

Supplier Engagement

Collaborating with partners to address societal challenges through a sustainability lens

Building a Robust Supply Chain through a Unified Platform

In recent years, a new dimension has emerged alongside the traditional benchmarks of price, quality, and delivery time in evaluating supply chains – sustainability. Notably, the enactment of the Supply Chain Due Diligence Act in Germany highlights the growing importance of environmental and human rights risk management for companies. At DMG MORI, we utilize the supply chain monitoring platform of Germany's IntegrityNext GmbH as a valuable tool to assess legal, financial, and operational risks within our supply chain, ensuring a consistent global standard in our due diligence efforts. Clearly defining and addressing sustainability issues, whether related to climate change or the health and safety of workers, is crucial for ensuring the seamless continuation of our production. Collaborating with our partner companies on a shared platform allows us to align our values on environmental and human rights matters, thus enabling us to have a greater impact on societal challenges. Moreover, these collaborative efforts serve as a source of innovation, fostering the advancement of Machining Transformation (MX) through initiatives like DMQP (DMG MORI Qualified Products).



Criteria and priorities

Priority level	Criteria topics
1. Relevant to the Supply Chain Due Diligence Act	•Anti-Bribery & Anti-Corruption •Environmental Protection •Human Rights & Rights of Workers •Health & Safety •Supply Chain Responsibility
2. Compliance / Sustainability	•Conflict of Interest •Energy Management •General Data Protection Regulation (GDPR) etc.
3. Critical Hazardous Substances	•RoHS •REACH •PBT5
4. Others	•Quality Management •COVID-19 Countermeasures

Fostering Win-Win Relationships with All Our Partners

In line with the Company's mission statement, we are committed to prosper together with our partners and have built strong, long-term relationships throughout our supply chain, especially in Japan and Europe. To enhance our joint sustainability efforts, we have introduced IntegrityNext pioneering supply chain monitoring platform. This platform allows our partners to assess risks, exchange company profiles, and share sustainability data. It empowers them to proactively manage risks, improve long term sustainability, and expand their sales channels without added expenses. In addition, IntegrityNext offers free trainings, and we host direct briefings to keep our partners updated on the latest laws, regulations, and best practices. Among the comprehensive range of criteria used to assess sustainability within the IntegrityNext platform, we specifically focus on the five areas regulated by the Supply Chain Due Diligence Act: anti-bribery and anti-corruption, environmental protection, human rights and rights of workers, health and safety, and supply chain responsibility. Based on the assessment results, we are closely working together with each partner company to facilitate improvements in these key areas. We remain dedicated to establishing a sustainable supply system as an industry leader, with the goal of fostering mutual growth and success throughout our entire supply chain.

Survey results as of December 31, 2024*1

	CO (Japan) * Introduced in January 2022	AG (mainly German companies) * Introduced in July 2019
Number of companies		
■ Sustainable	114	399
■ Compliant	66	276
■ Critical	30	0
Number of suppliers in the scope	210	675

*1 Aggregated for 5 areas related to the German Supply Chain Due Diligence Act

Supplier Engagement Initiatives

The Company is committed to strengthening IT security across the entire supply chain to create a more sustainable infrastructure. Cybersecurity threats can impact not only the supplier itself but also the broader supply chain. To mitigate these risks, the Company shares information on useful security measures to its partner companies through newsletters and seminars. In March 2024, the Company hosted a security seminar with 63 participating companies, while 30 companies took part in a training focused on practical security measures.



IT security training

Reducing CO2 Emissions Across the Supply Chain

Achieving the Company's 2030 reduction targets requires a significant decrease in Scope 3 emissions, which account for approximately 40% of total emissions. Meeting this goal depends on strong collaboration with the Company's partners. In 2024, the Company hosted a supplier briefing at Iga Campus and introduced Cozero, a free carbon emission management platform for its partners. The digital platform enables its partner companies to measure emissions from machine tool component manufacturing, set clear reduction targets, and develop effective decarbonization strategies. By



Carbon management platform: Cozero

Aligned with the Company's corporate philosophy of prospering together with its partners, the Company's CSR Procurement Guidelines outline clear expectations for partner companies. The guidelines promote a work environment where employees can maintain both physical and mental well-being while experiencing a fulfilling professional life.

To foster health management across the supply chain, the Company further supports its partners through online seminars and informative resources and encourage active participation in workplace health initiatives.

* The term "Kenko Keiei" is a registered trademark of the Nonprofit Organization Kenkokeiei.



Workplace health management portal site for partner companies

working together with its partners through structured PDCA cycles, the Company aims to drive continuous CO2 reductions across the supply chain.



Supplier briefing at Iga Campus (October, 2024)

Measures Against Climate Change

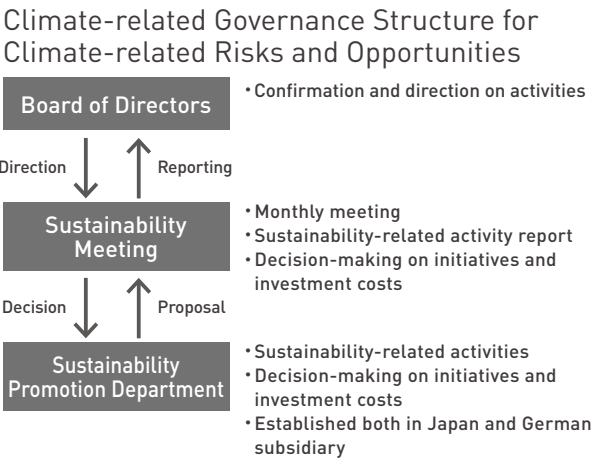


The Company is proactively disclosing climate change-related risks and opportunities in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and is implementing the following initiatives.

Governance

Dedicated Department Ensures Effective Climate Action

The Company established a "Sustainability Promotion Department" with the aim to evaluate the risks and opportunities of climate change and to plan, implement, and monitor appropriate measures. This department reports on sustainability initiatives at the monthly Sustainability Meeting and seeks approval for significant capital investments related to these efforts.



Strategy

Contributing to Climate Action Through Machining Transformation (MX)

The key pillars for our Machining Transformation are Process Integration, Automation, and Digital Transformation (DX). They increase our customer's productivity and free up management resources which in turn leads to a reduction in carbon emissions. Therefore, we believe the advancement of MX contributes to achieving a Green Transformation (GX) of the

manufacturing industry. By enhancing the Company's machine tool business, the Company is actively contributing to addressing the global challenge of climate change. In addition, the Company is engaging in initiatives such as utilizing solar power generation at its plants and implementing the "circular" business practices, all aimed at reducing CO₂ emissions across Scope 1, 2, and 3.

Metrics and Targets

Approved by SBT^{*1} Initiative

To enhance its response to climate change, the Company has established greenhouse gas reduction targets for 2030 and obtained certification from the international environmental organization "SBT Initiative"^{*1} in November 2021. Furthermore, in June 2024, together with DMG MORI AG in Germany, the Company obtained "Net-Zero"

target certification from SBTi. This SBTi-certified target aims for a 46.2% reduction in Scope 1 and Scope 2 emissions, and a 27.5% reduction in Scope 3 emissions by 2030 compared to the levels in 2019. The Company's long-term target by 2050 is a 90% reduction in total emissions from Scope 1 to Scope 3.

^{*1} SBT stands for "Science Based Targets": Reduction targets in line with Paris Agreement goals that aim to limit global temperature rise to 1.5-2 °C above pre-industrial levels. These targets are set and measured against the greenhouse gas emissions in 2019.

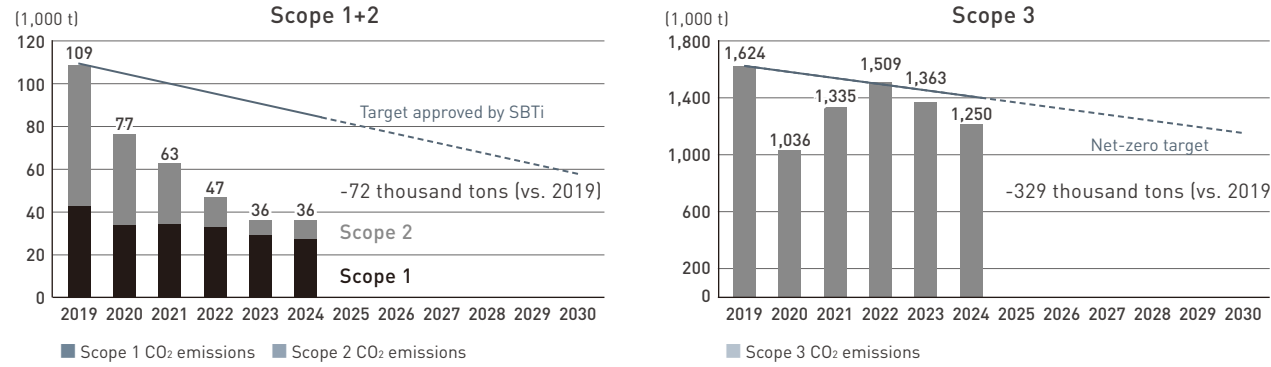
Reduction Targets for Greenhouse Gas (CO₂) Emissions

The Company will strive to achieve the SBTi-approved Net-Zero emissions targets by 2050, in line with the 1.5 °C trajectory. Our definition of "Net-Zero" is consistent with the SBT initiative. Companies are required to set reduction targets based on the 1.5 °C target and to neutralize residual emissions through carbon removal.

Net zero targets approved by SBTi		
Target Year	2030	2050
Scope 1 & Scope 2	▲ 46.2%	▲ 90%
Scope 3	▲ 27.5%	[Total of Scope 1, 2 and 3]



Carbon footprint record (compared to carbon footprint reduction targets approved by SBTi)



The Company scored A in the "Climate Change" and A- in "Water Security" categories in the CDP 2024 assessment.

CO₂ emissions for Scope 1, 2 and 3 (consolidated)

Scope		Emission Category		Source of emissions		2023 (consolidated)		2024 (consolidated)	
						(1,000 t)	Ratio	(1,000 t)	Ratio
Scope 1		Direct emissions from the Company				29	2.0%	27	2.1%
Scope 2		Purchased energy (electricity)				7	0.5%	9	0.7%
Scope 3	Category 1:		Purchased goods and services			549	39.3%	396	30.8%
	Category 3:		Fuel and energy related activities not included in Scope 1, 2			16	1.2%	11	0.8%
	Category 4:		Upstream transportation & distribution			29	2.1%	22	1.7%
	Category 5:		Waste generated in operations and use of water			1	0.0%	3	0.2%
	Category 6:		Business travel (by plane, train, car, bus, etc.)			17	1.2%	18	1.4%
	Category 7:		Employee commuting (by public transportation, car, etc.)			16	1.2%	14	1.1%
	Category 9:		Downstream transportation & distribution			12	0.9%	9	0.7%
	Category 11:		Use of sold products			686	49.0%	747	58.1%
	Category 12:		Disposal of sold products			36	2.5%	30	2.3%
	Category 15:		Investments			0	0.0%	0	0.0%
		Scope 1+2+3				1,399	100.0%	1,286	100.0%

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 Co., Ltd. has been providing high-precision magnetic and laser scales for the machine tool and industrial machinery fields for more than half a century. Among its product lineup, "Magnescale" is able to maintain reliable performance even in the challenging environments of metalworking shops. "Laserscale" supports the quality control of advanced semiconductor production equipment and ultra-precision machine tools with its outstanding 2.1 picometer resolution, and "Digital Gauge" provides digital support for measurements throughout production and assembly processes. As a JCSS-certified (Japan Calibration Service System for measurement traceability) length and angle calibration provider, Magnescale also ensures high traceability in compliance with

Japanese national standards. Recently, the demand for Laserscale as an essential device for quality control of advanced semiconductor production equipment and Magnescale's social responsibility for ensuring stable supply have been increasing. Aiming to strengthen the production capacity and business continuity, Magnescale began construction of a new Laserscale plant in Nara Prefecture in 2024, with plans to begin operations in 2026. In the future, Magnescale plans to produce both Laserscale and Magnescale at 2 locations and further enhance its corporate value through competitive products and sustainable operation.



DMG MORI Precision Grinding / TAIYO KOKI CO., LTD.

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



Tailored solutions to meet customer needs: a global leader in grinding centers

TAIYO KOKI is a specialized machine tool manufacturer known for its innovation and technical expertise in developing vertical grinding machines. As the final step in metal processing, grinding requires the highest precision among machine tools. To meet diverse customer needs, TAIYO KOKI offers a broad range of solutions – machine models of various sizes to cater to both mass production and low-volume, high-mix production, along with comprehensive automation systems. Founded in 1986, TAIYO KOKI joined the DMG MORI Group in 2001 and was listed on the JASDAQ Standard Market in 2007 (delisted in February 2025). The company currently produces around 200 various grinding machines per year. While leading the domestic market in vertical grinding machine development and sales, further expansion into overseas markets is essential

to achieve its revenue target of JPY 18.5 billion by 2030. In November 2024, DMG MORI CO., LTD. exercised a tender offer for shares of TAIYO KOKI and made it a wholly-owned subsidiary in February, 2025. By leveraging DMG MORI Group's global sales and service network, as well as its development resources, the Company aims to drive TAIYO KOKI's further growth swiftly and effectively. TAIYO KOKI also plans to strengthen production and development collaboration with DMG MORI Precision Boring, headquartered in the same Nagaoka City, Niigata Prefecture, with the new Nagaoka factory scheduled for operation in 2027. By maximizing synergies within the DMG MORI Group and expanding business in the Nagaoka area, TAIYO KOKI aims to further enhance corporate value.



DMG MORI CASTECH CO., LTD.

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



Offering a stable supply of high-quality casting products through ecological production methods

DMG MORI CASTECH CO., LTD. produces castings for beds and columns, which are major components of machine tools. Castings play a critical role in determining the accuracy, rigidity, and durability of machine tools, and therefore it is essential for machine builders to have a stable supply of high-quality castings. In addition, the production and procurement of castings are also associated with significant CO₂ emissions, necessitating measures to reduce environmental impact. To address these challenges, DMG MORI CASTECH has been

modernizing its main factory since 2022, gradually replacing outdated production equipment and expanding production capacity. In 2024, DMG MORI CASTECH introduced a new initiative to reduce CO₂ emissions by recycling materials. This involves repurposing castings from decommissioned machine tools and using cutting chips generated from machining castings as part of the material to create new castings. DMG MORI CASTECH will continue its improvement efforts, aiming to complete the reconstruction of its main factory by 2030. Alongside this, they will adopt cutting-edge production methods to further reduce CO₂ emissions during its production process and increase annual production capacity to 30,000 tons.



DMG MORI Precision Boring CO., LTD.

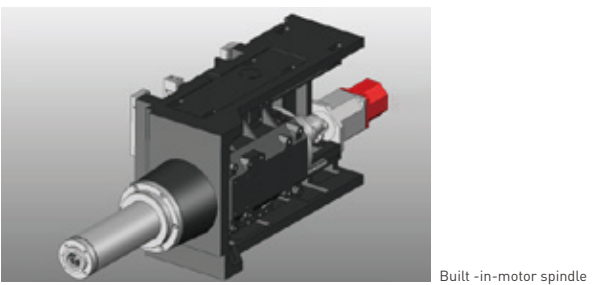
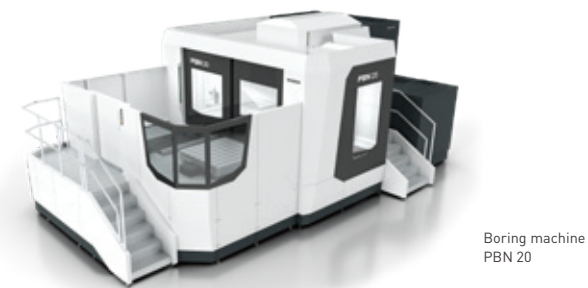
1-2-1 Jooka, Nagaoka City, Niigata, Japan <https://www.dmgmori-pb.co.jp/>



Delivering boring machines optimal for large and heavy workpieces to the global market

DMG MORI Precision Boring CO., LTD. (formerly KURAKI Co., Ltd.) is a leading manufacturer of boring machines and became a new member of the DMG MORI Group in 2024. Founded in 1938 in Nagaoka City, Niigata Prefecture, DMG MORI Precision Boring has dedicated more than 80 years specializing in high-precision boring machines. The unique products of DMG MORI Precision Boring are widely used for machining large workpieces with high precision in the automotive, semiconductor, medical, and energy industries. "PBN 20," the latest boring machine unveiled at JIMTOF 2024, is developed as a "hybrid model of horizontal boring and milling machine and machining center." The model combines

the high rigidity, cutting performance, and large machining envelope of a horizontal boring machine with the built-in motor spindle of a powerful machining center, offering up to 8,000 rpm and a best-in-class feed rate of 12,000 mm/min. With its unique rigidity and speed, PBN 20 is expected to allow customers to undertake even more various machining operations. Aiming to achieve a sales revenue of JPY 12 billion by 2030, DMG MORI Precision Boring will continue to make its products even more competitive while reinforcing its sales and service capabilities in Europe and other parts of the world, with the support from other DMG MORI companies.



DMG MORI Digital Co., LTD.

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

DMG MORI

DIGITAL

Accelerating MX with IT solutions

DMG MORI Digital was founded in Sapporo in 1980 as B.U.G. Co., LTD., an IT venture that originated from Hokkaido University. Since joining the Group in 2008, DMG MORI Digital has steadily expanded its business by leveraging its advanced technological expertise in both software and hardware. DMG MORI Digital has played a key role in developing machine tool operation systems, software, and connectivity solutions, including the "ERGOline X with CELOS X" human-machine interface, featured in DMG MORI's new machine models since 2024.

In 2024, DMG MORI Digital developed "Edge AI Board", an embedded CPU board capable of camera-based imaging and advanced AI processing, for the Digital E3 Core Series. Its high reliability fulfills the strict quality standards required for installation in DMG MORI machine tools. The board will be mounted on DMG MORI machines produced after 2025 as part of the "AI Chip Removal" function. Looking ahead to 2030, DMG MORI Digital will continue to foster talented IT professionals and promote MX through innovative IT solutions, while utilizing their products and services both externally and internally to drive profitability for the entire DMG MORI Group.



ERGOline X with CELOS X



TECHNIUM CO., LTD.

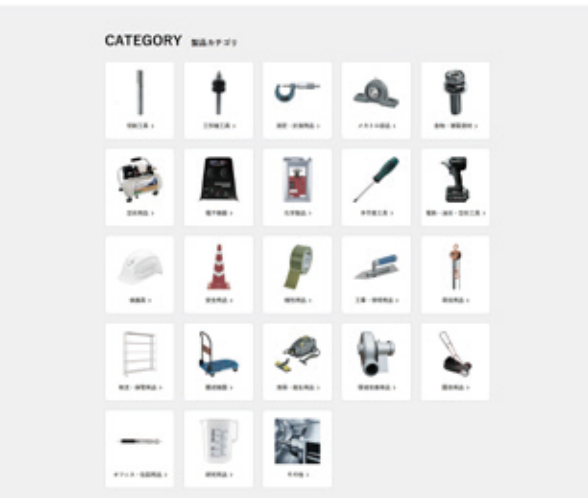
DMG MORI Tokyo Digital Innovation Center, 3-1-4 Edagawa Koto-ku, Tokyo, Japan <https://www.technium.net/>

TECHNIUM

Unique DX solutions to enable MX

In 2018, TECHNIUM CO., LTD. was established by the Company and Nomura Research Institute, Ltd. to support the Digital Transformation (DX) of its customers. By providing DX solutions, TECHNIUM plays a vital role in DMG MORI's Machining Transformation initiatives. In 2024, TECHNIUM released a dedicated cloud environment called "CELOS Xchange," which is connected to the new "CELOS X" machine control. This allows DMG MORI customers to view and use machine data across different CELOS X applications in a secure and scalable way. As the latest addition to its customer portal "my DMG MORI", TECHNIUM recently launched "eMarket", an e-commerce platform for machine tool related goods. Visitors can select items based on DMG MORI engineers' recommendations, and easily place repeat orders anytime, anywhere, which is expected to improve the efficiency of customers' purchasing activities.

TECHNIUM's vision for 2030 is to empower small-to-medium enterprises (SMEs) by introducing new DX tools and adding new functions to my DMG MORI and CELOS Xchange. To attract a wider range of users to their platform, TECHNIUM plans to expand my DMG MORI functions, and further refine CELOS Xchange as a machine data management hub.



SAKI Corporation

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

SAKI

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

SAKI Corporation offers quality inspection solutions that replace manual visual checks in the electronic module manufacturing process. By capturing images of printed circuit boards and components, its inspection systems automatically identify whether they meet quality standards or not. On April 8, 2024, SAKI celebrated its 30th anniversary. In this milestone year, SAKI focused on rapid product development to meet the advanced needs of customers, leading to increased sales of its automatic X-ray inspection systems. Looking ahead, SAKI plans to enhance its total solution offerings – combining optical inspection, X-ray inspection, software, and after-sales service – as it prepares for full-scale entry into new markets. SAKI is also further expanding its machine learning and automated inspection solutions, which

will help grow its customer base in the automotive and industrial sectors, driven by the rise of automated driving and big data. This expansion will also benefit the entire DMG MORI Group. As a provider of automated inspection solutions that enhance manufacturing quality and production efficiency, SAKI remains committed to ensuring the highest standards of quality in the digital age and aspires to contribute to a sustainable society.



Comprehensive Machine Learning & Automated Inspection Solutions

T Project CO., LTD.

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

T Project

Sales of "TULIP" - a cloud-based low-code platform for field-driven DX

Since its establishment in September 2020, T Project has been providing sales and services for "TULIP", a platform developed by the US-based Tulip Interfaces, Inc., in the Japanese market. TULIP's low-code interface allows it to be adapted to various tasks on the shop floor without requiring IT expertise, enabling in-house teams to easily digitize their manufacturing processes. TULIP enables continuous improvement by visualizing operations and identifying key issues through direct data capture from measurement equipment and process optimization. It also allows seamless management of the entire process chain by turning all tasks into applications that integrate with existing production facilities and core systems. This gradual digitization can serve as a foundation for driving company-wide digital transformation (DX). TULIP has been successfully implemented at DMG MORI's global

production sites, driving improvements in productivity, quality, and internal DX initiatives. With the opening of a new location in Okayama, "TULIP Experience Center" is now available at seven locations in Japan. The Center has further boosted TULIP's adoption among both existing and new customers across various manufacturing sectors, including process manufacturing industries. The platform is now in use by over 50 companies in Japan. Toward 2030, T Project aims to expand the use of TULIP across company-wide and plant-wide operations in a diverse range of manufacturing industries.



WALC Inc.

3-26-20, Shibuya, Shibuya-ku, Tokyo, Japan <https://www.walc.co.jp/>

walc

Development Center for Cutting-edge Automation & DX Services

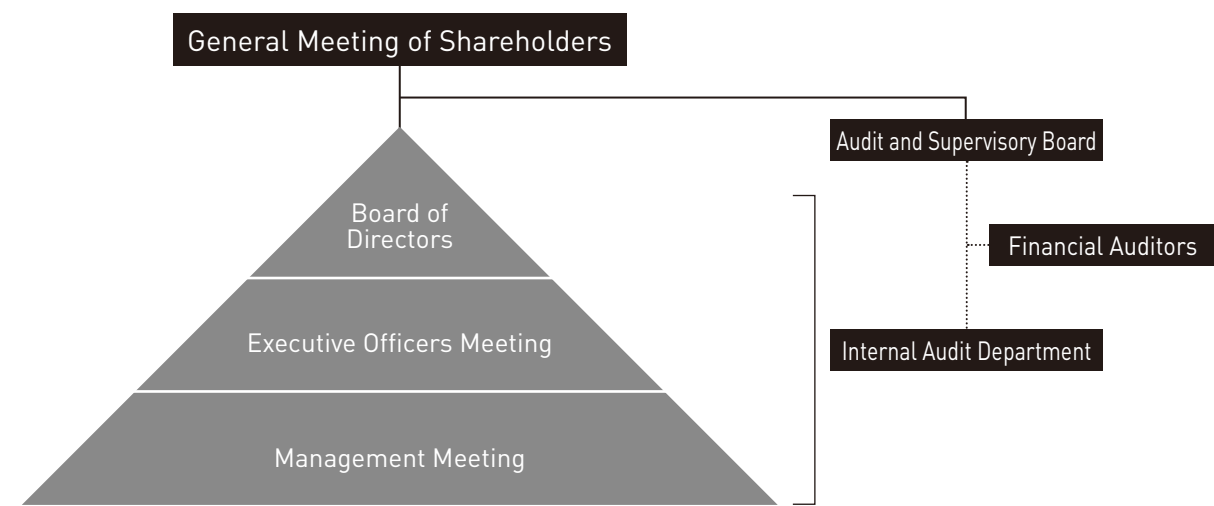
WALC Inc. was founded on April 1st, 2022, in Shibuya, Tokyo, as the successor to the Company's "Advanced Technology Research Center", which was established in 2017 to foster the leaders of the digital revolution in the manufacturing industry. Today, WALC provides services to promote MX. In 2023, WALC took over the development of the WH-AMR (Autonomous Mobile Robot) from DMG MORI CO., LTD., and has since been contributing to higher machine utilization with automated tool and workpiece transfer solutions amid labor shortages at customers' production sites. To further support customers, WALC has also developed "WALC CARE" and "WALC CARE KIT" for preventative maintenance, even on existing machines. WALC is currently developing the next generation of AMRs, driven by the vision that automation will be even more

advanced by 2030, which makes highly flexible AMRs even more important. As automation progresses, machine utilization will increase, creating a greater need for Digital Transformation (DX) in areas traditionally dependent on manual labor, such as preventative maintenance, handling machine alarms, and managing spare parts and consumables. WALC's team of data science specialists is committed to developing the cutting-edge services required to meet these evolving needs in the digital age.

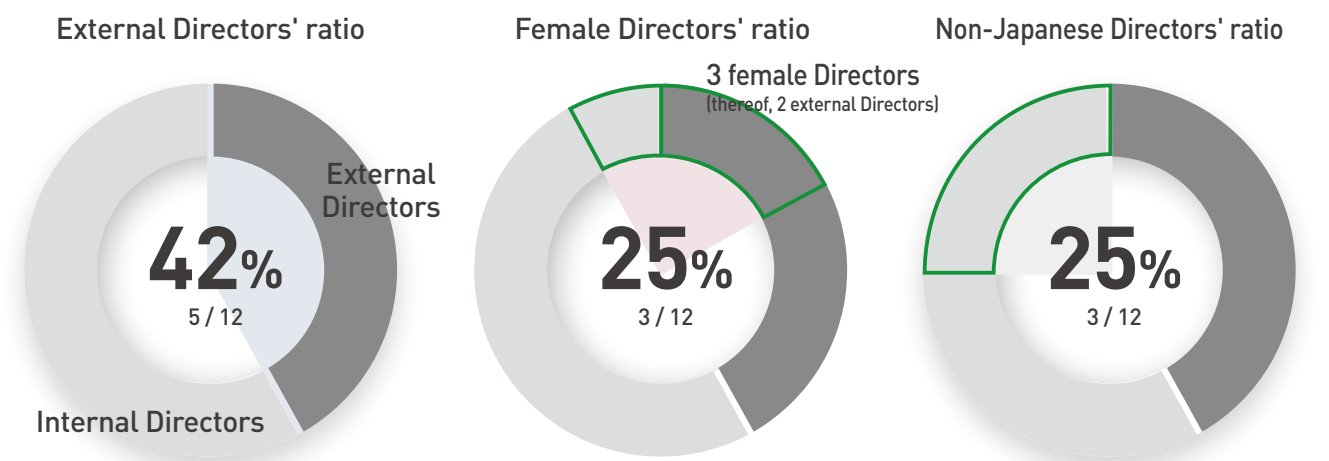


Governance Structure

Corporate Governance Structure in 2025



Key figures of Board of Directors (as of March 27, 2025)



Nationalities of non-Japanese Directors: the U.S., Germany, Austria

Corporate Governance

1. Corporate Governance Strategy

The Company places great importance on strengthening its corporate governance and management monitoring functions to enhance the transparency, fairness, and efficiency of its business operations. This commitment is focused on benefiting all stakeholders, including customers, employees, shareholders, business partners, and the communities it serves. The Company will continue to foster a culture of high ethical standards and consistently work towards increasing its long-term corporate value.

2. Audit and Supervisory Board Member (Kansayaku) System

The Company has adopted the Audit and Supervisory Board Member (Kansayaku) System. Based on the Audit and Supervisory Board Member System, which has a proven track record of success, the Company's basic policy is to conduct business operations in a flexible and efficient manner through a top-down approach.

3. Board of Directors

As of March 27, 2025, the Company's 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, the Company has

developed an efficient management system comprised of Directors and Executive Officers, which allows the Company to make quick decisions in response to the rapidly changing market and technology trends. Since 2015, the Company has also been proactively appointing external Directors to enhance transparency and objectiveness in its operations. In addition to their professional insights in organizational management, these external Directors also provide valuable expertise and diverse perspectives from their respective fields. While discussing major business strategies with long-term impacts at the Board of Directors meetings, the Company also holds regular Executive Officers and Management Meetings to discuss day-to-day operations. The discussion results are later shared at the Board of Directors meetings, thereby ensuring transparency to the Board of Directors without compromising the agility of business operation.

4. Audit and Supervisory Board

The Audit and Supervisory Board consists of one full-time Corporate Auditor, who is well experienced and familiar with the Company's 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 the Company's domestic and overseas headquarters, factories and group companies.

5. Governance of DMG MORI AG

DMG MORI AG, has a different governance system than that of a Japanese company. The Supervisory Board is placed above the Executive Board and is responsible for appointing Executive Board members and approving major investments and business plans. To further strengthen the Company's governance on DMG MORI AG, Dr. Masahiko Mori, President and CEO of the DMG MORI Group, assumed the position of Chairman of the Supervisory Board in May 2018. Later in March 2019, then Managing Executive Officer James Nudo (currently Vice President of the Company) and then Senior Executive Officer Irene Bader (currently Director of the Company), were appointed as members of the Supervisory Board. Daily business progress at each sales office and production site is reported and managed at the monthly Executive Officer meetings.

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 27, 2025, 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.

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. For directors, remunerations are determined by taking each director's contributions to business and the status of business execution into account. For Corporate Auditors, remunerations are determined by discussions among Corporate Auditors. The table below shows the remunerations in 2024.

1) Policy on Determination of the Executive Board's Remuneration

The Company's remuneration system for the members of the Board of Directors is designed to ensure a high linkage between short- and long-term corporate performance with remuneration on a transparent and competitive level as required for listed companies in various markets, in order to attract and retain global talent as contributors to the sustainable enhancement of the Company's corporate value. Specifically, given that DMG MORI AG is subject to consolidated accounting as a listed company on the German stock exchange and considering its unique Board structure that includes non-Japanese Directors, the Company has adopted as its benchmark the executive remuneration system in Germany with its highly transparent disclosure of fixed and variable remuneration regardless of the amount. The variable remuneration consists of "bonus" as short-term performance-linked remuneration based on the performance over a single year and "stock-based remuneration" as long-term performance-linked remuneration that reflects performance over multiple years. Bonuses are calculated based on the degree of achievement of company-wide targets, such as consolidated sales revenue and consolidated operating profit, as well as the performance of each Director with respect to the targets in the divisions under his/her control, thus clarifying the responsibilities of each Director and realizing his/her performance targets per fiscal year. In addition to consolidated sales revenue, consolidated operating profit, net interest-bearing debt, and promotion of sustainability initiatives, the Company will adopt "optimization of capital investment" as a company-wide indicator from FY2025. In addition to this, the Board of Directors has adopted its own criteria for the maximum remuneration for each Director set at 50 times the average annual salary of a staff-level employee. However, External Directors and External Auditors are independent from the execution of business operations and shall only receive a fixed remuneration (base compensation). The policy and remuneration for Directors are decided by the Board of Directors, which includes 5 External Directors and 2 External Auditors, after consultation with and response from the Compensation Committee, which consists of 1 Corporate Director, 2 External Directors, and 1 External Auditor. The Compensation Committee also provides consultation after receiving reporting on the performance evaluation of each Director's division and the bonus amount to be paid to each Director. After receiving the report, the amount of remuneration for each Directors is entrusted to and determined by President & Representative Director Dr. Masahiko Mori, Chairman of the Audit & Supervisory Board of DMG MORI AG. The amount and process of the determination is then reported and approved in the Board of Directors meeting. Among the compensation for Directors, base compensation (fixed compensation) is determined in accordance with each Director's position and level of responsibility, and is set at a ratio of 4:2:1.4:1 for President & Representative Director, Executive Vice President & Representative Director, Vice President & Director, and other Directors. Among performance-linked compensation, bonuses linked to single-year performance are set to a maximum of 1.5 times the annual base compensation, and are determined based on a combination of consolidated performance indicators and individual performance evaluation. However, with respect to the President and Representative Director, only consolidated performance indicators are used. As for stock compensation, restricted stock compensation is granted on an irregular basis and is determined by the Board of Directors on a case-by-case basis. The Board of Directors' Meeting has confirmed that the method of determining the details of compensation and the details of the compensation determined for each individual Director for the current fiscal year are consistent with the decision-making policy approved by the Board of Directors and are in line with such policy.

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)	889	491	379	18	5
Corporate Auditors (excluding external Corporate Auditors)	33	33	—	—	1
External Directors	120	120	—	—	5
External Corporate Auditors	30	30	—	—	2
Total	1,072	674	379	18	13

[Footnotes]
1. Amounts are rounded down to the nearest million yen.
2. Non-monetary compensation includes the amount recorded as cost for granting restricted stock.
3. As resolved at the 71st Annual General Meeting of Shareholders held on March 22, 2019, the total amount of remuneration, etc. for Directors shall not exceed 2,000 million yen per year (including 200 million yen for External Directors). The number of Directors as of the close of this Annual General Meeting of Shareholders was 11 (including 4 External Directors).
Also, as resolved at the 70th Annual General Meeting of Shareholders held on March 22, 2018, the total amount shall not exceed 300 million yen per year (with External Directors not eligible for payment) as compensation for granting restricted stock. The number of Directors as of the close of this Annual General Meeting of Shareholders was 5 (excluding External Directors).
4. As resolved at the 59th Annual General Meeting of Shareholders held on June 28, 2007, the total amount of remuneration, etc. for Corporate Auditors shall not exceed 100 million yen per year. The number of Corporate Auditors as of the close of this Annual General Meeting of Shareholders was 3.
5. The above does not include compensation from the Company's consolidated subsidiaries.

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 2024 (current fiscal year) Total amount of consolidated remuneration, etc. (JPY million)	Fiscal Year 2023 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	135	4	339	404
Hiroaki Tamai	Director	DMG MORI CO., LTD.	100	75	5	180	200
Hirotake Kobayashi	Director	DMG MORI CO., LTD.	100	75	8	183	199
Makoto Fujishima	Director	DMG MORI CO., LTD.	70	72	—	142	132
James Nudo	Director	DMG MORI CO., LTD./DMG MORI Federal Services, Inc. / DMG MORI EMEA GmbH	106	109	—	216	196
Alfred Geißler	Director	DMG MORI AG	147	211	—	358	—
Irene Bader	Director	DMG MORI Global Marketing GmbH	75	57	—	133	81
External Directors	External	DMG MORI CO., LTD.	120	—	—	120	120
Masahiro Yanagihara	Corporate Auditor	DMG MORI CO., LTD.	33	—	—	33	27
External Corporate Auditors	External	DMG MORI CO., LTD.	30	—	—	30	30

[Footnotes]
1. Amounts are rounded down to the nearest million yen.
2. President & Representative Director Dr. Masahiko Mori concurrently serves as Chairman of the Audit & Supervisory Board of DMG MORI AG and Director of TAIYO KOKI CO., LTD. but does not receive any compensation from these companies.
3. Director Alfred Geißler was newly elected and appointed as Director at the 76th Annual General Meeting of Shareholders held on March 28, 2024.
4. The number of External Directors subject to the total amount of remuneration, etc. is 5 for the current fiscal year and 6 for the previous fiscal year (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).
5. The number of External Auditors subject to the total amount of compensation is 2 for the current fiscal year and 2 for the previous fiscal year.

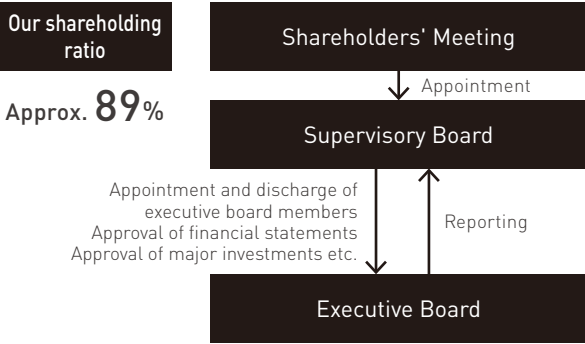
Our Governance Policy and Relationship with Listed Subsidiary

As of March 27, 2025, DMG MORI AKTIENGESELLSCHAFT ("AG") is a German listed subsidiary of the Company. AG is 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 Group. The Company is working towards maintaining and strengthening a governance system to preserve the rights of general shareholders, while leveraging the strengths of both companies to enhance the corporate value of the entire Group.

1. DMG MORI AKTIENGESELLSCHAFT

AG is listed on the Prime Standard market of the Frankfurt Stock Exchange. As of December 31, 2024, DMG MORI CO., LTD. owns 88.93% of AG's outstanding shares. Under German law, members of the Executive Board (Vorstand) are appointed by the Supervisory Board (Aufsichtsrat). Since the President of the Company, Dr. Masahiko Mori, also serve as the chairman of AG's supervisory board, he can wield significant influence, through the Supervisory Board, over the appointment of Executive Board members and the overall management of AG. Regarding the protection of general shareholders, the Company 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, AG has established a voluntary commitment that at least 50% of the Supervisory Board members must be independent to strengthen corporate governance.



2. Key Features of the German Supervisory Board (Aufsichtsrat) System

German stock corporations (Aktiengesellschaften) operate under a governance structure which clearly separates the structure and role of the Supervisory Board (Aufsichtsrat) and the Executive Board (Vorstand). The Executive Board executes business operations, while the Supervisory Board oversees its activities, including appointing or dismissing board members and approving key actions such as mergers, major investments, and equity transfers. Without the Supervisory Board's consent, the Executive Board cannot proceed with such actions. Also at AG, the Executive Board focuses on executing operations, while the Supervisory Board provides supervision without engaging in daily business activities.

In addition, what is unique is that companies that are subject to the Co- Determination Act (Mitbestimmungsgesetz), Supervisory Board members must include employee representatives. Shareholder

representatives are elected at the general shareholders' meeting, while employee representatives are elected by the employees. At AG, the Supervisory Board consists of 12 members, evenly split between 6 shareholder representatives and 6 employee representatives. Additionally, AG has set a female-quota of 30%, which applies to both shareholder representatives and female representatives respectively, so that diverse perspectives are reflected in its management. To keep the decision-making processes efficient, Supervisory Boards can also establish committees. AG's Supervisory Board has set up four committees to enhance its efficiency: the Finance and Audit Committee, the Personnel, Nomination, and Remuneration Committee, the Nomination Committee and the Committee for Transactions with Related Parties.

Directors and Corporate Auditors

Introduction of Directors As of March 27, 2025



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

Oct. 2015

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 Pfronten GmbH)

Jan. 1997

Head of Production, DECKEL MAHO Pfronten GmbH (currently DMG MORI Pfronten GmbH)

Jul. 2000

Head of R&D, DMG MORI Pfronten GmbH

Jul. 2005

Managing Director in charge of R&D / Production / Quality and Finance, DMG MORI Pfronten GmbH

Sep. 2016

Managing Director in charge of R&D / Production / Quality and Finance, DMG MORI Pfronten 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)

Directors and Corporate Auditors

Introduction of External Directors As of March 27th, 2025



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 (incumbent)

Apr. 2024 Visiting Professor, Kanazawa Institute of Technology (incumbent)



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)

Aug. 2024 Temporary Member, Council for Small and Medium Enterprise Policy, Ministry of Economy, Trade and Industry (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

Jun. 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 27th, 2025



Masahiro Yanagihara

Corporate Auditor

Mar. 1983 Graduated from the School of Economics, Kwansai 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, Secretarial Department

Mar. 2023 Full-time Corporate Auditor (incumbent)

Introduction of External Corporate Auditors As of March 27th, 2025



Yoshinori Kawamura

External Corporate Auditor

Mar. 1975 Graduated from the Faculty of Economics, Kyoto University

Apr. 1975 Joined 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 Director, 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)

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	●	●		●		
External	Irene Bader		●	●			
	Takashi Mitachi	●	●				●
	Makoto Nakajima		●			●	
	Hiroko Watanabe	●	●		●		
	Mamoru Mitsuishi		●		●		
	Eriko Kawai		●			●	●

Dialogue with External Directors



Hirosuke Tai
Daiwa Securities Co., Ltd.
Equity Research Dept.
(In charge of Machinery,
Shipbuilding, and Plants)
Chief Analyst

Hiroko Watanabe
External Director

Eriko Kawai
External Director

Takashi Mitachi
External Director

Mr. Tai: My name is Tai, and I have been an analyst at Daiwa Securities since 1999, focusing on the machinery sector. Under its strong leadership, DMG MORI is driving transformative changes in the machine tool industry and the capital market is highly interested in the role of external directors in this process. I am looking forward to hearing your honest insights. Thank you for your time today.

Mr. Tai: First of all, with your diverse backgrounds, how do you view the current state of the machine tool industry as external directors of DMG MORI?

Mr. Mitachi: The machine tool industry is characterized by cyclical fluctuations in demand. The Company has worked extensively to find ways to become more resilient to this cyclicity and the efforts are starting to pay off. A clear example was the pandemic from four years ago. As a response, the Company not only diversified its operations regionally but also accelerated

the shift to a solutions-based business model, which was initiated back in 2010. This approach has proven highly successful and enabled the Company to generate stable cash flow through strong after-sales services. Additionally, in terms of cost structure, I believe the Company is now well-prepared, based on the premise of cyclicity. In other words, I believe the Company now has a structure that allows it to take firm action on costs when market conditions are bad, while maintaining its workforce. Another strength of DMG MORI is its diverse customer and product portfolio. The Company has moved away from relying heavily on the automotive industry, expanding into sectors such as aerospace, medical, and more. This diversification has further strengthened its resilience against economic downturns. In the future, competitors may also aim to adopt a solution-oriented business model and the key for DMG MORI is how to stay consistently ahead of them.

Ms. Watanabe: The machine tool industry is a key customer of the company that I run, so I have known it

for some time. However, after joining the Company as external director, I have formed the impression that the Company's strategies are ahead of other companies within the industry. There are many owner-operated companies in the machine tool industry, which excel at taking a long-term approach to management and planning investments and returns over a 10-year period. However, the Company's management looks even further ahead. As Mr. Mitachi mentioned, DMG MORI was the first in the industry to transform into a solution-oriented business, setting itself apart from competitors.

Ms. Kawai: AI (Artificial Intelligence) and IT will also become increasingly important for the machine tool industry. While Japan's machine tool industry still has many small and medium-sized companies, the market consolidation is prevalent, as was the case with DMG, DMG MORI's German subsidiary, in the past. The Company is already a leading company and will most likely become the central figure in Japan's machine tool industry by staying ahead in areas such as AI and IT technologies, while continuously enhancing service quality.

Mr. Tai: Thank you for sharing your valuable perspectives on DMG MORI's position within the industry. Next, I would like to hear about any proactive initiatives you have taken as external directors. As I mentioned earlier, from an investor's standpoint, there is considerable interest in understanding the role external directors play, particularly given the significant presence of President Dr. Mori.

Ms. Watanabe: Each external director has their own area of expertise. The executive directors listen carefully to our input in these areas, enabling us to offer advice from an external perspective, such as identifying any overlooked aspects. In my case, I often raise questions during board meetings such as whether the potential impact on small and medium-sized suppliers has been properly considered.

Mr. Mitachi: The board meetings are not predetermined in terms of outcomes but serve as a forum for open discussion.

Ms. Watanabe: If an executive director is unable to provide an answer on the spot, they prepare a response and report back by the next board meeting. Having the board meeting as a platform for discussion, the executive directors are encouraged to carefully consider the objectives and measures behind their actions and to prepare diligently to fulfill their accountability. Overall, I believe the external directors are functioning effectively.

Ms. Kawai: One of the strengths of the Company is the prompt and thorough provision of information when

questions are raised. In addition to board meetings, I am personally interested in contributing to talent development. For example, I have delivered lectures for employees under the theme of "Global Communication," held discussion sessions to hear employees' voices, and participated in forums to discuss women's careers, where I exchange opinions with female employees working at the Company. Given the nature of the industry, the low ratio of women is somewhat unavoidable, but I am committed to providing support within this context. One initiative I found particularly impressive is the Company's comprehensive partnership with Nara Women's University when it established an engineering department, aiming to nurture female engineers from the student stage. Additionally, I believe the Company's investment in employee education per person per year ranks among the highest in Japan.



Mr. Mitachi: I believe the role of external directors is to provide insights from experiences in other industries and beyond the realm of machine tools, while also contributing to risk mitigation. Prior to the current Medium-Term Business Plan, the Company developed the "Vision 2030", primarily led by younger and mid-level employees, and external directors provided significant advice during this process. In recent years, factors beyond business competitiveness have become potential risks. Specifically, geopolitical issues, pandemics, and in Japan's case, large-scale earthquakes are notable examples. During the pandemic, for instance, the board of directors discussed early on employee safety along with the risk of engineers being unable to travel to customer sites for machine installation, which could halt operations.

Ms. Watanabe: From a risk management perspective, the board of directors consistently discuss preparations for various potential risks, including not only the distribution of production sites but also the locations of suppliers and the extent of their supply capabilities.

Mr. Mitachi: I believe the external directors of the Company are expected to provide concrete inputs with regards to global perspective, comprehensive risk management, and viewpoints that the executive director may not have considered. Challenging Dr. Mori's view on the machine tool industry and clients is not

worthwhile, since he visits hundreds of customers annually. We, external directors, are cognizant of the necessity to offer advice from our unique perspectives to deliver added value. Dr. Mori and the internal executive directors sincerely listen to our opinions. For example, when we suggested creating a forum exclusively for discussions among external directors, the proposal was readily accepted.



Mr. Tai: You mentioned having interactions with employees — do you also have opportunities to visit production sites?

Ms. Watanabe: Yes, in my case, I take the opportunity to visit nearby production sites when they are located close to where I am traveling for business.

Ms. Kawai: I plan to visit our overseas sites next year (2025). It will be increasingly important for DMG MORI to enhance communication with overseas employees in Germany and other countries. I believe this will play a key role in boosting employee motivation.

Mr. Mitachi: When I was appointed as an external director, I had the opportunity to visit many sites, including overseas locations. Meeting with the overseas top executives provided a starting point for discussions on how to approach global management effectively.

Mr. Tai: As external directors, which KPIs do you particularly focus on? Qualitative metrics are also welcome.

Mr. Mitachi: I pay close attention to the time lag between orders and sales, as I believe it can serve as an indicator to detect signs of upcoming volatility. I also focus on ROA, as it is the best metric to assess how efficiently invested assets are generating returns. Some have commented that the Company's balance sheet has become too large, but what matters is whether it aligns with its strategy. Given the Company's business model, having a slightly larger balance sheet might actually be more appropriate. I also believe it is important to adjust KPI targets according to the situation and focus the management's aim at achieving longer-term growth. Naturally, I also

pay attention to the stock price. I focus on Total Return to Shareholders (TRS), including dividends, to see if the number of long-term investors is increasing.

Ms. Kawai: Since the Company is a company that actively invests, I also monitor cash generation capacity. While I support investments, it is important to maintain a balance with the redemption of interest-bearing debts.

Ms. Watanabe: At board meetings, directors are provided with a variety of numerical data, including various KPIs. While some investments take time to yield returns, I understand that, through discussions at the board level, the Company ultimately makes investments that generate cash.

Mr. Tai: While they understand that DMG MORI has medium- to long-term objectives, some investors in the capital market express concerns about the Company continuing to make aggressive investments even during periods of underperformance.

Mr. Mitachi: The presence of external directors compels the executive directors to articulate and explain the rationale behind their investments. This requires them to provide data and logical reasoning, creating a healthy sense of tension. Through thorough discussions at the board meetings, we are convinced that the Company is making investments with a long-term perspective.

Mr. Watanabe: Exactly. The board meetings also involve a significant number of questions. By asking questions, external directors can examine the each issues.

Mr. Mitachi: In a highly volatile industry, the fact that DMG MORI formulated and publicly announced a Medium-Term Business Plan reflects the management's commitment to providing some form of guidance while keeping a medium- to longterm perspective in mind.

Ms. Watanabe: Amid high uncertainty, including conflicts around the world, the Company engages in discussions on mitigating risks, such as diversifying production sites. There are also investments aimed at ensuring the long-term continuity of the business.



Mr. Tai: What are your views on the Company's succession plan, including the establishment of a Nomination Advisory Committee? Many investors are closely watching the succession process, particularly because of the strong leadership of the current president.

Mr. Mitachi: As part of the preparation, DMG MORI is already taking steps to develop future leaders, such as sending executive candidates to the Kyoto University Executive Business Program, which I oversee. However, I believe the successor to the current president will likely lead through a "team-based" management approach. Additionally, establishing a formal Nomination Committee should be considered as the next step in enhancing the Company's governance structure.

Ms. Watanabe: The Company places greater emphasis on substance rather than formality. Instead of prioritizing formalities to establish a Nomination Committee, one option could be to create an alternative body that focuses on substantive functions equivalent to those of a Nomination Committee.

Ms. Kawai: Additionally, the current president has an extensive personal network outside the core business, and passing on this external network to the next management team will be crucial. The president's wide-ranging connections have, directly or indirectly, had a positive impact on the business. Supporting the next president in building their external network is something I view as a secondary role of us external directors.

Mr. Tai: Speaking for yourself, isn't it difficult to find time to serve as an external director for multiple companies at the same time?

Ms. Kawai: The number of companies one can serve as an external director depends on the situation of each individual. If you are managing a business like Ms. Watanabe, you may be able to serve as an external director for one company at most. However, for someone like me, with more flexibility, it is entirely possible to hold multiple such roles. I accept external director positions when I can ensure I have enough time to dedicate to each company. The advantage of serving on multiple boards is that I get to see the practices of various companies. By learning from both the strengths and shortcomings of different organizations, I can offer various insights and advice that are relevant to the Company's management.

Mr. Mitachi: Having served as an external director for multiple companies, I have found that in the end, I tend

to focus on the companies that are most fulfilling. The challenge is that when serving as an external director for a company you find rewarding, you inevitably become attached to it. The tricky part is maintaining the right distance, even when you develop a fondness for the company (laughs).

Ms. Watanabe: As Ms. Kawai mentioned, I am personally involved in managing a company, so I cannot think of serving a company other than DMG MORI as an external director. To fulfill my responsibilities and meet the expectations of the Company's shareholders, I have no plans to take on any additional roles.



Mr. Tai: What points do you communicate and explain during discussions with investors?

Mr. Mitachi: In the past 4 to 5 years, there has been an increase in questions directed at external directors during the annual general meeting of shareholders. We strive to ensure that the shareholders understand our roles and how we contribute to the Company.

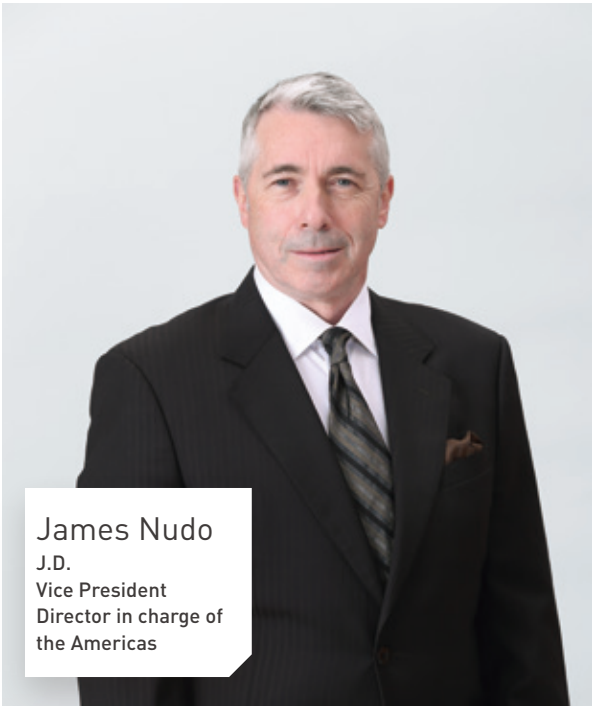
All External Directors: As stated in the Ministry of Economy, Trade and Industry's "Guidelines for external directors", we are open to direct dialogue with institutional investors. However, we would like investors to distinguish between the questions for the executive directors and those for external directors. The roles required of an executive director and an external director are different, and we would like to have a dialogue based on a common understanding of this premise.

Mr. Tai: Thank you very much for the open discussion today.

All External Directors: Today's dialogue was very insightful for us to understand how the Company's governance structure is viewed by the capital market. We will continue to make efforts to meet the expectations of the shareholders.

Legal & Risk Management

Looking to the Future of the Legal Department



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

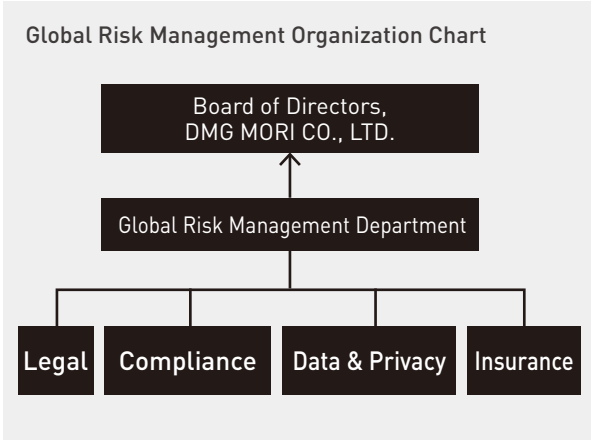
In Japan, some still perceive the role of legal department as limited to managing shareholders' meetings and reviewing contracts, detached from the core activities that drive business growth. However, this view is outdated. In modern Western companies, the legal department plays an integral role in decision-making, particularly when the company is making significant investments or developing new products or services across several jurisdictions. For example, in mergers and acquisitions, attorneys can avoid delays or cancellations by reviewing local merger filing requirements or foreign direct investment regulations. Even if a transaction is legally permissible, if the company does not take sufficient time to conduct due diligence, it may end up absorbing undesired litigation risks, hidden financial liabilities, or paying for intellectual property which holds little value. With regards to products and services, the European Union – as an example – has been very eager to introduce new regulations in areas such as AI, sustainability, and cybersecurity. As a result, products that were once unproblematic may now need functionality changes or specialized data management systems to remain sellable in the EU market. Hence, the legal department is not just a cost center — it is critical for the company to contain creating added value, and it may have to pay a high price if it fails to invest in its legal functions accordingly. So, what are the key principles for DMG MORI's legal department to function as a value center?

First Principle: "Have a business-driven mindset"
When advising young lawyers, I often ask, "What is the worst that could happen to the company if the situation you described continues?" Having spent 10 years as a litigation attorney, I know that even in a country like the U.S., which is known for its litigiousness, less than 10% of cases make it to trial. So, instead of trying to eliminate the risk entirely, in-house attorneys should focus on identifying legal barriers to realize business ideas and urge business leaders to take appropriate action. Running a business inherently involves risk; trying to avoid it altogether will hinder the growth of the company. In fact, there is a concrete example where the legal department contributed to business creation. In 2022, we established a subsidiary specializing in machinery sales to the U.S. government. This decision was derived from the advice of our U.S. in-house counsel, who, after reviewing the U.S. Federal Acquisition Regulations, advised that it is less costly to establish a new entity to handle transactions rather than to alter internal protocols of the existing entity. It's common in the U.S. for in-house attorneys to transition into management roles, because attorneys can be very creative if they choose to. I, also, have been involved in the business side for the last several years, and I encourage younger attorneys to consider running a portion of the business if the chance arises. Even if they choose not to take on such roles, a deeper understanding of the business will undoubtedly help them provide better legal advice as in-house counsel.



Second Principle: "Broaden practice areas"
We employ several lawyers across our key markets in Asia, Europe and the Americas, each specializing in specific areas of laws in addition to their regional responsibilities. While some shareholders may question whether our lawyers, trained in specific jurisdictions, can respond to cross-border inquiries, it has been proven to be effective because over time the lawyers develop a deep understanding of the business strategies related to that business segment. From the business managers' perspectives, this set-up allows them to rely on a single contact, saving their time and effort.

To take this a step further, we established a new Global Risk Management Department which will go live in January 2025. This department will consolidate legal, compliance, data privacy and insurance functions under one department head. This structure will allow us to offer more holistic advice and be involved in key business decisions at earlier stages. Although not many companies have this type of structure, the functions grouped under the new department are naturally aligned, as they all have legal or regulatory requirements which form their principles. I have high expectations for the appointed lawyer who will lead this department highly trained and experienced members, knowing their analytical and decision-making skills will be put into use across these related fields.



Third Principle: "Influence up"
The era when the global north believed that globalization, driven by lowered trade barriers and ubiquitous information technology, would lead to a more peaceful world has come to an end. Since 2020, terms like "regional conflicts", "trade wars", "economic security", "supply chain vulnerability", have become increasingly common in the international business world. In this environment, managing geopolitical risks is a critical challenge for a global company like ours. While there is no simple solution, I believe it's crucial for the team members of the Global Risk Management Department to continue gathering information in multiple regions, just as the Company mitigates logistics and currency risks by diversifying our production bases around the globe. Factual knowledge about new laws and regulations gained through in-house legal networks or seminars held by law firms is invaluable. However, nuances and insights related to legal developments, such as understanding how a country's executive branch is responding to a particular issue, are equally important in assessing risks for the Company's business; I encourage our in-house counsel and compliance experts to establish and maintain a network of external experts in each relevant jurisdiction, attend professional conferences and be attuned to regulatory trends in their jurisdictions. By understanding relevant enforcement trends, assessing their potential impact on our business and by urging our group companies to strengthen their compliance systems, the legal department can help the Company be better prepared for risks in its cross-border activities to foreign markets.



Risk Management

The Company identifies and evaluates risks by taking into account external factors, such as the political and social environment, as well as internal factors related to the industry and business characteristics. Among them, export control and information security are deemed as important management topics.

Export Control

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, the Company is obligated to confirm the non-military use of its 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, the 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.

Export Control Process

The Company's export control process has two phases: pre-export screening and post-export control. Before accepting a customer's order, the Company thoroughly inspects their business activities and the intended purpose of their purchase to ensure there are no concerns of military use. Subsequently, before exporting, it files applications to the relevant authorities [in Japan, the Ministry of Economy, Trade and Industry] and obtains the necessary export permission. In case of relocation or resale of its product after export, the Company screens for military use again. Since 2008, all the Company's 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 a relocation, the machine is automatically locked and rendered unusable (see figure below). Through these measures, the Company strives to prevent the unlawful diversion of its products to countries of concern or for military

purposes.

Adapting to Changing Regulations to Protect Our Industry and Technologies

In light of 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, the Company is committed to providing ongoing education on export control to the approx. 13,500 employees worldwide, so that they can effectively respond to evolving regulations. The Company considers it crucial that all DMG MORI group employees understand the significance of export control and internal regulations relevant to their business operations. Since October 2022, the Company has been conducting regular global export control meetings amongst its regional export managers 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

Through our continued global export control meetings and the installation of Relocation Detection Devices on all our machines, including those made in Europe since 2023, DMG MORI ensures compliance with Japanese and European laws and regulations, while safeguarding world peace and international order by preventing machines being used for unintended purposes such as military use.

The Company will continue its efforts to raise awareness and strengthen export control throughout the entire DMG MORI Group.

Information Security

Information Security: Our Commitment and Actions

In light of the growing threat of cyberattacks, the Company regards information security as a critical management concern. Consequently, the Company has implemented a series of measures to enhance its 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.

The Company has also extended these efforts to its group companies, each of which now operates its own internal information security team. Guided by the central Information Security Committee, the Company aims to promote best practices and implement group-wide measures against emerging security threats. Throughout all of its initiatives, the Company's top priority remains the protection of the valuable information entrusted to it by its customers. Therefore, the Company consistently reviews and refines its information management methods and security measures to uphold this commitment. Apart from its internal initiatives, the Company enforces stringent security measures to protect the data communicated between DMG MORI machines, services, and the customers' network. Moreover, the Company engages in close collaboration with its partners and customers to enhance security in factories undergoing Digital Transformation.

Driving Force of Information Security Initiatives

The Company regularly hosts "Information Security Committee", which is led by the director in charge of administration and oversees the Group's information

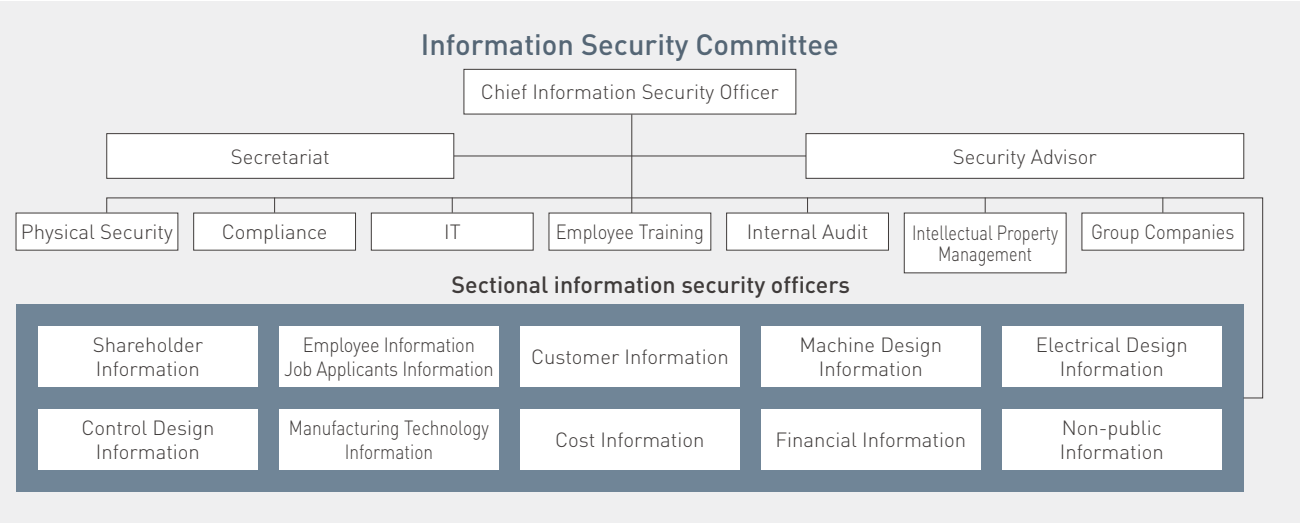
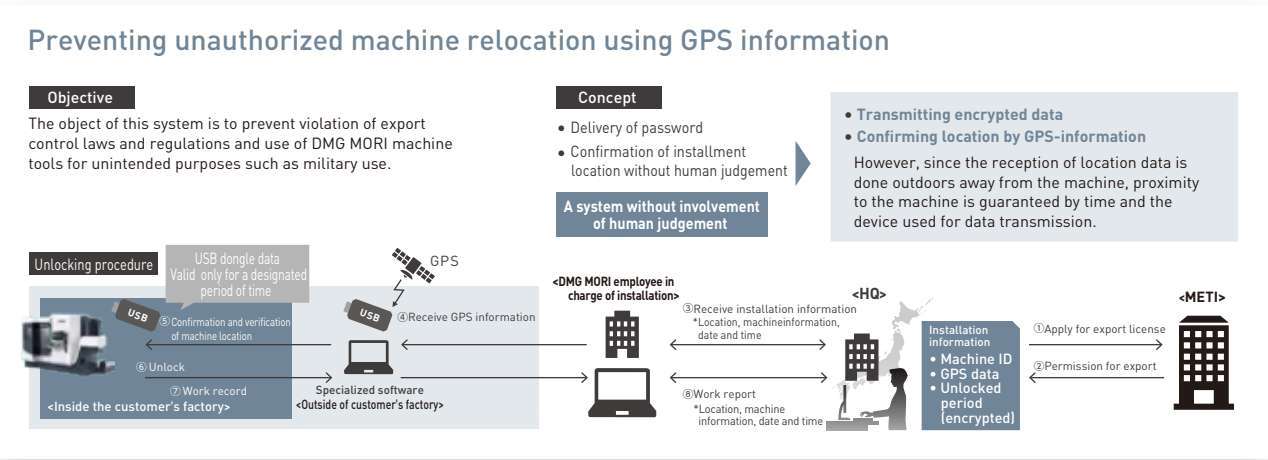
security management. The Information Security Committee formulates security strategies, strengthens governance through training, etc., enforces security protocols, and oversees information security audits. In addition to the Information Security Committee meetings, the Company also hosts global, in-person cybersecurity workshops with its overseas group companies. In 2024, a total of two workshops were held in Munich (Germany) and Chicago (USA), sharing local challenges and devising measures aligned with a globally unified security strategy.

Strengthening Information Security Across the Globe and Supply Chain

To deal with the recent surge in cyberattacks targeting its overseas group companies, the Company started on-site IT security audits in 11 Asian countries in 2023. Once a year, IT experts from Japan visit the local offices for security protocol audits and information security guidance, aiming to ensure the same, continuously improved security standards worldwide.

Additionally, in response to the increasing number of cyberattacks on its supply chains, the Company started reaching out to its suppliers. In 2023, the Company visited key suppliers and discussed current and future security measures. Based on the findings, it later organized information security seminars and trainings tailored to their needs and security levels.

The Company remains committed to continuing these initiatives and further strengthen its information security management throughout its supply chain.



BCP (Business Continuity Plan)

Basic measures

Following the Great East Japan Earthquake in March 2011, the Company regularly reviews its disaster countermeasures manual. As part of its disaster prevention activities, the Company conducts periodic educational drills, checks various disaster prevention equipment, and performs satellite phone call tests. Furthermore, its 17 manufacturing sites 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 • Additional hazards (Nankai megathrust earthquake, Tokyo megaquake, Tsunami) • Additional business locations (Nara, Tokyo GHQ, Nara PDC, Nagoya)
	Added 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

The Company is steadily enhancing its solar power generation systems in Iga Campus, which will have a total panel capacity of 13,400 kW by January 2025. The Company stores excess power in 1,000 kWh storage batteries to ensure 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. During that time, the on-site power generation equipment (with a total capacity of 8,000 kW, equivalent to 70% of the factory's power needs during full operation) will be activated. Through hybrid operation with solar power generation, the combined output of approximately 8,000 kW ensures a stable power supply. This setup allows for over three days of power supply while minimizing fuel consumption. With the introduction of EVs (electric vehicles), PHEVs, and external power supply units in June 2024, the Company is now able to supply power not only within the Company but also to nearby evacuation centers during disaster-related power outages. Additionally, during periods of high electricity demand, the Company can respond to requests from power companies to conserve energy by operating its on-site power generation equipment. This reduces the amount of electricity purchased from the grid (demand response), thereby contributing to the stable power supply for the surrounding community.

BCP measures regarding supply chain

As supply chain disruptions pose a business continuity risk, the Company is collaborating with its suppliers in its BCP measures. The key measures are outlined in the table below. By encouraging its suppliers to implement business continuity planning, the Company aims to establish a resilient supply chain, ensuring the continuous and stable delivery of parts and materials.

Estimated 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 on the factory through self-inspections
Wind and flood damage	● Implementation of flood risk surveys ● Provision of materials and other awareness campaigns to reduce risk
IT cyber attacks	● Implementation of security audits and provision of necessary support for improvements (for major suppliers in Japan)

Compliance Principles

The Company defines codes of conducts 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, the Company aims to achieve legal and regulatory compliance. The Company also provides continuous compliance trainings for employees of all ages and seniority. In addition, the Company established a whistleblowing hotline and defined its operating rules in the Compliance Hotline Policy. The Company's whistleblower system includes a third-party hotline so that the reporter may choose to remain anonymous.

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 the Company's 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 its 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

The Company places great importance on investor engagement to enhance its corporate value and increase shareholder profits. The Company provides opportunities for bilateral conversations through briefings for overseas institutional investors, one-on-one meetings, and site visits at its major domestic and international sites. In 2024, the Company disclosed corporate governance reports in addition to the financial release materials in both Japanese and English to allow its overseas investors fair and timely access to relevant information.



March 2024: Annual General Meeting of Shareholders

