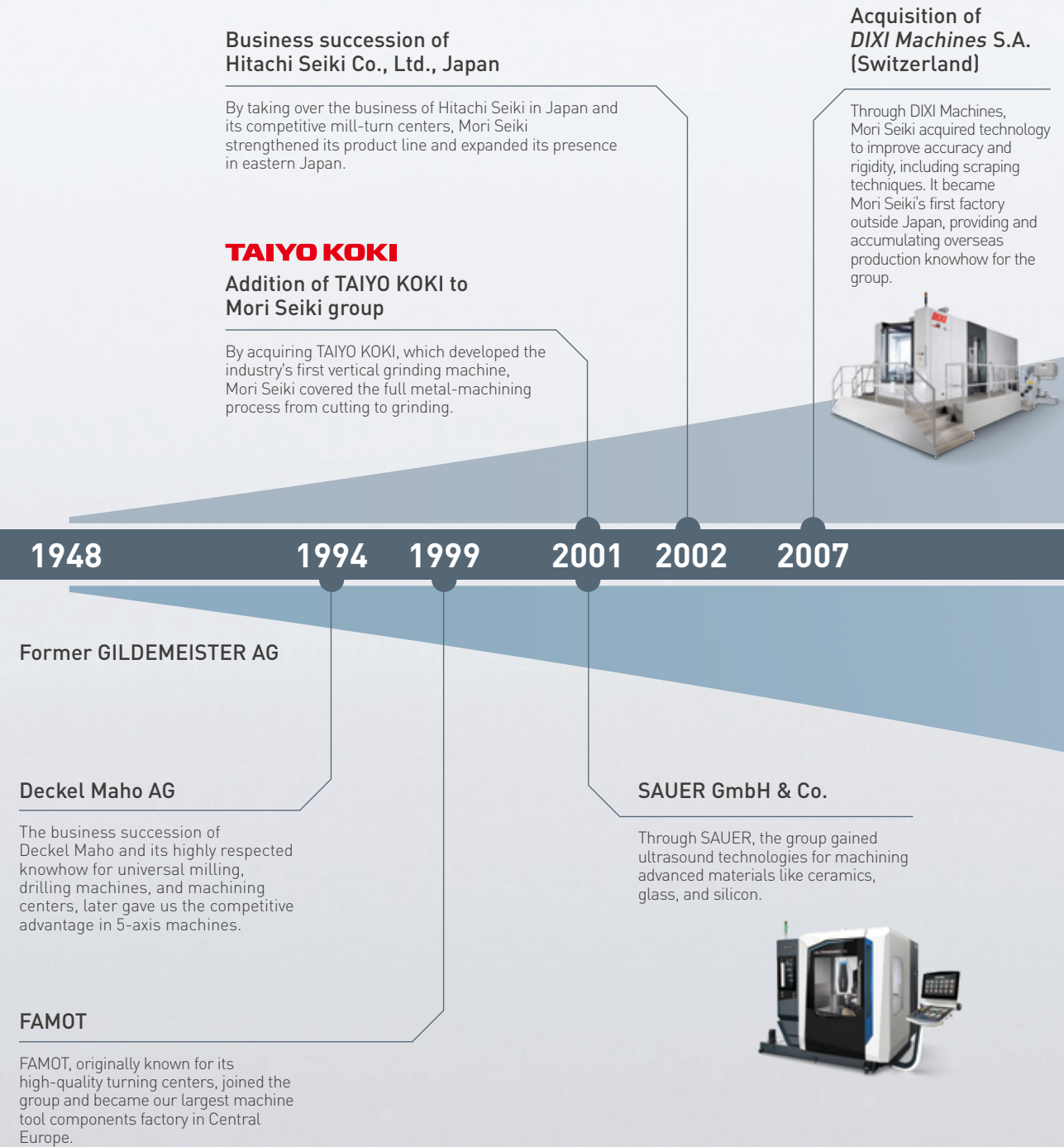


| Synergies with Group Companies

The current DMG MORI was formed in 2016 through the integration of the former Mori Seiki Co., Ltd. of Japan and GILDEMEISTER AG ("DMG") of Germany. Even before this integration, both companies have been actively acquiring technologies and know-how through strategic acquisitions and takeovers, contributing to their business growth. In our quest to be the best partner for our customers, DMG MORI will continue to evolve through business growth plans as well as mergers and acquisitions.



Magnescale

Establishment of Magnescale Co., Ltd., after business take-over from the current Sony Group Corporation

Magnescale brought us high-precision scale and sensor technology, which is critical for semiconductor production equipment and machine tools.



DMG MORI

CASTECH

Consolidation of DMG MORI CASTECH CO., LTD. (formerly Watabe Steel Works)

Thanks to DMG MORI CASTECH, the group could start the in-house production of castings for machine tool beds and columns, which stabilized the supply and improved quality.

Transfer of small-size turning center business from AMADA CO., LTD.

Under the new brand name "WASINO," DMG MORI started selling small-size turning centers for the first time.

DMG MORI

- ✓ "Global One" machine tool manufacturer
- ✓ One-stop solution for customers' issues
- ✓ A unique corporate culture which comprises elements of Japan, Europe and the United States

2008

2009

2010

2015

2016

2020

2024

Start of Business Partnership with DMG

Full Management Integration with DMG

SAKI

Consolidation of SAKI Corporation

SAKI added the in-line automation inspection systems for mounting circuit boards and semiconductors to DMG MORI's business scope. It also contributed to the expansion of the customer base in the field of next-generation communication systems and EVs.

DMG MORI

DIGITAL

Acquisition of DMG MORI Digital CO., LTD.

DMG MORI Digital has developed CELOS X, my DMG MORI, and other software products to maximize machine tool operations.



KURAKI

Addition of KURAKI CO., LTD. to DMG MORI Group

Planned to be renamed to "DMG MORI Precision Boring Co., Ltd." on April 1, 2024. KURAKI's CNC horizontal boring & milling centers will further enhance our group's product lineup. Starting in 2024, we will support their product sales through DMG MORI's global sales network.

Magnescale Co., Ltd.

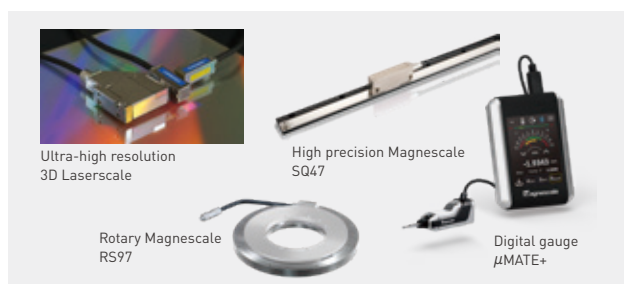


45 Suzukawa, Isehara City, Kanagawa, Japan <https://www.magnescale.com/en/>

Enhancing manufacturing and measurement precision with cutting-edge magnetic and optical position detection technology

Magnescale has been providing high-precision magnetic and laser scales to the machine tool and industrial machinery fields for more than half a century. One of its bestsellers, "Magnescale" (after which the company is named), uses magnetism to maintain reliable performance, even in challenging environments like metalworking shops. "Laserscale," on the other hand, has achieved the world's highest resolution of 2.1 picometers and supports the quality control of advanced semiconductor production equipment and ultra-precision machine tools. "Digital Gauge" incorporates Magnescale's high-precision measurement technology into a digital platform and provides digital support for measurements during production and assembly processes. As a JCSS

(Japan Calibration Service System for measurement traceability) certified length and angle calibration provider, Magnescale also ensures high traceability in compliance with Japanese national standards. As the accuracy required for machine tools, inspection equipment, and semiconductor production equipment increases, Magnescale and Laserscale are becoming more popular in these fields. In order to ensure a stable supply in the long term, Magnescale decided to build a new plant in Nara, the birthplace of DMG MORI. By expanding its production capacity and strengthening its business continuity planning with the dispersion of production bases, Magnescale aims to become a reliable partner for customers and further enhance its corporate value.



TAIYO KOKI CO., LTD. (Brand name : DMG MORI Precision Grinding) — TAIYO KOKI

221-35, Seiryō-machi, Nagaoka City, Niigata, Japan <https://www.taiyokoki.com/en/>

Fulfilling customers' needs through customization An all-round manufacturer of grinding machines

TAIYO KOKI is a specialized grinding machine manufacturer and has revolutionized vertical grinding with its outstanding creativity and technological know-how. Grinding machines perform the final process of metal machining and demand the highest precision among all types of machine tools. TAIYO KOKI meets such challenging and diverse needs with a wide range of products, including compact machines for mass-produced parts, large-scale machines for high-mix, low-volume production, and comprehensive automation solutions. Founded in 1986, the company joined the Mori Seiki Group in 2001, was listed on the JASDAQ Standard Market in 2007, and later moved to the Tokyo Stock Exchange Standard Market. In 2019, the company achieved annual sales revenue of JPY 10 billion for the first time since its establishment. As the markets for semiconductor production equipment, wind

power and other new energy sources, medical devices, and electric vehicles continuously grow and require higher-precision parts, TAIYO KOKI's grinding machines are expected to become even more popular in the future. In fact, the company has reached JPY 10 billion in sales revenue again in 2023 and aims for further growth and record-high sales revenue in 2024, with the launch of a hybrid cylindrical grinding machine and global growth strategy. TAIYO KOKI also plans to strengthen its presence in overseas market by increasing the number of Japanese expatriates in Germany and India. In addition, TAIYO KOKI plans to build new headquarters to develop and manufacture even more precise grinding machines, aligning with the growing demand in the market. With the goal of achieving sales revenue of JPY 20 billion by 2030, TAIYO KOKI will continuously strive to enhance its financial performance and corporate value.



DMG MORI CASTECH CO., LTD.



1378 Otsu-cho, Izumo City, Shimane, Japan <https://www.dmgmori-castech.com>

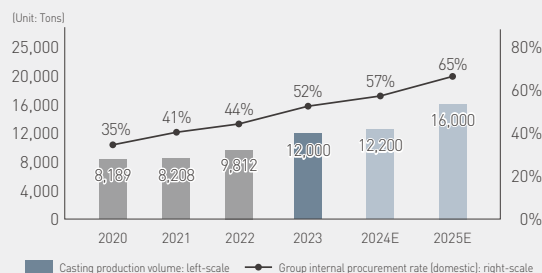
Offering stable supply of ecological, high-quality casting products

DMG MORI CASTECH CO., LTD. produces castings for beds and columns of machine tools. Castings are crucial to the accuracy, rigidity, and durability of machine tools, and it is important to ensure high quality and stable procurement. In addition, the production and procurement of castings contribute largely to our carbon footprint, so it is necessary to take measures to address this issue. To solve it, the company is rebuilding its headquarters with the aim of replacing production equipment as well as expanding production capacity. Casting production capacity was less than 12,000 tons per year in 2023, but will increase to about 16,000 tons per year in 2025. The company currently delivers a little more than 40% of the amount used in DMG

MORI's production sites in Japan, and intends to increase this ratio to about 65% by 2025. With the construction of the new factory, we switched from the conventional coke oven to the electric furnace in January 2023. The new electric furnace uses CO₂-free electricity and renewable energy. DMG MORI CASTECH's carbon footprint will be reduced from 6,665 tons per year in 2020 to about 140 tons per year in 2025 (down 98% from 2020). In this way, DMG MORI CASTECH will contribute to the stable supply of casting for DMG MORI's production in Japan by increasing the production of castings, which are the main parts of machine tools, and will strive to protect environment by reducing CO₂ emissions through the introduction of new facilities.



Expansion of casting production



KURAKI Co.,Ltd. (* To be renamed to "DMG MORI Precision Boring Co., Ltd." on April 1, 2024)



1-2-1 Jooka, Nagaoka City, Niigata, Japan <https://www.kuraki.co.jp/en/>

Expanding the global reach of cutting-edge horizontal boring & milling machines

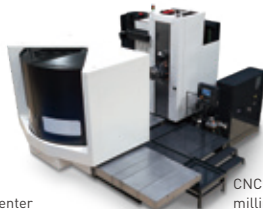
KURAKI is a specialized manufacturer of horizontal boring and milling machines and newly joined the DMG MORI Group in January 2024. The company was founded in 1938 in Nagaoka City, Niigata Prefecture, a longstanding center of the iron and machinery industry in Japan. While maintaining its headquarters and main plant in Nagaoka City, KURAKI has expanded its presence to the United States, and has established a comprehensive sales and service system. The company's most important products are horizontal boring and milling machines characterized by exceptionally high torque and spindle rigidity with applications in a wide range of industries that process difficult-to-cut and heavy-weight workpieces, such as automotive, construction machinery, infrastructure, energy, marine, and aerospace. Recent product releases include the

KTR-1200, a 6-axis machine (5 standard + 1 boring axis) based on conventional horizontal boring and milling machines, as well as the HMC+ series, which meets the needs for compact floor space, high workpiece weights, and more.

In addition to their products, their service system is highly regarded as well, and this shows in the high rate of repeat orders from KURAKI customers. In the industrial machinery field, the company also develops and sells notching machines for prototype applications such as EV motors, and CAD / CAM software as crucial assets of machine tools. As part of the DMG MORI Group, KURAKI will continue to make their products even more attractive and expand sales to Europe and other parts of the world, aiming to achieve a sales revenue of JPY 10 billion by 2028.



6-axis machining center
KTR-1200



CNC horizontal boring &
milling machines
HMC+110



Large diameter
boring using a
boring spindle

DMG MORI Digital Co., LTD.

DMG MORI
DIGITAL

1-1-14, Shimonoppo Techno Park, Atsubetsu-ku, Sapporo City, Hokkaido, Japan <https://www.dmgmori-digital.co.jp/>

Unique IT solutions to accelerate MX

DMG MORI Digital was founded in Sapporo, Japan, in 1980 under the name "B.U.G. CO., LTD.", as an IT startup that originated from Hokkaido University. Since its foundation, the company has been developing advanced technology with its expertise in computer hardware and software. Since becoming a part of the DMG MORI Group in 2008, DMG MORI Digital has been actively involved in the development of advanced software solutions. This includes the user-friendly and competitive next-generation operating software, CELOS X / MAPPS, as well as CELOS DYNAMICpost, a software capable of post processing, cutting simulation, and cutting force optimization.

DMG MORI Digital is also engaged in the development of connectivity solutions, linking machines to networks. One example is DMG MORI

GATEWAY, our one-stop connectivity service available since 2023.

This service includes providing the optimal hardware, building and configuring the network, conducting installation processes, and establishing a seamless connection to the cloud. All these steps are specifically tailored to the unique equipment and network configurations in customers' facilities.

In April 2023, DMG MORI Digital added a new building (West Building) to its existing facilities to offer a more comfortable and efficient work environment for developers. The creative workspace is used to recruit and train new talents and develop high-quality IT solutions. Through these initiatives, DMG MORI Digital plays a crucial role in advancing our Machining Transformation (MX).



TECHNIUM CO., LTD.

TECHNIUM

DMG MORI Tokyo Digital Innovation Center, 3-1-4 Edagawa Koto-ku, Tokyo, Japan <https://www.technium.net/>

Supporting the digital transformation (DX) of customers' factories

In 2018, we established TECHNIUM CO., LTD. together with the Nomura Research Institute to support the digital transformation (DX) of our customers' factories. TECHNIUM develops and operates the Japanese version of "my DMG MORI", our online customer portal with over 50,000 users worldwide. In 2023, the platform also launched an online store for DMQP, enabling customers to order a wide range of products with a single click. TECHNIUM also offers a wide range of other services and software. Their IoT-enabled services are not limited to

machines manufactured by DMG MORI but can also be connected to machine tools and peripherals by other manufacturers. With around 5,000 machines in Japan already connected to the cloud, TECHNIUM facilitates remote operation monitoring and predictive maintenance in numerous customer plants through IoT. We will continue to expand the products and services of TECHNIUM to support our customers' machining transformation (MX) as a comprehensive digital solution provider.



SAKI Corporation

SAKI

DMG MORI Tokyo Digital Innovation Center, 3-1-4 Edagawa Koto-ku, Tokyo, Japan <https://www.sakicorp.com/en/>

Ensuring manufacturing quality with automated inspection systems for electronic component mounting processes

SAKI Corporation develops, manufactures, and sells automated inspection systems for electronic modules such as mounting boards and power semiconductors. The company's cutting-edge quality inspection systems capture images of electronic circuit boards and automatically identify defects, offering an efficient alternative to conventional visual inspection.

Electronic modules serve as the core components in a wide range of digital and connected devices, including various applications such as automobiles, airplanes, smartphones, personal computers, and crucial network infrastructure like base stations and data servers. In the midst of growing environmental concerns, they have also played a vital role in saving energy. By inspecting electronic modules and eliminating manufacturing defects, SAKI provides the foundation for people's

lives and businesses and contributes to the realization of a sustainable society. SAKI offers a wide range of products, including high-speed automated X-ray inspection systems for in-line inspection of electronic component's high-density mounting processes and semiconductor's back-end processes, as well as scalable inspection systems with various options and statistical process control systems. With its diverse solutions to optimize the quality of the entire manufacturing process, SAKI continues to grow while addressing societal challenges.



High-speed inline automated X-ray inspection system

T Project CO., LTD.

T Project

DMG MORI Tokyo Digital Innovation Center, 3-1-4 Edagawa Koto-ku, Tokyo, Japan <https://tpj.co.jp/>

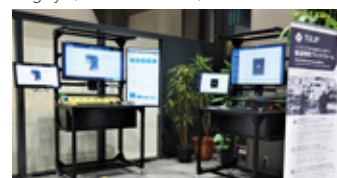
Sales of TULIP – a low-code platform for field-driven DX

Since its establishment in September 2020, T Project has been providing domestic sales and services for TULIP, a platform developed by the US-based Tulip Interfaces, Inc. for cloud-based manufacturing support applications.

With its low-code nature, TULIP allows app creation and operation without the need for IT expertise and promotes the seamless integration with production equipment, external systems, and services. At DMG MORI's global production sites, TULIP is actively supporting productivity and quality. TULIP offers versatile applications in various manufacturing fields. With only a small amount of training time needed, it is

also an excellent tool for creating reporting documentation and ensuring traceability.

Our TULIP Experience Centers (TECs), where visitors can experience TULIP hands-on, have been in operation since 2022, with new centers in Sendai and Nara opening in September 2023. Together with Tokyo, Nagoya, Hamamatsu, and Kanazawa, we now operate a total of 6 TECs across Japan to offer TULIP demonstrations.



WALC Inc.

walc

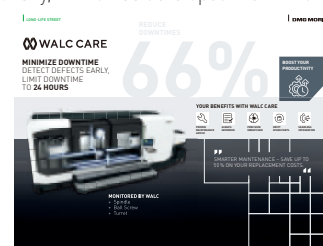
13-15 Sakuragaoka-cho, Shibuya-ku, Tokyo, Japan <https://www.walc.co.jp/>

Exploring future technologies for software services

WALC Inc. was established in Shibuya, the vibrant heart of Tokyo, on April 1, 2022, and carries forward the legacy of our former "Emerging Technology Laboratory" founded in 2017. Created as a hub for fostering talents and leaders of the digital revolution in manufacturing, WALC is driving the digital transformation (DX) of the industry through cutting-edge software solutions.

The company name "WALC" means "Waltz" in Polish, a ballroom dance set to triple meter. Accordingly, WALC's philosophy is to cultivate talented engineers with masterful skills in the three key elements of digitization: AI, IoT, and Cloud computing, to delve into uncharted technological territory and pave the way for an open and innovative future.

In 2023, WALC took over the development of WH-AMR (Autonomous Mobile Robot), a cutting-edge self-driving robot from DMG MORI. This innovative automation system enhances operational efficiency and labor savings, serving as a seamless solution for tool and workpiece transfer alongside machine tools. Additionally, WALC has developed the WALC CARE KIT to simplify the integration of WALC CARE, a health monitoring service for predictive maintenance of machine tools to maximize the utilization of customer equipment.



Governance Structure

Corporate Governance

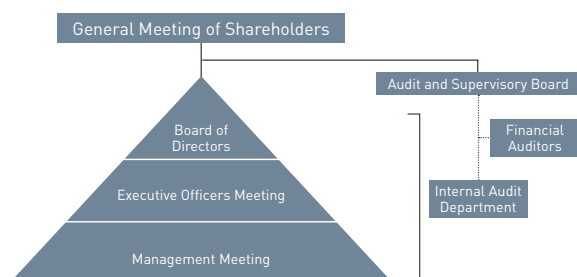
1. Corporate Governance Strategy

At DMG MORI, we place great importance on strengthening our corporate governance and management monitoring functions to enhance the transparency, fairness, and efficiency of our business operations. This commitment is focused on benefiting all our stakeholders, including customers, employees, shareholders, business partners, and the communities we serve. Throughout our efforts, we will continue to foster a culture of high ethical standards and consistently work towards increasing our long-term corporate value.

2. Corporate Governance Structure

In addition to the Board of Directors, our corporate governance structure includes an Audit and Supervisory Board to conduct effective audits of our operations. Given this organization, we employ a top-down approach to ensure flexibility and efficiency in our business operations.

Corporate Governance Structure in 2024



3. Board of Directors

As of March 28, 2024, our Board of Directors consists of 12 members, out of which 5 are external directors (42% of total directors) and 3 are female directors (25%). Over the years, we have developed an efficient management system comprised of Directors and Executive Officers, which allows us to make quick decisions in response to the rapidly changing market and technology trends. Since 2015, we have also been proactively appointing External Directors to enhance transparency and objectiveness in our operations. In addition to their professional insights in organizational management, these External Directors also provide valuable expertise and diverse perspectives from their respective fields. In March 2019, 2 top executives of DMG MORI AG and DMG MORI USA joined the Board of Directors, which was later followed by the first female external director being appointed in March 2021. Through these appointments, we aim to foster diverse perspectives within our board. While discussing major business strategies with long-term

impacts at the Board of Directors meetings, we also hold regular Executive Officers and Management Meetings to discuss day-to-day operations. The discussion results are later shared at the Board of Directors meetings, allowing our Directors to make informed and timely decisions through open and transparent communication.

4. Audit and Supervisory Board

The Audit and Supervisory Board consists of one full-time Corporate Auditor, who is well experienced and familiar with our internal affairs, and several independent External Auditors. In accordance with the audit policy, the auditors attend and express their opinions at Board of Directors meetings, Executive Officers Meetings, Management Meetings, and other important meetings. They also review critical resolution documents and conduct thorough audits at our domestic and overseas headquarters, factories, technical centers, and group companies. Through these measures, we have established an efficient corporate governance system that promotes swift decision-making and lively discussions by our Directors while ensuring fair and transparent management.

5. Governance of DMG MORI AG

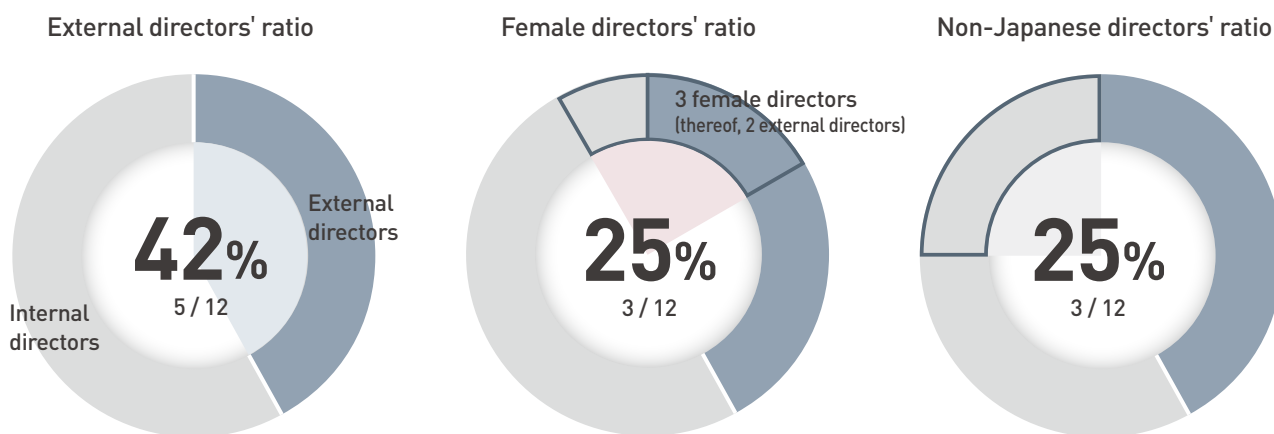
At our German subsidiary, DMG MORI AG, the Supervisory Board is placed above the Executive Board and is responsible for appointing directors and approving major investments and business plans.

To further strengthen our corporate governance, Dr. Masahiko Mori, President and CEO of DMG MORI CO., LTD., assumed the position of Chairman of the Supervisory Board in May 2018. Later in March 2019, Executive Vice President James Nudo and Irene Bader, one of the board members of DMG MORI CO., LTD. were appointed as members of the Supervisory Board. The executive-level members of both DMG MORI CO., LTD. and DMG MORI AG gather once a month at Executive Officers meeting, and discuss day-to-day operations, ensuring unified decision-making as a global company.

6. Executive Officers

Business operations and progress evaluation functions are separated from decision-making and supervision functions. Our Executive Officers system also serves the purpose of training the next generation of Directors and managers. As of March 28, 2024, we have a diverse team of 41 Executive Officers, representing a range of ages, nationalities, and genders. Each Executive Officer carries significant responsibilities as the head of a specific region or business section such as sales, R&D and manufacturing.

Diversity within the Board of Directors (as of March 28, 2024)



Nationality: Japan, the U.S., Germany, Austria

Skill matrix of directors

	Name	Business Management	Global	Marketing	Engineering	Legal & Compliance	Finance & Accounting
Internal	Masahiko Mori	●	●	●	●		●
	Hiroaki Tamai	●	●			●	●
	Hirotake Kobayashi	●	●				●
	Makoto Fujishima		●		●		
	James Nudo		●			●	
	Alfred Geißler	●	●		●		
	Irene Bader		●	●			
External	Takashi Mitachi	●	●				●
	Makoto Nakajima		●			●	
	Hiroko Watanabe	●	●		●		
	Mamoru Mitsuishi		●		●		
	Eriko Kawai		●			●	●

Important meetings held in 2023 and status of attendance of each director

In 2023, the Company held 10 board meetings, attended by external directors and Corporate Auditors, in order to formulate management strategies, evaluate the progress and appropriateness of execution of duties by directors. In addition, the Company held 8 Operating Officer Meetings and 13 Management Meetings, consisting of internal directors and one full-time Corporate Auditor to confirm the progress of the responsible person's business and performance and status of response to risks. Attendance status at the board meetings by each director and Corporate Auditor was as follows.

Status of attendance at the board meetings (January – December, 2023)

Name	Position at DMG MORI	Status of attendance at the board meetings	Remark
Masahiko Mori	President, Representative Director	10 / 10	
Hiroaki Tamai	Vice President, Representative Director	10 / 10	
Hirotake Kobayashi	Vice President, Representative Director	10 / 10	
Makoto Fujishima	Executive Vice President	10 / 10	
James Nudo	Executive Vice President	10 / 10	
Alfred Geißler	Director	—	Newly appointed on March 28th, 2024
Irene Bader	Director	7 / 7	Assumed the position on March 28th, 2023. The board meetings held on or after the date are in the scope
Takashi Mitachi	External Director	10 / 10	
Makoto Nakajima	External Director	10 / 10	
Hiroko Watanabe	External Director	10 / 10	
Mamoru Mitsuishi	External Director	7 / 7	Assumed the position on March 28th, 2023. The board meetings held on or after the date are in the scope
Eriko Kawai	External Director	7 / 7	Assumed the position on March 28th, 2023. The board meetings held on or after the date are in the scope

Remuneration of Directors and Corporate Auditors

The amount of remuneration, etc. of the Company's directors and Corporate Auditors and the method for its calculation are determined within the remuneration framework approved by the annual general shareholders meeting. In case of directors, remunerations are determined by taking each director's contributions to business and the status of business execution into account. In case of Corporate Auditors, remunerations are determined by discussions among Corporate Auditors. The table below shows the remunerations in 2023.

1) Company Policy regarding Deliberation of Remuneration, etc. for Directors and Auditors

To attract and retain personnel who will contribute to the sustainable enhancement of the Company's corporate value on a global scale, the remuneration system of directors and Corporate Auditors shall be based on the short- and long-term business performance and be transparent and competitive as required of a public company in a global market.

The Company has adopted the highly transparent remuneration system of Germany, in which remuneration is disclosed regardless of the amount, as its benchmark, given the nature of the Company's business and that the Company appoints non-Japanese directors and has DMG MORI AG, a listed company on the German stock market, as a part of the consolidated result. Accordingly, the remuneration, etc. consists of fixed and variable remuneration.

The variable remuneration consists of a "bonus", based on the short-term business performance of a fiscal year, and a "stock compensation", based on the long-term business performance over multiple fiscal years. In order to distinguish clear responsibilities among directors and achieve the fiscal year's target, the Company takes the company-wide achievement ratio of financial targets such as consolidated sales revenue and consolidated operating profit, and the personal achievement ratio of targets under the jurisdiction of each director into account when calculating the bonus amount. The target of each director includes an achievement of societal responsibility such as carbon footprint reduction.

Furthermore, as set by the Board of Directors as a standard unique to the Company, the remuneration of each director shall not exceed 50 times the average annual salary of the general employee. However, external directors and Corporate Auditors who are independent from the execution of business shall only receive the fixed remuneration, which is the basic compensation. The policy and composition of

remuneration for directors are consulted with a voluntary remuneration committee consisting of one internal director, one external director and one external Corporate Auditor. Upon the opinion from the remuneration committee, the final decision is made in the board of directors meeting including 5 external directors and 2 external Corporate Auditors. The evaluation of business performance and compensation for each director is also consulted with the voluntary compensation committee. After receiving the report, the amount of remuneration for each director is entrusted to and determined by President and representative Director Dr. Masahiko Mori. Upon the opinion from the remuneration committee, the amount and the process of its determination is reported and approved in the board of directors meeting.

The fixed remuneration, which is the basic compensation, is based on each director's position and level of responsibility and is set at a ratio of 4:2:1.4:1 for president and representative director, executive vice president and representative directors, vice president and directors, and other directors. With regard to the remuneration related to business performance, the bonus bound to the result of one fiscal year cannot exceed 1.5 times the basic compensation and depends on the consolidated performance indicators and the individual performance evaluation. However, the bonus of the president and representative director only takes the consolidated business performance indicators into account. With regard to stock compensation, stock compensation with transfer restrictions is granted irregularly and is determined by the board of directors on a case-by-case basis.

The board of directors has confirmed that the method of determining the details of remuneration, the final remuneration amount, etc. for each director for this fiscal year are consistent with the decision policy resolved by the board of directors.

2) Total remuneration per category, total amount per type of remuneration, etc., and number of applicable directors and Corporate Auditors

Category (Director / Corporate Auditor)	Total remuneration, etc. (JPY million)	Total amount per type of remuneration, etc. (JPY million)			Applicable number of directors or Corporate Auditors
		Base remuneration	Remuneration based on business performance, etc.	Non-monetary remuneration, etc.	
Directors (excluding external directors)	976	489	468	18	5
Corporate Auditors (excluding external Corporate Auditors)	35	35	—	—	2
External Directors	120	120	—	—	6
External Corporate Auditors	30	30	—	—	2
Total	1,161	674	468	18	15

[notes] 1. All listed figures are rounded down to JPY millions.

2. Non-monetary remuneration includes the cost for granting restricted shares.

3. The amount of remunerations, etc. of Directors is based on the resolution of the 71st annual general shareholders meeting on March 22nd, 2019, determining that the total annual amount of remuneration shall be within JPY 2 billion (including the annual amount of remuneration for external directors, which shall be no more than JPY 200 million). At the end of the 71st annual general shareholders meeting, the total number of Directors is 12 (of which 5 were external directors). In addition, apart from the above, the 70th annual general shareholders meeting on March 22nd, 2018, determined that the total annual amount for transfer restricted shares shall be no more than JPY 300 million for internal directors (and such remunerations shall not be granted to external directors). At the end of the 70th annual general shareholders meeting, the total number of internal directors is 7.

4. The amount of remunerations, etc. for Corporate Auditors is in accordance to the decision made at the 59th annual general meeting of shareholders on June 28th, 2007, determining that the total annual amount shall be no more than JPY 100 million. At the end of the 59th annual general shareholders meeting, the total number of auditors is 3.

5. The amounts listed above do not include the remunerations, etc. paid by the Company's subsidiaries.

6. The above includes remuneration, etc. for one director who retired due to expiration of his term of office at the conclusion of the 75th Annual General Meeting of Shareholders held on March 28, 2023.

3) Total amount of consolidated remuneration, etc. per director and Corporate Auditor

Name or position	Category (Director / Corporate Auditors)	Company name	Amount per type of consolidated remuneration, etc. (JPY million)			Fiscal Year 2023 (current fiscal year) Total amount of consolidated remuneration, etc. (JPY million)	[For reference] Fiscal Year 2022 Total amount of consolidated remuneration, etc. (JPY million)
			Base remuneration	Remuneration based on business performance, etc.	Non-monetary remuneration		
Masahiko Mori	Director	DMG MORI CO., LTD.	200	200	4	404	379
Hiroaki Tamai	Director	DMG MORI CO., LTD.	100	95	5	200	180
Hirotake Kobayashi	Director	DMG MORI CO., LTD.	100	91	8	199	178
Makoto Fujishima	Director	DMG MORI CO., LTD.	70	63	—	132	129
James Nudo	Director	DMG MORI CO., LTD. / DMG MORI USA, Inc. / DMG MORI EMEA GmbH	98	98	—	196	179
Irene Bader	Director	DMG MORI CO., LTD. / DMG MORI Global Marketing GmbH	40	40	—	81	—
External Directors	External	DMG MORI CO., LTD.	120	—	—	120	96
Toshio Kawayama	Corporate Auditor	DMG MORI CO., LTD.	7	—	—	7	35
Masahiro Yanagihara	Corporate Auditor	DMG MORI CO., LTD.	27	—	—	27	—
External Corporate Auditors	External	DMG MORI CO., LTD.	30	—	—	30	30

[notes] 1. All listed figures are rounded down to JPY millions.

2. President and representative Director Dr. Masahiko Mori is also appointed as chairman of the supervisory board of DMG MORI AG and director of TAIYO KOKI CO., LTD., but does not receive any remunerations from either company.

3. Mr. Masahiro Yanagihara was newly elected and assumed the position of Corporate Auditor at the 75th annual general shareholders meeting on March 28, 2023.

4. Ms. Irene Bader was newly elected and appointed as a Director at the 75th Annual General Meeting of Shareholders held on March 28, 2023.

5. Mr. Toshio Kawayama retired from the position of Corporate Auditor due to expiration of his term of office at the conclusion of the 75th Annual General Meeting of Shareholders held on March 28, 2023.

6. The number of external directors subject to the total amount of remuneration, etc. was 6 in FY2023 (including 1 who retired due to expiration of his term of office at the conclusion of the 75th Annual General Meeting of Shareholders held on March 28, 2023) and 4 in FY2022.

7. The number of external auditors subject to the total amount of remuneration, etc. was 2 in FY2023 and 2 in FY2022.

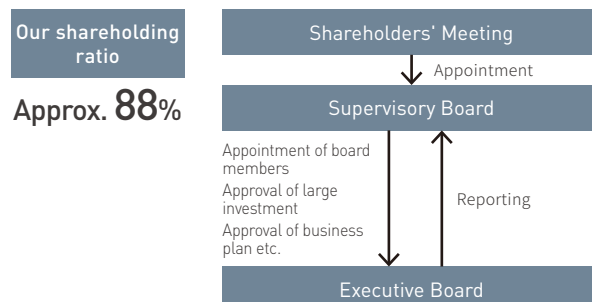
Our Governance Policy and Relationship with Listed Subsidiaries

As of December 31, 2023, DMG MORI CO., LTD. has two listed subsidiaries in Japan and Germany. Both subsidiaries are primarily engaged in the machine tool business, which is the core business of the DMG MORI Group. This shared commitment serves to cultivate robust business synergies across the entire group. Together, we are strategically leveraging our respective strengths, while working towards establishing a governance system to preserve the rights of general shareholders. This collaborative effort aims at enhancing the overall corporate value of the entire group, and thus DMG MORI CO., LTD.

1.DMG MORI AKTIENGESELLSCHAFT

The German DMG MORI AKTIENGESELLSCHAFT (hereafter referred to as "AG") is listed on the Prime Standard market of the Frankfurt Stock Exchange. As of December 31, 2023, DMG MORI CO., LTD. owns 88.23% of AG's outstanding shares. Under German law, the General Meeting of Shareholders elects the members of the Supervisory Board, which appoints and dismisses the Executive Board. Since DMG MORI CO., LTD. holds more than 3 / 4 of the voting rights, it can wield significant influence, through the Supervisory Board, over the appointment of Executive Board members and the overall management of the company. Regarding the protection of general shareholders, we signed a Domination and Profit and Loss Transfer Agreement (DPLTA) in August 2016, which limits the rights of general shareholders regarding their involvement in the management of AG. However, as economic compensation, a fixed amount of recurring compensation is paid each fiscal year regardless of AG's performance. In addition, we have established a voluntary commitment that at least 50% of the Supervisory Board members must be independent to strengthen corporate governance. Although we, DMG MORI CO., LTD., and DMG MORI AG are effectively operating as one company, maintaining AG's

listing will (1) improve management transparency by ensuring that AG meets the governance, auditing, and internal control standards required of a publicly listed company in Germany, (2) attract and motivate talented employees by maintaining and improving its name recognition as one of the oldest and most prominent companies in Germany, and (3) facilitate transactions with business partners and customers in the region, given AG's character as a European company. As stated above, we believe that it is significant for AG to remain listed in Germany, while conducting its business operations as an integral part of our company.



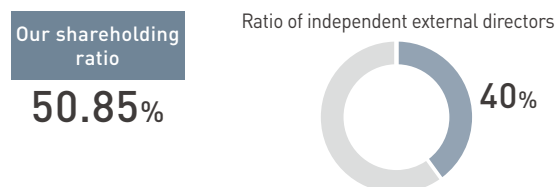
2.TAIYO KOKI CO., LTD.

TAIYO KOKI is a specialized manufacturer of grinding machines headquartered in Nagaoka City, Niigata Prefecture. The company is listed on the Standard Market of the Tokyo Stock Exchange. As of December 31, 2023, our shareholding ratio in the company is 50.85%. Since grinding is used for the finishing processes of metal machining, Taiyo Koki's customer base closely overlaps with that of DMG MORI. This creates a synergy effect within the group, particularly in terms of sales. Furthermore, by sharing our established sales network beyond Japan, TAIYO KOKI can effectively expand its market reach and enhance the sale of its products.

The governance system for the preservation of general shareholders consists of two rules. (1) Two out of five directors, or more than 1 / 3 of the Board of Directors, must be independent external directors. (2) Intra-group transactions between TAIYO KOKI and DMG MORI CO., LTD. are determined fairly and appropriately after price negotiations on a case-by-case basis, taking market prices into consideration, as with other general business partners. The status of such transactions is regularly


confirmed by the company's Board of Directors.

Since the demand cycle for grinding machines is different from that of our products, it is highly significant to continue the evaluation system with TAIYO KOKI as a separate company. In addition, we anticipate that maintaining the listing of TAIYO KOKI will not only increase the motivation of its management team and employees but also create a synergy effect that enhances the overall quality of the group management. Notably, TAIYO KOKI has introduced a stock compensation system for its management team and employees, and we expect that this system will contribute to elevating the corporate value of TAIYO KOKI and, consequently, the corporate value of DMG MORI CO., LTD.



Board of Directors

Introduction of Directors As of March 28th, 2024



Masahiko Mori
Dr. Eng.
CEO, DMG MORI Group
President,
DMG MORI CO., LTD.
Chairman of the Supervisory
Board, DMG MORI AG

Mar. 1985 Graduated from the Department of Precision Engineering, Faculty of Engineering, Kyoto University
Apr. 1985 Joined ITOCHU Corporation
Apr. 1993 Joined the Company
Jun. 1994 Director, General Manager, Planning / Management Office and International Affairs Department
Jun. 1996 Senior Director
Jun. 1997 Executive Director
Jun. 1999 President (incumbent)
Oct. 2003 Dr. Eng. of the University of Tokyo
Nov. 2009 Member of Supervisory Board, DMG MORI AKTIENGESELLSCHAFT
May 2018 Chairman of Supervisory Board, DMG MORI AKTIENGESELLSCHAFT (incumbent)



Hiroaki Tamai
Executive Vice President
Director in charge of
Administration and
Production

Mar. 1983 Graduated from the Faculty of Commerce, Doshisha University
Mar. 1983 Joined the Company
Jun. 2003 Director, Executive General Manager, Administrative HQ
Jun. 2007 Senior Director, Executive General Manager, Administrative HQ
Jun. 2008 Executive Director, Executive General Manager, Administrative HQ
Jun. 2014 Executive Vice President, Director in charge of Sales and Engineering / Administration, Executive General Manager, Sales and Engineering HQ / Administrative HQ
Mar. 2016 Executive Vice President, Director in charge of Administration, Executive General Manager, Administrative HQ
Feb. 2020 Executive Vice President, Director in charge of Administration / Production, Executive General Manager, Administrative HQ (incumbent)



Hirotake Kobayashi
Executive Vice President
Director in charge of
Accounting / Finance
and Sales

Mar. 1977 Graduated from the Faculty of Economics, Keio University
Apr. 1977 Joined Kirin Brewery Company, Limited (currently Kirin Holdings Company, Limited)
Mar. 2012 Representative Director, Managing Director, Kirin Holdings Company, Limited
Oct. 2015 Joined the Company
Senior Executive Officer, Vice Executive General Manager, Accounting / Finance HQ
Mar. 2016 Executive Director in charge of Accounting / Finance, Executive General Manager, Accounting / Finance HQ
Mar. 2017 Executive Vice President, Director in charge of Accounting / Finance, Executive General Manager, Accounting / Finance HQ
Jan. 2021 Executive Vice President, Director in charge of Accounting / Finance and Sales, Executive General Manager, Accounting / Finance HQ (incumbent)
Jan. 2024 Executive Board Member, DMG MORI AKTIENGESELLSCHAFT (incumbent)



Makoto Fujishima
Dr. Eng.
Vice President
Director in charge of
Quality

Mar. 1981 Graduated from the Department of Electronic Engineering, Faculty of Engineering, Doshisha University
Mar. 1981 Joined the Company
Mar. 2001 General Manager, Control Technology Department
Sep. 2002 Dr. Eng. of Kyoto University
Jun. 2003 Director, General Manager, Control Technology Laboratory of the Company
Jun. 2005 Senior Director, Executive General Manager, Development / Manufacturing HQ (in charge of Development), General Manager, Information System Department
Apr. 2014 Senior Executive Officer, Manufacturing / Development / Quality HQ (in charge of Electrical Circuit / Control)
Jan. 2019 Senior Executive Officer, President, R&D HQ
Mar. 2019 Executive Director in charge of Research & Development, President, R&D HQ
Apr. 2021 Executive Director, Executive General Manager, Quality HQ
Aug. 2021 Vice President, Director in charge of Quality, Executive General Manager, Quality HQ (incumbent)




James Nudo
J.D.
Vice President
Director in charge of
the Americas

Jun. 1981 Juris Doctor of Loyola University Law School
Nov. 1981 Registered as Attorney at Law in the State of Illinois, U.S.A. and the United States Federal Courts
Jun. 1982 Established Law Offices of James V. Nudo
Aug. 1992 Joined Yamazen, Inc.
Apr. 2003 Joined the Company
Jul. 2014 Operating Officer, General Manager, International Legal Department
Jan. 2017 Executive Officer, General Manager, International Legal / International Human Resources Department
Jan. 2019 Senior Executive Officer, President and Director, DMG MORI USA, Inc.
Mar. 2019 Executive Director in charge of the Americas, President and Director, DMG MORI USA, Inc.
Aug. 2021 Vice President, Director in charge of the Americas, CEO, DMG MORI AMERICAS HOLDING CORPORATION
Sep. 2022 Vice President, Director in charge of the Americas, President, DMG MORI AMERICAS HOLDING CORPORATION, Managing Director, DMG MORI EMEA GmbH (incumbent)



Alfred Geißler
Director in charge of
DMG MORI
AKTIENGESELLSCHAFT
of the company

Feb. 1983 Graduated from Technische Hochschule Augsburg
Jul. 1983 Joined IROBUS Robot Systems (currently DMG MORI Pfrenten GmbH)
Jan. 1997 Head of Production, DECKEL MAHO Pfrenten GmbH (currently DMG MORI Pfrenten GmbH)
Jul. 2000 Head of R&D, DMG MORI Pfrenten GmbH
Jul. 2005 Managing Director in charge of R&D / Production / Quality and Finance, DMG MORI Pfrenten GmbH
Sep. 2016 Managing Director in charge of R&D / Production / Quality and Finance, DMG MORI Pfrenten GmbH, Managing Director in charge of R&D and Quality, DECKEL MAHO Seebach GmbH (currently DMG MORI Seebach GmbH)
May 2023 Chairman of the Executive Board, DMG MORI AKTIENGESELLSCHAFT (incumbent)
Jul. 2023 Senior Executive Officer, Director in charge of DMG MORI AKTIENGESELLSCHAFT
Mar. 2024 Director in charge of DMG MORI AKTIENGESELLSCHAFT of the company (incumbent)



Irene Bader
Director in charge of
Global Corporate
Communication

Jun. 1999 Graduated from Akademie für Sprachen und Wirtschaft
Mar. 2001 Joined DMG Büll & Strunz GmbH (currently DMG MORI Austria GmbH)
Jan. 2002 Technical Press and Marketing Manager, GILDEMEISTER AKTIENGESELLSCHAFT (currently DMG MORI AKTIENGESELLSCHAFT)
Apr. 2005 Marketing Manager, MORI SEIKI GmbH (currently DMG MORI Global Marketing GmbH)
Mar. 2012 MBA from The Open University Business School
May 2016 Member of Supervisory Board, DMG MORI AKTIENGESELLSCHAFT (incumbent)
Jan. 2017 Operating Officer in charge of Global Corporate Communication
Jan. 2019 Executive Officer in charge of Global Corporate Communication
Jan. 2023 Senior Executive Officer in charge of Global Corporate Communication
Mar. 2023 Director in charge of Global Corporate Communication (incumbent)

Introduction of External Directors

As of March 28th, 2024



Takashi Mitachi
External Director

Mar. 1979 Graduated from the Faculty of Letters, Kyoto University
Apr. 1979 Joined Japan Airlines Co., Ltd.
Jun. 1992 Received MBA from Harvard Business School
Oct. 1993 Joined The Boston Consulting Group
Jan. 2005 Japan Co-chair, The Boston Consulting Group
Mar. 2016 Outside Director, Rakuten, Inc. (currently Rakuten Group, Inc.) (incumbent)
Mar. 2017 External Director of the Company (incumbent)
Outside Director, Unicharm Corporation
Jun. 2017 Director (Outside Director), Tokio Marine Holdings, Inc. (incumbent)
Oct. 2017 Senior Advisor, The Boston Consulting Group
Jun. 2022 Outside Director, Sumitomo Corporation (incumbent)



Makoto Nakajima
External Director
Attorney

Mar. 1974 Graduated from the Faculty of Law, The University of Tokyo
Apr. 1974 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
Jan. 2001 Director-General, Kansai Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry
Jun. 2004 Director-General, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry
Sep. 2005 Commissioner, Japan Patent Office
Jul. 2007 Retired from office
Feb. 2008 Consultant, Sumitomo Electric Industries, Ltd.
Apr. 2009 Registered as Attorney at law
Oct. 2009 Managing Executive Officer, Sumitomo Electric Industries, Ltd.
Jun. 2010 Managing Director, Sumitomo Electric Industries, Ltd.
Jun. 2014 Representative Senior Managing Director, Sumitomo Electric Industries, Ltd.
Jun. 2016 Vice Chairman and Senior Executive Managing Director, Japan Institute of Invention and Innovation
Oct. 2016 Outside Director, AIRI Co., Ltd. (incumbent)
Mar. 2017 External Director of the Company (incumbent)
Jun. 2021 Advisor, Japan Institute of Invention and Innovation



Hiroko Watanabe
External Director

Mar. 1984 Graduated from the Faculty of Humanities, Jissen Women's University
Mar. 1986 Joined Fuji Electronics Industry Co., Ltd.
Jun. 1998 Director, Fuji Electronics Industry Co., Ltd.
Apr. 1999 Managing Director, Fuji Electronics Industry Co., Ltd.
Jun. 2008 President, Fuji Electronics Industry Co., Ltd. (incumbent)
May 2009 Director, Osaka Prefectural Manufacturing & Industrial Association (incumbent)
May 2016 Director, Japan Industrial Furnace Manufacturers Association (incumbent)
Chairperson, Monozukuri Nadeshiko
Jun. 2017 Awarded by the Prime Minister for distinguished contribution toward the creation of a gender-equal society
Mar. 2021 External Director of the Company (incumbent)
Apr. 2021 Chairperson, Monozukuri Nadeshiko (incumbent)
Mar. 2023 Temporary Member, Council for Small and Medium Enterprise Policy, Ministry of Economy, Trade and Industry (incumbent)
Jun. 2023 Chair, Japan Metal Heat Treatment Association (incumbent)
Jun. 2023 Director, The Japan Society for Heat Treatment (incumbent)



Mamoru Mitsuishi
Ph.D.
External Director

Mar. 1979 Graduated from the Faculty of Science, The University of Tokyo
Mar. 1981 Graduated from the Faculty of Engineering, The University of Tokyo
Mar. 1986 Completed the Department of Mechanical Engineering, Graduate School of Engineering, The University of Tokyo (Doctor of Engineering)
Apr. 1986 Lecturer, Faculty of Engineering, The University of Tokyo (Department of Industrial Mechanical Engineering)
Apr. 1989 Assistant Professor, Faculty of Engineering, The University of Tokyo (Department of Industrial Mechanical Engineering)
Aug. 1999 Professor, Graduate School of Engineering, The University of Tokyo (Department of Industrial Mechanical Engineering)
Apr. 2014 Dean of the Graduate School of Engineering and Dean of the Faculty of Engineering, The University of Tokyo
Apr. 2017 University Executive Director and Vice President, The University of Tokyo
Feb. 2019 Representative Director, CIRP JAPAN
Aug. 2019 President, CIRP (International Academy for Production Engineering)
Apr. 2022 Director, National Institution for Academic Degrees and Quality Enhancement of Higher Education (incumbent)
Specially Appointed Professor, Teikyo University Advanced Comprehensive Research Organization (incumbent)
Visiting Professor, Research Council, Future Robotics Organization, Waseda University (incumbent)
Jun. 2022 Professor Emeritus, The University of Tokyo
Mar. 2023 External Director of the Company (incumbent)
Apr. 2023 Visiting Researcher, Japan Aerospace Exploration Agency (incumbent)
Oct. 2023 President, Science Council of Japan (incumbent)
Nov. 2023 Member, Council for Science, Technology and Innovation (incumbent)



Eriko Kawai
External Director

Sep. 1981 Graduated from Harvard University
Oct. 1981 Joined Nomura Research Institute, Ltd.
Jun. 1985 MBA from INSEAD (Institut Européen d'Administration des Affaires)
Sep. 1985 Management Consultant, McKinsey & Company
Oct. 1986 Fund Manager, Mercury Asset Management, SG Warburg
Nov. 1995 Director and Executive Officer in charge of Investment (CIO), Yamaichi Regent ABC Polska
Jul. 1998 Pension Fund Administrator, BIS (Bank for International Settlements)
Oct. 2004 Pension Fund Administrator, OECD (Organization for Economic Cooperation and Development)
Apr. 2012 Professor, Kyoto University
Jun. 2018 Outside Director, Daiwa Securities Group Inc. (incumbent)
Mar. 2021 Outside Audit & Supervisory Board Member, Yamaha Motor Co., Ltd. (incumbent)
Apr. 2021 Professor Emeritus, Kyoto University
Jun. 2021 Outside Director, Mitsui Fudosan Co., Ltd. (incumbent)
Mar. 2023 External Director of the Company (incumbent)

Introduction of Corporate Auditors

As of March 28th, 2024



Masahiro Yanagihara
Corporate Auditor

Mar. 1983 Graduated from the School of Economics, Kwansei Gakuin University
Mar. 1983 Joined the Company
Mar. 1998 President, MORI SEIKI FRANCE S.A.
May 2005 General Manager, Americas Department
Apr. 2010 Operating Officer, General Manager of President's Office and Public Relations Department
Apr. 2014 Operating Officer and Vice Executive General Manager, Administrative HQ
Nov. 2017 Senior Director and General Manager, Secretariat Department
Mar. 2023 Full-time Corporate Auditor (incumbent)



Yoshinori Kawamura
External Corporate Auditor

Mar. 1975 Graduated from the Faculty of Economics, Kyoto University
Apr. 1975 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)
Jun. 2005 Managing Director and Head of the Americas Division, Sumitomo Mitsui Banking Corporation
Apr. 2008 Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation
Apr. 2009 Deputy President, Member of the Board, Sumitomo Mitsui Banking Corporation
Jun. 2011 President, Sumitomo Mitsui Finance and Leasing Company, Limited
Jun. 2017 Special Advisor, Sumitomo Mitsui Finance and Leasing Company, Limited
Jun. 2017 Standing Advisor, HANSHIN ELECTRIC RAILWAY CO., LTD. (part-time, incumbent)
Jun. 2018 External Director, Japan Bank for International Cooperation (incumbent)
Mar. 2019 External Audit & Supervisory Board Member of the Company (incumbent)



Takahiro Iwase
External Corporate Auditor

Mar. 1975 Graduated from the School of Engineering, Nagoya University
Mar. 1977 Completed master's course, Graduate School of Engineering, Nagoya University
Apr. 1977 Joined Toyota Motor Co., Ltd. (currently TOYOTA MOTOR CORPORATION)
Jun. 2005 Managing Officer, TOYOTA MOTOR CORPORATION
Jun. 2009 Senior Managing Director, TOYOTA MOTOR CORPORATION Outside Audit & Supervisory Board Member, Chuo Spring Co., Ltd.
Apr. 2011 Vice Chairman of the Board of Directors, Toyota Motor Asia Pacific Pte Ltd.
Jun. 2011 Senior Managing Officer, TOYOTA MOTOR CORPORATION
Jun. 2014 President, TOYOTA AUTO BODY CO., LTD.
Apr. 2016 Standing Advisor, Aichi Steel Corporation
Jun. 2016 Chairman, Aichi Steel Corporation
Jun. 2017 External Audit & Supervisory Board Member, Chuo Spring Co., Ltd.
Mar. 2021 External Auditor of the Company (incumbent)
Jun. 2021 External Director of Makita Corporation (incumbent)

External Director Interview: Hiroko Watanabe



Takahiro Inoue

Citigroup Global Markets
Japan Inc.
Equity Research
Machinery / Capital goods
sector analyst

Graeme McDonald

Citigroup Global Markets
Japan Inc.
Equity Research
Machinery / Capital goods
sector analyst

Hiroko Watanabe

External Director

(Mr. Graeme MacDonald, Citigroup Global Markets Japan Inc.)
In recent years, more external directors, as well as an increasing number of female directors, have been appointed by Japanese companies. However, there are concerns about their roles becoming symbolic. Consequently, investors are showing greater interest in the selection process and actual contributions of external directors, fostering increased dialogue. In terms of board composition, we see DMG MORI as a pioneer in the field of diversity, with an external director's ratio of 45%, 3 female directors and 2 directors of foreign nationality.

Q: How did you become an external director at DMG MORI?

As the president of a company producing and selling heat treatment equipment, I am deeply involved in the manufacturing industry myself. And as a member of the JMTBA, I have known DMG MORI since before becoming a director. Eventually, I was offered the position directly by Dr. Mori. I personally believe that my expertise in the machine tool and manufacturing industries, along with my experience in global entrepreneurship, were appealing factors.

Q: DMG MORI does not have a nominating committee in place for director selection. Have you ever discussed the necessity at board meetings?

We have never addressed the necessity of a nominating committee. At DMG MORI, the 11 board members include 5 external directors, 3 female directors and 2 directors of foreign nationality (as of the end of 2023), so the board is already quite diverse in my opinion. Also, their fields of expertise ranging from management to technology and law are varied, which shows in the vivid exchange of opinions we have. Still, regardless of the board's composition being diverse, I share the opinion of the public pointing out a lack of transparency and feel the need for discussions in the future.

Q: With a sudden spike in demand for external directors, do you see a problem of being appointed in multiple companies at once and having to distribute your capacities?

When I was inquired about signing up in a candidate list for another company, I declined by saying that I don't have

the time. Especially women are in high demand and receive offers from many companies.

In discussion with fellow external directors, we concluded that holding 3-5 positions at once would be the limit for properly understanding a company and giving feedback. As for DMG MORI, the external directors with multiple positions are all actively participating in discussions. This is possible because we receive all information necessary for discussion in a timely manner. For example, when the Nikkei Newspaper reported on the military misuse of DMG MORI machine tools in China, I immediately received a phone call from Mr. Tamaï, Vice President in charge of export control, and was directly informed of the facts. This is just one example, but I believe that information related to corporate risks and value creation is shared promptly and accurately, so the board of directors is in a position to make appropriate decisions.

Q: Dr. Mori is a charismatic leader and a major shareholder of DMG MORI. How do external directors voice their opinions and opposing views at the board meetings under his chairmanship?

At board meetings, the internal directors usually present future investment plans and management directions, to which we external directors offer our opinions and request detailed explanations. In case of insufficient information for decision making, we may propose to wait and ask for further consideration. I feel that Dr. Mori and the other internal directors respond sincerely to the opinions and questions from our side and fulfill their accountability. If they are unable to answer on the spot, they deliver an updated report on the following day.

While we external directors are rare to strongly oppose a certain management direction head-on, this is not due to being unable to do so but because we genuinely agree with the directions and don't feel the need for it. The present external directors of DMG MORI are, without a doubt, individuals who wouldn't hesitate to voice opposing opinions or express concerns when needed.

As one example from this year's board meeting, an external director raised a valid concern that even though security significantly influences our export control, making any references to political matters could potentially result in reputational risks. I believe both

internal and external directors share this perspective and are putting it into practice.

Q: Have you ever discussed the appropriateness of remuneration and the KPIs of directors?

Since Dr. Mori's remuneration is low compared to overseas directors, we once suggested a further increase. While a president should shoulder the most responsibility during times of poor performance, Dr. Mori's management strategy has yielded significant results. His valuable contributions deserve greater recognition. With that being said, the issue of executive compensation is difficult to discuss as the general shareholders' perception differs between Japan, Europe, and the United States. The KPIs for evaluating the remuneration consist of general financial indicators such as consolidated sales and operating profit, as well as non-financial indicators tied to reducing environmental impact and other unique initiatives of DMG MORI.

Other indicators such as EPS, PBR, and ROIC are reported at board meetings and discussed with cost of capital in mind. They are not included in the KPIs



because we see them as the outcome of growing sales, profit and corporate value. The same applies to the FCF (Free Cash Flow). We are monitoring it, but don't believe that it fits well as an indicator for executive remuneration because it can be influenced by short-term factors like disruptions in the supply chain of components and transportation costs.

In the capital market, all companies are often evaluated

by standardized indicators such as ROE and ROIC. While they are undoubtedly important, every company has its own unique technology, products, and business cycles such as investment and payback periods. In my opinion, it is important to manage indicators that match the characteristics and cycles of each company, and as a result, lead to improvements in ROE and ROIC.

Q: Where do you see the challenges in DMG MORI's management?

At the board, we are discussing the risks concerning Dr. Mori's succession. The sudden hospitalization or passing away of a company's president always causes immense disturbance, even in companies of smaller scale. In case of an organization the size of DMG MORI, we have to achieve a step-by-step transition within the 5 to 10 years' time horizon, meaning that we must start the preparation of a new organization now. When Dr. Mori was appointed president of Mori Seiki at the age of 37, senior counselors were appointed as well. So, besides enabling young executive candidates to gain



experience, it is also important to establish an appropriate internal succession system. Regarding the successor, there is also the possibility of continued leadership by the founding family. Founders possess a high level of commitment and responsibility that can greatly contribute to the long-term growth of a company. In any case, I believe it is the responsibility of the Board of Directors to establish a system to support the new management and ensure a smooth transition from Dr. Mori.



In addition, while we have made relatively good progress in securing and developing top talents, it's essential not to overlook the majority of our employees and how to inspire their active engagement within the company. The larger the number of foreign employees and group companies acquired through M&A activities, the more crucial it becomes to enhance everyone's skills and motivation through effective communication. Ensuring that all employees can fully realize their potential is our responsibility as a sizable, compliance-oriented company.

I clearly see the Board of Directors as a place that allows for open discussions, but from the interview with investors, I see that we are lacking transparency and I better understand their concerns as well. I will make sure to address these concerns at future board meetings and improve our transparency towards the public.

(Mr. Graeme MacDonald, Citigroup Global Markets Japan Inc.)

Thank you very much for the valuable discussion.

We greatly appreciate the insights into the contributions of external directors to DMG MORI and its board.

(This interview was conducted in early December 2023.)

| External Director Message: Takashi Mitachi



Takashi Mitachi

External Director

In the fiscal year 2023, the Board of Directors, particularly external directors, directed their efforts towards providing guidance and oversight to the executive leadership. The primary objective was to enhance the quality of decision-making processes, thereby preventing any potential downturn in corporate value amidst expected strong performance. Essentially, the emphasis lay on preserving corporate value rather than mere strengthening.

In light of increasing geopolitical uncertainties, there is a heightened risk of exported machine tools being subjected to unauthorized resale or relocation in violation of contractual agreements. Such incidents also expose the company to reputational risks. Despite maintaining close communication with governments in each country from an early stage and implementing stringent export control processes within the company, such incidents have never completely ceased to occur and 2023 was no exception. At the onset of an incident, information is immediately shared with the board members, even outside of regularly held board meetings, and countermeasures are presented and discussed.

As a result, we have implemented a series of measures, including a safety function to remotely shut down the operation of customer machines made in Germany and Japan in case of unauthorized relocation. Our shareholders can rest assured that DMG MORI has established a world-class export control system and will stay alert at all times.

In addition, changes were also made to the management structure of the German subsidiary, DMG MORI AG. These changes will foster integrated corporate management and strengthen global governance as one global company. Still, when important overseas subsidiaries undergo such thorough structural change, there is always the risk of damage to corporate value, including the retirement of key personnel.

In response, proper explanations of the details of this reorganization were given at the Board of Directors several times, and after further discussion, the necessary measures were implemented. Ultimately, I believe that the new structure will have a significant positive impact on the future.

The Remuneration Committee includes one external director and one external auditor and discusses the performance of the current and next-generation global management team and levels of remuneration for executive directors on a regular basis. The contents of these discussions are open to all directors. In my view, it is thanks to this committee that we can have high-quality discussions.

Early in 2024, KURAKI was successfully acquired and integrated into the group. Apart from this M&A, multiple deals had been brought forward at the board meeting, and we discussed the merits and risks extensively.

Once more, such discussions extend beyond regular board meetings, with information shared and deliberated upon promptly as the need arises.

M&As can greatly affect corporate value depending on how skillfully they are executed.

In 2023, I would say that at the board meetings we had various discussions, ranging from the aforementioned geopolitical risks to the legal risks of the target company.

As I have mentioned, open and vigorous discussion is the hallmark of our Board of Directors.

Each director brings unique knowledge and experience to the table, and I firmly believe that by promptly sharing information with the executive team and creating an inclusive forum for discussion, we can leverage these assets to enhance corporate value. We will continue to maintain this strength and strive to meet the expectations of our shareholders.

| Next Generation Leaders Discuss Future Growth

In November 2023, six young Executive Officers with diverse backgrounds and fields of expertise held a dynamic two-hour discussion about the future of DMG MORI.

Q: DMG MORI is targeting a sales revenue of JPY 1 trillion by 2030. What additional resources will be required to achieve this goal?

Dr. Neun: Looking at our current figures, this goal requires twice the sales revenue and three times the profit, meaning that we must increase our market share. This implies the need to further strengthen our direct sales and service network. Being able to provide services directly to customers in key industries worldwide through our own employees offers a significant advantage, especially for customers with a global business presence.

Mr. Nakatsukasa: I believe that providing advanced automation solutions together with sufficient maintenance and service capabilities will be a key factor. That is why we must increase the number of talented engineers, especially in the fields of application and service. We have already improved the organization of DMG MORI Academy in Japan and plan to implement the same in Europe. We aim to enhance the practical training of service engineers in robot programming, so they can also repair automated systems.

Dr. Ota: I think that we may have to redefine our business domain. While our strategy of Machining Transformation

(MX) has been well received, people are less aware of the actual solutions behind it, even within our own organization. The lifecycle of machine tools and related technologies is 20 years or more, so a determining factor will be how fast we can enhance our long-term support capabilities to cater to a wide range of technologies across different ages. To achieve further rapid growth, we must fully leverage our knowledge, experience, and partnerships.

Dr. Budt: As one of the executives responsible for sales and service, I would like to emphasize the importance of customer satisfaction. Since we offer a wide range of high-quality products, our customers expect extensive support to fully utilize our products throughout their lifecycle. In other words, to convince our customers of our technology, we must demonstrate excellent service. Consequently, any investment in our service engineers will benefit our sales as well.

Ms. Hirono: I agree. After-sales service is much more than just fixing machines when they break down. It also includes providing ongoing machining advice to customers through resident engineering services. As these demands continue to grow, we need to hire and train more engineers while efficiently collecting and sharing our expertise.

I encourage my AM machine development team to be involved in every step of the process, from design, production, sales, and installation to customer training and after-sales service. By doing so, they understand the entire value chain and build good relationships with customers and other departments at DMG MORI.

Dr. Budt: Handling a simple machine might be an easy task for a single engineer, but we have already progressed beyond that stage. What we are offering today are very complex, high-tech solutions born from collaborative expertise. Our local sales and engineering teams alone cannot effectively manage such sophisticated systems. We require an organization in which sales and engineering



Keiichi Ota
Managing Executive
Officer
Dr. Eng.
Americas and
Global IT

teams can closely collaborate with specialists from various engineering backgrounds, so that they can swiftly resolve challenging technical issues to the satisfaction of our customers.

In this regard, my primary focus lies on communication and training to keep our sales and service personnel up-to-date on our strategy and technology. Furthermore, in the European market, the further away from the factory base in Germany, the more "old-fashioned" the business meetings become. This is partly due to the fact that customers think and react differently in different regions, but if we can have the same amount of training and discussion between the sales team and the factory, it can make a big difference internally and for our customers.

Dr. Neun: Indeed. Providing consistent support with focus on after-sales is one of the most critical factors that



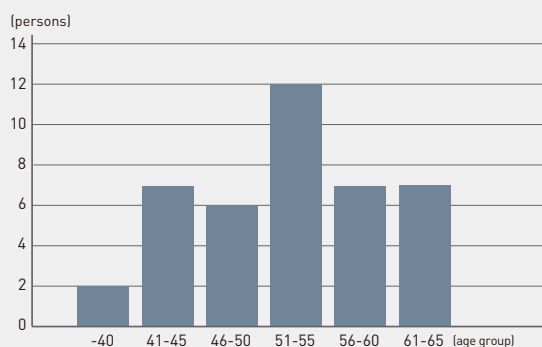
determines our customers' success, and ours as well. We are committed to building an organization that can provide the best possible service to our customers in any part of the world.

Mr. Nakatsukasa: At the same time, it is always important to have a critical eye on the future. Our MX strategy is paying off for most of our machines for now. However, it is also true that market trends are changing for some of our products. At some point we will need to reassess whether our business model fits such a lineup or whether we should consider a different approach.



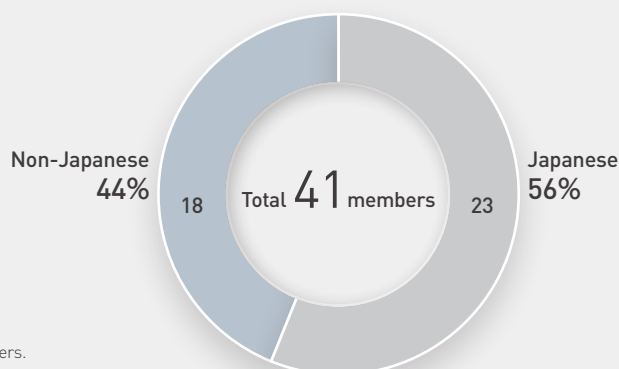
Dr. Ota: MX should be showcased at our factories. For now, most visitors understand what kind of improvements they can expect from our machines. However, if we fail to showcase ongoing MX examples within our own factories, our strategy might lose credibility.

Executive Officers: Distributions per age group



* Please refer to the Annual Securities Report for the names of Executive Officers.

Japanese / Non-Japanese



Ms. Hatano: From a marketing perspective, nowadays, more and more customers are researching our technology by themselves before they consult a sales representative. This means we need to organize our digital marketing content to deliver the right information to the right people at the right time. In addition, it is important to continue to stress that we are here to provide service and support for the long term, say for 10 to 20 years.



Masami Hatano
Senior Executive Officer
Corporate
Communication and
Fixed Asset

Communication gets people engaged. Internally, we are constantly improving our intranet. We are regularly updating our "Medium-term Business Plan 2025" page to share company policies, strategies, and details of each initiative. We are happy to see that the number of views and likes is increasing.

Ms. Hirono: Adding to that, it is crucial that all employees understand the story behind our strategies. To reach our targets by 2030, we must apply both the right strategies and tactics.

As DMG MORI is shifting from a machine tool manufacturer to a total solution provider with Machining Transformation (MX), our responsibilities now cover the entire machine tool lifecycle. After-sales activities are more important than ever. Executive officers and managers are redoubling their efforts to communicate the Group's strategy to their team members.

Q: What is an efficient way to train the next generation of employees?

Mr. Nakatsukasa: Although I have a mechanical engineering background, I have chosen to pursue administrative and management roles that allow me to apply my technical expertise, rather than working in a classic R&D role. In the early days of the AG / CO integration, I worked at the German headquarters and learned about the European culture and mindset. I always advise the younger generations to do what motivates them and to go "the extra mile" to challenge the status quo. For example, when Ms. Hirono left her previous job and joined DMG MORI in 2019, I was not involved in HR but still provided backup support so that she could join the LASERTEC 6600 DED hybrid development project.

Later, she became the catalyst for the LASERTEC 3000 DED hybrid project under her lead.

Ms. Hirono: That's true. Thank you for the support back then. As mentioned earlier, my advice is to get actively involved in the entire process, drawing from my own personal experience. When I was a young engineer, a customer decided to purchase a product after seeing a concept drawing I had made on a presentation slide. After receiving the order, I handled the machine design, material procurement, and assembly by myself for the first time. When the machine was shipped for installation, I also stayed at the customer's site in the U.S. for an extended period of time. I had the opportunity



Yoko Hirono
R&D Executive Officer
AM Development
Department
General Manager

to directly listen to what the customer had to say and could learn a lot from that experience.

Dr. Budt: I joined the former DMG Group 11 years ago and have experienced both the factory and sales side of the business. To this day, I have maintained the practice of having two or three talented and dedicated young employees on my team. Over time, I gradually increase their responsibilities and provide them with opportunities to work alongside experienced managers and team leaders who are nearing retirement. This approach allows them to acquire valuable knowledge and prepares them for future leadership roles, ensuring a seamless transition.

I like the diversity of our customers, the different challenges we encounter on a daily basis, and our dynamic ways of addressing them. The fast and close communication across all levels is unique for a company of our size. I am proud to be part of the DMG MORI family!



Dr. Neun: I have a similar approach like Dr. Budt. I make sure to work closely with the young, motivated and hardworking members in my team. When I sense their passion for shaping our future, I engage them early in the decision-making processes. Once I am confident in their leadership skills, I try to entrust the most talented individuals with responsibilities relatively quickly. Only then can I really assess their potential as leaders. I am truly grateful for the leadership opportunities I received relatively early in my career. I hope to provide the same

opportunities to the next generation, even if it requires taking moderate risks at times.

Dr. Ota: Regardless of age, gender, or any other characteristic, I believe everyone has the potential to make significant contributions to a team. However, in the beginning it may be difficult to adapt to the team dynamics with only limited experience. In order to succeed and make contributions, one needs the chance to learn from diverse perspectives and assume various responsibilities. As a leader, I am in a position to bring people with the right attitude and ethics into DMG MORI. After they have settled in, we need to have ongoing discussions about how to define success for the company as well as the individual. Only through these efforts, time, and energy, will we be able to find the leaders of the future.

Ms. Hatano: I joined the former Mori Seiki in 2007 and have been mainly in charge of public relations and marketing. Since Mori Seiki and GILDEMEISTER started their collaboration in 2009, one could say that my career is almost equal to the history of DMG MORI becoming one global company. I am proud to be part of such an important industry leader and to work with such global colleagues. Recently, I was also entrusted with the role of managing fixed assets in Japan. At first, it came as a surprise, but I have come to realize that the process of building a new facility is similar to preparing for an exhibition.

I am always looking for ways to develop the strengths of my team members, and I encourage them to seize opportunities, take on challenges, and experience failure while they are young. I strive to provide them with well-defined sets of tasks while offering them insights into the context behind these assignments. I firmly believe that when they grasp the "why" behind their work, it not only clarifies the tasks but also ignites their motivation.

Ms. Hirono: At DMG MORI, we are all genuinely passionate about machine tools. I believe this shared passion will be the driving force behind our transformation into a more powerful organization.

Risk Management

At DMG MORI, we identify and evaluate risks by taking into account external factors, such as the political and social environment, as well as internal factors related to our industry and business characteristics. Among them, export control and information security are important management topics.

Export Control

The Significance of Export Control

As machine tools are high-performance, dual-use products usable for both civilian and military purposes, they are subject to the export regulations of each country. For example, in Japan, they are subject to the Foreign Exchange and Foreign Trade Law. When selling to customers in foreign countries, we are obligated to confirm the non-military use of our products and can only export them after obtaining permission from the authorities in the manufacturing country (mainly Japan and Germany for DMG MORI). In addition, our products must be tracked and controlled throughout their life cycle until they are disposed of. These export control regulations are aimed at preserving world peace and international order.

The Export Control Process at DMG MORI

Our export control process has two phases: pre-export screening and post-export control. Before accepting a customer's order, we thoroughly inspect their business activities and the intended purpose of their purchase to ensure there are no concerns of military use. Subsequently, before exporting, we apply to the relevant authorities (in Japan, the Ministry of Economy, Trade and Industry) and obtain the necessary export permission. In case of relocation or resale of our product after export, we screen for military use again. Since 2008, all our products manufactured in Japan, including former Mori Seiki-made machine tools, have been equipped with a Relocation Detection Device using GPS location information that detects machine relocation through vibration. Once the device identifies an unauthorized relocation, the machine is automatically locked and rendered unusable (see figure below). Through these measures, we prevent the illegal diversion of our products to countries of concern or for military purposes.

Adapting to Changing Regulations to Protect Our Industry and Technologies

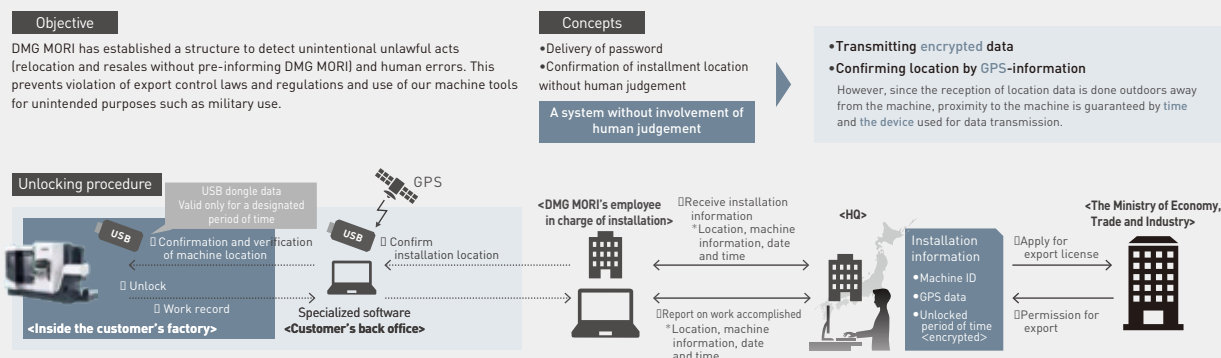
In light of the recent shifts in the global landscape, countries have been strengthening their export regulations for precision products and implementing measures against the outflow of technology. Accordingly, we are committed to providing ongoing education on export control to our approx. 13,000 employees worldwide, ensuring they can effectively respond to evolving regulations. We consider it crucial that all employees understand the significance of export control and internal regulations for our business operations. Since October 2022, we have been conducting regular global export control meetings between our export control managers in each country to share information on regulations that should be managed and operated globally, such as the U.S. International Traffic in Arms Regulations (ITAR).

Group-wide Export Control System

In 2023, several media outlets reported about DMG MORI machine sales in Russia and the use of our European-made machines by users of concern in China. Our subsequent investigations have verified that we have fully adhered to export control regulations in both Japan and Germany at all times, with no instances of us violating any laws or regulations.

Export control is becoming increasingly important, not only for upholding global peace and international order, but also for protecting national industries and technologies. We will continue our efforts to raise awareness and strengthen export control management throughout the entire DMG MORI Group.

Preventing unauthorized machine relocation using GPS information



Information Security

Advancing Information Security: Our Commitment and Actions

In light of the growing threat of cyberattacks, we regard information security as a critical management concern. Consequently, we have implemented a series of measures to enhance our information security management system, including partnering with an external security expert since 2015, formulating an information security policy, and establishing a dedicated Information Security Committee.

We have also extended these efforts to our group companies, each of which now operates its own internal information security team. Guided by our central Information Security Committee, we aim to promote best practices and implement group-wide measures against emerging security threats. Throughout all our initiatives, our top priority remains the protection of the valuable information entrusted to us by our customers. Therefore, we consistently review and refine our information management methods and security measures to uphold this commitment. Apart from our internal initiatives, we enforce stringent security measures to protect the data communicated between our machines, services and the customers' network. Moreover, we engage in close collaboration with our partners and customers to enhance security in factories undergoing digital transformation.

Strengthening Information Security Across the Entire Supply Chain

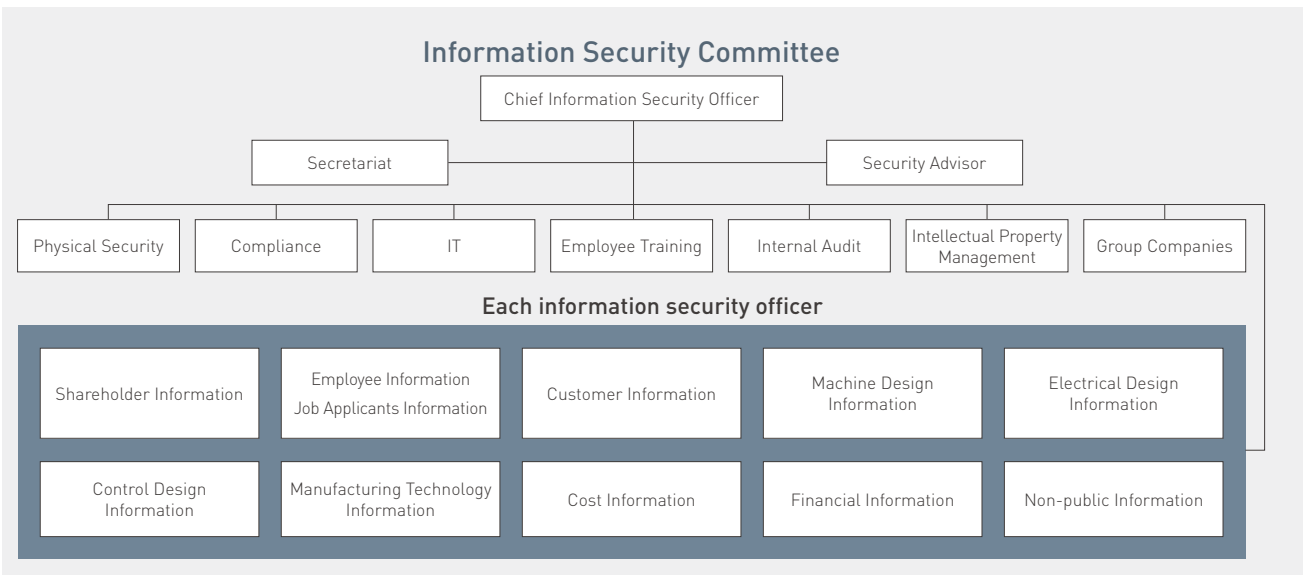
Our central Information Security Committee is led by the director in charge of overseeing our Group's information security

management. The Committee holds regular meetings together with the information security teams of each group company to discuss security threats, and review and implement security measures.

Taking into account organizational and technological aspects, our Information Security Committee formulates security strategies, provides trainings, enforces security protocols, and oversees information security audits. In addition to the Information Security Committee meetings, we also organize global, in-person cybersecurity workshops with our overseas group companies. In 2023, we conducted a total of three workshops in Pfronten (Germany), Redmond (USA), and Nara (Japan), aimed at devising measures aligned with a globally unified security strategy.

In response to the rising number of cyberattacks targeting our overseas bases, we have also initiated information security audits at our Asian facilities starting in 2023. Our IT security experts from Japan personally visit our bases across 11 Asian countries to conduct on-site audits and evaluate the implementation of security measures. Through these audits, we aim to achieve and maintain a consistent security level across all our international bases.

From 2024, we are taking additional steps to enhance security across our entire supply chain. This includes visiting our suppliers and engaging in discussions about their security measures. We remain committed to continuing these initiatives to further strengthen our information security management.



BCP (Business Continuity Plan)

Basic measures

Following the Great East Japan Earthquake in March 2011, we regularly review our disaster countermeasures manual. As part of our disaster prevention activities, we conduct periodic educational drills, check various disaster prevention equipment, and perform satellite phone call tests. Furthermore, our 17 manufacturing bases worldwide contribute to ensuring business continuity in the event of a major disaster.

Major changes in recent years

BCP Basic Plan	Updated measures for large-scale disasters
	• Added hazards (Nankai trough earthquake, Direct-hit earthquakes, Tsunami) • Established additional business locations (Nara, Tokyo GHQ, Nara PDC, Nagoya)
	Newly added measures for pandemic preparedness
BCP Action Plan	Updated BCP action plans for each department

Power supply measures in the event of a power outage at Iga Campus

We are steadily enhancing our solar power generation systems in Iga Campus, which will have a total panel capacity of 13,400 kW by January 2025. Additionally, starting from 2024, we are installing 1,000 kWh storage batteries to store excess power. In the event of a power outage, these batteries will serve as the initial power source, ensuring a continuous supply of emergency power for lighting, air conditioning, and other essential functions in the disaster response room for approximately 4 to 8 hours. In addition, we will utilize our on-site power generation system at Iga Campus. This system will provide total capacity of 8,000 kW (equivalent to approximately 70% of the energy demand during peak production). These generators and stored fuel enable more than 72 hours of continuous operation. While it is difficult to deal with a power outage solely relying on solar power, utilizing our on-site power generation system as a secondary power source allows us to achieve a stable power supply of approximately 8,000 kW. This enables continuous plant operation over long periods of time while minimizing the consumption of stored fuel. We are also preparing for the storage and supply systems of electricity using EV and PHEV for evacuation shelters in the local community. In addition, operating our on-site power generation system in response to requests from power companies will reduce the purchased amount, contributing to a stable supply of electricity in the region when the demand is tight.

Supply chain measures

As supply chain disruptions pose a business continuity risk, we are collaborating with our suppliers to implement BCP measures. The key measures are outlined in the table below. By fostering the adoption of business continuity planning, we aim to establish a resilient supply chain, ensuring the continuous provision of parts and materials.

Risks	Key measures
Natural disasters such as large-scale earthquakes	● Establishment of an initial response system at supplier sites ● Development of business recovery plan procedures
Fire	● Risk assessment and reduction in the factory through voluntary inspections
Wind and flood damage	● Implementation of flood risk surveys ● Provision of materials and other educational activities to reduce risk
IT cyber attacks	● Implementation of security audits and provision of necessary support for improvements [targeting major suppliers in Japan]

Compliance Principles

DMG MORI defines code of conduct for Directors, Executive Officers, and other employees by stipulating rules in its Mission Statement, Employee Handbook, Compliance Handbook, Export Control Program, Information Security Policy, and management systems for environment, labor safety and health, and quality. By putting these rules into practice, we aim to achieve legal and regulatory compliance. We also provide continuous compliance trainings for all employees at DMG MORI. In addition, we have established a whistleblowing hotline and defined its operating rules in the Compliance Hotline Rules. The whistle-blowing system, which deals with issues related to employee privacy such as sexual harassment and other sensitive matters, is operated by an external third-party hotline.

Internal Control Principles

DMG MORI implements internal control based on the Internal Control Guidelines resolved by the Board of Directors.

1. Audit & Supervisory Board

The Corporate Auditors of the Audit & Supervisory Board attend the Board of Directors Meetings, Executive Officers Meetings, Management Meetings, and other critical meetings on a regular basis. After hearing the resolution and reporting matters, they may seek further information from Directors, Executive Officers, and managers as needed.

2. Internal Audit

The Internal Audit Office, operating as an independent unit with three dedicated members and reporting directly to the President, conducts thorough assessments to ensure the optimal and efficient execution of group-wide business operations. In addition, the Internal Audit Office evaluates the effectiveness of our internal controls over financial reporting based on the Financial Instruments

and Exchange Act (J-SOX or the Japanese equivalent of the Sarbanes-Oxley Act). Furthermore, they monitor risk management within our subsidiaries and share information with the Corporate and External Auditors during subsidiary audits and with subsidiaries' internal audit departments during liaison meetings. The results of internal audits are reported promptly to the President and periodically to the Corporate Auditors. The Internal Audit Office also works closely with accounting auditors, exchanging opinions on audit schedules, procedures, and other relevant matters as needed.

3. Management of Subsidiaries

In principle, at least one DMG MORI Director concurrently serves as director or auditor at each subsidiary. This allows them to attend subsidiary board meetings and other critical meetings, receive reports from subsidiary directors and employees, and monitor business operations to ensure proper and efficient business execution throughout the group.

Investor Engagement

We place great importance on investor engagement to enhance our corporate value and increase shareholder returns.

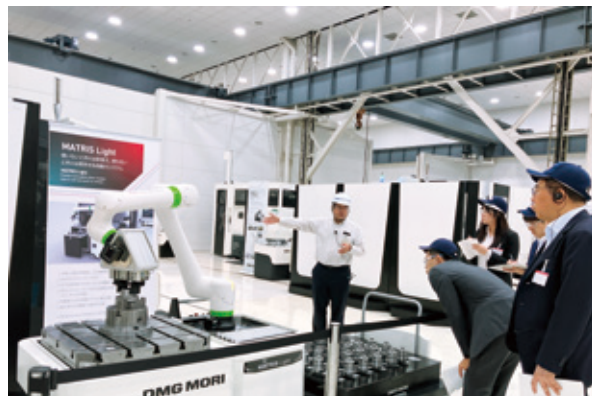
In 2023, we modernized our IR information website to a more user-friendly format. Furthermore, we are continuously enhancing our communication channels by offering briefings for overseas institutional investors, individual meetings, and tours of our major sites in Japan. To ensure fair and timely information sharing with all our investors, we also provide both Japanese and English versions for all our communications, including financial release materials.



August 2023: Solution Center tour at Tokyo Global Headquarters



March 2023: Annual General Meeting of Shareholders



September 2023: Iga Campus factory tour