



Makita Corporation

Consolidated Financial Results for the year ended March 31, 2020 (IFRS Financial Information)

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



CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020 (Unaudited)

May 21, 2020

Makita Corporation

Stock code: 6586

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

Munetoshi Goto, President, Representative Director

1. Summary operating results of the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the year ended March 31, 2019		For the year ended March 31, 2020	
		%		%
Revenue.....	490,578	2.8	492,617	0.4
Operating profit	78,305	(2.4)	64,046	(18.2)
Profit before income taxes.....	79,919	0.1	66,008	(17.4)
Profit	56,191	1.3	48,051	(14.5)
Profit attributable to owners of the parent.....	55,750	1.5	47,731	(14.4)
Comprehensive income	35,592	(44.7)	15,415	(56.7)
Yen				
Profit attributable to owners of the parent per share				
(Basic).....	205.37		175.80	
(Diluted).....	205.34		-	
Ratio of profit attributable to owners of the parent to total equity attributable to owners of the parent(%)....	9.9%		8.3%	
Ratio of profit before income taxes to total assets(%)....	12.0%		9.7%	
Ratio of operating profit to revenue(%)	16.0%		13.0%	

Notes:

- Amounts of less than one million yen have been rounded.
- The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes, profit, profit attributable to owners of the parent, and comprehensive income against the previous year.
- The amount of profit attributable to owners of the parent per diluted per share for the fiscal year ended March 31, 2020 is not shown as diluted shares do not exist.

(2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2019	As of March 31, 2020
Total assets	680,250	674,564
Total equity.....	577,222	575,748
Total equity attributable to owners of the parent.....	572,748	571,275
Ratio of equity attributable to owners of the parent to total assets (%).....	84.2%	84.7%
Yen		
Equity attributable to owners of the parent per share.....	2,109.83	2,104.01



(3) CONSOLIDATED CASH FLOWS

	Yen (millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Net cash provided by operating activities.....	23,155	57,310
Net cash used in investing activities	(15,329)	(30,506)
Net cash used in financing activities	(8,231)	(22,931)
Cash and cash equivalents, end of the fiscal year	146,512	143,439

2. Dividend Information

	Yen		
	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ending March 31, 2021 (Forecast)
Cash dividend per share:			
Interim	10.00	10.00	10.00
Year-end.....	52.00	43.00	(Note)
Total.....	62.00	53.00	(Note)
	Yen (millions)		
Total cash dividend	16,831	14,390	-
Dividend payout ratio (%).....	30.2%	30.1%	-
Ratio of equity attributable to owners of the parent to total assets (%).....	3.0%	2.5%	-

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 “(5) Basic policy regarding profit distribution and cash dividend for fiscal 2020 and 2021” on page 5.

3. Consolidated Financial Performance Forecast for the year ending March 31, 2021

We have determined that it is difficult at present to reasonably forecast the consolidated financial performance for the fiscal year ending March 2021 due to uncertainty over the value of an impact resulting from the global epidemic of COVID-19 on its performance. We plan to disclose our financial forecasts as soon as possible.

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 in accounting policies required by IFRS: Yes
 2. Changes in accounting policies other than 1: None
 3. Changes in accounting estimate: None
- (3) Number of shares outstanding (common stock)
 1. Number of shares issued (including treasury stock):

As of March 31, 2020:	280,017,520
As of March 31, 2019:	280,017,520
 2. Number of treasury stock:

As of March 31, 2020:	8,500,530
As of March 31, 2019:	8,550,463
 3. Average number of shares outstanding:

For the year ended March 31, 2020:	271,502,528
For the year ended March 31, 2019:	271,467,574

Makita's earnings releases (KESSAN TANSWIN) are not subject to an audit.



SUPPLEMENT INFORMATION (CONSOLIDATED)

1. Overview of operating results

(1) Overview of operating results for the fiscal year ended March 31, 2020

Looking at the global economic situation for the year ended March 31, 2020, increased uncertainty concerning trade dispute between China and U.S., confusion caused by Brexit, and increased intensity over political turmoil in the Middle East have led to worsened business sentiment regarding world economy; furthermore, the outbreak of COVID-19 has left significant damages on the world economy.

Under these circumstances, on the development side, the Makita Group concentrated its efforts on expanding lithium-ion battery product lineup, such as a new cordless tool series with “40Vmax lithium-ion battery” that realizes higher and maximized power output of tools as well as improved durability; cordless gardening equipment featuring work efficiency higher than engine-powered ones; cordless TV with radio utilized also at the time of disaster to gather information.

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. Furthermore, we worked hard to strengthen our community- and customer-based sales network by increasing sales and after-sales service bases and to strengthen our logistics by aggressive investments for warehouses and distribution facilities both in domestic and overseas.

Although overseas revenue translated into yen was eroded by currency exchange rates and there was a decrease in demand for tools due to COVID-19, our consolidated revenue for this period increased by 0.4% from the previous year to 492,617 million yen, record-high revenue, due to robust sales primarily in Eastern Europe and Japan. On profit side, despite increased revenue, operating profit decreased by 18.2% to 64,046 million yen (operating profit ratio: 13.0%), owing to an increase in revenue and administration costs and to the deterioration of the cost-of-sales ratio due to the impact of currency exchange rates and the additional tariffs imposed by U.S. on Chinese products. Meanwhile, profit before income taxes decreased by 17.4% to 66,008 million yen (profit before income taxes ratio: 13.4%) and profit attributable to owners of the parent decreased by 14.4% to 47,731 million yen (ratio of profit attributable to owners of the parent: 9.7%).

Consolidated revenue by region are as follows:

Consolidated revenue in Japan increased by 9.3% to 100,697 million yen compared to the previous year. This was due to labor shortage in building and construction sites resulting in strong sales of cordless power tools in search of efficiency and also due to strong sales of cordless gardening equipment.

Although consolidated revenue in Europe translated into yen was eroded resulting from appreciation of yen against Euro, consolidated revenue in Europe was supported by solid demand for power tools in almost all areas and steady sales growth of cordless gardening equipment until third quarter. Nonetheless, the impact of COVID-19 outbreak in the market towards the end of fourth quarter partially offset the increase in revenue, as a result, the consolidated revenue in full fiscal year increased only slightly by 1.4% to 216,230 million yen.

In North America, we aimed at expansion of sales of lithium-ion battery product including gardening equipment amid intensifying competition; however, due to eroded revenue after translation into yen by a depreciation of dollars and also to the impact of COVID-19 outbreak in the market towards the end of fourth quarter, consolidated revenue in North America decreased by 0.3% to 72,304 million yen.

In Asia, despite robust sales in some areas such as India partially offset the impact of slowing economy in China until third quarter, the impact of COVID-19 outbreak in the market from the second half of fourth quarter resulted in decreased consolidated revenue in Asia by 4.7% to 38,998 million yen.

Consolidated revenue in Central and South America decreased by 6.5% to 26,000 million yen. This was due to a depreciation in each country’s currency against yen and slowing economy in main countries despite our effort to expand sales mainly of lithium-ion battery products.

In Oceania, we aimed at expanding sales of product such as cordless gardening products amid impact of slowing demand in Australian housing market; however, consolidated revenue this market declined by 6.0% to 28,421 million yen due to COVID-19 outbreak towards the end of fourth quarter in the market and also to the yen’s appreciation against local currencies.



Consolidated Revenue in the Middle East and Africa decreased by 27.6% to 9,967 million yen. This was due to poor sales amid political and economic turmoil in the Middle East.

(2) Overview of financial situation for the fiscal year ended March 31, 2020

Total assets as of the end of the year decreased by 5,686 million yen to 674,564 million yen compared to the previous year. The decrease was mainly due to the decrease in “other financial assets” and “trade receivables and other receivables” although there was an increase in right-of-use assets following the adoption of IFRS 16th lease regulation.

Total liabilities decreased by 4,212 million yen to 98,816 million yen compared to the previous year due mainly to an increase in “trade payables and other payables” as well as “borrowings” despite an increase in other financial liabilities following the adoption of IFRS 16th lease regulation.

Total equity decreased by 1,474 million yen to 575,748 million yen compared to the previous year. This decrease was mainly due to exchange gain or loss recognized in “exchange differences on translating foreign operations” included in the “other components of equity”.

(3) Overview of cash flow situation for the fiscal year ended March 31, 2020

Total cash and cash equivalents amounted to 143,439 million yen, decreased by 3,073 million yen compared to the end of the previous year.

Net cash provided by operating activities amounted to 57,310 million yen (23,155 million yen in the previous year), up 34,155 million yen over the previous year due to less amount of increase in inventory compared to the previous year.

Net cash used in investing activities amounted to 30,506 million yen (15,329 million yen in the previous year), up 15,177 million yen over the previous year, due mainly to an increase in purchase of non-current assets.

Consequently, free cash flows (the sum of cash flows from operating activities and investing activities) amounted to 26,804 million yen (7,826 million yen in the previous year), up 18,978 million yen over the previous year.

Net cash used in financing activities amounted to 22,931 million yen (8,231 million yen in the previous year), up 14,700 million yen over the previous year, due to an increase in repayment of short-term borrowings.

(4) Outlook for the fiscal year ending March 31, 2021

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

To cope with these assumed conditions, Makita will:

- Strengthen its R&D and product development capabilities, mainly for the technologies of motors and technologies for discharge/charge of batteries, to take the initiative in cordless products market;
- Position cordless gardening equipment as a future pillar of its business after power tools and focus its efforts on the development and sales expansion of new products;
- Implement measures to strengthen and improve the efficiency of production, procurement and distribution, while further upgrading global production bases; and
- Strive to raise its brand power by promoting the establishment of a sales and after-sales service network to offer community-based and fine-tuned response to needs of customers around the world.

On the basis of these factors, the Group will strive to maintain a solid presence in the industry and contribute to achieve a sustainable society as a global supplier power tools used in home-building and in everyday life.

(Risks associated with COVID-19)

With regard to COVID-19, the stagnant economic activity due to the worldwide spread of the infectious diseases may lead to a decline in tool demand and a decrease in the revenue and profits in the Group, which has a high overseas sales ratio. The spread of infection, especially in Europe, Japan and North America, where sales ratios are high, may have a significant impact on the company's performance.

At the time of COVID-19 outbreak in China in February 2020, the Group's China plant temporarily reduced production and halted operations. If COVID-19 spreads again in China, where the Group's production ratio is high and suppliers are concentrated, it could have a significant impact on the Group's production and sales activities.



(Financial forecast for fiscal 2021)

We have determined that it is difficult at present to reasonably forecast the consolidated financial performance for the fiscal year ending March 2021 due to uncertainty over the value of an impact resulting from the global epidemic of COVID-19 on its performance. We plan to disclose our financial forecasts as soon as possible.

(5) Basic policy regarding profit distribution and cash dividend for the fiscal 2020 and 2021

Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 10 yen per share. However, in the event special circumstances, computation of the amount of dividends will be based on 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 business environment and other changes and allocate funds for strategic investments aimed at expanding its global operations.

Our forecast for dividends is as follows;

	For the year ended March 31, 2020 (Result and Forecast)	For the year ending March 31, 2021 (Forecast)
Cash dividend per share:		
Interim	10.00 yen	10.00 yen
Year-end.....	43.00 yen	(Note)
Total.....	53.00 yen	(Note)

Note: The Board of Directors plans to meet in April 2021 for a report on earnings for the year ending March 31, 2021.

At such time, in accordance with the basic policy regarding profit distribution mentioned above, the Board of Directors plans to propose a dividend equivalent to at least 30% of profit attributable to owners of the parent. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2021. 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. Basic Rationale for Selection of Accounting Standards

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



3. Consolidated Financial Statements (Unaudited)

(1) Consolidated Statement of Financial Position

	Yen (millions)			
	As of March 31, 2019		As of March 31, 2020	
		Composition ratio		Composition ratio
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents.....	146,512		143,439	
Trade receivables and other receivables.....	79,450		69,599	
Inventories.....	219,938		214,560	
Other financial assets.....	37,828		25,235	
Other current assets.....	9,401		7,633	
Total current assets.....	<u>493,129</u>	72.5%	<u>460,466</u>	68.3%
NON-CURRENT ASSETS:				
Property, plant and equipment, at cost.....	112,441		146,649	
Goodwill and intangible assets.....	8,039		8,749	
Other financial assets.....	43,566		38,551	
Net defined retirement benefit assets.....	9,541		9,511	
Deferred income taxes.....	9,342		6,932	
Other non-current assets.....	4,192		3,706	
Total non-current assets.....	<u>187,121</u>	27.5%	<u>214,098</u>	31.7%
Total assets.....	<u>680,250</u>	100.0%	<u>674,564</u>	100.0%

	Yen (millions)			
	As of March 31, 2019		As of March 31, 2020	
		Composition ratio		Composition ratio
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES:				
Trade payables and other payables	38,904		34,959	
Borrowings.....	11,799		7,997	
Other financial liabilities.....	220		2,468	
Income taxes payable.....	7,153		3,757	
Provisions.....	3,040		2,931	
Other current liabilities.....	29,678		27,264	
Total current liabilities.....	<u>90,794</u>	13.3%	<u>79,376</u>	11.7%
NON-CURRENT LIABILITIES:				
Retirement benefit liabilities.....	3,231		3,138	
Other financial liabilities.....	256		9,894	
Provisions.....	1,293		1,248	
Deferred income taxes	7,236		4,952	
Other non-current liabilities	218		208	
Total non-current liabilities	<u>12,234</u>	1.8%	<u>19,440</u>	2.9%
Total liabilities	<u>103,028</u>	15.1%	<u>98,816</u>	14.6%
EQUITY				
Common stock.....	23,805		23,805	
Additional paid-in capital.....	45,571		45,531	
Retained earnings	508,622		540,063	
Treasury stock, at cost.....	(11,681)		(11,554)	
Other components of equity	6,431		(26,570)	
Total equity attributable to owners of the parent...	<u>572,748</u>	84.2%	<u>571,275</u>	84.7%
NON-CONTROLLING INTEREST	<u>4,474</u>	0.7%	<u>4,473</u>	0.7%
Total equity	<u>577,222</u>	84.9%	<u>575,748</u>	85.4%
Total liabilities and equity	<u>680,250</u>	100.0%	<u>674,564</u>	100.0%



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

	Yen (millions)			
	For the year ended March 31, 2019		For the year ended March 31, 2020	
	Composition ratio		Composition ratio	
REVENUE	490,578	100.0%	492,617	100.0%
Cost of sales.....	(313,356)	(63.9%)	(323,776)	(65.7%)
GROSS PROFIT	177,222	36.1%	168,841	34.3%
Selling, general, administrative and others, net.....	(98,917)	(20.1%)	(104,795)	(21.3%)
OPERATING PROFIT	78,305	16.0%	64,046	13.0%
Financial income.....	2,680		2,558	
Financial expenses	(1,066)		(596)	
PROFIT BEFORE INCOME TAXES.....	79,919	16.3%	66,008	13.4%
Income tax expenses	(23,728)		(17,957)	
PROFIT	56,191	11.5%	48,051	9.8%
Profit attributable to:				
Owners of the parent.....	55,750	11.4%	47,731	9.7%
Non-controlling interests	441	0.1%	320	0.1%

Consolidated Statements of Comprehensive Income

	Yen (millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Profit	56,191	48,051
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Items that will not be reclassified to profit (loss)		
Remeasurement of defined benefit plans.....	(87)	201
Equity financial goods measured at fair value through other comprehensive loss.....	(7,889)	(2,509)
Total of items that will not be reclassified to loss	(7,976)	(2,308)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations.....	(12,623)	(30,328)
Total of items that may be reclassified to profit (loss)	(12,623)	(30,328)
Total other comprehensive income (loss), net of tax.....	(20,599)	(32,636)
COMPREHENSIVE INCOME	35,592	15,415
Comprehensive income attributable to:		
Owners of the parent	35,286	15,271
Non-controlling interests	306	144



(3) Consolidated Statement of Changes in Equity

Yen (millions)								
For the year ended March 31, 2019								
Equity attributable to owners of the parent								
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total	Non-Controlling interest	Total equity
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			55,750			55,750	441	56,191
Other comprehensive income					(20,464)	(20,464)	(135)	(20,599)
Comprehensive income	-	-	55,750	-	(20,464)	35,286	306	35,592
Dividends paid			(16,560)			(16,560)	(225)	(16,785)
Purchase of treasury stock				(4)		(4)		(4)
Disposal of treasury stock		0		0		0		0
Share-based payment transaction		40				40		40
Transfer from other components of equity to retained earnings			200		(200)	-		-
Other increase or decrease				(60)		(60)		(60)
Total amounts of transactions with owners	-	40	(16,360)	(64)	(200)	(16,584)	(225)	(16,809)
Balance at March 31, 2019	23,805	45,571	508,622	(11,681)	6,431	572,748	4,474	577,222

Yen (millions)								
For the year ended March 31, 2020								
Equity attributable to owners of the parent								
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	Total	Non-Controlling interest	Total equity
Balance at April 1, 2019	23,805	45,571	508,622	(11,681)	6,431	572,748	4,474	577,222
Profit for the period			47,731			47,731	320	48,051
Other comprehensive income					(32,460)	(32,460)	(176)	(32,636)
Comprehensive income	-	-	47,731	-	(32,460)	15,271	144	15,415
Dividends paid			(16,831)			(16,831)	(145)	(16,976)
Purchase of treasury stock				(2)		(2)		(2)
Disposal of treasury stock		(13)		61		48		48
Share-based payment transaction		(27)		68		41		41
Transfer from other components of equity to retained earnings			541		(541)	-		-
Total amounts of transactions with owners	-	(40)	(16,290)	127	(541)	(16,744)	(145)	(16,889)
Balance at March 31, 2020	23,805	45,531	540,063	(11,554)	(26,570)	571,275	4,473	575,748



(4) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit	56,191	48,051
Depreciation and amortization.....	11,271	14,349
Income tax expenses	23,728	17,957
Financial income and expenses.....	(1,614)	(1,962)
Loss (gain) on sales and retirement of property, plant and equipment.....	113	(808)
Decrease (increase) in trade receivables and other receivables.....	(2,085)	4,396
Increase in inventories.....	(30,455)	(9,148)
Increase (decrease) in trade payables and other payables.....	2,581	(1,499)
Increase in retirement benefit assets and liabilities	395	586
Decrease (Increase) in guarantee deposits.....	(8,990)	741
Other	(4,487)	3,538
Subtotal	46,648	76,201
Dividends received	643	712
Interest received.....	2,004	1,488
Interest paid.....	(47)	(431)
Income taxes paid	(26,093)	(20,660)
Cash flows from operating activities.....	23,155	57,310
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of non-current assets.....	(23,867)	(44,409)
Proceeds from sales of non-current assets.....	382	2,574
Purchase of investments.....	(12,745)	(4,000)
Proceeds from sales and redemption of investments.....	5,634	7,641
Payments into time deposits	(31,902)	(33,534)
Proceeds from withdrawal of time deposits.....	47,758	40,960
Other	(589)	262
Cash flows from investing activities	(15,329)	(30,506)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in short-term borrowings	8,704	(3,461)
Purchase and sales of treasury stock, net.....	(4)	46
Cash dividends paid.....	(16,560)	(16,831)
Repayment of lease liabilities.....	(36)	(2,537)
Other	(335)	(148)
Cash flows from financing activities.....	(8,231)	(22,931)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(403)	(6,946)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(808)	(3,073)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	147,320	146,512
CASH AND CASH EQUIVALENTS, END OF YEAR.....	146,512	143,439

(5) Notes to Consolidated Financial Statements

Notes on the assumptions for a going concern: None

Changes in accounting policies:

The Makita Group has adopted IFRS 16 "Lease" ("IFRS 16") from the first three-month period of the year ended March 31, 2020.

In accordance with IFRS 16, the Group has recorded leases that had been classified as operating leases under IAS 17 "Lease" as right-of-use assets and lease liabilities in the consolidated statement of financial position.

On transition to IFRS 16, the Group has chosen to apply the practical expedient that allows the Group to continue using the same method as before with regard to whether contracts are leases or not.

In line with the transition provision in IFRS 16, the Group has adopted the modified retrospective approach (a method to recognize the cumulative effects of adopting IFRS 16 at the date of adoption) at the date of transition.

At the first date of the year ended March 31, 2020 ("the date of initial application"), the Group additionally recognized total assets including right-of-use assets (which were included in property, plant and equipment in the consolidated statement of financial position) of 10,656 million yen and lease liabilities of 10,656 million yen (which were included in other financial liabilities).

The Group measured the lease liabilities at the date of initial application at the present value of aggregate residual lease payments at the inception of adoption, discounted using the lessee's incremental borrowing rate of interest at the inception of adoption. As of the date of initial application, the weighted average of the incremental borrowing rate was 2.5%.

On transition to IFRS 16, The Group has adopted the following practical expedients:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applying the exemption on not recognizing right-of-use assets or lease liabilities for leases for which the lease term ends within 12 months of the date of initial application.

Segment Information

	Yen (millions)							
	For the year ended March 31, 2019							
	Japan	Europe	North America	Asia	Total	Other area	Eliminations	Consolidated
Revenue:								
(1) External customers	112,143	213,903	74,854	26,414	427,314	63,264	-	490,578
(2) Inter-segment	220,111	5,902	3,941	220,999	450,953	806	(451,759)	-
Total	<u>332,254</u>	<u>219,805</u>	<u>78,795</u>	<u>247,413</u>	<u>878,267</u>	<u>64,070</u>	<u>(451,759)</u>	<u>490,578</u>
Operating profit	32,330	18,424	267	23,094	74,115	5,715	(1,525)	78,305

	Yen (millions)							
	For the year ended March 31, 2020							
	Japan	Europe	North America	Asia	Total	Other area	Eliminations	Consolidated
Revenue:								
(1) External customers	118,797	217,113	74,139	24,912	434,961	57,656	-	492,617
(2) Inter-segment	176,567	7,323	3,896	188,012	375,798	587	(376,385)	-
Total	<u>295,364</u>	<u>224,436</u>	<u>78,035</u>	<u>212,924</u>	<u>810,759</u>	<u>58,243</u>	<u>(376,385)</u>	<u>492,617</u>
Operating profit (loss) ...	22,726	13,252	(201)	17,877	53,654	1,327	9,065	64,046



Revenue by product categories

	Yen (millions)				Increase (Decrease)
	For the year ended March 31, 2019		For the year ended March 31, 2020		
	Composition ratio		Composition ratio		(%)
Finished goods.....	408,165	83.2%	405,175	82.2%	(0.7)
Parts, repairs and accessories.....	82,413	16.8%	87,442	17.8%	6.1
Total revenue.....	<u>490,578</u>	<u>100.0%</u>	<u>492,617</u>	<u>100.0%</u>	<u>0.4</u>

Information per share

	Yen	
	As of March 31, 2019	As of March 31, 2020
Equity attributable to owners of the parent per share.....	2,109.83	2,104.01

	Yen	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Profit attributable to owners of the parent per share		
(Basic).....	205.37	175.80
(Diluted).....	205.34	-

Note: 1. Profit attributable to owners of the parent per share (Basic) is calculated on the basis of the average number of shares outstanding during the year. Average number of shares outstanding is as follows:

For the year ended March 31, 2019: 271,467,574

For the year ended March 31, 2020: 271,502,528

2. The amount of profit attributable to owners of the parent per diluted per share for the fiscal year ended March 31, 2020 is not shown as diluted shares do not exist.

Significant Subsequent Events: None



4. SUPPORT DOCUMENTATION (CONSOLIDATED)

(1) Consolidated Financial Results and Forecast

	Yen (millions)			
	For the year ended March 31, 2019		For the year ended March 31, 2020	
		(%)		(%)
Revenue.....	490,578	2.8	492,617	0.4
Domestic.....	92,129	11.6	100,697	9.3
Overseas.....	398,449	0.9	391,920	(1.6)
Operating profit.....	78,305	(2.4)	64,046	(18.2)
Profit before income taxes.....	79,919	0.1	66,008	(17.4)
Profit attributable to owners of the parent.....	55,750	1.5	47,731	(14.4)
Profit attributable to owners of the parent per share (Yen).....	205.37		175.80	
Number of Employees.....	16,424		17,090	

Notes: The table shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes, and profit attributable to owners of the parent compared to the previous year.

We have determined that it is difficult at present to reasonably forecast the consolidated financial performance for the fiscal year ending March 2021 due to uncertainty over the value of an impact resulting from the global epidemic of COVID-19 on its performance. We plan to disclose our financial forecasts as soon as possible.

(2) Consolidated Revenue by Geographic Area

	Yen (millions)			
	For the year ended March 31, 2019		For the year ended March 31, 2020	
		(%)		(%)
Japan.....	92,129	11.6	100,697	9.3
Europe.....	213,238	5.5	216,230	1.4
North America.....	72,508	(1.8)	72,304	(0.3)
Asia.....	40,909	(7.2)	38,998	(4.7)
Central and South America.....	27,801	(0.4)	26,000	(6.5)
Oceania.....	30,222	(3.4)	28,421	(6.0)
The Middle East and Africa.....	13,771	(11.1)	9,967	(27.6)
Total.....	490,578	2.8	492,617	0.4

Notes: The table above sets forth Makita's consolidated revenue by geographic area based on the customer's location for the periods presented. Accordingly, it differs from "Segment Information" on page 11.

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

(3) Exchange Rates

	Yen	
	For the year ended March 31, 2019	For the year ended March 31, 2020
USD/JPY.....	110.92	108.70
EUR/JPY.....	128.44	120.81
RMB/JPY.....	16.54	15.60



(4) Production Ratio (unit basis)

	For the year ended March 31, 2019	For the year ended March 31, 2020
	Composition ratio	Composition ratio
Domestic	9.5%	10.7%
Overseas	90.5%	89.3%

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

	Yen (millions)	
	For the year ended March 31, 2019	For the year ended March 31, 2020
Capital expenditures.....	23,867	44,409
Depreciation and amortization.....	11,271	12,058
R&D cost.....	11,258	11,601