



# Makita Corporation

Consolidated Financial Results  
for the six months  
ended September 30, 2016  
(U.S. GAAP Financial Information)

(English translation of "KESSAN TANSHIN")

originally issued in Japanese)



## CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016 (Unaudited)

October 27, 2016

### Makita Corporation

Stock code: 6586

URL: <http://www.makita.co.jp/>

Shiro Hori, President, Representative Director

### 1. Summary operating results of the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)

#### (1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the six months ended September 30, 2015		For the six months ended September 30, 2016	
		(%)		(%)
Net sales.....	217,187	4.6	200,055	(7.9)
Operating income .....	34,545	(9.1)	33,649	(2.6)
Income before income taxes .....	30,853	(16.8)	34,068	10.4
Net income attributable to Makita Corporation ....	21,487	(15.8)	24,073	12.0
Comprehensive income (loss).....	16,064	(55.3)	(18,905)	-
Yen				
Earning per share net income attributable to Makita Corporation common shareholders				
(Basic).....	158.30		177.36	
(Diluted) .....	158.30		177.35	

#### Notes:

- Amounts of less than one million yen have been rounded.
- The table above shows the changes in the percentage ratio of net sales, operating income, income before income taxes, net income attributable to Makita Corporation, and comprehensive income (loss) against the corresponding period of the previous year.

#### (2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2016	As of September 30, 2016
Total assets.....	558,024	525,064
Total equity .....	483,370	453,143
Total Makita Corporation shareholders' equity .....	479,752	449,805
Total Makita Corporation shareholders' equity ratio to total assets (%) .....	86.0%	85.7%

### 2. Dividend Information

	Yen	
	For the year ended March 31, 2016	For the year ending March 31, 2017 (Forecast)
Cash dividend per share:		
Interim.....	18.00	18.00
Year-end .....	83.00	(Note)
Total .....	101.00	(Note)

#### Notes:

- The forecast for cash dividend announced on April 27, 2016 has not been revised.
- The projected amount of dividends for the year ending March 31, 2017 has not been determined yet. For further details, refer to "Explanation regarding proper use of business forecast, and other significant matters" on page 3.



### 3. Consolidated Financial Performance Forecast for the year ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

	Yen (millions)	
	For the year ending March 31, 2017	
		%
Net sales.....	390,000	(7.9)
Operating income .....	60,000	(7.2)
Income before income taxes .....	60,000	(2.4)
Net income attributable to Makita Corporation .....	41,500	(0.3)
	Yen	
Earning per share (Basic)		
Net income attributable to Makita Corporation common shareholders.....	305.75	

Note: The consolidated financial forecast for the year ending March 31, 2017 has been revised.

### 4. Other

(Refer to [Qualitative Information and Financial Statements] Section 4. "Other" on page 5.)

- (1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None
- (2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, procedures and presentation rule applied in the preparation of the quarterly consolidated financial statements:
  1. Changes due to revisions to accounting standards: None
  2. Changes due to other reasons: None
- (4) Number of shares outstanding (common stock)
  1. Number of shares issued (including treasury stock):
 

As of September 30, 2016:	140,008,760
As of March 31, 2016:	140,008,760
  2. Number of treasury stock:
 

As of September 30, 2016:	4,277,111
As of March 31, 2016:	4,275,499
  3. Average number of shares outstanding:
 

For the six months ended September 30, 2016:	135,732,722
For the six months ended September 30, 2015:	135,734,489



#### Information regarding quarterly review

This consolidated financial results report is not subject to a quarterly review stipulated under the Financial Instruments and Exchange Act. As of the release date of this document, the quarterly consolidated review under the Financial Instruments and Exchange Act has not been completed.

#### Explanation regarding proper use of business forecasts, and other significant matters

1. Regarding the assumptions for the forecasts and other matters, refer to [Qualitative Information and Financial Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 5. The financial forecast given above is based on information as available at the present time, and includes potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary from the forecasts provided above.
2. Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 18 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on consolidated net income attributable to Makita Corporation after certain adjustments.

The Board of Directors plans to meet in April 2017 for a report on earnings for the year ending March 31, 2017. At the time, in accordance with the basic policy regarding profit distribution mentioned above, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income attributable to Makita Corporation. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2017.

The consolidated dividend payout ratio is calculated as annual dividends per share divided by consolidated net income attributable to Makita Corporation per share (after adjustments for special circumstances) and multiplied by 100.



## 1. Qualitative Information

### (1) Explanation of Consolidated Operating Results

Looking at the global economic situation during the first six-month period of the fiscal year ending March 31, 2017, in Europe, the regional economy recovered gradually, supported by solid domestic demand, although there was uncertainty regarding the outlook for the Western European economy in relation to Brexit (the British referendum on remaining in or leaving the E.U.). In the U.S., the economy recovered, driven by the favorable employment and income situation. In Asia, Southeast Asian countries and India saw their economies grow on the back of generally robust domestic demand, while the Chinese economy continued slowing down. Meanwhile, in Japan, while the economy stagnated, there were signs of recovery in housing investment.

Under these circumstances, on the development side, Makita expanded its product lineup, mainly lithium ion battery products, such as high power models using high-capacity lithium ion batteries and small and light models using 10.8-volt slide-on batteries. On the production side, overseas factories strove to reduce costs while raising local content ratios. To improve product quality and enhance productivity, we worked on introducing facilities that require less manpower in each factory worldwide. On the sales side, while we continued trying to further improve our workplace and customer-based sales and after-sales service—our strong point—within Japan and abroad, we endeavored to extend our sales channels using our wide product lineup.

Our consolidated net sales for this period decreased by 7.9% from the previous year to 200,055 million yen due to appreciation of the yen compared with the same period of the previous year, although sales grew steadily at home and abroad, mainly in developed countries. Operating income decreased by 2.6% to 33,649 million yen (operating income ratio: 16.8%), owing to a decrease in net sales, despite improvement in the cost-of-sales ratio due to the influence of the exchange rate. Meanwhile, income before income taxes increased by 10.4% to 34,068 million yen (income before income taxes ratio: 17.0%) and net income attributable to Makita Corporation shareholders increased by 12.0% to 24,073 million yen (ratio of net income attributable to Makita Corporation shareholders: 12.0%) because we had recorded valuation losses on securities in the previous year.

Net sales results by region were as follows:

Net sales in Japan increased by 8.1% to 35,204 million yen compared to the same period of the previous year. This was because sales mainly on new products remained solid.

Net sales in Europe decreased by 7.5% to 84,629 million yen. This was due to the appreciation of the yen against the euro from a year earlier, although sales in general were steady in European countries.

Net sales in North America decreased by 7.9% to 31,751 million yen. This was due to the strengthening of the yen against the U.S. dollar compared to the same period of the previous year, despite an increase in local sales aided by the expanding U.S. economy.

Net sales in Asia decreased by 13.7% to 17,804 million yen. This was due to sluggish sales to China and Thailand and the appreciation of the yen against local currencies compared to the previous year, although we saw local sales grow in Vietnam, Taiwan and India.

Sales situations in other regions are as follows. Net sales in Oceania decreased by 3.8% to 11,709 million yen due to the yen's appreciation against local currencies, despite steady sales, mainly of lithium-ion battery products. Due to the impact of the yen's appreciation against local currencies, net sales in Central and South America, where the Brazilian economy remained stagnant, decreased by 27.6% to 10,721; while those in the Middle East and Africa, where political uncertainty continued, decreased by 25.3% to 8,237 million yen.



## (2) Explanation of Consolidated Financial Position

Total assets as of September 30, 2016 decreased by 32,960 million yen to 525,064 million yen compared to the balance as of March 31, 2016. The decrease was mainly due to the decrease in “Inventories” by yen’s appreciation.

Total liabilities as of September 30, 2016 decreased by 2,733 million yen to 71,921 million yen compared to the balance as of March 31, 2016. The decrease was mainly due to a decrease in “Trade notes and accounts payable”.

Total equity as of September 30, 2016 decreased by 30,227 million yen to 453,143 million yen compared to the balance as of March 31, 2016. The decrease was mainly due to the change in foreign currency translation adjustment included in “Accumulated other comprehensive loss”.

## (3) Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast

Although sales have grown steadily, the Company has revised its initial forecast for net sales for the year ending March 31, 2017 (announced on April 27, 2016). This is because the yen has been stronger against major currencies compared to its initial assumed exchange rates. Meanwhile, the Company has left its initial forecast for profits unchanged, considering the impact of foreign exchange rates, etc.

### Revised Forecast for consolidated performance during the fiscal year 2017 (From April 1, 2016 to March 31, 2017)

	Yen (millions)				Yen
	Net sales	Operating income	Income before income taxes	Net income attributable to Makita Corporation	Earning per share (Basic) Net income attributable to Makita Corporation common shareholders
Forecast announced previously (A) .....	400,000	60,000	60,000	41,500	305.75
<b>Revised forecast (B) .....</b>	<b>390,000</b>	<b>60,000</b>	<b>60,000</b>	<b>41,500</b>	<b>305.75</b>
Changes (B-A).....	(10,000)	0	0	0	-
Percentage revision.....	(2.5%)	0.0%	0.0%	0.0%	-
Actual results for the previous year ended March 31, 2016 .....	423,623	64,676	61,492	41,615	306.59

#### [Preconditions]

The above forecast is based on the assumption of exchange rates of 100 yen to the U.S. dollar, 110 yen to the euro and 15.4 yen to the renminbi for the six months period ending March 31, 2017.

The above forecast is based on the assumption of exchange rates of 103 yen to the U.S. dollar and 114 yen to the euro and 15.7 yen to the renminbi for the year ending March 31, 2017.

#### [Reference]

Our previous exchange rates that we announced on April 27, 2016 were 110 yen to the U.S. dollar, 120 yen to the euro and 16.9 yen to the renminbi for the year ending March 31, 2017.

The above forecast is based on information as available at the present time, and includes potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary from the forecast provided above.

## 2. Other

(1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None

(2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements:

With regard to the income tax expenses, Makita computes interim income tax expense by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes for the reporting period.

(3) Changes in accounting principles, procedures and presentations: None



### 3. Consolidated Financial Statements (Unaudited)

#### (1) Consolidated Balance Sheets

	Yen (millions)			
	As of March 31, 2016		As of September 30, 2016	
		Composition ratio		Composition ratio
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents.....	99,915		123,399	
Time deposits .....	15,545		22,495	
Short-term investments .....	48,263		21,229	
Trade receivables-				
Notes.....	1,079		916	
Accounts .....	64,309		60,407	
Less-Allowance for doubtful receivables .....	(1,173)		(1,096)	
Inventories .....	178,791		155,389	
Deferred income taxes .....	5,454		5,113	
Prepaid expenses and other current assets .....	15,390		12,668	
Total current assets .....	<u>427,573</u>	76.6%	<u>400,520</u>	76.3%
<b>PROPERTY, PLANT AND EQUIPMENT, AT COST:</b>				
Land .....	22,436		21,477	
Building and improvements .....	94,704		89,640	
Machinery and equipment.....	91,365		87,570	
Construction in progress .....	2,662		3,640	
Sub total .....	211,167		202,327	
Less-Accumulated depreciation and amortization .....	(118,344)		(115,156)	
Total net property, plant and equipment.....	<u>92,823</u>	16.6%	<u>87,171</u>	16.6%
<b>INVESTMENTS AND OTHER ASSETS:</b>				
Investments .....	21,872		21,690	
Goodwill .....	721		721	
Other intangible assets, net .....	4,107		3,758	
Deferred income taxes .....	610		563	
Other assets.....	10,318		10,641	
Total investments and other assets.....	<u>37,628</u>	6.8%	<u>37,373</u>	7.1%
Total assets.....	<u>558,024</u>	100.0%	<u>525,064</u>	100.0%



	Yen (millions)			
	As of March 31, 2016		As of September 30, 2016	
		Composition ratio		Composition ratio
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Short-term borrowings .....	2,195		6,375	
Trade notes and accounts payable .....	20,620		16,507	
Other payables .....	6,521		6,792	
Accrued expenses.....	9,350		9,081	
Accrued payroll.....	9,143		9,287	
Income taxes payable.....	4,440		4,053	
Deferred income taxes .....	3,084		615	
Other liabilities .....	9,545		8,993	
Total current liabilities.....	<u>64,898</u>	11.6%	<u>61,703</u>	11.8%
<b>LONG-TERM LIABILITIES:</b>				
Long-term indebtedness.....	30		24	
Accrued retirement and termination benefits .....	3,271		2,914	
Deferred income taxes .....	4,974		5,360	
Other liabilities .....	1,481		1,920	
Total long-term liabilities.....	<u>9,756</u>	1.8%	<u>10,218</u>	1.9%
Total liabilities .....	<u>74,654</u>	13.4%	<u>71,921</u>	13.7%
<b>EQUITY</b>				
<b>MAKITA CORPORATION SHAREHOLDERS' EQUITY:</b>				
Common stock.....	23,805		23,805	
Additional paid-in capital .....	45,456		45,479	
Legal reserve.....	5,669		5,669	
Retained earnings.....	425,473		438,280	
Accumulated other comprehensive loss.....	(9,049)		(51,815)	
Treasury stock, at cost.....	(11,602)		(11,613)	
Total Makita Corporation shareholders' equity.....	<u>479,752</u>	86.0%	<u>449,805</u>	85.7%
NON-CONTROLLING INTEREST .....	<u>3,618</u>	0.6%	<u>3,338</u>	0.6%
Total equity .....	<u>483,370</u>	86.6%	<u>453,143</u>	86.3%
Total liabilities and equity.....	<u>558,024</u>	100.0%	<u>525,064</u>	100.0%
<hr/>				
	As of March 31, 2016		As of September 30, 2016	
Total number of shares authorized .....	496,000,000		496,000,000	
Number of shares issued.....	140,008,760		140,008,760	
Number of shares issued (excluding treasury stock).....	135,733,261		135,731,649	
Number of treasury stock .....	4,275,499		4,277,111	





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

	Yen (millions)			
	For the six months ended September 30, 2015		For the six months ended September 30, 2016	
	Composition ratio		Composition ratio	
NET SALES .....	217,187	100.0%	200,055	100.0%
Cost of sales .....	137,979	63.5%	124,778	62.4%
GROSS PROFIT.....	79,208	36.5%	75,277	37.6%
Selling, general, administrative and others, net.....	44,663	20.6%	41,628	20.8%
OPERATING INCOME .....	34,545	15.9%	33,649	16.8%
OTHER INCOME (EXPENSE):				
Interest and dividend income .....	1,315		1,058	
Interest expense .....	(62)		(46)	
Exchange losses on foreign currency transactions, net .....	(1,052)		(579)	
Realized gains on securities, net.....	774		5	
Valuation losses on securities .....	(4,667)		(19)	
Total other income (expense), net .....	(3,692)	(1.7%)	419	0.2%
INCOME BEFORE INCOME TAXES .....	30,853	14.2%	34,068	17.0%
Income tax expense:				
Current.....	10,061		10,812	
Deferred.....	(823)		(999)	
Total income tax expense .....	9,238	4.2%	9,813	4.9%
NET INCOME.....	21,615	10.0%	24,255	12.1%
Less-Net income attributable to the non-controlling interest.....	128	0.1%	182	0.1%
NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION.....	21,487	9.9%	24,073	12.0%

**Consolidated Statements of Comprehensive Income**

	Yen (millions)	
	For the six months ended September 30, 2015	For the six months ended September 30, 2016
NET INCOME.....	21,615	24,255
OTHER COMPREHENSIVE INCOME (LOSS):		
Foreign currency translation adjustment .....	(3,646)	(43,034)
Unrealized holding gains (losses) on available-for-sale securities.....	(1,633)	(299)
Pension liability adjustment .....	(272)	173
Total other comprehensive income (loss).....	(5,551)	(43,160)
COMPREHENSIVE INCOME (LOSS).....	16,064	(18,905)
Less-Comprehensive income (loss) attributable to the non-controlling interest.....	204	(212)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MAKITA CORPORATION.....	15,860	(18,693)



### (3) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the six months ended September 30, 2015	For the six months ended September 30, 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income.....	21,615	24,255
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization .....	4,573	4,352
Deferred income tax expense (benefit) .....	(823)	(999)
Realized gains on securities, net .....	(774)	(5)
Valuation losses on securities .....	4,667	19
Losses on disposal or sales of property, plant and equipment, net .....	49	56
Changes in assets and liabilities-		
Trade receivables .....	(4,748)	(1,837)
Inventories .....	(10,959)	3,036
Trade notes, accounts payable and accrued expenses .....	(1,431)	(459)
Income taxes payable.....	147	1,853
Accrued retirement and termination benefits.....	(788)	(372)
Other, net .....	(1,358)	(276)
Net cash provided by operating activities .....	10,170	29,623
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures .....	(6,177)	(5,041)
Purchases of available-for-sale securities .....	(2,406)	(606)
Proceeds from sales of available-for-sale securities .....	7,438	25,068
Proceeds from maturities of available-for-sale securities .....	500	-
Purchases of held-to-maturity securities .....	-	(3,601)
Proceeds from maturities of held-to-maturity securities .....	300	3,000
Proceeds from sales of property, plant and equipment .....	139	195
Investment in time deposit.....	(12,322)	(24,147)
Withdrawal of time deposit .....	13,169	14,989
Other, net .....	(15)	119
Net cash provided by investing activities .....	626	9,976
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Additions to borrowings with original maturities of three months or less, net .....	2,293	4,551
Payments on borrowings with original maturities of more than three months .....	(2,316)	-
Purchase of treasury stock, net .....	(5)	(11)
Cash dividends paid.....	(13,573)	(11,266)
Other, net .....	(155)	(103)
Net cash used in financing activities.....	(13,756)	(6,829)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS .....	1,779	(9,286)
NET CHANGE IN CASH AND CASH EQUIVALENTS .....	(1,181)	23,484
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD ...	94,529	99,915
CASH AND CASH EQUIVALENTS, END OF PERIOD .....	93,348	123,399



#### 4. Notes to Consolidated Financial Statements

Notes on the assumptions for a going concern: None

Note in case there is any significant change in the shareholders' equity: None

#### Condensed Operating Segment Information

	Yen (millions)							
	For the six months ended September 30, 2015							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers .....	44,859	91,643	35,458	11,714	33,513	217,187	-	217,187
(2) Inter-segment .....	40,668	2,439	2,119	102,085	144	147,455	(147,455)	-
Total .....	<u>85,527</u>	<u>94,082</u>	<u>37,577</u>	<u>113,799</u>	<u>33,657</u>	<u>364,642</u>	<u>(147,455)</u>	<u>217,187</u>
Operating expenses .....	75,865	86,880	36,553	99,422	32,330	331,050	(148,408)	182,642
Operating income .....	9,662	7,202	1,024	14,377	1,327	33,592	953	34,545

	Yen (millions)							
	For the six months ended September 30, 2016							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers .....	45,546	84,736	32,600	10,636	26,537	200,055	-	200,055
(2) Inter-segment .....	51,141	1,991	1,663	77,679	60	132,534	(132,534)	-
Total .....	<u>96,687</u>	<u>86,727</u>	<u>34,263</u>	<u>88,315</u>	<u>26,597</u>	<u>332,589</u>	<u>(132,534)</u>	<u>200,055</u>
Operating expenses .....	88,502	78,862	33,162	77,354	25,340	303,220	(136,814)	166,406
Operating income .....	8,185	7,865	1,101	10,961	1,257	29,369	4,280	33,649



SUPPORT DOCUMENTATION (CONSOLIDATED)

**1. Consolidated Financial Results and Forecast**

	Yen (millions)					
	For the six months ended September 30, 2014		For the six months ended September 30, 2015		For the six months ended September 30, 2016	
		(%)		(%)		(%)
Net sales.....	207,642	11.7	217,187	4.6	200,055	(7.9)
Domestic .....	32,427	9.8	32,560	0.4	35,204	8.1
Overseas .....	175,215	12.1	184,627	5.4	164,851	(10.7)
Operating income .....	37,986	47.7	34,545	(9.1)	33,649	(2.6)
Income before income taxes .....	37,094	37.3	30,853	(16.8)	34,068	10.4
Net income attributable to Makita Corporation .....	25,505	33.5	21,487	(15.8)	24,073	12.0
Earning per share (Basic)						
Net income attributable to Makita Corporation						
common shareholders (Yen) .....	187.90		158.30		177.36	
Cash dividend per share (Yen).....	18.00		18.00		18.00	
Dividend payout ratio (%) .....	9.6		11.4		10.1	
Number of Employees .....	13,180		14,332		14,878	

	Yen (millions)			
	For the year ended March 31, 2016		For the year ending March 31, 2017 (Forecast)	
		(%)		(%)
Net sales.....	423,623	2.1	390,000	(7.9)
Domestic .....	68,445	1.0	72,000	5.2
Overseas .....	355,178	2.4	318,000	(10.5)
Operating income .....	64,676	(10.1)	60,000	(7.2)
Income before income taxes .....	61,492	(10.1)	60,000	(2.4)
Net income attributable to Makita Corporation .....	41,615	(8.1)	41,500	(0.3)
Earning per share (Basic)				
Net income attributable to Makita Corporation				
common shareholders (Yen) .....	306.59		305.75	
Cash dividend per share (Yen).....	101.00		-	
Dividend payout ratio (%) .....	32.9		-	
Number of Employees .....	14,784		-	

Notes:

1. The table above shows the changes in the percentage ratio of Net sales, Operating income, Income before income taxes, and Net income attributable to Makita Corporation against the corresponding period of the previous year.
2. Please refer to “Qualitative Information (3) Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 5.



## 2. Consolidated Net Sales by Geographic Area

	Yen (millions)					
	For the six months ended September 30, 2014		For the six months ended September 30, 2015		For the six months ended September 30, 2016	
		(%)		(%)		(%)
Japan .....	32,427	9.8	32,560	0.4	35,204	8.1
Europe.....	91,105	10.7	91,506	0.4	84,629	(7.5)
North America .....	28,026	14.1	34,466	23.0	31,751	(7.9)
Asia.....	19,725	19.5	20,641	4.6	17,804	(13.7)
Other regions .....	36,359	10.3	38,014	4.6	30,667	(19.3)
Central and South America.....	15,299	5.0	14,817	(3.2)	10,721	(27.6)
Oceania.....	11,116	12.7	12,168	9.5	11,709	(3.8)
The Middle East and Africa.....	9,944	16.5	11,029	10.9	8,237	(25.3)
Total.....	207,642	11.7	217,187	4.6	200,055	(7.9)

Note: The table above sets forth Makita's consolidated net sales by geographic area based on the customer's location for the periods presented. Accordingly, it differs from "Condensed Operating Segment Information" on page 10. The table above shows the changes in the percentage ratio of net sales compared to the corresponding period of the previous year.

## 3. Exchange Rates

	Yen			
	For the six months ended September 30, 2014	For the six months ended September 30, 2015	For the six months ended September 30, 2016	For the year ending March 31, 2017 (Forecast)
USD/JPY .....	103.01	121.87	105.20	103
EUR/JPY .....	138.90	135.11	118.04	114
RMB/JPY .....	16.62	19.45	15.92	15.7

## 4. Production Ratio (unit basis)

	For the six months ended September 30, 2014	For the six months ended September 30, 2015	For the six months ended September 30, 2016
	Composition ratio		
Domestic.....	9.9%	9.8%	11.2%
Overseas .....	90.1%	90.2%	88.8%

## 5. Consolidated Capital Expenditures, Depreciation and Amortization, and R&D cost

	Yen (millions)			
	For the six months ended September 30, 2014	For the six months ended September 30, 2015	For the six months ended September 30, 2016	For the year ending March 31, 2017 (Forecast)
Capital expenditures .....	6,807	6,177	5,041	15,000
Depreciation and amortization...	4,102	4,573	4,352	9,400
R&D cost.....	4,552	4,587	4,950	10,000