



# Makita Corporation

## Consolidated Financial Results for the year ended March 31, 2022 (IFRS Financial Information)

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



## CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2022 (Unaudited)

April 27<sup>th</sup>, 2022

### Makita Corporation

Stock code: 6586

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

Munetoshi Goto, President, Representative Director

### 1. Summary operating results of the year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

#### (1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the year ended March 31, 2021		For the year ended March 31, 2022	
		%		%
Revenue.....	608,331	23.5	739,260	21.5
Operating profit.....	88,464	38.1	91,728	3.7
Profit before income taxes.....	87,199	32.1	92,483	6.1
Profit.....	62,684	30.5	65,337	4.2
Profit attributable to owners of the parent.....	62,018	29.9	64,770	4.4
Comprehensive income.....	101,929	561.2	108,118	6.1
	Yen			
Profit attributable to owners of the parent per share				
(Basic).....	228.41		238.54	
(Diluted).....	-		-	
Ratio of profit attributable to owners of the parent to total equity attributable to owners of the parent (%)...	10.1%		9.2%	
Ratio of profit before income taxes to total assets (%)....	11.7%		10.2%	
Ratio of operating profit to revenue (%).....	14.5%		12.4%	

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, profit attributable to owners of the parent, and comprehensive income against the previous year.

#### (2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2021	As of March 31, 2022
Total assets.....	812,878	1,007,497
Total equity.....	663,326	752,530
Equity attributable to owners of the parent.....	657,855	746,344
Ratio of equity attributable to owners of the parent to total assets (%).....	80.9%	74.1%
	Yen	
Equity attributable to owners of the parent per share.....	2,422.80	2,748.64



### (3) CONSOLIDATED CASH FLOWS

	Yen (millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
Net cash provided by (used in) operating activities.....	64,537	(103,660)
Net cash used in investing activities.....	(42,913)	(27,891)
Net cash provided by (used in) financing activities.....	(23,036)	52,626
Cash and cash equivalents, end of the fiscal year.....	148,640	71,057

### 2. Dividend Information

	Yen		
	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ending March 31, 2023 (Forecast)
Cash dividend per share:			
Interim .....	10.00	10.00	10.00
Year-end.....	59.00	62.00	(Note)
Total .....	69.00	72.00	(Note)
	Yen (millions)		
Total cash dividend.....	18,735	19,550	-
Dividend payout ratio (%).....	30.2%	30.2%	-
Ratio of total cash dividend attributable to owners of the parent to total assets (%).....	3.0%	2.8%	-

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 for fiscal 2022 and 2023” on page 7.

### 3. Consolidated Financial Performance Forecast for the year ending March 31, 2023

	Yen (millions)	
	For the year ending March 31, 2023	
		%
Revenue.....	740,000	0.1
Operating profit.....	85,000	(7.3)
Profit before income taxes.....	83,000	(10.3)
Profit attributable to owners of the parent.....	59,000	(8.9)
	Yen	
Profit attributable to owners of the parent per share .....	217.29	

Note: 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 against the previous year.



#### 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 and accounting estimates:

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, 2022:	280,017,520
	As of March 31, 2021:	280,017,520
2. Number of treasury shares:	As of March 31, 2022:	8,485,061
	As of March 31, 2021:	8,490,396
3. Average number of shares outstanding:	For the year ended March 31, 2022:	271,530,966
	For the year ended March 31, 2021:	271,524,393

Makita's earnings releases (KESSAN TANSWIN) 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, 2023" 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.



## SUPPLEMENT INFORMATION (CONSOLIDATED)

### 1. Overview of operating results

#### (1) Explanation of consolidated operating results

Looking at the international economic situation during the fiscal year under review, while economic and social activities have been normalized, particularly in developed countries, in line with the rollout of the COVID-19 vaccine, the future remains uncertain due to shortages of goods and logistics disruptions in the supply chain, rising prices, the resurgence of infections caused by coronavirus mutations, and the growing international tension surrounding the Ukraine issue.

Against this backdrop, our group focused its development efforts on expanding its lineup of rechargeable finished goods, including power tools and outdoor power equipment, in the "40Vmax Lithium-ion Battery" series, which offers high power, long life and high durability.

On the production side, we worked to increase production in response to increasing demand and to promote multi-polarized global production

On the sales side, we focused on increasing the level of the community-based and customer-oriented service framework in order to further strengthen trusting relationships with customers around the world. We strive to deepen and develop the market centered on cordless products.

As a result of favorable sales both in Japan and overseas, our group's consolidated financial results for the fiscal year under review set a new record high, with revenue rising 21.5% over the previous fiscal year to 739,260 million yen. In terms of profit, operating profit increased 3.7% year-on-year to 91,728 million yen (an operating margin of 12.4%) due to an increase in revenue, despite higher costs due to higher transportation costs. Profit before tax increased 6.1% year-on-year to 92,483 million yen (a profit before tax rate of 12.5%), and profit attributable to owners of the parent company increased 4.4% year-on-year to 64,770 million yen (a profit rate attributable to owners of the parent company of 8.7%).

Revenue by region are as follows:

In Japan, sales of both power tools and outdoor power equipment, particularly lithium-ion battery products, were strong and increased by 4.4% compared with the same period of previous year to 118,050 million yen.

In Europe, while stay-at-home demand slowed down, demand for tools at active building and construction sites and sales of cordless outdoor power equipment continued to be strong, resulting in an increase in sales of 24.7% year on year to 352,470 million yen.

In North America, sales of power tools accompanied by strong housing demand and sales of cordless outdoor power equipment were strong, resulting in an increase in sales of 23.4% year on year to 112,248 million yen.

In Asia, COVID-19 cases increased again in various regions affecting our sales activities, but sales in Taiwan and Southeast Asia were strong, resulting in an increase in sales of 25.1% year on year to 49,196 million yen.

In Central and South America, inflation accelerated in many countries; however, sales activities to capture solid demand for tools resulted in an increase in sales of 42.0% year on year to 41,765 million yen.

In Oceania, sales increased by 24.9% year on year to 51,579 million yen due to strong demand for tools at building and construction sites despite the impact of lockdowns due to the resurgence of new cases of infection in major cities.

In the Middle East and Africa, sales increased by 20.5% year on year to 13,952 million yen as the demand for tools at building and construction sites in each country was captured although unstable political and economic conditions continued.

(Initiatives toward carbon neutrality)

The impact of climate change on society, such as frequent wind and flood disasters, is becoming more serious, and companies are playing an increasingly important role in realizing a decarbonized society. Our company views climate change as an important business issue.

For this reason, our company has prioritized contributing to the solution of climate change issues by, for example, focusing on cordless outdoor power equipment that does not emit exhaust gas when used. However, in order to further



accelerate these efforts, we have newly set targets for reducing greenhouse gas (GHG) emissions. Our targets are to reduce GHG emissions from our business activities (Scope 1, 2) by 50% from fiscal 2020 levels by fiscal 2030, to reach net zero emissions by fiscal 2040, and to achieve net zero GHG emissions throughout the supply chain (Scope 3) by fiscal 2050.

In addition, recognizing the importance of dialogue with stakeholders on climate-related risks and opportunities, we disclosed information on our company website for the first time based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Going forward, in addition to energy conservation in our business activities, we will steadily promote initiatives to reduce GHG emissions, including the use of renewable energy, and work to enhance information disclosure.

## **(2) Overview of financial situation for the fiscal year ended March 31, 2022**

Total assets as of the end of the year increased by 194,619 million yen to 1,007,497 million yen compared to the balance as of March 31, 2021. This increase was mainly due to the rise in “Inventories” and “Property, plant and equipment.”

Total liabilities increased by 105,415 million yen to 254,967 million yen compared to the balance as of March 31, 2021. This increase was mainly due to the rise in “Borrowings.”

Total equity increased by 89,204 million yen to 752,530 million yen compared to the balance as of March 31, 2021. This increase was mainly due to the rise in “Retained earnings.”

## **(3) Overview of cash flow situation for the fiscal year ended March 31, 2022**

Total cash and cash equivalents amounted to 71,057 million yen, decreased by 77,583 million yen compared to the end of the previous year.

Net cash used in operating activities amounted to 103,660 million yen (net cash provided by operating activities amounted to 64,537 million yen in the previous year), up 168,197 million yen over the previous year due mainly to an increase in inventories.

Net cash used in investing activities amounted to 27,891 million yen (42,913 million yen in the previous year), down 15,022 million yen over the previous year, due to decreases in payments into time deposits.

Consequently, free cash flows (the sum of cash flows from operating activities and investing activities) amounted to -131,551 million yen (21,624 million yen in the previous year), down 153,175 million yen over the previous year.

Net cash provided by financing activities amounted to 52,626 million yen (net cash used in financing activities amounted to 23,036 million yen in the previous year), up 75,662 million yen over the previous year, due to an increase in short-term borrowings.

## **(4) Outlook for the fiscal year ending March 31, 2023**

In the future, the Makita Group expects that the prospect for the global economy will continue to be uncertain. Meanwhile, the Group believes that demand for environmental and human friendly tools that contribute to the solution of social issues, such as the labor shortage and environment conservation by increased efficiency of works, will continue to increase further both in emerging and developed countries.

To cope with these assumed conditions, Makita will:

- Strengthen its R&D and product development capabilities, mainly for the technologies of motors and technologies for discharge/charge of batteries, to take the initiative in cordless products market;
- Positioning cordless outdoor power equipment as the next pillar of our future business after power tools, we will contribute to the realization of a decarbonized society by promoting deep cultivation and development of the market.
- We will strengthen the development and sales expansion of new finished goods in new fields such as cleaning, outdoor activities, and disaster prevention, and work to evolve into a supplier of a comprehensive range of cordless products.
- Implement measures to strengthen and improve the efficiency of production, procurement and distribution, while further upgrading global production bases; 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 and contribute to



achieve a sustainable society as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments..

(Consolidated Financial Performance Forecast for the Year Ending March 31, 2023)

The environment surrounding our group is expected to remain uncertain due to shortages of goods and logistics disruptions in the supply chain, rising prices, and the growing international tension surrounding the Ukraine issue. Our group's business performance is also expected to be affected by the continued rise in transportation and materials costs.

Based on these assumptions, the consolidated financial results for the fiscal year ending March 2023 are estimated to be as follows.

	Yen (millions)
	For the year ending March 31, 2023
Revenue .....	740,000
Operating profit.....	85,000
Profit before income taxes .....	83,000
Profit attributable to owners of the parent.....	59,000

[Preconditions]

The above forecast is based on the assumption of exchange rates of 120 yen to the U.S. dollar, 130 yen to the euro and 18.9 yen to the renminbi.

[Reference]

The actual exchange rate for the year ended March 31, 2022 was 112.39 yen to the U.S. dollar, 130.55 yen to the euro and 17.51yen 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 2022 and 2023

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, computation of the amount of dividends will be based on profit attributable to owners of the parent per share 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 business 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, 2022 (Result and Forecast)	For the year ending March 31, 2023 (Forecast)
Cash dividend per share:		
Interim .....	10.00 yen	10.00 yen
Year-end.....	62.00 yen	(Note)
Total .....	72.00 yen	(Note)

Note: The Board of Directors plans to meet in April 2023 for a report on earnings for the year ending March 31, 2023.

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 2023. However, if certain special circumstances arise, computation of the amount of dividends will be based on profit attributable to owners of the parent after certain adjustments.

The consolidated dividend payout ratio is calculated as annual dividends per share divided by profit attributable to owners of the parent per share (after adjustments for special circumstances) and multiplied by 100.

## 2. Basic Rationale for Selection of Accounting Standards

Makita has voluntarily adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2019 in order to improve global comparability in financial market.





### 3. Consolidated Financial Statements (Unaudited)

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

	Yen (millions)			
	As of March 31, 2021		As of March 31, 2022	
		Composition ratio		Composition ratio
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents.....	148,640		71,057	
Trade and other receivables.....	95,691		117,541	
Inventories.....	267,547		475,128	
Other financial assets .....	18,227		5,281	
Other current assets .....	10,223		15,952	
Total current assets.....	<u>540,328</u>	66.5%	<u>684,959</u>	68.0%
<b>NON-CURRENT ASSETS:</b>				
Property, plant and equipment, at cost.....	189,366		243,636	
Goodwill and intangible assets.....	9,364		10,085	
Other financial assets .....	51,011		41,545	
Retirement benefit assets.....	10,685		11,286	
Deferred tax assets .....	8,860		12,238	
Other non-current assets.....	3,264		3,748	
Total non-current assets.....	<u>272,550</u>	33.5%	<u>322,538</u>	32.0%
Total assets.....	<u>812,878</u>	100.0%	<u>1,007,497</u>	100.0%

	Yen (millions)			
	As of March 31, 2021		As of March 31, 2022	
		Composition ratio		Composition ratio
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Trade and other payables.....	59,792		67,274	
Borrowings.....	2,612		79,674	
Other financial liabilities.....	4,080		9,888	
Income taxes payable.....	11,218		14,767	
Provisions.....	3,665		4,381	
Other current liabilities.....	<u>40,431</u>		<u>48,181</u>	
Total current liabilities.....	<u>121,798</u>	15.0%	<u>224,165</u>	22.2%
<b>NON-CURRENT LIABILITIES:</b>				
Retirement benefit liabilities.....	3,406		3,160	
Other financial liabilities.....	11,764		13,954	
Provisions.....	1,421		1,595	
Deferred tax liabilities.....	10,954		11,888	
Other non-current liabilities.....	<u>209</u>		<u>205</u>	
Total non-current liabilities.....	<u>27,754</u>	3.4%	<u>30,802</u>	3.1%
Total liabilities.....	<u>149,552</u>	18.4%	<u>254,967</u>	25.3%
<b>EQUITY</b>				
Share Capital.....	23,805		23,805	
Capital Surplus.....	45,559		45,585	
Retained earnings.....	588,644		640,577	
Treasury shares.....	(11,543)		(11,540)	
Other components of equity.....	<u>11,390</u>		<u>47,917</u>	
Total equity attributable to owners of the parent...	<u>657,855</u>	80.9%	<u>746,344</u>	74.0%
NON-CONTROLLING INTEREST.....	<u>5,471</u>	0.7%	<u>6,186</u>	0.6%
Total equity.....	<u>663,326</u>	81.6%	<u>752,530</u>	74.7%
Total liabilities and equity.....	<u>812,878</u>	100.0%	<u>1,007,497</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, 2021		For the year ended March 31, 2022	
	Composition ratio		Composition ratio	
REVENUE .....	608,331	100.0%	739,260	100.0%
Cost of sales .....	(405,282)	(66.6%)	(510,942)	(69.1%)
GROSS PROFIT .....	203,049	33.4%	228,318	30.9%
Selling, general and administrative and others, net .....	(114,585)	(18.9%)	(136,590)	(18.5%)
OPERATING PROFIT .....	88,464	14.5%	91,728	12.4%
Financial income .....	1,813		1,937	
Financial expenses.....	(3,078)		(1,182)	
PROFIT BEFORE INCOME TAXES .....	87,199	14.3%	92,483	12.5%
Income tax expenses.....	(24,515)		(27,146)	
PROFIT .....	62,684	10.3%	65,337	8.8%
Profit attributable to:				
Owners of the parent .....	62,018	10.2%	64,770	8.7%
Non-controlling interests.....	666	0.1%	567	0.1%

**Consolidated Statements of Comprehensive Income**

	Yen (millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
PROFIT .....	62,684	65,337
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Items that will not be reclassified to profit (loss)		
Equity financial goods measured at fair value through other comprehensive income (loss).....	9,072	(2,480)
Remeasurement of defined benefit plans.....	953	761
Total of items that will not be reclassified to profit (loss) .....	10,025	(1,719)
Exchange differences on translating foreign operations.....	29,220	44,500
Total of items that may be reclassified to profit (loss) .....	29,220	44,500
Total other comprehensive income (loss), net of tax .....	39,245	42,781
COMPREHENSIVE INCOME.....	101,929	108,118
Comprehensive income attributable to:		
Owners of the parent .....	100,931	107,196
Non-controlling interests.....	998	922



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

Yen (millions)								
For the year ended March 31, 2021								
Equity attributable to owners of the parent							Non-Controlling interest	Total equity
Share capital	Capital Surplus	Retained earnings	Treasury shares	Other components of equity	Total			
Balance at April 1, 2020	23,805	45,531	540,063	(11,554)	(26,570)	571,275	4,473	575,748
Profit for the period			62,018			62,018	666	62,684
Other comprehensive income					38,913	38,913	332	39,245
Comprehensive income	-	-	62,018	-	38,913	100,931	998	101,929
Dividends paid			(14,390)			(14,390)	-	(14,390)
Purchase of treasury shares				(4)		(4)		(4)
Share-based payment transaction		28		15		43		43
Transfer from other components of equity to retained earnings			953		(953)	-		-
Total amounts of transactions with owners	-	28	(13,437)	11	(953)	(14,351)	-	(14,351)
Balance at March 31, 2021	23,805	45,559	588,644	(11,543)	11,390	657,855	5,471	663,326

Yen (millions)								
For the year ended March 31, 2022								
Equity attributable to owners of the parent							Non-Controlling interest	Total equity
Share Capital	Capital Surplus	Retained earnings	Treasury shares	Other components of equity	Total			
Balance at April 1, 2021	23,805	45,559	588,644	(11,543)	11,390	657,855	5,471	663,326
Profit for the period			64,770			64,770	567	65,337
Other comprehensive income					42,426	42,426	355	42,781
Comprehensive income	-	-	64,770	-	42,426	107,196	922	108,118
Dividends paid			(18,736)			(18,736)	(207)	(18,943)
Purchase of treasury shares				(7)		(7)		(7)
Share-based payment transaction		26		10		36		36
Transfer from other components of equity to retained earnings			5,899		(5,899)	-		-
Total amounts of transactions with owners	-	26	(12,837)	3	(5,899)	(18,707)	(207)	(18,914)
Balance at March 31, 2022	23,805	45,585	640,577	(11,540)	47,917	746,344	6,186	752,530

### (4) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit.....	62,684	65,337
Depreciation and amortization .....	16,491	21,002
Income tax expenses.....	24,515	27,146
Financial income and expenses .....	1,265	(755)
Loss (gain) on sales and retirement of property, plant and equipment.....	817	483
Decrease (increase) in trade and other receivables.....	(21,481)	(14,153)
Decrease (increase) in inventories.....	(35,990)	(175,557)
Increase (decrease) in trade and other payables .....	21,868	1,295
Increase (decrease) in retirement benefit assets and liabilities .....	(152)	(361)
Decrease (Increase) in guarantee deposits.....	1,633	(10,473)
Other.....	8,178	9,187
Subtotal .....	<u>79,828</u>	<u>(76,849)</u>
Dividends received.....	688	751
Interest received .....	730	417
Interest paid.....	(356)	(673)
Income taxes paid.....	<u>(16,353)</u>	<u>(27,306)</u>
Cash flows from operating activities .....	<u>64,537</u>	<u>(103,660)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of non-current assets .....	(49,855)	(59,937)
Proceeds from sales of non-current assets.....	136	725
Purchase of investments .....	(3,740)	(200)
Proceeds from sale and redemption of investments .....	8,157	18,065
Payments into time deposits .....	(46,829)	(9,187)
Proceeds from withdrawal of time deposits .....	48,792	22,328
Other.....	426	315
Cash flows from investing activities .....	<u>(42,913)</u>	<u>(27,891)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase (decrease) in short-term borrowings .....	(5,666)	75,169
Purchase and sales of treasury shares, net.....	(4)	(7)
Cash dividends paid .....	(14,390)	(18,736)
Repayment of lease liabilities.....	(2,998)	(3,611)
Other.....	22	(189)
Cash flows from financing activities .....	<u>(23,036)</u>	<u>52,626</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....	6,613	1,342
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	5,201	(77,583)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR .....	<u>143,439</u>	<u>148,640</u>
CASH AND CASH EQUIVALENTS, END OF YEAR .....	<u>148,640</u>	<u>71,057</u>



**(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, 2021							
	Japan	Europe	North America	Asia	Total	Other area	Eliminations	Consolidated
Revenue:								
(1) External customers.....	131,329	284,419	92,812	25,238	533,798	74,533	-	608,331
(2) Inter-segment.....	247,385	12,597	4,220	265,547	529,749	568	(530,317)	-
Total .....	<u>378,714</u>	<u>297,016</u>	<u>97,032</u>	<u>290,785</u>	<u>1,063,547</u>	<u>75,101</u>	<u>(530,317)</u>	<u>608,331</u>
Operating profit .....	31,102	29,837	3,681	20,722	85,342	4,358	(1,236)	88,464

	Yen (millions)							
	For the year ended March 31, 2022							
	Japan	Europe	North America	Asia	Total	Other area	Eliminations	Consolidated
Revenue:								
(1) External customers.....	141,244	354,561	114,635	30,823	641,263	97,997	-	739,260
(2) Inter-segment.....	395,550	20,693	5,732	413,010	834,985	473	(835,458)	-
Total .....	<u>536,794</u>	<u>375,254</u>	<u>120,367</u>	<u>443,833</u>	<u>1,476,248</u>	<u>98,470</u>	<u>(835,458)</u>	<u>739,260</u>
Operating profit .....	31,127	39,399	803	19,408	90,737	9,879	(8,888)	91,728

## Revenue by product categories

	Yen (millions)				Increase (Decrease) (%)
	For the year ended March 31, 2021		For the year ended March 31, 2022		
	Composition ratio		Composition ratio		
Finished goods.....	504,169	82.9%	611,655	82.7%	21.3%
Parts, repairs and accessories .....	104,162	17.1%	127,605	17.3%	22.5%
Total revenue.....	<u>608,331</u>	<u>100.0%</u>	<u>739,260</u>	<u>100.0%</u>	<u>21.5%</u>

## Information per share

	Yen	
	As of March 31, 2021	As of March 31, 2022
Equity attributable to owners of the parent per share .....	2,422.80	2,748.64
Profit attributable to owners of the parent per share (Basic) .....	228.41	238.54

### Notes:

- 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, 2021:271,524,393  
For the year ended March 31, 2022:271,530,966
- The amount of profit attributable to owners of the parent per diluted per share are not shown as diluted shares do not exist.

## Significant Subsequent Events: None



#### 4. SUPPORT DOCUMENTATION (CONSOLIDATED)

##### (1) Consolidated Financial Results and Forecast

	Yen (millions)			
	For the year ended March 31, 2021		For the year ended March 31, 2022	
		(%)		(%)
Revenue.....	608,331	23.5	739,260	21.5
Domestic .....	113,048	12.3	118,050	4.4
Overseas.....	495,283	26.4	621,210	25.4
Operating profit.....	88,464	38.1	91,728	3.7
Profit before income taxes.....	87,199	32.1	92,483	6.1
Profit attributable to owners of the parent.....	62,018	29.9	64,770	4.4
Profit attributable to owners of the parent per share (Yen).....	228.41		238.54	
Number of Employees.....	18,624		20,233	

	Yen (millions)	
	For the year ending March 31, 2023 (Forecast)	
		(%)
Revenue.....	740,000	0.1
Domestic .....	120,000	1.7
Overseas.....	620,000	(0.2)
Operating profit.....	85,000	(7.3)
Profit before income taxes.....	83,000	(10.3)
Profit attributable to owners of the parent.....	59,000	(8.9)
Profit attributable to owners of the parent per share (Yen) .....	217.29	
Number of Employees.....	-	

Notes:

1. Please refer to 1. Overview of operating results Section 4 “Outlook for the fiscal year ending March 31, 2023” on page 5.
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 previous year.



## (2) Consolidated Revenue by Geographic Area

	Yen (millions)			
	For the year ended March 31, 2021		For the year ended March 31, 2022	
		(%)		(%)
Japan.....	113,048	12.3	118,050	4.4
Europe .....	282,725	30.8	352,470	24.7
North America .....	90,945	25.8	112,248	23.4
Asia .....	39,331	0.9	49,196	25.1
Central and South America.....	29,403	13.1	41,765	42.0
Oceania.....	41,304	45.3	51,579	24.9
The Middle East and Africa.....	11,575	16.1	13,952	20.5
Total.....	608,331	23.5	739,260	21.5

Note: 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 14.

The table shows the changes in the percentage ratio of revenue compared to the previous year.

## (3) Exchange Rates

	Yen		
	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ending March 31, 2023 (Forecast)
USD/JPY .....	106.10	112.39	120
EUR/JPY .....	123.76	130.55	130
RMB/JPY .....	15.68	17.51	18.9

## (4) Production Ratio (unit basis)

	For the year ended March 31, 2021	For the year ended March 31, 2022
	Composition ratio	Composition ratio
Domestic .....	7.7%	7.0%
Overseas .....	92.3%	93.0%

## (5) Consolidated Capital Expenditures, Depreciation and Amortization, and R&D costs

	Yen (millions)		
	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ending March 31, 2023 (Forecast)
Capital expenditures.....	49,855	59,937	40,000
Depreciation and amortization ...	13,881	17,639	20,000
R&D costs .....	12,783	14,145	15,000