



# FY 2008 Operating Results

(Year ended March 31, 2008)

Masahiko Goto

President

## Makita Corporation

May 9, 2008

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## FY2008 Sales



Variance to FY2007

<b>Net sales</b>	<b>¥342.6 billion</b> (Record high)	<b>+22.4%</b>
Domestic	¥52.2 billion (Record high)	+11.4%
Overseas	¥290.4 billion (Record high)	+24.6%

\* Overseas sales ratio: 84.8% (FY 2007: 83.3%)

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Agricultural Machines

Petrol Brush Cutters

Gardening Tools



Cultivators

**Rabbit**

4cycle  
Compact Engine

Petrol Blower



## Pneumatic Tools

Expansion of Product Line-up  
for High-pressure Pneumatic Tools

Construction Coil Nailer

Finish Nailer

Pneumatic Stapler

Air Compressor

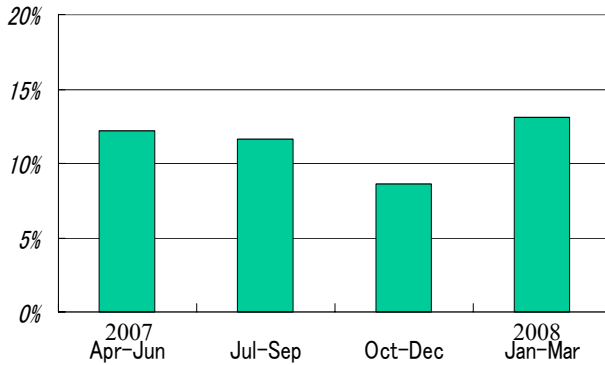
## Sales Growth (Local Currency Basis)



Japan

+11.4%

(Variance to FY2007/3)



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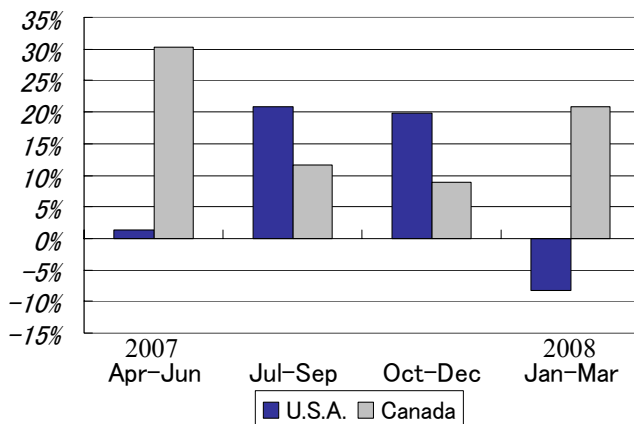
## Sales Growth (Local Currency Basis)



North America

+9.7%

(Variance to FY2007/3)



**U.S.A.**  
FY2008 +7.6%

**Canada**  
FY2008 +17.0%



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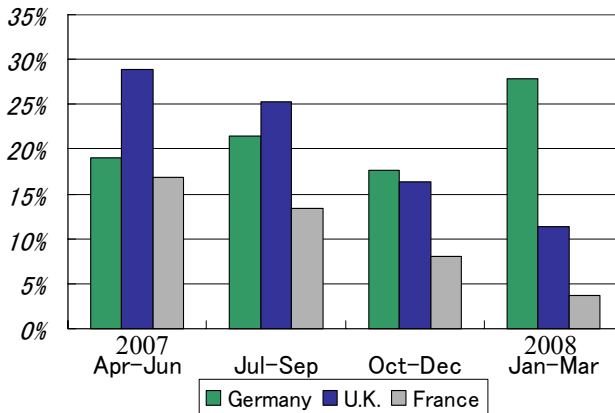
## Sales Growth (Local Currency Basis)



Western Europe

+14.7%

(Variance to FY2007/3)



**Germany**  
FY2008 +21.4%

**U.K.**  
FY2008 +20.1%

**France**  
FY2008 +9.9%

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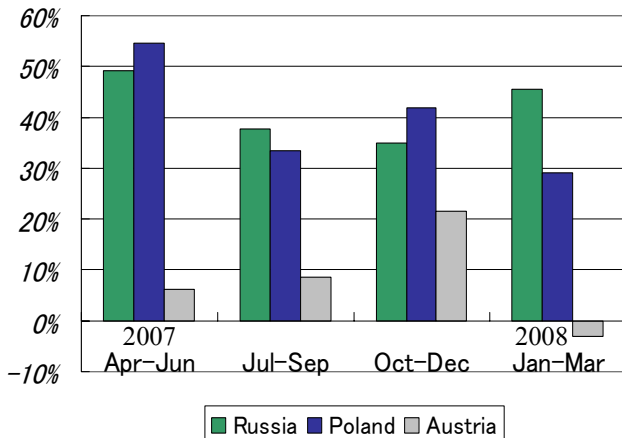
## Sales Growth (Local Currency Basis)



Eastern Europe/Russia

+32.2%

(Variance to FY2007/3)



**Russia**  
FY2008 +41.3%

**Poland**  
FY2008 +38.4%

**Austria**  
FY2008 +8.0%

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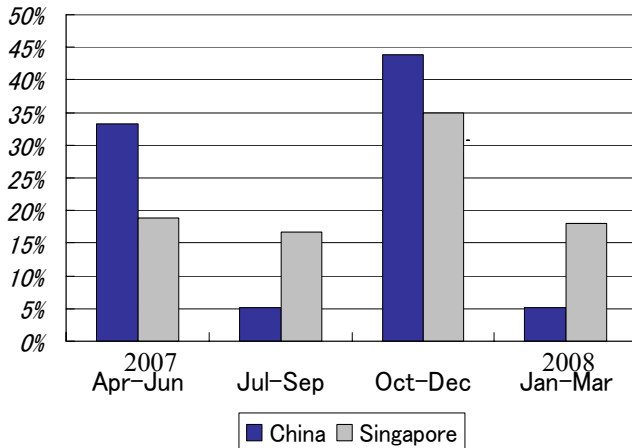
## Sales Growth (Local Currency Basis)



Asia

+15.1%

(Variance to FY2007/3)



**China**  
FY2008  
+20.4%

**Singapore**  
FY2008  
+22.1%

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## Sales Growth (Local Currency Basis)

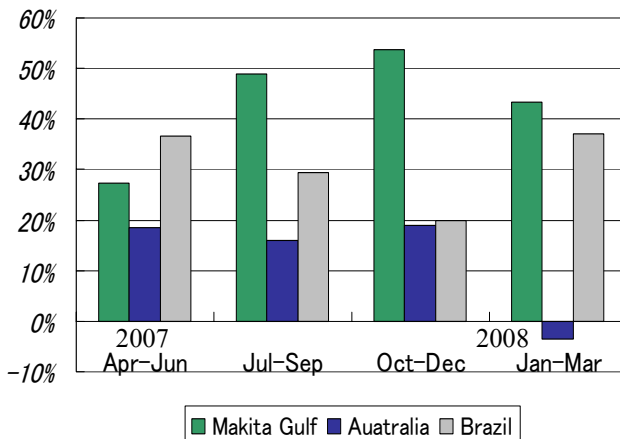


Other regions

Mid-East/Africa, Oceania,  
Central & South America

+27.9%

(Variance to FY2007/3)



**Makita Gulf (UAE)**  
FY2008 +43.6%

**Australia**  
FY2008 +12.4%

**Brazil**  
FY2008 +30.0%

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# Effective Exchange Rate



	FY2007	FY2008	
US\$	¥116.97	¥114.44	2.2% Appreciation
EUR	¥150.02	¥161.59	7.7% Depreciation

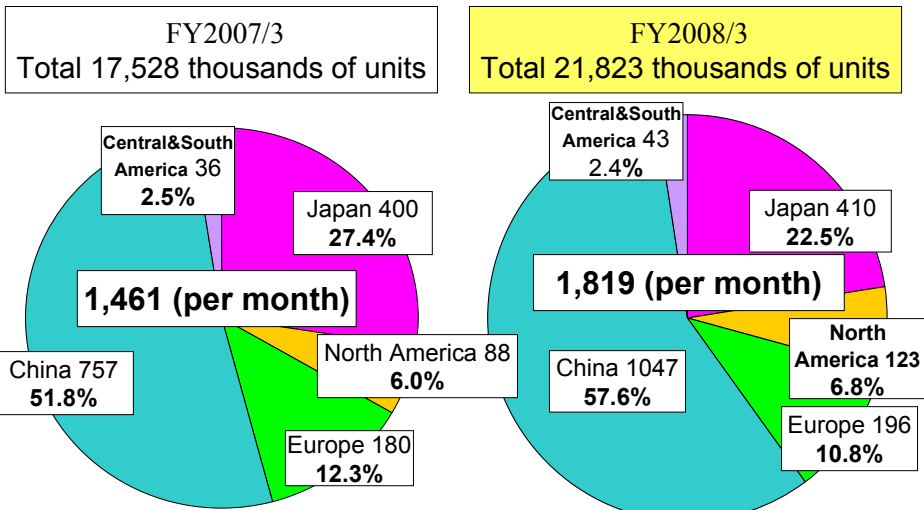
Weighted average change for all foreign currency:  
4.9% depreciated in the value of the yen

Effect on net sales:  
Increase of ¥13.4billion

# Production by Geographic Area



(Unit Basis)

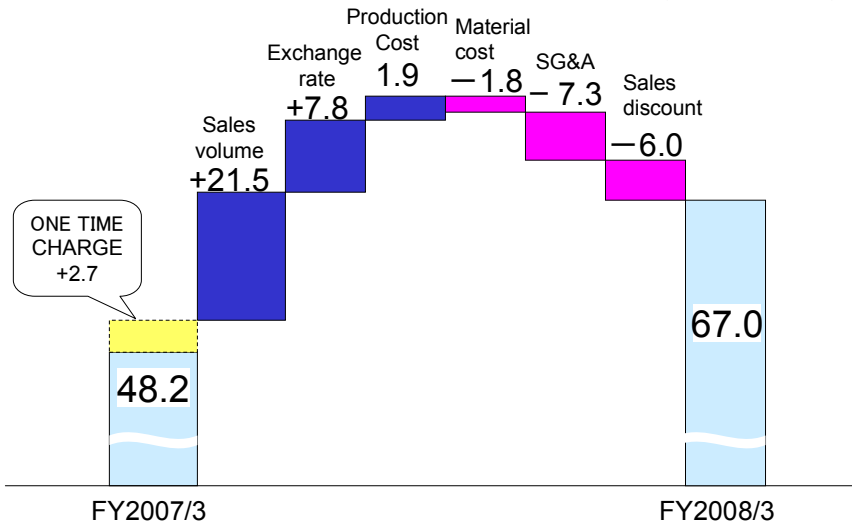




# Variance Analysis of Operating Income



(Yen in billions)

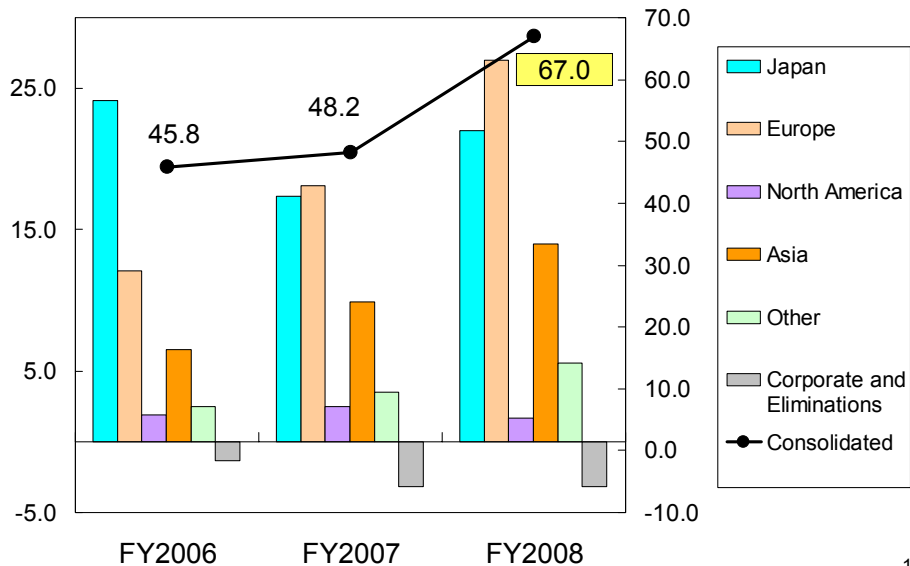


# Operating Income

(By Geographic Segment Basis)



(Yen in billions)



## FY2008 Other Income, Income Taxes, Net Income



	FY2007/3	FY2008/3	Variance
<b>Other Income</b>	¥1.1billion	¥-1.2billion	-2.3billion
<b>Income before Taxes</b>	¥49.3billion	¥65.8billion (Record high)	+33.3%
<b>Net Income</b>	¥37.0billion	¥46.0billion (Record high)	+24.5%
<b>EPS</b>	¥257.27	¥320.30	

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## Assets



Variance to FY2007

**Inventories** + ¥ 19.4billion

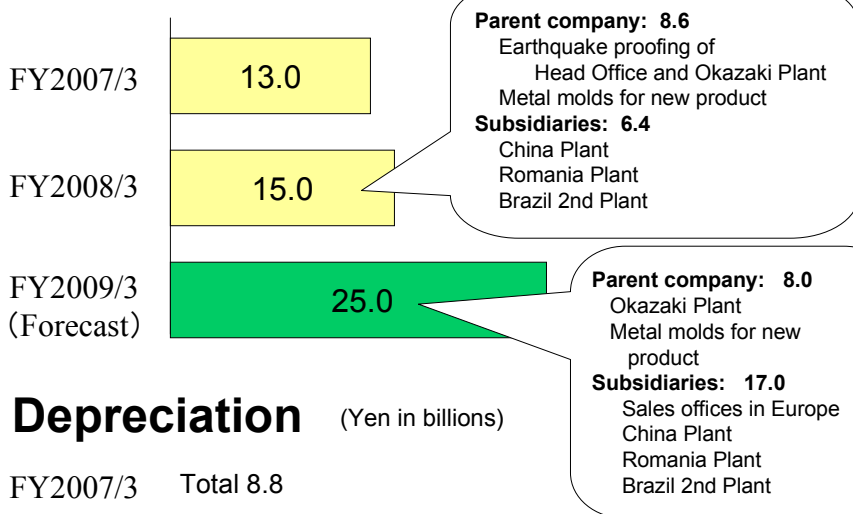
- Mainly increase in accordance with sales growth in Europe and North America

**Property, Plant and Equipment** + ¥ 5.7billion

- Reconstruction of a corporate headquarter building and R&D building
- Acquisition of Fuji Robin Industries
- Expansion of plants in China, Romania, and Brazil

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## Capital Expenditure (Yen in billions)



## Depreciation (Yen in billions)

FY2007/3	Total 8.8	
FY2008/3	Total 8.9	FY2009/3 Total 10.7 (Forecast)

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## FY2009 Sales Forecast



		Variance
<b>Net Sales</b>	<b>¥343.0 billion</b>	<b>+0.1%</b>
Domestic	¥50.0 billion	-4.2%
Overseas	¥293.0 billion	+0.9%

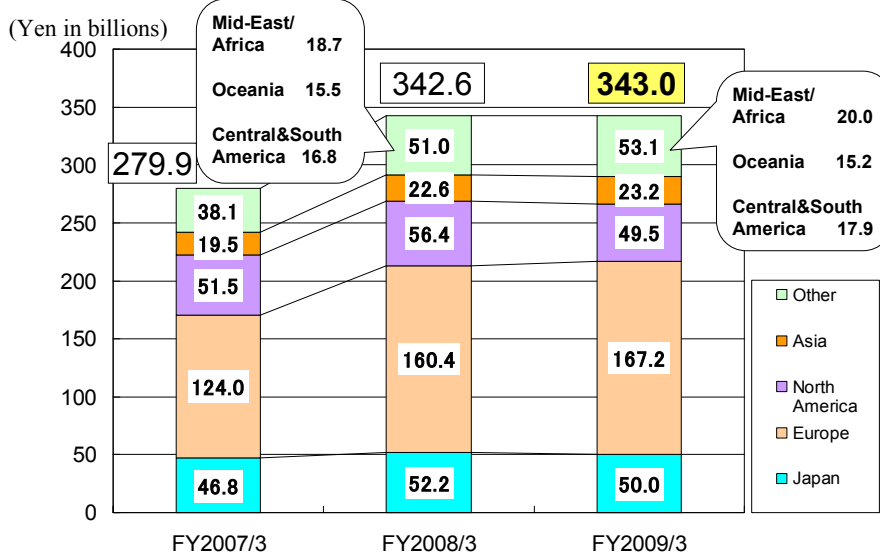
Overseas sales ratio: 85.4% (+0.6pt)

### Exchange Assumption Rate

FY2009	¥ 100 to US\$	¥158 to Euro
	Euro 1.58 to US\$	

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## FY2009 Sales Forecast by Geographic Area



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## Business strategy



### Basic policy

- Diversifying products line-up
- Developing high value-added products and various new products that meet users' needs
- Specializing in the market for professionals in the world
- Organizing substantial after-sale service network
- Establishing global production framework

### U.S. Business

- Especially strengthening business relationship with Home Depot
- Continuing to strengthen its relationship with specialty stores

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## FY 2009 Performance Forecast



	FY2008/3 (Actual)	FY2009/3	Variance
<b>Net Sales</b>	¥342.6billion	¥343.0billion	+0.1%
<b>Operating Profit</b>	¥67.0billion	¥64.0billion	-4.5%
<b>Income before Taxes</b>	¥65.8billion	¥63.0billion	- 4.2%
<b>Net Income</b>	¥46.0billion	¥42.0billion	- 8.8%
<b>EPS</b>	¥320.30	¥292.13	

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## Cash Dividends



	FY2008/3 (After adjustment)	FY2009/3
<b>Net Income</b>	¥46.0billion	¥42.0billion (Forecast)
<b>EPS</b>	¥320	¥292 (Forecast)
<b>Payout Ratio</b>	30.3%	30% or over
<b>Annual Cash Dividends</b>	¥97	※
<b>Interim dividend</b>	¥30	¥30
<b>Year-end dividend</b>	¥67	※

※Dividend payout ratio: 30% or over

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## Basic policy of profit distribution

**Consolidated dividend payout ratio:** 30% or over

**Repurchase of outstanding shares:** Execute own share repurchases in light of trends in stock prices to implement a flexible capital policy, augment the efficiency of its capital employment and thereby boost shareholder profit.

**Legal reserve and retained earnings:** Maintain a financial position strong enough to withstand the challenges associated with changes in its operating environment and other changes and allocate funds for strategic investments aimed at expanding its global operations.

**Number of shares to be repurchased:** Up to 3 millions of share (2.09% of issued shares)

**Aggregate repurchase amount:** Up to 12 billion yen

**Period for repurchase:** From May 1, 2008 to May 26, 2008

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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.

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