FY2016
Operating Results

(Fiscal Year ended March 31, 2016)

Shiro Hori
President, Representative Director

Makita Corporation

May 12, 2016

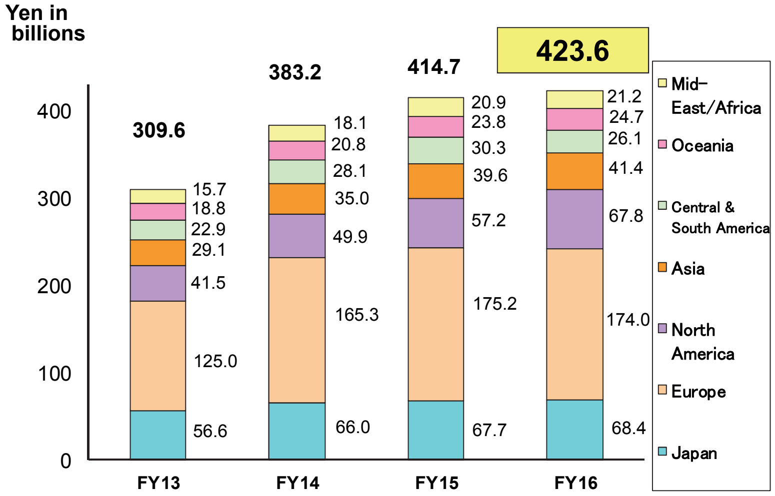
FY2016 Results

Variance to FY2015

Net Sales	**¥423.6 billion**	**+ 2.1%**
Domestic	**¥68.4 billion**	+ 1.0%
Overseas	**¥355.2 billion**	+ 2.4%

Overseas sales ratio: 83.8% (FY2015: 83.7%)

Sales by Geographic Area



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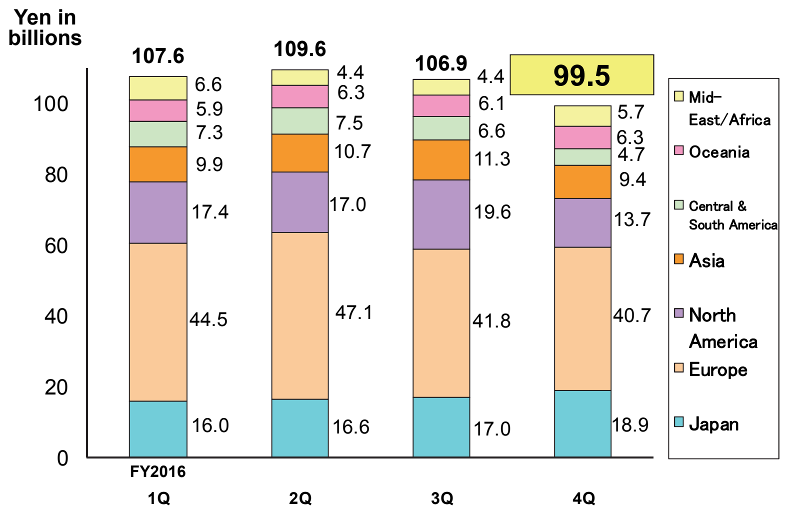
Quarterly Sales by Geographic Area



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Effective Exchange Rate

	FY2015	FY2016	
US$	¥109.76	**¥120.15**	**9.5%** Depreciation
Euro	¥138.69	**¥132.60**	**4.4%** Appreciation
RMB	¥17.71	**¥18.86**	**6.5%** Depreciation

Weighted average change for all foreign currencies:
1.8% appreciated in the value of the yen

Effect on net sales: Decrease of ¥6.7 billion

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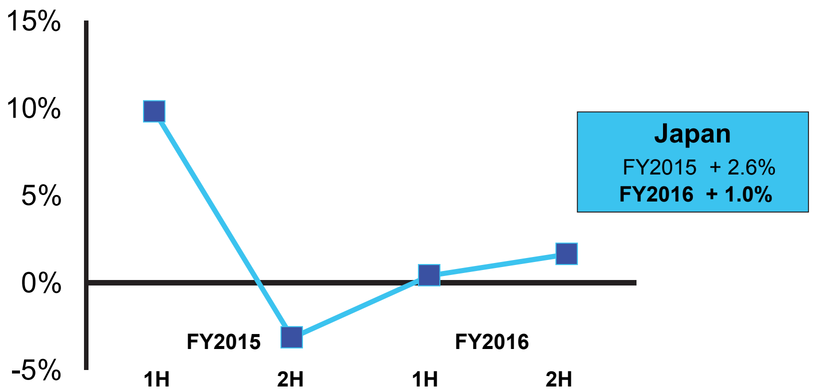
Sales Growth (Local Currency Basis)

Japan



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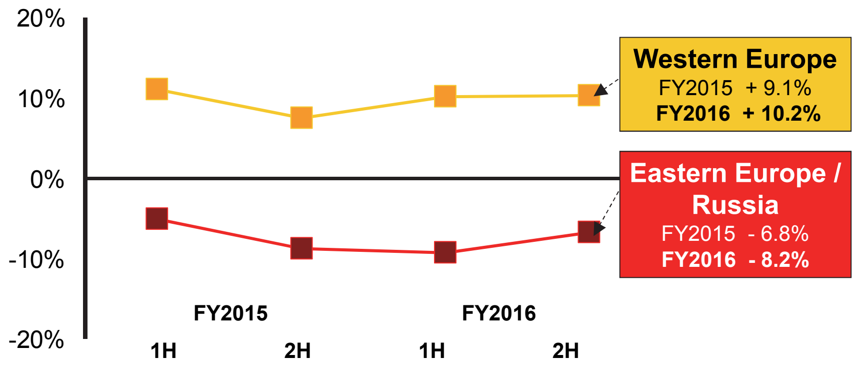
Sales Growth (Local Currency Basis)

Europe

+3.1%



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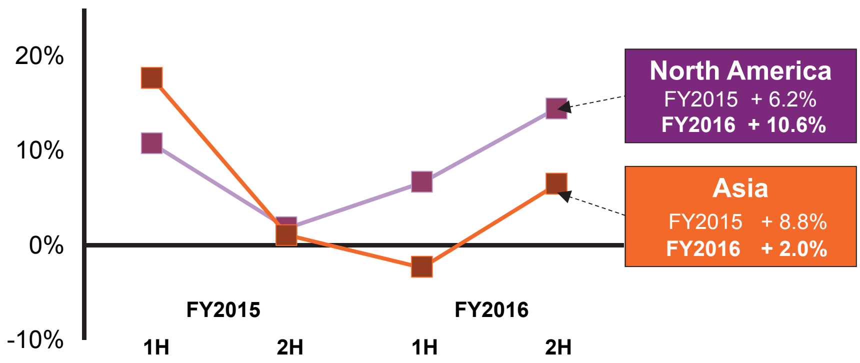
Sales Growth (Local Currency Basis)

North America, Asia



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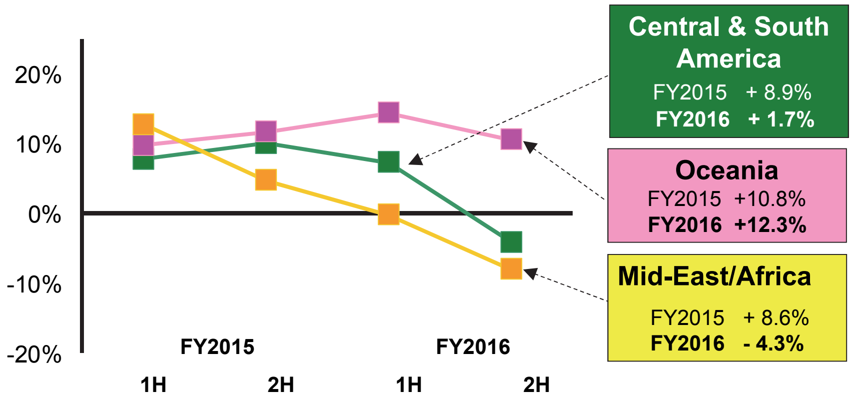
Sales Growth (Local Currency Basis)

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



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Lithium-ion Battery Products

Cordless Backpack
Vacuum Cleaner

Robotic Cleaner

Cordless Impact Driver

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Outdoor Power Equipment (OPE)

Battery Powered
Pruning Shears

Grass Trimmer

Hedge Trimmer

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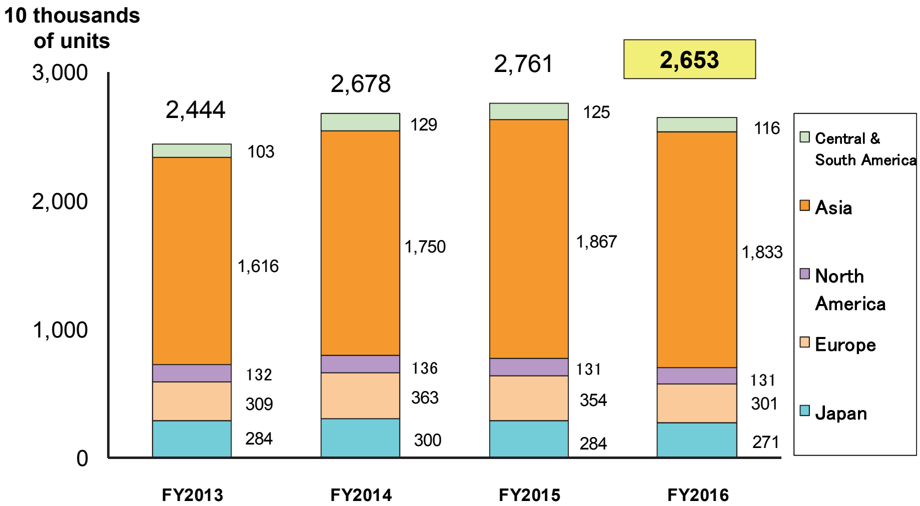
Production Quantities by Geographic Area



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Inventories

March 31, 2015	¥175.2 billion
March 31, 2016	¥178.8 billion
Increase of inventories	¥3.6 billion

Breakdown:

Increase of actual inventories	¥15.6 billion
Decrease by translation into yen	¥12.0 billion

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FY2016 Activities

Development Side : Expansion of the Lithium-ion Battery Product Line

Sales Side : Expansion of Sales Network in Emerging Countries

Branch in Bolivia

Branch in Krasnodar (Russia)

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Cost of Sales, SG & A

Variance to FY2015

Net Sales	¥423.6 billion	+ 2.1%
Cost of Sales	¥270.1 billion	+ 4.9%
Cost of Sales Ratio	63.8%	Up 1.7 points
SG & A Expenses	¥88.8 billion	+ 4.2%
SG & A Expenses Ratio	20.9%	Up 0.3 points

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Operating Income

	FY2015	**FY2016**	Variance
Net Sales	¥414.7 billion	**¥423.6 billion**	+ 2.1%
Cost of Sales	¥257.6 billion	**¥270.1 billion**	+ 4.9%
SG&A Expenses	¥85.2 billion	**¥88.8 billion**	+ 4.2%
Operating Income	¥71.9 billion	**¥64.7 billion**	- 10.1%
Operating Income Ratio	17.3%	**15.3%**	Down 2.0 points

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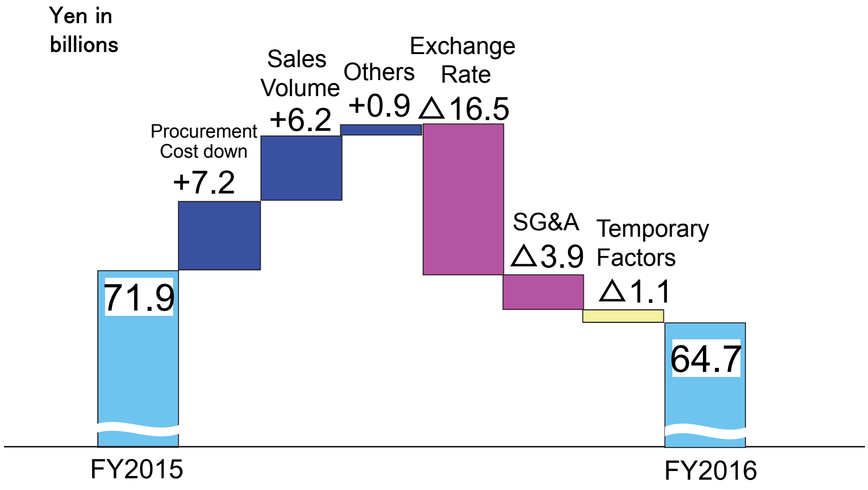
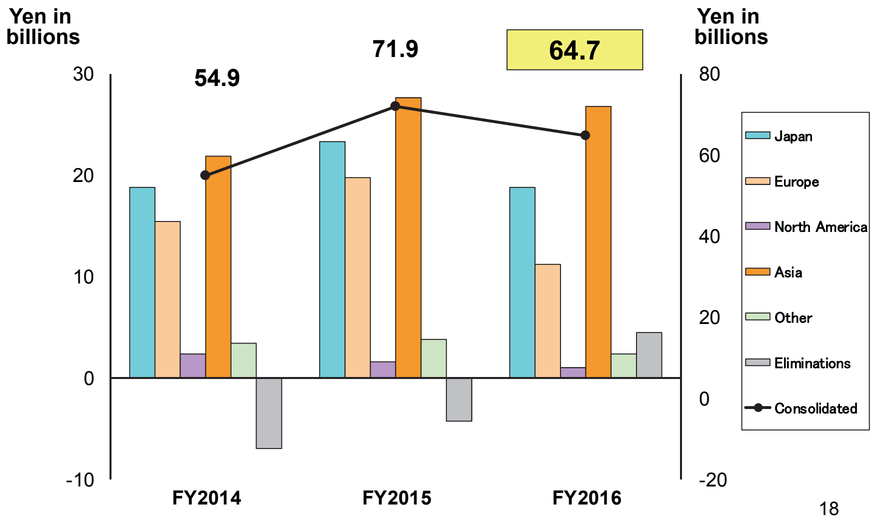
Analysis of Operating Income



Operating Income

(By Geographic Segment Basis)



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

	FY2015	**FY2016**	Variance
Other Income (Expenses)	- ¥3.5 billion	**- ¥3.2 billion**	+ ¥0.3 billion
Income Before Income Taxes	¥68.4 billion	**¥61.5 billion**	- 10.1%
Net Income Attributable to Makita Corporation	¥45.3 billion	**¥41.6 billion**	- 8.1%
EPS	¥333.79	**¥306.59**	- 8.1%
ROE	9.8%	**8.6%**	Down 1.2 points

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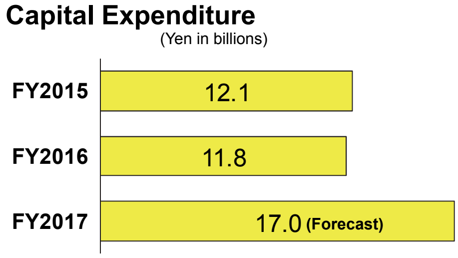
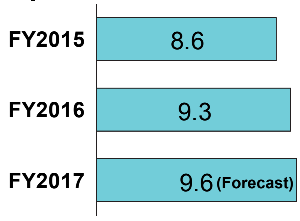
Capital Expenditure, Depreciation, R&D Cost

Capital Expenditure

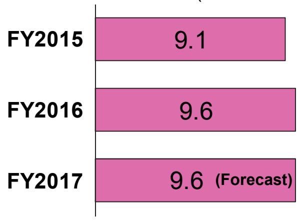


FY2017: ¥17.0 billion (Forecast)
China and Okazaki Plant equipment and mold
New Construction and Relocation of Sales Subsidiaries

Depreciation (Yen in billions)



R&D Cost (Yen in billions)



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FY2017 Sales Forecast

Variance to FY2016

Net Sales	¥400.0 billion	- 5.6%
Domestic	¥70.0 billion	2.3%
Overseas	¥330.0 billion	- 7.1%
Overseas sales ratio: 82.5% (FY2016: 83.8%)		

Assumed foreign exchange rates

US$	Euro	Euro/US$	RMB
¥110	¥120	1.09	¥16.9

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Case of Expanding Lineup

Fan Jacket

Coffee Maker

Heated Vest

MAKPAC Trolley

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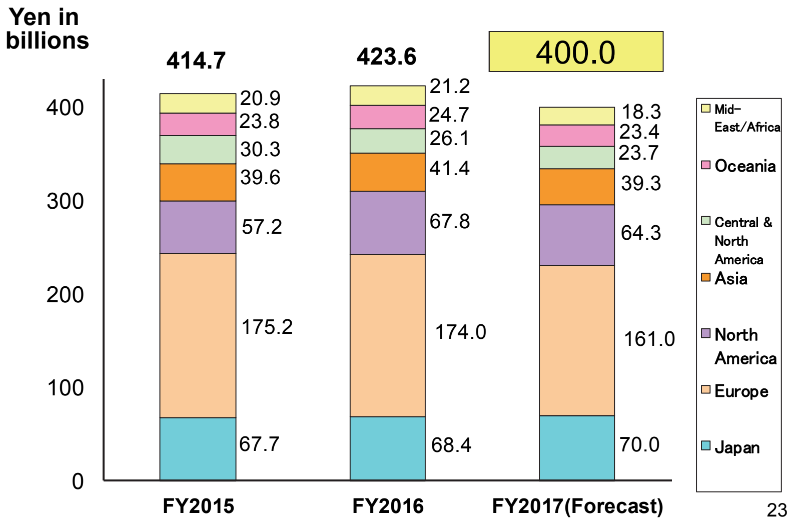
FY2017 Forecast by Geographic Area



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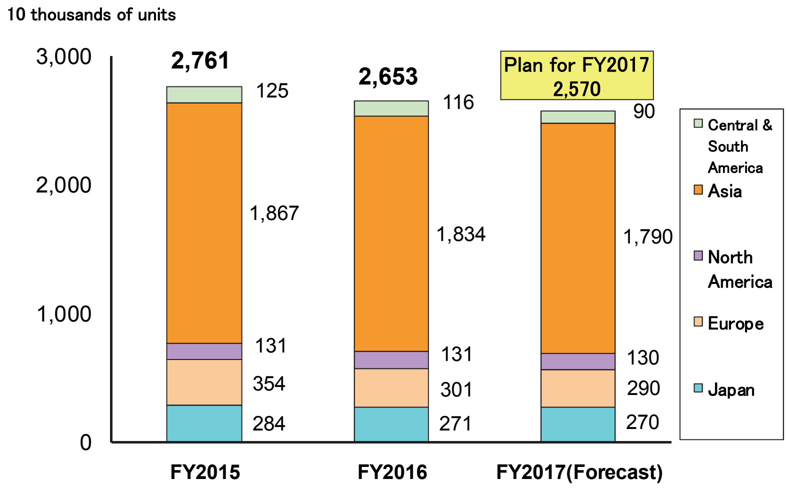
Production Plan



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FY2017 Performance Forecast

	FY2016	**FY2017**	Variance
Net Sales	¥423.6 billion	**¥400.0 billion**	- 5.6%
Operating Income	¥64.7 billion	**¥60.0 billion**	- 7.2%
Income Before Income Taxes	¥61.5 billion	**¥60.0 billion**	- 2.4%
Net Income Attributable to Makita Corporation	¥41.6 billion	**¥41.5 billion**	- 0.3%
EPS	¥306.59	**¥305.75**	- 0.3%
ROE	8.6%	**8.7%**	Up 0.1 points

Cash Dividends

Dividend Policy	**Dividend Payout Ratio: 30% or greater**	
	FY2016	FY2017(Forecast)
Net income Attributable to Makita Corporation	¥41.6 billion	¥41.5 billion
EPS	¥306.59	¥305.75
Special Circumstance	¥3.8 billion	-
Annual Cash Dividend Per Share	¥101	(Note)
Interim Dividend	¥18	¥18
Year-end Dividend	¥83	(Note)
Payout Ratio	**32.9%**	30% or greater

Note: In April 2017, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income attributable to Makita Corporation.

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.