

**Ryobi Limited and Consolidated Subsidiaries****Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2017**

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, 2016	June 30, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	20,073	22,385
Notes and accounts receivable - trade	55,056	52,645
Securities	2,093	690
Merchandise and finished goods	16,440	16,772
Work in process	13,989	15,114
Raw materials and supplies	13,141	12,527
Other	5,882	5,540
Allowance for doubtful accounts	(60)	(48)
<b>Total current assets</b>	<b>126,616</b>	<b>125,628</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	32,504	30,893
Machinery, equipment and vehicles, net	53,154	49,758
Land	23,276	23,178
Construction in progress	4,305	4,098
Other, net	4,037	3,827
<b>Total property, plant and equipment</b>	<b>117,278</b>	<b>111,756</b>
<b>Intangible assets</b>		
Other	2,994	2,954
<b>Total intangible assets</b>	<b>2,994</b>	<b>2,954</b>
<b>Investments and other assets</b>		
Investment securities	12,386	11,386
Other	5,972	5,567
Allowance for doubtful accounts	(93)	(93)
<b>Total investments and other assets</b>	<b>18,266</b>	<b>16,861</b>
<b>Total non-current assets</b>	<b>138,539</b>	<b>131,571</b>
<b>Deferred assets</b>		
Bond issuance cost	41	71
<b>Total deferred assets</b>	<b>41</b>	<b>71</b>
<b>Total assets</b>	<b>265,197</b>	<b>257,271</b>

(Millions of yen)

	March 31, 2016	June 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	38,788	39,423
Short-term loans payable	35,467	34,185
Current portion of long-term loans payable	10,612	16,608
Income taxes payable	1,852	696
Provision for bonuses	1,999	673
Provision for directors' bonuses	63	—
Other	17,136	18,507
<b>Total current liabilities</b>	<b>105,920</b>	<b>110,095</b>
<b>Non-current liabilities</b>		
Bonds payable	2,600	5,100
Long-term loans payable	33,201	21,683
Net defined benefit liability	8,847	8,772
Other	4,520	4,345
<b>Total non-current liabilities</b>	<b>49,169</b>	<b>39,901</b>
<b>Total liabilities</b>	<b>155,089</b>	<b>149,996</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,472	18,472
Capital surplus	23,765	23,765
Retained earnings	55,540	56,899
Treasury shares	(2,335)	(2,335)
<b>Total shareholders' equity</b>	<b>95,442</b>	<b>96,801</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,646	4,048
Deferred gains or losses on hedges	(10)	(8)
Revaluation reserve for land	737	737
Foreign currency translation adjustment	4,709	1,056
Remeasurements of defined benefit plans	(1,885)	(1,840)
<b>Total accumulated other comprehensive income</b>	<b>8,198</b>	<b>3,994</b>
<b>Non-controlling interests</b>	<b>6,466</b>	<b>6,479</b>
<b>Total net assets</b>	<b>110,107</b>	<b>107,274</b>
<b>Total liabilities and net assets</b>	<b>265,197</b>	<b>257,271</b>

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

## (1) Consolidated Statements of Income

(Millions of yen)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016
Net sales	60,818	61,900
Cost of sales	52,599	52,061
Gross profit	8,218	9,839
Selling, general and administrative expenses	6,115	6,625
Operating income	2,103	3,214
Non-operating income		
Interest income	13	15
Dividend income	163	178
Rent income	125	111
Foreign exchange gains	59	—
Gain on sales of scraps	198	203
Other	143	95
Total non-operating income	703	602
Non-operating expenses		
Interest expenses	478	398
Sales discounts	53	45
Foreign exchange losses	—	322
Depreciation	34	25
Other	33	32
Total non-operating expenses	600	822
Ordinary income	2,206	2,994
Extraordinary income		
Gain on disposal of non-current assets	40	84
Total extraordinary income	40	84
Extraordinary losses		
Loss on disposal of non-current assets	15	26
Loss on valuation of investment securities	—	57
Total extraordinary losses	15	83
Profit before income taxes	2,232	2,994
Income taxes	716	744
Profit	1,515	2,250
Profit attributable to non-controlling interests	165	95
Profit attributable to owners of parent	1,350	2,154

## (2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016
Profit	1,515	2,250
Other comprehensive income		
Valuation difference on available-for-sale securities	1,073	(664)
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustment	(199)	(3,653)
Remeasurements of defined benefit plans, net of tax	26	45
Total other comprehensive income	903	(4,270)
Comprehensive income	2,418	(2,020)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,194	(2,049)
Comprehensive income attributable to non-controlling interests	223	29

**3. Consolidated Statements of Cash Flows**

(Millions of yen)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2016
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,232	2,994
Depreciation	3,763	3,832
Increase (decrease) in allowance for doubtful accounts	(14)	(12)
Increase (decrease) in provision for bonuses	(1,069)	(1,325)
Increase (decrease) in net defined benefit liability	(286)	(20)
Interest and dividend income	(177)	(193)
Interest expenses	478	398
Loss (gain) on valuation of investment securities	—	57
Loss (gain) on disposal of non-current assets	(23)	(57)
Decrease (increase) in notes and accounts receivable - trade	(307)	1,068
Decrease (increase) in inventories	(1,074)	(1,657)
Decrease (increase) in other current assets	90	292
Increase (decrease) in notes and accounts payable - trade	1,157	1,149
Increase (decrease) in other current liabilities	3,509	3,085
Other, net	2	(196)
Subtotal	8,280	9,413
Interest and dividend income received	177	194
Interest expenses paid	(530)	(409)
Income taxes paid	(1,575)	(1,533)
Net cash provided by (used in) operating activities	6,351	7,664
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,918)	(3,582)
Proceeds from sales of property, plant and equipment	20	154
Purchase of investment securities	(4)	(4)
Payments into time deposits	(64)	(65)
Proceeds from withdrawal of time deposits	124	124
Other, net	(91)	(129)
Net cash provided by (used in) investing activities	(2,933)	(3,503)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	777	(318)
Proceeds from long-term loans payable	26	51
Repayments of long-term loans payable	(1,885)	(4,293)
Proceeds from issuance of bonds	—	2,466
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(607)	(766)
Other, net	(16)	(20)
Net cash provided by (used in) financing activities	(1,706)	(2,881)
Effect of exchange rate change on cash and cash equivalents	(17)	(305)
Net increase (decrease) in cash and cash equivalents	1,694	974
Cash and cash equivalents at beginning of period	16,609	19,850
Cash and cash equivalents at end of period	18,303	20,824

**4. Segment Information**

## Industry Segment Information

For the Three Months Ended June 30, 2015

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	47,864	6,983	5,894	74	–	60,818
Intersegment	38	1	–	30	(70)	–
Total	47,902	6,985	5,894	105	(70)	60,818
Operating income	1,659	185	229	28	0	2,103

For the Three Months Ended June 30, 2016

(Millions of yen)

	Die Castings	Power Tools and Builders' Hardware	Printing Equipment	Other	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated customers	48,969	6,714	6,136	79	–	61,900
Intersegment	25	3	–	34	(63)	–
Total	48,994	6,718	6,136	113	(63)	61,900
Operating income	3,016	234	(66)	29	0	3,214