

MAKITA CORP
Form 6-K
June 07, 2007

**UNITED STATES
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 June, 2007

Commission file number 0-12602

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 Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101
(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101
(b)(7):

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

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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
:
Masahiko Goto
President and Representative Director

Date: June 7, 2007

(Summary English Translation of the Notice of the 95th Ordinary General Meeting of Shareholders Originally Issued in Japanese Language)

MAKITA CORPORATION

(Stock code: 6586)
June 5, 2007

To the Shareholders of
MAKITA CORPORATION

NOTICE OF THE 95th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are respectfully requested to attend the 95th Ordinary General Meeting of Shareholders of MAKITA CORPORATION, which is hereby announced.

If you do not expect to attend the meeting, you may exercise your voting rights through the enclosed voting form. Please review the accompanying information and send the enclosed voting form to us by return mail after indicating your vote for or against the proposition.

Masahiko Goto
President

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

1. Date: 10 a.m., Wednesday, June 27, 2007

2. Place: Okazaki Plant of MAKITA CORPORATION
22-1, Watarijima, Nemunoki-cho, Okazaki,
Aichi Prefecture, Japan

(Although the Company had previously been holding its general meetings of shareholders in Anjo, Aichi Prefecture, the place of the head office, due to reconstruction of the head office, the Company has decided to hold its 95th Ordinary General Meeting of Shareholders at Okazaki Plant.)

3. Agenda:

Items to be reported:

1. The Business Report, Consolidated Financial Statements for the 95th term (from April 1, 2006 to March 31, 2007) and the Audit Reports on such Consolidated Financial Statements by the Accounting Auditors and the Board of Statutory Auditors
2. The Non-consolidated Financial Statements for the 95th term

Items to be resolved:

- No. 1 Appropriations of Surplus
- No. 2 Election of fifteen Directors
- No. 3 Election of one Statutory Auditor
- No. 4 Election of one Supplementary Statutory Auditor
- No. 5 Payment of Bonus to Directors

BUSINESS REPORT

(From April 1, 2006 to March 31, 2007)

1. Matters on the Current Status of the Makita Group

(1) Progress and Results of Operations

When we review the economic conditions that prevailed abroad during the current term, we see that in addition to the high growth achieved in the Eastern Europe and Russian economies, both investment in plant and equipment, and consumer spending were brisk in Western Europe, and business conditions maintained their recovery trend. While there were signs of weakening sign on the U.S. housing market, the decline in the price of crude oil from earlier highs supported consumer spending and other aspects of domestic demand. Business conditions were steady overall in Asia mainly by China's economic performance. Meanwhile in Japan, investment in plants and equipment increased, and the job market improved as a result of improved corporate earnings and overall economic conditions exhibited moderate growth.

Under these circumstances, Makita (Makita Corporation (the Company)) and its consolidated subsidiaries (collectively Makita) concentrated its new product development efforts on meeting the needs of marketplace by expanding our lineup of lithium-ion battery products and high-pressure pneumatic tools. We expanded production capacity of China factory by constructing another new building. In Rumania a new factory started manufacturing in April, 2007 to avoid foreign exchange risks, to de-concentrate excessively high production volume in China and to secure stable supply capacity for the growing European market. On the other hand, we opened Estonian branch to strengthen our global sales and after-service capabilities for the growing market.

Looking at consolidated financial results for the term, net sales increased to 279,933 million yen by 22.2% growth over the previous term that is the third consecutive term of record-high results. With the contribution of new products and the acquisition of a pneumatic tool company in January of last year, domestic sales increased to 46,860 million yen by 12.6% growth over the previous term. Overseas sales increased by 24.3% to 233,073 million yen by the contribution of new products meeting market requirements, more vigorous sales efforts and sales growth of expanding markets in Eastern Europe and Russia where warm winter helped. Weaker Japanese yen in the foreign exchange market boosted the sales figures in Japanese yen. As a result, the ratio of overseas sales accounted for 83.3% of all consolidated net sales for the term.

Examining overseas sales by individual region, sales in Europe expanded by 37.0% to 124,020 million yen, while sales in North America were up by 8.0%, to 51,472 million yen. Sales in Asia rose by 14.6%, to 19,469 million yen and sales in other regions increased by 18.0% to 38,112 million yen.

With regard to earnings, in spite of the improvement in productivity resulting from the rise of a capacity utilization rate, by the adverse factors such as the rise of a material price and the increased manufacturing cost of overseas plants due to the depreciation of the yen, operating income were up by 5.2% from the previous term, to 48,176 million yen (the ratio of operating income to net sales was 17.2%) while income before income taxes was 49,323 million yen higher by 0.4% (the ratio of income before income taxes to net sales was 17.6%), and net income for the term amounted to 36,971 million yen (the ratio of net income to net sales was 13.2%), down by 8.5% from the previous term. At the end of the term, following our determination that the profitability of Makita U.S.A. was stabilized and secured, we recorded deferred income tax assets as a special factor, which we had not recognized in the previous years. This resulted in an increase of approximately 1.7 billion yen in net income for the term. Meanwhile, there was a special factor in the previous term, which is mainly a gain from the sale of the Company's golf course management subsidiary following the completion of the civil rehabilitation proceedings. This resulted in an increase of approximately 8.5 billion yen in operating income and 13.4 billion yen in net income for the previous term.

(2) Future Tasks

We anticipate continued adjustment in the housing market in the United States with some slowdown of the economy there. We believe that the environment for businesses remains opaque, largely owing to the vagaries of the market price of crude oil and industrial raw materials, as well as the possibility of exchange rate shifts.

Duly noting these circumstances, Makita aims to build a strong brand equity that is unrivaled in the industry and to become a Strong Company. In other words, to become a company that can obtain and maintain worldwide market leadership as a global total supplier of products such as power tools for professional use, gardening tools, and air tools. This is to be accomplished by the ability to develop new products that satisfy professional users, by global production structure that achieves both high quality and price competitiveness, as well as sales and after-sales service structure that secure the Company to lead the industry both in the domestic and overseas markets.

In order to carry out this management strategy, Makita focuses its management resources on the professional-use tool category, while maintaining its strong financial condition that can withstand any unpredictable changes in the operational environment including those related to foreign exchange risk and country risk.

The Company held the Board of Directors meeting on April 27, 2007 to dissolve Makita Ichinomiya Corporation (Makita Ichinomiya), which is a subsidiary that produces woodworking machinery, by the end of December 2007. The personnel and production facilities of Makita Ichinomiya will be transferred to the Okazaki Plant, which is our main factory. Makita intends to streamline its operations by consolidating its domestic production functions.

In closing, we would like to thank you for your ongoing support and ask you for continued backing.

(3) Investment in Plant and Equipment

During the term, Makita allocated 12,980 million yen for its capital expenditures. These funds were used primarily for rebuilding an office building and research and development buildings at head office and facilities at Okazaki plant, metal molds for new products, the manufacturing equipment for China factory and the construction of a new factory in Romania.

(4) Capital Procurement

During the term, Makita did not procure capital by issuing new shares or bonds.

(5) Acquisition of Shares of Other Companies

In order to strengthen its position as a comprehensive supplier of tools for professional use in the area of gardening or engine-powered gardening tools, the Company announced a tender offer to be conducted for the purpose of making Fuji Robin Industries Ltd. (Fuji Robin) a wholly-owned subsidiary of the Company on March 20, 2007. As a result of this tender offer at the purchase price of 260 yen per share during the period from March 22, 2007 through May 7, 2007, the Company acquired 10,270,000 shares of Fuji Robin at an aggregate purchase price of approximately 2.7 billion yen. The Company had already held 10% of the shares of Fuji Robin since the Company entered into a capital and business alliance with Fuji Robin in the area of small-sized engine business and acquired 1,300,000 shares of Fuji Robin through a third-party allocation of new shares issued by Fuji Robin in December 1991. Accordingly, the total shares acquired through the aforementioned third-party allocation of new shares and the aforementioned tender offer, the Company holds 11,570,000 shares of Fuji Robin, which comprises 89.3% of the total number of issued shares of Fuji Robin.

In order to implement its business strategy in a timely manner, the Company intends to make Fuji Robin a wholly-owned subsidiary of the Company and, as of May 25, 2007, the Company entered into a share for share exchange agreement under which the shares of the Company's common stock shall be allocated and delivered at the ratio of 0.059 shares of the Company's common stock for one share of Fuji Robin. After the share exchange agreement will be approved at the general meeting of shareholders of Fuji Robin to be held on June 28, 2007, the share for share exchange will be completed on August 1, 2007.

(6) Financial Position and Results of Operations for the Recent Three Fiscal Years

Description	92 nd term (ended March 31, 2004)	93 rd term (ended March 31, 2005)	94 th term (ended March 31, 2006)	95 th term (ended March 31, 2007)
Net sales (in millions of yen)	184,117	194,737	229,075	279,933
Operating income (in millions of yen)	14,696	31,398	45,778	48,176
Income before income taxes (in millions of yen)	16,170	32,618	49,143	49,323
Net income (in millions of yen)	7,691	22,136	40,411	36,971
Net income per share (in yen)	53.16	153.89	281.15	257.27
Total assets (in millions of yen)	278,116	289,904	326,038	368,494
Shareholders' equity (in millions of yen)	193,348	219,640	266,584	302,675

- Notes:
1. Consolidated financial statements are prepared in accordance with United States Generally Accepted Accounting Principles.
 2. Net income per share is computed based on the average number of common stock outstanding during the term.
 3. Amounts of less than 1 million yen have been rounded.

(7) Significant Subsidiaries

Company Name	Capital (thousands)	Ownership ratio (%)	Principal Business
Makita U.S.A. Inc.	U.S.\$ 161,400	100.0	Sales of electric power tools
Makita Corporation of America	U.S.\$ 73,600	100.0*	Manufacture of electric power tools
Makita (U.K.) Ltd.	£ 21,700	100.0*	Sales of electric power tools
Makita Manufacturing Europe Ltd.	£ 37,600	100.0*	Manufacture of electric power tools
Makita Werkzeug GmbH (Germany)	Euro 7,669	100.0*	Sales of electric power tools
Dolmar GmbH (Germany)	Euro 13,805	100.0*	Manufacture and sales of garden tools
Makita S.p.A. (Italy)	Euro 6,000	100.0*	Sales of electric power tools
Makita Oy (Finland)	Euro 100	100.0*	Sales of electric power tools
Makita (China) Co., Ltd.	U.S.\$ 65,000	100.0	Manufacture and sales of electric power tools
Makita (Kunshan) Co., Ltd.	U.S.\$ 18,500	100.0	Manufacture of electric power tools

Note: The ownership ratios with asterisks include the shares owned by the subsidiaries.

(8) Major Operations

Makita is primarily involved in the production and sales of electric power tools such as cordless impact drivers, rotary hammers, circular saws and angle grinders, air tools such as air nailers and tackers, garden tools such as hedge trimmers and petrol brushcutters, and household tools such as cordless cleaners.

(9) Principal Sales Offices and Plants

1. Makita Corporation (the Company)

Head office	Anjo (Aichi)
Sales offices	Tokyo, Nagoya, Osaka
Plant	Okazaki (Aichi)

2. Subsidiaries

For Sales

Makita U.S.A. Inc.	Los Angeles (United States)
Makita (U.K.) Ltd.	London (United Kingdom)
Makita S.p.A.	Milan (Italy)
Makita Werkzeug GmbH	Duisburg (Germany)
Makita Oy	Helsinki (Finland)

For Production

Makita Corporation of America	Atlanta (United States)
Makita Manufacturing Europe Ltd.	Telford (United Kingdom)
Makita (Kunshan) Co., Ltd.	Kunshan (China)

For Production and sales

Makita (China) Co., Ltd.	Kunshan (China)
Dolmar GmbH	Hamburg (Germany)

(10) Employees

1. Employees of the Makita Group

Number of Employees	Increase/Decrease
9,062	433 (Increase)

2. Employees of the Company

Number of Employees	Increase/Decrease	Average Age	Average Years of Service
2,952	39 (Decrease)	41.6	20.0

2. Shareholding Status of the Company

(1) Total number of shares authorized to be issued by the Company:	496,000,000 shares
(2) Total number of shares outstanding:	143,701,279 shares (excluding treasury stock of 307,481 shares)
(3) Number of shareholders:	10,619
(4) Major Shareholders:	

Name of Shareholders	Number of Shares Held	
	Units (thousands)	Ownership ratio (%)
Japan Trustee Services Bank, Ltd. (Trust account)	11,275	7.85
The Master Trust Bank of Japan, Ltd. (Trust account)	6,927	4.82
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,213	3.63
The Chase Manhattan Bank, N.A. London	4,578	3.19
Makita Cooperation Companies Investment Association	3,870	2.69
Nippon Life Insurance Company	3,712	2.58
Maruwa, Ltd.	3,209	2.23
Northern Trust Company (AVFC) Sub-account American Client	2,981	2.08
Sumitomo Mitsui Banking Corporation	2,900	2.02
State Street Bank and Trust Company 505103	2,799	1.95

Note: The Company received copies of substantial shareholding reports and the related documents, which presented the following information.

Persons who submitted the report	Date on which obligation of report arose	Number of shares held (thousands)	Ownership ratio (%)
Mitsubishi UFJ Financial Group, Inc.	January 22, 2007	8,544	5.95
Nomura Asset Management Co., Ltd.	January 15, 2007	7,528	5.24

Note: The ownership ratio is calculated based on the total number of shares outstanding (excluding treasury stock) at the end of the term.

3. Directors and Statutory Auditors of the Company

(1) Directors and Statutory Auditors

Title	Name	Position at the Company and representative status in other companies
President*	Masahiko Goto	
Managing Director	Masami Tsuruta	General Manager of Domestic Sales Marketing Headquarters
Director	Yasuhiko Kanzaki	General Manager of International Sales Headquarters: Europe Area
Director	Kenichiro Nakai	General Manager of Administration Headquarters
Director	Tadayoshi Torii	General Manager of Production Headquarters
Director	Tomoyasu Kato	General Manager of Development and Engineering Headquarters
Director	Kazuya Nakamura	General Manager of International Sales Headquarters: Asia and Oceania Area
Director	Masahiro Yamaguchi	General Manager of Purchasing Headquarters
Director	Shiro Hori	General Manager of International Sales Headquarters: America Area and International Administration
Director	Tadashi Asanuma	Assistant General Manager of Domestic Sales Marketing Headquarters
Director	Hisayoshi Niwa	General Manager of Quality Headquarters
Director	Zenji Mashiko	Assistant General Manager of Domestic Sales Marketing Headquarters
Director	Motohiko Yokoyama	Vice-president and Representative Director of JTEKT Corporation
Standing Statutory Auditor	Akio Kondo	
Standing Statutory Auditor	Hikomichi Murase	
Statutory Auditor	Keiichi Usui	
Statutory Auditor	Shoichi Hase	Patent Attorney

- Notes:
1. The asterisk denotes Representative Director.
 2. Mr. Motohiko Yokoyama is an Outside Director.
 3. Messrs. Keiichi Usui and Shoichi Hase are Outside Statutory Auditors.
 4. Mr. Akio Kondo, Standing Statutory Auditor, had worked at the Financial Department of the Company for 25 years and has considerable expertise in finance and accounting.
 - 5.

Mr. Keiichi Usui, Statutory Auditor, successively held the offices of the Manager of the Financial Department, the Manager of the Accounting Department and the General Manager of the Accounting Department at INAX Corporation, and has considerable expertise in finance and accounting.

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(2) Total Amounts Paid as Remuneration and Bonus to Directors and Statutory Auditors

Classification	Number of payment recipients	Aggregate amount paid (in millions of yen)
Directors	13	235
Statutory Auditors	4	42
Total	17	277

- Notes:
1. The aggregate amount of remuneration includes the amount of 16 million yen paid to Outside Executives (one Outside Director and two Outside Statutory Auditors).
 2. The amount of 122 million yen paid to Directors includes the bonuses to be paid to 12 Directors (excluding one Outside Director), which will be resolved at the 95th Ordinary General Meeting of Shareholders.
 3. In accordance with the resolution of the meeting of the Board of Directors held on April 28, 2006, the Company terminated the retirement allowance plan for Directors and Statutory Auditors as of June 29, 2006. The aggregate amount of 11 million yen for remuneration includes the estimated retirement allowances for directors and statutory auditors for the period from April 1, 2006 to June 29, 2006.
 4. Other than the above, the following amount was paid to Directors who concurrently serve as employees as employee salaries (including bonuses).
Directors who currently serve as employees: 10 Directors, 150 million yen
 5. The maximum amounts of annual remuneration for all Directors and Statutory Auditors, each of which was approved by a resolution passed at the Ordinary General Meeting of Shareholders held in May 1989, is 240 million yen (excluding the amounts paid to Directors who concurrently serve as employees as employee salaries) and 60 million yen, respectively.

(3) Matters on Outside Executives

1. Director, Motohiko Yokoyama

(i) Concurrent office as an executive director of other companies

Mr. Yokoyama concurrently serves as the vice-president and representative director of JTEKT Corporation and Makita purchases parts, machinery and equipment from the group companies of JTEKT Corporation.

(ii) Major activities during the fiscal year ended March 31, 2007

Mr. Yokoyama attended 57% of the meetings of the Board of Directors held during this fiscal year. At the attended meetings, he expressed his opinions as necessary from the top management perspective of the core company of Toyota Group which is a world's leading corporate group.

(iii) Outline of Liability Limitation Agreement

With respect to liabilities set forth in Article 423, Paragraph 1 of the Company Law of Japan, the Company has entered into a liability limitation agreement with Mr. Yokoyama which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Company Law of Japan.

2. Statutory Auditor, Keiichi Usui

(i) Major activities during the fiscal year ended March 31, 2007

Mr. Usui attended 71% of the meetings of the Board of Directors and 85% of the meetings of the Statutory Auditors held during this fiscal year. At the attended meetings, he expressed his opinions from his independent position as necessary.

(ii) Outline of Liability Limitation Agreement

With respect to liabilities set forth in Article 423, Paragraph 1 of the Company Law of Japan, the Company has entered into a liability limitation agreement with Mr. Usui which limits the maximum amount of his liabilities to the total amount provided for in each of the items of Article 425, Paragraph 1 of the Company Law of Japan.

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3. Statutory Auditor, Shoichi Hase