



Promise of Performance™

Financial Results Briefing
for the Second Quarter of
the Fiscal Year Ending March 31, 2024

Action for improvement of corporate value

Makino Milling Machine Co., Ltd.

October 31, 2023

1. **Historical Performance Overview**
2. Initiative and Target
3. Sustainability

Sales Trend



(mil.:JPY)

300,000

250,000

200,000

150,000

100,000

50,000

0

1937

1970

1980

1990

2000

2010

2022

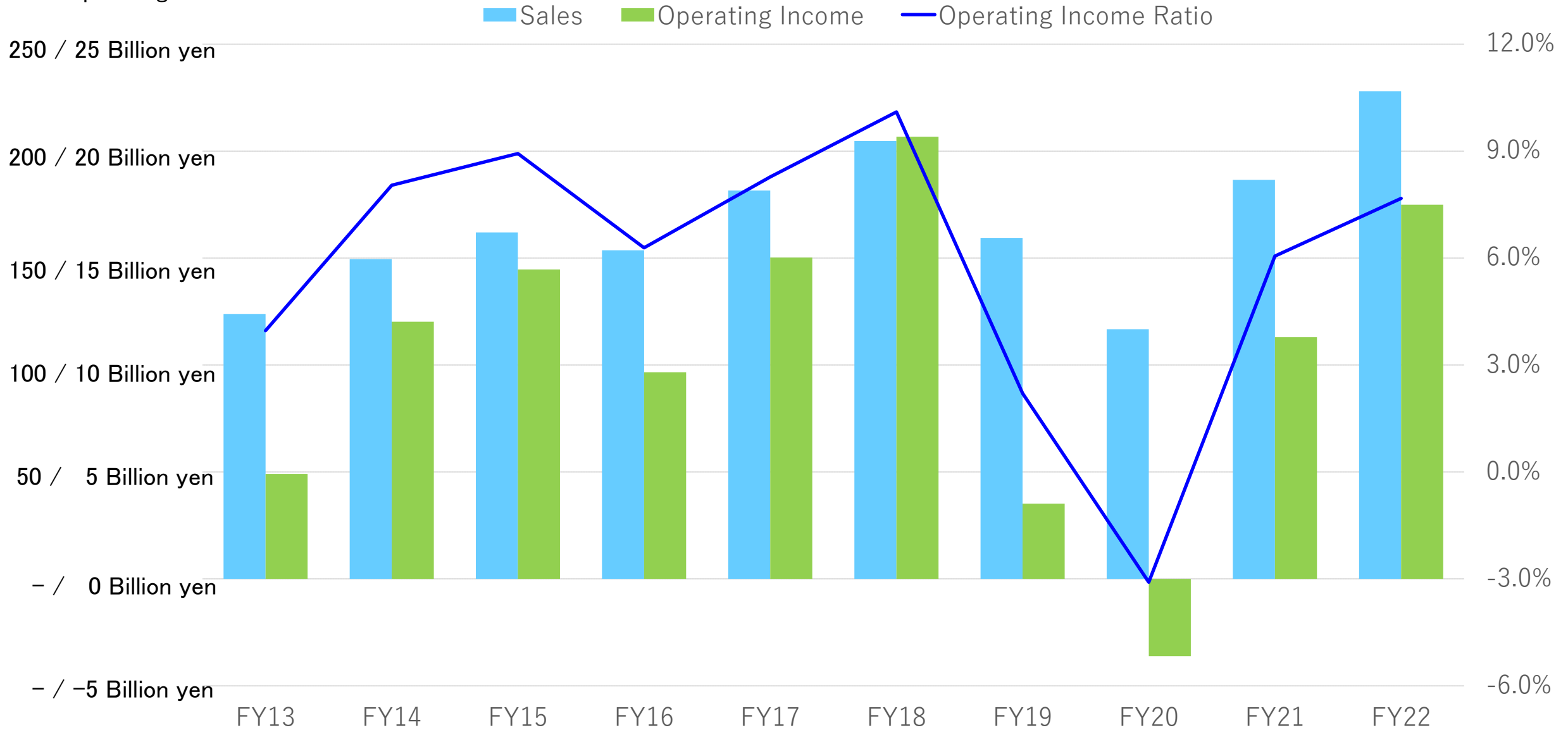
Since 1990
Sales Growth Rate: 4%



Sales and Operating Income



Sales/Operating Income



Backlog and Order



(mil:JPY)

Backlog

120,000

100,000

80,000

60,000

40,000

20,000

0

Order

300,000

250,000

200,000

150,000

100,000

50,000

0

Backlog

Order

FY13

FY14

FY15

FY16

FY17

FY18

FY19

FY20

FY21

FY22

FY23

Forecast

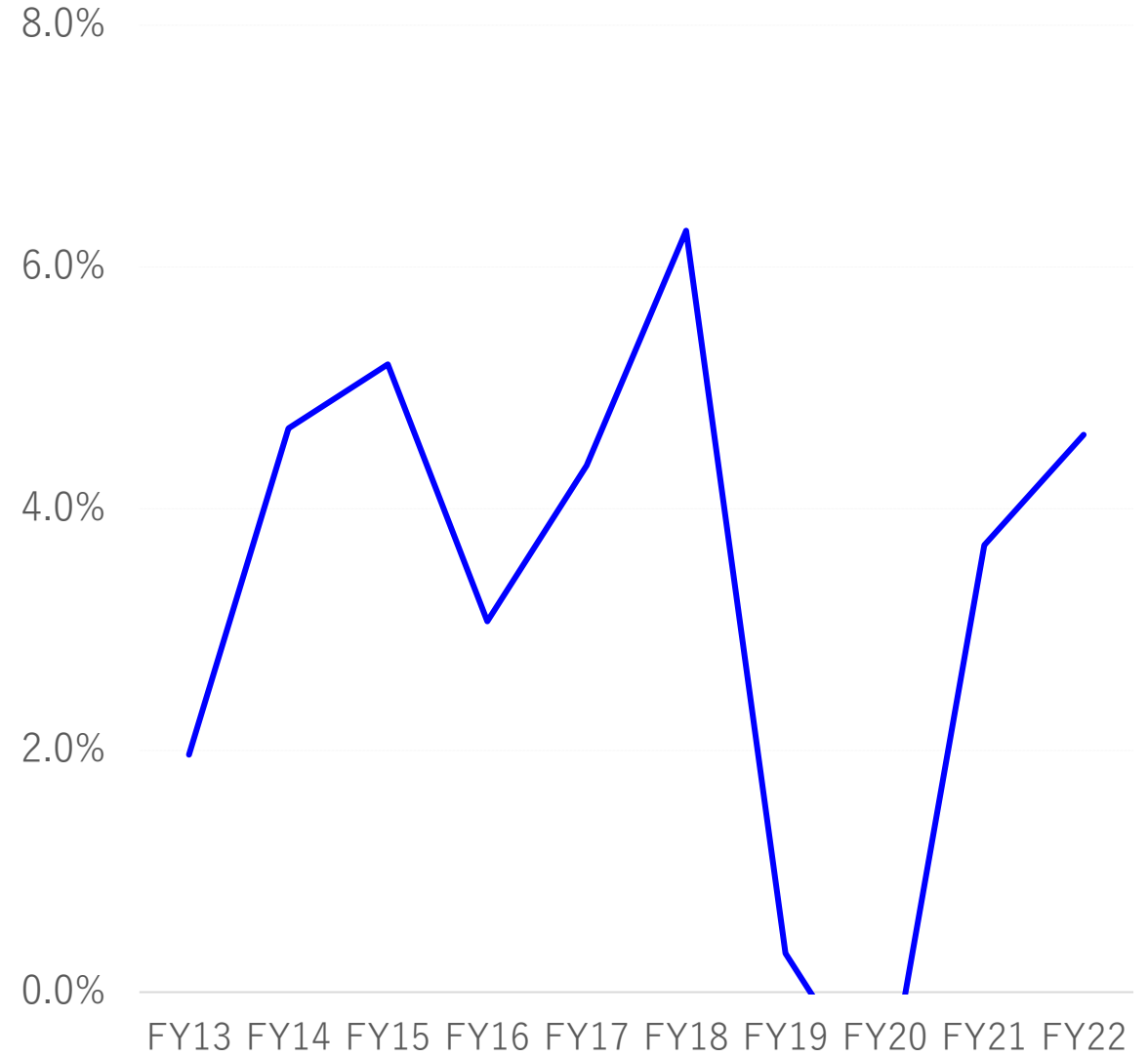
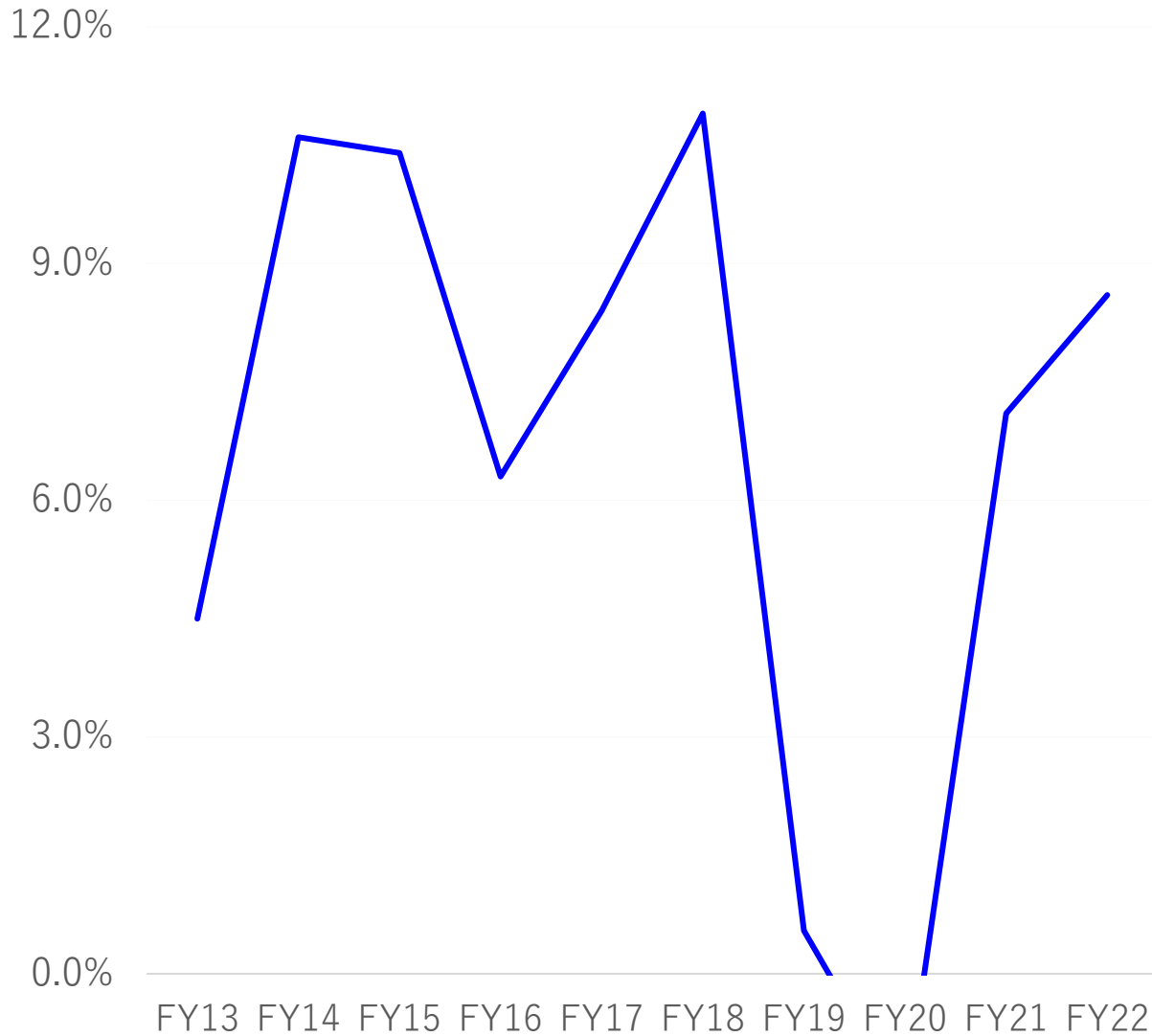
(1H)

* Order for FY23 is based on the forecast as of the end of October, and Backlog is based on the actual value as of the end of September 2023.



ROE

ROA





“Improved Profitability”

- ◎ Increased productivity
- ◎ Proactive investment in rationalization
- ◎ Launch of distinctive product

“Increase Asset Efficiency”

- ◎ Shorten lead time
- ◎ Improved asset turnover ratio
- ◎ Reduction of investment securities

“Greater Shareholder Returns”

- ◎ Stable dividends
- ◎ Flexible shareholder returns

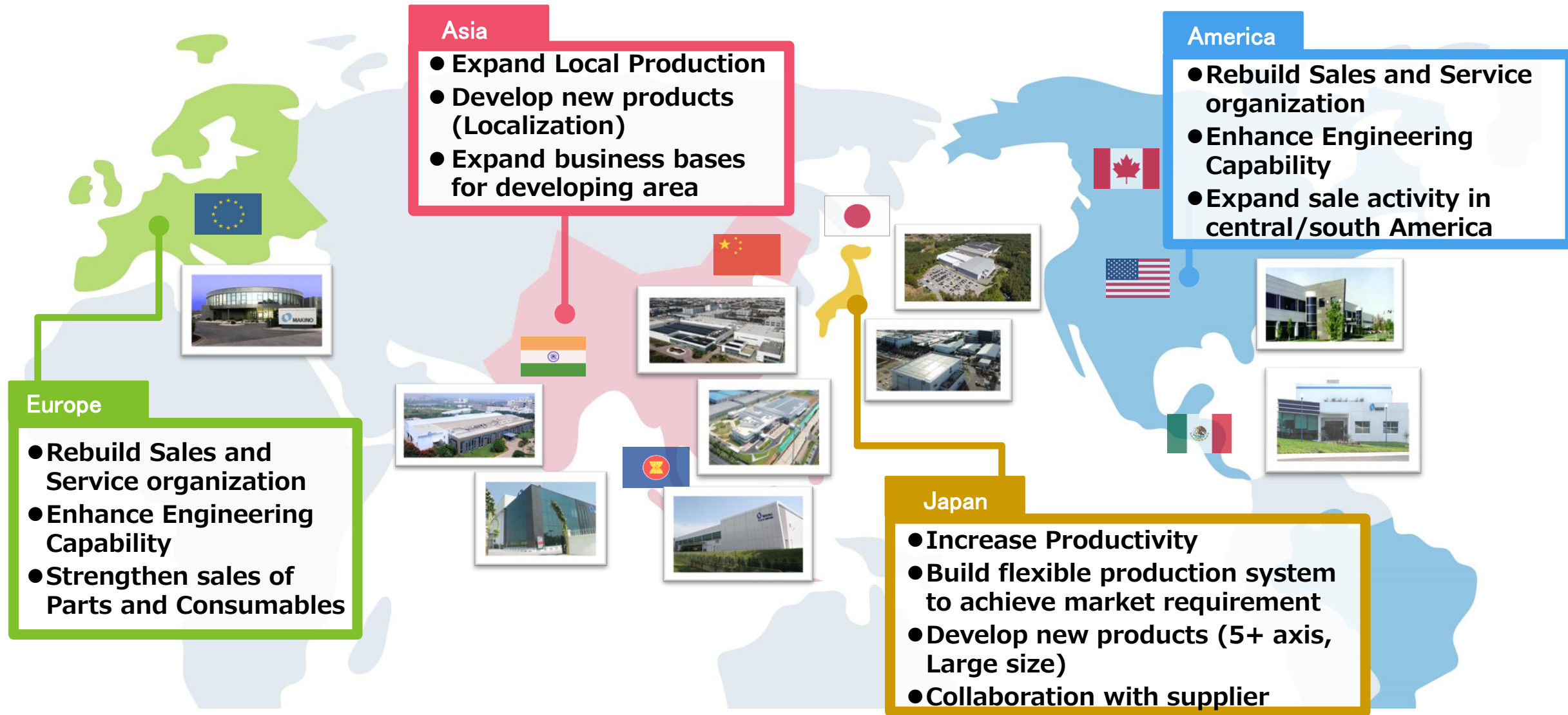
“Enhanced Sustainability”

- ◎ Better governance
- ◎ Greater human capital investment
- ◎ Response to climate change issues

1. Historical Performance Overview
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Take measures according to the challenges and needs of each region



Sales

2023/10/31



No.9

(mil:JPY)

300,000

240,000

180,000

120,000

60,000

0

FY18

FY19

FY20

FY21

FY22

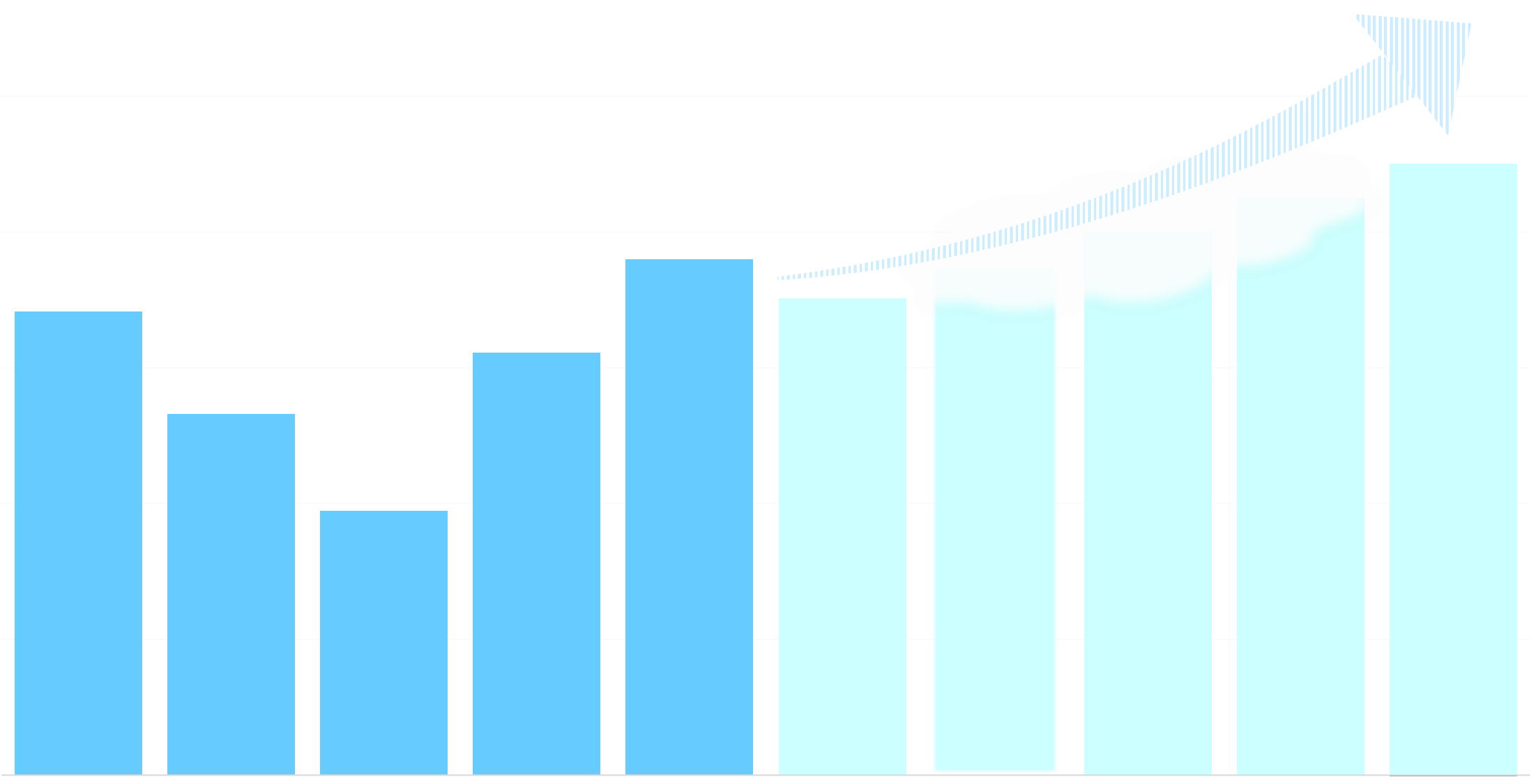
FY23

FY24

FY25

FY26

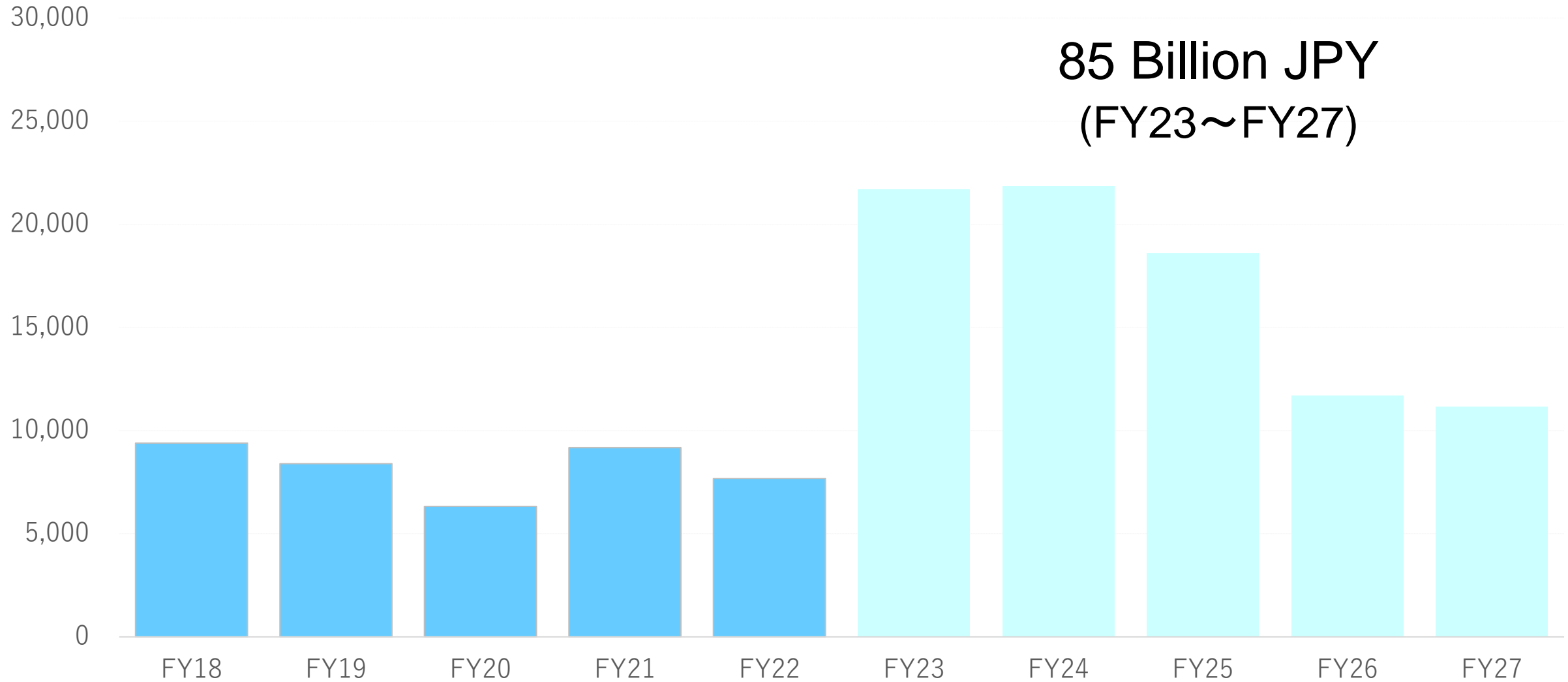
FY27



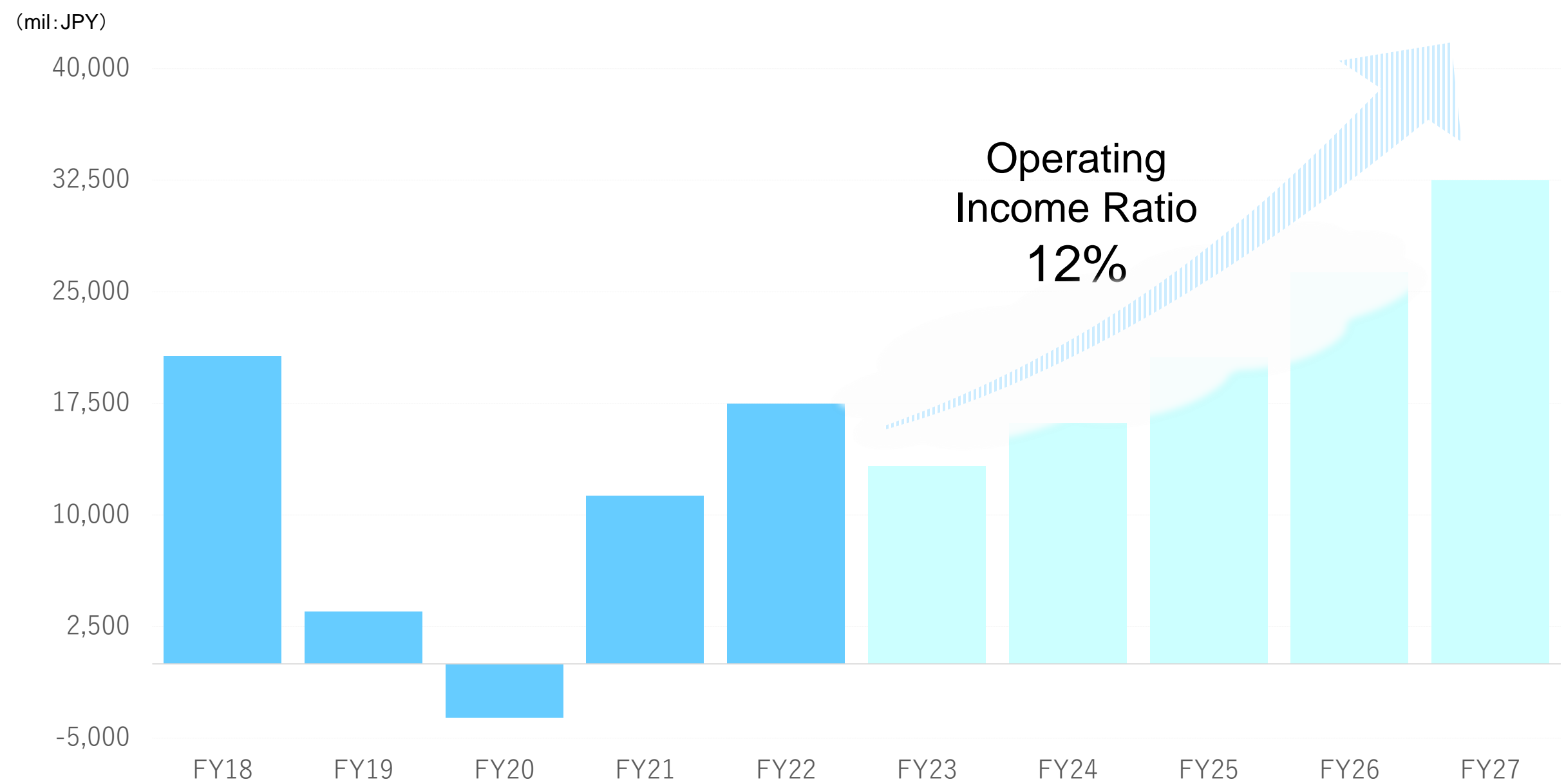
Capital Investment



(mil:JPY)



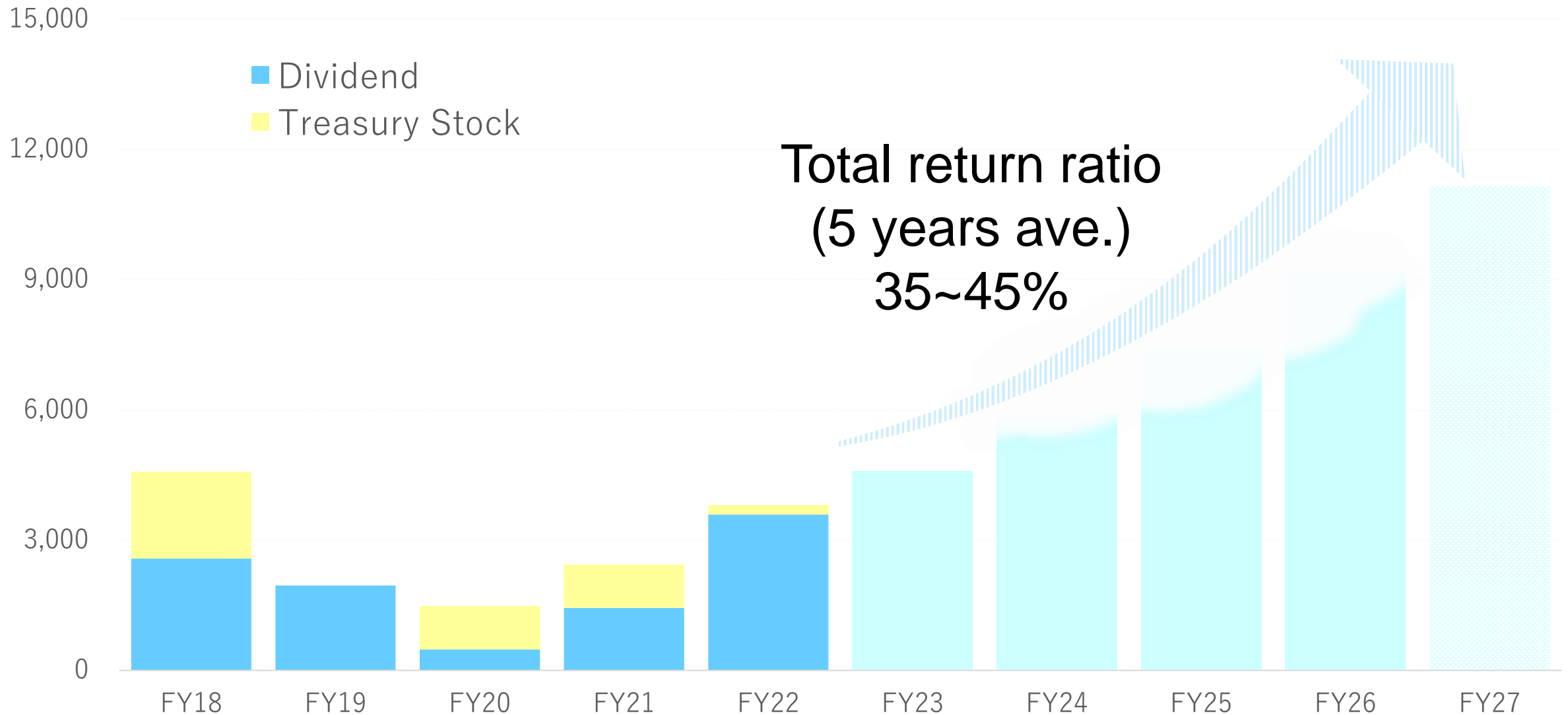
Operating Income



Shareholder Return



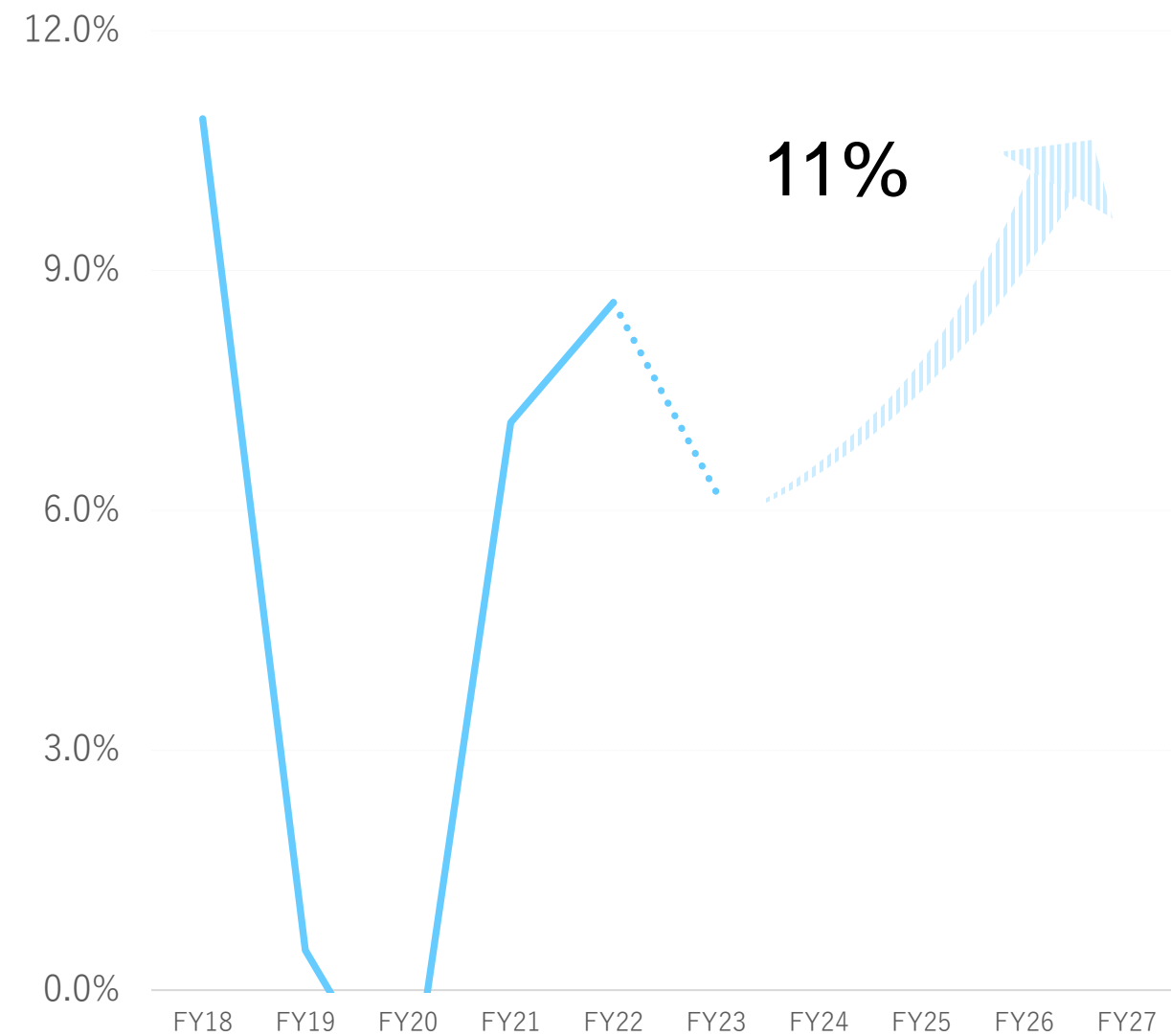
(mil.:JPY)



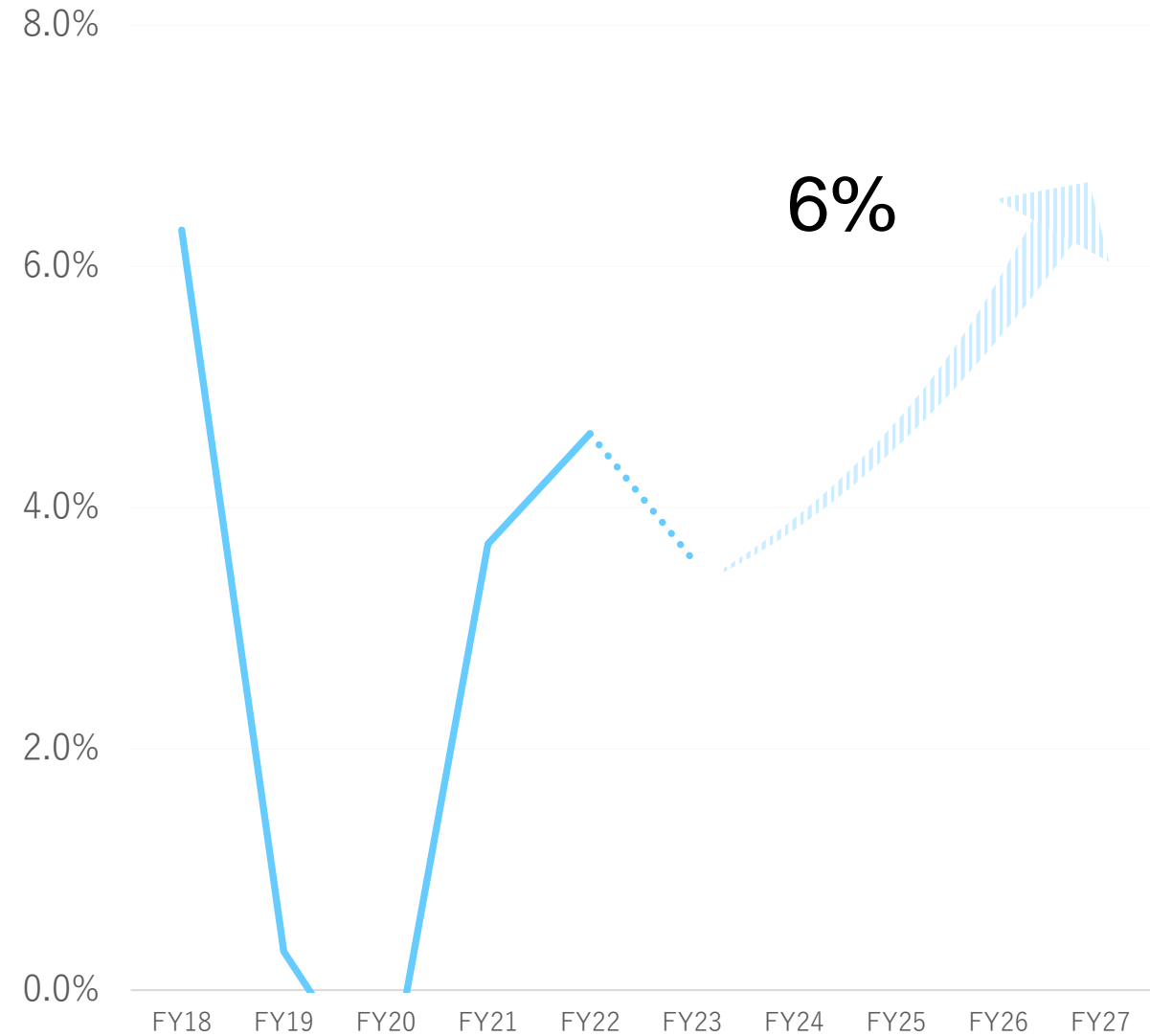
ROE・ROA



ROE



ROA



Target



	FY2022 (Actual)		FY2027 (Plan)
Sales	228 Billion	>>	270 Billion
Operating Income Ratio	7.7%	>>	12.0%
ROE (Return On Equity)	8.6%	>>	11.0%
Capital Investment (5 years ave.)	41 Billion	>>	85 Billion
Total Return Ratio (5 years ave.)	33%	>>	35% ~ 45%

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Diversification of recruitment and Enhance training program

Recruitment

Development

Technical human resource

- Design engineer
 - Application engineer
 - Personnel with Production process know-how
 - Software engineer/AI engineer
-
- Providing opportunities to learn (Job rotation/Re-skilling) In-house education (Makino Business Academy) & knowledge share
 - Career path visualization and design, career development support
 - Acquiring know-how & building relationships through joint research with universities and research institutes

Management human resource

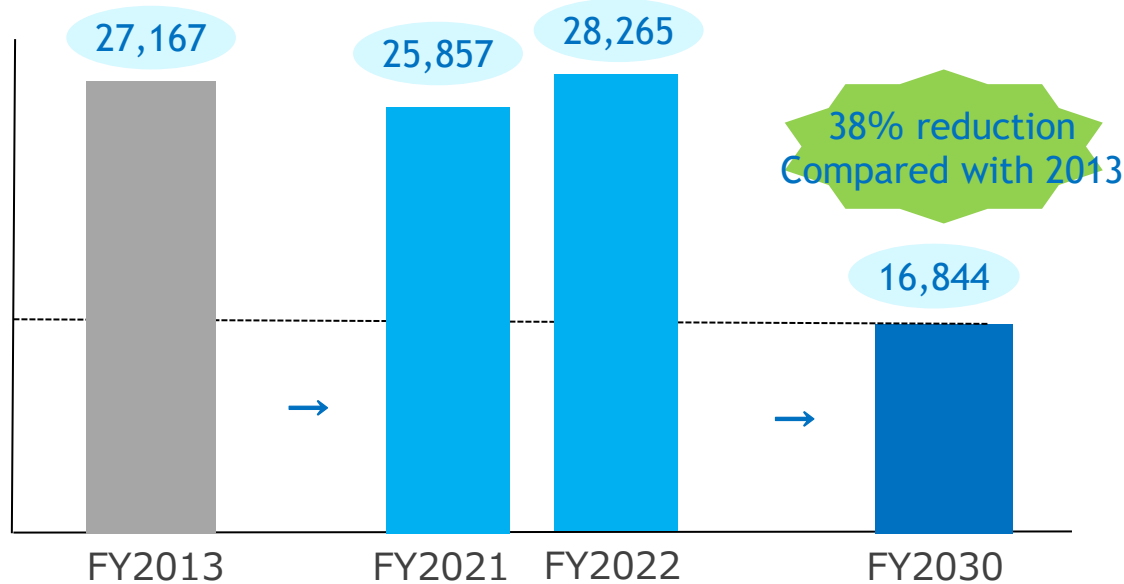
- Enhancing the human resource pool (Mid-career recruitment, securing core human resource for each function such as R&D, production, management, sales and procurement etc.)
-
- Skill development support for Middle-level managements
 - Systematic development of executive candidates

Diversity & Inclusion

- Strengthening recruitment of female
 - Strengthening recruitment of foreigner
 - Childcare leave system (Regardless of gender)
 - Supporting diverse work style
-
- Promoting women's active participation and Appointing women to executive positions.
 - Providing growth opportunities through personnel exchange and horizontal collaboration with overseas subsidiaries.



Greenhouse gas emissions (Scope1,2) <t-CO₂>



※Emissions for FY2023 are calculated in accordance with the GHG proposal using coefficients (actual coefficients) that do not reflect adjustment such as Kyoto Mechanism Credits.

Development of products consuming less power

Save Energy Function

- Inverter controlled TSC, Power display, Standby mode for Hyd. Unit

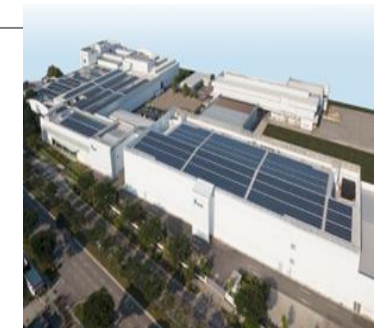
Installing Solar Panels at Production and Sales Base



Atsugi Factory



Fuji Katsuyama factory



Singapore Factory



Kunshan Factory (China)



Wuhan Factory (China)



Bangalore Factory (India)

Solar power generation
 (Non consolidated)

FY2021	1,939,000 kWh
FY2022	2,650,000 kWh



Basic Approach

In line with its corporate philosophy and basic management policies, Makino considers corporate governance to be one of the measures that enhances its corporate value in the medium to long term, while giving due consideration to various stakeholders. We aim to establish effective and efficient corporate governance given the extremely volatile nature of earnings in the machine tool industry.

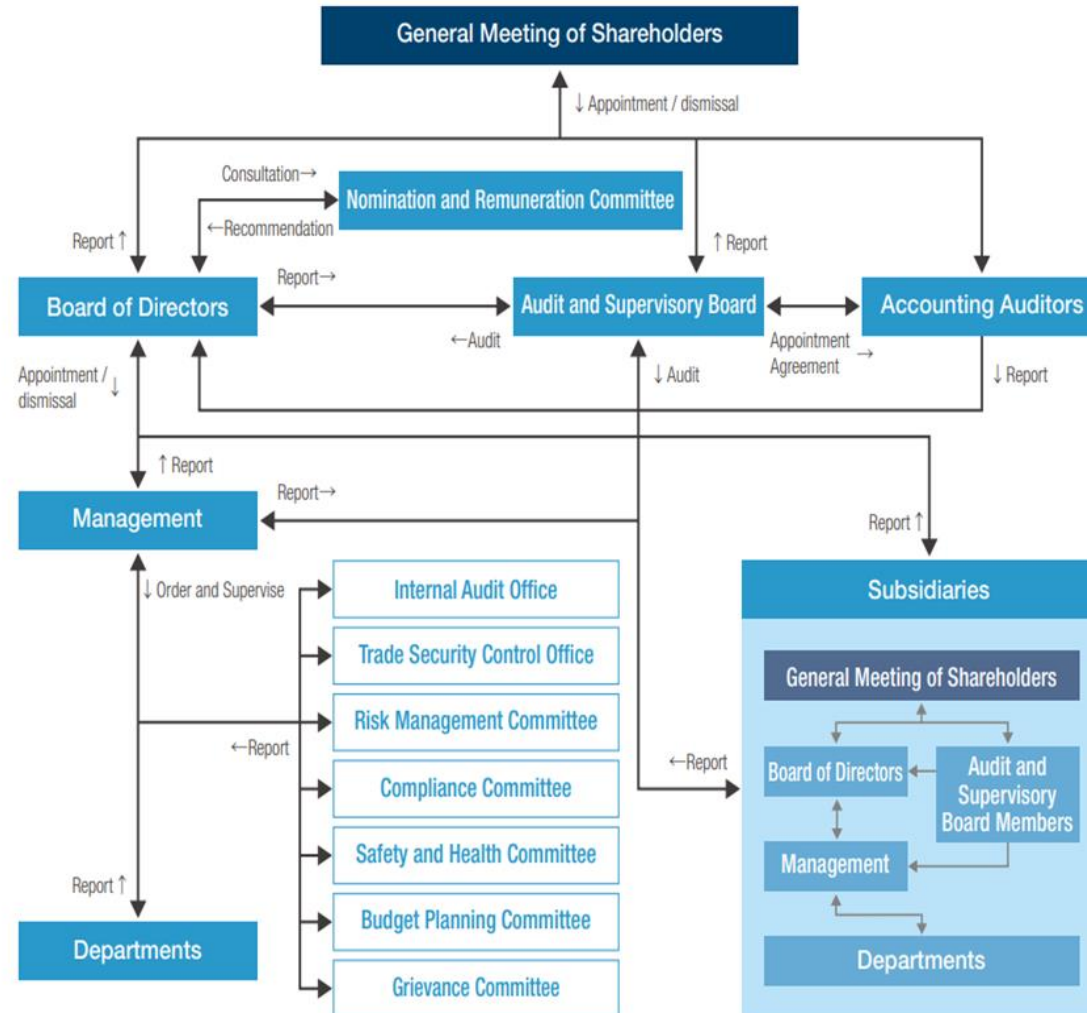
Skill Matrix

			Management	Internationality	R&D/Production	Sales/Marketing	Finance/Accounting	Legal/Risk Management
1	Shotaro Miyazaki	President and Representative Director	●	●		●	●	
2	Toshiyuki Nagano	Executive Vice President and Representative Director	●	●			●	●
3	Tatsuaki Aiba	Executive Vice President and Representative Director	●		●	●		
4	Haruyuki Shiraishi	Director	●	●	●			
5	Naofumi Masuda	Director	●		●			●
6	Kodo Yamazaki	Director	●				●	●
7	Kazumi Nishino	Director	●				●	●
8	Kazuo Takahashi	Director	●			●	●	●
9	Akio Komura	Full-time Audit and Supervisory Board Member	●		●	●		
10	Jinei Yamaguchi	Full-time Audit and Supervisory Board Member	●	●			●	●
11	Jiro Nakashima	Audit and Supervisory Board Member	●				●	●

Summary

Organizational format	Company with an audit and supervisory board
Directors	8 (including 4 external directors)
Audit and supervisory board members	3 (including 2 external audit and supervisory board members)
Term of office of directors under the articles of incorporation	1 year
Executive officer system	Adopted
Voluntary advisory committee to the Board of Directors	Nomination and Remuneration Committee
Accounting auditor	Gyosei & Co.
Corporate governance report	https://ir.makino.co.jp/library/corporate-governance/

Corporate Governance Structure





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.