



# Makita Corporation

## Consolidated Financial Results for the three months ended June 30, 2019 (IFRS Financial Information)

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



## CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2019 (Unaudited)

July 31, 2019

### Makita Corporation

Stock code: 6586

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

Munetoshi Goto, President, Representative Director

### 1. Summary operating results of the three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)

#### (1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the three months ended June 30, 2018		For the three months ended June 30, 2019	
				(%)
Revenue .....	122,638	8.5	122,480	(0.1)
Operating profit .....	21,029	16.3	17,375	(17.4)
Profit before income taxes .....	22,285	18.8	18,770	(15.8)
Profit .....	15,684	19.0	14,288	(8.9)
Profit attributable to owners of the parent .....	15,550	19.3	14,159	(8.9)
Comprehensive income .....	6,897	(68.5)	1,720	(75.1)
			Yen	
Profit attributable to Owners of the parent per share				
(Basic) .....	57.28		52.16	
(Diluted) .....	57.28		52.15	

Notes:

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

#### (2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2019	As of June 30, 2019
Total assets .....	680,250	665,761
Total equity .....	577,222	564,835
Equity attributable to owners of the parent .....	572,748	560,307
Ratio of equity attributable to owners of the parent to total assets (%) .....	84.2%	84.2%

### 2. Dividend Information

	Yen	
	For the year ended March 31, 2019	For the year ending March 31, 2020 (Forecast)
Cash dividend per share:		
Interim .....	10.00	10.00
Year-end .....	52.00	(Note)
Total .....	62.00	(Note)

Notes:

- The forecast for cash dividend announced on April 26, 2019 has not been revised.
- The projected amount of dividends for the year ending March 31, 2020 has not been determined yet. For further details, refer to "Explanation regarding proper use of business forecast, and other significant matters" on page 2.



### 3. Consolidated Financial Performance Forecast for the year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

	Yen (millions)	
	For the year ending March 31, 2020	
		(%)
Revenue.....	500,000	1.9
Operating profit.....	72,000	(8.1)
Profit before income taxes.....	72,700	(9.0)
Profit attributable to owners of the parent.....	50,000	(10.3)
	Yen	
Profit attributable to Owners of the parent per share.....	184.18	

Notes:

1. The consolidated financial forecast for the year ending March 31, 2020 has not been revised.
2. The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes and profit attributable to owners of the parent against the previous year.

#### 4. Other

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

As of June 30, 2019:	280,017,520
As of March 31, 2019:	280,017,520
  2. Number of treasury stock:
 

As of June 30, 2019:	8,550,659
As of March 31, 2019:	8,550,463
  3. Average number of shares outstanding:
 

For the three months ended June 30, 2019:	271,466,880
For the three months ended June 30, 2018:	271,467,893

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

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

1. The financial forecast given above is based on information as available at the present time, and includes potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary from the forecasts provided above. Regarding the assumptions for the forecasts and other matters, refer to [Qualitative Information and Financial Performance Statements] Section 3 "Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast" on page 3.
2. Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 10 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on profit attributable to owners of the parent after certain adjustments.

The Board of Directors plans to meet in April 2020 for a report on earnings for the year ending March 31, 2020. At the time, in accordance with the basic policy regarding profit distribution mentioned above, the Board of Directors plans to propose a dividend equivalent to at least 30% of profit attributable to owners of the parent. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2020.

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



## [Qualitative Information and Financial Statements]

### 1. Explanation of Consolidated Operating Results

Looking at the global economic situation during the three-month (the “period”) ended June 30, 2019, the economy showed growing signs of a slow down while business sentiment worsened due to lingering uncertainties, such as the trade dispute between the U.S. and China.

Our consolidated revenue for this period decreased by 0.1% to 122,480 million yen compared to the same period of the previous year due to a decrease in the value of overseas net sales when translated into yen, although sales primarily in Japan were robust. Operating profit decreased by 17.4% to 17,375 million yen (operating profit ratio: 14.2%) owing to the increase in selling, general and administrative expenses and the deterioration of the cost-of-sales ratio caused by impact of the exchange rate. Profit before income taxes decreased by 15.8% to 18,770 million yen (profit before income taxes ratio: 15.3%) and profit attributable to owners of the parent decreased by 8.9% to 14,159 million yen (ratio of profit attributable to owners of the parent: 11.6%).

Revenue results by region were as follows:

Revenue in Japan increased by 11.2% to 23,883 million yen compared to the same period of the previous year. This was due to steady demand for highly efficient cordless tools, supported by a shortage of labor at building and construction sites, and robust sales of rechargeable gardening equipment.

Revenue in Europe increased by 1.1% to 55,768 million yen, due to solid sales in almost all areas, despite a decrease in the value of net sales caused by the appreciation of the yen against the euro.

Revenue in North America increased by 1.3% to 17,388 million yen due to our efforts to expand sales of lithium-ion battery products including gardening equipment amid intensifying competition in the U.S.

Revenue in Asia decreased by 4.0% to 9,761 million yen. This was due to the impact of an economic slowdown in China, despite steady sales in India and Taiwan.

Revenue in Central and South America decreased by 8.5% to 6,133 million yen since the economies of major countries slowed and the yen remained stronger against local currencies, despite our efforts to expand sales, principally lithium-ion battery products.

Revenue in Oceania decreased by 7.9% to 7,298 million yen due to the impact of a sluggish housing market in Australia.

Revenue in the Middle East and Africa decreased by 44.3% to 2,249 million yen. This was because of the continuing turmoil in the Middle East, resulting in poor sales.

### 2. Explanation of Consolidated Financial Position

Total assets as of June 30, 2019 decreased by 14,489 million yen to 665,761 million yen compared to the balance as of March 31, 2019. The decrease was mainly due to the decrease in “Cash and cash equivalents” and “Other financial assets”. As we have adopted IFRS 16 “Lease” from the first three-month period of the year ending March 31, 2020, right-of-use assets increased. (Please refer to (5) Notes to Consolidated Financial Statements on page 9.)

Total liabilities decreased by 2,102 million yen to 100,926 million yen compared to the balance as of March 31, 2019. This decrease was mainly due to the decrease in “Trade payables and other payables” and “Other liabilities”. As we have adopted IFRS 16 “Lease” from the first three-month period of the year ending March 31, 2020, lease liabilities increased. (Please refer to (5) Notes to Consolidated Financial Statements on page 9.)

Total equity decreased by 12,387 million yen to 564,835 million yen compared to the balance as of March 31, 2019. The decrease was mainly due to changes in translation differences for foreign operations included in other components of equity.

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

There are uncertainties about the business environments surrounding the Group and developments in exchange markets. Therefore, Makita has not reviewed the forecast of its consolidated financial performance for the year ending March 31, 2020 announced on April 26, 2019.



#### 4. Condensed Consolidated Financial Statements (Unaudited)

##### (1) Consolidated Statement of Financial Position

	Yen (millions)			
	As of March 31, 2019		As of June 30, 2019	
		Composition ratio		Composition ratio
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents .....	146,512		130,972	
Trade receivables and other receivables .....	79,450		73,468	
Inventories .....	219,938		222,828	
Other financial assets.....	37,828		31,551	
Other current assets .....	9,401		10,612	
Total current assets.....	<u>493,129</u>	72.5%	<u>469,431</u>	70.5%
<b>NON-CURRENT ASSETS:</b>				
Property, plant and equipment, at cost.....	112,441		123,209	
Goodwill and intangible assets .....	8,039		8,039	
Other financial assets.....	43,566		41,875	
Net defined benefit asset.....	9,541		9,458	
Deferred income taxes .....	9,342		8,608	
Other non-current assets .....	4,192		5,141	
Total non-current assets.....	<u>187,121</u>	27.5%	<u>196,330</u>	29.5%
Total assets .....	<u>680,250</u>	100.0%	<u>665,761</u>	100.0%

	Yen (millions)			
	As of March 31, 2019		As of June 30, 2019	
		Composition ratio		Composition ratio
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Trade payables and other payables .....	38,904		35,258	
Borrowings .....	11,799		11,096	
Other financial liabilities.....	220		2,168	
Income taxes payable.....	7,153		4,149	
Provisions .....	3,040		2,969	
Other liabilities .....	29,678		25,643	
Total current liabilities.....	<u>90,794</u>	13.3%	<u>81,283</u>	12.2%
<b>NON-CURRENT LIABILITIES:</b>				
Retirement benefit liabilities .....	3,231		3,244	
Other financial liabilities.....	256		8,651	
Provisions .....	1,293		1,259	
Deferred income taxes .....	7,236		6,277	
Other non-current liabilities.....	218		212	
Total non-current liabilities.....	<u>12,234</u>	1.8%	<u>19,643</u>	3.0%
Total liabilities .....	<u>103,028</u>	15.1%	<u>100,926</u>	15.2%
<b>EQUITY</b>				
Common stock .....	23,805		23,805	
Additional paid-in capital .....	45,571		45,581	
Retained earnings.....	508,622		509,007	
Treasury stock, at cost.....	(11,681)		(11,682)	
Other components of equity.....	6,431		(6,404)	
Total equity attributable to owners of the parent ..	<u>572,748</u>	84.2%	<u>560,307</u>	84.2%
NON-CONTROLLING INTEREST .....	4,474	0.7%	4,528	0.6%
Total equity .....	<u>577,222</u>	84.9%	<u>564,835</u>	84.8%
Total liabilities and equity .....	<u>680,250</u>	100.0%	<u>665,761</u>	100.0%



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

**Condensed Consolidated Statements of Profit or Loss**

	Yen (millions)			
	For the three months ended June 30, 2018		For the three months ended June 30, 2019	
	Composition ratio		Composition ratio	
REVENUE.....	122,638	100.0%	122,480	100.0%
Cost of sales.....	(76,736)	(62.6%)	(78,955)	(64.5%)
GROSS PROFIT.....	45,902	37.4%	43,525	35.5%
Selling, general, administrative and others, net .....	(24,873)	(20.3%)	(26,150)	(21.3%)
OPERATING PROFIT .....	21,029	17.1%	17,375	14.2%
Financial income.....	1,272		1,503	
Financial expenses.....	(16)		(108)	
PROFIT BEFORE INCOME TAXES .....	22,285	18.2%	18,770	15.3%
Income tax expenses.....	(6,601)		(4,482)	
PROFIT .....	15,684	12.8%	14,288	11.7%
Profit attributable to:				
Owners of the parent.....	15,550	12.7%	14,159	11.6%
Non-controlling interests .....	134	0.1%	129	0.1%

**Condensed Consolidated Statements of Comprehensive Income**

	Yen (millions)	
	For the three months ended June 30, 2018	For the three months ended June 30, 2019
INCOME .....	15,684	14,288
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Items that will not be reclassified to income (loss)		
Equity financial goods measured at fair value through other comprehensive loss.....	(2,053)	(590)
Total of items that will not be reclassified to loss.....	(2,053)	(590)
Items that may be reclassified to profit or income (loss)		
Exchange differences on translating foreign operations .....	(6,734)	(11,978)
Total of items that may be reclassified to profit (loss).....	(6,734)	(11,978)
Total other comprehensive income (loss), net of tax .....	(8,787)	(12,568)
COMPREHENSIVE INCOME .....	6,897	1,720
Comprehensive income attributable to:		
Owners of the parent.....	6,813	1,666
Non-controlling interests .....	84	54



### (3) Condensed Consolidated Statement of Changes in Equity

	Yen (millions)							Non-Controlling interest	Total equity
	For the three months ended June 30, 2018								
	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, 2018	23,805	45,531	469,232	(11,617)	27,095	554,046	4,393	558,439	
Profit for the period			15,550			15,550	134	15,684	
Other comprehensive income					(8,737)	(8,737)	(50)	(8,787)	
Comprehensive income	-	-	15,550	-	(8,737)	6,813	84	6,897	
Dividends paid			(13,845)			(13,845)		(13,845)	
Purchase of treasury stock				(0)		(0)		(0)	
Disposal of treasury stock		0		0		0		0	
Share-based payment transaction		10				10		10	
Transfer from other components of equity to retained earnings			288		(288)	-		-	
Total amounts of transactions with owners	-	10	(13,557)	(0)	(288)	(13,835)	-	(13,835)	
Balance at June 30, 2018	23,805	45,541	471,225	(11,617)	18,070	547,024	4,477	551,501	

	Yen (millions)							Non-Controlling interest	Total equity
	For the three months ended June 30, 2019								
	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, 2019	23,805	45,571	508,622	(11,681)	6,431	572,748	4,474	577,222	
Profit for the period			14,159			14,159	129	14,288	
Other comprehensive income					(12,493)	(12,493)	(75)	(12,568)	
Comprehensive income	-	-	14,159	-	(12,493)	1,666	54	1,720	
Dividends paid			(14,116)			(14,116)		(14,116)	
Purchase of treasury stock				(1)		(1)		(1)	
Disposal of treasury stock		0		0		0		0	
Share-based payment transaction		10				10		10	
Transfer from other components of equity to retained earnings			342		(342)	-		-	
Total amounts of transactions with owners	-	10	(13,774)	(1)	(342)	(14,107)	-	(14,107)	
Balance at June 30, 2019	23,805	45,581	509,007	(11,682)	(6,404)	560,307	4,528	564,835	



#### (4) Condensed Consolidated Statements of Cash Flows

	Yen (millions)	
	For the three months ended June 30, 2018	For the three months ended June 30, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit.....	15,684	14,288
Depreciation and amortization.....	2,769	3,406
Income tax expenses.....	6,601	4,482
Financial income and expenses.....	(1,257)	(1,395)
Loss (gain) on sales and retirement of property, plant and equipment	(19)	(1,041)
Decrease (increase) in trade receivables and other receivables .....	4,364	3,552
Increase in inventories .....	(8,199)	(7,822)
Increase (decrease) in trade payables and other payables .....	(5,416)	(3,619)
Increase in retirement benefit assets and liabilities.....	44	(90)
Other .....	(2,804)	(527)
Subtotal.....	11,767	11,234
Dividends received .....	346	402
Interest received.....	573	473
Interest paid .....	(16)	(100)
Income taxes paid .....	(10,777)	(8,118)
Cash flows from operating activities .....	1,893	3,891
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of non-current assets.....	(7,171)	(9,045)
Proceeds from sales of non-current assets .....	346	2,181
Purchase of investments .....	(10,265)	(1,292)
Proceeds from sales and redemption of investments .....	896	768
Payments into time deposits .....	(3,026)	(10,081)
Proceeds from withdrawal of time deposits.....	24,294	16,868
Other .....	(264)	205
Cash flows from investing activities.....	4,810	(396)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase (decrease) in short-term borrowings .....	(774)	(485)
Purchase and sales of treasury stock, net.....	(0)	(1)
Cash dividends paid.....	(13,845)	(14,116)
Other .....	920	401
Cash flows from financing activities .....	(13,699)	(14,201)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS .....	188	(4,834)
NET CHANGE IN CASH AND CASH EQUIVALENTS .....	(6,808)	(15,540)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD ...	147,320	146,512
CASH AND CASH EQUIVALENTS, END OF PERIOD .....	140,512	130,972

## (5) Notes to Consolidated Financial Statements

**Notes on the assumptions for a going concern:** None

### Changes in accounting policies:

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

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

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

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

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

The Group measured the lease liabilities at the date of initial application at the present value of aggregate residual lease payments at the inception of adoption, discounted using the lessee’s incremental borrowing rate of interest at the inception of adoption. As of the date of initial application, the weighted average of the incremental borrowing rate was 1.26%.

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

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

### Condensed Operating Segment Information

	Yen (millions)							
	For the three months ended June 30, 2018							
	Japan	Europe	North America	Asia	Total	Other	Eliminations	Consolidated
Revenue:								
External customers .....	26,849	55,331	17,732	6,906	106,818	15,820	-	122,638
Inter-segment .....	46,439	1,241	1,020	50,653	99,353	187	(99,540)	-
Total .....	<u>73,288</u>	<u>56,572</u>	<u>18,752</u>	<u>57,559</u>	<u>206,171</u>	<u>16,007</u>	<u>(99,540)</u>	<u>122,638</u>
Operating profit .....	6,414	6,002	547	5,530	18,493	1,126	1,410	21,029

	Yen (millions)							
	For the three months ended June 30, 2019							
	Japan	Europe	North America	Asia	Total	Other	Eliminations	Consolidated
Revenue:								
External customers .....	28,582	56,070	17,830	6,297	108,779	13,701	-	122,480
Inter-segment .....	48,814	1,948	972	50,683	102,417	91	(102,508)	-
Total .....	<u>77,396</u>	<u>58,018</u>	<u>18,802</u>	<u>56,980</u>	<u>211,196</u>	<u>13,792</u>	<u>(102,508)</u>	<u>122,480</u>
Operating profit .....	6,715	3,216	(995)	5,294	14,230	170	2,975	17,375



## SUPPORT DOCUMENTATION (CONSOLIDATED)

### 1. Consolidated Financial Results and Forecast

	Yen (millions)			
	For the three months ended June 30, 2018		For the three months ended June 30, 2019	
		(%)		(%)
Revenue .....	122,638	8.5	122,480	(0.1)
Domestic .....	21,475	10.0	23,883	11.2
Overseas .....	101,163	8.1	98,597	(2.5)
Operating profit .....	21,029	16.3	17,375	(17.4)
Profit before income taxes .....	22,285	18.8	18,770	(15.8)
Profit attributable to owners of the parent .....	15,550	19.3	14,159	(8.9)
Profit attributable to owners of the parent per share (Yen) .....	57.28		52.16	
Number of Employees .....	16,064		16,595	

	Yen (millions)			
	For the year ended March 31, 2019		For the year ending March 31, 2020 (Forecast)	
		(%)		(%)
Revenue .....	490,578	2.8	500,000	1.9
Domestic .....	92,129	11.6	95,000	3.1
Overseas .....	398,449	0.9	405,000	1.6
Operating profit .....	78,305	(2.4)	72,000	(8.1)
Profit before income taxes .....	79,919	0.1	72,700	(9.0)
Profit attributable to owners of the parent .....	55,750	1.5	50,000	(10.3)
Profit attributable to Owners of the parent per share (Yen) .....	205.37		184.18	
Number of Employees .....	16,424		-	

Notes:

1. Please refer to [Qualitative Information and Financial Statements] Section 3 “Explanation of Information Relevant to Forecast such as Consolidated Financial Performance Forecast” on page 3.
2. The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes, and profit attributable to owners of the parent compared to the corresponding period of the previous year.



## 2. Consolidated Revenue by Geographic Area

	Yen (millions)					
	For the three months ended June 30, 2018		For the three months ended June 30, 2019		For the year ended March 31, 2019	
		(%)		(%)		(%)
Japan .....	21,475	10.0	23,883	11.2	92,129	11.6
Europe.....	55,172	14.1	55,768	1.1	213,238	5.5
North America .....	17,165	1.3	17,388	1.3	72,508	(1.8)
Asia.....	10,163	(6.7)	9,761	(4.0)	40,909	(7.2)
Central and South America .....	6,701	3.7	6,133	(8.5)	27,801	(0.4)
Oceania .....	7,921	8.3	7,298	(7.9)	30,222	(3.4)
The Middle East and Africa .....	4,041	12.2	2,249	(44.3)	13,771	(11.1)
Total .....	122,638	8.5	122,480	(0.1)	490,578	2.8

Notes:

1. The table above sets forth Makita's consolidated revenue by geographic area based on the customer's location for the periods presented. Accordingly, it differs from "Condensed Operating Segment Information" on page 9.
2. The table above shows the changes in the percentage ratio of revenue compared to the corresponding period of the previous year.

## 3. Exchange Rates

	Yen			
	For the three months ended June 30, 2018	For the three months ended June 30, 2019	For the year ended March 31, 2019	For the year ending March 31, 2020 (Forecast)
USD/JPY .....	109.10	109.90	110.92	110
EUR/JPY .....	130.03	123.50	128.44	125
RMB/JPY .....	17.12	16.08	16.54	16.3

## 4. Production Ratio (unit basis)

	For the three months ended June 30, 2018	For the three months ended June 30, 2019	For the year ended March 31, 2019
	Composition ratio	Composition ratio	Composition ratio
Domestic.....	9.7%	11.2%	9.5%
Overseas .....	90.3%	88.8%	90.5%

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

	Yen (millions)			
	For the three months ended June 30, 2018	For the three months ended June 30, 2019	For the year ended March 31, 2019	For the year ending March 31, 2020 (Forecast)
Capital expenditures .....	7,171	9,045	23,867	38,000
Depreciation and amortization...	2,769	2,990	11,271	12,800
R&D cost .....	2,689	2,867	11,258	12,000