



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

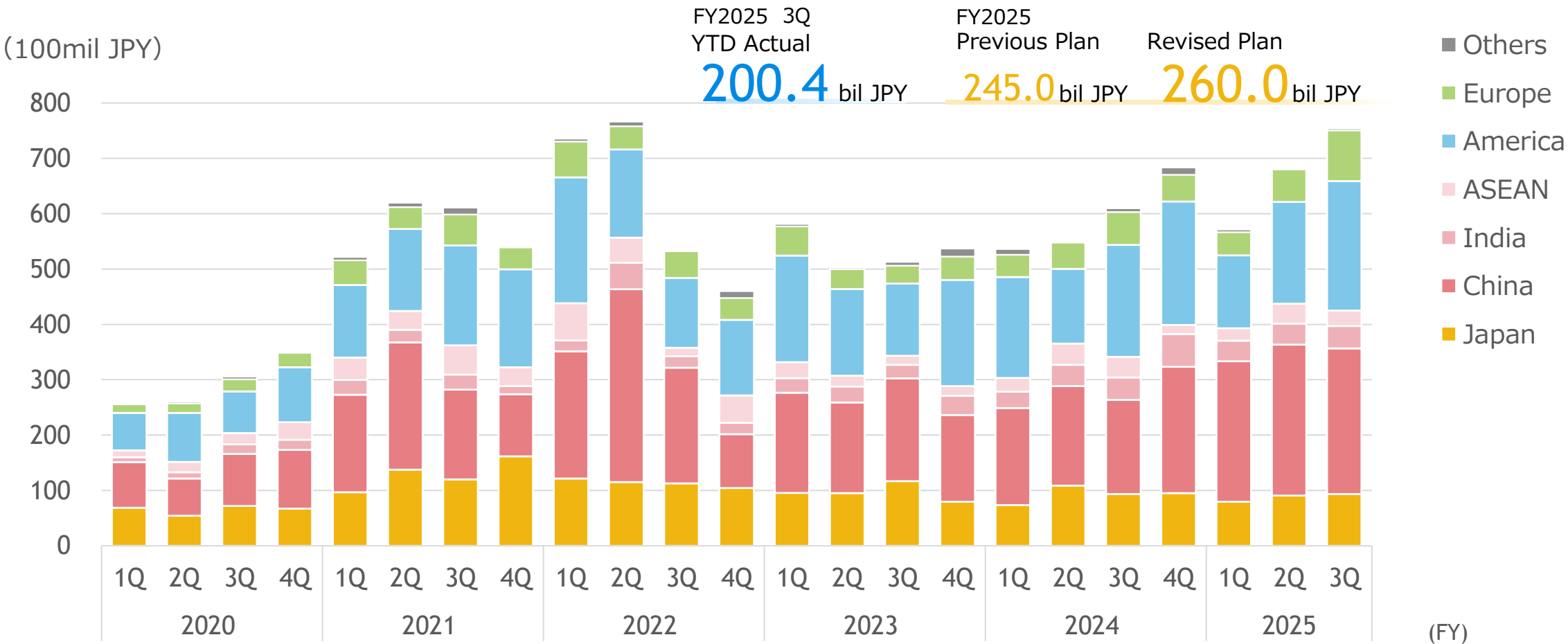
Makino Milling Machine Co., Ltd.  
January 30, 2026

# Orders

# Order by Destination (consolidated)

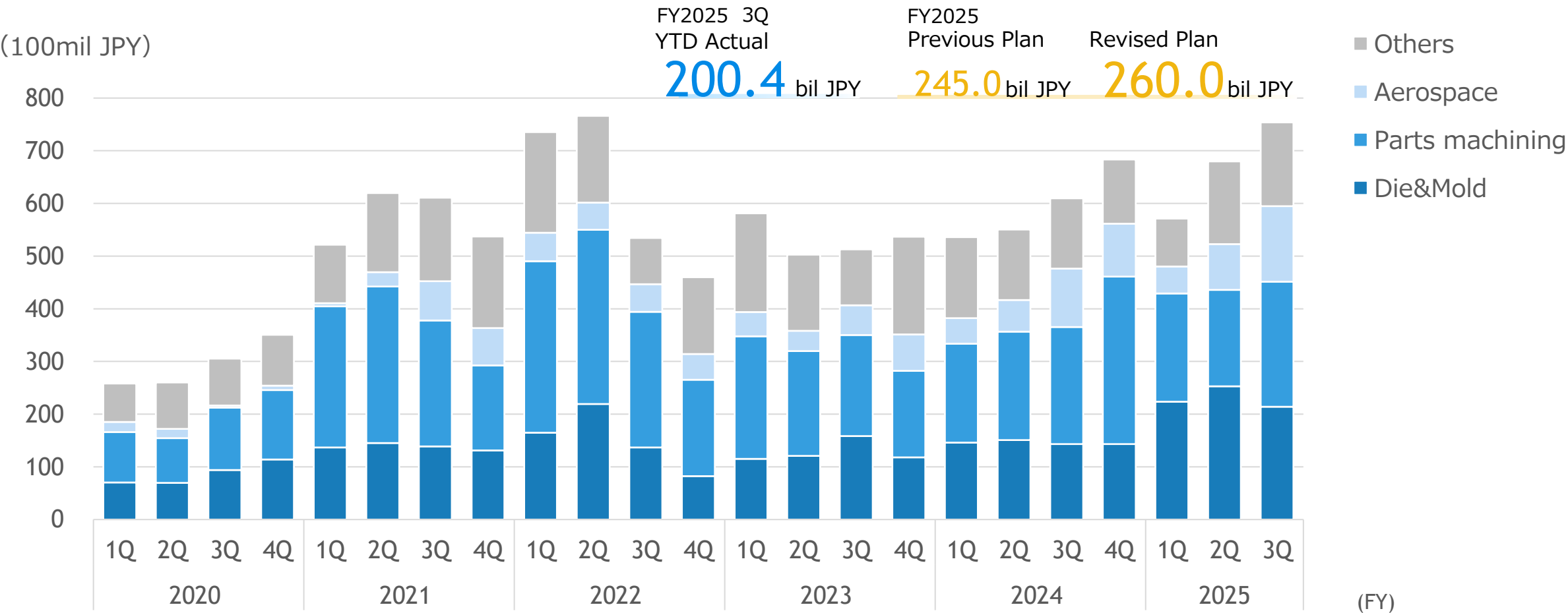


Orders increased by 23.6% from FY2024 3Q mainly for China and US.





## Orders for Die&Mold and aerospace increased from FY2024 3Q.

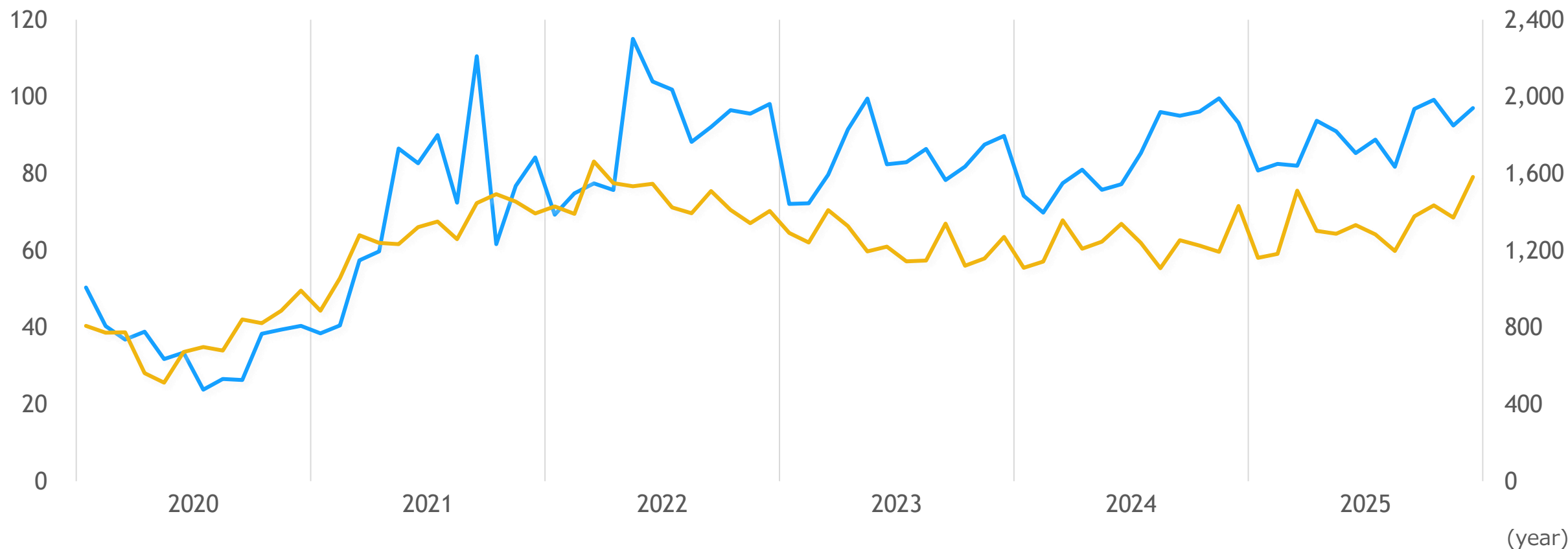




**Makino's share in 3Q was 6.6%.**

## Makino

(100 mil JPY)

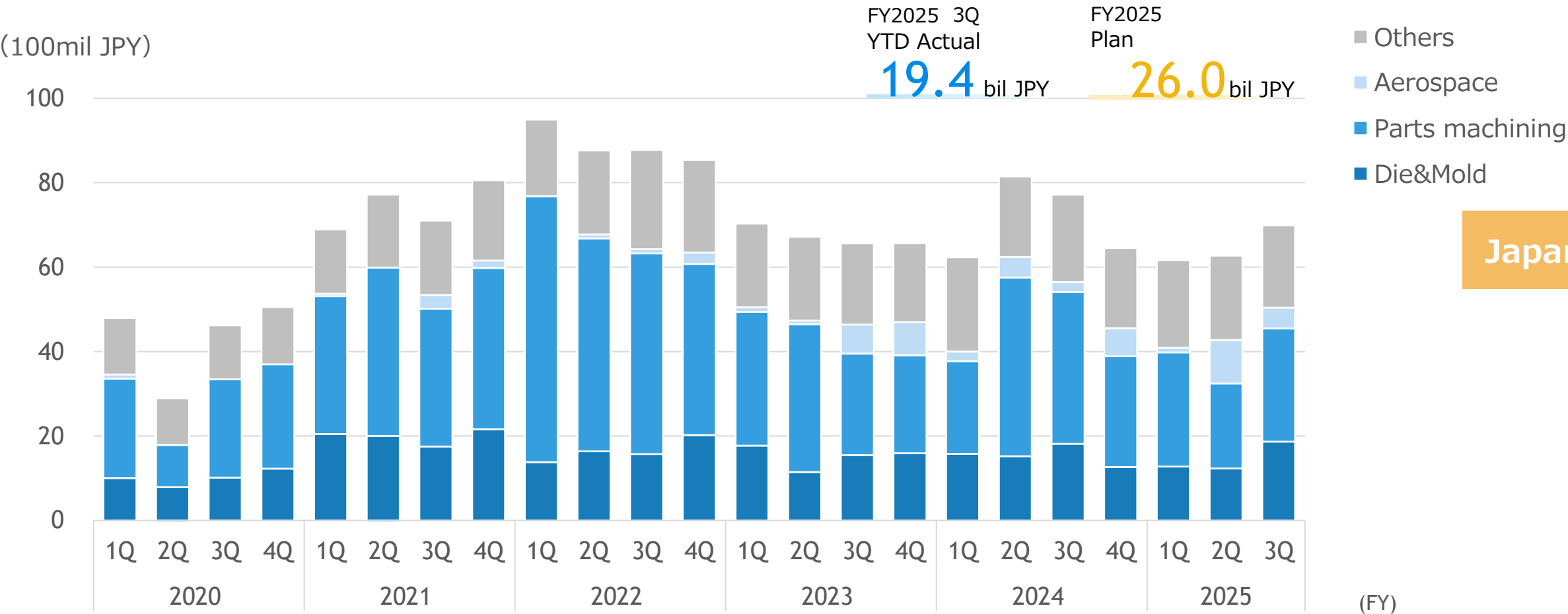


## JMTBA

(100 mil JPY)



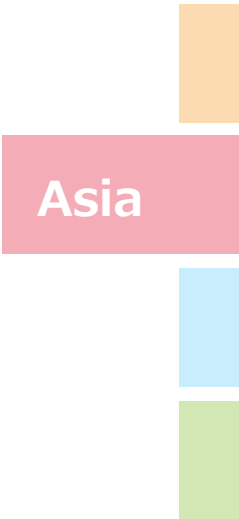
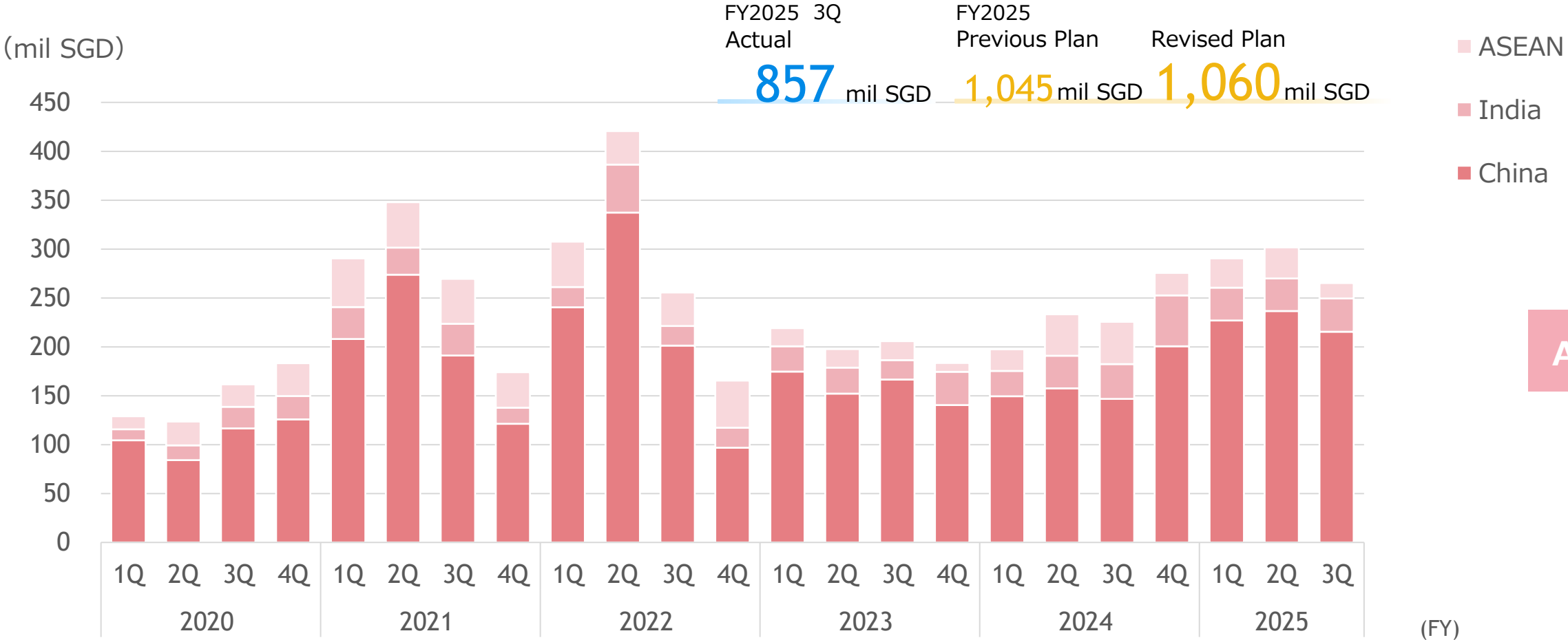
Orders decreased by 9.4% from FY2024 3Q mainly for parts machining.





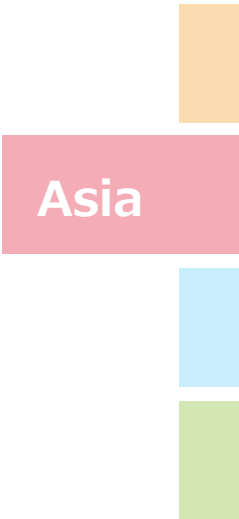
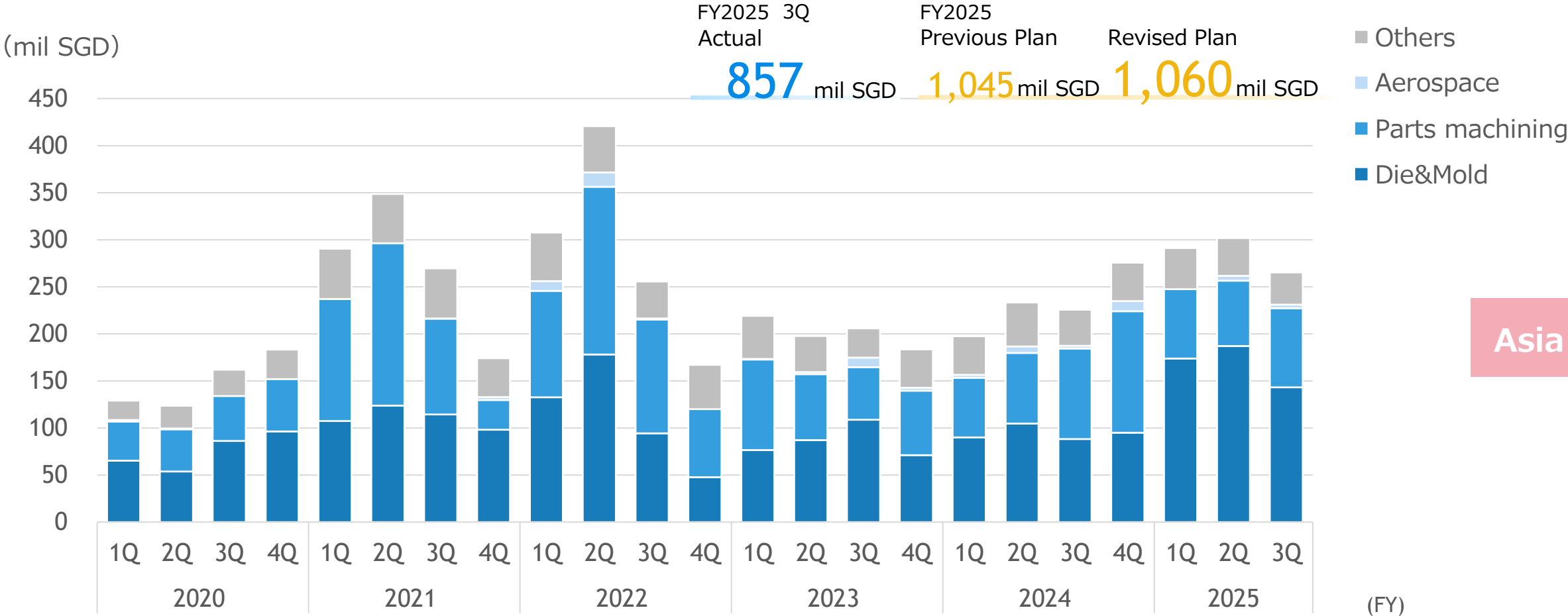


Orders increased by 46.3% from FY2024 3Q in China.





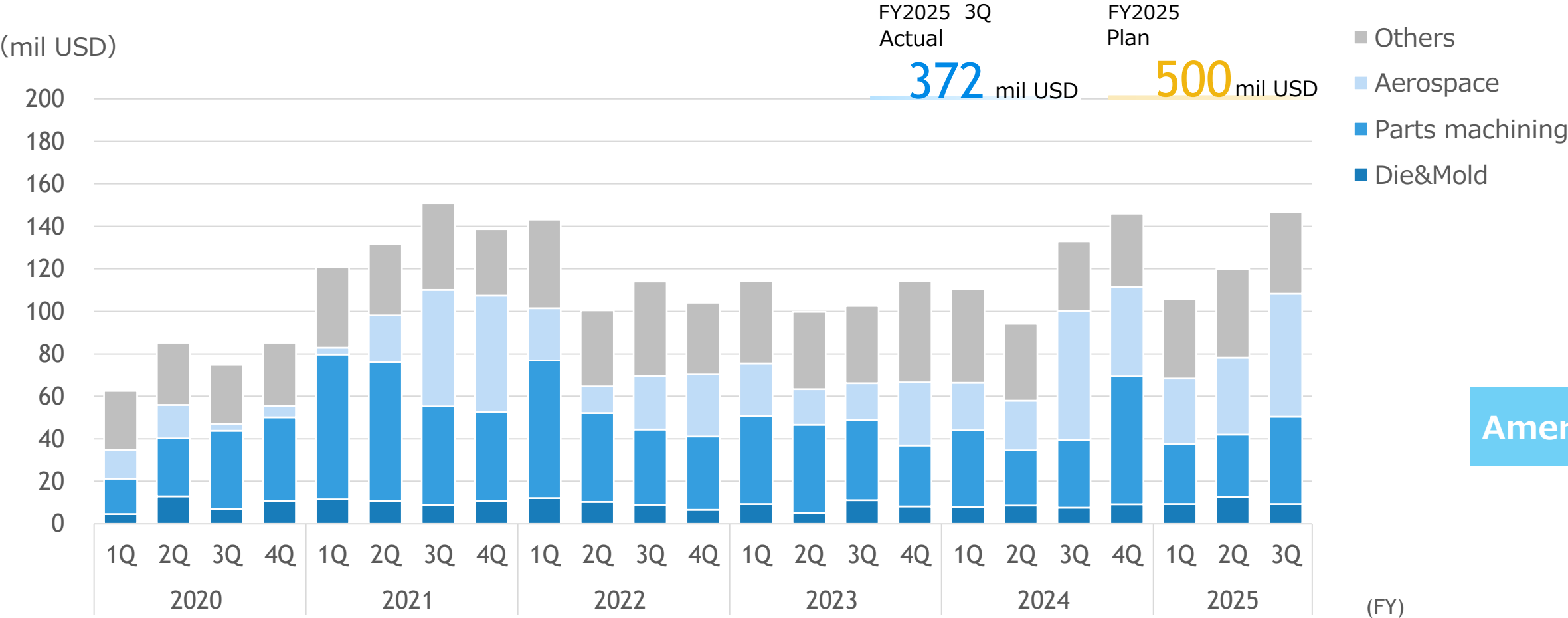
## Orders for Die&Mold increased by 62.3%.







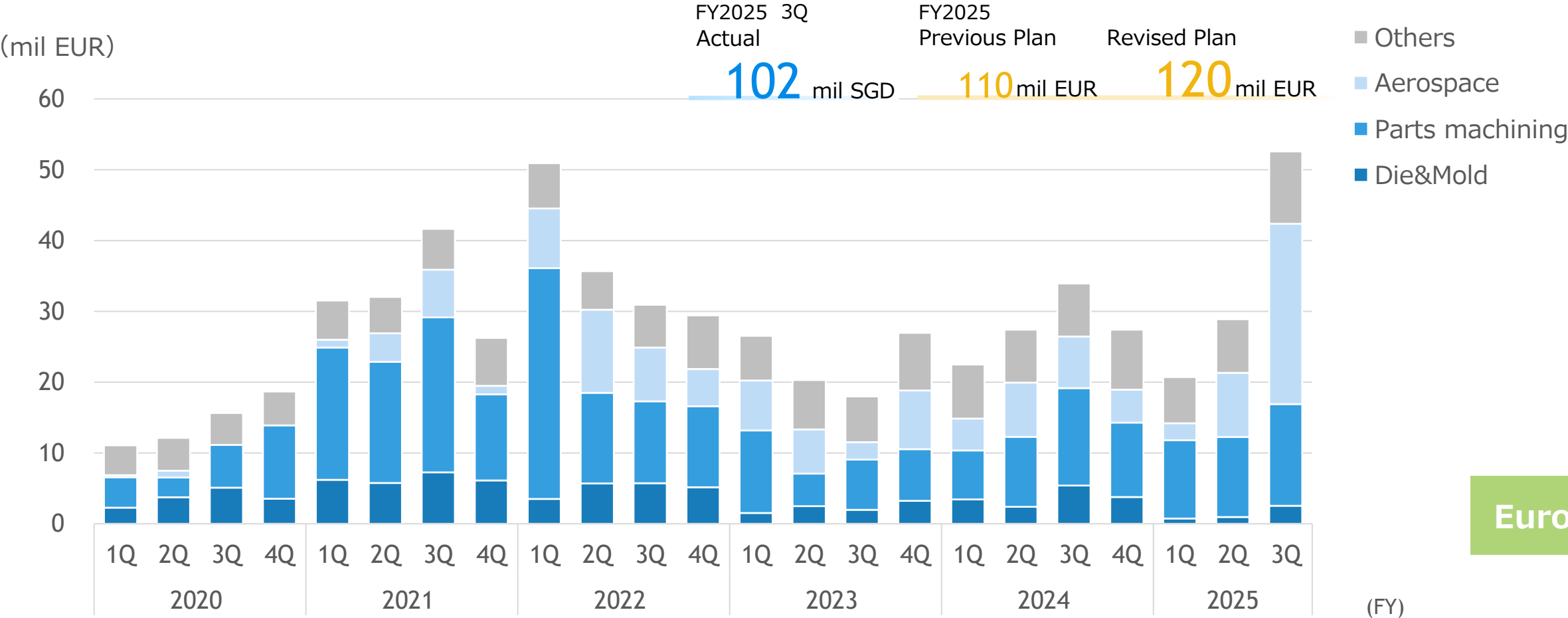
Orders increased by 10.4% from FY2024 3Q.  
Strong orders continued for aerospace.



America



Orders increased significantly by 55.8% from FY2024 3Q mainly for aerospace.





## 4 new models including large-size and 5-axis machines released in FY2025.



Japan

Vertical MC  
**V800**

**Large size machine** × **Die&Mold**

Next-generation model of long seller V Series:  
High-efficiency machining of Die & Mold for automotive parts and other components, which have been getting larger in recent years

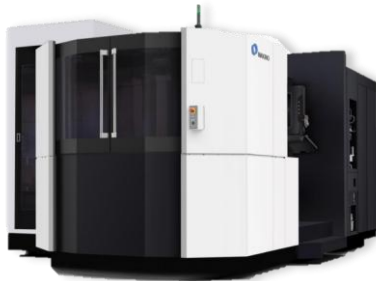


Asia

Vertical MC  
**f6**

**Makino Asia** × **Die&Mold**

The latest model in the f Series for Die&Molds, proven in Asia and globally



Japan

5-axis horizontal MC  
**a630iT**

**5-axis machine** × **Parts machining**

5-axis table capable of handling workpieces up to 1,000 kg enables machining of difficult-to-cut materials and complex shapes for large and heavy components in aerospace, energy, and other industries



Asia

Horizontal MC  
**JH5**

**Makino Asia** × **Parts Machining**  
**(Asia region)**

Horizontal MC developed to meet the needs of parts processing users in Asia



## Expanding automation and intelligent software to enhance the value of machining

### Factory Automation

Software to improve the quality of automation  
e.g. MAS-NX



Forecasting future production risks and presenting necessary actions in advance

### iKnowledge Technology

Software to enhance the performance of machines  
e.g. GI.6 control



Monitoring machine status with built-in sensors to provide optimal processing conditions

### Manufacturing Digitalization

Software to accumulate data for Kaizen  
e.g. MAS-3i



Providing data collection, visualization, and analysis support for processing lines as an all-in-one package

**Enhancing  
Customer Productivity**



## Enhancing global integration of customer relationship management systems to strengthen precise and rapid responses



- ✓ Strengthen support for customers expanding globally into Southeast Asia, Eastern Europe, Latin America, and other regions
- ✓ Integrating information from initial engagement to post-delivery support, enabling tailored solutions for customers



**Improving  
Customer Satisfaction**





## Enhancing large casting parts machining capacity and labor efficiency through the introduction of in-house-developed dedicated processing machines



Plant／Country	Key Products	Investment Details	
Fuji-Katsuyama Japan	Large 5-axis MC	Introduction of dedicated MC  Automation and labor-saving	Replacement of aging equipment
Kunshan China	Large EDM		In-house machining of large casting parts
Wuhan China	MC		

### Expected Benefits of Investment

Enhancement of productivity for Large-size MC and Makino Asia’s MC/EDM as business opportunities increase

- **Reduced lead time**  
Dedicated machines optimized for large castings for Makino products
- **Processing cost reduction**  
Increased effective operating time and unmanned operation time through automation and labor-saving functions
- **Reduction of quality losses**  
Reducing rework and adjustments through quality improvements by in-house machining





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 3Q

(Comparison with the same period of last year)



**Compared to FY2024 3Q, net sales and profits increased.**

(Mil JPY)	Actual of FY2024 3Q (Apr. 1, 2024-Dec. 31, 2024)	Actual of FY2025 3Q (Apr. 1, 2025-Dec. 31, 2025)	Change (%)
Net sales	168,794	190,132	21,337 (12.6%)
Operating income (Operating income ratio)	13,232 (7.8%)	17,676 (9.3%)	4,443 (33.6%)
Ordinary income (Ordinary income ratio)	14,487 (8.6%)	19,780 (10.4%)	5,292 (36.5%)
Net income attributable to owners of the parent (Net income ratio)	10,532 (6.2%)	14,029 (7.4%)	3,497 (33.2%)
<u>Exchange rate</u>			
USD	152.57	148.74	
EUR	164.83	171.83	
SGD	114.25	114.97	

# Sales & Operating income by Segment



(Mil JPY)		I Japan	II Asia	III America	IV Europe	Eliminations	Consolidated
FY2025 3Q	Net sales (Sales in foreign currency)	99,214	101,148 (857,267)	52,802 (354,996)	12,069 (70,240)	- 75,101	190,132
	Operating income/loss	8,447	6,936	2,123	- 610	780	17,676
FY2024 3Q	Net sales (Sales in foreign currency)	95,592	77,427 (658,607)	51,926 (340,343)	12,989 (78,805)	- 69,140	168,794
	Operating income/loss	9,015	3,339	2,233	- 146	- 1,210	13,232
FY2023 3Q	Net sales (Sales in foreign currency)	100,822	72,204 (653,347)	45,850 (319,984)	15,364 (98,942)	- 71,249	162,992
	Operating income/loss	7,227	3,318	1,998	- 78	- 307	12,156

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



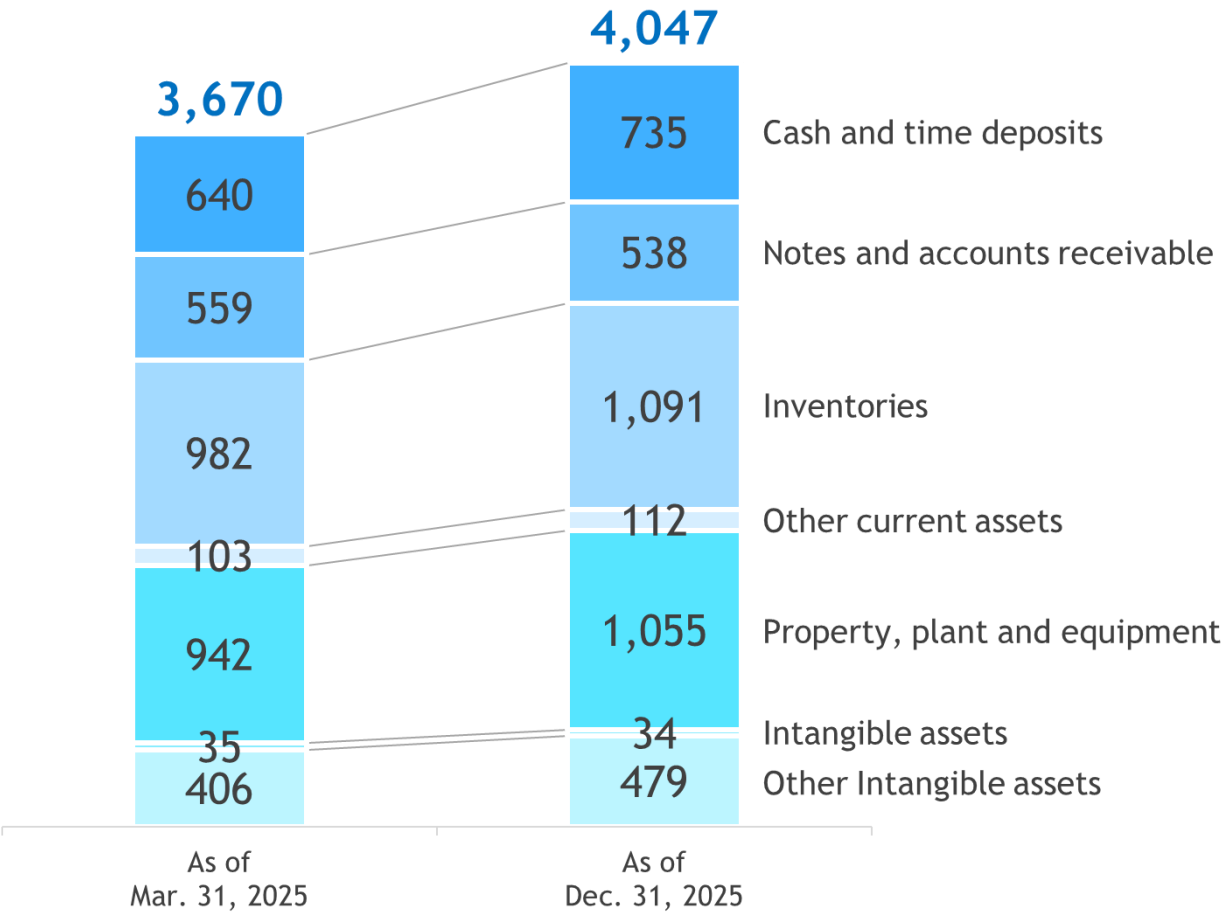
**Sales to Asia increased by 30% from FY2024 3Q, driven by growth in China.**

(Mil JPY)		Japan	Asia	America	Europe	Others	Consolidated
FY2025 3Q	Net sales	23,762	97,688	52,269	13,415	2,997	190,132
	Ratio	12.4%	51.3%	27.4%	7.0%	1.5%	
FY2024 3Q	Net sales	25,373	75,578	51,579	13,293	2,969	168,794
	Ratio	15.0%	44.7%	30.5%	7.8%	1.7%	
FY2023 3Q	Net sales	29,420	69,873	45,386	16,246	2,064	162,992
	Ratio	18.0%	42.8%	27.8%	9.9%	1.2%	



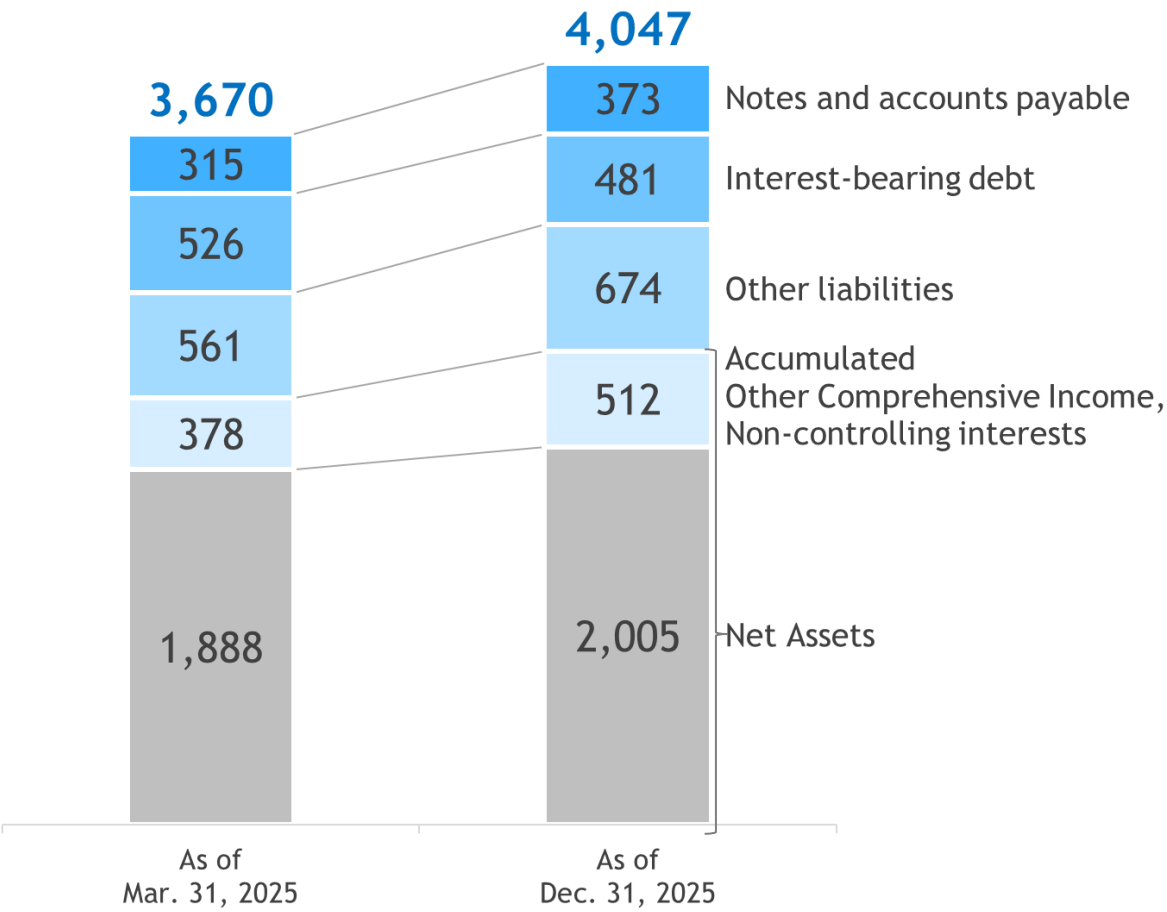
## Assets

(100 mil JPY)



## Liabilities and net assets

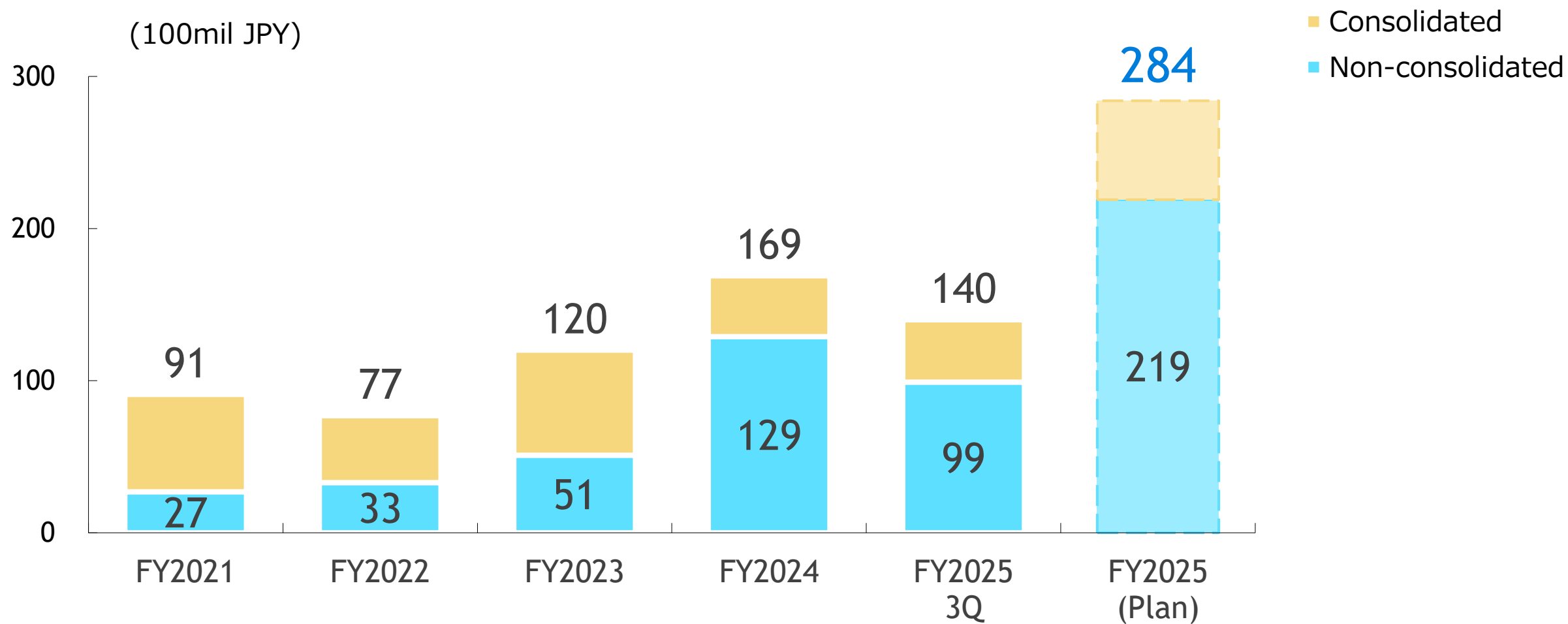
(100 mil JPY)



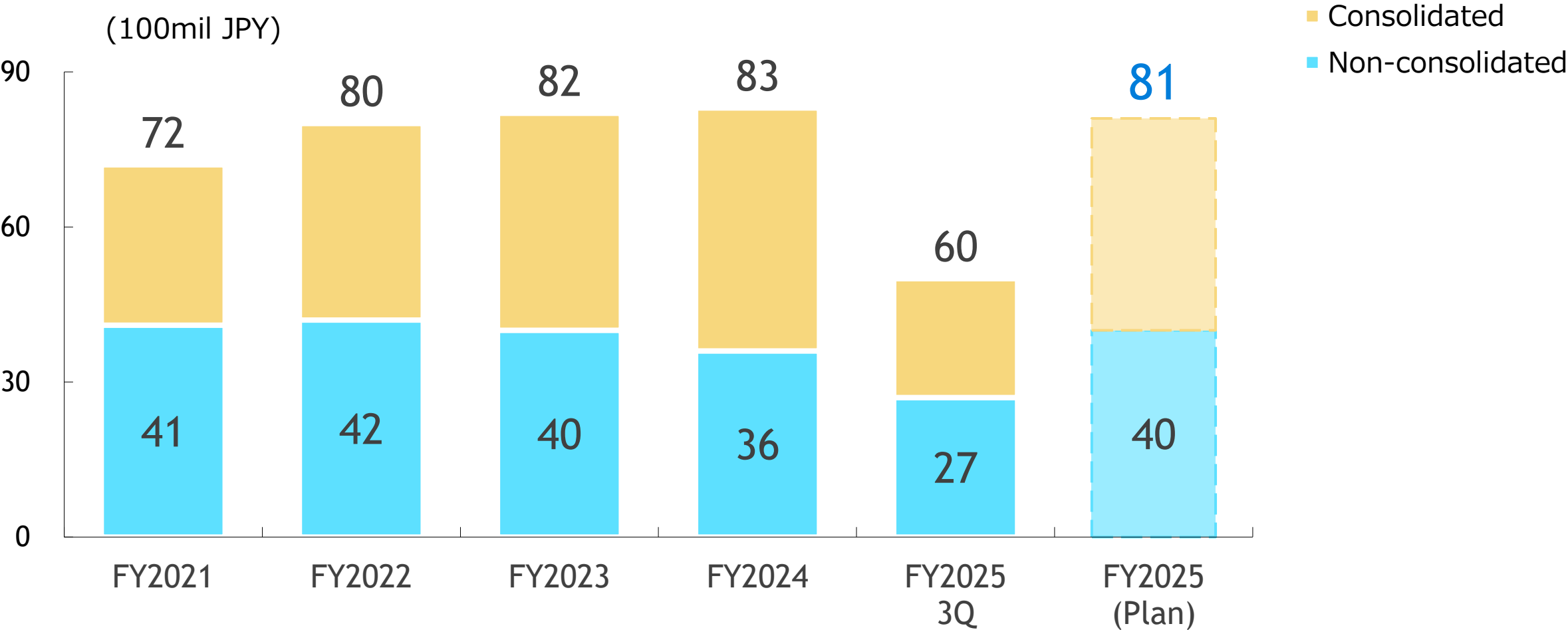


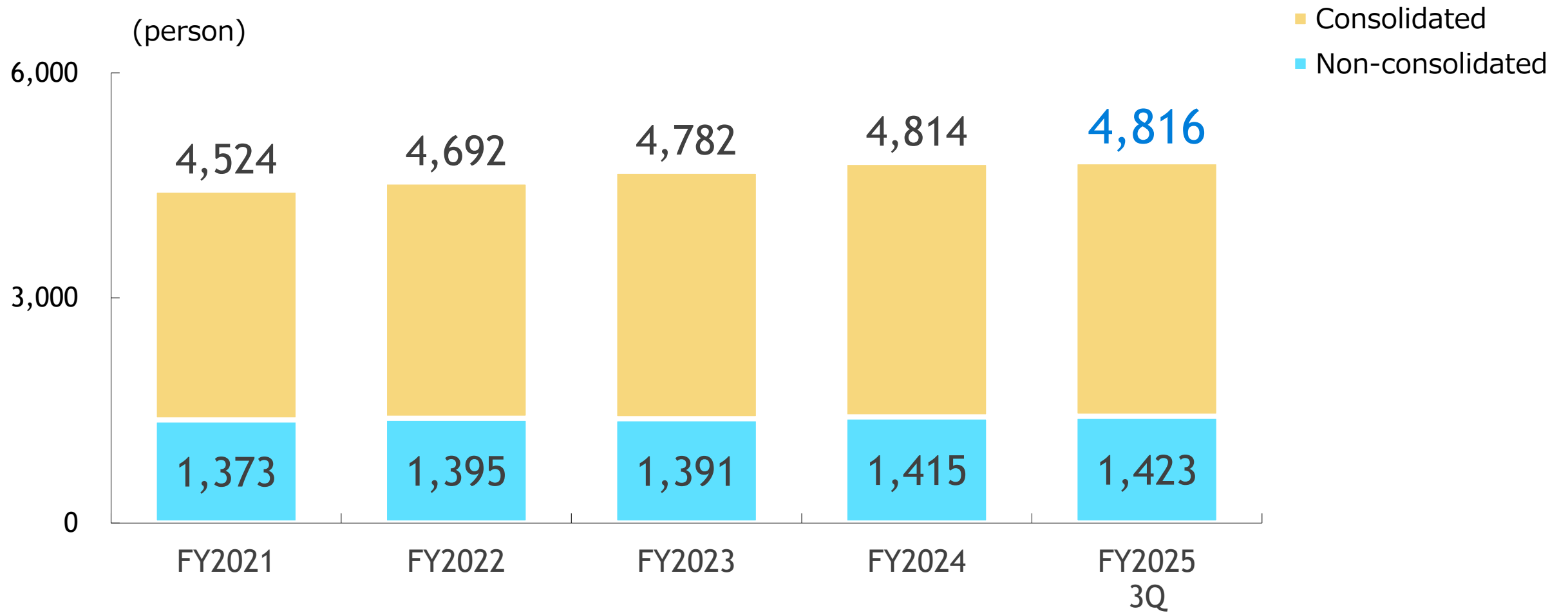
Despite higher capital expenditures, higher operating cash flow maintain the cash balance level.

	FY2024 3Q (Apr. 1, 2024-Dec. 31, 2024)	(Mil JPY) FY2025 3Q (Apr. 1, 2025-Dec. 31, 2025)
<b>1. Cash flows from operating activities</b>	<b>13,407</b>	<b>26,900</b>
Income (loss) before income taxes	15,057	19,728
Depreciation and amortization	6,164	6,029
(Increase) decrease in working capital	-2,542	2,866
Other, net	-5,272	-1,723
<b>2. Cash flows from investing activities</b>	<b>- 8,374</b>	<b>- 11,376</b>
Purchase of property, plant and equipment	-8,499	-12,347
Proceeds from sales of property, plant and equipment	789	536
Sales of investment securities	389	1,275
Other, net	-1,053	-840
<b>3. Cash flows financing activities</b>	<b>- 5,730</b>	<b>- 8,291</b>
Increase (decrease) in interest-bearing debt	878	-5,063
Payment for purchases of treasury stock	-2,004	-5
Dividends paid by the parent company	-3,760	-2,336
Other, net	-843	-886
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,336</b>	<b>2,253</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>72,578</b>	<b>64,067</b>
<b>Cash and cash equivalents, end of period</b>	<b>73,217</b>	<b>73,552</b>









# Forecast of Consolidated Operating Results



The forecast was revised upward due to cost-control and yen depreciation.

(Mil JPY)	Forecast of FY2025 Previous (Apr.1,2025-Mar.31,2026)	Forecast of FY2025 Revised (Apr.1,2025-Mar.31,2026)	Change (%)
Net sales	240,000	252,000	12,000 (5.0%)
Operating income (Operating income ratio)	21,500 (9.0%)	23,800 (9.4%)	2,300 (10.7%)
Ordinary income (Ordinary income ratio)	22,000 (9.2%)	25,600 (10.2%)	3,600 (16.4%)
Net income attributable to owners of the parent (Net income ratio)	18,000 (7.5%)	19,400 (7.7%)	1,400 (7.8%)



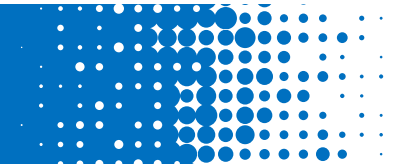
# Quality First

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

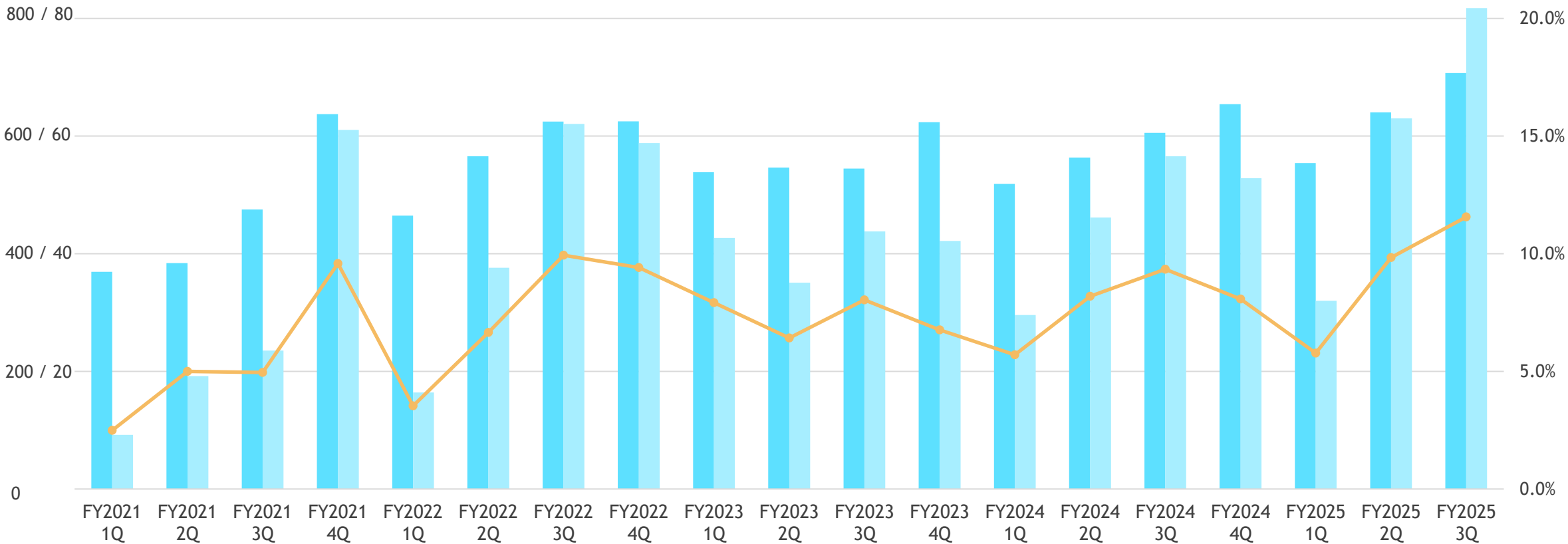


# Sales and Operating Income



(100 mil JPY)

Sales    Operating Income    Operating Income ratio



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	148.74
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	171.83
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	114.97

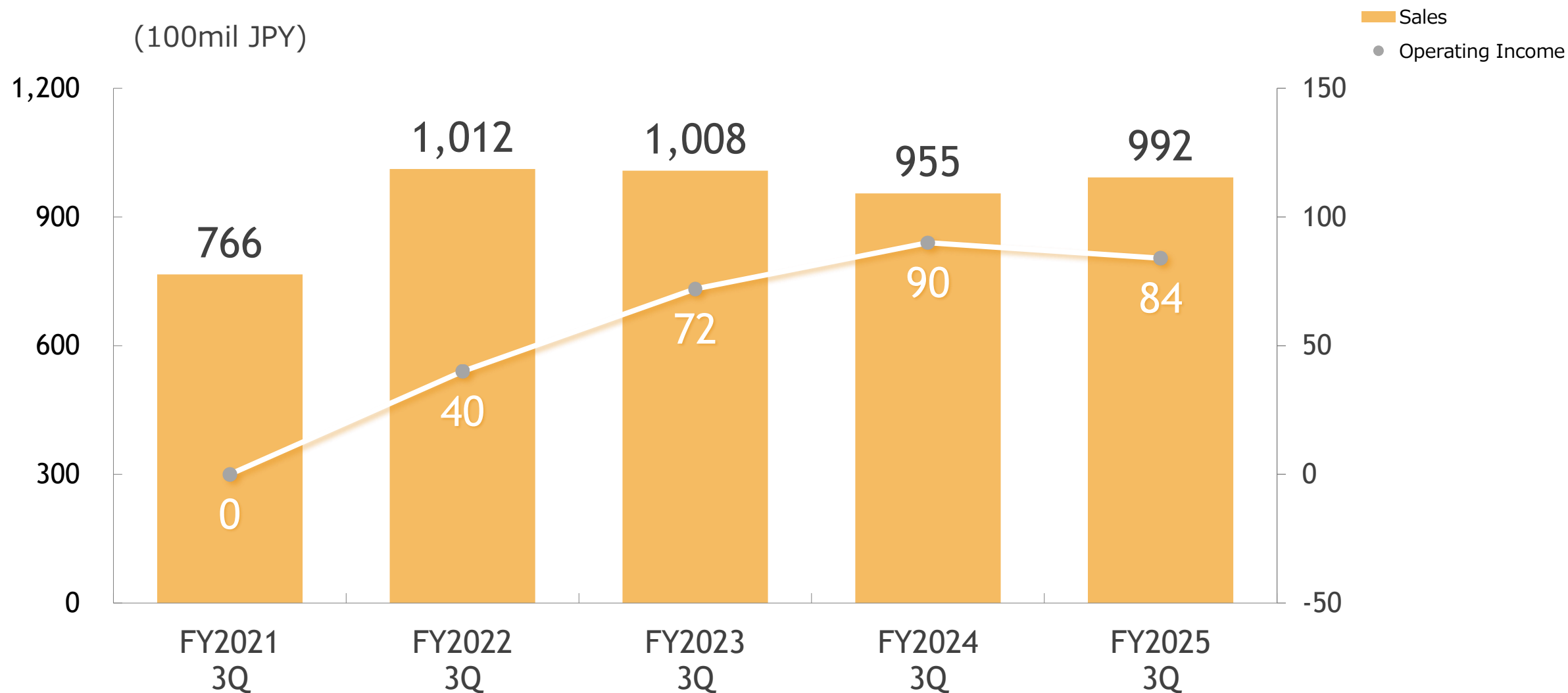
# The Influences on Sales and Operating income by exchange rate fluctuations (Comparison with the same period of last year)



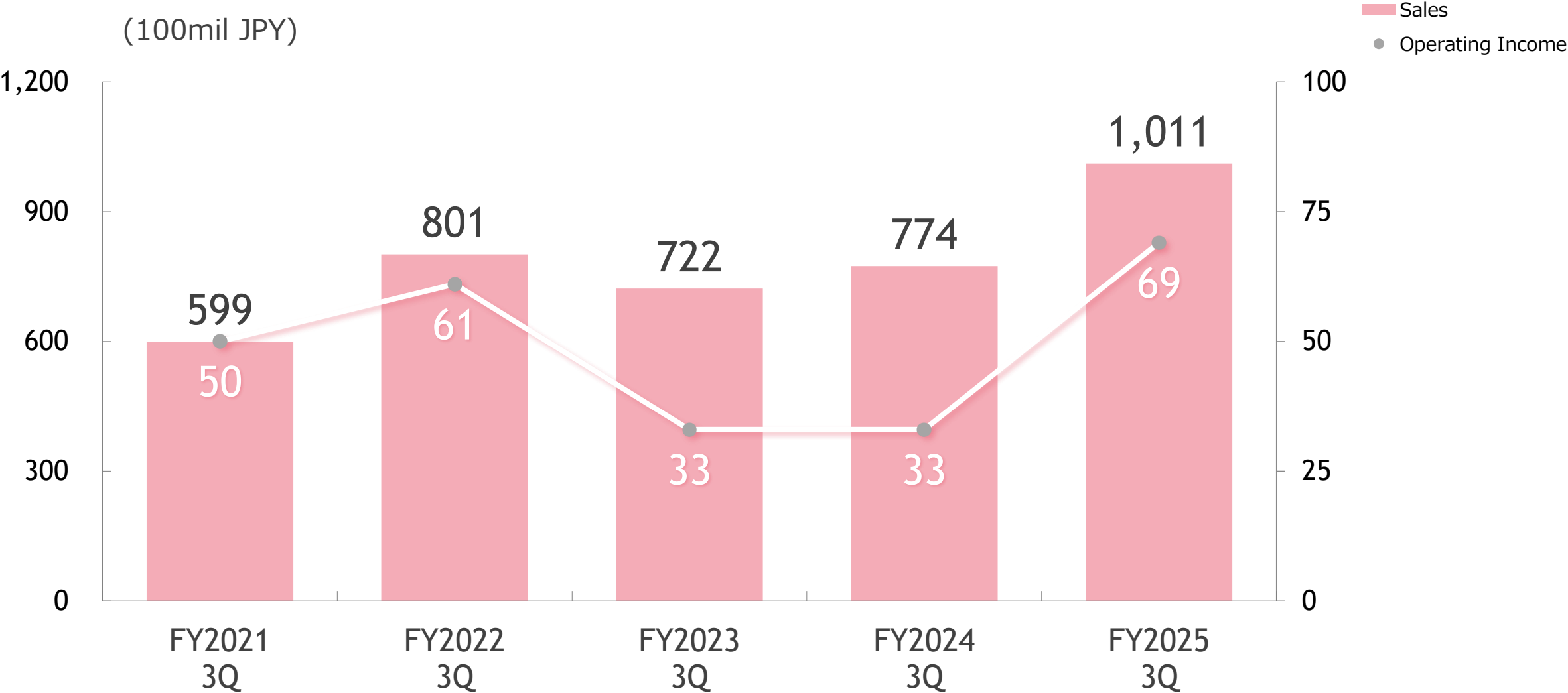
		(Mil JPY)	
FY2025 3Q (Apr.1,2025-Dec.31,2025)		The influence of exchange rate fluctuations in Sales	The influence of exchange rate fluctuations in Operating Income
	External sales Exchange rate (Same period of last year)		
USD	USD 353M 148.74 (152.57)	-1,352	-498
EUR	EUR 70M 171.83 (164.83)	489	170
SGD	SGD 806M 114.97 (114.25)	580	41
Total		-283	-287



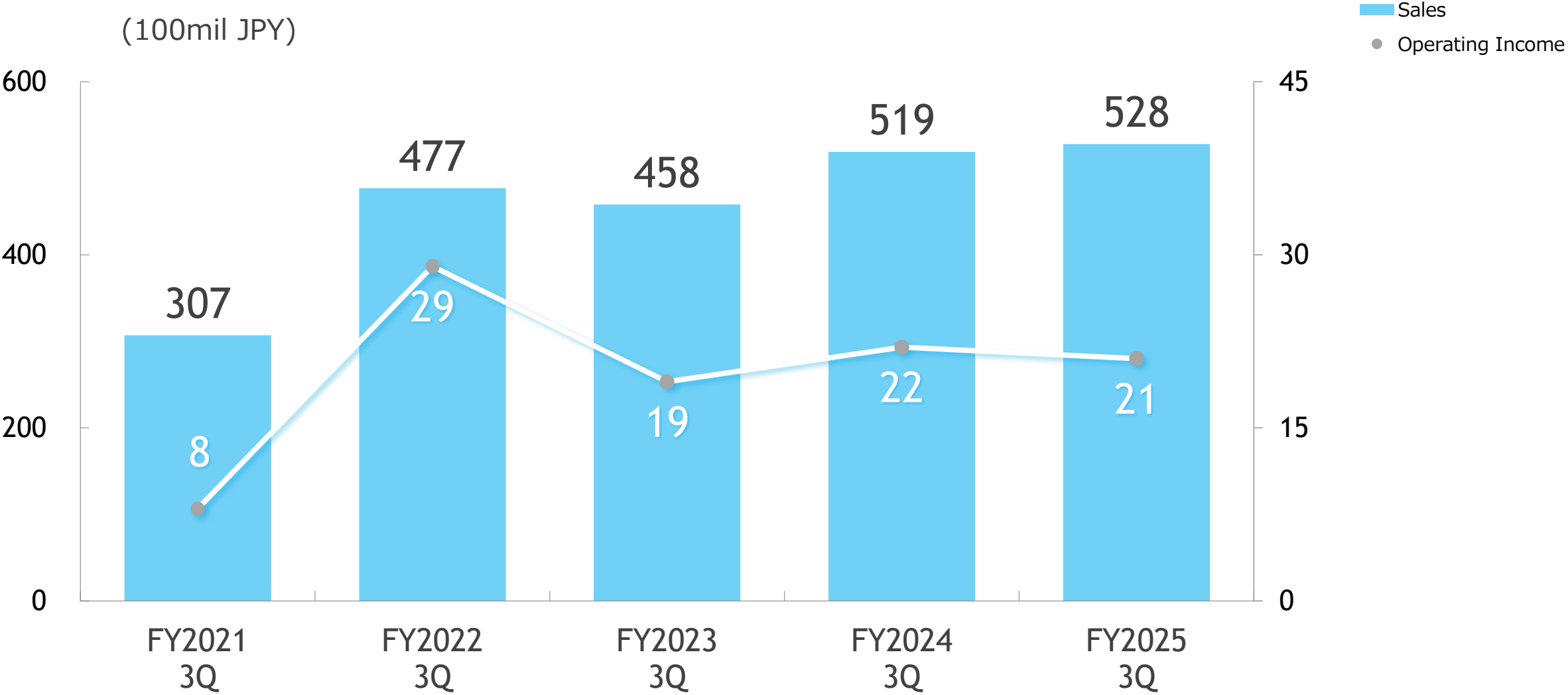
# Net Sales and Operating Income (by Segment I / Japan)



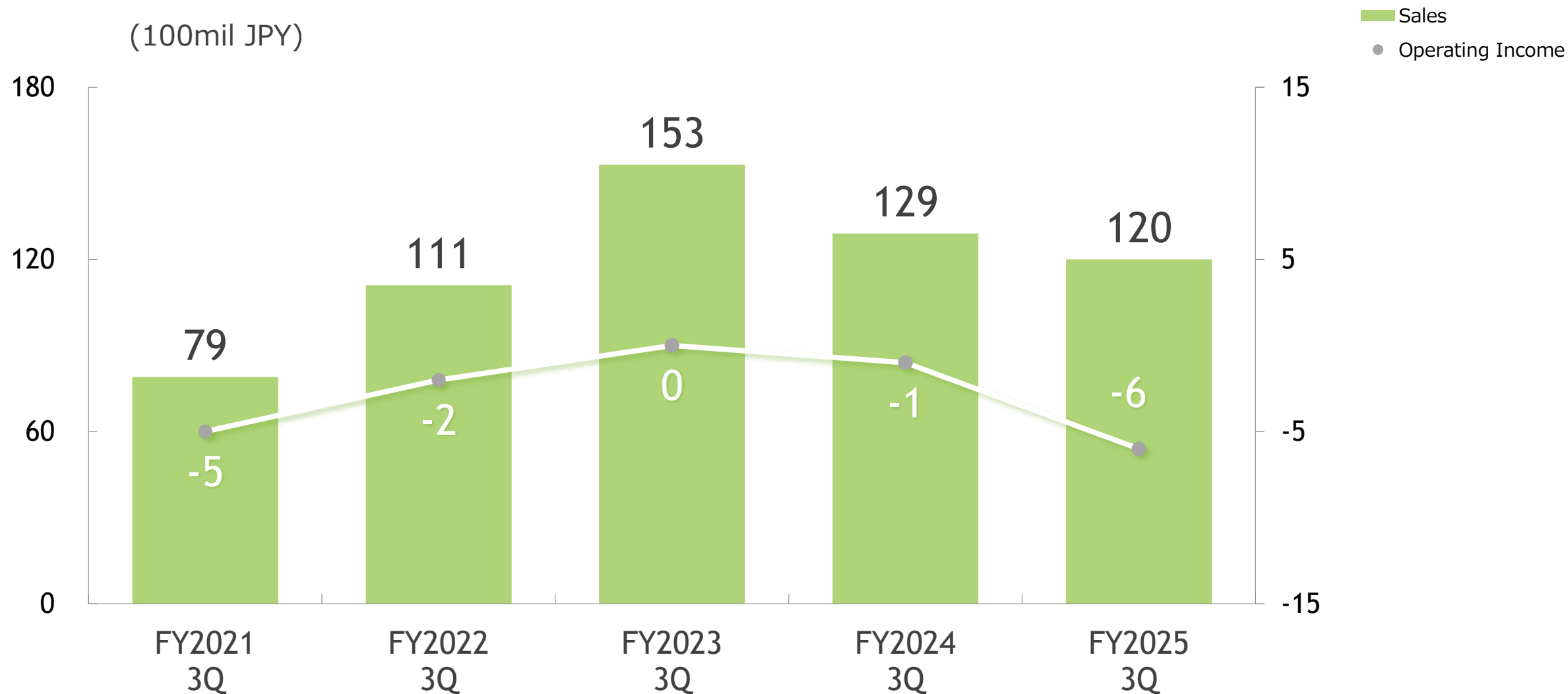
# Net Sales and Operating Income (by Segment II / Asia)



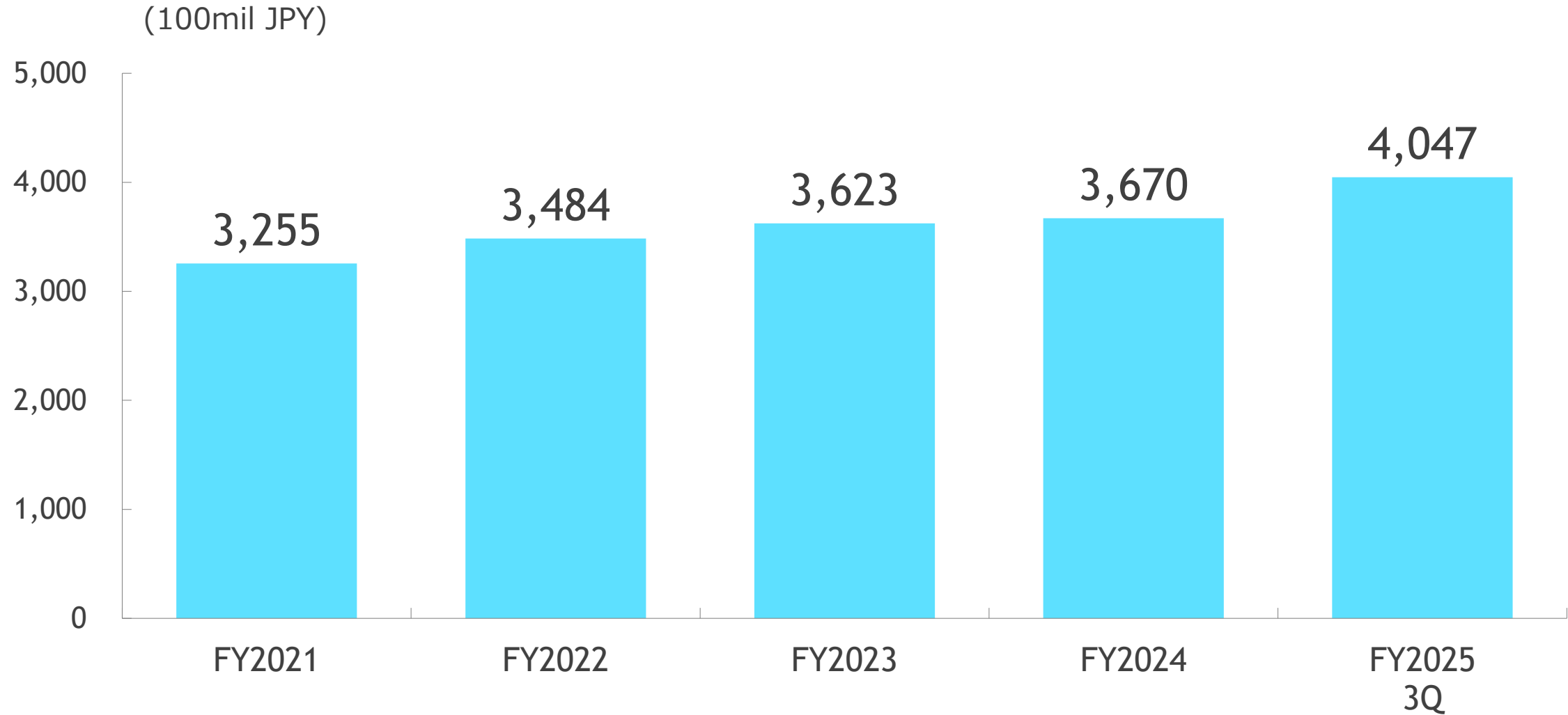
# Net Sales and Operating Income (by SegmentⅢ／America)



# Net Sales and Operating Income (by SegmentⅣ／Europe)

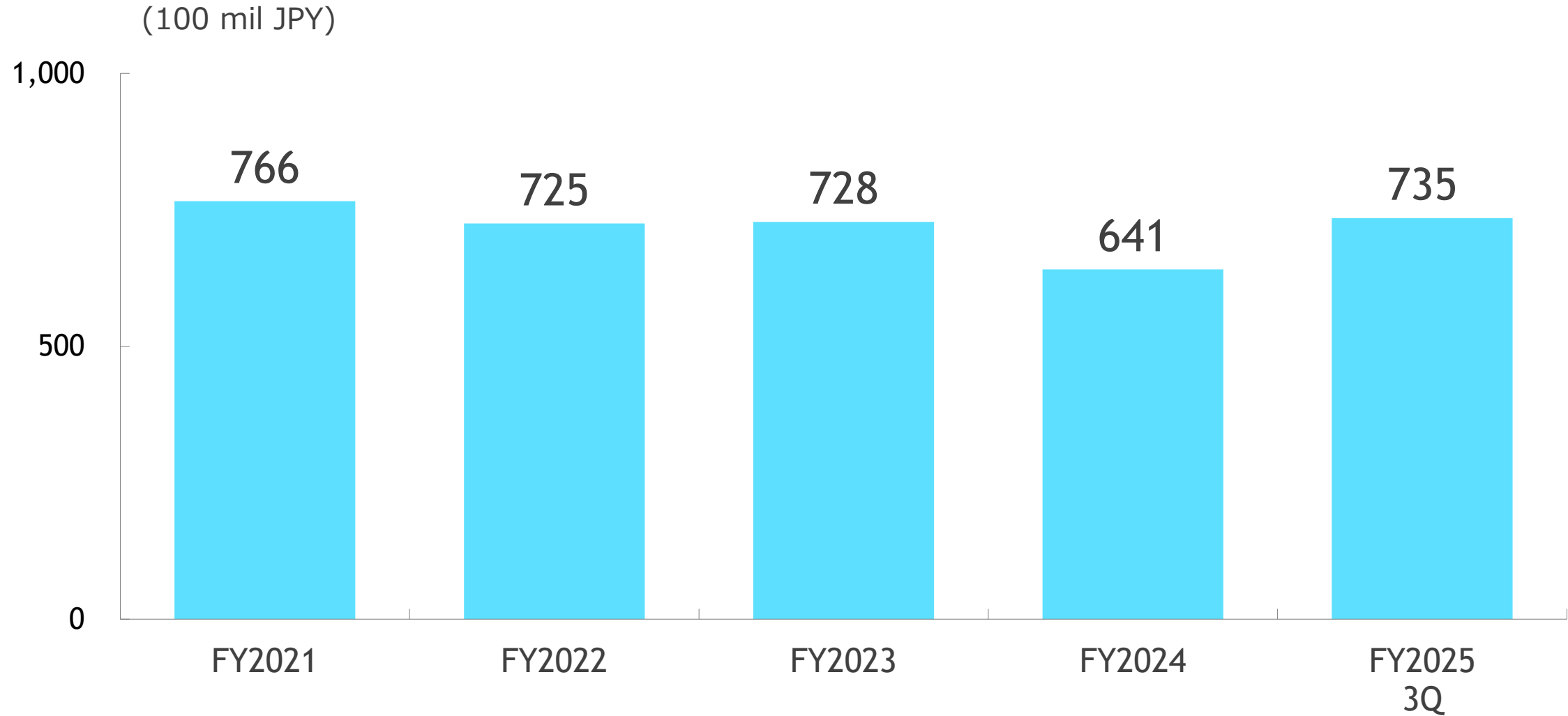


## Total assets

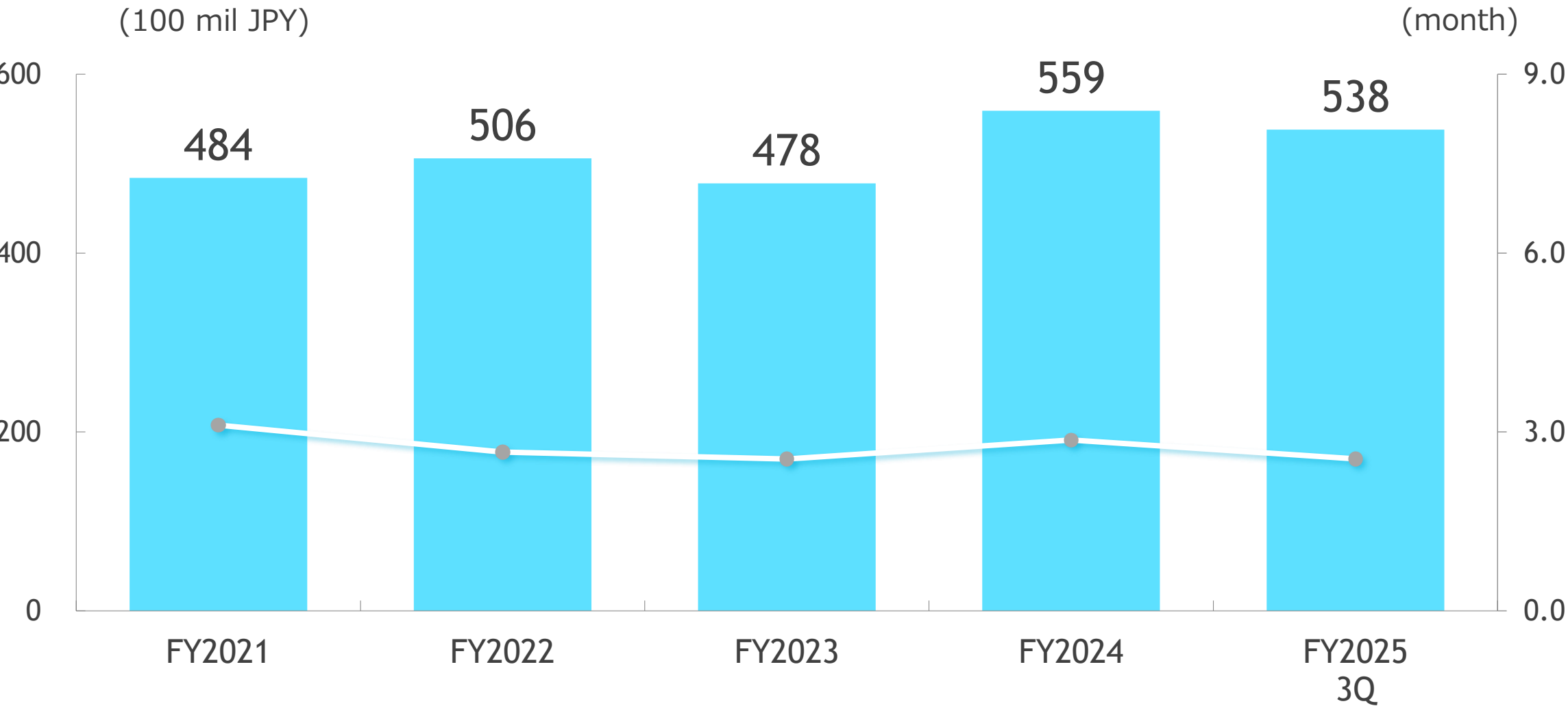


# Changes in Major Items in Consolidated Balance Sheets

## Cash and time deposits + securities

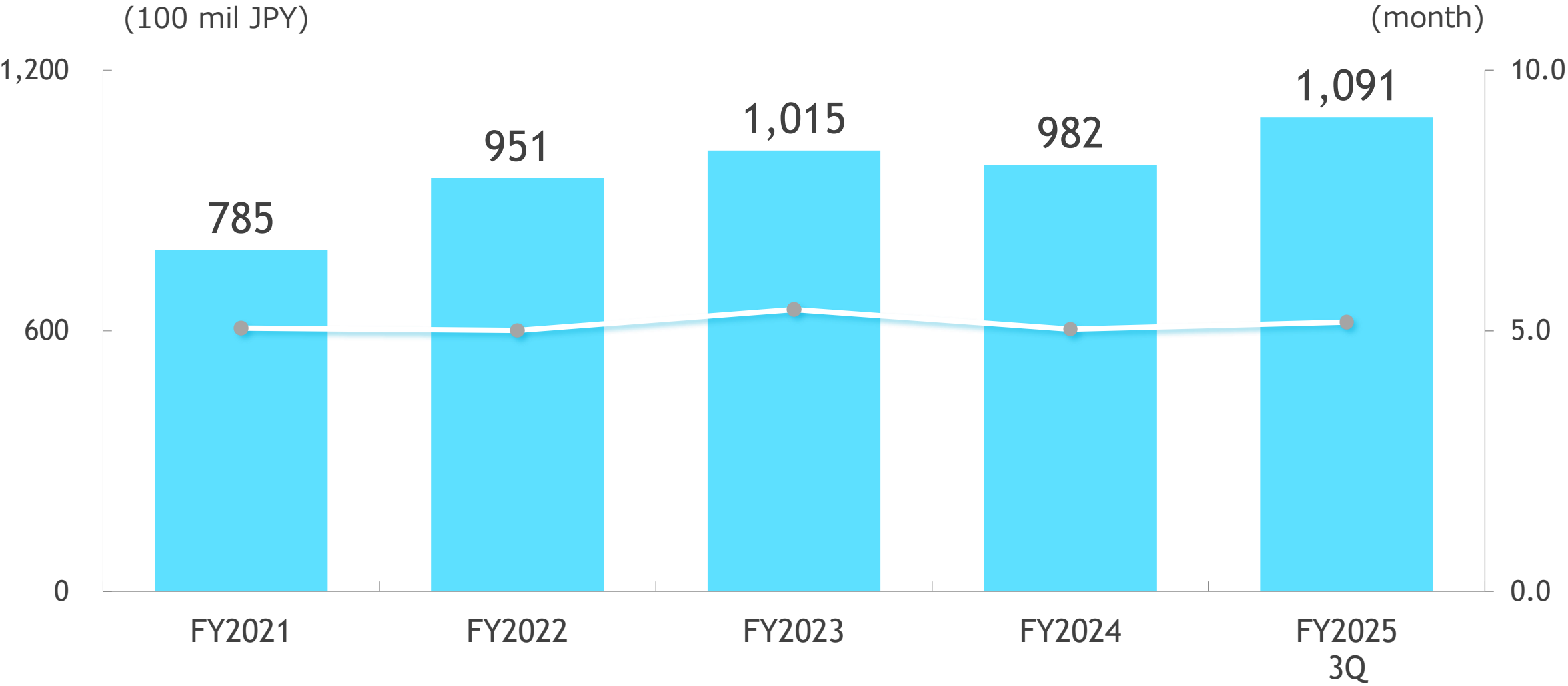


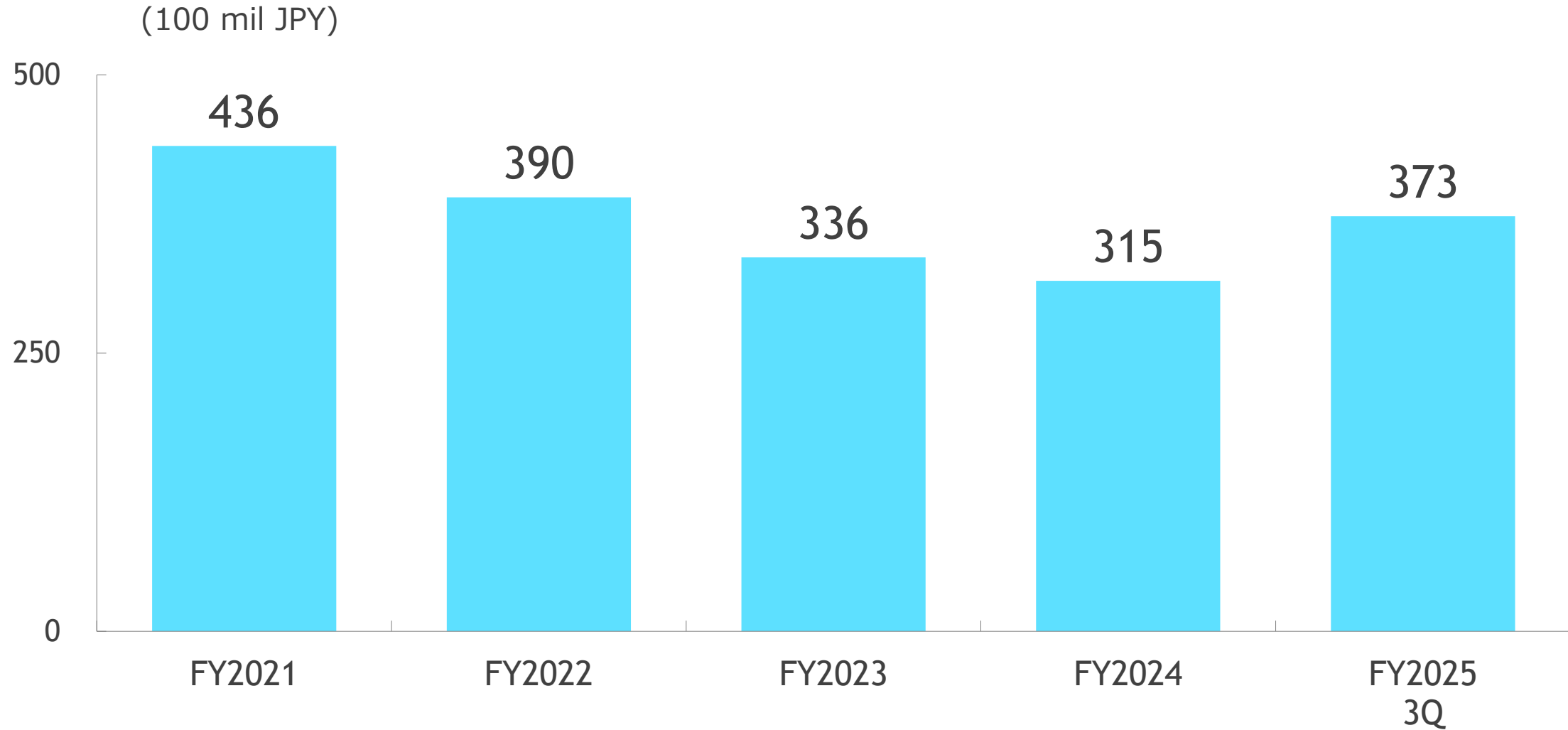
Changes in Major Items in Consolidated Balance Sheets  
Notes and accounts receivable, trade(left) / Turnover(right)





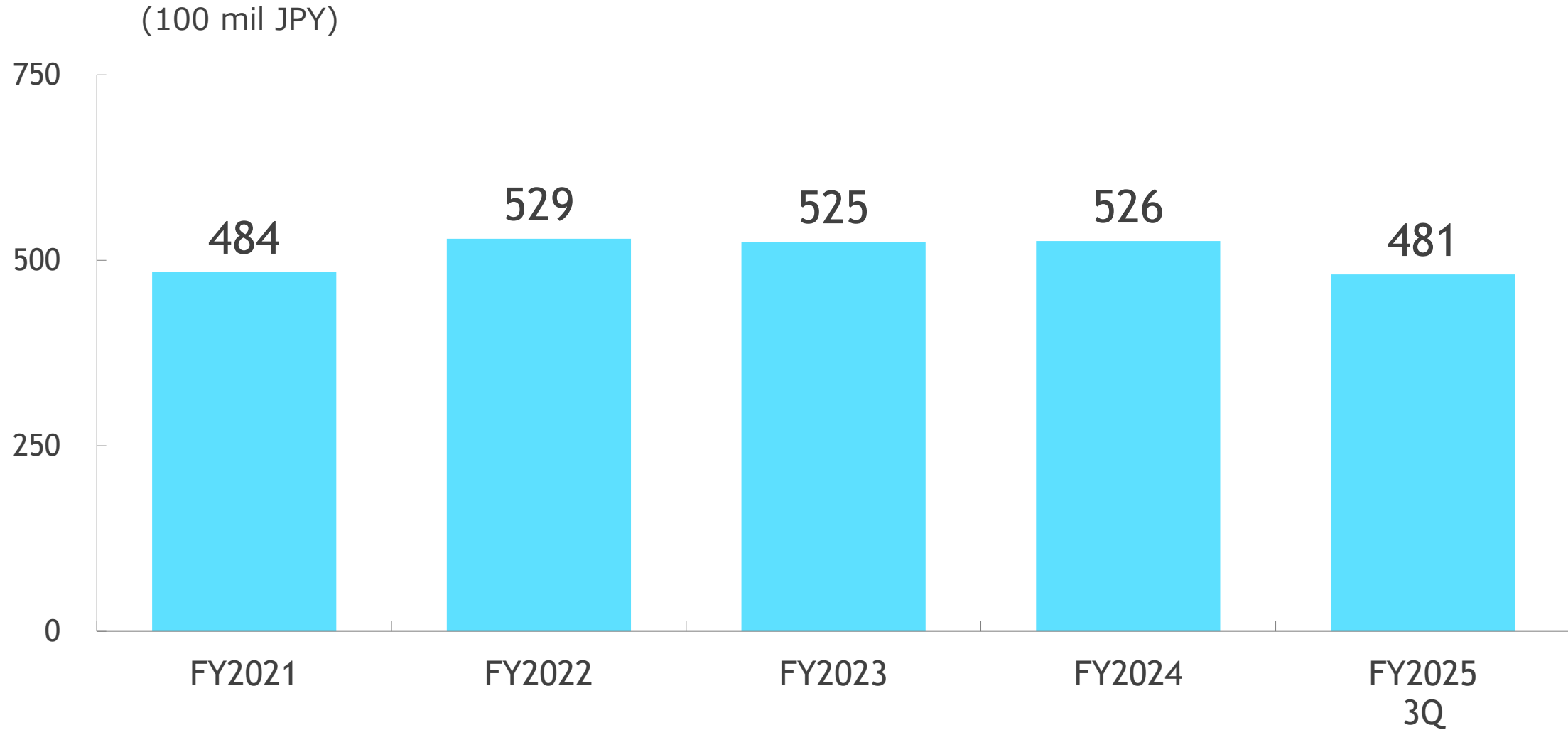
Changes in Major Items in Consolidated Balance Sheets  
Inventories(left) / Turnover(right)





# Changes in Major Items in Consolidated Balance Sheets

## 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.

