

(Translation)

Documents to Be Kept in Advance
Pursuant to Article 794, Paragraph 1 of the Companies Act
(Matters to Be Disclosed in Advance of a Share Exchange)

Note:

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Date: March 7, 2025
DMG MORI CO., LTD.

March 7, 2025

Matters to Be Disclosed in Advance of a Share Exchange

(Documents required pursuant to Article 794, Paragraph 1 of the Companies Act and Article 193 of the Ordinance for Enforcement of the Companies Act)

106 Kitakoriyamacho, Yamatokoriyama City, Nara

DMG MORI CO., LTD.

Representative Director: Masahiko Mori

DMG MORI CO., LTD. (“Company”) has decided to implement a share exchange (“Share Exchange”) through which the Company will become the wholly owning parent company as a result of the Share Exchange, and Miyawaki Machinery Co., Ltd. (“Miyawaki Machinery”) will become a wholly-owned subsidiary resulting from the Share Exchange, effective March 28, 2025.

The matters to be disclosed in advance with regard to the Share Exchange, pursuant to Article 794, Paragraph 1 of the Companies Act and Article 193 of the Ordinance for Enforcement of the Companies Act, are as follows:

1. Contents of the share exchange agreement (Companies Act, Article 794, Paragraph 1)

The Company will become the wholly owning parent company as a result of the Share Exchange, and Miyawaki Machinery will become the wholly-owned subsidiary as a result of the Share Exchange, effective March 28, 2025.

The Company will implement the Share Exchange through simplified share exchange procedures, without obtaining approval via a resolution of a general meeting of shareholders, pursuant to Article 796, Paragraph 2 of the Companies Act.

Eight (8) shares of common stock of the Company shall be allotted and delivered for each share of common stock of Miyawaki Machinery, as consideration for the Share Exchange.

The Company will allot and deliver 370,344 shares of common stock of the Company in the Share Exchange.

2. Matters regarding the reasonableness of the consideration for the Share Exchange (Ordinance for Enforcement of the Companies Act, Article 193, Item 1)

As set forth in Annex 2.

3. Matters regarding the reasonableness of share options in the Share Exchange (Ordinance for

Enforcement of the Companies Act Article 193, Item 2)

Not applicable.

4. Matters relating to Miyawaki Machinery (Ordinance for Enforcement of the Companies Act, Article 193, Item 3)

- (1) Contents of financial statements and other required documents for the latest business year

Omitted.

- (2) Contents of provisional financial statements and other required documents dated after the end of the latest business year, as the provisional account closing date

Not applicable.

- (3) Details of any disposal of important assets, significant assumption of debts, or other events that materially affect the status of company assets that occurred after the end of the latest business year

Omitted.

5. Matters relating to the Company (Ordinance for Enforcement of the Companies Act, Article 193, Item 4)

Omitted.

6. Matters regarding the prospects for performance of obligations by the Company after the effective date of the Share Exchange (Ordinance for Enforcement of the Companies Act, Article 193, Item 5)

Not applicable, because there are no creditors of the Company that may state objections pursuant to Article 799, Paragraph 1 of the Companies Act.

End

Annex2 Matters regarding the reasonableness of the consideration for the Share Exchange

1. Matters regarding the number of shares to be delivered at the time of the Share Exchange and the appropriateness of the allotment of those shares

(1) Allotment of Shares in the Share Exchange

	Company (Wholly Owing Parent Company Resulting from the Share Exchange)	Miyawaki Machinery (Wholly Owned Subsidiary Resulting from the Share Exchange)
Allotment Ratio in the Share Exchange	1	8
Number of Shares to Be Delivered in the Share Exchange	370,344 shares of common stock of the Company	

(Note 1) Eight (8) shares of common stock of the Company will be allotted per One (1) share of common stock of Miyawaki Machinery.

(Note 2) As of the effective date of the Share Exchange, the Wholly Owing Parent Company Resulting from the Share Exchange will hold all of the Class A Shares through the Share Acquisition, and there will be no Class A Shares of Miyawaki Machinery that should be delivered with the Company shares or other assets. Thus, no common stock or other assets of the Company will be delivered for the Class A Shares at the time of the Share Exchange.

(Note 3) The Company will allot and deliver 370,344 shares of common stock of the Company in the Share Exchange. With respect to the shares to be delivered, the Company will issue new shares.

(2) Grounds for Allotment in Connection with the Share Exchange

1. Grounds and Reasons for Allotment

In order to ensure the fairness and appropriateness of the calculation of the share exchange ratio to be used in the Share Exchange as stated in (1) 'Allotment of Shares in the Share Exchange,' the Company decided to request that Tokyo Kyodo Accounting Office, a third-party valuator independent of the Company and Miyawaki Machinery, to calculate the share value of Miyawaki Machinery.

With reference to the results of the calculations of the share value submitted by Tokyo Kyodo Accounting Office, and after comprehensively considering factors such as Miyawaki Machinery's financial condition and future prospects, the Company determined

that the valuation of Miyawaki Machinery was appropriate.

In addition, as described in Section 2.(ii) ‘Overview of Calculations’ below, the Company calculated the value of its shares using a market share price analysis. The Company and Miyawaki Machinery repeatedly discussed and examined the share exchange ratio with reference to the results of calculation of the share value submitted by Tokyo Kyodo Accounting Office, considering factors such as their respective financial conditions and future prospects comprehensively. As a result, it was determined that the share exchange ratio is appropriate for each shareholder and will not harm the interests of shareholders. Therefore, the Company decided to implement the Share Exchange at the share exchange ratio. The share exchange ratio may be changed by discussions between the parties in the event of any material changes in the terms and conditions on which the calculations were based.

2. Matters Concerning Calculation

(i) Name of Valuator and Its Relationship with the Listed Company and the Counterparty

Tokyo Kyodo Accounting Office, the third-party valuator of the Company, is not a related party of the Company or Miyawaki Machinery, and does not have any material interest in the Company or Miyawaki Machinery.

(ii) Overview of Calculations

In performing the calculations, Tokyo Kyodo Accounting Office adopted the discounted cash flow method (“DCF method”) to reflect the status of future business activities in Miyawaki Machinery's business plan. The comparable multiple valuation method was not used because, although there are several listed companies that operate businesses similar to that of Miyawaki Machinery, the range of EV/EBITDA multiples for the selected comparable listed companies is relatively wide, and it is possible that it would not have been a reasonable calculation method. The market share price average method was not used because Miyawaki Machinery is not a listed company.

In the DCF method, the value of the shares is calculated by discounting the free cash flow that Miyawaki Machinery is expected to generate after the base date of November 25, 2024, based on the business plan disclosed by the Company to Tokyo Kyodo Accounting Office, to the present value at a certain discount rate.

Using the method above, the per-share value of the common stock of Miyawaki Machinery was calculated as falling within the following range:

Calculation Method	Calculation Results
DCF Method	19,285yen - 20,724yen

The Company calculated the share value of the Company using market share price analysis since the Company is listed on the Prime Market of the Tokyo Stock Exchange and its market share price is available. Calculations using the market share price average method require the adoption of a market share price that is reasonable and reflects the actual status and performance of the Company. The Company therefore decided that the volume weighted average price, which is considered to be an average execution price that is closer to the actual trading situation because it weights the trading price by the trading volume, should be adopted. Therefore, the Company referred to the volume weighted average price of 2,512.42 yen for the one-month period (from January 28, 2025 to February 27, 2025) up to the day before the board of directors' meeting of the Company relating to carrying out the Share Exchange, and the volume weighted average price of 2,489.37 yen for the three-month period (from November 28, 2024 to February 27, 2025). Based on the foregoing valuation range for the share value per share of the common stock of Miyawaki Machinery and the assumption that the share value per share of the Company's stock is equal to 1, the share exchange ratio calculated by the Company adopting 2,512.42 yen for the one-month period above is 7.68 to 8.25, and the share exchange ratio calculated by the Company adopting 2,489.37 yen for the three-month period above is 7.75 to 8.32.

Thus, the share exchange ratio falls within the range for both of the valuation ranges. The closing price on the day before the meeting of the board of directors of the Company related to carrying out the Share Exchange was 2,767.5 yen, and the valuation range assuming this price is 6.97 to 7.49. However, as stated above, the Company believes that referring to the volume weighted average price over a certain period of time, rather than to the share price at any one moment, is a rational valuation method. As stated in Section 1, "Grounds and Reasons for Allotment" above, the share exchange ratio was determined through discussions between both parties.

2. The reason why shares of the Company was selected as the consideration for the Share Exchange

The Company and Miyawaki Machinery selected the common stock of the Company, which is the Wholly Owing Parent Company Resulting from the Share Exchange, as the consideration for the Share Exchange.

We determined that the decision above is appropriate because the Company's common stock is listed on the Prime Market of the Tokyo Stock Exchange, trading opportunities for the Share Exchange are secured on the same market, and Miyawaki Machinery's shareholders can expect to benefit from the synergies associated with the Share Exchange.

In addition, the majority of the common stock of Miyawaki Machinery, which the Company

will acquire through the Share Exchange, is held by Miyawaki Machinery's employees, so the Company has decided to allocate its common stock as consideration for the Share Exchange in order to achieve the purpose of the Share Exchange and, in turn, to improve the corporate value of the entire Group, through the sharing of incentives to improve the Company's consolidated business performance with Miyawaki Machinery employees who will continue to work after the Share Exchange.

3. Matters given due consideration so as not to harm the interests of shareholders of the Wholly Owned Subsidiary Resulting from the Share Exchange

(1) Measures to Ensure Fairness

The Company appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor, and has received legal advice regarding the method and process of decision-making at a meeting of the board of directors, including procedures for the Share Exchange. The Company selected Tokyo Kyodo Accounting Office, a third-party valuator that is independent of the Company and Miyawaki Machinery, and obtained a share valuation report on the share exchange ratio. For an overview of the calculation, please see Section 1.(2).2.“(ii) Overview of Calculation” above. The Company and Miyawaki Machinery have not obtained any written opinions (also called “fairness opinions”) from a third-party valuator to the effect that the agreed share exchange ratio is appropriate for their respective shareholders from a financial perspective.

(2) Measures to Avoid Conflicts of Interest

As of February 28, 2025, when the Company and Miyawaki Machinery approved resolutions to perform the Share Exchange, there were no personnel relationships between the two companies, such as the mutual dispatch of officers, and there also were no personnel relationships between the Company and the shareholders of Miyawaki Machinery. Therefore, no special measures have been taken due to the fact that no special conflicts of interest exist between the Company and Miyawaki Machinery, or between the Company and the shareholders of Miyawaki Machinery.

4. Matters concerning the amount of stated capital and capital reserve of Wholly Owing Parent Company Resulting from the Share Exchange

The amount of stated capital and capital reserves to be increased through the Share Exchange will be determined separately and appropriately by the Company in accordance with Article 39 of the Regulation on Corporate Accounting. We believe this treatment is appropriate in light of

laws and regulations and the Company's capital policy.