

Ryobi Limited and Consolidated Subsidiaries**Consolidated Financial Statements for the First Nine Months of the Fiscal Year Ending March 31, 2013**

These consolidated financial statements are based on the Japanese financial statements submitted to the Tokyo Stock Exchange.

1. Consolidated Balance Sheets

(Millions of yen)

	March 31, 2012	December 31, 2012
ASSETS		
Current assets:		
Cash and deposits	18,694	16,734
Notes and accounts receivable	39,404	38,907
Marketable securities	5,894	7,296
Finished products and purchased goods	13,852	14,409
Work in process	10,057	9,886
Raw materials and supplies	6,813	7,338
Other current assets	4,354	5,938
Allowance for doubtful accounts	(42)	(23)
Total current assets	99,029	100,487
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	17,951	22,521
Machinery and equipment (net)	21,629	28,564
Land	21,697	22,243
Construction in progress	11,287	11,117
Other fixed assets (net)	3,104	3,203
Total property, plant and equipment	75,669	87,650
Intangible fixed assets:		
Other intangible fixed assets	1,642	1,557
Total intangible fixed assets	1,642	1,557
Investments and other assets:		
Investment in securities	8,147	8,593
Other	3,258	2,964
Allowance for doubtful accounts	(53)	(65)
Total investments and other assets	11,353	11,492
Total fixed assets	88,665	100,701
Total assets	187,694	201,188

	(Millions of yen)	
	March 31, 2012	December 31, 2012
LIABILITIES		
Current liabilities:		
Notes and accounts payable	32,427	31,373
Short-term borrowings	28,541	29,496
Current portion of long-term debt	6,806	7,804
Income taxes payable	909	281
Accrued bonuses	1,605	430
Accrued bonuses to directors	32	-
Other current liabilities	11,670	13,135
Total current liabilities	81,994	82,521
Long-term liabilities:		
Long-term debt	22,158	35,296
Accrued severance indemnities	6,105	5,874
Other long-term liabilities	3,086	2,937
Total long-term liabilities	31,349	44,107
Total liabilities:	113,344	126,628
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,750	23,757
Retained earnings	42,810	42,529
Treasury stock	(2,360)	(2,333)
Total shareholders' equity	82,672	82,425
Accumulated other comprehensive loss:		
Unrealized gain on available-for-sale securities	1,969	2,235
Deferred loss on derivatives under hedge accounting	(36)	(47)
Land revaluation reserve	655	655
Foreign currency translation adjustments	(11,985)	(11,954)
Total accumulated other comprehensive loss	(9,396)	(9,111)
Minority interests		
Total net assets	74,350	74,559
Total liabilities and net assets	187,694	201,188

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**(1) Consolidated Statements of Income**

(Millions of yen)

	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012
Net sales	123,256	124,263
Cost of sales	101,402	105,451
Gross profit	21,854	18,811
Selling, general and administrative expenses	15,962	16,267
Operating income	5,892	2,544
Non-operating income		
Interest income	16	23
Dividends income	143	146
Rent income	308	299
Gain on sale of scrap	123	126
Miscellaneous income	303	528
Total non-operating income	895	1,124
Non-operating expenses		
Interest expenses	755	982
Cash discounts	148	155
Exchange losses	245	14
Depreciation	86	60
Miscellaneous expenses	138	126
Total non-operating expenses	1,375	1,339
Ordinary income	5,412	2,329
Extraordinary income		
Gain on sale of fixed assets	29	2
Gain on negative goodwill	1	6
Total extraordinary income	30	9
Extraordinary losses		
Loss on disposal of fixed assets	76	234
Loss on devaluation of investment in securities	178	43
Special retirement expenses	191	-
Total extraordinary losses	446	277
Income before income taxes and minority interests	4,997	2,061
Income taxes	1,977	724
Income before gain on minority interests	3,019	1,336
Gain on minority interests	1	162
Net income	3,018	1,174

(2) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012
Income before gain on minority interests	3,019	1,336
Other comprehensive income		
Unrealized gain on available-for-sale securities	(458)	304
Deferred loss on derivatives under hedge accounting	6	(11)
Land revaluation reserve	43	-
Foreign currency translation adjustments	(627)	31
Share of other comprehensive loss of associates accounted for using equity method	(2)	(0)
Total other comprehensive income	(1,038)	324
Comprehensive income	1,980	1,660
Comprehensive income attributable to:		
Owners of the parent	1,981	1,459
Minority interests	(1)	201

3. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2012
Cash flows from operating activities:		
Income before income taxes and minority interests	4,997	2,061
Depreciation and amortization	7,814	7,678
Decrease in allowance for doubtful accounts	(4)	(7)
Decrease in reserve for bonuses	(937)	(1,175)
Decrease in accrued severance indemnities	(556)	(231)
Interest and dividends income	(160)	(169)
Interest expenses	755	982
Loss on devaluation of investment in securities	178	43
Loss on sale or disposal of fixed assets	47	231
Decrease (increase) in notes and accounts receivable	(3,108)	522
Increase in inventories	(2,210)	(879)
Increase in other current assets	(688)	(897)
Increase (decrease) in notes and accounts payable	4,942	(1,100)
Other increases (decreases) in current liabilities	1,458	(55)
Other	(122)	4
Subtotal	12,405	7,006
Interest and dividends received	159	170
Interest paid	(751)	(941)
Income taxes paid	(3,372)	(2,020)
Net cash provided by operating activities	8,441	4,215
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(15,594)	(17,748)
Proceeds from sale of property, plant and equipment	69	220
Payment for purchases of marketable securities	(690)	(690)
Proceeds from sale of marketable securities	690	690
Payment for purchase of investment in securities	(17)	(19)
Payment for time deposits	(1,373)	(1,513)
Proceeds from repayment of time deposits	1,403	1,408
Other	(176)	(345)
Net cash used in investing activities	(15,688)	(17,996)
Cash flows from financing activities:		
Increase in short-term borrowings, net	730	927
Proceeds from long-term debt	13,792	19,727
Repayment of long-term debt	(6,757)	(5,902)
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(970)	(1,449)
Other	(205)	(172)
Net cash provided by financing activities	6,588	13,130
Foreign currency translation adjustments on cash and cash equivalents	(116)	(11)
Net decrease in cash and cash equivalents	(774)	(662)
Cash and cash equivalents at beginning of year	21,485	22,513
Cash and cash equivalents at end of the period	20,711	21,851

4. Segment Information

Industry Segment Information

For the Nine Months Ended December 31, 2011

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	91,011	13,097	19,148	123,256	-	123,256
Intersegment	91	-	2	94	(94)	-
Total	91,103	13,097	19,150	123,351	(94)	123,256
Operating Income (Loss)	4,422	(673)	2,143	5,891	0	5,892

For the Nine Months Ended December 31, 2012

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	93,928	11,447	18,886	124,263	-	124,263
Intersegment	99	-	0	100	(100)	-
Total	94,028	11,447	18,887	124,363	(100)	124,263
Operating Income (Loss)	1,666	(822)	1,701	2,544	(0)	2,544