



April 26, 2024

To whom it may concern

Company Name	DMG MORI CO., LTD.
Representative	Masahiko Mori President and Representative Director (Securities Code: 6141 Tokyo Stock Exchange, Prime Section)
Contact	Hirotake Kobayashi Executive Vice President, Chief Financial Officer (Tel: +81-03-6758-5900)

**Announcement of Recognition of Loss from discontinued operations  
and Revision of Financial Forecast for FY 2024**

DMG MORI CO., LTD. (hereinafter the "Company") hereby announces the recognition of loss from discontinued operations for the first quarter of the fiscal year 2024 ended March 31, 2024. And the Company has decided to revise its consolidated financial forecast for the FY2024 from its announcement on February 5, 2024, considering recent business performance.

1. Details of loss from discontinued operations

On February 19, 2024, the shares of the Company's consolidated subsidiary Ulyanovsk Machine Tools ooo were expropriated by the Russian government. The Company deems it has lost controlling interest in Ulyanovsk Machine Tools ooo, and it excluded Ulyanovsk Machine Tools ooo from the scope of consolidation effective from the first quarter of the fiscal year 2024. As a result, the business related to Ulyanovsk Machine Tools ooo has been classified as discontinued operations and a loss of 14,826 million yen has been recorded as loss from discontinued operations.

The Company purchased an overseas direct investment insurance policy with the Federal German government and has filed insurance claims in relation to the aforementioned expropriation to receive compensation for the losses expected to arise in the Group's next fiscal year. At this point in time, as the amount of the said compensation claim has not been finalized, it is not possible to make a reasonable estimate of the financial impact projected in this case.

For details, please refer to the "Summary of Consolidated Financial Statements for the First quarter of Fiscal Year 2024 ended March 31, 2024 (IFRS basis)" to be disclosed today.

2. Impact on Business Results and Revision of Financial Forecast for FY 2024

Effective from the first quarter of the current fiscal year, the Company has classified the operations related to Ulyanovsk Machine Tools ooo as discontinued operations. As a result, in the forecast for the fiscal year ending December 31, 2024, sales revenues and operating profit are presented only in the amounts of continuing operations, which exclude discontinued operations. On the other hand, the amounts of profit attributable to owners of the parent and basic earnings per share include the results of discontinued operations.

## Revision of Consolidated Financial Forecast for the FY2024

(January 1, 2024 to December 31, 2024)

(Unit: million yen)

	Sales revenues	Operating profit	Profit attributable to owners of the parent	Basic earnings per share (Yen)
Previously Announced Forecast (A)	540,000	57,000	35,000	265.59
Forecast after revision (B)	550,000	58,500	36,000	242.61
Difference (B) - (A)	10,000	1,500	1,000	
Increase Ratio (%)	1.9%	2.6%	2.9%	
Ref: Results of FY2023	539,450	55,356	33,944	256.66

(Note)

- Exchange rate used for consolidated financial forecast for the FY2024: JPY 142.2/USD, 152.8/EUR
- Basic earnings per share is calculated based on the profit which excludes profit attributable to owners of other equity instruments.
- The average number of shares during the period has increased by 16,001 thousand shares since the previous forecast was announced due to the conversion of convertible bonds. Excluding this effect, basic earnings per share would be 273.56 yen.
- Results of FY2023 have been retroactively adjusted to reflect the classification of discontinued operations.
- Results of FY2023 are before the audit by the auditor.

### Reasons for the Revision

Our order intakes have been stronger than previously anticipated from various industries globally.

Based on the above background, we made an upward revision of consolidated financial forecast for the FY2024 from the previous announcement released on February 5, 2024.

The above forecast includes the aforementioned losses from discontinued operations and insurance reimbursement amounts. Since the amount of the said compensation claim has not been finalized at point in time, the forecast of profit attributable to owners of the parent is based on the assumption that the amount will be finalized during the FY2024.

(Note) The financial forecast shown above is based on information available at the time of this announcement and the actual results may vary.

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