



Makita Corporation

Consolidated Financial Results
for the year ended March 31, 2015
(U.S. GAAP Financial Information)

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



CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015 (Unaudited)

April 28, 2015

Makita Corporation

Stock code: 6586

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

Shiro Hori, President, Representative Director

1. Summary operating results of the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the year ended March 31, 2014		For the year ended March 31, 2015	
		%		%
Net sales	383,207	23.8	414,718	8.2
Operating income	54,914	21.0	71,905	30.9
Income before income taxes	56,974	24.7	68,394	20.0
Net income attributable to Makita Corporation	38,453	23.7	45,307	17.8
Comprehensive income	72,956	16.8	62,655	(14.1)
Yen				
Earning per share (Basic)				
Net income attributable to				
Makita Corporation common shareholders	283.28		333.79	
Ratio of net income attributable to Makita Corporation				
to shareholders' equity	9.5%		9.8%	
Ratio of income before income taxes to total assets	11.9%		12.5%	
Ratio of operating income to net sales	14.3%		17.3%	

Notes:

1. Amounts of less than one million yen have been rounded.
2. The table above shows the changes in the percentage ratio of net sales, operating income, income before income taxes, net income attributable to Makita Corporation, and comprehensive income against the corresponding period of the previous year.
3. Equity in net earnings of affiliated companies (including non-consolidated subsidiaries): NIL

(2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2014	As of March 31, 2015
Total assets	519,121	575,328
Total equity	439,444	489,585
Total Makita Corporation shareholders' equity	435,934	486,021
Total Makita Corporation shareholders' equity ratio to total assets (%)	84.0%	84.5%
Yen		
Total Makita Corporation shareholders' equity per share	3,211.59	3,580.66

(3) CONSOLIDATED CASH FLOWS

	Yen (millions)	
	For the year ended March 31, 2014	For the year ended March 31, 2015
Net cash provided by operating activities	41,686	35,894
Net cash used in investing activities	(20,084)	(20,096)
Net cash used in financing activities	(7,365)	(12,017)
Cash and cash equivalents, end of the fiscal year	81,732	94,529



2. Dividend Information

	Yen		
	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ending March 31, 2016 (Forecast)
Cash dividend per share:			
Interim.....	18.00	18.00	18.00
Year-end.....	73.00	100.00	(Note)
Total.....	91.00	118.00	(Note)
	Yen (millions)		
Total cash dividend.....	12,352	16,017	-
Dividend payout ratio (%).....	32.1%	35.4%	-
Dividend to shareholders' equity ratio (%).....	3.1%	3.5%	-

Note:

While the Corporation has set forth under the Articles of Corporation of the Corporation that the record date for the payment of dividend shall be the last day of a relevant period, at the present time, the projected amount of dividends as of the said record date has not been determined yet. For further details, refer to "Explanation regarding proper use of business forecasts, and other significant matters" on page 3.

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

	Yen (millions)			
	For the six months ending September 30, 2015		For the year ending March 31, 2016	
		%		%
Net sales.....	200,800	(3.3)	400,000	(3.5)
Operating income.....	29,500	(22.3)	56,500	(21.4)
Income before income taxes.....	27,900	(24.8)	53,000	(22.5)
Net income attributable to Makita Corporation.....	19,000	(25.5)	36,000	(20.5)
	Yen			
Earning per share (Basic)				
Net income attributable to Makita Corporation common shareholders.....		139.98		265.22

4. Others

- (1) Changes in important subsidiaries for the fiscal year (Changes in specified subsidiaries accompanied by changes in scope of consolidation): None
- (2) Changes in accounting policies:
1. Changes due to revisions to accounting standards: None
 2. Changes due to other reasons: None
- (3) Number of shares outstanding (common stock)
1. Number of shares issued (including treasury stock):

As of March 31, 2015:	140,008,760
As of March 31, 2014:	140,008,760
 2. Number of treasury stock:

As of March 31, 2015:	4,273,892
As of March 31, 2014:	4,271,134
 3. Average number of shares outstanding:

For the year ended March 31, 2015:	135,736,215
For the year ended March 31, 2014:	135,740,827



Information regarding financial statements audit

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

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

1. Regarding the assumptions for the forecasts and other matters, refer to [Operating results] Section 2 “Outlook for the year ending March 31, 2016” on page 5. The financial forecast given above are based on information as available at the present time, and include potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary from the forecasts provided above.
2. Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 18 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on consolidated net income attributable to Makita Corporation after certain adjustments.

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

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



1. OPERATING RESULTS

1. Operating results

(1) Outline of operations results for the year ended March 31, 2015

Looking at the global economic situation for the year ended March 31, 2015, in Western Europe, the U.K. economy remained solid, while economic growth slowed in the euro zone. The Russian economy faced a tougher situation due to soured relations with Europe and the U.S. over political uncertainty in Ukraine and the economic sanctions. Meanwhile, the U.S. economy kept growing against the backdrop of solid consumer spending and housing investment. In Asia, the overall economy followed a moderate recovery track, despite the sluggish growth in China. The Japanese economy showed signs of recovery, aided by improved corporate capital investment and higher exports, which more than offset sluggish consumption following the increase of the consumption tax rate.

Under these circumstances, on the development side, Makita was aggressive about developing new products. Among those launched in the year were high-capacity lithium ion batteries and rechargeable electric power tools that are compact in size but achieve high output with the installation of brushless electric motors. On the production side, overseas factories strived to reduce costs while raising local content ratios. To improve product quality and enhance productivity, overseas factories worked on introducing facilities that require less manpower. On the marketing side, Makita maintained and enhanced customer-oriented sales and after-sale systems. Specifically, we established a sales subsidiary in Kazakhstan and relocated offices of our local subsidiaries in Australia and Mexico to upgrade systems to supply products and services.

Our consolidated net sales for this year increased by 8.2% to 414,718 million yen compared to the previous year, marking the fifth consecutive year increase and an all-time high. The strong showing was attributed to brisk sales in the domestic market and steady overseas sales in almost all countries, especially in Western Europe. The strong sales also reflected the yen's depreciation against other major currencies such as the dollar and the euro during the reporting year, which generated exchange gains. Operating income increased by 30.9% to 71,905 million yen (operating income ratio: 17.3%) compared to the previous year because striving to reduce costs improved the ratio of cost against net sales. Income before income taxes and net income attributable to Makita Corporation increased by 20.0% to 68,394 million yen (income before income taxes ratio: 16.5%) and by 17.8% to 45,307 million yen (net income attributable to Makita Corporation ratio: 10.9%) compared to the previous year.

Net sales results by region were as follows:

Net sales in Japan increased by 2.6% to 67,740 million yen compared to the previous year. This was because of brisk sales of lithium ion batteries, which more than offset negative effects from a fall in housing starts.

Net sales in Europe increased by 6.0% to 175,254 million yen. This was because of steady demand in Western Europe and the yen's depreciation against the euro.

Net sales in North America increased by 14.6% to 57,168 million yen. This was because of favorable sales to home improvement retailers compared to the previous year, as well as the yen's depreciation against the US dollar.

Net sales in Asia mixed from country to country, but increased by 13.3% to 39,643 million yen. This was because of firm sales mainly in countries where Makita had established sales subsidiaries in recent years, such as Vietnam and Malaysia.

The sales situations in other regions are as follows. Net sales in Central and South America increased by 7.9% to 30,287 million yen compared to the previous year due to steady sales, despite a stagnant market. In addition, net sales in Oceania increased by 14.2% to 23,859 million yen and those in the Middle East and Africa increased by 15.5% to 20,867 million yen because demand recovered in these regions.



(2) Outlook for the year ending March 31, 2016

In the future, demand is unlikely to grow sharply in advanced countries. Meanwhile, competition between companies is expected to intensify. In emerging countries including Asia, where economy is expected to expand over the medium term, the needs for affordable products are forecast to grow. With foreign exchange rate trends and international political situations being unpredictable, Makita is expected to continue facing a challenging business environment.

In projecting the operational results for the next fiscal year, we use the following assumptions:

- A sharp rise in housing starts is unlikely in Japan.
- In U.S., competition is expected to intensify further, though demand for power tools is likely to increase due to gradual economic recovery.
- Rapid recovery of the Russian economy is unlikely; and
- It is hard to expect an increase in demand for power tools in emerging countries due to the stagnation of economic activities caused by uncertain political situations.

To cope with these assumed conditions, Makita will:

- Strengthen its R&D and product development capabilities with respect to environmentally friendly power tools and gardening equipment;
- Promote the development of products that meet needs in both developed countries and emerging countries, which have been becoming bipolar;
- Implement measures to improve the efficiency of production, procurement and distribution, while taking advantage of global production organizations; and
- Strive to improve its marketing and brand power by fine-tuned response to customer needs and further improved after-sales service.

On the basis of these factors, Makita forecasts the following performance for the year ending March 31, 2016.

Consolidated Financial Performance Forecast for the Year Ending March 31, 2016

	Yen (millions)	
	For the six months ending September 30, 2015	For the year ending March 31, 2016
Net sales.....	200,800	400,000
Operating income.....	29,500	56,500
Income before income taxes	27,900	53,000
Net income attributable to Makita Corporation	19,000	36,000

[Preconditions]

The above forecast is based on the assumption of exchange rates of 120 yen to the U.S. dollar and 125 yen to the euro.

[Reference]

The actual exchange rate for the year ended March 31, 2015 was 109.8 yen to the U.S. dollar and 138.7 yen to the euro.

FORWARD-LOOKING STATEMENTS

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

2. Financial position

(1) Analysis on assets, liabilities and total assets

Total assets as of the end of the year increased by 56,207 million yen to 575,328 million yen compared to the previous year. The increase was mainly due to an increase in “Short-term investments” and “Inventories.”

Total liabilities as of the end of the year increased by 6,066 million yen to 85,743 million yen compared to the previous year. This increase was mainly due to the increase in “Trade notes and accounts payable” and “Long-term Deferred income taxes.”

Total equity as of the end of the year increased by 50,141 million yen to 489,585 million yen compared to the previous year. This increase was mainly attributable to the increase in “Retained earnings” and “Accumulated other comprehensive income”.

(2) Analysis on cash flows and financial ratios

Total cash and cash equivalents at the end of the year amounted to 94,529 million yen, increased by 12,797 million yen compared to the end of the previous year.

(Net Cash Provided by Operating Activities)

Net cash provided by operating activities amounted to 35,894 million yen, up 5,792 million yen over the previous year (41,686 million yen for the previous year) because inventories increased.

(Net Cash Used in Investing Activities)

Net cash used in investing activities amounted to 20,096 million yen, up 12 million yen over the previous year (20,084 million yen for the previous year).

(Net Cash Used in Financing Activities)

Net cash used in financing activities amounted to 12,017 million yen, up 4,652 million yen over the previous year (7,365 million yen for the previous year) because we increased payments on short term borrowings and cash dividends paid from the previous year.

(Reference)

Trend information of financial ratios

	As of (year ended) March 31,				
	2011	2012	2013	2014	2015
Ratio of operating income to net sales.....	15.4%	16.4%	14.7%	14.3%	17.3%
Equity ratio.....	82.5%	83.8%	84.7%	84.0%	84.5%
Equity ratio based on a current market price....	143.1%	117.6%	131.6%	148.3%	147.2%
Interest-bearing liabilities to net cash provided by operating activities (years).....	0.0	0.3	0.0	0.1	0.1
Interest coverage ratio (times).....	400.3	43.5	219.2	213.8	236.1

Definitions:

Operating income to net sales ratio: operating income/net sales

Equity ratio: shareholders' equity/total assets

Equity ratio based on a current market price: total current market value of outstanding shares/total assets

Interest-bearing liabilities to net cash provided by operating activities

: interest-bearing liabilities /net cash inflow from operating activities

Interest coverage ratio: net cash inflow from operating activities/interest expense

Notes:

1. All figures are calculated based on a consolidated basis.

2. The total current market value of outstanding shares is calculated by multiplying the closing market price at the period end by the number of outstanding shares (after deducting the number of treasury stock.)

3. Interest-bearing debt includes all consolidated balance-sheet debt on which interest payments are made.



3. Basic policy regarding profit distribution and cash dividend for the fiscal 2015 and 2016

Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 18 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on consolidated net income attributable to Makita Corporation after certain adjustments. With respect to repurchases of its outstanding shares, Makita aims to implement a flexible capital policy, augment the efficiency of its capital employment, and thereby boost shareholder profit. Also Makita continues to consider execution of own share repurchases in light of trends in stock prices.

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

Our forecast for dividends is as follows;

	For the year ended March 31, 2015 (Result and Forecast)	For the year ending March 31, 2016 (Forecast)
Cash dividend per share:		
Interim.....	18.00 yen	18.00 yen
	100.00 yen (Note1)	
Year-end.....	(With 100 year memorial dividend of 15 yen)	(Note2)
	118.00 yen (Note1)	
Total.....	(With 100 year memorial dividend of 15 yen)	(Note2)

Notes:

For the fiscal year ended March 31, 2015, deferred tax assets were reversed at our Brazil subsidiary. As a result, net income attributable to Makita Corporation decreased by about 1.2 billion yen. When calculating the amount of dividends, the amount of approximately 1.2 billion yen was added as a special circumstance to consolidated net income attributable to Makita Corporation.

The Corporation marked the 100th anniversary of its founding on March 21, 2015. We would like to express our gratitude to shareholders and other stakeholders for the long-term support and patronage they have all extended to us. As a token of our gratitude to shareholders, we have decided to pay a commemorative year-end dividend of 15 yen per share for the fiscal year.

Consequently, the corporation plans to propose that the annual cash dividend of 118 yen. The year-end cash dividend after deduction of the interim cash dividend of 18 yen is calculated to 100 yen per share.

2. The Board of Directors plans to meet in April 2016 for a report on earnings for the year ending March 31, 2016. At such time, in accordance with the basic policy regarding profit distribution mentioned above, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income attributable to Makita Corporation. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2016. However, if certain special circumstances arise, computation of the amount of dividends will be based on consolidated net income attributable to Makita Corporation after certain adjustments.

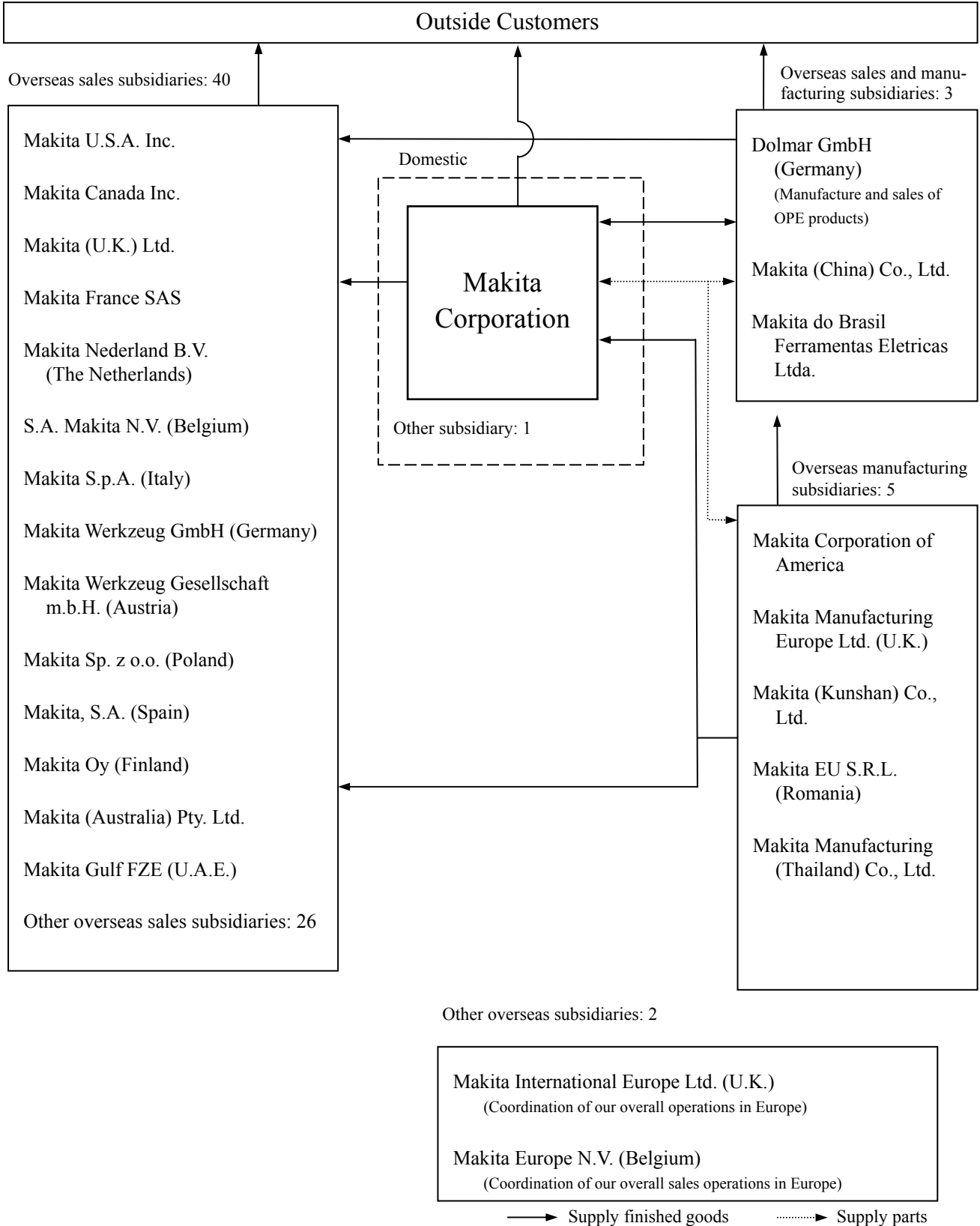
The consolidated dividend payout ratio is calculated as annual dividends per share divided by consolidated net income attributable to Makita Corporation per share (after adjustments for special circumstances) and multiplied by 100.



2. GROUP STRUCTURE

Makita Corporation (the "Corporation") and its consolidated subsidiaries (collectively "Makita") mainly manufacture and sell power tools. Makita is comprised of the Corporation and 51 consolidated subsidiaries.

Group Structure of Makita is outlined as follows;





3. MANAGEMENT POLICIES

1. Basic Policies

Makita has set itself the goal of consolidating a strong position in the global power tool industry as a global supplier of a comprehensive range of power tools that assist people in creating homes and living environments. In order to achieve this, Makita has established strategic business approaches and quality policies such as "A management approach in symbiosis with society" "Managing to take good care of our customers," "Proactive, sound management" and "Emphasis on trustworthy and reliable corporate culture as well as management to draw out the capabilities of each employee." Makita aims to generate solid profitability so that Makita can promote its sustained corporate development and meet the needs of its shareholders, customers, and employees as well as regional societies where Makita operates.

2. Target Management Indicators

Makita believes that attaining sustained growth and maintaining high profitability are the ways to increase corporate value. Makita's specific numerical target is to maintain a stable ratio of operating income to net sales on a consolidated basis of 10% or more.

3. Medium-to-Long-Term Management Strategy

Makita aims to establish high brand recognition and become a "Strong Company" capable of acquiring and maintaining the top market share as an international total supplier of power tools for professional use, pneumatic tools, gardening equipment and other tools in each international region. To achieve these objectives, we will put focus on maintaining and expanding our efforts to develop new products that guarantee great satisfaction to professional users, our global production structure realizing both high quality and cost competitiveness at the same time, and the best marketing and after-sale service structure of the power tools industry in Japan and in international regions.

In order to carry out this management strategy, Makita is focusing its management resources on the professional-use tool category, while maintaining its strong financial position that can withstand any unpredictable changes in the operational environment including those related to foreign exchange risk and country risk.

4. Preparing for the Future

Makita will strive to reinforce its R&D and product development activities to deliver more user-friendly and earth-conscious power tools and gardening equipment. It will also strengthen the technical development of compact engines. The global production organizations will be strengthened to respond to changes in demand conditions. Sales activities to professional users will be promoted. In addition, activities to maintain and improve our No. 1 sales and after-sales service system in the industry will be aggressively promoted. We strive to improve our corporate value.

4. BASIC RATIONALE FOR SELECTION OF ACCOUNTING

STANDARDS

Makita has adopted the U.S. accounting standards. Makita has paid attention to circumstance of the application of the International Financial Reporting Standards (IFRS) both in Japan and overseas.



5. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Consolidated Balance Sheets

	Yen (millions)			
	As of March 31, 2014		As of March 31, 2015	
		Composition ratio		Composition ratio
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	81,732		94,529	
Time deposits	15,673		15,283	
Short-term investments	41,048		56,076	
Trade receivables-				
Notes	1,402		1,315	
Accounts	64,176		64,642	
Less- Allowance for doubtful receivables	(1,001)		(998)	
Inventories	156,111		175,186	
Deferred income taxes	7,231		6,296	
Prepaid expenses and other current assets	13,665		16,782	
Total current assets	380,037	73.2%	429,111	74.6%
PROPERTY, PLANT AND EQUIPMENT, AT COST:				
Land	22,793		23,104	
Building and improvements	91,184		96,202	
Machinery and equipment	86,594		91,353	
Construction in progress	3,174		3,237	
Sub total	203,745		213,896	
Less- Accumulated depreciation and amortization	(112,143)		(118,084)	
Total net property, plant and equipment	91,602	17.6%	95,812	16.7%
INVESTMENTS AND OTHER ASSETS:				
Investments	30,413		31,395	
Goodwill	721		721	
Other intangible assets, net	4,692		4,563	
Deferred income taxes	623		629	
Other assets	11,033		13,097	
Total investments and other assets	47,482	9.2%	50,405	8.7%
Total assets	519,121	100.0%	575,328	100.0%

	Yen (millions)			
	As of March 31, 2014		As of March 31, 2015	
		Composition ratio		Composition ratio
LIABILITIES				
CURRENT LIABILITIES:				
Short-term borrowings.....	4,147		4,647	
Trade notes and accounts payable.....	21,406		25,124	
Other payables	6,647		6,140	
Accrued expenses	10,566		10,594	
Accrued payroll	9,083		9,568	
Income taxes payable.....	8,210		5,353	
Deferred income taxes	1,029		1,529	
Other liabilities	8,199		7,911	
Total current liabilities	<u>69,287</u>	13.3%	<u>70,866</u>	12.3%
LONG-TERM LIABILITIES:				
Long-term indebtedness.....	16		383	
Accrued retirement and termination benefits.....	3,689		3,701	
Deferred income taxes	5,332		9,521	
Other liabilities	1,353		1,272	
Total long-term liabilities	<u>10,390</u>	2.0%	<u>14,877</u>	2.6%
Total liabilities	<u>79,677</u>	15.3%	<u>85,743</u>	14.9%
EQUITY				
MAKITA CORPORATION SHAREHOLDERS'				
EQUITY:				
Common stock	23,805		23,805	
Additional paid-in capital.....	45,421		45,421	
Legal reserve.....	5,669		5,669	
Retained earnings.....	366,919		399,874	
Accumulated other comprehensive income	5,693		22,842	
Treasury stock, at cost.....	(11,573)		(11,590)	
Total Makita Corporation shareholders' equity	<u>435,934</u>	84.0%	<u>486,021</u>	84.5%
NON-CONTROLLING INTEREST	<u>3,510</u>	0.7%	<u>3,564</u>	0.6%
Total equity.....	<u>439,444</u>	84.7%	<u>489,585</u>	85.1%
Total liabilities and equity	<u>519,121</u>	100.0%	<u>575,328</u>	100.0%



2. Consolidated Statements of Income

	Yen (millions)			
	For the year ended March 31, 2014		For the year ended March 31, 2015	
	Composition ratio		Composition ratio	
NET SALES	383,207	100.0%	414,718	100.0%
Cost of sales	244,053	63.7%	257,582	62.1%
GROSS PROFIT	139,154	36.3%	157,136	37.9%
Selling, general, administrative and others, net	84,240	22.0%	85,231	20.6%
OPERATING INCOME	54,914	14.3%	71,905	17.3%
OTHER INCOME (EXPENSE):				
Interest and dividend income	2,326		2,639	
Interest expense	(202)		(113)	
Exchange losses on foreign currency transactions, net	(1,700)		(6,480)	
Realized gains on securities, net	1,636		443	
Total other income (expense), net	2,060	0.6%	(3,511)	(0.8%)
INCOME BEFORE INCOME TAXES	56,974	14.9%	68,394	16.5%
Provision for income taxes:				
Current	18,749		18,889	
Deferred	(518)		3,824	
Total income tax expense	18,231	4.8%	22,713	5.5%
NET INCOME	38,743	10.1%	45,681	11.0%
Less-Net income attributable to the non-controlling interest	290	0.1%	374	0.1%
NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION ...	38,453	10.0%	45,307	10.9%



Consolidated Statements of Comprehensive Income

	Yen (millions)	
	For the year ended March 31, 2014	For the year ended March 31, 2015
NET INCOME	38,743	45,681
OTHER COMPREHENSIVE INCOME:		
Foreign currency translation adjustment	30,204	14,660
Unrealized holding gains on available-for-sale securities	2,687	1,267
Pension liability adjustment	1,322	1,047
Total other comprehensive income	34,213	16,974
COMPREHENSIVE INCOME	72,956	62,655
Less-Comprehensive income attributable to the non-controlling interest	746	199
COMPREHENSIVE INCOME ATTRIBUTABLE TO MAKITA CORPORATION	72,210	62,456



3. Consolidated Statements of Cash Flows

	Yen (millions)	
	For the year ended March 31, 2014	For the year ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	38,743	45,681
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization.....	8,622	8,619
Deferred income tax expense (benefit).....	(518)	3,824
Realized gains on securities, net.....	(1,636)	(443)
Gains on disposal or sales of property, plant and equipment, net..	(297)	(304)
Impairment of long-lived assets.....	1,239	310
Changes in assets and liabilities-		
Trade receivables.....	(6,092)	(1,148)
Inventories.....	152	(18,419)
Trade notes and accounts payable and accrued expenses.....	1,441	1,903
Income taxes payable	907	(4,828)
Accrued retirement and termination benefits	(1,323)	(352)
Other, net.....	448	1,051
Net cash provided by operating activities.....	41,686	35,894
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures, including interest capitalized	(11,417)	(12,124)
Purchases of available-for-sale securities.....	(19,650)	(15,682)
Proceeds from sales of available-for-sale securities.....	7,730	919
Proceeds from maturities of available-for-sale securities.....	200	100
Proceeds from maturities of held-to-maturity securities.....	3,800	3,000
Proceeds from sales of property, plant and equipment.....	1,259	1,536
Investment in time deposit	(16,549)	(19,885)
Withdrawal of time deposit	15,123	22,434
Other, net.....	(580)	(394)
Net cash used in investing activities.....	(20,084)	(20,096)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additions to borrowings with original maturities of three months or less, net.....	-	1,042
Additions to borrowings with original maturities of more than three months	4,002	3,419
Payments on borrowings with original maturities of more than three months	(1,611)	(4,443)
Additions to long-term indebtedness.....	-	446
Purchase of treasury stock, net	(46)	(17)
Cash dividends paid.....	(9,773)	(12,352)
Other, net.....	63	(112)
Net cash used in financing activities	(7,365)	(12,017)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....	5,212	9,016
NET CHANGE IN CASH AND CASH EQUIVALENTS	19,449	12,797
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	62,283	81,732
CASH AND CASH EQUIVALENTS, END OF PERIOD YEAR	81,732	94,529



4. Notes on the assumptions for a going concern: None

5. Significant Accounting Policies

(1) Scope of consolidation and equity method

Number of consolidated subsidiaries: 51

Major subsidiaries are as follows;

Makita U.S.A. Inc., Makita (U.K.) Ltd., Makita Werkzeug GmbH (Germany),
Makita Oy (Finland), Makita Gulf FZE (UAE), Makita (China) Co., Ltd., Makita (Kunshan) Co., Ltd.,
Makita (Australia) Pty. Ltd. Makita do Brasil Ferramentas Eletricas Ltda.

(2) Significant Accounting Policies (Summary)

Consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

1. Short-term investments and Investments

Makita classifies investments in debt and marketable equity securities as available-for-sale or held-to-maturity securities. Makita does not hold any marketable or investment securities that are bought and held primarily for the purpose of sale in the near term.

2. Inventories

Inventory costs include raw materials, labor and manufacturing overheads. Inventories are valued at the lower of cost or market price, with cost determined principally based on the average cost method.

3. Property, Plant and Equipment and Depreciation

Property, plant and equipment is stated at cost. Makita has adopted the straight-line method over the estimated useful lives for computing depreciation.

4. Income Taxes

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. The effect on deferred income tax assets and liabilities of a change in tax rates or laws is recognized in income in the period that includes the enactment date.

5. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. Revenue Recognition

Makita recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services are rendered, the sales price is fixed or determinable and collectibility is reasonably assured.

(3) Changes in accounting principles, procedures and presentations: None



6. Notes to Consolidated Financial Statements

Condensed Operating Segment Information

	Yen (millions)							
	For the year ended March 31, 2014							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers.....	88,605	166,768	50,730	17,860	59,244	383,207	-	383,207
(2) Inter-segment.....	56,847	4,684	3,373	156,615	103	221,622	(221,622)	-
Total	<u>145,452</u>	<u>171,452</u>	<u>54,103</u>	<u>174,475</u>	<u>59,347</u>	<u>604,829</u>	<u>(221,622)</u>	<u>383,207</u>
Operating expenses.....	126,662	156,036	51,718	152,607	55,930	542,953	(214,660)	328,293
Operating income	18,790	15,416	2,385	21,868	3,417	61,876	(6,962)	54,914

	Yen (millions)							
	For the year ended March 31, 2015							
	Japan	Europe	North America	Asia	Other area	Total	Eliminations	Consolidated
Sales:								
(1) External customers.....	91,258	175,680	58,962	22,145	66,673	414,718	-	414,718
(2) Inter-segment.....	78,167	5,800	3,554	181,102	157	268,780	(268,780)	-
Total	<u>169,425</u>	<u>181,480</u>	<u>62,516</u>	<u>203,247</u>	<u>66,830</u>	<u>683,498</u>	<u>(268,780)</u>	<u>414,718</u>
Operating expenses.....	146,091	161,741	60,923	175,585	63,030	607,370	(264,557)	342,813
Operating income	23,334	19,739	1,593	27,662	3,800	76,128	(4,223)	71,905

Net sales by product categories

	Yen (millions)				Increase (Decrease) (%)
	For the year ended March 31, 2014		For the year ended March 31, 2015		
	Composition ratio		Composition ratio		
Finished goods.....	326,515	85.2	349,832	84.4	7.1
Parts, repairs and accessories	56,692	14.8	64,886	15.6	14.5
Total net sales.....	<u>383,207</u>	<u>100.0</u>	<u>414,718</u>	<u>100.0</u>	<u>8.2</u>



Information per share

	Yen	
	As of March 31, 2014	As of March 31, 2015
Total Makita Corporation Shareholders' equity per share	3,211.59	3,580.66

	Yen	
	For the year ended March 31, 2014	For the year ended March 31, 2015
Earning per share (Basic) Net income attributable to Makita Corporation common shareholders	283.28	333.79

Note: Net income per share is calculated on the basis of the average number of shares outstanding during the year.

Average number of shares outstanding is as follows:

For the year ended March 31, 2015: 135,736,215

For the year ended March 31, 2014: 135,740,827



Short-term investments and Investments

Yen (millions)

As of March 31, 2014			Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value	Carrying amount
Short-term investments:	Available-for-sale securities:	Corporate debt securities	583	11	-	594	594
		Investments in trusts	3,489	1,006	-	4,495	4,495
		MMF and FFF	32,022	-	-	32,022	32,022
		Marketable equity securities	398	531	-	929	929
		Total	36,492	1,548	-	38,040	38,040
	Held-to-maturity securities:	Corporate debt securities	2,508	3	-	2,511	2,508
		Government debt securities	100	-	-	100	100
		Public debt securities (except Government debt securities)	400	2	-	402	400
		Total	3,008	5	-	3,013	3,008
	Total			39,500	1,553	-	41,053
Investments:	Available-for-sale securities:	Marketable equity securities	16,930	12,195	-	29,125	29,125
		Total	16,930	12,195	-	29,125	29,125
	Held-to-maturity securities:	Corporate debt securities	901	15	-	916	901
		Government debt securities	-	-	-	-	-
		Public debt securities (except Government debt securities)	-	-	-	-	-
	Total			901	15	-	916
Total			17,831	12,210	-	30,041	30,026

In addition to the above investments, Makita holds 387 million yen of non-marketable equity securities (carried at cost).

Yen (millions)

As of March 31, 2015			Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value	Carrying amount
Short-term investments:	Available-for-sale securities:	Corporate debt securities	498	-	-	498	498
		Investments in trusts	3,012	1,025	14	4,023	4,023
		MMF and FFF	49,391	-	-	49,391	49,391
		Marketable equity securities	717	1,147	-	1,864	1,864
		Total	53,618	2,172	14	55,776	55,776
	Held-to-maturity securities:	Corporate debt securities	300	-	-	300	300
		Government debt securities	-	-	-	-	-
		Public debt securities (except Government debt securities)	-	-	-	-	-
		Total	300	-	-	300	300
	Total			53,918	2,172	14	56,076
Investments:	Available-for-sale securities:	Marketable equity securities	16,861	15,124	1,577	30,408	30,408
		Total	16,861	15,124	1,577	30,408	30,408
	Held-to-maturity securities:	Corporate debt securities	600	21	-	621	600
		Government debt securities	-	-	-	-	-
		Public debt securities (except Government debt securities)	-	-	-	-	-
		Total	600	21	-	621	600
	Total			17,461	15,145	1,577	31,029

In addition to the above investments, Makita holds 387 million yen of non-marketable equity securities (carried at cost).

Significant Subsequent Events: None



SUPPORT DOCUMENTATION (CONSOLIDATED)

1. Consolidated Financial Results and Forecast

	Yen (millions)					
	For the year ended March 31, 2013		For the year ended March 31, 2014		For the year ended March 31, 2015	
		(%)		(%)		(%)
Net sales	309,630	4.7	383,207	23.8	414,718	8.2
Domestic	56,555	6.4	66,019	16.7	67,740	2.6
Overseas	253,075	4.3	317,188	25.3	346,978	9.4
Operating income	45,366	(6.5)	54,914	21.0	71,905	30.9
Income before income taxes	45,691	(2.7)	56,974	24.7	68,394	20.0
Net income attributable to Makita Corporation	31,076	(4.4)	38,453	23.7	45,307	17.8
Earning per share (Basic)						
Net income attributable to Makita Corporation common shareholders (Yen)	228.92		283.28		333.79	
Cash dividend per share (Yen)	69.00		91.00		118.00	
Dividend payout ratio (%)	30.1		32.1		35.4	
Number of Employees	12,680		12,804		13,835	

	Yen (millions)			
	For the six months ending September 30, 2015 (Forecast)		For the year ending March 31, 2016 (Forecast)	
		(%)		(%)
Net sales	200,800	(3.3)	400,000	(3.5)
Domestic	31,500	(2.9)	64,800	(4.3)
Overseas	169,300	(3.4)	335,200	(3.4)
Operating income	29,500	(22.3)	56,500	(21.4)
Income before income taxes	27,900	(24.8)	53,000	(22.5)
Net income attributable to Makita Corporation	19,000	(25.5)	36,000	(20.5)
Earning per share (Basic)				
Net income attributable to Makita Corporation common shareholders (Yen) ..	139.98		265.22	
Cash dividend per share (Yen)	18.00		(Note 2)	

Notes:

1. The table above shows the changes in the percentage ratio of Net sales, Operating income, Income before income taxes, and Net income attributable to Makita Corporation against the previous year.
2. Regarding our forecast for dividends, refer to page 7.



2. Consolidated Net Sales by Geographic Area

	Yen (millions)					
	For the year ended March 31, 2013		For the year ended March 31, 2014		For the year ended March 31, 2015	
		(%)		(%)		(%)
Japan.....	56,555	6.4	66,019	16.7	67,740	2.6
Europe.....	125,024	1.4	165,357	32.3	175,254	6.0
North America.....	41,483	10.7	49,891	20.3	57,168	14.6
Asia.....	29,106	11.9	35,004	20.3	39,643	13.3
Other regions.....	57,462	3.0	66,936	16.5	74,913	11.9
Central and South America.....	22,919	(1.9)	28,069	22.5	30,287	7.9
Oceania.....	18,848	6.0	20,805	10.4	23,759	14.2
The Middle East and Africa.....	15,695	7.2	18,062	15.1	20,867	15.5
Total.....	309,630	4.7	383,207	23.8	414,718	8.2

Note: The table above sets forth Makita's consolidated net sales by geographic area based on the customer's location for the years presented. Accordingly, it differs from operating segment information on page 16. The table above shows the changes in the percentage ratio of net sales compared to the corresponding period of the previous year.

3. Exchange Rates

	Yen			
	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ending March 31, 2016 (Forecast)
Yen/U.S. Dollar.....	82.91	100.17	109.76	120
Yen/Euro.....	106.78	134.21	138.69	125

4. Production Ratio (unit basis)

	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2015
Domestic.....	11.6%	11.2%	10.3%
Overseas.....	88.4%	88.8%	89.7%

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

	Yen (millions)			
	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ending March 31, 2016 (Forecast)
Capital expenditures.....	11,481	11,417	12,124	14,500
Depreciation and amortization.....	7,542	8,622	8,619	9,200
R&D cost.....	8,396	8,720	9,117	10,700