



Makita Corporation

Consolidated Financial Results
for the nine months
ended December 31, 2016
(U.S. GAAP Financial Information)

(English translation of "KESSAN TANSHIN"
originally issued in Japanese)



CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016 (Unaudited)

January 31, 2017

Makita Corporation

Stock code: 6586

URL: <http://www.makita.biz/>

Shiro Hori, President, Representative Director

1. Summary operating results of the nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)

(1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the nine months ended December 31, 2015		For the nine months ended December 31, 2016	
		%		%
Net sales.....	324,090	4.2	306,315	(5.5)
Operating income	49,963	(10.1)	47,615	(4.7)
Income before income taxes	47,615	(11.2)	49,660	4.3
Net income attributable to Makita Corporation	32,896	(10.4)	34,691	5.5
Comprehensive income	21,886	(68.2)	28,161	28.7
Yen				
Earning per share net income attributable to Makita Corporation common shareholders				
(Basic).....	242.36		255.58	
(Diluted)	242.35		255.57	

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 against the corresponding period of the previous year.

(2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2016	As of December 31, 2016
Total assets.....	558,024	581,238
Total equity	483,370	497,771
Total Makita Corporation shareholders' equity.....	479,752	494,033
Total Makita Corporation shareholders' equity ratio to total assets (%)	86.0%	85.0%

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 2.



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.....	405,000	(4.4)
Operating income	60,500	(6.5)
Income before income taxes	62,000	0.8
Net income attributable to Makita Corporation	42,800	2.8
Earning per share (Basic)	Yen	
Net income attributable to Makita Corporation common shareholders.....	315.33	

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

4. Others

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

- (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 December 31, 2016:	140,008,760
As of March 31, 2016:	140,008,760
 2. Number of treasury stock:

As of December 31, 2016:	4,277,996
As of March 31, 2016:	4,275,499
 3. Average number of shares outstanding:

For the nine months ended December 31, 2016:	135,732,255
For the nine months ended December 31, 2015:	135,734,342

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 4. 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 and Financial Statements

(1) Explanation of Consolidated Operating Results

Looking at the global economic situation during the nine months (the “period”) ended December 31, 2016, the regional economy remained robust in Europe, 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 steadily, while the Chinese economy continued to slow down. Meanwhile, the economy gradually recovered in Japan, although some sectors, such as personal consumption, lacked strength.

Our consolidated net sales for this period decreased by 5.5% to 306,315 million yen compared to the same period of the previous year, 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 4.7% to 47,615 million yen (operating income ratio: 15.5%) because net sales declined due to the influence of the exchange rate, although the Company managed to keep the operating income ratio almost unchanged. Meanwhile, income before income taxes increased by 4.3% to 49,660 million yen (income before income taxes ratio: 16.2%) and net income attributable to Makita Corporation shareholders increased by 5.5% to 34,691 million yen (ratio of net income attributable to Makita Corporation shareholders: 11.3%) because we had recorded valuation losses on securities in the previous year.

Net sales by region are as follows:

Net sales in Japan increased by 8.3% to 53,695 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 6.2% to 125,001 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 6.0% to 50,810 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 8.9% to 29,163 million yen. This was due to 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 1.1% to 18,100 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 20.5% to 17,022 million yen; while those in the Middle East and Africa, where recession continued in oil-producing countries, decreased by 19.0% to 12,524 million yen.

(2) Explanation of Consolidated Financial Position

Total assets as of December 31, 2016 increased by 23,214 million yen to 581,238 million yen compared to the balance as of March 31, 2016. The increase was mainly due to the increase in “Cash and cash equivalents”.

Total liabilities increased by 8,813 million yen to 83,467 million yen compared to the balance as of March 31, 2016. The increase was mainly due to the increase in “Short-term borrowings” and “Deferred income taxes”.

Total equity increased by 14,401 million yen to 497,771 million yen compared to the balance as of March 31, 2016. The increase was mainly due to the increase in “Retained earnings”.



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

The Company has revised its forecast for consolidated performance for the year ending March 31, 2017. This is because the yen has remained weaker against major currencies compared to its initial assumed exchange rates, in addition to robust performance for the first nine-month period of the fiscal year 2017 (April 1, 2016 to March 31, 2017).

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)	390,000	60,000	60,000	41,500	305.75
Revised forecast (B)	405,000	60,500	62,000	42,800	315.33
Changes (B-A)	15,000	500	2,000	1,300	-
Percentage revision	3.8%	0.8%	3.3%	3.1%	-
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 115 yen to the U.S. dollar, 120 yen to the euro and 16.9 yen to the renminbi for the three months period ending March 31, 2017.

The above forecast is based on the assumption of exchange rates of 109 yen to the U.S. dollar, 118 yen to the euro and 16.2 yen to the renminbi for the year ending March 31, 2017.

[Reference]

Our previous exchange rates that we announced on October 27, 2016 were 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.

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 December 31, 2016	
		Composition ratio		Composition ratio
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents.....	99,915		133,709	
Time deposits.....	15,545		34,190	
Short-term investments.....	48,263		22,721	
Trade receivables-				
Notes.....	1,079		1,360	
Accounts.....	64,309		63,957	
Less- Allowance for doubtful receivables.....	(1,173)		(1,201)	
Inventories.....	178,791		168,114	
Deferred income taxes.....	5,454		5,006	
Prepaid expenses and other current assets.....	15,390		12,876	
Total current assets.....	<u>427,573</u>	76.6%	<u>440,732</u>	75.8%
PROPERTY, PLANT AND EQUIPMENT, AT COST:				
Land.....	22,436		22,450	
Building and improvements.....	94,704		95,381	
Machinery and equipment.....	91,365		92,195	
Construction in progress.....	2,662		4,974	
Sub total.....	211,167		215,000	
Less- Accumulated depreciation and amortization.....	(118,344)		(120,862)	
Total net property, plant and equipment.....	<u>92,823</u>	16.6%	<u>94,138</u>	16.2%
INVESTMENTS AND OTHER ASSETS:				
Investments.....	21,872		30,188	
Goodwill.....	721		721	
Other intangible assets, net.....	4,107		3,779	
Deferred income taxes.....	610		660	
Other assets.....	10,318		11,020	
Total investments and other assets.....	<u>37,628</u>	6.8%	<u>46,368</u>	8.0%
Total assets.....	<u>558,024</u>	100.0%	<u>581,238</u>	100.0%



	Yen (millions)			
	As of March 31, 2016		As of December 31, 2016	
		Composition ratio		Composition ratio
LIABILITIES				
CURRENT LIABILITIES:				
Short-term borrowings	2,195		6,954	
Trade notes and accounts payable	20,620		22,671	
Other payables	6,521		7,282	
Accrued expenses	9,350		11,170	
Accrued payroll	9,143		7,764	
Income taxes payable	4,440		4,198	
Deferred income taxes	3,084		820	
Other liabilities	9,545		8,592	
Total current liabilities	<u>64,898</u>	11.6%	<u>69,451</u>	12.0%
LONG-TERM LIABILITIES:				
Accrued retirement and termination benefits	3,271		3,126	
Deferred income taxes	4,974		9,166	
Other liabilities	1,511		1,724	
Total long-term liabilities	<u>9,756</u>	1.8%	<u>14,016</u>	2.4%
Total liabilities	<u>74,654</u>	13.4%	<u>83,467</u>	14.4%
EQUITY				
MAKITA CORPORATION SHAREHOLDERS'				
EQUITY:				
Common stock	23,805		23,805	
Additional paid-in capital	45,456		45,490	
Legal reserve	5,669		5,669	
Retained earnings	425,473		446,456	
Accumulated other comprehensive loss	(9,049)		(15,767)	
Treasury stock, at cost	<u>(11,602)</u>		<u>(11,620)</u>	
Total Makita Corporation shareholders' equity	<u>479,752</u>	86.0%	<u>494,033</u>	85.0%
NON-CONTROLLING INTEREST	<u>3,618</u>	0.6%	<u>3,738</u>	0.6%
Total equity	<u>483,370</u>	86.6%	<u>497,771</u>	85.6%
Total liabilities and equity	<u>558,024</u>	100.0%	<u>581,238</u>	100.0%
<hr/>				
	As of March 31, 2016		As of December 31, 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		135,730,764	
Number of treasury stock	4,275,499		4,277,996	



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

	Yen (millions)			
	For the nine months ended December 31, 2015		For the nine months ended December 31, 2016	
	Composition ratio		Composition ratio	
NET SALES	324,090	100.0%	306,315	100.0%
Cost of sales	206,751	63.8%	196,189	64.0%
GROSS PROFIT.....	117,339	36.2%	110,126	36.0%
Selling, general, administrative and others, net.....	67,376	20.8%	62,511	20.5%
OPERATING INCOME	49,963	15.4%	47,615	15.5%
OTHER INCOME (EXPENSE):				
Interest and dividend income	1,997		1,804	
Interest expense	(88)		(47)	
Exchange gains (losses) on foreign currency transactions, net	(954)		290	
Realized gains on securities, net.....	1,364		25	
Valuation losses on securities	(4,667)		(27)	
Total other income (expense), net	(2,348)	(0.7%)	2,045	0.7%
INCOME BEFORE INCOME TAXES	47,615	14.7%	49,660	16.2%
Income tax expense:				
Current.....	14,233		14,670	
Deferred.....	252		32	
Total income tax expense	14,485	4.5%	14,702	4.8%
NET INCOME.....	33,130	10.2%	34,958	11.4%
Less-Net income attributable to the non-controlling interest.....	234	0.0%	267	0.1%
NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION.....	32,896	10.2%	34,691	11.3%

Consolidated Statements of Comprehensive Income

	Yen (millions)	
	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
NET INCOME.....	33,130	34,958
OTHER COMPREHENSIVE INCOME (LOSS):		
Foreign currency translation adjustment	(9,772)	(12,675)
Unrealized holding gains (losses) on available-for-sale securities...	(1,293)	5,713
Pension liability adjustment	(179)	165
Total other comprehensive loss	(11,244)	(6,797)
COMPREHENSIVE INCOME	21,886	28,161
Less-Comprehensive income attributable to the non-controlling interest.....	253	188
COMPREHENSIVE INCOME ATTRIBUTABLE TO MAKITA CORPORATION.....	21,633	27,973



(3) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	33,130	34,958
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization.....	6,902	6,590
Deferred income tax expense.....	252	32
Realized gains on securities, net.....	(1,364)	(25)
Valuation losses on securities.....	4,667	27
Losses on disposal or sales of property, plant and equipment, net	75	62
Changes in assets and liabilities-		
Trade receivables.....	(41)	(620)
Inventories.....	(12,325)	4,523
Trade notes, accounts payable and accrued expenses.....	(3,106)	5,289
Income taxes payable.....	(1,655)	989
Accrued retirement and termination benefits.....	(1,013)	(558)
Other, net.....	421	(856)
Net cash provided by operating activities.....	<u>25,943</u>	<u>50,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures.....	(9,091)	(9,441)
Purchases of available-for-sale securities.....	(8,916)	(613)
Proceeds from sales of available-for-sale securities.....	15,750	25,463
Proceeds from maturities of available-for-sale securities.....	500	-
Purchases of held-to-maturity securities.....	-	(4,601)
Purchases from maturities of held-to-maturity securities.....	300	4,000
Proceeds from sales of property, plant and equipment.....	160	372
Investment in time deposit.....	(26,685)	(43,716)
Withdrawal of time deposit.....	24,024	25,610
Other, net.....	(74)	199
Net cash used in investing activities.....	<u>(4,032)</u>	<u>(2,727)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additions to borrowings with original maturities of three months or less, net.....	778	4,558
Payments on borrowings with original maturities of more than three months.....	(2,313)	-
Purchase of treasury stock, net.....	(8)	(18)
Cash dividends paid.....	(16,016)	(13,708)
Other, net.....	(142)	(150)
Net cash used in financing activities.....	<u>(17,701)</u>	<u>(9,318)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....	(83)	(4,572)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	4,127	33,794
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD ...	94,529	99,915
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	<u>98,656</u>	<u>133,709</u>



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 nine months ended December 31, 2015							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers	67,875	133,475	55,541	18,083	49,116	324,090	-	324,090
(2) Inter-segment	60,314	3,631	2,996	149,896	176	217,013	(217,013)	-
Total	<u>128,189</u>	<u>137,106</u>	<u>58,537</u>	<u>167,979</u>	<u>49,292</u>	<u>541,103</u>	<u>(217,013)</u>	<u>324,090</u>
Operating expenses	113,856	127,896	57,126	146,866	47,379	493,123	(218,996)	274,127
Operating income	14,333	9,210	1,411	21,113	1,913	47,980	1,983	49,963

	Yen (millions)							
	For the nine months ended December 31, 2016							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers	70,765	125,166	52,132	16,633	41,619	306,315	-	306,315
(2) Inter-segment	96,102	3,141	2,686	124,079	82	226,090	(226,090)	-
Total	<u>166,867</u>	<u>128,307</u>	<u>54,818</u>	<u>140,712</u>	<u>41,701</u>	<u>532,405</u>	<u>(226,090)</u>	<u>306,315</u>
Operating expenses	151,774	117,631	53,140	124,113	39,813	486,471	(227,771)	258,700
Operating income	15,093	10,676	1,678	16,599	1,888	45,934	1,681	47,615



SUPPORT DOCUMENTATION (CONSOLIDATED)

1. Consolidated Financial Results and Forecast

	Yen (millions)			
	For the nine months ended		For the nine months ended	
	December 31, 2015	(%)	December 31, 2016	(%)
Net sales.....	324,090	4.2	306,315	(5.5)
Domestic	49,579	1.3	53,695	8.3
Overseas	274,511	4.7	252,620	(8.0)
Operating income	49,963	(10.1)	47,615	(4.7)
Income before income taxes	47,615	(11.2)	49,660	4.3
Net income attributable to Makita Corporation	32,896	(10.4)	34,691	5.5
Earning per share (Basic)				
Net income attributable to Makita Corporation common shareholders (Yen)	242.36		255.58	
Number of Employees	14,659		15,261	

	Yen (millions)					
	For the year ended		For the six months		For the year ending	
	March 31, 2016	(%)	ended September 30, 2016	(%)	March 31, 2017 (Forecast)	(%)
Net sales.....	423,623	2.1	200,055	(7.9)	405,000	(4.4)
Domestic	68,445	1.0	35,204	8.1	73,000	6.7
Overseas	355,178	2.4	164,851	(10.7)	332,000	(6.5)
Operating income	64,676	(10.1)	33,649	(2.6)	60,500	(6.5)
Income before income taxes	61,492	(10.1)	34,068	10.4	62,000	0.8
Net income attributable to Makita Corporation	41,615	(8.1)	24,073	12.0	42,800	2.8
Earning per share (Basic)						
Net income attributable to Makita Corporation common shareholders (Yen)	306.59		177.36		315.33	
Number of Employees	14,784		14,878		-	

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 4.



2. Consolidated Net Sales by Geographic Area

	Yen (millions)							
	For the nine months ended December 31, 2015		For the nine months ended December 31, 2016		For the year ended March 31, 2016		For the six months ended September 30, 2016	
		(%)		(%)		(%)		(%)
Japan	49,579	1.3	53,695	8.3	68,445	1.0	35,204	8.1
Europe.....	133,281	(0.8)	125,001	(6.2)	173,987	(0.7)	84,629	(7.5)
North America	54,042	27.3	50,810	(6.0)	67,759	18.5	31,751	(7.9)
Asia.....	32,011	7.6	29,163	(8.9)	41,443	4.5	17,804	(13.7)
Other regions	55,177	(0.8)	47,646	(13.6)	71,989	(3.9)	30,667	(19.3)
Central and South America.....	21,415	(10.1)	17,022	(20.5)	26,149	(13.7)	10,721	(27.6)
Oceania.....	18,309	6.0	18,100	(1.1)	24,653	3.8	11,709	(3.8)
The Middle East and Africa.....	15,453	6.5	12,524	(19.0)	21,187	1.5	8,237	(25.3)
Total.....	324,090	4.2	306,315	(5.5)	423,623	2.1	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 9. 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 nine months ended December 31, 2015	For the nine months ended December 31, 2016	For the year ended March 31, 2016	For the six months ended September 30, 2016	For the year ending March 31, 2017 (Forecast)
USD/JPY	121.74	106.60	120.15	105.20	109
EUR/JPY	134.41	117.98	132.60	118.04	118
RMB/JPY	19.27	15.94	18.86	15.92	16.2

Note: Exchange rates for the three months period ending March 31, 2017 (forecast) are 115 yen to the U.S. dollar, 120 yen to the euro and 16.9 yen to the renminbi.

4. Production Ratio (unit basis)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016	For the year ended March 31, 2016	For the six months ended September 30, 2016
	Composition ratio	Composition ratio	Composition ratio	Composition ratio
Domestic.....	9.9%	10.4%	10.2%	11.2%
Overseas	90.1%	89.6%	89.8%	88.8%

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

	Yen (millions)				
	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016	For the year ended March 31, 2016	For the six months ended September 30, 2016	For the year ending March 31, 2017 (Forecast)
Capital expenditures	9,091	9,441	11,769	5,041	15,000
Depreciation and amortization.....	6,902	6,590	9,284	4,352	9,400
R&D cost.....	7,249	7,489	9,593	4,950	10,000