



# FY2015 Operating Results

(Fiscal Year ended March 31, 2015)

Shiro Hori  
President, Representative Director

## Makita Corporation

May 13, 2015

1



## FY2015 Results

---

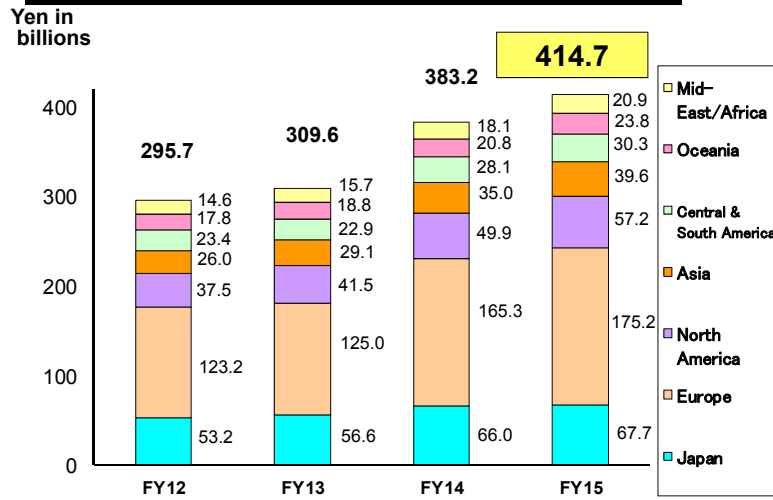
Variance to FY2014

<b>Net Sales</b>	<b>¥414.7 billion</b>	<b>+ 8.2%</b>
Domestic	<b>¥67.7 billion</b>	+ 2.6%
Overseas	<b>¥347.0 billion</b>	+ 9.4%

Overseas sales ratio: 83.7% (FY2014: 82.8%)

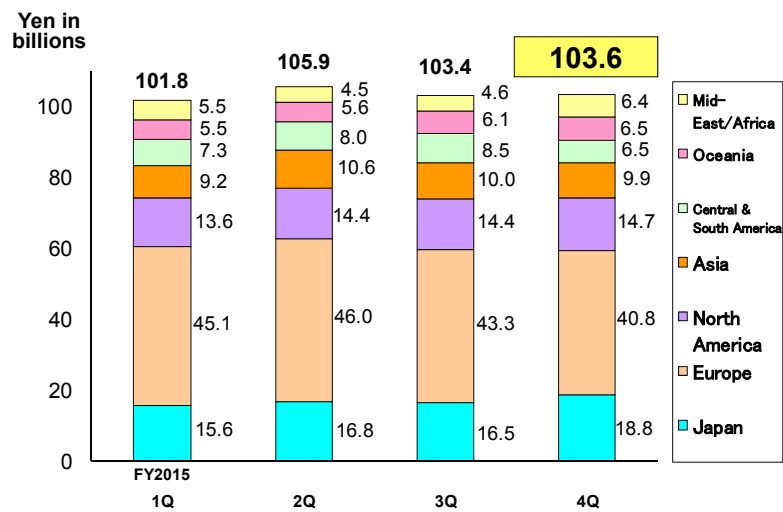
2

## Sales by Geographic Area



3

## Quarterly Sales by Geographic Area



4



## Effective Exchange Rate

	FY2014	FY2015	
US\$	¥100.17	<b>¥109.76</b>	<b>9.6% Depreciation</b>
Euro	¥134.21	<b>¥138.69</b>	<b>3.3% Depreciation</b>
RMB	¥16.40	<b>¥17.71</b>	<b>8.0% Depreciation</b>

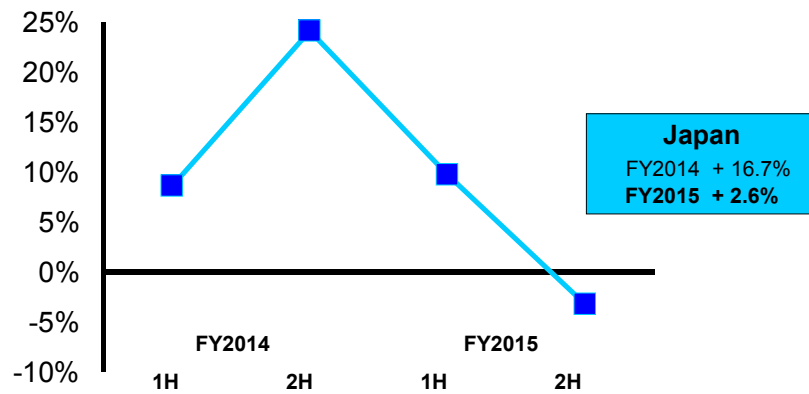
Weighted average change for all foreign currencies:  
4.1% **depreciated** in the value of the yen  
Effect on net sales: **Increase** of ¥13.7 billion

5



## Sales Growth (Local Currency Basis)

Japan



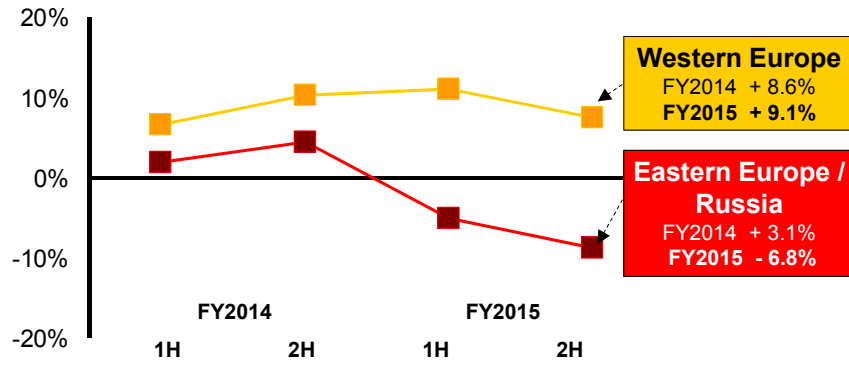
6

## Sales Growth (Local Currency Basis)



Europe

+2.2%

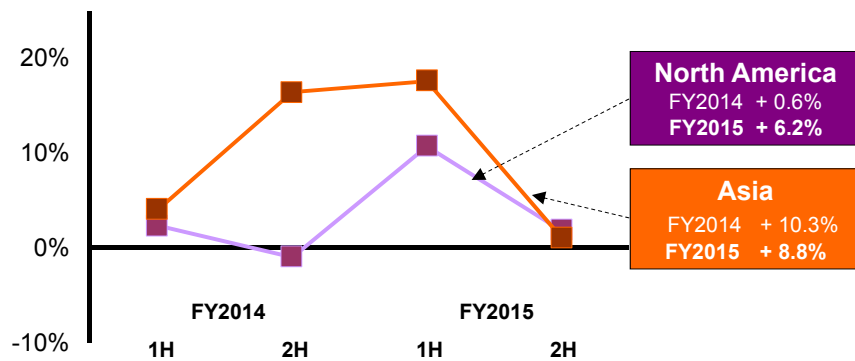


7

## Sales Growth (Local Currency Basis)



North America, Asia

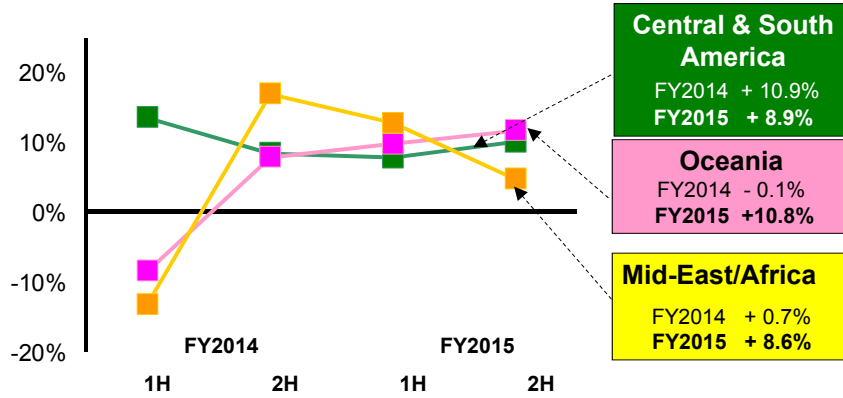


8

# Sales Growth (Local Currency Basis)



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



9

# Lithium-ion Battery Products



Cordless Rotary Hammer



Cordless Angle Grinder



Cordless Oil-Pulse Driver



10

## Outdoor Power Equipment (OPE)



Chain Saw



Cordless Blower



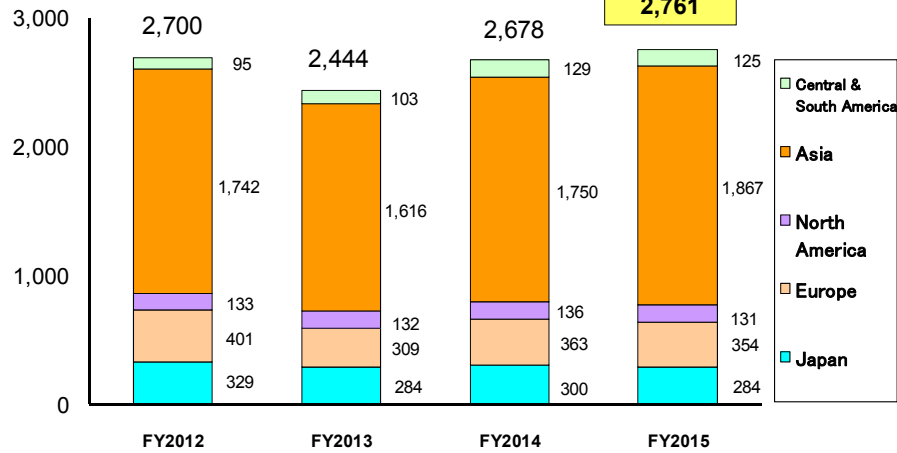
Hedge Trimmer

11

## Production Quantities by Geographic Area



10 thousands of units



12



## Inventories

---

March 31, 2014      ¥156.1 billion

March 31, 2015      ¥175.2 billion

**Increase of inventories**      ¥19.1 billion

**Breakdown:**

Increase of actual inventories      ¥18.4 billion

Increase by translation into yen      ¥0.7 billion

13



## FY2015 Activities

---

**Development Side : Strengthen Development Power of New Products Mainly on Cordless Tools**

- Cordless tools with high-capacity lithium-ion batteries
- Achieving compact in size but high output with the installation of brushless electric motors

**Production Side : Improve Product Quality and Enhance Productivity**

Introducing facilities that require less manpower

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

Establishing a sales subsidiary in Kazakhstan

14



## Cost of Sales, SG & A

Variance to FY2014

Net Sales	¥414.7 billion	+ 8.2%
Cost of Sales	¥257.6 billion	+ 5.5%
Cost of Sales Ratio	62.1%	Down 1.6 points
SG & A Expenses	¥85.2 billion	+ 1.2%
SG & A Expenses Ratio	20.6%	Down 1.4 points

15



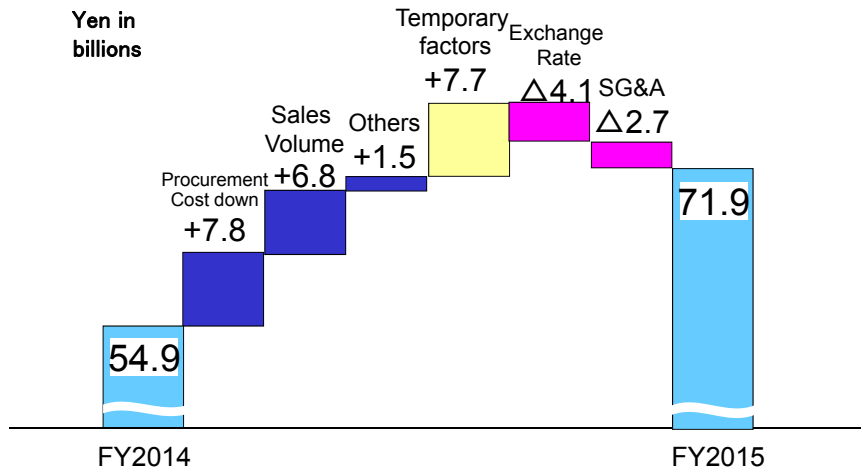
## Operating Income

	FY2014	FY2015	Variance
Net Sales	¥383.2 billion	<b>¥414.7 billion</b>	+ 8.2%
Cost of Sales	¥244.1 billion	<b>¥257.6 billion</b>	+ 5.5%
SG&A Expenses	¥84.2 billion	<b>¥85.2 billion</b>	+ 1.2%
Operating Income	¥54.9 billion	<b>¥71.9 billion</b>	+ 30.9%
Operating Income Ratio	14.3%	<b>17.3%</b>	Up 3.0 points

16

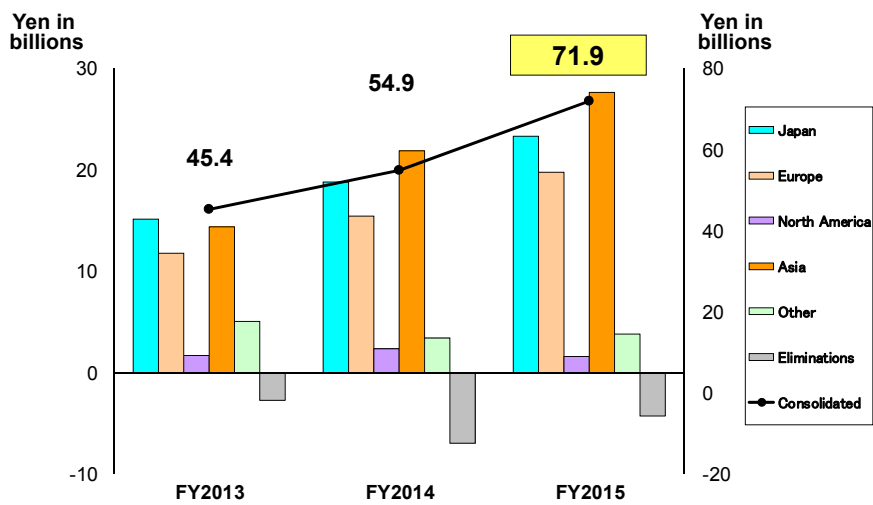


## Analysis of Operating Income



17

## Operating Income (By Geographic Segment Basis)



18

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



	FY2014	FY2015	Variance
Other Income (Expenses)	+ ¥2.1 billion	- ¥3.5 billion	- ¥5.6 billion
Income Before Income Taxes	¥57.0 billion	¥68.4 billion	+ 20.0%
Net Income Attributable to Makita Corporation	¥38.5 billion	¥45.3 billion	+ 17.8%
EPS	¥283.28	¥333.79	+ 17.8%
ROE	9.5%	9.8%	Up 0.3 points

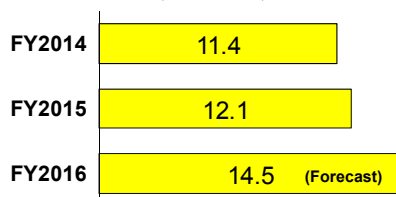
19

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



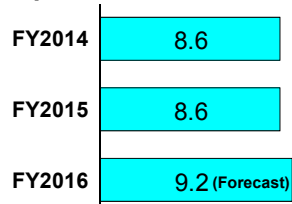
**Capital Expenditure**

(Yen in billions)

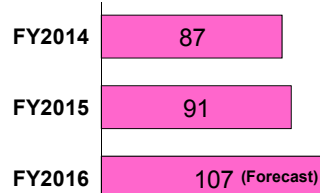


**FY2016: ¥14.5 billion (Forecast)**  
China and Romania Plant equipment and mold  
Earthquake-resistant construction for the  
Okazaki plant

**Depreciation** (Yen in billions)



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



20

# FY2016 Sales Forecast



Variance to FY2015

Net Sales	¥400.0 billion	- 3.5%
Domestic	¥64.8 billion	- 4.3%
Overseas	¥335.2 billion	- 3.4%
Overseas sales ratio: 83.8% (FY2015: 83.7%)		

Assumed foreign exchange rates

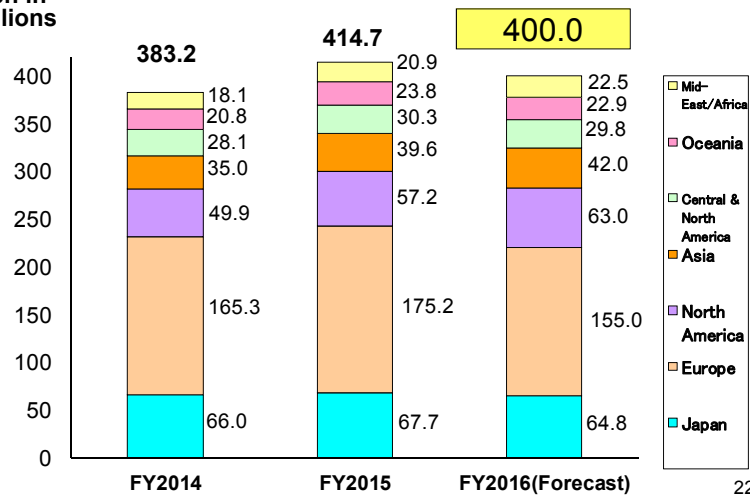
US\$	Euro	Euro/US\$	RMB
¥120	¥125	1.04	¥19.7

21

# FY2016 Forecast by Geographic Area



Yen in billions

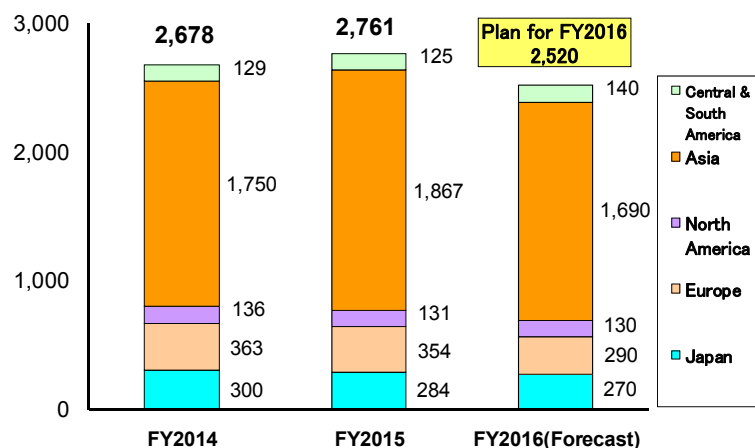


22

## Production Plan



10 thousands of units



23

## FY2016 Performance Forecast



	FY2015	FY2016	Variance
Net Sales	¥414.7 billion	<b>¥400.0 billion</b>	- 3.5%
Operating Income	¥71.9 billion	<b>¥56.5 billion</b>	- 21.4%
Income Before Income Taxes	¥68.4 billion	<b>¥53.0 billion</b>	- 22.5%
Net Income Attributable to Makita Corporation	¥45.3 billion	<b>¥36.0 billion</b>	- 20.5%
EPS	¥333.79	<b>¥265.22</b>	- 20.5%
ROE	9.8%	<b>7.4%</b>	<b>Down</b> 2.4 points

24



## Cash Dividends

Dividend Policy	Dividend Payout Ratio: 30% or greater	
	FY2015	FY2016(Forecast)
Net income Attributable to Makita Corporation	¥45.3 billion	¥36.0 billion
EPS	¥333.79	¥265.22
Special Circumstance	¥1.2 billion	-
Annual Cash Dividend Per Share	¥118	(Note)
Interim Dividend	¥18	¥18
Year-end Dividend	¥100	(Note)
Payout Ratio	<b>35.4%</b>	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.

25



## New Management System

Scheduled to take effect on June 25, 2015

### Number of Directors: 14 (Add 2 Directors)

- Can swiftly respond to changes in the global business environment and expand business further
- Add 1 outside director for strengthen the function of management supervision

### ■Number of Audit & Supervisory Board members: 4

(including 3 Outside Audit & Supervisory Board members)

### ■Number of Corporate Officers except for Directors: 7

### Introduction of Stock-Compensation-Type Stock Options for Directors

26



<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.

27