

**Ryobi Limited and Consolidated Subsidiaries****Consolidated Financial Statements for the First Nine Months 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	December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	17,402	21,525
Notes and accounts receivable - trade	57,530	60,686
Securities	1,075	1,079
Merchandise and finished goods	17,110	20,382
Work in process	14,340	15,135
Raw materials and supplies	13,973	14,729
Other	5,293	4,751
Allowance for doubtful accounts	(61)	(57)
Total current assets	126,665	138,233
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,731	31,029
Machinery, equipment and vehicles, net	46,597	48,087
Land	21,922	21,455
Construction in progress	8,622	8,708
Other, net	3,559	3,764
Total property, plant and equipment	111,432	113,045
Intangible assets		
Other	3,009	3,055
Total intangible assets	3,009	3,055
Investments and other assets		
Investment securities	15,063	17,479
Other	6,680	6,937
Allowance for doubtful accounts	(67)	(70)
Total investments and other assets	21,676	24,345
Total non-current assets	136,118	140,446
Deferred assets		
Bond issuance cost	86	78
Total deferred assets	86	78
<b>Total assets</b>	<b>262,869</b>	<b>278,758</b>

(Millions of yen)

	March 31, 2017	December 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	38,519	45,010
Short-term loans payable	34,293	36,732
Current portion of long-term loans payable	15,949	5,892
Income taxes payable	862	373
Provision for bonuses	2,012	709
Provision for directors' bonuses	60	—
Other	17,821	17,791
<b>Total current liabilities</b>	<b>109,518</b>	<b>106,510</b>
<b>Non-current liabilities</b>		
Bonds payable	6,900	8,400
Long-term loans payable	17,018	26,243
Net defined benefit liability	8,810	8,803
Other	5,192	6,997
<b>Total non-current liabilities</b>	<b>37,922</b>	<b>50,444</b>
<b>Total liabilities</b>	<b>147,440</b>	<b>156,955</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	66,540
Treasury shares	(2,336)	(345)
<b>Total shareholders' equity</b>	<b>102,196</b>	<b>106,452</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,551	8,243
Revaluation reserve for land	737	737
Foreign currency translation adjustment	518	545
Remeasurements of defined benefit plans	(1,793)	(1,791)
<b>Total accumulated other comprehensive income</b>	<b>6,014</b>	<b>7,735</b>
<b>Non-controlling interests</b>	<b>7,218</b>	<b>7,614</b>
<b>Total net assets</b>	<b>115,428</b>	<b>121,803</b>
<b>Total liabilities and net assets</b>	<b>262,869</b>	<b>278,758</b>

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

### (1) Consolidated Statements of Income

(Millions of yen)

	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2017
Net sales	177,940	180,922
Cost of sales	149,904	152,725
Gross profit	28,036	28,196
Selling, general and administrative expenses	19,285	19,490
Operating profit	8,750	8,706
Non-operating income		
Interest income	39	64
Dividend income	346	371
Rent income	343	314
Foreign exchange gains	—	146
Gain on sales of scraps	558	617
Other	487	455
Total non-operating income	1,774	1,969
Non-operating expenses		
Interest expenses	1,052	870
Sales discounts	138	129
Foreign exchange losses	175	—
Depreciation	90	54
Other	130	236
Total non-operating expenses	1,588	1,292
Ordinary profit	8,936	9,384
Extraordinary income		
Gain on disposal of non-current assets	312	164
Gain on sales of investment securities	201	39
Total extraordinary income	514	204
Extraordinary losses		
Loss on disposal of non-current assets	112	162
Impairment loss	37	—
Loss on sales of investment securities	—	1
Loss on valuation of investment securities	45	20
Total extraordinary losses	194	184
Profit before income taxes	9,256	9,403
Income taxes	2,327	3,105
Profit	6,928	6,298
Profit attributable to non-controlling interests	518	423
Profit attributable to owners of parent	6,409	5,874

## (2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2017
Profit	6,928	6,298
Other comprehensive income		
Valuation difference on available-for-sale securities	2,261	1,684
Deferred gains or losses on hedges	7	—
Foreign currency translation adjustment	(10,689)	27
Remeasurements of defined benefit plans, net of tax	135	3
Total other comprehensive income	(8,284)	1,714
Comprehensive income	(1,355)	8,012
Comprehensive income attributable to :		
Owners of parent	(1,977)	7,596
Non-controlling interests	622	416

**3. Consolidated Statements of Cash Flows**

(Millions of yen)

	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,256	9,403
Depreciation	11,210	11,686
Impairment loss	37	—
Increase (decrease) in allowance for doubtful accounts	(23)	(0)
Increase (decrease) in provision for bonuses	(1,358)	(1,302)
Increase (decrease) in net defined benefit liability	167	133
Interest and dividend income	(385)	(435)
Interest expenses	1,052	870
Loss (gain) on disposal of non-current assets	(200)	(1)
Loss (gain) on sales of investment securities	(201)	(38)
Loss (gain) on valuation of investment securities	45	20
Decrease (increase) in notes and accounts receivable - trade	1,510	(3,156)
Decrease (increase) in inventories	(3,713)	(4,735)
Decrease (increase) in other current assets	352	276
Increase (decrease) in notes and accounts payable - trade	3,355	6,399
Increase (decrease) in other current liabilities	724	347
Other, net	(703)	(1,391)
Subtotal	21,125	18,075
Interest and dividend income received	386	435
Interest expenses paid	(1,081)	(832)
Income taxes paid	(3,086)	(1,519)
Net cash provided by (used in) operating activities	17,344	16,158
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,234)	(13,656)
Proceeds from sales of property, plant and equipment	547	709
Purchase of securities	(1,340)	(690)
Proceeds from sales of securities	1,340	690
Purchase of investment securities	(60)	(62)
Proceeds from sales of investment securities	284	60
Payments into time deposits	(2,730)	(1,475)
Proceeds from withdrawal of time deposits	2,758	1,533
Other, net	(240)	(470)
Net cash provided by (used in) investing activities	(11,675)	(13,361)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(2,906)	2,327
Proceeds from long-term loans payable	322	13,394
Repayments of long-term loans payable	(7,951)	(14,254)
Proceeds from issuance of bonds	4,237	1,490
Purchase of treasury shares	(0)	(1)
Cash dividends paid	(1,615)	(1,614)
Other, net	(25)	(28)
Net cash provided by (used in) financing activities	(7,940)	1,313
Effect of exchange rate change on cash and cash equivalents	(665)	73
Net increase (decrease) in cash and cash equivalents	(2,937)	4,183
Cash and cash equivalents at beginning of period	19,850	16,170
Cash and cash equivalents at end of period	16,912	20,354

**4. Segment Information**

## Industry Segment Information

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

For the Nine Months Ended December 31, 2017

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	141,526	20,502	18,691	200	–	180,922
Intersegment	86	5	–	44	(136)	–
Total	141,613	20,508	18,691	245	(136)	180,922
Operating income	6,523	1,402	745	34	0	8,706