



Makita Corporation

Consolidated Financial Results
for the six months
ended September 30, 2015
(U.S. GAAP Financial Information)

(English translation of "KESSAN TANSHIN")

originally issued in Japanese)



CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2015 (Unaudited)

October 30, 2015

Makita Corporation

Stock code: 6586

URL: <http://www.makita.co.jp/>

Shiro Hori, President, Representative Director

1. Summary operating results of the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

(1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the six months ended September 30, 2014		For the six months ended September 30, 2015	
		(%)		(%)
Net sales.....	207,642	11.7	217,187	4.6
Operating income	37,986	47.7	34,545	(9.1)
Income before income taxes	37,094	37.3	30,853	(16.8)
Net income attributable to Makita Corporation	25,505	33.5	21,487	(15.8)
Comprehensive income	35,950	(1.2)	16,064	(55.3)
Yen				
Earning per share net income attributable to Makita Corporation common shareholders				
(Basic).....	187.90		158.30	
(Diluted)	-		158.30	

Notes:

- Amounts of less than one million yen have been rounded.
- The table above shows the changes in the percentage ratio of net sales, operating income, income before income taxes, net income attributable to Makita Corporation, and comprehensive income against the corresponding period of the previous year.

(2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2015	As of September 30, 2015
Total assets.....	575,328	576,395
Total equity	489,585	491,906
Total Makita Corporation shareholders' equity	486,021	488,315
Total Makita Corporation shareholders' equity ratio to total assets (%)	84.5%	84.7%

2. Dividend Information

	Yen	
	For the year ended March 31, 2015	For the year ending March 31, 2016 (Forecast)
Cash dividend per share:		
Interim.....	18.00	18.00
Year-end	100.00	(Note)
Total	118.00	(Note)

Notes:

- The forecast for cash dividend announced on April 28, 2015 has not been revised.
- The projected amount of dividends for the year ending March 31, 2016 has not been determined yet. For further details, refer to "Explanation regarding proper use of business forecast, and other significant matters" on page 3.



3. Consolidated Financial Performance Forecast for the year ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

	Yen (millions)	
	For the year ending March 31, 2016	
		%
Net sales.....	416,000	0.3
Operating income	61,500	(14.5)
Income before income taxes	58,000	(15.2)
Net income attributable to Makita Corporation.....	39,800	(12.2)
Yen		
Earning per share (Basic)		
Net income attributable to Makita Corporation common shareholders.....	293.22	

Note:

The consolidated financial forecast for the year ending March 31, 2016 has been revised.

4. Other

(Refer to [Qualitative Information and Financial Statements] Section 4. "Other" on page 5.)

- (1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None
- (2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, procedures and presentation rules applied in the preparation of the quarterly consolidated financial statements:
 1. Changes due to revisions to accounting standards: None
 2. Changes due to other reasons: None
- (4) Number of shares outstanding (common stock)
 1. Number of shares issued (including treasury stock):

As of September 30, 2015:	140,008,760
As of March 31, 2015:	140,008,760
 2. Number of treasury stock:

As of September 30, 2015:	4,274,567
As of March 31, 2015:	4,273,892
 3. Average number of shares outstanding:

For the six months ended September 30, 2015:	135,734,489
For the six months ended September 30, 2014:	135,736,926



Information regarding quarterly review

This consolidated financial results report is not subject to a quarterly review stipulated under the Financial Instruments and Exchange Act. As of the release date of this document, the quarterly review under the Financial Instruments and Exchange Act has not been completed.

Explanation regarding proper use of business forecasts, and other significant matters

1. Regarding the assumptions for the forecasts and other matters, refer to [Qualitative Information and Financial Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 5. The financial forecast given above is based on information as available at the present time, and includes potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary from the forecasts provided above.
2. Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 18 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on consolidated net income attributable to Makita Corporation after certain adjustments.

The Board of Directors plans to meet in April 2016 for a report on earnings for the year ending March 31, 2016. At the time, in accordance with the basic policy regarding profit distribution mentioned above, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income attributable to Makita Corporation. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2016.

The consolidated dividend payout ratio is calculated as annual dividends per share divided by consolidated net income attributable to Makita Corporation per share (after adjustments for special circumstances) and multiplied by 100.



[Qualitative Information and Financial Statements]

1. Explanation of Consolidated Operating Results

Looking at the global economic situation during the first six-month period of the fiscal year ending March 31, 2016, the Western European economy remained solid mainly in the major countries, while the Russian economy remained sluggish due to such factors as the impact of lower oil prices and a weaker ruble. The US economy was on a recovery trend on the back of robust consumer spending and housing investment. In Asia, the Chinese economy slowed down, leading to sluggishness of the economies of neighboring countries. Meanwhile, the Japanese economy was on a gradual recovery trend due to factors such as higher corporate earnings and an improved employment situation, despite sluggish consumer spending.

Under these circumstances, on the development side, Makita was aggressive about developing new products. Among those launched in the year were high-capacity lithium ion batteries and rechargeable electric power tools that are compact in size but achieve high output with the installation of brushless electric motors. On the production side, overseas factories strove to reduce costs while raising local content ratios. To improve product quality and enhance productivity, we worked on introducing facilities that require less manpower in each factory worldwide. On the sales side, while we continued to carry out intensive sales activities in Japan based on our network of 114 business locations nationwide, we strove to disseminate the Makita brand abroad by offering the most appropriate products and services from our vast family of products to accommodate the different needs in different countries and regions, as well as maintain and improve our customer-based sales and after-sales services through various efforts including establishment of our first sales branch in Bolivia.

Our consolidated net sales for this period increased by 4.6% to 217,187 million yen compared to the same period of the previous year due to robust sales in overseas markets as well as general depreciation of the yen compared with the same period of the previous year. Operating income decreased by 9.1% to 34,545 million yen (operating income ratio: 15.9%), owing to deterioration in the cost-of-sales ratio due to the influence of exchange rate. Income before income taxes decreased by 16.8% to 30,853 million yen (income before income taxes ratio: 14.2%) and net income attributable to Makita Corporation shareholders decreased by 15.8% to 21,487 million yen (ratio of net income attributable to Makita Corporation shareholders: 9.9%) since non-operating expenses increased due to valuation losses on securities.

Net sales in Japan increased by 0.4% to 32,560 million yen compared to the same period of the previous year. This was due to factors such as a further expansion of the lithium-ion battery product line and aggressive launches of new products.

Net sales in Europe increased by 0.4% to 91,506 million yen. This was due to robust sales in major Western European countries such as Germany, despite sluggish sales to Russia.

Net sales in North America increased by 23.0% to 34,466 million yen. This was due to robust demand for electric power tools as the economy recovered in the US, as well as the yen's depreciation against the US dollar compared to the same period of the previous year.

Net sales in Asia increased by 4.6% to 20,641 million yen. This was due to robust sales in countries such as Vietnam and the yen's depreciation against local currencies, despite sluggish demand in some countries due to the slowdown of the Chinese economy.

The sales situations in other regions are as follows. Net sales in Central and South America decreased by 3.2% to 14,817 million yen compared to the previous year due to the yen's appreciation against local currencies, despite efforts to expand sales amid sluggish markets. Net sales in Oceania increased by 9.5% to 12,168 million yen on the back of robust sales. Net sales in the Middle East and Africa increased by 10.9% to 11,029 million yen due to the yen's depreciation against local currencies, despite the impact of political unrest, etc.



2. Explanation of Consolidated Financial Position

Total assets as of September 30, 2015 increased by 1,067 million yen to 576,395 million yen compared to the balance as of March 31, 2015. The increase was mainly due to an increase in “Inventories”.

Total liabilities as of September 30, 2015 decreased by 1,254 million yen to 84,489 million yen compared to the balance as of March 31, 2015. The decrease was mainly due to a decrease in “Trade notes and accounts payable”.

Total equity as of September 30, 2015 increased by 2,321 million yen to 491,906 million yen compared to the balance as of March 31, 2015. This increase was mainly due to an increase in “Retained earnings”.

3. Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast

The consolidated financial forecast for the year ending March 31, 2016 has been revised, because consolidated financial results for the first six months period of the fiscal year 2016 (April 1, 2015 to March 31, 2016) were steady, though the future of the demand trend and the exchange rate environment remain unclear.

Revised Forecast for consolidated performance during the fiscal year 2016 (From April 1, 2015 to March 31, 2016)

	Yen (millions)				Yen
	Net sales	Operating income	Income before income taxes	Net income attributable to Makita Corporation	Earning per share (Basic) Net income attributable to Makita Corporation common shareholders
Forecast announced previously (A)	400,000	56,500	53,000	36,000	265.22
Revised forecast (B)	416,000	61,500	58,000	39,800	293.22
Changes (B-A)	16,000	5,000	5,000	3,800	-
Percentage revision	4.0%	8.8%	9.4%	10.6%	-
Actual results for the previous year ended March 31, 2015	414,718	71,905	68,394	45,307	333.79

[Preconditions]

The above forecast is based on the assumption of exchange rates of 120 yen to the U.S. dollar and 125 yen to the euro for the six months period ending March 31, 2016.

The above forecast is based on the assumption of exchange rates of 121 yen to the U.S. dollar and 130 yen to the euro for the year ending March 31, 2016.

[Reference]

Our previous exchange rates that we announced on April 28, 2015 were 120 yen to the U.S. dollar and 125 yen to the euro for the year ending March 31, 2016.

The above forecast is based on information as available at the present time, and includes potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary from the forecast provided above.

4. Other

- (1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None
- (2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements:
With regard to the income tax expenses, Makita computes interim income tax expense by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes for the reporting period.
- (3) Changes in accounting principles, procedures and presentations: None



5. Consolidated Financial Statements (Unaudited)

(1) Consolidated Balance Sheets

	Yen (millions)			
	As of March 31, 2015		As of September 30, 2015	
		Composition ratio		Composition ratio
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents.....	94,529		93,348	
Time deposits.....	15,283		14,107	
Short-term investments.....	56,076		49,707	
Trade receivables-				
Notes.....	1,315		925	
Accounts.....	64,642		68,743	
Less-Allowance for doubtful receivables.....	(998)		(1,065)	
Inventories.....	175,186		184,124	
Deferred income taxes.....	6,296		6,118	
Prepaid expenses and other current assets.....	16,782		19,182	
Total current assets.....	<u>429,111</u>	74.6%	<u>435,189</u>	75.5%
PROPERTY, PLANT AND EQUIPMENT, AT COST:				
Land.....	23,104		22,791	
Building and improvements.....	96,202		98,264	
Machinery and equipment.....	91,353		93,125	
Construction in progress.....	3,237		2,870	
Sub total.....	213,896		217,050	
Less-Accumulated depreciation and amortization.....	(118,084)		(120,105)	
Total net property, plant and equipment.....	<u>95,812</u>	16.7%	<u>96,945</u>	16.8%
INVESTMENTS AND OTHER ASSETS:				
Investments.....	31,395		25,199	
Goodwill.....	721		721	
Other intangible assets, net.....	4,563		4,323	
Deferred income taxes.....	629		662	
Other assets.....	13,097		13,356	
Total investments and other assets.....	<u>50,405</u>	8.7%	<u>44,261</u>	7.7%
Total assets.....	<u>575,328</u>	100.0%	<u>576,395</u>	100.0%



	Yen (millions)			
	As of March 31, 2015		As of September 30, 2015	
		Composition ratio		Composition ratio
LIABILITIES				
CURRENT LIABILITIES:				
Short-term borrowings	4,647		4,624	
Trade notes and accounts payable	25,124		21,794	
Other payables	6,140		8,506	
Accrued expenses	10,594		10,327	
Accrued payroll	9,568		9,589	
Income taxes payable	5,353		5,505	
Deferred income taxes	1,529		446	
Other liabilities	7,911		9,180	
Total current liabilities	<u>70,866</u>	12.3%	<u>69,971</u>	12.2%
LONG-TERM LIABILITIES:				
Long-term indebtedness	383		306	
Accrued retirement and termination benefits	3,701		3,779	
Deferred income taxes	9,521		9,167	
Other liabilities	1,272		1,266	
Total long-term liabilities	<u>14,877</u>	2.6%	<u>14,518</u>	2.5%
Total liabilities	<u>85,743</u>	14.9%	<u>84,489</u>	14.7%
EQUITY				
MAKITA CORPORATION SHAREHOLDERS' EQUITY:				
Common stock	23,805		23,805	
Additional paid-in capital	45,421		45,433	
Legal reserve	5,669		5,669	
Retained earnings	399,874		407,788	
Accumulated other comprehensive income	22,842		17,215	
Treasury stock, at cost	(11,590)		(11,595)	
Total Makita Corporation shareholders' equity	<u>486,021</u>	84.5%	<u>488,315</u>	84.7%
NON-CONTROLLING INTEREST	<u>3,564</u>	0.6%	<u>3,591</u>	0.6%
Total equity	<u>489,585</u>	85.1%	<u>491,906</u>	85.3%
Total liabilities and equity	<u>575,328</u>	100.0%	<u>576,395</u>	100.0%
<hr/>				
	As of March 31, 2015		As of September 30, 2015	
Total number of shares authorized	496,000,000		496,000,000	
Number of shares issued	140,008,760		140,008,760	
Number of shares issued (excluding treasury stock)	135,734,868		135,734,193	
Number of treasury stock	4,273,892		4,274,567	



(2) Consolidated Statements of Income

	Yen (millions)			
	For the six months ended September 30, 2014		For the six months ended September 30, 2015	
	Composition ratio		Composition ratio	
NET SALES	207,642	100.0%	217,187	100.0%
Cost of sales	128,585	61.9%	137,979	63.5%
GROSS PROFIT.....	79,057	38.1%	79,208	36.5%
Selling, general, administrative and others, net.....	41,071	19.8%	44,663	20.6%
OPERATING INCOME	37,986	18.3%	34,545	15.9%
OTHER EXPENSE:				
Interest and dividend income	1,194		1,315	
Interest expense	(79)		(62)	
Exchange losses on foreign currency transactions, net	(2,098)		(1,052)	
Realized gains on securities, net.....	91		774	
Valuation losses on securities	-		(4,667)	
Total other expense, net	(892)	(0.4%)	(3,692)	(1.7%)
INCOME BEFORE INCOME TAXES	37,094	17.9%	30,853	14.2%
Provision for income taxes:				
Current.....	9,186		10,061	
Deferred.....	2,212		(823)	
Total income tax expense	11,398	5.5%	9,238	4.2%
NET INCOME.....	25,696	12.4%	21,615	10.0%
Less-Net income attributable to the non-controlling interest.....	191	0.1%	128	0.1%
NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION.....	25,505	12.3%	21,487	9.9%

Consolidated Statements of Comprehensive Income

	Yen (millions)	
	For the six months ended September 30, 2014	For the six months ended September 30, 2015
	NET INCOME.....	25,696
OTHER COMPREHENSIVE INCOME :		
Foreign currency translation adjustment	8,917	(3,646)
Unrealized holding gains (losses) on available-for-sale securities.....	1,264	(1,633)
Pension liability adjustment	73	(272)
Total other comprehensive income (loss).....	10,254	(5,551)
COMPREHENSIVE INCOME	35,950	16,064
Less-Comprehensive income attributable to the non-controlling interest.....	162	204
COMPREHENSIVE INCOME ATTRIBUTABLE TO MAKITA CORPORATION.....	35,788	15,860



(3) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the six months ended September 30, 2014	For the six months ended September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	25,696	21,615
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization.....	4,102	4,573
Deferred income tax expense (benefit).....	2,212	(823)
Realized gains on securities, net.....	(91)	(774)
Valuation losses on securities.....	-	4,667
Losses on disposal or sales of property, plant and equipment, net	109	49
Changes in assets and liabilities-		
Trade receivables.....	(1,101)	(4,748)
Inventories.....	(3,804)	(10,959)
Trade notes and accounts payable and accrued expenses.....	(1,445)	(1,431)
Income taxes payable.....	(3,747)	147
Accrued retirement and termination benefits.....	(412)	(788)
Other, net.....	1,310	(1,358)
Net cash provided by operating activities.....	22,829	10,170
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures, including interest capitalized.....	(6,807)	(6,177)
Purchases of available-for-sale securities.....	(4,994)	(2,406)
Proceeds from sales of available-for-sale securities.....	4,135	7,438
Proceeds from maturities of available-for-sale securities.....	100	500
Proceeds from maturities of held-to-maturity securities.....	1,600	300
Proceeds from sales of property, plant and equipment.....	455	139
Investment in time deposit.....	(10,937)	(12,322)
Withdrawal of time deposit.....	11,455	13,169
Other, net.....	(306)	(15)
Net cash provided by (used in) investing activities.....	(5,299)	626
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additions to borrowings with original maturities of three months or less, net.....	52	2,293
Additions to borrowings with original maturities of more than three months.....	2,272	-
Payments on borrowings with original maturities of more than three months.....	(3,203)	(2,316)
Purchase of treasury stock, net.....	(9)	(5)
Cash dividends paid.....	(9,909)	(13,573)
Other, net.....	(76)	(155)
Net cash used in financing activities.....	(10,873)	(13,756)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....	3,387	1,779
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	10,044	(1,181)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD ...	81,732	94,529
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	91,776	93,348



(4) Notes on the assumptions for a going concern: None

(5) Note in case there is any significant change in the shareholders' equity: None

(6) Condensed Operating Segment Information

	Yen (millions)							
	For the six months ended September 30, 2014							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers	44,382	91,345	28,883	10,764	32,268	207,642	-	207,642
(2) Inter-segment	37,835	2,492	1,774	88,682	61	130,844	(130,844)	-
Total	<u>82,217</u>	<u>93,837</u>	<u>30,657</u>	<u>99,446</u>	<u>32,329</u>	<u>338,486</u>	<u>(130,844)</u>	<u>207,642</u>
Operating expenses	70,909	82,076	29,294	85,262	30,127	297,668	(128,012)	169,656
Operating income	11,308	11,761	1,363	14,184	2,202	40,818	(2,832)	37,986

	Yen (millions)							
	For the six months ended September 30, 2015							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers	44,859	91,643	35,458	11,714	33,513	217,187	-	217,187
(2) Inter-segment	40,668	2,439	2,119	102,085	144	147,455	(147,455)	-
Total	<u>85,527</u>	<u>94,082</u>	<u>37,577</u>	<u>113,799</u>	<u>33,657</u>	<u>364,642</u>	<u>(147,455)</u>	<u>217,187</u>
Operating expenses	75,865	86,880	36,553	99,422	32,330	331,050	(148,408)	182,642
Operating income	9,662	7,202	1,024	14,377	1,327	33,592	953	34,545



SUPPORT DOCUMENTATION (CONSOLIDATED)

1. Consolidated Financial Results and Forecast

	Yen (millions)					
	For the six months ended September 30, 2013		For the six months ended September 30, 2014		For the six months ended September 30, 2015	
		(%)		(%)		(%)
Net sales.....	185,886	22.9	207,642	11.7	217,187	4.6
Domestic	29,536	8.6	32,427	9.8	32,560	0.4
Overseas	156,350	26.0	175,215	12.1	184,627	5.4
Operating income	25,717	7.0	37,986	47.7	34,545	(9.1)
Income before income taxes	27,020	19.1	37,094	37.3	30,853	(16.8)
Net income attributable to Makita Corporation	19,104	20.3	25,505	33.5	21,487	(15.8)
Earning per share (Basic)						
Net income attributable to Makita Corporation						
common shareholders (Yen)	140.74		187.90		158.30	
Cash dividend per share (Yen).....	18.00		18.00		18.00	
Dividend payout ratio (%)	12.8		9.6		11.4	
Number of Employees	12,746		13,180		14,332	

	Yen (millions)			
	For the year ended March 31, 2015		For the year ending March 31, 2016 (Forecast)	
		(%)		(%)
Net sales.....	414,718	8.2	416,000	0.3
Domestic	67,740	2.6	65,800	(2.9)
Overseas	346,978	9.4	350,200	0.9
Operating income	71,905	30.9	61,500	(14.5)
Income before income taxes	68,394	20.0	58,000	(15.2)
Net income attributable to Makita Corporation	45,307	17.8	39,800	(12.2)
Earning per share (Basic)				
Net income attributable to Makita Corporation				
common shareholders (Yen)	333.79		293.22	
Cash dividend per share (Yen).....	118.00		-	
Dividend payout ratio (%)	35.4		-	
Number of Employees	13,835		-	

Notes:

1. The table above shows the changes in the percentage ratio of Net sales, Operating income, Income before income taxes, and Net income attributable to Makita Corporation against the corresponding period of the previous year.
2. Please refer to [Qualitative Information and Financial Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 5.



2. Consolidated Net Sales by Geographic Area

	Yen (millions)					
	For the six months ended September 30, 2013		For the six months ended September 30, 2014		For the six months ended September 30, 2015	
		(%)		(%)		(%)
Japan	29,536	8.6	32,427	9.8	32,560	0.4
Europe	82,325	33.5	91,105	10.7	91,506	0.4
North America	24,561	26.6	28,026	14.1	34,466	23.0
Asia	16,500	15.8	19,725	19.5	20,641	4.6
Other regions	32,964	14.8	36,359	10.3	38,014	4.6
Central and South America	14,564	32.3	15,299	5.0	14,817	(3.2)
Oceania	9,863	6.9	11,116	12.7	12,168	9.5
The Middle East and Africa	8,537	0.7	9,944	16.5	11,029	10.9
Total	185,886	22.9	207,642	11.7	217,187	4.6

Note: The table above sets forth Makita's consolidated net sales by geographic area based on the customer's location for the periods presented. Accordingly, it differs from "Condensed Operating Segment Information" on page 10. The table above shows the changes in the percentage ratio of net sales compared to the corresponding period of the previous year.

3. Exchange Rates

	Yen			
	For the six months ended September 30, 2013	For the six months ended September 30, 2014	For the six months ended September 30, 2015	For the year ending March 31, 2016 (Forecast)
Yen/U.S. Dollar	98.86	103.01	121.87	121
Yen/Euro	129.98	138.90	135.11	130

4. Production Ratio (unit basis)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014	For the six months ended September 30, 2015
	Composition ratio	Composition ratio	Composition ratio
Domestic	10.9%	9.9%	9.8%
Overseas	89.1%	90.1%	90.2%

5. Consolidated Capital Expenditures, Depreciation and Amortization, and R&D cost

	Yen (millions)			
	For the six months ended September 30, 2013	For the six months ended September 30, 2014	For the six months ended September 30, 2015	For the year ending March 31, 2016 (Forecast)
Capital expenditures	5,865	6,807	6,177	13,000
Depreciation and amortization	4,573	4,102	4,573	9,200
R&D cost	4,360	4,552	4,587	9,200