

DMG MORI CO., LTD.

FY2025 First Quarter (Jan-Mar) Results

IR Announcement

May 7, 2025

1. FY2025 1Q (Jan-Mar) Financial Summary, Full-year outlook

- Minimal Impact of U.S. Tariffs, Expected Demand Recovery in Europe thanks to Governments' Policies to Stimulate Investment

2. Business Environment

3. Open House Pfronten, Chicago Private Show, CIMT (Beijing)

4. MX (Machining Transformation) Promotion:

- Nara Campus Re-opening
- Wernau Technology Center Renewal, Stuttgart Germany
- Reorganization in Nagaoka (DMG MORI Precision Grinding/Taiyo Koki, DMG MORI Precision Boring)

5. Environmental Initiatives & HR Initiatives

- A-Ranking for CDP2024 "Climate change "
- "Health & Productivity Stock Selection" for the 2nd Consecutive Year

Highlights

DMG MORI

- ✓ Consolidated order intake: JPY 120.7 bn. (Q-o-Q, +5.4% from FY2024 Oct.- Dec.)
- ✓ Average order price per unit: JPY 78.5 mil. (FY2024 average: JPY 71.0 mil./ +11%), EUR 489,000 (FY2024 average: EUR 433,000/ +13%)
- ✓ Order intake for MRO*,spare parts and engineering : JPY 30.1 bn., same level as FY2024 4Q. Consolidated order share: 25% (FY2024: 25%)
*MRO(maintenance/repair/overhaul)
- ✓ Machine order backlog at the end of Mar. 2025: JPY 223.5 bn. (end of FY2024: JPY 218.0 bn.)
- ✓ Impact of U.S. tariffs minimal (responded through surcharges). In Europe, China and India, customers' willingness to invest is recovering.
- ✓ 2025 Jan. – Mar.: Sales revenue JPY 114.0 bn. (y-o-y -14.2%),Operating profit 1.8 bn. (-85.5%) , OP margin 1.6% (2024.1Q : 9.4%),
Net profit 0.2 bn., Net profit margin 0.1%
- ✓ Maintain FY 2025 plan: Sales revenue JPY 510.0 bn. (y-o-y -5.7%), Operating profit 38.0 bn. (-13.1%), OP margin 7.5%, Net profit 20.0 bn.
Dividend per share 105 yen for the year Note: Full-year business plan not including the impact of the insurance claim for the expropriation of our Russian plant.
- ✓ Expansion of data handling-related investment (data center for Airtificial Intelligence, next gen. communication/ satellite, generator)
- ✓ Robust demand in Aircraft, Space, Energy and Defense sector
- ✓ Maintain strong order from MRO, spare parts and engineering business

FY2025 1st Quarter (Jan-Mar) Financial Highlights

DMG MORI

(Jan-Mar)					(Full-year)			
(JPY bn.)	2023 1Q	2024 1Q	2025 1Q	Changes (%)	2023	2024	2025 Plan (Announce on Feb.5)	Changes (%)
Consolidated order intake	145.3	136.8	120.7	-11.8	520.0	496.0	530.0	+6.9
Order backlog	269.0	263.0	223.5		247.0	218.0	—	
Sales revenue	123.2	132.9	114.0	-14.2	539.5	540.9	510.0	-5.7
Operating profit	9.7	12.5*	1.8	-85.5	55.4	43.7	38.0	-13.1
Operating profit margin	7.9%	9.4%	1.6%		10.3%	8.1%	7.5%	
Net profit from continued operations	6.2	8.0	0.2	-97.1	35.4	23.1	20.0	-13.4
Loss from discontinued operations in the Russian manufacturing company	-0	-14.8**	—		-1.2	-15.1**	—	
Net profit	6.3	-6.9	0.2		33.9	7.7	20.0	2.6x
Depreciation & amortization including leasing	6.2	7.4	8.1		26.3	31.5	35.0	
Capital expenditure	11.0	8.1	5.7		42.5	43.8	30.0	
USD/JPY	132.4	148.6	152.6		140.6	151.6	143***	
EUR/JPY	142.1	161.3	160.5		152.0	164.0	160	

*The negative goodwill recognition from the consolidation of DMG MORI Precision Boring (formerly KURAKI Co., Ltd.) in the first quarter of 2024 has been retroactively adjusted. Before the adjustment, operating profit for the same period was JPY 10.8 bn.

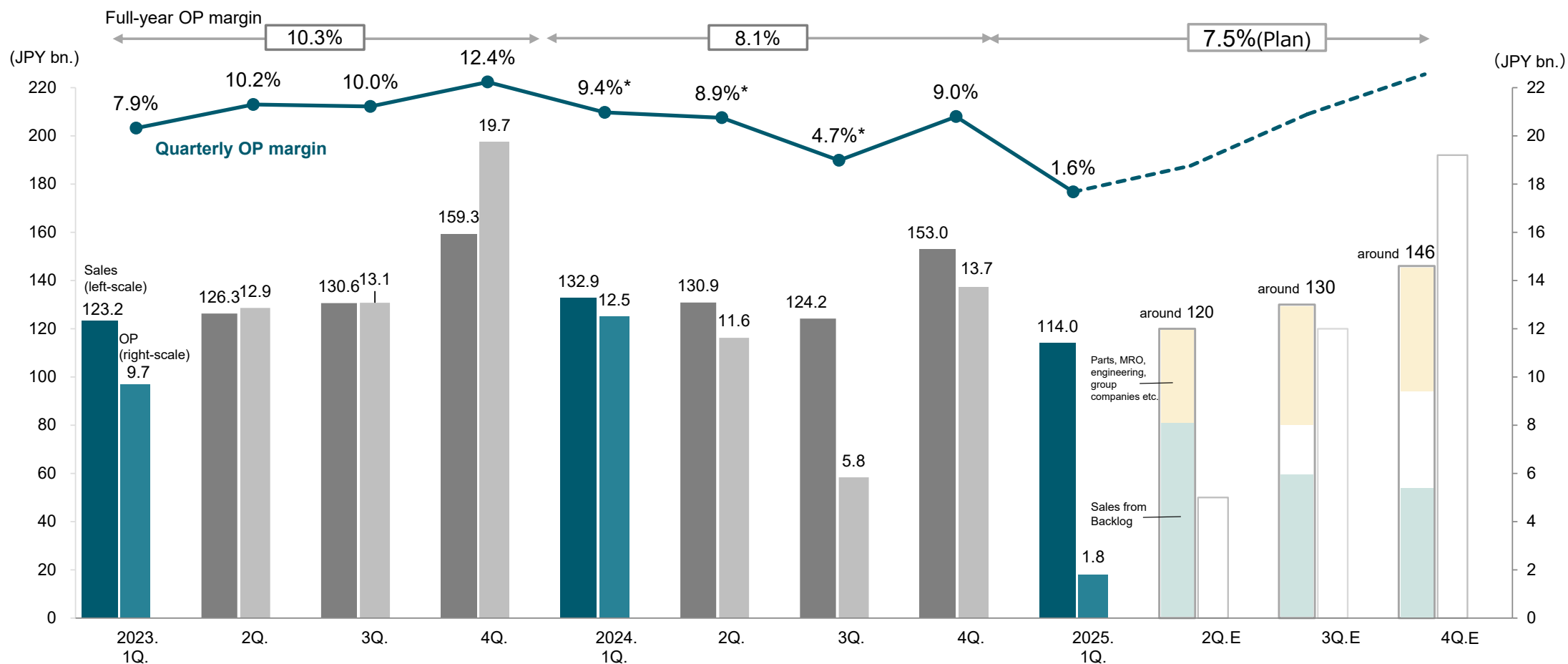
***Presumed FX rate from Q2:
USD/JPY = 140

**EUR 91.8 mil. (JPY 14.8 bn. | EUR/JPY=161.3 / JPY 15.1 bn. | EUR/JPY=164.0) loss from the expropriation of our Russian manufacturing company (Ulyanovsk Machine Tools) by the Russian government was recognized in FY 2024 1Q (Jan-Mar).

Quarterly Financial Results

DMG MORI

- 1Q (Jan-Mar) with low operating profit margin at 1.6% largely driven by low sales and FX loss
- Full-year operating profit margin expected at 7.5%



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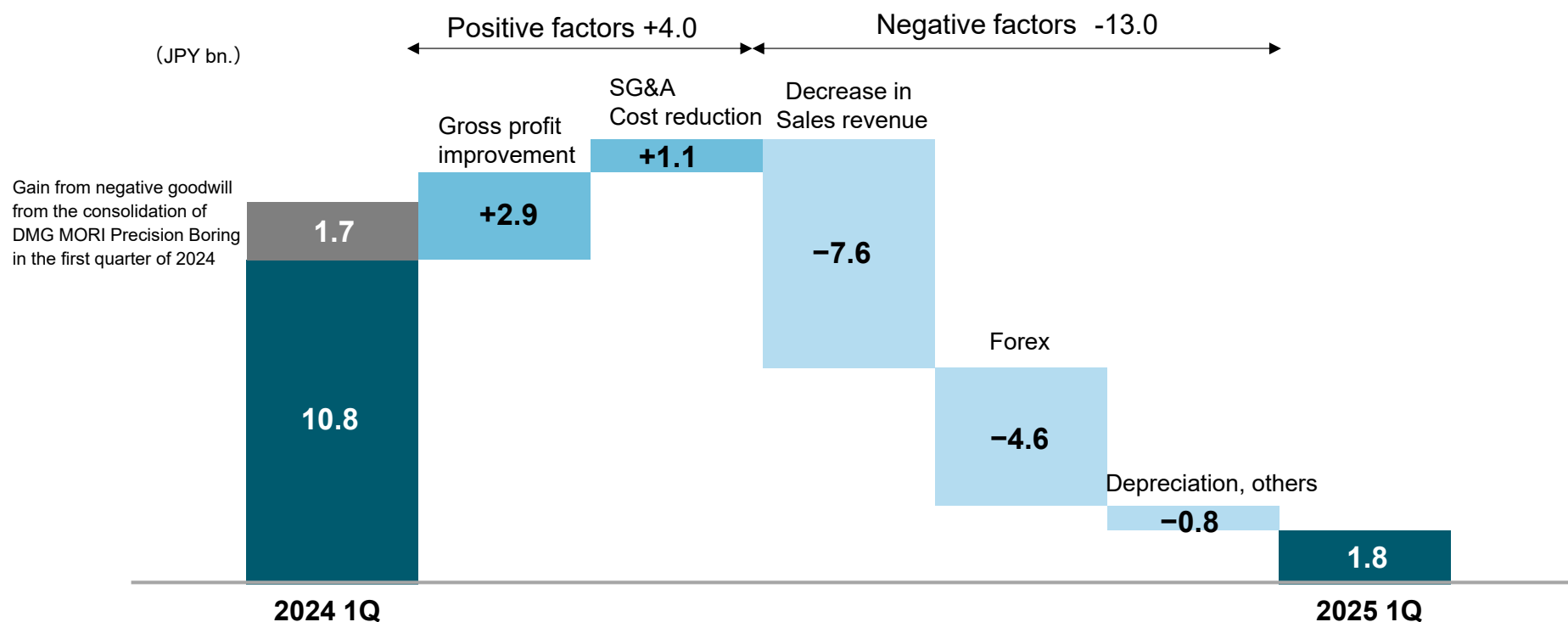
Operating Profit Bridge FY2024.1Q (Jan-Mar) vs. FY2025.1Q (Jan-Mar)

DMG MORI

- Gross profit is improving according to plan, driven by lower discounts and higher production efficiency
- Lower sales revenue & FX loss defined as main negative factors

(JPY bn.)	FY2024.1Q	FY2025.1Q	Changes
Sales revenue	132.9	114.0	-18.8

	FY2024.1Q	FY2025.1Q
Exchange rate : USD/JPY	148.6	152.6
EUR/JPY	161.3	160.5



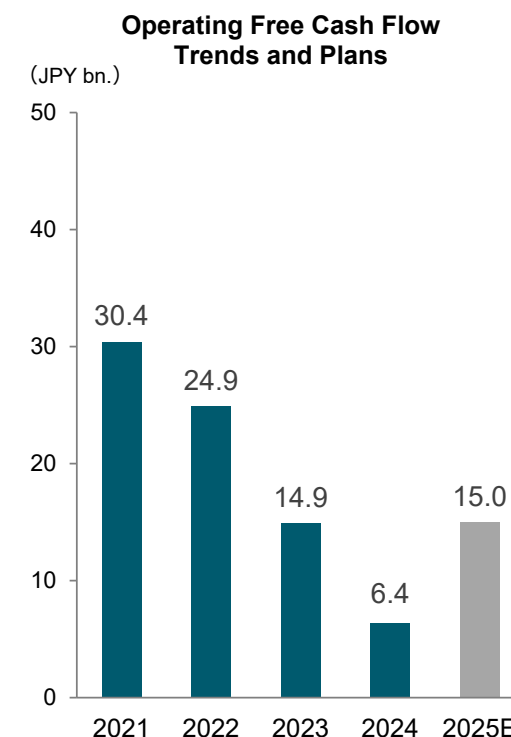
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Cash Flows

DMG MORI

- Operating free cash flow was negative at JPY 8.9 bn. for 1Q, yet expected to be at JPY 15.0 bn. surplus for full-year. Capital expenditure will be saved as planned. Capex for the year is planned within JPY 30.0 bn.
- Collection of receivables and inventory reduction progressed as planned. Working capital decreased mainly due to decline in receivables and downpayments

(JPY bn.)	2023					2024					2025				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q (E)	3Q (E)	4Q (E)	FY (E)
Operating cash flow	9.3	5.1	5.8	31.5	51.6	9.5	-9.4	11.0	33.6	44.6	-3.8	7.8	18.0	23.0	45.0
Profit before taxes	8.5	11.2	11.7	16.5	47.9	11.0	10.4	3.8	11.9	37.1	0.4				
Depreciation & amortization	6.2	6.3	6.8	7.2	26.5	7.4	7.8	7.8	8.5	31.5	8.1				
Changes in working capital	-1.7	-10.2	-7.1	9.9	-9.1	0.1	-13.8	1.4	11.8	-0.5	-4.6				
Others	-3.7	-2.3	-5.6	-2.1	-13.7	-9.0	-13.8	-2.0	1.4	-23.5	-7.7				
Investment cash flow	-11.1	-10.1	-9.6	-5.9	-36.7	-10.6	-6.4	-9.6	-11.7	-38.2	-5.1	-7.8	-8.0	-9.1	-30.0
Operating free cash flow	-1.8	-5.0	-3.9	25.6	14.9	-1.1	-15.8	1.4	21.9	6.4	-8.9	0	10.0	13.9	15.0



Balance Sheet Summary

DMG MORI

- Total assets shrunk by JPY 12.0 bn. due to FX impact. Inventories have decreased gradually
- Net/DE ratio remains low at 0.26

Assets

	JPY 797.6 bn.	JPY 783.6 bn.
Cash and cash equivalents	44.4	45.5
Trade receivables	66.7	62.5
Inventories	190.0	183.4
Tangible assets	241.3	238.2
Goodwill	90.0	88.3
Intangible assets	110.6	109.5
Other assets	54.5	56.3
	Dec. 2024	Mar. 2025

Current rate (EUR / JPY) 164.9 162.1

Liabilities & Equity

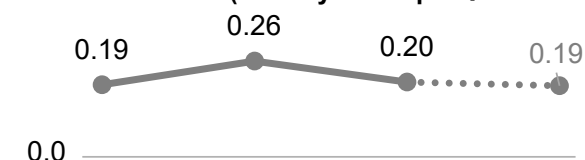
	JPY 797.6 bn.	JPY 783.6 bn.
Trade and other payables	75.1	63.8
Down payment	84.6	78.5
Interest bearing debt	106.5	126.1
AG share purchase obligation	60.2	59.2
Other liabilities	154.7	149.7
Shareholders' equity (thereof; Hybrid capital: 110.8)	314.5	304.8
	Dec. 2024	Mar. 2025

Equity ratio 39.4% 38.9%

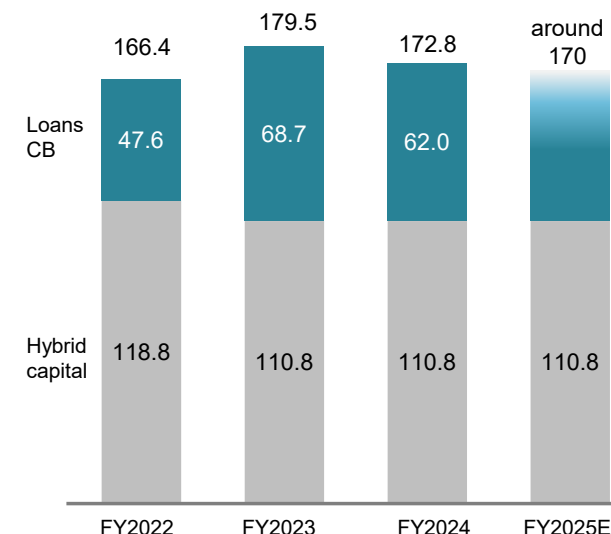
Net debt JPY 62.0 bn. JPY 80.6 bn.

Net D/E ratio 0.20 0.26

Net D/E ratio (excl. hybrid capital)

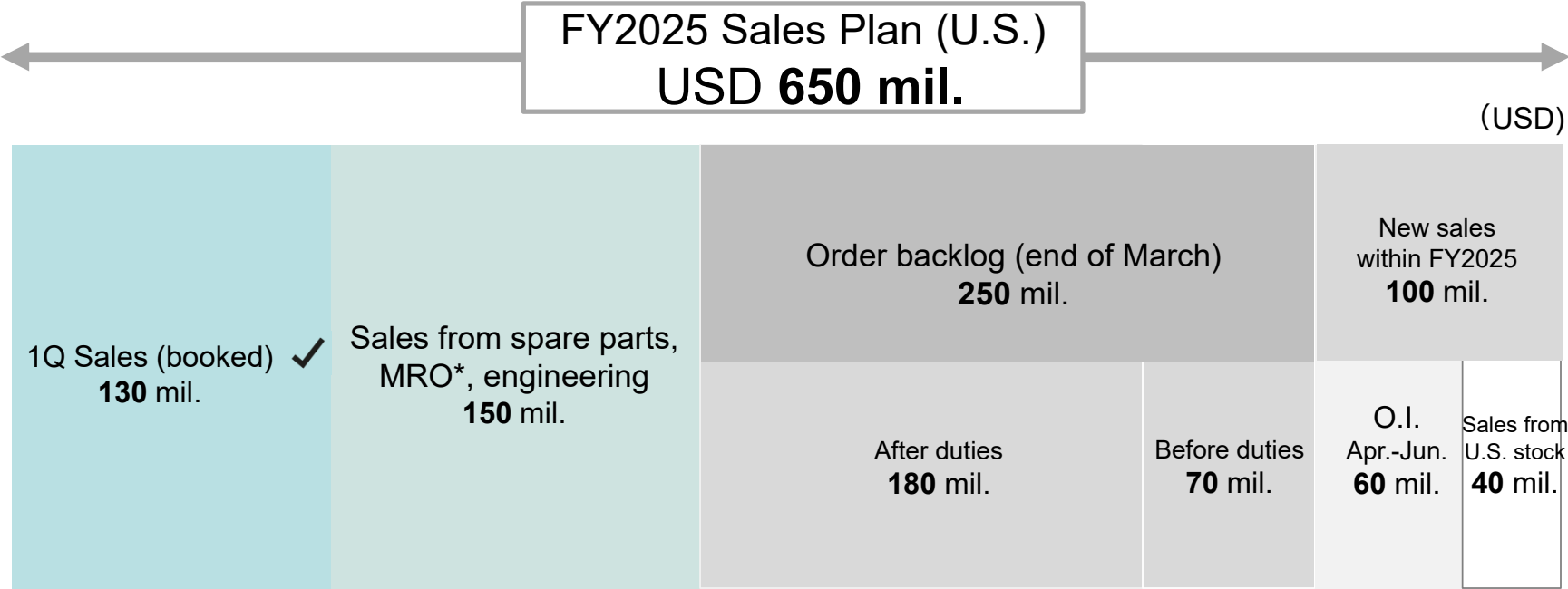


Net debt reduction Plan (JPY bn.)



Minimal Impact of U.S. Tariffs

- ✓ Respond to reciprocal tariffs through surcharges.
- ✓ Terms and conditions have been updated for machine contracts from April 7.
- ✓ High-level of order intake in April in the U.S.



*MRO : Maintenance/Repair/Overhaul

Tax Incentives & Subsidies in European countries + MX Promotion with Private Shows

DMG MORI

- ✓ Germany : To increase in defense budget.
A 30% enhanced depreciation on new investments for companies are also examined.
- Italy : Up to 35% tax credit for energy-saving equipment
- Hungary : Subsidies of up to 30% of the planned investment for small- and medium- sized companies

- ✓ Private shows & exhibitions are showing signs of change in customers' mindset with increased inquiries

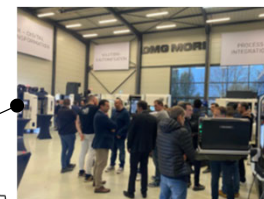


Incentives planned



Open House Lyon (France)

Period	Mar. 11 – 14
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Open House Veenendaal (The Netherlands)

Period	Mar. 18 – 21
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Tech Days Brno/ Czech

Period	Mar. 19 – 21
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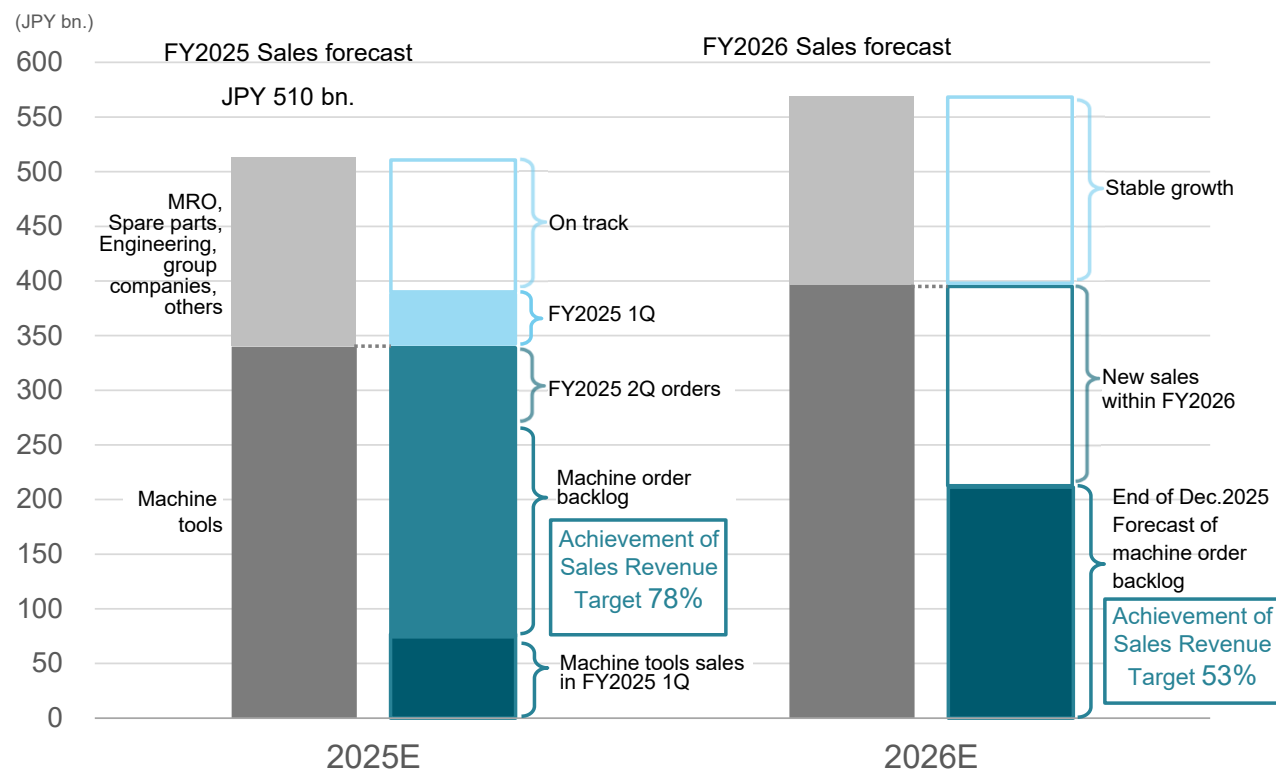
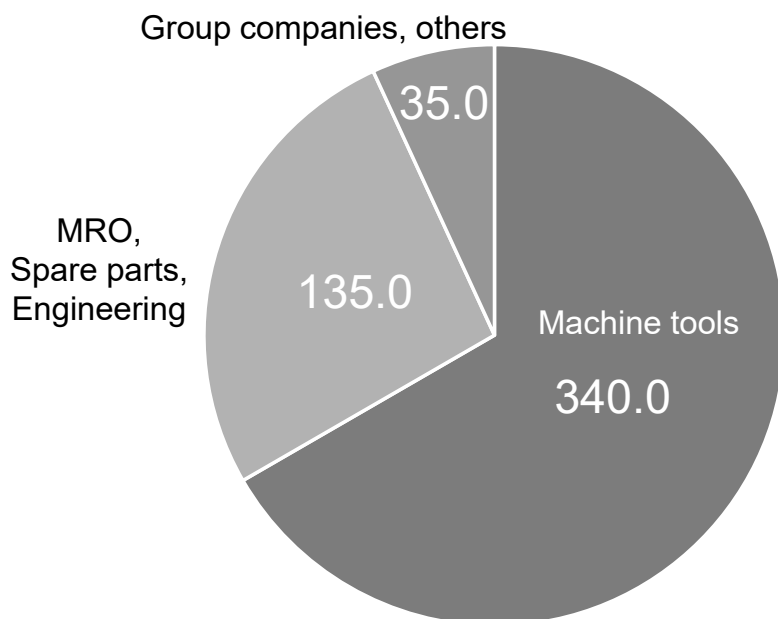


Increased feasibility for full-year sales plan: 78% of sales plan for machine tools has filled with order backlog

DMG MORI

- Order backlog progress on track to achieve the full-year machine sales target. Global progress rate at 78%.
- Strong medium-long term investment for operator shortages, AI data centers, electricity and energy policy. Growing order backlog for FY2026 sales target.

FY2025 Forecast: Sales revenue JPY 510.0 bn.

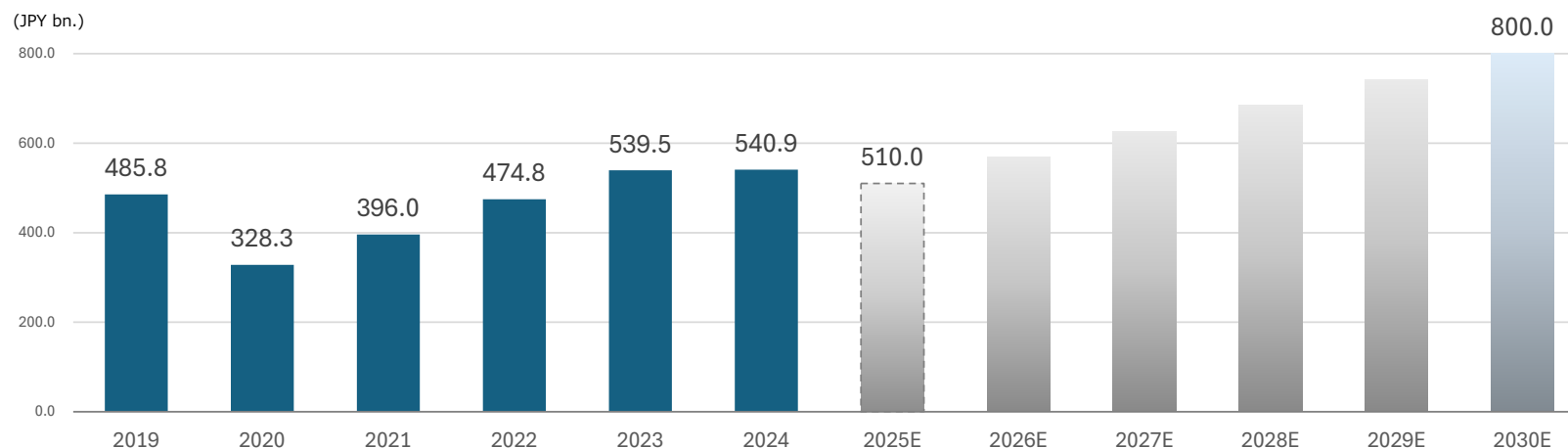


No Change in Strategy to Achieve FY2030 Target

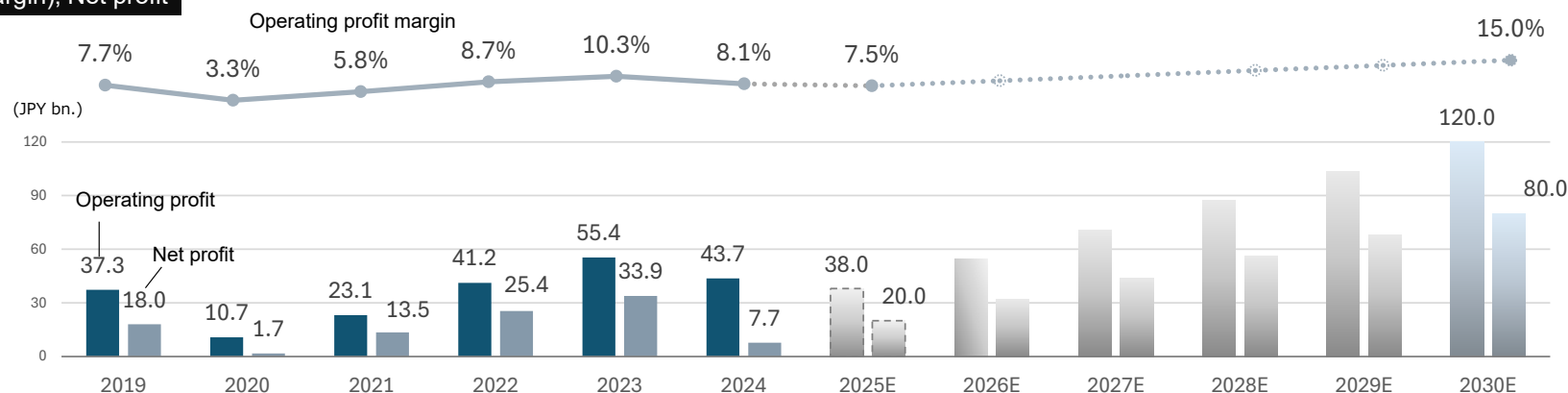
DMG MORI

- Expected to increase demand for process integration and automation due to the shortage of operators globally and needs for precise workpieces. Inquiries for DMG MORI products remain high.
- Full-year forecast for FY2025 unchanged from the beginning of the year. Sales & Profit growth are expected from FY2026 onwards hitting bottom at FY2025

Sales revenue



Operating profit (OP margin), Net profit



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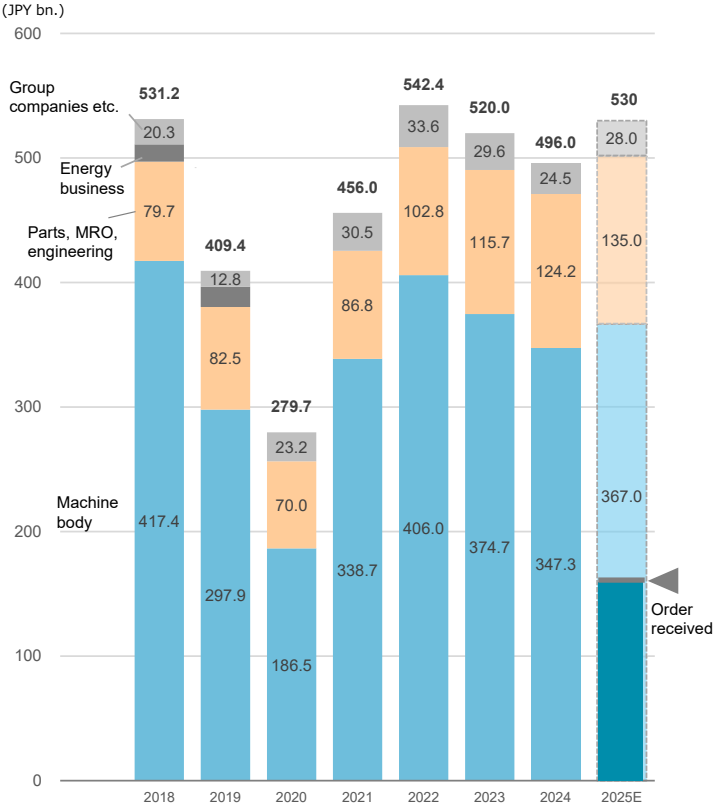
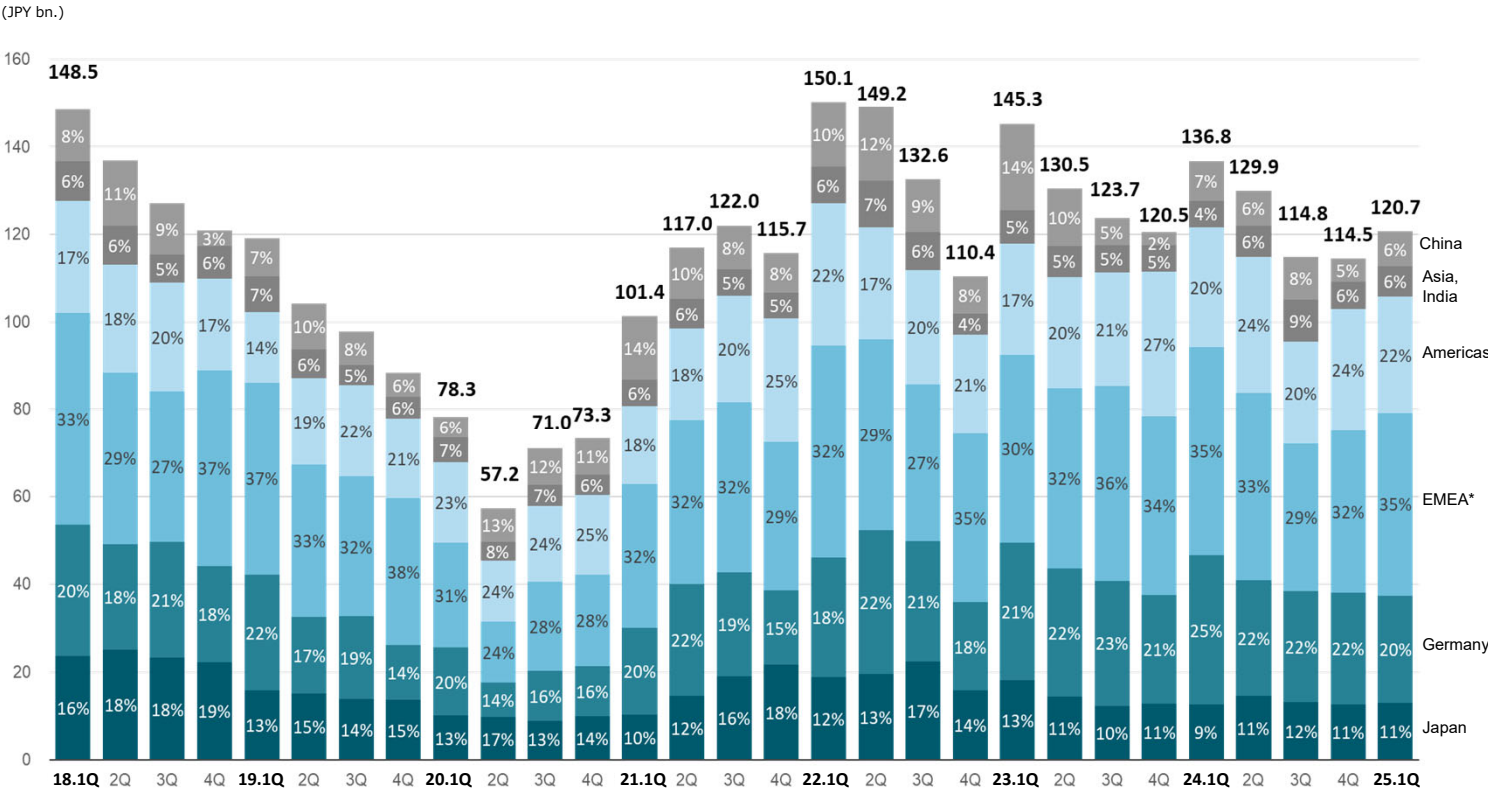
Consolidated Order Intake



- Order intake recovered in FY2025 1Q by +5% vs. FY2024 4Q (Oct-Dec).
- Order intake in EMEA remain stable. Other regions keep same level of order from previous quarters.

Quarterly

Yearly



Order Intake by Region

DMG MORI

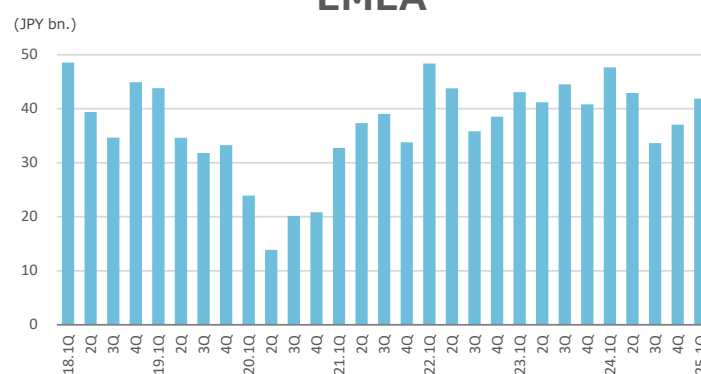
- Order intake in EMEA recovered steadily from FY2024 3Q driven by demand in aircraft, space, medical and energy sectors.
- Orders in other regions remain flat. In the U.S., large projects proceed as planned.

Germany

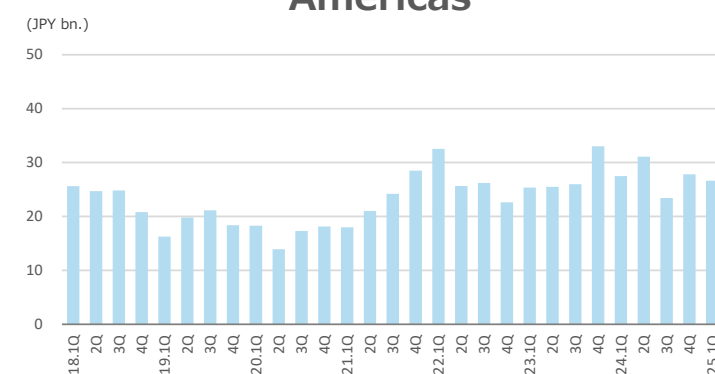


EMEA

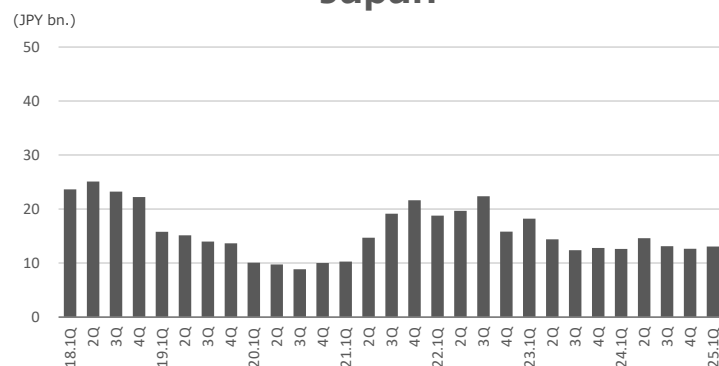
*Europe excl. Germany, the Middle East and Africa



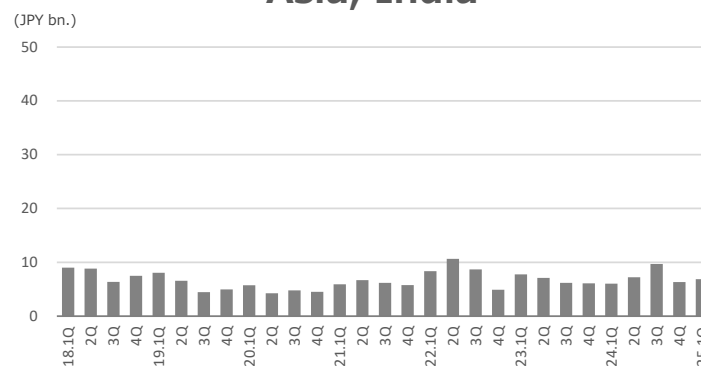
Americas



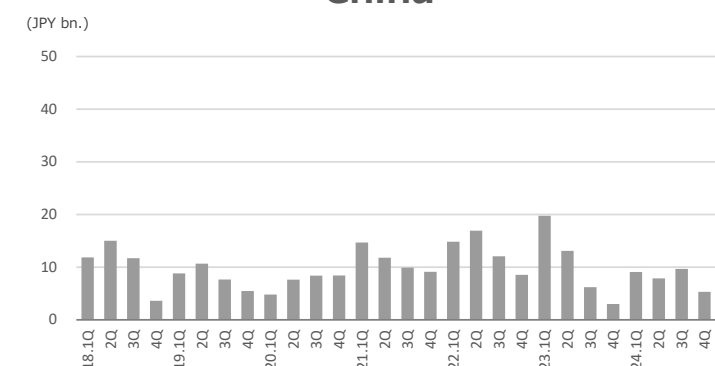
Japan



Asia, India



China



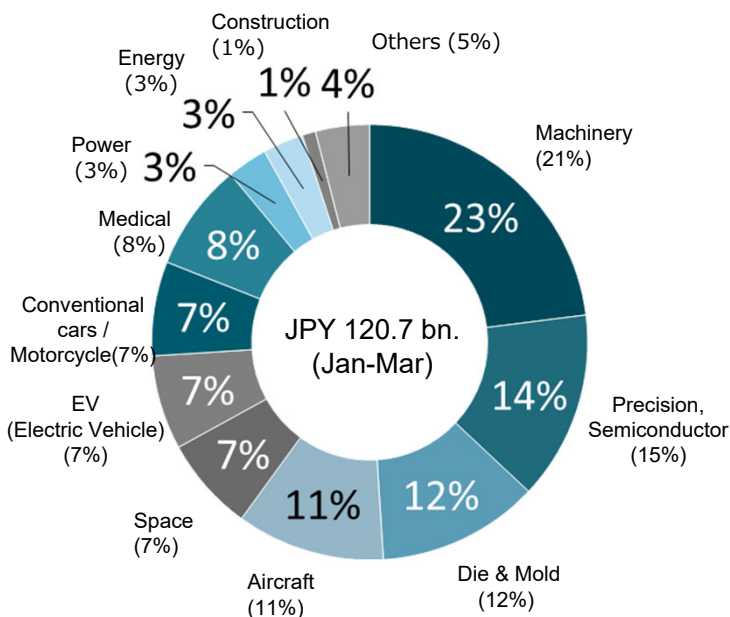
Consolidated Order Composition (Jan-Mar)

DMG MORI

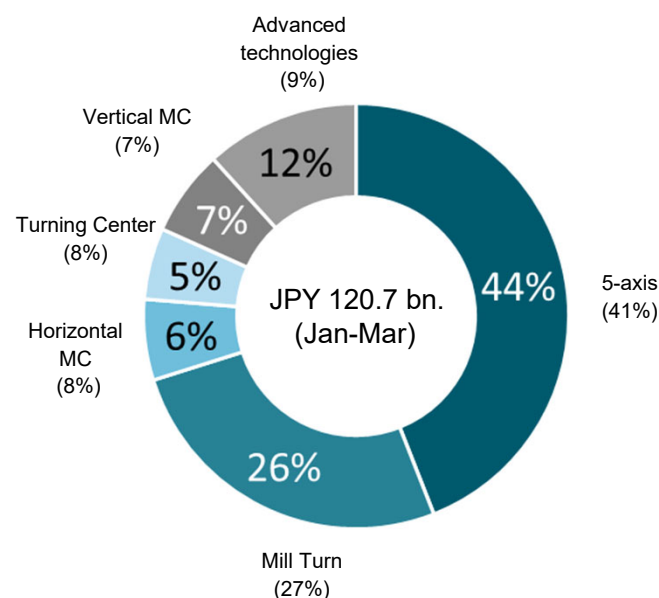
- Our core business of 5-axis machining centers, mill-turn centers, and advanced technology is performing well, especially orders for precision boring machine. Combined shares of the three categories increased to 82% (vs. 77% in FY2024).
- Investment from mid-sized and large companies remains solid. Inquiries from small businesses are steady, but lead time before investment decision-making has prolonged.

※Based on amount
(% in brackets: FY2024 Jan-Dec)

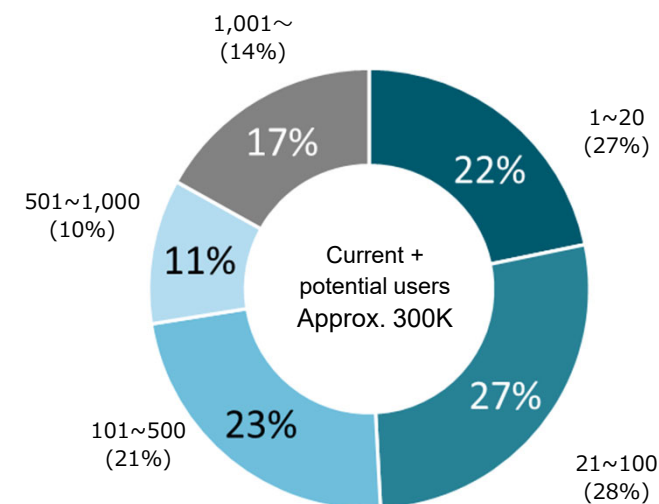
by industry



by product type

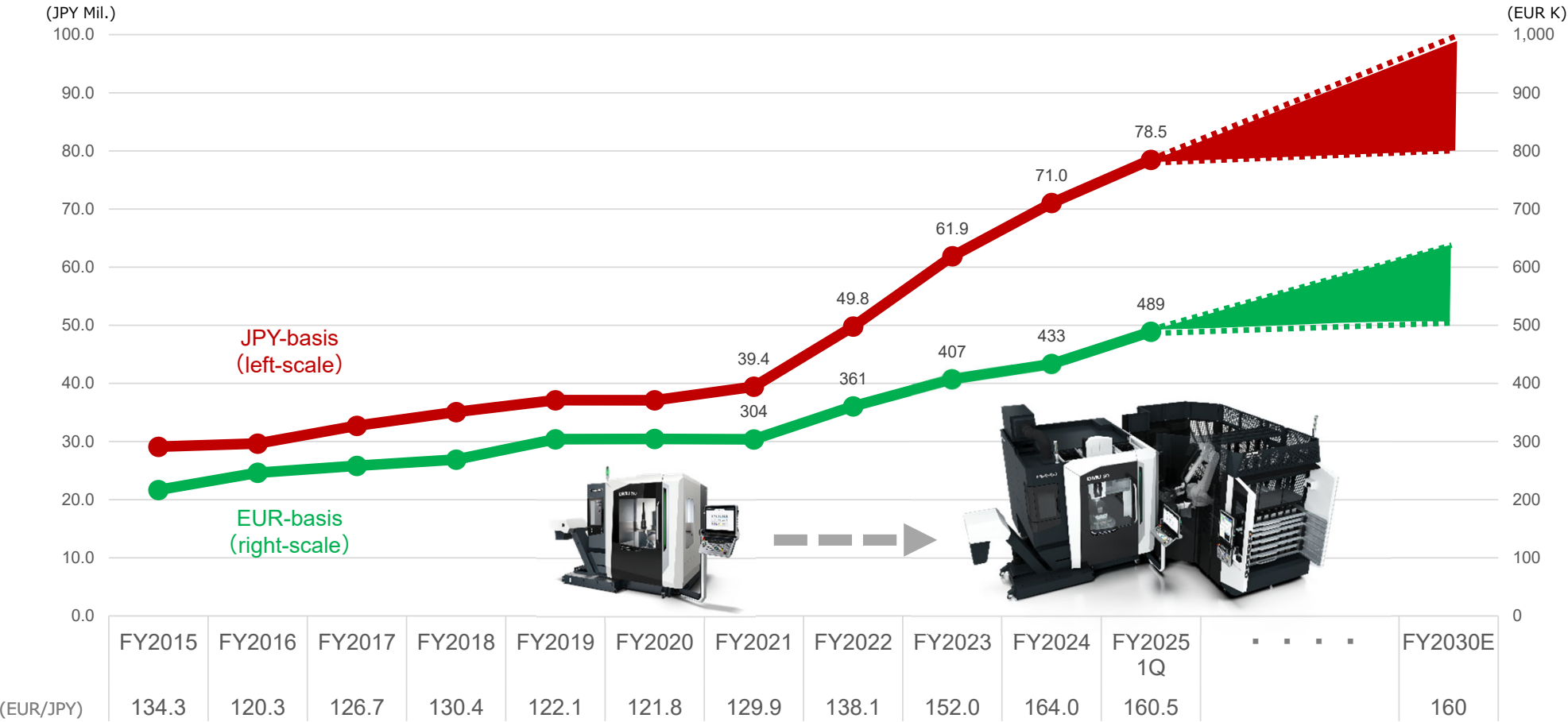


by customer's employee number



Average Order Price Per Unit

- Average prices reached JPY 78.5 mil (EUR 489 thousand), approaching our 2030 target of JPY 80.0 mil. (EUR 500 thousand).
- This is driven by increasing awareness of MX in large & medium-sized enterprises. Next, DMG MORI will promote automation for SMEs.



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- "Health & Productivity Stock Selection" for the 2nd Consecutive Year



EVENT SUMMARY

- **Location:** Pfronten, Germany
- **Exhibition space:** 3.200 sqm
- **Focus:** Machining Transformation (MX),
30 year OH anniversary

Key numbers:

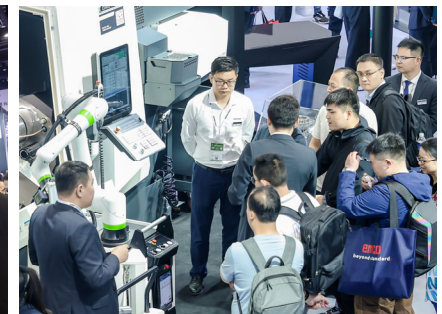
- **Visitors:** 6.400
- **Companies:** 3.600
- **New Quotes:** 1.800





EVENTS KEY FACTS

- **Location:** Beijing (China)
- **Booth size:** 702 sqm
- **Focus:** Machining Transformation (MX)
Technology Excellence
Local Production
- **Machine List:**
 - NLX 2500 I 700 2nd Gen. + MATRIS Light
 - ALC 2500 I 500
 - NTX 500
 - CTX beta 450 TC + Robo2Go
 - DMU 50c
 - DMU 70c + PH Cell 300
 - DMU 125 FD duoBLOCK
 - LT 50 Shape Femto





EVENTS KEY FACTS

- **Location:** Hoffman Estates, IL (USA)
- **Booth size:** 2,000 sqm
- **Focus:** Machining Transformation (MX)
USA Premiere Machines
Education Day – Future workforce in Mfg.
- **Machine List (*selected*):**
 - NLX 2500 I 700 2nd Gen. (w. Robo2Go)
 - CTX beta 450 TC (Premiere)
 - NZ Tre (Premiere w. bar loader)
 - LASERTEC 30 *SLM US* (local production)
 - Precision Grinding Vertical Mate 85 2nd Gen. (Premiere)
 - DMU 40 PLUS (w. Robo2Go drawer)



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Opening: Nara System Solution Factory (April 2025)



Area	approx. 40,000m ² (20,000m ² for automation systems)
Staff	approx. 220 (System Solution Factory, Automation R&D)
Invest.	approx. JPY 9.0 billion (buildings & equipment)
Buildings	Factory: single-story (North & South Factory, E-cabinet Factory) Office: six-stories (1-2F: Reception & meeting rooms, 3-4F: Offices, 5-6F: Seminar rooms & café)

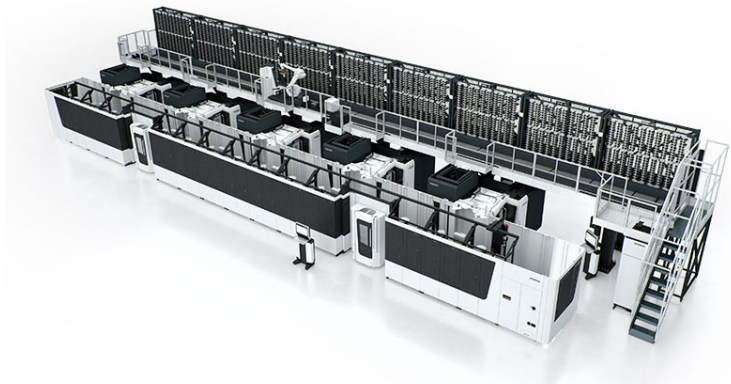
Automation System Examples



NLX 2500 | 700 2nd Generation
+ Robot System MATRIS Light



INH 63 + Pallet Handling System CPP



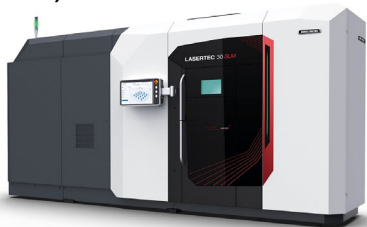
High-capacity tool magazine CTS (Central Tool Storage)

Opening: AM Innovation Center at Nara PDC (April 2025)













DMG MORI

Location: 2-1 Sanjo Honmachi, Nara City, Nara Prefecture
(Inside DMG MORI Co., Ltd. Second HQ, Nara PDC)

Machines: LASERTEC 30 SLM 3rd Generation,
LASERTEC 3000 DED hybrid,
LASERTEC 12 SLM 3rd Generation,
LASERTEC 65 DED hybrid,
LASERTEC 30 DUAL SLM



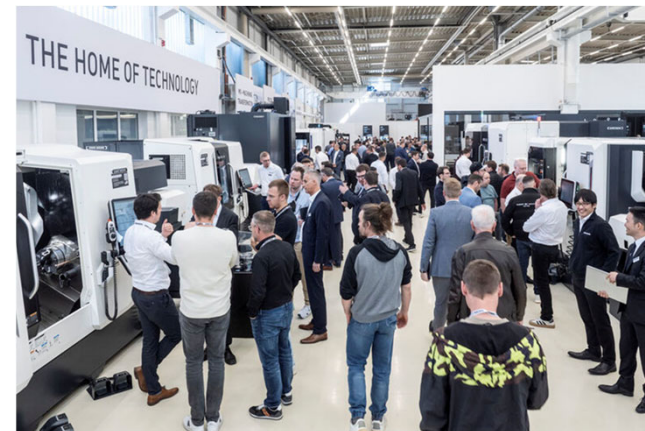
Example of AM Work

Robo2Go head	Ball screw deflectors	Turret manifold	Heat exchanger
 <p>Aluminum 125 x 125 x 103 mm Weight reduction In-house made parts</p>	 <p>M300 34 x 14 x 13.5 mm Weight reduction Process Integration In-house made parts</p>	 <p>Stainless steel 142 x 209 x 179 mm Parts Integration Channel optimization Parts made in-house</p>	 <p>Inconel* φ180 x 200 mm Integrated Shape Channel optimization Parts made in-house</p>
 <p>Tool steel 35 x 35 x 100 mm Internal cooling circuit</p>	 <p>Aluminum φ160 x 150 mm Weight reduction Parts made in-house</p>	 <p>Tool steel φ55 x 102 mm Built-in cooling circuit</p>	<p>SLM</p>
 <p>Stainless steel φ450 x 470 mm Improved heat resistance and cooling efficiency</p>	 <p>Inconel / Bronze φ194 x 80 mm Bimetals Improved heat resistance and cooling efficiency</p>	 <p>High-speed steel φ220 x 1,050 mm Improved wear resistance</p>	<p>DED</p>
 <p>High-speed steel φ16 x 375 mm Improved wear resistance In-house made parts</p>	 <p>Copper aluminum alloy / Stainless steel φ200 mm x 250 mm Bimetals Improved heat resistance and cooling efficiency</p>		

Open House WERNAU (Stuttgart) Grand Opening after re-building (April 2025)

DMG MORI

- ✓ Fully-renovated to mainly increase office and showroom space. Approx. 20 machine tools will be exhibited
- ✓ The Technology Center is the European hub of technical support for Japanese products with the application engineering function



European Headquarters Munich (DMG MORI EUROPE) Construction Status **DMG MORI**

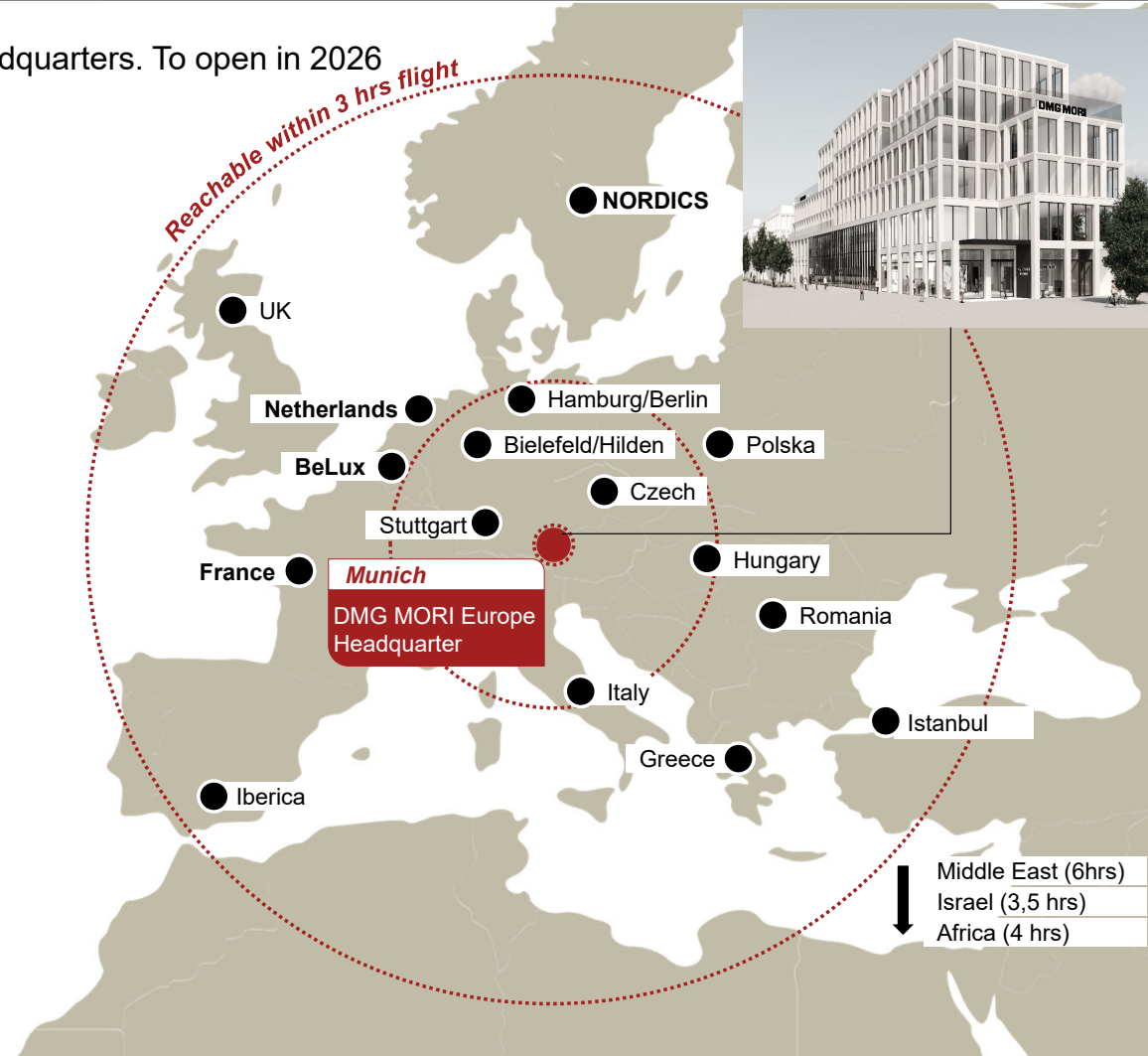
- ✓ In March 2025, the foundation stone was laid for the European headquarters. To open in 2026



Foundation stone ceremony together with project partner RH Unternehmensgruppe

Key Facts:

- 10.000 sqm in Munich with good connections to city center and airport
- 1.500 sqm Showroom



Investment in Nagaoka Region (Japan)

DMG MORI

- ✓ DMG MORI Precision Grinding/ Taiyo Koki + DMG MORI Precision Boring
- New factory : Planned completion FY2026 4Q

Planned start of operation FY2027 1Q

- ✓ Approximately 500 employees in the Nagaoka area
- ✓ Target for 2030: JPY 30 bn. in sales revenue



Grinding center CVG-6 + Automation system



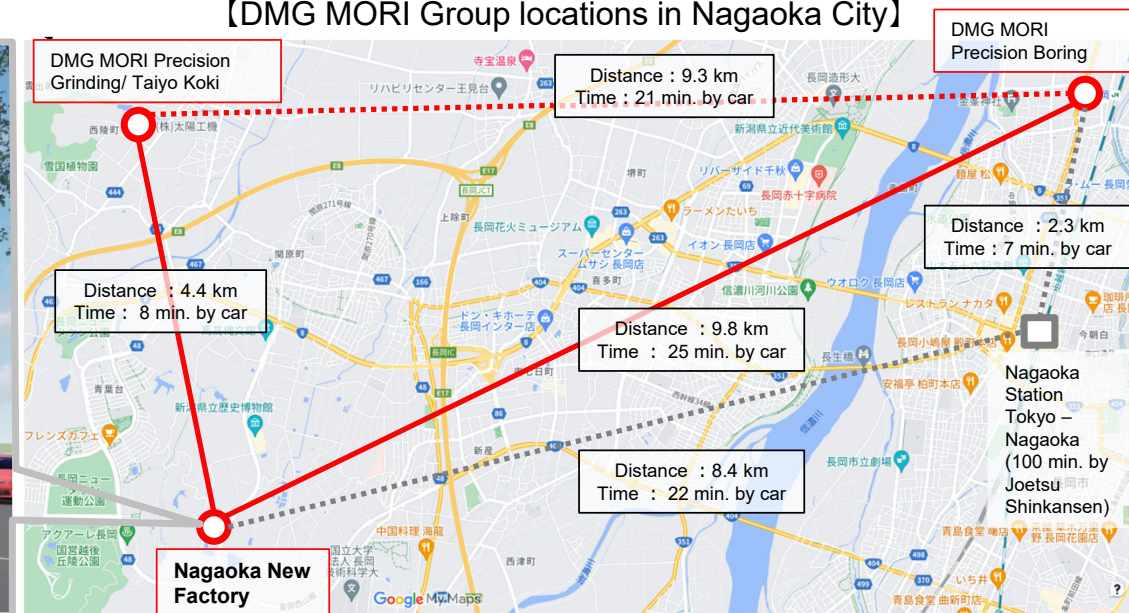
Boring machine PBN 20

Nagaoka New Factory 502-21 Azana Nakayama, Takato-machi, Nagaoka-shi, Niigata
Capital expenditure: JPY 10 bn.

【Image of New Factory Operation to begin in 2027】



【DMG MORI Group locations in Nagaoka City】



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Sustainability: Ranked A in CDP2024 for “Climate change”

DMG MORI

- ✓ Ranked A for the first time in the CDP2024 for “Climate change”
- ✓ Solar power generation at Iga & Nara Campus started full operation

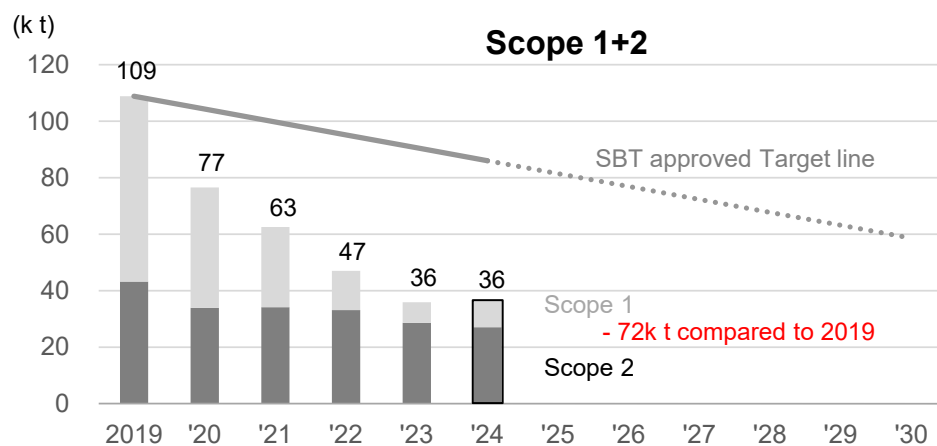


Iga Campus:
approx. 14 mil. kWh/year

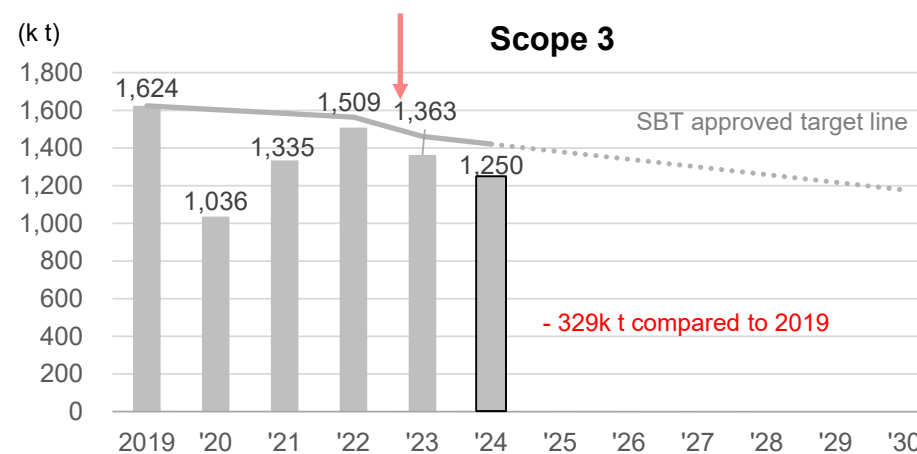


Nara Campus:
approx. 3 mil. kWh/year

CO2 Emission Trends



Adjusted targets according to SBT "Net Zero" certification



- ✓ Topped in the Machinery sector for two consecutive years

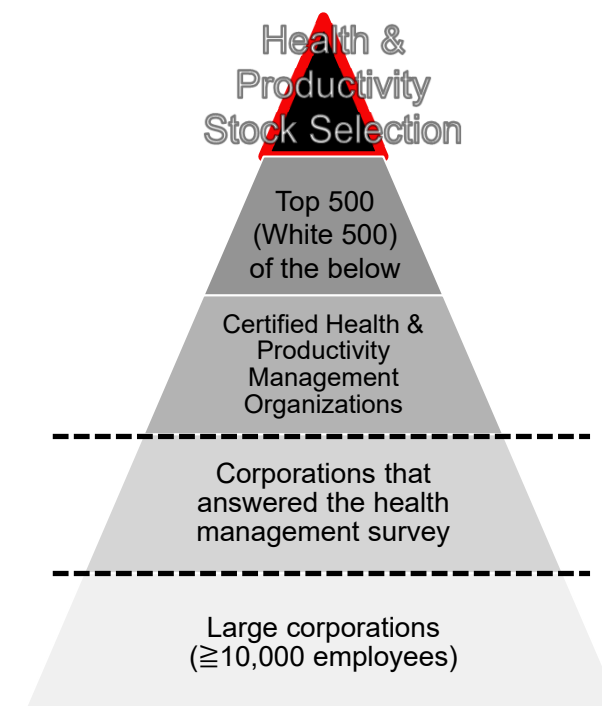


Highly evaluated:

Interval between work hours, No smoking on the premises,
Health checkups (above legal standards, incl. cancer examinations covered by DMG MORI),
Specific health guidance by occupational health staff, Promotion of stress management at work,
Webinar training for managers, Establishment of fitness gyms, Upgrade of cafeterias to restaurants,
Regular publication of a White Paper on Health Management, Sharing of health information on our website

Source : [Health & Productivity Stock Selection \(METI\)](#)

"Health & Productivity" is a registered trademark by Non-Profit Organization Kenko-keiei.



Source : [240328kenkoukeieigaiyou.pdf \(meti.go.jp\)](#) with modifications

This material contains targets, plans, etc. concerning the future of DMG MORI CO., LTD..

All predictions concerning the future are judgments and assumptions based on information available to DMG MORI CO., LTD. at the time of writing. There is a possibility that the actual future results may differ significantly from these forecasts, due to changes in management policy or changes in external factors.

There are many factors which contain elements of uncertainty or the possibility of fluctuation including, but not limited to, the following:

- Changes in the demand environment within the markets in which DMG MORI group operates
- Fluctuations in exchange rates
- Changes to the laws, regulations and government policies in the markets where DMG MORI group conducts its business
- DMG MORI CO., LTD.'s ability to develop and sell new products in a timely fashion
- Instability of governments in the markets where DMG MORI group conducts its business
- Operational changes by the competent authorities or regulations related to anti-trust, export control, etc.