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(Stock Exchange Code 6135)
June 6, 2018

To Shareholders with Voting Rights:

Shinichi Inoue
President
Makino Milling Machine Co., Ltd.
3-19 Nakane 2-chome, Meguro-ku, Tokyo

**NOTICE OF
THE 79th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 79th Annual General Meeting of Shareholders of Makino Milling Machine Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via electromagnetic means (the Internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:00 p.m. on June 20, 2018, Japan time.

1. Date and Time: Thursday, June 21, 2018 at 10:00 a.m. Japan time

2. Place: 3F, Application Technology Center of the Company located at
10-4 Nakane 2-chome, Meguro-ku, Tokyo, Japan

3. Agenda of the General Meeting:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 79th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 79th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Share Consolidation
Proposal 3: Partial Amendments to the Articles of Incorporation
Proposal 4: Election of 7 Directors

4. Exercise of Voting Rights through a Proxy

If you would like to exercise your voting rights through a proxy, pursuant to provisions of the Articles of Incorporation, it is possible to assign one other shareholder with voting rights as your proxy. However, it is necessary to submit a document to prove the authority of representation.

(Request) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

(Notice) Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<http://www.makino.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy for profit distribution is to endeavor to make returns to shareholders through the continuous and stable payment of dividends.

Based on the above policy, taking into consideration factors including the profit performance and business environment surrounding the Company in the current fiscal year, the year-end dividend for the current fiscal year shall be as follows.

- (1) Type and total amount of dividend property allotted to shareholders
Cash Total amount: 1,120,133,016 yen
- (2) Matters regarding allotment of dividend property to shareholders
9 yen per common share of the Company
- (3) Effective date of dividends of surplus
June 22, 2018

Proposal 2: Share Consolidation

1. Reasons for why the share consolidation is necessary

Based on the “Action Plan for Consolidating Trading Units,” stock exchanges throughout Japan are aiming to unify the trading unit of common shares of all listed companies in Japan to 100 shares by October 1, 2018. As a corporation listed on the Tokyo Stock Exchange, the Company respects this policy and shall change the number of shares in one trading unit of the Company’s shares from 1,000 to 100. At the same time, in consideration of share price fluctuations in the medium to long term, etc., with the aim of adjusting the investment unit to an appropriate level, the Company shall implement a share consolidation (1-for-5 share consolidation).

2. Ratio of share consolidation

A 1-for-5 share consolidation of the Company’s common shares is proposed.

If there are fractional shares as a result of the share consolidation, pursuant to provisions of Article 235 of the Companies Act, the Company shall conduct a lump-sum disposal of such shares, and the proceeds of the disposal shall be distributed among shareholders in the ratio of the fractional shares they have.

3. Effective date of share consolidation

October 1, 2018

4. Total number of authorized shares on effective date

60,000,000 shares

5. Others

Other matters required in the procedures for the stock consolidation shall be determined by the Board of Directors.

Proposal 3: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) Subject to approval of Proposal 2 “Share Consolidation” as originally proposed, the total number of authorized shares of the Company will be reduced according to the ratio of the share consolidation (1-for-5 share consolidation). Therefore, Article 6 of the current Articles of Incorporation shall be amended, and Article 8 of the current Articles of Incorporation shall also be amended in order to change the number of shares in one trading unit of the Company’s shares from 1,000 to 100.
- (2) To strengthen the structure of the Company’s Board of Directors, a new “Vice-Chairman” position shall be established among Directors with titles, and Article 23 of the current Articles of Incorporation shall be amended to allow said Director to assume office as a Representative Director.

2. Details of the amendments

The details of the amendments are as follows.

(Amended portions shown with underlines)

Current Articles of Incorporation	Proposed Amendments
Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>300 million shares</u> .	Article 6 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>60 million shares</u> .
Article 8 (Number of Shares in One Trading Unit) The number of shares in one trading unit of the Company’s shares shall be <u>1,000</u> .	Article 8 (Number of Shares in One Trading Unit) The number of shares in one trading unit of the Company’s shares shall be <u>100</u> .
Article 23 (Representative Directors and Directors with Titles) The Company shall, by a resolution of the Board of Directors, select 1 President, and as necessary, 1 Chairman, 1 Vice-President, and several Corporate Advisors, Executive Vice President, Director and Vice President, Director from among Directors. 2. The Chairman, the President, the Vice-President and Directors selected as Representative Directors by resolution of the Board of Directors, shall each represent the Company.	Article 23 (Representative Directors and Directors with Titles) The Company shall, by a resolution of the Board of Directors, select 1 President, and as necessary, 1 Chairman, <u>1 Vice-Chairman</u> , 1 Vice-President, and several Corporate Advisors, Executive Vice President, Director and Vice President, Director from among Directors. 2. The Chairman, <u>the Vice-Chairman</u> , the President, the Vice-President and Directors selected as Representative Directors by resolution of the Board of Directors, shall each represent the Company.
(Newly established)	<u>Supplementary Provision</u> <u>The amendments to Article 6 and Article 8 shall take effect on October 1, 2018.</u> <u>This supplementary provision shall be deleted on the effective date of the said amendments.</u>

Proposal 4: Election of 7 Directors

The terms of office of all 9 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 7 Directors is proposed.

The candidates are as follows:

No.	Name	Current positions and responsibilities at the Company
1	Shun Makino	Chairman & Representative Director
2	Shinichi Inoue	President & Representative Director
3	Toshiyuki Nagano	Executive Vice President, Director Executive Manager of Corporate Service Division Office Manager of Corporate Planning Office Office Manager of Trade Security Control Office Office Manager of Energy Control Office
4	Tatsuaki Aiba	Vice President, Director Executive Manager of Production Division Executive Manager of Fuji Katsuyama Works
5	Yoshiki Ueda [New appointment]	Corporate Advisors
6	Hiroshi Suzuki [Independent] [External]	Director
7	Shin Yoshidome [New appointment] [Independent] [External]	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Shun Makino (April 16, 1941)	<p>March 1970 Joined the Company</p> <p>September 1981 Vice-President of LeBlond Makino Machine Tool Company (currently MAKINO INC.)</p> <p>June 1985 Director of the Company</p> <p>July 1985 Director; Manager of Atsugi Plant</p> <p>January 1986 Director; Office Manager of Overseas Business Office</p> <p>July 1989 Director; Executive Manager of Corporate Service Division</p> <p>December 1992 Director; Executive Manager of Corporate Service Division; Head of Trading Security Control Office</p> <p>July 1996 Vice President; Director; Executive Manager of Corporate Service Division; Office Manager of Trade Security Control Office</p> <p>July 1999 Vice President, Representative Director</p> <p>June 2006 Executive Vice President, Representative Director</p> <p>June 2016 Chairman & Representative Director (to present)</p>	1,882,531
2	Shinichi Inoue (October 18, 1966)	<p>April 1992 Joined the Company</p> <p>April 2011 General Manager of Atsugi Development M Development Section</p> <p>February 2013 Deputy Executive Manager of R&D Division</p> <p>June 2014 Director; Deputy Executive Manager of R&D Division</p> <p>June 2015 Director; Executive Manager of Sales Division</p> <p>June 2016 President & Representative Director (to present)</p>	17,000

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Toshiyuki Nagano (April 5, 1958)	<p>May 2004 Joined the Company</p> <p>June 2006 Director of Makino J. Co., Ltd.</p> <p>November 2008 General Manager of Finance Department of the Company</p> <p>June 2009 Director; General Manager of Finance Department; Office Manager of Energy Control Office</p> <p>April 2011 Director; Executive Manager of Corporate Service Division; Office Manager of Trade Security Control Office; Office Manager of Energy Control Office</p> <p>June 2014 Vice President, Director; Executive Manager of Corporate Service Division; Office Manager of Trade Security Control Office; Office Manager of Energy Control Office</p> <p>June 2016 Executive Vice President, Director; Executive Manager of Corporate Service Division; Office Manager of Trade Security Control Office; Office Manager of Energy Control Office</p> <p>April 2017 Executive Vice President, Director; Executive Manager of Corporate Service Division; Office Manager of Corporate Planning Office, Office Manager of Trade Security Control Office; Office Manager of Energy Control Office (to present)</p>	10,000
4	Tatsuaki Aiba (May 3, 1957)	<p>April 1980 Joined the Company</p> <p>November 2002 General Manager of Fuji Katsuyama Production Department</p> <p>December 2004 General Manager of Fuji Katsuyama Production Department; General Manager of Procurement Department</p> <p>June 2005 Director; Executive Manager of Production Division</p> <p>October 2012 Director; Executive Manager of Production Division; Executive Manager of Fuji Katsuyama Works</p> <p>June 2014 Vice President, Director; Executive Manager of Production Division; Executive Manager of Fuji Katsuyama Works (to present)</p>	10,000

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	[New appointment] Yoshiki Ueda (March 10, 1953)	<p>April 2008 Executive of Mitsubishi Corporation</p> <p>June 2010 President, & CEO of Mitsubishi Corporation Technos</p> <p>June 2011 Chairman of Japan Machine Tool Distributors Association</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) of THK CO., LTD. (to present)</p> <p>June 2016 Outside Director of SINTOKOGIO, LTD. (to present)</p> <p>November 2016 Advisor to the Company (to present)</p> <p>December 2016 Guest Professor at National University Corporation Shizuoka University (to present)</p> <p>[Significant concurrent positions]</p> <p>Outside Director (Audit and Supervisory Committee Member) of THK CO., LTD.</p> <p>Outside Director of SINTOKOGIO, LTD.</p> <p>Guest Professor at National University Corporation Shizuoka University</p>	1,000
6	[Independent] [External] Hiroshi Suzuki (January 25, 1951) Attendance at the Board of Directors meetings: 10 out of 10 meetings	<p>April 1987 Assistant Professor at Department of Mechanical and Control Engineering, School of Engineering, Kyushu Institute of Technology</p> <p>April 1990 Assistant Professor at Department of Mechanical Systems, School of Computer Science and Systems Engineering, Kyushu Institute of Technology</p> <p>October 1996 Professor at Department of Mechanical Information Science and Technology, Graduate School of Computer Science and Systems Engineering, Kyushu Institute of Technology</p> <p>April 2012 Vice-Chairman of The Japan Society for Precision Engineering</p> <p>April 2012 Chairman of The Japan Society for Die and Mould Technology</p> <p>April 2014 Chairman of Monozukuri Network Kyushu (to present)</p> <p>June 2017 Director of the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>Chairman of Monozukuri Network Kyushu</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	[New appointment] [Independent] [External] Shin Yoshidome (September 29, 1951)	<p>June 2001 Executive Officer of Daiwa Securities SMBC Co. Ltd.</p> <p>June 2004 Managing Director of Daiwa Securities SMBC Co. Ltd.</p> <p>April 2006 Representative Director; Senior Managing Director of Daiwa Securities SMBC Co. Ltd.</p> <p>Senior Executive Officer of Daiwa Securities Group Inc.</p> <p>April 2007 President of Daiwa Securities SMBC Co. Ltd.</p> <p>Director; Representative Executive Vice-President of Daiwa Securities Group Inc.</p> <p>January 2010 President & Director of Daiwa Securities Capital Markets Co. Ltd.</p> <p>Director; Representative Executive Vice-President of Daiwa Securities Group Inc.</p> <p>April 2011 Chairman & Director of Daiwa Securities Capital Markets Co. Ltd.</p> <p>Director of Daiwa Securities Group Inc.</p> <p>April 2012 Special Advisor to Daiwa Securities Co. Ltd.</p> <p>Chairman & Director of Daiwa Institute of Research Business Innovation Ltd.</p> <p>June 2013 External Director of Tokyo Financial Exchange Inc. (to present)</p> <p>April 2014 Special Advisor to Daiwa Institute of Research Business Innovation Ltd.</p> <p>June 2014 External Director of JAPAN POST INSURANCE Co., Ltd.</p> <p>June 2015 External Director of Nojima Corporation</p> <p>April 2016 Advisor to Daiwa Securities Co. Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <p>External Director of Tokyo Financial Exchange Inc.</p> <p>Advisor to Daiwa Securities Co. Ltd.</p>	0

(Notes)

1. There are no special interests between any of the candidates for Director and the Company.
2. If Messrs. Hiroshi Suzuki and Shin Yoshidome are elected, the Company plans to continue or enter into an agreement with them to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the same Act.
3. Matters regarding the candidates for External Directors are as follows.

(1) Messrs. Hiroshi Suzuki and Shin Yoshidome are candidates for External Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company has submitted independent director notification forms to Tokyo Stock Exchange, Inc. to appoint both candidates as Independent Directors.

(2) Mr. Hiroshi Suzuki has extensive experience and insight regarding mechanical engineering, having been a Professor at the Department of Mechanical Information Science and Technology, Graduate School of Computer Science and Systems Engineering, Kyushu Institute of Technology. Also, he has experience as an organizational representative, having served as Vice-Chairman of The Japan Society for Precision Engineering, Chairman of The Japan Society for Die and Mould Technology, and Chairperson of Monozukuri Network Kyushu. Accordingly, although he has never been directly involved in corporate management, we deemed that he is qualified to be a Director of the Company, and propose his reelection as an External Director.

Mr. Shin Yoshidome has served as an executive of Daiwa Securities Group Inc. and its subsidiaries, and has extensive experience and insight regarding corporate management and the financial market. Accordingly, we deemed that he is qualified to be a Director of the Company, and propose his election as an External Director. Daiwa Securities Co. Ltd., where he serves as an advisor, is one of several brokerage lead managers of the Company. As the amount of remuneration, etc. received by the said company through transactions with the Company, including the amount of remuneration, etc. regarding underwriting work of the Company's bonds, was a small amount of around 4 million yen over the past three years. Therefore, we deemed that there is no risk of a conflict of interest with general shareholders, and he is qualified to fulfill the role of External Director, with whom shareholders entrust responsibility, from an independent

standpoint.

- (3) As of the conclusion of this General Meeting of Shareholders, Mr. Hiroshi Suzuki will have served as External Director of the Company for one year.