



For immediate release

September 18, 2013

Company name: **Makita Corporation**
Representative: Shiro Hori, President, Representative Director
Stock ticker code: 6586

Notice Concerning Business Collaboration and Capital Alliance with Sharp Corporation

Makita Corporation (hereinafter “Makita”) announces that it has signed a business collaboration and capital alliance agreement today with Sharp Corporation (Head office; Osaka, Japan; President Kozo Takahashi; Capital 52,978 million yen, hereinafter “Sharp”) as follows:

1. Objective and Reason for Business Collaboration and Capital Alliance

As announced by a press release dated May 14, 2013 titled “Makita Signs a Basic Agreement on Business Collaboration with Sharp Corporation”, Makita signed a basic agreement with Sharp, a leading electronic appliance company, regarding business collaboration. After signing the basic agreement, Sharp and Makita examined the specific details of the collaboration. Since both companies confirmed that cooperation will generate a large synergistic effect on product development and the value chain, such as the sales and after-sales service networks and procurement networks, Makita has signed a business collaboration agreement today with Sharp.

At the same time, Makita has signed a capital alliance agreement with Sharp, regarding Sharp will issue new shares valued at approximately 10 billion yen to Makita through a third party allotment and Makita will acquire them through the third party allotment, with the aim of implementing the business collaboration agreement promptly and surely.

Sharp and Makita will strive to expand each corporation’s business by promoting the followings through cooperation:

- (1) Development of Makita’s products using advanced electronics technology possessed by Sharp, such as sensors
- (2) Mutual use of each corporation’s value chain including the sales and after-sales service networks and procurement networks

2. Description of Business Collaboration and Capital Alliance

(1) Description of Business Collaboration

The details of the business collaboration are as follows:

- (i) Joint development of products and supply of products by Sharp to Makita in the field of power tools, household equipment and outdoor power equipment (OPE) to reinforce Makita’s product lineup.
- (ii) Mutual use of each corporation’s value chain including the sales and after-sales service networks and procurement networks.

(2) Details of Capital Alliance

Number of Sharp shares to be newly acquired through this third party allotment

- | | |
|---|------------------------------------|
| (i) Number of shares owned before the acquisition: | 0 |
| (ii) Number of shares to be newly acquired: | not yet determined ^{Note} |
| (iii) Number of shares owned after the acquisition: | not yet determined ^{Note} |

Note: The number of shares to be acquired shall be determined by dividing 10 billion yen by the amount to be paid per share (a fraction of less than 1,000 shares resulting from the calculation shall be rounded down).

The amount to be paid per share shall be the same as the issue price (offer price) for new shares of common stock of Sharp issued under placement in Japan that shall be determined on a day between October 7, 2013 (Monday) and October 9, 2013 (Wednesday) in Japan time.



3. Outline of the Business Collaboration and Capital Alliance Partner (as of August 31, 2013)

(1)	Company Name	Sharp Corporation	
(2)	Address of Headquarters Office	22-22 Nagaike-cho, Abeno-ku, Osaka, Japan	
(3)	Management Representatives	Kozo Takahashi, President	
(4)	Principal Business	Production and sales of electric communication equipment, electric equipment, electronic application equipment in general and electronic components	
(5)	Capital Stock	52,978 million yen	
(6)	Date of Incorporation	May 2, 1935	
(7)	Principal shareholders and investment ratio (as of March 31, 2013)	Nippon Life Insurance Company	4.73%
		Meiji Yasuda Life Insurance Company	3.89%
		Mizuho Corporate Bank, Ltd.	3.56%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.54%
		Samsung Electronics Japan Co., Ltd.	3.04%
(8)	Relationship between Sharp and Makita	Capital relationship	There is no significant capital relationship between Sharp and Makita. In addition, there is no noteworthy capital relationship between the interested parties and affiliated companies of Sharp and Makita.
		Personnel relationship	There is no significant personnel relationship between Sharp and Makita. In addition, there is no noteworthy personnel relationship between the interested parties and affiliated companies of Sharp and Makita.
		Business relationship	There is no significant business relationship between Sharp and Makita. In addition, there is no noteworthy business relationship between the interested parties and affiliated companies of Sharp and Makita.
		Applicability to related party	Sharp does not fall under the category of related parties of Makita. The related parties and affiliated companies of Sharp do not fall under the category of related parties of Makita.

(9) Consolidated business performance and financial condition of Sharp for the past three year (Unit: millions of yen unless per share amounts)			
Fiscal year	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Consolidated net assets	1,048,645	645,120	134,837
Consolidated total assets	2,885,678	2,614,135	2,087,763
Consolidated net assets per share (Yen)	932.46	568.83	106.90
Consolidated net sales	3,021,973	2,455,850	2,478,586
Consolidated operating income (loss)	78,896	(37,552)	(146,266)
Consolidated ordinary income (loss)	59,124	(65,437)	(206,488)
Consolidated net income (loss)	19,401	(376,076)	(545,347)
Consolidated net income (loss) per share (Yen)	17.63	(341.78)	(489.83)
Dividend per share (Yen)	17.00	10.00	0.00

4. Schedule

(1) Date of resolution by the Board of Directors	September 17, 2013
(2) Date of conclusion of the agreement	September 18, 2013
(3) Date of commencement of business	September 18, 2013

5. Future Prospects

The business collaboration and capital alliance is projected to have minimal impact on the consolidated financial performance of Makita Corporation for the fiscal year ending March 31, 2014.

Reference: Consolidated Financial Performance Forecast for the Fiscal Year Ending March 31, 2014 (announced on April 26, 2013) and Consolidated Financial Results for the Fiscal Year Ended March 31, 2013

(Unit: millions of yen)

	Net sales	Operating income	Income before income taxes	Net income attributable to Makita Corporation
Consolidated financial performance for the current year (fiscal year ending March 31, 2014)	345,000	56,000	57,500	39,000
Consolidated financial results for the previous year (fiscal year ended March 31, 2013)	309,630	45,366	45,691	31,076