



First Half of FY2017 Operating Results

(Six months ended September 30, 2016)

Shiro Hori
President, Representative Director

Makita Corporation

November 8, 2016

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FY17 1H Sales

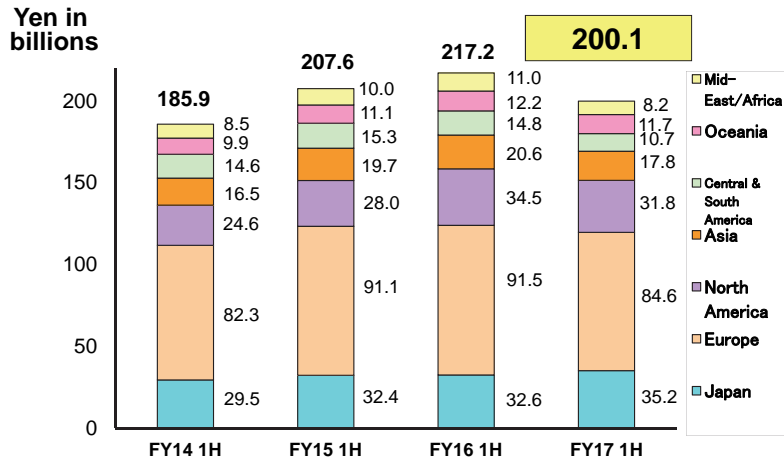
Variance to FY16 1H

Net Sales	¥200.1 billion	- 7.9%
Domestic	¥35.2 billion	+ 8.1%
Overseas	¥164.9 billion	- 10.7%

Overseas sales ratio: 82.4% (FY16 1H: 85.0%)

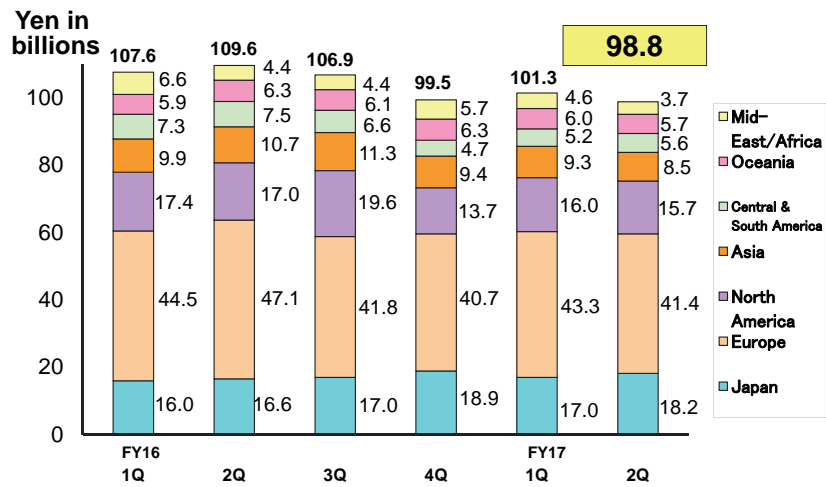
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Sales by Geographic Area



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Quarterly Sales by Geographic Area



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Foreign Exchange Rate



	FY16 1H	FY17 1H	
US\$	¥121.87	¥ 105.20	13.7% Appreciation
Euro	¥135.11	¥ 118.04	12.6% Appreciation
RMB	¥ 19.45	¥ 15.92	18.1% Appreciation

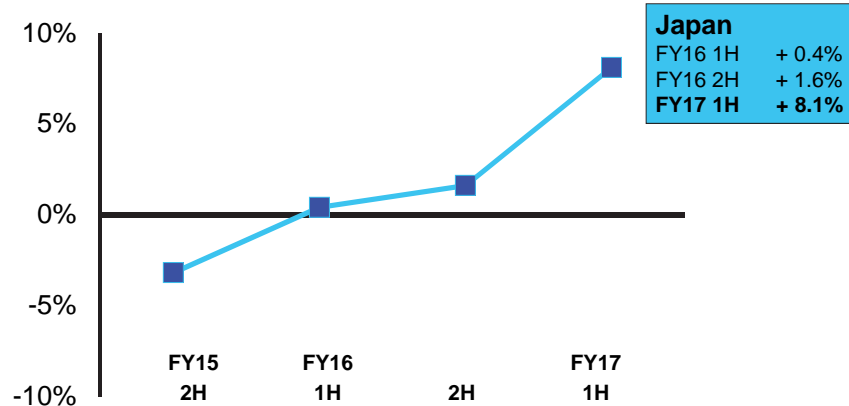
Weighted average change for all foreign currencies:
 14.9% **appreciated** in the value of the yen
 Effect on net sales: **Decrease** of ¥28.9 billion

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Sales Growth (Local Currency Basis)



Japan

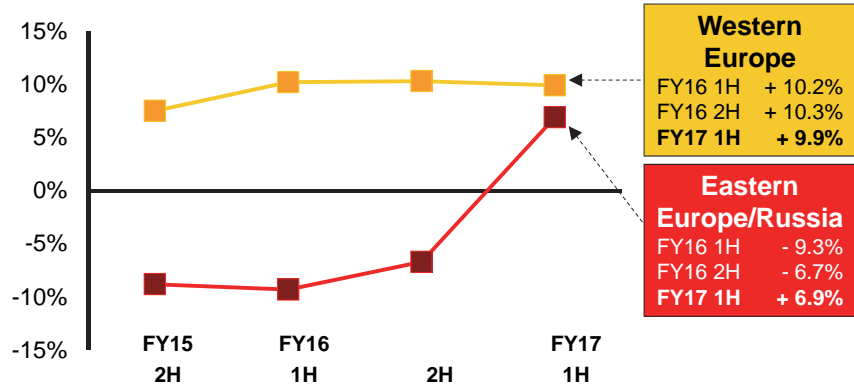


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Sales Growth (Local Currency Basis)

Europe +8.8%

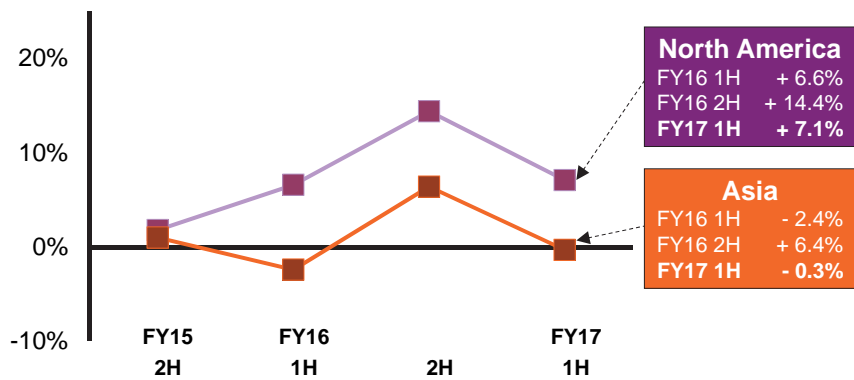


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Sales Growth (Local Currency Basis)

North America/Asia

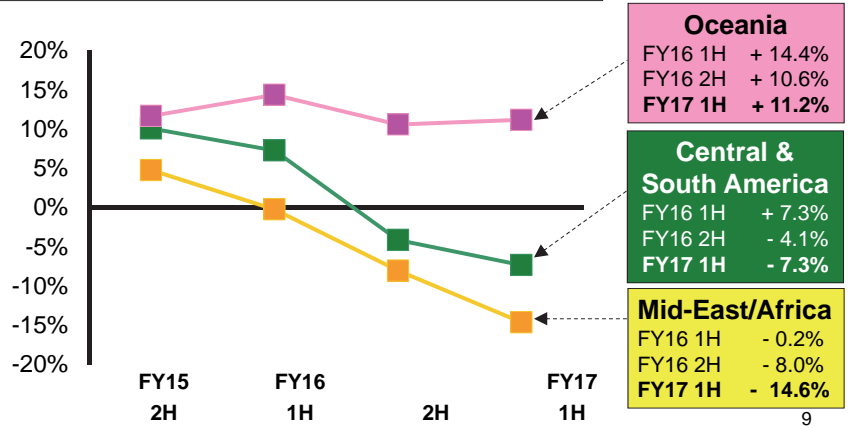


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Sales Growth (Local Currency Basis)

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



New Products in FY2017 1H

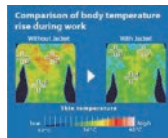




New Products in FY2017 1H



Cordless Compound Miter Saw



Circular Saw (Brushless AC Motor)

Cutting speed
70% UP



Fan Jacket

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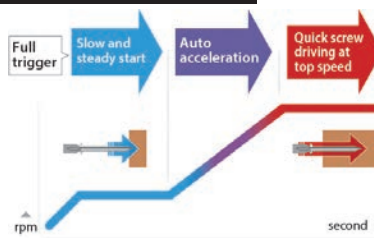
Lithium-ion Battery Products



Max Tightening Torque
135 N·m

Net weight
0.97 kg
(BL1071)

Impact Driver (10.8V)



Work Speed **45% UP**
Drove 45mm coarse thread Into Marapi

Model	Work Speed
TD111D	145
TD110D	100

slow fast

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Outdoor Power Equipment (OPE)



Cordless Chain Saw



Cordless Blower



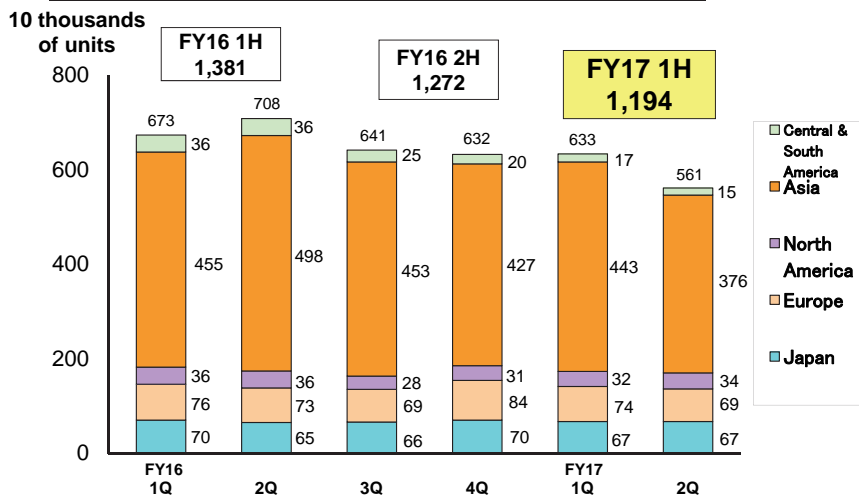
Petrol Brushcutter



Cordless Grass Trimmer

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Production Quantities by Geographic Area



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Inventories

March 31, 2016 ¥178.8 billion

September 30, 2016 ¥155.4 billion

Decrease of inventories ¥23.4 billion

Breakdown:

Decrease of actual inventories	¥3.0 billion
Decrease by translation into yen	¥20.4 billion

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Cost of Sales, SG&A

Variance to FY16 1H

Net Sales	¥200.1 billion	- 7.9%
Cost of Sales	¥124.8 billion	- 9.6%
Cost of Sales Ratio	62.4%	Down 1.1 points
SG&A Expenses	¥41.6 billion	- 6.8%
SG&A Ratio	20.8%	Up 0.2 points

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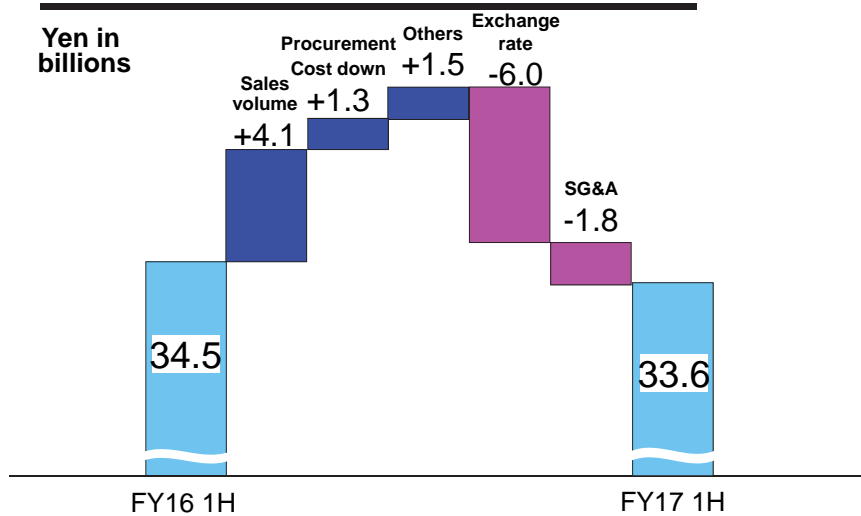
Operating Income



	FY16 1H	FY17 1H	Variance to FY16 1H
Net Sales	¥217.2 billion	¥200.1 billion	- 7.9%
Cost of Sales	¥138.0 billion	¥124.8 billion	- 9.6%
SG&A Expenses	¥44.7 billion	¥41.6 billion	- 6.8%
Operating Income	¥34.5 billion	¥33.6 billion	- 2.6%
Operating Income Ratio	15.9%	16.8%	Up 0.9 points

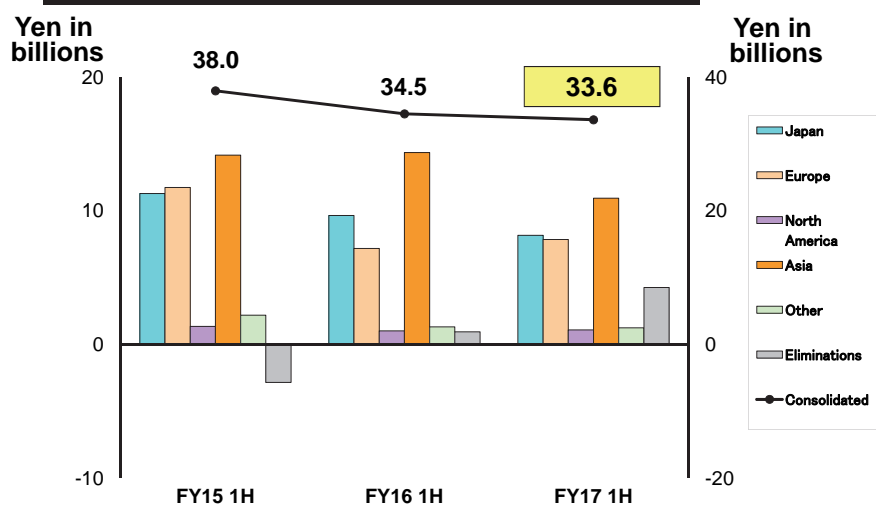
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Analysis of Operating Income



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Operating Income (By Geographic Segment Basis)



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



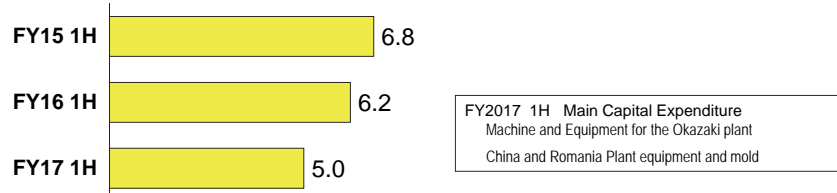
	FY16 1H	FY17 1H	Variance to FY16 1H
Other Income (Expenses)	- ¥3.7 billion	¥0.4 billion	+ ¥4.1 billion
Income Before Income Taxes	¥30.9 billion	¥34.1 billion	+ 10.4%
Net Income attributable to Makita Corporation	¥21.5 billion	¥24.1 billion	+ 12.0%
EPS	¥158.30	¥177.36	+ 12.0%

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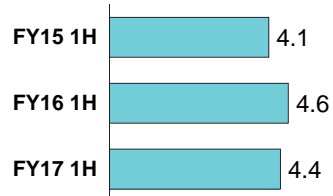


Capital Expenditure, Depreciation, R&D Cost

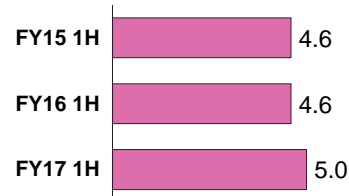
Capital Expenditure (Yen in billions)



Depreciation (Yen in billions)



R&D Cost (Yen in billions)



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FY2017 Sales Forecast

Variance to FY2016

Net Sales	¥390.0 billion	- 7.9%
Domestic	¥72.0 billion	+ 5.2%
Overseas	¥318.0 billion	- 10.5%
Overseas sales ratio: 81.5% (FY2016: 83.8%)		

Assumed foreign exchange rates

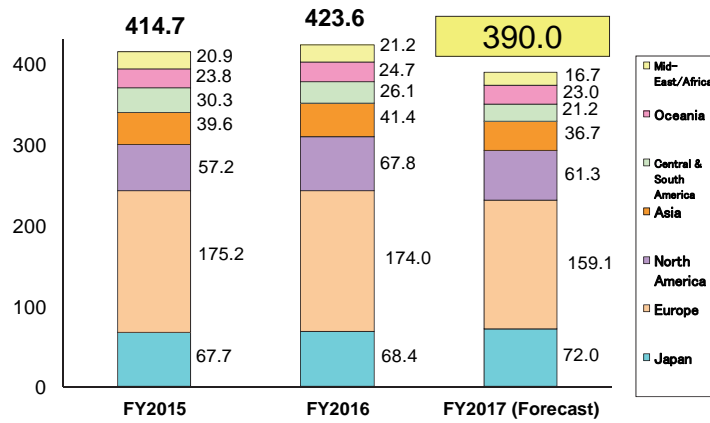
	US\$	Euro	RMB
2H	¥100	¥110	¥15.4
FY	¥103	¥114	¥15.7

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FY2017 Sales Forecast by Geographic Area



Yen in
billions

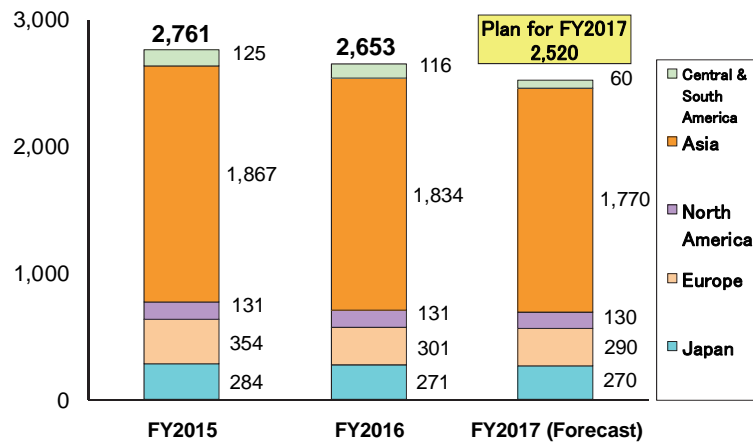


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Production Plan



10 thousands of units



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FY2017 Performance Forecast

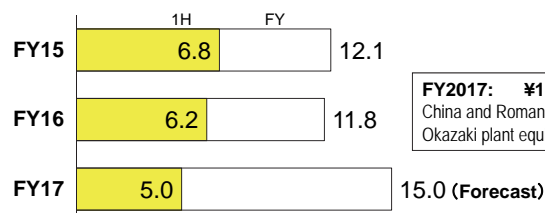
	FY2016	FY2017	Variance
Net Sales	¥423.6 billion	¥390.0 billion	- 7.9%
Operating Income	¥64.7 billion	¥60.0 billion	- 7.2%
Income Before Income Taxes	¥61.5 billion	¥60.0 billion	- 2.4%
Net Income Attributable to Makita Corporation	¥41.6 billion	¥41.5 billion	- 0.3%
EPS	¥306.59	¥305.75	- 0.3%

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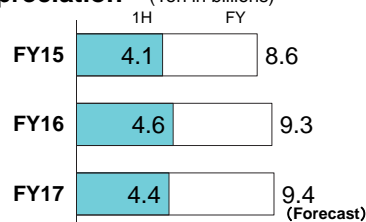
Capital Expenditure, Depreciation, R&D Cost

Capital Expenditure (Yen in billions)

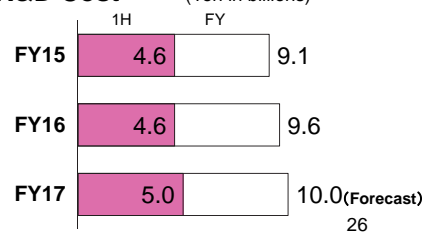


FY2017: ¥15.0 billion (Forecast)
China and Romania Plant equipment and mold
Okazaki plant equipment and mold

Depreciation (Yen in billions)



R&D Cost (Yen in billions)



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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.

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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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