

MAKITA CORP
Form 6-K
November 20, 2003

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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, 2003

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 of Form 20-F or Form 40-F:]

Form 20-F Form 40-F

[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

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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)

By:

/s/ Masahiko Goto

(Signature)
Masahiko Goto
President

Date: November 20, 2003

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Japanese GAAP

**SEMIANNUAL REPORT
(NON-CONSOLIDATED)**

**SIX MONTHS ENDED
SEPTEMBER 30, 2003**

This is an excerpt from the Japanese semiannual report circulated to Japanese Shareholders.

MAKITA CORPORATION

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A MESSAGE FROM THE PRESIDENT

Regarding economic trends overseas during the interim period ended September 30, 2003, the United States showed a gradual recovery trend supported by upward trends in personal consumption and private capital investment and firmness in housing investment. In Europe, domestic demand in the principal eurozone countries was weak and this, together with other factors, led to a virtual standstill in the economies of the region. On the other hand, in Asia, the pace of economic recovery has been gradual, owing to the influence of SARS and other factors.

In the Japanese economy, although personal consumption and employment conditions continued to be weak, private capital investment and corporate profits showed signs of recovery, leading to a sense that the economy was beginning to bottom out.

Against this backdrop, Makita has moved forward with the expansion of production at its operations in China, taken measures to reduce manufacturing costs through the use of parts manufactured in China as well as other measures, and also continued its ongoing efforts to develop new product to meet user needs.

In the United States, Makita focused especially on strengthening its marketing position in the professional-use market with the aim of enhancing its brand image. The Company also continued to take steps to improve profitability, including reducing inventories and realigning its logistics centers to reduce distribution costs.

Turning to interim business results, interim net sales declined 0.8% from the same period of the previous fiscal year, to 42,326 million yen. Of this total, domestic sales amounted to 18,920 million yen, almost the same amount as the previous interim period; although sales of new products, especially those linked to home remodeling, expanded, the number of new housing starts was stagnant. On the other hand, exports decreased 1.4%, to 23,406 million yen owing to the shifting of production to Makita's subsidiary in China, and the export ratio was 55.3%.

Profitability was positively affected by such developments as an improvement in the cost of sales ratio, owing to the depreciation of yen and the use of parts manufactured in China, as well as the significant decrease in exchange losses on foreign currency transactions for the period under review compared to the same period of the previous year. As a result, ordinary profit was up 28.6% from the previous interim period, to 4,328 million yen. Interim net income showed a sharp increase of 180.9% from the same period of the previous year, to 3,877 million yen, due to gains from the sale of the Company's No. 3 Headquarters Plant.

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At the 91st Annual General Meeting of Shareholders held on June 27, 2003, a proposal was approved to repurchase a maximum of 5 million of the Company's shares (with a maximum value of 5 billion yen). Through the end of the first six months of the fiscal year, the Company repurchased a total of 2,002 thousand of its outstanding shares (with a value of 2,142 million yen). In addition, as a result of the retiring of 5 million treasury stock held by the Company on August 20, 2003, the number of treasury stock still held by the Company stood at 4,076 thousand at the end of period.

Looking forward, as a significant number of uncertainties remain, including the possibility of sharp movements in foreign currency rates, the operating environment for the Company's activities is therefore expected to continue to be harsh.

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 through the strengthening of our networks and Group companies in various regions of the world 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 2003

Masahiko Goto
President and Representative Director

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BALANCE SHEET
(As of September 30, 2003)

| | (In million Yen) | | (In million Yen) |
|---------------------------------|---------------------|---|---------------------|
| (Assets) | | (Liabilities) | |
| Current assets | 72,157 | Current liabilities | 11,991 |
| Cash | 3,670 | Trade notes payable | 371 |
| Trade notes receivable | 112 | Accounts payable | 3,844 |
| Accounts receivable | 14,746 | Other accounts payable | 1,193 |
| Marketable securities | 27,871 | Corporate and inhabitant income taxes and business taxes payable | 2,115 |
| Inventories | 10,944 | Accrued expenses | 4,024 |
| Short-term loans receivable | 12,174 | Other current liabilities | 444 |
| Other current assets | 3,022 | Long-term liabilities | 22,527 |
| Allowance for doubtful accounts | (382) | Convertible bonds payable | 12,994 |
| Fixed assets | 151,103 | Estimated retirement and termination allowances | 9,190 |
| Tangible fixed assets | 33,040 | Estimated retirement allowances for directors and statutory auditors | 343 |
| Buildings | 12,548 | Total liabilities | 34,518 |
| Machinery and equipment | 3,816 | (Shareholders' equity) | |
| Land | 13,507 | Common stock | 24,204 |
| Other tangible fixed assets | 3,169 | Additional paid-in capital | 47,524 |
| Intangible fixed assets | 466 | Additional paid-in capital | 47,523 |
| Investment and other assets | 117,597 | Other additional paid-in capital | 1 |
| Investment in securities | 38,886 | Retained earnings | 116,970 |
| Investment in subsidiaries | 69,378 | Legal reserve | 5,669 |
| Other investments | 9,563 | Voluntary reserve | 87,250 |
| Allowance for doubtful accounts | (230) | Unappropriated retained earnings | 24,051 |
| | | [Net income for the first six months] | [3,877] |
| | | Net unrealized holding gains on available-for-sale securities | 3,316 |
| | | Treasury stock | (3,272) |
| | | Total shareholders' equity | 188,742 |
| Total assets | 223,260 | Total liabilities and shareholders' equity | 223,260 |

- Notes: 1. Accumulated depreciation on tangible fixed assets: 60,204 million yen
2. Interim net income per share: 26.66 yen
3. Amounts of less than 1 million yen have been rounded.

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STATEMENT OF INCOME
(For the six months ended September 30, 2003)

| | (In million Yen) | |
|---|-------------------------|---------|
| (Ordinary profit and loss) | | |
| Operating profit and loss | | |
| Operating revenue | | |
| Net sales | | 42,326 |
| Operating expenses | | |
| Cost of sales | 27,780 | |
| Selling, general and administrative expenses | 11,136 | 38,916 |
| | | |
| Operating profit | | 3,410 |
| Non-operating profit and loss | | |
| Non-operating income | | |
| Interest and dividend income | 932 | |
| Other non-operating income | 365 | 1,297 |
| | | |
| Non-operating expenses | | |
| Interest expenses | 97 | |
| Net exchange losses | 203 | |
| Other non-operating expenses | 79 | 379 |
| | | |
| Ordinary profit | | 4,328 |
| (Special profit and loss) | | |
| Special profit | | |
| Gain on sales of fixed assets | 3,122 | |
| Gain on sales of investment securities | 188 | |
| Reversal of allowance for doubtful accounts | 2 | 3,312 |
| | | |
| Special loss | | |
| Loss on sales and disposal of fixed assets | 1,561 | |
| Unrealized losses on investment securities | 242 | |
| Write-off of golf course membership | 1 | 1,804 |
| | | |
| Income before income taxes | | 5,836 |
| Tax provision current | | 3,256 |
| Tax provision deferred | | (1,297) |
| | | |
| Net income | | 3,877 |
| Unappropriated retained earnings carried forward from previous year | | 24,188 |
| Retirements of treasury stock | | 4,014 |
| | | |
| Unappropriated retained earnings as of September 30, 2003 | | 24,051 |

Note: Amounts of less than 1 million yen have been rounded.

Table of Contents**STOCK INFORMATION (as of September 30, 2003)**

| | |
|---|-------------|
| Number of total outstanding common stocks | 148,006,992 |
| Number of shareholders | 11,851 |

Major shareholders

| Name | Number of shares held |
|--|-----------------------|
| | (thousand) |
| Northern Trust Company (AVFC) Sub Account American Clients | 10,189 |
| Japan Trustee Services Bank, Ltd. (Trust account) | 6,354 |
| The UFJ Bank, Limited | 6,200 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 5,177 |
| The Chase Manhattan Bank, N.A. London | 4,575 |
| Nippon Life Insurance Company | 4,304 |
| The Bank of New York, Treaty Jasdec Account | 3,924 |

Note: In addition to the above, the Company owns 4,076 thousand shares of treasury stock.

Investors by category

| Type | Number of shares held | Percentage of total shares outstanding |
|--|-----------------------|--|
| | (thousand) | |
| Financial Institutions & Securities Corporations | 49,243 | 33.3% |
| Foreigners | 39,695 | 26.8 |
| Individuals & Others | 35,212 | 23.8 |
| Other Business Corporations | 19,781 | 13.4 |
| Treasury stock | 4,076 | 2.7 |
| Total | 148,007 | 100.0 |

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OUTLINE OF THE COMPANY (as of September 30, 2003)

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--------------------|---|------------|---------------|-------------------|----------------|----------|------------------|----------|------------------|----------|-----------------|----------|---------------|----------|-----------------|----------|--------------------|----------|------------|----------|-----------------|----------|----------------|----------|---------------|----------------------------|----------------|----------------------------|----------------|-------------------|--------------|-------------------|--------------|
| Corporate name | : | KABUSHIKI KAISHA MAKITA Makita Corporation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Headquarters | : | 3-11-8, Sumiyoshi-cho, Anjo, Aichi 446-8502, Japan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Phone | : | (0566) 98-1711 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Web Site | : | http://www.makita.co.jp/ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Founded | : | March 21, 1915 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Incorporated | : | December 10, 1938 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid-in Capital | : | 24,203.61 million yen | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employees | : | 2,942 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business | : | Production and marketing of electric power tools, woodworking machinery, pneumatic tools and household & garden equipments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Directors and Statutory Auditors | : | <table> <tr> <td>*President</td> <td>Masahiko Goto</td> </tr> <tr> <td>Managing Director</td> <td>Masami Tsuruta</td> </tr> <tr> <td>Director</td> <td>Yasuhiko Kanzaki</td> </tr> <tr> <td>Director</td> <td>Ken ichiro Nakai</td> </tr> <tr> <td>Director</td> <td>Tadayoshi Torii</td> </tr> <tr> <td>Director</td> <td>Tomoyasu Kato</td> </tr> <tr> <td>Director</td> <td>Kazuya Nakamura</td> </tr> <tr> <td>Director</td> <td>Masahiro Yamaguchi</td> </tr> <tr> <td>Director</td> <td>Shiro Hori</td> </tr> <tr> <td>Director</td> <td>Tadashi Asanuma</td> </tr> <tr> <td>Director</td> <td>Hisayoshi Niwa</td> </tr> <tr> <td>Director</td> <td>Zenji Mashiko</td> </tr> <tr> <td>Standing Statutory Auditor</td> <td>Ryota Ichikawa</td> </tr> <tr> <td>Standing Statutory Auditor</td> <td>Ken ichi Ikeda</td> </tr> <tr> <td>Statutory Auditor</td> <td>Keiichi Usui</td> </tr> <tr> <td>Statutory Auditor</td> <td>Shoichi Hase</td> </tr> </table> | *President | Masahiko Goto | Managing Director | Masami Tsuruta | Director | Yasuhiko Kanzaki | Director | Ken ichiro Nakai | Director | Tadayoshi Torii | Director | Tomoyasu Kato | Director | Kazuya Nakamura | Director | Masahiro Yamaguchi | Director | Shiro Hori | Director | Tadashi Asanuma | Director | Hisayoshi Niwa | Director | Zenji Mashiko | Standing Statutory Auditor | Ryota Ichikawa | Standing Statutory Auditor | Ken ichi Ikeda | Statutory Auditor | Keiichi Usui | Statutory Auditor | Shoichi Hase |
| *President | Masahiko Goto | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Managing Director | Masami Tsuruta | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Yasuhiko Kanzaki | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Ken ichiro Nakai | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Tadayoshi Torii | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Tomoyasu Kato | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Kazuya Nakamura | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Masahiro Yamaguchi | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Shiro Hori | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Tadashi Asanuma | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Hisayoshi Niwa | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Zenji Mashiko | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Standing Statutory Auditor | Ryota Ichikawa | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Standing Statutory Auditor | Ken ichi Ikeda | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Statutory Auditor | Keiichi Usui | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Statutory Auditor | Shoichi Hase | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

- Notes: 1. The asterisk denotes Representative Director.
 2. Messrs. Keiichi Usui and Shoichi Hase are the outside statutory auditors provided for by Article 18, Clause 1 of the Audit Special Exceptions Law.