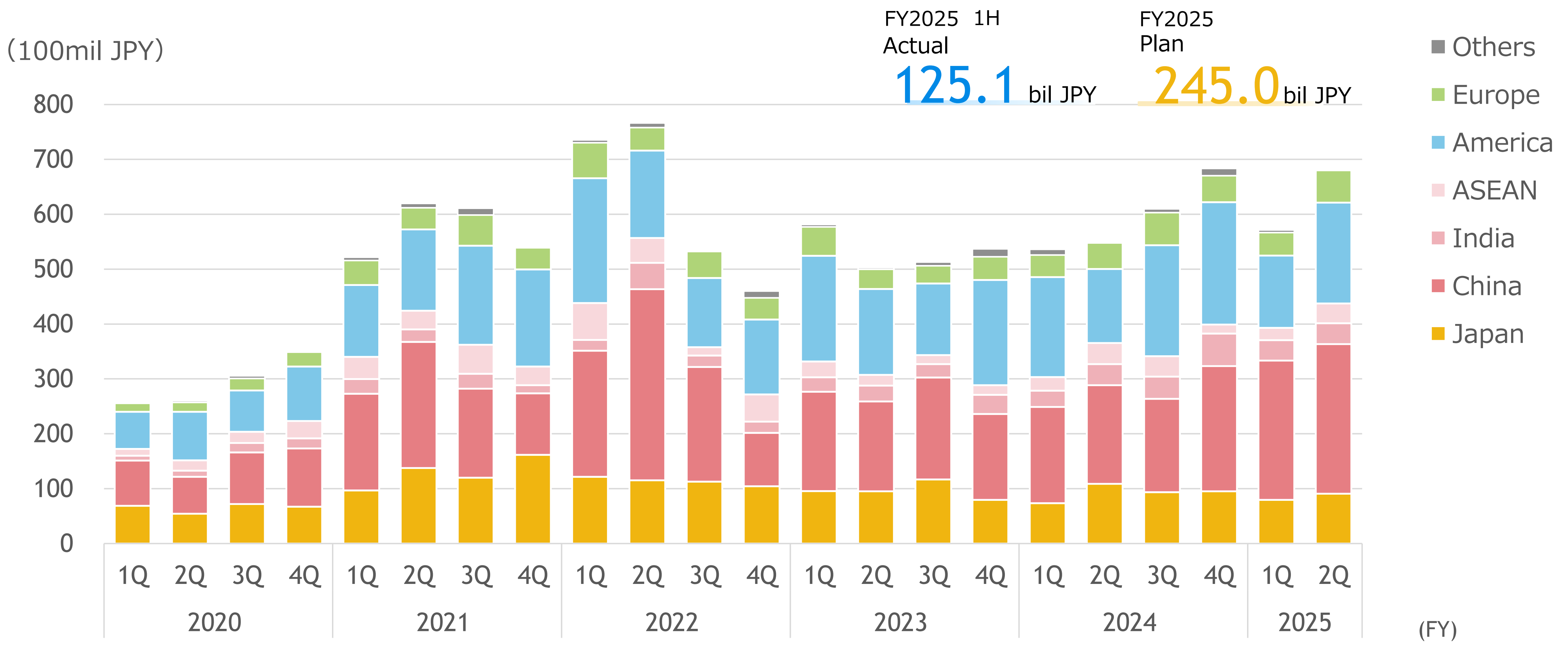
Explanatory Material of Group Company for the Second Quarter of the Fiscal Year Ending March 31, 2026

Makino Milling Machine Co., Ltd.
October 31, 2025

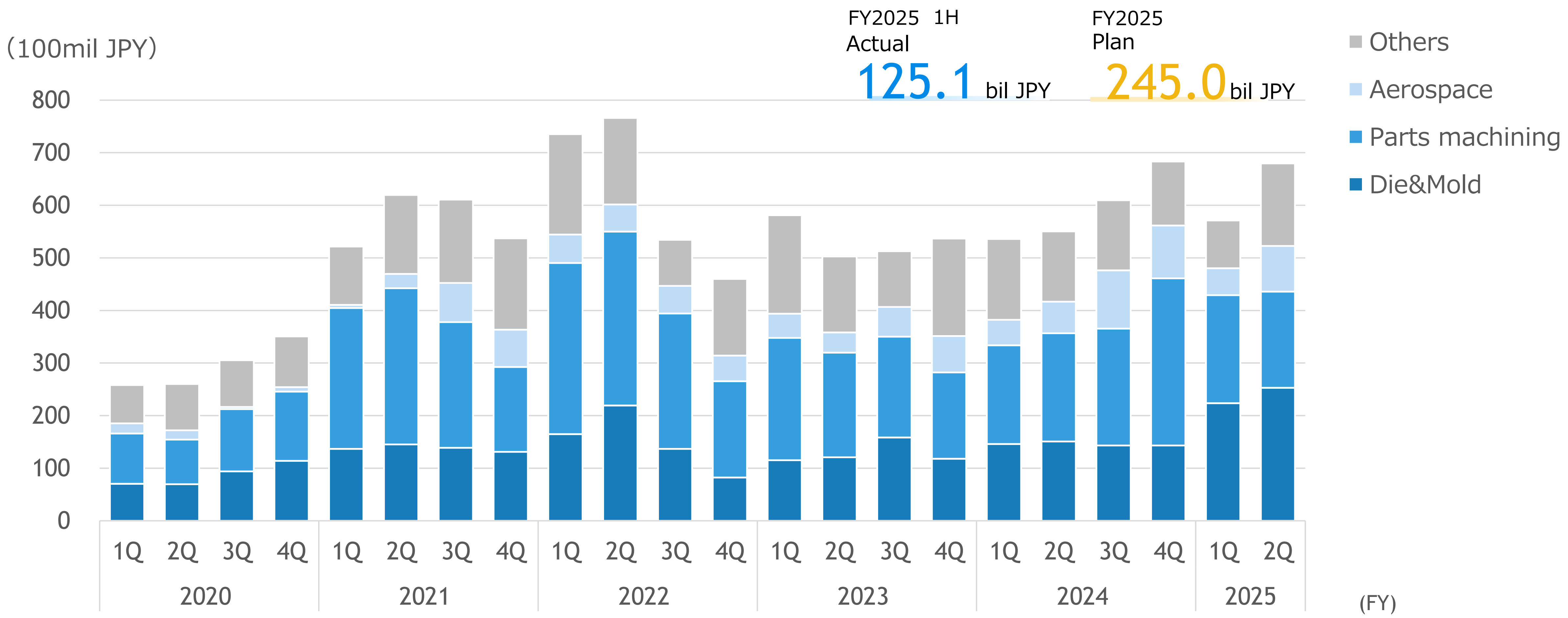
Orders

Order by Destination (consolidated)

Orders increased by 15% from FY2024 2Q mainly for China.

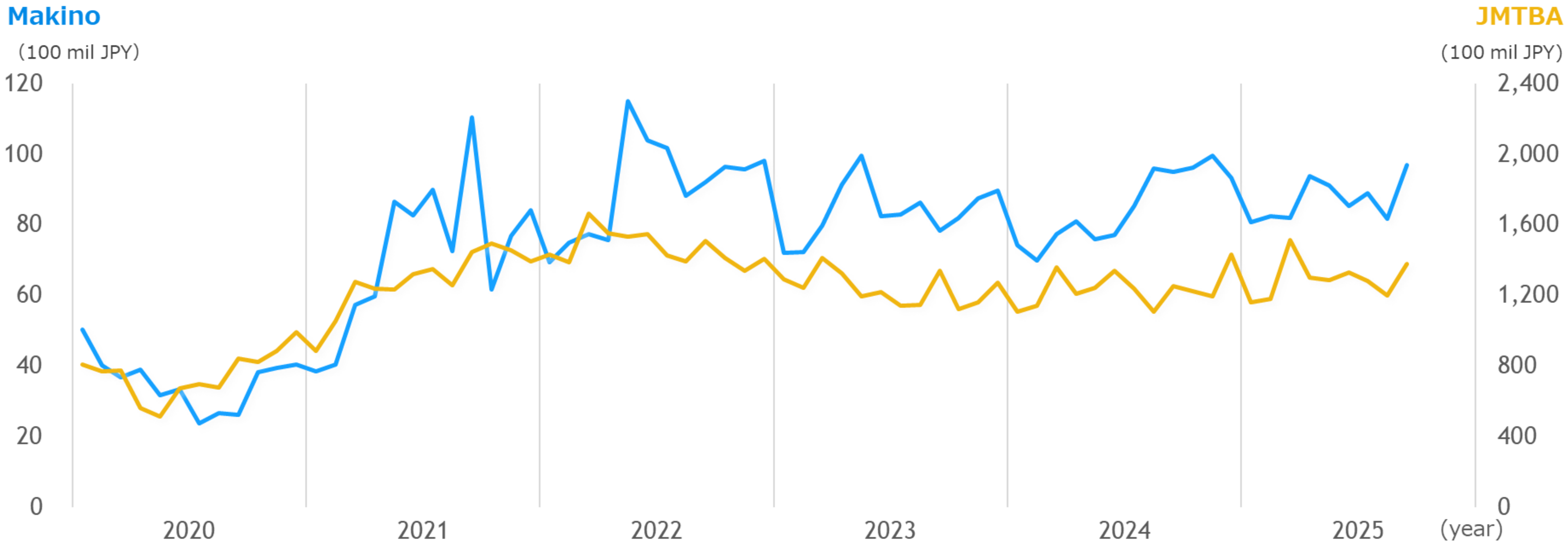


Orders for Die&Mold and aerospace increased from FY2024 2Q.



MAKINO
Promise of Performance

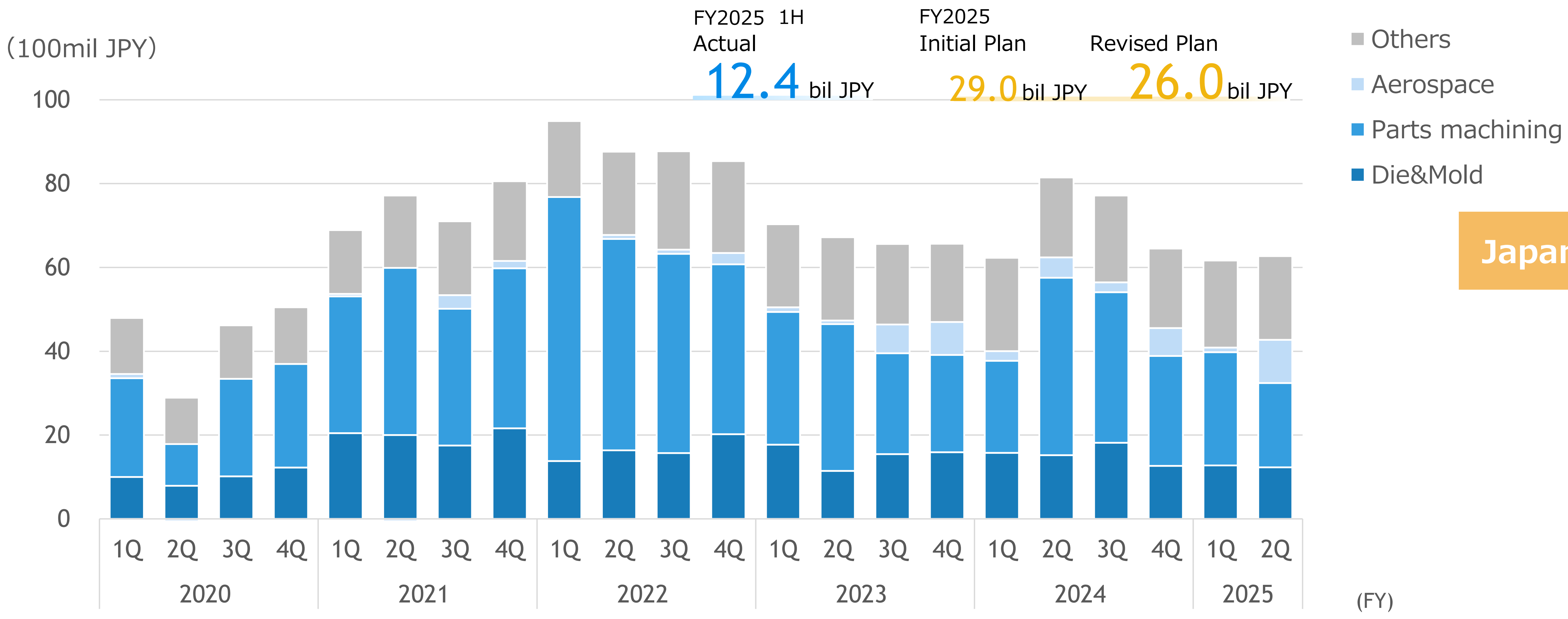
Makino's share in 2Q was 6.9%



Source: Japan Machine Tool Builders' Association

Domestic Order (non-consolidated)

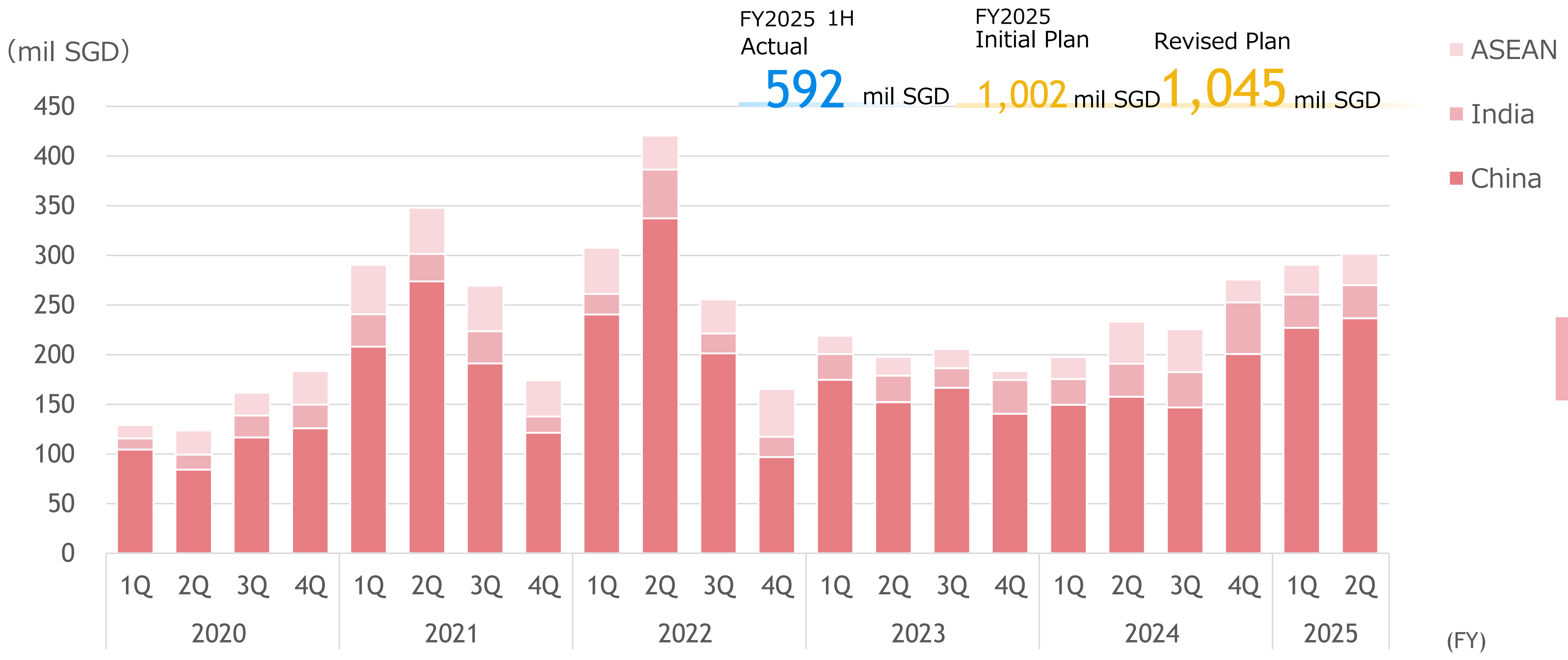
Orders for aerospace increased, and orders for parts machining decreased from FY2024 2Q.



Japan

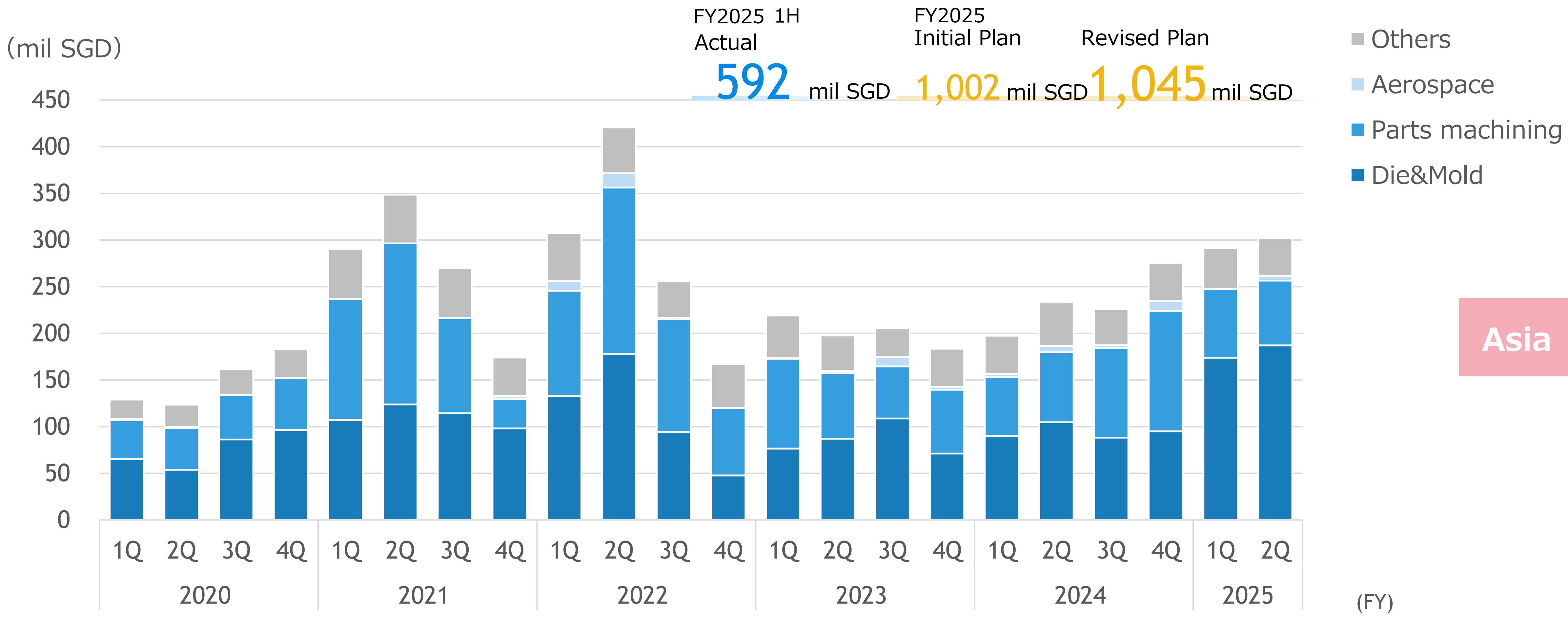
Asian subsidiary Order by area

Orders increased by 50% from FY2024 2Q in China.



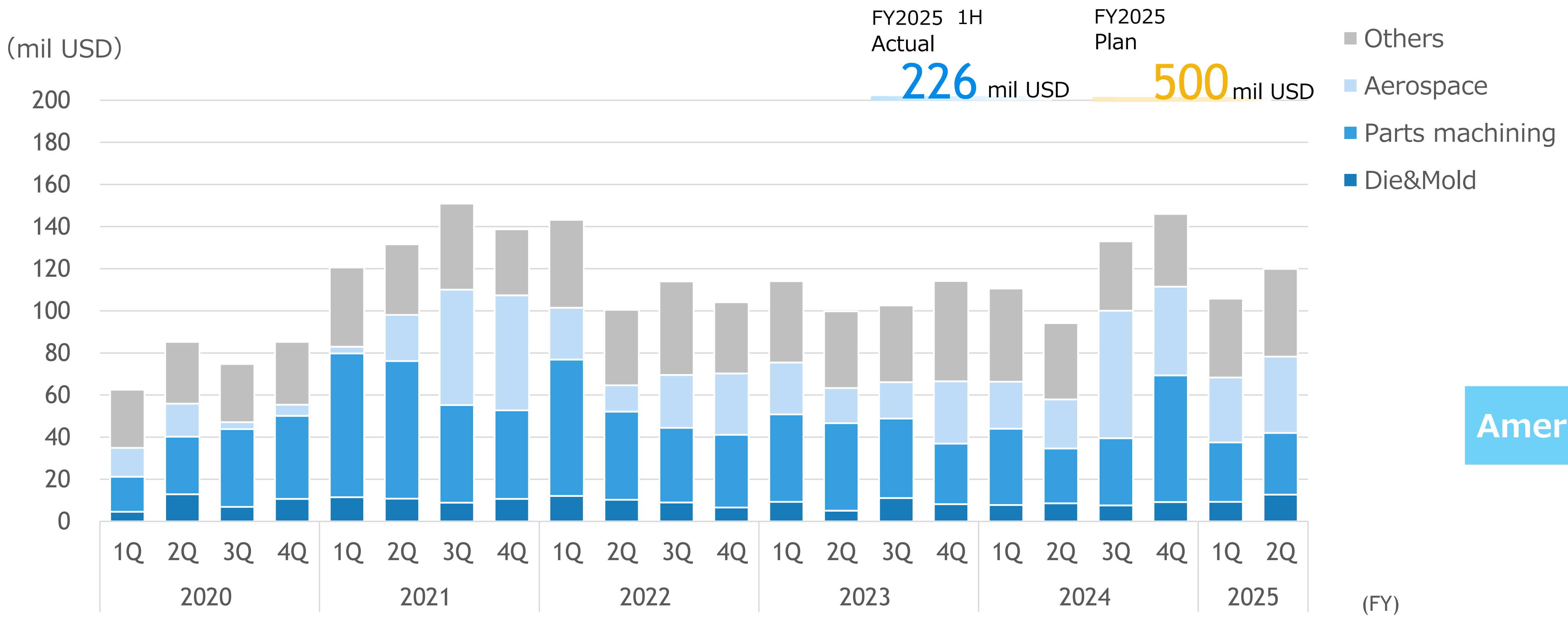
Asia

Orders for Die&Mold, mainly for automotive increased.



Asia

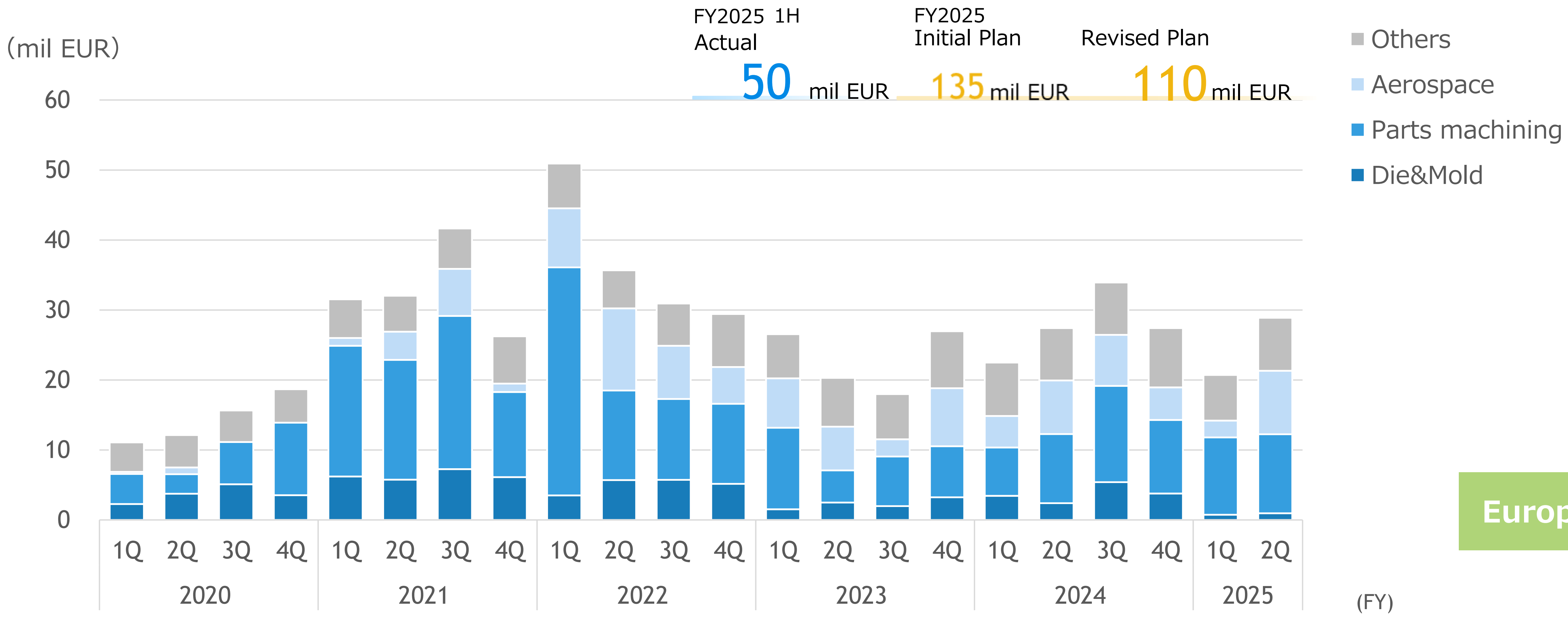
Orders mainly for aerospace increased by 27% from FY2024 2Q.



America

European subsidiary Order

Orders for aerospace and parts machining increased from FY2024 2Q.



Europe

Proposal highlighting new models, 5-axis machines, large-size machines, and automation systems tailored to regional needs



Japan

MECT 2025
2025 Oct. 22 - Oct. 25
Port Messe Nagoya

Asia

Kunshan Techno Show
2025 Oct. 22 - Oct. 25
Makino China Co., Ltd.
Tech center

America

Factory tour
2025 Oct. 14 - Oct. 15
Makino Milling Machine Co., Ltd.
Atsugi Plant & Katsuyama Plant

Europe

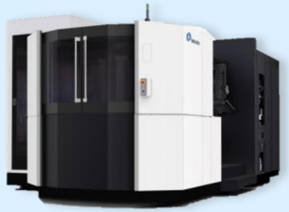
EMO Hannover 2025
2025 Sep. 22 - Sep. 26
Messegelände Hannover

Vertical machining center **f6**

→ New model from Makino Asia

5-axis horizontal machining center **a630iT**

→ New model from Makino(Japan)



MAKINO
Promise of Performance

Responding to the latest needs and trends to help solve our customers' challenges

Renewal model

V series from Makino(Japan)

V800

f series from Makino Asia

f6

Needs and Trends

Larger molds,
finer mold features

Labor shortage

Climate change

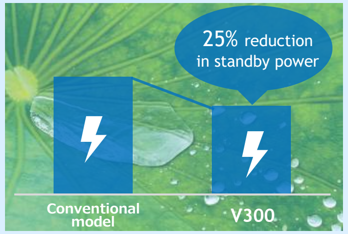
Renewal

Further
high speed and
high precision

Support for
large workpieces

Enhancing affinity
with **automation**

Energy saving



MAKINO
Promise of Performance

Boost productivity and profitability of large-size machine as business opportunities increase

Large-size Machine lineup

・5-axis horizontal machining center
MAG series ・ T series
→Large parts machining for aerospace

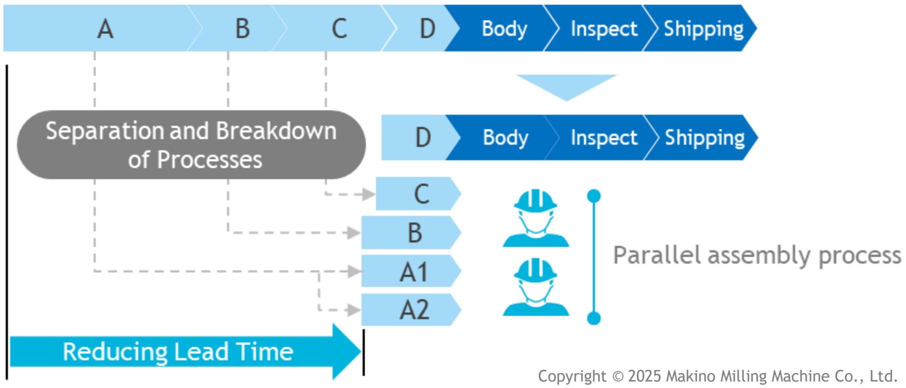
・5-axis vertical machining center
D2・VS series
→Large Die&Mold for automotive

Actions to Improve Productivity of Large-size Machine

<u>From integrated production to modular production*</u>

- **Reducing lead time through parallel processing**
  Break down the process and assign workers to the best-suited tasks
- **Reduction in advanced adjustment work**
  Reducing skilled labor hours by making adjustments during the machining process
- **Efficient logistics flow design**
  No Backtracking, No Crossing, No Swirling

*modular production



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 1H
(Comparison with the same period of last year)

MAKINO
Promise of Performance

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

(Mil JPY)	Actual of FY2024 1H (Apr.1,2024-Sep.30,2024)	Actual of FY2025 1H (Apr.1,2025-Sep.30,2025)	Change (%)
Net sales	108,237	119,421	11,183 (10.3%)
Operating income (Operating income ratio)	7,576 (7.0%)	9,500 (8.0%)	1,924 (25.4%)
Ordinary income (Ordinary income ratio)	7,583 (7.0%)	10,530 (8.8%)	2,946 (38.9%)
Net income attributable to owners of the parent (Net income ratio)	5,782 (5.3%)	6,762 (5.7%)	980 (16.9%)

Exchange rate		
USD	152.63	146.04
EUR	165.95	168.06
SGD	114.16	113.00

Consolidated Operating Results for FY2025 1H
(Comparison with the forecast)

MAKINO
Promise of Performance

Sales outperformed forecasts due to the yen's depreciation.

(Mil JPY)	Forecast of FY2025 1H (Apr.1,2025-Sep.30,2025)	Actual of FY2025 1H (Apr.1,2025-Sep.30,2025)	Change (%)
Net sales	115,700	119,421	3,721 (3.2%)
Operating income (Operating income ratio)	9,000 (7.8%)	9,500 (8.0%)	500 (5.6%)
Ordinary income (Ordinary income ratio)	9,200 (8.0%)	10,530 (8.8%)	1,330 (14.5%)
Net income attributable to owners of the parent (Net income ratio)	8,700 (7.5%)	6,762 (5.7%)	- 1,937 (-22.3%)

Exchange rate		
USD	141.00	146.04
EUR	161.00	168.06
SGD	108.00	113.00

Sales & Operating income by Segment

Asia segment increased significantly.

(Mil JPY)		Ⅰ Japan	Ⅱ Asia	Ⅲ America	Ⅳ Europe	Eliminations	Consolidated
FY2025 1H	Net sales (Sales in foreign currency)	58,903	66,795 (576)	33,445 (229)	6,187 (36)	- 45,910	119,421
	Operating income/loss	3,442	4,181	1,388	- 1,038	1,525	9,500
FY2024 1H	Net sales (Sales in foreign currency)	58,067	48,088 (409)	36,063 (236)	8,870 (53)	- 42,851	108,237
	Operating income/loss	5,380	1,689	1,487	- 363	- 616	7,576
FY2023 1H	Net sales (Sales in foreign currency)	66,324	48,668 (447)	31,075 (220)	9,160 (59)	- 46,714	108,515
	Operating income/loss	4,041	2,346	1,482	- 354	261	7,776

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

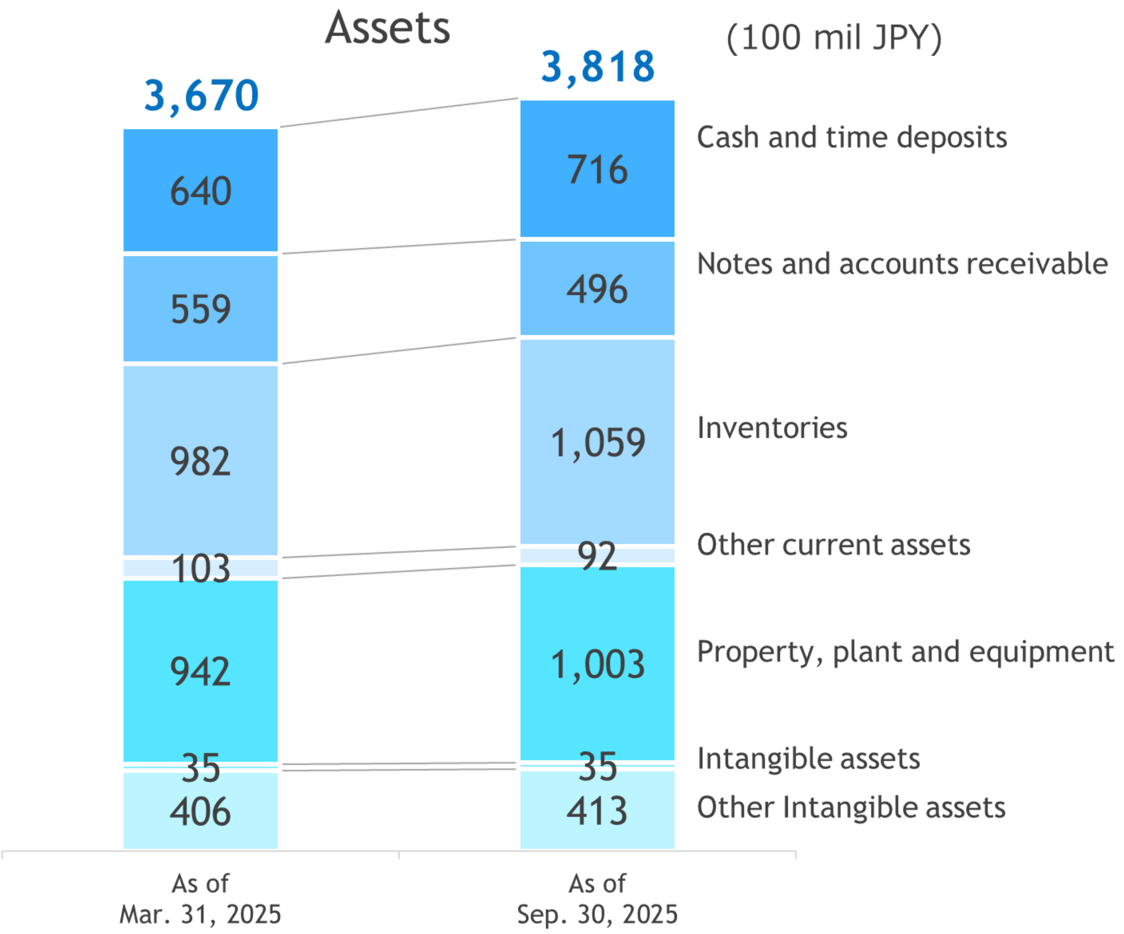
Sales amount by Destination

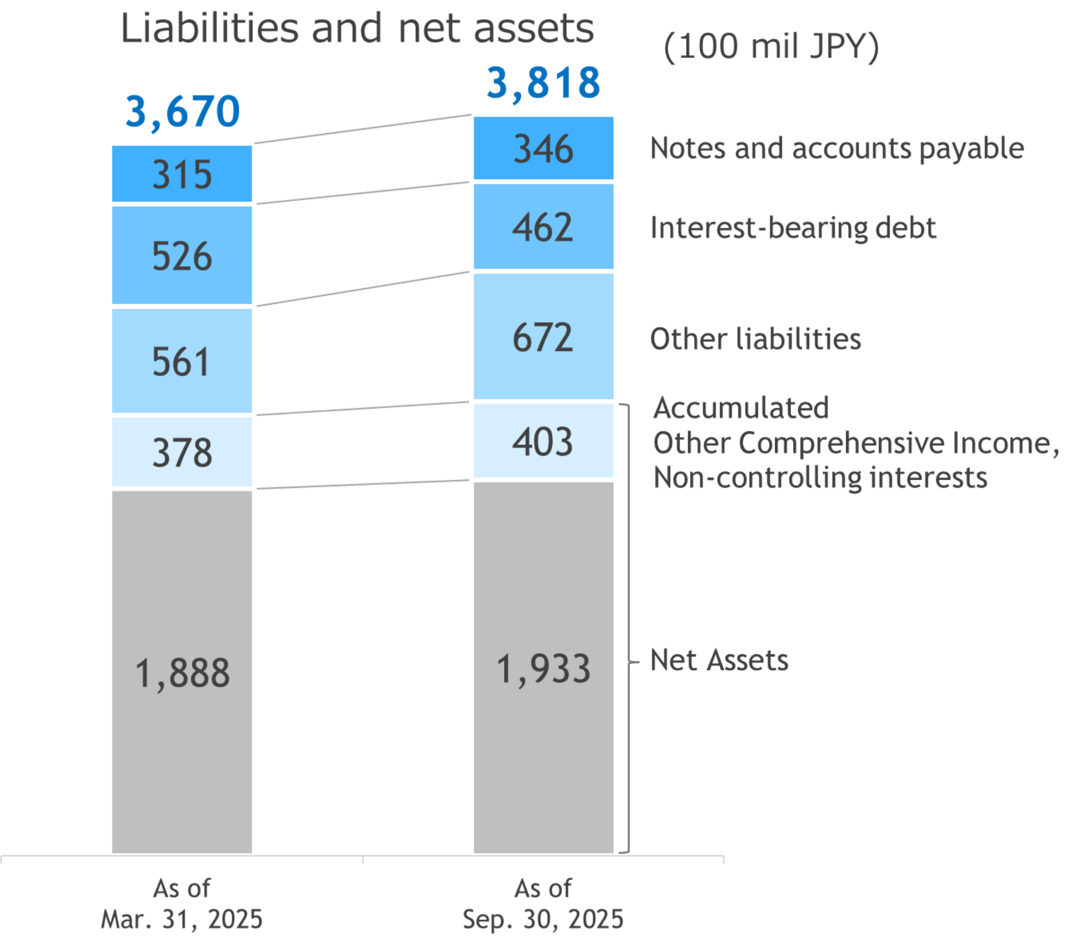
Sales growth in the Asia contributed to the overall increase in sales.

(Mil JPY)		Japan	Asia	America	Europe	Others	Consolidated
FY2025 1H	Net sales	13,442	63,696	33,007	7,143	2,131	119,421
	Ratio	11.2%	53.3%	27.6%	5.9%	1.7%	
FY2024 1H	Net sales	14,811	47,331	35,892	8,872	1,329	108,237
	Ratio	13.6%	43.7%	33.1%	8.1%	1.2%	
FY2023 1H	Net sales	20,105	46,379	30,763	9,559	1,707	108,515
	Ratio	18.5%	42.7%	28.3%	8.8%	1.5%	

Balance Sheet Summary

Despite capital investments and repayments of interest-bearing debt, cash and deposits increased by 7.6 billion yen.





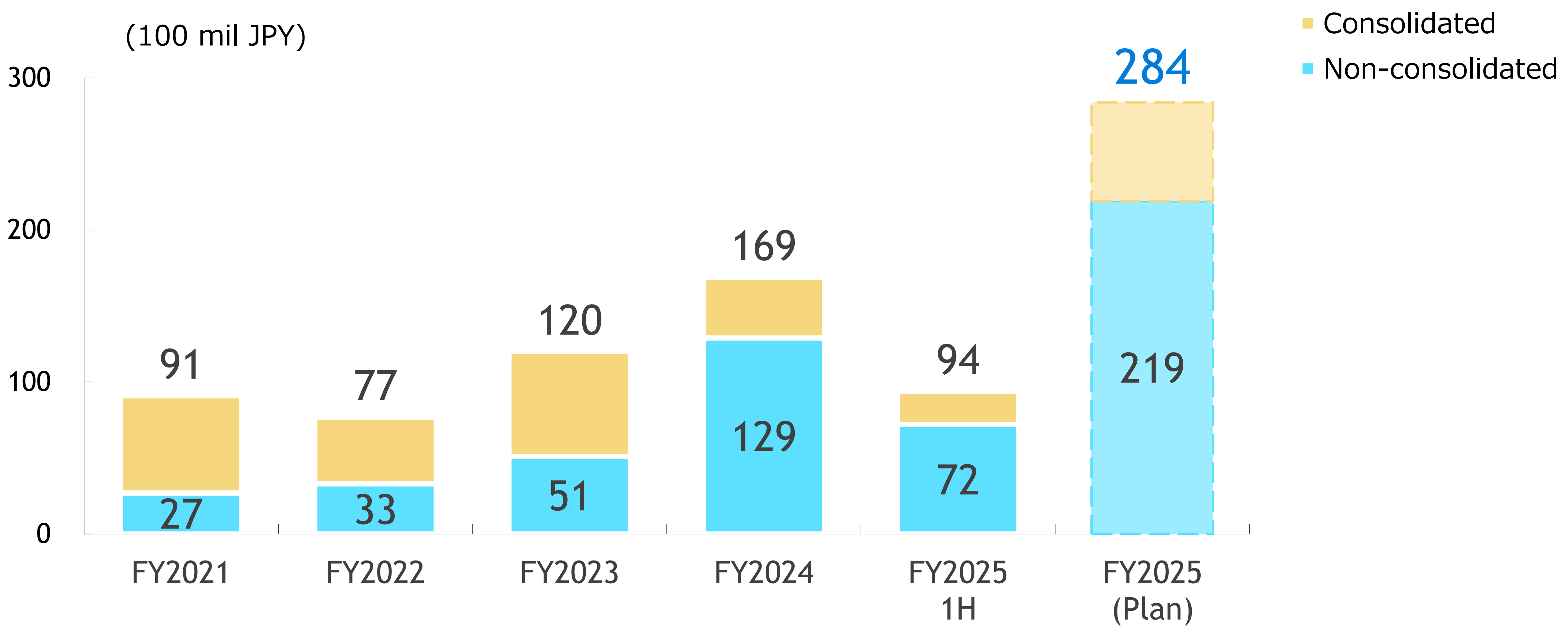
Consolidated Statements of Cash Flow

Despite shareholder returns and capital investments, operating cash flow contributed to an increase in cash and deposits.

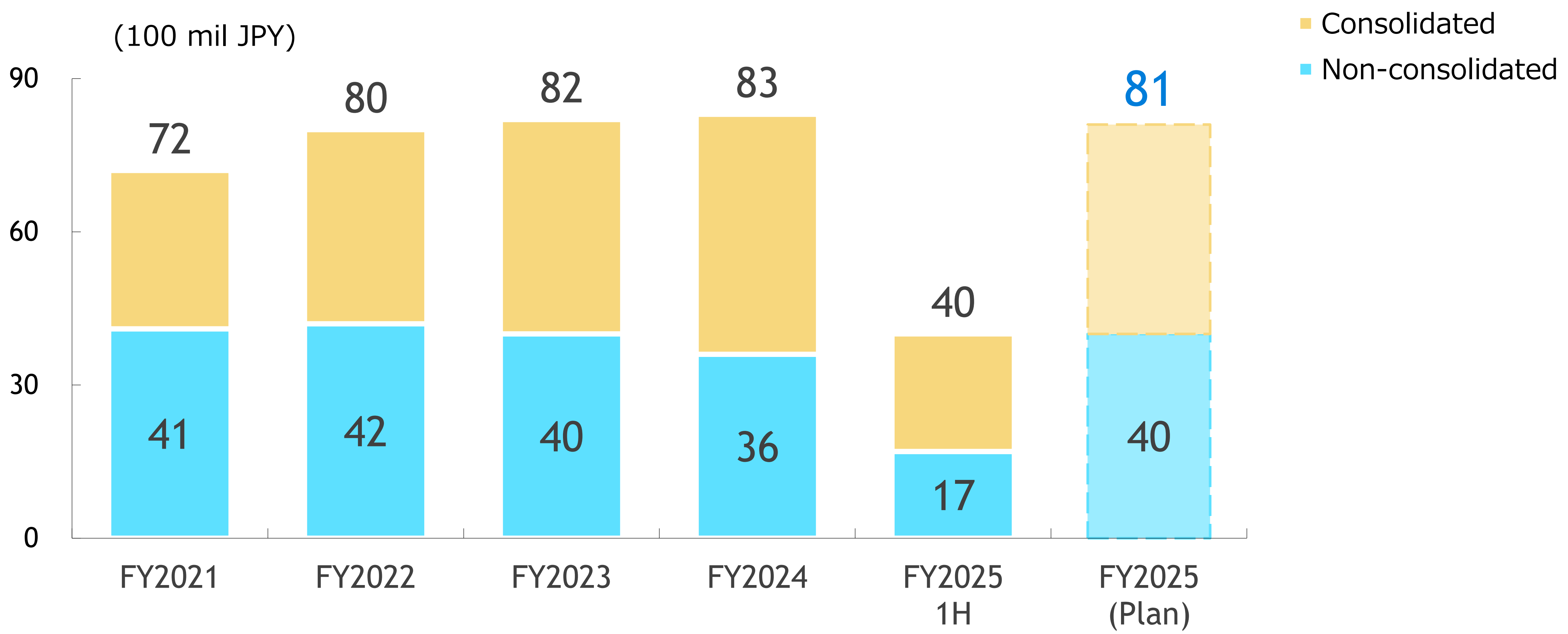
(Mil JPY)

	FY2024 1H	FY2025 1H
1. Cash flows from operating activities	**11,889**	**21,478**
Income (loss) before income taxes	8,094	9,596
Depreciation and amortization	4,082	3,964
(Increase) decrease in working capital	-1,735	3,410
Other, net	1,447	4,507
2. Cash flows from investing activities	**- 7,592**	**- 4,220**
Purchase of property, plant and equipment	-6,518	-4,242
Other, net	-1,073	22
3. Cash flows financing activities	**2,074**	**- 9,638**
Increase (decrease) in interest-bearing debt	6,643	-6,702
Payment for purchases of treasury stock	-2,003	-3
Dividends paid by the parent company	-1,896	-2,336
Other, net	-668	-596
Effect of exchange rate changes on cash and cash equivalents	**- 2,279**	**- 58**
Cash and cash equivalents, beginning of period	**72,578**	**64,067**
Cash and cash equivalents, end of period	**76,670**	**71,628**

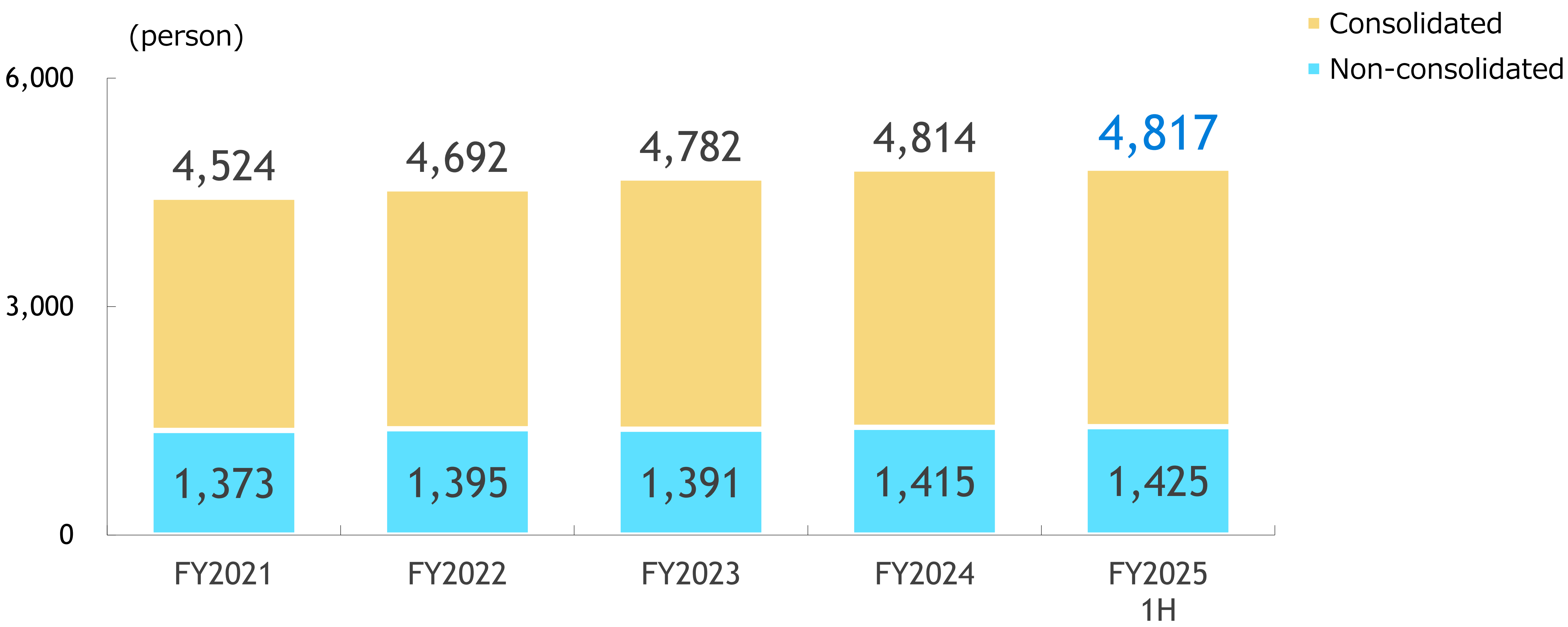
FY2025 investment plan is 28.4 billion yen, mainly in Japan.



Depreciation



Headcount



(person)
Consolidated
Non-consolidated
6,000
3,000
0
4,524
4,692
4,782
4,814
4,817
1,373
1,395
1,391
1,415
1,425
FY2021
FY2022
FY2023
FY2024
FY2025
1H

Forecast of Consolidated Operating Results

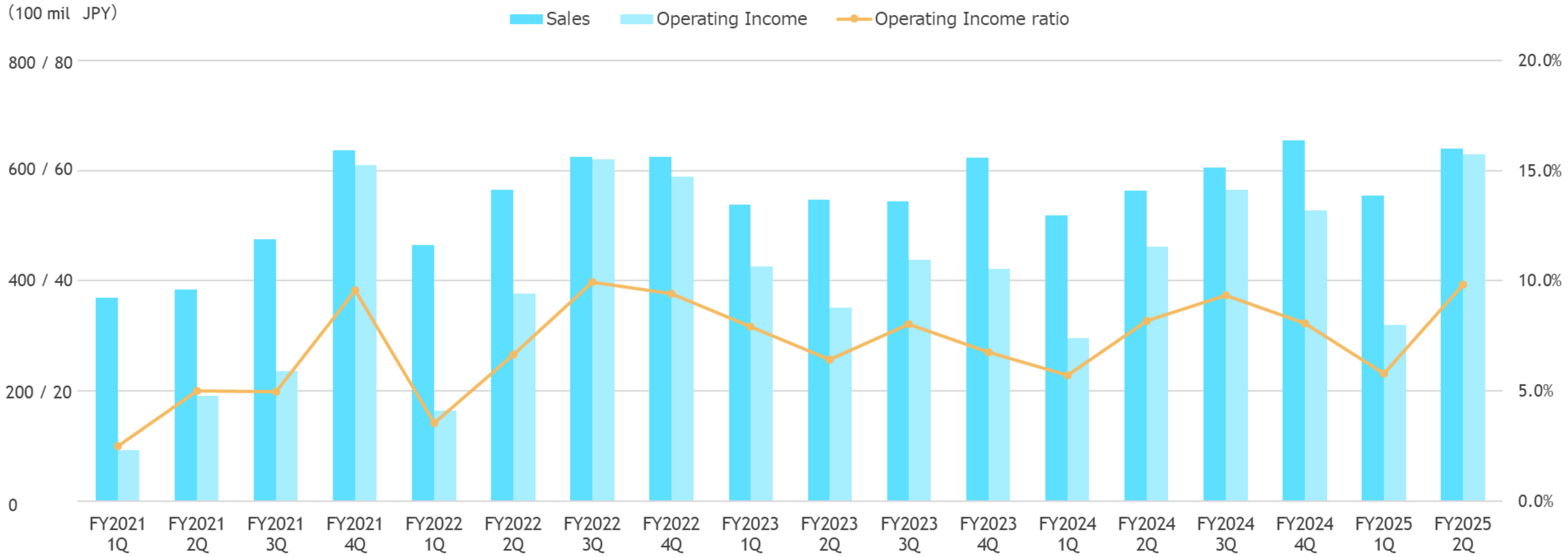
(Mil JPY)	Actual of FY2024 (Apr.1,2024-Mar.31,2025)	Forecast of FY2025 (Apr.1,2025-Mar.31,2026)	Change (%)
Net sales	234,216	240,000	5,784
Operating income (Operating income ratio)	18,516 (7.9%)	21,500 (9.0%)	2,984 (16.1%)
Ordinary income (Ordinary income ratio)	20,090 (8.6%)	22,000 (9.2%)	1,910 (9.5%)
Net income attributable to owners of the parent (Net income ratio)	14,415 (6.2%)	18,000 (7.5%)	3,585 (24.9%)

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



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	146.04
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	168.06
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	113.00

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 1H (Apr.1,2025-Sep.30,2025) External sales	FY2025 1H (Apr.1,2025-Sep.30,2025) Exchange rate (Same period of last year)	The influence of exchange rate fluctuations in Sales	The influence of exchange rate fluctuations in Operating Income
USD	USD 228M	146.04 (152.63)	-1,501	-539
EUR	EUR 37M	168.06 (165.95)	77	25
SGD	SGD 545M	113.00 (114.16)	-632	-41
		Total	-2,056	-555

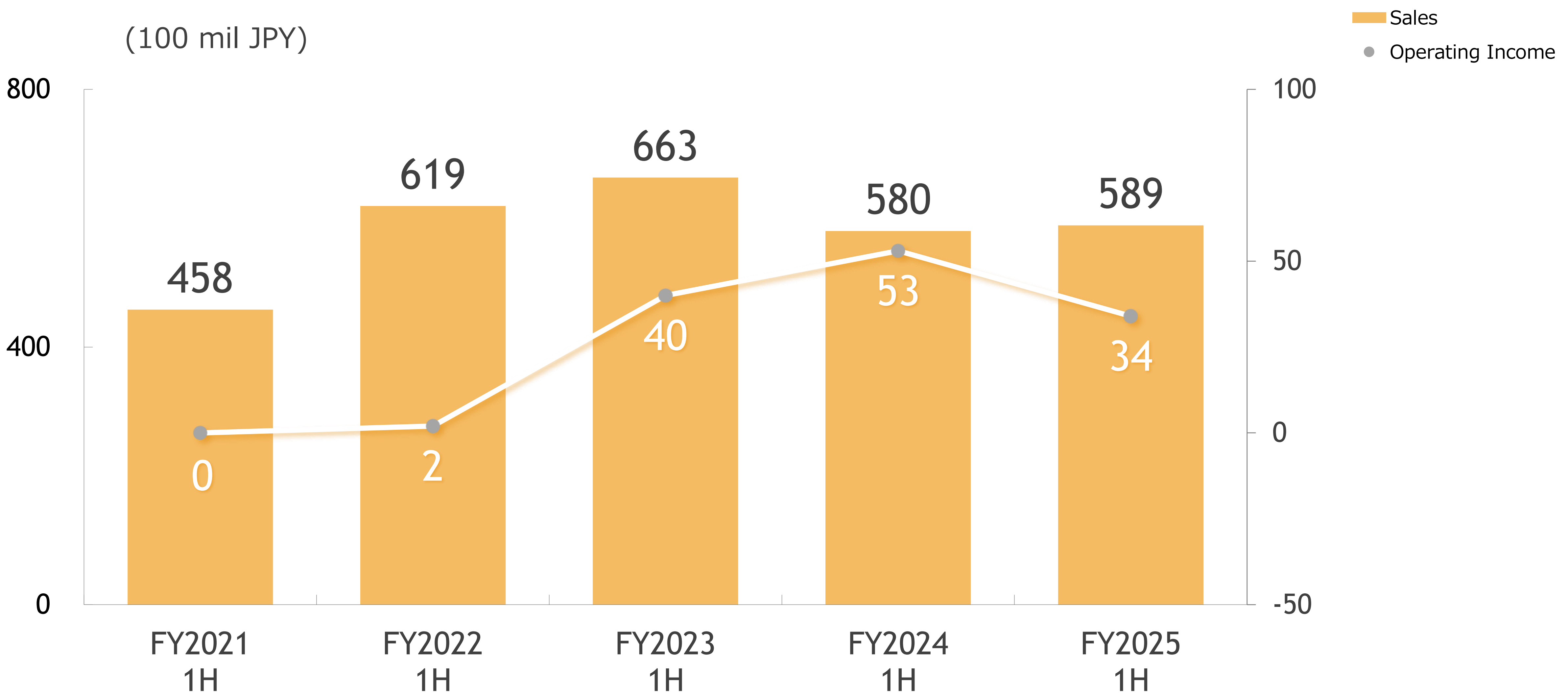
The Influences on Sales and Operating Income by exchange rate fluctuations (Comparison with the forecast)

MAKINO
Promise of Performance

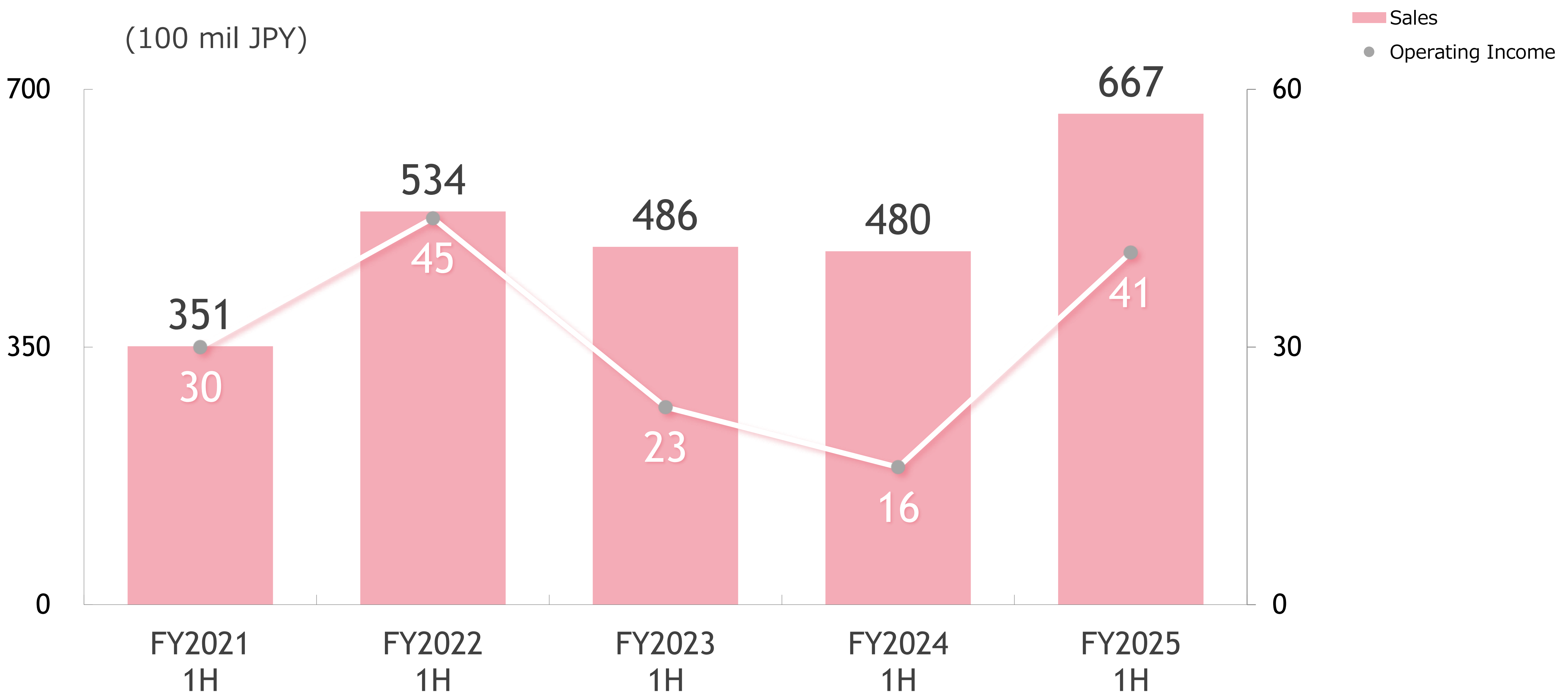
(Mil JPY)

	FY2025 1H (Apr.1,2025-Sep.30,2025) External sales	FY2025 1H (Apr.1,2025-Sep.30,2025) Exchange rate (forecast)	The influence of exchange rate fluctuations in Sales	The influence of exchange rate fluctuations in Operating Income
USD	USD 228M	146.04 (141.00)	1,148	412
EUR	EUR 37M	168.06 (161.00)	258	84
SGD	SGD 545M	113.00 (108.00)	2,725	179
		Total	4,131	675

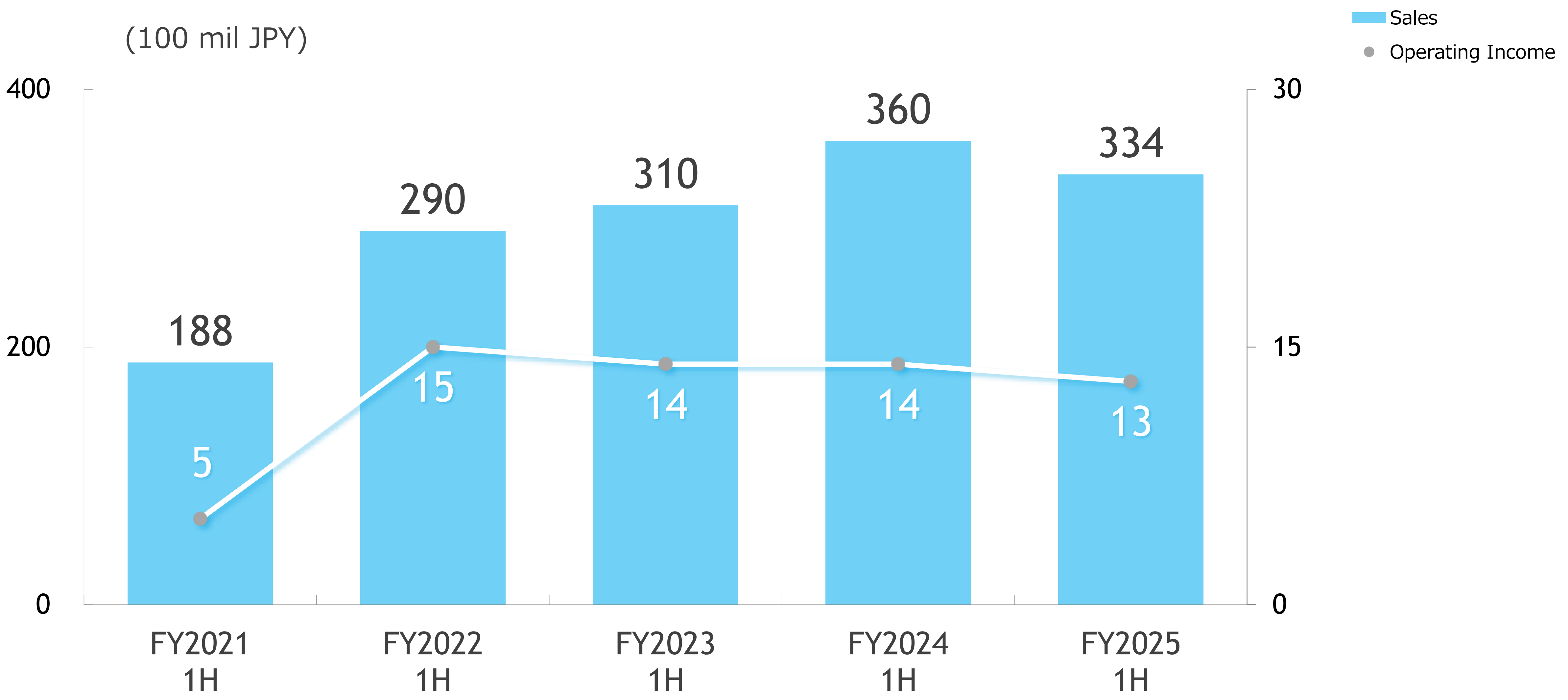
Net Sales and Operating Income (by Segment I ／Japan)



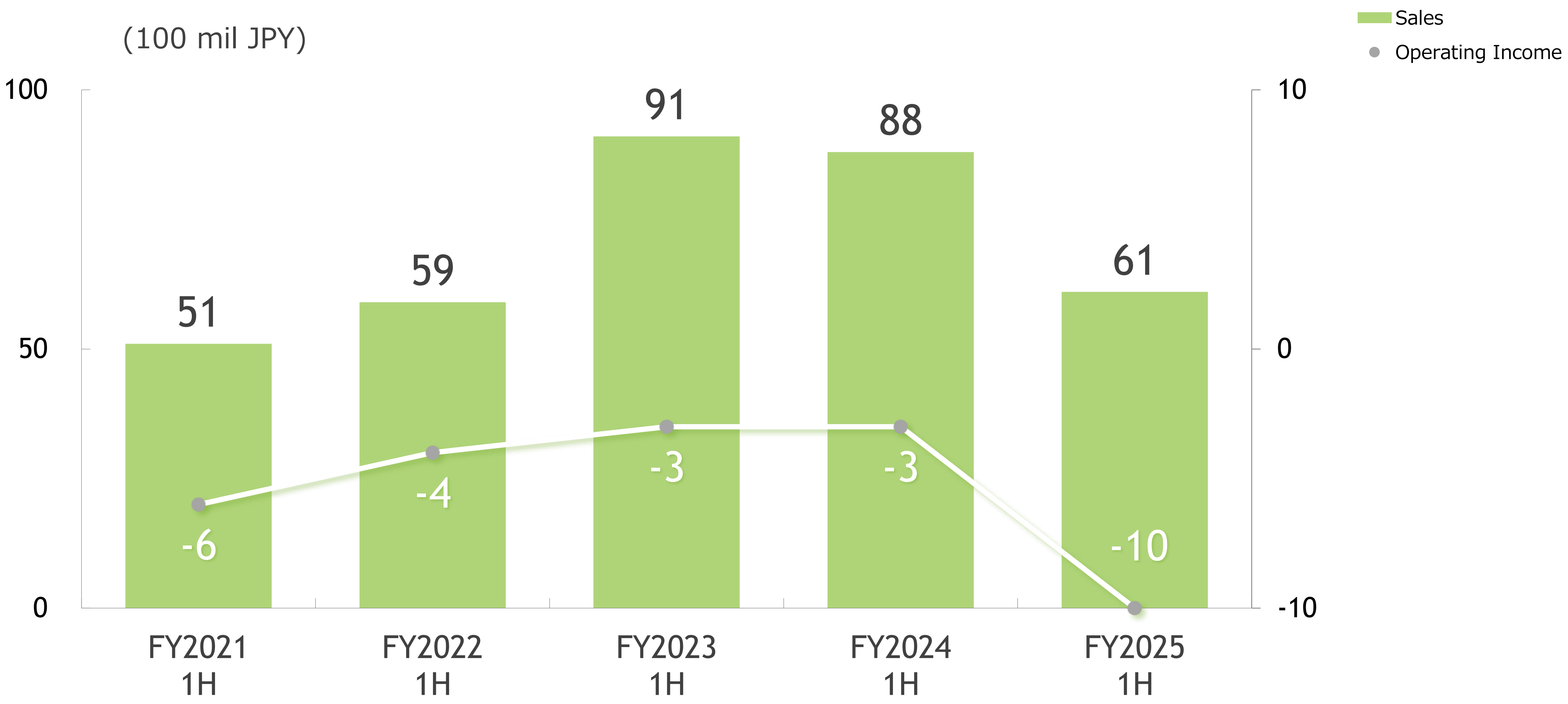
Net Sales and Operating Income (by Segment Ⅱ／Asia)



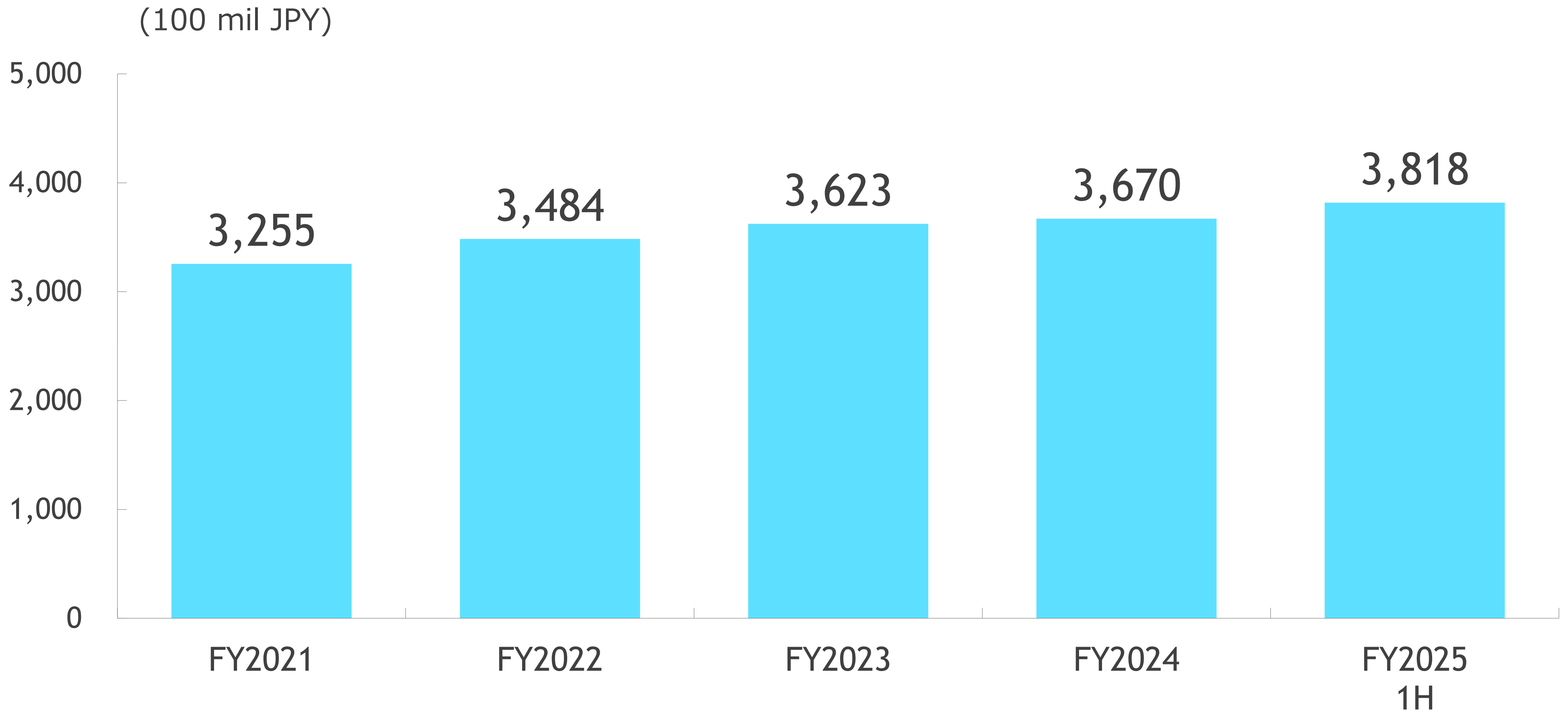
Net Sales and Operating Income (by Segment Ⅱ／America)



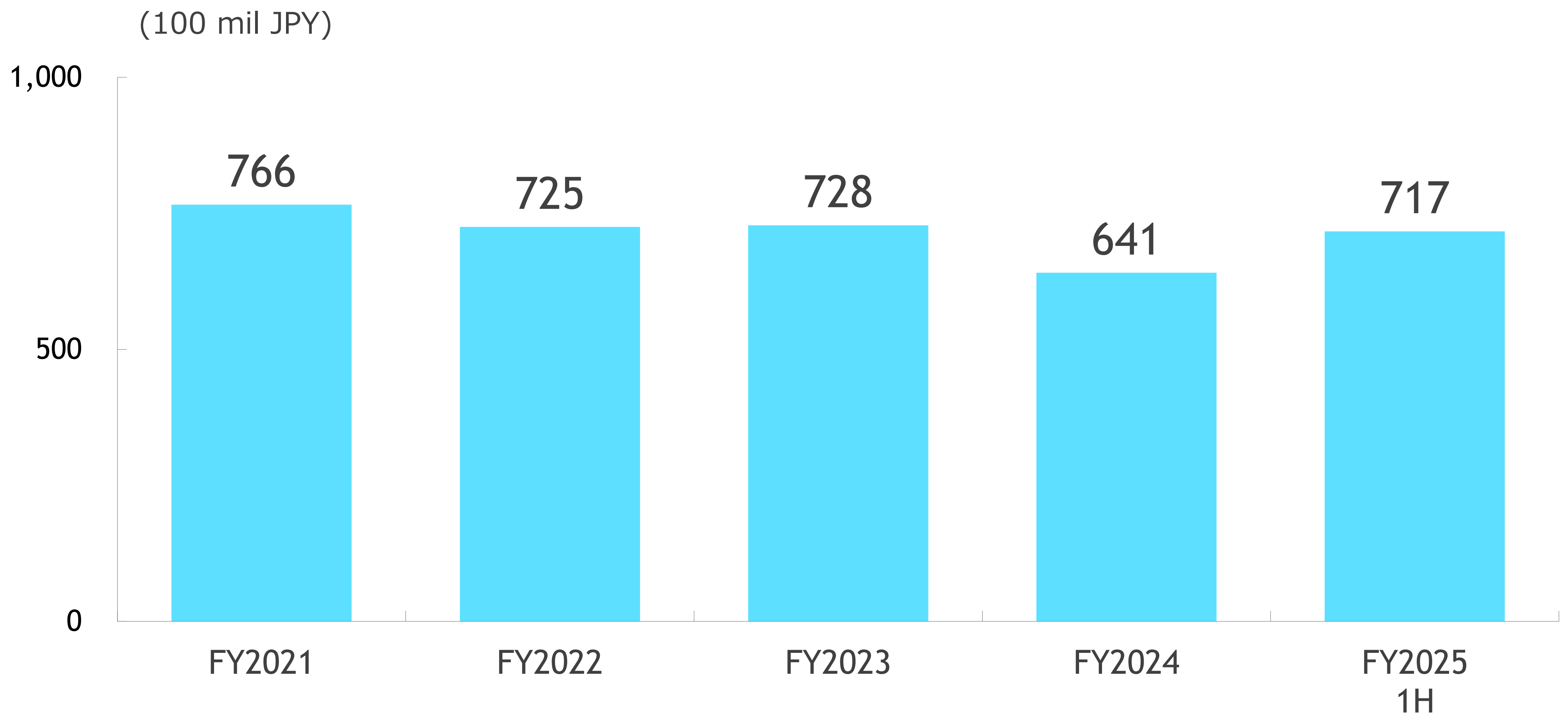
Net Sales and Operating Income (by SegmentⅣ／Europe)



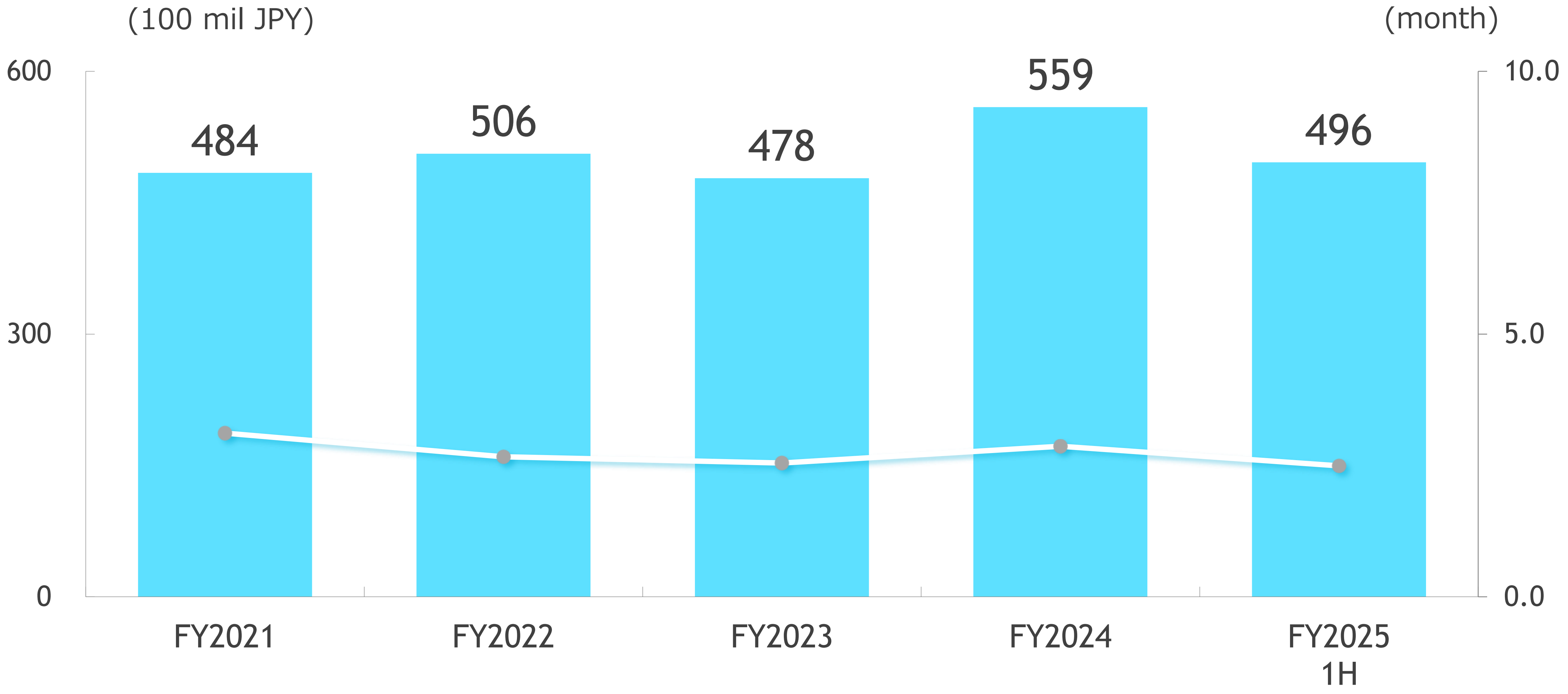
Total assets



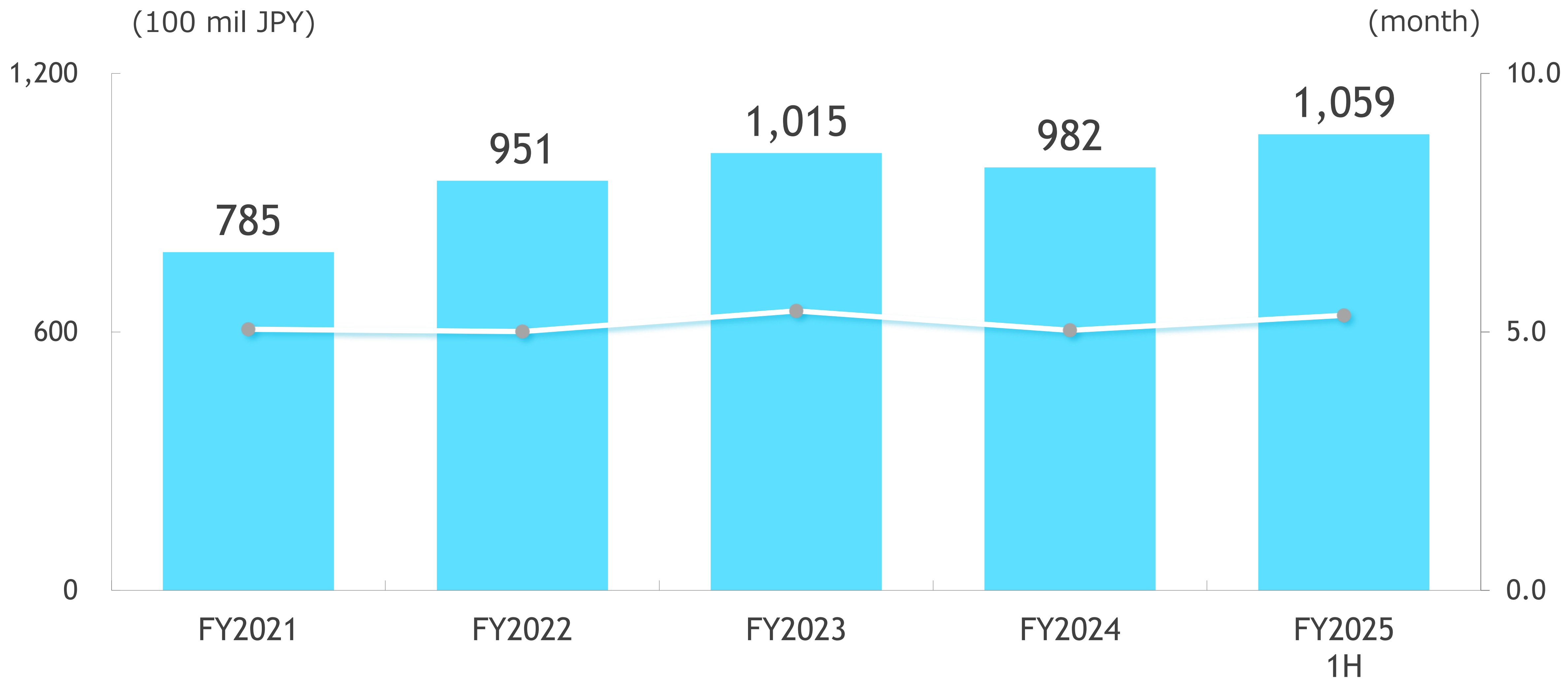
Cash and time deposits + securities



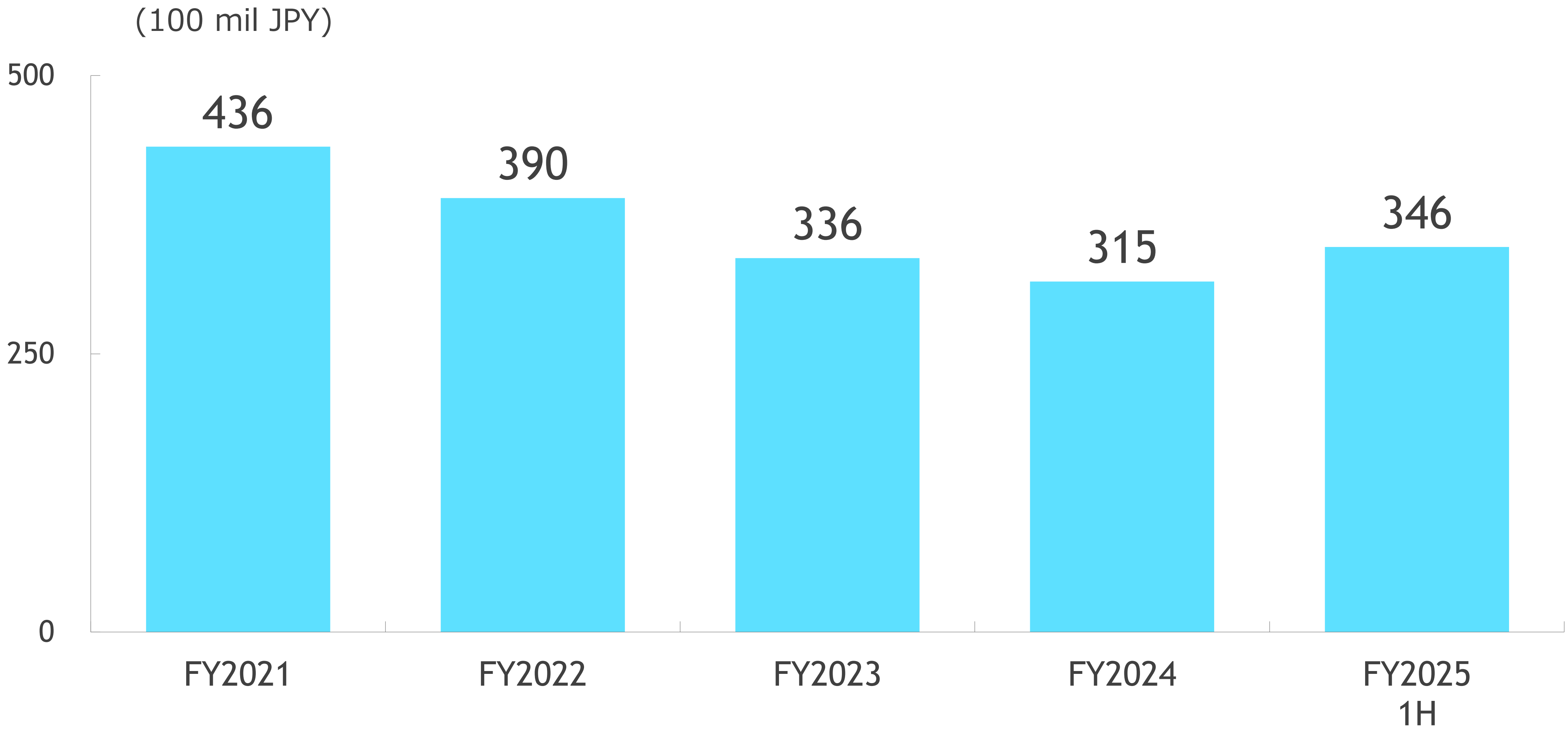
Notes and accounts receivable, trade(left) / Turnover(right)



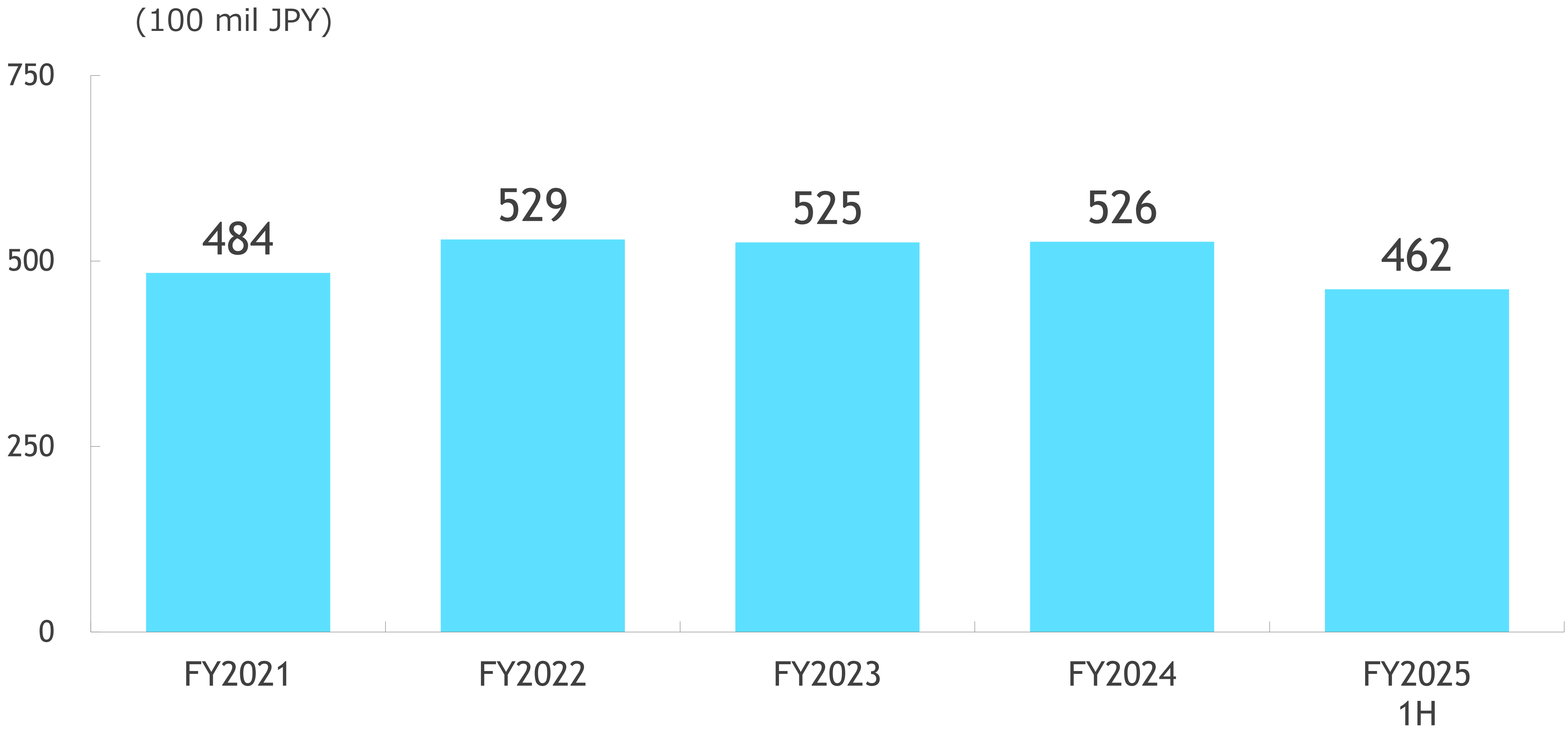
Inventories(left) / Turnover(right)



Notes and accounts payable, trade



Interest-bearing debt



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.