



Ryobi Limited

# Financial Results Presentation for the Six Months Ended June 30, 2023

August 9, 2023



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# **1. Results for the Six Months Ended June 30, 2023**

# Highlights of Financial Results

## ➤ Consolidated results: Sales and profit increased compared to the previous corresponding period.

### Die Castings

- Sales increased both in Japan and overseas. Sales increased due to the recovery in automobile production alongside improvements in semiconductor supply system. Additionally, sales of overseas subsidiaries increased because the weakening yen boosted translated sales figures at overseas subsidiaries.
- Growth in sales boosted profits, despite rising energy costs and other factors.

### Builders' Hardware

- Sales increased both in Japan and overseas. Profits fell due to rising procurement costs of products produced overseas.

### Printing Equipment

- Sales increased both in Japan and overseas. Increased capital investment by government subsidies in Japan and strong business overseas boosted sales.
- Profits fell due to factors such as the impact of soaring raw material prices, despite efforts to improve productivity and cut fixed costs.

## ➤ FY2023 forecasts

- Sales and profit increase from the previous fiscal year.
- Results are expected to exceed forecasts from the start of the year due to growth in sales and profit during the six months ended June 30 and the prospect of future orders received.

# Results Summary

Under the uncertain situation for various reasons, including the Ukraine conflict, rising resource and energy prices, and fluctuating prices and exchange rates accompanying global monetary tightening, both sales and profit increased from the previous corresponding period thanks to recovery in domestic and foreign automobile production.

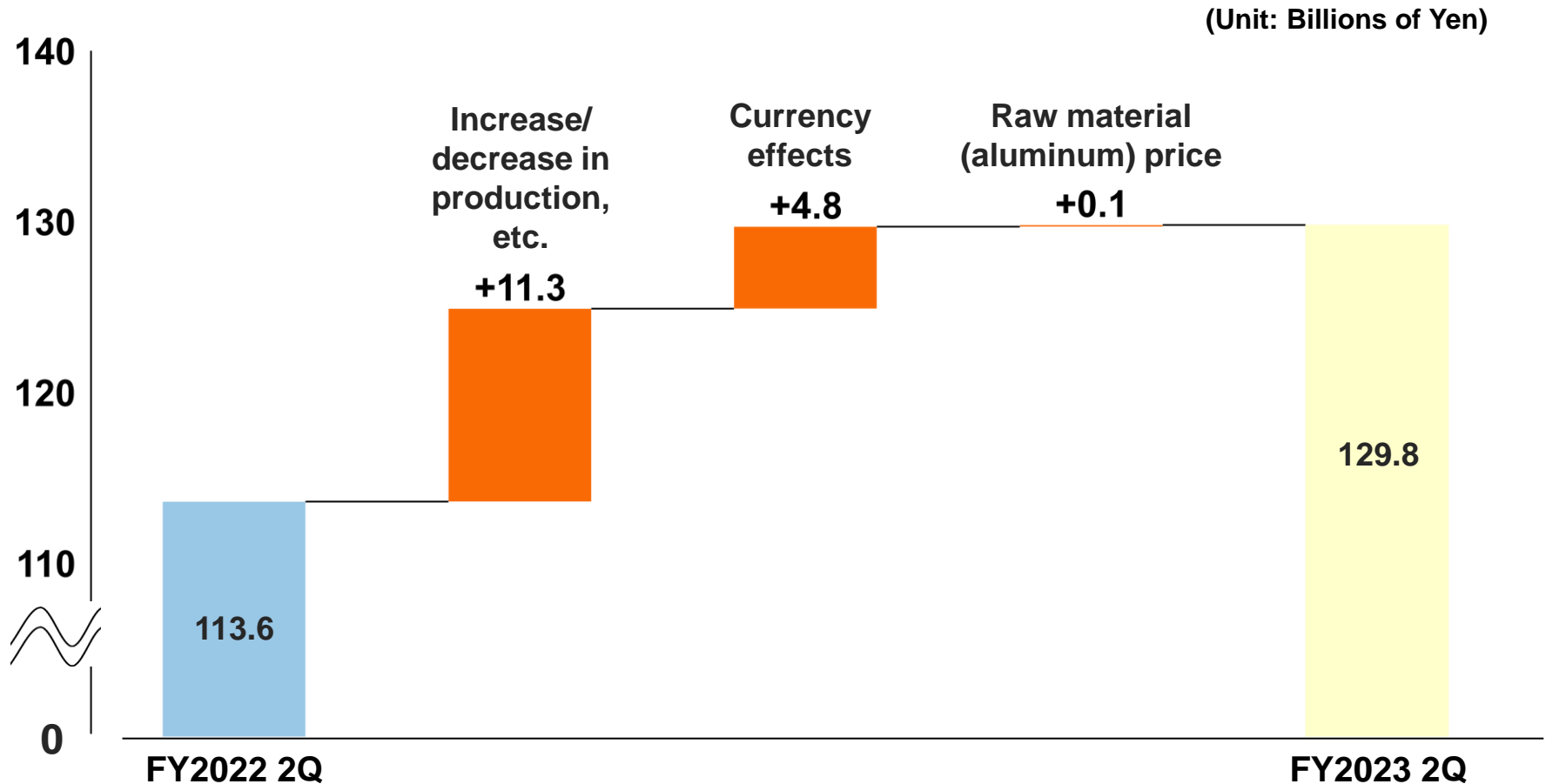
(Unit: Billions of Yen)

	FY2022 2Q	FY2023 2Q			
	Results	Results	Change	Forecasts* (Announced on Feb. 13)	Change (vs. forecasts)
Net sales	113.6	129.8	16.2 (14.3%)	129.0	0.8 (0.6%)
Operating income	2.0	4.8	2.8 (136.7%)	2.5	2.3 (93.9%)
Ordinary income	3.1	6.1	3.0 (96.2%)	2.4	3.7 (152.8%)
Net income attributable to owners of parent	1.8	4.3	2.5 (139.7%)	1.7	2.6 (154.8%)

\* Figures shown are from initial forecasts announced on February 13. Forecasts were revised with the Notice of Revisions to Business Forecasts and Dividend Forecasts issued July 20.

# Analysis of Changes in Net Sales

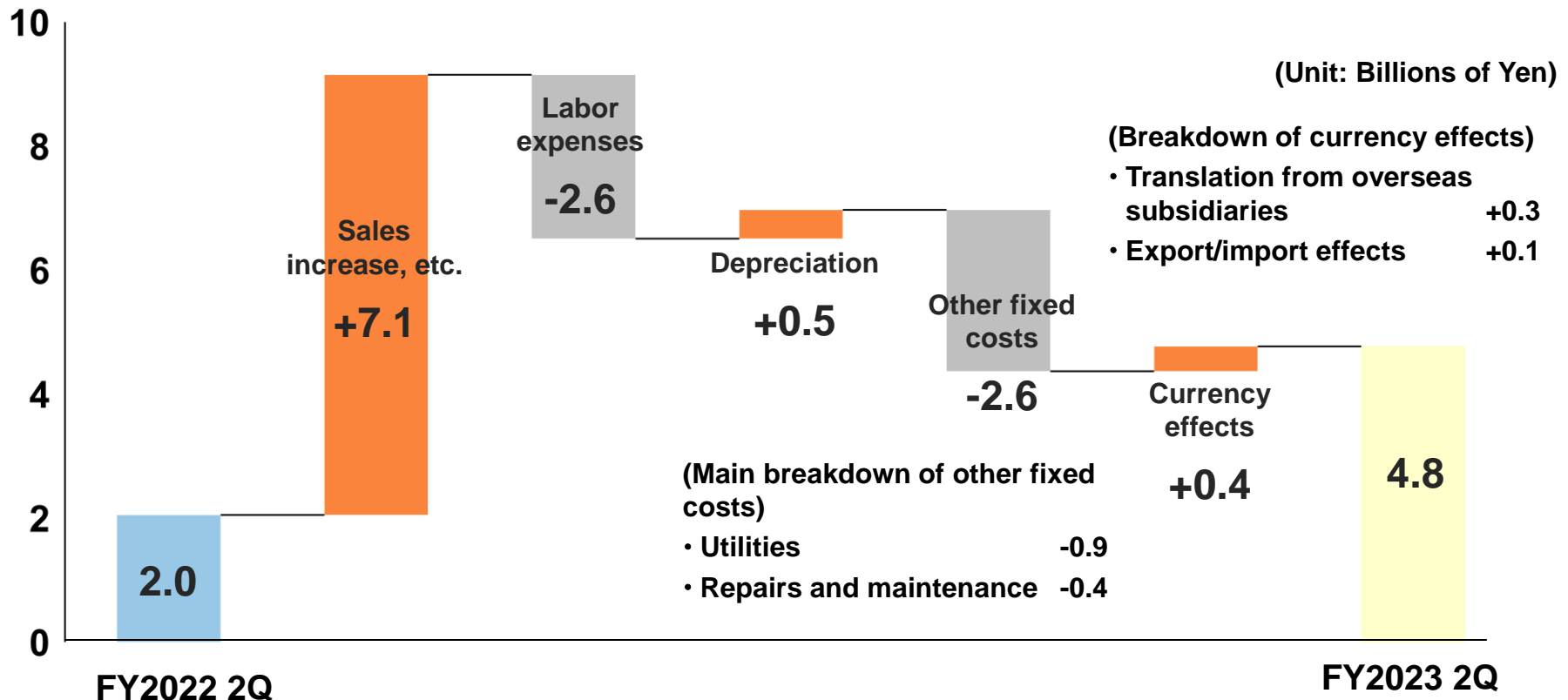
Sales increased by 16.2 billion yen due to the weaker yen and an increase in die castings production volumes.



Exchange rates (average for the period)	USD	GBP	CNY	THB
FY2022 2Q	¥121.19	¥158.62	¥18.76	¥3.61
FY2023 2Q	¥134.42	¥164.96	¥19.39	¥3.92

# Analysis of Changes in Operating Income

- Growth in sales boosted profits.
- Labor expenses increased due to an increasing in personnel at overseas subsidiaries.
- Other fixed costs rose both in Japan and overseas due to rising energy prices and other factors.



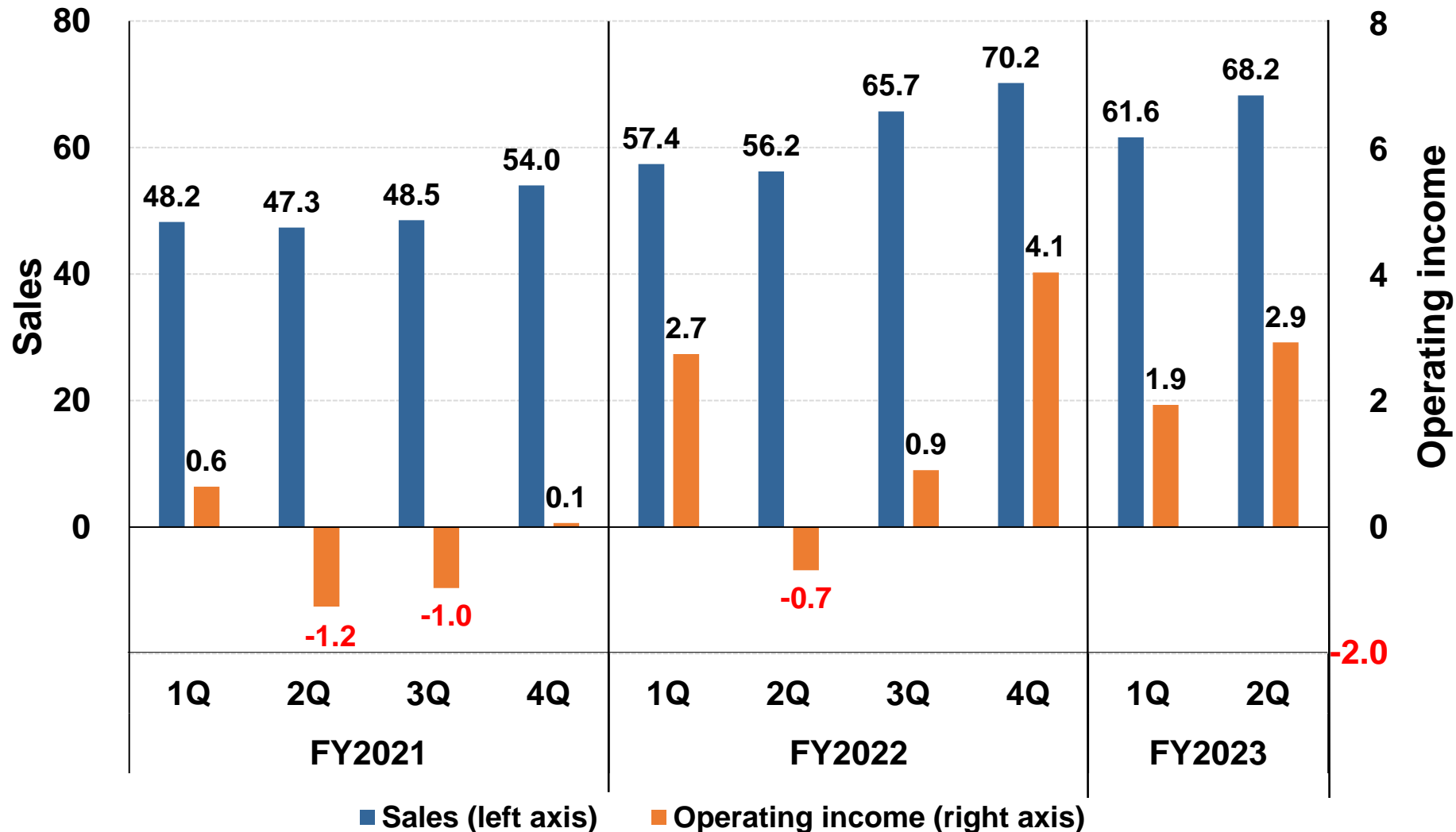
Exchange rates (average for the period)	USD	GBP	CNY	THB
FY2022 2Q	¥121.19	¥158.62	¥18.76	¥3.61
FY2023 2Q	¥134.42	¥164.96	¥19.39	¥3.92

# Trends in Sales and Operating Income (Consolidated)

Sales and profitability in the second quarter grew from the first quarter thanks to the recovery in automobile production.

(Unit: Billions of Yen)

(Unit: Billions of Yen)





# Results by Business Segment

**Die Castings:** Despite the effects of rising energy prices and other factors, recovery in automobile production led to higher sales and profitability.

**Builders' Hardware:** Domestic and overseas sales increased, but profitability declined due to higher procurement costs for overseas production and other factors.

**Printing Equipment:** Domestic and overseas sales increased, but profitability declined due to rising raw material prices.

(Unit: Billions of Yen)

	FY2022 2Q	FY2023 2Q			
	Results	Results	Change	Forecasts* (Announced on Feb. 13)	Change (vs. forecasts)
<b>Net sales</b>	<b>113.6</b>	<b>129.8</b>	<b>16.2</b> (14.3%)	<b>129.0</b>	<b>0.8</b> (0.6%)
<b>Die castings</b>	<b>98.2</b>	<b>113.6</b>	<b>15.4</b> (15.7%)	<b>112.4</b>	<b>1.2</b> (1.0%)
<b>Builders' hardware</b>	<b>4.9</b>	<b>5.2</b>	<b>0.3</b> (6.7%)	<b>5.2</b>	<b>0.0</b> (0.3%)
<b>Printing equipment</b>	<b>10.5</b>	<b>11.0</b>	<b>0.5</b> (4.8%)	<b>11.4</b>	<b>-0.4</b> (-3.8%)
<b>Operating income</b>	<b>2.0</b>	<b>4.8</b>	<b>2.8</b> (136.7%)	<b>2.5</b>	<b>2.3</b> (93.9%)
<b>Die castings</b>	<b>1.2</b>	<b>4.4</b>	<b>3.2</b> (269.2%)	<b>2.0</b>	<b>2.4</b> (118.6%)
<b>Builders' hardware</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.0</b> (-18.4%)	<b>0.1</b>	<b>0.0</b> (4.0%)
<b>Printing equipment</b>	<b>0.7</b>	<b>0.4</b>	<b>-0.4</b> (-47.8%)	<b>0.4</b>	<b>-0.0</b> (-2.8%)

\* Figures shown are from initial forecasts announced on February 13. Forecasts were revised with the Notice of Revisions to Business Forecasts and Dividend Forecasts issued July 20.

# Consolidated Balance Sheet

Total assets increased by 11.1 billion yen compared to the end of the previous fiscal year, of which 10.4 billion yen was due to the impact of foreign exchange fluctuations.

Cash and deposits decreased by 4.3 billion yen due to the impact of the holidays at the end of FY2022.

(Unit: Billions of Yen)

	FY2022	FY2023 2Q	Change	Currency Translation Effect		FY2022	FY2023 2Q	Change	Currency Translation Effect
Current assets	145.3	147.9	2.5	4.6	Current liabilities	114.7	112.7	-2.0	4.2
Cash and deposits	27.3	22.2	-5.1	0.5	Notes and accounts payable – trade	46.5	42.6	-4.0	0.9
Notes and accounts receivable – trade	58.3	60.9	2.6	1.9	Short-term borrowings	46.5	48.2	1.7	1.9
Securities	0.7	0.7	0.0	-	Other	21.7	21.8	0.2	1.4
Inventories	55.5	60.1	4.7	2.0	Non-current liabilities	41.9	43.3	1.5	0.8
Other	3.6	3.9	0.4	0.1	Long-term borrowings	27.9	28.0	0.1	0.6
Non-current assets	154.9	163.5	8.6	5.8	Other	14.0	15.4	1.4	0.2
Property, plant and equipment	123.9	127.7	3.7	5.2	Shareholders' equity	116.1	119.7	3.5	-
Intangible assets	2.8	2.8	-0.1	0.1	Accumulated other comprehensive income	18.3	26.2	7.9	5.3
Investments and other assets	28.2	33.1	4.9	0.6	Non-controlling interests	9.3	9.5	0.2	-
Deferred assets	-	-	-	-	Total net assets	143.7	155.4	11.7	5.3
Total assets	300.3	311.4	11.1	10.4	Total liabilities and net assets	300.3	311.4	11.1	10.4

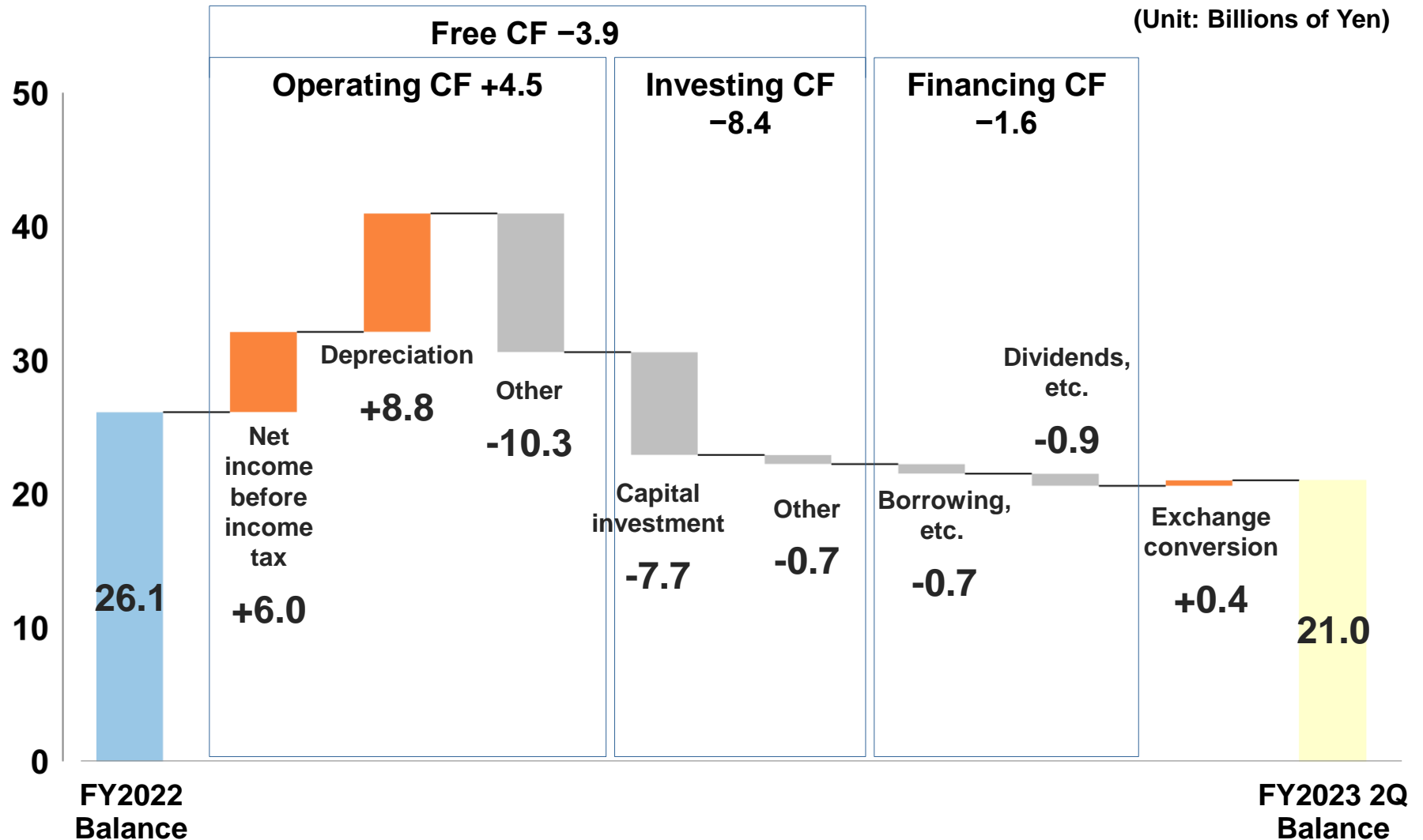
## Exchange rates (as of end of period)

	USD	GBP	CNY	THB
FY2022	¥132.70	¥160.00	¥19.01	¥3.80
FY2023 2Q	¥144.99	¥182.95	¥19.94	¥4.07

# Change in Cash Flows

Of the -3.9 billion yen in free cash flow, -4.3 billion yen was due to the impact of the holidays at the end of FY2022.

The 8.4 billion yen in investing cash flow consisted of capital investment to meet new orders.



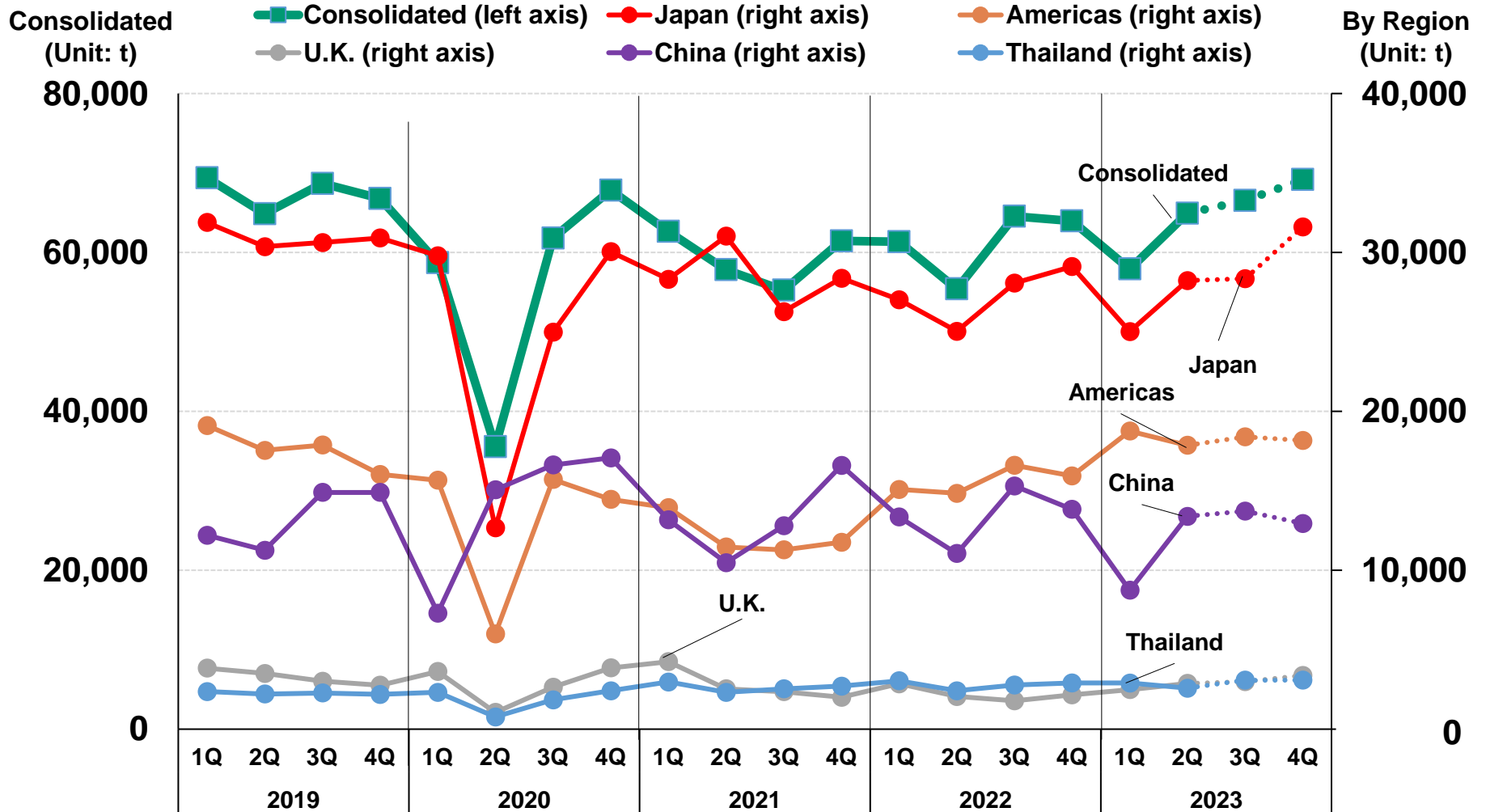
## **2. Forecasts for the Fiscal Year Ending December 31, 2023**

# Trends in Production Weight of Die Castings

Production is expected to increase because the automobile production recovers due to the improvement of the semiconductor supply system.

Production in Japan is expected to increase in the second half.

## Trends in Production Weight (FY2019 1Q – FY2023 4Q)



\*Solid lines indicate actual results; dotted lines indicate forecasts.

# Forecasts

Sales and profit are expected to increase year on year thanks to cost savings, productivity improvements, and increased production volumes.

(Unit: Billions of Yen)

	FY2022	FY2023	
	Results	Forecasts	Change
Net sales	249.5	270.0	20.5 (8.2%)
Operating income	7.0	10.5	3.5 (50.7%)
Ordinary income	7.8	12.0	4.2 (54.0%)
Net income attributable to owners of parent	4.8	8.4	3.6 (75.6%)

# Forecasts by Business Segment

- Die Castings:** Sales and profit are expected to increase year on year thanks to cost savings, productivity improvements, and increased production volumes.
- Builders' Hardware:** Sales are expected to increase. Profit is expected to increase despite continuing increases in procurement costs.
- Printing Equipment:** Sales are expected to remain largely unchanged year on year. The high cost of raw materials is expected to result in lower profit, despite efforts to control fixed costs.

(Unit: Billions of Yen)

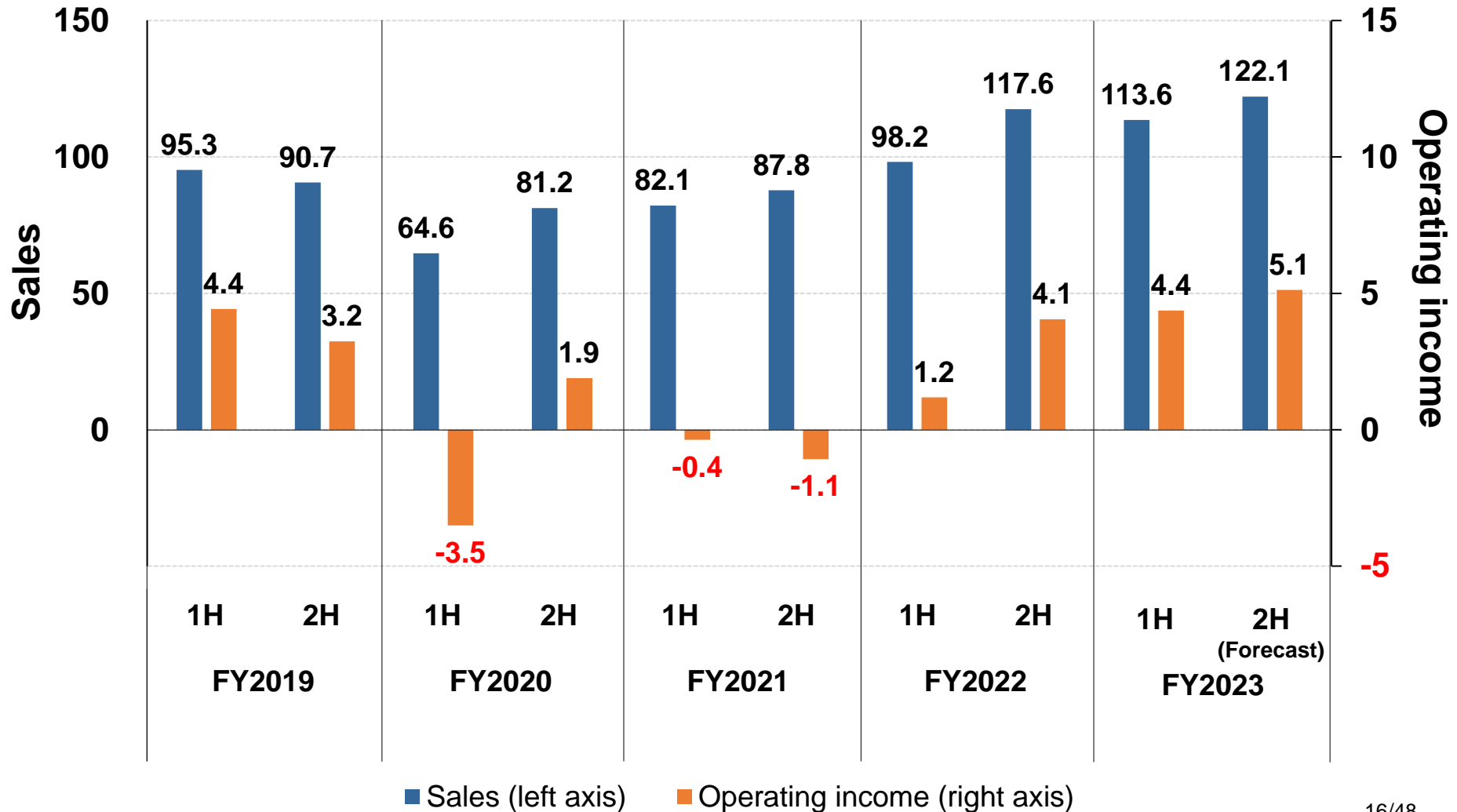
	FY2022	FY2023	
	Results	Forecasts	Change
<b>Net sales</b>	<b>249.5</b>	<b>270.0</b>	<b>20.5 (8.2%)</b>
<b>Die castings</b>	<b>215.7</b>	<b>235.7</b>	<b>20.0 (9.3%)</b>
<b>Builders' hardware</b>	<b>10.1</b>	<b>11.0</b>	<b>0.9 (8.4%)</b>
<b>Printing equipment</b>	<b>23.4</b>	<b>23.3</b>	<b>-0.1 (-0.5%)</b>
<b>Operating income</b>	<b>7.0</b>	<b>10.5</b>	<b>3.5 (50.7%)</b>
<b>Die castings</b>	<b>5.2</b>	<b>9.5</b>	<b>4.3 (81.5%)</b>
<b>Builders' hardware</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1 (32.3%)</b>
<b>Printing equipment</b>	<b>1.5</b>	<b>0.7</b>	<b>-0.8 (-53.5%)</b>

# Trends in Sales and Operating Income (Die Castings)

Both sales and profits are expected to increase year on year as recovering automobile production continues to boost performance in the second half of FY2023.

(Unit: Billions of Yen)

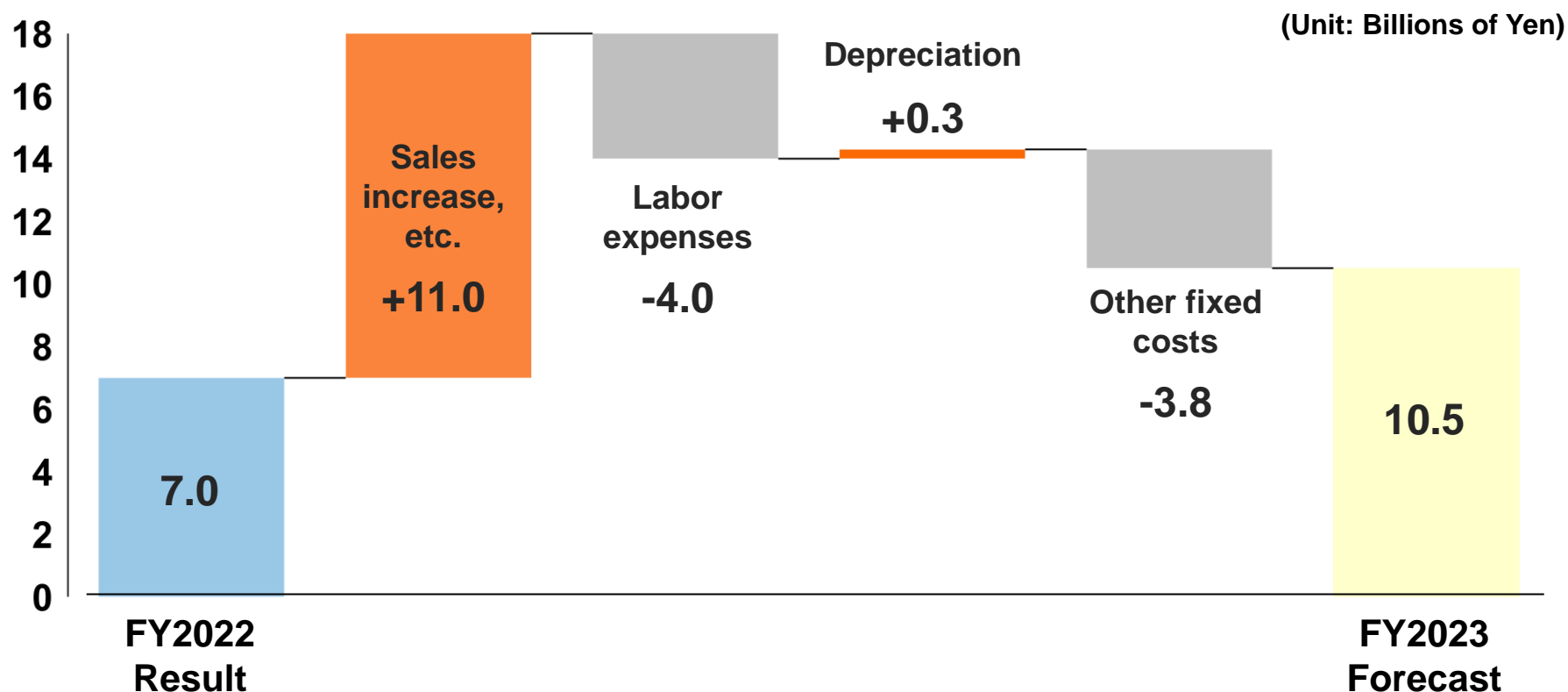
(Unit: Billions of Yen)





# Analysis of Changes in Operating Income Forecast

Mainly at overseas locations, Labor expenses and other fixed costs will increase due to the expansion of production, but profit will be higher due to revenue growth both in Japan and overseas.



Exchange rates (average for the period)	USD	GBP	CNY	THB
FY2022 Result	¥130.52	¥161.52	¥19.4	¥3.72
FY2023 Forecast	¥135	¥170	¥19.5	¥3.8

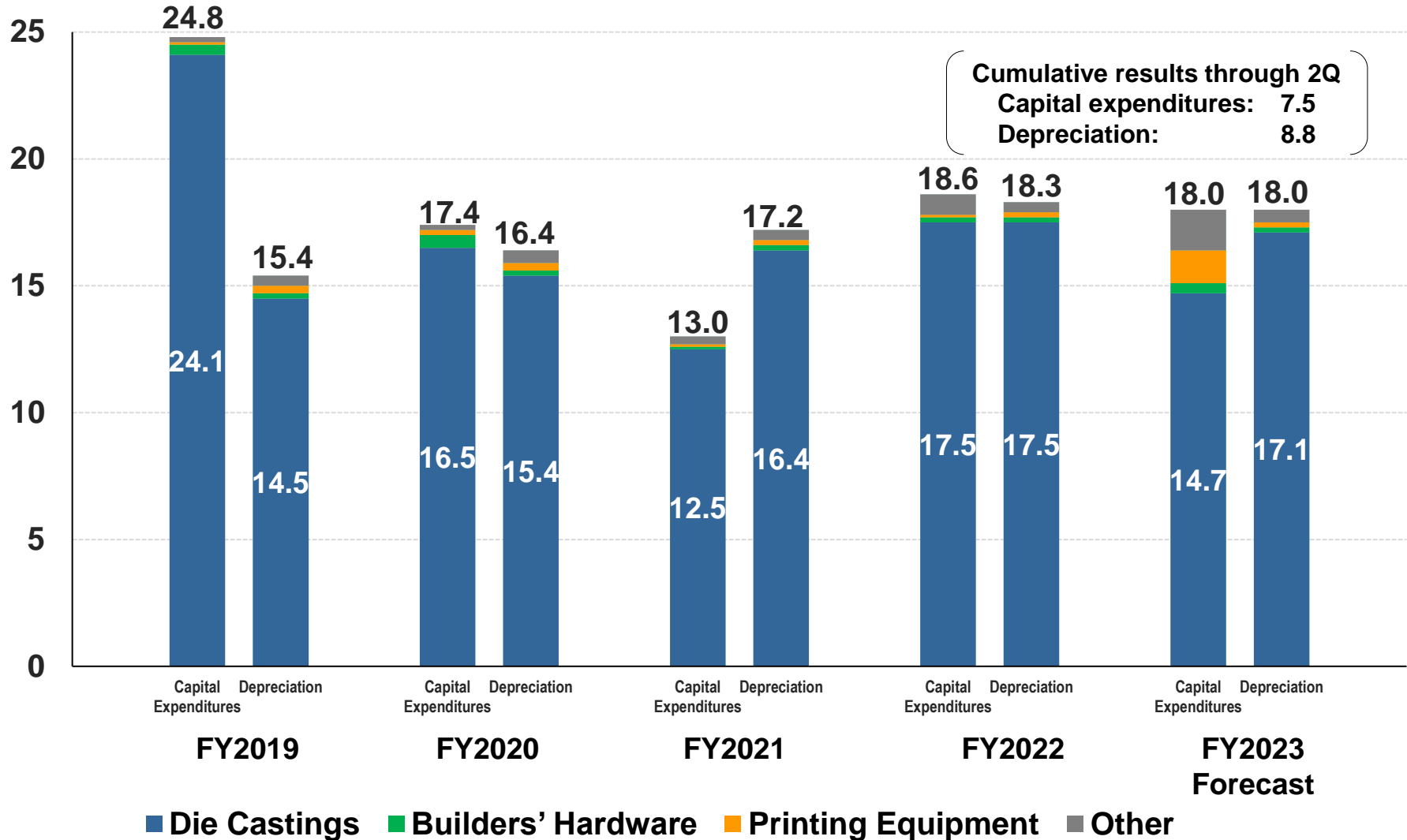
Annual impact of yen appreciation  
on operating income  
(1% higher than forecasts)

- USD - ¥100 million
- GBP - ¥20 million
- CNY + ¥20 million

# Trends in Capital Expenditures and Depreciation

For FY2023, investment is expected to be 18.0 billion yen; depreciation is expected to be 18.0 billion yen (no change from previous forecast).

(Unit: Billions of Yen)



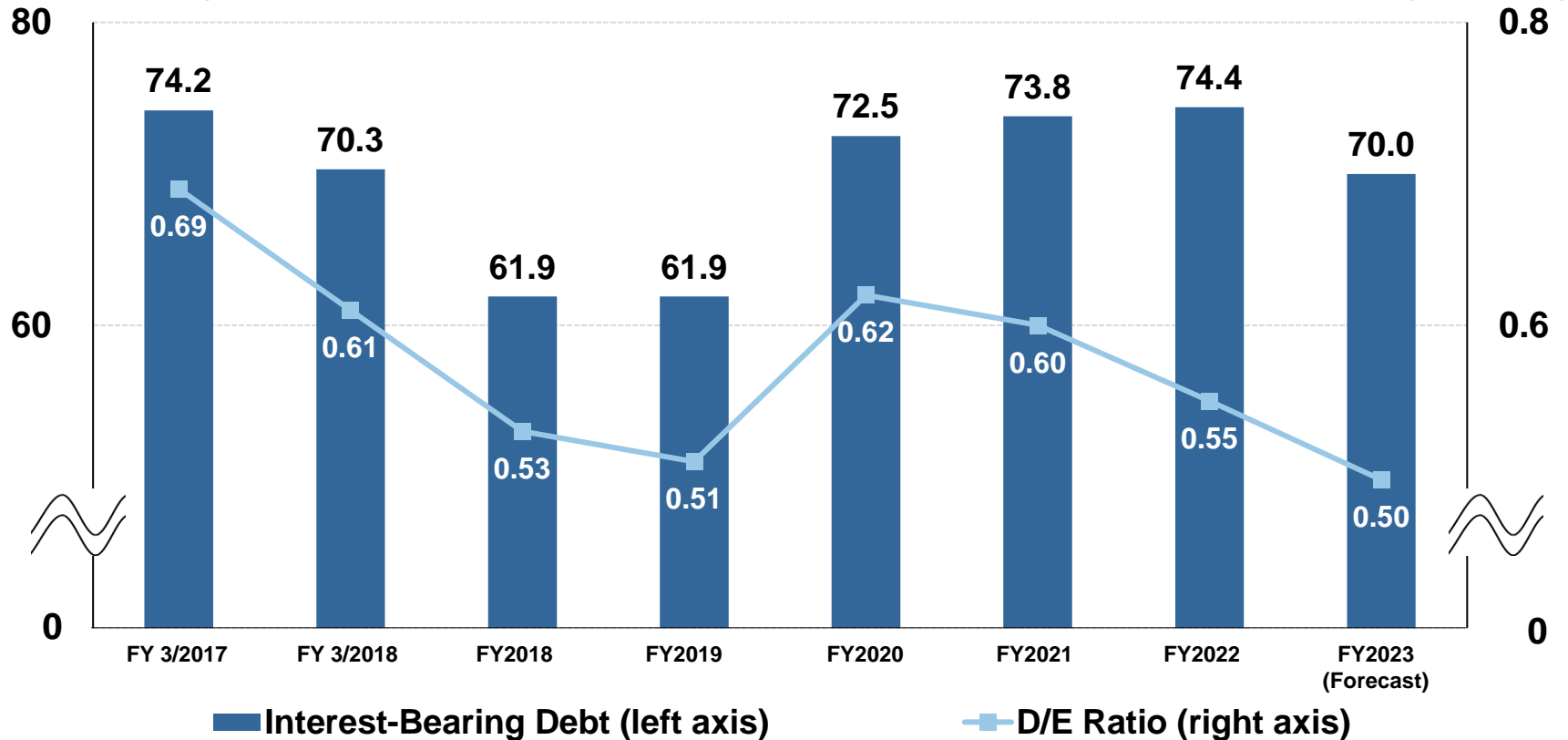
# Trends in Interest-Bearing Debt and D/E Ratio

Interest-bearing debt at the end of FY2023 is expected to be 70.0 billion yen (no change from previous forecast).

The target of D/E ratio is 0.5 times or lower.

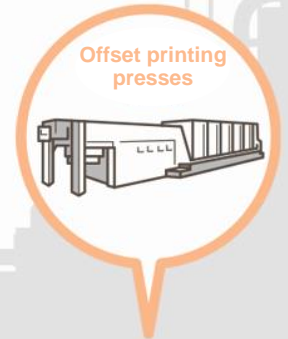
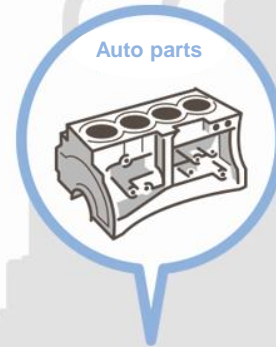
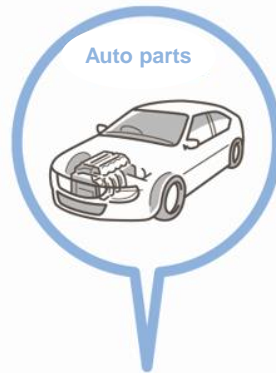
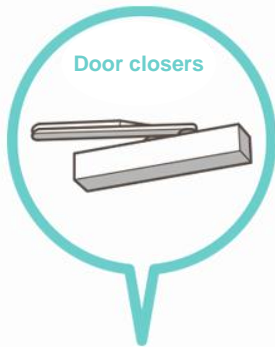
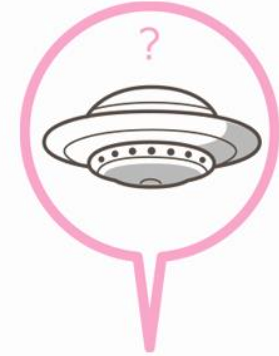
(Unit: Billions of Yen)

(Unit: Times)



	FY 3/2017	FY 3/2018	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Borrowing dependence (Interest-bearing debt/total assets)	28.2%	25.8%	23.0%	23.5%	28.0%	26.4%	24.8%	23.3%

# 3. Status by Business Segment & Topics

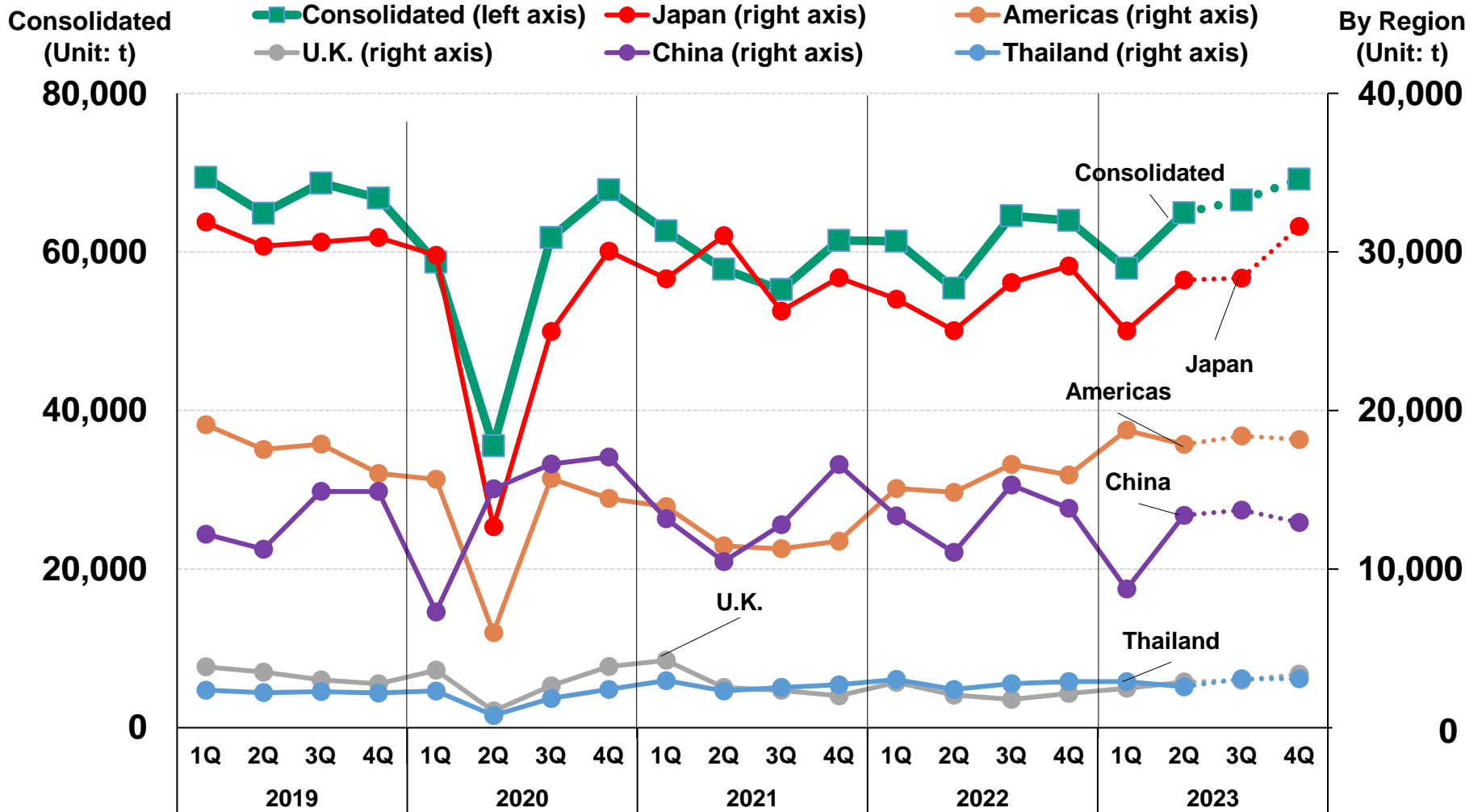


# Trends in Production Weight of Die Castings

Production is expected to increase because the automobile production recovers due to the improvement of the semiconductor supply system.

Production in Japan is expected to increase in the second half.

## Trends in production weight (FY2019 1Q – FY2023 4Q)



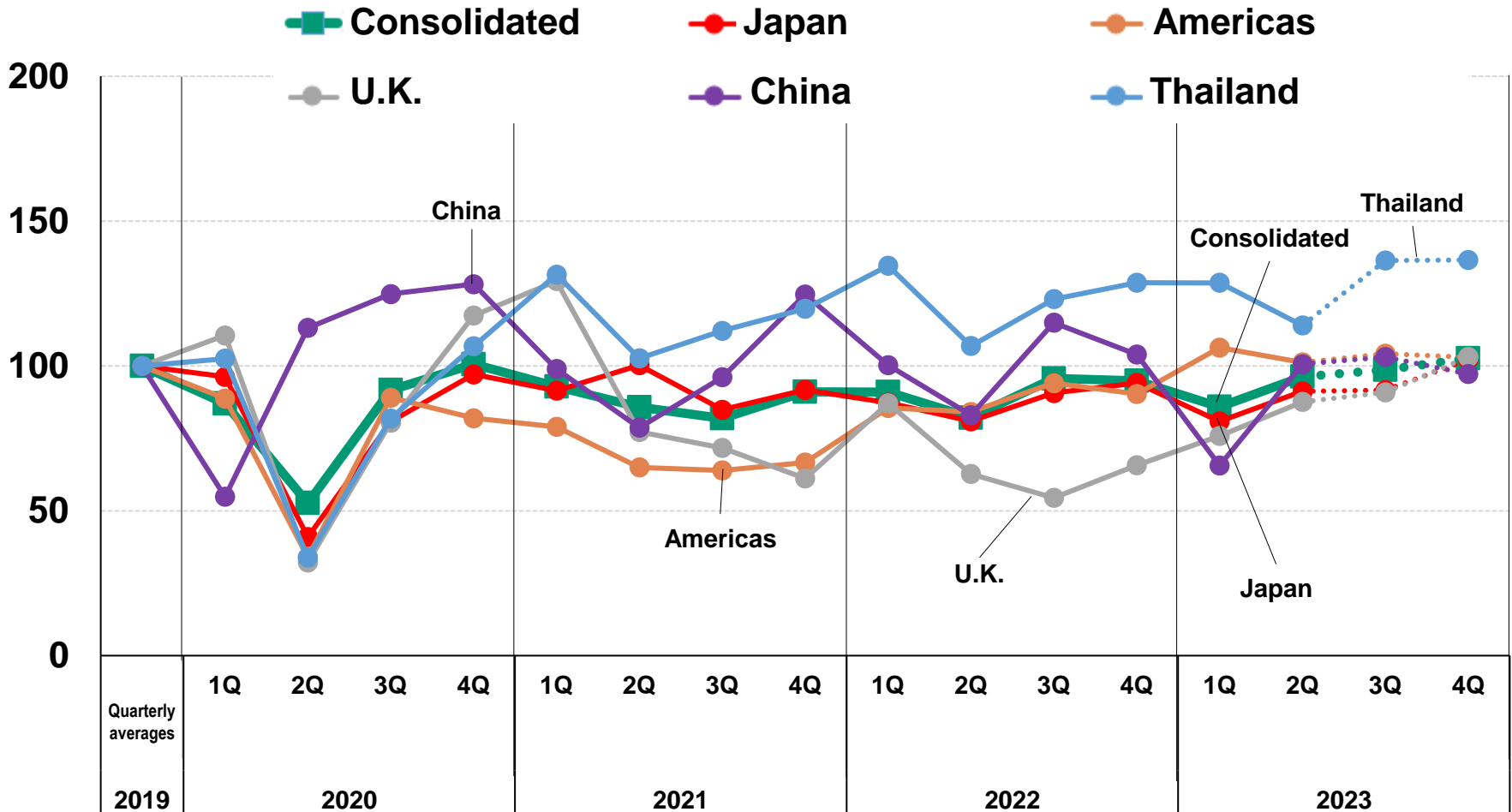
\*Solid lines indicate actual results; dotted lines indicate forecasts.

# Trends in Production Weight of Die Castings

Production is expected to return to FY2019 levels by the end of the period in all regions.

## Trends in production weight (FY2019 1Q – FY2023 4Q)

(Unit: %)

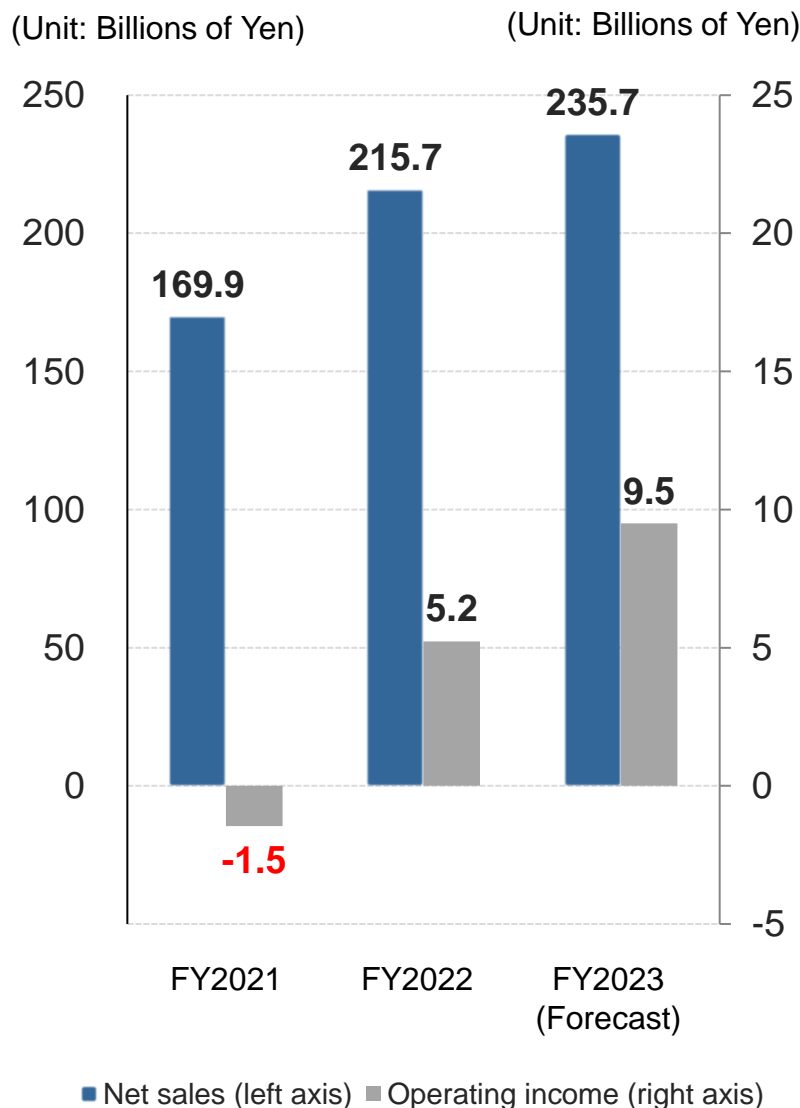


\* Quarterly average for FY2019 set to 100%

\* Solid lines indicate actual results; dotted lines indicate forecasts.

# Die Castings – Summary –

## Forecasts of net sales and operating income



## FY2023 regional conditions

### (Japan)

Automobile production shows a recovering trend as shortages of semiconductors and other components are improving.

### (Americas)

Growing sales attributable to higher production volumes and the launch of new products.

Labor expenses are trending up due to increased hiring and wage hikes.

### (U.K.)

Growing sales attributable to recovering automobile production (despite delays in the launch of new products).

Energy prices remain high.

### (China)

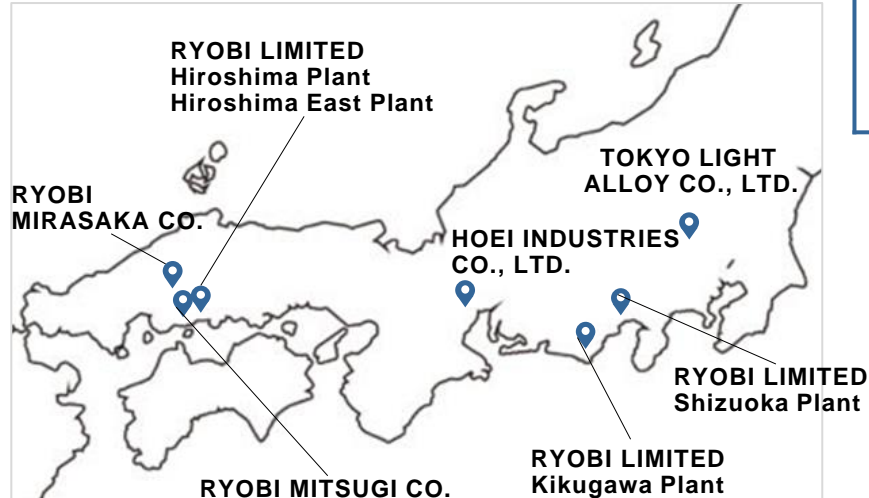
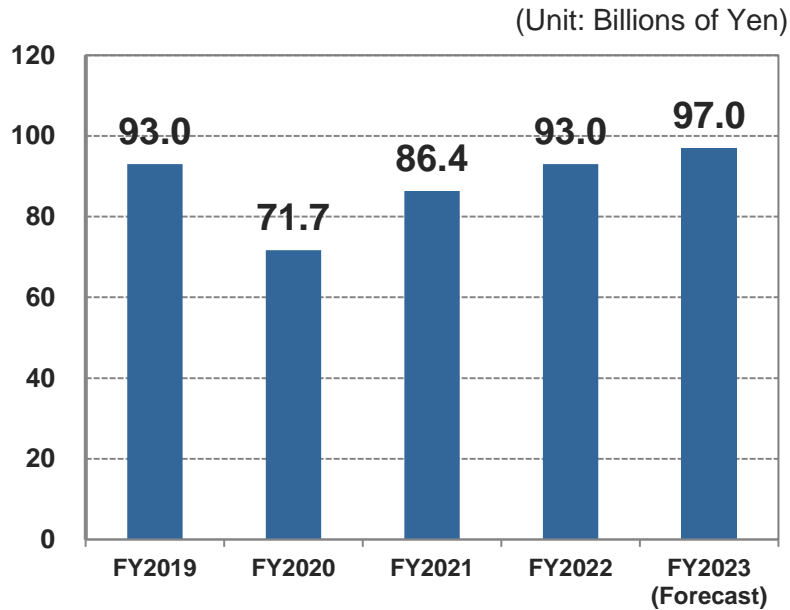
Results indicate recovery starting in 2Q due to recovering automobile production.

(Unit: Billions of Yen)

Net sales	FY2021	FY2022	FY2023 (Forecast)
Japan	86.4	93.0	97.0
Americas	31.4	58.2	72.2
U.K.	10.6	13.0	16.9
China	34.6	42.6	39.9
Thailand	6.8	8.9	9.7

# Die Castings – Japan –

## Sales trend



## Business environment

- Automobile production shows a recovering trend with improving shortages of semiconductors and other components.
- While the trend of domestic electrification market is HEVs, OEM is accelerating BEV development.
- OEMs appear to be focusing on R&D investments while restraining investments in casting machinery upgrades and making growing use of outsourcing.
- Demand for light weight components is growing (replacing iron with aluminum).

## Main initiatives

- Focus on securing orders for new products based on development proposals for strategic products (lightweight and electrification components)
- Building structures for production of strategic products (e.g., investments for giga casting)

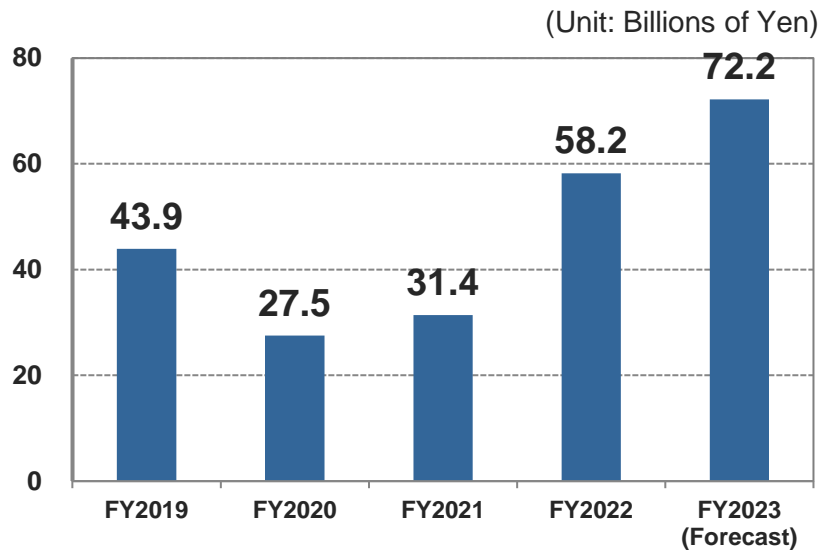


RYOBI LIMITED  
Hiroshima East  
Plant



# Die Castings – Americas –

## Sales trend



## Business environment

- US new car sales in 2023 (January-June cumulative) were up roughly 13%.
- Production is expected to trend upward thanks to progress in resolving parts shortages.
- While the Inflation Reduction Act limits EV subsidies to domestic vehicles, eligible vehicles are expected to install most of our products.
- Causes for concern include wage growth and rising labor costs, worsening fundraising conditions due to rapid interest rate hikes, and low demand for vehicle purchases.

## Main initiatives

- Efforts to achieve the smooth launch of new products and improve productivity
- Securing orders from major customers for strategic products (lightweight and electrification components)



RYOBI DIE CASTING  
(USA), INC.

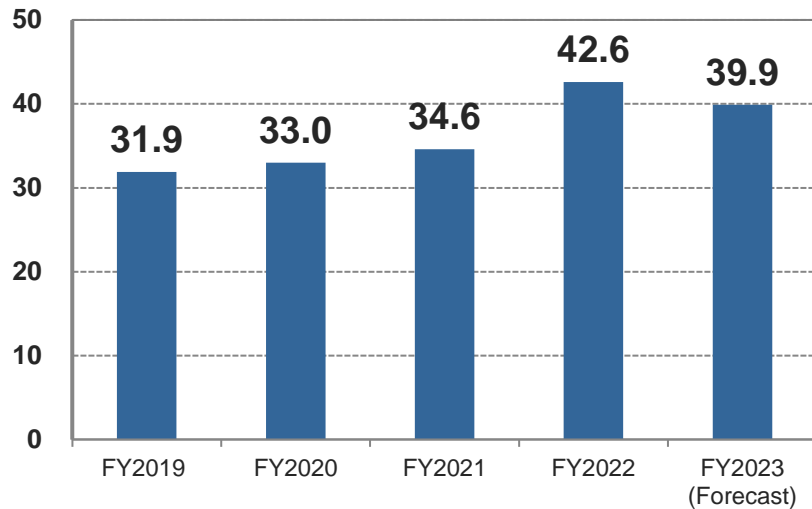


RDCM, S. DE  
R.L. DE C.V.

# Die Castings – China –

## Sales trend

(Unit: Billions of Yen)



## Business environment

- While HEVs are given preferential treatment as low emissions vehicles, BEVs are more popular due to vehicle purchase tax exemptions and ease of obtaining license plates.
- Automobile production has trended toward recovery since the zero-COVID policy was scrapped.
- While BEV and PHV sales are growing stability, HEVs are struggling.

## Main initiatives

- Strengthening ties with leading customers and growing sales
- Optimizing production structures in China and making effective use of existing facilities



**RYOBI DIE CASTING  
DALIAN CO., LTD.**



**RYOBI DIE CASTING  
CHANGZHOU CO., LTD.**

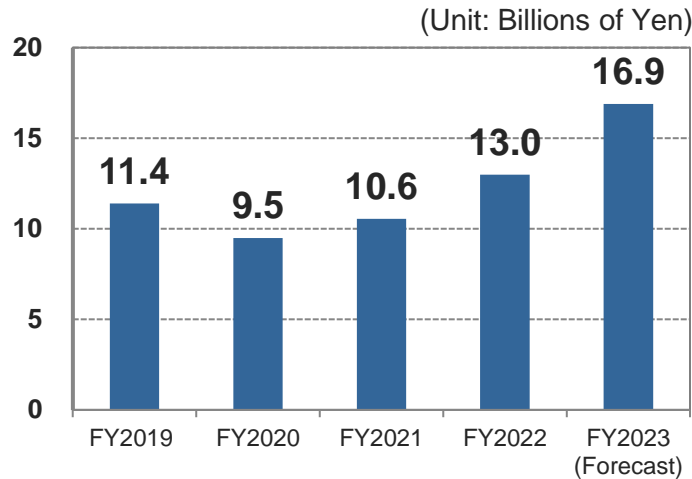
# Die Castings – U.K., Thailand –

## U.K.



RYOBI ALUMINIUM  
CASTING (UK), LIMITED

### Sales trend



### Business environment

- Automobile production has grown modestly across Europe as a whole thanks to the ongoing easing of parts supply issues.
- Efforts to reflect high energy costs in product prices continue to grow.
- Policy interest rate hikes (concerns about slowing automobile sales)

### Main initiatives

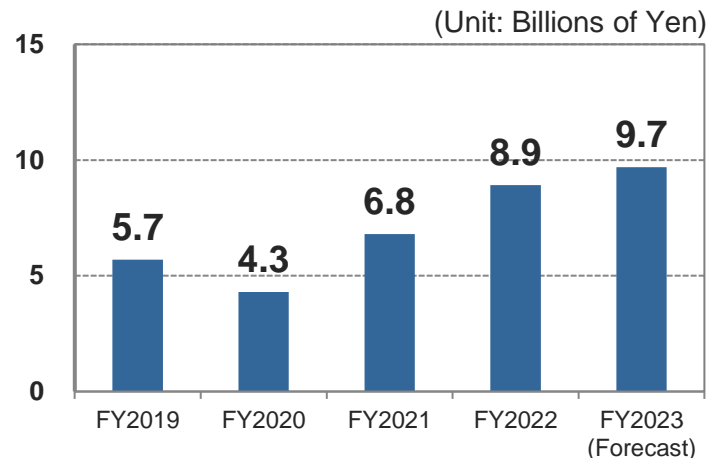
- Improving productivity (using outsourcing)
- Enhancing sales sections and securing new orders (enhancing cooperation with Japan)

## Thailand



RYOBI DIE CASTING  
(THAILAND) CO., LTD.

### Sales trend



### Business environment

- Automobile production is recovering alongside progress of improving semiconductor shortages.
- Thailand has relatively few competing die castings businesses.

### Main initiatives

- Securing new orders as main project for Japanese company
- Improving productivity (establishing flexible production structures capable of adapting to increased volumes, etc.)

# Die Castings

## Initiatives to achieve weight reductions and electrification – Giga casting efforts –

We RYOBI are the first specialized manufacturer in Japan to adopt a 6000T-class die casting machine.

- ◆ Accelerating the adoption of next-generation die casting technologies and the development of products  
(To enable integrated casting of large structural components, achieving cost savings and CO<sub>2</sub> emissions reductions)
- ◆ Enhancing the prototyping services business for large structural components

### Capital investment overview

Investment amount: **Approx. 5 billion yen in total**

**Die casting machine (one 6000T-class unit) and accessory equipment  
Die machining equipment, building and plant facilities, etc.**

Products: **Large-scale aluminum die casting products (e.g., bodies, battery cases)**

Location: **At the site of the Kikugawa Plant**

Expected start operations: **March 2025**



Kikugawa Plant



Location of the Kikugawa Plant

# Die Castings

Initiatives to achieve weight reductions and electrification – External conditions for the Die Castings business –

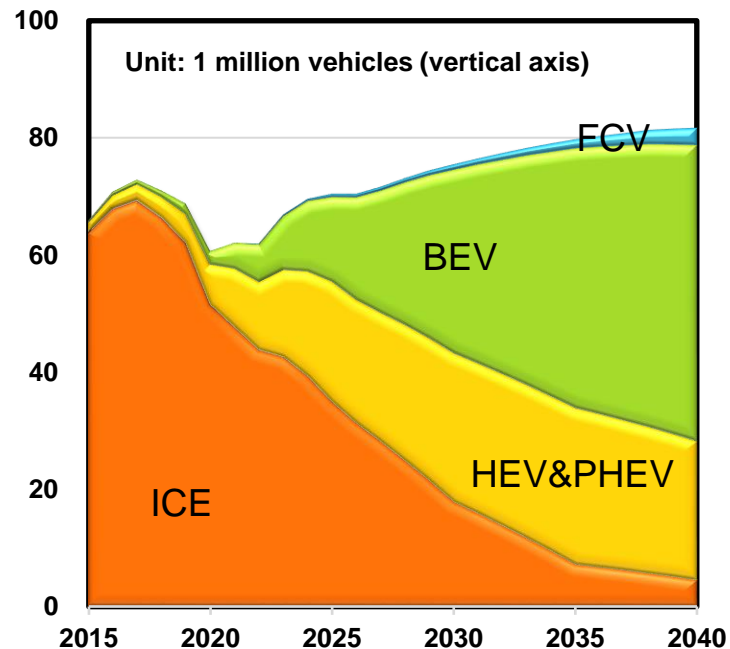
- New automobile sales is expected to increase up to around 2040.
- Surely proceed to BEV.
- Transmission and engine parts will shrink, but as body/chassis (weight reduction parts), and electrification parts (for HEV & BEV) sales will increase, therefore we expect demand of die casting will increase

## Sales volume base

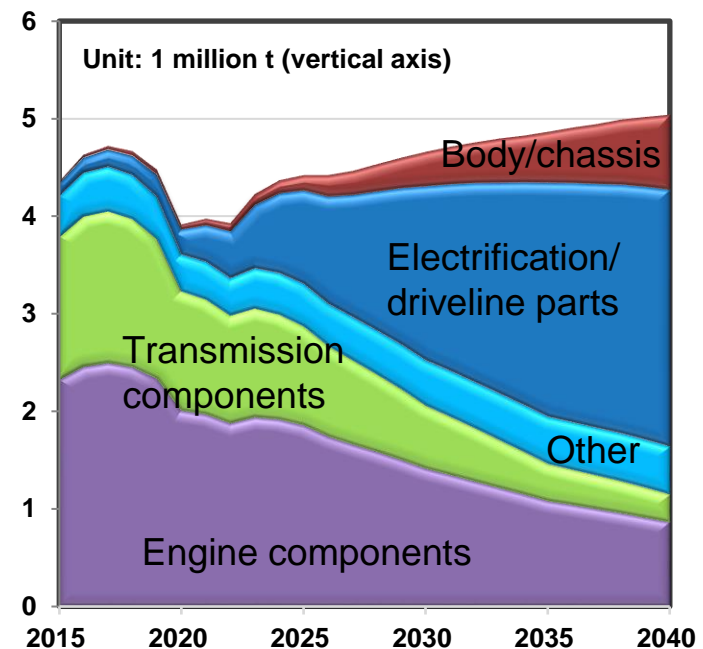
As of October 2022

Key countries: Japan, U.S.A., Europe, China, India

Outlook for Power Train Mix  
(Number of automobiles sold of Key countries)



Outlook for Die Casting Demand  
(Total weight of Key countries)





# Die Castings

Initiatives to achieve weight reductions and electrification – Exhibiting at the Automotive Engineering Exposition –

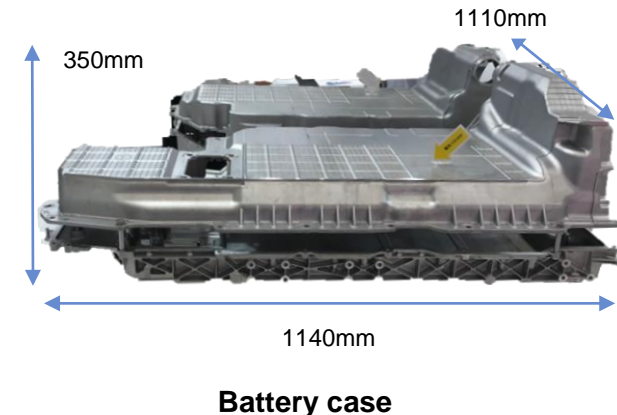
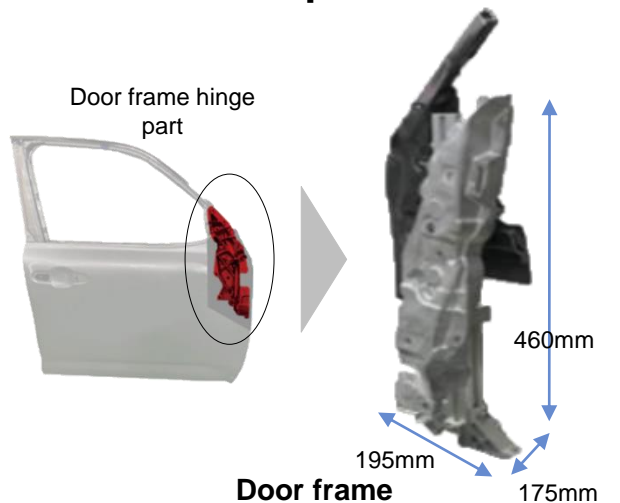
We proposed a wide range of solutions to achieve lighter weight and electrification by exhibiting numerous products, including parts developed for BEVs, body and chassis components, and other mass-produced products.

## Key products exhibited

- Body and chassis parts to achieve lighter vehicle weight (door frames)
- Thick, high-strength products made using GD squeeze casting (knuckles)
- Products developed for BEVs (e.g., battery cases, e-Axle cases, motor cases)



## Exhibit examples



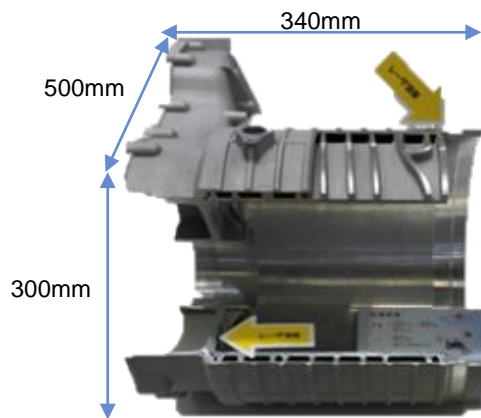
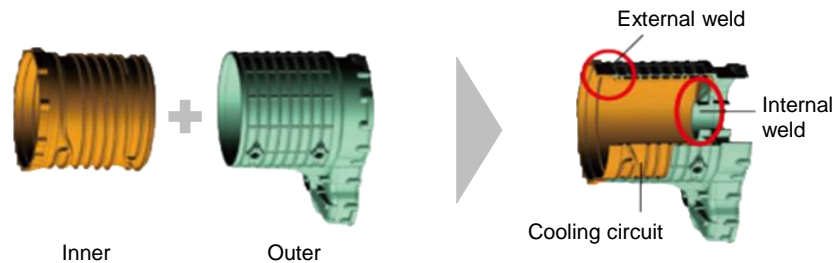
# Die Castings

Initiatives to achieve weight reductions and electrification – Exhibiting at the Automotive Engineering Exposition –

We exhibited examples of the developed products of electrification parts by using laser-welding technology—something previously considered impossible. We proposed large-scale parts as a solution to help reduce weight and cut costs without using giga casting technologies.

## e-Axle case

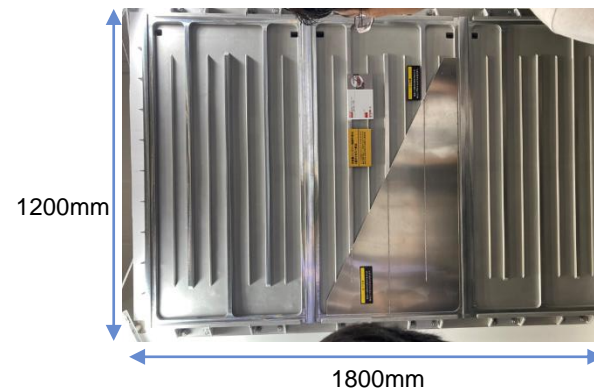
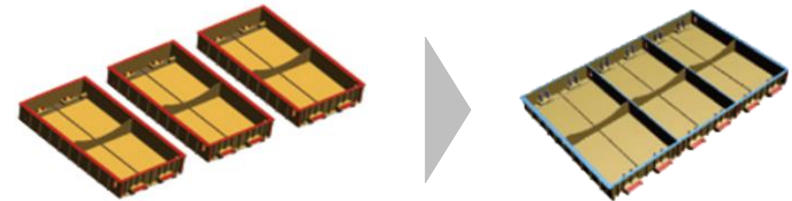
Cooling circuit formed through two-piece joining



- Proposed integration by shifting from bolt-jointing to laser-welding
- Fewer parts to help reduce required materials and assembly work

## Battery cases

Welding multiple individual cases together



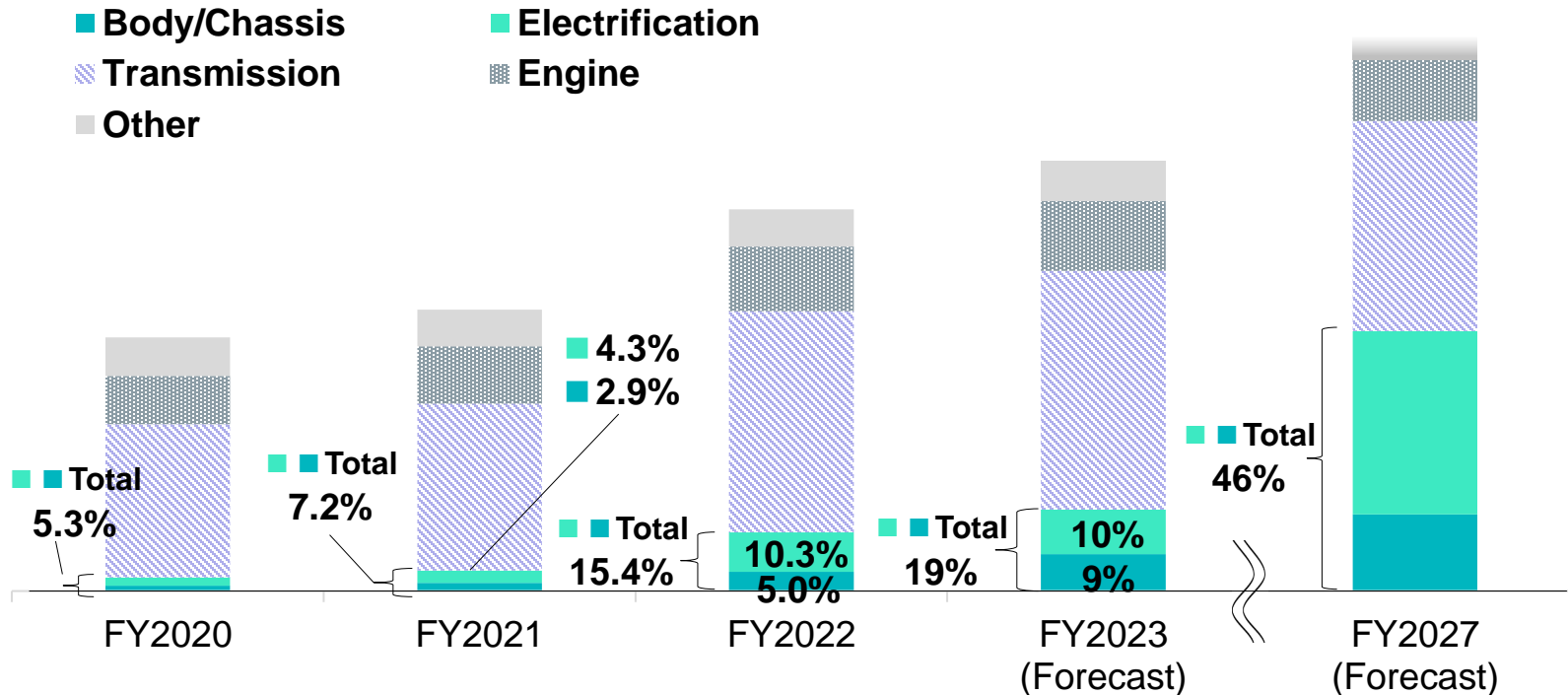
- Proposed larger battery cases through laser welding
- Large battery cases leading to increased battery capacity

# Die Castings

Initiatives to achieve weight reductions and electrification – Sales contribution of strategic products –

- Orders for weight reduction and electrification components are steady.
- Weight reduction and electrification components accounted for approximately 78% of new orders in the FY2022 (FY2020: 38%, FY2021: 55%).
- We expect these products to account for nearly 50% of net sales in 2027.

Trends in sales share by die casting parts category





# Builders' Hardware

## Business environment

- In Japan, the residential housing starts is expected to reduce, while the market for (non-residential) buildings is expected to remain flat.
- Surges in raw material prices
- Growing demand for non-contact devices in the living environment field
- Domestic demand for remodeling and renovation is growing.

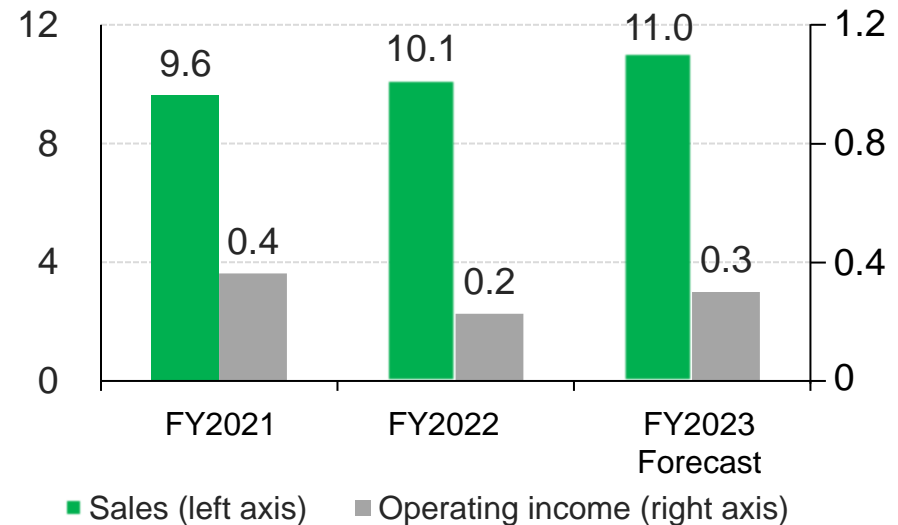
## Main initiatives

- Expand share in the Japanese market.
- Expand sales of high-value-added products (next-generation key products).
- Expand sales in overseas markets.
- Promote supply chain management.

## Forecast of sales and operating income

(Unit: Billions of Yen)

(Unit: Billions of Yen)



## Performance summary

- **(FY2023 2Q)**  
Sales increased both in Japan and overseas. Profit declined due to factors such as higher procurement costs of overseas production.
- **(FY2023 full-year forecast)**  
Sales are expected to increase both in Japan and overseas. Profit is expected to increase due to higher sales.

# Builders' Hardware

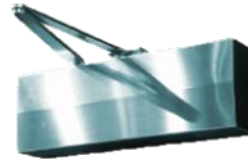
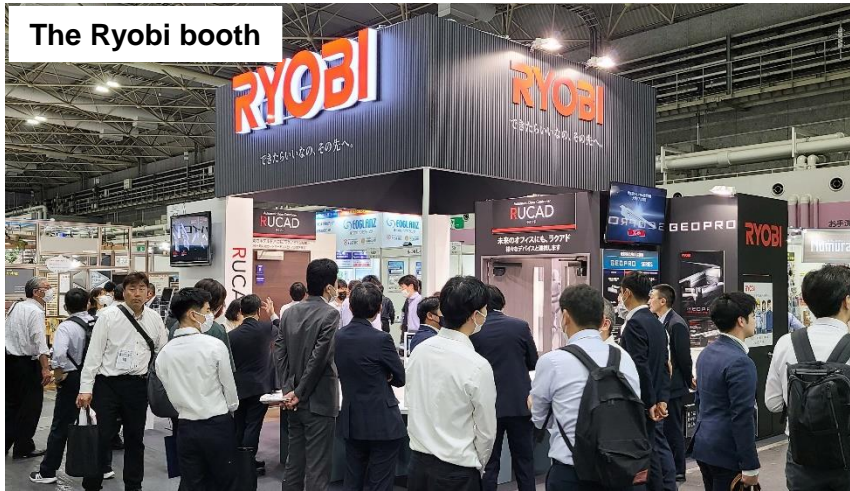
## Topics in the Builders' Hardware business

In June 2023, we exhibited various products at the Building Materials Fair for Ideal Housing and Architecture, including a conceptual model of the RUCAD electric door opening/closing equipment and door closers for the European and North American markets.

理想のすまいと  
建築フェア

Building Materials Fair for  
Ideal Housing and  
Architecture

The Ryobi booth



Approximate  
dimensions (cover)  
408 (W) × 71 (D) ×  
109 (H) (mm)

Conceptual model with automatic closing  
feature for use during power failures

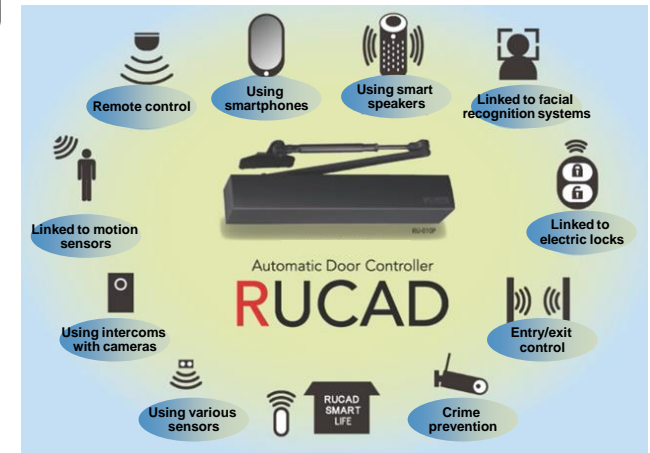
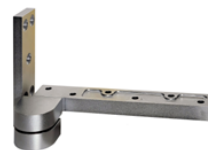


Illustration of linking to external devices

We exhibited the GP-18 pivot hinge in the GEOPRO series. This product is designed for use with door weights of up to 180 kg at commercial facilities.



Approximate dimensions (mm)  
108 (W) × 75 (D) × 35 (H)



Approximate dimensions (mm)  
200 (W) × 80 (D) × 120 (H)



We exhibited door  
closers and floor  
hinges all over the  
world.

# Printing Equipment

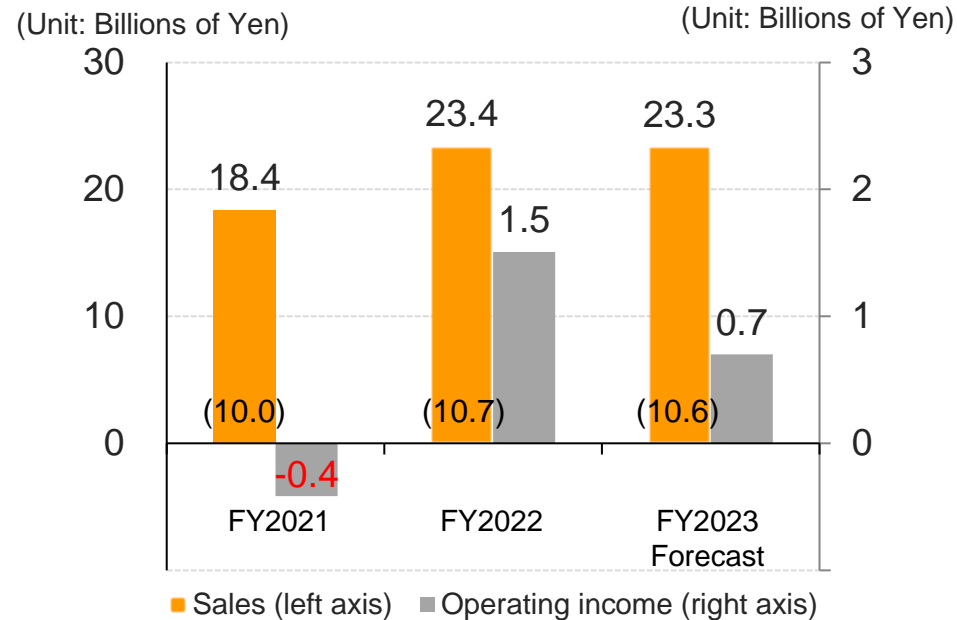
## Business environment

- Demand for automation and labor savings due to labor shortages and aging of printing press operators
- Steady sales of presses for package printing
- Decrease in paper supply and sharp rise in prices are leading to a shift away from printing.
- After the 2008 financial crisis and the COVID-19 pandemic, the number of printing equipment manufacturers has decreased (to two Japanese and three German companies).

## Main initiatives

- Collaboration with participating companies and new businesses through alliances with firms in the printing industry
- Development of automation, labor-saving, and assistance functions for printing presses
- Expanding orders for flagship models and improving price competitiveness through cost reductions
- Strengthening sales of press models for package printing
- Reflecting higher raw material prices in selling prices

## Forecast of sales and operating income



\* Figures in parentheses indicate export components of sales.

## Performance summary

- **(FY2023 2Q)**  
Overall, both domestic and overseas sales remained flat. Profit declined due to the effects of the higher cost of raw materials.
- **(FY2023 full-year forecast)**  
Overall sales are expected to remain flat both in Japan and overseas. Profit is expected to continue to decline due to the effects of continuing high raw material prices and other factors.

# Printing Equipment

## Topics in the Printing Equipment business

### Construction of third factory



Striving to optimize production systems and improve productivity by consolidating scattered factories through additional factory construction on land adjacent to the RMGT No. 1 and No. 2 factories.

- Location: Fuchu-shi, Hiroshima-ken
  - Facility use: Assembly of sheetfed offset presses
  - Construction started: Jan. 2023
  - Scheduled for completion: Oct. 2023
  - Total floor area: 4,400 m<sup>2</sup>
- (Total floor area: 1st factory 10,000 m<sup>2</sup>; 2nd factory 19,300 m<sup>2</sup>)

### Print China 2023



In April 2023, we exhibited jointly with China distributor DINGA at the Print China 2023 international printing exhibition held at the Guangdong Modern International Exhibition Center. We primarily exhibited package printing products.

- Number of exhibitors: 1,200 companies
- Number of attendees: 190,000
- Models exhibited: RMGT1060 (compatible with up to B1 paper size)  
RMGT970 (compatible with up to A1-plus paper size)



## 4. Sustainability, ESG/SDGs

セカイを軽く  
カンパニー



Lightening the load worldwide

# Sustainability, ESG/SDGs

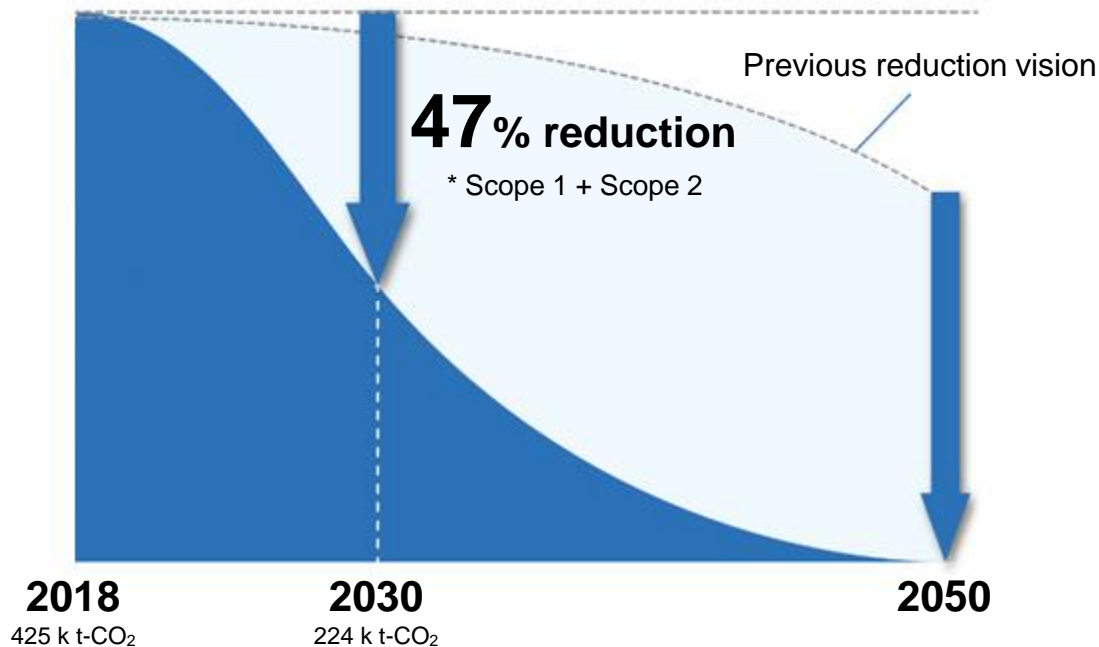
## Initiatives to environment

### Targets to reduce CO<sub>2</sub> emissions by 2050

Achieve carbon neutrality by 2050

Curb CO<sub>2</sub> emissions from domestic and overseas facilities by at least 47% from the FY2018 level by 2030.\*

#### Reduction targets for CO<sub>2</sub> emissions by 2050



#### Major measures to become carbon neutral

- Promote the introduction of energy-saving equipment.
- Use of renewable energy (solar, hydroelectric, etc.)
- Control of combustion process in melting of aluminum alloys
- Switch to non-fossil energy (hydrogen, ammonia, etc.)

\* CO<sub>2</sub> emissions shown are absolute amounts for Scopes 1 and 2.

# Sustainability, ESG/SDGs

## Sustainability topics

### TCFD reporting (E)

We initiated disclosures based on TCFD recommendations in June 2023.

We will help realize a sustainable society by realizing the opportunities identified and managing identified risks and achieving carbon neutrality by 2050.



### Constructing a new Head Office annex (E/S)

An eco-friendly office building with roots in the local community featuring advanced work spaces suited to diverse work styles.



### Green Star Award (E/S)

Ryobi Die Casting (Thailand) Co., Ltd. firstly received Green Star Award from the Industrial Estate Authority of Thailand.

The reason we received: This award honors Ryobi Die Casting (Thailand) initiatives in areas such as tree planting activities, blood drive participation, and donations to local elementary schools.



### Health and production management\* (S)

We, Ryobi, has been recognized as “Certified Health & Productivity Management” for four years in a row.



\* The Ministry of Economy, Trade and Industry is promoting “Health and Productivity Management,” considering health management of employees from a corporate management perspective and implementing it strategically.

# Sustainability, ESG/SDGs

## Sustainability topics

### Board of Directors, Corporate Auditors (G)

- Three members of the Board of Directors (60%) are Outside Directors.
- On March 29, 2023, Ms. Mami Ito (CEO & president of Nihon Dento Kogyo Co., Ltd.) was appointed our first female Outside (Independent) Director.

Representative Director  
Akira Urakami



Director  
Tatsuyoshi Mochizuki



\* Independent Outside Director/Auditor

Director \*  
Satoshi Ohoka



Director \*  
Masahiko Ikaga



Director \*  
Mami Ito



Standing Corporate Auditor  
Takashi Suzuki



Corporate Auditor \*  
Yoichi Arai



Corporate Auditor \*  
Takashi Hatagawa



### Skills matrix (G)

- Shown at right table is the balance of skills of the management members.
- To effectively fulfill its roles and responsibilities, the Board membership balances diversity, an appropriate number of directors, and the knowledge, experience, and abilities offered by each director.

	Knowledge/ Experience	Board of Directors					Corporate Auditors		
		Internal Directors		Outside Directors			Standing	Non-Standing	
		Akira Urakami	Tatsuyoshi Mochizuki	Satoshi Ohoka	Masahiko Ikaga	Mami Ito	Takashi Suzuki	Yoichi Arai	Takashi Hatagawa
1	Corporate Management	●	●		●	●		●	
2	Global Business	●	●	●		●		●	
3	Marketing	●				●			
4	Technology		●		●		●		
5	Finance & Accounting			●	●			●	
6	HR Development	●		●					
7	Risk management, Corporate Governance & Compliance			●	●	●		●	
	Qualifications, etc.			Academic expert	CPA, Corporate manager	Corporate manager		Lawyer	Corporate manager

Note: The above skills matrix focuses on the four areas in which we have particularly high expectations. It is not an exhaustive list of all specializations of each director.



# **5. Financial Strategy**

# Financial Strategy – Increasing corporate value –

## (Current circumstances)

- Due to slow business performance and other factors, our share price since December 2019 has trended below 2,000 yen and PBR to less than 1.0.
- We acknowledge that investors do not fully appreciate our growth potential.
- Our share price has risen since we revised our results forecasts on July 20. PBR had recovered to 0.6 by the end of July.

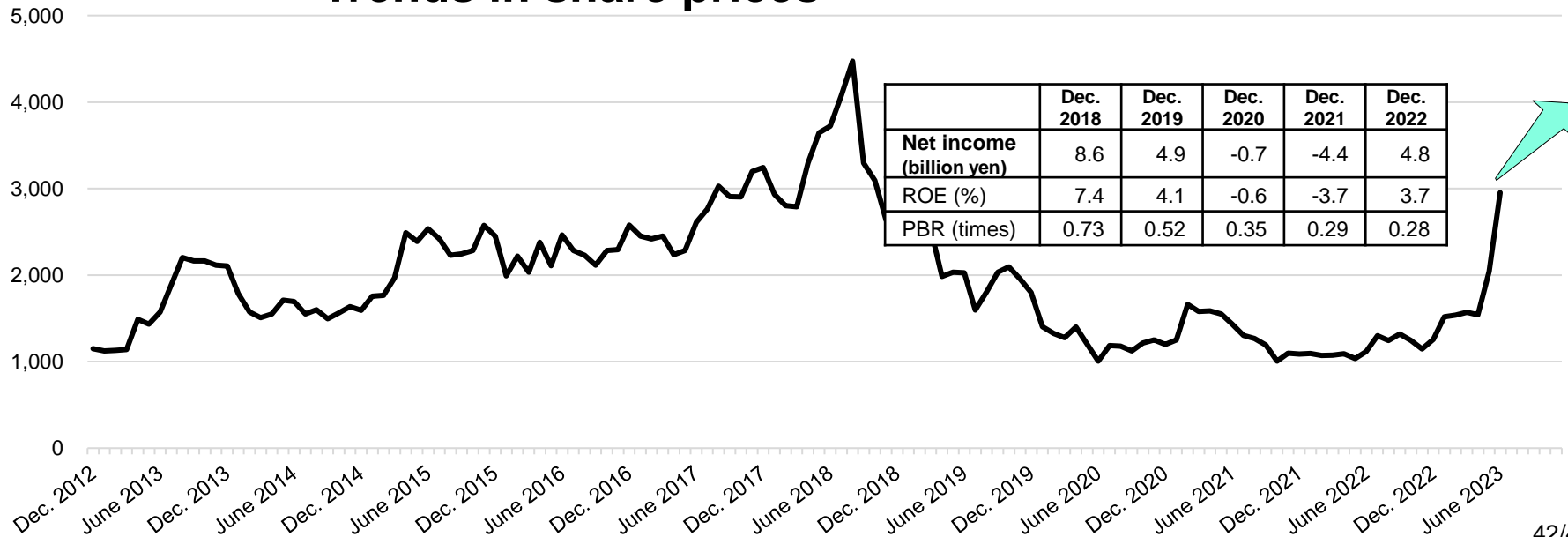


## (Measures)

- The top priority is to achieve business performance recovery by steadily executing our business strategies.
- Targeting further improvements in profitability will contribute to sustained growth in ROE and improved PBR.
- We will also implement the following measures to achieve proper valuations of our shares and to enable sustained growth in corporate value:
  - ✓ Disclosing medium- and long-term strategies and plans
  - ✓ Creating further opportunities for dialogue with shareholders and investors on growth strategies

(Unit: yen)

## Trends in share prices



# Financial Strategy – Cash allocation –

## Basic thinking on cash allocation

### Operating CF

(Cash generation)

- We will aim to maximize cash flow from our operating activities.
- We will start with efforts to grow sales by securing strategic products, reducing costs, and improving productivity, thereby achieving rapid recovery in business results. We will seek to further improve profitability and generate CF alongside the anticipated recovery in automobile production.

### Improving CCC\* / optimizing asset holdings

### Financing CF

(Basic fundraising policy)

- We will fund investments to achieve future growth in corporate value and in areas such as maintaining and increasing returns to shareholders from operating CF while borrowing externally as needed.
- We will make proactive use of sustainable finance based on eco-friendly investment.

### Investing CF

(Investing in business growth)

- We will continue investing in strategic products (lightweight and electrification components) and in giga casting capabilities in the Die Castings business to drive growth in corporate value.
- We will invest in growth after ensuring financial soundness.

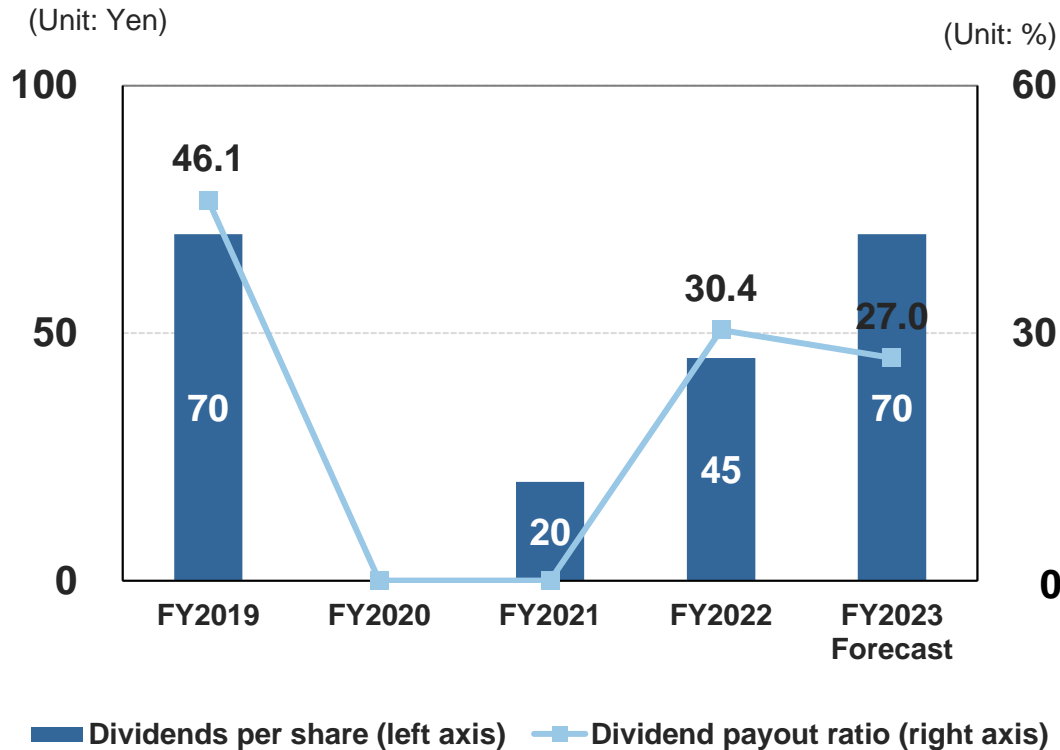
### Shareholder Returns

- In returns to shareholders, we will prioritize maintaining the dividend payout ratio and stable dividends.
- We may consider expanding the rate of shareholder returns, depending on circumstances.
- We may consider purchasing treasury stocks depending on the circumstances of capital investments for growth.

\* Cash conversion cycle: Financial indicator showing the number of days required to recover accounts receivable-trade after payment of accounts payable-trade

# Financial Strategy – Shareholder returns –

## Trends in dividends per share and dividend payout ratio



## Dividend policy

- Ryobi's basic policy for profit distribution is to maintain a stable return of profits to shareholders while securing funds for growth investment along with a medium-to long-term improvement in consolidated operating performance.
- Along with giving due consideration to maintaining a stable stream of dividends, the amount of shareholder returns is determined in light of prevailing conditions, with an eye to achieving a dividend payout ratio of around 30%.

## Status of dividends

- Dividends in FY2022 were five yen higher than forecast, based on annual performance, financial position, and other factors (annual dividends were 45 yen, up 25 yen from the previous year).
- Annual dividends of 70 yen per share are planned for FY2023.

	FY2019	FY2020	FY2021	FY2022	FY2023 Forecast
Dividends per share (yen)	70	0	20	45	70
Dividend payout ratio (%)	46.1	-	-	30.4	27.0

## About 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 judgements based on 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**

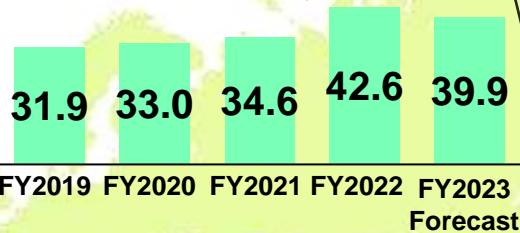
Beyond Ideals and Dreams

## Net sales forecast by region

(Unit: Billions of Yen)

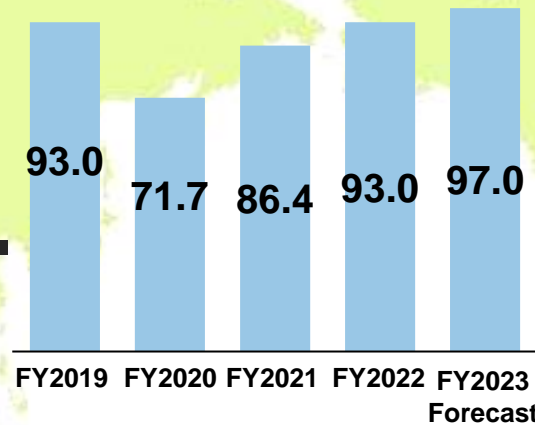
### China

RYOBI DIE CASTING DALIAN CO., LTD.  
RYOBI DIE CASTING CHANGZHOU CO., LTD.



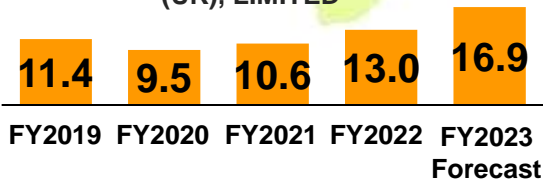
### Japan

RYOBI LIMITED  
RYOBI MIRASAKA CO.  
RYOBI MITSUGI CO.  
TOKYO LIGHT ALLOY CO., LTD. etc.



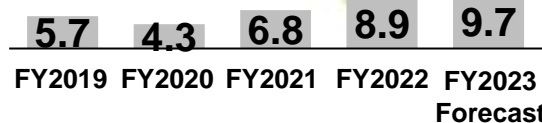
### U.K.

RYOBI ALUMINIUM CASTING (UK), LIMITED



### Thailand

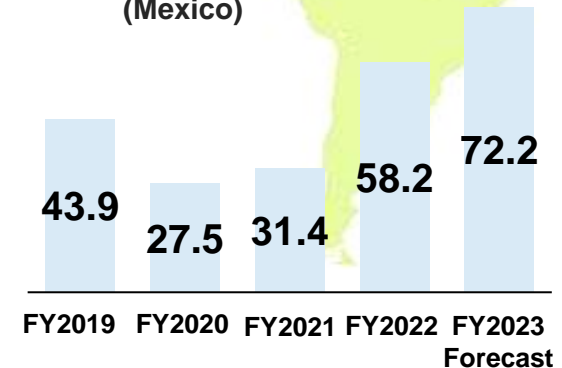
RYOBI DIE CASTING (THAILAND) CO., LTD.



### Americas

RYOBI DIE CASTING (USA), INC.

RDCM, S. DE R.L. DE C.V. (Mexico)



## Capital expenditure forecast by region

(Unit: Billions of Yen)

