

**Ryobi Limited and Consolidated Subsidiaries****Consolidated Financial Statements for the First Half of the Fiscal Year Ending March 31, 2018**

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, 2017	September 30, 2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,402	21,841
Notes and accounts receivable - trade	57,530	57,558
Securities	1,075	1,070
Merchandise and finished goods	17,110	19,578
Work in process	14,340	14,213
Raw materials and supplies	13,973	13,540
Other	5,293	4,866
Allowance for doubtful accounts	(61)	(61)
<b>Total current assets</b>	<b>126,665</b>	<b>132,607</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	30,731	30,214
Machinery, equipment and vehicles, net	46,597	46,925
Land	21,922	21,532
Construction in progress	8,622	8,575
Other, net	3,559	4,086
<b>Total property, plant and equipment</b>	<b>111,432</b>	<b>111,333</b>
<b>Intangible assets</b>		
Other	3,009	3,126
<b>Total intangible assets</b>	<b>3,009</b>	<b>3,126</b>
<b>Investments and other assets</b>		
Investment securities	15,063	16,485
Other	6,680	6,778
Allowance for doubtful accounts	(67)	(67)
<b>Total investments and other assets</b>	<b>21,676</b>	<b>23,196</b>
<b>Total non-current assets</b>	<b>136,118</b>	<b>137,657</b>
<b>Deferred assets</b>		
Bond issuance cost	86	83
<b>Total deferred assets</b>	<b>86</b>	<b>83</b>
<b>Total assets</b>	<b>262,869</b>	<b>270,348</b>

(Millions of yen)

	March 31, 2017	September 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	38,519	41,051
Short-term loans payable	34,293	39,014
Current portion of long-term loans payable	15,949	6,144
Income taxes payable	862	846
Provision for bonuses	2,012	2,045
Provision for directors' bonuses	60	—
Other	17,821	16,986
<b>Total current liabilities</b>	<b>109,518</b>	<b>106,090</b>
<b>Non-current liabilities</b>		
Bonds payable	6,900	8,400
Long-term loans payable	17,018	21,906
Net defined benefit liability	8,810	8,868
Other	5,192	5,936
<b>Total non-current liabilities</b>	<b>37,922</b>	<b>45,110</b>
<b>Total liabilities</b>	<b>147,440</b>	<b>151,200</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,472	18,472
Capital surplus	23,776	21,786
Retained earnings	62,283	65,978
Treasury shares	(2,336)	(344)
<b>Total shareholders' equity</b>	<b>102,196</b>	<b>105,891</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,551	7,563
Revaluation reserve for land	737	737
Foreign currency translation adjustment	518	(745)
Remeasurements of defined benefit plans	(1,793)	(1,792)
<b>Total accumulated other comprehensive income</b>	<b>6,014</b>	<b>5,762</b>
<b>Non-controlling interests</b>	<b>7,218</b>	<b>7,493</b>
<b>Total net assets</b>	<b>115,428</b>	<b>119,147</b>
<b>Total liabilities and net assets</b>	<b>262,869</b>	<b>270,348</b>

## 2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### (1) Consolidated Statements of Income

(Millions of yen)

	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
Net sales	121,491	119,148
Cost of sales	102,282	100,270
Gross profit	19,209	18,877
Selling, general and administrative expenses	13,060	12,776
Operating profit	6,149	6,101
Non-operating income		
Interest income	29	39
Dividend income	209	211
Rent income	231	205
Foreign exchange gains	—	91
Gain on sales of scraps	392	394
Other	274	362
Total non-operating income	1,137	1,303
Non-operating expenses		
Interest expenses	752	577
Sales discounts	95	89
Foreign exchange losses	521	—
Depreciation	60	39
Other	81	135
Total non-operating expenses	1,511	841
Ordinary profit	5,775	6,563
Extraordinary income		
Gain on disposal of non-current assets	312	2
Gain on sales of investment securities	—	39
Total extraordinary income	312	42
Extraordinary losses		
Loss on disposal of non-current assets	40	84
Loss on sales of investment securities	—	1
Loss on valuation of investment securities	57	20
Total extraordinary losses	97	106
Profit before income taxes	5,989	6,499
Income taxes	1,391	1,698
Profit	4,598	4,801
Profit attributable to non-controlling interests	278	297
Profit attributable to owners of parent	4,319	4,503

## (2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
Profit	4,598	4,801
Other comprehensive income		
Valuation difference on available-for-sale securities	201	1,007
Deferred gains or losses on hedges	5	—
Foreign currency translation adjustment	(9,701)	(1,264)
Remeasurements of defined benefit plans, net of tax	90	2
Total other comprehensive income	(9,404)	(255)
Comprehensive income	(4,806)	4,545
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,055)	4,252
Comprehensive income attributable to non-controlling interests	249	293

**3. Consolidated Statements of Cash Flows**

(Millions of yen)

	Six Months Ended September 30, 2016	Six Months Ended September 30, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,989	6,499
Depreciation	7,584	7,616
Increase (decrease) in allowance for doubtful accounts	(6)	0
Increase (decrease) in provision for bonuses	38	33
Increase (decrease) in net defined benefit liability	130	151
Interest and dividend income	(239)	(250)
Interest expenses	752	577
Loss (gain) on sales of investment securities	—	(38)
Loss (gain) on valuation of investment securities	57	20
Loss (gain) on disposal of non-current assets	(271)	82
Decrease (increase) in notes and accounts receivable - trade	5,028	(451)
Decrease (increase) in inventories	(2,514)	(2,208)
Decrease (increase) in other current assets	390	216
Increase (decrease) in notes and accounts payable - trade	(734)	2,637
Increase (decrease) in other current liabilities	(1,007)	(1,115)
Other, net	(416)	(914)
Subtotal	14,782	12,856
Interest and dividend income received	239	250
Interest expenses paid	(762)	(589)
Income taxes (paid) refund	(2,036)	(750)
Net cash provided by (used in) operating activities	12,223	11,767
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,093)	(8,366)
Proceeds from sales of property, plant and equipment	524	454
Purchase of securities	(690)	(690)
Proceeds from sales of securities	690	690
Purchase of investment securities	(32)	(32)
Proceeds from sales of investment securities	—	60
Payments into time deposits	(1,320)	(1,319)
Proceeds from withdrawal of time deposits	1,349	1,479
Other, net	(213)	(387)
Net cash provided by (used in) investing activities	(8,785)	(8,111)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(2,163)	4,968
Proceeds from long-term loans payable	202	7,486
Repayments of long-term loans payable	(6,249)	(12,124)
Proceeds from issuance of bonds	4,237	1,490
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(806)	(808)
Other, net	(22)	(23)
Net cash provided by (used in) financing activities	(4,803)	987
Effect of exchange rate change on cash and cash equivalents	(636)	(49)
Net increase (decrease) in cash and cash equivalents	(2,002)	4,593
Cash and cash equivalents at beginning of period	19,850	16,170
Cash and cash equivalents at end of period	17,847	20,764

**4. Segment Information**

## Industry Segment Information

For the Six Months Ended September 30, 2016

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	94,784	13,358	13,200	148	–	121,491
Intersegment	51	6	–	37	(95)	–
Total	94,836	13,365	13,200	185	(95)	121,491
Operating income	5,181	641	291	34	(0)	6,149

For the Six Months Ended September 30, 2017

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	92,192	13,804	13,001	150	–	119,148
Intersegment	52	3	–	40	(96)	–
Total	92,244	13,808	13,001	190	(96)	119,148
Operating income	4,491	1,041	526	40	(0)	6,101