



Makita Corporation

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

SEMIANNUAL  
REPORT

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## A Message from the President

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Reviewing first trends in overseas economies during the interim period ended September 30, 2002, personal consumption and residential housing investment in the United States remained generally firm, and the economy continued on a gradual expansionary trend. In Asia, the economies of the region moved toward recovery, supported by a rallying of exports and domestic demand. On the other hand, European economies in general marked time owing to a prolongation of the slowdown in the German economy and other factors.

In Japan, a severe economic environment continued, as the economy confronted employment and nonperforming loan problems under deflationary conditions and experienced a slowdown in new housing starts.

Amid these conditions, Makita Corporation pursued firm and aggressive management policies, including the start up of production at its second manufacturing subsidiary in China and implementation of measures to reduce costs. Along with these activities, on the marketing side of its operations, Makita worked to further strengthen its sales and service structures that focus closely on the needs of its customers in Japan and overseas.

In the United States, Makita continued its policy of recovering the strength of its brand image by emphasizing marketing to professional users, while working to enhance profitability by reducing its manufacturing costs.

Turning to consolidated interim business results, interim net sales rose 4.5% from the same period of the previous year, to ¥87,648 million (\$718,426 thousand). Of this total, domestic sales declined 4.2% from the previous interim period, to ¥19,265 million (\$157,910 thousand), owing to weakness in the market for power tools, the trend among distributors to restrain inventories because of the prolonged economic stagnation, and other factors. On the other hand, overseas sales rose 7.2%, to ¥68,383 million (\$560,516 thousand), supported by increases in sales in Europe and Southeast Asia. As a result, the percentage of total consolidated net sales accounted for by overseas sales increased to 78.0%. By geographic region, sales in Japan amounted to ¥19,265 million (\$157,910 thousand), as previously mentioned, representing 22.0% of Makita's total sales. Sales in North America declined 5.0% from the previous interim period, to ¥24,185 million (\$198,238 thousand), and accounted for 27.6% of total sales. In Europe, sales rose 13.2%, to ¥26,876 million (\$220,295 thousand), amounting to 30.7% of total sales. Sales in Southeast Asia increased 26.7%, to ¥7,181 million (\$58,860 thousand), representing 8.2% of total sales, while sales in other regions increased 13.8%, to ¥10,141 million (\$83,123 thousand), accounting for 11.5% of Makita's net sales.

Although Makita reported a foreign exchange loss, as a result of reductions in inventories of overseas sales subsidiaries, the positive impact of expansion of production in China, and other developments, income before income taxes more than doubled in comparison with the interim period of the previous year, to ¥4,423 million (\$36,254 thousand). In addition, as a result of the application of tax effect accounting for tax adjustments based on advance pricing agreements related to transfer pricing, net income for the interim period rose 8.6 times from the same period a year earlier, to ¥3,137 million (\$25,713 thousand).

Basic net income per share of common stock and American Depositary Share (ADS) rose to ¥21.0 (\$0.17), compared with ¥2.4 for the interim period of the previous year. Diluted net income per share of common stock and ADS amounted to ¥20.5 (\$0.17) for the interim period under review compared with ¥2.4 for the interim period of the previous year.

Regarding interim dividends, at its meeting held October 30, 2002, the Board of Directors decided to pay interim cash dividends per share of ¥9.0 (\$0.07).

Looking forward, as a result of concerns about simultaneous declines in stock prices around the globe, conditions in the Middle East, and other factors, uncertainty about economic trends is rising, and a severe economic environment for corporations is likely to continue.

In view of these conditions, as a result of the shortening of its product development period, Makita is well positioned to respond nimbly to market needs and will continue to work to expand its marketing channels as well as substantially reduce costs with the objective of becoming a Strong Company—winning and holding the top share of the market for power tools for professional users in regions throughout the world.

In closing, we would like to ask our shareholders for their continuing support and cooperation as we work toward our objectives.

November 2002



Masahiko Goto  
President and Representative Director

# Consolidated Balance Sheets

Makita Corporation and Consolidated Subsidiaries September 30, 2001 and 2002

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
	(unaudited)		(unaudited)
<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>PROPERTY, 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>
<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 and 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>

# Consolidated Statements of Income

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

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

# Consolidated Statements of Shareholders' Equity

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

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
	(unaudited)		(unaudited)
<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>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):</b>			
Beginning balance .....	¥ (18,688)	¥ (16,446)	\$ (134,803)
Change for the period .....	(2,965)	(4,338)	(35,558)
Ending balance .....	<u>¥ (21,653)</u>	<u>¥ (20,784)</u>	<u>\$ (170,361)</u>
<b>TREASURY STOCK:</b>			
Beginning balance .....	¥ —	¥ (2,229)	\$ (18,270)
Purchases .....	(18)	(55)	(451)
Sales .....	18	—	—
Ending balance .....	<u>¥ (0)</u>	<u>¥ (2,284)</u>	<u>\$ (18,721)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b> .....	<u>¥188,568</u>	<u>¥187,336</u>	<u>\$1,535,541</u>
<b>DISCLOSURE OF COMPREHENSIVE INCOME (LOSS):</b>			
Net income for the period .....	¥ 363	¥ 3,137	\$ 25,713
Other comprehensive income (loss) for the period, net of tax .....	(2,965)	(4,338)	(35,558)
Total comprehensive income (loss) for the period .....	<u>¥ (2,602)</u>	<u>¥ (1,201)</u>	<u>\$ (9,845)</u>

# Consolidated Statements of Cash Flows

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

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
	(unaudited)		(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income.....	¥ 363	¥ 3,137	\$ 25,713
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization .....	4,683	4,319	35,402
Estimated retirement and termination allowances .....	366	58	475
Deferred income taxes.....	(335)	(314)	(2,574)
Realized losses on securities, net.....	625	172	1,410
Loss on disposal or sale of property, plant and equipment .....	47	174	1,426
Changes in current assets and liabilities:			
Trade receivables.....	346	57	467
Inventories.....	4,588	4,320	35,410
Payables and accrued expenses.....	(1,544)	(31)	(254)
Income taxes payable.....	(243)	1,012	8,295
Other, net .....	(429)	302	2,476
Net cash provided by operating activities .....	<u>8,467</u>	<u>13,206</u>	<u>108,246</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capital expenditures.....	(3,309)	(3,021)	(24,762)
Purchase of securities .....	(38,187)	(53,188)	(435,967)
Proceeds from sales of securities.....	41,670	52,387	429,401
Proceeds from sales of property, plant and equipment .....	213	207	1,697
Decrease in time deposits .....	4,005	960	7,869
Increase in other assets, net.....	(103)	(276)	(2,263)
Net cash provided by (used in) investing activities.....	<u>4,289</u>	<u>(2,931)</u>	<u>(24,025)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Decrease in short-term borrowings, net.....	(9,430)	(4,183)	(34,287)
Proceeds from long-term indebtedness .....	42	—	—
Repayment of long-term indebtedness.....	—	(83)	(680)
Proceeds from club members' deposits .....	—	329	2,697
Repayment of club members' deposits .....	(192)	(1,418)	(11,623)
Purchase and sales of common stock, net .....	—	(55)	(451)
Cash dividends paid.....	(1,377)	(1,368)	(11,213)
Net cash used in financing activities .....	<u>(10,957)</u>	<u>(6,778)</u>	<u>(55,557)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS .....</b>	<b>523</b>	<b>1,806</b>	<b>14,803</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS .....</b>	<b>2,322</b>	<b>5,303</b>	<b>43,467</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD .....</b>	<b>13,988</b>	<b>15,730</b>	<b>128,935</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD .....</b>	<b><u>¥16,310</u></b>	<b><u>¥21,033</u></b>	<b><u>\$172,402</u></b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
Cash paid during the period for:			
Interest .....	¥ 840	¥ 433	\$ 3,549
Income taxes .....	2,338	588	4,820

# Notes to Consolidated Financial Statements

Makita Corporation and Consolidated Subsidiaries

## 1. Principles of Consolidation

The consolidated financial statements include the accounts of Makita Corporation (the "Company") and all of its majority owned sub-

sidiaries (together, the "Companies"). All significant intercompany balances and transactions have been eliminated in consolidation.

## 2. Financial Statements Presentation

The accounts and the financial statements of the Companies are maintained in Japanese yen. For the convenience of the reader, the accompanying consolidated financial statements as of September 30, 2002 and for the six months then ended are also presented in U.S. dollars by arithmetically translating all yen amounts using the approximate exchange rate prevailing in the Federal Reserve Bank of New York of ¥122 to US\$1 at September 30, 2002.

The accompanying consolidated financial statements reflect certain adjustments, not recorded in the Companies' books, to present them in conformity with accounting principles generally accepted in the United States of America, modified for the accounting for stock splits to comply with the provisions of the Japanese Commercial Code.

## 3. New Accounting Standard

The Companies 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.

## 4. Marketable Securities and Investment Securities

All marketable securities and investment securities at September 30, 2001 and 2002 were classified as either available-for-sale securities or held-to-maturity securities.

The cost, gross unrealized holding gains and losses and fair value for such securities by major security type as of September 30, 2001 and 2002 were as follows:

	Cost	Gross Unrealized Holding		Fair Value
		Gains	Losses	
As of September 30, 2001				
Yen (millions)				
Marketable securities:				
Japanese and foreign governmental debt securities.....	¥ 201	¥ 23	¥ —	¥ 224
Corporate and bank debt securities.....	6,488	248	16	6,720
Funds in trusts .....	1,010	—	27	983
Investments in trusts .....	31,155	181	630	30,706
Marketable equity securities.....	5,359	1,113	263	6,209
	<u>¥44,213</u>	<u>¥1,565</u>	<u>¥936</u>	<u>¥44,842</u>
Investment securities:				
Corporate and bank debt securities.....	¥ 3,010	¥ —	¥ 29	¥ 2,981
Investments in trusts .....	682	—	—	682
Marketable equity securities.....	7,260	1,947	518	8,689
Non-marketable equity securities .....	577	—	—	577
	<u>¥11,529</u>	<u>¥1,947</u>	<u>¥547</u>	<u>¥12,929</u>

As of September 30, 2002	Cost	Gross Unrealized Holding		Fair Value
		Gains	Losses	
Yen (millions)				
Marketable securities:				
Japanese and foreign governmental debt securities.....	¥ 200	¥ 17	¥ —	¥ 217
Corporate and bank debt securities.....	10,104	84	13	10,175
Funds in trusts.....	706	—	35	671
Investments in trusts.....	28,019	134	430	27,723
Marketable equity securities.....	2,048	312	156	2,204
	<u>¥41,077</u>	<u>¥ 547</u>	<u>¥634</u>	<u>¥40,990</u>
Investment securities:				
Japanese and foreign governmental debt securities.....	¥ 2,015	¥ —	¥ —	¥ 2,015
Corporate and bank debt securities.....	2,954	32	—	2,986
Investments in trusts.....	419	—	—	419
Marketable equity securities.....	9,205	2,471	291	11,385
Non-marketable equity securities.....	599	—	—	599
	<u>¥15,192</u>	<u>¥2,503</u>	<u>¥291</u>	<u>¥17,404</u>

As of September 30, 2002	Cost	Gross Unrealized Holding		Fair Value
		Gains	Losses	
U.S. Dollars (thousands)				
Marketable securities:				
Japanese and foreign governmental debt securities.....	\$ 1,639	\$ 140	\$ —	\$ 1,779
Corporate and bank debt securities.....	82,820	689	107	83,402
Funds in trusts.....	5,787	—	287	5,500
Investments in trusts.....	229,664	1,098	3,524	227,238
Marketable equity securities.....	16,787	2,557	1,279	18,065
	<u>\$336,697</u>	<u>\$ 4,484</u>	<u>\$5,197</u>	<u>\$335,984</u>
Investment securities:				
Japanese and foreign governmental debt securities.....	\$ 16,516	\$ —	\$ —	\$ 16,516
Corporate and bank debt securities.....	24,213	262	—	24,475
Investments in trusts.....	3,434	—	—	3,434
Marketable equity securities.....	75,451	20,254	2,385	93,320
Non-marketable equity securities.....	4,910	—	—	4,910
	<u>\$124,524</u>	<u>\$20,516</u>	<u>\$2,385</u>	<u>\$142,655</u>

## 5. Other Comprehensive Income (Loss)

Each component of accumulated other comprehensive income (loss) as of September 30, 2001 and 2002 was as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2001	2002	2002
	(unaudited)		(unaudited)
Foreign currency translation adjustments.....	¥(18,221)	¥(13,864)	\$(113,639)
Net unrealized holding gains on securities.....	778	835	6,844
Minimum pension liability adjustment.....	(4,210)	(7,755)	(63,566)
Total of accumulated other comprehensive income (loss).....	<u>¥(21,653)</u>	<u>¥(20,784)</u>	<u>\$(170,361)</u>



## 6. Derivative Financial Instruments

The estimated fair values of the derivative financial instruments as of September 30, 2001 and 2002 were as follows:

	Yen (millions)				U.S. Dollars (thousands)	
	2001		2002		2002	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Interest rate swap agreements:						
Assets.....	¥771	¥771	¥653	¥653	\$5,352	\$5,352
Liabilities.....	42	42	37	37	303	303
Convertible options:						
Assets.....	24	24	—	—	—	—
Foreign currency forward contracts:						
Assets.....	20	20	9	9	74	74
Liabilities.....	75	75	220	220	1,803	1,803
Currency swap agreements:						
Assets.....	507	507	5	5	41	41
Liabilities.....	85	85	186	186	1,525	1,525
Currency option contracts:						
Assets.....	25	25	5	5	41	41
Liabilities.....	6	6	31	31	254	254

## 7. Operating Segment Information

Six months ended September 30, 2001	Yen (millions)						Corporate and Eliminations	Consolidated
	Japan	North America	Europe	Southeast Asia	Other	Total		
Sales:								
External customers.....	¥ 22,853	¥25,746	¥23,760	¥ 3,362	¥ 8,169	¥ 83,890	¥ —	¥ 83,890
Intersegment.....	20,779	821	1,770	7,494	32	30,896	(30,896)	—
Total.....	<u>¥ 43,632</u>	<u>¥26,567</u>	<u>¥25,530</u>	<u>¥10,856</u>	<u>¥ 8,201</u>	<u>¥114,786</u>	<u>¥(30,896)</u>	<u>¥ 83,890</u>
Operating expenses.....	¥ 40,621	¥27,566	¥24,264	¥ 9,960	¥ 8,113	¥110,524	¥(30,506)	¥ 80,018
Operating income (loss).....	3,011	(999)	1,266	896	88	4,262	(390)	3,872
Long-lived assets.....	56,637	7,627	6,729	7,250	1,235	79,478	—	—
Identifiable assets.....	240,194	48,198	55,590	23,587	13,195	380,764	(104,308)	276,456
Depreciation and amortization.....	2,766	885	513	454	96	4,714	(31)	4,683
Capital expenditures.....	1,631	394	465	784	52	3,326	(17)	3,309

Six months ended September 30, 2002	Yen (millions)						Corporate and Eliminations	Consolidated
	Japan	North America	Europe	Southeast Asia	Other	Total		
Sales:								
External customers.....	¥ 23,678	¥24,280	¥26,997	¥ 3,442	¥ 9,251	¥ 87,648	¥ —	¥ 87,648
Intersegment.....	19,317	1,714	2,471	9,373	45	32,920	(32,920)	—
Total.....	<u>¥ 42,995</u>	<u>¥25,994</u>	<u>¥29,468</u>	<u>¥12,815</u>	<u>¥ 9,296</u>	<u>¥120,568</u>	<u>¥(32,920)</u>	<u>¥ 87,648</u>
Operating expenses.....	¥ 40,353	¥26,694	¥27,915	¥11,435	¥ 8,777	¥115,174	¥(33,795)	¥ 81,379
Operating income (loss).....	2,642	(700)	1,553	1,380	519	5,394	875	6,269
Long-lived assets.....	52,527	6,599	7,283	7,424	1,050	74,883	—	—
Identifiable assets.....	236,872	42,686	63,754	27,006	12,565	382,883	(106,655)	276,228
Depreciation and amortization.....	2,485	775	537	470	75	4,342	(23)	4,319
Capital expenditures.....	1,590	202	706	465	86	3,049	(28)	3,021

U.S. Dollars (thousands)								
Six months ended September 30, 2002	Japan	North America	Europe	Southeast Asia	Other	Total	Corporate and Eliminations	Consolidated
<b>Sales:</b>								
External customers .....	\$ 194,082	\$199,016	\$221,287	\$ 28,213	\$ 75,828	\$ 718,426	\$ —	\$ 718,426
Intersegment .....	158,336	14,049	20,254	76,828	369	269,836	(269,836)	—
Total .....	<u>\$ 352,418</u>	<u>\$213,065</u>	<u>\$241,541</u>	<u>\$105,041</u>	<u>\$ 76,197</u>	<u>\$ 988,262</u>	<u>\$(269,836)</u>	<u>\$ 718,426</u>
Operating expenses .....	\$ 330,762	\$218,803	\$228,811	\$ 93,730	\$ 71,943	\$ 944,049	\$(277,008)	\$ 667,041
Operating income (loss) .....	21,656	(5,738)	12,730	11,311	4,254	44,213	7,172	51,385
Long-lived assets .....	430,549	54,090	59,697	60,852	8,607	613,795	—	—
Identifiable assets .....	1,941,574	349,885	522,574	221,360	102,992	3,138,385	(874,221)	2,264,164
Depreciation and amortization .....	20,369	6,352	4,402	3,852	615	35,590	(188)	35,402
Capital expenditures .....	13,033	1,656	5,787	3,811	705	24,992	(230)	24,762

## Corporate Data

As of September 30, 2002

### MAKITA CORPORATION

#### Head Office:

3-11-8, Sumiyoshi-cho,  
Anjo, Aichi 446-8502, Japan  
Phone: (0566) 98-1711  
Fax: (0566) 98-6021

#### Web Site:

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

#### Date of Founding:

March 21, 1915

#### Paid-in Capital:

¥23,803 million

#### Number of Shares Outstanding:

153,006,992 shares

#### Independent Public Accountants:

KPMG

#### Common Stock Listings:

##### Domestic

Tokyo, Osaka, and Nagoya stock exchanges

##### Overseas

Euronext Amsterdam

#### Transfer Agent of Common Stock:

The Chuo Mitsui Trust & Banking Co., Ltd.  
3-33-1, Shiba, Minato-ku,  
Tokyo 105-8574, Japan

#### American Depositary Receipts:

NASDAQ System  
Symbol: MKTAY  
CUSIP: 560877300



#### Depository, Transfer Agent, and Registrar for American Depositary Receipts:

The Bank of New York  
101 Barkley Street,  
New York, NY 10286, U.S.A.  
Phone: (212) 815-2042  
U.S. toll free: (888) 269-2377  
<http://www.adrbny.com/>