

Ryobi Limited and Consolidated Subsidiaries**Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2016**

These consolidated financial statements are based on the Japanese financial statements submitted to the Tokyo Stock Exchange.

1. Consolidated Balance Sheets

(Millions of yen)

	March 31, 2015	June 30, 2015
Assets		
Current assets		
Cash and deposits	17,848	19,487
Notes and accounts receivable - trade	52,738	52,974
Securities	1,393	1,393
Merchandise and finished goods	18,013	18,412
Work in process	13,927	14,300
Raw materials and supplies	13,523	13,785
Other	6,151	5,799
Allowance for doubtful accounts	(73)	(52)
Total current assets	123,522	126,101
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,856	32,503
Machinery, equipment and vehicles, net	54,738	53,343
Land	23,322	23,319
Construction in progress	5,176	5,548
Other, net	4,184	4,015
Total property, plant and equipment	120,278	118,731
Intangible assets		
Other	2,689	2,686
Total intangible assets	2,689	2,686
Investments and other assets		
Investment securities	14,958	16,527
Other	6,477	6,394
Allowance for doubtful accounts	(71)	(78)
Total investments and other assets	21,364	22,843
Total non-current assets	144,332	144,261
Total assets	267,854	270,363

(Millions of yen)

	March 31, 2015	June 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,994	42,093
Short-term loans payable	37,802	38,589
Current portion of long-term loans payable	10,622	13,102
Income taxes payable	1,866	506
Provision for bonuses	1,637	567
Provision for directors' bonuses	41	—
Other	14,454	17,336
Total current liabilities	107,419	112,196
Non-current liabilities		
Long-term loans payable	38,077	33,697
Net defined benefit liability	8,466	8,125
Other	6,487	7,181
Total non-current liabilities	53,032	49,005
Total liabilities	160,451	161,202
Net assets		
Shareholders' equity		
Capital stock	18,472	18,472
Capital surplus	23,757	23,758
Retained earnings	47,529	48,232
Treasury shares	(2,334)	(2,334)
Total shareholders' equity	87,425	88,128
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,308	7,323
Deferred gains or losses on hedges	(18)	(16)
Revaluation reserve for land	719	719
Foreign currency translation adjustment	7,084	6,885
Remeasurements of defined benefit plans	267	294
Total accumulated other comprehensive income	14,362	15,206
Non-controlling interests	5,615	5,825
Total net assets	107,403	109,160
Total liabilities and net assets	267,854	270,363

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**(1) Consolidated Statements of Income**

(Millions of yen)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015
Net sales	52,164	60,818
Cost of sales	44,858	52,599
Gross profit	7,306	8,218
Selling, general and administrative expenses	5,869	6,115
Operating income	1,436	2,103
Non-operating income		
Interest income	8	13
Dividend income	126	163
Rent income	124	125
Foreign exchange gains	—	59
Gain on sales of scraps	81	198
Other	78	143
Total non-operating income	419	703
Non-operating expenses		
Interest expenses	461	478
Sales discounts	58	53
Foreign exchange losses	162	—
Depreciation	52	34
Other	81	33
Total non-operating expenses	815	600
Ordinary income	1,039	2,206
Extraordinary income		
Gain on disposal of non-current assets	1	40
Gain on bargain purchase	7	—
Total extraordinary income	9	40
Extraordinary losses		
Loss on disposal of non-current assets	17	15
Total extraordinary losses	17	15
Income before income taxes and minority interests	1,032	2,232
Income taxes	527	716
Profit	504	1,515
Profit attributable to non-controlling interests	42	165
Profit attributable to owners of parent	461	1,350

(2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015
Profit	504	1,515
Other comprehensive income		
Valuation difference on available-for-sale securities	490	1,073
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment	(1,759)	(199)
Remeasurements of defined benefit plans	78	26
Total other comprehensive income	(1,190)	903
Comprehensive income	(685)	2,418
Comprehensive income attributable to:		
Owners of the parent	(736)	2,194
Non-controlling interests	50	223

3. Consolidated Statements of Cash Flows

(Millions of yen)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	1,032	2,232
Depreciation	3,316	3,763
Increase (decrease) in allowance for doubtful accounts	(11)	(14)
Increase (decrease) in provision for bonuses	(1,040)	(1,069)
Increase (decrease) in net defined benefit liability	819	(286)
Interest and dividend income	(134)	(177)
Interest expenses	461	478
Loss (gain) on disposal of non-current assets	15	(23)
Decrease (increase) in notes and accounts receivable - trade	84	(307)
Decrease (increase) in inventories	(836)	(1,074)
Decrease (increase) in other current assets	77	90
Increase (decrease) in notes and accounts payable - trade	1,155	1,157
Increase (decrease) in other current liabilities	2,780	3,509
Other, net	(1,089)	2
Subtotal	6,629	8,280
Interest and dividend income received	134	177
Interest expenses paid	(409)	(530)
Income taxes paid	(1,658)	(1,575)
Net cash provided by (used in) operating activities	4,696	6,351
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,924)	(2,918)
Proceeds from sales of property, plant and equipment	9	20
Purchase of investment securities	(9)	(4)
Payments into time deposits	(431)	(64)
Proceeds from withdrawal of time deposits	124	124
Other, net	(56)	(91)
Net cash provided by (used in) investing activities	(3,288)	(2,933)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(614)	777
Proceeds from long-term loans payable	2,946	26
Repayments of long-term loans payable	(3,657)	(1,885)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(613)	(607)
Other, net	(19)	(16)
Net cash provided by (used in) financing activities	(1,959)	(1,706)
Effect of exchange rate change on cash and cash equivalents	(145)	(17)
Net increase (decrease) in cash and cash equivalents	(697)	1,694
Cash and cash equivalents at beginning of period	17,711	16,609
Cash and cash equivalents at end of period	17,014	18,303

4. Segment Information

Industry Segment Information

For the Three Months Ended June 30, 2014

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	39,867	6,623	5,597	76	–	52,164
Intersegment	22	3	–	32	(58)	–
Total	39,890	6,626	5,597	109	(58)	52,164
Operating income	987	330	89	29	0	1,436

For the Three Months Ended June 30, 2015

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	47,864	6,983	5,894	74	–	60,818
Intersegment	38	1	–	30	(70)	–
Total	47,902	6,985	5,894	105	(70)	60,818
Operating income	1,659	185	229	28	0	2,103