

MAKITA CORP  
Form 6-K  
October 31, 2011

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 or 15d-16 UNDER**

**THE SECURITIES EXCHANGE ACT OF 1934**

For the month of October, 2011

Commission file number 0-12602

**MAKITA CORPORATION**

(Translation of registrant's name into English)

3-11-8, Sumiyoshi-cho, Anjo City, Aichi Prefecture, Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MAKITA CORPORATION  
(Registrant)

By: /s/ Masahiko Goto  
Masahiko Goto  
President, Representative Director and

Chief Executive Officer

Date: October 31, 2011

**Makita Corporation**  
**Consolidated Financial Results**  
**for the six months**  
**ended September 30, 2011**  
**(U.S. GAAP Financial Information)**  
(English translation of KESSAN TANSHIN  
originally issued in Japanese)

## CONSOLIDATED FINANCIAL RESULTS

### FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2011 (Unaudited)

October 31, 2011

**Makita Corporation**

Stock code: 6586

URL: <http://www.makita.co.jp/>

Masahiko Goto, President, Representative Director &amp; CEO

**1. Summary operating results of the six months ended September 30, 2011 (From April 1, 2011 to September 30, 2011)****(1) CONSOLIDATED OPERATING RESULTS**

|   | Yen (millions)                                    |      |   |      |
|---|---|------|---|------|
|   | For the six months ended<br>September 30,<br>2010 |      | For the six months ended<br>September<br>30, 2011 |      |
|   |   | %    |   | %    |
| Net sales                                     | 133,807   | 12.7 | 153,036   | 14.4 |
| Operating income                              | 21,843  | 46.9 | 26,953  | 23.4 |
| Income before income taxes                    | 21,751  | 25.9 | 24,514  | 12.7 |
| Net income attributable to Makita Corporation | 15,122  | 42.4 | 17,104  | 13.1 |
| Comprehensive income (loss)                   | (1,413)   |      | (1,556)   |      |

|  | Yen   |   |
|--|---|---|
|  | For the six months ended<br>September 30,<br>2010 | For the six months ended<br>September<br>30, 2011 |
| Earning per share (Basic)              |   |   |
| Net income attributable to             |   |   |
| Makita Corporation common shareholders | 109.77  | 124.16  |

Notes:

- Amounts of less than one million yen have been rounded.
- The table above shows the changes in the percentage ratio of net sales, operating income, income before income taxes, net income attributable to Makita Corporation, and comprehensive income (loss) against the corresponding period of the previous year.

**(2) SELECTED CONSOLIDATED FINANCIAL POSITION**

|  | Yen (millions)       |                          |
|--|----------------------|--------------------------|
|  | As of March 31, 2011 | As of September 30, 2011 |
| Total assets   | 372,507              | 359,691                  |
| Total equity   | 309,678              | 300,924                  |
| Total Makita Corporation shareholders equity                           | 307,149              | 298,684                  |
| Total Makita Corporation shareholders equity ratio to total assets (%) | 82.5%                | 83.0%                    |

|  | Yen   |   |
|--|---|---|
|  | For the six months ended<br>September 30,<br>2010 | For the six months ended<br>September<br>30, 2011 |
| Total Makita Corporation shareholders equity per share | 2,229.63  | 2,168.28  |

**2. Dividend Information**

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|                                 | For the<br>year<br>ended<br>March 31,<br>2011 | Yen<br><br>For the year ending<br>March 31, 2012 |
|---------------------------------|---|--|
| <b>Cash dividend per share:</b> |   |  |
| Interim                         | 15.00   | 15.00  |
| Year-end                        | 51.00   | (Note)   |
| Total                           | 66.00   | (Note)   |
| Notes:                          |   |  |

1. The forecast for cash dividend announced on April 28, 2011 has not been revised.
2. The projected amount of dividends for the year ending March 31, 2012 has not been determined yet. For further details, refer to Explanation regarding proper use of business forecasts, and other significant matters .

*English translation of KESSAN TANSHIN originally issued in Japanese*

**3. Consolidated Financial Performance Forecast for the year ending March 31, 2012 (From April 1, 2011 to March 31, 2012)**

|   | Yen (millions)                     |       |
|---|------------------------------------|-------|
|   | For the year ending March 31, 2012 |       |
|   |                                    | %     |
| Net sales                                     | 285,000                            | 4.5   |
| Operating income                              | 44,500                             | 6.2   |
| Income before income taxes                    | 41,900                             | (1.9) |
| Net income attributable to Makita Corporation | 29,100                             | (2.7) |

|   | Yen    |
|---|--------|
| Earning per share (Basic)   |        |
| Net income attributable to Makita Corporation common shareholders | 211.25 |

Note:

The consolidated financial forecast for the year ending March 31, 2012 has been revised.

**4. Other**

(Refer to [Qualitative Information and Financial Statements] Section 4 Other on page 5.)

- (1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None
- (2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles: None
- (4) Number of shares outstanding (common stock)
  1. Number of shares issued (including treasury stock):
 

|                           |             |
|---------------------------|-------------|
| As of September 30, 2011: | 140,008,760 |
| As of March 31, 2011:     | 140,008,760 |
  2. Number of treasury stock:
 

|                           |           |
|---------------------------|-----------|
| As of September 30, 2011: | 2,257,392 |
| As of March 31, 2011:     | 2,251,061 |
  3. Average number of shares outstanding:
 

|  |             |
|--|-------------|
| For the six months ended September 30, 2011: | 137,755,000 |
| For the six months ended September 30, 2010: | 137,759,993 |

Information regarding quarterly review

This consolidated financial results report is not subject to a quarterly review stipulated under the Financial Instruments and Exchange Act. As of the release date of this document, the quarterly review under the Financial Instruments and Exchange Act has not been completed.

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

Regarding the assumptions for the forecasts and other matters, refer to [Qualitative Information and Financial Statements] Section 3 Qualitative Information on Consolidated Financial Performance Forecast on page 4. The financial forecasts given above are based on information as available at the present time, and include potential risks and uncertainties. As a consequence of the factors above and other, actual results may

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vary from the forecasts provided above.

Makita's basic policy on the distribution of profits is to maintain a consolidated dividend payout ratio of 30% or greater, with a lower limit on annual cash dividends of 18 yen per share. However, in the event special circumstances arise, computation of the amount of dividends will be based on consolidated net income attributable to Makita Corporation after certain adjustments for such special circumstances.

The Board of Directors plans to meet in April 2012 for a report on earnings for the year ending March 31, 2012. 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 30% of net income attributable to Makita Corporation. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2012.

The consolidated dividend payout ratio is calculated as annual dividends per share divided by consolidated net income attributable to Makita Corporation per share (after adjustments for special circumstances) and multiplied by 100.

*English translation of KESSAN TANSHIN originally issued in Japanese*

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**[Qualitative Information and Financial Statements]**

**1. Qualitative Information on Consolidated Operating Results**

During the six months (the period) ended September 30, 2011, the aggravation of fiscal problems and financial instabilities in Europe brought a downturn in South European economies, gradually decelerating even German and U.K. economies which had until then shown a recovery trend. In the United States, individual consumption and capital investments have been slow, adding to such problems as the uncertain employment situation and sluggish housing market. In Asia and Central and South America, economy was in a favorable condition on the whole, while there were signs of economic slowdown caused by austerity measures taken in China and Brazil. In Japan, business outlook remains uncertain with the March 11 earthquake inflicting serious damage on economic activities.

Against the backdrop of this economic climate, demand for power tools showed a robust increase in emerging countries that enjoy continuous economic growth, while demand rose only moderately in such developed economies as Europe and the United States where power tool markets have already matured. Meanwhile, Japan experienced an increased demand resulting from post-quake restoration and reconstruction efforts.

Under these circumstances, in development side, Makita continuously expanded its product lines, including power tools, rechargeable tools and outdoor power equipment (OPE) through the development of smaller and lighter tools or tools with lower noise and vibration. In production side, we strengthened our quality control system to continuously produce high-quality brands, while expanding our overseas production especially at our plant in China. In sales side, we established our 48th overseas subsidiary in Slovenia to strengthen our sales and service structures in the Balkan states. Through these steps, we strove to maintain and improve our sales and after-sales services proximate to the customers, which had already been our forte.

Meanwhile, to further strengthen our development structure for outdoor power equipment (OPE), especially engine-loaded products, we established an OPE R&D Center on the premises of Makita's Nisshin Office at Nisshin City in Aichi Prefecture in October this year. In view of the environmental preservation, engine-loaded products need technological improvements that reduce such products' emissions, noise and energy consumption. To achieve these improvements, Makita strives to increase its development capacity and efficiency through the establishment of the OPE R&D Center equipped with facilities for practical tests.

Our consolidated net sales for this period increased by 14.4% to 153,036 million yen compared to the same period of the previous year. This was because of the rollout of attractive new products as well as the success in expanding sales by making the most of our sales and service structures that have always been our strong point, although our overseas sales decreased in value due to the appreciation of the yen against other currencies, combined with the sluggish housing market in such developed countries. In terms of incomes, our operating income increased by 23.4% from the previous year to 26,953 million yen (operating income ratio 17.6%) because of an increase in sales. Meanwhile, income before income taxes showed a modest increase of 12.7% from the previous year to 24,514 million yen (income before income taxes ratio 16.0%) and net income attributable to Makita Corporation increased only by 13.1% from the previous year to 17,104 million yen (net income attributable to Makita Corporation ratio 11.2%) because of exchange loss amounting to 2,465 million yen resulting from drastic exchange rate fluctuations and because of realized losses on securities amounting to 602 million yen resulting from a fall in stock prices.

Net sales by region are as follows:

Net sales in Japan increased by 13.9% to 25,263 million yen compared to the same period of the previous year because of an increased demand resulting from post-quake restoration and reconstruction efforts, in addition to strong sales of rechargeable tools such as impact drivers as well as compact hammer drills incorporating Makita's proprietary low-vibration (AVT) mechanism.

Net sales in Europe increased by 13.3% to 64,604 million yen due to active demand in Russia, even though the increase of demand slowed down in such western European countries as Germany.

Net sales in North America increased by 7.3% to 19,822 million yen as strong demand continued for rechargeable power tools mounted with lithium-ion batteries, even though sales suffered a substantial decline in value due to the yen's appreciation and a slowdown in the U.S. housing market.

Net sales in Asia increased by 24.1% to 14,136 million yen as strong demand continued in such Southeast Asian countries as Thailand and Indonesia.

*English translation of KESSAN TANSHIN originally issued in Japanese*

Net sales in the Middle East and Africa decreased by 3.0% to 7,007 million yen as economic activities stagnated due to the political instabilities in some parts of these regions. Meanwhile, net sales in Central and South America increased by 31.1% to 12,618 million yen and net sales in Oceania increased by 21.5% to 9,586 million yen. These last two regions have shown a substantial increase in sales because their economies have been in good condition.

## 2. Qualitative Information on Consolidated Financial Position

Total assets as of September 30, 2011 decreased by 12,816 million yen to 359,691 million yen compared to the balance as of March 31, 2011. The main reason is a decrease in value of the assets held by Makita's overseas subsidiaries due to the yen's appreciation and a decrease in Cash and cash equivalents, Time deposits, and Short-term investments that resulted from payment of dividends and other expenditures, even though Inventories increased thanks to production increase.

Total liabilities as of September 30, 2011 decreased by 4,062 million yen to 58,767 million yen compared to the balance as of March 31, 2011. This decrease was mainly due to the decrease in Trade notes and accounts payable.

Total equity as of September 30, 2011 decreased by 8,754 million yen to 300,924 million yen compared to the balance as of March 31, 2011. This decrease was mainly attributable to the increase in Accumulated other comprehensive loss due to a change in foreign currency translation adjustment because of the stronger yen against other currencies compared with that as of March 31, 2011.

## 3. Qualitative Information on Consolidated Financial Performance Forecast

While demand for power tools is expected to remain robust, the yen's value against major currencies is predicted to trend higher than the Company's projections released on April 28, 2011. In view of these circumstances, we revised our previous performance forecasts as follows:

### Revised Forecasts for consolidated performance during the fiscal 2012 (From April 1, 2011 to March 31, 2012)

|   | Yen (millions) |                  |                            |   | Yen   |
|---|----------------|------------------|----------------------------|---|---|
|   | Net sales      | Operating income | Income before income taxes | Net income attributable to Makita Corporation | Earning per share (Basic) Net income attributable to Makita Corporation common shareholders |
| Outlook announced previously (A)                          | 285,000        | 45,000           | 45,800                     | 31,900  | 231.57  |
| <b>Revised forecasts (B)</b>                              | <b>285,000</b> | <b>44,500</b>    | <b>41,900</b>              | <b>29,100</b>                                 | <b>211.25</b>   |
| Changes (B-A)   |                | (500)            | (3,900)                    | (2,800)                                       |   |
| Percentage revision                                       |                | (1.1%)           | (8.5%)                     | (8.8%)  |   |
| Actual results for the previous year ended March 31, 2011 | 272,630        | 41,909           | 42,730                     | 29,905  | 217.08  |

The above forecasts are based on the assumption of exchange rates of 77 yen to the U.S. dollar and 102 yen to the euro for the six months period ending March 31, 2012.

The above forecasts are based on the assumption of exchange rates of 78 yen to the U.S. dollar and 108 yen to the euro for the year ending March 31, 2012.

(Reference) Our previous exchange rates that we announced on April 28, 2011 were 83 yen to the U.S. dollar and 118 yen to the euro.

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

*English translation of KESSAN TANSHIN originally issued in Japanese*

**4. Other**

(1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None

(2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements:

With regard to the income tax expenses, the Company computes interim income tax expense by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes for the reporting period.

(3) Changes in accounting principles: None

*English translation of KESSAN TANSHIN originally issued in Japanese*

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## 5. Consolidated Financial Statements (Unaudited)

### (1) Consolidated Balance Sheets

|  | Yen (millions)       |                   |                          |                   |
|--|----------------------|-------------------|--------------------------|-------------------|
|  | As of March 31, 2011 |                   | As of September 30, 2011 |                   |
|  |                      | Composition ratio |                          | Composition ratio |
| <b>ASSETS</b>                                  |                      |                   |                          |                   |
| <b>CURRENT ASSETS:</b>                         |                      |                   |                          |                   |
| Cash and cash equivalents                      | 51,833               |                   | 48,644                   |                   |
| Time deposits                                  | 15,719               |                   | 6,872                    |                   |
| Short-term investments                         | 33,555               |                   | 29,701                   |                   |
| Trade receivables-                             |                      |                   |                          |                   |
| Notes  | 1,914                |                   | 1,609                    |                   |
| Accounts                                       | 46,785               |                   | 45,894                   |                   |
| Less- Allowance for doubtful receivables       | (935)                |                   | (829)                    |                   |
| Inventories                                    | 110,595              |                   | 114,622                  |                   |
| Deferred income taxes                          | 6,039                |                   | 6,045                    |                   |
| Prepaid expenses and other current assets      | 9,990                |                   | 9,908                    |                   |
| <b>Total current assets</b>                    | <b>275,495</b>       | <b>74.0%</b>      | <b>262,466</b>           | <b>73.0%</b>      |
| <b>PROPERTY, PLANT AND EQUIPMENT, at cost:</b> |                      |                   |                          |                   |
| Land   | 20,065               |                   | 19,748                   |                   |
| Buildings and improvements                     | 72,201               |                   | 70,710                   |                   |
| Machinery and equipment                        | 73,195               |                   | 72,056                   |                   |
| Construction in progress                       | 1,369                |                   | 2,963                    |                   |
|  | 166,830              |                   | 165,477                  |                   |
| Less- Accumulated depreciation                 | (94,792)             |                   | (94,039)                 |                   |
| <b>Total net property, plant and equipment</b> | <b>72,038</b>        | <b>19.3%</b>      | <b>71,438</b>            | <b>19.9%</b>      |
| <b>INVESTMENTS AND OTHER ASSETS:</b>           |                      |                   |                          |                   |
| Investments                                    | 17,069               |                   | 17,185                   |                   |
| Goodwill                                       | 721                  |                   | 721                      |                   |
| Other intangible assets, net                   | 4,595                |                   | 4,529                    |                   |
| Deferred income taxes                          | 1,403                |                   | 1,689                    |                   |
| Other assets                                   | 1,186                |                   | 1,663                    |                   |
| <b>Total investments and other assets</b>      | <b>24,974</b>        | <b>6.7%</b>       | <b>25,787</b>            | <b>7.1%</b>       |
| <b>Total assets</b>                            | <b>372,507</b>       | <b>100.0%</b>     | <b>359,691</b>           | <b>100.0%</b>     |

|   | Yen (millions)       |                   |                          |                   |
|---|----------------------|-------------------|--------------------------|-------------------|
|   | As of March 31, 2011 |                   | As of September 30, 2011 |                   |
|   |                      | Composition ratio |                          | Composition ratio |
| <b>LIABILITIES</b>                                  |                      |                   |                          |                   |
| <b>CURRENT LIABILITIES:</b>                         |                      |                   |                          |                   |
| Short-term borrowings                               | 868                  |                   | 2,558                    |                   |
| Trade notes and accounts payable                    | 25,691               |                   | 20,890                   |                   |
| Other payables                                      | 4,386                |                   | 5,831                    |                   |
| Accrued expenses                                    | 6,125                |                   | 5,613                    |                   |
| Accrued payroll                                     | 7,543                |                   | 7,472                    |                   |
| Income taxes payable                                | 4,317                |                   | 4,643                    |                   |
| Deferred income taxes                               | 112                  |                   | 129                      |                   |
| Other current liabilities                           | 7,183                |                   | 5,511                    |                   |
| <b>Total current liabilities</b>                    | <b>56,225</b>        | <b>15.1%</b>      | <b>52,647</b>            | <b>14.6%</b>      |
| <b>LONG-TERM LIABILITIES:</b>                       |                      |                   |                          |                   |
| Long-term indebtedness                              | 19                   |                   | 15                       |                   |
| Accrued retirement and termination benefits         | 3,128                |                   | 2,819                    |                   |
| Deferred income taxes                               | 746                  |                   | 710                      |                   |
| Other liabilities                                   | 2,711                |                   | 2,576                    |                   |
| <b>Total long-term liabilities</b>                  | <b>6,604</b>         | <b>1.8%</b>       | <b>6,120</b>             | <b>1.7%</b>       |
| <b>Total liabilities</b>                            | <b>62,829</b>        | <b>16.9%</b>      | <b>58,767</b>            | <b>16.3%</b>      |
| <b>EQUITY</b>                                       |                      |                   |                          |                   |
| <b>MAKITA CORPORATION SHAREHOLDERS EQUITY:</b>      |                      |                   |                          |                   |
| Common stock  | 23,805               |                   | 23,805                   |                   |
| Additional paid-in capital                          | 45,420               |                   | 45,421                   |                   |
| Legal reserve                                       | 5,669                |                   | 5,669                    |                   |
| Retained earnings                                   | 293,532              |                   | 303,611                  |                   |
| Accumulated other comprehensive income (loss)       | (54,824)             |                   | (73,345)                 |                   |
| Treasury stock, at cost                             | (6,453)              |                   | (6,477)                  |                   |
| <b>Total Makita Corporation shareholders equity</b> | <b>307,149</b>       | <b>82.5%</b>      | <b>298,684</b>           | <b>83.0%</b>      |
| <b>NONCONTROLLING INTEREST</b>                      | <b>2,529</b>         | <b>0.6%</b>       | <b>2,240</b>             | <b>0.7%</b>       |
| <b>Total equity</b>                                 | <b>309,678</b>       | <b>83.1%</b>      | <b>300,924</b>           | <b>83.7%</b>      |
| <b>Total liabilities and equity</b>                 | <b>372,507</b>       | <b>100.0%</b>     | <b>359,691</b>           | <b>100.0%</b>     |

As of March 31, 2011      As of September 30, 2011

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|  |             |             |
|--|-------------|-------------|
| Total number of shares authorized                  | 496,000,000 | 496,000,000 |
| Number of shares issued                            | 140,008,760 | 140,008,760 |
| Number of shares issued (excluding treasury stock) | 137,757,699 | 137,751,368 |
| Number of treasury stock                           | 2,251,061   | 2,257,392   |

*English translation of KESSAN TANSHIN originally issued in Japanese*

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**(2) Consolidated Statements of Income**

|   | Yen (millions)                                 |        |  |        |
|---|--|--------|--|--------|
|   | For the six months ended<br>September 30, 2010 |        | For the six months ended<br>September 30, 2011 |        |
|   | Composition ratio                              |        | Composition ratio                              |        |
| <b>NET SALES</b>  | 133,807  | 100.0% | 153,036  | 100.0% |
| Cost of sales   | 81,270   | 60.7%  | 92,701   | 60.6%  |
| <b>GROSS PROFIT</b>   | 52,537   | 39.3%  | 60,335   | 39.4%  |
| Selling, general, administrative and other, net               | 30,694   | 23.0%  | 33,382   | 21.8%  |
| <b>OPERATING INCOME</b>                                       | 21,843   | 16.3%  | 26,953   | 17.6%  |
| <b>OTHER INCOME (EXPENSES):</b>                               |  |        |  |        |
| Interest and dividend income                                  | 633  |        | 723  |        |
| Interest expense  | (18)   |        | (95)   |        |
| Exchange gains (losses) on foreign currency transactions, net | (811)  |        | (2,465)  |        |
| Realized gains (losses) on securities, net                    | 104  |        | (602)  |        |
| <b>Total</b>  | (92)   | (0.0)% | (2,439)  | (1.6)% |
| <b>INCOME BEFORE INCOME TAXES</b>                             | 21,751   | 16.3%  | 24,514   | 16.0%  |
| <b>PROVISION FOR INCOME TAXES:</b>                            |  |        |  |        |
| Current   | 5,452  |        | 7,459  |        |
| Deferred  | 981  |        | (189)  |        |
| <b>Total</b>  | 6,433  | 4.9%   | 7,270  | 4.7%   |
| <b>NET INCOME</b>   | 15,318   | 11.4%  | 17,244   | 11.3%  |
| Less: Net income attributable to the noncontrolling interest  | (196)  | (0.1)% | (140)  | (0.1)% |
| <b>NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION</b>          | 15,122   | 11.3%  | 17,104   | 11.2%  |

English translation of *KESSAN TANSHIN* originally issued in Japanese

**(3) Consolidated Statements of Changes in Equity & Comprehensive Income (Loss)**

Yen (millions)

|  | For the six months ended September 30, 2010 |   |               |                   |  |                |                          |          | Comprehensive income (Loss)                   |   |          |
|--|---|---|---------------|-------------------|--|----------------|--------------------------|----------|---|---|----------|
|  | Common stock                                | Makita Corporation additional paid-in capital | Legal reserve | Retained earnings | Makita Corporation shareholders' equity<br>Accumulated other comprehensive income (loss) | Treasury stock | Non-controlling interest | Total    | Net income attributable to Makita Corporation | Net income attributable to the non-controlling interest | Total    |
| Beginning balance  | 23,805                                      | 45,420  | 5,669         | 270,790           | (42,032)   | (6,445)        | 2,466                    | 299,673  |   |   |          |
| Purchases and disposal of treasury stock, net                      |   |   |               |                   |  | (2)            |                          | (2)      |   |   |          |
| Cash dividends   |   |   |               | (5,097)           |  |                | (136)                    | (5,233)  |   |   |          |
| Comprehensive income (loss)  |   |   |               |                   |  |                |                          |          |   |   |          |
| Net income   |   |   |               | 15,122            |  |                | 196                      | 15,318   | 15,122  | 196   | 15,318   |
| Foreign currency translation adjustment                            |   |   |               |                   | (14,810)   |                | (220)                    | (15,030) | (14,810)                                      | (220)   | (15,030) |
| Unrealized holding gains (losses) on available-for-sale securities |   |   |               |                   | (1,734)  |                |                          | (1,734)  | (1,734)                                       |   | (1,734)  |
| Pension liability adjustment                                       |   |   |               |                   | 33   |                |                          | 33       | 33  |   | 33       |
| Total comprehensive income (loss)                                  |   |   |               |                   |  |                |                          |          | (1,389)                                       | (24)  | (1,413)  |
| Ending balance   | 23,805                                      | 45,420  | 5,669         | 280,815           | (58,543)   | (6,447)        | 2,306                    | 293,025  |   |   |          |

Yen (millions)

|  | For the six months ended September 30, 2011 |   |               |                   |  |                |                          |          | Comprehensive income (Loss)                   |   |          |
|--|---|---|---------------|-------------------|--|----------------|--------------------------|----------|---|---|----------|
|  | Common stock                                | Makita Corporation additional paid-in capital | Legal reserve | Retained earnings | Makita Corporation shareholders' equity<br>Accumulated other comprehensive income (loss) | Treasury stock | Non-controlling interest | Total    | Net income attributable to Makita Corporation | Net income attributable to the non-controlling interest | Total    |
| Beginning balance  | 23,805                                      | 45,420  | 5,669         | 293,532           | (54,824)   | (6,453)        | 2,529                    | 309,678  |   |   |          |
| Purchases and disposal of treasury stock, net                      |   | 1   |               |                   |  | (24)           |                          | (23)     |   |   |          |
| Cash dividends   |   |   |               | (7,025)           |  |                | (150)                    | (7,175)  |   |   |          |
| Comprehensive income (loss)  |   |   |               |                   |  |                |                          |          |   |   |          |
| Net income   |   |   |               | 17,104            |  |                | 140                      | 17,244   | 17,104  | 140   | 17,244   |
| Foreign currency translation adjustment                            |   |   |               |                   | (17,914)   |                | (279)                    | (18,193) | (17,914)                                      | (279)   | (18,193) |
| Unrealized holding gains (losses) on available-for-sale securities |   |   |               |                   | (678)  |                |                          | (678)    | (678)   |   | (678)    |
| Pension liability adjustment                                       |   |   |               |                   | 71   |                |                          | 71       | 71  |   | 71       |
|  |   |   |               |                   |  |                |                          |          | (1,417)                                       | (139)   | (1,556)  |

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|                                   |        |        |       |         |          |         |       |         |
|-----------------------------------|--------|--------|-------|---------|----------|---------|-------|---------|
| Total comprehensive income (loss) |        |        |       |         |          |         |       |         |
| Ending balance                    | 23,805 | 45,421 | 5,669 | 303,611 | (73,345) | (6,477) | 2,240 | 300,924 |

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**(4) Condensed Consolidated Statements of Cash Flows**

|  | Yen (millions)                                    |   |
|--|---|---|
|  | For the six months<br>ended September 30,<br>2010 | For the six months<br>ended September 30,<br>2011 |
| Net cash provided by (used in) operating activities          | 14,285  | (1,692)   |
| Net cash provided by (used in) investing activities          | (10,186)  | 4,473   |
| Net cash used in financing activities                        | (5,338)   | (5,131)   |
| Effect of exchange rate changes on cash and cash equivalents | (3,385)   | (839)   |
| Net change in cash and cash equivalents                      | (4,624)   | (3,189)   |
| Cash and cash equivalents, beginning of period               | 62,290  | 51,833  |
| Cash and cash equivalents, end of period                     | 57,666  | 48,644  |

**(5) Notes on the assumptions for a going concern:** None**(6) Condensed Operating Segment Information**

|   | Yen (millions) |        |                  |        |        |         |          | Corporate<br>and elimi-<br>nations | Consoli-<br>dated |
|---|----------------|--------|------------------|--------|--------|---------|----------|------------------------------------|-------------------|
|   | Japan          | Europe | North<br>America | Asia   | Other  | Total   |          |                                    |                   |
| For the six months ended September 30, 2010 |                |        |                  |        |        |         |          |                                    |                   |
| Sales:                                      |                |        |                  |        |        |         |          |                                    |                   |
| (1) External customers                      | 30,340         | 56,830 | 18,542           | 5,978  | 22,117 | 133,807 |          |                                    | 133,807           |
| (2) Inter-segment                           | 22,583         | 1,385  | 1,388            | 46,377 | 48     | 71,781  | (71,781) |                                    |                   |
| Total                                       | 52,923         | 58,215 | 19,930           | 52,355 | 22,165 | 205,588 | (71,781) |                                    | 133,807           |
| Operating expenses                          | 49,369         | 50,716 | 18,908           | 45,597 | 18,966 | 183,556 | (71,592) |                                    | 111,964           |
| Operating income                            | 3,554          | 7,499  | 1,022            | 6,758  | 3,199  | 22,032  | (189)    |                                    | 21,843            |

|   | Yen (millions) |        |                  |        |        |         |          | Corporate<br>and elimi-<br>nations | Consoli-<br>dated |
|---|----------------|--------|------------------|--------|--------|---------|----------|------------------------------------|-------------------|
|   | Japan          | Europe | North<br>America | Asia   | Other  | Total   |          |                                    |                   |
| For the six months ended September 30, 2011 |                |        |                  |        |        |         |          |                                    |                   |
| Sales:                                      |                |        |                  |        |        |         |          |                                    |                   |
| (1) External customers                      | 35,001         | 64,618 | 20,129           | 6,942  | 26,346 | 153,036 |          |                                    | 153,036           |
| (2) Inter-segment                           | 28,291         | 1,620  | 1,842            | 59,093 | 279    | 91,125  | (91,125) |                                    |                   |
| Total                                       | 63,292         | 66,238 | 21,971           | 66,035 | 26,625 | 244,161 | (91,125) |                                    | 153,036           |
| Operating expenses                          | 54,594         | 58,199 | 20,595           | 59,678 | 22,256 | 215,322 | (89,239) |                                    | 126,083           |

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|  |       |       |       |       |       |        |         |        |
|--|-------|-------|-------|-------|-------|--------|---------|--------|
| Operating income   | 8,698 | 8,039 | 1,376 | 6,357 | 4,369 | 28,839 | (1,886) | 26,953 |
| (7) Note in case there is any significant change in the shareholders equity: | None  |       |       |       |       |        |         |        |

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SUPPORT DOCUMENTATION (CONSOLIDATED)**1. Consolidated Financial Results and Forecast**

|   | Yen (millions)           |        |                          |      |                          |      |
|---|--------------------------|--------|--------------------------|------|--------------------------|------|
|   | For the six months ended |        | For the six months ended |      | For the six months ended |      |
|   | September 30, 2009       | (%)    | September 30, 2010       | (%)  | September 30, 2011       | (%)  |
| Net sales                                     | 118,681                  | (32.4) | 133,807                  | 12.7 | 153,036                  | 14.4 |
| Domestic                                      | 20,831                   | (14.6) | 22,182                   | 6.5  | 25,263                   | 13.9 |
| Overseas                                      | 97,850                   | (35.3) | 111,625                  | 14.1 | 127,773                  | 14.5 |
| Operating income                              | 14,866                   | (58.8) | 21,843                   | 46.9 | 26,953                   | 23.4 |
| Income before income taxes                    | 17,271                   | (50.2) | 21,751                   | 25.9 | 24,514                   | 12.7 |
| Net income attributable to Makita Corporation | 10,622                   | (57.3) | 15,122                   | 42.4 | 17,104                   | 13.1 |
| Earning per share (Basic)                     |                          |        |                          |      |                          |      |
| Net income attributable to                    |                          |        |                          |      |                          |      |
| Makita Corporation common shareholders (Yen)  | 77.10                    |        | 109.77                   |      | 124.16                   |      |
| Cash dividend per share (Yen)                 | 15.00                    |        | 15.00                    |      | 15.00                    |      |
| Dividend payout ratio (%)                     | 19.5                     |        | 13.7                     |      | 12.1                     |      |
| Number of Employees                           | 10,131                   |        | 11,368                   |      | 12,177                   |      |

|   | Yen (millions)     |      |                     |            |
|---|--------------------|------|---------------------|------------|
|   | For the year ended |      | For the year ending |            |
|   | March 31, 2011     | (%)  | March 31, 2012      | (Forecast) |
| Net sales   | 272,630            | 10.9 | 285,000             | 4.5        |
| Domestic  | 46,065             | 7.9  | 49,500              | 7.5        |
| Overseas  | 226,565            | 11.5 | 235,500             | 3.9        |
| Operating income  | 41,909             | 37.9 | 44,500              | 6.2        |
| Income before income taxes  | 42,730             | 27.5 | 41,900              | (1.9)      |
| Net income attributable to Makita Corporation                           | 29,905             | 34.4 | 29,100              | (2.7)      |
| Earning per share (Basic)   |                    |      |                     |            |
| Net income attributable to Makita Corporation common shareholders (Yen) | 217.08             |      | 211.25              |            |
| Cash dividend per share (Yen)   | 66.00              |      |                     |            |
| Dividend payout ratio (%)   | 30.4               |      |                     |            |
| Number of Employees   | 12,054             |      |                     |            |

Note:

1. The table above shows the changes in the percentage ratio of Net sales, Operating income, Income before income taxes, and Net income attributable to Makita Corporation against the corresponding period of the previous year.
2. Please refer to [Qualitative Information on Consolidated Financial Performance Forecast](#) on page 4.

**2. Consolidated Net Sales by Geographic Area**

|                            | For the six months ended September 30, 2009 |        | Yen (millions)<br>For the six months ended September 30, 2010 |      | For the six months ended September 30, 2011 |       |
|----------------------------|---|--------|---|------|---|-------|
|                            |   | (%)    |   | (%)  |   | (%)   |
| Japan                      | 20,831                                      | (14.6) | 22,182  | 6.5  | 25,263                                      | 13.9  |
| Europe                     | 51,652                                      | (37.9) | 57,028  | 10.4 | 64,604                                      | 13.3  |
| North America              | 17,789                                      | (31.1) | 18,472  | 3.8  | 19,822                                      | 7.3   |
| Asia                       | 8,620                                       | (34.5) | 11,388  | 32.1 | 14,136                                      | 24.1  |
| Other regions              | 19,789                                      | (31.9) | 24,737  | 25.0 | 29,211                                      | 18.1  |
| Central and South America  | 7,398                                       | (30.1) | 9,622   | 30.1 | 12,618                                      | 31.1  |
| Oceania                    | 6,533                                       | (23.2) | 7,888   | 20.7 | 9,586                                       | 21.5  |
| The Middle East and Africa | 5,858                                       | (41.2) | 7,227   | 23.4 | 7,007                                       | (3.0) |
| Total                      | 118,681                                     | (32.4) | 133,807   | 12.7 | 153,036                                     | 14.4  |

Note: The table above sets forth Makita's consolidated net sales by geographic area based on the customer's location for the periods presented. Accordingly, it differs from operating segment information on page 10. The table above shows the changes in the percentage ratio of net sales compared to the corresponding period of the previous year.

**3. Exchange Rates**

|                 | Yen   |   |   | For the six months ending March 31, 2012 (Forecast) | For the year ending March 31, 2012 (Forecast) |
|-----------------|---|---|---|---|---|
|                 | For the six months ended September 30, 2009 | For the six months ended September 30, 2010 | For the six months ended September 30, 2011 |   |   |
| Yen/U.S. Dollar | 95.53                                       | 88.89                                       | 79.74                                       | 77  | 78  |
| Yen/Euro        | 133.21                                      | 113.80                                      | 113.72                                      | 102   | 108   |

**4. Production Ratio (unit basis)**

|          | For the six months ended September 30, 2009 | For the six months ended September 30, 2010 | For the six months ended September 30, 2011 |
|----------|---|---|---|
| Domestic | 18.4%                                       | 15.3%                                       | 12.6%                                       |
| Overseas | 81.6%                                       | 84.7%                                       | 87.4%                                       |

**5. Consolidated Capital Expenditures, Depreciation and Amortization, and R&D cost**

Yen (millions)

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|                               | For the six<br>months ended<br>September 30,<br>2009 | For the six<br>months ended<br>September 30,<br>2010 | For the six<br>months ended<br>September 30,<br>2011 | For the year<br>ending<br>March 31, 2012<br>(Forecast) |
|-------------------------------|--|--|--|--|
| Capital expenditures          | 6,702  | 4,855  | 5,820  | 17,000   |
| Depreciation and amortization | 4,071  | 3,636  | 3,474  | 8,000  |
| R&D cost                      | 3,324  | 3,549  | 3,978  | 8,500  |

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