



Makita Corporation

Consolidated Financial Results for the nine months ended December 31, 2024 (IFRS Financial Information)

(English translation of "KESSAN TANSHIN"
originally issued in Japanese)



CONSOLIDATED FINANCIAL RESULTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2024 (Unaudited)

January 29, 2025

Makita Corporation

Stock code: 6586

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

Munetoshi Goto, President, Representative Director

1. Summary operating results for the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(1) CONSOLIDATED OPERATING RESULTS

	Yen (millions)			
	For the nine months ended December 31, 2023		For the nine months ended December 31, 2024	
		(%)		(%)
Revenue	550,614	(5.1)	568,555	3.3
Operating profit	48,049	76.9	82,334	71.4
Profit before income taxes	46,113	77.3	83,742	81.6
Profit	32,468	130.8	62,052	91.1
Profit attributable to owners of the parent	32,637	129.5	61,843	89.5
Comprehensive income	72,091	141.2	73,101	1.4
	Yen			
Profit attributable to owners of the parent per share				
(Basic)	121.04		229.88	
(Diluted)	-		-	

Notes:

- Amounts of less than one million yen have been rounded.
- The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes, profit, profit attributable to owners of the parent, and comprehensive income against the corresponding period of the previous year.

(2) SELECTED CONSOLIDATED FINANCIAL POSITION

	Yen (millions)	
	As of March 31, 2024	As of December 31, 2024
Total assets	1,055,808	1,104,553
Total equity	875,206	930,744
Equity attributable to owners of the parent	868,156	923,774
Ratio of equity attributable to owners of the parent to total assets (%)	82.2%	83.6%

Note: Amounts of less than one million yen have been rounded.

2. Dividend Information

	Yen	
	For the year ended March 31, 2024	For the year ending March 31, 2025 (Forecast)
Cash dividend per share:		
Interim	10.00	20.00
Year-end	47.00	(Note)
Total	57.00	(Note)

Notes:

- The forecast for cash dividend announced on April 26, 2024 has not been revised.
- The projected amount of dividends for the year ending March 31, 2025 has not been determined yet. For further details, refer to "Explanation regarding proper use of business forecast, and other significant matters" on page 2.



3. Consolidated Financial Performance Forecast for the year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

	Yen (millions)	
		(%)
Revenue	730,000	(1.5)
Operating profit	99,000	49.6
Profit before income taxes	99,000	54.6
Profit attributable to owners of the parent	72,000	64.8
	Yen	
Profit attributable to owners of the parent per share (Basic)	267.63	

Notes:

1. Changes of the forecasts from the most recent disclosure: Yes
2. The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes and profit attributable to owners of the parent against the previous year.

4. Other

(1) Significant changes in the scope of consolidation during the quarter: None

(2) Changes in accounting policies and accounting estimates:

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than 1: None
3. Changes in accounting estimate: None

(3) Number of shares outstanding (common stock)

1. Number of shares issued (including treasury shares):	As of December 31, 2024:	280,017,520
	As of March 31, 2024:	280,017,520
2. Number of treasury shares:	As of December 31, 2024:	10,982,221
	As of March 31, 2024:	10,993,621
3. Average number of shares outstanding:	For the nine months ended	
	December 31, 2024:	269,029,717
	For the nine months ended	
	December 31, 2023:	269,640,364

Makita's earnings releases (KESSAN TANSWIN) are not subject to an audit.

Explanation regarding proper use of business forecasts, and other significant matters

1. The financial forecasts and estimates in this Consolidated Financial Results are based on information available at the time of report issuance and certain assumptions judged to be reasonable, and therefore are not guarantees of future performance. As a consequence of the factors above and other, actual results may vary from the forecasts provided above. Regarding the assumptions for the forecasts and other matters, refer to "SUPPLEMENT INFORMATION (CONSOLIDATED)", "1. Overview of operating results", "(3) Outlook for the fiscal year ending March 31, 2025" on page 4.
2. Makita's basic policy on the distribution of profits is to maintain the total return ratio(*) at 35% or greater, with a lower limit on annual cash dividends of 20 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on profit attributable to owners of the parent per share after certain adjustments. The Board of Directors plans to meet in April 2025 for a report on earnings for the year ending March 31, 2025. At the time, in accordance with the basic policy regarding profit distribution mentioned above, the Board of Directors plans to propose a dividend equivalent to at least 35% of total return attributable to owners of the parent. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2025.

$$*Total\ return\ ratio = \frac{\text{Cash dividend per share} + \left(\frac{\text{Total amount of purchased treasury shares during the year}}{\text{Average number of shares outstanding}} \right)}{\text{Profit attributable to owners of the parent per share (Excluding special factors)}} \times 100$$

SUPPLEMENT INFORMATION (CONSOLIDATED)

1. Overview of operating results

(1) Overview of operating results for the nine months ended December 31, 2024

Looking at the international economic situation during the nine-month period ended December 31, 2024, inflation is heading towards a slowdown overall, while European economic recovery is slow and Chinese economy remains sluggish. Trump's reelection in the US draw much attention on the direction of foreign and trade policy. In addition, with ongoing tensions in Ukraine and the Middle East, the outlook remains uncertain.

In the Group's consolidated business results for this period, despite lower sales in many regions due to weak demand for housing and restrained investment in the building and construction market as a result of monetary tightening in various countries, consolidated revenue increased 3.3% year on year to 568,555 million yen due to the impact of foreign exchange. In terms of profit, operating profit increased by 71.4% year on year to 82,334 million yen (operating profit ratio: 14.5%) driven by an improvement in the cost ratio due to the reduction of various costs and the impact of foreign exchange. Profit before income taxes increased by 81.6% year on year to 83,742 million yen (profit before income taxes ratio: 14.7%) and profit attributable to owners of the parent increased by 89.5% year on year to 61,843 million yen (ratio of profit attributable to owners of the parent: 10.9%).

Revenue results by region were as follows:

Revenue by region shows revenue in each market and differs from revenue in Segment Information (based on the source of shipments).

In Japan, 40Vmax lithium-ion battery series (XGT) and OPE underpinned sales, despite a challenging demand environment, including construction and building materials prices remaining at high levels and a decline in housing starts. As a result, revenue was 94,751 million yen, up 3.3% year on year.

In Europe, although the construction and building market remained sluggish due to continued high interest rates despite rate cuts, orders recovered steadily following inventory adjustments and the yen depreciated against the local currencies. As a result, revenue was 280,594 million yen, up 7.4% year on year.

In North America, housing investment was weak due to high interest rates and soaring prices for construction materials. Also, market competition has intensified. As a result, revenue was 66,145 million yen, down 9.6% year on year.

In Asia, demand for tools remained weak overall as the prolonged property recession in China has spread to neighboring countries. As a result, revenue was 33,441 million yen, down 2.9% year on year.

In Central and South America, sales continued to be strong in the major countries, and we made efforts to expand sales of XGT series and cordless OPE in various countries. As a result, revenue was 38,681 million, up 4.2% year on year.

In Oceania, although the real estate market remained sluggish due to the impact of monetary tightening, sales of cordless OPE underpinned sales and the yen also depreciated against the local currencies. As a result, revenue was 41,483 million yen, up 0.3% year on year.

In the Middle East and Africa, although there were variations depending on the country, construction and building demand was firm overall. As a result, revenue was 13,460 million yen, up 17.3% year on year.

(2) Overview of financial situation as of December 31, 2024

Total assets increased 48,745 million yen from the end of the previous fiscal year to 1,104,553 million yen. This increase was mainly due to the increase in "Cash and cash equivalents."

Total liabilities decreased 6,793 million yen from the end of the previous fiscal year to 173,809 million yen. This decrease was mainly due to the reduction in "Borrowings."

Total equity increased 55,538 million yen from the end of the previous fiscal year to 930,744 million yen. This increase was mainly due to the change in exchange differences on translating foreign operations included in "Other components of equity."



(3) Outlook for the fiscal year ending March 31, 2025

During the nine-month period of this fiscal year, despite sluggish sales growth due to the challenging environment for sales, profits were better than the Company's expectations due to the reduction of various costs and the impact of foreign exchange. While we expect the sales environment to remain challenging in the remaining quarter, given our recent financial performance, we are revising the forecast announced on October 30, 2024.

Revised forecast for consolidated performance of the fiscal year ending March 31, 2025 (From April 1, 2024, to March 31, 2025)

	Yen (millions)			Yen	
	Revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the parent	Profit attributable to owners of the parent per share (Basic)
Forecast announced previously (A).....	730,000	85,000	84,000	61,000	226.74
Revised forecast (B)	730,000	99,000	99,000	72,000	267.63
Changes (B-A)	0	14,000	15,000	11,000	-
Percentage change.....	0.0%	16.5%	17.9%	18.0%	-
Actual results for the previous year ended March 31, 2024	741,391	66,169	64,017	43,691	162.13

The assumed exchange rates applied in the forecast calculation are as follows;

[Preconditions]

The forecast is based on the assumption of exchange rates of 145 yen to the U.S. dollar, 155 yen to the euro and 20.3 yen to the renminbi for the remaining three months period ending March 31, 2025.

The forecast is based on the assumption of exchange rates of 151 yen to the U.S. dollar, 162 yen to the euro and 21.0 yen to the renminbi for the year ending March 31, 2025.

[Reference]

The exchange rates for previously announced forecasts that we announced on April 26, 2024 were 145 yen to the U.S. dollar, 155 yen to the euro and 20.0 yen to the renminbi for the year ending March 31, 2025.

The exchange rates for previously announced forecasts that we announced on October 30, 2024 were 149 yen to the U.S. dollar, 161 yen to the euro and 20.8 yen to the renminbi for the year ending March 31, 2025.

(Note)

The above forecast is based on information as available at the present time and includes potential risks and uncertainties. As a consequence of the factors above and other, actual results may vary significantly from the forecast provided above.



2. Consolidated Financial Statements (Unaudited)

(1) Consolidated Statement of Financial Position

	Yen (millions)	
	As of March 31, 2024	As of December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	196,645	262,233
Trade and other receivables.....	116,267	93,297
Inventories.....	345,491	346,594
Other financial assets.....	18,561	21,424
Other current assets.....	16,671	20,558
Total current assets.....	693,635	744,106
NON-CURRENT ASSETS:		
Property, plant and equipment, at cost.....	277,248	274,991
Goodwill and intangible assets.....	10,206	9,800
Other financial assets.....	37,835	40,249
Retirement benefit assets.....	14,968	15,048
Deferred tax assets.....	19,670	18,339
Other non-current assets.....	2,246	2,022
Total non-current assets.....	362,173	360,448
Total assets.....	1,055,808	1,104,553

	Yen (millions)	
	As of March 31, 2024	As of December 31, 2024
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Trade and other payables.....	49,987	54,114
Borrowings.....	19,891	11,274
Other financial liabilities.....	6,067	6,906
Income taxes payable.....	9,113	10,326
Provisions.....	5,113	5,486
Other current liabilities.....	55,304	49,537
Total current liabilities.....	145,475	137,643
NON-CURRENT LIABILITIES:		
Retirement benefit liabilities.....	3,269	3,254
Other financial liabilities.....	17,150	17,131
Provisions.....	1,960	1,846
Deferred tax liabilities.....	12,546	13,733
Other non-current liabilities.....	202	201
Total non-current liabilities.....	35,127	36,166
Total liabilities.....	180,602	173,809
EQUITY		
Share Capital.....	23,805	23,805
Capital Surplus.....	45,607	46,048
Retained earnings.....	669,359	713,226
Treasury shares.....	(21,501)	(21,480)
Other components of equity.....	150,886	162,176
Total equity attributable to owners of the parent.....	868,156	923,774
NON-CONTROLLING INTEREST.....	7,050	6,970
Total equity.....	875,206	930,744
Total liabilities and equity.....	1,055,808	1,104,553



(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income
Consolidated Statements of Profit or Loss

	Yen (millions)	
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
REVENUE.....	550,614	568,555
Cost of sales.....	(384,052)	(365,390)
GROSS PROFIT.....	166,562	203,166
Selling, general, administrative and others, net.....	(118,513)	(120,831)
OPERATING PROFIT.....	48,049	82,334
Financial income.....	3,396	5,340
Financial expenses.....	(5,332)	(3,932)
PROFIT BEFORE INCOME TAXES.....	46,113	83,742
Income tax expenses.....	(13,645)	(21,690)
PROFIT.....	32,468	62,052
Profit attributable to:		
Owners of the parent.....	32,637	61,843
Non-controlling interests.....	(169)	209
Profit attributable to owners of the parent per share (Basic)(yen).....	121.04	229.88

Consolidated Statements of Comprehensive Income

	Yen (millions)	
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
PROFIT.....	32,468	62,052
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		
Items that will not be reclassified to profit (loss)		
Equity financial goods measured at fair value through other comprehensive income (loss).....	3,590	430
Total of items that will not be reclassified to profit (loss).....	3,590	430
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations.....	36,033	10,618
Total of items that may be reclassified to profit (loss).....	36,033	10,618
Total other comprehensive income (loss), net of tax.....	39,623	11,048
COMPREHENSIVE INCOME.....	72,091	73,101
Comprehensive income attributable to:		
Owners of the parent.....	71,829	73,181
Non-controlling interests.....	262	(80)



(3) Consolidated Statement of Changes in Equity

	Yen (millions)							
	For the nine months ended December 31, 2023							
	Equity attributable to owners of the parent						Non-Controlling interest	Total equity
Share capital	Capital Surplus	Retained earnings	Treasury shares	Other components of equity	Total			
Balance at April 1, 2023	23,805	45,606	629,314	(11,528)	82,050	769,247	6,452	775,699
Profit for the period			32,637			32,637	(169)	32,468
Other comprehensive income					39,192	39,192	431	39,623
Comprehensive income	-	-	32,637	-	39,192	71,829	262	72,091
Dividends paid			(5,677)			(5,677)		(5,677)
Purchase of treasury shares				(10,002)		(10,002)		(10,002)
Disposal of treasury shares		0		0		0		0
Share-based payment transaction		5		17		22		22
Transfer from other components of equity to retained earnings			77		(77)	-		-
Total amounts of transactions with owners	-	5	(5,600)	(9,985)	(77)	(15,657)	-	(15,657)
Balance at December 31, 2023	23,805	45,611	656,351	(21,513)	121,165	825,419	6,714	832,133

	Yen (millions)							
	For the nine months ended December 31, 2024							
	Equity attributable to owners of the parent						Non-Controlling interest	Total equity
Share capital	Capital Surplus	Retained earnings	Treasury shares	Other components of equity	Total			
Balance at April 1, 2024	23,805	45,607	669,359	(21,501)	150,886	868,156	7,050	875,206
Profit for the period			61,843			61,843	209	62,052
Other comprehensive income					11,338	11,338	(289)	11,048
Comprehensive income	-	-	61,843	-	11,338	73,181	(80)	73,101
Dividends paid			(18,025)			(18,025)		(18,025)
Additional purchase of shares of subsidiaries		404				404		404
Purchase of treasury shares				(3)		(3)		(3)
Share-based payment transaction		37		23		61		61
Transfer from other components of equity to retained earnings			48		(48)	-		-
Total amounts of transactions with owners	-	441	(17,977)	21	(48)	(17,563)	-	(17,563)
Balance at December 31, 2024	23,805	46,048	713,226	(21,480)	162,176	923,774	6,970	930,744



(4) Consolidated Statements of Cash Flows

	Yen (millions)	
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit.....	32,468	62,052
Depreciation and amortization.....	21,689	22,340
Income tax expenses.....	13,645	21,690
Financial income and expenses.....	1,936	(1,408)
Loss (gain) on sales and retirement of property, plant and equipment..	603	(161)
Decrease (increase) in trade and other receivables.....	24,260	23,105
Decrease (increase) in inventories.....	119,834	3,396
Increase (decrease) in trade and other payables.....	(1,301)	4,682
Increase (decrease) in retirement benefit assets and liabilities.....	69	(80)
Decrease (increase) in guarantee deposits.....	-	(1,401)
Other.....	(14,012)	(9,918)
Subtotal.....	199,191	124,297
Dividends received.....	662	775
Interest received.....	2,694	4,705
Interest paid.....	(2,540)	(1,027)
Income taxes paid.....	(9,260)	(17,937)
Cash flows from operating activities.....	190,747	110,813
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of non-current assets.....	(15,814)	(15,327)
Proceeds from sales of non-current assets.....	417	878
Purchase of investments.....	(10)	(600)
Proceeds from sales and redemption of investments.....	151	22
Payments into time deposits.....	(9,993)	(30,251)
Proceeds from withdrawal of time deposits.....	2,197	28,463
Other.....	(337)	116
Cash flows from investing activities.....	(23,389)	(16,699)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in short-term borrowings.....	(165,963)	(8,790)
Purchase and sales of treasury shares, net.....	(10,002)	(3)
Cash dividends paid.....	(5,677)	(18,025)
Repayment of lease liabilities.....	(3,190)	(3,651)
Other.....	130	6
Cash flows from financing activities.....	(184,702)	(30,462)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS.....		
	6,264	1,936
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(11,080)	65,588
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD.....	162,720	196,645
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	151,640	262,233



(5) Notes to Consolidated Financial Statements

Notes on the assumptions for a going concern: None

Segment Information

	Yen (millions)							
	For the nine months ended December 31, 2023							
	Japan	Europe	North America	Asia	Total	Other	Eliminations	Consolidated
Revenue:								
External customers	104,660	263,655	75,165	24,953	468,433	82,181	-	550,614
Inter-segment	129,402	7,889	3,014	158,093	298,398	227	(298,625)	-
Total	<u>234,062</u>	<u>271,544</u>	<u>78,179</u>	<u>183,046</u>	<u>766,831</u>	<u>82,408</u>	<u>(298,625)</u>	<u>550,614</u>
Operating profit (loss)	20,478	10,007	(3,404)	12,400	39,481	3,772	4,796	48,049

	Yen (millions)							
	For the nine months ended December 31, 2024							
	Japan	Europe	North America	Asia	Total	Other	Eliminations	Consolidated
Revenue:								
External customers	108,745	282,728	68,288	23,818	483,579	84,976	-	568,555
Inter-segment	214,890	13,583	2,971	212,383	443,827	253	(444,080)	-
Total	<u>323,635</u>	<u>296,311</u>	<u>71,259</u>	<u>236,201</u>	<u>927,406</u>	<u>85,229</u>	<u>(444,080)</u>	<u>568,555</u>
Operating profit	21,024	27,191	661	22,645	71,521	5,831	4,982	82,334



3. SUPPORT DOCUMENTATION (CONSOLIDATED)

(1) Consolidated Financial Results and Forecast

	Yen (millions)			
	For the nine months ended December 31, 2023		For the nine months ended December 31, 2024	
		(%)		(%)
REVENUE.....	550,614	(5.1)	568,555	3.3
Domestic.....	91,697	1.0	94,751	3.3
Overseas.....	458,917	(6.2)	473,804	3.2
Operating profit.....	48,049	76.9	82,334	71.4
Profit before income taxes.....	46,113	77.3	83,742	81.6
Profit attributable to owners of the parent.....	32,637	129.5	61,843	89.5
Profit attributable to owners of the parent per share (Yen)....	121.04		229.88	
Number of Employees.....	17,816		17,588	

	Yen (millions)			
	For the year ended March 31, 2024		For the year ending March 31, 2025 (Forecast)	
		(%)		(%)
REVENUE.....	741,391	(3.0)	730,000	(1.5)
Domestic.....	123,222	0.2	125,000	1.4
Overseas.....	618,169	(3.7)	605,000	(2.1)
Operating profit.....	66,169	134.3	99,000	49.6
Profit before income taxes.....	64,017	168.0	99,000	54.6
Profit attributable to owners of the parent.....	43,691	273.3	72,000	64.8
Profit attributable to owners of the parent per share (Yen)....	162.13		267.63	
Number of Employees.....	17,669		-	

Notes:

1. Please refer to 1. Overview of operating results Section 3 "Outlook for the fiscal year ending March 31, 2025" on page 4.
2. The table above shows the changes in the percentage ratio of revenue, operating profit, profit before income taxes, and profit attributable to owners of the parent compared to the corresponding period of the previous year.

(2) Consolidated Revenue by Geographic Area

	Yen (millions)					
	For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		For the year ended March 31, 2024	
		(%)		(%)		(%)
Japan	91,697	1.0	94,751	3.3	123,222	0.2
Europe	261,298	(0.7)	280,594	7.4	356,491	2.1
North America	73,190	(20.8)	66,145	(9.6)	93,677	(21.3)
Asia	34,450	(18.4)	33,441	(2.9)	46,133	(13.4)
Central and South America	37,137	0.8	38,681	4.2	49,697	5.2
Oceania	41,370	(6.4)	41,483	0.3	56,340	(3.8)
The Middle East and Africa	11,472	6.0	13,460	17.3	15,831	8.9
Total	550,614	(5.1)	568,555	3.3	741,391	(3.0)

Notes:

1. The table above sets forth Makita's consolidated revenue by geographic area based on the customer's location for the periods presented. Accordingly, it differs from "Segment Information" on page 10.
2. The table shows the changes in the percentage ratio of revenue compared to the corresponding period of the previous year.

(3) Exchange Rates

	Yen			
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024	For the year ended March 31, 2024	For the year ending March 31, 2025 (Forecast)
	USD/JPY	143.33	152.64	144.59
EUR/JPY	155.32	164.89	156.75	162
RMB/JPY	19.98	21.16	20.13	21.0

(4) Production Ratio (unit basis)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024	For the year ended March 31, 2024
	Composition ratio	Composition ratio	Composition ratio
	Domestic	8.5%	7.2%
Overseas	91.5%	92.8%	91.7%

(5) Consolidated Capital Expenditures, Depreciation and Amortization, and R&D costs

	Yen (millions)			
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024	For the year ended March 31, 2024	For the year ending March 31, 2025 (Forecast)
	Capital expenditures	15,814	15,327	17,851
Depreciation and amortization ..	18,615	18,838	24,754	25,000
R&D costs	10,797	11,232	14,314	15,500