(Summary English Translation of the Materials disclosed via the Internet pursuant to Laws, Regulations, and the Articles of Incorporaion regarding the Notice of the 104th Ordinary General Meeting of Shareholders Originally Issued in Japanese Language)

June 6, 2016

MATERIALS DISCLOSED VIA THE INTERNET PURSUANT TO LAWS, REGULATIONS, AND THE ARTICLES OF INCORPORATION REGARDING THE NOTICE OF THE 104TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notes to Consolidated Financial Statements
Notes to Non-consolidated Financial Statements

MAKITA CORPORATION

Pursuant to applicable laws and regulations and Article 15 of the Articles of Incorporation of the Corporation, these contents are deemed to be provided to shareholders by posting them on our website (http://www.makita.biz/ir/stock.html).

Notes to Consolidated Financial Statements

Notes to Important Basic Matters for Preparation of Consolidated Financial Statements

1. Basis of presentation

The consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) pursuant to the provision of Article 120-3, paragraph 1 of the Ordinance on Accounting of Companies. Provided that certain statements and notes required by U.S. GAAP are omitted in accordance with Article 120, the second sentence of Paragraph 1 of the said Ordinance, as applied *mutatis mutandis* pursuant to Article 120-3, Paragraph 3 of the said Ordinance.

2. Scope of consolidation

Number of consolidated subsidiaries: 51

Major subsidiaries are as follows:

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

3. Valuation of Short-term investments and Investments

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

Held-to-maturity securities:	Amortized cost
Available-for-sale securities:	Evaluation by the fair value All valuation allowances are reported in Accumulated other comprehensive income (loss). The cost of securities sold is based on the moving-average method.

4. Valuation of inventories

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

5. Depreciation method of non-current assets

Property, plant and equipment:	Depreciation of property, plant and equipment of Makita is computed by using the straight-line method for computing depreciation.
Goodwill and other intangible assets, net:	With respect to goodwill, in compliance with ASC 350, “Intangibles -Goodwill and Other”, amortization is not performed, but impairment testing is carried out at least once a year in principle. Amortization is performed using the straight-line method with regard to other intangible assets with definite useful lives.

6. Allowance

Allowance for doubtful receivables:	The allowance is determined based on, but is not limited to, historical collection experience adjusted for the effects of the current economic environment, assessment of inherent risks, aging and financial performance. Allowance for doubtful receivables represents the Makita's best estimate of the amount of probable credit losses in its existing receivables.
Retirement and termination allowances:	In accordance with ASC 715, “Compensation-Retirement Benefits”, pension and severance cost is accrued based on the projected benefit obligations and the fair value of plan assets at the balance sheet date. Each overfunded plans and postretirement plans is recognized as an asset and each underfunded plan and postretirement plans is recognized as a liability. Unrecognized prior service cost is amortized by the straight-line method over the average remaining service period of employees.

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

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

Notes to Consolidated Balance Sheet

Guarantee (contingent liabilities): 1 million yen

Notes to Consolidated Statement of Changes in Equity

1. Matter regarding shares issued

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

2. Matter regarding dividend distribution

(1) Amount of dividend distribution

Resolution	Kind of shares	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2015	Common stock	13,573	100	March 31, 2015	June 26, 2015
Board of Directors' meeting held on October 30, 2015	Common stock	2,443	18	September 30, 2015	November 25, 2015

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

Scheduled resolution	Kind of shares	Dividend resource	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 28, 2016	Common stock	Retained earnings	11,266	83	March 31, 2016	June 29, 2016

Notes to Financial Instruments

1. Matter regarding status of financial instruments

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

2. Matter regarding such as fair value of financial instruments

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

(1) Cash and cash equivalents, Time deposits, Trade receivable, Short-term borrowings, Trade notes and accounts payable, Other payables, and Accrued expenses

The carrying amount is considered to be fair value since maturities are either short or do not exist.

(2) Long-term time deposits

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

(3) Short-term investments and Investments

The fair value of marketable investment securities is estimated based on quoted market prices. For certain investments such as non-marketable securities, since there are no quoted market prices existing, a reasonable estimation of a fair value could not be made without incurring excessive cost, and such securities have been excluded from fair value disclosure. Fair value is measured if it declines significantly or there is a likelihood of such. Non-marketable securities amounted to 387 million yen, of which 5 million yen is invested in Short-term investments and 382 million yen is invested in Investments as of March 31, 2016.

(4) Long-term indebtedness

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

(5) Derivative financial instruments

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

The carrying amounts and estimated fair value of the financial instruments, and the amount of difference thereof as of March 31, 2016 are as follows:

	(Millions of Yen)		
	Carrying amount	Fair value	Amount of difference
Short-term investments	48,258	48,258	-
Investments	21,490	21,504	14
Long-term time deposits	8	8	-
Long-term indebtedness including current maturities	(355)	(355)	-
Foreign currency contracts:			
Assets	1,225	1,225	-
Liabilities	(670)	(670)	-
Currency swap agreements:			
Liabilities	(8)	(8)	-

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

These estimates are made by the Corporation based on the Corporation's judgment and contain uncertainties. Therefore, any changes to the underlying assumptions may significantly affect estimates.

Notes to Information Per Share

Total Makita Corporation shareholders' equity per share	3,534.52	yen

Total Makita Corporation shareholders' equity per share attributable to common stock was computed based on following;

Total Makita Corporation shareholders' equity in the consolidated balance sheet	479,752	million yen
Total Makita Corporation shareholders' equity available to common stock	479,752	million yen
Number of shares issued (excluding treasury stock) as of March 31, 2016	135,733,261	shares

Earning per share (Basic) Net income attributable to Makita Corporation common shareholders	306.59	yen

Earning per share (Basic) Net income attributable to Makita Corporation common shareholders was computed based on following;

Net income attributable to Makita Corporation in the consolidated statement of income	41,615	million yen
Net income attributable to Makita Corporation available to common stock	41,615	million yen
The average number of shares of common stock outstanding during the period	135,734,118	shares

Earning per share (Diluted) Net income attributable to Makita Corporation common shareholders	306.58	yen

Earning per share (Diluted) Net income attributable to Makita Corporation common shareholders was computed based on following;

Net income attributable to Makita Corporation in the consolidated statement of income	41,615	million yen
Net income attributable to Makita Corporation available to common stock	41,615	million yen
The average number of diluted shares of common stock outstanding during the period	135,738,493	shares

Notes to Non-consolidated Financial Statements
Notes to Significant Accounting Policies

1. Valuation of securities

Held-to-maturity securities:	Amortized cost (straight-line method)
Stocks of subsidiaries:	At moving-average cost
Other securities	
Those having fair market value:	Fair market value as of the end of the period Valuation differencese are presented as valuation and translation adjustments in net assets. The cost of securities sold is calculated based on the moving-average method.
Those having no fair market value:	At moving-average cost

2. Valuation of net assets and liabilities accrued from derivative transactions:
Fair market value as of the end of the period

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

Finished goods, merchandise, work in process, and raw materials:	At average cost
Supplies:	At latest purchase cost

4. Depreciation method of fixed assets

Tangible fixed assets: (Excluding lease assets)	Straight-line method Useful life: Buildings: 38 to 50 years Machinery and equipment: 5 to 10 years
Intangible fixed assets: (Excluding lease assets)	Straight-line method Software for internal use is depreciated on the straight-line method over its estimated useful life (5 years). Industrial property rights are depreciated on the straight-line method over 8 to 14 year period.
Lease assets:	Lease assets relating to finance lease transactions, excluding those whose ownership is transferred to the lessee upon lease expiration, are depreciated by the straight-line method over the lease term with no residual value, the lease term being regarded as the useful life.

5. Allowances

Allowance for doubtful accounts: The allowance for doubtful accounts is reserved based on the historical write-off ratio for accounts receivable. For accounts receivable that are difficult to collect, individually estimated write-off amounts are reserved.

Allowance for directors' bonuses: In preparation for the anticipated payment of directors' bonuses, we appropriate the amount estimated to pay for the period.

Allowance for product warranties: In preparation for the payment of product after-service and free post-sale repair services, we appropriate the projected amount based on actual payment in the past.

Allowance for environmental measures: In preparation for the future payment concerning environmental measures, we appropriate the amount expected to incur in the future.

Retirement and termination allowances: To be prepared for employee retirement, retirement and termination allowances and prepaid pension expenses are reserved based on projected benefit obligations and plan assets at the balance sheet date. In calculating the projected benefit obligations, the Corporation adopted the benefit formula basis as the method for attributing the expected benefit to the period up to the end of the period. Past service costs are amortized by the straight-line method over the average remaining employment period. Actuarial differences are amortized starting immediately after the year of accruement by the straight-line method over the average remaining employment period.

Retirement allowances for Directors and Audit & Supervisory Board Members:
The Corporation terminated the retirement allowance plan for Directors and Audit & Supervisory Board Members as of the end of the ordinary general meeting of shareholders held on June 29, 2006. The balance of the period end is the amount of the reserve for the period of office served until abolition of the plan by those current directors (excluding outside directors) who served until June 29, 2006.

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

Notes to Balance Sheet

1. Accumulated depreciation on tangible fixed assets:

Buildings	26,552	million yen
Structures	2,324	million yen
Machinery and equipment	13,636	million yen
Vehicles and transportation equipment	280	million yen
Tools, furniture and fixtures	26,825	million yen
Total	69,617	million yen

2. Guarantee:

Guarantee for borrowing from financial institution		
Maximum amount of guarantee for Makita U.S.A. Inc. (50 million U.S. dollars)	5,634	million yen
Maximum amount of guarantee for Makita Power Tools India Private. Ltd. (200 million India Rupee)	340	million yen
Guarantee for educational loan to employees	1	million yen
Guarantee for accounts payable of the following company		
Makita General Service Co., Ltd.	11	million yen
Total	5,986	million yen

3. Receivables and payables for affiliates:

Short-term receivables	36,326	million yen
Long-term receivables	200	million yen
Short-term payables	9,114	million yen

Notes to Statement of Income

Transactions with affiliates		
Amount of operating transactions		
Sales	75,198	million yen
Purchases, etc.	64,295	million yen
Amount of non-operating transactions	13,857	million yen

Notes to Statement of Changes in Net Assets

1. Matter regarding treasury stock

Kind of shares	Beginning of the period	Increase	Decrease	End of the period
Common stock	4,273,892 shares	1,646 shares	39 shares	4,275,499 shares

(Reasons for the change)

The reasons for the increase are as follows:

Purchase of shares constituting less than a full unit: 1,646 shares

The reasons for the decrease are as follows:

Disposal of shares constituting less than a full unit: 39 shares

2. Matter regarding stock acquisition rights

Type and number of shares to be issued or transferred upon the exercise of Stock Acquisition Rights (excluding Stock Acquisition Rights that are not exercisable) at the end of the period

Common stock 7,000 shares

Notes to Tax Effect Accounting

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

Short-term deferred income tax assets		
Accrued expenses	1,424	million yen
Allowances for environmental measures	170	million yen
Inventories	467	million yen
Accrued enterprise taxes	250	million yen
Others	12	million yen
Net amount of short-term deferred income tax assets	2,323	million yen
Long-term deferred income tax assets		
Loss on evaluation of investment securities	3,124	million yen
Excess in depreciation	2,510	million yen
Retirement allowances for directors and audit & supervisory board members	106	million yen
Loss on impairment of fixed assets	84	million yen
Others	289	million yen
Subtotal	6,113	million yen
Valuation allowance	(359)	million yen
Total	5,754	million yen
Long-term deferred income tax liabilities		
Retirement and termination allowances	(2,536)	million yen
Net unrealized gains on securities	(3,212)	million yen
Reserve for advanced depreciation of fixed assets	(634)	million yen
Other	(270)	million yen
Total	(6,652)	million yen
Net amount of long-term deferred income tax liabilities	(898)	million yen

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

Statutory income tax rate	32.5%
(Reconciliations)	
Dividend income and other permanently non-taxable income	(14.7%)
Tax sparing impact	(2.1%)
Difference due to the change in the tax rate	0.8%
Other	0.6%
Effective income tax rate after the adoption of tax effect accounting	17.1%

3. Change of the amount of deferred income tax assets and liabilities due to a change in the statutory effective tax rate

Along with the enactment as of March 29, 2016, of the Act Concerning Partial Amendment of the Income Tax Act, etc. (Act No. 15 of 2016) and the Act Concerning Partial Amendment of the Local Tax Act, etc. (Act No. 13 of 2016), the statutory effective tax rate used for calculating deferred income tax assets and liabilities in this fiscal year (provided that limited to those which will be eliminated after April 1, 2016) was changed from 31.8% that was applicable in the previous year to 30.4% for the temporary difference expected to be eliminated during the period year beginning on April 1, 2016 through March 31, 2018, and to 30.2% for the temporary difference expected to be eliminated during the period beginning on April 1, 2018, respectively. As a result, the amount of deferred income tax assets (net of the amount of deferred income tax liabilities) decreased by 59 million yen, while income taxes - deferred and net unrealized gains on securities increased by 229 million yen and 170 million yen, respectively.

Notes to Fixed Assets Used through Leases

Operating leases

Lease commitments under non-cancelable operating leases

Within 1 year	149	million yen
Over 1 year	371	million yen

Notes to Transactions with Related Parties

1. Directors and primary individual shareholders

Attribute	Companies which directors and their relatives own the majority of voting rights (including the subsidiaries of such companies)	
Corporate name	TOA Co., Ltd. (Note 1)	Maruwa, Ltd. (Note 2)
Principal business or position	Design, production and distribution of automatic regulators	Real estate business
Owning and owned ratio of voting rights (%)	Direct owned ratio: 0.0	Direct owned ratio: 2.9
Relationship	Purchase of production equipment Interlocking Directors (Number of directors: 2)	Advertising Interlocking Directors (Number of directors: 2)
Principal transactions	Purchase of production equipment (Note 3)	Advertising (Note 3)
Transaction amount (Millions of Yen) (Note 4)	97	2
Account title	Other payable	－
Balance at end of the period (Millions of Yen) (Note 4)	3	－

Terms of transactions and the policy to decide the terms

(Note 1) Masahiko Goto, Chairman and Representative Director of the Corporation, Munetoshi Goto, Director of the Corporation, and their relatives own 100% of voting rights of TOA Co., Ltd.

(Note 2) Masahiko Goto, Chairman and Representative Director of the Corporation, Munetoshi Goto, Director of the Corporation, and their relatives own 68.1% of voting rights of Maruwa, Ltd.

(Note 3) The terms of the transactions with TOA Co., Ltd. and Maruwa, Ltd. are the same as those other general transactions.

(Note 4) The above stated transaction amount does not include consumption tax, and that balance at the end of the period includes consumption tax.

2. Subsidiaries

Attribute	Subsidiaries		
Corporate name	Makita U.S.A. Inc. (United States)		Makita Gulf FZE (U.A.E.)
Owning and owned ratio of voting rights (%)	Direct owning ratio: 100.0		Direct owning ratio: 100.0
Relationship	Debt guarantee Sales of finished goods and merchandise Interlocking Directors (Number of directors:2)		Money loan Interlocking Director (Number of director: 1)
Principal transactions	Debt guarantee (Note 1)	Sales of finished goods and merchandise (Note 2)	Money loan (Note 3)
Transaction amount (Millions of Yen) (Note 4)	5,634	30,585	6,176
Account title	–	Trade accounts receivable	Short-term loans receivable
Balance at end of the period (Millions of Yen) (Note 4)	–	3,865	2,592

Attribute	Subsidiaries	
Corporate name	Makita do Brasil Ferramentas Elétricas Ltda. (Brazil)	Makita (Kunshan) Co., Ltd. (China)
Owning and owned ratio of voting rights (%)	Direct owning ratio: 99.9 Indirect owning ratio: 0.1	Direct owning ratio: 100.0
Relationship	Money loan	Purchase of finished goods and merchandise Interlocking Directors (Number of directors: 5)
Principal transactions	Money loan (Note 3)	Purchase of finished goods and merchandise (Note 2)
Transaction amount (Millions of Yen) (Note 4)	8,357	45,877
Account title	Short-term loans receivable	Trade accounts payable
Balance at end of the period (Millions of Yen) (Note 4)	7,937	6,233

Terms of transactions and the policy to decide the terms

(Note 1) For Makita U.S.A. Inc., the Corporation has guaranteed its debt, and the amount shown in "Transaction amount" represents the maximum amount of guarantee (50 million U.S. dollars with no payment deadline).

(Note 2) The sales price and other sales conditions of products are determined upon consultation, considering the prevailing market conditions.

(Note 3) Regarding money loan, we decide upon reasonable rates of interest, considering the prevailing market rate. We have not taken collateral.

(Note 4) Consumption tax is not included in the transaction amount and the balance at the end of the period.

Notes to Information Per Share

Net assets per share	1,878.41	yen
Net assets per share attributable to common stock was computed based on following:		
Total net assets in the balance sheet	254,963	million yen
Net assets available to common stock	254,963	million yen
Number of shares issued (excluding treasury stock) as of March 31, 2016	135,733,261	shares
Net income per share	173.55	yen
Net income per share attributable to common stock was computed based on following:		
Net income	23,556	million yen
Net income available to common stock	23,556	million yen
Average number of outstanding shares of common stock	135,734,118	shares