Ryobi Limited and Consolidated Subsidiaries

Consolidated Financial Statements for the First Nine Months of the Fiscal Year Ending March $31,\,2011$

1. Consolidated Balance Sheets

		(Millions of yen)
	December 31, 2010	March 31, 2010
ASSETS		
Current assets:		
Cash and deposits	15,412	15,154
Notes and accounts receivable	36,989	31,244
Marketable securities	12,956	10,362
Finished products and purchased goods	12,256	12,569
Work in process	8,397	8,120
Raw materials and supplies	6,258	5,815
Other current assets	3,940	3,820
Allowance for doubtful accounts	(34)	(40)
Total current assets	96,177	87,047
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	17,812	19,148
Machinery and equipment (net)	21,775	24,023
Land	21,635	21,667
Construction in progress	4,122	5,101
Other fixed assets (net)	3,705	3,897
Total property, plant and equipment	69,051	73,837
Intangible fixed assets:		
Other intangible fixed assets	948	1,077
Total intangible fixed assets	948	1,077
Investments and other assets:		
Investment in securities	8,351	8,804
Other	4,084	3,266
Allowance for doubtful accounts	(100)	(117)
Total investments and other assets	12,334	11,953
Total fixed assets	82,335	86,868
Total assets	178,512	173,916

December 31, 2010 March 31, 2010 LIABILITIES Current liabilities: Notes and accounts payable 32,532 25,475 Short-term borrowings 22,430 31,509 Current portion of long-term debt 14,659 13,364 Income taxes payable 1,352 342 Accrued bonuses 553 850 Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term liabilities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 3,450 3,765 Total long-term liabilities 107,838 105,920 NET ASSETS Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533			(Millions of yen)
Current liabilities: Notes and accounts payable 32,532 25,475 Short-term borrowings 22,430 31,509 Current portion of long-term debt 14,659 13,364 Income taxes payable 1,352 342 Accrued bonuses 553 850 Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term debt 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total long-term liabilities 107,838 105,920 NET ASSETS Shareholders' equity 20,519 27,118 Total liabilities: 18,472 18,472 23,750 Capital surplus 23,750 23,750 23,750 Retained earnings 38,668 35,007 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,5		December 31, 2010	March 31, 2010
Notes and accounts payable 32,532 25,475 Short-term borrowings 22,430 31,509 Current portion of long-term debt 14,659 13,364 Income taxes payable 1,352 342 Accrued bonuses 553 850 Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term liabilities: 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total long-term liabilities 107,838 105,920 NET ASSETS 107,838 105,920 NET ASSETS 23,750 23,750 Shareholders' equity: 23,750 23,750 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuatio	LIABILITIES		
Short-term borrowings 22,430 31,509 Current portion of long-term debt 14,659 13,364 Income taxes payable 1,352 342 Accrued bonuses 553 850 Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term liabilities 81,318 78,801 Long-term debt 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: 20,750 23,750 Shareholders' equity: 23,750 23,750 23,750 Retained earnings 38,668 35,007 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on de	Current liabilities:		
Current portion of long-term debt 14,659 13,364 Income taxes payable 1,352 342 Accrued bonuses 553 850 Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term liabilities: 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: 23,750 23,750 Common stock 18,472 18,472 23,750 Capital surplus 23,750 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32)	Notes and accounts payable	32,532	25,475
Income taxes payable 1,352 342 Accrued bonuses 553 850 Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term liabilities: 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total labilities: 107,838 105,920 NET ASSETS Shareholders' equity: 20,538 105,920 NET ASSETS 18,472 18,472 23,750	Short-term borrowings		31,509
Accrued bonuses 553 850 Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term liabilities: 81,318 78,801 Long-term labilities 3,450 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: State of the common stock 18,472 18,472 Capital surplus 23,750 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,51	Current portion of long-term debt	14,659	13,364
Other current liabilities 9,790 7,258 Total current liabilities 81,318 78,801 Long-term liabilities:	Income taxes payable	1,352	342
Total current liabilities 81,318 78,801 Long-term liabilities: 16,407 16,364 Long-term debt 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (11,393) (10,517) Total revaluation reserve <td>Accrued bonuses</td> <td>553</td> <td>850</td>	Accrued bonuses	553	850
Long-term labilities: 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities: 107,838 105,920 NET ASSETS 107,838 105,920 Net Assets Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Other current liabilities	9,790	7,258
Long-term labilities: 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities: 107,838 105,920 NET ASSETS 107,838 105,920 Net Assets Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Total current liabilities	81,318	78,801
Long-term debt 16,407 16,364 Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70	Long-term liabilities:		
Accrued severance indemnities 6,661 6,988 Other long-term liabilities 3,450 3,765 Total long-term liabilities 26,519 27,118 Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995		16,407	16,364
Total long-term liabilities 26,519 27,118 Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995		6,661	6,988
Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Other long-term liabilities	3,450	3,765
Total liabilities: 107,838 105,920 NET ASSETS Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Total long-term liabilities	26,519	27,118
Shareholders' equity: Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Total liabilities:	107,838	105,920
Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	NET ASSETS	,	,
Common stock 18,472 18,472 Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Shareholders' equity:		
Capital surplus 23,750 23,750 Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	_ ·	18,472	18,472
Retained earnings 38,668 35,007 Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Capital surplus		
Treasury stock (2,358) (2,354) Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995			
Total shareholders' equity 78,533 74,874 Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995			
Valuation and translation adjustments: Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	•		74,874
Unrealized gain on available-for-sale securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995			
securities 1,939 2,157 Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	· · · · · · · · · · · · · · · · · · ·		
Deferred loss on derivatives under hedge accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995		1,939	2,157
accounting (22) (32) Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Deferred loss on derivatives under hedge	,	,
Land revaluation reserve 626 626 Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995		(22)	(32)
Foreign currency translation adjustments (11,393) (10,517) Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995		* *	
Total valuation and translation adjustments (8,849) (7,766) Minority interests 990 887 Total net assets 70,673 67,995	Foreign currency translation adjustments	(11,393)	(10,517)
Minority interests 990 887 Total net assets 70,673 67,995	• •		
Total net assets 70,673 67,995	<u> </u>		
			67,995

2. Consolidated Statements of Operations

Net sales Nine Months Ended December 31, 2000 Nine Months Ended December 31, 2000 Cost of sales 89,350 119,989 Cors of sales 77,862 98,001 Gross profit 11,488 21,987 Selling, general and administrative expenses 13,985 15,449 Operating income (loss) (2,497) 6,537 Non-operating income 86 22 Interest income 86 22 Exchange gain 147 − Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Itterest expenses 997 830 Cash discounts 118 137 Exchange losses − 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income 2 186			(Millions of yen)
Net sales 89,350 119,889 Cost of sales 77,862 98,001 Gross profit 11,488 21,987 Selling, general and administrative expenses 13,985 15,449 Operating income (loss) (2,497) 6,537 Non-operating income 86 22 Dividends income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 10,339 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income 2(2,934) 5,921 Extraordinary income		Nine Months Ended	Nine Months Ended
Cost of sales 77,862 98,001 Gross profit 11,488 21,987 Selling, general and administrative expenses 13,985 15,449 Operating income (loss) (2,4977) 6,537 Non-operating income 86 22 Dividends income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,247 160 Miscellaneous expenses 1,247 160 Miscellaneous expenses 1,247 15 Total on on sale of fixed		December 31, 2009	December 31, 2010
Gross profit 11,488 21,987 Selling, general and administrative expenses 13,985 15,449 Operating income (loss) (2,497) 6,537 Non-operating income 86 22 Interest income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 266 361 Total non-operating income 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 1	Net sales	89,350	119,989
Selling, general and administrative expenses 13,985 15,449 Operating income (loss) (2,497) 6,537 Non-operating income 86 22 Dividends income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of flixed assets 12 186 Reversal of allowance for doubtful accounts - 5 <td< td=""><td>Cost of sales</td><td>77,862</td><td>98,001</td></td<>	Cost of sales	77,862	98,001
Operating income (loss) (2,497) 6,537 Non-operating income 86 22 Interest income 86 22 Dividends income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill	Gross profit	11,488	21,987
Operating income (2,497) 6,537 Non-operating income 86 22 Interest income 86 22 Dividends income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses - 266 361 Total non-operating income 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) 2,934 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 8 19 Loss on disposal	Selling, general and administrative expenses	13,985	15,449
Interest income 86 22 Dividends income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinar		(2,497)	6,537
Dividends income 92 119 Rent income 368 356 Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on adjustment for c	Non-operating income		
Rent income 368 356 Exchange gain 147 — Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Cash discounts 118 137 Exchange losses — 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts — 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts — 5 Gain on negative goodwill — 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119	Interest income	86	22
Exchange gain 147 - Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses - 287 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on legative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 <tr< td=""><td>Dividends income</td><td>92</td><td>119</td></tr<>	Dividends income	92	119
Gain on sale of scrap 77 107 Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on adjustment for changes of accounting standard for asset retirement	Rent income	368	356
Miscellaneous income 266 361 Total non-operating income 1,039 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income	Exchange gain	147	_
Total non-operating income 1,039 967 Non-operating expenses 997 830 Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Incom	Gain on sale of scrap	77	107
Non-operating expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 <td>Miscellaneous income</td> <td>266</td> <td>361</td>	Miscellaneous income	266	361
Interest expenses 997 830 Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 12 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539)	Total non-operating income	1,039	967
Cash discounts 118 137 Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 2 186 Reversal of allowance for doubtful accounts - 5 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - <	Non-operating expenses		
Exchange losses - 270 Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 3 12 186 Reversal of allowance for doubtful accounts - 5 5 Gain on negative goodwill - 9 5 12 202 Extraordinary losses 12 202 202 Extraordinary losses 89 119 19 119 10	Interest expenses	997	830
Depreciation 247 160 Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 3 12 186 Reversal of allowance for doubtful accounts - 5 5 Gain on negative goodwill - 9 9 1 202 202 Extraordinary losses 89 119 202	Cash discounts	118	137
Miscellaneous expenses 113 185 Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income Total extraordinary income 12 186 Reversal of allowance for doubtful accounts Gain on negative goodwill accounts accounting Income - 9 Total extraordinary losses 89 119 Loss on disposal of fixed assets Extraordinary losses 89 119 Loss on adjustment for changes of accounting standard for asset retirement obligations at an adjustment for changes of accounting standard for asset retirement obligations at an adjustment for changes of accounting standard for asset retirement obligations at a counting standard for asset retirement obligations at a count	Exchange losses	_	270
Total non-operating expenses 1,476 1,583 Ordinary income (loss) (2,934) 5,921 Extraordinary income 2 186 Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Depreciation	247	160
Ordinary income (loss) (2,934) 5,921 Extraordinary income 3 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Miscellaneous expenses		185
Extraordinary income Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Total non-operating expenses	1,476	1,583
Gain on sale of fixed assets 12 186 Reversal of allowance for doubtful accounts - 5 Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Ordinary income (loss)	(2,934)	5,921
Reversal of allowance for doubtful accounts-5Gain on negative goodwill-9Total extraordinary income12202Extraordinary losses89119Loss on disposal of fixed assets89119Loss on devaluation of investment in securities114169Loss on adjustment for changes of accounting standard for asset retirement obligations-29Total extraordinary losses203318Income (loss) before income taxes and minority interests(3,125)5,805Income taxes(539)2,041Income before gain on minority interests-3,764Gain on minority interests2102	Extraordinary income		
Gain on negative goodwill - 9 Total extraordinary income 12 202 Extraordinary losses 89 119 Loss on disposal of fixed assets 89 119 Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations - 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Gain on sale of fixed assets	12	186
Total extraordinary income 12 202 Extraordinary losses Loss on disposal of fixed assets Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests 2 102	Reversal of allowance for doubtful accounts	_	5
Extraordinary lossesLoss on disposal of fixed assets89119Loss on devaluation of investment in securities114169Loss on adjustment for changes of accounting standard for asset retirement obligations-29Total extraordinary losses203318Income (loss) before income taxes and minority interests(3,125)5,805Income taxes(539)2,041Income before gain on minority interests-3,764Gain on minority interests2102	Gain on negative goodwill	_	9
Loss on disposal of fixed assets Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations Total extraordinary losses Income (loss) before income taxes and minority interests Income taxes Income taxes Income before gain on minority interests Income before gain on minority interes	Total extraordinary income	12	202
Loss on devaluation of investment in securities 114 169 Loss on adjustment for changes of accounting standard for asset retirement obligations — 29 Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests — 3,764 Gain on minority interests 2 102	Extraordinary losses		
securities114169Loss on adjustment for changes of accounting standard for asset retirement obligations-29Total extraordinary losses203318Income (loss) before income taxes and minority interests(3,125)5,805Income taxes(539)2,041Income before gain on minority interests-3,764Gain on minority interests2102	Loss on disposal of fixed assets	89	119
Loss on adjustment for changes of accounting standard for asset retirement obligations Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Loss on devaluation of investment in		
standard for asset retirement obligations-29Total extraordinary losses203318Income (loss) before income taxes and minority interests(3,125)5,805Income taxes(539)2,041Income before gain on minority interests-3,764Gain on minority interests2102	securities	114	169
Total extraordinary losses 203 318 Income (loss) before income taxes and minority interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Loss on adjustment for changes of accounting		
Income (loss) before income taxes and minority interests(3,125)5,805Income taxes(539)2,041Income before gain on minority interests-3,764Gain on minority interests2102	standard for asset retirement obligations	-	29
interests (3,125) 5,805 Income taxes (539) 2,041 Income before gain on minority interests - 3,764 Gain on minority interests 2 102	Total extraordinary losses	203	318
Income taxes(539)2,041Income before gain on minority interests-3,764Gain on minority interests2102	Income (loss) before income taxes and minority		
Income before gain on minority interests - 3,764 Gain on minority interests 2 102	interests	(3,125)	5,805
Gain on minority interests 2 102	Income taxes	(539)	2,041
Gain on minority interests 2 102	Income before gain on minority interests		3,764
Net income (loss) (2.588) 3.661		2	102
	Net income (loss)	(2,588)	3,661

3. Consolidated Statements of Cash Flows

		(Millions of yen)
	Nine Months Ended	Nine Months Ended
	December 31, 2009	December 31, 2010
Cash flows from operating activities:		
Income (loss) before income taxes and minority		
interests	(3,125)	5,805
Depreciation and amortization	8,879	8,108
Increase (decrease) in allowance for doubtful		
accounts	1	(22)
Decrease in reserve for bonuses	(581)	(297)
Increase (decrease) in accrued severance		
indemnities	112	(326)
Interest and dividends income	(179)	(141)
Interest expenses	997	830
Loss on devaluation of investment in securities	114	169
Loss (gain) on sale or disposal of fixed assets	76	(67)
Increase in notes and accounts receivable	(3,086)	(6,144)
Decrease (increase) in inventories	2,245	(666)
Increase in other current assets	(183)	(417)
Increase in notes and accounts payable	5,298	7,326
Other increases in current liabilities	1,099	2,263
Other	(82)	261
Subtotal	11,586	16,679
Interest and dividends received	182	145
Interest paid	(1,022)	(806)
Income taxes (paid) refund	1,880	(634)
Net cash provided by operating activities	12,626	15,383
Cash flows from investing activities:	·	<u>·</u>
Payment for purchases of property, plant and		
equipment	(6,813)	(5,631)
Proceeds from sale of property, plant and		
equipment	10	384
Payment for purchases of marketable securities	(40)	(3,187)
Proceeds from sale of marketable securities	40	690
Payment for purchase of investment in securities	(17)	(15)
Payment for time deposits	(1,398)	(1,444)
Proceeds from repayment of time deposits	2,422	1,445
Other	(257)	(252)
Net cash used in investing activities	(6,053)	(8,010)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	1,388	(8,494)
Proceeds from long-term debt	8,274	7,209
Repayment of long-term debt	(5,428)	(5,316)
Acquisition of treasury stock	(0)	(3)
Other	(294)	(301)
Net cash provided by (used in) financing activities	3,939	(6,906)
Foreign currency translation adjustments on cash		
and cash equivalents	80	(110)
Net increase in cash and cash equivalents	10,593	356
Cash and cash equivalents at beginning of year	12,084	23,319
Cash and cash equivalents at end of the period	22,677	23,676
·		

4. Segment Information

Industry Segment Information

For the Nine Months Ended December 31, 2009

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales: (1) Unaffiliated Customers (2) Intersegment	59,885 91	12,890	16,574 1	89,350 92	- (92)	89,350 –
Total	59,976	12,890	16,576	89,443	(92)	89,350
Operating Income (Loss)	(2,455)	(1,157)	1,115	(2,496)	(0)	(2,497)

For the Nine Months Ended December 31, 2010

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	87,506	14,217	18,264	119,989	_	119,989
(2) Intersegment	97	_	1	99	(99)	1
Total	87,603	14,217	18,266	120,088	(99)	119,989
Operating Income (Loss)	5,544	(693)	1,686	6,537	0	6,537

Notes:

- 1. Industry segments are classified on the basis of organization.
- 2. Main products of each industry segment:

Die Castings: die cast product and aluminum cast

Printing Equipment: offset printing presses, peripherals, etc.

Power Tools and Builders' Hardware: power tools, lawn and garden equipment, door closers, hinges and architectural hardware