



Explanatory Material of  
Group Company  
for the First Quarter of  
the Fiscal Year Ending March 31, 2025

Makino Milling Machine Co., Ltd.  
July 31, 2024



## Order

Order : 53.6 bil JPY (Decrease by 7.8% from FY23 1Q)

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- 53% progress against 1H plan

## Sales/Income

Sales : 51.8 bil JPY (Decrease by 3.7% from FY23 1Q)

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Operating Income : 2.9 bil JPY (Decrease by 30.6% from FY23 1Q)

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Operating Income ratio : 5.7% (Decrease by 2.2% from FY23 1Q)

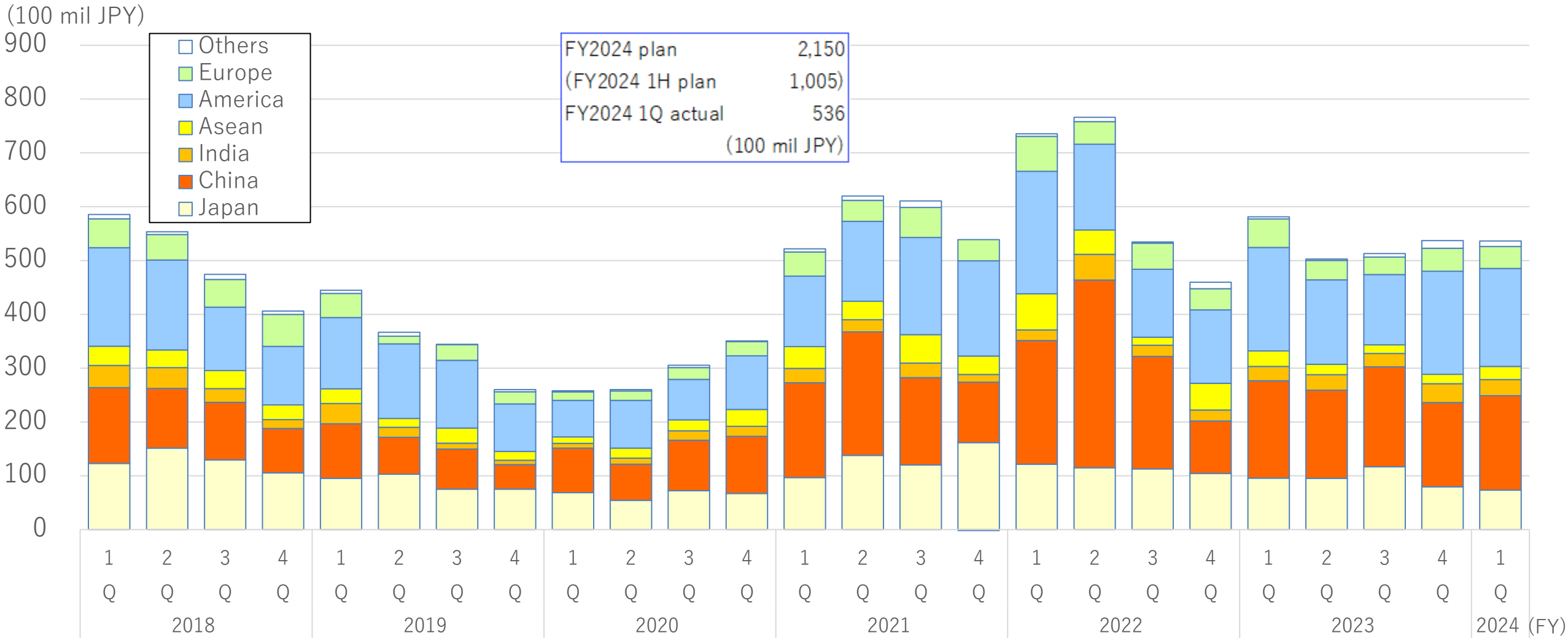
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- 51% progress against 1H sales plan
- 57% progress against 1H operating income plan

# Order by Destination



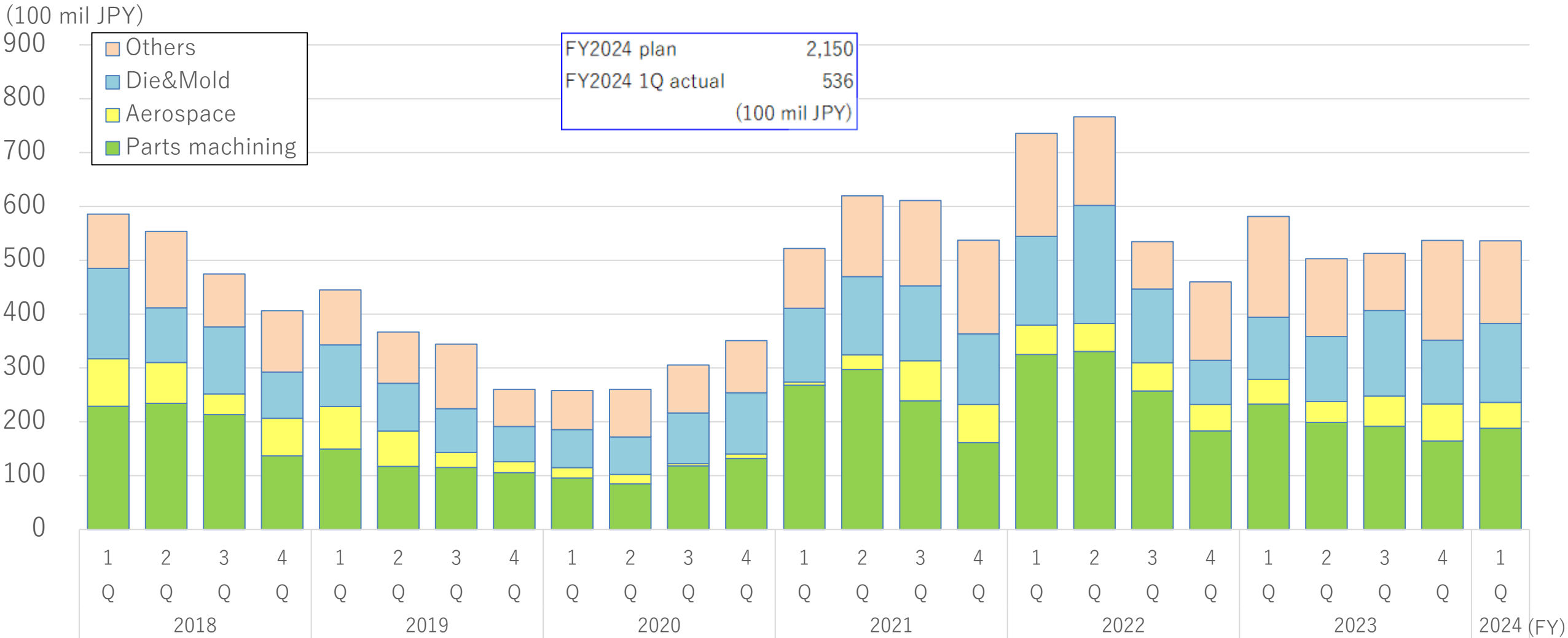
Orders decreased by 7.7% from FY23 1Q mainly for China.



# Order by Industry



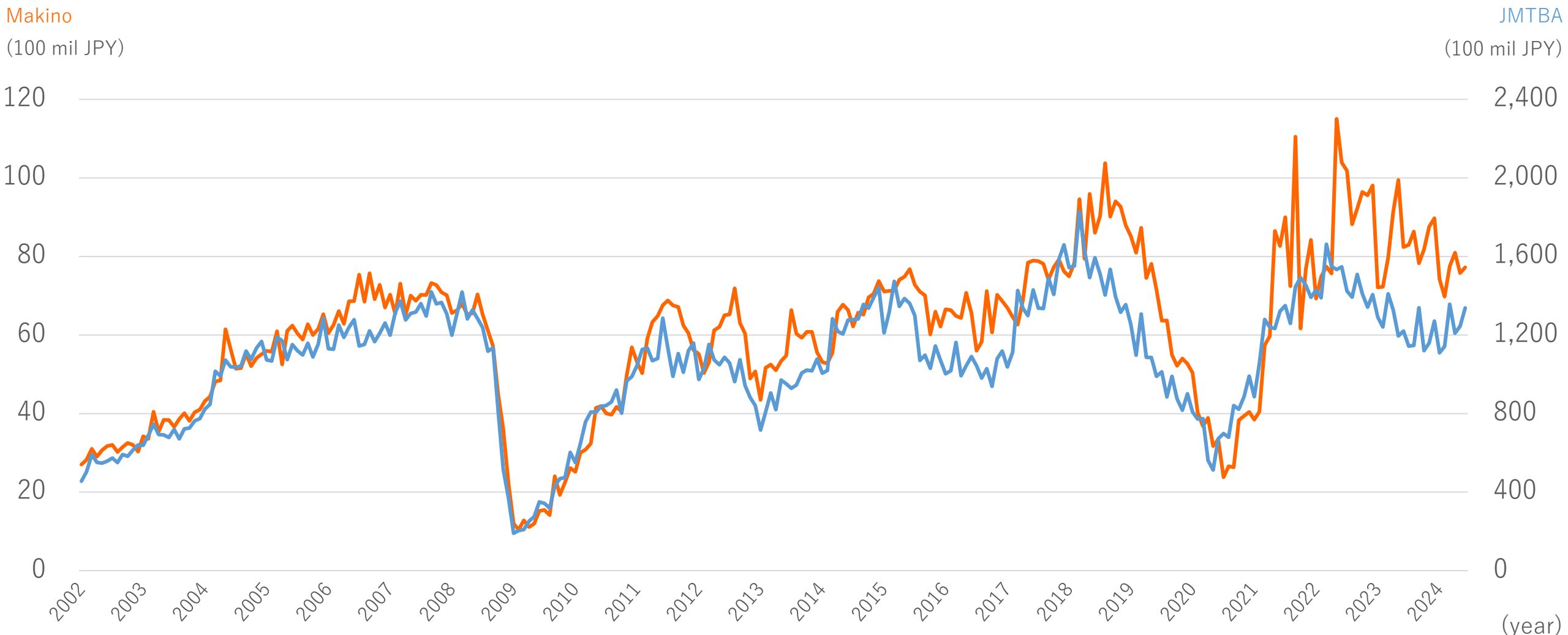
Orders for parts machining decreased by 19% from FY23 1Q.  
 Orders for Die & Mold increased by 27% from FY23 1Q.



# JMTBA · Makino Order



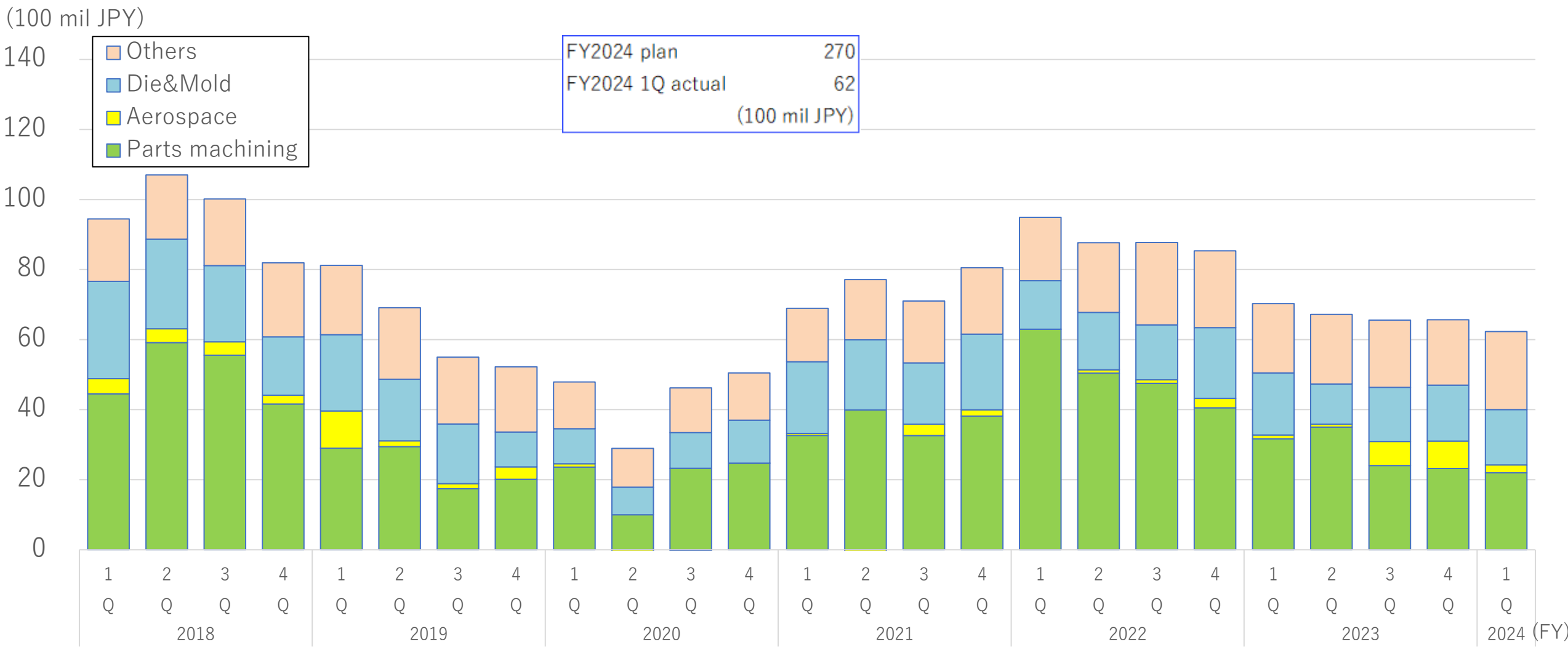
Makino's share in 1Q was 6.2%.



Source: Japan Machine Tool Builders' Association



Orders decreased by 11% from FY23 1Q mainly for parts machining.



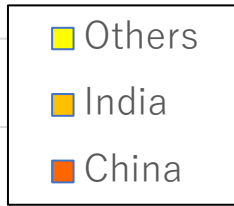


# Asian subsidiary Order by area



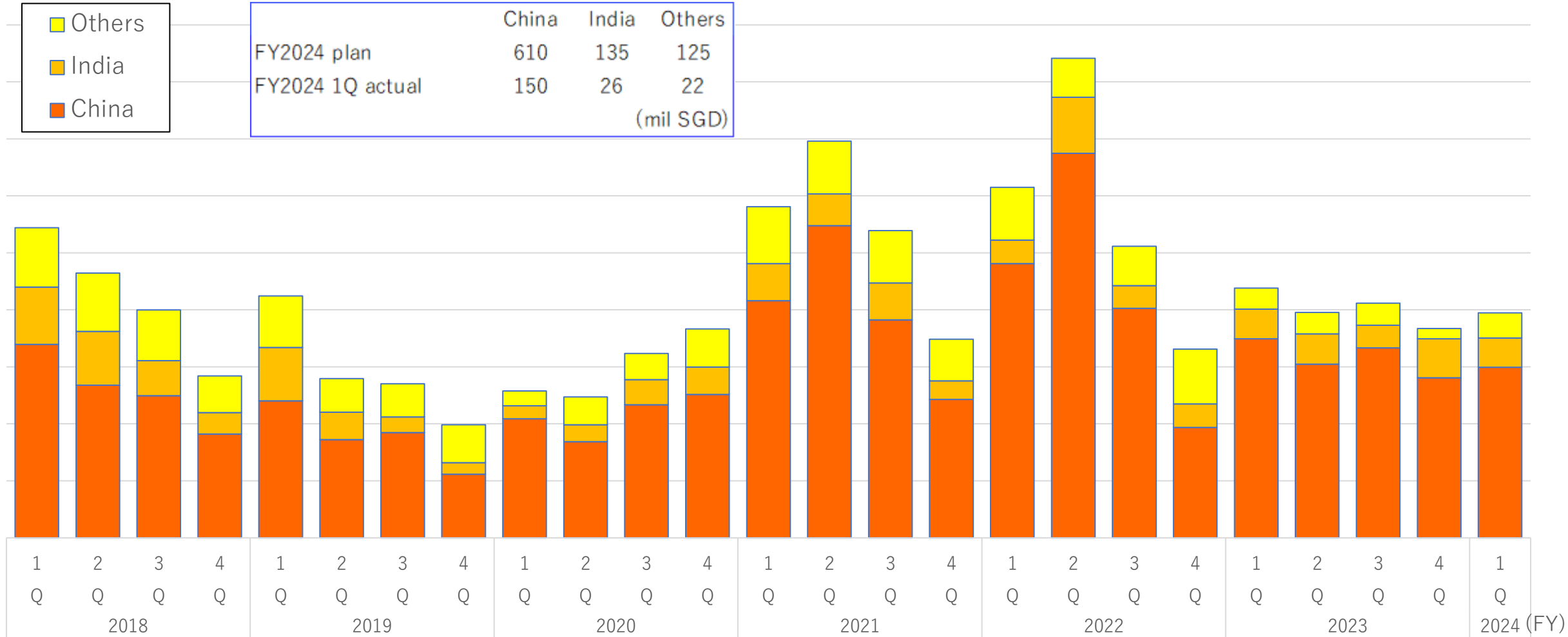
Orders decreased by 10% from FY23 1Q  
 mainly for parts machining in China.

(mil SGD)



	China	India	Others
FY2024 plan	610	135	125
FY2024 1Q actual	150	26	22

(mil SGD)

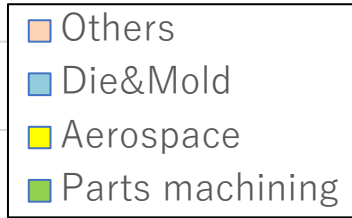


# Asian subsidiary Order by industry

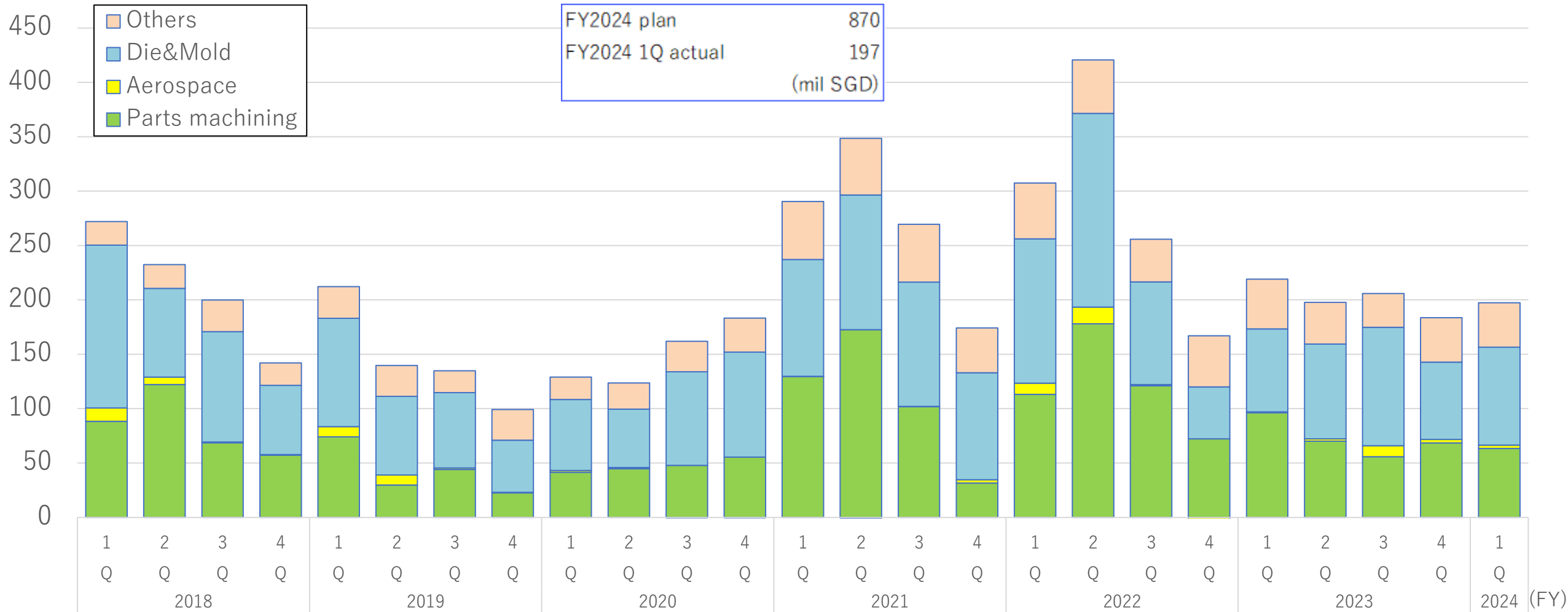


Orders for Die & Mold increased by 18% from FY23 1Q.  
 Orders for parts machining decreased by 34% from FY23 1Q.

(mil SGD)



FY2024 plan	870
FY2024 1Q actual	197
	(mil SGD)



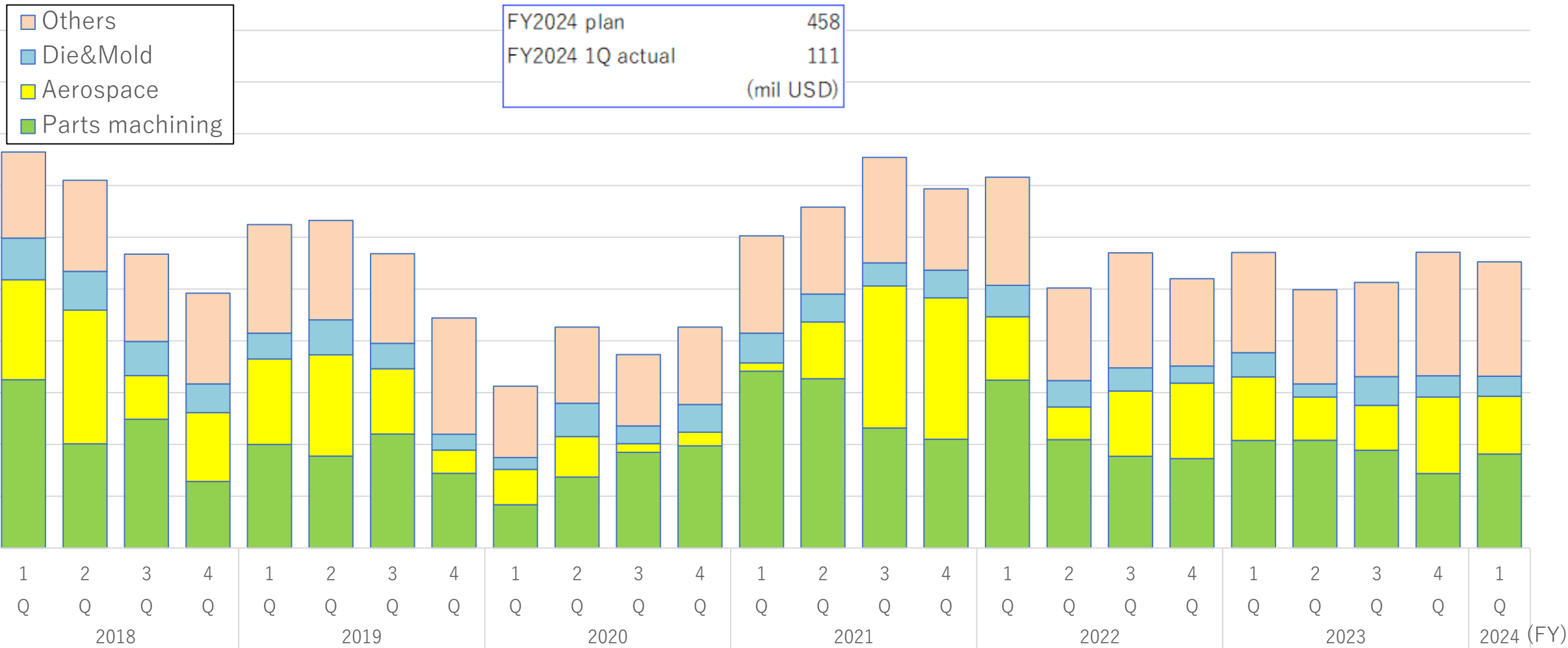


# US subsidiary Order



Orders for both aerospace & parts machining were on par with FY23 1Q.

(mil USD)

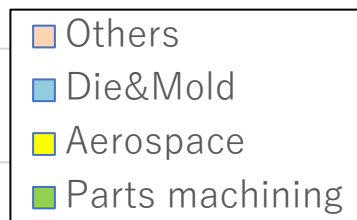


# European subsidiary Order

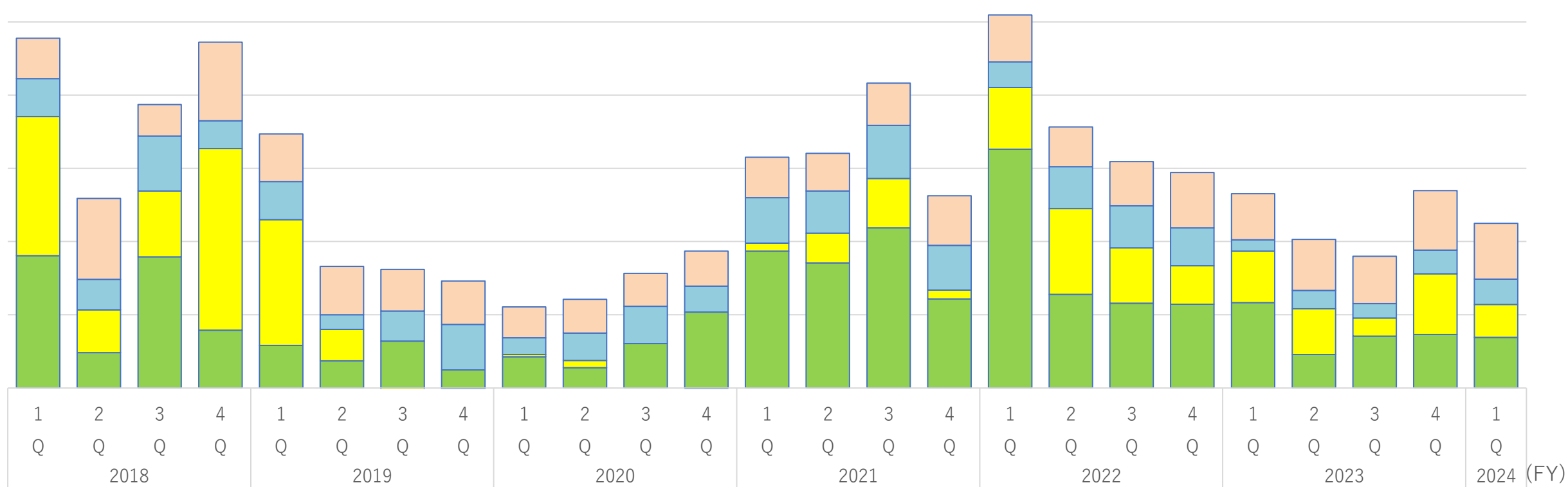


Orders decreased by 15% from FY23 1Q mainly for aerospace.

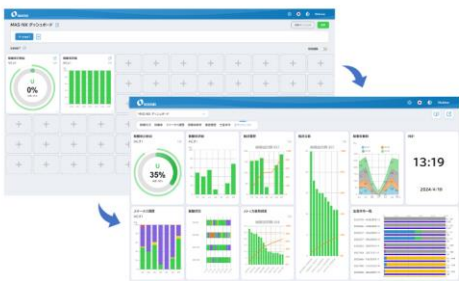
(mil EUR)



FY2024 plan	128
FY2024 1Q actual	19
	(mil EUR)



## Products to support automation

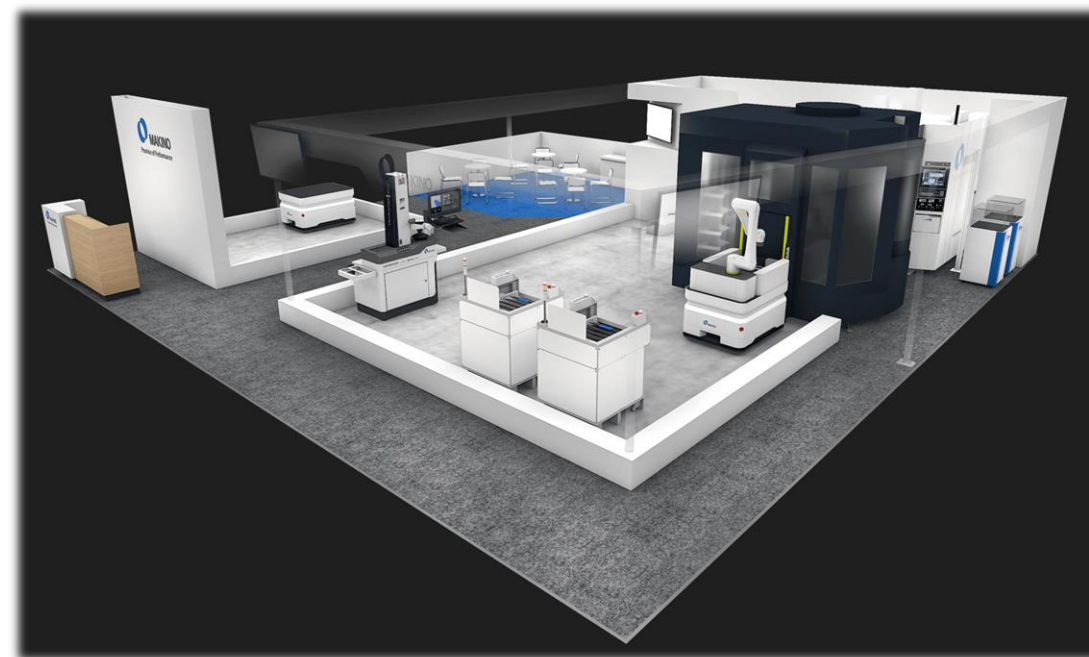


### Operational Software MAS-NX

Minimizing inefficiencies and maximizing machine productivity using digital technology

Dashboard function allows monitoring of necessary information when needed

# ROBOT TECHNOLOGY JAPAN 2024



### Machining Center DA series

High speed, high precision and high quality 5-axis vertical machining center

Automation Package meets a wide range of automation needs



### Pallet Pool System PZ series

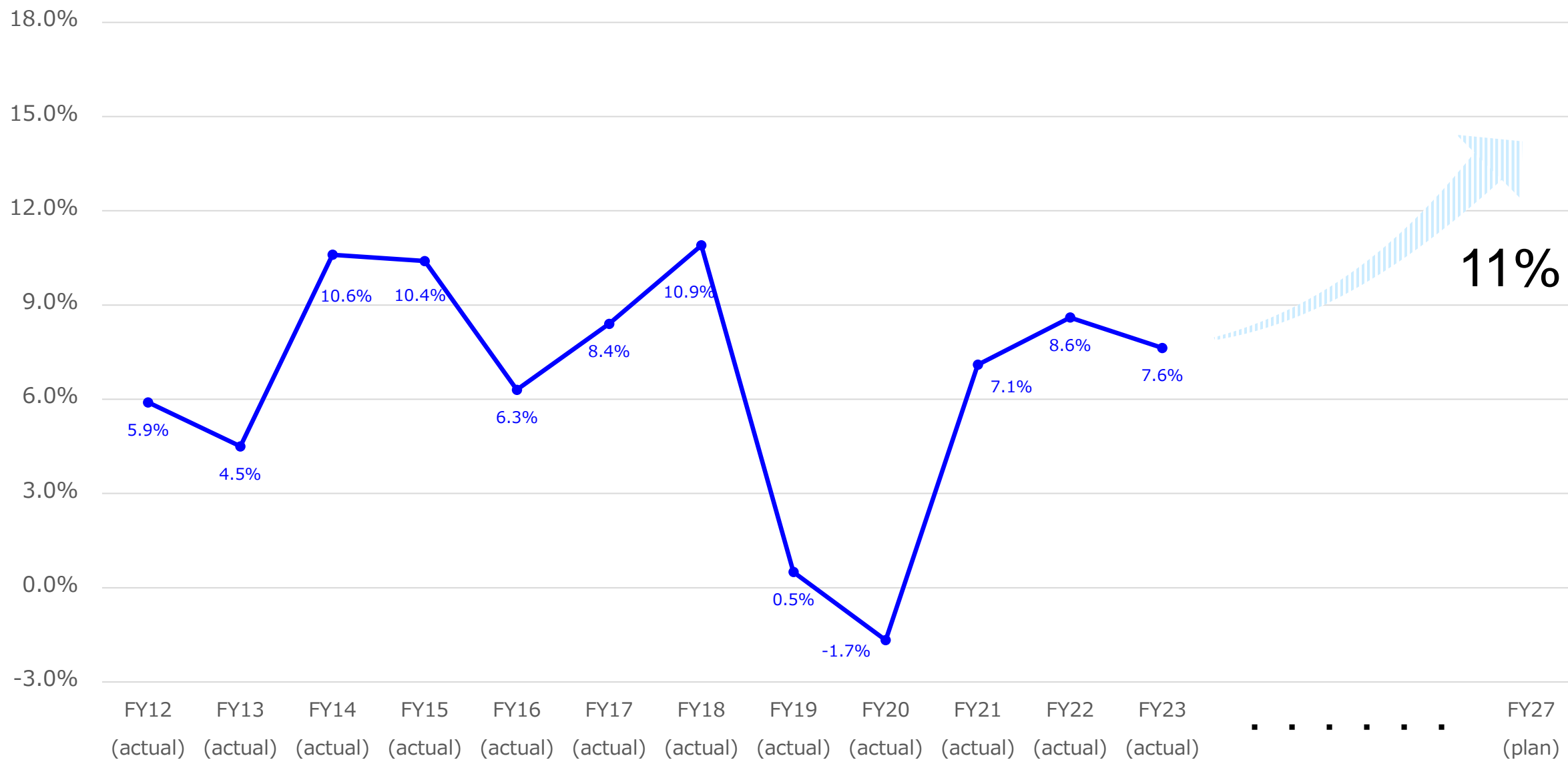
Strong support for automation together with operational software



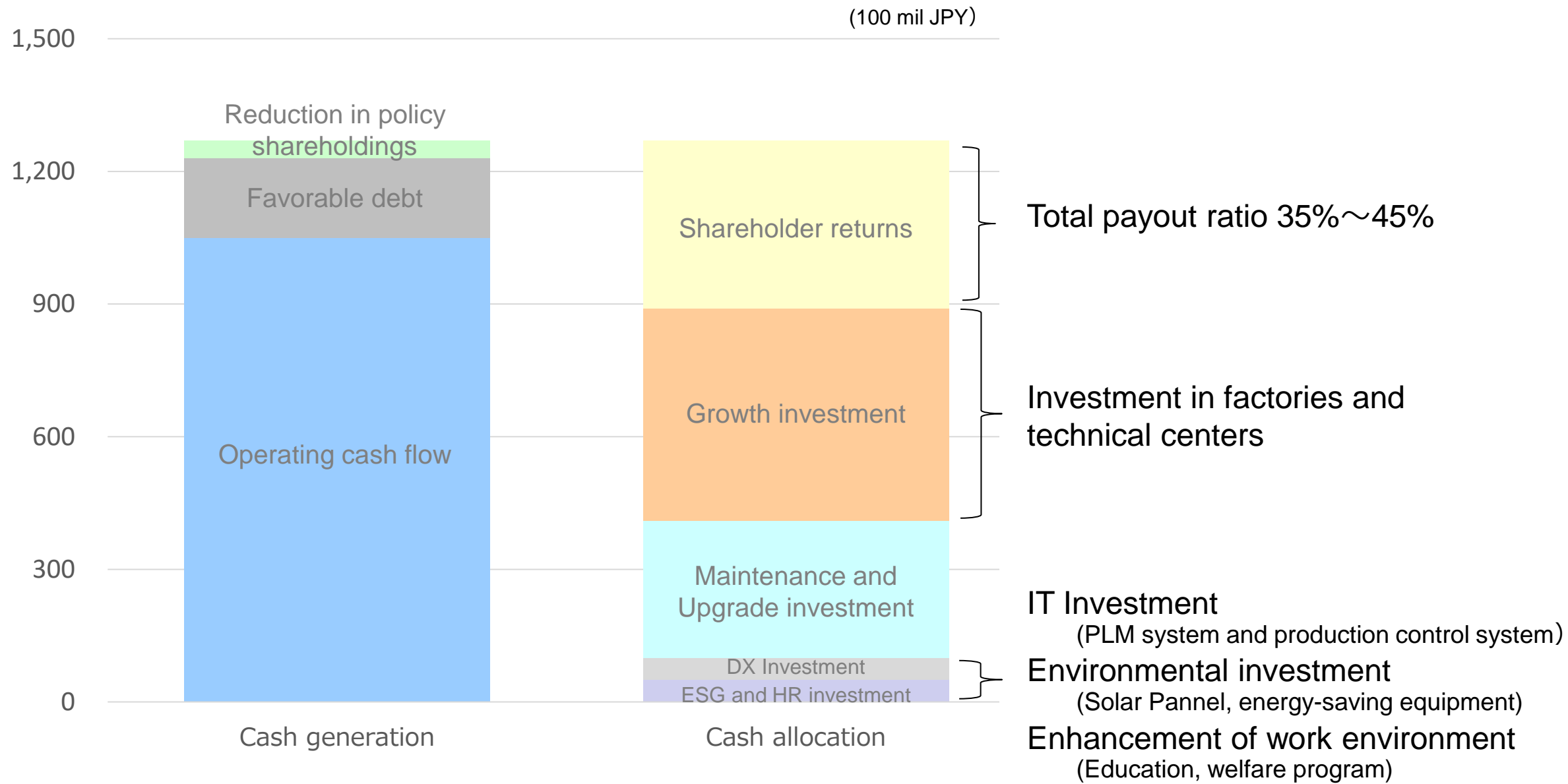
### ROBOT TECHNOLOGY JAPAN 2024 (July 4-6)

Proposal for automation system combining 5-axis vertical machining center and an AMR

# ROE (actual)








# Financial Plan (FY2023 - FY2027)



# Capital Investment Plan



Area	China / Kunshan	Mexico / Querétaro	Vietnam / Hanoi	Japan / Fujiyoshida	Japan • Asia
Scheduled completion	FY2025 1H	FY2025 1H	FY2025 2H	FY2025 1H	5 years
	(renovation)	(new construction)	(new construction)	(expansion)	(upgrade & new installation)
Investment details	Assembly plant Logistics Warehouse	Technical center	Unit / Peripheral assembly plant	Assembly plant Logistics Warehouse	Machining equipment
Purpose	Increased production of large machines Logistics improvement	Enhancement of sales, service and engineering	Cost Improvement	Increased production of large machines Logistics improvement	Manpower saving In-house production
Completion image					



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.

**parts machining**: 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.



# Consolidated Operating Results for 1Q FY24 (Comparison with the same period of last year)



Decline in sales narrowed, due to the continuation of JPY depreciation.

(Mil JPY)	1Q of FY2023 (From Apr.1, 2023 to Jun.30, 2023)	1Q of FY2024 (From Apr.1, 2024 to Jun.30, 2024)	Change (%)
Net sales	53,850	51,868	-1,982 (-3.7%)
Operating income	4,266 (7.9%)	2,959 (5.7%)	-1,307 (-30.6%)
Ordinary income	5,831 (10.8%)	3,817 (7.4%)	-2,013 (-34.5%)
Net income attributable to owners of the parent	4,595 (8.5%)	3,236 (6.2%)	-1,358 (-29.6%)
Exchange rate, against USD	137.37	155.88	
Exchange rate, against EUR	149.47	167.88	
Exchange rate, against SGD	102.54	115.21	

# Segments

2024/7/31



No.17

(Mil JPY)

	Japan	Asia	America	Europe	Others	Consolidated
1Q of FY2024						
Net sales	7,482	22,800	16,662	4,401	521	51,868
Ratio	14.4%	43.9%	32.1%	8.4%	1.0%	
1Q of FY2023						
Net sales	9,523	20,948	18,120	4,292	966	53,850
Ratio	17.6%	38.9%	33.6%	7.9%	1.7%	
1Q of FY2022						
Net sales	8,514	21,779	12,831	2,990	365	46,481
Ratio	18.3%	46.8%	27.6%	6.4%	0.7%	

# Sales amount by Destination



The sales ratio to Japan, America decreased and to Asia increased.

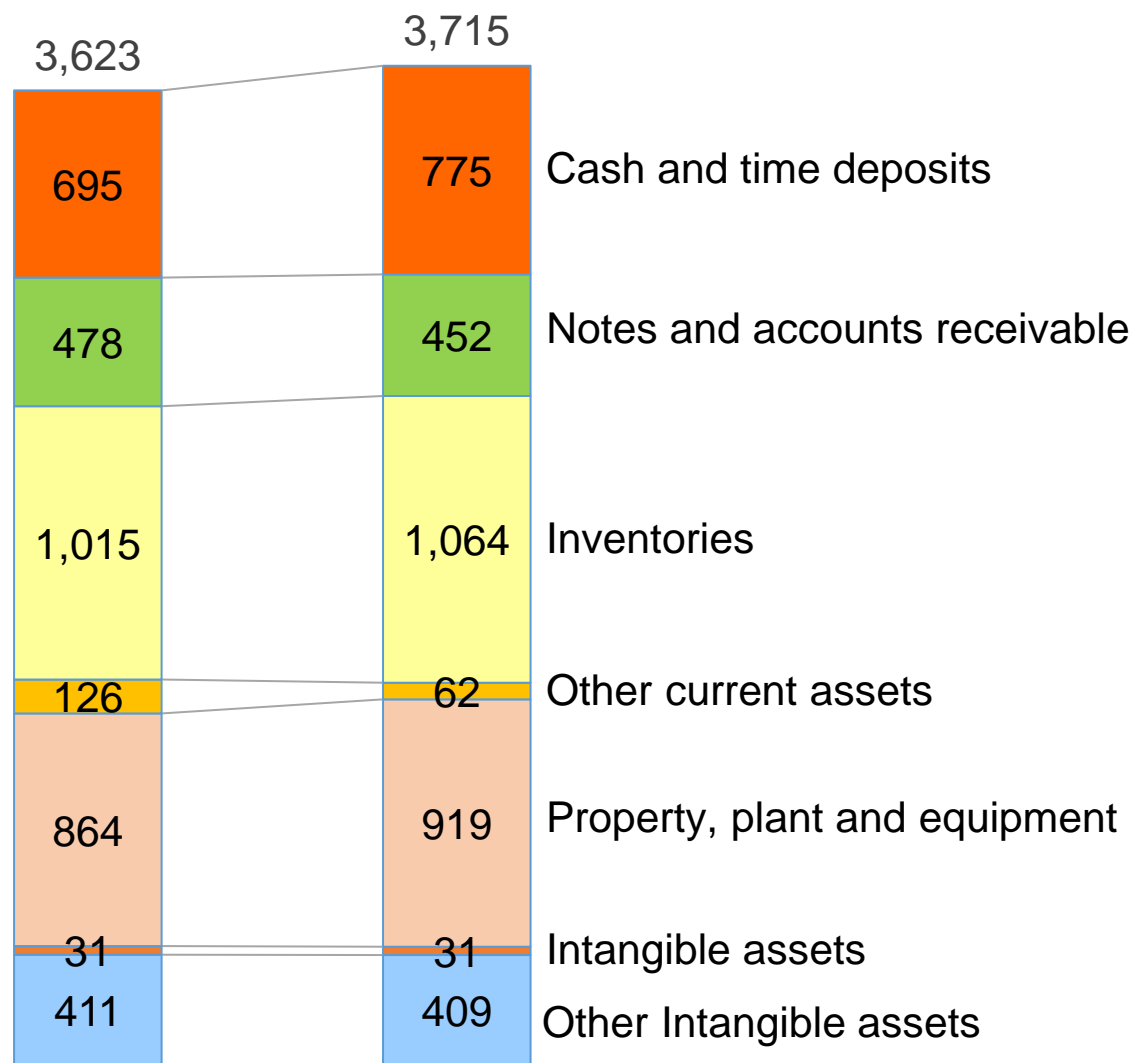
(Mil JPY)

1Q of FY2024	Japan	Asia	America	Europe	Others	Consolidated
Net sales	7,482	22,800	16,662	4,401	521	51,868
Ratio	14.4%	43.9%	32.1%	8.4%	1.0%	
1Q of FY2023	Japan	Asia	America	Europe	Others	Consolidated
Net sales	9,523	20,948	18,120	4,292	966	53,850
Ratio	17.6%	38.9%	33.6%	7.9%	1.7%	
1Q of FY2022	Japan	Asia	America	Europe	Others	Consolidated
Net sales	8,514	21,779	12,831	2,990	365	46,481
Ratio	18.3%	46.8%	27.6%	6.4%	0.7%	

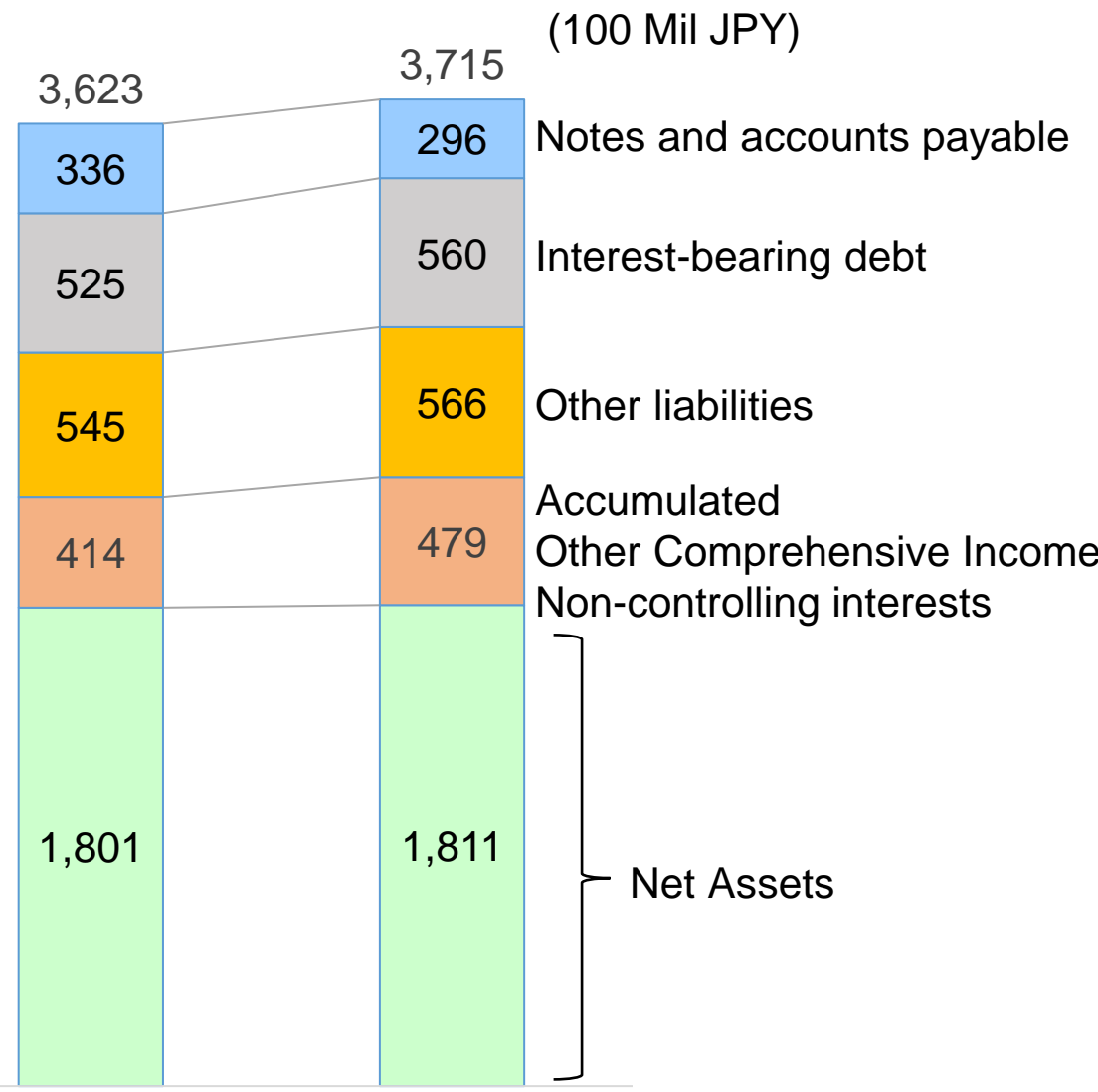
# Balance Sheet Summary



## Assets



## Liabilities and net assets



End of FY2023    End of 1Q FY2024

End of FY2023    End of 1Q FY2024

# Consolidated Statements of Cash Flow

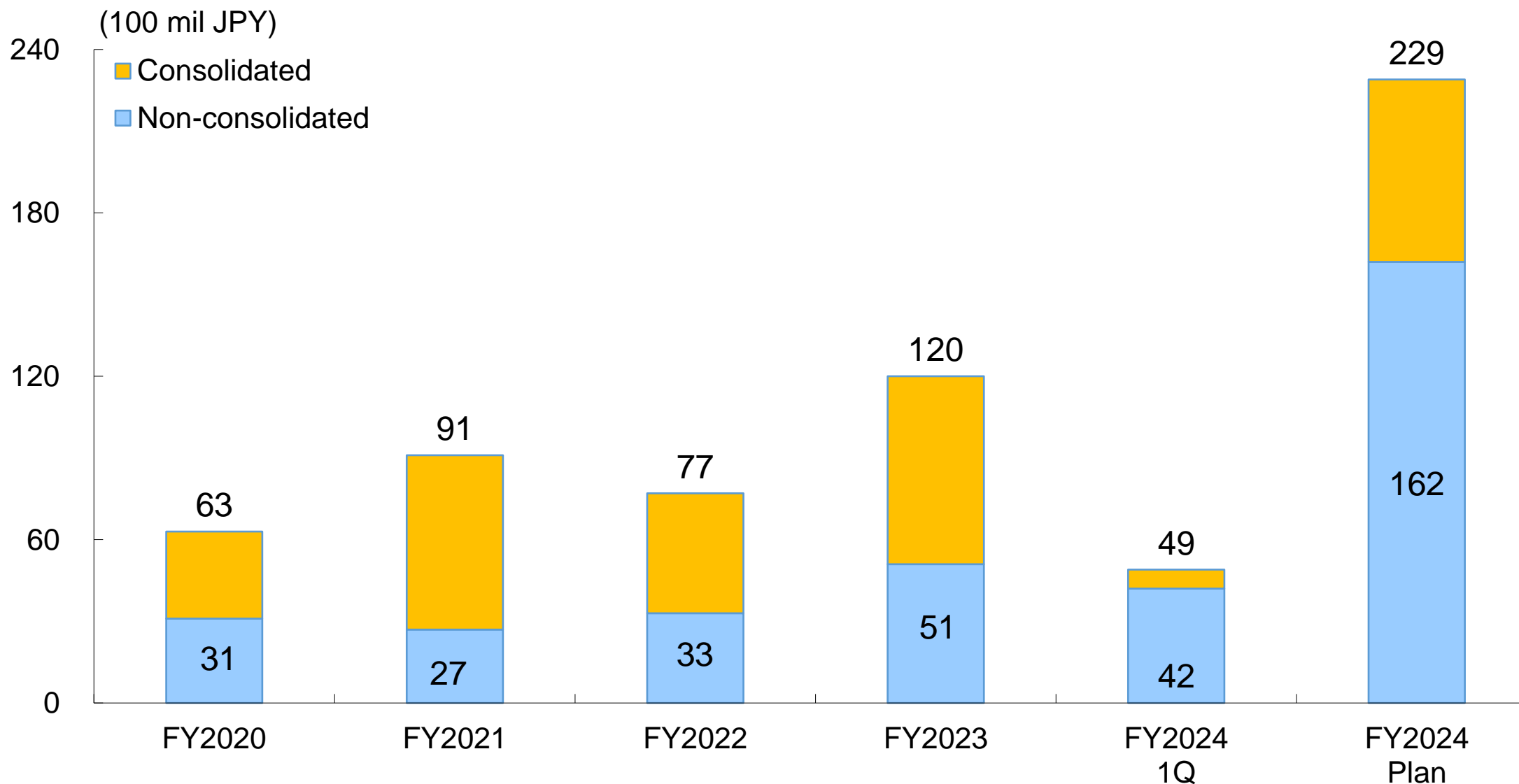
Large capital investments in Japan are progressing this fiscal year.  
(Mil JPY)

Item	1Q of FY2023 (From Apr.1, 2023 to Jun.30, 2023)	1Q of FY2024 (From Apr.1, 2024 to Jun.30, 2024)
<b>I. Cash flows from operating activities:</b>		
Income (loss) before income taxes	5,829	4,065
Depreciation and amortization	1,931	2,022
Increase (decrease) in notes and accounts receivable,	7,082	4,832
(Increase) decrease in inventories	-2,805	-873
(Increase) decrease in notes and accounts payable, trade	-6,155	-5,582
Other, net	658	2,521
<b>Cash flows from operating activities</b>	<b>6,541</b>	<b>6,986</b>
<b>II. Cash flows from investing activities:</b>		
Net decrease (Increase) in time deposits	-	-400
Purchase of property, plant and equipment	-2,480	-5,130
Proceeds from sales of property, plant and equipment	74	225
Sales of investment securities	-	241
Other, net	-333	-321
<b>Cash flows from investing activities</b>	<b>-2,739</b>	<b>-5,385</b>
<b>III. Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable, net	0	3,184
Repayment of finance-lease obligations	-262	-336
Payment for purchases of treasury stock	-0	-306
Payment for purchases of treasury stock of subsidiaries	-100	-25
Dividends paid by the parent company	-1,862	-1,860
Dividends paid to minority shareholders	-15	-4
<b>Cash flows from financing activities</b>	<b>-2,240</b>	<b>651</b>
<b>IV. Effect of exchange rate changes on cash and cash</b>	<b>2,156</b>	<b>2,288</b>
<b>V. Net increase (decrease) in cash and cash equivalents</b>	<b>3,719</b>	<b>4,541</b>
<b>VI. Cash and cash equivalents, beginning of period</b>	<b>69,467</b>	<b>72,578</b>
<b>VII. Cash and cash equivalents, end of period</b>	<b>73,186</b>	<b>77,119</b>

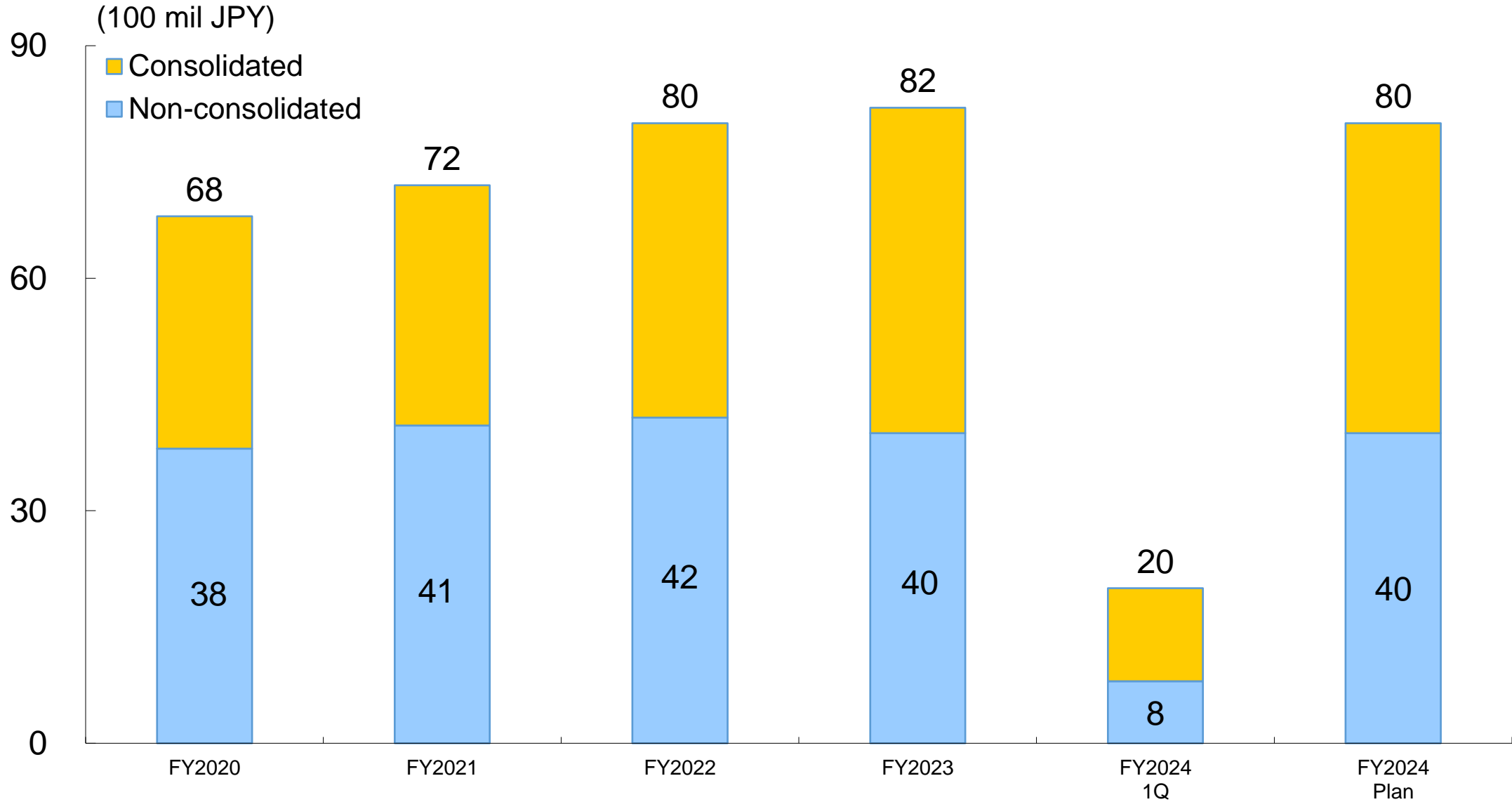
# Capital Investment



FY24 capital investment plan is 22.9 billion yen, mainly in Japan.



# Depreciation

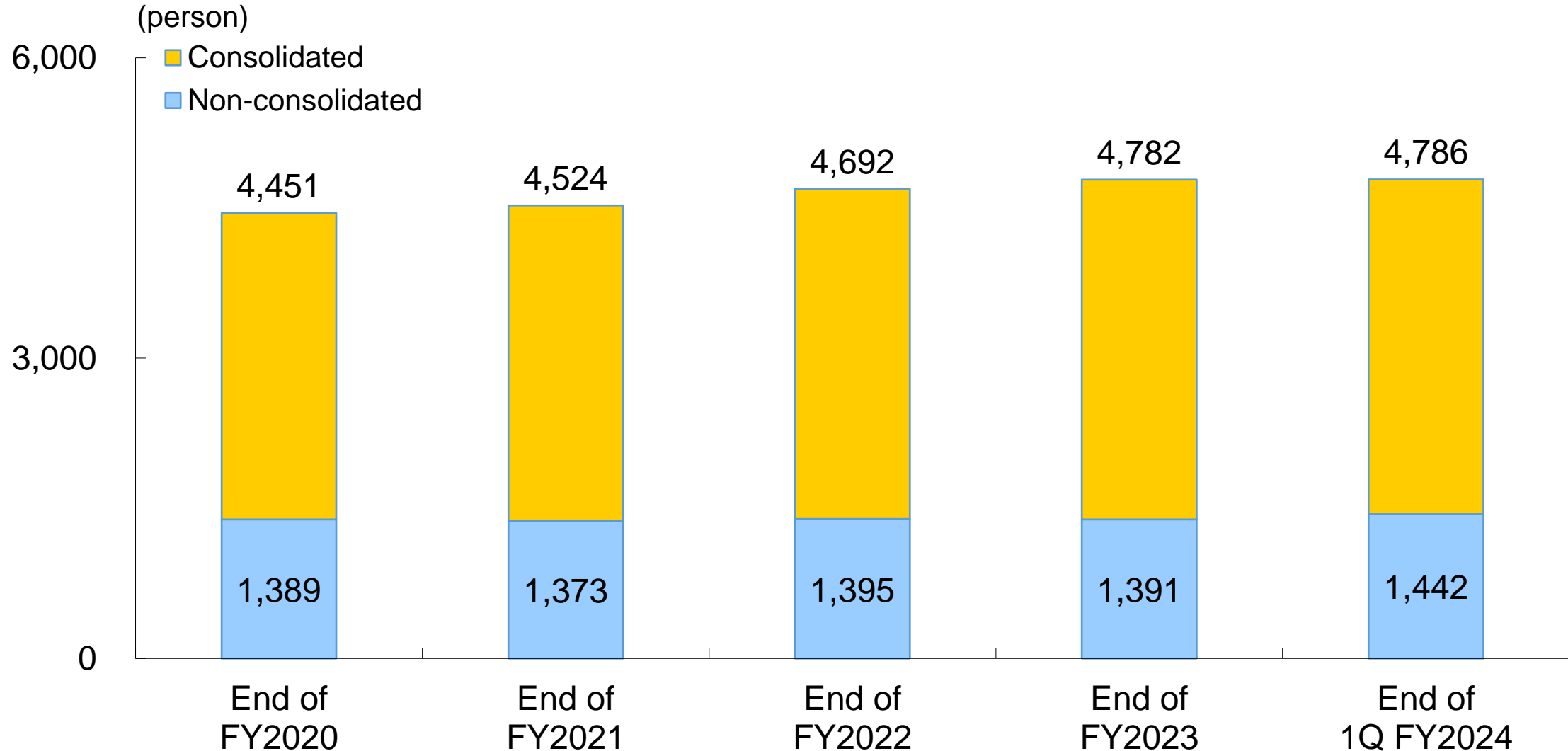




# Headcount



The headcount increased by 4 since the end of FY23.



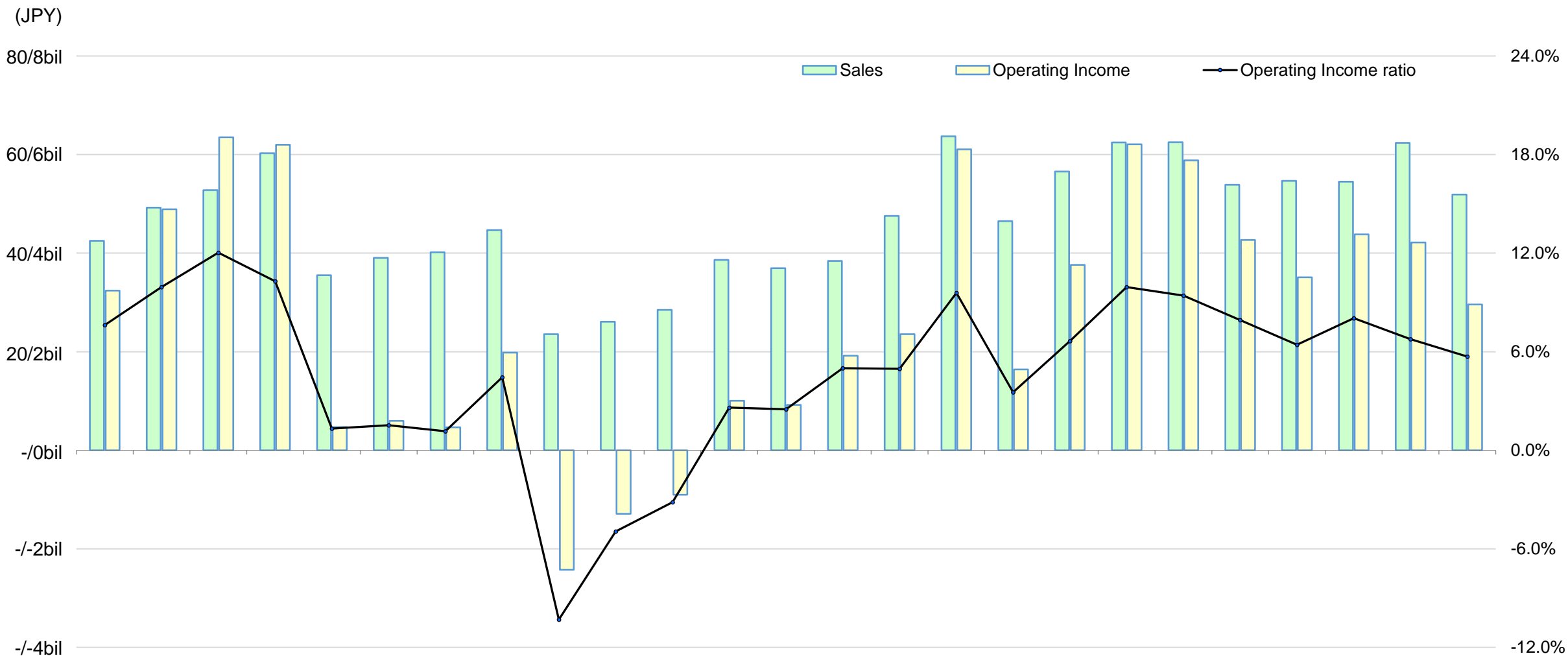
# Forecast of Consolidated Operating Results



(Mil JPY)	Actual of 1Q FY2024 (From Apr.1, 2024 to Jun.30. 2024)	Forecast of 1H FY2024 (From Apr.1, 2024 to Sep.30. 2024)	Forecast of FY2024 (From Apr.1, 2024 to Mar.31. 2025)
Net sales	51,868	101,500	222,000
Operating income	2,959 (5.7%)	5,200 (5.1%)	15,500 (7.0%)
Ordinary income	3,817 (7.4%)	5,700 (5.6%)	16,500 (7.4%)
Net income attributable to owners of the parent	3,236 (6.2%)	4,800 (4.7%)	13,500 (6.1%)
Exchange rate, against USD	155.88	145.00	145.00
Exchange rate, against EUR	167.88	155.00	155.00
Exchange rate, against SGD	115.21	107.00	107.00

# Reference Materials

# 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	1Q of FY2022	2Q of FY2022	3Q of FY2022	4Q of FY2022	1Q of FY2023	2Q of FY2023	3Q of FY2023	4Q of FY2023	1Q of FY2024
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	129.57	133.97	136.51	135.47	137.37	141.00	143.29	144.62	155.88
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	138.12	138.73	140.59	140.97	149.47	153.39	155.29	156.80	167.88
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	94.09	96.55	98.36	98.62	102.54	104.85	106.42	107.52	115.21

# The Influences on Sales and Operating income by exchange rate fluctuation

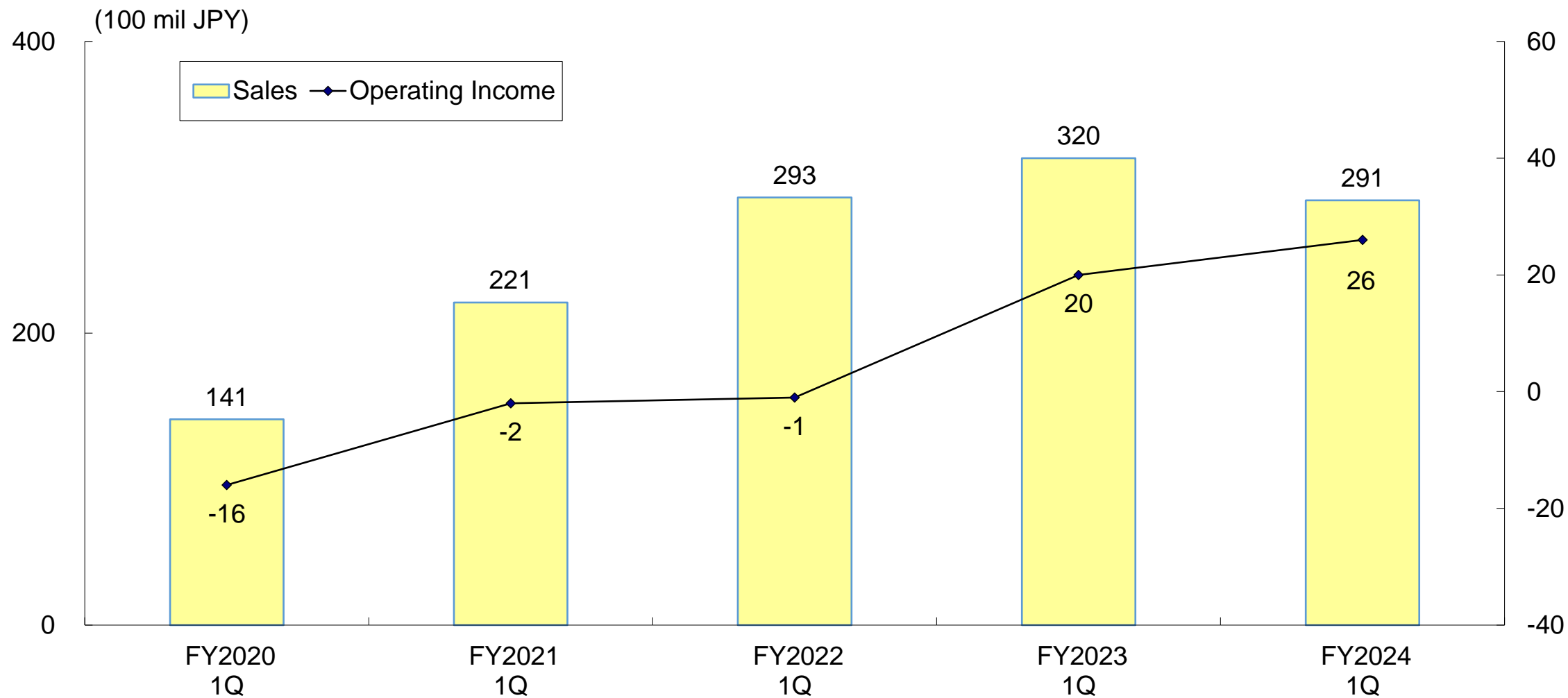


Comparison with the same period of last year

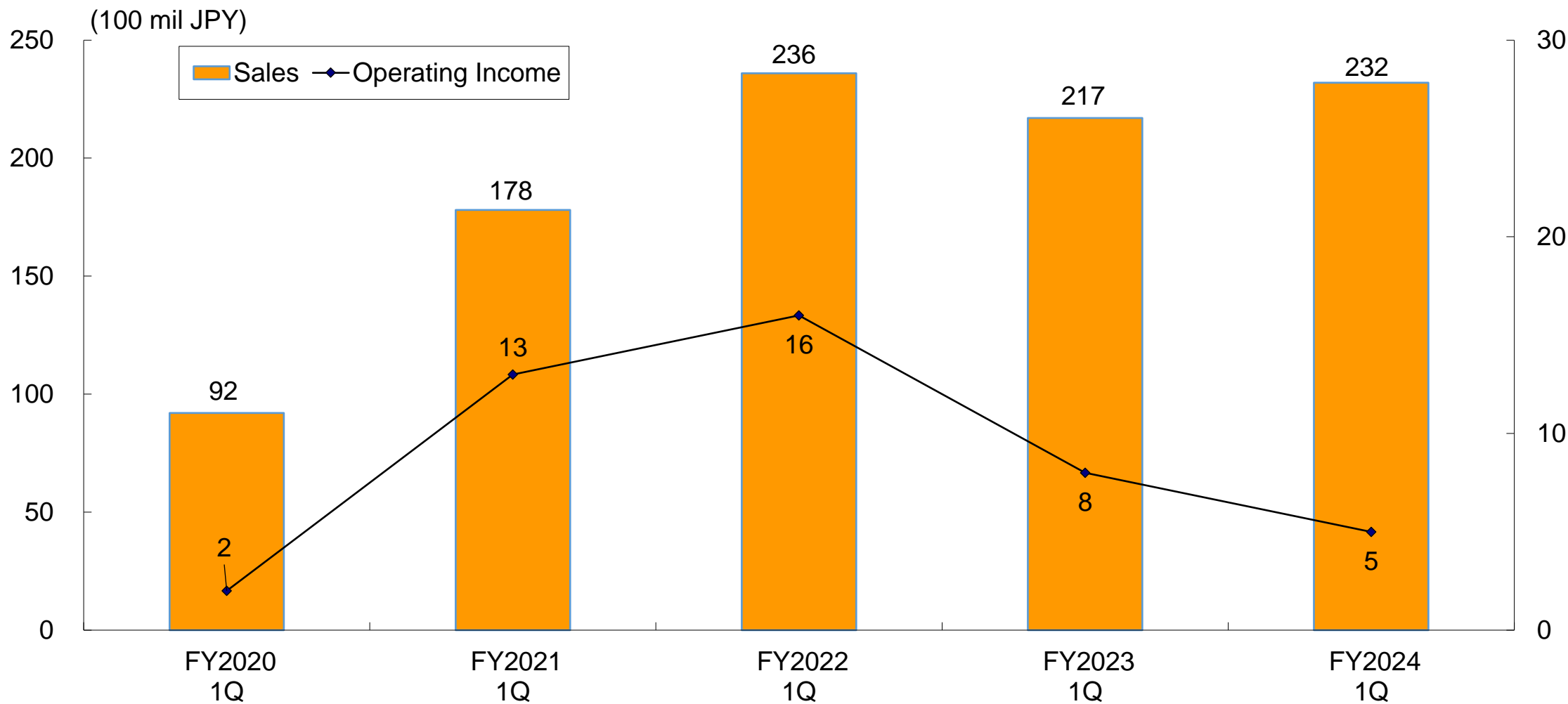
(mil JPY)

	1Q of FY2024			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 106M	155.88	(137.37)	1,957	247
EUR	EUR 26M	167.88	(149.47)	480	50
SGD	SGD 186M	115.21	(102.54)	2,359	62
			<b>Total</b>	<b>4,796</b>	<b>359</b>

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

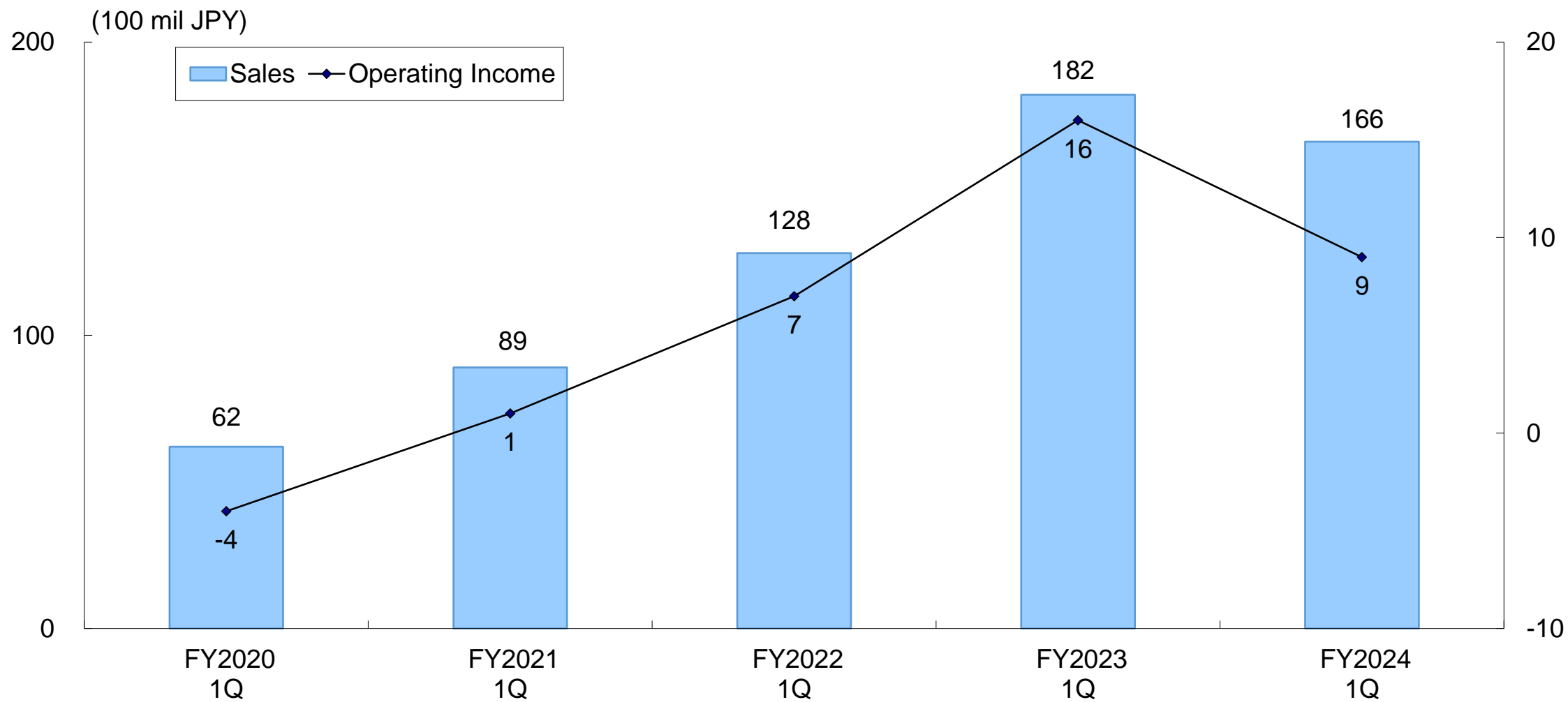


# Net Sales and Operating Income (by Segment II / Asia)

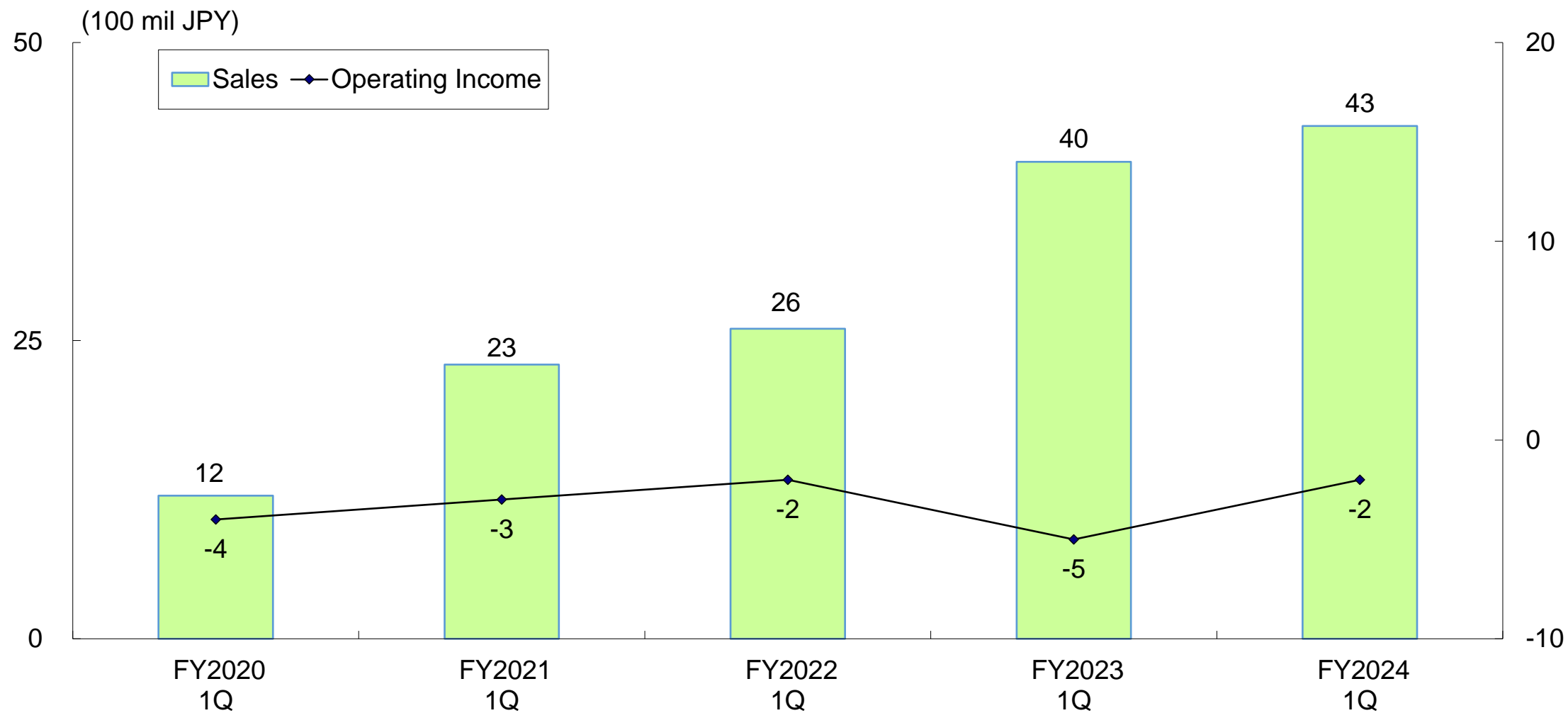




# Net Sales and Operating Income (by Segment III / America)

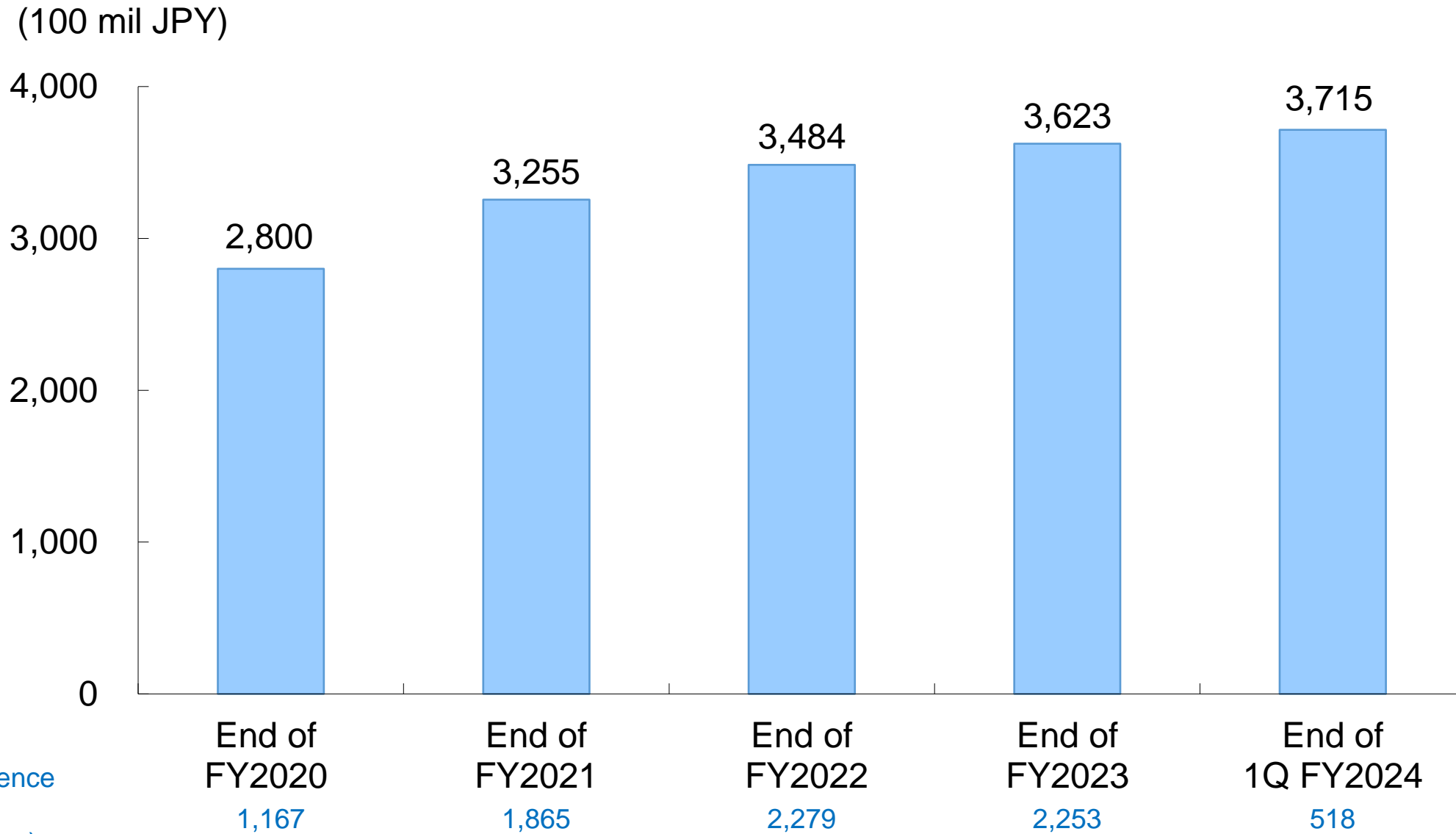


# Net Sales and Operating Income (by Segment IV / Europe)



# Changes in Major Items in Consolidated Balance Sheets

## - Total assets -



\*For reference  
Net Sales  
(100 mil yen)

End of  
FY2020  
1,167

End of  
FY2021  
1,865

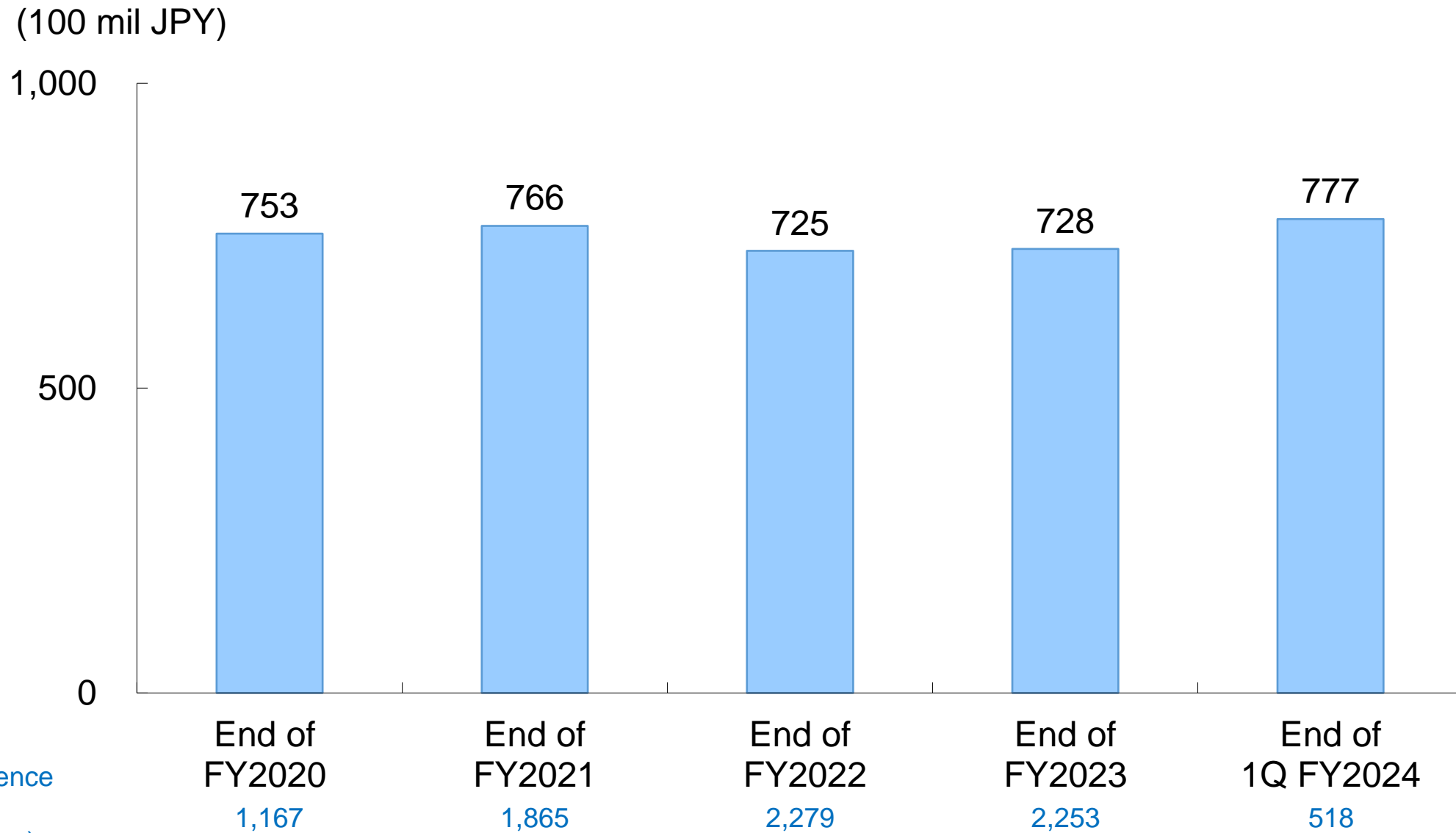
End of  
FY2022  
2,279

End of  
FY2023  
2,253

End of  
1Q FY2024  
518

# Changes in Major Items in Consolidated Balance Sheets

## - Cash and time deposits + securities -



\*For reference  
Net Sales  
(100 mil yen)

End of  
FY2020  
1,167

End of  
FY2021  
1,865

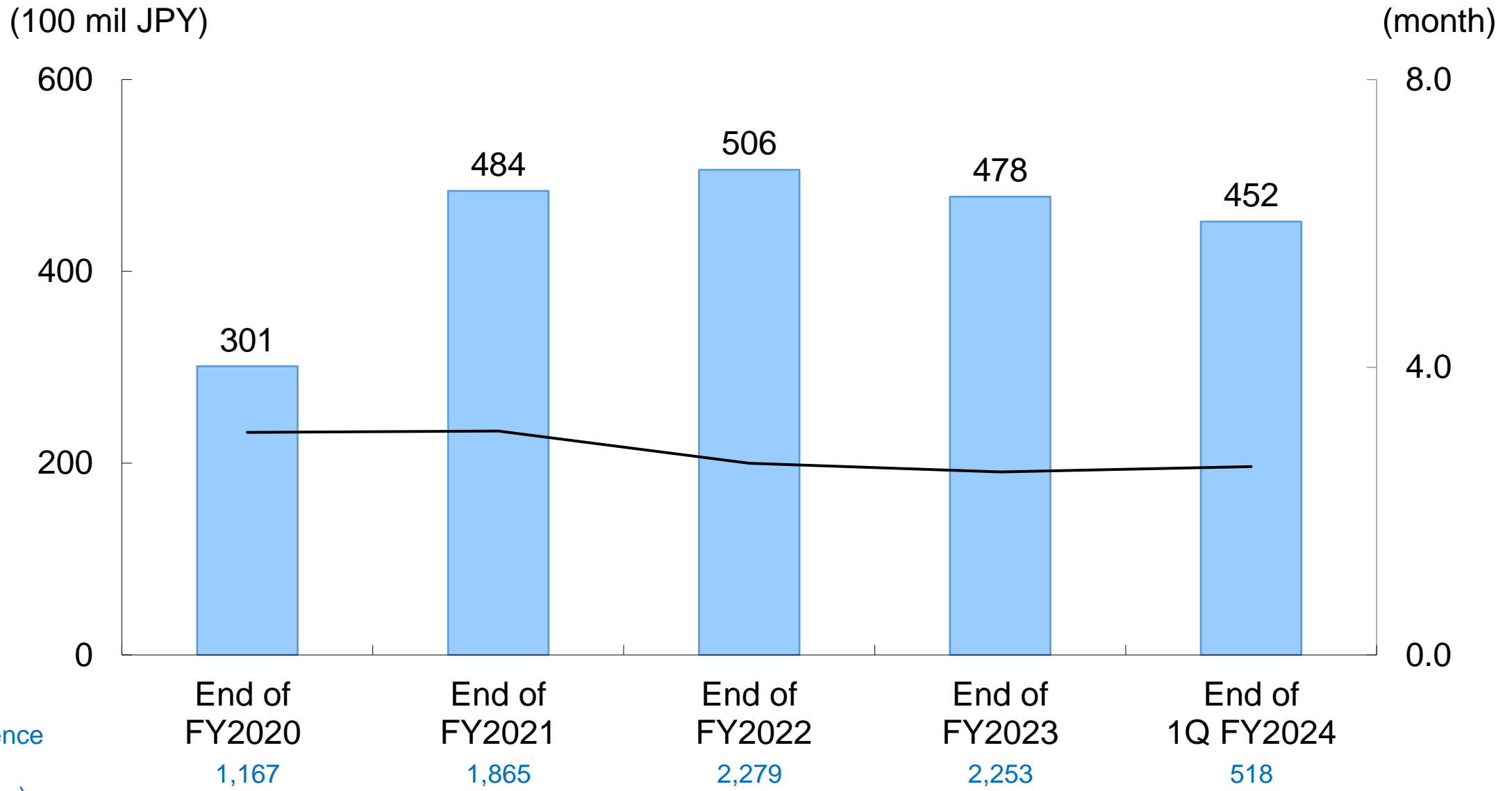
End of  
FY2022  
2,279

End of  
FY2023  
2,253

End of  
1Q FY2024  
518

# Changes in Major Items in Consolidated Balance Sheets

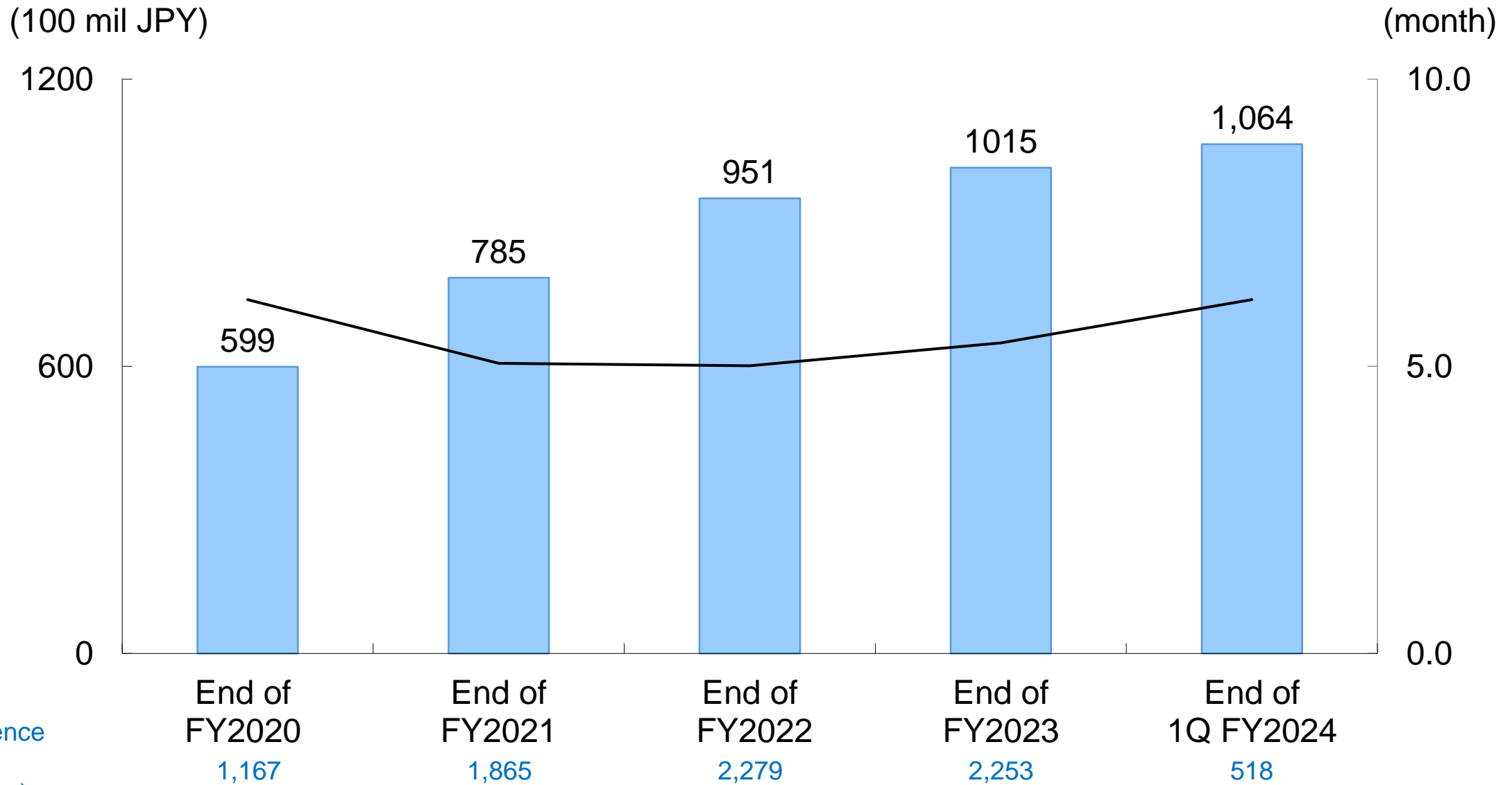
- Notes and accounts receivable, trade(left) / Turnover(right)



\*For reference  
Net Sales  
(100 mil yen)

# Changes in Major Items in Consolidated Balance Sheets

## - Inventories(left) / Turnover(right)



\*For reference  
Net Sales  
(100 mil yen)

End of  
FY2020  
1,167

End of  
FY2021  
1,865

End of  
FY2022  
2,279

End of  
FY2023  
2,253

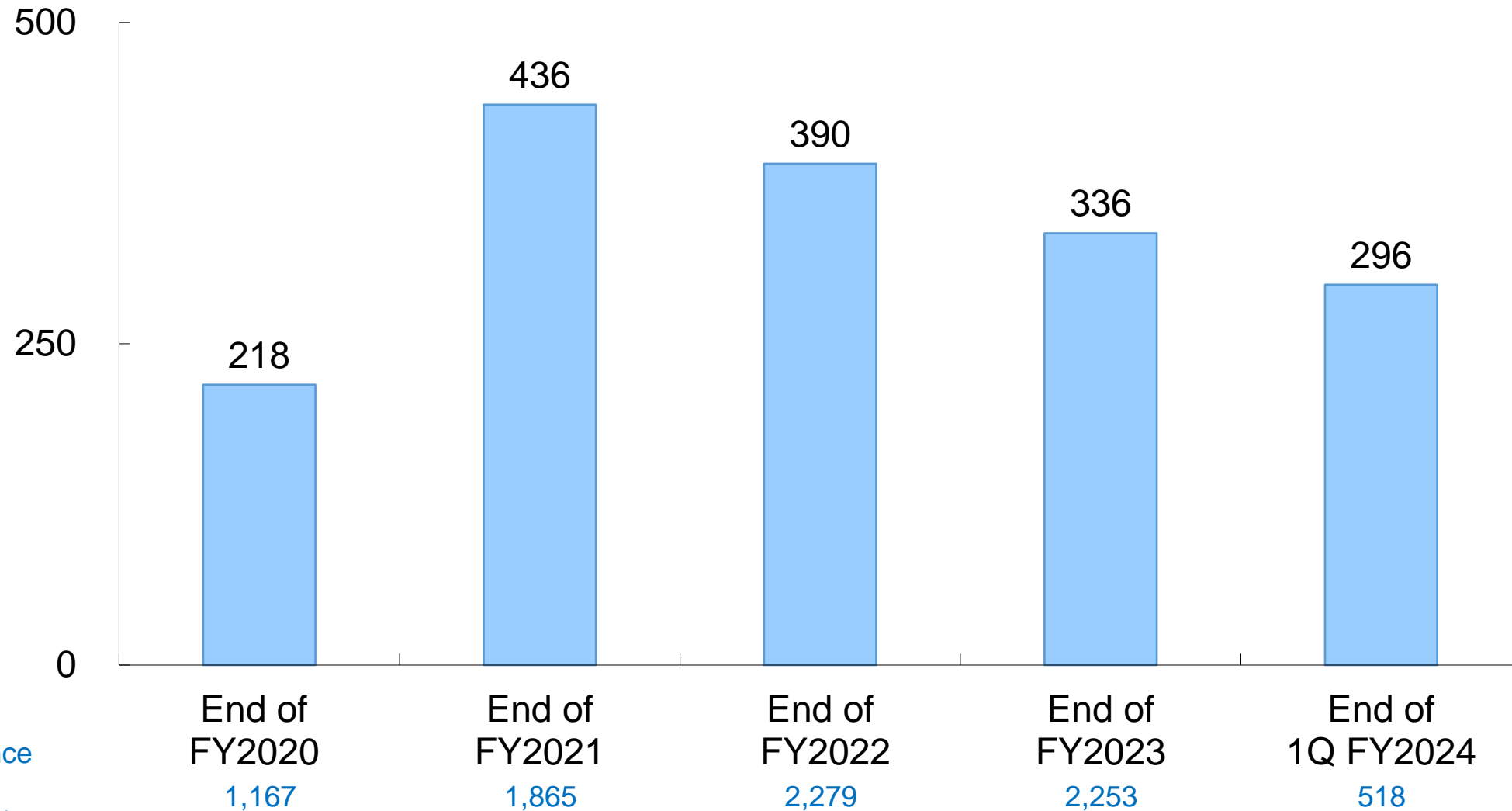
End of  
1Q FY2024  
518

# Changes in Major Items in Consolidated Balance Sheets

## - Notes and accounts payable, trade -



(100 mil JPY)



\*For reference  
Net Sales  
(100 mil yen)

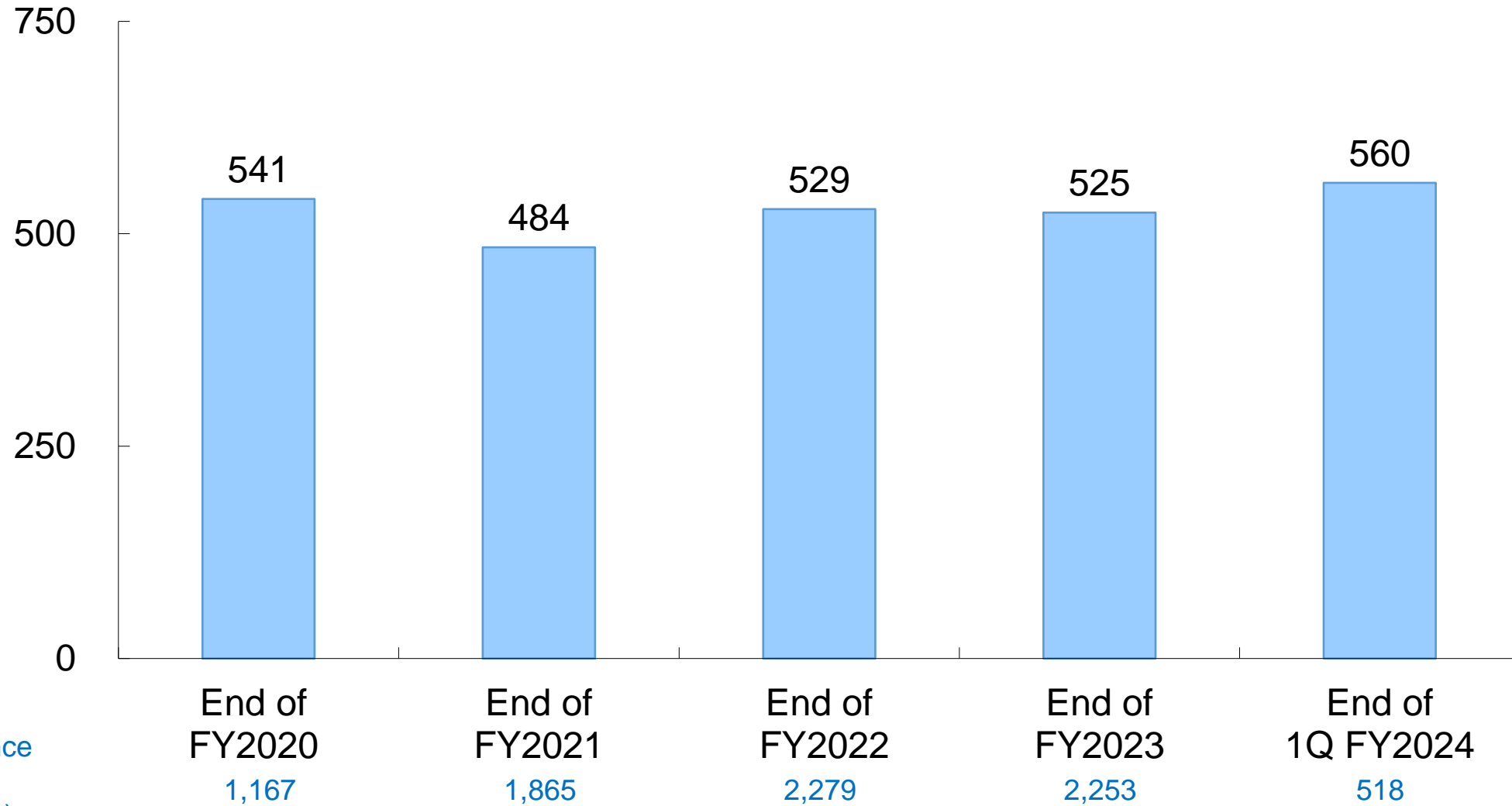


# Changes in Major Items in Consolidated Balance Sheets

## - Interest-bearing debt -



(100 mil JPY)



\*For reference  
Net Sales  
(100 mil yen)

End of  
FY2020  
1,167

End of  
FY2021  
1,865

End of  
FY2022  
2,279

End of  
FY2023  
2,253

End of  
1Q FY2024  
518



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.