

**Ryobi Limited and Consolidated Subsidiaries****Consolidated Financial Statements for the First Quarter 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	June 30, 2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,402	19,029
Notes and accounts receivable - trade	57,530	58,055
Securities	1,075	1,062
Merchandise and finished goods	17,110	18,182
Work in process	14,340	14,302
Raw materials and supplies	13,973	13,547
Other	5,293	5,103
Allowance for doubtful accounts	(61)	(53)
<b>Total current assets</b>	<b>126,665</b>	<b>129,229</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	30,731	30,076
Machinery, equipment and vehicles, net	46,597	45,791
Land	21,922	21,527
Construction in progress	8,622	7,750
Other, net	3,559	3,925
<b>Total property, plant and equipment</b>	<b>111,432</b>	<b>109,072</b>
<b>Intangible assets</b>		
Other	3,009	3,098
<b>Total intangible assets</b>	<b>3,009</b>	<b>3,098</b>
<b>Investments and other assets</b>		
Investment securities	15,063	15,589
Other	6,680	6,549
Allowance for doubtful accounts	(67)	(67)
<b>Total investments and other assets</b>	<b>21,676</b>	<b>22,072</b>
<b>Total non-current assets</b>	<b>136,118</b>	<b>134,243</b>
<b>Deferred assets</b>		
Bond issuance cost	86	89
<b>Total deferred assets</b>	<b>86</b>	<b>89</b>
<b>Total assets</b>	<b>262,869</b>	<b>263,562</b>

(Millions of yen)

	March 31, 2017	June 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	38,519	39,604
Short-term loans payable	34,293	35,622
Current portion of long-term loans payable	15,949	6,599
Income taxes payable	862	435
Provision for bonuses	2,012	681
Provision for directors' bonuses	60	—
Other	17,821	18,895
<b>Total current liabilities</b>	<b>109,518</b>	<b>101,838</b>
<b>Non-current liabilities</b>		
Bonds payable	6,900	8,400
Long-term loans payable	17,018	22,991
Net defined benefit liability	8,810	8,804
Other	5,192	5,715
<b>Total non-current liabilities</b>	<b>37,922</b>	<b>45,911</b>
<b>Total liabilities</b>	<b>147,440</b>	<b>147,750</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,472	18,472
Capital surplus	23,776	21,784
Retained earnings	62,283	63,976
Treasury shares	(2,336)	(344)
<b>Total shareholders' equity</b>	<b>102,196</b>	<b>103,888</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,551	6,966
Revaluation reserve for land	737	737
Foreign currency translation adjustment	518	(1,255)
Remeasurements of defined benefit plans	(1,793)	(1,792)
<b>Total accumulated other comprehensive income</b>	<b>6,014</b>	<b>4,655</b>
<b>Non-controlling interests</b>	<b>7,218</b>	<b>7,268</b>
<b>Total net assets</b>	<b>115,428</b>	<b>115,812</b>
<b>Total liabilities and net assets</b>	<b>262,869</b>	<b>263,562</b>

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

## (1) Consolidated Statements of Income

(Millions of yen)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2017
Net sales	61,900	60,738
Cost of sales	52,061	50,765
Gross profit	9,839	9,973
Selling, general and administrative expenses	6,625	6,436
Operating profit	3,214	3,536
Non-operating income		
Interest income	15	15
Dividend income	178	179
Rent income	111	100
Gain on sales of scraps	203	194
Other	95	105
Total non-operating income	602	595
Non-operating expenses		
Interest expenses	398	285
Sales discounts	45	43
Foreign exchange losses	322	4
Depreciation	25	22
Other	32	41
Total non-operating expenses	822	397
Ordinary profit	2,994	3,735
Extraordinary income		
Gain on disposal of non-current assets	84	2
Gain on sales of investment securities	—	39
Total extraordinary income	84	41
Extraordinary losses		
Loss on disposal of non-current assets	26	50
Loss on sales of investment securities	—	1
Loss on valuation of investment securities	57	—
Total extraordinary losses	83	51
Profit before income taxes	2,994	3,725
Income taxes	744	1,125
Profit	2,250	2,599
Profit attributable to non-controlling interests	95	98
Profit attributable to owners of parent	2,154	2,501

## (2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2017
Profit	2,250	2,599
Other comprehensive income		
Valuation difference on available-for-sale securities	(664)	383
Deferred gains or losses on hedges	2	—
Foreign currency translation adjustment	(3,653)	(1,774)
Remeasurements of defined benefit plans, net of tax	45	1
Total other comprehensive income	(4,270)	(1,389)
Comprehensive income	(2,020)	1,210
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,049)	1,143
Comprehensive income attributable to non-controlling interests	29	67

**3. Consolidated Statements of Cash Flows**

(Millions of yen)

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,994	3,725
Depreciation	3,832	3,722
Increase (decrease) in allowance for doubtful accounts	(12)	(7)
Increase (decrease) in provision for bonuses	(1,325)	(1,330)
Increase (decrease) in net defined benefit liability	(20)	41
Interest and dividend income	(193)	(195)
Interest expenses	398	285
Loss (gain) on sales of investment securities	—	(38)
Loss (gain) on valuation of investment securities	57	—
Loss (gain) on disposal of non-current assets	(57)	48
Decrease (increase) in notes and accounts receivable - trade	1,068	(1,134)
Decrease (increase) in inventories	(1,657)	(1,056)
Decrease (increase) in other current assets	292	261
Increase (decrease) in notes and accounts payable - trade	1,149	1,296
Increase (decrease) in other current liabilities	3,085	2,256
Other, net	(196)	(609)
Subtotal	9,413	7,263
Interest and dividend income received	194	195
Interest expenses paid	(409)	(252)
Income taxes paid	(1,533)	(748)
Net cash provided by (used in) operating activities	7,664	6,457
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,582)	(4,476)
Proceeds from sales of property, plant and equipment	154	451
Purchase of investment securities	(4)	(4)
Proceeds from sales of investment securities	—	59
Payments into time deposits	(65)	(64)
Proceeds from withdrawal of time deposits	124	254
Other, net	(129)	(282)
Net cash provided by (used in) investing activities	(3,503)	(4,063)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(318)	1,818
Proceeds from long-term loans payable	51	7,492
Repayments of long-term loans payable	(4,293)	(10,501)
Proceeds from issuance of bonds	2,466	1,490
Purchase of treasury shares	(0)	—
Cash dividends paid	(766)	(772)
Other, net	(20)	(20)
Net cash provided by (used in) financing activities	(2,881)	(492)
Effect of exchange rate change on cash and cash equivalents	(305)	(95)
Net increase (decrease) in cash and cash equivalents	974	1,805
Cash and cash equivalents at beginning of period	19,850	16,170
Cash and cash equivalents at end of period	20,824	17,976

**4. Segment Information**

## Industry Segment Information

For the Three Months Ended June 30, 2016

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	48,969	6,714	6,136	79	–	61,900
Intersegment	25	3	–	34	(63)	–
Total	48,994	6,718	6,136	113	(63)	61,900
Operating income	3,016	234	(66)	29	0	3,214

For the Three Months Ended June 30, 2017

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	47,866	7,015	5,772	83	–	60,738
Intersegment	22	2	–	35	(60)	–
Total	47,888	7,017	5,772	119	(60)	60,738
Operating income	2,905	546	49	35	0	3,536