



First Half of FY2018 Operating Results

(Six months ended September 30, 2017)

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President, Representative Director

Makita Corporation

November 7, 2017

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FY18 1H Sales

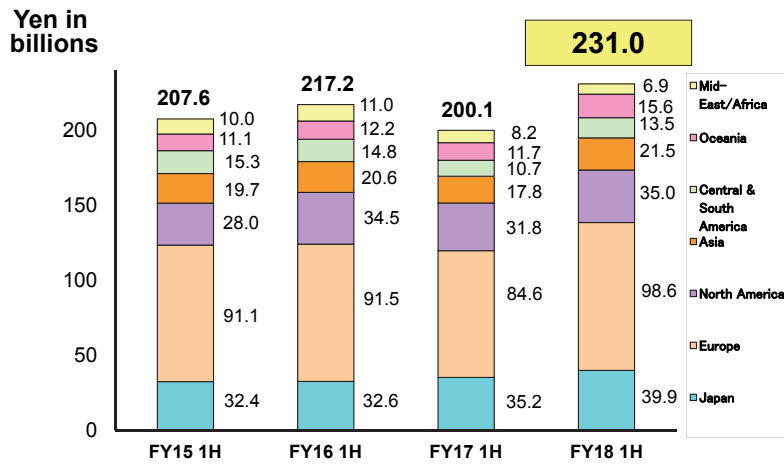
Variance to FY17 1H

Net Sales	¥231.0 billion	+ 15.4%
Domestic	¥39.9 billion	+ 13.3%
Overseas	¥191.1 billion	+ 15.9%

Overseas sales ratio: 82.7% (FY17 1H: 82.4%)

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Sales by Geographic Area



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Foreign Exchange Rate



	FY17 1H	FY18 1H	
US\$	¥105.20	¥ 111.04	5.6% Depreciation
Euro	¥118.04	¥ 126.32	7.0% Depreciation
RMB	¥ 15.92	¥ 16.42	3.1% Depreciation

Weighted average change for all foreign currencies:

6.6% depreciated in the value of the yen

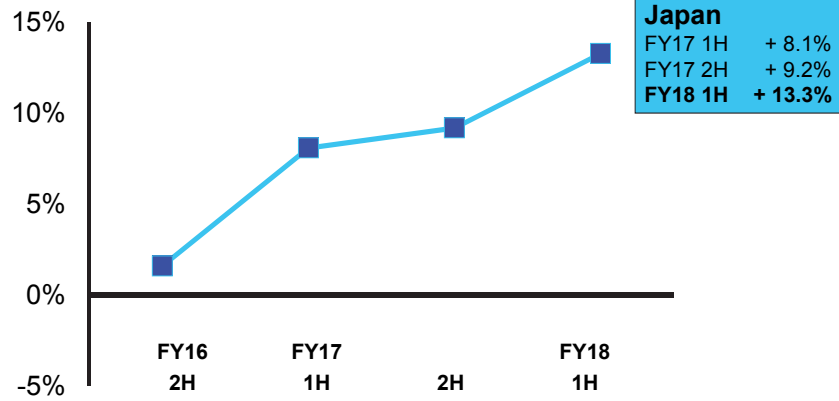
Effect on net sales: Increase of ¥11.8 billion

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Sales Growth (Local Currency Basis)



Japan



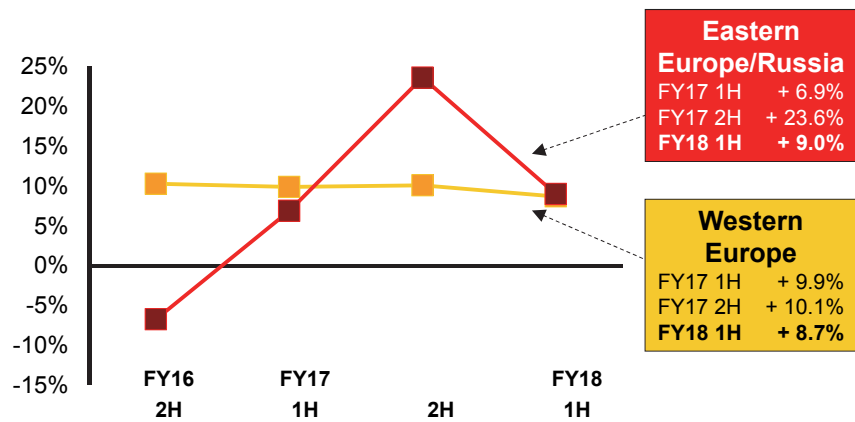
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Sales Growth (Local Currency Basis)



Europe

+8.8%

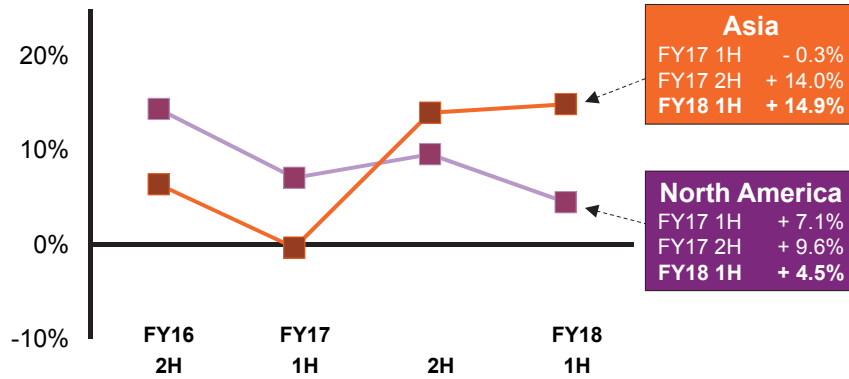


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Sales Growth (Local Currency Basis)

North America/Asia

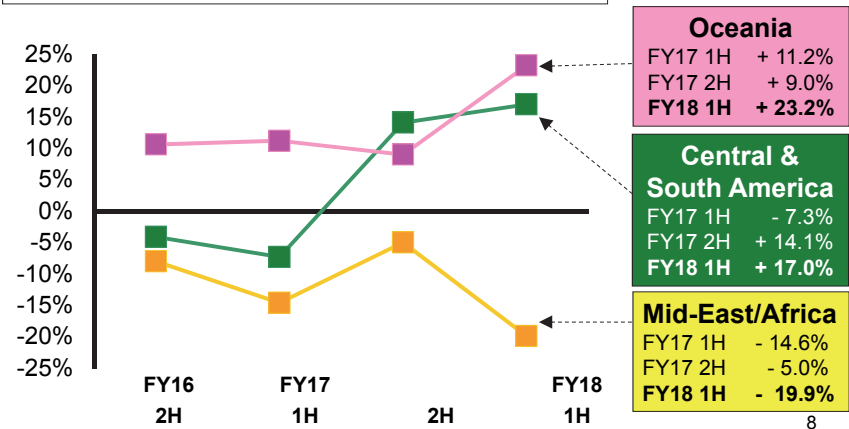


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Sales Growth (Local Currency Basis)

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



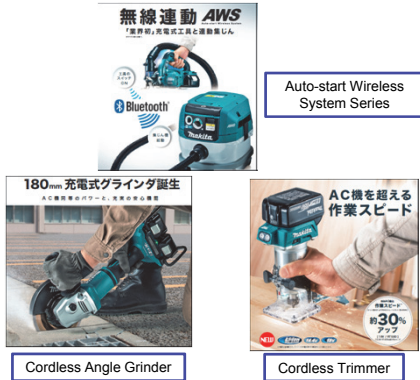
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Lithium-ion Battery Products Outdoor Power Equipment (OPE)



New Products in 2017

Lithium-ion Battery Products

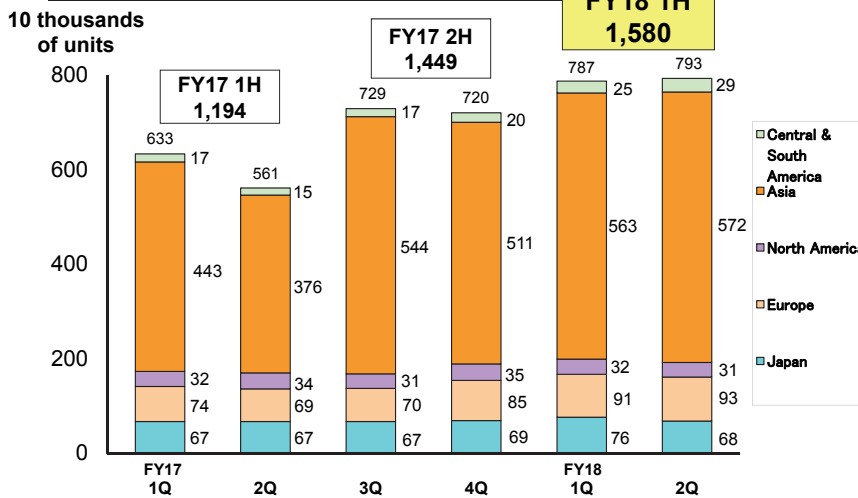


Outdoor Power Equipment



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Production Quantities by Geographic Area



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Inventories

March 31, 2017	¥167.4 billion
September 30, 2017	¥190.2 billion
Increase of inventories	¥22.8 billion

Breakdown:

Increase of actual inventories	¥12.8 billion
Increase by translation into yen	¥10.0 billion

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Cost of Sales, SG&A

Variance to FY17 1H

Net Sales	¥231.0 billion	+ 15.4%
Cost of Sales	¥146.7 billion	+ 17.6%
Cost of Sales Ratio	63.5%	Up 1.1 points
SG&A Expenses	¥46.0 billion	+ 10.4%
SG&A Ratio	19.9%	Down 0.9 points

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Operating Income

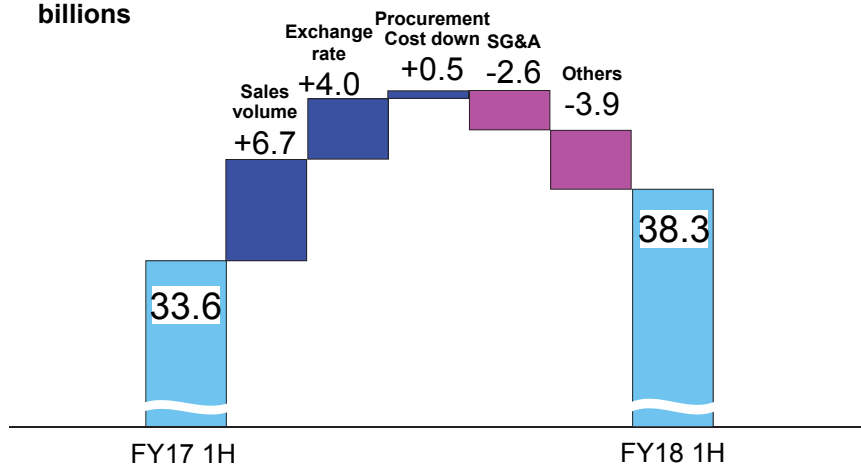
	FY17 1H	FY18 1H	Variance to FY17 1H
Net Sales	¥200.1 billion	¥231.0 billion	+ 15.4%
Cost of Sales	¥124.8 billion	¥146.7 billion	+ 17.6%
SG&A Expenses	¥41.6 billion	¥46.0 billion	+ 10.4%
Operating Income	¥33.6 billion	¥38.3 billion	+ 13.8%
Operating Income Ratio	16.8%	16.6%	Down 0.2 points

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Analysis of Operating Income

Yen in billions



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



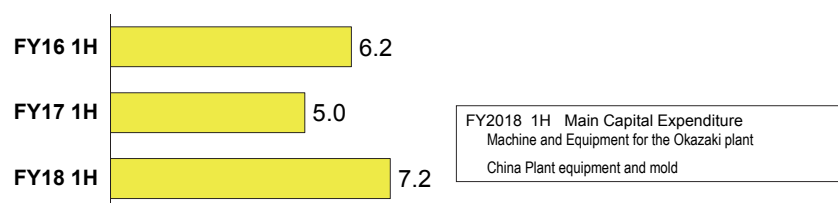
	FY17 1H	FY18 1H	Variance to FY17 1H
Other Income (Expenses)	¥0.4 billion	¥1.2 billion	+ ¥0.8 billion
Income Before Income Taxes	¥34.1 billion	¥39.5 billion	+ 15.8%
Net Income attributable to Makita Corporation	¥24.1 billion	¥27.7 billion	+ 15.0%
EPS	¥88.68	¥101.96	+ 15.0%

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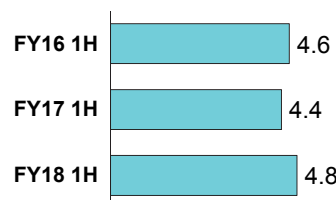
**Capital Expenditure,
Depreciation, R&D Cost**



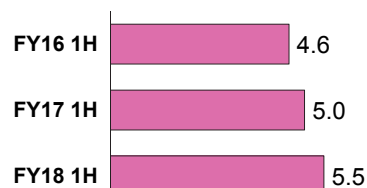
Capital Expenditure (Yen in billions)



Depreciation (Yen in billions)



R&D Cost (Yen in billions)



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Makita's Commitments

- 1) Expansion of the lithium-ion battery product lineup
- 2) Conversion from engine-powered to battery-powered
- 3) Expansion of after-sales service and sales networks

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Makita's Commitments



- 1) Expansion of the lithium-ion battery product lineup

Representative products in the current fiscal year



Auto-start Wireless System Series

- Cordless Circular Saw KS512D/513D
 - Cordless Vacuum Cleaner VC864D
- The industry's first dust-collecting system that is wirelessly connected to cordless tools.*1



Cordless grinder as powerful as AC powered equivalent products*2

- Cordless Angle Grinder GA700D
- The Company has commercialized a large cordless grinder with a 180-mm grinding wheel that requires larger power.

Launching of large cordless tools and a dust-collecting system that is wirelessly connected to cordless tools

*1: As of July 2017 (Source: Makita)
*2: Comparison to Makita's AC product

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Makita's Commitments

2) Conversion from engine-powered to battery-powered
Expanding the sales of battery-powered OPE



Under the slogan, "ZERO EMISSION," the Company has focused on expanding the sales of and raising the awareness of cordless outdoor power equipment (OPE).



Aggressively developing new products

Public relations targeted at end users



(Example) A demonstration at a home improvement center (in Japan)



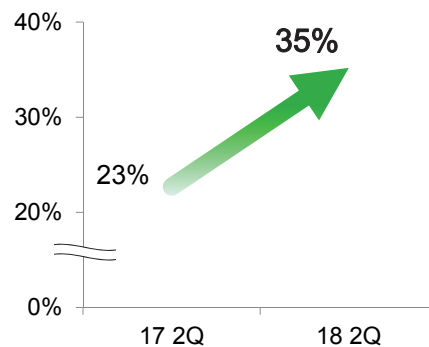
(Example) Sponsoring of five top European football leagues (in Europe)



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Makita's Commitments

2) Conversion from engine-powered to battery-powered
Expanding the sales of battery-powered OPE



Ratio of sales of lithium-ion battery-powered products to OPE sales (on a consolidated basis)

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Makita's Commitments



3) Expansion of after-sales service and sales networks

Establishment of market-, site- and customer-based sales networks

Expansion of warehouses
Upgrading of distribution channels

Improvement of demonstration rooms and training facilities

Strengthening of the repairing system

Bases opened in this fiscal year



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FY2018 Sales Forecast



Variance to FY2017

Net Sales	¥455.0 billion	+ 9.6%
Domestic	¥80.0 billion	+ 7.6%
Overseas	¥375.0 billion	+ 10.1%
Overseas sales ratio: 82.4% (FY2017: 82.1%)		

Assumed foreign exchange rates

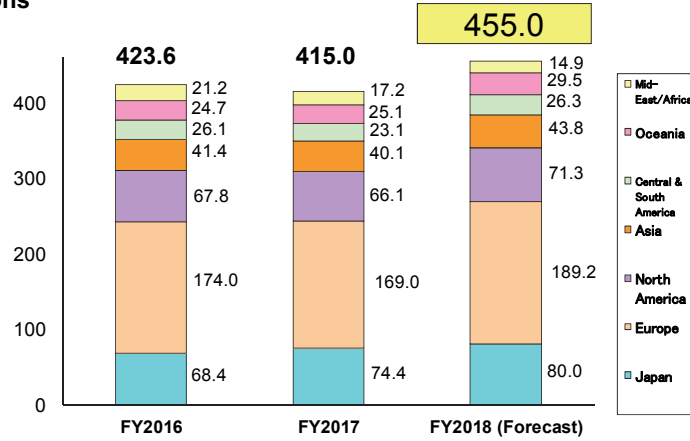
	US\$	Euro	RMB
2H	¥110	¥130	¥16.8
FY	¥111	¥128	¥16.6

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FY2018 Sales Forecast by Geographic Area



Yen in
billions

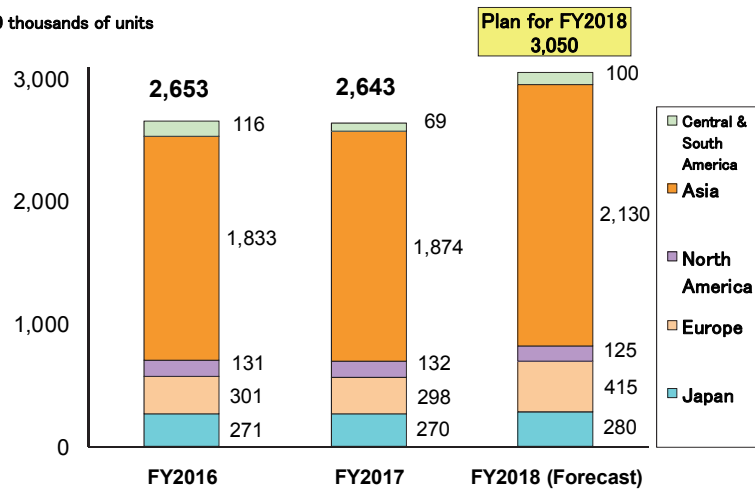


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Production Plan



10 thousands of units



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FY2018 Performance Forecast

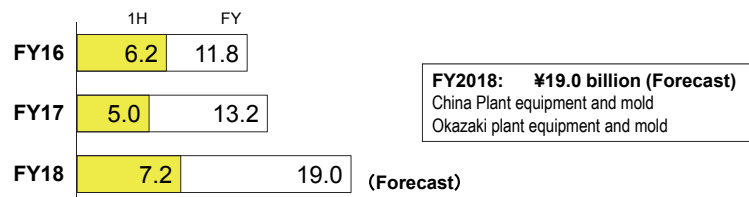
	FY2017	FY2018	Variance
Net Sales	¥415.0 billion	¥455.0 billion	+ 9.6%
Operating Income	¥62.6 billion	¥70.0 billion	+ 11.9%
Income Before Income Taxes	¥64.7 billion	¥72.3 billion	+ 11.7%
Net Income Attributable to Makita Corporation	¥44.8 billion	¥51.0 billion	+ 13.9%
EPS	¥164.96	¥187.87	+ 13.9%
ROE	9.1%	9.8%	Up 0.7 points

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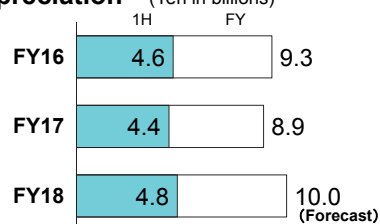
Capital Expenditure, Depreciation, R&D Cost



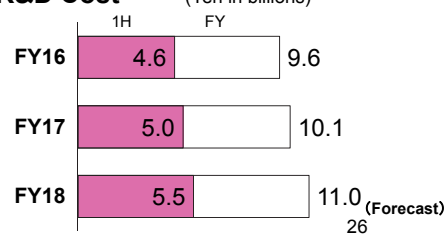
Capital Expenditure (Yen in billions)



Depreciation (Yen in billions)



R&D Cost (Yen in billions)



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Cash Dividends

Dividend Policy	Dividend Payout Ratio: 30% or greater	
	FY2017	FY2018 (Forecast)
Net income Attributable to Makita Corporation	¥44.8 billion	¥51.0 billion
EPS	¥164.96	¥187.87
Special Circumstance	-	-
Annual Cash Dividend Per Share	¥100	(Note)
Interim Dividend	¥18	¥10
Year-end Dividend	¥82	(Note)
Payout Ratio	30.3%	30% or greater

Note: In April 2018, 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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