

MAKITA CORP
Form 6-K
January 28, 2004

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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 January, 2004

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: January 28, 2004

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Makita Corporation

Consolidated Financial Results
for the nine months
ended December 31, 2003
(U.S. GAAP Financial Information)

(English translation of GYOSEKI NO GAIKYO
originally issued in Japanese language)

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**CONSOLIDATED FINANCIAL RESULTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2003**

January 28, 2004

Makita Corporation

Stock code: 6586

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

Masahiko Goto, President

1. Notes to consolidated financial statements for the nine months ended December 31, 2003

(1) Accounting policy changes from the year ended March 31, 2003: None.

(2) Change in scope of consolidation and equity method:

Consolidation: (Newly included) OOO. Makita (in Russia)

2. Results of the nine months ended December 31, 2003 (From April 1, 2003 to December 31, 2003)**(1) CONSOLIDATED FINANCIAL RESULTS**

| | Yen (million) | | | | | |
|----------------------------|---|--------|---|---|---|---------|
| | For the nine months ended December 31, 2003 | | For the nine months ended December 31, 2002 | | For the year ended March 31, 2003 | |
| | | % | | % | | % |
| Net sales | 135,432 | 4.1 | 130,042 | | 175,603 | 5.7 |
| Operating income | 9,378 | (0.7) | 9,448 | | 12,468 | 112.3 |
| Income before income taxes | 10,376 | 29.0 | 8,043 | | 9,292 | 173.1 |
| Net income | 2,919 | (45.4) | 5,346 | | 6,723 | 4,954.9 |
| | Yen | | | | | |
| Earnings per share: | | | | | | |
| Basic | 20.14 | | 35.81 | | 45.29 | |
| Diluted | 19.94 | | 34.91 | | 44.20 | |

Note: Percentage change: Ratio of change against corresponding period of the previous year on Net sales, Operating income, Income before income taxes, and Net income.

[Qualitative information on consolidated financial results]

For the nine months ended December 31, 2003, we further shifted production to China and bolstered our sales network in Eastern Europe and Russia.

Net sales rose to 135.4 billion yen, a 4.1% increase from the same period of the previous year. This was mainly due to strong sales in Europe that countered sluggish sales in North America.

Operating Income amounted to 9.4 billion yen, down 0.7% from the same period of the previous year, reflecting improved gross margin, mainly due to such factors as an increased percentage of production in China and the strong Euro, offset by a 5.0 billion yen impairment loss in the current period related to a subsidiary's golf course, as a result of the re-evaluation of asset realizability. Income before income taxes improved by 29.0% to 10.4 billion yen, mainly due to markedly decreased foreign currency losses. Net income declined to 2.9 billion yen or 45.4%. This was primarily due to the 100 per cent valuation allowance provided on the Deferred Income Tax asset on the impairment loss noted above.

English Translation of GYOSEKI NO GAIKYO originally issued in Japanese language

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(2) CONSOLIDATED FINANCIAL POSITION

| | Yen (million) | |
|--|-------------------------------|-------------------------|
| | As of December 31, 2003 | As of March 31, 2003 |
| Total assets | 274,139 | 278,600 |
| Shareholders' equity | 181,626 | 182,400 |
| Shareholders' equity ratio to total assets (%) | 66.3% | 65.5% |
| | Yen | |
| Shareholders' equity per share | 1,262.06 | 1,249.59 |

Note: The Company did not compile data for total assets, shareholders' equity, shareholders' equity ratio to total assets, and shareholders' equity per share in the third quarter of the previous year.

[CONSOLIDATED CASH FLOWS]

| | Yen (million) | |
|---|--|---|
| | For the nine months ended December 31, 2003 | For the year ended March 31, 2003 |
| Net cash provided by operating activities | 20,677 | 27,141 |
| Net cash used in investing activities | (10,327) | (9,659) |
| Net cash used in financing activities | (5,833) | (13,381) |
| Cash and cash equivalents, end of period | 23,898 | 20,370 |

Note: The Company did not compile data for cash flows in the third quarter of the previous year.

(Ref.) Consolidated Forecast for the year ending March 31, 2004 (From April 1, 2003 to March 31, 2004)

| | Yen (million) |
|----------------------------|---------------------------------------|
| | For the year ending March 31, 2004 |
| Net sales | 182,000 |
| Income before income taxes | 14,600 |
| Net income | 5,500 |
| | Yen |
| Earnings per share | 38.22 |

[Qualitative information about the consolidated forecast for the year ending March 31, 2004]

The above consolidated performance forecast has primarily been adjusted from the prior forecast on October 28, 2003 because of a changed exchange rate assumption, 112 yen to US\$1 and 132 yen to 1 Euro for the year ending March 31, 2004. Also, we expect sales in Western European countries to exceed the earlier initial forecasts.

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As information, the nonconsolidated performance estimate for the year ending March 31, 2004 that was announced on October 28, 2003 is unchanged as it has not been materially affected by the noted exchange rate assumption change.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on Makita's own projections and estimates. The power tools market, where Makita is mainly active, is subject to the effects of rapid shifts in economic conditions, demand for housing, currency exchange rates, changes in competitiveness, and other factors. Due to the risks and uncertainties involved, actual results could differ substantially from the content of these statements. Therefore, these statements should not be interpreted as representation that such objectives will be achieved.

English Translation of GYOSEKI NO GAIKYO originally issued in Japanese language

Table of Contents**CONSOLIDATED BALANCE SHEETS**

| | Yen (millions) | | |
|--|----------------------------------|----------------------------|------------------------|
| | As of December 31, 2003 | As of March 31, 2003 | Increase (Decrease) |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 23,898 | 20,370 | 3,528 |
| Time deposits | 5,154 | 4,520 | 634 |
| Marketable securities | 46,546 | 39,193 | 7,353 |
| Trade receivables | | | |
| Notes | 2,376 | 2,122 | 254 |
| Accounts | 31,460 | 34,630 | (3,170) |
| Less Allowance for doubtful receivables | (1,544) | (1,456) | (88) |
| Inventories | 56,787 | 62,606 | (5,819) |
| Deferred income taxes | 3,301 | 3,515 | (214) |
| Prepaid expenses and other current assets | 7,612 | 8,065 | (453) |
| | <u>175,590</u> | <u>173,565</u> | <u>2,025</u> |
| PROPERTY, PLANT AND EQUIPMENT, at cost: | | | |
| Land | 19,316 | 21,497 | (2,181) |
| Buildings and improvements | 50,444 | 66,738 | (16,294) |
| Machinery and equipment | 74,759 | 78,221 | (3,462) |
| Construction in progress | 487 | 2,165 | (1,678) |
| | <u>145,006</u> | <u>168,621</u> | <u>(23,615)</u> |
| Less Accumulated depreciation | (90,457) | (100,823) | 10,366 |
| | <u>54,549</u> | <u>67,798</u> | <u>(13,249)</u> |
| INVESTMENTS AND OTHER ASSETS: | | | |
| Investment securities | 28,851 | 19,342 | 9,509 |
| Deferred income taxes | 7,831 | 10,386 | (2,555) |
| Other assets | 7,318 | 7,509 | (191) |
| | <u>44,000</u> | <u>37,237</u> | <u>6,763</u> |
| | <u>274,139</u> | <u>278,600</u> | <u>(4,461)</u> |

English Translation of *GYOSEKI NO GAIKYO* originally issued in Japanese language

Table of Contents**CONSOLIDATED BALANCE SHEETS**

| | Yen (millions) | | |
|---|----------------------------------|----------------------------|------------------------|
| | As of December 31, 2003 | As of March 31, 2003 | Increase (Decrease) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Short-term borrowings | 1,785 | 2,892 | (1,107) |
| Trade notes and accounts payable | 14,718 | 13,956 | 762 |
| Accrued payroll | 5,592 | 7,162 | (1,570) |
| Accrued expenses and other | 4,431 | 3,535 | 896 |
| Income taxes payable | 2,911 | 3,858 | (947) |
| Deferred income taxes | 280 | 403 | (123) |
| | <u>29,717</u> | <u>31,806</u> | <u>(2,089)</u> |
| LONG-TERM LIABILITIES: | | | |
| Long-term indebtedness | 20,380 | 19,843 | 537 |
| Club members' deposits | 13,170 | 14,207 | (1,037) |
| Estimated retirement and termination allowances | 27,416 | 27,778 | (362) |
| Deferred income taxes | 565 | 1,407 | (842) |
| | <u>61,531</u> | <u>63,235</u> | <u>(1,704)</u> |
| MINORITY INTERESTS | <u>1,265</u> | <u>1,159</u> | <u>106</u> |
| SHAREHOLDERS' EQUITY: | | | |
| Common stock | 23,803 | 23,803 | |
| Additional paid-in capital | 45,421 | 45,419 | 2 |
| Legal reserve and retained earnings | 139,716 | 143,422 | (3,706) |
| Accumulated other comprehensive loss | (24,022) | (25,134) | 1,112 |
| Treasury stock, at cost | (3,292) | (5,110) | 1,818 |
| | <u>181,626</u> | <u>182,400</u> | <u>(774)</u> |
| | <u>274,139</u> | <u>278,600</u> | <u>(4,461)</u> |

English Translation of GYOSEKI NO GAIKYO originally issued in Japanese language

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Yen (millions)

| | For the nine months ended December 31, 2003 | | For the nine months ended December 31, 2002 | | Increase (Decrease) | | For the year ended March 31, 2003 | |
|---|--|--------|--|--------|------------------------|---------|--|--------|
| | (Amount) | (%) | (Amount) | (%) | (Amount) | (%) | (Amount) | (%) |
| NET SALES | 135,432 | 100.0% | 130,042 | 100.0% | 5,390 | 4.1% | 175,603 | 100.0% |
| Cost of sales | 82,108 | 60.6% | 81,772 | 62.9% | 336 | 0.4% | 110,226 | 62.8% |
| GROSS PROFIT | 53,324 | 39.4% | 48,270 | 37.1% | 5,054 | 10.5% | 65,377 | 37.2% |
| Selling, general, administrative and other expenses | 43,946 | 32.5% | 38,822 | 29.8% | 5,124 | 13.2% | 52,909 | 30.1% |
| OPERATING INCOME | 9,378 | 6.9% | 9,448 | 7.3% | (70) | (0.7%) | 12,468 | 7.1% |
| OTHER INCOME (EXPENSES): | | | | | | | | |
| Interest and dividend income | 578 | 0.4% | 653 | 0.5% | (75) | (11.5%) | 786 | 0.4% |
| Interest expense | (453) | (0.3%) | (608) | (0.5%) | 155 | 25.5% | (665) | (0.4%) |
| Exchange losses on foreign currency transactions, net | (31) | (0.0%) | (1,767) | (1.4%) | 1,736 | 98.2% | (1,460) | (0.8%) |
| Realized gains (losses) on securities, net | 345 | 0.3% | (176) | (0.1%) | 521 | | (2,590) | (1.5%) |
| Other, net | 559 | 0.4% | 493 | 0.4% | 66 | 13.4% | 753 | 0.5% |
| Total | 998 | 0.8% | (1,405) | (1.1%) | 2,403 | | (3,176) | (1.8%) |
| INCOME BEFORE INCOME TAXES | 10,376 | 7.7% | 8,043 | 6.2% | 2,333 | 29.0% | 9,292 | 5.3% |
| PROVISION FOR INCOME TAXES | 7,457 | 5.5% | 2,697 | 2.1% | 4,760 | 176.5% | 2,569 | 1.5% |
| NET INCOME | 2,919 | 2.2% | 5,346 | 4.1% | (2,427) | (45.4%) | 6,723 | 3.8% |

English Translation of *GYOSEKI NO GAIKYO* originally issued in Japanese language

Table of Contents**SUPPORT DOCUMENTATION (CONSOLIDATION)**

1. Consolidated results and forecast

| | Yen (millions) | | | |
|----------------------------|---|-----|---|---------|
| | For the nine months ended December 31, 2002 (Results) | | For the nine months ended December 31, 2003 (Results) | |
| | (Amount) | (%) | (Amount) | (%) |
| Net sales | 130,042 | | 135,432 | 4.1% |
| Domestic | 28,562 | | 28,675 | 0.4% |
| Overseas | 101,480 | | 106,757 | 5.2% |
| Operating income | 9,448 | | 9,378 | (0.7%) |
| Income before income taxes | 8,043 | | 10,376 | 29.0% |
| Net income | 5,346 | | 2,919 | (45.4%) |
| EPS (Yen) | 35.81 | | 20.14 | |
| Employees | 8,145 | | 8,661 | |

| | Yen (millions) | | | | | |
|----------------------------|---|----------|---|--------|---|---------|
| | For the year ended March 31, 2003 (Results) | | For the six months ended September 30, 2003 (Results) | | For the year ending March 31, 2004 (Forecast) | |
| | (Amount) | (%) | (Amount) | (%) | (Amount) | (%) |
| Net sales | 175,603 | 5.7% | 91,757 | 4.7% | 182,000 | 3.6% |
| Domestic | 38,781 | (1.8%) | 19,244 | (0.1%) | 39,000 | 0.6% |
| Overseas | 136,822 | 8.0% | 72,513 | 6.0% | 143,000 | 4.5% |
| Operating income | 12,468 | 112.3% | 9,247 | 47.5% | 13,600 | 9.1% |
| Income before income taxes | 9,292 | 173.1% | 9,894 | 123.7% | 14,600 | 57.1% |
| Net income | 6,723 | 4,954.9% | 4,981 | 58.8% | 5,500 | (18.2%) |
| EPS (Yen) | 45.29 | | 34.25 | | 38.22 | |
| Employees | 8,344 | | 8,471 | | | |

Note: Percentage change: Ratio of change against corresponding period of the previous year on Net sales, Operating income, Income before income taxes, and Net income.

English Translation of GYOSEKI NO GAIKYO originally issued in Japanese language

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2. Consolidated net sales by geographic area

| Yen (millions) | | | | | | | | |
|----------------|---|-----|---|--------|---|--------|---|--------|
| | For the nine months ended December 31, 2002 (Results) | | For the nine months ended December 31, 2003 (Results) | | For the year ended March 31, 2003 (Results) | | For the six months ended September 30, 2003 (Results) | |
| | (Amount) | (%) | (Amount) | (%) | (Amount) | (%) | (Amount) | (%) |
| Japan | 28,562 | | 28,675 | 0.4% | 38,781 | (1.8%) | 19,244 | (0.1%) |
| North America | 34,674 | | 31,717 | (8.5%) | 45,573 | (5.7%) | 22,085 | (8.7%) |
| Europe | 41,716 | | 48,580 | 16.5% | 57,648 | 18.9% | 32,085 | 19.4% |
| Southeast Asia | 9,978 | | 10,075 | 1.0% | 13,774 | 11.3% | 7,314 | 1.9% |
| Other regions | 15,112 | | 16,385 | 8.4% | 19,827 | 13.5% | 11,029 | 8.8% |
| Total | 130,042 | | 135,432 | 4.1% | 175,603 | 5.7% | 91,757 | 4.7% |

3. Exchange rates

| Yen | | |
|-----------------|--|---|
| | For the nine months ended December 31, 2002 (Results) | For the nine months ended December 31, 2003 (Results) |
| Yen/U.S. Dollar | 122.92 | 115.09 |
| Yen/Euro | 118.76 | 132.20 |

| Yen | | | |
|-----------------|---|---|---|
| | For the year ended March 31, 2003 (Results) | For the six months ended September 30, 2003 (Results) | For the year ending March 31, 2004 (Forecast) |
| Yen/U.S. Dollar | 121.98 | 118.07 | 112 |
| Yen/Euro | 120.88 | 133.51 | 132 |

4. Sales growth in local currency basis (major countries)

| | For the nine months ended December 31, 2003 (Results) |
|-----------|---|
| U.S.A. | (5.0%) |
| Germany | 5.2% |
| U.K. | 8.1% |
| France | 5.6% |
| China | 2.8% |
| Australia | 4.5% |

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5. Production ratio (unit basis)

| | For the nine months ended December 31, 2003 (Results) | For the year ended March 31, 2003 (Results) | For the six months ended September 30, 2003 (Results) |
|----------|--|--|--|
| Domestic | 33.6% | 36.9% | 34.7% |
| Overseas | 66.4% | 63.1% | 65.3% |

6. Consolidated capital expenditures, depreciation and amortization, and R&D cost

| | Yen (millions) | | | |
|-------------------------------|--|--|--|--|
| | For the nine months ended December 31, 2003 (Results) | For the year ended March 31, 2003 (Results) | For the six months ended September 30, 2003 (Results) | For the year ending March 31, 2004 (Forecast) |
| Capital expenditures | 3,067 | 5,691 | 2,270 | 4,000 |
| Depreciation and amortization | 6,380 | 9,740 | 4,330 | 8,000 |
| R&D cost | 2,954 | 3,856 | 1,954 | 3,900 |

7. Consolidated cash flow

| | Yen (millions) | | |
|---|--|--|--|
| | For the nine months ended December 31, 2003 (Results) | For the year ended March 31, 2003 (Results) | For the six months ended September 30, 2003 (Results) |
| Net cash provided by operating activities | 20,677 | 27,141 | 11,696 |
| Net cash used in investing activities | (10,327) | (9,659) | (4,994) |
| Net cash used in financing activities | (5,833) | (13,381) | (4,938) |

English Translation of GYOSEKI NO GAIKYO originally issued in Japanese language