

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

	(Millions of yen)	
	December 31, 2009	March 31, 2009
ASSETS		
Current assets:		
Cash and deposits	14,235	13,767
Notes and accounts receivable	29,269	26,203
Marketable securities	10,618	1,516
Finished products and purchased goods	12,786	14,102
Work in process	8,259	8,252
Raw materials and supplies	5,932	6,864
Other current assets	2,939	4,994
Allowance for doubtful accounts	(42)	(46)
Total current assets	83,998	75,655
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	19,335	20,148
Machinery and equipment (net)	24,528	25,282
Land	21,662	21,643
Construction in progress	5,479	6,090
Other fixed assets (net)	4,450	5,513
Total property, plant and equipment	75,456	78,679
Intangible fixed assets:		
Other intangible fixed assets	1,132	1,187
Total intangible fixed assets	1,132	1,187
Investments and other assets:		
Investment in securities	8,090	6,993
Other	5,003	4,798
Allowance for doubtful accounts	(120)	(115)
Total investments and other assets	12,973	11,675
Total fixed assets	89,562	91,543
Total assets	173,561	167,198

	(Millions of yen)	
	December 31, 2009	March 31, 2009
LIABILITIES		
Current liabilities:		
Notes and accounts payable	25,498	20,166
Short-term borrowings	34,072	32,912
Current portion of long-term debt	6,401	6,559
Income taxes payable	229	170
Accrued bonuses	294	875
Other current liabilities	7,888	8,417
Total current liabilities	74,385	69,101
Long-term liabilities:		
Long-term debt	22,048	19,084
Accrued severance indemnities	6,729	6,617
Other long-term liabilities	3,909	4,388
Total long-term liabilities	32,688	30,090
Total liabilities:	107,073	99,192
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,750	23,750
Retained earnings	34,019	36,608
Treasury stock	(2,354)	(2,354)
Total shareholders' equity	73,887	76,476
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	1,819	1,088
Deferred loss on derivatives under hedge accounting	(36)	(35)
Land revaluation reserve	626	626
Foreign currency translation adjustments	(10,667)	(10,982)
Total valuation and translation adjustments	(8,258)	(9,303)
Minority interests		
Total net assets	66,488	68,006
Total liabilities and net assets	173,561	167,198

2. Consolidated Statements of Operations

	(Millions of yen)	
	Nine Months Ended December 31, 2008	Nine Months Ended December 31, 2009
Net sales	146,565	89,350
Cost of sales	125,813	77,862
Gross profit	20,751	11,488
Selling, general and administrative expenses	17,969	13,985
Operating income (loss)	2,782	(2,497)
Non-operating income		
Interest income	40	86
Dividends income	170	92
Rent income	451	368
Exchange gain	-	147
Gain on sale of scrap	119	77
Miscellaneous income	501	266
Total non-operating income	1,283	1,039
Non-operating expenses		
Interest expenses	831	997
Cash discounts	125	118
Exchange losses	178	-
Depreciation	338	247
Miscellaneous expenses	155	113
Total non-operating expenses	1,630	1,476
Ordinary income (loss)	2,435	(2,934)
Extraordinary income		
Gain on sale of fixed assets	40	12
Gain on sale of golf course membership	1	-
Total extraordinary income	41	12
Extraordinary losses		
Loss on sale or disposal of fixed assets	150	89
Loss on devaluation of investment in securities	326	114
Cumulative effect of lease accounting standards application	106	-
Total extraordinary losses	583	203
Income (loss) before income taxes and minority interests	1,894	(3,125)
Income taxes	1,154	(539)
Gain on minority interests	7	2
Net income (loss) for the period	732	(2,588)

3. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine Months Ended December 31, 2008	Nine Months Ended December 31, 2009
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	1,894	(3,125)
Depreciation and amortization	11,253	8,879
Increase in allowance for doubtful accounts	57	1
Decrease in reserve for bonuses	(1,488)	(581)
Increase in accrued severance indemnities	159	112
Interest and dividends income	(210)	(179)
Interest expenses	831	997
Loss on devaluation of investment in securities	326	114
Loss on sale or disposal of fixed assets	110	76
Decrease (increase) in notes and accounts receivable	6,493	(3,086)
Decrease in inventories	32	2,245
Decrease (increase) in other current assets	254	(183)
Increase (decrease) in notes and accounts payable	(1,471)	5,298
Other increases in current liabilities	1,802	1,099
Other	(86)	(82)
Subtotal	19,960	11,586
Interest and dividends received	213	182
Interest paid	(805)	(1,022)
Income taxes (paid) refund	(4,511)	1,880
Net cash provided by operating activities	14,857	12,626
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(13,992)	(6,813)
Proceeds from sale of property, plant and equipment	77	10
Payment for purchases of marketable securities	(690)	(40)
Proceeds from sale of marketable securities	690	40
Payment for purchase of investment in securities	(88)	(17)
Payment for time deposits	(1,608)	(1,398)
Proceeds from repayment of time deposits	832	2,422
Other	(171)	(257)
Net cash used in investing activities	(14,951)	(6,053)
Cash flows from financing activities:		
Increase in short-term borrowings, net	8,858	1,388
Proceeds from long-term debt	5,896	8,274
Repayment of long-term debt	(4,426)	(5,428)
Acquisition of treasury stock	(661)	(0)
Proceeds from sale of treasury stock	0	-
Cash dividends paid	(2,001)	-
Cash dividends paid to minority shareholders	(0)	-
Other	(334)	(294)
Net cash provided by financing activities	7,330	3,939
Foreign currency translation adjustments on cash and cash equivalents	(162)	80
Net increase in cash and cash equivalents	7,072	10,593
Cash and cash equivalents at beginning of year	10,138	12,084
Cash and cash equivalents at end of the period	17,211	22,677

4. Segment Information

(1) Industry Segment Information

For the Nine Months Ended December 31, 2008

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	103,677	23,612	19,274	146,565	-	146,565
(2) Intersegment	118	-	0	119	(119)	-
Total	103,796	23,612	19,275	146,684	(119)	146,565
Operating Income	1,434	711	642	2,787	(5)	2,782

For the Nine Months Ended December 31, 2009

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	59,885	12,890	16,574	89,350	-	89,350
(2) Intersegment	91	-	1	92	(92)	-
Total	59,976	12,890	16,576	89,443	(92)	89,350
Operating Income (Loss)	(2,455)	(1,157)	1,115	(2,496)	(0)	(2,497)

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 Nine Months Ended December 31, 2008

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	122,909	17,437	6,217	146,565	–	146,565
(2) Intersegment	2,077	–	5,378	7,456	(7,456)	–
Total	124,987	17,437	11,596	154,021	(7,456)	146,565
Operating Income (Loss)	3,053	40	(233)	2,859	(77)	2,782

For the Nine Months Ended December 31, 2009

(Millions of yen)

	Japan	The Americas	Other	Total	Eliminations / Corporate	Consolidated
Net Sales:						
(1) Unaffiliated Customers	76,600	10,033	2,716	89,350	–	89,350
(2) Intersegment	950	–	4,410	5,360	(5,360)	–
Total	77,550	10,033	7,126	94,711	(5,360)	89,350
Operating Loss	(2,134)	(148)	(180)	(2,463)	(33)	(2,497)

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 Nine Months Ended December 31, 2008

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	22,569	13,725	6,608	42,903
Consolidated Net Sales				146,565
Ratio of Overseas Sales to Consolidated Net Sales (%)	15.4	9.4	4.5	29.3

For the Nine Months Ended December 31, 2009

(Millions of yen)

	The Americas	Europe	Other	Total
Overseas Sales	12,428	3,383	5,803	21,615
Consolidated Net Sales				89,350
Ratio of Overseas Sales to Consolidated Net Sales (%)	13.9	3.8	6.5	24.2

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).