RYOBI

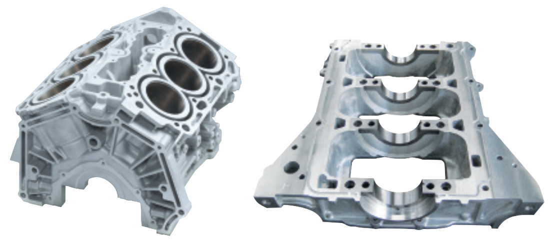
ANNUAL REPORT

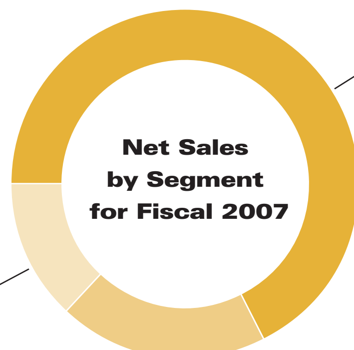
For the year ended March 31, 2007

2007

PROFILE

Since its establishment as a die casting manufacturer in December 1943, Ryobi Limited has accumulated innovative technologies by manufacturing components for automobiles, electronics, telecommunications and other industries. Ryobi has leveraged these technologies and drawn on its experience to diversify into the manufacture of printing equipment, power tools and builders' hardware. Ryobi is all around you, making an enjoyable, comfortable daily lifestyle possible.





67.7%

DIE CASTINGS

As a world-leading die casting manufacturer, Ryobi supplies various industries with die cast products such as automobile components, including cylinder blocks and transmission cases.

12.8%

POWER TOOLS AND BUILDERS' HARDWARE

Ryobi provides an extensive range of power tools and lawn and garden equipment for both professional and do-it-yourself needs, as well as builders' hardware such as our mainstay door closers that offer enhanced safety and comfort in homes and offices.

19.5%

PRINTING EQUIPMENT

Ryobi offers high-precision, multi-functional offset printing presses and develops total printing systems for all stages of printing, from prepress to press and post-press.

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Forward-Looking Statements

Items containing forward-looking statements such as performance forecasts and future policies and strategies are based on the assumptions of management in light of the information available as of the end of the fiscal year under review and may involve various risks and uncertainties. The Ryobi Group cautions that its actual actions and performance may differ significantly from these forward-looking statements due to numerous factors outside of the Group's control such as, but not limited to, general economic conditions, the business environment, trends in market demand and foreign exchange rates.

CONSOLIDATED FINANCIAL HIGHLIGHTS

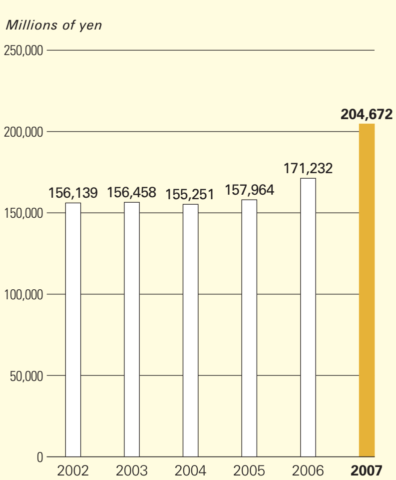
(For the years ended March 31, 2007, 2006 and 2005)

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2007	2006	2005	2007
For the fiscal period:				
Net sales	¥204,672	¥171,232	¥157,964	$1,733,774
Operating income	16,353	13,214	10,834	138,526
Net income	9,877	8,636	6,581	83,668
As of fiscal year-end:				
Total assets	¥202,529	¥177,865	¥157,420	$1,715,621
Total shareholders' equity	74,815	66,756	55,294	633,758

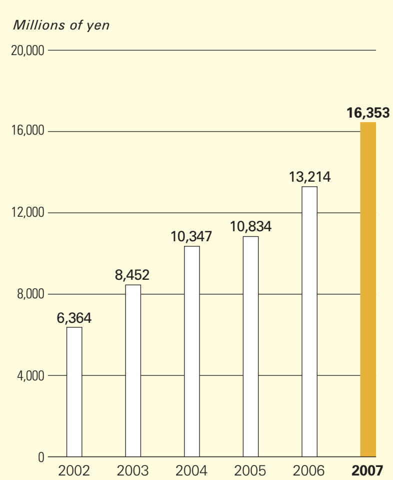
	Yen			U.S. dollars (Note 2)
Per share data:				
Net income	¥ 58.92	¥ 51.31	¥ 39.33	$ 0.499
Cash dividends	12.00	10.00	7.50	0.102

Notes: 1. Net income per share figures are based on the weighted average number of shares outstanding each year.
2. Yen amounts have been translated into U.S. dollars, solely for the convenience of the reader at ¥118.05=US$1, the exchange rate prevailing on March 31, 2007.

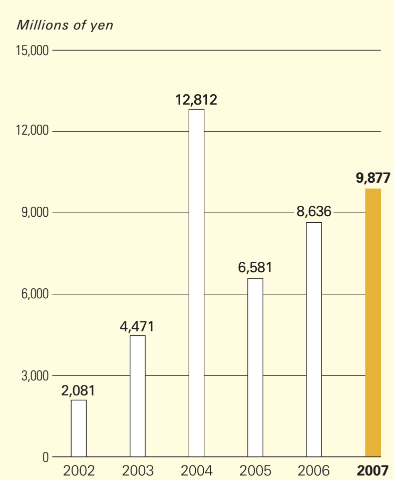
NET SALES



OPERATING INCOME



NET INCOME



Hiroshi Urakami
Chairman and CEO

Susumu Yoshikawa
President and COO

CREATE A SOUND AND DYNAMIC CORPORATION THROUGH TECHNOLOGY, TRUST AND CHALLENGE

Guided by its corporate philosophy, "Create a sound and dynamic corporation through technology, trust and challenge," the Ryobi Group aims to become established as an indispensable part of society by creating innovative, top-quality products and services that meet the needs of customers and society at large. Aiming to be a company of continuous growth and development maintained by a optimal mix of die castings and finished products, Ryobi continues to make every effort to reinforce market competitiveness and improve its earnings power.

From the perspective of corporate social responsibility, the Ryobi Group regards the implementation of its corporate philosophy as CSR promotion itself. With this in mind, Ryobi will strive for the thorough implementation of corporate governance, including disclosure of information, compliance with statutory regulations, risk management, internal control and other related activities.

During fiscal 2007, ended March 31, 2007, the economies of Europe, the U.S. and Asia remained strong, despite the impact of consistently high crude oil and raw material prices. The Japanese economy continued on a path toward a gradual recovery, owing to increased capital expenditure and healthy employment conditions on the back of improved corporate earnings. Uncertainty regarding future conditions was high, however, given exchange rate fluctuations and apprehension about a slowdown in the U.S. economy.

Under these circumstances, the Ryobi Group implemented various measures that included advancing aggressive marketing activities, developing new products responsive to customer needs, cutting costs and expenses, and increasing operational efficiency.

During the fiscal year under review, Ryobi experienced growth in revenues and earnings. Consolidated net sales rose 19.5% from the previous fiscal year to ¥204.7 billion. Domestic net sales increased 14.4% to ¥141.5 billion, while overseas net sales surged 32.9% to ¥63.2 billion. On the earnings front, operating income grew by 23.8% year on year to ¥16.4 billion, while net income climbed 14.4% to ¥9.9 billion.

Sales in all three business segments—Die Castings, Printing Equipment and Power Tools and Builders' Hardware—grew, marking a third consecutive year of growth in revenues. Sales in the Die Castings Business and Printing Equipment Business were particularly robust during the fiscal year under review. Furthermore, owing to increased sales and efforts to reduce costs, Ryobi achieved record-high operating income, a fifth consecutive year of growth, as well as increased net income for a two straight years.

Looking ahead to fiscal 2008, the year ending March 31, 2008, concerns regarding high crude oil and raw material prices, trends in the U.S. economy, and fluctuations of exchange rates and high interest rates continue to linger. In addition, Ryobi anticipates that an increase in depreciation expenses attributable to depreciation system changes in line with tax revisions in Japan will place pressure on profits. Amid these severe operating conditions, the Ryobi Group will continue to improve its product development, production and marketing capabilities. At the same time, Ryobi will strive to boost its market competitiveness and earning power through redoubled efforts to enhance productivity and reduce costs.

As we exert ever-greater efforts to become a sound and dynamic corporation, we ask for your continued support and understanding.

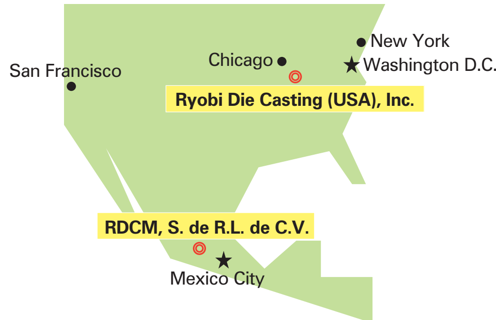
June 2007

Hiroshi Urakami
Chairman and CEO

Susumu Yoshikawa
President and COO

DIE CASTINGS

With the aim of increasing die cast production in the North American region, Ryobi took steps to augment the production capacity of Ryobi Die Casting (USA), Inc. by establishing RDCM, S. de R.L. de C.V. in April 2007. Located in Irapuato City, Guanajuato, Mexico, the new factory site, upon which a 13,000m² building will be constructed, measures 50,000m². Die cast production is scheduled to commence in October 2008, with an expected 20% boost to the region's current die cast manufacturing capacity.



PRINTING EQUIPMENT

In October 2006, Ryobi introduced a newly completed second printing equipment facility established at its Hiroshima East Plant, by hosting an open house event. The occasion welcomed a diverse crowd that included users and sales distributors, totaling approximately 300 domestic and 150 overseas guests from over 30 countries. Furthermore, to meet growing demand for medium-sized offset printing presses, Ryobi broke ground on construction of a new addition to its second facility in January 2007. Production is expected to begin in September this year.

Scenes from the open house

Second printing equipment facility

POWER TOOLS AND BUILDERS' HARDWARE

In the fiscal year under review, Ryobi released two new additions to its lineup of circular saws. The new W-570ED and W-660ED torque-controlled electric circular saws boast a powerful output with a lightweight design. Equipped with Ryobi's proprietary power transmittance mechanism and an electronically controlled motor that maintains a fast, efficient motor speed, the new series delivers superior cutting power. Compared to older models, this series, which was developed for professional use, is 20% lighter in weight and has received acclaim as a revolutionary new product.

Ryobi also launched its latest building-use door closer, the new B1000, that features a new slimmer design and back-check function. The back-check function is an enhanced safety feature that prevents doors from suddenly and quickly swinging open due to strong winds and other external factors. Owing to the added safety that door closers provide, particularly given the limitations of doorstoppers, demand for door closers equipped with back-check functions is increasing.

Torque-controlled electric circular saw W-660ED

New B1000 door closer

Based on its corporate philosophy, "Create a sound and dynamic corporation through technology, trust and challenge," Ryobi carries out its social responsibility in pursuit of the creation of sustainable value and a better society. This is fundamental to the general management of the Ryobi Group.

ENVIRONMENTAL PROTECTION ACTIVITIES

Within the Ryobi Group, 17 facilities in 13 companies have acquired ISO14001 certification, the international standard for environment management systems, as of June 2007. Under the auspices of its environmental management system, each company and facility is taking action against environmental burden by setting environmental targets and objectives and exerting efforts to conserve energy and resources, reduce waste, and bolster recycling.

SOCIAL CONTRIBUTION ACTIVITIES

The Ryobi Social Contribution Foundation, a nonprofit organization, undertakes social welfare activities such as the donation of goods to social welfare facilities and provision of funding to aid the activities of volunteer groups. As such, in fiscal 2007, the Foundation donated cars, wheelchairs, and nursing-care goods to 11 regional Council of Social Welfare organizations throughout Japan. In addition, it provided funding to eight volunteer groups.

CORPORATE GOVERNANCE STRUCTURE

Management Structure

Ryobi adopts a corporate auditor system and a corporate officer system. Under the corporate officer system, introduced in June 2000, there are now eight directors that concurrently hold positions as corporate officers. Ryobi appointed its first outside director in June 2006.

The Board of Directors implements decision-making related to important matters and supervision of the execution of operations. The Corporate Operating Committee, composed primarily of corporate officers, reviews the progress of the execution of operations. Along with these structures, Ryobi established the Compensation Committee to make decisions regarding the remuneration of directors and the Personnel and Organization Committee to nominate directors and corporate officers to optimize the placement and nurturing of personnel and the functionality of the organization.

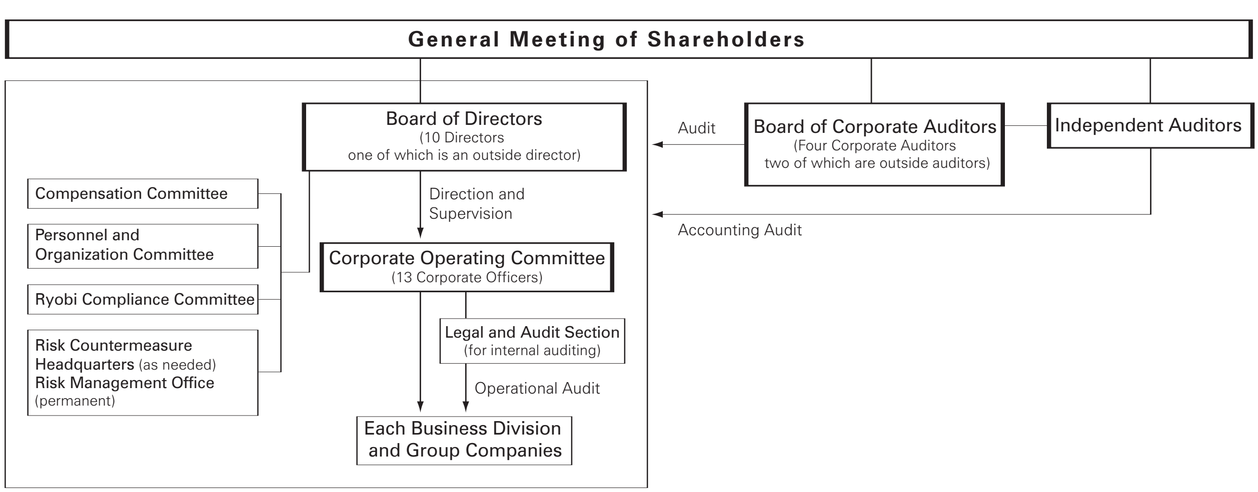
Compliance Structure

Ryobi established the Ryobi Compliance Committee to assure that corporate activities are conducted equitably, ethically, and in compliance with statutory regulations, according to Ryobi's Code of Conduct and corresponding Standards of Conduct.

Risk Management Structure

Ryobi has drawn up risk management regulations and a manual for management of individual risks in order to prevent the occurrence of risk and to ensure a rapid response to such occurrences. In addition, Ryobi established the Risk Management Office and the Risk Countermeasure Headquarters to formulate countermeasures when risks occur and to respond in a timely and appropriate manner.

Ryobi continues its efforts to establish a better corporate structure with an eye on social trends, complying with relevant rules and regulations.



FISCAL PERIOD COMPARATIVE SUMMARY
RYOBI LIMITED AND CONSOLIDATED SUBSIDIARIES

(For the years ended March 31)

	Millions of yen					
	2007	2006	2005	2004	2003	2002
For the fiscal period:						
Net sales	**¥204,672**	¥171,232	¥157,964	¥155,251	¥156,458	¥156,139
Cost of sales	**164,520**	135,088	125,157	123,749	126,536	126,113
Gross profit	**40,152**	36,144	32,807	31,502	29,922	30,026
Selling, general and administrative expenses	**23,799**	22,930	21,973	21,155	21,470	23,662
Operating income	**16,353**	13,214	10,834	10,347	8,452	6,364
Income taxes	**6,353**	4,206	3,902	3,608	1,504	2,188
Net income	**9,877**	8,636	6,581	12,812	4,471	2,081
As of fiscal year-end:						
Total assets	**¥202,529**	¥177,865	¥157,420	¥160,574	¥165,487	¥165,401
Total shareholders' equity	**74,815**	66,756	55,294	50,040	38,366	33,379
Interest-bearing debt	**38,331**	39,823	44,502	53,638	69,731	77,763
	Yen					
Per share data:						
Net income	**¥ 58.92**	¥ 51.31	¥ 39.33	¥ 76.40	¥ 26.26	¥ 12.19
Shareholders' equity	**445.93**	398.35	330.62	299.05	227.84	195.55
Cash dividends	**12.00**	10.00	7.50	7.50	—	—
	%					
Other data:						
Operating income margin	**8.0**	7.7	6.9	6.7	5.4	4.1
Net income margin	**4.8**	5.0	4.2	8.3	2.9	1.3
Return on assets (ROA)	**5.2**	5.2	4.1	7.9	2.7	1.2
Return on equity (ROE)	**14.0**	14.2	12.5	29.0	12.5	6.6
Shareholders' equity ratio	**36.9**	37.5	35.1	31.2	23.2	20.2
Asset turnover ratio (times)	**1.08**	1.02	0.99	0.95	0.95	0.87
	Millions of yen					
Capital expenditure	**¥20,385**	¥ 11,232	¥ 7,595	¥ 5,773	¥ 4,117	¥ 3,943
Depreciation and amortization	**8,196**	6,067	5,439	5,201	5,631	6,198
Free cash flow	**4,418**	7,196	8,076	15,773	12,027	12,584
Number of employees (persons)	**5,625**	5,464	5,334	5,364	5,669	6,090

Notes: 1. Net income per share figures are based on the weighted average number of shares outstanding each year.
2. Cash dividends per share are the amounts applicable to the respective years, including dividends to be paid after the end of the year.

ANALYSIS OF FINANCIAL POSITION AND OPERATING RESULTS

(1) Summary of Significant Accounting Policies

The consolidated financial statements of the Ryobi Group have been prepared in conformity with accounting principles generally accepted in Japan. The financial statements of overseas subsidiaries have been prepared in conformity with accounting principles generally accepted in each country, respectively.

(2) Analysis of Operating Results for the Fiscal Year Ended March 31, 2007

Net Sales

Ryobi's net sales increased across all business categories, namely the Die Castings, Printing Equipment, and Power Tools and Builders' Hardware Businesses.

Ryobi's Die Castings Business experienced an increase in revenues owing to strong demand from American and domestic automobile manufacturers. In the Printing Equipment Business, revenues increased owing to healthy sales in exports of medium-size offset printing presses (for B2, A2 and B3 paper sizes) and digital printing presses. In the Power Tools and Builders' Hardware Business, sales of both power tools and builders' hardware contributed to a modest increase in revenues.

As a result, consolidated net sales for the current fiscal year increased 19.5%, compared to the previous fiscal year, to ¥204,672 million.

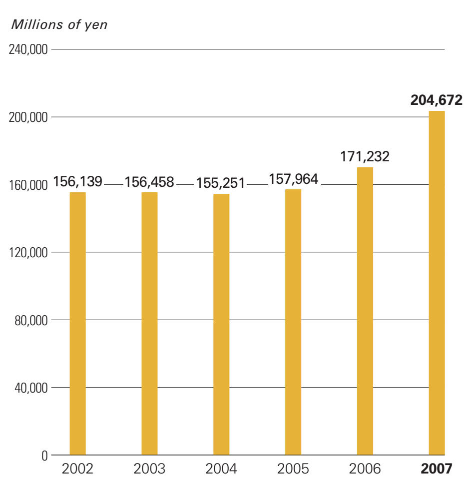
Operating Income

Ryobi's increase in net sales, coupled with efforts to reduce input costs, translated into growth in operating income, bringing the ratio of operating income to net sales to 8.0% in the fiscal year under review.

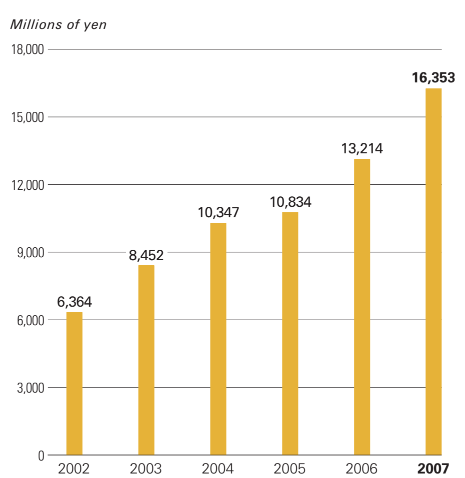
By business segment, earnings rose in the Die Castings Business on account of efforts to reduce costs and expand sales, helping to offset a severe environment of falling prices and high raw material costs. In the Printing Equipment Business earnings were also up, specifically owing to robust sales growth and redoubled efforts to reduce costs. However earnings in the Power Tools and Builders' Hardware Business slumped owing to inflated raw material prices, despite showing an increase in sales.

As a result, operating income increased 23.8% year on year, to ¥16,353 million, marking a fifth year of consecutive growth and a new record-high in profits for the Ryobi Group.

NET SALES



OPERATING INCOME

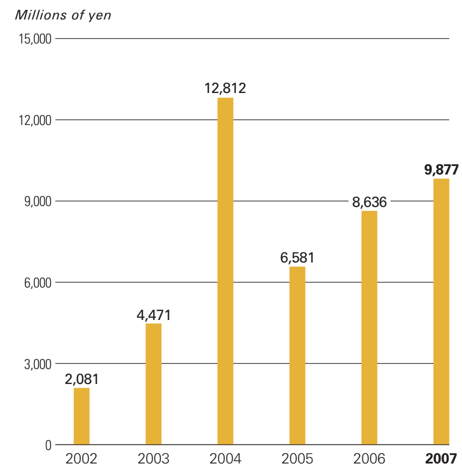


Net Income

Although other income overall expanded due to an increase in gain on the sale of investment securities, other expenses from retirement benefit payments to directors also increased.

As a result, consolidated net income for the period rose 14.4%, to ¥9,877 million.

NET INCOME



Operating Results by Business Segment

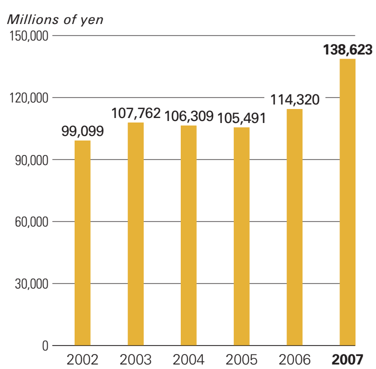
Die Castings

Sales in the Die Castings Business rose 21.3% year on year, to ¥138,623 million, while operating income climbed 22.4% to ¥8,768 million. The ratio of operating income to net sales remained on par with the previous fiscal year at 6.3%.

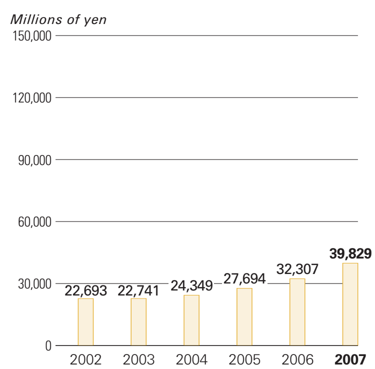
Ryobi's Die Castings Business experienced robust sales to American and domestic automobile manufacturers in the fiscal year under review. On the earnings front, despite ongoing struggles against price drops and inflated raw material prices, overall operating income increased due to cost-cutting measures and a rise in sales.

NET SALES BY BUSINESS SEGMENT

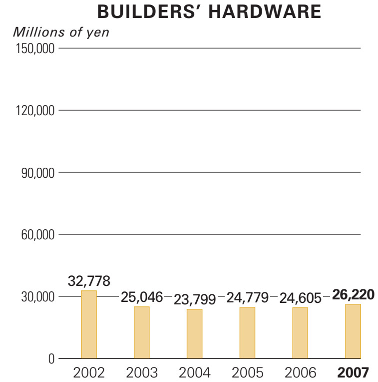
DIE CASTINGS



PRINTING EQUIPMENT

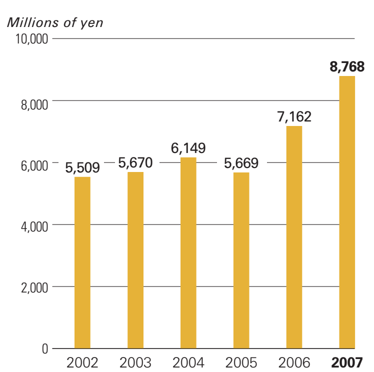


POWER TOOLS AND BUILDERS' HARDWARE

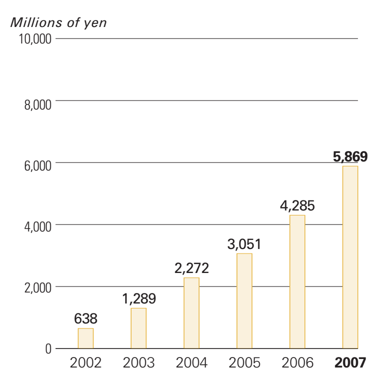


OPERATING INCOME BY BUSINESS SEGMENT

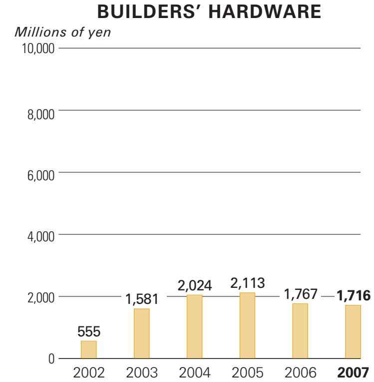
DIE CASTINGS



PRINTING EQUIPMENT



POWER TOOLS AND BUILDERS' HARDWARE



Printing Equipment

Sales in the Printing Equipment Business surged 23.3% year on year, to ¥39,829 million. Operating income also rose, increasing 37.0% to ¥5,869 million, resulting in a ratio of operating income to net sales of 14.7%, up from 13.3% in the previous fiscal year.

Sales in this segment grew on account of steady exports of medium-size offset printing presses (for B2, A2 and B3 sizes) and digital printing presses mainly to Europe, the U.S. and Asia. Accordingly, this growth in sales, along with further promotion of cost-reduction efforts, contributed to an increase in profits.

Power Tools and Builders' Hardware

Sales climbed 6.6% year on year, to ¥26,220 million, while operating income edged down 2.9%, to ¥1,716 million and resulted in a decrease in the ratio of operating income to net sales from 7.2% to 6.5%.

Under pressures from intensifying competition, profits waned, despite growth in sales of both power tools and builders' hardware.

(3) Analysis of Capital Resources and Liquidity

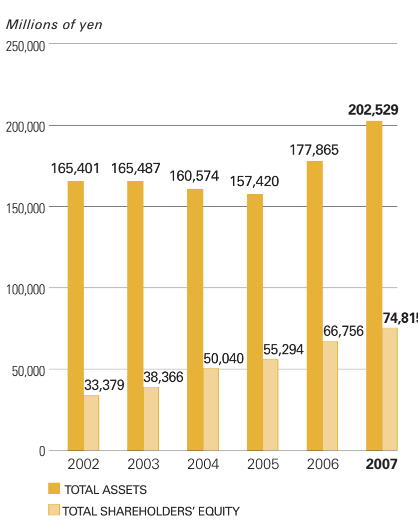
Total Assets, Liabilities and Equity

Total assets as of March 31, 2007, increased ¥24,664 million compared with the previous fiscal year, to ¥202,529 million. Major factors contributing to this increase were increases in current assets, specifically notes and accounts receivable and inventories, and, in the fixed assets category, property, plant and equipment.

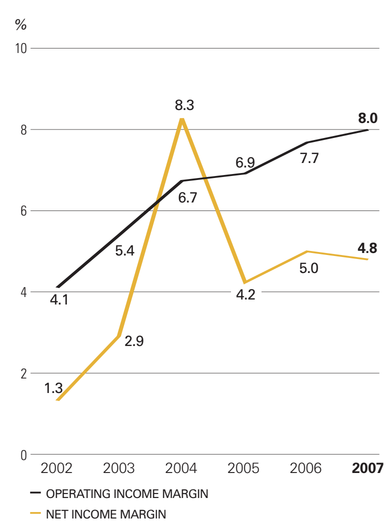
Total liabilities rose ¥16,603 million, year on year, to ¥126,771 million, owing to an increase in notes and accounts payable. Interest-bearing debt, excluding discounted notes receivable, declined ¥1,492 million compared with the same period a year earlier, to ¥38,331 million as of the end of the March 31, 2007.

Equity amounted to ¥75,758 million, reflecting a boost from net income of ¥9,877 million and decrease in line with the payment of dividends. After the deduction of minority interests from equity, total shareholders' equity came to ¥74,815 million, bringing the shareholders' equity ratio to 36.9%.

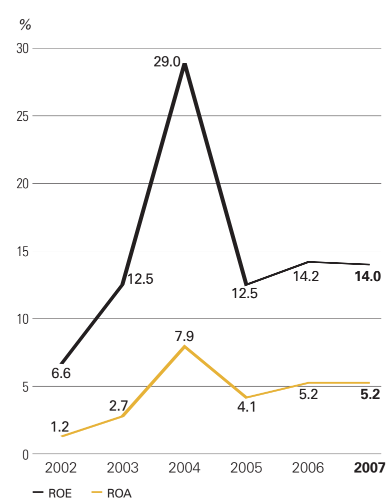
TOTAL ASSETS & TOTAL SHAREHOLDERS' EQUITY



OPERATING INCOME MARGIN & NET INCOME MARGIN



ROE & ROA



Liquidity

The Ryobi Group's free cash flow (the sum of net cash from operating activities and net cash from investing activities) decreased ¥2,778 million, from ¥7,196 million in the previous fiscal year to ¥4,418 million. This was largely the result of a significant increase in capital expenditure attributed to a ¥10,475 million increase in payment for the acquisition of property, plant and equipment, despite a ¥6,955 million increase in net cash provided by operating activities as a reflection of the increase in notes and accounts payable.

In net cash used in financing activities, repayment of interest-bearing debt decreased ¥3,620 million year on year, owing to increased capital expenditure.

The Ryobi Group promotes a financial strategy focused on the adequate positioning of its cash flows, while also taking into consideration overall investment efficiency. As such, Ryobi maintains a fundamental policy of utilizing cash generated from operating activities as the primary source of its capital expenditure.

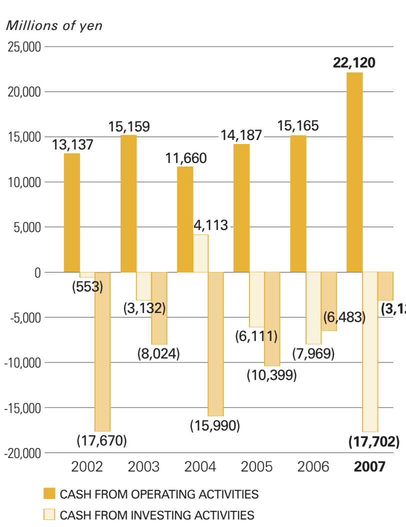
Major cash flow indicators and trends are summarized in the following table:

	2007	2006
Shareholders' equity ratio (%)	36.9	37.5
Shareholders' equity ratio at fair market value (%)	78.6	81.5
Interest-bearing debt—repayment years	1.7	2.6
Interest coverage ratio (times)	28.5	22.5

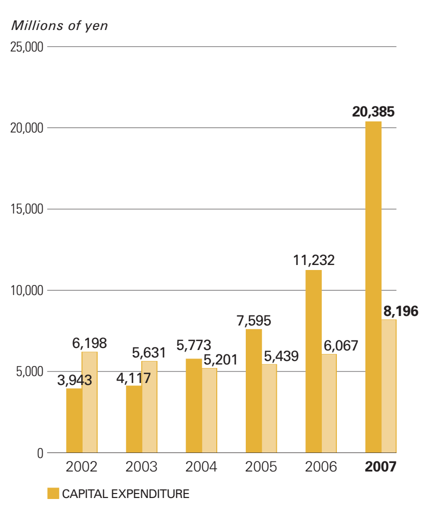
Notes: Shareholders' equity ratio: Shareholders' equity / total assets
Shareholders' equity ratio at fair market value: Shareholders' equity at fair market value / total assets
Interest-bearing debt—repayment years: Interest-bearing debt / net cash from operating activities
Interest coverage ratio: Net cash from operating activities / interest payment

1. Each of the indicators identified in the preceding table is calculated based on figures from Ryobi's consolidated financial statements.
2. Fair market value is calculated using the closing market price of Ryobi's publicly listed shares as of the fiscal year-end multiplied by the number of common shares issued and outstanding (excluding treasury stock).
3. Interest-bearing debt includes all liabilities, which incur interest in connection with liabilities listed on Ryobi's consolidated balance sheet.
4. Net cash from operating activities is taken from Ryobi's consolidated statements of cash flows.
5. Interest payment is the amount of interest paid and is taken from Ryobi's consolidated statements of cash flows.

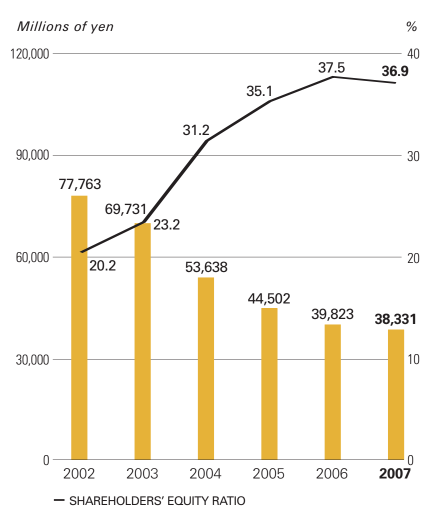
CASH FLOW



CAPITAL EXPENDITURE & DEPRECIATION AND AMORTIZATION



SHAREHOLDERS' EQUITY RATIO & INTEREST-BEARING DEBT



(4) Business Segment Strategy

Die Castings

Ryobi is making concerted efforts to expand orders and sales in the Die Castings Business by further developing high-quality, high-value-added products, reinforcing its technology development capabilities and maximizing the application of its manufacturing systems in Japan, the U.S., Europe and China. Additional efforts to reinforce its global strategic structure were realized in April 2007, with the establishment of a new production site in Mexico. Furthermore, Ryobi will unite manufacturing and sales divisions at home and overseas to curtail costs and enhance productivity.

In the automobile-related sector, Ryobi will strengthen its technical capabilities in response to demands for lighter-weight vehicles by making aluminum die-casting power train components and frames. Simultaneously, Ryobi will reinforce its responsiveness to large-scale orders and production that requires machining.

Ryobi will likewise work to uncover new opportunities and cultivate demand in fields unrelated to the automobile sector, including the electronics and communications industries and fields with requirements for advanced recyclability.

Printing Equipment

Pursuing high-precision, multicolor rendering and increasingly advanced functionality, Ryobi continues to enhance its development, production and marketing capabilities for new products in order to further consolidate its standing in the global market. Furthermore, Ryobi strives to expand its product lines to satisfy market needs through the development of environment-friendly products, as well as products that respond to advancements in information technology and digitization.

Also, in order to meet increasing demand for medium-size offset printing presses (for B2, A2 and B3 paper sizes), Ryobi augmented production at its Hiroshima East Plant by establishing a second on-site factory, which began full-scale operations in October 2006. Moreover, with the completion of the new addition to its second factory, scheduled for July 2007, Ryobi will reinforce and expand its manufacturing capacity as it aims to increase sales.

Power Tools and Builders' Hardware

In the power tools business, which includes electric power tools, lawn and garden and other equipment, Ryobi offers products that meet a variety of demands from professionals to DIY enthusiasts. Ryobi will enhance its productivity by utilizing manufacturing systems in Japan and Dalian, China, as well as its product development system based on the concept of "small, lightweight and compact." In addition, Ryobi aims to enhance its competitiveness through efforts to foster product planning and market capabilities, as well as productivity.

In the builders' hardware business, our mainstay door closers are manufactured mainly at the subsidiary in Dalian, China, and an affiliated company in Taiwan. By developing distinct products, promoting cost reduction through productivity enhancement and reinforcing price competitiveness, Ryobi is aiming for higher profitability.

Forward-Looking Statements

Items containing forward-looking statements such as performance forecasts and future policies and strategies are based on the assumptions of management in light of information available as of the end of the fiscal year under review and may involve various risks and uncertainties. The Ryobi Group cautions that its actual actions and performance may differ significantly from these forward-looking statements due to numerous factors outside of the Group's control such as, but not limited to, general economic conditions, business environment, trends in market demand and foreign exchange rates.

CONSOLIDATED BALANCE SHEETS

RYOBI LIMITED AND CONSOLIDATED SUBSIDIARIES

(As of March 31, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2007**	2006	**2007**
Current assets			
Cash and cash equivalents	**¥ 17,612**	¥ 16,097	**$ 149,191**
Time deposits (Note 6)	**2,301**	2,402	**19,492**
Notes and accounts receivable			
Trade	**47,130**	42,691	**399,238**
Unconsolidated subsidiaries and affiliates	**129**	125	**1,093**
Other	**2,608**	2,148	**22,092**
Allowance for doubtful accounts	**(54)**	(65)	**(458)**
Inventories (Note 4)	**38,398**	31,919	**325,269**
Deferred tax assets (Note 9)	**2,161**	1,386	**18,306**
Prepaid expenses and other	**289**	189	**2,448**
Total current assets	**110,574**	96,892	**936,671**
Property, plant and equipment (Notes 5 and 6)			
Land	**21,326**	19,577	**180,652**
Buildings and structures	**44,402**	40,548	**376,129**
Machinery and equipment	**97,896**	85,407	**829,276**
Construction in progress	**2,227**	2,435	**18,865**
Total	**165,851**	147,967	**1,404,922**
Accumulated depreciation	**(92,822)**	(87,661)	**(786,294)**
Net property, plant and equipment	**73,029**	60,306	**618,628**
Investments and other assets			
Investments in securities (Note 3)	**12,897**	14,856	**109,250**
Investments in and advances to unconsolidated subsidiaries and affiliates	**360**	408	**3,050**
Intangible fixed assets	**1,990**	1,828	**16,857**
Deferred tax assets (Note 9)	**1,472**	1,312	**12,469**
Other	**2,253**	2,348	**19,085**
Allowance for doubtful accounts	**(46)**	(85)	**(389)**
Total investments and other assets	**18,926**	20,667	**160,322**
Total	**¥202,529**	¥177,865	**$1,715,621**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of yen 2007	Millions of yen 2006	Thousands of U.S. dollars (Note 1) 2007
Current liabilities			
Short-term borrowings (Note 6)	¥ 19,751	¥ 19,841	$ 167,310
Current portion of long-term debt (Note 6)	4,363	6,584	36,959
Notes and accounts payable			
Trade	49,634	35,400	420,449
Unconsolidated subsidiaries and affiliates	346	425	2,931
Other	11,302	8,873	95,739
Accrued expenses	4,946	4,589	41,898
Income taxes payable	5,093	3,374	43,143
Other current liabilities (Note 9)	3,623	4,503	30,690
Total current liabilities	99,058	83,589	839,119
Long-term liabilities			
Long-term debt (Note 6)	14,217	13,398	120,432
Accrued severance indemnities (Note 7)	6,549	6,906	55,476
Other long-term liabilities (Note 9)	6,947	6,275	58,848
Total long-term liabilities	27,713	26,579	234,756
Minority interests	—	941	—
Commitments and contingent liabilities (Notes 11,12 and 13)			
Equity (Notes 8 and 15)			
Common stock			
Authorized: 500,000,000 shares			
Issued: 171,230,715 shares	18,472	18,472	156,476
Capital surplus	23,750	23,681	201,186
Retained earnings	34,044	25,885	288,386
Unrealized gain on available-for-sale securities	5,144	6,229	43,575
Deferred loss on derivatives under hedge accounting	(25)	—	(212)
Land revaluation reserve (Note 5)	626	626	5,303
Foreign currency translation adjustments	(6,464)	(7,370)	(54,756)
Treasury stock (3,457,735 shares in 2007; 3,648,152 shares in 2006)	(732)	(767)	(6,200)
Total	74,815	66,756	633,758
Minority interests	943	—	7,988
Total equity	75,758	66,756	641,746
Total	¥202,529	¥177,865	$1,715,621

CONSOLIDATED STATEMENTS OF INCOME

RYOBI LIMITED AND CONSOLIDATED SUBSIDIARIES

(For the years ended March 31, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2007	2006	**2007**
Net sales	**¥204,672**	¥171,232	**$1,733,774**
Cost of sales	**164,520**	135,088	**1,393,647**
Gross profit	**40,152**	36,144	**340,127**
Selling, general and administrative expenses	**23,799**	22,930	**201,601**
Operating income	**16,353**	13,214	**138,526**
Other income			
Interest and dividends	**194**	177	**1,643**
Gain on sales of investments in securities	**772**	0	**6,540**
Other	**1,529**	1,525	**12,952**
Total other income	**2,495**	1,702	**21,135**
Other expenses			
Interest	**815**	679	**6,904**
Loss on disposal of property, plant and equipment	**347**	411	**2,939**
Other	**1,432**	769	**12,131**
Total other expenses	**2,594**	1,859	**21,974**
Income before income taxes and minority interests	**16,254**	13,057	**137,687**
Income taxes (Note 9)			
Current	**6,651**	3,677	**56,340**
Deferred	**(298)**	529	**(2,524)**
Total income taxes	**6,353**	4,206	**53,816**
Minority interests in net income	**24**	215	**203**
Net income	**¥ 9,877**	¥ 8,636	**$ 83,668**

	Yen		U.S. dollars (Note 1)
Per share of common stock (Note 2(p))			
Net income	**¥ 58.92**	¥ 51.31	**$ 0.499**
Cash dividends applicable to the year (Note 15)	**12.00**	10.00	**0.102**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

RYOBI LIMITED AND CONSOLIDATED SUBSIDIARIES

(For the years ended March 31, 2007 and 2006)

	Thousands	Millions of yen				
	Issued number of shares of common stock	Common stock	Capital surplus	Retained earnings	Unrealized gain on available-for -sale securities	Deferred loss on derivatives under hedge accounting
Balance at April 1, 2005	171,231	¥ 18,472	¥ 23,588	¥ 18,503	¥ 3,029	¥ —
Net income	—	—	—	8,636	—	—
Cash dividends, ¥7.50 per share	—	—	—	(1,254)	—	—
Bonuses to directors and corporate auditors	—	—	—	—	—	—
Unrealized gain on available-for-sale securities decrease	—	—	—	—	3,200	—
Foreign currency translation adjustments	—	—	—	—	—	—
Disposal of treasury stock (344,950 shares)	—	—	93	—	—	—
Purchase of treasury stock (8,830 shares)	—	—	—	—	—	—
Other net decrease in treasury stock (1,900 shares)	—	—	—	—	—	—
Balance at March 31, 2006	171,231	18,472	23,681	25,885	6,229	—
Reclassified balance as of March 31, 2006	—	—	—	—	—	—
Net income	—	—	—	9,877	—	—
Cash dividends, ¥10.00 per share	—	—	—	(1,675)	—	—
Bonuses to directors and corporate auditors	—	—	—	(43)	—	—
Disposal of treasury stock (198,660 shares)	—	—	69	—	—	—
Purchase of treasury stock (8,243 shares)	—	—	—	—	—	—
Net change in the year	—	—	—	—	(1,085)	(25)
Balance at March 31, 2007	171,231	¥ 18,472	¥ 23,750	¥ 34,044	¥ 5,144	¥ (25)

	Thousands of U.S. dollars (Note 1)				
Balance at March 31, 2006	$156,476	$200,601	$219,271	$52,766	$ —
Reclassified balance as of March 31,2006	—	—	—	—	—
Net income	—	—	83,668	—	—
Cash dividends, ¥10.00 per share	—	—	(14,189)	—	—
Bonuses to directors and corporate auditors	—	—	(364)	—	—
Disposal of treasury stock (198,660 shares)	—	585	—	—	—
Purchase of treasury stock (8,243 shares)	—	—	—	—	—
Net change in the year	—	—	—	(9,191)	(212)
Balance at March 31, 2007	$156,476	$201,186	$288,386	$43,575	$(212)

	Millions of yen					
	Land revaluation reserve	Foreign currency translation adjustments	Treasury stock	Total	Minority interests	Total equity
Balance at April 1, 2005	¥ 626	¥ (8,094)	¥ (830)	¥ 55,294	¥ —	¥ 55,294
Net income	—	—	—	8,636	—	8,636
Cash dividends, ¥7.50 per share	—	—	—	(1,254)	—	(1,254)
Bonuses to directors and corporate auditors	—	—	—	—	—	—
Unrealized gain on available-for-sale securities decrease	—	—	—	3,200	—	3,200
Foreign currency translation adjustments	—	724	—	724	—	724
Disposal of treasury stock (344,950 shares)	—	—	69	162	—	162
Purchase of treasury stock (8,830 shares)	—	—	(6)	(6)	—	(6)
Other net decrease in treasury stock (1,900 shares)	—	—	0	0	—	0
Balance at March 31, 2006	626	(7,370)	(767)	66,756	—	66,756
Reclassified balance as of March 31, 2006	—	—	—	—	941	941
Net income	—	—	—	9,877	—	9,877
Cash dividends, ¥10.00 per share	—	—	—	(1,675)	—	(1,675)
Bonuses to directors and corporate auditors	—	—	—	(43)	—	(43)
Disposal of treasury stock (198,660 shares)	—	—	42	111	—	111
Purchase of treasury stock (8,243 shares)	—	—	(7)	(7)	—	(7)
Net change in the year	—	906	—	(204)	2	(202)
Balance at March 31, 2007	¥ 626	¥ (6,464)	¥ (732)	¥ 74,815	¥ 943	¥ 75,758

	Thousands of U.S. dollars (Note 1)					
Balance at March 31, 2006	$5,303	$(62,431)	$(6,497)	$565,489	$ —	$565,489
Reclassified balance as of March 31,2006	—	—	—	—	7,971	7,971
Net income	—	—	—	83,668	—	83,668
Cash dividends, ¥10.00 per share	—	—	—	(14,189)	—	(14,189)
Bonuses to directors and corporate auditors	—	—	—	(364)	—	(364)
Disposal of treasury stock (198,660 shares)	—	—	356	941	—	941
Purchase of treasury stock (8,243 shares)	—	—	(59)	(59)	—	(59)
Net change in the year	—	7,675	—	(1,728)	17	(1,711)
Balance at March 31, 2007	$5,303	$(54,756)	$(6,200)	$633,758	$7,988	$641,746

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

RYOBI LIMITED AND CONSOLIDATED SUBSIDIARIES

(For the years ended March 31, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2007	2006	2007
Operating activities			
Income before income taxes and minority interests	¥16,254	¥ 13,057	$ 137,687
Adjustments for:			
Income taxes - paid	(5,054)	(674)	(42,812)
Depreciation and amortization	8,196	6,072	69,428
Loss on sales or disposals of property, plant and equipment	340	395	2,880
Changes in assets and liabilities			
Increase in notes and accounts receivable	(4,720)	(4,689)	(39,983)
Increase in inventories	(6,368)	(4,025)	(53,943)
Increase in notes and accounts payable	14,996	5,536	127,031
Increase (decrease) in accrued expenses	89	(132)	754
Other, net	(1,613)	(375)	(13,664)
Net cash provided by operating activities	22,120	15,165	187,378
Investing activities			
Purchase of property, plant and equipment	(18,672)	(8,197)	(158,170)
Proceeds from sale of property, plant and equipment	38	64	322
Other	932	164	7,895
Net cash used in investing activities	(17,702)	(7,969)	(149,953)
Financing activities			
Proceeds from long-term debt	5,218	6,347	44,202
Repayments of long-term debt	(6,713)	(11,142)	(56,866)
Decrease in short-term borrowings, net	(123)	(443)	(1,042)
Acquisition of treasury stock	(7)	(6)	(59)
Cash dividends paid	(1,676)	(1,254)	(14,197)
Other	180	15	1,524
Net cash used in financing activities	(3,121)	(6,483)	(26,438)
Foreign currency translation adjustments on cash and cash equivalents	218	81	1,847
Net increase in cash and cash equivalents	1,515	794	12,834
Cash and cash equivalents at beginning of year	16,097	15,303	136,357
Cash and cash equivalents at end of year	¥17,612	¥ 16,097	$ 149,191
Additional cash flow information			
Interest paid	¥ 775	¥ 673	$ 6,565

See notes to consolidated financial statements.

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

On December 27, 2005, the Accounting Standards Board of Japan (the "ASBJ") published a new accounting standard for the statement of changes in equity, which is effective for fiscal years ending on or after May 1, 2006. The consolidated statement of shareholders' equity, which was previously voluntarily prepared in line with the international accounting practices, is now required under generally accepted accounting principles in Japan and has been renamed "the consolidated statement of changes in equity" in the current fiscal year.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2006 consolidated financial statements to conform to the classifications used in 2007.

The notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Ryobi Limited ("the Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥118.05 to $1, the approximate rate of exchange at March 31, 2007. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of the Company and its significant subsidiaries ("the Ryobi Group"). Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Ryobi Group has the ability to exercise significant influence are accounted for by the equity method.

(i) Consolidated subsidiaries

The major consolidated subsidiaries are listed below:

Tokyo Light Alloy Co., Ltd. (Japan)
Ryobi Holdings (USA), Inc.
Ryobi Die Casting (USA), Inc.

(ii) Affiliates

The major affiliate accounted for by the equity method is Ryobi-Tech Corporation (Taiwan).

The number of consolidated subsidiaries and affiliates accounted for by the equity method as of March 31, 2007 and 2006 was as follows:

	2007	2006
Consolidated subsidiaries	15	15
Affiliates	3	3

The number of unconsolidated subsidiaries and affiliates not accounted for by the equity method as of March 31, 2007 and 2006 was as follows:

	2007	2006
Unconsolidated subsidiaries	3	3
Affiliates	0	1

The investments in such unconsolidated subsidiaries are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant inter-company transactions, account balances and unrealized profits among the companies have been eliminated.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized over a period of 5 years except for such excess recorded in a US subsidiary which is treated in accordance with FAS142.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks and financial institutions which are unrestricted as to withdrawal or use, and which have original maturities of three months or less.

(c) Inventories

Inventories are valued at cost for the Company and domestic subsidiaries and the lower of cost or market for foreign subsidiaries. Cost is determined by methods according to the classification of inventories as follows:

(i) Finished products and work in process
The average method for the Company and domestic subsidiaries.
Foreign subsidiaries mainly adopt the first-in first-out method.

(ii) Raw materials, supplies and purchased goods
Die castings .... Average method
Others .... Last purchase invoice price method
Foreign subsidiaries mainly adopt the first-in first-out method.

(d) Marketable and investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:

i) trading securities, which are held for the purpose of earning capital gains in the near term are reported at fair value, and the related unrealized gains and losses are included in income, ii) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and iii) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is primarily computed by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is principally applied to the property, plant and equipment of consolidated foreign subsidiaries. The range of useful lives is from 3 to 50 years for buildings and structures, and from 2 to 20 years for machinery and equipment.

(f) Long-lived assets

The Ryobi Group adopted the new accounting standard for impairment of fixed assets from the year ended March 31, 2004. The Ryobi Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

No impairment losses were recognized for the years ended March 31, 2007 and 2006.

(g) Accrued severance indemnities and pension plan

The Company and domestic consolidated subsidiaries have a contributory or a non-contributory funded pension plan and unfunded pension plans, which cover substantially all of their employees. Certain foreign consolidated subsidiaries have defined benefit pension plans.

Effective April 1, 2000, the Ryobi Group adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The amount of the transitional obligation of ¥9,092 million ($77,018 thousand), determined as of the beginning of this fiscal year, is amortized over ten years. Unrecognized prior service cost is amortized at the beginning of this fiscal year by using straight-line method over employees' remaining service period or shorter period (primarily 14 years). Unrecognized net actuarial loss is amortized from the next fiscal year by using the straight-line method over the employees' remaining service period or less (primarily 14 years). The Company changed its period of amortization of unrecognized prior service cost and unrecognized net actuarial loss from primarily 15 years to 14 years in fiscal 2007 as the employees' remaining service period was shortened. The effect of this change was immaterial.

(h) Presentation of equity

On December 9, 2005, the ASBJ published a new accounting standard for presentation of equity. Under this accounting standard, certain items which were previously presented as liabilities are now presented as components of equity. Such items include stock acquisition rights, minority interests, and any deferred gain or loss on derivatives accounted for under hedge accounting. This standard is effective for fiscal years ending on or after May 1, 2006. The consolidated balance sheet as of March 31, 2007 is presented in line with this new accounting standard.

(i) Leases

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

(j) Bonuses to directors and corporate auditors

Prior to the fiscal year ended March 31, 2005, bonuses to directors and corporate auditors were accounted for as a reduction of retained earnings in the fiscal year following approval at the general shareholders meeting. The ASBJ issued ASBJ Practical Issues Task Force (PITF) No.13, "Accounting Treatment for Bonuses to Directors and Corporate Auditors," which encouraged companies to record bonuses to directors and corporate auditors on the accrual basis with a related charge to income, but still permitted the direct reduction of such bonuses from retained earnings after approval of the appropriation of retained earnings.

The ASBJ replaced the above accounting pronouncement by issuing a new accounting standard for bonuses to directors and corporate auditors on November 29, 2005. Under the new accounting standard, bonuses to directors and corporate auditors must be expensed and are no longer allowed to be directly charged to retained earnings. This accounting standard is effective for fiscal years ending on or after May 1, 2006. The companies must accrue bonuses to directors and corporate auditors at the year end to which such bonuses are attributable.

The Company adopted the new accounting standard for bonuses to directors and corporate auditors in the year ended March 31, 2007. The effect of adoption of this accounting standard was to decrease income before income taxes and minority interests for the year ended March 31, 2007 by ¥43 million ($364 thousand).

(k) Income taxes

The Ryobi Group adopted an accounting method for interperiod allocation of income taxes based on the asset and liability method.

Deferred income taxes are recorded to reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(l) Appropriation of retained earnings

Appropriations of retained earnings at each year end are reflected in the financial statements for the following year upon shareholder's approval.

(m) Translation of foreign currency accounts

All current and non-current receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translations are recognized in the income statement to the extent that they are not hedged by forward exchange contracts.

(n) Translation of foreign currency financial statements (accounts of foreign subsidiaries)

The balance sheet accounts of the consolidated overseas subsidiaries are translated into yen at the current exchange rates as of the balance sheet date except for equity, which is translated at the historical exchange rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity.

Revenue and expense accounts of the consolidated overseas subsidiaries are translated into yen at the average exchange rate.

(o) Derivative and hedging activities

The Ryobi Group uses derivative financial instruments to manage its exposure to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Ryobi Group to reduce foreign currency exchange and interest rate risks. The Ryobi Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative translations are recognized in the income statement and b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until of maturity of the hedged transaction.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

(p) Per share information

Basic net income per share is computed by dividing net income available to common shareholders, by the weighted-average number of common shares outstanding for the period, retroactively for stock splits.

Diluted net income per share is not calculated because no dilutive instruments were issued and outstanding for the years ended March 31, 2007 and 2006.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

(q) New accounting pronouncements

a. Measurement of Inventories

Under generally accepted accounting principles in Japan ("Japanese GAAP"), inventories are currently measured either by the cost method, or at the lower of cost or market. On July 5, 2006, the ASBJ issued ASBJ Statement No.9, "Accounting Standard for Measurement of Inventories," which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price.

b. Lease Accounting

On March 30, 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions," which revised the existing accounting standard for lease transactions issued on June 17, 1993.

Under the existing accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, however, other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements.

The revised accounting standard requires that all finance lease transactions should be capitalized. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

c. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

Under Japanese GAAP, a company currently can use the financial statements of foreign subsidiaries which are prepared in accordance with generally accepted accounting principles in their respective jurisdictions for its consolidation process unless they are clearly unreasonable. On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force (PITF) No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." The new task force prescribes: 1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, 2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States tentatively may be used for the consolidation process, 3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material;

(1) Amortization of goodwill

(2) Actuarial gains and losses of defined benefit plans recognized outside profit or loss

(3) Capitalization of intangible assets arising from development phases

(4) Fair value measurement of investment properties, and the revaluation model for property, plant and equipment, and intangible assets

(5) Retrospective application when accounting policies are changed

(6) Accounting for net income attributable to a minority interest

The new task force is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

3. Marketable Securities and Investments in Securities

Information regarding each category of the securities classified as trading, held-to-maturity and available-for-sale at March 31, 2007 and 2006 was as follows:

	Millions of yen			
	2007			
	Cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale:				
Corporate shares	¥2,929	¥8,629	¥(11)	¥11,547
Bonds	100	—	(1)	99
Others	—	—	—	—
Total	¥3,029	¥8,629	¥(12)	¥11,646

	Millions of yen			
	2006			
	Cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale:				
Corporate shares	¥3,076	¥10,454	¥(10)	¥13,520
Bonds	100	—	(4)	96
Others	10	—	(0)	10
Total	¥3,186	¥10,454	¥(14)	¥13,626

	Thousands of U.S. dollars			
	2007			
	Cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale:				
Corporate shares	$24,812	$73,096	$ (93)	$97,814
Bonds	847	—	(8)	839
Others	—	—	—	—
Total	$25,659	$73,096	$(101)	$98,653

Available-for-sale securities whose fair value was not readily determinable as of March 31, 2007 and 2006 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Available-for-sale:			
Corporate shares	¥1,251	¥1,230	$10,597

The book value of available-for-sale securities by contractual maturity for securities classified as available-for-sale at March 31, 2007 and 2006 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Due in one year or less	¥ —	¥ —	$ —
Due after one year through five years	100	100	847
Due after five years through ten years	—	10	—
Total	¥100	¥110	$847

4. Inventories

Inventories at March 31, 2007 and 2006 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Finished products and purchased goods	¥15,658	¥13,512	$132,639
Work in process	13,909	11,741	117,823
Raw materials and supplies	8,831	6,666	74,807
Total	¥38,398	¥31,919	$325,269

5. Land Revaluation

Under the "Law of Land Revaluation" a subsidiary elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2002.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There is no effect on the consolidated statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

The details of the one-time revaluation as of March 31, 2002 were as follows:

	Millions of yen	Thousands of U.S. dollars
Land before revaluation	¥ 275	$ 2,329
Land after revaluation	1,981	16,781
Land revaluation reserve, net of income taxes of ¥675 million ($5,718 thousand) and attribution of minority interest of ¥405 million ($3,431 thousand)	¥ 626	$ 5,303

As of March 31, 2007, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥695 million ($5,887 thousand).

6. Short-term Borrowings and Long-term Debt

The annual weighted average interest rates applicable to short-term borrowings were 2.2% and 1.7%, at March 31, 2007 and 2006, respectively.

Long-term debt at March 31, 2007 and 2006 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Loans principally from banks and insurance companies with interest rates ranging from 1.38% to 6.31%:			
Secured	¥ 1,237	¥ 1,458	$ 10,479
Unsecured	17,343	18,524	146,912
Total	18,580	19,982	157,391
Less: Current portion	(4,363)	(6,584)	(36,959)
Long-term debt less current portion	¥14,217	¥13,398	$120,432

The aggregate annual maturities of long-term debt at March 31, 2007 were as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2008	¥ 4,363	$ 36,959
2009	3,957	33,520
2010	3,218	27,260
2011	3,939	33,367
2012	3,103	26,285
2013 and thereafter	—	—
Total	¥18,580	$157,391

The assets of the Ryobi Group pledged as collateral for short-term borrowings and long-term debt with banks and other financial institutions at March 31, 2007 and 2006 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Net book value of property:			
Buildings and structures	¥ 4,682	¥4,145	$ 39,661
Machinery and equipment	5,149	2,279	43,617
Land	2,884	2,869	24,430
Time deposit	4	4	34
Total	¥12,719	¥9,297	$107,742

7. Accrued Severance Indemnities and Pension Plan

The Company and its certain consolidated subsidiaries have severance payment plans for employees. Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The liabilities for employees' retirement benefits at March 31, 2007 and 2006 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Projected benefit obligation	¥32,415	¥31,065	$274,587
Fair value of plan assets	(23,840)	(22,818)	(201,948)
Unrecognized prior service cost	2,432	2,664	20,601
Unrecognized actuarial loss	(2,596)	(1,527)	(21,991)
Unrecognized transitional obligation	(1,862)	(2,482)	(15,773)
Prepaid pension cost	0	4	0
Net liabilities	¥ 6,549	¥ 6,906	$ 55,476

The components of net periodic retirement benefit costs for the years ended March 31, 2007 and 2006 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Service cost	¥1,074	¥1,175	$ 9,098
Interest cost	718	717	6,082
Expected return on plan assets	(804)	(658)	(6,811)
Amortization of prior service cost	(232)	(219)	(1,965)
Recognized actuarial loss	294	511	2,490
Amortization of transitional obligation	621	621	5,261
Net periodic retirement benefit costs	¥1,671	¥2,147	$14,155

Assumptions used for the years ended March 31, 2007 and 2006 were set forth as follows:

	2007	2006
Discount rate	2.0%~2.5%	2.0%~2.5%
Expected rate of return on plan assets	3.5%	3.5%
Amortization of prior service cost	Primarily 14 years	Primarily 15 years
Recognition period of actuarial gain / loss	Primarily 14 years	Primarily 15 years
Amortization of transitional obligation	10 years	10 years

8. Equity

On and after May 1, 2006, Japanese companies are subject to a new corporate law of Japan (the "Corporate Law"), which reformed and replaced the Commercial Code of Japan (the "Code") with various revisions that are, for the most part, applicable to events or transactions which occur on or after May 1, 2006 and for the fiscal years ending on or after May 1, 2006. The significant changes in the Corporate Law that affect financial and accounting matters are summarized below;

(a) Dividends

Under the Corporate Law, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Corporate Law permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Corporate Law provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Corporate Law requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Corporate Law also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Corporate Law, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity.

The Corporate Law also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of 39.5% for the years ended March 31, 2007 and 2006.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2007 and 2006 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Deferred tax assets:			
Accrued severance cost	¥ 2,530	¥ 2,658	$ 21,432
Tax loss carryforwards	16,696	16,563	141,431
Other	3,746	3,499	31,732
Valuation allowance	(17,196)	(17,287)	(145,667)
Deferred tax assets	¥ 5,776	¥ 5,433	$ 48,928
Deferred tax liabilities:			
Unrealized gain on available -for-sale securities	¥ (3,408)	¥ (4,129)	$ (28,869)
Other	(2,122)	(1,973)	(17,975)
Deferred tax liabilities	¥ (5,530)	¥ (6,102)	$ (46,844)
Net deferred tax assets (liabilities)	¥ 246	¥ (669)	$ 2,084

The reconciliation between the normal effective statutory tax rate for the years ended March 31, 2007 and 2006 and the actual effective tax rates reflected in the accompanying consolidated statements of income was as follows:

	2007	2006
Normal effective statutory tax rate	39.5%	39.5%
Valuation allowance	(0.3)	(5.8)
Other, net	(0.1)	(1.5)
Actual effective tax rate	39.1%	32.2%

10. Research and Development Costs

Research and development costs were ¥1,883 million ($15,951 thousand) and ¥1,740 million for the years ended March 31, 2007 and 2006, respectively.

11. Leases

Lease expenses on such finance lease contracts without ownership transfer amounted to ¥698 million ($5,913 thousand) and ¥882 million, for the years ended March 31, 2007 and 2006, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, depreciation expense, interest expense, future minimum lease payments of finance leases that do not transfer ownership of the leased property to the lessee on a "as if capitalized" basis for the years ended March 31, 2007 and 2006 was as follows:

	Millions of yen		
	2007		
	Acquisition cost	Accumulated depreciation	Net leased property
Machinery and equipment	¥4,542	¥2,435	¥2,107
Other assets	98	74	24
Total	¥4,640	¥2,509	¥2,131

	Millions of yen		
	2006		
	Acquisition cost	Accumulated depreciation	Net leased property
Machinery and equipment	¥4,611	¥2,039	¥2,572
Other assets	1,391	1,219	172
Total	¥6,002	¥3,258	¥2,744

	Thousands of U.S. dollars		
	2007		
	Acquisition cost	Accumulated depreciation	Net leased property
Machinery and equipment	$38,475	$20,626	$17,849
Other assets	830	627	203
Total	$39,305	$21,253	$18,052

Depreciation expense and interest expense, which are not reflected in the accompanying statements of income, computed by the straight-line method and the interest method were ¥698 million ($5,913 thousand) and ¥882 million for the years ended March 31, 2007 and 2006, respectively.

Future minimum lease payments:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Current	¥ 525	¥ 687	$ 4,447
Non-current	1,606	2,057	13,605
Total	¥2,131	¥2,744	$18,052

Future minimum lease payments of the Ryobi Group as of March 31, 2007 and 2006 under noncancelable operating leases are as follows:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Current	¥114	¥471	$ 966
Non-current	75	146	635
Total	¥189	¥617	$1,601

12. Contingent Liabilities

The Ryobi Group had the following contingent liabilities at March 31, 2007 and 2006.

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Trade notes discounted	¥ 606	¥ 810	$ 5,133
Guarantees and similar items			
Bank loans	151	170	1,279
Leases	2,037	2,119	17,255
Total	¥2,794	¥3,099	$23,667

13. Derivatives

The Ryobi Group enters into foreign exchange forward contracts and interest rate swaps to hedge risk and reduce exposure to fluctuations in market values of foreign exchange rates and interest rates associated with certain assets and liabilities.

All derivative transactions are related to qualified hedges of interest and foreign currency exposures incorporated with its business. Market risk of these derivatives is basically offset by opposite movements in the value of hedged assets. The Ryobi Group does not hold or issue derivatives for speculative or trading purposes.

Market risk is the exposure created by potential fluctuations in market conditions, including interest or foreign exchange rates. The Ryobi Group does not anticipate any losses arising from credit risk because the counterparties to these derivatives are limited to major international financial institutions.

The execution of derivatives is controlled by the Finance Department of the Company, and by the Finance Division of consolidated subsidiaries. Derivative transactions have been made in accordance with internal policies which regulate the authorization and credit limit amounts.

The Ryobi Group had the following derivatives contracts outstanding as of March 31, 2007 and 2006.

	Millions of yen		
	2007		
	Contract amount	Fair value	Unrealized gain (loss)
Interest swap:			
Fixed rate payment, floating rate receipt	¥100	¥(0)	¥(0)

	Millions of yen		
	2006		
	Contract amount	Fair value	Unrealized gain (loss)
Interest swap:			
Fixed rate payment, floating rate receipt	¥100	¥(0)	¥(0)

	Thousands of U.S. dollars		
	2007		
	Contract amount	Fair value	Unrealized gain (loss)
Interest swap:			
Fixed rate payment, floating rate receipt	$847	$(0)	$(0)

Note: Derivatives which qualify for hedge accounting were excluded from the market value information in 2007 and 2006.

14. Segment Information

The segment information classified by industry and geographical market area is presented below with respect to the years ended March 31, 2007 and 2006.

(1) Industry segment information

The Ryobi Group operates in three industry segments according to the product groups which are:

—Die castings ("Die castings")

—Printing equipment ("Printing equipment")

—Electric power tools, lawn and garden equipment and builders' hardware ("Power tools and builders' hardware")

	Millions of yen				
	2007				
	Die castings	Printing equipment	Power tools and builders' hardware	Eliminations / corporate	Consolidated
Net sales:					
Unaffiliated customer	¥ 138,623	¥ 39,829	¥ 26,220	¥ —	¥ 204,672
Intersegment	266	—	2	(268)	—
Total	138,889	39,829	26,222	(268)	204,672
Operating costs and expenses	130,121	33,960	24,506	(268)	188,319
Operating income	¥ 8,768	¥ 5,869	¥ 1,716	¥ 0	¥ 16,353
Total assets	¥ 118,535	¥ 31,066	¥ 25,763	¥ 27,165	¥ 202,529
Depreciation and amortization	6,779	693	724	—	8,196
Capital expenditure	¥ 17,836	¥ 1,816	¥ 733	¥ —	¥ 20,385

	Millions of yen				
	2006				
	Die castings	Printing equipment	Power tools and builders' hardware	Eliminations / corporate	Consolidated
Net sales:					
Unaffiliated customer	¥ 114,320	¥ 32,307	¥ 24,605	¥ —	¥ 171,232
Intersegment	212	—	3	(215)	—
Total	114,532	32,307	24,608	(215)	171,232
Operating costs and expenses	107,370	28,022	22,841	(215)	158,018
Operating income	¥ 7,162	¥ 4,285	¥ 1,767	¥ 0	¥ 13,214
Total assets	¥ 98,259	¥ 26,509	¥ 24,498	¥ 28,599	¥ 177,865
Depreciation and amortization	4,865	453	749	—	6,067
Capital expenditure	¥ 9,626	¥ 1,104	¥ 502	¥ —	¥ 11,232

	Thousands of U.S. dollars				
	2007				
	Die castings	Printing equipment	Power tools and builders' hardware	Eliminations / corporate	Consolidated
Net sales:					
Unaffiliated customer	$1,174,274	$ 337,391	$ 222,109	$ —	$ 1,733,774
Intersegment	2,253	—	17	(2,270)	—
Total	1,176,527	337,391	222,126	(2,270)	1,733,774
Operating costs and expenses	1,102,253	287,675	207,590	(2,270)	1,595,248
Operating income	$ 74,274	$ 49,716	$ 14,536	$ 0	$ 138,526
Total assets	$1,004,109	$ 263,160	$ 218,238	$230,114	$ 1,715,621
Depreciation and amortization	57,425	5,870	6,133	—	69,428
Capital expenditure	$ 151,089	$ 15,383	$ 6,209	$ —	$ 172,681

The amounts of corporate assets as of March 31, 2007 and 2006 included in the "Eliminations or corporate assets" were ¥27,183 million ($230,267 thousand) and ¥28,613 million, respectively, which mainly consist of cash, securities and long-term investment assets (investments in securities).

The effect of the change in the accounting for bonuses to directors and corporate auditors described in Note 2.(j) was to decrease operating income of Die castings, Printing equipment and Power tools and builders' hardware for the year ended March 31, 2007, by ¥27 million ($229 thousand), ¥9 million ($76 thousand) and ¥7 million ($59 thousand), respectively, from such segments in the prior year.

(2) Geographical segment information

	Millions of yen				
	2007				
	Japan	North America	Other overseas	Eliminations / corporate	Consolidated
Net sales:					
Unaffiliated customer	¥ 173,830	¥ 23,147	¥ 7,695	¥ —	¥ 204,672
Intersegment	3,748	800	6,242	(10,790)	—
Total	177,578	23,947	13,937	(10,790)	204,672
Operating costs and expenses	163,330	22,651	13,245	(10,907)	188,319
Operating income	¥ 14,248	¥ 1,296	¥ 692	¥ 117	¥ 16,353
Total assets	¥ 142,856	¥ 18,909	¥ 16,457	¥ 24,307	¥ 202,529

	Millions of yen				
	2006				
	Japan	North America	Other overseas	Eliminations / corporate	Consolidated
Net sales:					
Unaffiliated customer	¥ 147,296	¥ 17,229	¥ 6,707	¥ —	¥ 171,232
Intersegment	2,290	184	5,225	(7,699)	—
Total	149,586	17,413	11,932	(7,699)	171,232
Operating costs and expenses	138,680	16,111	10,970	(7,743)	158,018
Operating income	¥ 10,906	¥ 1,302	¥ 962	¥ 44	¥ 13,214
Total assets	¥ 121,737	¥ 15,150	¥ 14,111	¥ 26,867	¥ 177,865

	Thousands of U.S. dollars				
	2007				
	Japan	North America	Other overseas	Eliminations / corporate	Consolidated
Net sales:					
Unaffiliated customer	$ 1,472,512	$ 196,078	$ 65,184	$ —	$ 1,733,774
Intersegment	31,749	6,777	52,876	(91,402)	—
Total	1,504,261	202,855	118,060	(91,402)	1,733,774
Operating costs and expenses	1,383,566	191,877	112,198	(92,393)	1,595,248
Operating income	$ 120,695	$ 10,978	$ 5,862	$ 991	$ 138,526
Total assets	$ 1,210,132	$ 160,178	$ 139,407	$ 205,904	$ 1,715,621

The amounts of corporate assets as of March 31, 2007 and 2006 included in the "Eliminations or corporate assets" were ¥27,183 million ($230,267 thousand) and ¥28,613 million, respectively, which mainly consist of cash, securities and long-term investment assets (investments in securities).

The effect of the change in the accounting for bonuses to directors and corporate auditors described in Note 2.(j) was to decrease operating income of Japan for the year ended March 31, 2007, by ¥43 million ($364 thousand) from such segments in the prior year.

(3) Export sales and sales by overseas subsidiaries

Export sales of the companies (i.e., export amounts made by the Company and its domestic subsidiaries) plus the sales by overseas consolidated subsidiaries for the years ended March 31, 2007 and 2006 are presented below:

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Export sales and sales by overseas subsidiaries:			
North America	¥29,079	¥22,997	$246,328
Europe	21,955	15,685	185,980
Other	12,180	8,878	103,177
Total	¥63,214	¥47,560	$535,485
Percentage of such sales against consolidated net sales:			
North America	14.2%	13.4%	
Europe	10.7	9.2	
Other	6.0	5.2	
Total	30.9%	27.8%	

15. Subsequent Event

On June 26, 2007, the shareholders of the Company authorized the following appropriation of retained earnings for the year ended March 31, 2007.

	Millions of yen	Thousands of U.S. dollars
Cash dividends	¥ 2,013	$ 17,052

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ryobi Limited:

We have audited the accompanying consolidated balance sheets of Ryobi Limited (the "Company") and consolidated subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ryobi Limited and consolidated subsidiaries as of March 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 26, 2007

CORPORATE DATA

Company Name
RYOBI LIMITED

Established
December 16, 1943

Major Products
Die cast products
Printing equipment
(offset printing presses, peripherals, etc.)
Power tools
(electric power tools, lawn and garden equipment, etc.)
Builders' hardware
(door closers, hinges, architectural hardware, etc.)

Head Office
762 Mesaki-cho, Fuchu-shi, Hiroshima-ken 726-8628, Japan
Telephone: 81-847-41-1111

Tokyo Branch
5-2-8 Toshima, Kita-ku, Tokyo 114-8518, Japan
Telephone: 81-3-3927-5541

Toranomon Office
Toranomon Central Building
1-7-1 Nishishinbashi, Minato-ku, Tokyo 105-0003, Japan
Telephone: 81-3-3927-5541

MANAGEMENT MEMBERS

(As of June 26, 2007)

BOARD OF DIRECTORS

Chairman and Representative Director	Hiroshi Urakami
President and Representative Director	Susumu Yoshikawa
Directors	Takao Tanaka
	Takashi Yokoyama
	Mikio Kamura
	Shiro Muroya
	Koji Ishii
	Akira Urakami
	Kenjiro Suzuki
Outside Director	Satoshi Ohoka

CORPORATE AUDITORS

Standing Corporate Auditor	Shozo Kobayashi
Outside Corporate Auditors	Kunihiro Toyota
	Tairo Katoh
Corporate Auditor	Tsuyoshi Mifune

CORPORATE OFFICERS

Chief Executive Officer	Hiroshi Urakami
Chief Operating Officer	Susumu Yoshikawa
Executive Corporate Officers	Takao Tanaka
	Takashi Yokoyama
	Mikio Kamura
	Shiro Muroya
Corporate Officers	Koji Ishii
	Kenjiro Suzuki
	Kuniyuki Ito
	Naomichi Honkawa
	Kazuaki Danjo
	Shoji Osawa
	Hideki Domoto

MAJOR CONSOLIDATED SUBSIDIARIES

Ryobi Imagix Co. (Japan)	Printing equipment and related product sales
Ryobi Sales Co. (Japan)	Power tools and lawn and garden equipment sales
Ryobi Mirasaka Co. (Japan)	Die casting manufacturing
Ryobi Mitsugi Co. (Japan)	Die casting manufacturing
Tokyo Light Alloy Co., Ltd. (Japan)	Cast aluminum and die casting manufacturing and sales
Ikuno Co. (Japan)	Secondary aluminum alloy bullion manufacturing and sales
Ryobi Power Tool Co. (Japan)	Power tools and lawn and garden equipment manufacturing
Ryobi Die Casting (USA), Inc. (U.S.A.)	Die casting manufacturing and sales
RDCM, S. de R.L. de C.V. (Mexico)	Die casting manufacturing (Founded in April 2007, production operations planned to begin in October 2008)
Ryobi Aluminium Casting (UK), Limited (U.K.)	Die casting manufacturing and sales
Ryobi Die Casting Dalian Co., Ltd. (P.R.C.)	Die and die casting manufacturing and sales
Ryobi Dalian Machinery Co., Ltd. (P.R.C.)	Power tools, lawn and garden equipment and builders' hardware manufacturing and sales
Ryobi Finance Corporation (U.S.A.)	Financial operations

SHAREHOLDER INFORMATION

Number of Shares Issued
(As of March 31, 2007)

171,230,715

Listing
Common Stock—Tokyo

Transfer Agent
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku,
Tokyo 100-8212, Japan

RYOBI LIMITED

Head Office 762 Mesaki-cho, Fuchu-shi, Hiroshima-ken 726-8628, Japan
Tel. 81-847-41-1111
http://www.ryobi-group.co.jp/

Printed in Japan

This annual report was printed by a Ryobi printing press using 100% recycled paper and soybean ink.