



# Ryobi Limited Financial Results Presentation for the Fiscal Year Ended December 31, 2023

February 14, 2024



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# **1. Results for the Fiscal Year Ended December 31, 2023**

# Highlights of Financial Results

## ➤ Consolidated results:

**Sales and profits increased compared to the previous fiscal year (Record high sales)**

### **Die Castings**

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

### **Builders' Hardware**

- Sales increased both in Japan and overseas.
- Profits fell due to rising procurement costs of overseas production and increasing labor costs.

### **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 soaring raw material prices and increasing labor costs, despite efforts to improve productivity.

## ➤ FY2024 Forecasts

- Sales are expected to increase due mainly to the recovery in automotive production. Sales to set another record high, exceeding 300 billion yen for the first time.
- Despite the impact of increased labor expenses and soaring energy and raw material prices, higher sales will bring growth in operating income. Ordinary income and net income figures to decline due to not expecting foreign exchange gains and others.

## ➤ Shareholder Returns

- For FY2023, the interim dividend was 35 yen per share and the year-end dividend is to be 45 yen per share for an annual dividend of 80 yen per share (35 yen higher than in the previous year, 30 yen higher than in the initial forecast).
- The annual dividend for FY2024 is expected to be 80 yen per share.

# Results Summary

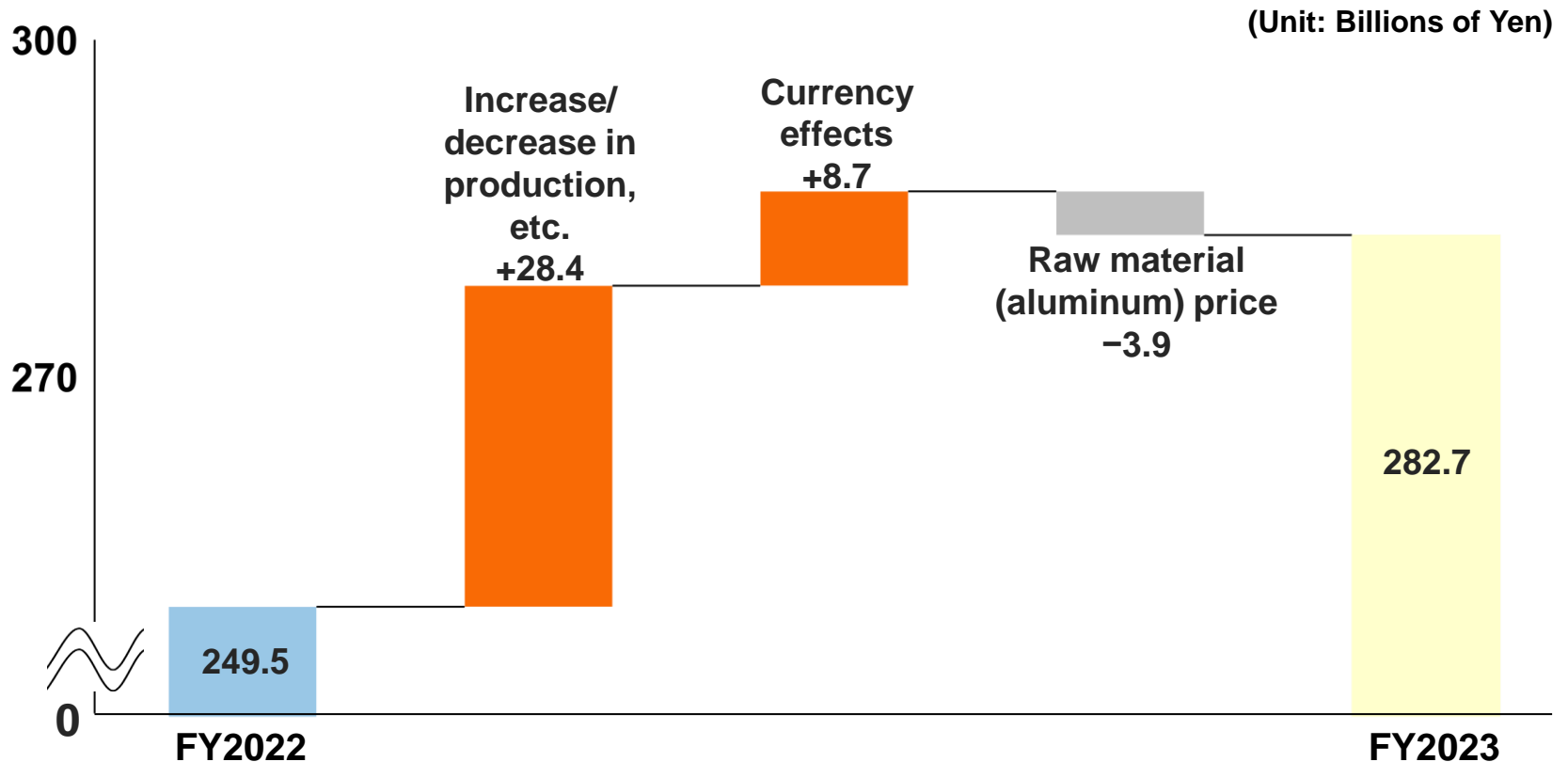
- Sales increased due to the gradual recovery in automotive production in Japan and overseas combined with the weak yen. Sales reached the highest record.
- Growth in sales boosted profits, despite rising energy costs, increasing labor costs and other factors.
- We recorded an extraordinary loss of 500 million yen for impairment of a domestic sales office.

(Unit: Billions of Yen)

	FY2022	FY2023			
	Results	Results	Change	Forecasts (Announced on Jul. 20)	Change (vs. forecasts)
Net sales	249.5	282.7	33.2 (13.3%)	270.0	12.7 (4.7%)
Operating income	7.0	12.2	5.2 (75.3%)	10.5	1.7 (16.2%)
Ordinary income	7.8	13.9	6.1 (77.9%)	12.0	1.9 (15.8%)
Net income attributable to owners of parent	4.8	10.1	5.3 (111.4%)	8.4	1.7 (20.2%)

# Analysis of Changes in Net Sales

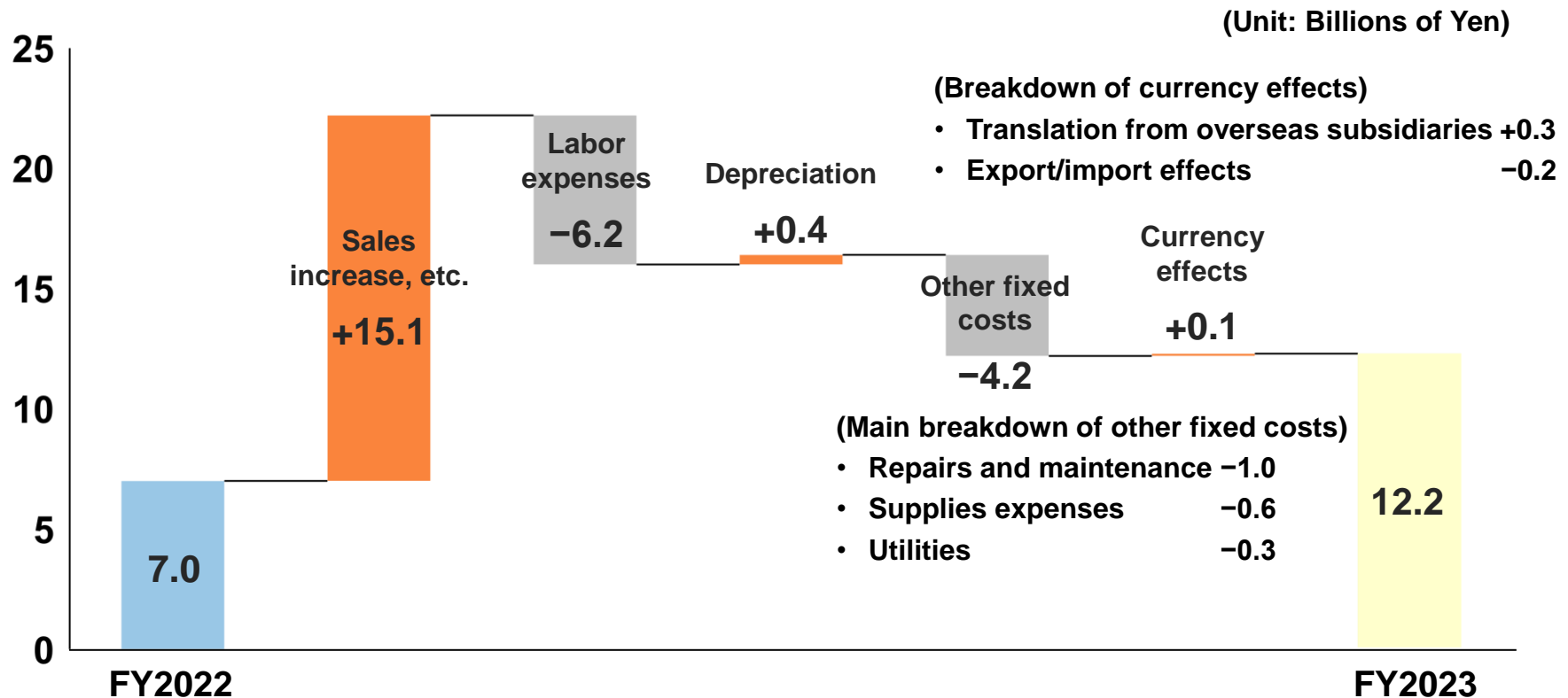
- Die casting production volume grew for three consecutive fiscal years due to the recovery in domestic and overseas automotive production.
- The weakening yen boosted translated sales figures at overseas subsidiaries.



Exchange rates (average for the period)	USD	GBP	CNY	THB
FY2022	¥130.52	¥161.52	¥19.40	¥3.72
FY2023	¥140.69	¥174.49	¥19.83	¥4.03

# Analysis of Changes in Operating Income

- Production volume increased due to the recovery in domestic and overseas automotive production, and profits increased due to higher sales.
- Labor costs grew for reasons including wage hikes in Japan and overseas, and an increased overseas employees.
- Other fixed costs such as repairs and maintenance costs rose with the increase in production volume.



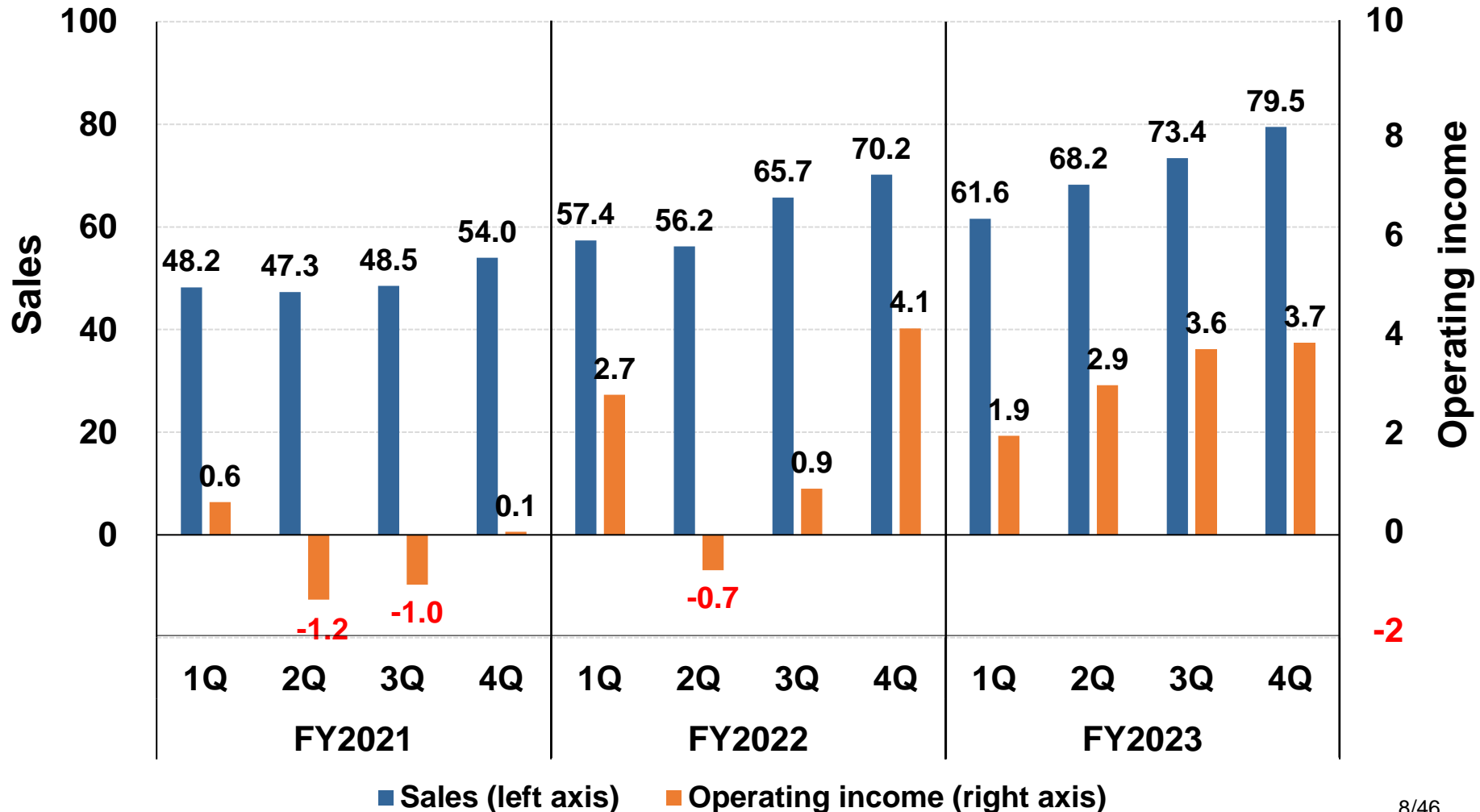
Exchange rates (average for the period)	USD	GBP	CNY	THB
FY2022	¥130.52	¥161.52	¥19.40	¥3.72
FY2023	¥140.69	¥174.49	¥19.83	¥4.03

# Trends in Sales and Operating Income (Consolidated)

- Automotive production recovered from the effects of COVID-19 and restrictions on semiconductor supply.
- Backed by higher sales, quarterly profits have been positive since the third quarter of FY2022.

(Unit: Billions of Yen)

(Unit: Billions of Yen)





# Results by Business Segment

- Die Castings:** Higher sales and higher profits due to the recovery in automotive production. A record high sales figure.
- Builders' Hardware:** Domestic and overseas sales increased, but profits declined due to higher procurement costs for overseas production and other factors.
- Printing Equipment:** Domestic and overseas sales increased, but profits declined due to rising raw material prices.

(Unit: Billions of Yen)

	FY2022	FY2023			
	Results	Results	Change	Forecasts (Announced on Jul. 20)	Change (vs. forecasts)
<b>Net sales</b>	249.5	282.7	33.2 (13.3%)	270.0	12.7 (4.7%)
<b>Die castings</b>	215.7	247.6	31.8 (14.8%)	235.7	11.9 (5.0%)
<b>Builders' hardware</b>	10.1	10.8	0.7 (6.7%)	11.0	-0.2 (-1.8%)
<b>Printing equipment</b>	23.4	24.1	0.7 (2.9%)	23.3	0.8 (3.4%)
<b>Operating income</b>	7.0	12.2	5.2 (75.3%)	10.5	1.7 (16.2%)
<b>Die castings</b>	5.2	10.9	5.7 (108.6%)	9.5	1.4 (14.7%)
<b>Builders' hardware</b>	0.2	0.2	-0.1 (-24.1%)	0.3	-0.1 (-42.7%)
<b>Printing equipment</b>	1.5	1.1	-0.4 (-24.6%)	0.7	0.4 (62.3%)

# Consolidated Balance Sheet

Total assets increased by 18.6 billion yen from the end of the previous fiscal year due to increased notes and accounts receivable-trade and inventories resulting from higher sales and a higher valuation of investment securities (including an 8.6 billion yen increase attributable to the effects of foreign exchange fluctuations).

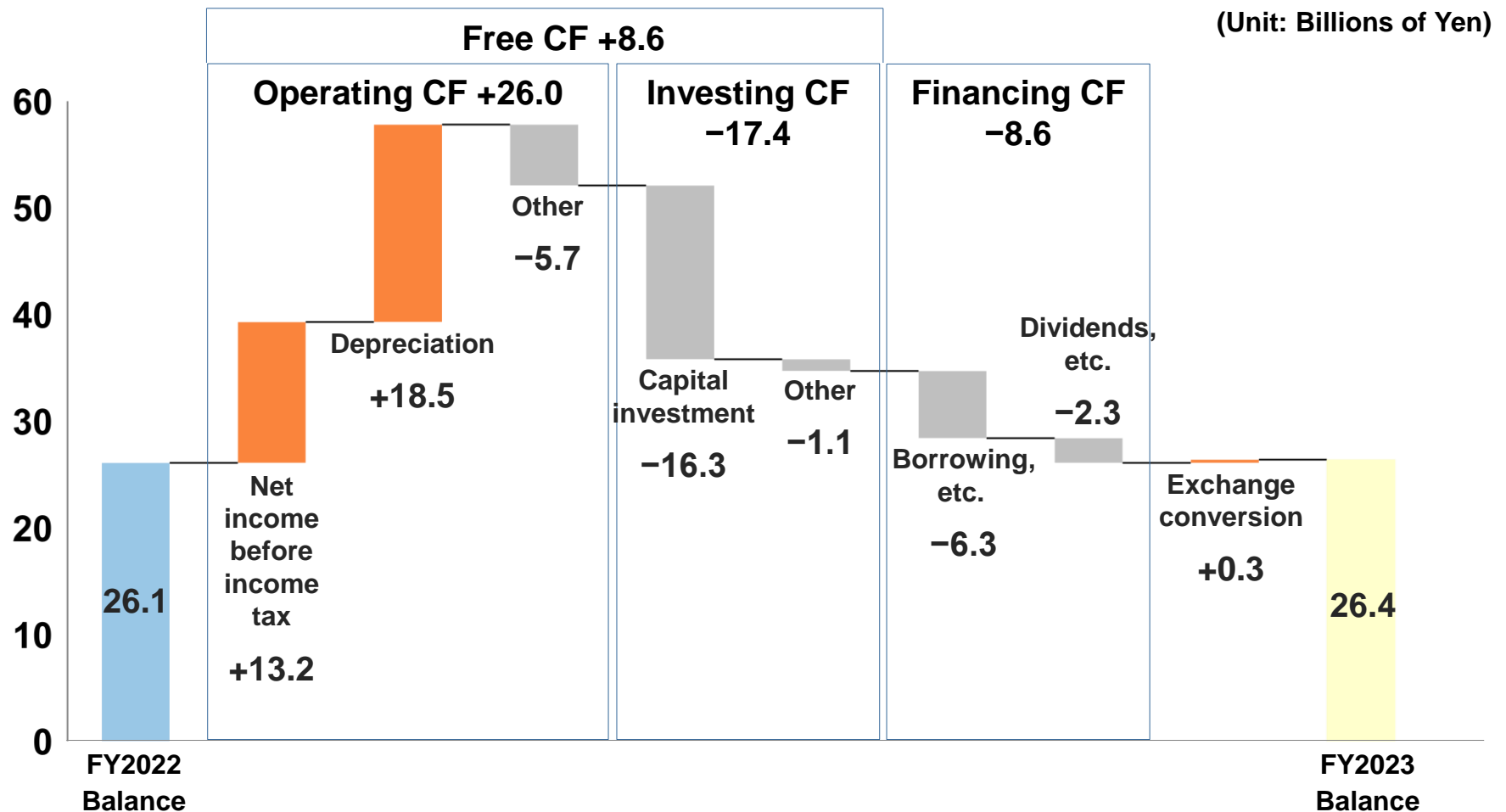
(Unit: Billions of Yen)

	FY2022	FY2023	Change	Currency Translation Effect		FY2022	FY2023	Change	Currency Translation Effect
Current assets	145.3	156.6	11.3	4.1	Current liabilities	114.7	117.9	3.2	2.9
Cash and deposits	27.3	27.6	0.3	0.5	Notes and accounts payable – trade	46.5	50.9	4.4	0.8
Notes and accounts receivable – trade	58.3	64.3	6.0	1.7	Short-term borrowings	46.5	46.2	-0.3	1.6
Securities	0.7	0.7	0.0	0.0	Other	21.7	20.8	-0.8	0.5
Inventories	55.5	59.9	4.5	1.8	Non-current liabilities	41.9	40.2	-1.7	0.5
Other	3.6	4.1	0.6	0.1	Long-term borrowings	27.9	24.0	-3.9	0.4
Non-current assets	154.9	162.2	7.3	4.5	Other	14.0	16.2	2.2	0.1
Property, plant and equipment	124.0	123.4	-0.5	4.4	Shareholders' equity	116.1	124.7	8.6	0.5
Intangible assets	2.8	2.6	-0.2	0.1	Accumulated other comprehensive income	18.3	26.6	8.3	4.6
Investments and other assets	28.2	36.1	7.9	0.0	Non-controlling interests	9.3	9.4	0.2	0.0
Deferred assets	-	-	-	-	Total net assets	143.7	160.7	17.0	5.1
Total assets	300.3	318.8	18.6	8.6	Total liabilities and net assets	300.3	318.8	18.6	8.6

Exchange rates (as of end of period)	USD	GBP	CNY	THB
FY2022	¥132.70	¥160.00	¥19.01	¥3.80
FY2023	¥141.83	¥180.68	¥19.93	¥4.13

# Change in Cash Flows

- Of the -5.7 billion yen in other operating CF, an increase in working capital due to an increase in sales accounted for -3.5 billion yen.
- Investing cash flow contained to less than operating cash flow. Repaid borrowings with funds generated by improving fund efficiency.



## **2. Forecasts for the Fiscal Year Ending December 31, 2024**

## Forecasts

- Sales are expected to increase due mainly to the recovery in automotive production. Sales to set the highest record.
- Operating income is expected to increase due to higher sales. Ordinary income and net income figures are expected to decrease due to lower foreign exchange gains and other factors.

(Unit: Billions of Yen)

	FY2023	FY2024	
	Results	Forecasts	Change
Net sales	282.7	305.0	22.3 (7.9%)
Operating income	12.2	13.0	0.8 (6.4%)
Ordinary income	13.9	12.8	-1.1 (-7.7%)
Net income attributable to owners of parent	10.1	9.0	-1.1 (-11.0%)

# Forecasts by Business Segment

- Die Castings:** Higher sales and profits are expected thanks to a record high production volume from the recovery in automotive production.
- Builders' Hardware:** Higher sales both in Japan and overseas. Profits are expected to increase due to the higher sales.
- Printing Equipment:** Higher sales both in Japan and overseas. Profits are expected to decrease due to the effects of soaring raw material prices and exhibition expenses.

(Unit: Billions of Yen)

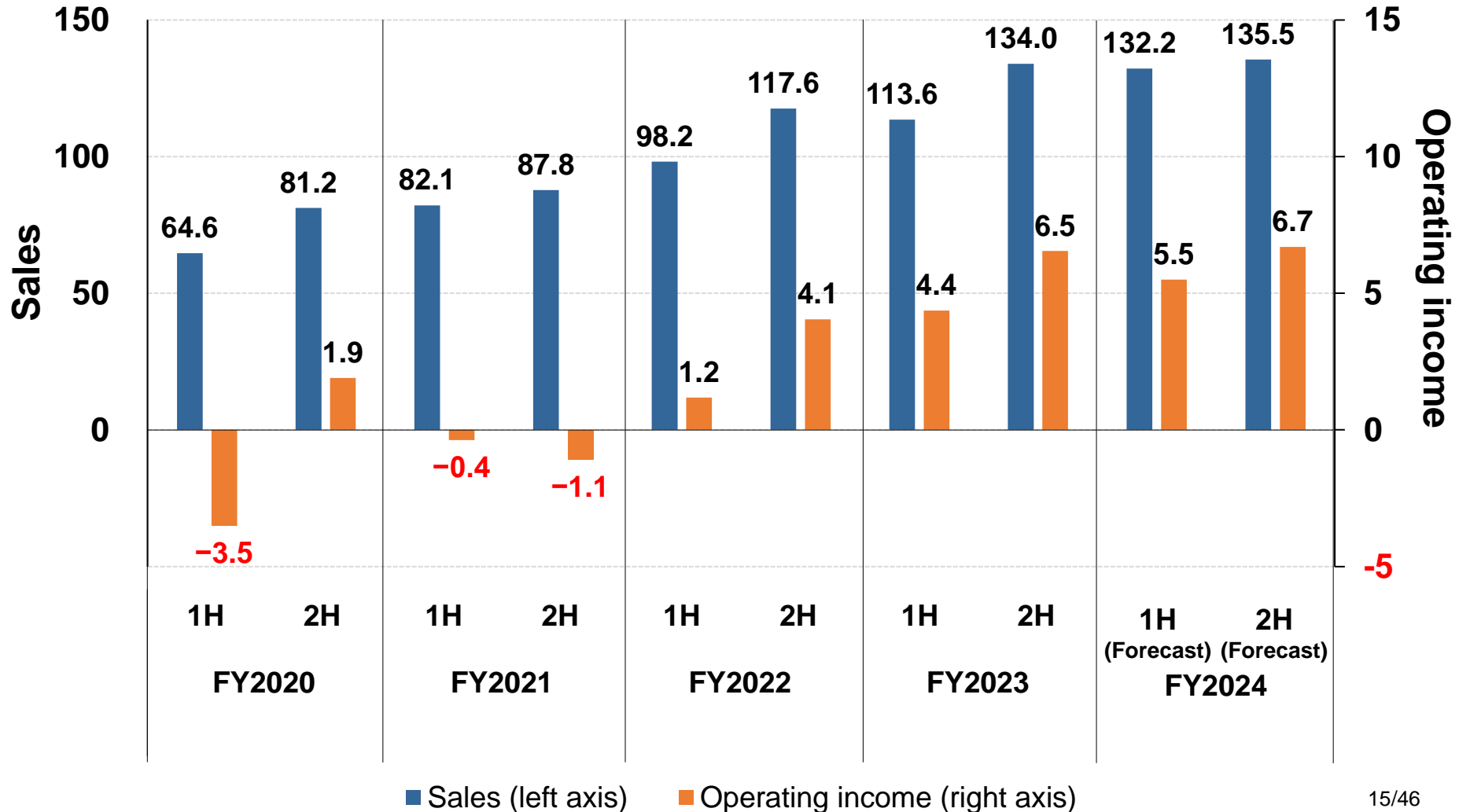
	FY2023	FY2024	
	Results	Forecasts	Change
<b>Net sales</b>	<b>282.7</b>	<b>305.0</b>	<b>22.3 (7.9%)</b>
<b>Die castings</b>	<b>247.6</b>	<b>267.7</b>	<b>20.1 (8.1%)</b>
<b>Builders' hardware</b>	<b>10.8</b>	<b>11.0</b>	<b>0.2 (1.6%)</b>
<b>Printing equipment</b>	<b>24.1</b>	<b>26.3</b>	<b>2.2 (9.2%)</b>
<b>Operating income</b>	<b>12.2</b>	<b>13.0</b>	<b>0.8 (6.4%)</b>
<b>Die castings</b>	<b>10.9</b>	<b>12.2</b>	<b>1.3 (11.8%)</b>
<b>Builders' hardware</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1 (74.3%)</b>
<b>Printing equipment</b>	<b>1.1</b>	<b>0.5</b>	<b>-0.6 (-56.0%)</b>

# Trends in Sales and Operating Income (Die Castings)

- Full-year sales are expected to increase both in Japan and overseas due to the continued recovery in automotive production.
- Full-year production volume and sales are expected to reach record highs due in part to new product launches and other factors.

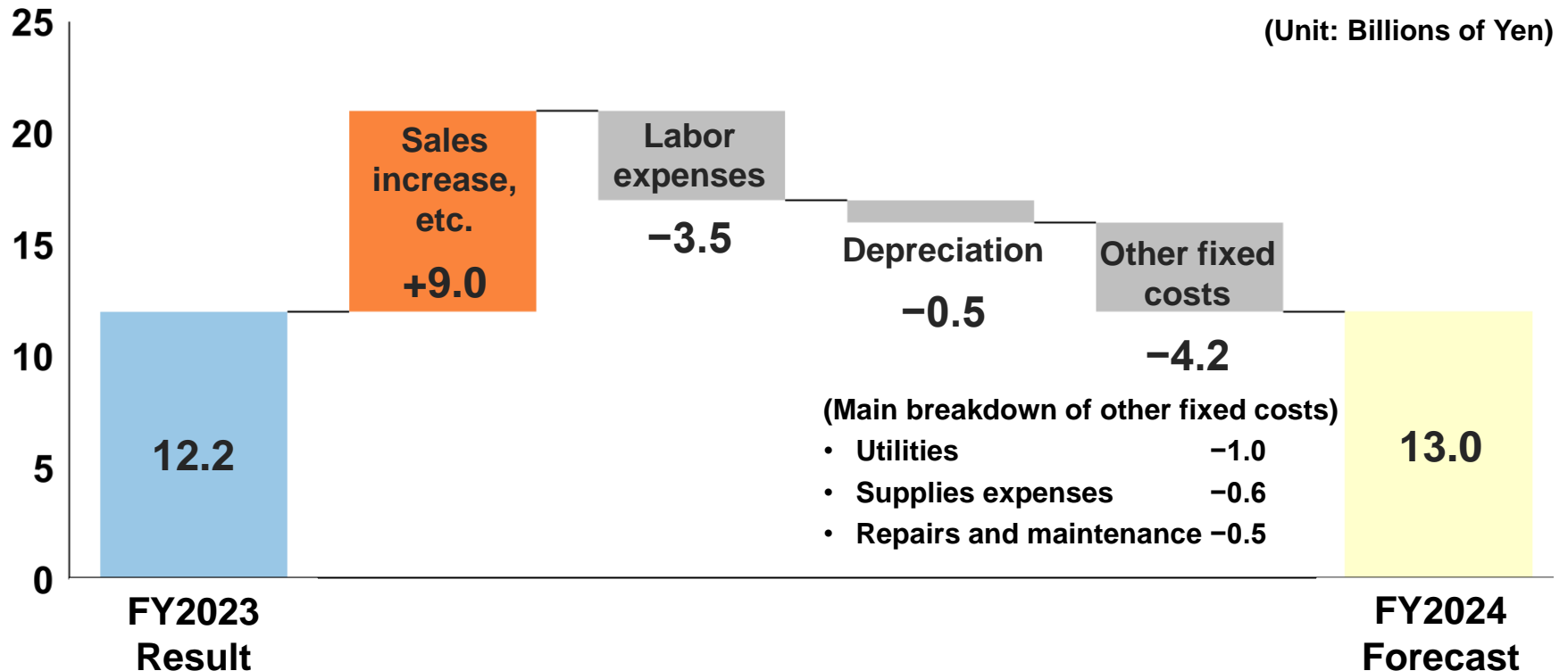
(Unit: Billions of Yen)

(Unit: Billions of Yen)



# Analysis of Changes in Operating Income Forecast

- Labor expenses will increase due to wage hikes in Japan and overseas, and an increase in the number of overseas employees.
- Other fixed costs also will increase due to increased semi-variable costs resulting from increased production volume.
- Operating income is expected to increase due to continued efforts for cost reduction and productivity improvement, despite increased expenses.



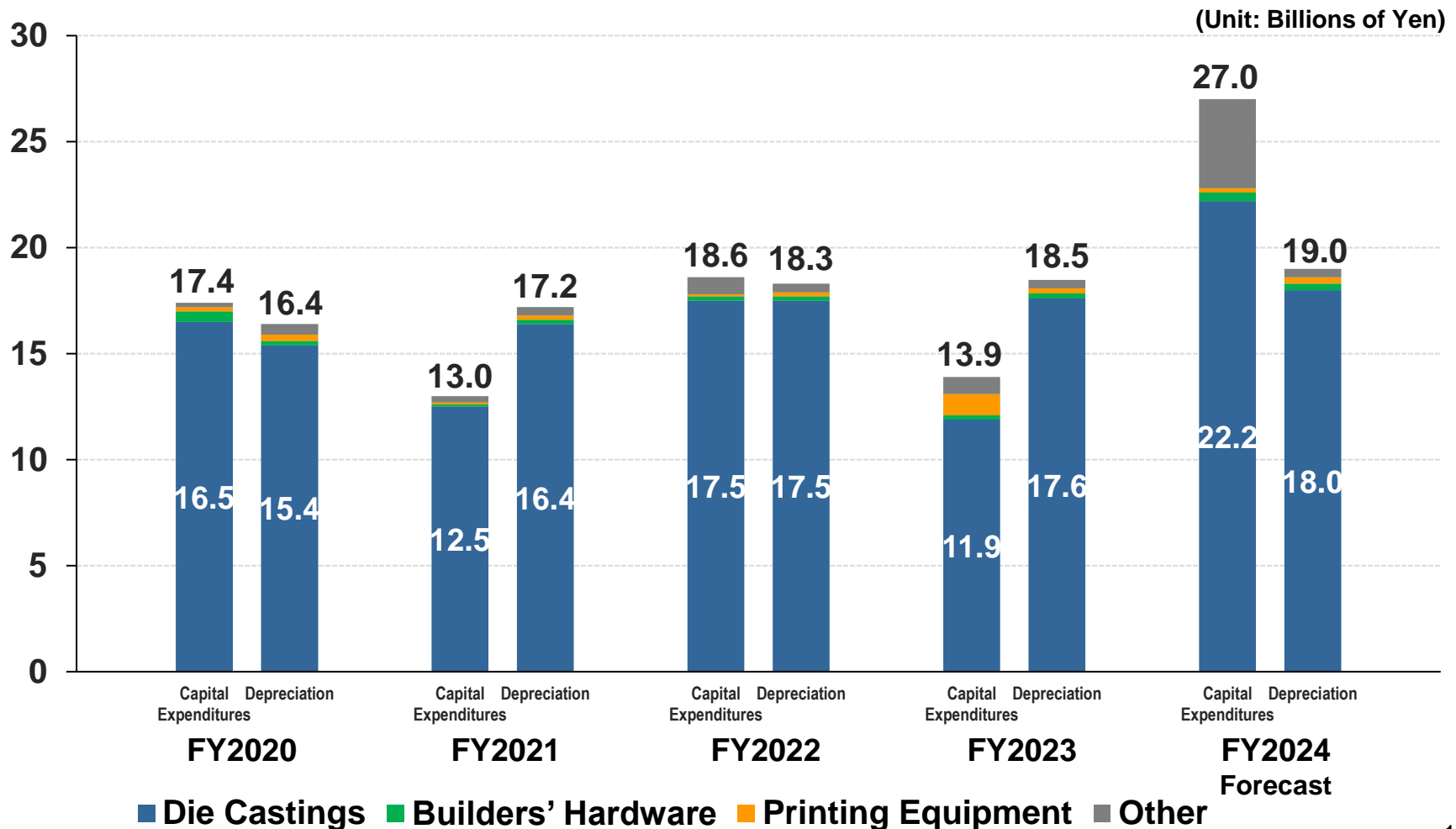
Exchange rates (average for the period)	USD	GBP	CNY	THB
FY2023 Result	¥140.69	¥174.49	¥19.83	¥4.03
FY2024 Forecast	¥140	¥180	¥19.5	¥4.0

Annual impact of yen appreciation on operating income (1% higher than forecasts)	
USD	- ¥50 million
GBP	- ¥10 million
CNY	+ ¥20 million
THB	- ¥10 million



# Trends in Capital Expenditures and Depreciation

- For FY2024, investment is expected to be 27.0 billion yen; depreciation is expected to be 19.0 billion yen.
- Increased both in Japan (various equipment relating to giant casting machine, and new head quarter building, etc.) and overseas due to investments to expand production capacity and introduce new technologies.

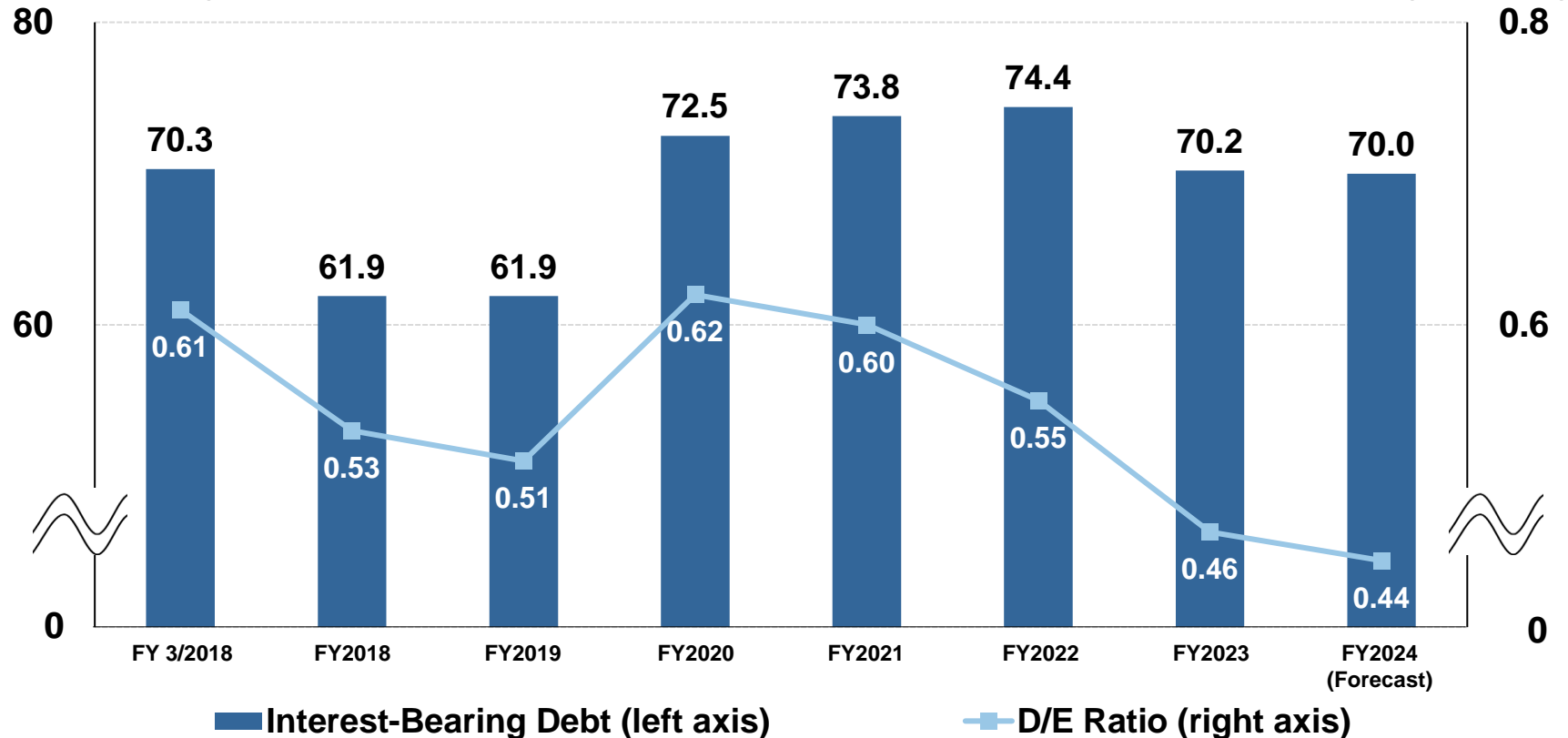


# Trends in Interest-Bearing Debt and D/E Ratio

- Interest-bearing debt at the end of FY2024 is expected to be 70.0 billion yen.
- Controlled increase in interest-bearing debt by meeting investment expenditures with improved fund efficiency and other efforts.

(Unit: Billions of Yen)

(Unit: Times)



	FY 3/2018	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
Borrowing dependence (Interest-bearing debt/total assets)	25.8%	23.0%	23.5%	28.0%	26.4%	24.8%	22.0%	21.4%

### **3. Status by Business Segment & Topics**

# Die Castings

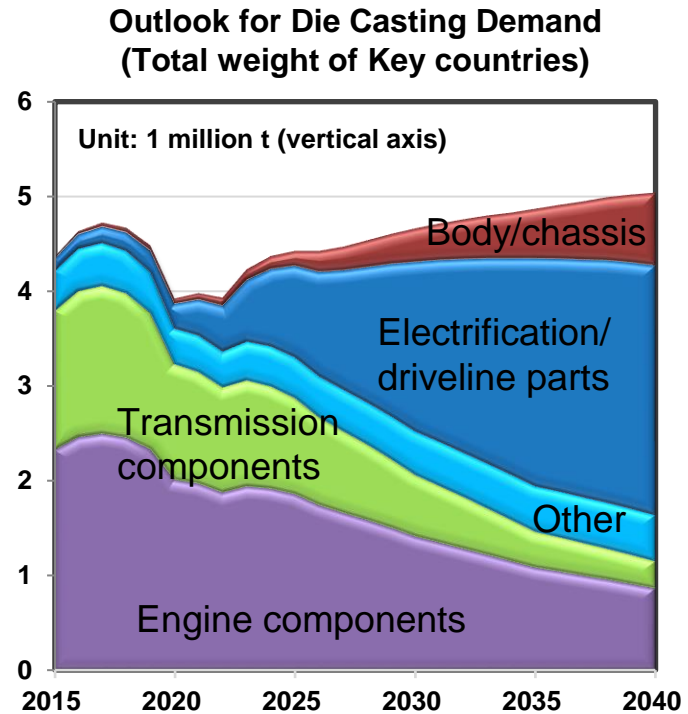
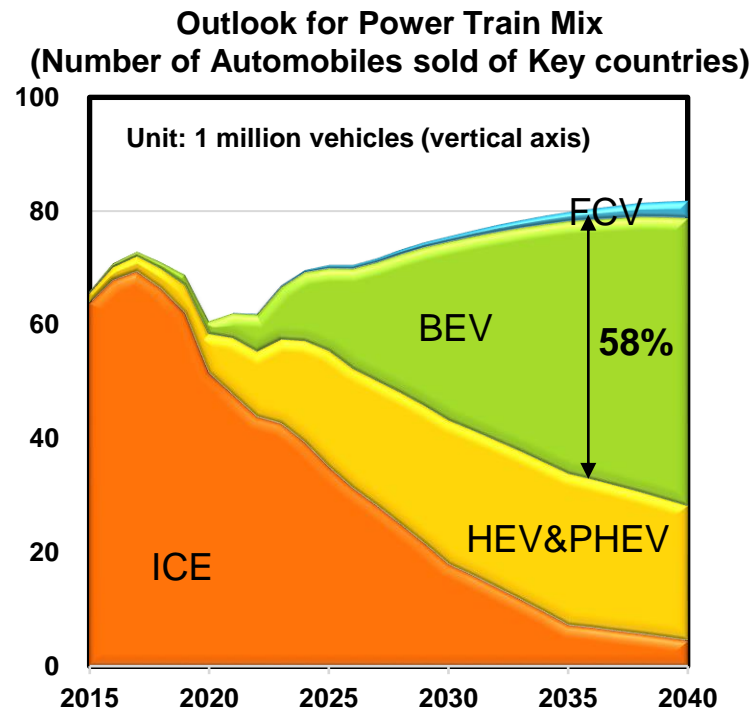
## Initiatives to achieve weight reductions and electrification – External conditions for the Die Castings business –

- New automobile sales is expected to increase up to around 2040.
- Surely proceed to BEV (percentage of BEV in 2035 is 58% Projection as of October 2022: 54%).
- On the other hand, a realistic transition is being explored, including postponement of the ban on ICE vehicle sales in Europe.
- HEVs will continue to have a significant presence in the 2030s.
- Production volume of large die casting products is on an increasing trend.
- Body/chassis and electrification parts sales will increase, therefore we expect demand of die casting will increase.

### Sales volume base

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

As of October 2023



# Die Castings

## Main points of growth strategy

### (Market environment)

- Although expected to decrease in the future, short-term demand for components for ICE vehicles remains strong.
- Demand for die castings is increasing with the growth in orders received for weight reduction and electrification components.
- Despite the continuation of uncertain situations including in Ukraine, global automotive production has been recovering.
- The needs for cost reduction by integrated casting of massive casted parts and CO<sub>2</sub> emissions reduction will increase in the future.



### (Our growth strategy)

- **Responding to demands for weight reduction and the electrification of automobiles**  
Expanding the sales of body and chassis parts for reducing vehicle body weight as well as electrification components such as e-Axle cases and battery cases.
- **Providing high-quality products**  
Development to meet the needs of global automotive manufacturers; further improvement of a supply system.  
Expanding adoption of our products by developing and proposing new products.
- **Building an optimal supply chain**  
Maintaining and improving good relations with business partners; establishing a stable supply system.
- **Initiatives for massive casted parts of automobiles**  
Establishing technologies for massive casted parts and developing innovative production methods to meet future needs.

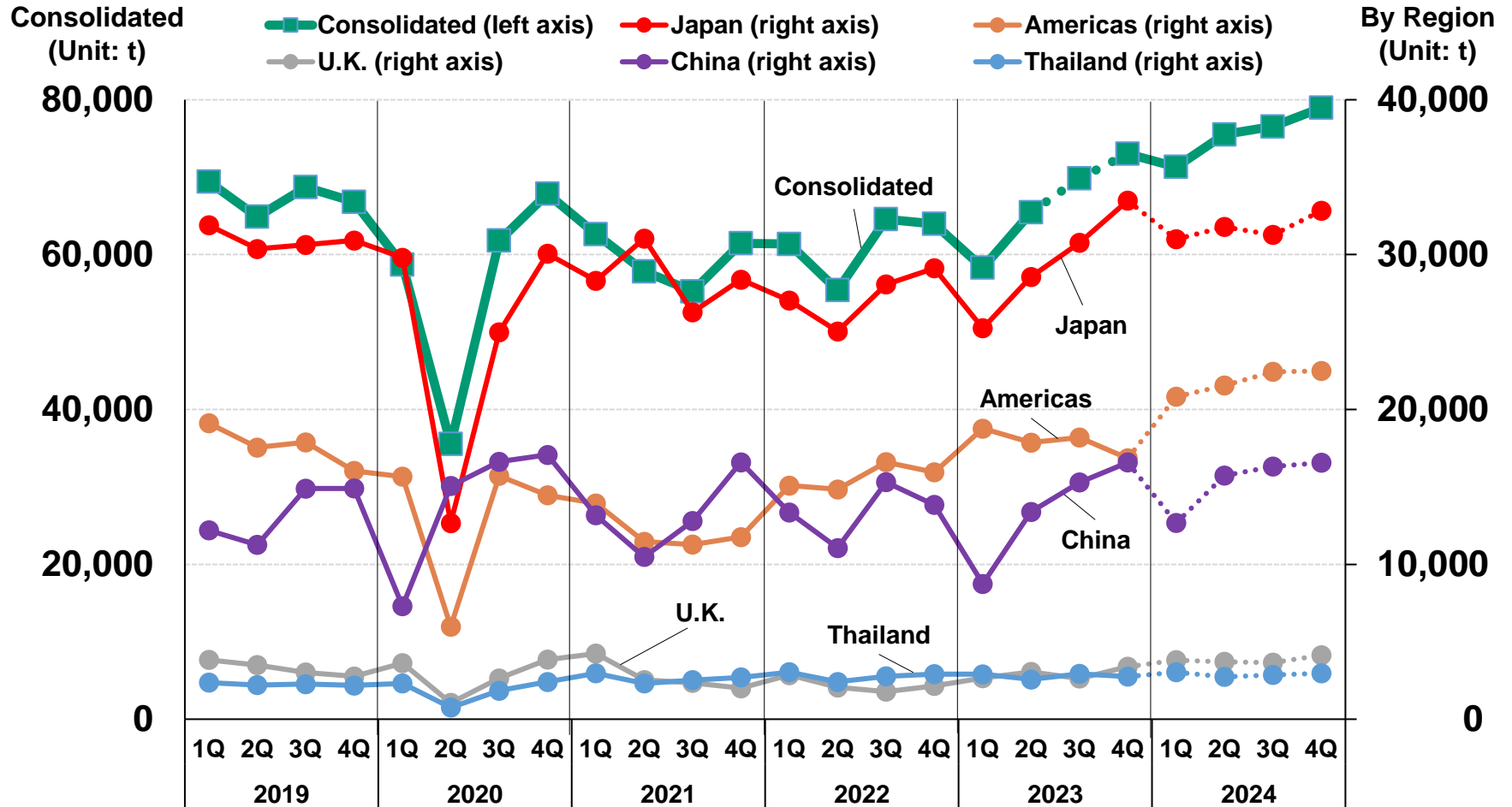


**Maintaining and growing trust from automotive manufactures globally to expand our business.**

# Trends in Production Weight of Die Castings

- All regions are expected to see a year-on-year increase in FY2024.
- Production weight is expected to reach the highest record, exceeding 300,000 tons per year (consolidated).

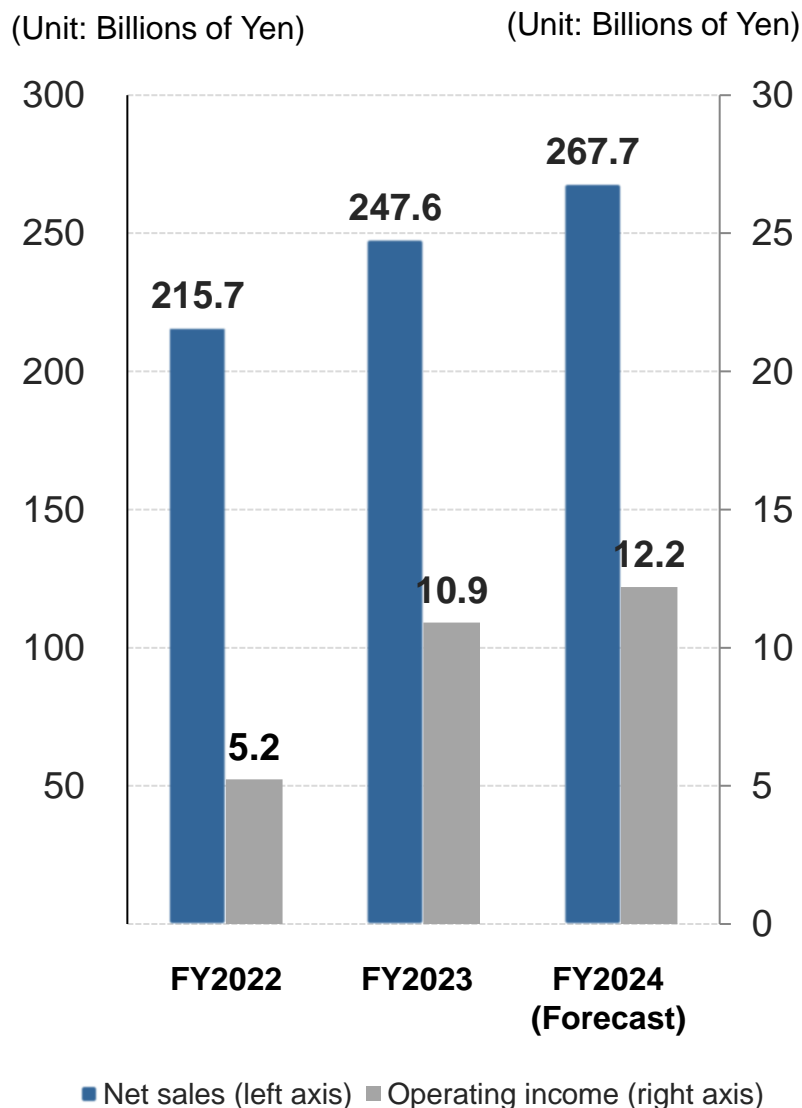
Trends in production weight (FY2019 1Q – FY2024 4Q)



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

# Die Castings – Summary –

## Forecasts of net sales and operating income



## FY2024 regional conditions

### (Japan)

Automotive production on recovery trend, with shortage of semiconductors and other components largely resolved.

### (Americas)

Sales and profits to increase due to increased production volume and new product launches, despite higher labor expenses.

### (U.K.)

Sales to increase and profits to become positive due to the recovery in automobile sales in Europe, despite the delay in new product launches.

### (China)

Sales to increase due to new product launches despite the struggle involving Japanese and western automotive manufacturers owing to the advance of Chinese-owned automotive manufacturers.

Profits to decline due to increased price-cut demands and increased labor expenses.

(Unit: Billions of Yen)

Net sales	FY2022	FY2023	FY2024 (Forecast)
Japan	93.0	102.0	109.5
Americas	58.2	74.1	82.7
U.K.	13.0	16.6	19.1
China	42.6	44.8	46.0
Thailand	8.9	10.0	10.4

# Die Castings

Initiatives to achieve weight reductions and electrification – Exhibiting at EUROGUSS2024 –

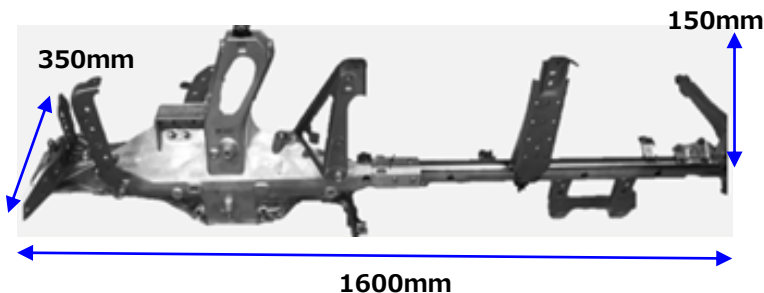
- EUROGUSS2024 January 16-18, 2024 Held in Nuremberg, Germany
- Aluminum die casting products for BEVs and latest technologies under development exhibited as a reference.
- Proposed various solutions contributing to vehicle weight reduction.

## Key products exhibited

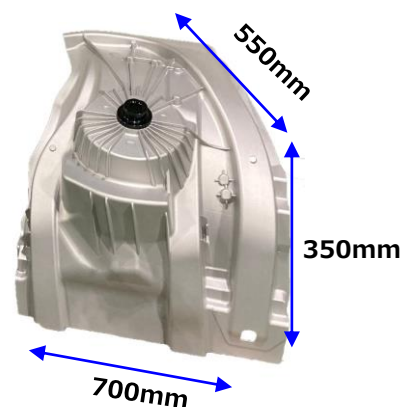
- Body and chassis parts contributing to improving rigidity and weight reduction (e.g., steering supports, shock towers)
- Newly developed products for BEVs using laser welding and other joining technologies (e.g., battery cases)



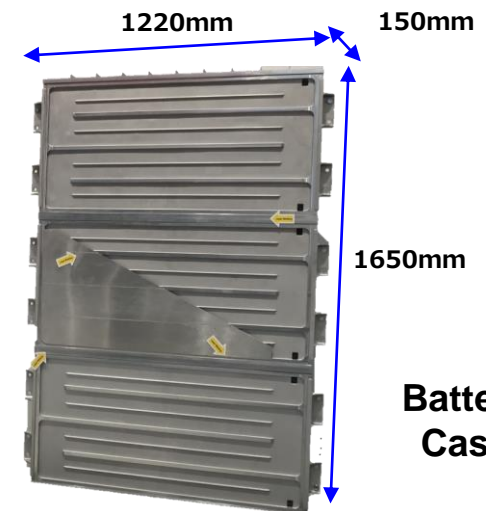
## Exhibit examples



Steering Support



Shock Tower



Battery Case

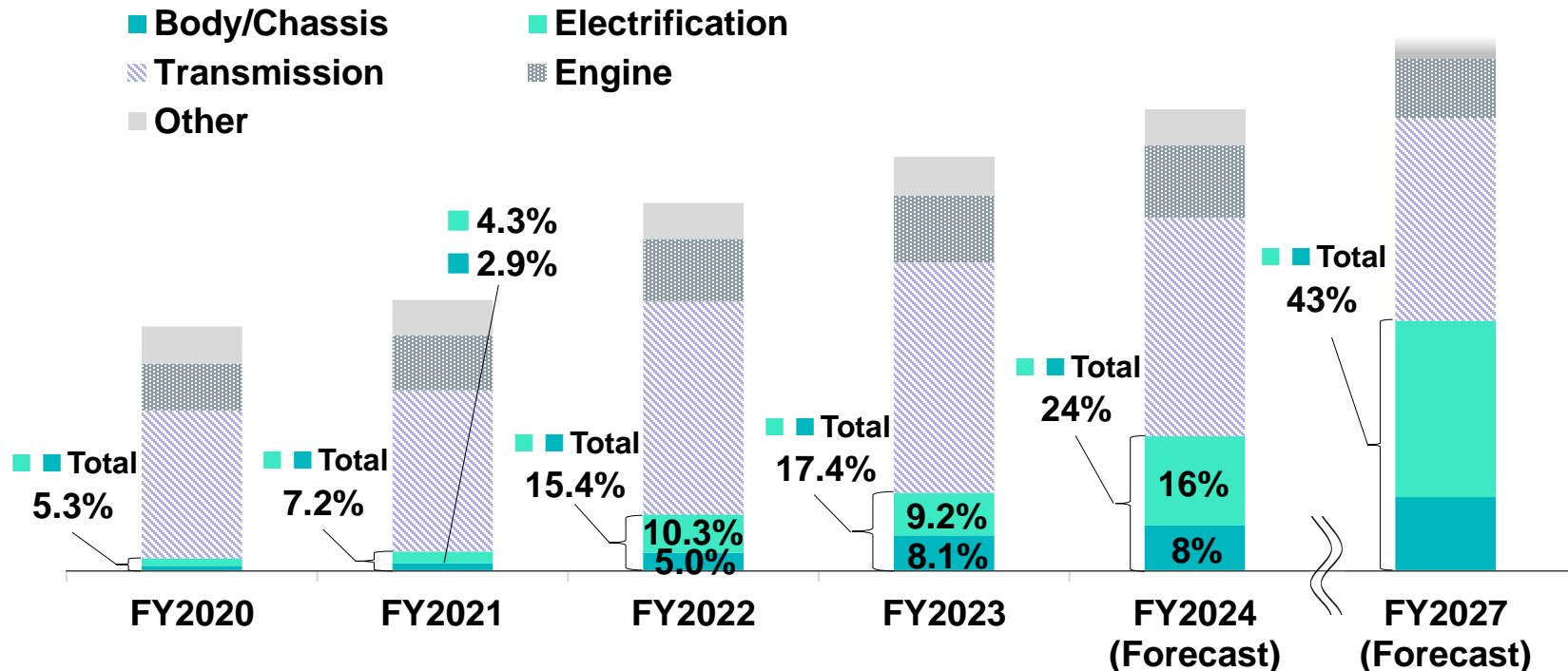


# Die Castings

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

- Sales of electrification, body, and chassis parts show solid growth.
- We expect these products to account for 43% of net sales in 2027.
- Electrification and body/chassis components accounted for approximately 86% of new orders in the FY2023.  
(FY2020: 38%, FY2021: 55%, FY2022: 77%)

## Trends in sales and share by die casting parts category



# Die Castings

## Initiatives to achieve weight reductions and electrification

– Efforts relating to massive casted parts of automobiles–

- Market situation surrounding massive casted parts; increased needs.
- As the leading specialized die casting company, offering manufacturing and die technologies surpassing inhouse manufacturing by automotive manufacturers will lead to improving our corporate value.



- Decision to introduce giant casting machine (July 2023) to begin prototyping services for massive casted parts (March 2025).
- Investment amount: Approx. 5 billion yen in total  
Location: At the site of the Kikugawa Plant (Kikugawa-shi, Shizuoka-ken)
- Placed order for casting machine with 6,500 - ton clamping force manufactured by UBE Machinery (September 2023).
- Starting construction of a new plant building (April 2024).
- Die plant to be built on the site for quick turnaround on prototyping.

Anticipated prototypes:  
Battery case,  
Front/rear underbody



Conceptual image of giant casting machine

# Die Castings

## Initiatives to achieve weight reductions and electrification

– Efforts relating to massive casted parts of automobiles–

- While massive casted parts have advantages, many issues remain to be resolved.
- Through provision of the prototyping service, we will seek to accumulate technology and solve issues along the way.

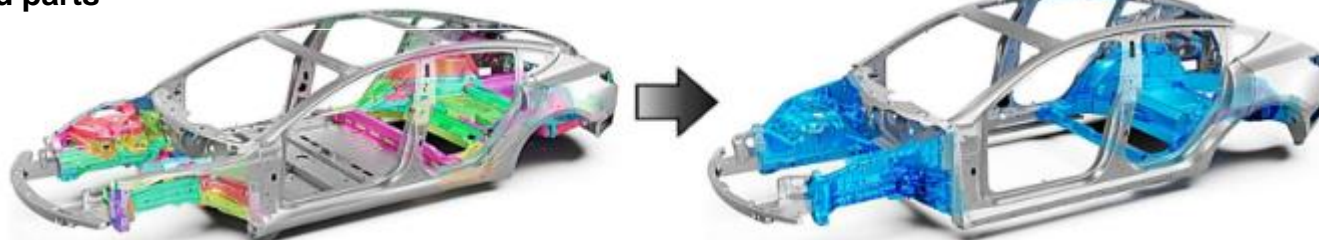
### Advantages

- ✓ Cost reduction from improved productivity and reduction in number of processes
- ✓ Contribution to weight reduction and sustainability
- ✓ Capturing market needs for massive casted parts

### Issues

- ✓ Securing high level of productivity to recover initial investment
- ✓ Handling transportation of massive casted parts
- ✓ Controlling and stabilizing production conditions (Filling aluminum in short times and with high accuracy)
- ✓ Securing space inside building, automating conveyance
- ✓ Manufacture and handling of large dies

Image of reduction in number of components with massive casted parts



Existing production method  
Consisting of many components

Massive casted parts  
Consisting of several components

# Builders' Hardware

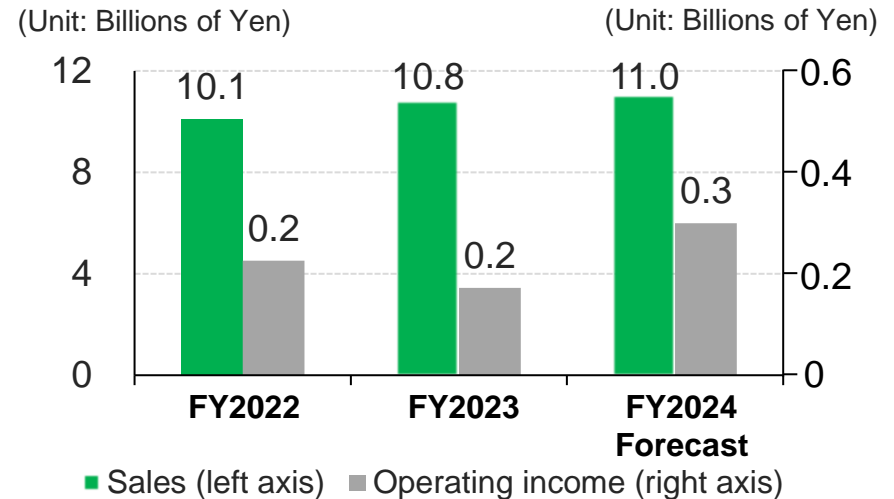
## Business environment

- In Japan, the market for residential housing starts and (non-residential) buildings is almost flat.
- Increased procurement cost due to strengthening of the Chinese yuan.
- Growing demand for non-contact devices in the living environment field.
- Domestic demand for remodeling and renovation is growing.

## Main initiatives

- Improve profitability in the Japanese market.
- Expand sales of high-value-added products (next-generation key products).
- Expand sales in overseas markets.
- Take preventive measures against possible defectiveness and promote quality stabilization.

## Forecast of sales and operating income



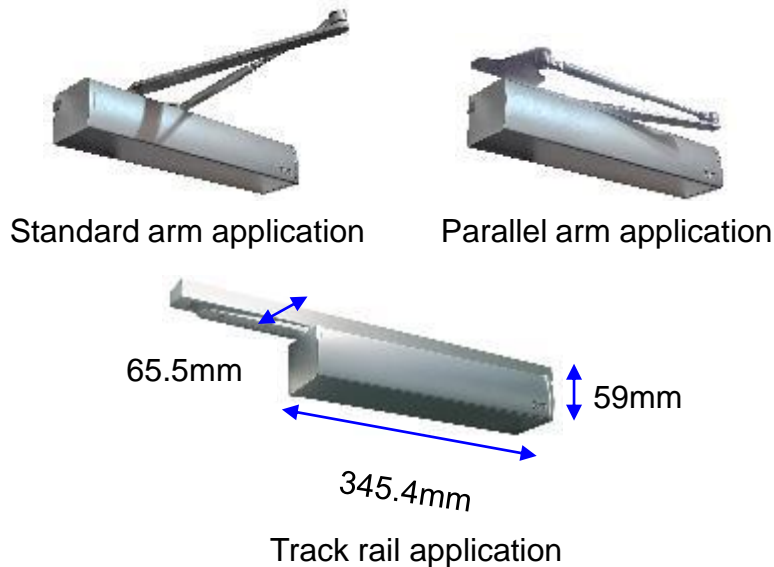
## Performance summary

- **(FY2023)**  
Sales increased both in Japan and overseas.  
Profits declined due to factors such as rising procurement costs of overseas production and increasing labor costs.
- **(FY2024 forecast)**  
Sales are expected to increase both in Japan and overseas. Profits are expected to increase due to higher sales.

# Builders' Hardware

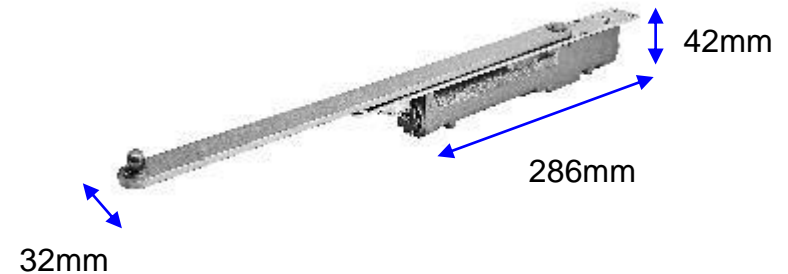
## Topics in the Builders' Hardware business

The RUCAD electric door opening/closing equipment  
The new RU-020 model released



- ✓ Closes automatically during power failures by emergency power supply.
- ✓ Expanded range of applicable door size and weight.
- ✓ Adapts to various living spaces through three types of application methods.

Flagship model  
The GEOPRO series GCC-4V released



- ✓ New product in concealed-in door closers widely used in prestigious buildings.
- ✓ Most compact body among existing concealed-in products.
- ✓ Can be mounted in doors with small internal housing space.

# Printing Equipment

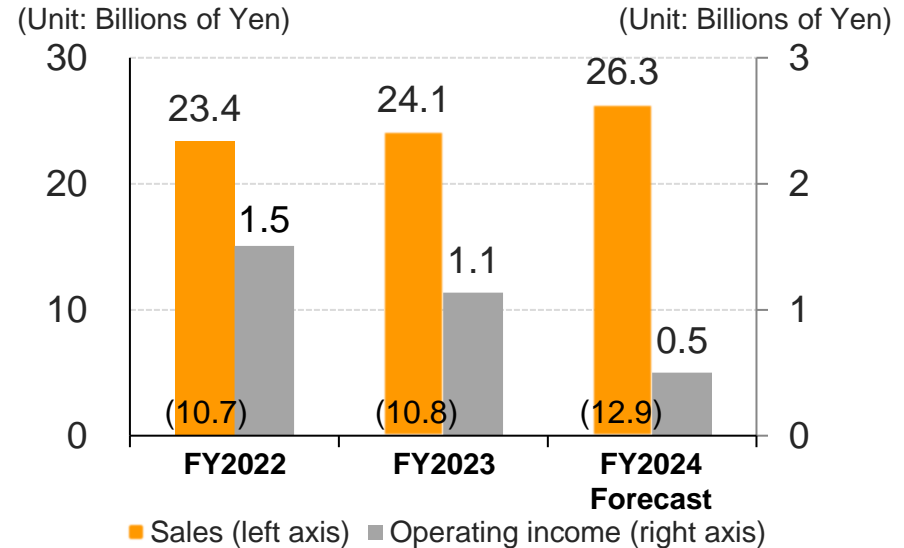
## Business environment

- Demands for automation and labor savings due to labor shortages and aging of printing press operators.
- Steady sales of presses for package printing.
- Continuation of soaring prices of procurement items.
- Decrease in paper supply and sharp rise in prices are leading to a shift away from printing.
- Shake-out of offset press manufacturers is going on after the 2008 financial crisis and COVID-19 pandemic.

## Main initiatives

- Collaboration and new businesses through alliances with companies in the printing industry.
- Development of automation, labor-savings, and assist functions for printing presses.
- Sales expansion of new model 970 series.
- Strengthening sales of package printing models.
- Reflecting higher raw material prices in selling prices.

## Forecast of sales and operating income



\* Figures in parentheses indicate export components of sales.

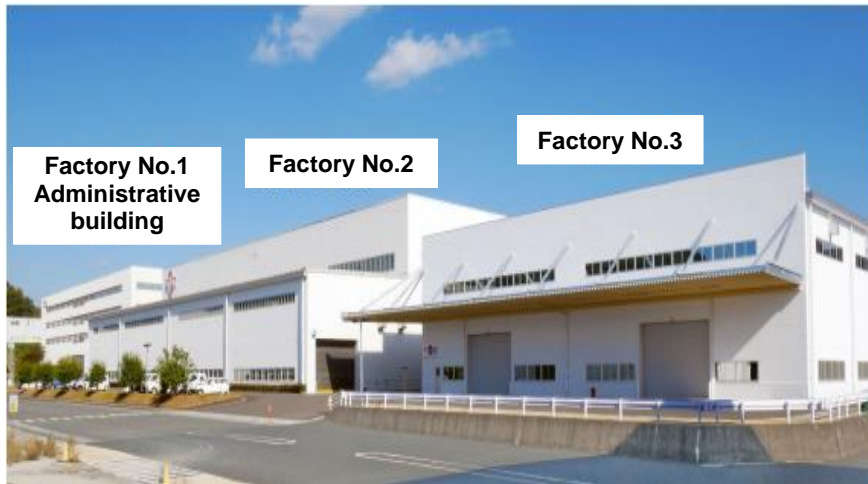
## Performance summary

- **(FY2023)**  
Sales increased both in Japan and overseas. Profits declined due to the effects of soaring raw material prices and increasing labor costs.
- **(FY2024 forecast)**  
Sales are expected to increase both in Japan and overseas. Profits are expected to decrease due the effects of soaring raw material prices, exhibition expenses, and other related factors.

# Printing Equipment

## Topics in the Printing Equipment business

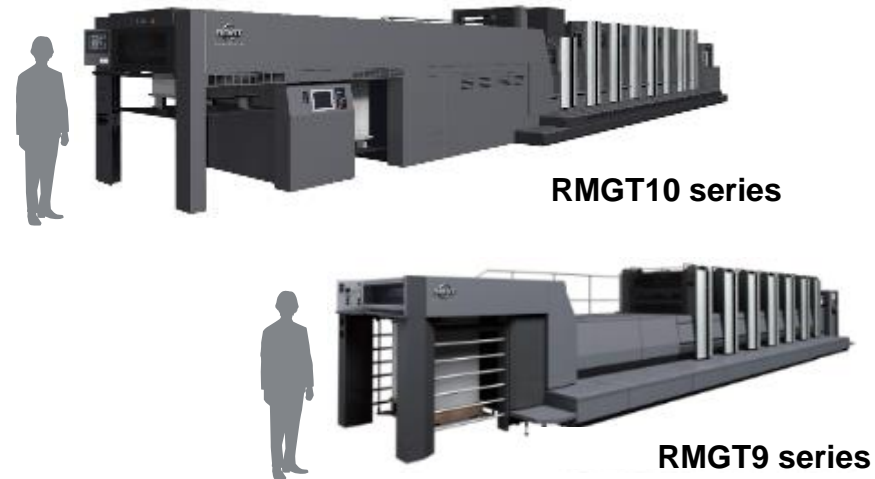
### Completion of brand-new factory



**Factory No. 3 was completed in November 2023, and production started. Striving to optimize production systems and improve productivity by consolidating scattered factories.**

- Location: Fuchu-shi, Hiroshima-ken
- Facility use: Assembly and inspection of sheetfed offset presses
- Total floor area: 4,400 m<sup>2</sup>  
(Total floor area: Factory No.1 10,000 m<sup>2</sup>; Factory No.2 19,300 m<sup>2</sup>)

**Introduced new equipment and other features for the package printing market**



**New specifications and equipment introduced in mainstay models**

- ✓ **RMGT9 Series**  
Added new specifications for low cost, high quality printing on thick cardboard.
- ✓ **RMGT10 Series**  
Added equipments contributing to reducing workload.

## **4. Sustainability / ESG**



# Sustainability / ESG

## Environmental Initiatives

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

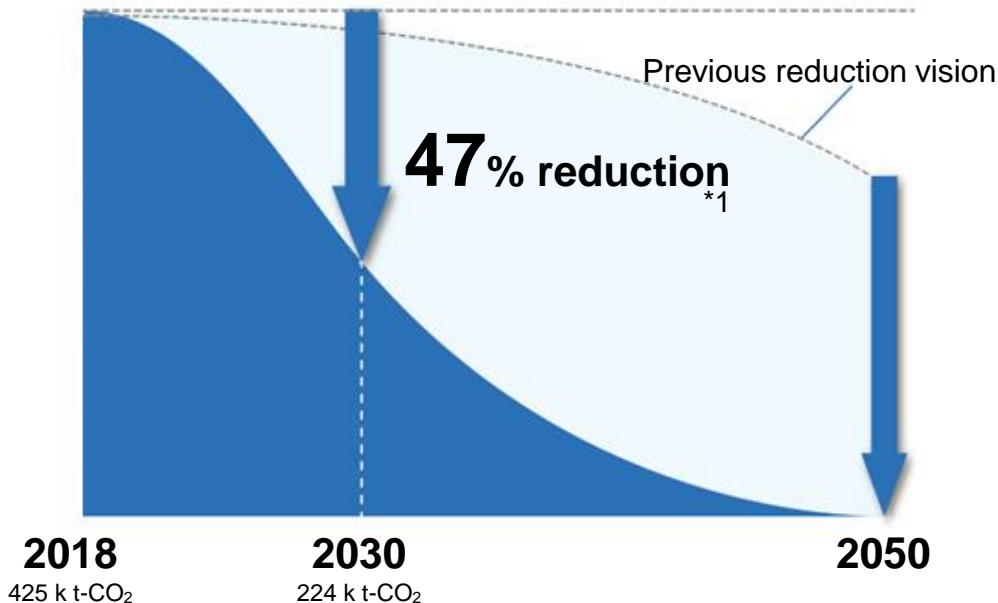
Achieve carbon neutrality by 2050

Curb CO<sub>2</sub> emissions from domestic and overseas facilities by at least 47% from the FY2018 level by 2030. (\*1)

#### Initiatives in 2023

- Introduced an internal carbon pricing system (\*2) as a criterion for investment decisions.
- Promoted the introduction of energy-saving equipment and transformation of mindset of individual employees.

#### 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.)

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

\*2 System of translating the volume of CO<sub>2</sub> emissions reduced into a monetary expense figure by applying an internal carbon price system and using it in investment decisions and other situations.

# Sustainability / ESG

## Sustainability topics

### Biodiversity education (S)

Implemented ayu fish release experience learning for the following objectives:

- Contribute to preservation of biodiversity.
- Nurture environmental awareness in children, who will be the driving force of the next generation, to care for plants and animals.

### Investment in human capital (S)

- Established a learning management system and strengthened the workplace education support system through the implementation of microlearning.
- Established “the Mental and Physical Health Promotion Committee” to maintain and improve the health of employees.
- Awarded as a Certified Health and Productivity Management corporation for guidance on health and initiatives for improving lifestyles (fourth time in a row).



### Initiatives for proper transactions (S)

Based on our Partnership Building Declaration, actively promoted initiatives to enforce proper transactions.

- Phased implementation of shortening of payment terms
- Began discussions on appropriately reflecting labor expenses in prices.



# **5. Financial Strategy**

## Measures to realize management conscious of capital cost and stock price

### Current state analysis

- With the exception of a period in 2018, PBR has been below 1 for a long time.
- One contributing factor is the return on capital (ROE of about 5%) being lower than the cost of capital (cost of equity capital of about 8-9%) (i.e., the equity spread is negative).
- While the company cannot control its stock price, we need to recognize the market's valuation of our company, demonstrate our businesses and their growth potential and future prospects, and implement measures for improvement (the medium-term management plan is not disclosed).

### Policy for improvement

With the Die Castings business as our core business, we will continue to invest in future growth areas to strengthen earning power. At the same time, we will formulate medium- to long-term business strategies to enhance corporate value, promote and disclose specific initiatives, and thereby seek to improve the market's valuation of our stock price.

$$\text{PBR} = \text{ROE} \times \text{PER}$$

#### Measures to improve ROE

##### Strengthening earning power

- Continue to invest in growth areas and seek to increase orders received for strategic products (for electrification and weight reduction).
- Maximize profits by reducing costs through productivity improvements.

##### Improving asset efficiency and promoting financial strategy

- Reduction in cross-shareholdings. Periodic verification of appropriateness of cross-shareholdings and systematic sales of cross-held shares.
- Stable shareholder returns Continue stable shareholder returns with a dividend payout ratio of 30% as a guide.
- Strengthen investment in human capital to improve employee capabilities and job satisfaction.

#### Measures to improve PER

##### Enhancing IR activities

- Disclose Medium-Term Management Plan and KPIs. 2025 Medium-Term Management Plan to be disclosed in early 2025.
- Promote active dialogues with shareholders and investors.
- Enhance IR events (factory tours, etc.) and IR materials (research reports, English language disclosures, etc.).

# Status of IR Activities (January - December 2023)

## Status of meetings, etc.

- Financial results briefings: Two times
- Dialogues with institutional investors and analysts: 151 times (total number of sessions)
- Factory tours: Once
- Small meetings: Three times (total number of participants: 73)

## Main hosts handling the events

Financial results briefings	President and CEO, Corporate Officer General Manager of Corporate Planning Div., Corporate Officer General Manager of Finance Dept.
Investor interviews	Corporate Officer General Manager of Finance Dept., etc.
Small meetings	Corporate Officer General Manager of Finance Dept., etc.
Factory tours	Plant Manager, General Manager of Research and Development Dept., etc.

## Main themes and shareholders' areas of interest

- Status of recovery of automotive production in the Die Castings business; production trends by region
- Our strategy and initiatives for vehicle electrification
- Impact of rising energy and material costs on business
- Developments toward larger automotive parts and our strategies and initiatives
- Impact of exchange rate fluctuations on business
- Initiatives to address PBR of less than 1
- Policy on shareholder returns
- Our view on reducing cross-shareholdings

## Feedback to management

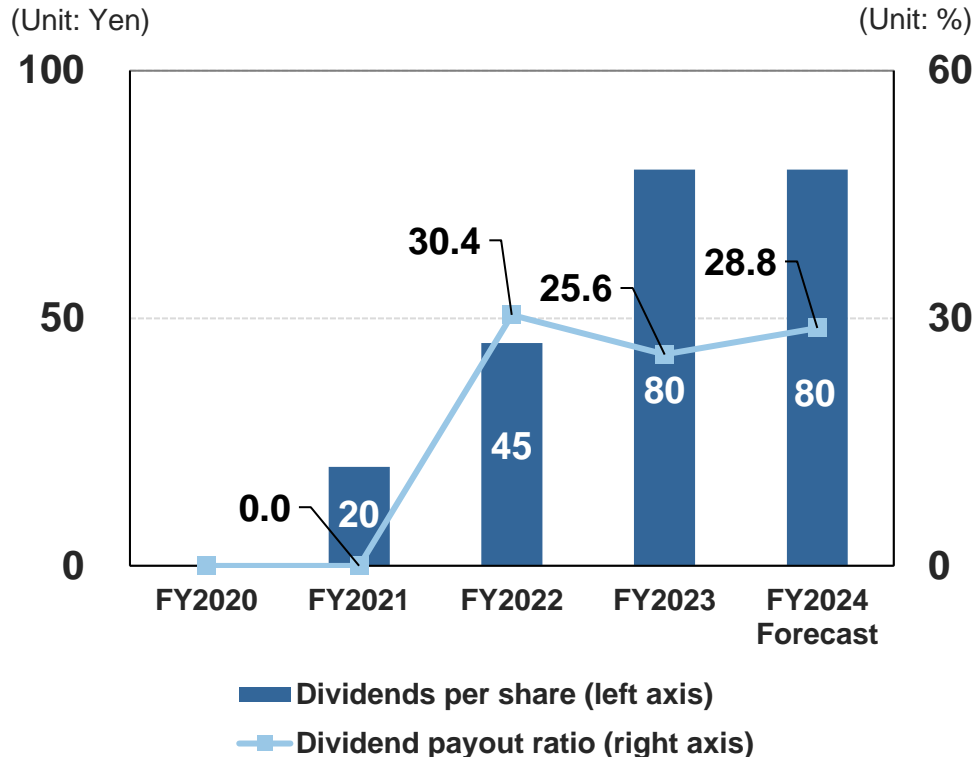
	Frequency	Content
Comments from investors and analysts	Semi-annually	Summarize comments from investors and analysts in individual interviews and other occasions and report them at board meetings.
Analyst reports	As published	Report analyst reports published by securities firms by e-mail.
Stock price information	Monthly	Report analysis of market conditions, company's stock price trends, trading volume, etc. by e-mail.

## Results of dialogues with shareholders and investors

Request	<ul style="list-style-type: none"> <li>• Would like to see trends in demand for electrification and weight reduction components in Die Castings in an easy-to-understand presentation.</li> </ul>
Response	<ul style="list-style-type: none"> <li>• Explained numerical forecasts for demand trends by fiscal year in financial results briefing materials.</li> </ul>
Request	<ul style="list-style-type: none"> <li>• Would like a factory tour organized.</li> </ul>
Response	<ul style="list-style-type: none"> <li>• Conducted in the fall of 2023.</li> </ul>
Request	<ul style="list-style-type: none"> <li>• Would be nice to have materials giving an overview of financial results in the first and third quarters as well.</li> </ul>
Response	<ul style="list-style-type: none"> <li>• Disclosed materials on the website from the third quarter of 2023.</li> </ul>

# 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 FY2023 were 30 yen higher than initial forecast, based on annual performance, financial position, and other factors (annual dividends were 80 yen, up 35 yen from the previous year).
- Annual dividends of 80 yen per share are planned for FY2024.

	FY2020	FY2021	FY2022	FY2023	FY2024 Forecast
Dividends per share (yen)	0	20	45	80	80
Dividend payout ratio (%)	-	-	30.4	25.6	28.8

## 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

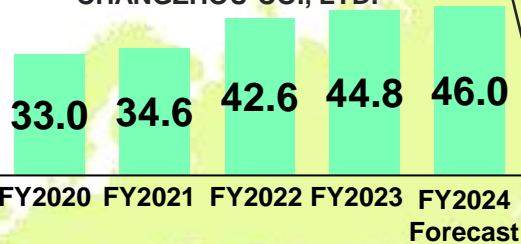


# Die Castings

## Trends in sales by region

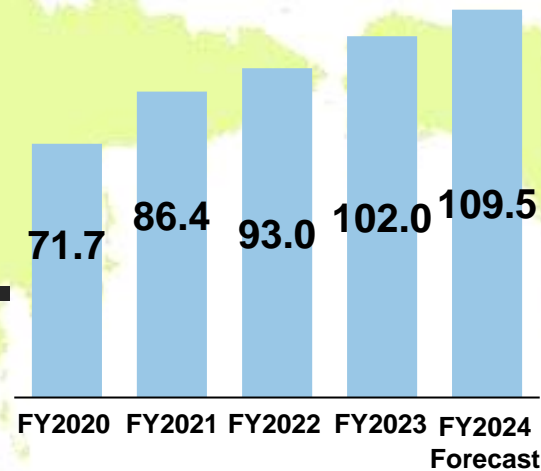
### China

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



### Japan

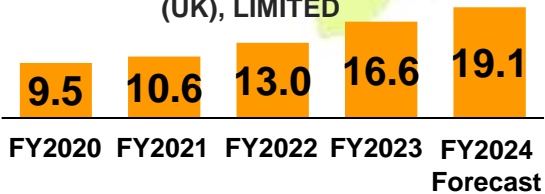
RYOBI LIMITED  
RYOBI MIRASAKA CO.  
RYOBI MITSUGI CO.  
TOKYO LIGHT ALLOY CO., LTD. etc.



(Unit: Billions of Yen)

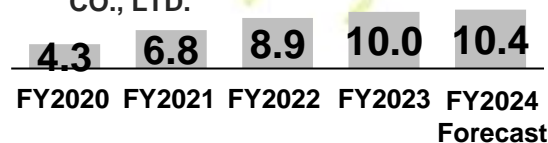
### U.K.

RYOBI ALUMINIUM CASTING (UK), LIMITED



### Thailand

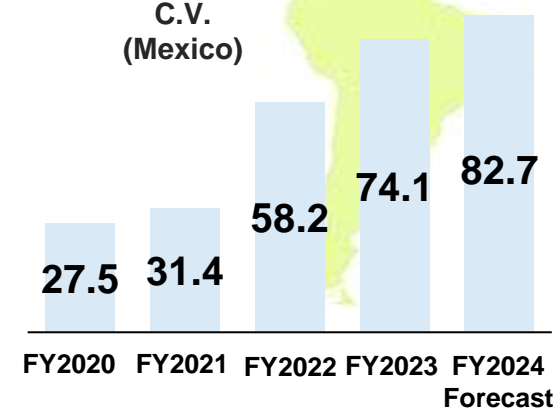
RYOBI DIE CASTING (THAILAND) CO., LTD.



RYOBI DIE CASTING (USA), INC.

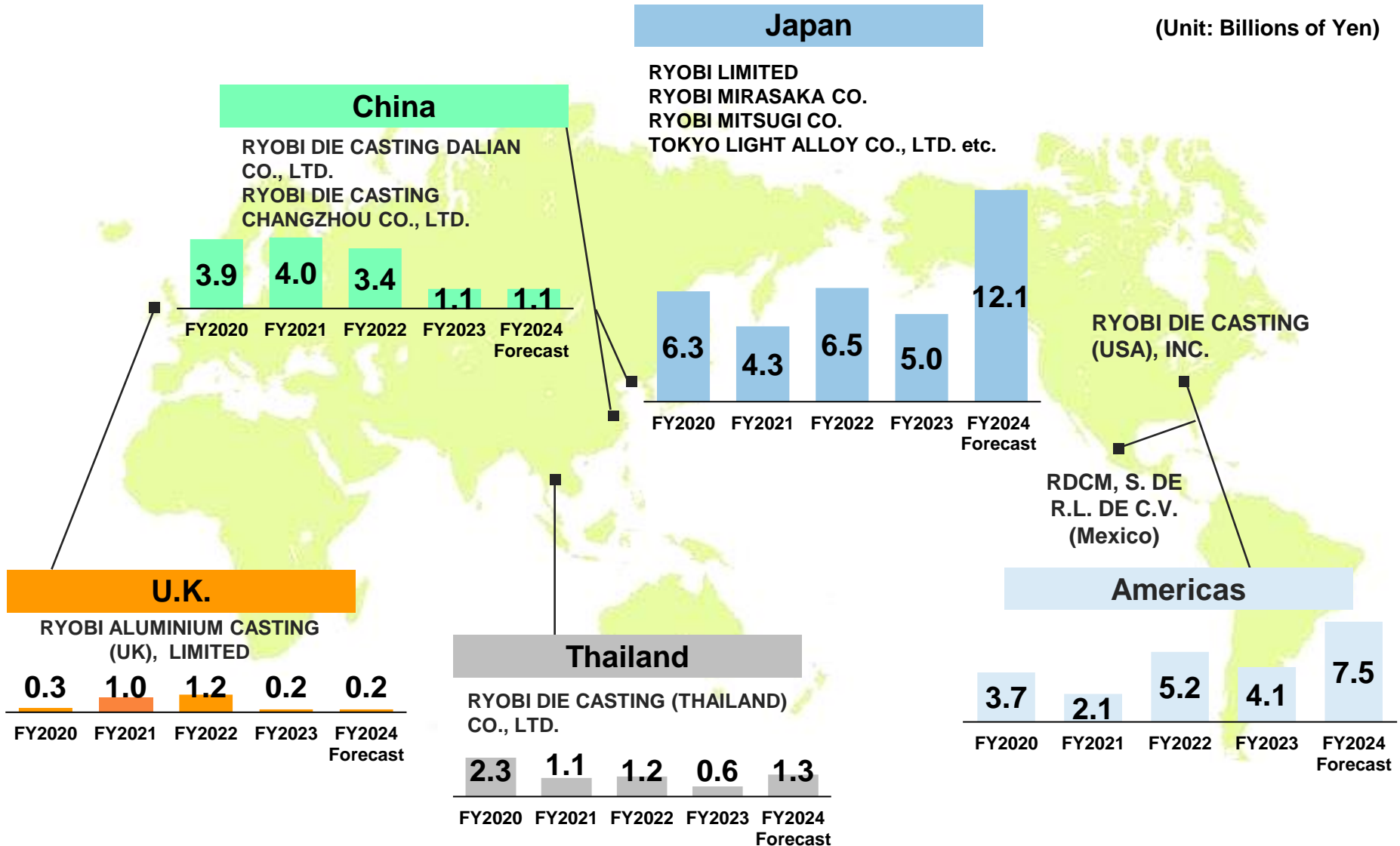
RDCM, S. DE R.L. DE C.V. (Mexico)

### Americas



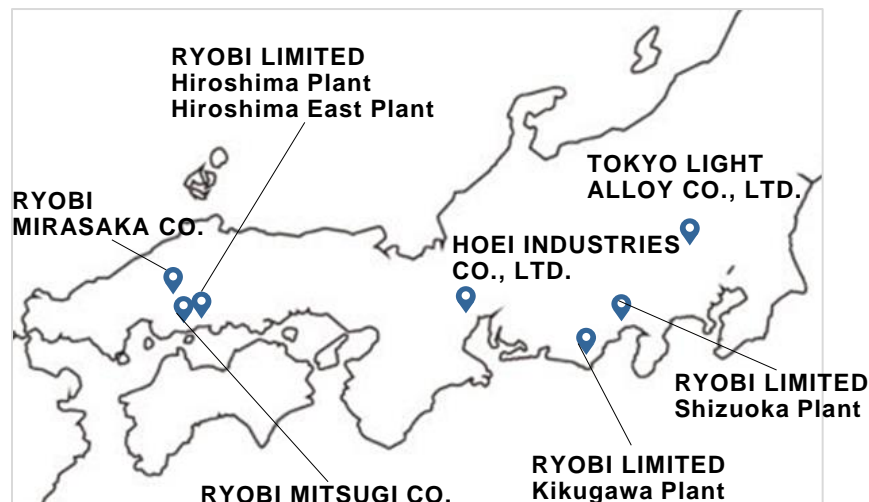
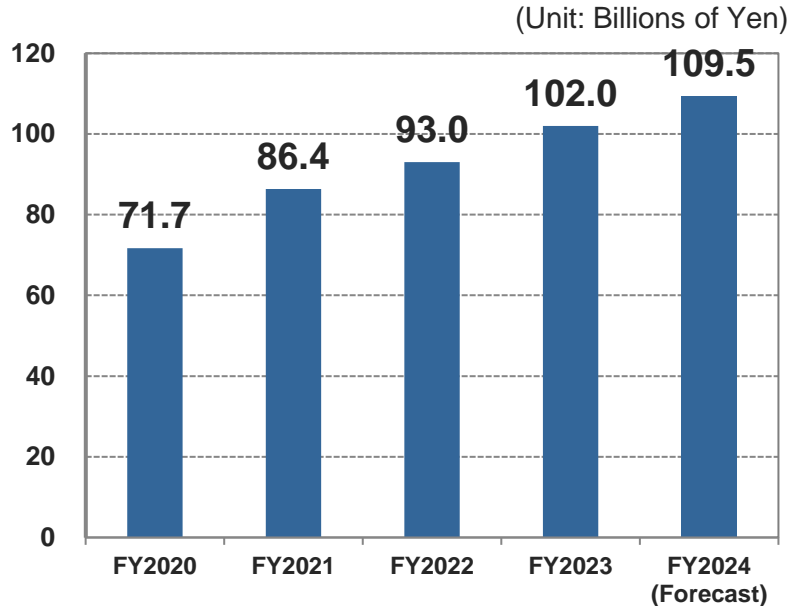
# Die Castings

## Trends in capital expenditure by region



# Die Castings – Japan –

## Sales trend



## Business environment

- The shortage of semiconductors and other parts has largely been resolved. Automotive production shows a recovering trend.
- Although currently lagging behind sales in China, Europe, and the United States, BEV sales will continue to grow, led by policy.
- Automotive manufacturers are divided into those that declare reduction of or withdrawal from engine development and those that continue development.
- Demand for light weight components is growing (replacing iron with aluminum).

## Main initiatives

- Increasing orders received for new strategic products (weight reduction and electrification parts).
- Building structures for production of strategic products.
- Tackling the casting of massive casted parts.

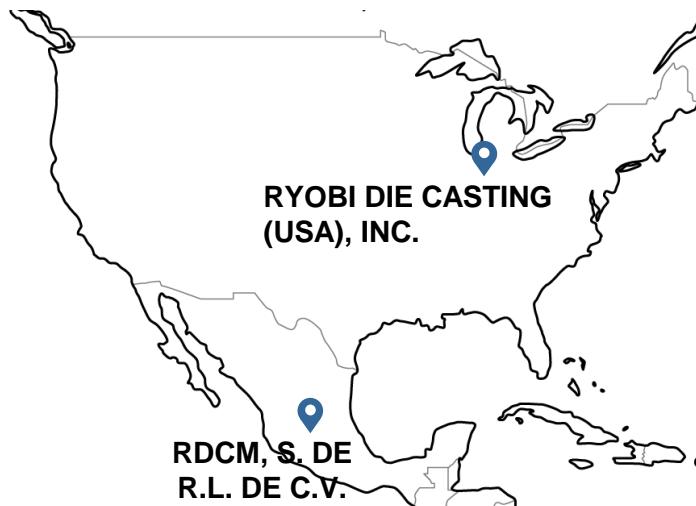
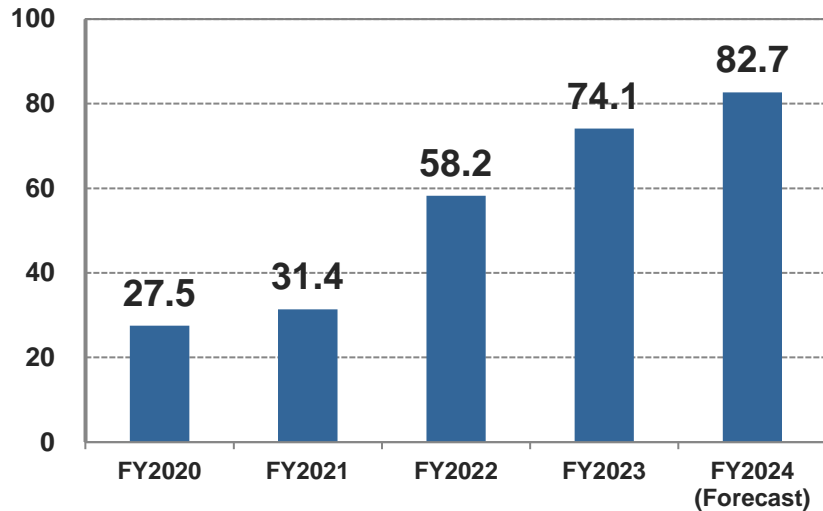


RYOBI LIMITED  
Hiroshima East  
Plant

# Die Castings – Americas –

## Sales trend

(Unit: Billions of Yen)



## Business environment

- Production is on the increase, with problems such as parts shortages and logistics stagnation stemming from the effects of COVID-19 nearly resolved.
- Shifted focus to the more profitable trucks and SUVs and reduced production targets for EVs in the US.
- Increase in labor expenses due to wage hikes (minimum wage increase).
- An interest rate reduction phase will begin in 2024 and appetite for automobile purchases will increase due to improved financing environment.

## Main initiatives

- Smooth launch of new products and improving productivity.
- Responding to rising labor expenses, etc. (review of production processes, etc.)



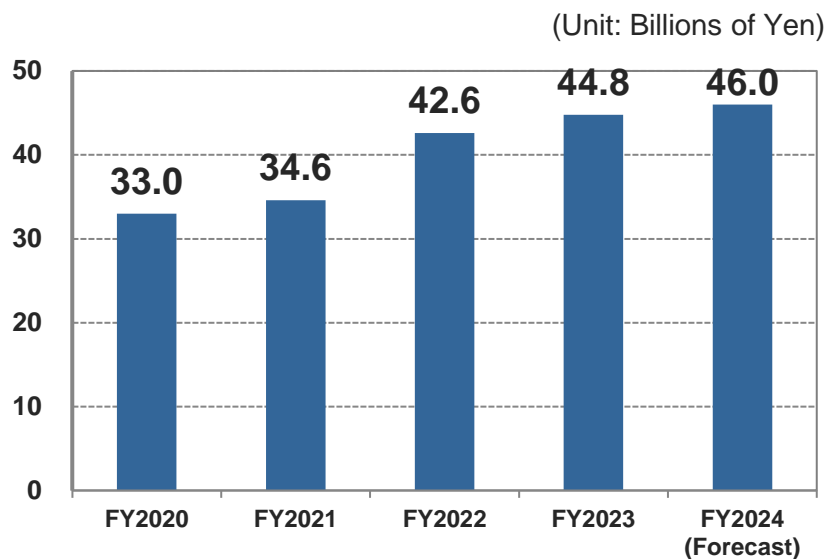
RYOBI DIE CASTING (USA), INC.



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

# Die Castings – China –

## Sales trend



## Business environment

- China's automotive production recovered with the lifting of its zero-COVID policy, expanding to more than 30 million units per year.
- Shares of BEVs and PHEVs sales increased to over 30%.
- Continued Policies favoring BEVs and PHEVs, such as the extension of vehicle purchase tax reduction/exemption and relaxed license plates acquisition conditions.

## 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.**



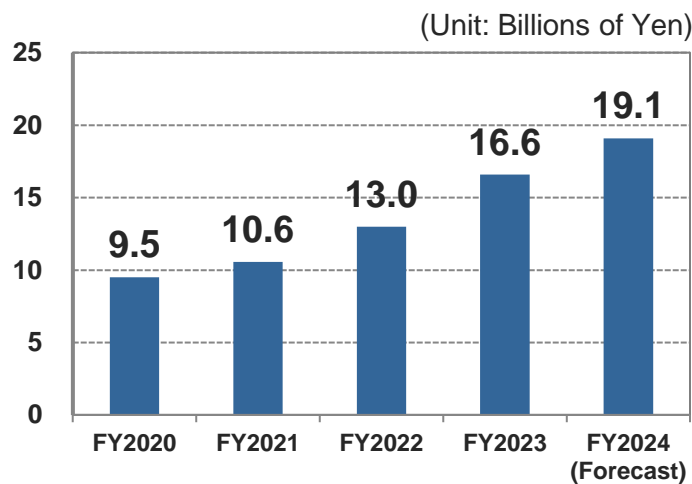
# Die Castings – U.K., Thailand –

## U.K.



RYOBI ALUMINIUM  
CASTING (UK), LIMITED

### Sales trend



### Business environment

- Automotive 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 rates remaining high (concerns about a decline in appetite for automobile purchases)

### Main initiatives

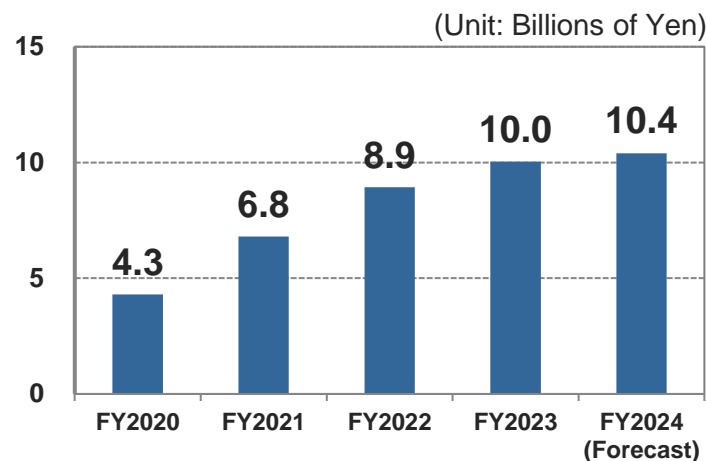
- Improving productivity (improvement in defect rates)
- Promoting price negotiations (rectification)

## Thailand



RYOBI DIE CASTING  
(THAILAND) CO., LTD.

### Sales trend



### Business environment

- Expanding sales of BEVs (government's measures to support penetration)
- Rise of Chinese-owned EV manufacturers

### Main initiatives

- Securing new orders as main project for Japanese company.
- Improving productivity (improvement in defect rates)