



First Half of FY2016 Operating Results

(Six months ended September 30, 2015)

Shiro Hori
President, Representative Director

Makita Corporation

November 12, 2015

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FY16 1H Sales

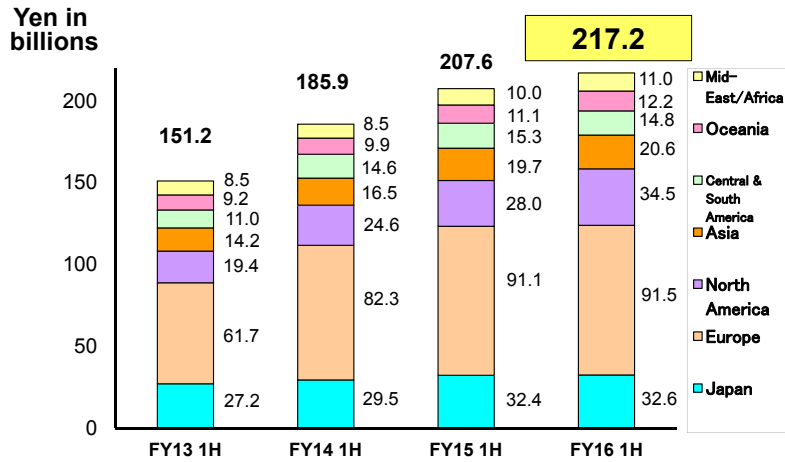
Variance to FY15 1H

Net Sales	¥217.2 billion	+ 4.6%
Domestic	¥32.6 billion	+ 0.4%
Overseas	¥184.6 billion	+ 5.4%

Overseas sales ratio: 85.0% (FY15 1H: 84.4%)

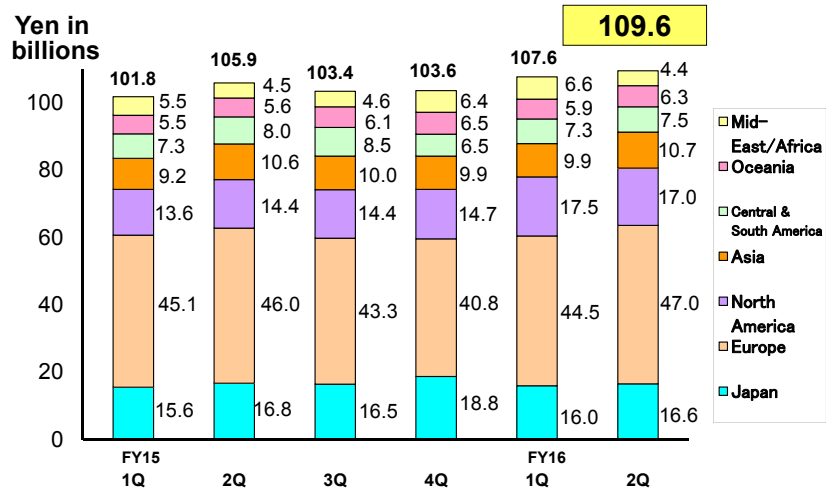
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Sales by Geographic Area



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Quarterly Sales by Geographic Area



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Foreign Exchange Rate



	FY15 1H	FY16 1H	
US\$	¥103.01	¥ 121.87	18.3% Depreciation
Euro	¥138.90	¥ 135.11	2.7% Appreciation
RMB	¥ 16.62	¥ 19.45	17.0% Depreciation

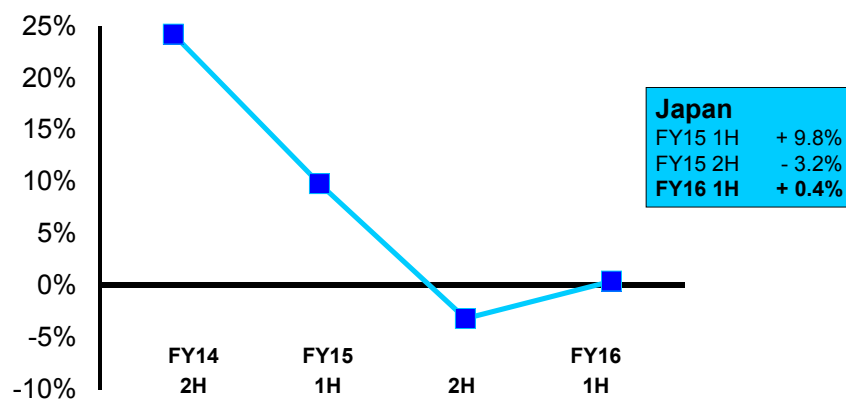
Weighted average change for all foreign currencies:
2.0% depreciated in the value of the yen
Effect on net sales: Increase of ¥3.6 billion

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Sales Growth (Local Currency Basis)



Japan

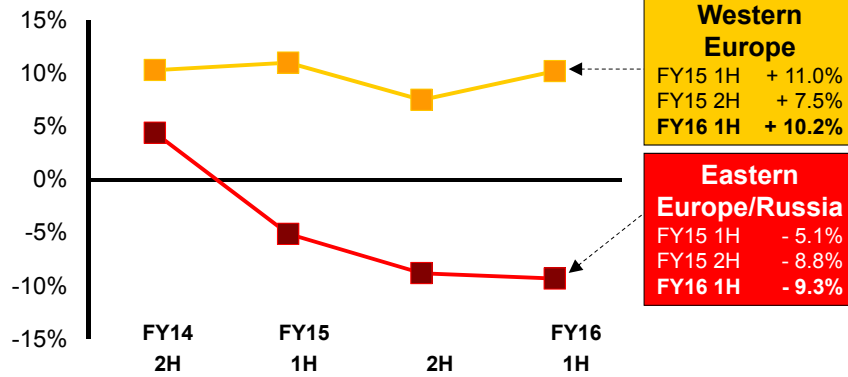


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Sales Growth (Local Currency Basis)

Europe +1.9%

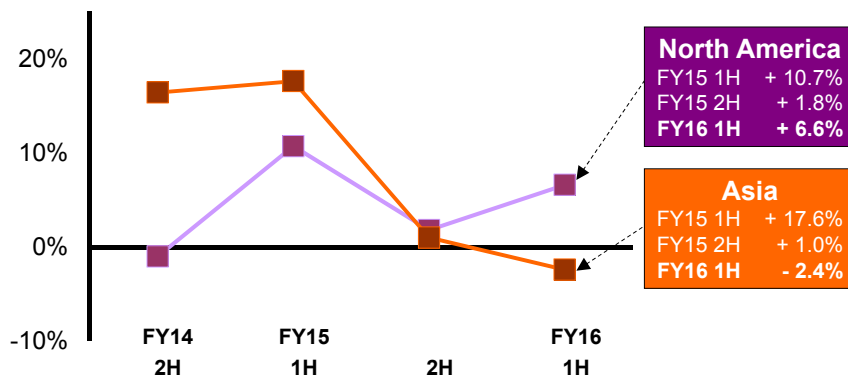


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Sales Growth (Local Currency Basis)

North America/Asia

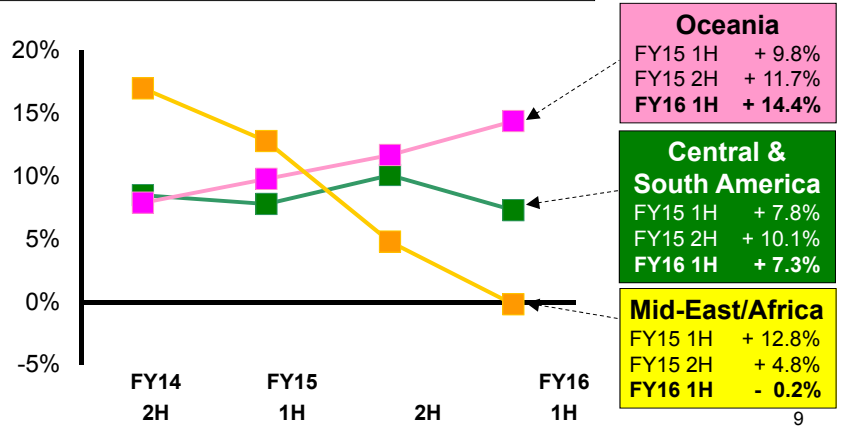


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Sales Growth (Local Currency Basis)

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



Lithium-ion Battery Products

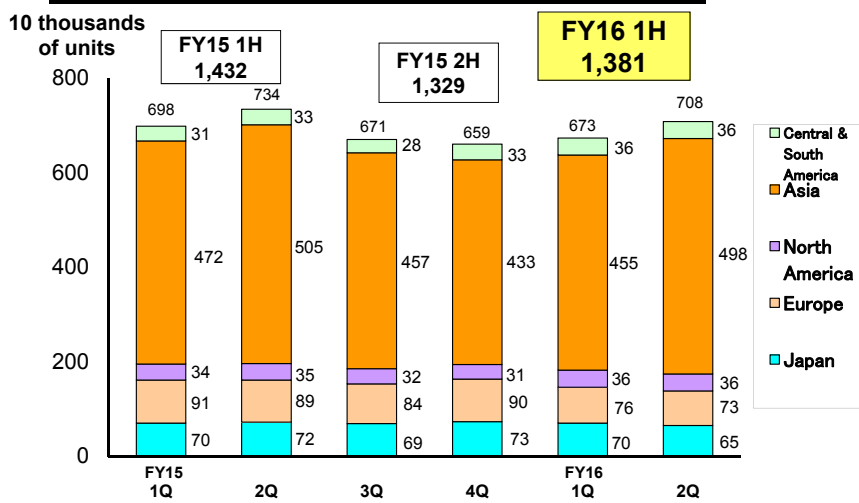


Outdoor Power Equipment (OPE)



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Production Quantities by Geographic Area



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Inventories

March 31, 2015	¥175.2 billion
September 30, 2015	¥184.1 billion
Increase of inventories	¥8.9 billion

Breakdown:

Increase of actual inventories	¥11.0 billion
Decrease by translation into yen	¥2.1 billion

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Cost of Sales, SG&A

Variance to FY15 1H

Net Sales	¥217.2 billion	+ 4.6%
Cost of Sales	¥138.0 billion	+ 7.3%
Cost of Sales Ratio	63.5%	Up 1.6 points
SG&A Expenses	¥44.7 billion	+ 8.7%
SG&A Ratio	20.6%	Up 0.8 points

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Operating Income

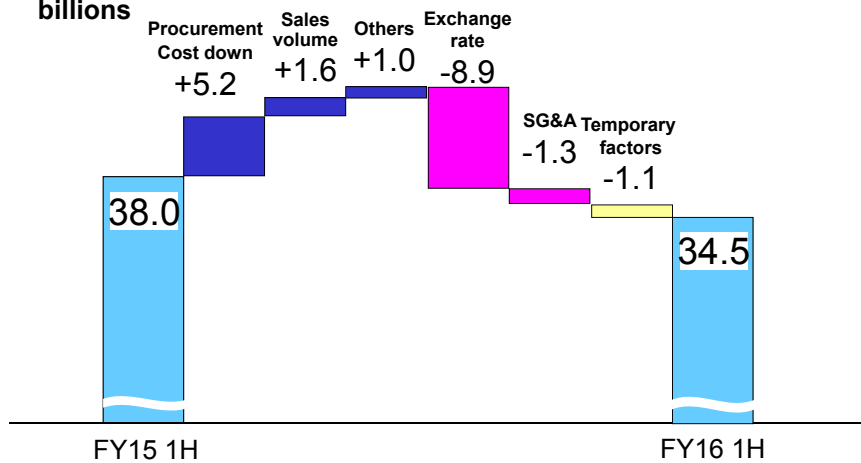
	FY15 1H	FY16 1H	Variance to FY15 1H
Net Sales	¥207.6 billion	¥217.2 billion	+ 4.6%
Cost of Sales	¥128.6 billion	¥138.0 billion	+ 7.3%
SG&A Expenses	¥41.1 billion	¥44.7 billion	+ 8.7%
Operating Income	¥38.0 billion	¥34.5 billion	- 9.1%
Operating Income Ratio	18.3%	15.9%	Down 2.4 points

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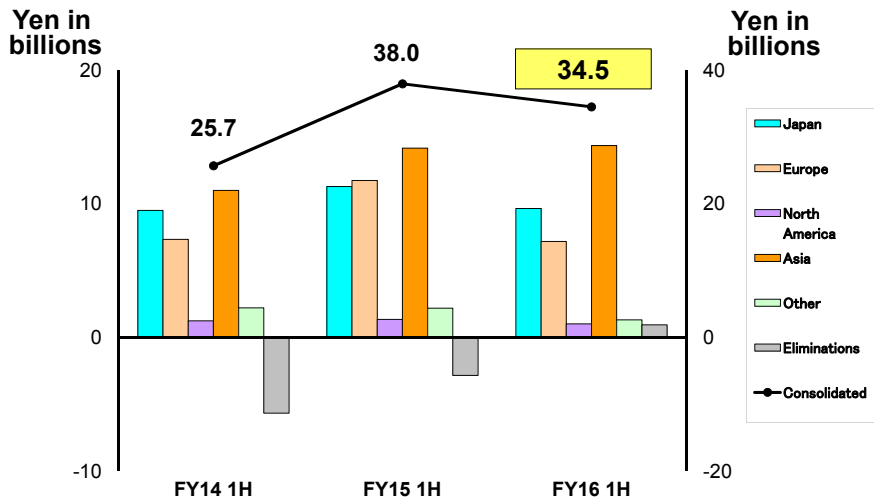
Analysis of Operating Income

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



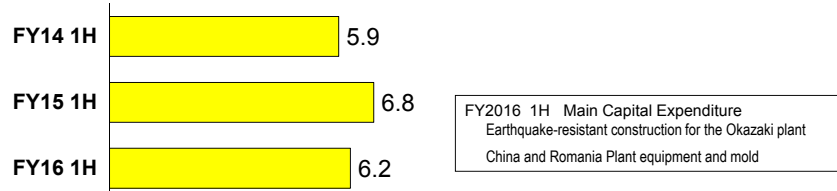
	FY15 1H	FY16 1H	Variance to FY15 1H
Other Income (Expenses)	- ¥0.9 billion	- ¥3.7 billion	- ¥2.8 billion
Income Before Income Taxes	¥37.1 billion	¥30.9 billion	- 16.8%
Net Income attributable to Makita Corporation	¥25.5 billion	¥21.5 billion	- 15.8%
EPS	¥187.90	¥158.30	- 15.8%

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Capital Expenditure, Depreciation, R&D Cost

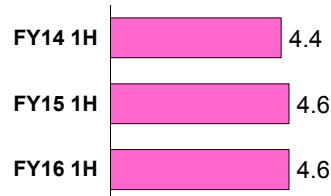
Capital Expenditure (Yen in billions)



Depreciation (Yen in billions)



R&D Cost (Yen in billions)



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FY2016 Sales Forecast

Variance to FY2015

Net Sales	¥416.0 billion	+ 0.3%
Domestic	¥65.8 billion	- 2.9%
Overseas	¥350.2 billion	+ 0.9%
Overseas sales ratio: 84.2% (FY2015: 83.7%)		

Assumed foreign exchange rates

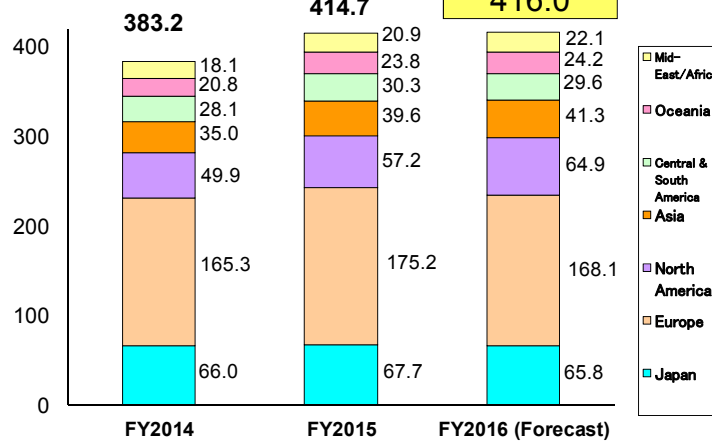
	US\$	Euro	RMB
2H	¥120	¥125	¥19.7
FY	¥121	¥130	¥19.6

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FY2016 Sales Forecast by Geographic Area



Yen in
billions

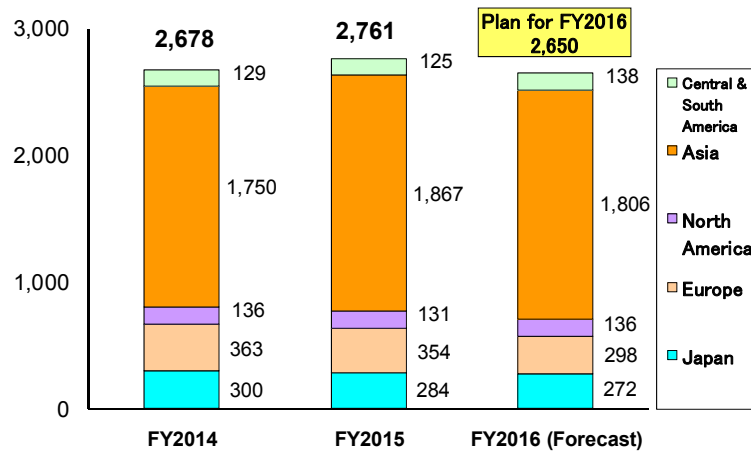


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Production Plan



10 thousands of units



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FY2016 Performance Forecast

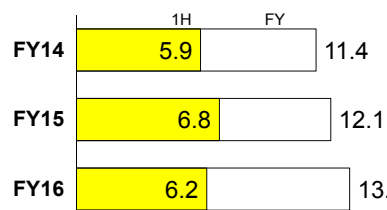
	FY2015	FY2016	Variance
Net Sales	¥414.7 billion	¥416.0 billion	+ 0.3%
Operating Income	¥71.9 billion	¥61.5 billion	- 14.5%
Income Before Income Taxes	¥68.4 billion	¥58.0 billion	- 15.2%
Net Income Attributable to Makita Corporation	¥45.3 billion	¥39.8 billion	- 12.2%
EPS	¥333.79	¥293.22	- 12.2%

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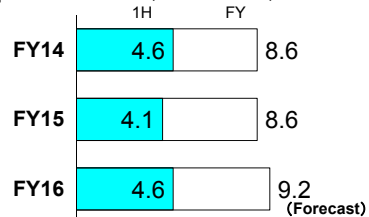
Capital Expenditure, Depreciation, R&D Cost

Capital Expenditure (Yen in billions)

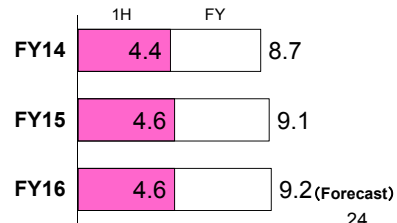


FY2016: ¥13.0 billion (Forecast)
China and Romania Plant equipment and mold
Earthquake-resistant construction for the Okazaki plant

Depreciation (Yen in billions)



R&D Cost (Yen in billions)



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Cash Dividends

Dividend Policy	Dividend Payout Ratio: 30% or greater	
	FY2015	FY2016 (Forecast)
Net income Attributable to Makita Corporation	¥45.3 billion	¥39.8 billion
EPS	¥333.79	¥293.22
Special Circumstance	¥1.2 billion	-
Annual Cash Dividend Per Share	¥118	(Note)
Interim Dividend	¥18	¥18
Year-end Dividend	¥100 (with 100 year memorial dividend of ¥15)	(Note)
Payout Ratio	35.4%	30% or greater

Note: In April 2016, 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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