

Second-Quarter Consolidated Earnings Report for Fiscal 2009, Ending March 31, 2009

This report is an English translation of the Second-Quarter Consolidated Earnings Report (Japanese) that was released in Japan on October 31, 2008.

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 Stock listing: First Section, Tokyo Stock Exchange
 Securities code: 5851
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 Scheduled filing date of quarterly earnings report: November 12, 2008
 Scheduled commencement date for dividend payments: December 1, 2008

(Millions of yen rounded down)

1. Consolidated Operating Results for the Second Quarter of Fiscal 2009 (April 1, 2008 to September 30, 2008)

(1) Consolidated Operating Results (Cumulative)

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Second Quarter Fiscal 2009	103,941		4,080		4,110		2,325	
Second Quarter Fiscal 2008	106,134	8.3	7,353	-9.5	7,350	-11.4	4,286	-21.5

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
Second Quarter Fiscal 2009	13.94	—
Second Quarter Fiscal 2008	25.56	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
September 30, 2008	194,142	76,809	39.1	455.05
March 31, 2008	195,971	77,718	39.2	460.79

(Reference)

Shareholders' equity: Sept. 30, 2008: 75,887 million yen
 Mar. 31, 2008: 76,844 million yen

2. Dividends

(Record Date)	Dividends per Share				
	Jun. 30	Sept. 30	Dec. 31	Mar. 31	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2008	—	6.00	—	6.00	12.00
Fiscal 2009	—	6.00			
Fiscal 2009 (Forecast)			—	6.00	12.00

Note: Revision to dividend forecast in the second quarter of the fiscal year ending March 31, 2009: No

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Fiscal Year	205,000	-5.2	7,000	-50.8	6,500	-53.2	3,700	-54.9	22.19

Note: Revisions to consolidated operating forecasts in the second quarter of the fiscal year ending March 31, 2009: No *Please refer to Cautionary Statement 1 listed below.

4. Other

(1) Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries Involving Changes in the Scope of Consolidation):

No

(2) Application of the Simplified Accounting Method and Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements:

Yes

Note: Please refer to “Qualitative Information / Financial Statements and Other” 4. Other on page 4 for details.

(3) Changes in Accounting Principles, Procedures and Presentation Methods in Connection with the Preparation of Quarterly Consolidated Financial Statements

a. Changes accompanying revisions to accounting standards: Yes

b. Changes in items other than a. above: Yes

Note: Please refer to “Qualitative Information / Financial Statements and Other” 4. Other on page 4 for details.

(4) Number of Shares Issued and Outstanding (Common Stock)

a. Total number of shares issued and outstanding (including treasury stock) as of the period-end:

Sept. 30, 2008 171,230,715 shares

Mar. 31, 2008 171,230,715 shares

b. Total number of treasury stock as of the period-end:

Sept. 30, 2008 4,464,585 shares

Mar. 31, 2008 4,462,347 shares

c. Average number of shares for the period (Cumulative total for the quarterly consolidated period)

Second quarter fiscal 2009 166,766,460 shares

Second quarter fiscal 2008 167,674,715 shares

Cautionary Statement Concerning Operating Results Forecasts and Other Special Items

[Regarding the use of operating results forecasts]

1. Operating results forecasts for the full fiscal year have been revised since these were announced on May 9, 2008. Please refer to “Qualitative Information / Financial Statements and Other,” on page 3, 3. “Qualitative Information Concerning Forecasts of Consolidated Operating Results” on page 4 and the “Announcement Concerning Revisions to the Results Forecasts” announced (in Japanese only) on October 10, 2008 for details.

In addition, the aforementioned forecasts were made based on information available to management as of the date of this report. Actual results could differ significantly from forecasts due to a variety of factors.

2. Effective from the fiscal year ending March 31, 2009, the Ryobi Group has applied the Accounting Standard for Quarterly Financial Reporting Statement No. 12 issued by the Accounting Standards Board of Japan (ASBJ) on March 14, 2007 and the Guidance on Accounting Standard for Quarterly Financial Reporting Guidance No. 14 issued by the ASBJ on March 14, 2007. Furthermore, quarterly consolidated financial statements have been prepared in accordance with the Regulation for Quarterly Consolidated Financial Reporting.

[Qualitative Information / Financial Statements and Other]

1. Qualitative Information Concerning Consolidated Operating Results for the Second Quarter of Fiscal 2009

Regarding consolidated cumulative totals during the first half of fiscal 2009 (April 1, 2008 to September 30, 2008), indications that the Japanese economy is slowing have increased due to such factors as the steep rise of crude oil and raw material prices, both of which remain at high levels, as well as a decline in capital investment and consumer spending. In addition, the impact of the financial crisis originating in the United States, drastic rises in the yen and plunging stock prices have, in a single stroke, exacerbated deteriorating conditions in the business environment. With the financial crisis spreading throughout the world, it is not only the United States economy being affected; rather, there are strong indications that economies in such regions as Asia and Europe are falling into recession.

Based on this situation, Ryobi Limited and its significant subsidiaries (“the Ryobi Group”) have, together with promoting aggressive sales activities, implemented various measures that include the development of new products responsive to users’ needs, reduction of costs and expenses, and enhanced operational efficiency. Despite these efforts, consolidated cumulative totals during the first half experienced a decline in revenue and earnings compared with the corresponding period of the previous fiscal year.

Consequently, net sales for the first half totaled ¥103,941 million, a 2.1% decrease compared with the corresponding period of the previous fiscal year, while operating income dropped 44.5% to ¥4,080 million, ordinary income fell 44.1% to ¥4,110 million and net income for the half decreased 45.8% to ¥2,325 million. Earnings declined due to such factors as declining sales accompanying deteriorating market conditions, steep rises in raw material prices, fluctuations in currency exchange markets and the increased burden of depreciation and amortization.

Examining sales by industry segment, the Die Castings Business increased 1.5% to ¥72,718 million, the Printing Equipment Business decreased 13.4% to ¥17,984 million, and the Power Tools and Builders’ Hardware Business dipped 3.6% to ¥13,238 million. Regarding operating income, the Die Castings Business fell 28.4% to ¥2,476 million, the Printing Equipment Business dropped 62.8% to ¥1,035 million, and the Power Tools and Builders’ Hardware Business decreased 49.0% to ¥568 million.

The Die Castings Business experienced gains in revenue as a result of steady sales to domestic automobile manufacturers. However, earnings fell due to such factors as the increased burden of depreciation and amortization. The Printing Equipment Business suffered from a decline in revenue and earnings stemming from unfavorable export conditions primarily in Europe and North America, despite experiencing a rise in domestic sales. The Power Tools and Builders’ Hardware Business experienced a drop in revenue and earnings due to such factors as severe sales competition and a slow recovery in the construction market.

Moreover, because the Ryobi Group has applied the Regulation for Quarterly Consolidated Financing Reporting effective from the fiscal year ending March 31, 2009, comparisons with the corresponding period of the previous fiscal year and the rate of increase and decrease have been included as references.

2. Qualitative Information Concerning Consolidated Financial Position for the End of the Second Quarter of Fiscal 2009

Total assets as of September 30, 2008 stood at ¥194,142 million, a decrease of ¥1,829 million compared with the end of the previous fiscal year. This was due to a reduction in current assets such as finished products and purchased goods, and work in process, as well as an increase in fixed assets such as property, plant and equipment.

Liabilities decreased ¥919 million to ¥117,333 million due to a decline in such areas as current liabilities related to payment of capital investment liability. Interest-bearing debt, excluding discounted notes receivable and lease obligations, increased ¥2,495 million to ¥47,653 million compared with the end of the previous fiscal year.

Net Assets dropped ¥909 million from the end of the previous term to ¥76,809 million. Contributing factors include a declared increase of ¥2,325 million in quarterly net income and dividend payments of ¥1,000 million. Also included is a decline in line with past goodwill adjustments as a result of unified accounting procedures for subsidiaries outside Japan. Shareholders' equity, subtracting minority interests from net assets, amounted to ¥75,887 million and shareholders' equity stood at 39.1%.

3. Qualitative Information Concerning Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2009

Operating results forecasts for the fiscal year ending March 31, 2009 remain unchanged since the October 10, 2008 announcement of revisions.

As a result of the expanding global financial uncertainty, fluctuations in currency exchange markets, and the sluggish United States economy, which is typified by the automobile manufacturing industry, the ongoing economic recession intensified in both the domestic and overseas economies.

Due to these factors, there are concerns that the situation may deteriorate further, extending beyond an anticipated decline in the Die Castings Business' sales to automobile manufactures in Japan and the United States, and a reduction in the Printing Equipment Business exports primarily to Europe and North America. Despite these severe operating conditions, the Ryobi Group is aiming to improve results by focusing on such initiatives as expanding sales, improving productivity by reducing costs and further enhancing operational efficiency.

4. Other

(1) Changes in Important Subsidiaries during the Period (Changes in Special Subsidiaries Involving Changes in the Scope of Consolidation):

None

(2) Application of the Simplified Accounting Method and Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements:

(Simplified Accounting Method)

a. Calculation method for estimating future credit write-offs of normal receivables

Recognizing that no significant changes have arisen with regard to the estimated bad debt write-off ratios at the end of the previous fiscal year, the actual bad debt write-off ratio as of March 31, 2008 has been used to calculate estimated future credit write-offs of normal receivables.

b. Calculation method for depreciation and amortization of fixed assets

With respect to fixed assets that adopt the declining-balance method as a method for determining depreciation, the amount of depreciation and amortization for the fiscal year ending March 31 2009 is divided proportionally.

(Special Accounting Practices in the Preparation of Quarterly Consolidated Financial Statements)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax accounting on income before income taxes and minority interests in the consolidated fiscal year, including the second quarter of the fiscal year ending March 31, 2009, and multiplying income before income taxes and minority interests for the second quarter of the fiscal year ending March 31, 2009 by said estimated effective tax rate. The adjusted amount for income tax is shown to include income taxes.

(3) Changes in Accounting Principles, Procedures and Presentation Methods in Connection with the Preparation of Quarterly Consolidated Financial Statements:

(Changes Accompanying Revisions to Accounting Standards)

- a. Effective from the fiscal year ending March 31, 2009, the Ryobi Group has applied the Accounting Standard for Quarterly Financial Reporting Statement No. 12 issued by the Accounting Standards Board of Japan (ASBJ) on March 14, 2007, as well as the Guidance on Accounting Standard for Quarterly Financial Reporting Guidance No. 14 issued by the ASBJ on March 14, 2007. Furthermore, quarterly consolidated financial statements have been prepared in accordance with the Regulation for Quarterly Consolidated Financial Reporting.
- b. In connection with inventories held for sale in the ordinary course of business, the Ryobi Group had mainly adopted the average method. Effective from the first quarter of the fiscal year ending March 31, 2009, the Ryobi Group has adopted ASBJ Statement No. 9 “Accounting Standard for the Measurement of Inventories.” As a result, inventories are in principle stated at cost, cost being determined by the average method (with book values written down due to decreased profitability of balance sheet inventories held for sale in the ordinary course of business).

Taking into consideration this change in accounting standard on consolidated cumulative totals during the first half of the fiscal year ending March 31, 2009, operating income, ordinary income, and income before income taxes and minority interests each declined by ¥128 million.

c. Practical solution on unification of accounting standards applied to foreign subsidiaries for consolidated financial statements

From a consolidated account settlement perspective, the Ryobi Group has undertaken all essential adjustments following adoption of the Practical Issues Task Force No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” issued by the ASBJ on May 17, 2006 from the first quarter of the fiscal year ending March 31, 2009.

Regarding the consolidated balance sheet for the quarter, taking into consideration this change in accounting standards, retained earnings decreased ¥785 million, but only had a slight impact on consolidated operating income, ordinary income, and income before income taxes and minority interests during the first half of the fiscal year ending March 31, 2009.

d. Application of accounting standards for lease transactions

From the first quarter of the fiscal year ending March 31, 2009, the Ryobi Group adopted the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 issued on June 17, 1993 and last revised on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 issued on January 18, 1994 and last revised on March 30, 2007). Accordingly, the method of accounting for finance leases that do not transfer ownership changed from treating such leases as rental transactions to treatment as sale/purchase transactions, recognizing them as lease assets. Depreciation equivalent is computed on a straight-line method over the lease period without residual value.

Based on this change in accounting standards on consolidated cumulative totals during the first half of the fiscal year ending March 31, 2009, operating income and ordinary income, each increased by ¥34 million and ¥12 million respectively, while income before income taxes and minority interests decreased by ¥93 million.

e. Changes in the classification of die casting dies

Applying unified accounting procedures to subsidiaries outside Japan for the presentation of quarterly consolidated financial statements in the first quarter of the fiscal year ending March 31, 2009, we revised the classification of Ryobi Limited and its subsidiaries’ die casting dies, redistributing a portion of die casting dies from inventories to fixed assets.

This change in this accounting standard had no affect on operating income, ordinary income, and income before income taxes and minority interests during the first half of the fiscal year ending March 31, 2009. Based on the consolidated balance sheets for the second quarter of the current fiscal year finished products and purchased goods decreased ¥2,962 million at the beginning of the fiscal year, while other fixed assets in property, plant and equipment increased the same amount. Work in process decreased ¥3,055 million, while construction in progress increased the same amount.

(Additional Information)

As a result of reviewing its use of assets and other factors in the wake of revisions to the Corporate Tax Law, the Ryobi Group and its domestic subsidiaries have changed the useful life of machinery and equipment from 4 to 13 years to 4 to 12 years beginning from the first quarter of the fiscal year ending March 31, 2009.

Taking into consideration this change in accounting standards, operating income fell ¥435 million, while ordinary income and income before income taxes and minority interests each decreased ¥482 million respectively during the first half of the fiscal year ending March 31, 2009.

5. Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2009

(1) Second Quarter Consolidated Balance Sheets

	(Millions of yen)	
	September 30, 2008	March 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	10,837	8,925
Notes and accounts receivable	41,687	43,292
Marketable securities	3,014	3,514
Finished products and purchased goods	16,099	19,991
Work in process	10,518	14,312
Raw materials and supplies	9,183	7,552
Other current assets	4,501	4,644
Allowance for doubtful accounts	(39)	(61)
Total current assets	95,803	102,171
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	19,968	20,791
Machinery and equipment (net)	27,282	29,411
Land	21,670	21,699
Construction in progress	7,671	2,621
Other fixed assets (net)	7,040	2,639
Total property, plant and equipment	83,634	77,163
Intangible fixed assets:		
Goodwill	118	946
Other intangible fixed assets	1,277	1,308
Total intangible fixed assets	1,395	2,254
Investments and other assets:		
Investment in securities	9,709	10,649
Other	3,660	3,776
Allowance for doubtful accounts	(60)	(43)
Total investments and other assets	13,309	14,382
Total fixed assets	98,339	93,800
Total assets	194,142	195,971

(Millions of yen)

	September 30, 2008	March 31, 2008
LIABILITIES		
Current liabilities:		
Notes and accounts payable	42,626	43,570
Short-term borrowings	23,404	21,490
Current portion of long-term debt	5,306	6,002
Income taxes payable	1,575	2,049
Accrued bonuses	2,102	2,192
Other current liabilities	11,061	13,760
Total current liabilities	86,076	89,066
Long-term liabilities:		
Long-term debt	18,942	17,663
Accrued severance indemnities	6,514	6,320
Other long-term liabilities	5,799	5,202
Total long-term liabilities	31,256	29,186
Total liabilities:	117,333	118,252
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,750	23,750
Retained earnings	39,773	39,234
Treasury stock	(1,426)	(1,425)
Total shareholders' equity	80,569	80,031
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	2,477	3,094
Deferred loss on derivatives under hedge accounting	(26)	(40)
Land revaluation reserve	626	626
Foreign currency translation adjustments	(7,759)	(6,867)
Total valuation and translation adjustments	(4,682)	(3,187)
Minority interests		
Total net assets	76,809	77,718
Total liabilities and net assets	194,142	195,971

(2) Second Quarter Consolidated Statements of Income (Cumulative)

(Millions of yen)

	First Half of the Fiscal Year Ending March 31, 2009
Net sales	103,941
Cost of sales	87,589
Gross profit	16,351
Selling, general and administrative expenses	12,271
Operating income	4,080
Non-operating income	
Interest income	32
Dividends income	103
Rental income	312
Exchange gain	78
Gain on sales scrap	84
Miscellaneous income	388
Total non-operating income	1,000
Non-operating expenses	
Interest expenses	545
Cash discounts	85
Depreciation expenses	218
Miscellaneous expenses	121
Total non-operating expenses	970
Ordinary income	4,110
Extraordinary income	
Gains on sale of fixed assets	37
Gains on sale of golf course membership	1
Reversal of allowance for doubtful accounts	4
Total extraordinary income	43
Extraordinary losses	
Loss on sale or disposal of fixed assets	116
Cumulative effect of lease accounting standards application	106
Total extraordinary losses	222
Income before income taxes and minority interests	3,931
Income taxes	1,552
Gains on minority interests	53
Net income for the period	2,325

(3) Second Quarter Consolidated Statements of Cash Flows (Cumulative)

(Millions of yen)

First Half of the
Fiscal Year Ending March 31,
2009

Cash flows from operating activities:	
Income before income taxes and minority interests	3,931
Depreciation and amortization	7,189
Decrease in allowance for doubtful accounts	(4)
Decrease in reserve for bonuses	(89)
Increase in accrued severance indemnities	193
Interest and dividends income	(136)
Interest expenses	545
Loss on sale or disposal of fixed assets	79
Decrease in notes and accounts receivable	1,363
Increase in inventories	(156)
Decrease in other current assets	79
Decrease in notes and accounts payable	(653)
Other decreases in current liabilities	(593)
Other	59
Subtotal	11,806
Interest and dividends received	139
Interest paid	(534)
Income taxes paid	(1,998)
Net cash provided by operating activities	9,412
Cash flows from investing activities:	
Payment for purchases of property, plant and equipment	(9,407)
Proceeds from sale of property, plant and equipment	61
Payment for purchases of marketable securities	(690)
Proceeds from sale of marketable securities	690
Payment for purchase of investment in securities	(66)
Payment for time deposits	(559)
Proceeds from repayment of time deposit	777
Other	(95)
Net cash used in investing activities	(9,290)
Cash flows from financing activities:	
Increase in short-term borrowings, net	2,132
Proceeds from long-term debt	4,293
Repayment of long-term debt	(3,572)
Acquisition of treasury stock	(1)
Proceeds from sale of treasury stock	0
Cash dividends paid	(1,000)
Cash dividends paid to minority shareholders	(0)
Other	(228)
Net cash provided by financing activities	1,622
Foreign currency translation adjustments on cash and cash equivalents	(115)
Net increase in cash and cash equivalents	1,630
Cash and cash equivalents at beginning of year	10,138
Cash and cash equivalents at end of the period	11,768

Effective from the fiscal year ending March 31, 2009, the Ryobi Group has applied the Accounting Standard for Quarterly Financial Reporting “(Statement No. 12 issued by the Accounting Standards Board of Japan (ASBJ)) on March 14, 2007 and the Guidance on Accounting Standard for Quarterly Financial Reporting “(Guidance No. 14 issued by the ASBJ) on March 14, 2007. Furthermore, quarterly consolidated financial statements have been prepared in accordance with the Regulation for Quarterly Consolidated Financial Reporting.

(4) Notes Regarding Going Concern Assumptions

None.

(5) Segment Information

[Industry Segment Information]

For the First Half of the Fiscal Year Ending March 31, 2009 (April 1, 2008 to September 30, 2008)

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations	Consolidated
Sales:						
(1) Unaffiliated Customers	72,718	17,984	13,238	103,941	—	103,941
(2) Intersegment	84	—	0	84	(84)	—
Total	72,802	17,984	13,238	104,025	(84)	103,941
Operating Income	2,476	1,035	568	4,079	0	4,080

Notes:

1. Industry segments are classified on the basis of organization.
2. Main products of each industry segment:
 Die Castings: die cast product and aluminum cast
 Printing Equipment: offset printing presses, peripherals, etc.
 Power Tools and Builders' Hardware: power tools, lawn and garden equipment, door closers, hinges and architectural hardware

[Geographical Segment Information]

For the First Half of the Fiscal Year Ending March 31, 2009 (April 1, 2008 to September 30, 2008)

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations	Consolidated
Sales:						
(1) Unaffiliated Customers	87,360	12,212	4,368	103,941	—	103,941
(2) Intersegment	1,707	—	3,607	5,315	(5,315)	—
Total	89,068	12,212	7,975	109,256	(5,315)	103,941
Operating Income	3,624	402	130	4,157	(77)	4,080

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
 (1) The Americas: United States, Mexico
 (2) Other: United Kingdom, China

[Overseas Sales]

For the First Half of the Fiscal Year Ending March 31, 2009 (April 1, 2008 to September 30, 2008)

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	15,751	10,600	4,986	31,339
Consolidated Net Sales				103,941
Ratio of Overseas Sales to Consolidated Net Sales (%)	15.2	10.2	4.8	30.2

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
 - (1) The Americas: United States, Mexico, other
 - (2) Europe: United Kingdom, Germany, other
 - (3) Other: China, Australia, other
3. Overseas sales represent total sales outside Japan of the parent company and its consolidated subsidiaries (excluding intra-group sales).

(6) Notes Regarding Substantial Changes in Shareholders' Equity

None.

[Reference Material]

Financial Statements for the First Half of the Fiscal Year Ended March 31, 2008

(1) Consolidated Statement of Income

	First Half of the Fiscal Year Ended March 31, 2008	
	Amount (Millions of yen)	%
Net sales	106,134	100.0
Cost of sales	86,396	81.4
Gross profit	19,737	18.6
Selling, general and administrative expenses	12,383	11.7
Operating income	7,353	6.9
Non-operating income	876	0.8
Interest income	59	
Dividends income	90	
Rental	226	
Exchange gain	34	
Gain on sales scrap	76	
Cash dividends for group term insurance	108	
Miscellaneous income	281	
Non-operating expenses	879	0.8
Interest expenses	530	
Cash discounts	87	
Depreciation expenses	77	
Miscellaneous expenses	183	
Ordinary income	7,350	6.9
Extraordinary income	18	0.0
Gains on sale of fixed assets	8	
Gains on sale of investment in securities	0	
Reversal of allowance for doubtful accounts	9	
Extraordinary losses	157	0.1
Loss on sale or disposal of fixed assets	80	
Loss on sale of investment in securities	75	
Loss on revaluation of investment in securities	0	
Income before income taxes and minority interests	7,211	6.8
Income taxes, local taxes and business taxes	2,856	2.7
Adjusted amount for income taxes	56	0.1
Gains on minority interests	11	0.0
Interim net income	4,286	4.0

(2) Consolidated Statement of Cash Flows

(Millions of yen)

	First Half of the Fiscal Year Ended March 31, 2008
Cash flows from operating activities:	
Income before income taxes and minority interests	7,211
Depreciation and amortization	4,890
Decrease in allowance of doubtful accounts	(10)
Increase in reserve for bonuses	55
Decrease in accrued severance indemnities	(99)
Interest and dividends income	(150)
Interest expenses	530
Loss on sale of investment in securities	75
Loss on revaluation of investment in securities	0
Loss on sale or disposal of fixed assets	72
Decrease in notes and accounts receivable	177
Increase in inventories	(3,473)
Increase in other current assets	(667)
Increase in notes and accounts payable	412
Other decreases in current liabilities	(802)
Other	(169)
Subtotal	8,052
Interest and dividends received	179
Interest paid	(532)
Income taxes paid	(5,168)
Net cash provided by operating activities	2,531
Cash flows from investing activities:	
Payment for purchase of property, plant and equipment	(9,064)
Proceeds from sale of property, plant and equipment	31
Payment for purchase of marketable securities	(650)
Proceeds from sale of marketable securities	650
Payment for purchase of investment in securities	(820)
Proceeds from sale of investment in securities	186
Payment for time deposits	(559)
Proceeds from repayment of time deposit	577
Other	(216)
Net cash used in investing activities	(9,865)
Cash flows from financing activities:	
Increase in short-term borrowings, net	1,815
Proceeds from long-term debt	5,800
Repayment of long-term debt	(1,719)
Acquisition of treasury stock	(403)
Cash dividends paid	(2,013)
Cash dividends paid to minority shareholders	(0)
Net cash provided by financing activities	3,479
Foreign currency translation adjustments on cash and cash equivalents	80
Net decrease in cash and cash equivalents	(3,773)
Cash and cash equivalents at beginning of year	17,611
Cash and cash equivalents at end of the period	13,838

(3) Segment Information

[Industry Segment Information]

For the First Half of the Fiscal Year Ended March 31, 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations	Consolidated
Sales:						
(1) Unaffiliated Customers	71,627	20,767	13,738	106,134	—	106,134
(2) Intersegment	110	—	1	111	(111)	—
Total	71,738	20,767	13,739	106,245	(111)	106,134
Operating Costs and Expenses	68,281	17,985	12,624	98,891	(111)	98,780
Operating Income	3,456	2,782	1,115	7,353	0	7,353

Notes:

1. Industry segments are classified on the basis of organization.
2. Main products of each industry segment:
Die Castings: die cast product and aluminum cast
Printing Equipment: offset printing presses, peripherals, etc.
Power Tools and Builders' Hardware: power tools, lawn and garden equipment, door closers, hinges and architectural hardware

[Geographical Segment Information]

For the First Half of the Fiscal Year Ended March 31, 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations	Consolidated
Sales:						
(1) Unaffiliated Customers	88,875	12,830	4,427	106,134	—	106,134
(2) Intersegment	1,665	268	3,816	5,750	(5,750)	—
Total	90,541	13,099	8,243	111,884	(5,750)	106,134
Operating costs and expenses	83,853	12,656	8,028	104,538	(5,757)	98,780
Operating Income	6,687	443	215	7,346	7	7,353

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
(1) The Americas: United States, Mexico
(2) Other: United Kingdom, China

[Overseas Sales]

For the First Half of the Fiscal Year Ended March 31, 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	17,983	11,883	5,639	35,505
Consolidated Net Sales				106,134
Ratio of Overseas Sales to Consolidated Net Sales (%)	17.0	11.2	5.3	33.5

Notes:

1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
 - (1) The Americas: United States, Mexico, other
 - (2) Europe: United Kingdom, Germany, other
 - (3) Other: China, Australia, other
3. Overseas sales represent total sales outside Japan of the parent company and its consolidated subsidiaries (excluding intra-group sales).