

Ryobi Limited and Consolidated Subsidiaries**Consolidated Financial Statements for the Fiscal Year Ended 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	March 31, 2013
ASSETS		
Current assets:		
Cash and deposits	18,694	17,846
Notes and accounts receivable	39,404	39,689
Marketable securities	5,894	6,197
Finished products and purchased goods	13,852	14,163
Work in process	10,057	10,063
Raw materials and supplies	6,813	7,665
Deferred tax assets	1,289	1,005
Other current assets	3,065	6,134
Allowance for doubtful accounts	(42)	(19)
Total current assets	99,029	102,746
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	17,951	24,996
Machinery and equipment (net)	21,629	36,380
Land	21,697	22,309
Leased assets (net)	346	159
Construction in progress	11,287	9,955
Other fixed assets (net)	2,757	3,078
Total property, plant and equipment	75,669	96,880
Intangible fixed assets:		
Other intangible fixed assets	1,642	1,642
Total intangible fixed assets	1,642	1,642
Investments and other assets:		
Investment in securities	8,147	9,649
Deferred tax assets	1,452	2,071
Other	1,806	1,804
Allowance for doubtful accounts	(53)	(68)
Total investments and other assets	11,353	13,456
Total fixed assets	88,665	111,979
Total assets	187,694	214,725

	(Millions of yen)	
	March 31, 2012	March 31, 2013
LIABILITIES		
Current liabilities:		
Notes and accounts payable	32,427	30,539
Short-term borrowings	28,541	32,201
Current portion of long-term debt	6,806	8,734
Lease obligations	206	132
Income taxes payable	909	386
Accrued bonuses	1,605	1,302
Accrued bonuses to directors	32	-
Other current liabilities	11,463	14,291
Total current liabilities	81,994	87,588
Long-term liabilities:		
Long-term debt	22,158	38,165
Lease obligations	164	38
Deferred tax liabilities	155	402
Deferred tax liabilities for revaluation	630	630
Accrued severance indemnities	6,105	5,876
Liabilities from application of equity method	411	403
Other long-term liabilities	1,723	1,853
Total long-term liabilities	31,349	47,369
Total liabilities:	113,344	134,958
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,750	23,757
Retained earnings	42,810	43,364
Treasury stock	(2,360)	(2,333)
Total shareholders' equity	82,672	83,260
Accumulated other comprehensive loss:		
Unrealized gain on available-for-sale securities	1,969	2,880
Deferred loss on derivatives under hedge accounting	(36)	(51)
Land revaluation reserve	655	655
Foreign currency translation adjustments	(11,985)	(8,293)
Total accumulated other comprehensive loss	(9,396)	(4,808)
Minority interests		
Total net assets	74,350	79,767
Total liabilities and net assets	187,694	214,725

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(1) Consolidated Statements of Income

(Millions of yen)

	Fiscal Year 2012 Ended March 31, 2012	Fiscal Year 2013 Ended March 31, 2013
Net sales	165,638	166,566
Cost of sales	135,938	141,620
Gross profit	29,699	24,946
Selling, general and administrative expenses	21,984	21,639
Operating income	7,715	3,307
Non-operating income		
Interest income	22	32
Dividends income	144	147
Rent income	405	380
Exchange gain	-	332
Gain on sale of scrap	161	172
Cash dividends for insurance	70	124
Miscellaneous income	269	485
Total non-operating income	1,074	1,676
Non-operating expenses		
Interest expenses	1,020	1,369
Cash discounts	191	197
Loss on abandonment of inventories	187	140
Depreciation	117	86
Exchange losses	227	-
Miscellaneous expenses	96	208
Total non-operating expenses	1,839	2,002
Ordinary income	6,950	2,980
Extraordinary income		
Gain on sale of fixed assets	31	5
Gain on sale of investment in securities	1	-
Gain on negative goodwill	1	6
Total extraordinary income	34	12
Extraordinary losses		
Loss on disposal of fixed assets	112	317
Impairment loss on fixed assets	-	17
Loss on devaluation of investment in securities	172	44
Special retirement expenses	198	-
Total extraordinary losses	484	379
Income before income taxes and minority interests	6,500	2,613
Income taxes		
Current	2,288	793
Deferred	(35)	(376)
Total income taxes	2,253	416
Income before gain on minority interests	4,247	2,196
Gain on minority interests	68	187
Net income	4,179	2,009

(2) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal Year 2012 Ended March 31, 2012	Fiscal Year 2013 Ended March 31, 2013
Income before gain on minority interests	4,247	2,196
Other comprehensive income		
Unrealized gain on available-for-sale securities	115	989
Deferred loss on derivatives under hedge accounting	(3)	(14)
Land revaluation reserve	43	-
Foreign currency translation adjustments	(285)	3,692
Share of other comprehensive loss of associates accounted for using equity method	(0)	5
Total other comprehensive income	(130)	4,672
Comprehensive income	4,117	6,869
Comprehensive income attributable to:		
Owners of the parent	4,018	6,598
Minority interests	98	271

3. Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Fiscal Year 2012 Ended March 31, 2012	Fiscal Year 2013 Ended March 31, 2013
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	-	7
Total changes of items during the year	-	7
Balance at end of year	23,750	23,757
Retained earnings		
Balance at beginning of year	39,601	42,810
Changes of items during the year		
Dividends from surplus	(970)	(1,456)
Net income	4,179	2,009
Total changes of items during the year	3,209	553
Balance at end of year	42,810	43,364
Treasury stock		
Balance at beginning of year	(2,360)	(2,360)
Changes of items during the year		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	-	27
Total changes of items during the year	(0)	26
Balance at end of year	(2,360)	(2,333)
Total shareholders' equity		
Balance at beginning of year	79,463	82,672
Changes of items during the year		
Dividends from surplus	(970)	(1,456)
Net income	4,179	2,009
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	-	34
Total changes of items during the year	3,208	587
Balance at end of year	82,672	83,260

	(Millions of yen)	
	Fiscal Year 2012 Ended March 31, 2012	Fiscal Year 2013 Ended March 31, 2013
Accumulated other comprehensive loss		
Unrealized gain on available-for-sale securities		
Balance at beginning of year	1,871	1,969
Changes of items during the year		
Net changes of items other than shareholders' equity	98	910
Total changes of items during the year	98	910
Balance at end of year	1,969	2,880
Deferred losses on derivatives under hedge accounting		
Balance at beginning of year	(32)	(36)
Changes of items during the year		
Net changes of items other than shareholders' equity	(3)	(14)
Total changes of items during the year	(3)	(14)
Balance at end of year	(36)	(51)
Land revaluation reserve		
Balance at beginning of year	626	655
Changes of items during the year		
Net changes of items other than shareholders' equity	28	-
Total changes of items during the year	28	-
Balance at end of year	655	655
Foreign currency translation adjustments		
Balance at beginning of year	(11,700)	(11,985)
Changes of items during the year		
Net changes of items other than shareholders' equity	(285)	3,692
Total changes of items during the year	(285)	3,692
Balance at end of year	(11,985)	(8,293)
Total accumulated other comprehensive loss		
Balance at beginning of year	(9,235)	(9,396)
Changes of items during the year		
Net changes of items other than shareholders' equity	(161)	4,588
Total changes of items during the year	(161)	4,588
Balance at end of year	(9,396)	(4,808)
Minority interests		
Balance at beginning of year	989	1,075
Changes of items during the year		
Net changes of items other than shareholders' equity	86	240
Total changes of items during the year	86	240
Balance at end of year	1,075	1,316

	(Millions of yen)	
	Fiscal Year 2012	Fiscal Year 2013
	Ended March 31, 2012	Ended March 31, 2013
Total net assets		
Balance at beginning of year	71,217	74,350
Changes of items during the year		
Dividends from surplus	(970)	(1,456)
Net income	4,179	2,009
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	-	34
Net changes of items other than shareholders' equity	(75)	4,828
Total changes of items during the year	3,133	5,416
Balance at end of year	74,350	79,767

4. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal Year 2012 Ended March 31, 2012	Fiscal Year 2013 Ended March 31, 2013
Cash flows from operating activities:		
Income before income taxes and minority interests	6,500	2,613
Depreciation and amortization	10,924	10,932
Impairment loss on fixed assets	-	17
Decrease in allowance for doubtful accounts	(18)	(8)
Decrease in reserve for bonuses	(7)	(303)
Decrease in accrued severance indemnities	(528)	(229)
Interest and dividends income	(167)	(180)
Interest expenses	1,020	1,369
Loss on devaluation of investment in securities	172	44
Loss on sale or disposal of fixed assets	80	312
Decrease (increase) in notes and accounts receivable	(5,433)	685
Increase in inventories	(3,670)	(185)
Decrease (increase) in other current assets	452	(1,909)
Increase (decrease) in notes and accounts payable	4,256	(2,514)
Other increases (decreases) in current liabilities	1,686	(803)
Other	(96)	12
Subtotal	15,173	9,851
Interest and dividends received	166	181
Interest paid	(1,008)	(1,300)
Income taxes paid	(3,401)	(1,966)
Net cash provided by operating activities	10,929	6,766
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(17,961)	(23,832)
Proceeds from sale of property, plant and equipment	69	191
Payment for purchases of marketable securities	(1,340)	(1,340)
Proceeds from sale of marketable securities	1,340	1,340
Payment for purchase of investment in securities	(22)	(23)
Payment for time deposits	(2,445)	(2,775)
Proceeds from repayment of time deposits	2,445	2,650
Other	(419)	(518)
Net cash used in investing activities	(18,334)	(24,308)
Cash flows from financing activities:		
Increase in short-term borrowings, net	3,449	2,197
Proceeds from long-term debt	16,302	22,687
Repayment of long-term debt	(10,191)	(6,699)
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(970)	(1,451)
Other	(260)	(134)
Net cash provided by financing activities	8,329	16,599
Foreign currency translation adjustments on cash and cash equivalents	102	272
Net increase (decrease) in cash and cash equivalents	1,027	(669)
Cash and cash equivalents at beginning of year	21,485	22,513
Cash and cash equivalents at end of year	22,513	21,844

5. Segment Information**(1) Industry Segment Information**

For the Fiscal Year Ended March 31, 2012

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	123,360	17,532	24,744	165,638	–	165,638
Intersegment	121	–	3	125	(125)	–
Total	123,481	17,532	24,748	165,763	(125)	165,638
Operating Income (Loss)	6,079	(710)	2,346	7,714	0	7,715
Total Assets	117,757	23,344	26,178	167,280	20,414	187,694
Depreciation and Amortization	9,699	593	631	10,924	–	10,924
Capital Expenditure	19,425	143	705	20,275	–	20,275

For the Fiscal Year Ended March 31, 2013

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	126,673	15,584	24,309	166,566	–	166,566
Intersegment	132	–	1	133	(133)	–
Total	126,805	15,584	24,310	166,700	(133)	166,566
Operating Income (Loss)	2,242	(711)	1,776	3,307	(0)	3,307
Total Assets	150,281	17,477	25,985	193,745	20,980	214,725
Depreciation and Amortization	9,766	510	656	10,932	–	10,932
Capital Expenditure	26,545	130	842	27,517	–	27,517

(2) Information by Region

For the Fiscal Year Ended March 31, 2012

a. Net Sales

(Millions of yen)

Japan	The Americas	Other	Total
114,124	29,991	21,522	165,638

Note: Net sales are classified by country and region based on customer location.

b. Property, plant and equipment

(Millions of yen)

Japan	The Americas	Asia	Other	Total
45,520	8,817	18,531	2,800	75,669

For the Fiscal Year Ended March 31, 2013

a. Net Sales

(Millions of yen)

Japan	The Americas	Other	Total
112,306	31,022	23,237	166,566

Note: Net sales are classified by country and region based on customer location.

b. Property, plant and equipment

(Millions of yen)

Japan	The Americas	Asia	Other	Total
46,817	11,396	34,948	3,717	96,880