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Date: February 8, 2023

**Summary of Consolidated Financial Statements for the Fiscal Year 2022 ended December 31, 2022 (IFRS basis)**

**(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial Statements for the Fiscal Year 2022 announced on February 8, 2023)**

Listed company name: DMG MORI CO., LTD.  
 Stock exchange listing: Prime Section of Tokyo Stock Exchange  
 Code Number: 6141 URL: <https://www.dmgmori.co.jp>  
 Company Representative: Masahiko Mori, President  
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Expected date of the ordinary general shareholders' meeting: March 28, 2023

Filing date of financial statements: March 28, 2023

Estimated starting date of dividend payment: March 29, 2023

Preparation of supplementary explanatory materials: Yes

Holding of annual earnings release conference: Yes

**1. Consolidated business results of the fiscal year 2022 ended December 31, 2022 (January 1, 2022 to December 31, 2022)**

(Note: All amounts less than one million are disregarded)

(1) Consolidated business results

(% of change from same period in the previous year)

	Sales revenues		Operating profit		Profit before income taxes		Net profit		Profit attributable to owners of the parent		Comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended December 31, 2022	474,771	19.9	41,213	78.7	36,528	86.3	25,800	95.0	25,406	88.7	41,233	33.1
Fiscal year ended December 31, 2021	396,011	20.6	23,067	116.1	19,609	284.0	13,231	679.7	13,460	671.0	30,985	-

	Basic earnings per share	Diluted earnings per share	Ratio of net profit to equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to sales revenues
	yen	yen	%	%	%
Fiscal year ended December 31, 2022	188.62	188.62	11.1	5.7	8.7
Fiscal year ended December 31, 2021	91.75	91.75	6.8	3.5	5.8

(Note) Earnings per share is calculated based on the profit which excludes profit attributable to owners of other equity instruments.

## (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	million yen	million yen	million yen	%	yen
December 31, 2022	680,334	250,374	245,897	36.1	1,957.61
December 31, 2021	597,117	217,279	213,139	35.7	1,703.51

(Note) Ratio of equity attributable to owners of the parent and equity per share attributable to owners of the parent are based on the equity amount which includes amounts of other equity instruments.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows used in investing activities	Cash flows used in financing activities	Balance of cash and cash equivalents at the end of the fiscal year
	million yen	million yen	million yen	million yen
December 31, 2022	69,749	(44,874)	(38,978)	36,992
December 31, 2021	49,733	(19,376)	(18,270)	47,298

## 2. Dividends

	Dividends per share					Total amount of dividends	Dividend payout ratio	Ratio of dividend to equity attributable to owners of the parent
	1Q	2Q	3Q	Year-end	Annual			
	yen	yen	yen	yen	yen			
December 31, 2021	-	10.00	-	30.00	40.00	5,021	43.0	2.4
December 31, 2022	-	30.00	-	40.00	70.00	8,790	37.1	3.8
December 31, 2023 (forecast)	-	40.00	-	40.00	80.00		33.2	

(Note) Dividend payment of 21 million yen for the shares of the company held by DMG MORI Employee Shareholders Association Exclusive Trust are included in the total amount of dividends in fiscal year 2021, and that of 0 million yen in 2022.

## 3. Consolidated financial forecast for fiscal year 2023 (January 1, 2023 to December 31, 2023)

(% of change from same period in the previous year)

	Sales revenues		Operating profit		Profit attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	yen
Full Year 2023	500,000	5.3	50,000	21.3	32,000	26.0	240.95

(Note) Exchange rate used for consolidated financial forecast for the fiscal year 2023: JPY 130.0/USD 140.0/EUR (the fiscal year 2022: JPY 131.5/USD, 138.1/EUR)

## 4. Others

(1) Changes in significant subsidiaries during the fiscal year ended December 31, 2022: No

(2) Changes in accounting policies applied and changes in accounting estimates

1. Changes in accounting policies required by IFRS: No

2. Changes in accounting policies other than the above: No

3. Changes in accounting estimates: No

(3) Number of shares outstanding (Common shares)

1. Number of shares outstanding at the end of the period (including treasury shares)

December 31, 2022: 125,953,683

December 31, 2021: 125,953,683

2. Number of treasury shares at the end of the period

December 31, 2022: 472,396

December 31, 2021: 984,204

3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

January - December 2022: 125,328,988

January - December 2021: 124,578,683

(Note) The Company implemented trust-type employee stock ownership incentive plan in April 2018. Therefore, the shares of the company held by DMG MORI Employee Shareholders Association Exclusive Trust are included in the number of treasury shares at the end of period (499,500 shares as of December 31, 2021, and 0 share as of December 31, 2022). In addition, the Company's shares held by the trust account are included in the treasury shares to be deducted in the calculation of the average number of shares during the period (701,131 shares from January 1 to December 31, 2021, and 146,262 shares from January 1 to December 31, 2022).

(Reference) Overview of nonconsolidated business results

(1) Overview of nonconsolidated business results (% of change from same period in the previous year)

	Sales revenues		Operating loss		Ordinary profit (loss)		Net profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended December 31, 2022	123,984	31.8	(1,761)	-	20,389	-	19,783	618.9
Fiscal year ended December 31, 2021	94,065	9.2	(7,540)	-	(2,191)	-	2,751	-

	Basic earnings	Diluted earnings
	per share	per share
	yen	yen
Fiscal year ended December 31, 2022	157.73	-
Fiscal year ended December 31, 2021	22.07	-

(2) Overview of nonconsolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended December 31, 2022	417,080	125,603	30.1	998.21
Fiscal year ended December 31, 2021	402,699	112,159	27.8	894.71

- Information regarding implementation of review procedures

These financial results are not subject to yearly audit review procedures.

- Proper use of the financial forecasts and other notes

(Precautions regarding future descriptions)

The above forecast is based on information available as of the release of this report and assumptions of several uncertain factors which may affect the company's results. Actual results might be different from the above estimates due to subsequent changes in the circumstances. Regarding Fiscal Year 2023 (Forecast), please see "1. Analysis of management performance and consolidated financial status (2) Forecast for the fiscal year 2023" on page 4.

(How to obtain supplementary explanatory materials for financial results)

The supplementary explanatory material for the financial results is scheduled to be posted on the Company's website on February 8, 2023 (Wednesday).

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# 1. Analysis of management performance and consolidated financial status

## (1) Explanation of operating results

In the fiscal year 2022 (from January 1 to December 31), the sales revenues were JPY 474.8 bn. (EUR 3,438 mil.), the operating profit was JPY 41.2 bn. (EUR 298 mil.), the profit before income taxes was JPY 36.5 bn. (EUR 265 mil.) and the profit attributable to owners of the parent was JPY 25.4 bn. (EUR 184 mil.). (Euro amount is converted from yen at 138.1 yen, the average exchange rate between January 1 and December 31, 2022).

The consolidated order intake in the fiscal year 2022 set a record at JPY 542.4 bn. (+19% y-o-y). This business growth was driven by the increased demand for process integration with 5-axis and mill-turn centers, automation, full turnkey, DX (digital transformation) and GX (green transformation). Another contributing factor was the strong focus on value-added products and services that caused a significant increase of the average price per machine unit to JPY 49.8 mil. (FY2021 average: JPY 39.4 mil.). The order intake of service and spare parts (equivalent to 20% of the consolidated order intake) increased by 19% year-on-year. In addition, DMG MORI group companies achieved stable order intake growth, with especially Magnescale Co., Ltd. performing well in the production and sales of ultra-precision measuring equipment for the semiconductor industry.

Compared to the fiscal year 2021, order intakes increased in all regions: Japan by 17% (composition ratio: 14%), Americas by 17% (20%), Europe by 20% (50%), China by 15% (10%) and Asia by 33% (6%). Americas and China reached a new record; and orders received in Europe and Asia were almost on par with previous peaks. The favorable results were driven by new and expanding market sectors such as space, aircraft, medical, EV and new energy for reduction of greenhouse gas emissions.

Since the third quarter (from July 1 to September 30) of the fiscal year 2022, the demand for machine tools has entered an adjustment phase. Although the number of inquiries from various countries and industries has remained at a high level, customers are taking increasingly more time for investment decisions.

In light of this, we forecast a consolidated order intake of approx. JPY 500 bn. for the fiscal year 2023, down 8% compared to 2022. Meanwhile, the order backlog increased from JPY 164 bn. at the end of 2021 to JPY 254 bn. at the end of December 2022. This order backlog will make up our production and sales until the third quarter 2023. Combined with the strong demand for service, spare parts, and group company business, we expect stable earnings throughout 2023.

As pointed out in DMG MORI's Mission Statement, our goal is to provide comprehensive automation systems including in-house made components, peripheral equipment, hardware and software. We construct these systems with efficient machining processes and offer optimized after-sales services as well as financing solutions to greatly increase customers' productivity.

In December 2022, DMG MORI released the "Mid-term Business Plan 2025" to define our business strategies and targets from 2023 to 2025. We will further advance process integration, automation, DX and GX to consolidate our business foundation as a total solution provider for customers' processing needs. We will continuously evolve our business model and management policies to deliver added values to customers.

As part of our efforts to strengthen our business foundation, we have been enhancing our production and R&D organization. In 2022, we reorganized our production at Iga and Nara Campus (Japan), started operation at the Nara Product Development Center (Nara PDC), and established a new logistics center with state-of-the-art automation and digitization technology at our Pfronten factory in Germany. Furthermore, in 2023, we will open a new factory for 5-axis machining centers in Pinghu, near Shanghai.

As for technological innovation, DMG MORI has released the "NZ-Platform", a lineup of mill-turn centers specialized in integrating processes for high-accuracy/complex-shape workpieces on a single machine. Offering multiple machine structures and high flexibility, the "NZ-Platform" seamlessly adjusts to customers' production needs and assures high productivity. In addition, we also developed "NHX 10000 µPrecision", a large horizontal machining center with high rigidity and accuracy. Both machines are produced in carbon neutral conditions, as DMG MORI has achieved carbon neutrality in all production processes from Scope 1 to upstream of Scope 3 since 2021. DMG MORI will continue to develop highly functional, reliable, and investment-worthy products to meet the various needs of customers.

In October 2022, DMG MORI released "Parts Selector" and "Chatbot" as new functions on the customer portal "my DMG MORI". Since November, "Mill-turn center Basic" and "Introduction to AM (Additive Manufacturing)" are available as additional courses on our e-learning platform "Digital Academy". We will continue to add new courses for customers and students to contribute to the development of new talents in the manufacturing industry. Furthermore, we are planning to establish new DMG MORI Academy training centers throughout Japan to offer on-site private lessons.

As for sales and marketing, we updated the Digital Twin Showroom and added new machine models and functions to our 3D exhibition. In addition to participating in real exhibitions such as "Robot Technology Japan 2022" and "JIMTOF 2022" in Japan and "AMB 2022" in Germany, we held Open

House events at our business sites in Tokyo and Pfronten (Germany). Additionally, we also continue to hold our private exhibitions “Technology Fridays”. DMG MORI will continue to connect with customers both in the real and digital world to propose optimal solutions.

In accordance with our motto “Play hard, study continuously, work together”, we are devoted to reforming working styles, improving productivity, and creating an environment in which employees can pursue their career in good health. All employees are actively recommended to take full paid leave and parental leave. In July 2022, we have also increased the salaries of employees in Japan and will raise the entry salary level of new graduate employees joining from April 2023. Our aim is to attract highly skilled talents and continue to grow as a company in a fast-paced world.

The entire DMG MORI Group is working towards a sustainable, decarbonized and recycling-oriented society, a society where people and nature can coexist in harmony. We are implementing various initiatives to reach complete carbon neutrality across all scopes. All electricity used at our locations in Japan comes from CO<sub>2</sub>-free sources. In 2023, a newly built solar power system will be taken into operation on the roofs of Iga Campus, the largest production site in the DMG MORI Group. Furthermore, we have gained approval by SBT (Science Based Targets) for our green-house gas emissions reduction targets until 2030. By developing environment-friendly products, we also support the green transformation of our customers. DMG MORI will continue its green initiatives to contribute to a sustainable society.

<Consolidated results>

Consolidated results of the fiscal year ended December 31, 2022 is as follows:

Unit: 100 Million yen

	January to December, 2021	January to December, 2022	Difference
Sales revenues	3,960	4,748	788
Sales revenues (Million EUR)	3,049	3,438	389
Operating profit	231	412	181
Operating profit (Million EUR)	178	298	121
Operating profit / Sales revenues	5.8%	8.7%	2.9%pts
Profit attributable to owners of the parent	135	254	119
Profit attributable to owners of the parent (Million EUR)	104	184	80

(Note) Euro amount is converted from yen at the average exchange rate of each fiscal period; 129.9 yen/EUR for the figures of January to December, 2021, 138.1 yen/EUR for those of January to December, 2022.

## (2) Forecast for the fiscal year 2023

We, the DMG MORI CO., LTD. Group, will continue to make further efforts to increase our corporate value through activities in the fields of development, manufacturing, sales and service. The forecast for the business results (consolidated) for the fiscal year 2023 is as follows:

Unit: 100 Million yen

	Fiscal Year 2023 (January 1 to December 31, 2023)
Sales revenues	5,000
Operating profit	500
Profit attributable to owners of the parent	320
Basic earnings per share (yen)	240.95

(Note) Exchange rate used for consolidated financial forecast for fiscal year 2023: JPY 130.0/USD, 140.0/EUR

### Note concerning statements about the future, etc.

This material contains earnings estimates, plans, policies, business strategies, targets, forecasts, and perceptions and judgments about matters of fact concerning the future of DMG MORI CO., LTD. and the DMG MORI CO., LTD. Group. Its predictions, expectations, assumptions, plans, perceptions and judgments are based on information available to DMG MORI CO., LTD. as of the report date. For this reason, there is a possibility that actual results may differ from the forecasts above.

## (3) Explanation of financial position

### 1. Assets, liabilities and equity

The comparison between the fiscal year 2021 and fiscal year 2022 is as follows:

#### • Assets

Current assets are 293,985 million yen. This is mainly because Inventories increased by 36,675 million yen, Trade and other receivables increased by 8,759 million yen while Cash and cash equivalents decreased by 10,305 million yen.

Non-current assets are 386,349 million yen. This is mainly because Property, plant and equipment increased by 24,888 million yen, Other intangible assets increased by 11,678 million yen and Goodwill increased by 6,007 million yen.

As a result, total assets are 680,334 million yen.

#### • Liabilities

Current liabilities are 281,329 million yen. This is mainly because Interest-bearing bonds and borrowings increased by 40,981 million yen, Contract liabilities increased by 27,228 million yen, Trade and other payables increased by 18,636 million yen while Other financial liabilities decreased by 67,373 million yen.

Non-current liabilities are 148,630 million yen. This is mainly because Other financial liabilities increased by 64,899 million yen while Interest-bearing bonds and borrowings decreased by 45,281 million yen.

As a result, total liabilities are 429,960 million yen.

#### • Equity

Equity is 250,374 million yen. This is mainly because Retained earnings increased by 17,047 million yen and Other components of equity increased by 14,460 million yen.

(Reference)

(Million yen)

	December 31, 2021	December 31, 2022	Difference
Current assets	254,692	293,985	39,293
Non-current assets	342,425	386,349	43,924
Current liabilities	254,409	281,329	26,920
Non-current liabilities	125,428	148,630	23,201
Equity	217,279	250,374	33,095

## 2. Cash flows during the fiscal year 2022

(Million yen)

	Fiscal Year 2021 (January 1 to December 31, 2021)	Fiscal Year 2022 (January 1 to December 31, 2022)
Operating activities	49,733	69,749
Investing activities	(19,376)	(44,874)
Financing activities	(18,270)	(38,978)
Cash and cash equivalents at the end of the year	47,298	36,992

Status of cash flows and its fluctuation factors for the fiscal year 2022 are as follows:

- Cash flows from operating activities

Net cash provided from operating activities was 69,749 million yen. The main factors for the increase are 36,528 million yen of Profit before income taxes, 24,016 million yen of Depreciation and amortization, 21,498 million yen of increase in Contract liabilities and 16,524 million yen of increase in Trade and other payables. The main factors for the decrease are 26,311 million yen of increase in Inventories and 3,821 million yen of Interest paid.

- Cash flows used in investing activities

Net cash paid out for investing activities was 44,874 million yen. The main factors for the decrease are 26,203 million yen of Purchases of property, plant and equipment and 14,909 million yen of Purchases of intangible assets.

- Cash flows used in financing activities

Net cash paid out for financing activities was 38,978 million yen. The main factor for the increase is 4,868 million yen of Net increase in current borrowings. The main factors for the decrease are 15,000 million yen of Repayments of debt instruments, 10,000 million yen of Payments for bond redemption, 7,525 million yen of Dividends paid and 5,429 million yen of Repayments of lease liabilities.

As a result, cash and cash equivalents as of December 31, 2022 are 36,992 million yen, decreased by 10,305 million yen from December 31, 2021.



### 3. Trends in cash flow related indexes

	Fiscal Year 2021 (January 1 to December 31, 2021)	Fiscal Year 2022 (January 1 to December 31, 2022)
Ratio of equity attributable to owners of the parent (%)	35.7	36.1
Ratio of equity attributable to owners of the parent measured at fair value (%)	41.4	32.4
Cash flows to interest bearing loans ratio (%)	268.25	165.94
Interest coverage ratio (times)	23.5	28.9

(Notes)

Ratio of equity attributable to owners of the parent:  $\text{Equity attributable to owners of the parent} / \text{total assets}$

Ratio of equity attributable to owners of the parent measured at fair value:  $\text{Market capitalization} / \text{total assets}$

Cash flows to interest bearing loans ratio:  $\text{Interest-bearing liabilities} / \text{operating cash flows}$

Interest coverage ratio:  $\text{Operating cash flows} / \text{interest payments}$

- These indexes are calculated based on consolidated financial figures.
- Market capitalization is calculated based on the closing share price at end of term x outstanding shares (excluding treasury shares) at end of term.
- For cash flows, "Cash flows from operating activities" from the consolidated statements of cash flows is used. Interest-bearing liabilities include all liabilities on the balance sheets that incur interest. For the interest payments, the amount is based on the "Interest paid" on the consolidated statements of cash flows from which continuous compensation payment arising from the domination agreement is subtracted.

### (4) Basic policy concerning profit appropriation and dividend payment

The DMG MORI Group strives to enhance corporate value for our shareholders, who understand that machine tools are both capital assets and products which need longer period of investment cycle, from 10 to 20 years. Our principle for profit appropriation is stable and continuous payment of dividend based on an overall judgment concerning our future business plan, business results, financial conditions, and so on.

For internal reserve, we continue to invest in the development of pivotal new products and technologies as well as consolidating our production equipment in order to reinforce our competitive strength in the market.

For fiscal year 2022, we paid an interim dividend per share of 30 yen and plan to pay year-end dividend per share of 40 yen, for a full-year total of 70 yen. For fiscal year 2023, we plan to issue an interim dividend per share of 40 yen and year-end dividend per share of 40 yen, for a full-year total of 80 yen.

### 2. Basic policy for selection of accounting standards

We have introduced the International Financial Reporting Standards ("IFRS") to improve international comparability of financial information since fiscal year 2015.

### 3. Consolidated Financial Statements

#### (1) Consolidated statement of financial position

(Million yen)

	December 31, 2021	December 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	47,298	36,992
Trade and other receivables	59,677	68,437
Other financial assets	5,557	6,503
Inventories	129,542	166,217
Other current assets	12,616	15,834
Total current assets	254,692	293,985
Non-current assets:		
Property, plant and equipment	138,076	162,965
Right-of-use assets	22,099	19,874
Goodwill	70,834	76,842
Other intangible assets	74,514	86,193
Other financial assets	21,989	26,122
Investments in associates and joint ventures	5,704	5,917
Deferred tax assets	5,132	4,509
Other non-current assets	4,073	3,923
Total non-current assets	342,425	386,349
Total assets	597,117	680,334

	December 31, 2021	December 31, 2022
<b>Liabilities</b>		
Current liabilities:		
Trade and other payables	54,169	72,806
Interest-bearing bonds and borrowings	10,259	51,241
Contract liabilities	65,707	92,935
Other financial liabilities	74,677	7,304
Income taxes payable	4,734	6,959
Provisions	40,543	45,659
Other current liabilities	4,316	4,424
Total current liabilities	254,409	281,329
Non-current liabilities:		
Interest-bearing bonds and borrowings	85,133	39,852
Other financial liabilities	22,406	87,305
Net employee defined benefit liabilities	5,180	4,479
Provisions	5,871	6,819
Deferred tax liabilities	5,429	8,103
Other non-current liabilities	1,407	2,069
Total non-current liabilities	125,428	148,630
Total liabilities	379,838	429,960
<b>Equity</b>		
Share capital	51,115	51,115
Capital surplus	-	266
Other equity instruments	118,753	118,753
Treasury shares	(1,889)	(906)
Retained earnings	52,817	69,864
Other components of equity	(7,657)	6,803
Equity attributable to owners of the parent	213,139	245,897
Non-controlling interests	4,139	4,477
Total equity	217,279	250,374
Total liabilities and equity	597,117	680,334

## (2) Consolidated statement of profit or loss

(Million yen)

	Fiscal year 2021 (January 1 to December 31, 2021)	Fiscal year 2022 (January 1 to December 31, 2022)
Revenues:		
Sales revenues	396,011	474,771
Other operating revenues	6,103	8,595
Total revenue	402,114	483,366
Costs:		
Changes in merchandise, finished goods and work in progress for sale	7,148	(6,844)
Costs of raw materials and consumables	170,917	203,948
Personnel costs	119,327	138,882
Depreciation and amortization	21,894	24,016
Other operating costs	59,759	82,150
Total costs	379,047	442,152
Operating profit	23,067	41,213
Financial income	429	633
Financial costs	3,919	5,181
Share of profits (losses) of associates and joint ventures accounted for using equity method	30	(137)
Profit before income taxes	19,609	36,528
Income taxes	6,377	10,728
Profit	13,231	25,800
Profit attributable to:		
Owners of the parent	13,460	25,406
Non-controlling interests	(229)	393
Profit	13,231	25,800
Earnings per share		
Basic (yen)	91.75	188.62
Diluted (yen)	91.75	188.62

### (3) Consolidated statement of comprehensive income

(Million yen)

	Fiscal year 2021 (January 1 to December 31, 2021)	Fiscal year 2022 (January 1 to December 31, 2022)
Profit	13,231	25,800
Other comprehensive income (OCI):		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	380	826
Change in fair value measurements of financial assets designated at fair value through other comprehensive income	10,826	767
Subtotal	11,207	1,594
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	7,013	12,960
Effective portion of changes in fair value of cash flow hedges	(473)	434
Hyper-inflation adjustment	-	93
Share of other comprehensive income of associates and joint ventures accounted for using equity method	6	350
Subtotal	6,546	13,838
Total other comprehensive income	17,754	15,432
Comprehensive income	30,985	41,233
Comprehensive income attributable to:		
Owners of the parent	31,230	40,791
Non-controlling interests	(244)	441
Comprehensive income	30,985	41,233

## (4) Consolidated statement of changes in equity

(Million yen)

	Equity attributable to owner of the parent							Non-controlling interests	Total equity
	Share capital	Capital surplus	Other equity instruments	Treasury shares	Retained earnings	Other components of equity	Subtotal		
As of January 1, 2021	51,115	-	118,735	(3,735)	40,452	(21,148)	185,420	4,475	189,895
Profit					13,460		13,460	(229)	13,231
Other comprehensive income (OCI)						17,769	17,769	(15)	17,754
Total comprehensive income	-	-	-	-	13,460	17,769	31,230	(244)	30,985
Issuance of other equity instruments			30,000				30,000		30,000
Other equity instruments issuance costs			(282)				(282)		(282)
Payments of other equity instruments		(300)	(29,699)				(30,000)		(30,000)
Distributions to owners of other equity instruments					(2,123)		(2,123)		(2,123)
Acquisition of treasury shares				(0)			(0)		(0)
Disposition of treasury shares		(325)		1,846		(132)	1,388		1,388
Dividends					(2,488)		(2,488)	(87)	(2,576)
Transfer between retained earnings and capital surplus		849			(849)		-		-
Share-based payments		58				(33)	25	19	45
Issuance of convertible bonds						253	253		253
Changes in interests in consolidated subsidiaries' capital		(71)					(71)	71	-
Increase/decrease in non-controlling interests due to decrease in number of consolidated subsidiaries							-	(84)	(84)
Increase/decrease in equity due to acquisition of shares in consolidated subsidiaries		(226)					(226)	93	(133)
Sale of shares of consolidated subsidiaries		3					3	11	15
Transfer from other components of equity to retained earnings					4,365	(4,365)	-		-
Total transaction with owners of the parent	-	(11)	18	1,845	(1,095)	(4,278)	(3,522)	22	(3,499)
Acquisition of non-controlling interests		11					11	(113)	(102)

Total changes in ownership interests in subsidiaries and others	-	11	-	-	-	-	11	(113)	(102)
As of December 31, 2021	51,115	-	118,753	(1,889)	52,817	(7,657)	213,139	4,139	217,279

(Million yen)

	Equity attributable to owner of the parent							Non-controlling interests	Total equity
	Share capital	Capital surplus	Other equity instruments	Treasury shares	Retained earnings	Other components of equity	Subtotal		
As of January 1, 2022	51,115	-	118,753	(1,889)	52,817	(7,657)	213,139	4,139	217,279
Profit					25,406		25,406	393	25,800
Other comprehensive income (OCI)						15,385	15,385	47	15,432
Total comprehensive income	-	-	-	-	25,406	15,385	40,791	441	41,233
Distributions to owners of other equity instruments					(1,764)		(1,764)		(1,764)
Acquisition of treasury shares				(1)			(1)		(1)
Disposition of treasury shares		(119)		984			864		864
Dividends					(7,519)		(7,519)	(100)	(7,619)
Share-based payments		290					290	125	416
Increase/decrease in equity due to acquisition of shares in consolidated subsidiaries		111					111	(158)	(46)
Transfer from other components of equity to retained earnings					924	(924)	-		-
Total transaction with owners of the parent	-	282	-	982	(8,359)	(924)	(8,017)	(132)	(8,150)
Acquisition of non-controlling interests		(16)					(16)	29	12
Total changes in ownership interests in subsidiaries and others	-	(16)	-	-	-	-	(16)	29	12
As of December 31, 2022	51,115	266	118,753	(906)	69,864	6,803	245,897	4,477	250,374

## (5) Consolidated statement of cash flows

(Million yen)

	Fiscal year 2021 (January 1 to December 31, 2021)	Fiscal year 2022 (January 1 to December 31, 2022)
<b>Cash flows from operating activities:</b>		
Profit before income taxes	19,609	36,528
Depreciation and amortization	21,894	24,016
Loss (gain) on sales or disposal of property, plant and equipment, and intangible assets	230	306
Financial income and costs	3,489	4,548
Share of (profits) losses of associates and joint ventures accounted for using equity method	(30)	137
Other non-cash transactions	(817)	(1,915)
Change in asset and liability items:		
Inventories	(4,130)	(26,311)
Trade and other receivables	(15,479)	577
Trade and other payables	(406)	16,524
Contract liabilities	30,599	21,498
Provisions	5,937	3,508
Other	(2,451)	(2,730)
Subtotal	58,444	76,687
Interest received	354	502
Dividends received	84	111
Interest paid	(3,464)	(3,821)
Income tax paid	(5,685)	(3,731)
Net cash flows from operating activities	49,733	69,749
<b>Cash flows used in investing activities:</b>		
Payments into time deposits	-	(1,221)
Purchases of property, plant and equipment	(12,645)	(26,203)
Proceeds from sales of property, plant and equipment	1,210	120
Purchases of intangible assets	(10,606)	(14,909)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(399)	-
Acquisition of associates, net of cash acquired	(276)	(63)
Purchases of investment securities	(1,518)	(2,286)
Proceeds from sale of investment securities	5,440	8
Other	(580)	(318)
Net cash flows used in investing activities	(19,376)	(44,874)



(Million yen)

	Fiscal year 2021 (January 1 to December 31, 2021)	Fiscal year 2022 (January 1 to December 31, 2022)
<b>Cash flows used in financing activities:</b>		
Net increase (decrease) in short-term borrowings	(21,730)	4,868
Proceeds from long-term borrowings	5,000	-
Repayments of long-term borrowings	(20,882)	(1,748)
Proceeds from issuance of convertible bonds	39,887	-
Payments for bond redemption	(10,000)	(10,000)
Proceeds from issuance of other equity instruments	29,717	-
Repayments of other equity instruments	(30,000)	-
Repayments of debt instruments	-	(15,000)
Repayment of lease liabilities	(6,035)	(5,429)
Dividends paid	(2,496)	(7,525)
Dividends paid to non-controlling interests	(299)	(100)
Acquisition of treasury shares	(0)	(1)
Payments for obligations for non-controlling interests	(8)	(4,245)
Distributions to owners of other equity instruments	(2,123)	(1,764)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(133)	(46)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	15	-
Other	820	2,014
Net cash flows used in financing activities	(18,270)	(38,978)
Effect of exchange rate changes on cash and cash equivalents	1,459	3,797
Change in cash and cash equivalents	13,544	(10,305)
Cash and cash equivalents at the beginning of period	33,754	47,298
Cash and cash equivalents at the end of period	47,298	36,992

## (6) Notes on going concern assumption

Not applicable.

## (7) Notes on consolidated financial statements

### 1. Reporting entity

DMG MORI Co., Ltd. (the "Company") is a company established under the Companies Act of Japan. The Company is domiciled in Japan and its registered office is located at 106 Kitakoriyama-cho, Yamato-Koriyama City, Nara.

The consolidated financial statements of the Company as of December 31, 2022 comprise the Company, its subsidiaries, associates and joint ventures (collectively, the "Group"). The Group engages in businesses related to manufacturing and sales of machine tools (machining centers, turning centers, turn-mill complete machining centers and universal milling machines for five-axis machining), software (user interface, Technology Cycles and embedded software) and measuring devices, and provides total solutions utilizing the machine tools, software and measuring devices with service support, applications and engineering.

### 2. Basis of preparations

#### (1) Accounting standards complied with

The Company's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. As the Company meets the requirements of a "Specified Company applying Designated International Financial Reporting Standards", pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976, the "Consolidated Financial Statements Ordinance"), it has applied the provisions of Article 93 of said Ordinance.

#### (2) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, with the main exception of financial instruments which are measured at fair value.

#### (3) Presentation currency and units used

The consolidated financial statements are presented in Japanese yen, which is the Company's functional currency. All financial information presented in Japanese yen has been rounded down to the nearest million, unless otherwise stated.

#### (4) Significant accounting policy

The significant accounting policies adopted for the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2021, except for the following item.

##### (Hyper-inflation adjustment)

The Group has made accounting adjustments to the financial statements of its subsidiary in Turkey, which is in a hyperinflationary economy, in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies". This adjustment has no material impact on the Group's consolidated financial statements for the fiscal year 2022.

### 3. Segment information

#### (1) Outline of reportable segments

The operating segments of the Group are based on its business areas for which discrete financial information is available, and they are regularly reviewed by the Board of Directors and corporate officers for the purpose of making decisions about resource allocation and performance assessment. The classification of the operating segments is based on the products and services and the associated internal reporting and management methods.

As a result, the business activities of the Group are categorized into “Machine Tools” and “Industrial Services,” as its two reportable segments. The Company has not aggregated its operating segments.

The “Machine Tools” segment generates its revenue through the production and sales of machine tools. The “Industrial Services” segment generates its revenue through the provision of services and solutions related to machine tools.

#### (2) Calculation methods of sales revenues, income or loss by each reportable segment

The accounting methods for the reportable segments are essentially the same as Consolidated Financial Statements.

The amount of segment income is based on operating profit and Share of profits (losses) of associates and joint ventures accounted for using equity method. Inter-segment sales revenues are based on arm's length prices.

#### Changes related to reportable segments

From the fiscal year 2022, the calculation method of inter-segment sales revenues was changed in order to reflect a more appropriate assessment of the performance of reportable segments.

For the previous year comparative information, figures for the previous year have been reclassified based on the calculation method after the change.

### (3) Segment sales revenues and income

The segment sales revenues, income or loss and other items by each reportable segment are summarized as follows:

Fiscal year 2021 (January 1 to December 31, 2021)

	Reportable segments			Adjustments (Note)		(Million yen)
	Machine Tools	Industrial Services	Total	Corporate Services	Elimination	Consolidated
Sales revenues						
External customers	266,662	129,321	395,983	27	-	396,011
Inter-segment	202,166	33,882	236,049	1,510	(237,560)	-
Total	468,829	163,204	632,033	1,538	(237,560)	396,011
Segment income	19,404	16,829	36,234	(14,416)	1,281	23,098
Financial income	-	-	-	-	-	429
Financial costs	-	-	-	-	-	(3,919)
Profit before income taxes	-	-	-	-	-	19,609

(Note) "Adjustments to segment income" include elimination of inter-segment transactions and expenses related to corporate services.

Fiscal year 2022 (January 1 to December 31, 2022)

	Reportable segments			Adjustments (Note)		(Million yen)
	Machine Tools	Industrial Services	Total	Corporate Services	Elimination	Consolidated
Sales revenues						
External customers	317,015	157,725	474,740	30	-	474,771
Inter-segment	257,197	42,728	299,925	1,464	(301,390)	-
Total	574,212	200,453	774,666	1,495	(301,390)	474,771
Segment income	24,053	30,119	54,173	(9,175)	(3,921)	41,076
Financial income	-	-	-	-	-	633
Financial costs	-	-	-	-	-	(5,181)
Profit before income taxes	-	-	-	-	-	36,528

(Note) "Adjustments to segment income" include elimination of inter-segment transactions and expenses related to corporate services.

#### 4. Earnings per share

Basis of calculation for basic earnings per share and diluted earnings per share is as follows:

Items	Fiscal year 2021 (January 1 to December 31, 2021)	Fiscal year 2022 (January 1 to December 31, 2022)
Profit attributable to owners of the parent (million yen)	13,460	25,406
Profit not attributable ordinary shareholders of the parent	2,030	1,766
Profit used for basic earnings per share attributable to ordinary shareholders of the parent (million yen)	11,429	23,639
Adjustment for diluted earnings (million yen)	-	-
Diluted earnings (million yen)	11,429	23,639
Weighted-average number of common shares (Thousands of shares)	124,578	125,328
Increase in number of common stock shares for diluted earnings per share		
Increase due to exercising stock options (Thousands of shares)	-	-
Weighted-average number of common shares outstanding for diluted earnings per share (Thousands of shares)	124,578	125,328
Basic earnings per share (yen)	91.75	188.62
Diluted earnings per share (yen)	91.75	188.62

(Note)

- Basic earnings per share is calculated by dividing profit attributable to owners of the parent after deducting the amount attributable to owners of other equity instruments by the average number of common shares excluding the average number of treasury shares during the year. Diluted earnings per share is calculated by adjusting for the effects of all dilutive potential common shares.

- The Company implemented trust-type employee stock ownership incentive plan in April 2018. Therefore, the shares of the company held by DMG MORI Employee Shareholders Association Exclusive Trust are included in the average number of treasury shares for calculating basic earnings per share and diluted earnings per share.

#### 5. Significant subsequent events

Not applicable.

#### 4. Others

Changes in members of the Board of Directors and Statutory Auditors (effective on March 28, 2023)

(1) Changes in representative director

Not applicable.

(2) Changes in other members of the Board of Directors and Statutory Auditors

• Candidate for new directors

Irene Bader, Director

Current : Senior Executive Officer, Global Corporate Communication

Mamoru Mitsuishi, External Director

Eriko Kawai, External Director

• Current directors to retire

Tojiro Aoyama, External Director

• Candidate for new auditors

Masahiro Yanagihara, Corporate Auditor

Current : Senior Deputy Director, General Manager of Secretarial Dept.

• Current auditors to retire

Toshio Kawayama, Corporate Auditor