

Ryobi Limited and Consolidated Subsidiaries**Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2014**

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, 2013	June 30, 2013
ASSETS		
Current assets:		
Cash and deposits	17,846	16,190
Notes and accounts receivable	39,689	41,177
Marketable securities	6,197	7,298
Finished products and purchased goods	14,163	14,362
Work in process	10,063	10,476
Raw materials and supplies	7,665	8,594
Other current assets	7,139	6,234
Allowance for doubtful accounts	(19)	(20)
Total current assets	102,746	104,314
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	24,996	27,087
Machinery and equipment (net)	36,380	41,132
Land	22,309	22,372
Construction in progress	9,955	8,705
Other fixed assets (net)	3,238	3,218
Total property, plant and equipment	96,880	102,516
Intangible fixed assets:		
Other intangible fixed assets	1,642	2,322
Total intangible fixed assets	1,642	2,322
Investments and other assets:		
Investment in securities	9,649	10,856
Other	3,875	3,998
Allowance for doubtful accounts	(68)	(67)
Total investments and other assets	13,456	14,787
Total fixed assets	111,979	119,627
Total assets	214,725	223,941

	(Millions of yen)	
	March 31, 2013	June 30, 2013
LIABILITIES		
Current liabilities:		
Notes and accounts payable	30,539	32,664
Short-term borrowings	32,201	33,813
Current portion of long-term debt	8,734	9,278
Income taxes payable	386	59
Accrued bonuses	1,302	432
Other current liabilities	14,424	15,937
Total current liabilities	87,588	92,184
Long-term liabilities:		
Long-term debt	38,165	38,040
Accrued severance indemnities	5,876	5,603
Other long-term liabilities	3,328	4,016
Total long-term liabilities	47,369	47,659
Total liabilities:	134,958	139,844
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,757	23,757
Retained earnings	43,364	43,641
Treasury stock	(2,333)	(2,333)
Total shareholders' equity	83,260	83,536
Accumulated other comprehensive loss:		
Unrealized gain on available-for-sale securities	2,880	3,573
Deferred loss on derivatives under hedge accounting	(51)	(22)
Land revaluation reserve	655	655
Foreign currency translation adjustments	(8,293)	(5,086)
Total accumulated other comprehensive loss	(4,808)	(879)
Minority interests		
Total net assets	79,767	84,097
Total liabilities and net assets	214,725	223,941

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

(Millions of yen)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Net sales	41,206	43,689
Cost of sales	34,940	37,140
Gross profit	6,266	6,548
Selling, general and administrative expenses	5,445	5,341
Operating income	821	1,206
Non-operating income		
Interest income	7	6
Dividends income	85	91
Rent income	101	84
Exchange gain	-	281
Gain on sale of scrap	39	40
Miscellaneous income	104	80
Total non-operating income	338	585
Non-operating expenses		
Interest expenses	284	409
Cash discounts	49	51
Exchange losses	7	-
Depreciation	18	12
Miscellaneous expenses	33	93
Total non-operating expenses	392	567
Ordinary income	766	1,224
Extraordinary income		
Gain on sale of fixed assets	0	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on disposal of fixed assets	37	14
Total extraordinary losses	37	14
Income before income taxes and minority interests	729	1,213
Income taxes	128	426
Income before gain on minority interests	601	786
Gain on minority interests	58	24
Net income	543	762

(2) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Income before gain on minority interests	601	786
Other comprehensive income		
Unrealized gain on available-for-sale securities	(482)	801
Deferred loss on derivatives under hedge accounting	(6)	28
Foreign currency translation adjustments	1,527	3,206
Share of other comprehensive loss of associates accounted for using equity method	(1)	2
Total other comprehensive income	1,036	4,040
Comprehensive income	1,637	4,826
Comprehensive income attributable to:		
Owners of the parent	1,590	4,691
Minority interests	47	135

3. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three Months Ended June 30, 2012	Three Months Ended June 30, 2013
Cash flows from operating activities:		
Income before income taxes and minority interests	729	1,213
Depreciation and amortization	2,252	2,771
Increase (decrease) in allowance for doubtful accounts	(17)	0
Decrease in reserve for bonuses	(1,105)	(870)
Decrease in accrued severance indemnities	(169)	(272)
Interest and dividends income	(92)	(98)
Interest expenses	284	409
Loss on sale or disposal of fixed assets	37	11
Increase in notes and accounts receivable	(213)	(711)
Increase in inventories	(1,291)	(813)
Decrease (increase) in other current assets	(352)	955
Increase in notes and accounts payable	170	1,692
Other increases in current liabilities	3,257	3,008
Other	(180)	48
Subtotal	3,311	7,345
Interest and dividends received	93	98
Interest paid	(234)	(418)
Income taxes paid	(905)	(286)
Net cash provided by operating activities	2,265	6,738
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(5,787)	(6,575)
Proceeds from sale of property, plant and equipment	45	11
Payment for purchase of investment in securities	(4)	(4)
Payment for time deposits	(64)	(64)
Proceeds from repayment of time deposits	128	124
Other	(165)	(248)
Net cash used in investing activities	(5,848)	(6,756)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(391)	464
Proceeds from long-term debt	12,744	2,315
Repayment of long-term debt	(1,653)	(3,127)
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(907)	(434)
Other	(90)	(34)
Net cash provided by (used in) financing activities	9,701	(816)
Foreign currency translation adjustments on cash and cash equivalents	209	338
Net increase (decrease) in cash and cash equivalents	6,327	(495)
Cash and cash equivalents at beginning of year	22,513	21,844
Cash and cash equivalents at end of the period	28,841	21,348

4. Segment Information

Industry Segment Information

For the Three Months Ended June 30, 2012

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	31,003	3,843	6,360	41,206	-	41,206
Intersegment	31	-	0	31	(31)	-
Total	31,034	3,843	6,360	41,238	(31)	41,206
Operating Income (Loss)	640	(456)	638	821	(0)	821

For the Three Months Ended June 30, 2013

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	34,320	2,928	6,439	43,689	-	43,689
Intersegment	38	-	0	38	(38)	-
Total	34,359	2,928	6,440	43,728	(38)	43,689
Operating Income (Loss)	907	(230)	529	1,206	-	1,206