Promise of Performance™

Explanatory Material of Group Company for the First Quarter of the Fiscal Year Ending March 31, 2026

Makino Milling Machine Co., Ltd.

July 31, 2025

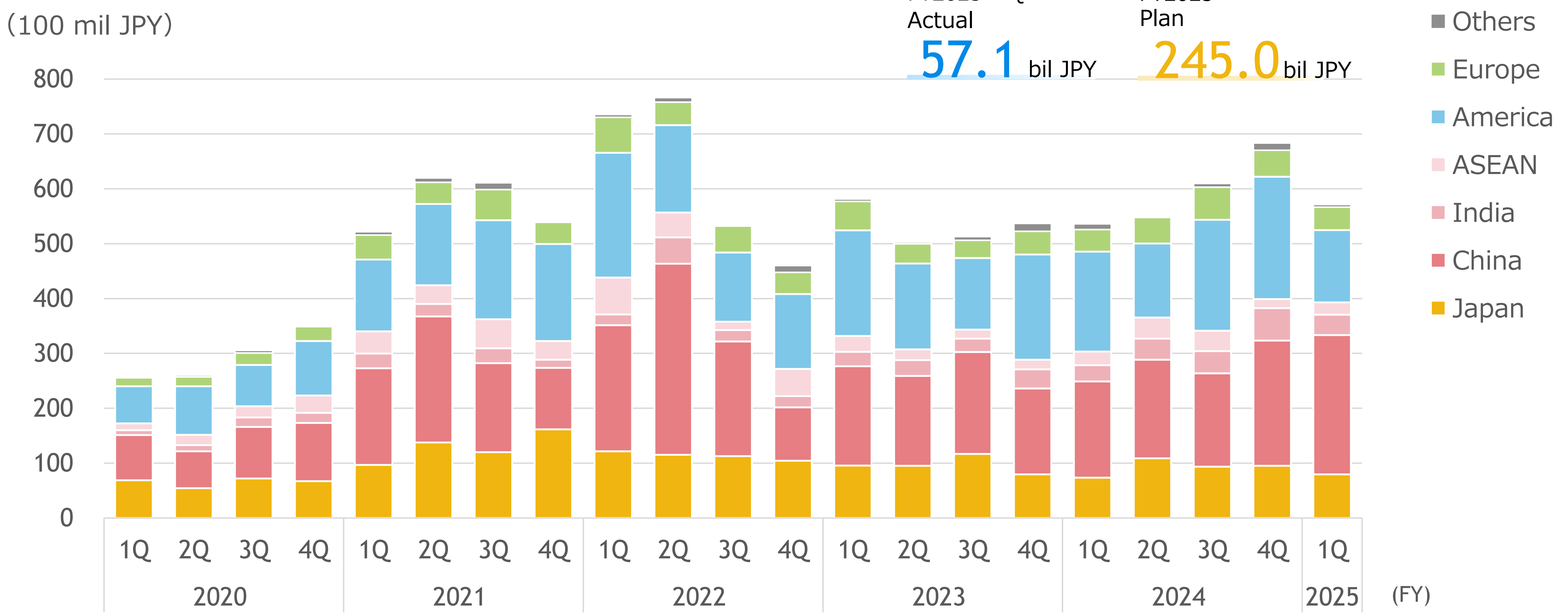
Orders

Order by Destination (consolidated)

Orders increased by 6.6% from FY2024 1Q mainly for China.

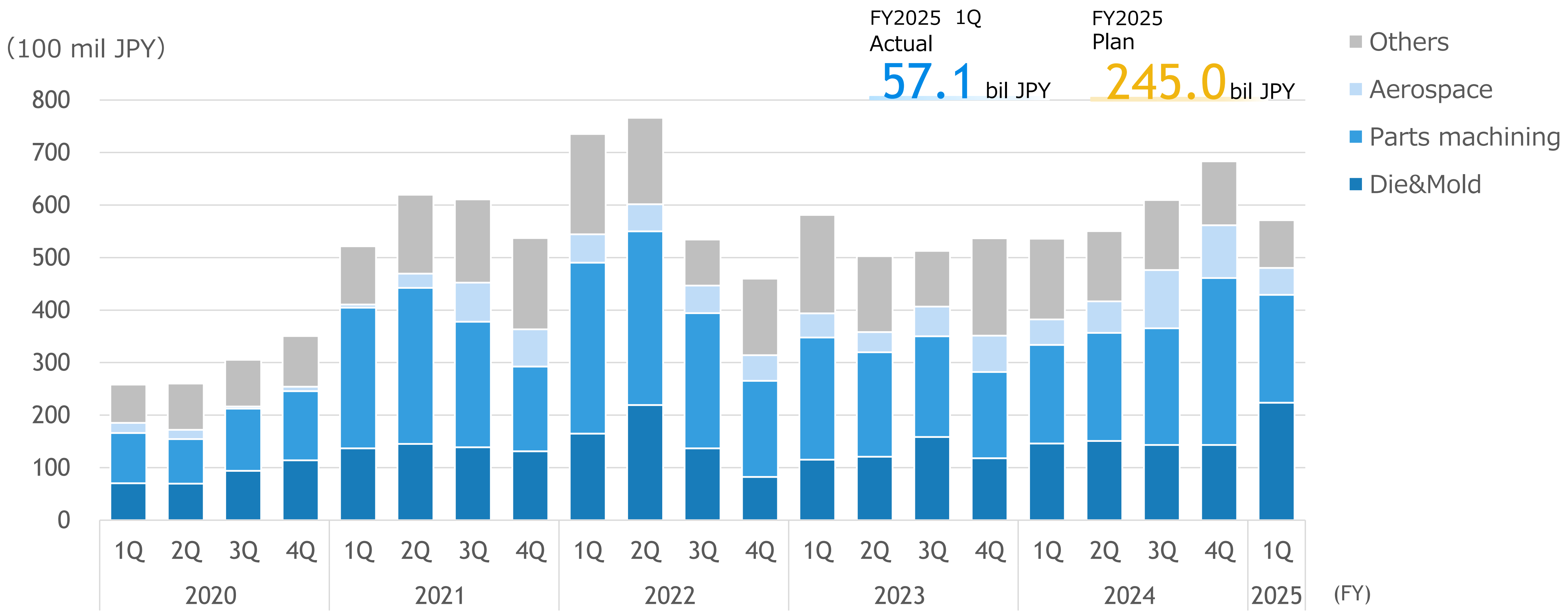
FY2025 1Q Actual
57.1 bil JPY

FY2025 Plan
245.0 bil JPY



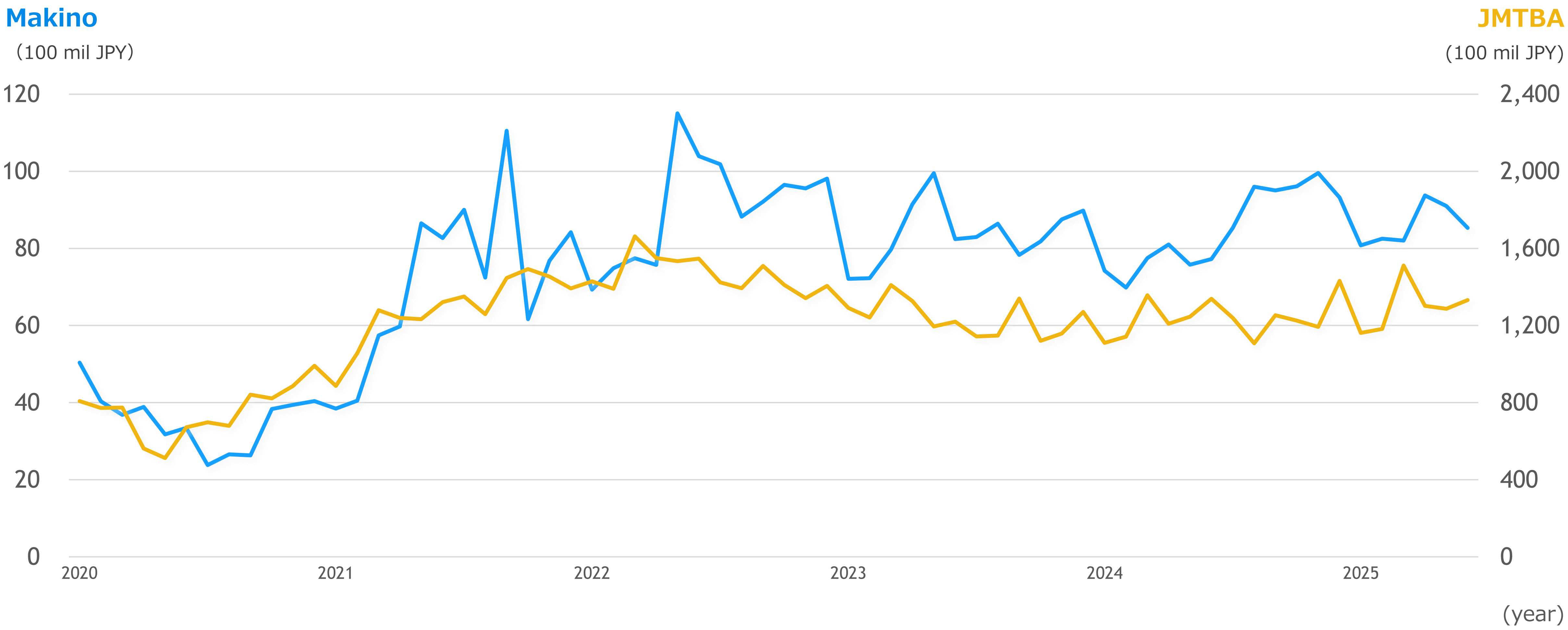
Order by Industry (consolidated)

Orders for Die and Mold increased significantly from FY2024 1Q.



JMTBA・Makino Order (non-consolidated)

Makino's share in 1Q was 6.9%.



Source: Japan Machine Tool Builders' Association

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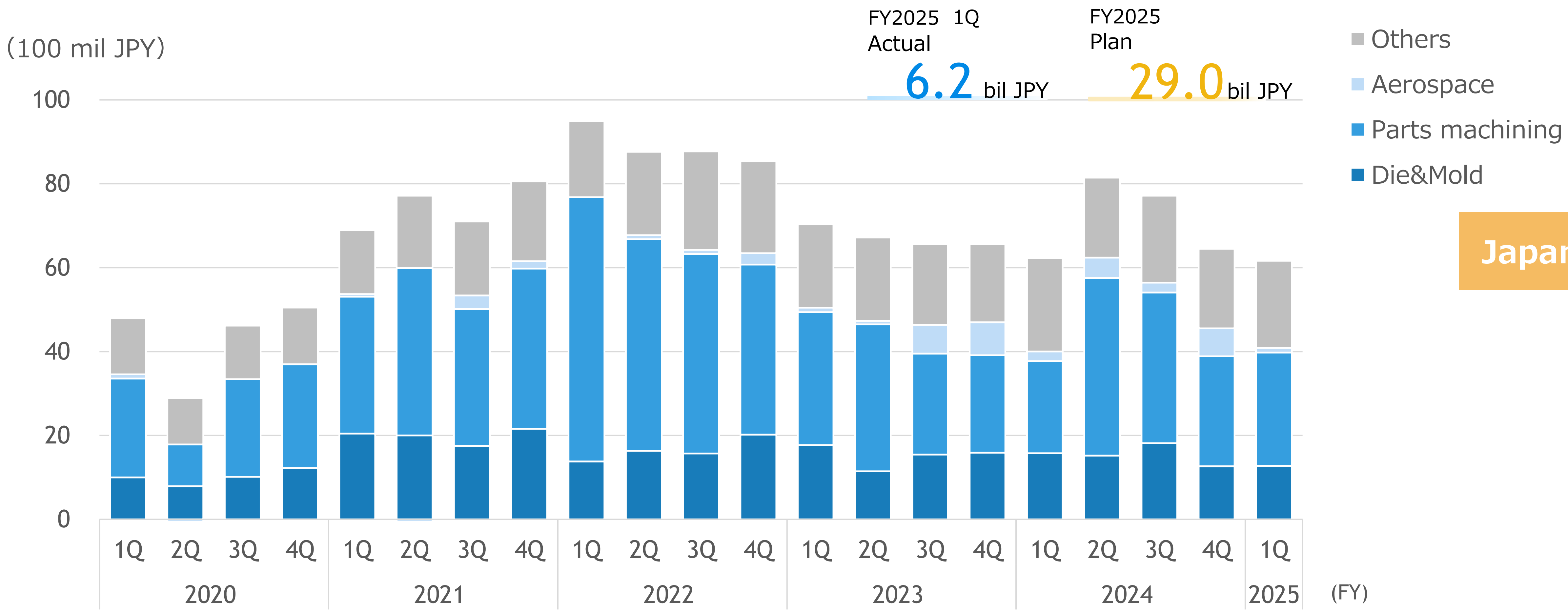
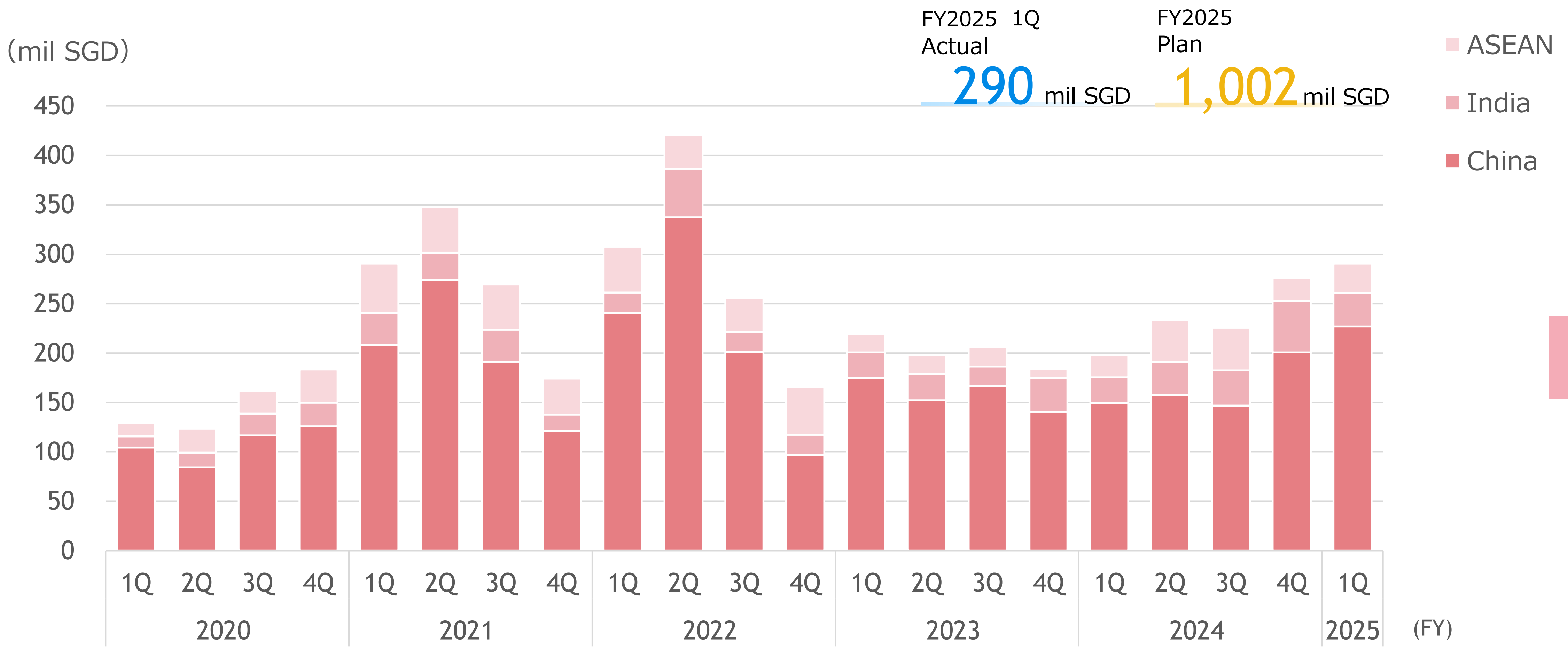
Orders for parts machining remained steady mainly for general machinery.



Japan

Asian subsidiary Order by area

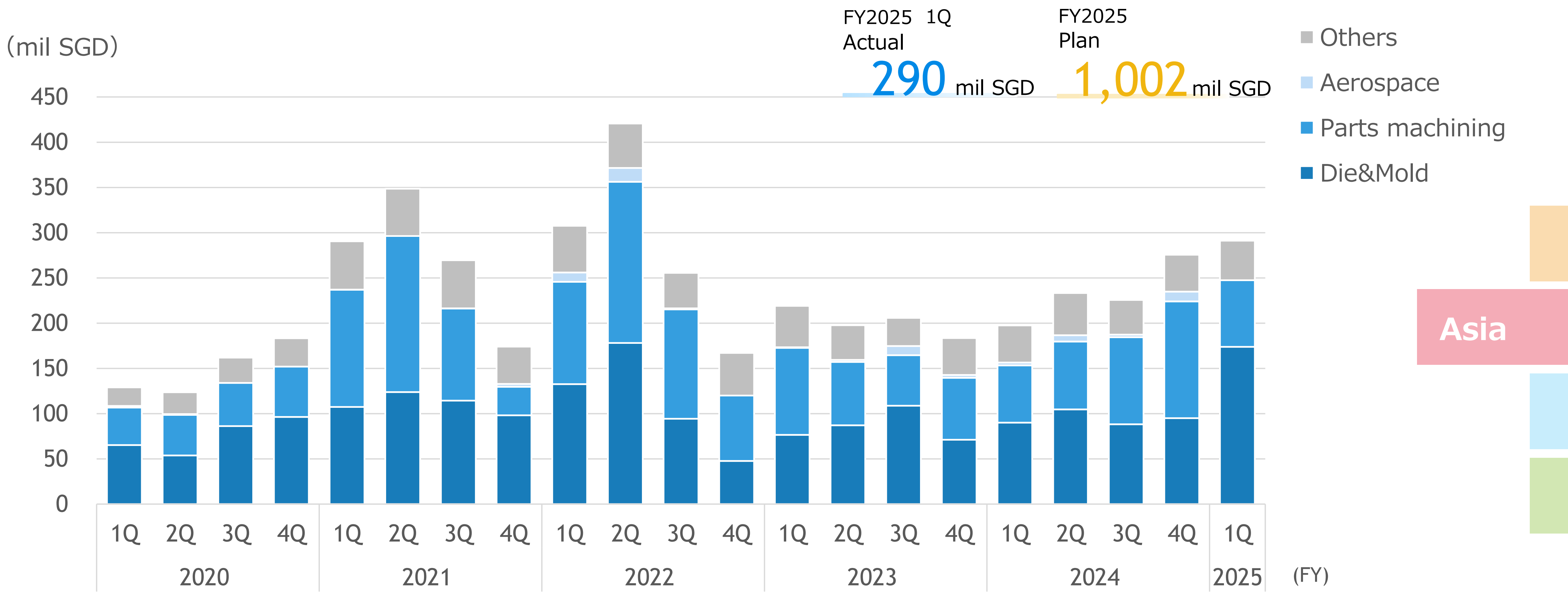
Orders increased from FY2024 1Q in all region.



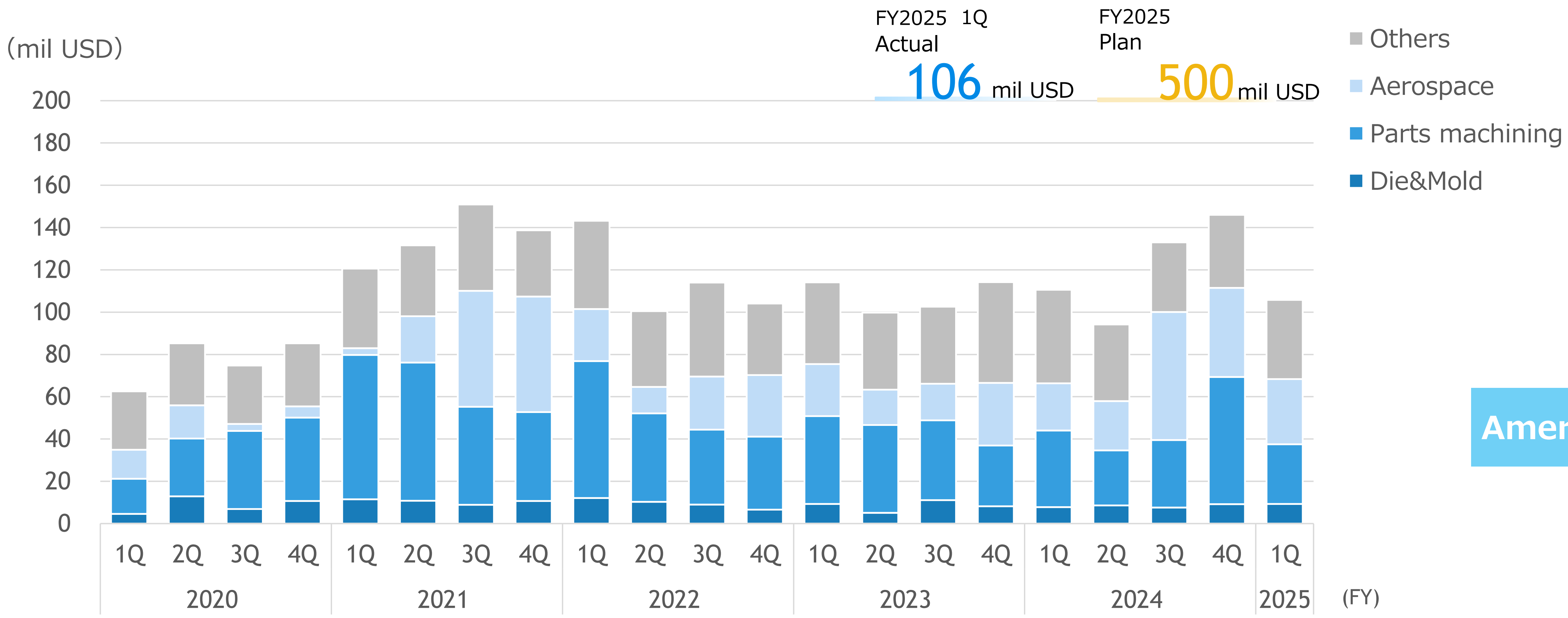
Asia

Asian subsidiary Order by industry

Die and Mold increased mainly for automotive and electric/electronic parts.



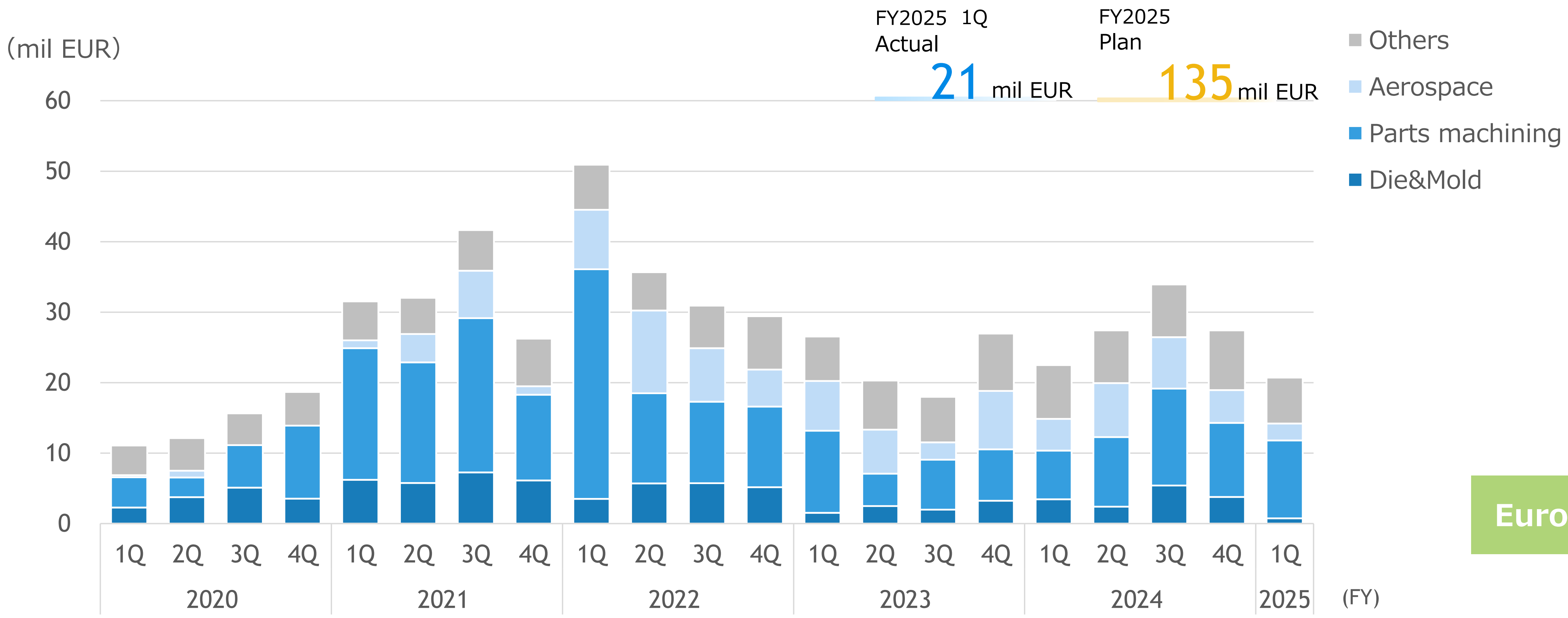
Strong orders continued for aerospace.



America

European subsidiary Order

Orders decreased from FY2024 1Q mainly for aerospace and Die and Mold.



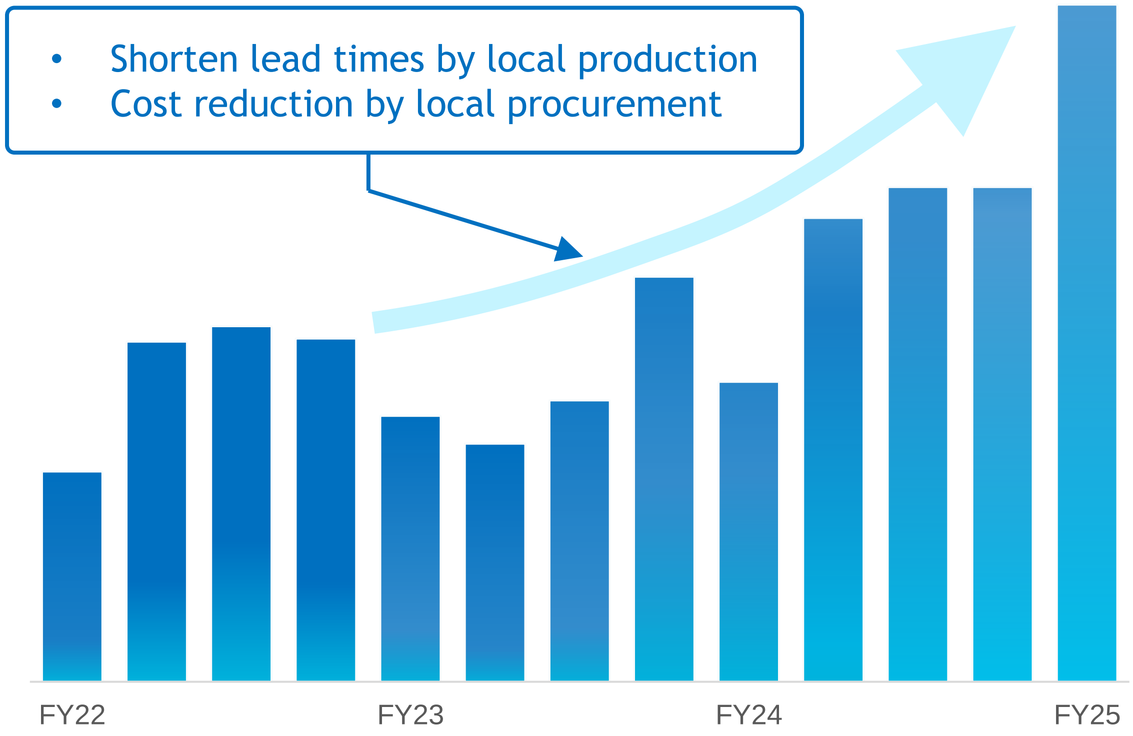
Europe

Regional Strategy in Asia

Strengthening production systems to meet changing market needs

Production volume trends at the Wuhan plant

- Shorten lead times by local production
- Cost reduction by local procurement



Expanding the MC lineup

New

Vertical MC Slim3n | Vertical MC PS65 | Horizontal MC JA6 | Vertical MC Slim8n | Horizontal MC JH5 (New)

The new plant in Vietnam will start operation (Production Capacity Expansion in Asia)

The new plant in Vietnam will start operation in August 2025.
This plant is scheduled to carry out unit assembly to supply the Singapore plant and the China plants (mainly f-series machine tool controller and ATC (automatic tool changer) for EDM machines).

Regional Strategy in US

Planned improvements to meet future demand

Head office renovation

Showroom improvement

- Improve display of actual machines for aerospace and medical devices
- Improve automation system, processed samples, and introductory videos

Parts warehouse improvement

- Optimize the layout of parts warehouses to improve space efficiency
- Introduce an automated warehouse for small parts to enhance the efficiency of delivery and shipping

Spindle maintenance facility improvement

- Improve productivity through equipment upgrades
- Relocate the maintenance room considering logistics flows efficiency

Enhancing proposal capabilities (Aerospace / Automotive)

T1 : MC for difficult-to-cut materials

- 5-axis horizontal machining center optimized for machining difficult-to-cut materials such as titanium, inconel, stainless steel, etc.

DA500 PM* ver : 5-axis vertical MC

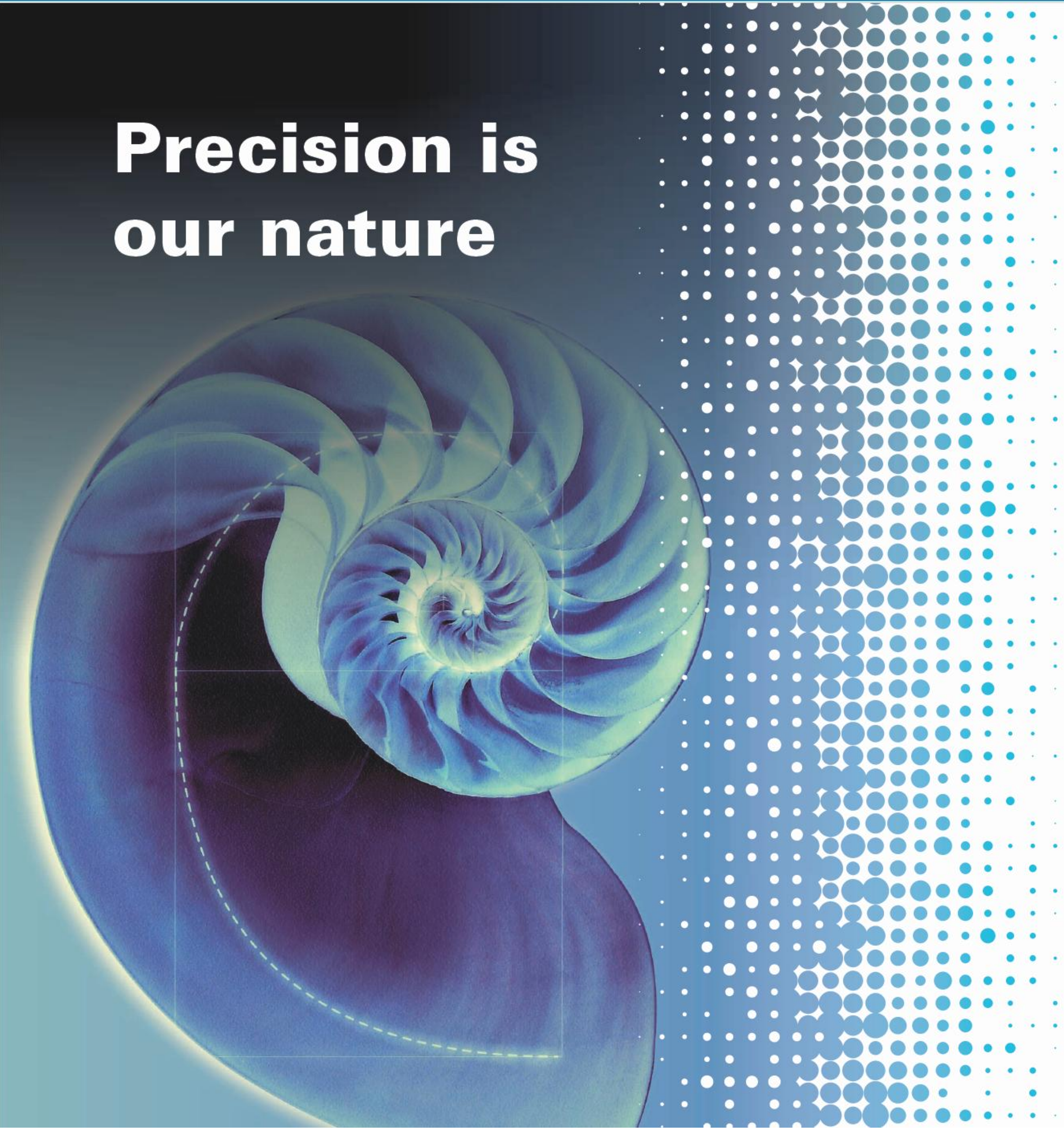
- Automation proposals are available for large-scale systems and individual cells.

* Pallet magazine

Engineering services

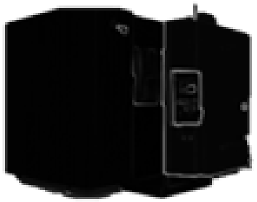
- Providing automation and processing support to meet customer needs

EMO2025



EMO Hannover 2025

2025.9.22 – 9.26
@ Hannover Fairground



5-axis horizontal MC **New**

→ **Latest model from Japan**

f6 : Vertical MC **New**

→ **Latest model from Makino Asia**

DA500 : 5-axis vertical MC

→ **For Automation / SME***

* semiconductor manufacturing equipment

etc …

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.

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.

Finances

Consolidated Operating Results for FY2025 1Q
(Comparison with the same period of last year)

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Compared to FY2024 1Q, net sales and operating income increased.

(Mil JPY)	Actual of FY2024 1Q (Apr.1,2024-Jun.30,2024)	Actual of FY2025 1Q (Apr.1,2025-Jun.30,2025)	Change (%)	Forecast of FY2025 1H (Apr.1,2025-Sep.30,2025)	progress rate (%)
Net sales	51,868	55,397	3,529 (6.8%)	115,700	47.9%
Operating income (Operating income ratio)	2,959 (5.7%)	3,201 (5.8%)	241 (8.2%)	9,000 (7.8%)	35.6%
Ordinary income (Ordinary income ratio)	3,817 (7.4%)	3,684 (6.7%)	- 133 (-3.5%)	9,200 (8.0%)	40.0%
Net income attributable to owners of the parent (Net income ratio)	3,236 (6.2%)	1,247 (2.3%)	- 1,988 (-61.5%)	8,700 (7.5%)	14.3%

Exchange rate	Actual of FY2024 1Q	Actual of FY2025 1Q	Forecast of FY2025 1H
USD	155.88	144.59	141.00
EUR	167.88	163.80	161.00
SGD	115.21	111.11	108.00

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Asia segment increased, while America segment was stable in local currency.

	(Mil JPY)	Ⅰ Japan	Ⅱ Asia	Ⅲ America	Ⅳ Europe	Eliminations	Consolidated
FY2025 1Q	Net sales (Sales in foreign currency)	25,083	31,599 (277,201)	15,376 (106,348)	2,431 (14,843)	- 19,093	55,397
	Operating income/loss	544	1,536	554	- 623	1,189	3,201
FY2024 1Q	Net sales (Sales in foreign currency)	29,196	23,278 (197,101)	16,623 (106,643)	4,380 (26,091)	- 21,610	51,868
	Operating income/loss	2,667	524	927	- 219	- 940	2,959
FY2023 1Q	Net sales (Sales in foreign currency)	32,068	21,700 (202,646)	18,289 (133,144)	4,055 (27,133)	- 22,263	53,850
	Operating income/loss	2,042	842	1,668	- 505	219	4,266

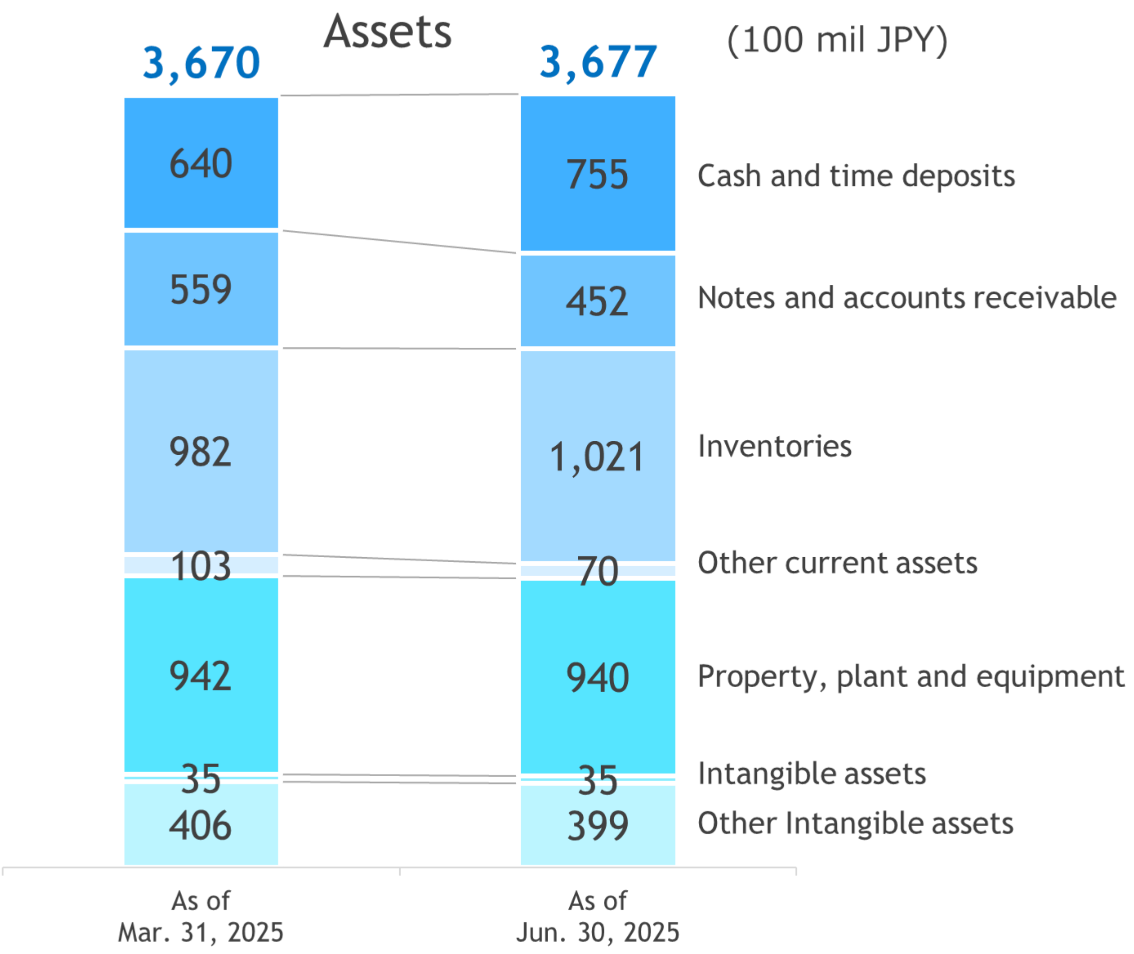
*Units of foreign currencies:
Asia: K.SGD, America: K.USD, Europe: K.EUR

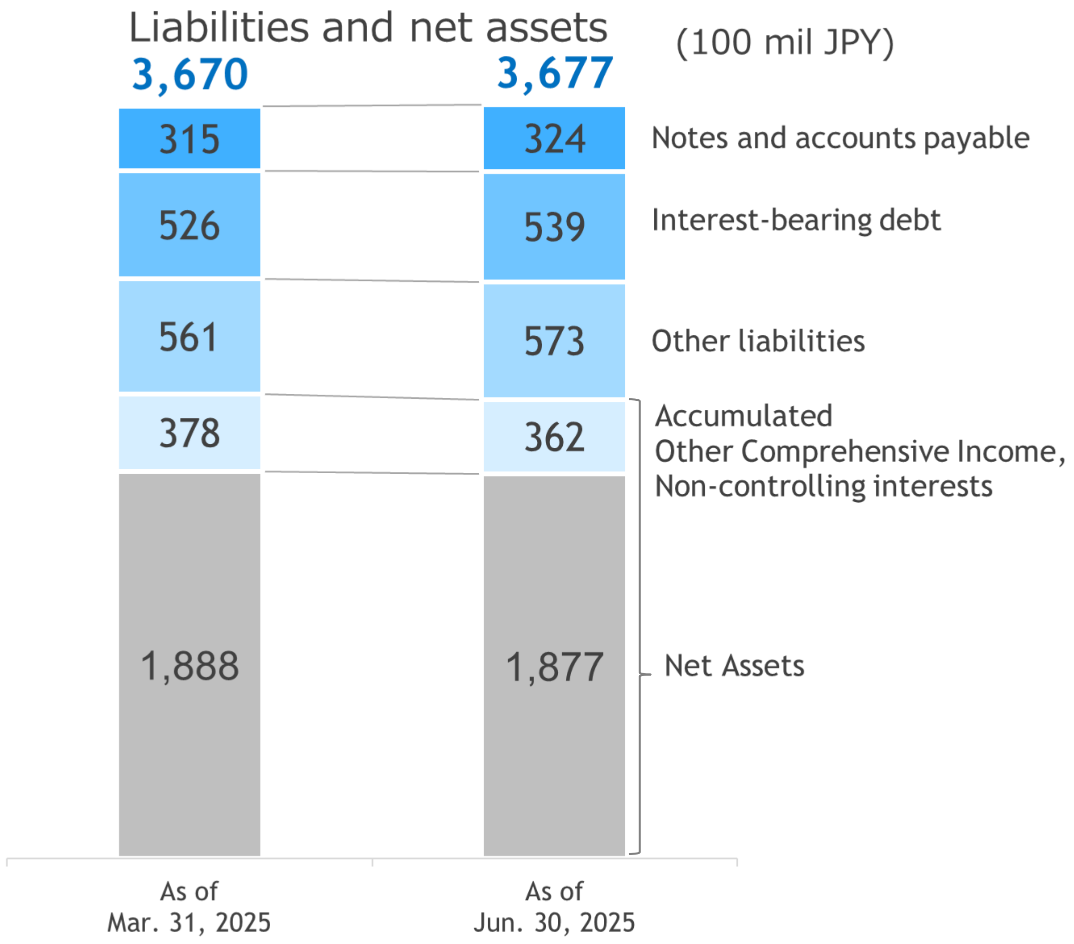
Sales amount by Destination

Sales growth in the Asia contributed to the overall increase in sales.

	(Mil JPY)	Japan	Asia	America	Europe	Others	Consolidated
FY2025 1Q	Net sales	6,052	30,001	15,030	2,733	1,581	55,397
	Ratio	10.9%	54.2%	27.1%	4.9%	2.9%	
FY2024 1Q	Net sales	7,482	22,800	16,662	4,401	521	51,868
	Ratio	14.4%	43.9%	32.1%	8.4%	1.0%	
FY2023 1Q	Net sales	9,523	20,948	18,120	4,292	966	53,850
	Ratio	17.6%	38.9%	33.6%	7.9%	1.7%	

Cash increased by 11.5 billion yen due to collection of receivables.





Consolidated Statements of Cash Flow

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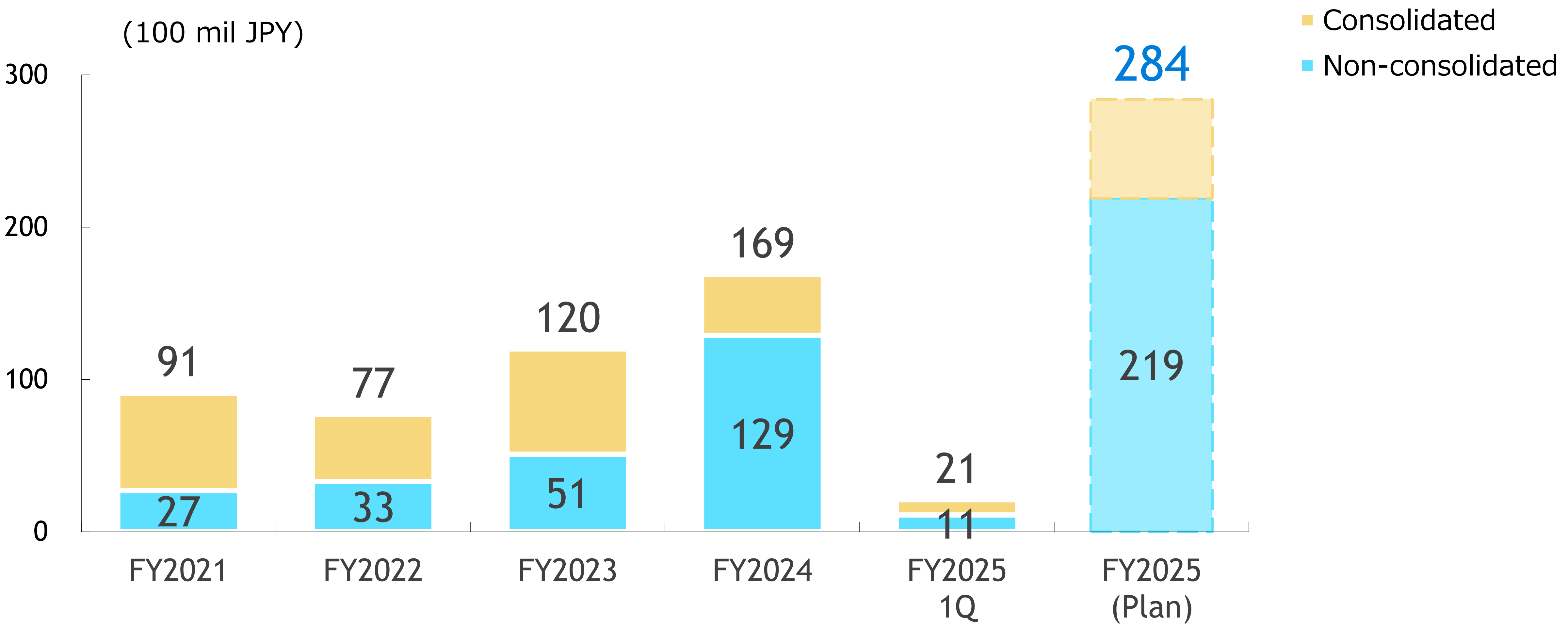
Cash increased, supported by operating cash flow.

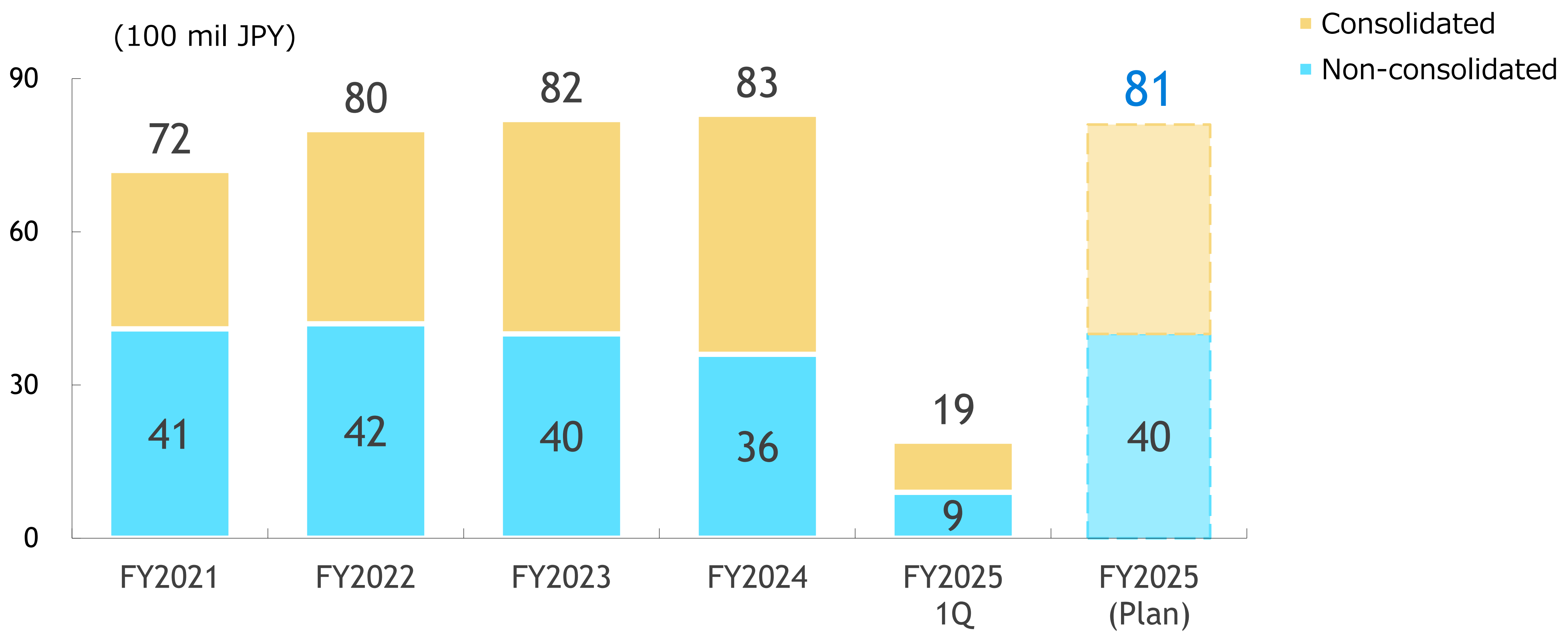
(Mil JPY)

	FY2024 1Q	FY2025 1Q
1. Cash flows from operating activities	**6,986**	**16,734**
Income (loss) before income taxes	4,065	2,676
Depreciation and amortization	2,022	1,930
(Increase) decrease in working capital	-1,623	7,450
Other, net	2,521	4,678
2. Cash flows from investing activities	**- 5,385**	**- 2,583**
Purchase of property, plant and equipment	-5,130	-2,453
Other, net	-254	-130
3. Cash flows financing activities	**651**	**- 1,391**
Payment for purchases of treasury stock	-306	-1
Dividends paid by the parent company	-1,860	-2,307
Other, net	2,818	917
Effect of exchange rate changes on cash and cash equivalents	**2,288**	**- 1,233**
Cash and cash equivalents, beginning of period	**72,578**	**64,067**
Cash and cash equivalents, end of period	**77,119**	**75,593**

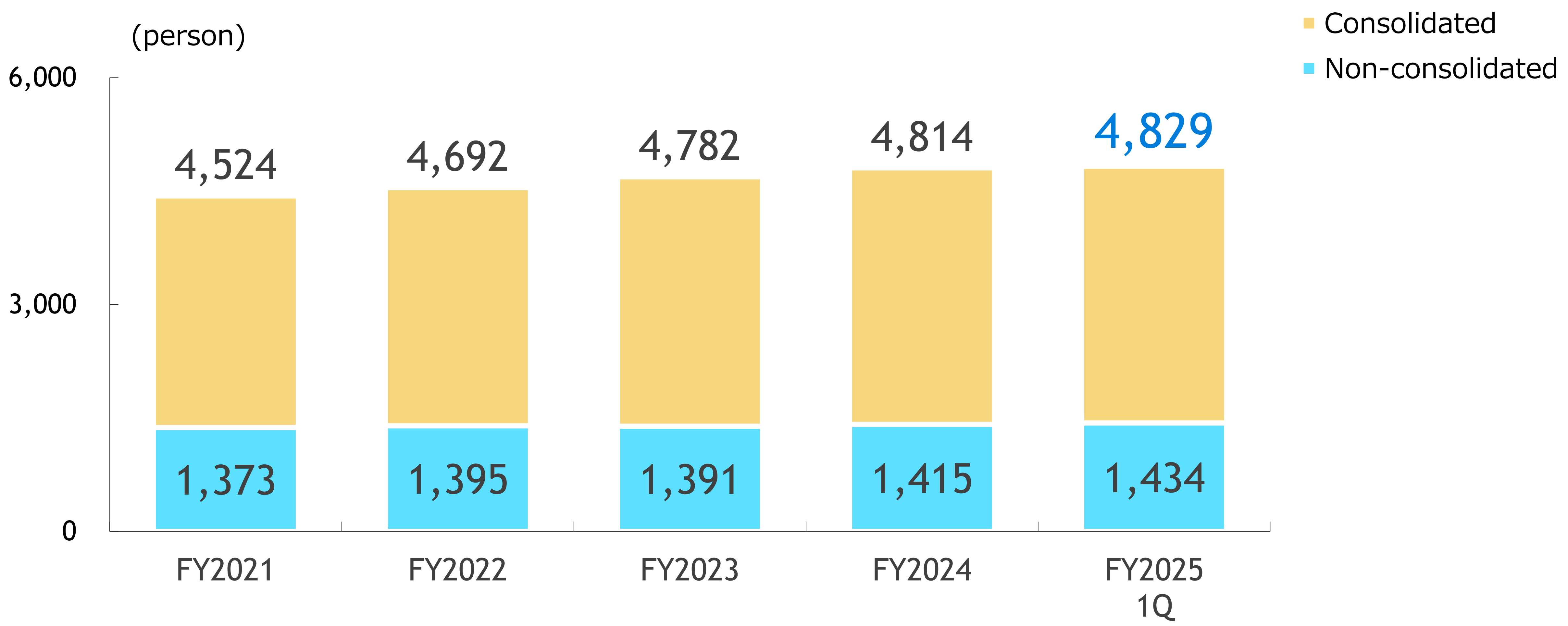
FY2025 investment plan is 28.4 billion yen, mainly in Japan.



Depreciation



Headcount increased by 15, mainly in the manufacturing division.



Forecast of Consolidated Operating Results

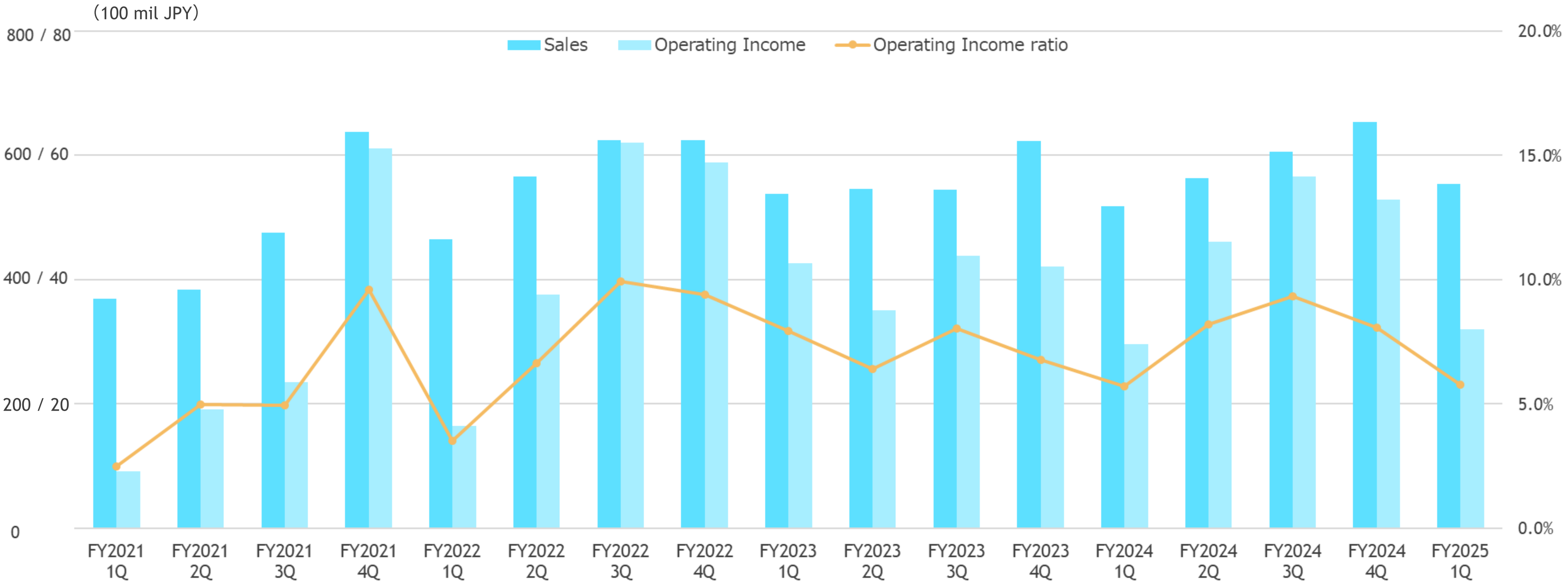
(Mil JPY)	Actual of FY2025 1Q (Apr.1,2025-Jun.30,2025)	Forecast of FY2025 2Q (Jul.1,2025-Sep.30,2025)	Forecast of FY2025 1H (Apr.1,2025-Sep.30,2025)	Forecast of FY2025 Full Year (Apr.1,2025-Mar.31,2026)
Net sales	55,397	60,303	115,700	240,000
Operating income (Operating income ratio)	3,201 (5.8%)	5,799 (9.6%)	9,000 (7.8%)	21,500 (9.0%)
Ordinary income (Ordinary income ratio)	3,684 (6.7%)	5,516 (9.1%)	9,200 (8.0%)	22,000 (9.2%)
Net income attributable to owners of the parent (Net income ratio)	1,247 (2.3%)	7,453 (12.4%)	8,700 (7.5%)	18,000 (7.5%)

Quality First

Trust is the foundation of a company's existence.
Makino pursues "Quality First"
in all of its products and services, as well as
in its own organization and employees,
with a strong belief in mutual trust among everyone
involved in building, selling, and using Makino products.

Reference Materials

Sales and Operating Income



	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q	FY2025 1Q
USD	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	152.63	152.57	152.58	144.59
EUR	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	165.95	164.83	163.75	163.80
SGD	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	114.16	114.25	113.99	111.11

The Influences on Sales and Operating income by exchange rate fluctuations (Comparison with the same period of last year)

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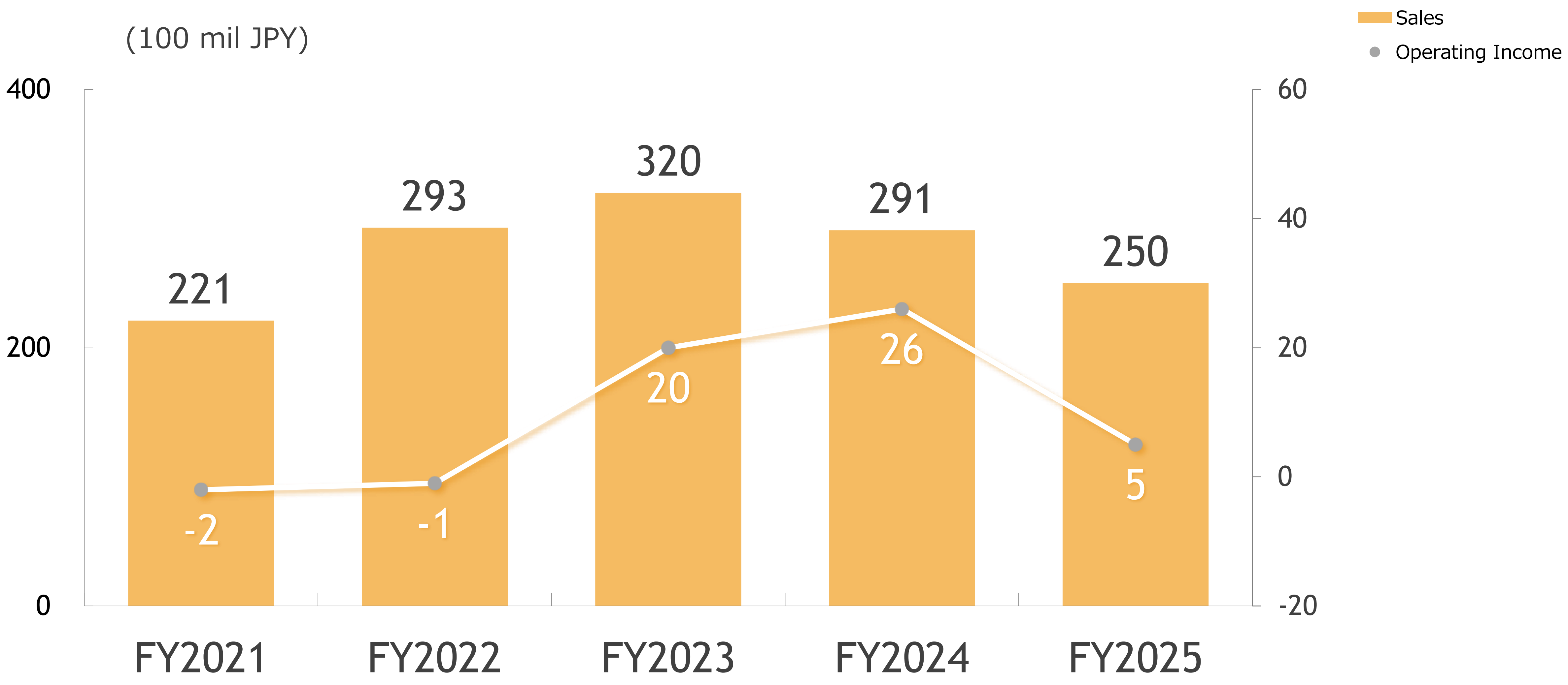
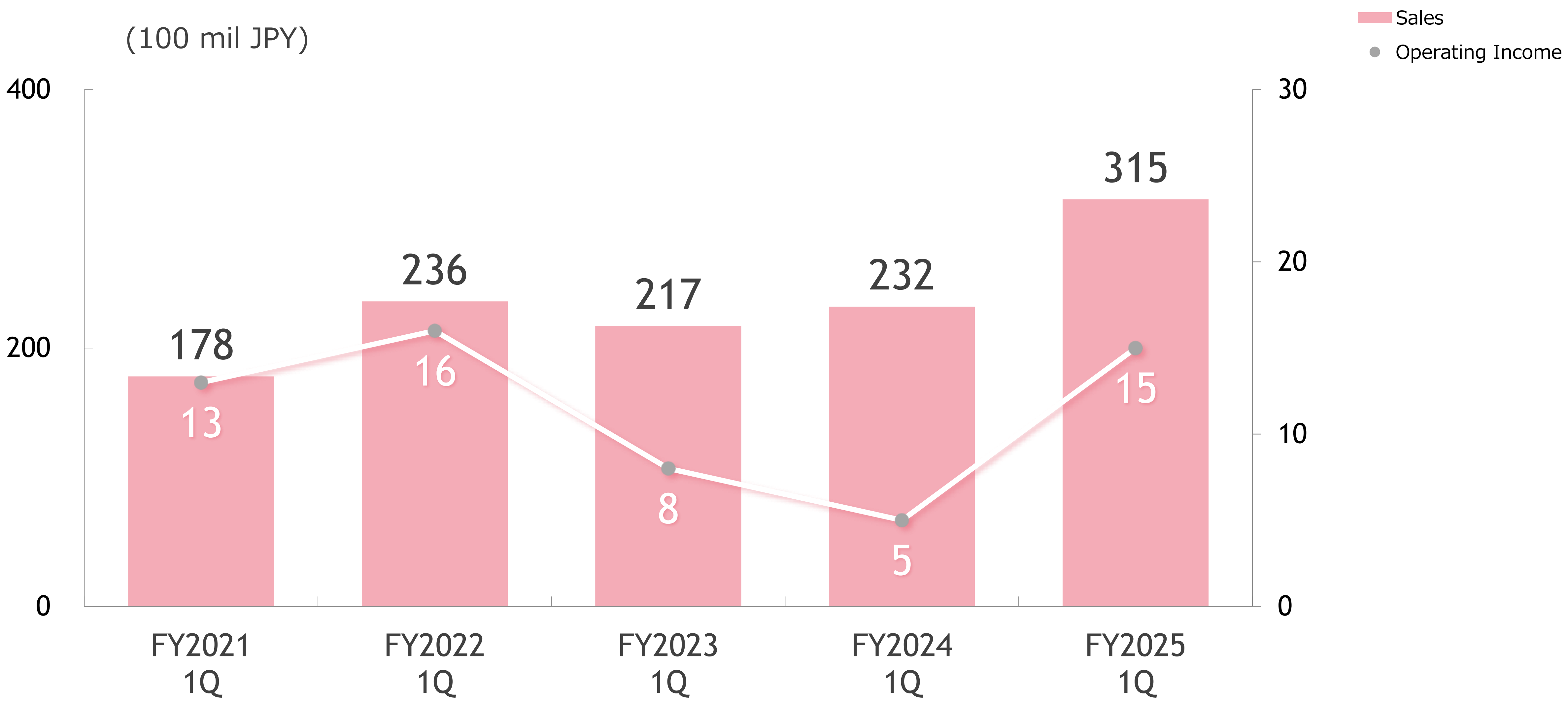
(Mil JPY)

	FY2025 1Q (Apr.1,2025-Jun.30,2025) External sales	FY2025 1Q Exchange rate (Same period of last year)	The influence of exchange rate fluctuations in Sales	The influence of exchange rate fluctations in Operating Income
USD	USD 106M	144.59 (155.88)	-1,193	-434
EUR	EUR 15M	163.80 (167.88)	-60	-13
SGD	SGD 262M	111.11 (115.21)	-1,072	-54
		Total	-2,325	-501

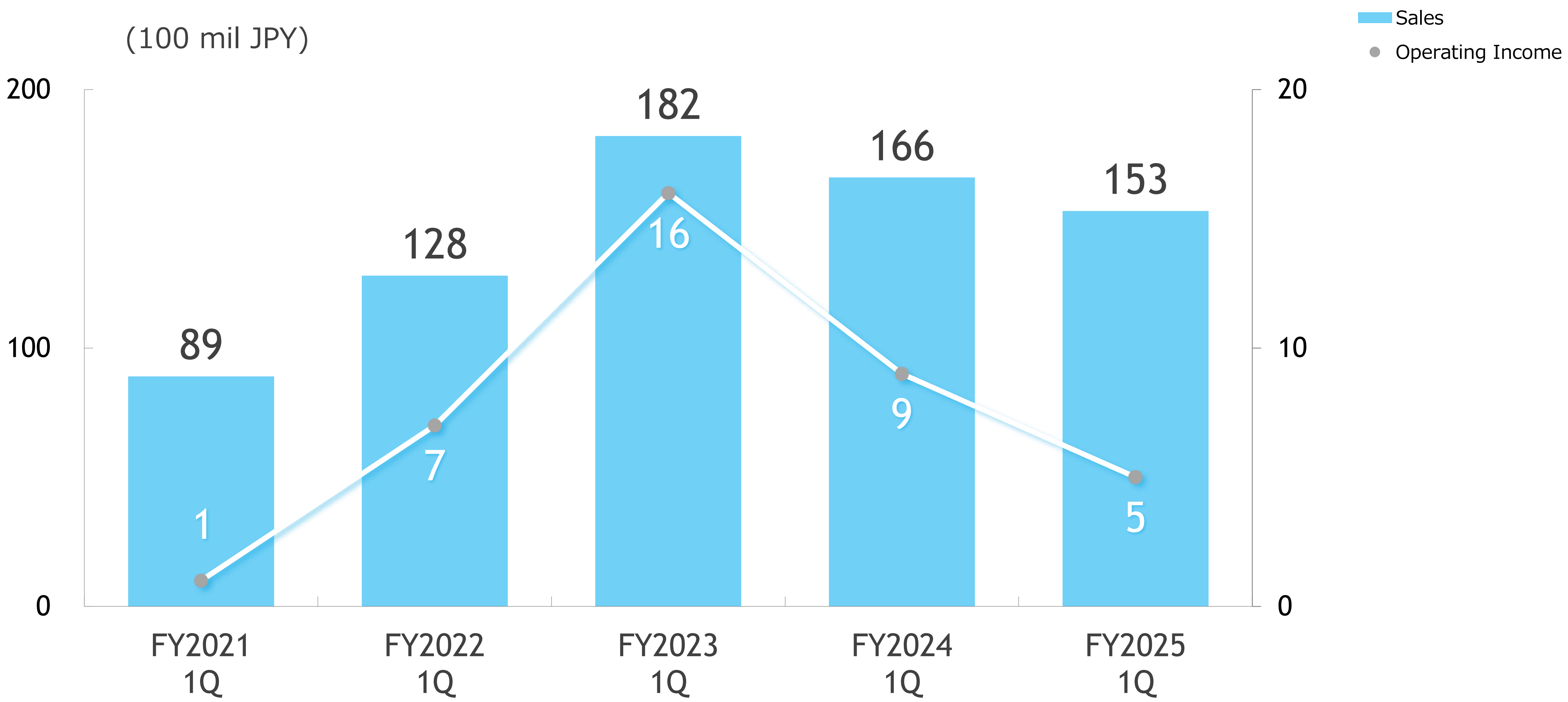
Net Sales and Operating Income (by Segment I ／Japan)



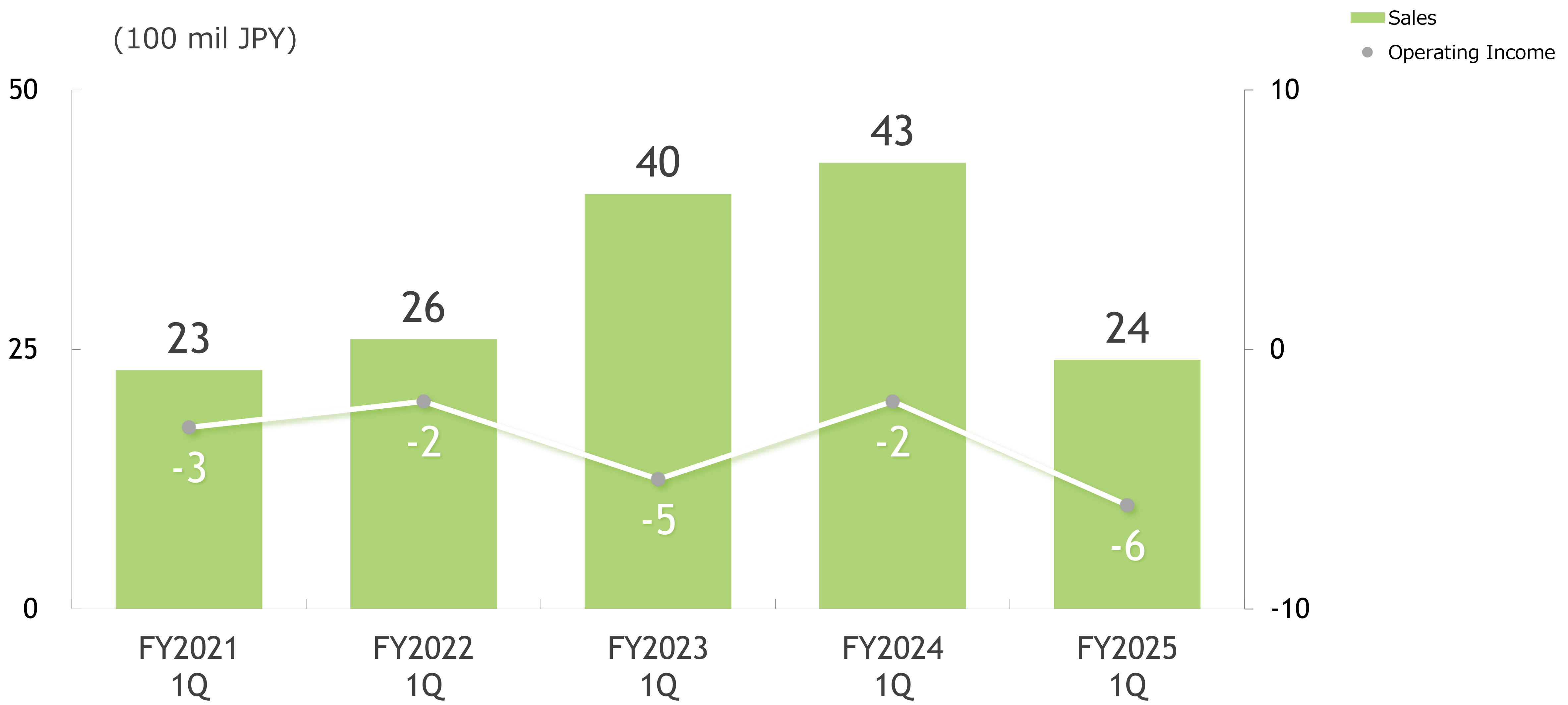
Net Sales and Operating Income (by Segment Ⅱ／Asia)



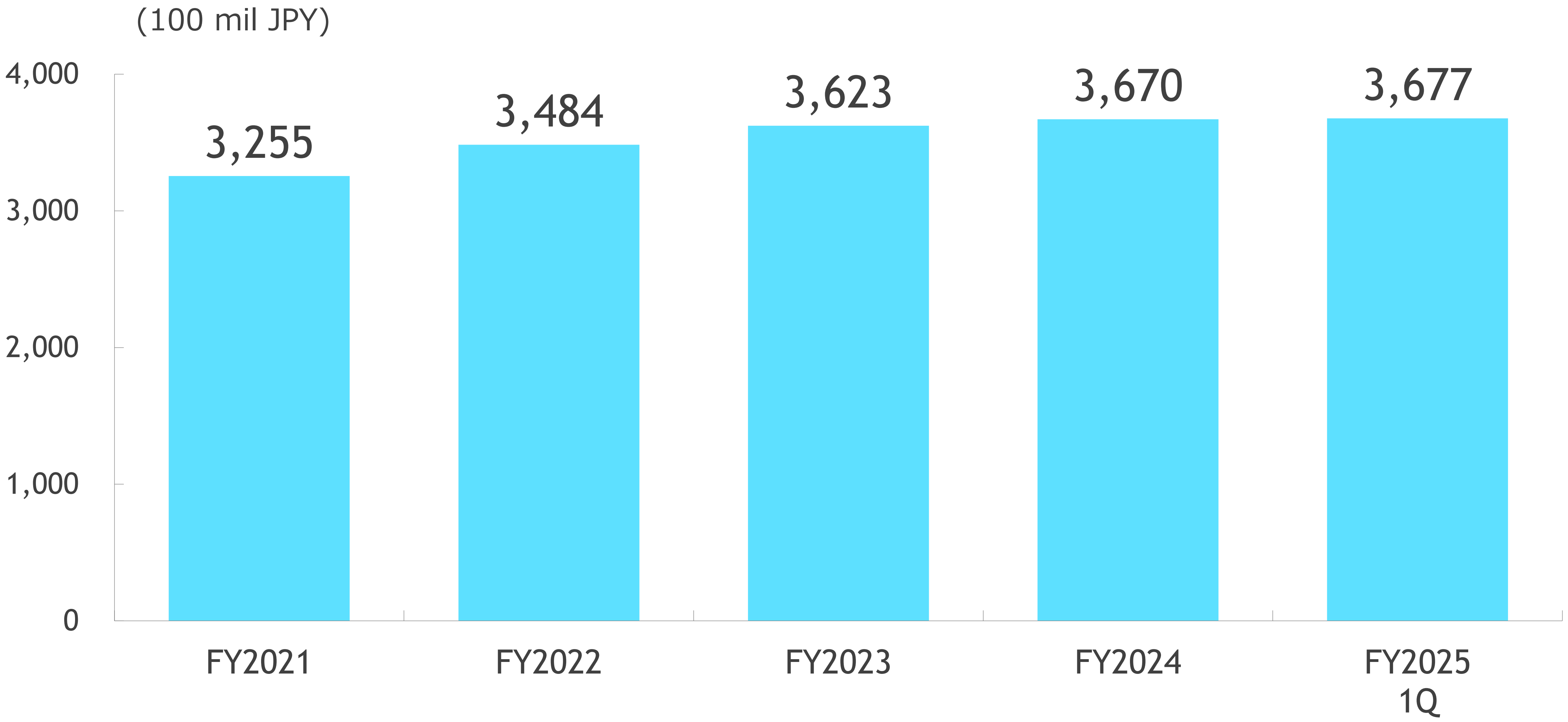
Net Sales and Operating Income (by Segment Ⅲ／America)



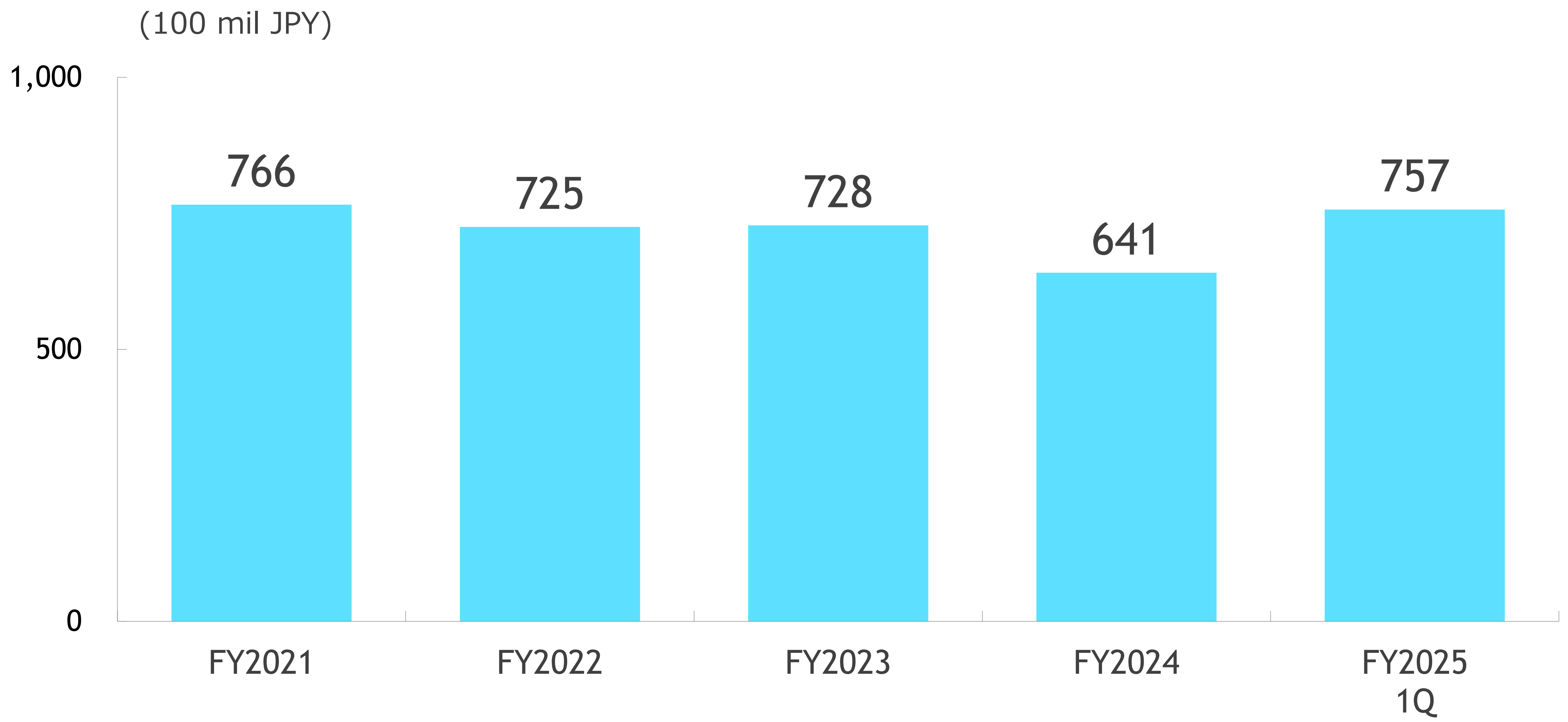
Net Sales and Operating Income (by SegmentⅣ／Europe)



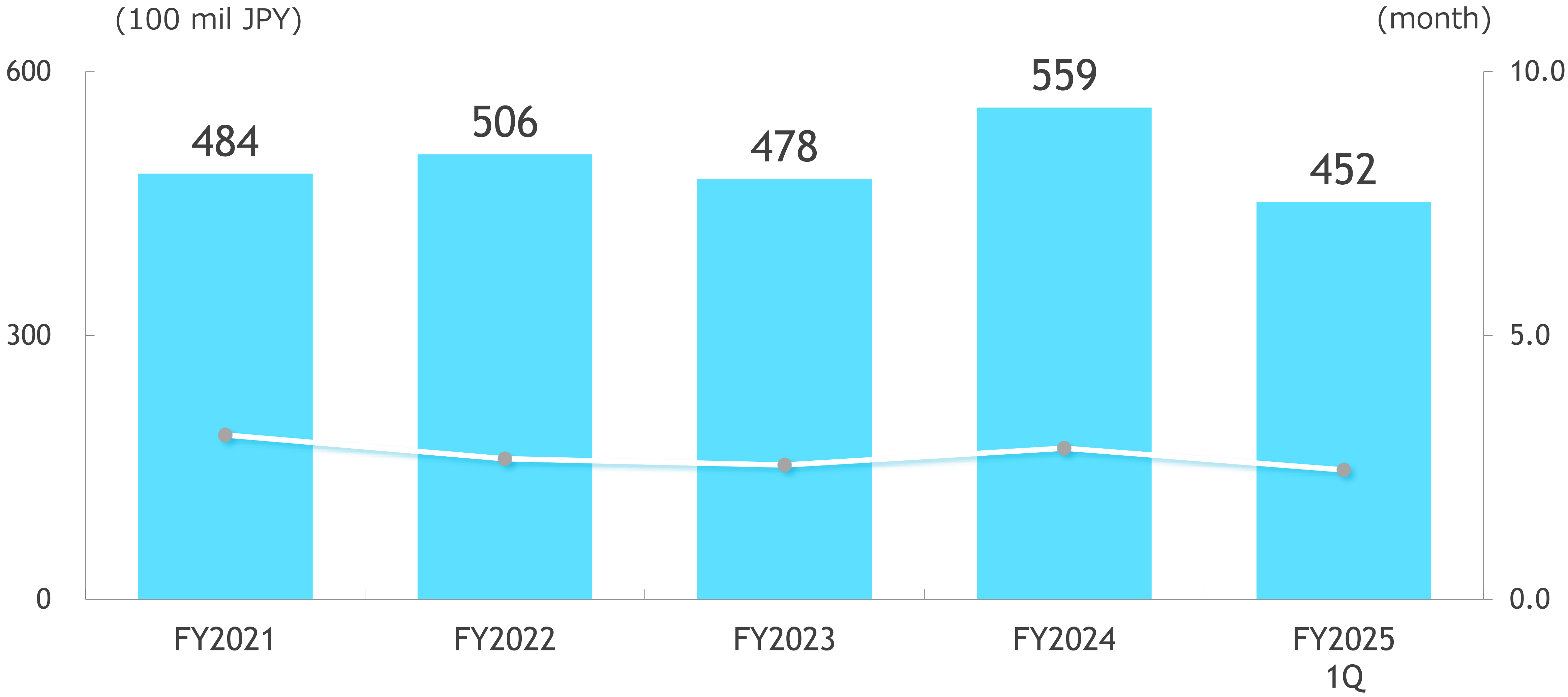
Total assets



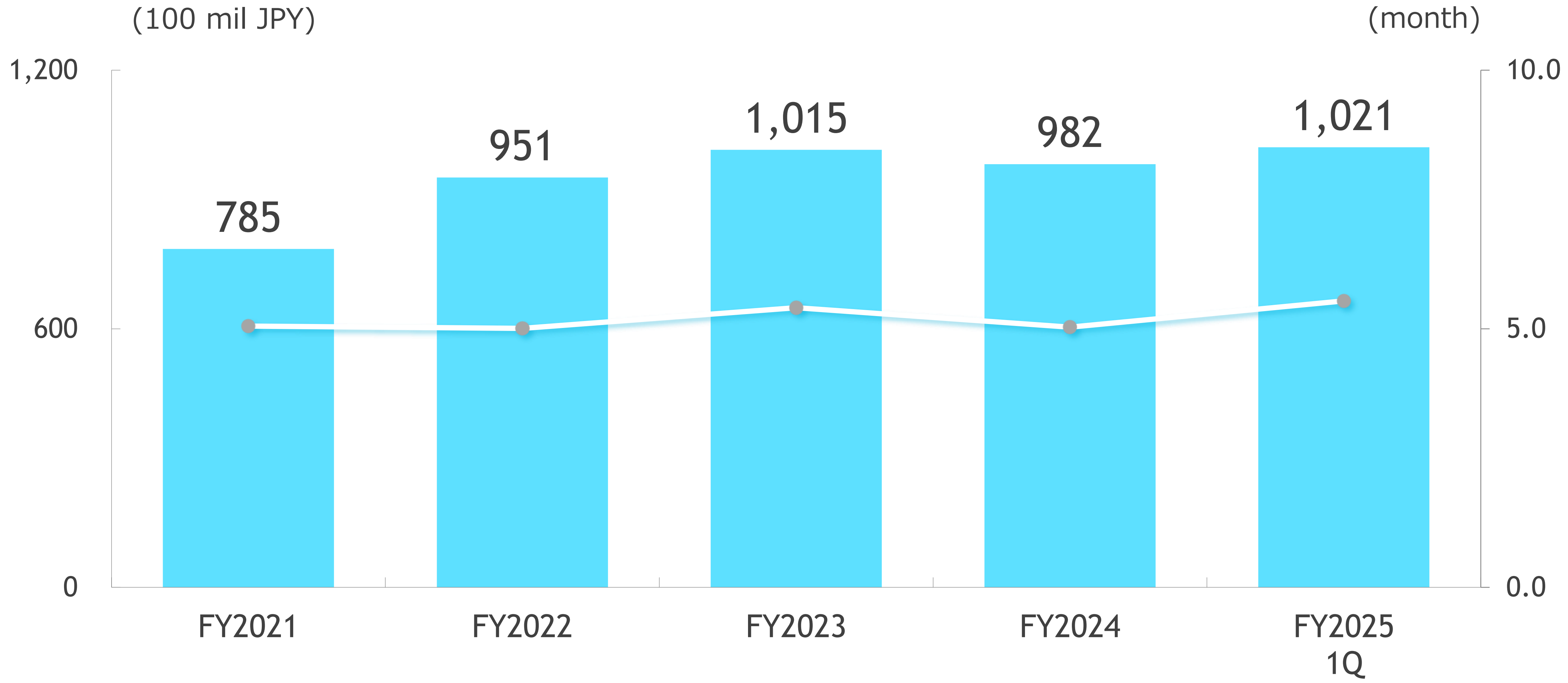
Cash and time deposits + securities



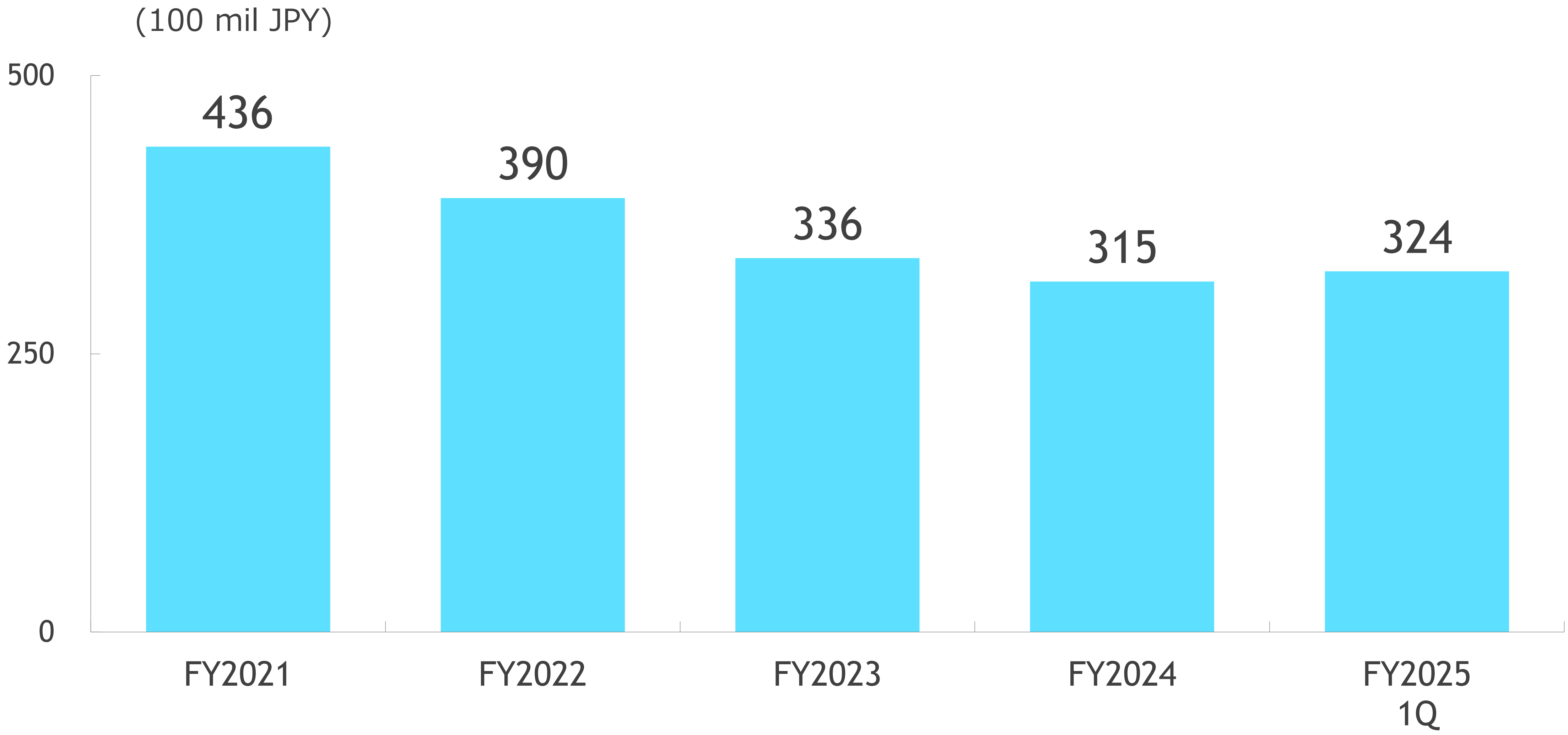
Notes and accounts receivable, trade(left) / Turnover(right)



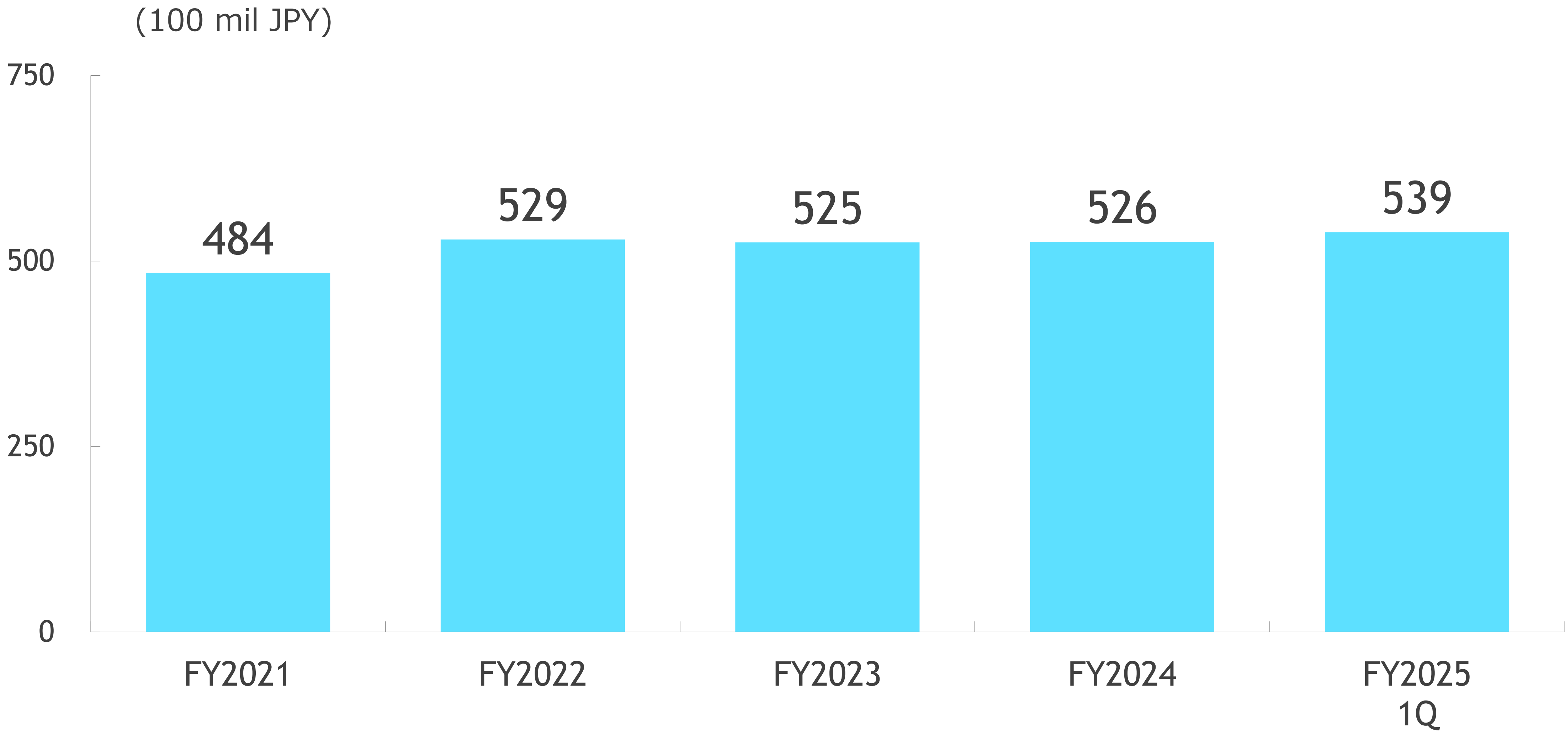
Inventories(left) / Turnover(right)



Notes and accounts payable, trade



Interest-bearing debt



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.