



# FISCAL YEAR 2004

(Year ended March 31, 2004)

## RESULTS

Makita Corporation

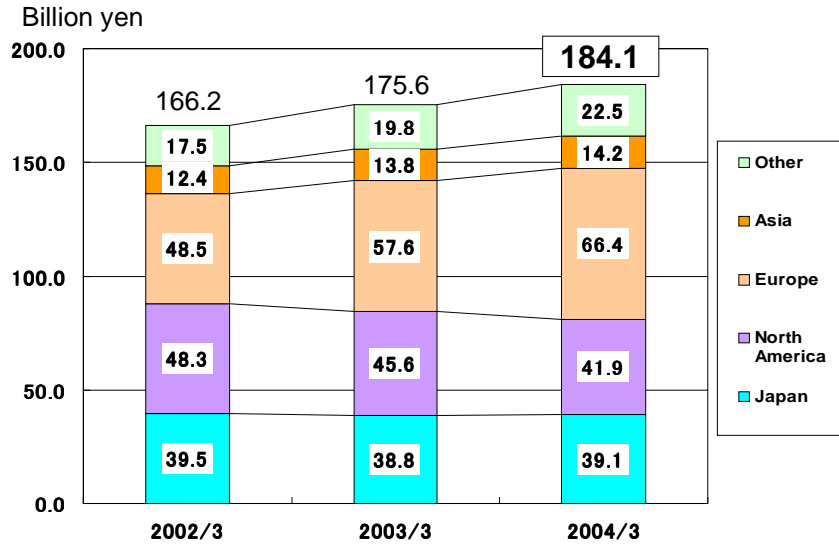
### FY2004 Results



		% Change
<b>Net sales</b>	<b>¥184.1 billion</b>	<b>+4.8%</b>
Domestic	¥39.1 billion	+0.9%
Overseas	¥145.0 billion	+6.0%

Overseas sales ratio: 78.7% (FY2003: 77.9%)

## Sales by Geographic Area



## Exchange Rate Trends



	2003/3	2004/3	
US\$	¥121.98	¥113.19	-7.2%
EURO	¥120.88	¥132.65	+9.7%

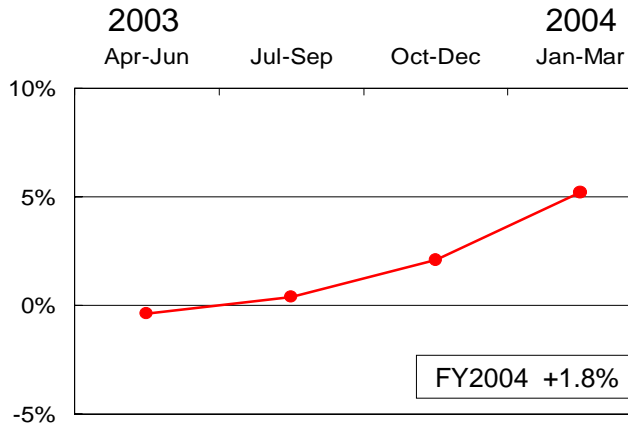
Weighted average change for all foreign currency:  
1.7% declined in the value of the yen

Effect on net sales:  
increase of approximately ¥2.3 billion

## Sales Growth (Local Currency Basis)



Japan (Non-consolidated)



Impact Driver

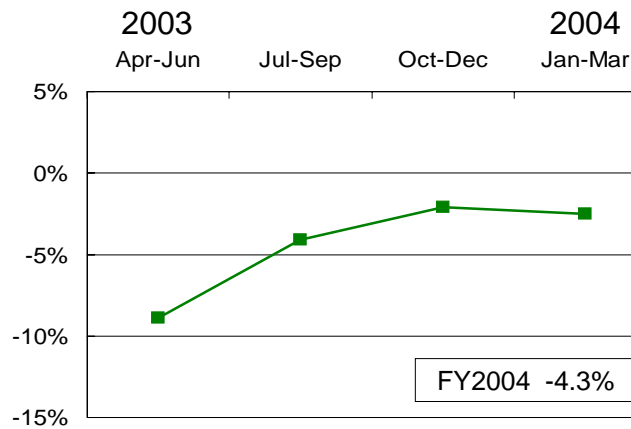


Housing reform-related products

## Sales Growth (Local Currency Basis)



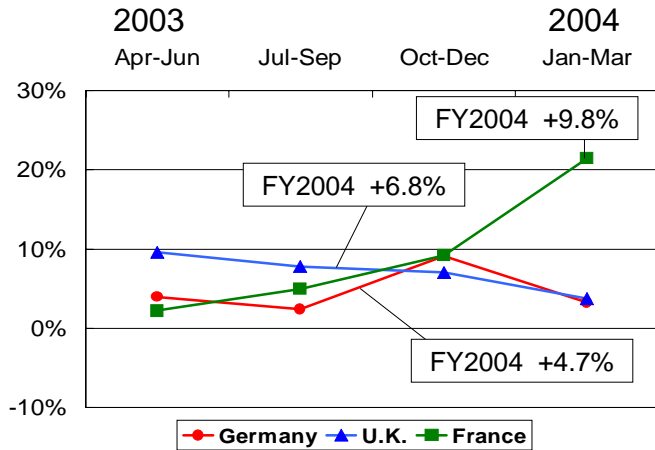
U.S.A.



## Sales Growth (Local Currency Basis)



### Germany/U.K./France

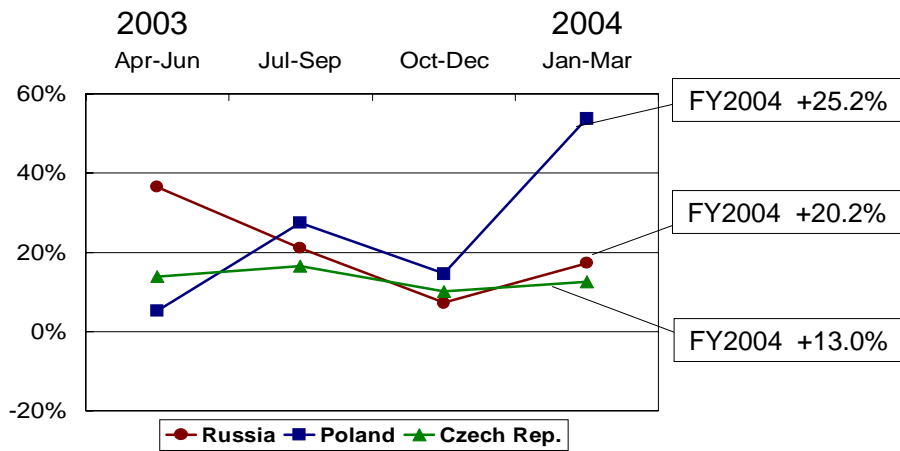


Rotary Hammer

## Sales Growth (Local Currency Basis)



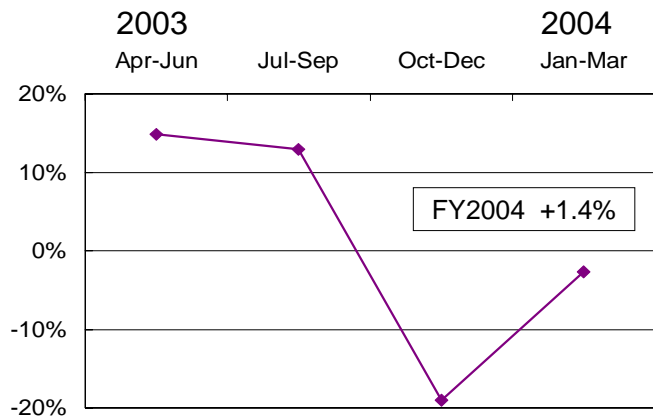
### Eastern Europe/Russia



## Sales Growth (Local Currency Basis)



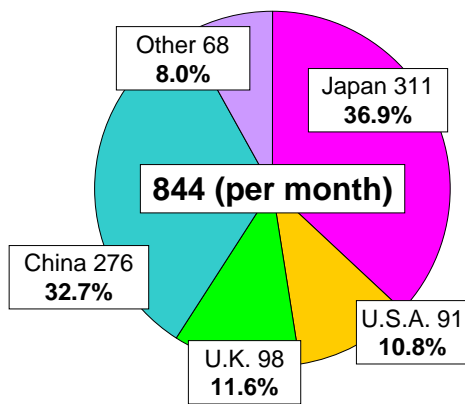
China



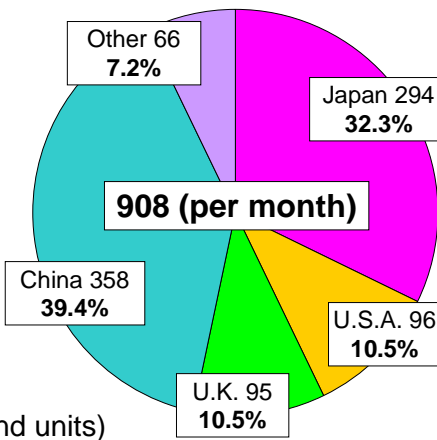
## Production by Country (Unit Basis)



2003/3  
Total 10,132 thousand units



2004/3  
Total 10,900 thousand units



## 2004/3 Results



**Net Sales**    **¥184.1 billion**

Cost of Sales Ratio

Cost of Sales    ¥110.3 billion    **59.9%**  
**-2.9 pt**

Change

SG&A expenses    ¥59.1 billion    **+¥6.2 billion**  
**(Calculated excluding extraordinary factors,  
the change would have been +¥2.2 billion.)**

## Extraordinary factors affecting operating income



Golf course    **-¥8.5 billion**

(2003/3: ¥2.7 billion)

Impairment loss:    -¥6.0 billion

Loss on disposal of property:    -¥1.0 billion

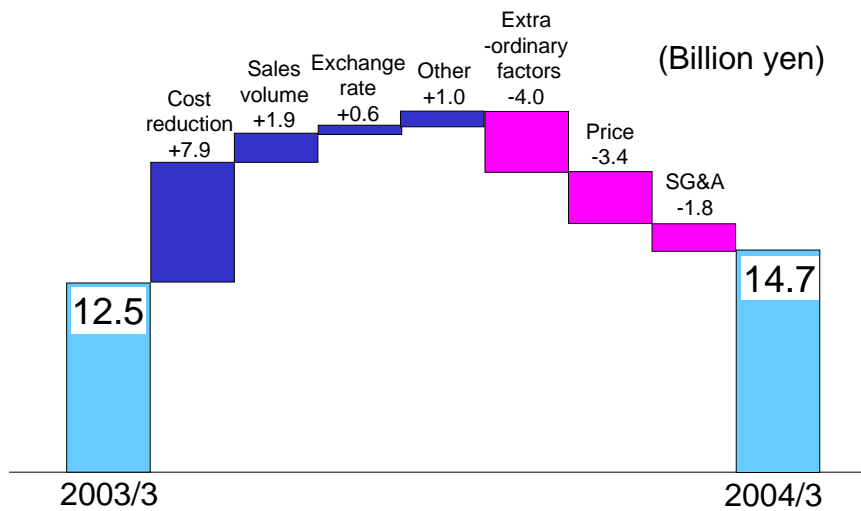
Depreciation and amortization:    -¥1.5 billion

Proceeds from sales of property  
of Headquarters    **+¥3.1 billion**

Other (net)    **-¥1.3 billion**

Effect on operating income    - ¥6.7 billion  
(-¥2.7 billion effect in previous fiscal year)

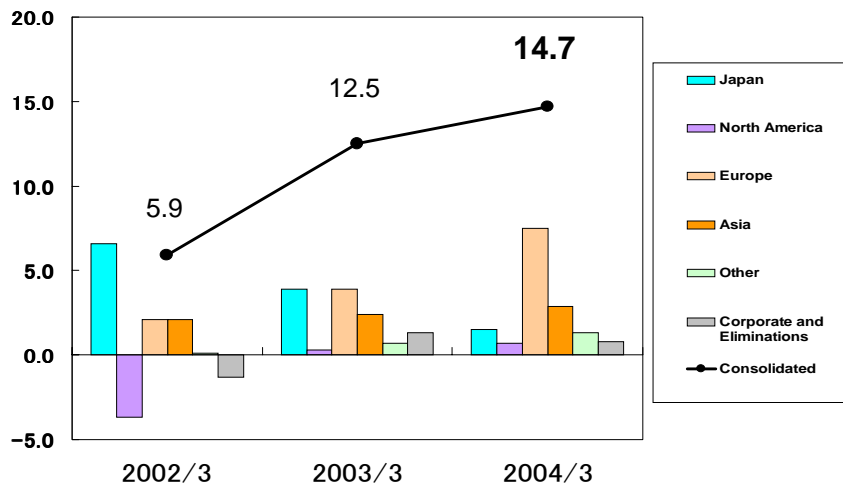
## Variance Analysis (Operating Income)



## Operating Income (By Geographic Segment Basis)



Billion yen



## Other Income (Expenses)



### Exchange losses

on currency, net **¥0.2 billion**

(2003/3: ¥1.5 billion, associated with such factors  
as the depreciation of Latin American currencies)

### Realized gains

on securities, net **¥0.6 billion**

(2003/3: -¥2.6 billion)

- Recovery of the Japanese stock market

**Other Income ¥1.5 billion**

## 2004/3 Results



% Change

### Net Sales

**¥184.1 billion +4.8%**

### Operating Profit

**¥14.7 billion +17.9%**

### Income before Income Taxes

**¥16.2 billion +74.0%**

### Net Income

**¥7.7 billion +14.4%**

- 100% valuation allowance provided on deferred income tax asset on the impairment loss on the assets of a golf course subsidiary

## Major Balance Sheet Items



(vs 2003/3)

**Inventories** -¥8.3 billion

- Calculated excluding currency factors, the change would have been +¥6.2 billion.
- Reflected reduction of U.S. inventory levels

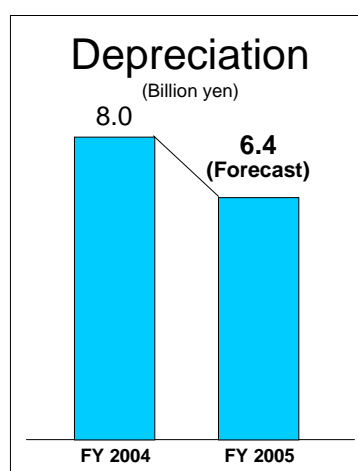
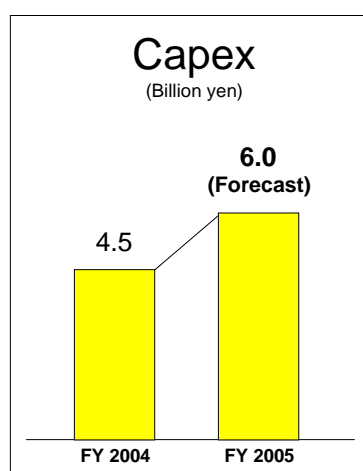
**Short-term borrowings** +¥11.2 billion

- Included ¥13.0 billion of convertible bonds approaching maturity (automatically shifted from the long-term debt category)
- In real terms, borrowing related to operations decreased.

**Estimated retirement and termination allowances** -¥11.6 billion

- Recovery of financial market environment

## Capex/Depreciation



## FY2005 Forecast



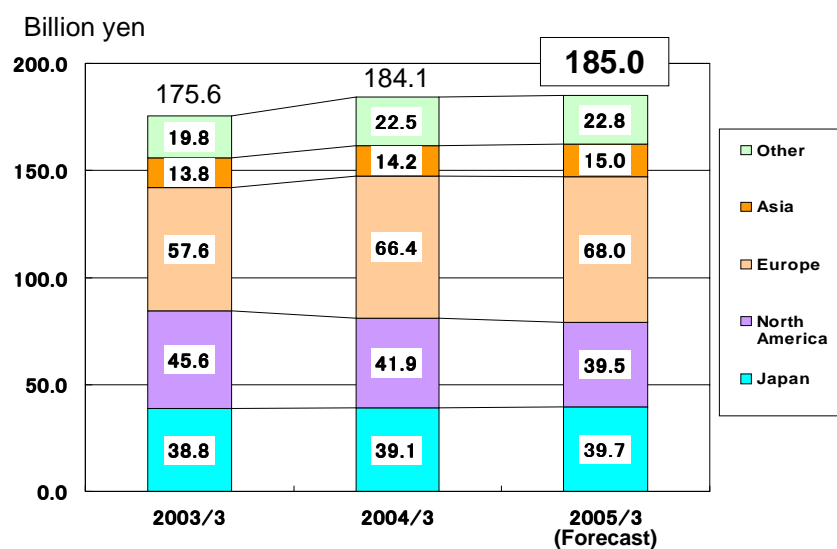
		% Change
<b>Net Sales</b>	<b>¥185.0 billion</b>	<b>+0.5%</b>
Domestic	¥39.7 billion	+1.4%
Overseas	¥145.3 billion	+0.2%

**Exchange rate (assumption)**

**¥105 to US\$ 1 and ¥125 to 1 EURO**

## FY2005 Forecast

(Sales by Geographic Area)



## 2005/3 Forecast



		% Change
<b>Net Sales</b>	<b>¥185.0 billion</b>	<b>+0.5%</b>
<b>Operating Income</b>	<b>¥23.0 billion</b>	<b>+56.5%</b>
	<small>(Includes ¥4.2 billion of gain on the return of the substitutional portion of the pension fund to the government)</small>	
<b>Income Before Income Taxes</b>	<b>¥23.0 billion</b>	<b>+42.2%</b>
<b>Net Income</b>	<b>¥12.8 billion</b>	<b>+66.4%</b>

## Basic Policy Regarding Profit Distribution



### Cash Dividends

- Dividend payout ratio: 30% or over
- Stable annual cash dividends:  
¥18 per share

### Share Buyback

- Continue to consider in light of trends  
in stock prices

## **FY2004 Results**

(Profit Distribution)



### Cash Dividends

2004/3: ¥22 per year (+¥4)

Dividend payout ratio: 41.4%

### Share Buyback

FY 2004 Results:

2.0 million shares, ¥2.1 billion



#### FORWARD-LOOKING STATEMENTS

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

## 連結ベース

Consolidated basis

## 1. 業績の推移 Results and Forecast

上段:百万円、下段:増減率 Million yen, Increase/Decrease

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3 (FY) 通期予想 Forecast
売上高 Net Sales	166,169 6.3%	175,603 5.7%	91,757 4.7%	92,360 5.0%	184,117 4.8%	185,000 0.5%
国内 (Domestic)	39,510 △ 5.6%	38,781 △ 1.8%	19,244 △ 0.1%	19,898 2.0%	39,142 0.9%	39,700 1.4%
海外 (Overseas)	126,659 10.7%	136,822 8.0%	72,513 6.0%	72,462 5.9%	144,975 6.0%	145,300 0.2%
営業利益 Operating income	5,873 △ 17.2%	12,468 112.3%	9,247 47.5%	5,449 △ 12.1%	14,696 17.9%	23,000 56.5%
税引前利益 Income before income taxes	3,403 △ 48.8%	9,292 173.1%	9,894 123.7%	6,276 28.9%	16,170 74.0%	23,000 42.2%
当期利益 Net income	133 △ 93.8%	6,723 4954.9%	4,981 58.8%	2,710 △ 24.4%	7,691 14.4%	12,800 66.4%
1株当たり利益 EPS	円 Yen 0.88	円 Yen 45.29	円 Yen 34.25	円 Yen 18.91	円 Yen 53.16	円 Yen 88.95

## 2. 地域別売上高 Net sales by geographic area

上段:百万円、下段:増減率 Million yen, Increase/Decrease

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3 (FY) 通期予想 Forecast
国内 Japan	39,510 △ 5.6%	38,781 △ 1.8%	19,244 △ 0.1%	19,898 2.0%	39,142 0.9%	39,700 1.4%
北米 North America	48,337 14.0%	45,573 △ 5.7%	22,085 △ 8.7%	19,768 △ 7.6%	41,853 △ 8.2%	39,500 △ 5.6%
欧州 Europe	48,486 12.2%	57,648 18.9%	32,085 19.4%	34,284 11.4%	66,369 15.1%	68,000 2.5%
アジア Asia	12,373 3.1%	13,774 11.3%	7,314 1.9%	6,931 5.1%	14,245 3.4%	15,000 5.3%
その他 Other regions	17,463 3.7%	19,827 13.5%	11,029 8.8%	11,479 18.5%	22,508 13.5%	22,800 1.3%
合計 Total	166,169 6.3%	175,603 5.7%	91,757 4.7%	92,360 5.0%	184,117 4.8%	185,000 0.5%

## 3. 売上計上為替レート Exchange rates

単位:円 Yen

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3 (FY) 通期予想 Forecast
米ドル USD	124.98	121.98	118.07	108.31	113.19	105
ユーロ EURO	110.44	120.88	133.51	131.79	132.65	125
英ポンド GBP	178.96	188.30	190.64	191.48	191.06	—

## 連結ベース

Consolidated basis

## 4. 現地通貨四半期ベース売上動向 Sales growth in local currency basis (quarterly; major countries)

前年同期比増減率 y/y

	FY04 1Q (03.4~6)	FY04 2Q (03.7~9)	FY04 3Q (03.10~12)	FY04 4Q (04.1~3)	FY04 (FY) (03.4~04.3)
日 本 Japan	△ 0.4%	0.4%	2.1%	5.2%	1.8%
米 国 U.S.A.	△ 8.9%	△ 4.1%	△ 2.1%	△ 2.5%	△ 4.3%
英 国 U.K.	9.6%	7.8%	7.0%	3.7%	6.8%
ド イ ツ Germany	3.9%	2.4%	9.1%	3.3%	4.7%
フ ラ ンス France	2.2%	5.0%	9.2%	21.4%	9.8%
香 港・中国 China	14.8%	12.9%	△ 19.0%	△ 2.7%	1.4%
オーストラリア Australia	18.2%	△ 0.8%	△ 1.3%	0.6%	3.3%

## 5. 生産台数(月平均) Production per month

上段:千台、下段:構成比 Thousand unit, %

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3(FY) 通期予想 Forecast
国 内 Japan plant	319 42.0%	311 36.9%	301 34.7%	287 30.2%	294 32.4%	280 28.0%
米 国 U.S. plant	69 9.2%	91 10.8%	91 10.5%	100 10.5%	96 10.6%	100 10.0%
英 国 U.K. plant	93 12.3%	98 11.6%	85 9.8%	106 11.2%	95 10.5%	100 10.0%
中 国 China plant	214 28.2%	276 32.7%	323 37.3%	393 41.3%	358 39.4%	450 45.0%
そ の 他 Other	63 8.3%	68 8.0%	66 7.7%	65 6.8%	66 7.3%	70 7.0%
海 外 工 場 計 Overseas	439 58.0%	533 63.1%	565 65.3%	664 69.8%	615 67.7%	720 72.0%
合 計 Total	758 100.0%	844 100.0%	866 100.0%	951 100.0%	908 100.0%	1,000 100.0%

## 6. 設備投資額・減価償却費・研究開発費・従業員数 Capex, Depreciation, R&amp;D and Employees

単位:百万円 Million yen

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3(FY) 通期予想 Forecast
設 備 投 資 額 Capex	5,958	5,691	2,270	2,224	4,494	6,000
減 価 償 却 費 Depreciation	9,754	9,740	4,330	3,633	7,963	6,400
研 究 開 発 費 R&D	3,746	3,856	1,954	2,132	4,086	4,200
従 業 員 数 Employees	8,157	8,344	8,471	—	8,433	—

単独ベース

Non-consolidated basis

## 7. 業績の推移 Results and Forecast (Non-consolidated)

上段:百万円、下段:増減率 Million yen, Increase/Decrease

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3 (FY) 通期予想 Forecast
売上高 Net Sales	89,424 △ 8.0%	86,132 △ 3.7%	42,326 △ 0.8%	46,009 5.8%	88,335 2.6%	86,500 △ 2.1%
国内 (Domestic)	38,795 △ 6.9%	37,734 △ 2.7%	18,920 0.0%	19,509 3.7%	38,429 1.8%	39,000 1.5%
輸出 (Export)	50,628 △ 8.8%	48,397 △ 4.4%	23,406 △ 1.4%	26,500 7.4%	49,906 3.1%	47,500 △ 4.8%
営業利益 Operating income	7,947 △ 19.4%	7,209 △ 9.3%	3,410 3.1%	4,775 22.5%	8,185 13.5%	7,500 △ 8.4%
経常利益 Ordinary profit	9,494 △ 16.9%	7,551 △ 20.5%	4,328 28.7%	5,116 22.2%	9,444 25.1%	8,300 △ 12.1%
当期利益 Net income	2,100 △ 47.5%	1,494 △ 28.8%	3,877 180.9%	1,791 1468.0%	5,668 279.2%	9,000 58.8%
1株当たり利益 EPS	円 Yen 13.84	円 Yen 9.76	円 Yen 26.66	円 Yen 12.14	円 Yen 38.79	円 Yen 62.55

## 8. 輸出地域別売上高 Export sales by geographic area (Non-consolidated)

上段:百万円、下段:増減率 Million yen, Increase/Decrease

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3 (FY) 通期予想 Forecast
北米 North America	9,412 △ 31.1%	8,957 △ 4.8%	3,729 △ 9.4%	3,360 △ 30.6%	7,089 △ 20.9%	6,300 △ 11.1%
欧州 Europe	21,908 9.1%	17,941 △ 18.1%	8,475 △ 3.2%	10,443 13.7%	18,918 5.4%	17,200 △ 9.1%
アジア Asia	12,605 △ 7.5%	13,375 6.1%	7,022 △ 1.2%	8,234 31.4%	15,256 14.1%	16,000 4.9%
その他 Other regions	6,703 △ 17.8%	8,123 21.2%	4,180 11.3%	4,463 2.2%	8,643 6.4%	8,000 △ 7.4%
輸出合計 Total	50,628 △ 8.8%	48,397 △ 4.4%	23,406 △ 1.4%	26,500 7.4%	49,906 3.1%	47,500 △ 4.8%

## 9. 設備投資額・減価償却費・研究開発費・従業員数

Capex, Depreciation, R&amp;D and Employees (Non-consolidated)

単位:百万円 Million yen

	2002/3 (FY) 通期	2003/3 (FY) 通期	2003/9 (1H) 上期	2004/3 (2H) 下期	2004/3 (FY) 通期	2005/3 (FY) 通期予想 Forecast
設備投資額 Capex	2,794	3,100	1,222	720	1,942	2,800
減価償却費 Depreciation	4,521	3,820	1,584	1,604	3,188	2,900
研究開発費 R&D	3,746	3,856	1,954	2,132	4,086	4,200
従業員数 Employees	3,016	2,946	2,942	-	2,908	-