

Ryobi Limited and Consolidated Subsidiaries**Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2010****1. Consolidated Balance Sheets**

	(Millions of yen)	
	As of June 30, 2009	As of March 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	13,684	13,767
Notes and accounts receivable	23,821	26,203
Marketable securities	4,817	1,516
Finished products and purchased goods	13,354	14,102
Work in process	8,582	8,252
Raw materials and supplies	6,359	6,864
Other current assets	5,589	4,994
Allowance for doubtful accounts	(42)	(46)
Total current assets	76,166	75,655
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	20,305	20,148
Machinery and equipment (net)	26,554	25,282
Land	21,706	21,643
Construction in progress	6,625	6,090
Other fixed assets (net)	5,452	5,513
Total property, plant and equipment	80,643	78,679
Intangible fixed assets:		
Other intangible fixed assets	1,192	1,187
Total intangible fixed assets	1,192	1,187
Investments and other assets:		
Investment in securities	8,489	6,993
Other	4,772	4,798
Allowance for doubtful accounts	(113)	(115)
Total investments and other assets	13,148	11,675
Total fixed assets	94,984	91,543
Total assets	171,151	167,198

	(Millions of yen)	
	As of June 30, 2009	As of March 31, 2009
LIABILITIES		
Current liabilities:		
Notes and accounts payable	17,186	20,166
Short-term borrowings	35,927	32,912
Current portion of long-term debt	7,749	6,559
Income taxes payable	168	170
Accrued bonuses	293	875
Other current liabilities	9,510	8,417
Total current liabilities	70,835	69,101
Long-term liabilities:		
Long-term debt	22,229	19,084
Accrued severance indemnities	6,664	6,617
Other long-term liabilities	4,192	4,388
Total long-term liabilities	33,086	30,090
Total liabilities:	103,921	99,192
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,750	23,750
Retained earnings	34,286	36,608
Treasury stock	(2,354)	(2,354)
Total shareholders' equity	74,153	76,476
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	1,973	1,088
Deferred loss on derivatives under hedge accounting	(38)	(35)
Land revaluation reserve	626	626
Foreign currency translation adjustments	(10,311)	(10,982)
Total valuation and translation adjustments	(7,749)	(9,303)
Minority interests		
Total net assets	67,229	68,006
Total liabilities and net assets	171,151	167,198

2. Consolidated Statements of Income

	(Millions of yen)	
	Three Months Ended June 30, 2008	Three Months Ended June 30, 2009
Net sales	50,596	25,172
Cost of sales	42,868	23,539
Gross profit	7,728	1,633
Selling, general and administrative expenses	6,199	4,574
Operating income (loss)	1,528	(2,941)
Non-operating income		
Interest income	12	9
Dividends income	98	55
Rental income	161	116
Exchange gain	168	194
Gain on sales scrap	41	35
Miscellaneous income	161	60
Total non-operating income	644	470
Non-operating expenses		
Interest expenses	281	338
Cash discounts	40	37
Depreciation expenses	107	81
Miscellaneous expenses	63	35
Total non-operating expenses	494	492
Ordinary income (loss)	1,679	(2,962)
Extraordinary income		
Gains on sale of fixed assets	0	12
Gains on sale of golf course membership	1	-
Other	-	0
Total extraordinary income	1	13
Extraordinary losses		
Loss on sale or disposal of fixed assets	28	11
Cumulative effect of lease accounting standards application	106	-
Total extraordinary losses	135	11
Income (loss) before income taxes and minority interests	1,545	(2,961)
Income taxes	513	(609)
Loss on minority interests	(12)	(30)
Net income (loss) for the period	1,044	(2,322)

3. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three Months Ended June 30, 2008	Three Months Ended June 30, 2009
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	1,545	(2,961)
Depreciation and amortization	3,382	2,725
Increase (decrease) in allowance for doubtful accounts	2	(5)
Decrease in reserve for bonuses	(1,396)	(582)
Increase (decrease) in accrued severance indemnities	(10)	47
Interest and dividends income	(111)	(64)
Interest expenses	281	338
Loss (gains) on sale or disposal of fixed assets	28	(0)
Decrease in notes and accounts receivable	837	2,523
Decrease (increase) in inventories	(1,168)	1,094
Decrease (increase) in other current assets	120	(432)
Decrease in notes and accounts payable	(652)	(3,128)
Other increases in current liabilities	3,412	1,871
Other	(211)	(113)
Subtotal	6,062	1,310
Interest and dividends received	114	67
Interest paid	(282)	(364)
Income taxes paid	(2,028)	(98)
Net cash provided by operating activities	3,865	914
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(5,470)	(3,788)
Proceeds from sale of property, plant and equipment	1	1
Payment for purchase of investment in securities	(53)	(4)
Payment for time deposits	(24)	(50)
Proceeds from repayment of time deposits	266	1,532
Other	(51)	(120)
Net cash used in investing activities	(5,331)	(2,429)
Cash flows from financing activities:		
Increase in short-term borrowings, net	2,005	2,194
Proceeds from long-term debt	-	6,000
Repayment of long-term debt	(472)	(2,007)
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(1,000)	-
Cash dividends paid to minority shareholders	(0)	-
Other	(115)	(95)
Net cash provided by financing activities	415	6,091
Foreign currency translation adjustments on cash and cash equivalents	(27)	123
Net increase (decrease) in cash and cash equivalents	(1,078)	4,700
Cash and cash equivalents at beginning of year	10,138	12,084
Cash and cash equivalents at end of the period	9,060	16,784

4. Segment Information

(1) Industry Segment Information

For the Three Months Ended June 30, 2008

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	36,141	7,878	6,575	50,596	–	50,596
(2) Intersegment	33	–	0	34	(34)	–
Total	36,175	7,878	6,575	50,630	(34)	50,596
Operating Income	1,243	62	222	1,528	0	1,528

For the Three Months Ended June 30, 2009

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	15,992	3,609	5,569	25,172	–	25,172
(2) Intersegment	21	–	0	22	(22)	–
Total	16,014	3,609	5,570	25,195	(22)	25,172
Operating Income (Loss)	(2,961)	(283)	303	(2,941)	(0)	(2,941)

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 Three Months Ended June 30, 2008

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	42,239	6,233	2,123	50,596	-	50,596
(2) Intersegment	344	-	1,733	2,077	(2,077)	-
Total	42,583	6,233	3,856	52,673	(2,077)	50,596
Operating Income	1,280	299	25	1,605	(76)	1,528

For the Three Months Ended June 30, 2009

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	21,802	2,599	770	25,172	-	25,172
(2) Intersegment	276	-	1,450	1,726	(1,726)	-
Total	22,078	2,599	2,221	26,898	(1,726)	25,172
Operating Income (Loss)	(2,450)	(343)	(119)	(2,912)	(28)	(2,941)

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 Three Months Ended June 30, 2008

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	7,626	5,021	2,428	15,076
Consolidated Net Sales				50,596
Ratio of Overseas Sales to Consolidated Net Sales (%)	15.1	9.9	4.8	29.8

For the Three Months Ended June 30, 2009

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	3,342	1,109	1,465	5,918
Consolidated Net Sales				25,172
Ratio of Overseas Sales to Consolidated Net Sales (%)	13.3	4.4	5.8	23.5

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).