

Consolidated Financial Results for the Six Months Ended June 30, 2022 (Japanese GAAP)



August 4, 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 to submit the Quarterly Securities Report : August 4, 2022

Date of scheduled payment of dividend : September 1, 2022

Availability of supplementary briefing material on quarterly results : Yes

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

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2022 (From January 1, 2022 to June 30, 2022)

(1) Consolidated Results of Operations (% indicates changes from the corresponding period of 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, 2022	113,606	18.9	2,048	—	3,091	—	1,807	700.6
Six months ended June 30, 2021	95,567	23.0	(621)	—	101	—	225	—

(Note) Comprehensive income: Six months ended June 30, 2022: 13,676 million yen [126.3%]
 Six months ended June 30, 2021: 6,042 million yen [—%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Six months ended June 30, 2022	55.83	—
Six months ended June 30, 2021	6.97	—

* Since the year-on-year rate of ordinary profit from the corresponding period of the previous fiscal year is over 1,000%, “-” is indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	301,572	145,832	45.3
As of December 31, 2021	279,422	131,717	44.0

(Reference) Shareholders' Equity: As of June 30, 2022 : 136,754 million yen
 As of December 31, 2021 : 122,926 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 2021	–	10.00	–	10.00	20.00
FY December 2022	–	20.00			
FY December 2022 (Forecast)			–	20.00	40.00

(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, 2022 (From January 1, 2022 to December 31, 2022)

(% 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	248,000	25.2	6,400	–	7,600	–	5,100	–	157.56

(Reference) Correction from the consolidated forecast, which is published in the most recent: Yes

* Since the year-on-year rate of ordinary profit from the corresponding period of the previous fiscal year is over 1,000%, “-” is indicated.

*Notes

- (1) Significant changes of companies during the six months ended June 30, 2022 (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: 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, 2022	32,646,143	As of December 31, 2021	32,646,143
2) Treasury stock	As of June 30, 2022	277,483	As of December 31, 2021	277,412
3) Average shares outstanding during the period	Six months ended June 30, 2022	32,368,687	Six months ended June 30, 2021	32,368,814

* These consolidated quarterly financial results are outside the scope of 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)

	December 31, 2021	June 30, 2022
Assets		
Current assets		
Cash and deposits	28,538	22,793
Notes and accounts receivable - trade	44,327	54,421
Securities	740	650
Merchandise and finished goods	19,603	20,089
Work in process	14,813	16,645
Raw materials and supplies	18,092	21,998
Other	3,505	4,579
Allowance for doubtful accounts	(30)	(23)
Total current assets	129,591	141,154
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,793	34,577
Machinery, equipment and vehicles, net	51,314	59,340
Land	15,598	15,804
Construction in progress	11,733	10,631
Other, net	5,718	6,547
Total property, plant and equipment	117,158	126,902
Intangible assets		
Other	3,159	3,105
Total intangible assets	3,159	3,105
Investments and other assets		
Investment securities	15,772	16,236
Other	13,802	14,236
Allowance for doubtful accounts	(62)	(62)
Total investments and other assets	29,512	30,409
Total non-current assets	149,830	160,417
Deferred assets		
Bond issuance costs	0	—
Total deferred assets	0	—
Total assets	279,422	301,572

Comparative Balance Sheets (Consolidated)

(Millions of yen)

	December 31, 2021	June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,606	41,566
Short-term borrowings	36,498	42,109
Current portion of bonds payable	1,500	—
Current portion of long-term borrowings	13,005	5,783
Income taxes payable	636	518
Provision for bonuses	387	401
Other	17,131	20,251
Total current liabilities	110,765	110,630
Non-current liabilities		
Long-term borrowings	22,765	30,643
Retirement benefit liability	7,872	7,517
Other	6,301	6,948
Total non-current liabilities	36,939	45,109
Total liabilities	147,705	155,740
Net assets		
Shareholders' equity		
Share capital	18,472	18,472
Capital surplus	21,875	21,883
Retained earnings	71,587	73,789
Treasury shares	(346)	(346)
Total shareholders' equity	111,588	113,798
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,503	5,613
Revaluation reserve for land	811	811
Foreign currency translation adjustment	4,288	15,728
Remeasurements of defined benefit plans	734	802
Total accumulated other comprehensive income	11,337	22,956
Non-controlling interests	8,790	9,077
Total net assets	131,717	145,832
Total liabilities and net assets	279,422	301,572

Comparative Statements of Income (Consolidated)

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Net sales	95,567	113,606
Cost of sales	86,457	101,487
Gross profit	9,110	12,119
Selling, general and administrative expenses	9,731	10,070
Operating profit (loss)	(621)	2,048
Non-operating income		
Interest income	95	68
Dividend income	192	221
Rental income	82	77
Foreign exchange gains	74	674
Share of profit of entities accounted for using equity method	35	14
Usage income of trademark	136	140
Subsidy income	315	40
Other	352	364
Total non-operating income	1,285	1,601
Non-operating expenses		
Interest expenses	458	433
Depreciation	8	6
Other	95	118
Total non-operating expenses	562	558
Ordinary profit	101	3,091
Extraordinary income		
Gain on disposal of non-current assets	3	10
Gain on sale of investment securities	0	—
Total extraordinary income	3	10
Extraordinary losses		
Loss on disposal of non-current assets	47	131
Loss on valuation of investment securities	—	6
Total extraordinary losses	47	137
Profit before income taxes	57	2,963
Income taxes	(143)	946
Profit	200	2,017
Profit (loss) attributable to non-controlling interests	(24)	210
Profit attributable to owners of parent	225	1,807

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Profit	200	2,017
Other comprehensive income		
Valuation difference on available-for-sale securities	703	150
Revaluation reserve for land	0	—
Foreign currency translation adjustment	4,754	11,140
Remeasurements of defined benefit plans, net of tax	223	68
Share of other comprehensive income of entities accounted for using equity method	159	299
Total other comprehensive income	5,841	11,659
Comprehensive income	6,042	13,676
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,049	13,425
Comprehensive income attributable to non-controlling interests	(6)	251

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	57	2,963
Depreciation	8,475	8,972
Increase (decrease) in allowance for doubtful accounts	(12)	(7)
Increase (decrease) in provision for bonuses	(12)	14
Increase (decrease) in retirement benefit liability	18	(188)
Interest and dividend income	(288)	(289)
Interest expenses	458	433
Subsidy income	(315)	(40)
Share of loss (profit) of entities accounted for using equity method	(35)	(14)
Loss (gain) on valuation of investment securities	—	6
Loss (gain) on disposal of non-current assets	44	121
Decrease (increase) in trade receivables	2,579	(6,962)
Decrease (increase) in inventories	(4,276)	(3,412)
Decrease (increase) in other current assets	(368)	(901)
Increase (decrease) in trade payables	4,426	(1,062)
Increase (decrease) in other current liabilities	683	1,065
Other, net	(72)	122
Subtotal	11,360	820
Interest and dividends received	349	323
Interest paid	(453)	(437)
Subsidies received	371	48
Income taxes refund (paid)	(493)	(241)
Net cash provided by (used in) operating activities	11,133	513
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,038)	(7,961)
Proceeds from sale of property, plant and equipment	321	57
Purchase of securities	(650)	(650)
Proceeds from sale of securities	680	650
Purchase of investment securities	(5)	(2)
Proceeds from sale of investment securities	13	—
Payments into time deposits	(1,214)	(1,214)
Proceeds from withdrawal of time deposits	1,214	1,214
Other, net	(199)	200
Net cash provided by (used in) investing activities	(6,878)	(7,705)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,585	3,088
Proceeds from long-term borrowings	1,844	9,423
Repayments of long-term borrowings	(3,312)	(10,192)
Redemption of bonds	(2,800)	(1,500)
Purchase of treasury shares	(0)	(0)
Dividends paid	(3)	(325)
Other, net	(80)	(89)
Net cash provided by (used in) financing activities	(767)	405
Effect of exchange rate change on cash and cash equivalents	821	951
Net increase (decrease) in cash and cash equivalents	4,309	(5,835)
Cash and cash equivalents at beginning of period	25,405	27,388
Cash and cash equivalents at end of period	29,715	21,553

Segment Information

Industry Segment Information

(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)

(Six months ended June 30, 2022)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	98,160	4,885	10,458	101	—	113,606
Intersegment	25	—	—	3	(29)	—
Total	98,186	4,885	10,458	104	(29)	113,606
Operating profit (loss)	1,184	127	744	(8)	(0)	2,048

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