



September 6, 2023

To whom it may concern

Company	DMG MORI CO., LTD.
Representative	Masahiko Mori President and Representative Director (Securities Code: 6141 Tokyo Stock Exchange, Prime Section)
Contact	Hirotake Kobayashi Executive Vice President, Chief Financial Officer (Tel: +81-03-6758-5900)

Notice of Acquisition of Shares in KURAKI Co., Ltd.

DMG MORI CO., LTD. (hereinafter, DMG MORI) hereby announces that its Board of Directors resolved to acquire 100% of the shares in KURAKI Co., Ltd. (hereinafter, KURAKI) owned by Kurabo Industries Ltd.. The transfer of shares is scheduled to take place on October 31, subject to the completion of necessary conditions. This matter is voluntarily disclosed based on our judgment that it is useful information.

1. Rationale behind the acquisition of shares

Established in 1948, DMG MORI initially focused on manufacturing and retailing textile machinery, later pivoting to become a prominent figure in the machine tool manufacturing and sales sphere. Our legacy within this domain has been defined by our unwavering commitment to enhancing customer productivity through high value-added products marked by superior precision, speed, and rigidity, complemented by comprehensive solutions. In 2009, DMG MORI entered a business and capital tie-up with DMG MORI AKTIENGESELLSCHAFT (hereinafter, DMG MORI AG). By 2015, DMG MORI AG was incorporated as a subsidiary, solidifying our direct sales and services channels on a global scale and boosting the sales of simultaneous 5-axis machines. Recent times have witnessed a surging demand for machine tools from industries such as aerospace, semiconductor production equipment, new energy sectors, medical, electric vehicles (EVs), and die/mold sectors. Within these sectors, there is a growing call for even more refined ultra-high precision machining technologies and efficient processes. In light of these changes in the business environment and customer needs, we have formulated our "Medium-term Business Plan 2025", starting this fiscal year, targeting sustainable growth via our MX (Machining Transformation) strategy. The MX strategy aims to optimize the entire machining process and resource management by first integrating machining processes and then automating those integrated processes. Such a strategy aligns perfectly with green initiatives, notably in curtailing CO₂ emissions. DMG MORI is convinced that this innovative approach will distinguish us within the machine tool industry, allowing our customers to harness maximum value. We aspire to amplify our corporate stature through this platform, fostering sustainable growth and collaborations with industry counterparts.

KURAKI's core business is the manufacture and sales of CNC horizontal boring machines — a product notably absent from DMG MORI's extensive product lineup. It is imperative for DMG MORI to assimilate KURAKI's innovative development and production techniques to bolster our product

repertoire and reach an extended customer potential. KURAKI's CNC horizontal boring machines have gained traction within the space, renewable energy, and heavy machinery industries—sectors predicted to sustain growth in the foreseeable future. Having forged a sales alliance with KURAKI in the U.S. in 2017, we expanded our exclusive sales territories to encompass 32 states by 2022. This partnership acquainted DMG MORI with the KURAKI's offerings, instilling confidence in our ability to enhance product precision and quality through the incorporation of our proprietary components. Furthermore, DMG MORI's MX strategy positions us to stimulate demand for the KURAKI's offerings, particularly as clients gravitate towards integrated automation and digital solutions. In contrast, KURAKI's European market presence remains minimal. DMG MORI, boasting one of Europe's most expansive direct sales and service networks, nurtures close affiliations with key European sectors reliant on CNC horizontal boring machines, including aerospace, renewable energy, power development, and marine enterprises. Through DMG MORI's established channels, we foresee a proliferation in the European demand for the KURAKI's products. Strategically positioned in Nagaoka City, Niigata Prefecture, KURAKI's headquarters and production hub are in close proximity to our associate company, TAIYO KOKI CO., LTD.. DMG MORI intends to realize further improvement of KURAKI's productivity in production, sales and services through its digital platform. With a proven track record of environmental stewardship and community engagement at our primary manufacturing bases, DMG MORI, through this acquisition, is committed to extending these initiatives to Nagaoka City in the mid to long run.

By procuring KURAKI's shares, DMG MORI welcomes KURAKI's 295 employees to its group and both DMG MORI and KURAKI aim to harness the potential synergies across the aforementioned areas, dedicating themselves to sustained business growth and augmenting the overall value of the DMG MORI group.

2. Profile of the company concerned

(1)	Company Name	KURAKI Co.,Ltd.	
(2)	Head Office and Plant	1-2-1 Jooka, Nagaoka, Niigata, Japan	
(3)	Representative	President Hiroshi Yasukawa	
(4)	Main Business	Manufactures machine tools and provides after-sales service	
(5)	Capital	JPY 954 million	
(6)	Founded	August 31,1949	
(7)	Major shareholders and ownership	Kurabo Industries Ltd. (100%)	
(8)	Net assets (Consolidated)	JPY 4,956 million (as of March 20, 2023)	
(9)	Employees (Consolidated)	295 persons (as of March 20, 2023)	
(10)	Relationship between the listed company and the company concerned	Capital relationship	None
		Human relationship	None
		Business relationship	DMG MORI has concluded distribution agreement in the United States with the company concerned

3. Profile of the share transfer counterparty

(1)	Company Name	Kurabo Industries Ltd.
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(2)	Location	7-1 Honmachi, Kurashiki, Okayama, Japan																							
(3)	Representative	Representative Director / President Haruya Fujita																							
(4)	Main Business	Textile Business, Chemical Products Business, Advanced Technology Business, Food and Services Business, and Real Estate Business																							
(5)	Capital	JPY 22,040 million																							
(6)	Founded	March 9, 1888																							
(7)	Net assets	JPY 80,762 million (as of March 31, 2023)																							
(8)	Total assets	JPY 129,359 million (as of March 31, 2023)																							
(9)	Major shareholders and ownership (as of March 31, 2023)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>9.71%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>4.86%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>4.13%</td> </tr> <tr> <td>Mizuho Bank, Ltd.</td> <td>4.13%</td> </tr> <tr> <td>THE CHUGOKU BANK, LTD.</td> <td>3.84%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd (trust account)</td> <td>3.57%</td> </tr> <tr> <td>DFA INTL SMALL CAP VALUE PORTFOLIO</td> <td>1.91%</td> </tr> <tr> <td>NORTHERN TRUST CO. (AVFC) RE U.S.</td> <td></td> </tr> <tr> <td>TAX EXEMPTED PENSION FUNDS SEC LENDING</td> <td>1.75%</td> </tr> <tr> <td>KURABO KYOEIKAI</td> <td>1.73%</td> </tr> <tr> <td>Sumitomo Mitsui Trust Bank, Limited</td> <td>1.67%</td> </tr> </table>		The Master Trust Bank of Japan, Ltd. (trust account)	9.71%	Nippon Life Insurance Company	4.86%	Sumitomo Mitsui Banking Corporation	4.13%	Mizuho Bank, Ltd.	4.13%	THE CHUGOKU BANK, LTD.	3.84%	Custody Bank of Japan, Ltd (trust account)	3.57%	DFA INTL SMALL CAP VALUE PORTFOLIO	1.91%	NORTHERN TRUST CO. (AVFC) RE U.S.		TAX EXEMPTED PENSION FUNDS SEC LENDING	1.75%	KURABO KYOEIKAI	1.73%	Sumitomo Mitsui Trust Bank, Limited	1.67%
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(10)	Relationship with the listed company	Capital relationship	None																						
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		Related-parties status	None																						

4. Number of shares to be acquired, acquisition price, and ownership before and after the acquisition

(1)	Number of shares held before transfer	0 (Number of voting rights: 0) (Percentage of voting rights owned: 0%)
(2)	Number of shares to be acquired	15,893,791 shares (Number of voting rights: 15,893,791)
(3)	Acquisition price	JPY 4,500 million
(4)	Number of shares held after transfer	15,893,791 shares (Number of voting rights: 15,893,791) (Percentage of voting rights: 100%)

5. Schedule

(1)	Resolution of the Board of Directors	September 6, 2023
(2)	Conclusion of contract	September 6, 2023
(3)	Effective date of share transfer	October 31, 2023 (plan)

6. Future Outlook

The impact of the share acquisition on DMG MORI's consolidated financial results for the current fiscal year is immaterial, and we will promptly notify you of any issues that need to be announced in the future.