RYOBI

ANNUAL REPORT

For the year ended March 31,2017

2017

CONSOLIDATED BALANCE SHEET

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(As of March 31, 2017)

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2017**	2016	**2017**
Current assets			
Cash and cash equivalents (Note 16)	**¥ 16,170**	¥ 19,850	**$ 144,138**
Short-term investments (Note 16)	**2,307**	2,316	**20,569**
Notes and accounts receivable (Note 16)			
Trade	**57,530**	55,056	**512,796**
Unconsolidated subsidiaries	**5**	30	**48**
Other	**1,941**	3,544	**17,305**
Allowance for doubtful receivables	**(61)**	(60)	**(549)**
Inventories (Note 5)	**45,424**	43,571	**404,886**
Deferred tax assets (Note 11)	**1,316**	1,474	**11,732**
Prepaid expenses and other	**2,030**	832	**18,095**
Total current assets	**126,665**	126,616	**1,129,024**
Property, plant and equipment (Notes 6 and 7)			
Land	**21,922**	23,276	**195,403**
Buildings and structures	**68,121**	68,884	**607,197**
Machinery and equipment	**196,728**	199,767	**1,753,528**
Construction in progress	**8,622**	4,305	**76,853**
Other	**49**	47	**443**
Total	**295,444**	296,281	**2,633,427**
Accumulated depreciation	**(184,012)**	(179,003)	**(1,640,182)**
Net property, plant and equipment	**111,432**	117,278	**993,245**
Investments and other assets			
Investment securities (Notes 4 and 16)	**14,970**	12,293	**133,438**
Investment in unconsolidated subsidiary (Note 16)	**93**	93	**831**
Intangible fixed assets	**3,009**	2,994	**26,826**
Asset for retirement benefits (Note 9)	**995**	84	**8,869**
Deferred tax assets (Note 11)	**5,181**	5,328	**46,184**
Other	**589**	601	**5,255**
Allowance for doubtful receivables	**(67)**	(93)	**(601)**
Total investments and other assets	**24,772**	21,302	**220,805**
Total	**¥ 262,869**	¥ 265,197	**$ 2,343,075**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of yen 2017	Millions of yen 2016	Thousands of U.S. dollars (Note 1) 2017
Current liabilities			
Short-term borrowings (Notes 8 and 16)	¥ **34,293**	¥ 35,467	$ **305,671**
Current portion of long-term debt (Notes 8 and 16)	**15,956**	10,622	**142,225**
Notes and accounts payable (Note 16)			
Trade	**38,400**	38,657	**342,284**
Unconsolidated subsidiaries	**121**	135	**1,080**
Other	**9,399**	8,301	**83,785**
Accrued expenses	**4,922**	5,078	**43,877**
Income taxes payable	**582**	1,698	**5,191**
Other	**5,842**	5,957	**52,072**
Total current liabilities	**109,518**	105,920	**976,188**
Long-term liabilities			
Long-term debt (Notes 8 and 16)	**23,925**	35,810	**213,257**
Liability for retirement benefits (Note 9)	**8,810**	8,847	**78,535**
Deferred tax liabilities (Note 11)	**1,784**	1,007	**15,902**
Other	**3,401**	3,503	**30,320**
Total long-term liabilities	**37,922**	49,169	**338,016**
Commitments and contingent liabilities (Notes 14, 15 and 17)			
Equity (Note 10)			
Common stock			
Authorized: 500,000,000 shares			
Issued: 171,230,715 shares	**18,472**	18,472	**164,651**
Capital surplus	**23,776**	23,765	**211,931**
Retained earnings	**62,283**	55,540	**555,163**
Treasury stock (Note 20)			
(9,382,248 shares in 2017; 9,381,237 shares in 2016)	**(2,336)**	(2,335)	**(20,824)**
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities	**6,551**	4,646	**58,394**
Deferred loss on derivatives under hedge accounting	**—**	(10)	**—**
Land revaluation surplus (Note 6)	**737**	737	**6,576**
Foreign currency translation adjustments	**518**	4,709	**4,623**
Defined retirement benefit plans (Note 9)	**(1,793)**	(1,885)	**(15,985)**
Total	**108,210**	103,640	**964,529**
Noncontrolling interests	**7,218**	6,466	**64,339**
Total equity	**115,428**	110,107	**1,028,869**
Total	¥ **262,869**	¥ 265,197	$ **2,343,075**

CONSOLIDATED STATEMENT OF INCOME

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2017)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2016	**2017**
Net sales	**¥ 240,502**	¥ 254,508	**$ 2,143,710**
Cost of sales	**202,845**	216,056	**1,808,049**
Gross profit	**37,657**	38,451	**335,661**
Selling, general and administrative expenses (Note 12)	**25,782**	25,619	**229,810**
Operating income	**11,875**	12,832	**105,850**
Other income			
Interest and dividend income	**401**	371	**3,574**
Rent income	**452**	477	**4,036**
Gain on sales of Investment securities	**201**	—	**1,795**
Other	**1,987**	1,578	**17,719**
Total other income	**3,043**	2,427	**27,125**
Other expenses			
Interest expenses	**1,348**	1,873	**12,023**
Loss on disposal of property, plant and equipment	**254**	158	**2,272**
Loss on impairment of Long-lived assets (Notes 7 and 19)	**1,297**	9	**11,567**
Loss on valuation of Investment securities	**45**	—	**401**
Depreciation	**118**	128	**1,059**
Other	**703**	1,067	**6,266**
Total other expenses	**3,768**	3,237	**33,590**
Income before income taxes	**11,150**	12,023	**99,386**
Income taxes (Note 11)			
Current	**2,026**	2,821	**18,066**
Deferred	**13**	(1,002)	**120**
Total income taxes	**2,040**	1,819	**18,186**
Net income	**9,109**	10,203	**81,199**
Net income attributable to noncontrolling interests	**761**	898	**6,789**
Net income attributable to owners of the parent	**¥ 8,348**	¥ 9,305	**$ 74,409**

	Yen		U.S. dollars (Note 1)
Per share of common stock (Note 2(16) and 20)			
Basic net income	**¥ 51.58**	¥ 57.49	**$ 0.459**
Cash dividends applicable to the year	**10.00**	9.00	**0.089**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2017)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2016	**2017**
Net income	¥ **9,109**	¥ 10,203	$ **81,199**
Other comprehensive income (loss) :			
Unrealized gain (loss) on available-for-sale securities	**1,922**	(1,687)	**17,137**
Deferred gain on derivatives under hedge accounting	**10**	7	**95**
Land revaluation surplus	**—**	27	**—**
Foreign currency translation adjustments	**(4,190)**	(2,374)	**(37,356)**
Adjustments for retirement benefits	**91**	(2,161)	**818**
Total other comprehensive income (loss) (Note 13)	**(2,165)**	(6,189)	**(19,304)**
Comprehensive income (loss)	¥ **6,944**	¥ 4,014	$ **61,894**
Total comprehensive income attributable to:			
Owners of the parent	¥ **6,163**	¥ 3,141	$ **54,942**
Noncontrolling interests	**780**	873	**6,952**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2017)

	Thousands	Millions of yen					
						Accumulated other comprehensive income	
	Issued number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain (loss) on available-for-sale securities	Deferred loss on derivatives under hedge accounting
Balance at April 1, 2015	171,231	18,472	23,757	47,529	(2,334)	6,308	(18)
Net income attributable to owners of the parent	–	–	–	9,305	–	–	–
Cash dividends, ¥8.00 per share	–	–	–	(1,294)	–	–	–
Purchase of treasury stock (3,358 shares)	–	–	–	–	(1)	–	–
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	–	–	8	–	–	–	–
Net change in the year	–	–	–	–	–	(1,661)	7
Balance at March 31, 2016	171,231	¥ 18,472	¥ 23,765	¥ 55,540	¥ (2,335)	¥ 4,646	¥ (10)
Cumulative effects of changes in accounting policies	**–**	**–**	**–**	**13**	**–**	**–**	**–**
Restated balance	**171,231**	**18,472**	**23,765**	**55,554**	**(2,335)**	**4,646**	**(10)**
Net income attributable to owners of the parent	**–**	**–**	**–**	**8,348**	**–**	**–**	**–**
Cash dividends, ¥10.00 per share	**–**	**–**	**–**	**(1,618)**	**–**	**–**	**–**
Purchase of treasury stock (1,011 shares)	**–**	**–**	**–**	**–**	**(0)**	**–**	**–**
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	**–**	**–**	**10**	**–**	**–**	**–**	**–**
Net change in the year	**–**	**–**	**–**	**–**	**–**	**1,904**	**10**
Balance at March 31, 2017	**171,231**	**¥ 18,472**	**¥ 23,776**	**¥ 62,283**	**¥ (2,336)**	**¥ 6,551**	**¥ –**

	Millions of yen					
	Accumulated other comprehensive income					
	Land revaluation surplus	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Noncontrolling interests	Total equity
Balance at April 1, 2015	¥ 719	¥ 7,084	¥ 267	¥ 101,787	¥ 5,615	¥ 107,403
Net income attributable to owners of the parent	–	–	–	9,305	–	9,305
Cash dividends, ¥8.00 per share	–	–	–	(1,294)	–	(1,294)
Purchase of treasury stock (3,358 shares)	–	–	–	(1)	–	(1)
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	–	–	–	8	–	8
Net change in the year	18	(2,374)	(2,153)	(6,163)	851	(5,312)
Balance at March 31, 2016	737	4,709	(1,885)	103,640	6,466	110,107
Cumulative effects of changes in accounting policies	**–**	**–**	**–**	**13**	**–**	**13**
Restated balance	**737**	**4,709**	**(1,885)**	**103,654**	**6,466**	**110,121**
Net income attributable to owners of the parent	**–**	**–**	**–**	**8,348**	**–**	**8,348**
Cash dividends, ¥10.00 per share	**–**	**–**	**–**	**(1,618)**	**–**	**(1,618)**
Purchase of treasury stock (1,011 shares)	**–**	**–**	**–**	**(0)**	**–**	**(0)**
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	**–**	**–**	**–**	**10**	**–**	**10**
Net change in the year	**–**	**(4,190)**	**91**	**(2,184)**	**751**	**(1,432)**
Balance at March 31, 2017	**¥ 737**	**¥ 518**	**¥ (1,793)**	**¥ 108,210**	**¥ 7,218**	**¥ 115,428**

	Thousands of U.S. dollars (Note 1)					
					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain (loss) on available-for -sale securities	Deferred loss on derivatives under hedge accounting
Balance at March 31, 2016	$ 164,651	$ 211,834	$ 495,057	$ (20,820)	$ 41,419	$ (95)
Cumulative effects of changes in accounting policies	—	—	121	—	—	—
Restated balance	164,651	211,834	495,179	(20,820)	41,419	(95)
Net income attributable to owners of the parent	—	—	74,409	—	—	—
Cash dividends, ¥10.00 per share	—	—	(14,426)	—	—	—
Purchase of treasury stock (1,011 shares)	—	—	—	(4)	—	—
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	97	—	—	—	—
Net change in the year	—	—	—	—	16,974	95
Balance at March 31, 2017	**$ 164,651**	**$ 211,931**	**$ 555,163**	**$ (20,824)**	**$ 58,394**	**$ —**

	Thousands of U.S. dollars (Note 1)					
	Accumulated other comprehensive income					
	Land revaluation surplus	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Noncontrolling interests	Total equity
Balance at March 31, 2016	$ 6,576	$ 41,979	$ (16,803)	$ 923,798	$ 57,642	$ 981,440
Cumulative effects of changes in accounting policies	—	—	—	121	—	121
Restated balance	6,576	41,979	(16,803)	923,920	57,642	981,562
Net income attributable to owners of the parent	—	—	—	74,409	—	74,409
Cash dividends, ¥10.00 per share	—	—	—	(14,426)	—	(14,426)
Purchase of treasury stock (1,011 shares)	—	—	—	(4)	—	(4)
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	—	—	97	—	97
Net change in the year	—	(37,356)	818	(19,467)	6,697	(12,770)
Balance at March 31, 2017	**$ 6,576**	**$ 4,623**	**$ (15,985)**	**$ 964,529**	**$ 64,339**	**$ 1,028,869**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2017)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2016	**2017**
Operating activities			
Income before income taxes	**¥ 11,150**	¥ 12,023	**$ 99,386**
Adjustments for:			
Income taxes - paid	**(3,356)**	(2,803)	**(29,917)**
Depreciation and amortization	**15,020**	15,725	**133,880**
Loss on impairment of Long-lived assets	**1,297**	9	**11,567**
Gain (loss) on sales or disposals of property, plant and equipment	**(278)**	100	**(2,479)**
Loss on revaluation of investment securities	**45**	—	**401**
Changes in assets and liabilities			
Increase in notes and accounts receivable	**(2,529)**	(2,518)	**(22,546)**
Increase (decrease) in inventories	**(2,772)**	1,519	**(24,714)**
Increase (decrease) in notes and accounts payable	**613**	(1,939)	**5,470**
Decrease (increase) in accrued expenses	**(52)**	377	**(466)**
Other - net	**(584)**	291	**(5,213)**
Net cash provided by operating activities	**18,552**	22,784	**165,368**
Investing activities			
Purchases of property, plant and equipment	**(16,003)**	(14,320)	**(142,643)**
Proceeds from sale of property, plant and equipment	**1,186**	38	**10,579**
Other	**(326)**	(535)	**(2,910)**
Net cash used in investing activities	**(15,142)**	(14,817)	**(134,974)**
Financing activities			
Proceeds from long-term debt	**609**	6,471	**5,436**
Repayments of long-term debt	**(10,006)**	(10,625)	**(89,194)**
Increase (decrease) in short-term borrowings, net	**135**	(1,549)	**1,208**
Proceeds from issuance of bonds	**4,237**	2,555	**37,766**
Acquisition of treasury stock	**(0)**	(1)	**(4)**
Cash dividends paid	**(1,618)**	(1,294)	**(14,424)**
Other	**(17)**	(13)	**(157)**
Net cash used in financing activities	**(6,660)**	(4,456)	**(59,369)**
Foreign currency translation adjustments on cash and cash equivalents	**(428)**	(268)	**(3,818)**
Net decrease (increase) in cash and cash equivalents	**(3,679)**	3,240	**(32,793)**
Cash and cash equivalents at beginning of year	**19,850**	16,609	**176,932**
Cash and cash equivalents at end of year	**¥ 16,170**	¥ 19,850	**$ 144,138**

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES
For the year ended March 31, 2017

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 Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

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 2016 consolidated financial statements to conform to the classifications used in 2017.

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 ¥112.19 to $1, the approximate rate of exchange at March 31, 2017. 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. The amounts in our financial statements are presented in millions of yen, and amounts of less than one million, as the case may be, have been rounded down unless otherwise specified. In the case of percentages, amounts less than one-tenth of one percent or one-hundredth of one percent, as the case may be, have been rounded down unless otherwise specified.

2. Summary of Significant Accounting Policies

(1) Consolidation

The consolidated financial statements as of March 31, 2017, include the accounts of the Company and its significant subsidiaries (the "Ryobi Group"). Under the control and influence concepts, 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.

Consolidated subsidiaries

The major consolidated subsidiaries are listed below:

Tokyo Light Alloy Co., Ltd. (Japan)
RYOBI MHI Graphic Technology Ltd. (Japan)
Ryobi Die Casting (USA), Inc. (U.S.A.)
Ryobi Die Casting Dalian Co., Ltd. (P.R.C.)

a. The number of consolidated subsidiaries as of March 31, 2017, was as follows:

	2017
Consolidated subsidiaries	**18**

b. The number of unconsolidated subsidiaries not accounted for by the equity method as of March 31, 2017 was as follows:

	2017
Unconsolidated subsidiary	**1**

The investment in such unconsolidated subsidiary is stated at cost. If the equity method of accounting had been applied to the investments in this company, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany 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.

(2) Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

Under Accounting Standards Board of Japan ("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 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. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification—"FASB ASC") tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: a) amortization of goodwill; b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; c) expensing capitalized development costs of R&D; and d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting.

(3) Business Combinations

Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

(4) 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.

(5) Inventories

Inventories are valued at the lower of cost, or net selling value. Cost is determined by methods based on the classification of inventories as follows:

a) Finished products and work in process

The Company and domestic subsidiaries mainly use the average cost method. However, valuation of dies is determined using the specific identification method.

Foreign subsidiaries mainly use the first-in, first-out method.

b) Raw materials, supplies and purchased goods

Die castings……..Average method

Others……………Last purchase invoice price method

Foreign subsidiaries mainly use the first-in, first-out method.

(6) Marketable and Investment securities

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

a) 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, b) 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 c) 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.

Nonmarketable 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.

(7) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired on or after April 1, 1998, and building improvements and structures acquired on or after April 1, 2016.

The range of useful lives is from 3 to 50 years for buildings and structures, from 4 to 12 years for machinery and equipment, and from 2 to 20 years for other. The useful lives for leased assets are the terms of the respective leases.

(8) Long-lived assets

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.

(9) Leases

All finance lease transactions are capitalized to recognize lease assets and lease obligations in the consolidated balance sheet.

(10) Retirement 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.

Unrecognized prior service cost is amortized at the beginning of the fiscal year by using the straight-line method over the 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 shorter period (primarily 14 years).

(11) Bonuses to directors and Audit & Supervisory Board Members

Bonuses to directors and Audit & Supervisory Board members are accrued at the end of the year to which such bonuses are attributable.

(12) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

(13) 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 consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

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

The balance sheet accounts of the consolidated foreign subsidiaries are translated into yen at the current exchange rates as of their 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” under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of the consolidated overseas subsidiaries are translated into yen at the average exchange rate.

(15) 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 are classified and accounted for as follows: a) all derivatives, except those which qualify for hedge accounting, are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative translations are recognized in the consolidated statement of income, and b) for derivatives used for hedging purposes, if the 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 the 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.

(16) Per share information

Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted 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, 2017 and 2016.

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

(17) Accounting Changes and Error Corrections

In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows:

a) Changes in Accounting Policies—When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

b) Changes in Presentation—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.

c) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

d) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated.

3. Accounting Change

Guidance on Recoverability of Deferred Tax Assets

On March 28, 2016, the ASBJ issued ASBJ Guidance No. 26, "Guidance on Recoverability of Deferred Tax Assets," which included certain revisions of the previous accounting and auditing guidance issued by the Japanese Institute of Certified Public Accountants. While the new guidance continues to follow the basic framework of the previous guidance, it provides new guidance for the application of judgment in assessing the recoverability of deferred tax assets.

The previous guidance provided a basic framework which included certain specific restrictions on recognizing deferred tax assets depending on the company's classification in respect of its profitability, taxable profit and temporary differences, etc.

The new guidance does not change such basic framework but, in limited cases, allows companies to recognize deferred tax assets even for a deductible temporary difference for which it was specifically prohibited to recognize a deferred tax asset under the previous guidance, if the company can justify, with reasonable grounds, that it is probable that the deductible temporary difference will be utilized against future taxable profit in some future period.

The new guidance was effective for the beginning of annual periods beginning on or after April 1, 2016. Earlier application is permitted for annual periods ending on or after March 31, 2016. The new guidance shall not be applied retrospectively and any adjustments from the application of the new guidance at the beginning of the reporting period shall be reflected within retained earnings or accumulated other comprehensive income at the beginning of the reporting period.

The Company applied the new guidance on recoverability of deferred tax assets, effective April 1, 2016. As a result, deferred tax assets and retained earnings at April 1, 2016, increased by ¥13 million ($121 thousand), respectively.

Application of practical solution on a change in depreciation method due to Tax Reform 2016

Pursuant to an amendment to the Corporate Tax Act, the Company adopted Accounting Standards Board of Japan Practical Issues Task Force No. 32 "Practical Solution on a change in depreciation method due to Tax Reform 2016" and changed the depreciation method for building improvements and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of these changes on consolidated financial statements was immaterial.

4. Investment Securities

Information regarding each category of the securities classified as available-for-sale at March 31, 2017 and 2016, is as follows:

	Millions of yen			
	2017			
	Cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale:				
Corporate shares	¥ **3,778**	¥ **9,957**	¥ **(0)**	¥ **13,734**

	Millions of yen			
	2016			
	Cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale:				
Corporate shares	¥ 3,841	¥ 7,256	¥ (40)	¥ 11,057

	Thousands of U.S. dollars			
	2017			
	Cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale:				
Corporate shares	$ **33,676**	$ **88,756**	$ **(7)**	$ **122,425**

5. Inventories

Inventories at March 31, 2017 and 2016, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Finished products and purchased goods	¥ **17,110**	¥ 16,440	$ **152,513**
Work in process	**14,340**	13,989	**127,825**
Raw materials and supplies	**13,973**	13,141	**124,548**
Total	¥ **45,424**	¥ 43,571	$ **404,886**

6. 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.

As of March 31, 2017, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥1,004 million ($8,957 thousand).

7. Loss on impairment of Long-lived assets

The Ryobi Group recognized the impairment loss in the following asset categories for the year ended March 31, 2017.

(1) The impairment loss of asset categories for the year ended March 31, 2017, was outlined as follows:

Location	Use	Classification	Millions of yen		Thousands of U.S. dollars	
			2017			
Kashiw a city,Chiba	Assets planned to be sold	Land, Buildings and Others	¥	**938**	$	**8,365**
Takatsuki city, Osaka	Rental properties	Land		**322**		**2,870**
Sera tow n, Hiroshima	Assets sold	Land		**37**		**331**
Total			¥	**1,297**	$	**11,567**

(2) Method of grouping assets

The operating assets of the Ryobi Group are grouped based on the business units. Assets to be sold, assets sold and rental properties are grouped individually.

(3) Details of the impairment loss

For assets planned to be sold and assets sold, the book value is reduced to the recoverable amount because the recoverable amount due to disposal is significantly lower than the book value.

For rental properties, the book value is reduced to the recoverable amount because the value-in-use declined due to the change in usage from common assets to rental properties.

(4) Method of calculation of the recoverable amounts

The recoverable amount of these assets is measured based on net selling price, which is determined based on the estimated selling price, the selling price or the appraisal value by a licensed real estate appraiser.

(5) The amount of the impairment loss

The impairment loss is recorded in other expenses in the consolidated statements of income, the components of which were as follows:

	Millions of yen		Thousands of U.S. dollars	
	2017			
Land	¥	**1,038**	$	**9,259**
Buildings and Structures		**258**		**2,307**
Other		**0**		**0**
Total	¥	**1,297**	$	**11,567**

8. Short-term Borrowings and Long-term Debt

The annual weighted-average interest rates applicable to short-term borrowings were 1.6% and 1.7% at March 31, 2017 and 2016, respectively.

(1) Long-term debt at March 31, 2017 and 2016, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Loans principally from banks, insurance companies and others with interest rates ranging from 0.38% to 7.55%			
Secured	**¥ 10**	¥ 10	**$ 89**
Unsecured	**32,958**	43,803	**293,771**
Unsecured 0.41% yen bonds payable, due 2020	**1,000**	1,000	**8,913**
Unsecured 0.71% yen bonds payable, due 2020	**1,300**	1,300	**11,587**
Unsecured 0.28% yen bonds payable, due 2021	**300**	300	**2,674**
Unsecured 0.51% yen bonds payable, due 2021	**1,000**	—	**8,913**
Unsecured 0.17% yen bonds payable, due 2021	**500**	—	**4,456**
Unsecured 0.57% yen bonds payable, due 2021	**1,000**	—	**8,913**
Unsecured 0.17% yen bonds payable, due 2021	**1,800**	—	**16,044**
Lease obligations	**13**	19	**118**
Total	**39,881**	46,432	**355,482**
Less current portion	**(15,956)**	(10,622)	**(142,225)**
Long-term debt less current portion	**¥ 23,925**	¥ 35,810	**$ 213,257**

(2) The aggregate annual maturities of long-term debt at March 31, 2017, were as follows:

Years Ending March 31	Millions of yen	Thousands of U.S. dollars
2018	**¥ 15,956**	**$ 142,225**
2019	**6,900**	**61,509**
2020	**8,864**	**79,009**
2021	**3,777**	**33,674**
2022	**4,382**	**39,064**
2023 and thereafter	—	—
Total	**¥ 39,881**	**$ 355,482**

(3) 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, 2017 and 2016, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Net book value of property:			
Buildings and structures	**¥ 2,347**	¥ 2,494	**$ 20,922**
Machinery and equipment	**1,166**	1,193	**10,395**
Land	**2,415**	2,415	**21,529**
Total	**¥ 5,928**	¥ 6,104	**$ 52,847**

9. Retirement and Pension Plans

The Company and certain domestic 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.

(1) The changes in defined benefit obligation for the years ended March 31, 2017 and 2016, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Balance at beginning of year	**¥ 36,520**	¥ 34,949	**$ 325,524**
Current service cost	**1,238**	1,138	**11,039**
Interest cost	**187**	329	**1,667**
Actuarial losses	**225**	2,011	**2,013**
Benefits paid	**(1,942)**	(1,908)	**(17,316)**
Balance at end of year	**¥ 36,229**	¥ 36,520	**$ 322,927**

(2) The changes in plan assets for the years ended March 31, 2017 and 2016, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Balance at beginning of year	**¥ 27,756**	¥ 28,333	**$ 247,409**
Expected return on plan assets	**959**	982	**8,556**
Actuarial losses	**96**	(1,256)	**863**
Contributions from the employer	**1,126**	1,158	**10,037**
Benefits paid	**(1,526)**	(1,460)	**(13,605)**
Balance at end of year	**¥ 28,413**	¥ 27,756	**$ 253,260**

(3) The reconciliation between the liabilities recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2017 and 2016, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Funded defined benefit obligation	**¥ 28,067**	¥ 28,273	**$ 250,179**
Plan assets	**(28,413)**	(27,756)	**(253,260)**
Total	**(345)**	516	**(3,081)**
Unfunded defined benefit obligation	**8,161**	8,247	**72,748**
Net liabilities arising from defined benefit obligation	**7,815**	8,763	**69,666**
Liability for retirement benefits	**8,810**	8,847	**78,535**
Asset for retirement benefits	**(995)**	(84)	**(8,869)**
Net liabilities arising from defined benefit obligation	**¥ 7,815**	¥ 8,763	**$ 69,666**

(4) The components of net periodic benefit costs for the years ended March 31, 2017 and 2016, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Service cost	**¥ 1,238**	¥ 1,138	**$ 11,039**
Interest cost	**187**	329	**1,667**
Expected return on plan assets	**(959)**	(982)	**(8,556)**
Amortization of prior service cost	**(203)**	(219)	**(1,814)**
Recognized actuarial losses	**464**	376	**4,140**
Others	**93**	95	**836**
Net periodic benefit costs	**¥ 820**	¥ 738	**$ 7,312**

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2017 and 2016, were as follows:

	Millions of yen				Thousands of U.S. dollars	
	2017		2016		**2017**	
Prior service cost	**¥**	**203**	¥	219	**$**	**1,814**
Actuarial losses		**(335)**		2,891		**(2,989)**
Total	**¥**	**(131)**	¥	3,110	**$**	**(1,175)**

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2017 and 2016, were as follows:

	Millions of yen				Thousands of U.S. dollars	
	2017		2016		**2017**	
Unrecognized prior service cost	**¥**	**(174)**	¥	(378)	**$**	**(1,558)**
Unrecognized actuarial losses		**2,782**		3,118		**24,804**
Total	**¥**	**2,607**	¥	2,739	**$**	**23,245**

(7) Plan assets
a. Components of plan assets
Plan assets as of March 31, 2017 and 2016, consisted of the following:

	2017	2016
Debt investments	**53 %**	53 %
Equity investments	**31**	30
Others	**16**	17
Total	**100 %**	100 %

b. Method of determining the expected rate of return on plan assets
The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2017 and 2016, are set forth as follows:

	2017	2016
Discount rate	**0.5-0.7 %**	0.4-0.6 %
Expected rate of return on plan assets	**3.5 %**	3.5 %

10. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria including: a) having a Board of Directors, b) having independent auditors, c) having an Audit & Supervisory Board, and d) the term of service of the directors being prescribed as one year rather than the normal two-year 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 Companies Act 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 Companies Act 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.

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

The Companies Act 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 Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act 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.

(3) Treasury stock and treasury stock acquisition rights

The Companies Act 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 a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act 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.

11. 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 approximately 29.9% and 32.1% for the years ended March 31, 2017 and 2016, respectively.

(1) The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2017 and 2016, were as follows:

	Millions of yen				Thousands of U.S. dollars	
		2017		2016		**2017**
Deferred tax assets:						
Liability for retirement benefits		**2,672**		2,951		**23,824**
Tax loss carryforwards		**13,127**		15,026		**117,010**
Other		**4,329**		4,175		**38,586**
Less valuation allowance		**(10,544)**		(12,452)		**(93,989)**
Total	**¥**	**9,584**	¥	9,700	**$**	**85,431**
Deferred tax liabilities:						
Unrealized gain on available-for-sale securities	**¥**	**(2,960)**	¥	(2,144)	**$**	**(26,391)**
Other		**(1,910)**		(1,891)		**(17,025)**
Total	**¥**	**(4,871)**	¥	(4,035)	**$**	**(43,417)**
Net deferred tax assets	**¥**	**4,713**	¥	5,664	**$**	**42,014**

(2) The reconciliation between the normal effective statutory tax rates for the years ended March 31, 2017 and 2016, and the actual effective tax rates reflected in the accompanying consolidated statements of income was as follows:

	2017	2016
Normal effective statutory tax rate	**29.9 %**	32.1 %
Expenses not deductible for income tax purposes	**0.8**	1.1
Dividends not taxable for income tax purposes	**(2.0)**	(1.8)
Consolidated elimination of dividends receivable	**1.8**	1.6
Unrealized profit that exceeds total taxable income	**(0.1)**	0.1
Less valuation allow ance	**(11.7)**	(13.0)
Tax credit for research and development costs and other	**(2.4)**	(2.5)
Difference in tax rate applicable to overseas subsidiaries	**(0.5)**	(2.7)
Retained earnings of entities such as overseas subsidiaries	**1.3**	1.1
Taxation on per capita basis	**0.5**	0.5
Effect of tax rate reduction	**—**	(2.4)
Other, net	**0.6**	0.9
Actual effective tax rate	**18.3 %**	15.1 %

12. Research and Development Costs

Research and development costs were ¥2,054 million ($18,311 thousand) and ¥1,986 million for the years ended March 31, 2017 and 2016, respectively.

13. Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2017 and 2016, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2017	2016	**2017**
Unrealized gain (loss) on available-for-sale securities:			
Gains (losses) arising during the year	**¥ 2,740**	¥ (2,623)	**$ 24,428**
Amount before income tax effect	**2,740**	(2,623)	**24,428**
Income tax effect	**(818)**	936	**(7,291)**
Total	**1,922**	(1,687)	**17,137**
Deferred gain on derivatives under hedge accounting:			
Gains arising during the year	**15**	11	**136**
Amount before income tax effect	**15**	11	**136**
Income tax effect	**(4)**	(3)	**(40)**
Total	**10**	7	**95**
Land revaluation surplus:			
Income tax effect	**—**	27	**—**
Foreign currency translation adjustments:			
Adjustments arising during the year	**(4,190)**	(2,374)	**(37,356)**
Adjustments for retirement benefits:			
Gains (losses) arising during the year	**28**	(2,788)	**256**
Reclassification adjustments to profit or loss	**103**	(321)	**919**
Amount before income tax effect	**131**	(3,110)	**1,175**
Income tax effect	**(40)**	949	**(356)**
Total	**91**	(2,161)	**818**
Total other comprehensive income (loss)	**¥ (2,165)**	¥ (6,189)	**$ (19,304)**

14. Leases

Future minimum lease payments of the Ryobi Group as of March 31, 2017 and 2016, under non-cancelable operating leases were as follows:

	Millions of yen				Thousands of U.S. dollars	
	2017		2016		**2017**	
Current	**¥**	**43**	¥	54	**$**	**384**
Non-current		**89**		77		**793**
Total	**¥**	**132**	¥	132	**$**	**1,178**

15. Contingent Liabilities

The Ryobi Group had the following contingent liabilities at March 31, 2017 and 2016.

	Millions of yen				Thousands of U.S. dollars	
	2017		2016		**2017**	
Guarantees and similar items						
Leases		**167**		242		**1,496**
Total	**¥**	**167**	¥	242	**$**	**1,496**

16. Financial Instruments and Related Disclosures

(1) Group policy for financial instruments

The Ryobi Group uses financial instruments, mainly long-term debt including bank loans and lease obligations, based on its capital financing plan. Cash surpluses, if any, are invested in low-risk financial assets. Short-term bank loans are used to fund the Group's ongoing operations. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in Note 17.

(2) Nature and extent of risks arising from financial instruments

Receivables, such as trade notes and trade accounts, are exposed to customer credit risk. Although receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the position, net of payables in foreign currencies, is hedged by using forward foreign currency contracts. Marketable and investment securities, mainly equity instruments of customers and suppliers of the Company, are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes and trade accounts, are less than one year. Although payables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, those risks are netted against the balance of receivables denominated in the same foreign currency as noted above.

Maturities of bank loans, bonds payable and lease obligations are less than four years and nine months after the balance sheet date. Although a part of such bank loans and lease obligation are exposed to market risks from changes in variable interest rates, those risks are mitigated by using derivatives of interest-rate swaps.

Derivatives mainly include forward foreign currency contracts and interest-rate swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables and payables, from changes in interest rates of bank loans and from changes in foreign currency exchange rates of bank loans, respectively. Please see Note 17 for more details about derivatives

(3) Risk management for financial instruments

a. Credit Risk Management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Ryobi Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment term and balances of major customers by each business administration department to identify the default risk of customers at an early stage. With respect to derivatives, the Ryobi Group manages its exposure to credit risk by limiting its funding to high credit rating bonds in accordance with in its internal guidelines. Please see Note 17 for details about derivatives.

The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2017.

b. Market risk management (foreign exchange risk and interest rate risk)

Foreign currency trade receivables and payables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risk is hedged principally by forward foreign currency contracts.

Interest-rate swaps and forward foreign currency contracts are used to manage exposure to market risks from changes in interest rates and foreign currency exchanges rate of bank loans.

Marketable and investments in securities are managed by monitoring market values and financial position of issuers on a regular basis.

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

c. Liquidity risk management

Liquidity risk comprises the risk that the Company cannot meet its contractual obligations in full on maturity dates. The Company manages its liquidity risk by holding adequate volumes of liquid assets, along with adequate financial planning by the corporate treasury department.

(4) Fair values of financial instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Also, please see Note 17 for details about fair value of derivatives.

a. Fair value of financial instruments

Fair value of financial instruments at March 31, 2017 and 2016, was as follows:

	Millions of yen					
	2017					
		Carrying amount		Fair value		Unrealized gain (loss)
Cash and cash equivalents	¥	**16,170**	¥	**16,170**	¥	—
Short-term investments		**2,307**		**2,307**		—
Notes and accounts receivable		**59,415**		**59,415**		—
Investment securities		**14,970**		**14,970**		—
Total	¥	**92,865**	¥	**92,865**	¥	—
Short-term borrowings	¥	**34,293**	¥	**34,293**	¥	—
Notes and accounts payable		**47,922**		**47,922**		—
Bonds payable		**6,900**		**6,894**		**(5)**
Long-term debt		**32,981**		**33,096**		**114**
Total	¥	**122,096**	¥	**122,205**	¥	**108**
Derivatives transaction	¥	**11**	¥	**11**	¥	—

	Millions of yen					
	2016					
		Carrying amount		Fair value		Unrealized gain (loss)
Cash and cash equivalents	¥	19,850	¥	19,850	¥	—
Short-term investments		2,316		2,316		—
Notes and accounts receivable		58,570		58,570		—
Investment securities		12,293		12,293		—
Total	¥	93,031	¥	93,031	¥	—
Short-term borrowings	¥	35,467	¥	35,467	¥	—
Notes and accounts payable		47,094		47,094		—
Bonds payable		2,600		2,624		24
Long-term debt		43,832		44,227		394
Total	¥	128,995	¥	129,414	¥	419
Derivatives transaction	¥	(17)	¥	(17)	¥	—

	Thousands of U.S. dollars					
	2017					
		Carrying amount		Fair value		Unrealized gain (loss)
Cash and cash equivalents	$	**144,138**	$	**144,138**	$	—
Short-term investments		**20,569**		**20,569**		—
Notes and accounts receivable		**529,601**		**529,601**		—
Investment securities		**133,438**		**133,438**		—
Total		**827,748**		**827,748**		—
Short-term borrowings	$	**305,671**	$	**305,671**	$	—
Notes and accounts payable		**427,151**		**427,151**		—
Bonds payable		**61,502**		**61,452**		**(50)**
Long-term debt		**293,979**		**295,000**		**1,020**
Total	$	**1,088,304**	$	**1,089,274**	$	**969**
Derivatives transaction	$	**100**	$	**100**	$	—

Cash and cash equivalents
The carrying amount of cash and cash equivalents approximates fair value because of their short maturities.
Short-term investments
The carrying amount of short-term investments approximates fair value because of their short maturities.
Investment securities
The fair values of investment securities are measured at the quoted market price on the stock exchange for the equity instruments. Fair value information for investment securities by classification is included in Note 4.
Notes and accounts receivable
The carrying amount of notes and accounts receivable approximates fair value because of their short maturities.
Short-term borrowings
The carrying amount of short-term borrowings approximates fair value because of their short maturities.
Notes and accounts payable
The carrying amount of notes and accounts payable approximates fair value because of their short maturities.
Bonds payable
The fair values of bonds payable are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.
Long-term debt
The fair values of long-term debt are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.
Derivatives
Fair value information for derivatives is included in Note 17.

b. Financial instruments whose fair value cannot be reliably determined
Financial instruments whose fair value cannot be reliably determined at March 31, 2017 and 2016, were as follows:

	Millions of yen				Thousands of U.S. dollars	
	2017		2016		**2017**	
Investments in equity instruments that do not have a quoted market price in an active market	**¥**	**1,235**	¥	1,235	**$**	**11,013**
Investments in unconsolidated subsidiaries and affiliates	**¥**	**93**	¥	93	**$**	**831**

c. Maturity analysis for financial assets with contractual maturities
Maturity analysis for financial assets with contractual maturities at March 31, 2017 and 2016, were as follows:

	Millions of yen							
	2017							
	Due in one year or less		Due after one year through five years		Due after five years through ten years		Due after ten years	
Cash and cash equivalents	**¥**	**16,170**	**¥**	—	**¥**	—	**¥**	—
Short-term investments		**2,307**		—		—		—
Notes and accounts receivable		**59,450**		**27**		—		—
Total	**¥**	**77,929**	**¥**	**27**	**¥**	—	**¥**	—

	Millions of yen							
	2016							
	Due in one year or less		Due after one year through five years		Due after five years through ten years		Due after ten years	
Cash and cash equivalents	¥	19,850	¥	—	¥	—	¥	—
Short-term investments		2,316		—		—		—
Notes and accounts receivable		58,590		40		—		—
Total	¥	80,757	¥	40	¥	—	¥	—

	Thousands of U.S. dollars			
	2017			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	$ 144,138	$ —	$ —	$ —
Short-term investments	20,569	—	—	—
Notes and accounts receivable	529,909	241	—	—
Total	$ 694,617	$ 241	$ —	$ —

Please see Note 8 for annual maturities of long-term debt.

17. 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.

(1) Derivative transactions to which hedge accounting is not applied

The Ryobi Group had the following derivative contracts outstanding as of March 31, 2017 and 2016:

	Millions of yen			
	2017			
	Contract Amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Foreign currency forward contracts—				
Selling U.S. dollars	¥ 153	¥ —	¥ 1	¥ 1
Selling Euro	8	—	(0)	(0)
Buying U.S. dollars	256	46	9	9
Total	¥ 419	¥ 46	¥ 11	¥ 11

	Millions of yen			
	2016			
	Contract Amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Foreign currency forward contracts—				
Selling U.S. dollars	¥ 145	¥ —	¥ 4	¥ 4
Selling Euro	20	—	(0)	(0)
Currency swaps—				
Receving U.S. dollars Paying Chinese Yuan	512	281	(6)	(6)
Total	¥ 677	¥ 281	¥ (2)	¥ (2)

	Thousands of U.S. dollars			
	2017			
	Contract Amount	Contract amount due after one year	Fair value	Unrealized gain (loss)
Foreign currency forward contracts—				
Selling U.S. dollars	$ 1,369	$ —	$ 12	$ 12
Selling Euro	79	—	(0)	(0)
Buying U.S. dollars	2,286	410	88	88
Total	$ 3,735	$ 410	$ 100	$ 100

(2) Derivative transactions to which hedge accounting is applied

The Ryobi Group had the following derivative contracts outstanding as of March 31, 2017 and 2016:

	Millions of yen			
	2017			
	Hedge item	Contract Amount	Contract amount due after one year	Fair value
Interest rate swaps— fixed rate payment, floating rate receipt (see note)	**Long-term debt**	¥ 13,403	¥ 5,050	¥ —

	Millions of yen			
	2016			
	Hedge item	Contract Amount	Contract amount due after one year	Fair value
Interest rate swaps— fixed rate payment, floating rate receipt	Short-term borrowing	¥ 1,800	¥ —	¥ (15)
Interest rate swaps— fixed rate payment, floating rate receipt (see note)	Long-term debt	¥ 14,917	¥ 13,417	¥ —

	Thousands of U.S. dollars			
	2017			
	Hedge item	Contract Amount	Contract amount due after one year	Fair value
Interest rate swaps— fixed rate payment, floating rate receipt (see note)	**Long-term debt**	$ 119,471	$ 45,012	$ —

The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

note: The above interest rate swaps, which qualify for hedge accounting and which meet specific matching criteria, are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps in Note 16 is included in that of hedge items (i.e., long-term debt).

18. Related-party transactions
Transactions of the Company with related parties at March 31, 2017, were as follows:

		Millions of yen		Thousands of U.S. dollars
Relative of director of the Company				
Sales of fixed assets (see note 2)				
Proceeds from the sales	¥	**145**	$	**1,297**
Gain on the sales	¥	**80**	$	**718**
Loss on the sales	¥	**13**	$	**123**
Transfer of Insurance funds (see note 3)	¥	**14**	$	**128**

note 1: The transaction amounts are exclusive of consumption tax.

note 2: The selling values of fixed assets were determined using the appraisal value calculated by a licensed real estate appraiser as a reference.

note 3: The transfer values of the insurance funds were cancellation refunds as of the transfer date.

19. Segment Information
(1) Description of reportable segments

The Ryobi Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. As such, the Group consists of the "Die castings," "Power tools and builders' hardware," and "Printing equipment" segments.

Die castings consist of die cast products for the automobile industry and various other industries. Power tools and builders' hardware consists of electric power tools, lawn and garden equipment and builders' hardware. Printing equipment consists of offset printing presses and peripherals.

(2) Methods of measurement for the amounts of sales, profit, assets, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

(3) Information about sales, profit, assets and other items is as follows:

	Millions of yen											
	2017											
		Die castings		Power tools and builders' hardware		Printing equipment		Others		Reconciliations		Consolidated
Net sales:												
Sales to external customers	¥	**185,643**	¥	**26,162**	¥	**28,457**	¥	**239**	¥	**—**	¥	**240,502**
Intersegment sales or transfers		**98**		**11**		**—**		**46**		**(157)**		**—**
Total		**185,742**		**26,173**		**28,457**		**286**		**(157)**		**240,502**
Segment profit	¥	**9,027**	¥	**1,468**	¥	**1,358**	¥	**20**	¥	**0**	¥	**11,875**
Segment assets	¥	**186,479**	¥	**25,963**	¥	**25,150**	¥	**1,475**	¥	**23,800**	¥	**262,869**
Depreciation and amortization		**13,976**		**666**		**356**		**20**		**—**		**15,020**
Increase in property, plant and equipment and intangible assets	¥	**16,163**	¥	**554**	¥	**112**	¥	**25**	¥	**—**	¥	**16,856**

	Millions of yen											
	2016											
		Die castings		Power tools and builders' hardware		Printing equipment		Others		Reconciliations		Consolidated
Net sales:												
Sales to external customers	¥	198,809	¥	27,076	¥	28,383	¥	239	¥	—	¥	254,508
Intersegment sales or transfers		112		11		—		45		(169)		—
Total		198,921		27,088		28,383		284		(169)		254,508
Segment profit	¥	10,534	¥	430	¥	1,848	¥	19	¥	0	¥	12,832
Segment assets	¥	192,307	¥	26,949	¥	24,758	¥	1,476	¥	19,704	¥	265,197
Depreciation and amortization		14,655		681		366		23		—		15,725
Increase in property, plant and equipment and intangible assets	¥	15,384	¥	673	¥	145	¥	39	¥	—	¥	16,243

	Thousands of U.S. dollars					
	2017					
	Die castings	Power tools and builders' hardware	Printing equipment	Others	Reconciliations	Consolidated
Net sales:						
Sales to external customers	$ 1,654,723	$ 233,196	$ 253,654	$ 2,136	$ —	$ 2,143,710
Intersegment sales or transfers	882	102	—	418	(1,402)	—
Total	1,655,605	233,298	253,654	2,554	(1,402)	2,143,710
Segment profit	$ 80,470	$ 13,088	$ 12,107	$ 183	$ 0	$ 105,850
Segment assets	$ 1,662,177	$ 231,425	$ 224,179	$ 13,150	$ 212,142	$ 2,343,075
Depreciation and amortization	124,582	5,939	3,181	178	—	133,880
Increase in property, plant and equipment and intangible assets	$ 144,075	$ 4,946	$ 1,002	$ 228	$ —	$ 150,253

Note: Businesses that cannot be classified into the reportable segments are shown as "Others."
This includes an insurance agency and the operation of a golf course.

(4) Related Information

Information about geographical areas

a. Net sales

	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
Net sales:			
Japan	¥ 124,959	¥ 128,161	$ 1,113,816
U.S.A.	35,551	42,752	316,889
China	37,899	38,131	337,818
Others	42,092	45,463	375,186
Total	¥ 240,502	¥ 254,508	$ 2,143,710

Note: Sales are classified by country or region based on the location of customers.

b. Property, plant and equipment

	Millions of yen		Thousands of U.S. dollars
	2017	2016	2017
Property, plant and equipment:			
Japan	¥ 45,481	¥ 47,246	$ 405,394
U.S.A.	9,944	7,474	88,635
China	34,789	40,633	310,094
Others	21,217	21,922	189,120
Total	¥ 111,432	¥ 117,278	$ 993,245

(5) Information about impairment loss on fixed assets of reportable segments

	Millions of yen					
	2017					
	Die castings	Power tools and builders' hardware	Printing equipment	Others	Corporate and Elimination	Consolidated
Impairment loss on fixed assets	¥ —	¥ —	¥ —	¥ —	¥ 1,297	¥ 1,297

	Thousands of U.S. dollars					
	2017					
	Die castings	Power tools and builders' hardware	Printing equipment	Others	Corporate and Elimination	Consolidated
Impairment loss on fixed assets	$ —	$ —	$ —	$ —	$ 11,567	$ 11,567

20. Subsequent Events

(1) Cash dividends

The following appropriation of retained earnings at March 31, 2017, was approved at the Company's shareholders meeting on June 23, 2017:

	Millions of yen		Thousands of U.S. dollars	
Cash dividends	¥	**809**	$	**7,213**

(2) Cancellation of treasury stock

The Company resolved at its Board of Directors meeting held on May 11, 2017 to cancel shares of treasury stock pursuant to Article 178 of the Companies Act. Details of the Cancellation of treasury stock were as follows.

a. Reason for the cancellation of treasury stock

In order to improve capital efficiency and stock value by decreasing the number of outstanding shares.

b. Class of cancelled shares

Common stock

c. Number of cancelled shares

8,000,000 shares (Percentage of the number of outstanding shares before cancellation of treasury stock; 4.6%)

d. Date for the cancellation of treasury stock

May 31, 2017

e. Number of outstanding shares after the cancellation of treasury stock

163,230,715 shares

(3) Consolidation of shares and Change in the number of shares per share unit

The Company resolved at its Board of Directors meeting held on May 11, 2017 to submit the proposal for the change the number of shares, the consolidation of shares and articles of incorporation to the 105th the Company's shareholders meeting held on June 23, 2017. The proposal was approved at the Company's shareholders meeting.

a. Purpose of consolidation of shares and Change in the number of shares per share unit

All Japanese securities exchanges announced and are promoting the "Action Plan for Consolidating Trading Units" under which the trading units of common shares for domestically listed companies are uniformly set at 100 shares. In light of the intent of this action plan, the Company, whose shares are listed on the Tokyo Stock Exchange, will change the share unit number from the current 1,000 shares to 100 shares. Along with the change in the share unit, the Company will also carry out a consolidation of the Company's shares under which every five shares will be consolidated into one share in order to adjust the investment unit to appropriate level.

b. Details of consolidation of shares

a) Class of shares to be consolidated

Common stock

b) Consolidation ratio

The Company will consolidate every 5 shares into one share on October 1, 2017 based on the number of shares held by shareholders listed in the final shareholders' register as of September 30, 2017. (virtually September 29)

c) Decrease in number of shares due to consolidation

Number of outstanding shares before consolidation (as of March 31, 2017)	**171,230,715 shares**
Decrease in number of shares due to cancellation of treasury stock	**8,000,000 shares**
Number of outstanding shares after cancellation of treasury stock (as of May 31, 2017)	**163,230,715 shares**
Decrease in number of shares due to consolidation	**130,584,572 shares**
Number of outstanding shares after consolidation	**32,646,143 shares**

Note: The "Decrease in number of shares due to consolidation" and "Number of outstanding shares after consolidation" are theoretical values calculated by multiplying the number of outstanding shares before consolidation by the consolidation ratio. As mentioned above, the Company canceled a part of treasury stock on May 31, 2017.

d) Handling of fractional shares of less than one share unit

If any fractional shares arise as a result of the consolidation of shares, pursuant to the provisions of Article of the Companies Act, the Company will sell all such fractional shares and distribute the proceeds to shareholders having fractional shares in proportion to their respective fractions.

c. Dates for consolidation of shares and change in number of shares per share unit

Resolution at the Board of Directors meeting	**May 11, 2017**
Resolution at the the Company's shareholders meeting	**June 23, 2017**
Effective date of consolidation of shares and change in number of shares per share unit	**October 1, 2017**

d. Effect on per share information

Per share information for the years ended March 31, 2017 and 2016 on the assumption that the consolidation of shares had been implemented as of April 1, 2015 are as follows:

	Yen		U.S. dollars
	2017	2016	**2017**
Net assets per share	**3,342.96**	3,201.77	**29.79**
Net income per share	**¥ 257.90**	¥ 287.47	**$ 2.29**

Deloitte.

Deloitte Touche Tohmatsu LLC
Shinagawa Intercity
2-15-3 Konan
Minato-ku, Tokyo 108-6221
Japan

Tel: +81 (3) 6720 8200
Fax: +81 (3) 6720 8205
www.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ryobi Limited:

We have audited the accompanying consolidated balance sheet of Ryobi Limited and its consolidated subsidiaries as of March 31, 2017, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 its consolidated subsidiaries as of March 31, 2017, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Deloitte Touche Tohmatsu LLC

June 23, 2017

Member of
Deloitte Touche Tohmatsu Limited

CORPORATE INFORMATION

CORPORATE DATA

Company Name
RYOBI LIMITED

Established
December 16, 1943

Major Products
Die cast products
Power tools
(electric power tools, lawn and garden equipment, etc.)
Builders' hardware
(door closers, hinges, architectural hardware, etc.)
Printing equipment
(offset printing presses, peripherals, 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 23, 2017)

BOARD OF DIRECTORS

Representative Director	Akira Urakami
Director	Takashi Yokoyama
Director	Kenjiro Suzuki
Director *	Satoshi Ohoka
Director	Hiroyuki Kawaguchi
Director *	Yuji Yamamoto
Director	Takashi Suzuki
Director	Tatsuyoshi Mochizuki
Director *	Masahiko Ikaga

*** Outside Director**

CORPORATE OFFICERS

President	Akira Urakami
Executive Corporate Officer	Takashi Yokoyama
Corporate Officer	Kenjiro Suzuki
Corporate Officer	Hiroyuki Kawaguchi
Corporate Officer	Takashi Suzuki
Corporate Officer	Tatsuyoshi Mochizuki
Corporate Officer	Yoshimi Takino
Corporate Officer	Takashi Kayano
Corporate Officer	Teizo Sakamoto
Corporate Officer	Hiroshi Urabe

CORPORATE AUDITORS

Standing Corporate Auditor	Shozo Kobayashi
Corporate Auditor *	Yoichi Arai
Corporate Auditor *	Takashi Hatagawa

*** Outside Corporate Auditor**

MAJOR CONSOLIDATED SUBSIDIARIES

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 Sales Co. (Japan)	Power tools and lawn and garden equipment sales
RYOBI MHI Graphic Technology Ltd. (Japan)	Printing equipment and related product manufacturing and sales
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
Ryobi Aluminium Casting (UK), Limited (U.K.)	Die casting manufacturing and sales
Ryobi Die Casting Dalian Co., Ltd. (P.R.C.)	Die casting and die manufacturing and sales
Ryobi Die Casting Changzhou Co., Ltd. (P.R.C.)	Die casting manufacturing and sales
Ryobi Die Casting (Thailand) Co., Ltd. (Thailand)	Die casting manufacturing and sales
Ryobi (Shanghai) Sales, Ltd. (P.R.C.)	Die casting and die sales
Ryobi Dalian Machinery Co., Ltd. (P.R.C.)	Power tools, lawn and garden equipment and builders' hardware manufacturing and sales

SHAREHOLDER INFORMATION

Number of Shares Issued
(As of March 31, 2017)

171,230,715 shares

Stock listing
Tokyo Stock Exchange

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
Telephone:81-847-41-1111

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

http://www.ryobi-group.co.jp/

Printed in Japan

This annual report was printed by a Ryobi printing press.