



# FIRST HALF 2005

(Six months ended September 30, 2004)

## RESULTS

### Makita Corporation

November 5, 2004

1

### 1H 2005 Results

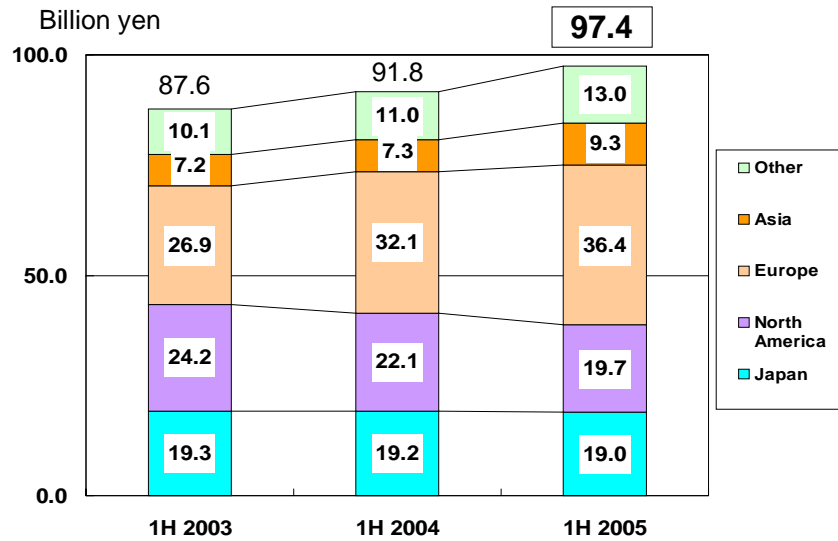


		% Change
<b>Net sales</b>	<b>¥97.4 billion</b>	<b>+6.2%</b>
Domestic	¥19.0 billion	-1.1%
Overseas	¥78.4 billion	+8.1%

Overseas sales ratio: 80.5% (1H 2004: 79.0%)

2

## Sales by Geographic Area



3

## Exchange Rate Trends



	2003/9	2004/9	
US\$	¥118.07	¥109.80	-7.0%
EURO	¥133.51	¥133.28	-0.2%

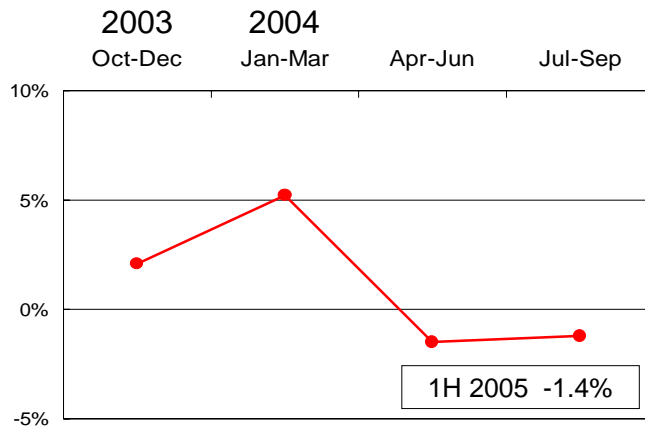
Weighted average change for all foreign currency:  
2.5% appreciated in the value of the yen  
Effect on net sales:  
decrease of approximately ¥1.9 billion

4

## Sales Growth (Local Currency Basis)



Japan (Non-consolidated)



Impact Driver



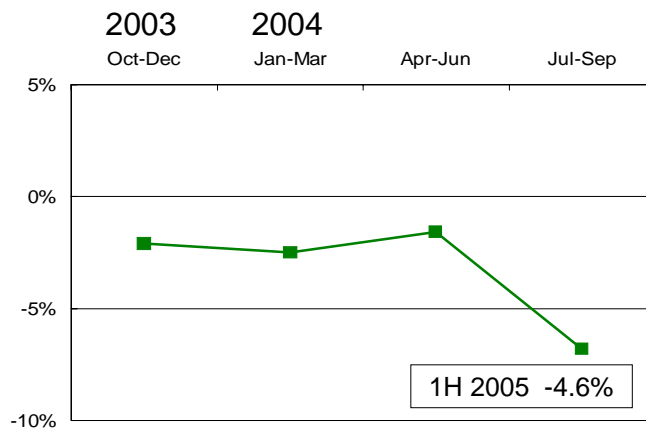
Slide Compound Saw

5

## Sales Growth (Local Currency Basis)



U.S.A.



Impact Driver



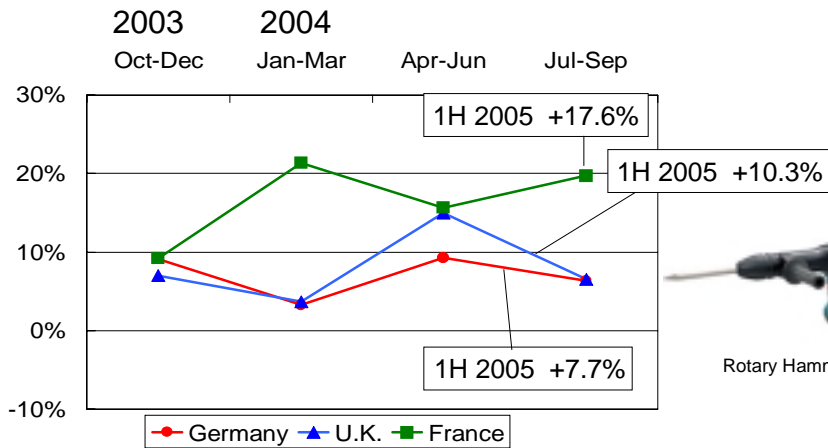
Wet Stone Polisher

6

## Sales Growth (Local Currency Basis)



### Germany/U.K./France

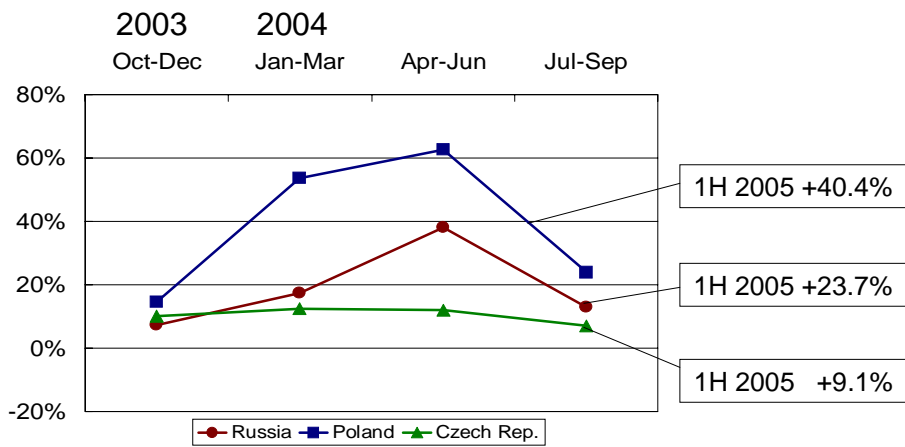


7

## Sales Growth (Local Currency Basis)



### Eastern Europe/Russia

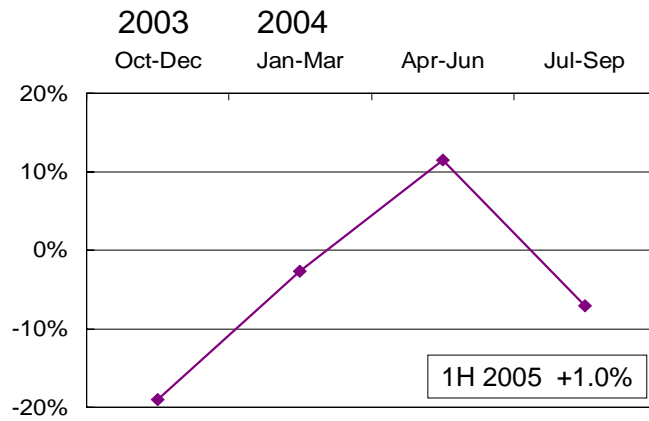


8

## Sales Growth (Local Currency Basis)



China

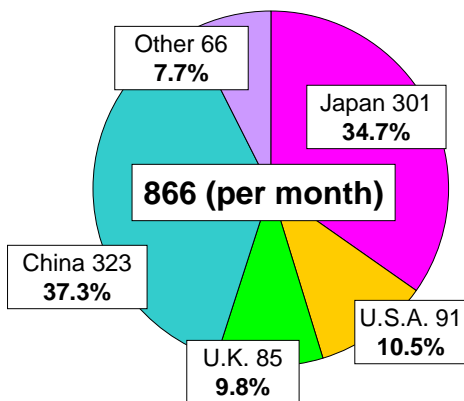


9

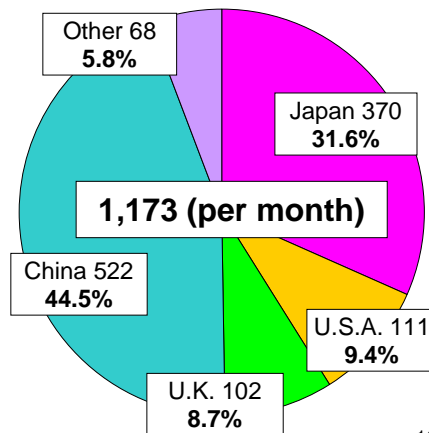
## Production by Country (Unit Basis)



1H 2004  
Total 5,196 thousand units



1H 2005  
Total 7,040 thousand units



10

# 1H 2005 Results



**Net Sales ¥97.4 billion**

Cost of Sales ¥56.4 billion Cost of Sales Ratio  
**57.9%**  
**-3.5 pt**

SG&A expenses ¥21.6 billion Change  
**-¥4.6 billion**

**Special Factors**

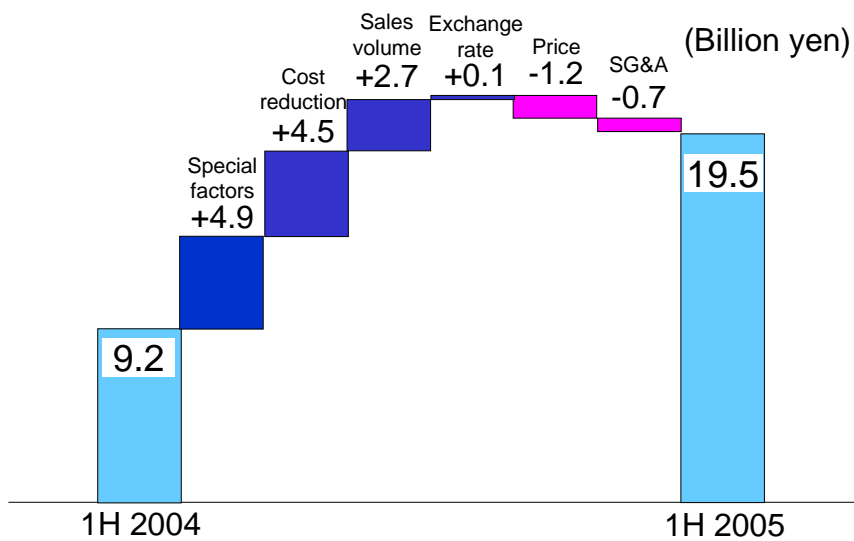
1H 2005: Return of the substitutional portion of the employee retirement benefit fund -¥4.4 billion  
1H 2004: Golf course and other +¥0.5 billion

Excluding special factors +¥0.3 billion

\* The filing of the Company's golf course subsidiary for court protection during rehabilitation has no material impact.

**Operating Profit ¥19.5 billion**

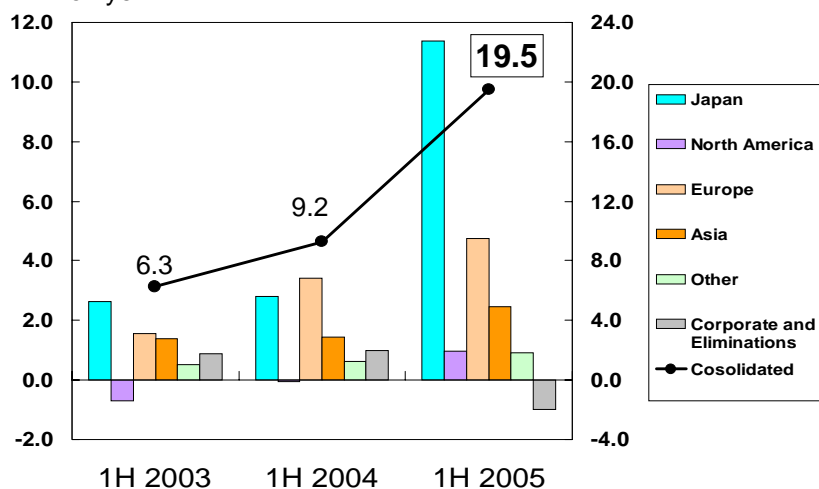
# Variance Analysis (Operating Income)



## Operating Income

(By Geographic Segment Basis)

Billion yen



13

## 1H 2005 Results



		% Change
<b>Net Sales</b>	<b>¥97.4 billion</b>	<b>+6.2%</b>
<b>Operating Profit</b>	<b>¥19.5 billion</b>	<b>+110%</b>
<b>Income before Income Taxes</b>	<b>¥20.2 billion</b>	<b>+105%</b>
<b>Net Income</b>	<b>¥13.0 billion</b>	<b>+160%</b>

14

## Major Balance Sheet Items



(vs 2004/3)

**Inventories** **+¥8.0 billion**

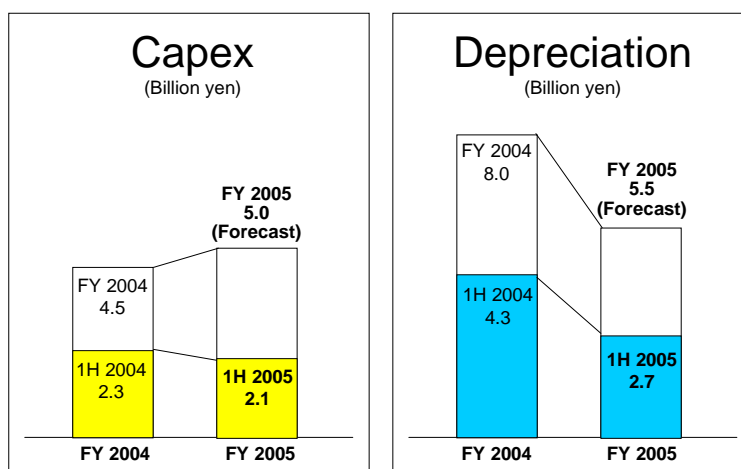
- Calculated excluding currency factors, the change would have been +¥5.8 billion.
- U.S.A.: Christmas sale

**Accrued retirement and termination benefits** **-¥9.9 billion**

- Transfer to the government of the substitutional portion of the employees' pension fund managed by the Company

15

## Capex/Depreciation



16

## FY2005 Forecast



		% Change
<b>Net Sales</b>	<b>¥191.0 billion</b>	<b>+3.7%</b>
Domestic	¥38.8 billion	-0.9%
Overseas	¥152.2 billion	+5.0%

### Exchange rate:

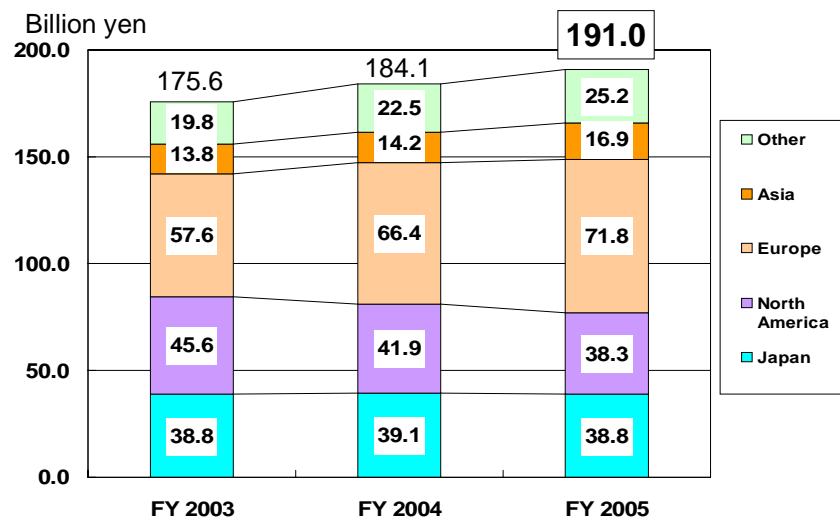
(2H 2005 assumption) ¥105 to US\$ 1 and ¥130 to 1 EURO

(FY 2005 assumption) ¥107 to US\$ 1 and ¥131 to 1 EURO

17

## FY2005 Forecast

(Sales by Geographic Area)



18

## FY 2005 Forecast



		% Change
<b>Net Sales</b>	<b>¥191.0 billion</b>	<b>+3.7%</b>
<b>Operating Income</b>	<b>¥29.2 billion</b>	<b>+98.7%</b>
<small>(Includes ¥4.4 billion of gain on the transfer to the government of the substitutional portion of the employees' pension fund managed by the Company)</small>		
<b>Income Before Income Taxes</b>	<b>¥29.5 billion</b>	<b>+82.4%</b>
<b>Net Income</b>	<b>¥18.6 billion</b>	<b>+141.8%</b>

19

## Treatment of the Golf Course Subsidiary



### <Background>

- July 1986 Established Joyama Kaihatsu Ltd., as part of activities to diversify Company activities
- October 1993 Opened the Castle Hill Country Club
- FY 2004 Recorded an impairment charge
- September 2004 Filed a petition for the commencement of civil rehabilitation procedures to the Nagoya District Court

### <Pending Actions>

- Around April 2005 Meeting of creditors (to approve rehabilitation plan)  
Authorization of rehabilitation plans and transfer of title to sponsors

(Actions currently scheduled and may be subject to change.)

20



## 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

21



## Profit Distribution

### Cash Dividends

1H 2005: ¥11 per share

FY 2005: (Dividend payout ratio: 30% or over)

(Note) Net income per share for FY2005

(forecast): ¥129.3

22



#### 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

## 1. 業績の推移 Results and Forecast

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

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)	2005/3 (2H)	2005/3 (FY)
	通期	上期	下期	通期	上期	下期予想 Forecast	通期予想 Forecast
売上高 Net Sales	175,603 5.7%	91,757 4.7%	92,360 5.0%	184,117 4.8%	97,430 6.2%	93,570 1.3%	191,000 3.7%
国内 (Domestic)	38,781 △ 1.8%	19,244 △ 0.1%	19,898 2.0%	39,142 0.9%	19,028 △ 1.1%	19,772 △ 0.6%	38,800 △ 0.9%
海外 (Overseas)	136,822 8.0%	72,513 6.0%	72,462 5.9%	144,975 6.0%	78,402 8.1%	73,798 1.8%	152,200 5.0%
営業利益 Operating income	12,468 112.3%	9,247 47.5%	5,449 △ 12.1%	14,696 17.9%	19,464 110.5%	9,736 78.7%	29,200 98.7%
税引前利益 Income before income taxes	9,292 173.1%	9,894 123.7%	6,276 28.9%	16,170 74.0%	20,238 104.5%	9,262 47.6%	29,500 82.4%
当期利益 Net income	6,723 4954.9%	4,981 58.8%	2,710 △ 24.4%	7,691 14.4%	12,953 160.0%	5,647 108.4%	18,600 141.8%
1株当たり利益 EPS	円 Yen 45.29	円 Yen 34.25	円 Yen 18.91	円 Yen 53.16	円 Yen 90.03	円 Yen 39.27	円 Yen 129.30

## 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

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)	2005/3 (2H)	2005/3 (FY)
	通期	上期	下期	通期	上期	下期予想 Forecast	通期予想 Forecast
国内 Japan	38,781 △ 1.8%	19,244 △ 0.1%	19,898 2.0%	39,142 0.9%	19,028 △ 1.1%	19,772 △ 0.6%	38,800 △ 0.9%
北米 North America	45,573 △ 5.7%	22,085 △ 8.7%	19,768 △ 7.6%	41,853 △ 8.2%	19,697 △ 10.8%	18,603 △ 5.9%	38,300 △ 8.5%
欧州 Europe	57,648 18.9%	32,085 19.4%	34,284 11.4%	66,369 15.1%	36,415 13.5%	35,385 3.2%	71,800 8.2%
アジア Asia	13,774 11.3%	7,314 1.9%	6,931 5.1%	14,245 3.4%	9,320 27.4%	7,580 9.4%	16,900 18.6%
その他 Other regions	19,827 13.5%	11,029 8.8%	11,479 18.5%	22,508 13.5%	12,970 17.6%	12,230 6.5%	25,200 12.0%
合計 Total	175,603 5.7%	91,757 4.7%	92,360 5.0%	184,117 4.8%	97,430 6.2%	93,570 1.3%	191,000 3.7%

## 3. 売上計上為替レート Exchange rates

単位:円 Yen

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)	2005/3 (2H)	2005/3 (FY)
	通期	上期	下期	通期	上期	下期予想 Forecast	通期予想 Forecast
米ドル USD	121.98	118.07	108.31	113.19	109.80	105	107
ユーロ EURO	120.88	133.51	131.79	132.65	133.28	130	131
英ポンド GBP	188.30	190.64	191.48	191.06	199.25	—	—

## 連結ベース

## 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)	FY05 1Q (04.4~6)	FY05 2Q (04.7~9)	FY05 1H (04.4~9)
日本 Japan	△ 0.4%	0.4%	2.1%	5.2%	△ 1.5%	△ 1.2%	△ 1.4%
米 国 U.S.A.	△ 8.9%	△ 4.1%	△ 2.1%	△ 2.5%	△ 1.6%	△ 6.8%	△ 4.6%
英 国 U.K.	9.6%	7.8%	7.0%	3.7%	15.0%	6.5%	10.3%
ド イ ツ Germany	3.9%	2.4%	9.1%	3.3%	9.3%	6.3%	7.7%
フ ラ ン ス France	2.2%	5.0%	9.2%	21.4%	15.7%	19.7%	17.6%
中 国・香港 China	14.8%	12.9%	△ 19.0%	△ 2.7%	11.5%	△ 7.1%	1.0%
オーストラリア Australia	18.2%	△ 0.8%	△ 1.3%	0.6%	△ 5.3%	3.9%	△ 0.3%

## 5. 生産台数(月平均) Production per month

上段:千台、下段:構成比 Thousand unit, %

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)	2005/3 (2H)	2005/3 (FY)
	通期	上期	下期	通期	上期	下期予想 Forecast	通期予想 Forecast
国 内 Japan plant	311 36.9%	301 34.7%	287 30.2%	294 32.3%	370 31.6%	296 28.9%	333 30.3%
米 国 U.S. plant	91 10.8%	91 10.5%	100 10.5%	96 10.6%	111 9.4%	89 8.7%	100 9.1%
英 国 U.K. plant	98 11.6%	85 9.8%	106 11.2%	95 10.5%	102 8.7%	98 9.5%	100 9.1%
中 国 China plant	276 32.7%	323 37.3%	393 41.3%	358 39.4%	522 44.5%	478 46.6%	500 45.5%
そ の 他 Other	68 8.0%	66 7.7%	65 6.8%	66 7.2%	68 5.8%	65 6.3%	67 6.1%
海 外 工 場 計 Overseas	533 63.1%	565 65.3%	664 69.8%	615 67.7%	803 68.4%	731 71.1%	767 69.7%
合 計 Total	844 100.0%	866 100.0%	951 100.0%	908 100.0%	1,173 100.0%	1,027 100.0%	1,100 100.0%

## 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

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)	2005/3 (2H)	2005/3 (FY)
	通期	上期	下期	通期	上期	下期予想 Forecast	通期予想 Forecast
設備投資額 Capex	5,691	2,270	2,224	4,494	2,071	2,929	5,000
減価償却費 Depreciation	9,740	4,330	3,633	7,963	2,664	2,836	5,500
研究開発費 R&D	3,856	1,954	2,132	4,086	2,048	2,152	4,200
従業員数 Employees	8,344	8,471	—	8,433	8,598	—	—

単独ベース
-------

## 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

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)	2005/3 (2H)	2005/3 (FY)
	通期	上期	下期	通期	上期	下期予想 Forecast	通期予想 Forecast
売上高 Net Sales	86,132 △ 3.7%	42,326 △ 0.8%	46,009 5.8%	88,335 2.6%	48,902 15.5%	43,098 △ 6.3%	92,000 4.1%
国内 (Domestic)	37,734 △ 2.7%	18,920 0.0%	19,510 3.7%	38,429 1.8%	18,662 △ 1.4%	19,338 △ 0.9%	38,000 △ 1.1%
輸出 (Export)	48,397 △ 4.4%	23,406 △ 1.4%	26,499 7.4%	49,906 3.1%	30,240 29.2%	23,760 △ 10.3%	54,000 8.2%
営業利益 Operating income	7,209 △ 9.3%	3,410 3.0%	4,776 22.5%	8,185 13.5%	6,604 93.7%	3,696 △ 22.6%	10,300 25.8%
経常利益 Ordinary profit	7,551 △ 20.5%	4,328 28.6%	5,116 22.2%	9,444 25.1%	7,165 65.6%	7,835 53.2%	15,000 58.8%
当期利益 Net income	1,494 △ 28.8%	3,877 180.9%	1,791 1468.0%	5,668 279.2%	866 △ 77.7%	6,034 236.9%	6,900 21.7%
1株当たり利益 EPS	円 Yen 9.76	円 Yen 26.66	円 Yen 12.14	円 Yen 38.79	円 Yen 6.02	円 Yen 41.95	円 Yen 47.97

## 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

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)
	通期	上期	下期	通期	上期
北米 North America	8,957 △ 4.8%	3,729 △ 9.4%	3,360 △ 30.6%	7,089 △ 20.9%	4,786 28.4%
欧州 Europe	17,941 △ 18.1%	8,475 △ 3.2%	10,443 13.7%	18,918 5.4%	9,716 14.6%
アジア Asia	13,375 6.1%	7,022 △ 1.2%	8,234 31.4%	15,256 14.1%	10,421 48.4%
その他 Other regions	8,123 21.2%	4,180 11.3%	4,462 2.2%	8,643 6.4%	5,317 27.2%
輸出合計 Total	48,397 △ 4.4%	23,406 △ 1.4%	26,499 7.4%	49,906 3.1%	30,240 29.2%

## 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

	2003/3 (FY)	2003/9 (1H)	2004/3 (2H)	2004/3 (FY)	2004/9 (1H)	2005/3 (2H)	2005/3 (FY)
	通期	上期	下期	通期	上期	下期予想 Forecast	通期予想 Forecast
設備投資額 Capex	3,100	1,222	720	1,942	706	1,094	1,800
減価償却費 Depreciation	3,820	1,584	1,604	3,188	1,311	1,389	2,700
研究開発費 R&D	3,856	1,954	2,132	4,086	2,048	2,152	4,200
従業員数 Employees	2,946	2,942	—	2,908	2,904	—	—