Makita Corporation

Additional Information
for the year ended March 31, 2026

General Overview of Business

(Partial translation of "YUKASHOKEN HOKOKUSHO"
originally issued in Japanese)

CONTENTS

【Management policies and Challenges the Company faces】

1. Basic Policies

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

In order to achieve this, the Group has established management policy / quality policy such as "The Group strives to exist in harmony with society", " The Group values its customers", " The Group is managed in a consistent and proactive manner" and "valuing a stalwart corporate culture and enabling each individual to make the most of his or her abilities ".

The Group aims to generate solid profitability so that the Group can promote its sustained corporate development and meet the needs of its shareholders, customers, and employees as well as regional societies where the Group operates.

2. Target Management Indicators

The Group positions the five-year period through fiscal year 2030 as a phase for strengthening its earnings structure and business foundation to achieve sustainable growth. By transitioning to a stable earnings structure and improving capital efficiency, the Group aims to realize sustainable future growth and enhance corporate value. By fiscal year 2030, the Group targets to achieve a consolidated operating profit margin of 15% or higher and an ROE of 11% or higher. In addition, from the perspective of securing the liquidity necessary to maintain global competitiveness, the Group will maintain cash and cash equivalents at an appropriate level equivalent to two to three months of monthly sales.

3. Medium-to-Long-Term Management Strategy

The Group has set forth a long-term objective of becoming a “Strong Company” and, over the medium to long term, aims to evolve into a “Solution Company” that contributes to resolving social issues. Through the provision of solutions to societal challenges such as labor shortages at worksites and the realization of a decarbonized society, the Group seeks to grow together with society. To achieve this goal, the Group will establish a robust business model and business foundation that are not dependent on external environmental factors, with rechargeable products at the core, and will evolve into a “comprehensive supplier of cordless products.”

The Group’s strength lies in its development of highly innovative new products that achieve a high level of satisfaction among professional users, supported by proprietary battery charging and discharging technologies and motor technologies, as well as in its extensive product lineup. In addition, the Group possesses a global production system that ensures both high quality and cost competitiveness, and industry-leading sales and service networks in Japan and overseas markets. By leveraging these strengths, the Group will promote the penetration and expansion of its 40Vmax series—known for its superior power and durability—within its rechargeable product lineup. Through this initiative, the Group aims to broaden the application range of rechargeable products into high-load work areas that were previously difficult to address, while also expanding into growth fields such as gardening equipment, thereby further extending its business domains across diverse end markets.

The Group maintains sales and service bases around the world, enabling it to provide prompt repair and logistics services by holding ample inventories of products and spare parts in each country and region. This capability constitutes a key source of the Group’s competitiveness. Going forward, in addition to this strength, the Group will further leverage its globally established network of sales and service bases by expanding its sales personnel and strengthening on-site visits. Through these efforts, the Group will establish a global framework for capturing customers’ latent needs and enhance its ability to propose optimal solutions.

Furthermore, in response to rapid technological innovation and changes in customer needs, the Group will steadily promote investments in research and development, human resources, and facilities. At the same time, it will strengthen its supply chain by diversifying production locations and multi-sourcing procurement, thereby building a supply system that ensures uninterrupted production and sales even in times of emergency.

In addition, amid a highly uncertain business environment characterized by foreign exchange risks, geopolitical risks, and other factors, the Group will flexibly advance its growth strategies in accordance with changes in the business environment. At the same time, it will place greater emphasis on management with a focus on capital efficiency and aim to achieve sustainable profit growth and enhance corporate value through appropriate cash allocation and strengthened shareholder returns.

4. Preparing for the Future

In the future, the 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 increasingly frequent natural disasters, global warming, and labor shortages by increased efficiency of works, will continue to increase further both in emerging and developed countries.

To cope with these assumed conditions, the Group 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;
- Next to power tools, we will work to develop and market products, mainly cordless outdoor power equipment and cleaning products, as the mainstay of future business.
- Work to strengthen a multipolar production and procurement system that is not overly dependent on any specific country, region, or supplier.
- 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.

【Sustainability Approach and Initiatives】

The Company's sustainability approach and initiatives are as follows:
Forward-looking statements in this section are based on the Group's judgment as of the end of the current fiscal year.

[Governance]

In 2021, the Company established a Sustainability Committee, chaired by the President, to promote Companywide efforts to address sustainability issues through business activities.
Based on the expectations of stakeholders and social trends, as well as current management issues and the management environment, the committee selects material issues and implements measures after discussions and deliberations.
The committee considers climate change to be one of the most important sustainability issues, and deliberates on policies, measures, and plans to reduce GHG emissions. The committee reports and submits proposals on important matters to the Board of Directors, which deliberates on these matters and makes decisions in the course of monitoring and overseeing the Company’s climate-related risks and opportunities.

Material Issues

	Materiality		Specific Key Initiatives	SDGs Contributions
E	Reducing environmental impact	• Contribute to decarbonization • Contribute to a resource-circulating society	•Active development of cordless OPE to replace engine-powered products •Utilization of renewable energy and energy conservation •Promotion of the elimination of plastic •Battery recycling	
S	Contribution to affluent communities and daily lives	• Improve work efficiency and the productivity of field operations • Support early recovery from disasters • Offer peace of mind during times of disaster	• Active development of cordless products • Expansion of sales and service base network with close ties to customers and communities • Expansion of logistics functions and production capacity • Maintenance of a stable inventory that will not run out in times of emergency	
S / G	Strengthening the management base	• Exercise respect for human rights • Provide for employee training, safety, and health • Ensure compliance • Strengthen corporate governance	• Ensure thorough consideration of human rights throughout the supply chain • Development of human resources and promotion of diversity and inclusion • Ensure employee safety and health • Ensure awareness of and ensure compliance with laws and regulations • Further improvement of the effectiveness of the Board of Directors	

The Company holds annual Disclosure Committee meetings to identify and scrutinize risks in our business activities as well as to evaluate and manage risks related to sustainability.
The details of climate change risks and opportunities are assessed and managed under the Sustainability Committee.
The Board of Directors monitors and supervises sustainability-related risks and opportunities. In addition, among material issues, climate change and human capital are recognized as particularly important issues that have an impact on the Company's sustainable enhancement of corporate value, and the Company is strengthening its efforts.

[Initiatives for decarbonization]
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. The Group views climate change as an important business issue.
For this reason, we have 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. In order to further accelerate these efforts, we have set targets for reducing greenhouse gas (GHG) emissions. We are working on our targets to reach net zero emissions by fiscal 2040 (FYE 2041). In addition, recognizing the importance of dialogue with stakeholders on climate-related risks and opportunities, in 2021, the Group expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
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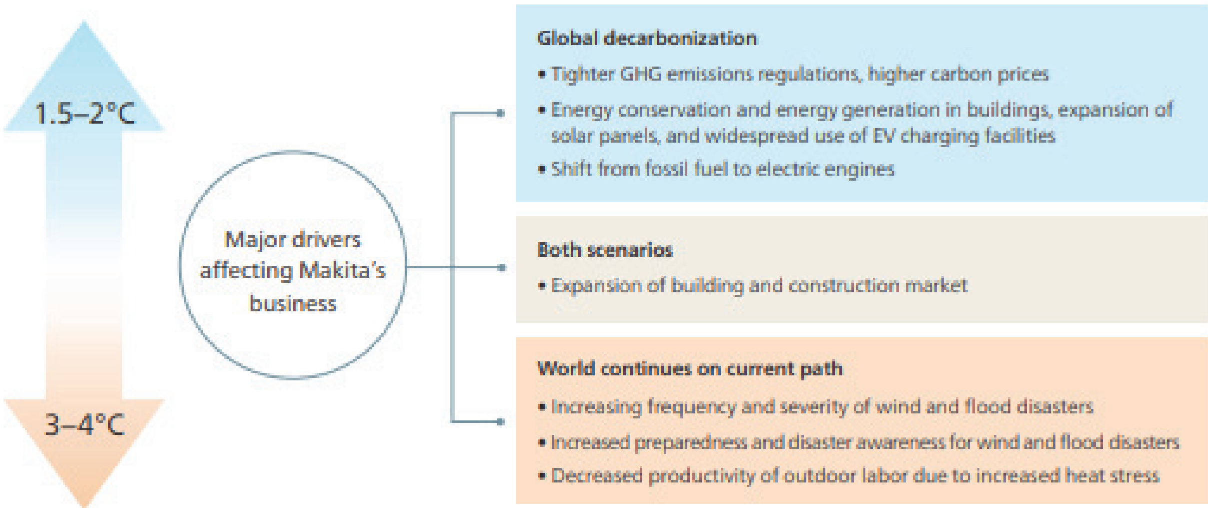
See our website for more information. (https://www.makita.biz/sustainability/environment/02/)

[Strategy]

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



Based on these worldviews, we have identified our climate-related risks and opportunities and qualitatively assessed them. For more details, see our website.

Risks

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

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

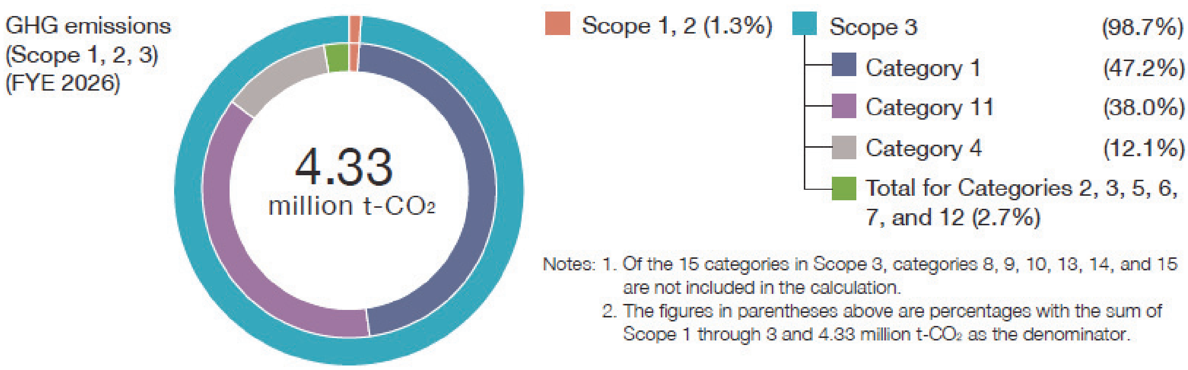
Opportunities

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

Opportunity onset timing: Short-term: up to 3 years; Medium-term: over 3 years to 10 years; Long-term: over 10 years
※1 Net Zero Energy Building ※2 Net Zero Energy House

[Indicators and Targets]

The Group has set goals to reduce GHG emissions from its own business activities (Scope 1 and 2) to virtually zero by fiscal 2040 (FYE 2041) and from its entire supply chain (Scope 3) to virtually zero by fiscal 2050 (FYE 2051). The mid-term target for Scope 1 and 2 is to halve the fiscal 2020 (FYE 2021) level by fiscal 2030 (FYE2031).



Results and target GHG emissions (t-CO_2)

	FYE 2021 Results	FYE 2025 Results	FYE 2031 Targets	FYE 2041 Targets	FYE 2051 Targets
Scope 1、2	89,673	57,313	44,836	Virtually zero	
Scope 3	6,006,569	4,274,651	—	—	Virtually zero
Total	6,096,242	4,331,964			

[Initiatives Related to the Utilization of Human Capital]
Our initiatives to the utilization of human capital are as follows. Although initiatives related to human capital utilization are implemented by each consolidated subsidiary company, it is difficult to describe them for the entire consolidated group due to differences in scale and systems. Therefore, the Company's non-consolidated indicators and results are presented.

[Basic approach and strategy to human capital]
After the Company's expansion into the U.S. in the 1970s, the Company has pressed forward and proactively grown internationally. In 2005, we launched our lithium-ion battery-powered professional-use cordless tools ahead of the competition and, more recently, with environmental issues globally growing into an important theme, we have been working towards evolving into a supplier of a comprehensive range of cordless products by shifting from engine-powered to battery-powered products. This ability to flexibly respond to global market environment changes is the source of the Group's growth. What supports our growth is nothing other than the talents of the people working at the Group. Moving forward, the Group will comprehend changes in the global market environment and strive to grow with demand. To this end, we will advance the activities of diverse human resources and globalize the Group.

[Indicators and targets for human capital]

(1) Efficiently training new human resources to be competitive as quickly as possible
Makita is expanding its business on a global scale, and many of its employees have experience temporarily working or training abroad. As of March 31, 2026, approximately 27% of employees have worked overseas on temporary transfers, excluding those working at the Research and Development Headquarters or Domestic Sales Headquarters. For Makita to continue to grow sustainably, it is essential that newly hired human resources (both new graduates and mid-career employees) with diverse values gain international experience early on and receive training to be globally active. We are working to achieve the target we have set of 20% of employees sent for overseas training or temporary transfer having worked at Makita (non-consolidated) for five years or less by March 31, 2030.
This fiscal year, the figures decreased compared with the previous year due to changes in overseas training and temporary transfer plans for younger employees, taking into account global conditions and other factors.
However, our policy of developing talented employees to be competitive at an early stage remains unchanged, to achieve our target, we will utilize short-term training programs to increase the number of young employees who are eligible for overseas work.

	2024	2025	2026	2030
Percentage of employees sent for overseas training or temporary transfer that worked at Makita for five years or less	12%	18%	15%	20%

(Initiatives for achievement)

・Proactively accepting internships and building relationships with university laboratories to lay the groundwork for attracting excellent human resources

・Utilizing short-term overseas training programs to enable more young employees to gain overseas experience

・To foster international career development and increase motivation amongst young employees, we introduce the work and life of young employees who are working overseas, as well as how they collaborate with local staff, through the Company newsletter.

(2) Promoting women's advancement

The Company is working to create an environment that is comfortable for women to work in and allows human resources with diverse values to demonstrate their abilities to the fullest. As a result, the average years of service of female employees in Japan exceeds that of male employees. We have set a target for the future to increase the percentage of female managers at the Company (non-consolidated) to at least 3% (10 or more people) by FYE 2030, so that every female employee can further play active roles, and we are advancing our efforts to achieve this target.

This year, following on from the previous year, we held the Women's Career Design Seminar as a series of two sessions for female employees. Seminar participants identified their strengths and unique abilities, learned how to interact with others, and created action plans. Some female employees who attended this seminar passed the leadership assessment test, and the results of our initiatives to support women's career development are beginning to appear.

	2024	2025	2026	2030
Percentage of female managers	1.3% (4 people)	1.6% (5 people)	2.0% (6 people)	3.0% (10 or more people)

(Note)1 Average years of service as of 31 March 2026: 16.2 years for males, 17.9 years for females

(Initiatives for achievement)

・Creating systems that allow flexible work styles, such as through the expansion of the childcare reduced working-hours system

・Actively recruiting female new graduates and mid-career hires

・Encouraging women to take the exams for promotions to leadership and management positions

(3) Encouraging employees to take childcare leave

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

	2024	2025	2026	2030
Percentage of male employees using childcare leave system	49%	67%	73%	90% or more

(Initiatives for achievement)

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

Basic Policy on Human Resources Strategy, etc.

For the Company’s basic policy on human resources strategy, please refer to [Basic approach and strategy to human capital].

The Company’s policy for determining the amount and details of employee compensation and other benefits is as follows.

As the Group operates globally and is subject to diverse legal systems and regulations in each country, it is difficult to describe them for the entire consolidated. Therefore, the Company's non-consolidated policy is presented.

The Company has achieved growth through proactive global expansion, and we believe that this growth is supported by the capabilities of each and every employee. Our fundamental approach is to realize sustainable growth by enabling employees to fully demonstrate their abilities and achieve continuous development.

Under this approach, the Company’s compensation system is designed to ensure stable treatment while appropriately reflecting job performance capabilities, roles, and contributions to business results.

1. Structure of Compensation

Employee compensation mainly consists of base salary, bonuses, and various allowances.

Base salary comprises a fixed salary determined according to job grade classifications (grades) based on employees’ “ability to perform job duties,” as well as a qualification-based component reflecting evaluation results. The system emphasizes stability under long-term employment relationships. In addition, employees assigned specific roles are provided with role-based allowances to appropriately reflect the level of responsibility in their compensation.

Bonuses are determined based on overall company performance and individual evaluation results. By maintaining a certain degree of linkage with performance, the system is designed to promote alignment between organizational goals and individual actions.

2. Methods and Processes for Determining Compensation

The amount and details of employee compensation are determined in accordance with the wage system established for each job category, employee classification, and grade.

For base salary, an annual salary increase system is in place, under which the amount of increase is determined based on factors such as employment status, grade, and job performance capability.

The qualification-based component is determined based on personnel evaluation results and is designed to reflect each employee’s performance and achievements in their compensation.

These evaluation and compensation determination processes are properly operated in accordance with internal regulations.

The overall design and revision of the wage system are carried out with the involvement of management, taking into account the business environment, the Company’s medium- to long-term direction, and perspectives on human resource development.

Wage increases are determined through labor-management negotiations, with the objectives of ensuring a living wage for employees, enhancing employee motivation, and securing talented personnel.

For this fiscal year, the Company has decided to implement a wage increase averaging JPY 25,000 per union member (equivalent to a 7% increase, excluding regular salary increases).

【Risk factors】

The following is a summary of some of the significant risks concerning the business and financial conditions stated in the financial statements, which could affect investors' decision-making. Additionally, some risks that may be currently unknown to the Group and other risks that are currently believed to be immaterial may become material.

The forward-looking statements described here are listed in order of risk level, as judged by the Group as of March 31, 2026.

As described in "Part II: General Overview of Business, 1. Management policies and Challenges the Company faces, 4. Preparing for the future," above.

(1) The Group's sales are affected by the levels of construction activities and capital investments in its markets.

The demand for power tools and outdoor power equipment is affected by economic conditions. Generally speaking, the demand for power tools is affected to a large extent by the levels of new housing construction, demand for household renovations, public investment, and private investments and the levels of construction activities and capital investment and consumption trends depend largely on the economic conditions in the market.

Consequently, economic conditions in Japan, Europe, North America, Asia, Central and South America, Oceania, the Middle East, and Africa, where the Group actively conducts business, together with significant volatility in oil and mineral resource prices and stock markets, may have an adverse impact on Makita's financial condition and results of operations.

Also, demand for tools such as outdoor power equipment is influenced not only by public investment and personal consumption but also by weather conditions. If market conditions deteriorate due to these factors, it may have an adverse impact on Makita's financial condition and results of operations.

Uncertainty of world economic conditions and market Conditions may adversely affect construction activities and consumption, and the Group's sales may decrease. Consequently, the ratio of selling, general, administrative and others expense (hereinafter called "SGA expenses") against net sales may become relatively high, and as a result, profit margin may decrease. Such conditions may require reorganization and restructuring of production facilities and sales/distribution sites. If a sovereign debt crisis erupts in other countries, it may have further adverse effects on the level of new housing construction, demand for household renovations, public investment, and private investments due to the tightening of credit because of fears of failure of financial institutions or further decrease in public spending because of the austerity budget.

(2) Currency exchange rate fluctuations may affect the Group's financial results.

The functional currency for all of the Group's significant foreign operations is the local currency. Assets and liabilities of overseas subsidiaries denominated in their local currencies are translated into Japanese yen at the exchange rate in effect at each fiscal year-end, and income and expenses are translated at the average rates of exchange prevailing during each fiscal year. The resulting currency translation adjustments are included in accumulated other comprehensive income (loss) in shareholders' equity. Currently, over 80% of the Group's overall production and sales are generated overseas and a significant portion thereof is denominated in currencies other than Japanese yen. Consequently, fluctuations in exchange rates may have a significant impact on the Group's results of operations, assets and liabilities and shareholders' equity when translated into Japanese yen.

The Group is affected by fluctuations in the value of the euro, the U.S. dollar and Chinese Renmin yuan, among other currencies. The euro and the U.S. dollar are the primary foreign currencies on which the Group bases its foreign sales and the U.S. Dollar and Chinese Renmin yuan are the primary foreign currencies on which the Group bases its foreign production.

In an effort to minimize the impact of short-term exchange rate fluctuations between major currencies, mainly the euro, the U.S. dollar, and the Japanese yen, the Group engages in hedging transactions. However, medium to long-term fluctuations of exchange rates may affect the Group's ability to execute procurement, production, logistics and sales activities as planned and may have an adverse impact on the Group's financial condition and results of operations.

Rapid fluctuation in exchange rates may give rise to more than expected effects on the Group's results of operations. In addition, further depreciation of the Japanese yen against the Chinese Renmin yuan, may have an adverse impact on the Group's financial condition and results of operation because significant amount of materials, parts and finished products are imported from China.

(3) The Group's overseas activities and entry into overseas markets entail risks, which may have a material adverse effect on the Group's business activities.

The Group's overseas activities and entry into overseas markets give rise to the number of following risks. If such risks materialize, they may have a material adverse impact on the Group's financial condition and results of operations. Such risks include the following:

I. Disadvantageous political and economic factors
II. Large-scale natural disaster, such as earthquakes, floods and fires
III. Terrorism, war, and other factors that lead to social turbulence
IV. Enactments of and changes in laws and regulations, such as protectionist trade policy or change in tariff policy affecting markets in which the Group conducts its business
V. The outflow of technical know-how and a decline in knowledge levels due to increased personnel mobility may strengthen the competitive position of the Group's competitors.
VI. Potentially unfavorable tax systems and tariffs
VII. The interruption of or disruption to the Group's operations due to labor disputes

(4) The Group faces intense competition in the global market for its power tools for professional use.

The global market for power tools and outdoor power equipment for professional use is highly competitive. Factors that affect competition in the markets for the Group's products include the quality, functionality of products, price, technological developments, the pace of new product development, reliability of products, such as safety and durability, the rise of new competitors, brand images and after-sales service.

While the Group strives to ensure its position as a leading global supplier of power tools and outdoor power equipment for professional use, there is no guarantee that it will be able to effectively maintain its competitiveness in the future.

If the Group is unable to compete effectively, it may lose market share, and its earnings may be adversely affected. In particular, in the event of a global recession in which demand for goods and services sharply drops, earnings and cash flow of the Group may be negatively affected by intensified competition and lowered product prices.

(5) If the Group is not able to develop attractive products, the Group's sales may be adversely affected.

In order to compete effectively, the Group needs to, among other things, provide its customers with a diverse product line-up supported by the development of high-quality and high-performance professional power tools and outdoor power equipment, and build on the MAKITA brand value maintained and promoted by the effort of a strong world-wide sales and after-sale service network. There is no assurance that the Group will be able to continue to develop new products across its diverse product line-up. If the Group is no longer able to develop in a timely manner new products that meet the changing needs and correspond to market prices for high-end, professional users, the Group may not be able to compete effectively, and the Group's financial condition and results of operations may be adversely impacted.

(6) If the procurement of raw materials used by the Group becomes difficult or prices of these raw materials rise sharply, this may have an adverse effect on the Group's performance.

The Group purchases raw materials and components, including silicon steel plates, aluminum, material of plastic, steel products, copper wire, and electronic parts for production activities. The production plans are dependent on the on-schedule delivery of materials. If the Group is unable to obtain the necessary quantities of these materials, this may have an adverse effect on production. If delivery takes longer due to the lack of certain elements, epidemic of new infectious disease and increase in production is difficult, production activity of electric components facing high demand of emerging countries may not be met. In addition, the change in the element markets, impact on currency exchange, or rise in labor of the markets may also push up the prices of raw materials and components. In such an event, if the increase in prices cannot be offset by improvements in the Group's productivity, other internal cost-cutting efforts and/or raising the prices of final products, this may have an adverse impact on the Group's financial condition and results of operations.

(7) Geographic concentration of the Group's main offices and facilities may have adverse effects on the Group's business activities.

The Group's principal management functions, including its headquarters are located in Aichi Prefecture, Japan, while the production base is located in Kunshan, Jiangsu Province, China. Due to this geographic concentration of the Group's major functions, including plants and other operations in certain regions of Japan and China, the Group's performance may be significantly affected by the occurrence of major disasters and other catastrophic events, including earthquakes (particularly massive earthquakes in areas such as Kanto, Tokai, Tonankai or Nankai), radioactive contamination, floods, fires, power outages, and suspension of water supplies.

In addition, the Group's facilities in China may also be affected by changes in political and legal environments, changes in economic conditions, revisions in tariff rates, labor disputes, hikes in personnel expenses, epidemics such as Covid-19 and other factors and power shortages resulting from inadequate infrastructure,.

In the event that such developments cannot be foreseen or measures taken to alleviate their damaging impact are inadequate, it may have an adverse impact on the Group's financial condition and results of operations.

(8) If any of the Group's suppliers fail to deliver materials or parts required for production as scheduled, the Group's production activities may be adversely affected.

The Group's purchase activities include those dependent on certain suppliers who cannot be substituted. For example, when launching new products, sales commencement dates can slip if such manufacturers' technologies do not satisfy the Group's demands or take an inordinate amount of time to satisfy the Group's demands. This may result in lost sales opportunities. There is no assurance that the Group would be able to find alternate suppliers, if necessary, that can provide materials and parts of similar quality and price in a sufficient quantity and in a timely manner. If a supplier cannot deliver the required quality or quantity of parts on schedule due to reasons including natural disasters, outbreaks of new infectious diseases, government regulations, its production capacity or weakened business or financial condition, this may have an adverse effect on the Group's production schedules and cause a delay in the Group's own product deliveries. Any of these occurrences may have an adverse impact on the Group's financial condition and results of operations.

(9) If the Group fails to maintain its relationship with its significant customers or if such significant customers reduce their purchases and sales of the Group's products, the Group's sales may be significantly affected.

Although the Group does not have any customers from which it derives 10% or more of its consolidated revenue, it has significant customers in each country. If the Group loses these customers and is unable to develop new sales channels to take their place, or if any such customer faces significant financial difficulties or accumulates a considerable amount of bad debt, sales to such customers may decline and this may have an adverse impact on the Group's financial condition and results of operations. In addition, if significant customers of Makita select power tools from Chinese manufacturers or select products other than those produced by the Group and sell such products under their own brand instead of the Group's products, this may have an adverse impact on the Group's financial condition and results of operations.

(10) The Group may not be able to protect its intellectual property rights and may incur significant liabilities, litigation costs or licensing expenses or be prevented from selling its products if it is determined to be infringing the intellectual property of third parties.

In regions significant for the Group's sales and production, the Group applies for patents, designs and trademarks, and strives to protect intellectual property rights proactively. However, the Group may not be able to eliminate completely third-party products that infringe on the intellectual property rights of the Group or third-party products similar to Makita's products. This may have a negative influence on the Group's results in operations. Moreover, while the Group believes that it does not infringe on intellectual property rights of third parties, it may be subject to infringement claims from third parties. When infringement of intellectual property rights is claimed by a third party and becoming trial, the Group may be required to pay damages or become subject to an injunction prohibiting production and sales of a product. This may have an adverse impact on the Group’s financial condition and results of operation.

(11) Product liability litigation or recalls may harm the Group’s financial statements and reputation.

The Group is developing a variety of products including power tools and outdoor power equipment under the safety standards of each country and is manufacturing them globally based on the quality standards applicable to each factory. However, a large-scale recall and a large-scale product liability lawsuit may significantly damage the Group’s brand image and reputation. In addition, related costs and time incurred through a recall or a lawsuit may affect business performance and financial condition of the Group if the Group’s insurance policy does not cover the related costs. Accordingly, large-scale recalls and large-scale product liability lawsuits may have an adverse impact on the Group’s financial condition and results of operations.

(12) If the Group is unable to retain talented personnel, this may have an adverse effect on the Group’s competitiveness and result of operations.

The Group considers the retention and development of talented personnel with expertise and technological skills to be critical to survive in the increasingly fierce competition between competitors. The Group also considers important the development and retention of personnel in management in the Group. However, competition in recruiting and retaining global talent requisite for technology innovation and management has become increasingly challenging. Given such a labor and social climate, failure of the Group to hire competent employees or develop human resources in accordance with the management plan or retain experienced employees may have an adverse effect on the business development, operational results and growth prospects of the Group.

(13) Environmental or other government regulations may have a material adverse impact on the Group’s business activities.

The Group maintains strict compliance with environmental, commercial, export and import, tax, safety and other regulations that are applicable to its business in all the countries and areas in which the Group operates. In light of the heightened awareness seen across the globe on environmental issues including global warming and climate change, new environmental or other government regulations designed to decrease environmental impact have been adopted all over the world in recent years. Operational results and financial condition of the Group may be adversely affected if the Group fails to respond to such specifications or terms and conditions, unable to respond in a timely manner, or the cost of compliance is greatly higher.

(14) If the Group’s IT operations network halts or malfunctions, the Group’s production and shipment schedule may be adversely affected.

The Group’s headquarters and its major sales, manufacturing and R&D bases are located in Japan, and its procurement, manufacturing, sales and product development site are located worldwide. These sites are connected globally through an operational network. Our service via internet access is increasing. Safety measures are applied to those operational networks and to employees, security education is held on a regular basis. In addition, to important systems, vulnerability assessment is applied periodically to reduce the risk of being hacked. However, if the Group’s information network and systems halt or malfunction, due to any factor, such as natural disasters, wars, terrorist acts, cyber-attack, computer viruses, unexpected intrusion or illegal operation, the Group may leak information or stop our service. This may have an adverse impact on the Group’s financial condition and results of operations. In addition, improper use of or accidents involving information network and systems may affect business operations or reveal confidential or private information, lead to legal liability, lawsuits or monetary damage or damage on the Group’s reputation or brand images and thereby cause an adverse effect on its operating results.

(15) Fluctuations in stock market prices may adversely affect the Group’s financial statements.

The Group holds certain investments in Japanese equities and investments in trust and records these investments as short-term investments and investments on its consolidated financial statements. The value of these investments’ changes is based on fluctuations in the quoted market prices. Fluctuations in the value of these securities may have an adverse impact on the Group’s financial condition and results of operations.

【Management Analysis of Financial Position, Operating Results and Cash Flows】

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"). Analyses and discussions of the Group's Financial Position, Operating Results and Cash Flows are based on their Consolidated Financial Statements.

This report may constitute "forward-looking statements" based on our assumptions and assessment. The power tools market where the Group operates may be subject to sudden changes in economic circumstances, demand for housing, foreign exchange rates, changes in the competition with rival enterprises and other factors. These changes in risk and circumstances may bring about significantly different results from those described in this report. Accordingly, the description related to the future is the Group's own judgment and do not represent statements as to the likelihood of their realization.

(1) Overview of operating results

[1] Overview of operating results for the fiscal year ended March 31, 2026

The Group is primarily involved in the production and sales of power tools for professional users worldwide. During this fiscal year, 83.0% of Makita's sales were outside of Japan. Makita is affected to a large extent by demand for power tools worldwide, which in turn is influenced by factors including housing starts, demand for household renovations, public investment and private capital expenditures.

The Group's consolidated revenue for FY2026 amounted to 777,600 million yen, increase of 3.2%, or 24,470 million yen, from FY2025. In FY2026, the average Japanese yen-U.S. dollar exchange rate was 150.67 yen for U.S. $1.00, representing a 1.3% revaluation of the Japanese yen compared to the average exchange rate in FY2025. The average Japanese yen-euro exchange rate in FY2026 was 174.64 yen for 1.00 euro, representing a 6.6% devaluation of the Japanese yen compared to the average exchange rate in FY2025. During the year, the weighted average of the Japanese yen's devaluation against other currencies was 3.7%. That favorable currency translation effect increased Makita's sales by 23,289 million yen. Excluding the effect of currency fluctuations, consolidated net sales would have increased by 0.2% or 1,181 million yen in FY2026. Also, sales quantity decreased by 2.7%.

Developed countries in North America and Europe have mature markets for DIY products, and demand for power tools in developed countries is affected by changes in consumers spending. Demand for power tools in emerging countries is expected to expand as their economies grow.

Developments in technology have also driven the market for power tools. In particular, in recent years the development of rechargeable electric tools featuring small, light and high-capacity lithium-ion batteries has resulted in an increased demand for rechargeable electric tools.

The Group has established a solid presence worldwide with its portable power tools; however, competition is intensifying on a global basis.

Looking at the international economic situation during the fiscal year under review,
uncertainty has remained high due to factors including tariff measures imposed by the United States and the deterioration of the situation in Iran. Although the recovery of the construction market remains delayed as interest rates have continued at elevated levels in many regions, demand in the non-residential sector—such as large-scale urban development projects and infrastructure-related fields—has remained firm.

Against this backdrop, the 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. In addition, we invested in new products, including a cordless impact wrench delivering powerful torque comparable to air-powered models and a cordless blower offering high power equivalent to a 65mL-class engine-powered model.

On the production side,
in response to geopolitical risks, the Group promoted the diversification and decentralization of production bases and procurement sources. 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 cultivate markets outside the building and construction field, centered on high-power

products using 40Vmax lithium-ion batteries.
In terms of profit, operating profit decreased 2.2% year-on-year to 104,705 million yen (an operating margin of 13.5%) , although the cost ratio improved due to foreign exchange effects and ongoing cost-reduction measures, operating profit decreased mainly because of an increase in sales personnel and advertising expenses. Profit before tax decreased 0.4% year-on-year to 108,017 million yen (a profit before tax rate of 13.9%) and profit attributable to owners of the parent company increased 0.1% year-on-year to 79,414 million yen (a profit rate attributable to owners of the parent company of 10.2%).
The Group believes that this goal can be attained through the development of new products that bring high satisfaction to professional users; concerted global production systems targeting both high-quality and cost competitiveness; and the maintenance of industry-leading sales and after-sales service systems nurtured in Japan and extended overseas. To implement the foregoing, the Group is working to maintain a solid financial structure that responds well to unexpected changes in the business environment, including the risk of exchange rate fluctuations, geographical risks and the risk caused by the concentration of its management resources and manufacturing facilities.

Review of Performance by Product Group

Power Tools

The power tools group offers a wide range of products such as drills, rotary hammer, hammer driver drills, grinders, cordless impact drivers and circular saws. These products represent the largest portion of the Group’s consolidated revenue. In FY2026, revenue of power tools increased by 1.0% from the previous fiscal year to 409,912 million yen, accounting for 52.7% of consolidated revenue. In Japan, revenue of power tools increased by 1.5% to 55,106 million yen, accounting for 41.7% of domestic revenue. Overseas revenue of power tools increased by 1.0% to 354,806 million yen, accounting for 55.0% of overseas revenue.
New products launched during FY2026 included

・Cordless rebar tying machine that achieves approximately three times stronger binding compared with conventional models, through the use of a thick 1.6 mm wire and a wire pull-back mechanism.
・Cordless rotary hammer that delivers the fastest drilling speed in the 28 mm class* by employing a 40Vmax battery and a high-power brushless motor.

*Among cordless rotary hammers in the 28 mm class (SDS-plus shank), based on the Company’s research as of November 2025.

Outdoor Power Equipment, Household and Other Products

Principal products in the Group’s outdoor power equipment and household products group include chain-saws, brush-cutters, vacuum cleaners and cordless cleaners. In FY2026, revenue of outdoor power equipment, household and other products increased by 5.2% to 190,058 million yen, which accounted for 24.4% of consolidated revenue. Domestic revenue of outdoor power equipment, household and other products increased by 4.9%, to 43,619 million yen, accounting for 33.0% of total domestic revenue. Overseas revenue in the product category increased by 5.3%, to 146,439 million yen, accounting for 22.7% of total overseas revenue in FY2026.
New products launched during FY2026included

・Cordless chainsaw that, despite its compact top-handle design, delivers acceleration performance comparable to that of engine-powered models through the adoption of a 40Vmax battery.
・Cordless pruning shears equipped with a high-power brushless motor, capable of cutting branches up to 30 mm in diameter.

The Group focuses on cordless outdoor power equipment centered on lithium-ion batteries and is working to expand the sales of environmentally friendly products in terms of reduced noise and exhaust emissions.

Parts, Repairs and Accessories

The Group’s after-sales services include the sales of parts, repairs and accessories. In FY2026, the revenue of parts, repairs and accessories increased by 6.5%, to 177,630 million yen, accounting for 22.9% of consolidated revenue. Domestic revenue of parts, repairs, and accessories increased by 6.8%, to 33,402 million yen, accounting for 25.3% of domestic revenue. Overseas revenue of parts, repairs and accessories increased by 6.4%, to 144,228 million yen, accounting for 22.3% of overseas net revenue.

[2] Consolidated revenue by region

In Japan, despite a decline in housing starts and a difficult demand environment with high prices for building and construction materials, revenue was supported by products in outdoor power equipment and 40vmax lithium-ion battery series. As a result, there was an increase of 3.9% compared with the same period of previous year resulting in 132,136 million yen.

In Europe, although
the building and construction market remained sluggish amid persistently high interest rates
the depreciation of the yen contributed to a 4.9% year on year increase in revenue, reaching 390,110 million yen.

In North America,
amid an uncertain outlook for economic conditions, housing investment slowed due to high interest rates and a deceleration in the labor market, and market competition intensified. As a result, revenue decreased by 6.3% year on year to 78,662 million yen.

In Asia, although the demand for tools remained low due to real estate market depression including China, the Group worked to expand sales of high value-added products for infrastructure-related fields and key industries. As a result, revenue increased by 6.0% year on year to 47,730 million yen.

In Central and South America, due to continued strong sales in major countries and efforts to expand sales of the XGT series and cordless outdoor power equipment, revenue increased by 4.5% year on year to 52,986 million yen.

In Oceania,. although the building and construction market remained sluggish, revenue increased due to expanded sales of rechargeable products, particularly the XGT series, rising by 1.5% year on year to 56,651 million yen..

In the Middle East and Africa, overall construction demand remained firm, particularly in oil-producing countries. As a result, revenue increased by 3.2% year on year to 19,325 million yen.

[3] Regional Segments

Segment information described below is based on the location of the Company and its relevant subsidiaries. Revenue by segment is based on the locations of the Company or its relevant subsidiaries that transacted the sales and, accordingly, differ from revenue by region provided above.

We evaluate the performance of all reportable segments using accounting standards generally accepted by IFRS. The method of calculating operating profit for each segment is equivalent to the method of calculating operating profit in the consolidated statement of profit or loss, not including interest income and dividends, interest expense, foreign exchange gains and losses, gains and losses on sales of financial assets and valuation gains and losses on financial assets and liabilities.

Japan Segment

In FY2026, revenue in the Japan segment increased by 6.8% on a year on year basis, amounted to 466,867 million yen. revenue to external customers increased by 3.4%, amounted to 151,458 million yen, which accounted for 19.5% of consolidated revenue. This was due to increase in sales in the domestic market. Due to the impact of foreign exchange rates and price increases
, operating profit ratio increased by2.0 point from 6.3% in FY2025 to 8.3% in FY2026. As a result, segment operating profit increased by 40.8%, amounted to 38,935 million yen in FY 2026.

Europe Segment

In FY2026, revenue in the Europe segment increased by 5.9% on a year on year basis, amounted to 418,728 million yen. Revenue to external customers increased by 5.0%, amounted to 393,338 million yen, which accounted for 50.6% of consolidated revenue. Revenue in local currency decreased by 1.5%, primarily due to the devaluation of the Japanese yen.

The operating profit ratio decreased by 0.2 point from 9.5% in FY2025 to 9.3% in FY2026 mainly due to increased upfront investment costs associated with sales expansion efforts.

As a result, segment operating profit increased by 3.8%, amounted to 39,015 million yen in FY2026.

North America Segment

In FY2026, revenue in the North America segment decreased by 2.1%, amounted to 89,033 million yen. Revenue to external customers decreased by 6.0% to 81,633 million yen, which accounted for 10.5% of consolidated revenue. This was due to high inflation and interest rate making housing sales decline. Due to due to factors such as price increases, operating profit ratio improved by 2.61 point from negative 0.02% in FY2025 to 2.59% in FY2026. As a result, segment operating profit has amounted to 2,306 million yen in FY2026.

Asia Segment

In FY2026, revenue in the Asia segment increased by 4.7%, amounted to 326,432 million yen. Revenue to external customers increased by 8.3%, amounted to 34,333 million yen, which accounted for 4.4% of the consolidated revenue. This was due to an increase in revenue driven by the expansion of sales of high value-added products, despite the continued downturn in China’s real estate market.

Operating profit ratio moved slightly from 9.2% in FY2025 to 9.3% in FY2026. As a result, segment operating profit increased by 5.3%, amounted to 30,364 million yen in FY2026.

Other Segment

In FY2026, revenue in the other segment increased by 3.1%, amounted to 117,202 million yen. revenue to external customers increased by 3.1%, to 116,838 million yen, which accounted for 15.0% of the consolidated revenue. This is due to steady demand in Oceania and Central and South America, which has led to an increase in revenue. The operating profit ratio decreased by 1.7 point from 6.4% in FY2025 to 4.7% in FY2026 mainly due to an increase in upfront investment costs associated with sales expansion activities, among other factors. As a result, segment operating profit decreased by 24.3%, amounted to 5,519 million yen in FY2026.

(2) Financial Position

Million yen

	2025	2026	Increase/Decrease
Assets	1,106,525	1,181,185	74,660
Liabilities	174,030	176,644	2,614
Equity	932,495	1,004,541	72,045
Equity per share attributable to owners of the parent (yen)	3,441.88	3,859.45	417.57
Ratio of equity attributable to owners of the parent to total assets (%)	83.7%	84.4%	0.7%

Total assets as of the end of the year increased by 74,660 million yen to 1,181,185 million yen compared to the balance as of March 31, 2025. This increase was mainly due to the increase in “Inventories.”

Total liabilities increased by 2,614 million yen to 176,644 million yen compared to the balance as of March 31, 2025. This increase was mainly due to the increase in “Other current liabilities.”

Total equity increased by 72,045 million yen to 1,004,541 million yen compared to the balance as of March 31, 2025. This increase was mainly due to the increase in “Exchange differences on translation of foreign operations.”

(3) Cash Flows

Million yen

	2025	2026
Cash flows from operating activities	129,874	102,336
Cash flows from investing activities	(37,872)	(17,634)
Cash flows from financing activities	(33,545)	(99,167)
Increase (Decrease) in cash and cash equivalents	56,634	4,106
Cash and cash equivalents at end of period	253,279	257,385

Total cash and cash equivalents amounted to 257,385 million yen, increased by 4,106 million yen compared to the end of the previous year.

Cash flows from operating activities

Net cash provided by operating activities amounted to 102,336 million, down 27,538 million yen over the previous year mainly because changes in "Trade receivables and payables" had a negative impact

Cash flows from investing activities

Net cash used in investing activities amounted to 17,634 million yen, down 20,237 million yen over the previous year, due mainly to an increase in "Proceeds from withdrawal of time deposits".

Consequently, free cash flows (the sum of cash flows from operating activities and investing activities) amounted to 84,702 million yen, down 7,300 million yen over the previous year.

Cash flows from financing activities

Net cash used in financing activities amounted to 99,167 million yen, up 65,623 million yen over the previous year due mainly to an increase in the amount of "Purchase of treasury shares and Dividends paid".

The main source of liquidity of the Group consists of cash on hand, cash and deposits obtained from business activities and borrowing within the credit limit.

Currently, the Group raises the funds by putting in place the cash management system within the group and also leveraged in order to ensure the enough liquidity as a group.

There were 257,385 million yen in cash and cash equivalents at the end of the current consolidated fiscal year and 241,662 million yen in credit limit, which was partly used 2,384 million yen and unspent 239,279 million yen. There were 2,384 million yen in short-term borrowings, which was used for our daily business activities.

Part of borrowings are on a variable rate basis, there is no materiality in impact on our profit by the fluctuation in market interest ratio as it is all short-term. In terms of average interest rate of borrowings, refer to the note 13.

We have maintained a higher current ratio than before, and at the end of the current consolidated fiscal year, there were 257,385 million yen in cash and cash equivalents. We expect that these cash and the cash generated by our business activities will be sufficient for future demand for working capital, capital investment and research and development, and believe that working capital is sufficient according to the current needs.

(4) Production, Orders Received and Sales

The Group does not present orders received in amount or in quantity because it operates under make-to-stock manufacturing system.

Production volume, based on selling price, for this fiscal year increased by 31,008 million yen (5.5%) to 597,504 million yen compared to the previous year.

Consolidated revenue for this year increased by 3.2% to 777,600 million yen compared to the previous year.

Because the Group has a single business with core activities in the field of production and sales of electric power tools, pneumatic tools and outdoor power equipment, and has organized as a single business division, no explanations are provided for in the context of business segments.

【Material contracts】

Not applicable.

【Research and development】

As a global supplier of a comprehensive range of tools for creating comfortable homes and living environments, the Group pursues the development of power tools, outdoor power equipment and pneumatic tools in its own Research and Development division, 1,421 of the Company's employees are engaged in research and development of technologies in which the Company has a competitive edge and the development of new products.

The Company regards R&D as a high priority and believes that having a strong capability in R&D is crucial to its continuing development of high-quality, reliable products that meet users' needs.

In FY2026, the Group allocated 16,393 million yen (including the development cost that has been capitalized) to R&D, an increase of 11.7% compared with FY2025. As of March 31, 2026, the Group owned 5,742 patents, utility model registration and design rights (inclusive of 4,511 patents and utility model registration) in and outside of Japan.

The Company is promoting the development of cordless tools that deliver output and safety capable of competing with conventional AC-powered, engine-powered, and air-powered equipment, based on XGT batteries and brushless motors. It is also expanding the battery lineup using high-output cells to broaden its coverage of high-output applications.

In the field of outdoor power equipment, the Company is expanding into robot products equipped with automatic traveling and automatic charging functions for cleaning and lawn care. It is also promoting products that combine lightweight and compact design with low noise for a broad range of applications.

The Company is also placing emphasis on market surveys through our global sales channel in order to develop, in a timely manner, new products that meet the needs of whole users.

New products launched during FY2026 included

・XGT Cordless Vacuum Cleaner that maintains the compact form factor of the VC750D while ensuring excellent maneuverability, achieving improved suction work rate and further noise reduction to help reduce operator fatigue during use

・CXT Cordless Cleaner that achieves weight reduction through the adoption of an integrated cyclone structure and a compact, high-speed brushless motor powered by a CXT battery, while also improving suction work rate and delivering enhanced usability through further noise reduction.

・XGT Cordless Portable Band saw that enhances power by adopting XGT compatibility based on the PB183D, and enables right-angle cutting operations when used in combination with a stand (sold separately)

・XGT Cordless Hammer Driver Drill/Driver drill of the top-of-the-line class that optimizes rotational speed through a three-speed mode selection with the addition of a medium-speed mode, achieving higher work efficiency in heavy-load applications requiring longer fastening times, such as with long bolts, when using the medium-speed mode.

・XGT Cordless Rebar Tying Machine that enhances both tying strength and tying speed by adopting higher voltage and a thick 1.6 mm diameter wire specification, achieving both performance improvements simultaneously

・XGT Cordless Belt Sander that enables grinding and polishing work on welded joints of stainless-steel handrails and metal pipes through a structure that follows curved surfaces

・LXT Cordless Angle Impact Wrench that ensures operability in confined and hard-to-reach spaces through a design optimized for such environments, while delivering high torque capable of loosening seized bolts

・XGT Cordless Hedge Trimmer that eliminates the need to swing the tool by arranging hedge trimmer-type blades in a T-shape, enabling grass cutting simply by moving forward and thereby enhancing work efficiency

・XGT Cordless Chain saw that achieves work efficiency equal to or greater than that of a 50 cm^3-class engine chainsaw by increasing output through combination with the BL4080H battery

・XGT Cordless Backpack Blower that improves maneuverability by achieving both high air output and weight reduction through the use of dual parallel XGT batteries, while also contributing to reduced operator fatigue.

Because the Group operates in a single business field and is organized as a single business division, no explanations are provided for in the context of business segments.

【Facilities and Equipment】

Because the Group has a single business and has organized as a single business division, no explanations are provided for in the context of business segments.

In FY2026, the Group made capital investments totaling 21,532 million yen, primarily for the Okayama Distribution Center, molds and equipment at the consolidated subsidiary's factory in China, and the relocation of a branch in the United States. (Investments in right-of-use assets are excluded.) No significant equipment was disposed of or sold during FY2026.

(1) Head Office

As of March 31, 2026

Office Name (Location)	Content of Facilities	Net Book Value (Millions of Yen)				Number of Employees (average number of temporary staff)
		Buildings	Machinery and Equipment	Land [Square Meters]	Total	
Makita Corp (Anjo, Aichi)	R&D	12,558	4,243	251 [40,330.38]	17,052	1,326 (225)
Okazaki Plant (Okazaki, Aichi)	Production	24,211	5,074	2,997 [188,268.60]	32,282	928 (112)
Nisshin (Nisshin, Aichi)	R&D	1,409	80	1,818 [43,102.00]	3,307	172 (34)
Saitama Distribution Center (Kazo, Saitama)	Distribution	9,446	1,216	1,533 [34,833.41]	12,195	2 (0)
Okayama Distribution Center (Okayama, Okayama)	Distribution	8,932	2,117	1,982 [70,572.09]	13,031	2 (0)
Tokyo Branch (Bunkyo, Tokyo)	Sales point	509	20	57 [322.64]	586	28 (4)
Nagoya Branch (Nakamura, Nagoya)	Same as above	169	3	352 [1,238.45]	524	35 (1)
Osaka Branch (Kita, Osaka)	Same as above	904	4	69 [334.64]	977	35 (5)

Note: Right-of-use assets are included.

(2) Overseas Subsidiaries

As of March 31, 2026

Company Name	Location	Contents of Facilities	Net Book Value (Millions of Yen)				Number of Employees (average number of temporary staff)
			Buildings	Machinery and Equipment	Land [Square Meters]	Total	
Makita Corporation of America	Atlanta U.S.A.	Production	713	35	126 [230,825]	874	101 (62)
Makita (China) Co., Ltd.	Kunshan China	Same as above	15,278	12,065	857 ＜220,834＞	28,200	4,266 (745)
Makita (Kunshan) Co., Ltd.	Kunshan China	Same as above	2,024	790	239 ＜87,683＞	3,053	1,095 (197)
Makita Manufacturing Europe Ltd.	Telford U.K.	Same as above	873	816	211 [50,600]	1,900	267 (44)
Makita Engineering Germany GmbH	Hamburg Germany	Same as above	8,448	974	893 [58,366]	10,315	189 (21)
Makita EU S.R.L. (Romania)	Branesti Romania	Same as above	19,447	5,194	1,406 [291,152]	26,047	1,712 (0)
Makita do Brasil Ferramentas Eletricas Ltda.	Ponta Grossa Brazil	Same as above	1,340	2,137	700 [281,162]	4,177	826 (89)
Makita Manufacturing (Thailand) Co., Ltd.	Sriracha, Thailand	Same as above	7,147	1,831	1,554 [172,436]	10,532	397 (258)

Note

1. ＜　＞ means rental from other than Makita Group.
2. (　) means average numbers of temporary staff for this Fiscal Year.