



# Makita Report 2025

Year Ended March 31, 2025



<https://www.makita.biz/>





Long-term Target

# Strong Company

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

Management Policy/Quality Policy

**1 Makita strives to exist in harmony with society**  
a company that observes laws and regulations, acts ethically and never allows a market-driven company intervention of the anti-social organizations

**2 Makita values its customers**  
a market-driven company

**3 Makita is managed in a consistent and proactive manner**  
a company that strives to exist in perpetuity by adhering to a sound profit structure

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

## Makita Report 2025

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### Editorial Policy

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

This report covers 54 companies, including Makita Corporation and its 53 consolidated subsidiaries (as of March 31, 2025), but some of the information reported only covers Makita Corporation.

### Reporting Period

FYE 2025 (April 1, 2024 to March 31, 2025)  
However, information from outside of this period is reported when it is appropriate to the presentation of past circumstances and data as well as recent examples.

Issued:  
July 2025

### Disclosure System Diagram

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

### Caution Regarding Forward-looking Statements

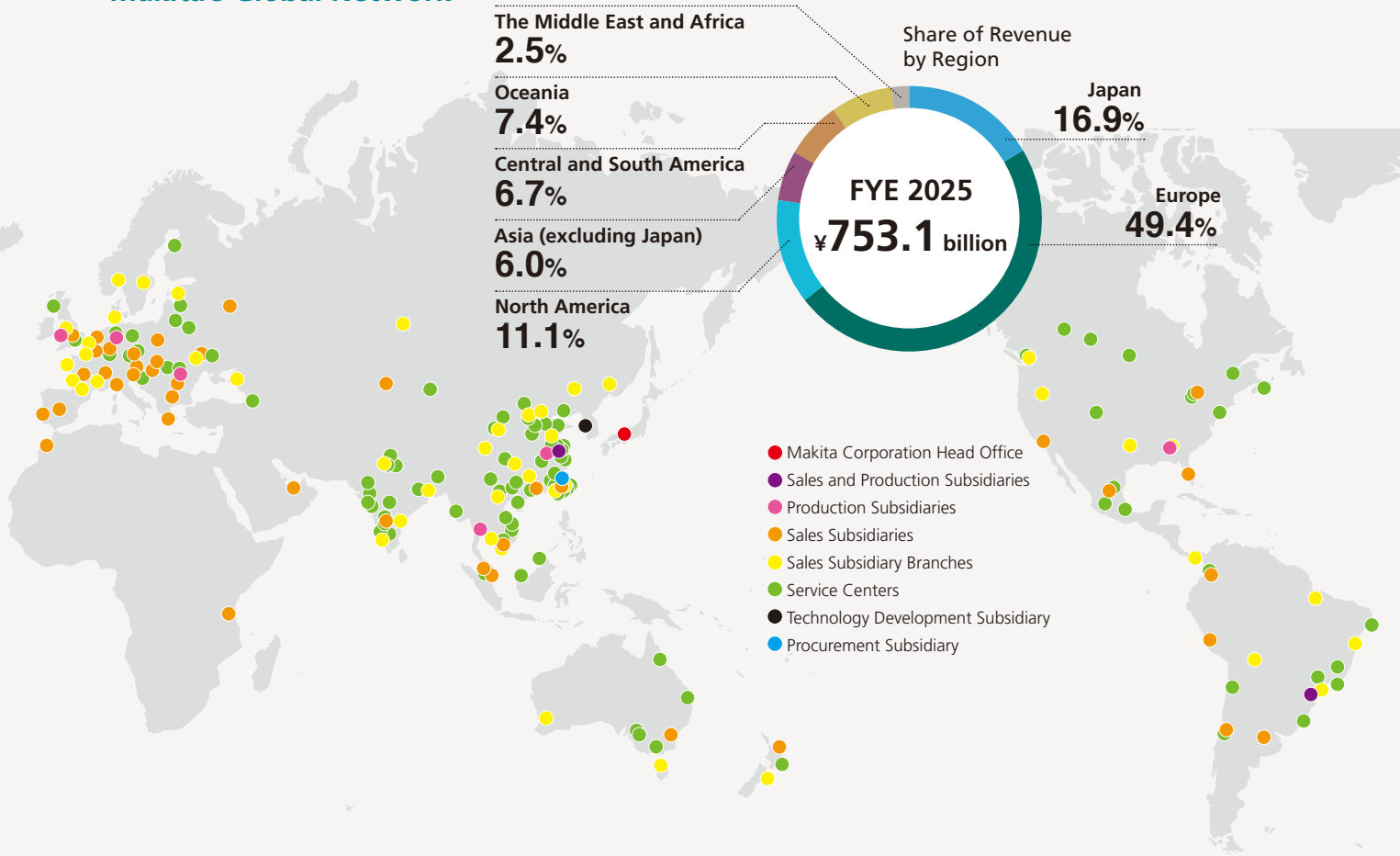
In this report, forward-looking statements are about future performance and are based on our judgment derived from the information available at the time of its preparation. Please understand that a number of important factors could cause actual results to differ materially from those presented in the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

# Makita in Numbers

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

Our network of bases spans the globe, and the products and services we offer contribute to solving social issues.

## Makita's Global Network



## FYE2025





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

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

## Highlights of Makita's Evolution

### 1958-59

#### Overcoming Adversity, Becoming a Power Tool Manufacturer

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

### 1970

#### Taking the First Step toward Overseas Expansion

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

### 2005-

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

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

### 2025

#### Working on Updates for New Growth while Responding to Changes in Demand Conditions

During the COVID-19 pandemic, we experienced a rapid increase in demand for power tools and outdoor power equipment (OPE) due to people staying home, followed by a sudden shift to a surplus of goods. However, we responded by reducing inventory and eliminating waste in our operations, which led to greater efficiency within Makita.

We will update our strategy for further growth and aim to acquire professional users in each field.

Revenue (Consolidated)

¥753.1 billion  
(FYE 2025)

(Billion yen)  
8,000  
2,000

Record high profit

Operating profit (consolidated)  
¥107 billion  
FYE 2025

6,000  
1,500

4,000  
1,000

2,000  
500

Performance ■ Revenue (Bar Graph)  
— Operating Profit (Line Graph)

1910-

1950-

1970-

2005-

2010-

2015-

2020-

2025-

Social Changes and Makita's History of Evolution

#### Social Changes

#### Makita's History of Evolution

##### Japan's modernization

- Increased demand for electric power

Began repairing and selling lighting equipment, electric motors, transformers, and other products



- 1915** Mosaburo Makita founded Makita Electric Works (proprietorship) in Nagoya, Japan
- 1938** Incorporated the proprietorship and established Makita Electric Works, Inc.
- 1945** Moved to the present location in Sumiyoshi-cho, Anjo City, to accommodate World War II related evacuations

##### Japan's rapid postwar economic growth

- Arrival of the construction boom

Released Japan's first portable electric planer



- 1958** Released the 1000 portable electric planer, Japan's first such domestically produced tool
- 1959**
  - Decided to convert to a power tool manufacturer
  - Shipped the 1300 hand-held electric planer to Australia, our first export of power tools
- 1962** Changed company name to Makita Electric Works, Ltd.

##### Globalization of the economy triggered by two oil shocks

- Companies expanded overseas

Began building a finely-tuned sales and service network that spans the globe



- 1970** Established Makita U.S.A., Inc., our first overseas subsidiary
- 1980** Started production of power tools in Canada,\* our first overseas production site  
\* Production terminated in January 2009
- 1991** Changed company name to Makita Corporation



##### Discovering the sustainable society concept

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

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



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

##### Toward a diverse, inclusive society

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

We are promoting the shift to cordless OPE products, which were mainly engine-powered, and are taking on new challenges to realize a decarbonized society.

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



##### Realizing a sustainable society

- Acceleration of initiatives to realize decarbonization

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



- 2022**
  - Discontinued engine-powered products
  - Established the Electronic Control Development Center (Tokyo Office)
- 2025** 110th anniversary of our founding



Contributing to the Resolution of Social Issues through Our Business Activities

With the long-term goal of being a “Strong Company,” we identified important social challenges that we should address as priority material issues. Striving to help solve these social issues through our business activities, we are actively developing cordless products and offering robust services that leverage our worldwide network of sales and service bases. We believe that further developing our strengths by solving social challenges will differentiate us from other companies and serve as the foundation for sustainable growth.

Social issues

- Climate change
- Increasing severity of disasters
- Aging workforce and labor shortages in construction and agriculture

Input

Financial capital

- Equity attributable to owners of the parent **¥926.0** billion
- Cash and cash equivalents **¥253.3** billion

Human capital

- Number of employees **17,641**
- Number of overseas employees **14,197**
- Number of female employees **5,762**

Social capital

- Number of sales and service bases  
Japan **129** Overseas **50** countries  
(as of April 2025) approx.
- Number of countries where Makita sells products approx. **180**  
(as of April 2025)
- Quality and service at the core of the Makita brand

Manufacturing capital

- Plants **8** countries  
(including those in Japan)
- Capital expenditures **¥17.6** billion

Intellectual capital

- R&D costs **¥15.1** billion
- Number of patents and utility model registrations held **4,705**

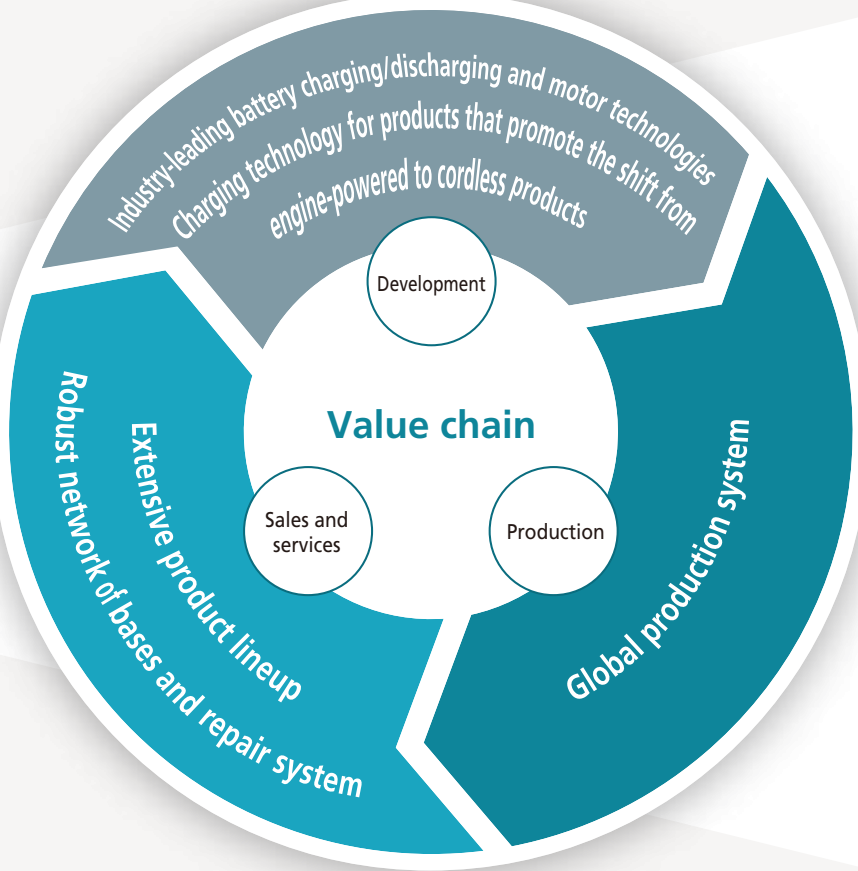
Natural capital

- Energy usage (domestic and overseas bases) **191,733** MWh
- Water usage **105,124** m<sup>3</sup>  
(non-consolidated) (Fiscal year ended March 31, 2025)

Business Model

Material Issues

- Reducing environmental impact
- Contributing to affluent communities and daily lives
- Strengthening the management base



Sustainability Management

Management Policy/Quality Policy

Long-term Target

Strong Company

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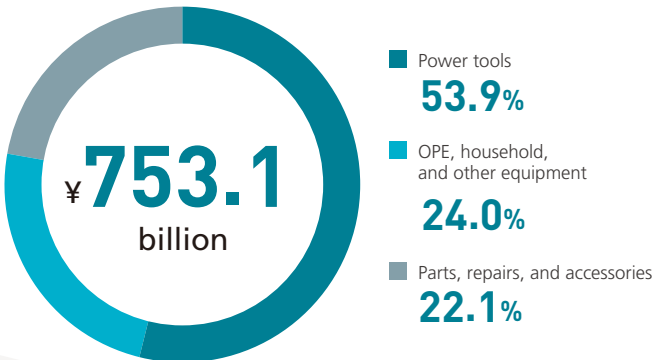
Output

Evolving into “a Supplier of a Comprehensive Range of Cordless Products”

▶ pp. 19-24



Sales composition by product group (FYE 2025)



Operating results

Revenue	Operating profit
¥753.1 billion	¥107.0 billion
	(Operating profit ratio 14.2%)

Outcomes

Society, including Customers

- Reducing environmental impacts
  - Reduction of environmental impacts through zero exhaust gas emissions and low noise
- Boosting work efficiency and productivity
  - Improved safety, convenience, and comfort through cordless products
  - Prompt repair and distribution services
- Early recovery from disasters
  - Products essential for infrastructure construction
  - Supporting early recovery with a robust network of bases
- Peace of mind during times of disaster
  - Batteries that can be used as a backup power sources in emergencies provide peace of mind in the event of a disaster.

Shareholders and Investors

▶ pp. 15-18

- Medium- to long-term enhancement of corporate value
- Returns to shareholders
  - Total return ratio **37.3** %
  - ROE **8.8** %
- Enhancement of information disclosure
  - Meetings with shareholders and investors **284**  
(Fiscal year ended March 31, 2025)

Employees

▶ pp. 37-40

- Workplaces where diverse human resources can work with passion and enthusiasm
- Systems that create an environment supportive of employees' self-driven growth
  - Percentage of female managers **18.6** %  
(Makita Group, consolidated)
  - Percentage of employees transferred overseas (or sent for training) who have worked at Makita for five years or fewer **18** %  
(non consolidated)

Business Partners

▶ p. 40

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

Sustainable Growth for Makita



## TOP Message

**I believe that valuing a management policy that views change as an opportunity and continuing to create markets through technological innovation will lead to the maximization of brand and corporate value.**

President, Representative Director

**Munetoshi Goto**



## Pursuing Market Creation by Addressing Technological Innovation and Social Issues

Makita is a global company operating in fields such as cordless power tools and battery-operated outdoor power equipment (OPE), and for over 110 years, we have been providing products and services while working closely with our customers in the field. In recent years, as the importance of environmental measures has gained global attention, we have been promoting the replacement of engine-powered, air-powered, and corded products with cordless products, and are working to evolve into "a Supplier of a Comprehensive Range of Cordless Products." The current market environment surrounding us is by no means easy. Challenges such as a decline in housing starts, fluctuations in resource prices and exchange rates, labor shortages, tariff policies, and supply chain issues are intertwined in complex ways across the globe.

In this environment, we value a management policy that views change as an opportunity, and we continue to pursue market creation by opening up new markets. In recent years, we have been developing new markets in a wide range of fields, including resource development, agriculture, energy-related fields such as wind power generation, disaster preparedness, and local government infrastructure maintenance, in addition to the traditional construction industry, centered on our high-power, high-durability 40Vmax lithium-ion battery (XGT) series of cordless products. Notably, while the 40Vmax series accounted for just over 1% of cordless product sales revenue in FYE 2020, it expanded to a double-digit percentage by FYE 2025.

### Specific Initiatives to Create Markets for New Industries

In heavy-duty work performed by professional users (such as tree felling, concrete crushing, and cutting), many tasks are still performed using engine-powered products, pneumatic tools, and corded tools. In such work, conventional cordless products have been insufficient in terms of power, and their penetration among professional users has not been sufficient. However, our 40Vmax series, despite being cordless, offers superior power and runtime, and is being adopted as a replacement for existing engine-powered products, expanding the range of industries where rechargeable products are used.

In Japan, local governments are updating rescue products such as power cutters and chainsaws and stockpiling supplies in preparation for the Nankai Trough earthquake. Among these efforts, there is a growing need to replace

engine-powered products with cordless products. Our 40Vmax series is highly regarded not only for its power, but also for its ease of use, safety, and environmental performance. The aging workforce and decline in skilled workers are also driving this demand.

With our extensive product lineup, customers can use a wide range of cordless products with just a single battery. Once they adopt one of our cordless products, it naturally leads to the cordless conversion of surrounding tasks using Makita tools as well. In this way, by combining the enhanced capabilities of our 40Vmax series with our strength in offering a diverse product range, we are actively working to develop new markets.

To meet the demanding requirements of professional users in various industries, products must be designed and manufactured to withstand harsh conditions such as dust, high temperatures, and continuous use over long periods of time. We are investing in testing equipment, analysis facilities, and vibration and current measurement devices to enhance the reliability and durability of our products. These activities are not limited to product development; they also lead to the creation of new markets.

### A Product Lineup to Meet All Needs

Makita operates in countries around the world, and the needs of our customers vary greatly, from those who want products that are heavy but have excellent power and endurance, to those who want products that are compact and easy to handle, even if they don't have as much power.

To meet these needs, we offer a range of slide-type batteries, including lightweight and compact 10.8V batteries, mid-range 18V batteries, and high-power, high-capacity 40Vmax batteries. Another strength of ours is our ability to work with distributors in each region to propose models that are best suited to the tasks required by users. By providing optimal solutions tailored to on-site work and user needs, we are creating new value.



HM004G Cordless Breaker



CE001G Cordless Power Cutter



TW010G Cordless Impact Wrench



## Service System and Brand Power that Support Sustainable Corporate Growth

It is not only the quality of our products that supports the continued growth of our group. Rather, we feel that it is the fact that our products are always ready for use—that is, our comprehensive service system—that forms the foundation of Makita's growth.

Power tools, in particular, are tools that are used daily in the workplace. Therefore, it is extremely important for professional users that even if the equipment is used intensively, it can be repaired or replaced immediately in the event of a malfunction, and that a service system including preventive maintenance is in place.

We have sales and service bases around the world, and we keep a stable inventory of products and repair parts at each base, and we provide after-sales service based on our "three-day repair policy." Also, our sales, logistics, and service networks in each region aren't just infrastructure, but important points of contact for building trust with our customers. We believe that our brand strength has been built through our ability to provide products and repair services quickly, ensuring that our customers' operations are not interrupted. Going forward, we will continue to strengthen our professional service system to further contribute to our customers' success.

### Cordless OPE, Which Has Significant Room for Growth, is Strengthening its Branding Activities Throughout Europe

A similar approach is proving successful in OPE. This field is one area where electrification has been slow to take hold, but we have succeeded in gaining the trust of the market in a relatively short period of less than 10 years. Considering that it took 20 to 30 years for cordless power tools to gain market trust, I am confident in this speed. As of FYE 2025, OPE accounts for approximately 13% of our sales revenue, and cordless products account for approximately 90% of that.

Behind this shift are not only performance improvements, but also the development of models tailored to user needs, the appeal of value for money, and the strengthening of service systems. We are also developing high-capacity batteries and high-output motors with professional use in mind, and even considering the price difference with

engine-powered models, our products are now highly regarded for their performance. Rather than waiting for the shift to cordless models, we will create new markets by actively introducing cordless OPE models with specifications that surpass those of engine-powered models.

In recent years, we have been actively promoting branding activities for professionals in Europe and the United States. We are promoting comprehensive strategies, such as accurate approaches to target customers through collaboration with marketing companies and sales promotion utilizing digital tools. Through these efforts, we expect to expand our market from the traditional DIY and semi-professional market to the professional market, where service provision is essential, and aim to transform cordless OPE into a profitable business model. While the global OPE market is estimated to be several times larger than the power tool market, engine-powered products remain the mainstream at present, and our market share is still limited. Therefore, I believe that growth in this field is critically important for enhancing corporate value over the next 10 to 20 years.

### We Value a Customer-centric Approach and Continue to Refine Our Brand

However, brand value cannot be built simply by increasing advertising tools. It is necessary to gain actual experience through daily use in the field and immediate response in the event of a malfunction, so that customers will want to choose this manufacturer again in the future. It is this accumulation of experiences that constitutes the true value of the Makita brand.

We will continue to pursue further improvements to our service system in order to remain a brand trusted by users around the world, while cherishing our Management policy and Quality policy of "Makita values its customers." I firmly believe that protecting our brand and continuing to refine our services are the cornerstones of sustainable corporate growth.

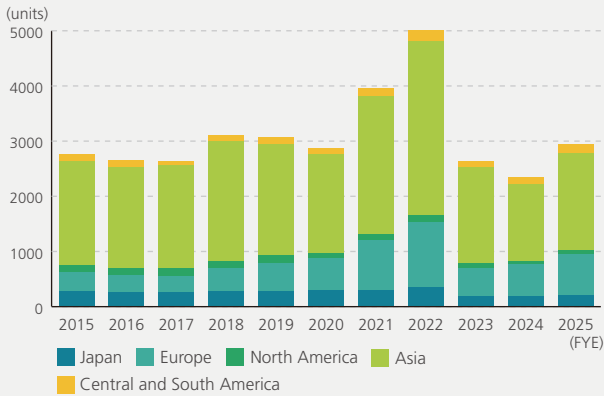


## Evolving Production and Development Systems that Balance Efficiency and Speed

For FYE 2025, revenue was 753.1 billion yen (up 2% year-on-year) and operating profit was 107.0 billion yen (up 62% year-on-year), marking the highest operating profit in three years. Operating cash flow also remained at a high level, securing 129.9 billion yen, following 237.1 billion yen in the previous fiscal year. While the recovery in the construction market was delayed, proactive inventory reduction efforts led to slightly more than a 25% increase in production output for FYE 2025. However, compared to FYE 2022, when production output surged due to pandemic-related stay-at-home demand, production output remained at slightly under 60% of that level.

One of the major achievements in FYE2025 was the realization of efficiency improvements in our production system, including our plants. As a result of refining production plans, reviewing purchasing routes, and optimizing our internal logistics network at multiple plants around the world, we were able to improve the cost structure of our indirect departments and increase profit margins. While the ability of each plant to make swift decisions independently has been a strength of Makita, in recent years we have reevaluated this approach from a company-wide perspective and have been working to enhance the "horizontal strength" of the entire organization through initiatives such as resource sharing between locations, standardization of processes, and strengthened collaboration with indirect departments. These new initiatives have also been effective in human resource development.

Changes in production output and regional production ratio (FYE 2015-2025)



### Strengthening Development Systems is an Important Management Issue, Accelerating a Wide Range of Initiatives

Our manufacturing process not only emphasizes high quality and durability, but also places a strong emphasis on responding quickly to the rapidly changing market. By "speed," we do not simply mean introducing new products quickly. It means swiftly identifying changes in market needs, materializing the necessary functions with optimal specifications, and ensuring stable supply at a cost suitable for mass production. We believe that the ability to shorten this entire process is essential for enhancing our competitive edge

in the future. Especially for high-functionality, complex products, improving simulation accuracy during the design phase and reducing defects during mass production are critical, and here, the utilization of cutting-edge technologies such as AI plays a key role.

Therefore, I consider strengthening our development systems to be an important management issue, and I feel that we need to accelerate a wide range of initiatives, including the recruitment and training of engineers, the expansion of evaluation and testing facilities, and the introduction of AI and advanced simulation technologies. In particular, for the pre-mass production development cycle, we are building a system that balances development speed and quality by shortening the lead time for mold production and automating defect analysis during the prototyping stage. Through these efforts, we aim to evolve into a development, production, and service company that integrates these three fields.



### Strengthening Production Capacity in Each Region to Respond Flexibly to Environmental Changes and Market Needs

Makita has production bases in eight countries around the world, and approximately 90% of our products are manufactured at overseas plants. While demand for high-value-added cordless products is expected to continue growing, the short-term outlook is uncertain due to factors such as the progression of economic blocs resulting from U.S. tariff policies. To address these challenges, we are actively investing in production facilities at each manufacturing site, including molds, automated equipment, and dedicated warehouses for battery management, to enhance production capacity in each region. These investments are not merely responses to short-term environmental changes but are also crucial foundational measures for continuously producing high-quality, high-value-added products.

Behind these efforts lies our group's unwavering policy of "supplying reliable products in the field, when needed, and in the quantities needed." Now, more than ever, with rapid changes in the environment and diversification and sophistication of market needs, we will return to the fundamentals of manufacturing and work to evolve our product development and production systems while listening to the voices of our customers. I am confident that these steady efforts will lead to the maximization of brand value and corporate value.

## Responsibility as a Sustainable Company that Grows in Harmony with Society

Furthermore, Makita aims to be a sustainable company that grows in harmony with society. In our Management policy and Quality policy, we first and foremost promote “striving to exist in harmony with society.” This policy is not limited to technological innovation in our products, but is reflected in all aspects of our corporate activities, including our responsibility to the environment, society, and people, our compliance with laws and regulations, and our ethical conduct. These efforts contribute to the realization of the three material issues: “reducing environmental impact,” “contribution to affluent communities and daily lives,” and “strengthening the management base,” and we believe they also lead to improved performance.

### Proactive Promotion of Environmental Initiatives

In pursuit of decarbonization, we have been advancing a multifaceted approach that includes promoting the electrification of our products, reusing materials, and reducing CO<sub>2</sub> emissions in our production processes. We are also actively introducing renewable energy and focusing on product design that considers the entire lifecycle. Through these efforts, we aim to realize a ‘green value chain’ that encompasses our entire supply chain.

With regard to packaging materials, we are replacing conventional petroleum-based plastics with recycled plastics and paper materials, and already use environmentally friendly materials for approximately 90% of our packaging materials. However, the transition to paper materials imposes certain functional constraints, so we are working to select sustainable materials that balance recyclability and quality retention.

Going forward, Makita will continue to promote product designs that fulfill our responsibilities as a participant in the circular economy, both in terms of manufacturing and use. Rather than viewing environmental initiatives as a cost, we will actively pursue them as an investment in enhancing corporate value.

### Fostering a Corporate Culture Where Each Individual Takes on Challenges and Acts Responsibly

From a human capital perspective, during FYE 2025, we worked to improve employee motivation and work-life balance by revising our human resources system. Our focus here is on fostering a corporate culture in which everyone can utilize their abilities to take on challenges and act responsibly. By respecting the autonomy of our frontline employees and providing them with opportunities to take on challenges, we aim to promote self-directed growth and increased engagement. In addition to expanding training programs and redesigning on-the-job training (OJT), we are also advancing the development of systems to support career planning.

As a global company, it is also essential to create an organization where diverse human resources can demonstrate

their strengths. At our overseas bases, we are actively delegating authority to and promoting the appointment of local human resources, thereby promoting management that is rooted in the local community. In our evaluation system, we prioritize a balance between individual performance-based rewards and contributions to the entire organization, and the creation of a system that rewards hard work. Furthermore, we are working to create a workplace where all employees can feel a sense of fulfillment through flexible work arrangements that support childcare and eldercare, as well as internal campaigns aimed at promoting diversity.

### Governance is Evolving into a More Strategic Management Monitoring System

In terms of corporate governance, we are working to improve the quality of governance by utilizing the Audit & Supervisory Committee system. By incorporating the expertise and objective perspectives of outside directors into management and auditing, we are enhancing the transparency and soundness of decision-making and establishing a governance system that balances growth and risk management. In addition, we are simultaneously strengthening internal auditing and monitoring to respond to the increasing complexity of management systems accompanying the expansion of our business locations. Going forward, we will institutionalize governance reviews and promote their adoption within the company to evolve into a more strategic management monitoring system.

Through these comprehensive environmental, social, and governance (ESG) initiatives, Makita aims to go beyond simply improving performance and continue to be a company that is chosen by society. We believe that strengthening corporate management centered on sustainability is the source of competitiveness for the next era.

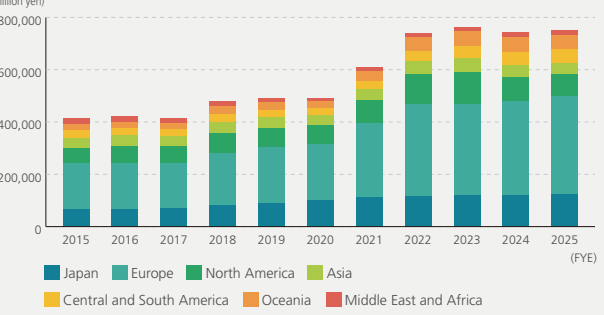


## Management Policy that Views Change as an Opportunity

The world is currently facing geopolitical risks and economic uncertainty, entering an era of unpredictability. In the United States in particular, there is a possibility of significant changes to the tariff system and import/export framework, and such developments will have a direct impact on companies' medium- to long-term strategies.

Based on our experience, we believe that the ability to respond flexibly to change is essential for sustainable growth as a global company. For example, we have been closely monitoring tariff policy trends in the US market since the Trump administration and have been reviewing our production, sales, and inventory systems. Currently, we are preparing flexible strategies, such as strengthening our efforts toward multipolar production, in anticipation of tighter regulations due to political circumstances and the possibility of a US economic blockade.

Consolidated revenue and regional composition ratio (FYE 2015-2025)



### A Management Policy that Views Change as an Opportunity is the Driving Force Behind Increasing Corporate Value

In response to these changes in the external environment, Makita has always maintained a stance of “remaining pessimistic while acting optimistically.” Even when faced with challenges such as temporary market stagnation, exchange rate fluctuations, and rising resource prices, we view these as “opportunities to take the next step” and continue to make medium- to long-term investments. I am confident that this is the driving force that will enable us to continue to grow our corporate value sustainably amid environmental changes.

Furthermore, even if the market shrinks, what we focus on from a medium- to long-term perspective is whether we can increase our market share. Even if revenue temporarily declines, if our presence in the market increases and we can lay the foundation for future growth, we consider it an opportune time to invest.

This management perspective of finding opportunities in adversity is deeply rooted in the realization of our long-term goal of becoming a “Strong Company.”

### Source of Long-term Corporate Value Enhancement and Leadership Actions

Based on our sound financial position, we have continued to make proactive capital investments and invest in human resources regardless of economic conditions. This is the result of our actions based on our belief that “growth opportunities exist in times of change,” in addition to preparing for future uncertainties, and is in line with our Management policy and Quality policy of “Makita is managed in a consistent and proactive manner.”

With the market structure undergoing major changes, addressing social issues such as labor shortages, aging populations, and the transition to carbon neutrality remains an important theme. Amidst these circumstances, we believe that our continued commitment to challenging ourselves, while constantly questioning what value Makita can provide and how we can contribute to solving our customers’ issues, is the source of long-term corporate value enhancement.

To achieve this, it is important to embrace change and take the first step without fear. Starting with the voices of those on the front lines, we must continue to engage with the market in a steady and consistent manner. Additionally, we must collectively consider what we should be preparing for now, with a vision toward the next 10 or 20 years. I firmly believe that these cumulative efforts will pave the way toward our long-term goal of becoming a “Strong Company,” and this is what I value most in my leadership role.

### Maximizing Brand and Corporate Value with the Aim of Achieving Sustainable Growth

Regarding our stock price, in FYE 2025, our TSR (total shareholder return) exceeded benchmarks such as TOPIX and the machinery index. However, our PBR (price-to-book ratio) remained at around 1.3 times, and I do not believe that this reflects the market creation and growth potential of high-power products from a medium- to long-term perspective, or the growth potential of cordless OPE.

In addition, in order to reduce shareholder capital costs, it is essential to not only suppress performance fluctuations, but also to strengthen the disclosure of sustainability information and enhance IR activities. These remain important issues for Makita, and we will continue to strive to gain understanding through dialogue with our shareholders and investors.

Going forward, Makita will continue to support the evolution of the workplace through electrification and automation, pursuing sustainable growth in harmony with the environment, society, and economy, and aiming to maximize our brand and corporate value. This will lead to a future workplace that is quieter, more comfortable, cleaner (with reduced environmental impact), and more powerful. Makita will continue to work together with all of our stakeholders.



Recognizing that operating profit of ¥100 billion is a milestone, we will aim to become a “Strong Company” and maximize shareholder value through the full-scale operation of a global inventory visualization system and the implementation of human resource strategies in the field.



Director, Corporate Officer,  
General Manager of Administration  
Headquarters

Yukihiro Otsu

## POINT

- Operating profit for FYE 2025 reached a record high of ¥107 billion.
- Cash allocation is being considered with a view to achieving an optimal cash level.
- The new system that allows inventory status to be tracked by product model is now fully operational.
- The human resources strategy is being implemented in the field, making it possible to visualize employee sentiment and motivation.

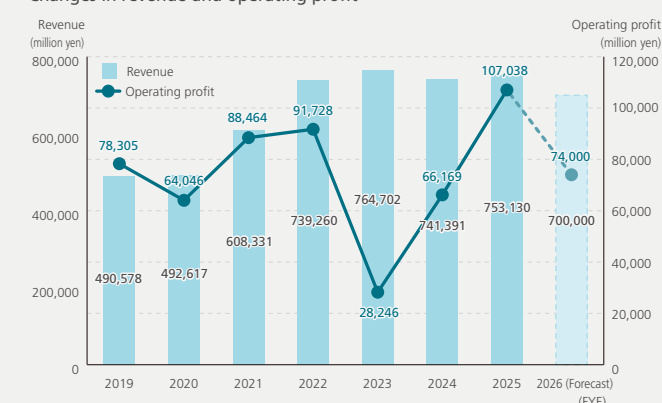
### | Performance Evaluation for FYE 2025

FYE 2025 was a year in which the ideal vision that we have been striving for came to fruition in terms of results. Consolidated revenue increased 1.6% year on year to ¥753.1 billion, with revenue growth in Japan, Europe, Central and South America, and the Middle East and Africa offsetting revenue declines in North America, Asia, and Oceania.

Operating profit increased 61.8% to ¥107 billion (operating profit ratio: 14.2%), reaching a record high, as the impact of lower sales was offset by various cost reductions, price revisions, and the elimination of the impact of reduced production. In particular, operating profit reached the ¥100 billion mark for the first time in our history, marking a major milestone in our performance.

ROE improved by 3.5 points from 5.3% in the previous fiscal year to 8.8%. This was achieved by appropriately restraining the equity attributable to owners of the parent through significant profit growth and an increase in dividends. Additionally, on the balance sheet, while there was a temporary shift into net debt following the COVID-19 pandemic, a review of working capital led to an improvement to net cash of ¥243.1 billion, demonstrating steady progress in strengthening and improving financial health.

Changes in revenue and operating profit



### | Earnings Forecast for FYE 2026

For FYE 2026, we expect consolidated revenue to decrease 7.1% year on year to ¥700 billion, and operating profit to decrease 30.9% to ¥74 billion (operating profit ratio of 10.6%). This is due to a significant decline in sales in the U.S. market as a result of U.S. tariffs on China, as well as anticipated increases in labor costs.

In addition to ongoing geopolitical tensions, there are many unstable factors such as mutual tariffs, trade friction, and persistently high interest rates, leading to forecasts of declining revenues and profits.

On the other hand, we recognize that we still have significant medium- to long-term growth potential, as we have many business opportunities for growth. Operating profit of ¥100 billion is merely a milestone on the road to long-term growth.

### | Makita Business Opportunities and Risks

Our business opportunities include the shift in demand from engine-powered products, pneumatic tools, and corded products to cordless products, the increase in sales prices due to the high-voltage and high-capacity characteristics of batteries, such as the 40Vmax lithium-ion battery (XGT) series, and the expansion into new markets and applications, such as resource and agriculture, various infrastructure and plants, and natural disaster countermeasures, in addition to the existing construction market, which is facing a severe structural labor shortage, the application areas of our products will continue to expand steadily.

In addition, the market for outdoor power equipment (OPE) is continuing to shift structurally from engine-powered to battery-powered and we believe that this trend is an area where our technological superiority can be leveraged.

On the other hand, risks include rising costs associated with U.S. tariffs on China, delays in the recovery of the global construction market due to high interest rates, and intensifying competition due to innovations in battery technology.

| Basic Finance and Capital Policy

In April 2024, we created a finance and capital policy aimed at expanding the equity spread by stabilizing ROE at the pre-FYE 2022 level of 8-10% and exceeding the cost of equity (6-8%). Additionally, we are also looking to reduce the cost of equity itself in the future. Under this policy, discussions among top management regarding capital efficiency and cash allocation have become more active than ever before.

As reported in last year's Makita Report, we have traditionally operated under the philosophy that "if we pursue sound management without being bound by numerical targets, results will naturally follow." However, in recent years, the importance of balance sheet management has been increasing, and we are gradually shifting to a stance of making management decisions that consider the level of equity capital, which is the denominator of ROE, as well as investment efficiency and the time frame for realizing returns.

However, in an uncertain environment where economic and geopolitical risks are increasing, it is also essential to secure a certain amount of cash to enable flexible management decisions. We place great importance on ensuring uninterrupted delivery of products and services to our customers, even in the face of unforeseen circumstances, while also maintaining employment across the globe. To that end, we will maintain the necessary cash levels and conduct stable and strategic management operations.

| Approach to Cash Allocation

Although we do not publicly disclose specific numerical targets for cash allocation, we are fully aware of the demands of the capital markets and hold regular discussions on this issue internally.

With regard to growth investments, we will continue to focus on power tools and pursue strategic investments aimed at realizing our medium- to long-term growth scenario. For capital investments over the next two to three years, we plan to prioritize investments in expanding warehouse space at our sales companies, while also focusing on introducing new equipment at existing plants, with annual investments expected to remain at around ¥30 billion. We will strive to maintain an optimal production system in response to changes in demand conditions, while also taking into consideration risk diversification and cost advantages.

With regard to retained earnings, we will promote flexible and sound financial management with the aim of maintaining ROE at a sustainable level of 8-10%. Regarding shareholder returns, we will adopt a basic policy of a total return ratio of 35% or more, while striving to improve capital efficiency and enhance shareholder value through flexible treasury stock repurchases that consider stock price levels and capital efficiency.

| Implement Global Inventory Visualization

In mid-2024, a system that enables global visibility of inventory on a per-model basis began full-scale operation. Until now, we have maintained a relatively large amount of inventory and adopted a sales strategy based on short delivery times. However, in fact, there have been cases where inventory of products with low demand has increased, while inventory of popular models has become insufficient, resulting in inventory imbalances.

The newly introduced system not only tracks inventory levels at each location, but also enables the visualization of inventory quality, such as which models sell well and which models are difficult to sell. This makes it possible to detect slow-moving products in real time and respond before they become dead stock.

We are now able to carry out efficient promotional activities based on accurate inventory information, and we have also begun reviewing our product lineup to build an appropriate product structure.

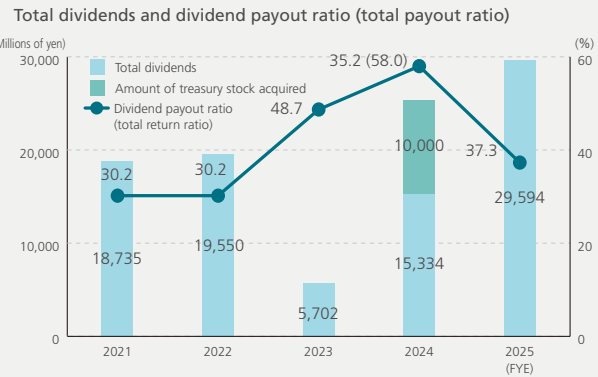
Going forward, we expect to maximize operating cash flow through efficient inventory management and reduce inventory valuation losses recorded in cost of sales, thereby further strengthening our earning power.

| Approach to Shareholder Returns

Makita distributes profits based on a basic policy of a minimum annual dividend of ¥20 per share and a total return ratio of 35% or more. For FYE 2025, the dividend per share increased by ¥53 from the previous fiscal year to ¥110 (¥20 at the end of the interim period and ¥90 at the end of the fiscal year) due to a special dividend of ¥6 per share commemorating the 110th anniversary of Makita's founding. The dividend payout ratio was 37.3%.

For FYE 2026, we plan to pay an interim dividend of ¥20 per share as usual, and the year-end dividend is yet to be determined. In addition, on April 28, 2025, we announced the acquisition of treasury stock (total number of shares to be acquired: 7 million shares, maximum total acquisition amount: ¥20 billion, acquisition period: April 30, 2025, to September 30, 2025).

Going forward, we will continue to strengthen our shareholder returns in line with improved performance, while further enhancing our contribution to shareholders through flexible and strategic capital policies.



| Human Resource Development and Diversity

Makita's ideal human resources are those who are not bound by formality or convention, who can accurately grasp and understand the current situation, and who can think for themselves and take initiative with a high sense of ownership. Our basic approach to human resource development is based on on-the-job training and a field-oriented approach, and young employees are sent overseas and undergo training in the field at an early stage to help them develop a strategic perspective.

We are also focusing our efforts company-wide on promoting women's advancement in the workplace. Through educational activities such as internal seminars led by female Outside Directors, we are fostering a positive attitude toward work and motivation for career advancement. In addition, we are working to create a workplace environment that allows for a good work-life balance, with the aim of creating a workplace where women can expand their opportunities for participation based on their own volition.

Furthermore, in April 2025, as part of institutional reforms aimed at improving working conditions, we will improve the treatment system for young employees working overseas and change the system to allow employees to take paid special leave hourly when necessary for caregiving, childcare, etc., thereby promoting the realization of flexible and satisfying working styles.

In addition to establishing these systems, we conduct anonymous surveys every March in each department to visualize the motivation gap between supervisors and subordinates as a mechanism for continuously assessing the

degree of penetration in the workplace. This allows us to establish a system for regularly checking the health of the organization. We also hold coaching training sessions once a year for mid-level employees to support the growth of each individual employee.

These initiatives are making it easier to see what employees are thinking and what motivates them, and we're steadily building a foundation for strengthening our organization and growing sustainably by leveraging diversity.

| Investor Engagement

We place great importance on ongoing dialogue with our shareholders and investors, and we aim to continuously improve shareholder value by sincerely accepting their opinions and requests and accurately reflecting them in our management.

In addition, based on our awareness of the issues at hand, we are steadily advancing our efforts to strengthen training aimed at realizing Makita's ideal human resource model, as well as our diversity initiatives, including the promotion of women's advancement in the workplace, from both a systemic and operational perspective. By fiscal 2025, we plan to double the percentage of female Outside Directors from 20% last fiscal year to 40%, further strengthening our diversity-focused management structure based on sustainability.

Through these efforts, we intend to steadily execute our growth strategy aimed at achieving our long-term goal of becoming a "Strong Company" and maximizing corporate value. We sincerely ask for your continued understanding and support of Makita.





## Evolving into “a Supplier of a Comprehensive Range of Cordless Products”

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



## Accommodating every worksite through Makita's wide-ranging product fields

Power Tools



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

Outdoor Power Equipment (OPE)



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

Cleaning Products



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

Disaster Preparedness and Rescue Products



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

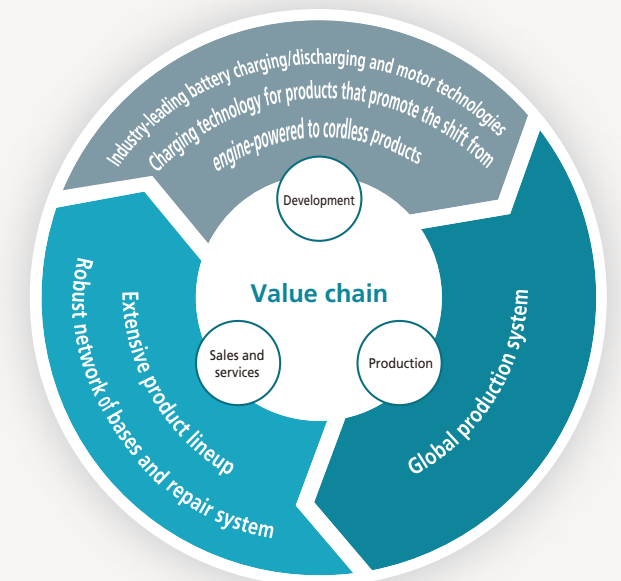
Parts, Repairs, and Accessories



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

## Makita's strengths

- A lineup of high-efficiency, high-value-added products, represented by the 40Vmax series
- Prompt service through our worldwide network of sales and service bases
- Industry-leading battery charging/discharging and motor technologies
- Charging technology for products that promote the shift from engine-powered to cordless equipment
- Global production system



## The value that cordless products provide to customers and society

Cordless products offer society comfortable living with less environmental impact thanks to zero exhaust, low noise, and low vibration. Cordless products excel in safety, and can be used even in locations lacking electrical power supply or during power outages and disasters. They benefit society through worry-free usability in every scenario, in normal situations and during emergencies.

Reduces environmental impact and facilitates progress towards decarbonization

Improves safety, comfort and convenience

### 01 | Reducing Environmental Impact

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



### 02 | Boosting Work Efficiency and Productivity

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



### 03 | Early Recovery from Disasters

Makita products are indispensable for building infrastructure and play a vital role in disaster recovery. Cordless products, in particular, can be used in environments where engine-powered products cannot operate, such as indoors, underground, or in areas with limited access to electricity. As a result, they can make a significant contribution to early disaster recovery efforts.



### 04 | Peace of Mind During Times of Disaster

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





# Opening doors with the 40Vmax series to attract professional users worldwide

## A wide-ranging product lineup featuring battery voltage for every application

Our extensive lineup of varied voltage products includes lightweight, compact 10.8V products (CXT), mid-range 18V products (LXT), and high-power, high-capacity 40Vmax products (XGT). Our strength lies in multiple products that are able to use the same batteries. A particular focus in recent years has been the development of the 40Vmax series, developed with professionals' demanding jobs in mind.



## Features of the 40Vmax series

The 40Vmax series battery enables high-power work through its high-voltage battery and offers the following features:

### 1. Greater power and extended battery life with our original Smart System

The addition of our Smart System to our existing optimal charging system allows the power-supply control between tool and battery to be optimized for the battery's condition. This maximizes tool power and enhances continuous work time under high loads. Furthermore, adoption of Smart System minimizes the battery drain during high-load work, extending battery life.

### 2. Outstanding resistance to falls and impacts

The 40Vmax series' battery rails feature increased width and height, along with high rigidity that can support high-power products under high-load work. The cell holder structure features enhanced rigidity plus impact-cushioning spaces between the case and the cell holder at its corners. These structural features reduce battery failures caused by falls and other impacts.

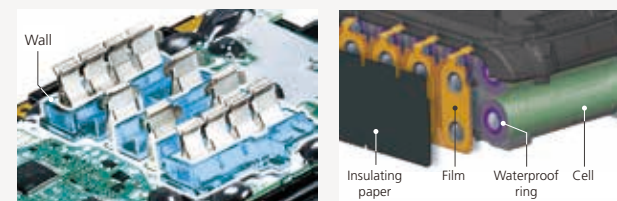


High-rigidity rails

Impact-cushioning structure

### 3. IP56-compliant\* dust and water protection

The 40Vmax series' terminal short-circuit protection structure places walls between electrical terminals to prevent short circuits caused by water and dust ingress. A triple layered waterproof structure on surfaces of cell terminals further prevents water and dust ingress to protect against cell failure. These structural features enhance dust and water protection to the level of the IP56\* standard.



Terminal short-circuit protection structure

Triple layered waterproof structure

**IP56**

Dust and water protection rating

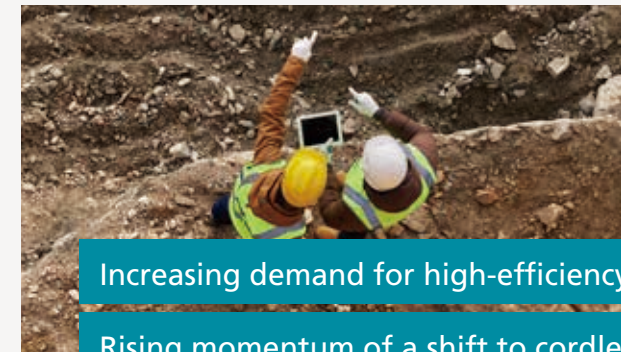
\* Protection rating for the battery. When the battery is installed inside the tool body, it is based on the tool body's rating. The rating does not guarantee against failure due to dust or water.

Impact cushioning approx. **40%\*** higher

\* Compared to other Makita products

## Business opportunities and our future growth strategy

### Business opportunities around Makita



Increasing demand for high-efficiency tools under shortages of labor worldwide

Rising momentum of a shift to cordless tool for a decarbonized society



### Our future growth strategy

#### (1) Provision of solutions through the introduction of the 40Vmax series for high-load work

Engine-powered products, pneumatic tools, and corded products have typically been the choice for demanding work by professional users. However, these products are accompanied by inconveniences.

- Engine-powered products entail refueling and maintenance and release exhaust gases, limiting use indoors or in closed spaces.
- Pneumatic tools require accompanying air compressors and the hassle of hoses.
- Corded products require a power supply and entail the risk of accidents such as workers tripping over cords.

While cordless products held the potential for eliminating these inconveniences, conventional cordless products lacked the power for heavy-duty jobs and did not gain strong adoption among professional users.

The 40Vmax series features cordless products with outstanding power and running time, enabling heavy-load work beyond the ability of conventional cordless products. The adoption of the 40Vmax series in work typically handled by engine-powered or other products eliminates a variety of inconveniences while maintaining the same level of work capability, clearly demonstrating the merits of cordless products for many professional users.

#### (2) Shift to cordless products for peripheral work through an extensive product lineup

With the 40Vmax series, we invite professionals to experience how Makita's cordless products can eliminate inconveniences and enhance work efficiency on-site in wide-ranging jobs. As an example, when using the 40Vmax series cordless breaker in crushing work, the same batteries can be used in impact wrenches for heavy equipment maintenance, flashlights to illuminate the site, cooler and warmer boxes to keep drinks at good temperature, and more, making all peripheral tasks cordless through Makita products. This is our unique strength supported by our extensive product lineup.

By continually offering solutions for customers and contributing to the resolution of social issues, we will achieve sustainable growth.





# Makita products in the OPE market

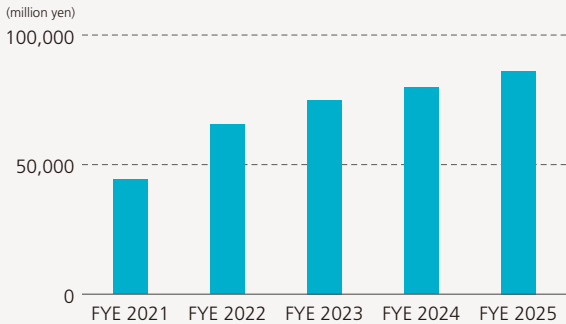


Among our fields of business, outdoor power equipment (OPE) is a field of particular growth potential for the 40Vmax series. Trimmers and blowers, common OPE products, are often used in tasks that demand power and durability, for which engine-powered products were commonly chosen. The 40Vmax series features power and durability through its specialized design. Its IP56 dustproof and waterproof battery unit protection is driving growth in replacement sales for engine-powered OPE used in high-load work outdoors. The advantages of cordless products in low noise and zero emissions during use also contribute to improving customers' working environments, which is why many customers choose our cordless OPE. With our cordless OPE sales having roughly doubled over the past five years, we expect this field to become a pillar of our business alongside power tools. While we strengthen the cordless OPE lineup in our core range, we will work to further enhance our brand strength among professionals.

Percentage of cordless products in OPE sale

FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
66%	75%	80%	88%	90%

Cordless OPE sales



## New cordless OPE products

### UC029G Cordless Pruning Saw

This hand-held chainsaw cuts branches with the feel of hand sawing. Displaying strong and consistent power despite its compact size, it handles branch pruning, shrubs cutting, and other cutting jobs with ease.



### UX02G Cordless Multi Function Power Head

This motor offers the feel of our engine-powered 30mL-class products. It accepts a variety of attachments to handle tasks from grass mowing, field mowing, and blowing, all using a single motor. The U-type handle is ideal for work involving frequent sideways swings over flat ground.



## From professional users in Japan of OPE products

### User A

#### Worry-free operation even where noise is a concern

Our company uses Makita's cordless OPE for golf course maintenance (grass trimming, branch cutting, and hedge trimming), primarily chainsaws, hedge trimmers, and grass trimmers in the 40Vmax battery series. Cordless OPE is extremely handy as it creates less noise than engine-powered products, letting us freely work even in environments where noise is a concern. The lack of exhaust gas odor is another big advantage. Makita products also feature water resistance for both the battery and the tool body. The extensiveness of the product lineup, with a single battery driving numerous products, is a big attraction. I hope that Makita will continue releasing new products that are lightweight yet powerful and easy to use.



### User B

#### Hassle-free work thanks to simple operation and maintenance

Our company's landscaping business uses Makita's cordless products for work including lawn management and tree pruning. In addition to lawn mowers, chainsaws, and other OPE, we have also adopted fan-cooled jackets for outdoor work. Engine-powered products entail disadvantages such as cumbersome start-up and maintenance. Cordless OPE is easy to start up and easy to handle. The noise during operation is less than that from our past use of engine-powered products, resulting in fewer complaints during work in town. I believe that the appeal of Makita lies in the breadth of its product lineup and the speediness of its after-sales service.



### User C

#### Ease of handling even for our female employees is a great merit

Our company performs landscaping and management for parks and homes, as well as management of streetside trees. We use Makita's hedge trimmers, chainsaws, blowers, and other cordless products. Cordless products start up with the press of a button, effortlessly compared to engine-powered products. They also have the advantage of easy handling by our female employees. By switching to cordless products, we can now perform work in scenarios where noise is a concern, such as in residential area or early morning work. The future disappearance of engine-powered products has been a much-discussed trend inside our company. Upon learning of Makita's focus on the development and rollout of cordless OPE, we made the decision to adopt its products. We are now looking at adoption of cleaners, lights, and other products in addition to cordless OPE, further taking advantage of the ability to use batteries across varied products.





## Progress of Sustainability Management

### Basic Policy on Sustainability

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

### Sustainability Promotion

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

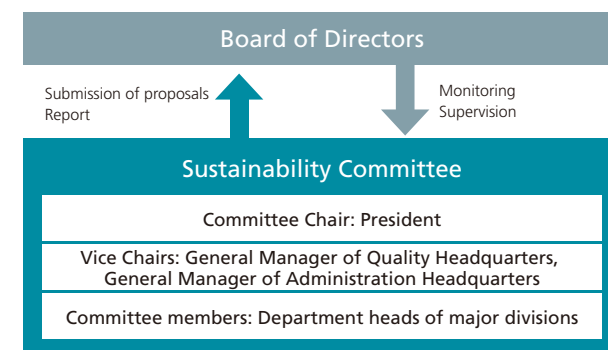
The most significant initiative we have undertaken to achieve a sustainable society is the evolution to “a Supplier of a Comprehensive Range of Cordless Products” and the promotion of rechargeable lithium-ion batteries. Utilizing battery charging/discharging and motor technologies cultivated through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

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

Sustainability Committee deliberates on sustainability-related policies, targets, measures, and other matters. In FYE 2025, the Sustainability Committee deliberated and reported on the progress of carbon neutrality initiatives, including on GHG emission reductions, and the committee also leads the promotion of such initiatives across Makita as a whole.



Sustainability Committee



Makita implements sustainability initiatives in order to grow sustainably together with society. The Sustainability Committee was established in 2021 to support these efforts, and in 2022 we were able to newly identify important material issues requiring special priority.

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

### Material Issues and SDG Initiatives

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



### Material Issue Identification Process

Priority material issues were identified through the following process.

- 1 Identification of Issues  
Based on the evaluation items of ESG evaluation organizations, the SDGs, and dialogue with shareholders and investors, we identified material issues as well as stakeholder expectations and social trends.
- 2 Drafting  
Based on the identified issues, current management concerns, and the business environment, the Sustainability Committee Secretariat prepared a draft outlining the Company's material issues.
- 3 Material Issue Identification  
Based on the draft prepared by the secretariat, the Sustainability Committee discussed and decided on the final draft, which was subsequently approved by the Board of Directors.

### Makita's Material Issues

	Material Issues	Specific Key Initiatives	SDGs Contributions
E	Reducing environmental impact	<ul style="list-style-type: none"> <li>Contribute to decarbonization</li> <li>Contribute to a resource-circulating society</li> </ul>	<ul style="list-style-type: none"> <li>Active development of cordless OPE to replace engine-powered products</li> <li>Utilization of renewable energy and energy conservation</li> <li>Promotion of the elimination of plastic</li> <li>Engagement in battery recycling</li> </ul>
S	Contributing to affluent communities and daily lives	<ul style="list-style-type: none"> <li>Improve work efficiency and the productivity of field operations</li> <li>Support early recovery from disasters</li> <li>Offer peace of mind during times of disaster</li> </ul>	<ul style="list-style-type: none"> <li>Active development of cordless products</li> <li>Expansion of sales and service base network with close ties to customers and communities</li> <li>Expansion of logistics functions and production capacity</li> <li>Maintenance of stable inventory that will not run out in times of emergency</li> </ul>
G	Strengthening the management base	<ul style="list-style-type: none"> <li>Exercise respect for human rights</li> <li>Provide for employee training, safety, and health</li> <li>Ensure compliance</li> <li>Strengthen corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Ensure thorough consideration of human rights throughout the supply chain</li> <li>Development of human resources and promotion of diversity and inclusion</li> <li>Ensure employee safety and health</li> <li>Ensure awareness of and ensure compliance with laws and regulations</li> <li>Further improvement of the effectiveness of the Board of Directors</li> </ul>



# E Environment

We promote environmental management with the aim of achieving both environmental protection and sustainable business growth. Since 2022, we have been further strengthening our efforts by positioning contributing to decarbonization and a resource-circulating society as our material issues.

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

## Environmental Vision



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

## Environmental Policy

### Basic Principles

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

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

### Policies

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

## Policies to Address the Circular Economy

Rising demand for resources and energy and growing amounts of waste are becoming increasingly serious issues worldwide. In response, there is a global movement to transition from one-way economic and social activities to a circular economy that makes use of resources in sustainable ways. To achieve a circular economy, we are working toward a transition away from virgin resources and toward the sustainable procurement and use of renewable resources. Specific activities of focus are shown at right.

- Downsizing, lightening and extending service life of products
- Reduction of single-use plastics in our products packing
- Introducing biomass plastic bags and recycled resin materials
- Promotion of sustainable procurement of renewable resources in cooperation with business partners
- Promotion of recycling aimed at reducing waste at business sites
- Promotion of used battery recycling
- Reduction of discarded products through after-sales service and product design with consideration of reparability

## Environmental Management

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

### ISO 14001 Certifications (As of April 2025)

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

## Contributions to Decarbonization

Toward the realization of decarbonization, we are developing products that contribute to solving environmental problems and promoting environmentally friendly business activities. In addition, we have set reduction targets for greenhouse gas (GHG) emissions reduction. Please see page 36 for details.

### Energy Conservation

Our efforts toward reducing GHG emissions include pursuing efficiency gains for energy-consuming equipment used in our offices by, for example, installing LED lighting and high-efficiency equipment (AC units, compressors, manufacturing machinery, etc.). In FYE 2025, the total annual power consumption of our Head Office, Okazaki Plant, and Nisshin Office decreased by 125,462 kWh compared to the previous year due to our switching to LED tubes, and improving AC units and compressor efficiency.

### Utilization of Renewable Energy

We are working to reduce GHG emissions through such measures as installing photovoltaic panels. In FYE 2025, we installed photovoltaic panels at our Saitama Distribution Center and our Hyogo branch in Japan, and installed additional panels at our plant in the U.K. We plan to continue installing photovoltaic panels in Japan and overseas and to switch to renewable energy sources for the electricity used in our office and facilities.



U.K. plant



Saitama Distribution Center

### Initiatives in Our Business Activities

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

### Switching to Environmentally Friendly Materials for Products and Packaging

To contribute to carbon neutrality, Makita is promoting initiatives to use biomass materials in the manufacture of a portion of its products. Furthermore, in FYE 2022 we began switching from conventional to biomass plastic bags in our product packaging. To help reduce waste plastic across society, in addition to biomass materials, we are introducing recycled resin materials and started using bags and cases made from these materials in FYE 2024.

#### Makpac Type 2 (A-60517)

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



### Contributions through Our Products

Since Makita brought to market the world's first professional-use power tools employing lithium-ion batteries in 2005, we have been expanding our lineup of cordless products and, in recent years, actively replacing engine-powered products with cordless models, especially in the area of cordless outdoor power equipment (OPE), where engine-power is mainstream. Reflecting increased awareness of such environmental issues as climate change, the impact of exhaust from engine-powered products has become a major issue. Because Makita's cordless OPE, which emits no exhaust gas during use, contributes significantly to the realization of decarbonization, we are focusing on this as our next pillar of business in addition to power tools. To further this goal, we terminated the production of engine-powered products. We will continue to focus our management resources on the development, production, sale, and service of cordless products and accelerate the transition from engine-powered to cordless products with equivalent performance, thereby contributing to the realization of decarbonization.



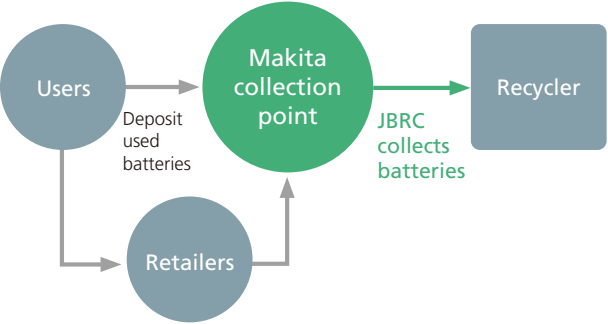
Contributions to a Resource-Circulating Society

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

Battery Recycling

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

Initiatives in Japan



Initiatives in Germany

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

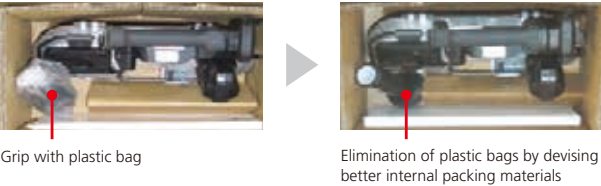
Environmentally Friendly Design

Our approach to environmentally friendly products began with an assessment of our products in 1992. In 1993, we created Makita's Global Environment Charter, and the active development of environmentally friendly products began. When designing new products, we focus on improving energy efficiency, reducing weight, and extending service life. We also check to see if the materials utilized in each part of our products are recyclable and, more often than required by the specifications of our internal regulations, opt for materials that are environmentally friendly. In this way, we are continuously developing tools that can be recycled.

Promoting the Elimination of Plastic

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

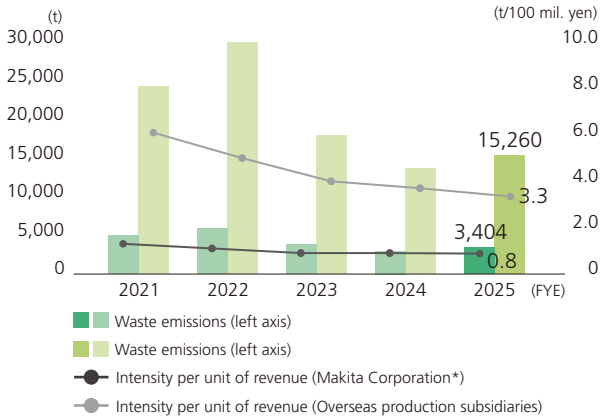
Suspension of plastic bags (devising internal materials)



Switch from plastic to paper bags



Waste Emissions



We are striving to reduce our final disposal volume of waste by thoroughly sorting waste to promote recycling. Although the amount of generated waste increased in line with higher unit production output, due to increased sales, the intensity per unit of revenue was 0.8 tons/100 million yen for Makita Corporation\* and 3.3 tons/100 million yen (a 1.1% decline) for overseas production subsidiaries.  
\* Applicable only to the Head Office, Okazaki Plant, and Nisshin Office.

Environmental Accounting

- 1) Period of aggregation: April 1, 2024 to March 31, 2025
- 2) Scope of aggregation: Domestic offices (Applicable only to the Head Office, Okazaki Plant, and Nisshin Office.)

Environmental conservation costs

Category		Investments	Cost	Total	Key activity
Business area cost	Pollution prevention costs	—	17,920	17,920	• Measurement of air and water quality, etc.
	Global environmental conservation (Energy-savign, etc.)	204,773	374,041	578,814	• Installation of photovoltaic power generation systems (Including Saitama Distribution Center) • Replacement of production equipment • Adoption of electric vehicles • Replacement of air conditioning equipment
	Resource circulation costs (Wastes, etc.)	8,041	68,922	76,963	• Consignment of waste recycling and disposal
Upstream/downstream costs (Product recycling)		—	17,244	17,244	• Consignment of container packaging recycling • Collecting and recycling used batteries
Administration costs		—	86,487	86,487	• Environmental education • Expenses for Environmental Group's activity • Maintenance of green area in Office and Plant
R&D costs		—	3,288,645	3,288,645	• Research and development of environmentally friendly products
Social activity costs		—	128	128	• Participation in community activities
Environmental remediation costs		—	0	0	• Restoration related to groundwater and soil pollution
Total		212,814	3,853,387	4,066,201	

Environmental conservation benefit

Category of effects		Amount of Benefit					Economic benefit (unit: 1,000 yen)
		Category	Unit	FYE 2024	FYE 2025	Difference	
Business area cost	Benefit related to resources input into business activities	Energy consumption	KL	4,948*	5,240	292	Reduction of energy consumption by energy saving activities 8,161 (Reduction)
		Water usage	m³	92,517	95,736	3,219	
	Benefit related to waste or environmental impact originating from business activities	GHG emissions	t-CO₂	9,172	8,979	(193)	Reduction of waste treatment due to resource saving and recycling 4,412 (increase)
		Wastewater	m³	67,489	87,349	19,860	
		Waste emissions (Total waste generated)	t	978 (2,992)	1,017 (3,404)	39	
Upstream/downstream	Benefit related to goods and services produced from business activities	Battery recycling	t	38	34	(4)	—
Other	Sale of valuables	Total volume	t	2,014	2,388	374	Revenue from sales of valuable resources generated from business activities 70,926
*Energy usage for FYE 2024 has been recalculated in accordance with revisions to the Act on the Rational Use of Energy							Total: 74,675

\*Energy usage for FYE 2024 has been recalculated in accordance with revisions to the Act on the Rational Use of Energy

TOPICS

As a company that actively works to reduce our environmental impact, we cooperate with local authorities. We plan to bring about reforms and improvements to work styles in the forestry industry through collaboration between local authorities, which seek forestry that is friendly to the forest environment and does not bring in CO2, and our Company, which aims to transition from engine-powered to cordless products. By solving social issues through public-private sector cooperation, we will steadily advance our efforts to realize a sustainable society.





Initiatives in Line with the TCFD Recommendations



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

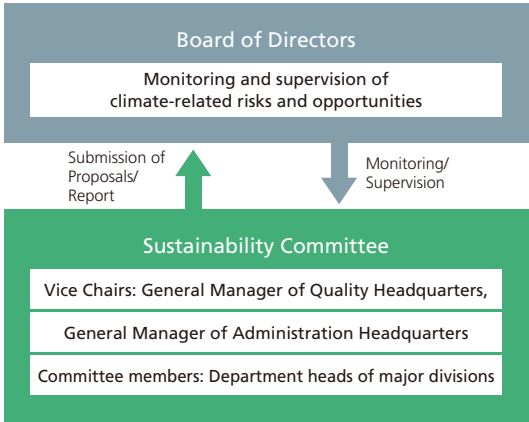
To this end, we are focusing on OPE that does not emit exhaust gas during use and are actively working to reduce GHG emissions by striving to reach the goal of virtually eliminating GHG emissions from our operations by FYE 2041. Recognizing the importance of these efforts as well as engaging in dialogue with our stakeholders regarding the impact of climate-related risks and opportunities on our business and other activities, we endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2021.

Governance

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

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

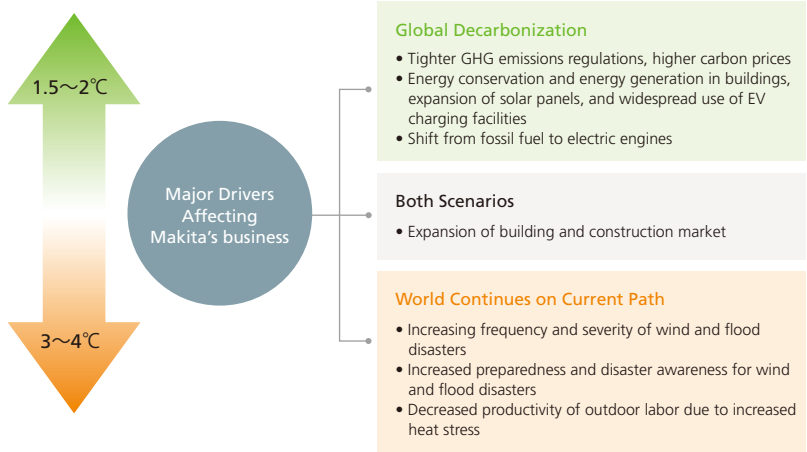
The Sustainability Committee reports and submits proposals on important matters to the Board of Directors, which deliberates on these matters and makes decisions in the course of monitoring and overseeing the Company's climate-related risks and opportunities



Strategy

1. Determining Risks and Opportunities

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



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

Risks

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

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

Opportunities

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

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

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

2. Scenario Analysis and Setting Themes

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

3. Results of Scenario Analyses

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

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

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

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

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



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

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

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

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



4. Future Policies and Initiatives

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

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

5. Plans for the Transition to Decarbonization

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

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

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

Climate Change Mitigation	Reducing GHG Emissions	<ul style="list-style-type: none"><li>Achieve virtually zero GHG emissions (Scopes 1 and 2) by FYE 2041</li><li>Medium-term target: 50% reduction from FYE 2021 levels by FYE 2031</li></ul>
	Elimination of Engine Powered Equipment	<ul style="list-style-type: none"><li>Increase the OPE electrification ratio (FYE 2025 result: 99.7%)</li></ul>
Capture and Maximize Opportunities		<p>Strategic implementation of the following measures based on the results of scenario analyses</p> <ul style="list-style-type: none"><li>Active development of cordless products (including cordless power tools and OPE)</li><li>Expansion of sales and service network</li><li>Expansion of logistics functions and production capacity in anticipation of sales growth</li></ul>

Risk Management

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

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

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

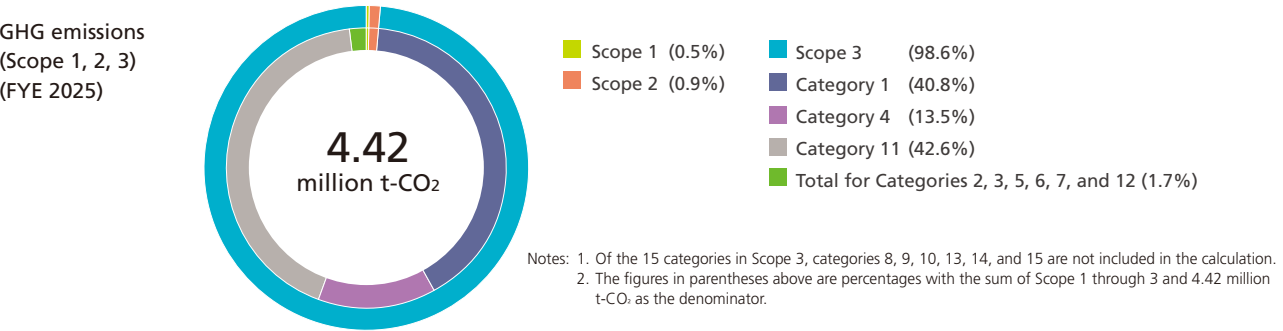
Indicators and Targets

Targets related to GHG emissions

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

Results and target GHG emissions (t-CO<sub>2</sub>)

	FYE 2021 Results	FYE 2025 Results	FYE 2031 Targets	FYE 2041 Targets	FYE 2051 Targets
Scope 1, 2	89,673	60,016	44,836	Virtually zero	Virtually zero
Scope 3	6,006,569	4,364,237	—	—	
Total	6,096,242	4,424,254			



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

Indicators for the electrification of OPE

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

Indicators and results related to the electrification ratio\* of OPE

FYE 2021 Results	FYE 2022 Results	FYE 2023 Results	FYE 2024 Results	FYE 2025 Results
88.5%	90.9%	91.9%	99.2%	99.7%

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

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

# Social

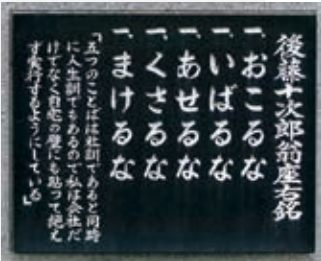
Makita is expanding its global business and has created an environment in which diverse human resources can play active roles regardless of race or gender. Going forward, Makita will continue to actively promote initiatives and working environments that enable diverse human resources to make the most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

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

## Basic Approach to Human Resources

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

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



The life teachings of Jujiro Goto

## Human Resource Strategies

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

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

Makita is expanding its business on a global scale, and many of its employees have experience temporarily working or training abroad. As of March 31, 2025, approximately 27% of employees, excluding those working at the Research and Development Headquarters or Domestic Sales Headquarters, have worked overseas on temporary transfers. For Makita to continue to grow sustainably, it is essential that newly hired human resources (both new graduates and mid-career employees) with diverse values gain international experience early on and receive training to be globally active. We are working to achieve the indicator we have set of 20% of employees sent for overseas training or temporary transfer having worked at Makita (non-consolidated) for five years or fewer by March 31, 2030.



In FYE 2025, the figures improved due to an increase in the number of people taking part in short-term overseas training programs. After finishing the training, they spend several months to a year in Japan on preparation, which leads to successful subsequent overseas assignments. To achieve our indicators, we will use the short-term training program to increase the number of young employee candidates for overseas postings.

	FYE 2023	FYE 2024	FYE 2025	FYE 2030
Percentage of employees transferred overseas (or sent for training) who have worked at Makita for five years or fewer	14%	12%	18%	20%

- Initiatives for Achievement
- Proactively accepting internships and building relationships with university laboratories to lay the groundwork for hiring excellent human resources
  - Launching short-term overseas training programs to enable more young employees to gain overseas experience
  - To foster international career development and increase motivation amongst young employees, we introduce the work and lifestyles of young employees who are working overseas, as well as how they collaborate with local staff, through the Company newsletter.

### Promoting Women's Advancement

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

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

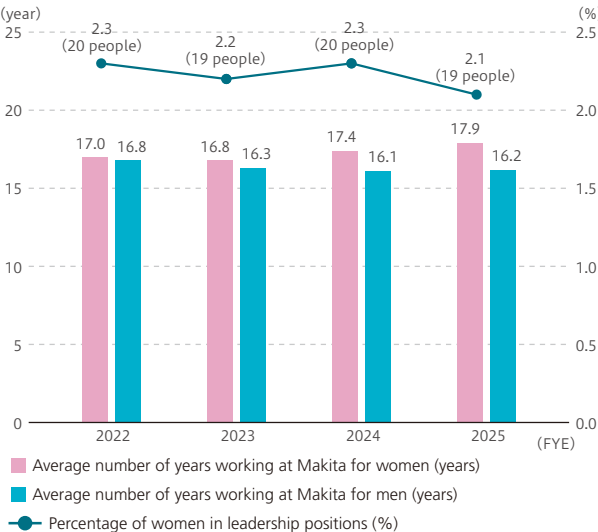
In FYE 2025, following on from the previous year, we held the Women's Career Design Seminar as a series of two sessions for female employees. Seminar participants identified their strengths and unique abilities, learned how to interact with others, and created action plans. Some female employees who attended this seminar have passed the leadership assessment test, as results of our initiatives to support women's career development begin to appear.

	FYE2023	FYE2024	FYE2025	FYE2030
Percentage of Female Managers	1.0% (3 people)	1.3% (4people)	1.6% (5 people)	3.0% (10 or more people)

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

### Reference

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



### Encouraging Employees to Take Childcare Leave

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

	FYE 2023	FYE 2024	FYE 2025	FYE 2030
Percentage of male employees using childcare leave system	25%	49%	67%	90% or more

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

	FYE 2023	FYE 2024	FYE 2025
Percentage of female employees using childcare leave system	100%	100%	100%



Career design seminar for women



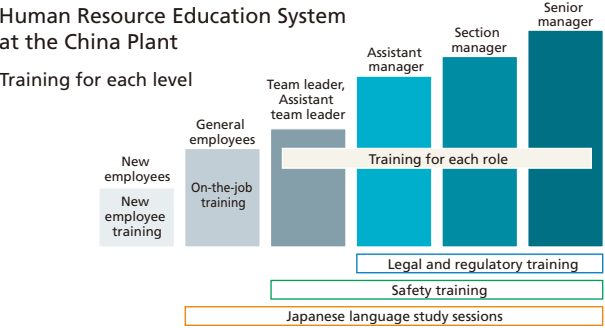
Human Resource Training Systems

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

Education System Diagram

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

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



**Employee Engagement**  
At the start of the fiscal year, all employees of the Company set their targets for the year. They take part in interviews with supervisors during summer and winter evaluations, based on which supervisors perform assessments. To motivate employees, base salaries vary with the previous year's evaluations while semiannual bonuses vary with semiannual evaluations and the Company's performance. Interviews are focused on supervisors and employees mutually confirming the formers' expectations and the latter's feedback and requests through dialogues concerning progress toward targets, while also setting plans for future employee development.

Our Company also conducts a communication questionnaire every year to survey what circumstances within communication with supervisors and within everyday work enhance employee motivation, as well as to survey the expectations that employees hold toward supervisors. The questionnaire also surveys supervisors to help us assess gaps in perception between supervisors and subordinates. Findings from the questionnaire are analyzed by the Personnel Department and are released throughout the Company to create opportunities for rethinking communication between supervisors and subordinates.

Start of fiscal year	Summer evaluation	Winter evaluation
Employees reflect on previous fiscal year targets and set current fiscal year targets	Interviews with supervisors Review of previous fiscal year targets and checking of progress toward current fiscal year targets Summer bonus evaluation	Interviews with supervisors Checking of progress toward current fiscal year targets Winter bonus evaluation

Employee Stockholding Association Plan

As a component of employee benefits, we have introduced an employee stockholding association plan. With the aims of asset formation through long-term systematic investment and an enhanced awareness of participation in management, we use the Company newsletter and other internal communications to encourage participation in our employee stock ownership plan.  
Under the plan, the Company offers an incentive of 10% of stock purchase value. Employees can take part easily, making purchases in amounts as small as 1,000 yen. By encouraging greater performance from employees who seek a rising stock price, the plan combines the twin merits of increased corporate value for Makita and asset formation for employees.

Diversity & Inclusion Promotion

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

Securing the Safety and Health of Employees

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

**Safety and Health Activities**  
Safety and Health Committee activities are conducted at each business site in Japan and are based on a safety plan that is developed annually. Safety patrols of the working environment as well as hazard prediction activities\* and "Hiyari-Hatto" (near-miss) activities are conducted at each workplace and reported to the committee with recommendations for improvement, thereby creating a safer and more secure workplace. There were 15 occupational accidents in Japan in FYE 2025, of which 2 required 4 or more days of absence from work. Going forward, we will continue to strive to prevent occupational accidents by providing thorough health and safety training and taking measures to reduce hazards in the workplace.

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

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

Respect for Human Rights

The Guideline to the Code of Ethics for Makita and the Makita Group Human Rights Policy, which serve as guidelines for the conduct of all directors and employees, clearly state "respect for human rights" and stipulate respect for the fundamental human rights of all persons, prohibit discrimination and acts that harm the dignity of individuals, and guarantee of freedom of association and the right to collective bargaining. For information on Makita's stance and policies concerning respect for human rights, see the Human Rights Policy of the Makita Group on our website (<https://www.makita.biz/sustainability/social/01/>).  
Once a year, we provide education on our guidelines to all employees, including part-time workers. Our guidelines cover our overseas subsidiaries as well, ensuring that human rights are respected throughout the Group. We further believe in the importance of fulfilling our human rights-related and other social responsibilities not only within Makita but throughout the supply chain. When selecting business partners, we stipulate the fulfillment of human rights-related responsibilities (including the elimination of child labor and forced labor) and other social responsibilities among our selection criteria.  
Furthermore, since we believe that it is important to fulfill our social responsibility for recognizing human rights not just for ourselves but alongside all of the businesses in our supply chain, the Guideline to the Code of Ethics for Makita also stipulates that fulfillment of social responsibility and respect for human rights (including working to eliminate child labor and forced labor) are selection criteria for business partners.

CSR Procurement

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

Basic Policy on Procurement	1. Compliance with laws and regulations and social codes 2. Consideration to reducing environmental impacts 3. Provision of fair and equitable transaction opportunities 4. Coexistence and coprosperity based on mutual trust
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Please see the Company website (<https://www.makita.biz/sustainability/social/03/>) for details.

CROSS TALK

# Makita's Human Capital Management

## ~The Power of Human Resources Supporting the Future of Makita~

Makita operates globally, and we have a diverse workforce that is rooted in each region around the world. This roundtable discussion focused on our core plant in China, featuring four participants: two female managers who are local staff members, a female Japanese employee who is working toward becoming a manager, and a young male employee who was sent on assignment abroad. They talked about how our diverse workforce is contributing to the workplace and playing an active role.



### 1 | Self-introduction and responsibilities

**Chen:** As the head of the Administration Division, I oversee the operations of the Human Resources Section and General Affairs Section 1. I have extensive experience in the field of human resources, and am currently responsible for all aspects of human resources, including the development of human resources systems, recruitment, labor management, and training. Recently, China decided to raise the legal retirement age. Considering this, we are

currently considering how to respond and revise our compensation and benefit policies.

**Rao:** I am in charge of general affairs. General affairs cover a wide range of tasks, such as cafeteria operations, meeting room arrangements, and management of hazardous waste storage and miscellaneous items. Regarding cafeteria operations, until now, the cafeteria at the Chinese plant had only one menu option, but in 2022, we introduced a selection-based menu system for the first time to meet the requests of our employees.

**Endo:** I am mainly in charge of finance. Based on financial statements prepared by local finance staff, I consider how to promote cost reduction measures and report my analysis to management and headquarters.

**Miyazu:** With Ms. Endo's support, I am checking the financial situation. Recently, in collaboration with an accounting firm, I have also been working on individual projects such as drafting contracts between the China plant and Japan.

### 2 | China / Features of China plant and workplace atmosphere

**Rao:** The employees at our China plant are all energetic and motivated. They work quickly and energetically, and there is good cooperation between departments. For example, when we changed the layout of the cafeteria, we enlisted the help of the Mass Production Engineering Department to manufacture the necessary equipment and fixtures.

In addition, female employees tend to be humble and considerate, and I feel that this strength is utilized in communication with other departments. While I often feel that it is easier for women to fill these roles, they also face the challenge of balancing work and family life.

**Chen:** I feel that this is a fast-paced workplace. In back-office departments, daily streamlining through DX is progressing, but there has been no increase in workload or decline in work quality, which I believe is a result of everyone's efforts.

**Endo:** I feel that people in China are very decisive. In Japan, many people tend to think carefully before acting, but in China, I get the impression that many people are able to act while thinking.

In China, I often have the opportunity to meet female sales representatives and presidents, and I feel that women's participation in society is naturally accepted.

**Miyazu:** I feel that the China plant has a very strong awareness of improvement. Although I have only been there for a short time, I have already seen several changes in systems and work procedures. The attitude of constantly thinking of new improvements, changing procedures, and putting them into practice is similar to what Ms. Endo refers to as "execution power."

Also, compared to Japan, I feel that there are more female managers in China plant.

**Chen:** Since Ms. Endo is the first Japanese woman to be assigned to the China plant, we are filled with a desire to support her wholeheartedly.

### 3 | The appeal of the job, its rewards, and what I value

**Endo:** I feel a sense of accomplishment when I am able to move forward with my work based on my own ideas and see them come to fruition. I am very happy when the financial situation and reports that I have analyzed are discussed at management meetings. I also believe that it is important for everyone to be able to work comfortably. This may seem obvious, but I make a conscious effort to communicate actively on a daily basis through greetings and small talk.

**Miyazu:** I believe it is important to deeply understand the meaning behind the numbers. Financial statements are evidence of what happened at the plant compared to the previous month. Therefore, I strive to process the numbers not as mere symbols, but as meaningful information, in order to provide more useful reports to management.

**Chen:** I feel a strong sense of fulfillment in my work when I overcome difficulties. For example, when China plant suspended production due to the COVID-19 pandemic, we considered new attendance management systems, wage handling, and revisions to the vacation system. As a result, Makita was one of the first in Kunshan to resume production. As a manager, I place great importance on human resource development, and I always ask my team members to set goals for themselves. When they work hard to achieve those goals and overcome challenges as a team, I feel a great sense of satisfaction.

**Rao:** In terms of cafeteria operations, we won the Best Improvement Award at our China plant in the year we introduced a menu selection system. I felt a great sense of accomplishment when employee satisfaction with the cafeteria increased.

As a manager, I believe it is important to guide team members and instill confidence in them. Furthermore, work is never something that can be accomplished alone; it is only possible with the support of those around you. I would like to build such relationships of trust while also improving my own skills.



China plant Cafeteria: Selectable Menu



#### 4 | Working overseas (Impressions of working overseas, growth and experiences unique to overseas work)

**Miyazu:** When I was job hunting, I was looking for a company that would give me the opportunity to work overseas. I wanted to work in various countries because of my motto "We only live once", and I was looking for a company that would make that possible.

**Endo:** When I first joined Makita, I was assigned to the overseas sales department since then, I've always had a strong interest in working abroad. In my seventh year at Makita, I was sent overseas for the first time, and that experience greatly changed my values. I started thinking, "I'll try anything as long as it doesn't kill me."

**Miyazu:** That's why you are strong. (laughs).



**Endo:** I guess you could say I've become more determined. Of course, there are challenges because work and life are different from Japan, but living overseas allows me to gain a variety of experiences in both my personal and professional life. In my case, I visited China once 15 years ago on a trip, and that experience left a strong impression on me, so I had some negative preconceptions before coming here. Additionally, China has restrictions on internet information, so I couldn't get enough information from social media or blogs, which made me feel quite anxious before coming here. However, when I actually visited, I found that it was more

digitized than Japan and that it was an easy country to live in where you can do anything with just a smartphone. The food culture is similar to Japan's and easy to relate to, and even if you don't understand the language, you can shop and call a taxi with a translation app. It is a cashless society, so there is no need to carry cash.



**Miyazu:** At first, I was also concerned about politics and sanitation, but once I started living here, I found that there were no problems at all. In fact, sometimes I even feel that life here is easier than in Japan.

Sometimes I receive warning emails from the consulate, but on those days I just try to avoid going out.

**Endo:** In terms of work, as long as you are working as a member of an organization, it is important to be recognized by those around you as someone who is capable of overseas work. Therefore, in order to achieve this, it is necessary to produce solid results in your daily work. When I was in Japan, I used to seek advice from my boss to make decisions, but now I am in a position where I am asked for advice and make decisions, which means I have more responsibility and a wider range of duties. This is both rewarding and stressful.

**Miyazu:** In Japan, I focused on one specific task as a practitioner, but overseas, I was given a position with a certain degree of authority, which significantly changed the nature of my work.

Previously, the tasks assigned to me had clear goals, and my role was simply to work toward achieving them.

However, my current responsibilities focus on analysis and information provision, where there is no clearly defined end point or completion benchmark. Because it is not routine work, it is very rewarding, but in my case, I was given the opportunity to work overseas soon after joining Makita, so I started without knowing the circumstances of the China plant or its history. Every day is a continuous learning experience, but I want to take on various challenges with a positive attitude and gain experience.

**Endo:** I would like young people, including Miyazu, to gain overseas experience and become leaders who will carry Makita into the future. To that end, I intend to pass on my own experience and knowledge. Right now, I want Miyazu to be able to think for himself and solve problems on his own, so rather than teaching him everything from start to finish, I am conscious of conveying the key points effectively.

#### 5 | Future career plans, future vision, and expectations for Makita

**Endo:** I believe that the Makita Group is defined by its factories and sales and service locations. That is why I want to see overseas sites with my own eyes. For now, I want to learn as much as I can about the factories, and in the future, I would like to gain experience at sales and service locations as well. I want to understand the sites from a financial and accounting perspective, and ultimately return to Japan to work on improving the Group as a whole.

**Chen:** In line with company policy, I want to work with my colleagues to achieve our goals. To that end, I will strive to improve my Japanese language skills and learn new skills related to DX.

We also intend to improve our internal systems in response to changes in the environment. Currently, we rely on "people-based (ad hoc) management" in some areas, but we believe that the ideal future would be to transition to "system-based management."



**Rao:** I also want to put more effort into studying Japanese. I think it would be great if I could speak directly with my boss and colleagues in Japanese.

In China, the retirement age for women is normally 50, but recently it has been extended to 55 or 58. Therefore, I am optimistic that there is still a lot of potential ahead.



**Miyazu:** First, my goal is to become a fully-fledged member of the team and play an active role. Furthermore, since we only live once, I would also like to work in various countries to broaden my horizons. In my case, I only had two months to prepare, and I came to this country knowing almost nothing.

Looking back now, I feel that if I had spent more time preparing and building my confidence before coming abroad, I might have had a better start.

**Endo:** Regarding women's advancement in the workforce, the Company has set numerical targets and other indicators, but I don't think it's fair to say that this mindset has taken root throughout the entire Company yet. In terms of our core business, I can see that each employee is setting goals and working hard to achieve them, but I think there are still issues to be addressed when it comes to investing in human capital and intangible assets. From the perspective of female employees, we hope that those in managerial and personnel decision-making positions will take a more proactive role in creating opportunities for women to thrive.

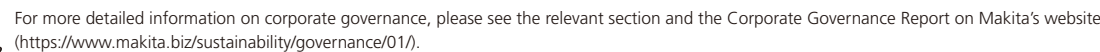


Japanese language class





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



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

2005	Jun.	Appointed Outside Directors	2019	Jun.	Introduced a restricted share compensation system
2006	Jun.	Discontinued retirement allowance plan for Directors and Audit & Supervisory Board Members	2020	Dec.	Established the Nomination and Compensation Committee
2009	Jun.	Introduced the Corporate Officer system	2021	Jun.	<ul style="list-style-type: none"> <li>Transitioned to a Company with an Audit &amp; Supervisory Committee</li> <li>Increased the number and ratio of Outside Directors (One third of Directors are Outside Directors)</li> </ul>
2011	Jun.	Appointed two non-Japanese Corporate Officers	2023	Jun.	Appointed a female Outside Director
2015	Jun.	<ul style="list-style-type: none"> <li>Increased the number of Outside Directors</li> <li>Introduced stock-compensation-type stock option (Discontinued upon the introduction of a restricted share compensation system in June 2019)</li> </ul>	2025	Jun.	Increased the number of female Outside Directors (Total: two; Percentage of female Outside Directors: 14.3%)

The diagram illustrates the organizational structure and relationships between the General Meeting of Shareholders and its various committees and divisions. The hierarchy is as follows:

- General Meeting of Shareholders** (Top Level)
  - Appoints/Dismisses:
    - Board of Directors**
      - Directors** (Excluding Directors who are Audit & Supervisory Committee Members)
        - Appoints/Dismisses/Supervises:
          - President**
            - Corporate Officers**
              - Corporate Divisions Group Companies**
            - Corporate Officer, General Manager of Administration Headquarters**
    - Audit & Supervisory Committee**
      - Directors who are Audit & Supervisory Committee Members
        - Appoints/Dismisses:
          - Audit & Supervisory Committee Staff Office**
    - Accounting Auditor**
      - Appoints/Dismisses:
        - Accounting Audit**
        - Internal Control Audit**

Key relationships and interactions include:

- Nomination and Compensation Committee** provides **Consultation/Delegation** to the **Board of Directors** and provides **Advice Monitoring/Supervision** to the **Directors**. It also receives **Submission of Proposals/Report** from the **Sustainability Committee**.
- The **Sustainability Committee** (Promoting Carbon Neutrality, etc.) reports to the **General Meeting of Shareholders**.
- The **Audit & Supervisory Committee** performs **Audit/Supervision** on the **Directors** and provides **Support** to the **Audit & Supervisory Committee Staff Office**.
- The **Accounting Auditor** provides **Collaboration** to the **Audit & Supervisory Committee** and receives a **Report** from the **Internal Audit Division**.
- The **Internal Audit Division** performs **Audit** on the **Corporate Divisions Group Companies** and provides an **Accounting Audit** and **Internal Control Audit** to the **Accounting Auditor**.

## Board of Directors

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

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

\* Excluding Directors who are Audit & Supervisory Committee Members

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

The Audit & Supervisory Committee meets once a month and also holds extraordinary meetings as necessary. The Audit & Supervisory Committee audits and supervises the execution of duties by the Directors, and investigates the status of business and assets by attending important meetings and hearing reports in accordance with its stipulated audit policies and division of duties. The Audit & Supervisory Committee also appropriately exercises its right

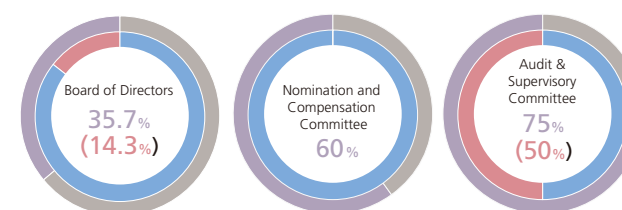
to express opinions on the nomination and compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members). With the objective of ensuring the smooth execution of audits by the Audit & Supervisory Committee, Makita established the Audit & Supervisory Committee Staff Office, comprising dedicated support personnel.

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

We have introduced a Corporate Officer system to facilitate the proper implementation of the Group's strategy and strengthen our business execution structure, and we are striving to engage in flexible and efficient business operations. As of July 2025, Makita has 17 Corporate Officers, and two of these Corporate Officers are non-Japanese.

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

■ Internal ■ Outside ■ Men ■ Women



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



Director Selection Policy and Decision-Making Processes

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

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

\* Excluding Directors who are Audit & Supervisory Committee Members

Process

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

Evaluation of Effectiveness of the Board of Directors

Makita conducts an annual self-evaluation questionnaire for each Director on the effectiveness of the Board of Directors. The results of analyzing the FYE 2025 effectiveness evaluation indicated that the Board of Directors generally functions appropriately from the perspective of its composition, operation, supervisory function, and response to shareholders and stakeholders, and that the effectiveness of Makita’s Board of Directors is ensured. By providing an open comment item for each question in the survey, we are aiming to collect more specific feedback, opinions, and suggestions on the effectiveness of the Board of Directors. In the survey conducted in FYE 2025, we received feedback and recommendations aimed at enhancing effectiveness—such as improving board diversity and strengthening discussions on medium- to long-term management strategies—which have been identified as issues to be addressed going forward.

Director Compensation

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



\* Not applicable to Outside Directors

Determination

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

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

Total Amount of Compensation (FYE 2025)

Category of Officer	Total Amounts of Compensation (Million yen)	Total Amounts of Each Type of Compensation (Million yen)			Number of Eligible Directors
		Base Compensation	Bonuses	Restricted Share Compensation	
Directors (Excluding Audit & Supervisory Committee Members) (Excluding Outside Directors)	324	86	208	30	11
Directors (Audit & Supervisory Committee Members) (Excluding Outside Directors)	15	15	—	—	1
Outside Officers	28	28	—	—	5

Strategic Shareholdings

The Company holds shares of various companies, including clients and associates in business relationships, for strategic purposes from a medium- to long-term perspective, based on the criteria of whether or not the shares are beneficial for business execution, such as strengthening relationships with clients and business partners. In addition, the Board of Directors regularly examines the economic rationality and other factors of each individual stock based on the significance of holding the stock and the capital cost and verifies the appropriateness of such holding from a medium- to long-term perspective. As a result of the verification, we will consider selling stocks for which the appropriateness of holding is not recognized, and work to reduce the amount. Most recently, at its meeting on June 25, 2025, the Board of Directors completed its review of the situation as of March 31, 2025.

Strategic Shareholdings at the End of the Fiscal Year

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Number of issues	49	45	45	45	45
Balance sheet amounts (Million yen)	30,693	20,942	21,170	29,090	29,397

Note: The amount recorded on the balance sheet increased in some fiscal years due to an increase in the market value of strategic shareholdings as a result of a rise in stock prices.

Dialogue with Shareholders and Investors

The Director, Corporate Officer, and General Manager of Administration Headquarters has general oversight over dialogue with shareholders and investors. The IR department and the finance, legal, and internal audit departments collaborate with each other, reviewing and sharing disclosure information and preparing disclosure materials, to facilitate constructive dialogue with shareholders. In addition to individual dialogues with shareholders and investors, we hold a briefing session for each quarter’s financial results. Twice a year (at the end of the interim period and at the end of the fiscal year), the president gives a presentation, with presentation materials published on our website. The ratio of shares held by foreign institutions and individuals is over 40%, so the Company actively discloses information in English, including its financial statements, timely disclosure documents, notices of convocation of the general meeting of shareholders, materials for financial results briefings, Corporate

Governance Reports, and Company publications (corporate profile, integrated reports such as this report, and environmental reports). The Company also translates major items (consolidated financial statements and notes, business risks, etc.) from its annual securities report. In FYE 2025, in addition to quarterly financial results briefings, management held 40 meetings with shareholders and investors. In addition to this, we actively engaged in dialogue with shareholders and investors through individual meetings with IR staff and participated in conferences sponsored by securities firms. Also, we analyzed the exercise of voting rights at shareholders’ meetings and provided necessary feedback to management on the opinions of shareholders and investors obtained through dialogue to ensure sustainable growth and enhance corporate value over the medium to long term.

Status of Internal Audits

As an independent organization in charge of the Group’s internal audits, the Internal Audit Division is staffed by more than 10 persons and conducts the internal audits necessary to maintain the soundness of Makita’s management. Results of audits are reported to the Audit & Supervisory Committee and to management personnel. Furthermore,

we have built a framework for making timely and appropriate revisions when inadequacies in the internal control system are discovered through internal audits.

Directors



President and Representative Director  
**Munetoshi Goto** Date of birth: April 26, 1975

Attendance rate at Board of Directors meetings:  
12/12 (100%)  
Number of the Corporation's shares held: 477,592

Brief personal background

Apr. 1999 Joined the Corporation  
Apr. 2012 General Manager of International Sales Administration Department  
Jun. 2013 Director, Corporate Officer, General Manager of International Sales Headquarters  
Jun. 2017 President and Representative Director (present)



Director, Managing Corporate Officer and General Manager of Research and Development Headquarters  
**Tetsuhisa Kaneko** Date of birth: April 6, 1955

Attendance rate at Board of Directors meetings:  
12/12 (100%)  
Number of the Corporation's shares held: 27,179

Brief personal background

Mar. 1981 Joined the Corporation  
Apr. 2004 General Manager of Technical Research Department  
Aug. 2005 General Manager of Production Department 2  
Oct. 2006 General Manager of Production Department 1  
Jun. 2007 Director, General Manager of Purchasing Headquarters  
Jun. 2009 Director, Corporate Officer, General Manager of Purchasing Headquarters  
May 2010 Director, Corporate Officer, General Manager of Production Headquarters (in charge of China Plant)  
Jun. 2015 Director, Corporate Officer, General Manager of Production Headquarters  
Jun. 2017 Director, Corporate Officer, General Manager of Research and Development Headquarters  
Jun. 2024 Director, Managing Corporate Officer and General Manager of Research and Development(present)



Director, Corporate Officer  
General Manager of Domestic Sales Headquarters  
**Takashi Tsuchiya** Date of birth: September 1, 1957

Attendance rate at Board of Directors meetings:  
12/12 (100%)  
Number of the Corporation's shares held: 21,959

Brief personal background

Mar. 1982 Joined the Corporation  
Apr. 2001 Manager of Shizuoka Branch Office  
Oct. 2003 Manager of Tokyo Branch Office  
Apr. 2010 General Manager of Sales Administration Department  
Jun. 2013 Corporate Officer, General Manager of Domestic Sales Headquarters (in charge of Tokyo Sales Department)  
Jun. 2015 Director, Corporate Officer, General Manager of Domestic Sales Headquarters  
Apr. 2024 Director, Corporate Officer, General Manager of Domestic Sales Headquarters and in charge of Osaka: Sales Department  
Jun. 2025 Director, Corporate Officer, General Manager of Domestic Sales Headquarters (present)



Director, Corporate Officer  
General Manager of Production Headquarters  
**Masaki Yoshida** Date of birth: June 17, 1962

Attendance rate at Board of Directors meetings:  
12/12 (100%)  
Number of the Corporation's shares held: 14,779

Brief personal background

Mar. 1985 Joined the Corporation  
Oct. 2007 General Manager of Production Control Department  
Apr. 2010 General Manager of Production Department 2  
Apr. 2011 General Manager of Production Development Department  
Feb. 2012 Vice President of Makita (China) Co., Ltd.  
Jun. 2015 Director, Corporate Officer, Assistant General Manager of Production Headquarters of the Corporation (in charge of China Plant)  
Apr. 2018 Director, Corporate Officer, Assistant General Manager of Production Headquarters  
Jun. 2021 Director, Corporate Officer, General Manager of Production Headquarters (present)



Director, Corporate Officer  
General Manager of International Sales Headquarters  
**Takashi Omote** Date of birth: February 10, 1959

Attendance rate at Board of Directors meetings:  
12/12 (100%)  
Number of the Corporation's shares held: 12,099

Brief personal background

Mar. 1982 Joined the Corporation  
Jan. 1995 President of Makita Mexico, S.A. de C.V.  
Mar. 2001 President of Makita do Brasil Ferramentas Elétricas Ltda.  
Jun. 2013 Corporate Officer of the Corporation (in charge of Central and South America Sales)  
Jun. 2017 Director, Corporate Officer, General Manager of International Sales Headquarters (present)



Director, Corporate Officer  
General Manager of Administration Headquarters  
**Yukihiko Otsu** Date of birth: August 27, 1960

Attendance rate at Board of Directors meetings:  
12/12 (100%)  
Number of the Corporation's shares held: 12,199

Brief personal background

Mar. 1983 Joined the Corporation  
July 1996 Chief Financial Officer of Makita U.S.A., Inc.  
Apr. 2009 Assistant Manager of Finance Department of the Corporation  
Dec. 2009 Vice President of Makita (China) Co., Ltd.  
Oct. 2013 General Manager of Accounting Department of the Corporation  
Jun. 2017 Director, Corporate Officer, General Manager of Administration Headquarters (present)



Director, Corporate Officer  
General Manager of Purchasing Headquarters  
**Yoshihisa Inuzuka** Date of birth: February 15, 1961

Attendance rate at Board of Directors meetings:  
10/10 (100%)  
Number of the Corporation's shares held: 7,547

Brief personal background

Mar. 1984 Joined the Corporation  
Apr. 2009 General Manager of Production Department 2  
Apr. 2010 General Manager of Production Development Department  
Mar. 2011 Plant Manager of Makita do Brasil Ferramentas Elétricas Ltda.  
Apr. 2016 General Manager of Research & Development Planning Department of the Corporation  
Jun. 2021 Corporate Officer, Assistant General Manager of Research and Development Headquarters  
Jun. 2024 Director, Corporate Officer, General Manager of Purchasing Headquarters (present)



Director, Corporate Officer  
General Manager of Quality Headquarters  
**Hideyuki Kawase** Date of birth: July 31, 1963

Attendance rate at Board of Directors meetings:  
10/10 (100%)  
Number of the Corporation's shares held: 11,247

Brief personal background

Mar. 1986 Joined the Corporation  
Apr. 2012 President of SC Makita EU S.R.L. (Romania)  
Mar. 2017 General Manager of Production Control Department of the Corporation  
Apr. 2018 President of Makita (China) Co., Ltd.  
Jun. 2021 Corporate Officer, Assistant General Manager of Production Headquarters of the Corporation (in charge of China Plant)  
Mar. 2024 Corporate Officer, Assistant General Manager of Production Headquarters  
Jun. 2024 Director, Corporate Officer, General Manager of Quality Headquarters (present)



Outside Director  
**Takahiro Iwase** Date of birth: May 28, 1952

Attendance rate at Board of Directors meetings:  
12/12 (100%)  
Number of the Corporation's shares held: 1,100

Brief personal background

Apr. 1977 Joined Toyota Motor Co., Ltd. (present; TOYOTA MOTOR CORPORATION, "TOYOTA")  
Jun. 2005 Managing Officer of TOYOTA  
Jun. 2009 Senior Managing Director of TOYOTA  
Outside Audit & Supervisory Board Member of Chuo Spring Co., Ltd.  
Apr. 2011 Vice Chairman of the Board of Directors of Toyota Motor Asia Pacific Pte. Ltd.  
Jun. 2011 Senior Managing Officer of TOYOTA  
Jun. 2014 President of TOYOTA AUTO BODY CO., LTD.  
Apr. 2016 Standing Counselor of Aichi Steel Corporation ("AICHI STEEL")  
Jun. 2016 Chairman and Representative Director of AICHI STEEL  
Jun. 2017 Outside Audit & Supervisory Board Member of Chuo Spring Co., Ltd.  
July 2020 Chairman of Aichi Prefectural Public Safety Commission  
Mar. 2021 Outside Audit & Supervisory Board Member of DMG MORI CO., LTD. (present)  
Jun. 2021 Outside Director of the Corporation (present)  
(Important Concurrent Posts)  
Outside Audit & Supervisory Board Member of DMG MORI CO., LTD.



Director (Standing Audit & Supervisory Committee Member)  
**Koji Tsuzuki** Date of birth: November 23, 1961

Attendance rate at Board of Directors meetings: —  
Attendance rate at Audit & Supervisory Committee meetings: —  
Number of the Corporation's shares held: 3,711

Brief personal background

Mar. 1985 Joined the Corporation  
Sep. 2007 Chief Financial Officer of Makita U.S.A., Inc.  
Apr. 2015 General Manager of General Affairs Department of the Corporation  
Jun. 2025 Director of the Corporation (Standing Audit & Supervisory Committee Member) (present)



Outside Director  
**Takashi Ando** Date of birth: February 27, 1955

Attendance rate at Board of Directors meetings: —  
Number of the Corporation's shares held: —

Brief personal background

Apr. 1978 Joined Nagoya Railroad Co., Ltd. ("Nagoya Railroad")  
Jun. 2008 Director of Nagoya Railroad  
Jun. 2011 Managing Director of Nagoya Railroad  
Jun. 2013 Senior Managing Director, Representative Director of Nagoya Railroad  
Jun. 2015 President, Representative Director of Nagoya Railroad  
Jun. 2019 President, Representative Director, Chief Executive Officer of Nagoya Railroad  
Jun. 2021 Chairman, Representative Director of Nagoya Railroad (present)  
Jun. 2024 Outside Director of CHUBU-NIPPON BROADCASTING CO., LTD. (present)  
Jun. 2025 Outside Director of the Corporation (present)  
(Important Concurrent Posts)  
Chairman, Representative Director of Nagoya Railroad Co., Ltd.  
Outside Director of CHUBU-NIPPON BROADCASTING CO., LTD.



Outside Director (Audit & Supervisory Committee Member)  
**Koji Nishikawa** Date of birth: November 1, 1957

Attendance rate at Board of Directors meetings: 12/12 (100%)  
Attendance rate at Audit & Supervisory Committee meetings: 15/15 (100%)  
Number of the Corporation's shares held: 600

Brief personal background

Oct. 1988 Joined Aoyama Audit Corporation  
Aug. 1992 Registered as a certified public accountant  
Apr. 2000 Joined ChuoAoyama Audit Corporation (formed by a merger with Chuo Audit Corporation)  
Appointed as Partner of ChuoAoyama Audit Corporation  
Sep. 2006 Joined PricewaterhouseCoopers Arata (present; PricewaterhouseCoopers Arata LLC)  
Appointed as Partner of PricewaterhouseCoopers Arata  
July 2018 Representative of Nishikawa Koji Accounting Firm (present)  
Apr. 2020 Joined Seimei Audit Corporation  
Jun. 2020 Representative Partner of Seimei Audit Corporation (present)  
Jun. 2021 Outside Director of the Corporation (Audit & Supervisory Committee Member) (present)  
(Important Concurrent Posts)  
Representative of Nishikawa Koji Accounting Firm  
Representative Partner of Seimei Audit Corporation



Outside Director (Audit & Supervisory Committee Member)  
**Minae Fukumoto** Date of birth: May 17, 1971

Attendance rate at Board of Directors meetings: —  
Attendance rate at Audit & Supervisory Committee meetings: —  
Number of the Corporation's shares held: —

Brief personal background

Apr. 2000 Attorney-at-law, admitted and belonging to the Nagoya Bar Association (present; Aichi Bar Association)  
Apr. 2000 Joined Sumida Masao Law Firm (present; Sumida Law Firm)  
Apr. 2007 Joined Fukumoto Law Firm(present)  
Oct. 2008 Appointed as a Civil Mediator at Nagoya Summary Court  
Apr. 2022 Appointed as a Domestic Relations Conciliation Commissioners at Nagoya Family Court(present)  
Jun. 2025 Outside Director of the Corporation (Audit & Supervisory Committee Member) (present)  
(Important Concurrent Posts)  
Attorney at Law (Fukumoto Law Firm)

Skills Matrix

Name	Independent	Nomination and Compensation Committee	Expertise								
			Corporate Management	Overseas Experience	Sales/Marketing	Development	Production/Procurement/Quality	Sustainability	IT/Digitalization	Finance & Accounting	Legal Affairs
Munetoshi Goto		●	●	●	●	●		●	●		
Tetsuhisa Kaneko			●	●		●	●				
Takashi Tsuchiya			●		●						
Masaki Yoshida			●	●			●		●		
Takashi Omote			●	●	●						
Yukihiko Otsu		●	●	●				●	●	●	●
Yoshihisa Inuzuka			●	●		●	●				
Hideyuki Kawase			●	●			●	●			
Iwase Mitsuhiko	●	● Committee Chair	●	●		●	●				
Takashi Ando	●	●	●								●
Koji Tsuzuki				●				●	●	●	●
Koji Nishikawa	●	●						●		●	
Ayumi Ujihara	●									●	
Minae Fukumoto	●										●



Messages from Outside Directors

Management Issues and Responses for Sustainable Growth

Outside Director  
Takahiro Iwase



Makita is steadily evolving into "a Supplier of a Comprehensive Range of Cordless Products" under our long-term goals and annual policies, while balancing the strengthening of human capital, R&D capital, manufacturing capital, sales capital, and supply chains. At present, there are no notable management issues.

However, considering the uncertainty of the global situation, rapid changes in social and business environments, and diversification of market needs, it may be necessary to expand business areas in the future and reevaluate total risk management.

First, in terms of expanding our business areas, it is important to provide new value. For example, we will consider automation systems that utilize robots to address user needs such as labor shortages and improvements to the working environment. Another example is considering a system that comprehensively manages the many tools, consumables, and personnel used by users in the field in order to respond to the digitalization of manufacturing, thereby providing comprehensive support for both users' field work and management operations.

At Board of Directors meetings, important resolutions are deliberated and decided in a timely manner, and each division head reports on the status of execution. This allows important issues in execution to be shared, and decisions to be made through lively discussion.

Furthermore, regarding the global business situation, not only are production and sales reports presented, but each director also verbally reports on issues in markets around the world and measures to resolve them during their business trip reports. This leads to discussions on the spot and swift revisions to execution policies.

In addition, the governance system for global operations in each country is functioning effectively, and audit results and other information are continuously reported as issues and areas for improvement.

With regard to risk management, although each individual report is thoroughly discussed and the Board of Directors is functioning actively, we believe it would be effective to address risk management overall as an independent topic from a preventive perspective in the future.

Finally, from the perspective of reexamining total risk management, we believe that it is important to reexamine the global supply chain as one aspect of risk management in an increasingly uncertain global environment, clarify issues related to the review of internal and external production and parts supply systems, and work to strengthen these systems.

Effective Board of Directors Operations and Future Challenges

Outside Director,  
Audit & Supervisory  
Committee Member  
Koji Nishikawa



At Makita's Board of Directors meetings, in addition to reports on important matters, Internal Directors who are also Corporate Officers share information on the activities and measures of each division, and the Directors share their understanding of the current situation and awareness of issues, engaging in lively discussions, which gives me a strong sense of "Team Makita." From this perspective, I feel that the Board of Directors is fulfilling both its supervisory and management functions and ensuring a certain degree of effectiveness.

Going forward, I would like to participate in broader discussions on future goals and challenges as an Outside Director. For example, Makita has identified material issues and is communicating them externally with a view to achieving its long-term goal of becoming a "Strong Company." I believe that participation from a third-party perspective is needed in assessing progress and evaluating results.

In addition, as indicated by ROE, capital efficiency has been

improving, which is also reflected in PBR. I believe this is due to our stalwart management and corporate culture of working together as a company to respond to any changes in the environment.

As a challenge, Makita conducts an annual self-evaluation questionnaire on the effectiveness of its Board of Directors, but in the future, I am considering utilizing external evaluations in order to gain new insights.

In addition, I believe that communicating more carefully with external stakeholders about specific future visions and strategies in conjunction with the above-mentioned corporate culture will lead to a deeper understanding and fulfillment of expectations among stakeholders, thereby contributing to further enhancement of corporate value. As Audit & Supervisory Committee members, I intend to continue monitoring the execution of management from a medium- to long-term perspective.

Leveraging Our Strengthened Financial Base, Makita Will Invest in Medium- to Long-term Growth

Outside Director  
Audit & Supervisory  
Committee Member  
Ayumi Ujihara



At Makita's Board of Directors meetings, in addition to providing immediate responses to comments and questions, supplementary explanations are also provided at a later date, ensuring that the system is effective. Creating an environment where female employees can demonstrate their abilities is essential to our growth, and I have proposed reviewing our systems and considering training programs that reflect the opinions of female employees. Over the past few years, I feel that the Company's efforts in this area have been steadily progressing. In addition, for Makita, which operates globally, it is important to monitor the control status of each location in a timely and appropriate manner, and Makita has strengthened its regular reporting system and rapid response to issues.

In recent years, inventory optimization has been continuously monitored by the Board of Directors, and improvements have been made in both total volume and content. In addition, the review of high-interest external borrowing overseas has contributed to the strengthening of our financial position. Under the FYE 2025 Company policy of "optimization," improvements in cost and marginal profit margin are also progressing. The long-term goal of "Strong Company" has been widely embraced throughout the company, and our strength lies in the ability to advance initiatives in a united and steady manner. Going forward, we believe that mid- to long-term growth investments leveraging our strengthened financial base will become even more important.

Message from Newly Appointed Officers

Newly Appointed

Determined to Contribute to Makita's Growth

Outside Director  
Takashi Ando



I was appointed as a new Outside Director of Makita in June this year. With the environment surrounding companies undergoing rapid change and the future looking uncertain, I feel that the role of Outside Directors is becoming increasingly important in ensuring the sustainable growth of companies. Having been involved in the management of Nagoya Railroad Co., Ltd. for many years, I intend to actively supervise and advise Makita from a perspective that differs from that of the manufacturing industry, taking the views of shareholders and other stakeholders into account.

I understand that Makita has established a detailed sales and service network with its own bases around the world and has grown as a company that values its customers. Given the uncertain future, it is important to put customers first in our actions, and I believe that I can offer advice based on my experience, particularly from the perspective of customer service. I will fulfill my responsibilities as an Outside Director and contribute to Makita's sustainable growth and increased corporate value. Thank you for your continued support.

Message from Newly Appointed Officers

Newly Appointed

Supporting the Growth of Global Companies

Outside Director,  
Audit & Supervisory Committee Member  
Minae Fukumoto



I was appointed as an Outside Director (Audit & Supervisory Committee Member) of Makita in June this year. Makita is truly a global company that continues to grow by establishing a strong sales and service network around the world. Its diverse product lineup is widely used not only by professionals but also by general users, and we believe that its broad customer base is one of its strengths. Additionally, while human resource development is conducted from a global perspective, I believe that the effective utilization of human capital is essential for the Makita's further growth. Therefore, based on the experience gained throughout my career, I aim

to provide advice as needed on diversity promotion and human resource strategies. Effective corporate governance is essential for truly global companies such as Makita, and as a member of the Board of Directors (Audit & Supervisory Committee Member), I would like to contribute to maintaining and improving the governance system. I would like to deepen my understanding of the meaning of "Strong Company," which is our long-term goal, as well as our management policies and business activities, and actively provide supervision and advice by leveraging my experience and knowledge as an attorney at law.

Compliance

Makita upholds a philosophy of “striving to exist in harmony with society,” an approach it applies uniformly and that is reflected in our Management Policy/Quality Policy. As such, we thoroughly ensure that officers and employees comply with legal, regulatory, and ethical principles. Makita’s Code of Ethics and Guideline to the Code of Ethics for Makita, which outline the conduct expected of Group officers and employees, stipulate the importance of ethical conduct, avoiding conflicts of interest, complying with relevant laws and social standards, properly disclosing information, respecting human rights, restricting gifts and incentives, prohibiting bribes, and prohibiting unfair business transactions. Employees are provided with regular information and ongoing training about Makita’s Code of Ethics and Guideline to the Code of Ethics for Makita. In order to instill an awareness of the importance of compliance, employees are given an Ethical Compliance Survey, while new hires and newly appointed managers are provided with compliance training.

Risk Management

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

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

Each Director exercises authority and takes responsibility for implementing the Group-wide risk management framework in their own division, and also reports to the Board of Directors when a situation occurs that is material to business management.

In each division, regulations and guidelines are stipulated and followed in order to carry out risk management

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

necessary for quality control, disaster prevention, capital utilization, and the like.

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

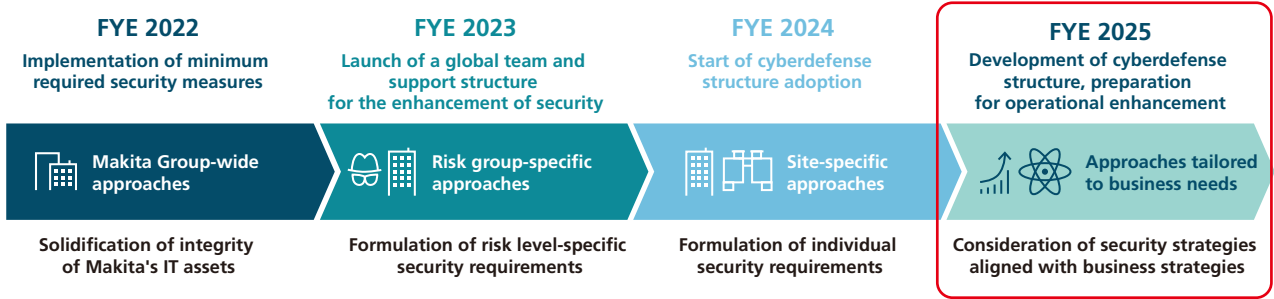
Risks & Opportunities Relevant to Makita

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

Building a Cyberdefense Structure

Amid the growing global risk of cyberattacks, since FYE 2022 we have endeavored to construct Group-wide security countermeasures. To meet the increasing sophistication of cyberattacks, we emphasize the prevention of deep intrusion through the early detection of cyberattacks and the enactment of measures for damage minimization and quick operational recovery.

Under Makita's current cyberdefense structure, we are working with experts outside the company to launch a global security task force. We centrally monitor about 14,000 information devices (as of the end of March 2025) across the Group to detect and analyze any suspicious behavior. Our structure enables quick first response, with any detected high-risk behavior immediately reported to the security task force and to subsidiaries holding affected equipment.





10-Year Summary

(For the years ended March 31)

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

Per share amounts	(Yen)		
Earnings per share (basic) net income attributable to Makita Corporation common shareholders	153.30	164.96	201.70
Total Makita Corporation shareholders' equity per share	1,767.26	1,849.88	2,033.16
Cash dividends applicable to the year per share	101.0	100.0	61.0

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

Notes: 1. Earnings per share (basic) net income attributable to Makita Corporation common shareholders and profit attributable to owners of the parent per share (basic) are computed based on the average number of shares outstanding  
2. Figures are rounded up/down to the nearest million yen.  
3. On April 1, 2017, Makita conducted a 2 for 1 stock split of its common shares. Earnings per share (basic) net income attributable to Makita Corporation common shareholders, total Makita Corporation shareholders' equity per share, average number of shares outstanding, and number of shares issued excluding treasury shares were calculated assuming that the stock split was also conducted in prior years. Cash dividends applicable to the year per share show the actual amount of the dividend before the stock split.

IFRS	(Million yen)							
	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	477,298	490,578	492,617	608,331	739,260	764,702	741,391	753,130
Domestic	82,575	92,129	100,697	113,048	118,050	122,978	123,222	127,168
Overseas	394,723	398,449	391,920	495,283	621,210	641,724	618,169	625,962
Operating profit	80,231	78,305	64,046	88,464	91,728	28,246	66,169	107,038
Profit before income taxes	79,865	79,919	66,008	87,199	92,483	23,887	64,017	108,477
Profit attributable to owners of the parent	54,943	55,750	47,731	62,018	64,770	11,705	43,691	79,338
Net cash provided by (used in) operating activities	34,191	23,155	57,310	64,537	(103,660)	44,430	237,086	129,874
Net cash provided by (used in) investing activities	(15,708)	(15,329)	(30,506)	(42,913)	(27,891)	(37,680)	(25,619)	(37,872)
Free cash flows	18,483	7,826	26,804	21,624	(131,551)	6,750	211,467	92,002
Net cash provided by (used in) financing activities	(17,743)	(8,231)	(22,931)	(23,036)	52,626	80,970	(191,277)	(33,545)
Capital expenditures	15,045	23,867	44,409	49,855	59,937	39,088	17,851	17,594
Depreciation and amortization	10,783	11,271	12,058	13,881	17,639	21,725	24,754	24,934
R&D costs	10,924	11,258	11,601	12,783	14,145	14,903	14,314	15,115
Total assets	654,841	680,250	674,564	812,878	1,007,497	1,099,351	1,055,808	1,106,525
Net working capital	398,355	402,335	381,090	418,530	460,794	461,846	548,160	617,439
Equity attributable to owners of the parent	554,046	572,748	571,275	657,855	746,344	769,247	868,156	926,005
Interest-bearing debt	3,544	11,960	19,737	16,455	96,462	203,615	40,316	31,218

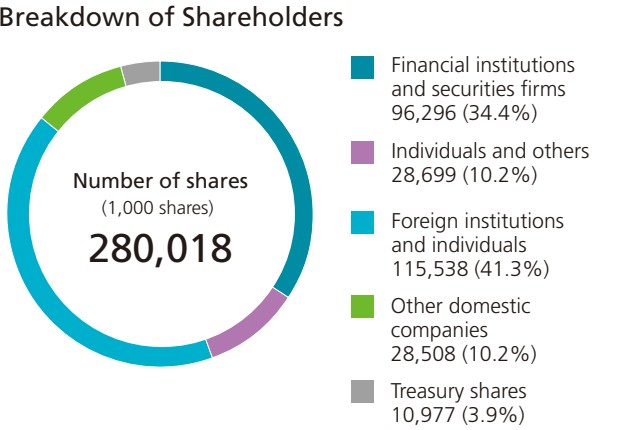
Per share amounts	(Yen)							
Profit attributable to owners of the parent per share (basic)	202.39	205.37	175.80	228.41	238.54	43.11	162.13	294.90
Equity attributable to owners of the parent per share	2,040.93	2,109.83	2,104.01	2,422.80	2,748.64	2,832.89	3,227.06	3,441.88
Cash dividends applicable to the year per share	61.0	62.0	53.0	69.0	72.0	21.0	57.0	110.0

Other data								
Ratio of operating profit to revenue	16.8%	16.0%	13.0%	14.5%	12.4%	3.7%	8.9%	14.2%
ROE	10.4%	9.9%	8.3%	10.1%	9.2%	1.5%	5.3%	8.8%
ROA	8.8%	8.4%	7.0%	8.3%	7.1%	1.1%	4.1%	7.3%
Ratio of equity attributable to owners of the parent to total assets	84.6%	84.2%	84.7%	80.9%	74.1%	70.0%	82.2%	83.7%
Average number of shares outstanding	271,465,951	271,467,574	271,502,528	271,524,393	271,530,966	271,539,104	269,484,912	269,031,331
Number of shares issued excluding treasury shares	271,467,928	271,467,057	271,516,990	271,527,124	271,532,459	271,541,846	269,023,899	269,040,768
Employees	16,137	16,424	17,090	18,624	20,233	18,804	17,669	17,641

4. ROE is calculated based on the following:  
U.S. GAAP: Net income attributable to Makita Corporation ÷ ((Total Makita Corporation shareholders' equity at the beginning of period + Total Makita Corporation shareholders' equity at the end of period) ÷ 2) × 100  
IFRS: Profit attributable to owners of the parent ÷ ((Equity attributable to owners of the parent at the beginning of period + Equity attributable to owners of the parent at the end of period) ÷ 2) × 100  
5. ROA is calculated based on the following:  
U.S. GAAP: Net income attributable to Makita Corporation ÷ ((Total assets at the beginning of period + Total assets at the end of period) ÷ 2) × 100  
IFRS: Profit attributable to owners of the parent ÷ ((Total assets at the beginning of period + Total assets at the end of period) ÷ 2) × 100

Stock Information (As of March 31, 2025)

Securities Code	6586
Stock Market Listings	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)
Total Number of Shares Outstanding	Common shares 280,017,520 (including treasury shares of 10,976,752 shares)
Number of Shareholders	16,861

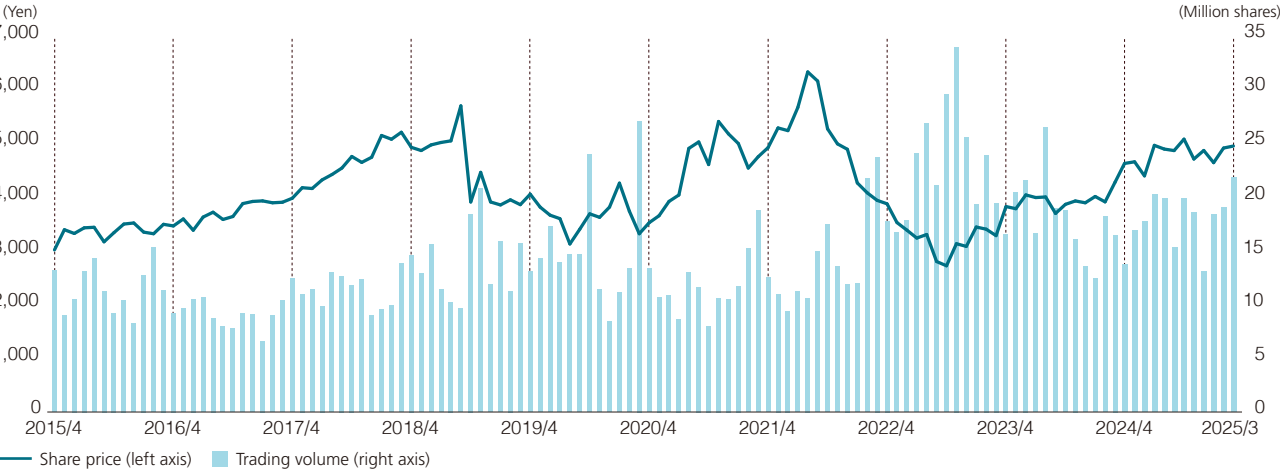


Major Shareholders (Top Ten)

Name	Number of Shares Held (1,000 shares)	Ratio of Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	37,051	13.77
Custody Bank of Japan, Ltd. (Trust Account)	13,724	5.10
Maruwa, Ltd.	8,708	3.23
MUFG Bank, Ltd.	8,426	3.13
Makita Cooperation Companies’ Investment Association	5,868	2.18
Sumitomo Mitsui Banking Corporation	5,800	2.15
Nippon Life Insurance Company	5,353	1.98
STATE STREET BANK WEST CLIENT – TREATY 505103	5,284	1.96
National Mutual Insurance Federation of Agricultural Cooperatives	5,102	1.89
STATE STREET BANK WEST CLIENT – TREATY 505001	4,934	1.83

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

Share Price Trend



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

Corporate Data (As of March 31, 2025)

Corporate Name	Makita Corporation	
Head Office	3-11-8, Sumiyoshi-cho, Anjo, Aichi 446-8502, Japan    Telephone: +81 566 98 1711	
URL	<a href="https://www.makita.biz/">https://www.makita.biz/</a>	
Date of Founding	March 21, 1915	
Date of Incorporation	December 10, 1938	
Paid-in Capital	24,205,610 thousand yen	
Description of Business	Production and sales of power tools, outdoor power equipment, pneumatic tools and household equipment	
Financial Year-end	March 31	
Representative Director	Munetoshi Goto, President	
Accounting Auditor	KPMG AZSA LLC	
Consolidated Revenue	753,130 million yen (fiscal year ended March 31, 2025)	
Number of Employees (Consolidated basis)	17,641	
Consolidated Subsidiaries	53	
Principal Consolidated Subsidiaries	<div><div><div>■ Sales subsidiaries</div><div>Makita U.S.A., Inc.</div><div>Makita (U.K.) Ltd.</div><div>Makita Werkzeug GmbH (Germany)</div><div>Makita France SAS</div><div>Makita Oy (Finland)</div><div>■ Sales and production subsidiary</div><div>Makita (China) Co., Ltd.</div></div><div><div>■ Production subsidiaries</div><div>Makita (Kunshan) Co., Ltd.</div><div>SC Makita EU SRL (Romania)</div><div>■ Technology development subsidiary</div><div>Makita Engineering Korea Co., Ltd.</div><div>■ Procurement subsidiary</div><div>Makita International Procurement Co., Ltd. (Taiwan)</div></div></div>	