First Half of FYE2022 Operating Results

(Six months ended September 30, 2021)

Munetoshi Goto
President, Representative Director
Makita Corporation

November 9, 2021

Makita's Commitments ESG

- Moving forward as a supplier of a comprehensive range of cordless products
- Carbon neutrality / TCFD
- Expansion of sales / service and distribution bases

Makita's Commitments ESG

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Moving forward as a supplier of a comprehensive range of cordless products

Power tools

Growth by solving social issues

Improvement of work efficiency by offering cordless products ➡ Contribution to coping with labor shortage in on-site operations

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Makita's Commitments ESG

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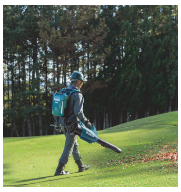
Moving forward as a supplier of a comprehensive range of cordless products

Outdoor Power Equipment

Growth by solving social issues

XGT X2 80Vmax

High power equivalent to that of the 40 mL engine type



High power equivalent to that of the 50 mL backpack engine type

Makita has decided to discontinue manufacturing engine-powered products on March 31, 2022.

Go Green

Contribute significantly to achieving a decarbonized society

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Makita’s Commitments ESG

Moving forward as a supplier of a comprehensive range of cordless products

Outdoor Power Equipment

Growth by solving social issues

Go Green

Contribute significantly to achieving a decarbonized society

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Makita’s Commitments ESG

Moving forward as a supplier of a comprehensive range of cordless products

For making Environment in and around the workplace comfortable, For outdoor events, For disaster prevention.

Use of Makita’s batteries in many more applications

Growth by solving social issues

Cleaning

Improved convenience and comfort

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Makita's Commitments ESG

Carbon neutrality / TCFD

Establishment of the Sustainability Committee

Board of Directors

Submission of Proposals Report

Supervision

Sustainability Committee

Chairperson : President
Vice Chairperson : General Manager of Quality Headquarters, General Manager of Administration Headquarters
Members: Managers of major divisions

Expressed support for the TCFD Recommendations

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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Makita's Commitments ESG

Carbon neutrality / TCFD

Accelerate efforts toward carbon neutrality

The solar panels installed on the roof of Gifu Branch Office.

Targets to reduce greenhouse gas emissions will also be established and disclosed.

Promote reduction of environmental impact by considering environmental issues as important themes

Supporting SDGs

13 CLIMATE ACTION

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Makita's Commitments ESG

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Expansion of sales / service and distribution bases

Main bases newly established in the first half

Area	City
Japan	Kamaishi,Mobara * Kazo,Nasu sales offices opened in October
Europe	Oulu (Finland) Dnipro (Ukraine)
Asia	Taichung (Taiwan)
Mid-East/Africa	Casablanca (Morocco)

Saitama Distribution Center

Quickly offer products and services that are indispensable for affluent communities and daily lives

Contribute to achieving a sustainable society in different parts of the world

Supporting SDGs

11 SUSTAINABLE CITIES AND COMMUNITIES

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FYE2022 1H Results

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		Variance to FYE2021 1H
Revenue	**¥ 364.2 billion**	+ 28.6%
Domestic	¥ 60.6 billion	+ 8.7%
Overseas	¥ 303.6 billion	+ 33.5%
Overseas revenue ratio: 83.4% (FYE2021 1H:81.4%)		

Effective Exchange Rate

Weighted average change for all foreign currencies:
6.9% depreciated in the value of the yen
Effect on revenue: Increase of ¥ 19.7 billion

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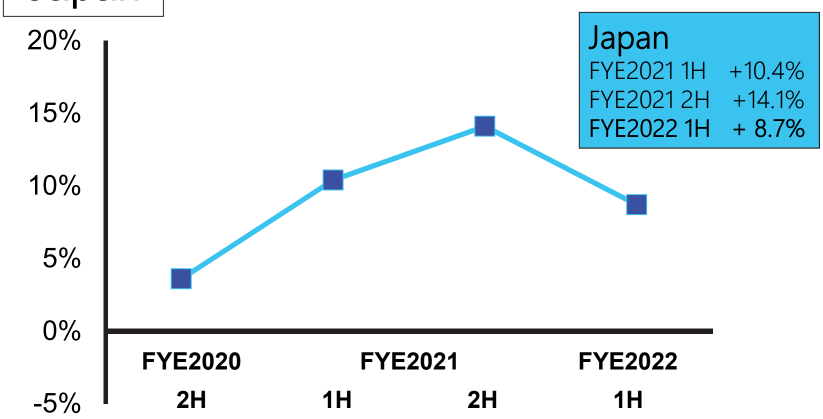
Revenue Growth (Local Currency Basis)

Japan



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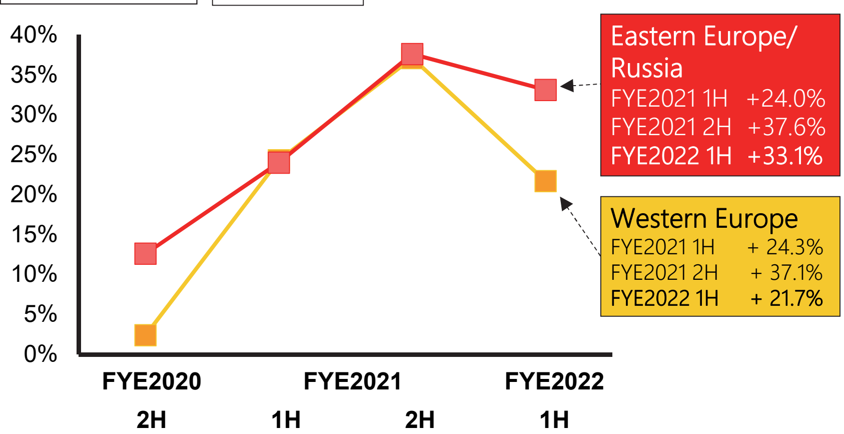
Revenue Growth (Local Currency Basis)

Europe + 26.1%



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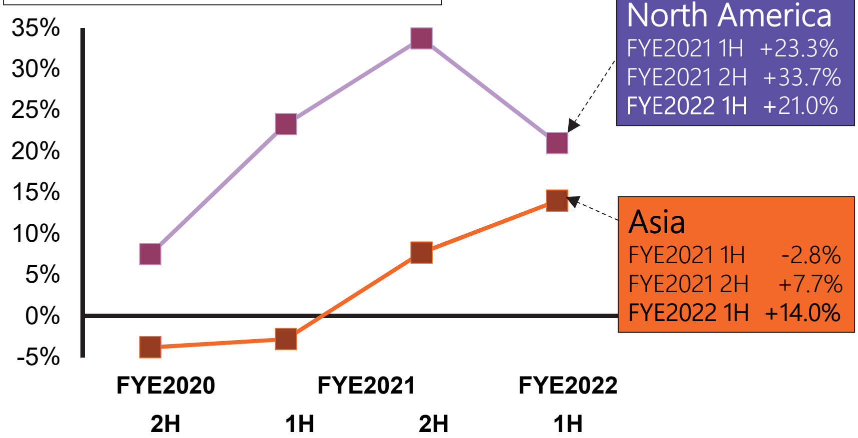
Revenue Growth (Local Currency Basis)

North America, Asia



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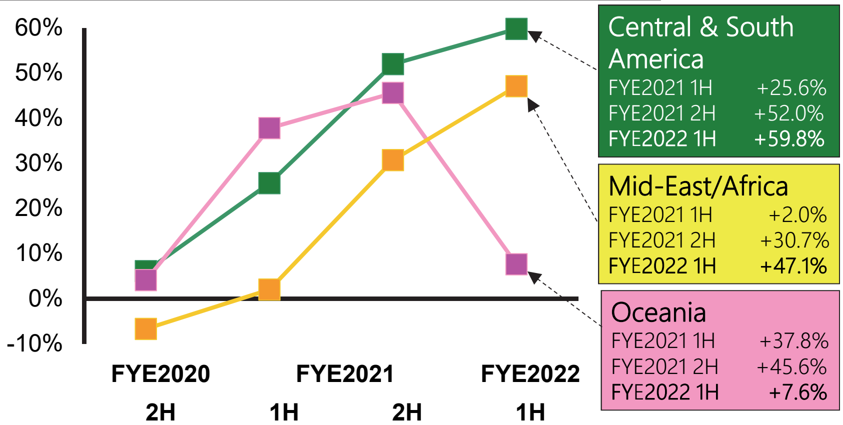
Revenue Growth (Local Currency Basis)

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



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Outdoor Power Equipment (OPE)

Most powerful
in the world

Cordless
Grass Trimmer

Overwhelming power
X
Most lightweight
in its class

Cordless Hedge Trimmer

Lightweight, compact,
and powerful

Cordless
Garden Sprayer

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Lithium-ion Battery Products

"Highest in Japan"
Discharge power & speed

Cordless
Grease Gun

Work efficiency equivalent to that of AC-powered models
& smooth finish

Cordless
Finishing Sander

High torque & high-speed tightening

Cordless
Impact Wrench

High-speed cutting surpassing that of AC-powered models

Cordless
Slide Compound
Miter Saw

World's fastest

Cordless Inflator

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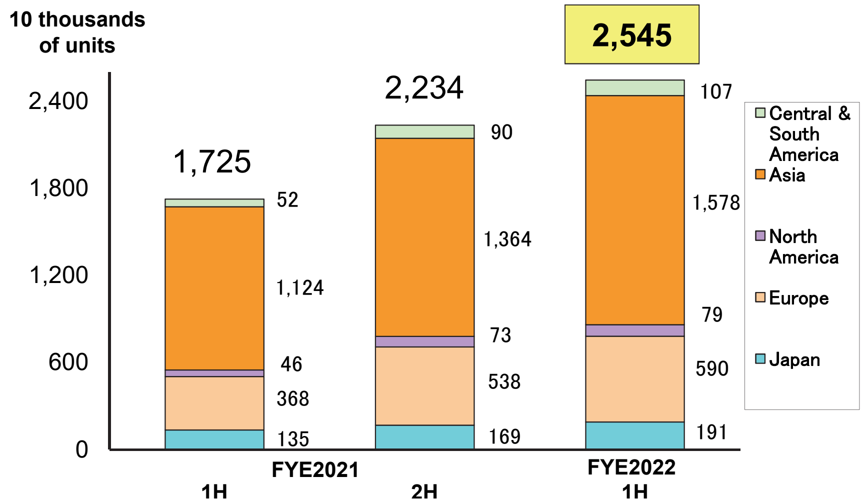
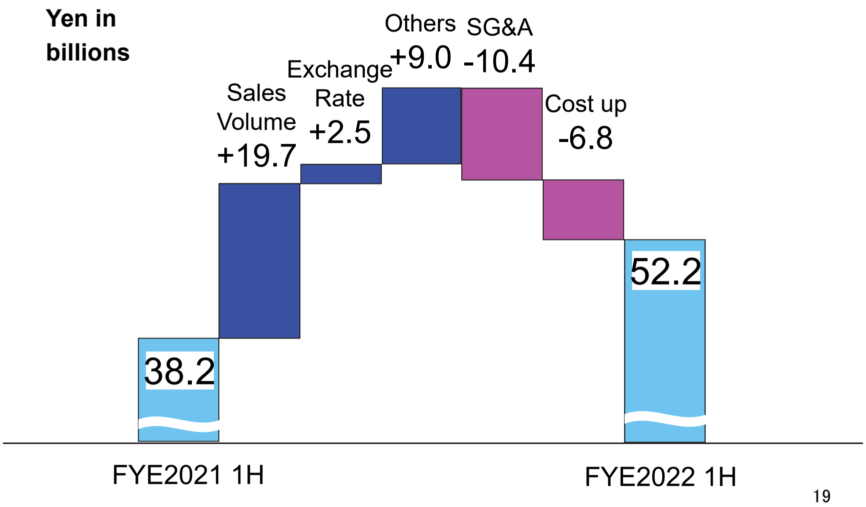
Production Quantities by Geographic Area



Operating Profit, Cost of Sales, SG&A

	FYE2021 1H	**FYE2022 1H**	Variance
Revenue	¥283.2 billion	**¥364.2 billion**	+ 28.6%
Cost of Sales	- ¥191.7 billion	**- ¥245.5 billion**	+ 28.1%
Cost of Sales Ratio	- 67.7%	- 67.4%	Down **0.3 points**
SG&A Expenses	- ¥53.3 billion	**- ¥66.5 billion**	+ 24.9%
SG&A Ratio	- 18.8%	- 18.3%	Down **0.5 points**
Operating Profit	¥38.2 billion	**¥52.2 billion**	+ 36.7%
Operating Profit Ratio	13.5%	**14.3%**	Up **0.8 points**

Analysis of Operating Profit



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

	FYE2021 1H	**FYE2022 1H**	Variance
Financial Income (Expenses)	¥ 0.1 billion	**¥ 0.4 billion**	+ ¥0.3 billion
Profit Before Income Taxes	¥ 38.3 billion	**¥ 52.6 billion**	+ 37.4%
Profit Attributable to Owners of the Parent	¥ 27.1 billion	**¥ 37.8 billion**	+ 39.3%
EPS	¥ 99.96	**¥ 139.29**	+ 39.3%

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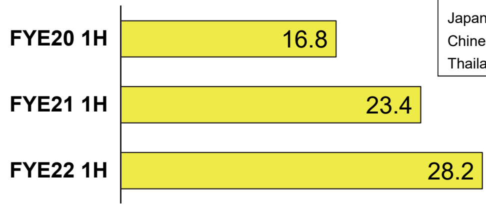
Capital Expenditure, Depreciation and Amortization, R&D Cost

Capital Expenditure (Yen in billions)

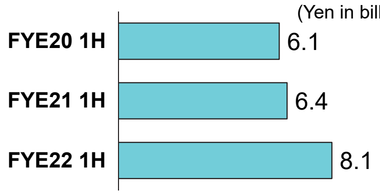


FYE2022 1H Main Capital Expenditure

Japan: Distribution Center (Saitama,Okayama)
Chinese Plant: Construction of new plant
Thailand Plant: Construction of new plant building

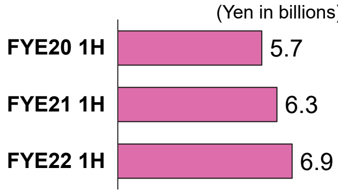
Depreciation and Amortization

(Yen in billions)



R&D Cost

(Yen in billions)



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Forecast of Financial Results Dividend

- FYE2022 Revenue Forecast
- Analysis of Operating Profit (Forecast)
- FYE2022 Financial Forecast
- Production Plan
- Cash Dividends

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FYE2022 Revenue Forecast

		Variance to FYE2021
Revenue	¥ 690.0 billion	+ 13.4%
Domestic	¥ 117.0 billion	+ 3.5%
Overseas	¥ 573.0 billion	+ 15.7%
Overseas revenue ratio: 83.0% (FYE2021: 81.4%)		

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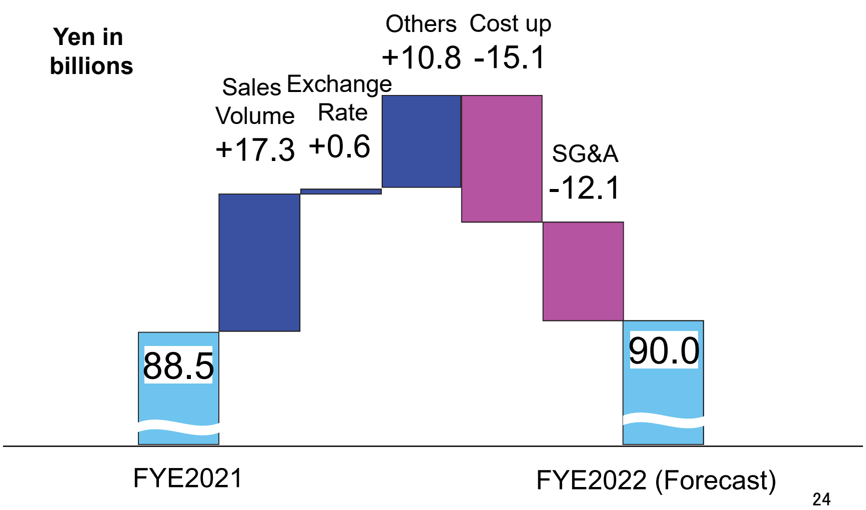
Analysis of Operating Profit (Forecast)



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FYE2022 Financial Forecast

	FYE2021	**FYE2022**	Variance
Operating profit	¥ 88.5 billion	**¥ 90.0 billion**	+ 1.7 %
Profit before income taxes	¥ 87.2.billion	**¥ 90.0 billion**	+ 3.2 %
Profit attributable to owners of the parent	¥ 62.0.billion	**¥ 65.0 billion**	+ 4.8 %
EPS	¥ 228.41	**¥ 239.38**	-

FYE2022 Capital Expenditure, Depreciation, R&D Cost

Capital Expenditure	**Depreciation**	**R&D Cost**
¥ 75.0 billion	**¥ 16.2 billion**	**¥ 14.5 billion**

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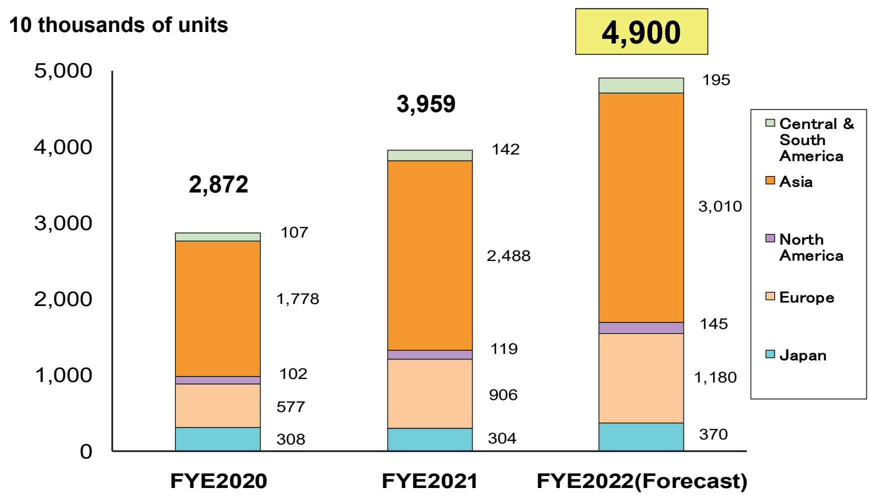
Production Plan



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Cash Dividends

Dividend Policy	Dividend Payout Ratio: 30% or greater	
	FYE2021	FYE2022
Profit attributable to owners of the parent	¥ 62.0 billion	¥ 65.0 billion(Forecast)
EPS	¥ 228.41	¥ 239.38(Forecast)
Special Circumstance	—	—
Annual Cash Dividend Per Share	¥ 69	(Note)
Interim Dividend	¥ 10	¥ 10
Year-end Dividend	¥ 59	(Note)
Payout Ratio	**30.2%**	30% or greater

Note: In April 2022, 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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FORWARD-LOOKING STATEMENTS
This document contains forward-looking statements based on Makita's own projections and estimates. 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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