



April 27, 2021

Company name: **Makita Corporation**
Representative: Munetoshi Goto, President, Representative Director
Stock ticker code: 6586

Notice on Partial Amendments to the Articles of Incorporation

As stated in “Notice on Establishment of Nomination and Compensation Committee and Transition to a Company with an Audit and Supervisory Committee” dated December 18, 2020, Makita Corporation (hereinafter referred to as “Makita”) has resolved on a policy of transitioning from its current system of a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee upon the condition that the transition is approved at the 109th Ordinary General Meeting of Shareholders scheduled on June 25, 2021 (hereinafter referred to as the “Ordinary General Meeting of Shareholders”).

Accordingly, Makita hereby announces that the Board of Directors resolved, at a meeting held today, to submit “Partial Amendments to the Articles of Incorporation” as an agenda item to the Ordinary General Meeting of Shareholders as follows.

I. Purpose of the Amendments to the Articles of Incorporation

- (1) Makita has strengthened the supervisory function of the Board of Directors by appointing multiple Independent Outside Directors. With the aim of further strengthening the supervisory function of the Board of Directors and further enhancing the corporate governance system, we would like to transition to a Company with an Audit & Supervisory Committee. Along with this transition, amendments shall be made to the Articles of Incorporation, including the establishment of new provisions regarding the Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and the deletion of provisions regarding the Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) In order for Directors to fully demonstrate their expected roles, new provisions shall be established to enable partial exemption of Directors from their liability to the extent permitted by applicable laws and regulations, by a resolution of the Board of Directors, in accordance with Article 426, Paragraph 1 of the Companies Act. Furthermore, pursuant to the Act Partially Amending the Companies Act (Act No. 90 of 2014), which came into force on May 1, 2015, changes were made to the scope of Directors who may enter into liability limitation agreements. Accordingly, Article 28 of the current Articles of Incorporation shall be amended to enable the Corporation to enter into liability limitation agreements with Non-Executive Directors. All Audit & Supervisory Board Members have agreed to the proposed establishment of and amendments to these provisions.
- (3) In order to attain flexible execution of capital and dividend policies, Articles 32 and 33 of the proposed amendments shall be newly established, and Article 7 of the current Articles of Incorporation, which overlaps with certain parts of Article 32 of the proposed amendments, shall be deleted, so that matters including dividends from surplus may be carried out by a resolution of the Board of Directors, in accordance with Article 459, Paragraph 1 of the Companies Act.
- (4) Other necessary amendments shall also be made, such as changes to the numbering of articles in line with the above amendments.

II. Details of the Amendments to the Articles of Incorporation

The details of the amendments are as shown in the attachment.

The amendments to Articles of Incorporation shall come into force at the conclusion of the Ordinary General Meeting of Shareholders.

III. Schedule

Date of the General Meeting of Shareholders to discuss the amendments to the Articles of Incorporation:

June 25, 2021 (schedule)

Effective date of the amendments to the Articles of Incorporation:

June 25, 2021 (schedule)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER I</p> <p style="text-align: center;">GENERAL PROVISIONS</p> <p>Article 1. to Article 3. (Omitted)</p> <p>Article 4. (<i>Organizations</i>) In addition to the general meetings of shareholders and Directors, the Company shall have the following organizations:</p> <ul style="list-style-type: none">(1) Board of Directors(2) <u>Audit & Supervisory Board Members</u>(3) <u>Audit & Supervisory Board</u>(4) Accounting Auditors <p>Article 5. (Omitted)</p> <p style="text-align: center;">CHAPTER II</p> <p style="text-align: center;">SHARES</p> <p>Article 6. (Omitted)</p> <p><u>Article 7. (<i>Acquisition of treasury stock</i>)</u> <u>The Company may, by a resolution of the Board of Directors, purchase shares of the Company by market transactions of other permitted methods pursuant to Article 165, Paragraph 2 of the Companies Act.</u></p> <p>Article 8. to Article 11. (Omitted)</p>	<p style="text-align: center;">CHAPTER I</p> <p style="text-align: center;">GENERAL PROVISIONS</p> <p>Article 1. to Article 3. (Unchanged)</p> <p>Article 4. (<i>Organizations</i>) In addition to the general meetings of shareholders and Directors, the Company shall have the following organizations:</p> <ul style="list-style-type: none">(1) Board of Directors(2) <u>Audit & Supervisory Committee</u> (Deleted)(3) Accounting Auditors <p>Article 5. (Unchanged)</p> <p style="text-align: center;">CHAPTER II</p> <p style="text-align: center;">SHARES</p> <p>Article 6. (Unchanged)</p> <p>(Deleted)</p> <p>Article 7. to Article 10. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">GENERAL MEETINGS OF SHAREHOLDERS</p> <p>Article <u>12.</u> to Article <u>17.</u> (Omitted)</p> <p style="text-align: center;">CHAPTER IV</p> <p style="text-align: center;">DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article <u>18.</u> <i>(Number)</i> The Company shall have not more than fifteen (15) Directors.</p> <p style="text-align: center;">(New)</p> <p>Article <u>19.</u> <i>(Election)</i> (1) Directors shall be elected at general meetings of shareholders.</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p>	<p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">GENERAL MEETINGS OF SHAREHOLDERS</p> <p>Article <u>11.</u> to Article <u>16.</u> (Unchanged)</p> <p style="text-align: center;">CHAPTER IV</p> <p style="text-align: center;">DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article <u>17.</u> <i>(Number)</i> (1) The Company shall have not more than fifteen (15) Directors <u>(excluding Directors who are Audit & Supervisory Committee Members).</u></p> <p>(2) <u>The Company shall have not more than five (5) Directors who are Audit & Supervisory Committee Members.</u></p> <p>Article <u>18.</u> <i>(Election)</i> (1) Directors <u>who are Audit & Supervisory Committee Members and other Directors</u> shall be <u>separately</u> elected at general meetings of shareholders.</p> <p>(2) (Unchanged)</p> <p>(3) (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="82 250 383 282">Article <u>20</u>. <i>(Terms of office)</i></p> <p data-bbox="82 300 788 470">The terms of offices of Directors shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>two (2) years</u> from their election.</p> <p data-bbox="395 537 469 568">(New)</p> <p data-bbox="82 779 788 904"><u>The term of office of any Director elected to increase the number of the Directors or to fill a vacancy shall expire upon the expiration of the terms of offices of the other Directors then in office.</u></p> <p data-bbox="395 972 469 1003">(New)</p> <p data-bbox="395 1209 469 1240">(New)</p>	<p data-bbox="810 250 1110 282">Article <u>19</u>. <i>(Terms of office)</i></p> <p data-bbox="810 300 1522 519">(1) The terms of offices of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>one (1) year</u> from their election.</p> <p data-bbox="810 537 1522 757">(2) <u>The terms of offices of Directors who are Audit & Supervisory Committee Members shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within two (2) years from their election.</u></p> <p data-bbox="1110 779 1219 810">(Deleted)</p> <p data-bbox="810 972 1522 1191">(3) <u>The term of office of any Audit & Supervisory Committee Member elected to fill a vacancy caused by retirement of an Audit & Supervisory Committee Member before the expiration of his or her term of office shall expire when the term of office of his or her predecessor would have expired.</u></p> <p data-bbox="810 1209 1522 1518">(4) <u>The effective term of the resolution for the election of a substitute Director who is an Audit & Supervisory Committee Member under Article 329, Paragraph 3 of the Companies Act shall expire at the commencement of the ordinary general meeting of shareholders held with respect to the last business year ending within two (2) years from his or her election.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>21</u>. (<i>Election of Representative Directors, etc.</i>) The Board of Directors shall select Directors who have the power to represent the Company. By a resolution of the Board of Directors, a chairman, one or more vice chairmen, a president, one or more executive vice presidents, senior managing directors (<i>senmu</i>) and managing directors (<i>jomu</i>) may be appointed.</p> <p>Article <u>22</u>. (<i>Convocation of meetings</i>) Unless the date of a meeting is fixed in advance by the Board of Directors, notice of a meeting of the Board of Directors shall be given to each Director <u>and Audit & Supervisory Board Member</u> at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</p> <p>Article <u>23</u>. (<i>Chairman</i>) The chairman-director shall act as chairman at meetings of the Board of Directors. When the office of the chairman-director is vacant or the chairman-director is unable to act, the president-director shall act as chairman. When the offices of both the chairman-director and the president-director are vacant or they are unable to act, one of the other directors shall act as chairman in accordance with the order predetermined by a resolution of the Board of Directors.</p> <p>Article <u>24</u>. (Omitted)</p>	<p>Article <u>20</u>. (<i>Selection of Representative Directors, etc.</i>) (1) The Board of Directors shall, <u>by its resolution</u>, select Directors who have the power to represent the Company <u>from among the Directors (excluding Directors who are Audit & Supervisory Committee Members)</u>. (2) By a resolution of the Board of Directors, a chairman, one or more vice chairmen, a president, one or more executive vice presidents, senior managing directors (<i>senmu</i>) and managing directors (<i>jomu</i>) may be appointed <u>from among the Directors (excluding Directors who are Audit & Supervisory Committee Members)</u>.</p> <p>Article <u>21</u>. (<i>Convocation of meetings</i>) Unless the date of a meeting is fixed in advance by the Board of Directors, notice of a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</p> <p>Article <u>22</u>. (<i>Chairman</i>) (1) The chairman-director shall act as chairman at meetings of the Board of Directors. When the office of the chairman-director is vacant or the chairman-director is unable to act, the president-director shall act as chairman. (2) When the offices of both the chairman-director and the president-director are vacant or they are unable to act, one of the other directors shall act as chairman in accordance with the order predetermined by a resolution of the Board of Directors.</p> <p>Article <u>23</u>. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(New)</p> <p>Article 25. to Article 26. (Omitted)</p> <p>Article 27. <i>(Compensation, etc.)</i> Compensation, bonuses and other financial benefits given by the Company in consideration of the performance of duties <u>(hereinafter referred to as the “Compensation, etc.”)</u> to Directors shall be determined by a resolution of a general meeting of shareholders.</p> <p>Article 28. <u><i>(Liability Limitation Agreement with Outside Directors)</i></u> (New)</p> <p>The Company may enter into a liability limitation agreement with <u>Outside Directors</u> which limits the maximum amount of their liabilities arising from their failure to perform their duties in accordance with Article 427, Paragraph 1 of the Companies Act; provided, however, that limited amount of liability under such agreement shall be the sum of amounts provided for in applicable laws and regulations.</p>	<p><u>Article 24. <i>(Delegation of decisions on important business execution)</i></u> <u>In accordance with Article 399-13, Paragraph 6 of the Companies Act, the Board of Directors may, by its resolution, delegate the decision on important business execution (excluding matters set forth in items of Paragraph 5 of the same Article) to Directors in whole or in part.</u></p> <p>Article 25. to Article 26. (Unchanged)</p> <p>Article 27. <i>(Compensation, etc.)</i> Compensation, bonuses and other financial benefits given by the Company in consideration of the performance of duties to Directors shall be determined by a resolution of a general meeting of shareholders, <u>separately for Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p>Article 28. <u><i>(Exemption of Directors from liability)</i></u></p> <p>(1) <u>In accordance with Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from their liability arising from their failure to perform their duties, to the extent permitted by applicable laws and regulations.</u></p> <p>(2) The Company may enter into a liability limitation agreement with <u>Directors (excluding those who are Executive Directors, etc.)</u> which limits the maximum amount of their liability arising from their failure to perform their duties in accordance with Article 427, Paragraph 1 of the Companies Act; provided, however, that limited amount of liability under such agreement shall be the sum of amounts provided for in applicable laws and regulations.</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><u>CHAPTER V</u></p> <p style="text-align: center;"><u>AUDIT & SUPERVISORY BOARD MEMBERS</u> <u>AND AUDIT & SUPERVISORY BOARD</u></p> <p><u>Article 29. (Number)</u> <u>The Company shall have not more than five (5) Audit & Supervisory Board Members.</u></p> <p><u>Article 30. (Election)</u> <u>Audit & Supervisory Board Members shall be elected at general meetings of shareholders.</u> <u>In order to adopt resolutions for the election of Audit & Supervisory Board Members, shareholders holding not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise voting rights shall be present thereat and a majority of the votes of such shareholders shall be required.</u></p> <p><u>Article 31. (Terms of office)</u> <u>(1) The terms of offices of Audit & Supervisory Board Members shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years from their election.</u> <u>(2) The term of office of any Audit & Supervisory Board Member elected to fill a vacancy caused by retirement of a Audit & Supervisory Board Member before the expiration of his or her term of office shall expire when the term of office of his or her predecessor would have expired.</u></p>	<p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 32. (Convocation of meetings)</u> <u>Unless the date of a meeting is fixed in advance by the Audit & Supervisory Board, notice of a meeting of the Audit & Supervisory Board shall be given to each Audit & Supervisory Board Member at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</u></p>	(Deleted)
<p><u>Article 33. (Compensation, etc.)</u> <u>Compensation, etc. to Audit & Supervisory Board Members shall be determined by a resolution of a general meeting of shareholders.</u></p>	(Deleted)
<p><u>Article 34. (Liability limitation agreement with Outside Audit & Supervisory Board Members)</u> <u>The Company may enter into a liability limitation agreement with Outside Audit & Supervisory Board Members which limits the maximum amount of their liability arising from their failure to perform their duties in accordance with Article 427, Paragraph 1 of the Companies Act; provided, however, that the limited amount of liability under such agreement shall be the sum of amounts provided for in laws and regulations.</u></p>	(Deleted)
<p>(New)</p>	<p><u>CHAPTER V</u></p>
<p>(New)</p>	<p><u>AUDIT & SUPERVISORY COMMITTEE</u></p>
	<p><u>Article 29. (Standing Audit & Supervisory Committee Members)</u> <u>The Audit & Supervisory Committee may, by its resolution, select Standing Audit & Supervisory Committee Members.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(New)</p> <p style="text-align: center;">CHAPTER VI</p> <p style="text-align: center;">ACCOUNTS</p> <p>Article <u>35</u>. (Omitted)</p> <p><u>Article 36. (Dividends from surplus)</u> <u>Year-end dividends shall be paid to the shareholders or registered stock pledgees appearing in writing or digitally on the register of shareholders as of the closing thereof on the 31st day of March each year.</u></p> <p><u>Article 37. (Interim dividends)</u> <u>The Company may, by a resolution of the Board of Directors, pay interim dividends to the shareholders or registered stock pledgees whose names appear in wiring or digitally on the register of shareholders as of the closing thereof on the 30th day of September each year.</u></p> <p style="text-align: center;">(New)</p>	<p><u>Article 30. (Convocation of meetings)</u> <u>Unless the date of a meeting is fixed in advance by the Audit & Supervisory Committee, notice of a meeting of the Audit & Supervisory Committee shall be given to each Audit & Supervisory Committee Member at least three (3) days prior to the date set for such meeting; provided, however, that in case of urgency, such period may be shortened.</u></p> <p style="text-align: center;">CHAPTER VI</p> <p style="text-align: center;">ACCOUNTS</p> <p>Article <u>31</u>. (Unchanged)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> <p><u>Article 32. (Organization determining dividends from surplus)</u> <u>Unless otherwise provided for in laws and regulations, the Company may, by a resolution of the Board of Directors, determine the matters provided for in each item of Article 459, Paragraph 1 of the Companies Act, including dividends from surplus.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(New)</p> <p>Article <u>38</u>. <i>(Prescription period for dividends)</i></p> <p>The Company shall be exempted from the obligation to pay <u>year-end dividends or interim dividends</u> after three (3) years have elapsed from the date on which the payment of the dividends or interim dividends commenced.</p>	<p><u>Article 33. (Record date for dividends from surplus)</u></p> <p>(1) <u>The record date for the year-end dividends of the Company shall be the 31st day of March each year.</u></p> <p>(2) <u>The record date for the interim dividends of the Company shall be the 30th day of September each year.</u></p> <p>(3) <u>In addition to the cases prescribed in the preceding two paragraphs, the Company may pay dividends from surplus on any record date determined by the Company.</u></p> <p>Article <u>34</u>. <i>(Prescription period for dividends)</i></p> <p><u>In case of cash dividends, the Company shall be exempted from the obligation to pay the dividends after three (3) years have elapsed from the date on which the payment of the dividends commenced.</u></p>
<p>(New)</p> <p>(New)</p>	<p style="text-align: center;"><u>SUPPLEMENTARY PROVISIONS</u></p> <p><u>(Transitional measures concerning exemption of Audit & Supervisory Board Members from liability)</u></p> <p><u>Liability limitation agreements referred to in Article 423, Paragraph 1 of the Companies Act relating to the actions of Outside Audit & Supervisory Board Members (including former Outside Audit & Supervisory Board Members) conducted before the conclusion of the 109th ordinary general meeting of shareholders shall be as prescribed in Article 34 of the Articles of Incorporation prior to the amendments by resolution of the same ordinary general meeting of shareholders.</u></p>