

MAKITA CORP  
Form 6-K  
November 27, 2012

**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, 2012

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: November 27, 2012

# Makita Corporation

The 101st Interim Business Report

Ended September 30, 2012

(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)

## Message from the Managements

We are pleased to present the outline of operation and financial results for Makita's 101st interim period, ended September 30, 2012.

### €Consolidated Operating Result as Interim Period

Looking at the global economic situation during the first six-month period of the fiscal year ending March 31, 2013, European economy remained stagnating, because no clue to help solve the financial crisis in the region has been found. However, the Russian economy was still solid due to the continuing high level of crude oil prices. In the United States, the economic recovery remained moderate, though the housing market showed some signs of recovery. In Asia, the Chinese economic growth was at a low level and furthermore, there were signs of economic slowdown in Southeast Asia, where the economy had been expanded being led by exports. In Japan, the economic recovery lost momentum due to the deterioration of export environment, though demand for reconstruction from the Great East Japan Earthquake supported the economy.

Under these circumstances, in development side, Makita added a multi tool that enables the user to cut, remove and sand materials with one tool to the product lineup of lithium-ion battery products and expanded product lines with the right combination of affordability, functions and durability that meet needs in emerging countries. In production side, our plant in Thailand, which is the second production base in Asia following China, commenced operations from July 2012. The new plant enabled us to shorten the lead time for products to be sold in Southeast Asian countries and flexibly and promptly respond to the market demand. In sales side, we rebuilt the buildings of Fukuoka branch in Japan and sales subsidiary in Taiwan to meet diversified needs. Through such steps, we strove harder to maintain and improve our sales and after-sales services proximate to the customers.

### €For the interim period, both sales and profit have decreased because of the appreciation of yen and slow down of world economic growth

Our consolidated net sales for this period decreased by 1.2% to 151,232 million yen compared to the same period of the previous year. This was mainly because the growth of global economy slowed down and the yen became stronger against all currencies especially euro for 7.5% in weighted average change compared to the same period in the previous year resulting in the drop of 10 billion yen in net sales when translated into Japanese yen, although sales were solid in Japan.

As for incomes, our operating income decreased by 10.8% from the previous year to 24,030 million yen (operating income ratio 15.9%) mainly due to the rises in the ratio of cost of sales from 60.6% for the same period of the previous year to 62.2% for this period by 1.6 points as a result of the decline in capacity utilization at the plant. On the other hand, non-operating losses decreased by 1,102 million yen from the previous year due to the reductions in Exchange losses on foreign currency transactions and Realized losses on securities. Meanwhile, income before income taxes showed a decrease of 7.4% from the previous year to 22,693 million yen (income before income taxes ratio 15.0%) and net income attributable to Makita Corporation decreased by 7.2% from the previous year to 15,874 million yen (net income attributable to Makita Corporation ratio 10.5%).

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

**€Outlook for the year ending March 31, 2013 and Issue to be Addressed**

Since the economy is slowing down in the developed countries, severe situation is expected in Western Europe, North America and Oceania. In the emerging countries, meanwhile, growth in demand for low-priced products is expected to continue. The trends in exchange rates are unpredictable, making the situation surrounding Makita Group remain severe.

Under these circumstances, Makita aims 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 while enforcing our sales activity to professional users.

**€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 2012.

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 2013. 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 2012

Masahiko Goto

President, Representative Director &

Chief Executive Officer

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## Feature Section

### €**Second Asian Production site, Thailand Plant commenced production**

In July 2012, Makita Manufacturing (Thailand) Co., Ltd., or the Thailand Plant, our manufacturing subsidiary located in Chonburi Province, Thailand, commenced production.

The industrial park in Chonburi Province, where the Thailand Plant is located, is in a hilly area with complete industrial infrastructure and no fear of flooding. Since it is located near Laem Chabang Port, the largest international trading port in Thailand, the lead time for production for Southeast Asian countries can be reduced, realizing an enhanced production system capable of flexibly and promptly responding to demand.

Our sales in Asia, especially in Southeast Asia, show steady growth. With demand expected to expand, we aim to further promote sales by making full use of the Thailand Plant.

### €**Makita Woodcraft Club supported Aichi Prefecture s woodworking workshop**

On August 4, a woodworking workshop for children titled "Come on, future inventors!" and organized by Aichi Prefecture was held in the Expo 2005 Aichi Commemorative Park. Members of Makita Woodcraft Club assisted the workshop as woodworking instructors and advisors.

This event, held during summer vacation, was intended to encourage children to become interested in invention and creativity. Thirty elementary school children selected from a number of applicants participated in the workshop, each making a bird box using slide compound saws and cordless driver drills.

Makita staff members explained to the children and their parents how to use the electric tools and assisted them in each step from cutting materials to finishing.

Children were excited with the experience of using electric tools for the first time in their life and looked happy finishing their completed bird boxes with sandpaper. This event was a good opportunity to communicate to children the joy of making things.

### €**Exhibition in the JAPAN DIY HOMECENTER SHOW**

Makita exhibited in the JAPAN DIY HOMECENTER SHOW 2012 held at Makuhari Messe International Convention Hall (Chiba City) from August 23 to 25, 2012. DIY-related products available in the market were exhibited in this trade show. 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 Cordless Recipro saw products. It was a great opportunity to be able to appeal the advantages of Makita products by offering visitors personal experience to use Makita products.

### €**Okazaki Plant invited students of a school for the disabled**

On October 18, nine students of a local high school for the disabled visited our Okazaki Plant. This was aimed to provide them with an opportunity to see the people working in a plant and their workplaces, so as to learn the significance of work.

The students saw the products being processed and assembled, and visited the products exhibition room. They were surprised at the work speed and the large number of product lineups.

Makita was awarded by the Minister of Health, Labour and Welfare as a company that has actively and steadily employed persons with disabilities at the national awarding ceremony for 2012.

We will continue to make efforts to create a company that embodies the management in harmony with society, one of our management principles.

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



## Introduction of our Global Network

### **Australian Sales Subsidiary**

#### **☞Company Overview**

Company name: Makita (Australia) Pty. Ltd.

Description of business: sales and after-sales service of electric power tools

Establishment: May 1973

Headquarters location: Eastern Creek, New South Wales, Australia

Branches: Hobart (Tasmania), Perth (Western Australia)

Factory Service Centers: 5 locations

#### **☞Current Australian power tool market**

Australia has a large market of power tools not only for professional users but also for Do-It-Yourself.

There is growing interest in lithium-ion batteries in Australia these days, and a wide range of high-quality products are demanded. To promote Makita's lithium-ion products, Makita Australia has frequently held exhibitions to explain their superiority compared to nickel-cadmium products and demonstrate its excellent lineup of lithium-ion products. As a result of these efforts, Makita Australia now holds the largest share in the Australian market.

#### **☞Establishing good relationships with distributors**

As a result of successful sales promotion of lithium-ion products, sales in Oceania steadily increased, marking a 16% increase for the March 2012 term. While signs of economic slowdown, such as decreasing home construction, are beginning to appear this year, sales of this 2nd quarter remain at the same level as that of the same period previous year, though affected by the high yen. At present, construction of our new company building is under way with a view to further expanding businesses.

The Company has established good relationships with distributors by offering quality after-sale services, including promotion activities that meet their needs and frequent training workshops to help them use the products. Also, as part of the efforts to fulfill its corporate social responsibility, the Company launched a charitable product series that is tied up with the pink ribbon campaign aiming to raise awareness of breast cancer, receiving good reputation from customers. Through active and steady approaches to customers, we have increased recognition of the Makita brand.

#### **☞Aiming to create a firm structure that will not be affected by economic trends**

Makita Australia will celebrate its 40th anniversary next year. Placing power tools at the core of its business strategy, the Company will continue to further expand sales of power tools and other advanced tools. At the same time, since gardening is popular in Australia, we will also make active efforts to increase sales of gardening devices including, mainly, engine-loaded products. With these approaches, we aim to build a robust organization that will not be easily affected by economic trends.

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## Consolidated Financial Highlights

|   | Yen (millions)                              |   |   |                    |                                   |
|---|---|---|---|--------------------|-----------------------------------|
|   | For the six months ended September 30, 2010 | For the six months ended September 30, 2011 | For the six months ended September 30, 2012 | Rate of change (%) | For the year ended March 31, 2012 |
| Net Sales   | 133,807                                     | 153,036                                     | 151,232                                     | (1.2)              | 295,711                           |
| Operating Income  | 21,843                                      | 26,953                                      | 24,030                                      | (10.8)             | 48,516                            |
| Ratio of Operating Income to Net Sales (%)                                | 16.3%                                       | 17.6%                                       | 15.9%                                       |                    | 16.4%                             |
| Income before Income Taxes  | 21,751                                      | 24,514                                      | 22,693                                      | (7.4)              | 46,963                            |
| Net Income Attributable to Makita Corporation                             | 15,122                                      | 17,104                                      | 15,874                                      | (7.2)              | 32,497                            |
| Ratio of Net Income Attributable to Makita Corporation to Net Sales (%)   | 11.3%                                       | 11.2%                                       | 10.5%                                       |                    | 11.0%                             |
|   | As of September 30, 2010                    | As of September 30, 2011                    | As of September 30, 2012                    | Rate of change (%) | As of March 31, 2012              |
| Total Makita Corporation Shareholders Equity                              | 290,719                                     | 298,684                                     | 314,693                                     | 5.4                | 321,253                           |
| Total Assets  | 348,411                                     | 359,691                                     | 369,241                                     | 2.7                | 383,256                           |
| Ratio of Total Makita Corporation Shareholders Equity to Total Assets (%) | 83.4%                                       | 83.0%                                       | 85.2%                                       |                    | 83.8%                             |
|   | For the six months ended September 30, 2010 | For the six months ended September 30, 2011 | For the six months ended September 30, 2012 | Rate of change (%) | For the year ended March 31, 2012 |
| Capital Expenditures  | 4,855                                       | 5,820                                       | 4,055                                       | (30.3)             | 13,481                            |
| Depreciation and Amortization   | 3,636                                       | 3,474                                       | 3,549                                       | 2.2                | 7,237                             |
| Research and Development Cost   | 3,549                                       | 3,978                                       | 4,039                                       | 1.5                | 7,603                             |
| Number of Employees   | 11,368                                      | 12,177                                      | 12,793                                      | 5.1                | 12,563                            |
| Average Number of Shares Outstanding                                      | 137,759,993                                 | 137,755,000                                 | 135,749,263                                 |                    | 137,244,683                       |
| Earning Per Share (Basic)   |   |   |   |                    |                                   |
| Net Income Attributable to Makita Corporation Common Shareholders (Yen)   | 109.8                                       | 124.2                                       | 116.9                                       | (5.8)              | 236.8                             |
| Cash Dividends Per Share (Yen)  | 15.0  | 15.0  | 15.0  |                    | 72.0                              |

Note: In principle, amounts of less than 1 million yen have been rounded.

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

Consolidated Net Sales by Region

|               | Yen (billions)           |                |                          |                |                    |
|---------------|--------------------------|----------------|--------------------------|----------------|--------------------|
|               | For the six months ended |                | For the six months ended |                | September 30, 2012 |
|               | September 30, 2010       | March 31, 2011 | September 30, 2011       | March 31, 2012 |                    |
| Japan         | 22.2                     | 23.9           | 25.3                     | 27.9           | 27.2               |
| Europe        | 57.0                     | 58.9           | 64.6                     | 58.6           | 61.7               |
| North America | 18.5                     | 18.6           | 19.8                     | 17.7           | 19.4               |
| Asia          | 11.4                     | 11.7           | 14.1                     | 11.9           | 14.2               |
| Other Regions | 24.7                     | 25.7           | 29.2                     | 26.6           | 28.7               |
| Total         | 133.8                    | 138.8          | 153.0                    | 142.7          | 151.2              |

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 |                | For the six months ended |                | September 30, 2012 |
|   | September 30, 2010       | March 31, 2011 | September 30, 2011       | March 31, 2012 |                    |
| Ratio of Operating Income to Net Sales                              | 16.3                     | 14.5           | 17.6                     | 15.1           | 15.9               |
| Ratio of Net Income Attributable to Makita Corporation to Net Sales | 11.3                     | 10.6           | 11.2                     | 10.8           | 10.5               |

Production by Region

|               | Million units            |                |                          |                |                    |
|---------------|--------------------------|----------------|--------------------------|----------------|--------------------|
|               | For the six months ended |                | For the six months ended |                | September 30, 2012 |
|               | September 30, 2010       | March 31, 2011 | September 30, 2011       | March 31, 2012 |                    |
| Japan         | 1.60                     | 1.76           | 1.79                     | 1.50           | 1.37               |
| Europe        | 1.22                     | 1.83           | 2.07                     | 1.94           | 1.61               |
| North America | 0.56                     | 0.64           | 0.70                     | 0.63           | 0.64               |
| Asia          | 6.77                     | 8.18           | 9.32                     | 8.10           | 8.20               |

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|                           |       |       |       |       |       |
|---------------------------|-------|-------|-------|-------|-------|
| Central and South America | 0.29  | 0.32  | 0.38  | 0.57  | 0.50  |
| Total                     | 10.44 | 12.73 | 14.26 | 12.74 | 12.32 |

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Total Makita Corporation Shareholders Equity per Share

|                                       |                  | Yen<br>As of          |                   |                       |                   |                       |
|---------------------------------------|------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
|                                       |                  | September 30,<br>2010 | March 31,<br>2011 | September 30,<br>2011 | March 31,<br>2012 | September 30,<br>2012 |
| Total Makita Corporation Shareholders | Equity per Share | 2,110                 | 2,230             | 2,168                 | 2,367             | 2,318                 |

Earning Per Share (Basic) Net Income Attributable toMakita Corporation Common Shareholders

|  | Yen                                     |   |   |   |  |
|--|---|---|---|---|--|
|  | For the year<br>ended March 31,<br>2009 | For the year<br>ended March 31,<br>2010 | For the year<br>ended March 31,<br>2011 | For the year<br>ended March 31,<br>2012 | For the year<br>ending March 31,<br>2013 |
| Earning Per Share (Basic) Net<br>Income Attributable to Makita<br>Corporation Common<br>Shareholders for the Interim<br>Period | 175.6                                   | 77.1                                    | 109.8                                   | 124.2                                   | 116.9                                    |
| Earning Per Share (Basic) Net<br>Income Attributable to Makita<br>Corporation Common<br>Shareholders for the Year              | 236.9                                   | 161.6                                   | 217.1                                   | 236.8                                   |  |

Cash Dividend per Share

|   | Yen   |  |  |  |   |
|---|---|--|--|--|---|
|   | For the<br>year<br>ended<br>March 31,<br>2009 | For the year<br>ended<br>March 31,<br>2010 | For the year<br>ended<br>March 31,<br>2011 | For the year<br>ended<br>March 31,<br>2012 | For the year<br>ending<br>March 31,<br>2013 |
| Cash Dividend per Share for the<br>Interim Period | 30  | 15   | 15   | 15   | 15  |
| Cash Dividend per Share for the<br>Year           | 80  | 52   | 66   | 72   | Undecided                                   |



Condensed Consolidated Balance Sheets

|  | Yen (millions)          |                                |                        |
|--|-------------------------|--------------------------------|------------------------|
|  | As of<br>March 31, 2012 | As of<br>September 30,<br>2012 | Increase<br>(Decrease) |
| <b>ASSETS</b>                                  |                         |                                |                        |
| <b>CURRENT ASSETS:</b>                         |                         |                                |                        |
| Cash and Cash Equivalents                      | 44,812                  | 52,466                         | 7,654                  |
| Time Deposits                                  | 13,504                  | 6,382                          | (7,122)                |
| Short-term investments                         | 25,125                  | 28,326                         | 3,201                  |
| Notes Receivable in Trade                      | 1,769                   | 1,555                          | (214)                  |
| Accounts Receivable in Trade                   | 48,445                  | 48,161                         | (284)                  |
| Less-Allowance for Doubtful Receivables        | (753)                   | (710)                          | 43                     |
| Inventories                                    | 129,571                 | 117,611                        | (11,960)               |
| Deferred Income Taxes                          | 5,898                   | 5,766                          | (132)                  |
| Prepaid Expenses and Other Current Assets      | 8,392                   | 8,304                          | (88)                   |
| <b>Total Current Assets</b>                    | <b>276,763</b>          | <b>267,861</b>                 | <b>(8,902)</b>         |
| <b>PROPERTY, PLANT AND EQUIPMENT:</b>          |                         |                                |                        |
| Land   | 20,498                  | 19,881                         | (617)                  |
| Buildings and Improvements                     | 73,332                  | 74,360                         | 1,028                  |
| Machinery and Equipment                        | 75,460                  | 73,930                         | (1,530)                |
| Construction in Progress                       | 6,594                   | 4,495                          | (2,099)                |
| Less-Accumulated Depreciation                  | (98,146)                | (97,999)                       | 147                    |
| <b>Total Net Property, Plant and Equipment</b> | <b>77,738</b>           | <b>74,667</b>                  | <b>(3,071)</b>         |
| <b>INVESTMENTS AND OTHER ASSETS:</b>           |                         |                                |                        |
| Investments                                    | 19,154                  | 15,871                         | (3,283)                |
| Deferred Income Taxes                          | 853                     | 1,175                          | 322                    |
| Other Assets                                   | 8,748                   | 9,667                          | 919                    |
| <b>Total Investments and Other Assets</b>      | <b>28,755</b>           | <b>26,713</b>                  | <b>(2,042)</b>         |
| <b>TOTAL ASSETS</b>                            | <b>383,256</b>          | <b>369,241</b>                 | <b>(14,015)</b>        |

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



Condensed Consolidated Balance Sheets

|   | As of<br>March 31, 2012 | Yen (millions)<br>As of<br>September 30,<br>2012 | Increase<br>(Decrease) |
|---|-------------------------|--|------------------------|
| <b>LIABILITIES</b>                                  |                         |  |                        |
| <b>CURRENT LIABILITIES:</b>                         |                         |  |                        |
| Short-term Borrowings                               | 2,351                   | 1,801  | (550)                  |
| Trade Notes and Accounts Payable                    | 21,822                  | 17,942   | (3,880)                |
| Accrued Payroll                                     | 7,803                   | 7,643  | (160)                  |
| Accrued Expenses and Others                         | 16,324                  | 15,669   | (655)                  |
| Income Taxes Payable                                | 5,293                   | 3,643  | (1,650)                |
| Deferred Income Taxes                               | 125                     | 90   | (35)                   |
| <b>Total Current Liabilities</b>                    | <b>53,718</b>           | <b>46,788</b>                                    | <b>(6,930)</b>         |
| <b>LONG-TERM LIABILITIES:</b>                       |                         |  |                        |
| Long-term Indebtedness                              | 12                      | 11   | (1)                    |
| Accrued Retirement and Termination Benefits         | 3,027                   | 2,854  | (173)                  |
| Deferred Income Taxes                               | 130                     | 108  | (22)                   |
| Other Liabilities                                   | 2,591                   | 2,554  | (37)                   |
| <b>Total Long-term Liabilities</b>                  | <b>5,760</b>            | <b>5,527</b>                                     | <b>(233)</b>           |
| <b>Total Liabilities</b>                            | <b>59,478</b>           | <b>52,315</b>                                    | <b>(7,163)</b>         |
| <b>EQUITY</b>                                       |                         |  |                        |
| <b>MAKITA CORPORATION SHAREHOLDERS EQUITY:</b>      |                         |  |                        |
| Common Stock  | 23,805                  | 23,805   |                        |
| Additional Paid-in Capital                          | 45,421                  | 45,421   |                        |
| Legal Reserve and Retained Earnings                 | 322,606                 | 330,742  | 8,136                  |
| Accumulated Other Comprehensive Income (Loss)       | (59,066)                | (73,755)   | (14,689)               |
| Treasury Stock, at cost                             | (11,513)                | (11,520)   | (7)                    |
| <b>Total Makita Corporation Shareholders Equity</b> | <b>321,253</b>          | <b>314,693</b>                                   | <b>(6,560)</b>         |
| <b>NONCONTROLLING INTEREST</b>                      | <b>2,525</b>            | <b>2,233</b>                                     | <b>(292)</b>           |
| <b>Total Equity</b>                                 | <b>323,778</b>          | <b>316,926</b>                                   | <b>(6,852)</b>         |
| <b>TOTAL LIABILITIES AND EQUITY</b>                 | <b>383,256</b>          | <b>369,241</b>                                   | <b>(14,015)</b>        |

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

Consolidated Statements of Income

|   | For the six<br>months<br>ended<br>September 30,<br>2011 | Yen (millions)                                       |          | Increase<br>(Decrease) |  |
|---|---|--|----------|------------------------|--|
|   |   | For the six<br>months ended<br>September 30,<br>2012 | (Amount) | (%)                    |  |
| <b>NET SALES</b>  | 153,036   | 151,232  | (1,804)  | (1.2)                  |  |
| Cost of Sales   | 92,701  | 94,136   | 1,435    | 1.5                    |  |
| <b>GROSS PROFIT</b>   | 60,335  | 57,096   | (3,239)  | (5.4)                  |  |
| Selling, General, Administrative and others, Net                    | 33,382  | 33,066   | (316)    | (0.9)                  |  |
| <b>OPERATING INCOME</b>   | 26,953  | 24,030   | (2,923)  | (10.8)                 |  |
| <b>OTHER INCOME (EXPENSES):</b>                                     |   |  |          |                        |  |
| Interest and Dividend Income  | 723   | 770  | 47       | 6.5                    |  |
| Interest Expense  | (95)  | (115)  | (20)     |                        |  |
| Exchange Gains (Losses) on Foreign Currency Transactions, net       | (2,465)   | (1,708)  | 757      |                        |  |
| Realized Gains (Losses) on Securities, net                          | (602)   | (284)  | 318      |                        |  |
| Total   | (2,439)   | (1,337)  | 1,102    |                        |  |
| <b>INCOME BEFORE INCOME TAXES</b>                                   | 24,514  | 22,693   | (1,821)  | (7.4)                  |  |
| <b>PROVISION FOR INCOME TAXES</b>                                   |   |  |          |                        |  |
| Current   | 7,459   | 6,808  | (651)    | (8.7)                  |  |
| Deferred  | (189)   | (7)  | 182      |                        |  |
| Total   | 7,270   | 6,801  | (469)    | (6.5)                  |  |
| <b>NET INCOME</b>   | 17,244  | 15,892   | (1,352)  | (7.8)                  |  |
| <b>Less: Net Income Attributable to the Noncontrolling Interest</b> | 140   | 18   | (122)    | (87.1)                 |  |
| <b>NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION</b>                | 17,104  | 15,874   | (1,230)  | (7.2)                  |  |

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Condensed Consolidated Statements of Cash Flows

|   | Yen (millions)                                    |   |
|---|---|---|
|   | For the six months<br>ended September 30,<br>2011 | For the six months<br>ended September 30,<br>2012 |
| <b>Net Cash Provided by (Used in) Operating Activities</b>          | (1,692)   | 15,186  |
| <b>Net Cash Provided by (Used in) Investing Activities</b>          | 4,473   | 751   |
| <b>Net Cash Provided by (Used in) Financing Activities</b>          | (5,131)   | (8,103)   |
| <b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b> | (839)   | (180)   |
| <b>Net Change in Cash and Cash Equivalents</b>                      | (3,189)   | 7,654   |
| <b>Cash and Cash Equivalents, Beginning of Period</b>               | 51,833  | 44,812  |
| <b>Cash and Cash Equivalents, End of Period</b>                     | 48,644  | 52,466  |

Condensed Operating Segment Information

For the six months ended September 30, 2011

|                           | Yen (millions) |        |                  |        |        |         |                   |                   |
|---------------------------|----------------|--------|------------------|--------|--------|---------|-------------------|-------------------|
|                           | Japan          | Europe | North<br>America | Asia   | Other  | Total   | Elimi-<br>nations | Consoli-<br>dated |
| <b>Sales:</b>             |                |        |                  |        |        |         |                   |                   |
| (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)          |                   |
| <b>Total</b>              | 63,292         | 66,238 | 21,971           | 66,035 | 26,625 | 244,161 | (91,125)          | 153,036           |
| <b>Operating Expenses</b> | 54,594         | 58,199 | 20,595           | 59,678 | 22,256 | 215,322 | (89,239)          | 126,083           |
| <b>Operating Income</b>   | 8,698          | 8,039  | 1,376            | 6,357  | 4,369  | 28,839  | (1,886)           | 26,953            |

For the six months ended September 30, 2012

Yen (millions)

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|                           | Japan         | Europe        | North America | Asia          | Other         | Total          | Eliminations    | Consolidated   |
|---------------------------|---------------|---------------|---------------|---------------|---------------|----------------|-----------------|----------------|
| <b>Sales:</b>             |               |               |               |               |               |                |                 |                |
| (1) External Customers    | 37,497        | 62,489        | 19,437        | 6,387         | 25,422        | 151,232        |                 | 151,232        |
| (2) Inter-Segment         | 21,740        | 1,856         | 1,184         | 53,688        | 22            | 78,490         | (78,490)        |                |
| <b>Total</b>              | <b>59,237</b> | <b>64,345</b> | <b>20,621</b> | <b>60,075</b> | <b>25,444</b> | <b>229,722</b> | <b>(78,490)</b> | <b>151,232</b> |
| <b>Operating Expenses</b> | <b>52,914</b> | <b>57,584</b> | <b>19,561</b> | <b>53,289</b> | <b>22,182</b> | <b>205,530</b> | <b>(78,328)</b> | <b>127,202</b> |
| <b>Operating Income</b>   | <b>6,323</b>  | <b>6,761</b>  | <b>1,060</b>  | <b>6,786</b>  | <b>3,262</b>  | <b>24,192</b>  | <b>(162)</b>    | <b>24,030</b>  |

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

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

Condition of Shareholders and Shares

(As of September 30, 2012)

|   |   |
|---|---|
| <u>Total Number of Shares Authorized</u>  | 496,000,000 shares  |
| <u>Total Number of Shares Outstanding</u> | 140,008,760 shares (including 4,261,015 shares of treasury stock) |
| <u>Number of Shareholders</u>             | 14,568 (234 increase compared with as of March 31, 2012)          |

10 Largest Shareholders

| Name of Shareholder   | Number of Shares Held<br>(thousand) | %            |
|---|-------------------------------------|--------------|
| The Master Trust Bank of Japan, Ltd. (Trust account)              | 9,306                               | 6.65         |
| Japan Trustee Services Bank, Ltd. (Trust account)                 | 7,748                               | 5.53         |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.                            | 4,213                               | 3.01         |
| Maruwa, Ltd.  | 4,069                               | 2.91         |
| Makita Cooperation Companies Investment Association               | 4,066                               | 2.90         |
| Nippon Life Insurance Company                                     | 4,013                               | 2.87         |
| Sumitomo Mitsui Banking Corporation                               | 2,900                               | 2.07         |
| National Mutual Insurance Federation of Agricultural Cooperatives | 2,469                               | 1.76         |
| Masahiko Goto   | 1,987                               | 1.42         |
| Japan Trustee Services Bank, Ltd. (Trust account 9)               | 1,951                               | 1.39         |
| <b>Total</b>  | <b>42,722</b>                       | <b>30.51</b> |

- Note: 1. Shares holding ratios above are calculated based on the total number of issued shares (including treasury stock) as of September 30, 2012.  
2. In addition to the above, the Company owns 4,261 thousand shares of treasury stock.

Distribution of Share-ownership

| Class of Shareholder                        | Number of Shares Held<br>(thousand) | %    |
|---|-------------------------------------|------|
| Financial Institutions and Securities Firms | 53,293                              | 38.1 |
| Japanese Individuals and Other              | 23,722                              | 17.0 |
| Foreign Investors                           | 41,494                              | 29.6 |
| Other Japanese Business Corporations        | 17,239                              | 12.3 |

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|                |         |       |
|----------------|---------|-------|
| Treasury Stock | 4,261   | 3.0   |
| Total          | 140,009 | 100.0 |

| Class of Shareholder                        | Number of Shareholders |       |
|---|------------------------|-------|
|   |                        | %     |
| Financial Institutions and Securities Firms | 109                    | 0.7   |
| Japanese Individuals and Other              | 13,692                 | 94.0  |
| Foreign Investors                           | 409                    | 2.8   |
| Other Japanese Business Corporations        | 357                    | 2.5   |
| Treasury Stock                              | 1                      | 0.0   |
| Total                                       | 14,568                 | 100.0 |

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

|                          | April  | May    | June   | 2012<br>July | August | September |
|--------------------------|--------|--------|--------|--------------|--------|-----------|
| High (yen)               | 3,460  | 3,090  | 2,930  | 2,834        | 3,030  | 3,080     |
| Low (yen)                | 3,030  | 2,595  | 2,468  | 2,470        | 2,542  | 2,624     |
| Volume (thousand shares) | 12,329 | 21,166 | 16,688 | 15,966       | 16,303 | 17,046    |

Note: The highest price, lowest price, and total volume of shares traded on The Tokyo Stock Exchange for the six months ended September 30, 2012 were as follows:

The highest price per share: 3,460 yen marked on April 3, 2012

The lowest price per share: 2,468 yen marked on June 4, 2012

Total volume of shares traded: 99,497 thousand shares

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

Makita's basic policy on the distribution of profits 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.

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## Corporate Data

(As of September 30, 2012)

### 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 | 49 (Domestic 2, Overseas 47)  |
| Plants                              | Two in Japan, eight outside of Japan (two in China, and one each in the United States, Brazil, the United Kingdom, Germany, Romania and Thailand) |
| Number of Employees                 | 12,793 (consolidated)<br>2,845 (non-consolidated)   |
| <u>Board of Directors</u>           |   |
| President and                       | Masahiko Goto   |
| Representative Director             |   |
| Director, Managing                  | Yasuhiko Kanzaki  |
| Corporate Officers                  | (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)  |

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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)  
Note:

The Company has designated Mr. Motohiko Yokoyama, a Director, as the Independent Director(s)/Auditor(s) as required by the regulations of the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. and made required notification therefore to these Stock Exchanges.

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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 (As of October 1, 2012)

|                    |                |   |
|--------------------|----------------|---|
| Corporate Officers | Zenji Mashiko  | (General Manager of Domestic Sales Marketing Headquarters: Tokyo Area)                  |
|                    | Toshio Hyuga   | (General Manager of Domestic Sales Marketing Headquarters: Osaka Area)                  |
|                    | Tamiro Kishima | (Senior Managing Director of Dolmar G.m.b.H)  |
|                    | Tim Donovan    | (President of Makita Corporation of America and in charge of Brazil Plant)              |
|                    | Paul Harris    | (Managing Director of Makita Manufacturing Europe, Ltd. and in charge of Romania Plant) |

Note:

The Company has designated Messrs. Haruhito Hisatsune, Masafumi Nakamura and Michiyuki Kondo, Statutory Auditors, as the Independent Director(s)/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

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## Information on Shares

(As of September 30, 2012)

|  |   |
|--|---|
| 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<br>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           | Sumitomo Mitsui Trust Bank, Limited<br>1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan   |
| Its handling office                      | Sumitomo Mitsui Trust Bank, Limited<br>Stock Transfer Agency Department<br>15-33, Sakae 3-chome, Naka-ku, Nagoya, Aichi 460-8685, Japan   |
| Its liaison offices                      | Head office and nationwide branch offices of Sumitomo Mitsui Trust Bank,<br>Limited   |
| 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 Depository Receipts: The Nasdaq Global Select Market (Symbol: MKTAY)                    |

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