

Consolidated Financial Results for the Six Months Ended June 30, 2021 (Japanese GAAP)



August 5, 2021

Company Name: RYOBİ LIMITED

Stock Code: 5851

(URL: <https://www.ryobi-group.co.jp/>)

Stock Exchange Listing: Tokyo

Representative: Akira Urakami, President and CEO

Contact: Hiromu Arihiro, Corporate Officer

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General Manager Finance Department

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Scheduled date to submit the Quarterly Securities Report : August 5, 2021

Date of scheduled payment of dividend : September 1, 2021

Availability of supplementary briefing material on quarterly results : Yes

Presentation Meeting : Yes (for analysts and institutional investors)

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2021 (From January 1, 2021 to June 30, 2021)

(1) Consolidated Results of Operations

(% indicates changes from the previous fiscal period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------------------|-----------------|-------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended June 30, 2021 | 95,567 | 23.0 | △621 | — | 101 | — | 225 | — |
| Six months ended June 30, 2020 | 77,700 | △30.7 | △3,551 | — | △2,775 | — | △1,668 | — |

(Note) Comprehensive income: Six months ended June 30, 2021: 6,042 million yen [— %]

Six months ended June 30, 2020: △4,703 million yen [— %]

| | Profit per share | Fully diluted profit per share |
|--------------------------------|------------------|--------------------------------|
| | Yen | Yen |
| Six months ended June 30, 2021 | 6.97 | — |
| Six months ended June 30, 2020 | △51.55 | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio |
|-------------------------|-----------------|-----------------|----------------------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2021 | 270,051 | 131,952 | 45.6 |
| As of December 31, 2020 | 258,660 | 125,930 | 45.3 |

(Reference) Shareholders' Equity: As of June 30, 2021 : 123,210 million yen

As of December 31, 2020 : 117,147 million yen

2. Dividends

| | Cash dividends per share | | | | |
|-----------------------------|--------------------------|-----------|-----------|----------|--------|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| FY December 2020 | — | 0.00 | — | 0.00 | 0.00 |
| FY December 2021 | — | 10.00 | | | |
| FY December 2021 (Forecast) | | | — | 25.00 | 35.00 |

(Reference) Correction from the dividend forecast, which is published in the most recent: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2021 (From January 1, 2021 to December 31, 2021)

(% indicates percentage changes from previous fiscal year.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Profit per share |
|-----------|-----------------|------|------------------|---|-----------------|---|---|---|------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 211,000 | 23.4 | 2,300 | — | 3,000 | — | 2,200 | — | 67.97 |

(Reference) Correction from the consolidated forecast, which is published in the most recent: No

* Notes

- (1) Significant changes of companies during the period (changes in specific companies involving changes in the scope of consolidation): Not applicable
New Company: —
Excluded companies: —
- (2) Adoption of specific accounting treatments to the preparation of consolidated quarterly financial statements: Not applicable
- (3) Changes in accounting policies, changes in accounting estimates and restatements
 - 1) Changes in accounting policies due to the revision of accounting standards: Not applicable
 - 2) Changes in accounting policies other than 1): Not applicable
 - 3) Changes in accounting estimates: Not applicable
 - 4) Restatements: Not applicable

(4) Shares issued (common stock)

| | | | | |
|---|--------------------------------|------------|--------------------------------|------------|
| 1) Shares issued (including treasury stock) | As of June 30, 2021 | 32,646,143 | As of December 31, 2020 | 32,646,143 |
| 2) Treasury stock | As of June 30, 2021 | 277,386 | As of December 31, 2020 | 277,298 |
| 3) Average shares outstanding during the period | Six months ended June 30, 2021 | 32,368,814 | Six months ended June 30, 2020 | 32,368,970 |

* These consolidated quarterly financial results are outside the scope of quarterly review.

* Explanation for the appropriate use of performance forecasts and other special notes:

The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ from forecast values.

Comparative Balance Sheets (Consolidated)

(Millions of yen)

| | 2020/12/31 | 2021/6/30 |
|--|----------------|----------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 26,566 | 30,869 |
| Notes and accounts receivable - trade | 40,157 | 38,457 |
| Securities | 759 | 735 |
| Merchandise and finished goods | 15,353 | 16,722 |
| Work in process | 12,320 | 14,101 |
| Raw materials and supplies | 13,714 | 15,974 |
| Other | 3,379 | 3,881 |
| Allowance for doubtful accounts | △32 | △19 |
| Total current assets | 112,218 | 120,723 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 32,741 | 33,867 |
| Machinery, equipment and vehicles, net | 50,334 | 53,108 |
| Land | 15,964 | 15,710 |
| Construction in progress | 14,323 | 11,515 |
| Other, net | 5,595 | 5,996 |
| Total property, plant and equipment | 118,959 | 120,197 |
| Intangible assets | | |
| Other | 3,482 | 3,354 |
| Total intangible assets | 3,482 | 3,354 |
| Investments and other assets | | |
| Investment securities | 14,396 | 15,539 |
| Other | 9,658 | 10,298 |
| Allowance for doubtful accounts | △63 | △64 |
| Total investments and other assets | 23,991 | 25,773 |
| Total non-current assets | 146,432 | 149,325 |
| Deferred assets | | |
| Bond issuance costs | 8 | 2 |
| Total deferred assets | 8 | 2 |
| Total assets | 258,660 | 270,051 |

Comparative Balance Sheets (Consolidated)

(Millions of yen)

| | 2020/12/31 | 2021/6/30 |
|---|----------------|----------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 29,115 | 33,983 |
| Short-term borrowings | 25,595 | 30,038 |
| Current portion of bonds payable | 4,600 | 3,300 |
| Current portion of long-term borrowings | 7,110 | 14,791 |
| Income taxes payable | 476 | 408 |
| Provision for bonuses | 390 | 378 |
| Other | 16,601 | 16,147 |
| Total current liabilities | 83,890 | 99,047 |
| Non-current liabilities | | |
| Bonds payable | 1,500 | — |
| Long-term borrowings | 33,670 | 25,417 |
| Retirement benefit liability | 8,055 | 7,878 |
| Other | 5,613 | 5,755 |
| Total non-current liabilities | 48,839 | 39,051 |
| Total liabilities | 132,730 | 138,099 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 18,472 | 18,472 |
| Capital surplus | 21,861 | 21,874 |
| Retained earnings | 76,309 | 76,534 |
| Treasury shares | △346 | △346 |
| Total shareholders' equity | 116,295 | 116,535 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,733 | 5,420 |
| Revaluation reserve for land | 810 | 811 |
| Foreign currency translation adjustment | △3,814 | 1,099 |
| Remeasurements of defined benefit plans | △877 | △655 |
| Total accumulated other comprehensive income | 852 | 6,675 |
| Non-controlling interests | 8,782 | 8,741 |
| Total net assets | 125,930 | 131,952 |
| Total liabilities and net assets | 258,660 | 270,051 |

Comparative Statements of Income (Consolidated)

(Millions of yen)

| | from:2020/1/1 to:2020/6/30 | from:2021/1/1 to:2021/6/30 |
|---|-------------------------------|-------------------------------|
| Net sales | 77,700 | 95,567 |
| Cost of sales | 71,877 | 86,457 |
| Gross profit | 5,822 | 9,110 |
| Selling, general and administrative expenses | 9,374 | 9,731 |
| Operating loss | △3,551 | △621 |
| Non-operating income | | |
| Interest income | 55 | 95 |
| Dividend income | 189 | 192 |
| Rental income | 112 | 82 |
| Foreign exchange gains | — | 74 |
| Share of profit of entities accounted for using equity method | 35 | 35 |
| Usage income of trademark | 108 | 136 |
| Subsidy income | 742 | 315 |
| Other | 227 | 352 |
| Total non-operating income | 1,470 | 1,285 |
| Non-operating expenses | | |
| Interest expenses | 500 | 458 |
| Foreign exchange losses | 53 | — |
| Depreciation | 18 | 8 |
| Other | 121 | 95 |
| Total non-operating expenses | 694 | 562 |
| Ordinary profit (loss) | △2,775 | 101 |
| Extraordinary income | | |
| Gain on disposal of non-current assets | 1 | 3 |
| Gain on sales of investment securities | — | 0 |
| Total extraordinary income | 1 | 3 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 15 | 47 |
| Loss on valuation of investment securities | 76 | — |
| Loss on sales of investment securities | 0 | — |
| Loss on sales of shares of subsidiaries and associates | 78 | — |
| Total extraordinary losses | 170 | 47 |
| Profit (loss) before income taxes | △2,943 | 57 |
| Income taxes | △1,186 | △143 |
| Profit (loss) | △1,757 | 200 |
| Loss attributable to non-controlling interests | △88 | △24 |
| Profit (loss) attributable to owners of parent | △1,668 | 225 |

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

| | from: 2020/1/1 to: 2020/6/30 | from: 2021/1/1 to: 2021/6/30 |
|---|---------------------------------|---------------------------------|
| Profit (loss) | △1,757 | 200 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | △1,493 | 703 |
| Revaluation reserve for land | 0 | 0 |
| Foreign currency translation adjustment | △1,598 | 4,754 |
| Remeasurements of defined benefit plans, net of tax | 229 | 223 |
| Share of other comprehensive income of entities accounted for using equity method | △84 | 159 |
| Total other comprehensive income | △2,946 | 5,841 |
| Comprehensive income | △4,703 | 6,042 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | △4,540 | 6,049 |
| Comprehensive income attributable to non-controlling interests | △162 | △6 |

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

| | from: 2020/1/1 to: 2020/6/30 | from: 2021/1/1 to: 2021/6/30 |
|--|---------------------------------|---------------------------------|
| Cash flows from operating activities | | |
| Profit (loss) before income taxes | △2,943 | 57 |
| Depreciation | 8,225 | 8,475 |
| Increase (decrease) in allowance for doubtful accounts | △6 | △12 |
| Increase (decrease) in provision for bonuses | 20 | △12 |
| Increase (decrease) in retirement benefit liability | 23 | 18 |
| Interest and dividend income | △244 | △288 |
| Interest expenses | 500 | 458 |
| Subsidy income | △742 | △315 |
| Share of loss (profit) of entities accounted for using equity method | △35 | △35 |
| Loss (gain) on sales of investment securities | 0 | — |
| Loss (gain) on sales of shares of subsidiaries and associates | 78 | — |
| Loss (gain) on disposal of non-current assets | 13 | 44 |
| Decrease (increase) in trade receivables | 6,995 | 2,579 |
| Decrease (increase) in inventories | 253 | △4,276 |
| Decrease (increase) in other current assets | △188 | △368 |
| Increase (decrease) in trade payables | △12,332 | 4,426 |
| Increase (decrease) in other current liabilities | △1,444 | 683 |
| Other, net | △169 | △72 |
| Subtotal | △1,997 | 11,360 |
| Interest and dividends received | 289 | 349 |
| Interest paid | △479 | △453 |
| Proceeds from subsidy income | 245 | 371 |
| Income taxes (paid) refund | △354 | △493 |
| Net cash provided by (used in) operating activities | △2,295 | 11,133 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | △12,583 | △7,038 |
| Proceeds from sales of property, plant and equipment | 32 | 321 |
| Purchase of securities | △680 | △650 |
| Proceeds from sales of securities | 680 | 680 |
| Purchase of investment securities | △16 | △5 |
| Proceeds from sales of investment securities | 0 | 13 |
| Proceeds from sales of shares of subsidiaries and associates | 2,630 | — |
| Payments into time deposits | △1,214 | △1,214 |
| Proceeds from withdrawal of time deposits | 1,214 | 1,214 |
| Other, net | △887 | △199 |
| Net cash provided by (used in) investing activities | △10,825 | △6,878 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 5,711 | 3,585 |
| Proceeds from long-term borrowings | 15,406 | 1,844 |
| Repayments of long-term borrowings | △4,645 | △3,312 |
| Redemption of bonds | — | △2,800 |
| Purchase of treasury shares | — | △0 |
| Dividends paid | △1,132 | △3 |
| Other, net | △143 | △80 |
| Net cash provided by (used in) financing activities | 15,197 | △767 |
| Effect of exchange rate change on cash and cash equivalents | △234 | 821 |
| Net increase (decrease) in cash and cash equivalents | 1,841 | 4,309 |
| Cash and cash equivalents at beginning of period | 21,356 | 25,405 |
| Cash and cash equivalents at end of period | 23,198 | 29,715 |

Segment Information

Industry Segment Information

(Six months ended June 30, 2020)

(Millions of yen)

| | Die Castings | Builders' Hardware | Printing Equipment | Other | Eliminations / Corporate | Consolidated |
|-------------------------|-----------------|-----------------------|-----------------------|-------|-----------------------------|--------------|
| Net Sales: | | | | | | |
| Unaffiliated customers | 64,648 | 4,672 | 8,302 | 76 | — | 77,700 |
| Intersegment | 36 | — | — | 27 | (63) | — |
| Total | 64,684 | 4,672 | 8,302 | 104 | (63) | 77,700 |
| Operating profit (loss) | △3,509 | 372 | △402 | △12 | 0 | △3,551 |

(Six months ended June 30, 2021)

(Millions of yen)

| | Die Castings | Builders' Hardware | Printing Equipment | Other | Eliminations / Corporate | Consolidated |
|-------------------------|-----------------|-----------------------|-----------------------|-------|-----------------------------|--------------|
| Net Sales: | | | | | | |
| Unaffiliated customers | 82,140 | 4,520 | 8,817 | 89 | — | 95,567 |
| Intersegment | 29 | — | — | 16 | (46) | — |
| Total | 82,169 | 4,520 | 8,817 | 106 | (46) | 95,567 |
| Operating profit (loss) | △369 | 233 | △488 | 1 | 2 | △621 |

* All amounts have been rounded down to the nearest million yen.