



Makita Corporation

Consolidated Financial Results for the six months ended September 30, 2018 (IFRS Financial Information)

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



CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 (Unaudited)

October 30, 2018

Makita Corporation

Stock code: 6586

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

Munetoshi Goto, President, Representative Director

1. Summary operating results of the six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)

(1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the six months ended September 30, 2017		For the six months ended September 30, 2018	
		(%)		(%)
Revenue	230,951	-	242,796	5.1
Operating profit	37,934	-	40,064	5.6
Profit before income taxes	38,996	-	42,269	8.4
Profit	27,590	-	29,907	8.4
Profit attributable to owners of the parent	27,348	-	29,679	8.5
Comprehensive income	45,893	-	25,591	(44.2)
	Yen			
Profit attributable to Owners of the parent per share				
(Basic)	100.74		109.33	
(Diluted)	100.73		109.32	

Notes:

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

(2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2018	As of September 30, 2018
Total assets	654,841	660,917
Total equity	558,439	570,032
Equity attributable to owners of the parent	554,046	565,503
Total Makita Corporation shareholders' equity ratio to total assets (%)	84.6%	85.6%

2. Dividend Information

	Yen	
	For the year ended March 31, 2018	For the year ending March 31, 2019 (Forecast)
Cash dividend per share:		
Interim	10.00	10.00
Year-end	51.00	(Note)
Total	61.00	(Note)

Notes:

- The forecast for cash dividend announced on April 26, 2018 has not been revised.
- The projected amount of dividends for the year ending March 31, 2019 has not been determined yet. For further details, refer to "Explanation regarding proper use of business forecast, and other significant matters" on page 2.



3. Consolidated Financial Performance Forecast for the year ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

	Yen (millions)	
	For the year ending March 31, 2019	
		(%)
Revenue.....	490,000	2.7
Operating profit.....	78,500	(2.2)
Profit before income taxes	78,700	(1.5)
Profit attributable to owners of the parent.....	54,800	(0.3)
	Yen	
Profit attributable to Owners of the parent per share.....	201.87	

Notes:

1. The consolidated financial forecast for the year ending March 31, 2019 has not been revised.
2. The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes and profit attributable to owners of the parent against the previous year.

4. Other

- (1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None
- (2) Changes in accounting policies and accounting estimates:
 1. Changes in accounting policies required by IFRS: None
 2. Changes in accounting policies other than 1: None
 3. Changes in accounting estimate: None
- (3) Number of shares outstanding (common stock)
 1. Number of shares issued (including treasury stock):

As of September 30, 2018:	280,017,520
As of March 31, 2018:	280,017,520
 2. Number of treasury stock:

As of September 30, 2018:	8,550,012
As of March 31, 2018:	8,549,592
 3. Average number of shares outstanding:

For the six months ended September 30, 2018:	271,467,793
For the six months ended September 30, 2017:	271,463,675

This consolidated financial report is not subject to audit procedures by certified public accountants or an auditing firm.

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

1. Makita has adopted International Financial Reporting Standards (IFRS) in its consolidated financial statements from the year ending March 31, 2019. Furthermore, the Company has presented financial figures for the six-month period ended September 30, 2017 and the year ended March 31, 2018 in accordance with IFRS.
2. The financial forecast given above is based on information as available at the present time, and includes potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary from the forecasts provided above. Regarding the assumptions for the forecasts and other matters, refer to [Qualitative Information and Financial Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 4.
3. Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 10 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on profit attributable to owners of the parent after certain adjustments.

The Board of Directors plans to meet in April 2019 for a report on earnings for the year ending March 31, 2019. 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 profit attributable to owners of the parent. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2019.

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



[Qualitative Information and Financial Statements]

1. Explanation of Consolidated Operating Results

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

Looking at the global economic situation during the first six-month period the fiscal year ending March 31, 2019, there were rising uncertainties, such as escalating tensions between the U.S. and China over trade and a decline in emerging-country currencies. However, the economy gradually expanded, supported by a strong employment and income situation and robust business performance in developed countries, principally the U.S.

Under these circumstances on the development side, the Makita Group launched new products, mainly lithium-ion battery product lines, such as cordless models with brushless motors featuring work efficiency higher than AC-powered ones. Moreover, we established a technology development base in South Korea to enhance the capability to develop electrical technologies and accelerate development speed. On the production side, we continued to implement measures including the promotion of multi-polarized global production, cost reduction through local procurement of components, and introduction of labor-saving or unmanned facilities. On the sales side, we focused on expanding the sales of lithium-ion battery products, such as cordless gardening equipment. Furthermore, we worked hard to strengthen our community- and customer-based sales network by increasing sales and after-sales service bases.

Our consolidated revenue for this period increased by 5.1% to 242,796 million yen compared to the same period of the previous year due to robust sales both in Japan and overseas, although the value of overseas revenue translated into yen was eroded by a fall in emerging-country currencies. Operating profit increased by 5.6% to 40,064 million yen (operating profit ratio: 16.5%) owing to a rise in revenue, although selling, general and administrative expenses increased. Profit before income taxes increased by 8.4% to 42,269 million yen (profit before income taxes ratio: 17.4%) and profit attributable to owners of the parent increased by 8.5% to 29,679 million yen (ratio of profit attributable to owners of the parent: 12.2%).

Revenue results by region were as follows:

Revenue in Japan increased by 9.6% to 43,699 million yen compared to the same period of the previous year. This was due to the continuation of steady sales of power tools and gardening equipment, particularly lithium-ion battery products.

Revenue in Europe increased by 7.0% to 105,458 million yen, supported by solid demand for tools in almost all areas and steady sales of cordless gardening tools, although an extremely hot summer and droughts affected sales of gardening equipment.

Revenue in North America increased by 3.7% to 36,313 million yen due to solid sales through other sales routes, although shipments to home improvement centers stagnated in the U.S.

Revenue in Asia decreased by 4.7% to 20,444 million yen. This was due to sluggish sales in other countries, despite steady sales in China and India.

Revenue in Central and South America increased by 3.1% to 13,906 million yen, due to robust sales in almost all countries amid concerns over negative impacts from the depreciation of each country’s currency.

In Oceania, sales continued growing at a level as high as the same period of the previous year, although the housing market, which had been overheated, showed signs of slowing down. However, revenue decreased by 1.3% to 15,397 million yen due to the yen’s appreciation against local currencies.

Revenue in the Middle East and Africa increased by 9.6% to 7,579 million yen. This was because of large shipments to local distributors, despite poor sales amid political and economic turmoil in the Middle East.



2. Explanation of Consolidated Financial Position

Total assets as of September 30, 2018 increased by 6,076 million yen to 660,917 million yen compared to the balance as of March 31, 2018. The increase was mainly due to the increase in “Inventories”.

Total liabilities decreased by 5,517 million yen to 90,885 million yen compared to the balance as of March 31, 2018. This decrease was mainly due to the decrease in trade payables and income taxes payable.

Total equity increased by 11,593 million yen to 570,032 million yen compared to the balance as of March 31, 2018. The increase was mainly due to the increase in “Retained earnings”.

3. Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast

Makita reported generally solid consolidated financial results for the first six-month period of the fiscal year ending March 31, 2019. However, there are rising uncertainties about the demand environment and developments in exchange markets in the third quarter and later. Therefore, Makita has not revised the forecast of its consolidated financial performance for the year ending March 31, 2019 announced on April 26, 2018.



4. Condensed Consolidated Financial Statements (Unaudited)

(1) Condensed Consolidated Statement of Financial Position

	Yen (millions)					
	As of April 1, 2017		As of March 31, 2018		As of September 30, 2018	
	Composition ratio		Composition ratio		Composition ratio	
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents.....	142,181		147,320		135,189	
Trade receivables and other receivables.....	67,262		78,988		77,135	
Inventories	167,523		196,454		215,436	
Other financial assets	50,112		48,037		36,766	
Prepaid expenses and other current assets.....	6,682		8,663		9,818	
Total current assets	<u>433,760</u>	72.3%	<u>479,462</u>	73.2%	<u>474,344</u>	71.8%
NON-CURRENT ASSETS:						
Property, plant and equipment, at cost	95,488		100,813		106,721	
Goodwill and intangible assets.....	6,637		6,991		7,347	
Other financial assets	43,800		45,561		50,828	
Retirement benefit asset.....	8,382		9,729		9,603	
Deferred income taxes	9,169		10,049		9,913	
Other non-current assets.....	2,317		2,236		2,161	
Total non-current assets	<u>165,793</u>	27.7%	<u>175,379</u>	26.8%	<u>186,573</u>	28.2%
Total assets.....	<u>599,553</u>	<u>100.0%</u>	<u>654,841</u>	<u>100.0%</u>	<u>660,917</u>	<u>100.0%</u>

	Yen (millions)					
	As of April 1, 2017		As of March 31, 2018		As of September 30, 2018	
	Composition ratio		Composition ratio		Composition ratio	
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES:						
Trade payables and other payables.....	33,460		35,024		34,177	
Borrowings.....	6,564		3,361		2,642	
Other financial liabilities.....	284		429		417	
Income taxes payable.....	7,264		10,071		7,995	
Provisions.....	3,412		2,928		3,093	
Other current liabilities.....	<u>24,899</u>		<u>29,294</u>		<u>29,123</u>	
Total current liabilities.....	<u>75,883</u>	12.7%	<u>81,107</u>	12.4%	<u>77,447</u>	11.7%
NON-CURRENT LIABILITIES:						
Retirement benefit liabilities.....	3,161		3,206		3,259	
Other financial liabilities.....	18		133		124	
Provisions.....	1,440		1,352		1,271	
Deferred income taxes.....	10,738		10,388		8,570	
Other non-current liabilities.....	<u>234</u>		<u>216</u>		<u>214</u>	
Total non-current liabilities.....	<u>15,591</u>	2.6%	<u>15,295</u>	2.3%	<u>13,438</u>	2.0%
Total liabilities.....	<u>91,474</u>	15.3%	<u>96,402</u>	14.7%	<u>90,885</u>	13.7%
EQUITY						
Common stock.....	23,805		23,805		23,805	
Additional paid-in capital.....	45,501		45,531		45,551	
Retained earnings.....	427,999		469,232		485,354	
Treasury stock, at cost.....	(11,623)		(11,617)		(11,619)	
Other components of equity.....	<u>18,557</u>		<u>27,095</u>		<u>22,412</u>	
Total equity attributable to owners of the parent.....	<u>504,239</u>	84.1%	<u>554,046</u>	84.6%	<u>565,503</u>	85.6%
NON-CONTROLLING INTEREST.....	<u>3,840</u>	0.6%	<u>4,393</u>	0.7%	<u>4,529</u>	0.7%
Total equity.....	<u>508,079</u>	84.7%	<u>558,439</u>	85.3%	<u>570,032</u>	86.3%
Total liabilities and equity.....	<u>599,553</u>	100.0%	<u>654,841</u>	100.0%	<u>660,917</u>	100.0%



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

	Yen (millions)			
	For the six months ended September 30, 2017		For the six months ended September 30, 2018	
	Composition ratio		Composition ratio	
REVENUE.....	230,951	100.0%	242,796	100.0%
Cost of sales.....	(146,692)	(63.5%)	(152,625)	(62.9%)
GROSS PROFIT.....	84,259	36.5%	90,171	37.1%
Selling, general, administrative and others, net.....	(46,325)	(20.1%)	(50,107)	(20.6%)
OPERATING PROFIT.....	37,934	16.4%	40,064	16.5%
Financial income.....	1,655		2,227	
Financial expenses.....	(593)		(22)	
PROFIT BEFORE INCOME TAXES.....	38,996	16.9%	42,269	17.4%
Income tax expenses.....	(11,406)		(12,362)	
PROFIT.....	27,590	11.9%	29,907	12.3%
Profit attributable to:				
Owners of the parent.....	27,348	11.8%	29,679	12.2%
Non-controlling interests.....	242	0.1%	228	0.1%

Condensed Consolidated Statements of Comprehensive Income

	Yen (millions)	
	For the six months ended September 30, 2017	For the six months ended September 30, 2018
INCOME.....	27,590	29,907
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Items that will not be reclassified to loss		
Equity financial goods measured at fair value through other comprehensive loss.....	(967)	(3,055)
Total of items that will not be reclassified to loss.....	(967)	(3,055)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations.....	19,270	(1,261)
Total of items that may be reclassified to profit (loss).....	19,270	(1,261)
Total other comprehensive income (loss), net of tax.....	18,303	(4,316)
COMPREHENSIVE INCOME.....	45,893	25,591
Comprehensive income attributable to:		
Owners of the parent.....	45,326	25,284
Non-controlling interests.....	567	307



(3) Condensed Consolidated Statement of Changes in Equity

	Yen (millions)							
	For the six months ended September 30, 2017							
	Equity attributable to owners of the parent						Non-Controlling interest	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
Balance at April 1, 2017	23,805	45,501	427,999	(11,623)	18,557	504,239	3,840	508,079
Profit for the period			27,348			27,348	242	27,590
Other comprehensive income					17,978	17,978	325	18,303
Comprehensive income	-	-	27,348	-	17,978	45,326	567	45,893
Dividends paid			(11,130)			(11,130)	(180)	(11,310)
Purchase of treasury stock				(3)		(3)		(3)
Disposal of treasury stock		(11)		11		0		0
Share-based payment transaction		21				21		21
Total amounts of transactions with owners	-	10	(11,130)	8	-	(11,112)	(180)	(11,292)
Balance at September 30, 2017	23,805	45,511	444,217	(11,615)	36,535	538,454	4,227	542,681

	Yen (millions)							
	For the six months ended September 30, 2018							
	Equity attributable to owners of the parent						Non-Controlling interest	Total equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total		
Balance at April 1, 2018	23,805	45,531	469,232	(11,617)	27,095	554,046	4,393	558,439
Profit for the period			29,679			29,679	228	29,907
Other comprehensive income					(4,395)	(4,395)	79	(4,316)
Comprehensive income	-	-	29,679	-	(4,395)	25,284	307	25,591
Dividends paid			(13,845)			(13,845)	(171)	(14,016)
Purchase of treasury stock				(2)		(2)		(2)
Disposal of treasury stock		0		0		0		0
Share-based payment transaction		20				20		20
Transfer from other components of equity to retained earnings			288		(288)	-		-
Total amounts of transactions with owners	-	20	(13,557)	(2)	(288)	(13,827)	(171)	(13,998)
Balance at September 30, 2018	23,805	45,551	485,354	(11,619)	22,412	565,503	4,529	570,032



(4) Condensed Consolidated Statements of Cash Flows

	Yen (millions)	
	For the six months ended September 30, 2017	For the six months ended September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit.....	27,590	29,907
Depreciation and amortization.....	5,186	5,575
Income tax expenses.....	11,406	12,362
Financial income and expenses.....	(1,062)	(2,205)
Loss (gain) on sales and retirement of property, plant and equipment.....	(104)	24
Decrease (increase) in trade receivables and other receivables.....	(5,480)	2,593
Increase in inventories.....	(12,765)	(19,066)
Decrease in trade payables and other payables.....	(1,192)	(1,538)
Increase in retirement benefit assets and liabilities.....	119	125
Increase in guarantee deposits.....	-	(9,199)
Other.....	581	(397)
Subtotal.....	24,279	18,181
Dividends received.....	246	367
Interest received.....	1,253	1,059
Interest paid.....	(20)	(22)
Income taxes paid.....	(12,050)	(14,818)
Cash flows from operating activities.....	13,708	4,767
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of non-current assets.....	(7,722)	(12,106)
Proceeds from sales of non-current assets.....	302	372
Purchase of investments.....	(9,895)	(10,509)
Proceeds from sales and redemption of investments.....	1,214	1,911
Payments into time deposits.....	(13,816)	(13,547)
Proceeds from withdrawal of time deposits.....	22,162	31,554
Other.....	5	(33)
Cash flows from investing activities.....	(7,750)	(2,358)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in short-term borrowings.....	827	(774)
Purchase and sales of treasury stock, net.....	(3)	(2)
Cash dividends paid.....	(11,130)	(13,845)
Other.....	(149)	(211)
Cash flows from financing activities.....	(10,455)	(14,832)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....	4,179	292
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(318)	(12,131)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD ...	142,181	147,320
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	141,863	135,189



(5) Notes to Consolidated Financial Statements

Notes on the assumptions for a going concern: None

Condensed Operating Segment Information

	Yen (millions)							
	For the six months ended September 30, 2017							
	Japan	Europe	North America	Asia	Total	Other	Eliminations	Consolidated
Revenue:								
External customers	51,409	98,706	36,174	12,639	198,928	32,023	-	230,951
Inter-segment	99,738	2,228	2,219	102,294	206,479	509	(206,988)	-
Total	<u>151,147</u>	<u>100,934</u>	<u>38,393</u>	<u>114,933</u>	<u>405,407</u>	<u>32,532</u>	<u>(206,988)</u>	<u>230,951</u>
Operating profit	17,831	8,593	1,261	10,281	37,966	2,368	(2,400)	37,934

	Yen (millions)							
	For the six months ended September 30, 2018							
	Japan	Europe	North America	Asia	Total	Other	Eliminations	Consolidated
Revenue:								
External customers	54,653	105,704	37,463	13,355	211,175	31,621	-	242,796
Inter-segment	102,163	2,718	2,033	107,072	213,986	431	(214,417)	-
Total	<u>156,816</u>	<u>108,422</u>	<u>39,496</u>	<u>120,427</u>	<u>425,161</u>	<u>32,052</u>	<u>(214,417)</u>	<u>242,796</u>
Operating profit	14,356	10,798	1,088	12,557	38,799	1,815	(550)	40,064



First-time Adoption of IFRS

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

(1) Exemptions of Retrospective Adoption of IFRS 1

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

The main exemptions adopted by the Company are as follows:

- Business combinations

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

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

- Exchange differences on translating foreign operations

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

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

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

(2) Mandatory Exceptions of Retrospective Adoption of IFRS 1

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



(3) Reconciliation

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

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

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

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



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



Reconciliation of equity as of September 30, 2017

Presentation under U.S.GAAP	Yen (millions)			IFRS	Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement			
ASSETS						ASSETS
CURRENT ASSETS:						CURRENT ASSETS:
Cash and cash equivalents	141,863	-	-	141,863		Cash and cash equivalents
Time deposits	26,659	(26,659)	-	-		
Short-term investments	30,469	(30,469)	-	-		
Notes	1,126	(1,126)	-	-		
Accounts	75,965	(75,965)	-	-		
Less- Allowance for doubtful receivables	(1,246)	1,246	-	-		
	-	75,988	-	75,988		Trade receivables and other receivables
Inventories	190,234	-	129	190,363		Inventories
	-	48,565	-	48,565	E	Other financial assets
Prepaid expenses and other current assets	15,009	43	(7,443)	7,609	D	Prepaid expenses and other current assets
Total current assets	480,079	(8,377)	(7,314)	464,388		Total current assets
PROPERTY, PLANT AND EQUIPMENT, AT COST:						NON-CURRENT ASSETS
Land	22,887	(22,887)	-	-		
Building and improvements	99,743	(99,743)	-	-		
Machinery and equipment	97,049	(97,049)	-	-		
Construction in progress	5,334	(5,334)	-	-		
Less-Accumulated depreciation and amortization	(125,006)	125,006	-	-		
Total net property, plant and equipment	-	100,007	968	100,975		Property, plant and equipment
INVESTMENTS AND OTHER ASSETS:						
Investments	34,953	(34,953)	-	-		
Goodwill	721	(721)	-	-		
Other intangible assets, net	3,684	(3,684)	-	-		
	-	3,761	2,967	6,728	A	Goodwill and intangible assets
	-	44,576	825	45,401	E	Other financial assets
	-	8,724	(411)	8,313	B	Retirement benefit asset
Deferred income taxes	3,966	-	6,205	10,171	D	Deferred income taxes
Other assets	11,487	(8,955)	(145)	2,387		Other non-current assets
	154,818	8,748	10,409	173,975		Total non-current assets
Total assets	634,897	371	3,095	638,363		Total assets



Yen (millions)						
Presentation under U.S.GAAP	U.S. GAAP	Reclassification	Difference between recognition and measurement	IFRS	Note	Presentation under IFRS
LIABILITIES				LIABILITIES		
CURRENT LIABILITIES:				CURRENT LIABILITIES:		
Short-term borrowings	8,019	(15)	-	8,004		Borrowings
Trade notes and accounts payable	25,169	8,302	-	33,471		Trade payables and other payables
Other payables	8,314	(8,314)	-	-		
Accrued expenses	11,403	(11,403)	-	-		
Accrued payroll	10,121	(10,121)	-	-		
	-	822	-	822	E	Other financial liabilities
Income taxes payable	8,333	294	-	8,627		Income taxes payable
	-	3,597	-	3,597		Provisions
Other liabilities	9,388	17,209	208	26,805		Other current liabilities
Total current liabilities	80,747	371	208	81,326		Total current liabilities
LONG-TERM LIABILITIES:				NON-CURRENT LIABILITIES		
Accrued retirement and termination benefits	3,430	-	-	3,430		Retirement benefit liabilities
	-	14	-	14	E	Other financial liabilities
	-	1,419	-	1,419		Provisions
Deferred income taxes	8,400	-	872	9,272		Deferred tax liabilities
Other liabilities	1,654	(1,433)	-	221		Other non-current liabilities
Total long-term liabilities	13,484	-	872	14,356		Total non-current liabilities
Total liabilities	94,231	371	1,080	95,682		Total liabilities
EQUITY				EQUITY		
MAKITA CORPORATION SHAREHOLDERS' EQUITY:				EQUITY		
Common stock	23,805	-	-	23,805		Common stock
Additional paid-in capital	45,511	-	-	45,511		Additional paid-in capital
Legal reserve	5,669	(5,669)	-	-		
Retained earnings	473,095	(29,516)	638	444,217	A,B,C,D	Retained earnings
Treasury stock, at cost	(11,615)	-	-	(11,615)		Treasury stock, at cost
Accumulated other comprehensive income (loss)	173	34,986	1,376	36,535	B,C	Other components of equity
Total Makita Corporation shareholders' equity	536,638	(199)	2,015	538,454		Total equity attributable to owners of the parent
NON-CONTROLLING INTEREST	4,028	199	-	4,227	C	NON-CONTROLLING INTEREST
Total equity	540,666	-	2,015	542,681		Total equity
Total liabilities and equity	634,897	371	3,095	638,363		Total liabilities and equity



Reconciliation of equity as of March 31, 2018

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



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



Reconciliation of profit and loss for the six-month period ended September 30, 2017 (April 1, 2017 to September 30, 2017)

Presentation under U.S.GAAP	Yen (millions)			IFRS	Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement			
NET SALES	230,951	-	-	230,951		REVENUE
Cost of sales	(146,699)	21	(14)	(146,692)	B	Cost of sales
GROSS PROFIT	84,252	21	(14)	84,259		GROSS PROFIT
Selling, general, administrative and others, net	(45,961)	(251)	(113)	(46,325)	A,B	Selling, general, administrative and others, net
OPERATING INCOME	38,291	(230)	(127)	37,934		OPERATING PROFIT
OTHER INCOME (EXPENSE):						
	-	1,672	(17)	1,655	F	Financial income
	-	(507)	(86)	(593)	F	Financial expenses
Interest and dividend income	1,506	(1,506)	-	-		
Interest expense	(20)	20	-	-		
Exchange losses on foreign currency transactions, net	(471)	471	-	-		
Realized gains on securities, net	166	(166)	-	-		
Valuation losses on securities	(16)	16	-	-		
INCOME BEFORE INCOME TAXES	39,456	(230)	(230)	38,996		PROFIT BEFORE INCOME TAXES
Income tax expense:						
Current	(12,892)	230	(956)	(13,618)		
Deferred	1,357	-	855	2,212		
	(11,535)	230	(101)	(11,406)	D	Income tax expenses
NET INCOME	27,921	-	(331)	27,590		PROFIT
						Profit attributable to:
NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION	27,679	-	(331)	27,348		Owners of the parent
Less-Net income attributable to the non-controlling interest	242	-	-	242		Non-controlling interests



**Reconciliation of comprehensive income for the six-month period ended September 30, 2017
(April 1, 2017 to September 30, 2017)**

Presentation under U.S.GAAP	Yen (millions)			IFRS	Note	Presentation under IFRS
	U.S. GAAP	Reclassifi- cation	Difference between recognition and measurement			
NET INCOME	27,921	-	(331)	27,590		INCOME
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX						OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX
						Items that will not be reclassified to profit or loss
Unrealized holding gains (expense) on available-for-sale securities	(1,032)	-	65	(967)		Equity financial assets measured at fair value through other comprehensive income
Pension liability adjustment	(8)	-	8	-		
	(1,040)	-	73	(967)		Total of items that will not be reclassified to profit or loss
						Items that may be reclassified to profit or loss
Foreign currency translation adjustment	19,266	-	4	19,270		Exchange differences on translating foreign operations
	19,266	-	4	19,270		Total of items that may be reclassified to profit or loss
Total other comprehensive income (loss)	18,226	-	77	18,303		Total other comprehensive income (loss), net of tax
COMPREHENSIVE INCOME	46,147	-	(254)	45,893		COMPREHENSIVE INCOME
						Comprehensive income attributable to:
COMPREHENSIVE INCOME ATTRIBUTABLE TO MAKITA CORPORATION	45,580	-	(254)	45,326		Owners of the parent
Less-Comprehensive income attributable to the non-controlling interest	567	-	-	567		Non-controlling interests



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

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



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

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

Notes to Reconciliation

A. Intangible assets

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

Due to the above-mentioned differences in the accounting standards, the unamortized balance of capitalized development costs of 2,902 million yen, 2,967 million yen, and 2,958 million yen, respectively, were recorded as intangible assets on the transition date, at September 30, 2017, and at March 31, 2018, respectively. Consequently, retained earnings after deducting the adjusted deferred tax of 876 million yen, 896 million yen, and 893 million yen on the transition date, at September 30, and at March 31, 2018, respectively, increased by 2,026 million yen, 2,071 million yen, and 2,065 million yen, respectively.

B. Employee benefits

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

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

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

C. Exchange differences on translating foreign operations

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

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

D. Income taxes

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

Due to the above-mentioned differences in the accounting standards, on the transition date, at September 30, 2017, and at March 31, 2018, other comprehensive income, net of tax decreased by 6,484 million yen, 7,443 million yen, and 7,444 million yen, respectively, deferred tax assets increased by 5,730 million yen, 6,455 million yen, and 6,420 million yen, respectively, while retained earnings declined by 754 million yen, 988 million yen, and 1,024 million yen, respectively.

E. Reclassification of items in consolidated statement of financial position

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

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



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

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

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

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

Reconciliation of consolidated cash flows for the six-month period ended September 30, 2017 and the year ended March 31, 2018

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



SUPPORT DOCUMENTATION (CONSOLIDATED)

1. Consolidated Financial Results and Forecast

	Yen (millions)			
	For the six months ended September 30, 2017		For the six months ended September 30, 2018	
		(%)		(%)
Revenue	230,951	-	242,796	5.1
Domestic	39,877	-	43,699	9.6
Overseas	191,074	-	199,097	4.2
Operating profit	37,934	-	40,064	5.6
Profit before income taxes	38,996	-	42,269	8.4
Profit attributable to owners of the parent	27,348	-	29,679	8.5
Profit attributable to owners of the parent per share (Yen)	100.74		109.33	
Cash dividend per share (Yen)	10.00		10.00	
Dividend payout ratio (%)	9.9		9.1	
Number of Employees	15,976		16,087	

	Yen (millions)			
	For the year ended March 31, 2018		For the year ending March 31, 2019 (Forecast)	
		(%)		(%)
Revenue	477,298	-	490,000	2.7
Domestic	82,575	-	86,000	4.1
Overseas	394,723	-	404,000	2.4
Operating profit	80,231	-	78,500	(2.2)
Profit before income taxes	79,865	-	78,700	(1.5)
Profit attributable to owners of the parent	54,943	-	54,800	(0.3)
Profit attributable to owners of the parent per share (Yen)	202.39		201.87	
Cash dividend per share (Yen)	61.00		-	
Dividend payout ratio (%)	30.1		-	
Number of Employees	16,137		-	

Notes:

1. Please refer to [Qualitative Information and Financial Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 4.
2. The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes, and profit attributable to owners of the parent compared to the corresponding period of the previous year.
3. The percentage changes from results for the six months ended September 30, 2016 and for the year ended March 31, 2017 based on U.S. GAAP have been omitted.



2. Consolidated Revenue by Geographic Area

	Yen (millions)					
	For the six months ended September 30, 2017		For the six months ended September 30, 2018		For the year ended March 31, 2018	
		(%)		(%)		(%)
Japan	39,877	-	43,699	9.6	82,575	-
Europe.....	98,586	-	105,458	7.0	202,054	-
North America	35,031	-	36,313	3.7	73,873	-
Asia.....	21,463	-	20,444	(4.7)	44,094	-
Central and South America.....	13,483	-	13,906	3.1	27,922	-
Oceania.....	15,597	-	15,397	(1.3)	31,284	-
The Middle East and Africa.....	6,914	-	7,579	9.6	15,496	-
Total.....	230,951	-	242,796	5.1	477,298	-

Notes:

1. The table above sets forth Makita's consolidated revenue by geographic area based on the customer's location for the periods presented. Accordingly, it differs from "Condensed Operating Segment Information" on page 10.
2. The table above shows the changes in the percentage ratio of revenue compared to the corresponding period of the previous year.
3. The percentage changes from results for the six months ended September 30, 2016 and for the year ended March 31, 2017 based on U.S. GAAP have been omitted.

3. Exchange Rates

	Yen			
	For the six months ended September 30, 2017	For the six months ended September 30, 2018	For the year ended March 31, 2018	For the year ending March 31, 2019 (Forecast)
USD/JPY	111.04	110.26	110.85	105
EUR/JPY	126.32	129.79	129.66	130
RMB/JPY	16.42	16.74	16.74	16.8

4. Production Ratio (unit basis)

	For the six months ended September 30, 2017	For the six months ended September 30, 2018	For the year ended March 31, 2018
	Composition ratio	Composition ratio	Composition ratio
Domestic.....	9.1%	9.5%	9.3%
Overseas	90.9%	90.5%	90.7%

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

	Yen (millions)			
	For the six months ended September 30, 2017	For the six months ended September 30, 2018	For the year ended March 31, 2018	For the year ending March 31, 2019 (Forecast)
Capital expenditures	7,722	12,106	15,045	50,000
Depreciation and amortization...	5,186	5,575	10,783	12,000
R&D cost.....	5,433	5,391	10,924	10,800