

NOTICE TO THE HOLDERS OF THE BONDS

MAKINO MILLING MACHINE CO., LTD.
¥12,000,000,000 Zero Coupon Convertible Bonds due 2018 (the “Bonds”)
(ISIN: XS0673557764 Common Code: 067355776)

NOTICE IS HEREBY GIVEN by MAKINO MILLING MACHINE CO., LTD. (the “Company”) to the holders of the outstanding ¥12,000,000,000 Zero Coupon Convertible Bonds due 2018, of a redemption of all the outstanding Bonds as follows:

Reason for the redemption: Redemption pursuant to Condition 7.2 of the terms and conditions of the Bonds
The Closing Price of the Shares for each of the 20 consecutive Trading Days was at least 130 per cent. of the Conversion Price in effect on each such Trading Day, and accordingly the board of directors of the Company decided to exercise the right to redeem all of the outstanding Bonds pursuant to such Condition.

Conversion Price as of the date of this notice: ¥831

130 per cent. of the Conversion Price as of the date of this notice: ¥1,080.3

Closing Price of the Shares: ¥1,050 as of 7 December 2017 (the latest practicable date prior to the date of this notice)

Last Day on which the Stock Acquisition Rights may be exercised: 12 January 2018
(the third business day in Tokyo prior to the Redemption Date)

Redemption date: 17 January 2018

Redemption price: 100 per cent. of the principal amount of the Bonds

Aggregate principal amount of the outstanding Bonds: ¥9,700,000,000 as of 7 December 2017 (the latest practicable date prior to the date of this notice)

Capitalised terms used herein without definition are used as defined in the Trust Deed, including the terms and conditions of the Bonds, and the Agency Agreement to the Bonds.

This notice is given by
MAKINO MILLING MACHINE CO., LTD.

13 December 2017