

Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (Japanese GAAP)



February 14, 2022

Company Name: RYOBI 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

Divisional Deputy General Manager of Corporate Planning Division

General Manager of Finance Department

Phone: +81-3-3501-0511

Scheduled date of Ordinary General Meeting of Shareholders : March 29, 2022

Scheduled date to submit the Annual Securities Report : March 29, 2022

Date of scheduled payment of dividend : March 30, 2022

Availability of supplementary briefing material on yearly results : Yes

Presentation Meeting : Yes (for securities analysts / institutional investors)

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (From January 1, 2021 to December 31, 2021)

(1) Consolidated Results of Operations

(% indicates changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY December 2021	198,073	15.9	△1,524	—	4	—	△4,397	—
FY December 2020	170,973	△22.5	△1,789	—	△35	—	△697	—

(Note) Comprehensive income: FY December 31, 2021: 6,131 million yen [—%]

FY December 31, 2020: △2,451 million yen [—%]

	Profit per share	Fully diluted profit per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FY December 2021	△135.87	—	△3.7	0.0	△0.8
FY December 2020	△21.54	—	△0.6	△0.0	△1.0

(Note) Equity in earnings of affiliated companies FY December 31, 2021 : 59 million yen

FY December 31, 2020 : 71 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	279,422	131,717	44.0	3,797.69
As of December 31, 2020	258,660	125,930	45.3	3,619.16

(Reference) Shareholders' Equity: As of December 31, 2021 : 122,926 million yen

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

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY December 2021	14,900	△12,162	△1,936	27,388
FY December 2020	11,795	△17,567	9,718	25,405

2. Dividends

	Cash dividends per share					Total dividends paid(annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY December 2020	—	0.00	—	0.00	0.00	-	-	-
FY December 2021	—	10.00	—	10.00	20.00	647	-	0.5
FY December 2022 (Forecast)	—	20.00	—	20.00	40.00		34.1	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2022 (From January 1, 2022 to December 31, 2022)

(% indicates changes from the previous fiscal year for full year, and indicates changes from the previous half for first half.)

	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
First half	114,800	20.1	1,800	—	1,800	—	1,200	431.6	37.07
Full year	240,000	21.2	5,300	—	5,400	—	3,800	—	117.40

* As year-on-year (also previous half) percentage changes of ordinary profit would be more than 1,000%, it is indicated as “-”.

* Notes

- (1) Significant changes of companies during the fiscal year ended December 31, 2021 (changes in specific companies involving changes in the scope of consolidation): Applicable
New Company: —
Excluded companies: 1 (Company Name) Ryobi Holdings (USA), Inc.

- (2) 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

- (3) Shares issued (common stock)

1) Shares issued (including treasury stock)	As of December 31, 2021	32,646,143	As of December 31, 2020	32,646,143
2) Treasury stock	As of December 31, 2021	277,412	As of December 31, 2020	277,298
3) Average shares outstanding during the period	FY December 31, 2021	32,368,784	FY December 31, 2020	32,368,933

(Reference) Summary of the Non-consolidated Financial Results

Overview of the Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2021

(From January 1, 2021 to December 31, 2021)

(1) Non-consolidated Results of Operations

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY December 2021	92,508	20.4	△1,868	—	2,120	149.1	△3,372	—
FY December 2020	76,836	△22.1	△4,522	—	851	△78.7	741	△81.4

	Profit per share	Fully diluted profit per share
	Yen	Yen
FY December 2021	△104.18	—
FY December 2020	22.91	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	167,028	71,429	42.8	2,206.73
As of December 31, 2020	163,394	74,356	45.5	2,297.15

(Reference) Shareholders' Equity As of December 31, 2021: 71,429 million yen

As of December 31, 2020: 74,356 million yen

* These consolidated financial results are outside the scope of audit.

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

(Cautionary note on forward-looking statement)

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	2021/12/31
Assets		
Current assets		
Cash and deposits	26,566	28,538
Notes and accounts receivable - trade	40,157	44,327
Securities	759	740
Merchandise and finished goods	15,353	19,603
Work in process	12,320	14,813
Raw materials and supplies	13,714	18,092
Other	3,379	3,505
Allowance for doubtful accounts	△32	△30
Total current assets	112,218	129,591
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,741	32,793
Machinery, equipment and vehicles, net	50,334	51,314
Land	15,964	15,598
Construction in progress	14,323	11,733
Other, net	5,595	5,718
Total property, plant and equipment	118,959	117,158
Intangible assets		
Other	3,482	3,159
Total intangible assets	3,482	3,159
Investments and other assets		
Investment securities	14,396	15,772
Retirement benefit asset	4,478	6,916
Deferred tax assets	2,967	3,879
Other	2,212	3,006
Allowance for doubtful accounts	△63	△62
Total investments and other assets	23,991	29,512
Total non-current assets	146,432	149,830
Deferred assets		
Bond issuance costs	8	0
Total deferred assets	8	0
Total assets	258,660	279,422

Comparative Balance Sheets (Consolidated)

(Millions of yen)

	2020/12/31	2021/12/31
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,115	41,606
Short-term borrowings	25,595	36,498
Current portion of bonds payable	4,600	1,500
Current portion of long-term borrowings	7,110	13,005
Income taxes payable	476	636
Provision for bonuses	390	387
Other	16,601	17,131
Total current liabilities	83,890	110,765
Non-current liabilities		
Bonds payable	1,500	—
Long-term borrowings	33,670	22,765
Deferred tax liabilities	2,085	2,948
Deferred tax liabilities for land revaluation	510	510
Retirement benefit liability	8,055	7,872
Other	3,017	2,842
Total non-current liabilities	48,839	36,939
Total liabilities	132,730	147,705
Net assets		
Shareholders' equity		
Share capital	18,472	18,472
Capital surplus	21,861	21,875
Retained earnings	76,309	71,587
Treasury shares	△346	△346
Total shareholders' equity	116,295	111,588
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,733	5,503
Revaluation reserve for land	810	811
Foreign currency translation adjustment	△3,814	4,288
Remeasurements of defined benefit plans	△877	734
Total accumulated other comprehensive income	852	11,337
Non-controlling interests	8,782	8,790
Total net assets	125,930	131,717
Total liabilities and net assets	258,660	279,422

Comparative Statements of Income (Consolidated)

(Millions of yen)

	from:2020/1/1 to:2020/12/31	from:2021/1/1 to:2021/12/31
Net sales	170,973	198,073
Cost of sales	153,882	179,600
Gross profit	17,090	18,472
Selling, general and administrative expenses	18,879	19,996
Operating loss	△1,789	△1,524
Non-operating income		
Interest income	104	164
Dividend income	339	366
Rental income	198	164
Foreign exchange gains	—	200
Dividend income of insurance	128	145
Share of profit of entities accounted for using equity method	71	59
Usage income of trademark	247	270
Subsidy income	1,451	378
Other	624	833
Total non-operating income	3,166	2,582
Non-operating expenses		
Interest expenses	967	894
Loss on abandonment of inventories	68	31
Foreign exchange losses	225	—
Depreciation	29	16
Other	121	112
Total non-operating expenses	1,412	1,054
Ordinary profit (loss)	△35	4
Extraordinary income		
Gain on disposal of non-current assets	23	4
Gain on sale of investment securities	—	0
Total extraordinary income	23	5
Extraordinary losses		
Loss on disposal of non-current assets	97	203
Impairment losses	1,228	4,134
Loss on valuation of investment securities	85	2
Loss on sale of investment securities	0	—
Loss on sale of shares of subsidiaries and associates	78	—
Total extraordinary losses	1,490	4,339
Loss before income taxes	△1,501	△4,329
Income taxes - current	1,080	1,001
Income taxes - deferred	△1,758	△969
Total income taxes	△678	31
Loss	△823	△4,361
Profit (loss) attributable to non-controlling interests	△126	36
Loss attributable to owners of parent	△697	△4,397

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

	from: 2020/1/1 to: 2020/12/31	from: 2021/1/1 to: 2021/12/31
Loss	△823	△4,361
Other comprehensive income		
Valuation difference on available-for-sale securities	△763	771
Revaluation reserve for land	0	0
Foreign currency translation adjustment	△1,238	7,821
Remeasurements of defined benefit plans, net of tax	350	1,618
Share of other comprehensive income of entities accounted for using equity method	23	281
Total other comprehensive income	△1,627	10,492
Comprehensive income	△2,451	6,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△2,245	6,087
Comprehensive income attributable to non-controlling interests	△205	43

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

	from: 2020/1/1 to: 2020/12/31	from: 2021/1/1 to: 2021/12/31
Cash flows from operating activities		
Loss before income taxes	△1,501	△4,329
Depreciation	16,402	17,240
Impairment losses	1,228	4,134
Increase (decrease) in allowance for doubtful accounts	△14	△3
Increase (decrease) in provision for bonuses	△185	△3
Increase (decrease) in retirement benefit liability	131	33
Interest and dividend income	△443	△530
Interest expenses	967	894
Subsidy income	△1,451	△378
Share of loss (profit) of entities accounted for using equity method	△71	△59
Loss (gain) on disposal of non-current assets	75	198
Loss (gain) on sale of investment securities	0	-
Loss (gain) on valuation of investment securities	85	2
Loss (gain) on sale of shares of subsidiaries and associates	78	-
Decrease (increase) in trade receivables	819	△2,520
Decrease (increase) in inventories	3,382	△9,214
Decrease (increase) in other current assets	△524	△208
Increase (decrease) in trade payables	△6,477	11,934
Increase (decrease) in other current liabilities	72	△1,253
Other, net	△213	△424
Subtotal	12,360	15,510
Interest and dividends received	463	613
Interest paid	△958	△904
Subsidies received	1,267	455
Income taxes refund (paid)	△1,338	△773
Net cash provided by (used in) operating activities	11,795	14,900
Cash flows from investing activities		
Purchase of property, plant and equipment	△20,291	△11,851
Proceeds from sale of property, plant and equipment	1,148	520
Purchase of securities	△1,330	△1,300
Proceeds from sale of securities	1,340	1,330
Purchase of investment securities	△32	△15
Proceeds from sale of investment securities	15	13
Proceeds from sale of shares of subsidiaries and associates	2,630	-
Payments into time deposits	△2,404	△2,404
Proceeds from withdrawal of time deposits	2,404	2,404
Other, net	△1,049	△859
Net cash provided by (used in) investing activities	△17,567	△12,162
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,315	9,325
Proceeds from long-term borrowings	18,670	1,866
Repayments of long-term borrowings	△7,606	△8,050
Redemption of bonds	△2,300	△4,600
Purchase of treasury shares	△0	△0
Dividends paid	△1,135	△328
Other, net	△225	△150
Net cash provided by (used in) financing activities	9,718	△1,936
Effect of exchange rate change on cash and cash equivalents	103	1,182
Net increase (decrease) in cash and cash equivalents	4,048	1,983
Cash and cash equivalents at beginning of period	21,356	25,405
Cash and cash equivalents at end of period	25,405	27,388

Segment Information

Industry Segment Information

(The Fiscal Year ended December 31, 2020)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	145,869	9,406	15,513	183	—	170,973
Intersegment	53	—	—	33	(87)	—
Total	145,922	9,406	15,513	217	(87)	170,973
Operating profit (loss)	(1,612)	799	(944)	(31)	0	(1,789)
Assets, Depreciation and Capital Expenditure						
Total Assets	202,516	9,931	19,996	303	25,911	258,660
Depreciation	15,919	187	280	15	—	16,402
Capital Expenditure	16,687	470	217	17	—	17,392

(The Fiscal Year ended December 31, 2021)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	169,898	9,574	18,393	205	—	198,073
Intersegment	75	—	—	24	(99)	—
Total	169,974	9,574	18,393	229	(99)	198,073
Operating profit (loss)	(1,449)	362	(417)	(18)	(0)	(1,524)
Assets, Depreciation and Capital Expenditure						
Total Assets	214,262	10,606	22,240	179	32,133	279,422
Depreciation	16,783	195	258	2	—	17,240
Capital Expenditure	12,829	139	53	48	—	13,070

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