



# FYE2023 Operating Results

(Fiscal Year ended March 31, 2023)

## Makita Corporation

Munetoshi Goto  
President, Representative Director

May 11, 2023

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## FYE2023 Results

Variance to  
FYE2022

<b>Revenue</b>	¥764.7 billion	+3.4%
Domestic	¥123.0 billion	+4.2%
Overseas	¥641.7 billion	+3.3%
Overseas revenue ratio: 83.9% (FYE2022 84.0%)		

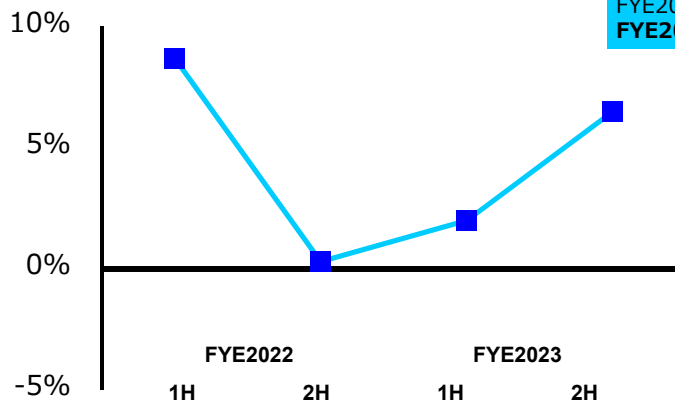
Weighted average change for all foreign currencies:  
13.1% depreciated in the value of the yen  
Effect on revenue: Increase of ¥74.1 billion

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## Revenue Growth (Local Currency Basis)



### Japan



### Japan

FYE2022 +4.4%  
FYE2023 +4.2%

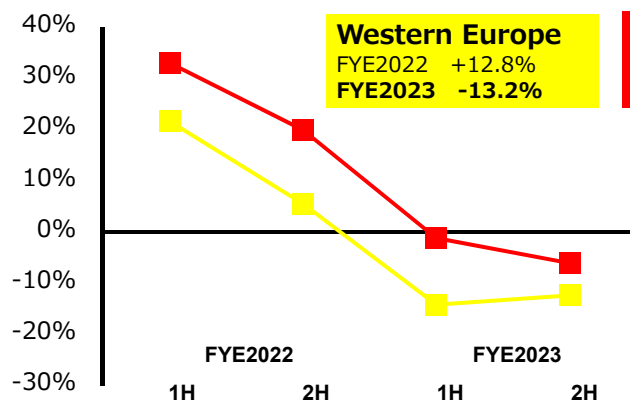
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## Revenue Growth (Local Currency Basis)



### Europe

-10.4%



### Western Europe

FYE2022 +12.8%  
FYE2023 -13.2%

### Eastern Europe

FYE2022 +26.4%  
FYE2023 -5.9%

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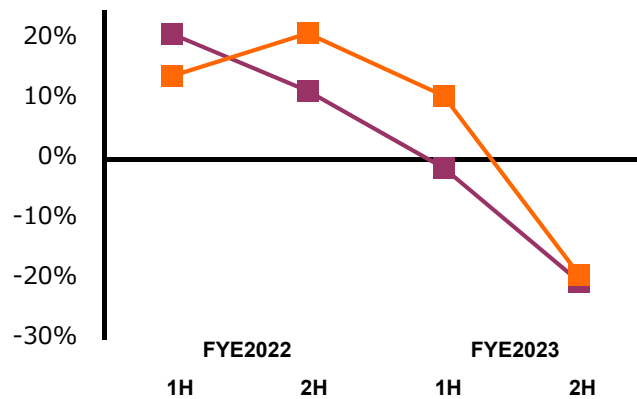
## Revenue Growth (Local Currency Basis)



North America, Asia

**North America**  
FYE2022 +15.8%  
FYE2023 -11.5%

**Asia**  
FYE2022 +17.7%  
FYE2023 -5.6%



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## Revenue Growth (Local Currency Basis)

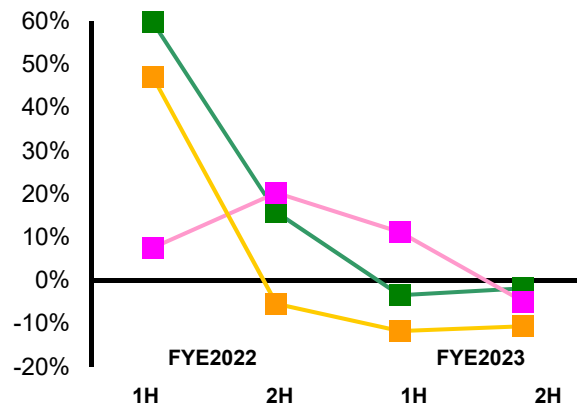


Central & South America, Oceania, Mid-East/Africa

**Central & South America**  
FYE2022 +34.7%  
FYE2023 -2.6%

**Oceania**  
FYE2022 +14.4%  
FYE2023 +2.4%

**Mid-East/Africa**  
FYE2022 +14.3%  
FYE2023 -11.1%



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## Outdoor Power Equipment (OPE)



Battery Powered Backpack Blower  
UB002C

Although the growth rate slowed down due to the falling off of stay-at-home demand, the summer drought in Europe and full-scale vacations for the first time in three years, **cordless OPE continued to perform steadily.**

### OPE Total

Variance to FYE2022 (yen) **+5%**

Variance to FYE2022 (Local currency) **-5%**

### Cordless OPE

Variance to FYE2022 (yen) **+14%**

Variance to FYE2022 (Local currency) **+5%**

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## Lithium-ion Battery Products



Cordless Impact Driver  
DTD173

### Lithium-ion Battery Products

Variance to FYE2022 (yen) **+4%**

Variance to FYE2022 (Local currency) **-5%**

Proportion of cordless products in sales overall **54%**

### **Sales decelerated with the deterioration of the market environment**

Sales continued to expand in developing countries in Asia, Central and South America, etc.

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## Production, Sales, Inventory



10 thousands of unit

	FYE2019	FYE2020	FYE2021	FYE2022	FYE2023	Variance
<b>Production</b>	3,058	2,872	3,959	5,005	<b>2,635</b>	-47.3%
Japan	290	308	304	351	<b>207</b>	-41.0%
Europe	512	577	906	1,176	<b>509</b>	-56.7%
North America	134	102	119	143	<b>75</b>	-47.7%
Asia	2,013	1,778	2,488	3,148	<b>1,743</b>	-44.6%
Central and South America	109	107	142	187	<b>101</b>	-46.2%
<i>External Procurement</i>	<i>170</i>	<i>159</i>	<i>291</i>	<i>427</i>	<b>202</b>	-52.8%
<b>Sales</b>	3,151	3,205	3,896	4,385	<b>3,636</b>	-17.1%
<b>Inventory</b>	1,612	1,437	1,791	2,837	<b>2,038</b>	-28.2%

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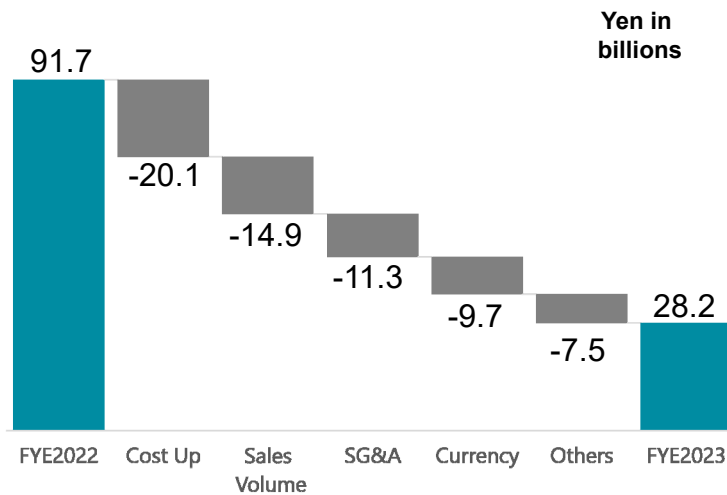
## Operating profit, Cost of sales, SG&A



	FYE2022	FYE2023	Variance
Revenue	¥739.3 billion	<b>¥764.7 billion</b>	+3.4%
Cost of Sales	¥510.9 billion	<b>¥576.0 billion</b>	+12.7%
Cost of Sales Ratio	69.1%	<b>75.3%</b>	<b>Up</b> 6.2points
SG&A Expenses	¥136.6 billion	<b>¥160.5 billion</b>	+17.5%
SG&A Ratio	18.5%	<b>21.0%</b>	<b>Up</b> 2.5points
Operating Profit	¥91.7 billion	<b>¥28.2 billion</b>	-69.2%
Operating Profit Ratio	12.4%	<b>3.7%</b>	<b>Down</b> 8.7points

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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, EPS



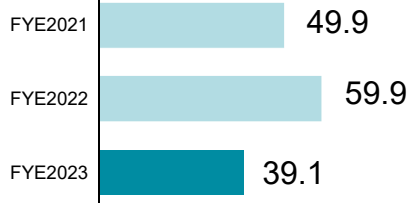
	FYE2022	FYE2023	Variance
Financial Income (Expenses)	¥0.8 billion	(¥4.3 billion)	-¥5.1 billion
Profit before Income Tax	¥92.5 billion	¥23.9 billion	-74.2%
Profit Attributable to Owners of the Parent	¥64.8 billion	¥11.7 billion	-81.9%
EPS	¥238.54	¥43.11	

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## Capital expenditures, Depreciation and amortization, R&D costs



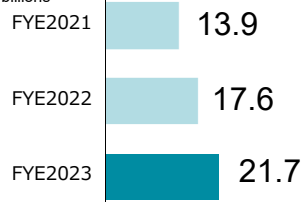
### Capital expenditures Yen in billions



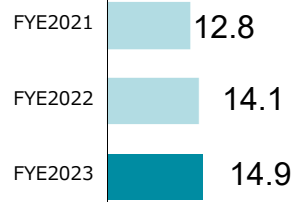
### Capital Expenditure highlights during the year

Japan : Distribution center (Okayama)  
 Thailand : Construction of a new building  
 Estonia : Construction of a new office

### Depreciation and amortization Yen in billions



### R&D costs Yen in billions



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## Makita's Commitments Sustainability

- Environmental support (carbon neutral)
- Promoting diversity
- Corporate Governance

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## Makita's Commitments Sustainability



Environmental support (carbon neutral) Supporting SDGs

### Efforts to reduce GHG emissions

Promoting the use of renewable energy all over the world



Thailand Plant



Okinawa sales branch

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## Makita's Commitments Sustainability



### Promoting diversity

Promotion of initiatives and establishment of workplace environments that allow diverse human resources to be active

Positive appointment  
of young employees

Maximizing talent  
of female employees



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## Corporate Governance



- The company is planning to propose the election of a female director (Audit and Supervisory Committee member) at the Ordinary General Meeting of Shareholders in June 2023.
- We will continue to consider securing the further diversity of the Board of Directors again in future based on dialogue with shareholders and investors, and discussions and proposals at meetings of the Nomination and Compensation Committee.

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## Forecast of Financial Results Dividend



- Revenue Forecast
- Analysis of Operating Profit (Forecast)
- Capital expenditures, Depreciation and amortization, R&D costs (Forecast)
- Profit Improvement
- Inventory Optimization
- Production, Sales, Inventory (Forecast)
- Change in basic policy regarding profit distribution
- The repurchase of treasury shares
- Cash Dividend

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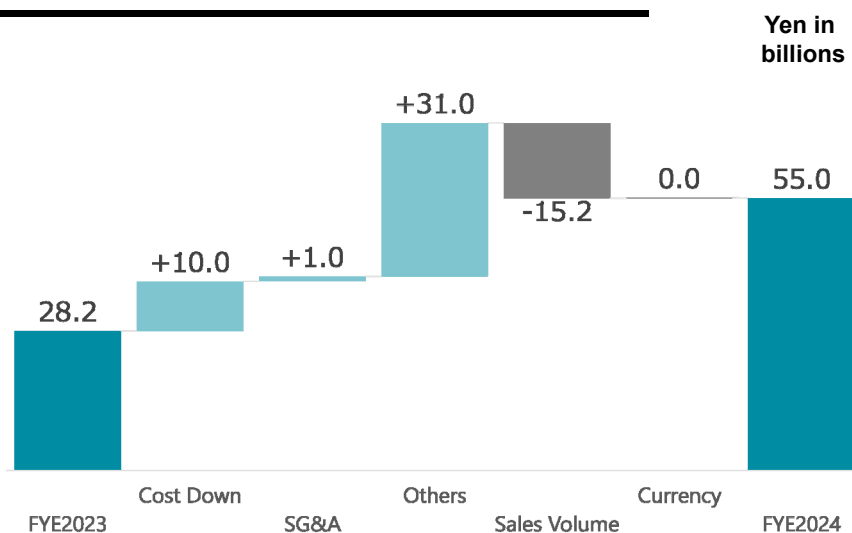
## FYE2024 Revenue Forecast



	FYE2023	FYE2024	Variance
Revenue	¥764.7 billion	<b>¥680.0 billion</b>	-11.1%
Domestic	¥123.0 billion	<b>¥122.0 billion</b>	-0.8%
Overseas	¥641.7 billion	<b>¥558.0 billion</b>	-13.0%
Overseas Revenue Ratio	83.9%	<b>82.1%</b>	-1.8pt
Operating Profit	¥28.2 billion	<b>¥55.0 billion</b>	+94.7%
Operating Profit Ratio	3.7%	<b>8.1%</b>	+4.4pt
Profit Attributable to Owners of the Parent	¥11.7 billion	<b>¥33.3 billion</b>	+184.5%
EPS	¥43.11	<b>¥122.63</b>	

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## Analysis of Operating Profit (Forecast)



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## Capital expenditures, Depreciation and amortization, R&D costs (Forecasts)



Yen in  
billions

	FYE2023	FYE2024
Capital expenditures	¥39.1	¥30.0
Depreciation and amortization	¥21.7	¥23.7
R&D costs	¥14.9	¥15.5

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## Profit Improvement



### Initiatives FYE2024

**Inventory optimization and Price revisions**

**Cost reduction activities**

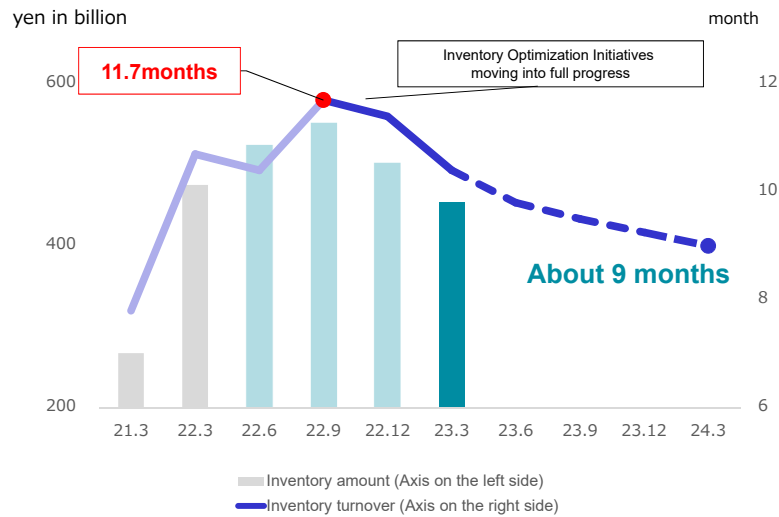
### Medium to long-term initiatives

**Improved profitability of cordless OPE**

Expansion of the product lineup for professionals with high value added and highly uniqueness

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## Inventory Optimization



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## Production, Sales, Inventory (Forecast)



10 thousands of unit

	FYE2023	FYE2024	Variance
Production	2,635	2,570	-2.5%
Japan	207	207	±0.0%
Europe	509	602	+18.1%
North America	75	37	-50.6%
Asia	1,743	1,610	-7.6%
Central and South America	101	114	+13.2%
External Procurement	202	212	+5.2%
Sales	3,636	3,200	-12.0%
Inventory	2,038	1,620	-20.5%

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## Change in basic policy regarding profit distribution



Announced April 27, 2023

Before	After (underlined part changed)
<ul style="list-style-type: none"> <li>a minimum annual dividend of 10 yen per share</li> <li>a consolidated dividend payout ratio of 30% or more</li> <li>if there are special factors, the dividend amount will be determined based on adjusted basic earnings per share after adding or subtracting such factors</li> </ul>	<ul style="list-style-type: none"> <li>a minimum annual dividend of <u>20</u> yen per share</li> <li><u>the total return ratio at 35% or more</u></li> <li>if there are special factors, the dividend amount will be determined based on adjusted basic earnings per share after adding or subtracting such factors</li> </ul>

\*Applied from dividends for the term under review (FYE March 2023)

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## The repurchase of treasury shares



Announced April 27, 2023

### "Notice Concerning Repurchase of Treasury Shares"

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	Up to 3,100,000 shares (1.14% of total number of issued shares (excluding treasury shares))
(3) Total purchase price for repurchase of shares	Up to 10 billion yen
(4) Period of repurchase	May 15, 2023 to August 31, 2023

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## Cash Dividends



Dividend Policy	Total return ratio at 35% or more	
	FYE2023	FYE2024
Profit Attributable to Owners of the Parent	¥11.7 billion	¥33.3 billion
EPS	¥43.11	¥122.63
Special Circumstance (after tax)	approx ¥3.9 billion	-
Annual Cash Dividend Per Share	21 yen	(Note1)
Interim Dividend	10 yen	10 yen
Year-end Dividend	11 yen	(Note1)
Payout Ratio	48.7%	(Note1)
The repurchase of treasury shares	-	¥10 billion (Note2)
Total return ratio	48.7%	35% or greater

(Note1) At a meeting of the Board of Directors to be held in April 2024, the amount of dividends will be determined so that the total return ratio is at least 35%.

(Note2) Refer to "Notice Concerning Repurchase of Treasury Shares" announced April, 27<sup>th</sup> 2023.

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### FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on Makita's own projections and estimates in light of the information currently available. Due to the risks and uncertainties involved, actual results could vary materially from the content of these statements. Therefore, these statements should not be interpreted as representation that such objectives will be achieved.

<https://www.makita.biz/>

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(Reference)

## Exchange Rate (Actual/Forecast) Sensitivity



	FYE2023	FYE2024	Operating Profit Sensitivity* (FYE2023 Result)	Operating Profit Sensitivity* (FYE2024 Forecast)
USD	¥135.50	¥130	- ¥0.8 billion or less	- ¥0.8 billion or more
EUR	¥140.99	¥140	approx +¥1.0 billion	approx +¥1.0 billion
RMB	¥19.75	¥19	- ¥9.0 billion or more	- ¥8.0 billion or more

\*Under the condition of ¥ 1 depreciation of the yen