



# First Half of FY 2015 Operating Results

(Six months ended September 30, 2014)

Shiro Hori  
President, Representative Director

## Makita Corporation

November 11, 2014

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## FY15 1H Sales

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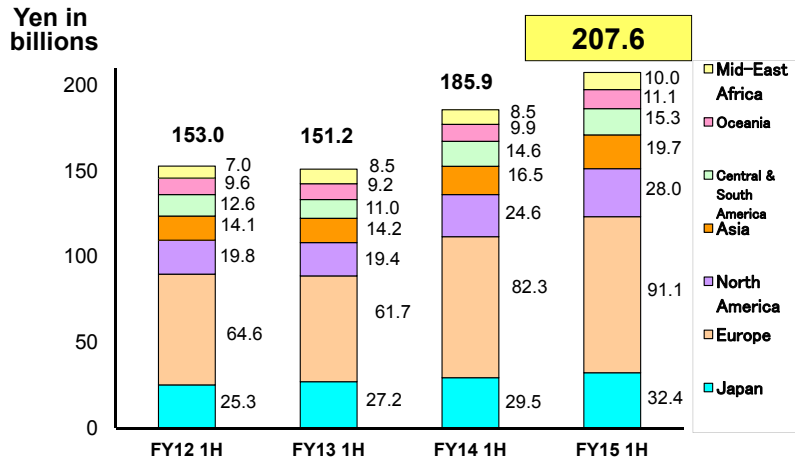
Variance to FY14 1H

<b>Net Sales</b>	<b>¥207.6 billion</b>	<b>+ 11.7%</b>
Domestic	¥32.4 billion	+ 9.8%
Overseas	¥175.2 billion	+ 12.1%

Overseas sales ratio: 84.4% (FY14 1H: 84.1%)

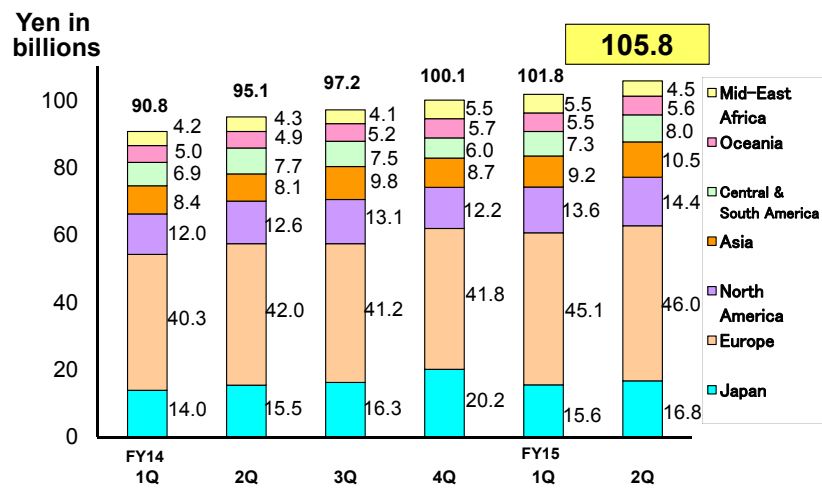
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## Sales by Geographic Area



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## Quarterly Sales by Geographic Area



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## Foreign Exchange Rate



	FY14 1H	FY15 1H	
US\$	¥ 98.86	¥ 103.01	<b>4.2%</b> Depreciation
Euro	¥129.98	¥ 138.90	<b>6.9%</b> Depreciation
RMB	¥ 16.11	¥ 16.62	<b>3.2%</b> Depreciation

Weighted average change for all foreign currencies:  
 4.4% depreciated in the value of the yen  
 Effect on net sales: Increase of ¥7.4 billion

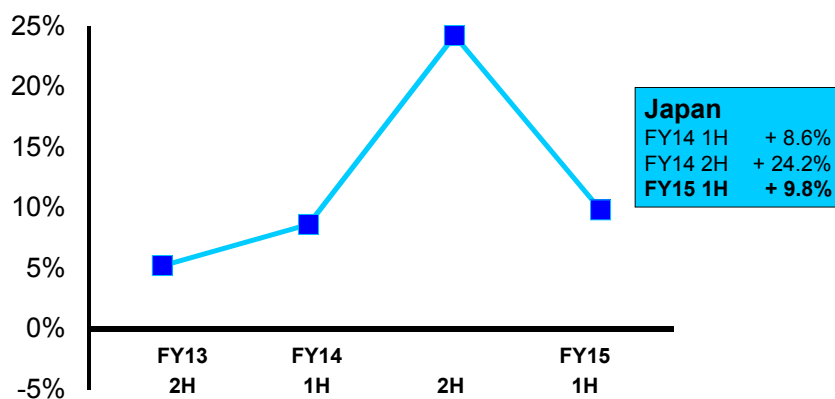
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## Sales Growth (Local Currency Basis)



Japan

(Variance to FY14 1H)



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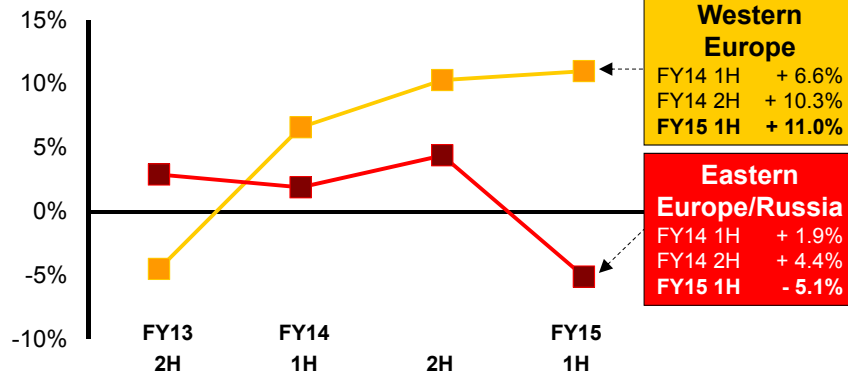


## Sales Growth (Local Currency Basis)

Europe

+3.4%

(Variance to FY14 1H)



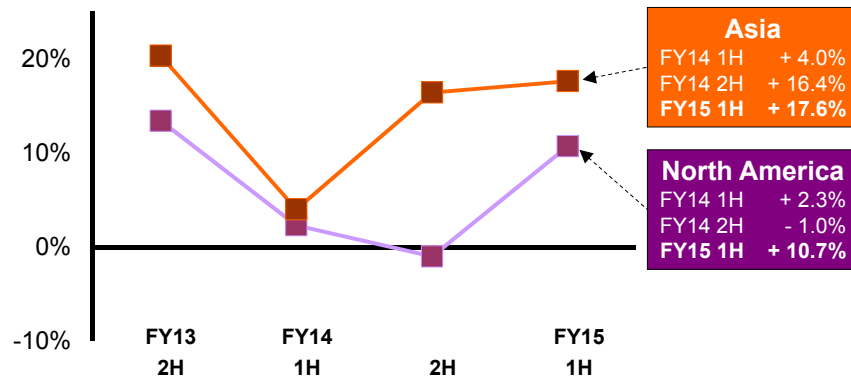
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## Sales Growth (Local Currency Basis)

North America/Asia

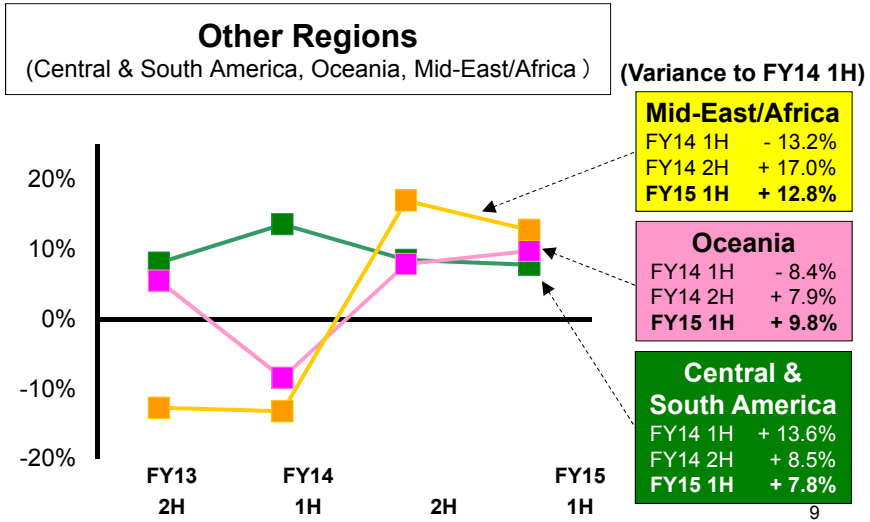
(Variance to FY14 1H)



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## Sales Growth (Local Currency Basis)



## Lithium-ion Battery Products



Cordless Rotary Hammer



Cordless Angle Grinder



Cordless Circular Saw



# Outdoor Power Equipment (OPE)



Petrol Blower



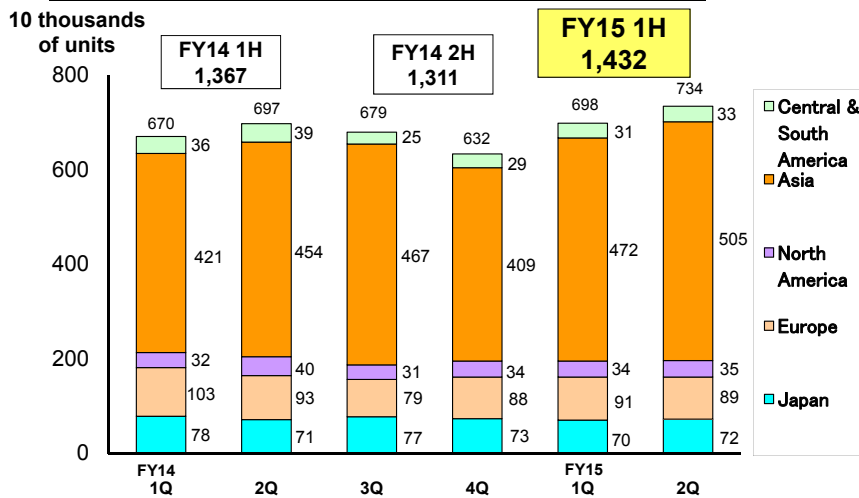
Cordless Grass Trimmer



Petrol Chain Saw

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# Production Quantities by Geographic Area



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## Inventories

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March 31, 2014      ¥156.1 billion

September 30, 2014      ¥162.5 billion

**Increase of inventories**      ¥6.4 billion

**Breakdown:**

Increase of actual inventories      ¥3.8 billion

Increase by translation into yen      ¥2.6 billion

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## Cost of Sales, SG&A

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Variance to FY14 1H

Net Sales	¥207.6 billion	+ 11.7%
Cost of Sales	¥128.6 billion	+ 6.2%
Cost of Sales Ratio	61.9%	Down 3.2 points
SG&A Expenses	¥41.1 billion	+ 5.0%
SG&A Ratio	19.8%	Down 1.3 points

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## Operating Income



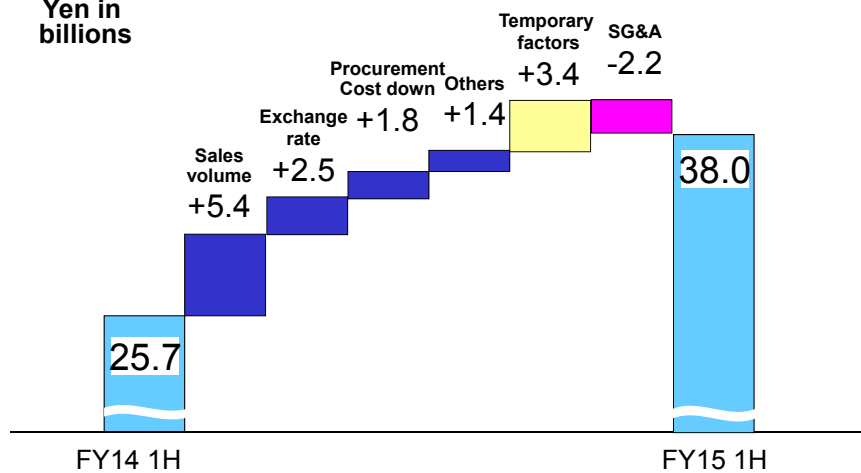
	FY14 1H	FY15 1H	Variance to FY14 1H
Net Sales	¥185.9 billion	¥207.6 billion	+ 11.7%
Cost of Sales	¥121.1 billion	¥128.6 billion	+ 6.2%
SG&A Expenses	¥39.1 billion	¥41.1 billion	+ 5.0%
Operating Income	¥25.7 billion	¥38.0 billion	+ 47.7%
Operating Income Ratio	13.8%	18.3%	Up 4.5 points

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## Analysis of Operating Income



Yen in billions

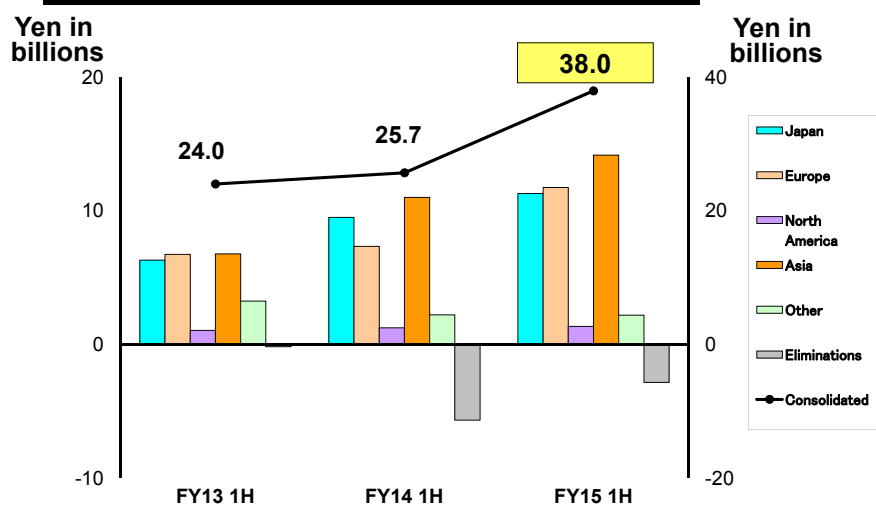


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## Operating Income

(By Geographic Segment Basis)



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



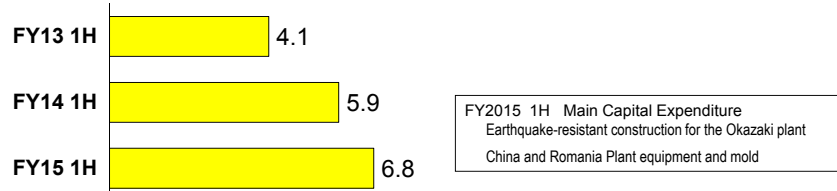
	FY14 1H	FY15 1H	Variance to FY14 1H
Other Income (Expenses)	+ ¥1.3 billion	- ¥0.9 billion	- ¥2.2 billion
Income Before Income Taxes	¥27.0 billion	¥37.1 billion	+ 37.3%
Net Income attributable to Makita Corporation	¥19.1 billion	¥25.5 billion	+ 33.5%
EPS	¥140.74	¥187.90	+ 33.5%

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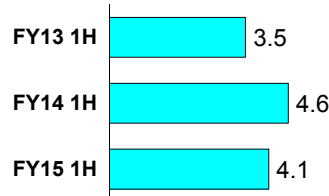


## Capital Expenditure, Depreciation, R&D Cost

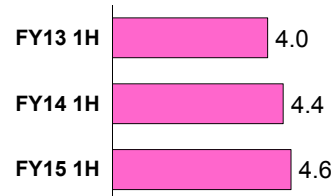
### Capital Expenditure (Yen in billions)



### Depreciation (Yen in billions)



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



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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 Performance Forecast

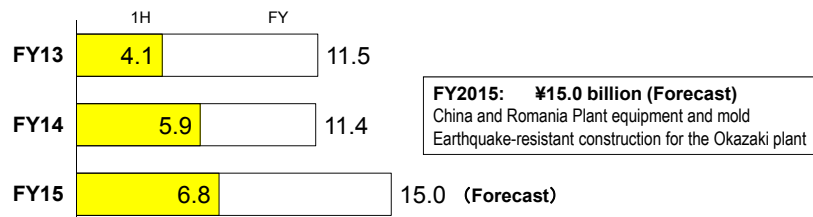
	FY2014	FY2015	Variance
Net Sales	¥383.2 billion	<b>¥385.0 billion</b>	+ 0.5%
Operating Income	¥54.9 billion	<b>¥59.5 billion</b>	+ 8.4%
Income Before Income Taxes	¥57.0 billion	<b>¥59.8 billion</b>	+ 5.0%
Net Income Attributable to Makita Corporation	¥38.5 billion	<b>¥39.8 billion</b>	+ 3.5%
EPS	¥283.28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

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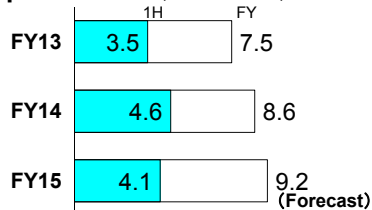


## Capital Expenditure, Depreciation, R&D Cost

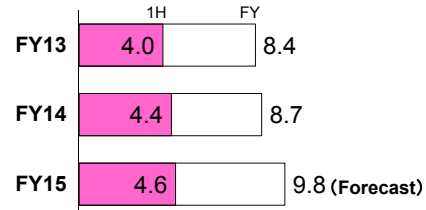
### Capital Expenditure (Yen in billions)



### Depreciation (Yen in billions)



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



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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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