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In the event of any discrepancy between this translated document and the Japanese original document, the latter shall prevail.

Date: February 5, 2024

**Summary of Consolidated Financial Statements for the Fiscal year 2023 ended December 31, 2023 (IFRS basis)**

**(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial Statements for the Fiscal Year 2023 announced on February 5, 2024)**

Listed company name: DMG MORI CO., LTD.  
 Stock exchange listing: Prime Section of Tokyo Stock Exchange  
 Code Number: 6141 URL: <https://www.dmgmori.co.jp>  
 Company Representative: Masahiko Mori, President  
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Expected date of the ordinary general shareholders' meeting: March 28, 2024

Filing date of financial statements: March 28, 2024

Estimated starting date of dividend payment: March 29, 2024

Preparation of supplementary explanatory materials: Yes

Holding of annual earnings release conference: Yes

1. Consolidated business results of the fiscal year 2023 ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(Note: All amounts less than one million are disregarded)

(1) Consolidated business results

(% of change from same period in the previous year)

	Sales revenues		Operating profit		Profit before income taxes		Net profit		Profit attributable to owners of the parent		Comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended December 31, 2023	539,450	13.6	54,150	31.4	47,927	31.2	34,229	32.7	33,944	33.6	42,400	2.8
Fiscal year ended December 31, 2022	474,771	19.9	41,213	78.7	36,528	86.3	25,800	95.0	25,406	88.7	41,233	33.1

	Basic earnings per share	Diluted earnings per share	Ratio of net profit to equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to sales revenues
	yen	yen	%	%	%
Fiscal year ended December 31, 2023	256.66	256.66	13.2	6.6	10.0
Fiscal year ended December 31, 2022	188.62	188.62	11.1	5.7	8.7

(Note) Earnings per share is calculated based on the profit which excludes profit attributable to owners of other equity instruments.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	million yen	million yen	million yen	%	yen
December 31, 2023	765,806	272,545	267,990	35.0	2,134.72
December 31, 2022	680,334	250,374	245,897	36.1	1,957.61

(Note) Ratio of equity attributable to owners of the parent and equity per share attributable to owners of the parent are based on the equity amount which includes amounts of other equity instruments.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows used in investing activities	Cash flows used in financing activities	Balance of cash and cash equivalents at the end of the fiscal year
	million yen	million yen	million yen	million yen
December 31, 2023	51,608	(36,730)	(16,371)	39,212
December 31, 2022	69,749	(44,874)	(38,978)	36,992

### 2. Dividends

	Dividends per share					Total amount of dividends	Dividend payout ratio	Ratio of dividend to equity attributable to owners of the parent
	1Q	2Q	3Q	Year-end	Annual	(Annual)	(Consolidated)	(Consolidated)
	yen	yen	yen	yen	yen	million yen	%	%
December 31, 2022	-	30.00	-	40.00	70.00	8,790	37.1	3.8
December 31, 2023	-	40.00	-	50.00	90.00	11,301	35.1	4.4
December 31, 2024 (forecast)	-	50.00	-	50.00	100.00		37.7	

(Note) Dividend payment of 0 million yen for the shares of the company held by DMG MORI Employee Shareholders Association Exclusive Trust is included in the total amount of dividends in fiscal year 2022.

### 3. Consolidated financial forecast for fiscal year 2024 (January 1, 2024 to December 31, 2024)

(% of change from same period in the previous year)

	Sales revenues		Operating profit		Profit attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	yen
Full Year 2024	540,000	0.1	57,000	5.3	35,000	3.1	265.59

(Note) Exchange rate used for consolidated financial forecast for the fiscal year 2024: JPY 140.0/USD 150.0/EUR  
(Fiscal year 2023: JPY 140.6/USD, 152.0/EUR)

### 4. Others

(1) Changes in significant subsidiaries during the fiscal year ended December 31, 2023: No

(2) Changes in accounting policies applied and changes in accounting estimates

1. Changes in accounting policies required by IFRS: Yes

2. Changes in accounting policies other than the above: No

3. Changes in accounting estimates: No

(3) Number of shares outstanding (Common shares)

1. Number of shares outstanding at the end of the period (including treasury shares)

December 31, 2023: 125,953,683

December 31, 2022: 125,953,683

2. Number of treasury shares at the end of the period

December 31, 2023: 533,582

December 31, 2022: 472,396

3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

January - December 2023: 125,420,542

January - December 2022: 125,328,988

(Note) The Company implemented trust-type employee stock ownership incentive plan in April 2018. Therefore, the Company's shares held by DMG MORI Employee Shareholders Association Exclusive Trust are included in the treasury shares to be deducted in the calculation of the average number of shares during the period (146,262 shares from January 1 to December 31, 2022, and 0 shares from January 1 to December 31, 2023). Notably, the trust was terminated in July 2022.

(Reference) Overview of nonconsolidated business results

(1) Overview of nonconsolidated business results (% of change from same period in the previous year)

	Sales revenues		Operating profit (loss)		Ordinary profit		Net profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended December 31, 2023	136,614	10.2	675	-	25,704	26.1	28,099	42.0
Fiscal year ended December 31, 2022	123,984	31.8	(1,761)	-	20,389	-	19,783	618.9

	Basic earnings per share	Diluted earnings per share
	yen	yen
Fiscal year ended December 31, 2023	223.77	-
Fiscal year ended December 31, 2022	157.73	-

(2) Overview of nonconsolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended December 31, 2023	470,877	143,463	30.4	1,140.45
Fiscal year ended December 31, 2022	417,080	125,603	30.1	998.21

- Information regarding implementation of review procedures

These financial results are not subject to yearly audit review procedures.

- Proper use of the financial forecasts and other notes

(Precautions regarding future descriptions)

The above forecast is based on information available as of the release of this report and assumptions of several uncertain factors which may affect the company's results. Actual results might be different from the above estimates due to subsequent changes in the circumstances. Regarding Fiscal Year 2024 (Forecast), please see "1. Analysis of management performance and consolidated financial status (2) Forecast for the fiscal year 2024" on page 4.

(How to obtain supplementary explanatory materials for financial results)

The supplementary explanatory material for the financial results is scheduled to be posted on the Company's website on February 5, 2024 (Monday).

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## 1. Analysis of management performance and consolidated financial status

### (1) Explanation of operating results

In the fiscal year 2023 (from January 1 to December 31), the sales revenues were JPY 539.5 bn. (EUR 3,549 mil.), the operating profit was JPY 54.2 bn. (EUR 356 mil.), the profit before income taxes was JPY 47.9 bn. (EUR 315 mil.) and the profit attributable to owners of the parent was JPY 33.9 bn. (EUR 223 mil.). (Euro amount is converted from yen at 152.0 yen, the average exchange rate between January 1 and December 31, 2023).

The full-year consolidated order intake for 2023 was JPY 520.0 bn., down 4.1% from 2022. Demand for MX (Machining Transformation), which drives process integration, automation, full turnkey, DX (Digital Transformation), and GX (Green Transformation) through 5 axis machines, mill-turn centers, and other advanced machines, continues to be solid. This is mainly due to the improved value-adding solutions, the weak yen, and the resulting significant increase in the unit price to JPY 61.9 mil. (FY2022 average: JPY 49.8 mil.). Orders for after-sales service and parts, which account for approximately 20% of consolidated order intake, also contributed with a 16% increase year-on-year. Order intake by region steadily grew by 3% both in Europe (composition ratio: 55%) and the Americas (21%), but decreased by 20% in China (8%), 25% in Japan (11%), and 17% in the other parts of Asia (5%), compared with the same period last year. By industry, the aerospace, medical and semiconductor manufacturing equipment industries continue to show solid demand.

For the fiscal year 2024, we expect the consolidated order intake of JPY 520 bn. Machine order backlog remains high at JPY 247.0 bn. at the end of December 2023 (JPY 254.0 bn. at the end of December 2022). The abundant order backlog and expected sales revenue growth in service, spare parts and other profit centers will continuously contribute to stable financial performance in 2024 and beyond.

As stated in our Medium-term Business Plan 2025 (from 2023 to 2025), our target is to provide customers with higher value-added products, systems, and services through process integration, automation, DX (Digital Transformation), and GX (Green Transformation), which in turn contributes to global environmental preservation and sustainable growth of the Company. At DMG MORI, we define this approach as MX (Machining Transformation), through which we seek to improve our customers' productivity and realize a sustainable society.

In January 2024, KURAKI Co., Ltd. (hereinafter referred to as "KURAKI") became our consolidated subsidiary. With KURAKI's high-end CNC horizontal boring machines, skilled engineers, excellent after-sales service and solution proposals, we can further advance our MX strategy. DMG MORI will leverage the synergies with KURAKI for sustainable growth in business and corporate value.

Magnescale Co., Ltd., a manufacturer of high-precision position detection systems and a group company of DMG MORI, will build a new plant for its Laserscale production in Nara Prefecture that is scheduled for completion in May 2025. As the processing and inspection accuracy continues to advance, Laserscale, Magnescale's encoder with picometer-level resolution, has become increasingly important and indispensable in the manufacturing industry. With the existing plant in Isehara (Kanagawa Prefecture) and the new one in Nara, Magnescale will have a maximum production capacity of 60,000 pieces per year.

As for new products, we have developed the high-accuracy 5-axis horizontal machining centers INH 63 / INH 80. By incorporating automation systems, the two models can produce a wide variety of workpieces with less power consumption - another example of how process integration, automation, and DX can realize green and energy-saving production. Other new products include turnMASTER12in.C, a high-performance spindle for small turning centers and mill-turn centers, and DMG MORI GATEWAY, a connectivity service for shop-floor machines and peripherals to advance DX. DMG MORI will continuously deliver functional and reliable products and services to the market as a full supporter of customers' MX and green production.

Regarding marketing activities, we participated in CIMT 2023 in China and EMO HANNOVER 2023 in Germany last year. We also invited customers to experience our technologies firsthand at our private shows, such as Open House Pfronten (Germany) and Chicago Innovation Days (U.S.), and continue to hold Technology Fridays as exclusive factory tour events all around the world. We will continue to make use of both digital and real-world opportunities to connect with our customers and understand their needs.

In order to develop skilled operators nationwide, we have opened DMG MORI ACADEMYs in Hamamatsu, Kanazawa, and Sendai as training facilities for customers to study machining techniques. Two additional academies will be opened in Okayama and Fukuoka in 2024. We have also launched the "Digital Monozukuri Practice Course" to provide students of technical colleges with hands-on experience of 5-axis machines and other advanced models, and we established the "5-Axis Machining Technology Certifications" as a new certificate system for promoting 5-axis machining and supporting the careers of highly skilled technicians in Japan. In October 2023, we hosted the qualification tournament for two disciplines of the 47th WorldSkills Competition at Iga Campus, where 4 of our

machines were used. As seen in these efforts, DMG MORI continuously supports the development of young talent in the manufacturing industry through new educational content and certification systems.

At DMG MORI, it is our mission to encourage all employees to "play hard, study continuously, and work together" while being fully committed to maintaining and improving employee well-being. After announcing the "Health and Productivity Declaration" in 2021, DMG MORI was certified as "White 500" by the Japanese Ministry of Economy, Trade and Industry, and the Nippon Kenko Kaigi in 2023, and we are now recognized as one of the top 500 large enterprises for excellent health and productivity management. We will continue to strengthen our initiatives for employee well-being in the future as well.

The "Shindo Station Area Project" is our initiative to improve and revitalize the area around Shindo Station along the JR Kansai Main Line, the closest station to Iga Campus. As part of this endeavor, we opened the "SHINDO YARDS" complex in November 2023. The tenants include a library, branch offices of the Iga City Government, and the Kitaseueno Shinkin Bank. With SHINDO YARDS, we can make Iga more attractive and show our commitment to creating a safer and better environment for children and their families.

Furthermore, DMG MORI is making various efforts for a sustainable, eco-friendly, and recycling-oriented society. We have installed a solar power generation system on the rooftops of Iga Campus (Mie Prefecture), the largest production base of the DMG MORI Group. The first batch has started power generation in February 2023. After the operation launch of the third batch planned in 2024, the complete solar power generation system will cover approx. 30% of the annual power demand at Iga Campus, reducing the production site's CO2 emissions by approx. 5,300 tons per year. DMG MORI will continue to expand the use of renewable energy and contribute to the realization of a carbon-neutral society.

<Consolidated results>

Consolidated results of the fiscal year ended December 31, 2023 is as follows:

Unit: 100 Million yen

	January to December, 2022	January to December, 2023	Difference
Sales revenues	4,748	5,395	647
Sales revenues (Million EUR)	3,438	3,549	111
Operating profit	412	542	129
Operating profit (Million EUR)	298	356	58
Operating profit / Sales revenues	8.7%	10.0%	1.4%pts
Profit attributable to owners of the parent	254	339	85
Profit attributable to owners of the parent (Million EUR)	184	223	39

(Note) Euro amount is converted from yen at the average exchange rate of each fiscal period; 138.1 yen/EUR for the figures of January to December, 2022, 152.0 yen/EUR for those of January to December, 2023.

(2) Forecast for the fiscal year 2024

We, the DMG MORI CO., LTD. Group, will continue to make further efforts to increase our corporate value through activities in the fields of development, manufacturing, sales and service. The forecast for the business results (consolidated) for the fiscal year 2024 is as follows:

Unit: 100 Million yen

	Fiscal Year 2024 (January 1 to December 31, 2024)
Sales revenues	5,400
Operating profit	570
Profit attributable to owners of the parent	350
Basic earnings per share (yen)	265.59

(Note) Exchange rate used for consolidated financial forecast for fiscal year 2024: JPY 140.0/USD, 150.0/EUR

Note concerning statements about the future, etc.

This material contains earnings estimates, plans, policies, business strategies, targets, forecasts, and perceptions and judgments about matters of fact concerning the future of DMG MORI CO., LTD. and the DMG MORI CO., LTD. Group. Its predictions, expectations, assumptions, plans, perceptions and judgments are based on information available to DMG MORI CO., LTD. as of the report date. For this reason, there is a possibility that actual results may differ from the forecasts above.

(3) Explanation of financial position

1. Assets, liabilities and equity

The comparison between the fiscal year 2022 and fiscal year 2023 is as follows:

• Assets

Current assets are 323,773 million yen. This is mainly because Inventories increased by 34,625 million yen while Trade and other receivables decreased by 5,509 million yen.

Non-current assets are 442,033 million yen. This is mainly because Property, plant and equipment increased by 26,266 million yen, Other intangible assets increased by 14,716 million yen and Goodwill increased by 8,744 million yen.

As a result, total assets are 765,806 million yen.

• Liabilities

Current liabilities are 376,633 million yen. This is mainly because Other financial liabilities increased by 64,663 million yen, Trade and other payables increased by 10,107 million yen and Interest-bearing bonds and borrowings increased by 9,946 million yen.

Non-current liabilities are 116,627 million yen. This is mainly because Interest-bearing bonds and borrowings increased by 12,622 million yen while Other financial liabilities decreased by 46,996 million yen.

As a result, total liabilities are 493,261 million yen.

• Equity

Equity is 272,545 million yen. This is mainly because Retained earnings increased by 22,418 million yen and Other components of equity increased by 7,641 million yen while Other equity instruments decreased by 7,931 million yen.

(Reference)

(Million yen)

	December 31, 2022	December 31, 2023	Difference
Current assets	293,985	323,773	29,788
Non-current assets	386,349	442,033	55,683
Current liabilities	281,329	376,633	95,303
Non-current liabilities	148,630	116,627	(32,002)
Equity	250,374	272,545	22,170

## 2. Cash flows during the fiscal year 2023

(Million yen)

	Fiscal Year 2022 (January 1 to December 31, 2022)	Fiscal Year 2023 (January 1 to December 31, 2023)
Operating activities	69,749	51,608
Investing activities	(44,874)	(36,730)
Financing activities	(38,978)	(16,371)
Cash and cash equivalents at the end of the year	36,992	39,212

Status of cash flows and its fluctuation factors for the fiscal year 2023 are as follows:

- Cash flows from operating activities

Net cash provided from operating activities was 51,608 million yen. The main factors for the increase are 47,927 million yen of Profit before income taxes, 26,518 million yen of Depreciation and amortization and 13,524 million yen of decrease in Trade and other receivables. The main factors for the decrease are 20,725 million yen of increase in Inventories and 9,879 million yen of Income taxes paid.

- Cash flows used in investing activities

Net cash paid out for investing activities was 36,730 million yen. The main factor for the increase is 5,716 million yen of Proceeds from sales of property, plant and equipment. The main factors for the decrease are 26,178 million yen of Purchases of property, plant and equipment and 16,294 million yen of Purchases of intangible assets.

- Cash flows used in financing activities

Net cash paid out for financing activities was 16,371 million yen. The main factors for the increase are 52,517 million yen of Proceeds from long-term borrowings and 15,696 million yen of Net increase in current borrowings. The main factors for the decrease are 49,362 million yen of Repayments of long-term borrowings, 10,029 million yen of Dividends paid and 8,000 million yen of Repayments of other equity instruments.

As a result, cash and cash equivalents as of December 31, 2023 are 39,212 million yen, increased by 2,219 million yen from December 31, 2022.



### 3. Trends in cash flow related indexes

	Fiscal Year 2022 (January 1 to December 31, 2022)	Fiscal Year 2023 (January 1 to December 31, 2023)
Ratio of equity attributable to owners of the parent (%)	36.1	35.0
Ratio of equity attributable to owners of the parent measured at fair value (%)	32.4	44.2
Cash flows to interest bearing loans ratio (%)	165.94	275.50
Interest coverage ratio (times)	28.9	13.0

(Notes)

Ratio of equity attributable to owners of the parent:  $\text{Equity attributable to owners of the parent} / \text{total assets}$

Ratio of equity attributable to owners of the parent measured at fair value:  $\text{Market capitalization} / \text{total assets}$

Cash flows to interest bearing loans ratio:  $\text{Interest-bearing liabilities} / \text{operating cash flows}$

Interest coverage ratio:  $\text{Operating cash flows} / \text{interest payments}$

- These indexes are calculated based on consolidated financial figures.
- Market capitalization is calculated based on the closing share price at end of term x outstanding shares (excluding treasury shares) at end of term.
- For cash flows, "Cash flows from operating activities" from the consolidated statements of cash flows is used. Interest-bearing liabilities include all liabilities on the balance sheets that incur interest. For the interest payments, the amount is based on the "Interest paid" on the consolidated statements of cash flows from which continuous compensation payment arising from the domination agreement is subtracted.

#### (4) Basic policy concerning profit appropriation and dividend payment

The DMG MORI Group strives to enhance corporate value for our shareholders, who understand that machine tools are both capital assets and products which need longer period of investment cycle, from 10 to 20 years. Our principle for profit appropriation is stable and continuous payment of dividend based on an overall judgment concerning our future business plan, business results, financial conditions, and so on.

For internal reserve, we continue to invest in the development of pivotal new products and technologies as well as consolidating our production equipment in order to reinforce our competitive strength in the market.

For fiscal year 2023, we paid an interim dividend per share of 40 yen and plan to pay year-end dividend per share of 50 yen, for a full-year total of 90 yen. For fiscal year 2024, we plan to issue an interim dividend per share of 50 yen and year-end dividend per share of 50 yen, for a full-year total of 100 yen.

## 2. Basic policy for selection of accounting standards

We have introduced the International Financial Reporting Standards ("IFRS") to improve international comparability of financial information since fiscal year 2015.

### 3. Consolidated Financial Statements

#### (1) Consolidated statement of financial position

(Million yen)

	December 31, 2022	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	36,992	39,212
Trade and other receivables	68,437	62,927
Other financial assets	6,503	5,713
Inventories	166,217	200,843
Other current assets	15,834	14,277
Subtotal	293,985	322,974
Assets held for sale	-	799
Total current assets	293,985	323,773
Non-current assets:		
Property, plant and equipment	162,965	189,231
Right-of-use assets	19,874	24,637
Goodwill	76,842	85,587
Other intangible assets	86,193	100,909
Other financial assets	26,122	26,246
Investments in associates and joint ventures	5,917	6,322
Deferred tax assets	4,509	5,334
Other non-current assets	3,923	3,764
Total non-current assets	386,349	442,033
Total assets	680,334	765,806

(Million yen)

	December 31, 2022	December 31, 2023
<b>Liabilities</b>		
Current liabilities:		
Trade and other payables	72,806	82,914
Interest-bearing bonds and borrowings	51,241	61,187
Contract liabilities	92,935	93,430
Other financial liabilities	7,304	71,967
Income taxes payable	6,959	9,657
Provisions	45,659	50,998
Other current liabilities	4,424	6,477
Total current liabilities	281,329	376,633
Non-current liabilities:		
Interest-bearing bonds and borrowings	39,852	52,474
Other financial liabilities	87,305	40,309
Net employee defined benefit liabilities	4,479	5,192
Provisions	6,819	6,371
Deferred tax liabilities	8,103	9,340
Other non-current liabilities	2,069	2,939
Total non-current liabilities	148,630	116,627
Total liabilities	429,960	493,261
<b>Equity</b>		
Share capital	51,115	51,115
Capital surplus	266	208
Other equity instruments	118,753	110,822
Treasury shares	(906)	(883)
Retained earnings	69,864	92,283
Other components of equity	6,803	14,444
Equity attributable to owners of the parent	245,897	267,990
Non-controlling interests	4,477	4,555
Total equity	250,374	272,545
Total liabilities and equity	680,334	765,806

## (2) Consolidated statement of profit or loss

(Million yen)

	Fiscal year 2022 (January 1 to December 31, 2022)	Fiscal year 2023 (January 1 to December 31, 2023)
Revenues:		
Sales revenues	474,771	539,450
Other operating revenues	8,595	9,078
Total revenue	483,366	548,529
Costs:		
Changes in merchandise, finished goods and work in progress for sale	(6,844)	(27,726)
Costs of raw materials and consumables	203,948	239,691
Personnel costs	138,882	168,736
Depreciation and amortization	24,016	26,518
Other operating costs	82,150	87,158
Total costs	442,152	494,379
Operating profit	41,213	54,150
Financial income	633	1,138
Financial costs	5,181	7,553
Share of profits (losses) of associates and joint ventures accounted for using equity method	(137)	192
Profit before income taxes	36,528	47,927
Income taxes	10,728	13,697
Profit	25,800	34,229
Profit attributable to:		
Owners of the parent	25,406	33,944
Non-controlling interests	393	284
Profit	25,800	34,229
Earnings per share		
Basic (yen)	188.62	256.66
Diluted (yen)	188.62	256.66

## (3) Consolidated statement of comprehensive income

(Million yen)

	Fiscal year 2022 (January 1 to December 31, 2022)	Fiscal year 2023 (January 1 to December 31, 2023)
Profit	25,800	34,229
Other comprehensive income (OCI):		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	826	(488)
Change in fair value of financial assets designated at fair value through other comprehensive income	767	(2,229)
Subtotal	1,594	(2,717)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	12,960	10,779
Effective portion of changes in fair value of cash flow hedges	434	(103)
Hyper-inflation adjustment	93	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	350	212
Subtotal	13,838	10,888
Total other comprehensive income	15,432	8,170
Comprehensive income	41,233	42,400
Comprehensive income attributable to:		
Owners of the parent	40,791	42,105
Non-controlling interests	441	295
Comprehensive income	41,233	42,400

## (4) Consolidated statement of changes in equity

(Million yen)

	Equity attributable to owner of the parent							Non-controlling interests	Total equity
	Share capital	Capital surplus	Other equity instruments	Treasury shares	Retained earnings	Other components of equity	Subtotal		
As of January 1, 2022	51,115	-	118,753	(1,889)	52,817	(7,657)	213,139	4,139	217,279
Profit					25,406		25,406	393	25,800
Other comprehensive income (OCI)						15,385	15,385	47	15,432
Total comprehensive income	-	-	-	-	25,406	15,385	40,791	441	41,233
Distributions to owners of other equity instruments					(1,764)		(1,764)		(1,764)
Acquisition of treasury shares				(1)			(1)		(1)
Disposition of treasury shares		(119)		984			864		864
Dividends					(7,519)		(7,519)	(100)	(7,619)
Share-based payments		290					290	125	416
Change in equity due to acquisition of shares in consolidated subsidiaries		111					111	(158)	(46)
Transfer from other components of equity to retained earnings					924	(924)	-		-
Total transaction with owners of the parent	-	282	-	982	(8,359)	(924)	(8,017)	(132)	(8,150)
Acquisition of non-controlling interests		(16)					(16)	29	12
Total changes in ownership interests in subsidiaries and others	-	(16)	-	-	-	-	(16)	29	12
As of December 31, 2022	51,115	266	118,753	(906)	69,864	6,803	245,897	4,477	250,374

(Million yen)

	Equity attributable to owner of the parent							Non-controlling interests	Total equity
	Share capital	Capital surplus	Other equity instruments	Treasury shares	Retained earnings	Other components of equity	Subtotal		
As of January 1, 2023	51,115	266	118,753	(906)	69,864	6,803	245,897	4,477	250,374
Profit					33,944		33,944	284	34,229
Other comprehensive income (OCI)						8,160	8,160	10	8,170
Total comprehensive income	-	-	-	-	33,944	8,160	42,105	295	42,400
Payments of other equity instruments		(68)	(7,931)				(8,000)		(8,000)
Distributions to owners of other equity instruments					(1,768)		(1,768)		(1,768)
Acquisition of treasury shares				(2)			(2)		(2)
Disposition of treasury shares		0		24			25		25
Dividends					(10,045)		(10,045)	(129)	(10,175)
Share-based payments		238					238	75	314
Change in equity due to acquisition of shares in consolidated subsidiaries		(237)					(237)	(181)	(418)
Sale of shares of consolidated subsidiaries		8					8	6	15
Transfer from other components of equity to retained earnings					518	(518)	-		-
Other					(230)		(230)		(230)
Total transaction with owners of the parent	-	(57)	(7,931)	22	(11,526)	(518)	(20,011)	(229)	(20,241)
Acquisition of non-controlling interests		0					0	11	11
Total changes in ownership interests in subsidiaries and others	-	0	-	-	-	-	0	11	11
As of December 31, 2023	51,115	208	110,822	(883)	92,283	14,444	267,990	4,555	272,545

## (5) Consolidated statement of cash flows

(Million yen)

	Fiscal year 2022 (January 1 to December 31, 2022)	Fiscal year 2023 (January 1 to December 31, 2023)
<b>Cash flows from operating activities:</b>		
Profit before income taxes	36,528	47,927
Depreciation and amortization	24,016	26,518
Loss (gain) on sales or disposal of property, plant and equipment, and intangible assets	306	(531)
Financial income and costs	4,548	6,415
Share of (profits) losses of associates and joint ventures accounted for using equity method	137	(192)
Other non-cash transactions	(1,915)	(5,030)
Inventories	(26,311)	(20,725)
Trade and other receivables	577	13,524
Trade and other payables	16,524	5,970
Contract liabilities	21,498	(7,910)
Provisions	3,508	(760)
Other	(2,730)	476
Subtotal	76,687	65,681
Interest received	502	1,002
Dividends received	111	148
Interest paid	(3,821)	(5,344)
Income tax paid	(3,731)	(9,879)
Net cash flows from operating activities	69,749	51,608
<b>Cash flows used in investing activities:</b>		
Payments into time deposits	(1,221)	-
Proceeds from withdrawal of time deposits	-	1,242
Purchases of property, plant and equipment	(26,203)	(26,178)
Proceeds from sales of property, plant and equipment	120	5,716
Purchases of intangible assets	(14,909)	(16,294)
Acquisition of associates, net of cash acquired	(63)	-
Purchases of investment securities	(2,286)	(3,037)
Proceeds from sale of investment securities	8	2,173
Other	(318)	(353)
Net cash flows used in investing activities	(44,874)	(36,730)



(Million yen)

	Fiscal year 2022 (January 1 to December 31, 2022)	Fiscal year 2023 (January 1 to December 31, 2023)
<b>Cash flows used in financing activities:</b>		
Net increase (decrease) in short-term borrowings	4,868	15,696
Proceeds from long-term borrowings	-	52,517
Repayments of long-term borrowings	(1,748)	(49,362)
Payments for bond redemption	(10,000)	-
Repayments of other equity instruments	-	(8,000)
Repayments of debt instruments	(15,000)	-
Repayment of lease liabilities	(5,429)	(6,272)
Dividends paid	(7,525)	(10,029)
Dividends paid to non-controlling interests	(100)	(129)
Acquisition of treasury shares	(1)	(2)
Payments for obligations for non-controlling interests	(4,245)	(4,334)
Distributions to owners of other equity instruments	(1,764)	(1,768)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(46)	(417)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	15
Other	2,014	(4,282)
Net cash flows used in financing activities	(38,978)	(16,371)
Effect of exchange rate changes on cash and cash equivalents	3,797	3,713
Change in cash and cash equivalents	(10,305)	2,219
Cash and cash equivalents at the beginning of period	47,298	36,992
Cash and cash equivalents at the end of period	36,992	39,212

(6) Notes on going concern assumption

Not applicable.

(7) Notes on consolidated financial statements

1. Reporting entity

DMG MORI Co., Ltd. (the "Company") is a company established under the Companies Act of Japan. The Company is domiciled in Japan and its registered office is located at 106 Kitakoriyama-cho, Yamato-Koriyama City, Nara. The consolidated financial statements of the Company as of December 31, 2023 comprise the Company, its subsidiaries, associates and joint ventures (collectively, the "Group"). The Group engages in businesses related to manufacturing and sales of machine tools (machining centers, turning centers, turn-mill complete machining centers and universal milling machines for five-axis machining), software (user interface, Technology Cycles and embedded software) and measuring devices, and provides total solutions utilizing the machine tools, software and measuring devices with service support, applications and engineering.

2. Basis of preparations

(1) Accounting standards complied with

The Company's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. As the Company meets the requirements of a "Specified Company applying Designated International Financial Reporting Standards", pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976, the "Consolidated Financial Statements Ordinance"), it has applied the provisions of Article 93 of said Ordinance.

(2) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, with the main exception of financial instruments which are measured at fair value.

(3) Presentation currency and units used

The consolidated financial statements are presented in Japanese yen, which is the Company's functional currency. All financial information presented in Japanese yen has been rounded down to the nearest million, unless otherwise stated.

(4) Significant accounting policy

The significant accounting policies adopted for the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2022, except for the following item.

(IAS 12 "Income Taxes")

The Group has applied the standard "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (an amendment of IAS 12 "Income Taxes") effective for the fiscal year ended December 31, 2023. The adoption of this standard does not have a material impact on the Group's condensed consolidated financial statements for the fiscal year ended December 31, 2023.

And the Group has applied the standard "International Tax Reform -Pillar Two Model Rules- "(an amendment of IAS 12 "Income Taxes") effective for the fiscal year ended December 31, 2023.

The amendments clarify that IAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two GloBE (global minimum tax) Rules of Base Erosion and Profit Shifting (BEPS) published by the OECD. However, the amendments introduce a temporary exception from recognizing and disclosing deferred tax assets and liabilities for income taxes arising from global minimum taxes.

The Group has applied the exception mentioned above and does not recognize or disclose deferred tax assets and liabilities for income taxes arising from global minimum taxes.

### 3. Segment information

#### (1) Outline of reportable segments

The operating segments of the Group are based on its business areas for which discrete financial information is available, and they are regularly reviewed by the Board of Directors and corporate officers for the purpose of making decisions about resource allocation and performance assessment. The classification of the operating segments is based on the products and services and the associated internal reporting and management methods.

As a result, the business activities of the Group are categorized into "Machine Tools" and "Industrial Services," as its two reportable segments. The Company has not aggregated its operating segments.

The "Machine Tools" segment generates its revenue through the production and sales of machine tools. The "Industrial Services" segment generates its revenue through the provision of services and solutions related to machine tools.

#### (2) Calculation methods of sales revenues, income or loss by each reportable segment

The accounting methods for the reportable segments are essentially the same as Consolidated Financial Statements.

The amount of segment income is based on operating profit and Share of profits (losses) of associates and joint ventures accounted for using equity method. Inter-segment sales revenues are based on arm's length prices.

#### (3) Segment sales revenues and income

The segment sales revenues, income or loss and other items by each reportable segment are summarized as follows:

Fiscal year 2022 (January 1 to December 31, 2022)

(Million yen)

	Reportable segments			Adjustments (Note)		Consolidated
	Machine Tools	Industrial Services	Total	Corporate Services	Elimination	
Sales revenues						
External customers	317,015	157,725	474,740	30	-	474,771
Inter-segment	257,197	42,728	299,925	1,464	(301,390)	-
Total	574,212	200,453	774,666	1,495	(301,390)	474,771
Segment income	24,053	30,119	54,173	(9,175)	(3,921)	41,076
Financial income	-	-	-	-	-	633
Financial costs	-	-	-	-	-	(5,181)
Profit before income taxes	-	-	-	-	-	36,528

(Note) "Adjustments to segment income" include elimination of inter-segment transactions and expenses related to corporate services.

Fiscal year 2023 (January 1 to December 31, 2023)

(Million yen)

	Reportable segments			Adjustments (Note)		Consolidated
	Machine Tools	Industrial Services	Total	Corporate Services	Elimination	
Sales revenues						
External customers	357,774	181,639	539,413	37	-	539,450
Inter-segment	310,515	48,172	358,687	1,703	(360,391)	-
Total	668,289	229,811	898,101	1,741	(360,391)	539,450
Segment income	40,142	37,969	78,112	(18,214)	(5,555)	54,342
Financial income	-	-	-	-	-	1,138
Financial costs	-	-	-	-	-	(7,553)
Profit before income taxes	-	-	-	-	-	47,927

(Note) "Adjustments to segment income" include elimination of inter-segment transactions and expenses related to corporate services.

#### 4. Earnings per share

Basis of calculation for basic earnings per share and diluted earnings per share is as follows:

Items	Fiscal year 2022 (January 1 to December 31, 2022)	Fiscal year 2023 (January 1 to December 31, 2023)
Profit attributable to owners of the parent (million yen)	25,406	33,944
Profit not attributable ordinary shareholders of the parent	1,766	1,754
Profit used for basic earnings per share attributable to ordinary shareholders of the parent (million yen)	23,639	32,189
Adjustment for diluted earnings (million yen)	-	-
Diluted earnings (million yen)	23,639	32,189
Weighted-average number of common shares (Thousands of shares)	125,328	125,420
Increase in number of common stock shares for diluted earnings per share		
Increase due to exercising stock options (Thousands of shares)	-	-
Weighted-average number of common shares outstanding for diluted earnings per share (Thousands of shares)	125,328	125,420
Basic earnings per share (yen)	188.62	256.66
Diluted earnings per share (yen)	188.62	256.66

(Note)

- Basic earnings per share is calculated by dividing profit attributable to owners of the parent after deducting the amount attributable to owners of other equity instruments by the average number of common shares excluding the average number of treasury shares during the year. Diluted earnings per share is calculated by adjusting for the effects of all dilutive potential common shares. For the fiscal years ended 31 December 2022, the average number of treasury shares during the year includes the shares of the Company (Average number of shares during the year of 146,262 shares) held by The Nomura Trust and Banking Co., Ltd. (DMG MORI Employee Shareholders Association Exclusive Trust) due to the implementation of the "Trust-Type Employee Stock Ownership Incentive Plan."
- Diluted earnings per share is equal to Basic earnings per share because there are no potentially dilutive shares.

#### 5. Significant subsequent events

Not applicable.

#### 4. Others

Changes in members of the Board of Directors and Statutory Auditors (effective on March 28, 2024)

(1) Changes in representative director

Not applicable.

(2) Changes in other members of the Board of Directors and Statutory Auditors

- Candidate for new director

Alfred Geißler, Director

Current : Senior Executive Officer, Chairman of the Executive Board of DMG MORI AKTIENGESELLSCHAFT