



MAKINO INC.

Conflict Minerals Policy

In 2010, the Wall Street Reform and Consumer Protection Act, also known as the Dodd-Frank Act, was enacted, including Section 1502 dealing with Conflict Minerals.

The legislative intent is to bring visibility to, and thereby address, human rights abuses in certain African countries. Warlords (accused of committing atrocities) fund their organizations via mining in the affected areas. The rules are designed to identify the indirect support business provides to these warlords by tracing the source of the minerals used in products or production of US companies.

Thus, Section 1502 and subsequent regulations issued by the Securities and Exchange Commission require SEC registrants to trace the gold, tantalum, tin and tungsten used in their supply chains and report on its origins. Although Makino Inc. is not an SEC registrant and the rules do not, as yet, require companies to be "conflict mineral free," the policy of Makino Inc. is to source from suppliers who are in fact "conflict mineral free" and to implement internal practices to support this objective.

As a consequence, Makino Inc. will not knowingly procure materials, products or components which contain minerals that directly or indirectly finance benefit armed groups in the Democratic Republic of the Congo or other "covered countries," currently Angola, Burundi, Central African Republic, Rwanda, Sudan, Tanzania, Uganda and Zambia.

In addition, we are implementing internal processes to support this objective. These processes will evolve as necessary but presently include the following.

1. Our Terms and Conditions of Purchase will reflect our policy by requiring Suppliers to warrant that products are "conflict mineral free."
2. Our purchases will be reviewed for areas of risk, and we will conduct such necessary subsequent procedures as called for to ensure that our objective is met. This may include supplier certification and audit, depending upon circumstances.
3. Train our management and purchasing professionals on the legislation and its importance, requirements and Company Policy regarding this legislation.
4. Include this Policy in our website to increase awareness.

Makino Inc. expects its employees and suppliers to source minerals from socially responsible sources. We expect all parties to cooperate in the administration of this Policy.