

## CONSOLIDATED RESULTS of MAKITA CORPORATION

For the six months ended September 30, 2002

(From April 1, 2002 to September 30, 2002)

(US\$1.00=¥122)

	Yen (millions)		U.S. Dollars (thousands)	Percentage of change 2002 / 2001
	2001	2002	2002	
Net sales	¥ 83,890	¥ 87,648	\$ 718,426	4.5 %
Domestic	20,104	19,265	157,910	(4.2)
Overseas	63,786	68,383	560,516	7.2
Operating income	3,872	6,269	51,385	61.9
Income before income taxes	2,123	4,423	36,254	108.3
Net income	363	3,137	25,713	764.2
	(in Yen)		(in Dollars)	
Net income per share:				
Basic	¥ 2.4	¥ 21.0	\$ 0.17	784.4 %
Diluted	2.4	20.5	0.17	764.1

## Net Sales by Geographical Area

	Yen (millions)		U.S. Dollars (thousands)	Percentage of change 2002 / 2001
	2001	2002	2002	
Japan	¥ 20,104	¥ 19,265	\$ 157,910	(4.2) %
North America	25,470	24,185	198,238	(5.0)
Europe	23,733	26,876	220,295	13.2
Southeast Asia	5,669	7,181	58,860	26.7
Other Regions	8,914	10,141	83,123	13.8
Total	¥ 83,890	¥ 87,648	\$ 718,426	4.5 %

Note: The Company adopted the EITF Issue No. 01-09, "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products", from April 1, 2002. No effect on income before income taxes or net income was sustained.

Makita Corporation and Consolidated Subsidiaries  
Consolidated Balance Sheets  
September 30, 2001 and 2002

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	¥ 16,310	¥ 21,033	\$ 172,402
Time deposits	4,491	4,527	37,107
Marketable securities	44,842	40,990	335,984
Trade receivables-			
Notes	1,930	1,931	15,828
Accounts	32,073	34,526	283,000
Less- Allowance for doubtful receivables	(1,244)	(1,385)	(11,353)
Inventories	69,669	62,492	512,229
Deferred income taxes	5,343	6,752	55,344
Other current assets	4,608	3,375	27,664
Total current assets	<u>178,022</u>	<u>174,241</u>	<u>1,428,205</u>
<b>PLANT AND EQUIPMENT, at cost:</b>			
Land	21,588	21,845	179,057
Buildings and improvement	67,213	69,242	567,558
Machinery and equipment	82,251	79,926	655,131
	<u>171,052</u>	<u>171,013</u>	<u>1,401,746</u>
Less- Accumulated depreciation	(94,813)	(98,293)	(805,680)
	<u>76,239</u>	<u>72,720</u>	<u>596,066</u>
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investment securities	12,929	17,404	142,655
Deferred income taxes	2,660	6,277	51,451
Other assets	6,606	5,586	45,787
	<u>22,195</u>	<u>29,267</u>	<u>239,893</u>
	<u>¥ 276,456</u>	<u>¥ 276,228</u>	<u>\$ 2,264,164</u>

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Short-term borrowings	¥ 7,993	¥ 4,513	\$ 36,992
Trade notes and accounts payable	13,143	13,778	112,934
Accrued payroll	6,528	6,658	54,574
Other accrued expenses	2,583	3,410	27,951
Income taxes payable	3,269	3,918	32,115
Deferred income taxes	20	37	303
Total current liabilities	<u>33,536</u>	<u>32,314</u>	<u>264,869</u>
<b>LONG-TERM LIABILITIES:</b>			
Long-term indebtedness	21,867	19,956	163,574
Club members' deposits	17,124	14,984	122,820
Estimated retirement and termination allowances	14,242	19,162	157,065
Deferred income taxes	283	1,471	12,057
	<u>53,516</u>	<u>55,573</u>	<u>455,516</u>
<b>MINORITY INTERESTS</b>	<u>836</u>	<u>1,005</u>	<u>8,238</u>
<b>SHAREHOLDERS' EQUITY:</b>			
Common stock			
Authorized-			
292,000,000 shares in 2001 and 2002			
Outstanding-			
153,006,992 shares in 2001 and 2002	23,803	23,803	195,107
Additional paid-in capital	45,419	45,419	372,287
Legal reserve	5,669	5,669	46,467
Retained earnings	135,330	135,513	1,110,762
Accumulated other comprehensive income (loss)	(21,653)	(20,784)	(170,361)
Treasury stock, at cost:			
675 shares in 2001			
3,404,887 shares in 2002	0	(2,284)	(18,721)
	<u>188,568</u>	<u>187,336</u>	<u>1,535,541</u>
	<u>¥ 276,456</u>	<u>¥ 276,228</u>	<u>\$ 2,264,164</u>

Makita Corporation and Consolidated Subsidiaries  
Consolidated Statements of Income  
For the six months ended September 30, 2001 and 2002

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
NET SALES	¥ 83,890	¥ 87,648	\$ 718,426
Cost of sales	53,639	55,960	458,689
GROSS PROFIT	30,251	31,688	259,737
Selling, general and administrative expenses	26,379	25,419	208,352
OPERATING INCOME	3,872	6,269	51,385
OTHER INCOME (EXPENSES):			
Interest and dividend income	402	418	3,426
Interest expenses	(617)	(426)	(3,492)
Exchange losses on foreign currency transactions, net	(717)	(1,975)	(16,188)
Realized losses on securities, net	(625)	(172)	(1,410)
Other, net	(192)	309	2,533
Total	(1,749)	(1,846)	(15,131)
INCOME BEFORE INCOME TAXES	2,123	4,423	36,254
PROVISION FOR INCOME TAXES:			
Current	2,095	1,600	13,115
Deferred	(335)	(314)	(2,574)
Total	1,760	1,286	10,541
NET INCOME	¥ 363	¥ 3,137	\$ 25,713
	(in Yen)		(in Dollars)
PER SHARE OF COMMON STOCK AND AMERICAN DEPOSITARY SHARE:			
Net income per share:			
Basic	¥ 2.4	¥ 21.0	\$ 0.17
Diluted	2.4	20.5	0.17
Cash dividends applicable to the period	9.0	9.0	0.07

Note: The Company adopted the EITF Issue No. 01-09, "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products", from April 1, 2002. The adoption resulted in a reduction in the net sales and operating income, for the six months ended September 30, 2002, of ¥2,296 million (\$18,820 thousand) and ¥426 million (\$3,492 thousand), respectively. No effect on income before income taxes or net income was sustained.

Makita Corporation and Consolidated Subsidiaries  
Consolidated Statements of Shareholders' Equity  
For the six months ended September 30, 2001 and 2002

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
<b>COMMON STOCK:</b>			
Beginning balance	¥ 23,803	¥ 23,803	\$ 195,107
Ending balance	<u>¥ 23,803</u>	<u>¥ 23,803</u>	<u>\$ 195,107</u>
<b>ADDITIONAL PAID-IN CAPITAL:</b>			
Beginning balance	¥ 45,419	¥ 45,419	\$ 372,287
Ending balance	<u>¥ 45,419</u>	<u>¥ 45,419</u>	<u>\$ 372,287</u>
<b>LEGAL RESERVE:</b>			
Beginning balance	¥ 5,525	¥ 5,669	\$ 46,467
Transfer from retained earnings	144	-	-
Ending balance	<u>¥ 5,669</u>	<u>¥ 5,669</u>	<u>\$ 46,467</u>
<b>RETAINED EARNINGS:</b>			
Beginning balance	¥ 136,488	¥ 133,723	\$ 1,096,090
Net income	363	3,137	25,713
Cash dividends	(1,377)	(1,347)	(11,041)
Transfer to legal reserve	(144)	-	-
Ending balance	<u>¥ 135,330</u>	<u>¥ 135,513</u>	<u>\$ 1,110,762</u>

Makita Corporation and Consolidated Subsidiaries  
Consolidated Statements of Cash Flows  
For the six months ended September 30, 2001 and 2002

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net cash provided by operating activities	¥ 8,467	¥ 13,206	\$ 108,246
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net cash provided by (used in) investing activities	4,289	(2,931)	(24,025)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net cash used in financing activities	(10,957)	(6,778)	(55,557)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
	523	1,806	14,803
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>2,322</u>	<u>5,303</u>	<u>43,467</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>13,988</u>	<u>15,730</u>	<u>128,935</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u>¥ 16,310</u>	<u>¥ 21,033</u>	<u>\$ 172,402</u>