



# FY2014 Operating Results

(Fiscal Year ended March 31, 2014)

Shiro Hori  
President, Representative Director

## Makita Corporation

May 13, 2014

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## FY2014 Results

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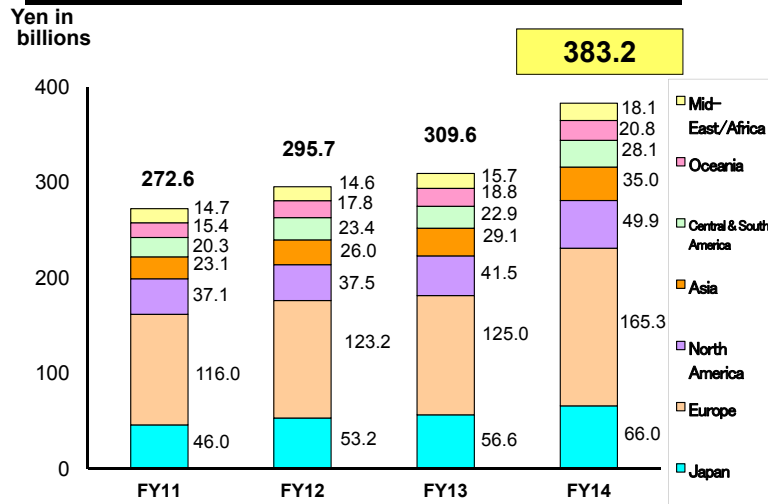
Variance to FY2013

|                  |                       |                |
|------------------|-----------------------|----------------|
| <b>Net Sales</b> | <b>¥383.2 billion</b> | <b>+ 23.8%</b> |
| Domestic         | <b>¥66.0 billion</b>  | + 16.7%        |
| Overseas         | <b>¥317.2 billion</b> | + 25.3%        |

Overseas sales ratio: 82.8% (FY2013: 81.7%)

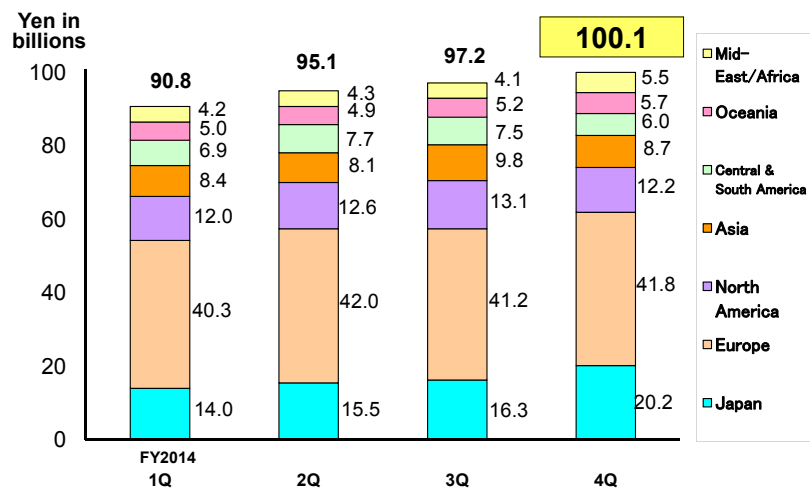
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## Sales by Geographic Area



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## Quarterly Sales by Geographic Area



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## Effective Exchange Rate

|      | FY2013  | FY2014         |                              |
|------|---------|----------------|------------------------------|
| US\$ | ¥82.91  | <b>¥100.17</b> | <b>20.8%</b><br>Depreciation |
| Euro | ¥106.78 | <b>¥134.21</b> | <b>25.7%</b><br>Depreciation |
| RMB  | ¥13.22  | <b>¥16.40</b>  | <b>24.1%</b><br>Depreciation |

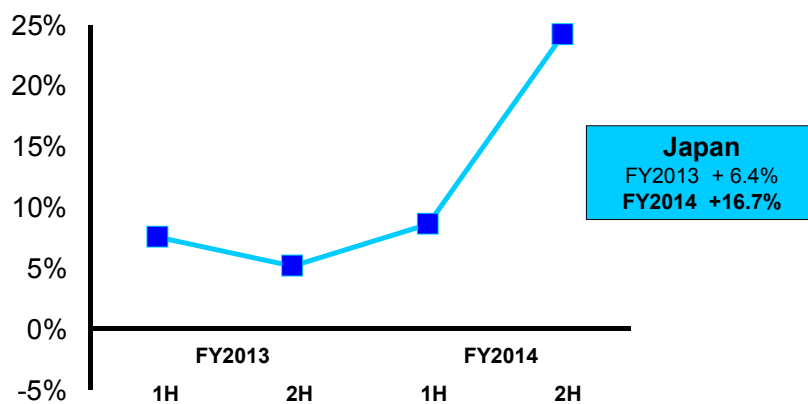
Weighted average change for all foreign currencies:  
19.0% depreciated in the value of the yen  
Effect on net sales: Increase of ¥50.6 billion

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## Sales Growth (Local Currency Basis)

Japan



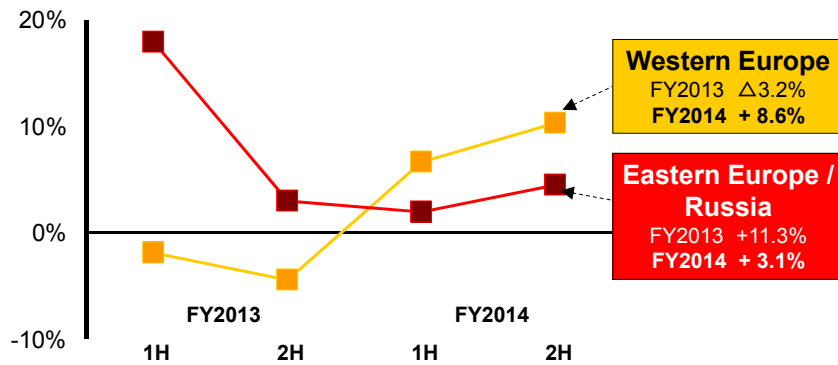
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## Sales Growth (Local Currency Basis)



Europe

+6.1%

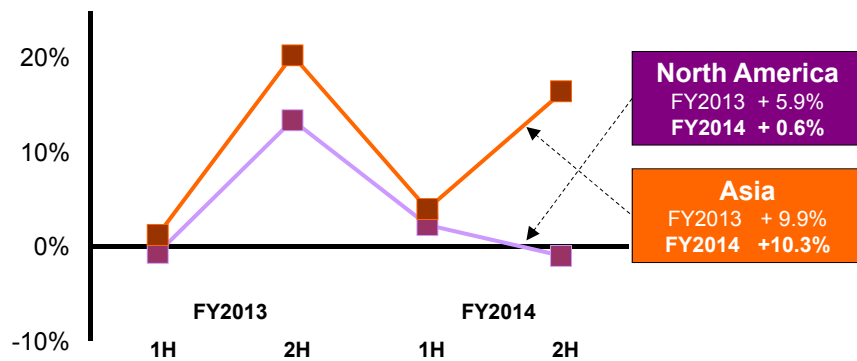


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## Sales Growth (Local Currency Basis)



North America, Asia

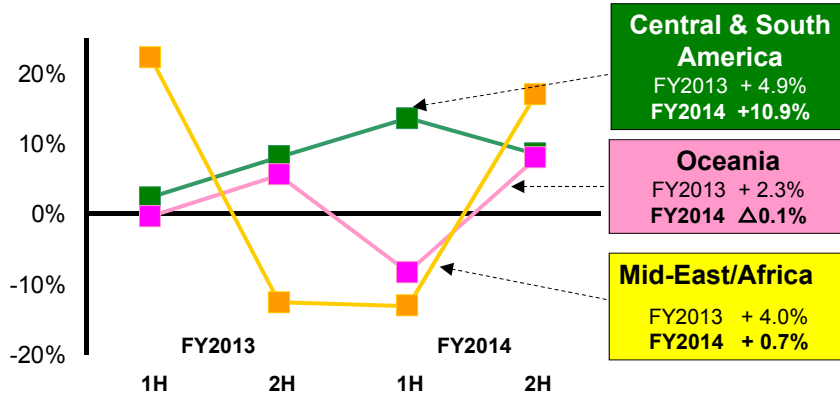


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# Sales Growth (Local Currency Basis)



## Other Regions (Central & South America, Oceania, Mid-East/Africa)



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# Lithium-ion Battery Products



Cordless Impact Driver



Cordless Combination Hammer (18V x 2)



Cordless Circular Saw

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## OPE (Outdoor Power Equipment)



Chain Saw



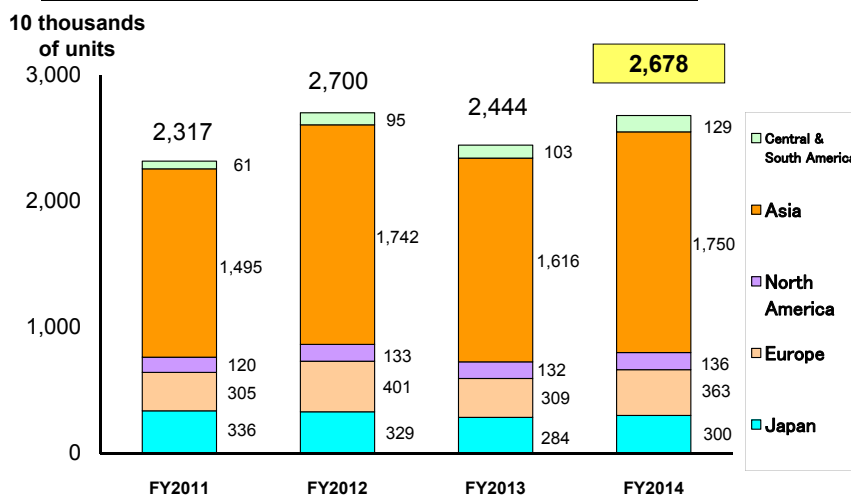
Cordless Grass Trimmer

Cordless Hedge Trimmer



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## Production Quantities by Geographic Area



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## Inventories

March 31, 2013      ¥139.0 billion

March 31, 2014      ¥156.1 billion

**Increase of inventories**      ¥17.1 billion

**Breakdown:**

Increase of actual inventories      ¥3.5 billion

Increase by translation into yen      ¥13.6 billion

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## FY2014 Activities

### **Sales Side : Strengthen Services in Emerging Countries**

Newly Establish of

- Sales Subsidiary in Malaysia
- Parts Center in Cambodia
- Panama Branch in Central America
- Belem Branch, Northern Part of Brazil etc.

### **Development Side : Strengthen Development Power in the Mid-and-Long Term**

Signed a Business Collaboration and  
Capital Alliance Agreement with Sharp Corporation

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## Cost of Sales, SG & A

Variance to FY2013

|                       |                |                 |
|-----------------------|----------------|-----------------|
| Net Sales             | ¥383.2billion  | + 23.8%         |
| Cost of Sales         | ¥244.1 billion | + 25.2%         |
| Cost of Sales Ratio   | 63.7%          | Up 0.8 points   |
| SG & A Expenses       | ¥84.2 billion  | + 21.4%         |
| SG & A Expenses Ratio | 22.0%          | Down 0.4 points |

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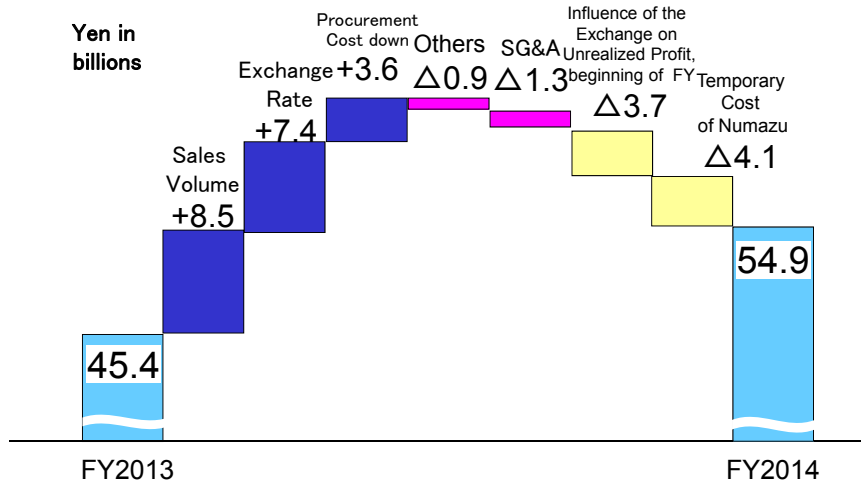
## Operating Income

|                        | FY2013         | FY2014                | Variance        |
|------------------------|----------------|-----------------------|-----------------|
| Net Sales              | ¥309.6 billion | <b>¥383.2 billion</b> | + 23.8%         |
| Cost of Sales          | ¥194.8 billion | <b>¥244.1 billion</b> | + 25.2%         |
| SG&A Expenses          | ¥69.4 billion  | <b>¥84.2 billion</b>  | + 21.4%         |
| Operating Income       | ¥45.4 billion  | <b>¥54.9 billion</b>  | + 21.0%         |
| Operating Income Ratio | 14.7%          | <b>14.3%</b>          | Down 0.4 points |

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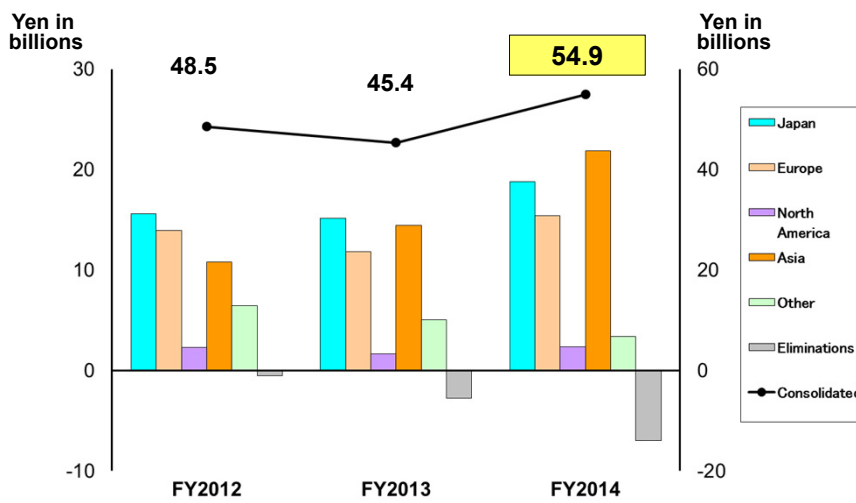


# Analysis of Operating Income



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# Operating Income (By Geographic Segment Basis)



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**Other Income (Expenses),  
Income Before Income Taxes, Net Income  
Attributable to Makita Corporation**



|   | FY2013         | FY2014                | Variance       |
|---|----------------|-----------------------|----------------|
| Other Income (Expenses)                       | + ¥0.3 billion | <b>+ ¥2.1 billion</b> | + ¥1.8 billion |
| Income Before Income Taxes                    | ¥45.7 billion  | <b>¥57.0 billion</b>  | + 24.7%        |
| Net Income Attributable to Makita Corporation | ¥31.1 billion  | <b>¥38.5 billion</b>  | + 23.7%        |
| EPS   | ¥228.92        | <b>¥283.28</b>        | + 23.7%        |

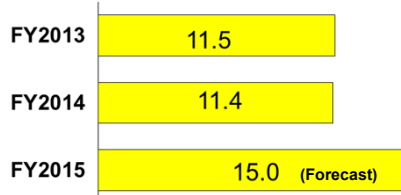
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**Capital Expenditure,  
Depreciation, R&D Cost**



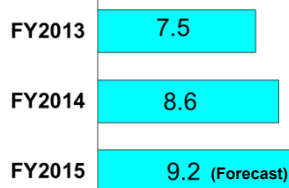
**Capital Expenditure**

(Yen in billions)

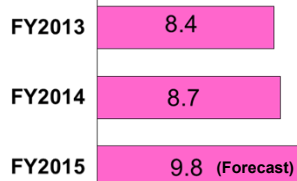


**FY2015: ¥15.0 billion (Forecast)**  
China and Romania Plant equipment and mold  
Earthquake-resistant construction for the  
Okazaki plant

**Depreciation** (Yen in billions)



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



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# FY2015 Sales Forecast



Variance to FY2014

|   |                |        |
|---|----------------|--------|
| Net Sales                                   | ¥385.0 billion | + 0.5% |
| Domestic                                    | ¥56.0 billion  | △15.2% |
| Overseas                                    | ¥329.0 billion | + 3.7% |
| Overseas sales ratio: 85.5% (FY2014: 82.8%) |                |        |

Assumed foreign exchange rates

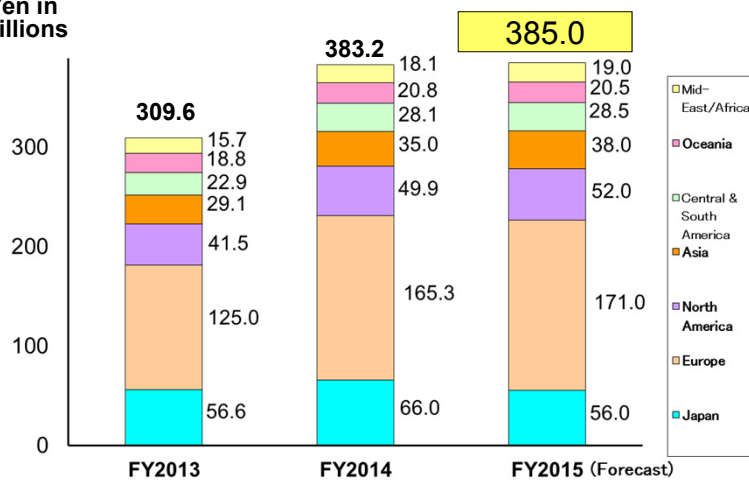
|      |      |           |       |
|------|------|-----------|-------|
| US\$ | Euro | Euro/US\$ | RMB   |
| ¥100 | ¥135 | 1.35      | ¥16.7 |

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# FY2015 Forecast by Geographic Area



Yen in billions

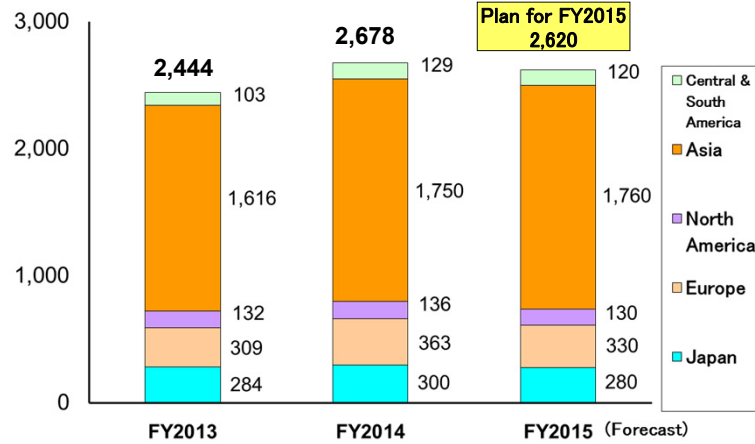


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## Production Plan

10 thousands of units



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## FY2015 Performance Forecast

|   | FY2014         | FY2015                | Variance |
|---|----------------|-----------------------|----------|
| Net Sales                                     | ¥383.2 billion | <b>¥385.0 billion</b> | + 0.5%   |
| Operating Income                              | ¥54.9 billion  | <b>¥59.5 billion</b>  | + 8.4%   |
| Income Before Income Taxes                    | ¥57.0 billion  | <b>¥59.8 billion</b>  | + 5.0%   |
| Net Income Attributable to Makita Corporation | ¥38.5 billion  | <b>¥39.8 billion</b>  | + 3.5%   |
| EPS   | ¥283.28        | <b>¥293.21</b>        | + 3.5%   |

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## Cash Dividends

| Dividend Policy                               | Dividend Payout Ratio: 30% or greater |                   |
|---|---------------------------------------|-------------------|
|   | FY2014                                | FY2015 (Forecast) |
| Net income Attributable to Makita Corporation | ¥38.5 billion                         | ¥39.8 billion     |
| EPS   | ¥283.28                               | ¥293.21           |
| Special Circumstance                          | ¥2.3 billion                          | -                 |
| Annual Cash Dividend Per Share                | ¥91                                   | (Note)            |
| Interim Dividend                              | ¥18                                   | ¥18               |
| Year-end Dividend                             | ¥73                                   | (Note)            |
| Payout Ratio                                  | <b>32.1%</b>                          | 30% or greater    |

Note: In April 2015, 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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