



# First Half FY 2009 Results

(Six months ended September 30, 2008)

Masahiko Goto

President & Representative Director

**Makita Corporation**

November 6, 2008

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## FY09 1H Results

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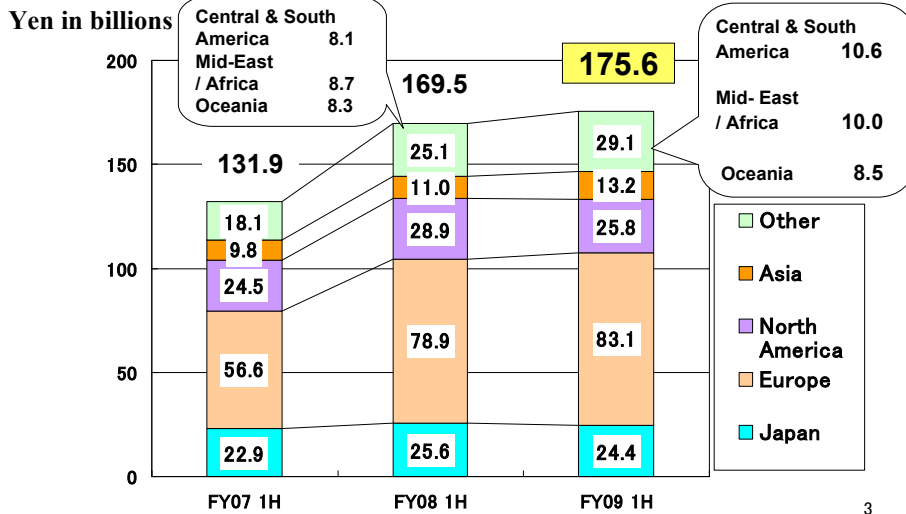
Variance to FY08 1H

<b>Net Sales</b>	<b>¥175.6billion</b> <i>(Record high)</i>	<b>+3.6%</b>
Domestic	¥24.4billion	-5.0%
Overseas	¥151.2billion <i>(Record high)</i>	+5.1%

Overseas sales ratio: 86.1% (FY08 1H: 84.9%)

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# Sales by Geographic Area



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# Effective Exchange Rate



	FY08 1H	FY09 1H	
US\$	¥119.40	¥106.12	11.1% Appreciation
EUR	¥162.33	¥162.80	0.3% Depreciation

Weighted average change for all foreign currency:

3.7% appreciated in the value of the yen

Effect on net sales: Decrease of ¥5.8billion

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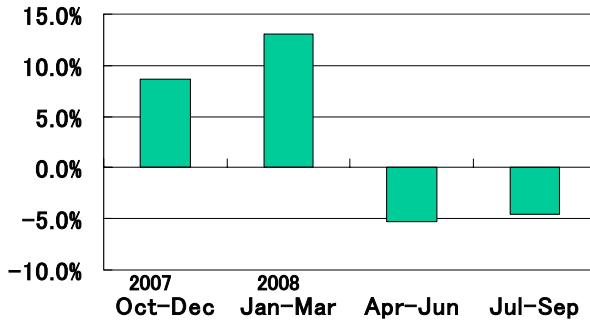
# Sales Growth (Local Currency Basis)



Japan

- 5.0%

(Variance to FY08 1H)



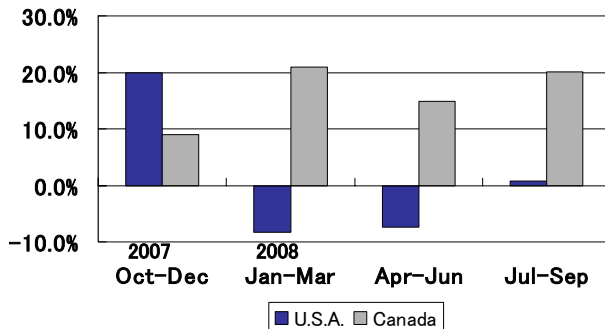
# Sales Growth (Local Currency Basis)



North America

- 0.6%

(Variance to FY08 1H)



**U.S.A.  
FY09 1H  
-3.0%**

**Canada  
FY09 1H  
+17.4%**

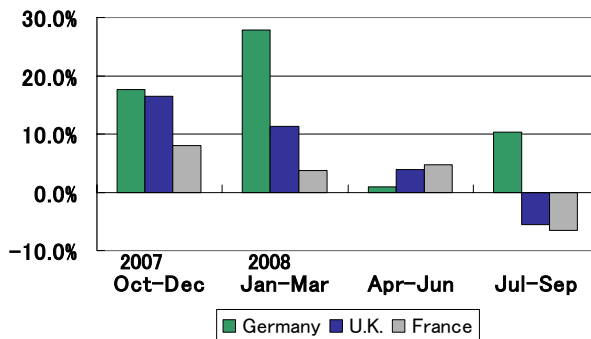


## Sales Growth (Local Currency Basis)

Western Europe

- 0.5%

(Variance to FY08 1H)



Germany  
FY09 1H  
+5.8%

U.K.  
FY09 1H  
-0.9%

France  
FY09 1H  
-0.7%

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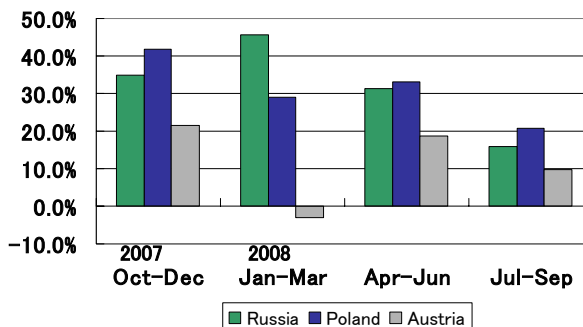


## Sales Growth (Local Currency Basis)

Eastern Europe / Russia

+19.9%

(Variance to FY08 1H)



Russia  
FY09 1H  
+22.3%

Poland  
FY09 1H  
+26.3%

Austria  
FY09 1H  
+14.2%

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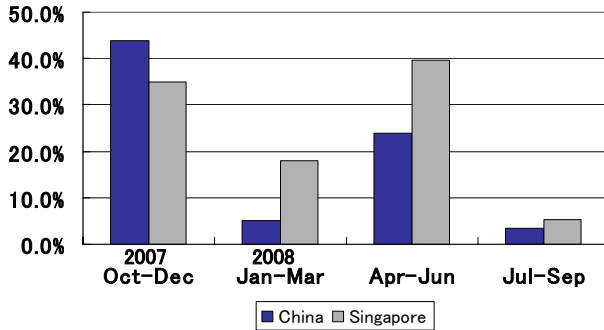


# Sales Growth (Local Currency Basis)

Asia

+21.7%

(Variance to FY08 1H)



China  
FY09 1H  
+14.1%

Singapore  
FY09 1H  
+20.9%



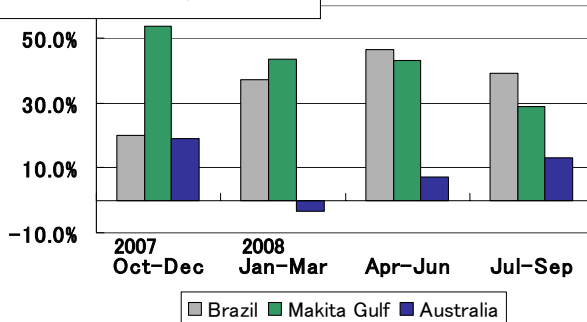
# Sales Growth (Local Currency Basis)

Other Regions

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

+21.2%

(Variance to FY08 1H)



Brazil  
FY09 1H  
+42.5%

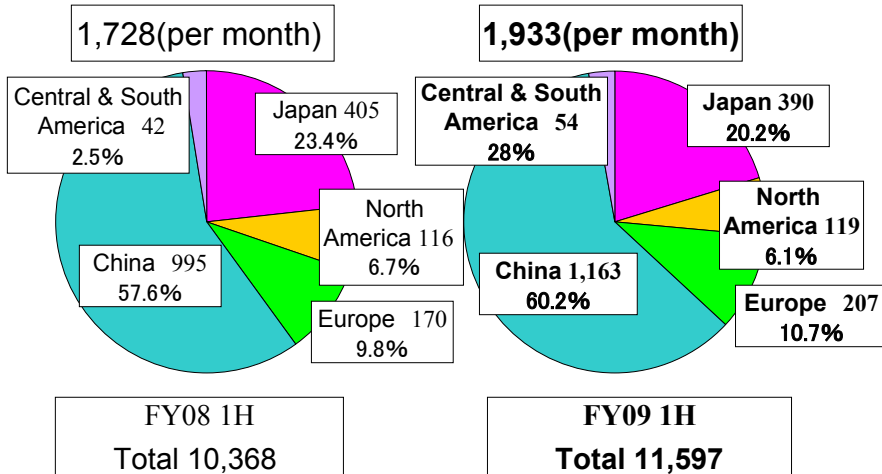
Makita Gulf  
FY09 1H  
+35.5%

Australia  
FY09 1H  
+10.3%

## Production by Geographic Area



(thousands of units)



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## Cost of Sales, SG & A



		Variance to FY08 1H
Net Sales	¥175.6billion	+¥6.0billion
Cost of Sales	¥100.8billion	+¥2.0billion
Cost of Sales Ratio	57.4%	Improved 0.9points
SG & A Expenses	¥38.7billion	+¥1.9billion
SG & A Expenses Ratio	22.1%	Up 0.4 points

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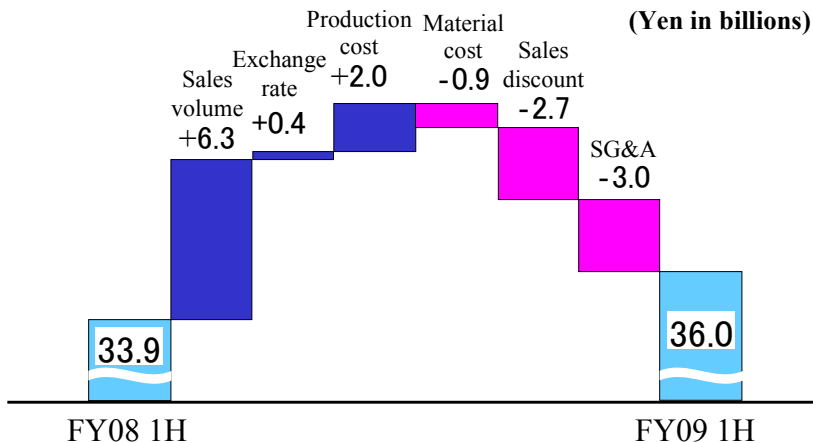
## Operating Income

	FY08 1H	FY09 1H
Net Sales	¥169.5billion	¥175.6billion
Cost of Sales	¥98.8billion	¥100.8billion
SG&A Expenses	¥36.8billion	¥38.7billion
Operating Income	¥33.9billion	¥36.0billion <i>(Record high)</i>
Operating Income Ratio	20.0%	20.5%

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## Analysis of Operating Income



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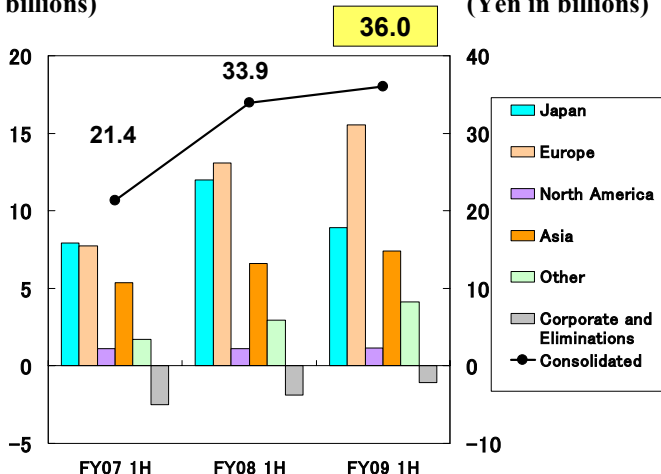
# Operating Income

(By Geographic Segment Basis)



(Yen in billions)

(Yen in billions)



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# Other Income, Income Before Taxes, Net Income



	FY08 1H	FY09 1H	Variance
Other Income	+¥0.6billion	<b>-¥1.6billion</b>	-¥2.2billion
Income before Taxes	¥34.5billion	<b>¥34.5billion</b>	-0.0%
Net Income	¥23.6billion	<b>¥24.9billion</b>	+5.3%
EPS	¥164.17	<b>¥175.60</b>	+7.0%

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# Assets

Variance to FY08 1H

(Yen in billions)

## Inventories

Increased ¥ 8.0 billion

- Mainly increase in accordance with sales growth in Europe and The Middle-East.

## Property, Plant and Equipment

Increased ¥ 5.0 billion

- Reinforcement work of Head office and Okazaki Plant for earthquake-proof and expansion of China plant, Romania plant, and Second plant in Brazil.

## Marketable Securities

Decreased ¥14.6billion

- Disposal for buy-back of its common stock and payment of dividends.

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# Capital Expenditure, Depreciation, R&D Cost



## Capital Expenditure

(Yen in billion)

	IH	FY
FY07	4.9	13.0
FY08	7.2	15.0
FY09	9.8	22.5 (Forecast)

FY08 1H 7.2  
Parent Company: 4.6  
Subsidiaries: 2.6

FY09 1H :

9.8

Parent company: 3.4

Metal molds for new product

Reinforcement work of Head

office and Okazaki plant

Subsidiaries: 6.4

Sales office in France

(under construction)

R&D facilities in China

Romanian plant

Construction of Second

plant in Brazil

## Depreciation

(Yen in billion)

	IH	FY
FY07	3.7	8.8
FY08	3.9	8.9
FY09	4.4	10.0 (Forecast)

## R&D Cost

(Yen in billion)

	IH	FY
FY07	2.6	5.5
FY08	2.8	5.9
FY09	3.5	7.1 (Forecast)

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## Strengthening Global Framework



### Production

- Eastern Europe  
Expansion in Romania plant
- South America  
Construction of  
Second plant in Brazil

### Sales

Established the subsidiaries

- India  
Start of Operations start in August 2008
- Colombia  
Start of Operations start in September 2008

### R&D

Construction of R&D facility in China plant

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## FY09 Sales Forecast



Variance to FY08

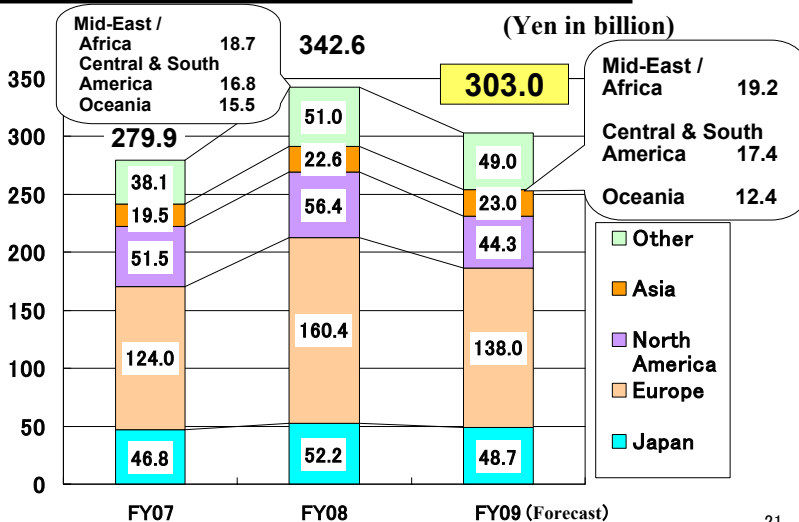
Net Sales	<b>¥303.0billion</b>	— 11.6%
Domestic	¥48.7billion	— 6.7%
Overseas	¥254.3billion	— 12.4%
Overseas sales ratio: 83.9% (FY08: 84.8%)		

Exchange Assumption Rate (2H)

US\$	Euro	Euro/US\$
¥95	¥120	1.26

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## FY09 Sales Forecast by Geographic Area



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## FY09 Performance Forecast



	FY08	FY09	Variance
Net Sales	¥342.6billion	<b>¥303.0billion</b>	-11.6%
Operating Profit	¥67.0billion	<b>¥54.0billion</b>	-19.4%
Income before Taxes	¥65.8billion	<b>¥50.2billion</b>	-23.7%
Net Income	¥46.0billion	<b>¥36.2billion</b>	-21.4%
EPS	¥320.30	<b>¥257.16</b>	-19.7%

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## Cash Dividends

	FY08	FY09 (Forecast)
Net Income	¥46.0billion	¥36.2billion
EPS	¥320	¥257
Payout Ratio	30.3%	30% or over

Dividend per share

Annual Cash Dividends	¥97	※
Interim dividend	¥30	¥30
Year-end dividend	¥67	※

※Dividend payout ratio: 30% or over

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## Basic Policy of Profit Distribution

<b>Consolidated dividend payout ratio</b>	<b>30% or over</b>
<b>Share Buy Back</b>	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.
<b>Reference of Share Buy back</b>	
<b>Buy back in May, 2008</b>	<b>Number of shares :</b> 3millions of shares (2.08% of issued shares) <b>Aggregate repurchase amount:</b> 11.9 billion yen
<b>Buy back in November, 2008 (schedule)</b>	<b>Number of shares:</b> Up to 3 millions of shares (2.08% of issued shares)
<b>Period for repurchase:</b> From November 4, 2008 to December 12, 2008	<b>Aggregate repurchase amount:</b> Up to 6 billion yen

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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.