

**Ryobi Limited and Consolidated Subsidiaries****Consolidated Financial Statements for the First Half of the Fiscal Year Ending March 31, 2016**

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, 2015	September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	17,848	17,116
Notes and accounts receivable - trade	52,738	56,287
Securities	1,393	1,393
Merchandise and finished goods	18,013	17,379
Work in process	13,927	14,624
Raw materials and supplies	13,523	13,852
Other	6,151	5,887
Allowance for doubtful accounts	(73)	(64)
Total current assets	123,522	126,476
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,856	33,427
Machinery, equipment and vehicles, net	54,738	53,050
Land	23,322	23,326
Construction in progress	5,176	7,330
Other, net	4,184	3,918
Total property, plant and equipment	120,278	121,053
Intangible assets		
Other	2,689	2,809
Total intangible assets	2,689	2,809
Investments and other assets		
Investment securities	14,958	14,173
Other	6,477	6,928
Allowance for doubtful accounts	(71)	(80)
Total investments and other assets	21,364	21,021
Total non-current assets	144,332	144,884
<b>Total assets</b>	<b>267,854</b>	<b>271,360</b>

(Millions of yen)

	March 31, 2015	September 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	40,994	41,873
Short-term loans payable	37,802	38,909
Current portion of long-term loans payable	10,622	13,136
Income taxes payable	1,866	1,242
Provision for bonuses	1,637	1,724
Provision for directors' bonuses	41	—
Other	14,454	14,134
Total current liabilities	107,419	111,021
Non-current liabilities		
Long-term loans payable	38,077	34,022
Net defined benefit liability	8,466	8,549
Other	6,487	6,625
Total non-current liabilities	53,032	49,197
Total liabilities	160,451	160,218
<b>Net assets</b>		
Shareholders' equity		
Capital stock	18,472	18,472
Capital surplus	23,757	23,765
Retained earnings	47,529	50,383
Treasury shares	(2,334)	(2,334)
Total shareholders' equity	87,425	90,286
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,308	5,745
Deferred gains or losses on hedges	(18)	(14)
Revaluation reserve for land	719	719
Foreign currency translation adjustment	7,084	8,089
Remeasurements of defined benefit plans	267	321
Total accumulated other comprehensive income	14,362	14,861
Non-controlling interests	5,615	5,993
Total net assets	107,403	111,142
<b>Total liabilities and net assets</b>	<b>267,854</b>	<b>271,360</b>

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

(Millions of yen)

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
Net sales	108,304	126,117
Cost of sales	93,156	107,691
Gross profit	15,148	18,425
Selling, general and administrative expenses	11,603	12,665
Operating income	3,544	5,760
Non-operating income		
Interest income	19	21
Dividend income	142	181
Rent income	247	244
Gain on sales of scraps	173	403
Other	264	302
Total non-operating income	847	1,154
Non-operating expenses		
Interest expenses	917	954
Sales discounts	117	110
Foreign exchange losses	14	16
Depreciation	104	69
Other	124	68
Total non-operating expenses	1,278	1,220
Ordinary income	3,113	5,694
Extraordinary income		
Gain on disposal of non-current assets	6	47
Gain on bargain purchase	7	—
Total extraordinary income	14	47
Extraordinary losses		
Loss on disposal of non-current assets	48	68
Total extraordinary losses	48	68
Income before income taxes and minority interests	3,079	5,673
Income taxes	1,335	1,781
Profit	1,743	3,892
Profit attributable to non-controlling interests	206	391
Profit attributable to owners of parent	1,537	3,501

## (2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
Profit	1,743	3,892
Other comprehensive income		
Valuation difference on available-for-sale securities	1,323	(554)
Deferred gains or losses on hedges	2	3
Revaluation reserve for land	(0)	—
Foreign currency translation adjustment	(2,463)	1,005
Remeasurements of defined benefit plans	156	53
Total other comprehensive income	(981)	508
Comprehensive income	762	4,400
Comprehensive income attributable to:		
Owners of the parent	452	4,000
Non-controlling interests	310	399

**3. Consolidated Statements of Cash Flows**

(Millions of yen)

	Six Months Ended September 30, 2014	Six Months Ended September 30, 2015
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	3,079	5,673
Depreciation	6,751	7,614
Increase (decrease) in allowance for doubtful accounts	7	(0)
Increase (decrease) in provision for bonuses	49	86
Increase (decrease) in net defined benefit liability	674	192
Interest and dividend income	(162)	(202)
Interest expenses	917	954
Loss (gain) on disposal of non-current assets	42	22
Decrease (increase) in notes and accounts receivable - trade	(1,146)	(3,185)
Decrease (increase) in inventories	(1,820)	(96)
Decrease (increase) in other current assets	195	207
Increase (decrease) in notes and accounts payable - trade	2,707	730
Increase (decrease) in other current liabilities	1,155	(285)
Other, net	(986)	(579)
Subtotal	11,466	11,130
Interest and dividend income received	162	202
Interest expenses paid	(840)	(997)
Income taxes (paid) refund	(1,682)	(1,856)
Net cash provided by (used in) operating activities	9,104	8,479
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,662)	(7,272)
Proceeds from sales of property, plant and equipment	7	21
Purchase of securities	(690)	(690)
Proceeds from sales of securities	690	690
Purchase of investment securities	(26)	(21)
Payments into time deposits	(1,680)	(1,349)
Proceeds from withdrawal of time deposits	1,349	1,495
Other, net	(188)	(299)
Net cash provided by (used in) investing activities	(7,201)	(7,424)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(2,654)	811
Proceeds from long-term loans payable	9,419	2,261
Repayments of long-term loans payable	(8,030)	(4,077)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(648)	(648)
Other, net	(26)	(21)
Net cash provided by (used in) financing activities	(1,939)	(1,674)
Effect of exchange rate change on cash and cash equivalents	(187)	26
Net increase (decrease) in cash and cash equivalents	(223)	(593)
Cash and cash equivalents at beginning of period	17,711	16,609
Cash and cash equivalents at end of period	17,488	16,015

**4. Segment Information**

## Industry Segment Information

For the Six Months Ended September 30, 2014

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	82,511	13,342	12,314	135	–	108,304
Intersegment	67	4	–	35	(107)	–
Total	82,579	13,346	12,314	171	(107)	108,304
Operating income	2,371	628	513	30	(0)	3,544

For the Six Months Ended September 30, 2015

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	98,161	14,101	13,716	137	–	126,117
Intersegment	69	3	–	37	(110)	–
Total	98,231	14,104	13,716	174	(110)	126,117
Operating income	4,632	417	680	29	0	5,760