



# FY2019 Operating Results

(Fiscal Year ended March 31, 2019)

Munetoshi Goto  
President, Representative Director

## Makita Corporation

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### **Voluntary Adoption of International Financial Reporting Standards (IFRS)**



From the first quarter ended March 31, 2019, Makita voluntarily adopt the International Financial Reporting Standards (IFRS) instead of the accounting principles generally accepted in the United States (U.S. GAAP).

In addition, financial for the year ended March 31, 2018 have also been reclassified in accordance with IFRS and used in comparative analyses.

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# FY2019 Results



Variance to FY2018

<b>Revenue</b>	<b>¥490.6 billion</b>	<b>+ 2.8%</b>
Domestic	<b>¥92.1 billion</b>	+ 11.6%
Overseas	<b>¥398.5 billion</b>	+ 0.9%

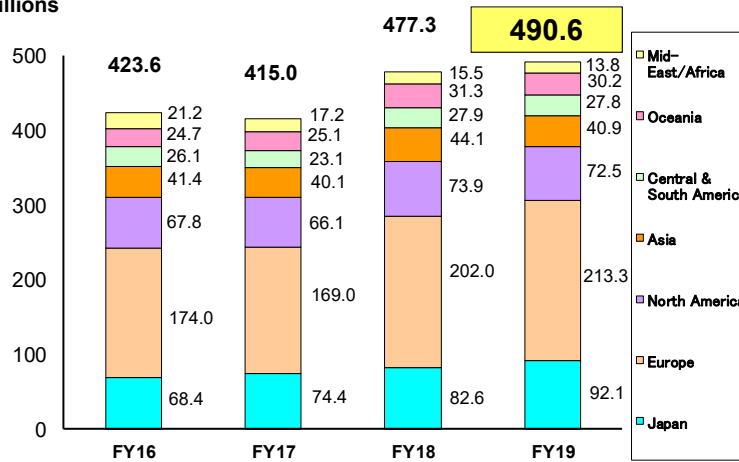
Overseas revenue ratio: 81.2% (FY2018: 82.7%)

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# Revenue by Geographic Area



Yen in billions



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## Effective Exchange Rate

	FY2018	FY2019	
US\$	¥110.85	<b>¥110.92</b>	<b>0.1%</b> Depreciation
Euro	¥129.66	<b>¥128.44</b>	<b>0.9%</b> Appreciation
RMB	¥16.74	<b>¥16.54</b>	<b>1.2%</b> Appreciation

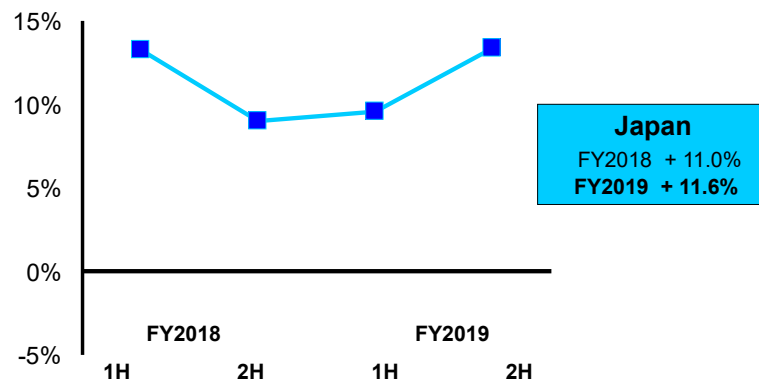
Weighted average change for all foreign currencies:  
**2.6% appreciated** in the value of the yen  
Effect on net sales: **Decrease** of ¥10.7 billion

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## Revenue Growth (Local Currency Basis)

Japan



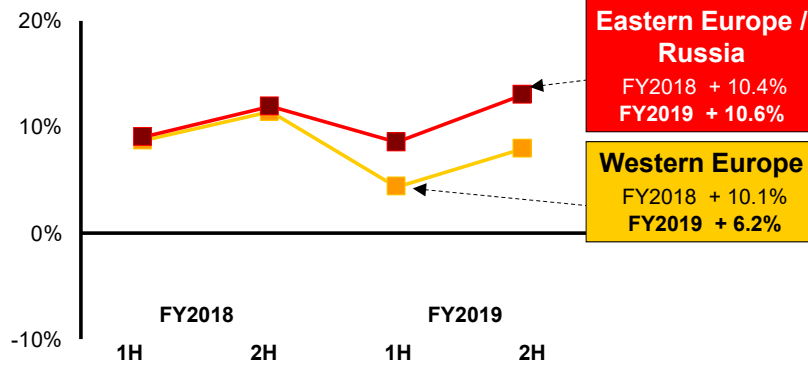
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# Revenue Growth (Local Currency Basis)



Europe

+7.8%

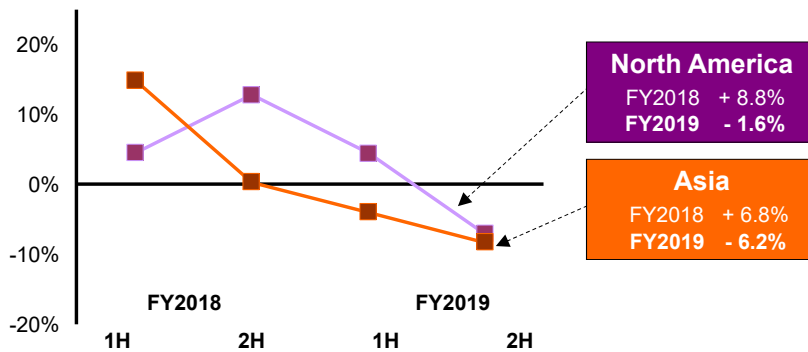


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# Revenue Growth (Local Currency Basis)



North America, Asia

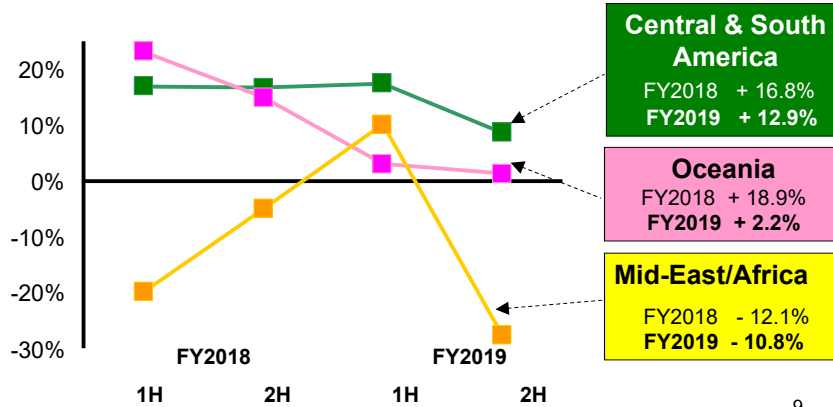


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# Revenue Growth (Local Currency Basis)



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



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



New Products in this fiscal year

**Lithium-ion Battery Products**

AC機を超え、さらなる高みへ

**Cordless Screwdriver**

国内初 コードレスで攪拌

**Cordless Mixer**

**Outdoor Power Equipment**

お手軽 プロ品質

**Cordless Grass Trimmer**

軽量+高回転

**Cordless Chain Saw**

プロ仕様、さらに進化!

**Cordless Cleaner**

広範囲をパワフル刈り込み

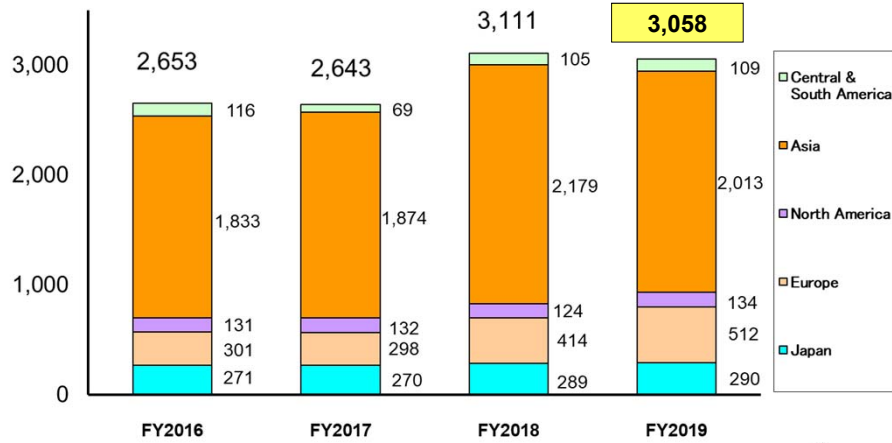
**Cordless Lawn Mower**

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## Production Quantities by Geographic Area



10 thousands of units



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## Inventories



March 31, 2018      ¥196.5 billion

March 31, 2019      ¥219.9 billion

**Increase** of inventories      ¥23.4 billion

**Breakdown:**

Increase of actual inventories      ¥30.5 billion

Decrease by translation into yen      ¥7.1 billion

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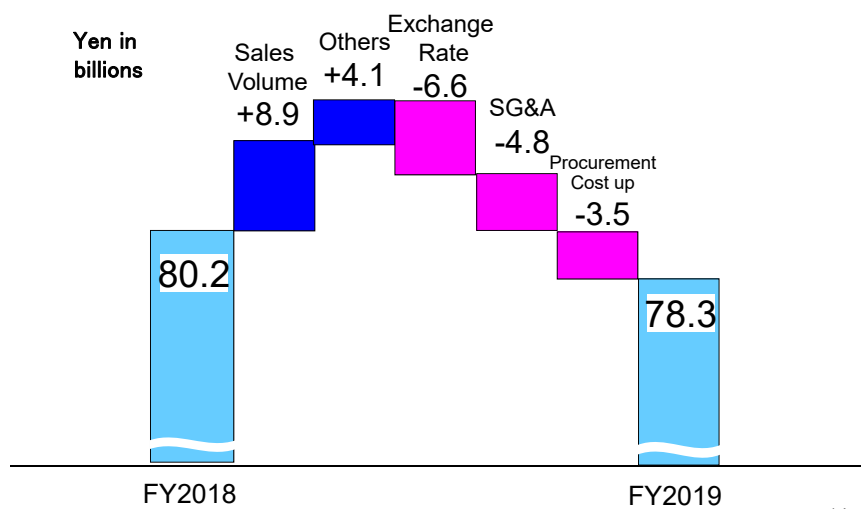
## Operating Profit

	FY2018	FY2019	Variance
Revenue	¥477.3 billion	<b>¥490.6 billion</b>	+ 2.8%
Cost of Sales	¥301.4 billion	<b>¥313.4 billion</b>	+ 4.0%
Cost of Sales Ratio	63.1%	<b>63.9%</b>	<b>Up</b> 0.8 points
SG&A Expenses	¥95.7 billion	<b>¥98.9 billion</b>	+ 3.4%
SG&A Expenses Ratio	20.1%	<b>20.1%</b>	-
Operating Profit	¥80.2 billion	<b>¥78.3 billion</b>	- 2.4%
Operating Profit Ratio	16.8%	<b>16.0%</b>	<b>Down</b> 0.8 points

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## Analysis of Operating Profit



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**Financial Income (Expenses),  
Profit Before Income Taxes, Profit  
Attributable to Owners of the Parent**



	FY2018	FY2019	Variance
Financial Income (Expenses)	- ¥0.4 billion	<b>- ¥1.6 billion</b>	+ ¥2.0 billion
Profit Before Income Taxes	¥79.9 billion	<b>¥79.9 billion</b>	+ 0.1%
Profit Attributable to Owners of the Parent	¥54.9 billion	<b>¥55.8 billion</b>	+ 1.5%
EPS	¥202.39	<b>¥205.37</b>	+ 1.5%

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## Makita's Commitments

- New products (expansion of the lithium-ion battery products lineup)
- Conversion from engine-powered to battery-powered
- Expansion of sales, after-sales service and distribution networks

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# Makita's Commitments



New products (expansion of the lithium-ion battery products lineup)

Accelerate conversion to cordless products in all categories



355mm Portable Cut-off LW141D



Cordless Inflator MP100D



Disaster Kit CK1008

Further expand opportunities where Makita's battery-powered products can be used

Develop useful products that satisfy users by utilizing charging control and motor technologies

# Makita's Commitments



Conversion from engine-powered to battery-powered

Develop and expand cordless OPE (Outdoor Power Equipment)

New Products in this fiscal year



Cordless Lawn Mower MLM460D

PR job



Holding exhibitions and hands-on events

<Advantages of battery-powered OPE>

- ✓ No exhaust gas emissions
- ✓ Reduced noise and vibration
- ✓ Light weight
- ✓ Easier operation and maintenance

<Direction of Makita's activities>

- Launch new high-performance products
- Create opportunities where users can learn advantages of Makita's products and cultivate needs by using its sales & service offices
- Expand and strengthen the distribution and after-sales service network
- Develop sales channels



## Makita's Commitments

Expansion of sales, after-sales service and distribution networks

Strengthen customer- and community-based sales networks

Bases opened in this fiscal year (including remodeling)

地域	都市名
Asia	Mumbai (India) Ahmadabad (India) Hyderabad (India) Nha Trang (Vietnam) ho chi minh (Vietnam) Pingdong (Taiwan) etc.
Europe	London (U.K.) Vladivostok (Russia) Prague (Czech) Oberbipp (Swiss)
Central & South America	bogota (Colombia) Santiago (Chile)

- Upgrade after-sales services, introduce new products, and cultivate users' needs
- Respond to the expansion of battery-powered OPE sales (after-sales services and distribution networks)



Makita Chile Ltda.  
An event to celebrate the 20th anniversary and completion of the new office building 19



## FY2020 Forecast

Variance to FY2019

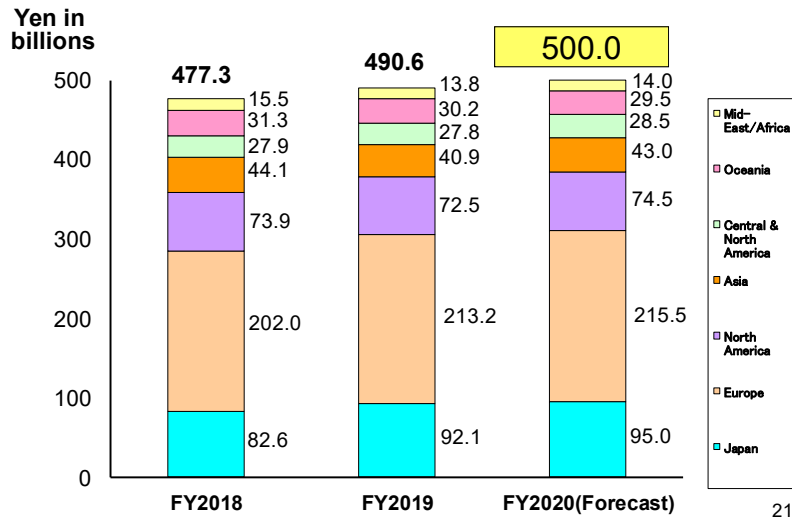
Revenue	¥500.0 billion	+ 1.9%
Domestic	¥95.0 billion	+ 3.1%
Overseas	¥405.0 billion	+ 1.6%
Overseas revenue ratio: 81.0% (FY2019: 81.8%)		

Assumed foreign exchange rates

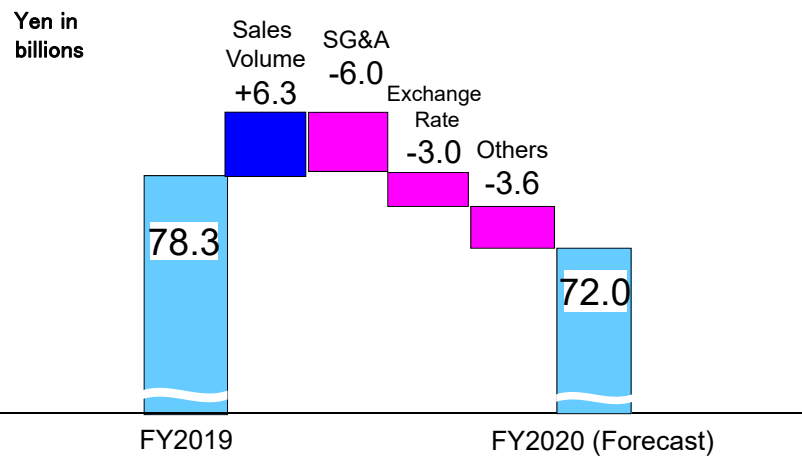
US\$	Euro	Euro/US\$	RMB
¥110	¥125	1.14	¥16.3

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## FY2020 Forecast by Geographic Area



## Analysis of Operating Profit (Forecast)



## FY2020 Performance Forecast



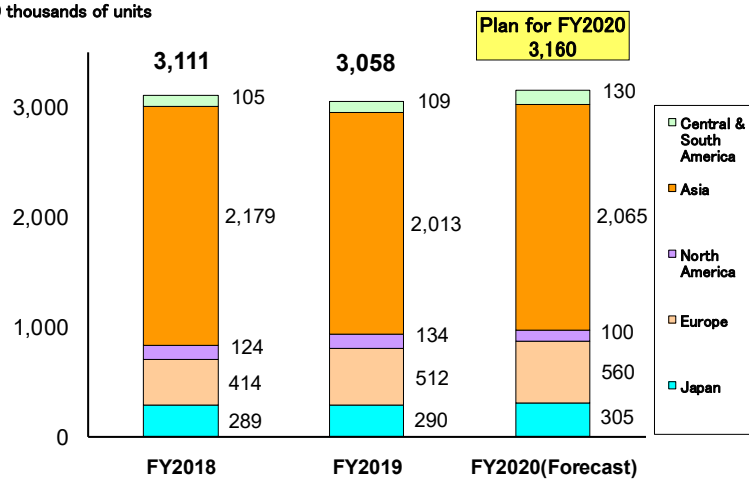
	FY2019	FY2020	Variance
Revenue	¥490.6 billion	¥500.0 billion	+ 1.9%
Operating profit	¥78.3 billion	¥72.0 billion	- 8.1%
Profit before income taxes	¥79.9 billion	¥72.7 billion	- 9.0%
Profit attributable to owners of the parent	¥55.8 billion	¥50.0 billion	- 10.3%
EPS	205.37円	184.18円	-
ROE	9.9%	8.7%	1.2pt down

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## Production Plan



10 thousands of units

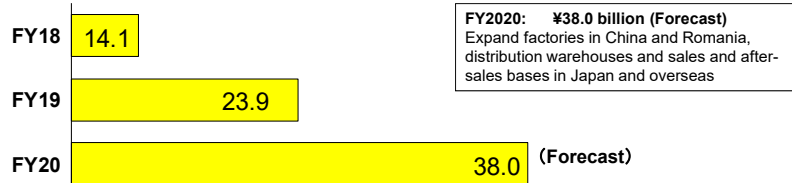


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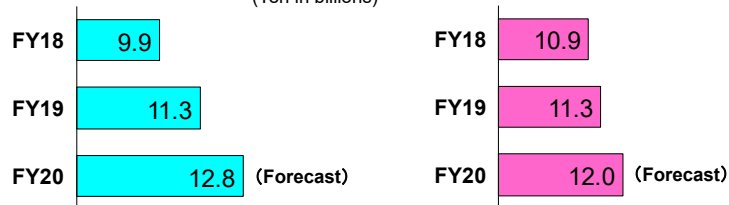


## Capital Expenditure, Depreciation, R&D Cost

### Capital Expenditure (Yen in billions)



### Depreciation and Amortization (Yen in billions)      R&D Cost (Yen in billions)



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## Cash Dividends

Dividend Policy	Dividend Payout Ratio: 30% or greater	
	FY2019	FY2020(Forecast)
Profit attributable to owners of the parent	¥55.8 billion	¥50.0 billion
EPS	¥205.37	¥184.18
Special Circumstance	-	-
Annual Cash Dividend Per Share	¥62	(Note)
Interim Dividend	¥10	¥10
Year-end Dividend	¥52	(Note)
Payout Ratio	<b>30.2%</b>	30% or greater

Note: In April 2020, the Board of Directors plans to propose a dividend equivalent to at least 30% of profit attributable to owners of the parent.

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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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