



[Translation¹]

July 31, 2026

To whom it may concern:

Name of Company: Makino Milling Machine Co., Ltd.

Name of Representative: President, Director

Shotaro Miyazaki

(Securities Code: 6135 (the Prime Market of the Tokyo Stock Exchange, Inc.))

Inquiries: Executive Vice President, Director

Executive Manager of Corporate Service Division

Toshiyuki Nagano

Tel: +81 46-284-1439

**(Update on Disclosed Matter) Notice Regarding the Company's Decision to
End Consideration of the Proposed Acquisition of Company Shares by Nippon
Sangyo Suishin Kiko Ltd.**

As the Company announced regarding the proposal (the "Proposal") by Nippon Sangyo Suishin Kiko Ltd. ("Nippon Sangyo Suishin Kiko") for the acquisition of common shares of the Company ("Company Shares") (the "Transaction") in its press release dated April 30, 2026, "Notice Regarding the Decision Not to Commence a Tender Offer for Company Shares by MM Holdings K.K." (the "April 30, 2026 Company Press Release"; MM Holdings K.K. is referred to below as "MM Holdings") and its press release dated June 25, 2026, "Notice Concerning Certain Press Reports Relating to the Company", the Company was continuing its consideration, including deliberations by the special committee established by the Company (the "Special Committee"); the Company hereby gives notice that today, the Company resolved to respond to Nippon Sangyo Suishin Kiko to the effect that it will not accept the Proposal and to end consideration of the Proposal.

In this consideration, the Company held multiple written question-and-answer sessions with Nippon Sangyo Suishin Kiko (the "Q&A Sessions") and considered the Proposal from

¹ This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

the perspective of whether it would maximize corporate value and the common interests of its shareholders. In both the Proposal and its responses to the Q&A Sessions (the “Responses”), Nippon Sangyo Suishin Kiko responded that in the implementation of the Transaction, it envisioned having foreign investors (including foreign government-related investors classified as high risk) provide a considerable proportion of the investment funds, as joint investors in addition to Nippon Sangyo Suishin Kiko. As disclosed in the April 30, 2026 Company Press Release, and the MM Holdings press release dated April 30, 2026, “Notice Regarding the Decision Not to Commence a Tender Offer for Shares of Makino Milling Machine Co., Ltd. (Securities Code: 6135)”, on April 22, the Minister of Finance and the Minister of Economy, Trade and Industry, pursuant to the Foreign Exchange and Foreign Trade Act (“FEFTA”), issued a recommendation to MM Holdings that it discontinue its acquisition of Company Shares; in light of the content of the Responses, and taking into account the circumstances and reasons behind this recommendation to MM Holdings, it could not be said that there was a high probability of obtaining clearance under FEFTA for the Transaction.

In addition, according to the Proposal and the Responses, in the implementation of the Transaction, Nippon Sangyo Suishin Kiko envisioned procuring a considerable amount of the necessary funds from its joint investors, and it was envisioned that most of those funds would be procured from foreign joint investors; thus there was the possibility that if Nippon Sangyo Suishin Kiko was unable to procure these funds from the foreign joint investors, it would be unable to secure the funds for executing the Transaction and it would not be able to execute the Transaction.

Therefore, it could not be said that there was a high probability of obtaining clearance under FEFTA for the Transaction; and because there was the possibility that without the procurement of funds from the foreign joint investors, Nippon Sangyo Suishin Kiko would be unable to secure the funds necessary for executing the Transaction, the Company determined that there were concerns regarding the feasibility of the Proposal.

Furthermore, the growth strategy for the Company that was outlined in the Proposal and the Responses merely had content similar to the growth strategy that the Company had already announced in “For Enhancement of Corporate Value (2026 Update)”, the business plan that the Company disclosed on May 13, 2026 (the “Business Plan”) and elsewhere; also taking into account the deterioration in the Company’s finances that was expected to arise through the procurement of funds in the event that the Transaction was executed, the

Company was not convinced that, when compared to the case where the Company, acting alone, maintained its listing as a public company, the Proposal would make a greater contribution to the enhancement of its corporate value.

Taking all of the above into account, today, the Company asked the Special Committee whether it should end its consideration of the Proposal, and the Company received a report dated today from the Special Committee to the effect that it would be appropriate not to accept the Proposal and to end consideration of the Proposal for the same reasons as those described above (the “Report”). Subsequently, in light of the Report, at the meeting of its board of directors held today, the Company resolved to end consideration of the Proposal.

Through initiatives directed towards the assorted corporate value improvement measures announced in the Business Plan, including improvement of profitability, improved productivity, and enhanced shareholder returns, the Company is aiming to maximize corporate value and shareholder value for the benefit of shareholders and other stakeholders. As part of these measures, the Company today resolved to buy back its own shares in a total amount of 6 billion yen, in order to achieve further enhancement of shareholder returns. For details, please see today’s press release, “Notice Regarding Decision of Matters Pertaining to Buyback of Own Shares (Buyback of Own Shares Pursuant to the Articles of Incorporation in Accordance with Article 165, Paragraph 2 of the Companies Act)”.

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