

(Summary English Translation of the Notice of the 101st Ordinary General Meeting of Shareholders Originally Issued in Japanese Language)

MAKITA CORPORATION

(Stock code: 6586)
June 4, 2013

To the Shareholders of
MAKITA CORPORATION

NOTICE OF THE 101ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are respectfully requested to attend the 101st Ordinary General Meeting of Shareholders of MAKITA CORPORATION, which is hereby announced.

If you do not expect to attend the meeting, you may exercise your voting rights through the enclosed voting form. Please review the accompanying information and send the enclosed voting form to us by return mail after indicating your vote for or against the proposition.

Masahiko Goto
President
MAKITA CORPORATION
3-11-8, Sumiyoshi-cho, Anjo City,
Aichi Prefecture, 446-8502, Japan

1. Date and Time: 10 a.m., Tuesday, June 25, 2013

2. Place: Head Office of MAKITA CORPORATION, 5th Floor
3-11-8, Sumiyoshi-cho, Anjo City,
Aichi Prefecture, 446-8502, Japan

3. Agenda:

Items to be Reported:

1. The Business Report, Consolidated Financial Statements for the 101st period (from April 1, 2012 to March 31, 2013) and the Audit Reports on such Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 101st period

Items to be Resolved:

- No.1** Appropriation of Surplus
- No.2** Election of 12 Directors
- No.3** Election of 1 Audit & Supervisory Board Member
- No.4** Payment of Bonus to Directors

BUSINESS REPORT

(From April 1, 2012 to March 31, 2013)

1. Matters on the Current Status of Makita

(1) Progress and Results of Operations

Looking at the global economic situation for the year ended March 31, 2013, economic conditions remained stagnant in Western Europe because the sovereign debt crisis in the region lingered, also affecting the German economy. However, the Russian economy was steady on the whole, with crude oil prices staying at high levels. In the United States, economic recovery remained moderate, but there was significant improvement in housing investment from the latter half of the period. In Asia, the economy grew steadily in Southeast Asian countries, although China's economic growth lost momentum. In Japan, business sentiment improved toward the end of the period against the backdrop of implementation of the easy-money policy by the government and Bank of Japan, while the Japanese economy remained weak.

Under these circumstances, on the development side, we, Makita Corporation (called "the Corporation") and its affiliates (the Corporation and its affiliates collectively called "Makita"), focused on further expanding and rolling out our lithium-ion battery product line as a series, which we began marketing ahead of competitors. In addition, we broadened product lines with the right combination of affordability, functionality and durability to meet the needs in emerging countries. On the production side, we began full operation of Thailand plant in July 2012 to shorten the lead time for supplying products to Southeast Asian countries, while expanding production capacity in our Brazil, China and Romania plants to cope with growing demand. On the sales side, we rebuilt the buildings for the Osaka and Fukuoka branches in Japan and sales subsidiaries in Belgium and Taiwan to meet diversified needs. Through these steps, we have strived to maintain and improve our system of providing sales and after-sales services closer to customers.

Our consolidated net sales for this period increased by 4.7% to 309,630 million yen compared to the previous period. It exceeded 300 billion yen for the first time in five periods and hit the second highest level. Operating income decreased by 6.5% to 45,366 million yen (operating income ratio: 14.7%) mainly due to the rises in the ratio of cost of sales from 61.1% for the previous period to 62.9% for this period by 1.8 points resulting from increase of the labor cost in some overseas plants and the decline in capacity utilization at the plants.

Meanwhile, because we recorded non-operating income of 325 million yen due to a decrease in foreign exchange losses and gains on securities (non-operating loss of 1,553 million yen for the previous period), income before income taxes and net income attributable to Makita Corporation decreased by 2.7% to 45,691 million yen (income before income taxes ratio: 14.8%) and by 4.4% to 31,076 million yen (net income attributable to Makita Corporation ratio: 10.0%), respectively.

Net sales results by region were as follows:

Net sales in Japan increased by 6.4% to 56,555 million yen compared to the previous period. This was because sales remained favorable due to expansion of lithium-ion battery product lineups, mainly impact drivers.

Net sales in Europe increased by 1.4% to 125,024 million yen compared to the previous period. This was because sales remained solid in Russia, though sales stayed sluggish in Western countries because of the effects of financial uncertainty.

Net sales in North America increased by 10.7% to 41,483 million yen compared to the previous period. This was because the yen exchange rate took a downward turn against the US dollar in addition to the recovery in housing investment and strong Christmas sales.

Net sales in Asia increased by 11.9% to 29,106 million yen compared to the previous period. This was because demand remained robust in Southeast Asian countries.

The sales situations in other regions are as follows.

Net sales in Central and South America decreased by 1.9% to 22,919 million yen compared to the previous period, because local currencies depreciated. Net sales in Oceania increased by 6.0% to 18,848 million yen due to the effects of sales promotion activities. Net sales in the Middle East and Africa increased by 7.2% to 15,695 million yen because of the effects of depreciation of the yen.

Overall, overseas sales accounted for 81.7% of total sales.

(2) Management Challenges

As for future forecasts, although construction demand will improve in Japan and North America, the status of demand in Western Europe will be severe, and competition among companies - including new product development - is expected to become harsher. On the other hand, in emerging countries including Asia, which have the need for low-price items, demand is expected to increase. Movements include oil prices and exchange rates are unpredictable. In essence, the business environment surrounding Makita is expected to remain severe for the time being.

Under these circumstances, Makita aims to develop new products that fully satisfy professional users by reinforcing its

Research & Development of user-friendly and earth-conscious power tools and OPE, strengthen its global production organizations so that they can cope with changes in the demand/supply status or exchange rates and that they achieve both high quality and cost competitiveness, and strive to maintain and expand the best sales and after-sales service in our business field actively through strengthening its marketing in emerging countries that are expected to grow in the future as well as developed countries. By taking these actions, Makita will strive to build strong brand equity and achieve a “Strong Company” a company that can obtain and maintain the significant share in the worldwide market as a global total supplier of power tools for professional use, pneumatic tools, and OPE.

Makita will maintain a solid financial position so that it can implement these measures, regardless of changes in the global business environment. This, we believe, will lead to improve our corporate value through enhancing customer satisfaction and improving the standing of Makita in our business field.

In closing, we would like to thank you for your ongoing support and continuing assistance.

Note: OPE stands for outdoor power equipment designed for outdoor use, such as gardening, farming and forestry.

(3) Capital Expenditures

During the period, Makita allocated 11,481 million yen for its capital expenditures. These funds used by the Corporation amounted to 2,319 million yen. This reflected mainly capital expenditures for rebuilding the Osaka branch, relocation the Fukuoka branch, and metal molds for new products. These funds also used by subsidiaries amounted to 9,162 million yen. This reflected mainly capital expenditures for buildings, machinery equipment and metal molds of China plant and Romania plant, for buildings and machinery equipment of Thailand plant, and for land of new sales office in Australia.

(4) Financial Position and Results of Operations for the Recent 3 Periods

Description	98th period (ended March 31, 2010)	99th period (ended March 31, 2011)	100th period (ended March 31, 2012)	101st period (ended March 31, 2013)
Net sales (Millions of Yen)	245,823	272,630	295,711	309,630
Operating income (Millions of Yen)	30,390	41,909	48,516	45,366
Income before income taxes (Millions of Yen)	33,518	42,730	46,963	45,691
Net income attributable to Makita Corporation (Millions of Yen)	22,258	29,905	32,497	31,076
Earning per share (Basic) Net income attributable to Makita Corporation common shareholders (Yen)	161.57	217.08	236.78	228.92
Total assets (Millions of Yen)	349,839	372,507	383,256	440,974
Total Makita Corporation Shareholders' equity (Millions of Yen)	297,207	307,149	321,253	373,543

Notes: 1. Consolidated financial statements are prepared in accordance with U. S. Generally Accepted Accounting Principles.

2. Earning per share (Basic) Net income attributable to Makita Corporation common shareholders is calculated based on the average number of outstanding shares during the period.

3. Amounts of less than 1 million yen have been rounded.

(5) Significant Subsidiaries

Company Name	Capital (thousands)	Proportion of Ownership and Voting interest (%)	Principal Business
Makita U.S.A. Inc.	USD 161,400	100.0	Sales of electric power tools
Makita (U.K.) Ltd.	GBP 21,700	100.0*	Sales of electric power tools
Makita Werkzeug G.m.b.H (Germany)	EUR 7,669	100.0*	Sales of electric power tools
Makita Oy (Finland)	EUR 100	100.0*	Sales of electric power tools
Makita (China) Co., Ltd.	USD 80,000	100.0	Production and sales of electric power tools
Makita (Kunshan) Co., Ltd.	USD 25,000	100.0	Production of electric power tools
Makita (Australia) Pty. Ltd.	AUD 13,000	100.0	Sales of electric power tools
Makita do Brasil Ferramentas Elétricas Ltda.	BRL 157,409	99.9	Production and sales of electric power tools

Note: * indicates that the Proportion of Ownership and Voting interest include the shares owned by the subsidiaries.

(6) Principal Operations

Makita is primarily involved in the production and sales of electric power tools such as cordless impact drivers, rotary hammers, circular saws and angle grinders, pneumatic tools such as air nailers and tackers, OPE such as hedge trimmers and petrol brushcutters, and household tools such as cordless cleaners.

Note: OPE stands for outdoor power equipment designed for outdoor use, such as gardening, farming and forestry.

(7) Principal Sales Offices and Plants

1. The Corporation

Head office	Anjo (Aichi)
Sales offices	Tokyo, Nagoya, Osaka
Plant	Okazaki (Aichi)

2. Subsidiaries

Name	Location
For Sales	
Makita U.S.A. Inc.	Los Angeles (United States)
Makita (U.K.) Ltd.	London (United Kingdom)
Makita Werkzeug G.m.b.H	Ratingen (Germany)
Makita Oy	Helsinki (Finland)
Makita (Australia) Pty. Ltd.	Sydney (Australia)
For Production and Sales	
Makita (China) Co., Ltd.	Kunshan, Jiangsu (China)
Makita do Brasil Ferramentas Elétricas Ltda.	Ponta Grossa (Brazil)
For Production	
Makita (Kunshan) Co., Ltd.	Kunshan, Jiangsu (China)

(8) Employees

1. Employees of Makita

Number of Employees	Increase/Decrease
12,680	117 (Increase)

2. Employees of the Corporation

Number of Employees	Increase/Decrease	Average Age	Average Years of Service
2,796	11 (Decrease)	40.6	18.7

2. Shareholding Status of the Corporation

(1) Total Number of Shares Authorized to be Issued by the Corporation: 496,000,000 shares

(2) Total Number of Outstanding Shares: 135,745,927 shares
(excluding treasury stock of 4,262,833 shares)

(3) Number of Shareholders: 12,273

(4) Major Shareholders:

Name of Shareholders	Number of shares held (thousands of shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8,650	6.37
Japan Trustee Services Bank, Ltd. (Trust account)	5,629	4.14
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,213	3.10
Maruwa, Ltd.	4,069	2.99
Makita Cooperation Companies' Investment Association	4,031	2.96
Nippon Life Insurance Company	4,013	2.95
Sumitomo Mitsui Banking Corporation	2,900	2.13
Mellon bank, N.A. as agent for its client mellon omnibus US pension	2,316	1.70
State street bank and trust company 505225	2,273	1.67
Masahiko Goto	1,987	1.46

Note: The Percentage is calculated based on the total number of outstanding shares (excluding treasury stock) at the end of the period.

3. Directors and Audit & Supervisory Board Members of the Corporation

(1) Directors and Audit & Supervisory Board Members

Title	Name	Position at the Corporation and Important Concurrent Posts
President*	Masahiko Goto	
Director Managing Corporate Officer	Yasuhiko Kanzaki	In charge of International Sales and General Manager of International Sales Headquarters: Europe, the Middle East, Africa Region
Director Managing Corporate Officer	Tadayoshi Torii	In charge of Production and General Manager of Production Headquarters
Director Managing Corporate Officer	Shiro Hori	In charge of International Sales and General Manager of International Sales Headquarters: America, Asia and Oceania Region
Director Corporate Officer	Tomoyasu Kato	General Manager of Research and Development Headquarters
Director Corporate Officer	Tadashi Asanuma	In charge of Domestic Sales and General Manager of Domestic Sales Marketing Headquarters
Director Corporate Officer	Hisayoshi Niwa	General Manager of Quality Headquarters
Director Corporate Officer	Shinichiro Tomita	General Manager of Purchasing Headquarters
Director Corporate Officer	Tetsuhisa Kaneko	General Manager of Production Headquarters (in charge of China plant)
Director Corporate Officer	Yoji Aoki	General Manager of Administration Headquarters
Director	Motohiko Yokoyama	Chairman and Representative Director of JTEKT Corporation Chairman of the Japan Machine Tool Builders' Association
Standing Audit & Supervisory Board Member	Toshihito Yamazoe	
Standing Audit & Supervisory Board Member	Haruhito Hisatsune	
Audit & Supervisory Board Member	Masafumi Nakamura	Representative of Nakamura Masafumi Accountancy Firm Council member of The Japanese Institute of Certified Public Accountants Professor of Faculty of Business at Aichi Shukutoku University
Audit & Supervisory Board Member	Michiyuki Kondo	Representative of Kondo Michiyuki Law Firm

Notes: 1. * denotes Representative Director.

2. In order to promote swift execution of group strategies and strengthen the business affairs of Makita, the Corporation has introduced the corporate officer system.
2 Corporate Officers resigned as of September 30, 2012 and April 26, 2013, respectively. In addition, pursuant to the resolution of the Board of Directors on April 26, 2013, 3 Corporate Officers will retire and 5 Corporate Officers are scheduled to be newly appointed as of June 25, 2013.
As a result of the above changes, as of June 25, 2013, 16 members, including 10 directors, but excluding the outside director, are scheduled to make up the Corporate Officers.
3. Mr. Motohiko Yokoyama is an Outside Director. He retired from his position as the Chairman of the Japan Machine Tool Builders' Association on May 23, 2013. In addition, Mr. Yokoyama will retire from his position as the Chairman and Representative Director of JTEKT Corporation and will serve as an Advisor of the Corporation as of June 26, 2013.
4. Mr. Haruhito Hisatsune, Mr. Masafumi Nakamura, and Mr. Michiyuki Kondo are Outside Audit & Supervisory Board Members.
5. Mr. Haruhito Hisatsune, a Standing Audit & Supervisory Board Member, has a substantial amount of expertise in finance and accounting, through experience working at financial institution for many years.
6. Mr. Masafumi Nakamura, an Audit & Supervisory Board Member, is a certified public accountant and has a substantial amount of expertise in finance and accounting.
7. Mr. Masafumi Nakamura resigned from his position as the Audit & Supervisory Board Member as of March 31, 2013.
8. The Corporation has designated Mr. Motohiko Yokoyama, a Director, and Mr. Haruhito Hisatsune, Mr. Masafumi Nakamura and Mr. Michiyuki Kondo, each an Audit & Supervisory Board Member, as the "Independent Director(s) / Audit & Supervisory Board Member(s)" as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made required notification therefore to these Stock Exchanges. Since then, after the resignation of Mr. Masafumi Nakamura, an Audit & Supervisory Board Member, the Corporation made a required notification for Mr. Motohiko Yokoyama, a Director, and Mr. Haruhito Hisatsune and Mr. Michiyuki Kondo, each an Audit & Supervisory Board Member, as the "Independent Director(s) / Audit & Supervisory Board Member(s)".

(2) Total Amounts of Compensation and Bonus to Directors and Audit & Supervisory Board Members

Classification	Total amounts of Compensation (Millions of Yen)	Total amounts of each type of Compensation and Number of payment recipients			
		Base Compensation (Millions of Yen)	Number of payment recipients	Bonuses (Millions of Yen)	Number of payment recipients
Directors	284	160	11	124	10
Audit & Supervisory Board Members	41	41	4	-	-
Total	325	201	15	124	10

Notes: 1. The aggregate amount of base compensation includes the amount of 31 million yen paid to Outside Executives (1 Outside Director and 3 Outside Audit & Supervisory Board Members).

2. Other than the above, the amount of 92 million yen was paid to 6 Directors who concurrently serve as employees as employee salaries (including bonuses).
3. The maximum amounts of annual compensation for all Directors and Audit & Supervisory Board Members, each of which was approved by a resolution passed at the Ordinary General Meeting of Shareholders held in May 1989, is 240 million yen (excluding bonuses and the amounts paid to Directors who concurrently serve as employees as employee salaries) and 60 million yen, respectively.

(3) Decision-Making Policy on Compensation for Directors and Audit & Supervisory Board Members

Monthly compensation for the Directors is in the form of fixed compensation, as the consideration for each Director's performance of business in charge and responsibility therefore. After the termination of the retirement allowance plan for Directors and Audit & Supervisory Board Members by resolution of the General Meeting of Shareholders held on June 29, 2006, the compensation program linked to the stock price of the Corporation was introduced as part of director's compensation. The Directors acquire the stock of the Corporation by making contributions to the Executive Stock Ownership Plan in an amount equal to the retirement bonuses added to Directors' monthly compensation. Acquired stock for this purpose is retained by the Directors during their tenure. The introduction of this system effectively links a part of director's compensation to the stock price of the Corporation, providing further transparency of Directors' managerial responsibility to improve the Corporation's enterprise value.

For the purpose of enhancing corporate governance, the bonuses to Directors are to be paid to the Directors who are responsible for the consolidated business results, other than the Outside Directors, and are linked to consolidated business results so that the relevant Directors share the risks and returns with the shareholders.

Full amount of the compensation to Audit & Supervisory Board Members is fixed so that the independence of the Audit & Supervisory Board Members from the management can be secured and the specific amount for each Audit & Supervisory Board Member is decided through discussions among Audit & Supervisory Board Members.

(4) Outside Director and Audit & Supervisory Board Members

1. Director, Motohiko Yokoyama
 - (i) Relation between important organization of concurrent post and the Corporation
Makita purchases parts, machinery and equipment from JTEKT Corporation and its group companies, but the amount of purchase during the period was 360 million yen, which is insubstantial in that it constitutes approximately 0.1% of Makita's consolidated net sales and less than 0.1% of JTEKT Group's consolidated net sales.
 - (ii) Major activities during the period
Mr. Yokoyama attended 9 of 12 meetings of the Board of Directors (attendance rate: 75%) during the period. At the attended meetings, he expressed his opinions as necessary from the top management perspective of the core company of Toyota Group which is a world's leading corporate group.
 - (iii) Outline of Liability Limitation Agreement
With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation has entered into a liability limitation agreement with Mr. Yokoyama which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act.

2. Audit & Supervisory Board Member, Haruhito Hisatsune
 - (i) Major activities during the period
Mr. Hisatsune attended all meetings of the Board of Directors and the Audit & Supervisory Board. At the attended meetings, he expressed his opinions from his independent position as necessary.
 - (ii) Outline of Liability Limitation Agreement
With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation has entered into a liability limitation agreement with Mr. Hisatsune which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act.

3. Audit & Supervisory Board Member, Masafumi Nakamura
 - (i) Relation between important organization of concurrent post and the Corporation
There is no special interest between important organization of concurrent post and the Corporation.
 - (ii) Major activities during the period
Mr. Nakamura attended 9 of 12 meetings of the Board of Directors (attendance rate: 75%) and 9 of 14 meetings the Audit & Supervisory Board (attendance rate: 64%) during the period. At the attended meetings, he expressed his opinions from the professional perspective of certified public accountant.
 - (iii) Outline of Liability Limitation Agreement
With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation has entered into a liability limitation agreement with Mr. Nakamura which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act.

4. Audit & Supervisory Board Member, Michiyuki Kondo
 - (i) Relation between important organization of concurrent post and the Corporation
There is no special interest between important organization of concurrent post and the Corporation.
 - (ii) Major activities during the period
Mr. Kondo attended all meetings of the Board of Directors and the Audit & Supervisory Board. At the attended meetings, he expressed his opinions from the professional perspective of attorney at law.
 - (iii) Outline of Liability Limitation Agreement
With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation has entered into a liability limitation agreement with Mr. Kondo which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act.

4. Accounting Auditor

(1) Name of Accounting Auditor: KPMG AZSA LLC

(2) Compensation and Other Amounts

	Amount of payment (Millions of Yen)
1. Compensation and other amounts to the Accounting Auditor for the period	237
2. Total amount of cash and other financial benefits payable by the Corporation and its subsidiaries to the Accounting Auditor	255

Notes: 1. As the audit agreement between the Corporation and its accounting auditors does not differentiate compensation for audit under the Companies Act from the one for audit under Financial Instruments and Exchange Law, the amount shown in 1. above represents total compensation and other amounts for both audits.

2. KPMG AZSA LLC is a member firm in Japan of KPMG International and the accounting audits of all principal subsidiaries of the Corporation are conducted by member firms of KPMG International.

(3) Contents of Non-Audit Services

The Corporation commissions KPMG AZSA LLC, with compensation, advisory services concerning a shift to the International Financial Reporting Standards (IFRS).

(4) Decision-Making Policy on Dismissal or Non-Reappointment of Accounting Auditor

If the accounting auditor falls under any of the events prescribed in each of the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall dismiss such accounting auditor with the consent of all the Audit & Supervisory Board Members. In the case of such dismissal, such dismissal and reasons therefore shall be reported to the first General Meeting of Shareholders to be held after such dismissal.

In addition, if it is identified as difficult for the accounting auditor to properly conduct audits as a result of any reason that may harm independence of the accounting auditor, the Board of Directors will submit an agenda concerning non-reappointment of such accounting auditor to a General Meeting of Shareholders with a consent of the Audit & Supervisory Board or upon a request of the Audit & Supervisory Board.

5. Systems and Policies of the Corporation

Systems to Ensure that the Duties of Directors are Executed in Compliance with Laws and Regulations and the Articles of Incorporation, and Other Systems Necessary for Ensuring that the Corporation's Operation Will be Conducted Appropriately

1. Systems to ensure that the duties of Directors and employees are executed in compliance with laws and regulations and the Articles of Incorporation
 - (i) The Board of Directors establishes the Code of Ethics and the Guidelines to the Code of Ethics as the principles for all Executives, and employees of Makita and each of the Directors shall keep all Corporate Officers and employees informed of and in compliance with such ethics.
 - (ii) In order to ensure corporate ethics and compliance, a system to discover problems within Makita is created by establishing consulting facilities inside and outside Makita as well as Internal Reporting Policy. In addition, an inquiry window shall be established on the Makita's website, to receive opinions and suggestions from outside Makita concerning accounting, internal controls and auditing.
 - (iii) An Internal Audit Division is established that conducts internal audit as deemed necessary.
2. Systems concerning the retention and management of information regarding the execution of duties by Directors

Information regarding the execution of duties by Directors shall be appropriately kept and managed in accordance with internal regulations such as the Regulations of the Board of Directors and the Regulations on Corporate Approval. Directors and Audit & Supervisory Board Members shall have access to such information.
3. Rules and other systems for risk management
 - (i) Each Director has the power and responsibility to build a risk management system in Makita in the business areas of which they are in charge, and in the case where a significant event affecting the management of Makita arises, the Director shall report such event to the Board of Directors and Audit & Supervisory Board.
 - (ii) Rules and guidelines on risk management regarding quality control, accident prevention, cash management and others, shall be established as necessary and operated by each department.
4. Systems to ensure the efficient execution of Director's duties
 - (i) A regular meeting of the Board of Directors shall be held once a month and extraordinary meetings shall be held whenever necessary. In addition, pursuant to management policy decided by the Board of Directors, priority targets shall be established for each department in each period. Each Director shall execute his duty to accomplish relevant target and the Board of Directors shall oversight the progress and performance thereof.
 - (ii) The Board of Directors establish standards concerning management structure and organization, positions, divisions of functions and duties and powers, which constitute the basis for implementing management policy, and operates business systematically and efficiently.
 - (iii) The Board of Directors introduces the Corporate Officer system in order to promptly implement Makita strategy and strengthen the operational organization, and thereby make the business operation flexible and efficient.
5. Systems to ensure the adequacy of business operations within Makita
 - (i) Each of all subsidiaries is under control of Directors who are in charge of such subsidiary and important management matters and matters concerning misconduct shall be reported appropriately to such Director in accordance with the Reporting Policy. The Director who is in charge of such subsidiary, upon receipt of such report, shall inform the Board of Directors of the status of supervision when necessary.
 - (ii) To ensure the credibility of financial reporting, the Board of Directors establishes policies on documentation and assessment of internal controls of financial reporting of Makita and evaluates the effectiveness of said policies.
 - (iii) In order to enhance the corporate governance of Makita, Outside Directors shall be appointed.
 - (iv) For supervision and review of internal control systems of Makita by Audit & Supervisory Board Members, a system shall be established for Audit & Supervisory Board Members to cooperate with the Internal Audit Division and other related division and to receive report from Accounting Auditors.
6. Matters concerning employees posted to assist the duties of the Audit & Supervisory Board Members when the Audit & Supervisory Board Members so require and such employees' independence from Directors

As employees assisting the duties of the Audit & Supervisory Board Members, necessary personnel be posted to assist the duties of the Audit & Supervisory Board Members. In order to ensure the independence of such employees from Directors, the consent of the Audit & Supervisory Board is required for the appointment and change of such employees.

7. Systems in accordance with which the Directors and employees report to the Audit & Supervisory Board Members and other systems concerning reports to the Audit & Supervisory Board Members

- (i) Directors, Corporate Officers and employees shall report to the Audit & Supervisory Board Members with respect to matters that may cause significant damage to the Corporation, important management matters, matters concerning misconduct, status of structures and operation of the internal control system, and the operation of internal reporting system and the results of reports received under such system.
- (ii) The Corporation shall prepare a system that enables the Audit & Supervisory Board Members to request reports from Directors, Corporate Officers and employees when necessary and that the Audit & Supervisory Board to exchange opinions with the Directors and Accounting Auditors.

8. Other systems to ensure that audits by the Audit & Supervisory Board Members will be conducted effectively

- (i) In order to enhance the supervisory function of the Audit & Supervisory Board over Accounting Auditors, “Policies and Procedures concerning Prior Approval of Auditing and Non-Auditing Services” shall be established. In addition, to ensure that audits by the Audit & Supervisory Board Members will be conducted effectively, audit shall be conducted in accordance with Standards for audit by Audit & Supervisory Board.
- (ii) Full amount of the compensation to Audit & Supervisory Board Members shall be fixed so that the independence of the Audit & Supervisory Board Members can be secured.

9. Systems to ensure elimination of antisocial forces

From the viewpoint of corporate social responsibility, Makita will consistently take a resolute stance against involvement in, and have absolutely no relationship with, the activities of antisocial forces that may threaten the order and the security of civil society.

- (i) Makita’s policy of “no intervention by antisocial forces has been permitted” is publicly announced, both internally and outside the Corporation, by expressly stipulating such in the management policy/quality policy and by displaying such on the Corporation’s website.
- (ii) Ban on transactions with antisocial forces are expressly stated in the “Guidelines to the Code of Ethics for Makita”, which prescribes the standards for officer and employee conduct applicable in the execution of their tasks. Each Director shall keep all Corporate Officers and employees informed of and in compliance with such prohibition.
- (iii) The Corporation has been liaising closely with the police and external related organizations, including the Public Interest Incorporated Foundation for Aichi Residents’ Conference for Violence, and endeavors to prevent any involvement in activities of antisocial forces, any damage caused thereby, and others.
- (iv) In addition to collecting information relevant to activities of antisocial forces from the police and external related organizations, the Corporation voluntarily participates in seminars. Also, the Corporation endeavors to share information within the Corporation and related departments of Makita.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2013)

(Millions of Yen)

(Assets)		(Liabilities)	
Current assets	323,275	Current liabilities	56,325
Cash and cash equivalents	62,283	Short-term borrowings	1,695
Time deposits	13,262	Trade notes and accounts payable	21,910
Short-term investments	38,060	Other payables	5,556
Trade receivables-		Accrued expenses	7,148
Notes	1,398	Accrued payroll	8,295
Accounts	53,583	Income taxes payable	5,221
Less- Allowance for doubtful receivables	(899)	Deferred income taxes	129
Inventories	138,953	Other liabilities	6,371
Deferred income taxes	5,533	Long-term liabilities	8,317
Prepaid expenses and other current assets	11,102	Long-term indebtedness	8
Property, plant and equipment, at cost	86,285	Accrued retirement and termination benefits	3,513
Land	22,710	Deferred income taxes	3,136
Buildings and improvements	84,482	Other liabilities	1,660
Machinery and equipment	80,484	Total liabilities	64,642
Construction in progress	3,349	(Equity)	
Less- Accumulated depreciation and amortization	(104,740)	Common stock	23,805
Investments and other assets	31,414	Additional paid-in capital	45,421
Investments	18,461	Legal reserve and retained earnings	
Goodwill	721	Legal reserve	5,669
Other intangible assets, net	4,549	Retained earnings	338,239
Deferred income taxes	961	Accumulated other comprehensive income (loss)	(28,064)
Other assets	6,722	Treasury stock, at cost	(11,527)
		Total Makita Corporation shareholders' equity	373,543
		Noncontrolling interest	2,789
		Total equity	376,332
Total assets	440,974	Total liabilities and equity	440,974

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2012 to March 31, 2013)

(Millions of Yen)

Net sales		309,630
Cost of sales		194,859
Gross profit		114,771
Selling, general, administrative and others, net		69,405
Operating income		45,366
Other income (expense):		
Interest and dividend income	1,732	
Interest expense	(180)	
Exchange gains (losses) on foreign currency transactions, net	(1,324)	
Realized gains (losses) on securities, net	97	325
Income before income taxes		45,691
Provision for income taxes:		
Current	13,206	
Deferred	1,301	14,507
Net income		31,184
Less- Net income attributable to the non-controlling interest		108
Net income attributable to Makita Corporation		31,076

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

AND COMPREHENSIVE INCOME (LOSS)

(From April 1, 2012 to March 31, 2013)

(Millions of Yen)

	Makita Corporation shareholders' equity						Non- controlling interest	Total
	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock		
Beginning balance	23,805	45,421	5,669	316,937	(59,066)	(11,513)	2,525	323,778
Purchases and disposal of treasury stock, net						(14)		(14)
Cash dividends				(9,774)			(102)	(9,876)
Comprehensive income (loss)								
Net income				31,076			108	31,184
Foreign currency translation adjustment					27,482		258	27,740
Unrealized holding gains (losses) on available-for- sale securities					2,699			2,699
Pension liability adjustment					821			821
Total comprehensive income (loss)								
Ending balance	23,805	45,421	5,669	338,239	(28,064)	(11,527)	2,789	376,332

	Comprehensive income (loss)		
	Net income attributable to Makita Corporation	Net income attributable to the non-controlling interest	Total
Purchases and disposal of treasury stock, net			
Cash dividends			
Comprehensive income (loss)			
Net income	31,076	108	31,184
Foreign currency translation adjustment	27,482	258	27,740
Unrealized holding gains (losses) on available-for- sale securities	2,699		2,699
Pension liability adjustment	821		821
Total comprehensive income (loss)	62,078	366	62,444

Notes to Consolidated Financial Statements

Notes to Important Basic Matters for Preparation of Consolidated Financial Statements

1. Basis of presentation

The consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) pursuant to the provision of Article 120-2, paragraph 1 of the Ordinance on Accounting of Companies. However, certain disclosures required under U.S. GAAP are omitted pursuant to the second sentence of said paragraph.

2. Scope of consolidation

Number of consolidated subsidiaries: 50

Major subsidiaries are as follows:

Makita U.S.A. Inc., Makita (U.K.) Ltd., Makita Werkzeug G.m.b.H (Germany), Makita Oy (Finland), Makita (China) Co., Ltd., Makita (Kunshan) Co., Ltd., Makita (Australia) Pty. Ltd., Makita do Brasil Ferramentas Elétricas Ltda. etc.

3. Valuation of Short-term investments and Investments

The Corporation conforms to Accounting Standards Codification (“ASC”) 320, “Investments-Debt and Equity Securities”

Held-to-maturity securities:

Amortized cost

Available-for-sale securities:

Evaluation by the fair value

All valuation allowances are reported in Accumulated other comprehensive income (loss).

The cost of securities sold is based on the moving-average method.

4. Valuation of inventories

Inventories are valued at the lower of cost or market price, with cost determined principally based on the average method. Inventory costs include raw materials, labor and production overheads.

5. Depreciation method of fixed assets

Tangible fixed assets:

Depreciation of tangible fixed assets of the Corporation is computed by using the declining-balance method over the estimated useful lives. Most of the consolidated subsidiaries have adopted the straight-line method for computing depreciation.

Goodwill and other intangible assets, net:

With respect to goodwill, in compliance with ASC 350, “Intangibles -Goodwill and Other”, amortization is not performed, but impairment testing is carried out at least once a year in principle. Amortization is performed using the straight-line method with regard to other intangible fixed assets with definite useful lives.

6. Allowances

Allowance for doubtful receivables: The allowance is determined based on, but is not limited to, historical collection experience adjusted for the effects of the current economic environment, assessment of inherent risks, aging and financial performance. Allowance for doubtful receivables represents the Makita's best estimate of the amount of probable credit losses in its existing receivables.

Retirement and termination allowances: In accordance with ASC 715, "Compensation-Retirement Benefits", pension and severance cost is accrued based on the projected benefit obligations and the fair value of plan assets at the balance sheet date.

Each overfunded plans and postretirement plans are recognized as an asset and each underfunded plan and postretirement plans are recognized as a liability.

Unrecognized prior service cost is amortized by the straight-line method over the average remaining service period of employees.

Unrecognized actuarial difference is recognized by amortizing a portion in excess of 10% of the greater of the projected benefit obligations or the fair value of plan assets at the beginning of the period by the straight-line method over the average remaining service period of employees.

7. Consumption tax is accounted for by allocation separately from related sales and purchase accounts.

Notes to Consolidated Balance Sheet

Guarantee (contingent liabilities): 2 million yen

Notes to Consolidated Statement of Shareholders' Equity and Comprehensive Income (Loss)

1. Matter regarding shares issued

Kind of shares	Beginning of the period	Increase	Decrease	End of the period
Common stock	140,008,760 shares	-	-	140,008,760 shares

2. Matter regarding treasury stock

Kind of shares	Beginning of the period	Increase	Decrease	End of the period
Common stock	4,258,242 shares	4,759 shares	168shares	4,262,833 shares

(Reasons for the change)

The reason for the increase is as follows:

Purchase of shares constituting less than a full unit: 4,759 shares

The reason for the decrease is as follows:

Sales of shares constituting less than a full unit: 168 shares

Notes to Financial Instruments

1. Matter regarding status of financial instruments

Makita carries out short-term and other investments in order to secure profits on a stable basis. Short-term investment consists primarily of MMF (Money Management Fund) and FFF (Free Financial Fund). Other investment is made mainly in marketable shares (shares other than those purely for trading purpose). Long-term liabilities comprise long-term loans from banks and capital-lease obligations. Forward exchange contracts were entered into with the aim of reducing such market risks as foreign exchange rate fluctuations.

2. Matter regarding such as fair value of financial instruments

The following methods and significant assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate a fair value:

- (1) Cash and Cash Equivalents, Time Deposits, Trade Receivable, Short-term Borrowings, Trade Notes and Accounts Payable, Other payables, and Accrued expenses

The carrying amounts approximate fair value because of the short maturities of those instruments.

- (2) Long-term Time Deposits

The fair value is estimated by discounting future cash flows using the current rates that Makita would be offered for deposits with similar terms and remaining maturities.

- (3) Short-term investments and Investments

The fair value of marketable and investment securities is estimated based on quoted market prices. For certain investments such as non-marketable securities, since there are no quoted market prices existing, a reasonable estimation of a fair value could not be made without incurring excessive cost, and such securities have been excluded from fair value disclosure. The fair value of such securities is estimated if and when there are indications that the investment may be impaired. Non-marketable securities amounted to 387 million yen as of March 31, 2013.

- (4) Long-term Indebtedness

The fair value of long-term indebtedness is a present value of future cash flows associated with each instrument discounted using Makita's current borrowing rates for similar debt instruments of comparable maturities.

- (5) Derivative Financial Instruments

The fair values of other derivative financial instruments, composed by foreign currency contracts, which are used for hedging purposes, are estimated by obtaining quotes and other relevant information from brokers.

The carrying amounts and estimated fair value of the financial instruments, and the amount of difference thereof as of March 31, 2013 are as follows:

	(Millions of Yen)		
	Carrying amount	Fair value	Amount of difference
Short-term investments	38,060	38,063	3
Investments	18,074	18,101	27
Long-term time deposits	28	28	-
Long-term indebtedness including current maturities	(17)	(17)	-
Foreign currency contracts:			
Assets	125	125	-
Liabilities	(229)	(229)	-

The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument.

These estimates are subjective in nature and involve uncertainties and are matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Notes to Information Per Share

Total Makita Corporation shareholders' equity per share	2,751.78 yen
Total Makita Corporation shareholders' equity per share attributable to common stock was computed based on following;	
Total Makita Corporation shareholders' equity in the consolidated balance sheet	373,543 million yen
Total Makita Corporation shareholders' equity available to common stock	373,543 million yen
Number of shares issued (excluding treasury stock) as of March 31, 2013	135,745,927 shares
Earning per share (Basic) Net income attributable to Makita Corporation common shareholders	
	228.92 yen
Earning per share (Basic) Net income attributable to Makita Corporation common shareholders was computed based on following;	
Net income attributable to Makita Corporation in the consolidated statement of income	31,076 million yen
Net income attributable to Makita Corporation available to common stock	31,076 million yen
Average number of outstanding shares of common stock	135,748,088 shares

BALANCE SHEET

(As of March 31, 2013)

(Millions of Yen)

(Assets)		(Liabilities)	
Current assets	73,124	Current liabilities	19,807
Cash and time deposits	4,026	Trade accounts payable	8,159
Trade notes receivable	242	Other payable	2,542
Trade accounts receivable	22,941	Accrued expenses	4,975
Marketable securities	16,058	Income taxes payable	3,055
Finished goods and merchandise	10,814	Allowance for directors' bonuses	124
Work-in-process	1,122	Allowance for product warranties	346
Raw materials and supplies	1,994	Other	606
Short-term loans receivable	12,692		
Deferred income tax assets	2,337	Long-term liabilities	2,937
Other	909	Retirement and termination allowances	223
Allowance for doubtful accounts	(11)	Retirement allowances for directors and audit & supervisory board members	384
		Asset retirement obligation	15
Fixed assets	168,047	Deferred income tax liabilities	2,315
Tangible fixed assets	34,787	Total liabilities	22,744
Buildings	18,846		
Structures	743	(Net assets)	
Machinery and equipment	1,002	Shareholders' equity	212,359
Vehicles and transportation equipment	32	Common stock	24,206
Tools, furniture and fixtures	1,142	Capital surplus	47,526
Land	12,841	Additional paid-in capital	47,525
Construction in progress	181	Other capital surplus	1
Intangible fixed assets	3,242	Retained earnings	152,154
Software	769	Legal reserve	5,669
Industrial property rights	2,091	Other retained earnings	146,485
Other	382	Reserve for dividend	750
Investment and other assets	130,018	Reserve for technical research	1,500
Investment securities	27,199	Reserve for advanced depreciation	936
Stocks of affiliates	61,068	General reserves	85,000
Investment in affiliates	30,254	Retained earnings carried forward	58,299
Long-term loans receivable	3,187	Treasury stock	(11,527)
Lease deposits	305	Valuation and translation adjustments	6,068
Prepaid pension expenses	7,968	Net unrealized gains on securities	6,068
Other	51	Total net assets	218,427
Allowance for doubtful accounts	(14)		
Total assets	241,171	Total liabilities and net assets	241,171

STATEMENT OF INCOME

(From April 1, 2012 to March 31, 2013)

(Millions of Yen)

Net sales		119,686
Cost of sales		76,315
Gross profit		43,371
Selling, general and administrative expenses		28,874
Operating income		14,497
Non-operating income		
Interest and dividend income	4,379	
Exchange gains on foreign currency transactions, net	34	
Other non-operating income	704	5,117
Non-operating expense		16
Ordinary income		19,598
Extraordinary gain		
Gain on sales of fixed assets	3	
Gain on sales of investment securities	357	360
Extraordinary loss		
Loss on sales and disposal of fixed assets	318	
Loss on evaluation of investment securities	376	
Loss on evaluation of stocks of subsidiaries	62	
Loss on liquidation of subsidiary	66	822
Income before income taxes		19,136
Income taxes - current		5,789
Income taxes - deferred		(83)
Net income		13,430

STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2012 to March 31, 2013)

(Millions of Yen)

Shareholders' equity	
Common stock	
Beginning balance	24,206
Ending balance	24,206
Capital surplus	
Additional paid-in capital	
Beginning balance	47,525
Ending balance	47,525
Other capital surplus	
Beginning balance	1
Changes during the period	
Disposal of treasury stock	(0)
Total changes during the period	(0)
Ending balance	1
Total capital surplus	
Beginning balance	47,526
Changes during the period	
Disposal of treasury stock	(0)
Total changes during the period	(0)
Ending balance	47,526
Retained earnings	
Legal reserve	
Beginning balance	5,669
Ending balance	5,669
Other retained earnings	
Reserve for dividend	
Beginning balance	750
Ending balance	750
Reserve for technical research	
Beginning balance	1,500
Ending balance	1,500
Reserve for advanced depreciation	
Beginning balance	896
Changes during the period	
Transfer to reserve for advanced depreciation	70
Reversal of reserve for advanced depreciation	(30)
Total changes during the period	40
Ending balance	936
General reserves	
Beginning balance	85,000
Ending balance	85,000

(Millions of Yen)

Retained earnings carried forward	
Beginning balance	54,683
Changes during the period	
Transfer to reserve for advanced depreciation	(70)
Reversal of reserve for advanced depreciation	30
Dividends paid	(9,774)
Net income	13,430
Total changes during the period	3,616
Ending balance	58,299
Total retained earnings	
Beginning balance	148,498
Changes during the period	
Dividends paid	(9,774)
Net income	13,430
Total changes during the period	3,656
Ending balance	152,154
Treasury stock	
Beginning balance	(11,513)
Changes during the period	
Purchase of treasury stock	(14)
Disposal of treasury stock	(0)
Total changes during the period	(14)
Ending balance	(11,527)
Total shareholders' equity	
Beginning balance	208,717
Changes during the period	
Dividends paid	(9,774)
Net income	13,430
Purchase of treasury stock	(14)
Disposal of treasury stock	(0)
Total changes during the period	3,642
Ending balance	212,359

(Millions of Yen)

Valuation and translation adjustments	
Net unrealized gains on securities	
Beginning balance	3,253
Changes during the period	
Net change of items other than shareholders' equity	2,815
Total changes during the period	2,815
Ending balance	6,068
Total valuation and translation adjustments	
Beginning balance	3,253
Changes during the period	
Net change of items other than shareholders' equity	2,815
Total changes during the period	2,815
Ending balance	6,068
Total net assets	
Beginning balance	211,970
Changes during the period	
Dividends paid	(9,774)
Net income	13,430
Purchase of treasury stock	(14)
Disposal of treasury stock	(0)
Net change of items other than shareholders' equity	2,815
Total changes during the period	6,457
Ending balance	218,427

Notes to Non-consolidated Financial Statements

Notes to Significant Accounting Policies

1. Valuation of securities

Held-to-maturity securities: Amortized cost (straight-line method)

Stocks of subsidiaries: At moving-average cost

Available-for-sale securities

Those having fair market value: Fair market value as of period-end

Valuation differences are presented as valuation and translation adjustments in net assets.

The cost of securities sold is calculated based on the moving-average method.

Those having no fair market value: At moving-average cost

2. Valuation of net assets and liabilities accrued from derivative transactions:

Fair market value as of period-end

3. Valuation of inventories

Inventories are valued at the lower of cost based (the balance sheet amount is computed using the method of devaluing the book price to reflect declines in profitability).

Finished goods, merchandise, work in process, and raw materials:

At the lower of average cost or market

Supplies: At the lower of latest purchase cost or market

4. Depreciation method of fixed assets

Tangible fixed assets: Declining-balance method

(Excluding lease assets) However, buildings acquired on or after April 1, 1998, (excluding fixtures) are depreciated on the straight-line method.

Useful life:

Buildings: 38 to 50 years

Machinery and equipment: 7 to 10 years

Intangible fixed assets: Straight-line method

(Excluding lease assets) Software for internal use is depreciated on the straight-line method over its estimated useful life (5 years).

Industrial property rights are depreciated on the straight-line method over 8 to 14 year period.

Lease assets:

Lease assets relating to finance lease transactions, excluding those whose ownership is transferred to the lessee upon lease expiration, are depreciated by the straight-line method over the lease term with no residual value, the lease term being regarded as the useful life.

5. Allowances

- Allowance for doubtful accounts: The allowance for doubtful accounts is reserved based on the historical write-off ratio for accounts receivable. For accounts receivable that are difficult to collect, individually estimated write-off amounts are reserved.
- Allowance for directors' bonuses: In preparation for the anticipated payment of directors' bonuses, we appropriate the amount estimated to pay for the period.
- Allowance for product warranties: In preparation for the payment of product after-service and free post-sale repair services, we appropriate the projected amount based on actual payment in the past.
- Retirement and termination allowances: To be prepared for employee retirement, retirement and termination allowances and prepaid pension expenses are reserved based on projected benefit obligations and plan assets at the balance sheet date. Past service liabilities are amortized by the straight-line method over the average remaining employment period. Actuarial differences are amortized starting immediately after the year of accrual by the straight-line method over the average remaining employment period.
- Retirement allowances for Directors and Audit & Supervisory Board Members:
The Corporation terminated the retirement allowance plan for directors and audit & supervisory board members as of the end of the ordinary general meeting of shareholders held on June 29, 2006. The balance of the period end is the amount of the reserve for the period of office served until abolition of the plan by those current directors (excluding outside director) who served until June 29, 2006.

6. Consumption tax is accounted for by allocation separately from related sales and purchase accounts.

Notes to Change of Accounting Policies

Change of depreciation method

Along with the amendment to the Corporation Tax Act, from the current period, the Corporation has changed the depreciation method applied to the property, plant and equipment acquired after April 1, 2012 to the method prescribed under the Corporation Tax Act, as amended.

Accordingly, compared to the previous method, for the current period, operating income, ordinary income and income before income taxes increased by 26 million yen, respectively.

Notes to Balance Sheet

1. Accumulated depreciation on tangible fixed assets:		
Buildings	24,327	million yen
Structures	2,170	million yen
Machinery and equipment	14,723	million yen
Vehicles and transportation equipment	355	million yen
Tools, furniture and fixtures	27,014	million yen
Total	<u>68,589</u>	<u>million yen</u>
2. Guarantee:		
Guarantee for borrowing from financial institution		
Maximum amount of guarantee for Makita U.S.A. Inc. (50 million U.S. dollars)	4,703	million yen
Guarantee for educational loan to employees	2	million yen
Guarantee for accounts payable of the following company		
Makita General Service Co., Ltd.	6	million yen
Total	<u>4,711</u>	<u>million yen</u>
3. Receivables and payables for affiliates:		
Short-term receivables	25,013	million yen
Long-term receivables	2,784	million yen
Short-term payables	5,111	million yen

Notes to Statement of Income

Transactions with affiliates		
Amount of operating transactions		
Sales	44,320	million yen
Purchases, etc.	29,170	million yen
Amount of non-operating transactions	4,460	million yen

Notes to Statement of Changes in Net Assets

1. Matter regarding shares issued

Kind of shares	Beginning of the period	Increase	Decrease	End of the period
Common stock	140,008,760 shares	-	-	140,008,760 shares

2. Matter regarding treasury stock

Kind of shares	Beginning of the period	Increase	Decrease	End of the period
Common stock	4,258,242 shares	4,759 shares	168 shares	4,262,833 shares

(Reasons for the change)

The reasons for the increase are as follows:

Purchase of shares constituting less than a full unit: 4,759 shares

The reason for the decrease is as follows:

Sales of shares constituting less than a full unit: 168 shares

3. Matter regarding subscription rights

None.

4. Matter regarding dividend distribution

(1) Amount of dividend distribution

Resolution	Kind of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2012	Common stock	7,738	57	March 31, 2012	June 27, 2012
Board of Directors' meeting held on October 31, 2012	Common stock	2,036	15	September 30, 2012	November 27, 2012

(2) Although the record date falls during the period, some dividends become effective during the following period.

Scheduled resolution	Kind of shares	Dividend resource	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 25, 2013	Common stock	Retained earnings	7,330	54	March 31, 2013	June 26, 2013

Notes to Tax Effect Accounting

1. The main reasons for deferred income tax assets and liabilities are as follows:

Short-term deferred income tax assets	
Accrued expenses	1,548 million yen
Inventories	496 million yen
Accrued enterprise taxes	270 million yen
Others	23 million yen
Net amount of short-term deferred income tax assets	<u>2,337 million yen</u>
Long-term deferred income tax assets	
Loss on evaluation of investment securities	3,472 million yen
Excess in depreciation	1,982 million yen
Retirement allowances for directors and audit & supervisory board members	135 million yen
Loss on impairment of land	98 million yen
Others	39 million yen
Subtotal	<u>5,726 million yen</u>
Valuation allowance	<u>(1,486) million yen</u>
Total	<u>4,240 million yen</u>
Long-term deferred income tax liabilities	
Retirement and termination allowances	(2,770) million yen
Net unrealized gains on securities	(3,276) million yen
Advanced depreciation	(509) million yen
Total	<u>(6,555) million yen</u>
Net amount of long-term deferred income tax liabilities	<u>(2,315) million yen</u>

2. Major items causing the significant difference between the statutory income tax rates applicable to the Corporation and the effective income tax rates after the adoption of tax effect accounting are as follows:

Statutory income tax rate	37.4%
(Reconciliations)	
Dividend income and other permanently non-taxable income	(7.4%)
Tax sparing impact	(1.7%)
Other	1.5%
Effective income tax rate	<u>29.8%</u>

Notes to Fixed Assets Used through Leases

Operating leases

Lease commitments under non-cancelable operating leases

Within 1 year

141 million yen

Over 1 year

271 million yen

Notes to Transactions with Related Parties

1. Directors and primary individual shareholders

Attribute	Directors and their relatives	Companies which directors and their relatives own the majority of voting rights (including the subsidiaries of such companies)	
Corporate name	JTEKT Corporation	TOA Co., Ltd. (Note 2)	Maruwa, Ltd. (Note 3)
Principal business or position	Director of the Corporation (Chairman and Representative Director of JTEKT Corporation)	Design, production and distribution of automatic regulators	Real estate business
Owning and owned ratio of voting rights (%)	Direct owning ratio: 0.0 Direct owned ratio: 0.1	Direct owned ratio: 0.0	Direct owned ratio: 2.9
Relationship	Purchase of production equipment Interlocking Directors (Number of directors: 1)	Purchase of production equipment Interlocking Directors (Number of directors: 1)	Advertising Interlocking Directors (Number of directors: 1)
Principal transactions	Purchase of production equipment (Note 1)	Purchase of production equipment (Note 1)	Advertising (Note 1)
Transaction amount (millions of yen) (Note 4)	4	45	2
Account title	-	Other accounts payable	-
Balance at end of the period (millions of yen) (Note 4)	-	2	-

Terms of transactions and the policy to decide the terms

- (Note 1) The terms of the transactions with JTEKT Corporation, TOA Co., Ltd. and Maruwa, Ltd. are the same as those other general transactions.
- (Note 2) Masahiko Goto, President and Representative Director of the Corporation, and his relatives own 100% of voting rights of TOA Co., Ltd.
- (Note 3) Masahiko Goto, President and Representative Director of the Corporation, and his relatives own 68.1% of voting rights of Maruwa, Ltd.
- (Note 4) The above stated transaction amount do not include consumption tax, and that balance at end of the period includes consumption tax.

2. Subsidiaries

Attribute	Subsidiaries			
Corporate name	Makita U.S.A. Inc. (United States)	Makita Gulf FZE (U.A.E.)	Dolmar GmbH (Germany)	Makita Africa s.a.r.l.a.u. (Morocco)
Owning and owned ratio of voting rights (%)	Direct owning ratio: 100.0	Direct owning ratio: 100.0	Direct owning ratio: 1.0 Indirect owning ratio: 99.0	Direct owning ratio: 100.0
Relationship	Debt guarantee Interlocking Directors (Number of directors: 1)	Money loan Interlocking Directors (Number of directors: 1)	Money loan Interlocking Directors (Number of directors: 1)	Money loan
Principal transactions	Debt guarantee (Note 1)	Money loan (Note 2)	Money loan (Note 2)	Money loan (Note 2)
Transaction amount (millions of yen) (Note 6)	4,703	10,899	7,478	3,745
Account title	-	Short-term loans receivable	Short-term loans receivable	Short-term loans receivable
Balance at end of the period (millions of yen) (Note 6)	-	3,762	2,294	752

Attribute	Subsidiaries				
Corporate name	Makita SA (Switzerland)	Makita do Brasil Ferramentas Elétricas Ltda. (Brazil)	Makita Numazu Corporation (Numazu city, Shizuoka Prefecture)	Makita (Kunshan) Co., Ltd. (China)	
Owning and owned ratio of voting rights (%)	Direct owning ratio: 100.0	Direct owning ratio: 99.9	Direct owning ratio: 100.0	Direct owning ratio: 100.0	
Relationship	Money loan Interlocking Directors (Number of directors: 1)	Money loan Subscription of additional increase of capital	Money loan Interlocking Directors (Number of directors: 2)	Purchase of finished goods and merchandise Interlocking Directors (Number of directors: 4)	
Principal transactions	Money loan (Note 2)	Money loan (Note 2)	Capital increase (Note 3)	Money loan (Note 4)	Purchase of finished goods and merchandise (Note 5)
Transaction amount (millions of yen) (Note 6)	3,202	-	2,976	22,650	18,715
Account title	Short-term loans receivable	Short-term loans receivable	Investment in affiliates	Long-term loans receivable	Trade accounts payable
Balance at end of the period (millions of yen) (Note 6)	1,091	4,000	8,343	2,150	3,166

Terms of transactions and the policy to decide the terms

- (Note 1) For Makita U.S.A. Inc., we have guaranteed its debt, and the amount shown in “Transaction amount” represents the maximum amount of guarantee (50 million U.S. dollars with no payment deadline).
- (Note 2) Regarding money loan, we decide upon reasonable rates of interest, considering the prevailing market rate. We have not taken collateral.
- (Note 3) The Corporation subscribed for additional increase of capital.
- (Note 4) Regarding money loan, we decide upon reasonable rates of interest, considering the prevailing market rate. Collective receivables and collective movables of Makita Numazu Corporation are subject to restrictions as collateral.
- (Note 5) Conducted on the ordinary terms of transactions that are equal to arm’s-length transactions.
- (Note 6) Consumption tax is not included in the transaction amount and the balance at end of the period.

Notes to Information Per Share

Net assets per share	1,609.09	yen
Net assets per share attributable to common stock was computed based on following;		
Total net assets in the balance sheet	218,427	million yen
Net assets available to common stock	218,427	million yen
Number of shares issued (excluding treasury stock) as of March 31, 2013	135,745,927	shares
Net income per share	98.93	yen
Net income per share attributable to common stock was computed based on following;		
Net income	13,430	million yen
Net income available to common stock	13,430	million yen
Average number of outstanding shares of common stock	135,748,088	shares

Notes to Significant Subsequent Event

The Board of Directors of the Corporation resolved at its meeting held on May 29, 2012 that the absorption-type merger be conducted between the Corporation as the surviving corporation and Makita Numazu Corporation, a consolidated subsidiary of the Corporation, as the dissolving company, and Makita Numazu Corporation was merged into the Corporation as of April 1, 2013.

1. Purpose of merger

It is necessary for Makita to respond resiliently and flexibly to the changes in the business environment, such as global economic situations, exchange rates, global competition and environmental regulations, and to improve the efficiency of the management within the group. So, the Corporation decided to absorb and merge Makita Numazu Corporation as of April 1, 2013.

2. Method of merger

In this merger, the Corporation is a surviving company, and Makita Numazu Corporation is dissolved and absorbed into the surviving company as of April 1, 2013.

3. Merger ratio and amount of cash delivered upon merger

Since Makita Numazu was a wholly-owned subsidiary of the Corporation, no new shares were issued and no capital increase was implemented. No payment was made to either of the parties, in connection with this Merger.

4. Overview of the Parties to the Merger (As of March 31, 2013)

	Surviving Corporation	Dissolving Corporation
Corporate Name	Makita Corporation	Makita Numazu Corporation
Principal Business	Production and sales of electric power tools, pneumatic tools, wood-working tools, gardening equipment, and household tools	Production and sales of gardening equipment, etc.
Net Sales	119,686 million yen	7,216 million yen
Net Income (loss)	13,430 million yen	(128) million yen
Total Assets	241,171 million yen	5,780 million yen
Total liabilities	22,744 million yen	5,343 million yen
(The Amount of) Stated Capital	24,206 million yen	834 million yen
Total net assets	218,427 million yen	437 million yen

5. Overview of implemented accounting procedures

In accordance with the "Accounting Standard for Business Combination" (ASBJ Statement No. 21, as of December 26, 2008) and the "Guidance on Accounting Standard for Business Combination and Standard for Business Separation, Etc." (ASBJ Guidance No. 10, as of December 26, 2008), the Corporation will treat the merger as a transaction under common control.

Independent Auditor's Report

May 24, 2013

The Board of Directors
Makita Corporation

KPMG AZSA LLC

Noriaki Habuto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hideaki Koyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hisashi Ohkita (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity and comprehensive income (loss) and the notes to consolidated financial statements of Makita Corporation as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provision of the second sentence of Article 120-2-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Article 120-2-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under accounting principles generally accepted in the United States of America, present fairly, in all material respects, the financial position and the results of operations of Makita Corporation and its subsidiaries for the period, for which the consolidated financial statements were prepared.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

May 24, 2013

The Board of Directors
Makita Corporation

KPMG AZSA LLC

Noriaki Habuto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hideaki Koyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hisashi Ohkita (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the non-consolidated financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the notes to non-consolidated financial statements, and the supplementary schedules of Makita Corporation as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Non-Consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Makita Corporation for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

AUDIT REPORT

The Audit & Supervisory Board, having discussed with each other based on the audit reports prepared by each Audit & Supervisory Board Member regarding the performance of duties of Directors during the 100th period, from April 1, 2012 to March 31, 2013, does hereby report the results of their audit as follows:

1. Auditing Method Employed by Audit & Supervisory Board Members and Audit & Supervisory Board and Details Thereof

The Audit & Supervisory Board established the audit policy and duties of each Audit & Supervisory Board Member, received reports from each Audit & Supervisory Board Member on the execution of audits and results thereof and received reports from Directors and other related persons and Accounting Auditors on the performance of their duties, and, when necessary, requested explanations.

In conformity with the auditing standards for the Audit & Supervisory Board Members established by the Audit & Supervisory Board and in accordance with the audit policy and the duties assigned to each Audit & Supervisory Board Member by the Audit & Supervisory Board, each Audit & Supervisory Board Member has had communication with Directors, employees such as a staff of Internal Audit Division and other related persons and endeavored to gather information and create an improved environment for auditing. Each Audit & Supervisory Board Member also attended meetings of the Board of Directors and other important meetings, received from Directors, employees and other related persons reports on the performance of their duties, and, when necessary, requested explanations. Each Audit & Supervisory Board Member also inspected the important documents and examined the status of operations and properties at the head office and the principal offices of the Corporation. The Audit & Supervisory Board Members regularly received from Directors, employees and other related persons reports and, when necessary, requested explanations and expressed opinions with respect to the status of establishment and operation of systems to ensure that the Directors perform their duties stated in the Business Report in compliance with applicable laws and regulations and the Articles of Incorporation, the content of a resolution of the Board of Directors concerning the establishment of other systems necessary to ensure the propriety of company's operations as provided for in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act (internal control system), and the systems established based on said resolution. As for the subsidiaries of the Corporation, the Audit & Supervisory Board Members, having communication with the directors and Audit & Supervisory Board Members and other related persons of the subsidiaries and sharing information among them, received reports from such subsidiaries as necessary. According to the foregoing method, we examined the business report and the accompanying supplemental schedules for this period.

In addition, the Audit & Supervisory Board Members also monitored and examined whether the Accounting Auditors maintain their independence and conduct their audits in an appropriate manner. The Audit & Supervisory Board Members received reports from the Accounting Auditors on the performance of their duties and, when necessary, requested their explanations. The Audit & Supervisory Board Members also received notification from the Accounting Auditors that they have taken steps to improve the "system for ensuring appropriate execution of the duties of the accounting auditors" (as set forth in Items of Article 131 of the Ordinance on Corporate Accounting) in compliance with the "Quality Control Standard for Auditing" (adopted by the Business Accounting Council on October 28, 2005). The Audit & Supervisory Board Members requested explanations on such notifications as necessary. According to the foregoing method, the Audit & Supervisory Board Members reviewed the financial statements for this period (balance sheet, statement of income, statement of changes in net assets and notes to non-consolidated financial statements) and the accompanying supplemental schedules and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of shareholders' equity and comprehensive income (loss) and notes to consolidated financial statements).

2. Results of Audit

(1) Results of Audit of the Business Report and Others

- A. We confirm that the business report and the accompanying supplemental schedules present fairly the status of the Corporation in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Corporation.
- B. We confirm that there are no fraudulent acts or material facts that violated the applicable laws and regulations of Japan or the Articles of Incorporation of the Corporation in the course of the performance of the duties of the Directors.
- C. We confirm that the substance of the resolutions by the Board of Directors regarding establishment of Internal Control System is appropriate. We do not see anything to be pointed out on the description of the business report, and the performance of the Directors regarding the Internal Control System.

(2) Results of Audit of the Financial Statements and the Accompanying Supplemental Schedules

We confirm that the method and the results of the audit conducted by KPMG AZSA LLC, the Accounting Auditors, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We confirm that the method and the results of the audit conducted by KPMG AZSA LLC, the Accounting Auditors, are appropriate.

3. Subsequent Event

As described in Notes to Significant Subsequent Event included in Notes to Non-consolidated Financial Statements, the Corporation absorbed and merged with the Makita Numazu Corporation as of April 1, 2013.

May 28, 2013

Audit & Supervisory Board
Makita Corporation

Toshihito Yamazoe (Seal)
Standing Audit & Supervisory Board Member

Haruhito Hisatsune (Seal)
Standing Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Michiyuki Kondo (Seal)
Outside Audit & Supervisory Board Member

Mr. Masafumi Nakamura did not sign the Audit Report since he resigned as an outside audit & supervisory board member as of March 31, 2013.

REFERENCE DOCUMENT

Propositions and Explanatory Information

Agenda Item No. 1: Appropriation of Surplus

The Corporation has its basic policy for profit distribution to propose the dividends with a target consolidated dividend payout ratio of at least 30% of net income, with a minimum amount for annual total dividends at 18 yen per share; provided, however, that if special circumstances arise, the amount of dividends will be determined based on Net income attributable to Makita Corporation after certain adjustments reflecting such circumstances.

In accordance with this basic policy for profit distribution, and based on our comprehensive review of the consolidated business result for this period and forecasts and plans of our future businesses, we propose a year-end dividends to shareholders as follows. As this dividend, the total dividends for the period under review shall amount to 69 yen per share that include interim dividends in the amount of 15 yen per share, and the consolidated dividend payout ratio is 30.1% of net income.

1. Matters on allocation of dividends to shareholders and total amount of allocation

54 yen per share of common stock

Total amount: 7,330,280,058 yen

2. Effective date of dividend payment

June 26, 2013

Agenda Item No. 2: Election of 12 Directors

The term of offices of all 11 Directors will have expired at the conclusion of this General Shareholders' Meeting. In order to cope with changes in global business environments quickly and to prepare for further business expansion, we would like to request the election of 12 directors (including one outside director), an increase of one director. The candidates are as follows:

Candidate Number	Name (Date of birth)	Brief personal background, title and position at the Corporation and Important concurrent posts	Number of the Corporation's shares held
1	Masahiko Goto (November 16, 1946)	<p>March 1971 Joined the Corporation</p> <p>May 1984 Director, Manager of Corporate Planning Department</p> <p>July 1987 Managing Director, General Manager of Administration Headquarters</p> <p>May 1989 President and Representative Director (present)</p>	1,996,143
2	Shiro Hori (February 24, 1948)	<p>March 1970 Joined the Corporation</p> <p>March 1999 General Manager of Europe Sales Department</p> <p>June 2003 Director, General Manager of International Sales Headquarters: America Region</p> <p>September 2007 Director, General Manager of International Sales Headquarters: America, Asia and Oceania Region</p> <p>June 2009 Director, Managing Corporate Officer, in charge of International Sales and General Manager of International Sales Headquarters: America, Asia and Oceania Region (present)</p>	17,413
3	Tadayoshi Torii (December 10, 1946)	<p>March 1964 Joined the Corporation</p> <p>April 1998 General Manager of Production Department (Assembly)</p> <p>October 1998 General Manager of Production Department</p> <p>June 2001 Director, General Manager of Quality Control Headquarters</p> <p>June 2003 Director, General Manager of Production Headquarters</p> <p>June 2009 Director, Managing Corporate Officer, in charge of Production and General Manager of Production Headquarters (present)</p>	21,800
4	Tomoyasu Kato (March 25, 1948)	<p>March 1970 Joined the Corporation</p> <p>March 1999 General Manager of Standard and Technical Administration Department</p> <p>June 2001 Director, General Manager of Development and Engineering Headquarters</p> <p>June 2009 Director, Corporate Officer, General Manager of Research and Development Headquarters (in charge of Research and Development)</p> <p>October 2010 Director, Corporate Officer, General Manager of Research and Development Headquarters (present)</p>	17,472

Candidate Number	Name (Date of birth)	Brief personal background, title and position at the Corporation and Important concurrent posts	Number of the Corporation's shares held
5	Tadashi Asanuma (January 4, 1949)	<p>March 1967 Joined the Corporation</p> <p>April 1994 Manager of Tokyo Branch Office</p> <p>April 1995 Manager of Saitama Branch Office</p> <p>April 2001 General Manager of Osaka Sales Department</p> <p>June 2003 Director, Assistant General Manager of Domestic Sales Marketing Headquarters</p> <p>June 2007 Director, General Manager of Domestic Sales Marketing Headquarters: Tokyo Area</p> <p>June 2009 Director, Corporate Officer, in charge of Domestic Sales and General Manager of Domestic Sales Marketing Headquarters: Nagoya Area</p> <p>April 2010 Director, Corporate Officer, in charge of Domestic Sales and General Manager of Domestic Sales Marketing Headquarters (present)</p>	9,000
6	Hisayoshi Niwa (February 24, 1949)	<p>March 1972 Joined the Corporation</p> <p>October 1991 Manager of E.D.P. System Department</p> <p>October 1999 General Manager of Production Control Department</p> <p>June 2003 Director, General Manager of Quality Control Headquarters</p> <p>April 2005 Director, General Manager of Quality Headquarters</p> <p>June 2009 Director, Corporate Officer, General Manager of Quality Headquarters (present)</p>	10,200
7	Shinichiro Tomita (January 11, 1951)	<p>March 1974 Joined the Corporation</p> <p>October 2000 General Manager of Plant Engineering-maintenance Department</p> <p>October 2001 General Manager of Production Engineering Department</p> <p>September 2003 President of Makita (China) Co., Ltd.</p> <p>June 2007 Director, Assistant General Manager of Production Headquarters of the Corporation (in charge of China Plant)</p> <p>June 2009 Director, Corporate Officer, General Manager of Research and Development Headquarters (in charge of Product Development)</p> <p>May 2010 Director, Corporate Officer, General Manager of Purchasing Headquarters (present)</p>	6,200
8	Tetsuhisa Kaneko (April 6, 1955)	<p>March 1981 Joined the Corporation</p> <p>April 2004 General Manager of Technical Research Department</p> <p>August 2005 General Manager of Production Department 2</p> <p>October 2006 General Manager of Production Department 1</p> <p>June 2007 Director, General Manager of Purchasing Headquarters</p> <p>June 2009 Director, Corporate Officer, General Manager of Purchasing Headquarters</p> <p>May 2010 Director, Corporate Officer, General Manager of Production Headquarters (in charge of China Plant) (present)</p>	8,800

Candidate Number	Name (Date of birth)	Brief personal background, title and position at the Corporation and Important concurrent posts	Number of the Corporation's shares held
9	Yoji Aoki (May 22, 1950)	<p>March 1975 Joined the Corporation</p> <p>July 2001 General Manager of Personnel Department</p> <p>July 2004 General Manager of General Affairs Department</p> <p>June 2009 Director, Corporate Officer, General Manager of Administration Headquarters (present)</p>	6,100
10*	Tomoyuki Ota (March 22, 1956)	<p>March 1978 Joined the Corporation</p> <p>October 2003 General Manager of Production Department 1</p> <p>August 2005 General Manager of Products & Engineering Administration Department</p> <p>October 2012 General Manager of Products & Engineering Administration Department and General Manager of Product Design & Development Department 1 (present)</p>	4,600
11*	Munetoshi Goto (April 26, 1975)	<p>April 1999 Joined the Corporation</p> <p>April 2012 General Manager of International Sales Administration Department (present)</p>	227,245
12*	Akiyoshi Morita (August 23, 1941)	<p>April 1967 Jointed the Toyota Motor Co., Ltd. (present; Toyota Motor Corporation, "TOYOTA")</p> <p>September 1994 Director of TOYOTA</p> <p>June 1998 Managing Director of TOYOTA</p> <p>June 1999 Senior Managing Director of TOYOTA</p> <p>June 2000 Director, Vice President of the Aichi Steel Corporation ("AICHI STEEL")</p> <p>June 2004 Director, President of AICHI STEEL</p> <p>June 2008 Director, Chairman of the Board of AICHI STEEL</p> <p>June 2011 Advisor of AICHI STEEL (present)</p> <p>March 2012 Outside Director of the Showa Denko K.K. (present)</p> <p>(Important Concurrent Posts)</p> <p>Advisor of the AICHI STEEL</p> <p>Outside Director of the Showa Denko K.K.</p>	-

Notes: 1. * indicates a candidate to be posted as a Director of the Corporation for the first time.

2. There is no special interest between the above candidates and the Corporation.

3. Mr. Akiyoshi Morita is a candidate for Outside Director.

4. Mr. Akiyoshi Morita has great perceptiveness and many years of experience as a management of TOYOTA and AICHI STEEL, core companies of Toyota Group which is a world's leading corporate group. The Corporation proposes his appointment as Outside Director, considering that the Corporation will be able to receive his useful opinions from his broad perspective as top management of the above mentioned company.

5. If Mr. Akiyoshi Morita appointed to be an Outside Director, with respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation will enter into a liability limitation agreement with Mr. Akiyoshi Morita which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act.

6. The stated number of the Corporation's shares held by candidates for Directors represents the actual number of shares each candidate holds, including those vested to him in Makita's stock ownership plan for the Directors or for the employees.

7. If Mr. Akiyoshi Morita is appointed to be Outside Director, the Corporation plans to designate Mr. Akiyoshi Morita as the "Independent Director" as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made a required notification therefore to these stock exchanges.

Agenda Item No. 3: Election of 1 Audit & Supervisory Board Member

Mr. Masafumi Nakamura, an Audit & Supervisory Board Member, resigned as of March 31, 2013. We would like to request the election of 1 Audit & Supervisory Board Member. The candidate for the Audit & Supervisory Board Member is not a substitute for Mr. Masafumi Nakamura, and his term of office will be until the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within four years after the Audit & Supervisory Board Member's election.

The candidate is as follow:

The Audit & Supervisory Board has agreed to this proposal.

Name (Date of birth)	Brief personal background, title and position at the Corporation and Important concurrent posts	Number of the Corporation's shares held
Fusahiro Yamamoto* (December 6, 1952)	November 1977 Joined Ito Audit Corporation	-
	August 1981 Qualified as certified public accountant	
	September 1985 Seconded to Asahi & Co. America	
	September 1989 Qualified as US certified public accountant	
	June 2000 Representative partner of Ito Audit Corporation	
	January 2001 Merged with Chuo Aoyama Audit Corporation Representative Partner of Chuo Aoyama Audit Corporation	
	September 2006 Joined PricewaterhouseCoopers Aarata	
	(Important Concurrent Posts) Representative Partner of PricewaterhouseCoopers Aarata (present)	

- Notes: 1. * indicates a candidate to be posted as a Audit & Supervisory Board Member of the Corporation for the first time.
2. There is no special interest between the above candidate and the Corporation.
3. Mr. Fusahiro Yamamoto is a candidate for an Outside Audit & Supervisory Board Member.
4. The Corporation proposes the election of Mr. Fusahiro Yamamoto as an Outside Audit & Supervisory Board Member, considering that, he has substantial amount of experience as a certified public accountant in Japan and the U.S. in the field of corporate accounting audits, and he would be able to provide the Corporation with informative opinions.
5. Although Mr. Fusahiro Yamamoto of does not have any experience directly involving the corporate management, he shall have the appropriate work performance as an Outside Audit & Supervisory Board Member of the Corporation with his extensive knowledge and abundant experience through his practices as a certified public accountant, the Corporation considering that and proposes to elect him as an Outside Audit & Supervisory Board Member.
6. If Mr. Fusahiro Yamamoto appointed to be an Outside Audit & Supervisory Board Member, with respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation will enter into a liability limitation agreement with Mr. Fusahiro Yamamoto which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act.
7. If Mr. Fusahiro Yamamoto is appointed to be an Outside Audit & Supervisory Board Member, the Corporation plans to designate Mr. Fusahiro Yamamoto as "Independent Audit & Supervisory Board Members" as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made required notification therefore to these stock exchanges.
8. Mr. Fusahiro Yamamoto will retire from his position as Representative Partner of PricewaterhouseCoopers Aarata as of June 30, 2013.

Agenda Item No. 4: Payment of Bonus to Directors

Bonus to Directors of the Corporation are, as with the basic policy for profit distributions, linked to consolidated business result. Compensation to Outside Director and Audit & Supervisory Board Members are fixed, and they are not eligible to receive bonus payments.

At end of the period, the Corporation has 11 directors. In accordance with above policy, we would like to pay directors' bonuses to 10 directors in the amount of 124 million yen considering performance during the period. This is with the exception of Mr. Motohiko Yokoyama, who is an Outside Director.