

MAKITA CORP  
Form 6-K  
November 26, 2010

**Table of Contents**

**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 November, 2010

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-\_\_\_\_\_

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**TABLE OF CONTENTS**

SIGNATURES

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**Table of Contents**

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: November 26, 2010

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**Table of Contents**

Makita Corporation  
The 99th Interim Business Report  
Ended September 30, 2010  
(U.S. GAAP Financial Information)  
(English translation of CHUKAN-KI JIGYOU NO GOHOUKOKU  
interim business report originally issued in Japanese  
for the benefit and information of shareholders  
of the Company's common stock)

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**Table of Contents**

**Message from the Managements**

We are pleased to present the outline of operation and financial results for Makita's 99th interim period, ended September 30, 2010.

**Consolidated Operating Result as Interim Period**

During the six months (the period) ended September 30, 2010, housing starts remained weak and the economic recovery was slow in Japan and the United States. However, in Western Europe, economic conditions recovered strongly in Germany and other countries in the euro area. Business conditions in Asia were steady, mainly led by the strong and continued growth of the Chinese economy. In emerging countries, the economies have generally been expanding. Capital investments and personal spending were very active, especially in Central and South America.

The demand for power tools remained weak in Japan and the United States, while it recovered steadily in Western Europe and grew strongly in many emerging countries supported by the economic growth of these countries.

Under such circumstances, in the development side, Makita continuously expanded its product lines, including those of power tools, rechargeable tools and gardening equipment through the development of smaller and lighter tools or tools with lower noise and vibration. In the production side, Makita responded quickly and flexibly to the change in demand, by increasing the production volume urgently in the Chinese plants which was reduced last year for inventory level adjustment. In the sales side, we also stepped up efforts to maintain and improve the structure of our sales and after-sale service based on direct communication with customers, which remains one of our group's fortes.

**Recovery in overseas demand supported the first increase both in interim net sales and profits in two years**

In our consolidated financial results for the period, consolidated net sales increased by 12.7% to 133,807 million yen compared to the same period of the previous year, supported mainly by the strong demand for power tools in the overseas market, although appreciation of the yen value against major foreign currencies had some negative impact. Operating income increased 46.9% to 21,843 million yen (operating income ratio: 16.3%). This increase was mainly due to the increased sales and the improvement in the ratio of cost of sales resulting from the increased production volume. Income before income taxes increased by 25.9% to 21,751 million yen (income before income taxes ratio: 16.3%). Net income attributable to Makita Corporation increased by 42.4% to 15,122 million yen (net income attributable to Makita Corporation ratio: 11.3%).

Net sales by region are as follows:

Net sales in Japan increased by 6.5% to 22,182 million yen compared to the same period of the previous year. This increase was because sales of lithium-ion battery products and pneumatic tools were strong, although the market conditions remained severe.

Net sales in Europe increased by 10.4% to 57,028 million yen due to the steady demand in Germany and other countries in Western Europe and the market recovery in Eastern Europe and Russia.

Net sales in North America increased only by 3.8% to 18,472 million yen. This increase was because housing starts remained weak in the United States and no strong economic recovery has been seen.

Net sales in Asia increased 32.1% to 11,388 million yen supported by the demand recovery in Southeast Asian countries.

Net sales in other regions grew strongly mainly due to economic recovery resulting from the increased natural resource prices. Net sales in Central and South America increased by 30.1% to 9,622 million yen; sales in Oceania increased by 20.7% to 7,888 million yen; and sales in the Middle East and Africa increased by 23.4% to 7,227 million yen.

**Table of Contents**

**Outlook for the year ending March 31, 2011 and Issue to be Addressed**

Although modest demand recovery is expected in Europe, the conditions of the construction market in Japan and the United States will remain severe. In Asia and other emerging countries, the power tool market is expected to expand supported by strong demand of low-priced products. The exchange market is unpredictable, considering the movement in Renminbi and the lowest-ever U.S. dollar value. Thus, the business environment for Makita is expected to remain severe.

Under these circumstances, Makita aims to establish high brand recognition and become a Strong Company capable of acquiring and maintaining the top market share as an international total supplier of power tools for professional use, pneumatic tools, gardening equipment and other tools in each international region. To achieve these objectives, we will strive to reinforce its R&D and product development activities to deliver more user-friendly, earth-conscious power tools and gardening equipment. We will also strengthen the technical development of compact engines. The global production organizations will be strengthened to respond to changes in demand conditions. In addition, we will put focus on maintaining and strengthening a sales and after-sales service structure that leads the industry both in the domestic and overseas markets.

**The Interim Cash Dividends of 15 Yen Per Share**

Makita's basic policy on the distribution of profits is to maintain a dividend payout ratio of at least 30%, with a lower limit on annual cash dividends of 18 yen per share.

For the interim period under review, Makita declared to pay a dividend of 15 yen per share, as announced in April 2010.

Based on its dividend policy, Makita's board of directors will decide on proposals for the dividend for the end of the fiscal year at their meeting to approve the financial statements after they are finalized near the end of April 2011. Their proposals will be presented for discussion and final approval at the Ordinary General Meeting of Shareholders.

We look forward to the continuing support and cooperation of our shareholders.

November 2010

Masahiko Goto

President, Representative Director  
&

Chief Executive Officer

2

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

---

**Table of Contents**

**Feature Section**

**n Makita Environmental Preservation Effort**

Makita's environmental policy places emphasis on conducting a wide range of biodiversity-conscious environmental protection activities.

As part of efforts to reduce environmental burden of our operations, our Okazaki Plant (Aichi Prefecture) purifies waste water in its water treatment facility before discharging the waste water to public water. In the purification course, waste water is purified in compliance with requirements set by law and ordinance, and in accordance with directives of the Yahagi River Basin Water Quality Preservation Association, and our self-imposed voluntary standards which are stricter than those regulatory requirements and directives. We are committed to preservation of quality of river and sea water, aiming to contribute to environmental preservation. We also supported the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) held in Nagoya this October, advocating its purport.

**n Environmentally-friendly 36V Lithium-Ion Battery Gardening Equipment Series Launched**

In April 2010, we launched the Gardening equipment Series operating with 36V lithium-ion batteries. This Series emits no exhaust gas, features lower noise and vibrations, and provides strong power comparable to that of engine-powered equipment. It is suitable for use in residential areas, public facilities, resort facilities and other places where considerations for neighbors are necessary.

While most gardening equipment in the market use engines because of their power requirement and portability, we provide to users four-stroke engine products that emit far less toxic exhaust gas than two-stroke engine products and newly launched lithium-ion battery products. We will continue the development of environmentally-friendly products.

**n Strengthening of Global Network**

We are establishing and expanding our distribution network to ensure, as an international total supplier of power tools for professional use, that customers around the world can use our products safely for long years.

In June 2010, we completed a new office building of the sales subsidiary in Switzerland. The new office building in Switzerland has larger office and warehouse spaces than the former site. The service system was reinforced in order to respond to customers' needs more accurately. Facilities to improve our customer service are also provided, including a product show room space and a training space. In May 2010, we opened a representative office in St. Petersburg, the second largest city in Russia, as an after-sales service site.

In the future, we will continue our efforts to improve customer satisfaction and establish high brand recognition by maintaining and further reinforcing our best sales and after-sales service structure in the industry.

**n Exhibition in the DIY Show**

Makita exhibited in the JAPAN DIY HOMECENTER SHOW 2010 held at Makuhari Messe International Convention Hall (Chiba City) from August 26 to 28, 2010, following last years. DIY-related products available in the market were exhibited in this trade show. 438 companies exhibited in the trade show this year, with about 80,000 visitors. The Makita booth also had a great number of visitors.

Many visitors experienced our products in the Makita booth and admired, among others, the powerful performance of our compact rechargeable circular saw (HS300DW). It was a great opportunity to be able to appeal the advantages of Makita products by offering visitors personal experience to use Makita products.



**Table of Contents****Consolidated Financial Highlights**

|  | Yen (millions)   |   |   |                             |  |
|--|--|---|---|-----------------------------|--|
|  | For the<br>six<br>months<br>ended<br>September<br>30, 2008 | For the six<br>months<br>ended<br>September<br>30, 2009 | For the six<br>months<br>ended<br>September<br>30, 2010 | Rate<br>of<br>change<br>(%) | For the year<br>ended<br>March<br>31, 2010 |
| Net Sales  | 175,558  | 118,681   | 133,807   | 12.7                        | 245,823                                    |
| Operating Income   | 36,047   | 14,866  | 21,843  | 46.9                        | 30,390                                     |
| Ratio of Operating Income to Net<br>Sales (%)                              | 20.5%  | 12.5%   | 16.3%   |                             | 12.4%                                      |
| Income before Income Taxes   | 34,710   | 17,271  | 21,751  | 25.9                        | 33,518                                     |
| Net Income Attributable to Makita<br>Corporation                           | 24,851   | 10,622  | 15,122  | 42.4                        | 22,258                                     |
| Ratio of Net Income Attributable to<br>Makita Corporation to Net Sales (%) | 14.2%  | 9.0%  | 11.3%   |                             | 9.1%                                       |

## Notes:

1. In principle, amounts of less than 1 million yen have been rounded.
2. Certain reclassifications have been made to the previous years' consolidated financial statements to conform with the presentation used for the six months ended September 30, 2009. The meaning of "Net income attributable to Makita Corporation" is the same as the former "Net income".

4

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents****Consolidated Net Sales by Region**

|               | Yen (billions)           |                      |                       |                      |                       |
|---------------|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
|               | For the six months ended |                      |                       |                      |                       |
|               | September<br>30,<br>2008 | March<br>31,<br>2009 | September<br>30, 2009 | March<br>31,<br>2010 | September<br>30, 2010 |
| Japan         | 24.4                     | 21.8                 | 20.8                  | 21.9                 | 22.2                  |
| Europe        | 83.1                     | 54.0                 | 51.7                  | 57.5                 | 57.0                  |
| North America | 25.8                     | 16.5                 | 17.8                  | 16.7                 | 18.5                  |
| Asia          | 13.2                     | 8.8                  | 8.6                   | 9.7                  | 11.4                  |
| Other Regions | 29.1                     | 17.4                 | 19.8                  | 21.3                 | 24.7                  |
| Total         | 175.6                    | 118.5                | 118.7                 | 127.1                | 133.8                 |

Note: The table above sets forth Makita's consolidated net sales by region based on customer location for the periods presented.

**Profit Ratio**

|   | %                        |                      |                       |                      |                       |
|---|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
|   | For the six months ended |                      |                       |                      |                       |
|   | September<br>30,<br>2008 | March<br>31,<br>2009 | September<br>30, 2009 | March<br>31,<br>2010 | September<br>30, 2010 |
| Ratio of Operating Income to Net Sales                              | 20.5                     | 11.8                 | 12.5                  | 12.2                 | 16.3                  |
| Ratio of Net Income Attributable to Makita Corporation to Net Sales | 14.2                     | 7.1                  | 9.0                   | 9.2                  | 11.3                  |

**Production by Region**

|                           | Million units            |                      |                       |                      |                       |
|---------------------------|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
|                           | For the six months ended |                      |                       |                      |                       |
|                           | September<br>30,<br>2008 | March<br>31,<br>2009 | September<br>30, 2009 | March<br>31,<br>2010 | September<br>30, 2010 |
| Japan                     | 2.34                     | 1.54                 | 1.09                  | 1.25                 | 1.70                  |
| Europe                    | 1.25                     | 0.95                 | 0.52                  | 0.73                 | 1.22                  |
| North America             | 0.71                     | 0.56                 | 0.29                  | 0.40                 | 0.56                  |
| China                     | 6.98                     | 5.09                 | 3.80                  | 5.49                 | 6.77                  |
| Central and South America | 0.32                     | 0.24                 | 0.23                  | 0.15                 | 0.29                  |

|       |       |      |      |      |       |
|-------|-------|------|------|------|-------|
| Total | 11.60 | 8.38 | 5.93 | 8.02 | 10.54 |
|-------|-------|------|------|------|-------|

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents****Total Makita Corporation Shareholders Equity per Share**

|                                       | September<br>30,<br>2008 | March<br>31,<br>2009 | Yen<br>As of<br>September<br>30, 2009 | March<br>31,<br>2010 | September<br>30, 2010 |
|---------------------------------------|--------------------------|----------------------|---------------------------------------|----------------------|-----------------------|
| Total Makita Corporation Shareholders |                          |                      |                                       |                      |                       |
| Equity per Share                      | 2,249                    | 2,058                | 2,075                                 | 2,157                | 2,110                 |

**Earning Per Share (Basic) Net Income Attributable to  
Makita Corporation Common Shareholders**

|   | For<br>the<br>year<br>ended<br>March<br>31,<br>2007 | For the<br>year<br>ended<br>March<br>31, 2008 | Yen<br>For the<br>year<br>ended<br>March<br>31, 2009 | For the<br>year<br>ended<br>March<br>31, 2010 | For the year<br>ending<br>March<br>31, 2011 |
|---|---|---|--|---|---|
| Earning Per Share (Basic) Net<br>Income Attributable to Makita<br>Corporation Common Shareholders<br>for the Interim Period | 107.1   | 164.2   | 175.6  | 77.1  | 109.8                                       |
| Earning Per Share (Basic) Net<br>Income Attributable to Makita<br>Corporation Common Shareholders<br>for the Year           | 257.3   | 320.3   | 236.9  | 161.6   |   |

**Cash Dividend per Share**

|   | For<br>the<br>year<br>ended<br>March<br>31,<br>2007 | For the<br>year<br>ended<br>March<br>31, 2008 | Yen<br>For the<br>year<br>ended<br>March<br>31, 2009 | For the<br>year<br>ended<br>March<br>31, 2010 | For the<br>year<br>ending<br>March<br>31, 2011 |
|---|---|---|--|---|--|
| Cash dividend per share for the<br>Interim Period | 19  | 30  | 30   | 15  | 15   |
| Cash dividend per Share for the Year              | 74  | 97  | 80   | 52  | Undecided                                      |

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents****Condensed Consolidated Balance Sheets**

|  | As of<br>March<br>31, 2010 | Yen (millions)<br>As of<br>September<br>30,<br>2010 | Increase<br><br>(Decrease) |
|--|----------------------------|---|----------------------------|
| <b>ASSETS</b>                                  |                            |   |                            |
| <b>CURRENT ASSETS:</b>                         |                            |   |                            |
| Cash and Cash Equivalents                      | 62,290                     | 57,666  | (4,624)                    |
| Time Deposits                                  | 8,383                      | 10,996  | 2,613                      |
| Short-term investments                         | 33,639                     | 33,950  | 311                        |
| Notes Receivable in Trade                      | 2,214                      | 2,040   | (174)                      |
| Accounts Receivable in Trade                   | 43,680                     | 44,041  | 361                        |
| Less-Allowance for Doubtful Receivables        | (1,010)                    | (845)   | 165                        |
| Inventories                                    | 88,811                     | 91,735  | 2,924                      |
| Deferred Income Taxes                          | 6,434                      | 6,221   | (213)                      |
| Prepaid Expenses and Other Current Assets      | 9,356                      | 9,339   | (17)                       |
| <b>Total Current Assets</b>                    | <b>253,797</b>             | <b>255,143</b>                                      | <b>1,346</b>               |
| <b>PROPERTY, PLANT AND EQUIPMENT:</b>          |                            |   |                            |
| Land   | 19,050                     | 18,618  | (432)                      |
| Buildings and Improvements                     | 70,668                     | 69,709  | (959)                      |
| Machinery and Equipment                        | 74,652                     | 72,965  | (1,687)                    |
| Construction in Progress                       | 2,257                      | 3,349   | 1,092                      |
| Less-Accumulated Depreciation                  | (93,427)                   | (93,551)  | (124)                      |
| <b>Total Net Property, Plant and Equipment</b> | <b>73,200</b>              | <b>71,090</b>                                       | <b>(2,110)</b>             |
| <b>INVESTMENTS AND OTHER ASSETS:</b>           |                            |   |                            |
| Investments                                    | 15,166                     | 14,449  | (717)                      |
| Deferred Income Taxes                          | 1,611                      | 1,815   | 204                        |
| Other Assets                                   | 6,065                      | 5,914   | (151)                      |
| <b>Total Investments and Other Assets</b>      | <b>22,842</b>              | <b>22,178</b>                                       | <b>(664)</b>               |
| <b>TOTAL ASSETS</b>                            | <b>349,839</b>             | <b>348,411</b>                                      | <b>(1,428)</b>             |

**Table of Contents****Condensed Consolidated Balance Sheets**

|   | Yen (millions) | Yen (millions) |                |
|---|----------------|----------------|----------------|
|   | As of          | As of          | Increase       |
|   | March          | September      |                |
|   | 31, 2010       | 30, 2010       | (Decrease)     |
| <b>LIABILITIES</b>                                  |                |                |                |
| <b>CURRENT LIABILITIES:</b>                         |                |                |                |
| Short-term Borrowings                               | 385            | 289            | (96)           |
| Trade Notes and Accounts Payable                    | 18,359         | 21,722         | 3,363          |
| Accrued Payroll                                     | 6,835          | 6,877          | 42             |
| Accrued Expenses and Others                         | 15,120         | 17,068         | 1,948          |
| Income Taxes Payable                                | 1,722          | 2,581          | 859            |
| Deferred Income Taxes                               | 40             | 78             | 38             |
| <b>Total Current Liabilities</b>                    | <b>42,461</b>  | <b>48,615</b>  | <b>6,154</b>   |
| <b>LONG-TERM LIABILITIES:</b>                       |                |                |                |
| Long-term Indebtedness                              | 544            | 533            | (11)           |
| Accrued Retirement and Termination Benefits         | 3,778          | 3,006          | (772)          |
| Deferred Income Taxes                               | 677            | 682            | 5              |
| Other Liabilities                                   | 2,706          | 2,550          | (156)          |
| <b>Total Long-term Liabilities</b>                  | <b>7,705</b>   | <b>6,771</b>   | <b>(934)</b>   |
| <b>Total Liabilities</b>                            | <b>50,166</b>  | <b>55,386</b>  | <b>5,220</b>   |
| <b>EQUITY</b>                                       |                |                |                |
| <b>MAKITA CORPORATION SHAREHOLDERS EQUITY:</b>      |                |                |                |
| Common Stock  | 23,805         | 23,805         |                |
| Additional Paid-in Capital                          | 45,420         | 45,420         |                |
| Legal Reserve and Retained Earnings                 | 276,459        | 286,484        | 10,025         |
| Accumulated Other Comprehensive Income (Loss)       | (42,032)       | (58,543)       | (16,511)       |
| Treasury Stock, at cost                             | (6,445)        | (6,447)        | (2)            |
| <b>Total Makita Corporation Shareholders Equity</b> | <b>297,207</b> | <b>290,719</b> | <b>(6,488)</b> |
| <b>NONCONTROLLING INTEREST</b>                      | <b>2,466</b>   | <b>2,306</b>   | <b>(160)</b>   |
| <b>Total Equity</b>                                 | <b>299,673</b> | <b>293,025</b> | <b>(6,648)</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                 | <b>349,839</b> | <b>348,411</b> | <b>(1,428)</b> |

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents****Consolidated Statements of Income**

|   | Yen (millions)  |   |                                    |        |
|---|---|---|------------------------------------|--------|
|   | For the<br>six<br>months<br>ended<br>September<br>30,<br>2009 | For the six<br>months ended<br>September<br>30,<br>2010 | Increase<br>(Decrease)<br>(Amount) | (%)    |
| <b>NET SALES</b>  | 118,681   | 133,807   | 15,126                             | 12.7   |
| Cost of Sales   | 72,454  | 81,270  | 8,816                              | 12.2   |
| <b>GROSS PROFIT</b>   | 46,227  | 52,537  | 6,310                              | 13.7   |
| Selling, General, Administrative and other Expenses                 | 31,361  | 30,694  | (667)                              | (2.1)  |
| <b>OPERATING INCOME</b>   | 14,866  | 21,843  | 6,977                              | 46.9   |
| <b>OTHER INCOME (EXPENSES):</b>                                     |   |   |                                    |        |
| Interest and Dividend Income  | 356   | 633   | 277                                | 77.8   |
| Interest Expense  | (48)  | (18)  | 30                                 | (62.5) |
| Exchange Gains (Losses) on Foreign Currency Transactions, net       | 1,946   | (811)   | (2,757)                            | -      |
| Realized Gains (Losses) on Securities, net                          | 151   | 104   | (47)                               | (31.1) |
| Total   | 2,405   | (92)  | (2,497)                            | -      |
| <b>INCOME BEFORE INCOME TAXES</b>                                   | 17,271  | 21,751  | 4,480                              | 25.9   |
| <b>PROVISION FOR INCOME TAXES</b>                                   |   |   |                                    |        |
| Current   | 4,964   | 5,452   | 488                                | 9.8    |
| Deferred  | 1,544   | 981   | (563)                              | (36.5) |
| Total   | 6,508   | 6,433   | (75)                               | (1.2)  |
| <b>NET INCOME</b>   | 10,763  | 15,318  | 4,555                              | 42.3   |
| <b>Less: Net Income Attributable to the Noncontrolling Interest</b> | (141)   | (196)   | (55)                               | 39.0   |
| <b>NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION</b>                | 10,622  | 15,122  | 4,500                              | 42.4   |

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents****Consolidated Statements of Cash Flows**

|   | Yen (millions)  |  |
|---|---|--|
|   | For the<br>six<br>months<br>ended<br>September<br>30,<br>2009 | For the six months<br>ended September<br>30,<br>2010 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                      |   |  |
| Net Income Attributable to Makita Corporation                                     | 10,763  | 15,318   |
| Adjustments to reconcile net income to net cash provided by operating activities: |   |  |
| Depreciation and Amortization   | 4,071   | 3,636  |
| Provision for Deferred Income Taxes   | 1,544   | 981  |
| Realized Losses (Gains) on Securities, net  | (151)   | (104)  |
| Losses on Disposals or Sales of Property, Plant & Equipment                       | 92  | 49   |
| Changes in Assets and Liabilities:  |   |  |
| Trade Receivable  | (200)   | (3,187)  |
| Inventories   | 14,841  | (10,393)   |
| Trade Notes and Accounts Payables and Accrued Expenses                            | (2,886)   | 5,890  |
| Income Taxes Payable  | 897   | 1,221  |
| Accrued Retirement and Termination Benefits                                       | (639)   | (521)  |
| Other, net  | (18)  | 1,395  |
| <b>Net Cash Provided by Operating Activities</b>                                  | <b>28,314</b>   | <b>14,285</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                      |   |  |
| Capital Expenditures  | (6,702)   | (4,855)  |
| Purchases of Available-for-sale Securities  | (4,341)   | (2,400)  |
| Purchases of Held-to-maturity Securities  |   | (1,640)  |
| Proceeds from Sales of Available-for-sale Securities                              | 1,119   | 405  |
| Proceeds from Maturities of Available-for-sale Securities                         |   | 500  |
| Proceeds from Maturities of Held-to-maturity Securities                           | 200   | 700  |
| Proceeds from Sales of Property, Plant and Equipment                              | 273   | 150  |
| Decrease (Increase) in Time Deposits  | (1,506)   | (3,026)  |
| Other, net  | (19)  | (20)   |
| <b>Net Cash Used in Investing Activities</b>                                      | <b>(10,976)</b>   | <b>(10,186)</b>                                      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                      |   |  |
| Increase (Decrease) in Short-term borrowings                                      | 204   | (51)   |
| Purchase and Sales of Treasury stock  | (5)   | (2)  |
| Cash Dividends Paid   | (6,888)   | (5,097)  |
| Other, net  | (265)   | (188)  |
| <b>Net Cash Used in Financing Activities</b>                                      | <b>(6,954)</b>  | <b>(5,338)</b>                                       |

|   |         |         |
|---|---------|---------|
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b> | (2,651) | (3,385) |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                      | 7,733   | (4,624) |
| <b>CASH AND CASH EQUIVALENTS, Beginning of Period</b>               | 34,215  | 62,290  |
| <b>CASH AND CASH EQUIVALENTS, End of Period</b>                     | 41,948  | 57,666  |

10

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents****Operating Segment Information**

For the six months ended September 30, 2009

|                            | Yen (millions) |         |                  |        |        |         | Corporate<br>and elimi-<br>nations | Consoli-<br>dated |
|----------------------------|----------------|---------|------------------|--------|--------|---------|------------------------------------|-------------------|
|                            | Japan          | Europe  | North<br>America | Asia   | Other  | Total   |                                    |                   |
| Sales:                     |                |         |                  |        |        |         |                                    |                   |
| (1) External<br>Customers  | 26,695         | 51,977  | 17,681           | 4,341  | 17,987 | 118,681 |                                    | 118,681           |
| (2) Inter-Segment          | 14,093         | 1,189   | 884              | 25,308 | 44     | 41,518  | (41,518)                           |                   |
| Total                      | 40,788         | 53,166  | 18,565           | 29,649 | 18,031 | 160,199 | (41,518)                           | 118,681           |
| Operating Expenses         | 42,567         | 47,224  | 18,380           | 25,592 | 16,752 | 150,515 | (46,700)                           | 103,815           |
| Operating Income<br>(Loss) | (1,779)        | 5,942   | 185              | 4,057  | 1,279  | 9,684   | 5,182                              | 14,866            |
| Identifiable Assets        | 231,795        | 106,573 | 29,447           | 48,000 | 36,278 | 452,093 | (116,732)                          | 335,361           |

For the six months ended September 30, 2010

|                            | Yen (millions) |         |                  |        |        |         | Corporate<br>and elimi-<br>nations | Consoli-<br>dated |
|----------------------------|----------------|---------|------------------|--------|--------|---------|------------------------------------|-------------------|
|                            | Japan          | Europe  | North<br>America | Asia   | Other  | Total   |                                    |                   |
| Sales:                     |                |         |                  |        |        |         |                                    |                   |
| (1) External<br>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<br>(Loss) | 3,554          | 7,499   | 1,022            | 6,758  | 3,199  | 22,032  | (189)                              | 21,843            |
| Identifiable Assets        | 230,227        | 107,500 | 30,800           | 62,657 | 39,679 | 470,863 | (122,452)                          | 348,411           |

Note: Segment information is determined by the location of the Company and its consolidated subsidiaries.

11

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

**Table of Contents****Condition of Shareholders and Shares**

(As of September 30, 2010)

|  |   |
|--|---|
| <b><u>Total Number of Shares Authorized</u></b>              | 496,000,000 shares  |
| <b><u>Total Number of Shares Outstanding</u></b>             | 140,008,760 shares (including 2,249,091 shares of treasury stock) |
| <b><u>Number of Shareholders 10 Largest Shareholders</u></b> | 16,666 (1,394 increase compared with as of March 31, 2010)        |

| Name of Shareholder   | Number of Shares Held |       |
|---|-----------------------|-------|
|   | Units<br>(thousand)   | %     |
| The Master Trust Bank of Japan, Ltd. (Trust account)          | 10,193                | 7.28  |
| Japan Trustee Services Bank, Ltd. (Trust account)             | 8,659                 | 6.18  |
| The Bank of New York Mellon as Depository Bank for DR Holders | 4,252                 | 3.04  |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd                         | 4,213                 | 3.01  |
| Nippon Life Insurance Company                                 | 4,013                 | 2.86  |
| Makita Cooperation Companies Investment Association           | 3,904                 | 2.79  |
| Maruwa Co.,Ltd.   | 3,669                 | 2.62  |
| Sumitomo Mitsui Banking Corporation                           | 2,900                 | 2.07  |
| Masahiko Goto   | 1,987                 | 1.42  |
| The Nomura Trust and Banking Co., Ltd (Trust account)         | 1,956                 | 1.40  |
| Total   | 45,746                | 32.67 |

- Note 1. Shares holding ratios above are calculated based on the total number of issued shares (including treasury stock) as of September 30, 2010.
2. The Bank of New York Mellon as Depository Bank for DR Holders is the nominal holder of the shares of The Bank of New York Mellon, the trustee bank for the Company's American Depository Shares.
3. In addition to the above, the Company owns 2,249 thousand shares of treasury stock.

**Distribution of Share-ownership**

| Class of Shareholder                        | Number of Shares Held |      |
|---|-----------------------|------|
|   | Units(thousand)       | %    |
| Financial Institutions and Securities Firms | 52,796                | 37.7 |
| Japanese Individuals and Other              | 25,762                | 18.4 |
| Foreign Investors                           | 42,213                | 30.2 |
| Other Japanese Business Corporations        | 16,989                | 12.1 |
| Treasury Stock                              | 2,249                 | 1.6  |

| Class of Shareholder                        | Number of Shareholders |      |
|---|------------------------|------|
|   | Units                  | %    |
| Financial Institutions and Securities Firms | 135                    | 0.8  |
| Japanese Individuals and Other              | 15,747                 | 94.5 |
| Foreign Investors                           | 404                    | 2.4  |
| Other Japanese Business Corporations        | 379                    | 2.3  |
| Treasury Stock                              | 1                      | 0.0  |

12

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents****Price per Share and Volume of Shares Traded on The Tokyo Stock Exchange**

|                          | 2010   |        |        |        |        |           |
|--------------------------|--------|--------|--------|--------|--------|-----------|
|                          | April  | May    | June   | July   | August | September |
| High (yen)               | 3,265  | 2,882  | 2,727  | 2,790  | 2,647  | 2,676     |
| Low (yen)                | 2,810  | 2,375  | 2,380  | 2,340  | 2,382  | 2,352     |
| Volume (thousand shares) | 21,144 | 18,175 | 16,197 | 17,002 | 17,574 | 12,440    |

Note: The highest price, lowest price, and total volume of shares traded on The Tokyo Stock Exchange for the six months ended September 30, 2010 were as follows:

The highest price per share: 3,265 yen marked on April 2, 2010  
 The lowest price per share: 2,340 yen marked on July 2, 2010  
 Total volume of shares traded: 102,532 thousand shares

**Basic policy regarding profit distribution and to repurchases of its outstanding shares**

Makita's basic policy on the distribution of profits was established in the fiscal year ended March 31, 2004 is to maintain a 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 net income attributable to Makita Corporation after certain adjustments. With respect to repurchases of its outstanding shares, Makita aims to implement a flexible capital policy, augment the efficiency of its capital employment, and thereby boost shareholder profit. Also Makita continues to consider execution of own share repurchases in light of trends in stock prices.

13

*English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese*

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**Table of Contents**

**Corporate Data**

(As of September 30, 2010)

Makita Corporation

3-11-8, Sumiyoshi-cho, Anjo, Aichi 446-8502, Japan

Phone: (0566) 98-1711

Website: <http://www.makita.biz/>

|                                     |   |
|-------------------------------------|---|
| Date of founding                    | March 21, 1915  |
| Date of incorporation               | December 10, 1938   |
| Paid-in Capital                     | 24,206 million yen (non-consolidated)   |
| Description of business             | Production and sales of electric power tools, pneumatic tools, gardening equipment and household products                               |
| Number of consolidated subsidiaries | 48(Domestic 2, Overseas 46)   |
| Plants                              | Two in Japan, seven outside of Japan (two in China, and one each in the United States, Brazil, the United Kingdom, Germany and Romania) |
| Number of Employees                 | 11,368 (consolidated)<br>2,890 (non-consolidated)   |

**Board of Directors**

|                                       |                   |   |
|---------------------------------------|-------------------|---|
| President and Representative Director | Masahiko Goto     |   |
| Director, Managing Corporate Officers | Yasuhiko Kanzaki  | (In Charge of International Sales and General Manager of International Sales Headquarters: Europe, the Middle East and Africa Region) |
|                                       | Tadayoshi Torii   | (In Charge of Production and General Manager of Production Headquarters)  |
|                                       | Shiro Hori        | (In Charge of International Sales and General Manager of International Sales Headquarters: America, Asia, and Oceania Region)         |
| Director, Corporate Officers          | Tomoyasu Kato     | (General Manager of Research and Development Headquarters)  |
|                                       | Tadashi Asanuma   | (In Charge of Domestic Sales and General Manager of Domestic Sales Marketing Headquarters)  |
|                                       | Hisayoshi Niwa    | (General Manager of Quality Headquarters)   |
|                                       | Shinichiro Tomita | (General Manager of Purchasing Headquarters)  |
|                                       | Tetsuhisa Kaneko  | (General Manager of Production Headquarters (In Charge of China Plant))   |

Yoji Aoki

(General Manager of Administration  
Headquarters)

Outside Director

Motohiko Yokoyama

(Representative Director of JTEKT  
Corporation)

**Table of Contents**

**Board of Statutory Auditors**

Standing Statutory Auditors Toshihito Yamazoe

Haruhito Hisatsune (Outside Auditor)

Statutory Auditors Masafumi Nakamura (Outside Auditor, Certified Accountant)

Michiyuki Kondo (Outside Auditor, Lawyer)

**Corporate officers**

Corporate Officers Zenji Mashiko (General Manager of Domestic Sales Marketing Headquarters: Tokyo Area)

Toshio Hyuga (General Manager of Domestic Sales Marketing Headquarters: Osaka Area)

Hiroshi Okamoto (President of Makita U.S.A. Inc)

Tamiro Kishima (Senior Managing Director of Dolmar G.m.b.H)

Osamu Yokoyama (Assistant General Manager of Purchasing Headquarters (In Charge of OEM Accessory Marketing))

Note:

The Company has designated Mr. Motohiko Yokoyama, a Director, and Messrs. Haruhito Hisatsune, Masafumi Nakamura and Michiyuki Kondo, Statutory Auditors, as the Independent Director(s)/Statutory Auditor(s) as required by the regulations of the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. and made required notification therefor to these Stock Exchanges.

**Independent Registered Public Accounting Firm**

KPMG AZSA LLC

**Table of Contents**

**Information on Shares**

(As of September 30, 2010)

|  |   |
|--|---|
| Fiscal period                            | The one (1) year period from April 1 of each year to March 31 of the following year   |
| Ordinary general meeting of shareholders | June  |
| Number of shares constituting one unit   | 100 shares  |
| Record dates                             | 1) Ordinary general meeting of shareholders and cash dividends for the second half<br>March 31 of each year<br>2) Cash dividends for the interim period<br>September 30 of each year  |
| Transfer agent of common stock           | The Chuo Mitsui Trust and Banking Company, Limited<br>33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan   |
| Its handling office                      | The Chuo Mitsui Trust and Banking Company, Limited Nagoya Branch Office<br>15-33, Sakae 3-chome, Naka-ku, Nagoya, Aichi 460-8685, Japan<br>Website: <a href="http://www.chuomitsui.co.jp/person/p_06.html">http://www.chuomitsui.co.jp/person/p_06.html</a> |
| Its liaison offices                      | Head office and nationwide branch offices of The Chuo Mitsui Trust and Banking Company, Limited<br>Head office and nationwide branch offices of Japan Securities Agents, Ltd.   |
| Means of public notice                   | Website: <a href="http://www.makita.co.jp/ir/index1.htm">http://www.makita.co.jp/ir/index1.htm</a>  |
| Common stock listings                    | <i>Domestic</i> Tokyo and Nagoya stock exchanges (stock code: 6586)<br><i>Overseas</i> American Depositary Receipts: The Nasdaq Global Select Market<br>(Symbol: MKTAY)   |

16

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