

## MAKITA CORPORATION

(Stock code: 6586)  
June 6, 2022

To the Shareholders of  
MAKITA CORPORATION

### **NOTICE OF THE 110TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are respectfully requested to attend the 110th Ordinary General Meeting of Shareholders of MAKITA CORPORATION, which is hereby announced.

To prevent the further spread of the novel coronavirus (COVID-19), we kindly ask you to decide whether or not to attend the meeting after checking your health condition.

Instead of attending the meeting, you may exercise your voting rights by mail or via the Internet in advance. Please review the accompanying information and exercise the rights by 5 p.m., Monday, June 27, 2022.

Munetoshi Goto  
President  
MAKITA CORPORATION  
3-11-8, Sumiyoshi-cho, Anjo City,  
Aichi Prefecture, 446-8502, Japan

**1. Date and Time:** 10 a.m., Tuesday, June 28, 2022

**2. Place:** Head Office of MAKITA CORPORATION, 5th Floor  
3-11-8, Sumiyoshi-cho, Anjo City,  
Aichi Prefecture, 446-8502, Japan

**3. Agenda:**

**Items to be Reported:**

1. The Business Report, Consolidated Financial Statements for the 110th period (from April 1, 2021 to March 31, 2022) and the Audit Reports on such Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
2. The Financial Statements for the 110th period

**Items to be Resolved:**

- No.1** Appropriation of Surplus
- No.2** Partial Amendments to the Articles of Incorporation
- No.3** Election of 11 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- No.4** Payment of Bonus to Directors

**NOTE:** The notes to the consolidated and non-consolidated financial statements are not included in the attachments since they are posted on the Corporation's website (<https://www.makita.biz/ir/>) as provided by laws and regulations and Article 14 of the Corporation's Articles of Incorporation. The consolidated and non-consolidated financial statements audited by the Accounting Auditor and the Audit & Supervisory Committee consist of the documents included in the attachments and the notes to the consolidated and non-consolidated financial statements posted on the Corporation's website.

## REFERENCE DOCUMENT

### Propositions and Explanatory Information

#### **Agenda Item No. 1: Appropriation of Surplus**

The Corporation has its basic policy for profit distribution to propose the dividends with a target consolidated dividend payout ratio of at least 30% of profit, with a minimum amount for annual total dividends at 10 yen per share; provided, however, that if special circumstances arise, the amount of dividends will be determined based on profit attributable to owners of the parent per share (Basic) after certain adjustments reflecting such circumstances. In accordance with this basic policy for profit distribution, and based on our comprehensive review of the consolidated business result for this period and forecasts and plans of our future businesses, we propose year-end dividends to shareholders as follows.

As this dividend, the total dividends for this period under review shall amount to 72 yen per share that include interim dividends in the amount of 10 yen per share, and the consolidated dividend payout ratio is 30.2 %.

1. Matters on allocation of dividends to shareholders and total amount of allocation
  - 62 yen per share of common stock
  - Total amount: 16,835,012,458 yen
2. Effective date of dividend payment
  - June 29, 2022

#### **Agenda Item No. 2: Partial Amendments to the Articles of Incorporation**

##### 1. Reasons for the proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 14, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 14, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the disclosure through the Internet and deemed delivery of reference documents for general meeting of shareholders (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

##### 2. Details of the amendments

Details of the amendments are as follows on the next page:

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 14. (Disclosure through the Internet and deemed delivery of reference documents for general meeting of shareholders)</u> <u>In convening a general meeting of shareholders, the Company may be deemed to have provided shareholders with necessary information that should be described or indicated in reference documents for the general meeting of shareholders, business reports, non-consolidated financial statements and consolidated financial statements, on the condition that such information is disclosed through the Internet in accordance with the Ministry of Justice Ordinance.</u></p> <p>(New)</p>	<p>(Deleted)</p> <p><u>Article 14. (Measures for electronic provision, etc.)</u> <u>(1) In convening a general meeting of shareholders, the Company shall provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>(2) Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ministry of Justice Ordinance in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p><b>SUPPLEMENTARY PROVISIONS</b></p>	<p><b>SUPPLEMENTARY PROVISIONS</b></p>
<p><i>(Transitional measures concerning exemption of Audit &amp; Supervisory Board Members from liability)</i> Liability limitation agreements referred to in Article 423, Paragraph 1 of the Companies Act relating to the actions of Outside Audit &amp; Supervisory Board Members (including former Outside Audit &amp; Supervisory Board Members) conducted before the conclusion of the 109th ordinary general meeting of shareholders shall be as prescribed in Article 34 of the Articles of Incorporation prior to the amendments by resolution of the same ordinary general meeting of shareholders.</p> <p>(New)</p>	<p><u>Article 1. (Transitional measures concerning exemption of Audit &amp; Supervisory Board Members from liability)</u> <u>Liability limitation agreements referred to in Article 423, Paragraph 1 of the Companies Act relating to the actions of Outside Audit &amp; Supervisory Board Members (including former Outside Audit &amp; Supervisory Board Members) conducted before the conclusion of the 109th ordinary general meeting of shareholders shall be as prescribed in Article 34 of the Articles of Incorporation prior to the amendments by resolution of the same ordinary general meeting of shareholders.</u></p>
	<p><u>Article 2. (Transitional measures concerning measures for electronic provision, etc.)</u> <u>(1) The deletion of Article 14 of the Articles of Incorporation prior to the amendments and the establishment of Article 14 of the amended Articles of Incorporation shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <u>(2) Notwithstanding the provisions of the preceding paragraph, Article 14 of the Articles of Incorporation prior to the amendments shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> <u>(3) This article shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Supplementary explanation about Agenda Item No. 2 “Partial Amendments to the Articles of Incorporation”

The electronic provision system is a system that enables the provision of materials (The Business Report, Consolidated Financial Statements, Financial Statements (including these Audit Reports) and reference documents for the General Meeting of Shareholders collectively) for the General Meeting of Shareholders to shareholders by posting the materials on the corporation’s website or other website and notifying shareholders of the website address and other details in writing. As this system is mandatory for listed companies, the electronic provision system will be applied beginning with our General Meeting of Shareholders to be held in March 2023 and onward, and shareholders will receive only a simplified convocation notice that includes information on how to access the website.

Shareholders who wish to receive written materials for the Company’s General Meeting of Shareholders to be held in March 2023 or thereafter must complete the “Request for Delivery of Documents” procedure by the record date of the general meeting of shareholders (Shareholders who wish to receive materials for the General Meeting of Shareholders in writing at the Ordinary General Meeting of Shareholders to be held in June 2023 will need to complete the procedure by March 31, 2023.) “Request for Delivery of Documents” will be accepted from September 1, 2022. As for the procedure, please contact the securities company where you have opened your account, or Sumitomo Mitsui Trust Bank, Limited, our shareholder registry administrator..

**Agenda Item No.3: Election of 11 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

The term of offices of all 11 Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply throughout this proposal) in office will have expired at the conclusion of this General Meeting of Shareholders, and we would like to request the election of 11 Directors.

Nomination of the candidates for Directors was consulted to the Nomination and Compensation Committee and determined at the Board of Directors based on the report.

The Audit & Supervisory Committee discussed this proposal and concluded that there are no special matters that should be stated at the General Meeting of Shareholders in accordance with the provisions of the Companies Act.

The candidates are as follows:

Candidate Number	Name		Current positions and responsibilities at the Corporation	Attendance rate of the Board of Directors meetings
1	Masahiko Goto	<u>Reelection</u>	Chairman and Representative Director	12/12 (100%)
2	Munetoshi Goto	<u>Reelection</u>	President and Representative Director	11/12 (92%)
3	Shinichiro Tomita	<u>Reelection</u>	Director, Corporate Officer General Manager of Purchasing Headquarters	12/12 (100%)
4	Tetsuhisa Kaneko	<u>Reelection</u>	Director, Corporate Officer General Manager of Research and Development Headquarters	12/12 (100%)
5	Tomoyuki Ota	<u>Reelection</u>	Director, Corporate Officer General Manager of Quality Headquarters	12/12 (100%)
6	Takashi Tsuchiya	<u>Reelection</u>	Director, Corporate Officer General Manager of Domestic Sales Headquarters	12/12 (100%)
7	Masaki Yoshida	<u>Reelection</u>	Director, Corporate Officer General Manager of Production Headquarters	12/12 (100%)
8	Takashi Omote	<u>Reelection</u>	Director, Corporate Officer General Manager of International Sales Headquarters	12/12 (100%)
9	Yukihiro Otsu	<u>Reelection</u>	Director, Corporate Officer General Manager of Administration Headquarters	12/12 (100%)
10	Masahiro Sugino	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Outside Director	12/12 (100%)
11	Takahiro Iwase	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Outside Director	9/10* (90%)

\* The attendance rate of Mr. Takahiro Iwase, an Outside Director, shows after his assumption on June 25, 2021.

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts	Number of the Corporation's shares held
1	<p><u>Reelection</u> Masahiko Goto (November 16, 1946)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1971 Joined the Corporation</p> <p>May 1984 Director, Manager of Corporate Planning Department</p> <p>July 1987 Managing Director, General Manager of Administration Headquarters</p> <p>May 1989 President and Representative Director</p> <p>June 2013 Chairman and Representative Director (present)</p> <p>March 2022 Outside Director of HOSHIZAKI CORPORATION (present)</p>	2,524,121
<p>[Reason for nomination as candidate for Director] Mr. Masahiko Goto has been engaged in the management of the Corporation for many years serving as President as well as Chairman, and has contributed to the enhancement of corporate value. The Corporation proposes his appointment as Director because we believe that his wealth of experience and broad insight are indispensable for the management of the Corporation.</p>			
2	<p><u>Reelection</u> Munetoshi Goto (April 26, 1975)</p> <p>[Attendance rate of the Board of Directors meetings] 11/12 (92%)</p>	<p>April 1999 Joined the Corporation</p> <p>April 2012 General Manager of International Sales Administration Department</p> <p>June 2013 Director, Corporate Officer, General Manager of International Sales Headquarters</p> <p>June 2017 President and Representative Director (present)</p>	471,087
<p>[Reason for nomination as candidate for Director] Mr. Munetoshi Goto has a deep understanding of the overall business and management of the Corporation, with experience of serving as General Manager of International Sales Headquarters since June 2013, as well as experience in domestic sales, development, and overseas sales subsidiaries. In addition, he is leading the growth of the Corporation as President since June 2017. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight as well as his great leadership are indispensable for the management of the Corporation.</p>			
3	<p><u>Reelection</u> Shinichiro Tomita (January 11, 1951)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1974 Joined the Corporation</p> <p>October 2000 General Manager of Plant Engineering-maintenance Department</p> <p>October 2001 General Manager of Production Engineering Department</p> <p>September 2003 President of Makita (China) Co., Ltd.</p> <p>June 2007 Director, Assistant General Manager of Production Headquarters of the Corporation (in charge of China Plant)</p> <p>June 2009 Director, Corporate Officer, General Manager of Research and Development Headquarters (in charge of Product Development)</p> <p>May 2010 Director, Corporate Officer, General Manager of Purchasing Headquarters (present)</p>	18,901
<p>[Reason for nomination as candidate for Director] Mr. Shinichiro Tomita has held important positions in the production division, and has served as the head of the production subsidiary in China, a core facility of the production division, and General Manager of Research and Development Headquarters of the Corporation. He currently serves as General Manager of Purchasing Headquarters and has a deep understanding of the business and management mainly in the areas of purchasing, production, and development of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.</p>			

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts			Number of the Corporation's shares held
4	<u>Reelection</u> Tetsuhisa Kaneko (April 6, 1955)  [Attendance rate of the Board of Directors meetings] 12/12 (100%)	March 1981	Joined the Corporation		24,501
	April 2004	General Manager of Technical Research Department			
		August 2005	General Manager of Production Department 2		
		October 2006	General Manager of Production Department 1		
		June 2007	Director, General Manager of Purchasing Headquarters		
		June 2009	Director, Corporate Officer, General Manager of Purchasing Headquarters		
		May 2010	Director, Corporate Officer, General Manager of Production Headquarters (in charge of China Plant)		
		June 2015	Director, Corporate Officer, General Manager of Production Headquarters		
		June 2017	Director, Corporate Officer, General Manager of Research and Development Headquarters (present)		
	[Reason for nomination as candidate for Director] Mr. Tetsuhisa Kaneko has held important positions in the development division, and has served as the head of the production subsidiary in China, a core facility of the production division, General Manager of Purchasing Headquarters, and General Manager of Production Headquarters of the Corporation. He currently serves as General Manager of Research and Development Headquarters and has a deep understanding of the business and management mainly in the areas of development, production, and purchasing of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.				
5	<u>Reelection</u> Tomoyuki Ota (March 22, 1956)  [Attendance rate of the Board of Directors meetings] 12/12 (100%)	March 1978	Joined the Corporation		18,801
	October 2003	General Manager of Production Department 1			
		August 2005	General Manager of Products & Engineering Administration Department		
		July 2012	General Manager of Products & Engineering Administration Department and General Manager of Product Design & Development Department 1		
		June 2013	Director, Corporate Officer, Assistant General Manager of Research and Development Headquarters		
		June 2021	Director, Corporate Officer, General Manager of Quality Headquarters (present)		
	[Reason for nomination as candidate for Director] Mr. Tomoyuki Ota has experience of working at overseas production subsidiaries (in the U.S.), and has held important positions in the production division, and has served as Assistant General Manager of Research and Development Headquarters. He currently serves as General Manager of Quality Headquarters and has a deep understanding of the business and management mainly in the areas of quality, development, and production of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.				
6	<u>Reelection</u> Takashi Tsuchiya (September 1, 1957)  [Attendance rate of the Board of Directors meetings] 12/12 (100%)	March 1982	Joined the Corporation		20,101
	April 2001	Manager of Shizuoka Branch Office			
		October 2003	Manager of Tokyo Branch Office		
		April 2010	General Manager of Sales Administration Department		
		June 2013	Corporate Officer, General Manager of Domestic Sales Headquarters (in charge of Tokyo Sales Department)		
		June 2015	Director, Corporate Officer, General Manager of Domestic Sales Headquarters (present)		
	[Reason for nomination as candidate for Director] Mr. Takashi Tsuchiya has held important positions mainly in the domestic sales operations of the Corporation. He has served as General Manager of Domestic Sales Headquarters in charge of Tokyo Sales Department as Corporate Officer since June 2013. He currently serves as General Manager of Domestic Sales Headquarters as Director and Corporate Officer, and has a deep understanding of the business and management mainly in the area of domestic sales of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.				

Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts			Number of the Corporation's shares held
7	<p><u>Reelection</u> Masaki Yoshida (June 17, 1962)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1985</p> <p>October 2007</p> <p>April 2010</p> <p>April 2011</p> <p>February 2012</p> <p>June 2015</p> <p>April 2018</p> <p>June 2021</p>	<p>Joined the Corporation</p> <p>General Manager of Production Control Department</p> <p>General Manager of Production Department 2</p> <p>General Manager of Production Development Department</p> <p>Vice President of Makita (China) Co., Ltd.</p> <p>Director, Corporate Officer, Assistant General Manager of Production Headquarters of the Corporation (in charge of China Plant)</p> <p>Director, Corporate Officer, Assistant General Manager of Production Headquarters of the Corporation</p> <p>Director, Corporate Officer, General Manager of Production Headquarters of the Corporation (present)</p>	11,721	
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Masaki Yoshida has engaged in duties mainly in the production division of the Corporation, and has served as the head of the production subsidiary in China, a core facility of the production division. He served as Assistant General Manager of Production Headquarters since June 2015 and has served as General Manager of Production Headquarters since June 2021, and has a deep understanding of the business and management mainly in the area of production of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.</p>					
8	<p><u>Reelection</u> Takashi Omote (February 10, 1959)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1982</p> <p>January 1995</p> <p>March 2001</p> <p>June 2013</p> <p>June 2017</p>	<p>Joined the Corporation</p> <p>President of Makita Mexico, S.A. de C.V.</p> <p>President of Makita do Brasil Ferramentas Elétricas Ltda.</p> <p>Corporate Officer of the Corporation (in charge of Central and South America Sales)</p> <p>Director, Corporate Officer, General Manager of International Sales Headquarters (present)</p>	10,041	
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Takashi Omote has engaged in duties mainly in the international sales operations of the Corporation, and has experience of working for many years at overseas sales subsidiaries (in Brazil and Mexico). He was placed in charge of Central and South America Sales in June 2013, and serves as General Manager of International Sales Headquarters since June 2017. As such, he has a deep understanding of the business and management mainly in the area of overseas sales of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.</p>					
9	<p><u>Reelection</u> Yukihiro Otsu (August 27, 1960)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>March 1983</p> <p>April 2009</p> <p>December 2009</p> <p>October 2013</p> <p>June 2017</p>	<p>Joined the Corporation</p> <p>Assistant Manager of Finance Department</p> <p>Vice President of Makita (China) Co., Ltd.</p> <p>General Manager of Accounting Department of the Corporation</p> <p>Director, Corporate Officer, General Manager of Administration Headquarters (present)</p>	9,441	
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yukihiro Otsu has held important positions in the finance division of the Corporation, and has a wealth of experience in the administration divisions of overseas subsidiaries including the production subsidiary in China, a core facility of the production division. He serves as General Manager of Administration Headquarters since June 2017 and has a deep understanding of the business and management mainly in the area of administration of the Corporation. The Corporation proposes his appointment as Director because we believe that his wealth of experience and insight are indispensable for the management of the Corporation.</p>					

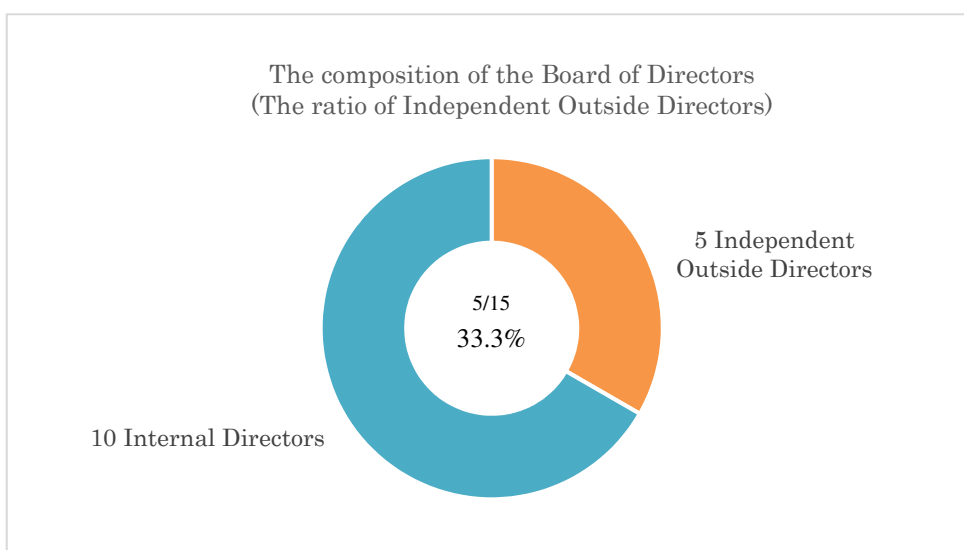


Candidate Number	Name (Date of birth)	Brief personal background, title and position and Important concurrent posts	Number of the Corporation's shares held
10	<p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p>Masahiro Sugino (November 18, 1944)</p> <p>[Attendance rate of the Board of Directors meetings] 12/12 (100%)</p>	<p>April 1967 Jointed Ina Seito Co., Ltd. (present; LIXIL Corporation)</p> <p>January 1992 Director of INAX Corporation (“INAX”, past; Ina Seito Co., Ltd.)</p> <p>January 1996 Managing Director of INAX</p> <p>January 2000 Senior Managing Director of INAX</p> <p>October 2001 President and Representative Director of INAX</p> <p>June 2007 Chairman and Representative Director of INAX</p> <p>June 2007 President and Representative Director of JS Group Corporation (present; LIXIL Corporation)</p> <p>April 2011 President and Representative Director of LIXIL Corporation</p> <p>June 2011 Director and Advisor of LIXIL Corporation</p> <p>June 2013 Advisor of LIXIL Corporation</p> <p>June 2015 Outside Director of the Corporation (present)</p> <p>June 2017 Outside Director of MISAWA HOMES CO., LTD.</p> <p>February 2018 Outside Director of KITAKEI CO., LTD. (present)</p> <p>July 2018 Special Advisor of LIXIL Corporation</p> <p>January 2020 Advisor of LIXIL Corporation (present)</p> <p>(Important Concurrent Posts) Advisor of LIXIL Corporation Outside Director of KITAKEI CO., LTD.</p>	-
<p>[Reason for nomination as candidate for Outside Director and outline of the expected role] Mr. Masahiro Sugino has participated in the management of LIXIL Group, including INAX, for many years and has a thorough knowledge of corporate management, with which he currently provides useful opinions on the management of the Corporation from a broad perspective. The Corporation proposes his appointment as Outside Director because we expect him to utilize his wealth of experience and broad insight for the management of the Corporation from an independent perspective.</p>			
11	<p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p>Takahiro Iwase (May 28, 1952)</p> <p>[Attendance rate of the Board of Directors meetings] 9/10 (90%)</p>	<p>April 1977 Joined Toyota Motor Co., Ltd. (present; TOYOTA MOTOR CORPORATION, “TOYOTA”)</p> <p>June 2005 Managing Officer of TOYOTA</p> <p>June 2009 Senior Managing Director of TOYOTA Outside Audit &amp; Supervisory Board Member of Chuo Spring Co., Ltd.</p> <p>April 2011 Vice Chairman of the Board of Directors of Toyota Motor Asia Pacific Pte. Ltd.</p> <p>June 2011 Senior Managing Officer of TOYOTA</p> <p>June 2014 President of TOYOTA AUTO BODY CO., LTD.</p> <p>April 2016 Standing Counselor of Aichi Steel Corporation (“AICHI STEEL”)</p> <p>June 2016 Chairman and Representative Director of AICHI STEEL</p> <p>June 2017 Outside Audit &amp; Supervisory Board Member of Chuo Spring Co., Ltd.</p> <p>July 2020 Chairman of Aichi Prefectural Public Safety Commission</p> <p>March 2021 External Auditor of DMG MORI CO., LTD. (present)</p> <p>June 2021 Outside Director of the Corporation (present)</p> <p>(Important Concurrent Posts) External Auditor of DMG MORI CO., LTD.</p>	-
<p>[Reason for nomination as candidate for Outside Director and outline of the expected role] Mr. Takahiro Iwase has participated in the management of core companies of the Toyota Group, including TOYOTA MOTOR CORPORATION, for many years and has a thorough knowledge of corporate management, with which he currently provides useful opinions on the management of the Corporation from a broad perspective. The Corporation proposes his appointment as Outside Director because we expect him to utilize his wealth of experience and broad insight for the management of the Corporation from an independent perspective.</p>			

- Notes: 1. There is no special interest between the above candidates and the Corporation.
2. The matters concerning Outside Director candidate Mr. Masahiro Sugino are as follows:
- (i) Mr. Masahiro Sugino served as an executive officer of LIXIL Corporation. Makita sells products to LIXIL Corporation and its corporate group. This year, such sales amounted to 3 million yen, which constituted less than 0.01% of our consolidated revenue.
  - (ii) Mr. Masahiro Sugino is currently an Outside Director of the Corporation, and his term of office will be 7 years at the conclusion of this General Meeting of Shareholders.
  - (iii) With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation has entered into a liability limitation agreement with Mr. Masahiro Sugino which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act. If Mr. Masahiro Sugino is appointed to be an Outside Director, the Corporation will extend such liability limitation agreement.
  - (iv) The Corporation has designated Mr. Masahiro Sugino as an “Independent Director” as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made required notification therefore to these stock exchanges. If Mr. Masahiro Sugino is elected, the Corporation intends to appoint him again as an Independent Director.
3. The matters concerning Outside Director candidate Mr. Takahiro Iwase are as follows:
- (i) Mr. Takahiro Iwase served as an executive officer of Aichi Steel Corporation. Makita purchases components from Aichi Steel Corporation and its corporate group. This year, such purchase amounted to 1,566 million yen, which constituted less than 0.6% of the consolidated net sales of the Aichi Steel Group.
  - (ii) Mr. Takahiro Iwase is currently an Outside Director of the Corporation, and his term of office will be 1 year at the conclusion of this General Meeting of Shareholders.
  - (iii) With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation has entered into a liability limitation agreement with Mr. Takahiro Iwase which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act. If Mr. Takahiro Iwase is appointed to be an Outside Director, the Corporation will extend such liability limitation agreement.
  - (iv) The Corporation has designated Mr. Takahiro Iwase as an “Independent Director” as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and make required notification therefore to these stock exchanges. If Mr. Takahiro Iwase is elected, the Corporation intends to appoint him again as an Independent Director.
  - (v) The Company held shares of TOYOTA MOTOR CORPORATION, of which Mr. Takahiro Iwase had been an executive officer in the past, as of March 31, 2021, but sold all of them during the period under review and holds no shares as of March 31, 2022.
4. The number of the Corporation’s shares held by candidates for Directors represents the actual number of shares each candidate holds, including those vested to him in Makita’s stock ownership plan for the Executives.
5. The Corporation has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with all Directors and Corporate Officers as well as officers of the subsidiaries (with regard to overseas subsidiaries, this is limited to officers temporarily transferred from the Corporation and officers concurrently serving at the Corporation and overseas subsidiaries) as the insured to ensure that executives can fully perform their expected roles in the course of their duties and to hire excellent talents. If this proposal is approved as originally proposed and each candidate is appointed as Director, etc., they will be the insured under the said insurance contract. The said insurance contract covers damages caused as a result of the insured executives, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. Provided, however, that there are certain exemptions; for example, the insurance contract does not cover damages caused as a result of any conduct committed with his or her knowledge that the conduct is in violation of laws and regulations. The premiums are paid by the Corporation, including riders. Therefore, the insured does not bear the actual premiums. Also, the said insurance contract will be renewed on June 29, 2022, which is during the term of office of each candidate.

**Reference The composition and expertise of the Board of Directors**

Directors of the Corporation, regardless of age, gender, or nationality, shall be appointed from among those who can contribute to the enhancement of its corporate value. Currently, the Corporation has no female Directors. We have appointed Internal Directors (excluding Director who is Audit & Supervisory Committee Member) who have the ability to formulate and execute management strategies based on their own experience and insight, Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) who have a wealth of experience and broad insight in corporate management, and Directors who are Audit & Supervisory Committee Members who have internal and external work experience and a wealth of experience and insight in various fields, including finance, accounting and legal affairs. Moreover, a number of Directors with overseas experience are in office. We, therefore, believe that the Board of Directors as a whole is functioning as an effective organization that ensures an appropriate balance and diversity of knowledge, experience and ability. However, we will positively consider appointing female Directors and increase the number of female workers in management positions who will be candidates for Directors in the future. We also believe that the current Board of Directors is of an appropriate size to enable prompt decision-making.



	Name	The Nomination and Compensation Committee	Expertise								
			Corporate management	Overseas experience	Sales/marketing	Development	Production/procurement/quality	Sustainability	IT/digitalization	Finance & accounting	Legal affairs
Directors	Masahiko Goto	●	●	●	●	●					
	Munetoshi Goto	●	●	●	●	●		●	●		
	Shinichiro Tomita		●	●		●	●				
	Tetsuhisa Kaneko		●	●		●	●				
	Tomoyuki Ota		●	●		●	●	●			
	Takashi Tsuchiya		●		●						
	Masaki Yoshida		●	●			●		●		
	Takashi Omote		●	●	●						
	Yukihiro Otsu		●	●				●	●	●	●
	Masahiro Sugino <u>Outside</u> <u>Independent</u>	●	●		●		●				
	Takahiro Iwase <u>Outside</u> <u>Independent</u>	●	●	●		●	●				
Directors who are Audit & Supervisory Committee Members	Mitsuhiko Wakayama			●	●						
	Akira Kodama <u>Outside</u> <u>Independent</u>	●		●						●	
	Shoji Inoue <u>Outside</u> <u>Independent</u>										●
	Koji Nishikawa <u>Outside</u> <u>Independent</u>									●	

**Agenda Item No. 4: Payment of Bonus to Directors**

Bonus to Directors of the Corporation is, as with the basic policy for profit distributions, linked to consolidated business result.

At end of this period, the Corporation has 15 Directors. In accordance with above policy, we would like to pay Directors' bonuses to 9 Directors in the amount of 222 million yen considering performance during this period. This is with the exception of 6 Directors who are Audit & Supervisory Committee Members and Outside Directors. An outline of the content of decision-making policy on individual compensation for Directors is described on page 24 of "BUSINESS REPORT". The Corporation deems that the content of this proposal is appropriate pursuant to such policy.

The Audit & Supervisory Committee discussed this proposal and concluded that there are no special matters that should be stated at the General Meeting of Shareholders in accordance with the provisions of the Companies Act.

# **BUSINESS REPORT**

(From April 1, 2021 to March 31, 2022)

## **1. Matters on the Current Status of Makita**

### **(1) Progress and Results of Operations**

Looking at the global economic situation for the year ended March 31, 2022, while economic and social activities have been normalized, particularly in developed countries, in line with the rollout of the COVID-19 vaccine, the future remains uncertain due to shortages of goods and logistics disruptions in the supply chain, rising prices, the resurgence of infections caused by coronavirus mutations, and the growing international tension surrounding the Ukraine issue.

Under these circumstances, on the development side, the Makita Group concentrated its efforts on expanding its lineup of rechargeable finished goods, including power tools and outdoor power equipment, in the “40Vmax Lithium-ion Battery” series, which offers high power, long life and high durability.

On the production side, we worked to increase production and to promote multi-polarized global production in response to increasing demand.

On the sales side, we focused on increasing the level of the community-based and customer-oriented service framework in order to further strengthen trusting relationships with customers around the world. We strive to deepen and develop the market centered on cordless products.

Our consolidated revenue for this period set a new record high, with revenue rising 21.5% from the previous year to 739,260 million yen due to strong sales both in Japan and overseas.

Revenue by region are as follows:

Revenue in Japan increased by 4.4% to 118,050 million yen compared to the previous year. This was due to strong sales of both power tools and outdoor power equipment, particularly lithium-ion battery products.

Revenue in Europe increased by 24.7% year-on-year to 352,470 million yen because demand for tools at active building and construction sites and sales of cordless outdoor power equipment continued to be strong, while stay-at-home demand slowed down.

Revenue in North America increased by 23.4% year-on-year to 112,248 million yen because sales of power tools accompanied by strong housing demand and sales of cordless outdoor power equipment were strong.

In Asia, COVID-19 cases increased again in various regions affecting our sales activities, but sales in Taiwan and Southeast Asia were strong. As a result, consolidated revenue in Asia increased 25.1% year-on-year to 49,196 million yen.

In Central and South America, inflation accelerated in many countries; however, sales activities to capture solid demand for tools resulted in an increase in sales of 42.0% year-on-year to 41,765 million yen.

In Oceania, sales increased by 24.9 % year-on-year to 51,579 million yen due to strong demand for tools at building and construction sites despite the impact of lockdowns due to the resurgence of new cases of infection in major cities.

In the Middle East and Africa, the demand for tools at building and construction sites in each country was captured although unstable political and economic conditions continued, so sales increased 20.5% year on year to 13,952 million yen.

Overall, overseas revenue accounted for 84.0% of total revenue.

In terms of profit, operating profit increased by 3.7% year-on-year to 91,728 million yen (operating profit ratio: 12.4%) due to the increase in revenue, although the transportation costs increased. And profit before income taxes increased by 6.1% year-on-year to 92,483 million yen (profit before income taxes ratio: 12.5%) and profit attributable to owners of the parent increased by 4.4% year-on-year to 64,770 million yen (ratio of profit attributable to owners of the parent: 8.7%).

(Initiatives toward carbon neutrality)

The impact of climate change on society, such as frequent wind and flood disasters, is becoming more serious, and corporations are playing an increasingly important role in realizing a decarbonized society. Makita views climate change as an important business issue.

For this reason, Makita has prioritized contributing to the solution of climate change issues by, for example, focusing on cordless outdoor power equipment that does not emit exhaust gas when used. However, in order to further accelerate these efforts, Makita has newly set targets for reducing greenhouse gas (GHG) emissions. Our targets are to reduce GHG emissions from our business activities (Scope 1, 2) by 50% from fiscal 2020 levels by fiscal 2030, to reach net zero emissions by fiscal 2040, and to achieve net zero GHG emissions throughout the supply chain (Scope 3) by fiscal 2050.

In addition, recognizing the importance of dialogue with stakeholders on climate-related risks and opportunities, Makita disclosed information on our website for the first time based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Going forward, in addition to energy conservation in our business activities, Makita will steadily promote initiatives to reduce GHG emissions, including the use of renewable energy, and work to enhance information disclosure.

**(Our website)**

Information about Sustainability



Disclosure based on the recommendations of TCFD



**(2) Management Challenges**

While the prospect for the global economy will continue to be uncertain, Makita believes that demand for tools, which contribute to the solution of social problems, such as the labor shortage and environmental problem including frequent natural disasters and global warming, help to achieve a high level of work efficiency and are friendly to people and the global environment, will increase further in both developed countries and emerging countries.

Under these circumstances, Makita is strengthening its R&D and product development capabilities, mainly charge and discharge technologies of batteries and motors, to take the initiative in expanding the market for cordless products. In addition, Makita is positioning cordless outdoor power equipment as a future pillar of its business after power tools and helping to bring about a decarbonized society by promoting deep cultivation and development of the market. Makita is strengthening new product development and sales expansion in new fields, such as cleaning, outdoor and disaster prevention, and strive to evolve into a supplier of a comprehensive range of cordless products. Makita implements measures to strengthen and improve the efficiency of production, procurement, and distribution, while further upgrading global production organizations. Further, Makita is striving to raise its brand power by promoting the establishment of a sales and after-sales service network to offer community-based and fine-tuned responses to the needs of customers around the world.

By taking these actions, Makita will strive to contribute to the realization of a sustainable society, and maintain a solid presence in the industry as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments.

In closing, we would like to thank you for your ongoing support and continuing assistance.

**(3) Capital Expenditures**

During this period, Makita allocated 59,937 million yen for its capital expenditures. These funds used by the Corporation amounted to 23,769 million yen. This reflected mainly capital expenditures for buildings and equipment for logistics center in Saitama Prefecture and Okayama Prefecture. These funds also used by the subsidiaries amounted to 36,168 million yen. This reflected mainly capital expenditures for buildings at the China plant and Thailand plant.

**(4) Principal Lenders**

Lender	Borrowing amount
MUFG Bank, Ltd.	36,000 million yen
Sumitomo Mitsui Banking Corporation	28,213 million yen



**(5) Changes in Financial Position and Results of Operations**

Description	107th period (ended March 31, 2019)	108th period (ended March 31, 2020)	109th period (ended March 31, 2021)	110th period (ended March 31, 2022)
Revenue (Millions of Yen)	490,578	492,617	608,331	739,260
Operating profit (Millions of Yen)	78,305	64,046	88,464	91,728
Profit before income taxes (Millions of Yen)	79,919	66,008	87,199	92,483
Profit attributable to owners of the parent (Millions of Yen)	55,750	47,731	62,018	64,770
Profit attributable to owners of the parent per share (Basic) (Yen)	205.37	175.80	228.41	238.54
Profit attributable to owners of the parent per share (Diluted) (Yen)	205.34	-	-	-
Total assets (Millions of Yen)	680,250	674,564	812,878	1,007,497
Equity attributable to owners of the parent (Millions of Yen)	572,748	571,275	657,855	746,344
Ratio of profit attributable to owners of the parent to total equity attributable to owners of the parent (ROE) (%)	9.9	8.3	10.1	9.2

- Notes:
1. Changes in Financial Position and Results of Operations are stated under the terms of IFRS.
  2. Profit attributable to owners of the parent per share (Basic), and profit attributable to owners of the parent per share (Diluted) in the 107th period are calculated based on the average number of outstanding shares of common stock during the period.
  3. Information on profit attributable to owners of the parent per share after full dilution in the 108th, 109th, and 110th period is omitted, since there is no potential common stock.
  4. Ratio of profit attributable to owners of the parent to total equity attributable to owners of the parent (ROE) = Profit attributable to owners of the parent / [(Equity attributable to owners of the parent at the beginning of the period + Equity attributable to owners of the parent at the end of the period) / 2]
  5. Amounts of less than 1 million yen have been rounded.

**(6) Significant Subsidiaries**

Company Name	Capital (Thousands)	Proportion of Ownership and Voting interest (%)	Principal Business
Makita U.S.A. Inc.	USD 161,400	100.0	Sales of power tools
Makita (U.K.) Ltd.	GBP 158,923	100.0	Sales of power tools
Makita Werkzeug GmbH (Germany)	EUR 7,669	100.0*	Sales of power tools
Makita France SAS	EUR 12,436	55.0*	Sales of power tools
Makita Oy (Finland)	EUR 100	100.0*	Sales of power tools
Makita LLC (Russia)	RUB 83,207	100.0*	Sales of power tools
Makita (China) Co., Ltd.	USD 80,000	100.0	Production and sales of power tools
Makita (Kunshan) Co., Ltd.	USD 25,000	100.0	Production of power tools
Makita (Australia) Pty. Ltd.	AUD 13,000	100.0	Sales of power tools
SC Makita EU S.R.L. (Romania)	RON 975,942	100.0	Production of power tools

Note: \* indicates that the Proportion of Ownership and Voting interest include the shares owned by the subsidiaries.

**(7) Principal Operations**

Makita is primarily involved in the production and sales of power tools such as angle grinders, impact drivers, rotary hammer and circular saws, outdoor power equipment such as grass trimmers and hedge trimmers, pneumatic tools such as air nailers, and household tools such as cordless cleaners.

**(8) Principal Sales Offices and Plants**

## 1. The Corporation

Name	Location
Head office	Anjo (Aichi)
Sales offices	Tokyo, Nagoya, Osaka
Plant	Okazaki (Aichi)

## 2. Subsidiaries

Name	Location
For Sales	
Makita U.S.A. Inc.	Los Angeles (United States)
Makita (U.K.) Ltd.	London (United Kingdom)
Makita Werkzeug GmbH	Ratingen (Germany)
Makita France SAS	Bussy Saint-Georges (France)
Makita Oy	Helsinki (Finland)
Makita LLC	Moscow (Russia)
Makita (Australia) Pty. Ltd.	Sydney (Australia)
For Production and Sales	
Makita (China) Co., Ltd.	Kunshan, Jiangsu (China)
For Production	
Makita (Kunshan) Co., Ltd.	Kunshan, Jiangsu (China)
SC Makita EU S.R.L.	Branesti (Romania)

**(8) Employees**

1. Employees of Makita

Number of Employees	Increase / Decrease
20,233	1,609 (Increase)

2. Employees of the Corporation

Number of Employees	Increase / Decrease	Average Age	Average Years of Service
3,245	159 (Increase)	40.2	16.8

## 2. Shareholding Status of the Corporation

(1) Total Number of Shares Authorized to be Issued by the Corporation: 992,000,000 shares

(2) Total Number of Outstanding Shares: 280,017,520 shares  
(including treasury stock of 8,485,061 shares)

(3) Number of Shareholders: 14,768

### (4) Major Shareholders:

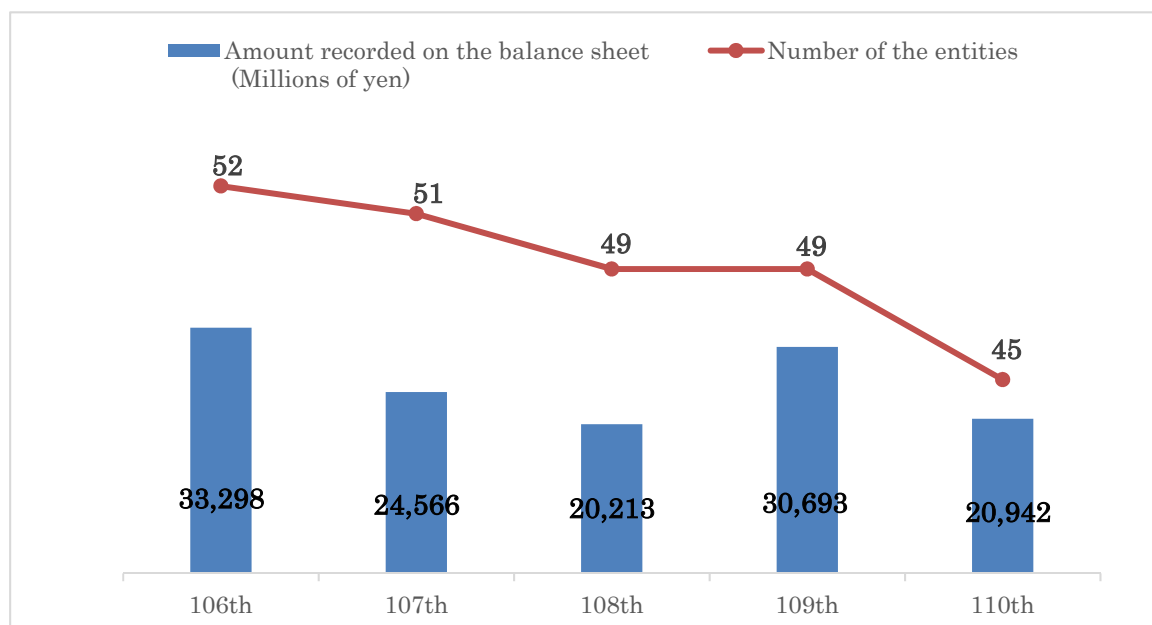
Name of Shareholders	Number of shares held (Thousands of Shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	43,192	15.90
Custody Bank of Japan, Ltd. (Trust account)	12,291	4.52
Maruwa, Ltd.	8,638	3.18
MUFG Bank, Ltd.	8,426	3.10
The Bank of New York Mellon as Depositary Bank for DR Holders	7,791	2.86
Makita Cooperation Companies' Investment Association	6,198	2.28
Sumitomo Mitsui Banking Corporation	5,800	2.13
Nippon Life Insurance Company	5,353	1.97
BNYM AS AGT/CLTS 10 PERCENT	4,172	1.53
National Mutual Insurance Federation of Agricultural Cooperatives	4,109	1.51

Note: The Percentage is calculated based on the total number of outstanding shares (excluding treasury stock) at the end of this period.

### (5) Shares granted to Directors of the Corporation in consideration of the performance of duties in this period:

Classification	Number of shares	Number of recipients
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)	6,584 shares	9

**Reference** Number of entities in which the Corporation is a shareholder, other than those held purely for trading purposes, and amount recorded on the balance sheet



### 3. Directors of the Corporation

#### (1) Directors

##### 1. Directors

Title	Name	Position at the Corporation and Important Concurrent Posts
Chairman*	Masahiko Goto	Outside Director of HOSHIZAKI CORPORATION
President*	Munetoshi Goto	
Director Corporate Officer	Shinichiro Tomita	General Manager of Purchasing Headquarters
Director Corporate Officer	Tetsuhisa Kaneko	General Manager of Research and Development Headquarters
Director Corporate Officer	Tomoyuki Ota	General Manager of Quality Headquarters
Director Corporate Officer	Takashi Tsuchiya	General Manager of Domestic Sales Headquarters
Director Corporate Officer	Masaki Yoshida	General Manager of Production Headquarters
Director Corporate Officer	Takashi Omote	General Manager of International Sales Headquarters
Director Corporate Officer	Yukihiro Otsu	General Manager of Administration Headquarters
Director	Masahiro Sugino	Advisor of LIXIL Corporation Outside Director of MISAWA HOMES CO., LTD. Outside Director of KITAKEI CO., LTD.
Director	Takahiro Iwase	Outside Audit & Supervisory Board Member of DMG MORI CO., LTD.
Director (Standing Audit & Supervisory Committee Member)	Mitsuhiko Wakayama	
Director (Standing Audit & Supervisory Committee Member)	Akira Kodama	
Director (Audit & Supervisory Committee Member)	Shoji Inoue	Attorney at Law (Inoue Shoji Law Firm) Outside Director of Meitetsu Transport Co., Ltd. Outside Director of Okuma Corporation
Director (Audit & Supervisory Committee Member)	Koji Nishikawa	Representative of Nishikawa Koji Accounting Firm Representative Partner of Seimei Audit Corporation

The Nomination and Compensation Committee Members:

Mr. Masahiro Sugino\*\*, Mr. Masahiko Goto, Mr. Munetoshi Goto, Mr. Takahiro Iwase, Mr. Akira Kodama  
(\* denotes Chairman of the Committee.)

Notes: 1. \* denotes Representative Director.

2. In order to promote swift execution of group strategies and strengthen the business affairs of Makita, the Corporation has introduced the Corporate Officer System. Corporate officers consist of 19 members including Directors.
3. Mr. Masahiro Sugino, Mr. Takahiro Iwase, Mr. Akira Kodama, Mr. Shoji Inoue, and Mr. Koji Nishikawa are Outside Directors.
4. In order to enhance the effectiveness of the audit and supervisory function, 2 Standing Audit & Supervisory Committee Members are selected.
5. Mr. Akira Kodama, a Director (Standing Audit & Supervisory Committee Member), has a substantial amount of expertise in finance and accounting, through experience working at financial institution for many years.
6. Mr. Koji Nishikawa, a Director (Audit & Supervisory Committee Member), is a certified public accountant, and has a substantial amount of expertise in finance and accounting.
7. The Corporation has designated Mr. Masahiro Sugino and Mr. Takahiro Iwase each a Director, and Mr. Akira Kodama, Mr. Shoji Inoue, and Mr. Koji Nishikawa each an Audit & Supervisory Committee Member, as the "Independent Director(s)" as required by the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange and made required notification therefore to these stock exchanges.
8. The Corporation has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with all Directors and Corporate Officers as well as officers of the subsidiaries (with regard to overseas subsidiaries, this is limited to officers temporarily transferred from the Corporation and officers concurrently serving at the Corporation and overseas subsidiaries). The premiums are

paid by the Corporation, including riders. The said insurance contract covers damages caused as a result of the insured executives, etc. assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. Provided, however, that there are certain exemptions; for example, the insurance contract does not cover damages caused as a result of any conduct committed with his or her knowledge that the conduct is in violation of laws and regulations.

## 2. Outline of Liability Limitation Agreement

With respect to liabilities set forth in Article 423, Paragraph 1 of the Companies Act, the Corporation has entered into a liability limitation agreement with each of the Directors who are Audit & Supervisory Committee Members and each of the Outside Directors which limits the maximum amount of their liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Companies Act.

### (2) Total Amounts of Compensation and Bonus to Directors and Audit & Supervisory Board Members

Classification	Total amounts of Compensation (Millions of Yen)	Total amounts of each type of Compensation and Number of payment recipients					
		Base Compensation (Millions of Yen)	Number of payment recipients	Compensation linked to consolidated business result		Nonpecuniary Compensation	
				Bonuses (Millions of Yen)	Number of payment recipients	Restricted Shares Compensation (Millions of Yen)	Number of payment recipients
Directors (Excluding Audit & Supervisory Committee Members)	366	108	14	222	9	36	11
Directors (Audit & Supervisory Committee Members)	31	31	4	-	-	-	-
Audit & Supervisory Board Members	10	10	4	-	-	-	-
Total	407	149	22	222	9	36	11

- Notes:
- The aggregate amount of base compensation includes the amount of 35 million yen paid to Outside Executives (3 Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), 3 Outside Directors (Audit & Supervisory Committee Members), and 3 Audit & Supervisory Board Members).
  - Other than the above, the amount of 146 million yen was paid to 8 Directors who concurrently serve as employees as employee salaries (including bonuses).
  - The Corporation terminated the retirement allowance plan for Directors and Audit & Supervisory Board Members as of the conclusion of the Ordinary General Meeting of Shareholders held on June 29, 2006. At such Ordinary General Meeting of Shareholders, it was resolved that retirement allowance for Directors and Audit & Supervisory Board Members were to be paid at the time of each retirement, and it was further resolved that the determination of the specific amount, payment method and other related matters were left to resolutions of the Board of Directors with respect to the Directors and discussion of the Audit & Supervisory Board Members with respect to the Audit & Supervisory Board Members. However, at the meeting of the Board of Directors held on January 29, 2021, it was resolved that the determination of the amount, payment method and other related matters of the retirement allowance for Directors be delegated to the Nomination and Compensation Committee at the time of the actual retirement of the eligible Directors.
  - Other than the above, in accordance with the decision of the Nomination and Compensation Committee under the authority delegated by a resolution of the Board of Directors held on January 29, 2021, the amount of 25 million yen as the retirement allowance was paid to 2 Directors who were retired. The amount recorded in the retirement allowance for Directors as of March 31, 2022 is 300 million yen, which will be paid to 1 Director.
  - At the Ordinary General Meeting of Shareholders held on June 25, 2021, it was resolved that the maximum amounts of annual compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) was 240 million yen (excluding the bonus and the amounts paid to Directors who concurrently serve as employees as employee salaries), and that the maximum amounts of annual compensation for Outside Directors was 35 million yen. There were 11 Directors (excluding Directors who are Audit & Supervisory Committee Members) after such Meeting. At such Meeting, it also was resolved that the maximum amounts of

annual compensation for Directors who are Audit & Supervisory Committee Members was 60 million yen. There were 4 Directors who are Audit & Supervisory Committee Members. At the Ordinary General Meeting of Shareholders held on May 16, 1989, it was resolved that the maximum amounts of annual compensation for Audit & Supervisory Board Members before transition to a Company with an Audit & Supervisory Committee was 60 million yen. There were 3 Audit & Supervisory Board Members after such Meeting.

6. The Corporation pays bonuses to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) as compensation linked to consolidated business result, etc.

For the purpose of management of the Corporation in a manner favorable to shareholders, just as in the case of dividend payment, bonuses are based on the profit attributable to owners of the parent per share (Basic) after certain adjustments reflecting special circumstances. After consulting with and receiving an advice from the Nomination and Compensation Committee, the Board of Directors determines the total amount of bonuses based on a certain formula and submits the total amount of bonuses to the General Meeting of Shareholders. The allocation of bonuses to each Director is determined by the Nomination and Compensation Committee under the authority delegated by a resolution of the Board of Directors, based on performance, positions and other factors. The profit attributable to owners of the parent per share (Basic) after certain adjustments excluding special circumstances in this period is 238.54 yen.

7. The Corporation grants restricted shares compensation to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) as nonpecuniary compensation. The Corporation passed a resolution introducing compensation system by the allotment of restricted shares on the Ordinary General Meeting of Shareholders held on June 25, 2021.

At a time, it was resolved that the maximum total annual amount of monetary compensation receivables to be paid to Eligible Directors as compensation relating to the restricted shares was set at 100 million yen, separately from the compensation set forth in Note 5 above, and that the maximum total number of the restricted shares to be allotted to Eligible Directors in each fiscal year was 100,000 shares. The number of Directors subject to the resolution of this General Meeting of Shareholders is 9 (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors).

The details of such restricted shares compensation are as described in “(4) Restricted Shares Compensation” (page 25).

8. The above restricted shares compensation represents the expenses recorded for this period.

### **(3) Decision-Making Policy on Individual Compensation for Directors and the Delegation of Decision**

#### **1. Matters concerning Decision-Making Policy on Individual Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members)**

After consulting with and receiving an advice from the Nomination and Compensation Committee, at the meeting of the Board of Directors, the amendment of decision-making policy on individual compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply throughout 1. and 2.) was resolved. The compensation for Directors consists of monthly compensation, bonuses and restricted shares compensation, and for the purpose of provision of sound incentives for improving the corporate value over the medium-to-long term, the Corporation appropriately determines the proportion of the monthly compensation, bonuses and restricted shares compensation.

The compensation for individual Directors for this period (excluding bonuses) is based on the decision-making policy resolved by the Board of Directors. The Board of Directors has judged that the compensation for individual Directors has been determined through the procedures specified in the relevant policy, and the content of such compensation is in line with such policy. At the Board of Directors held on April 27, 2021, the amendment of decision-making policy on individual compensation for Directors such as the replacement of terms was resolved, in order to prepare for the transition to a Company with an Audit & Supervisory Committee.

#### **2. Matters concerning Delegation of Decision regarding Compensation for Individual Directors**

With respect to monthly compensation and bonuses, decision of the amount of individual compensation for Directors shall be delegated to the Nomination and Compensation Committee pursuant to a resolution by the Board of Directors. The Nomination and Compensation Committee consists of 5 members: Chairman and Representative Director Masahiko Goto, President and Representative Director Munetoshi Goto, Outside Director Masahiro Sugino, Outside Director Takahiro Iwase, and Outside Director (Audit & Supervisory Committee Member) Akira Kodama. The Chairman of the Committee is Outside Director Masahiro Sugino.

The reason that the Board of Directors delegated the decision of the monthly compensation and bonuses for individual Directors to the Nomination and Compensation Committee is to ensure the transparency, objectivity, and fairness of the procedures for decision of the compensation, by entrusting the deliberation and decision to the Nomination and Compensation Committee, whose majority and chairman are an Outside Director independent of the management.

The amount of compensation for individual Directors regarding bonuses in this period is scheduled to be determined by the Nomination and Compensation Committee under the authority delegated by the Board of Directors, through deliberation in a diversified manner, including considering the consistency with the decision-making policy. The Board of Directors has respected such determination and judged that it is in line with the decision-making policy on individual compensation for Directors.

Note: With respect to the decision of the amount of individual compensation for Directors regarding monthly compensation up to June 2021, the amount of monthly compensation for each Director is determined by Chairman and Representative Director Masahiko Goto under the authority delegated by the Board of Directors, upon consultation with other Directors and based on certain rules, such as taking into account performance, positions, increase of employee salary and other factors, within the scope of the maximum amount of compensation resolved by the General Meeting of Shareholders. This amount of compensation is based on the decision-making policy resolved by The Board of Directors. The Board of Directors has judged that the compensation for individual Directors has been determined through the procedures specified in the relevant policy, and the content of such compensation is in line with such policy. The reason for delegating the authority to the Chairman and Representative Director is that the Corporation has judged that he is able to determine the amount of compensation for officers upon comprehensive consideration. The amount of compensation for individual Directors regarding monthly compensation from July 2021 has been determined by the Nomination and Compensation Committee under the authority delegated by a resolution of the Board of Directors, based on the decision-making policy after the amendment pursuant to a resolution of the Board of Directors.

#### **3. Compensation to Directors who are Audit & Supervisory Committee Members**

Full amount of the compensation to Directors who are Audit & Supervisory Committee Members is fixed so that the independence of the Audit & Supervisory Committee Members from the management can be secured and the specific amount for each Director who is Audit & Supervisory Committee Member is decided through discussions among Directors who are Audit & Supervisory Committee Members.



#### **(4) Restricted Shares Compensation**

##### **1. Description of Restricted Shares Compensation**

Restricted shares compensation is introduced to Directors who are Audit & Supervisory Committee Members and Directors (excluding Outside Directors) (hereinafter collectively referred to as the “Eligible Directors”) in order to allow Eligible Directors to share the risks and benefits of stock price fluctuations with shareholders to a greater extent and further enhance their motivation to contribute to improving the stock price and the corporate value of the Corporation.

The allotment of restricted shares to each Eligible Director is decided based on position, etc. at the Board of Directors after consulting with and receiving an advice from the Nomination and Compensation Committee.

The restricted shares are granted at a certain time each year.

##### **2. Details regarding transfer restrictions**

Eligible Directors to whom the restricted shares have been allotted shall not transfer such allotted shares (hereinafter referred to as the “Allotted Shares”) to third parties, establish a pledge or a security interest on the shares, use them as an inter vivos gift, bequest them to another party, or otherwise dispose of the Allotted Shares (hereinafter referred to as “Transfer Restrictions”) for a period of 50 years (hereinafter referred to as the “Transfer Restrictions Period”).

##### **3. Gratis acquisition of the restricted shares**

The Corporation shall acquire the restricted shares without compensation if an Eligible Director who has been allotted the Allotted Shares retires as a Director of the Corporation anytime between the initial day of the Transfer Restrictions Period until the day preceding the first subsequent Ordinary General Meeting of Shareholders, except when there are reasons deemed legitimate by the Board of Directors.

In addition, the Corporation shall rightly acquire any of the Allotted Shares without compensation for which the Transfer Restrictions have not been removed in accordance with the reasons set forth in “4.” below at the expiration of the Transfer Restrictions Period in “2.” above.

##### **4. Removal of Transfer Restrictions**

The Corporation will remove Transfer Restrictions on all the Allotted Shares upon expiration of the Transfer Restrictions Period if an Eligible Director who has been allotted the restricted shares continues to hold the position of a Director of the Corporation from the initial day of the Transfer Restrictions Period until the day of the first subsequent Ordinary General Meeting of Shareholders.

However, if said Eligible Director has continued to hold the position of a Director of the Corporation upon expiration of the Transfer Restrictions Period, the Transfer Restrictions will not be removed on all the Allotted Shares held by said Eligible Director upon said expiration.

If said Eligible Director retires as a Director of the Corporation before the expiration of the Transfer Restrictions Period for reasons deemed legitimate by the Board of Directors, the number of the Allotted Shares for which the Transfer Restrictions will be removed and the timing of the removal of Transfer Restrictions shall be reasonably adjusted as needed.

##### **5. Delivered Restricted Shares Compensation Status**

This is as described in “2.(5) Shares granted to Directors of the Corporation in consideration of the performance of duties in this period” (page 20).

## (5) Outside Directors

### 1. Relation between important organization of concurrent post and the Corporation

There is no special interest between important organization of concurrent post and the Corporation.

### 2. Major activities during this period

Classification	Name	Attendance rate of the Board of Directors meetings (total attended / total held)	Attendance rate of the Audit & Supervisory Board meetings (total attended / total held)	Attendance rate of the Audit & Supervisory Committee meetings (total attended / total held)	Major activities
Director	Masahiro Sugino	100% (12/12)	-	-	He has a thorough experience of corporate management, and broad insight because he has participated in the management of LIXIL Group Companies for many years, and expressed his opinions from the perspective at the Board of Directors of the Corporation. So, he contributed to decision-making from various viewpoints at the Board of Directors and enhancement of the supervisory function for the management, and performed his appropriate role as Outside Director. As chairman of the Nomination and Compensation Committee, he contributes to ensuring transparency, objectivity and fairness in the determination of candidates and compensation for Directors (excluding Directors who are Audit & Supervisory Committee members).
Director	Takahiro Iwase	90% (9/10)	-	-	He has a thorough experience of corporate management and broad insight because he has participated in the management of core companies of the Toyota Group for many years, and expressed his opinions from the perspective at the Board of Directors of the Corporation. So, he contributed to decision-making from various viewpoints at the Board of Directors and enhancement of the supervisory function for the management, and performed his appropriate role as Outside Director. As Member of the Nomination and Compensation Committee, he contributes to ensuring transparency, objectivity and fairness in the determination of compensation for Directors (excluding Directors who are Audit & Supervisory Committee members).

Director (Audit & Supervisory Committee Member)	Akira Kodama	100% (12/12)	100% (4/4)	100% (10/10)	He has many years of experience at financial institutions and expertise in accounting and so on, and expressed his opinions from the perspective at the Board of Directors and the Audit & Supervisory Committee. So, he contributed to decision-making from various viewpoints at the Board of Directors and enhancement of the supervisory function for the management, and performed his appropriate role as Outside Director who is Standing Audit & Supervisory Committee Member. As Member of the Nomination and Compensation Committee, he contributes to ensuring transparency, objectivity and fairness in the determination of candidates and compensation for Directors (excluding Directors who are Audit & Supervisory Committee members).
Director (Audit & Supervisory Committee Member)	Shoji Inoue	100% (12/12)	100% (4/4)	100% (10/10)	He has extensive knowledge and expertise gained through his practice as attorney at law, and expressed his opinions from the perspective at the Board of Directors and the Audit & Supervisory Committee. So, he contributed to decision-making from various viewpoints at the Board of Directors and enhancement of the audit and supervisory function for the management, and performed his appropriate role as Outside Director who is Audit & Supervisory Committee Member.
Director (Audit & Supervisory Committee Member)	Koji Nishikawa	100% (10/10)	-	100% (10/10)	He has extensive knowledge and expertise in corporate accounting audits as a certified public accountant and expressed his opinions from the perspective at the Board of Directors and the Audit & Supervisory Committee. So, he contributed to decision-making from various viewpoints at the Board of Directors and enhancement of the audit and supervisory function for the management, and performed his appropriate role as Outside Director who is Audit & Supervisory Committee Member.

Note: The Attendance rates of Mr. Takahiro Iwase and Mr. Koji Nishikawa, an Outside Directors, show after assumption on June 25, 2021.

#### 4. Accounting Auditor

(1) Name of Accounting Auditor: KPMG AZSA LLC

#### (2) Compensation and Other Amounts

	Amount of payment (Millions of Yen)
1. Compensation and other amounts to the Accounting Auditor for this period	124
2. Total amount of cash and other financial benefits payable by the Corporation and its subsidiaries to the Accounting Auditor	124

Notes: 1. As the audit agreement between the Corporation and its accounting auditors does not differentiate compensation for audit under the Companies Act from the one for audit under Financial Instruments and Exchange Law, the amount shown in 1. above represents total compensation and other amounts for both audits.

2. The Audit & Supervisory Board agreed to compensation to Accounting Auditors as stipulated in Article 399, Paragraph 1 of the Companies Act at the Audit & Supervisory Board held on May 21, 2021, after examination of their performance of accounting audit services and basis for the calculation of the estimated amount of their compensation in the prior years, which examination was made in line with the “Practical Guidelines for Cooperation with Accounting Auditors” released by the Japan Audit & Supervisory Board Members Association.

3. KPMG AZSA LLC is a member firm in Japan of KPMG International and the accounting audits of all principal subsidiaries of the Corporation are conducted by member firms of KPMG International.

#### (3) Contents of Non-Audit Services

None.

#### (4) Decision-Making Policy on Dismissal or Non-Reappointment of Accounting Auditor

If the accounting auditor falls under any of the events prescribed in each of the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Committee shall dismiss such accounting auditor with the consent of all the Audit & Supervisory Committee Members. In the case of such dismissal, the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall reported such dismissal and the reasons to the first General Meeting of Shareholders to be held after such dismissal.

In addition, if it is identified as difficult for the accounting auditor to properly conduct audits as a result of any reason that may harm the independence of the accounting auditor, the Audit & Supervisory Committee will decide the details of the agenda concerning the non-reappointment of such accounting auditor that is to be submitted to a General Meeting of Shareholders, and pursuant to such decision, the Board of Directors will submit the agenda concerning the non-reappointment of such accounting auditor to the General Meeting of Shareholders.

## 5. Systems and Policies of the Corporation

### (1) Systems to ensure that Corporation's operation will be conducted appropriately

1. Systems to ensure that the duties of Directors and employees are executed in compliance with laws and regulations and the Articles of Incorporation
  - (i) The Board of Directors establishes the "Code of Ethics" and the "Guideline to the Code of Ethics for Makita" as the principles for all Executives, and employees of Makita and each of the Directors shall keep all Corporate Officers and employees informed of and in compliance with such ethics.
  - (ii) In order to ensure corporate ethics and compliance, Makita establishes the "Regulations Regarding Corporate Ethics Help Line (Internal Reporting)," sets contact points both internally and outside Makita, and builds a system to discover internal problems. In addition, an inquiry point shall be established on the Makita's website, to receive opinions and suggestions from outside Makita concerning accounting, internal controls and auditing.
  - (iii) An Internal Audit Division conducts internal audit as deemed necessary.
2. Systems concerning the retention and management of information regarding the execution of duties by Directors

Information regarding the execution of duties by Directors shall be appropriately kept and managed in accordance with internal regulations such as the Regulations of the Board of Directors and the Regulations on Corporate Approval. Directors shall have access to such information.
3. Rules and other systems for risk management
  - (i) Each Director has the power and responsibility to build a risk management system in Makita in the business areas of which they are in charge, and in the case where a significant event affecting the management of Makita arises, the Director shall report such event to the Board of Directors and the Audit & Supervisory Committee.
  - (ii) Rules and guidelines on risk management regarding quality control, accident prevention, cash management and others, shall be established as necessary and operated by each department.
4. Systems to ensure the efficient execution of Director's duties
  - (i) A regular meeting of the Board of Directors shall be held once a month and extraordinary meetings shall be held whenever necessary. In addition, pursuant to management policy decided by the Board of Directors, priority targets shall be established for each department in each period. Each Director shall execute his duty to accomplish relevant target and the Board of Directors shall oversight the progress and performance thereof.
  - (ii) The Board of Directors establishes standards concerning management structure and organization, positions, divisions of functions and duties and powers, which constitutes the basis for implementing management policy, and operates business systematically and efficiently.
  - (iii) The Board of Directors introduces the Corporate Officer System in order to promptly implement Makita strategy and strengthen the operational organization, and thereby make the business operation flexible and efficient.
  - (iv) Makita assigns respective liaison departments to all subsidiaries within the Corporation, and makes efforts to enhance group-wide management efficiency through discussions and consultations, information exchanges with the objective of efficiently operating subsidiaries.
5. Systems to ensure the adequacy of business operations within Makita
  - (i) Each of all subsidiaries is under control of Directors who are in charge of such subsidiary and important management matters and matters concerning misconduct shall be reported appropriately to such Director in accordance with the Reporting Policy. The Director who is in charge of such subsidiary, upon receipt of such report, shall inform the Board of Directors of the status of supervision when necessary.
  - (ii) To ensure the credibility of financial reporting, the Corporation establishes policies on documentation and assessment of internal controls of financial reporting of Makita and evaluates the effectiveness of said policies.
  - (iii) For supervision and review of internal control systems of Makita by the Audit & Supervisory Committee, a system shall be established for the Audit & Supervisory Committee to cooperate with the Internal Audit Division and other related division and to receive report from Accounting Auditors.
6. Matters concerning employees posted to assist the duties of the Audit & Supervisory Committee

As employees assisting the duties of the Audit & Supervisory Committee, necessary personnel shall be posted to assist the duties of the Audit & Supervisory Committee.
7. Matters to ensure the independence of employees from Directors (excluding Directors who are Audit &

- Supervisory Committee Members), as stated in the preceding item, and the effectiveness of directions given by Audit & Supervisory Committee to those employees
- (i) Employees assisting the duties of the Audit & Supervisory Committee shall not work concurrently at other divisions, but shall exclusively follow directions from the Audit & Supervisory Committee.
  - (ii) In order to ensure the independence of such employees from Directors, the consent of the Audit & Supervisory Committee is required for matters concerning the appointment and change of such employees.
8. Systems in accordance with which the Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees report to the Audit & Supervisory Committee, other systems concerning reports to the Audit & Supervisory Committee and systems to ensure that Directors and employees who make a report are not treated unfairly because of the report
- (i) Directors, Corporate Officers and employees of Makita shall report to the Audit & Supervisory Committee with respect to matters that may cause significant damage to Makita, important management matters, matters concerning misconduct, status of structures and operation of the internal control system, and the operation of internal reporting system and the results of reports received under such system.
  - (ii) The Corporation shall prepare a system that enables the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee of the Corporation to request reports from Directors, Corporate Officers and employees of Makita when necessary and allows the Audit & Supervisory Committee to exchange opinions with the Directors and Accounting Auditors of Makita.
  - (iii) The Corporation prohibits any unfair treatment of Directors, Corporate Officers, and employees of Makita who make a report to the Audit & Supervisory Committee as a result of such report, and ensures all Directors, Corporate Officers, and employees of Makita are informed to that effect.
9. Other systems to ensure that audits by the Audit & Supervisory Committee will be conducted effectively
- (i) In order to enhance the supervisory function of the Audit & Supervisory Committee over Accounting Auditors, "Policies and Procedures concerning Prior Approval of Auditing and Non-Auditing Services" shall be established. In addition, to ensure that audits by the Audit & Supervisory Committee will be conducted effectively, audit shall be conducted in accordance with Standards for audit, etc. by the Audit & Supervisory Committee.
  - (ii) Full amount of the compensation to Directors who are Audit & Supervisory Committee Members shall be fixed so that the independence of the the Audit & Supervisory Committee can be secured.
  - (iii) Expenses related to executing the duties of the Audit & Supervisory Committee Members (limited to those related to executing the duties of the Audit & Supervisory Committee) are securely budgeted each fiscal year and borne by the Corporation.
10. Systems to ensure elimination of antisocial forces
- (i) From the viewpoint of corporate social responsibility, Makita will consistently take a resolute stance against involvement in, and have absolutely no relationship with, the activities of antisocial forces that may threaten the order and the security of civil society.
  - (ii) Makita's policy of "no intervention by antisocial forces has been permitted" is publicly announced, both internally and outside the Corporation, by expressly stipulating such in the management policy/quality policy and by displaying such on the Corporation's website.
  - (iii) Ban on transactions with antisocial forces is expressly stated in the "Guidelines to the Code of Ethics for Makita" which prescribes the standards for officer and employee conduct applicable in the execution of their tasks. Each Director shall keep all Corporate Officers and employees informed of and in compliance with such prohibition.
  - (iv) The Corporation has been liaising closely with the police and external related organizations, including the Public Interest Incorporated Foundation for Aichi Residents' Conference for Violence, and endeavors to prevent any involvement in activities of antisocial forces, any damage caused thereby, and others.
  - (v) In addition to collecting information relevant to activities of antisocial forces from the police and external related organizations, the Corporation voluntarily participates in seminars. Also, the Corporation endeavors to share information within the Corporation and related departments of Makita.

## **(2) Implementation status of systems necessary for ensuring that the Corporation's operations are conducted appropriately**

### 1. Compliance

- (i) The Corporation keeps all officers and employees of Makita informed and provides training on the "Code of Ethics," "Guidelines to the Code of Ethics for Makita," and "Regulations Regarding Corporate Ethics Help Line (Internal Reporting)," on a continual basis.
- (ii) The Corporation conducts a questionnaire survey of all employees to raise awareness about the importance of compliance and have them better understand the "Code of Ethics."

### 2. Risk management

The Disclosure Committee meetings are held periodically during this period, at which Representative Directors, Directors in charge, Directors who are Standing Audit & Supervisory Committee Members, and General Managers of Internal Audit Division and respective departments of the Corporation meet to detect and extract and examine risks involved in the business activities of Makita.

### 3. Internal audits

- (i) The Internal Audit Division carries out internal audits of Makita, and reported their results to the Audit & Supervisory Committee and the management.
- (ii) The Corporation has established a framework under which any deficiency in internal controls found during an internal control audit is appropriately corrected or redressed in a timely manner.

### 4. Systems to ensure the efficient execution of Directors' duties

- (i) The Board of Directors approves annual targets set by each department and oversees their progress toward achievement.
- (ii) Corporate Officers in charge of operation (19 officers as of March 31, 2022, including 6 officers overseas) are assigned to major departments in order to operate business systematically and efficiently.

### 5. Duties of the Audit & Supervisory Committee Members

- (i) The Audit & Supervisory Committee meet Accounting Auditors and exchange information every quarter.
- (ii) The Audit & Supervisory Committee have individual interviews with Directors (excluding Directors who are Audit & Supervisory Committee Members) to exchange information.
- (iii) Expenses necessary for executing the Audit & Supervisory Committee Members' duties (limited to those related to executing the duties of the Audit & Supervisory Committee) are handled promptly at the request of Audit & Supervisory Committee Members.

## **(3) The policy regarding dividend payment**

The Corporation has its basic policy for profit distribution to propose the dividends with a target consolidated dividend payout ratio of at least 30% of profit, with a minimum amount for annual total dividends at 10 yen per share; provided, however, that if special circumstances arise, the amount of dividends will be determined based on profit attributable to owners of the parent per share (Basic) after certain adjustments reflecting such circumstances. With respect to repurchases of its outstanding shares, the Corporation aims to implement a flexible capital policy, augment the efficiency of its capital employment, and thereby boost shareholder profit. Also the Corporation continues to consider execution of own share repurchases in light of trends in stock prices. The Corporation 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.

There was a provision in the Articles of Incorporation stipulating that the Corporation may, by a resolution of the Board of Directors, pay interim dividends, the record date of which was the 30th day of September each year. However, at the 109th Ordinary General Meeting of Shareholders held on June 25, 2021, the Corporation resolved a Partial Amendment to the Articles of Incorporation, and stipulated that, unless otherwise provided for in laws and regulations, the Corporation may, by a resolution of the Board of Directors, carry out the matters provided for in each item of Article 459, Paragraph 1 of the Companies Act, including dividends from surplus. Even after the amendment to the Articles of Incorporation, year-end dividends will, in principle, continue to be determined at the General Meeting of Shareholders.

## CONSOLIDATED BALANCE SHEET

(As of March 31, 2022)

(Millions of Yen)

(Assets)		(Liabilities)	
<b>Current assets</b>	<b>684,959</b>	<b>Current liabilities</b>	<b>224,165</b>
Cash and cash equivalents	71,057	Trade payables and other payables	67,274
Trade receivables and other receivables	117,541	Borrowings	79,674
Inventories	475,128	Other financial liabilities	9,888
Other financial assets	5,281	Income taxes payable	14,767
Other current assets	15,952	Provisions	4,381
<b>Non-current assets</b>	<b>322,538</b>	Other current liabilities	48,181
Property, plant and equipment	243,636	<b>Non-current liabilities</b>	<b>30,802</b>
Goodwill and intangible assets	10,085	Retirement benefit liabilities	3,160
Other financial assets	41,545	Other financial liabilities	13,954
Retirement benefit asset	11,286	Provisions	1,595
Deferred income taxes	12,238	Deferred tax liabilities	11,888
Other non-current assets	3,748	Other non-current liabilities	205
		<b>Total liabilities</b>	<b>254,967</b>
		(Equity)	
		Common stock	23,805
		Additional paid-in capital	45,585
		Retained earnings	640,577
		Treasury stock, at cost	(11,540)
		Other components of equity	47,917
		<b>Total equity attributable to owners of the parent</b>	<b>746,344</b>
		<b>Non-controlling interest</b>	<b>6,186</b>
		<b>Total equity</b>	<b>752,530</b>
<b>Total assets</b>	<b>1,007,497</b>	<b>Total liabilities and equity</b>	<b>1,007,497</b>

Note: Amounts less than 1 million yen have been rounded.



## **CONSOLIDATED STATEMENT OF INCOME**

(From April 1, 2021 to March 31, 2022)

(Millions of Yen)

REVENUE	739,260
Cost of sales	(510,942)
GROSS PROFIT	228,318
Selling, general, administrative and others, net	(136,590)
OPERATING PROFIT	91,728
Financial income	1,937
Financial expenses	(1,182)
PROFIT BEFORE INCOME TAXES	92,483
Income tax expenses	(27,146)
PROFIT	65,337
Profit attributable to:	
Owners of the parent	64,770
Non-controlling interests	567

Note: Amounts less than 1 million yen have been rounded.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(From April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Equity attributable to owners of the parent					Total
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Other components of equity	
Balance at April 1, 2020	23,805	45,559	588,644	(11,543)	11,390	657,855
Profit for this period			64,770			64,770
Other comprehensive income					42,426	42,426
Comprehensive income	-	-	64,770	-	42,426	107,196
Dividends paid			(18,736)			(18,736)
Purchase of treasury stock				(7)		(7)
Share-based payment transaction		26		10		36
Transfer from other components of equity to retained earnings			5,899		(5,899)	-
Total amounts of transactions with owners	-	26	(12,837)	3	(5,899)	(18,707)
Balance at March 31, 2021	23,805	45,585	640,577	(11,540)	47,917	746,344

	Non-controlling interest	Total equity
Balance at April 1, 2020	5,471	663,326
Profit for this period	567	65,337
Other comprehensive income	355	42,781
Comprehensive income	922	108,118
Dividends paid	(207)	(18,943)
Purchase of treasury stock		(7)
Share-based payment transaction		36
Transfer from other components of equity to retained earnings		-
Total amounts of transactions with owners	(207)	(18,914)
Balance at March 31, 2021	6,186	752,530

Note: Amounts less than 1 million yen have been rounded.

## **BALANCE SHEET**

(As of March 31, 2022)

(Millions of Yen)

(Assets)		(Liabilities)	
<b>Current assets</b>	<b>249,595</b>	<b>Current liabilities</b>	<b>167,695</b>
Cash and time deposits	5,905	Trade accounts payable	80,257
Trade notes receivable	157	Other payable	4,256
Trade accounts receivable	167,810	Accrued expenses	7,987
Finished goods and merchandise	39,285	Income taxes payable	7,919
Work-in-process	2,433	Allowance for directors' bonuses	222
Raw materials and supplies	5,794	Allowance for product warranties	594
Short-term loans receivable	21,607	Short term borrowings	60,000
Other	6,625	Other	6,460
Allowance for doubtful accounts	(21)	<b>Long term liabilities</b>	<b>1,454</b>
<b>Fixed assets</b>	<b>356,073</b>	Retirement and termination allowance	238
<b>Tangible fixed assets</b>	<b>91,198</b>	Retirement allowance for directors and audit & supervisory board members	300
Buildings	41,253	Long-term deposits payable	178
Structures	2,998	Other	738
Machinery and equipment	7,703	<b>Total liabilities</b>	<b>169,149</b>
Vehicles and transportation equipment	152		
Tools, furniture and fixtures	7,187	(Net assets)	
Land	18,925	<b>Shareholders' equity</b>	<b>429,415</b>
Construction in progress	12,980	<b>Common stock</b>	<b>24,206</b>
<b>Intangible fixed assets</b>	<b>2,516</b>	<b>Capital surplus</b>	<b>47,701</b>
Software	1,064	Additional paid-in capital	47,525
Industrial property rights	400	Other capital surplus	176
Other	1,052	<b>Retained earnings</b>	<b>369,048</b>
<b>Investment and other assets</b>	<b>262,359</b>	Legal reserve	5,669
Investment securities	23,988	Other retained earnings	363,379
Stocks of affiliates	113,498	Reserve for dividend	750
Investment in affiliates	95,392	Reserve for technical research	1,500
Long-term loans receivable	18	Reserve for advanced depreciation	2,372
Lease deposits	15,939	General reserves	85,000
Prepaid pension cost	11,211	Retained earnings carried forward	273,757
Deferred income taxes	2,291	<b>Treasury stock</b>	<b>(11,540)</b>
Other	22	<b>Valuation and translation adjustments</b>	<b>7,104</b>
		Net unrealized gains on securities	7,104
		<b>Total net assets</b>	<b>436,519</b>
<b>Total assets</b>	<b>605,668</b>	<b>Total liabilities and net assets</b>	<b>605,668</b>

Note: Amounts less than 1 million yen have been rounded.

## **STATEMENT OF INCOME**

(From April 1, 2021 to March 31, 2022)

(Millions of Yen)

<b>Net sales</b>		<b>536,677</b>
<b>Cost of sales</b>		<b>455,933</b>
<b>Gross profit</b>		<b>80,744</b>
Selling, general and administrative expenses		49,170
<b>Operating income</b>		<b>31,574</b>
<b>Non-operating income</b>		
Interest and dividend income	4,571	
Gain on sale of securities	13	
Foreign exchange gains	1,336	
Other non-operating income	559	6,479
<b>Non-operating expense</b>		
Interest expenses	5	
Loss on sale of securities	2	
Other non-operating expense	6	13
<b>Ordinary income</b>		<b>38,040</b>
<b>Extraordinary gain</b>		
Gain on sales of fixed assets	0	0
Gain on sale of investment securities	7,882	7,882
<b>Extraordinary loss</b>		
Loss on extinguishment of tie-in shares	34	
Loss on sale and disposal of fixed assets	631	
Loss on sale of investment securities	22	687
<b>Income before income taxes</b>		<b>45,235</b>
Income taxes - current		12,855
Income taxes - deferred		(536)
<b>Net income</b>		<b>32,916</b>

Note: Amounts less than 1 million yen have been rounded.

## STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Additional paid-in capital	Other capital surplus	Total capital surplus
Balance at April 1, 2020	24,206	47,525	151	47,676
Changes during this period				
Provision of reserve for advanced depreciation				
Reversal of reserve for advanced depreciation				
Dividends paid				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			25	25
Net change of items other than shareholders' equity				
Total changes during this period			25	25
Balance at March 31, 2021	24,206	47,525	176	47,701

	Shareholders' equity								
	Retained earnings							Treasury stock	Total shareholders' equity
	Other retained earnings						Total retained earnings		
	Legal reserve	Reserve for dividend	Reserve for technical research	Reserve for advanced depreciation	General reserves	Retained earnings carried forward			
Balance at April 1, 2020	5,669	750	1,500	2,410	85,000	259,539	354,868	(11,543)	415,207
Changes during this period									
Provision of reserve for advanced depreciation									
Reversal of reserve for advanced depreciation				(38)		38			
Dividends paid						(18,736)	(18,736)		(18,736)
Net income						32,916	32,916		32,916
Purchase of treasury stock								(7)	(7)
Disposal of treasury stock								10	35
Net change of items other than shareholders' equity									
Total changes during this period				(38)		14,218	14,180	3	14,208
Balance at March 31, 2021	5,669	750	1,500	2,372	85,000	273,757	369,048	(11,540)	429,415

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities	Total valuation and translation adjustments	
Balance at April 1, 2020	15,161	15,161	430,368
Changes during this period			
Provision of reserve for advanced depreciation			
Reversal of reserve for advanced depreciation			
Dividends paid			(18,736)
Net income			32,916
Purchase of treasury stock			(7)
Disposal of treasury stock			35
Net change of items other than shareholders' equity	(8,057)	(8,057)	(8,057)
Total changes during this period	(8,057)	(8,057)	6,151
Balance at March 31, 2021	7,104	7,104	436,519

Note: Amounts less than 1 million yen have been rounded.

**Independent Auditor's Report**

May 18, 2022

The Board of Directors  
Makita Corporation

KPMG AZSA LLC  
Nagoya Office

Yasuyuki Morimoto (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaki Kawaguchi (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Ryosuke Okado (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to consolidated financial statements of Makita Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards (IFRS).

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our

knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under IFRS.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under IFRS, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.



(English Translation of the Independent Auditor's Report Originally Issued in the Japanese Language)

Accounting Audit Report of Accounting Auditor on Non-Consolidated Financial Statements

**Independent Auditor's Report**

May 18, 2022

The Board of Directors  
Makita Corporation

KPMG AZSA LLC  
Nagoya Office

Yasuyuki Morimoto (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaki Kawaguchi (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Ryosuke Okado (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the notes to non-consolidated financial statements, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Makita Corporation ("the Company") as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## AUDIT REPORT

The Audit & Supervisory Committee, having audited regarding the performance of duties of Directors during the 110th period, from April 1, 2021 to March 31, 2022, does hereby report the approach and results of their audit as follows:

### 1. Auditing Method Employed and Details Thereof

The Audit & Supervisory Committee received reports from Directors, employees, and other related persons on a regular basis regarding the content of the Board of Directors' resolutions concerning the matters set forth in Article 399-13, Paragraph 1, Items 1 (b) and (c), of the Companies Act and the status of establishment and operation of the system (internal control system) established based on such resolutions, requested explanations and expressed opinions as necessary, and conducted its audit in the following manner..

- (i) In conformity with Standards for audit, etc. by the Audit & Supervisory Committee established by the Audit & Supervisory Committee and in accordance with the audit policy and the duties assigned to each Audit & Supervisory Committee Member by the Audit & Supervisory Committee, each Audit & Supervisory Committee Member has had communication with Internal Audit Division and attended important meetings, received from Directors, employees and other related persons reports on the performance of their duties, and, when necessary, requested explanations. Each Audit & Supervisory Committee Member also inspected the important documents and examined the status of operations and properties at the head office and the principal offices of the Corporation. As for the subsidiaries of the Corporation, the Audit & Supervisory Committee Members, having communication with the directors and Audit & Supervisory Board Members and other related persons of the subsidiaries and sharing information among them, received reports from such subsidiaries as necessary.
- (ii) The Audit & Supervisory Committee Members also monitored and examined whether the Accounting Auditor maintains its independence and conducts its audits in an appropriate manner. The Audit & Supervisory Committee Members received reports from the Accounting Auditor on the performance of its duties and, when necessary, requested its explanations. The Audit & Supervisory Committee Members also received notification from the Accounting Auditor that it has taken steps to improve the "system for ensuring appropriate execution of the duties of an accounting auditor" (as set forth in Items of Article 131 of the Ordinance on Corporate Accounting) in compliance with the "Quality Control Standard for Auditing" (adopted by the Business Accounting Council on October 28, 2005). The Audit & Supervisory Committee Members requested explanations on such notifications when necessary.

According to the foregoing method, the Audit & Supervisory Committee Members reviewed the business report, the accompanying supplemental schedules and the financial statements for this period (balance sheet, statement of income, statement of changes in net assets and notes to non-consolidated financial statements) and the accompanying supplemental schedules and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements).

### 2. Results of Audit

#### (1) Results of Audit of the Business Report and Others

- (i) We confirm that the business report and the accompanying supplemental schedules present fairly the status of the Corporation in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Corporation.
- (ii) We confirm that there are no fraudulent acts or material facts that violated the applicable laws and regulations of Japan or the Articles of Incorporation of the Corporation in the course of the performance of the duties of the Directors.
- (iii) We confirm that the substance of the resolutions by the Board of Directors regarding establishment of Internal Control System is appropriate. We do not see anything to be pointed out on the description of the business report, and the performance of the Directors regarding the Internal Control System.

#### (2) Results of Audit of the Financial Statements and the Accompanying Supplemental Schedules

We confirm that the method and the results of the audit conducted by KPMG AZSA LLC, the Accounting Auditor, are appropriate.

#### (3) Results of Audit of the Consolidated Financial Statements

We confirm that the method and the results of the audit conducted by KPMG AZSA LLC, the Accounting Auditor, are appropriate.

May 19, 2022

Audit & Supervisory Committee  
Makita Corporation

Mitsuhiko Wakayama (Seal)  
Standing Audit & Supervisory Committee Member

Akira Kodama (Seal)  
Standing Audit & Supervisory Committee Member

Shoji Inoue (Seal)  
Audit & Supervisory Committee Member

Koji Nishikawa (Seal)  
Audit & Supervisory Committee Member