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Date: February 5, 2025

Consolidated Financial Results for the Fiscal year 2024 ended December 31, 2024 (Under IFRS)

(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial Statements for the Fiscal Year 2024 announced on February 5, 2025)

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 27, 2025

Filing date of financial statements: March 27, 2025

Estimated starting date of dividend payment: March 28, 2025

Preparation of supplementary explanatory materials: Yes

Holding of annual earnings release conference: Yes

1. Consolidated financial results of the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

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

(1) Consolidated operating results

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

	Sales revenues		Operating profit		Profit before income taxes		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, 2024	540,945	0.3	43,726	(21.0)	37,138	(24.4)	7,983	(76.7)	7,700	(77.3)	23,720	(44.1)
Fiscal year ended December 31, 2023	539,450	-	55,356	-	49,113	-	34,229	32.7	33,944	33.6	42,400	2.8

	Basic earnings per share	Diluted earnings per share	Return on 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, 2024	43.60	42.51	2.6	4.8	8.1
Fiscal year ended December 31, 2023	256.66	256.66	13.2	6.6	10.3

(Note 1) Earnings per share is calculated based on the profit which excludes profit attributable to owners of other equity instruments.

(Note 2) Effective from the first quarter of the current fiscal year, DMG MORI Co., Ltd. (the "Company") has classified the operations related to Ulyanovsk Machine Tools ooo, a business base in Russia, as discontinued operations. As a result, sales revenues, operating profit and profit before income taxes are presented only in the amounts of continuing operations, which exclude discontinued operations. The amounts of profit and profit attributable to owners of the parent include the results of discontinued operations. As the businesses have been similarly reclassified in the fiscal year ended December 31, 2023, changes from the same period in the previous year are not presented.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
	million yen	million yen	million yen	%	yen
December 31, 2024	797,567	316,480	314,522	39.4	2,224.02
December 31, 2023	765,806	272,545	267,990	35.0	2,134.72

(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	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
December 31, 2024	44,579	(38,195)	(5,664)	41,747
December 31, 2023	51,608	(36,730)	(16,371)	39,212

2. Cash Dividends

	Dividends per share					Total cash dividends	Payout ratio	Ratio of dividends 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, 2023	-	40.00	-	50.00	90.00	11,301	35.1	4.4
December 31, 2024	-	50.00	-	50.00	100.00	14,157	229.3	4.6
December 31, 2025 (forecast)	-	50.00	-	55.00	105.00		81.1	

3. Consolidated financial forecast for fiscal year 2025 (January 1, 2025 to December 31, 2025)

(% 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 2025	510,000	(5.7)	38,000	(13.1)	20,000	159.7	129.40

(Note) Exchange rate used for consolidated financial forecast for the fiscal year 2025: JPY 150.0/USD 160.0/EUR

(Fiscal year 2024: JPY 151.6/USD, 164.0/EUR)

4. Others

(1) Significant changes in the scope of consolidation during the period: None

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

1. Changes in accounting policies required by IFRS: Yes

2. Changes in accounting policies due to other reasons: None

3. Changes in accounting estimates: None

(3) Number of shares outstanding (Common shares)

1. Total number of issued shares at the end of the period (including treasury shares)

December 31, 2024: 141,955,590

December 31, 2023: 125,953,683

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

December 31, 2024: 534,464

December 31, 2023: 533,582

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

January - December 2024: 137,364,991

January - December 2023: 125,420,542

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

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

	Sales revenues		Operating profit (loss)		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended December 31, 2024	106,045	(22.4)	(16,689)	-	3,791	(85.3)	2,633	(90.6)
Fiscal year ended December 31, 2023	136,614	10.2	675	-	25,704	26.1	28,099	42.0

	Basic earnings per share	Diluted earnings per share
	yen	yen
Fiscal year ended December 31, 2024	19.15	-
Fiscal year ended December 31, 2023	223.77	-

(2) Non-consolidated financial position

	Total assets	Total net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended December 31, 2024	491,610	172,185	35.0	1,216.22
Fiscal year ended December 31, 2023	470,877	143,463	30.4	1,140.45

- Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

- 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 2025 (Forecast), please see "1. Overview of Operating Results, etc. (2) Forecast for the fiscal year 2025" 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, 2025 (Wednesday).

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1. Overview of Operating Results, etc.

(1) Overview of operating results

In the fiscal year 2024 (from January 1 to December 31), the sales revenues were JPY 540.9 bn. (EUR 3,298 mil.), the operating profit was JPY 43.7 bn. (EUR 267 mil.), the profit before income taxes was JPY 37.1 bn. (EUR 226 mil.) and the profit attributable to owners of the parent was JPY 7.7 bn. (EUR 47 mil.). (Euro amount is converted from yen at 164.0 yen, the average exchange rate between January 1 and December 31, 2024).

In FY 2024, consolidated order intake decreased by 4.6% from the previous year and amounted to JPY 496.0 bn. Driven by process integration and automation, proposals to customers have increased in value and raised the average order price per unit to JPY 71.0 mil. (EUR 433,000) from the average JPY 61.9 mil. (EUR 407,000) in FY 2023, showing growth in EUR terms even when excluding the effects of yen depreciation.

In addition, spare parts, maintenance, and repair have increased by 6% and made up 25% of consolidated order intake (FY 2023: 22%) with a positive stabilizing effect. Although the quarterly (3-month basis) order intake was negative in comparison to the same period last year, order intake appears to have leveled off between the third quarter (Jul-Sep) at JPY 114.8 bn. and the fourth quarter (Oct-Dec) at JPY 114.5 bn.

By region, order intake in Asia excluding China showed an 8% increase (composition ratio: 6%) and Americas stayed at the same level as before (22%). Europe has decreased by 4% (55%) and Japan by 8% (11%). Meanwhile, due to stricter export control than last year and other factors, order intake in China has decreased by 24% (6%). As per industry, the demands from civil aircraft, space, medical, die & mold, and power generation sectors are showing solid development.

Order backlog of machine tools has declined by approx. JPY 30.0 bn. from a total of JPY 247.0 bn. in December 2023 to JPY 218.0 bn. in December 2024. In FY 2025, to achieve our plan of sales revenue JPY 510.0 bn., we plan to convert this backlog into sales, while generating additional sales from new orders within the year as well.

As stated in our medium-term business plan, DMG MORI provides high value-added products, systems, and services through process integration, automation, DX, and GX, and thus addresses environmental issues and contributes to a Circular Economy with our MX (Machining Transformation) strategy. This enables sustainable growth and enhances customer productivity.

Through a tender offer from November to December 2024 with the aim of making TAIYO KOKI CO., LTD. (listed on the Tokyo Stock Exchange Standard Market as Securities Code: 6164) a 100% group company, our ownership ratio of shares increased to 92.84%. On January 7, 2025, TAIYO KOKI resolved the sale of shares of all non-controlling shareholders, with plans to acquire all outstanding shares in the first quarter of 2025. The full acquisition will allow TAIYO KOKI to make quick and flexible use of DMG MORI's know-how, management resources, and network on a global scale. In addition, this acquisition will lead to new regional synergies through the cooperation with DMG MORI Precision Boring, our group company since January 2024 with HQ and plant located in the Niigata/Nagaoka as well. Moving forward, the whole DMG MORI Group will continuously strive for sustainable growth and increasing corporate value.

In September 2024, we held the groundbreaking ceremony for our European headquarters in Munich, Germany. Scheduled to open in 2026, the Munich European headquarters will serve as a hub for international exchange. Its strategic location near the Pfronten Plant in Germany – our largest development and production site in Europe – will provide easy access to sites across Europe and worldwide.

We are also pleased to announce that our largest production site Iga Campus has received the Deming Prize^{*1} 2024. Since 2017, DMG MORI has been introducing and promoting Total Quality Management (TQM)^{*2} to reaffirm the importance of customer focus and drive our MX strategy forward. We will continue to promote TQM company-wide, thoroughly improve quality, and achieve sustainable growth.

On the technology front, we released NLX 2500 | 700 2nd Generation, the latest addition to our top-selling NLX 2500 turning center series. NLX 2500 | 700 2nd Generation integrates processes that used to be divided on 2 machines (machining center + turning center), while flexibly handling high-mix, varying-lot production even during unmanned night shifts with automation systems.

We also developed the modular pallet handling system "PH Cell 500" for up to 32 pallets with max. 500 kg transfer weight to provide excellent workability and accessibility to the machining area, while offering a modular design for various customer production needs and different pallet sizes in one system.

Furthermore, we have released a gear grinding unit for DMG MORI machines to start off our series of Gear Production+ solutions for integration of gear processing functions into general 5-axis and mill-turn machines. With the gear grinding unit, even general 5-axis machining centers can realize process integration of milling, turning, and gear grinding on a single machine for shorter cycle time.

The LASERTEC 3000 | 3000 DED hybrid 2nd Generation is the newest entry of the LASERTEC DED hybrid series that combines mill-turn with laser deposition technology and offers a max. workpiece length of 3,018 mm. At DMG MORI, we remain committed to enhancing our customers' productivity with outstanding hardware and software while continuously promoting our MX strategy.

At JIMTOF 2024 held in November at Tokyo Big Sight, our group companies together with DMQP partners gathered to introduce DMG MORI's total solutions to customers under the theme of MX. In parallel, we invited guests to the open house event "Tokyo Technology Week" at our Tokyo Global Headquarters to show 12 machine tools and automation systems, including the latest models.

In terms of human resource development, we opened a new DMG MORI ACADEMY in Okayama as a training facility for customers and local students to study advanced machining on 5-axis machine tools. Following the opening in Hamamatsu, Kanazawa and Sendai, Okayama is now the fourth academy to open. The remaining academies will be opened in the Kyushu region from 2025 onwards.

In February 2024, our ambitious greenhouse gas reduction goals and initiatives to manage water risks were recognized by the international non-profit organization CDP. We are proud to announce that DMG MORI scored an A- (Leadership Level) in the "Climate Change" and "Water Security" categories in the questionnaire-based survey CDP2023.

At DMG MORI, we have been generating self-use solar power since 2023. In March 2024, we started operation of the 2nd batch (for 5,200kW) in Iga and the 1st batch (for 354kW) in Nara. They will provide 30% of the annual electricity demand for each campus.

In June, our group company DMG MORI AKTIENGESELLSCHAFT in Germany was certified by the corporate climate action organization SBTi for their "Net Zero" target to reduce greenhouse gas emissions to zero by 2050. We will continue to expand the use of renewable energy and contribute to building a sustainable society.

Regarding HR management, DMG MORI released its "DMG MORI Health Management Declaration"^{*3} in January 2021. For the second consecutive year, METI and Nippon Kenko Kaigi have recognized DMG MORI as a "White 500" company in the large corporation category of the "Certified Health & Productivity Management Outstanding Organizations Recognition Program 2024." In addition, DMG MORI was selected for the first time for the "Health & Productivity Stock Selection" by the Ministry of Economy, Trade, and Industry (METI) and the Tokyo Stock Exchange in recognition of its excellent health management.

*1 Deming Prize: A world-class award for Total Quality Management (TQM) established in 1951 to commemorate the achievements of the late Dr. William Edwards Deming, who popularized statistical quality control in postwar Japan and elevated the quality of Japanese products to the highest global standards. (From the website of the Union of Japanese Scientists and Engineers)

*2 As a management style, TQM stands for "Total Quality Management" and translates to "Comprehensive Quality Management" in Japanese. It encompasses the ideas, efforts, methods, systems, and methodologies aimed at maintaining and improving the overall "quality" within corporate activities and guiding them toward the achievement of management goals. (From the website of the Union of Japanese Scientists and Engineers)

*3 "Health & Productivity Management" is a registered trademark of Kenko Keiei, a non-profit organization.

<Consolidated results>

Consolidated results of the fiscal year ended December 31, 2024 is as follows:

Unit: 100 Million yen

	January to December, 2023	January to December, 2024	Difference
Sales revenues	5,395	5,409	15
Sales revenues (Million EUR)	3,549	3,298	(251)
Operating profit	554	437	(116)
Operating profit (Million EUR)	364	267	(98)
Operating profit / Sales revenues	10.3%	8.1%	(2.2)%pts
Profit attributable to owners of the parent	339	77	(262)
Profit attributable to owners of the parent (Million EUR)	223	47	(176)

(Note) Euro amount is converted from yen at the average exchange rate of each fiscal period; 152.0 yen/EUR for the figures of January to December, 2023, 164.0 yen/EUR for those of January to December, 2024.

(2) Forecast for the fiscal year 2025

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 2025 is as follows:

Unit: 100 Million yen

	Fiscal Year 2025 (January 1 to December 31, 2025)
Sales revenues	5,100
Operating profit	380
Profit attributable to owners of the parent	200
Basic earnings per share (yen)	129.40

(Note) Exchange rate used for consolidated financial forecast for fiscal year 2025: JPY 150.0/USD, 160.0/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 2023 and fiscal year 2024 is as follows:

• Assets

Current assets are 317,711 million yen. This is mainly because Trade and other receivables increased by 3,800 million yen while Inventories decreased by 10,833 million yen.

Non-current assets are 479,855 million yen. This is mainly because Property, plant and equipment increased by 23,478 million yen, and Other intangible assets increased by 9,676 million yen while Other financial assets decreased by 6,949 million yen.

As a result, total assets are 797,567 million yen.

•Liabilities

Current liabilities are 397,718 million yen. This is mainly because Interest-bearing bonds and borrowings increased by 41,802 million yen while Provisions decreased by 10,188 million yen, Contract liabilities decreased by 8,853 million yen, and Trade and other payables decreased by 7,794 million yen.

Non-current liabilities are 83,368 million yen. This is mainly because Other financial liabilities increased by 12,205 million yen while Interest-bearing bonds and borrowings decreased by 49,014 million yen.

As a result, total liabilities are 481,087 million yen.

•Equity

Equity is 316,480 million yen. This is mainly because Share capital increased by 20,114 million yen, Capital surplus increased by 18,287 million yen, and Other components of equity increased by 14,524 million yen.

(Reference)

(Million yen)

	December 31, 2023	December 31, 2024	Difference
Current assets	323,773	317,711	(6,061)
Non-current assets	442,033	479,855	37,822
Current liabilities	376,633	397,718	21,084
Non-current liabilities	116,627	83,368	(33,258)
Equity	272,545	316,480	43,934

2. Cash flows during the fiscal year 2024

(Million yen)

	Fiscal Year 2023 (January 1 to December 31, 2023)	Fiscal Year 2024 (January 1 to December 31, 2024)
Operating activities	51,608	44,579
Investing activities	(36,730)	(38,195)
Financing activities	(16,371)	(5,664)
Cash and cash equivalents at the end of the year	39,212	41,747

Status of cash flows and its fluctuation factors for the fiscal year 2024 are as follows:

• Cash flows from operating activities

Net cash provided from operating activities was 44,579 million yen. The main factors for the increase are 37,138 million yen of Profit before income taxes, 31,494 million yen of Depreciation and amortization and 23,927 million yen of decrease in Inventories. The main factors for the decrease are 14,159 million yen of decrease in Contract liabilities, 13,963 million yen of decrease in Provisions and 12,534 million yen of Income taxes paid.

• Cash flows used in investing activities

Net cash paid out for investing activities was 38,195 million yen. The main factor for the increase is 5,713 million yen of Proceeds from sale of investment securities. The main factors for the decrease are 27,168 million yen of Purchases of property, plant and equipment and 16,637 million yen of Purchases of intangible assets.

• Cash flows used in financing activities

Net cash paid out for financing activities was 5,664 million yen. The main factors for the increase are 20,243 million yen of Net increase in current borrowings and 10,000 million yen of Proceeds from long-term borrowings. The main factors for the decrease are 13,346 million yen of Dividends paid and 6,525 million yen of Repayment of lease liabilities.

As a result, cash and cash equivalents as of December 31, 2024 are 41,747 million yen, increased by 2,534 million yen from December 31, 2023.

3. Trends in cash flow related indexes

	Fiscal Year 2023 (January 1 to December 31, 2023)	Fiscal Year 2024 (January 1 to December 31, 2024)
Ratio of equity attributable to owners of the parent (%)	35.0	39.4
Ratio of equity attributable to owners of the parent measured at fair value (%)	44.2	45.1
Cash flows to interest bearing loans ratio (%)	275.50	310.75
Interest coverage ratio (times)	13.0	10.4

(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 2024, we paid an interim dividend per share of 50 yen and plan to pay year-end dividend per share of 50 yen, for a full-year total of 100 yen. For fiscal year 2025, we plan to issue an interim dividend per share of 50 yen and year-end dividend per share of 55 yen, for a full-year total of 105 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, 2023	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	39,212	41,747
Trade and other receivables	62,927	66,728
Other financial assets	5,713	2,696
Inventories	200,843	190,009
Other current assets	14,277	15,877
Total current assets from continuing operations	322,974	317,059
Assets held for sale	799	652
Total current assets	323,773	317,711
Non-current assets:		
Property, plant and equipment	189,231	212,710
Right-of-use assets	24,637	28,605
Goodwill	85,587	89,951
Other intangible assets	100,909	110,585
Other financial assets	26,246	19,296
Investments in associates and joint ventures	6,322	7,489
Deferred tax assets	5,334	6,662
Other non-current assets	3,764	4,554
Total non-current assets	442,033	479,855
Total assets	765,806	797,567

(Million yen)

	December 31, 2023	December 31, 2024
Liabilities		
Current liabilities:		
Trade and other payables	82,914	75,119
Interest-bearing bonds and borrowings	61,187	102,990
Contract liabilities	93,430	84,576
Other financial liabilities	71,967	77,662
Income taxes payable	9,657	8,700
Provisions	50,998	40,809
Other current liabilities	6,477	7,859
Total current liabilities	376,633	397,718
Non-current liabilities:		
Interest-bearing bonds and borrowings	52,474	3,459
Other financial liabilities	40,309	52,515
Net employee defined benefit liabilities	5,192	5,755
Provisions	6,371	5,704
Deferred tax liabilities	9,340	12,725
Other non-current liabilities	2,939	3,208
Total non-current liabilities	116,627	83,368
Total liabilities	493,261	481,087
Equity		
Share capital	51,115	71,230
Capital surplus	208	18,496
Other equity instruments	110,822	110,822
Treasury shares	(883)	(862)
Retained earnings	92,283	85,866
Other components of equity	14,444	28,969
Equity attributable to owners of the parent	267,990	314,522
Non-controlling interests	4,555	1,957
Total equity	272,545	316,480
Total liabilities and equity	765,806	797,567

(2) Consolidated statement of profit or loss

(Million yen)

	Fiscal year 2023 (January 1 to December 31, 2023)	Fiscal year 2024 (January 1 to December 31, 2024)
Continuing operations:		
Revenues:		
Sales revenues	539,450	540,945
Other operating revenues	9,070	14,062
Total revenue	548,521	555,007
Costs:		
Changes in merchandise, finished goods and work in progress for sale	(27,727)	16,965
Costs of raw materials and consumables	238,839	195,629
Personnel costs	168,680	179,487
Depreciation and amortization	26,333	31,494
Other operating costs	87,037	87,704
Total costs	493,164	511,280
Operating profit	55,356	43,726
Financial income	1,117	1,490
Financial costs	7,553	8,354
Share of profits of associates and joint ventures accounted for using equity method	192	276
Profit before income taxes	49,113	37,138
Income taxes	13,699	14,085
Profit from continuing operations	35,413	23,053
Discontinued operations:		
Loss from discontinued operations	(1,184)	(15,069)
Profit	34,229	7,983
Profit attributable to:		
Owners of the parent	33,944	7,700
Non-controlling interests	284	283
Profit	34,229	7,983
Earnings per share		
Basic earnings (loss) per share (yen)		
Continuing operations	266.10	153.31
Discontinued operations	(9.44)	(109.71)
Basic	256.66	43.60
Diluted earnings (loss) per share (yen)		
Continuing operations	266.10	149.06
Discontinued operations	(9.44)	(106.56)
Diluted	256.66	42.51

(3) Consolidated statement of comprehensive income

(Million yen)

	Fiscal year 2023 (January 1 to December 31, 2023)	Fiscal year 2024 (January 1 to December 31, 2024)
Profit	34,229	7,983
Other comprehensive income (OCI):		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	(488)	19
Change in fair value of financial assets designated at fair value through other comprehensive income	(2,229)	(430)
Subtotal	(2,717)	(411)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	10,779	15,224
Effective portion of changes in fair value of cash flow hedges	(103)	33
Share of other comprehensive income of associates and joint ventures accounted for using equity method	212	890
Subtotal	10,888	16,148
Total other comprehensive income	8,170	15,737
Comprehensive income	42,400	23,720
Comprehensive income attributable to:		
Owners of the parent	42,105	23,438
Non-controlling interests	295	282
Comprehensive income	42,400	23,720

(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, 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

(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, 2024	51,115	208	110,822	(883)	92,283	14,444	267,990	4,555	272,545
Profit					7,700		7,700	283	7,983
Other comprehensive income (OCI)						15,738	15,738	(1)	15,737
Total comprehensive income	-	-	-	-	7,700	15,738	23,438	282	23,720
Distributions to owners of other equity instruments					(1,696)		(1,696)		(1,696)
Acquisition of treasury shares				(3)			(3)		(3)
Disposition of treasury shares		0		24			25		25
Dividends					(13,357)		(13,357)	(144)	(13,501)
Transfer between retained earnings and capital surplus		23			(23)		-		-
Share-based payments		227					227	58	285
Conversion of bonds with stock acquisition rights	20,114	19,864				(253)	39,726		39,726
Change in equity due to acquisition of shares in consolidated subsidiaries		(1,827)					(1,827)	(2,806)	(4,633)
Transfer from other components of equity to retained earnings					960	(960)	-		-
Total transaction with owners of the parent	20,114	18,288	-	21	(14,116)	(1,213)	23,094	(2,892)	20,201
Acquisition of non-controlling interests		(0)					(0)	12	12
Total changes in ownership interests in subsidiaries and others	-	(0)	-	-	-	-	(0)	12	12
As of December 31, 2024	71,230	18,496	110,822	(862)	85,866	28,969	314,522	1,957	316,480

(5) Consolidated statement of cash flows

(Million yen)

	Fiscal year 2023 (January 1 to December 31, 2023)	Fiscal year 2024 (January 1 to December 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	49,113	37,138
Depreciation and amortization	25,598	31,494
Loss (gain) on sales or disposal of property, plant and equipment, and intangible assets	(531)	517
Financial income and costs	6,415	6,864
Share of (profits) losses of associates and joint ventures accounted for using equity method	(192)	(276)
Other non-cash transactions	(5,030)	1,054
Inventories	(21,699)	23,927
Trade and other receivables	13,524	584
Trade and other payables	5,970	(10,874)
Contract liabilities	(7,910)	(14,159)
Provisions	594	(13,963)
Other	(170)	(987)
Subtotal	65,681	61,319
Interest received	1,002	1,338
Dividends received	148	162
Interest paid	(5,344)	(5,706)
Income tax paid	(9,879)	(12,534)
Net cash flows from operating activities	51,608	44,579
Cash flows used in investing activities:		
Proceeds from withdrawal of time deposits	1,242	34
Purchases of property, plant and equipment	(26,178)	(27,168)
Proceeds from sales of property, plant and equipment	5,716	2,507
Purchases of intangible assets	(16,294)	(16,637)
Purchases of shares of subsidiaries resulting in change in scope of consolidation	-	(2,800)
Decrease in the loss of control of subsidiaries	-	(395)
Purchases of investment securities	(3,037)	(431)
Proceeds from sale of investment securities	2,173	5,713
Other	(353)	982
Net cash flows used in investing activities	(36,730)	(38,195)

(Million yen)

	Fiscal year 2023 (January 1 to December 31, 2023)	Fiscal year 2024 (January 1 to December 31, 2024)
Cash flows used in financing activities:		
Net increase (decrease) in short-term borrowings	15,696	20,243
Proceeds from long-term borrowings	52,517	10,000
Repayments of long-term borrowings	(49,362)	(5,349)
Repayments of other equity instruments	(8,000)	-
Repayment of lease liabilities	(6,272)	(6,525)
Dividends paid	(10,029)	(13,346)
Dividends paid to non-controlling interests	(129)	(144)
Acquisition of treasury shares	(2)	(3)
Payments for obligations for non-controlling interests	(4,334)	(4,049)
Distributions to owners of other equity instruments	(1,768)	(1,696)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(417)	(4,633)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	15	-
Other	(4,282)	(160)
Net cash flows used in financing activities	(16,371)	(5,664)
Effect of exchange rate changes on cash and cash equivalents	3,713	1,815
Change in cash and cash equivalents	2,219	2,534
Cash and cash equivalents at the beginning of period	36,992	39,212
Cash and cash equivalents at the end of period	39,212	41,747

(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, 2024 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, universal milling machines for five-axis machining and additive manufacturing machines), 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 312 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, and the application of hyperinflation accounting for the Company's subsidiary in Turkey.

(3) Functional and presentation currency

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) Material accounting policy

The material 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, 2023, except for the following item.

(Supplier Finance Arrangements - IAS 7 and IFRS 7)

The Group has applied the standard IAS 7 "Statement of Cash Flows" (amended in May 2023) and IFRS 7 "Financial Instruments: Disclosures" (amended in May 2023), (expanded disclosure of Supplier Finance Arrangements) effective for the fiscal year ended December 31, 2024.

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. Effective from the first quarter of the current fiscal year, the Group has classified the operations related to Ulyanovsk Machine Tools ooo, a business base in Russia, as discontinued operations.

As a result, comparative information for the previous year has been presented by deducting the amounts related to this business, which were included in the Machine Tools segment, and reclassifying them to amounts related to continuing operations.

(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 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	358,688	1,703	(360,391)	-
Total	668,289	229,811	898,101	1,741	(360,391)	539,450
Segment income	41,349	37,969	79,318	(18,214)	(5,555)	55,548
Financial income	-	-	-	-	-	1,117
Financial costs	-	-	-	-	-	(7,553)
Profit before income taxes	-	-	-	-	-	49,113

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

Fiscal year 2024 (January 1 to December 31, 2024)

(Million yen)

	Reportable segments			Adjustments (Note)		Consolidated
	Machine Tools	Industrial Services	Total	Corporate Services	Elimination	
Sales revenues						
External customers	363,158	177,742	540,901	43	-	540,945
Inter-segment	273,375	52,838	326,213	1,606	(327,819)	-
Total	636,533	230,581	867,114	1,649	(327,819)	540,945
Segment income	18,759	42,846	61,606	(15,828)	(1,775)	44,002
Financial income	-	-	-	-	-	1,490
Financial costs	-	-	-	-	-	(8,354)
Profit before income taxes	-	-	-	-	-	37,138

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

4. Earnings per share

The basis of the calculation of basic earnings per share and diluted earnings per share is as follows:

Items	Fiscal year 2023 (January 1 to December 31, 2023)	Fiscal year 2024 (January 1 to December 31, 2024)
Profit attributable to owners of the parent (million yen)	33,944	7,700
Profit not attributable to ordinary shareholders of the parent	1,754	1,710
Profit used for basic earnings per share attributable to ordinary shareholders of the parent (million yen)	32,189	5,989
Continuing operations	33,373	21,059
Discontinued operations	(1,184)	(15,069)
Adjustment for diluted earnings (million yen)	-	21
Diluted earnings (million yen)	32,189	6,011
Continuing operations	33,373	21,080
Discontinued operations	(1,184)	(15,069)
Weighted-average number of common shares (Thousands of shares)	125,420	137,364
Increase in number of common stock shares for diluted earnings per share		
Increase by conversion of bonds with stock acquisition rights	-	4,056
Weighted-average number of common shares outstanding for diluted earnings per share (Thousands of shares)	125,420	141,421
Basic earnings (loss) per share (yen)		
Continuing operations	266.10	153.31
Discontinued operations	(9.44)	(109.71)
Basic earnings per share	256.66	43.60
Diluted earnings (loss) per share (yen)		
Continuing operations	266.10	149.06
Discontinued operations	(9.44)	(106.56)
Diluted earnings per share	256.66	42.51

(Note)

- Basic earnings per share and Diluted earnings per share are 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.
- For the fiscal year 2023, 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 27, 2025)

(1) Changes in representative director

Not applicable.

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

Not applicable.