First Half of FYE2024 Operating Results

(Six months ended September 30, 2023)

Munetoshi Goto
President, Representative Director
Makita Corporation

November 9, 2023

FYE2024 1H Results

year-on-year

Revenue	¥369.7 billion	- 5.5%
Domestic	¥61.5 billion	- 0.6%
Overseas	¥308.2 billion	- 6.5%
Overseas revenue ratio: 83.4% (FYE2023 : 83.9%)		

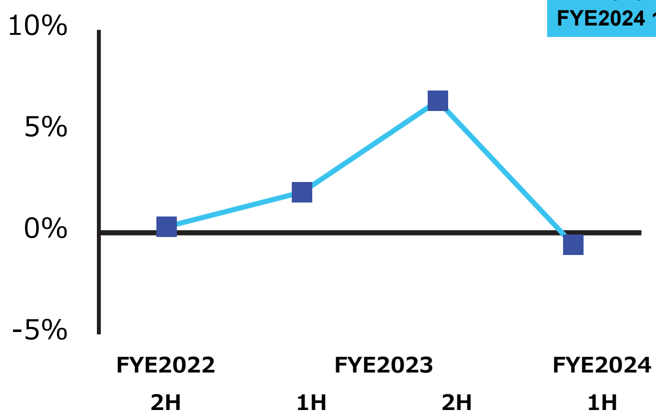
Effective Exchange Rate

Weighted average change for all foreign currencies
4.4% depreciated in the value of the yen
Effect on revenue: Increase of ¥12.9 billion

Revenue Growth (Local Currency Basis)

Japan

Japan
FYE2023 1H +2.0%
FYE2023 2H +6.5%
FYE2024 1H - 0.6%



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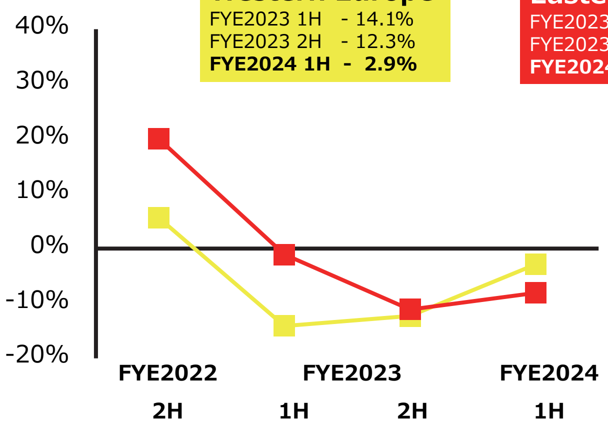
Revenue Growth (Local Currency Basis)

Europe

- 5.2%

Western Europe
FYE2023 1H - 14.1%
FYE2023 2H - 12.3%
FYE2024 1H - 2.9%

Eastern Europe
FYE2023 1H − 1.1%
FYE2023 2H − 11.1%
FYE2024 1H − 8.1%



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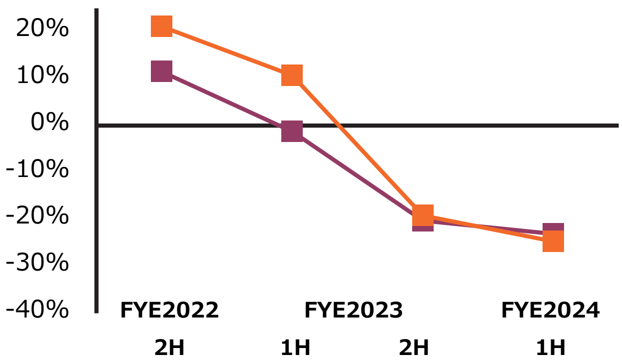
Revenue Growth (Local Currency Basis)

North America, Asia

North America
FYE2023 1H - 1.3%
FYE2023 2H - 20.3%
FYE2024 1H - 23.1%

Asia
FYE2023 1H + 10.7%
FYE2023 2H - 19.2%
FYE2024 1H - 24.7%



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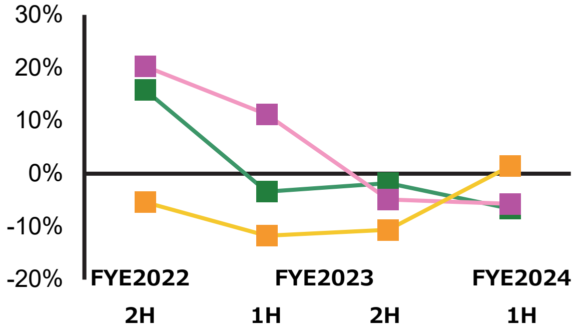
Revenue Growth (Local Currency Basis)

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

Central & South America
FYE2023 1H - 3.4%
FYE2023 2H - 1.8%
FYE2024 1H - 6.6%

Oceania
FYE2023 1H + 11.2%
FYE2023 2H - 4.9%
FYE2024 1H - 5.7%

Mid-East/Africa
FYE2023 1H - 11.7%
FYE2023 2H - 10.6%
FYE2024 1H + 1.4%



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Outdoor Power Equipment (OPE)

Cordless Pruning Saw DUC101

Although sales were sluggish overall due to the effect of extreme weather and other factors, sales expanded for cordless outdoor power equipment, mainly for new products and the 40Vmax Lithium-ion Battery series.

OPE Total	
Year on year (yen)	- 5%
Year on year (Local currency)	**- 9%**

Cordless OPE	
Year on year (yen)	+ 8 %
Year on year (Local currency)	**+ 3%**

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Cordless Products

Cordless Combination Hammer HR010G

Cordless Products	
Year on year (yen)	- 3%
Year on year (Local currency)	**- 9%**
Proportion of cordless products in sales overall	54%

Sales generally sluggish due to the impact of the weak building and construction market. However, sales of the 40Vmax Lithium-ion Battery series continue to expand.

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Production, Sales, Inventory

Million unit	2020 1H	2021 1H	2022 1H	2023 1H	2024 1H	year-on-year
Production	15.69	17.25	25.45	15.60	**11.77**	-24.6%
Japan	1.64	1.35	1.91	1.19	**1.01**	-14.7%
Europe	2.86	3.68	5.90	3.31	**2.81**	-15.3%
North America	0.51	0.46	0.79	0.46	**0.22**	-52.1%
Asia	10.14	11.24	15.78	10.11	**7.21**	-28.7%
Central and South America	0.54	0.52	1.07	0.53	**0.52**	-0.9%
External Procurement	*0.90*	*1.29*	*1.97*	*1.49*	***0.82***	*-45.1%*
Sales	16.01	18.47	22.28	19.13	**15.86**	-17.1%
Inventory	16.70	14.44	23.04	26.34	***17.11**	-35.0%

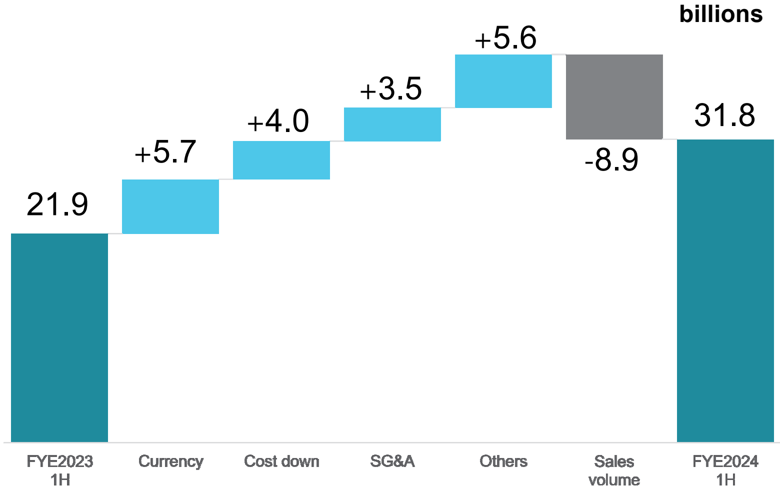
*-16.0% compared to 20.38 million units at the end of March 2023

Operating profit, Cost of sales, SG&A

	FYE2023 1H	FYE2024 1H	year-on-year
Revenue	¥391.3 billion	**¥369.7 billion**	-5.5%
Cost of Sales	¥288.6 billion	**¥257.9 billion**	-10.7%
Cost of Sales ratio	73.8%	**69.8%**	down 4.0points
SG&A Expenses	¥80.8 billion	**¥80.0 billion**	-0.9%
SG&A ratio	20.6%	**21.6%**	up 1.0points
Operating profit	¥21.9 billion	**¥31.8 billion**	+44.9%
Operating profit ratio	5.6%	**8.6%**	up 3.0points

FYE2024 1H
Analysis of Operating Profit

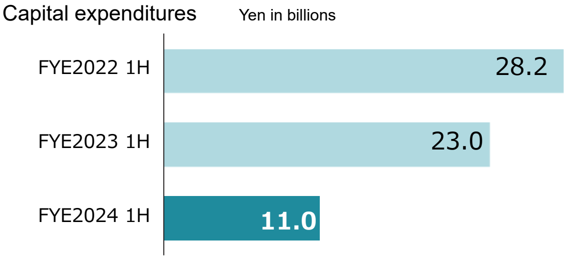
Yen in billions



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

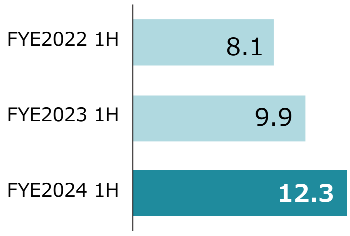
	FYE2023 1H	**FYE2024 1H**	year-on-year
Financial Income (Expenses)	(¥3.7 billion)	**(¥1.8 billion)**	¥1.9 billion
Profit before Income Tax	¥18.2 billion	**¥30.0 billion**	+64.7%
Profit attributable to owners of the parent	¥11.1 billion	**¥20.8 billion**	+87.9%
EPS	¥40.80	**¥77.11**	

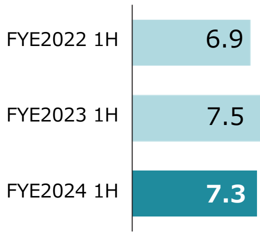
Capital expenditures, Depreciation and amortization, R&D costs



Capital Expenditure highlights during this period

Japan : Reconstruction of Okazaki warehouse
Romania : Construction of a warehouse
Estonia : Construction of a new office





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Makita's Commitments
Sustainability

Environmental support (carbon neutral)

Efforts to reduce GHG emissions

Promoting the use of renewable energy all over the world

Supporting SDGs

Okazaki plant

Estonia

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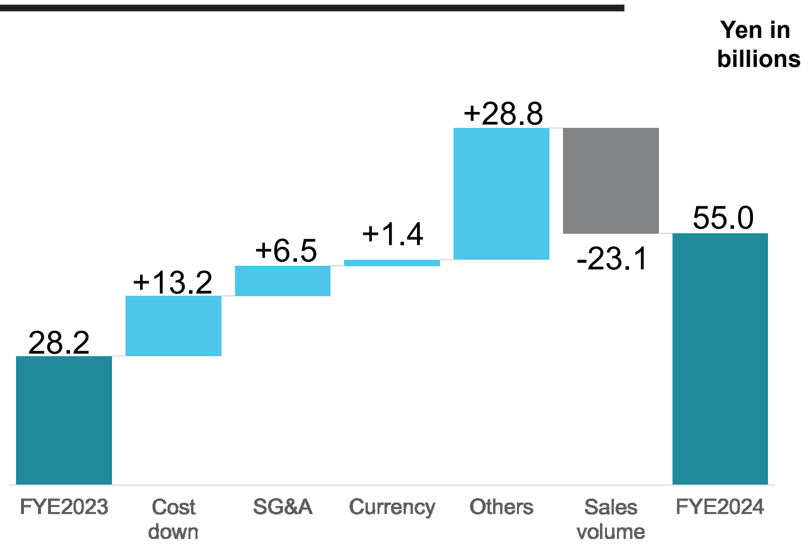
Forecast of Financial Results Dividend

- Revenue Forecast
- Analysis of Operating Profit (Forecast)
- Capital expenditures, Depreciation and amortization, R&D costs (Forecast)
- Profit Improvement
- Inventory Optimization
- Production, Sales, Inventory (Forecast)
- Profit distribution

FYE2024 Revenue Forecast

	FYE2023	FYE2024	year-on-year
Revenue	¥764.7 billion	**¥680.0 billion**	-11.1%
Domestic	¥123.0 billion	**¥120.0 billion**	-2.4%
Overseas	¥641.7 billion	**¥560.0 billion**	-12.7%
Overseas revenue ratio	83.9%	**82.4%**	-1.5pt
Operating profit	¥28.2 billion	**¥55.0 billion**	+94.7%
Operating profit ratio	3.7%	**8.1%**	+4.4pt
Profit attributable to owners of the parent	¥11.7 billion	**¥33.3 billion**	+184.5%
EPS	¥43.11	**¥123.36**	

Analysis of Operating Profit (Forecast)



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

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

Profit Improvement

Initiatives FYE2024	Result
Inventory optimization and Price revisions	• Inventory reductions generally on track • Implementation of price revisions in Japan, the United States, and major European countries
Cost reduction activities	• Elimination of waste in all departments and promotion of operational efficiency

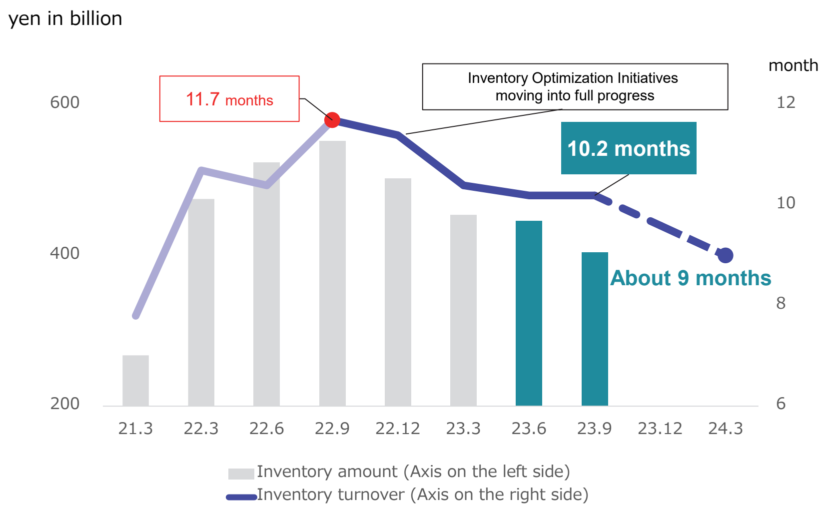
Medium to long-term initiatives

Improved profitability of cordless OPE

Expansion of the high value added, unique product lineup for professionals and attracting new customers and distributors

Battery Powered Backpack Blower
UB002C

Inventory Optimization



Production, Sales, Inventory (Forecast)

Million unit

	FYE2023	FYE2024	year-on-year
Production	26.35	23.00	-12.7%
Japan	2.07	**1.92**	-7.3%
Europe	5.09	**5.84**	+14.6%
North America	0.75	**0.54**	-27.9%
Asia	17.43	**13.60**	-22.0%
Central and South America	1.01	**1.10**	+9.2%
External procurement	*2.02*	***1.52***	*-24.6%*
Sales	36.36	**29.50**	-18.9%
Inventory	20.38	**15.40**	-24.4%

Profit distribution

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	¥123.36
Special Circumstance（after tax)	approx ¥3.9 billion	-
Annual Cash Dividend Per Share	¥21	(Note1)
Interim Dividend	¥10	¥10
Year-end Dividend	¥11	(Note1)
Payout Ratio	48.7%	(Note1)
The repurchase of treasury shares	-	¥10 billion（Note2)
Total return ratio	48.7%	35% or more

（Note 1）The Board of directors will determine dividend plan in accordance with basic policy regarding profit distribution at Board of Directors' meeting scheduled to be held in April 2024

（Note 2）Refer to "Notice Concerning Repurchase of Treasury Shares" released on April 27, 2023 and "Notice Concerning Status and Completion of Purchase of Treasury Shares" released on July 10, 2023

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/

（Reference）

Exchange Rate（Actual/Forecast）Sensitivity

(yen)

*Under the condition of ¥ 1 depreciation of the yen

	FYE 2023 1 H	FYE 2023	FYE 2024 1H	FYE 2024 (Forecast)	Operating Profit Sensitivity* (FYE2024 1H Result)	Operating Profit Sensitivity* (FYE2024 Forecast)
USD	134.03	135.50	141.06	141	- ¥0.3 billion or more	- ¥0.3 billion or more
EUR	138.76	140.99	153.45	149	approx +¥0.8 billion	+¥0.8 billion or less
RMB	19.89	19.75	19.75	19.9	- ¥10 billion or less	- ¥9 billion or less