

**Ryobi Limited and Consolidated Subsidiaries****Consolidated Financial Statements for the First Nine Months of the Fiscal Year Ending March 31, 2017**

These consolidated financial statements are based on the Japanese financial statements submitted to the Tokyo Stock Exchange.
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**1. Consolidated Balance Sheets**

(Millions of yen)

	March 31, 2016	December 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	20,073	18,489
Notes and accounts receivable - trade	55,056	50,052
Securities	2,093	690
Merchandise and finished goods	16,440	17,179
Work in process	13,989	15,184
Raw materials and supplies	13,141	12,346
Other	5,882	4,571
Allowance for doubtful accounts	(60)	(54)
Total current assets	126,616	118,460
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,504	28,981
Machinery, equipment and vehicles, net	53,154	42,105
Land	23,276	23,222
Construction in progress	4,305	7,734
Other, net	4,037	3,185
Total property, plant and equipment	117,278	105,229
Intangible assets		
Other	2,994	2,702
Total intangible assets	2,994	2,702
Investments and other assets		
Investment securities	12,386	15,542
Other	5,972	5,527
Allowance for doubtful accounts	(93)	(75)
Total investments and other assets	18,266	20,994
Total non-current assets	138,539	128,926
Deferred assets		
Bond issuance cost	41	91
Total deferred assets	41	91
<b>Total assets</b>	<b>265,197</b>	<b>247,477</b>

(Millions of yen)

	March 31, 2016	December 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	38,788	40,696
Short-term loans payable	35,467	29,666
Current portion of long-term loans payable	10,612	16,322
Income taxes payable	1,852	80
Provision for bonuses	1,999	641
Provision for directors' bonuses	63	—
Other	17,136	14,864
Total current liabilities	105,920	102,271
<b>Non-current liabilities</b>		
Bonds payable	2,600	6,900
Long-term loans payable	33,201	17,053
Net defined benefit liability	8,847	8,850
Other	4,520	5,272
Total non-current liabilities	49,169	38,076
<b>Total liabilities</b>	155,089	140,348
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,472	18,472
Capital surplus	23,765	23,769
Retained earnings	55,540	60,345
Treasury shares	(2,335)	(2,336)
Total shareholders' equity	95,442	100,251
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,646	6,805
Deferred gains or losses on hedges	(10)	(2)
Revaluation reserve for land	737	737
Foreign currency translation adjustment	4,709	(5,980)
Remeasurements of defined benefit plans	(1,885)	(1,749)
Total accumulated other comprehensive income	8,198	(189)
Non-controlling interests	6,466	7,067
<b>Total net assets</b>	110,107	107,129
<b>Total liabilities and net assets</b>	265,197	247,477

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

(Millions of yen)

	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2016
Net sales	188,357	177,940
Cost of sales	160,911	149,904
Gross profit	27,446	28,036
Selling, general and administrative expenses	18,818	19,285
Operating income	8,627	8,750
Non-operating income		
Interest income	33	39
Dividend income	312	346
Rent income	357	343
Gain on sales of scraps	588	558
Other	691	487
Total non-operating income	1,984	1,774
Non-operating expenses		
Interest expenses	1,428	1,052
Sales discounts	157	138
Foreign exchange losses	286	175
Depreciation	102	90
Other	126	130
Total non-operating expenses	2,101	1,588
Ordinary income	8,510	8,936
Extraordinary income		
Gain on disposal of non-current assets	48	312
Gain on sales of investment securities	—	201
Total extraordinary income	48	514
Extraordinary losses		
Loss on disposal of non-current assets	89	112
Impairment loss	—	37
Loss on valuation of investment securities	—	45
Total extraordinary losses	89	194
Profit before income taxes	8,469	9,256
Income taxes	2,496	2,327
Profit	5,973	6,928
Profit attributable to non-controlling interests	612	518
Profit attributable to owners of parent	5,361	6,409

## (2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2016
Profit	5,973	6,928
Other comprehensive income		
Valuation difference on available-for-sale securities	122	2,261
Deferred gains or losses on hedges	6	7
Foreign currency translation adjustment	(1,366)	(10,689)
Remeasurements of defined benefit plans, net of tax	80	135
Total other comprehensive income	(1,156)	(8,284)
Comprehensive income	4,817	(1,355)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,103	(1,977)
Comprehensive income attributable to non-controlling interests	713	622

**3. Consolidated Statements of Cash Flows**

(Millions of yen)

	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2016
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,469	9,256
Depreciation	11,607	11,210
Impairment loss	—	37
Increase (decrease) in allowance for doubtful accounts	(13)	(23)
Increase (decrease) in provision for bonuses	(970)	(1,358)
Increase (decrease) in net defined benefit liability	190	167
Interest and dividend income	(345)	(385)
Interest expenses	1,428	1,052
Loss (gain) on disposal of non-current assets	42	(200)
Loss (gain) on sales of investment securities	—	(201)
Loss (gain) on valuation of investment securities	—	45
Decrease (increase) in notes and accounts receivable - trade	(90)	1,510
Decrease (increase) in inventories	115	(3,713)
Decrease (increase) in other current assets	222	352
Increase (decrease) in notes and accounts payable - trade	2,762	3,355
Increase (decrease) in other current liabilities	833	724
Other, net	(708)	(703)
Subtotal	23,545	21,125
Interest and dividend income received	345	386
Interest expenses paid	(1,487)	(1,081)
Income taxes paid	(3,038)	(3,086)
Net cash provided by (used in) operating activities	19,364	17,344
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,114)	(12,234)
Proceeds from sales of property, plant and equipment	24	547
Purchase of securities	(690)	(1,340)
Proceeds from sales of securities	690	1,340
Purchase of investment securities	(47)	(60)
Proceeds from sales of investment securities	—	284
Payments into time deposits	(1,703)	(2,730)
Proceeds from withdrawal of time deposits	1,836	2,758
Other, net	(466)	(240)
Net cash provided by (used in) investing activities	(10,472)	(11,675)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(2,630)	(2,906)
Proceeds from long-term loans payable	6,011	322
Repayments of long-term loans payable	(8,543)	(7,951)
Proceeds from issuance of bonds	2,264	4,237
Purchase of treasury shares	(1)	(0)
Cash dividends paid	(1,293)	(1,615)
Other, net	(25)	(25)
Net cash provided by (used in) financing activities	(4,217)	(7,940)
Effect of exchange rate change on cash and cash equivalents	(132)	(665)
Net increase (decrease) in cash and cash equivalents	4,542	(2,937)
Cash and cash equivalents at beginning of period	16,609	19,850
Cash and cash equivalents at end of period	21,151	16,912

**4. Segment Information**

## Industry Segment Information

For the Nine Months Ended December 31, 2015

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	147,198	21,007	19,947	203	–	188,357
Intersegment	96	7	–	41	(144)	–
Total	147,294	21,015	19,947	245	(144)	188,357
Operating income	6,894	598	1,098	36	(0)	8,627

For the Nine Months Ended December 31, 2016

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	138,090	19,998	19,639	212	–	177,940
Intersegment	76	9	–	42	(127)	–
Total	138,166	20,007	19,639	255	(127)	177,940
Operating income	6,759	1,265	683	42	0	8,750