

Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (Japanese GAAP)



February 13, 2023

Company Name: RYOBILIMITED
 Stock Code: 5851
 (URL: <https://www.ryobi-group.co.jp/>)
 Stock Exchange Listing: Tokyo
 Representative: Akira Urakami, President and CEO
 Contact: Hiromu Arihiro, Corporate Officer
 Divisional Deputy General Manager of Corporate Planning Division
 General Manager of Finance Department
 Phone: +81-3-3501-0511
 Scheduled date of Ordinary General Meeting of Shareholders : March 29, 2023
 Scheduled date to submit the Annual Securities Report : March 29, 2023
 Date of scheduled payment of dividend : March 30, 2023
 Availability of supplementary briefing material on yearly results : Yes
 Presentation Meeting : Yes (for securities analysts / institutional investors)

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (From January 1, 2022 to December 31, 2022)

(1) Consolidated Results of Operations (% indicates changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY December 2022	249,521	26.0	6,969	—	7,791	—	4,784	—
FY December 2021	198,073	15.9	(1,524)	—	4	—	(4,397)	—

(Note) Comprehensive income: FY December 31, 2022: 12,215 million yen [99.2%]
 FY December 31, 2021: 6,131 million yen [—%]

	Profit per share	Fully diluted profit per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FY December 2022	147.80	—	3.7	2.7	2.8
FY December 2021	(135.87)	—	(3.7)	0.0	(0.8)

(Reference) Equity in earnings of affiliated companies FY December 31, 2022 : (225) million yen
 FY December 31, 2021 : 59 million yen

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

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	300,285	143,723	44.8	4,154.04
As of December 31, 2021	279,422	131,717	44.0	3,797.69

(Reference) Shareholders' Equity: As of December 31, 2022 : 134,460 million yen
 As of December 31, 2021 : 122,926 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY December 2022	16,787	(15,860)	(2,856)	26,099
FY December 2021	14,900	(12,162)	(1,936)	27,388

2. Dividends

	Cash dividends per share					Total dividends paid(annual)	Payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY December 2021	—	10.00	—	10.00	20.00	647	—	0.5
FY December 2022	—	20.00	—	25.00	45.00	1,456	30.4	1.1
FY December 2023 (Forecast)	—	25.00	—	25.00	50.00		29.4	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2023

(From January 1, 2023 to December 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	129,000	13.6	2,500	22.1	2,400	(22.4)	1,700	(5.9)	52.52
Full year	266,000	6.6	7,500	7.6	7,400	(5.0)	5,500	15.0	169.92

*Notes

(1) Significant changes of companies during the fiscal year ended December 31, 2022 (changes in specific companies involving changes in the scope of consolidation): Not applicable

New Company: —

Excluded companies: —

(2) 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

* For details, refer to attached -12- 3. Consolidated Financial Statements and Important Notes (5) Notes Regarding the Consolidated Financial Statements (Changes in Accounting policies)

(3) Shares issued (common stock)

1) Shares issued
(including treasury stock)

As of December 31, 2022	32,646,143	As of December 31, 2021	32,646,143
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2) Treasury stock

As of December 31, 2022	277,580	As of December 31, 2021	277,412
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3) Average shares
outstanding during the
period

FY December 31, 2022	32,368,647	FY December 31, 2021	32,368,784
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(Reference) Summary of the Non-consolidated Financial Results

Overview of the Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2022

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

(1) Non-consolidated Results of Operations

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY December 2022	97,947	5.9	1,643	—	6,864	223.7	5,125	—
FY December 2021	92,508	20.4	(1,868)	—	2,120	149.1	(3,372)	—

	Profit per share	Fully diluted profit per share
	Yen	Yen
FY December 2022	158.35	—
FY December 2021	(104.18)	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	174,991	76,331	43.6	2,358.19
As of December 31, 2021	167,028	71,429	42.8	2,206.73

(Reference) Shareholders' Equity As of December 31, 2022: 76,331 million yen

As of December 31, 2021: 71,429 million yen

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

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

(Cautionary note on forward-looking statement)

The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ from forecast values.

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	2021/12/31	2022/12/31
Assets		
Current assets		
Cash and deposits	28,538	27,339
Notes and accounts receivable - trade	44,327	58,337
Securities	740	650
Merchandise and finished goods	19,603	18,104
Work in process	14,813	16,829
Raw materials and supplies	18,092	20,526
Other	3,505	3,586
Allowance for doubtful accounts	(30)	(32)
Total current assets	129,591	145,341
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,793	32,716
Machinery, equipment and vehicles, net	51,314	56,196
Land	15,598	15,778
Construction in progress	11,733	13,084
Other, net	5,718	6,183
Total property, plant and equipment	117,158	123,959
Intangible assets		
Other	3,159	2,803
Total intangible assets	3,159	2,803
Investments and other assets		
Investment securities	15,772	14,826
Retirement benefit asset	6,916	6,439
Deferred tax assets	3,879	4,053
Other	3,006	2,923
Allowance for doubtful accounts	(62)	(63)
Total investments and other assets	29,512	28,179
Total non-current assets	149,830	154,943
Deferred assets		
Bond issuance costs	0	—
Total deferred assets	0	—
Total assets	279,422	300,285

(Millions of yen)

	2021/12/31	2022/12/31
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,606	46,546
Short-term borrowings	36,498	39,942
Current portion of bonds payable	1,500	—
Current portion of long-term borrowings	13,005	6,545
Income taxes payable	636	879
Provision for bonuses	387	549
Provision for board member's bonuses	—	36
Other	17,131	20,199
Total current liabilities	110,765	114,698
Non-current liabilities		
Long-term borrowings	22,765	27,869
Deferred tax liabilities	2,948	3,242
Deferred tax liabilities for land revaluation	510	510
Retirement benefit liability	7,872	7,183
Other	2,842	3,056
Total non-current liabilities	36,939	41,863
Total liabilities	147,705	156,561
Net assets		
Shareholders' equity		
Share capital	18,472	18,472
Capital surplus	21,875	21,892
Retained earnings	71,587	76,118
Treasury shares	(346)	(346)
Total shareholders' equity	111,588	116,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,503	5,649
Revaluation reserve for land	811	811
Foreign currency translation adjustment	4,288	11,675
Remeasurements of defined benefit plans	734	186
Total accumulated other comprehensive income	11,337	18,323
Non-controlling interests	8,790	9,263
Total net assets	131,717	143,723
Total liabilities and net assets	279,422	300,285

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	from:2021/1/1 to:2021/12/31	from:2022/1/1 to:2022/12/31
Net sales	198,073	249,521
Cost of sales	179,600	221,275
Gross profit	18,472	28,245
Selling, general and administrative expenses	19,996	21,276
Operating profit (loss)	(1,524)	6,969
Non-operating income		
Interest income	164	123
Dividend income	366	413
Rental income	164	156
Foreign exchange gains	200	321
Dividend income of insurance	145	41
Share of profit of entities accounted for using equity method	59	—
Usage income of trademark	270	342
Subsidy income	378	66
Other	833	823
Total non-operating income	2,582	2,289
Non-operating expenses		
Interest expenses	894	1,025
Loss on abandonment of inventories	31	44
Depreciation	16	13
Share of loss of entities accounted for using equity method	—	225
Other	112	156
Total non-operating expenses	1,054	1,466
Ordinary profit	4	7,791
Extraordinary income		
Gain on disposal of non-current assets	4	23
Gain on sale of investment securities	0	-
Total extraordinary income	5	23
Extraordinary losses		
Loss on disposal of non-current assets	203	170
Impairment losses	4,134	—
Loss on valuation of investment securities	2	4
Loss on sale of investment securities	—	250
Compensation expenses	—	430
Total extraordinary losses	4,339	855
Profit (loss) before income taxes	(4,329)	6,960
Income taxes - current	1,001	1,345
Income taxes - deferred	(969)	374
Total income taxes	31	1,720
Profit (loss)	(4,361)	5,240
Profit (loss) attributable to non-controlling interests	36	455
Profit (loss) attributable to owners of parent	(4,397)	4,784

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	from: 2021/1/1 to: 2021/12/31	from: 2022/1/1 to: 2022/12/31
Profit (loss)	(4,361)	5,240
Other comprehensive income		
Valuation difference on available-for-sale securities	771	137
Revaluation reserve for land	0	—
Foreign currency translation adjustment	7,821	7,251
Remeasurements of defined benefit plans, net of tax	1,618	(549)
Share of other comprehensive income of entities accounted for using equity method	281	136
Total other comprehensive income	10,492	6,975
Comprehensive income	6,131	12,215
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,087	11,769
Comprehensive income attributable to non-controlling interests	43	445

Consolidated Statements of Cash Flows

(Millions of yen)

	from: 2021/1/1 to: 2021/12/31	from: 2022/1/1 to: 2022/12/31
Cash flows from operating activities		
Profit (loss) before income taxes	(4,329)	6,960
Depreciation	17,240	18,327
Impairment losses	4,134	—
Increase (decrease) in allowance for doubtful accounts	(3)	2
Increase (decrease) in provision for bonuses	(3)	161
Increase (decrease) in retirement benefit liability	33	(319)
Interest and dividend income	(530)	(537)
Interest expenses	894	1,025
Subsidy income	(378)	(66)
Share of loss (profit) of entities accounted for using equity method	(59)	225
Loss (gain) on disposal of non-current assets	198	147
Loss (gain) on sale of investment securities	—	250
Loss (gain) on valuation of investment securities	2	4
Decrease (increase) in trade receivables	(2,520)	(12,038)
Decrease (increase) in inventories	(9,214)	(1,538)
Decrease (increase) in other current assets	(208)	(14)
Increase (decrease) in trade payables	11,934	4,074
Increase (decrease) in other current liabilities	(1,253)	1,038
Other, net	(424)	246
Subtotal	15,510	17,947
Interest and dividends received	613	600
Interest paid	(904)	(1,011)
Subsidies received	455	86
Income taxes refund (paid)	(773)	(835)
Net cash provided by (used in) operating activities	14,900	16,787
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,851)	(16,879)
Proceeds from sale of property, plant and equipment	520	76
Purchase of securities	(1,300)	(1,300)
Proceeds from sale of securities	1,330	1,300
Purchase of investment securities	(15)	(11)
Proceeds from sale of investment securities	13	750
Payments into time deposits	(2,404)	(2,404)
Proceeds from withdrawal of time deposits	2,404	2,404
Other, net	(859)	202
Net cash provided by (used in) investing activities	(12,162)	(15,860)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,325	2,039
Proceeds from long-term borrowings	1,866	11,110
Repayments of long-term borrowings	(8,050)	(13,365)
Redemption of bonds	(4,600)	(1,500)
Purchase of treasury shares	(0)	(0)
Dividends paid	(328)	(973)
Other, net	(150)	(167)
Net cash provided by (used in) financing activities	(1,936)	(2,856)
Effect of exchange rate change on cash and cash equivalents	1,182	640
Net increase (decrease) in cash and cash equivalents	1,983	(1,289)
Cash and cash equivalents at beginning of period	25,405	27,388
Cash and cash equivalents at end of period	27,388	26,099

(Segment information)

Previous consolidated fiscal year (from January 1, 2021 to December 31, 2021)

(Millions of yen)

	Reported segment				Other	Total	Adjustment	Consolidated
	Die Castings	Builders' Hardware	Printing Equipment	Total				
Net Sales:								
Unaffiliated customers	169,898	9,574	18,393	197,867	205	198,073	—	198,073
Intersegment	75	—	—	75	24	99	(99)	—
Total	169,974	9,574	18,393	197,942	229	198,172	(99)	198,073
Segment profit (loss)	(1,449)	362	(417)	(1,505)	(18)	(1,523)	(0)	(1,524)
Segment assets	214,262	10,606	22,240	247,109	179	247,289	32,133	279,422
Other items								
Depreciation	16,783	195	258	17,237	2	17,240	—	17,240
Amount invested in equity-method affiliates	—	2,312	—	2,312	—	2,312	—	2,312
Increase in tangible fixed assets and intangible fixed assets	12,829	139	53	13,021	48	13,070	—	13,070

Consolidated fiscal year under review (from January 1, 2022 to December 31, 2022)

(Millions of yen)

	Reported segment				Other	Total	Adjustment	Consolidated
	Die Castings	Builders' Hardware	Printing Equipment	Total				
Net Sales:								
Unaffiliated customers	215,726	10,145	23,417	249,288	232	249,521	—	249,521
Intersegment	63	—	—	63	14	78	(78)	—
Total	215,789	10,145	23,417	249,351	247	249,599	(78)	249,521
Segment profit	5,232	226	1,506	6,965	4	6,969	(0)	6,969
Segment assets	234,174	11,283	23,028	268,486	228	268,714	31,570	300,285
Other items								
Depreciation	17,881	203	241	18,326	0	18,327	—	18,327
Amount invested in equity-method affiliates	—	2,168	—	2,168	—	2,168	—	2,168
Increase in tangible fixed assets and intangible fixed assets	18,307	202	123	18,633	12	18,646	—	18,646