



June 30, 2025

To whom it may concern

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Notice on Fundraising by Third Perpetual Subordinated Loan (with Subordinated Covenant)

DMG MORI CO., LTD. (hereinafter “the Company”) hereby announces that it has today entered into the agreement relating to raising funds of a total 50.0 billion yen by Third Perpetual Subordinated Loan (with Subordinated Covenant) (hereinafter “the Subordinated Loan”) as detailed below.

1. Purpose of Fundraising

The Company has decided to raise funds through the Subordinated Loan in order to apply the full amount to the repayment of First Perpetual Subordinated Loan and the part of Second Perpetual Subordinated Loan.

The Subordinated Loan is classified as “Financial Instruments with Characteristics of Equity” under the International Financial Reporting Standards (IFRS) as no specific date is specified for repayment of the principal, and repayment at the Company’s discretion as well as optional deferral of interest payments are possible. The amount to be raised from the Subordinated Loan is to be recorded 100% under “Equity” in the Company’s consolidated financial statements. Based on the Overview of Subordinated Loan presented below, it is planned that 50% of the amount raised will be evaluated as equity credit similar to equity instruments by Rating and Investment Information, Inc.

2. Overview of the Subordinated Loan

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|-------------------|------------------|
| (1) Amount | 50.0 billion yen |
| (2) Contract date | June 30, 2025 |

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- (3) Execution date August 29, 2025
- (4) Repayment date No repayment date specified.
Provided, however, that on August 29, 2030 and each of the following interest payment dates thereafter, optional repayment of all or a part of the principal is possible.
- (5) Use of funds The Company will apply the full amount to the repayment of First Perpetual Subordinated Loan and the part of Second Perpetual Subordinated Loan.
- (6) Interest date From August 29, 2025 to August 29, 2030:
Fixed interest based on the base rate
From August 30, 2030 onward:
Variable interest stepped up by 1.00%.
- (7) Clauses relating to payment of interest
Optional deferral of interest payment is possible.
- (8) Subordinated loan clause
Creditors of the Subordinated Loan have right to claim payment that is subordinate to all senior creditors with respect to cases where the Company begins liquidation proceedings, bankruptcy proceeding, or other proceedings equivalent to these not subject to Japanese laws. Each clause of the Subordinated loan contract must not for any reason be changed to details that cause disadvantage to all of the Company's creditors other than the creditors of the Subordinated loan.
- (9) Replacement restrictions
When making optional repayment of the Subordinated loan, the company needs to replace it with a financial instrument with the equivalent or higher equity credit evaluation from the rating agency.
This does not apply, however, if certain financial standards are satisfied after at least five years elapse.
- (10) Lender Sumitomo Mitsui Trust Bank, Limited, Nanto Bank, Ltd., and 7 other companies
- (11) Equity credit evaluation by the rating agency
"Class 3", "50" (Rating and Investment Information, Inc.)

● Supplementary Explanation of Today's Disclosure (Video)

https://www.dmgmori.co.jp/corporate/en/ir/ir_library/video_20250630_subordinated_e/

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