



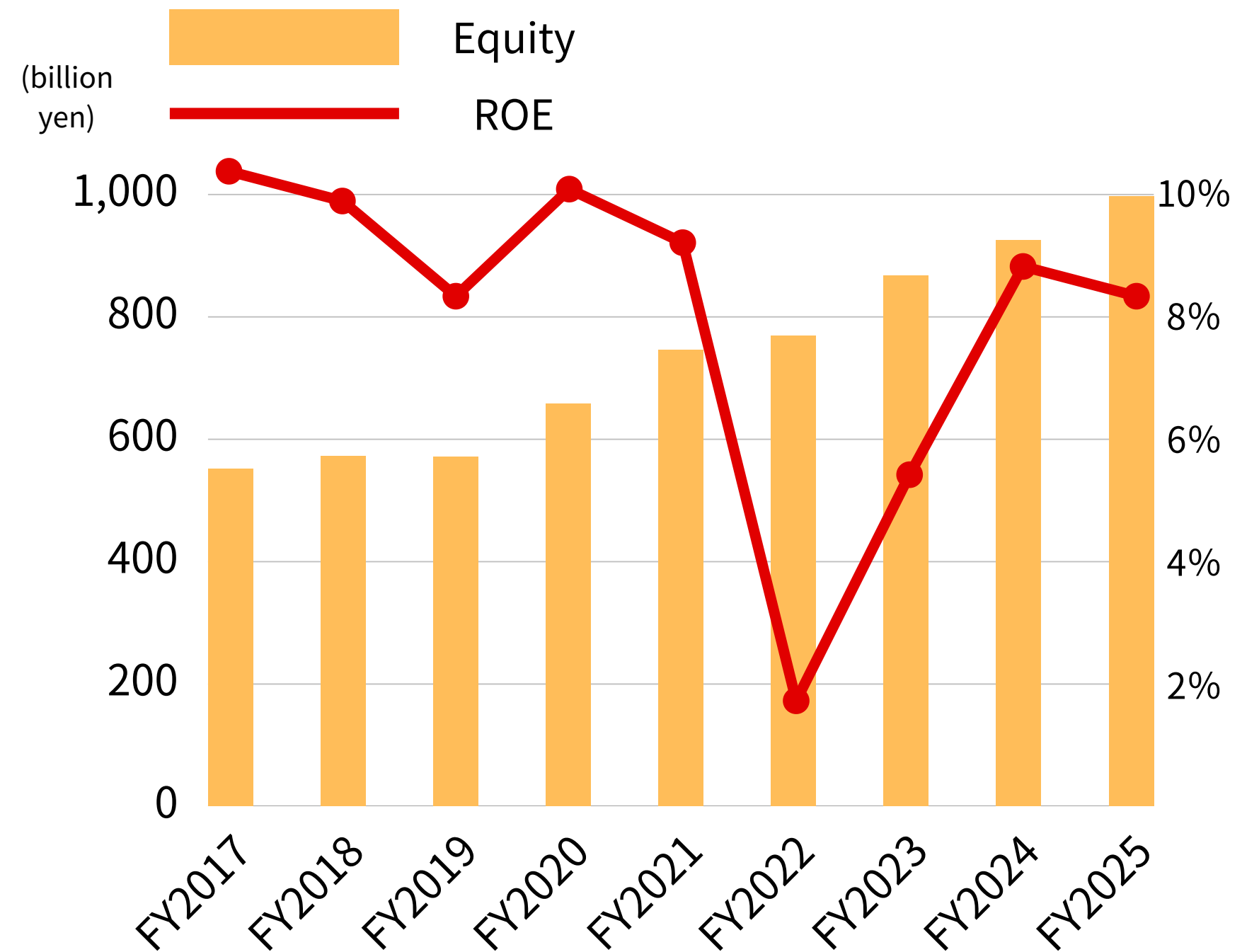
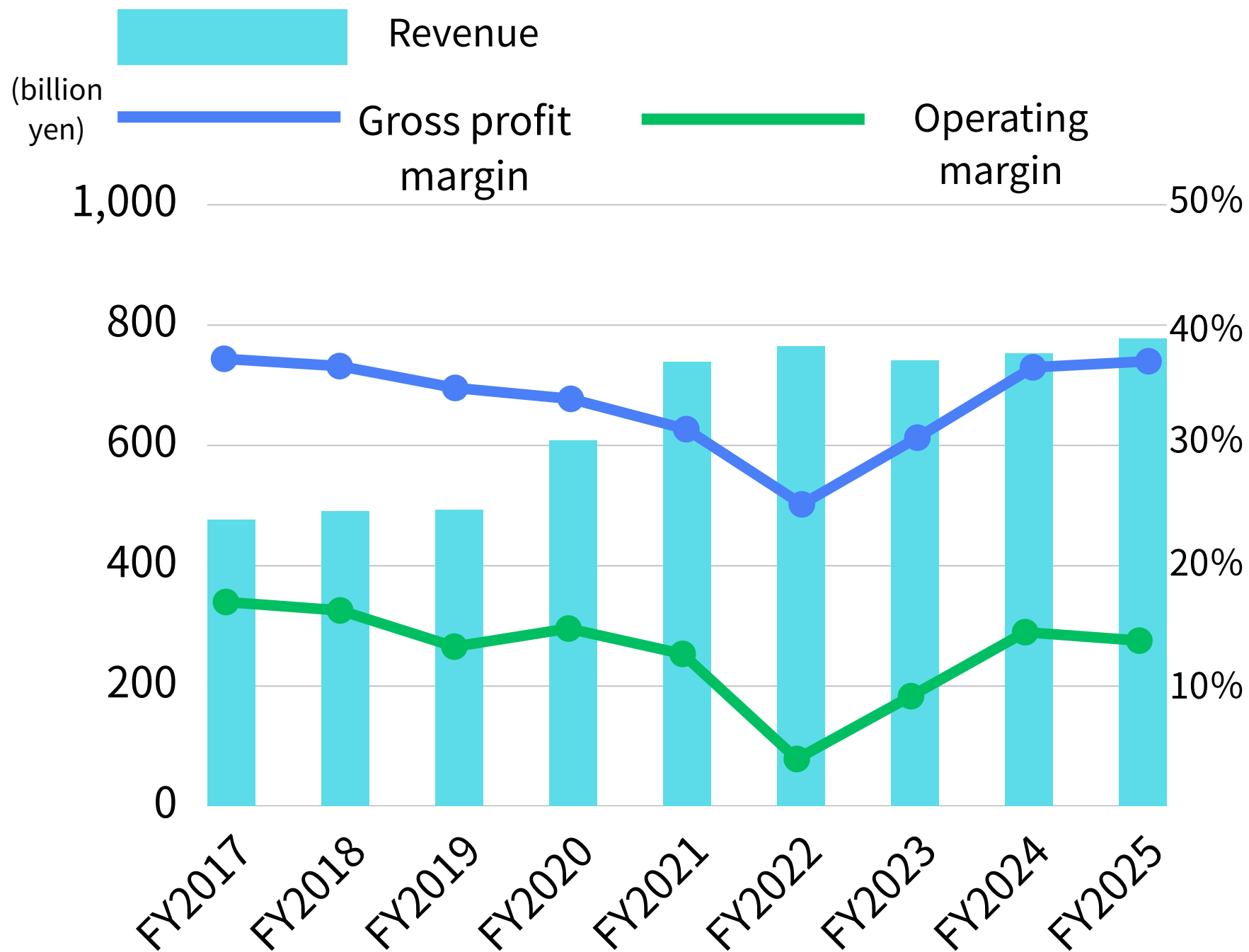
# Our Vision FY2030

**President and Chief Executive Officer  
Munetoshi Goto**

# Performance Trends



- Gross profit margins have recovered to pre-COVID levels, while operating profit margins remain flat due to rising SG&A expenses, particularly personnel costs.
- As equity capital has accumulated, ROE has not risen significantly above the cost of equity.





## politics

- Rise of nationalism
- Formation of economic blocs
- Tightening of environmental regulations
- Geopolitical risks, including conflicts

## Our Business Environment

Structural trends—including the shift away from engine-powered products, decarbonization, and growing needs for labor-saving and safety improvements at worksites—continue to provide tailwinds for Makita.

Amid persistent labor shortages, demand is rising for labor-saving solutions, highly user-friendly products, durable products, prompt delivery, and robust after-sales service.

The transition toward a decarbonized society continues to progress

## technology

- widespread adoption of automation and labor-saving technologies
- Advances in battery technology
- Broad use of AI

## Challenges

In an increasingly dynamic environment, building a more resilient business and revenue structure that is less vulnerable to external factors is essential to achieving sustainable growth.

- Driven by rapid technological advances and evolving customer needs, the level of technology required by the market is rising at an accelerating pace.
- Vulnerability to short-term economic fluctuations, including interest rates, exchange rates, and housing investment
- Need to place greater emphasis on capital efficiency in business and financial strategies, amid corporate governance reforms and the Tokyo Stock Exchange's focus on capital cost management

## economy

- Rise of emerging economies
- Sluggish growth amid persistent inflation
- Interest rate and exchange rate fluctuations

## society

- Population decline and aging in developed countries
- Persistent labor shortages
- Increasingly diverse consumer needs

## Medium- to Long-term Market and Social Trends

**Persistent labor shortages at worksites**  
Growing demand for labor-saving solutions driven by workforce decline and population aging

**Achieving a decarbonized society**  
The irreversible shift from engine-powered products to battery-powered products is driven by growing consumer environmental awareness



**Long-term target: Strong Company**  
We have set the goal of contributing to the creation of sustainable society and consolidating a strong position in the industry worldwide as a global supplier of a comprehensive range of tools for creating comfortable homes and living environments, including cordless power tools, battery-operated outdoor power equipment and pneumatic tools.

**Medium- to Long-Term Vision: A Solutions Company Committed to Addressing Social Challenges**  
We contribute to building a sustainable society and grow together by providing solutions to social challenges such as labor shortages and the transition to a decarbonized society.

**Evolving into a "Supplier of a Comprehensive Range of Cordless Products" for Sustainable Growth**

- Establish a robust business model and operational foundation centered on cordless products and less vulnerable to external factors
- Pursue adaptive growth strategies and strengthen capital-efficient management in a rapidly changing business environment

- Rapid technological advances and evolving customer needs are raising the level of technology required by the market.
- The business structure remains vulnerable to short-term economic fluctuations, including interest rate and exchange rate fluctuations and changes in housing investment.
- Corporate governance reforms and the Tokyo Stock Exchange's focus on capital cost management are increasing the need for capital-efficient business and financial strategies.

- The five years leading up to FY2030 will be positioned as a period for strengthening the earnings structure and business foundation to achieve sustainable growth.
- We aim to achieve sustainable growth by shifting to a more stable earnings structure and enhancing capital efficiency.

### Enhanced profitability

**Addressing Social Issues & Expanding Sales and Market Penetration of the 40Vmax Series**

- Expanding business domains
- Identifying Users' Latent Needs

### Strengthening the business foundation

**Strengthening supply chains**

- Diversifying Production Locations
- Diversifying Sourcing Channels

### Enhancement of capital efficiency

**Balance Sheet Management**

- Prudent cash allocation
- Enhancing shareholder returns

## Key financial metrics

|   |  |  |
|---|--|--|
| <p><b>Operating profit margin</b></p> <p><b>15% or greater</b></p> <p>(FY2025 RESULTS)</p> <p>13.5%</p> | <p><b>ROE</b></p> <p><b>11% or greater</b></p> <p>(FY2025 RESULTS)</p> <p>8.3%</p> | <p><b>Cash balance</b></p> <p><b>Cash balance equivalent to 2~3 months of monthly sales</b></p> <p>(FY2025 RESULTS)</p> <p>257.4 BILLION YEN</p> |
|---|--|--|

# Enhanced profitability - Makita's 40Vmax series

Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges



The 40Vmax Series provides a cordless solution for high-load applications that previously required engine-powered, pneumatic, or corded products, helping address labor shortages and decarbonization.

## Persistent labor shortages at worksites

Shrinking Workforce and Aging Population



Growing demand for labor-saving solutions and the need to maintain and improve worksite efficiency are driving greater demand for rechargeable products.

# Makita

## 40Vmax series



## Achieving a decarbonized society

The irreversible shift from engine-powered products to battery-powered products

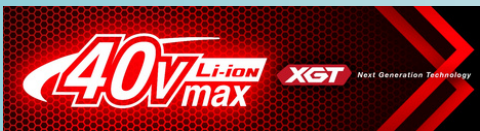


Reduced exhaust emissions and noise are improving worksite environments, while demand is growing for rechargeable products with performance comparable to engine-powered models.

- Power comparable to engine-powered, pneumatic, and corded models
- Exceptional durability enabled by a dedicated design
- Excellent compatibility and improved work efficiency through cordless operation

# Enhanced profitability - Revenue Growth Roadmap

Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges



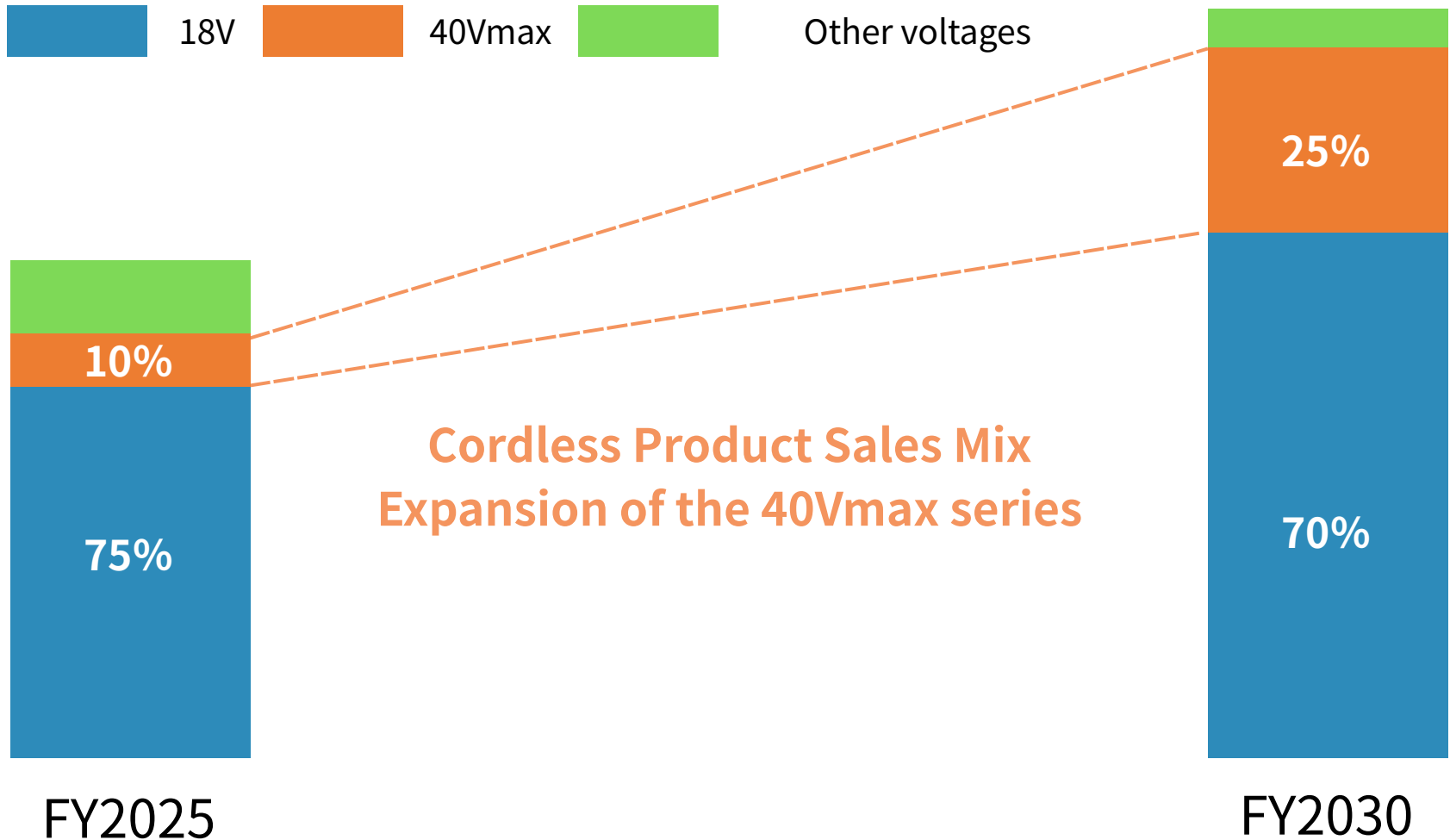
- Position the 40Vmax Series as a core high-value-added product line and address challenges faced by professional users and worksites worldwide
- Increase overall sales and profitability by raising the share of the 40Vmax Series in the sales mix

## 40Vmax Series Sales Growth Projections Through FY2030



**40Vmax series**  
**High-value products / High profitability**

Sales Mix of Cordless Products by Voltage



## Key Initiatives

**Build business domains and foundations that are less reliant on the building and construction market**

Expansion into diverse end markets

- Leverage the 40Vmax Series as a growth driver across multiple industries
- Focus particularly on the OPE market as a high-growth area

Capturing opportunities in the untapped engine replacement market

- Develop motor units capable of replacing general-purpose engines
- Collaborate with partners to penetrate untapped markets

**Build a global framework to identify users' latent needs**

Strengthen solution proposal capabilities by expanding the sales team

- Increase global field visits by expanding the sales team
- Promote optimal solution proposals centered on the 40Vmax Series

# Enhanced profitability- Expansion into diverse end markets

Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges



- The 40Vmax Series enables heavy-duty applications that were difficult to handle with conventional cordless power tools.
- With the 40Vmax Series as a key growth driver, we will accelerate our expansion across diverse industries.

The market is projected to reach \$180 billion.



Infrastructure



Bridge construction



Plant construction



Mining



Heavy machinery maintenance



agriculture



forestry



Ironworks-related

etc.

We are specifically concentrating on the OPE-related market.

# Enhanced profitability- Focus on the OPE market

Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges



- The OPE market is expected to outgrow the power tool market, driven by increasing demand for rechargeable products amid decarbonization.
- Makita’s advanced battery and motor technologies provide a strong competitive advantage, reinforcing its focus on OPE.

## ① Market size estimation (※1)

- The OPE market is expected to surpass the power tool market.
- Although engine manufacturers currently dominate, the focus is shifting to decarbonization, which is accelerating the transition to battery-powered products.

### Primary focus areas

### Focus Areas Going Forward



## ② Global shift toward battery-powered products(※2)

- Regulations on engines are strengthening due to environmental concerns over emissions.
- Cordless products are gaining traction as alternatives to engine-powered equipment
- Makita’s battery and motor expertise provides a strong competitive advantage.

One hour of using an engine-powered blower emits as much air pollution as a passenger car driving about 1,100 miles (1,760 km).(\*2).



1 hour leaf blower use

driving 1100 miles from LA to Denver

(\*2) Source: California Air Resources Board <https://ww2.arb.ca.gov/resources/fact-sheets/sore-small-engine-fact-sheet>

(\*1) Our estimate derived from a range of publicly accessible information (as of 2025)

# Enhanced profitability- Rising demand for small engine alternatives





Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges

- New product addressing demand for engine-to-electric replacement.
- General-purpose engine market to exceed \$10 billion by 2030 (\*1).
- Strategy to expand Makita batteries into untapped markets via partnerships.

## Existing distribution channels and potentials


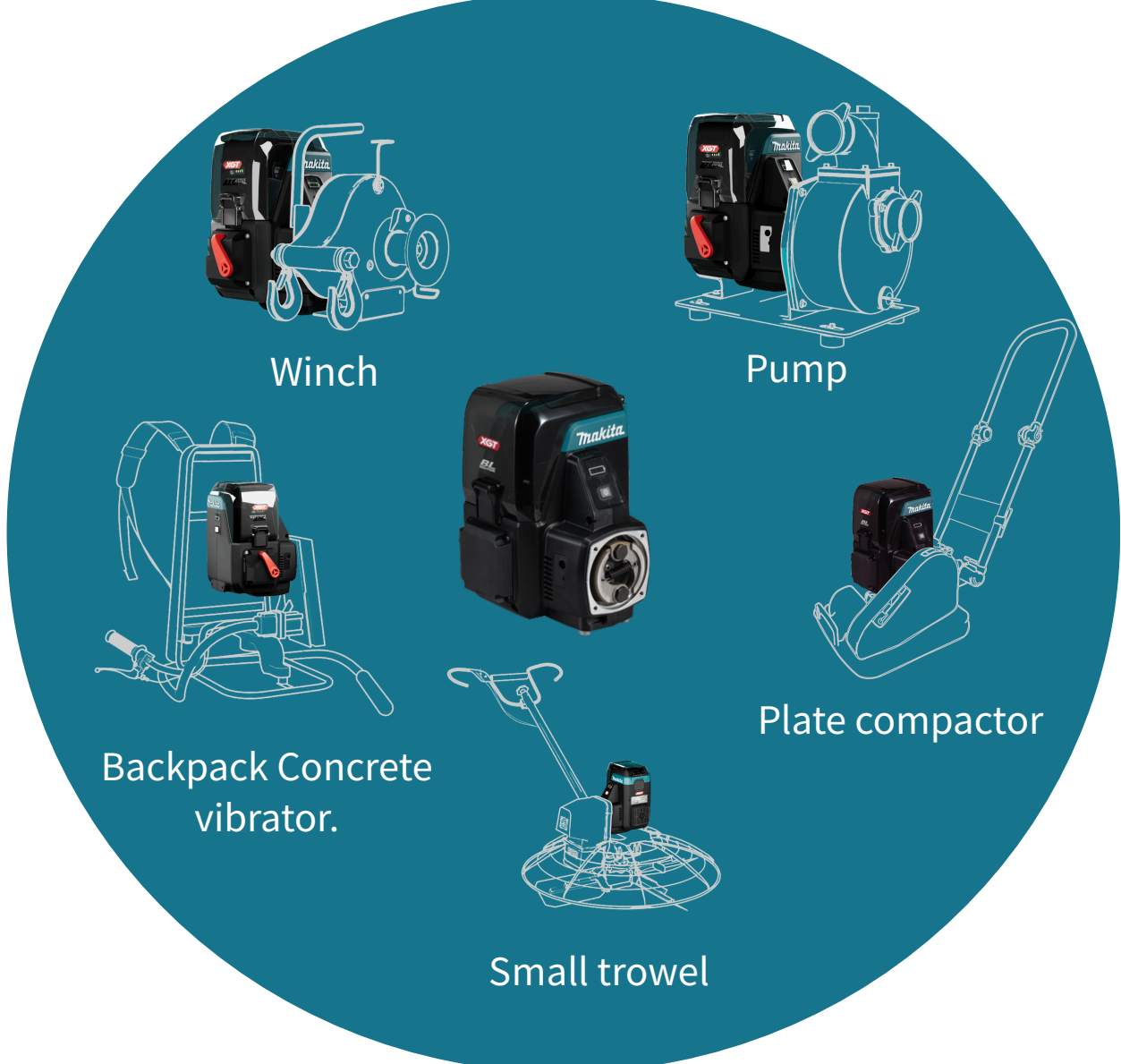
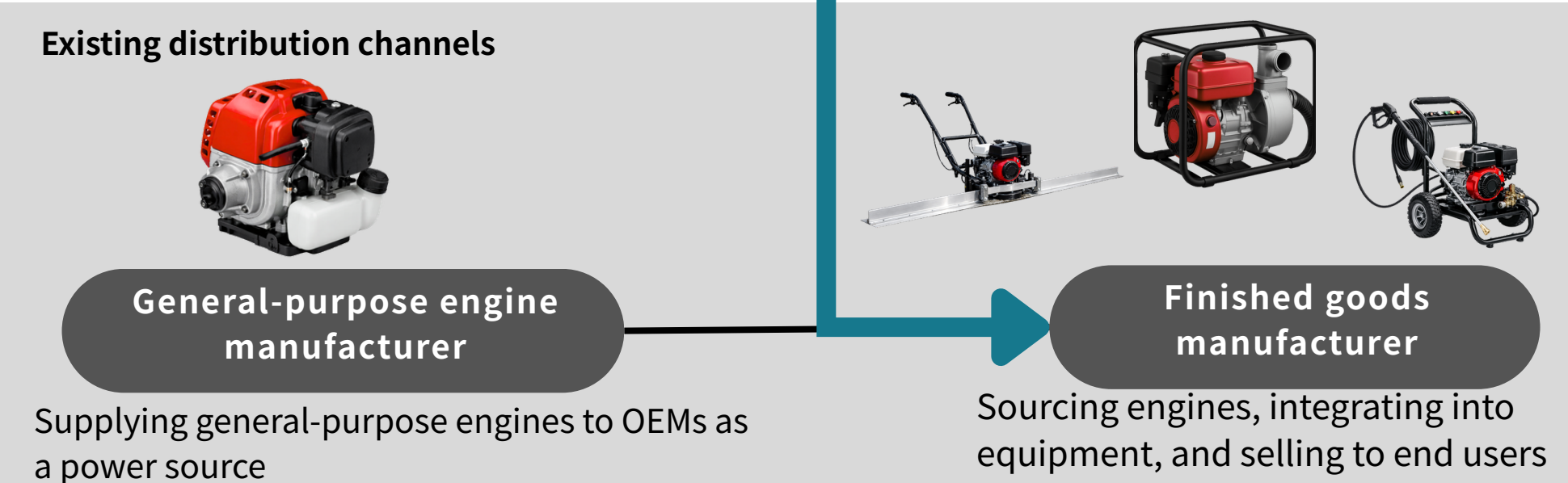
## Where battery-powered motor units are used

**Battery Powered Motor Unit**

**Battery-powered motor unit replacing conventional 35cc-50cc engines**

- Powered by 40V max battery
- Engine-like interface (\*2)
- Rechargeable batteries deliver zero emissions and low noise

General-purpose engine market report: The global market size is projected to reach \$10.922 billion by 2030. QY Research  
 This design is compatible with certain models and does not guarantee compatibility with all general-purpose engines.

# Enhanced Profitability- Build a global framework to identify users' latent needs



Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges

- On-site demos enable firsthand experience of 40Vmax's convenience and power.
- Insights from on-site challenges drive our product development.

## Current Situation

- Housing market slowdown drives the need to explore new fields.
  - Labor shortages across industries require effective solutions.
- ⇒ More Opportunity to expand 40Vmax..



## Approach to challenges

- Leverage global sales and service network
- Expand sales team to address customer challenges through on-site visits and solutions (incl. 40Vmax)
- On-site engagement drives new market development

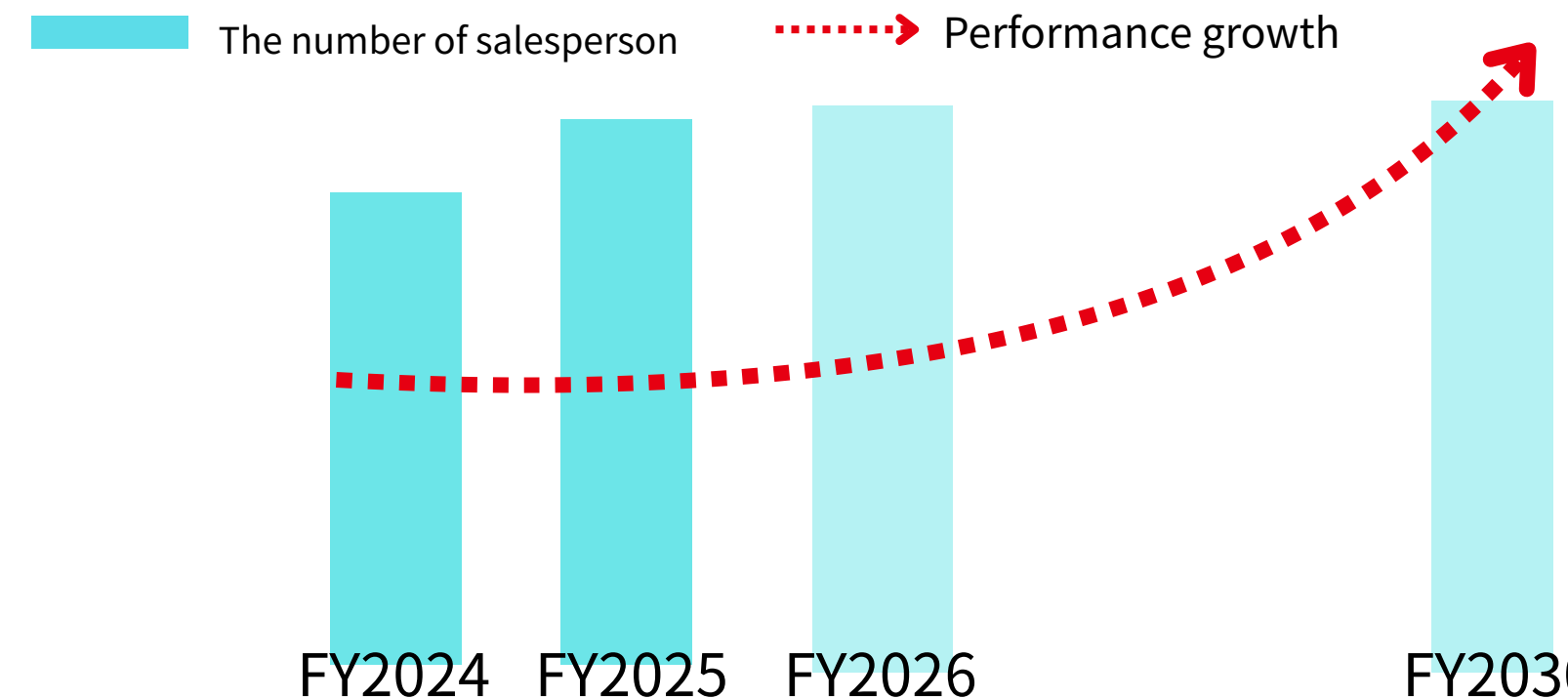
## On-site customer engagement

- Global sales and service network enables site visits across markets
- Delivering value-added solutions with 40Vmax
- Field insights drive new markets and product development



## Expand sales headcount

- Build capacity in FY2025–2026 and maintain thereafter
- Higher costs in the first two years, followed by improved performance



# Examples of solutions

Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges



- 40Vmax lineup of 261 models across power tools and equipment, serving multiple sectors (261 models \*1).
- Reasons to choose Makita

## Specific cases (※2)

- 40Vmax supports diverse railway applications (maintenance, infrastructure, cleaning)
- Broad lineup of high-power tools and equipment
- One battery powers multiple applications → integrated solution

### Track and railway maintenance



Impact wrench for maintenance of railways and vehicles



Stand lamp: a light source in low-light conditions

### Trackside Maintenance



Lawn mower for trimming grass along railway tracks



Chainsaw for chainsaw for railway tie and brushwood cutting

### Vehicle and yard maintenance



High-pressure washers and cleaners for maintaining the interior and exterior of train cars and station facilities



(\*1) Quantity of 40Vmax series models accessible in Japan as of April 2026.

The images displayed are illustrative representations depicting product usage scenarios. They do not necessarily reflect actual usage environments or operational procedures.

# Enhanced Profitability- Vision for Future Growth

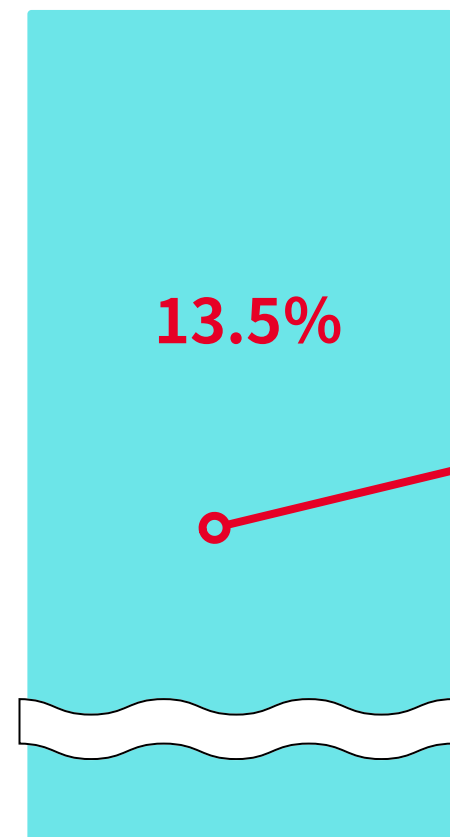
Promoting Widespread Adoption and Sales Expansion of the 40Vmax Series to Help Address Social Challenges



- Future growth drivers are "40Vmax" and "OPE."
- Driving business growth by addressing social issues and advancing cordless products

Revenue  
Operating profit margin

777.6 billion yen



FY2025



FY2030

### Sales growth drivers

With an emphasis on 40Vmax and OPE, Approximately ¥150 billion is expected to increase

Three images of Makita products: a 40Vmax battery, an OPE (Overhead Power Equipment) unit, and a chainsaw.

### 18V (excl. OPE), AC tools, and parts/repairs growing with the market

Three images of Makita products: an 18V battery, an AC tool, and a saw blade.

# Strengthening the business foundation



## Diversifying Production Locations

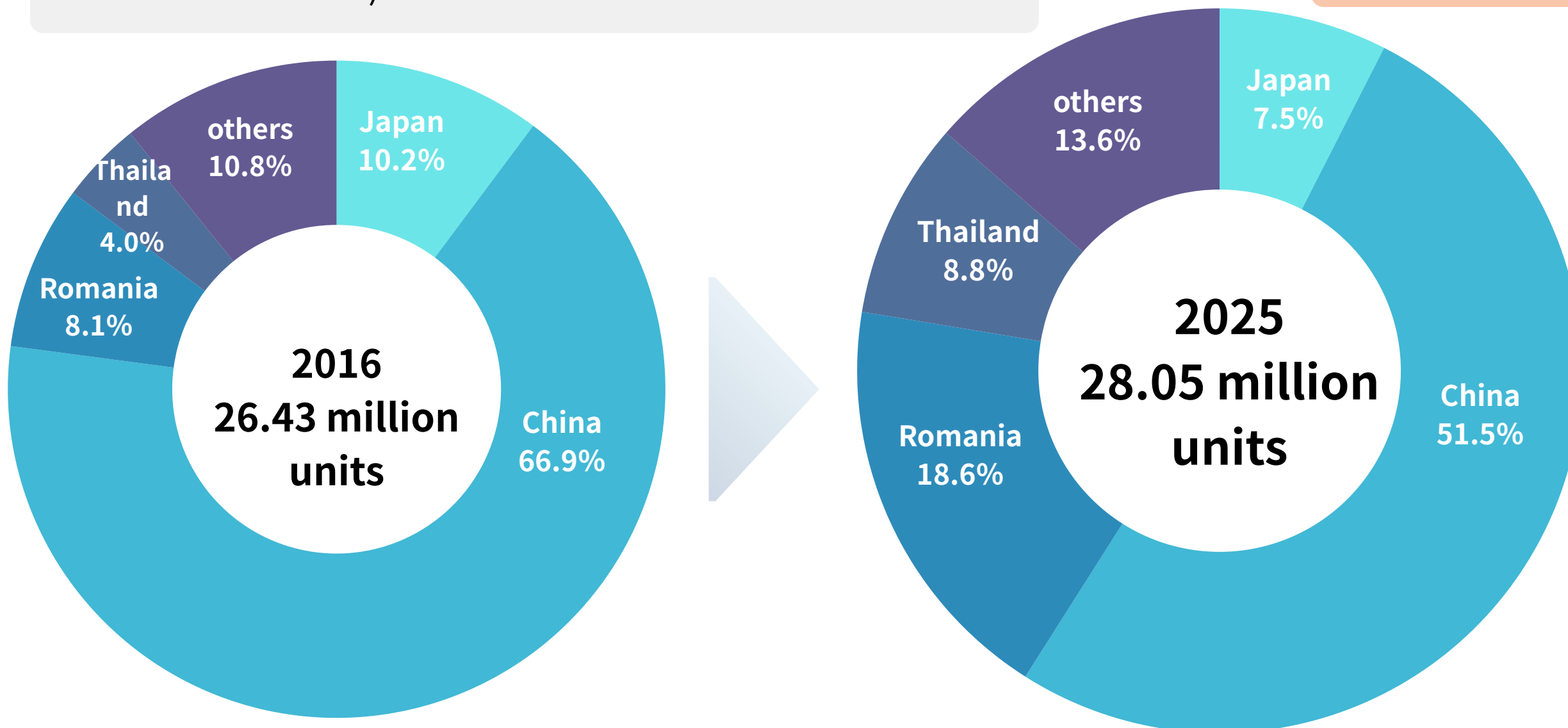
- Diversifying production footprint to mitigate geopolitical risks
- Ensuring business continuity in production and sales, even during emergencies

### Current Situation

- Geopolitical risks (Ukraine, Middle East)
- Economic fragmentation driven by U.S. tariffs
- Export restrictions on key materials (rare earths, semiconductors)

### Approach to challenges

- Manufacturing footprint diversification
- Supply source diversification
- Resilient supply system ensuring business continuity



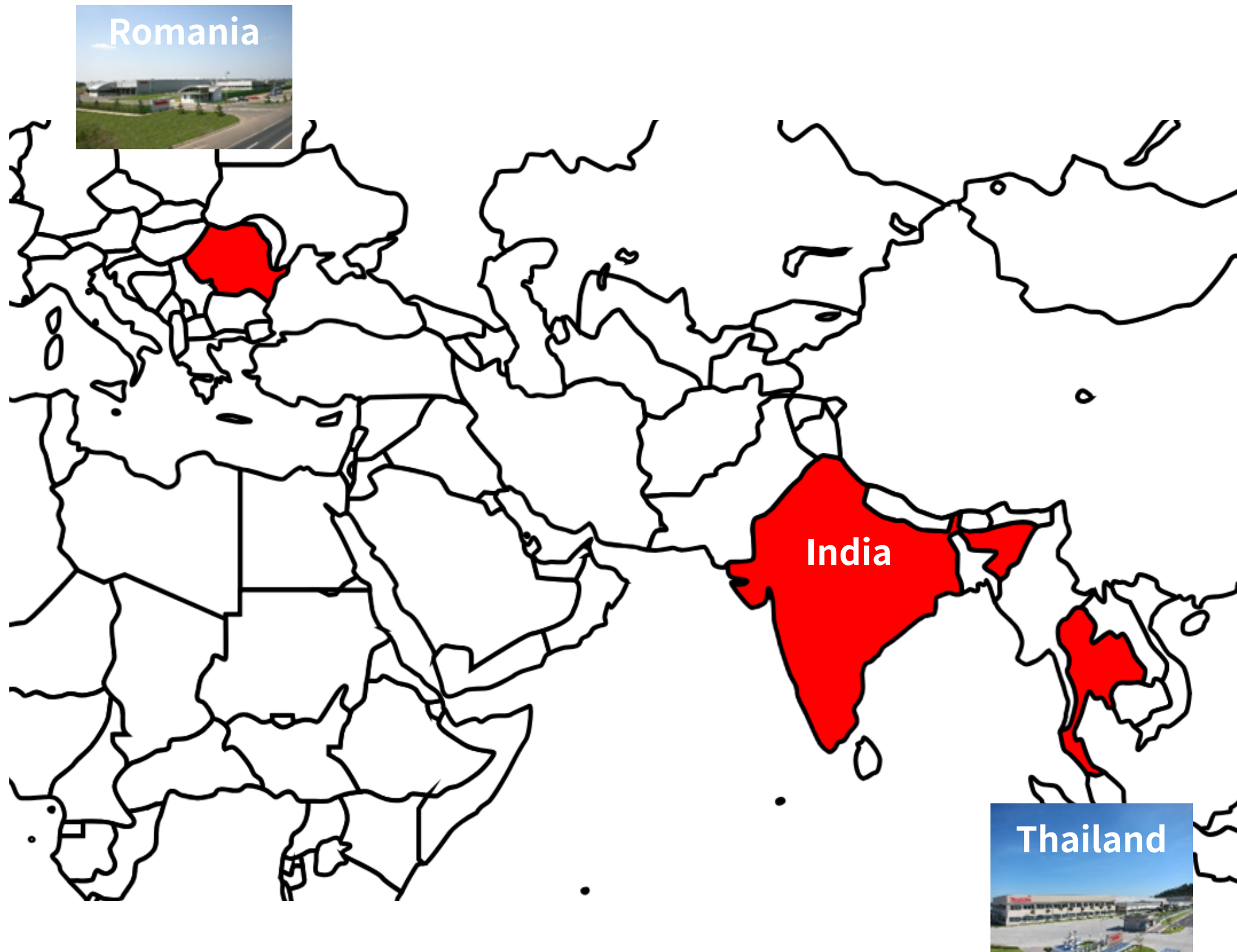
- Our strength: a flexible production system resilient in emergencies
- Continuous optimization of the production system in response to external changes

# Strengthening the business foundation

## Diversifying Sourcing Channels



- Developing supply chains in India to mitigate risks and enhance competitiveness.
- In addition to risk diversification, we improve competitiveness by reducing costs through component substitution.



### Objective

- Mitigating risks from overreliance on a single supply source
- Achieving diversified sourcing with cost competitiveness

### Current Situation

- Thai and European factories shifting to India-based sourcing
- Expanding procurement by increasing the range of parts sourced from India

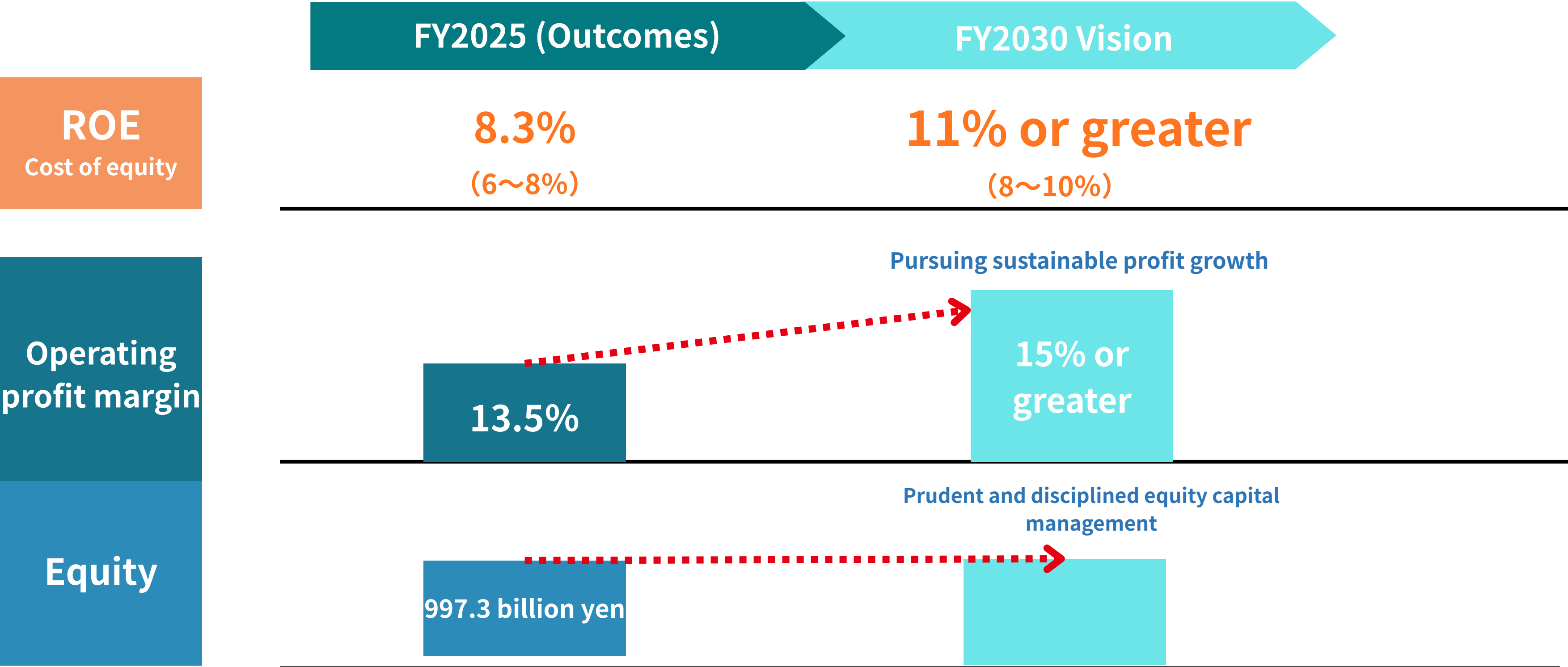
### Benefits

- Diversified sourcing to reduce concentration risk
- Achieve costs equal to or lower than current sourcing
- Risk diversification + cost reduction → competitive advantage

# Enhancement of capital efficiency- From the Perspective of ROE



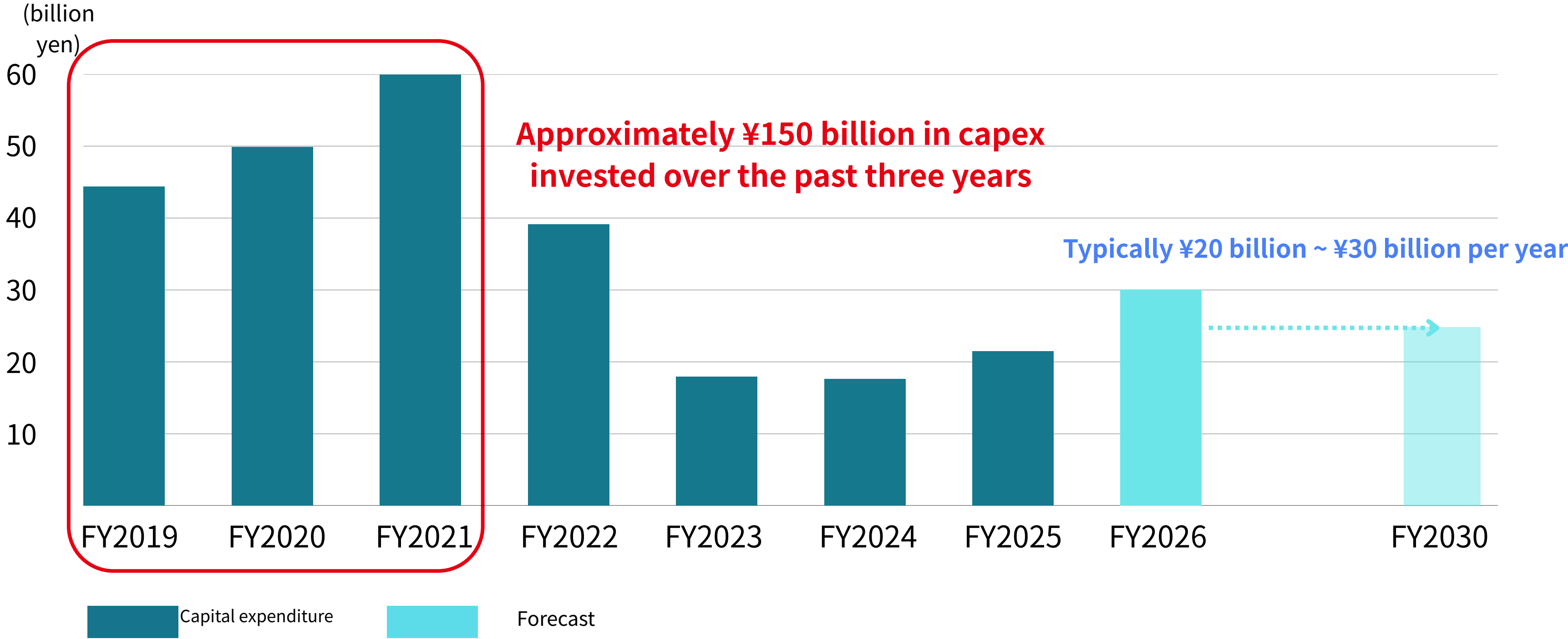
We will shift our management focus toward improving capital efficiency, aiming to achieve an ROE of 11% or higher through sustainable profit growth and disciplined equity management aligned with business conditions.



# Enhancement of capital efficiency- Capital Expenditures



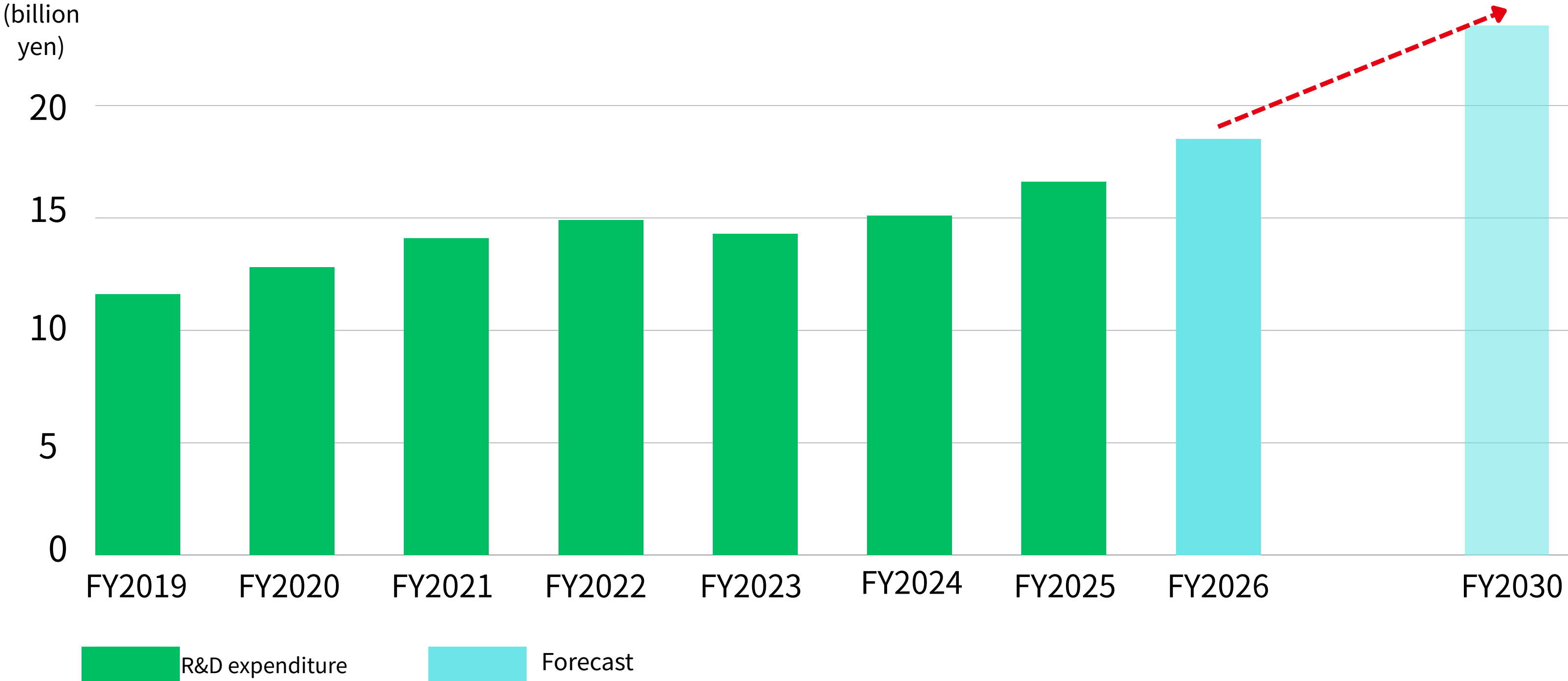
- Capex: ¥20billion~¥30billion, focused on logistics development and upgrades
- Flexible, proactive growth investments beyond the Capex plan



# Enhancement of capital efficiency- R&D



- Increase R&D investment to expand into new domains
- Focus on functional upgrades for 18V and 40Vmax
- Expand development capabilities and product lineup, and strengthen testing and research



# Enhancement of capital efficiency - Enhancing shareholder returns



## Basic policy on profit distribution

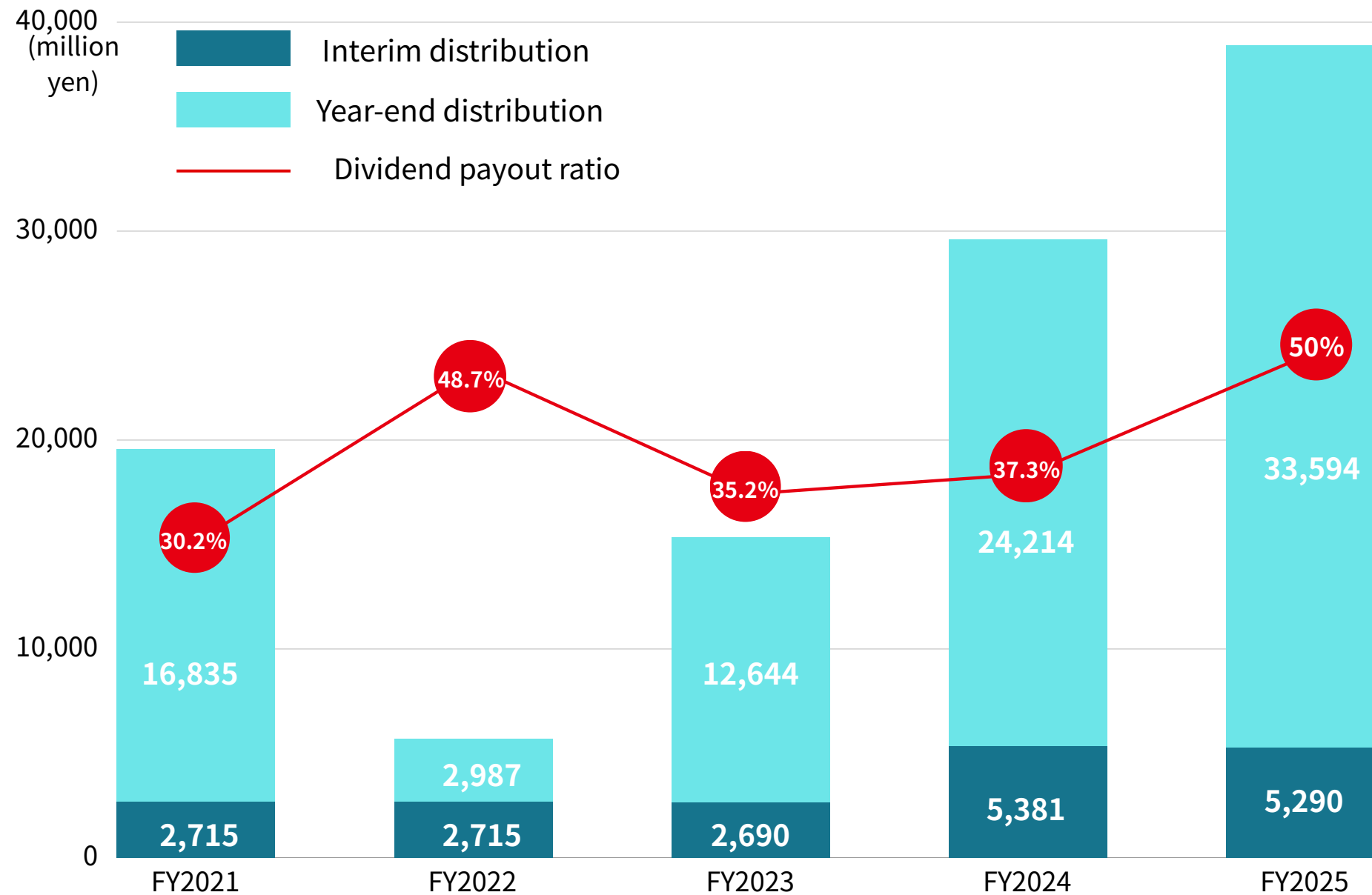
Before

**A minimum annual dividend of 20 yen and a total return ratio of 35% or greater.**



After

**Consolidated payout ratio of 50% or greater.**  
**\*Furthermore, the equilibrium between interim and year-end dividends will be taken into account moving forward.**



**Aiming for a return on equity of 11% or greater, we will execute flexible equity management via share repurchases**

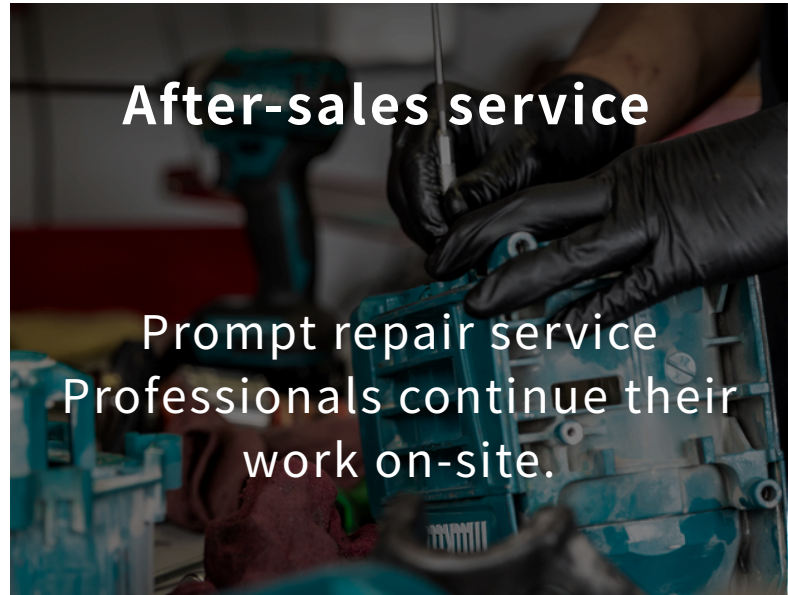
# Enhancement of capital efficiency - Cash Reserve Framework for Competitiveness



- **Competitive advantage: fast delivery and after-sales service through a global network**
- **Maintain a certain level of cash to support stable network operations**

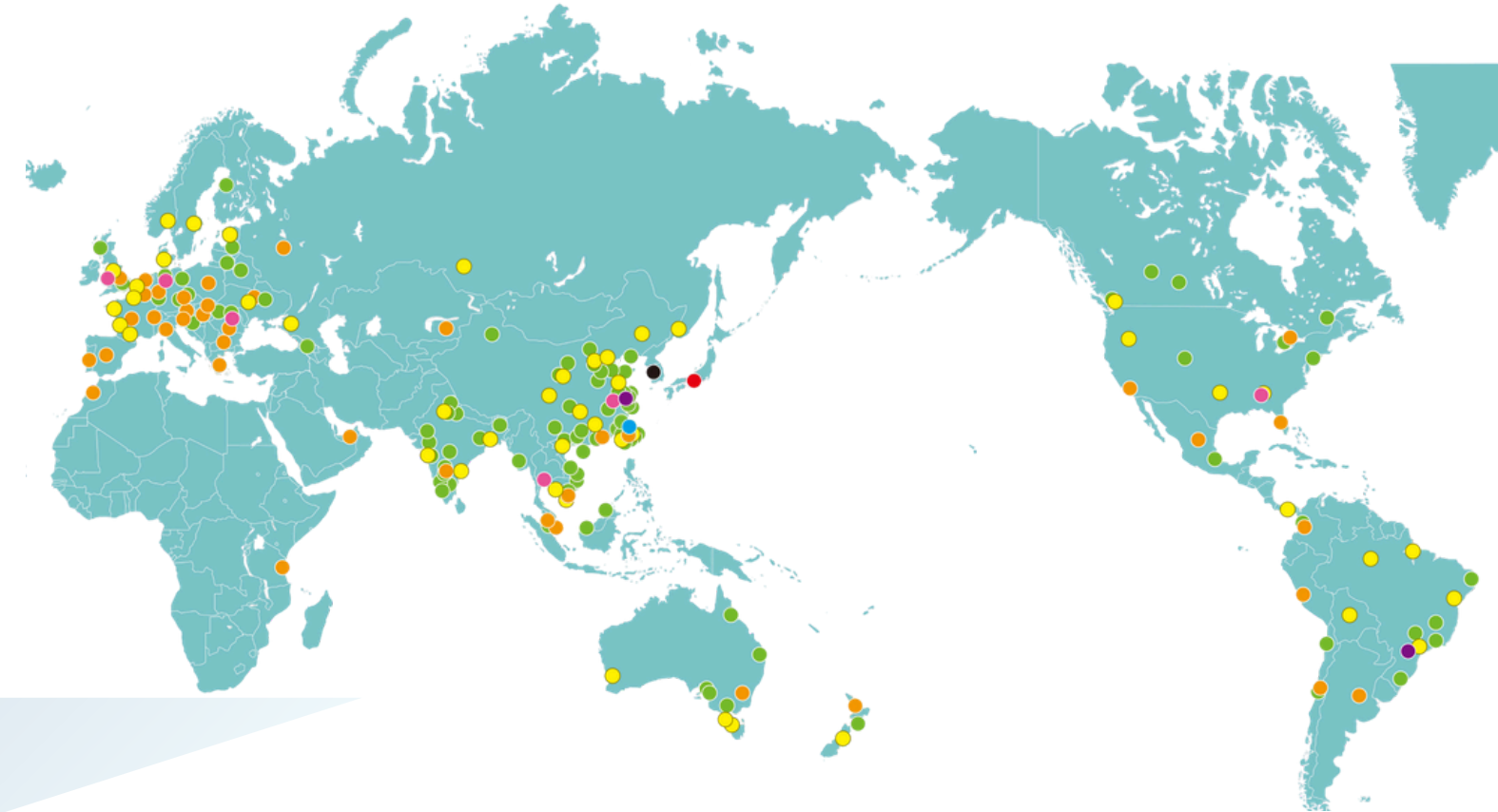
## The foundation of Makita's competitive advantage

Fast, reliable delivery is the foundation of Makita's competitive advantage



## Sales and service network that enhances Makita's competitive advantage

With 129 locations in Japan and facilities in around 50 countries, Makita has built one of the industry's leading global sales and service networks

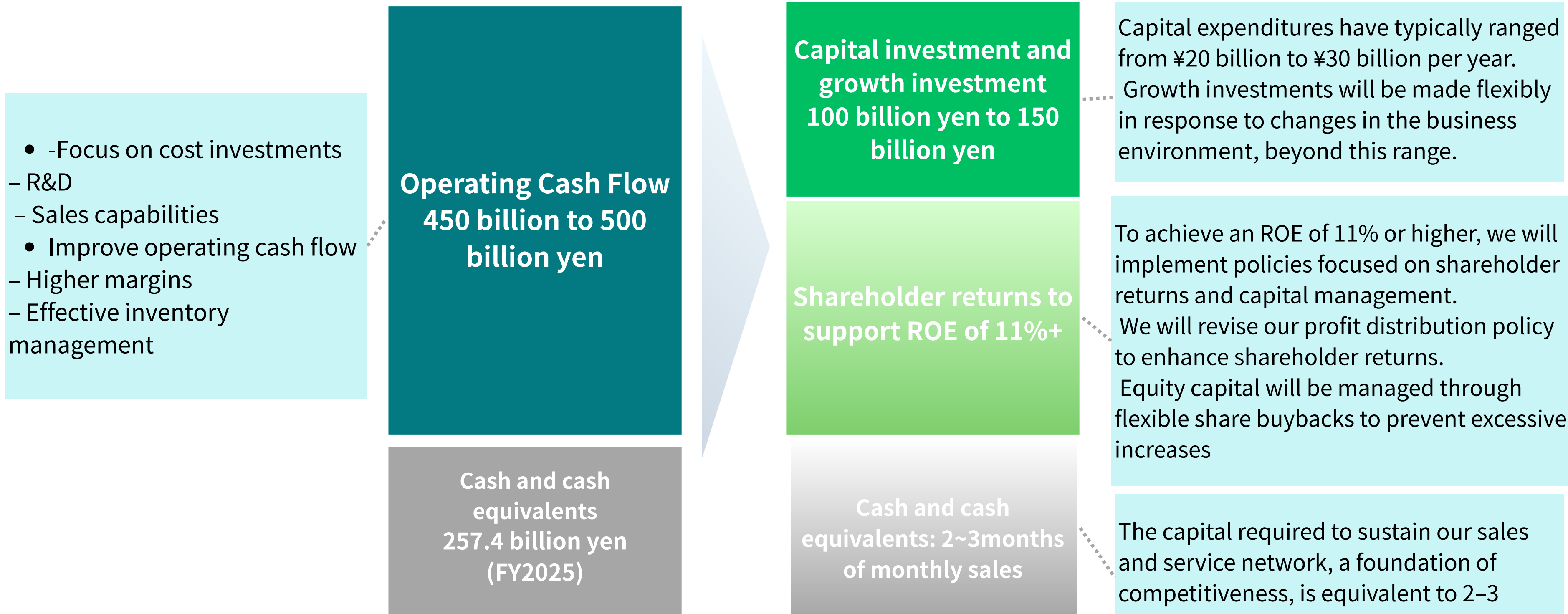


**Maintain cash reserves equivalent to 2-3 months of sales to sustain global competitiveness**

# Enhancement of capital efficiency - Cash allocation



- Our objective is to enhance operating cash flow by shifting to a stable revenue model and optimizing inventory management.
- We allocate capital strategically between investments and shareholder returns while maintaining optimal cash levels.



Cumulative total for the five-year period spanning FY2026 to FY2030

# Recent case of M&A



- Synergies between Makita and Panasonic EW
- Value creation through manufacturing expansion and high value-added solutions

## Project Overview

|                      |   |
|----------------------|---|
| Acquisition target   | Panasonic Electric Works Co., Ltd.<br>(Panasonic EW)  |
| Region               | Japan and abroad  |
| Business Description | Development, manufacturing, and sales of power tool products, including fastening equipment for industrial and construction applications, as well as factory-related IoT solutions. |
| Acquisition Timeline | Implementation planned for FY2026<br>*Subject to regulatory approval  |

## Expected outcomes

Makita has agreed to acquire the target business of Panasonic EW.



Leveraging the strengths of Makita and Panasonic EW to enter the manufacturing sector