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Securities code: 5851

June 4, 2018

To our shareholders:

Akira Urakami  
President  
**RYOBI LIMITED**  
762 Mesaki-cho, Fuchu-shi, Hiroshima, Japan

## **NOTICE OF THE 106th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 106th Annual General Meeting of Shareholders of Ryobi Limited (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or the Internet (electromagnetic method). Please indicate your approval or disapproval of the proposals after reviewing the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:00 p.m., Thursday, June 21, 2018 (Japan Standard Time).

**1. Date and Time:** Friday, June 22, 2018 at 10:00 a.m. (Japan Standard Time)

**2. Venue:** Fuchu Chamber of Commerce and Industry Hall  
445-1 Motomachi, Fuchu-shi, Hiroshima, Japan

### **3. Purposes:**

#### **Items to be reported:**

1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 106th Term (from April 1, 2017 to March 31, 2018)
2. The results of audit of the Consolidated Financial Statements for the 106th Term by the Accounting Auditor and the Board of Corporate Auditors

#### **Items to be resolved:**

- Proposal 1:** Appropriation of surplus  
**Proposal 2:** Partial amendments to the Articles of Incorporation  
**Proposal 3:** Election of three (3) Directors  
**Proposal 4:** Election of one (1) Corporate Auditor

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

#### **Proposal 1:** Appropriation of surplus

The Company's basic policy is to improve its medium- and long-term consolidated operating performance, while maintaining investment for growth and a stable return of profits to our shareholders.

The Company would like to pay the year-end dividend of ¥35 per common share, increasing by ¥10 per common share.

On October 1, 2017, the Company implemented a consolidation of shares to make 5 common shares into 1 share.

As the Company paid an interim dividend of ¥5 per share, the annual dividend is ¥60 per share, comprising the interim dividend of ¥25 and the year-end dividend of ¥35, when calculated based on the state after the consolidation of shares.

#### Year-end dividends

1. Type of dividend property  
Cash
2. Allotment of dividend property to shareholders and their aggregate amount  
¥35 per common share of the Company; the total amount is ¥1,132,918,815.
3. Effective date of dividends of surplus  
June 25, 2018

**Proposal 2:** Partial amendments to the Articles of Incorporation

1. Reasons for the amendments

Our business year always starts on April 1 of each year and ends on March 31 of the following year, but in order to make accounting periods uniform with our overseas consolidated subsidiaries, to disclose management information more timely and accurately, as well as increase business transparency and make the Company group’s business operation such as budget management and performance management more effective, our business year will change to start on January 1 and end on December 31.

2. Details of the amendments

The amendments are as follows:

(Underline shows changed parts)

Current Articles of Incorporation	Proposed changes
<p>(Convocation of annual general meeting) Article 13 An annual general meeting of shareholders of the Company shall be convened in <u>June</u> every year. An extraordinary general meeting of shareholders shall be convened whenever necessary.</p>	<p>(Convocation of annual general meeting) Article 13 An annual general meeting of shareholders of the Company shall be convened in <u>March</u> every year. An extraordinary general meeting of shareholders shall be convened whenever necessary.</p>
<p>(Record date of annual general meeting) Article 14 The record date for voting rights at the Company’s annual general meeting of shareholders shall be <u>March</u> 31 every year.</p>	<p>(Record date of annual general meeting) Article 14 The record date for voting rights at the Company’s annual general meeting of shareholders shall be <u>December</u> 31.</p>
<p>(Business year) Article 37 The business year of the Company shall commence on <u>April</u> 1 of each year and ends on <u>March</u> 31 <u>of the following year</u>.</p>	<p>(Business year) Article 37 The business year of the Company shall commence on <u>January</u> 1 of each year and ends on <u>December</u> 31.</p>
<p>(Year-end dividends) Article 38 In accordance with the resolution reached at the general meeting of shareholders, the Company shall pay dividends of surplus in cash (the “year-end dividends”) to shareholders and registered share pledgees recorded in the final shareholder register as of <u>March</u> 31 every year.</p>	<p>(Year-end dividends) Article 38 In accordance with the resolution reached at the general meeting of shareholders, the Company shall pay dividends of surplus in cash (the “year-end dividends”) to shareholders and registered share pledgees recorded in the final shareholder register as of <u>December</u> 31 every year.</p>
<p>(Interim dividends) Article 39 In accordance with the resolution reached by the Board of Directors, the Company may pay dividends of surplus as set forth by Article 454, paragraph 5 of the Companies Act (“interim dividends”) to shareholders and registered share pledgees recorded in the final shareholder register as of <u>September</u> 30 every year. &lt;Newly established&gt;</p>	<p>(Interim dividends) Article 39 In accordance with the resolution reached by the Board of Directors, the Company may pay dividends of surplus as set forth by Article 454, paragraph 5 of the Companies Act (“interim dividends”) to shareholders and registered share pledgees recorded in the final shareholder register as of <u>June</u> 30 each year. <u>Supplementary provision</u> <u>Article 1</u> <u>Notwithstanding the provisions of Article 37, the 107th business year shall be nine months from April 1, 2018 to December 31, 2018.</u> <u>Article 2</u> <u>Notwithstanding the provisions of Article 39, the record date for interim dividends for the 107th business year shall be September 30, 2018.</u> <u>Article 3</u> <u>Articles 1 to 3 in this Supplementary Provision shall be deleted as of January 1, 2019.</u></p>

**Proposal 3:** Election of three (3) Directors

The terms of office of the four (4) Directors Satoshi Ohoka, Hiroyuki Kawaguchi, Takashi Suzuki, and Tatsuyoshi Mochizuki will come to an end at the conclusion of this Annual General Meeting of Shareholders.

In that regard, the Company proposes the election of three (3) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	1. Number of the Company's shares owned 2. Special interest with the Company
1	<p>Reelection Outside</p> <p>Satoshi Ohoka (April 24, 1951)</p>	<p>Apr. 1975      Joined The Japan Development Bank (current The Development Bank of Japan)</p> <p>May 2002      Managing Director, The Development Bank of Japan</p> <p>Apr. 2003      Professor, Nihon University</p> <p>Apr. 2003      Lecturer, Keio University</p> <p>Apr. 2003      Lecturer, Graduate School of Chuo University (present position)</p> <p>Jun. 2003      Corporate Auditor of the Company</p> <p>Jun. 2006      Director of the Company (present position)</p> <p>Jun. 2012      Outside Director, LINTEC Corporation (present position)</p> <p>(Significant concurrent positions outside the Company) Lecturer, Graduate School of Chuo University Outside Director, LINTEC Corporation</p>	<p>1. 3,900 2. None</p>
<p>[Reasons for nomination as candidate for Outside Director] The Company expects that his rich international experience, deep academic expertise and experience, and experience as a Corporate Auditor of the Company can be utilized in the management of the Company, and asks you to continue appointing him as an Outside Director.</p> <p>(Notes) 1. Satoshi Ohoka is a candidate for Outside Director. 2. Satoshi Ohoka is currently an Outside Director of the Company and will have served for twelve (12) years at the conclusion of this Annual General Meeting of Shareholders. 3. Upon approval of reelection of Satoshi Ohoka, a candidate for Outside Director, the Company intends to renew the agreement limiting his liability for damages under Article 423, Paragraph 1 of the Companies Act. The amount of limited liability under this agreement is the amount stipulated by laws and regulations.</p>			
2	<p>Reelection</p> <p>Takashi Suzuki (December 15, 1951)</p>	<p>Sep. 1985      Joined the Company</p> <p>Jun. 2008      Corporate Officer and General Manager of the Builders' Hardware Department at Power Equipment Division of the Company</p> <p>Jan. 2015      Corporate Officer, Director of Tokyo Branch Office and Divisional General Manager of the Builders' Hardware Division of the Company</p> <p>Jun. 2016      Director, Corporate Officer, Director of Tokyo Branch Office and Divisional General Manager of the Builders' Hardware Division of the Company (present position)</p> <p>(Significant concurrent positions outside the Company) No significant concurrent positions.</p>	<p>1. 5,200 2. None</p>
<p>[Reasons for nomination as candidate for Director] Based on the results of overseeing the Builders' Hardware Division for a long period and his insight into the industry, the Company believes that he will lead to the improvement of corporate value and sustainable growth for the Group, and asks you to continue appointing him as a Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	1. Number of the Company's shares owned 2. Special interest with the Company
3	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Tatsuyoshi Mochizuki (April 24, 1956)</p>	<p>Apr. 1979      Joined the Company</p> <p>Dec. 2004      President of Ryobi Mirasaka Co. (secondment)</p> <p>Mar. 2010      President of Ryobi Die Casting Dalian Co., Ltd. (secondment)</p> <p>Jun. 2015      Corporate Officer and General Manager of Planning and Development Department of the Die Casting Division of the Company</p> <p>Jun. 2016      Director, Corporate Officer and General Manager of Planning and Development Department of the Die Casting Division of the Company (present position)</p> <p>(Significant concurrent positions outside the Company) No significant concurrent positions.</p>	<p>1. 1,400</p> <p>2. None</p>
<p>[Reasons for nomination as candidate for Director]</p> <p>He has engaged in the management of die casting group companies in and outside Japan, and has accumulated extensive business experiences and expertise that can help to develop the die casting business; therefore, the Company believes that he will lead to the improvement of corporate value and sustainable growth for the Group, and asks you to continue appointing him as a Director.</p> <p>(Note) Tatsuyoshi Mochizuki who is a candidate for Director was appointed Director, Corporate Officer, Divisional Deputy General Manager and General Manager of Planning and Development Department of Die Casting Division of the Company on April 1, 2018.</p>			

**Proposal 4:** Election of one (1) Corporate Auditor

Shozo Kobayashi will resign as Corporate Auditor at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes that one (1) new Corporate Auditor be elected.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	1. Number of the Company's shares owned 2. Special interest with the Company
New election  Yoshimi Takino (June 9, 1958)	Apr. 1982      Joined the Company Jun. 2008      General Manager of Corporate Planning Department of the Company Jun. 2012      Corporate Officer and General Manager of Corporate Planning Department of the Company (present position) (Significant concurrent positions outside the Company) No significant concurrent positions.	1. 700 2. None
<p>[Reasons for nomination as candidate for Corporate Auditor] He is mainly involved in corporate planning, is familiar with the corporate management and business operations of the Company, and has an extensive business experience and a wide range of knowledge. The Company therefore believes that he is qualified for the role of Corporate Auditor and asks you to appoint him as a Corporate Auditor.</p> <p>(Note) Upon approval of election of Yoshimi Takino who is a candidate for Corporate Auditor, the Company plans to conclude a contract with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of limited liability for damages under this agreement is the amount stipulated by laws and regulations.</p>		