

Ryobi Limited and Consolidated Subsidiaries

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2009

1. Consolidated Balance Sheets

	(Millions of yen)	
	March 31, 2008	March 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	8,925	13,767
Notes and accounts receivable	43,292	26,203
Marketable securities	3,514	1,516
Inventories	41,855	-
Finished products and purchased goods	-	14,102
Work in process	-	8,252
Raw materials and supplies	-	6,864
Deferred tax assets	1,604	424
Other current assets	3,040	4,569
Allowance for doubtful accounts	(61)	(46)
Total current assets	102,171	75,655
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	20,791	20,148
Machinery and equipment (net)	29,411	25,282
Land	21,699	21,643
Leased assets (net)	-	1,266
Construction in progress	2,621	6,090
Other fixed assets (net)	2,639	4,247
Total property, plant and equipment	77,163	78,679
Intangible fixed assets:		
Goodwill	946	-
Other intangible fixed assets	1,308	1,187
Total intangible fixed assets	2,254	1,187
Investments and other assets:		
Investment in securities	10,649	6,993
Deferred tax assets	1,711	2,756
Other	2,064	2,041
Allowance for doubtful accounts	(43)	(115)
Total investments and other assets	14,382	11,675
Total fixed assets	93,800	91,543
Total assets	195,971	167,198

	(Millions of yen)	
	March 31, 2008	March 31, 2009
LIABILITIES		
Current liabilities:		
Notes and accounts payable	43,570	20,166
Short-term borrowings	21,490	32,912
Current portion of long-term debt	6,002	6,559
Lease obligations	-	393
Income taxes payable	2,049	170
Accrued bonuses	2,192	875
Accrued bonuses to directors	42	-
Other current liabilities	13,718	8,023
Total current liabilities	89,066	69,101
Long-term liabilities:		
Long-term debt	17,663	19,084
Lease obligations	-	970
Deferred tax liabilities	1,698	384
Deferred tax liabilities for revaluation	674	674
Accrued severance indemnities	6,320	6,617
Liabilities from application of equity method	411	421
Other long-term liabilities	2,418	1,938
Total long-term liabilities	29,186	30,090
Total liabilities:	118,252	99,192
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,750	23,750
Retained earnings	39,234	36,608
Treasury stock	(1,425)	(2,354)
Total shareholders' equity	80,031	76,476
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	3,094	1,088
Deferred loss on derivatives under hedge accounting	(40)	(35)
Land revaluation reserve	626	626
Foreign currency translation adjustments	(6,867)	(10,982)
Total valuation and translation adjustments	(3,187)	(9,303)
Minority interests		
Total net assets	77,718	68,006
Total liabilities and net assets	195,971	167,198

2. Consolidated Statements of Income

	(Millions of yen)	
	Fiscal Year 2008	Fiscal Year 2009
	Ended March 31, 2008	Ended March 31, 2009
Net sales	216,180	176,340
Cost of sales	177,529	152,358
Gross profit	38,651	23,981
Selling, general and administrative expenses	24,416	22,176
Operating income	14,235	1,804
Non-operating income		
Interest income	108	53
Dividends income	154	170
Rental income	541	567
Gain on sales scrap	155	125
Miscellaneous income	742	1,087
Total non-operating income	1,701	2,004
Non-operating expenses		
Interest expenses	1,120	1,159
Cash discounts	163	159
Loss on abandonment of inventories	101	30
Depreciation expenses	256	450
Exchange losses	150	283
Miscellaneous expenses	268	155
Total non-operating expenses	2,061	2,239
Ordinary income	13,876	1,570
Extraordinary income		
Gains on sale of fixed assets	18	46
Gain on sale of investment in securities	0	-
Other	-	1
Total extraordinary income	18	48
Extraordinary losses		
Loss on sale or disposal of fixed assets	176	221
Loss on sale of investment in securities	75	-
Loss on revaluation of investment in securities	3	317
Loss on impairment	-	85
Cumulative effect of lease accounting standards application	-	106
Total extraordinary losses	256	731
Income before income taxes and minority interests	13,639	887
Income taxes		
Current	5,316	414
Deferred	125	313
Total income taxes	5,442	727
Gains (losses) on minority interests	(10)	0
Net income	8,207	160

3. Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Fiscal Year 2008 Ended March 31, 2008	Fiscal Year 2009 Ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at beginning of year	18,472	18,472
Changes of items during the year		
Total changes of items during the year	-	-
Balance at end of year	18,472	18,472
Capital surplus		
Balance at beginning of year	23,750	23,750
Changes of items during the year		
Disposal of treasury stock	0	(0)
Total changes of items during the year	0	(0)
Balance at end of year	23,750	23,750
Retained earnings		
Balance at beginning of year	34,043	39,234
Effect of changes in accounting policies applied to foreign subsidiaries	-	(785)
Changes of items during the year		
Dividends from surplus	(3,016)	(2,001)
Net income	8,207	160
Total changes of items during the year	5,191	(1,840)
Balance at end of year	39,234	36,608
Treasury stock		
Balance at beginning of year	(731)	(1,425)
Changes of items during the year		
Acquisition of treasury stock	(693)	(929)
Disposal of treasury stock	0	0
Total changes of items during the year	(693)	(929)
Balance at end of year	(1,425)	(2,354)
Total shareholders' equity		
Balance at beginning of year	75,534	80,031
Effect of changes in accounting policies applied to foreign subsidiaries	-	(785)
Changes of items during the year		
Dividends from surplus	(3,016)	(2,001)
Net income	8,207	160
Acquisition of treasury stock	(693)	(929)
Disposal of treasury stock	0	0
Total changes of items during the year	4,497	(2,770)
Balance at end of year	80,031	76,476

	(Millions of yen)	
	Fiscal Year 2008 Ended March 31, 2008	Fiscal Year 2009 Ended March 31, 2009
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities		
Balance at beginning of year	5,144	3,094
Changes of items during the year		
Net changes of items other than shareholders' equity	(2,050)	(2,005)
Total changes of items during the year	(2,050)	(2,005)
Balance at end of year	3,094	1,088
Deferred gains or losses on derivatives under hedge accounting		
Balance at beginning of year	(25)	(40)
Changes of items during the year		
Net changes of items other than shareholders' equity	(14)	4
Total changes of items during the year	(14)	4
Balance at end of year	(40)	(35)
Land revaluation reserve		
Balance at beginning of year	626	626
Changes of items during the year		
Net changes of items other than shareholders' equity	-	-
Total changes of items during the year	-	-
Balance at end of year	626	626
Foreign currency translation adjustments		
Balance at beginning of year	(6,464)	(6,867)
Changes of items during the year		
Net changes of items other than shareholders' equity	(402)	(4,114)
Total changes of items during the year	(402)	(4,114)
Balance at end of year	(6,867)	(10,982)
Total valuation and translation adjustments		
Balance at beginning of year	(719)	(3,187)
Changes of items during the year		
Net changes of items other than shareholders' equity	(2,467)	(6,116)
Total changes of items during the year	(2,467)	(6,116)
Balance at end of year	(3,187)	(9,303)
Minority interests		
Balance at beginning of year	942	874
Changes of items during the year		
Net changes of items other than shareholders' equity	(68)	(40)
Total changes of items during the year	(68)	(40)
Balance at end of year	874	833

	(Millions of yen)	
	Fiscal Year 2008	Fiscal Year 2009
	Ended March 31, 2008	Ended March 31, 2009
Total net assets		
Balance at beginning of year	75,757	77,718
Effect of changes in accounting policies applied to foreign subsidiaries	-	(785)
Changes of items during the year		
Dividends from surplus	(3,016)	(2,001)
Net income	8,207	160
Acquisition of treasury stock	(693)	(929)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(2,536)	(6,156)
Total changes of items during the year	1,961	(8,926)
Balance at end of year	77,718	68,006

4. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal Year 2008 Ended March 31, 2008	Fiscal Year 2009 Ended March 31, 2009
Cash flows from operating activities:		
Income before income taxes and minority interests	13,639	887
Depreciation and amortization	10,057	15,358
Loss on impairment	-	85
Increase in allowance for doubtful accounts	4	57
Decrease in reserve for bonuses	(127)	(1,316)
Increase (decrease) in accrued severance indemnities	(229)	296
Interest and dividends income	(262)	(224)
Interest expenses	1,120	1,159
Loss on sale of investments in securities	75	-
Loss on revaluation of investment in securities	3	317
Loss on sale or disposal of fixed assets	158	174
Decrease in notes and accounts receivable	3,688	16,228
Decrease (increase) in inventories	(3,574)	5,841
Decrease (increase) in other current assets	(65)	498
Decrease in notes and accounts payable	(6,209)	(22,419)
Other decreases in current liabilities	(1,084)	(3,355)
Other	(189)	(40)
Subtotal	17,006	13,550
Interest and dividends received	291	227
Interest paid	(1,136)	(1,100)
Income taxes paid	(8,326)	(4,553)
Net cash provided by operating activities	7,834	8,122
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(17,487)	(17,132)
Proceeds from sale of property, plant and equipment	72	121
Payment for purchases of marketable securities	(690)	(1,340)
Proceeds from sale of marketable securities	690	1,340
Payment for purchase of investment in securities	(1,052)	(105)
Proceeds from sale of investment in securities	186	-
Payment for time deposits	(1,134)	(2,485)
Proceeds from repayment of time deposit	1,134	1,685
Other	(369)	(171)
Net cash used in investing activities	(18,649)	(18,088)
Cash flows from financing activities:		
Increase in short-term borrowings, net	1,891	13,110
Proceeds from long-term debt	9,600	8,850
Repayment of long-term debt	(4,404)	(5,956)
Acquisition of treasury stock	(693)	(929)
Proceeds from sale of treasury stock	0	0
Cash dividends paid	(3,016)	(2,001)
Cash dividends paid to minority shareholders	(0)	(0)
Other	-	(451)
Net cash provided by financing activities	3,376	12,622
Foreign currency translation adjustments on cash and cash equivalents	(34)	(711)
Net increase (decrease) in cash and cash equivalents	(7,473)	1,945
Cash and cash equivalents at beginning of year	17,611	10,138
Cash and cash equivalents at end of the year	10,138	12,084

5. Segment Information

(1) Industry Segment Information

For the Fiscal Year Ended March 31, 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	148,595	40,963	26,621	216,180	-	216,180
(2) Intersegment	207	-	1	209	(209)	-
Total	148,803	40,963	26,623	216,390	(209)	216,180
Operating Costs and Expenses	141,158	36,022	24,974	202,154	(209)	201,945
Operating Income	7,645	4,940	1,649	14,235	(0)	14,235
Total Assets	120,047	31,777	25,093	176,919	19,052	195,971
Depreciation and Amortization	8,389	903	764	10,057	-	10,057
Capital Expenditure	12,054	2,501	785	15,341	-	15,341

For the Fiscal Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	122,774	29,436	24,129	176,340	-	176,340
(2) Intersegment	144	-	0	145	(145)	-
Total	122,918	29,436	24,130	176,485	(145)	176,340
Operating Costs and Expenses	122,460	28,880	23,334	174,675	(139)	174,535
Operating Income	458	555	796	1,810	(5)	1,804
Total Assets	96,095	27,840	23,562	147,498	19,700	167,198
Depreciation and Amortization	13,559	978	820	15,358	-	15,358
Loss on impairment	85	-	-	85	-	85
Capital Expenditure	14,613	316	657	15,587	-	15,587

Notes:

- Industry segments are classified on the basis of organization.
- 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

(2) Geographical Segment Information

For the Fiscal Year Ended March 31, 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	182,723	25,151	8,305	216,180	–	216,180
(2) Intersegment	4,954	264	7,283	12,502	(12,502)	–
Total	187,677	25,416	15,589	228,683	(12,502)	216,180
Operating Costs and Expenses	173,913	24,734	15,802	214,449	(12,504)	201,945
Operating Income (Loss)	13,764	682	(212)	14,233	1	14,235
Total Assets	143,405	19,973	17,108	180,486	15,485	195,971

For the Fiscal Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	147,866	21,277	7,195	176,340	–	176,340
(2) Intersegment	3,311	–	7,096	10,407	(10,407)	–
Total	151,178	21,277	14,292	186,748	(10,407)	176,340
Operating Costs and Expenses	148,202	21,662	14,952	184,816	(10,281)	174,535
Operating Income (Loss)	2,975	(384)	(659)	1,931	(126)	1,804
Total Assets	119,966	17,916	15,372	153,255	13,943	167,198

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

(3) Overseas Sales

For the Fiscal Year Ended March 31, 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	35,237	22,191	11,540	68,969
Consolidated Net Sales				216,180
Ratio of Overseas Sales to Consolidated Net Sales (%)	16.3	10.3	5.3	31.9

For the Fiscal Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	27,362	15,597	8,628	51,587
Consolidated Net Sales				176,340
Ratio of Overseas Sales to Consolidated Net Sales (%)	15.5	8.9	4.9	29.3

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).