



# Makita Corporation

Consolidated Financial Results  
for the six months  
ended September 30, 2010  
(U.S. GAAP Financial Information)

(English translation of "KESSAN TANSHIN")

originally issued in Japanese)



## CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2010 (Unaudited)

October 29, 2010

### Makita Corporation

Stock code: 6586

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

Masahiko Goto, President, Representative Director & CEO

### 1. Summary operating results of the six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)

#### (1) CONSOLIDATED OPERATING RESULTS

|   | Yen (millions)                                 |        |  |      |
|---|--|--------|--|------|
|   | For the six months ended<br>September 30, 2009 |        | For the six months ended<br>September 30, 2010 |      |
|   |  | %      |  | %    |
| Net sales.....  | 118,681  | (32.4) | 133,807  | 12.7 |
| Operating income .....  | 14,866   | (58.8) | 21,843   | 46.9 |
| Income before income taxes .....  | 17,271   | (50.2) | 21,751   | 25.9 |
| Net income attributable to Makita Corporation....                         | 10,622   | (57.3) | 15,122   | 42.4 |
| Yen   |  |        |  |      |
| Earning per share (Basic)   |  |        |  |      |
| Net income attributable to<br>Makita Corporation common shareholders..... | 77.10  |        | 109.77   |      |

Notes:

- Amounts of less than one million yen have been rounded.
- The table above shows the changes in the percentage ratio of net sales, operating income, income before income taxes, and net income attributable to Makita Corporation against the corresponding period of the previous year.

#### (2) SELECTED CONSOLIDATED FINANCIAL POSITION

|  | Yen (millions)       |                          |
|--|----------------------|--------------------------|
|  | As of March 31, 2010 | As of September 30, 2010 |
| Total assets.....  | 349,839              | 348,411                  |
| Total equity .....   | 299,673              | 293,025                  |
| Total Makita Corporation shareholders' equity.....                               | 297,207              | 290,719                  |
| Total Makita Corporation shareholders' equity<br>ratio to total assets (%) ..... | 85.0%                | 83.4%                    |
| Yen  |                      |                          |
| Total Makita Corporation shareholders' equity per<br>share.....                  | 2,157.42             | 2,110.33                 |

### 2. Dividend Information

|                          | Yen                                  |   |
|--------------------------|--------------------------------------|---|
|                          | For the year ended<br>March 31, 2010 | For the year ending<br>March 31, 2011<br>(forecast) |
| Cash dividend per share: |                                      |   |
| Interim.....             | 15.00                                | 15.00   |
| Year-end .....           | 37.00                                | -   |
| Total .....              | 52.00                                | -   |

Notes:

- The forecast for cash dividend announced on April 28, 2010 has not been revised.
- The projected amount of dividends for the year ending March 31, 2011 has not been determined yet. For further details, refer to "Explanation regarding proper use of business forecasts, and other significant matters".



### 3. Consolidated Financial Performance Forecast for the year ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

|  | Yen (millions)                     |      |
|--|------------------------------------|------|
|  | For the year ending March 31, 2011 |      |
|  |                                    | %    |
| Net sales.....                                     | 255,000                            | 3.7  |
| Operating income .....                             | 36,000                             | 18.5 |
| Income before income taxes .....                   | 35,500                             | 5.9  |
| Net income attributable to Makita Corporation..... | 25,000                             | 12.3 |
| <hr/>  |                                    |      |
|  | Yen                                |      |
| Earning per share (Basic)                          |                                    |      |
| Net income attributable to                         |                                    |      |
| Makita Corporation common shareholders.....        | 181.48                             |      |

Note:

The consolidated financial forecast announced on October 27, 2010 for the year ending March 31, 2010 has not been revised.

#### 4. Other

(Refer to [Qualitative Information and Financial Statements] Section 4 “Other” on page 4.)

- (1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): None
- (2) Adoption of simplified accounting methods and accounting methods that are specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles, procedures and presentations: None
- (4) Number of shares outstanding (common stock)
  1. Number of shares issued (including treasury stock):
 

|                           |             |
|---------------------------|-------------|
| As of September 30, 2010: | 140,008,760 |
| As of March 31, 2010      | 140,008,760 |
  2. Number of treasury stock:
 

|                           |           |
|---------------------------|-----------|
| As of September 30, 2010: | 2,249,091 |
| As of March 31, 2010:     | 2,248,358 |
  3. Average number of shares outstanding:
 

|                          |             |
|--------------------------|-------------|
| For the six months ended | 137,759,993 |
| September 30, 2010:      |             |
| For the six months ended | 137,762,814 |
| September 30, 2009:      |             |

#### Information regarding quarterly review

This consolidated financial results report is not subject to a quarterly review stipulated under the Financial Instruments and Exchange Act. As of the release date of this document, the quarterly review under the Financial Instruments and Exchange Act has not been completed.

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

The consolidated financial forecast for the year ending March 31, 2011 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 performance 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.

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 attributable to Makita Corporation after certain adjustments.

The Board of Directors plans to meet in April 2011 for a report on earnings for the year ending March 31, 2011. 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 attributable to Makita Corporation. The Board of Directors will submit this proposal to the General Meeting of Shareholders scheduled for June 2011.

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



## [Qualitative Information and Financial Statements]

### 1. Qualitative Information on Consolidated Operating Results

During the six months (“period”) ended September 30, 2010, housing starts remained weak and the economic recovery was slow in Japan and the United States. However, in Western Europe, economic conditions recovered strongly in Germany and other countries in the euro area. Business conditions in Asia were steady, mainly led by the strong and continued growth of the Chinese economy. In emerging countries, the economies have generally been expanding. Capital investments and personal spending were very active, especially in Central and South America.

The demand for power tools remained weak in Japan and the United States, while it recovered steadily in Western Europe and grew strongly in many emerging countries supported by the economic growth of these countries.

Under such circumstances, in the development side, Makita continuously expanded its product lines, including those of power tools, rechargeable tools and gardening equipment through the development of smaller and lighter tools or tools with lower noise and vibration. In the production side, Makita responded quickly and flexibly to the change in demand, by increasing the production volume urgently in the Chinese plants which was reduced last year for inventory level adjustment. In the sales side, we also stepped up efforts to maintain and improve the structure of our sales and after-sale service based on direct communication with customers, which remains one of our group’s fortes.

Consolidated net sales for the period increased by 12.7% to 133,807 million yen compared to the same period of the previous year, supported mainly by the strong demand for power tools in the overseas market, although appreciation of the yen value against major foreign currencies had some negative impact. Operating income increased 46.9% to 21,843 million yen (operating income ratio: 16.3%). This increase was mainly due to the increased sales and the improvement in the ratio of cost of sales resulting from the increased production volume. Income before income taxes increased by 25.9% to 21,751 million yen (income before income taxes ratio: 16.3%). Net income attributable to Makita Corporation increased by 42.4% to 15,122 million yen (net income attributable to Makita Corporation ratio: 11.3%).

Net sales by region are as follows:

Net sales in Japan increased by 6.5% to 22,182 million yen compared to the same period of the previous year. This increase was because sales of lithium-ion battery products and pneumatic tools were strong, although the market conditions remained severe.

Net sales in Europe increased by 10.4 % to 57,028 million yen due to the steady demand in Germany and other countries in Western Europe and the market recovery in Eastern Europe and Russia.

Net sales in North America increased only by 3.8% to 18,472 million yen. This increase was because housing starts remained weak in the United States and no strong economic recovery has been seen.

Net sales in Asia increased 32.1% to 11,388 million yen supported by the demand recovery in Southeast Asian countries.

Net sales in other regions grew strongly mainly due to economic recovery resulting from the increased natural resource prices. Net sales in Central and South America increased by 30.1% to 9,622 million yen; sales in Oceania increased by 20.7% to 7,888 million yen; and sales in the Middle East and Africa increased by 23.4% to 7,227 million yen.

### 2. Qualitative Information on Consolidated Financial Position

Total assets as of September 30, 2010 decreased by 1,428 million yen to 348,411 million yen compared to the balance as of March 31, 2010. This decrease was mainly due to the decrease in cash and cash equivalents for payments of dividends to shareholders, while inventory increased resulting from the increased production volume.

The total liabilities as of September 30, 2010 increased by 5,220 million yen to 55,386 million yen compared to the balance as of March 31, 2010. This increase was mainly due to increases in accounts payable and income taxes payable.

Total equity as of September 30, 2010 decreased by 6,648 million yen to 293,025 million yen compared to the balance as of March 31, 2010. This decrease was mainly attributable to the increase in accumulated other comprehensive loss due to a change in foreign currency translation adjustment because of the stronger yen against other currencies compared with that as of March 31, 2010.



### **3. Qualitative Information on Consolidated Financial Performance Forecast**

Refer to [Revision of Forecasts for Performance] announced on October 27, 2010.

### **4. Other**

- (1) Changes in important subsidiaries during the period (Changes in specified subsidiaries accompanied by changes in scope of consolidation during the quarter): 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 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 accounting principles, procedures and presentations: None



## 5. Consolidated Financial Statements (Unaudited)

### (1) Consolidated Balance Sheets

|  | Yen (millions)       |                   |                          |                   |
|--|----------------------|-------------------|--------------------------|-------------------|
|  | As of March 31, 2010 |                   | As of September 30, 2010 |                   |
|  |                      | Composition ratio |                          | Composition ratio |
| <b>ASSETS</b>                                  |                      |                   |                          |                   |
| <b>CURRENT ASSETS:</b>                         |                      |                   |                          |                   |
| Cash and cash equivalents.....                 | 62,290               |                   | 57,666                   |                   |
| Time deposits.....                             | 8,383                |                   | 10,996                   |                   |
| Short-term investments.....                    | 33,639               |                   | 33,950                   |                   |
| Trade receivables-                             |                      |                   |                          |                   |
| Notes.....                                     | 2,214                |                   | 2,040                    |                   |
| Accounts.....                                  | 43,680               |                   | 44,041                   |                   |
| Less- Allowance for doubtful receivables.....  | (1,010)              |                   | (845)                    |                   |
| Inventories.....                               | 88,811               |                   | 91,735                   |                   |
| Deferred income taxes.....                     | 6,434                |                   | 6,221                    |                   |
| Prepaid expenses and other current assets..... | 9,356                |                   | 9,339                    |                   |
| Total current assets.....                      | <u>253,797</u>       | 72.6%             | <u>255,143</u>           | 73.2%             |
| <b>PROPERTY, PLANT AND EQUIPMENT, at cost:</b> |                      |                   |                          |                   |
| Land.....                                      | 19,050               |                   | 18,618                   |                   |
| Buildings and improvements.....                | 70,668               |                   | 69,709                   |                   |
| Machinery and equipment.....                   | 74,652               |                   | 72,965                   |                   |
| Construction in progress.....                  | 2,257                |                   | 3,349                    |                   |
|  | 166,627              |                   | 164,641                  |                   |
| Less- Accumulated depreciation.....            | <u>(93,427)</u>      |                   | <u>(93,551)</u>          |                   |
| Total net property, plant and equipment.....   | <u>73,200</u>        | 20.9%             | <u>71,090</u>            | 20.4%             |
| <b>INVESTMENTS AND OTHER ASSETS:</b>           |                      |                   |                          |                   |
| Investments.....                               | 15,166               |                   | 14,449                   |                   |
| Goodwill.....                                  | 721                  |                   | 721                      |                   |
| Other intangible assets, net.....              | 4,664                |                   | 4,498                    |                   |
| Deferred income taxes.....                     | 1,611                |                   | 1,815                    |                   |
| Other assets.....                              | 680                  |                   | 695                      |                   |
| Total investments and other assets.....        | <u>22,842</u>        | 6.5%              | <u>22,178</u>            | 6.4%              |
| Total assets.....                              | <u>349,839</u>       | 100.0%            | <u>348,411</u>           | 100.0%            |



|  | Yen (millions)       |                   |                          |                   |
|--|----------------------|-------------------|--------------------------|-------------------|
|  | As of March 31, 2010 |                   | As of September 30, 2010 |                   |
|  |                      | Composition ratio |                          | Composition ratio |
| <b>LIABILITIES</b>                                       |                      |                   |                          |                   |
| <b>CURRENT LIABILITIES:</b>                              |                      |                   |                          |                   |
| Short-term borrowings .....                              | 385                  |                   | 289                      |                   |
| Trade notes and accounts payable .....                   | 18,359               |                   | 21,722                   |                   |
| Other payables .....                                     | 5,089                |                   | 4,667                    |                   |
| Accrued expenses.....                                    | 4,694                |                   | 5,202                    |                   |
| Accrued payroll.....                                     | 6,835                |                   | 6,877                    |                   |
| Income taxes payable.....                                | 1,722                |                   | 2,581                    |                   |
| Deferred income taxes .....                              | 40                   |                   | 78                       |                   |
| Other current liabilities .....                          | 5,337                |                   | 7,199                    |                   |
| Total current liabilities.....                           | <u>42,461</u>        | 12.1%             | <u>48,615</u>            | 14.0%             |
| <b>LONG-TERM LIABILITIES:</b>                            |                      |                   |                          |                   |
| Long-term indebtedness.....                              | 544                  |                   | 533                      |                   |
| Accrued retirement and termination benefits .....        | 3,778                |                   | 3,006                    |                   |
| Deferred income taxes .....                              | 677                  |                   | 682                      |                   |
| Other liabilities .....                                  | 2,706                |                   | 2,550                    |                   |
| Total long-term liabilities.....                         | <u>7,705</u>         | 2.2%              | <u>6,771</u>             | 1.9%              |
| Total liabilities .....                                  | <u>50,166</u>        | 14.3%             | <u>55,386</u>            | 15.9%             |
| <b>EQUITY</b>  |                      |                   |                          |                   |
| <b>MAKITA CORPORATION SHAREHOLDERS' EQUITY:</b>          |                      |                   |                          |                   |
| Common stock.....  | 23,805               |                   | 23,805                   |                   |
| Additional paid-in capital .....                         | 45,420               |                   | 45,420                   |                   |
| Legal reserve.....                                       | 5,669                |                   | 5,669                    |                   |
| Retained earnings.....                                   | 270,790              |                   | 280,815                  |                   |
| Accumulated other comprehensive income (loss) .....      | (42,032)             |                   | (58,543)                 |                   |
| Treasury stock, at cost.....                             | (6,445)              |                   | (6,447)                  |                   |
| Total Makita Corporation shareholders' equity.....       | <u>297,207</u>       | 85.0%             | <u>290,719</u>           | 83.4%             |
| NONCONTROLLING INTEREST.....                             | 2,466                | 0.7%              | 2,306                    | 0.7%              |
| Total equity .....                                       | <u>299,673</u>       | 85.7%             | <u>293,025</u>           | 84.1%             |
| Total liabilities and equity.....                        | <u>349,839</u>       | 100.0%            | <u>348,411</u>           | 100.0%            |
| <b>Number of Shares</b>                                  |                      |                   |                          |                   |
|  | As of March 31, 2010 |                   | As of September 30, 2010 |                   |
| Total number of shares authorized .....                  | 496,000,000          |                   | 496,000,000              |                   |
| Number of shares issued.....                             | 140,008,760          |                   | 140,008,760              |                   |
| Number of shares issued (excluding treasury stock) ..... | 137,760,402          |                   | 137,759,669              |                   |
| Number of treasury stock .....                           | 2,248,358            |                   | 2,249,091                |                   |



**(2) Consolidated Statements of Income**

|   | Yen (millions)                                    |        |   |        |
|---|---|--------|---|--------|
|   | For the six months<br>ended September 30,<br>2009 |        | For the six months<br>ended September 30,<br>2010 |        |
|   | Composition ratio                                 |        | Composition ratio                                 |        |
| NET SALES .....   | 118,681   | 100.0% | 133,807   | 100.0% |
| Cost of sales .....   | 72,454  | 61.0%  | 81,270  | 60.7%  |
| GROSS PROFIT.....   | 46,227  | 39.0%  | 52,537  | 39.3%  |
| Selling, general, administrative and other expenses.....            | 31,361  | 26.5%  | 30,694  | 23.0%  |
| OPERATING INCOME .....  | 14,866  | 12.5%  | 21,843  | 16.3%  |
| OTHER INCOME (EXPENSES):  |   |        |   |        |
| Interest and dividend income .....                                  | 356   |        | 633   |        |
| Interest expense.....   | (48)  |        | (18)  |        |
| Exchange gains (losses) on foreign currency transactions, net ..... | 1,946   |        | (811)   |        |
| Realized gains (losses) on securities, net .....                    | 151   |        | 104   |        |
| Total .....   | 2,405   | 2.1%   | (92)  | (0.0)% |
| INCOME BEFORE INCOME TAXES .....                                    | 17,271  | 14.6%  | 21,751  | 16.3%  |
| PROVISION FOR INCOME TAXES:   |   |        |   |        |
| Current.....  | 4,964   |        | 5,452   |        |
| Deferred.....   | 1,544   |        | 981   |        |
| Total .....   | 6,508   | 5.5%   | 6,433   | 4.9%   |
| NET INCOME.....   | 10,763  | 9.1%   | 15,318  | 11.4%  |
| Less: Net income attributable to the noncontrolling interest .....  | (141)   | (0.1)% | (196)   | (0.1)% |
| NET INCOME ATTRIBUTABLE TO MAKITA CORPORATION .....                 | 10,622  | 9.0%   | 15,122  | 11.3%  |





### (3) Consolidated Statements of Changes in Equity & Comprehensive Income (Loss)

Yen (millions)

| For the six months ended September 30, 2009                        |   |                            |               |                   |   |                |                          |         |   |   |         |
|--|---|----------------------------|---------------|-------------------|---|----------------|--------------------------|---------|---|---|---------|
|  | Makita Corporation shareholders' equity |                            |               |                   |   |                | Non-controlling interest | Total   | Comprehensive income (loss)                   |   |         |
|  | Common stock                            | Additional paid-in capital | Legal reserve | Retained earnings | Accumulated other comprehensive income (loss) | Treasury stock |                          |         | Net income attributable to Makita Corporation | Net income attributable to the non-controlling interest | Total   |
| Beginning balance  | 23,805                                  | 45,420                     | 5,669         | 257,487           | (42,461)                                      | (6,435)        | 2,261                    | 285,746 |   |   |         |
| Purchases and disposal of treasury stock, net                      |   |                            |               |                   |   | (5)            |                          | (5)     |   |   |         |
| Cash dividends   |   |                            |               | (6,888)           |   |                | (197)                    | (7,085) |   |   |         |
| Comprehensive income (loss)  |   |                            |               |                   |   |                |                          |         |   |   |         |
| Net income   |   |                            |               | 10,622            |   |                | 141                      | 10,763  | 10,622  | 141   | 10,763  |
| Foreign currency translation adjustment                            |   |                            |               |                   | (3,137)                                       |                | 34                       | (3,103) | (3,137)                                       | 34  | (3,103) |
| Unrealized holding gains (losses) on available-for-sale securities |   |                            |               |                   | 1,762   |                |                          | 1,762   | 1,762   |   | 1,762   |
| Pension liability adjustment                                       |   |                            |               |                   | (9)   |                |                          | (9)     | (9)   |   | (9)     |
| Total comprehensive income (loss)                                  |   |                            |               |                   |   |                |                          |         | 9,238   | 175   | 9,413   |
| Ending balance   | 23,805                                  | 45,420                     | 5,669         | 261,221           | (43,845)                                      | (6,440)        | 2,239                    | 288,069 |   |   |         |

Yen (millions)

| For the six months ended September 30, 2010                        |   |                            |               |                   |   |                |                          |          |   |   |          |
|--|---|----------------------------|---------------|-------------------|---|----------------|--------------------------|----------|---|---|----------|
|  | Makita Corporation shareholders' equity |                            |               |                   |   |                | Non-controlling interest | Total    | Comprehensive income (loss)                   |   |          |
|  | Common stock                            | Additional paid-in capital | Legal reserve | Retained earnings | Accumulated other comprehensive income (loss) | Treasury stock |                          |          | Net income attributable to Makita Corporation | Net income attributable to the non-controlling interest | Total    |
| Beginning balance  | 23,805                                  | 45,420                     | 5,669         | 270,790           | (42,032)                                      | (6,445)        | 2,466                    | 299,673  |   |   |          |
| Purchases and disposal of treasury stock, net                      |   |                            |               |                   |   | (2)            |                          | (2)      |   |   |          |
| Cash dividends   |   |                            |               | (5,097)           |   |                | (136)                    | (5,233)  |   |   |          |
| Comprehensive income (loss)  |   |                            |               |                   |   |                |                          |          |   |   |          |
| Net income   |   |                            |               | 15,122            |   |                | 196                      | 15,318   | 15,122  | 196   | 15,318   |
| Foreign currency translation adjustment                            |   |                            |               |                   | (14,810)                                      |                | (220)                    | (15,030) | (14,810)                                      | (220)   | (15,030) |
| Unrealized holding gains (losses) on available-for-sale securities |   |                            |               |                   | (1,734)                                       |                |                          | (1,734)  | (1,734)                                       |   | (1,734)  |
| Pension liability adjustment                                       |   |                            |               |                   | 33  |                |                          | 33       | 33  |   | 33       |
| Total comprehensive income (loss)                                  |   |                            |               |                   |   |                |                          |          | (1,389)                                       | (24)  | (1,413)  |
| Ending balance   | 23,805                                  | 45,420                     | 5,669         | 280,815           | (58,543)                                      | (6,447)        | 2,306                    | 293,025  |   |   |          |



#### (4) Condensed Consolidated Statements of Cash Flows

|  | Yen (millions)                              |   |
|--|---|---|
|  | For the six months ended September 30, 2009 | For the six months ended September 30, 2010 |
| Net cash provided by operating activities .....                    | 28,314                                      | 14,285                                      |
| Net cash used in investing activities .....                        | (10,976)                                    | (10,186)                                    |
| Net cash used in financing activities .....                        | (6,954)                                     | (5,338)                                     |
| Effect of exchange rate changes on cash and cash equivalents ..... | (2,651)                                     | (3,385)                                     |
| Net change in cash and cash equivalents .....                      | 7,733                                       | (4,624)                                     |
| Cash and cash equivalents, beginning of period .....               | 34,215                                      | 62,290                                      |
| Cash and cash equivalents, end of period .....                     | 41,948                                      | 57,666                                      |

(5) Notes on the preconditions for a going concern: None

#### (6) Condensed Operating Segment Information

|                               | Yen (millions)                              |        |               |        |        |         |                            |              |
|-------------------------------|---|--------|---------------|--------|--------|---------|----------------------------|--------------|
|                               | For the six months ended September 30, 2009 |        |               |        |        |         |                            |              |
|                               | Japan                                       | Europe | North America | Asia   | Other  | Total   | Corporate and eliminations | Consolidated |
| Sales:                        |   |        |               |        |        |         |                            |              |
| (1) External customers .....  | 26,695                                      | 51,977 | 17,681        | 4,341  | 17,987 | 118,681 | -                          | 118,681      |
| (2) Inter-segment .....       | 14,093                                      | 1,189  | 884           | 25,308 | 44     | 41,518  | (41,518)                   | -            |
| Total .....                   | 40,788                                      | 53,166 | 18,565        | 29,649 | 18,031 | 160,199 | (41,518)                   | 118,681      |
| Operating expenses .....      | 42,567                                      | 47,224 | 18,380        | 25,592 | 16,752 | 150,515 | (46,700)                   | 103,815      |
| Operating income (loss) ..... | (1,779)                                     | 5,942  | 185           | 4,057  | 1,279  | 9,684   | 5,182                      | 14,866       |

|                               | Yen (millions)                              |        |               |        |        |         |                            |              |
|-------------------------------|---|--------|---------------|--------|--------|---------|----------------------------|--------------|
|                               | For the six months ended September 30, 2010 |        |               |        |        |         |                            |              |
|                               | Japan                                       | Europe | North America | Asia   | Other  | Total   | Corporate and eliminations | Consolidated |
| Sales:                        |   |        |               |        |        |         |                            |              |
| (1) External customers .....  | 30,340                                      | 56,830 | 18,542        | 5,978  | 22,117 | 133,807 | -                          | 133,807      |
| (2) Inter-segment .....       | 22,583                                      | 1,385  | 1,388         | 46,377 | 48     | 71,781  | (71,781)                   | -            |
| Total .....                   | 52,923                                      | 58,215 | 19,930        | 52,355 | 22,165 | 205,588 | (71,781)                   | 133,807      |
| Operating expenses .....      | 49,369                                      | 50,716 | 18,908        | 45,597 | 18,966 | 183,556 | (71,592)                   | 111,964      |
| Operating income (loss) ..... | 3,554                                       | 7,499  | 1,022         | 6,758  | 3,199  | 22,032  | (189)                      | 21,843       |

(7) Note in case there is any significant change in the shareholders' equity: None



SUPPORT DOCUMENTATION (CONSOLIDATED)

**1. Consolidated Financial Results and Forecast**

|   | Yen (millions)                              |       |   |        |   |      |
|---|---|-------|---|--------|---|------|
|   | For the six months ended September 30, 2008 |       | For the six months ended September 30, 2009 |        | For the six months ended September 30, 2010 |      |
|   |   | (%)   |   | (%)    |   | (%)  |
| Net sales.....                                      | 175,558                                     | 3.6   | 118,681                                     | (32.4) | 133,807                                     | 12.7 |
| Domestic .....                                      | 24,378                                      | (5.0) | 20,831                                      | (14.6) | 22,182                                      | 6.5  |
| Overseas .....                                      | 151,180                                     | 5.1   | 97,850                                      | (35.3) | 111,625                                     | 14.1 |
| Operating income .....                              | 36,047                                      | 6.3   | 14,866                                      | (58.8) | 21,843                                      | 46.9 |
| Income before income taxes .....                    | 34,710                                      | 0.2   | 17,271                                      | (50.2) | 21,751                                      | 25.9 |
| Net income attributable to Makita Corporation ..... | 24,851                                      | 5.3   | 10,622                                      | (57.3) | 15,122                                      | 42.4 |
| Earning per share (Basic)                           |   |       |   |        |   |      |
| Net income attributable to                          |   |       |   |        |   |      |
| Makita Corporation common shareholders (Yen) .....  | 175.60                                      |       | 77.10                                       |        | 109.77                                      |      |
| Cash dividend per share (Yen) .....                 | 30.00                                       |       | 15.00                                       |        | 15.00                                       |      |
| Dividend payout ratio (%) .....                     | 17.1  |       | 19.5  |        | 13.7  |      |
| Number of Employees .....                           | 10,799                                      |       | 10,131                                      |        | 11,368                                      |      |

|   | Yen (millions)                    |        |   |      |
|---|-----------------------------------|--------|---|------|
|   | For the year ended March 31, 2010 |        | For the year ending March 31, 2011 (Forecast) |      |
|   |                                   | (%)    |   | (%)  |
| Net sales.....                                      | 245,823                           | (16.4) | 255,000                                       | 3.7  |
| Domestic .....                                      | 42,697                            | (7.6)  | 44,000  | 3.1  |
| Overseas .....                                      | 203,126                           | (18.0) | 211,000                                       | 3.9  |
| Operating income .....                              | 30,390                            | (39.3) | 36,000  | 18.5 |
| Income before income taxes .....                    | 33,518                            | (24.6) | 35,500  | 5.9  |
| Net income attributable to Makita Corporation ..... | 22,258                            | (33.1) | 25,000  | 12.3 |
| Earning per share (Basic)                           |                                   |        |   |      |
| Net income attributable to Makita Corporation       |                                   |        |   |      |
| common shareholders (Yen) .....                     | 161.57                            |        | 181.48  |      |
| Cash dividend per share (Yen) .....                 | 52.00                             |        | -   |      |
| Dividend payout ratio (%) .....                     | 32.2                              |        | -   |      |
| Number of Employees .....                           | 10,328                            |        | -   |      |

Note:

1. The table above shows the changes in the percentage ratio of Net sales, Operating income, Income before income taxes, and Net income attributable to Makita Corporation against the corresponding period of the previous year.
2. Certain reclassifications have been made to the previous years' consolidated financial statements to conform with the presentation used for the six months ended September 30, 2009. The meaning of "Net income attributable to Makita Corporation" is the same as the former "Net income".
3. Regarding our forecast for dividends, refer to page 2.



## 2. Consolidated Net Sales by Geographic Area

|                                 | Yen (millions)                              |        |   |        |   |      |
|---------------------------------|---|--------|---|--------|---|------|
|                                 | For the six months ended September 30, 2008 |        | For the six months ended September 30, 2009 |        | For the six months ended September 30, 2010 |      |
|                                 |   | (%)    |   | (%)    |   | (%)  |
| Japan.....                      | 24,378                                      | (5.0)  | 20,831                                      | (14.6) | 22,182                                      | 6.5  |
| Europe.....                     | 83,131                                      | 5.4    | 51,652                                      | (37.9) | 57,028                                      | 10.4 |
| North America.....              | 25,836                                      | (10.7) | 17,789                                      | (31.1) | 18,472                                      | 3.8  |
| Asia.....                       | 13,163                                      | 19.4   | 8,620                                       | (34.5) | 11,388                                      | 32.1 |
| Other regions.....              | 29,050                                      | 15.9   | 19,789                                      | (31.9) | 24,737                                      | 25.0 |
| Central and South America.....  | 10,579                                      | 30.1   | 7,398                                       | (30.1) | 9,622                                       | 30.1 |
| Oceania.....                    | 8,507                                       | 2.8    | 6,533                                       | (23.2) | 7,888                                       | 20.7 |
| The Middle East and Africa..... | 9,964                                       | 15.2   | 5,858                                       | (41.2) | 7,227                                       | 23.4 |
| Total.....                      | 175,558                                     | 3.6    | 118,681                                     | (32.4) | 133,807                                     | 12.7 |

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 9. The table above shows the changes in the percentage ratio of Net sales the corresponding period of the previous year.

## 3. Exchange Rates

|                      | Yen   |   |   |   |   |
|----------------------|---|---|---|---|---|
|                      | For the six months ended September 30, 2008 | For the six months ended September 30, 2009 | For the six months ended September 30, 2010 | For the six months ending March 31, 2011 (Forecast) | For the year ending March 31, 2011 (Forecast) |
| Yen/U.S. Dollar..... | 106.12                                      | 95.53                                       | 88.89                                       | 80  | 84  |
| Yen/Euro.....        | 162.80                                      | 133.21                                      | 113.80                                      | 110   | 112   |

## 4. Production Ratio (unit basis)

|               | For the six months ended September 30, 2008 | For the six months ended September 30, 2009 | For the six months ended September 30, 2010 |
|---------------|---|---|---|
|               | Composition ratio                           | Composition ratio                           | Composition ratio                           |
| Domestic..... | 20.2%                                       | 16.9%                                       | 16.1%                                       |
| Overseas..... | 79.8%                                       | 83.1%                                       | 83.9%                                       |

## 5. Consolidated Capital Expenditures, Depreciation and Amortization, and R&D cost

|                                  | Yen (millions)                              |   |   |   |
|----------------------------------|---|---|---|---|
|                                  | For the six months ended September 30, 2008 | For the six months ended September 30, 2009 | For the six months ended September 30, 2010 | For the year ending March 31, 2011 (Forecast) |
| Capital expenditures.....        | 9,827                                       | 6,702                                       | 4,855                                       | 10,000  |
| Depreciation and amortization... | 4,426                                       | 4,071                                       | 3,636                                       | 8,000   |
| R&D cost.....                    | 3,493                                       | 3,324                                       | 3,549                                       | 7,000   |