



**FY 2005**  
(Year ended March 31, 2005)  
**RESULTS**  
**Makita Corporation**

May 10, 2005

1

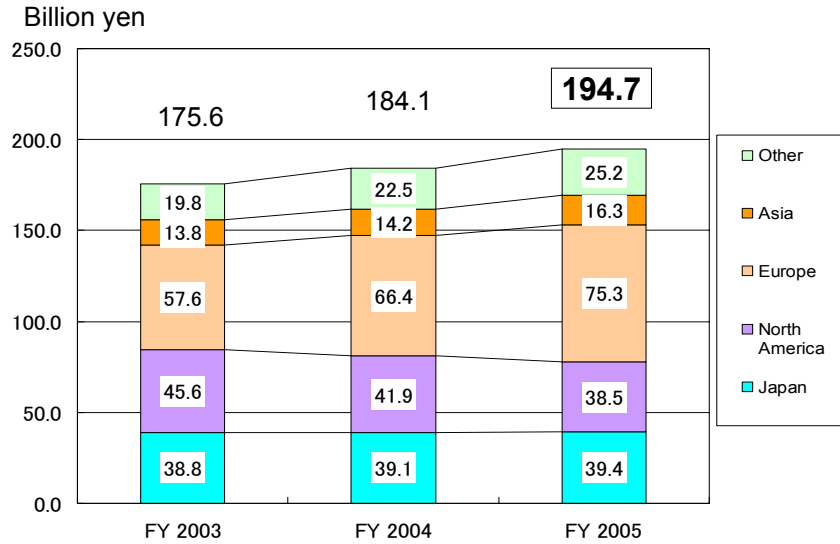
**FY 2005 Results**



		<b>% Change</b>
<b>Net sales</b>	<b>¥194.7 billion</b> <i>(Highest in Makita's history)</i>	<b>+5.8%</b>
Domestic	¥19.0 billion	+0.6%
Overseas	¥155.3 billion <i>(Highest in Makita's history)</i>	+7.2%
Overseas sales ratio: 79.8% (FY 2004: 78.7%)		

2

## Sales by Geographic Area



3

## Exchange Rate Trends



	2004/3	2005/3	
US\$	¥113.19	¥107.55	-5.0%
EURO	¥132.65	¥135.17	1.9%

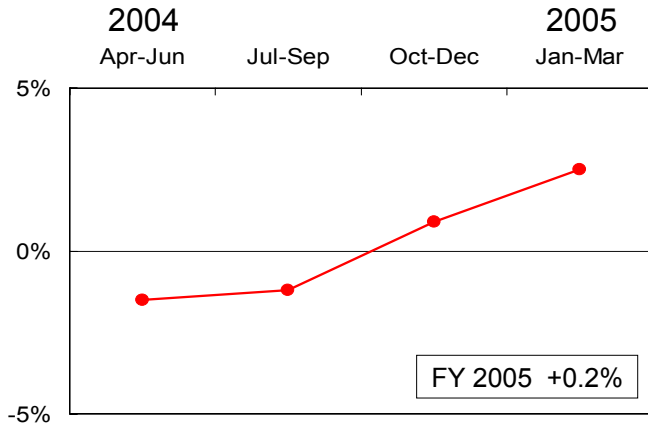
Weighted average change for all foreign currency:  
0.5% appreciated in the value of the yen  
Effect on net sales:  
decrease of approximately ¥0.8 billion

4

## Sales Growth (Local Currency Basis)



Japan (Non-consolidated)



Impact Driver



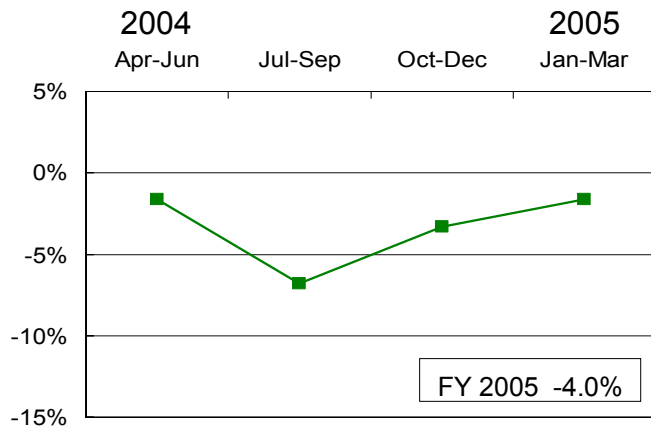
Circular Saw

5

## Sales Growth (Local Currency Basis)



U.S.A.



Impact Driver



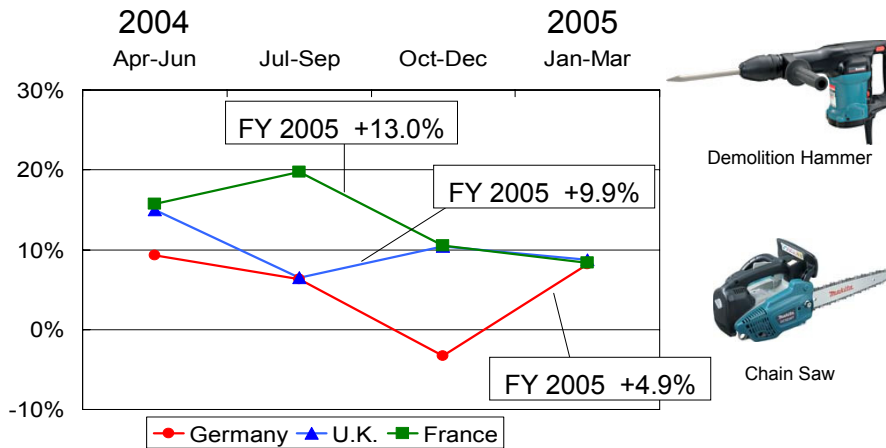
Wet Stone Polisher

6

## Sales Growth (Local Currency Basis)



### Germany/U.K./France

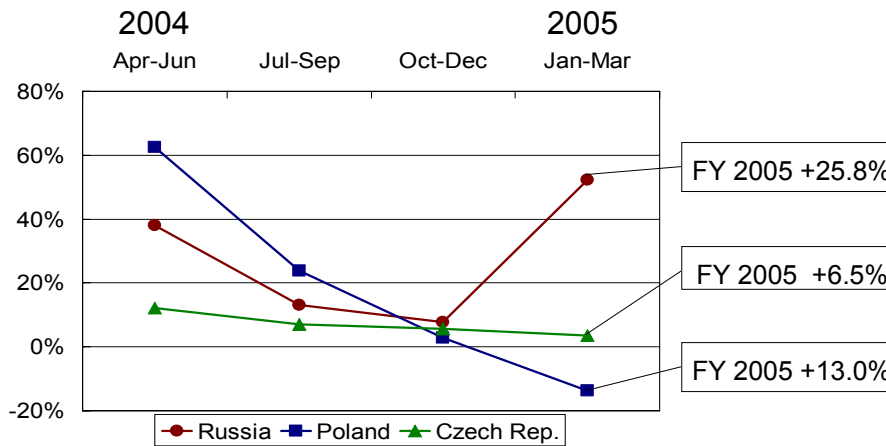


7

## Sales Growth (Local Currency Basis)



### Eastern Europe/Russia

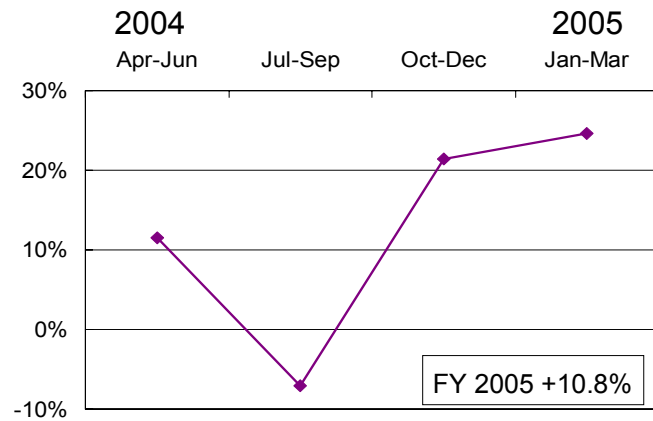


8

## Sales Growth (Local Currency Basis)



### China

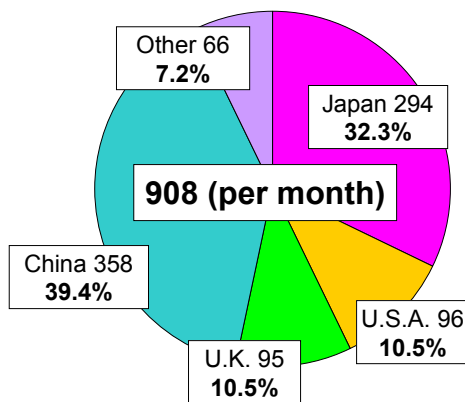


9

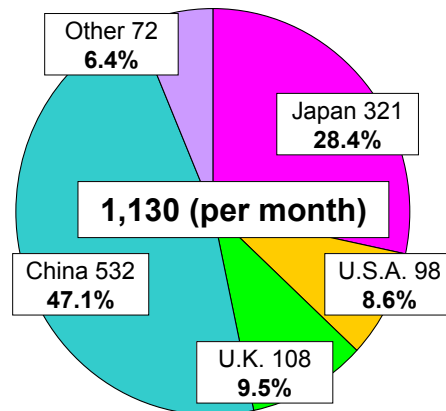
## Production by Country



FY 2004  
Total 10,900 thousand units



FY 2005  
Total 13,566 thousand units



10

## FY 2005 Results



**Net Sales ¥194.7 billion**

Cost of Sales ¥113.3 billion Cost of Sales Ratio  
58.2%  
-1.7 pt

SG&A expenses ¥50.0 billion Change  
-¥9.1 billion

Excluding special factors +¥0.3 billion

11

## Special Factors



	FY 2003	FY 2004	FY 2005
Golf Course	-¥2.7 billion	-¥8.5 billion	-
Return of the Employee Retirement Benefit Fund	-	-	+¥4.4 billion
Gain/Loss on Sales of Property	-	+¥3.1 billion	-¥1.2 billion
Other	-	-¥1.3 billion	-¥0.5 billion
<b>Total</b>	<b>-¥2.7 billion</b>	<b>-¥6.7 billion</b>	<b>+¥2.7 billion</b>

12

## FY 2005 Results



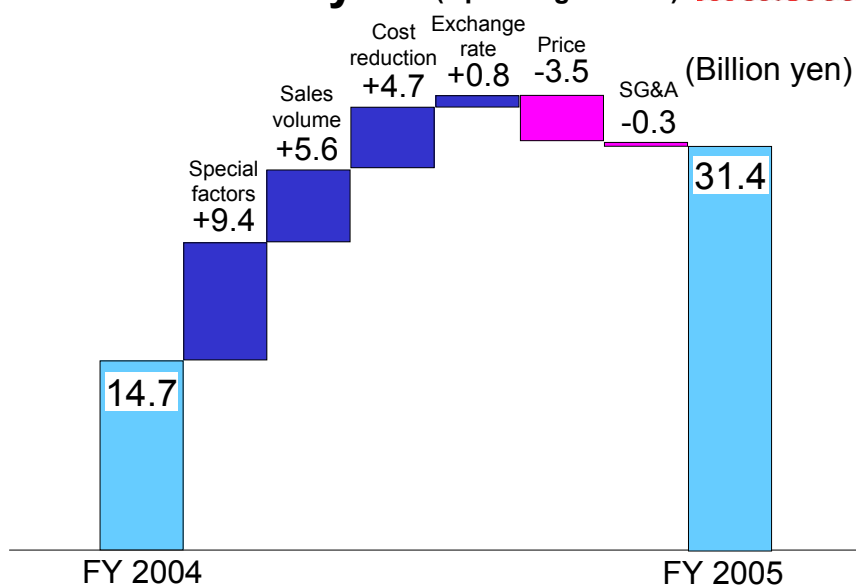
	FY 2003	FY 2004	FY 2005
Net Sales	¥175.6 billion	¥184.1 billion	¥194.7 billion
Cost of Sales	¥110.2 billion	¥110.3 billion	¥113.3 billion
SG&A Expenses	¥52.9 billion	¥59.1 billion	¥50.0 billion
Operating Profit	¥12.5 billion	¥14.7 billion	¥31.4 billion
Operating Profit Ratio	7.1%	8.0%	16.1%
<b>Special Factors</b>	<b>-¥2.7 billion</b>	<b>-¥6.7 billion</b>	<b>+¥2.7 billion</b>

### Excluding special factors:

Operating Profit	¥15.2 billion	¥21.4 billion	¥28.7 billion
Operating Profit Ratio	8.6%	11.6%	14.8%

13

## Variance Analysis (Operating Income)

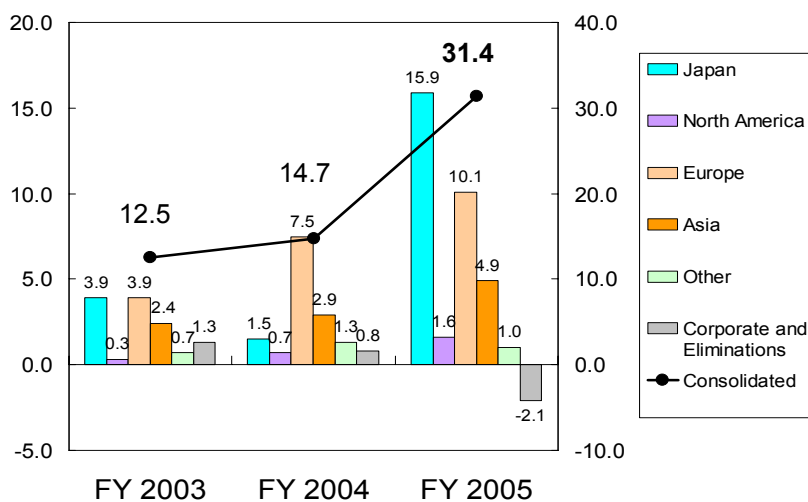


14

## Operating Income (By Geographic Segment Basis)



Billion yen



15

## FY 2005 Results



	FY 2004	FY 2005	% Change
Net Sales	¥184.1 billion	¥194.7 billion	+5.8%
Operating Profit	¥14.7 billion	¥31.4 billion	+113.6%
Operating Profit Ratio	8.0%	16.1%	
Excluding special factors:			
Operating Profit	¥21.4 billion	¥28.7 billion	+34%
Operating Profit Ratio	11.6%	14.8%	
Income before			
Income Taxes	¥16.2 billion	¥32.6 billion	+101.7%
Net Income	¥7.7 billion	¥22.1 billion	+187.8%
EPS	¥53.16	¥153.89	
Excluding special factors:			
Net Income	¥15.2 billion	¥20.5 billion	+36%
EPS	¥105	¥143	

16

## Major Balance Sheet Items



(vs 2004/3)

**Inventories** +¥11.7 billion

- Calculated excluding currency factors, the change would have been +¥9.2 billion.
- Sales strong in Europe, Inventories increase in the United States

**Short-term borrowings** -¥5.1 billion

- Convertible bonds amounting to ¥13 billion were amortized at the end of the fiscal year
- Includes long-term liabilities of the Company's financial services subsidiary repayable within one year

**Long-term indebtedness** -¥7.3 billion

- Financial services subsidiary

17

## Capex



FY 2005 (Results) **¥6.6 billion** Australian Head Office: ¥1.2 billion and other

FY 2005 (Forecast) **¥11.0 billion**

## Depreciation

FY 2005 (Results) **¥5.4 billion**

FY 2005 (Forecast) **¥5.4 billion**

Composition:

Parent company: ¥7.0 billion  
Okazaki Plant: Approximately ¥4.0 billion

Subsidiaries: ¥4.0 billion  
China Plant: Approximately ¥1.9 billion

18



## Treatment of the Golf Course Subsidiary

- 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
- April 2005         Corporate rehabilitation project approved
- May 2005          Transferred to sponsor (Scheduled)

## Treatment of Nailer Business

- November 2004    Reached basic agreement with Kanematsu NNK on acquisition of that company's nailer business
- December 2004    Contract signed with acquisition price of ¥3.2 billion
- February 2005     Discovery of that company's falsification of certifications, postponement of acquisition

19



## FY2006 Forecast

		% Change
<b>Net Sales</b>	<b>¥198.5 billion</b>	<b>+1.9%</b>
Domestic	¥39.0 billion	-1.0%
Domestic	¥159.5 billion	+2.7%

**Exchange rate: ¥105 to US\$ 1 and ¥135 to 1 EURO**

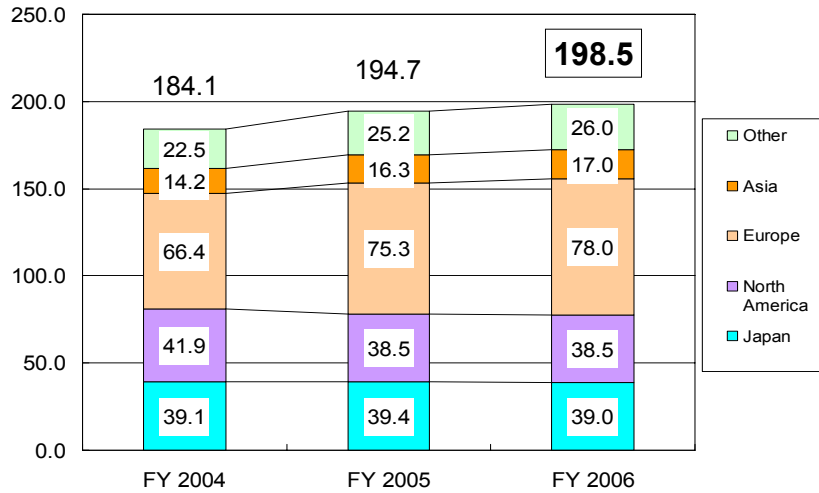
20

# FY2006 Forecast

(Sales by Geographic Area)



Billion yen



# FY 2006 Forecast



	FY 2005	FY 2006	% Change
Net Sales	¥194.7 billion	¥198.5 billion	+1.9%
Operating Profit	¥31.4 billion	¥36.0 billion	+14.7%
Operating Profit Ratio	16.1%	18.1%	
Special factors	+2.7 billion (Due to return of substitutional portion of pension fund, etc.)	+8.5 billion (Liquidation of golf course management subsidiary)	+5.8 billion
Excluding special factors:			
Operating Profit	¥28.7 billion	¥27.5 billion	-4%
Operating Profit Ratio	14.8%	13.9%	

## FY 2006 Forecast



	FY 2005	FY 2006	% Change
Net Sales	¥194.7 billion	¥198.5 billion	+1.9%
Operating Profit	¥31.4 billion	¥36.0 billion	+14.7%
Income before Income Taxes	¥32.6 billion	¥37.0 billion	+13.4%
Net Income	¥22.1 billion	¥30.0 billion	+35.5%
EPS	¥153.89	¥208.66	
Special factors after tax	+¥1.6 billion (Due to return of substitutional portion of pension fund, etc.)	+12.2 billion (Liquidation of golf course management subsidiary)	+10.6 billion
Excluding special factors:			
Net Income	¥20.5 billion	¥17.8 billion	-13%
EPS	¥143	¥123	

23

## Basic Policy Regarding Profit Distribution



### Cash Dividends

- Dividend payout ratio: 30% or over  
(Minimum of ¥18 annually)
- Upward/downward adjustments  
to be made for special factors

### Share Buyback

- Continue to consider in light of trends  
in stock prices

24

## Cash Dividends



Net income after adjustments	¥20.5 billion
EPS after adjustments	¥143
Annual cash dividend, excluding memorial dividend	¥43
Dividend propensity after adjustments	30.1%

### Dividends for year ended March 31, 2005

Ordinary dividend	¥18
Special dividend	¥25
90 year memorial dividend	¥4
<b>Total</b>	<b>¥47</b>

( Includes an interim dividend (already paid) of ¥11  
and a year-end dividend (proposed) of ¥36 )

25



### 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.

26