



# Explanatory Material of Group Company for the Fiscal Year Ended March 31, 2022

**Makino Milling Machine Co., Ltd.**

**April 28, 2022**



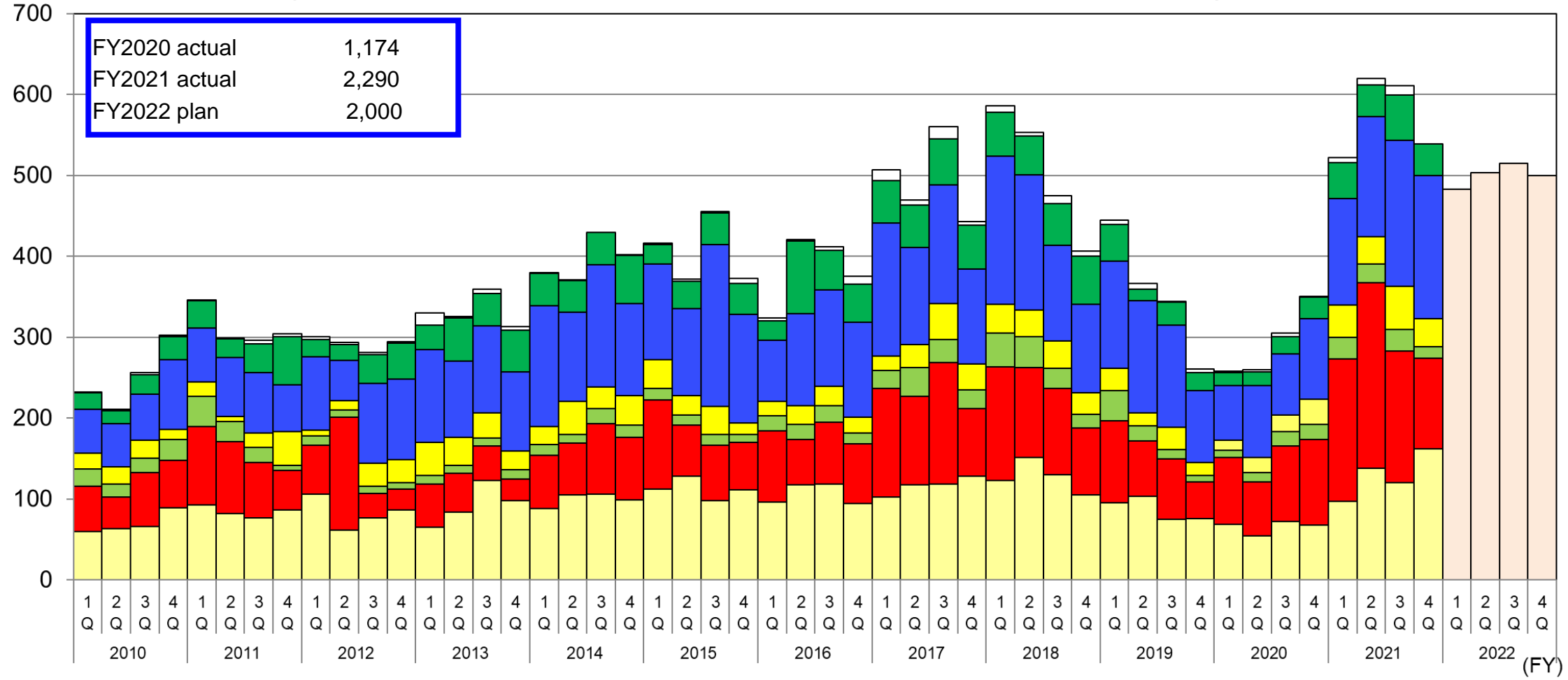
Consolidated

# Order by destination

(100 mil yen)

■ Japan   
 ■ China   
 ■ India   
 ■ Asean   
 ■ America   
 ■ Europe   
 ■ Others

FY2020 actual	1,174
FY2021 actual	2,290
FY2022 plan	2,000

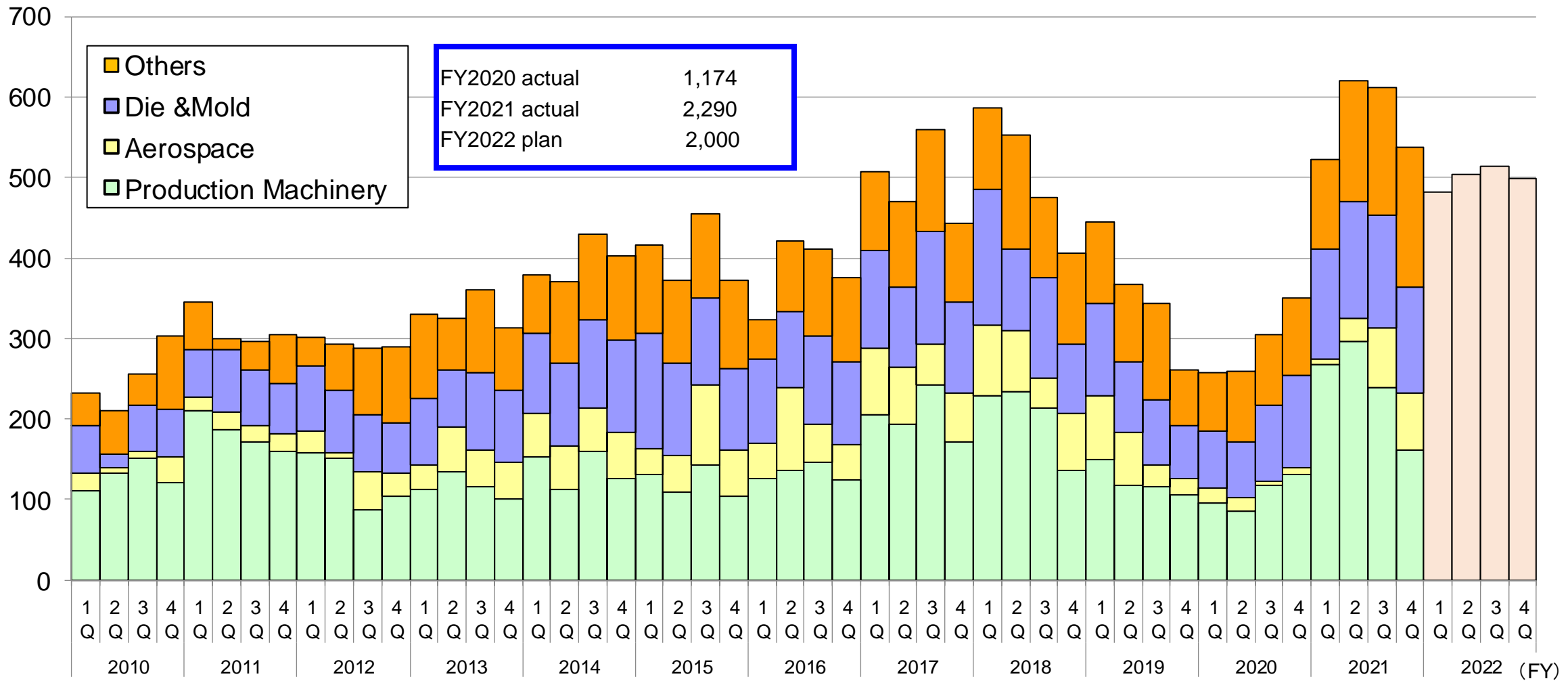


(FY)

Consolidated

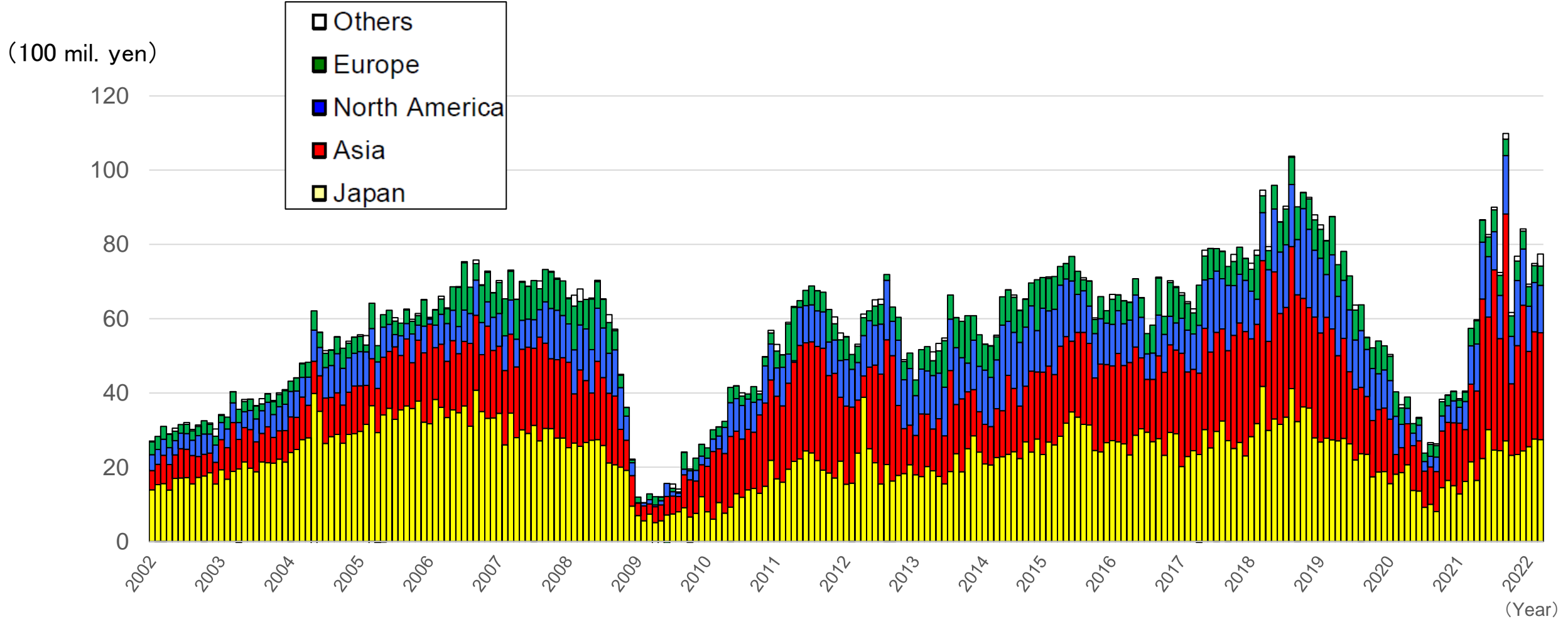
# Order by industry

(100 mil. yen)

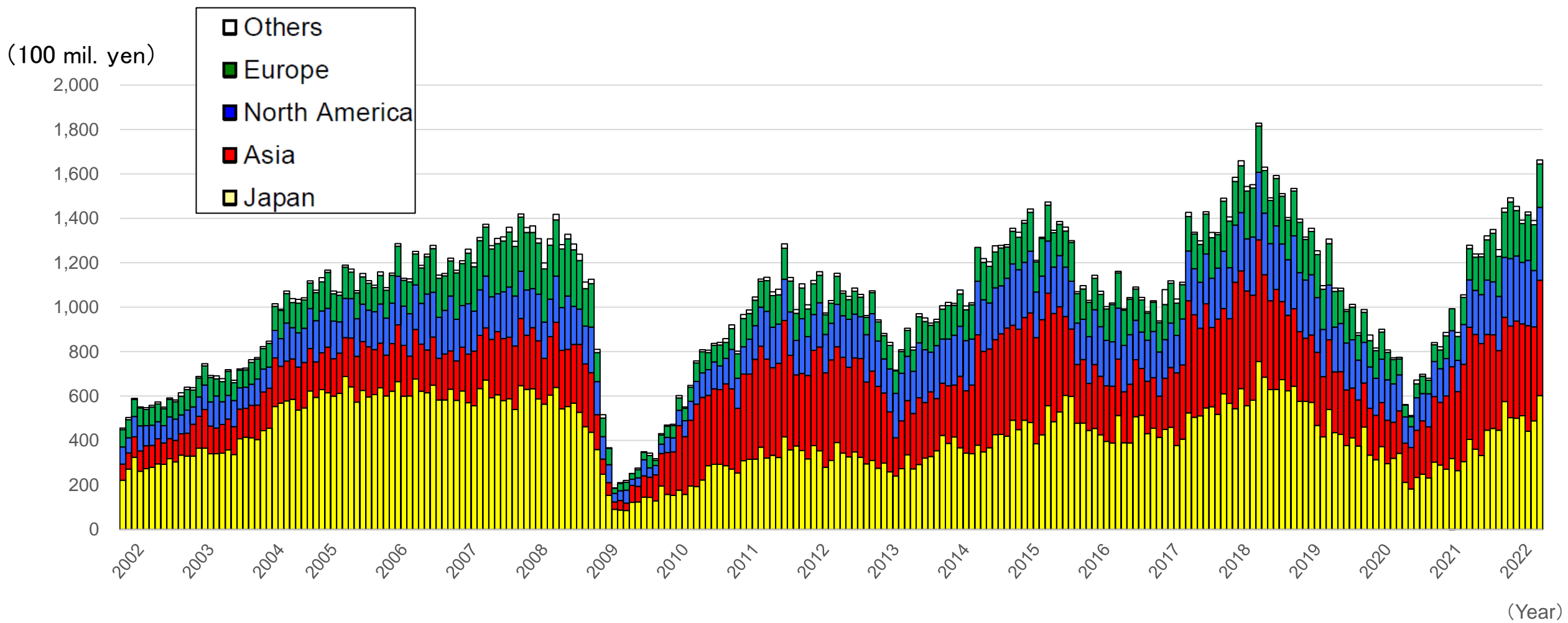


Non-consolidated

# Monthly Order of Makino



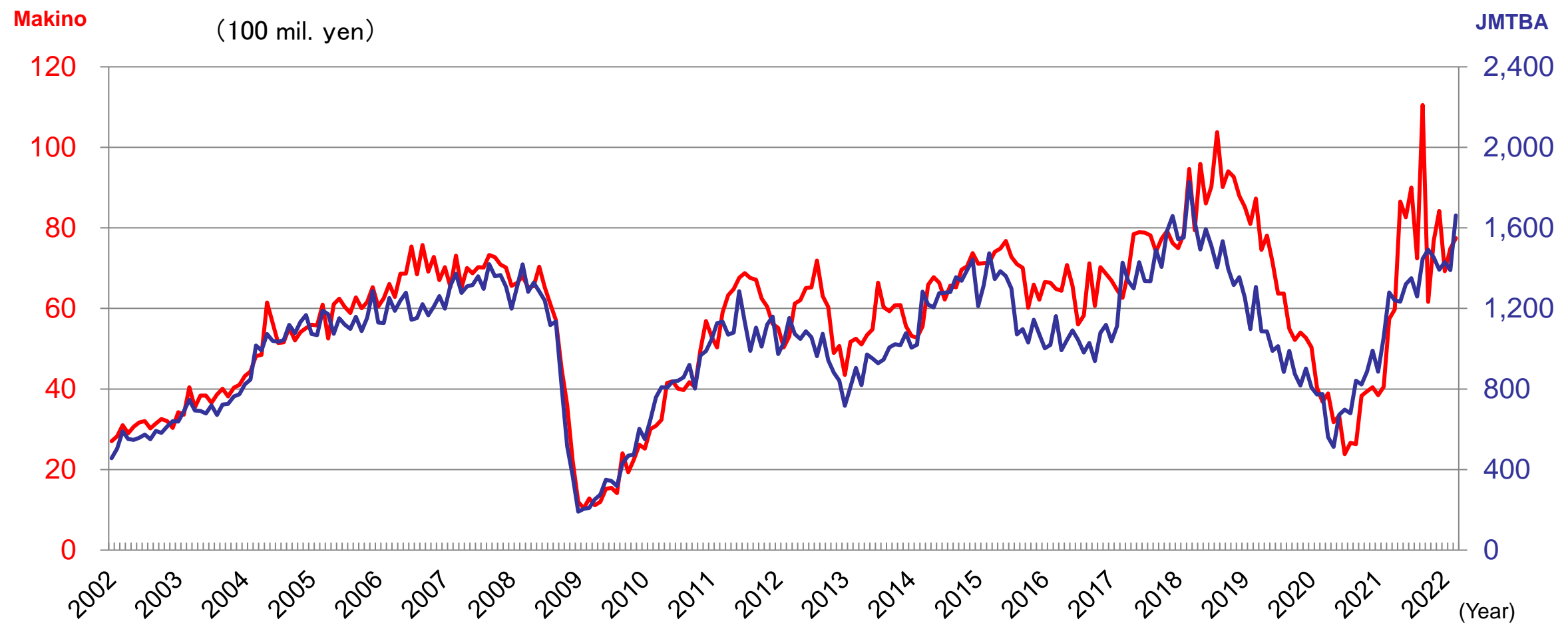
# Monthly Order of JMTBA



Source: Japan Machine Tool Builders' Association

**Non-consolidated**

# JMTBA・Makino (non-consolidated) Order

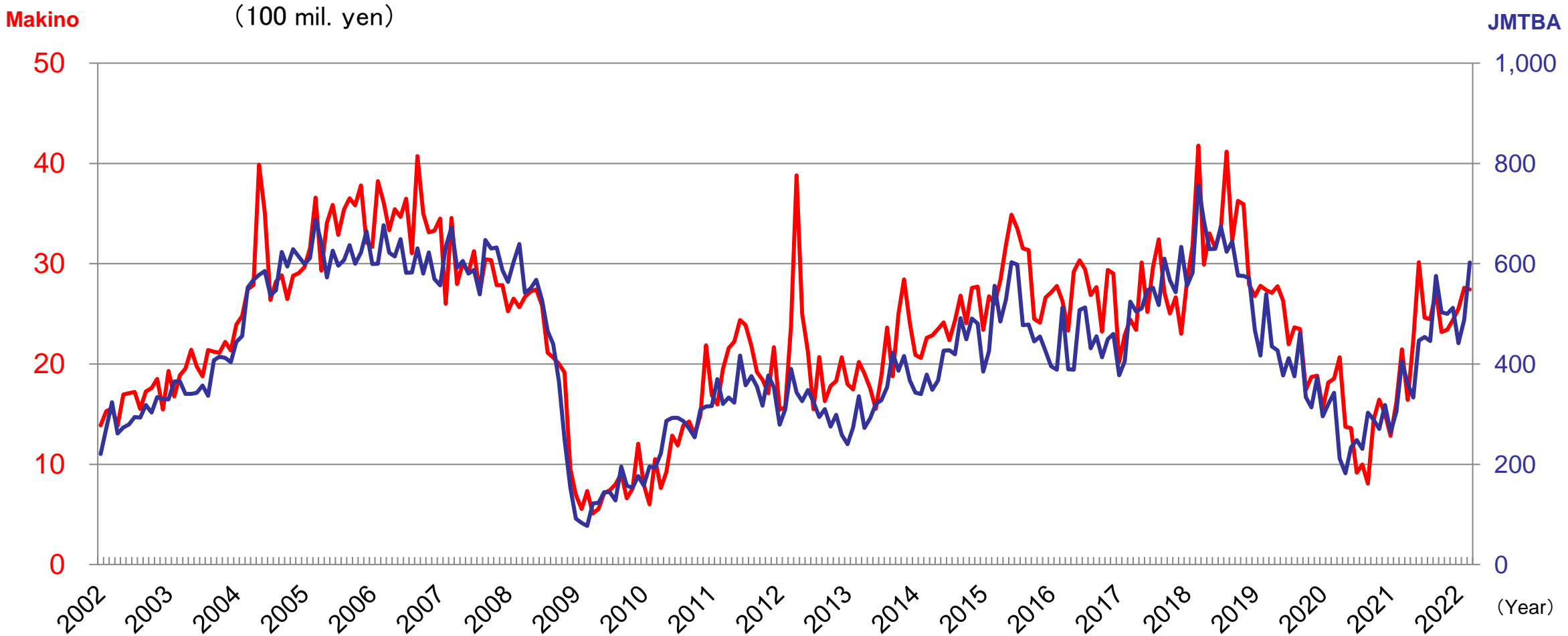


Source: Japan Machine Tool Builders' Association



**Non-consolidated**

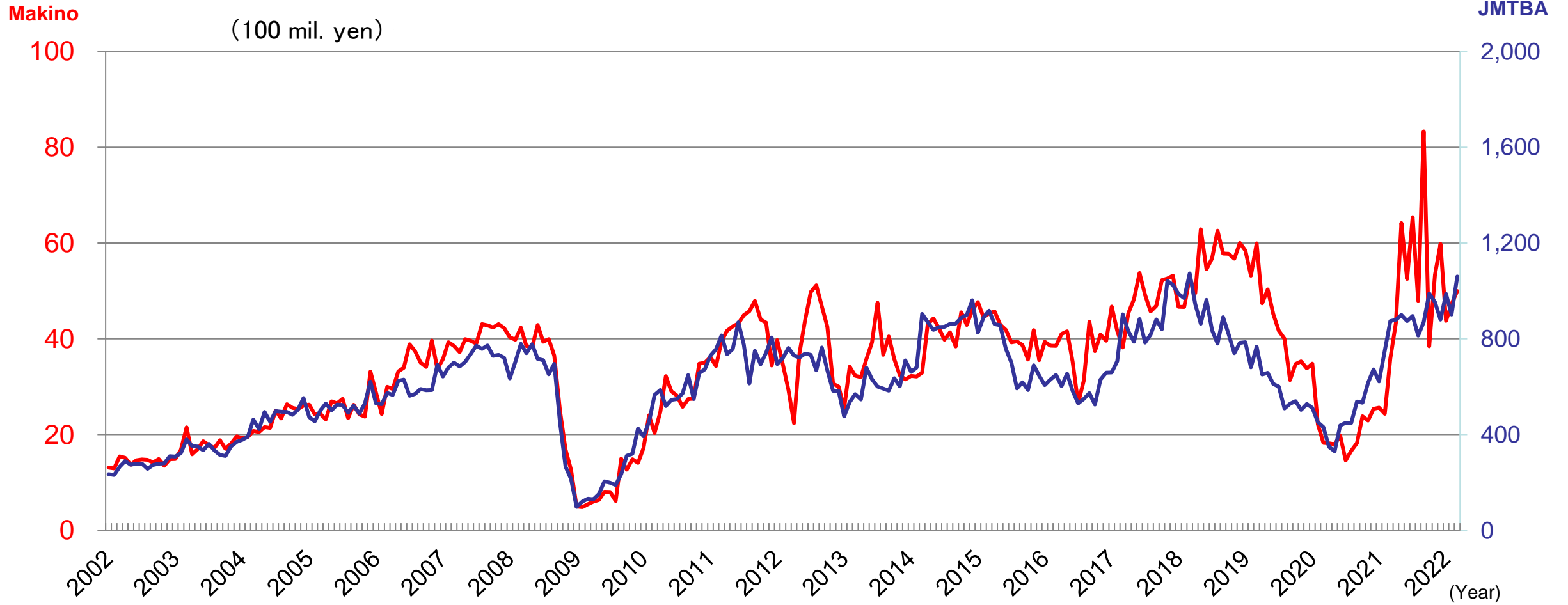
# JMTBA・Makino (non-consolidated) Domestic Order



Source: Japan Machine Tool Builders' Association

**Non-consolidated**

# JMTBA · Makino (non-consolidated) Overseas Order



Source: Japan Machine Tool Builders' Association

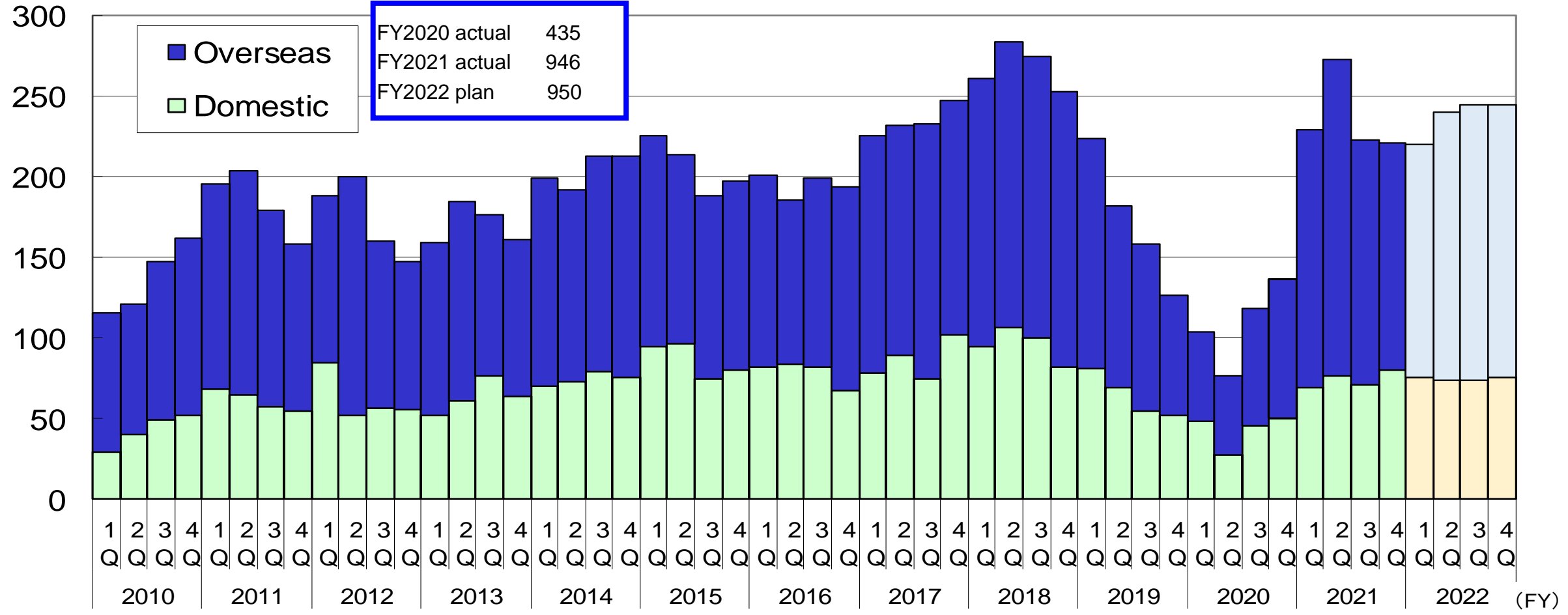




**Non-consolidated**

# Quarterly Order of Makino

(100 mil. yen)

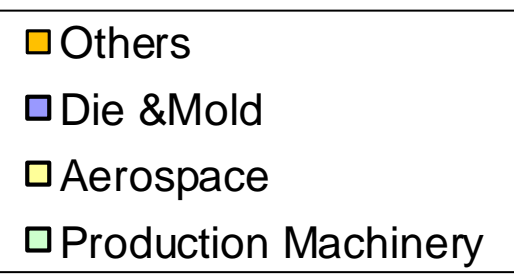




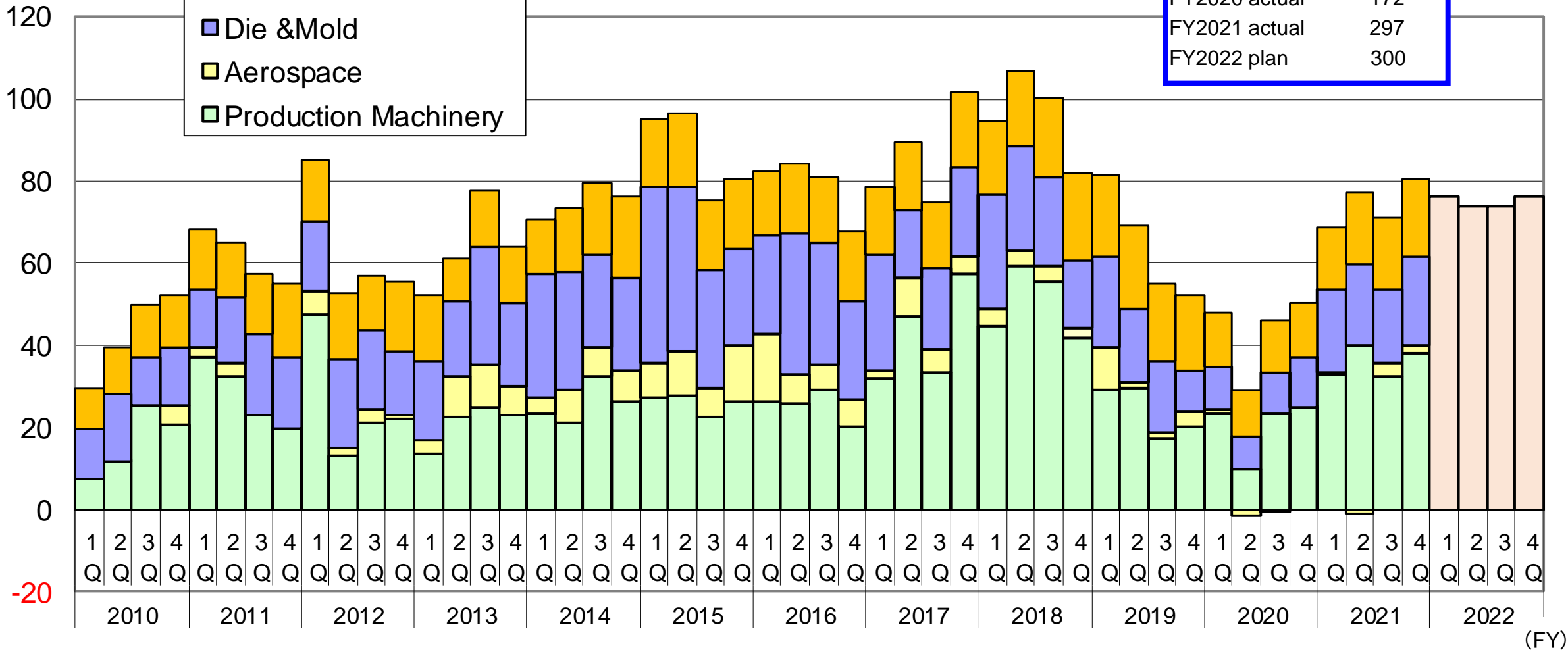
**Non-consolidated**

# Domestic Order

(100 mil. yen)



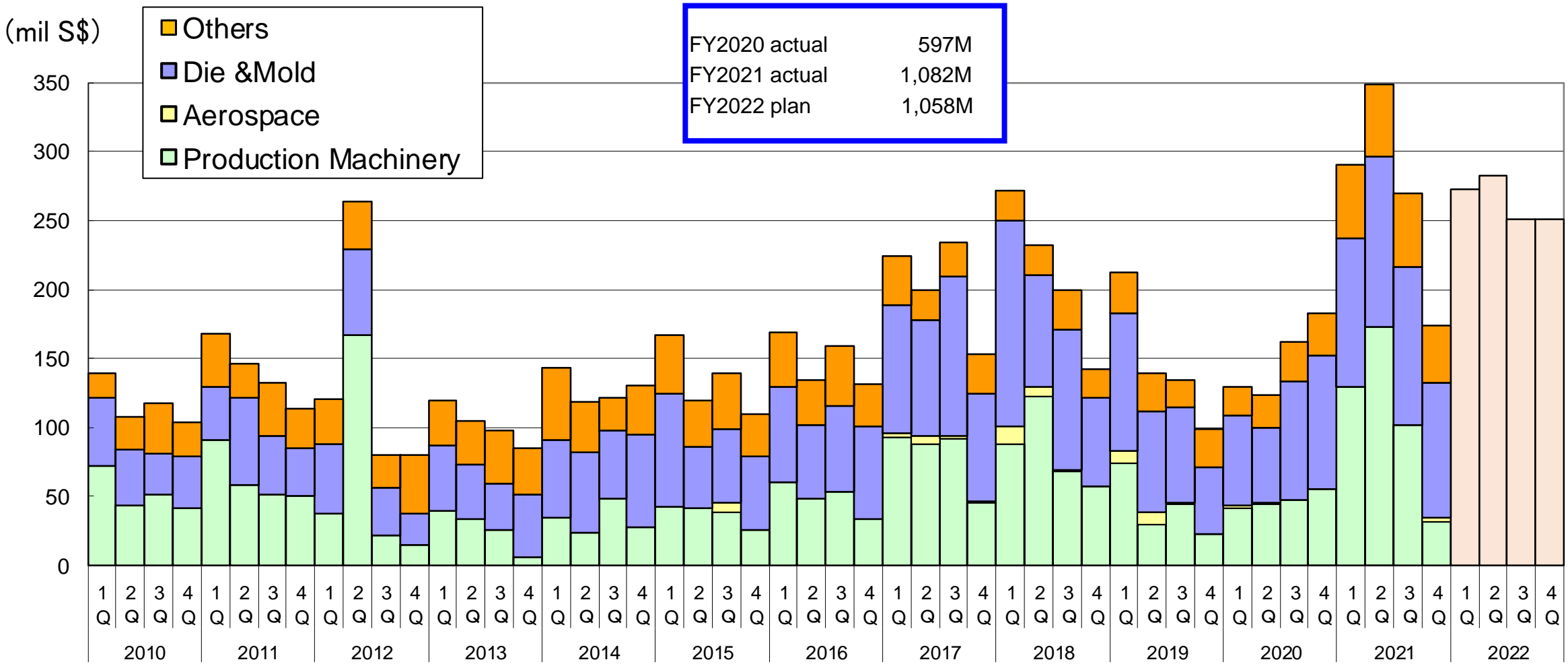
FY2020 actual	172
FY2021 actual	297
FY2022 plan	300



(FY)



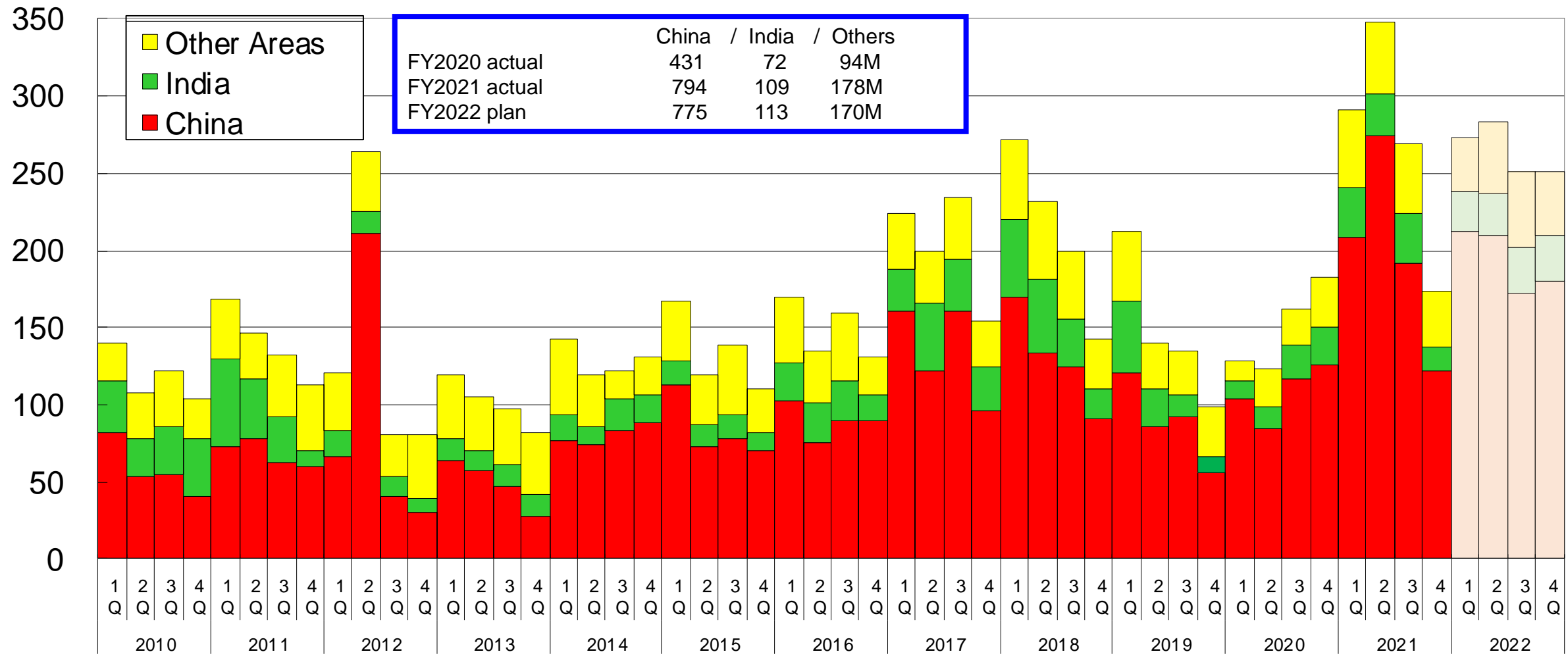
# Asian subsidiary Order by industry



(FY)

# Asian subsidiary Order by area

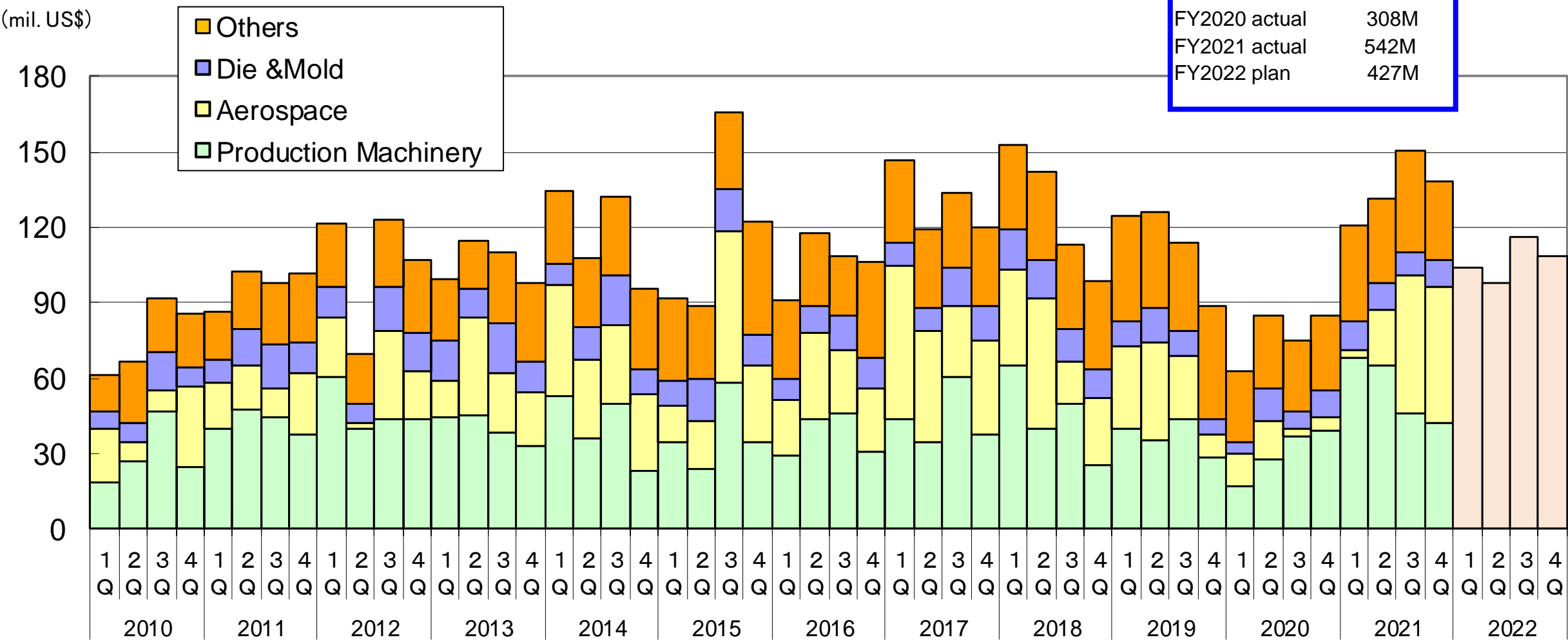
(mil S\$)



(FY)

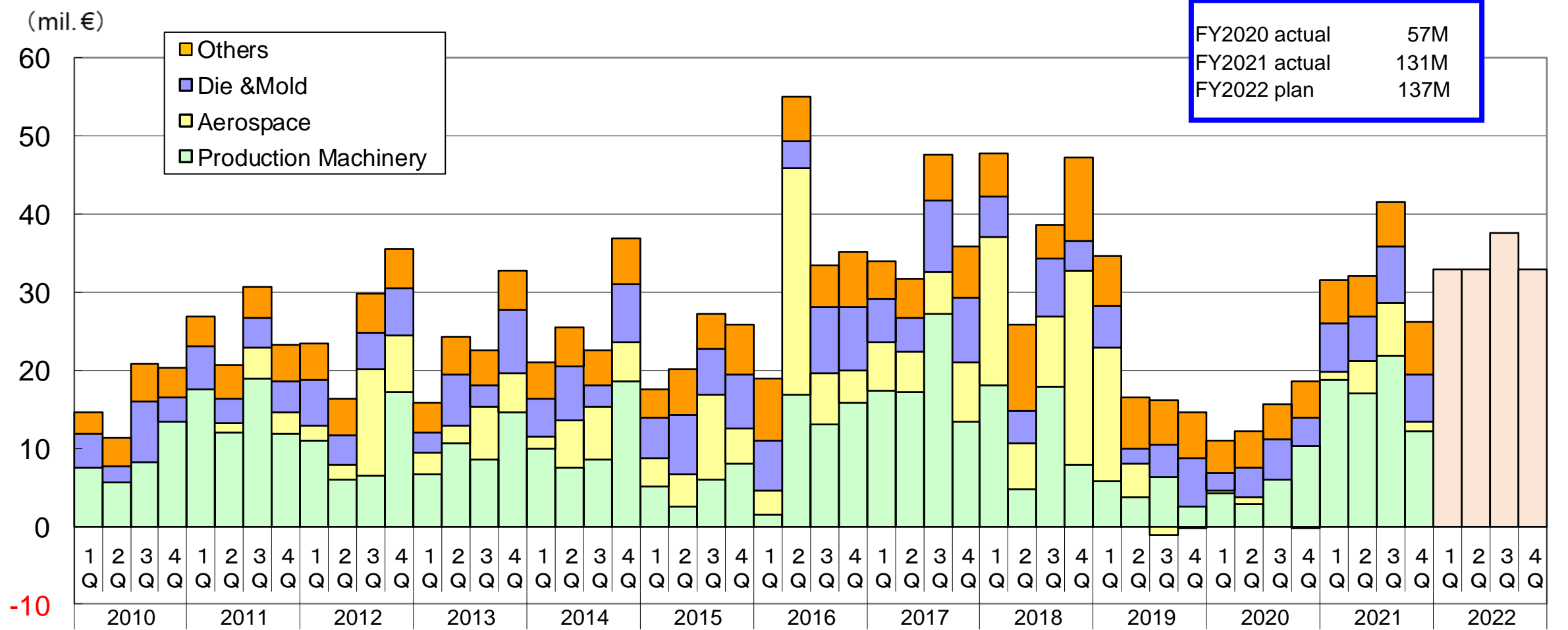
# US subsidiary Order

FY2020 actual	308M
FY2021 actual	542M
FY2022 plan	427M





# Europe subsidiary Order



FY2020 actual	57M
FY2021 actual	131M
FY2022 plan	137M

(FY)



# Definition for industries shown in explanatory note

Makino categorizes its market to the following industries according to what purpose the customers use Makino products for;

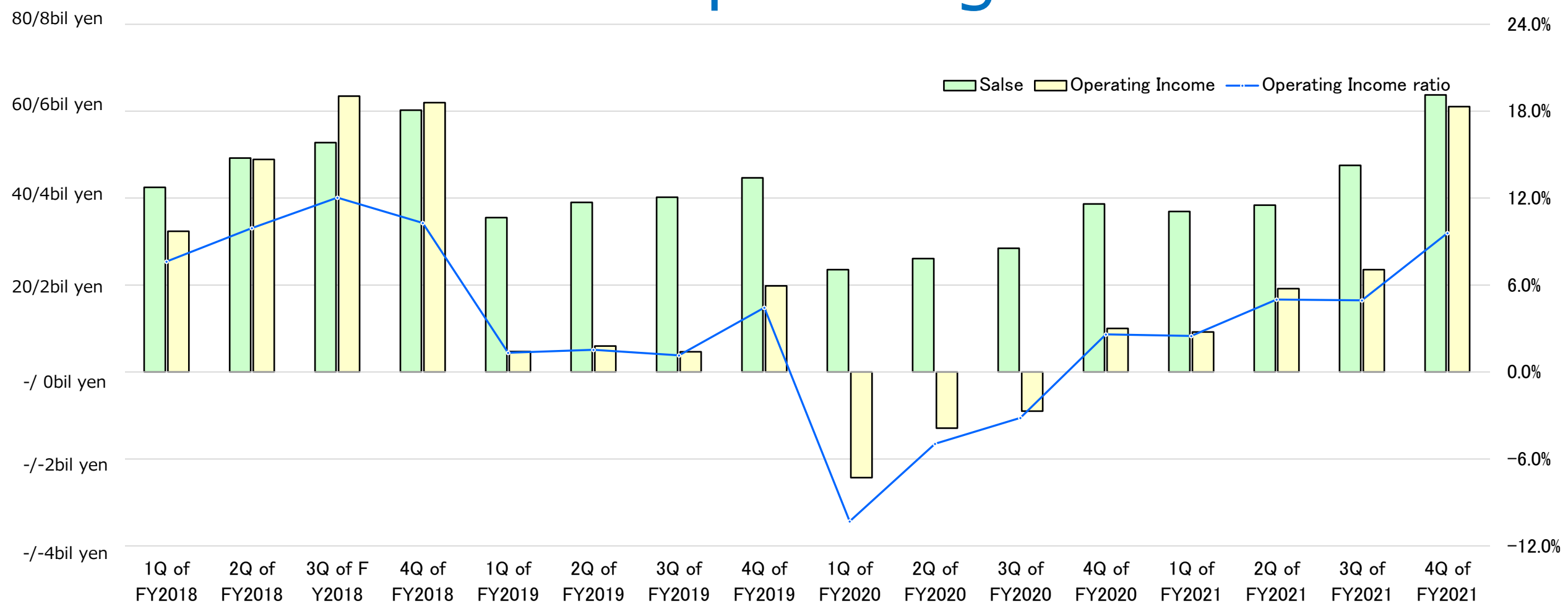
**Die & Mold**: where Makino products are used to manufacture Die or Mold to shape mainly plastic or die-cast products

**Production Machinery**: where Makino products are used to manufacture component parts for automobiles or various kinds of machines or devices other than aerospace products.

**Aerospace**: where Makino products are used to manufacture component parts of aerospace products.



# Sales and Operating Income



	1Q of FY2018	2Q of FY2018	3Q of FY2018	4Q of FY2018	1Q of FY2019	2Q of FY2019	3Q of FY2019	4Q of FY2019	1Q of FY2020	2Q of FY2020	3Q of FY2020	4Q of FY2020	1Q of FY2021	2Q of FY2021	3Q of FY2021	4Q of FY2021
USD	109.07	110.26	111.14	110.91	109.90	108.63	108.67	108.74	107.62	106.92	106.11	106.06	109.49	109.80	111.10	112.38
EUR	130.06	129.85	129.49	128.41	123.49	121.42	121.05	120.82	118.48	121.30	122.38	123.70	131.96	130.90	130.62	130.56
SGD	81.79	81.64	81.80	81.69	80.61	79.34	79.48	79.28	76.21	76.74	77.03	77.65	82.16	81.80	82.46	83.33

## Consolidated Operating Results

### for the Fiscal Year Ended March 31, 2022

(Comparison with the same period of last year)

(Million yen)	YTD of FY2020 (From Apr. 1, 2020 to Mar. 31, 2021)	YTD of FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)	Change (%)
Net sales	116,737	186,591	69,853 (59.8%)
Operating income / loss	- 3,612 (-3.1%)	11,300 (6.1%)	14,912 -
Ordinary income / loss	- 1,374 (-1.2%)	14,274 (7.6%)	15,649 -
Net income / loss attributable to owners of the parent	- 2,703 (-2.3%)	12,042 (6.5%)	14,746 -
Exchange rate, against USD	106.06	112.38	
Exchange rate, against EUR	123.70	130.56	
Exchange rate, against SGD	77.65	83.33	

## Consolidated Operating Results for the Fiscal Year Ended March 31, 2022 (Comparison with the forecast of FY2021 (as of Oct. 29, 2021))

(Million yen)	Forecast of FY2021 (as of Oct. 29, 2021) (From Apr. 1, 2021 to Mar. 31, 2022)	Actual FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)	Change (%)
Net Sales	172,000	186,591	14,591 (8.5%)
Operating income	8,000 (4.7%)	11,300 (6.1%)	3,300 (41.3%)
Ordinary income	9,400 (5.5%)	14,274 (7.6%)	4,874 (51.9%)
Net income attributable to owners of the parent	7,800 (4.5%)	12,042 (6.5%)	4,242 (54.4%)
Exchange rate, against USD	109.00	112.38	
Exchange rate, against EUR	129.50	130.56	
Exchange rate, against SGD	79.40	83.33	

# Segments

(Million yen)

	I (Japan)	II (Asia)	III (America)	IV (Europe)	Eliminations	Consolidated
<b>FY2021</b>						
<b>Net sales</b>	117,159	83,427	46,132	12,824	-72,952	186,591
(Sales in foreign currency)		(966,710)	(410,505)	(98,226)		
<b>Operating income</b>	3,334	5,562	1,933	123	345	11,300
<b>FY2020</b>						
<b>Net sales</b>	68,734	45,169	32,742	7,957	-37,866	116,737
(Sales in foreign currency)		(564,915)	(308,719)	(64,328)		
<b>Operating income/loss</b>	- 5,740	2,313	599	- 1,440	656	- 3,612
<b>FY2019</b>						
<b>Net sales</b>	100,030	51,230	50,584	14,616	-57,060	159,401
(Sales in foreign currency)		(631,702)	(465,191)	(120,977)		
<b>Operating income/loss</b>	- 1,547	3,125	1,980	33	- 78	3,514

# Sales amount by Destination

(Million yen)

	Japan	Asia	America	Europe	Others	Consolidated
<b>FY2021</b>						
Net sales	43,025	82,432	45,823	13,398	1,911	186,591
Ratio	23.0%	44.1%	24.5%	7.1%	1.0%	
<b>FY2020</b>						
Net sales	28,717	45,311	32,863	8,577	1,267	116,737
Ratio	24.6%	38.8%	28.2%	7.3%	1.1%	
<b>FY2019</b>						
Net sales	40,437	53,307	48,881	15,055	1,719	159,401
Ratio	25.3%	33.4%	30.6%	9.4%	1.0%	

# Consolidated Balance Sheets

Assets

(Million yen)

Item		End of FY2020 (As of Mar. 31, 2021)	End of FY2021 (As of Mar. 31, 2022)	Change
Current assets	Cash and time deposits	72,032	73,100	1,067
	Notes and accounts receivable	30,162	48,432	18,269
	Marketable securities	3,343	3,542	198
	Inventories	59,922	78,509	18,587
	Other current assets	6,376	9,999	3,622
	Allowance for doubtful accounts	- 1,300	- 1,326	- 25
Total		170,536	212,257	41,720
Noncurrent assets	Property, plant and equipment	69,751	75,315	5,564
	Intangible assets	4,122	3,611	- 511
	Investments and other assets	35,604	34,395	- 1,209
	Total	109,478	113,322	3,843
Total assets		280,015	325,579	45,564

# Consolidated Balance Sheets

Liabilities and net assets

(Million yen)

Item		End of FY2020 (As of Mar. 31, 2021)	End of FY2021 (As of Mar. 31, 2022)	Change
Current liabilities	Notes and accounts payable	21,824	43,617	21,793
	Short-term loans from banks	1,410	–	– 1,410
	Current portion of long-term debt	4,350	4,650	300
	Other current liabilities	27,421	41,627	14,205
	Total	55,006	89,895	34,888
Noncurrent liabilities	Bonds payable	20,000	20,000	–
	Long-term loans payable	28,347	23,800	– 4,546
	Other noncurrent liabilities	14,669	13,105	– 1,563
	Total	63,016	56,905	– 6,110
Total liabilities		118,023	146,801	28,778
Shareholders' equity	Common stock	21,142	21,142	–
	Capital surplus	37,074	37,074	–
	Retained earnings	90,231	101,513	11,282
	Treasury stock	– 3,012	– 4,014	– 1,001
	Total	145,436	155,716	10,280
Valuation and translation adjustments		15,748	22,174	6,426
Non-controlling interests		807	886	79
Total net assets		161,992	178,778	16,785
Total liabilities and net assets		280,015	325,579	45,564



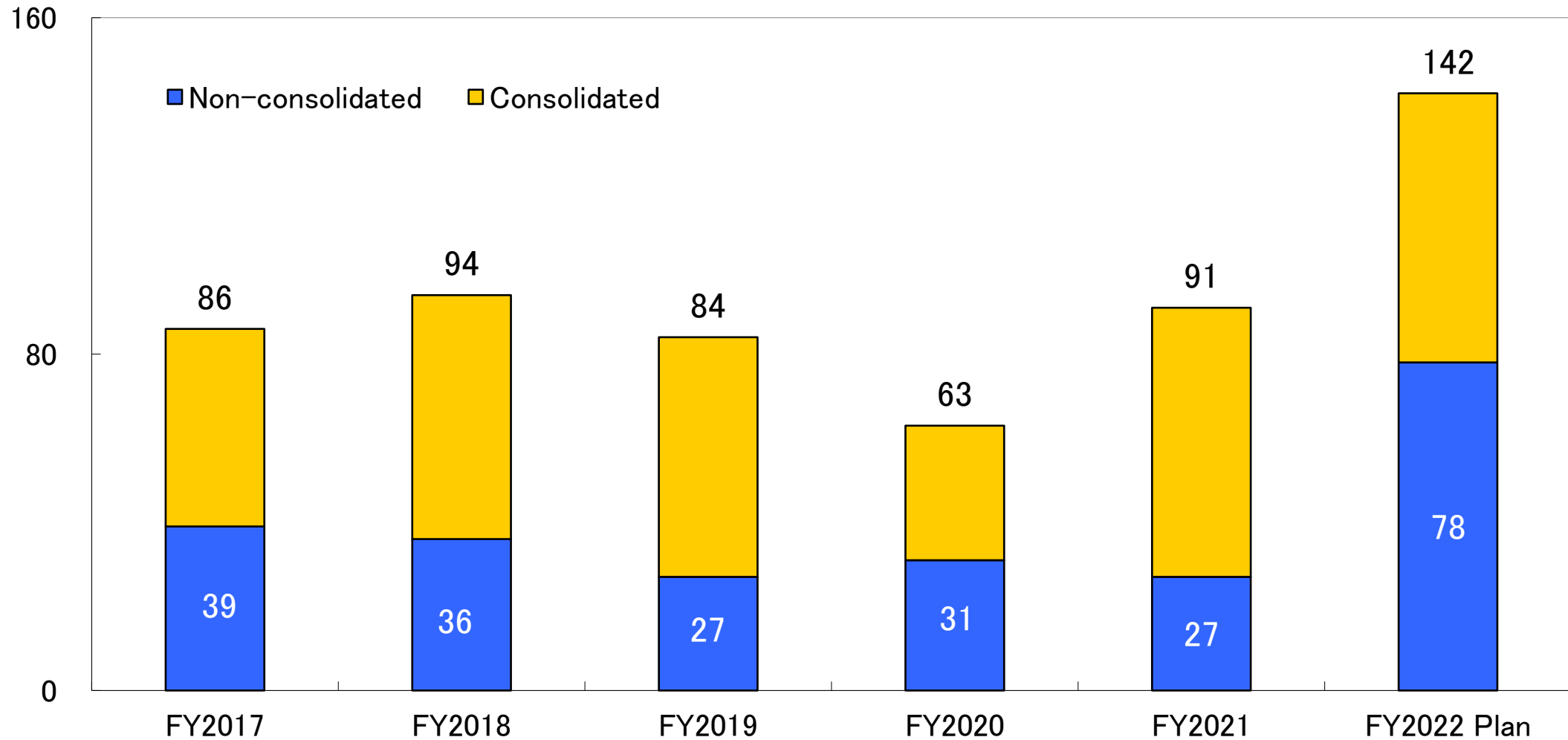
# Consolidated Statements of Cash Flow

(Million yen)

Item	YTD of FY2020 (From Apr. 1, 2020 to Mar. 31, 2021)	YTD of FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)
<b>I. Cash flows from operating activities:</b>		
Income (loss) before income taxes	- 2,399	14,304
Depreciation and amortization	6,876	7,155
(Increase) decrease in notes and accounts receivable, trade	10,852	- 15,228
(Increase) decrease in inventories	193	- 14,406
Increase (decrease) in notes and accounts payable, trade	- 3,209	18,896
Other, net	5,723	4,222
<b>Cash flows from operating activities</b>	<b>18,036</b>	<b>14,943</b>
<b>II. Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	- 5,394	- 8,467
Proceeds from sales of property, plant and equipment	496	301
Other, net	- 1,669	- 1,351
<b>Cash flows from investing activities</b>	<b>- 6,568</b>	<b>- 9,517</b>
<b>III. Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable, net	- 3,301	- 1,419
Repayment of finance-lease obligations	- 649	- 673
Proceeds from long-term loans payable	12,118	-
Repayment of long-term loans payable	- 618	- 4,350
Payment for purchases of treasury stock	- 1,001	- 1,001
Payment for purchases of treasury stock of subsidiaries	- 22	-
Dividends paid by the parent company	- 490	- 725
Dividends paid to minority shareholders	- 11	- 3
<b>Cash flows from financing activities</b>	<b>6,022</b>	<b>- 8,172</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,795</b>	<b>3,813</b>
<b>V. Net increase (decrease) in cash and cash equivalents</b>	<b>19,286</b>	<b>1,067</b>
<b>VI. Cash and cash equivalents, beginning of period</b>	<b>55,358</b>	<b>74,644</b>
<b>VII. Cash and cash equivalents, end of period</b>	<b>74,644</b>	<b>75,712</b>

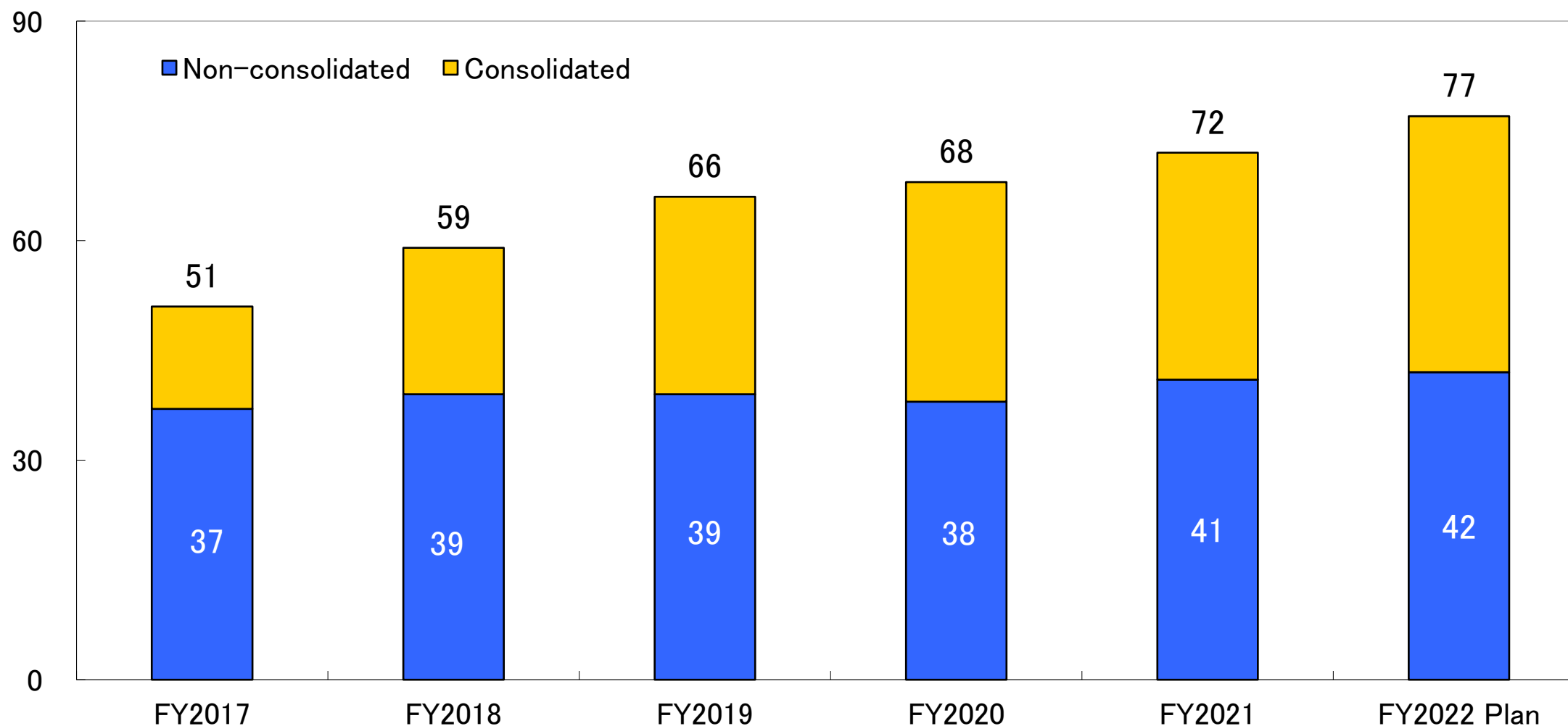
# Capital Investment (Forecast)

(100 million yen)



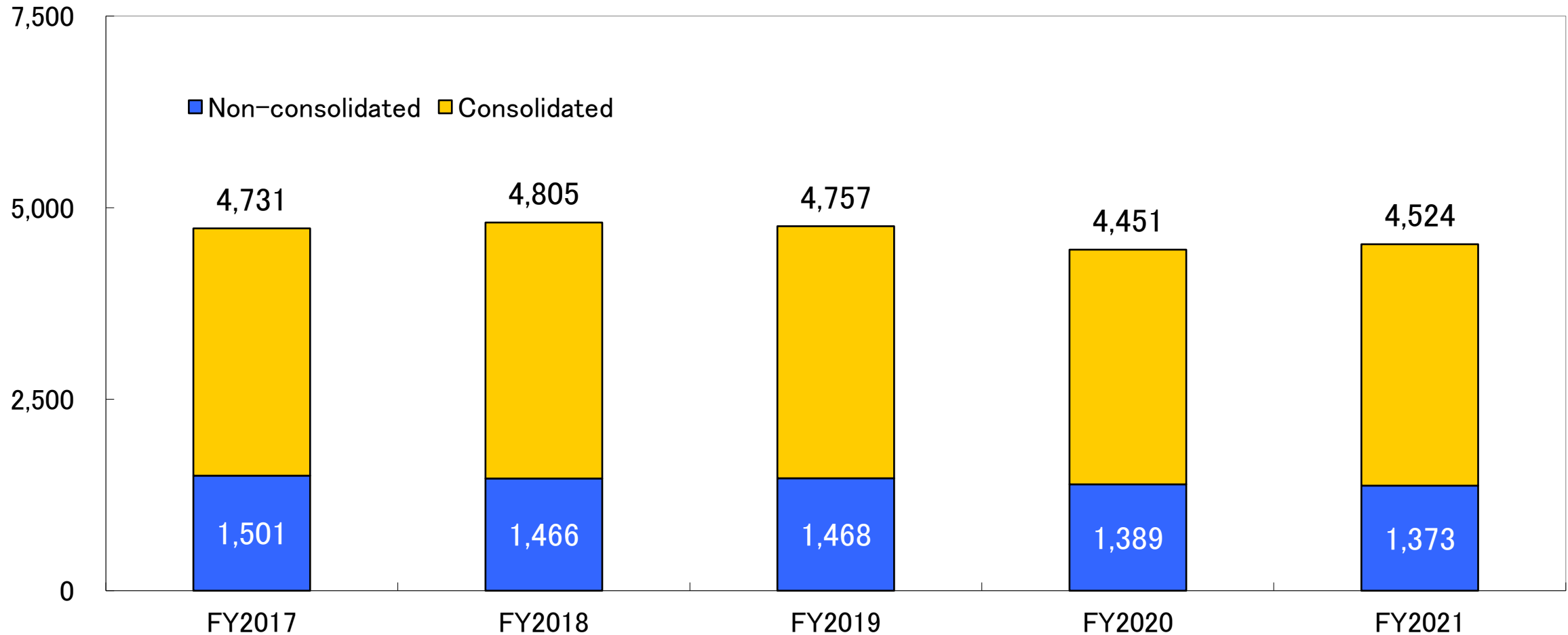
# Depreciation (Forecast)

(100 million yen)



# Employees

(person)



# Forecast of Consolidated Operating Results

(Million yen)	FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)	FY2022 (Forecast)			Change
		1st Half (From Apr. 1, 2022 to Sep. 30, 2022)	2nd Half (From Oct. 1, 2022 to Mar. 31, 2023)	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)	
Net sales	186,591	94,000	116,000	210,000	23,409
Operating income	11,300 (6.1%)	4,950 (5.3%)	9,450 (8.1%)	14,400 (6.9%)	3,100
Ordinary income	14,274 (7.6%)	5,220 (5.6%)	9,830 (8.5%)	15,050 (7.2%)	776
Net income attributable to owners of the parent	12,042 (6.5%)	4,540 (4.8%)	8,460 (7.3%)	13,000 (6.2%)	958
Exchange rate, against USD	(112.38)	(120.00)	(120.00)	(120.00)	
Exchange rate, against EUR	(130.56)	(130.00)	(130.00)	(130.00)	
Exchange rate, against SGD	(83.33)	(85.00)	(85.00)	(85.00)	

# The influences on Sales and Operating income by exchange rate fluctuations

Comparison with the same period of last year

( Million yen )

	YTD of FY2022 (Forecast)			The influence of exchange rate fluctuations in Sales	The influence of exchange rate fluctuations in Operating Income
	External sales	Exchange rate	(Same period of last year)		
USD	USD 469M	120.00	(112.38)	3,572	1,237
EUR	EUR 124M	130.00	(130.56)	-69	-28
SGD	SGD 965M	85.00	(83.33)	1,612	140
			Total	5,115	1,349



# Reference Materials



# The Influences on Sales and Operating income increase by exchange rate fluctuations

Comparison with the same period of last year

( Million yen )

	FY2021			The influence of exchange rate fluctuations in Sales	The influence of exchange rate fluctuations in Operating Income
	External sales	Exchange rate	(Same period of last year)		
USD	USD 407M	112.38	(106.06)	2,574	1,015
EUR	EUR 98M	130.56	(123.70)	669	268
SGD	SGD 891M	83.33	(77.65)	5,060	367
Total				8,303	1,650

# The Influences on Sales and Operating income increase by exchange rate fluctuations

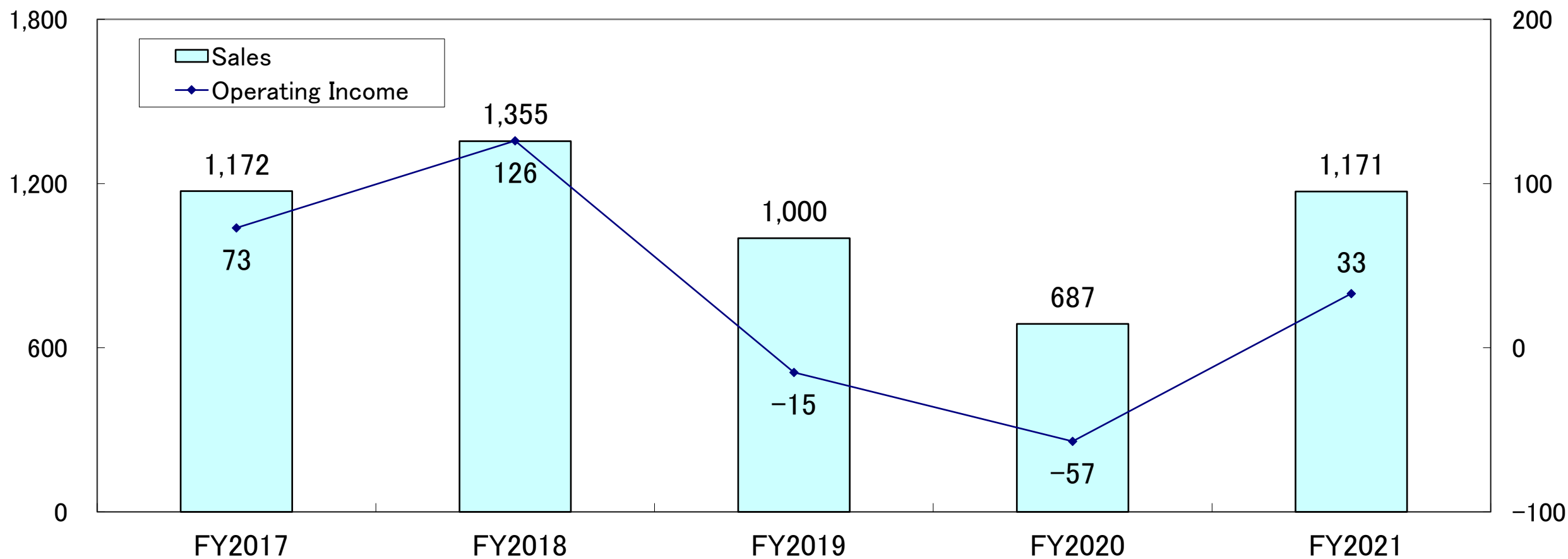
Comparison with the forecast of FY2021(as of Oct. 29, 2021)

( Million yen )

	FY2021			The influence of exchange rate fluctuations in Sales	The influence of exchange rate fluctuations in Operating Income
	External sales	Exchange rate	(Forecast as of Oct. 29, 2021)		
USD	USD 407M	112.38	(109.00)	1,376	542
EUR	EUR 98M	130.56	(129.50)	103	41
SGD	SGD 891M	83.33	(79.40)	3,501	254
Total				4,980	837

# Net Sales and Operating Income (by Segment I / Japan)

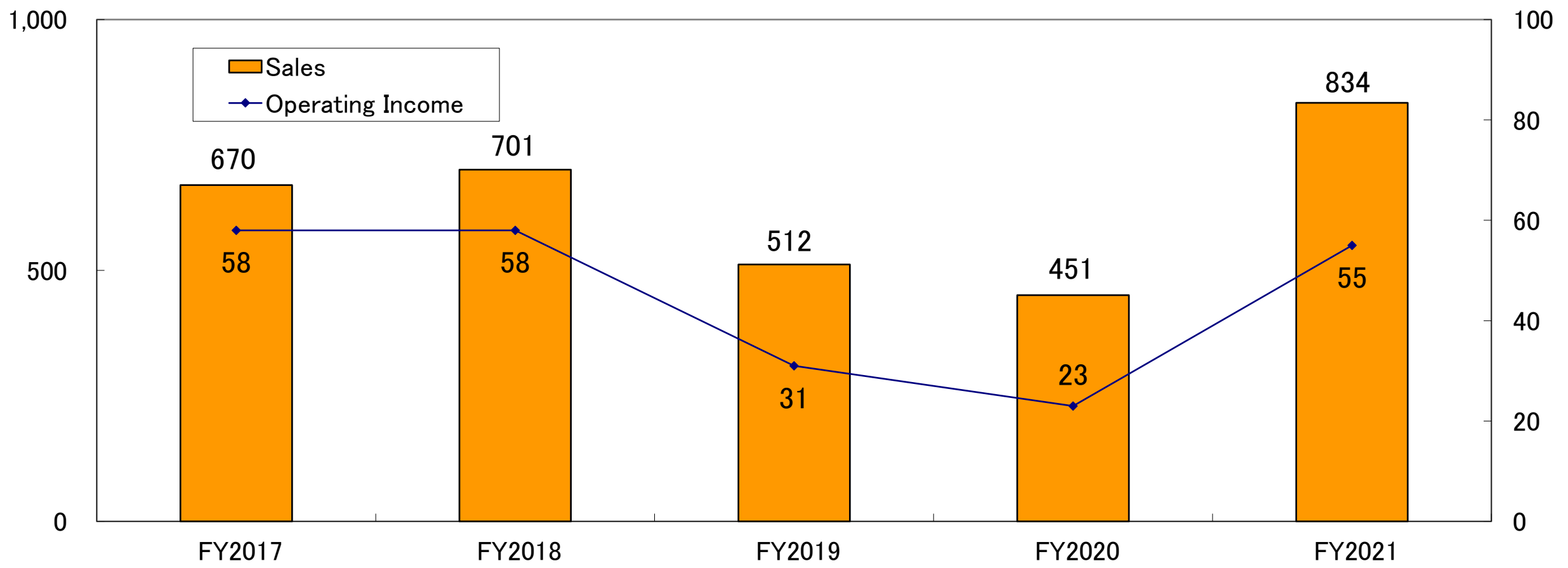
(100 million yen)





# Net Sales and Operating Income (by Segment II / Asia)

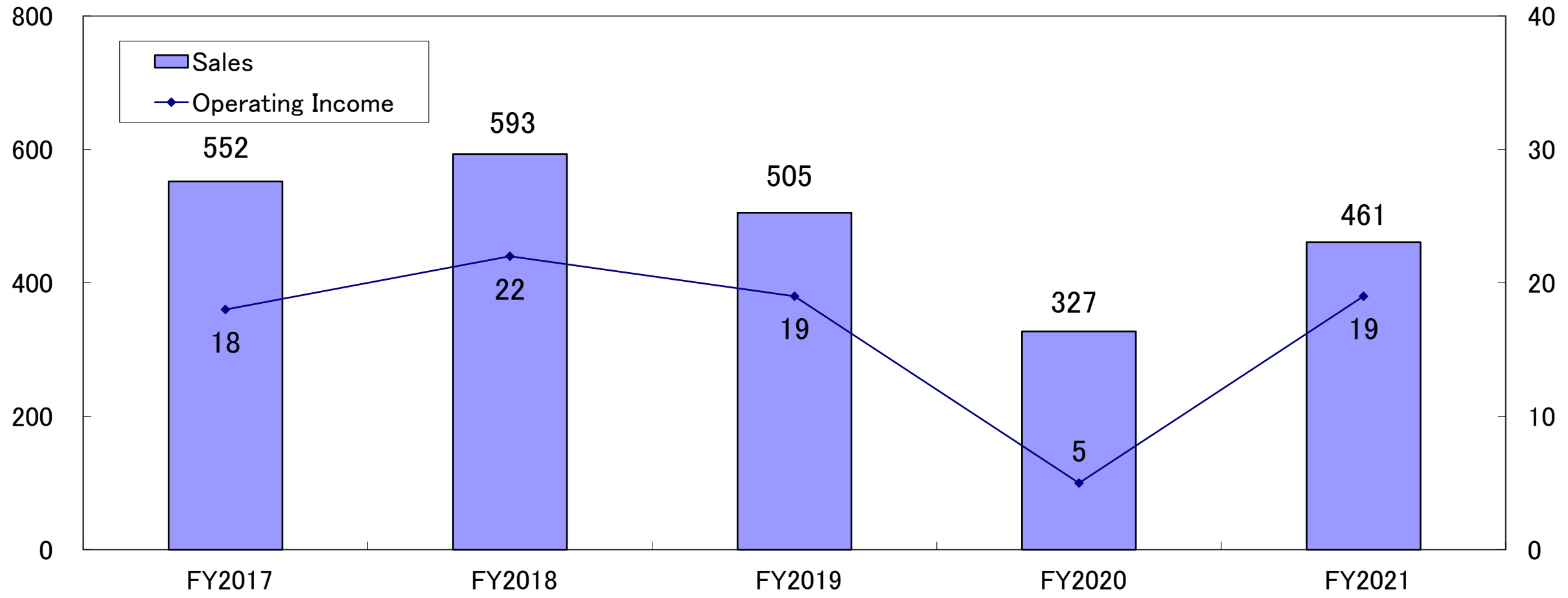
(100 million yen)





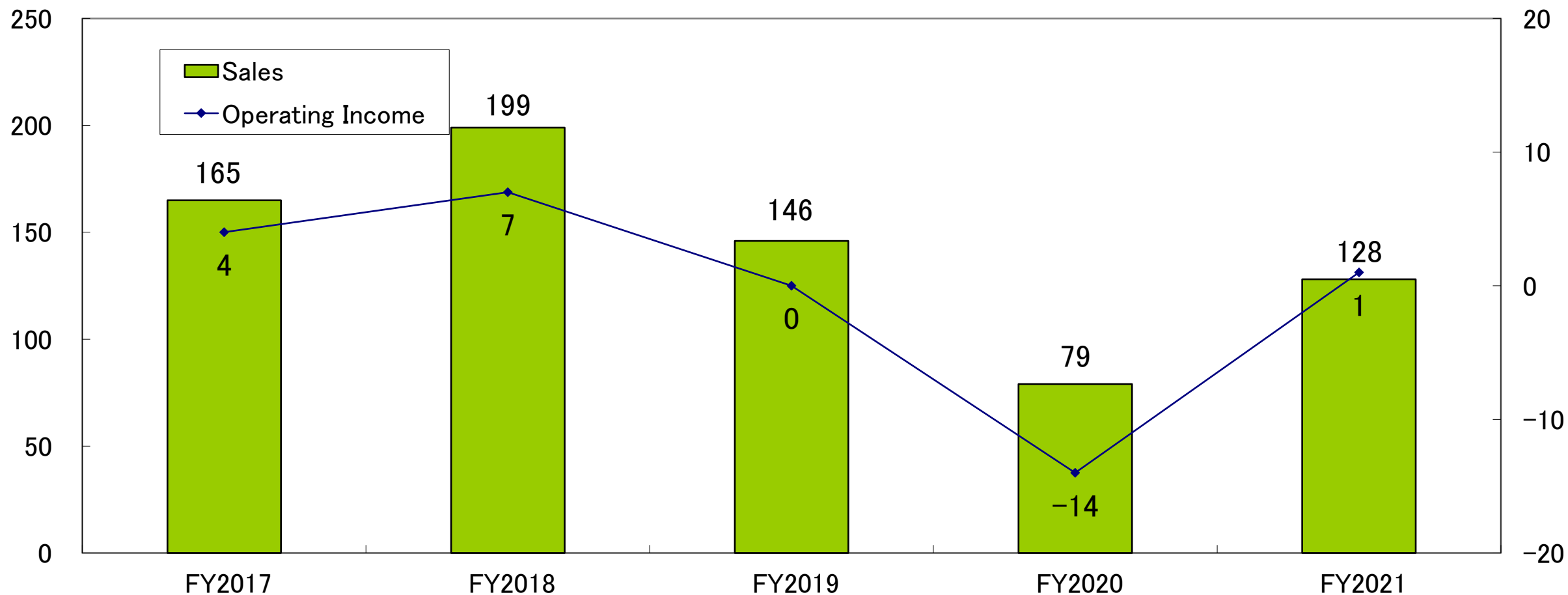
# Net Sales and Operating Income (by Segment III / America)

(100 million yen)



# Net Sales and Operating Income (by Segment IV / Europe)

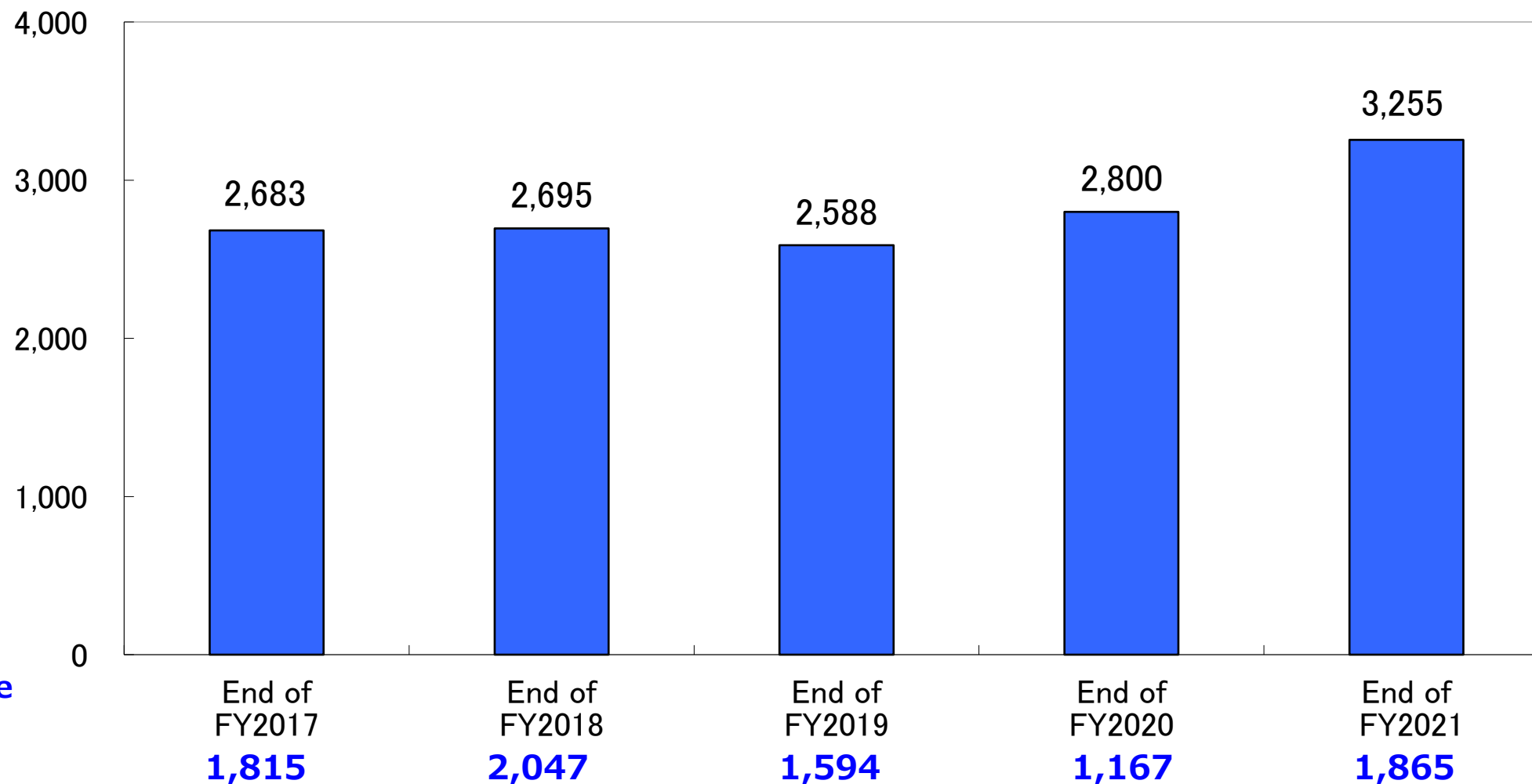
(100 million yen)



# Changes in Major Items in Consolidated Balance Sheets

## - Total assets -

(100 million yen)



**\*for Reference**  
**Net Sales**  
**(100 mil yen)**

End of  
FY2017  
**1,815**

End of  
FY2018  
**2,047**

End of  
FY2019  
**1,594**

End of  
FY2020  
**1,167**

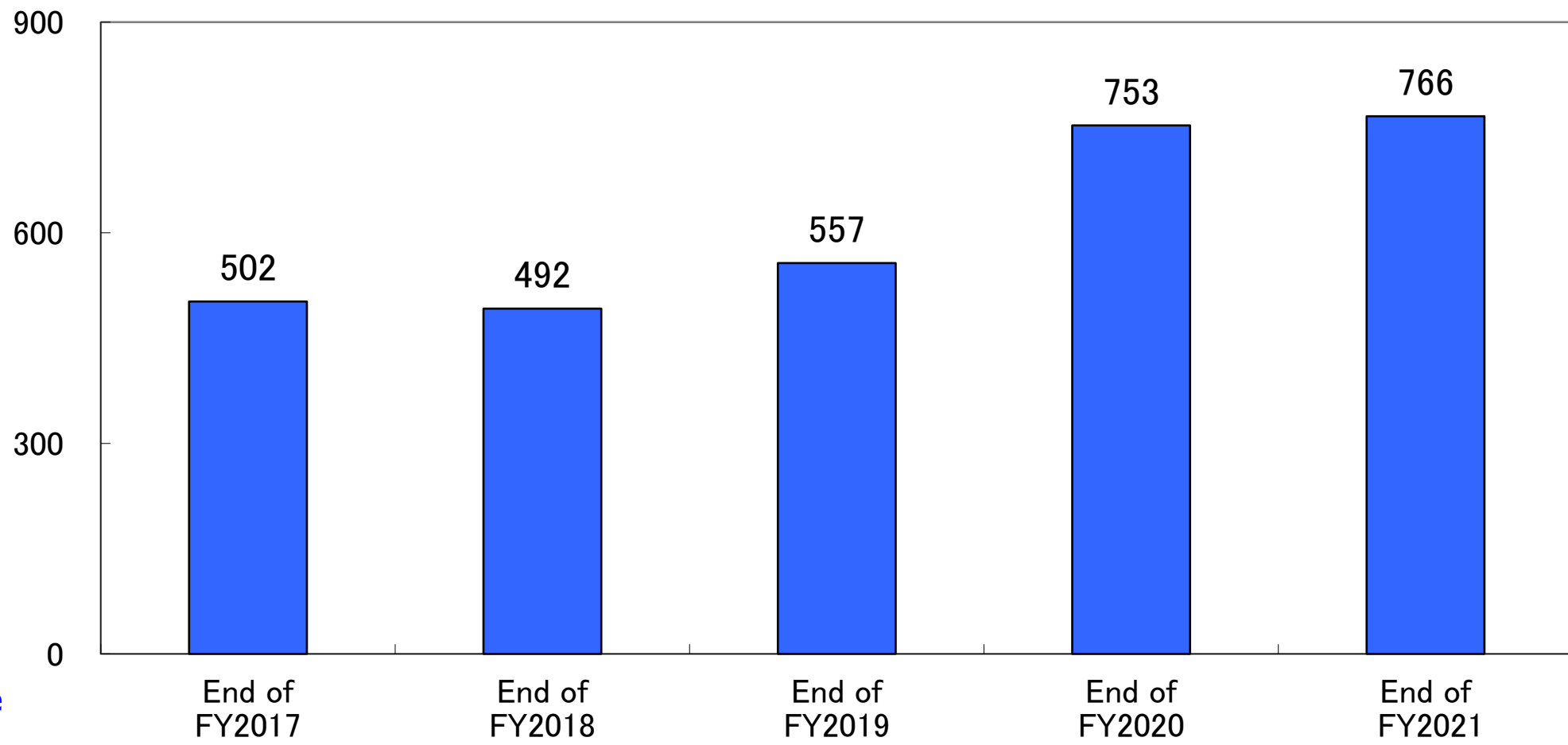
End of  
FY2021  
**1,865**



# Changes in Major Items in Consolidated Balance Sheets

## - Cash and time deposits + securities -

(100 million yen)



**\*for Reference**  
**Net Sales**  
**(100 mil yen)**

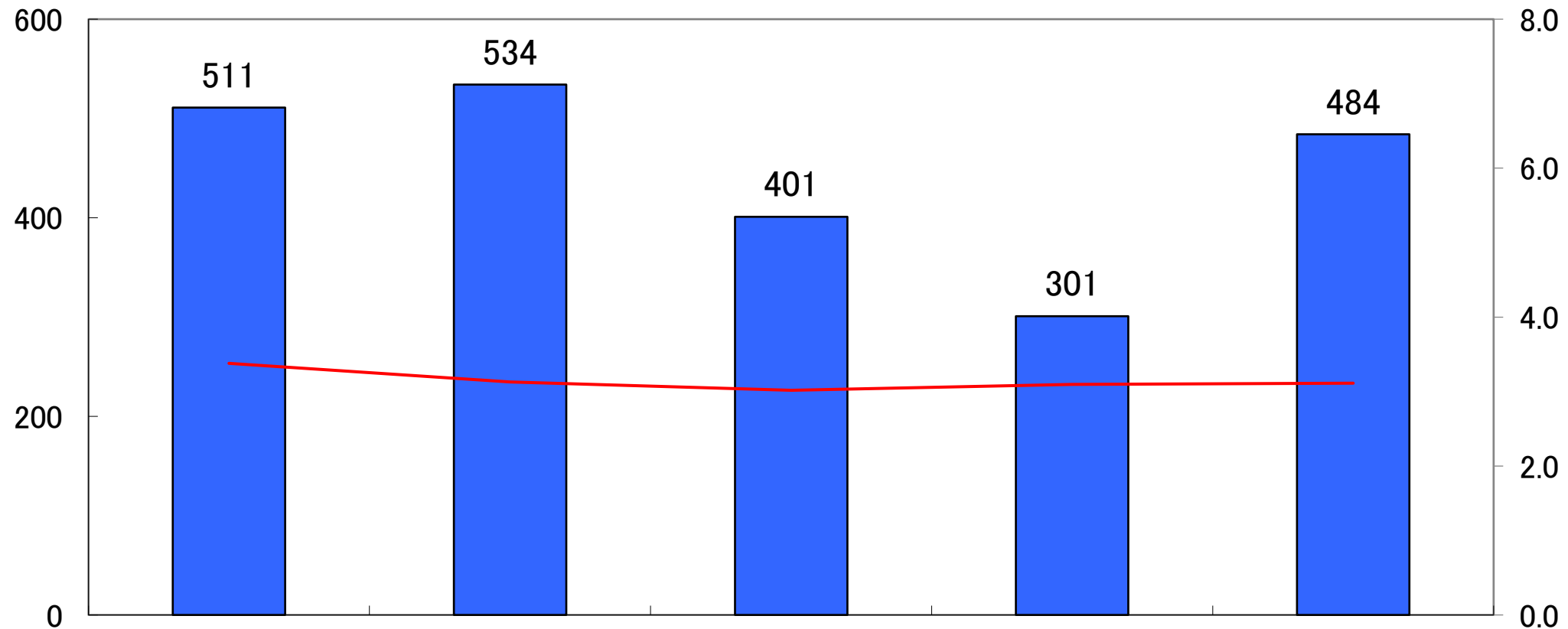
Year	Net Sales (100 mil yen)
End of FY2017	<b>1,815</b>
End of FY2018	<b>2,047</b>
End of FY2019	<b>1,594</b>
End of FY2020	<b>1,167</b>
End of FY2021	<b>1,865</b>

# Changes in Major Items in Consolidated Balance Sheets

- Notes and accounts receivable, trade(left) / Turnover of account receivable(right) -

(100 million yen)

(month)

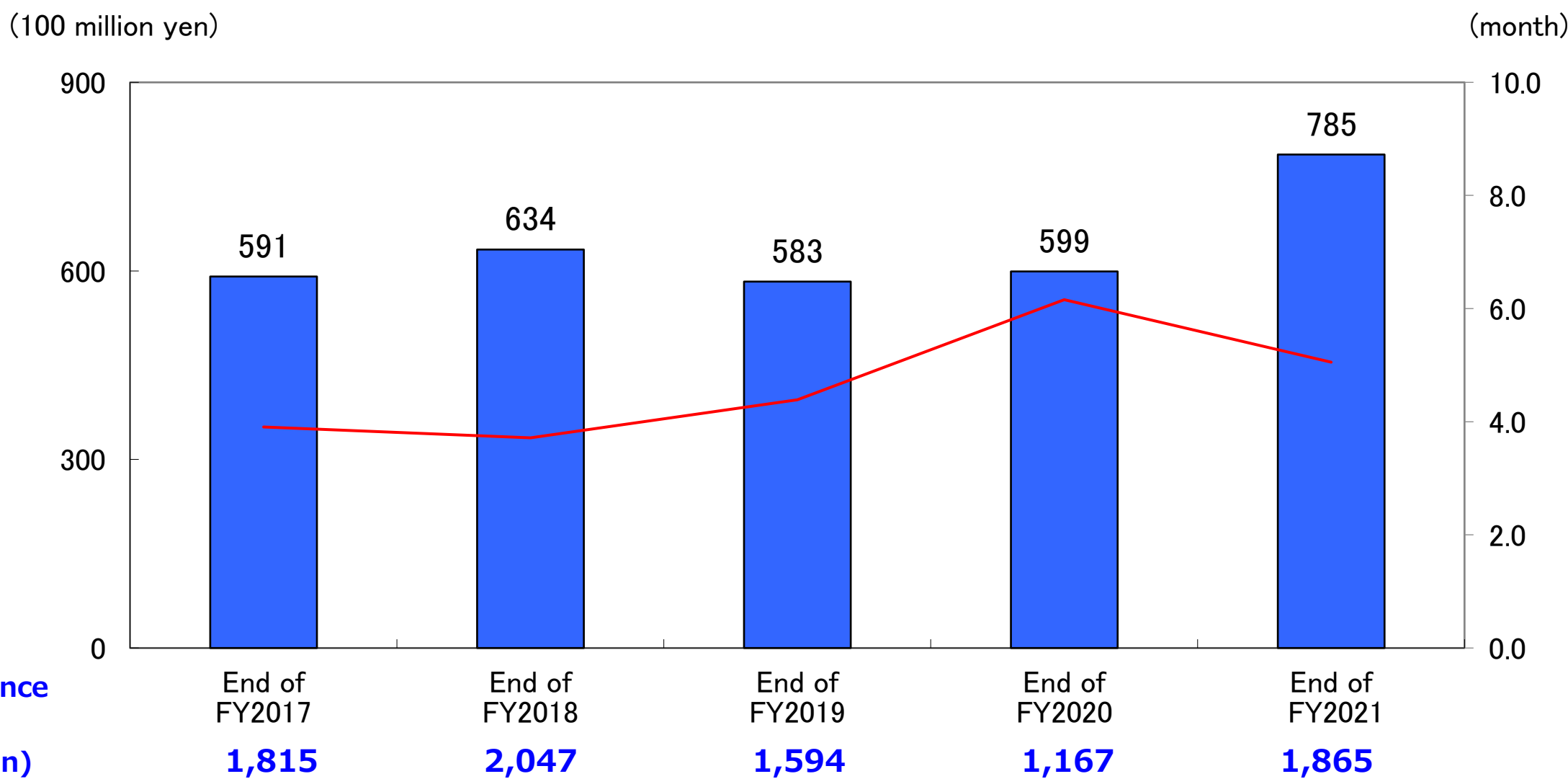


**\*for Reference**  
**Net Sales**  
**(100 mil yen)**

End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021
<b>1,815</b>	<b>2,047</b>	<b>1,594</b>	<b>1,167</b>	<b>1,865</b>

# Changes in Major Items in Consolidated Balance Sheets

## - Inventories(left) / Inventory turnover(right) -

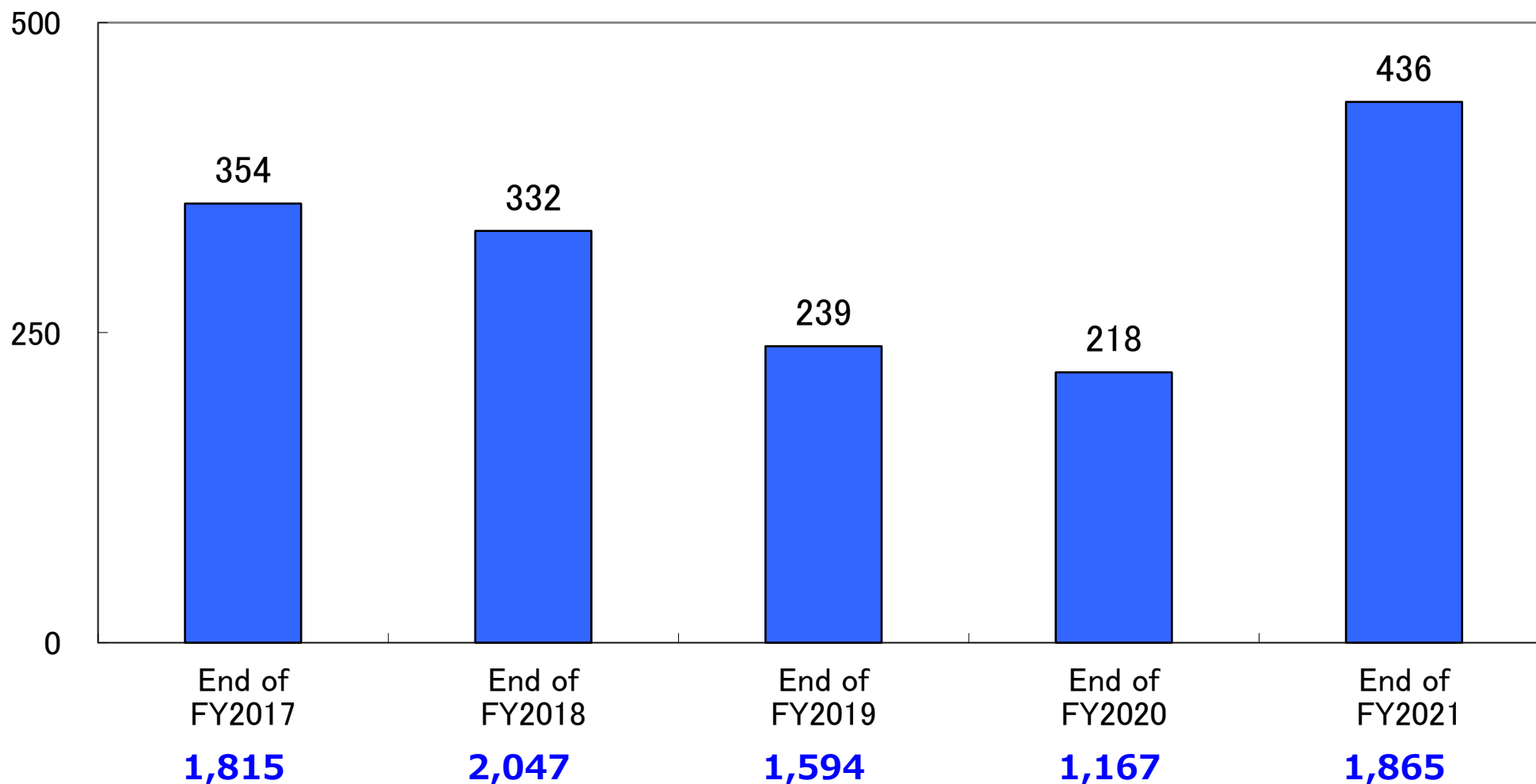


**\*for Reference**  
**Net Sales**  
**(100 mil yen)**

# Changes in Major Items in Consolidated Balance Sheets

## - Notes and accounts payable, trade -

(100 million yen)

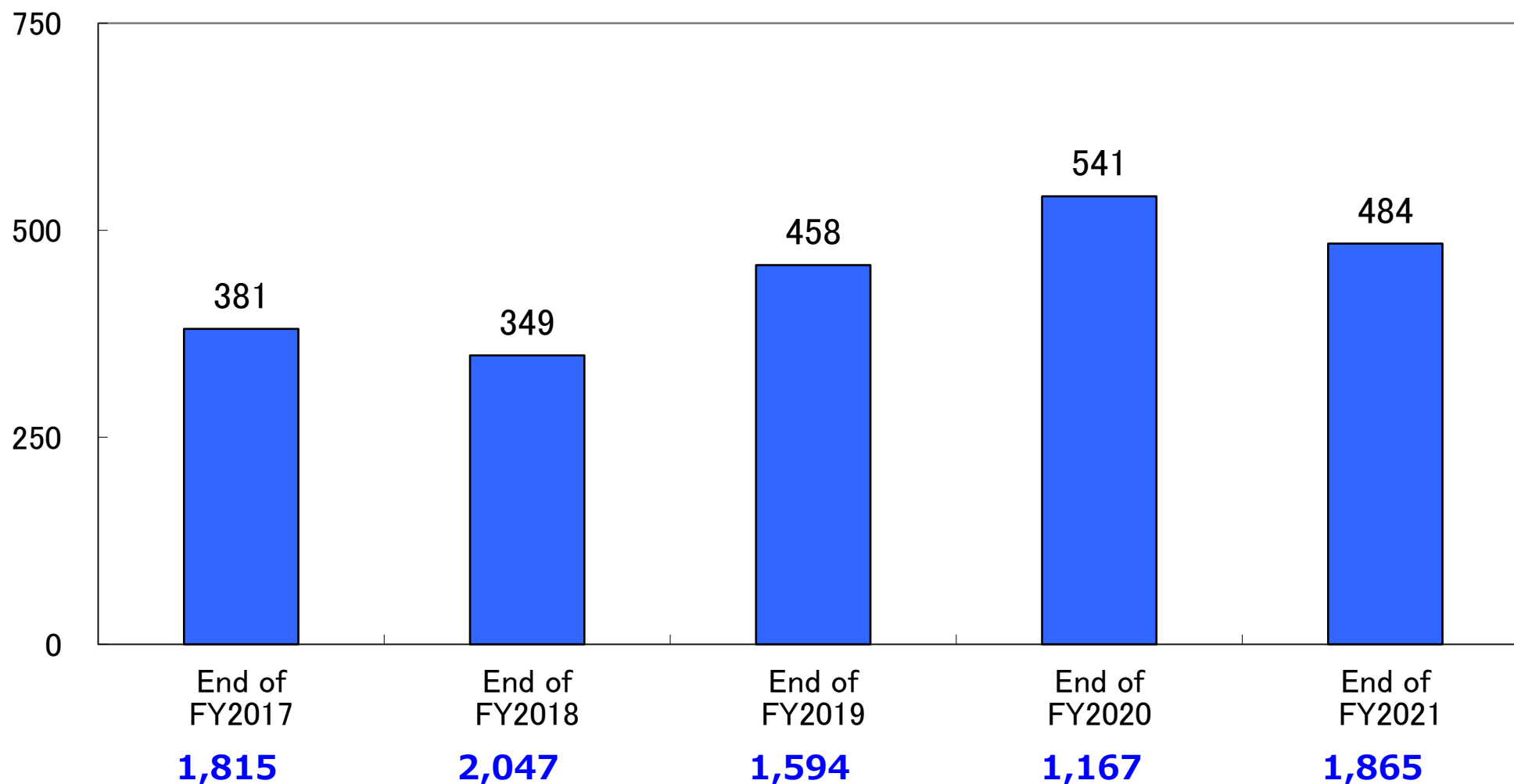


**\*for Reference**  
**Net Sales**  
**(100 mil yen)**

# Changes in Major Items in Consolidated Balance Sheets

## - Interest-bearing debt -

(100 million yen)



**\*for Reference**  
**Net Sales**  
**(100 mil yen)**

End of  
FY2017

**1,815**

End of  
FY2018

**2,047**

End of  
FY2019

**1,594**

End of  
FY2020

**1,167**

End of  
FY2021

**1,865**



# Note

Forward-looking statements contained in this explanatory material, including results forecasts, are based on information available at the time of disclosure and contain potential risks and uncertainties.

Therefore, please note that actual results may materially differ from the forecasts written in this material because of various factors.

Significant factors that could have an impact on actual results include, but are not limited to, economic conditions and social developments surrounding the Company, as well as changes in relative competitiveness due to trends in demand for the products and services provided by the Company.