

MAKITA CORPORATION

(Stock code: 6586)

June 3, 2021

To the Shareholders of
MAKITA CORPORATION

NOTICE OF THE 109TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are respectfully requested to attend the 109th Ordinary General Meeting of Shareholders of MAKITA CORPORATION, which is hereby announced.

To prevent the further spread of the novel coronavirus (COVID-19), we kindly ask you to decide whether or not to attend the meeting after checking your health condition.

Instead of attending the meeting, you may exercise your voting rights by mail or via the Internet in advance. Please review the accompanying information and exercise the rights by 5 p.m., Thursday, June 24, 2021.

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

1. **Date and Time:** 10 a.m., Friday, June 25, 2021

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 109th period (from April 1, 2020 to March 31, 2021) and the Audit Reports on such Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Financial Statements for the 109th period

Items to be Resolved:

- No.1** Appropriation of Surplus
- No.2** Partial Amendments to the Articles of Incorporation
- No.3** Election of 11 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- No.4** Election of 4 Directors Who Are Audit & Supervisory Committee Members
- No.5** Determination of the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- No.6** Determination of the Amount of Compensation for Directors Who Are Audit & Supervisory Committee Members
- No.7** Determination of Compensation for the Allotment of Restricted Shares to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)
- No.8** Payment of Bonus to Directors

NOTE: The notes to the consolidated and non-consolidated financial statements are not included in the attachments since they are posted on the Corporation's website (<https://www.makita.biz/ir/>) as provided by laws and regulations and Article 15 of the Corporation's Articles of Incorporation. The consolidated and non-consolidated financial statements audited by the Accounting Auditor and the Audit & Supervisory Board consist of the documents included in the attachments and the notes to the consolidated and non-consolidated financial statements posted on the Corporation's website.

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 profit, with a minimum amount for annual total dividends at 10 yen per share; provided, however, that if special circumstances arise, the amount of dividends will be determined based on profit attributable to owners of the parent per share (Basic) 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 year-end dividends to shareholders as follows.

As this dividend, the total dividends for this period under review shall amount to 69 yen per share that include interim dividends in the amount of 10 yen per share, and the consolidated dividend payout ratio is 30.2 %.

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

59 yen per share of common stock

Total amount: 16,020,100,316 yen

2. Effective date of dividend payment

June 28, 2021

Agenda Item No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Corporation has strengthened the supervisory function of the Board of Directors by appointing multiple Independent Outside Directors. With the aim of further strengthening the supervisory function of the Board of Directors and further enhancing the corporate governance system, we would like to transition to a Company with an Audit & Supervisory Committee. Along with this transition, amendments shall be made to the Articles of Incorporation, including the establishment of new provisions regarding the Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and the deletion of provisions regarding the Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) In order for Directors to fully demonstrate their expected roles, new provisions shall be established to enable partial exemption of Directors from their liability to the extent permitted by applicable laws and regulations, by a resolution of the Board of Directors, in accordance with Article 426, Paragraph 1 of the Companies Act. Furthermore, pursuant to the Act Partially Amending the Companies Act (Act No. 90 of 2014), which came into force on May 1, 2015, changes were made to the scope of Directors who may enter into liability limitation agreements. Accordingly, Article 28 of the current Articles of Incorporation shall be amended to enable the Corporation to enter into liability limitation agreements with Non-Executive Directors. All Audit & Supervisory Board Members have agreed to the proposed establishment of and amendments to these provisions.
- (3) In order to attain flexible execution of capital and dividend policies, Articles 32 and 33 of the proposed amendments shall be newly established, and Article 7 of the current Articles of Incorporation, which overlaps with certain parts of Article 32 of the proposed amendments, shall be deleted, so that matters including dividends from surplus may be carried out by a resolution of the Board of Directors, in accordance with Article 459, Paragraph 1 of the Companies Act.
- (4) Other necessary amendments shall also be made, such as changes to the numbering of articles in line with the above amendments.

2. Details of the amendments

Details of the amendments are as follows from the next page:

The proposed amendments to the Articles of Incorporation in this proposal shall become effective at the conclusion of this General Meeting of Shareholders.

(Portions to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER I</p> <p style="text-align: center;">GENERAL PROVISIONS</p> <p>Article 1. to Article 3. (Omitted)</p> <p>Article 4. <i>(Organizations)</i> In addition to the general meetings of shareholders and Directors, the Company shall have the following organizations: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditors</p> <p>Article 5. (Omitted)</p>	<p style="text-align: center;">CHAPTER I</p> <p style="text-align: center;">GENERAL PROVISIONS</p> <p>Article 1. to Article 3. (Unchanged)</p> <p>Article 4. <i>(Organizations)</i> In addition to the general meetings of shareholders and Directors, the Company shall have the following organizations: (1) Board of Directors (2) <u>Audit & Supervisory Committee</u> (Deleted) (3) Accounting Auditors</p> <p>Article 5. (Unchanged)</p>
<p style="text-align: center;">CHAPTER II</p> <p style="text-align: center;">SHARES</p> <p>Article 6. (Omitted)</p> <p>Article 7. <i>(Acquisition of treasury stock)</i> <u>The Company may, by a resolution of the Board of Directors, purchase shares of the Company by market transactions of other permitted methods pursuant to Article 165, Paragraph 2 of the Companies Act.</u></p> <p>Article 8. to Article 11. (Omitted)</p>	<p style="text-align: center;">CHAPTER II</p> <p style="text-align: center;">SHARES</p> <p>Article 6. (Unchanged)</p> <p>(Deleted)</p> <p>Article 7. to Article 10. (Unchanged)</p>
<p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">GENERAL MEETINGS OF SHAREHOLDERS</p> <p>Article 12. to Article 17. (Omitted)</p>	<p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">GENERAL MEETINGS OF SHAREHOLDERS</p> <p>Article 11. to Article 16. (Unchanged)</p>
<p style="text-align: center;">CHAPTER IV</p> <p style="text-align: center;">DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 18. <i>(Number)</i> The Company shall have not more than fifteen (15) Directors.</p> <p style="text-align: center;">(New)</p> <p>Article 19. <i>(Election)</i> (1) Directors shall be elected at general meetings of shareholders.</p> <p>(2) (Omitted) (3) (Omitted)</p>	<p style="text-align: center;">CHAPTER IV</p> <p style="text-align: center;">DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 17. <i>(Number)</i> (1) The Company shall have not more than fifteen (15) Directors <u>(excluding Directors who are Audit & Supervisory Committee Members).</u></p> <p>(2) <u>The Company shall have not more than five (5) Directors who are Audit & Supervisory Committee Members.</u></p> <p>Article 18. <i>(Election)</i> (1) <u>Directors who are Audit & Supervisory Committee Members and other Directors</u> shall be <u>separately</u> elected at general meetings of shareholders.</p> <p>(2) (Unchanged) (3) (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>20</u>. (<i>Terms of office</i>) The terms of offices of Directors shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>two (2) years</u> from their election.</p> <p style="text-align: right;">(New)</p> <p><u>The term of office of any Director elected to increase the number of the Directors or to fill a vacancy shall expire upon the expiration of the terms of offices of the other Directors then in office.</u></p> <p style="text-align: right;">(New)</p> <p style="text-align: right;">(New)</p>	<p>Article <u>19</u>. (<i>Terms of office</i>)</p> <p>(1) The terms of offices of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>one (1) year</u> from their election.</p> <p>(2) <u>The terms of offices of Directors who are Audit & Supervisory Committee Members shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within two (2) years from their election.</u> (Deleted)</p> <p>(3) <u>The term of office of any Audit & Supervisory Committee Member elected to fill a vacancy caused by retirement of an Audit & Supervisory Committee Member before the expiration of his or her term of office shall expire when the term of office of his or her predecessor would have expired.</u></p> <p>(4) <u>The effective term of the resolution for the election of a substitute Director who is an Audit & Supervisory Committee Member under Article 329, Paragraph 3 of the Companies Act shall expire at the commencement of the ordinary general meeting of shareholders held with respect to the last business year ending within two (2) years from his or her election.</u></p>
<p>Article <u>21</u>. (<i>Election of Representative Directors, etc.</i>) The Board of Directors shall select Directors who have the power to represent the Company. By a resolution of the Board of Directors, a chairman, one or more vice chairmen, a president, one or more executive vice presidents, senior managing directors (<i>senmu</i>) and managing directors (<i>jomu</i>) may be appointed.</p>	<p>Article <u>20</u>. (<i>Selection of Representative Directors, etc.</i>)</p> <p>(1) The Board of Directors shall, <u>by its resolution</u>, select Directors who have the power to represent the Company <u>from among the Directors (excluding Directors who are Audit & Supervisory Committee Members)</u>.</p> <p>(2) By a resolution of the Board of Directors, a chairman, one or more vice chairmen, a president, one or more executive vice presidents, senior managing directors (<i>senmu</i>) and managing directors (<i>jomu</i>) may be appointed <u>from among the Directors (excluding Directors who are Audit & Supervisory Committee Members)</u>.</p>
<p>Article <u>22</u>. (<i>Convocation of meetings</i>) Unless the date of a meeting is fixed in advance by the Board of Directors, notice of a meeting of the Board of Directors shall be given to each Director <u>and Audit & Supervisory Board Member</u> at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</p>	<p>Article <u>21</u>. (<i>Convocation of meetings</i>) Unless the date of a meeting is fixed in advance by the Board of Directors, notice of a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</p>
<p>Article <u>23</u>. (<i>Chairman</i>) The chairman-director shall act as chairman at meetings of the Board of Directors. When the office of the chairman-director is vacant or the chairman-director is unable to act, the president-director shall act as chairman. When the offices of both the chairman-director and the president-director are vacant or they are unable to act, one of the other directors shall act as chairman in accordance with the order predetermined by a resolution of the Board of Directors.</p>	<p>Article <u>22</u>. (<i>Chairman</i>)</p> <p>(1) The chairman-director shall act as chairman at meetings of the Board of Directors. When the office of the chairman-director is vacant or the chairman-director is unable to act, the president-director shall act as chairman.</p> <p>(2) When the offices of both the chairman-director and the president-director are vacant or they are unable to act, one of the other directors shall act as chairman in accordance with the order predetermined by a resolution of the Board of Directors.</p>
<p>Article <u>24</u>. (Omitted)</p>	<p>Article <u>23</u>. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(New)</p> <p>Article 25. to Article 26. (Omitted)</p> <p>Article 27. <i>(Compensation, etc.)</i> Compensation, bonuses and other financial benefits given by the Company in consideration of the performance of duties <u>(hereinafter referred to as the “Compensation, etc.”)</u> to Directors shall be determined by a resolution of a general meeting of shareholders.</p> <p>Article 28. <u><i>(Liability Limitation Agreement with Outside Directors)</i></u> (New)</p> <p>The Company may enter into a liability limitation agreement with <u>Outside Directors</u> which limits the maximum amount of their liabilities arising from their failure to perform their duties in accordance with Article 427, Paragraph 1 of the Companies Act; provided, however, that limited amount of liability under such agreement shall be the sum of amounts provided for in applicable laws and regulations.</p> <p style="text-align: center;"><u>CHAPTER V</u></p> <p style="text-align: center;"><u>AUDIT & SUPERVISORY BOARD MEMBERS</u> <u>AND AUDIT & SUPERVISORY BOARD</u></p> <p>Article 29. <u><i>(Number)</i></u> <u>The Company shall have not more than five (5) Audit & Supervisory Board Members.</u></p> <p>Article 30. <u><i>(Election)</i></u> <u>Audit & Supervisory Board Members shall be elected at general meetings of shareholders.</u> <u>In order to adopt resolutions for the election of Audit & Supervisory Board Members, shareholders holding not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise voting rights shall be present thereat and a majority of the votes of such shareholders shall be required.</u></p>	<p><u>Article 24. <i>(Delegation of decisions on important business execution)</i></u> <u>In accordance with Article 399-13, Paragraph 6 of the Companies Act, the Board of Directors may, by its resolution, delegate the decision on important business execution (excluding matters set forth in items of Paragraph 5 of the same Article) to Directors in whole or in part.</u></p> <p>Article 25. to Article 26. (Unchanged)</p> <p>Article 27. <i>(Compensation, etc.)</i> Compensation, bonuses and other financial benefits given by the Company in consideration of the performance of duties to Directors shall be determined by a resolution of a general meeting of shareholders, <u>separately for Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p>Article 28. <u><i>(Exemption of Directors from liability)</i></u></p> <p>(1) <u>In accordance with Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from their liability arising from their failure to perform their duties, to the extent permitted by applicable laws and regulations.</u></p> <p>(2) The Company may enter into a liability limitation agreement with <u>Directors (excluding those who are Executive Directors, etc.)</u> which limits the maximum amount of their liability arising from their failure to perform their duties in accordance with Article 427, Paragraph 1 of the Companies Act; provided, however, that limited amount of liability under such agreement shall be the sum of amounts provided for in applicable laws and regulations.</p> <p style="text-align: right;">(Deleted)</p> <p style="text-align: right;">(Deleted)</p> <p style="text-align: right;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 31. (Terms of office)</u> (1) <u>The terms of offices of Audit & Supervisory Board Members shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years from their election.</u> (2) <u>The term of office of any Audit & Supervisory Board Member elected to fill a vacancy caused by retirement of a Audit & Supervisory Board Member before the expiration of his or her term of office shall expire when the term of office of his or her predecessor would have expired.</u></p>	(Deleted)
<p><u>Article 32. (Convocation of meetings)</u> <u>Unless the date of a meeting is fixed in advance by the Audit & Supervisory Board, notice of a meeting of the Audit & Supervisory Board shall be given to each Audit & Supervisory Board Member at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</u></p>	(Deleted)
<p><u>Article 33. (Compensation, etc.)</u> <u>Compensation, etc. to Audit & Supervisory Board Members shall be determined by a resolution of a general meeting of shareholders.</u></p>	(Deleted)
<p><u>Article 34. (Liability limitation agreement with Outside Audit & Supervisory Board Members)</u> <u>The Company may enter into a liability limitation agreement with Outside Audit & Supervisory Board Members which limits the maximum amount of their liability arising from their failure to perform their duties in accordance with Article 427, Paragraph 1 of the Companies Act; provided, however, that the limited amount of liability under such agreement shall be the sum of amounts provided for in laws and regulations.</u></p>	(Deleted)
(New)	<u>CHAPTER V</u>
CHAPTER VI	<u>AUDIT & SUPERVISORY COMMITTEE</u>
ACCOUNTS	
<p style="text-align: center;">(New)</p>	<p><u>Article 29. (Standing Audit & Supervisory Committee Members)</u> <u>The Audit & Supervisory Committee may, by its resolution, select Standing Audit & Supervisory Committee Members.</u></p>
<p style="text-align: center;">(New)</p>	<p><u>Article 30. (Convocation of meetings)</u> <u>Unless the date of a meeting is fixed in advance by the Audit & Supervisory Committee, notice of a meeting of the Audit & Supervisory Committee shall be given to each Audit & Supervisory Committee Member at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</u></p>
CHAPTER VI	CHAPTER VI
ACCOUNTS	ACCOUNTS
<p>Article <u>35</u>. (Omitted)</p>	<p>Article <u>31</u>. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 36. (Dividends from surplus)</u> <u>Year-end dividends shall be paid to the shareholders or registered stock pledgees appearing in writing or digitally on the register of shareholders as of the closing thereof on the 31st day of March each year.</u></p>	<p>(Deleted)</p>
<p><u>Article 37. (Interim dividends)</u> <u>The Company may, by a resolution of the Board of Directors, pay interim dividends to the shareholders or registered stock pledgees whose names appear in wiring or digitally on the register of shareholders as of the closing thereof on the 30th day of September each year.</u></p>	<p>(Deleted)</p>
<p>(New)</p>	<p><u>Article 32. (Organization determining dividends from surplus)</u> <u>Unless otherwise provided for in laws and regulations, the Company may, by a resolution of the Board of Directors, determine the matters provided for in each item of Article 459, Paragraph 1 of the Companies Act, including dividends from surplus.</u></p>
<p>(New)</p>	<p><u>Article 33. (Record date for dividends from surplus)</u> <u>(1) The record date for the year-end dividends of the Company shall be the 31st day of March each year.</u> <u>(2) The record date for the interim dividends of the Company shall be the 30th day of September each year.</u> <u>(3) In addition to the cases prescribed in the preceding two paragraphs, the Company may pay dividends from surplus on any record date determined by the Company.</u></p>
<p><u>Article 38. (Prescription period for dividends)</u> <u>The Company shall be exempted from the obligation to pay year-end dividends or interim dividends after three (3) years have elapsed from the date on which the payment of the dividends or interim dividends commenced.</u></p>	<p><u>Article 34. (Prescription period for dividends)</u> <u>In case of cash dividends, the Company shall be exempted from the obligation to pay the dividends after three (3) years have elapsed from the date on which the payment of the dividends commenced.</u></p>
<p>(New)</p>	<p style="text-align: center;"><u>SUPPLEMENTARY PROVISIONS</u></p>
<p>(New)</p>	<p><u>(Transitional measures concerning exemption of Audit & Supervisory Board Members from liability)</u> <u>Liability limitation agreements referred to in Article 423, Paragraph 1 of the Companies Act relating to the actions of Outside Audit & Supervisory Board Members (including former Outside Audit & Supervisory Board Members) conducted before the conclusion of the 109th ordinary general meeting of shareholders shall be as prescribed in Article 34 of the Articles of Incorporation prior to the amendments by resolution of the same ordinary general meeting of shareholders.</u></p>

Agenda Item No.3: Election of 11 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The Corporation will transition to a Company with an Audit & Supervisory Committee if Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed. Accordingly, the term of offices of all 12 Directors in office will have expired at the conclusion of this General Meeting of Shareholders, and we would like to request the election of 11 Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply throughout this proposal).

Nomination of the candidates for Directors was consulted to the Nomination and Compensation Committee and determined at the Board of Directors based on the report.

This proposal shall take effect on condition that the amendments to the Articles of Incorporation in Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates are as follows:

Candidate Number	Name		Current positions and responsibilities at the Corporation	Attendance rate of the Board of Directors meetings
1	Masahiko Goto	<u>Reelection</u>	Chairman and Representative Director	12/12 (100%)
2	Munetoshi Goto	<u>Reelection</u>	President and Representative Director	12/12 (100%)
3	Shinichiro Tomita	<u>Reelection</u>	Director, Corporate Officer General Manager of Purchasing Headquarters	12/12 (100%)
4	Tetsuhisa Kaneko	<u>Reelection</u>	Director, Corporate Officer General Manager of Research and Development Headquarters	12/12 (100%)
5	Tomoyuki Ota	<u>Reelection</u>	Director, Corporate Officer Assistant General Manager of Research and Development Headquarters	12/12 (100%)
6	Takashi Tsuchiya	<u>Reelection</u>	Director, Corporate Officer General Manager of Domestic Sales Headquarters	12/12 (100%)
7	Masaki Yoshida	<u>Reelection</u>	Director, Corporate Officer Assistant General Manager of Production Headquarters	12/12 (100%)
8	Takashi Omote	<u>Reelection</u>	Director, Corporate Officer General Manager of International Sales Headquarters	12/12 (100%)
9	Yukihiro Otsu	<u>Reelection</u>	Director, Corporate Officer General Manager of Administration Headquarters	12/12 (100%)
10	Masahiro Sugino	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Outside Director	12/12 (100%)
11	Takahiro Iwase	<u>New election</u> <u>Outside</u> <u>Independent</u>	—	—

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts		Number of the Corporation's shares held
1	<u>Reelection</u> Masahiko Goto (November 16, 1946) [Attendance rate of the Board of Directors meetings] 12/12 (100%)	March 1971 May 1984 July 1987 May 1989 June 2013	Joined the Corporation Director, Manager of Corporate Planning Department Managing Director, General Manager of Administration Headquarters President and Representative Director Chairman and Representative Director (present)	2,522,474
	[Reason for nomination as candidate for Director] Mr. Masahiko Goto has been engaged in the management of the Corporation for many years serving as President as well as Chairman, and has contributed to the enhancement of corporate value. The Corporation proposes his appointment as Director because we believe that his wealth of experience and broad insight are indispensable for the management of the Corporation.			
2	<u>Reelection</u> Munetoshi Goto (April 26, 1975) [Attendance rate of the Board of Directors meetings] 12/12 (100%)	April 1999 April 2012 June 2013 June 2017	Joined the Corporation General Manager of International Sales Administration Department Director, Corporate Officer, General Manager of International Sales Headquarters President and Representative Director (present)	469,140
	[Reason for nomination as candidate for Director] Mr. Munetoshi Goto has a deep understanding of the overall business and management of the Corporation, with experience of serving as General Manager of International Sales Headquarters since June 2013, as well as experience in domestic sales, development, and overseas sales subsidiaries. In addition, he is leading the growth of the Corporation as President since June 2017. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight as well as his great leadership are indispensable for the management of the Corporation.			
3	<u>Reelection</u> Shinichiro Tomita (January 11, 1951) [Attendance rate of the Board of Directors meetings] 12/12 (100%)	March 1974 October 2000 October 2001 September 2003 June 2007 June 2009 May 2010	Joined the Corporation General Manager of Plant Engineering-maintenance Department General Manager of Production Engineering Department President of Makita (China) Co., Ltd. Director, Assistant General Manager of Production Headquarters of the Corporation (in charge of China Plant) Director, Corporate Officer, General Manager of Research and Development Headquarters (in charge of Product Development) Director, Corporate Officer, General Manager of Purchasing Headquarters (present)	18,431
	[Reason for nomination as candidate for Director] Mr. Shinichiro Tomita has held important positions in the production division, and has served as the head of the production subsidiary in China, a core facility of the production division, and General Manager of Research and Development Headquarters of the Corporation. He currently serves as General Manager of Purchasing Headquarters and has a deep understanding of the business and management mainly in the areas of purchasing, production, and development of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.			

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts			Number of the Corporation's shares held
4	<u>Reelection</u> Tetsuhisa Kaneko (April 6, 1955) [Attendance rate of the Board of Directors meetings] 12/12 (100%)	March	1981	Joined the Corporation	24,031
		April	2004	General Manager of Technical Research Department	
5	<u>Reelection</u> Tomoyuki Ota (March 22, 1956) [Attendance rate of the Board of Directors meetings] 12/12 (100%)	August	2005	General Manager of Production Department 2	17,931
		October	2006	General Manager of Production Department 1	
6	<u>Reelection</u> Takashi Tsuchiya (September 1, 1957) [Attendance rate of the Board of Directors meetings] 12/12 (100%)	June	2007	Director, General Manager of Purchasing Headquarters	19,631
		June	2009	Director, Corporate Officer, General Manager of Purchasing Headquarters	
		May	2010	Director, Corporate Officer, General Manager of Production Headquarters (in charge of China Plant)	
		June	2015	Director, Corporate Officer, General Manager of Production Headquarters	
		June	2017	Director, Corporate Officer, General Manager of Research and Development Headquarters (present)	
		[Reason for nomination as candidate for Director] Mr. Tetsuhisa Kaneko has held important positions in the development division, and has served as the head of the production subsidiary in China, a core facility of the production division, General Manager of Purchasing Headquarters, and General Manager of Production Headquarters of the Corporation. He currently serves as General Manager of Research and Development Headquarters and has a deep understanding of the business and management mainly in the areas of development, production, and purchasing of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.			
		March	1978	Joined the Corporation	
		October	2003	General Manager of Production Department 1	
		August	2005	General Manager of Products & Engineering Administration Department	
		July	2012	General Manager of Products & Engineering Administration Department and General Manager of Product Design & Development Department 1	
		June	2013	Director, Corporate Officer, Assistant General Manager of Research and Development Headquarters (present)	
		[Reason for nomination as candidate for Director] Mr. Tomoyuki Ota has experience of working at overseas production subsidiaries (in the U.S.), and has held important positions in the production division and the development division. He currently serves as Assistant General Manager of Research and Development Headquarters and has a deep understanding of the business and management mainly in the areas of development and production of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.			
		March	1982	Joined the Corporation	
		April	2001	Manager of Shizuoka Branch Office	
		October	2003	Manager of Tokyo Branch Office	
		April	2010	General Manager of Sales Administration Department	
		June	2013	Corporate Officer, General Manager of Domestic Sales Headquarters (in charge of Tokyo Sales Department)	
		June	2015	Director, Corporate Officer, General Manager of Domestic Sales Headquarters (present)	
		[Reason for nomination as candidate for Director] Mr. Takashi Tsuchiya has held important positions mainly in the domestic sales operations of the Corporation. He has served as General Manager of Domestic Sales Headquarters in charge of Tokyo Sales Department as Corporate Officer since June 2013. He currently serves as General Manager of Domestic Sales Headquarters as Director and Corporate Officer, and has a deep understanding of the business and management mainly in the area of domestic sales of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.			

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts	Number of the Corporation's shares held
7	<p><u>Reelection</u> Masaki Yoshida (June 17, 1962)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1985 Joined the Corporation</p> <p>October 2007 General Manager of Production Control Department</p> <p>April 2010 General Manager of Production Department 2</p> <p>April 2011 General Manager of Production Development Department</p> <p>February 2012 Vice President of Makita (China) Co., Ltd</p> <p>June 2015 Director, Corporate Officer, Assistant General Manager of Production Headquarters of the Corporation (in charge of China Plant)</p> <p>April 2018 Director, Corporate Officer, Assistant General Manager of Production Headquarters of the Corporation (present)</p> <p>[Reason for nomination as candidate for Director] Mr. Masaki Yoshida has engaged in duties mainly in the production division of the Corporation, and has served as the head of the production subsidiary in China, a core facility of the production division, since June 2015. He currently serves as Assistant General Manager of Production Headquarters and has a deep understanding of the business and management mainly in the area of production of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.</p>	10,951
8	<p><u>Reelection</u> Takashi Omote (February 10, 1959)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1982 Joined the Corporation</p> <p>January 1995 President of Makita Mexico, S.A. de C.V.</p> <p>March 2001 President of Makita do Brasil Ferramentas Elétricas Ltda.</p> <p>June 2013 Corporate Officer of the Corporation (in charge of Central and South America Sales)</p> <p>June 2017 Director, Corporate Officer, General Manager of International Sales Headquarters (present)</p> <p>[Reason for nomination as candidate for Director] Mr. Takashi Omote has engaged in duties mainly in the international sales operations of the Corporation, and has experience of working for many years at overseas sales subsidiaries (in Brazil and Mexico). He was placed in charge of Central and South America Sales in June 2013, and serves as General Manager of International Sales Headquarters since June 2017. As such, he has a deep understanding of the business and management mainly in the area of overseas sales of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.</p>	9,471
9	<p><u>Reelection</u> Yukihiro Otsu (August 27, 1960)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1983 Joined the Corporation</p> <p>April 2009 Assistant Manager of Finance Department</p> <p>December 2009 Vice President of Makita (China) Co., Ltd</p> <p>October 2013 General Manager of Accounting Department of the Corporation</p> <p>June 2017 Director, Corporate Officer, General Manager of Administration Headquarters (present)</p> <p>[Reason for nomination as candidate for Director] Mr. Yukihiro Otsu has held important positions in the finance division of the Corporation, and has a wealth of experience in the administration divisions of overseas subsidiaries including the production subsidiary in China, a core facility of the production division. He serves as General Manager of Administration Headquarters since June 2017 and has a deep understanding of the business and management mainly in the area of administration of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.</p>	8,771

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts	Number of the Corporation's shares held
10	<p style="text-align: center;"> Reelection Outside Independent </p> <p>Masahiro Sugino (November 18, 1944)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>April 1967 Jointed Ina Seito Co., Ltd. (present; LIXIL Corporation)</p> <p>January 1992 Director of INAX Corporation (“INAX”, past; Ina Seito Co., Ltd.)</p> <p>January 1996 Managing Director of INAX</p> <p>January 2000 Senior Managing Director of INAX</p> <p>October 2001 President and Representative Director of INAX</p> <p>June 2007 Chairman and Representative Director of INAX</p> <p>June 2007 President and Representative Director of JS Group Corporation (present; LIXIL Group Corporation)</p> <p>April 2011 President and Representative Director of LIXIL Corporation</p> <p>June 2011 Director and Advisor of LIXIL Corporation</p> <p>June 2013 Advisor of LIXIL Corporation</p> <p>June 2015 Outside Director of the Corporation (present)</p> <p>June 2017 Outside Director of MISAWA HOMES CO., LTD. (present)</p> <p>February 2018 Outside Director of KITAKEI CO., LTD. (present)</p> <p>July 2018 Special Advisor of LIXIL Corporation</p> <p>January 2020 Advisor of LIXIL Corporation (present)</p> <p>(Important Concurrent Posts) Advisor of LIXIL Corporation Outside Director of MISAWA HOMES CO., LTD. Outside Director of KITAKEI CO., LTD.</p>	-
	<p>[Reason for nomination as candidate for Outside Director and outline of the expected role] Mr. Masahiro Sugino has participated in the management of LIXIL Group Corporation, including INAX, for many years and has a thorough knowledge of corporate management, with which he currently provides useful opinions on the management of the Corporation from a broad perspective. The Corporation proposes his appointment as Outside Director because we expect him to utilize his wealth of experience and broad insight for the management of the Corporation from an independent perspective.</p>		
11	<p style="text-align: center;"> New election Outside Independent </p> <p>Takahiro Iwase (May 28, 1952)</p>	<p>April 1977 Joined Toyota Motor Co., Ltd. (present; TOYOTA MOTOR CORPORATION, “TOYOTA”)</p> <p>June 2005 Managing Officer of TOYOTA</p> <p>June 2009 Senior Managing Director of TOYOTA Outside Audit & Supervisory Board Member of Chuo Spring Co., Ltd.</p> <p>April 2011 Vice Chairman of the Board of Directors of Toyota Motor Asia Pacific Pte Ltd.</p> <p>June 2011 Senior Managing Officer of TOYOTA</p> <p>June 2014 President of TOYOTA AUTO BODY CO., LTD.</p> <p>April 2016 Standing Counselor of Aichi Steel Corporation (“AICHI STEEL”)</p> <p>June 2016 Chairman and Representative Director of AICHI STEEL</p> <p>June 2017 Outside Audit & Supervisory Board Member of Chuo Spring Co., Ltd.</p> <p>July 2020 Chairman of Aichi Prefectural Public Safety Commission (present)</p> <p>March 2021 External Auditor of DMG MORI CO., LTD. (present)</p> <p>(Important Concurrent Posts) Chairman of Aichi Prefectural Public Safety Commission External Auditor of DMG MORI CO., LTD.</p>	-
	<p>[Reason for nomination as candidate for Outside Director and outline of the expected role] Mr. Takahiro Iwase has participated in the management of core companies of the Toyota Group, including TOYOTA MOTOR CORPORATION, for many years and has a thorough knowledge of corporate management. The Corporation proposes his appointment as Outside Director because we expect him to utilize his wealth of experience and broad insight for the management of the Corporation from an independent perspective.</p>		

- Notes: 1. There is no special interest between the above candidates and the Corporation.
2. The matters concerning Outside Director candidate Mr. Masahiro Sugino are as follows:
- (i) Mr. Masahiro Sugino served as an executive officer of LIXIL Corporation. Makita sells products to LIXIL Corporation and its corporate group. This year, such sales amounted to 2 million yen, which constituted less than 0.01% of our consolidated revenue.
 - (ii) Mr. Masahiro Sugino is currently an Outside Director of the Corporation, and his term of office will be 6 years at the conclusion of this General Meeting of Shareholders.
 - (iii) 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. Masahiro Sugino 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. If Mr. Masahiro Sugino is appointed to be an Outside Director, the Corporation will extend such liability limitation agreement.
 - (iv) The Corporation has designated Mr. Masahiro Sugino as an “Independent Director / Audit & Supervisory Board Member” as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made required notification therefore to these stock exchanges. If Mr. Masahiro Sugino is elected, the Corporation intends to appoint him again as an Independent Director.
3. The matters concerning Outside Director candidate Mr. Takahiro Iwase are as follows:
- (i) Mr. Takahiro Iwase served as an executive officer of Aichi Steel Corporation. Makita purchases components from Aichi Steel Corporation and its corporate group. This year, such purchase amounted to 1,040 million yen, which constituted less than 0.5% of the consolidated net sales of the Aichi Steel Group.
 - (ii) With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation intends to enter into a liability limitation agreement with Mr. Takahiro Iwase 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.
 - (iii) The Corporation intends to designate Mr. Takahiro Iwase as an “Independent Director / Audit & Supervisory Board Member” as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and make required notification therefore to these stock exchanges.
4. The 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 Executives or for the employees.
5. The Corporation has entered into a directors and officers liability insurance contract stipulated in Article 430-3 of the Companies Act with all Directors, Audit & Supervisory Board Members and Corporate Officers as well as officers of the subsidiaries (with regard to overseas subsidiaries, this is limited to officers temporarily transferred from the Corporation and officers concurrently serving at the Corporation and overseas subsidiaries) as the insured to ensure that executives can fully perform their expected roles in the course of their duties and to hire excellent talents. If this proposal is approved as originally proposed and each candidate is appointed as Director, etc., they will be the insured under the said insurance contract. The said insurance contract covers damages caused as a result of the insured executives, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. Provided, however, that there are certain exemptions; for example, the insurance contract does not cover damages caused as a result of any conduct committed with his or her knowledge that the conduct is in violation of laws and regulations. The premiums are paid by the Corporation, including riders. Therefore, the insured does not bear the actual premiums. Also, the said insurance contract will be renewed on June 29, 2021, which is during the term of office of each candidate.

Agenda Item No.4: Election of 4 Directors Who Are Audit & Supervisory Committee Members

The Corporation will transition to a Company with an Audit & Supervisory Committee if Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed. Accordingly, we would like to request the election of 4 Directors who are Audit & Supervisory Committee Members.

This proposal shall take effect on condition that the amendments to the Articles of Incorporation in Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates are as follows:

The Audit & Supervisory Board has agreed to this proposal

Candidate Number	Name		Current positions at the Corporation	Attendance rate of the Board of Directors meetings	Attendance rate of the Audit & Supervisory Board meetings
1	Mitsuhiko Wakayama	New election	Standing Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
2	Akira Kodama	New election Outside Independent	Standing and Outside Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
3	Shoji Inoue	New election Outside Independent	Outside Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
4	Koji Nishikawa	New election Outside Independent	—	—	—

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts	Number of the Corporation's shares held
1	<p><u>New election</u> Mitsuhiko Wakayama (July 6, 1956)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p> <p>[Attendance rate of the Audit & Supervisory Board meetings] 15/15 (100%)</p>	<p>March 1981 Joined the Corporation</p> <p>October 2007 General Manager of America Sales Department</p> <p>April 2012 General Manager of Latin America Sales Department</p> <p>June 2016 Standing Audit & Supervisory Board Member of the Corporation (present)</p>	9,300
<p>[Reason for nomination as candidate for Director who is an Audit & Supervisory Committee Member] Mr. Mitsuhiko Wakayama has a deep understanding of the business of the Corporation because he has experience of working at overseas sales subsidiaries (in Canada and Spain) and has held important positions mainly in international sales division. The Corporation proposes his appointment as Director who is an Audit & Supervisory Committee Member because we believe that his wealth of experience and insight are indispensable for the audit and supervision of the management of the Corporation.</p>			
2	<p><u>New election</u> <u>Outside</u> <u>Independent</u> Akira Kodama (April 30, 1954)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p> <p>[Attendance rate of the Audit & Supervisory Board meetings] 15/15 (100%)</p>	<p>April 1978 Joined the Bank of Japan</p> <p>March 1987 Seconded to Ministry of Foreign Affairs of Japan</p> <p>November 1999 Senior Examiner of Examination Department of the Bank of Japan</p> <p>December 2003 Chief Representative in Hong Kong of the Bank of Japan</p> <p>December 2005 Director of International Department of the Bank of Japan (in charge of Center for Monetary Cooperation in Asia)</p> <p>July 2008 Joined the Hekikai Shinkin Bank Senior Manager of Corporate Solution</p> <p>October 2008 General Manager of Corporate Solution of Hekikai Shinkin Bank</p> <p>June 2009 Standing Director of Hekikai Shinkin Bank</p> <p>April 2011 Managing Director and Corporate Officer of Hekikai Shinkin Bank</p> <p>June 2014 Standing Corporate Auditor of Hekikai Shinkin Bank</p> <p>June 2016 Standing and Outside Audit & Supervisory Board Member of the Corporation (present)</p> <p>(Important Concurrent Posts)</p> <p>—</p>	—
<p>[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of the expected role] Mr. Akira Kodama has many years of experience at financial institutions and his expertise in accounting and so on, with which he currently provides useful opinions from the professional perspective. The Corporation proposes his appointment as Outside Director who is an Audit & Supervisory Committee Member because we expect him to utilize his wealth of experience and insight to audit and supervise the management of the Corporation from an independent perspective.</p>			

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts	Number of the Corporation's shares held
3	<p>[New election Outside Independent] Shoji Inoue (July 29, 1957)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p> <p>[Attendance rate of the Audit & Supervisory Board meetings] 15/15 (100%)</p>	<p>April 1991 Attorney-at-law, admitted and belonging to the Nagoya Bar Association [present; Aichi Bar Association]</p> <p>April 1991 Joined Katayama Kinji Law Firm</p> <p>July 2009 Established Inoue Shoji Law Firm</p> <p>October 2010 Appointed as a Civil Conciliator at Nagoya Summary Court</p> <p>October 2013 Established Sao & Inoue Law Firm [present; Inoue Shoji Law Firm] (present)</p> <p>June 2015 Outside Director of Meitetsu Transport Co., Ltd. (present)</p> <p>June 2016 Outside Audit & Supervisory Board Member of the Corporation (present)</p> <p>(Important Concurrent Posts) Attorney at Law (Inoue Shoji Law Firm) Outside Director of Meitetsu Transport Co., Ltd.</p>	500
<p>[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of the expected role] Mr. Shoji Inoue has extensive knowledge and expertise gained through his practice as attorney at law, with which he currently provides useful opinions from the professional perspective. The Corporation proposes his appointment as Outside Director who is an Audit & Supervisory Committee Member because we expect him to utilize his wealth of experience and insight to audit and supervise the management of the Corporation from an independent perspective.</p>			
4	<p>[New election Outside Independent] Koji Nishikawa (November 1, 1957)</p>	<p>October 1988 Joined Aoyama Audit Corporation</p> <p>August 1992 Registered as a certified public accountant</p> <p>April 2000 Joined ChuoAoyama Audit Corporation (formed by a merger with Chuo Audit Corporation) Appointed as Partner of ChuoAoyama Audit Corporation</p> <p>September 2006 Joined PricewaterhouseCoopers Aarata (present; PricewaterhouseCoopers Aarata LLC) Appointed as Partner of PricewaterhouseCoopers Aarata</p> <p>July 2018 Representative of Nishikawa Koji Accounting Firm (present)</p> <p>April 2020 Joined Seimei Audit Corporation</p> <p>June 2020 Representative Partner of Seimei Audit Corporation (present)</p> <p>(Important Concurrent Posts) Representative of Nishikawa Koji Accounting Firm Representative Partner of Seimei Audit Corporation</p>	-
<p>[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of the expected role] Mr. Koji Nishikawa has extensive knowledge and expertise in corporate accounting audits as a certified public accountant. The Corporation proposes his appointment as Outside Director who is an Audit & Supervisory Committee Member because we expect him to utilize his wealth of experience and insight to audit and supervise the management of the Corporation from an independent perspective.</p>			

- Notes: 1. There is no special interest between the above candidates and the Corporation.
2. The matters concerning Director who is an Audit & Supervisory Committee Member candidate Mr. Mitsuhiro Wakayama are as follows:
- (i) With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation intends to enter into a liability limitation agreement with Mr. Mitsuhiro Wakayama 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. The matters concerning Outside Director who is an Audit & Supervisory Committee Member candidate Mr. Akira Kodama are as follows:
- (i) Mr. Akira Kodama had served as an executive officer of the Hekikai Shinkin Bank, which is one of the counterparty financial institution of the Corporation. The Corporation has no material business relations with the Hekikai Shinkin Bank, since the Corporation has only a deposit with the Hekikai Shinkin Bank.
- (ii) Mr. Akira Kodama is currently an Outside Audit & Supervisory Board Member of the Corporation, and his term of office will be 5 years at the conclusion of this General Meeting of Shareholders.
- (iii) 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. Akira Kodama 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. If Mr. Akira Kodama is appointed to be an Outside Director who is an Audit & Supervisory Committee Member, the Corporation will extend such liability limitation agreement.
- (iv) The Corporation has designated Mr. Akira Kodama as an “Independent Director / Audit & Supervisory Board Member” as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made required notification therefore to these stock exchanges. If Mr. Akira Kodama is elected, the Corporation intends to appoint him again as an Independent Director.
4. The matters concerning Outside Director who is an Audit & Supervisory Committee Member candidate Mr. Shoji Inoue are as follows:
- (i) Futamura Chemical Co., Ltd., for which Mr. Shoji Inoue currently serves as Outside Audit & Supervisory Board Member, received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission on November 22, 2019 for violating the provisions of Article 3 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade in connection with transactions for specific Activated Carbon and specific Granular Activated Carbon. Mr. Inoue was not aware of the relevant facts in advance; however, he had regularly called attention to legal compliance at Audit & Supervisory Board and other occasions. Moreover, since the relevant facts were identified, Mr. Inoue has been duly performing his duties by making recommendations to strengthen the legal compliance system of the company and prevent recurrences thoroughly, among other things.
- (ii) Mr. Shoji Inoue is currently an Outside Audit & Supervisory Board Member of the Corporation, and his term of office will be 5 years at the conclusion of this General Meeting of Shareholders.
- (iii) 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. Shoji Inoue 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. If Mr. Shoji Inoue is appointed to be an Outside Director who is an Audit & Supervisory Committee Member, the Corporation will extend such liability limitation agreement.
- (iv) The Corporation has designated Mr. Shoji Inoue as an “Independent Director / Audit & Supervisory Board Member” as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made required notification therefore to these stock exchanges. If Mr. Shoji Inoue is elected, the Corporation intends to appoint him again as an Independent Director.
5. The matters concerning Outside Director who is an Audit & Supervisory Committee Member candidate Mr. Koji Nishikawa are as follows:
- (i) Mr. Koji Nishikawa served as an executive officer of PricewaterhouseCoopers Aarata LLC. The Corporation receives corporate in-service trainings from PricewaterhouseCoopers Aarata LLC. For the fiscal year ended March 31, 2021, such fees amounted to less than 1 million yen, which was insignificant.
- (ii) With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation intends to enter into a liability limitation agreement with Mr. Koji Nishikawa 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.
- (iii) The Corporation intends to designate Mr. Koji Nishikawa as an “Independent Director / Audit & Supervisory Board Member” as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and make required notification therefore to these stock exchanges.
6. The number of the Corporation’s shares held by candidates for Directors who are Audit & Supervisory Committee Members represents the actual number of shares each candidate holds, including those vested to him in Makita’s stock ownership plan for the Executives.
7. The Corporation has entered into a directors and officers liability insurance contract stipulated in Article 430-3 of the Companies Act with all Directors, Audit & Supervisory Board Members and Corporate Officers as well as officers of the subsidiaries (with regard to overseas subsidiaries, this is limited to officers temporarily transferred from the Corporation and officers concurrently serving at the Corporation and overseas subsidiaries) as the insured to ensure that executives can fully perform their expected roles in the course of their duties and to hire excellent talents. If this proposal is approved as originally proposed and each candidate is appointed as Director, etc., they will be the insured under the said insurance contract. The said insurance contract covers damages caused as a result of the insured executives, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. Provided, however, that there are certain exemptions; for example, the insurance contract does not cover damages caused as a result of any conduct committed with his or her knowledge that the conduct is in violation of laws and regulations. The premiums are paid by the Corporation, including riders. Therefore, the insured does not bear the actual premiums. Also, the said insurance contract will be renewed on June 29, 2021, which is during the term of office of each candidate.

Reference If Agenda Items No. 3 and No. 4 are approved, the composition and expertise of the Board of Directors will be as follows:

The following table does not represent all the insights possessed by each executive.

	Name	Corporate management	Overseas experience	Sales/marketing	Development	Production/procurement/quality	IT	Finance & accounting	Legal affairs
Directors	Masahiko Goto	•	•	•	•				
	Munetoshi Goto	•	•	•	•				
	Shinichiro Tomita	•	•		•	•			
	Tetsuhisa Kaneko	•	•		•	•			
	Tomoyuki Ota	•	•		•	•			
	Takashi Tsuchiya	•		•					
	Masaki Yoshida	•	•			•			
	Takashi Omote	•	•	•					
	Yukihiro Otsu	•	•				•	•	•
	Masahiro Sugino Outside Independent	•		•		•			
	Takahiro Iwase Outside Independent	•	•		•	•			
Directors who are Audit & Supervisory Committee Members	Mitsuhiko Wakayama		•	•					
	Akira Kodama Outside Independent		•					•	
	Shoji Inoue Outside Independent								•
	Koji Nishikawa Outside Independent							•	

Agenda Item No.5: Determination of the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The Corporation will transition to a Company with an Audit & Supervisory Committee if Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed. The maximum amount of annual compensation for Directors was set at 240 million yen (excluding the amounts paid to Directors who concurrently serve as employees as employee salaries), by a resolution passed at the 76th Ordinary General Meeting of Shareholders held on May 16, 1989. In line with the transition to the Company with an Audit & Supervisory Committee, and after taking into consideration various factors, such as the recent economic situation, we propose to set the maximum amount of annual compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply throughout this proposal) at 240 million yen (including the maximum amount of 35 million yen for Outside Directors). This amount does not include bonuses and the amounts paid to Directors who concurrently serve as employees as employee salaries.

The compensation for Directors consists of monthly compensation, bonuses for Directors and compensation relating to the restricted shares, so that it functions as a sound incentive to improve the corporate value of the Corporation. This proposal is related to the monthly compensation. An outline of the content of decision-making policy on individual compensation for Directors is described on page 31 of “BUSINESS REPORT”. After the conclusion of this General Meeting of Shareholders, it is intended to make changes, such as the replacement of terms pursuant to the transition to a Company with an Audit & Supervisory Committee. The Corporation deems that the content of this proposal is appropriate pursuant to such policy after the change.

The Corporation currently has 12 Directors, and the number of Directors will be 11 (including 2 Outside Directors) if Agenda Items No. 2 “Partial Amendments to the Articles of Incorporation” and No. 3 “Election of 11 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved as originally proposed.

This proposal shall take effect on condition that the amendments to the Articles of Incorporation in Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

Agenda Item No.6: Determination of the Amount of Compensation for Directors Who Are Audit & Supervisory Committee Members

The Corporation will transition to a Company with an Audit & Supervisory Committee if Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed. Accordingly, after taking into consideration various factors, such as the recent economic situation, we propose to set the maximum amount of annual compensation for Directors who are Audit & Supervisory Committee Members at 60 million yen. The Corporation deems that the amount of compensation of this proposal is appropriate in light of duties of Directors who are Audit & Supervisory Committee Members.

The number of Directors who are Audit & Supervisory Committee Members will be 4 if Agenda Items No. 2 “Partial Amendments to the Articles of Incorporation” and No. 4 “Election of 4 Directors Who Are Audit & Supervisory Committee Members” are approved as originally proposed.

This proposal shall take effect on condition that the amendments to the Articles of Incorporation in Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” take effect.

Agenda Item No.7: Determination of Compensation for the Allotment of Restricted Shares to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

The maximum total annual amount of monetary compensation receivables to be paid to Directors (excluding Outside Directors) as compensation relating to the restricted shares was set at 100 million yen, by a resolution passed at the 107th Ordinary General Meeting of Shareholders held on June 26, 2019. However, the Corporation will transition to a Company with an Audit & Supervisory Committee if Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed.

Accordingly, in line with the transition to the Company with an Audit & Supervisory Committee, we propose to allot the restricted shares with the same content approved at the 107th Ordinary General Meeting of Shareholders held on June 26, 2019, to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter referred to as the “Eligible Directors”) in order to allow Eligible Directors to share the risks and benefits of stock price fluctuations with shareholders to a greater extent and further enhance their motivation to contribute to improving the stock price and the corporate value of the Corporation.

In addition, if Agenda Item No. 5 “Determination of the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” is approved as originally proposed, the maximum amount of annual compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) will be 240 million yen (including the maximum amount of 35 million yen for Outside Directors). However, after comprehensively taking into consideration various factors, such as the degree of contribution of Eligible Directors to the Corporation, we propose to set the maximum total annual amount of monetary

compensation receivables to be paid to Eligible Directors as compensation relating to the restricted shares at 100 million yen, separately from the amount of the above-mentioned compensation for Directors. An outline of the content of decision-making policy on individual compensation for Directors is described on page 31 of "BUSINESS REPORT". After the conclusion of this General Meeting of Shareholders, it is intended to make changes, such as the replacement of terms pursuant to the transition to a Company with an Audit & Supervisory Committee. The Corporation deems that the content of this proposal is appropriate pursuant to such policy after the change.

The Corporation currently has 11 Directors (excluding Outside Directors), and the number of Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) will be 9 if Agenda Items No. 2 "Partial Amendments to the Articles of Incorporation" and No. 3 "Election of 11 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" are approved as originally proposed.

This proposal shall take effect on condition that the amendments to the Articles of Incorporation in Agenda Item No. 2 "Partial Amendments to the Articles of Incorporation" take effect.

Specific Details and Maximum Number of Restricted Shares for Eligible Directors

1. Allotment and Payment of the Restricted Shares

The Corporation, based on a resolution of the Board of Directors, will grant monetary compensation receivables to Eligible Directors within the limit of the above-mentioned annual amount as compensation related to the restricted shares, and each Eligible Director will receive an allotment of the restricted shares by making an in-kind contribution of all said monetary compensation receivables.

The amount to be paid for the restricted shares shall be based on the closing price of the Corporation's common stock on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors on the issue or disposition thereof (or at the closing price on the immediately preceding trading day, if no trading occurred on that day), and shall be determined by the Board of Directors within a range that is not particularly advantageous to Eligible Directors subscribing to the said restricted shares.

The above-mentioned monetary compensation receivables will be provided on the condition that Eligible Directors of the Corporation have agreed to the above-mentioned in-kind contribution and have entered into a restricted share allotment agreement as specified in "3." below.

2. Total Number of the Restricted Shares

The total number of the restricted shares to be allotted to Eligible Directors of 100,000 shares shall be the maximum number of the restricted shares to be allotted in each fiscal year.

However, if the Corporation's common stock is subjected to a stock split (including a gratis allotment of the shares) or stock consolidation after the date of the resolution regarding this agenda item, or if any other similar circumstances arise requiring an adjustment in the total number of the restricted shares, the total number of said restricted shares may be adjusted to a reasonable extent.

3. Details of the Restricted Share Allotment Agreement

The content of the restricted share allotment agreement to be concluded between the Corporation and Eligible Directors based on a resolution of the Board of Directors upon the allotment of the restricted shares shall be as follows.

(1) Details regarding transfer restrictions

Eligible Directors to whom the restricted shares have been allotted shall not transfer such allotted shares (hereinafter referred to as the "Allotted Shares") to third parties, establish a pledge or a security interest on the shares, use them as an inter vivos gift, bequest them to another party, or otherwise dispose of the Allotted Shares (hereinafter referred to as "Transfer Restrictions") for a period of 50 years (hereinafter referred to as the "Transfer Restrictions Period").

(2) Gratis acquisition of the restricted shares

The Corporation shall acquire the restricted shares without compensation if an Eligible Director who has been allotted the Allotted Shares retires as a Director of the Corporation anytime between the initial day of the Transfer Restrictions Period until the day preceding the first subsequent Ordinary General Meeting of Shareholders, except when there are reasons deemed legitimate by the Board of Directors.

In addition, the Corporation shall rightly acquire any of the Allotted Shares without compensation for which the Transfer Restrictions have not been removed in accordance with the reasons set forth in (3) below at the expiration of the Transfer Restrictions Period in (1) above.

(3) Removal of Transfer Restrictions

The Corporation will remove Transfer Restrictions on all the Allotted Shares upon expiration of the Transfer

Restrictions Period if an Eligible Director who has been allotted the restricted shares continues to hold the position of a Director of the Corporation from the initial day of the Transfer Restrictions Period until the day of the first subsequent Ordinary General Meeting of Shareholders.

However, if said Eligible Director has continued to hold the position of a Director of the Corporation upon expiration of the Transfer Restrictions Period, the Transfer Restrictions will not be removed on all the Allotted Shares held by said Eligible Transfer upon said expiration.

If said Eligible Director retires as a Director of the Corporation before the expiration of the Transfer Restrictions Period for reasons deemed legitimate by the Board of Directors, the number of the Allotted Shares for which the Transfer Restrictions will be removed and the timing of the removal of Transfer Restrictions shall be reasonably adjusted as needed.

(4) Treatment upon organizational restructuring

During the Transfer Restrictions Period, if an agenda item regarding a merger agreement under which the Corporation becomes the dissolving company, or a share exchange agreement, or a share transfer plan under which the Corporation becomes a wholly-owned subsidiary, or any other organizational restructuring is approved at a General Meeting of Shareholders of the Corporation (or, if approval at a General Meeting of Shareholders of the Corporation is not required regarding the above-mentioned organizational restructuring then approval of the Board of Directors of the Corporation) (only if the effective date of the said organizational restructuring comes before the expiry of the Transfer Restriction Period; hereinafter referred to as “at the time of approval of organizational restructuring”), and if an Eligible Director who has been allotted the restricted shares leaves the Corporation due to said organizational restructuring, the Corporation, by a resolution of the Board of Directors, will remove the Transfer Restrictions on a reasonable number of the Allotted Shares prior to the effective date of said organizational restructuring, taking into consideration the period between the start of the Transfer Restrictions Period and the date of approval of said organizational restructuring.

At the time of approval of organizational restructuring, the Corporation shall rightly acquire without compensation any of the Allotted Shares for which the Transfer Restrictions have not been removed as of the day immediately preceding the effective date of said organizational restructuring.

Agenda Item No. 8: Payment of Bonus to Directors

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

At end of this period, the Corporation has 13 Directors. In accordance with above policy, we would like to pay Directors' bonuses to 11 Directors in the amount of 250 million yen considering performance during this period. This is with the exception of Mr. Akiyoshi Morita and Mr. Masahiro Sugino.

An outline of the content of decision-making policy on individual compensation for Directors is described on page 31 of “BUSINESS REPORT”. The Corporation deems that the content of this proposal is appropriate pursuant to such policy.

BUSINESS REPORT

(From April 1, 2020 to March 31, 2021)

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, 2021, the world economy, which had crashed sharply due to the spread of the novel coronavirus (COVID-19), was on a gradual recovery path mainly due to the economic and financial measures taken by countries and the spread of vaccinations. However, uncertainties about the future still continue due to concerns over the resurgence of infections caused by variants, the outlook regarding U.S.-China friction and other factors.

Under these circumstances, on the development side, the Makita Group concentrated its efforts on expanding the lineup of lithium-ion battery products, such as “40Vmax lithium-ion battery” series of cordless tools offering high power, long life and durability.

On the production side, we worked to increase production in response to increasing demand and to promote multi-polarized global production, and began taking initiatives toward going plastic-free by reducing plastic bags, etc. used for product packaging and shifting to paper and other environmentally friendly materials.

On the sales side, we continued to focus on expanding the sales of lithium-ion battery products, such as cordless gardening equipment. In addition, we made efforts to further strengthen trusting relationships with customers around the world by continuing to steadily provide customer support and after-sales services even amid the pandemic that made it difficult to carry out normal sales activities.

Our consolidated revenue for this period increased by 23.5% from the previous year to 608,331 million yen due to strong sales mainly in domestic and developed countries, despite a decrease in overseas sales due to foreign exchange rate.

Revenue by region are as follows:

Revenue in Japan increased by 12.3% to 113,048 million yen compared to the previous year. This was due to strong sales of cordless power tools and cordless gardening equipment by steady demand for highly efficient cordless products at building and construction sites, as well as demand supported by government subsidies for sustaining business and stay home demand.

Revenue in Europe increased by 30.8% to 282,725 million yen as we demonstrated the strength of having bases in each country. Sales were up in response to demand for tools at building and construction sites and robust stay home demand amid travel restrictions imposed by the COVID-19 pandemic.

Revenue in North America increased by 25.8% to 90,945 million yen due to the promotion of our mainstay cordless products was successful in addition to stay home demand and demand for tools caused by an increase in number of new housing starts.

In Asia, although stagnant economic activities due to the spread of COVID-19 caused sales to slump in many countries, we posted higher sales in China, Taiwan and others. As a result, consolidated revenue in Asia increased 0.9% to 39,331 million yen.

In Central and South America, although there was a decrease in sales due to significant depreciation of local currencies, sales volumes increased due to stay home demand, the strong demand for tools due to the resumption of economic activities, and active sales activities; consequently, sales increased 13.1% year-on-year to 29,403 million yen.

In Oceania, sales increased by 45.3 % year-on-year to 41,304 million yen due to increased sales of cordless products including both cordless power tools and cordless gardening equipment led by stay home demand and Australia government policies to support the economies.

In the Middle East and Africa, despite continued impact led by COVID-19 outbreak, some countries were preparing for recovery in demand after the settlement of COVID-19, so sales increased 16.1% to 11,575 million yen.

Overall, overseas revenue accounted for 81.4% of total revenue.

Operating profit increased by 38.1% to 88,464 million yen (operating profit ratio: 14.5%) due to the increase in revenue, although a cost rate increased. And profit before income taxes increased by 32.1% to 87,199 million yen (profit before income taxes ratio: 14.3%) and profit attributable to owners of the parent increased by 29.9% to 62,018 million yen (ratio of profit attributable to owners of the parent: 10.2%).

(2) Management Challenges

While the prospect for the global economy will continue to be uncertain, Makita believes that demand for tools, which contribute to the solution of social problems, such as the labor shortage and environmental problem including frequent natural disasters and global warming, help to achieve a high level of work efficiency and are friendly to people and the global environment, will increase further in both developed countries and emerging countries.

Under these circumstances, Makita is strengthening its R&D and product development capabilities, mainly charge and discharge technologies of batteries and motors, to take the initiative in expanding the market for cordless products. In addition, Makita is positioning cordless gardening equipment as a future pillar of its business after power tools and helping to bring about a decarbonized society by promoting the shift from engine products. Makita is strengthening new product development and sales expansion in new fields, such as cleaning, outdoor and disaster prevention, and strive to evolve into a manufacturer of cordless products. Makita implements measures to strengthen and improve the efficiency of production, procurement, and distribution, while further upgrading global production organizations. Further, Makita is striving to raise its brand power by promoting the establishment of a sales and after-sales service network to offer community-based and fine-tuned responses to the needs of customers around the world.

By taking these actions, Makita will strive to contribute to the realization of a sustainable society, and maintain a solid presence in the industry as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments.

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

(3) Capital Expenditures

During this period, Makita allocated 49,855 million yen for its capital expenditures. These funds used by the Corporation amounted to 24,012 million yen. This reflected mainly capital expenditures for distribution warehouse at the Okazaki plant, and buildings and equipment for logistics center in Saitama Prefecture. These funds also used by the subsidiaries amounted to 25,843 million yen. This reflected mainly capital expenditures for buildings, machinery equipment and metal molds for new products at the China plant.

(4) Changes in Financial Position and Results of Operations

Description	106th period (ended March 31, 2018)		107th period (ended March 31, 2019)	108th period (ended March 31, 2020)	109th period (ended March 31, 2021)
	U.S. GAAP	IFRS			
Revenue (Millions of Yen)	477,298	477,298	490,578	492,617	608,331
Operating profit (Millions of Yen)	79,762	80,231	78,305	64,046	88,464
Profit before income taxes (Millions of Yen)	79,678	79,865	79,919	66,008	87,199
Profit attributable to owners of the parent (Millions of Yen)	54,755	54,943	55,750	47,731	62,018
Profit attributable to owners of the parent per share (Basic) (Yen)	201.70	202.39	205.37	175.80	228.41
Profit attributable to owners of the parent per share (Diluted) (Yen)	201.68	202.37	205.34	-	-
Total assets (Millions of Yen)	651,031	654,841	680,250	674,564	812,878
Equity attributable to owners of the parent (Millions of Yen)	551,939	554,046	572,748	571,275	657,855
Ratio of profit attributable to owners of the parent to total equity attributable to owners of the parent (ROE) (%)	10.4	10.4	9.9	8.3	10.1

Notes: 1. From the 107th period, consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Amounts for the 106th period based on IFRS are also stated for reference.

2. Changes in Financial Position and Results of Operations are stated under the terms of IFRS.

3. Profit attributable to owners of the parent per share (Basic), and profit attributable to owners of the parent per share (Diluted) in the 106th and 107th period are calculated based on the average number of outstanding shares of common stock during the period.

4. Information on profit attributable to owners of the parent per share after full dilution in the 108th and 109th period is omitted, since there is no potential common stock.

5. Ratio of profit attributable to owners of the parent to total equity attributable to owners of the parent (ROE) = Profit attributable to owners of the parent / [(Equity attributable to owners of the parent at the beginning of the period + Equity attributable to owners of the parent at the end of the period) / 2]

6. 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 power tools
Makita (U.K.) Ltd.	GBP 106,217	100.0	Sales of power tools
Makita Werkzeug GmbH (Germany)	EUR 7,669	100.0*	Sales of power tools
Makita France SAS	EUR 12,436	55.0*	Sales of power tools
Makita Oy (Finland)	EUR 100	100.0*	Sales of power tools
Makita LLC (Russia)	RUB 83,207	100.0*	Sales of power tools
Makita (China) Co., Ltd.	USD 80,000	100.0	Production and sales of power tools
Makita (Kunshan) Co., Ltd.	USD 25,000	100.0	Production of power tools
Makita (Australia) Pty. Ltd.	AUD 13,000	100.0	Sales of power tools
SC Makita EU S.R.L.	RON 901,752	100.0	Production of power tools
Makita do Brasil Ferramentas Elétricas Ltda.	BRL 717,567	99.9	Production and sales of 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 power tools such as angle grinders, impact drivers, rotary hammer and circular saws, gardening equipment such as grass trimmers and hedge trimmers, pneumatic tools such as air nailers, and household tools such as cordless cleaners.

(7) Principal Sales Offices and Plants

1. The Corporation

Name	Location
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 GmbH	Ratingen (Germany)
Makita France SAS	Bussy Saint-Georges (France)
Makita Oy	Helsinki (Finland)
Makita LLC	Moscow (Russia)
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)
SC Makita EU S.R.L.	Branesti (Romania)

(8) Employees

1. Employees of Makita

Number of Employees	Increase / Decrease
18,624	1,534 (Increase)

2. Employees of the Corporation

Number of Employees	Increase / Decrease	Average Age	Average Years of Service
3,086	128 (Increase)	40.5	17.1

2. Shareholding Status of the Corporation

(1) Total Number of Shares Authorized to be Issued by the Corporation: 992,000,000 shares

(2) Total Number of Outstanding Shares: 280,017,520 shares
(including treasury stock of 8,490,396 shares)

(3) Number of Shareholders: 12,180

(4) Major Shareholders:

Name of Shareholders	Number of shares held (Thousands of Shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	25,744	9.48
Custody Bank of Japan, Ltd. (Trust account)	12,168	4.48
Maruwa, Ltd.	8,638	3.18
MUFG Bank, Ltd.	8,426	3.10
The Bank of New York Mellon as Depositary Bank for DR Holders	6,774	2.49
Makita Cooperation Companies' Investment Association	6,485	2.38
Sumitomo Mitsui Banking Corporation	5,800	2.13
Nippon Life Insurance Company	5,353	1.97
Custody Bank of Japan, Ltd. (Trust account 9)	4,694	1.72
State Street Bank and Trust Company 505001	4,553	1.67

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

(5) Shares granted to Directors of the Corporation in consideration of the performance of duties in this period:

Classification	Number of shares	Number of recipients
Directors (excluding Outside Directors)	10,726 shares	11

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
Chairman*	Masahiko Goto	
President*	Munetoshi Goto	
Director Managing Corporate Officer	Tadayoshi Torii	General Manager of Production 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 Research and Development Headquarters
Director Corporate Officer	Tomoyuki Ota	Assistant General Manager of Research and Development Headquarters
Director Corporate Officer	Takashi Tsuchiya	General Manager of Domestic Sales Headquarters
Director Corporate Officer	Masaki Yoshida	Assistant General Manager of Production Headquarters
Director Corporate Officer	Takashi Omote	General Manager of International Sales Headquarters
Director Corporate Officer	Yukihiro Otsu	General Manager of Administration Headquarters
Director	Akiyoshi Morita	
Director	Masahiro Sugino	Advisor of LIXIL Corporation Outside Director of MISAWA HOMES CO., LTD. Outside Director of KITAKEI CO., LTD.
Standing Audit & Supervisory Board Member	Mitsuhiko Wakayama	
Standing Audit & Supervisory Board Member	Akira Kodama	
Audit & Supervisory Board Member	Fusahiro Yamamoto	Representative of Yamamoto Accounting Office Outside Audit & Supervisory Board Member of SHIROKI Corporation Representative of Yamamoto Fusahiro Tax Accountant Office
Audit & Supervisory Board Member	Shoji Inoue	Attorney at Law (Inoue Shoji Law Firm) Outside Director of Meitetsu Transport Co., Ltd.

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. Corporate officers consist of 18 members including Directors.
3. Mr. Akiyoshi Morita and Mr. Masahiro Sugino are Outside Directors.
4. Mr. Akira Kodama, Mr. Fusahiro Yamamoto, and Mr. Shoji Inoue are Outside Audit & Supervisory Board Members.
5. Mr. Akira Kodama, 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. Fusahiro Yamamoto, an Audit & Supervisory Board Member, is a certified public accountant both of Japan and U.S.A., and has a substantial amount of expertise in finance and accounting.
7. The Corporation has designated Mr. Akiyoshi Morita and Mr. Masahiro Sugino each a Director, and Mr. Akira Kodama, Mr. Fusahiro Yamamoto and Mr. Shoji Inoue 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.
8. The Corporation has entered into a directors and officers liability insurance contract stipulated in Article 430-3 of the Companies Act with all Directors, Audit & Supervisory Board Members and Corporate Officers as well as officers of the subsidiaries (with regard to overseas subsidiaries, this is limited to officers temporarily transferred from the Corporation and officers concurrently serving at the Corporation and overseas subsidiaries). The premiums are paid by the Corporation, including riders. The said insurance contract covers damages caused as a result of the insured executives, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. Provided, however, that there are certain exemptions; for example, the insurance contract does not cover damages caused as a result of any conduct committed with his or her knowledge that the conduct is in violation of laws and regulations.
9. Mr. Akiyoshi Morita retired from the director position because he passed away on April 29, 2021.

(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	Compensation linked to consolidated business result		Nonpecuniary Compensation	
				Bonuses (Millions of Yen)	Number of payment recipients	Restricted Shares Compensation (Millions of Yen)	Number of payment recipients
Directors	417	124	13	250	11	43	11
Audit & Supervisory Board Members	41	41	4	-	-	-	-
Total	458	165	17	250	11	43	11

Notes: 1. The aggregate amount of base compensation includes the amount of 36 million yen paid to Outside Executives (2 Outside Directors and 3 Outside Audit & Supervisory Board Members).

2. Other than the above, the amount of 146 million yen was paid to 8 Directors who concurrently serve as employees as employee salaries (including bonuses).

3. The Corporation terminated the retirement allowance plan for Directors and Audit & Supervisory Board Members as of the conclusion of the Ordinary General Meeting of Shareholders held on June 29, 2006. At such Ordinary General Meeting of Shareholders, it was resolved that retirement allowance for Directors and Audit & Supervisory Board Members were to be paid at the time of each retirement, and it was further resolved that the determination of the specific amount, payment method and other related matters were left to resolutions of the Board of Directors with respect to the Directors and discussion of the Audit & Supervisory Board Members with respect to the Audit & Supervisory Board Members. However, at the meeting of the Board of Directors held on January 29, 2021, it was resolved that the determination of the amount, payment method and other related matters of the retirement allowance for Directors be delegated to the Nomination and Compensation Committee at the time of the actual retirement of the Eligible Directors.

The amount recorded in the retirement allowance for Directors and Audit & Supervisory Board Members as of March 31, 2021 is 326 million yen, which will be paid to 3 Directors.

4. At the Ordinary General Meeting of Shareholders held on May 16, 1989, it was resolved that the maximum amounts of annual compensation for all Directors (there were 12 Directors after such Meeting) was 240 million yen (excluding the amounts paid to Directors who concurrently serve as employees as employee salaries), and it was further resolved that the maximum amounts of annual compensation for Audit & Supervisory Board Members (there were 3 Audit & Supervisory Board Members after such Meeting) was 60 million yen.

5. The Corporation pays bonuses to Directors (excluding Outside Directors) as compensation linked to consolidated business result, etc.

For the purpose of management of the Corporation in a manner favorable to shareholders, just as in the case of dividend payment, bonuses are based on the profit attributable to owners of the parent per share (Basic) after certain adjustments reflecting special circumstances. After consulting with and receiving an advice from the Nomination and Compensation Committee, the Board of Directors determines the total amount of bonuses based on a certain formula and submits the total amount of bonuses to the General Meeting of Shareholders. The allocation of bonuses to each Director is determined by the Nomination and Compensation Committee under the authority delegated by a resolution of the Board of Directors, based on performance, positions and other factors. The profit attributable to owners of the parent per share (Basic) after certain adjustments excluding special circumstances in this period is 228.41 yen.

6. The Corporation grants restricted shares compensation to Directors (excluding Outside Directors) as nonpecuniary compensation. The Corporation passed a resolution introducing compensation system by the allotment of restricted shares on the Ordinary General Meeting of Shareholders held on June 26, 2019.

At a time, it was resolved that the maximum total annual amount of monetary compensation receivables to be paid to Eligible Directors (excluding Outside Directors) as compensation relating to the restricted shares was set at 100 million yen, separately from the compensation set forth in Note 4 above, and that the maximum total number of the restricted shares to be allotted to Eligible Directors in each fiscal year was 100,000 shares. The number of Directors subject to the resolution of this General Meeting of Shareholders is 11 (excluding Outside Directors).

The details of such restricted shares compensation are as described in “(4) Restricted Shares Compensation” (page 32).

7. The above restricted shares compensation represents the expenses recorded for this period.

(3) Decision-Making Policy on Individual Compensation for Directors and the Delegation of Decision

1. Matters concerning Decision-Making Policy on Individual Compensation for Directors

After consulting with and receiving an advice from the Nomination and Compensation Committee, at the meeting of the Board of Directors held on January 29, 2021, the amendment of decision-making policy on individual compensation for Directors was resolved. The compensation for Directors consists of monthly compensation, bonuses and restricted shares compensation, and for the purpose of provision of sound incentives for improving the corporate value over the medium-to-long term, the Corporation appropriately determines the proportion of the monthly compensation, bonuses and restricted shares compensation.

The compensation for individual Directors for this period (excluding bonuses) is based on the decision-making policy on individual compensation for Directors before the amendment. The Board of Directors has judged that the compensation for individual Directors has been determined through the procedures specified in the relevant policy, and the content of such compensation is in line with such policy.

2. Matters concerning Delegation of Decision regarding Compensation for Individual Directors

With respect to monthly compensation and bonuses, decision of the amount of individual compensation for Directors shall be delegated to the Nomination and Compensation Committee pursuant to a resolution by the Board of Directors. The Nomination and Compensation Committee consists of 4 members: Chairman and Representative Director Masahiko Goto, President and Representative Director Munetoshi Goto, Outside Director Akiyoshi Morita, and Outside Director Masahiro Sugino. The Chairman of the Committee is Outside Director Masahiro Sugino.

The reason that the Board of Directors delegated the decision of the monthly compensation and bonuses for individual Directors to the Nomination and Compensation Committee is to ensure the transparency, objectivity, and fairness of the procedures for decision of the compensation, by entrusting the deliberation and decision to the Nomination and Compensation Committee, whose chairman is an Outside Director independent of the management.

The amount of compensation for individual Directors regarding bonuses in this period is scheduled to be determined by the Nomination and Compensation Committee under the authority delegated by the Board of Directors, through deliberation in a diversified manner, including considering the consistency with the decision-making policy. The Board of Directors has respected such determination and judged that it is in line with the decision-making policy on individual compensation for Directors.

Notes: 1. Mr. Akiyoshi Morita, who was a member of the above Nomination and Compensation Committee, passed away on April 29, 2021. At the Board of Directors held on May 21, 2021, it was resolved that Mr. Akiyoshi Morita was excluded from the above Nomination and Compensation Committee Member.

If Outside Director candidate Mr. Takahiro Iwase and Mr. Akira Kodama (Audit & Supervisory Committee Member) are appointed to be an Outside Director at this General Meeting of Shareholders, Mr. Takahiro Iwase and Mr. Akira Kodama will be added as the above Nomination and Compensation Committee Members.

2. With respect to the decision of the amount of individual compensation for Directors regarding monthly compensation up to June 2021, the amount of monthly compensation for each Director is determined by Chairman and Representative Director Masahiko Goto under the authority delegated by the Board of Directors, upon consultation with other Directors and based on certain rules, such as taking into account performance, positions, increase of employee salary and other factors, within the scope of the maximum amount of compensation resolved by the General Meeting of Shareholders. The reason for delegating the authority to the Chairman and Representative Director is that the Corporation has judged, that he is able to determine the amount of compensation for officers upon comprehensive consideration. The amount of compensation for individual Directors (excluding Directors who are members of the Audit & Supervisory Committee) regarding monthly compensation from July 2021 will be determined by the Nomination and Compensation Committee under the authority delegated by a resolution of the Board of Directors.

3. Compensation to Audit & Supervisory Board Members

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) Restricted Shares Compensation

1. Description of Restricted Shares Compensation

Restricted shares compensation is introduced to Directors (excluding Outside Directors) in order to allow Eligible Directors to share the risks and benefits of stock price fluctuations with shareholders to a greater extent and further enhance their motivation to contribute to improving the stock price and the corporate value of the Corporation.

The allotment of restricted shares to each Director is decided based on position, etc. at the Board of Directors after consulting with and receiving an advice from the Nomination and Compensation Committee.

The restricted shares are granted at a certain time each year.

2. Details regarding transfer restrictions

Eligible Directors to whom the restricted shares have been allotted shall not transfer such allotted shares (hereinafter referred to as the "Allotted Shares") to third parties, establish a pledge or a security interest on the shares, use them as an inter vivos gift, bequest them to another party, or otherwise dispose of the Allotted Shares (hereinafter referred to as "Transfer Restrictions") for a period of 50 years (hereinafter referred to as the "Transfer Restrictions Period").

3. Gratis acquisition of the restricted shares

The Corporation shall acquire the restricted shares without compensation if an Eligible Director who has been allotted the Allotted Shares retires as a Director of the Corporation anytime between the initial day of the Transfer Restrictions Period until the day preceding the first subsequent Ordinary General Meeting of Shareholders, except when there are reasons deemed legitimate by the Board of Directors.

In addition, the Corporation shall rightly acquire any of the Allotted Shares without compensation for which the Transfer Restrictions have not been removed in accordance with the reasons set forth in "4." below at the expiration of the Transfer Restrictions Period in "2." above.

4. Removal of Transfer Restrictions

The Corporation will remove Transfer Restrictions on all the Allotted Shares upon expiration of the Transfer Restrictions Period if an Eligible Director who has been allotted the restricted shares continues to hold the position of a Director of the Corporation from the initial day of the Transfer Restrictions Period until the day of the first subsequent Ordinary General Meeting of Shareholders.

However, if said Eligible Director has continued to hold the position of a Director of the Corporation upon expiration of the Transfer Restrictions Period, the Transfer Restrictions will not be removed on all the Allotted Shares held by said Eligible Transfer upon said expiration.

If said Eligible Director retires as a Director of the Corporation before the expiration of the Transfer Restrictions Period for reasons deemed legitimate by the Board of Directors, the number of the Allotted Shares for which the Transfer Restrictions will be removed and the timing of the removal of Transfer Restrictions shall be reasonably adjusted as needed.

5. Delivered Restricted Shares Compensation Status

This is as described in "2.(5) Shares granted to Directors of the Corporation in consideration of the performance of duties in this period" (page 28).

(5) Outside Directors and Audit & Supervisory Board Members

1. Relation between important organization of concurrent post and the Corporation

There is no special interest between important organization of concurrent post and the Corporation.

2. Major activities during this period

Classification	Name	Attendance rate of the Board of Directors meetings (total attended / total held)	Attendance rate of the Audit & Supervisory Board meetings (total attended / total held)	Major activities
Director	Akiyoshi Morita	100% (12/12)	-	He had broad insight and management experience in the Toyota Group companies which are a world's leading corporate group. He was expected to perform the supervisory function from such perspective, and performed his appropriate role as Outside Director in the Board of Directors of the Corporation, by providing advice and supervising business execution from the perspective, etc.
Director	Masahiro Sugino	100% (12/12)	-	He has broad insight and management experience in the LIXIL Group companies which are a world's leading corporate group. He was expected to perform the supervisory function from such perspective, and performed his appropriate role as Outside Director in the Board of Directors of the Corporation, by providing advice and supervising business execution from the perspective, etc.
Audit & Supervisory Board Member	Akira Kodama	100% (12/12)	100% (15/15)	He has many years of experience and expertise in financial institutions. He expressed his opinions from the professional perspective.
Audit & Supervisory Board Member	Fusahiro Yamamoto	100% (12/12)	100% (15/15)	He expressed his opinions from the professional perspective of certified public accountant.
Audit & Supervisory Board Member	Shoji Inoue	100% (12/12)	100% (15/15)	He expressed his opinions from the professional perspective of attorney at law.

3. 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 each of the Directors and each of the Audit & Supervisory Board Members which limits the maximum amount of their 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 this period	125
2. Total amount of cash and other financial benefits payable by the Corporation and its subsidiaries to the Accounting Auditor	125

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. The Audit & Supervisory Board agreed to compensation to Accounting Auditors as stipulated in Article 399, Paragraph 1 of the Companies Act, after examination of their performance of accounting audit services and basis for the calculation of the estimated amount of their compensation in the prior years, which examination was made in line with the “Practical Guidelines for Cooperation with Accounting Auditors” released by the Japan Audit & Supervisory Board Members Association.
3. 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

None.

(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 therefor 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 the independence of the accounting auditor, the Audit & Supervisory Board will decide the details of the agenda concerning the non-reappointment of such accounting auditor that is to be submitted to a General Meeting of Shareholders, and pursuant to such decision, the Board of Directors will submit the agenda concerning the non-reappointment of such accounting auditor to the General Meeting of Shareholders.

5. Systems and Policies of the Corporation

(1) Systems to ensure that 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 "Guideline to the Code of Ethics for Makita" 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, Makita establishes the "Regulations Regarding Corporate Ethics Help Line (Internal Reporting)," sets contact points both internally and outside Makita, and builds a system to discover internal problems. In addition, an inquiry point 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 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 establishes standards concerning management structure and organization, positions, divisions of functions and duties and powers, which constitutes 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.
 - (iv) Makita assigns respective liaison departments to all subsidiaries within the Corporation, and makes efforts to enhance group-wide management efficiency through discussions and consultations, information exchanges with the objective of efficiently operating subsidiaries.
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) 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

As employees assisting the duties of the Audit & Supervisory Board Members, necessary personnel shall be posted to assist the duties of the Audit & Supervisory Board Members.
7. Matters to ensure the independence of employees from Directors, as stated in the preceding item, and the

- effectiveness of directions given by Audit & Supervisory Board Members to those employees
- (i) Employees assisting the duties of Audit & Supervisory Board Members shall not work concurrently at other divisions, but shall exclusively follow directions from Audit & Supervisory Board Members.
 - (ii) In order to ensure the independence of such employees from Directors, the consent of the Audit & Supervisory Board is required for matters concerning the appointment and change of such employees.
8. Systems in accordance with which the Directors and employees report to the Audit & Supervisory Board Members, other systems concerning reports to the Audit & Supervisory Board Members and systems to ensure that Directors and employees who make a report are not treated unfairly because of the report
- (i) Directors, Corporate Officers and employees of Makita shall report to the Audit & Supervisory Board Members with respect to matters that may cause significant damage to Makita, 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 of Makita when necessary and that the Audit & Supervisory Board to exchange opinions with the Directors and Accounting Auditors of Makita.
 - (iii) The Corporation prohibits any unfair treatment of Directors, Corporate Officers, and employees of Makita who make a report to the Audit & Supervisory Board Members as a result of such report, and ensures all Directors, Corporate Officers, and employees of Makita are informed to that effect.
9. 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.
 - (iii) Expenses related to executing the duties of Audit & Supervisory Board Members are securely budgeted each fiscal year and borne by the Corporation.
10. Systems to ensure elimination of antisocial forces
- (i) 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.
 - (ii) 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.
 - (iii) Ban on transactions with antisocial forces is 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.
 - (iv) 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.
 - (v) 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.

(2) Implementation status of systems necessary for ensuring that the Corporation’s operations are conducted appropriately

1. Compliance

- (i) The Corporation keeps all officers and employees of Makita informed and provides training on the “Code of Ethics,” “Guidelines to the Code of Ethics for Makita,” and “Regulations Regarding Corporate Ethics Help Line (Internal Reporting),” on a continual basis.
- (ii) The Corporation conducts a questionnaire survey of all employees to raise awareness about the importance of compliance and have them better understand the “Code of Ethics.”

2. Risk management

The Disclosure Committee meetings were held 3 times during this period, at which Representative Directors, Directors in charge, Standing Audit & Supervisory Board Members, and General Managers of Internal Audit

Division and respective departments of the Corporation met to detect and extract and examine risks involved in the business activities of Makita.

3. Internal audits

- (i) The Internal Audit Division carries out internal audits of Makita, and reported their results to the Audit & Supervisory Board and the management.
- (ii) The Corporation has established a framework under which any deficiency in internal controls found during an internal control audit is appropriately corrected or redressed in a timely manner.

4. Systems to ensure the efficient execution of Directors' duties

- (i) The Board of Directors approves annual targets set by each department and oversees their progress toward achievement.
- (ii) Corporate Officers in charge of operation (18 officers as of March 31, 2021, including 5 officers overseas) are assigned to major departments in order to operate business systematically and efficiently.

5. Duties of Audit & Supervisory Board Members

- (i) Audit & Supervisory Board Members meet Accounting Auditors and exchange information every quarter.
- (ii) Audit & Supervisory Board Members have individual interviews with all Directors to exchange information.
- (iii) Expenses necessary for executing the Audit & Supervisory Board Members' duties are handled promptly at the request of Audit & Supervisory Board Members.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2021)

(Millions of Yen)

(Assets)		(Liabilities)	
Current assets	540,328	Current liabilities	121,798
Cash and cash equivalents	148,640	Trade payables and other payables	59,792
Trade receivables and other receivables	95,691	Borrowings	2,612
Inventories	267,547	Other financial liabilities	4,080
Other financial assets	18,227	Income taxes payable	11,218
Other current assets	10,223	Provisions	3,665
Non-current assets	272,550	Other current liabilities	40,431
Property, plant and equipment	189,366	Non-current liabilities	27,754
Goodwill and intangible assets	9,364	Retirement benefit liabilities	3,406
Other financial assets	51,011	Other financial liabilities	11,764
Retirement benefit asset	10,685	Provisions	1,421
Deferred income taxes	8,860	Deferred tax liabilities	10,954
Other non-current assets	3,264	Other non-current liabilities	209
		Total liabilities	149,552
		(Equity)	
		Common stock	23,805
		Additional paid-in capital	45,559
		Retained earnings	588,644
		Treasury stock, at cost	(11,543)
		Other components of equity	11,390
		Total equity attributable to owners of the parent	657,855
		Non-controlling interest	5,471
		Total equity	663,326
Total assets	812,878	Total liabilities and equity	812,878

Note: Amounts less than 1 million yen have been rounded.

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

REVENUE	608,331
Cost of sales	(405,282)
GROSS PROFIT	203,049
Selling, general, administrative and others, net	(114,585)
OPERATING PROFIT	88,464
Financial income	1,813
Financial expenses	(3,078)
PROFIT BEFORE INCOME TAXES	87,199
Income tax expenses	(24,515)
PROFIT	62,684
Profit attributable to:	
Owners of the parent	62,018
Non-controlling interests	666

Note: Amounts less than 1 million yen have been rounded.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Equity attributable to owners of the parent					Total
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	
Balance at April 1, 2020	23,805	45,531	540,063	(11,554)	(26,570)	571,275
Profit for this period			62,018			62,018
Other comprehensive income					38,913	38,913
Comprehensive income	-	-	62,018	-	38,913	100,931
Dividends paid			(14,390)			(14,390)
Purchase of treasury stock				(4)		(4)
Share-based payment transaction		28		15		43
Transfer from other components of equity to retained earnings			953		(953)	-
Total amounts of transactions with owners	-	28	(13,437)	11	(953)	(14,351)
Balance at March 31, 2021	23,805	45,559	588,644	(11,543)	11,390	657,855

	Non-controlling interest	Total equity
Balance at April 1, 2020	4,473	575,748
Profit for this period	666	62,684
Other comprehensive income	332	39,245
Comprehensive income	998	101,929
Dividends paid	-	(14,390)
Purchase of treasury stock		(4)
Share-based payment transaction		43
Transfer from other components of equity to retained earnings		-
Total amounts of transactions with owners	-	(14,351)
Balance at March 31, 2021	5,471	663,326

Note: Amounts less than 1 million yen have been rounded.

BALANCE SHEET

(As of March 31, 2021)

(Millions of Yen)

(Assets)		(Liabilities)	
Current assets	170,529	Current liabilities	70,008
Cash and time deposits	51,939	Trade accounts payable	49,864
Trade notes receivable	181	Other payable	4,038
Trade accounts receivable	69,923	Accrued expenses	7,110
Marketable securities	1,008	Income taxes payable	6,515
Finished goods and merchandise	25,525	Allowance for directors' bonuses	256
Work-in-process	1,685	Allowance for product warranties	600
Raw materials and supplies	3,783	Other	1,625
Short-term loans receivable	11,674	Long term liabilities	3,261
Other	4,820	Deferred tax liabilities	1,797
Allowance for doubtful accounts	(9)	Retirement and termination allowance	238
Fixed assets	333,108	Retirement allowance for directors and audit & supervisory board members	326
Tangible fixed assets	74,705	Long-term deposits payable	181
Buildings	28,067	Other	719
Structures	2,470	Total liabilities	73,269
Machinery and equipment	5,284		
Vehicles and transportation equipment	135	(Net assets)	
Tools, furniture and fixtures	6,437	Shareholders' equity	415,207
Land	18,338	Common stock	24,206
Construction in progress	13,974	Capital surplus	47,676
Intangible fixed assets	2,967	Additional paid-in capital	47,525
Software	1,014	Other capital surplus	151
Industrial property rights	617	Retained earnings	354,868
Other	1,336	Legal reserve	5,669
Investment and other assets	255,436	Other retained earnings	349,199
Investment securities	44,517	Reserve for dividend	750
Stocks of affiliates	101,290	Reserve for technical research	1,500
Investment in affiliates	93,429	Reserve for advanced depreciation	2,410
Long-term loans receivable	74	General reserves	85,000
Lease deposits	5,026	Retained earnings carried forward	259,539
Prepaid pension cost	11,035	Treasury stock	(11,543)
Other	65	Valuation and translation adjustments	15,161
		Net unrealized gains on securities	15,161
		Total net assets	430,368
Total assets	503,637	Total liabilities and net assets	503,637

Note: Amounts less than 1 million yen have been rounded.

STATEMENT OF INCOME

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

Net sales		378,486
Cost of sales		304,871
Gross profit		73,615
Selling, general and administrative expenses		42,630
Operating income		30,985
Non-operating income		
Interest and dividend income	16,218	
Gain on sale of securities	16	
Other non-operating income	408	16,642
Non-operating expense		
Loss on sales of securities	14	
Exchange losses on foreign currency transactions	35	
Other non-operating expense	4	53
Ordinary income		47,574
Extraordinary gain		
Gain on sales of fixed assets	0	0
Extraordinary loss		
Loss on sale and disposal of fixed assets	240	
Loss on valuation of subsidiaries and affiliates	167	407
Income before income taxes		47,167
Income taxes - current		10,450
Income taxes - deferred		(360)
Net income		37,077

Note: Amounts less than 1 million yen have been rounded.

STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Additional paid-in capital	Other capital surplus	Total capital surplus
Balance at April 1, 2020	24,206	47,525	123	47,648
Changes during this period				
Provision of reserve for advanced depreciation				
Reversal of reserve for advanced depreciation				
Dividends paid				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			28	28
Net change of items other than shareholders' equity				
Total changes during this period			28	28
Balance at March 31, 2021	24,206	47,525	151	47,676

	Shareholders' equity								
	Retained earnings							Treasury stock	Total shareholders' equity
	Other retained earnings						Total retained earnings		
	Legal reserve	Reserve for dividend	Reserve for technical research	Reserve for advanced depreciation	General reserves	Retained earnings carried forward			
Balance at April 1, 2020	5,669	750	1,500	2,447	85,000	236,815	332,181	(11,554)	392,481
Changes during this period									
Provision of reserve for advanced depreciation				3		(3)			
Reversal of reserve for advanced depreciation				(40)		40			
Dividends paid						(14,390)	(14,390)		(14,390)
Net income						37,077	37,077		37,077
Purchase of treasury stock								(4)	(4)
Disposal of treasury stock								15	43
Net change of items other than shareholders' equity									
Total changes during this period				(37)		22,724	22,687	11	22,726
Balance at March 31, 2021	5,669	750	1,500	2,410	85,000	259,539	354,868	(11,543)	415,207

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities	Total valuation and translation adjustments	
Balance at April 1, 2020	5,877	5,877	398,358
Changes during this period			
Provision of reserve for advanced depreciation			
Reversal of reserve for advanced depreciation			
Dividends paid			(14,390)
Net income			37,077
Purchase of treasury stock			(4)
Disposal of treasury stock			43
Net change of items other than shareholders' equity	9,284	9,284	9,284
Total changes during this period	9,284	9,284	32,010
Balance at March 31, 2021	15,161	15,161	430,368

Note: Amounts less than 1 million yen have been rounded.

Independent Auditor's Report

May 20, 2021

The Board of Directors
Makita Corporation

KPMG AZSA LLC
Nagoya Office

Yasuyuki Morimoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaki Kawaguchi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to consolidated financial statements of Makita Corporation as at and for the year ended March 31, 2021 in accordance with Paragraph 4 of Article 444 of the Companies Act.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting that prescribes the omission of certain disclosure items required under International Financial Reporting Standards ("IFRS"), present fairly, in all material respects, the financial position and the results of operations of Makita Corporation and its consolidated subsidiaries for this period, for which the consolidated financial statements were prepared.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in accordance with auditing standards is stated in "Auditor's Responsibility in Auditing Consolidated Financial Statements". In accordance with the provisions on occupational ethics in Japan, we are independent from the Company and its consolidated subsidiaries. Further, we have fulfilled other ethical responsibilities required of accounting auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility and Audit & Supervisory Board Member's and the Audit & Supervisory Board's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation in accordance with the second sentence of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting that allows the omission of certain disclosure items required under IFRS. This includes the development and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the appropriateness of

preparing the consolidated financial statements based on the going concern assumptions, and disclosing matters related to going concern if it is necessary to disclose matters related to going concern pursuant to the second sentence of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting that allows the omission of certain disclosure items required under IFRS.

The responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to supervise the execution of duties by the Directors in the development and operation of financial reporting processes.

Auditor's Responsibility in Auditing Consolidated Financial Statements

The auditor is responsible for expressing an independent opinion on the consolidated financial statements in the audit report based on an audit performed by the auditor by obtaining reasonable assurance that the consolidated financial statements as a whole are free of material misstatement whether due to fraud or error. A misstatement may be due to fraud or error and is deemed material, individually or in the aggregate, to the extent that it is reasonably expected to affect the decision-making of users of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, auditors shall make professional judgments throughout the course of their audits, and perform the following with an attitude of profession skepticism.

- Identify and evaluate the risk of material misstatement due to fraud or error. Design and perform audit procedures to address the risk of material misstatement. The selection of audit procedures is based on the judgment of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for expressing our opinion.
- In making risk assessments, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, although the objective of the consolidated financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management and the relevance of the related notes.
- Conclude whether it is appropriate for management to prepare the consolidated financial statements based on the going concern assumption, and whether, based on the audit evidence obtained, significant uncertainty is recognized with respect to the event or status that raises significant doubt about the going concern assumption. If there is significant uncertainty regarding the going concern assumption, in the audit report alert to the notes to consolidated financial statements, or if the notes to consolidated financial statements regarding significant uncertainty are not appropriate, the auditor must express a limited audit opinion. The auditor's conclusion is based on the audit evidence obtained prior to the date of the audit report, however, future events and status may make the survival of an entity unfeasible.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto conform to the second sentence of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting that allows the omission of certain disclosure items required under IFRS and evaluate the presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entity and its consolidated subsidiaries to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision, and performance of its audit of the consolidated financial statements. The auditor has sole responsibility for its audit opinion expressed.

The auditors shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board the scope and timing of implementation of the planned audit, material findings in the audit, including material deficiencies in the internal controls identified in the course of the audit, and other matters required under auditing standards.

The auditors shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board the fact that they have complied with the rules of professional ethics in Japan regarding auditor independence, matters which may be reasonably considered to affect the independency of the auditors and, if they are applying safeguards to eliminate or reduce possible threats, the content thereof.

Interest

Our firm and engagement partners have no interest in the Company or its consolidated subsidiaries which must be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Independent Auditor's Report

May 20, 2021

The Board of Directors
Makita Corporation

KPMG AZSA LLC
Nagoya Office

Yasuyuki Morimoto (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaki Kawaguchi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion

We have audited the financial statements ("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 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position and the results of operations of Makita Corporation for this period, for which the Financial Statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in accordance with auditing standards is stated in "Auditor's Responsibility in Auditing Financial Statements". In accordance with the provisions on occupational ethics in Japan, we are independent from the Company. Further, we have fulfilled other ethical responsibilities required of accounting auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility and Audit & Supervisory Board Member's and the Audit & Supervisory Board's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with accounting principles generally accepted in Japan. This includes the development and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the Financial Statements that are free from material misstatements whether due to fraud or error.

In preparing the Financial Statements, management is responsible for evaluating the appropriateness of preparing the Financial Statements based on the going concern assumptions, and disclosing matters related to going concern if it is necessary to disclose matters related to going concern pursuant to accounting principles generally accepted in Japan.

The responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to supervise the execution of duties by the Directors in the development and operation of financial reporting processes.

Auditor's Responsibility in Auditing the Financial Statements

The auditor is responsible for expressing an independent opinion on the Financial Statements in the audit report based on an audit performed by the auditor by obtaining reasonable assurance that the Financial Statements as a whole are free of material misstatement whether due to fraud or error. A misstatement may be due to fraud or error and is deemed material, individually or in the aggregate, to the extent that it is reasonably expected to affect the decision-making of users of the Financial Statements.

In accordance with auditing standards generally accepted in Japan, auditors shall make professional judgments throughout the course of their audits, and perform the following with an attitude of profession skepticism.

- Identify and evaluate the risk of material misstatement due to fraud or error. Design and perform audit procedures to address the risk of material misstatement. The selection of audit procedures is based on the judgment of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for expressing our opinion.
- In making risk assessments, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, although 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.
- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management and the relevance of the related notes.
- Conclude whether it is appropriate for management to prepare the Financial Statements based on the going concern assumption, and whether, based on the audit evidence obtained, significant uncertainty is recognized with respect to the event or status that raises significant doubt about the going concern assumption. If there is significant uncertainty regarding the going concern assumption, in the audit report alert to the notes to the Financial Statements, or if the notes to the Financial Statements regarding significant uncertainty are not appropriate, the auditor must express a limited audit opinion. The auditor's conclusion is based on the audit evidence obtained prior to the date of the audit report, however, future events and status may make the survival of an entity unfeasible.
- Evaluate whether the presentation of the Financial Statements and the notes thereto conform to accounting principles generally accepted in Japan and evaluate the presentation, structure and content of the Financial Statements, including the related notes, and whether the Financial Statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.

The auditors shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board the scope and timing of implementation of the planned audit, material findings in the audit, including material deficiencies in the internal controls identified in the course of the audit, and other matters required under auditing standards.

The auditors shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board the fact that they have complied with the rules of professional ethics in Japan regarding auditor independence, matters which may be reasonably considered to affect the independency of the auditors and, if they are applying safeguards to eliminate or reduce possible threats, the content thereof.

Interest

Our firm and engagement partners have no interest in the Company which must be disclosed pursuant to the provisions of the Certified Public Accountants 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 109th period, from April 1, 2020 to March 31, 2021, 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

(1) 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.

(2) 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, and conducted the audits in the following methods:

- (i) 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. 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.
- (ii) Audit & Supervisory Board Members regularly received from Directors, employees and other related persons reports and, when necessary, requested explanations and expressed their opinions in connection with the resolution of the Board of Directors concerning the internal control systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems necessary to ensure the properness of operations of a corporate group composed of a company and its subsidiary, prescribed in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and the status of framework construction and operations of such internal control systems, developed based on the said resolution.
- (iii) The Audit & Supervisory Board Members also monitored and examined whether the Accounting Auditor maintains its independence and conducts its audits in an appropriate manner. The Audit & Supervisory Board Members received reports from the Accounting Auditor on the performance of its duties and, when necessary, requested its explanations. The Audit & Supervisory Board Members also received notification from the Accounting Auditor that it has taken steps to improve the “system for ensuring appropriate execution of the duties of an accounting auditor” (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 when necessary.

According to the foregoing method, the Audit & Supervisory Board Members reviewed the business report, the accompanying supplemental schedules and 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 changes in equity and notes to consolidated financial statements).

2. Results of Audit

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

- (i) 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.
- (ii) 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.
- (iii) 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 Auditor, 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 Auditor, are appropriate.

May 21, 2021

Audit & Supervisory Board
Makita Corporation

Mitsuhiko Wakayama (Seal)
Standing Audit & Supervisory Board Member

Akira Kodama (Seal)
Standing Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Fusahiro Yamamoto (Seal)
Outside Audit & Supervisory Board Member

Shoji Inoue (Seal)
Outside Audit & Supervisory Board Member