



# First Half of FY 2012 Operating Results

(Six months ended September 30, 2011)

Masahiko Goto

President, Representative Director  
& Chief Executive Officer

## Makita Corporation

November 8, 2011

1



## FY12 1H Sales

---

Variance to FY11 1H

<b>Net Sales</b>	<b>¥153.0 billion</b>	<b>+ 14.4%</b>
Domestic	¥25.3 billion	+ 13.9%
Overseas	¥127.7 billion	+ 14.5%

Overseas sales ratio: 83.5% (FY11 1H: 83.4%)

2

## Foreign Exchange Rate

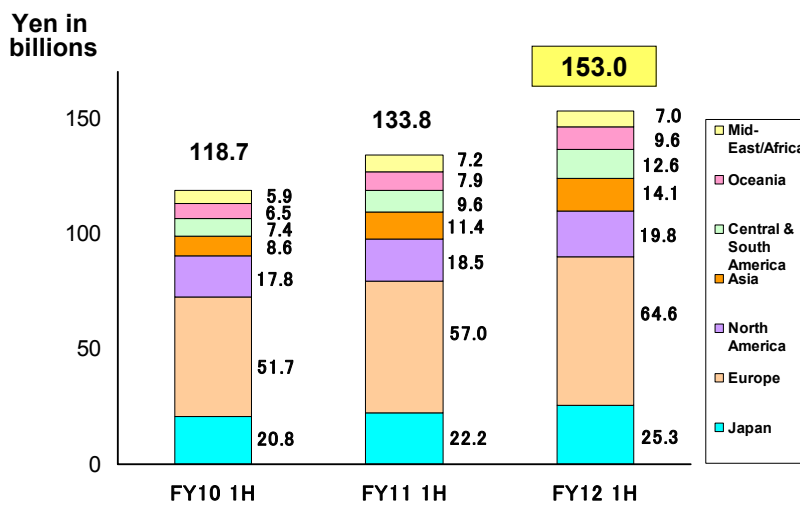


	FY11 1H	FY12 1H	
US\$	¥ 88.89	¥ 79.74	<b>10.3%</b> Appreciation
Euro	¥113.80	¥113.72	<b>0.1%</b> Appreciation
RMB	¥ 13.10	¥ 12.34	<b>5.8%</b> Appreciation

Weighted average change for all foreign currencies:  
2.5% **appreciated** in the value of the yen  
Effect on net sales: **Decrease** of ¥3.3 billion

3

## Sales by Geographic Area

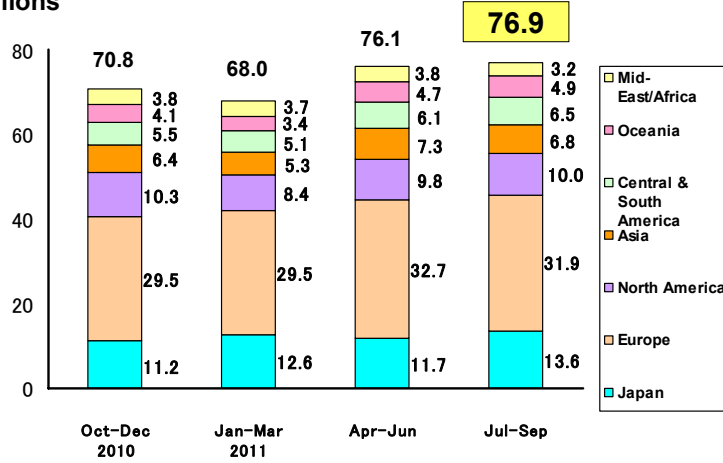


4

## Quarterly Sales by Geographic Area



Yen in billions



5

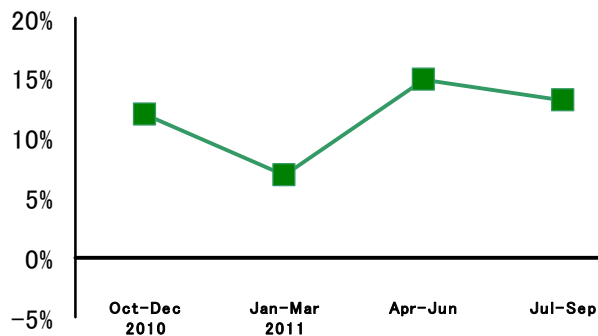
## Sales Growth (Local Currency Basis)



Japan

+ 13.9%

(Variance to FY11 1H)



Cordless Impact Driver



Rotary Hammer

6

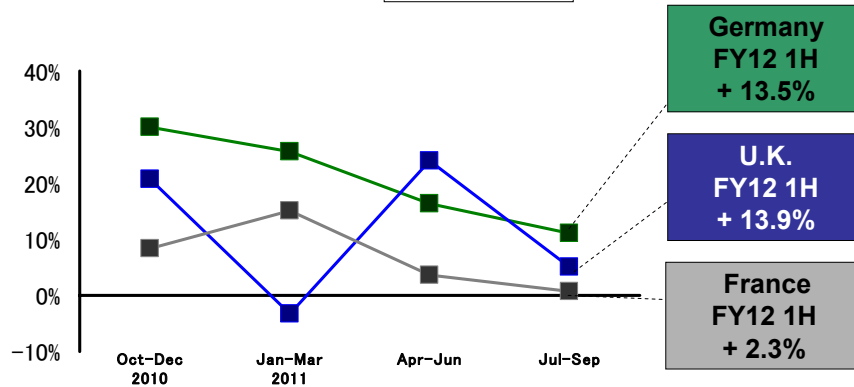


## Sales Growth (Local Currency Basis)

Western Europe

+ 7.8%

(Variance to FY11 1H)



7

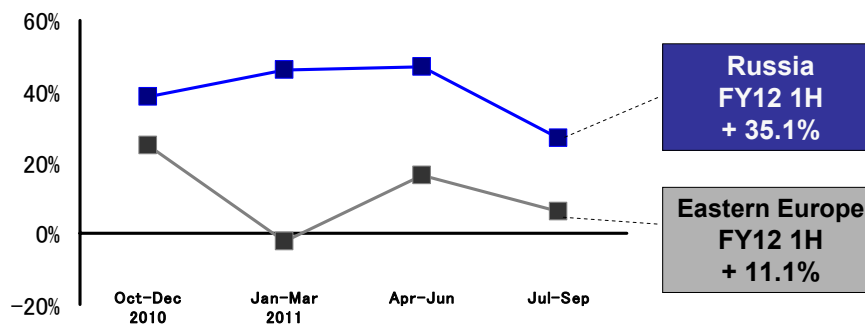


## Sales Growth (Local Currency Basis)

Eastern Europe / Russia

+ 22.8%

(Variance to FY11 1H)



8

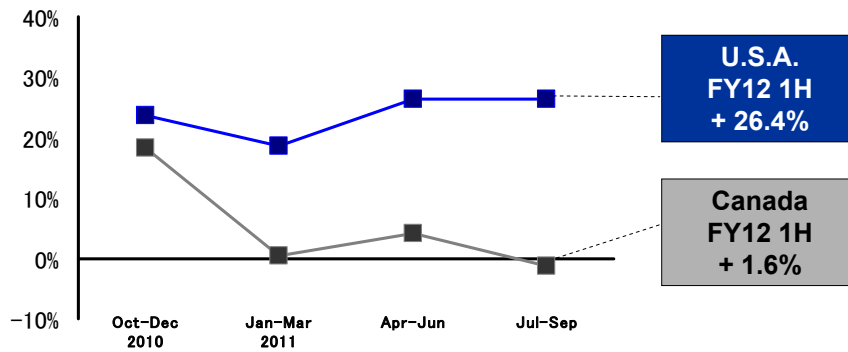


## Sales Growth (Local Currency Basis)

North America

+ 17.9%

(Variance to FY11 1H)



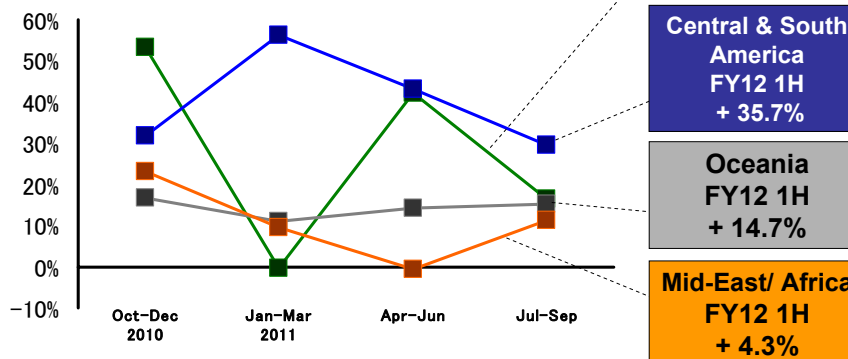
9



## Sales Growth (Local Currency Basis)

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

(Variance to FY11 1H)



10

## Lithium-ion Battery Products



11

## Outdoor Power Equipment (OPE)



Petrol Chain Saw



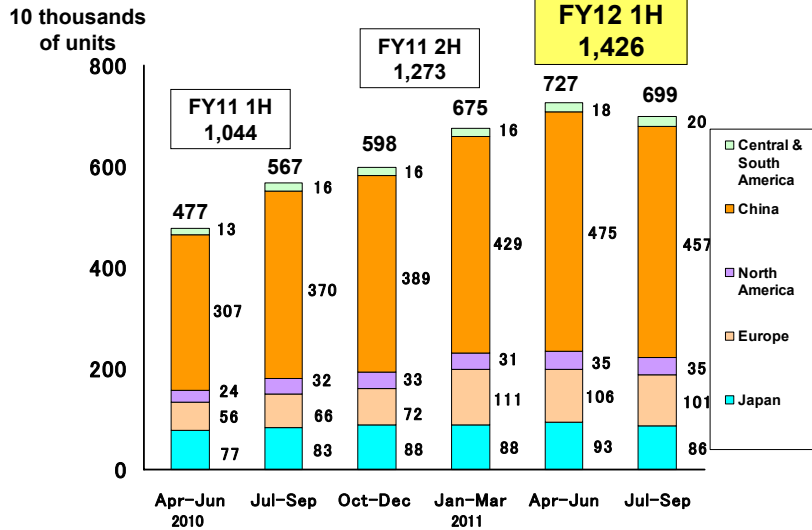
Tiller



OPE R&D Center  
(Started in October 2011)

12

## Quarterly Production Quantities by Geographic Area



13

## Plant in Thailand



(Conceptual Drawing at Completion)

Plan to Start Production in July 2012

50 thousand Products per Month



Reduce Lead Time of Production for Export to Southeast Asia

14



## Inventories

---

March 31, 2011      ¥110.6 billion

September 30, 2011      ¥114.6 billion

Increase of inventories  
resulting from  
production enhancement,  
etc.      ¥4.0 billion

15



## Cost of Sales, SG&A

---

Variance to FY11 1H

Net Sales	¥153.0 billion	+ 14.4%
Cost of Sales	¥92.7 billion	+ 14.1%
Cost of Sales Ratio	60.6%	Improvement 0.1 points
SG&A Expenses	¥33.3 billion	+8.8%
SG&A Ratio	21.8%	Improvement 1.2 points

16



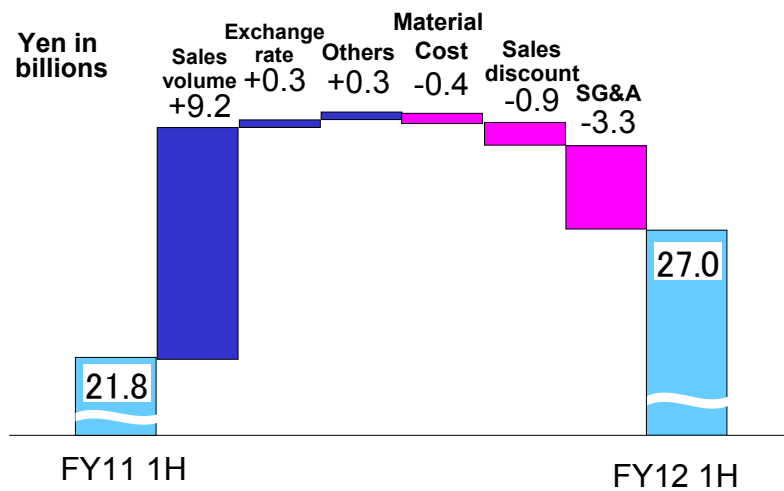
## Operating Income



	FY11 1H	FY12 1H	Variance to FY11 1H
Net Sales	¥133.8 billion	<b>¥153.0 billion</b>	+ 14.4%
Cost of Sales	¥81.3 billion	<b>¥92.7 billion</b>	+ 14.1%
SG&A Expenses	¥30.7 billion	<b>¥33.3 billion</b>	+ 8.8%
Operating Income	¥21.8 billion	<b>¥27.0 billion</b>	+ 23.4%
Operating Income Ratio	16.3%	<b>17.6%</b>	Improvement 1.3 points

17

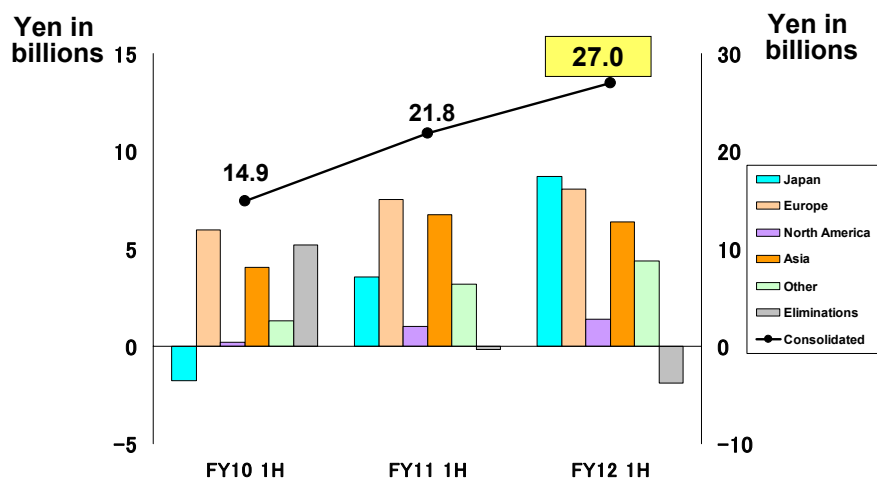
## Analysis of Operating Income



18

## Operating Income

(By Geographic Segment Basis)



19

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



	FY11 1H	FY12 1H	Variance to FY11 1H
Other Income (Expenses)	- ¥0.1 billion	- ¥2.5 billion	- ¥2.4 billion
Income Before Income Taxes	¥21.7 billion	¥24.5 billion	+ 12.7%
Net Income attributable to Makita Corporation	¥15.1 billion	¥17.1 billion	+ 13.1%
EPS	¥109.77	¥124.16	+ 13.1%

20



## Capital Expenditure, Depreciation, R&D Cost

### Capital Expenditure (Yen in billions)

	1H	FY
FY10	6.7	10.8
FY11	4.9	9.7
FY12	5.8	17.0 (Forecast)

#### FY12: 17.0 billion (Forecast)

Acquisition of land and construction of plant in Thailand  
R&D center  
2<sup>nd</sup> building of China plant  
Metal molds for new products  
Factory equipment  
Construction of sales offices in Japan  
Construction of sales offices in Taiwan, Belgium

### Depreciation (Yen in billions)

	1H	FY
FY10	4.1	8.3
FY11	3.6	7.6
FY12	3.5	8.0 (Forecast)

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

	1H	FY
FY10	3.3	6.8
FY11	3.5	7.3
FY12	4.0	8.5 (Forecast)

21



## FY2012 Sales Forecast

### Variance to FY11

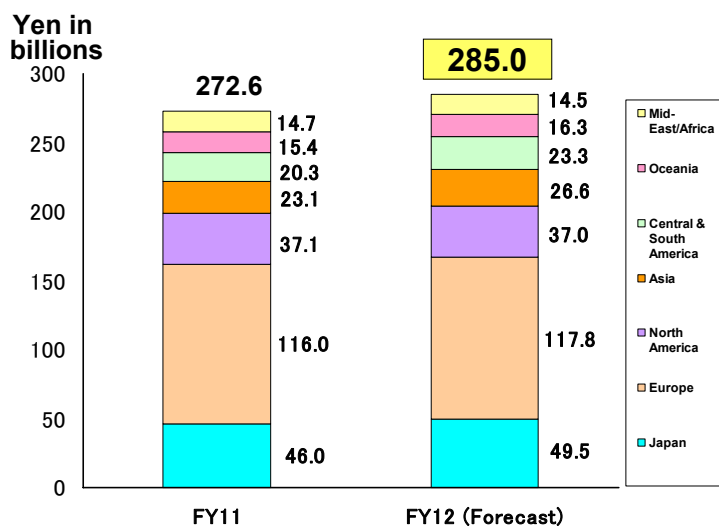
Net Sales	¥285.0 billion	+ 4.5%
Domestic	¥49.5 billion	+ 7.5%
Overseas	¥235.5 billion	+ 3.9%
Overseas sales ratio: 82.6% (FY11: 83.1%)		

### Assumed foreign exchange rates(2H)

US\$	Euro	Euro/US\$
¥77	¥102	1.32

22

## FY2012 Forecast by Geographic Area



23

## FY2012 Performance Forecast



	FY11	FY12	Variance
Net Sales	¥272.6 billion	<b>¥285.0 billion</b>	+ 4.5%
Operating Income	¥41.9 billion	<b>¥44.5 billion</b>	+ 6.2%
Income Before Income Taxes	¥42.7 billion	<b>¥41.9 billion</b>	- 1.9%
Net Income attributable to Makita Corporation	¥29.9 billion	<b>¥29.1 billion</b>	- 2.7%
EPS	¥217.08	<b>¥211.25</b>	- 2.7%

24



## Cash Dividends

Dividend Policy	30% or greater	
	FY11	FY12 (Forecast)
Net Income attributable to Makita Corporation	¥29.9 billion	¥29.1 billion
Special circumstance	--	--
EPS	¥217.08	¥211.25
Annual Cash Dividend Per Share	¥66	*
Interim Dividend	¥15	¥15
Year-end Dividend	¥51	*
Payout Ratio	30.4%	30% or greater

Note: In April 2012, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income attributable to Makita Corporation.

25



<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.

26