

Consolidated Financial Results for the Six Months Ended June 30, 2020 (Japanese GAAP)



August 6, 2020

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 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: August 6, 2020

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 Six Months Ended June 30, 2020 (From January 1, 2020 to June 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	%
Six months ended June 30, 2020	77,700	△30.7	△3,551	—	△2,775	—	△1,668	—
Six months ended June 30, 2019	112,099	—	4,805	—	4,813	—	3,683	—

(Note) Comprehensive income: Six months ended June 30, 2020: △4,703 million yen [—%]
 Six months ended June 30, 2019: 2,440 million yen [—%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Six months ended June 30, 2020	△51.55	—
Six months ended June 30, 2019	113.79	—

* 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 six months ended June 30, 2019 (from January 1, 2019 to June 30, 2019) and the period covered by the six months ended June 30, 2018 (Domestic: from April 1, 2018 to June 30, 2018, Overseas: from January 1, 2018 to June 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 June 30, 2020	253,684	123,678	45.3
As of December 31, 2019	263,179	129,575	45.8

(Reference) Shareholders' Equity: As of June 30, 2020: 114,851 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)			—	—	—

(Reference) Correction from the dividend forecast, which is published in the most recent: No

* With regard to the forecast of the Year-end cash dividends for FY December 2020, we remain undecided.

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	—	—	—	—	—	—	—	—	—

(Reference) Correction from the consolidated forecast, which is published in the most recent: No

* With respect to the consolidated full year forecast, we are currently unable to calculate reasonably the influence of the new coronavirus pandemic. Therefore, the announcement of the forecast remains undetermined.

*Notes

- (1) Significant changes of companies during the fiscal year ended June 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 June 30, 2020	32,646,143	As of December 31, 2019	32,646,143
2) Treasury stock	As of June 30, 2020	277,173	As of December 31, 2019	277,173
3) Average shares outstanding during the period	Six months ended June 30, 2020	32,368,970	Six months ended June 30, 2019	32,369,042

* 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	2020/6/30
Assets		
Current assets		
Cash and deposits	22,518	24,362
Notes and accounts receivable - trade	41,197	33,715
Securities	768	766
Merchandise and finished goods	17,006	17,266
Work in process	13,853	12,839
Raw materials and supplies	14,294	14,247
Other	2,951	3,171
Allowance for doubtful accounts	△47	△40
Total current assets	112,543	106,328
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,375	32,451
Machinery, equipment and vehicles, net	52,112	51,228
Land	17,850	17,826
Construction in progress	12,692	14,570
Other, net	5,576	5,447
Total property, plant and equipment	121,607	121,524
Intangible assets		
Other	3,716	3,708
Total intangible assets	3,716	3,708
Investments and other assets		
Investment securities	18,217	13,258
Other	7,125	8,907
Allowance for doubtful accounts	△62	△63
Total investments and other assets	25,280	22,103
Total non-current assets	150,604	147,335
Deferred assets		
Bond issuance cost	31	19
Total deferred assets	31	19
Total assets	263,179	253,684

Comparative Balance Sheets (Consolidated)

(Millions of yen)

	2019/12/31	2020/6/30
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,673	23,117
Short-term borrowings	23,427	28,615
Current portion of bonds	2,300	5,100
Current portion of long-term borrowings	6,788	3,706
Income taxes payable	804	339
Provision for bonuses	576	596
Provision for bonuses for directors (and other officers)	12	—
Other	20,390	15,855
Total current liabilities	89,972	77,330
Non-current liabilities		
Bonds payable	6,100	3,300
Long-term borrowings	23,292	36,631
Retirement benefit liability	8,032	7,841
Other	6,206	4,902
Total non-current liabilities	43,631	52,675
Total liabilities	133,604	130,006
Net assets		
Shareholders' equity		
Share capital	18,472	18,472
Capital surplus	21,854	21,859
Retained earnings	78,139	75,337
Treasury shares	△346	△346
Total shareholders' equity	118,120	115,323
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,443	3,997
Revaluation reserve for land	809	810
Foreign currency translation adjustment	△2,626	△4,281
Remeasurements of defined benefit plans	△1,226	△997
Total accumulated other comprehensive income	2,400	△471
Non-controlling interests	9,054	8,826
Total net assets	129,575	123,678
Total liabilities and net assets	263,179	253,684

Comparative Statements of Income (Consolidated)

(Millions of yen)

	from:2019/1/1 to:2019/6/30	from:2020/1/1 to:2020/6/30
Net sales	112,099	77,700
Cost of sales	96,480	71,877
Gross profit	15,618	5,822
Selling, general and administrative expenses	10,813	9,374
Operating profit (loss)	4,805	△3,551
Non-operating income		
Interest income	50	55
Dividend income	204	189
Rental income	165	112
Share of profit of entities accounted for using equity method	83	35
Usage income of trademark	133	108
Subsidy income	—	742
Other	195	227
Total non-operating income	832	1,470
Non-operating expenses		
Interest expenses	538	500
Foreign exchange losses	175	53
Depreciation	22	18
Other	87	121
Total non-operating expenses	823	694
Ordinary profit (loss)	4,813	△2,775
Extraordinary income		
Gain on disposal of non-current assets	53	1
Gain on sales of investment securities	28	—
Total extraordinary income	82	1
Extraordinary losses		
Loss on disposal of non-current assets	56	15
Loss on valuation of investment securities	—	76
Loss on sales of investment securities	—	0
Loss on sales of shares of subsidiaries and associates	—	78
Total extraordinary losses	56	170
Profit (loss) before income taxes	4,839	△2,943
Income taxes	1,011	△1,186
Profit (loss)	3,827	△1,757
Profit (loss) attributable to non-controlling interests	144	△88
Profit (loss) attributable to owners of parent	3,683	△1,668

Comparative Statements of Comprehensive Income (Consolidated)

(Millions of yen)

	from: 2019/1/1 to: 2019/6/30	from: 2020/1/1 to: 2020/6/30
Profit (loss)	3,827	△1,757
Other comprehensive income		
Valuation difference on available-for-sale securities	115	△1,493
Revaluation reserve for land	2	0
Foreign currency translation adjustment	△1,634	△1,598
Remeasurements of defined benefit plans, net of tax	212	229
Share of other comprehensive income of entities accounted for using equity method	△83	△84
Total other comprehensive income	△1,387	△2,946
Comprehensive income	2,440	△4,703
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,273	△4,540
Comprehensive income attributable to non-controlling interests	166	△162

Comparative Statements of Cash Flows (Consolidated)

(Millions of yen)

	from: 2019/1/1 to: 2019/6/30	from: 2020/1/1 to: 2020/6/30
Cash flows from operating activities		
Profit (loss) before income taxes	4,839	△2,943
Depreciation	7,399	8,225
Increase (decrease) in allowance for doubtful accounts	△2	△6
Increase (decrease) in provision for bonuses	△23	20
Increase (decrease) in retirement benefit liability	△238	23
Interest and dividend income	△254	△244
Interest expenses	538	500
Share of loss (profit) of entities accounted for using equity method	△83	△35
Loss (gain) on sales of investment securities	△28	0
Loss (gain) on sales of shares of subsidiaries and associates	—	78
Loss (gain) on disposal of non-current assets	2	13
Decrease (increase) in trade receivables	12,580	6,995
Decrease (increase) in inventories	△963	253
Decrease (increase) in other current assets	148	△685
Increase (decrease) in trade payables	△8,012	△12,332
Increase (decrease) in other current liabilities	1,448	△1,444
Other, net	△218	△169
Subtotal	17,131	△1,751
Interest and dividends received	278	289
Interest paid	△547	△479
Income taxes (paid) refund	△470	△354
Net cash provided by (used in) operating activities	16,392	△2,295
Cash flows from investing activities		
Purchase of property, plant and equipment	△10,869	△12,583
Proceeds from sales of property, plant and equipment	150	32
Purchase of securities	△680	△680
Proceeds from sales of securities	680	680
Purchase of investment securities	△6	△16
Proceeds from sales of investment securities	45	0
Proceeds from sales of shares of subsidiaries and associates	—	2,630
Payments for acquisition of businesses	△1,221	—
Payments into time deposits	△1,214	△1,214
Proceeds from withdrawal of time deposits	1,214	1,214
Other, net	△226	△887
Net cash provided by (used in) investing activities	△12,127	△10,825
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,719	5,711
Proceeds from long-term borrowings	2,447	15,406
Repayments of long-term borrowings	△3,730	△4,645
Purchase of treasury shares	△0	—
Dividends paid	△1,132	△1,132
Other, net	△94	△143
Net cash provided by (used in) financing activities	△789	15,197
Effect of exchange rate change on cash and cash equivalents	△148	△234
Net increase (decrease) in cash and cash equivalents	3,326	1,841
Cash and cash equivalents at beginning of period	19,632	21,356
Cash and cash equivalents at end of period	22,958	23,198

4. Segment Information

Industry Segment Information

(Six months ended June 30, 2019)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	95,264	5,087	11,653	93	—	112,099
Intersegment	66	—	—	31	(98)	—
Total	95,330	5,087	11,653	125	(98)	112,099
Operating income	4,421	245	139	△1	0	4,805

(Six months ended June 30, 2020)

(Millions of yen)

	Die Castings	Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	64,648	4,672	8,302	76	—	77,700
Intersegment	36	—	—	27	(63)	—
Total	64,684	4,672	8,302	104	(63)	77,700
Operating income	△3,509	372	△402	△12	0	△3,551

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