



REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Following is an English translation of the Internal control report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

1. Matters Relating to the Basic Framework for Internal Control over Financial Reporting

Shiro Hori, President, Representative Director, and Yoji Aoki, Director, Corporate Officer, General Manager of Administration Headquarters, are responsible for designing and operating effective internal control over financial reporting of Makita Corporation, and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in "The Standards and Practice Standards for Management Assessment and Audit of Internal Control Over Financial Reporting" published by the Business Accounting Council.

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

2. Matters Relating to Scope of Assessment, the Assessment Date, and Assessment Procedures

The Assessment of internal control over financial reporting was performed as of March 31, 2014. The assessment was performed in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated internal controls which may have a material effect on the entire financial reporting in a consolidation (in what follows "company-level controls") and based on the result of this assessment, we appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of our financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of its internal controls.

We determined the required scope of assessment of internal control over financial reporting for the Company, as well as its consolidated subsidiaries, from the perspective of the materiality that may affect the reliability of our financial reporting. The materiality that may affect the reliability of the financial reporting is determined taking into account the materiality of quantitative and qualitative impacts. We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes in light of the results of assessment of company-level controls conducted for the Company and its consolidated subsidiaries. We did not include those consolidated subsidiaries which do not have any quantitatively or qualitatively material impact on the consolidated financial statement in the scope of assessment of company-level controls.

Regarding the scope of assessment of internal control over business processes, we accumulated business units in descending orders of total forecasting revenues for this fiscal year, and those business units whose combined amount of forecasting revenues reaches approximately two-thirds of total forecasting revenues on a consolidated basis were selected as "significant business units."

At the selected significant business units, we included, in the scope of assessment, those business processes leading to revenues, accounts receivables and inventories, as significant accounts that may have a material impact on our business objectives. Further, not only at selected significant business units, but also at other business units, we added to the scope of assessment, as business processes having greater materiality considering their impact on the financial reporting, those business processes relating to greater likelihood of material misstatements and significant accounts involving estimates and the management's judgment, and those business processes relating to business or operating dealing with high-risk transactions.

3. Matters Relating to the Result of the Assessment

As a result of the assessment above, we concluded that our internal control over financial reporting was effective as of March 31, 2014.

4. Supplementary Matters

None

5. Special Notes

We had prepared the Internal Control Report in accordance with the terms, forms and procedures required in the management's report on internal control over financial reporting in the U.S. until the previous fiscal year since we had registered our ADR to the SEC. In July 2013, the registration of our ADR was terminated. Consequently, we have made the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan and prepared this Internal Control Report.