



FY 2006

(Year ended March 31, 2006)

RESULTS

Makita Corporation

May 10, 2006

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FY 2006 Results

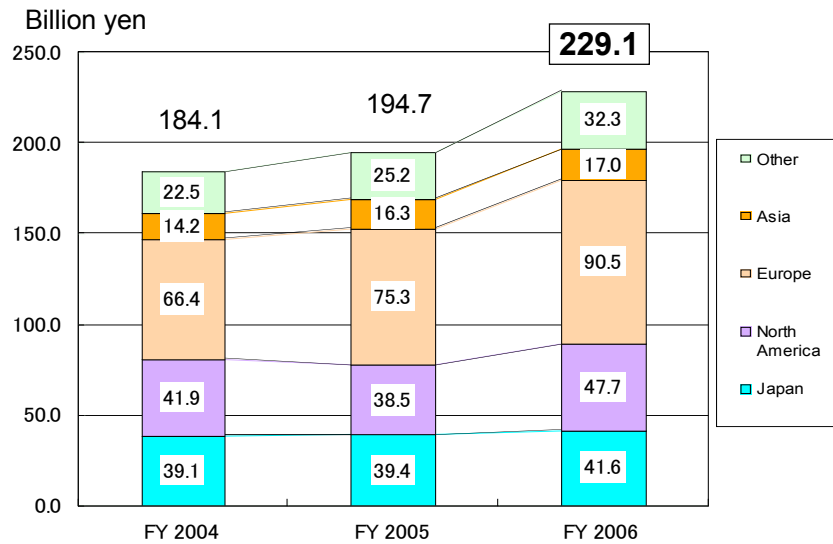


		% Change
Net sales	¥229.1 billion <i>(Highest in Makita's history)</i>	+17.6%
Domestic	¥41.6 billion	+5.6%
Overseas	¥187.5 billion <i>(Highest in Makita's history)</i>	+20.7%

Overseas sales ratio: 81.8% (FY 2005: 79.8%)

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Sales by Geographic Area



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Exchange Rate Trends



	2005/3	2006/3	
US\$	¥107.55	¥113.32	+5.4%
EURO	¥135.17	¥137.83	+2.0%

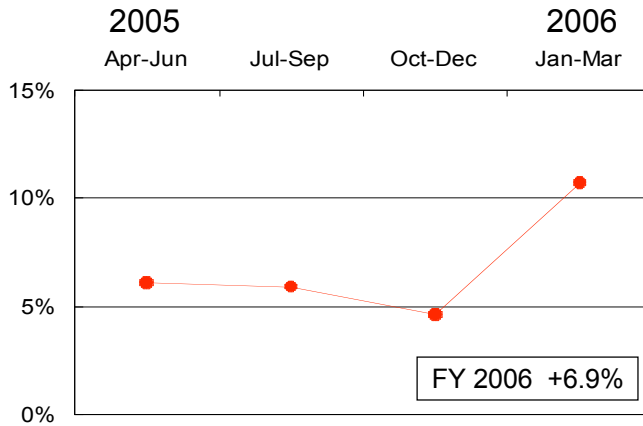
Weighted average change for all foreign currency:
4.6% depreciated in the value of the yen
Effect on net sales:
increase of approximately ¥8.3 billion

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Sales Growth (Local Currency Basis)



Japan (Non-consolidated)



4-mode Impact Driver

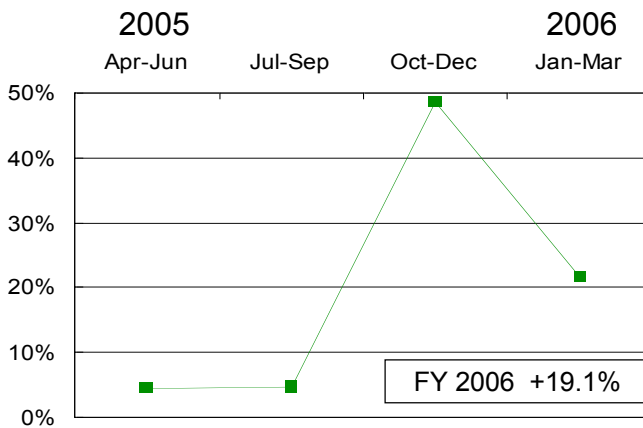


Air Nailer

Sales Growth (Local Currency Basis)



U.S.A.



Cordless Percussion Driver Drill

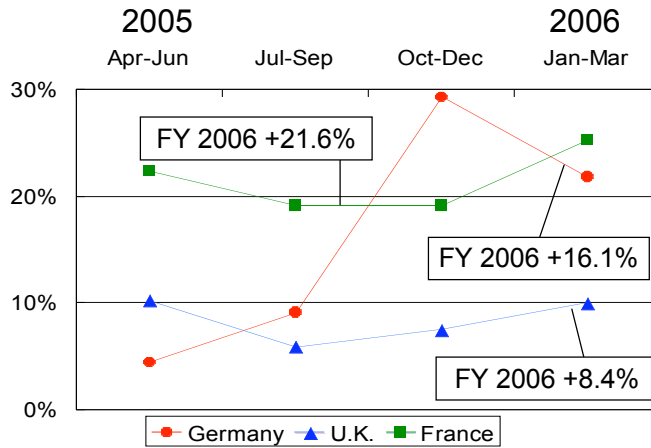


Recipro Saw

Sales Growth (Local Currency Basis)



Germany/U.K./France



Rotary Hammer

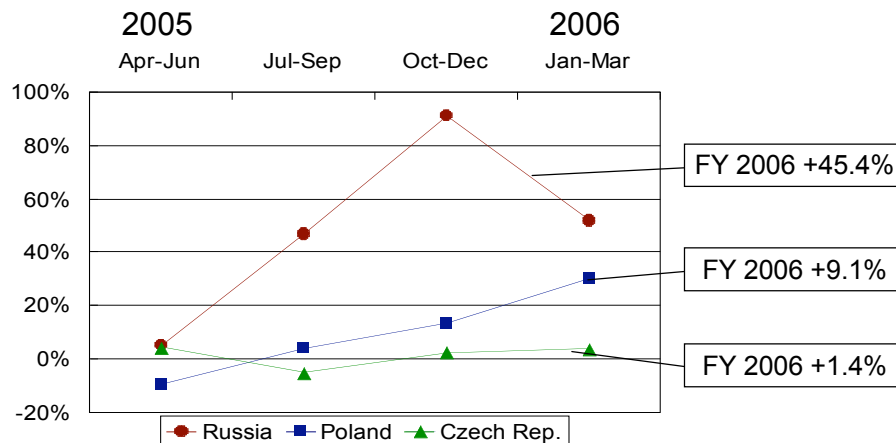


Cordless Driver Drill

Sales Growth (Local Currency Basis)



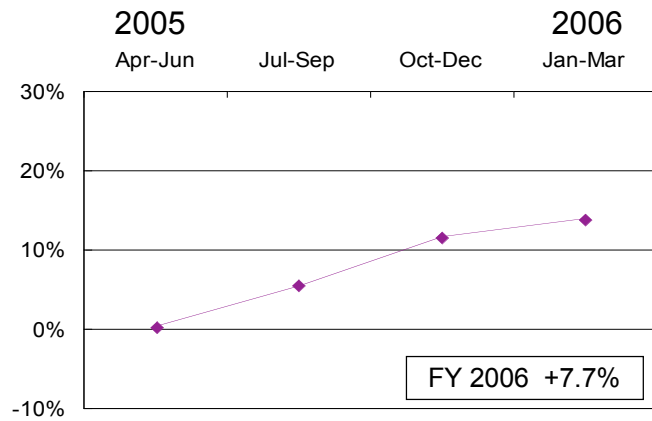
Eastern Europe/Russia



Sales Growth (Local Currency Basis)



China

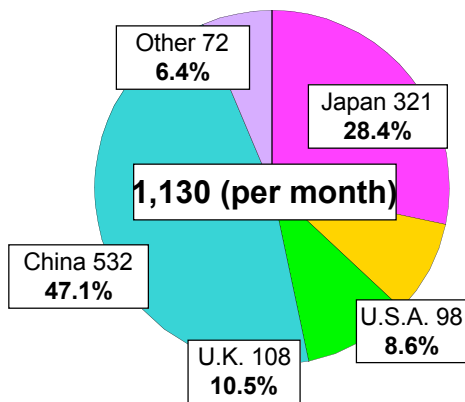


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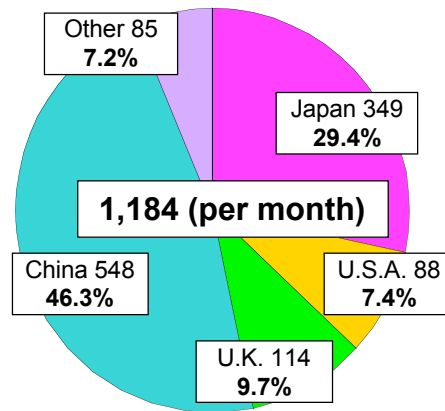
Production by Country



FY 2005
Total 13,566 thousand units



FY 2006
Total 14,211 thousand units



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FY 2006 Results



Net Sales ¥229.1 billion

Cost of Sales ¥132.9 billion Cost of Sales Ratio
58.0%
-0.2 pt

SG&A expenses ¥50.4 billion Change
+¥0.4 billion

(Excluding special factors +¥6.2 billion)

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Special Factors (SG&A)



	FY 2004	FY 2005	FY 2006
Golf Course	-¥8.5 billion	-	+¥8.5 billion
Return of the Employee Retirement Benefit Fund	-	+¥4.4 billion	-
Gain/Loss on Sales of Property	+¥1.8 billion	-¥1.2 billion	-
Other	-	-¥0.5 billion	-
Total	-¥6.7 billion	+¥2.7 billion	+¥8.5 billion

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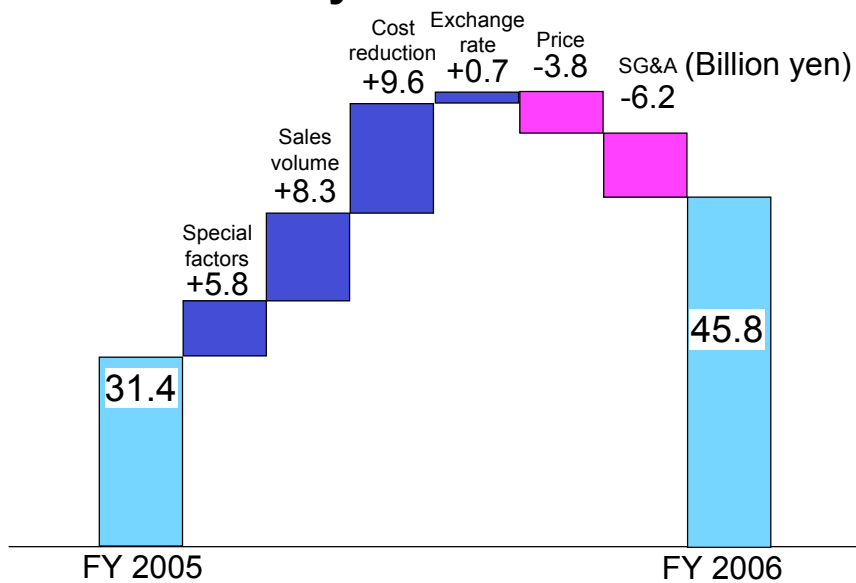
FY 2006 Results



	FY 2004	FY 2005	FY 2006
Net Sales	¥184.1 billion	¥194.7 billion	¥229.1 billion
Cost of Sales	¥110.3 billion	¥113.3 billion	¥132.9 billion
SG&A Expenses	¥59.1 billion	¥50.0 billion	¥50.4 billion
Operating Profit	¥14.7 billion	¥31.4 billion	¥45.8 billion
Operating Profit Ratio	8.0%	16.1%	20.0%
Special Factors	-¥6.7 billion	+¥2.7 billion	+¥8.5 billion
Excluding special factors:			
Operating Profit	¥21.4 billion	¥28.7 billion	¥37.3 billion
Operating Profit Ratio	11.6%	14.8%	16.3%

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Variance Analysis (Operating Income)

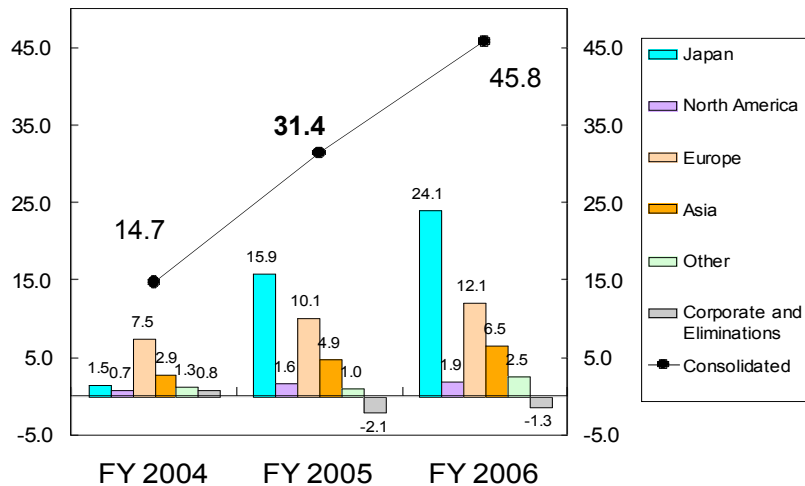


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Operating Income

(By Geographic Segment Basis)

Billion yen



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FY 2006 Other Income (Expenses), Income Taxes, Net Income



	FY 2005	FY 2006	% Change
Other Income(Expenses)	+¥1.2 billion	¥3.4 billion	+¥2.2 billion
Special factors to be included in Other Income(Expenses)	—	+¥2.5 billion	+¥2.5 billion
		<small>(Gain on the evaluation of shares of UFJ Holding that Makita owns)</small>	
Income Taxes	¥32.6 billion	¥49.1 billion	+50.7%
Excluding special factors:	¥30.0 billion	¥38.1 billion	+27.3%
	31.4%	29.2%	
Net Income	¥22.1 billion	¥40.4 billion	+82.6%
EPS	¥153.89	¥281.15	
Excluding special factors:			
Net Income	¥20.5 billion	¥27.0 billion	+31.3%
EPS	¥143	¥188	

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Major Balance Sheet Items



(vs 2005/3)

Inventories **+¥13.8 billion**

- Calculated excluding currency factors, the change would have been +¥9.3 billion.
- Inventories increase in the U.S.A and in acquiring the automatic nailer business

{ Short-term time deposits **-¥6.0 billion**
Marketable securities **-¥10.2 billion**

- Repayment with procedures of civil rehabilitation law :¥6.5 billion
- Repayment of dept by financial subsidiary :¥3.0 billion
- Payment with acquiring the automatic nailer business : ¥1.2 billion

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Capex



FY 2006 (Results) **¥11.4 billion**

Parent company : ¥6.4 billion
(Okazaki Plant ¥2.3 billion)
Subsidiaries: ¥5.0 billion
(China Plant ¥2.5 billion)

FY 2007 (Forecast) **¥15.5 billion**

Depreciation

FY 2006 (Results) **¥5.9 billion**

FY 2007 (Forecast) **¥6.2 billion**

Composition:
Parent company: ¥9.9 billion
Earthquake proofing of Okazaki Plant :
Approximately ¥3.6 billion
Earthquake proofing of Head Office :
Approximately ¥2.3 billion

Subsidiaries: ¥5.6 billion
China Plant: Approximately ¥2.0 billion
Romania Plant: Approximately ¥1.5 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 Change it and contract with it, and it is concluded from the absorption division by a business transfer
- January 2006 Acquisition : price ¥1.75 billion

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 based on rehabilitation procedures

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FY2007 Forecast

		% Change
Net Sales	¥240.0 billion	+4.8%
Domestic	¥46.5 billion	+11.8%
Overseas	¥193.5 billion	+3.2%

Exchange rate

Assumption: ¥113 to US\$ 1 and ¥140 to 1 EURO

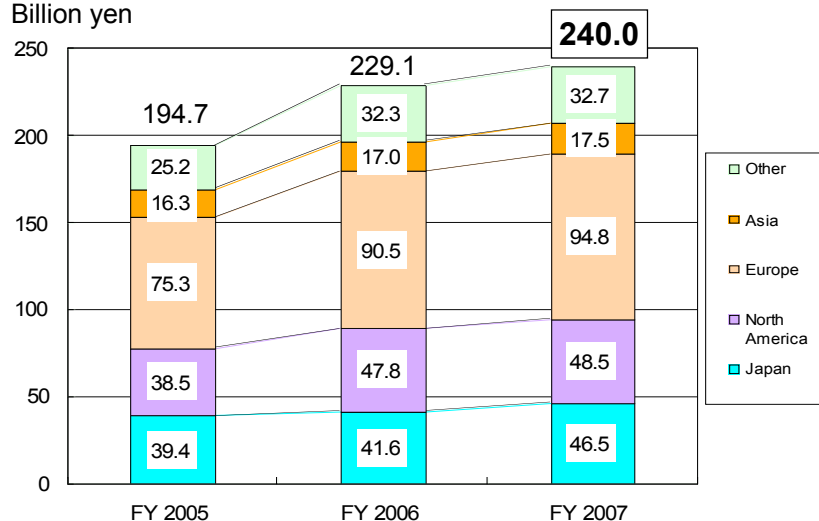
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FY2007 Forecast

(Sales by Geographic Area)



Billion yen



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FY 2007 Forecast



	FY 2006	FY 2007	% Change
Net Sales	¥229.1 billion	¥240.0 billion	+4.8%
Operating Profit	¥45.8 billion	¥38.3 billion	-16.3%
Operating Profit Ratio	20.0%	16.0%	
Special factors to be included in Operating Profit	+¥8.5 billion	—	-¥8.5 billion
<small>(Liquidation of golf course management subsidiary)</small>			
Excluding special factors:			
Operating Profit	¥37.3 billion	¥38.3 billion	+2.7%
Operating Profit Ratio	16.3%	16.0%	
Special factors to be included in Other Income(Expenses)	+¥2.5 billion	—	-¥2.5 billion
<small>(Gain on the evaluation of shares of UFJ Holding that Makita owns)</small>			
Income before Income Taxes	¥49.1 billion	¥39.3 billion	-20.0%
Excluding special factors:	¥38.1 billion	¥39.3 billion	+3.1%

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FY 2007 Forecast



	FY 2006	FY 2007	% Change
Net Sales	¥229.1 billion	¥240.0 billion	+4.8%
Operating Profit	¥45.8 billion	¥38.3 billion	-16.3%
Income before Income Taxes	¥49.1 billion	¥39.3 billion	-20.0%
Net Income	¥40.4 billion	¥27.0 billion	-33.2%
EPS	¥281.15	¥187.88	-33.2%
Special factors after tax	+¥13.4 billion (Liquidation of golf course management subsidiary) (Gain on the evaluation of shares of UFJ Holding that Makita owns)	—	-¥13.4 billion
Excluding special factors:			
Net Income	¥27.0 billion	¥27.0 billion	+0.1%
EPS	¥188	¥188	+0.1%

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Cash Dividends



	FY2006	FY2007
Net income after adjustments	¥27.0 billion	¥27.0 billion _(forecast)
EPS after adjustments	¥188	¥188
Annual cash dividend	¥57	※
Dividend propensity after adjustments	30.4%	More than 30%

	FY2006	FY2007
Ordinary dividend(Stability)	¥18	¥18
Special dividend	¥39	※
Includes an interim dividend (already paid) of	¥19	¥19
and a year-end dividend (proposed) of	¥38(plan)	※
※Dividend payout ratio: 30% or over		

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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.