RYOBI

ANNUAL REPORT

For the year ended March 31,2018

2018

CONSOLIDATED BALANCE SHEET

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(As of March 31, 2018)

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2018**	2017	**2018**
Current assets			
Cash and cash equivalents (Note 16)	**¥ 21,931**	¥ 16,170	**$ 206,435**
Short-term investments (Note 16)	**1,930**	2,307	**18,169**
Notes and accounts receivable (Note 16)			
Trade	**63,229**	57,530	**595,152**
Unconsolidated subsidiaries	**95**	5	**903**
Other	**2,117**	1,941	**19,927**
Allowance for doubtful receivables	**(53)**	(61)	**(499)**
Inventories (Note 6)	**43,818**	45,424	**412,446**
Deferred tax assets (Note 11)	**1,154**	1,316	**10,868**
Prepaid expenses and other	**1,363**	2,030	**12,830**
Total current assets	**135,587**	126,665	**1,276,235**
Property, plant and equipment (Notes 7)			
Land	**16,915**	21,922	**159,215**
Buildings and structures	**66,720**	68,121	**628,017**
Machinery and equipment	**199,836**	196,728	**1,880,988**
Construction in progress	**8,625**	8,622	**81,190**
Other	**56**	49	**535**
Total	**292,154**	295,444	**2,749,948**
Accumulated depreciation	**(184,330)**	(184,012)	**(1,735,039)**
Net property, plant and equipment	**107,823**	111,432	**1,014,908**
Investments and other assets			
Investment securities (Notes 5 and 16)	**15,470**	14,970	**145,614**
Investment in unconsolidated subsidiaries and affiliates (Note 16)	**4,792**	93	**45,109**
Intangible fixed assets	**3,052**	3,009	**28,729**
Asset for retirement benefits (Note 9)	**2,721**	995	**25,613**
Deferred tax assets (Note 11)	**3,660**	5,181	**34,451**
Other	**465**	589	**4,385**
Allowance for doubtful receivables	**(65)**	(67)	**(618)**
Total investments and other assets	**30,096**	24,772	**283,286**
Total	**¥ 273,507**	¥ 262,869	**$ 2,574,430**

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of yen 2018	2017	Thousands of U.S. dollars (Note 1) 2018
Current liabilities			
Short-term borrowings (Notes 8 and 16)	**¥ 30,956**	¥ 34,293	**$ 291,381**
Current portion of long-term debt (Notes 8 and 16)	**7,392**	15,956	**69,582**
Notes and accounts payable (Note 16)			
Trade	**45,424**	38,400	**427,568**
Unconsolidated subsidiaries	**540**	121	**5,083**
Other	**9,775**	9,399	**92,015**
Accrued expenses	**4,563**	4,922	**42,954**
Income taxes payable	**869**	582	**8,183**
Other	**4,303**	5,842	**40,509**
Total current liabilities	**103,826**	109,518	**977,278**
Long-term liabilities			
Long-term debt (Notes 8 and 16)	**31,996**	23,925	**301,168**
Liability for retirement benefits (Note 9)	**8,023**	8,810	**75,522**
Deferred tax liabilities (Note 11)	**2,671**	1,784	**25,145**
Other	**3,193**	3,401	**30,057**
Total long-term liabilities	**45,884**	37,922	**431,894**
Commitments and contingent liabilities (Notes 14, 15 and 17)			
Equity (Note 10)			
Common stock			
Authorized: 100,000,000 shares			
Issued: 32,646,143 shares	**18,472**	18,472	**173,872**
Capital surplus	**21,786**	23,776	**205,066**
Retained earnings	**68,509**	62,283	**644,855**
Treasury stock			
(277,034 shares in 2018; 9,382,248 shares in 2017)	**(345)**	(2,336)	**(3,256)**
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities	**6,988**	6,551	**65,782**
Land revaluation surplus (Note 7)	**737**	737	**6,944**
Foreign currency translation adjustments	**1,370**	518	**12,902**
Defined retirement benefit plans (Note 9)	**(1,468)**	(1,793)	**(13,826)**
Total	**116,050**	108,210	**1,092,341**
Noncontrolling interests	**7,746**	7,218	**72,916**
Total equity	**123,796**	115,428	**1,165,257**
Total	**¥ 273,507**	¥ 262,869	**$ 2,574,430**

CONSOLIDATED STATEMENT OF INCOME

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2018)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Net sales	**¥ 247,192**	¥ 241,251	**$ 2,326,738**
Cost of sales	**208,834**	202,845	**1,965,685**
Gross profit	**38,358**	38,406	**361,053**
Selling, general and administrative expenses (Note 12)	**25,145**	25,782	**236,686**
Operating income	**13,212**	12,624	**124,366**
Other income			
Interest and dividend income	**455**	401	**4,286**
Rent income	**420**	452	**3,961**
Gain on sales of Investment securities	**39**	201	**376**
Other	**1,072**	1,239	**10,093**
Total other income	**1,988**	2,294	**18,717**
Other expenses			
Interest expenses	**1,158**	1,348	**10,909**
Loss on disposal of property, plant and equipment	**262**	254	**2,466**
Loss on impairment of Long-lived assets	**—**	1,297	**—**
Loss on valuation of Investment securities	**20**	45	**194**
Loss on sales of Investment securities	**1**	—	**12**
Depreciation	**72**	118	**677**
Loss on business transfer (Note 4)	**306**	—	**2,884**
Other	**622**	703	**5,861**
Total other expenses	**2,444**	3,768	**23,006**
Income before income taxes	**12,757**	11,150	**120,077**
Income taxes (Note 11)			
Current	**2,490**	2,026	**23,440**
Deferred	**1,810**	13	**17,042**
Total income taxes	**4,300**	2,040	**40,483**
Net income	**8,456**	9,109	**79,594**
Net income attributable to noncontrolling interests	**611**	761	**5,755**
Net income attributable to owners of the parent	**¥ 7,844**	¥ 8,348	**$ 73,838**

	Yen		U.S. dollars (Note 1)
Per share of common stock (Note 2(16) and 10(3))			
Basic net income	**¥ 242.35**	¥ 257.90	**$ 2.281**
Cash dividends applicable to the year	**60.00**	50.00	**0.564**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2018)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Net income	**¥ 8,456**	¥ 9,109	**$ 79,594**
Other comprehensive income (loss) :			
Unrealized gain on available-for-sale securities	**372**	1,922	**3,503**
Deferred gain on derivatives under hedge accounting	**—**	10	**—**
Foreign currency translation adjustments	**852**	(4,190)	**8,020**
Adjustments for retirement benefits	**327**	91	**3,081**
Share of other comprehensive income in associates	**(0)**	—	**(6)**
Total other comprehensive income (loss) (Note 13)	**1,550**	(2,165)	**14,598**
Comprehensive income (loss)	**¥ 10,007**	¥ 6,944	**$ 94,192**
Total comprehensive income attributable to:			
Owners of the parent	**¥ 9,458**	¥ 6,163	**$ 89,031**
Noncontrolling interests	**548**	780	**5,161**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2018)

	Thousands	Millions of yen					
						Accumulated other comprehensive income	
	Issued number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain (loss) on available-for -sale securities	Deferred loss on derivatives under hedge accounting
Balance at April 1, 2016	171,231	18,472	23,765	55,540	(2,335)	4,646	(10)
Cumulative effects of changes in accounting policies	—	—	—	13	—	—	—
Restated balance	171,231	18,472	23,765	55,554	(2,335)	4,646	(10)
Net income attributable to owners of the parent	—	—	—	8,348	—	—	—
Cash dividends, ¥50.00 per share	—	—	—	(1,618)	—	—	—
Purchase of treasury stock (1,011 shares)	—	—	—	—	(0)	—	—
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	—	10	—	—	—	—
Net change in the year	—	—	—	—	—	1,904	10
Balance at March 31, 2017	171,231	¥ 18,472	¥ 23,776	¥ 62,283	¥ (2,336)	¥ 6,551	¥ —
Net income attributable to owners of the parent	**—**	**—**	**—**	**7,844**	**—**	**—**	**—**
Cash dividends, ¥60.00 per share	**—**	**—**	**—**	**(1,618)**	**—**	**—**	**—**
Purchase of treasury stock (1,243 shares)	**—**	**—**	**—**	**—**	**(1)**	**—**	**—**
Cancellation of treasury stock	**(8,000)**	**—**	**(1,992)**	**—**	**1,992**	**—**	**—**
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	**—**	**—**	**1**	**—**	**—**	**—**	**—**
Share consolidation (Note 10(3))	**(130,585)**	**—**	**—**	**—**	**—**	**—**	**—**
Net change in the year	**—**	**—**	**—**	**—**	**—**	**437**	**—**
Balance at March 31, 2018	**32,646**	**¥ 18,472**	**¥ 21,786**	**¥ 68,509**	**¥ (345)**	**¥ 6,988**	**¥ —**

	Millions of yen					
	Accumulated other comprehensive income					
	Land revaluation surplus	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Noncontrolling interests	Total equity
Balance at March 31, 2016	¥ 737	¥ 4,709	¥ (1,885)	¥ 103,640	¥ 6,466	¥ 110,107
Cumulative effects of changes in accounting policies	—	—	—	13	—	13
Restated balance	737	4,709	(1,885)	103,654	6,466	110,121
Net income attributable to owners of the parent	—	—	—	8,348	—	8,348
Cash dividends, ¥50.00 per share	—	—	—	(1,618)	—	(1,618)
Purchase of treasury stock (1,011 shares)	—	—	—	(0)	—	(0)
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	—	—	10	—	10
Net change in the year	—	(4,190)	91	(2,184)	751	(1,432)
Balance at March 31, 2017	737	518	(1,793)	108,210	7,218	115,428
Net income attributable to owners of the parent	**—**	**—**	**—**	**7,844**	**—**	**7,844**
Cash dividends, ¥60.00 per share	**—**	**—**	**—**	**(1,618)**	**—**	**(1,618)**
Purchase of treasury stock (1,243 shares)	**—**	**—**	**—**	**(1)**	**—**	**(1)**
Cancellation of treasury stock	**—**	**—**	**—**	**—**	**—**	**—**
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	**—**	**—**	**—**	**1**	**—**	**1**
Share consolidation (Note 10(3))	**—**	**—**	**—**	**—**	**—**	**—**
Net change in the year	**—**	**852**	**324**	**1,614**	**528**	**2,142**
Balance at March 31, 2018	**¥ 737**	**¥ 1,370**	**¥ (1,468)**	**¥ 116,050**	**¥ 7,746**	**¥ 123,796**

	Thousands of U.S. dollars (Note 1)					
					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gain (loss) on available-for -sale securities	Deferred loss on derivatives under hedge accounting
Balance at March 31, 2017	$ 173,872	$ 223,801	$ 586,255	$ (21,990)	$ 61,664	$ —
Net income attributable to owners of the parent	—	—	**73,838**	—	—	—
Cash dividends, ¥60.00 per share	—	—	**(15,237)**	—	—	—
Purchase of treasury stock (1,243 shares)	—	—	—	**(16)**	—	—
Cancellation of treasury stock	—	**(18,750)**	—	**18,750**	—	—
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	**15**	—	—	—	—
Share consolidation (Note 10(3))	—	—	—	—	—	—
Net change in the year	—	—	—	—	**4,118**	—
Balance at March 31, 2018	**$ 173,872**	**$ 205,066**	**$ 644,855**	**$ (3,256)**	**$ 65,782**	**$ —**

	Thousands of U.S. dollars (Note 1)					
	Accumulated other comprehensive income					
	Land revaluation surplus	Foreign currency translation adjustments	Defined retirement benefit plans	Total	Noncontrolling interests	Total equity
Balance at March 31, 2017	$ 6,944	$ 4,882	$ (16,880)	$ 1,018,548	$ 67,943	$ 1,086,491
Net income attributable to owners of the parent	—	—	—	**73,838**	—	**73,838**
Cash dividends, ¥60.00 per share	—	—	—	**(15,237)**	—	**(15,237)**
Purchase of treasury stock (1,243 shares)	—	—	—	**(16)**	—	**(16)**
Cancellation of treasury stock	—	—	—	—	—	—
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	—	—	**15**	—	**15**
Share consolidation (Note 10(3))	—	—	—	—	—	—
Net change in the year	—	**8,020**	**3,054**	**15,192**	**4,973**	**20,166**
Balance at March 31, 2018	**$ 6,944**	**$ 12,902**	**$ (13,826)**	**$ 1,092,341**	**$ 72,916**	**$ 1,165,257**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES

(For the year ended March 31, 2018)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Operating activities			
Income before income taxes	**¥ 12,757**	¥ 11,150	**$ 120,077**
Adjustments for:			
Income taxes - paid	**(2,060)**	(3,356)	**(19,399)**
Depreciation and amortization	**16,010**	15,020	**150,698**
Loss on impairment of Long-lived assets	**—**	1,297	**—**
Gain on sales or disposals of property, plant and equipment	**(79)**	(278)	**(750)**
Loss on revaluation of investment securities	**20**	45	**194**
Loss on business transfer (Note 4)	**306**	—	**2,884**
Changes in assets and liabilities			
Increase in notes and accounts receivable	**(8,447)**	(2,529)	**(79,514)**
Increase in inventories	**(1,713)**	(2,772)	**(16,131)**
Increase in notes and accounts payable	**9,549**	613	**89,888**
Decrease in accrued expenses	**(173)**	(52)	**(1,630)**
Other - net	**(2,610)**	(584)	**(24,573)**
Net cash provided by operating activities	**23,558**	18,552	**221,743**
Investing activities			
Purchases of property, plant and equipment	**(18,356)**	(16,003)	**(172,784)**
Proceeds from sale of property, plant and equipment	**943**	1,186	**8,878**
Proceeds from business transfer (Note 4)	**6,727**	—	**63,328**
Other	**(742)**	(326)	**(6,987)**
Net cash used in investing activities	**(11,427)**	(15,142)	**(107,565)**
Financing activities			
Proceeds from long-term debt	**13,768**	609	**129,598**
Repayments of long-term debt	**(15,897)**	(10,006)	**(149,636)**
Decrease (increase) in short-term borrowings, net	**(4,219)**	135	**(39,715)**
Proceeds from issuance of bonds	**1,490**	4,237	**14,029**
Acquisition of treasury stock	**(1)**	(0)	**(16)**
Cash dividends paid	**(1,618)**	(1,618)	**(15,233)**
Other	**(18)**	(17)	**(177)**
Net cash used in financing activities	**(6,496)**	(6,660)	**(61,150)**
Foreign currency translation adjustments on cash and cash equivalents	**127**	(428)	**1,196**
Net decrease (increase) in cash and cash equivalents	**5,760**	(3,679)	**54,224**
Cash and cash equivalents at beginning of year	**16,170**	19,850	**152,211**
Cash and cash equivalents at end of year	**¥ 21,931**	¥ 16,170	**$ 206,435**

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

RYOBI LIMITED AND ITS CONSOLIDATED SUBSIDIARIES
For the year ended March 31, 2018

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2017 consolidated financial statements to conform to the classifications used in 2018.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Ryobi Limited (the “Company”) is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥106.24 to $1, the approximate rate of exchange at March 31, 2018. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate. The amounts in our financial statements are presented in millions of yen, and amounts of less than one million, as the case may be, have been rounded down unless otherwise specified. In the case of percentages, amounts less than one-tenth of one percent or one-hundredth of one percent, as the case may be, have been rounded down unless otherwise specified.

2. Summary of Significant Accounting Policies

(1) Consolidation

The consolidated financial statements as of March 31, 2018, include the accounts of the Company and its significant subsidiaries (the “Ryobi Group”). Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Ryobi Group has the ability to exercise significant influence are accounted for by the equity method.

(i) Consolidated subsidiaries

The major consolidated subsidiaries are listed below:

Tokyo Light Alloy Co., Ltd. (Japan)
RYOBI MHI Graphic Technology Ltd. (Japan)
Ryobi Die Casting (USA), Inc. (U.S.A.)
Ryobi Die Casting Dalian Co., Ltd. (P.R.C.)

(ii) Affiliates

The major affiliates accounted for by the equity method are listed below:

KYOCERA Industrial Tools Corporation (Japan)
Ryobi Dalian Machinery Co., Ltd. (P.R.C.)

a. The number of consolidated subsidiaries as of March 31, 2018, was as follows:

	2018
Consolidated subsidiaries	16
Affiliates	3

Note: KYOCERA Industrial Tools Corporation has been included in the scope of affiliated companies accounted for by the equity method due to the acquisition of its shares. Ryobi Sales Co. and Ryobi Dalian Machinery Co., Ltd. have been excluded from the scope of consolidation as it became affiliated companies accounted for by the equity method due to the partial transfer of its shares.

b. The number of unconsolidated subsidiaries not accounted for by the equity method as of March 31, 2018, was as follows:

	2018
Unconsolidated subsidiary	2

The investment in such unconsolidated subsidiary is stated at cost. If the equity method of accounting had been applied to the investments in this company, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany transactions, account balances and unrealized profits among the companies have been eliminated.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized over a period of 5 years.

(2) Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

Under Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements," the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification) tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with

Japanese GAAP, unless they are not material: a) amortization of goodwill; b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; c) expensing capitalized development costs of R&D; and d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting.

(3) Business Combinations

Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

(4) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks and financial institutions which are unrestricted as to withdrawal or use, and which have original maturities of three months or less.

(5) Inventories

Inventories are valued at the lower of cost, or net selling value. Cost is determined by methods based on the classification of inventories as follows:

a) Finished products and work in process

The Company and domestic subsidiaries mainly use the average cost method. However, valuation of dies is determined using the specific identification method.

Foreign subsidiaries mainly use the first-in, first-out method.

b) Raw materials, supplies and purchased goods

Die castings........Average method

Others...............Last purchase invoice price method

Foreign subsidiaries mainly use the first-in, first-out method.

(6) Marketable and Investment securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:

a) trading securities, which are held for the purpose of earning capital gains in the near term are reported at fair value, and the related unrealized gains and losses are included in income, b) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are reported at amortized cost, and c) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(7) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired on or after April 1, 1998, and building improvements and structures acquired on or after April 1, 2016.

The range of useful lives is from 3 to 50 years for buildings and structures, from 4 to 12 years for machinery and equipment, and from 2 to 20 years for other. The useful lives for leased assets are the terms of the respective leases.

(8) Long-lived assets

The Ryobi Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(9) Leases

All finance lease transactions are capitalized to recognize lease assets and lease obligations in the consolidated balance sheet.

(10) Retirement and pension plan

The Company and domestic consolidated subsidiaries have a contributory or a non-contributory funded pension plan and unfunded pension plans, which cover substantially all of their employees. Certain foreign consolidated subsidiaries have defined benefit pension plans.

Unrecognized prior service cost is amortized at the beginning of the fiscal year by using the straight-line method over the employees' remaining service period or shorter period (primarily 14 years). Unrecognized net actuarial loss is amortized from the next fiscal year by using the straight-line method over the employees' remaining service period or shorter period (primarily 14 years).

(11) Bonuses to directors and Audit & Supervisory Board Members

Bonuses to directors and Audit & Supervisory Board members are accrued at the end of the year to which such bonuses are attributable.

(12) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

(13) Translation of foreign currency accounts

All current and non-current receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translations are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

(14) Translation of foreign currency financial statements (accounts of foreign subsidiaries)

The balance sheet accounts of the consolidated foreign subsidiaries are translated into yen at the current exchange rates as of their balance sheet date except for equity, which is translated at the historical exchange rate. Differences arising from such translation are shown as “Foreign currency translation adjustments” under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of the consolidated overseas subsidiaries are translated into yen at the average exchange rate.

(15) Derivative and hedging activities

The Ryobi Group uses derivative financial instruments to manage its exposure to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Ryobi Group to reduce foreign currency exchange and interest rate risks. The Ryobi Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: a) all derivatives, except those which qualify for hedge accounting, are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative translations are recognized in the consolidated statement of income, and b) for derivatives used for hedging purposes, if the derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until the maturity of the hedged transaction.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense.

(16) Per share information

Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share is not calculated because no dilutive instruments were issued and outstanding for the years ended March 31, 2018 and 2017.

The Company implemented the consolidation of shares on its common stock with a ratio of 5 shares to one share on October 1, 2017. Basic net income per share are calculated based on the assumption that the consolidation of shares had been carried out at the beginning of the year ended March 31, 2017.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

(17) Accounting Changes and Error Corrections

In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows:

a) Changes in Accounting Policies—When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

b) Changes in Presentation—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.

c) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

d) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated.

(18) New Accounting Pronouncements

On March 30, 2018, the ASBJ issued ASBJ Statement No. 29, "Accounting Standard for Revenue Recognition," and ASBJ Guidance No. 30, "Implementation Guidance on Accounting Standard for Revenue Recognition. " The core principle of the standard and guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should recognize revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The accounting standard and guidance are effective for annual periods beginning on or after April 1, 2021. Earlier application is permitted for annual periods beginning on or after April 1, 2018.

The Company is in the process of determining the period from when the Company will apply the accounting standard and guidance.

3. Presentation Change

Prior to April 1, 2017, the gain on sales of scraps was included in Other among the other income section of the consolidated statement of income. Since the materiality of the amount has increased and the Company has included the gain on sales of scraps into its profitability management, such amount is disclosed within the net sales of the consolidated statement of income for the year ended March 31, 2018. In order to reflect that presentation change, a reclassification has been made on the consolidated statement of income for the year ended March 31, 2017. The effects of this reclassification were to decrease other income by 748 million ($7,048 thousand) and to increase net sales and operating income by 748 million ($7,048 thousand) for the year ended March 31, 2017.

4. Business Combinations

Based on a resolution passed at its Board of Directors meeting held on September 29, 2017, the Company decided to transfer its business related to power tools and all common shares outstanding of Ryobi Sales Co. held by the Company, as well as 66.6% of its equity stake in Ryobi Dalian Machinery Co., Ltd., to a new company (hereinafter the “new company”) to be established through a company split (hereinafter the “company split”). It was also decided that, once the company split has been executed, the Company will transfer 80% of its shares in the new company (hereinafter the “share transfer”) to Kyocera Corporation (hereinafter “Kyocera”).

Later, the Company approved the details regarding the planned establishment of the new company through the company split at the meeting of the Board of Directors held on October 31, 2017. Moreover, on the same date, the Company and Kyocera signed an agreement with regard to the transfer of 80% of the former’s shares in the new company to the latter.

Based on the above agreement, the Company executed a company split on January 10, 2018, on that date establishing the new company that has assumed its power tools business and transferring 80% of the Company's shares in the new company to Kyocera Corporation.

(1)Transactions under common control, etc.

(a) Outline of transactions

a. Name and details of business

Name of the business: The Company’s power tools business
Details of the business: Manufacture and sale of power tools

b. Date of business combination

January 10, 2018

c. Legal form of business combination

The method is an Incorporation-Type Company Split in which the Company is the splitting company and the newly incorporated company is the successor company.

d. Name of the new company

KYOCERA Industrial Tools Corporation

e. Purposes of the company split and share transfer

Having initiated the manufacture and sale of power tools in 1968, the Company garnered for half a century favorable customer reviews for its unique power tool products that showcase the Company’s distinctive strengths. As a result, the Company was able to maintain a respectable share of the domestic market for these products.

However, since transferring its power tool-related operations in North America, Europe and Oceania to a third party in the early 2000s, the Company was not directly engaged in marketing in these regions, with the scope of its operations being limited to such approaches as OEM. In light of the circumstances, the Company recognizes that it would be difficult to achieve further growth in and earn greater profits from the power tools business if it were to undertake the task alone. Accordingly, the Company was carefully considering such options as business transfers and business alliances to further its aim of better utilizing its strengths and management resources vis à vis the power tools business.

In 2017, the Company and Kyocera began discussing such matters as possible synergies between the former’s power tools business and the latter’s industrial tool business and the two companies’ organizational similarities. As a result of these discussions, the Company and Kyocera agreed upon the aforementioned transfer of operations, as both judged that the Company’s power tools business would be of greater value under Kyocera Group management, which has in recent years been proactively engaged in global expansion.

Once the business transfer to Kyocera is completed, the power tools business will be better positioned to work in collaboration with other operations under Kyocera’s management and backed by its robust sales network at home and abroad. We are confident that our long standing business development efforts will bear fruit and that the transferred operations will grow further. We also expect that the affected employees will enjoy even better conditions in terms of stability and future outlook.

(b) Outline of accounting treatments implemented

The transactions were implemented as a business combination under common control, based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, September 13, 2013).

(2)Information on business divestiture

(a) Outline of transfer

a. Name of transferee

Company name: Kyocera Corporation

b. Transferred operation

The Company’s operations of power tools business which is succeeded by KYOCERA Industrial Tools Corporation

c. Purposes of business divestiture

See above 4.-(1)-(a)-e. Purposes of the company split and share transfer

d. Date of the business divestiture

January 10, 2018

e. Other information including legal form

The Company transferred 80% shares of the new company to Kyocera in exchange for cash and other as consideration.

(b) Outline of accounting treatments implemented

a.Loss on business transfer

¥ 306 million ($ 2,884 thousand)

b. Items and amounts of assets and liabilities were split (as of January 10, 2018)

	Millions of yen		Thousands of U.S. dollars	
Current assets	¥	12,079	$	113,704
Non-Current assets		6,952		65,440
Total assets		19,032		179,144
Current liabilities		2,222		20,922
Long-term liabilities		1,026		9,661
Total liabilities	¥	3,249	$	30,583

(c) Reporting segment in which the transferred operations were included

Power tools and builders' hardware

(d) Estimated amounts of net sales and operating income of transferred operations included in the consolidated statement of income for the year ended March 31, 2018

	Millions of yen		Thousands of U.S. dollars	
Net sales	¥	12,769	$	120,193
Operating income		696		6,551

5. Investment Securities

Information regarding each category of the securities classified as available-for-sale at March 31, 2018 and 2017, is as follows:

	Millions of yen 2018							
	Cost		Unrealized gain		Unrealized loss		Fair value	
Available-for-sale:								
Corporate shares	¥	3,813	¥	10,442	¥	(0)	¥	14,256

	Millions of yen 2017							
	Cost		Unrealized gain		Unrealized loss		Fair value	
Available-for-sale:								
Corporate shares	¥	3,778	¥	9,957	¥	(0)	¥	13,734

	Thousands of U.S. dollars 2018							
	Cost		Unrealized gain		Unrealized loss		Fair value	
Available-for-sale:								
Corporate shares	$	35,899	$	98,294	$	(4)	$	134,188

6. Inventories

Inventories at March 31, 2018 and 2017, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Finished products and purchased goods	**¥ 16,713**	¥ 17,110	**$ 157,317**
Work in process	**13,218**	14,340	**124,420**
Raw materials and supplies	**13,886**	13,973	**130,708**
Total	**¥ 43,818**	¥ 45,424	**$ 412,446**

7. Land Revaluation

Under the “Law of Land Revaluation,” a subsidiary elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2002.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There is no effect on the consolidated statement of income. Continuous readjustment is not permitted, unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As of March 31, 2018, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥964 million ($9,077 thousand).

8. Short-term Borrowings and Long-term Debt

The annual weighted-average interest rates applicable to short-term borrowings were 2.3% and 1.6% at March 31, 2018 and 2017, respectively.

(1) Long-term debt at March 31, 2018 and 2017, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Loans principally from banks, insurance companies and others with interest rates ranging from 0.57% to 7.41%			
Secured	**¥ 10**	¥ 10	**$ 94**
Unsecured	**30,965**	32,958	**291,464**
Unsecured 0.41% yen bonds payable, due 2020	**1,000**	1,000	**9,412**
Unsecured 0.71% yen bonds payable, due 2020	**1,300**	1,300	**12,236**
Unsecured 0.28% yen bonds payable, due 2021	**300**	300	**2,823**
Unsecured 0.51% yen bonds payable, due 2021	**1,000**	1,000	**9,412**
Unsecured 0.17% yen bonds payable, due 2021	**500**	500	**4,706**
Unsecured 0.57% yen bonds payable, due 2021	**1,000**	1,000	**9,412**
Unsecured 0.17% yen bonds payable, due 2021	**1,800**	1,800	**16,942**
Unsecured 0.53% yen bonds payable, due 2022	**1,500**	—	**14,118**
Lease obligations	**13**	13	**125**
Total	**39,388**	39,881	**370,751**
Less current portion	**(7,392)**	(15,956)	**(69,582)**
Long-term debt less current portion	**¥ 31,996**	¥ 23,925	**$ 301,168**

(2) The aggregate annual maturities of long-term debt at March 31, 2018, were as follows:

Years Ending March 31	Millions of yen	Thousands of U.S. dollars
2019	**¥ 7,392**	**$ 69,582**
2020	**10,718**	**100,888**
2021	**5,488**	**51,660**
2022	**6,026**	**56,728**
2023	**9,762**	**91,891**
2024 and thereafter	—	—
Total	**¥ 39,388**	**$ 370,751**

(3) The assets of the Ryobi Group pledged as collateral for short-term borrowings and long-term debt with banks and other financial institutions at March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net book value of property:			
Buildings and structures	¥ 2,223	¥ 2,347	$ 20,929
Machinery and equipment	926	1,166	8,716
Land	2,415	2,415	22,735
Total	¥ 5,565	¥ 5,928	$ 52,381

9. Retirement and Pension Plans

The Company and certain domestic consolidated subsidiaries have severance payment plans for employees. Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

(1) The changes in defined benefit obligation for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Balance at beginning of year	¥ 36,229	¥ 36,520	$ 341,013
Current service cost	1,195	1,238	11,251
Interest cost	215	187	2,032
Actuarial losses	36	225	347
Benefits paid	(1,866)	(1,942)	(17,567)
Decrease by business transfer	(904)	―	(8,512)
Others	11	―	105
Balance at end of year	¥ 34,917	¥ 36,229	$ 328,670

(2) The changes in plan assets for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Balance at beginning of year	¥ 28,413	¥ 27,756	$ 267,444
Expected return on plan assets	982	959	9,247
Actuarial losses	499	96	4,699
Contributions from the employer	1,101	1,126	10,370
Benefits paid	(1,381)	(1,526)	(12,999)
Balance at end of year	¥ 29,615	¥ 28,413	$ 278,762

(3) The reconciliation between the liabilities recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2018 and 2017, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Funded defined benefit obligation	¥ 27,591	¥ 28,067	$ 259,707
Plan assets	(29,615)	(28,413)	(278,762)
Total	(2,024)	(345)	(19,054)
Unfunded defined benefit obligation	7,326	8,161	68,962
Net liabilities arising from defined benefit obligation	5,302	7,815	49,908
Liability for retirement benefits	8,023	8,810	75,522
Asset for retirement benefits	(2,721)	(995)	(25,613)
Net liabilities arising from defined benefit obligation	¥ 5,302	¥ 7,815	$ 49,908

(4) The components of net periodic benefit costs for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Service cost	**¥ 1,195**	¥ 1,238	**$ 11,251**
Interest cost	**215**	187	**2,032**
Expected return on plan assets	**(982)**	(959)	**(9,247)**
Amortization of prior service cost	**(164)**	(203)	**(1,546)**
Recognized actuarial losses	**186**	464	**1,752**
Others	**17**	93	**165**
Net periodic benefit costs	**¥ 468**	¥ 820	**$ 4,407**

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Prior service cost	**¥ 174**	¥ 203	**$ 1,645**
Actuarial losses	**(648)**	(335)	**(6,104)**
Total	**¥ (473)**	¥ (131)	**$ (4,458)**

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Unrecognized prior service cost	**¥ —**	¥ (174)	**$ —**
Unrecognized actuarial losses	**2,134**	2,782	**20,089**
Total	**¥ 2,134**	¥ 2,607	**$ 20,089**

(7) Plan assets
a. Components of plan assets
Plan assets as of March 31, 2018 and 2017, consisted of the following:

	2018	2017
Debt investments	**53 %**	53 %
Equity investments	**31**	31
Others	**16**	16
Total	**100 %**	100 %

b. Method of determining the expected rate of return on plan assets
The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2018 and 2017, are set forth as follows:

	2018	2017
The Company and domestic subsidiaries		
Discount rate	**0.4-0.6 %**	0.5-0.7 %
Expected rate of return on plan assets	**3.5 %**	3.5 %
Foreign subsidiaries		
Discount rate	**3.1 %**	—

10. Equity

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(1) Dividends
Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria including: a) having a Board of Directors, b) having independent auditors, c) having an Audit & Supervisory Board, and d) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the Company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the Company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥ 3 million.

(2) Increases / decreases and transfer of common stock, reserve and surplus
The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(3) Treasury stock and treasury stock acquisition rights
The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

The company implemented the consolidation of shares on its common stock with a ratio of 5 shares to one share on October 1, 2017. Decrease in number of shares due to consolidation was as follows:

Number of outstanding shares before consolidation (as of March 31, 2017)	**171,230,715 shares**
Decrease in number of shares due to cancellation of treasury stock	**8,000,000 shares**
Number of outstanding shares after cancellation of treasury stock (as of May 31, 2017)	**163,230,715 shares**
Decrease in number of shares due to consolidation	**130,584,572 shares**
Number of outstanding shares after consolidation	**32,646,143 shares**

11. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 29.9% and 29.9% for the years ended March 31, 2018 and 2017, respectively.

(1) The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Deferred tax assets:			
Liability for retirement benefits	**2,432**	2,672	**22,898**
Tax loss carryforwards	**7,695**	13,127	**72,436**
Other	**3,378**	4,329	**31,797**
Less valuation allowance	**(5,805)**	(10,544)	**(54,648)**
Total	**¥ 7,700**	¥ 9,584	**$ 72,484**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**¥ (3,103)**	¥ (2,960)	**$ (29,215)**
Other	**(2,453)**	(1,910)	**(23,094)**
Total	**¥ (5,557)**	¥ (4,871)	**$ (52,309)**
Net deferred tax assets	**¥ 2,143**	¥ 4,713	**$ 20,174**

(2) The reconciliation between the normal effective statutory tax rates for the years ended March 31, 2018 and 2017, and the actual effective tax rates reflected in the accompanying consolidated statements of income was as follows:

	2018	2017
Normal effective statutory tax rate	**29.9 %**	29.9 %
Expenses not deductible for income tax purposes	**0.7**	0.8
Dividends not taxable for income tax purposes	**(1.8)**	(2.0)
Consolidated elimination of dividends receivable	**1.7**	1.8
Unrealized profit that exceeds total taxable income	**0.0**	(0.1)
Less valuation allow ance	**(15.7)**	(11.7)
Tax credit for research and development costs and other	**(2.2)**	(2.4)
Difference in tax rate applicable to overseas subsidiaries	**(2.2)**	(0.5)
Retained earnings of entities such as overseas subsidiaries	**1.2**	1.3
Taxation on per capita basis	**0.4**	0.5
Effect of organizational restructuring	**4.0**	—
Effect of tax rate reduction	**16.2**	—
Other, net	**1.2**	0.6
Actual effective tax rate	**33.7 %**	18.3 %

12. Research and Development Costs

Research and development costs were ¥1,934 million ($18,210 thousand) and ¥2,054 million for the years ended March 31, 2018 and 2017, respectively.

13. Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Unrealized gain on available-for-sale securities:			
Gains arising during the year	**¥ 527**	¥ 2,740	**$ 4,967**
Amount before income tax effect	**527**	2,740	**4,967**
Income tax effect	**(155)**	(818)	**(1,464)**
Total	**372**	1,922	**3,503**
Deferred gain on derivatives under hedge accounting:			
Gains arising during the year	**—**	15	**—**
Amount before income tax effect	**—**	15	**—**
Income tax effect	**—**	(4)	**—**
Total	**—**	10	**—**
Foreign currency translation adjustments:			
Adjustments arising during the year	**852**	(4,190)	**8,020**
Adjustments for retirement benefits:			
Gains arising during the year	**723**	28	**6,808**
Reclassification adjustments to profit or loss	**(249)**	103	**(2,349)**
Amount before income tax effect	**473**	131	**4,458**
Income tax effect	**(146)**	(40)	**(1,377)**
Total	**327**	91	**3,081**
Share of other comprehensive income in associates:			
Losses arising during the year	**(0)**	—	**(6)**
Total other comprehensive income (loss)	**¥ 1,550**	¥ (2,165)	**$ 14,598**

14. Leases

Future minimum lease payments of the Ryobi Group as of March 31, 2018 and 2017, under non-cancelable operating leases were as follows:

	Millions of yen				Thousands of U.S. dollars	
	2018		2017		**2018**	
Current	**¥**	**62**	¥	43	**$**	**584**
Non-current		**185**		89		**1,748**
Total	**¥**	**247**	¥	132	**$**	**2,332**

15. Contingent Liabilities

The Ryobi Group had the following contingent liabilities at March 31, 2018 and 2017.

	Millions of yen				Thousands of U.S. dollars	
	2018		2017		**2018**	
Guarantees and similar items						
Leases		**113**		167		**1,064**
Total	**¥**	**113**	¥	167	**$**	**1,064**

16. Financial Instruments and Related Disclosures

(1) Group policy for financial instruments

The Ryobi Group uses financial instruments, mainly long-term debt including bank loans and lease obligations, based on its capital financing plan. Cash surpluses, if any, are invested in low-risk financial assets. Short-term bank loans are used to fund the Group's ongoing operations. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described in Note 17.

(2) Nature and extent of risks arising from financial instruments

Receivables, such as trade notes and trade accounts, are exposed to customer credit risk. Although receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, the position, net of payables in foreign currencies, is hedged by using forward foreign currency contracts. Marketable and investment securities, mainly equity instruments of customers and suppliers of the Company, are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes and trade accounts, are less than one year. Although payables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates, those risks are netted against the balance of receivables denominated in the same foreign currency as noted above.

Maturities of bank loans, bonds payable and lease obligations are less than four years and six months after the balance sheet date. Although a part of such bank loans and lease obligation are exposed to market risks from changes in variable interest rates, those risks are mitigated by using derivatives of interest-rate swaps.

Derivatives mainly include forward foreign currency contracts and interest-rate swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables and payables, from changes in interest rates of bank loans and from changes in foreign currency exchange rates of bank loans, respectively. Please see Note 17 for more details about derivatives.

(3) Risk management for financial instruments.

a. Credit Risk Management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Ryobi Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring of payment term and balances of major customers by each business administration department to identify the default risk of customers at an early stage. With respect to derivatives, the Ryobi Group manages its exposure to credit risk by limiting its funding to high credit rating bonds in accordance with in its internal guidelines. Please see Note 17 for details about derivatives.

The maximum credit risk exposure of financial assets is limited to their carrying amounts as of March 31, 2018.

b. Market risk management (foreign exchange risk and interest rate risk)

Foreign currency trade receivables and payables are exposed to market risk resulting from fluctuations in foreign currency exchange rates. Such foreign exchange risk is hedged principally by forward foreign currency contracts.

Interest-rate swaps and forward foreign currency contracts are used to manage exposure to market risks from changes in interest rates and foreign currency exchanges rate of bank loans.

Marketable and investments in securities are managed by monitoring market values and financial position of issuers on a regular basis.

The execution of derivatives is controlled by the Finance Department of the Company and by the Finance Division of each of its consolidated subsidiaries. Derivative transactions have been made in accordance with internal policies which regulate the authorization and credit limit amounts.

c. Liquidity risk management

Liquidity risk comprises the risk that the Company cannot meet its contractual obligations in full on maturity dates. The Company manages its liquidity risk by holding adequate volumes of liquid assets, along with adequate financial planning by the Finance Department of the Company.

(4) Fair values of financial instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Also, please see Note 17 for details about fair value of derivatives.

a. Fair value of financial instruments

Fair value of financial instruments at March 31, 2018 and 2017, was as follows:

	Millions of yen		
	2018		
	Carrying amount	Fair value	Unrealized gain (loss)
Cash and cash equivalents	¥ **21,931**	¥ **21,931**	¥ —
Short-term investments	**1,930**	**1,930**	—
Notes and accounts receivable	**65,389**	**65,389**	—
Investment securities	**15,470**	**15,470**	—
Total	¥ **104,721**	¥ **104,721**	¥ —
Short-term borrowings	¥ **30,956**	¥ **30,956**	¥ —
Notes and accounts payable	**55,740**	**55,740**	—
Bonds payable	**8,400**	**8,402**	**2**
Long-term debt	**30,988**	**31,013**	**24**
Total	¥ **126,085**	¥ **126,112**	¥ **26**
Derivatives transaction	¥ **4**	¥ **4**	¥ —

	Millions of yen		
	2017		
	Carrying amount	Fair value	Unrealized gain (loss)
Cash and cash equivalents	¥ 16,170	¥ 16,170	¥ —
Short-term investments	2,307	2,307	—
Notes and accounts receivable	59,415	59,415	—
Investment securities	14,970	14,970	—
Total	¥ 92,865	¥ 92,865	¥ —
Short-term borrowings	¥ 34,293	¥ 34,293	¥ —
Notes and accounts payable	47,922	47,922	—
Bonds payable	6,900	6,894	(5)
Long-term debt	32,981	33,096	114
Total	¥ 122,096	¥ 122,205	¥ 108
Derivatives transaction	¥ 11	¥ 11	¥ —

	Thousands of U.S. dollars		
	2018		
	Carrying amount	Fair value	Unrealized gain (loss)
Cash and cash equivalents	$ **206,435**	$ **206,435**	$ —
Short-term investments	**18,169**	**18,169**	—
Notes and accounts receivable	**615,484**	**615,484**	—
Investment securities	**145,614**	**145,614**	—
Total	$ **985,704**	$ **985,704**	$ —
Short-term borrowings	$ **291,381**	$ **291,381**	$ —
Notes and accounts payable	**524,667**	**524,667**	—
Bonds payable	**79,066**	**79,086**	**20**
Long-term debt	**291,684**	**291,914**	**229**
Total	$ **1,186,799**	$ **1,187,050**	$ **250**
Derivatives transaction	$ **38**	$ **38**	$ —

Cash and cash equivalents
The carrying amount of cash and cash equivalents approximates fair value because of their short maturities.
Short-term investments
The carrying amount of short-term investments approximates fair value because of their short maturities.
Investment securities
The fair values of investment securities are measured at the quoted market price on the stock exchange for the equity instruments. Fair value information for investment securities by classification is included in Note 5.
Notes and accounts receivable
The carrying amount of notes and accounts receivable approximates fair value because of their short maturities.
Short-term borrowings
The carrying amount of short-term borrowings approximates fair value because of their short maturities.
Notes and accounts payable
The carrying amount of notes and accounts payable approximates fair value because of their short maturities.
Bonds payable
The fair values of bonds payable are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.
Long-term debt
The fair values of long-term debt are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.
Derivatives transaction
Fair value information for derivatives is included in Note 17.

b. Financial instruments whose fair value cannot be reliably determined
Financial instruments whose fair value cannot be reliably determined at March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Investments in equity instruments that do not have a quoted market price in an active market	**¥ 1,213**	¥ 1,235	**$ 11,426**
Investments in unconsolidated subsidiaries	**¥ 94**	¥ 93	**$ 887**
Investments in affiliates	**¥ 4,698**	¥ —	**$ 44,221**

c. Maturity analysis for financial assets with contractual maturities
Maturity analysis for financial assets with contractual maturities at March 31, 2018 and 2017, were as follows:

	Millions of yen			
	2018			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	**¥ 21,931**	**¥ —**	**¥ —**	**¥ —**
Short-term investments	**1,930**	**—**	**—**	**—**
Notes and accounts receivable	**65,436**	**5**	**—**	**—**
Total	**¥ 89,298**	**¥ 5**	**¥ —**	**¥ —**

	Millions of yen			
	2017			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and cash equivalents	¥ 16,170	¥ —	¥ —	¥ —
Short-term investments	2,307	—	—	—
Notes and accounts receivable	59,450	27	—	—
Total	¥ 77,929	¥ 27	¥ —	¥ —

	Thousands of U.S. dollars							
	2018							
	Due in one year or less		Due after one year through five years		Due after five years through ten years		Due after ten years	
Cash and cash equivalents	$	206,435	$	—	$	—	$	—
Short-term investments		18,169		—		—		—
Notes and accounts receivable		615,928		55		—		—
Total	$	840,534	$	55	$	—	$	—

Please see Note 8 for annual maturities of long-term debt.

17. Derivatives

The Ryobi Group enters into foreign exchange forward contracts and interest rate swaps to hedge risk and reduce exposure to fluctuations in market values of foreign exchange rates and interest rates associated with certain assets and liabilities.

All derivative transactions are related to qualified hedges of interest and foreign currency exposures incorporated with its business. Market risk of these derivatives is basically offset by opposite movements in the value of hedged assets. The Ryobi Group does not hold or issue derivatives for speculative or trading purposes.

Market risk is the exposure created by potential fluctuations in market conditions, including interest or foreign exchange rates. The Ryobi Group does not anticipate any losses arising from credit risk because the counterparties to these derivatives are limited to major international financial institutions.

The execution of derivatives is controlled by the Finance Department of the Company, and by the Finance Division of consolidated subsidiaries. Derivative transactions have been made in accordance with internal policies which regulate the authorization and credit limit amounts.

(1) Derivative transactions to which hedge accounting is not applied
The Ryobi Group had the following derivative contracts outstanding as of March 31, 2018 and 2017:

	Millions of yen							
	2018							
	Contract Amount		Contract amount due after one year		Fair value		Unrealized gain (loss)	
Foreign currency forward contracts—								
Selling U.S. dollars	¥	144	¥	—	¥	4	¥	4
Selling Euro		14		—		0		0
Buying U.S. dollars		47		—		(1)		(1)
Total	¥	206	¥	—	¥	4	¥	4

	Millions of yen							
	2017							
	Contract Amount		Contract amount due after one year		Fair value		Unrealized gain (loss)	
Foreign currency forward contracts—								
Selling U.S. dollars	¥	153	¥	—	¥	1	¥	1
Selling Euro		8		—		(0)		(0)
Buying U.S. dollars		256		46		9		9
Total	¥	419	¥	46	¥	11	¥	11

	Thousands of U.S. dollars							
	2018							
	Contract Amount		Contract amount due after one year		Fair value		Unrealized gain (loss)	
Foreign currency forward contracts—								
Selling U.S. dollars	$	1,361	$	—	$	47	$	47
Selling Euro		133		—		1		1
Buying U.S. dollars		447		—		(10)		(10)
Total	$	1,942	$	—	$	38	$	38

(2) Derivative transactions to which hedge accounting is applied

The Ryobi Group had the following derivative contracts outstanding as of March 31, 2018 and 2017:

	Millions of yen						
	2018						
	Hedge item		Contract Amount		Contract amount due after one year		Fair value
Interest rate swaps— fixed rate payment, floating rate receipt (see note)	**Long-term debt**	**¥**	**5,050**	**¥**	**1,200**	**¥**	**—**

	Millions of yen						
	2017						
	Hedge item		Contract Amount		Contract amount due after one year		Fair value
Interest rate swaps— fixed rate payment, floating rate receipt (see note)	Long-term debt	¥	13,403	¥	5,050	¥	—

	Thousands of U.S. dollars						
	2018						
	Hedge item		Contract Amount		Contract amount due after one year		Fair value
Interest rate swaps— fixed rate payment, floating rate receipt (see note)	**Long-term debt**	**$**	**47,533**	**$**	**11,295**	**$**	**—**

The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

note: The above interest rate swaps, which qualify for hedge accounting and which meet specific matching criteria, are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps in Note 16 is included in that of hedge items (i.e., long-term debt).

18. Segment Information

(1) Description of reportable segments

The Ryobi Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. As such, the Group consists of the "Die castings," "Power tools and builders' hardware," and "Printing equipment" segments.

Die castings consist of die cast products for the automobile industry and various other industries. Power tools and builders' hardware consists of electric power tools, lawn and garden equipment and builders' hardware. Printing equipment consists of offset printing presses and peripherals.

On January 10, 2018, the power tools business was transferred and was excluded from the scope of consolidation. Also, please see Note 4 for details.

(2) Methods of measurement for the amounts of sales, profit, assets, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

(3) Information about sales, profit, assets and other items is as follows:

	Millions of yen					
	2018					
	Die castings	Power tools and builders' hardware	Printing equipment	Others	Reconciliations	Consolidated
Net sales:						
Sales to external customers	**¥ 196,377**	**¥ 23,113**	**¥ 27,473**	**¥ 227**	**¥ —**	**¥ 247,192**
Intersegment sales or transfers	**116**	**5**	**—**	**47**	**(170)**	**—**
Total	**196,494**	**23,119**	**27,473**	**275**	**(170)**	**247,192**
Segment profit	**¥ 10,561**	**¥ 1,466**	**¥ 1,177**	**¥ 7**	**¥ (0)**	**¥ 13,212**
Segment assets	**¥ 206,281**	**¥ 10,403**	**¥ 24,538**	**¥ 1,358**	**¥ 30,925**	**¥ 273,507**
Depreciation and amortization	**15,020**	**626**	**344**	**18**	**—**	**16,010**
Investment in equity method affiliates	**—**	**2,004**	**—**	**—**	**2,693**	**4,698**
Increase in property, plant and equipment and intangible assets	**¥ 18,282**	**¥ 438**	**¥ 101**	**¥ 19**	**¥ —**	**¥ 18,841**

	Millions of yen					
	2017					
	Die castings	Power tools and builders' hardware	Printing equipment	Others	Reconciliations	Consolidated
Net sales:						
Sales to external customers	¥ 186,377	¥ 26,174	¥ 28,459	¥ 239	¥ —	¥ 241,251
Intersegment sales or transfers	98	11	—	46	(157)	—
Total	186,476	26,186	28,459	286	(157)	241,251
Segment profit	¥ 9,761	¥ 1,481	¥ 1,360	¥ 20	¥ 0	¥ 12,624
Segment assets	¥ 186,479	¥ 25,963	¥ 25,150	¥ 1,475	¥ 23,800	¥ 262,869
Depreciation and amortization	13,976	666	356	20	—	15,020
Increase in property, plant and equipment and intangible assets	¥ 16,163	¥ 554	¥ 112	¥ 25	¥ —	¥ 16,856

Note: These figures are restated in accordance with presentation change. Also, please see Note 3 for details.

	Thousands of U.S. dollars					
	2018					
	Die castings	Power tools and builders' hardware	Printing equipment	Others	Reconciliations	Consolidated
Net sales:						
Sales to external customers	**$ 1,848,432**	**$ 217,559**	**$ 258,602**	**$ 2,143**	**$ —**	**$ 2,326,738**
Intersegment sales or transfers	**1,100**	**54**	**—**	**448**	**(1,603)**	**—**
Total	**1,849,532**	**217,613**	**258,602**	**2,592**	**(1,603)**	**2,326,738**
Segment profit	**$ 99,408**	**$ 13,806**	**$ 11,085**	**$ 68**	**$ (2)**	**$ 124,366**
Segment assets	**$ 1,941,656**	**$ 97,920**	**$ 230,975**	**$ 12,784**	**$ 291,092**	**$ 2,574,430**
Depreciation and amortization	**141,385**	**5,899**	**3,239**	**174**	**—**	**150,698**
Investment in equity method affiliates	**—**	**18,864**	**—**	**—**	**25,357**	**44,221**
Increase in property, plant and equipment and intangible assets	**$ 172,083**	**$ 4,122**	**$ 959**	**$ 183**	**$ —**	**$ 177,349**

Note: Businesses that cannot be classified into the reportable segments are shown as "Others."
This includes an insurance agency and the operation of a golf course.

(4) Related Information
Information about geographical areas
a. Net sales

	Millions of yen				Thousands of U.S. dollars	
	2018		2017		2018	
Net sales:						
Japan	¥	127,131	¥	125,131	$	1,196,643
U.S.A.		35,847		35,562		337,420
China		43,713		38,191		411,455
Others		40,500		42,366		381,218
Total	¥	247,192	¥	241,251	$	2,326,738

Note: Sales are classified by country or region based on the location of customers.

b. Property, plant and equipment

	Millions of yen				Thousands of U.S. dollars	
	2018		2017		2018	
Property, plant and equipment:						
Japan	¥	41,289	¥	45,481	$	388,642
U.S.A.		11,593		9,944		109,122
Mexico		12,181		10,384		114,655
China		30,868		34,789		290,556
Others		11,891		10,832		111,931
Total	¥	107,823	¥	111,432	$	1,014,908

19. Consolidated Statement of Cash Flows

Amounts and details of the assets and liabilities, consideration for and proceeds from business transfer in relation to transfer of the Company's power tools business were as follows:

	Millions of yen		Thousands of U.S. dollars	
Current assets	¥	12,079	$	113,704
Non-Current assets		6,952		65,440
Current liabilities		(2,222)		(20,922)
Long-term liabilities		(1,026)		(9,661)
Total assets and liabilities pertaining to the transferred business		15,783		148,561
The Company share after transfer of shares		(4,759)		(44,800)
Loss on business transfer		(306)		(2,884)
Consideration		10,717		100,875
Cash and cash equivalents		(3,989)		(37,548)
Proceeds from business transfer	¥	6,727	$	63,327

20. Subsequent Events

(1) Cash dividends
The following appropriation of retained earnings at March 31, 2018, was approved at the Company's shareholders meeting on June 22, 2018:

	Millions of yen		Thousands of U.S. dollars	
Cash dividends	¥	1,132	$	10,663

(2) Business combination through acquisition
In accordance with the share transfer agreement dated February 16, 2018 between the Company and Asahi Tech Corporation, the Company acquired 100% shares of Asahi Tech Aluminium Co., Ltd., the consolidated subsidiary of Asahi Tech Corporation and Hoei Corporation, the subsidiary of Asahi Tech Aluminium Co., Ltd. on April 2, 2018. These two companies are respectively added to the Company's subsidiaries.
(a) Overview of the business combination
a. Name and business of the acquired companies

(i) Name of the acquired company: Asahi Tec Aluminium Co., Ltd.
Business: Die casting manufacturing and sales
(ii) Name of the acquired company: Hoei Corporation
Business: Aluminium forged products manufacturing and sales

b. Purpose of the acquisition

Orders are increasing from domestic customers in Die Casting business, one of the Company's major business segment, and the Company accordingly predicts the shortage of future manufacturing capability. With the transactions of acquiring shares of Asahi Tech Aluminium Co., Ltd. and Hoei Corporation the Company aims to strengthen domestic manufacturing capability and structure so as to correspond to customers' demands.

c. Date of business combination

April 2, 2018

d. Legal form of business combination

Stock purchase for cash as consideration

e. Name of acquired companies after business combination

No change

f. Acquired voting right

(i) Asahi Tec Aluminium co., Ltd.: 100%
(ii) Hoei Corporation: 69.2%

g. Principal basis for determination of the acquiring company

Stock purchase for cash as consideration by the Company

(b) Cost of acquisition and details

			Millions of yen		Thousands of U.S. dollars
Consideration for acquisition	Cash	¥	**1,500**	$	**14,118**
Acquisition cost……		¥	**1,500**	$	**14,118**

*The amount may change due to price adjustments and other reasons.

(c) Major acquisition-related costs and nature

Fees and charges for advisors: ¥59 million ($ 557 thousand)

(d) Amount of goodwill generated, reason for generation of goodwill, method of amortization and amortization period

Currently being determined.

(e) Major assets and liabilities received on the date of business combination

Currently being determined.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ryobi Limited:

We have audited the accompanying consolidated balance sheet of Ryobi Limited and its consolidated subsidiaries as of March 31, 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ryobi Limited and its consolidated subsidiaries as of March 31, 2018, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 22, 2018

Member of
Deloitte Touche Tohmatsu Limited

CORPORATE INFORMATION

CORPORATE DATA

Company Name
RYOBI LIMITED

Established
December 16, 1943

Major Products
Die cast products
Builders' hardware
(door closers, hinges, architectural hardware, etc.)
Printing equipment
(offset printing presses, peripherals, etc.)

Head Office
762 Mesaki-cho, Fuchu-shi, Hiroshima-ken 726-8628, Japan
Telephone: 81-847-41-1111

Tokyo Branch
5-2-8 Toshima, Kita-ku, Tokyo 114-8518, Japan
Telephone: 81-3-3927-5541

Toranomon Office
Toranomon Central Building
1-7-1 Nishishinbashi, Minato-ku, Tokyo 105-0003, Japan
Telephone: 81-3-3927-5541

MANAGEMENT MEMBERS

(As of June 22, 2018)

BOARD OF DIRECTORS	
Representative Director	Akira Urakami
Director	Takashi Yokoyama
Director *	Satoshi Ohoka
Director *	Yuji Yamamoto
Director	Takashi Suzuki
Director	Tatsuyoshi Mochizuki
Director *	Masahiko Ikaga

*** Outside Director**

CORPORATE OFFICERS	
President	Akira Urakami
Executive Corporate Officer	Takashi Yokoyama
Corporate Officer	Takashi Suzuki
Corporate Officer	Tatsuyoshi Mochizuki
Corporate Officer	Teizo Sakamoto
Corporate Officer	Hiroshi Urabe
Corporate Officer	Taichi Shimizu
Corporate Officer	Hiromu Arihiro

CORPORATE AUDITORS	
Standing Corporate Auditor	Yoshimi Takino
Corporate Auditor *	Yoichi Arai
Corporate Auditor *	Takashi Hatagawa

*** Outside Corporate Auditor**

MAJOR CONSOLIDATED SUBSIDIARIES

Ryobi Mirasaka Co. (Japan)	Die casting manufacturing
Ryobi Mitsugi Co. (Japan)	Die casting manufacturing
Tokyo Light Alloy Co., Ltd. (Japan)	Cast aluminum and die casting manufacturing and sales
Ikuno Co. (Japan)	Secondary aluminum alloy bullion manufacturing and sales
RYOBI MHI Graphic Technology Ltd. (Japan)	Printing equipment and related product manufacturing and sales
Ryobi Die Casting (USA), Inc. (U.S.A.)	Die casting manufacturing and sales
RDCM, S.de R.L.de C.V. (Mexico)	Die casting manufacturing
Ryobi Aluminium Casting (UK), Limited (U.K.)	Die casting manufacturing and sales
Ryobi Die Casting Dalian Co., Ltd. (P.R.C.)	Die casting and die manufacturing and sales
Ryobi Die Casting Changzhou Co., Ltd. (P.R.C.)	Die casting manufacturing and sales
Ryobi Die Casting (Thailand) Co., Ltd. (Thailand)	Die casting manufacturing and sales
Ryobi (Shanghai) Sales, Ltd. (P.R.C.)	Die casting and die sales

SHAREHOLDER INFORMATION

Number of Shares Issued
(As of March 31, 2018)

32,646,143 shares

Stock listing
Tokyo Stock Exchange

Transfer Agent
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

RYOBI

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