

MAKITA CORP  
Form 6-K  
October 31, 2008

**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 October, 2008  
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

Consolidated Financial Results for the six months ended September 30, 2008

(U.S. GAAP Financial Information)

SUPPORT DOCUMENTATION (CONSOLIDATED)

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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 and Representative Director

Date: October 31, 2008

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**Table of Contents**

Makita Corporation  
Consolidated Financial Results  
for the six months ended September 30, 2008  
(U.S. GAAP Financial Information)

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

---

**Table of Contents**

**CONSOLIDATED FINANCIAL RESULTS  
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2008**

October 31, 2008

**Makita Corporation**

Stock code: 6586

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

Masahiko Goto, President &amp; Representative Director

**1. Results of the six months ended September 30, 2008 (From April 1, 2008 to September 30, 2008)****(1) CONSOLIDATED OPERATING RESULTS**

|                            | Yen (millions)                                    |      |   |     |
|----------------------------|---|------|---|-----|
|                            | For the six months<br>ended<br>September 30, 2007 |      | For the six months<br>ended<br>September 30, 2008 |     |
|                            |   | %    |   | %   |
| Net sales                  | 169,537   | 28.5 | 175,558   | 3.6 |
| Operating income           | 33,899  | 58.5 | 36,047  | 6.3 |
| Income before income taxes | 34,468  | 58.1 | 34,453  | 0.0 |
| Net income                 | 23,596  | 53.3 | 24,851  | 5.3 |
|                            |   |      | <b>Yen</b>  |     |
| Net income per share       | 164.17  |      | 175.60  |     |

Notes: The table above shows the changes in the percentage ratio of net sales, operating income, income before income taxes, and net income against the corresponding period of the previous year.

**(2) CONSOLIDATED FINANCIAL POSITION**

|  | Yen (millions)             |                                |
|--|----------------------------|--------------------------------|
|  | As of<br>March<br>31, 2008 | As of<br>September 30,<br>2008 |
| Total assets                                   | 386,467                    | 382,000                        |
| Shareholders' equity                           | 316,498                    | 316,519                        |
| Shareholders' equity ratio to total assets (%) | 81.9%                      | 82.9%                          |
|  |                            | <b>Yen</b>                     |
| Shareholders' equity per share                 | 2,201.36                   | 2,248.53                       |

**2. Dividend Information**

|  | Yen   |
|--|---|
|  | For the year<br>ended<br>March<br>31,<br>2008 |
|  | For the year<br>ending<br>March 31, 2009      |

Cash dividend per share:

|          |       |        |
|----------|-------|--------|
| Interim  | 30.00 | 30.00  |
| Year-end | 67.00 | (Note) |
| Total    | 97.00 | (Note) |

- Notes:
1. The forecast for cash dividend announced on April 30, 2008 has not been revised.
  2. While the Company has set forth under the Articles of Corporation of the Company that the record date for the payment of dividend shall be the last day of a relevant period, at the present time, the projected amount of dividends as of the said record date has not been determined yet.

For further details, refer to Explanation regarding proper use of business forecasts, and other significant matters on page 2.

1

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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**Table of Contents****3. Consolidated Financial Forecast for the year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)**

|                            | <b>Yen (millions)</b>                         |        |
|----------------------------|---|--------|
|                            | <b>For the year ending March 31,<br/>2009</b> |        |
|                            |   | %      |
| Net sales                  | 303,000                                       | (11.6) |
| Operating income           | 54,000  | (19.4) |
| Income before income taxes | 50,200  | (23.7) |
| Net income                 | 36,200  | (21.4) |
|                            | <b>Yen</b>                                    |        |
| Net income per share       | 257.16  |        |

Note: The consolidated financial forecast for the year ending March 31, 2009 has been revised.

For details, refer to [Qualitative Information and Financial Statements] section 3 Qualitative information on consolidated financial forecast on page 4.

The above forecast is based on the assumption of exchange rates of 95 yen to the U.S. dollar and 120 yen to the euro for the second half of the fiscal year.

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

**4. Other**

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

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

Note: Refer to [Qualitative Information and Financial Statements] section 4 Other on page 4.

(3) Changes in principles, procedures and disclosures of the accounting policies concerning quarterly consolidated financial statements preparation:

Note: Refer to [Qualitative Information and Financial Statements] section 4 Other on page 4.

(4) Number of shares outstanding (common stock)

|  |                           |             |
|--|---------------------------|-------------|
| 1. Number of shares issued (including treasury stock): | As of September 30, 2008: | 144,008,760 |
|  | As of March 31, 2008:     | 144,008,760 |
| 2. Number of treasury stock:                           | As of September 30, 2008: | 3,241,663   |
|  | As of March 31, 2008:     | 235,135     |
| 3. Average number of shares outstanding:               | As of September 30, 2008: | 141,521,162 |
|  | As of September 30, 2007: | 143,725,286 |

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

1. The consolidated financial forecast for the year ending March 31, 2009 has been revised. Regarding the assumptions for the forecasts and other matters, refer to [Qualitative Information and Financial Statements] section 3 Qualitative information on consolidated financial forecast on page 4.

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



the forecasts provided above.

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

The Board of Directors plans to meet in April 2009 for a report on earnings for the year ending March 31, 2009. At the time, in accordance with the basic policy regarding profit distribution mentioned above, the Board of Directors plans to propose a dividend equivalent to at least 30% of net income. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2009.

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

2

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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**Table of Contents****[Qualitative Information and Financial Statements]****1. Qualitative Information on Consolidated Operating Results**

For the six months ( the period ) ended September 30, 2008, the world s economy has been characterized by financial instability caused in part by the sub-prime loan problems in the United States and by a steep rise in raw material prices, those have spilled over into the global economy, and the business climate is rapidly decelerating.

What is more, the decrease in demand in the housing market is affecting Japan and the United States and also Western European countries, adding to the intensity of the market downturn.

In such conditions, the Makita Group has expanded our product lines through the development of power tools such as hammer drills that are equipped with the low-vibration mechanisms which have an established reputation in technology, rechargeable tools that utilize lithium-ion batteries, and gardening equipment outfitted with mini 4-cycle engines.

In production, we are moving forward with the expansion of the Romanian plant in Eastern Europe and construction of the second plant in Brazil in South America in order to reinforce global capacity and balance.

In sales, we are also improving and developing sales and after-service networks by establishing and operating local subsidiaries in India and Colombia.

In our consolidated financial results for the period, sales declined in the United States and Japan, but increased 3.6% over the same period of the previous year, to 175,558 million yen, because demand in emerging countries in Eastern Europe, Russia, Southeast Asia, Central and South America, and the Middle East remained strong.

For the period, sales have risen continuously to a new record for the fourth consecutive period and sales have increased for eight consecutive period.

In terms of earnings, operating income rose 6.3% compared to the same period of the previous year, to 36,047 million yen (ratio of operating income to net sales; 20.5%), income before income taxes amounted to 34,453 million yen, a 0.04% decline from the same period of the previous year (ratio of income before income taxes to net sales; 19.6%), and net income for the period amounted to 24,851 million yen (ratio of net income to net sales; 14.2%), up 5.3% from the same period of the previous year.

Net sales by geographic area were as follows:

In Japan, despite a recovery in the number of housing starts, the market environment continues to remain bleak, contributing to a decrease in sales to 24,378 million yen, down 5.0% from the same period of the previous year.

In Europe, although sales in Western Europe fell into a downward trend, sales in Eastern Europe and Russia continued to expand, marking a 5.4% increase over the same period of the previous year to 83,131 million yen.

In North America, sales via the home improvement channel remained steady in persistent stagnation in the U.S. housing market, thanks to having established a partnership with Home Depot U.S.A., Inc., the largest home improvement retailer in the United States, in March 2008. However, sales declined to 25,836 million yen, for a 10.7% decrease, due to a significantly weaker dollar versus the yen in foreign exchange markets for the same period of the previous year.

In Asia, sales remained robust at 13,163 million yen in Southeast Asia, a 19.4% increase over the same period of the previous year.

In other regions such as those in Central and South America which are growth countries with abundant resources, sales amounted to 10,579 million yen, a 30.1% increase compared to the same period of the previous year; while sales in the Middle East and Africa rose 15.2% to 9,964 million yen, and sales in Oceania climbed 2.8%, to 8,507 million yen.

As a result above, the foreign sales ratio in the period ended September 30, 2008, rose to 86.1%, up 1.2 points from 84.9% in the same period of the previous year.

**2. Qualitative Information on Consolidated Financial Position**

Compared to the end of the previous fiscal year, total assets at the end of this second quarter declined in value by 4,467 million yen to 382,000 million yen. The principal factor was because marketable securities were sold off, in order to acquire company s own stock.

Compared to the end of the previous fiscal year, liabilities declined in value by 4,363 million yen to 63,090 million yen. The key factor was a decrease in income taxes payable.

Compared to the end of the previous fiscal year, shareholders' equity increased in value by 21 million yen to 316,519 million yen.

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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Table of Contents**3. Qualitative Information on Consolidated Financial Forecast**

The forecast for the third quarter and for the fiscal year ending March 31, 2009 is based on the assumption that the financial instability caused by the sub-prime loan problem in the United States will stay not only in developed countries, but in the new emerging countries that have enjoyed steady growth, with the entire global economy is facing a period of contraction.

The forecast is assumed on basis of continuing rise of raw materials price and in a continued strengthening of the yen.

In the condition above, the previous forecast has been revised as follows.

**Revised Forecast for consolidated performance during the fiscal 2009 (from April 1, 2008 to March 31, 2009)**

|   | (Million yen)  |                     |                                     |               | Net<br>income<br><br>per share |
|---|----------------|---------------------|-------------------------------------|---------------|--------------------------------|
|   | Net sales      | Operating<br>income | Income<br>before<br>income<br>taxes | Net<br>income | (yen)                          |
| Outlook announced previously (A)                          | 343,000        | 64,000              | 63,000                              | 42,000        | 292.13                         |
| <b>Revised forecast (B)</b>                               | <b>303,000</b> | <b>54,000</b>       | <b>50,200</b>                       | <b>36,200</b> | <b>257.16</b>                  |
| Change (B-A)  | (40,000)       | (10,000)            | (12,800)                            | (5,800)       |                                |
| Percentage revision                                       | (11.7)%        | (15.6)%             | (20.3)%                             | (13.8)%       |                                |
| Actual results for the previous year ended March 31, 2008 | 342,577        | 67,031              | 65,771                              | 46,043        | 320.30                         |

The above forecast is based on the assumption of exchange rates of 95 yen to the U.S. dollar and 120 yen to the euro for the second half of the fiscal year.

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

**4. Other**

- (1) Changes in important subsidiaries during the period (Changes in specific subsidiaries accompanied by changes in scope of consolidation): None
- (2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements:

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

- (3) Changes in principles, procedures and disclosures of the accounting policies concerning quarterly consolidated financial statements preparation:

Starting with this fiscal year, the Company has adopted the Fair Value Measurements pursuant to the Statement of Financial Accounting Standards No. 157. This Statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The adoption did not give rise to any material effect on the Company's consolidated financial position or results of operations.

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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**Table of Contents****5. Consolidated Financial Statements****(1) Consolidated Balance Sheets**

|  | Yen (millions)       |               |                          |               |
|--|----------------------|---------------|--------------------------|---------------|
|  | As of March 31, 2008 |               | As of September 30, 2008 |               |
|  | Composition ratio    |               | Composition ratio        |               |
| <b>ASSETS</b>                                  |                      |               |                          |               |
| <b>CURRENT ASSETS:</b>                         |                      |               |                          |               |
| Cash and cash equivalents                      | 46,306               |               | 42,678                   |               |
| Time deposits                                  | 2,393                |               | 3,591                    |               |
| Marketable securities                          | 49,443               |               | 34,865                   |               |
| Trade receivables-                             |                      |               |                          |               |
| Notes  | 2,950                |               | 3,011                    |               |
| Accounts                                       | 60,234               |               | 60,989                   |               |
| Less- Allowance for doubtful receivables       | (1,018)              |               | (1,032)                  |               |
| Inventories                                    | 112,187              |               | 120,210                  |               |
| Deferred income taxes                          | 6,478                |               | 6,587                    |               |
| Prepaid expenses and other current assets      | 11,382               |               | 11,656                   |               |
| <b>Total current assets</b>                    | <b>290,355</b>       | <b>75.1%</b>  | <b>282,555</b>           | <b>74.0%</b>  |
| <b>PROPERTY, PLANT AND EQUIPMENT, at cost:</b> |                      |               |                          |               |
| Land   | 18,370               |               | 18,463                   |               |
| Buildings and improvements                     | 64,268               |               | 63,311                   |               |
| Machinery and equipment                        | 75,651               |               | 77,007                   |               |
| Construction in progress                       | 2,765                |               | 6,436                    |               |
|  | 161,054              |               | 165,217                  |               |
| Less- Accumulated depreciation                 | (91,996)             |               | (91,206)                 |               |
|  | 69,058               | 17.9%         | 74,011                   | 19.4%         |
| <b>INVESTMENTS AND OTHER ASSETS:</b>           |                      |               |                          |               |
| Investment securities                          | 18,034               |               | 15,927                   |               |
| Goodwill                                       | 2,001                |               | 1,994                    |               |
| Other intangible assets, net                   | 2,240                |               | 2,372                    |               |
| Deferred income taxes                          | 1,826                |               | 1,219                    |               |
| Other assets                                   | 2,953                |               | 3,922                    |               |
|  | 27,054               | 7.0%          | 25,434                   | 6.6%          |
|  | <b>386,467</b>       | <b>100.0%</b> | <b>382,000</b>           | <b>100.0%</b> |

*English translation of KESSAN TANSHIN originally issued in Japanese language*

---

**Table of Contents**

|   | Yen (millions)                            |              |  |              |
|---|---|--------------|--|--------------|
|   | As of March 31, 2008<br>Composition ratio |              | As of September 30,<br>2008<br>Composition ratio |              |
| <b>LIABILITIES AND SHAREHOLDERS EQUITY</b>    |   |              |  |              |
| <b>CURRENT LIABILITIES:</b>                   |   |              |  |              |
| Short-term borrowings                         | 1,724                                     |              | 1,123  |              |
| Trade notes and accounts payable              | 23,372                                    |              | 22,835   |              |
| Other payables                                | 5,640                                     |              | 6,149  |              |
| Accrued expenses                              | 7,982                                     |              | 6,585  |              |
| Accrued payroll                               | 8,096                                     |              | 7,772  |              |
| Income taxes payable                          | 7,518                                     |              | 5,374  |              |
| Deferred income taxes                         | 58  |              | 32   |              |
| Other liabilities                             | 5,266                                     |              | 5,239  |              |
| <b>Total current liabilities</b>              | <b>59,656</b>                             | <b>15.4%</b> | <b>55,109</b>                                    | <b>14.4%</b> |
| <b>LONG-TERM LIABILITIES:</b>                 |   |              |  |              |
| Long-term indebtedness                        | 908                                       |              | 861  |              |
| Accrued retirement and termination allowances | 3,716                                     |              | 3,353  |              |
| Deferred income taxes                         | 1,215                                     |              | 1,836  |              |
| Other liabilities                             | 1,958                                     |              | 1,931  |              |
|   | 7,797                                     | 2.0%         | 7,981  | 2.1%         |
|   | 67,453                                    | 17.4%        | 63,090   | 16.5%        |
| <b>MINORITY INTERESTS</b>                     | <b>2,516</b>                              | <b>0.7%</b>  | <b>2,391</b>                                     | <b>0.6%</b>  |
| <b>SHAREHOLDERS EQUITY:</b>                   |   |              |  |              |
| Common stock                                  | 23,805                                    |              | 23,805   |              |
| Additional paid-in capital                    | 45,753                                    |              | 45,752   |              |
| Legal reserve                                 | 5,669                                     |              | 5,669  |              |
| Retained earnings                             | 249,191                                   |              | 264,410  |              |
| Accumulated other comprehensive income (loss) | (7,657)                                   |              | (10,908)   |              |
| Treasury stock, at cost                       | (263)                                     |              | (12,209)   |              |
|   | 316,498                                   | 81.9%        | 316,519  | 82.9%        |
|   | 386,467                                   | 100.0%       | 382,000  | 100.0%       |



|  | <b>As of March<br/>31, 2008</b> | <b>As of September<br/>30, 2008</b> |
|--|---------------------------------|-------------------------------------|
| Total number of shares authorized                  | 496,000,000                     | 496,000,000                         |
| Number of shares issued                            | 144,008,760                     | 144,008,760                         |
| Number of shares issued (excluding treasury stock) | 143,773,625                     | 140,767,097                         |
| Number of treasury stock                           | 235,135                         | 3,241,663                           |

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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**Table of Contents****(2) Consolidated Statements of Income**

|   | Yen (millions)                                    |       |   |       |
|---|---|-------|---|-------|
|   | For the six months<br>ended<br>September 30, 2007 |       | For the six months<br>ended<br>September 30, 2008 |       |
|   |   | (%)   |   | (%)   |
| NET SALES   | 169,537   | 100.0 | 175,558   | 100.0 |
| Cost of sales   | 98,847  | 58.3  | 100,824   | 57.4  |
| GROSS PROFIT  | 70,690  | 41.7  | 74,734  | 42.6  |
| Selling, general, administrative and other expenses   | 36,791  | 21.7  | 38,687  | 22.1  |
| OPERATING INCOME                                      | 33,899  | 20.0  | 36,047  | 20.5  |
| OTHER INCOME (EXPENSES):                              |   |       |   |       |
| Interest and dividend income                          | 1,022   |       | 954   |       |
| Interest expense                                      | (166)   |       | (169)   |       |
| Exchange losses on foreign currency transactions, net | (125)   |       | (1,462)   |       |
| Realized gains (losses) on securities, net            | 8   |       | (660)   |       |
| Other, net  | (170)   |       | (257)   |       |
| Total   | 569   | 0.3   | (1,594)   | (0.9) |
| INCOME BEFORE INCOME TAXES                            | 34,468  | 20.3  | 34,453  | 19.6  |
| PROVISION FOR INCOME TAXES:                           |   |       |   |       |
| Current   | 10,168  |       | 7,686   |       |
| Deferred  | 704   |       | 1,916   |       |
| Total   | 10,872  | 6.4   | 9,602   | 5.4   |
| NET INCOME  | 23,596  | 13.9  | 24,851  | 14.2  |

7

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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**Table of Contents****(3) Condensed Consolidated Statements of Cash Flows**

|  | <b>Yen (millions)</b>                                      |   |
|--|--|---|
|  | For the<br>six<br>months<br>ended<br>September<br>30, 2007 | For the six months<br>ended<br>September 30, 2008 |
| Net cash provided by operating activities                    | 13,803   | 14,222  |
| Net cash provided by (used in) investing activities          | (4,950)  | 3,132   |
| Net cash used in financing activities                        | (10,047)   | (22,511)  |
| Effect of exchange rate changes on cash and cash equivalents | (248)  | 1,529   |
| Net change in cash and cash equivalents                      | (1,442)  | (3,628)   |
| Cash and cash equivalents, beginning of period               | 37,128   | 46,306  |
| Cash and cash equivalents, end of period                     | 35,686   | 42,678  |

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

For the six months ended September 30, 2007

|                        | <b>Yen (millions)</b> |        |                  |        |        |         |                                       |                   |
|------------------------|-----------------------|--------|------------------|--------|--------|---------|---------------------------------------|-------------------|
|                        | Japan                 | Europe | North<br>America | Asia   | Other  | Total   | Corporate<br>and<br>elimi-<br>nations | Consoli-<br>dated |
| Sales:                 |                       |        |                  |        |        |         |                                       |                   |
| (1) External customers | 35,281                | 78,871 | 28,792           | 5,511  | 21,082 | 169,537 |                                       | 169,537           |
| (2) Inter-segment      | 34,085                | 2,707  | 2,342            | 48,684 | 106    | 87,924  | (87,924)                              |                   |
| Total                  | 69,366                | 81,578 | 31,134           | 54,195 | 21,188 | 257,461 | (87,924)                              | 169,537           |
| Operating expenses     | 57,352                | 68,485 | 30,016           | 47,603 | 18,240 | 221,696 | (86,058)                              | 135,638           |
| Operating income       | 12,014                | 13,093 | 1,118            | 6,592  | 2,948  | 35,765  | (1,866)                               | 33,899            |

For the six months ended September 30, 2008

|        | <b>Yen (millions)</b> |        |                  |      |       |       |                                       |                   |
|--------|-----------------------|--------|------------------|------|-------|-------|---------------------------------------|-------------------|
|        | Japan                 | Europe | North<br>America | Asia | Other | Total | Corporate<br>and<br>elimi-<br>nations | Consoli-<br>dated |
| Sales: |                       |        |                  |      |       |       |                                       |                   |

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|                        |        |        |        |        |        |         |          |         |
|------------------------|--------|--------|--------|--------|--------|---------|----------|---------|
| (1) External customers | 35,371 | 83,192 | 26,062 | 6,009  | 24,924 | 175,558 |          | 175,558 |
| (2) Inter-segment      | 33,454 | 2,792  | 2,809  | 51,597 | 79     | 90,731  | (90,731) |         |
| Total                  | 68,825 | 85,984 | 28,871 | 57,606 | 25,003 | 266,289 | (90,731) | 175,558 |
| Operating expenses     | 59,925 | 70,438 | 27,726 | 50,201 | 20,881 | 229,171 | (89,660) | 139,511 |
| Operating income       | 8,900  | 15,546 | 1,145  | 7,405  | 4,122  | 37,118  | (1,071)  | 36,047  |

8

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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**Table of Contents****(6) Notes in case there is any significant change in the shareholders' equity**

## Consolidated Statement of Shareholders' equity

|   | <b>Yen (millions)</b><br>For the six months<br>ended<br>September 30, 2008 |
|---|--|
| <b>COMMON STOCK:</b>                                  |  |
| Beginning balance                                     | 23,805   |
| Ending balance  | 23,805   |
| <b>ADDITIONAL PAID-IN CAPITAL:</b>                    |  |
| Beginning balance                                     | 45,753   |
| Disposal of treasury stock                            | (1)  |
| Ending balance  | 45,752   |
| <b>LEGAL RESERVE:</b>                                 |  |
| Beginning balance                                     | 5,669  |
| Ending balance  | 5,669  |
| <b>RETAINED EARNINGS:</b>                             |  |
| Beginning balance                                     | 249,191  |
| Cash dividends  | (9,632)  |
| Net income  | 24,851   |
| Ending balance  | 264,410  |
| <b>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):</b> |  |
| Beginning balance                                     | (7,657)  |
| Other comprehensive income (loss) for the period      | (3,251)  |
| Ending balance  | (10,908)   |
| <b>TREASURY STOCK, at cost:</b>                       |  |
| Beginning balance                                     | (263)  |
| Purchases and disposal (Note)                         | (11,946)   |
| Ending balance  | (12,209)   |

TOTAL SHAREHOLDERS EQUITY

316,519

Note: Purchases of treasury stock:

In May 2008, the Company bought back 3 million shares of company's own stock for 11,923 million yen in the market.

9

*English translation of KESSAN TANSHIN originally issued in Japanese language*

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

|                               | Yen (millions)                                    |        | Yen (millions)                                    |      | Yen (millions)                                    |       |
|-------------------------------|---|--------|---|------|---|-------|
|                               | For the six months<br>ended September<br>30, 2006 | (%)    | For the six months<br>ended September<br>30, 2007 | (%)  | For the six months<br>ended September<br>30, 2008 | (%)   |
| Net sales                     | 131,891   | 23.7   | 169,537   | 28.5 | 175,558   | 3.6   |
| Domestic                      | 22,927  | 14.5   | 25,649  | 11.9 | 24,378  | (5.0) |
| Overseas                      | 108,964   | 25.8   | 143,888   | 32.1 | 151,180   | 5.1   |
| Operating income              | 21,387  | (17.4) | 33,899  | 58.5 | 36,047  | 6.3   |
| Income before income taxes    | 21,796  | (17.8) | 34,468  | 58.1 | 34,453  | 0.0   |
| Net income                    | 15,390  | (40.4) | 23,596  | 53.3 | 24,851  | 5.3   |
| Net income per share (Yen)    | 107.09  |        | 164.17  |      | 175.60  |       |
| Cash dividend per share (Yen) | 19.00   |        | 30.00   |      | 30.00   |       |
| Dividend payout ratio (%)     | 17.7  |        | 18.3  |      | 17.1  |       |
| Employees                     | 9,077   |        | 10,093  |      | 10,799  |       |

**Yen (millions)**

Note: The table above shows the changes in the percentage ratio of Net sales, Operating income, Income before income taxes, and Net income against the corresponding period of the previous year.

Please refer to page 4 for the qualitative information on the consolidated financial forecast for the year ending March 31, 2009.

10

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**Table of Contents****2. Consolidated Net Sales by Geographic Area**

|                            | For the six months ended |      | Yen (millions)<br>For the six months ended |      | For the six months ended |        |
|----------------------------|--------------------------|------|--|------|--------------------------|--------|
|                            | September 30, 2006       | (%)  | September 30, 2007                         | (%)  | September 30, 2008       | (%)    |
| Japan                      | 22,927                   | 14.5 | 25,649                                     | 11.9 | 24,378                   | (5.0)  |
| Europe                     | 56,558                   | 35.3 | 78,865                                     | 39.4 | 83,131                   | 5.4    |
| North America              | 24,513                   | 18.7 | 28,942                                     | 18.1 | 25,836                   | (10.7) |
| Asia                       | 9,776                    | 15.4 | 11,021                                     | 12.7 | 13,163                   | 19.4   |
| Other regions              | 18,117                   | 15.4 | 25,060                                     | 38.3 | 29,050                   | 15.9   |
| Central and South America  | 5,931                    | 16.4 | 8,134                                      | 37.1 | 10,579                   | 30.1   |
| The Middle East and Africa | 6,203                    | 21.2 | 8,650                                      | 39.4 | 9,964                    | 15.2   |
| Oceania                    | 5,983                    | 9.1  | 8,276                                      | 38.3 | 8,507                    | 2.8    |
| Total                      | 131,891                  | 23.7 | 169,537                                    | 28.5 | 175,558                  | 3.6    |

Note: The table above sets forth Makita's consolidated net sales by geographic area based on the customer's location for the periods presented. Accordingly, it differs from operating segment information on page 8.

**3. Exchange Rates**

|                 | Yen                      |                          |                          |                           |                           |
|-----------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
|                 | For the six months ended | For the six months ended | For the six months ended | For the six months ending | For the year ending       |
|                 | September 30, 2006       | September 30, 2007       | September 30, 2008       | March 31, 2009 (Forecast) | March 31, 2009 (Forecast) |
| Yen/U.S. Dollar | 115.38                   | 119.40                   | 106.12                   | 95                        | 101                       |
| Yen/Euro        | 146.01                   | 162.33                   | 162.80                   | 120                       | 141                       |

**4. Sales Growth in local currency basis (Major countries)**

|                     | For the six months ended |
|---------------------|--------------------------|
|                     | September 30, 2008 (%)   |
| U.K.                | (0.9)                    |
| Germany             | 5.8                      |
| France              | (0.7)                    |
| Russia              | 22.3                     |
| U.S.A.              | (3.0)                    |
| China               | 14.1                     |
| Brazil              | 42.5                     |
| Makita Gulf (UAE) * | 35.5                     |



Australia

10.3

\*Including export sales for the Middle East and Africa.

11

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**Table of Contents****5. Production Ratio (unit basis)**

|          | For the six months<br>ended<br>September 30,<br>2006<br>(%) | For the six months<br>ended<br>September 30,<br>2007<br>(%) | For the six months<br>ended<br>September 30,<br>2008<br>(%) |
|----------|---|---|---|
| Domestic | 27.9  | 24.0  | 20.2  |
| Overseas | 72.1  | 76.0  | 79.8  |

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

|                               | Yen (millions)  |   |   |  |
|-------------------------------|---|---|---|--|
|                               | For the six<br>months<br>ended<br>September<br>30, 2006 | For the six<br>months<br>ended<br>September<br>30, 2007 | For the six<br>months<br>ended<br>September<br>30, 2008 | For the year<br>ended<br>March 31,<br>2009<br>(Forecast) |
| Capital expenditures          | 4,873   | 7,161   | 9,827   | 22,000   |
| Depreciation and amortization | 3,715   | 3,879   | 4,426   | 10,000   |
| R&D cost                      | 2,605   | 2,826   | 3,493   | 7,100  |

12

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