



# Makita Corporation

Consolidated Financial Results  
for the three months  
ended June 30, 2017  
(U.S. GAAP Financial Information)

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



## CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2017 (Unaudited)

July 31, 2017

### Makita Corporation

Stock code: 6586

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

Munetoshi Goto, President, Representative Director

### 1. Summary operating results of the three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)

#### (1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the three months ended June 30, 2016		For the three months ended June 30, 2017	
		(%)		(%)
Net sales.....	101,276	(5.9)	113,064	11.6
Operating income .....	18,056	4.1	18,248	1.1
Income before income taxes .....	18,541	25.2	18,989	2.4
Net income attributable to Makita Corporation....	13,225	21.4	13,336	0.8
Comprehensive income (loss).....	(26,502)	-	22,156	-
	Yen			
Earning per share				
Net income attributable to Makita Corporation common shareholders				
(Basic).....	48.72		49.13	
(Diluted) .....	48.71		49.12	

#### 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.
- The Company implemented a two-for-one common stock split, effective April 1, 2017. Net income attributable to Makita Corporation common shareholders per share (basic) and net income attributable to Makita Corporation common shareholders per share (diluted) were calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous consolidated fiscal year.

#### (2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2017	As of June 30, 2017
Total assets.....	597,249	604,635
Total equity .....	505,811	516,846
Total Makita Corporation shareholders' equity .....	502,170	512,849
Total Makita Corporation shareholders' equity ratio to total assets (%) .....	84.1%	84.8%



## 2. Dividend Information

	Yen	
	For the year ended March 31, 2017	For the year ending March 31, 2018 (Forecast)
Cash dividend per share:		
Interim .....	18.00	10.00
Year-end .....	82.00	(Note)
Total .....	100.00	(Note)

### Notes:

1. The forecast for cash dividend announced on April 27, 2017 has not been revised.
2. The Company has revised the lower limit on annual cash dividend per share from 18 yen to 10 yen, reflecting a two-for-one common stock split, effective April 1, 2017. However, dividends per share are amounts paid prior to the relevant stock split.
3. The projected amount of dividends for the year ending March 31, 2018 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, 2018 (From April 1, 2017 to March 31, 2018)

	Yen (millions)			
	For the six months ending September 30, 2017		For the year ending March 31, 2018	
		(%)		(%)
Net sales.....	207,000	3.5	418,000	0.7
Operating income .....	30,500	(9.4)	60,000	(4.1)
Income before income taxes .....	31,500	(7.5)	62,000	(4.2)
Net income attributable to Makita Corporation .....	21,900	(9.0)	43,000	(4.0)
Yen				
Earning per share (Basic)				
Net income attributable to				
Makita Corporation common shareholders.....	80.67		158.40	

### Notes:

1. The forecast for consolidated financial performance announced on April 27, 2017 has not been revised.
2. The Company implemented a two-for-one common stock split, effective April 1, 2017. Net income attributable to Makita Corporation common shareholders per share (basic) in the forecast of consolidated financial performance is calculated based on the number of shares outstanding (common stock) after the relevant stock split.



#### 4. 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: Yes

Note: Refer to “Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements” on page 9.

- (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: Yes
  2. Changes due to other reasons: None

Note: Refer to “Changes in accounting principles, procedures and presentations” on page 9.

(4) Number of shares outstanding (common stock)		
1. Number of shares issued (including treasury stock):	As of June 30, 2017:	280,017,520
	As of March 31, 2017:	280,017,520
2. Number of treasury stock:	As of June 30, 2017:	8,557,485
	As of March 31, 2017:	8,556,948
3. Average number of shares outstanding:	For the three months ended	
	June 30, 2017:	271,460,148
	For the three months ended	
	June 30, 2016:	271,466,278

Note: The Company implemented a two-for-one common stock split, effective April 1, 2017. The number of shares outstanding (common stock) was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous consolidated fiscal year.

Makita’s earnings releases (KESSAN TANSIN) are not subject to the quarterly review.

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

1. 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. Regarding the assumptions for the forecasts and other matters, refer to [Qualitative Information and Financial Performance Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 4.
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 10 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 2018 for a report on earnings for the year ending March 31, 2018. 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 2018.

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.



## [Qualitative Information and Financial Statements]

### 1. Explanation of Consolidated Operating Results

Looking at the global economic situation during the first three-month (the “period”) ended June 30, 2017, developed countries’ economies gradually recovered due to steady improvement in employment and income situation, although there were uncertainties regarding the international political situation and policies. On the other hand, emerging countries saw their economies steadily grow on the whole, supported by robust domestic demand and increased exports to developed countries.

Our consolidated net sales for this period increased by 11.6% to 113,064 million yen compared to the same period of the previous year due to solid sales in Japan and overseas. Operating income increased by 1.1% to 18,248 million yen (operating income ratio: 16.1%) due to increased sales, despite a deterioration of the cost-of-sales ratio caused by the impact of foreign exchange rates. Income before income taxes increased by 2.4% to 18,989 million yen (income before income taxes ratio: 16.8%) and net income attributable to Makita Corporation shareholders increased by 0.8% to 13,336 million yen (ratio of net income attributable to Makita Corporation shareholders: 11.8%).

Net sales results by region were as follows:

Net sales in Japan increased by 14.9% to 19,516 million yen compared to the same period of the previous year. This was due to robust sales of power tools and gardening equipment, mainly lithium-ion battery products.

Net sales in Europe increased by 11.7% to 48,340 million yen. This was due to a rise in sales in almost all areas, centering on the U.K. and Germany.

Net sales in North America increased by 5.7% to 16,942 million yen, supported by increased sales to home improvement stores amid intensifying competition.

Net sales in Asia increased by 17.0% to 10,889 million yen. This was due to recovery of sales in China.

Sales situations in other regions are as follows: Net sales in Central and South America, where the Brazilian economy showed signs of breaking out from stagnation, increased by 25.3% to 6,464 million yen. Net sales in Oceania, where lithium-ion battery products sold well, increased by 22.5% to 7,311 million yen. Meanwhile, net sales in the Middle East and Africa, where a fall in crude oil prices affected the economy and political uncertainty continued, decreased by 21.0% to 3,602 million yen.

### 2. Explanation of Consolidated Financial Position

Total assets as of June 30, 2017 increased by 7,386 million yen to 604,635 million yen compared to the balance as of March 31, 2017. The increase was mainly due to the increase in “Inventories”.

Total liabilities as of June 30, 2017 decreased by 3,649 million yen to 87,789 million yen compared to the balance as of March 31, 2017. This decrease was mainly due to the decrease in “Deferred income taxes”.

Total equity as of June 30, 2017 increased by 11,305 million yen to 516,846 million yen compared to the balance as of March 31, 2017. The increase 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

We have made no revision to the performance forecast released on April 27, 2017, because of uncertainties in the outlook of business environment surrounding Makita’s business results and movements of exchange rate.



#### 4. Consolidated Financial Statements (Unaudited)

##### (1) Consolidated Balance Sheets

	Yen (millions)			
	As of March 31, 2017		As of June 30, 2017	
		Composition ratio		Composition ratio
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents.....	142,181		133,175	
Time deposits .....	34,329		34,751	
Short-term investments .....	23,441		23,502	
Trade receivables-				
Notes.....	1,199		1,151	
Accounts .....	67,086		70,493	
Less- Allowance for doubtful receivables .....	(1,137)		(1,176)	
Inventories .....	167,398		178,625	
Deferred income taxes .....	4,723		-	
Prepaid expenses and other current assets .....	13,349		13,969	
Total current assets .....	<u>452,569</u>	75.8%	<u>454,490</u>	75.2%
<b>PROPERTY, PLANT AND EQUIPMENT, AT COST:</b>				
Land.....	22,358		22,671	
Building and improvements .....	94,927		98,235	
Machinery and equipment.....	91,493		94,387	
Construction in progress .....	5,531		4,891	
Sub total .....	<u>214,309</u>		<u>220,184</u>	
Less- Accumulated depreciation and amortization .....	<u>(119,802)</u>		<u>(122,688)</u>	
Total net property, plant and equipment.....	<u>94,507</u>	15.8%	<u>97,496</u>	16.1%
<b>INVESTMENTS AND OTHER ASSETS:</b>				
Investments .....	34,004		33,360	
Goodwill .....	721		721	
Other intangible assets, net .....	3,641		3,634	
Deferred income taxes .....	650		3,671	
Other assets .....	11,157		11,263	
Total investments and other assets .....	<u>50,173</u>	8.4%	<u>52,649</u>	8.7%
Total assets.....	<u>597,249</u>	100.0%	<u>604,635</u>	100.0%



	Yen (millions)			
	As of March 31, 2017		As of June 30, 2017	
		Composition ratio		Composition ratio
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Short-term borrowings .....	6,579		7,390	
Trade notes and accounts payable .....	26,347		26,712	
Other payables .....	7,122		7,713	
Accrued expenses .....	10,537		9,791	
Accrued payroll .....	9,431		7,733	
Income taxes payable .....	6,944		4,666	
Deferred income taxes .....	3,134		-	
Other liabilities .....	8,178		10,003	
Total current liabilities .....	<u>78,272</u>	13.1%	<u>74,008</u>	12.2%
<b>LONG-TERM LIABILITIES:</b>				
Accrued retirement and termination benefits .....	3,161		3,330	
Deferred income taxes .....	8,313		8,829	
Other liabilities .....	1,692		1,622	
Total long-term liabilities .....	<u>13,166</u>	2.2%	<u>13,781</u>	2.3%
Total liabilities .....	<u>91,438</u>	15.3%	<u>87,789</u>	14.5%
<b>EQUITY</b>				
<b>MAKITA CORPORATION SHAREHOLDERS' EQUITY:</b>				
Common stock .....	23,805		23,805	
Additional paid-in capital .....	45,501		45,513	
Legal reserve .....	5,669		5,669	
Retained earnings .....	456,546		458,752	
Accumulated other comprehensive loss .....	(17,728)		(9,264)	
Treasury stock .....	(11,623)		(11,626)	
Total Makita Corporation shareholders' equity .....	<u>502,170</u>	84.1%	<u>512,849</u>	84.8%
NON-CONTROLLING INTEREST .....	<u>3,641</u>	0.6%	<u>3,997</u>	0.7%
Total equity .....	<u>505,811</u>	84.7%	<u>516,846</u>	85.5%
Total liabilities and equity .....	<u>597,249</u>	100.0%	<u>604,635</u>	100.0%
<b>Number of Shares</b>				
	As of March 31, 2017		As of June 30, 2017	
Total number of shares authorized .....	992,000,000		992,000,000	
Number of shares issued .....	280,017,520		280,017,520	
Number of shares issued (excluding treasury stock) .....	271,460,572		271,460,035	
Number of treasury stock .....	8,556,948		8,557,485	

Note: The Company implemented a two-for-one common stock split, effective April 1, 2017. The table above was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous consolidated fiscal year.



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

	Yen (millions)			
	For the three months ended June 30, 2016		For the three months ended June 30, 2017	
	Composition ratio		Composition ratio	
NET SALES .....	101,276	100.0%	113,064	100.0%
Cost of sales .....	61,872	61.1%	72,246	63.9%
GROSS PROFIT.....	39,404	38.9%	40,818	36.1%
Selling, general, administrative and others, net.....	21,348	21.1%	22,570	20.0%
OPERATING INCOME .....	18,056	17.8%	18,248	16.1%
OTHER INCOME (EXPENSE):				
Interest and dividend income .....	651		883	
Interest expense .....	(22)		(7)	
Exchange losses on foreign currency transactions, net .....	(149)		(249)	
Realized gains on securities, net.....	5		121	
Valuation losses on securities .....	-		(7)	
Total other income, net.....	485	0.5%	741	0.7%
INCOME BEFORE INCOME TAXES .....	18,541	18.3%	18,989	16.8%
Income tax expense:				
Current.....	4,304		6,274	
Deferred.....	931		(763)	
Total income tax expense.....	5,235	5.2%	5,511	4.9%
NET INCOME.....	13,306	13.1%	13,478	11.9%
Less-Net income attributable to the non-controlling interest.....	81	0.0%	142	0.1%
NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION.....	13,225	13.1%	13,336	11.8%

**Consolidated Statements of Comprehensive Income**

	Yen (millions)	
	For the three months ended June 30, 2016	For the three months ended June 30, 2017
NET INCOME.....	13,306	13,478
OTHER COMPREHENSIVE INCOME (LOSS): .....		
Foreign currency translation adjustment .....	(37,865)	9,143
Unrealized holding gains (expense) on available-for-sale securities...	(2,066)	(451)
Pension liability adjustment .....	123	(14)
Total other comprehensive income (loss).....	(39,808)	8,678
COMPREHENSIVE INCOME (LOSS).....	(26,502)	22,156
Less-Comprehensive income (loss) attributable to the non-controlling interest.....	(294)	356
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MAKITA CORPORATION.....	(26,208)	21,800





### (3) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the three months ended June 30, 2016	For the three months ended June 30, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income.....	13,306	13,478
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization.....	2,208	2,324
Deferred income tax expense (benefit).....	931	(763)
Realized gains on securities, net.....	(5)	(121)
Valuation losses on securities.....	-	7
Losses on disposal or sales of property, plant and equipment, net.....	17	26
Changes in assets and liabilities-		
Trade receivables.....	470	(1,586)
Inventories.....	(375)	(5,871)
Trade notes, accounts payable and accrued expenses.....	(2,195)	(1,477)
Income taxes payable.....	(374)	(2,679)
Accrued retirement and termination benefits.....	(158)	(148)
Other, net.....	(4,015)	(142)
Net cash provided by operating activities.....	9,810	3,048
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures.....	(1,853)	(3,707)
Purchases of available-for-sale securities.....	(5,339)	(441)
Proceeds from sales of available-for-sale securities.....	22,791	911
Purchases of held-to-maturity securities.....	(2,101)	(300)
Proceeds from maturities of held-to-maturity securities.....	2,000	-
Proceeds from sales of property, plant and equipment.....	71	24
Investment in time deposit.....	(12,800)	(7,910)
Withdrawal of time deposit.....	8,797	7,712
Other, net.....	64	34
Net cash provided by (used in) investing activities.....	11,630	(3,677)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Additions to borrowings with original maturities of three months or less, net.....	2,374	378
Purchase of treasury stock, net.....	(4)	(2)
Cash dividends paid.....	(11,266)	(11,130)
Other, net.....	793	785
Net cash used in financing activities.....	(8,103)	(9,969)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....	(7,646)	1,592
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	5,691	(9,006)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD ...	99,915	142,181
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	105,606	133,175



(4) Notes on the assumptions for a going concern: None

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

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

(7) 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, the Company 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.

(8) Changes in accounting principles, procedures and presentations:

In July 2015, Accounting Standards Update 2015-11 ("Simplifying the Measurement of Inventory" – ASC 330 ("Inventory")) was issued. This Update applies to all inventory except for which is measured using last-in, first-out (LIFO) or the retail inventory method, and requires an entity to measure inventory at the lower of cost and net realizable value. The Company adopted this standard on April 1, 2017. The adoption has no effect on the Company's financial statements.

In November 2015, the U.S. Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes." This accounting standard change requires that all deferred tax liabilities and assets be classified as noncurrent in a consolidated balance sheet. Effective April 1, 2017, the Company has adopted this accounting standard. In adopting this accounting standard, the Company did not adjust the prior period's financial statement retrospectively.

#### (9) Condensed Operating Segment Information

	Yen (millions)							
	For the three months ended June 30, 2016							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers .....	22,659	43,306	16,442	5,616	13,253	101,276	-	101,276
(2) Inter-segment .....	17,594	1,024	754	40,886	30	60,288	(60,288)	-
Total .....	40,253	44,330	17,196	46,502	13,283	161,564	(60,288)	101,276
Operating expenses .....	36,572	40,576	16,703	40,264	12,661	146,776	(63,556)	83,220
Operating income .....	3,681	3,754	493	6,238	622	14,788	3,268	18,056

	Yen (millions)							
	For the three months ended June 30, 2017							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers .....	25,379	48,425	17,450	6,235	15,575	113,064	-	113,064
(2) Inter-segment .....	47,346	1,166	1,154	48,673	70	98,409	(98,409)	-
Total .....	72,725	49,591	18,604	54,908	15,645	211,473	(98,409)	113,064
Operating expenses .....	64,105	45,466	17,983	49,577	14,635	191,766	(96,950)	94,816
Operating income .....	8,620	4,125	621	5,331	1,010	19,707	(1,459)	18,248



## SUPPORT DOCUMENTATION (CONSOLIDATED)

### 1. Consolidated Financial Results and Forecast

	Yen (millions)			
	For the three months ended June 30, 2016		For the three months ended June 30, 2017	
		(%)		(%)
Net sales.....	101,276	(5.9)	113,064	11.6
Domestic .....	16,989	6.4	19,516	14.9
Overseas .....	84,287	(8.0)	93,548	11.0
Operating income .....	18,056	4.1	18,248	1.1
Income before income taxes .....	18,541	25.2	18,989	2.4
Net income attributable to Makita Corporation .....	13,225	21.4	13,336	0.8
Earning per share (Basic)				
Net income attributable to Makita Corporation common shareholders (Yen).....	48.72		49.13	
Number of Employees .....	14,585		15,745	

	Yen (millions)					
	For the year ended March 31, 2017		For the six months ending September 30, 2017 (Forecast)		For the year ending March 31, 2018 (Forecast)	
		(%)		(%)		(%)
Net sales.....	414,999	(2.0)	207,000	3.5	418,000	0.7
Domestic .....	74,381	8.7	37,300	6.0	78,000	4.9
Overseas .....	340,618	(4.1)	169,700	2.9	340,000	(0.2)
Operating income .....	62,564	(3.3)	30,500	(9.4)	60,000	(4.1)
Income before income taxes .....	64,738	5.3	31,500	(7.5)	62,000	(4.2)
Net income attributable to Makita Corporation.....	44,782	7.6	21,900	(9.0)	43,000	(4.0)
Earning per share (Basic)						
Net income attributable to Makita Corporation common shareholders (Yen) .....	164.96		80.67		158.40	
Number of Employees .....	15,344		-		-	

Notes:

1. Please refer to [Qualitative Information and Financial Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 4.
2. The Company implemented a two-for-one common stock split, effective April 1, 2017. Net income attributable to Makita Corporation common shareholders per share (basic) was calculated on the assumption that the relevant stock split had been implemented at the beginning of the consolidated fiscal year ended March 31, 2017.
3. 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 compared to the corresponding period of the previous year.



## 2. Consolidated Net Sales by Geographic Area

	Yen (millions)					
	For the three months ended June 30, 2016		For the three months ended June 30, 2017		For the year ended March 31, 2017	
		(%)		(%)		(%)
Japan .....	16,989	6.4	19,516	14.9	74,381	8.7
Europe.....	43,270	(2.7)	48,340	11.7	168,992	(2.9)
North America .....	16,026	(8.1)	16,942	5.7	66,148	(2.4)
Asia.....	9,304	(6.0)	10,889	17.0	40,079	(3.3)
Other regions .....	15,687	(20.8)	17,377	10.8	65,399	(9.2)
Central and South America.....	5,160	(29.2)	6,464	25.3	23,110	(11.6)
Oceania.....	5,966	1.2	7,311	22.5	25,093	1.8
The Middle East and Africa.....	4,561	(31.1)	3,602	(21.0)	17,196	(18.8)
Total.....	101,276	(5.9)	113,064	11.6	414,999	(2.0)

### Notes:

1. 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.
2. 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 three months ended June 30, 2016	For the three months ended June 30, 2017	For the year ended March 31, 2017	For the year ending March 31, 2018 (Forecast)
USD/JPY .....	108.04	111.09	108.34	105
EUR/JPY .....	121.88	122.26	118.74	115
RMB/JPY .....	16.51	16.22	16.10	16.1

## 4. Production Ratio (unit basis)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017	For the year ended March 31, 2017
	Composition ratio	Composition ratio	Composition ratio
Domestic.....	10.6%	9.7%	10.2%
Overseas .....	89.4%	90.3%	89.8%

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

	Yen (millions)			
	For the three months ended June 30, 2016	For the three months ended June 30, 2017	For the year ended March 31, 2017	For the year ending March 31, 2018 (Forecast)
Capital expenditures .....	1,853	3,707	13,222	19,000
Depreciation and amortization...	2,208	2,324	8,943	10,000
R&D cost.....	2,435	2,721	10,139	11,000