



# First Half of FY 2014 Operating Results

(Six months ended September 30, 2013)

Shiro Hori  
President, Representative Director

## Makita Corporation

November 12, 2013

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## FY14 1H Sales

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Variance to FY13 1H

<b>Net Sales</b>	<b>¥185.9 billion</b>	<b>+ 22.9%</b>
Domestic	¥29.5 billion	+ 8.6%
Overseas	¥156.4 billion	+ 26.0%

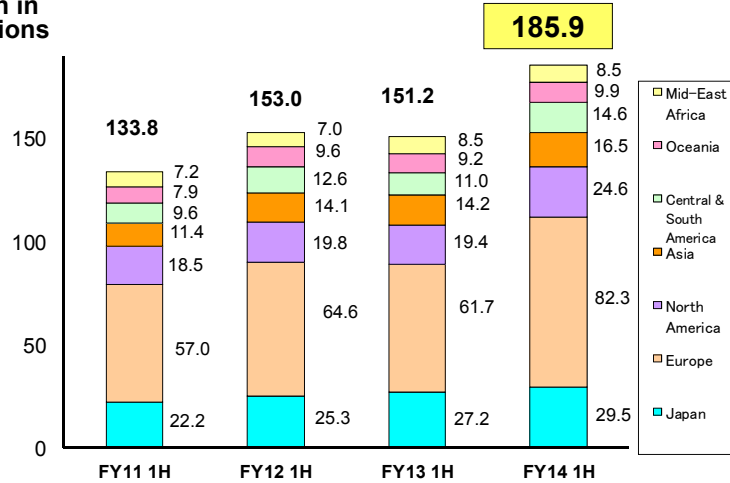
Overseas sales ratio: 84.1% (FY13 1H: 82.0%)

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## Sales by Geographic Area



Yen in billions

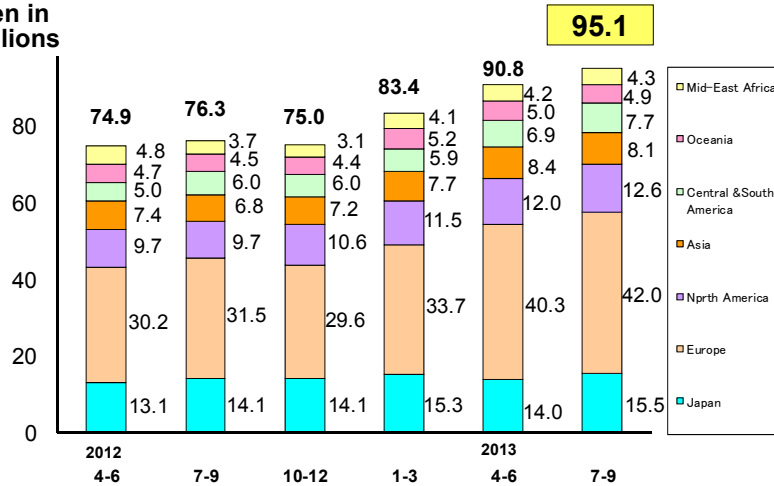


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## Quarterly Sales by Geographic Area



Yen in billions



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## Foreign Exchange Rate



	FY13 1H	FY14 1H	
US\$	¥ 79.41	¥ 98.86	<b>24.5%</b> Depreciation
Euro	¥100.54	¥129.98	<b>29.3%</b> Depreciation
RMB	¥ 12.55	¥ 16.11	<b>28.4%</b> Depreciation

Weighted average change for all foreign currencies:  
 22.8% depreciated in the value of the yen  
 Effect on net sales: Increase of ¥29.0 billion

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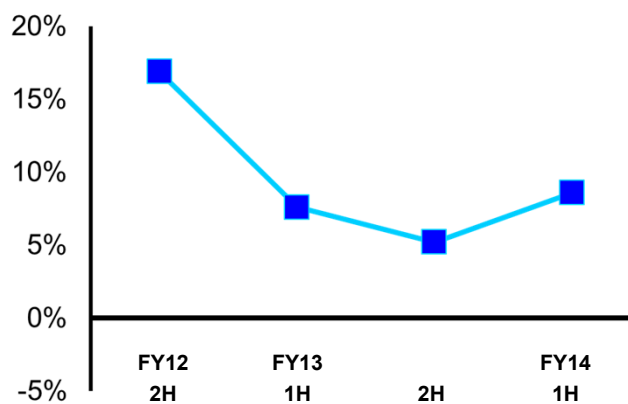
## Sales Growth (Local Currency Basis)



Japan

+ 8.6%

(Variance to FY13 1H)



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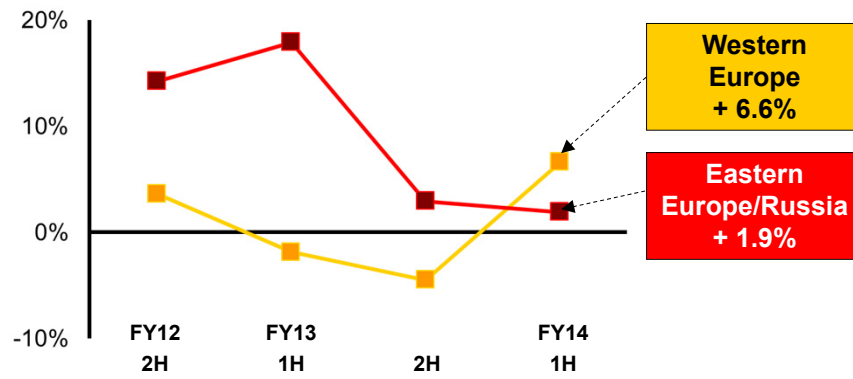


## Sales Growth (Local Currency Basis)

Europe

+ 4.4%

(Variance to FY13 1H)



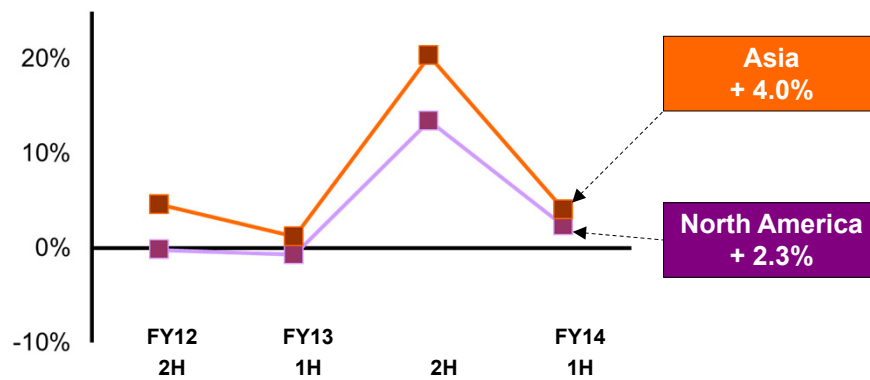
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## Sales Growth (Local Currency Basis)

North America/Asia

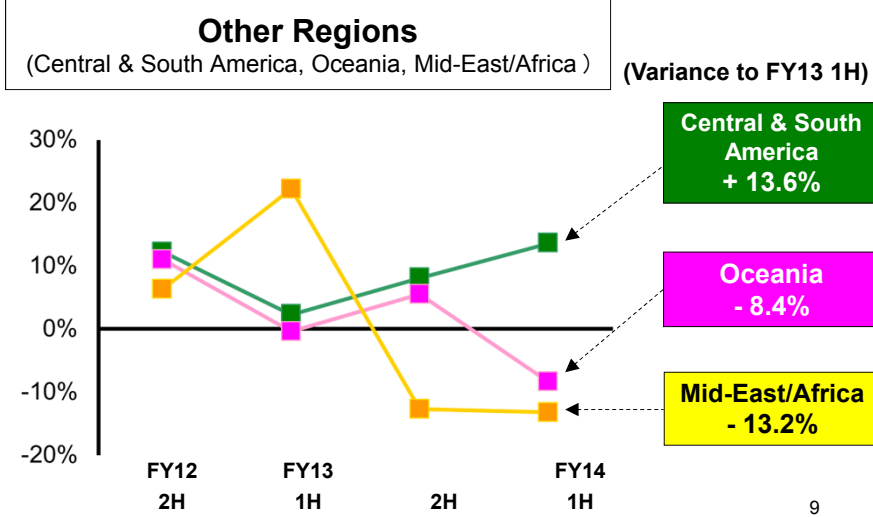
(Variance to FY13 1H)



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## Sales Growth (Local Currency Basis)



## Lithium-ion Battery Products



## Outdoor Power Equipment (OPE)



Petrol Chain Saw



Hedge Trimmer



Power Cutter



Pump

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## Maktec



Angle Grinder



Drill

Power Planer



Circular Saw

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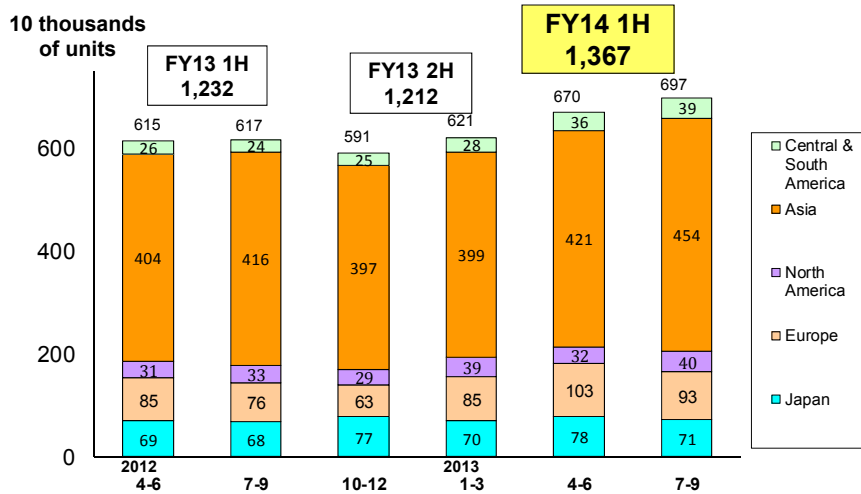
## Business Collaboration and Capital Alliance with Sharp Corporation



- Utilize a sensor technology and the control technology that Sharp has and expand the lineup of our product
- Acquire new shares issued by Sharp valued at approximately 10 billion yen through the third party allotment, with the aim of implementing the business collaboration agreement promptly and surely

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## Production Quantities by Geographic Area



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## Inventories

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March 31, 2013      ¥139.0 billion

September 30, 2013      ¥147.7 billion

**Increase** of inventories      ¥8.7 billion

**Breakdown:**

**Increase** of actual inventories      ¥2.2 billion

**Increase** by translation into yen      ¥6.5 billion

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## Cost of Sales, SG&A

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Variance to FY13 1H

Net Sales	¥185.9 billion	+ 22.9%
Cost of Sales	¥121.1 billion	+ 28.6%
Cost of Sales Ratio	65.1%	Up 2.9 points
SG&A Expenses	¥39.1 billion	+ 18.3%
SG&A Ratio	21.1%	Down 0.8 points

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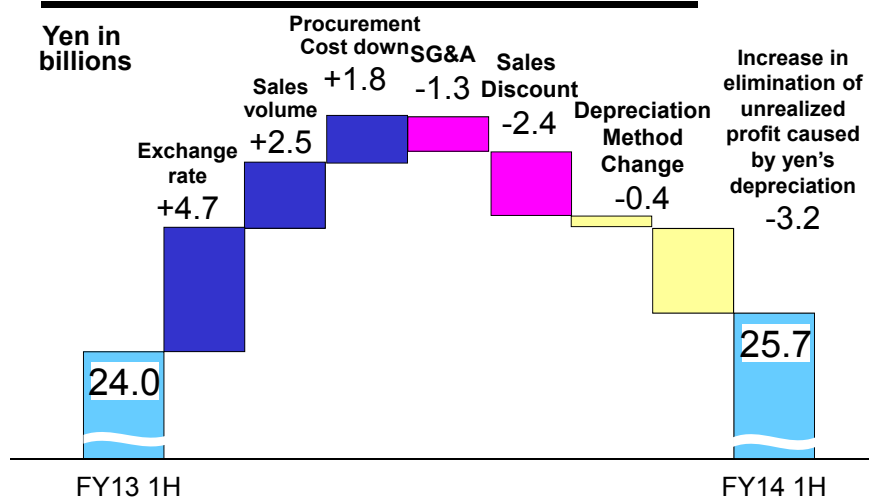
## Operating Income



	FY13 1H	FY14 1H	Variance to FY13 1H
Net Sales	¥151.2 billion	<b>¥185.9 billion</b>	+ 22.9%
Cost of Sales	¥94.1 billion	<b>¥121.1 billion</b>	+ 28.6%
SG&A Expenses	¥33.1 billion	<b>¥39.1 billion</b>	+ 18.3%
Operating Income	¥24.0 billion	<b>¥25.7 billion</b>	+ 7.0%
Operating Income Ratio	15.9%	<b>13.8%</b>	<b>Down 2.1 points</b>

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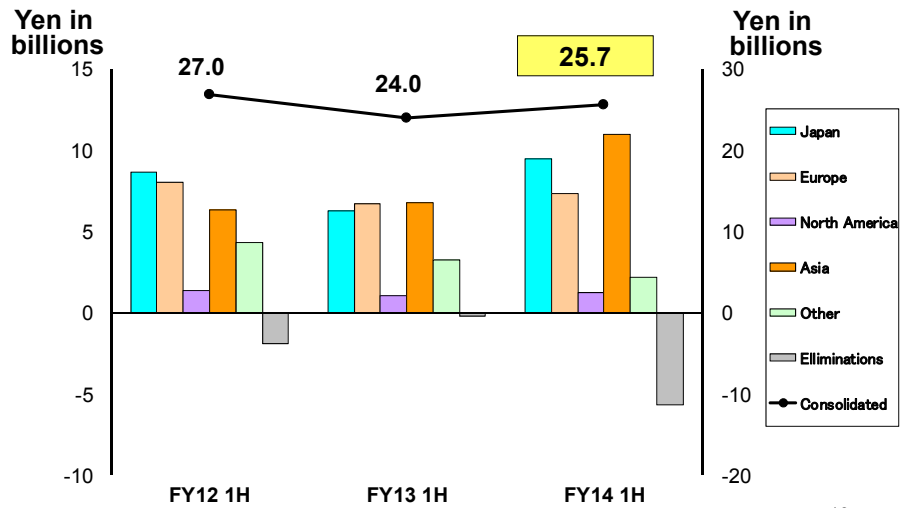
## Analysis of Operating Income



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## Operating Income

(By Geographic Segment Basis)



## Other Income (Expenses), Income Before Income Taxes, Net Income attributable to Makita Corporation



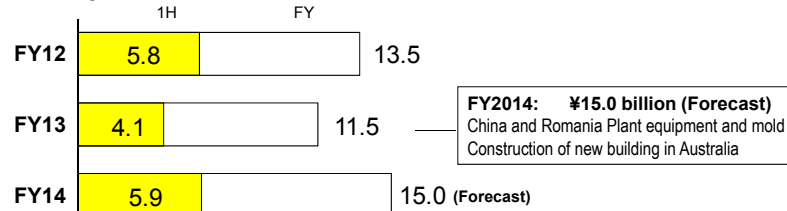
	FY13 1H	FY14 1H	Variance to FY13 1H
Other Income (Expenses)	- ¥1.3 billion	+ ¥1.3 billion	+ ¥2.6 billion
Income Before Income Taxes	¥22.7 billion	¥27.0 billion	+ 19.1%
Net Income attributable to Makita Corporation	¥15.9 billion	¥19.1 billion	+ 20.3%
EPS	¥116.94	¥140.74	+ 20.4%

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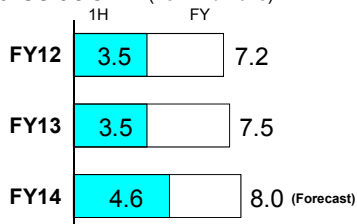


## Capital Expenditure, Depreciation, R&D Cost

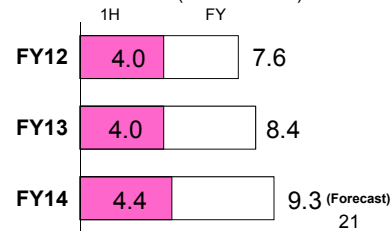
### Capital Expenditure (Yen in billions)



### Depreciation (Yen in billions)



### R&D Cost (Yen in billions)



## FY2014 Sales Forecast



Variance to FY13

Net Sales	¥360.0 billion	+ 16.3%
Domestic	¥59.5 billion	+ 5.2%
Overseas	¥300.5 billion	+ 18.7%
Overseas sales ratio: 83.5% (FY13: 81.7%)		

Assumed foreign exchange rates(2H)

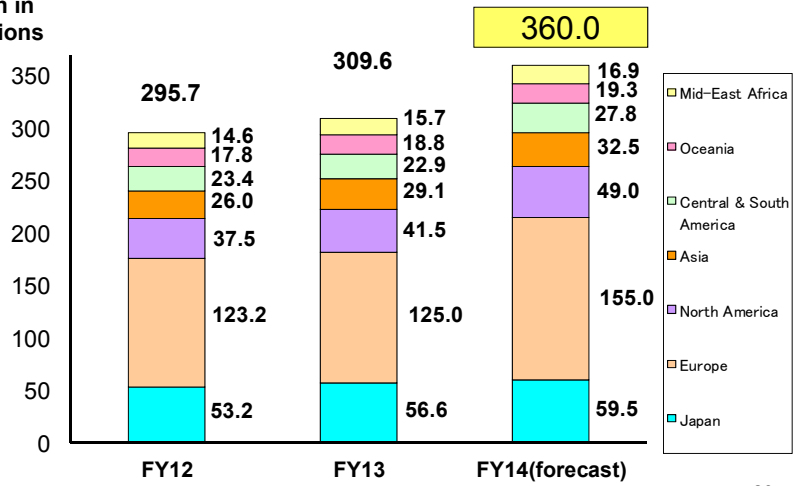
US\$	Euro	Euro/US\$	RMB
¥95	¥125	1.32	¥15.3

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## FY2014 Forecast by Geographic Area



Yen in  
billions

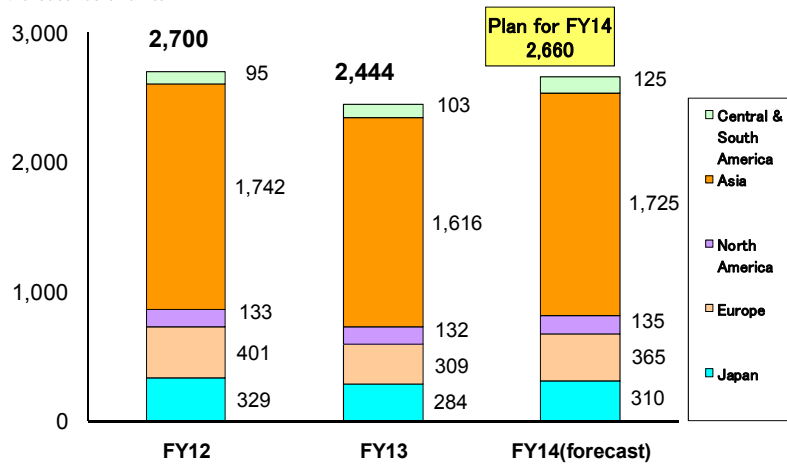


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## Production Plan



10 thousands of units



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## FY2014 Performance Forecast



	FY13	FY14	Variance
Net Sales	¥309.6 billion	<b>¥360.0 billion</b>	+ 16.3%
Operating Income	¥45.4 billion	<b>¥49.0 billion</b>	+ 8.0%
Income Before Income Taxes	¥45.7 billion	<b>¥50.4 billion</b>	+ 10.3%
Net Income attributable to Makita Corporation	¥31.1 billion	<b>¥35.7 billion</b>	+ 14.9%
EPS	¥228.92	<b>¥263.00</b>	+ 14.9%

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## Cash Dividends



Dividend Policy	Payout Ratio 30% or greater	
	FY13	FY14 (Forecast)
Net Income attributable to Makita Corporation	¥31.1 billion	¥35.7 billion
Special factor	—	—
EPS	¥228.92	¥263.00
Annual Cash Dividend Per Share	¥69	<b>(Note)</b>
Interim Dividend	¥15	¥18
Year-end Dividend	¥54	<b>(Note)</b>
Payout Ratio	30.1%	<b>30% or greater</b>

Note: In April 2014, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income attributable to Makita Corporation.

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<http://www.makita.biz/>

**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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