



Live Green & Grow Strong

Makita Report 2024

Year Ended March 31, 2024



Strong Company

Management Policy/Quality Policy

1

**Makita strives to exist
in harmony with society**

a company that observes laws and regulations,
acts ethically and never allows
intervention of the anti-social organizations

2

Makita values its customers

a market-driven company

3

**Makita is managed in a consistent
and proactive manner**

a company that strives to exist in perpetuity by
adhering to a sound profit structure

4

**Valuing a stalwart corporate culture,
Makita encourages each individual to
perform to his or her highest level**

a happy company



Makita has set itself the goal of contributing to the creation of a sustainable society and consolidating a strong position in the industry worldwide as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments that includes cordless power tools, battery-operated outdoor power equipment and pneumatic tools.

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About This Report

Editorial Policy

The Makita Report is published with the objective of presenting the Company’s initiatives for creating value over the medium- to long-term in a way that integrates both financial and non-financial information. In preparing the report, information that is particularly important for the Company’s value creation was compiled concisely, referencing international frameworks such as those of the International Financial Reporting Standards Foundation (IFRS). Please see the Company website (<https://www.makita.biz/>) for more information. Also, financial information, environmental information, and governance information is presented in detail in the Additional Information, Earnings Release, and Fact Sheet in the Investor Relations section of the Company’s website, *Environmental Report*, and the *Corporate Governance Report*, respectively.

This report covers 54 companies, including Makita Corporation and its 53 consolidated subsidiaries (as of March 31, 2024), but some of the information reported only covers Makita Corporation.

Reporting Period FYE 2024

(April 1, 2023 to March 31, 2024)

However, information from outside of this period is reported when it is appropriate to the presentation of past circumstances and data as well as recent examples.

Issued: August 2024

Disclosure System Diagram

Main Content	Periodic Report	Latest Information
Financial Information	<ul style="list-style-type: none"> Annual Securities Report Financial Results Fact Sheet <div>  <div>Makita Report</div> </div>	<div>  <div>Makita's website</div> </div> <div>  </div>
Non-financial Information	<ul style="list-style-type: none"> Environmental Report Corporate Governance Report 	

Caution Regarding Forward-looking Statements

In this report, forward-looking statements are about future performance and are based on the Company’s judgment derived from the information available at the time of its preparation. Please understand that a number of important factors could cause actual results to differ materially from those presented in the forward-looking statements.

President's Message

To evolve into “a Supplier of a Comprehensive Range of Cordless Products,” we will focus on pioneering such new fields of business as cordless OPE while increasing returns by investing in efficiency and working to achieve coexistence and mutual prosperity with all stakeholders.

Makita's Strengths Shine Even Brighter in Times of Market Difficulty

The Makita Group's FYE 2024 performance was impacted by decreased production and inventory reductions in reaction to stagnant housing investment due to fiscal tightening policies around the world as governments scrambled to curb inflation. Nevertheless, operating profit recovered to ¥66.2 billion, about 70% of our peak performance. During the COVID-19 pandemic—which had driven the adoption of stay-at-home lifestyles—higher demand drove production. A sudden decline in demand as the market returned to normal resulted in inventory growing to a record high in September 2022. However, we then cut back production in response to market changes and reduced inventory to appropriate levels by the end of FYE 2024. Cash flows from operating activities were ¥237 billion, enabling us to pay back increased borrowings.

We expect that the market for cordless power tools and cordless OPE will remain flat as the trend of stagnant housing investment due to high interest rates continues in Europe and North America, and FYE 2025 will be somewhat unpredictable. On the other hand, we believe that demand will remain strong and resilient for tools

that help address social challenges like environmental issues and labor shortages. Over the medium term, we will increase returns on invested capital by expanding our lineup with such products as the 40Vmax battery series, high-power, high-voltage models, and by investing to strengthen our brand and improve efficiency.

Focus on Supporting Our Customers Even in Hard Times

Makita has a history of turning adversity into strength by harnessing its employees' talents during difficult times in the market, as shown in our recent inventory optimization. Whenever disasters like earthquakes or floods occur, one of the Group's deeply rooted strengths is that we are always ready to provide support. Makita began its journey as a power tool manufacturer in 1958 offering portable electric planers, and in 1959 its work to help to address reconstruction demand in the wake of “Ise Bay Typhoon” marked a major turning point for the Company. Cordless power tools are crucial for building infrastructure and are used by essential workers—our customers—making them essential in times of disaster. We have built strong relationships of trust with our customers by providing stable service

President,
Representative Director
Munetoshi Goto



and quick responses to restoration and reconstruction efforts. In addition, we have established an internal first response system to be used in the event of a disaster.

While our factories furnish products, our sales department is responsible for providing swift customer service at our bases. We place the utmost importance on our customers and the market, and when society faces difficulties, Makita's mission is to help solve them.

Emphasize Persistence, Coexistence, and Mutual Prosperity with Our Stakeholders

A strong feature of our business model is that we have established roots in communities all over the world and provide complete services in every region where we work. Our corporate culture prioritizes permanence rather than radical change and we have long maintained a business model that enables us to work with our customers and give them peace of mind. This aligns with

the origin of the Makita brand, which centers on achieving coexistence and prosperity together with all our stakeholders, especially our customers.

The corporate culture we have cultivated comes from the philosophy of Jujiro Goto, who transformed Makita into a power tools manufacturer, and our code of conduct for employees. Grounded in Mr. Goto's philosophy, "Don't be angry, arrogant, panic, mope, or give up," we strive to provide every Makita employee with the opportunity to exercise his or her talents. As a leader, I will guide Makita toward achieving its long-term goal of being a "Strong Company." To achieve this goal, I always value the Company's Management Policy/Quality Policy: 1. Makita strives to exist in harmony with society; 2. Makita values its customers; 3. Makita is managed in a consistent and proactive manner; and 4. valuing a stalwart corporate culture, Makita encourages each individual to perform to his or her highest level.

President's Message

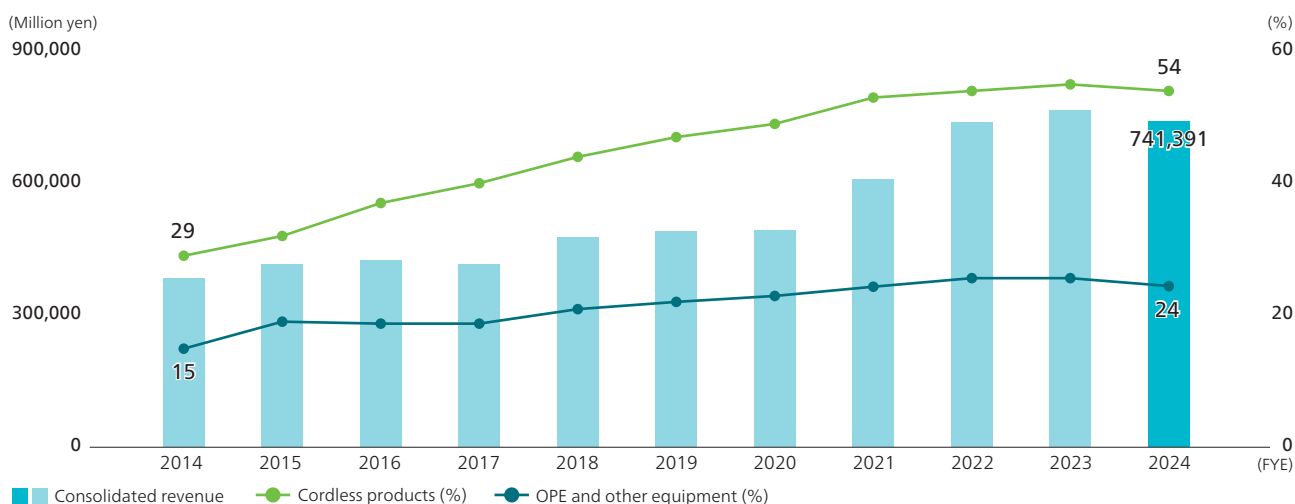
Business Model and Unique Development and Design Capabilities

The Makita Group's growth is driven by the shift to cordless power tools and, furthermore, by the expansion of range of cordless products, including OPE and cleaning equipment, utilizing its proprietary charging system and motor technology. Our cordless product batteries handle different voltages depending on the application, meaning that one battery can be used with multiple products. In 2005, Makita was the first in the industry to launch a professional-use cordless impact driver, TD130D using a lithium-ion battery, and since then we have

continued to expand our lineup of cordless products every year.

Cordless products accounted for only 29% of revenue in FYE 2014, but this figure had risen to 54% as of FYE 2024. At the same time, the proportion of sales revenue attributable to OPE and equipment other than cordless power tools grew steadily, demonstrating our progress towards becoming "a Supplier of a Comprehensive Range of Cordless Products."

Proportion of Cordless Products, OPE, and Other Equipment in Consolidated Revenue



Reason Behind Strong Growth in High-powered 40Vmax Products

Over the past few years, we have been working to strengthen the lineup of products in the high-powered 40Vmax battery series launched in 2019 and have achieved solid results. After we launched this series, we realized that it was a good fit for the current market environment. On-site labor shortages have led to rising labor costs, driving up demand for efficiency, and Makita's high-powered technology offers a perfect answer for this issue. With 40Vmax products, it is now possible to tackle heavy-duty tasks that were previously impossible with conventional cordless tools due to insufficient power. We have discovered a new market for highly efficient, high-powered cordless tools and so we

are focusing on product development with a healthy optimism that this range will drive our growth for the future.

We are planning to develop 40Vmax products for the resource and energy industries as well as for disaster recovery and preparedness. The market for the resource and energy industries is particularly large, and our 40Vmax products are already being used for installing and maintaining solar panels as well as in many other applications. To differentiate ourselves from our competitors, we must add new technologies to further enhance our customer-oriented services. At this time, 40Vmax batteries can be used with more than 200 models (in Japan, as of April 2024), but we plan to expand into new markets going forward.

Continue Reinforcing Development and Design Capacity

Our product development and design processes are characterized by the responsibility that individuals are entrusted with. During development, the designer is responsible for a given product from design to launch, so that the designers can gain insight and get motivated to make a better product by responding to customer feedback.

Fulfilling the market needs and selling the products also leads to their job satisfaction and happiness. Our designers continuously develop and design products

within certain categories which enable them to develop specializations and gain knowledge within their category.

One of our challenges going forward is the recruitment of even more competent technology development engineers. Our development department in Japan currently employs around 1,000 people, up from around 700 six or seven years ago, and there has been a particular increase in designers in OPE development with electronic control expertise. We have established development centers in both Korea and Tokyo that specialize in electronic control to help us secure skilled personnel and strengthen Makita's development.

Taking on a New Challenge of Cordless OPE

We expect our existing cordless power tools business to mature, and our strategy for the future is to increase returns by improving efficiency and expanding cordless OPE. OPE made up over 10% of our total sales revenue in FYE 2024, while growth has accelerated in recent years thanks to cordless OPE. As with the shift to electric vehicles, the shift to cordless OPE may take some time, but society as a whole is steadily progressing toward decarbonization, so we will work to solve environment problems when we can. To effectively meet our customers' needs for efficient labor and improved productivity, we will take a steady approach by streamlining our business model to generate cash so that we can invest both time and capital. Cordless OPE is still in ongoing development, and it is our intention to take the time needed to continuously pioneer new businesses, just like we did with cordless power tools.

Past and Present OPE Business

We first entered the OPE business in January 1991 with the acquisition of Sachs Dolmar GmbH in Germany, and we later strengthened operations through a business partnership with Fuji Robin Industries Ltd. (which was made into a wholly owned subsidiary in August 2007), but our market share was stagnant. In 2009, when our performance worsened during the financial crisis, we expanded our OPE product lineup to create a second pillar of business in addition to cordless power tools. However, our engine-powered OPE products were not able to get an edge over their competitors, and the profit margin was relatively low. Since the COVID-19 pandemic, we have taken advantage of the opportunities presented by stay-at-home demand and the benefits of cordless OPE, and have significantly expanded our cordless OPE lineup, focusing on our high-powered 40Vmax

battery series. In this way, we have been working to identify further customer needs. In 2022, we decided to end production of engine-powered products, and we are now focusing our management resources on cordless OPE.

The OPE market is several times bigger than the one for cordless power tools. The largest proportion of the professional market consists of engine-powered tools, but we expect a widespread shift to cordless due to environmental and other concerns. The market for cordless OPE is currently thought to mainly comprise DIY users, but the market for professionals is anticipated to grow in the future as well. Also, when new customers such as young craftspeople and women purchase OPE, they tend to prefer cordless tools over engine-powered, and Makita is highly regarded in this area.

Thus far, our cordless OPE demand has mostly been supported by DIY users. Going forward, we intend to expand sales to professionals. However, simply making equipment rechargeable is not enough to increase a product's appeal to professional customers. We need to launch cordless OPE with specifications superior to those of engine-powered products and utilize our global service network rather than just waiting around for the shift to cordless to happen on its own. In addition, we will work to enhance the brand power of our cordless OPE. We are slowly expanding our market with an eye on professionals, but our immediate challenge is a limited product lineup, so we plan to further increase sales in this area by expanding the product lineup for professionals. In addition, we have invested in production and logistics facilities for cordless OPE and have already ensured sufficient capacity, so I believe we are ready to handle a ramp-up in production.

President's Message

Issues and Initiatives Aimed at Increasing Returns on Investment

Makita has never been a company that dramatically changes its business style. Rather, it has always focused on providing practical services that are closely aligned with our customers' needs. However, it is also true that a pioneering, innovative image could help attract new customers. It is my conviction that once a customer becomes aware of how good Makita's products are, they become a lifelong supporter. To achieve that, we need to be creative to attract younger customers in the first place.

I believe one way to attract new customers is to develop products that employ new technologies, but improving our technology is not enough; we need to invest in branding and other areas as well to increase our appeal for customers. Because of our deep roots in each region we operate in, there are some risks. To reduce such risks, we intend to invest in our business infrastructure. Recent capital expenditure includes increasing our overall service capacity by expanding our logistics facilities and bases, but I believe that the most effective way of maximizing our returns is investing in our IT infrastructure to improve efficiency. To sum up the above, I believe we should focus on investing in new technologies, creating systems that improve efficiency, and accelerating customer acquisition.

In good market conditions, it is obvious that higher production capacity contributes to higher returns. We need to establish a unique system that increases returns through efficiency even in less favorable conditions. I believe that Makita's durability is most evident when the market is in a trough.

Top Management's Role

My role is to identify areas for future investment and create a corporate culture in which employees think strategically about what we should be investing in. Across Makita, we work every day to improve and streamline various processes, from development to production and sales, even if it is only shaving one second off from a process. Although it is important to build up improvements incrementally through frugality and resourcefulness, if significant improvements in efficiency can be realized quickly and deliver a proportionate return on investment, we should invest accordingly. Thus, I would like to foster a corporate culture in which employees, including managers, think strategically about what they should do to increase management speed in view of efficiency and returns and proactively support the necessary investments.

Sustainability Activities and Makita's Strategy

Three years have passed since the establishment of the Sustainability Committee in 2021. One of the greatest resulting impacts was making data on our GHG emissions from our business activities transparent. This has helped us to better understand where to begin our efforts to reduce GHG emissions to net zero by FYE 2040 and across the entire supply chain by FYE 2050. Every relevant department has a representative who participates in the Sustainability Committee, ensuring that the importance of reducing GHGs is commonly understood by employees, and that everyone works to do so in their own area of responsibility. Although we are currently working to fully comprehend the figures and discussing internally how to proceed, we are already starting to see potential

for energy conservation and the use of renewable energy. We are also installing solar panels at our bases around the world, which is in line with our BCP.

Environmental Initiatives to Strengthen Makita in the Medium to Long Term

Since 2022 when we set "reducing environmental impact" and "contribution to affluent communities and daily lives" as material issues for the Company, we have positioned the active development of cordless products, including cordless OPE, as a priority initiative. I believe that Makita can demonstrate its strengths through a wide range of environmental responses, including promoting the elimination of plastic and increasing

battery recycling. I view these efforts as effectively promoting the Company in the medium to long term. By promoting our environmental sustainability, including active development of cordless products, we will both contribute to the realization of decarbonization as well as increase Makita's corporate value.

We have also set "strengthening the management base" as a material issue. As part of this, we strive to boost our human capital, and I believe we need to promote human resource development that can support operations globally. To realize global sustainable growth, we have set the percentage of employees comprising those who have joined Makita within the past five years

and have been sent to work overseas (or for training) as a KPI for our human resources. My role as the top executive is to create an environment in which each individual can utilize their talents, and to ensure that compensation is proportional to performance. It is important to give our employees responsibilities and create a culture in which they can thrive. To achieve that, we need to have fair, equitable evaluation systems in place and implement. Furthermore, I believe that good governance relates to human capital, and I will strive to maintain this awareness. Any governance failure harms stakeholders, and it takes time to regain trust. Good governance is crucial to the long-term sustainability of the Company.

Management Initiatives that is Conscious of Stock Prices

Recently, we summarized the Makita Group's policy on implementing management that is conscious of cost of capital and stock price, in line with the directive of the Tokyo Stock Exchange for companies listed on the Prime Market. Makita's stock price is currently above a PBR of 1.0 times, but it has declined from its previous peak. To raise the PBR, we need to improve capital efficiency and reduce the cost of equity.

Our cordless products will help resolve our material issues and increase our corporate value while the focus of our growth strategy will be on expanding professional-use high-added-value products range centered on 40Vmax batteries and differentiating ourselves from our competitors with our strong sales and service network around the world. To improve capital efficiency, we believe it is important to improve returns by investing in efficiency. We will work to improve capital efficiency, including ROE, through such measures.

To reduce the cost of equity, we must reduce performance fluctuations by formulating and executing strategies that enable us to quickly adapt to changes in the business environment. In the medium to long term, we expect a globally growing call for sustainability disclosure, including from the European Corporate Sustainability Reporting Directive (CSRD). We will respond to these requests promptly in line with human capital management. These efforts must be fully understood through dialogue with shareholders and investors, and we view this as a priority issue going forward.

The Makita Group's continued success is thanks to the coexistence and prosperity gained through the support of our stakeholders and how we have grown together, which will never change in the future. Meeting the expectations of all our stakeholders, including shareholders, will further strengthen our operations. We would appreciate your continued support and encouragement.



Value Creation History

Continuously Evolving to Meet the Needs of the Times and Our Customers

Makita began in 1915 as a repair and sales company handling such items as lighting equipment, electric motors, and transformers. Since then, we have pursued expansion on a global scale, evolving to overcome challenges while meeting the needs of our customers and the times. By leveraging our strengths, including a worldwide network of sales and service bases, we will continue to evolve, becoming "a Supplier of a Comprehensive Range of Cordless Products" and achieving further growth. Moving forward, Makita will ensure the provision of products and services that accurately meet the needs of our customers and the times and thereby achieve sustainable growth.

Highlights of Makita's Evolution

1958-59

Overcoming Adversity, Becoming a Power Tool Manufacturer

The recession following the Korean War caused a slump in sales, and developing original products became an important management issue. After much trial and error, in 1958, the first Japanese-made portable electric planers were launched with the catchphrase "20 times more efficient than a human." The electrification of this product was well received, and perfectly met the needs of carpenters nationwide amid a boom in construction demand. On the tailwind of the planers' popularity, in 1959, the Company decided to withdraw from the electric motor business and become a power tool manufacturer.




1970

Taking the First Step toward Overseas Expansion

As Japan began to see a slowing of the rapid pace of postwar economic growth, Makita established its first overseas subsidiary, Makita U.S.A. Inc. in the U.S., with the goal of expanding exports. In a fierce market crowded with competitors, including major power tool manufacturers, we had some difficulties at first. However, we developed a finely tuned sales strategy that reflected the value we place on being close to customers, and our products' excellent cost performance along with our high quality after-sales service earned high evaluations. As a result, we were able to successfully penetrate the North American market.

Social Changes and Makita's History of Evolution



	1910-	1950-	1970-
Social Changes	Japan's modernization <ul style="list-style-type: none"> Increased demand for electric power 	Japan's rapid postwar economic growth <ul style="list-style-type: none"> Arrival of the construction boom 	Globalization of the economy triggered by two oil shocks <ul style="list-style-type: none"> Companies expanded overseas
Makita's History of Evolution	Began repairing and selling lighting equipment, electric motors, transformers, and other products  <ul style="list-style-type: none"> 1915 Mosaburo Makita founded Makita Electric Works (proprietorship) in Nagoya, Japan 1938 Incorporated the proprietorship and established Makita Electric Works, Inc. 1945 Moved to the present location in Sumiyoshi-cho, Anjo City, to accommodate World War II related evacuations 	Released Japan's first portable electric planer  <ul style="list-style-type: none"> 1958 Released the 1000 portable electric planer, Japan's first such domestically produced tool 1959 <ul style="list-style-type: none"> Decided to convert to a power tool manufacturer Shipped the 1300 hand-held electric planer to Australia, our first export of power tools 1962 Changed company name to Makita Electric Works, Ltd. 	Began building a finely-tuned sales and service network that spans the globe  <ul style="list-style-type: none"> 1970 Established Makita U.S.A. Inc., our first overseas subsidiary 1980 Started production of power tools in Canada,* our first overseas production site * Production terminated in January 2009 1991 Changed company name to Makita Corporation

Performance

Revenue (Bar Graph)
Operating Profit (Line Graph)

(Billion yen)
800
200

Revenue
(Consolidated)

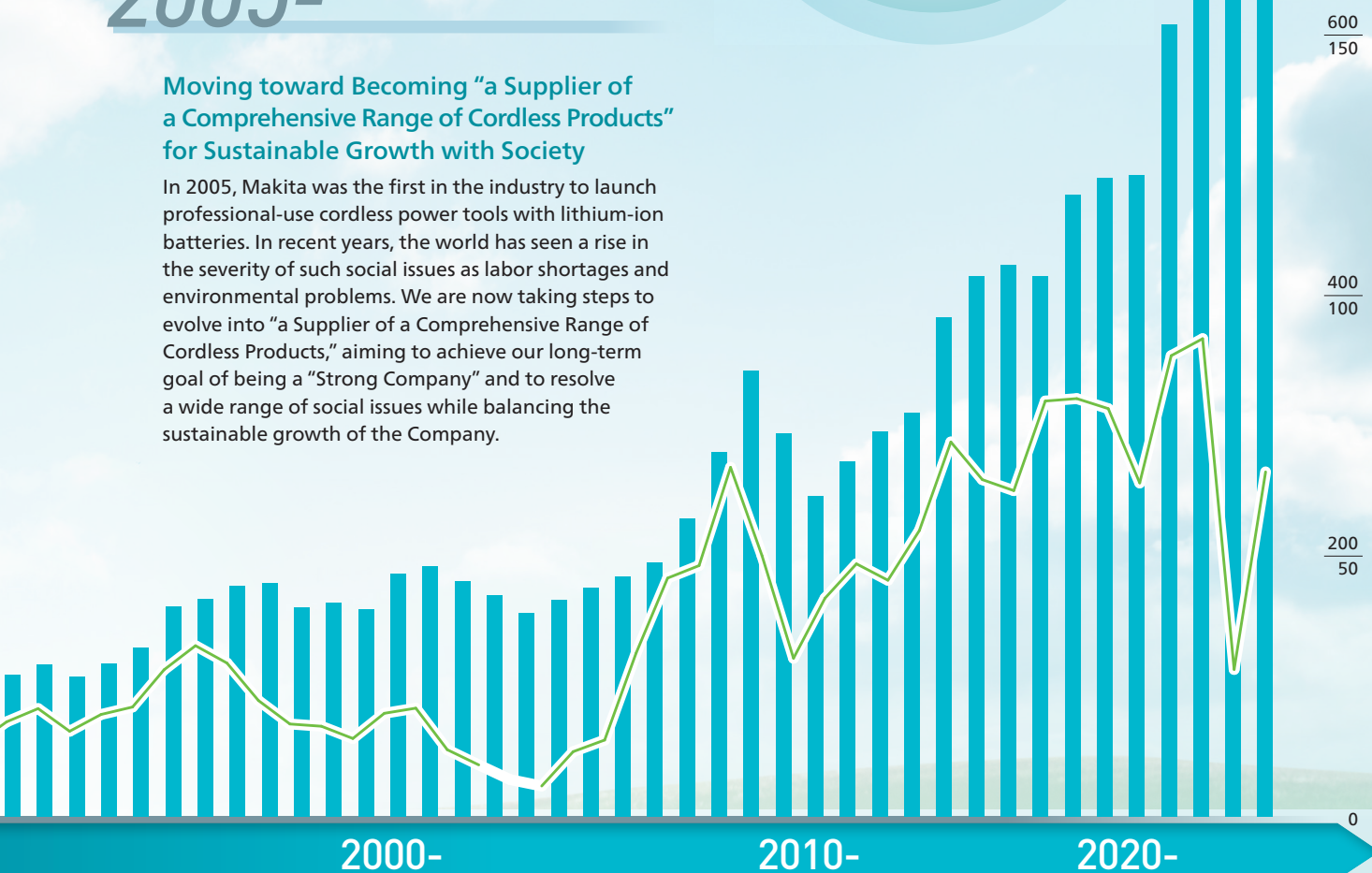
¥741.4 billion

(FYE 2024)

2005-

Moving toward Becoming “a Supplier of a Comprehensive Range of Cordless Products” for Sustainable Growth with Society

In 2005, Makita was the first in the industry to launch professional-use cordless power tools with lithium-ion batteries. In recent years, the world has seen a rise in the severity of such social issues as labor shortages and environmental problems. We are now taking steps to evolve into “a Supplier of a Comprehensive Range of Cordless Products,” aiming to achieve our long-term goal of being a “Strong Company” and to resolve a wide range of social issues while balancing the sustainable growth of the Company.



2000-

2010-

2020-

Discovering the sustainable society concept

- Heightened interest in environmental issues and strengthening measures to prevent global warming
- Growing demand for energy conservation and efficiency

First in the industry to launch professional cordless tools with lithium-ion batteries
Realized longer battery life and more compact, light tools



2005 Launched the TD130D cordless impact driver, our first lithium-ion battery tool

Toward a diverse, inclusive society

- Adoption of SDGs leads to global efforts toward a sustainable society

End production of engine-powered products to accelerate shift to cordless products (away from engines)
Launched a varied lineup of cordless products that contribute to the resolution of social issues



2015 100th anniversary of Makita's founding
2019 Launched the Li-ion 40Vmax series

Realizing a sustainable society

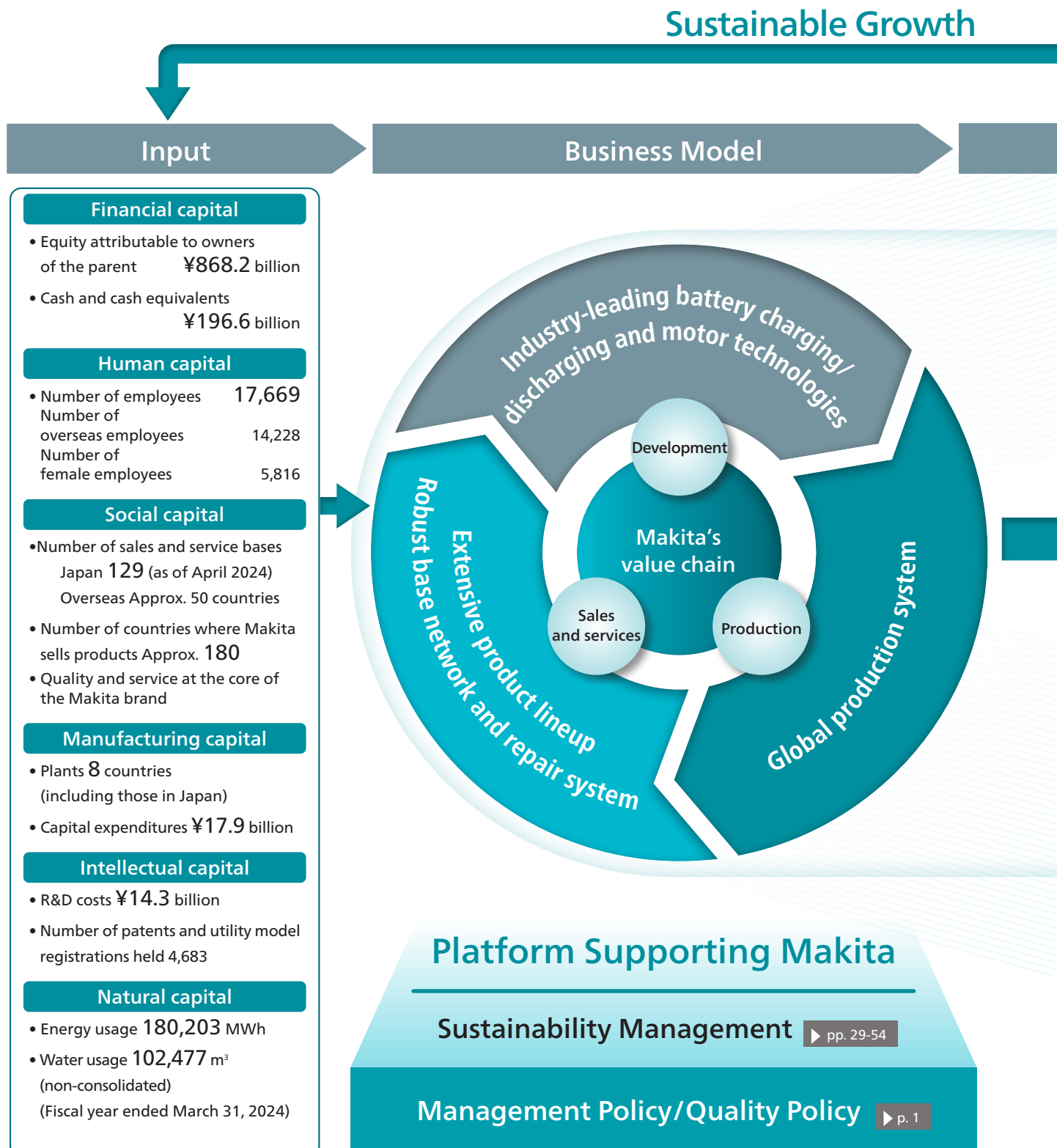
- Acceleration of initiatives to realize decarbonization

2022 • Discontinued engine-powered products
• Established the Electronic Control Development Center (Tokyo Office)

Value Creation Process

With the long-term goal of being a "Strong Company," we identified important social challenges that we should address as priority material issues. Striving to help solve these social issues through our business activities, we are actively developing cordless products and offering robust services that leverage our worldwide network of sales and service bases.

We believe that further developing our strengths by solving social challenges will differentiate us from other companies and serve as the foundation for sustainable growth.



Long-term
Target

Strong Company

Makita has set itself the goal of contributing to the creation of sustainable society and consolidating a strong position in the industry worldwide as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments, including cordless power tools, battery-operated outdoor power equipment and pneumatic tools.

for Makita

Output

Evolving into a Supplier of a Comprehensive Range of Cordless Products ▶ pp. 15-16



Material Issues to Prioritize ▶ pp. 17-19

Reducing environmental impact

- Contributing to decarbonization
- Contributing to a resource-recycling society

Contribution to affluent communities and daily lives

- Improving onsite work efficiency and productivity
- Supporting early recovery from disasters
- Offering peace of mind during times of disaster

Strengthening the management base

- Respect for human rights
- Employee development, safety, and health
- Thorough compliance
- Strengthening corporate governance

Outcomes

Society, including Customers

- Reducing environmental impacts
- Boosting work efficiency and productivity
- Early recovery from disasters
- Peace of mind during times of disaster

▶ p. 20

Shareholders and Investors

- Medium- to long-term enhancement of corporate value
- Returns to shareholders
 - Total payout ratio 58.0%
 - Operating profit ratio 8.9%
 - EPS ¥162.13
- Enhancement of information disclosure
 - Meetings with shareholders and investors 221
 - (Fiscal year ended March 31, 2024)

▶ pp. 23-26

Employees

- Workplaces where diverse human resources can work with passion and enthusiasm
- Systems that create an environment supportive of employees' self-driven growth
 - Average length of service of female employees 16.8 years (non-consolidated)
 - Percentage of female managers 17.4% (Makita Group, consolidated)

▶ pp. 30-34

Business Partners

- Realization of fair, equitable, transparent, and honest transactions
- Sustainable supply chain through CSR procurement

▶ p. 34

Makita's Strengths

Makita has set itself the long-term target of becoming a "Strong Company" and is striving to contribute to the creation of a sustainable society and consolidate a strong position in the industry worldwide as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments, including cordless power tools, battery-operated outdoor power equipment, and pneumatic tools.

On the financial side, it is Makita's basic policy to maintain a business structure that is resilient in the face of unforeseen changes in the business environment while working to both sustainably enhance corporate value and secure stable dividends for our shareholders and investors.



Development



In 2005, Makita was a pioneer in selling professional-grade electric power tools utilizing lithium-ion batteries, and this provided the catalyst for our launch of a number of new cordless products that utilize our industry-leading battery charging/discharging technologies and motor technologies. Makita's provision of the industry's preeminent lineup of products is the direct result of proactive development over a broad range of product categories, including cordless products that provide alternatives to AC products with power cords and engine-powered products. Moreover, batteries are

available in several voltages for various applications and each battery can be used with a range of our products, making high compatibility and a rich product lineup one of our major product strengths.

In recent years, we have been expanding and enhancing our cordless products beyond power tools to include outdoor power equipment (OPE); cleaning equipment such as cleaners; and products with utility for outdoor activities and times of disaster when power sources are difficult to come by such as cooler & warmer boxes and microwaves.

Production



With production bases in eight countries (Japan, China, Romania, Thailand, the U.K., Brazil, the U.S., and Germany), approximately 90% of Makita products on a product unit basis are manufactured overseas. By maintaining production bases in major regions around the world, we are positioned to not only promptly address currency, disaster, geopolitical, and other risks but to quickly meet changes in demand in each region. In recent years, we have been working to increase production capacity in anticipation of sales expansion and the further multipolarization of global production.

In addition to taking advantage of the persistent ingenuity of employees in our factories, we are adopting and utilizing cutting-edge technology, such as IoT and robotics, to build a framework that can efficiently manufacture consistently high-quality products anywhere in the world, regardless of the experience or intuitive understanding of individual workers. By deploying and sharing our ingenuity and know-how related to thorough waste elimination at every factory, we are continuing our efforts to pursue an even more advanced level of craftsmanship to ensure stable and profitable manufacturing even in a changing cost and demand environment.

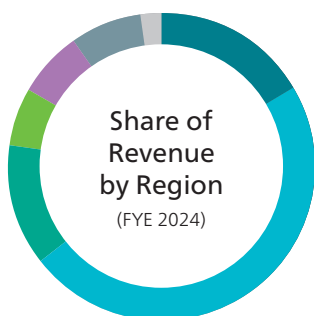
Sales and Services



Makita operates 129 sales and service bases in Japan (as of April 2024) in addition to directly managed sales bases in some 50 countries overseas, allowing the execution of finetuned sales and services. One of our strengths lies in our industry-leading sales and service network around the world, where we provide customer- and community-based services. Moreover, Makita's policy is to maintain inventories of products and repair parts at each location to ensure the prompt and stable provision of products and services, and to be ready to respond to supply chain disruptions. We are able to contribute to efficiency and productivity gains for customers, which helps us build trusting relationships. In addition, by

using this network to gather feedback on our products and services from customers throughout the world, we can understand their needs and incorporate them into plans for new products and services.

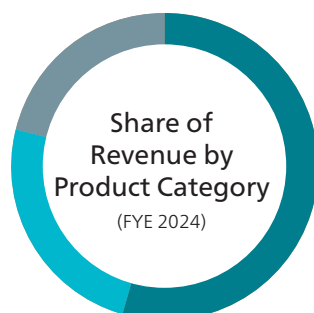
In recent years, sales of cordless OPE, which are physically larger than power tools, have been growing worldwide, and we have proceeded by establishing new and expanded distribution bases, and establishing bases close to the cordless OPE market. With the foundation for customer service completed, going forward we will continue to fully utilize our existing locations to enhance our services.



Japan	16.6%
Europe	48.1%
North America	12.7%
Asia (excluding Japan)	6.2%
Central and South America	6.7%
Oceania	7.6%
The Middle East and Africa	2.1%



Overseas	91.7%
Domestic	8.3%

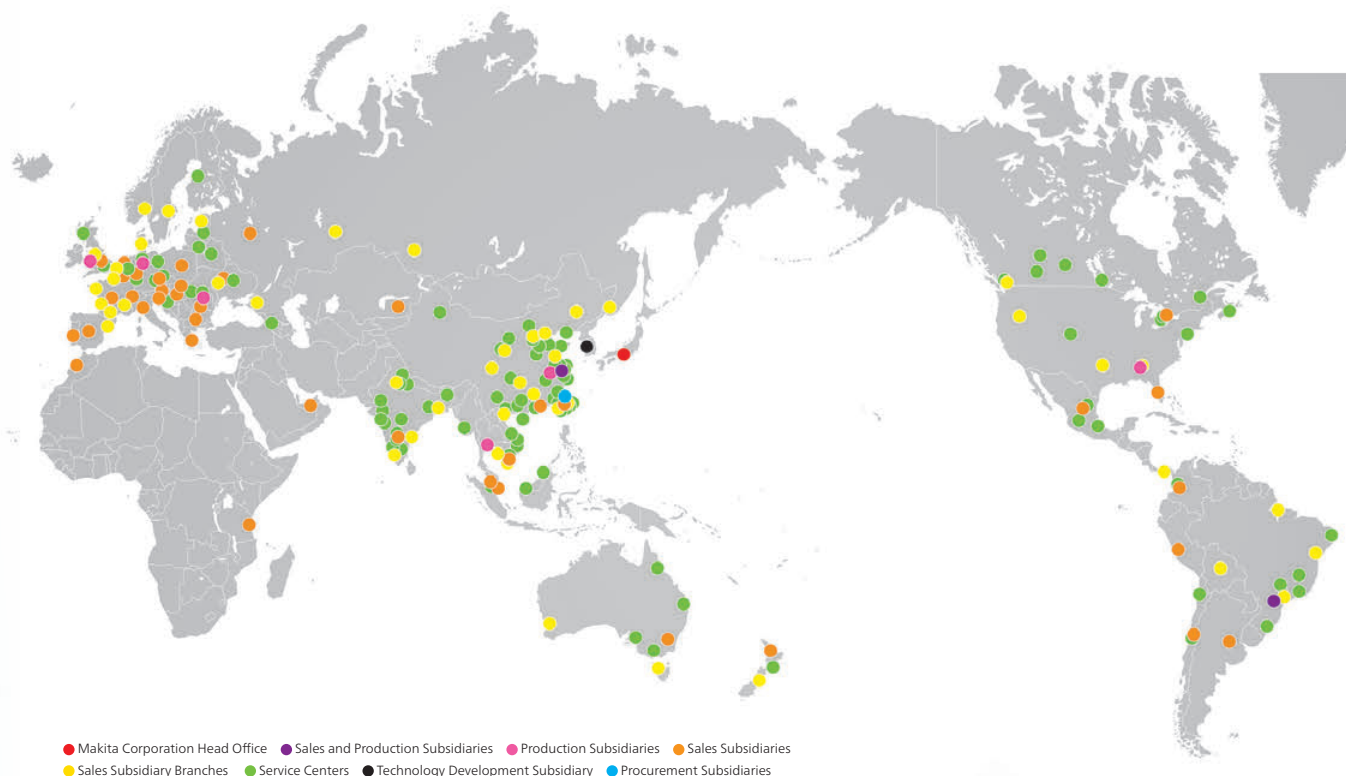


Power Tools	54.5%
Outdoor Power Equipment, Household and Other Products	24.4%
Parts, Repairs and Accessories	21.1%



Non-Japanese	80.5%	14,228 people
Japanese	19.5%	3,441 people

Makita's Global Network



Evolving into a Supplier of a Comprehensive Range of Cordless Products

Having started out as a manufacturer of power tools, we are now striving to evolve into “a Supplier of a Comprehensive Range of Cordless Products.” To this end, we will leverage the battery charging/ discharging and motor technologies we have cultivated through cordless power tools to expand our cordless product lineup such as cordless outdoor power equipment (OPE), cleaning products, disaster preparedness and rescue products besides power tools.

For OPE, engine-powered units were once the standard. However, in recent times there has been a shift toward cordless products in step with growing awareness of climate change. Cordless OPE emits no exhaust gas during use, makes less noise, and produces little vibration and thus has the potential to greatly help in addressing major social issues like climate change. We are strengthening our cordless OPE with an eye to eventually establishing it as a pillar of our business alongside cordless power tools.

Because Makita's cordless products run on batteries, they can be used anywhere, even without a power source. This also makes them easier to maneuver since there is no power cord, so they can be used for a wide range of applications, including cleaning and post-disaster reconstruction.

Going forward, we will continue to expand our lineup of cordless products, promoting the shift toward battery-powered products rather than the engine-powered and thereby helping to solve social issues.

Merits of Cordless Products

Products generate zero exhaust gas (during use), produce less noise and vibration than engine-powered products

The elimination of a power cord improves work efficiency and makes them easier to use

Eliminates the tripping hazard of power cords and otherwise helps prevent jobsite accidents

Helps improve work efficiency with no need for a power outlet

Reduces environmental impact and facilitates progress towards decarbonization

Improves safety, comfort and convenience



Business Description

Power Tools



Makita power tools are used in many settings, such as residential and large-building construction sites, factories, and a variety of other locations. Since becoming the first company in Japan to manufacture and sell portable electric planers in 1958, we have dedicated ourselves to the development of technology to enable better approaches that include drilling, fastening, cutting, polishing, and more. We are responding to the diverse needs of customers with a robust lineup of products embodying our advanced technological expertise.

Outdoor Power Equipment (OPE)



In the outdoor power equipment category, which includes lawn mowers, grass trimmers, chainsaws, and blowers, we are focusing on developing cordless products that, in addition to such merits as being lightweight and quieter, making them easy-to-handle for people from all walks of life, produce zero exhaust emissions. Makita is contributing to decarbonization by proactively developing cordless OPE that can be used by professionals for even heavy-duty tasks.

Cleaning Products



Makita's cordless products play important roles in building maintenance tasks beyond construction sites, such as in offices, shops, and warehouses. We are expanding our product lineup to better meet the needs of professionals, including developing products with strong suction power, durability, and excellent mobility.

Disaster Preparedness and Rescue Products



Makita's highly durable, highly powered cordless products are also used in post-disaster reconstruction. In contrast to engine-powered products, cordless products are easy to start and can be used both indoors and underground as they do not emit exhaust, making them advantageous in rapid disaster reconstruction. We also offer products that support daily life in the wake of a disaster, such as our Cordless Cooler & Warmer Box and microwave oven.

Parts, Repairs, and Accessories



Accessories (including consumable parts such as saw blades and whetstones) can significantly impact work quality and efficiency. Makita provides a lineup of long-life accessories optimized for work tasks. In addition, our network of businesses in each part of the world facilitate rapid and stable repairs and parts supply, enabling us to contribute to improving our customers' production and work efficiency.

Contributions to Solving Social Challenges

Material Issues and SDG Initiatives

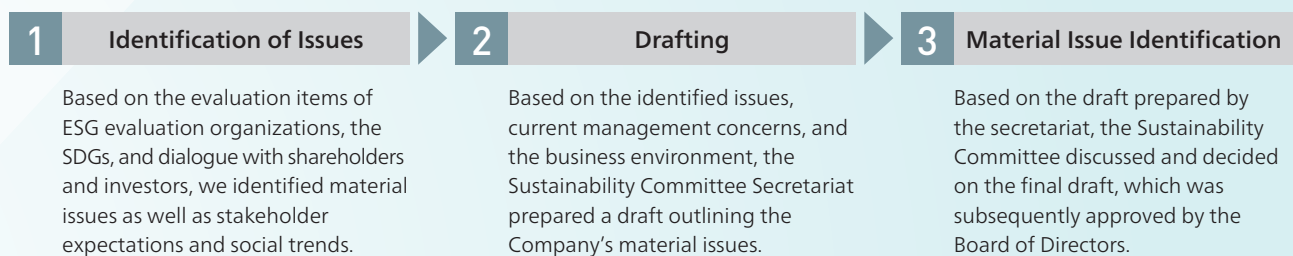
Makita has identified material issues that should be prioritized from among the various social issues. Through our business, we will contribute to the achievement of the SDGs by working to resolve challenges related to these issues.

SUSTAINABLE DEVELOPMENT GOALS



Material Issue Identification Process

Priority material issues were identified through the following process.



Makita's Material Issues

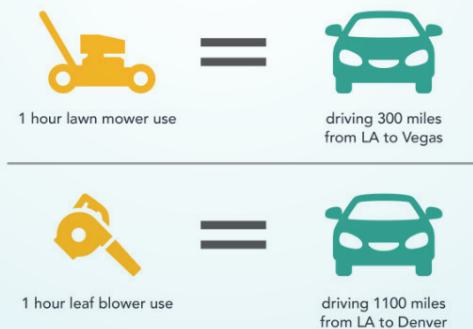
	Materiality		Specific Key Initiatives	SDGs Contributions
ESG	E	Reducing environmental impact	<ul style="list-style-type: none"> Active development of cordless OPE to replace engine-powered products Utilization of renewable energy and energy conservation Promotion of the elimination of plastic Engagement in battery recycling 	
		Contribution to affluent communities and daily lives	<ul style="list-style-type: none"> Active development of cordless products Expansion of sales and service base network with close ties to customers and communities Expansion of logistics functions and production capacity Maintenance of a stable inventory that will not run out in times of emergency 	
	G	Strengthening the management base	<ul style="list-style-type: none"> Ensure thorough consideration of human rights throughout the supply chain Development of human resources and promotion of diversity and inclusion Ensure employee safety and health Ensure awareness of and ensure compliance with laws and regulations Further improvement of the effectiveness of the Board of Directors 	

Materiality in Relation to Business

Makita has set being a “Strong Company” as its long-term goal. To achieve this goal and realize a sustainable society, we are identifying the material issues described previously and working toward their resolution. Of these material issues, we have positioned the active development of cordless OPE as a priority initiative under E: Reducing environmental impact. Under S: Contribution to affluent communities and daily lives, we have positioned the active development of cordless products and expansion of our community-based and fine-tuned sales and service network as a priority initiative.

E: Reducing environmental impact through cordless products

Engine powered equipment has long been the conventional standard, particularly in OPE; however, recent years have seen increasing recognition that exhaust fumes exert a negative environmental impact. According to materials published by the California Air Resources Board, using an engine-powered lawn mower for one hour produces the same amount of air pollutants as driving a car for 300 miles (approximately 480 kilometers).



Source: <https://www.power.com/community/green-room/blog/next-step-toward-electrification-everything?langcode=en>

In California, starting on January 1, 2024, sales of all small internal combustion engines and similar tools are banned. Similar restrictions are gaining momentum around the world.

With engine-powered products facing such restrictions, cordless products offer a solution. Cordless products emit zero emissions during use, thereby helping reduce environmental impact.

Against this background, Makita ceased production of engine-powered products in March 2022. Furthermore, we

are utilizing our industry-leading battery charging/ discharging and motor technologies to promote the use of cordless OPE and thus helping to realize decarbonization.

In addition, our product lineup is steadily expanding, with the proportion of revenue accounted for by cordless OPE product sales growing from about 60% in FYE 2020 to about 90% in FYE 2024.

Contribution of Cordless OPE Product Sales to Revenue

FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
59%	66%	75%	80%	88%

We have recently been focusing on products that use high-powered 40Vmax batteries, which can achieve the same power and feel as engine-powered products, and we are seeing a continually increasing shift from engine-powered to cordless products in the OPE market. To further grow our cordless OPE business, we will continue to strengthen our high-quality products to satisfy our professional customers, based on the battery charging/discharging technologies and motor technologies we have cultivated with our cordless power tools.

By actively developing and expanding sales of cordless OPE, we strive to contribute to the realization of decarbonization and connect this with the further growth of Makita.

Products that Reduce Environmental Impact

UB003C Battery Powered Blower (International Model)

A cordless model with the same power as a 50 mL engine and can be in use for a long time.



UC022G/UC027G series Cordless Chainsaws

This series offers the same powerful feel and acceleration as a 35 mL engine-powered model, but is much more lightweight.



Contributions to Solving Social Challenges

S: Contribution to affluent communities and daily lives through cordless products

Cordless products offer more advantages than a reduced environmental burden thanks to zero gas emissions. Traditionally, power tools have almost always had AC cords, but because our rechargeable products are cord-free, they are much easier to use and more efficient to work with. Switching from AC-powered products to cordless products helps to prevent power-cord related tripping and other accidents. Cordless products contribute to affluent communities and daily lives by improving work efficiency and productivity at construction sites around the world.

In addition to these advantages, 40Vmax battery-powered products are characterized by their high power and durability, and can perform tasks that are difficult with conventional cordless products. These can be increasingly used in an ever-wider range of applications.

One such example is at disaster reconstruction sites. High-powered 40Vmax battery products are capable of efficiently crushing rubble and cutting rebar, enabling swift recovery.

Makita's cordless products, including those powered with 40Vmax batteries, have a number of advantages that give them an edge over AC and engine-powered products at disaster sites. These advantages include their ability to function on battery power when no electrical source is available; their ability to function even in low-oxygen environments, which engine-powered products cannot; and their utility indoors, underground, and in other enclosed spaces because they do not emit exhaust.

Alongside the advantages of cordless products, our efforts to contribute sustainably to solving social issues are supported by our global network of sales and service bases.

With sales bases in a number of countries and regions around the world and a stable inventory of both products and repair parts, we are able to conduct sales as well as services such as swift repair and logistics. Broken tools and being unable to promptly supply products causes delays and reduced efficiency for our

customers, so it is essential to have a system for fast and stable repair and logistics to contribute to work efficiency and productivity at worksites. In addition, having sufficient inventory at every base enables us to provide products and services quickly in the event of a disaster, contributing to early recovery.

We will expand our network of bases to support our activities in local communities aimed at the realization of sustainable societies around the world.

We believe we will both differentiate ourselves from other companies and contribute to resolving social issues by further refining our cordless product development and sales and service systems, thereby taking us one step closer to our long-term goal of being a "Strong Company."

Products that Contribute to Affluent Communities and Daily Lives

HM004G

Cordless Breaker

AC products are the mainstream for 30kg breaker, but even though this model is cordless, it has more power than AC products. Because there is no power cord, this model is easy to handle and facilitates highly efficient work.



CE003G/CE004G

Cordless Power Cutter

This lightweight and compact model offers high-speed, powerful cutting, and, unlike engine-powered models, emits zero exhaust gases, so it can be used indoors or underground.



Value Offered to Society, Including Customers

01

Reducing Environmental Impact

Cordless OPE emits zero exhaust during use and contributes to decarbonization. Furthermore, in addition to not emitting exhaust gas or other atmospheric pollutants, cordless OPE is quieter than engine-powered equipment and has a significantly lower environmental impact.

02

Boosting Work Efficiency and Productivity

In addition to the unique merits of cordless products—including improving safety, convenience, and comfort for customers—Makita contributes to efficiency and productivity gains for customers by providing prompt and stable repairs and logistics services leveraging our robust network of bases.

03

Early Recovery from Disasters

Makita products are indispensable for building infrastructure and play a vital role in disaster recovery. Utilizing our robust network of bases to promptly and stably deliver cordless products and services that contribute to efficiency and productivity gains, we support early recovery from disasters.

04

Peace of Mind During Times of Disaster

During times of emergency, batteries for cordless products can function as backup power sources. For example, batteries used in cordless cleaners and the like can also be used to power radios and lighting equipment. Also, with a USB adapter, these batteries can charge smartphones and add an extra degree of peace of mind if a disaster occurs.

Aiming for Coexistence and Mutual Prosperity with Stakeholders

A Worldwide Network of Bases Supporting the Makita Brand

Reconstruction demand from the Ise Bay typhoon in 1959 was a major catalyst for Makita's development as a power tool manufacturer, and this instilled in us the awareness that we must always stand in support in times of disaster. When a disaster occurs somewhere in the world, we actively support our customers, and when the office in charge of the disaster-stricken area reports the situation to the Head Office, the status of support activities for our customers is included in the report. This attitude permeates every corner of the Company. The source of the Makita brand's strength is the trust we have built by standing with our partners through difficult times. This source is

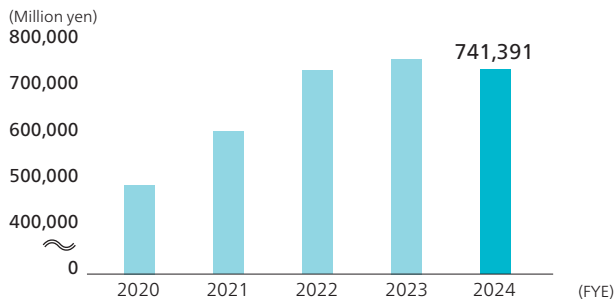
supported by our network of finely tuned offices around the world.

In recent years, climate change has resulted in frequent typhoons, torrential rains, and other natural disasters that have caused extensive damage in many parts of the world. We will always stand in support in times of disaster, and we aim to grow together with society by staying close to our stakeholders, including our customers, and working together to overcome difficult times, as well as by utilizing our finely tuned network of offices to quickly and stably provide products and services useful in disaster reconstruction.

Financial & Non-financial Highlights

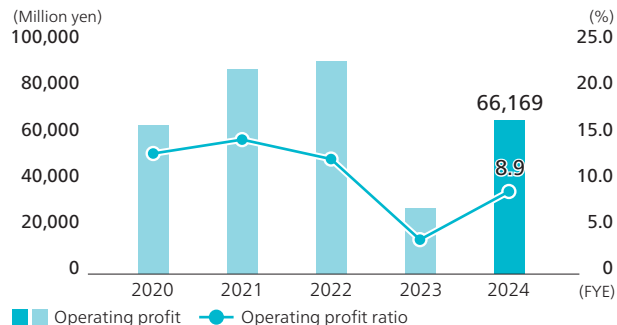
Financial

Revenue



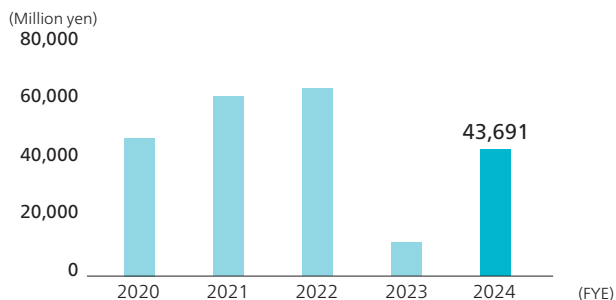
Revenue declined 3.0% year on year to ¥741,391 million as a result of sluggish residential demand in various countries and investment restrictions in the architecture and construction markets.

Operating Profit & Operating Profit Ratio



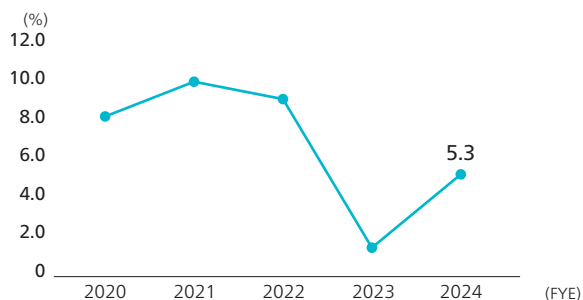
Operating profit increased 134.3% to ¥66,169 million as a result of such factors as Group-wide progress in inventory reduction and the elimination of waste from business operations as well as an improvement in the cost-of-sales ratio thanks to exchange rate fluctuations. Operating profit ratio increased by 5.2 points year on year to 8.9%.

Profit Attributable to Owners of the Parent



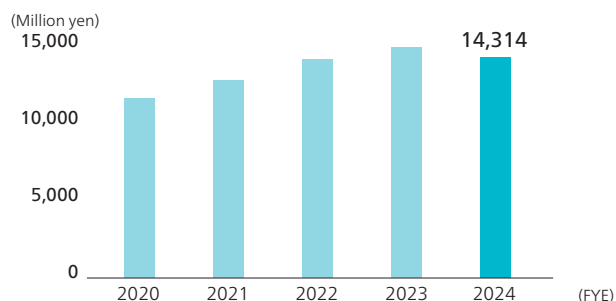
Profit attributable to owners of the parent increased 273.3% year-on-year to ¥43,691 million.

ROE



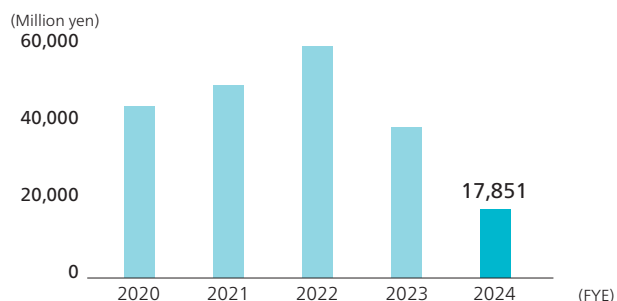
ROE increased 3.8 points year on year to 5.3% thanks to increased profit attributable to owners of parent.

R&D Costs



R&D costs decreased 4.0% year on year to ¥14,314 million.

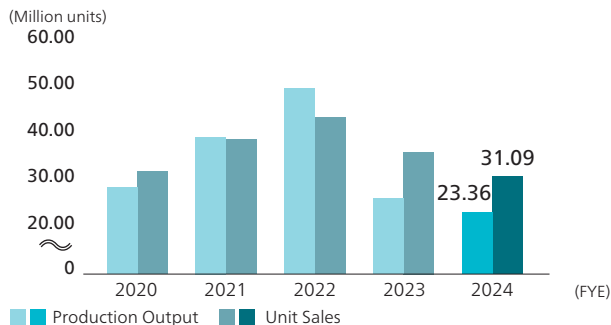
Capital Expenditures



Capital expenditures decreased 54.3% year on year to ¥17,851 million yen. This is mainly attributable to warehouse reconstruction at the Okazaki Plant, as well as the construction of the Romania warehouse and of new office buildings in Finland and Estonia.

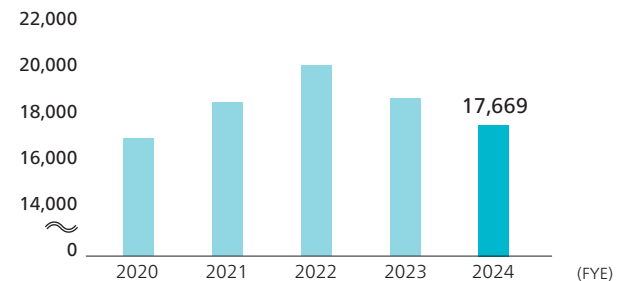
Non-financial

Production Output and Unit Sales



Production output declined 11.3% to 23.36 million units year on year as a result of a cooling demand environment and inventory reductions. With the impact of a stagnant demand environment, unit sales decreased 14.5% to 31.09 million units.

Number of Employees



The number of employees decreased by 1,135 from the end of the previous fiscal year to 17,669, mainly due to production cuts to reduce inventory at manufacturing subsidiaries.

Increasing Presence of Female Employees

Female employees

5,816

Percentage of female employees

32.9%



Female managers

232

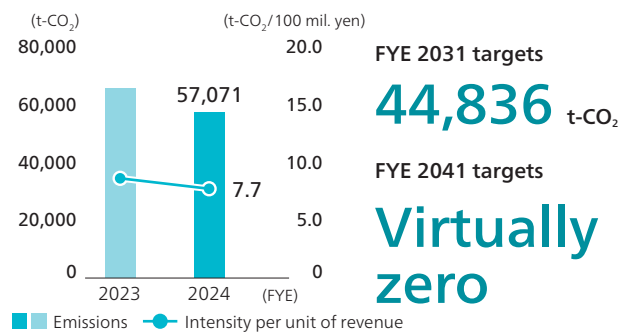
Percentage of female managers

17.7%



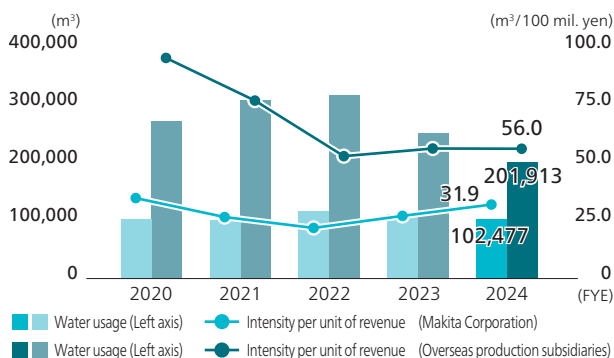
Domestically, female employees have an average of approximately 17.4 years of service and have been active in a variety of departments over long periods of time. Overseas, Makita has numerous female employees in management positions who are demonstrating a wide range of abilities in their respective fields.

Greenhouse Gas Emissions (Scopes 1 and 2)



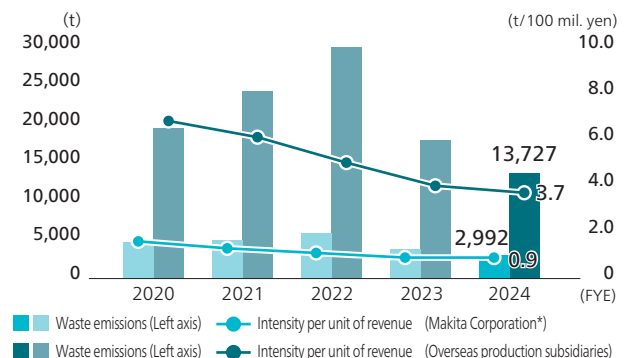
With the goal of achieving virtually zero greenhouse gas emissions (Scopes 1 and 2) by FYE 2041, we are actively utilizing renewable energy and engaging in thorough energy-saving activities. Greenhouse gas emissions (Scopes 1 and 2) decreased by 12.9% from the previous fiscal year to 57,071 t-CO₂.

Water Usage



We carry out monthly monitoring of water usage at business bases and strive to reduce water usage. Although water usage decreased due to reduced unit production output, intensity per unit of revenue for Makita Corporation rose 18.1% year on year to 31.9 m³/100 million yen and for overseas production subsidiaries remained at a similar level to the previous year at 56.0 m³/100 million yen.

Waste Emissions



We are striving to reduce our final disposal volume of waste by thoroughly sorting waste in order to promote recycling. Final disposal volume of waste generation decreased due to reduced unit production output, with intensity per unit of revenue for Makita Corporation* remaining at a similar level to the previous year at 0.9 tons/100 million yen and for overseas production subsidiaries falling 7.3% to 3.7 tons/100 million yen.
* Applicable only to the Head Office, Okazaki Plant, and Nisshin Office.

Message from the Director of the Administration Department



By steadily securing ROE that exceeds the cost of equity and creating a rewarding work environment, we will realize our long-term goal of being a “Strong Company” and maximize shareholder value.

Director, Corporate Officer,
General Manager of Administration Headquarters

Yukihiro Otsu

Basic Finance and Capital Policy

Previously, the Makita Group operated under the understanding that good results naturally emerge through the execution of strategies. However, after the rapid changes in earnings environment during the COVID-19 pandemic, Makita began to feel the need for a more strategic management approach that includes securing asset efficiency while ensuring appropriate production and inventory management along with global human resource development.

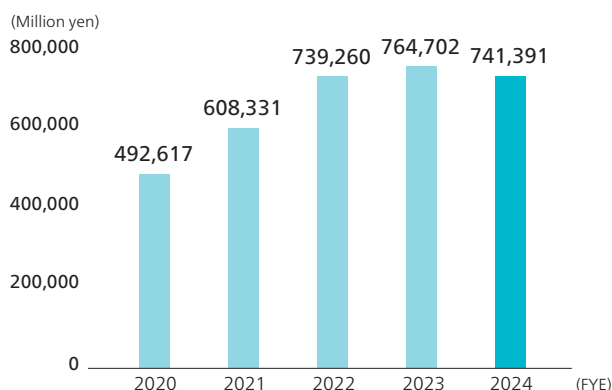
Against this backdrop, we have created a finance and capital policy aimed at expanding the equity spread by reducing the cost of equity while securing a stable ROE of 8%–10% that exceeds the cost of equity at 6%–8%. As the general manager of the Administration Headquarters, I believe that it is my responsibility to restore ROE back to the 8%–10% range we achieved before FYE 2022. In addition, we must simultaneously implement human resource development as well as diversity and inclusion, and achieve our long-term goal of being a “Strong Company” by creating a work environment in which employees are comfortable and motivated.

FYE 2024 Results and FYE 2025 Forecast

FYE 2024 consolidated net revenue decreased 3.0% year on year to ¥741.4 billion, while operating profit increased 134.3% year on year to ¥66.2 billion (the operating profit ratio was 8.9%). Revenue increased in Japan, Europe, and Central and South America, but in North America and Asia it saw substantial decreases. The considerable rise in operating profit was largely driven by an improvement in the cost ratio due to impact of the weakened yen and reductions in transportation and materials costs offsetting reduced sales and production. As for cash flows, reflecting inventory optimization efforts, net cash provided by operating activities increased by ¥192.7 billion year on year to ¥237.1 billion. Thus, after subtracting net cash used in investing activities of ¥25.6 billion, free cash flows reached ¥211.5 billion, and cash and cash equivalents at the end of the fiscal year were ¥196.6 billion. The equity ratio rose to 82.2% (from 70.0% in the previous year), and our balance sheet remained strong.

For FYE 2025, we forecast consolidated net revenue of ¥710 billion, operating profit of ¥75 billion (operating profit ratio of 10.6%), and profit attributable to owners of the parent per share of ¥189.57.

Revenue Trends



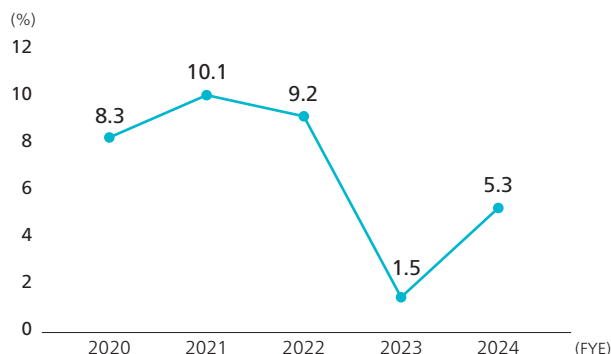
Initiatives to Improve ROE

Makita's goal is to maintain ROE at a level that exceeds the cost of equity. We have discussed ROE and the cost of equity internally for a while, but considering how important it is to send a message to the stock market, we decided to publish our approach and initiatives relating to these subjects.

Before FYE 2022, our ROE was stably in the 8%–10% range, but in FYE 2023 it dropped to 1.5% before evening out at 5.3% in FYE 2024. When we broke down ROE, our total asset turnover rate and financial leverage were stable, but decreased profit margins caused it to decline. However, we believe that this temporary decline in ROE was not caused by decreased earnings power, but rather by a reduction in production to optimize inventory along with increased transportation and materials costs. Going forward, we aim to return to ROE to approximately

10% by continuing to steadily optimize inventory and production, eliminating waste in operations, and improving our efficiency.

ROE



Message from the Director of the Administration Department

Cash Allocation

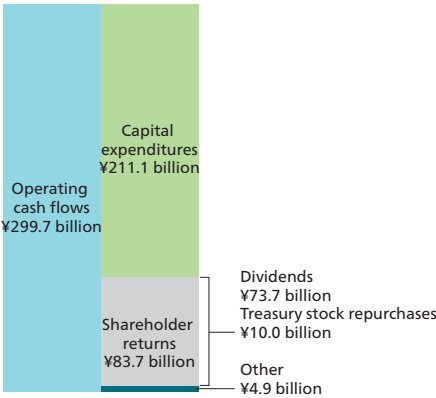
For the past five years, of total operating cash flows of ¥299.7 billion yen, we have used ¥211.1 billion yen (70.4% of operating cash flows) in the form of capital expenditures focused mainly on growth investments to generate demand for cordless OPE. Also, considering geopolitical risks, we have been proactively securing logistics warehouses and developing bases to disperse our production, which was previously centered in China. Our Thailand plant, established in 2011, has expanded its plant building as our principal production base for the Asia market. Our Romanian plant started production in 2007, and has been expanding its production capacity with the aim of increasing local production for local consumption in Europe, and its total output exceeded 50 million units in September 2023. Thanks to these efforts, we have already secured production capacity capable of generating more than ¥1 trillion in consolidated net revenue and have established a supply structure that will be able to meet future increased demand.

In addition, we have raised our dividend payout ratio and implemented a stock repurchase program, enabling us to return ¥83.7 billion to our shareholders.

As I mentioned, Makita has made large capital expenditures over the past few years in anticipation of increased demand for cordless OPE, and we believe that we now have a sufficient supply capacity with our production and logistics bases.

We will continue investing in facilities with an eye to further improving efficiency, pursuing IT-related growth investments, and making environmental investments. We will also optimize our allocation of operating cash flows while maintaining a healthy balance with shareholder returns.

Cash Allocation (FYE 2020 to FYE 2024)



Business Opportunities and Risks

The Company's strengths include the Makita brand backed by high-quality products and swift, finely tuned services, robust technology and product development capabilities led by lithium-ion batteries and a strong balance sheet that enables us to supply short delivery times and offer a vast lineup of products. Thanks to the ongoing shift away from engine-powered to cordless products, we are now seeing an array of business opportunities in the OPE market, which is several times larger than the power tool market that has long been our focus. We are also in the process of creating new demand by launching new 40Vmax battery-powered

products. Another opportunity lies in future demand related to building and construction due to lower interest rate policies in Europe and the United States, and demand related to disaster restoration due to increasingly severe natural disasters. We are also considering the impact of urbanization in developing countries as well as infrastructure investment in developed countries. At the same time, we are monitoring the business environment by, for example, keeping an eye on political risks related to US trade tariffs targeting China, China's huge production capacity, and the rising costs of various materials.

Strengthening Human Capital and Diversity & Inclusion

Investing in human capital is common sense in corporate management. To secure excellent employees, we need to establish a corporate culture in which everyone thrives, regardless of gender or nationality. I believe that an

organization with employees with varied experiences and ways of thinking can help create new values. To achieve this, we have set "provide for employee training, safety, and health" as one of our material issues. We have

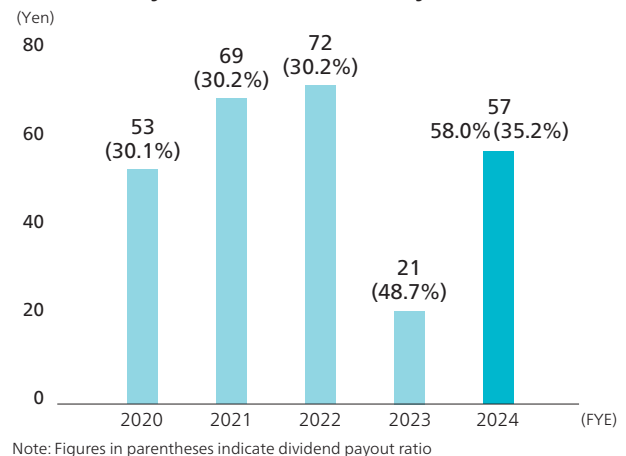
set and have been monitoring three KPIs to increase effectiveness. We want our employees to experience working overseas at a young age so that they can learn about different cultures and business practices in other countries, think about things from a global perspective, and gain the confidence to act on their own. Recently, we have hosted external lecturers to hold in-house

seminars for female employees on career development. Makita's Head Office is located in Aichi Prefecture, but with the opening of the Electronic Control Development Center (Tokyo Office) in Shinagawa, Tokyo, we are now able to improve our recruitment efforts for excellent engineers in the Kanto region, so we can continue to develop attractive products.

Approach to Shareholder Returns

Our basic approach to shareholder returns is to pay an annual dividend of at least ¥20 per share and maintain a total payout ratio of at least 35%. The dividend per share in FYE 2024 was ¥57, an increase of ¥36 year on year, and the dividend payout ratio was 35.2%. When we include the treasury stock repurchases with an upper limit of ¥10 billion, which concluded on July 7, 2023, the total payout ratio is 58.0%. The purpose of the treasury stock repurchases was to increase shareholder profits through flexible capital policies and improved capital efficiency, but we are also considering implementing stock repurchase program that considers the stock price level and PBR, among other factors.

Cash Dividends per Share/ Dividend Payout Ratio and Total Payout Ratio



Investor Engagement

We hope to gain the support of our shareholders and investors through active dialogue about our growth strategy to achieve our long-term goal of being a "Strong Company." We are striving to improve shareholder value by reflecting their feedback in our management, such as concerns about cash allocation and capital efficiency. Moreover, we will maximize Makita's corporate value by steadily implementing our growth strategy and will simultaneously strengthen our organizational capabilities by improving employee satisfaction and motivation to take on new challenges while promoting our sustainability activities. We would like to ask for your continued support.



Business Overview

Market Environment

Interest rates have remained high despite the easing of inflation, resulting in a sluggish building and construction market worldwide. At the same time, measures to counter climate change have become increasingly serious, with trends toward energy saving and energy-generating buildings, the spread of EV charging equipment, and the shift from engine-powered to cordless vehicles all gaining momentum while around the world demand grows for highly efficient tools that assist with labor shortages. We therefore expect that the demand for environmentally friendly products will remain strong, creating favorable conditions for the Company.

Amid this environment, we aim to achieve sustainable growth by evolving into “a Supplier of a Comprehensive Range of Cordless Products” by leveraging and further refining our strengths, including our extensive cordless product lineup and finely tuned sales and service network.

Fiscal Year in Review

In FYE 2024, countries around the world implemented money tightening policies in response to inflation and interest rates remained high, resulting in stagnant housing investment. Revenue decreased 3.0% from FYE 2023, due to the impact of weak global housing demand and limited investment in the architecture and construction markets, particularly overseas. Operating profit increased 134.3% from FYE 2023 due to an improved cost-of-sales ratio thanks to such factors as reduced transportation costs and exchange rate effects.

In FYE 2024, we chose waste elimination and inventory reduction as Company-wide keywords, and everyone worked together toward these goals across all aspects of internal operations.

With regard to inventory, reduction, we reflected on the sudden shift in demand following the COVID-19 pandemic and the resulting buildup and turned to IT to make inventory information, including that of overseas bases, available Group-wide. The new system was fully up and running by the end of FYE 2024 and has enabled the Head Office to monitor inventory status across the Group, including at overseas sales bases. We will continue to promote systems that enable this Groupwide.

Future Strategies

Expanding Our Cordless Lineup

Makita is further expanding its lineup in accordance with its goal to be “a Supplier of a Comprehensive Range of Cordless Products.” In power tools and cordless outdoor power equipment (OPE), we are actively replacing AC products that have power cords and engine-powered products with cordless products. In addition, we are expanding the range and applications for cordless products that use our batteries, introducing models with applications not only for worksites but also for outdoor work and in times of disaster when it is difficult to secure power sources. Such products include cooler & warmer boxes and microwaves as well as cleaning equipment for such uses as building maintenance.

In particular, demand for cordless OPE is expected to grow as the trend toward decarbonization intensifies, and we will further augment our lineup with products that provide the same level of usability as engine-powered products.



Utilizing Human Capital

As Makita continues to expand its business globally, we believe it is important to have a global, diverse workforce capable of carrying on this growth into the future. To ensure optimal human capital utilization, we have set indicators for the following: the swift training of new human resources to be competitive, the promotion of women's advancement, and the encouragement of employees to use childcare leave. Through our efforts to achieve these goals, we will create an environment in which diverse human resources can play an active role globally, regardless of gender, leading to Makita's sustainable growth. For details, please see pages 30-34.



Management That Takes the Cost of Capital and Share Prices into Consideration

Until FYE 2022, the Company's ROE hovered around 8%–10%, generally exceeding the estimated shareholders' cost of capital of around 6%–8%. In FYE 2023, a decrease in sales volume due to a rapid change in the demand environment and excess inventory led to ROE falling to 1.5%, and in FYE 2024 ROE remained below the cost of shareholders' capital at 5.3%.

In addition, although the share price declined after September 2021, when demand and the associated business growth slowed due to the COVID-19 pandemic, it has since returned to pre-pandemic levels. Although our PBR remains higher than 1, it is on a downward trend in line with the stagnant movement of the share price.

	Unit	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenue	Millions of yen	490,578	492,617	608,331	739,260	764,702	741,391
Operating profit	Millions of yen	78,305	64,046	88,464	91,728	28,246	66,169
Operating profit ratio	%	16.0	13.0	14.5	12.4	3.7	8.9
ROE	%	9.9	8.3	10.1	9.2	1.5	5.3
Stock price at end of year	Yen	3,855	3,315	4,745	3,935	3,280	4,270
PBR	Unit	1.8	1.6	2.0	1.4	1.2	1.3

Policies and Targets for Improvement

We will expand the equity spread by improving ROE, which is presently below the cost of shareholders' capital, and maintaining it at a stable 8%–10%, the level prior to FYE 2022, while simultaneously reducing the cost of shareholders' capital.

Issues to Be Addressed

Based on the above targets, we will address the following issues.

1. Improve ROE

- Improve profitability and capital efficiency by achieving inventory reduction targets
- Improve operational efficiency across all departments and comprehensively reduce costs through waste elimination
- Strengthen profitability by differentiating ourselves from our competitors by expanding our lineup of high-value-added products for professionals that utilize 40Vmax batteries as well as by leveraging our robust network of bases to provide high-quality after-sales services

2. Reduce Cost of Shareholders' Capital

- Formulate and implement business strategies to ensure appropriate responses to changes in the environment
- Promote sustainability management and human capital management
- Support investor understanding through IR activities

Progress of Sustainability Management

Makita has been implementing sustainability initiatives in order to grow sustainably together with society. The Sustainability Committee was established in 2021 to support these efforts, and in 2022 we were able to newly identify important material issues requiring special priority. Please see pages 17 to 19 for more information about Makita's material issues.

We will contribute to the realization of a sustainable society, including decarbonization, by further strengthening our efforts in this area.

Basic Policy on Sustainability

- 1 As a global supplier of a comprehensive range of tools for creating comfortable homes and living environments, Makita will focus on solving environmental problems and other social issues through our main business, and work to achieve a sustainable society.
- 2 Makita aims to develop in harmony with society by promoting corporate ethics and compliance, respect for human rights, protection of the environment, quality assurance, responsible procurement activities, etc. In particular, we consider carbon neutrality and other environmental problems to be issues of the highest importance.
- 3 Makita will engage in highly fair and transparent corporate management, thereby building strong relationships of trust with all our stakeholders.

Sustainability Promotion

Our long-term target as a "Strong Company" is to contribute to the creation of a sustainable society and consolidate a strong position in the industry worldwide as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments, including cordless power tools, battery-operated outdoor power equipment, and pneumatic tools.

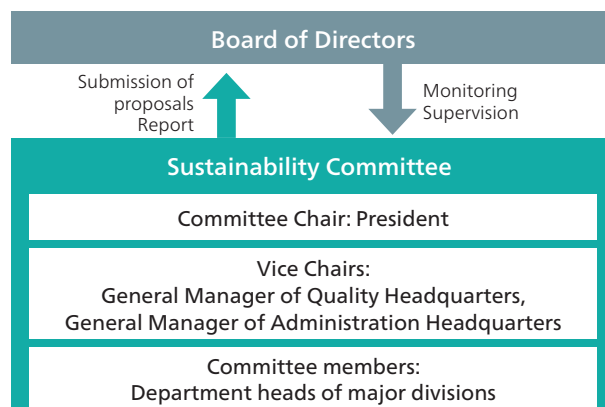
The most significant initiative we have undertaken to achieve a sustainable society is the evolution to "a Supplier of a Comprehensive Range of Cordless Products" and the promotion of rechargeable lithium-ion batteries. Utilizing battery charging/discharging and motor technologies cultivated through the development of power tools, we are promoting the use of rechargeable batteries starting with cordless outdoor power equipment (OPE) and a wide variety of other products. Moreover, through our international network of sales and service bases, we hope to contribute to reducing the burden on the global environment and improving work efficiency and productivity at worksites around the world.

Among the social issues that we have been focusing on for many years are those pertaining to the environment. In recent years, typhoons and other wind and flood disasters have become more frequent, and the impact of climate change on society is growing. Decarbonization is becoming even more critical for companies, so in 2021 we established the Sustainability Committee, chaired by the President, as a structure to

promote initiatives at Makita for carbon neutrality and other sustainability issues. The Sustainability Committee deliberates on sustainability-related policies, targets, measures, and other matters. In FYE 2024, the Sustainability Committee deliberated and reported on the progress of carbon neutrality initiatives, including on GHG emission reductions, and the committee also leads the promotion of such initiatives across the Company as a whole.



Sustainability Committee



Society (Disclosure of Human Capital, etc.)



Makita is expanding its global business and has created an environment in which diverse human resources can play active roles regardless of race or gender. Going forward, Makita will continue to actively promote initiatives and working environments that enable diverse human resources to make the most of their abilities while fulfilling its responsibilities as a global company by ensuring respect for human rights and implementing CSR procurement in order to grow together with society.

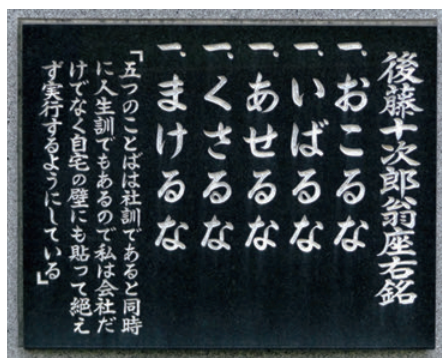


Please see the Makita website (https://www.makita.biz/sustainability/#sec_social) for more information about our social initiatives.

Basic Approach to Human Resources

Since Makita's expansion into the U.S. in the 1970s, the Company has pressed forward and proactively grown internationally. In 2005, we launched our lithium-ion battery-powered professional-use cordless tools ahead of the competition and, more recently, with environmental issues growing into an important theme globally, we have been working toward evolving into a supplier of a comprehensive range of cordless products by shifting from engine-powered to battery-powered products. This ability to flexibly respond to global market environment changes is the source of Makita's growth. What supports our growth is nothing other than the talents of the people working at Makita. "Don't be angry, arrogant, panic, mope, or give up." These are the words of Jujiro Goto, who along with founder Mosaburo Makita built this company and transformed it into "a power tools corporation." Grounded in this personal philosophy of Mr. Goto, we strive to provide each and every Makita employee with the opportunity to exercise his or her talents.

Moving forward, Makita will comprehend changes in the global market environment and strive to grow with demand. To this end, we will advance the activities of diverse human resources and globalize Makita.



Mr. Jujiro Goto's personal philosophy

Human Resource Strategies

Indicators for Human Capital

- Efficiently training newly hired human resources to be competitive as quickly as possible
- Promoting women's advancement
- Encouraging employees to take childcare leave

Efficiently Training Newly Hired Human Resources to be Competitive as Quickly as Possible

Makita is expanding its business on a global scale, and many of its employees have experience temporarily working or training abroad. As of March 31, 2024, approximately 26% of employees, excluding those working at the Research and Development Headquarters or Domestic Sales Headquarters, have worked overseas on temporary transfers. For Makita to continue to grow sustainably, it is essential that newly hired human resources (both new graduates and mid-career employees) with diverse values gain international experience early on and receive training to be globally active. We are working to achieve the target we have set of 20% of employees sent for overseas training or temporary transfer having worked at Makita (non-consolidated) for five years or less by March 31, 2030.



Society (Disclosure of Human Capital, etc.)

In FYE 2024, the number declined temporarily because the majority of young employees sent overseas who have been working at Makita for five years entered their sixth year. At the same time, we introduced a short-term overseas training system, so an increasing percentage of our workforce now has overseas training experience. After finishing the training, they spend several months to a year in Japan on preparation, which leads to successful subsequent overseas assignment.

To achieve our target, we will utilize short-term training programs to increase the number of young employees who are eligible for overseas work.

Indicators

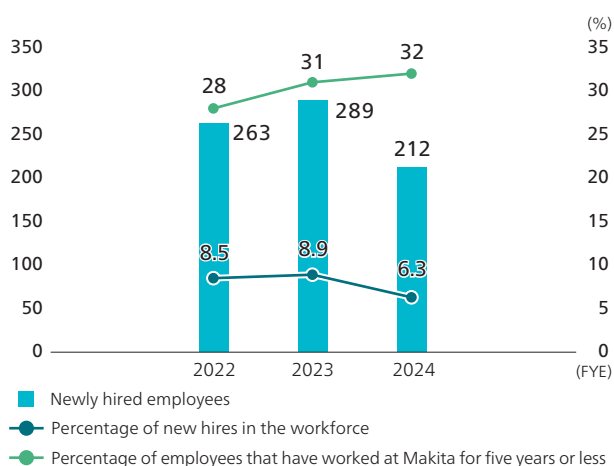
	FYE 2022	FYE 2023	FYE 2024	FYE 2030
Percentage of employees transferred overseas (or sent for training) that have worked at Makita for five years or less	17%	14%	12%	20%

Initiatives for Achievement

- Proactively accepting internships and building relationships with university laboratories to lay the groundwork for hiring excellent human resources
- Launching short-term overseas training programs to enable more young employees to gain overseas experience
- To foster international career development and increase motivation amongst young employees, we held a roundtable discussion with employees with overseas work experience and shared the content in the Company newsletter.

Reference

New Hires



Promoting Women's Advancement

Makita is working to create an environment that is comfortable for women to work in and allows human resources with diverse values to demonstrate their abilities to the fullest. As a result, the average length of female employees working at Makita in Japan is actually slightly higher than that of their male counterparts.

We have set a target for the future to increase the percentage of female managers at Makita (non-consolidated) to at least 3% (10 or more people) by FYE 2030, so that every female employee can play a more active role, and we are advancing our efforts to achieve this target.

In FYE 2024, we held the Women's Career Design Seminar over two sessions for interested female employees. Seminar participants reflected on their lives, identified their strengths and unique abilities, and created action plans for the future. At the second session, Ayumi Ujihara, Outside Director, spoke on stage, sharing her perspective as an experienced working woman about such subjects as looking at things positively, enjoying work, and networking.

Participants said that this was a good opportunity to think deeply about their own career development, and we will continue to implement measures to promote the active participation of female employees.



Indicators

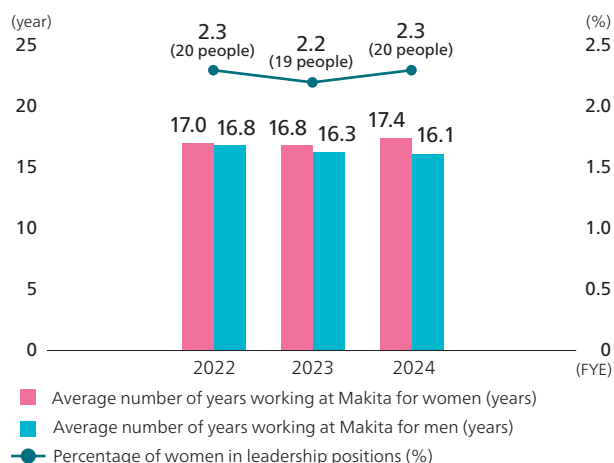
	FYE2022	FYE2023	FYE2024	FYE2030
Percentage of Female Managers	0.7% (2 people)	1.0% (3 people)	1.3% (4 people)	3.0% (10 or more people)

Initiatives for Achievement

- Creating systems that allow flexible work styles, such as through the expansion of the childcare reduced working-hours system
- Actively recruiting female new hires
- Encouraging women to take the exams for promotions to leadership and management positions

Reference

Average number of years working at Makita by gender/ Percentage of women in leadership positions



Encouraging Employees to Take Childcare Leave

Creating a rewarding environment that allows human resources with diverse values to balance work and family is vital to Makita's continuing growth. We have put in place a childcare leave system and a childcare reduced-working-hours system. In recent years, the percentage of women who use these systems has remained high, but the percentage of men using them has room to improve. Therefore, we have set a target of having at least 90% of eligible male employees at Makita (non-consolidated) use the childcare leave system by FYE 2030 and are working toward achieving this goal.



Indicators

	FYE 2022	FYE 2023	FYE 2024	FYE 2030
Percentage of male employees using childcare leave system	8%	25%	49%	90% or more

Initiatives for Achievement

- Making information on childcare leave available to workplace managers to promote the creation of an environment that encourages employees to use childcare leave

Reference

	FYE 2022	FYE 2023	FYE 2024
Percentage of female employees using childcare leave system	92%	100%	100%

Society (Disclosure of Human Capital, etc.)

Human Resource Training Systems Supporting Growth through Training and Interviews with Supervisors

In Japan, we carry out stratified training (tailored to match each employee's career stage) for new employees all the way through mid-career management candidates. Similarly, we maintain programs encompassing other forms of training, including on-site factory training, as well as correspondence training, part of which is paid for by the Company. Some promotion and advancement evaluations entail management-related training, such as interview exercises with subordinates, to measure and provide feedback on the individual's management skills, thereby helping to improve management and leadership skills.

In addition, employees regularly set targets at the beginning of each fiscal year and meet with their supervisors to discuss these results. We are committed to supporting individual development, and supervisors provide feedback to employees as appropriate during interviews and give them opportunities to discuss the future. Base salaries are determined by the previous year's evaluations and bonuses (twice yearly) fluctuate according to semiannual evaluations and Company performance in order to motivate employees.

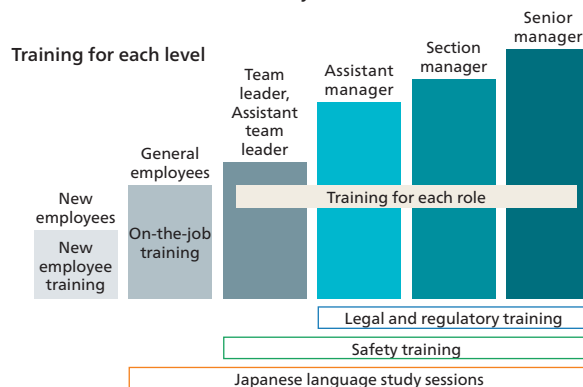
Education System Diagram

Job Type	Exam for Grading/ Promotion	Education by Level	Education by Job Category	Common
Management		Coaching training Training for newly appointed supervisors Education for trainers/ promotion exam evaluators		
General	Exam for promotion Training for management leaders	Cross-industrial exchange training Training for newly appointed supervisors Education for trainers/ promotion exam evaluators		Career plan training
Basic				
Support				
All			Sales training/repairs training Overseas operation training Factory training	Communication education (self-development courses related to languages, business skills, specialized fields, etc.) Education concerning the Code of Ethics and compliance Environmental and safety & health education
2nd year of employment 1st year of employment	Rated training	Training for new employees		

Human Resource Development at the China Plant

Makita is actively engaged in human resource development at our China plant, the core of our production base. We encourage continuous growth through proactive training at all levels, including leadership development and problem-solving training for managers. In addition, safety training and legal and regulatory training are provided to those above a certain rank, and Japanese language study sessions are held for those who plan to go to Japan for training or those who wish to receive Japanese language training.

Human Resource Education System at the China Plant



Diversity & Inclusion Promotion

Makita believes the value of a company lies in being a place where all employees, regardless of age, gender, nationality, or disability, hold each other in mutual respect, and are able to maximize their individual abilities in order to fully and actively contribute. Therefore, we strive for fairness in hiring, assignments, promotions, and other aspects of human resource management, eliminating distinctions based on gender or other attributes. In the Guideline to the Code of Ethics for Makita, which serves as a code of conduct for all Officers and employees of the Makita Group, we are working to ensure that diverse human resources are able to actively contribute. Our statement declaring respect for individual diversity is but one example of this commitment.



Securing the Safety and Health of Employees

Ensuring the safety and health of employees is also key to sustainable growth of a corporation. We are implementing a variety of initiatives to ensure both sustainable growth and the safety and health of our employees.

Safety and Health Activities

Safety and Health Committee activities are conducted at each business site in Japan and are based on a safety plan that is developed annually. Safety patrols of the working environment as well as hazard prediction activities* and “Hiyari-Hatto” (near-miss) activities are conducted at each workplace and reported to the committee with recommendations for improvement, thereby creating a safer and more secure workplace. There were 12 occupational accidents in Japan in FYE 2024, none of which required 4 or more days of absence from work. Going forward, we will continue to strive to prevent occupational accidents by providing thorough health and safety training and taking measures to reduce hazards in the workplace.

* Activities aimed at preventing occupational accidents by identifying potential hazards in specific workplace tasks and identifying the types of hazards that could cause workplace accidents, and then eliminating unsafe employee behavior and unsafe work environments.

Mental and Physical Health Support

In Japan, we are making Company-wide efforts to ensure the mental and physical health of our employees by conducting stress checks, interviewing employees who work long hours, and providing in-house influenza vaccinations. In addition, we distribute fan jackets and have installed water dispensers at the Okazaki Plant as a measure against overheating. As for stress checks, results are analyzed by workplace, and industrial physicians provide feedback to the person in charge of each department to encourage workplace improvements. We are striving to improve employee mental health through a series of workplace improvements.

Respect for Human Rights

The Guideline to the Code of Ethics for Makita, which outlines the conduct expected of all Group Directors and employees, clearly recognizes “respect for human rights” and stipulates the importance of respecting all fundamental human rights and prohibiting discrimination and

conduct that harms individual dignity. All employees, including part-time employees, are provided with information and training about the Guideline to the Code of Ethics for Makita once a year without fail. This also covers overseas subsidiaries and we thoroughly emphasize respect for human rights across the entire Group.

Furthermore, since we believe that it is important to fulfill our social responsibility for recognizing human rights not just for ourselves but alongside all of the businesses in our supply chain, the Guideline to the Code of Ethics for Makita also stipulates that fulfillment of social responsibility and respect for human rights (including working to eliminate child labor and forced labor) are selection criteria for business partners.

CSR Procurement

Makita is striving Company-wide to deliver safe, high-quality products to our customers to ensure that they can enjoy peace of mind when using its tools. In working to achieve this objective, we consider it important not just to comply with relevant laws and regulations but to conduct transactions with business partners fairly, equitably, transparently, and honestly and to strive to build relationships with them as partners as well as to promote procurement activities focusing on social concerns, including the environment, human rights, corruption prevention, and proper hiring practices. We stipulate this in our Master Transaction Agreement and Basic Policy on Procurement. One pillar of this effort is our pursuit of responsible procurement activities, including conducting annual surveys of the environmental protection activities of our business partners to, for example, monitor environmental systems acquisition.

Basic Policy on Procurement

1. Compliance with laws and regulations and social codes
2. Consideration given to reducing environmental impacts
3. Provision of fair and equitable transaction opportunities
4. Coexistence and co-prosperity based on mutual trust



Please see the Company website (<https://www.makita.biz/sustainability/social/03/>) for details.

Environment



We promote environmental management with the aim of achieving both environmental protection and sustainable business growth. We have been actively engaged in environmental protection activities based on the principles and aims set forth in our Environmental Policy, established in 1998. Since 2022, we have been further strengthening our efforts by positioning contributing to decarbonization and a resource-circulating society as our material issues.



For more information on our environmental initiatives, please visit the Makita website (https://www.makita.biz/sustainability/#sec_environment) and read the Environmental Report (<https://www.makita.biz/sustainability/report/#sec02>).

Environmental Vision



The "Go Green" slogan symbolizes Makita's commitment to continually providing new value as a comprehensive international supplier of tools. We hope to always remain a company that maintains a steady eye on society, challenging ourselves to create a "sustainable recycling- oriented society" that harmonizes the environment with the economy.

Environmental Policy

Basic Principles

As a global supplier of a comprehensive range of tools for creating comfortable homes and living environments, Makita is aiming to conduct a wide range of environmental protection activities in order to contribute to a sustainable society and the conservation of biodiversity.

Policies

1. Enforcement of environmental administrative structure
2. Continuous improvement and pollution prevention
3. Compliance with applicable laws and regulations
4. Establishment and review of objectives and aims
5. Reduction of environmental burden
6. Disclosure



Please see the Makita website for the full text of our policies (<https://www.makita.biz/sustainability/environment/01/>).

Environmental Management

Makita has run its own environmental management system since 1998. For the purpose of leveraging that system as a tool for mitigating environmental burdens, our Head Office and Okazaki Plant first received ISO 14001 certification in 2007. Since then, our Nisshin Office and all of our overseas production bases have received the certification and are now operating environmental management systems. We promote the protection of the environment at all of the business bases listed here and carry out activities, such as Internal Environmental Audits and environmental education, based on the requirements of the certification.

ISO 14001 Certifications (As of April 2024)

Japan	Aichi Prefecture	Head Office, Okazaki Plant, Nisshin Office
Overseas Production Bases	China	Makita (China) Co., Ltd. Makita (Kunshan) Co., Ltd.
	Thailand	Makita Manufacturing (Thailand) Co., Ltd.
	U.S.	Makita Corporation of America
	Brazil	Makita do Brasil Ferramentas Elétricas Ltda.
	U.K.	Makita Manufacturing Europe Ltd.
	Germany	Makita Engineering Germany GmbH
	Romania	SC Makita EU SRL

Contributions to Decarbonization

Toward the realization of decarbonization, we are developing products that contribute to solving environmental problems and promoting environmentally friendly business activities. In addition, we have set reduction targets for greenhouse gas (GHG) emissions reduction. Please see page 44 for details.

Initiatives in Our Business Activities

To reduce GHG emissions in our business activities, we are actively utilizing renewable energy and conserving energy where possible. In addition, to raise environmental awareness among employees, we conduct educational activities, including distributing energy-saving promotional materials to employees and making regular inspections to check energy-saving responses undertaken at offices and plants.

Utilization of Renewable Energy

We are working to reduce GHG emissions through such measures as installing photovoltaic panels. In FYE 2024, photovoltaic panels were installed at our overseas location in Estonia. Photovoltaic panels were also installed in Japan at the shipping building at the Okazaki Plant as well as in the Head Office.

We plan to continue installing photovoltaic panels at our facilities in Japan and overseas and to switch to renewable energy sources for electricity used at our offices and other facilities. In FYE 2024, we introduced renewable energy at our sites in Chile and New Zealand. In addition to photovoltaic panels, some sites in Germany and other countries have installed geothermal heating and cooling systems and are working to reduce GHG emissions through the use of renewable energy.

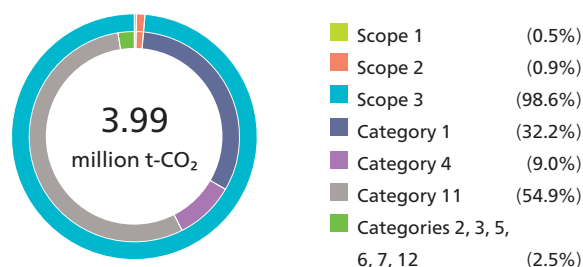


Estonian branch



Okazaki Plant

GHG Emissions (Scopes 1, 2, 3) (FYE 2024)



Notes: 1. Of the 15 categories in Scope 3, categories 8, 9, 10, 13, 14, and 15 have been excluded from calculation.
2. The figures in parentheses above are percentages of the total of Scopes 1 through 3, with 3.99 million t-CO₂ as the denominator.

Energy Conservation

Our efforts toward reducing GHG emissions include pursuing efficiency gains for energy-consuming equipment used in our offices by, for example, installing LED lighting and high-efficiency equipment (AC units, compressors, manufacturing machinery, etc.). In FYE 2024, the total annual power consumption of our Head Office, Okazaki Plant, and Nisshin Office decreased by 343,523 kWh compared to the previous year due to our switching to LED tubes, and improving AC units and compressor efficiency.

Switching to Environmentally Friendly Materials for Products and Packaging

To contribute to carbon neutrality, Makita is promoting initiatives to use biomass materials in the manufacture of a portion of its products. Furthermore, in FYE 2022 we began switching from conventional to biomass plastic bags in our product packaging.

To help reduce waste plastic across society, in addition to biomass materials, we are introducing recycled resin materials and started using bags and cases made from these materials in FYE 2024.

Makpac Type 2 (A-60517)

By using recycled resin materials, we reduced the amount of raw materials used as well as GHG emissions.



Environment

Contributions through Our Products

Since Makita brought to market the world's first professional-use power tools employing lithium-ion batteries in 2005, we have been expanding our lineup of cordless products and, in recent years, actively replacing engine-powered products with cordless models, especially in the area of cordless outdoor power equipment (OPE), where engine-power is mainstream.

Reflecting increased awareness of such environmental issues as climate change, the impact of exhaust from engine-powered products has become a major issue. Because Makita's cordless OPE, which emits no exhaust

gas during use, contributes significantly to the realization of decarbonization, we are focusing on this as our next pillar of business in addition to power tools. To further this goal, we terminated the production of engine-powered products.

We will continue to focus our management resources on the development, production, sale, and service of cordless products and accelerate the transition from engine-powered to cordless products with equivalent performance, thereby contributing to the realization of decarbonization.

UN001G Cordless Pole Hedge Trimmer

This model offers the same high power as our 23mL engine version, thanks to its 40Vmax battery. This allows powerful pruning of large branches from high places.



DCU601 Battery-Powered Wheelbarrow

This battery powered wheelbarrow is equipped with an electric lift. This model makes transport work easier, emits zero exhausts, is environmentally friendly, and is easy to use.



Contributions to a Resource-Circulating Society

Makita is committed to using limited resources effectively and contributing to the realization of a resource-circulating society.

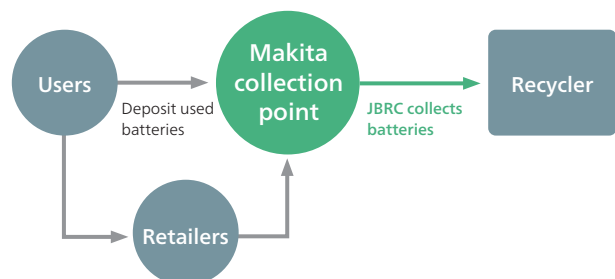
Battery Recycling

As "a Supplier of a Comprehensive Range of Cordless Products" and as a company that supplies a large volume of batteries, we believe that, for the sake of environmental protection and the effective utilization of resources, collecting used batteries is a crucial task. By building and implementing collection systems in a host of countries and regions in accordance with local laws and regulations, we are working to promote resource recycling.

Initiatives in Japan

We are a member of the Japan Portable Rechargeable Battery Recycling Center (JBRC) and, based on the Act on the Promotion of Effective Utilization of Resources, have registered our Head Office and domestic sales offices as collection points.

Battery Collection in Japan



Initiatives in Germany

In Germany, battery manufacturers and the German Electro and Digital Industry Association (ZVEI) established the non-profit Stiftung GRS Batterien in 1998, which operates the joint battery collection system used by Makita.

In December 2021, Stiftung GRS Batterien and Makita Werkzeug GmbH (Germany) signed an industry agreement in the power tools sector. The two are working to increase the collection rate of used lithium-ion batteries and promote recycling by installing collection boxes exclusively for lithium-ion batteries at home centers and other power tools retailers.

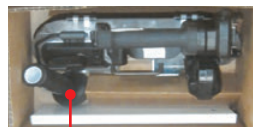
Promoting the Elimination of Plastic

Due to concern about global environmental pollution in the form of plastic waste in the oceans and amid social efforts to reduce the consumption of single-use plastics, we are working to cut back on the volume of single-use plastics in our product packaging and thereby contribute to the realization of a sustainable society and the preservation of biodiversity. In addition to simplifying packaging, from FYE 2021, we have been reducing the use of plastic bags by devising better packaging materials. We plan to further promote the elimination of plastic in the future.

Suspension of plastic bags (devising internal materials)



Grip with plastic bag



Elimination of plastic bags by devising better internal packing materials

Switch from plastic to paper bags



Hook and bit sets

Environmentally Friendly Design

Our approach to environmentally friendly products began with an assessment of our products in 1992. In 1993, we created Makita's Global Environment Charter, and the active development of environmentally friendly products began.

When designing new products, we focus on improving energy efficiency, reducing weight, and extending service life. We also check to see if the materials utilized in each part of our products are recyclable and, more often than required by the specifications of our internal regulations, opt for materials that are environmentally friendly. In this way, we are continuously developing tools that can be recycled.

TOPICS

We are actively involved in reducing our environmental impact and are also working with local authorities. We plan to reform and improve the work style of the forestry industry through collaboration between local authorities, which aim for forestry that does not bring excess CO₂ and is friendly to the forest environment, and Makita, which aims to replace engine-powered units with cordless products. By working together with the public and private sectors to solve social issues, we will steadily advance our efforts to realize a sustainable society.



Environment

Initiatives in Line with the TCFD Recommendations



As the effects of climate change on society, such as high winds and flooding, increase in frequency and severity, the role of companies in achieving decarbonization is becoming more important. Accordingly, we view climate change issues as a high-priority management challenge.

To this end, we are focusing on OPE that does not emit exhaust gas during use and are actively working to reduce GHG emissions by striving to reach the goal of virtually eliminating GHG emissions from our operations by FYE 2041.

Recognizing the importance of these efforts as well as engaging in dialogue with our stakeholders regarding the impact of climate-related risks and opportunities on our business and other activities, we endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2021.

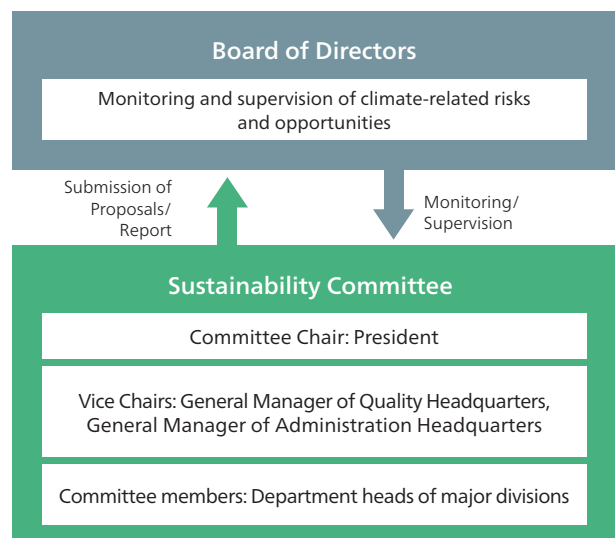


Governance

Chaired by the President, the Sustainability Committee, which promotes Company-wide efforts to address sustainability issues through business activities, was established in 2021.

The committee considers climate change to be one of the most important sustainability issues and deliberates on policies, measures, and plans to reduce GHG emissions.

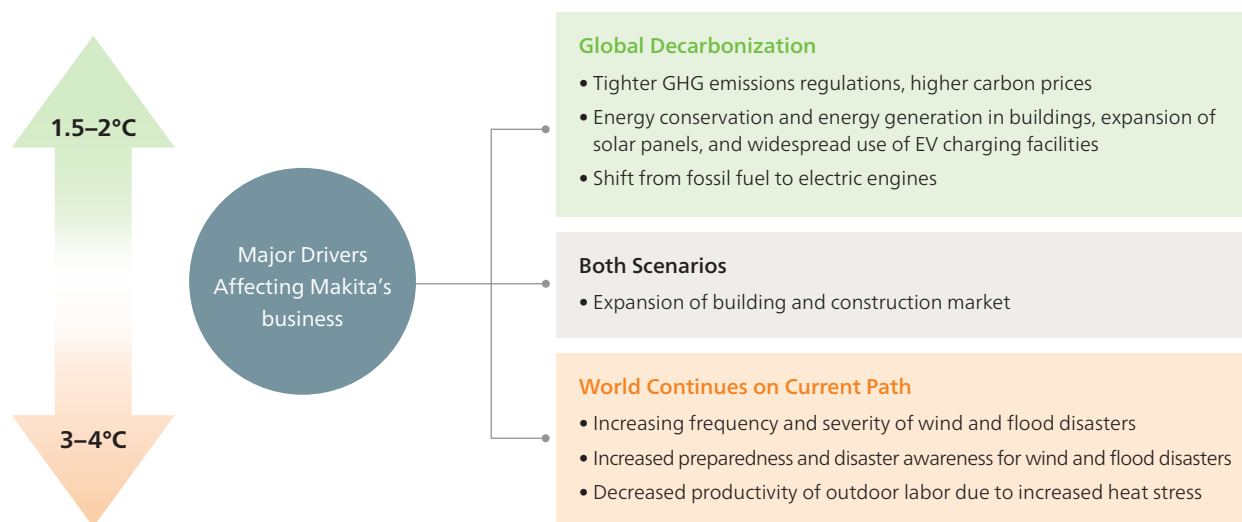
The Sustainability Committee reports and submits proposals on important matters to the Board of Directors, which deliberates on these matters and makes decisions in the course of monitoring and overseeing the Company's climate-related risks and opportunities



Strategy

1. Determining Risks and Opportunities

In identifying climate-related risks and opportunities that could affect our business, we have used climate change scenarios from the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and other organizations to organize our views into (1) a 1.5°C to 2°C worldview in which decarbonization progresses and (2) a 3°C to 4°C worldview in which warming proceeds as it is now. The following is a summary of the results.



Based on these worldviews, we have identified our climate-related risks and opportunities and qualitatively assessed them.

Risks

Type	Category		Risk	Relevant Period	Possibility
	Large	Small			
Transition	Policies and regulations	Rising carbon price/energy conservation and low-carbon regulations	Increased operating costs based on own GHG emissions	Short to medium term	Large
			Increased procurement costs of raw materials, energy, etc.		
			Increased capital expenditures to enhance energy efficiency	Short term	
			Increased renewable energy procurement costs		
		Battery regulations	Increased battery procurement costs	Medium to long term	
	Technology	Product technology development competition	Increased development costs for technologies and products with superior environmental performance (including portability and operational efficiency)	Short to medium term	Large
		Competition to develop next-generation battery technology	Increased development costs for next-generation batteries with superior capacity, voltage, life, safety, etc.		
	Market	Changes in market prices	Increased procurement costs due to increased battery demand	Short term	Large
			Increased procurement costs due to increased demand for semiconductors		
			Increased transportation costs due to decarbonization of transportation	Short to medium term	
	Reputation	Increased disclosure requests	Reputational damage due to inferiority of information disclosure compared to other companies	Short term	Medium
Physical	Acute	Increased frequency and severity of wind and flood disasters	Physical damage to our offices and facilities	Short term	Medium
			Losses due to business interruption		
			Losses due to supply chain disruptions		

Note: Risk onset timing: Short-term: up to 3 years; Medium-term: over 3 years to 10 years; Long-term: over 10 years

Environment

Opportunities

Type	Category		Opportunity	Relevant Period	Possibility
	Large	Small			
Transition	Energy sources	Increased carbon prices	Decrease operating costs by reducing GHG emissions to become carbon neutral	Short to medium term	Large
	Products and services	Product technology development competition	Differentiation from competitors' products through the development of products with superior environmental performance (including portability and work efficiency)	Short term	Large
		Competition to develop next-generation battery technology	Differentiation from competitors' products through the development of next-generation batteries with superior performance	Medium to long term	
	Market	Energy conservation and low-carbon regulations	Market expansion and product demand increase due to a shift from engine-powered to cordless products	Short term	Large
		Changes in the building and construction market	Increase in demand for products associated with ZEB* ¹ /ZEH* ² conversion of buildings, installation of solar power generation equipment, and EV charging facilities, etc.		
		Increased disclosure requests	Improve reputation through enhanced disclosure information		Medium
		Rising temperatures, climate change, and extreme weather	Increase in demand for products in line with increase in DIY demand due to longer time spent at home	Short to medium term	Large
Physical	Resilience	Increased frequency and severity of wind and flood disasters	Expansion of the disaster readiness market, increase in product demand, and contribution to recovery and reconstruction in the affected areas	Short term	Large
		Rising temperatures	Increase in demand for products to improve working conditions in hot environments	Short to medium term	

Note: Opportunity onset timing: Short-term: up to 3 years; Medium-term: over 3 years to 10 years; Long-term: over 10 years

*1 Net Zero Energy Building *2 Net Zero Energy House

2. Scenario Analysis and Setting Themes

We conducted scenario analyses on the following four themes that we rated as “highly important” and evaluated their probable impact on our business, strategy, and finances through 2050, taking into account the effect on our business operations, relevance to our business strategy, and the level of interest of our stakeholders.

3. Results of Scenario Analyses

Theme 1 (Opportunities): Change in demand for cordless OPE due to decarbonization of OPE

Opportunities under the Theme	<ul style="list-style-type: none"> In the OPE sector, emission regulations are being introduced and strengthened. Demand for cordless OPE is expected to grow as the shift from engine-powered to cordless OPE progresses against a backdrop of further tightening regulations and changing consumer preferences towards decarbonization.
Analysis Assumptions	<ul style="list-style-type: none"> Baseline (as-is scenario) for market expansion calculated based on market forecast information for the OPE sector For the OPE sector, data for the below 2°C scenario is based on IEA scenario data* assuming a shift to EVs in the automobile sector
Analysis Results	<ul style="list-style-type: none"> The market for cordless OPE is expected to expand under the as-is scenario due to the expansion of the OPE market, but under the below 2°C scenario, we expect the market to expand significantly due to the shift from engine-powered to cordless systems. We expect sales to grow at the same rate as the market growth, and, if our market share can be increased, we can expect further sales growth.
Future Opportunity Acquisition Measures	<ul style="list-style-type: none"> Actively develop cordless OPE that can replace engine-powered OPE Strengthen sales and service capabilities by expanding the sales and service network Expand logistics and production capacity in anticipation of increased OPE sales and products handled

* Reference: IEA's "Global EV Outlook 2021." It is assumed that the shift from engine-powered to rechargeable systems in the OPE sector will progress at a slower rate than the shift to EVs in the automobile sector.

Theme 2 (Opportunities): Change in demand for power tools as the building and construction market expands

Opportunities under the Theme	<ul style="list-style-type: none"> • Expansion in the global building and construction market is expected to increase demand for power tools. • The demand for power tools is expected to increase as more energy-saving (i.e., renovation of existing buildings) and energy-creating (i.e., installation of photovoltaic panels) construction approaches are taken to further decarbonization, and as the number of EV recharging facilities increases.
Analysis Assumptions	<ul style="list-style-type: none"> • Increased demand for power tools is anticipated due to a growing volume of building and construction work globally • Baseline (as-is scenario) for power tools sales calculated based on statistics on the size of the building and construction market • The amount of energy-saving and energy-creating construction work in buildings and the installation of EV charging facilities to promote decarbonization is based on data from the building and construction industry and IEA scenario data (below 2°C scenario)
Analysis Results	<ul style="list-style-type: none"> • Sales of power tools are expected to grow under the as-is scenario, but are expected to expand significantly more under the below 2°C scenario due to an increase in the amount of energy-saving and energy-creating construction work and installation of EV charging facilities. • Among them, cordless power tools with excellent work efficiency are expected to see increased use in the building and construction market.
Future Opportunity Acquisition Measures	<ul style="list-style-type: none"> • Develop power tools based on market trends, in particular, proactively develop cordless power tools that contribute to reducing environmental impact by improving work efficiency • Strengthen sales and service capabilities by expanding the sales and service network • Expand logistics functions and production capacity in anticipation of sales growth

Theme 3 (Risks): Risks associated with lithium-ion batteries (procurement costs, rise of next-generation batteries with higher performance)

Risks under the Theme	<ul style="list-style-type: none"> • The growing demand for lithium-ion batteries (LiB) in the automotive and energy industries is expected to lead to fluctuations in LiB procurement costs. • The competitive environment is expected to change with the emergence of high-performance next-generation batteries.
Analysis Assumptions	<ul style="list-style-type: none"> • Baseline (as-is scenario) LiB unit price calculated with reference to the market forecast information on LiB unit prices • Based on historical data on LiB raw material costs (lithium, nickel, and cobalt), set raw material costs that will soar if demand for LiB increases (below 2°C scenario)
Analysis Results	<ul style="list-style-type: none"> • Under both the as-is scenario and the below 2°C scenario, LiB unit prices are expected to decline over the medium to long term against a backdrop of planned production increases by battery and materials manufacturers. If the supply-demand balance of LiB raw materials is disrupted by greater than expected demand for EVs and storage batteries, etc., LiB unit prices may soar, but the long-term impact is expected to be negligible. • Although it is difficult to predict the market for next-generation batteries, we expect the competitive environment to change over the medium to long term as next-generation batteries become more widespread and emerge in our product areas as a result of the traction of the EV market.
Future Risk Countermeasures	<ul style="list-style-type: none"> • Build long-term relationships with battery suppliers • Pursue research and development for the launch of products using next-generation batteries

Theme 4 (Risks): Risk of increased operating costs due to higher carbon prices

Risks under the Theme	<ul style="list-style-type: none"> • Operating costs are expected to increase due to the introduction of carbon pricing such as carbon taxes and emissions trading schemes as well as increases in carbon prices.
Analysis Assumptions	<ul style="list-style-type: none"> • Establish long-term GHG emission reduction pathways based on GHG emission reduction plans toward carbon neutrality and IEA scenario data, etc. • Establish costs for GHG emission reduction measures, etc. • Estimate future carbon prices based on IEA scenario data and compare to the above measure costs
Analysis Results	<ul style="list-style-type: none"> • The cost of actively reducing GHG emissions, including the use of renewable energy, will be less expensive than the carbon price based on GHG emissions if GHG emission reduction measures are not actively pursued.
Future Risk Countermeasures	<ul style="list-style-type: none"> • Procure renewable energy electricity, and introduce and expand solar power generation for own consumption • Further improve energy efficiency of business activities • Promote commercial-use EVs

Environment

4. Future Policies and Initiatives

We have qualitatively and quantitatively assessed and understood the impact of climate change on our business operations, strategy, and finances and have confirmed not only that our products are financially resilient to climate change as they contribute to climate change mitigation and adaptation but that our business strategy is feasible and sustainable.

Among our products, we believe that our cordless products, which feature safety, convenience, improved comfort, and zero emissions during use, will play a particularly important role in contributing to climate change mitigation and adaptation. In addition, although not included in the previous section (3. Results of Scenario Analyses), under the as-is scenario, in which wind and flood disasters are expected to become more frequent and severe, it is important to ensure a prompt and stable supply of cordless products so that recovery and reconstruction efforts in the affected areas are supported, and we will continue to build a system to achieve this. We will continue to contribute to society and work to achieve sustainable growth by promoting initiatives to become "a Supplier of a Comprehensive Range of Cordless Products."

5. Plans for the Transition to Decarbonization

In 2005, we were the first in the industry to market professional cordless power tools that use lithium-ion batteries, and we have since been strategically transitioning from traditional products to cordless products. In addition, the Company has set a goal of reducing GHG emissions from its operations to virtually zero by FYE 2041, and is actively working toward this end.

We are aiming to ensure and improve the effectiveness of these mitigation measures. We will set relevant indicators and targets, and we will supervise our performance, progress and achievement under them in line with climate change governance. In addition, the transition plan will be regularly reviewed and updated. We will also strategically work to capture and maximize opportunities for decarbonization in our transition plan.

Overview of the Transition Plan to Achieve the 1.5°C Target

Climate Change Mitigation	Reducing GHG Emissions	<ul style="list-style-type: none"> • Achieve virtually zero GHG emissions (Scopes 1 and 2) by FYE 2041 • Medium-term target: 50% reduction from FYE 2021 levels by FYE 2031
	Elimination of Engine Powered Equipment	<ul style="list-style-type: none"> • Increase the OPE electrification ratio (FYE 2024 result: 99.2%)
Capture and Maximize Opportunities		<p>Strategic implementation of the following measures based on the results of scenario analyses</p> <ul style="list-style-type: none"> • Active development of cordless products (including cordless power tools and OPE) • Expansion of sales and service network • Expansion of logistics functions and production capacity in anticipation of sales growth

Risk Management

We hold annual Disclosure Committee meetings to identify and scrutinize risks in our business activities as well as to evaluate and manage risks related to climate change. The details of climate change risks and opportunities are assessed and managed under the Sustainability Committee.

Recognizing that climate change is one of the most important external environmental risks we face, the Board of Directors discusses the impact of climate change on management and determines management strategies and measures that will contribute to decarbonization.

We will further strengthen our climate change response by solidifying our systems and operations for managing these climate-related risks.

Indicators and Targets

Targets related to GHG emissions

The Makita Group has set goals to reduce GHG emissions from its own business activities (Scopes 1 and 2) to virtually zero by FYE 2041 and from its entire supply chain (Scope 3) to virtually zero by FYE 2051. The mid-term target for Scopes 1 and 2 is to halve the FYE 2021 level by FYE 2031.

Targets and results related to GHG emissions (t-CO₂)

	FYE 2021 Results	FYE 2031 Targets	FYE 2041 Targets	FYE 2051 Targets
Scopes 1 and 2	89,673	44,836	Virtually zero	
Scope 3	6,006,569	—	—	Virtually zero

Note: Please see page 36 for GHG emissions in FYE 2024.

To achieve the above goals, we will steadily implement initiatives to reduce GHG emissions through the use of renewable energy and other means.

Indicators for the electrification of OPE

As described in the scenario analysis for "Theme 1 (Opportunities): Change in demand for cordless OPE due to decarbonization of OPE," the transition from engine-powered to cordless OPE is progressing in line with progress toward a decarbonized society. We have set the electrification (elimination of engine-powered equipment) ratio as an indicator and are striving to increase this ratio. In addition, Makita has **discontinued production of all engine-powered products**, including OPE.

Indicators and results related to the electrification ratio* of OPE

FYE 2020 Results	FYE 2021 Results	FYE 2022 Results	FYE 2023 Results	FYE 2024 Results
86.1%	88.5%	90.9%	91.9%	99.2%

* Based on sales volume, including both AC products with power cords and cordless products

We will continue to promote the proactive development of cordless OPE that can replace engine-powered OPE in order to contribute to solving environmental problems, particularly climate change issues.

Corporate Governance



Makita strives to strengthen and enhance corporate governance in order to increase corporate value and earn the trust of shareholders and other stakeholders.

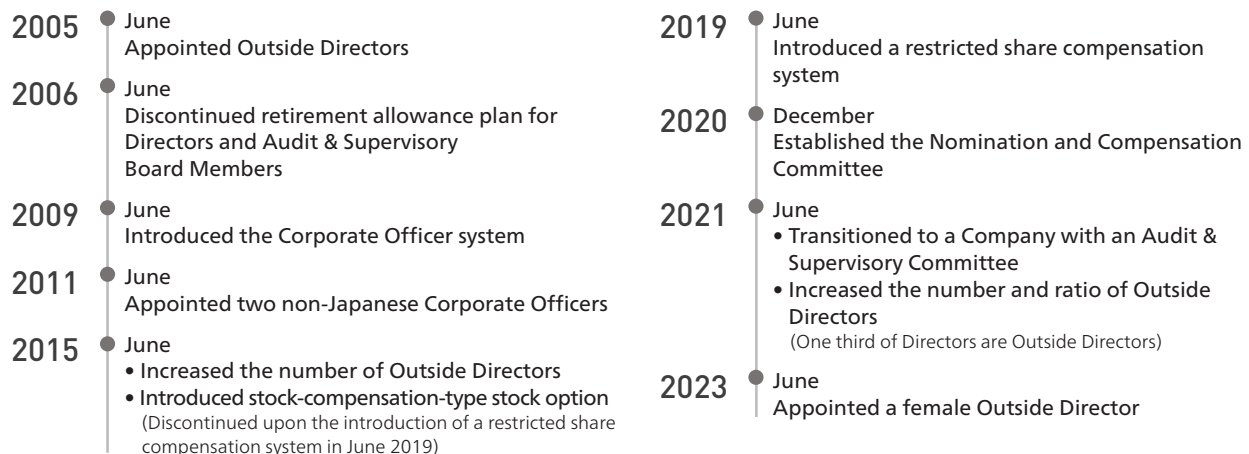


For more detailed information on corporate governance, please see the relevant section and the Corporate Governance Report on Makita's website (<https://www.makita.biz/sustainability/governance/01/>).

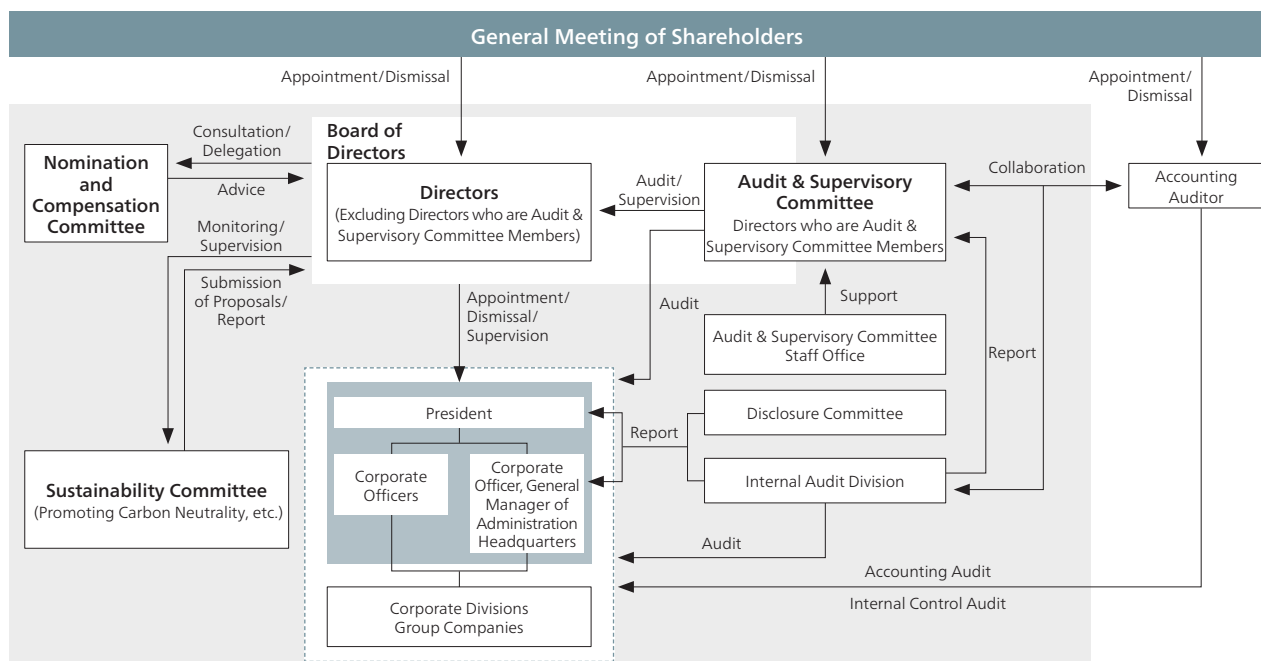
Basic Philosophy on Corporate Governance

Makita believes that the most important issue is to achieve unending development together with its various stakeholders. In order to achieve this, we have established a Management Policy/Quality Policy and are working to strengthen and enhance our corporate governance. From this perspective, we will work to maintain and improve the fairness and transparency of our management by striving to enhance management transparency and management checking functions as well as to proactively and promptly disclose information.

Steps Taken to Strengthen Corporate Governance



Schematic Diagram of Makita's Corporate Governance Structure (as of June 26, 2024)

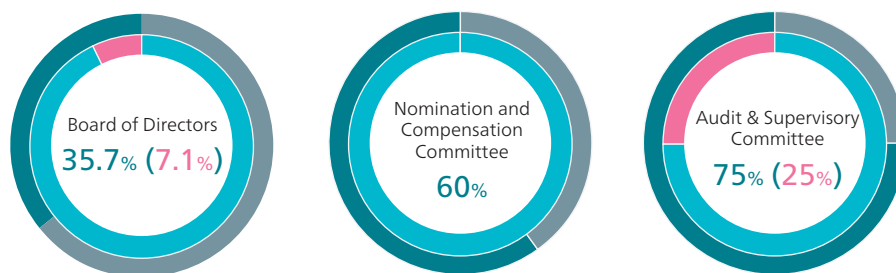


Principal Organizational Structures

	Chairman/Committee Chairs	Members	Internal Directors	Outside Directors	Meetings Held in FYE 2024
Board of Directors	Munetoshi Goto (President, Representative Director)	14	9	5	12
Nomination and Compensation Committee	Masahiro Sugino (Outside Director)	5	2	3	4
Audit & Supervisory Committee	Mitsuhiko Wakayama (Director, Standing Audit & Supervisory Committee Member)	4	1	3	14

Proportion of Outside Directors in Each Organization

Internal Outside Men Women



Note: The numbers in parentheses above show the proportion of women.

Skills Matrix

Name	Independent	Nomination and Compensation Committee	Expertise								
			Corporate Management	Overseas Experience	Sales/ Marketing	Development	Production/ Procurement/ Quality	Sustainability	It/ Digitalization	Finance & Accounting	Legal Affairs
Munetoshi Goto		●	●	●	●	●		●	●		
Tetsuhisa Kaneko			●	●		●	●				
Takashi Tsuchiya			●		●						
Masaki Yoshida			●	●			●		●		
Takashi Omote			●	●	●						
Yukihiro Otsu		●	●	●				●	●	●	●
Yoshihisa Inuzuka			●	●		●	●				
Hideyuki Kawase			●	●			●				
Masahiro Sugino	●	● Committee Chair	●		●		●				
Takahiro Iwase	●	●	●	●		●	●				
Mitsuhiko Wakayama				●	●						
Shoji Inoue	●	●									●
Koji Nishikawa	●									●	
Ayumi Ujihara	●									●	

Corporate Governance

Overview of the Corporate Governance Structure

Board of Directors

A regular meeting of the Board of Directors shall be held once a month and extraordinary meetings shall be held whenever necessary. The Board of Directors, as the decision-making body for management, decides on important management matters, including decisions on management policies and business plans, the conclusion of important agreements, and the establishment of subsidiaries in accordance with the Regulations of the Board of Directors, in addition to matters stipulated by laws and regulations and the Articles of Incorporation, and supervises the execution of operations. Outside Directors are appointed from among those who have a wealth of experience and broad insight in corporate management and those who have a wealth of experience and insight in various fields, including finance, accounting and legal affairs, and are responsible for strengthening corporate governance by providing opinions as appropriate from an independent perspective with no risk of conflict of interest with general shareholders. Additionally, Makita has hired several Directors with abundant business experience at overseas bases, which adds diversity to the Company.

Nomination and Compensation Committee

In consultation with the Board of Directors, the Nomination and Compensation Committee carries out such tasks as deliberating and advising on policies concerning the nomination of Representative Directors and Directors,* matters concerning the appointment of Representative Directors and Directors,* matters concerning the succession plan for the President, policies concerning decisions on the details of individual compensation for the Directors,* and, as delegated by the Board of Directors, makes decisions on the details of individual compensation for the Directors.*

* Excluding Directors who are Audit & Supervisory Committee Members

Main Deliberations in FYE 2024

- Nomination and compensation policies for Officers
- Determination of individual compensation
- Officer appointments
- Succession planning for the President

Audit & Supervisory Committee

The Audit & Supervisory Committee meets once a month and also holds extraordinary meetings as necessary. The Audit & Supervisory Committee audits and supervises the execution of duties by the Directors, and investigates the status of business and assets by attending important meetings and hearing reports in accordance with its stipulated audit policies and division of duties. The Audit & Supervisory Committee also appropriately exercises its right to express opinions on the nomination and compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members). With the objective of ensuring the smooth execution of audits by the Audit & Supervisory Committee, Makita established the Audit & Supervisory Committee Staff Office, comprising dedicated support personnel.

In order to strengthen the effectiveness of audit and supervisory functions, one standing Audit & Supervisory Committee Member has been appointed. Three Outside Directors who are members of the Audit & Supervisory Committee have been appointed, one of whom is an attorney-at-law and the other two are certified public accountants who have many years of experience and expertise in their respective fields. Makita considers these individuals capable of performing highly specialized audits from an independent perspective.

Corporate Officers

We have introduced a Corporate Officer system to facilitate the proper implementation of the Group's strategy and strengthen our business execution structure, and we are striving to engage in flexible and efficient business operations. As of July 2024, Makita has 17 Corporate Officers, and three of these Corporate Officers are non-Japanese.

Three-Way Auditing System

The Audit & Supervisory Committee, the Internal Audit Division, and the Accounting Auditor collaborate, exchanging information and opinions as necessary. The Audit & Supervisory Committee meets regularly with the Accounting Auditor to receive reports and explanations of audits and review results, as well as to exchange information and opinions. In addition, the Audit & Supervisory Committee itself conducts audits of the Group, including its subsidiaries, cooperating with their internal audit divisions. Along with auditing results, the Audit & Supervisory Committee receives reports from the internal audit divisions on the status of the establishment of internal control systems throughout the Company and exchanges information and opinions with said divisions.

Director Selection Policy and Decision-Making Processes

Policy

The Board of Directors as a whole possesses a good balance of knowledge, experience, and ability, and strives to maintain both diversity and an appropriate size as well as to keep the ratio of Outside Directors at more than one-third.

Internal Directors*	Appoint persons with the ability to formulate and execute management strategies based on their own experience and insight, including a wealth of experience in the Company's operations
Outside Directors*	Appoint persons with extensive experience and broad insight in corporate management
Directors Who Are Audit & Supervisory Committee Members	Appoint persons with internal and external work experience and a wealth of experience and insight in various fields, including finance, accounting and legal affairs, ensuring that at least one of them possesses the required wealth of experience and insight in each field, i.e., finance, accounting and other fields

* Excluding Directors who are Audit & Supervisory Committee Members

Process

Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)	Candidates are determined by the Board of Directors, reflecting advice on candidates compiled by the Nomination and Compensation Committee, and appointed at the General Meeting of Shareholders
Directors Who Are Audit & Supervisory Committee Members	Candidates are determined by the Board of Directors with the consent of the Audit & Supervisory Committee and appointed at the General Meeting of Shareholders

Evaluation of Effectiveness of the Board of Directors

Makita conducts an annual self-evaluation questionnaire for each Director on the effectiveness of the Board of Directors. The results of analyzing the FYE 2024 effectiveness evaluation indicated that the Board of Directors generally functions appropriately from the perspective of its composition, operation, supervisory function, and response to shareholders and stakeholders, and that the effectiveness of Makita's Board of Directors is ensured.

By providing an open comment item for each question in the survey, we are aiming to collect more specific feedback, opinions, and suggestions on the effectiveness of the Board of Directors. For example, the survey for FYE 2024 furnished us with opinions and suggestions on how to improve effectiveness and helped us identify issues to address in the future, such as a need to strengthen the input of Outside Directors and increase the flexibility of Board meetings by introducing remote technology.

Director Compensation

Compensation for Directors

(Excluding Directors who are Audit & Supervisory Committee Members)

The Board of Directors, after consultation with and receiving advice from the Nomination and Compensation Committee, determines the decision-making policy on the details of individual compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members). Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) consists of monthly compensation, bonuses, and restricted share compensation. Intended to incentivize Directors, the latter two forms of compensation comprise a consolidated performance-linked bonus aimed at motivating efforts to improve business performance and a restricted share compensation system aimed at motivating efforts to increase share value and enhance corporate value.

Monthly Compensation	+	Bonuses*	+	Restricted Share Compensation*
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* Not applicable to Outside Directors

Determination

Monthly Compensation	The Nomination and Compensation Committee is delegated through a resolution of the Board of Directors to determine the amount of monthly compensation for each Director within the limit on compensation resolved by the General Meeting of Shareholders based on business results, position, employee salary increases, and other factors.	
Bonuses	Total Amount	As is the case for dividends from surplus, bonuses are based on profit attributable to owners of the parent per share (basic) after adjusting for special factors, and the Board of Directors determines the total amount of bonuses based on a certain formula following consultations and advice from the Nomination and Compensation Committee, submitting the amount for resolution at the General Meeting of Shareholders.
	Individual	The Nomination and Compensation Committee is delegated through a resolution of the Board of Directors to determine the allocation of bonuses to Directors based on performance, position, and other factors.
Restricted Share Compensation	After consulting and receiving advice from the Nomination and Compensation Committee, the Board of Directors determines the allocation of restricted share compensation to Directors based on position and other factors.	

Corporate Governance

Compensation for Directors Who Are Audit & Supervisory Committee Members

The full amount of compensation for Directors who are Audit & Supervisory Committee Members is fixed compensation so that their independence from management can be ensured; the specific amount is decided through discussion among the Directors who are Audit & Supervisory Committee Members.

Total Amount of Compensation (FYE 2024)

Category of Officer	Total Amounts of Compensation (Million yen)	Total Amounts of Each Type of Compensation (Million yen)			Number of Eligible Directors
		Base Compensation	Bonuses	Restricted Share Compensation	
Directors (Excluding Audit & Supervisory Committee Members) (Excluding Outside Directors)	285	98	154	34	9
Directors (Audit & Supervisory Committee Members)	15	15	—	—	1
Outside Officers	28	28	—	—	6

List of Directors

Position	Name	Attendance at Board of Directors' Meetings (Audit & Supervisory Committee meetings)	Number of Company Shares Held (As of March 31, 2024)
President, Director*	Munetoshi Goto	100% (12 of 12 meetings)	475,377
Director, Managing Corporate Officer, General Manager of Research and Development Headquarters	Tetsuhisa Kaneko	100% (12 of 12 meetings)	25,812
Director, Corporate Officer, General Manager of Domestic Sales Headquarters (Concurrently in charge of the Osaka Area)	Takashi Tsuchiya	100% (12 of 12 meetings)	21,412
Director, Corporate Officer, General Manager of Production Headquarters	Masaki Yoshida	100% (12 of 12 meetings)	13,932
Director, Corporate Officer, General Manager of International Sales Headquarters	Takashi Omote	100% (12 of 12 meetings)	11,452
Director, Corporate Officer, General Manager of Administration Headquarters	Yukihiro Otsu	100% (12 of 12 meetings)	11,452
Director, Corporate Officer, General Manager of Purchasing Headquarters	Yoshihisa Inuzuka	—	7,000
Director, Corporate Officer, General Manager of Quality Headquarters	Hideyuki Kawase	—	10,000
Outside Director	Masahiro Sugino	100% (12 of 12 meetings)	—
Outside Director	Takahiro Iwase	100% (12 of 12 meetings)	1,100
Director (Standing Audit & Supervisory Committee Member)	Mitsuhiko Wakayama	100% (12 of 12 meetings) (100%, 14 of 14 meetings)	10,800
Outside Director (Audit & Supervisory Committee Member)	Shoji Inoue	100% (12 of 12 meetings) (100%, 14 of 14 meetings)	600
Outside Director (Audit & Supervisory Committee Member)	Koji Nishikawa	92% (11 of 12 meetings) (100%, 14 of 14 meetings)	400
Outside Director (Audit & Supervisory Committee Member)	Ayumi Ujihara	90% (9 of 10 meetings) (100%, 10 of 10 meetings)	—

* Representative Directors

Notes: 1. The Company provided notification on Mr. Masahiro Sugino, Mr. Takahiro Iwase, Mr. Shoji Inoue, Mr. Koji Nishikawa, and Ms. Ayumi Ujihara to the Tokyo Stock Exchange and Nagoya Stock Exchange as being Independent Directors appointed by the Company, in accordance with the rules and regulations of each exchange.

2. The status of Ms. Ayumi Ujihara after her appointment on June 28, 2023 is shown.

3. Holdings of less than 100 shares through Makita's stock ownership plan are not included in the number of Company shares held.

Reasons for Appointing Outside Directors

Name	Reason for Appointment
Masahiro Sugino	He has participated in the management of LIXIL Group, including INAX, for many years and has a thorough knowledge of corporate management, based on which he currently provides useful opinions on the management of the Corporation from a broad perspective. We expect him to utilize his wealth of experience and broad insight for the management of the Company from an independent perspective.
Takahiro Iwase	He 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, based on which he currently provides useful opinions on the management of the Corporation from a broad perspective. We expect him to utilize his wealth of experience and broad insight for the management of the Company from an independent perspective.
Shoji Inoue	He has extensive knowledge and expertise gained through his practice as attorney at law, and expresses his opinions from that perspective. We expect that he will reflect his wealth of experience and expertise in auditing and supervising the Company's management from an independent perspective.
Koji Nishikawa	He has extensive knowledge and expertise in corporate accounting audits as a certified public accountant, and expressed his opinions from that perspective. We expect that he will reflect his wealth of experience and expertise in auditing and supervising the Company's management from an independent perspective.
Ayumi Ujihara	She has extensive financial and accounting knowledge and expertise as a certified public accountant as well as abundant experience in audit work at global corporations that allows her to bring a new perspective and offer beneficial opinions. We expect that she will reflect her wealth of experience and expertise in auditing and supervising the Company's management from an independent perspective.

Strategic Shareholdings

The Company holds shares of various companies, including clients and associates in business relationships, for strategic purposes from a medium- to long-term perspective, based on the criteria of whether or not the shares are beneficial for business execution, such as strengthening relationships with clients and business partners. In addition, the Board of Directors regularly examines the economic rationality and other factors of each individual stock based on the significance of holding the stock and the capital cost and verifies the appropriateness of such holding from a medium- to long-term perspective. As a result of the verification, we will consider selling stocks for which the appropriateness of holding is not recognized, and work to reduce the amount. Most recently, at its meeting on June 26, 2024, the Board of Directors completed its review of the situation as of March 31, 2024.

Strategic Shareholdings at the End of the Fiscal Year

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Number of issues	49	49	45	45	45
Balance sheet amounts (Million yen)	20,213	30,693	20,942	21,170	29,090

Note: The increase in the amount recorded on the balance sheet from FYE 2020 to FYE 2021 and FYE 2023 to FYE 2024 was due to an increase in the market value of strategic shareholdings as a result of a rise in stock prices.

Messages from Outside Directors

Ready to Put Profits on a V-Shaped Track

Outside Director
Masahiro Sugino



Brief profile

Appointed to the position of Makita Outside Director in June 2015. Outside Director Sugino has an intimate knowledge of corporate management gained through many years of involvement running the LIXIL Group, including INAX Corporation. He currently serves as Chair of the Nomination and Compensation Committee.

In FYE 2024, how successful was the Company in implementing measures in line with the keywords, "Eliminating Waste and Inventory Optimization?"

Along with continued adjustments in production throughout the year, Makita was able to make necessary reductions in personnel and pare down the excess procurement of parts and materials while simultaneously creating a production system in line with the Company-wide "Eliminating Waste and Inventory Optimization" policy, resulting in a significantly improved cost-of-sales ratio. The company was also able to restore the operating profit ratio to 8.9% by pursuing customer-oriented sales activities and reducing the cost of sales and general expenses while minimizing distribution inventory. I think the recovery in operating profit is particularly noteworthy. Through collaborative efforts spanning engineering, manufacturing, and sales, we were able to strengthen our profit structure and bring total inventory down to an appropriate level.

From a management perspective, do you think that Makita has strengthened its structure enough to be able to handle a recovery in demand?

Amidst a difficult demand environment over the past year, while the Company continued reducing production to optimize its inventory levels, it also made thoroughgoing efforts to eliminate waste, resulting in an improved cost structure, reduced cost-of-sales ratio, and sustained management efficiency. Therefore, I believe that Makita has made good progress in strengthening its profit structure and feel it is in position to get profits back on a V-shaped recovery track with improved demand. Moving forward, the Company will

continue focusing on maintaining appropriate inventory levels while further strengthening sales through the development overseas markets and creation of demand. In addition, Makita will direct efforts into product development to meet such demand. I hope that by implementing even more Company-wide productivity measures, Makita will further ensure the resilience of our profit structure against demand fluctuations.

What role does the Nomination and Compensation Committee play in enhancing Makita's corporate value?

Many consider corporations to have a duty toward society. Investors expect strong governance and they especially demand transparency in decision-making processes affecting the nomination of candidates for directors and director compensation. Makita has risen to these expectations by establishing the Nomination and Compensation Committee, with Outside Directors making up the majority, to strengthen governance and ensure transparency while also enhancing corporate value. This committee discusses and determines policy related to the nomination of candidates for directors and director compensation and submits its conclusions to the Board of Directors for approval. I believe that improving this committee's effectiveness will further enhance governance, leading to growth and increased corporate value at Makita.

What additional efforts do you think should be made so that Makita achieves its long-term goal of being a "Strong Company?"

One of Makita's strengths is that it has customers all over the world and, based on a thorough "customer first" management philosophy, it is able to develop proactive management that can flexibly respond to changes in the demand environment everywhere it does business. In this context, it is important to pursue further progress in the cost structure reform and profitability strengthening efforts that have been undertaken over the past year. At the same time, in order to further develop markets, I would like to see Makita further hone its strengths in product development and improvement technologies that proactively address market needs. I believe that contributing to decarbonization through Makita's expanded cordless products, contributing to a sustainable, diverse society, and implementing ESG management that further increases our social value, will help Makita truly become a "Strong Company."

Makita Should Make the Most of its great Teamwork

Outside Director
Takahiro Iwase



Brief profile

Appointed to the position of Makita Outside Director in June 2021. Outside Director Iwase has an intimate knowledge of corporate management gained through many years of involvement in the Toyota Group, including TOYOTA MOTOR CORPORATION.

For FYE 2025, the Company-wide keyword will be achieving "Optimization". What efforts do you think will be needed on the manufacturing side?

Reflecting Makita's long-term goal of being a "Strong Company," "Optimization" was chosen as a Company-wide keyword for FYE 2025, and all departments have been working together to promote this concept. I believe that teamwork is one of Makita's strengths, one that enables the Company to push ahead toward its goals through interdepartmental collaboration. I have been involved with the manufacturing department for many years, and from that perspective, I believe we need to continue increasing productivity through improvements in the overall efficiency of how equipment, space, people, and time are used.

To this end, it is important for the three heads of manufacturing, production technology, and production to work together to visualize issues, continually make improvements on an everyday basis, and demonstrate on-site, tangible, observable management between departments and workplaces towards these efforts.

What efforts do you think will be necessary to cultivate human resources and improve productivity for manufacturing?

From the management perspective, the company needs to continue to raise wages and improve employee engagement to ensure a sustainable future. One key to achieving this is improving productivity across all indirect departments.

Productivity is defined as production output volume divided by input volume. To improve productivity, Makita must consider how to minimize input (the denominator) and maximize output (the numerator).

In my experience, minimizing input means eliminating the need for redoing work and completing work in-house, while maximizing output means creating new added value through work we are already doing and getting to know the customer even better will be critical.

I am looking forward to seeing Makita make the most of its strengths through excellent teamwork oriented toward realizing the concepts encapsulated in its Company-wide keywords.

Further Refine Makita's Robust Business Structure

Outside Director
Audit & Supervisory Committee Member
Shoji Inoue



Brief profile

Appointed to the position of Makita Outside Director (Audit & Supervisory Committee Member) in June 2021. Outside Director Inoue has extensive knowledge and expertise gained through his practice as an attorney at law and he audits and supervises the Company based on such experience.

How would you evaluate Makita's global governance? What strengths would you like the Company to utilize and what issues should be addressed to achieve its long-term goal of being a "Strong Company?"

During interviews with departments as an Audit & Supervisory Committee Member, it was surprising to learn that a significant number of people in almost every department have international work experience. Makita truly sends a lot of employees abroad.

Makita's global governance is ensured by this high number of staff sent from Japan to overseas subsidiaries to support management. In other words, I believe its governance is achieved by ensuring collaboration with the local staff.

Maintaining both management and governance overseas with different corporate cultures is quite difficult, but Makita's Japanese staff have managed to do so to an excellent standard. I also believe

that having staff cultivated in such an international environment supports Makita's global governance as well as its long-term goal of being a "Strong Company." I hope that this strong corporate culture will continue to be refined.

How would you evaluate the efforts being made to improve the effectiveness of the Board of Directors?

Makita's chair of the Board of Directors typically reports on global social and market conditions and discusses the direction Makita should take. Based on reports from each department, a question and answer session is held and opinions are exchanged, including with Outside Directors. I think this demonstrates that the Board of Directors effectively fulfills both its supervisory and management functions.

To further enhance the Board's effectiveness, it must continue to function as a team, and I believe communication between each member is essential for this. As a member of the legal community, I would like to promote communication within the Board as well as monitor risks from a third-party perspective.

How would you evaluate the activities of the Nomination and Compensation Committee?

Makita's Nomination and Compensation Committee was established in December 2020, and I have been a member of the committee since June 2023. Outside Directors make up the majority of the committee, and the chair is also an Outside Director. At the committee meetings, Internal Directors explain agenda items in detail and deliberations on these items are thorough. This process is sufficiently objective, and I believe that the committee is fulfilling its function as an advisory body to the Board of Directors.

Makita's System Enables Us to Quickly Understand Important Management Issues

Outside Director
Audit & Supervisory Committee Member
Ayumi Ujihara



Brief profile

Appointed to the position of Makita Outside Director (Audit & Supervisory Committee Member) in June 2023. Outside Director Ujihara has an intimate knowledge of finance and accounting gained through many years of involvement in audits of global companies as a certified public accountant.

What comments or suggestions have you offered during Board of Directors meetings that were based on your own experience?

My impression of Makita's Board of Directors is that the none of the directors, internal or outside, have any hesitation in asking questions and exchanging opinions. Internal Directors report on their areas of responsibility at every Board meeting. Makita has a wide range of international operations, and directors actively visit business sites to check on things in person, reporting to the Board on their conclusions. I think this system allows us to quickly understand important management issues.

Personally, over the past year I have applied my experience working with a number of companies as a certified public accountant to ask questions and make suggestions, focusing on efforts to improve Makita's financial position, such as in matters relating to compliance systems, internal controls, and inventory reductions.

What efforts do you think should be made to improve the effectiveness of the Board of Directors?

I think it would be beneficial to focus on seeing and hearing things directly on-site. During operational audits I have carried out as an Audit & Supervisory Committee Member, I have spoken directly with the heads of each department within the Company, and I have also audited business sites abroad. These activities have made me eager to further improve my understanding of Makita, contribute to the effectiveness of the Board, and assist in efforts to enhance the Company's corporate value. When I conduct accounting audits as a certified public accountant, it is necessary to step back and evaluate the Company objectively, and, as an Outside Director, I would also like to take external stakeholders' perspectives into account.

What are your thoughts on promoting women's advancement?

I believe that a work environment in which female employees can work comfortably is a workplace that benefits everyone. Makita's target is 3% or more female managers by FYE 2030, and the Company has already begun working towards this goal.

I attended a Women's Career Design Seminar that was held in March 2024, and the participants exchanged lively discussions. During operational audits, I also had the opportunity to speak with female employees in multiple departments, and I felt that many of them were very talented.

In order for female employees to gain motivation and demonstrate their abilities, it is necessary to communicate with them in all work areas.

I believe that the key to the promotion of women's advancement is for the Company to consider the support that should be provided according to their needs and take action.

Corporate Governance

Dialogue with Shareholders and Investors

The Director, Corporate Officer, and General Manager of Administration Headquarters has general oversight over dialogue with shareholders and investors. The IR department and the finance, legal, and internal audit departments collaborate with each other, reviewing and sharing disclosure information and preparing disclosure materials, to facilitate constructive dialogue with shareholders.

In addition to individual dialogues with shareholders and investors, we hold a briefing session for each quarter's financial results. Twice a year (at the end of the interim period and at the end of the fiscal year), the president gives a presentation, with presentation materials published on our website. The ratio of shares held by foreign institutions and individuals is over 40%, so the Company actively discloses information in English, including its financial statements, timely disclosure documents, notices of convocation of the general meeting of shareholders, materials for financial results briefings, Corporate Governance Reports, and Company publications (corporate profile, integrated reports such as this report, and environmental reports). The Company also translates major items (consolidated financial statements and notes, business risks, etc.) from its annual securities report.

In FYE 2024, in addition to quarterly financial results briefings, management held 21 meetings with shareholders and investors. In addition to this, we actively engaged in dialogue with shareholders and investors through individual meetings with IR staff and participated in conferences sponsored by securities firms. Also, we analyzed the exercise of voting rights at shareholders' meetings and provided necessary feedback to management on the opinions of shareholders and investors obtained through dialogue to ensure sustainable growth and enhance corporate value over the medium to long term.

Compliance

Makita upholds a philosophy of "striving to exist in harmony with society," an approach it applies uniformly and that is reflected in our Management Policy/Quality Policy. As such, we thoroughly ensure that officers and employees comply with legal, regulatory, and ethical principles. Makita's Code of Ethics and Guideline to the

Code of Ethics for Makita, which outline the conduct expected of Group officers and employees, stipulate the importance of ethical conduct, avoiding conflicts of interest, complying with relevant laws and social standards, properly disclosing information, respecting human rights, restricting gifts and incentives, prohibiting bribes, and prohibiting unfair business transactions. Employees are provided with regular information and ongoing training about Makita's Code of Ethics and Guideline to the Code of Ethics for Makita. In order to instill an awareness of the importance of compliance, employees are given an Ethical Compliance Survey, while new hires and newly appointed managers are provided with compliance training.

In order to minimize, pre-empt, quickly discover, and resolve conduct in violation of the Code of Ethics, Makita has established regulations regarding a Corporate Ethics Helpline (Internal Reporting) in addition to an internal hotline as well as an external contact for employees making reports. We have also established a point of contact on the Company website for receiving external feedback and suggestions related to accounting, internal control, and audits. Thorough measures are taken in accordance with the regulations to protect whistleblowers so that they do not incur any disadvantage for reporting to the Corporate Ethics Helpline. If necessary, the content of the reports is also shared within the Company, and steps are taken to remedy and prevent recurrence of the matter in question.

Status of Internal Audits

As an independent organization in charge of the Group's internal audits, the Internal Audit Division has a staff of more than 10 and conducts the internal audits necessary to maintain management soundness. Results of audits are reported to the Audit & Supervisory Committee and to management personnel. Furthermore, we have built a framework for making timely and appropriate revisions when inadequacies in the internal control system are discovered through internal audits.

Risk Management

Makita strives to identify and manage risks with a material impact on business activities while also pursuing a commitment to being a company that is resilient to crises.

Makita's Disclosure Committee, which identifies and investigates risks in the Group's business activities, holds annual meetings. These meetings are attended by representative Directors, the Director in charge, Standing Audit & Supervisory Committee Members, and General Managers of the Internal Audit Division and respective departments of the Company.

Each Director exercises authority and takes responsibility for implementing the Group-wide risk management framework in their own division, and also reports to the Board of Directors when a situation occurs that is material to business management. In each division, regulations and guidelines are stipulated and followed in order to carry out risk management necessary for quality control, disaster prevention, capital utilization, and the like.

Amidst concern in recent years over the occurrence of major earthquakes and other natural disasters, Makita recognizes that being able to respond to disasters is a critical issue. Makita has formed a Fire & Disaster Management Committee comprising Directors and the heads of relevant divisions and has formulated disaster prevention regulations with this committee at the center. These disaster prevention regulations and other measures, which are reviewed regularly, define steps for disaster prevention, emergency response measures, and disaster recovery efforts. Similarly, these regulations and measures outline a business continuity plan (BCP) for times of disaster. The target organizations and scope of this plan are also reviewed as necessary.

Risks & Opportunities Relevant to Makita

Relevant Risks & Opportunities	Details	
Changes to the social climate/ market environment	Risk	• Deterioration of the market environment due to worsening economic conditions, social disorder, enactment or changes to laws and regulations, and the like
	Opportunity	• New demand accompanying environmental changes such as labor shortages and the post-COVID-19 "new normal"
Natural disasters	Risk	• Performance deterioration due to large-scale natural disasters, such as earthquakes, floods, fires, and so on • Drastic performance deterioration due to natural disasters in Japan and/or China, where our core business operations are concentrated
	Opportunity	• Increased demand for products and services that contribute to early recovery from natural disasters and peace of mind in times of disaster
Global competition	Risk	• Loss of competitive strength
	Opportunity	• Improved profitability from consolidating competitive superiority
Technology & products	Risk	• Decline in new product development able to meet changing market needs • Delays in product development attuned to market prices • Large-scale recall(s) due to unforeseen product defects; damage liability lawsuit(s); major decline in brand trustworthiness
	Opportunity	• Improved brand strength due to delivering customer satisfaction • Demand creation and acquisition of growth opportunities through new products
Procurement	Risk	• Production shortages and rises in production material costs • Delayed launch of new product sales due to component suppliers not meeting Makita's requirements, or due to taking too long to meet those requirements
	Opportunity	• Improved competitive strength and profits due to stronger relationships with suppliers and/or discovering new suppliers
Relationships with major customers	Risk	• Loss of major customer(s) and a corresponding loss of opportunities to unlock sales channels • Deterioration of the financial position of customer(s)
	Opportunity	• Increased sales due to stronger relationships with major customer(s)
Environment (incl. climate change)	Risk	• Strengthening/adoption of regulations related to global warming, climate change, and so on
	Opportunity	• Increased demand for environmentally friendly products that contribute to decarbonization

10-Year Summary

(For the years ended March 31)

	(Million yen)			
U.S. GAAP	2015	2016	2017	2018
Net sales	¥ 414,718	¥ 423,623	¥ 414,999	¥ 477,298
Domestic	67,740	68,445	74,381	82,575
Overseas	346,978	355,178	340,618	394,723
Operating income	71,905	64,676	62,564	79,762
Income before income taxes	68,394	61,492	64,738	79,678
Net income attributable to Makita Corporation	45,307	41,615	44,782	54,755
Net cash provided by (used in) operating activities	¥ 35,894	¥ 34,188	¥ 63,351	¥ 33,294
Net cash provided by (used in) investing activities	(20,096)	(6,573)	(5,015)	(14,811)
Free cash flows	15,798	27,615	58,336	18,483
Net cash provided by (used in) financing activities	(12,017)	(18,719)	(9,495)	(17,743)
Capital expenditures	¥ 12,124	¥ 11,769	¥ 13,222	¥ 14,149
Depreciation and amortization	8,619	9,284	8,943	9,917
R&D costs	9,117	9,593	10,139	10,894
Total assets	¥ 575,328	¥ 558,024	¥ 597,249	¥ 651,031
Net working capital	358,245	362,675	374,297	415,979
Total Makita Corporation shareholders' equity	486,021	479,752	502,170	551,939
Interest-bearing debt	5,030	2,225	6,597	3,544

Per share amounts

(Yen)

Earnings per share (basic) net income attributable to Makita Corporation common shareholders	¥ 166.89	¥ 153.30	¥ 164.96	¥ 201.70
Total Makita Corporation shareholders' equity per share	1,790.33	1,767.26	1,849.88	2,033.16
Cash dividends applicable to the year per share	118.00	101.00	100.00	61.00

Other data

Ratio of operating income to net sales	17.3%	15.3%	15.1%	16.7%
ROE	9.8%	8.6%	9.1%	10.4%
ROA	8.3%	7.3%	7.8%	8.8%
Total Makita Corporation shareholders' equity ratio to total assets	84.5%	86.0%	84.1%	84.8%
Average number of shares outstanding	271,472,428	271,468,232	271,463,676	271,465,951
Number of shares issued excluding treasury shares	271,469,736	271,466,522	271,460,572	271,467,928
Employees	13,835	14,784	15,344	16,137

IFRS

Revenue	
Domestic	
Overseas	
Operating profit	
Profit before income taxes	
Profit attributable to owners of the parent	
Net cash provided by (used in) operating activities	
Net cash provided by (used in) investing activities	
Free cash flows	
Net cash provided by (used in) financing activities	
Capital expenditures	
Depreciation and amortization	
R&D costs	
Total assets	
Net working capital	
Equity attributable to owners of the parent	
Interest-bearing debt	

Per share amounts

Profit attributable to owners of the parent per share (basic)	
Equity attributable to owners of the parent per share	
Cash dividends applicable to the year per share	

Other data

Ratio of operating profit to revenue	
ROE	
ROA	
Ratio of equity attributable to owners of the parent to total assets	
Average number of shares outstanding	
Number of shares issued excluding treasury shares	
Employees	

Notes: 1. Earnings per share (basic) net income attributable to Makita Corporation common shareholders and profit attributable to owners of the parent per share (basic) are computed based on the average number of shares outstanding

2. Figures are rounded up/down to the nearest million yen.

3. On April 1, 2017, Makita conducted a 2 for 1 stock split of its common shares. Earnings per share (basic) net income attributable to Makita Corporation common shareholders, total Makita Corporation shareholders' equity per share, average number of shares outstanding, and number of shares issued excluding treasury shares were calculated assuming that the stock split was also conducted in prior years. Cash dividends applicable to the year per share show the actual amount of the dividend before the stock split.

(Million yen)

2018	2019	2020	2021	2022	2023	2024
¥ 477,298	¥ 490,578	¥ 492,617	¥ 608,331	¥ 739,260	¥ 764,702	¥ 741,391
82,575	92,129	100,697	113,048	118,050	122,978	123,222
394,723	398,449	391,920	495,283	621,210	641,724	618,169
80,231	78,305	64,046	88,464	91,728	28,246	66,169
79,865	79,919	66,008	87,199	92,483	23,887	64,017
54,943	55,750	47,731	62,018	64,770	11,705	43,691
¥ 34,191	¥ 23,155	¥ 57,310	¥ 64,537	¥ (103,660)	¥ 44,430	¥ 237,086
(15,708)	(15,329)	(30,506)	(42,913)	(27,891)	(37,680)	(25,619)
18,483	7,826	26,804	21,624	(131,551)	6,750	211,467
(17,743)	(8,231)	(22,931)	(23,036)	52,626	80,970	(191,277)
¥ 15,045	¥ 23,867	¥ 44,409	¥ 49,855	¥ 59,937	¥ 39,088	¥17,851
10,783	11,271	12,058	13,881	17,639	21,725	24,754
10,924	11,258	11,601	12,783	14,145	14,903	14,314
¥ 654,841	¥ 680,250	¥ 674,564	¥ 812,878	¥1,007,497	¥1,099,351	¥1,055,808
398,355	402,335	381,090	418,530	460,794	461,846	548,160
554,046	572,748	571,275	657,855	746,344	769,247	868,156
3,544	11,960	19,737	16,455	96,462	203,615	40,316

(Yen)

¥ 202.39	¥ 205.37	¥ 175.80	¥ 228.41	¥ 238.54	¥ 43.11	¥ 162.13
2,040.93	2,109.83	2,104.01	2,422.80	2,748.64	2,832.89	3,227.06
61.00	62.00	53.00	69.00	72.00	21.00	57.00

16.8%	16.0%	13.0%	14.5%	12.4%	3.7%	8.9%
10.4%	9.9%	8.3%	10.1%	9.2%	1.5%	5.3%
8.8%	8.4%	7.0%	8.3%	7.1%	1.1%	4.1%
84.6%	84.2%	84.7%	80.9%	74.1%	70.0%	82.2%
271,465,951	271,467,574	271,502,528	271,524,393	271,530,966	271,539,104	269,484,912
271,467,928	271,467,057	271,516,990	271,527,124	271,532,459	271,541,846	269,023,899
16,137	16,424	17,090	18,624	20,233	18,804	17,669

4. ROE is calculated based on the following:

U.S. GAAP: Net income attributable to Makita Corporation ÷ ((Total Makita Corporation shareholders' equity at the beginning of period + Total Makita Corporation shareholders' equity at the end of period) ÷ 2) × 100

IFRS: Profit attributable to owners of the parent ÷ ((Equity attributable to owners of the parent at the beginning of period + Equity attributable to owners of the parent at the end of period) ÷ 2) × 100

5. ROA is calculated based on the following:

U.S. GAAP: Net income attributable to Makita Corporation ÷ ((Total assets at the beginning of period + Total assets at the end of period) ÷ 2) × 100

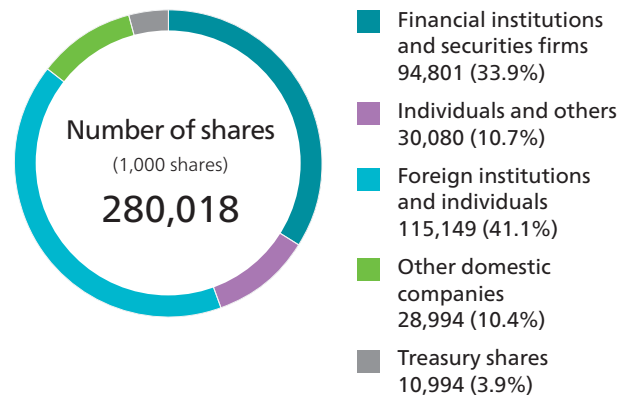
IFRS: Profit attributable to owners of the parent ÷ ((Total assets at the beginning of period + Total assets at the end of period) ÷ 2) × 100

Stock Information

(As of March 31, 2024)

Securities Code	6586
Stock Market Listings	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)
Total Number of Shares Outstanding	Common shares 280,017,520 (including treasury shares of 10,993,621 shares)
Number of Shareholders	18,200

Breakdown of Shareholders

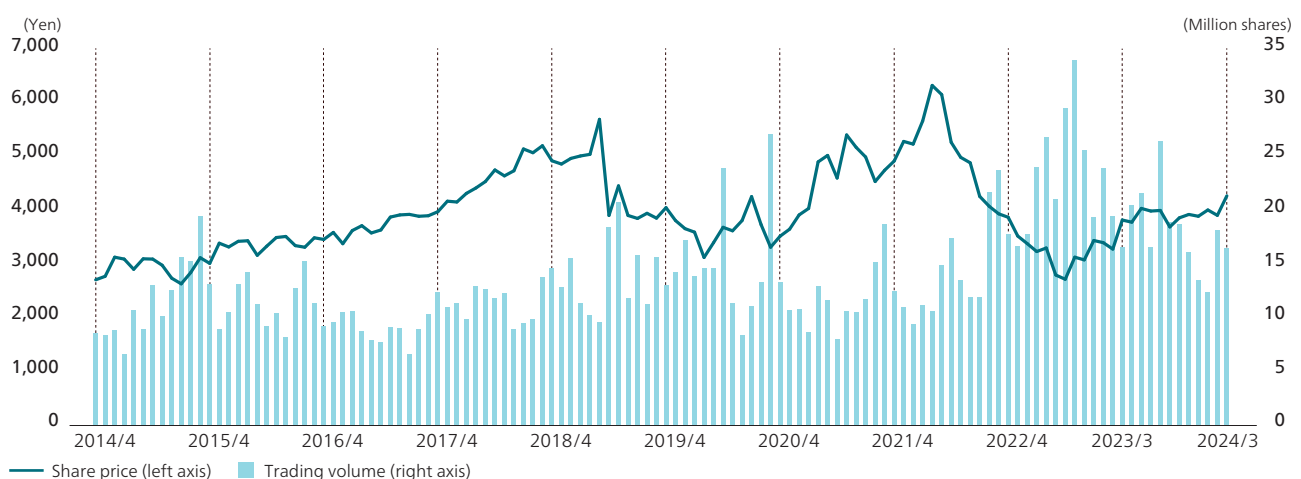


Major Shareholders (Top Ten)

Name	Number of Shares Held (1,000 shares)	Ratio of Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	37,313	13.86
Custody Bank of Japan, Ltd. (Trust Account)	13,925	5.17
Maruwa, Ltd.	8,638	3.21
MUFG Bank, Ltd.	8,426	3.13
BNYM AS AGT/CLTS NON TREATY JASDEC	6,424	2.38
Makita Cooperation Companies' Investment Association	5,921	2.20
Sumitomo Mitsui Banking Corporation	5,800	2.15
Nippon Life Insurance Company	5,353	1.98
National Mutual Insurance Federation of Agricultural Cooperatives	5,102	1.89
STATE STREET BANK WEST CLIENT – TREATY 505234	4,088	1.51

Note: The ratio of shareholding is calculated based on the total number of outstanding shares (excluding treasury shares) as of the end of the fiscal period.

Share Price Trend



Notes: 1. On April 1, 2017, Makita conducted a 2 for 1 stock split of its common shares. For ease of comparison, the share price is the value after taking the stock split into account.
2. The share price is the closing price at the end of each month.

Corporate Data

(As of March 31, 2024)

Corporate Name	Makita Corporation	
Head Office	3-11-8, Sumiyoshi-cho, Anjo, Aichi 446-8502, Japan Telephone: +81 566 98 1711	
URL	https://www.makita.biz/	
Date of Founding	March 21, 1915	
Date of Incorporation	December 10, 1938	
Paid-in Capital	24,205,610 thousand yen	
Description of Business	Production and sales of electric power tools, outdoor power equipment, pneumatic tools and household equipment	
Financial Year-end	March 31	
Representative Director (As of June 26, 2024)	President Munetoshi Goto	
Accounting Auditor	KPMG AZSA LLC	
Consolidated Revenue	741,391 million yen (fiscal year ended March 31, 2024)	
Number of Employees (Consolidated basis)	17,669	
Consolidated Subsidiaries	53	
Principal Consolidated Subsidiaries	Sales subsidiaries	Sales and production subsidiary
	Makita U.S.A. Inc.	Makita (China) Co., Ltd.
	Makita (U.K.) Ltd.	Production subsidiaries
	Makita Werkzeug GmbH (Germany)	Makita (Kunshan) Co., Ltd.
	Makita France SAS	SC Makita EU SRL (Romania)
	Makita Oy (Finland)	Technology development subsidiary
		Makita Engineering Korea Co., Ltd.
		Procurement subsidiary
		Makita International Procurement Co., Ltd. (Taiwan)



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