

MAKITA CORP
Form 6-K
November 24, 2006

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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, 2006

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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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)

/s/ Masahiko Goto

Masahiko Goto
President and Representative Director

Date: November 24, 2006

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Makita Corporation

The 95th Semiannual Report
for the six months
ended September 30, 2006
(U.S. GAAP Financial Information)

(English translation of CHUKAN-KI JIGYOU NO GOHOUKOKU
semiannual report originally issued in Japanese language
for the benefit and information of shareholders
of the Company's common stock)

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A MESSAGE FROM THE PRESIDENT

We are pleased to present the results for Makita's 95th interim period, ended September 30, 2006.

■ Consolidated net sales reached a record high for two consecutive terms.

Regarding consolidated results of operations for the interim period under review, net sales rose 23.7% over the same period of the previous year, to 131,891 million yen. Sales in Japan rose 14.5% to 22,927 million yen compared with the same period of the previous year, as a result of the added sales from the air tools related business which Makita acquired in January of this year. Meanwhile, overseas sales posted a 25.8% increase to 108,964 million yen due primarily to the introduction of new products in response to the market needs, enhanced sales activities, expansion of emerging markets including the Eastern European and Russian markets, as well as the foreign exchange market that transitioned toward depreciation of the yen. As a result, overseas sales accounted for 82.6% of net sales for the period. Examining overseas sales by individual region, sales in Europe were up 35.3%, to 56,558 million yen, while sales in North America expanded 18.7%, to 24,513 million yen. Sales in Asia rose 15.4%, to 9,776 million yen, and sales in other regions increased 15.4%, to 18,117 million yen.

With regard to earnings, operating income amounted to 21,387 million yen (ratio of operating income to net sales; 16.2%), down 17.4% from the same period of the previous year, income before income taxes amounted to 21,796 million yen (ratio of income before income taxes to net sales; 16.5%), down 17.8% and net income for the interim period amounted to 15,390 million yen (ratio of net income to net sales; 11.7%), down 40.4%. These decreases from the same period of the previous year were mainly due to a special factor of a gain from the sale of the Company's golf course management subsidiary following the completion of the civil rehabilitation proceedings in May 2005. The gain of transfer of its ownership interests in the subsidiary resulted in approximately 8.5 billion yen in operating income and 11.9 billion yen in net income for the interim period of 2005.

■ Issues to Be Addressed

As to our opinions on what lies ahead, while the domestic economy is expected to stay on a gradual recovery path, the price of raw materials does not allow for optimism. The outlook for the environment in which the company does business is somewhat opaque, considering the worldwide trend toward rising interest rates as well as some concerns over the outlook for both the American and the Asian economy.

In light of this outlook, Makita will be striving to further improve its results by aggressively addressing such tasks as the continuous introduction of new products that will lead the industry, further improvement in the productivity of its Chinese factories, a smooth startup of the Romanian factory, which is Makita's new production base, improvement in brand equity in the U.S., enhancement of the air tool category, etc.

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n The Interim Dividends of 19 Yen Per Share

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 consolidated net income after certain adjustments. For the interim period under review, Makita will pay a dividend of 19 yen per share of the same amount as the interim period of 2005, as announced in April 2006.

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 2007. 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 2006

Masahiko Goto
President and Representative Director

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

Table of ContentsCONSOLIDATED FINANCIAL HIGHLIGHTS

Yen (millions)

| | For the six months ended September 30, 2004 | For the six months ended September 30, 2005 | For the six months ended September 30, 2006 | Rate of change (%) | For the year ended March 31, 2006 |
|---|---|--|--|---------------------------------|--|
| Net sales | 97,430 | 106,649 | 131,891 | 23.7 | 229,075 |
| Operating income | 19,464 | 25,897 | 21,387 | (17.4) | 45,778 |
| Operating income to net sales ratio (%) | 20.0 | 24.3 | 16.2 | | 20.0 |
| Income before income taxes | 20,238 | 26,504 | 21,796 | (17.8) | 49,143 |
| Net income | 12,953 | 25,807 | 15,390 | (40.4) | 40,411 |
| Net income to net sales ratio (%) | 13.3 | 24.2 | 11.7 | | 17.6 |
| | As of September 30, 2004 | As of September 30, 2005 | As of September 30, 2006 | Rate of change (%) | As of March 31, 2006 |
| Shareholders equity | 211,721 | 245,579 | 279,374 | 13.8 | 266,584 |
| Total assets | 291,842 | 298,978 | 340,176 | 13.8 | 326,038 |
| Shareholders equity ratio to total assets (%) | 72.5 | 82.1 | 82.1 | | 81.8 |
| | For the six months ended September 30, 2004 | For the six months ended September 30, 2005 | For the six months ended September 30, 2006 | Rate of change (%) | For the year ended March 31, 2006 |

| | | | | | |
|---|-------------|-------------|-------------|--------|-------------|
| Capital expenditures | 2,071 | 4,856 | 4,873 | 0.4 | 11,383 |
| Depreciation and amortization | 2,664 | 2,658 | 3,715 | 39.8 | 5,922 |
| R&D cost | 2,222 | 2,345 | 2,605 | 11.1 | 4,826 |
| Employees (Jobs) | 8,598 | 8,557 | 9,077 | 6.1 | 8,629 |
| Average number of shares outstanding (Shares) | 143,874,488 | 143,757,513 | 143,709,479 | | 143,736,927 |
| Net income per share (Yen) | 90.0 | 179.5 | 107.1 | (40.3) | 281.2 |
| Cash dividend per share (Yen) | 11.0 | 19.0 | 19.0 | | 57.0 |

Notes:

1. Consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States.
2. In principle, amounts of less than 1 million yen have been rounded.

Table of ContentsCONSOLIDATED NET SALES BY GEOGRAPHIC AREA

| | Yen (billions) | | | | |
|---------------|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | For the six months ended | | | | |
| | September 30, 2004 | March 31, 2005 | September 30, 2005 | March 31, 2006 | September 30, 2006 |
| Japan | 19.0 | 20.4 | 20.0 | 21.6 | 22.9 |
| North America | 19.7 | 18.8 | 20.6 | 27.0 | 24.5 |
| Europe | 36.4 | 38.8 | 41.8 | 48.7 | 56.6 |
| Asia | 9.3 | 7.0 | 8.5 | 8.5 | 9.8 |
| Other regions | 13.0 | 12.3 | 15.7 | 16.6 | 18.1 |
| Total | 97.4 | 97.3 | 106.6 | 122.4 | 131.9 |

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

PROFIT RATIO

| | % | | | | |
|-------------------------------------|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | For the six months ended | | | | |
| | September 30, 2004 | March 31, 2005 | September 30, 2005 | March 31, 2006 | September 30, 2006 |
| Operating income to net sales ratio | 20.0 | 12.3 | 24.3 | 16.2 | 16.2 |
| Net income to net sales ratio | 13.3 | 9.4 | 24.2 | 11.9 | 11.7 |

PRODUCTION BY COUNTRY

| | Million units | | | | |
|--------|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | For the six months ended | | | | |
| | September 30, 2004 | March 31, 2005 | September 30, 2005 | March 31, 2006 | September 30, 2006 |
| Japan | 2.22 | 1.63 | 2.03 | 2.15 | 2.43 |
| U.S.A. | 0.66 | 0.51 | 0.54 | 0.52 | 0.44 |
| U.K | 0.61 | 0.68 | 0.71 | 0.66 | 0.80 |
| China | 3.13 | 3.26 | 3.28 | 3.29 | 4.53 |
| Other | 0.42 | 0.45 | 0.48 | 0.55 | 0.54 |
| Total | 7.04 | 6.53 | 7.04 | 7.17 | 8.74 |

Table of ContentsSHAREHOLDERS EQUITY PER SHARE

| | Yen | | | | |
|-------------------------------|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | As of | | | | |
| | September 30, 2004 | March 31, 2005 | September 30, 2005 | March 31, 2006 | September 30, 2006 |
| Shareholders equity per share | 1,472 | 1,528 | 1,709 | 1,855 | 1,944 |

NET INCOME PER SHARE

| | Yen | | |
|---|--|--|--|
| | For the year ended March 31, 2005 | For the year ended March 31, 2006 | For the year ending March 31, 2007 |
| Net income per share for the interim period | 90.0 | 179.5 | 107.1 |
| Net income per share for the year | 153.9 | 281.2 | - |

CASH DIVIDEND PER SHARE

| | Yen | | |
|--|------------|-----------------------|------------------------|
| | For the | For the year ended | For the year ending |
| | | | |

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| | year ended March 31, 2005 | March 31, 2006 | March 31, 2007 |
|--|---------------------------------------|-------------------|-------------------|
| Cash dividend per share for the interim period | 11 | 19 | 19 |
| Total cash dividend per share for the year | 47 | 57 | - |

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

Table of ContentsCONDENSED CONSOLIDATED BALANCE SHEETS

| | Yen (millions) | | |
|--|-----------------------------------|-----------------------------------|------------------------------|
| | As of March 31, 2006 | As of September 30, 2006 | Increase (Decrease) |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 39,054 | 35,302 | (3,752) |
| Time deposits | 1,845 | 4,987 | 3,142 |
| Marketable securities | 47,773 | 52,693 | 4,920 |
| Trade receivables- | | | |
| Notes | 1,936 | 2,666 | 730 |
| Accounts | 46,074 | 46,969 | 895 |
| Less- Allowance for doubtful receivables | (1,016) | (1,038) | (22) |
| Inventories | 79,821 | 88,700 | 8,879 |
| Deferred income taxes | 3,661 | 3,967 | 306 |
| Prepaid expenses and other current assets | 8,621 | 8,572 | (49) |
| Total current assets | 227,769 | 242,818 | 15,049 |
| PROPERTY, PLANT AND EQUIPMENT, at cost: | | | |
| Land | 17,737 | 16,733 | (1,004) |
| Buildings and improvements | 55,470 | 55,508 | 38 |
| Machinery and equipment | 74,501 | 74,109 | (392) |
| Construction in progress | 2,340 | 3,030 | 690 |
| Less- Accumulated depreciation | 150,048 (90,845) | 149,380 (89,803) | (668) 1,042 |
| | 59,203 | 59,577 | 374 |
| INVESTMENTS AND OTHER ASSETS: | | | |

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| | | | |
|-----------------------|----------------|----------------|----------------|
| Investment securities | 30,439 | 28,008 | (2,431) |
| Deferred income taxes | 698 | 559 | (139) |
| Other assets | 7,929 | 9,214 | 1,285 |
| | <u>39,066</u> | <u>37,781</u> | <u>(1,285)</u> |
| | <u>326,038</u> | <u>340,176</u> | <u>14,138</u> |

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

Table of ContentsCONDENSED CONSOLIDATED BALANCE SHEETS

| | Yen (millions) | | |
|---|----------------------------|--------------------------------|------------------------|
| | As of March 31, 2006 | As of September 30, 2006 | Increase (Decrease) |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Short-term borrowings | 1,728 | 3,396 | 1,668 |
| Trade notes and accounts payable | 13,908 | 14,672 | 764 |
| Accrued payroll | 8,224 | 8,333 | 109 |
| Accrued expenses and other | 15,224 | 14,394 | (830) |
| Income taxes payable | 6,701 | 7,515 | 814 |
| Deferred income taxes | 176 | 129 | (47) |
| Total current liabilities | 45,961 | 48,439 | 2,478 |
| LONG-TERM LIABILITIES: | | | |
| Long-term indebtedness | 104 | 100 | (4) |
| Accrued retirement and termination allowances | 2,901 | 3,264 | 363 |
| Deferred income taxes | 7,923 | 6,233 | (1,690) |
| Other liabilities | 930 | 1,015 | 85 |
| | 11,858 | 10,612 | (1,246) |
| MINORITY INTERESTS | 1,635 | 1,751 | 116 |
| COMMITMENTS AND CONTINGENT LIABILITIES | - | - | - |
| SHAREHOLDERS EQUITY: | | | |
| Common stock | 23,805 | 23,805 | - |
| Additional paid-in capital | 45,437 | 45,437 | - |

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| | | | |
|--|---------|---------|--------|
| Legal reserve and retained earnings | 192,255 | 202,184 | 9,929 |
| Accumulated other comprehensive income | 5,345 | 8,223 | 2,878 |
| Treasury stock, at cost | (258) | (275) | (17) |
| | <hr/> | <hr/> | <hr/> |
| | 266,584 | 279,374 | 12,790 |
| | <hr/> | <hr/> | <hr/> |
| | 326,038 | 340,176 | 14,138 |
| | <hr/> | <hr/> | <hr/> |

Note: Consolidated subsidiaries: 45 subsidiaries as of March 31, 2006 and September 30, 2006

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

Table of ContentsCONDENSED CONSOLIDATED STATEMENTS OF INCOME

| | Yen (millions) | | | |
|--|---|--|------------------------|--------|
| | For the six months ended September 30, 2005 | For the six months ended September 30, 2006 | Increase (Decrease) | |
| | | | (Amount) | (%) |
| NET SALES | 106,649 | 131,891 | 25,242 | 23.7 |
| Cost of sales | 61,554 | 77,343 | 15,789 | 25.7 |
| GROSS PROFIT | 45,095 | 54,548 | 9,453 | 21.0 |
| Selling, general, administrative and other expenses | 19,198 | 33,161 | 13,963 | 72.7 |
| OPERATING INCOME | 25,897 | 21,387 | (4,510) | (17.4) |
| OTHER INCOME (EXPENSES) : | | | | |
| Interest and dividend income | 548 | 569 | 21 | 3.8 |
| Interest expense | (233) | (163) | 70 | (30.0) |
| Exchange gains (losses) on foreign currency transactions, net | 4 | (193) | (197) | - |
| Realized gains on securities, net | 360 | 311 | (49) | (13.6) |
| Other, net | (72) | (115) | (43) | 59.7 |
| Total | 607 | 409 | (198) | (32.6) |
| INCOME BEFORE INCOME TAXES | 26,504 | 21,796 | (4,708) | (17.8) |
| PROVISION FOR INCOME TAXES: | | | | |

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| | | | | |
|------------|-----------------|-----------------|-----------------|-----------------|
| Current | 6,419 | 7,230 | 811 | 12.6 |
| Deferred | (5,722) | (824) | 4,898 | (85.6) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | 697 | 6,406 | 5,709 | 819.1 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| NET INCOME | 25,807 | 15,390 | (10,417) | (40.4) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Table of Contents**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

| | Yen (millions) | |
|---|---|---|
| | For the six months ended September 30, 2005 | For the six months ended September 30, 2006 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | 25,807 | 15,390 |
| Adjustments to reconcile net income to net cash provided by operating activities- | | |
| Depreciation and amortization | (16,458) | (1,971) |
| Deferred income taxes | 2,658 | 3,715 |
| Realized gains on securities, net | (5,722) | (824) |
| Losses (gains) on disposals or sales of property, plant and equipment | (360) | (311) |
| Impairment of long-lived assets | (8,598) | 464 |
| Changes in assets and liabilities- | - | 1,131 |
| Trade receivables | 14 | (325) |
| Inventories | (5,581) | (6,365) |
| Trade notes and accounts payables and accrued expenses | 1,192 | 359 |
| Income taxes payable | 220 | 100 |
| Accrued retirement and termination benefits | (270) | (911) |
| Other, net | (11) | 996 |
| Net cash provided by operating activities | <u>9,349</u> | <u>13,419</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (4,856) | (4,873) |
| Purchases of available-for-sale securities | (13,297) | (14,046) |
| Purchases of held-to-maturity securities | (1,799) | (200) |
| Proceeds from sales and maturities of available-for-sale securities | 21,742 | 8,108 |
| Proceeds from maturities of held-to-maturity securities | - | 1,100 |
| Proceeds from sales of property, plant and equipment | 800 | 60 |
| Decrease (increase) in time deposits | 3,959 | (3,046) |
| Cash paid for acquisition of business | - | (649) |
| Other, net | (373) | (657) |

| | | |
|---|----------|----------|
| Net cash provided by (used in) investing activities | 6,176 | (14,203) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Increase (decrease) in short-term borrowings | (2,687) | 1,609 |
| Repayment of long-term indebtedness | (150) | - |
| Repayment of club members' deposits | (6,375) | - |
| Purchases and sales of treasury stock, net | (117) | (17) |
| Cash dividends paid | (5,176) | (5,461) |
| Other, net | (35) | (109) |
| Net cash used in financing activities | (14,540) | (3,978) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (76) | 1,010 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 909 | (3,752) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 25,384 | 39,054 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | 26,293 | 35,302 |

Table of ContentsOPERATING SEGMENT INFORMATIONSix months ended September 30, 2005

| Yen (millions) | | | | | | | | |
|------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------------------|----------------|
| | Japan | Europe | North America | Asia | Other | Total | Corporate and eliminations | Consolidated |
| Sales: | | | | | | | | |
| (1) External customers | 25,874 | 42,218 | 20,798 | 4,197 | 13,562 | 106,649 | - | 106,649 |
| (2) Intersegment | 25,208 | 3,433 | 1,589 | 19,601 | 96 | 49,927 | (49,927) | - |
| Total | 51,082 | 45,651 | 22,387 | 23,798 | 13,658 | 156,576 | (49,927) | 106,649 |
| Operating expenses | 35,779 | 39,791 | 21,818 | 20,775 | 12,171 | 130,334 | (49,582) | 80,752 |
| Operating income | 15,303 | 5,860 | 569 | 3,023 | 1,487 | 26,242 | (345) | 25,897 |
| Identifiable assets | 231,482 | 75,882 | 36,077 | 35,887 | 20,020 | 399,348 | (100,370) | 298,978 |

Six months ended September 30, 2006

| Yen (millions) | | | | | | | | |
|------------------------|--------|--------|---------------|--------|--------|---------|----------------------------|--------------|
| | Japan | Europe | North America | Asia | Other | Total | Corporate and eliminations | Consolidated |
| Sales: | | | | | | | | |
| (1) External customers | 30,497 | 57,050 | 24,386 | 4,864 | 15,094 | 131,891 | - | 131,891 |
| (2) Intersegment | 30,883 | 2,763 | 2,704 | 32,482 | 88 | 68,920 | (68,920) | - |

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| | | | | | | | | |
|---------------------|---------------|---------------|---------------|---------------|---------------|----------------|-----------------|----------------|
| Total | <u>61,380</u> | <u>59,813</u> | <u>27,090</u> | <u>37,346</u> | <u>15,182</u> | <u>200,811</u> | <u>(68,920)</u> | <u>131,891</u> |
| Operating expenses | 53,462 | 52,062 | 26,001 | 31,975 | 13,457 | 176,957 | (66,453) | 110,504 |
| Operating income | 7,918 | 7,751 | 1,089 | 5,371 | 1,725 | 23,854 | (2,467) | 21,387 |
| Identifiable assets | 247,919 | 94,315 | 42,314 | 45,929 | 23,975 | 454,452 | (114,276) | 340,176 |

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

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

Table of Contents**CONDITION OF SHAREHOLDERS AND SHARES**

(As of September 30, 2006)

| | |
|---|---|
| <u>Total number of shares authorized</u> | 496,000,000 shares |
| <u>Total number of shares outstanding</u> | 144,008,760 shares |
| <u>Number of shareholders</u> | 12,094 (248 reduction compared with as of March 31, 2006) |

10 largest shareholders

| Name of shareholder | Number of shares held | |
|---|-----------------------|-------|
| | Units (thousand) | % |
| Japan Trustee Services Bank, Ltd. (Trust account) | 11,504 | 7.99 |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 8,413 | 5.84 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 5,213 | 3.62 |
| Northern Trust Company (AVFC) Sub-account American Client | 4,750 | 3.30 |
| The Chase Manhattan Bank, N.A. London | 4,518 | 3.14 |
| Makita Cooperation Companies Investment Association | 3,885 | 2.70 |
| Nippon Life Insurance Company | 3,713 | 2.58 |
| Maruwa Co., Ltd. | 3,209 | 2.23 |
| Sumitomo Mitsui Banking Corporation | 2,900 | 2.01 |
| Hero & Co. | 2,579 | 1.79 |
| Total | 50,685 | 35.20 |

Note: Hero & Co. is the nominal holder of the shares of The Bank of New York, the trustee bank for the Company's American

Depository
Shares.

Distribution of share-ownership

| Class of shareholder | Number of shares held | |
|---|-----------------------|------|
| | Units | % |
| Financial institutions and securities firms | 55,602,215 | 38.6 |
| Japanese individuals and other | 25,745,660 | 17.9 |
| Foreign investors | 44,771,443 | 31.1 |
| Other Japanese business corporations | 17,587,923 | 12.2 |
| Treasury stock | 301,519 | 0.2 |

| Class of shareholder | Number of shareholders | |
|---|------------------------|------|
| | Units | % |
| Financial institutions and securities firms | 148 | 1.2 |
| Japanese individuals and other | 11,214 | 92.7 |
| Foreign investors | 373 | 3.1 |
| Other Japanese business corporations | 358 | 3.0 |
| Treasury stock | 1 | 0.0 |

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

Table of Contents**Price per share and volume of shares traded on The Tokyo Stock Exchange**

| | 2006 | | | | | |
|--------------------------|-------|--------|--------|--------|--------|-----------|
| | April | May | June | July | August | September |
| High (yen) | 3,720 | 3,830 | 3,670 | 3,830 | 3,730 | 3,600 |
| Low (yen) | 3,290 | 3,260 | 2,995 | 3,460 | 3,380 | 3,210 |
| Volume (thousand shares) | 6,959 | 15,568 | 20,614 | 12,138 | 14,437 | 11,083 |

Note: The highest price, lowest price, and total volume of shares traded on The Tokyo Stock Exchange for the six months ended September 30, 2006 were as follows:

The highest price per share: 3,830 yen marked on May 11 and July 10, 2006

The lowest price per share: 2,995 yen marked on June 14, 2006

Total volume of shares traded: 80,798 thousand shares

Basic policy regarding profit distribution

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 consolidated net income 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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English Translation of CHUKAN-KI JIGYOU NO GOHOUKOKU originally issued in Japanese language

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CORPORATE DATA

(As of September 30, 2006)

Makita Corporation

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

Phone: (0566) 98-1711

Website: <http://www.makita.co.jp/global/>

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|---------------------------------------|---|--|
| 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, air tools, garden tools and household tools | |
| Number of consolidated subsidiaries | 45 (Domestic 3, Overseas 42) | |
| Plants | Three in Japan, seven outside of Japan (two in China, and one each in the United States, Canada, Brazil, the United Kingdom, and Germany), and under construction of a new plant in Romania | |
| Employees | 9,077 (consolidated) 3,007 (non-consolidated) | |
| <u>Board of Directors</u> | | |
| President and Representative Director | Masahiko Goto | |
| Managing Director | Masami Tsuruta | (General Manager of Domestic Sales Marketing Headquarters) |
| Directors | Yasuhiko Kanzaki | (General Manager of International Sales Headquarters: Europe Area) |
| | Kenichiro Nakai | (General Manager of Administration Headquarters) |
| | Tadayoshi Torii | (General Manager of Production Headquarters) |
| | Tomoyasu Kato | (General Manager of Development and Engineering Headquarters) |
| | Kazuya Nakamura | (General Manager of International Sales Headquarters: Europe Area) |

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Asia and Oceania Area)

Masahiro Yamaguchi (General Manager of Purchasing Headquarters)

Shiro Hori (General Manager of International Sales Headquarters:
America Area and International Administration)

Tadashi Asanuma (Assistant General Manager of Domestic Sales
Marketing Headquarters)

Hisayoshi Niwa (General Manager of Quality Headquarters)

Zenji Mashiko (Assistant General Manager of Domestic Sales
Marketing Headquarters)

Outside Director Motohiko Yokoyama (Vice President and Representative Director of JTEKT
Corporation)

Board of Statutory Auditors

Standing Statutory Auditor Akio Kondo

Hirromichi Murase

Statutory Auditor Keiichi Usui (Outside Auditor)

Shoichi Hase (Outside Auditor, Patent Attorney)

Independent Registered Public Accounting Firm

KPMG AZSA & Co.

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

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INFORMATION ON SHARES

(As of September 30, 2006)

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