



# FY2018 Operating Results

(Fiscal Year ended March 31, 2018)

Munetoshi Goto  
President, Representative Director

## Makita Corporation

1



## FY2018 Results

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Variance to FY2017

<b>Net Sales</b>	<b>¥477.3 billion</b>	<b>+ 15.0%</b>
Domestic	<b>¥82.6 billion</b>	+ 11.0%
Overseas	<b>¥394.7 billion</b>	+ 15.9%

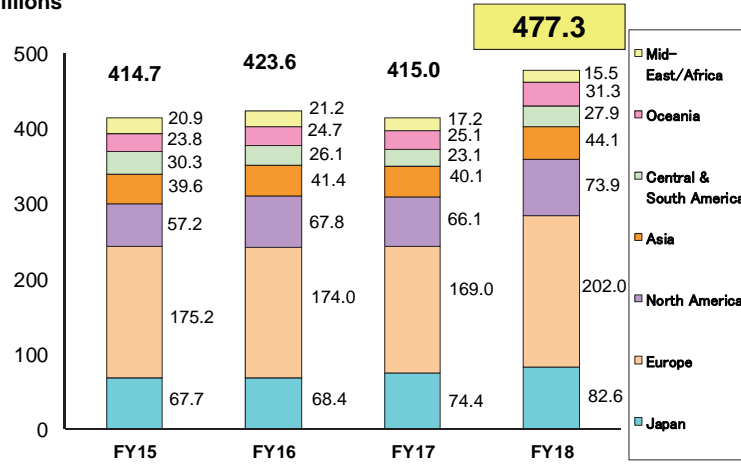
Overseas sales ratio: 82.7% (FY2017: 82.1%)

2

## Sales by Geographic Area



Yen in billions



3

## Effective Exchange Rate



	FY2017	FY2018	
US\$	¥108.34	<b>¥110.85</b>	<b>2.3%</b> Depreciation
Euro	¥118.74	<b>¥129.66</b>	<b>9.2%</b> Depreciation
RMB	¥16.10	<b>¥16.74</b>	<b>4.0%</b> Depreciation

Weighted average change for all foreign currencies:  
5.8% **depreciated** in the value of the yen

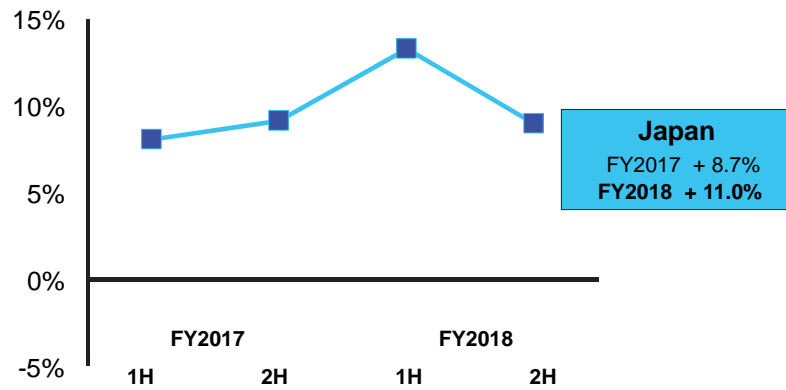
Effect on net sales: **Increase** of ¥21.8 billion

4

## Sales Growth (Local Currency Basis)



Japan



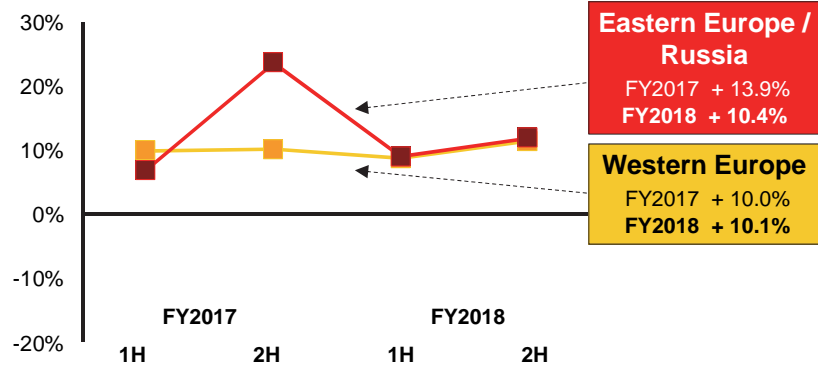
5

## Sales Growth (Local Currency Basis)



Europe

+10.2%

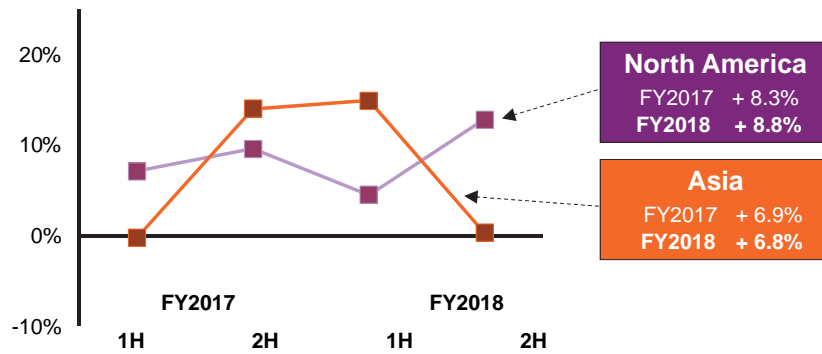


6

## Sales Growth (Local Currency Basis)



### North America, Asia

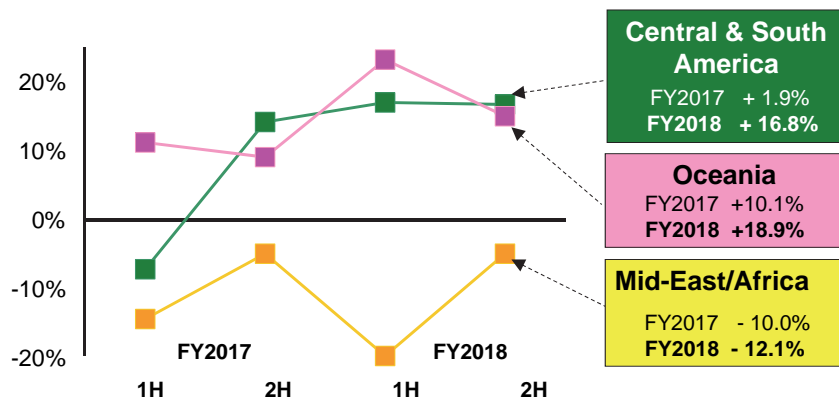


7

## Sales Growth (Local Currency Basis)



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



8

# Lithium-ion Battery Products Outdoor Power Equipment (OPE)



New Products in this fiscal year



Lithium-ion Battery Products

Cordless Rotary Hammer



Cordless Vacuum Cleaner



Cordless Impact Driver



Outdoor Power Equipment

Cordless Chain Saw



Cordless Hedge Trimmer



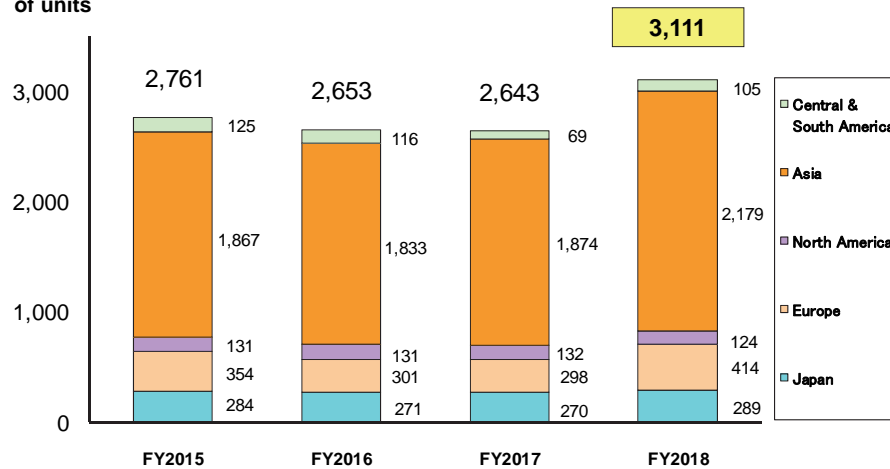
Cordless Grass Trimmer

9

# Production Quantities by Geographic Area



10 thousands of units



10



## Inventories

March 31, 2017      ¥167.4 billion

March 31, 2018      ¥196.2 billion

**Increase of inventories**      ¥28.8 billion

**Breakdown:**

Increase of actual inventories      ¥24.2 billion

Increase by translation into yen      ¥4.6 billion

11

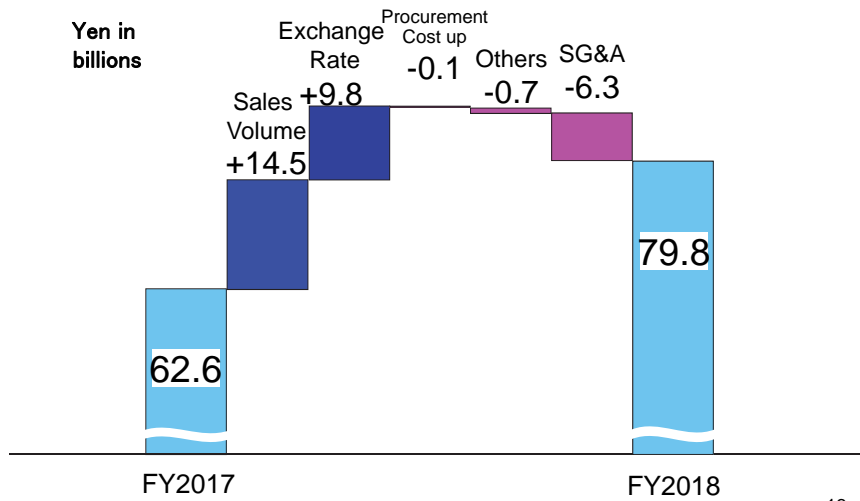


## Operating Income

	FY2017	FY2018	Variance
Net Sales	¥415.0 billion	<b>¥477.3 billion</b>	+ 15.0%
Cost of Sales	¥267.5 billion	<b>¥302.2 billion</b>	+ 13.0%
Cost of Sales Ratio	64.5%	<b>63.3%</b>	
SG&A Expenses	¥84.9 billion	<b>¥95.3 billion</b>	+ 12.3%
SG&A Expenses Ratio	20.4%	<b>20.0%</b>	
Operating Income	¥62.6 billion	<b>¥79.8 billion</b>	+ 27.5%
Operating Income Ratio	15.1%	<b>16.7%</b>	<b>Up</b> 1.6 points

12

## Analysis of Operating Income



13

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



	FY2017	FY2018	Variance
Other Income (Expenses)	¥2.2 billion	- ¥0.1 billion	- ¥2.3 billion
Income Before Income Taxes	¥64.7 billion	¥79.7 billion	+ 23.1%
Net Income Attributable to Makita Corporation	¥44.8 billion	¥54.8 billion	+ 22.3%
EPS	¥164.96	¥201.70	+ 22.3%
ROE	9.1%	10.4%	Up 1.3 points

Note: The Company implemented a two-for-one common stock split, effective April 1, 2017. EPS was calculated on the assumption that the relevant stock split had been implemented at the beginning of the previous consolidated fiscal year.

14

## Makita's Commitments

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- 1) Expansion of the lithium-ion battery products lineup
- 2) Conversion from engine-powered to battery-powered
- 3) Enhancement of customer service

15

## Makita's Commitments

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



### Deliver large cordless tools



AC



DC

16



## Makita's Commitments

1) Expansion of the lithium-ion battery products lineup



### Compact and lightweight products



**CXT**



Expansion of CXT series

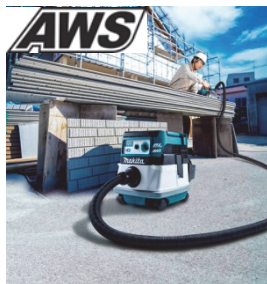
17

## Makita's Commitments

1) Expansion of the lithium-ion battery products lineup



### Vacuum-related products



Auto-start wireless system connectable with tools via Bluetooth (first in the industry)



Cordless Backpack Vacuum Cleaner

Robotic Cleaner



18

## Makita's Commitments



1) Expansion of the lithium-ion battery products lineup

### Comfortable products



New products that meet the needs of on-site users

19

## Makita's Commitments



2) Conversion from engine-powered to battery-powered

### Enhancement of the battery-powered outdoor power equipment (OPE)



20

## Makita's Commitments

2) Conversion from engine-powered to battery-powered



### Battery-powered OPE Sales promotion activities in and outside Japan



21

## Makita's Commitments

2) Conversion from engine-powered to battery-powered



### Outlook and issues of the battery-powered OPE



- Achieve performance equivalent to medium size or larger engine type products (30 mL or more)
- Expand the product range
- Secure and train personnel
- Expand the warehouses

22

## Makita's Commitments



2) Conversion from engine-powered to battery-powered

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### New Products of the battery-powered OPE



#### MUC254D

- Lightweight & high speed
- Usability equivalent to 23 mL engine type

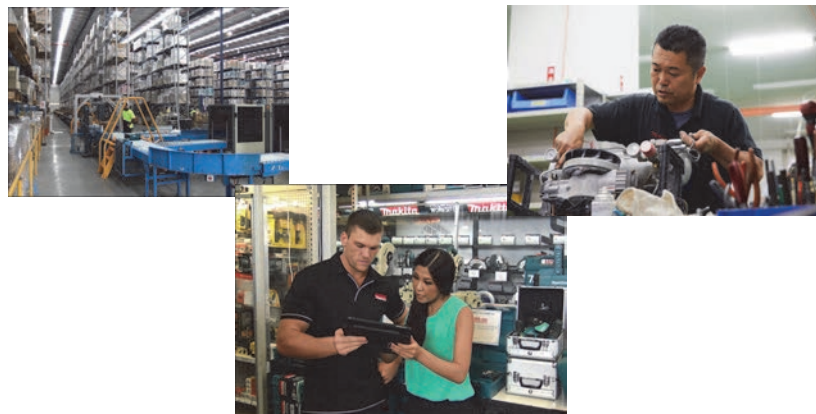
23

## Makita's Commitments



3) Enhancement of customer service

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24

## Makita's Commitments



### 3) Enhancement of customer service

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



25

## FY2019 Sales Forecast



Variance to FY2018

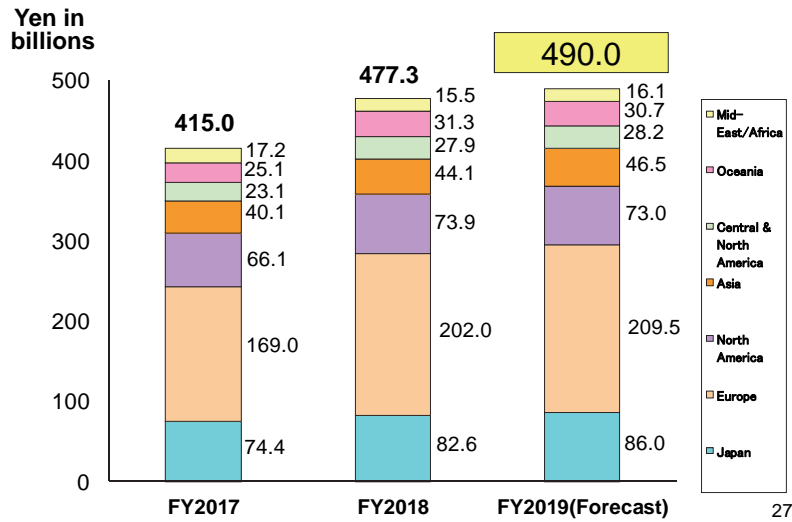
Revenue	¥490.0 billion	+ 2.7%
Domestic	¥86.0 billion	+ 4.1%
Overseas	¥404.0 billion	+ 2.4%
Overseas sales ratio: 82.4% (FY2018: 82.7%)		

Assumed foreign exchange rates

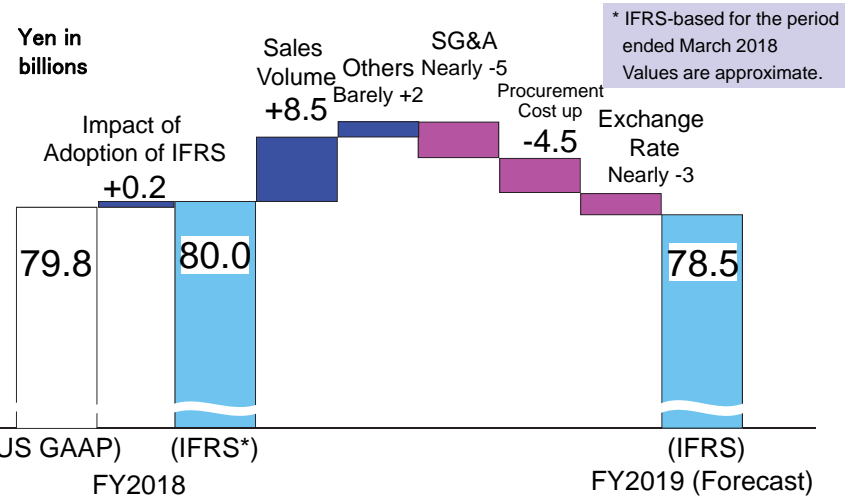
US\$	Euro	Euro/US\$	RMB
¥105	¥130	1.24	¥16.8

26

## FY2019 Forecast by Geographic Area



## Analysis of Operating Income (Forecast)



## FY2019 Performance Forecast



	FY2018 (US GAAP)	FY2018 (IFRS)*	FY2019 (IFRS)	Variance
Revenue	¥477.3 billion	¥477.3 billion	<b>¥490.0 billion</b>	+ 2.7%
Operating profit	¥79.8 billion	¥80.0 billion	<b>¥78.5 billion</b>	- 1.9%
Profit before income taxes	¥79.7 billion	¥80.0 billion	<b>¥78.7 billion</b>	- 1.6%
Profit attributable to owners of the parent	¥54.8 billion	¥55.0 billion	<b>¥54.8 billion</b>	- 0.4%
EPS	201.70円	202.60円	<b>201.87円</b>	- 0.4%
ROE	10.4%	10.4%	<b>9.9%</b>	<b>0.5pdown</b>

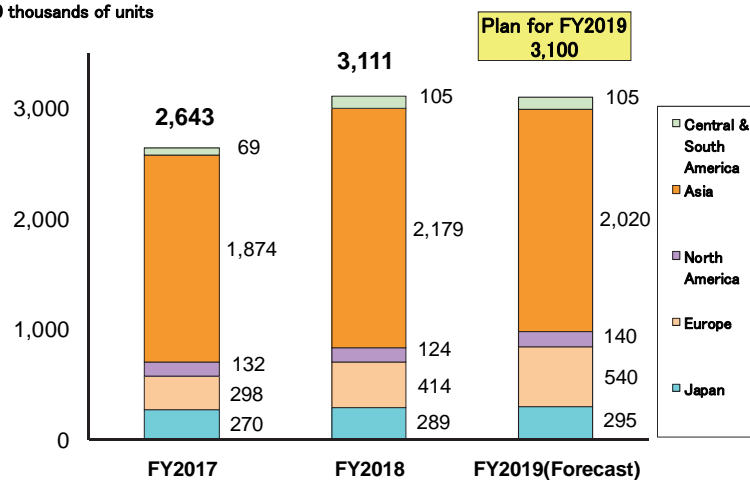
\* IFRS-based for the period ended March 2018 Values are approximate.

29

## Production Plan



10 thousands of units



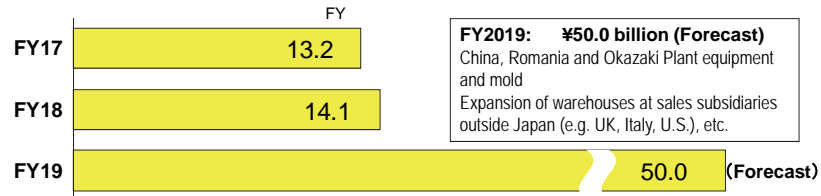
30



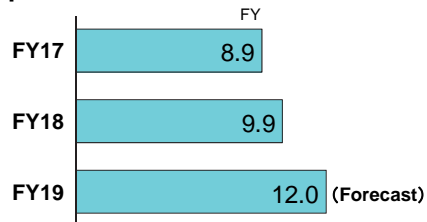


## Capital Expenditure, Depreciation, R&D Cost

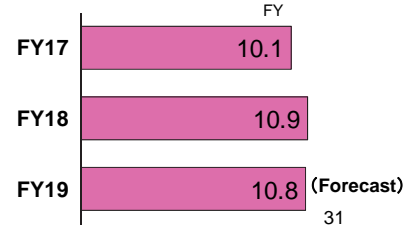
### Capital Expenditure (Yen in billions)



### Depreciation (Yen in billions)



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



31



## Cash Dividends

Dividend Policy	Dividend Payout Ratio: 30% or greater	
	FY2018	FY2019(Forecast)
Net income Attributable to Makita Corporation	¥54.8 billion	¥54.8 billion
EPS	¥201.70	¥201.87
Special Circumstance	-	-
Annual Cash Dividend Per Share	¥61	(Note)
Interim Dividend	¥10	¥10
Year-end Dividend	¥51	(Note)
Payout Ratio	<b>30.2%</b>	30% or greater

Note: In April 2019, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income attributable to Makita Corporation.

32





<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.