



FIRST HALF 2006

(Six months ended September 30, 2005)

RESULTS

Masahiko Goto
President
Makita Corporation

November 2, 2005

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1H 2006 Results



		% Change
Net sales	¥106.6 billion <i>(Highest in Makita's history)</i>	+9.5%
Domestic	¥20.0 billion	+5.3%
Overseas	¥86.6 billion <i>(Highest in Makita's history)</i>	+10.5%

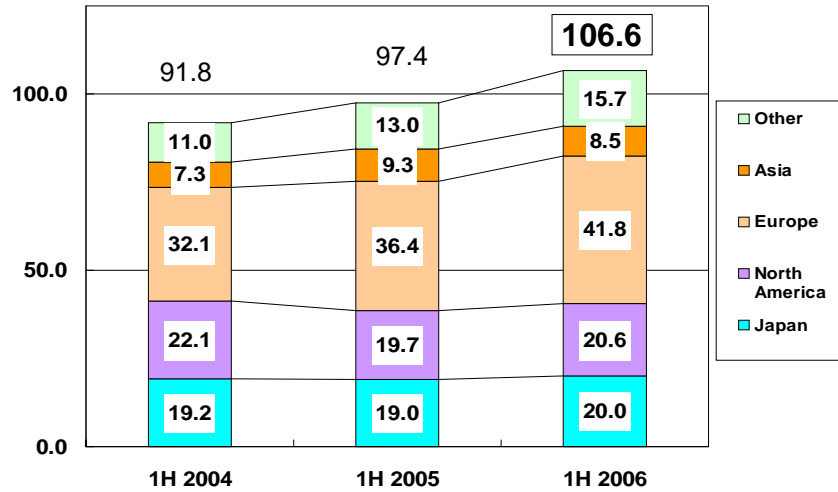
Overseas sales ratio: 81.2% (1H 2005: 80.5%)

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Sales by Geographic Area



Billion yen



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Exchange Rate Trends



	2004/9	2005/9	
US\$	¥109.80	¥109.52	-0.3%
EURO	¥133.28	¥135.61	+1.7%

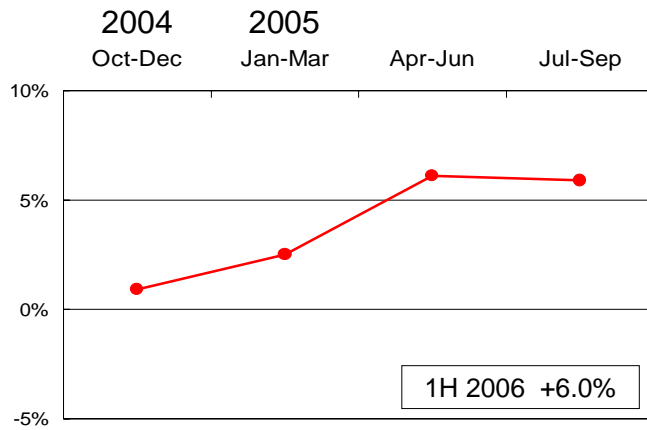
Weighted average change for all foreign currency:
2.4% depreciated in the value of the yen
Effect on net sales:
increase of approximately ¥2.0 billion

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Sales Growth (Local Currency Basis)



Japan (Non-consolidated)



Impact Driver



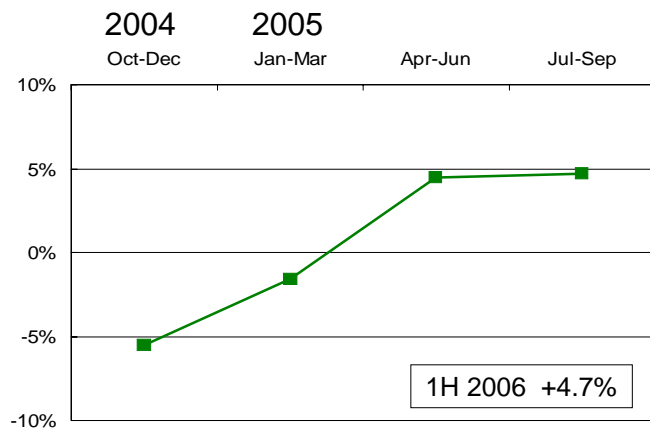
Circular Saw

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Sales Growth (Local Currency Basis)



U.S.A.

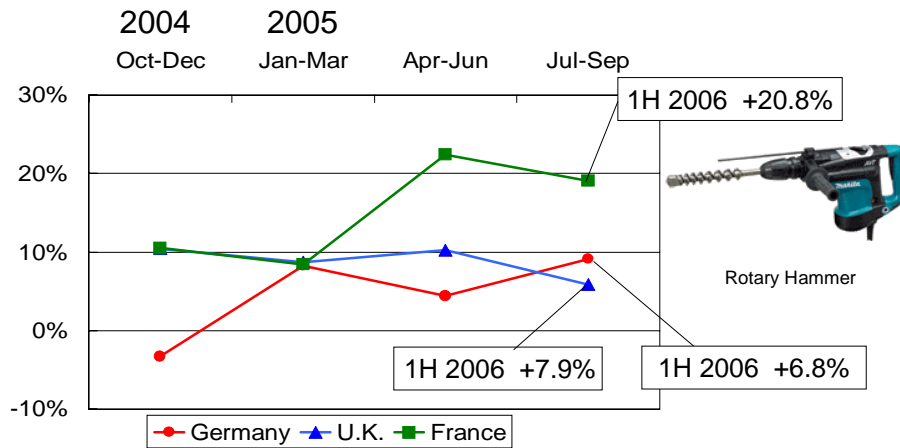


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Sales Growth (Local Currency Basis)



Germany/U.K./France

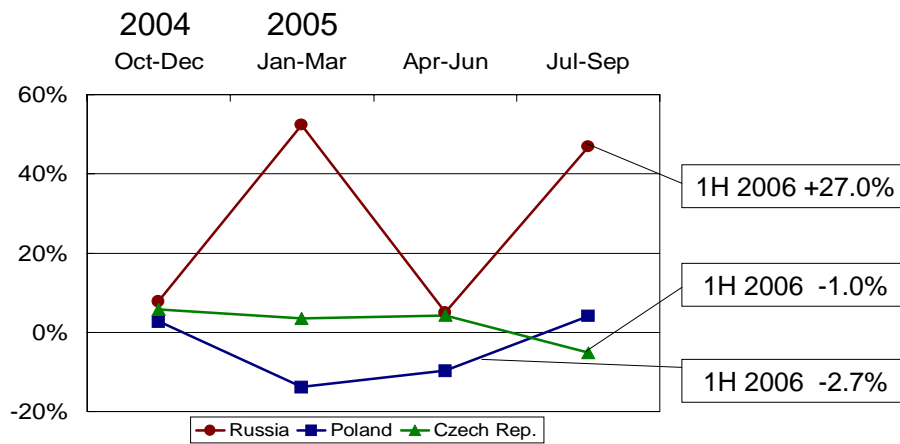


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Sales Growth (Local Currency Basis)



Eastern Europe/Russia

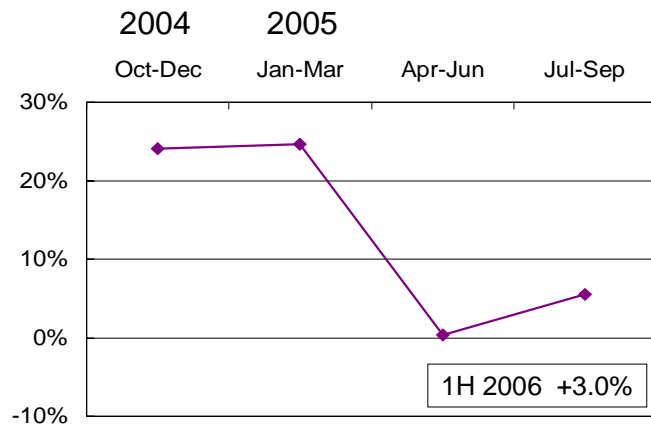


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Sales Growth (Local Currency Basis)

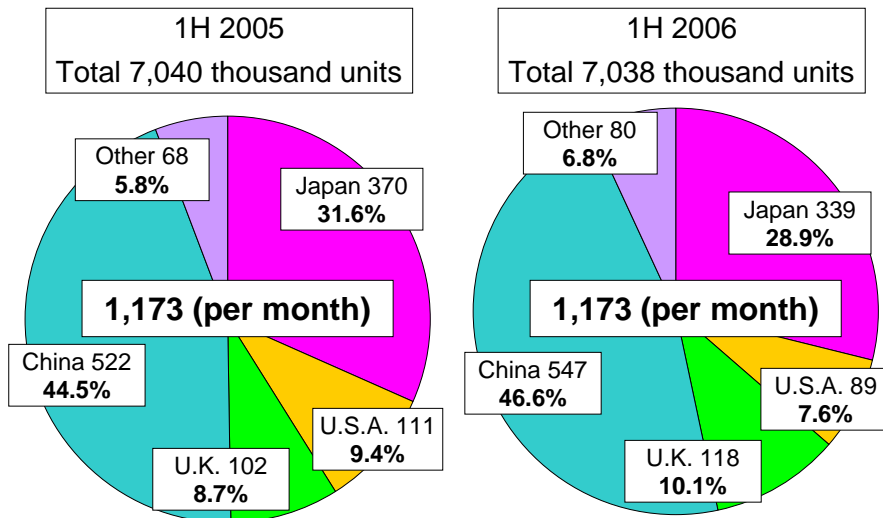


China



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Production by Country (Unit Basis)



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1H 2006 Results



Net Sales ¥106.6 billion

Cost of Sales ¥61.6 billion **Cost of Sales Ratio**
57.7%
-0.2 pt

SG&A expenses ¥19.2 billion **Change**
-¥2.4 billion
(Excluding special factors: +¥1.6 billion)

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Special Factors (SG&A)



	1H 2004	1H 2005	1H 2006
Golf Course	-¥2.2 billion	-	+¥8.5 billion
Return of the Employee Retirement Benefit Fund	-	+¥4.4 billion	-
Other	+¥1.7 billion	-	-
Total	-¥0.5 billion	+¥4.4 billion	+¥8.5 billion

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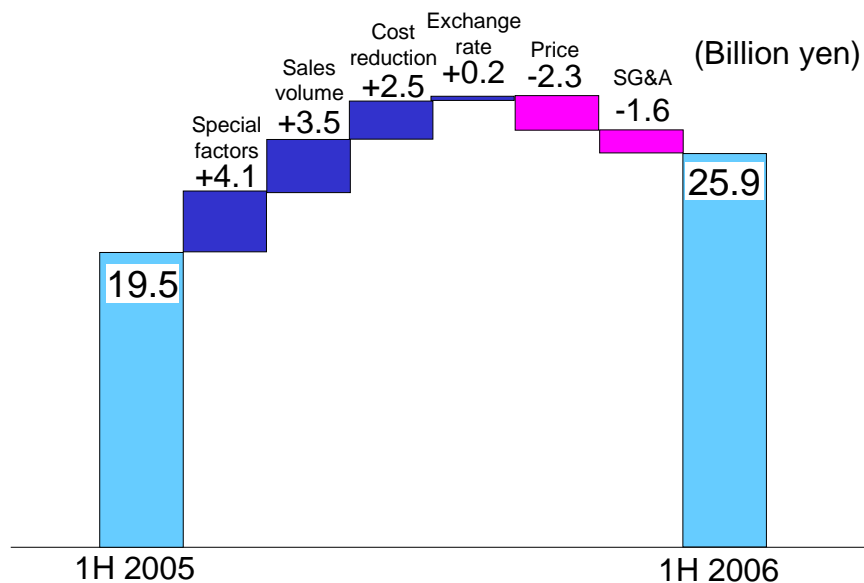
Operating Income



	1H 2004	1H 2005	1H 2006
Net Sales	¥91.8 billion	¥97.4 billion	¥106.6 billion
Cost of Sales	¥56.3 billion	¥56.4 billion	¥61.6 billion
SG&A Expenses	¥26.2 billion	¥21.6 billion	¥19.2 billion
Operating Income	¥9.2 billion	¥19.5 billion	¥25.9 billion
Operating Income Ratio	10.1%	20.0%	24.3%
Special Factors	-¥0.5 billion	+¥4.4 billion	+¥8.5 billion
Excluding special factors:			
Operating Income	¥9.7 billion	¥15.1 billion	¥17.4 billion
Operating Income Ratio	10.6%	15.4%	16.3%

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Variance Analysis (Operating Income)

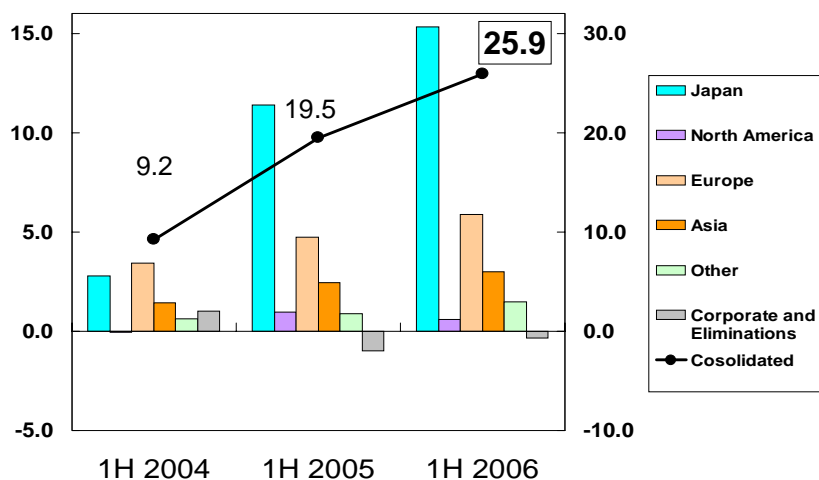


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Operating Income

(By Geographic Segment Basis)

Billion yen



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1H 2006 Results



	1H 2005	1H 2006	% Change
Net Sales	¥97.4 billion	¥106.6 billion	+9.5%
Operating Income	¥19.5 billion	¥25.9 billion	+33.1%
Operating Income Ratio	20.0%	24.3%	
Excluding special factors:			
Operating Income	¥15.1 billion	¥17.4 billion	+16%
Operating Income Ratio	15.4%	16.3%	
Income before			
Income Taxes	¥20.2 billion	¥26.5 billion	+31.0%
Net Income	¥13.0 billion	¥25.8 billion	+99.2%
EPS	¥90.03	¥179.52	
Excluding special factors:			
Net Income	¥10.3 billion	¥13.9 billion	+35%
EPS	¥72	¥105	

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Major Balance Sheet Items



(vs 2005/3)

Inventories **+¥7.4 billion**

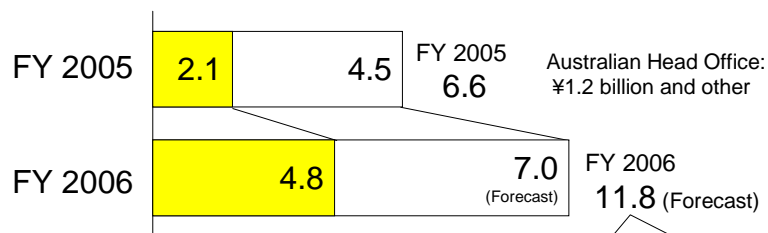
- Calculated excluding currency factors, the change would have been +¥5.6 billion.
- U.S.A.: Christmas sale

{ **Time deposits** **-¥3.6 billion**
 { **Marketable securities** **-¥4.1 billion**

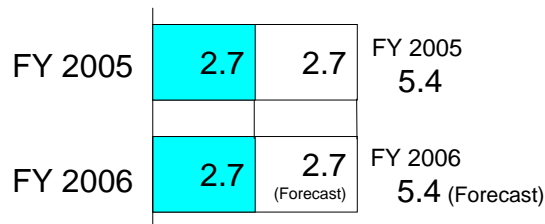
- Repaid a portion of the deposits of members of the golf course subsidiary
- Financing subsidiary in Europe: Repayment of debt

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Capex (Billion yen)



Depreciation (Billion yen)



Composition:
 Parent company: ¥7.5 billion
 Okazaki Plant: Approximately ¥4.0 billion
 Subsidiaries: ¥4.3 billion
 China Plant: Approximately ¥2.2 billion

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Treatment of Nailer Business

- November 2004 Reached basic agreement with Kanematsu NNK on acquisition of that company's nailer business
- February 2005 Discovery of that company's falsification of certifications, postponement of acquisition
- September 2005 Revised contract signed with acquisition price of approximately ¥1.6 billion
- January 2006 Acquisition (Scheduled)

Treatment of the Golf Course Subsidiary

- September 2004 Filed a petition for the commencement of civil rehabilitation procedures to the Nagoya District Court
- May 2005 Transferred to sponsor and consolidation excluded
 - Gains from the sale of the golf course subsidiary: 1H 2006 ¥8.5 billion

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FY 2006 Forecast

		% Change
Net Sales	¥214.0 billion	+9.9%
Domestic	¥41.0 billion	+4.1%
Overseas	¥173.0 billion	+11.4%

Exchange rate:

(2H 2006 assumption)	¥108 to US\$ 1 and ¥135 to 1 EURO
(FY 2006 assumption)	¥109 to US\$ 1 and ¥135 to 1 EURO

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New Products - Li-Ion cordless line



Japan



Impact Driver, etc.
(Release: February 2005)

North America



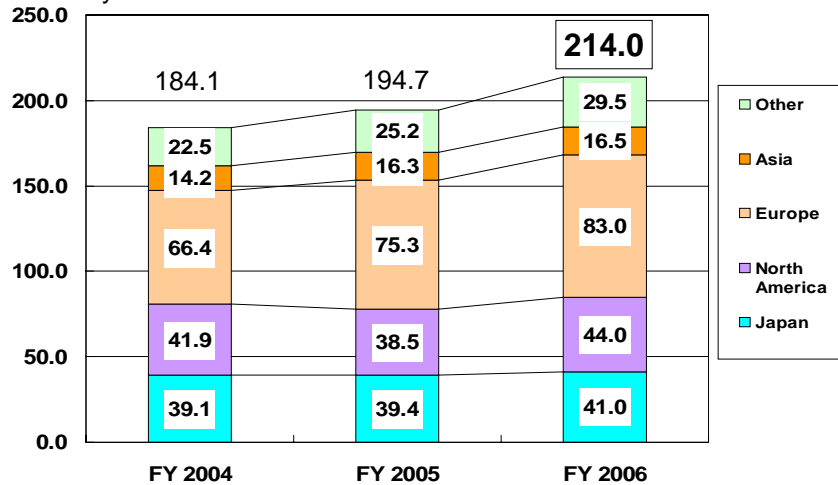
“LXT”
(Release: 2H 2006)

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FY 2006 Forecast (Sales by Geographic Area)



Billion yen



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FY 2006 Forecast



	FY 2005	FY 2006	% Change
Net Sales	¥194.7 billion	¥214.0 billion	+9.9%
Operating Income	¥31.4 billion	¥39.0 billion	+24.2%
Operating Income Ratio	16.1%	18.2%	
Special factors	+2.7 billion (Due to return of substitutional portion of pension fund, etc.)	+8.5 billion (Liquidation of golf course subsidiary)	+5.8 billion
Excluding special factors:			
Operating Income	¥28.7 billion	¥30.5 billion	+6%
Operating Income Ratio	14.8%	14.3%	

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FY 2006 Forecast



	FY 2005	FY 2006	% Change
Net Sales	¥194.7 billion	¥214.0 billion	+9.9%
Operating Income	¥31.4 billion	¥39.0 billion	+24.2%
Income before Income Taxes	¥32.6 billion	¥42.0 billion	+28.8%
Net Income	¥22.1 billion	¥36.5 billion	+64.9%
EPS	¥153.89	¥253.96	
Special factors after tax	+¥1.6 billion (Due to return of substitutional portion of pension fund, etc.)	+13.4 billion (Golf course: ¥11.9 billion, UFJ share exchange: ¥1.5 billion)	+11.8 billion
Excluding special factors:			
Net Income	¥20.5 billion	¥23.1 billion	+12%
EPS	¥143	¥160	

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Dividend Policy

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

FY2006 Cash Dividends

1H 2006: ¥19 per share

FY 2006: (Dividend payout ratio: 30% or over)

(Note) Net income per share for FY2006
(excluding special factors, forecast): ¥160

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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.