



# Makita Corporation

## Consolidated Financial Results for the year ended March 31, 2019 (IFRS Financial Information)

(English translation of "KESSAN TANSHIN"  
originally issued in Japanese)



## CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019 (Unaudited)

April 26, 2019

### Makita Corporation

Stock code: 6586

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

Munetoshi Goto, President, Representative Director

### 1. Summary operating results of the year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

#### (1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the year ended March 31, 2018		For the year ended March 31, 2019	
				%
Revenue.....	477,298	-	490,578	2.8
Operating profit.....	80,231	-	78,305	(2.4)
Profit before income taxes.....	79,865	-	79,919	0.1
Profit.....	55,459	-	56,191	1.3
Profit attributable to owners of the parent.....	54,943	-	55,750	1.5
Comprehensive income .....	64,402	-	35,592	(44.7)
	Yen			
Profit attributable to Owners of the parent per share				
(Basic).....	202.39		205.37	
(Diluted).....	202.37		205.34	
Ratio of profit attributable to owners of the parent to total equity attributable to owners of the parent .....	10.4%		9.9%	
Ratio of profit before income taxes to total assets.....	12.7%		12.0%	
Ratio of operating profit to revenue .....	16.8%		16.0%	

#### Notes:

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

#### (2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2018	As of March 31, 2019
Total assets .....	654,841	680,250
Total equity.....	558,439	577,222
Total equity attributable to owners of the parent.....	554,046	572,748
Ratio of equity attributable to owners of the parent to total assets (%) .....	84.6%	84.2%
	Yen	
Equity attributable to owners of the parent per share ..	2,040.93	2,109.83

#### (3) CONSOLIDATED CASH FLOWS

	Yen (millions)	
	For the year ended March 31, 2018	For the year ended March 31, 2019
Net cash provided by operating activities.....	34,191	23,155
Net cash used in investing activities.....	(15,708)	(15,329)
Net cash used in financing activities .....	(17,743)	(8,231)
Cash and cash equivalents, end of the fiscal year.....	147,320	146,512



## 2. Dividend Information

	Yen		
	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ending March 31, 2020 (Forecast)
Cash dividend per share:			
Interim .....	10.00	10.00	10.00
Year-end.....	51.00	52.00	(Note)
Total .....	61.00	62.00	(Note)
	Yen (millions)		
Total cash dividend.....	16,560	16,831	-
Dividend payout ratio (%).....	30.1%	30.2%	-
Ratio of equity attributable to owners of the parent to total assets (%) .....	3.0%	3.0%	-

Note: While the Corporation has set forth under the Articles of Corporation of the Corporation that the record date for the payment of dividend shall be the last day of a relevant period, at the present time, the projected amount of dividends as of the said record date has not been determined yet. For further details, refer to “(5) Basic policy regarding profit distribution and cash dividend” on page 7.

## 3. Consolidated Financial Performance Forecast for the year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

	Yen (millions)	
	For the year ending March 31, 2020	
		%
Revenue.....	500,000	1.9
Operating profit.....	72,000	(8.1)
Profit before income taxes.....	72,700	(9.0)
Profit attributable to owners of the parent.....	50,000	(10.3)
	Yen	
Profit attributable to owners of the parent per share .....	184.18	



#### 4. Others

(1) Changes in important subsidiaries for the fiscal year (Changes in specified subsidiaries accompanied by changes in scope of consolidation): None

(2) Changes in accounting policies:

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than 1: None
3. Changes in accounting estimate: None

(3) Number of shares outstanding (common stock)

1. Number of shares issued (including treasury stock):	As of March 31, 2019:	280,017,520
	As of March 31, 2018:	280,017,520
2. Number of treasury stock:	As of March 31, 2019:	8,550,463
	As of March 31, 2018:	8,549,592
3. Average number of shares outstanding:	For the year ended March 31, 2019:	271,467,574
	For the year ended March 31, 2018:	271,465,951

Makita's earnings releases (KESSAN TANSIN) are not subject to an audit.

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

Regarding the assumptions for the forecasts and other matters, refer to "(4) Outlook for the fiscal year ending March 31, 2020" on page 6. 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.



## 1. Overview of operating results

### (1) Overview of operating results for the fiscal year ended March 31, 2019

We have adopted International Financial Reporting Standards (hereinafter “IFRS”) instead of accounting principles generally accepted in the United States of America (hereinafter “U.S. GAAP”) from the beginning of the fiscal year ending March 31, 2019. In addition, financial figures for the year ended March 31, 2018, which was prepared in accordance with U.S. GAAP in the reporting of those previous periods, are also reclassified in accordance with IFRS and used in the comparative analysis.

Looking at the global economic situation for the year ended March 31, 2019, the economy gradually expanded, supported by a strong employment and income situation and robust business performance in developed countries, principally the U.S. However, there were growing concerns over the slowing global economy and uncertainties about the future because of escalating tensions between the U.S. and China over trade and a decline in emerging-country currencies.

Under these circumstances, on the development side, the Makita Group concentrated its efforts on expanding lithium-ion battery product lines, such as cordless tools with equal or better work efficiency than AC-powered ones, and cordless gardening equipment, such as grass cutters or steel deck-type lawnmowers with performance equal to engine-powered products. Moreover, we established a technology development base in South Korea to enhance our capability to develop electrical technologies and accelerate development speed.

On the production side, we continued to implement measures including the promotion of multi-polarized global production, cost reduction through local procurement of components, and introduction of labor-saving or unmanned facilities.

On the sales side, we focused on expanding the sales of lithium-ion battery products, such as cordless gardening equipment. Furthermore, we worked hard to strengthen our community- and customer-based sales network by increasing sales and after-sales service bases.

Our consolidated revenue for this period increased by 2.8% from the previous year to 490,578 million yen, record-high sales, due to robust sales primarily in Japan, although the value of overseas net sales translated into yen was eroded by a fall in emerging-country currencies. Operating profit decreased by 2.4% to 78,305 million yen (operating profit ratio: 16.0%), owing to the deterioration of the cost-of-sales ratio due to the impact of the exchange rate, although net sales increased. Meanwhile, profit before income taxes increased by 0.1% to 79,919 million yen (profit before income taxes ratio: 16.3%) and profit attributable to owners of the parent increased by 1.5% to 55,750 million yen (ratio of profit attributable to owners of the parent: 11.4%).

Consolidated revenue by region are as follows:

Consolidated revenue in Japan increased by 11.6% to 92,129 million yen compared to the previous year. This was because sales of power tools and gardening equipment, particularly lithium-ion battery products, continued to be strong.

Consolidated revenue in Europe increased by 5.5% to 213,238 million yen, supported by solid demand for power tools in almost all areas and steady sales growth of cordless products, although sales of gardening equipment stagnated due to an extremely hot summer and droughts.

Consolidated revenue in North America decreased by 1.8% to 72,508 million yen, although we tried to expand sales, mainly lithium-ion battery products, amid intensifying competition.

Consolidated revenue in Asia decreased by 7.2% to 40,909 million yen. This was due to sluggish sales in countries other than China and India where the sales were robust.

Consolidated revenue in Central and South America decreased by 0.4% to 27,801 million yen. This was due to a sharp depreciation in each country’s currency against the yen compared to the same period of the previous year, although sales in almost all countries remained robust.

In Oceania, sales continued growing at a level as high as the previous year, although the housing market, which had been overheated, showed signs of slowing down. However, consolidated revenue declined by 3.4% to 30,222 million yen due to the yen’s appreciation against local currencies.

Consolidated Revenue in the Middle East and Africa decreased by 11.1% to 13,771 million yen. This was due to poor sales amid political and economic turmoil in the Middle East.



**(2) Overview of financial situation for the fiscal year ended March 31, 2019**

Total assets as of the end of the year increased by 25,409 million yen to 680,250 million yen compared to the previous year. The increase was mainly due to the increase in "Inventories".

Total liabilities increased by 6,626 million yen to 103,028 million yen compared to the previous year. This increase was mainly due to the increase in "Borrowings".

Total equity increased by 18,783 million yen to 577,222 million yen compared to the previous year. This increase was due to the increase in "Retained earnings".

**(3) Overview of cash flow situation for the fiscal year ended March 31, 2019**

Total cash and cash equivalents amounted to 146,512 million yen, decreased by 808 million yen compared to the end of the previous year.

Net cash provided by operating activities amounted to 23,155 million yen (34,191 million yen in the previous year), down 11,036 million yen over the previous year.

Net cash used in investing activities amounted to 15,329 million yen (15,708 million yen in the previous year), down 379 million yen over the previous year, due to a decrease in payments into time deposits, despite an increase in purchase of non-current assets.

Consequently, free cash flows (the sum of cash flows from operating activities and investing activities) amounted to 7,826 million yen (18,484 million yen in the previous year), down 10,658 million yen over the previous year.

Net cash used in financing activities amounted to 8,231 million yen (17,743 million yen in the previous year), down 9,512 million yen over the previous year, due to an increase in proceeds from loans payable.



#### (4) Outlook for the fiscal year ending March 31, 2020

In the future, the Makita Group expects that the prospect for the global economy, including markets where it has presence, will continue to be uncertain, as the international political situation is likely to remain deadlocked. Meanwhile, the Group believes that demand for products and services that contribute to the solution of social problems, such as the labor shortage and environment conservation, will increase further.

To cope with these assumed conditions, Makita will:

- Strengthen its R&D and product development capabilities, mainly rechargeable batteries and motors, to take the initiative in expanding the market of cordless products;
- Position cordless gardening tools as a future pillar of its business after power tools and focus its efforts on the development and sales expansion of new products;
- Implement measures to strengthen and improve the efficiency of production, procurement and distribution, while further upgrading global production organizations; and
- Strive to raise its brand power by promoting the establishment of a sales and after-sales service network to offer community-based and fine-tuned response to needs of customers around the world.

On the basis of these factors, the Group will strive to maintain a solid presence in the industry as a global supplier of power tools used in home-building and in everyday life.

#### Consolidated Financial Performance Forecast for the Year Ending March 31, 2020.

	Yen (millions)
	For the year ending March 31, 2020
Revenue .....	500,000
Operating profit.....	72,000
Profit before income taxes .....	72,700
Profit attributable to owners of the parent.....	50,000

#### [Preconditions]

The above forecast is based on the assumption of exchange rates of 110 yen to the U.S. dollar, 125 yen to the euro and 16.3 yen to the renminbi.

#### [Reference]

The actual exchange rate for the year ended March 31, 2019 was 110.92 yen to the U.S. dollar, 128.44 yen to the euro and 16.54 yen to the renminbi.

#### FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on Makita's own projections and estimates. The power tools market, where Makita is mainly active, is subject to the effects of rapid shifts in economic conditions, demand for housing, currency exchange rates, changes in competitiveness, and other factors. Due to the risks and uncertainties involved, actual results could differ substantially from the content of these statements. Therefore, these statements should not be interpreted as representation where such objectives will be achieved.



## (5) Basic policy regarding profit distribution and cash dividend for the fiscal 2019 and 2020

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 10 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. With respect to repurchases of its outstanding shares, Makita aims to implement a flexible capital policy, augment the efficiency of its capital employment, and thereby boost shareholder profit. Also Makita continues to consider execution of own share repurchases in light of trends in stock prices.

Makita intends to maintain a financial position strong enough to withstand the challenges associated with changes in its operating environment and other changes and allocate funds for strategic investments aimed at expanding its global operations.

Our forecast for dividends is as follows;

	For the year ended March 31, 2019 (Result and Forecast)	For the year ending March 31, 2020 (Forecast)
Cash dividend per share:		
Interim .....	10.00 yen	10.00 yen
Year-end.....	52.00 yen	(Note)
Total .....	62.00 yen	(Note)

Note: The Board of Directors plans to meet in April 2020 for a report on earnings for the year ending March 31, 2020.

At such 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 profit attributable to owners of the parent. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2019. However, if certain special circumstances arise, computation of the amount of dividends will be based on consolidated net income attributable to Makita Corporation after certain adjustments.

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.

## 2. Basic Rationale for Selection of Accounting Standards

Makita will voluntarily adopt International Financial Reporting Standards (IFRS) from the first three-month period of the year ending March 31, 2019.





#### 4. Consolidated Financial Statements (Unaudited)

##### (1) Consolidated Statement of Financial Position

	Yen (millions)					
	As of April 1, 2017		As of March 31, 2018		As of March 31, 2019	
	Composition ratio		Composition ratio		Composition ratio	
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents.....	142,181		147,320		146,512	
Trade receivables and other receivables.....	67,262		78,988		79,450	
Inventories.....	167,523		196,454		219,938	
Other financial assets.....	50,112		48,037		37,828	
Prepaid expenses and other current assets.....	6,682		8,663		9,401	
Total current assets.....	<u>433,760</u>	72.3%	<u>479,462</u>	73.2%	<u>493,129</u>	72.5%
<b>NON-CURRENT ASSETS:</b>						
Property, plant and equipment, at cost.....	95,488		100,813		112,441	
Goodwill and intangible assets.....	6,637		6,991		8,039	
Other financial assets.....	43,800		45,561		43,566	
Retirement benefit asset.....	8,382		9,729		9,541	
Deferred income taxes.....	9,169		10,049		9,342	
Other non-current assets.....	2,317		2,236		4,192	
Total non-current assets.....	<u>165,793</u>	27.7%	<u>175,379</u>	26.8%	<u>187,121</u>	27.5%
Total assets.....	<u>599,553</u>	100.0%	<u>654,841</u>	100.0%	<u>680,250</u>	100.0%

	Yen (millions)					
	As of April 1, 2017		As of March 31, 2018		As of March 31, 2019	
	Composition ratio		Composition ratio		Composition ratio	
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Trade payables and other payables .....	33,460		35,024		38,904	
Borrowings .....	6,564		3,361		11,799	
Other financial liabilities .....	284		429		220	
Income taxes payable .....	7,264		10,071		7,153	
Provisions .....	3,412		2,928		3,040	
Other current liabilities .....	<u>24,899</u>		<u>29,294</u>		<u>29,678</u>	
Total current liabilities .....	<u>75,883</u>	12.7%	<u>81,107</u>	12.4%	<u>90,794</u>	13.3%
<b>NON-CURRENT LIABILITIES:</b>						
Retirement benefit liabilities .....	3,161		3,206		3,231	
Other financial liabilities .....	18		133		256	
Provisions .....	1,440		1,352		1,293	
Deferred income taxes .....	10,738		10,388		7,236	
Other non-current liabilities .....	<u>234</u>		<u>216</u>		<u>218</u>	
Total non-current liabilities .....	<u>15,591</u>	2.6%	<u>15,295</u>	2.3%	<u>12,234</u>	1.8%
Total liabilities .....	<u>91,474</u>	15.3%	<u>96,402</u>	14.7%	<u>103,028</u>	15.1%
<b>EQUITY</b>						
Common stock .....	23,805		23,805		23,805	
Additional paid-in capital .....	45,501		45,531		45,571	
Retained earnings .....	427,999		469,232		508,622	
Treasury stock, at cost .....	(11,623)		(11,617)		(11,681)	
Other components of equity .....	<u>18,557</u>		<u>27,095</u>		<u>6,431</u>	
Total equity attributable to owners of the parent .....	<u>504,239</u>	84.1%	<u>554,046</u>	84.6%	<u>572,748</u>	84.2%
NON-CONTROLLING INTEREST .....	<u>3,840</u>	0.6%	<u>4,393</u>	0.7%	<u>4,474</u>	0.7%
Total equity .....	<u>508,079</u>	84.7%	<u>558,439</u>	85.3%	<u>577,222</u>	84.9%
Total liabilities and equity .....	<u>599,553</u>	100.0%	<u>654,841</u>	100.0%	<u>680,250</u>	100.0%



**(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Profit or Loss**

	Yen (millions)			
	For the year ended March 31, 2018		For the year ended March 31, 2019	
	Composition ratio		Composition ratio	
REVENUE .....	477,298	100.0%	490,578	100.0%
Cost of sales .....	(301,392)	(63.1%)	(313,356)	(63.9%)
GROSS PROFIT .....	175,906	36.9%	177,222	36.1%
Selling, general, administrative and others, net .....	(95,675)	(20.1%)	(98,917)	(20.1%)
OPERATING PROFIT .....	80,231	16.8%	78,305	16.0%
Financial income .....	3,180		2,680	
Financial expenses.....	(3,546)		(1,066)	
PROFIT BEFORE INCOME TAXES .....	79,865	16.7%	79,919	16.3%
Income tax expenses.....	(24,406)		(23,728)	
PROFIT .....	55,459	11.6%	56,191	11.5%
Profit attributable to:				
Owners of the parent .....	54,943	11.5%	55,750	11.4%
Non-controlling interests .....	516	0.1%	441	0.1%

**Consolidated Statements of Comprehensive Income**

	Yen (millions)	
	For the year ended March 31, 2018	For the year ended March 31, 2019
INCOME .....	55,459	56,191
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Items that will not be reclassified to income (loss)		
Remeasurement of defined benefit plans.....	(1,098)	(7,889)
Equity financial goods measured at fair value through other comprehensive loss .....	188	(87)
Total of items that will not be reclassified to loss .....	(910)	(7,976)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations.....	9,853	(12,623)
Total of items that may be reclassified to profit (loss) .....	9,853	(12,623)
Total other comprehensive income (loss), net of tax .....	8,943	(20,599)
COMPREHENSIVE INCOME.....	64,402	35,592
Comprehensive income attributable to:		
Owners of the parent .....	63,669	35,286
Non-controlling interests .....	733	306



### (3) Consolidated Statement of Changes in Equity

Yen (millions)								
For the year ended March 31, 2018								
Equity attributable to owners of the parent								
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total	Non-Controlling interest	Total equity
Balance at April 1, 2017	23,805	45,501	427,999	(11,623)	18,557	504,239	3,840	508,079
Profit for the period			54,943			54,943	516	55,459
Other comprehensive income					8,726	8,726	217	8,943
Comprehensive income	-	-	54,943	-	8,726	63,669	733	64,402
Dividends paid			(13,845)			(13,845)	(180)	(14,025)
Purchase of treasury stock				(5)		(5)		(5)
Disposal of treasury stock		(11)		11		0		0
Share-based payment transaction		41				41		41
Transfer from other components of equity to retained earnings			188		(188)	-		-
Other increase or decrease			(53)			(53)		(53)
Total amounts of transactions with owners	-	30	(13,710)	6	(188)	(13,862)	(180)	(14,042)
Balance at March 31, 2018	23,805	45,531	469,232	(11,617)	27,095	554,046	4,393	558,439

Yen (millions)								
For the year ended March 31, 2019								
Equity attributable to owners of the parent								
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total	Non-Controlling interest	Total equity
Balance at April 1, 2018	23,805	45,531	469,232	(11,617)	27,095	554,046	4,393	558,439
Profit for the period			55,750			55,750	441	56,191
Other comprehensive income					(20,464)	(20,464)	(135)	(20,599)
Comprehensive income	-	-	55,750	-	(20,464)	35,286	306	35,592
Dividends paid			(16,560)			(16,560)	(225)	(16,785)
Purchase of treasury stock				(4)		(4)		(4)
Disposal of treasury stock		0		0		0		0
Share-based payment transaction		40				40		40
Transfer from other components of equity to retained earnings			200		(200)	-		-
Other increase or decrease				(60)		(60)		(60)
Total amounts of transactions with owners	-	40	(16,360)	(64)	(200)	(16,584)	(225)	(16,809)
Balance at March 31, 2019	23,805	45,571	508,622	(11,681)	6,431	572,748	4,474	577,222



#### (4) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the year ended March 31, 2018	For the year ended March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit.....	55,459	56,191
Depreciation and amortization .....	10,783	11,271
Income tax expenses.....	24,406	23,728
Financial income and expenses .....	366	(1,614)
Loss (gain) on sales and retirement of property, plant and equipment.....	18	113
Decrease (increase) in trade receivables and other receivables.....	(11,187)	(2,085)
Increase in inventories.....	(24,289)	(30,455)
Increase (decrease) in trade payables and other payables.....	2,495	2,581
Increase in retirement benefit assets and liabilities .....	(1,433)	395
Increase in guarantee deposits.....	-	(8,990)
Other.....	(3,103)	(4,487)
Subtotal .....	53,515	46,648
Dividends received.....	497	643
Interest received .....	2,409	2,004
Interest paid.....	(43)	(47)
Income taxes paid.....	(22,187)	(26,093)
Cash flows from operating activities .....	34,191	23,155
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of non-current assets .....	(15,045)	(23,867)
Proceeds from sales of non-current assets.....	496	382
Purchase of investments .....	(8,743)	(12,745)
Proceeds from sales and redemption of investments.....	16,193	5,634
Payments into time deposits.....	(51,010)	(31,902)
Proceeds from withdrawal of time deposits .....	42,374	47,758
Other.....	27	(589)
Cash flows from investing activities .....	(15,708)	(15,329)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase (decrease) in short-term borrowings .....	(3,667)	8,704
Purchase and sales of treasury stock, net.....	(5)	(4)
Cash dividends paid .....	(13,845)	(16,560)
Other.....	(226)	(371)
Cash flows from financing activities .....	(17,743)	(8,231)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....	4,399	(403)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	5,139	(808)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR .....	142,181	147,320
CASH AND CASH EQUIVALENTS, END OF YEAR .....	147,320	146,512



## 5. Notes to Consolidated Financial Statements

Notes on the assumptions for a going concern: None

### Segment Information

	Yen (millions)							
	For the year ended March 31, 2018							
	Japan	Europe	North America	Asia	Total	Other area	Eliminations	Consolidated
Revenue:								
(1) External customers.....	106,862	202,364	76,324	26,138	411,688	65,610	-	477,298
(2) Inter-segment.....	202,827	4,811	4,388	212,697	424,723	1,560	(426,283)	-
Total .....	<u>309,689</u>	<u>207,175</u>	<u>80,712</u>	<u>238,835</u>	<u>836,411</u>	<u>67,170</u>	<u>(426,283)</u>	<u>477,298</u>
Operating profit.....	31,671	19,211	2,250	24,565	77,697	5,483	(2,949)	80,231

	Yen (millions)							
	For the year ended March 31, 2019							
	Japan	Europe	North America	Asia	Total	Other area	Eliminations	Consolidated
Revenue:								
(1) External customers.....	112,143	213,903	74,854	26,414	427,314	63,264	-	490,578
(2) Inter-segment.....	220,111	5,902	3,941	220,999	450,953	806	(451,759)	-
Total .....	<u>332,254</u>	<u>219,805</u>	<u>78,795</u>	<u>247,413</u>	<u>878,267</u>	<u>64,070</u>	<u>(451,759)</u>	<u>490,578</u>
Operating profit.....	32,330	18,424	267	23,094	74,115	5,715	(1,525)	78,305

### Revenue by product categories

	Yen (millions)				Increase (Decrease) (%)
	For the year ended March 31, 2018		For the year ended March 31, 2019		
	Composition ratio	Composition ratio	Composition ratio	Composition ratio	
Finished goods.....	399,240	83.6	408,165	83.2	2.2
Parts, repairs and accessories .....	78,058	16.4	82,413	16.8	5.6
Total revenue.....	<u>477,298</u>	<u>100.0</u>	<u>490,578</u>	<u>100.0</u>	<u>2.8</u>



### Information per share

	Yen	
	As of March 31, 2018	As of March 31, 2019
Equity attributable to owners of the parent per share .....	2,040.93	2,109.83

	Yen	
	For the year ended March 31, 2018	For the year ended March 31, 2019
Profit attributable to owners of the parent per share		
(Basic) .....	202.39	205.37
(Diluted) .....	202.37	205.34

Note: Profit attributable to owners of the parent per share (Basic) is calculated on the basis of the average number of shares outstanding during the year. Average number of shares outstanding is as follows:

For the year ended March 31, 2018: 271,465,951

For the year ended March 31, 2019: 271,467,574

Profit attributable to owners of the parent per share (Diluted) is calculated by adjusting for all dilutive potential ordinary shares having a dilutive effect.

**Significant Subsequent Events: None**



## First-time Adoption of IFRS

The Makita Group has disclosed quarterly consolidated financial statements prepared in accordance with IFRS from the three-month period ended June 30, 2018. The Group prepared the latest consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for the year ended March 31, 2018. The IFRS transition date is April 1, 2017.

### (1) Exemptions of Retrospective Adoption of IFRS 1

IFRS 1 “First-time Adoption of International Financial Reporting Standards” (“IFRS 1”) requires an entity that adopts IFRS for the first time to prepare a complete set of financial statements based on IFRS retrospectively to prior periods. However, IFRS 1 provides mandatory exceptions and voluntary exemptions from full retrospective application. The effects of applying these provisions are adjusted in retained earnings or other components of equity on the transition date.

The main exemptions adopted by the Company are as follows:

- Business combinations

IFRS 1 allows an entity not to apply IFRS 3 “Business Combinations” (“IFRS 3”) retrospectively to business combinations that occurred prior to the transition date.

The Makita Group chose not to apply IFRS 3 retrospectively to business combinations that occurred prior to the transition date. Consequently, the Group recognized goodwill arisen from business combinations that occurred prior to the transition date at book value based on U.S. GAAP. Makita performed impairment tests on the goodwill at the transition date regardless of whether there was any indication that the goodwill may be impaired.

- Exchange differences on translating foreign operations

IFRS 1 allows an entity to choose to deem the cumulative amount of the exchange differences on translating foreign operations to be zero as of the transition date. The Makita Group deemed the cumulative amount of the exchange differences on translating foreign operations to be zero on the transition date.

- Designation of financial instruments recognized prior to the IFRS transition date

IFRS 1 allows an entity to designate financial instruments valued at fair value through other comprehensive income in accordance with IFRS 9 “Financial Instruments,” based on facts and circumstances that existed as of the transition date. The Makita Group designated its financial instruments based on the circumstances as of the transition date.

### (2) Mandatory Exceptions of Retrospective Adoption of IFRS 1

IFRS 1 prohibits an entity from retrospectively applying IFRS with respect to “Accounting estimates,” “Derecognition of financial assets and liabilities,” “Non-controlling interest,” and “Classification and measurement of financial assets.” The Makita Group has applied the relevant IFRSs to these transactions prospectively from the transition date.





### (3) Reconciliation

In preparing the consolidated financial position statement on the IFRS transition date, the Makita Group has reconciliated amounts in consolidated financial statements prepared based on U.S. GAAP.

The effects of the transition from U.S. GAAP to IFRS on the Group's financial position, financial results, and cash flow position are presented in the following table:

#### Reconciliation of equity on the transition date (April 1, 2017)

Presentation under U.S.GAAP	Yen (millions)			IFRS	Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement			
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	142,181	-	-	142,181		Cash and cash equivalents
Time deposits	34,329	(34,329)	-	-		
Short-term investments	23,441	(23,441)	-	-		
Notes	1,199	(1,199)	-	-		
Accounts	67,086	(67,086)	-	-		
Less- Allowance for doubtful receivables	(1,137)	1,137	-	-		
	-	67,262	-	67,262		Trade receivables and other receivables
Inventories	167,398	-	125	167,523		Inventories
	-	50,112	-	50,112	E	Other financial assets
Deferred income taxes	4,723	(4,723)	-	-	E	
Prepaid expenses and other current assets	13,349	(183)	(6,484)	6,682	D	Prepaid expenses and other current assets
<b>Total current assets</b>	<b>452,569</b>	<b>(12,450)</b>	<b>(6,359)</b>	<b>433,760</b>		<b>Total current assets</b>
<b>NON-CURRENT ASSETS</b>						
<b>PROPERTY, PLANT AND EQUIPMENT, AT COST:</b>						
Land	22,358	(22,358)	-	-		
Building and improvements	94,927	(94,927)	-	-		
Machinery and equipment	91,493	(91,493)	-	-		
Construction in progress	5,531	(5,531)	-	-		
Less-Accumulated depreciation and amortization	(119,802)	119,802	-	-		
<b>Total net property, plant and equipment</b>	<b>-</b>	<b>94,507</b>	<b>981</b>	<b>95,488</b>		<b>Property, plant and equipment</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>						
Investments	34,004	(34,004)	-	-		
Goodwill	721	(721)	-	-		
Other intangible assets, net	3,641	(3,641)	-	-		
	-	3,735	2,902	6,637	A	Goodwill and intangible assets
	-	42,982	818	43,800	E	Other financial assets
	-	8,385	(3)	8,382	B	Retirement benefit asset
Deferred income taxes	650	4,723	3,796	9,169	D,E	Deferred income taxes
Other assets	11,157	(8,703)	(137)	2,317		Other non-current assets
	144,680	12,756	8,357	165,793		<b>Total non-current assets</b>
<b>Total assets</b>	<b>597,249</b>	<b>306</b>	<b>1,998</b>	<b>599,553</b>		<b>Total assets</b>



Presentation under U.S.GAAP	Yen (millions)				Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement	IFRS		
<b>LIABILITIES</b>						<b>LIABILITIES</b>
<b>CURRENT LIABILITIES:</b>						<b>CURRENT LIABILITIES:</b>
Short-term borrowings	6,579	(15)	-	6,564		Borrowings
Trade notes and accounts payable	26,347	7,113	-	33,460		Trade payables and other payables
Other payables	7,122	(7,122)	-	-		
Accrued expenses	10,537	(10,537)	-	-		
Accrued payroll	9,431	(9,431)	-	-		
	-	284	-	284	E	Other financial liabilities
Income taxes payable	6,944	320	-	7,264		Income taxes payable
Deferred income taxes	3,134	(3,134)	-	-	E	
	-	3,412	-	3,412		Provisions
Other liabilities	8,178	16,273	448	24,899		Other current liabilities
<b>Total current liabilities</b>	<b>78,272</b>	<b>(2,837)</b>	<b>448</b>	<b>75,883</b>		<b>Total current liabilities</b>
<b>LONG-TERM LIABILITIES:</b>						<b>NON-CURRENT LIABILITIES:</b>
Long-term indebtedness	18	(18)	-	-		
Accrued retirement and termination benefits	3,161	-	-	3,161		Retirement benefit liabilities
	-	18	-	18	E	Other financial liabilities
	-	1,440	-	1,440		Provisions
Deferred income taxes	8,313	3,143	(718)	10,738	E	Deferred tax liabilities
	-	-	-	-		Other non-current liabilities
Other liabilities	1,674	(1,440)	-	234		
<b>Total long-term liabilities</b>	<b>13,166</b>	<b>3,143</b>	<b>(718)</b>	<b>15,591</b>		<b>Total non-current liabilities</b>
<b>Total liabilities</b>	<b>91,438</b>	<b>306</b>	<b>(270)</b>	<b>91,474</b>		<b>Total liabilities</b>
<b>EQUITY</b>						<b>EQUITY</b>
<b>MAKITA CORPORATION SHAREHOLDERS' EQUITY:</b>						
Common stock	23,805	-	-	23,805		Common stock
Additional paid-in capital	45,501	-	-	45,501		Additional paid-in capital
Legal reserve	5,669	(5,669)	-	-		
Retained earnings	456,546	(29,516)	969	427,999	A,B,C,D	Retained earnings
Treasury stock, at cost	(11,623)	-	-	(11,623)		Treasury stock, at cost
Accumulated other comprehensive income (loss)	(17,728)	34,986	1,299	18,557	B,C	Other components of equity
<b>Total Makita Corporation shareholders' equity</b>	<b>502,170</b>	<b>(199)</b>	<b>2,268</b>	<b>504,239</b>		<b>Total equity attributable to owners of the parent</b>
<b>NON-CONTROLLING INTEREST</b>	<b>3,641</b>	<b>199</b>	<b>-</b>	<b>3,840</b>	<b>C</b>	<b>NON-CONTROLLING INTEREST</b>
<b>Total equity</b>	<b>505,811</b>	<b>-</b>	<b>2,268</b>	<b>508,079</b>		<b>Total equity</b>
<b>Total liabilities and equity</b>	<b>597,249</b>	<b>306</b>	<b>1,998</b>	<b>599,553</b>		<b>Total liabilities and equity</b>



## Reconciliation of equity as of March 31, 2018

Presentation under U.S.GAAP	Yen (millions)				Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement	IFRS		
<b>ASSETS</b>						<b>ASSETS</b>
<b>CURRENT ASSETS:</b>						<b>CURRENT ASSETS:</b>
Cash and cash equivalents	147,320	-	-	147,320		Cash and cash equivalents
Time deposits	43,013	(43,013)	-	-		
Short-term investments	14,782	(14,782)	-	-		
Notes	1,343	(1,343)	-	-		
Accounts	79,092	(79,092)	-	-		
Less- Allowance for doubtful receivables	(1,340)	1,340	-	-		
	-	78,988	-	78,988		Trade receivables and other receivables
Inventories	196,217	-	237	196,454		Inventories
	-	48,037	-	48,037	E	Other financial assets
Prepaid expenses and other current assets	16,150	(43)	(7,444)	8,663	D	Prepaid expenses and other current assets
<b>Total current assets</b>	<b>496,577</b>	<b>(9,908)</b>	<b>(7,207)</b>	<b>479,462</b>		<b>Total current assets</b>
<b>PROPERTY, PLANT AND EQUIPMENT, AT COST:</b>						<b>NON-CURRENT ASSETS</b>
Land	22,626	(22,626)	-	-		
Building and improvements	98,648	(98,648)	-	-		
Machinery and equipment	98,868	(98,868)	-	-		
Construction in progress	6,027	(6,027)	-	-		
Less-Accumulated depreciation and amortization	(126,305)	126,305	-	-		
<b>Total net property, plant and equipment</b>	<b>-</b>	<b>99,864</b>	<b>949</b>	<b>100,813</b>		<b>Property, plant and equipment</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>						
Investments	33,815	(33,815)	-	-		
Goodwill	721	(721)	-	-		
Other intangible assets, net	3,944	(3,944)	-	-		
	-	4,033	2,958	6,991	A	Goodwill and intangible assets
	-	44,621	940	45,561	E	Other financial assets
	-	9,564	165	9,729	B	Retirement benefit asset
Deferred income taxes	3,975	-	6,074	10,049	D	Deferred income taxes
Other assets	12,135	(9,755)	(144)	2,236		Other non-current assets
<b>Total non-current assets</b>	<b>154,454</b>	<b>9,983</b>	<b>10,942</b>	<b>175,379</b>		<b>Total non-current assets</b>
<b>Total assets</b>	<b>651,031</b>	<b>75</b>	<b>3,735</b>	<b>654,841</b>		<b>Total assets</b>



Yen (millions)						
Presentation under U.S.GAAP	U.S. GAAP	Reclassification	Difference between recognition and measurement	IFRS	Note	Presentation under IFRS
<b>LIABILITIES</b>				<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>				<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	3,411	(50)	-	3,361		Borrowings
Trade notes and accounts payable	28,156	6,868	-	35,024		Trade payables and other payables
Other payables	7,131	(7,131)	-	-		
Accrued expenses	11,952	(11,952)	-	-		
Accrued payroll	10,731	(10,731)	-	-		
	-	429	-	429	E	Other financial liabilities
Income taxes payable	9,720	351	-	10,071		Income taxes payable
	-	2,928	-	2,928		Provisions
Other liabilities	9,497	19,363	434	29,294		Other current liabilities
<b>Total current liabilities</b>	<b>80,598</b>	<b>75</b>	<b>434</b>	<b>81,107</b>		<b>Total current liabilities</b>
<b>LONG-TERM LIABILITIES:</b>				<b>NON-CURRENT LIABILITIES</b>		
Accrued retirement and termination benefits	3,206	-	-	3,206		Retirement benefit liabilities
	-	133	-	133	E	Other financial liabilities
	-	1,352	-	1,352		Provisions
Deferred income taxes	9,391	-	997	10,388		Deferred tax liabilities
	-	-	-	-		Other non-current liabilities
Other liabilities	1,703	(1,485)	(2)	216		
<b>Total long-term liabilities</b>	<b>14,300</b>	<b>-</b>	<b>995</b>	<b>15,295</b>		<b>Total non-current liabilities</b>
<b>Total liabilities</b>	<b>94,898</b>	<b>75</b>	<b>1,429</b>	<b>96,402</b>		<b>Total liabilities</b>
<b>EQUITY</b>				<b>EQUITY</b>		
<b>MAKITA CORPORATION SHAREHOLDERS' EQUITY:</b>				<b>MAKITA CORPORATION SHAREHOLDERS' EQUITY:</b>		
Common stock	23,805	-	-	23,805		Common stock
Additional paid-in capital	45,531	-	-	45,531		Additional paid-in capital
Legal reserve	5,669	(5,669)	-	-		
Retained earnings	497,456	(29,044)	820	469,232	A,B,C,D	Retained earnings
Treasury stock, at cost	(11,617)	-	-	(11,617)		Treasury stock, at cost
Accumulated other comprehensive income (loss)	(8,905)	34,514	1,486	27,095	B,C	Other components of equity
<b>Total Makita Corporation shareholders' equity</b>	<b>551,939</b>	<b>(199)</b>	<b>2,306</b>	<b>554,046</b>		<b>Total equity attributable to owners of the parent</b>
<b>NON-CONTROLLING INTEREST</b>	<b>4,194</b>	<b>199</b>	<b>-</b>	<b>4,393</b>	<b>C</b>	<b>NON-CONTROLLING INTEREST</b>
<b>Total equity</b>	<b>556,133</b>	<b>-</b>	<b>2,306</b>	<b>558,439</b>		<b>Total equity</b>
<b>Total liabilities and equity</b>	<b>651,031</b>	<b>75</b>	<b>3,735</b>	<b>654,841</b>		<b>Total liabilities and equity</b>



**Reconciliation of profit and loss for the year ended March 31, 2018 (April 1, 2017 to March 31, 2018)**

Presentation under U.S.GAAP	Yen (millions)				Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement	IFRS		
NET SALES	477,298	-	-	477,298		REVENUE
Cost of sales	(302,173)	159	622	(301,392)	B	Cost of sales
GROSS PROFIT	175,125	159	622	175,906		GROSS PROFIT
Selling, general, administrative and others, net	(95,363)	(563)	251	(95,675)	A,B	Selling, general, administrative and others, net
OPERATING INCOME	79,762	(404)	873	80,231		OPERATING PROFIT
OTHER INCOME (EXPENSE):						
	-	3,218	(38)	3,180	F	Financial income
	-	(3,302)	(244)	(3,546)	F	Financial expenses
Interest and dividend income	2,919	(2,919)	-	-		
Interest expense	(43)	43	-	-		
Exchange losses on foreign currency transactions, net	(3,235)	3,235	-	-		
Realized gains on securities, net	299	(299)	-	-		
Valuation losses on securities	(24)	24	-	-		
INCOME BEFORE INCOME TAXES	79,678	(404)	591	79,865		PROFIT BEFORE INCOME TAXES
Income tax expense:						
Current	(24,943)	404	(948)	(25,487)		
Deferred	536	-	545	1,081		
	(24,407)	404	(403)	(24,406)	D	Income tax expenses
NET INCOME	55,271	-	188	55,459		PROFIT
						Profit attributable to:
NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION	54,755	-	188	54,943		Owners of the parent
Less-Net income attributable to the non-controlling interest	516	-	-	516		Non-controlling interests



**Reconciliation of comprehensive income for the year ended March 31, 2018 (April 1, 2017 to March 31, 2018)**

Presentation under U.S.GAAP	Yen (millions)				Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement	IFRS		
NET INCOME	55,271	-	188	55,459		INCOME
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX						OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX
Unrealized holding expense on available-for-sale securities	(1,364)	-	266	(1,098)		Items that will not be reclassified to profit (loss) Equity financial assets measured at fair value through other comprehensive loss Remeasurement of defined benefit pension plans
Pension liability adjustment	544	-	(356)	188		Total of items that will not be reclassified to loss
	(820)	-	(90)	(910)		
Foreign currency translation adjustment	9,860	-	(7)	9,853		Items that may be reclassified to profit Exchange differences on translating foreign operations
	9,860	-	(7)	9,853		Total of items that may be reclassified to profit
Total other comprehensive income	9,040	-	(97)	8,943		Total other comprehensive income, net of tax
COMPREHENSIVE INCOME	64,311	-	91	64,402		COMPREHENSIVE INCOME
						Comprehensive income attributable to:
COMPREHENSIVE INCOME ATTRIBUTABLE TO MAKITA CORPORATION	63,578	-	91	63,669		Owners of the parent
Less-Comprehensive income attributable to the non-controlling interest	733	-	-	733		Non-controlling interests



## Notes to Reconciliation

### A. Intangible assets

As some development costs, which are a part of expenditures related to R&D that were expensed under U.S. GAAP, meet the requirements to be capitalized under IFRS, they are recognized as intangible assets in its consolidated financial position statement and amortized over its expected useful lives on a straight-line basis.

Due to the above-mentioned differences in the accounting standards, the unamortized balance of capitalized development costs of 2,902 million yen, and 2,958 million yen, respectively, were recorded as intangible assets on the transition date, at March 31, 2018, respectively. Consequently, retained earnings after deducting the adjusted deferred tax of 876 million yen, and 893 million yen on the transition date, at March 31, 2018, respectively, increased by 2,026 million yen, and 2,065 million yen, respectively.

### B. Employee benefits

Under U.S. GAAP, regarding post-employment benefits under defined benefit pension plans, service cost, interest cost, and expected return on plan assets were recognized in profit or loss. The portion of actuarial differences arising from the relevant plans and past service cost incurred that was not recognized as expenses for the period was recognized in the amount net of tax in accumulated other comprehensive income (loss), and the amount recognized in accumulated other comprehensive income (loss) was subsequently recognized in income or loss over the average remaining service years of employees.

Under IFRS, regarding post-employment benefits under defined benefit pension plans, current service cost and past service cost are recognized in profit or loss, and the amount calculated by multiplying net defined benefit liability (asset) by the discount rate is recognized as interest expense (income) in profit or loss. Remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income, and transferred from other components of equity directly to retained earnings, not through profit or loss.

Due to the above-mentioned differences in the accounting standards, actuarial differences of 8,869 million yen (loss) and past service liability of 2,455 million yen (profit) on the transition date are transferred to retained earnings.

### C. Exchange differences on translating foreign operations

IFRS allows an entity to choose to deem the full cumulative amount of the exchange differences on translating foreign operations to be zero on the transition date.

Consequently, the exchange differences on translating foreign operations of 28,572 million yen out of accumulated other comprehensive income on the transition date are transferred to retained earnings.

### D. Income taxes

Under U.S. GAAP, regarding tax effect from the elimination of unrealized gains on intercompany transactions, income taxes paid by the seller were recorded as prepaid income taxes. Under IFRS, regarding the said tax effect, a deferred tax asset is recorded using the effective tax rate of the buyer as a temporary difference of assets held by the buyer.

Due to the above-mentioned differences in the accounting standards, on the transition date, at March 31, 2018, other comprehensive income, net of tax decreased by 6,484 million yen, and 7,444 million yen, respectively, deferred tax assets increased by 5,730 million yen, and 6,420 million yen, respectively, while retained earnings declined by 754 million yen, and 1,024 million yen, respectively.

### E. Reclassification of items in consolidated statement of financial position

Although some items are reclassified in the consolidated statement of financial position to conform with IFRS provisions, there is no effect on consolidated statements of income, consolidated statements of comprehensive income, and retained earnings. The following items represent major items that are reclassified in the consolidated statement of financial position.

- (i) In accordance with the presentation provisions under IFRS, financial assets and financial liabilities are presented on an individual basis.



- (ii) Under U.S. GAAP, deferred tax assets and deferred tax liabilities were presented separately in current assets/liabilities and non-current assets/liabilities. However, since they are not allowed to be presented in current assets/liabilities under IFRS, they are reclassified as non-current assets/liabilities.
- (iii) Other reclassifications have been made by aggregating or separating presentation under U.S. GAAP to be consistent with the presentation under IFRS.

F. Reclassification of items in consolidated statements of profit or loss

Although some items are reclassified in the consolidated statements of profit or loss to conform with IFRS provisions, there is no effect on retained earnings. The following items represent major items that are reclassified in the consolidated statements of profit or loss.

- (i) In accordance with the presentation provisions under IFRS, financial income and financial expenses are presented on an individual basis.

Reconciliation of consolidated cash flows for the year ended March 31, 2018

There is no material difference between consolidated statements of cash flows disclosed in accordance with U.S. GAAP and those disclosed in accordance with IFRS.





## SUPPORT DOCUMENTATION (CONSOLIDATED)

### 1. Consolidated Financial Results and Forecast

	Yen (millions)			
	For the year ended March 31, 2018		For the year ended March 31, 2019	
		(%)		(%)
Revenue.....	477,298	-	490,578	2.8
Domestic.....	82,575	-	92,129	11.6
Overseas.....	394,723	-	398,449	0.9
Operating profit.....	80,231	-	78,305	(2.4)
Profit before income taxes.....	79,865	-	79,919	0.1
Profit attributable to owners of the parent.....	54,943	-	55,750	1.5
Profit attributable to owners of the parent per share (Yen).....	202.39		205.37	
Number of Employees.....	16,137		16,424	

	Yen (millions)	
	For the year ending March 31, 2020 (Forecast)	
		(%)
Revenue.....	500,000	1.9
Domestic.....	95,000	3.1
Overseas.....	405,000	1.6
Operating profit.....	72,000	(8.1)
Profit before income taxes.....	72,700	(9.0)
Profit attributable to owners of the parent.....	50,000	(10.3)
Profit attributable to owners of the parent per share (Yen) .....	184.18	
Number of Employees.....		-

Notes:

1. Please refer to 1. Overview of operating results Section 4 “Outlook for the fiscal year ending March 31, 2020” on page 6.
2. The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes, and profit attributable to owners of the parent compared to the corresponding period of the previous year.
3. The percentage changes from results for the year ended March 31, 2017 based on U.S. GAAP have been omitted.



## 2. Consolidated Revenue by Geographic Area

	Yen (millions)			
	For the year ended March 31, 2018		For the year ended March 31, 2019	
		(%)		(%)
Japan.....	82,575	-	92,129	11.6
Europe .....	202,054	-	213,238	5.5
North America .....	73,873	-	72,508	(1.8)
Asia .....	44,094	-	40,909	(7.2)
Central and South America.....	27,922	-	27,801	(0.4)
Oceania.....	31,284	-	30,222	(3.4)
The Middle East and Africa.....	15,496	-	13,771	(11.1)
Total.....	477,298	-	490,578	2.8

### Notes:

1. The table above sets forth Makita's consolidated revenue by geographic area based on the customer's location for the periods presented. Accordingly, it differs from "Segment Information" on page 13.
2. The table above shows the changes in the percentage ratio of revenue compared to the corresponding period of the previous year.
3. The percentage changes from results for the year ended March 31, 2017 based on U.S. GAAP have been omitted.

## 3. Exchange Rates

	Yen		
	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ending March 31, 2020 (Forecast)
USD/JPY .....	110.85	110.92	110
EUR/JPY .....	129.66	128.44	125
RMB/JPY .....	16.74	16.54	16.3

## 4. Production Ratio (unit basis)

	For the year ended March 31, 2018	For the year ended March 31, 2019
	Composition ratio	Composition ratio
Domestic .....	9.3%	9.5%
Overseas .....	90.7%	90.5%

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

	Yen (millions)		
	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ending March 31, 2020 (Forecast)
Capital expenditures .....	15,045	23,867	38,000
Depreciation and amortization ...	10,783	11,271	12,800
R&D cost.....	10,924	11,258	12,000