



First Half of FYE2021 Operating Results

(Six months ended September 30, 2020)

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Makita Corporation

November 10, 2020

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FYE2021 1H Results

Variance to FYE2020 1H

Revenue	¥283.2 billion	+ 16.3%
Domestic	¥55.8 billion	+ 10.4%
Overseas	¥227.4 billion	+ 17.8%

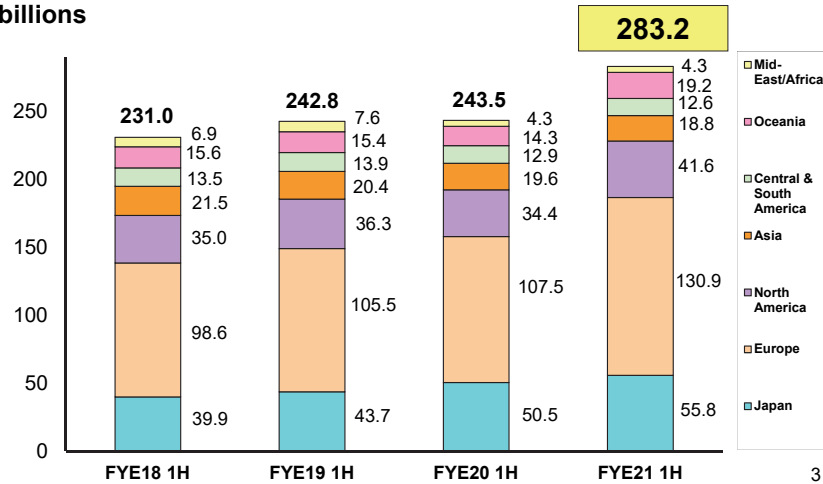
Overseas revenue ratio: 80.3% (FYE2020 1H: 79.3%)

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Revenue by Geographic Area



Yen in
billions



Foreign Exchange Rate



	FYE20 1H	FYE21 1H	
USD	¥ 108.60	¥ 106.93	1.5% Appreciation
EUR	¥ 121.40	¥ 121.34	0.1% Appreciation
RMB	¥ 15.68	¥ 15.26	2.7% Appreciation

Weighted average change for all foreign currencies:

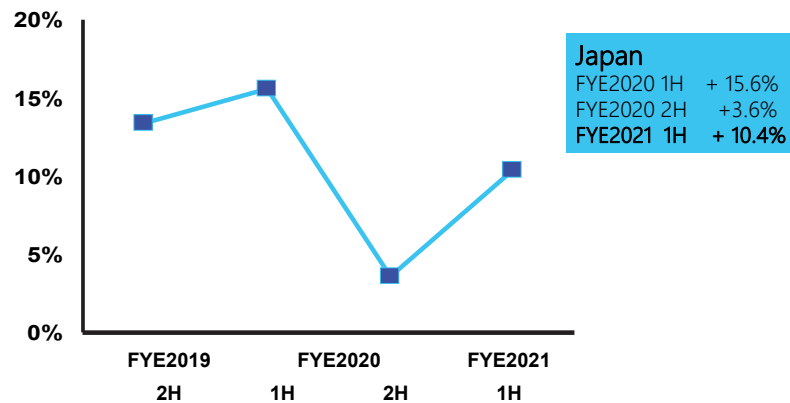
3.3% appreciated in the value of the yen

Effect on revenue: **Decrease** of ¥7.9 billion



Revenue Growth (Local Currency Basis)

Japan



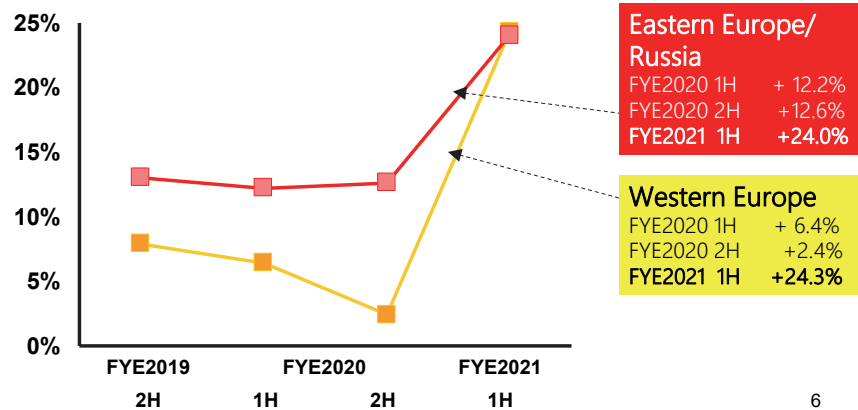
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Revenue Growth (Local Currency Basis)

Europe

+ 24.2%

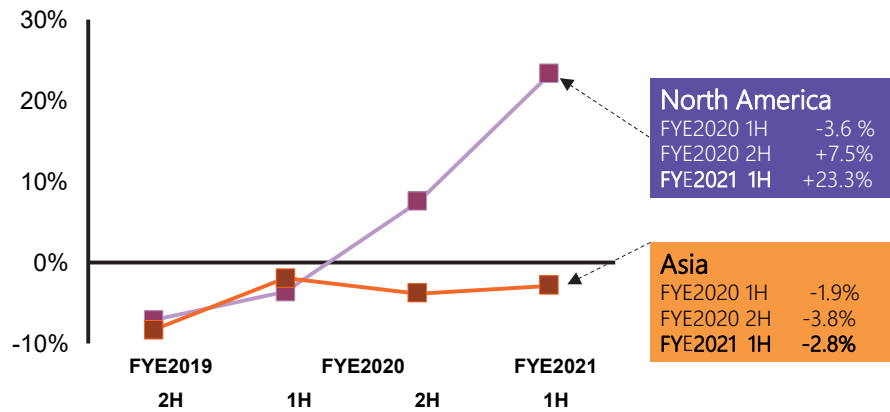


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Revenue Growth (Local Currency Basis)

North America, Asia

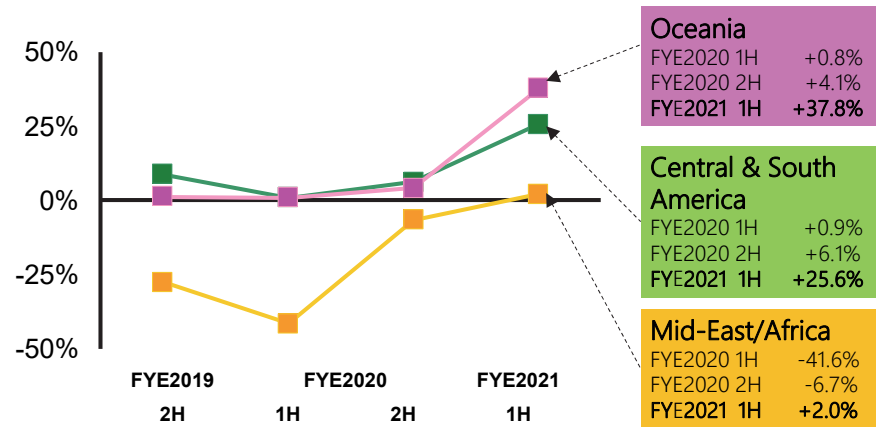


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Revenue Growth (Local Currency Basis)

Central & South America, Oceania, Mid-East/Africa



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Outdoor Power Equipment (OPE)

Example of new products for this fiscal period

**High durable / low noise /
high power**

Cordless Lawn Mower



**Easy and quick cleaning
with Makita's blower**

Cordless Blower



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Lithium-ion Battery Products

Example of new products for this fiscal period



**Cordless yet
powerful**

**Cordless Power
Cutter**



**Cool down and
warm up anywhere
with
Makita's batteries**

**Cordless Cooler
and Warmer**



**Cordless cleaners
help to improve
cleaning
efficiencies**

**Cordless Upright
Vacuum Cleaner**



**Makita's unique
technologies
"Pressure-controlled
fan jacket"**

**Cordless Fan
Jacket Series**

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Lithium-ion Battery Products



Makita's unique technology
"smart system" optimizes supply
 of power and recharge system

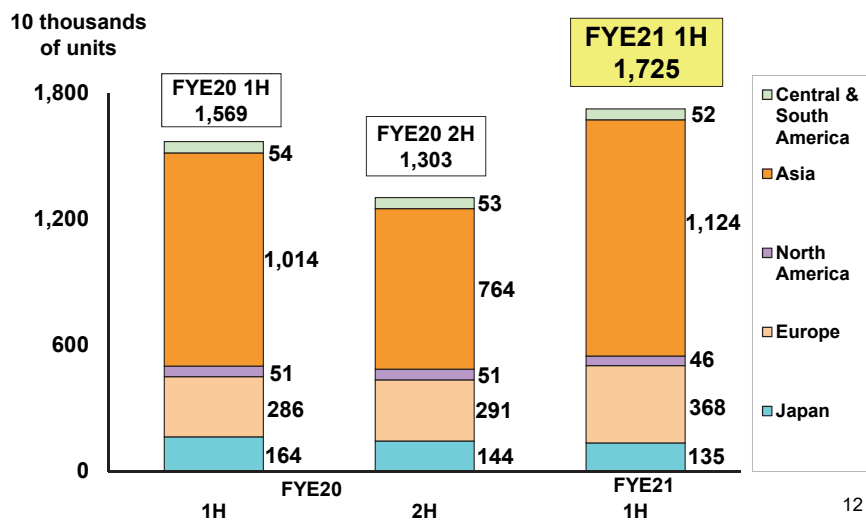
Example of new products for this fiscal period



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Production Quantities by Geographic Area



Inventories



March 31, 2020 ¥ 214.6 billion

September 30, 2020 ¥ 210.3 billion

Decrease of inventories ¥4.3 billion

Breakdown:

Decrease of inventories on hand	¥7.3 billion
Increase by translation into yen	¥3.0 billion

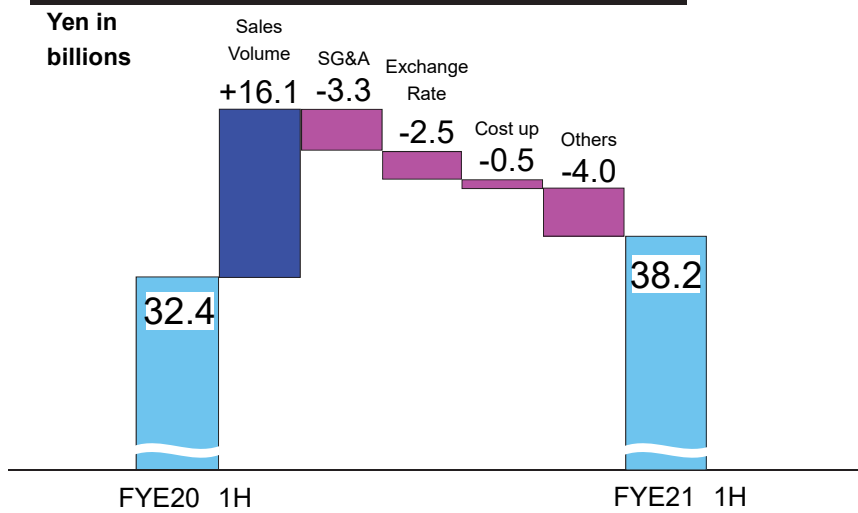
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Operating Profit, Cost of Sales, SG&A



	FYE20 1H	FYE21 1H	Variance to FYE20 1H
Revenue	¥243.5 billion	¥283.2 billion	+ 16.3%
Cost of Sales	- ¥160.0 billion	- ¥191.7 billion	+ 19.9%
Cost of Sales Ratio	- 65.7%	- 67.7%	Up 2.0 points
SG&A Expenses	- ¥51.2 billion	- ¥53.3 billion	+ 4.1%
SG&A Ratio	- 21.0%	- 18.8%	Down 2.2 points
Operating Profit	¥32.4 billion	¥38.2 billion	+ 17.7%
Operating Profit Ratio	13.3%	13.5%	Up 0.2 points

Analysis of Operating Profit



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



	FYE20 1H	FYE21 1H	Variance to FYE20 1H
Financial Income (Expenses)	¥2.1 billion	¥0.1 billion	- ¥2.0 billion
Profit Before Income Taxes	¥34.5 billion	¥38.3 billion	+ 11.0%
Profit Attributable to Owners of the Parent	¥25.0 billion	¥27.1 billion	+ 8.7%
EPS	¥92.01	¥99.96	+ 8.6%

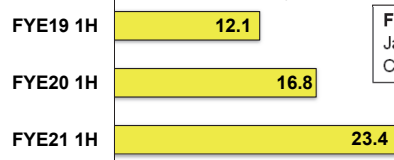
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Capital Expenditure, Depreciation, R&D Cost

Capital Expenditure

(Yen in billions)



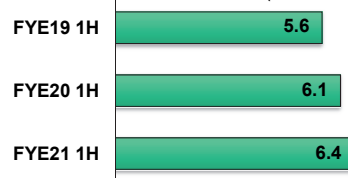
FYE2021 1H Main Capital Expenditure

Japan: Distribution warehouse (Okazaki plant, Saitama)

Chinese Plant: Construction of new plant building

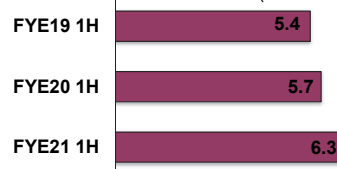
Depreciation

(Yen in billions)



R&D Cost

(Yen in billions)



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Makita's Commitments

- Moving forward as a manufacturer of cordless products
- Expand sales, after sales services and distribution networks

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Makita's Commitments

ESG



Moving forward as a manufacturer of cordless products



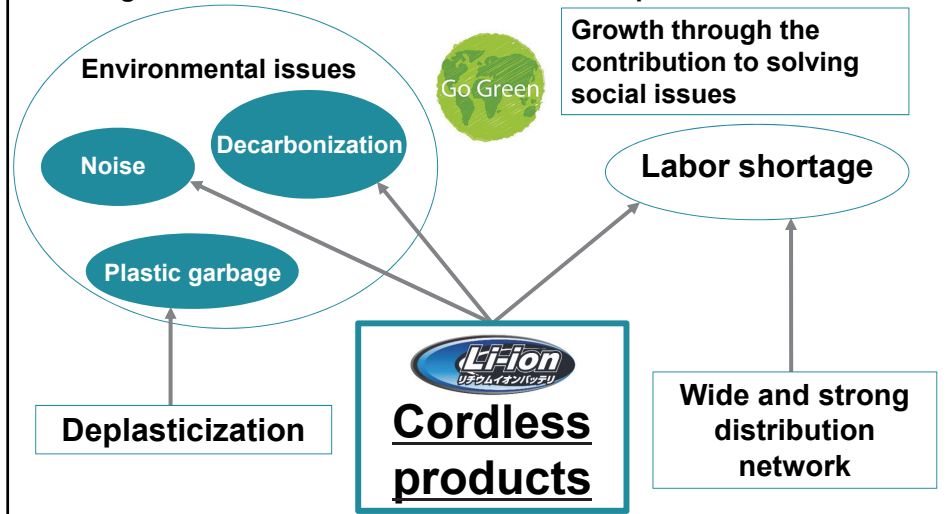
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Makita's commitments

ESG



Moving forward as a manufacturer of cordless products



Makita's Commitments ESG



Expansion of sales / service and distribution bases

Main bases newly established in the first half

Area	City
Japan	Isahaya (Nagasaki) * 4 new sales offices opened in October
Europe	Hamburg (Germany) Antwerp (Netherlands)
North America	Reno (U.S.)
Oceania	Wellington (New Zealand)



Makita U.S.A. Western branch (Reno)

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Makita's Commitments ESG



Expansion of sales / service and distribution bases

116 sales offices (2020/3) ➡ 121 sales offices (2020/10)

Sales offices newly established in the first half

Prefecture in Japan	Sales office
Nagasaki	Isahaya sales office
Niigata	Joetsu sales office
Ehime	Shikokuchuo sales office
Oita	Nakatsu sales office
Kanagawa	Odawara sales office



Isahaya sales office



Shikokuchuo sales office

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Makita's Commitments ESG



Expansion of sales / service and distribution bases

Advantages of expanding bases

Vertically integrated system from sales, repair services to distribution each region and country



**"Customer and
community oriented"**
Achieving sustainable
society

Efforts to expand sales of cordless OPE

- Expansion of distribution warehouses with an eye on the handling of large products
- Establishment of bases specializing in OPE

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Forecast of Financial Results Dividend

- Revenue Forecast
- Operating Profit (forecast) Analysis
- Financial Forecast
- Production Plan
- Capital Expenditures, Depreciation, R&D Cost
- Dividend

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FYE2021 Revenue Forecast



Variance to FYE2020

Revenue	¥530.0 billion	+ 7.6%
Domestic	¥106.0 billion	+ 5.3%
Overseas	¥424.0 billion	+ 8.2%
Overseas revenue ratio: 80.0% (FYE2020: 79.6%)		

Assumed foreign exchange rates

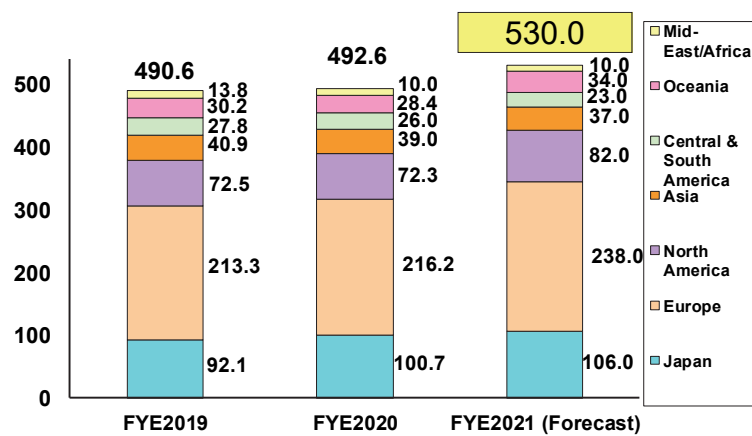
	USD	Euro	RMB
2H	¥105	¥120	¥15.5
FY	¥106	¥121	¥15.4

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FYE2021 Revenue Forecast by Geographic Area

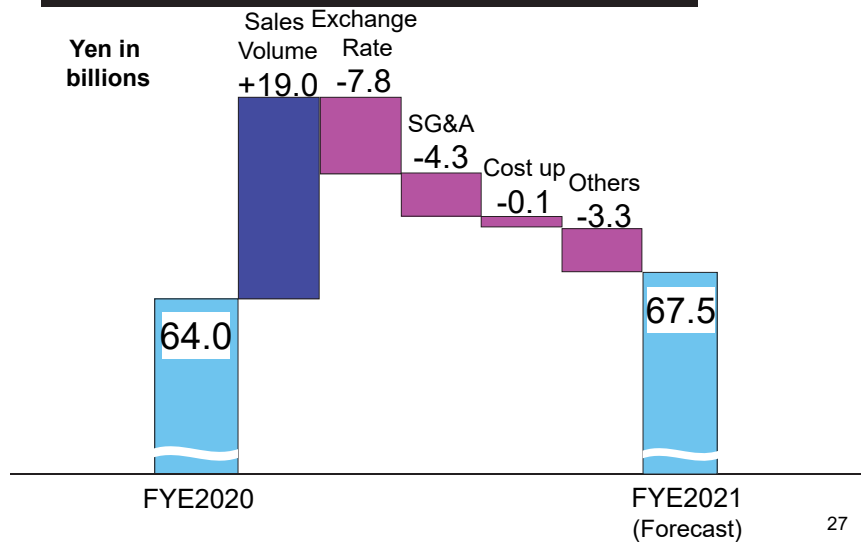


Yen in billions



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Analysis of Operating Profit (Forecast)



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FYE2021 Financial Forecast



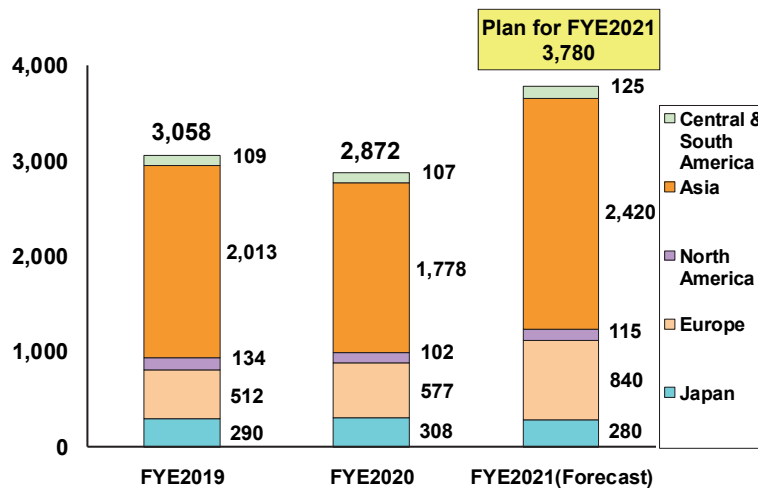
	FYE2020	FYE2021	Variance
Revenue	¥492.6 billion	¥530.0 billion	+ 7.6%
Operating profit	¥64.0 billion	¥67.5 billion	+ 5.4%
Profit before income taxes	¥66.0 billion	¥67.5 billion	+ 2.3%
Profit attributable to owners of the parent	¥47.7 billion	¥48.0 billion	+ 0.6%
EPS	¥175.80	¥176.78	-

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Production Plan



10 thousands of units

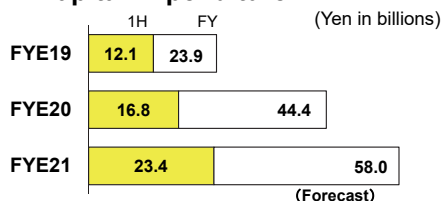


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Capital Expenditure, Depreciation, R&D Cost



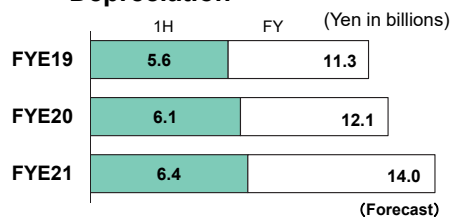
Capital Expenditure



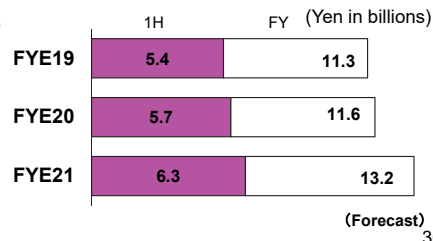
FYE2021: ¥58.0 billion (Forecast)

Construction of a new plant in China and distribution warehouses in Japan and overseas

Depreciation



R&D Cost



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Cash Dividends

Dividend Policy	Dividend Payout Ratio: 30% or greater	
	FYE2020	FYE2021
Profit attributable to owners of the parent	¥ 47.7billion	¥48.0 billion(Forecast)
EPS	¥175.80	¥176.78(Forecast)
Special Circumstance	-	-
Annual Cash Dividend Per Share	¥53	(Note)
Interim Dividend	¥10	¥10
Year-end Dividend	¥43	(Note)
Payout Ratio	30.1%	30% or greater

Note: In April 2021, 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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<https://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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