



For immediate release

April 28, 2006

Company name: **Makita Corporation**
Representative: Masahiko Goto, President
Code number: 6586
Stock exchange listings: First sections of the Tokyo and
Nagoya stock exchanges

Notice Regarding Abolishment of Executive Retirement Bonus Plan And Revision of Executive Compensation

Aimed at further improving the Company's enterprise value, notice is hereby given of the following decision taken at today's Board of Directors meeting regarding revision of the Executive the Executive Compensation Plan.

1. Abolishment of Executive Retirement Bonus Plan

Effective this year's Annual General Meeting of Shareholders to be held in June 2006, the Executive Retirement Bonus Plan, which has featured minimal correlation with Company results while presenting strong seniority-based elements, will be abolished. With regard to retirement bonuses accrued through that day, upon approval at said Annual General Meeting of Shareholders, the accrued bonuses will be paid to eligible executives upon their retirement. Furthermore, beginning July 2006, amounts equal to the existing retirement bonuses will be added to their monthly compensation.

2. Introduction of Stock-Price-Based (Company Stock Acquisition) Compensation for Directors

Beginning July 2006, a remuneration program linked to the Company stock price will be introduced as part of director compensations (excluding external directors). This stock-price-based remuneration program will acquire Company stock by making contributions to the Executive Stock Board in an amount equal to the retirement bonuses added to directors' monthly compensation. Acquired stock for this purpose will be retained during the directors' tenure. The introduction of this system will effectively link a part of director compensation to the Company's stock price, providing further transparency of directors' managerial responsibility to improve the Company's enterprise value.

3. Revision of Statutory Auditor Compensation

In an effort to strengthen the independence of statutory auditors' operations, statutory auditors' annual bonuses will be abolished from the fiscal year ending March 2007, together with abolishing the above noted Executive Retirement Bonus Plan, and all statutory auditor compensation will then be in the form of fixed compensation.

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.