

Consolidated Financial Results for the Nine Months Ended September 30, 2020 (Japanese GAAP)



November 6, 2020

Company Name: RYOBI LIMITED
 Stock Code: 5851
 (URL: <https://www.ryobi-group.co.jp/>)
 Stock Exchange Listing: Tokyo
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 Scheduled date to submit the Quarterly Securities Report : November 9, 2020
 Date of scheduled payment of dividend : —
 Availability of supplementary briefing material on quarterly results : Yes
 Presentation Meeting : Not Scheduled

(Any amount less than one million is disregarded.)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2020 (From January 1, 2020 to September 30, 2020)

(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	%
Nine months ended September 30, 2020	122,309	△26.8	△3,003	—	△1,724	—	△1,546	—
Nine months ended September 30, 2019	167,081	—	6,827	—	6,965	—	4,983	—

(Note) Comprehensive income: Nine months ended September 30, 2020: △4,194 million yen [—%]

Nine months ended September 30, 2019: 2,824 million yen [—%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Nine months ended September 30, 2020	△47.79	—
Nine months ended September 30, 2019	153.97	—

* The Company changed its fiscal year-end from March 31 to December 31 as of the fiscal year ended December 31, 2018. The increase-decrease rates from the previous fiscal year were not presented because the period covered by nine months ended September 30, 2019 (from January 1, 2019 to September 30, 2019) and the period covered by the nine months ended September 30, 2018 (Domestic: from April 1, 2018 to September 30, 2018, Overseas: from January 1, 2018 to September 30, 2018), which would be used for comparison, are different.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	250,981	124,187	46.0
As of December 31, 2019	263,179	129,575	45.8

(Reference) Shareholders' Equity: As of September 30, 2020: 115,459 million yen

As of December 31, 2019: 120,520 million yen

2. Dividends

	Cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY December 2019	—	35.00	—	35.00	70.00
FY December 2020	—	0.00	—		
FY December 2020 (Forecast)				0.00	0.00

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

3.Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2020 (From January 1, 2020 to December 31, 2020)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	171,000	—	△2,900	—	△1,700	—	△1,500	—	△46.34

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

* Notes

- (1) Significant changes of companies during the fiscal year ended September 30, 2020 (changes in specific companies involving changes in the scope of consolidation): Not applicable
- (2) Adoption of specific accounting treatments to the preparation of consolidated quarterly financial statements: Not applicable
- (3) Changes in accounting policies, changes in accounting estimates and restatements
 - 1) Changes in accounting policies due to the revision of accounting standards: Not applicable
 - 2) Changes in accounting policies other than 1): Not applicable
 - 3) Changes in accounting estimates: Not applicable
 - 4) Restatements: Not applicable

(4) Shares issued (common stock)

1) Shares issued (including treasury stock)	As of September 30, 2020	32,646,143	As of December 31, 2019	32,646,143
2) Treasury stock	As of September 30, 2020	277,258	As of December 31, 2019	277,173
3) Average shares outstanding during the period	Nine months ended September 30, 2020	32,368,961	Nine months ended September 30, 2019	32,369,029

* These consolidated quarterly financial results are outside the scope of the quarterly review.

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

(Cautionary note on forward-looking statement)

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

Comparative Balance Sheets (Consolidated)

(Millions of yen)

	2019/12/31	2020/9/30
Assets		
Current assets		
Cash and deposits	22,518	21,173
Notes and accounts receivable - trade	41,197	38,727
Securities	768	757
Merchandise and finished goods	17,006	15,483
Work in process	13,853	12,595
Raw materials and supplies	14,294	13,733
Other	2,951	3,004
Allowance for doubtful accounts	△47	△36
Total current assets	112,543	105,438
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,375	32,043
Machinery, equipment and vehicles, net	52,112	50,347
Land	17,850	17,061
Construction in progress	12,692	14,982
Other, net	5,576	5,565
Total property, plant and equipment	121,607	119,999
Intangible assets		
Other	3,716	3,596
Total intangible assets	3,716	3,596
Investments and other assets		
Investment securities	18,217	13,763
Other	7,125	8,232
Allowance for doubtful accounts	△62	△62
Total investments and other assets	25,280	21,933
Total non-current assets	150,604	145,529
Deferred assets		
Bond issuance cost	31	14
Total deferred assets	31	14
Total assets	263,179	250,981

Comparative Balance Sheets (Consolidated)

(Millions of yen)

	2019/12/31	2020/9/30
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,673	22,495
Short-term borrowings	23,427	28,609
Current portion of bonds	2,300	6,900
Current portion of long-term borrowings	6,788	6,864
Income taxes payable	804	303
Provision for bonuses	576	1,713
Provision for bonuses for directors (and other officers)	12	—
Other	20,390	13,511
Total current liabilities	89,972	80,396
Non-current liabilities		
Bonds payable	6,100	1,500
Long-term borrowings	23,292	31,902
Retirement benefit liability	8,032	7,847
Other	6,206	5,147
Total non-current liabilities	43,631	46,397
Total liabilities	133,604	126,794
Net assets		
Shareholders' equity		
Share capital	18,472	18,472
Capital surplus	21,854	21,859
Retained earnings	78,139	75,459
Treasury shares	△346	△346
Total shareholders' equity	118,120	115,444
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,443	4,326
Revaluation reserve for land	809	810
Foreign currency translation adjustment	△2,626	△4,237
Remeasurements of defined benefit plans	△1,226	△883
Total accumulated other comprehensive income	2,400	15
Non-controlling interests	9,054	8,727
Total net assets	129,575	124,187
Total liabilities and net assets	263,179	250,981

Comparative Statements of Income (Consolidated)

(Millions of yen)

	from:2019/1/1 to:2019/9/30	from:2020/1/1 to:2020/9/30
Net sales	167,081	122,309
Cost of sales	144,111	111,344
Gross profit	22,969	10,965
Selling, general and administrative expenses	16,141	13,968
Operating profit (loss)	6,827	△3,003
Non-operating income		
Interest income	70	68
Dividend income	227	200
Rental income	236	154
Share of profit of entities accounted for using equity method	113	70
Usage income of trademark	188	195
Subsidy income	—	1,167
Other	443	463
Total non-operating income	1,279	2,319
Non-operating expenses		
Interest expenses	795	755
Foreign exchange losses	192	126
Depreciation	32	24
Other	121	134
Total non-operating expenses	1,141	1,041
Ordinary profit (loss)	6,965	△1,724
Extraordinary income		
Gain on disposal of non-current assets	55	22
Gain on sales of investment securities	28	—
Total extraordinary income	83	22
Extraordinary losses		
Loss on disposal of non-current assets	87	31
Loss on valuation of investment securities	—	83
Loss on sales of investment securities	—	0
Loss on sales of shares of subsidiaries and associates	—	78
Total extraordinary losses	87	193
Profit (loss) before income taxes	6,961	△1,895
Income taxes	1,717	△183
Profit (loss)	5,244	△1,711
Profit (loss) attributable to non-controlling interests	260	△164
Profit (loss) attributable to owners of parent	4,983	△1,546

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

	from: 2019/1/1 to: 2019/9/30	from: 2020/1/1 to: 2020/9/30
Profit (loss)	5,244	△1,711
Other comprehensive income		
Valuation difference on available-for-sale securities	174	△1,188
Revaluation reserve for land	2	0
Foreign currency translation adjustment	△2,746	△1,618
Remeasurements of defined benefit plans, net of tax	332	344
Share of other comprehensive income of entities accounted for using equity method	△183	△20
Total other comprehensive income	△2,420	△2,482
Comprehensive income	2,824	△4,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,500	△3,932
Comprehensive income attributable to non-controlling interests	323	△261

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

	from: 2019/1/1 to: 2019/9/30	from: 2020/1/1 to: 2020/9/30
Cash flows from operating activities		
Profit (loss) before income taxes	6,961	△1,895
Depreciation	11,246	12,274
Increase (decrease) in allowance for doubtful accounts	△118	△11
Increase (decrease) in provision for bonuses	1,394	1,136
Increase (decrease) in retirement benefit liability	△121	136
Interest and dividend income	△297	△268
Interest expenses	795	755
Subsidy income	—	△1,167
Share of loss (profit) of entities accounted for using equity method	△113	△70
Loss (gain) on sales of investment securities	△28	0
Loss (gain) on valuation of investment securities	—	83
Loss (gain) on sales of shares of subsidiaries and associates	—	78
Loss (gain) on disposal of non-current assets	32	9
Decrease (increase) in trade receivables	10,962	2,075
Decrease (increase) in inventories	74	2,910
Decrease (increase) in other current assets	520	△108
Increase (decrease) in trade payables	△11,626	△12,902
Increase (decrease) in other current liabilities	△2,109	△2,775
Other, net	△422	△451
Subtotal	17,149	△190
Interest and dividends received	321	314
Interest paid	△818	△780
Proceeds from subsidy income	—	848
Income taxes paid	△1,183	△714
Net cash provided by (used in) operating activities	15,469	△523
Cash flows from investing activities		
Purchase of property, plant and equipment	△19,700	△17,040
Proceeds from sales of property, plant and equipment	186	1,155
Purchase of securities	△690	△680
Proceeds from sales of securities	690	690
Purchase of investment securities	△26	△25
Proceeds from sales of investment securities	46	0
Proceeds from sales of shares of subsidiaries and associates	—	2,630
Payments for acquisition of businesses	△1,194	—
Payments into time deposits	△1,214	△1,214
Proceeds from withdrawal of time deposits	1,214	1,214
Other, net	△489	△888
Net cash provided by (used in) investing activities	△21,178	△14,158
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	515	5,557
Proceeds from long-term borrowings	8,777	16,060
Repayments of long-term borrowings	△6,856	△6,885
Purchase of treasury shares	△0	△0
Dividends paid	△2,259	△1,133
Other, net	△140	△176
Net cash provided by (used in) financing activities	36	13,421
Effect of exchange rate change on cash and cash equivalents	△190	△85
Net increase (decrease) in cash and cash equivalents	△5,863	△1,345
Cash and cash equivalents at beginning of period	19,632	21,356
Cash and cash equivalents at end of period	13,768	20,011

4. Segment Information

Industry Segment Information

(Nine months ended September 30, 2019)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	140,698	7,870	18,354	157	—	167,081
Intersegment	96	—	—	47	(143)	—
Total	140,794	7,870	18,354	205	(143)	167,081
Operating income	6,023	474	328	0	0	6,827

(Nine months ended September 30, 2020)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	103,645	6,889	11,646	127	—	122,309
Intersegment	46	—	—	30	(76)	—
Total	103,691	6,889	11,646	158	(76)	122,309
Operating income	△2,703	556	△838	△18	0	△3,003

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