

Ryobi Limited and Consolidated Subsidiaries**Consolidated Financial Statements for the First Nine Months of the Fiscal Year Ending March 31, 2015**

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, 2014	December 31, 2014
ASSETS		
Current assets:		
Cash and deposits	18,419	19,546
Notes and accounts receivable	48,096	49,943
Marketable securities	1,493	2,393
Finished products and purchased goods	15,840	17,458
Work in process	12,401	14,504
Raw materials and supplies	11,229	12,862
Other current assets	6,225	5,370
Allowance for doubtful accounts	(79)	(64)
Total current assets	113,626	122,015
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	31,286	30,752
Machinery and equipment (net)	48,645	49,608
Land	23,224	23,253
Construction in progress	4,523	6,357
Other fixed assets (net)	3,572	3,672
Total property, plant and equipment	111,253	113,644
Intangible fixed assets:		
Other intangible fixed assets	2,467	2,520
Total intangible fixed assets	2,467	2,520
Investments and other assets:		
Investment in securities	11,858	14,574
Other	5,853	4,365
Allowance for doubtful accounts	(83)	(104)
Total investments and other assets	17,628	18,835
Total fixed assets	131,349	135,001
Total assets	244,976	257,016

	(Millions of yen)	
	March 31, 2014	December 31, 2014
LIABILITIES		
Current liabilities:		
Notes and accounts payable	35,171	44,462
Short-term borrowings	37,277	36,415
Current portion of long-term debt	12,159	10,700
Income taxes payable	1,753	377
Accrued bonuses	1,569	544
Accrued bonuses to directors	42	-
Other current liabilities	11,654	12,526
Total current liabilities	99,627	105,027
Long-term liabilities:		
Long-term debt	35,920	38,184
Net defined benefit liability	7,567	7,640
Other long-term liabilities	5,427	6,122
Total long-term liabilities	48,914	51,947
Total liabilities:	148,542	156,975
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,757	23,757
Retained earnings	46,661	46,449
Treasury stock	(2,334)	(2,334)
Total shareholders' equity	86,556	86,344
Accumulated other comprehensive income :		
Unrealized gain on available-for-sale securities	4,160	5,734
Deferred loss on derivatives under hedge accounting	(24)	(19)
Land revaluation reserve	655	654
Foreign currency translation adjustments	763	2,226
Remeasurements of defined benefit plans	(544)	(311)
Total accumulated other comprehensive income	5,010	8,285
Minority interests	4,866	5,410
Total net assets	96,433	100,040
Total liabilities and net assets	244,976	257,016

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

(Millions of yen)

	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014
Net sales	144,881	164,108
Cost of sales	122,719	140,501
Gross profit	22,161	23,607
Selling, general and administrative expenses	16,362	17,521
Operating income	5,798	6,085
Non-operating income		
Interest income	42	34
Dividends income	174	239
Rent income	252	368
Exchange gain	325	179
Gain on sale of scrap	198	204
Miscellaneous income	329	439
Total non-operating income	1,322	1,465
Non-operating expenses		
Interest expenses	1,267	1,381
Cash discounts	160	172
Depreciation	30	157
Miscellaneous expenses	385	220
Total non-operating expenses	1,844	1,932
Ordinary income	5,277	5,618
Extraordinary income		
Gain on sale of fixed assets	7	7
Gain on negative goodwill	0	7
Total extraordinary income	7	14
Extraordinary losses		
Loss on disposal of fixed assets	135	79
Impairment loss on fixed assets	279	-
Total extraordinary losses	414	79
Income before income taxes and minority interests	4,869	5,553
Income taxes	409	2,431
Income before gain on minority interests	4,460	3,122
Gain on minority interests	108	393
Net income	4,351	2,728

(2) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014
Income before gain on minority interests	4,460	3,122
Other comprehensive income		
Unrealized gain on available-for-sale securities	2,085	1,747
Deferred loss on derivatives under hedge accounting	26	4
Land revaluation reserve	-	(0)
Foreign currency translation adjustments	5,233	1,463
Remeasurements of defined benefit plans	-	234
Share of other comprehensive income of associates accounted for using equity method	11	-
Total other comprehensive income	7,356	3,449
Comprehensive income	11,817	6,571
Comprehensive income attributable to:		
Owners of the parent	11,538	6,004
Minority interests	279	567

3. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine Months Ended December 31, 2013	Nine Months Ended December 31, 2014
Cash flows from operating activities:		
Income before income taxes and minority interests	4,869	5,553
Depreciation and amortization	9,381	10,297
Impairment loss on fixed assets	279	-
Increase in allowance for doubtful accounts	2	5
Decrease in reserve for bonuses	(796)	(1,024)
Decrease in accrued severance indemnities	(536)	-
Increase in net defined benefit liability	-	433
Interest and dividends income	(216)	(273)
Interest expenses	1,267	1,381
Loss on sale or disposal of fixed assets	128	72
Increase in notes and accounts receivable	(3,384)	(1,329)
Increase in inventories	(2,694)	(4,917)
Decrease in other current assets	1,134	471
Increase in notes and accounts payable	6,905	9,004
Other increases in current liabilities	1,518	549
Other	175	(1,177)
Subtotal	18,035	19,046
Interest and dividends received	216	273
Interest paid	(1,279)	(1,314)
Income taxes paid	(53)	(2,668)
Net cash provided by operating activities	16,918	15,337
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(16,573)	(10,000)
Proceeds from sale of property, plant and equipment	58	12
Payment for purchases of marketable securities	(690)	(690)
Proceeds from sale of marketable securities	690	690
Payment for purchase of investment in securities	(26)	(41)
Payment for time deposits	(1,503)	(1,873)
Proceeds from repayment of time deposits	1,533	1,533
Other	(421)	(306)
Net cash used in investing activities	(16,932)	(10,676)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	195	(1,394)
Proceeds from long-term debt	6,514	9,538
Repayment of long-term debt	(7,380)	(9,910)
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(966)	(1,292)
Other	(77)	(29)
Net cash used in financing activities	(1,714)	(3,088)
Foreign currency translation adjustments on cash and cash equivalents	706	90
Net increase (decrease) in cash and cash equivalents	(1,022)	1,662
Cash and cash equivalents at beginning of year	21,844	17,711
Cash and cash equivalents at end of the period	20,821	19,374

4. Segment Information

Industry Segment Information

For the Nine Months Ended December 31, 2013

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Total	Eliminations / Corporate	Consolidated
Net sales:						
Unaffiliated customers	113,551	19,723	11,606	144,881	-	144,881
Intersegment	98	0	-	98	(98)	-
Total	113,649	19,723	11,606	144,980	(98)	144,881
Operating income (loss)	4,800	1,121	(122)	5,798	-	5,798

For the Nine Months Ended December 31, 2014

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Total	Eliminations / Corporate	Consolidated
Net Sales:							
Unaffiliated customers	125,432	20,091	18,400	184	164,108	-	164,108
Intersegment	114	6	-	39	159	(159)	-
Total	125,546	20,097	18,400	223	164,268	(159)	164,108
Operating income	4,103	902	1,055	24	6,086	(0)	6,085