

Consolidated Financial Results for the Three Months Ended March 31, 2019 (Japanese GAAP)



May 10, 2019

Company Name: RYOBİ LIMITED
 Stock Code: 5851
 (URL: <http://www.ryobi-group.co.jp/>)
 Stock Exchange Listing: Tokyo
 Representative: Akira Urakami, President and Chief Executive Officer
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 Scheduled date to submit the Quarterly Securities Report: May 14, 2019
 Availability of supplementary briefing material on quarterly results : Yes
 Presentation Meeting : Not Scheduled

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2019 (From January 1, 2019 to March 31, 2019)

(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	%
Three months ended March 31, 2019	59,212	—	3,655	—	3,630	—	2,791	—
Three months ended June 30, 2018	89,281	—	6,531	—	6,658	—	5,537	—

(Note) Comprehensive income: Three months ended March 31, 2019: 4,036 million yen [— %]
 Three months ended June 30, 2018: 3,196 million yen [— %]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Three months ended March 31, 2019	86.24	—
Three months ended June 30, 2018	171.08	—

* With regard to the fiscal year ended December 31, 2018, which fell under the transitional period, the consolidated fiscal period for the three months ended June 30, 2018 of the Company and its domestic consolidated companies was the three-month period from April 1, 2018 to June 30, 2018. For overseas consolidated companies, the consolidated fiscal period was the six-month period from January 1, 2018 to June 30, 2018. For this reason, the report does not indicate year-on-year percentage changes.

* Because the Company has finalized the provisional accounting for business combinations in the fiscal year ended December 31, 2018, the Company has reflected the contents of the finalized provisional accounting on the values for the three months ended June 30, 2018.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	272,068	129,066	44.2
As of December 31, 2018	268,982	125,521	43.4

(Reference) Shareholders' Equity: As of March 31, 2019: 120,172 million yen
 As of December 31, 2018: 116,705 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 2018	–	35.00	–	35.00	70.00
FY December 2019	–				
FY December 2019 (Forecast)		35.00	–	35.00	70.00

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2019 (From January 1, 2019 to December 31, 2019)

	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	122,000	–	5,500	–	5,400	–	3,900	–	120.49
Full year	245,500	–	11,100	–	11,100	–	7,800	–	240.97

* With regard to the fiscal year ended December 31, 2018, which fell under the transitional period, the consolidated fiscal year of the Company and its domestic consolidated companies was the nine-month period from April 1, 2018 to December 31, 2018. For overseas consolidated companies, the consolidated fiscal period was the 12-month period from January 1, 2018 to December 31, 2018. Moreover, the first half of the fiscal year was at six months (April 1 to September 30, 2018) for the Company and its domestic consolidated companies and nine months (January 1 to September 30, 2018) for consolidated overseas companies. For this reason, the report does not indicate year-on-year percentage changes.

* Notes

- (1) Significant changes of companies during the fiscal year ended March 31, 2019 (changes in specific companies involving changes in the scope of consolidation): Not applicable
- (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: 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 March 31, 2019	32,646,143	As of December 31, 2018	32,646,143
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 - 2) Treasury stock

As of March 31, 2019	277,111	As of December 31, 2018	277,069
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 - 3) Average shares outstanding during the period

Three months ended March 31, 2019	32,369,053	Three months ended June 30, 2018	32,369,097
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* These consolidated quarterly financial results are outside the scope of the quarterly review.

* 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)

	2018/12/31	2019/3/31
Assets		
Current assets		
Cash and deposits	20,791	24,553
Notes and accounts receivable - trade	58,358	52,101
Securities	770	772
Merchandise and finished goods	17,049	17,347
Work in process	14,006	14,822
Raw materials and supplies	15,842	15,614
Other	3,711	3,373
Allowance for doubtful accounts	△260	△266
Total current assets	130,269	128,318
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,305	32,087
Machinery, equipment and vehicles, net	46,821	48,297
Land	18,289	18,315
Construction in progress	9,928	11,653
Other, net	4,946	5,621
Total property, plant and equipment	112,291	115,975
Intangible assets		
Other	3,504	3,558
Total intangible assets	3,504	3,558
Investments and other assets		
Investment securities	17,726	18,082
Other	5,203	6,152
Allowance for doubtful accounts	△66	△67
Total investments and other assets	22,862	24,167
Total non-current assets	138,658	143,701
Deferred assets		
Bond issuance cost	54	49
Total deferred assets	54	49
Total assets	268,982	272,068

Comparative Balance Sheets (Consolidated)

(Millions of yen)

	2018/12/31	2019/3/31
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,196	43,088
Short-term loans payable	24,774	26,636
Current portion of long-term loans payable	7,481	10,371
Income taxes payable	772	814
Provision for bonuses	762	2,212
Provision for directors' bonuses	45	—
Other	21,884	20,872
Total current liabilities	100,917	103,996
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term loans payable	21,256	17,503
Net defined benefit liability	8,369	8,137
Other	4,517	4,964
Total non-current liabilities	42,542	39,005
Total liabilities	143,460	143,001
Net assets		
Shareholders' equity		
Capital stock	18,472	18,472
Capital surplus	21,820	21,829
Retained earnings	74,831	77,150
Treasury shares	△346	△346
Total shareholders' equity	114,777	117,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,127	5,309
Revaluation reserve for land	808	810
Foreign currency translation adjustment	△1,530	△669
Remeasurements of defined benefit plans	△2,478	△2,384
Total accumulated other comprehensive income	1,927	3,065
Non-controlling interests	8,816	8,894
Total net assets	125,521	129,066
Total liabilities and net assets	268,982	272,068

Comparative Statements of Income (Consolidated)

(Millions of yen)

	from:2018/4/1 to:2018/6/30	from:2019/1/1 to:2019/3/31
Net sales	89,281	59,212
Cost of sales	76,338	50,307
Gross profit	12,942	8,905
Selling, general and administrative expenses	6,410	5,249
Operating profit	6,531	3,655
Non-operating income		
Interest income	38	24
Dividend income	177	2
Rent income	117	88
Foreign exchange gains	67	25
Share of profit of entities accounted for using equity method	36	—
Usage income of trademark	63	79
Other	300	89
Total non-operating income	801	309
Non-operating expenses		
Interest expenses	553	269
Sales discounts	2	4
Share of loss of entities accounted for using equity method	—	9
Depreciation	13	11
Other	106	39
Total non-operating expenses	675	334
Ordinary profit	6,658	3,630
Extraordinary income		
Gain on disposal of non-current assets	5	1
Gain on bargain purchase	646	—
Total extraordinary income	651	1
Extraordinary losses		
Loss on disposal of non-current assets	40	49
Total extraordinary losses	40	49
Profit before income taxes	7,269	3,582
Income taxes	1,582	706
Profit	5,686	2,875
Profit attributable to non-controlling interests	149	84
Profit attributable to owners of parent	5,537	2,791

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

	from:2018/4/1 to:2018/6/30	from:2019/1/1 to:2019/3/31
Profit	5,686	2,875
Other comprehensive income		
Valuation difference on available-for-sale securities	△462	203
Revaluation reserve for land	—	1
Foreign currency translation adjustment	△2,099	805
Remeasurements of defined benefit plans, net of tax	72	95
Share of other comprehensive income of entities accounted for using equity method	△0	56
Total other comprehensive income	△2,490	1,160
Comprehensive income	3,196	4,036
Comprehensive income attributable to:		
Owners of parent	3,080	3,929
Non-controlling interests	116	107

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

	from:2018/4/1 to:2018/6/30	from:2019/1/1 to:2019/3/31
Cash flows from operating activities		
Profit before income taxes	7,269	3,582
Depreciation	5,466	3,617
Increase (decrease) in allowance for doubtful accounts	△4	0
Increase (decrease) in provision for bonuses	△1,299	1,449
Increase (decrease) in net defined benefit liability	△33	△159
Interest and dividend income	△216	△26
Interest expenses	553	269
Share of loss (profit) of entities accounted for using equity method	△36	9
Loss (gain) on disposal of non-current assets	35	47
Gain on bargain purchase	△646	—
Decrease (increase) in notes and accounts receivable - trade	2,872	5,903
Decrease (increase) in inventories	△4,364	△529
Decrease (increase) in other current assets	376	341
Increase (decrease) in notes and accounts payable - trade	903	△2,234
Increase (decrease) in other current liabilities	2,849	△1,765
Other, net	△356	△141
Subtotal	13,368	10,364
Interest and dividend income received	205	26
Interest expenses paid	△575	△271
Income taxes paid	△1,256	△538
Net cash provided by (used in) operating activities	11,741	9,581
Cash flows from investing activities		
Purchase of property, plant and equipment	△5,661	△4,077
Proceeds from sales of property, plant and equipment	14	1
Purchase of investment securities	△4	△3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△1,058	—
Payments for transfer of business	—	△1,221
Payments into time deposits	△34	△15
Proceeds from withdrawal of time deposits	34	15
Other, net	△498	△66
Net cash provided by (used in) investing activities	△7,207	△5,367
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,350	1,608
Repayments of long-term loans payable	△3,791	△1,070
Purchase of treasury shares	△0	△0
Cash dividends paid	△1,090	△1,093
Other, net	△22	△21
Net cash provided by (used in) financing activities	△3,554	△577
Effect of exchange rate change on cash and cash equivalents	△194	126
Net increase (decrease) in cash and cash equivalents	784	3,763
Cash and cash equivalents at beginning of period	21,931	19,632
Cash and cash equivalents at end of period	22,716	23,395

RYOBI LIMITED
SEGMENT INFORMATION
(CONSOLIDATED)

INDUSTRY SEGMENT INFORMATION

(Millions of Yen)

	(Apr. 1, 2018 - Jun. 30, 2018)					
	Die Castings	Builders' hardware	Printing equipment	Other	Eliminations / corporate	Consolidated
Sales & Operating income						
Net sales						
Unaffiliated customer	80,675	2,503	6,027	74	-	89,281
Intersegment	40	-	-	35	(76)	-
Total	80,715	2,503	6,027	110	(76)	89,281
Operating income	6,237	85	183	25	(0)	6,531

(Millions of Yen)

	(Jan. 1, 2019 - Mar. 31, 2019)					
	Die Castings	Builders' hardware	Printing equipment	Other	Eliminations / corporate	Consolidated
Sales & Operating income						
Net sales						
Unaffiliated customer	50,726	2,532	5,917	36	-	59,212
Intersegment	29	-	-	5	(35)	-
Total	50,755	2,532	5,917	41	(35)	59,212
Operating income	3,433	125	109	(12)	(0)	3,655

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