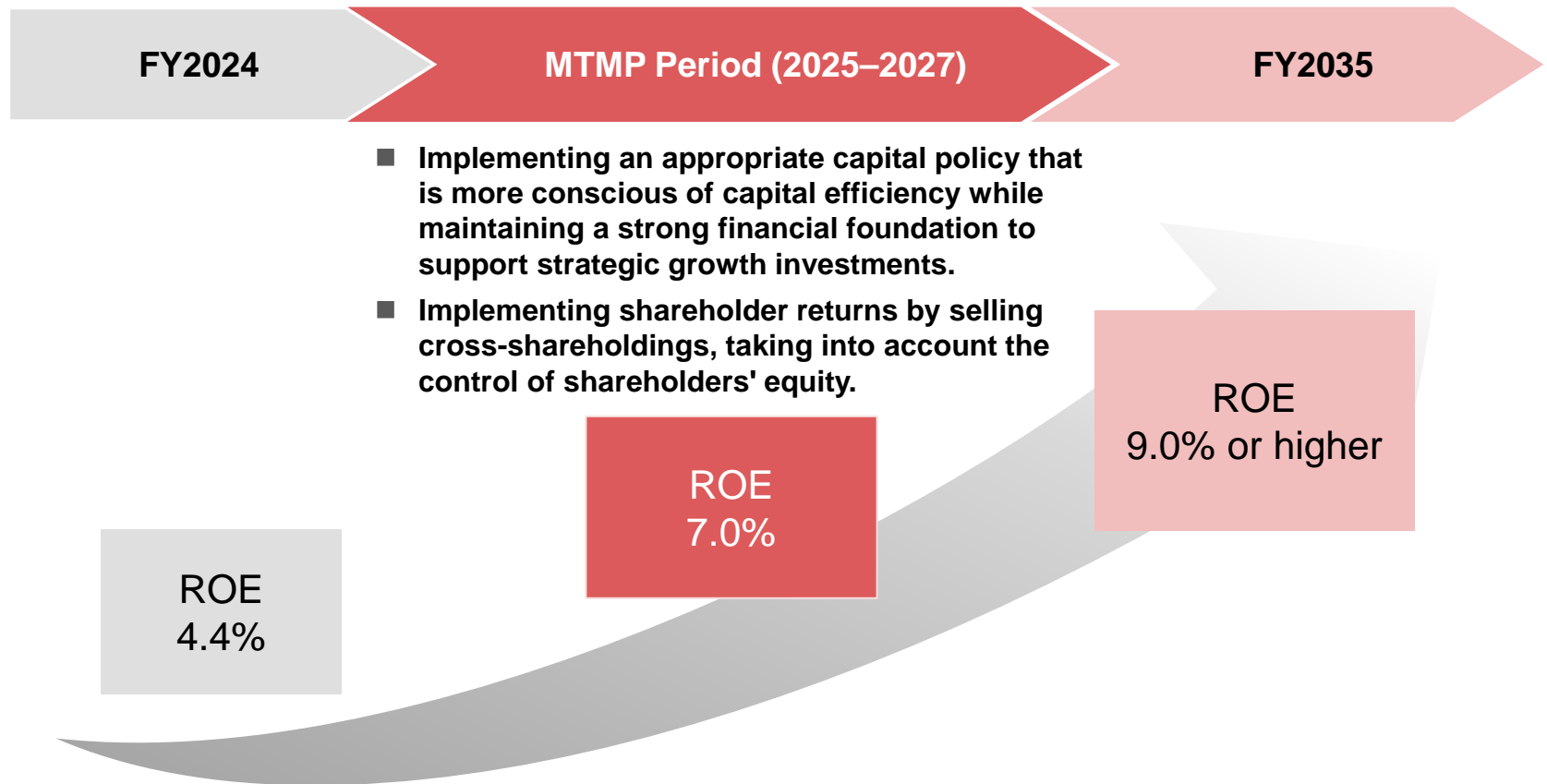
We aim to improve our corporate value by increasing profitability through the steady implementation of our growth strategy, strengthening shareholder returns, and actively disclosing information and dialogue with investors.



# Overall Picture for Improving Corporate Value

Increasing ROE in phases to surpass the cost of equity over the medium-to-long-term.

Driving strategic growth investments to strengthen the management foundation and expand business domains in pursuit of vision for 2035.

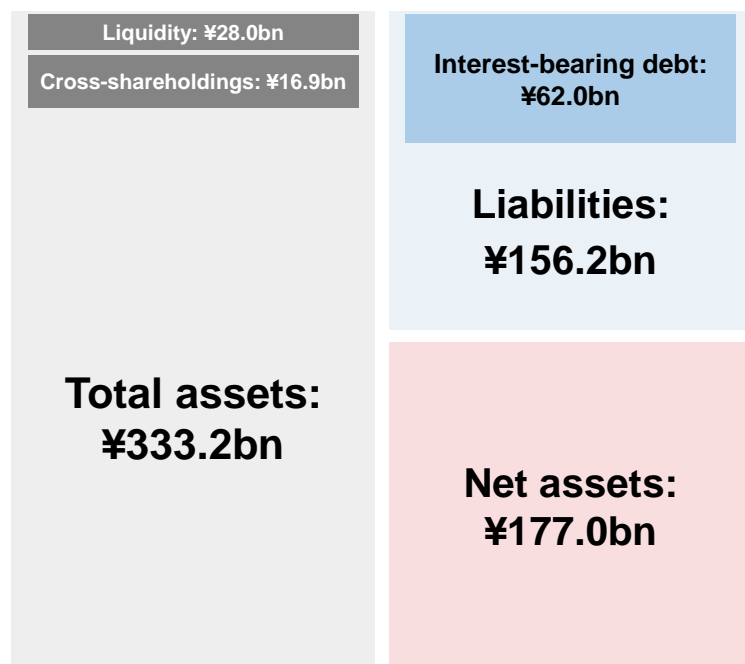


# Optimal Capital Structure

Striving for an optimal capital structure that balances financial stability and return on capital.

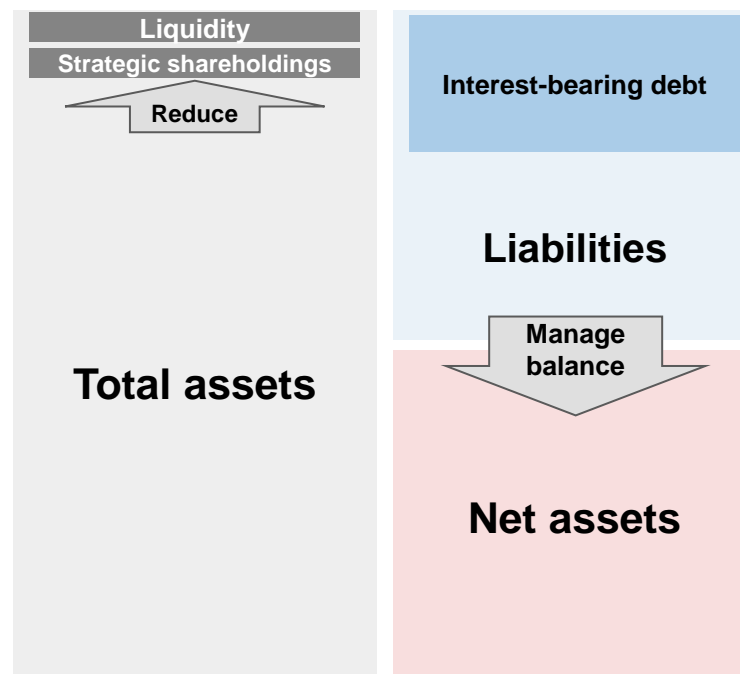
Managing equity through shareholder returns and utilization of debt

## FY2024



## FY2027 (Illustrative)

- Managing the balance of equity through shareholder returns, including dividends and flexible share buybacks, leveraging proceeds from sales of cross-held shares
- Utilizing interest-bearing debt as necessary, while maintaining financial stability



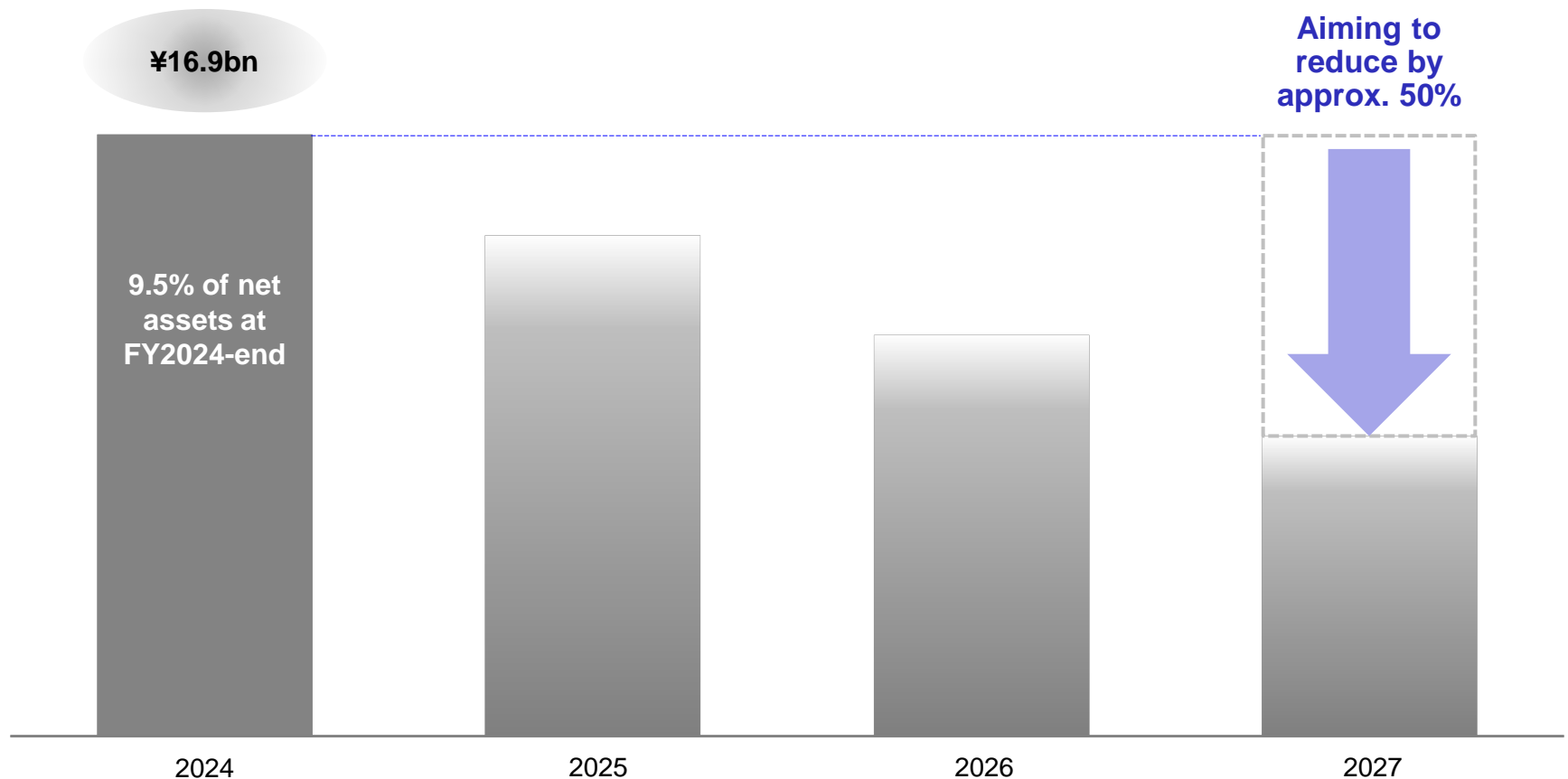


# Policy for Reducing Cross-Shareholdings

Cross-shareholding balance at FY2024-end: ¥16.9bn (Percentage of net assets: 9.5%)

FY2027-end Target: Aiming for a 50% reduction from the FY2024-end balance

Proceeds generated from the sale of cross-held shares will be allocated to capital expenditures and shareholder returns.

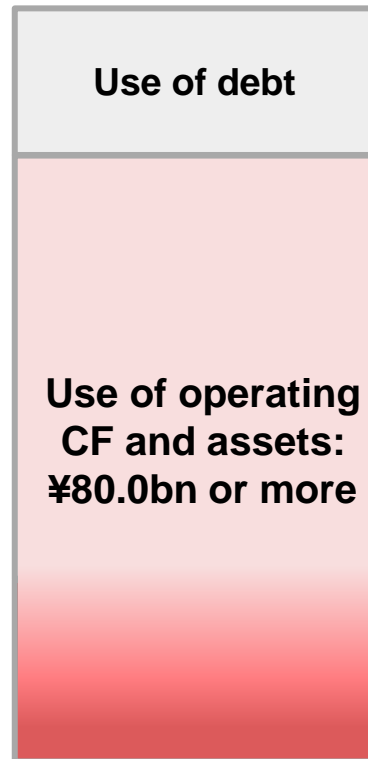


# Cash Allocation (FY2025–FY2027 Cumulative)

**Prioritizing growth investments and enhancing shareholder returns.**

## Cash Inflows

- Leveraging debts strategically for large-scale investments as needed.
- Enhancing earning power to generate stable cash flow.
- Selling cross-held shares, etc.
  - Targeting a 50% reduction of the FY2024-end balance to improve asset efficiency.



## Cash Outflows

- Strategic Investments
  - Expanding capacity to meet new business for strategic products in lightweight and electric vehicle applications.
  - Investing in advanced technology development for large parts (giga casting) with a future-focused approach.
- Driving growth investments and infrastructure development centered on the core Die Castings business.
- Strengthening shareholder returns with a focus on optimal capital structure.
  - Establishing a minimum dividend of ¥100 per share in the first year, with a commitment to maintain or increase thereafter (progressive dividends).
  - Targeting a total return ratio of 40% over the MTMP period.
- Implement flexible share buybacks as necessary.



# Dividend Policy

Enhancing shareholder returns while maintaining effective control of shareholder equity.

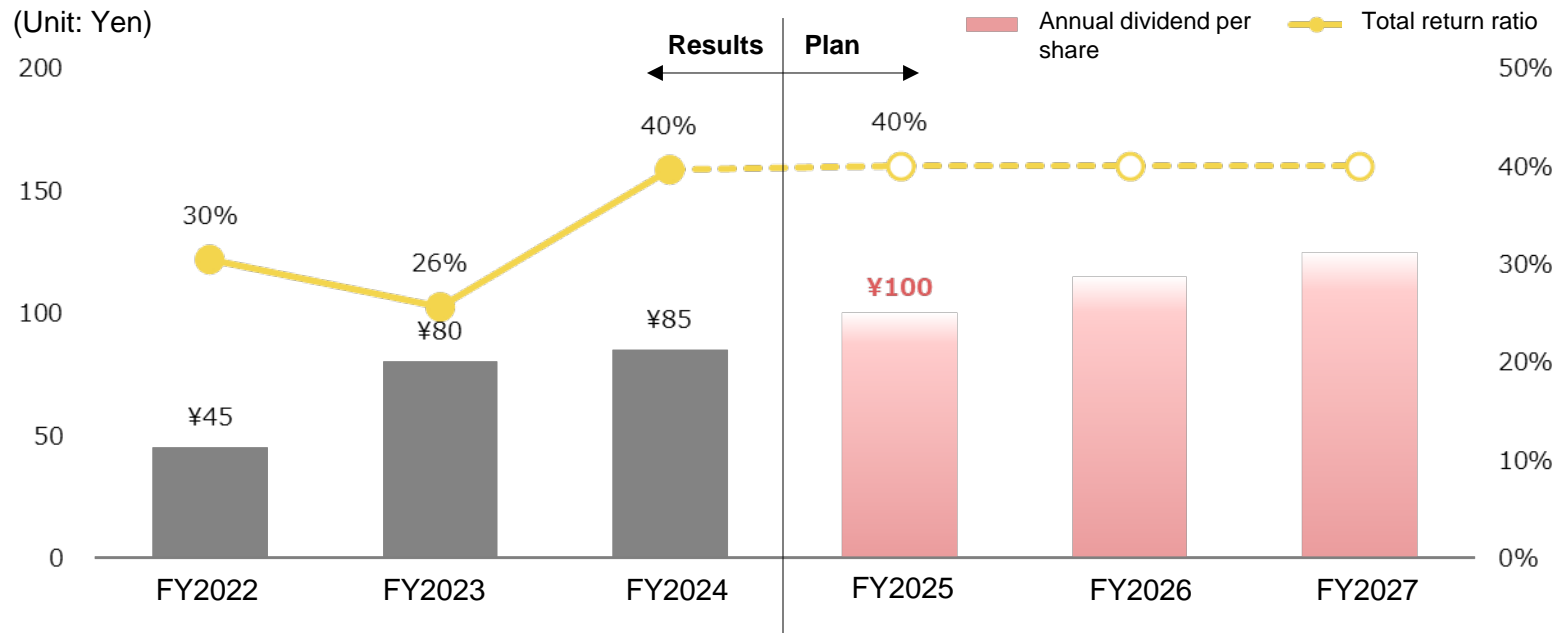
## Current shareholder return policy

- Maintaining stable dividends
- Targeting a payout ratio of approx. 30%

## Shareholder return policy for the MTMP period (2025–2027)

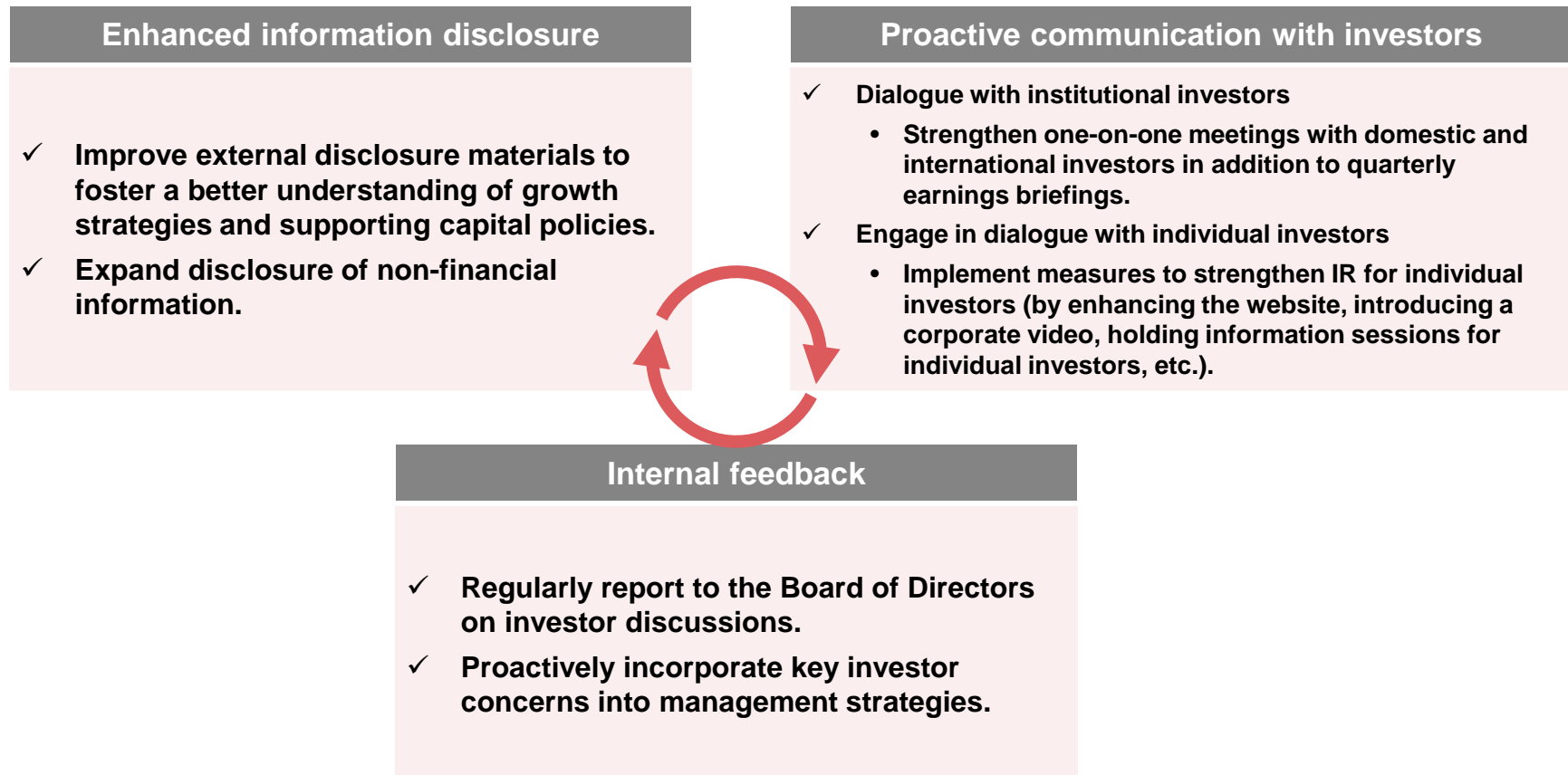
- Adopt a progressive dividend policy.
- Set a minimum dividend of ¥100 per share in the first year, with a commitment to maintain or increase thereafter.
- Implement flexible share buybacks.
- Target a total return ratio of 40% in the MTMP period.

## Annual Dividend per Share



# Strengthening Dialogue with the Capital Markets

Enhance transparency and engagement through timely and appropriate disclosures and proactive investor relations activities.



# Addressing Environmental and Social Challenges

## Toward achieving carbon neutrality

- Expand sales of lightweight and electric vehicle parts.
- Increasing the adoption of renewable energy.

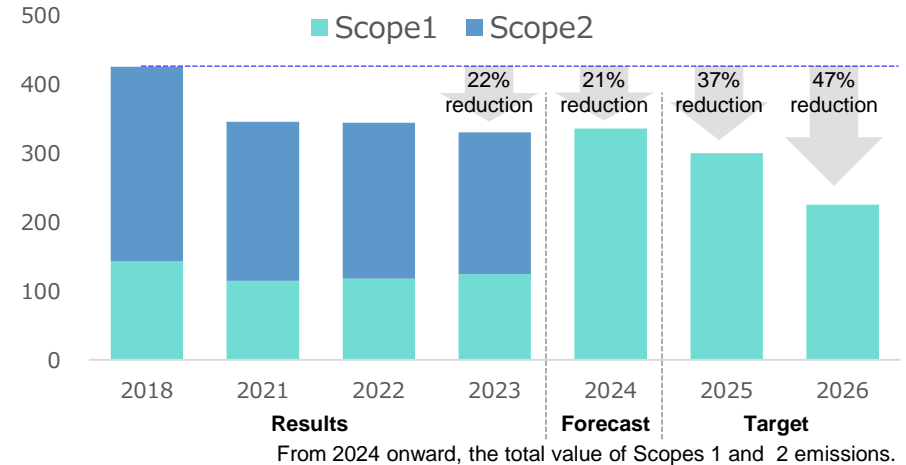
## Co-create with sustainable supply chains

- **Strengthening supply chain management**
  - Establishing and disseminating sustainability guidelines (human rights policy, procurement policy, etc.)
  - Promoting fair trade practices and upholding commitments under Declaration of the Partnership Building

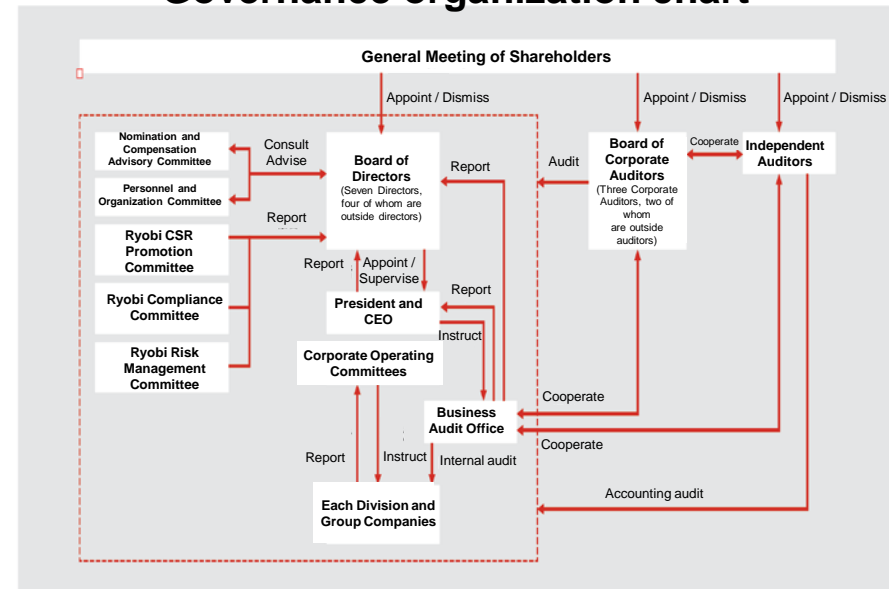
## Strengthen governance initiatives

- **Promoting corporate governance practices**
  - Consider the introduction of a stock-based compensation system.
- **Promoting compliance initiatives**
  - Strict quality compliance
  - Harassment prevention awareness activities
- **Promoting risk management**
  - Strengthen BCP measures against natural disasters.
  - Reinforce cybersecurity across the group and supply chain.

## CO<sub>2</sub> emissions (Scopes 1 and 2) reduction targets



## Governance organization chart



## Cautionary notes on 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 judgments based on the 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**

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