DMG MORI

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- Consolidated orders in the first quarter reached an all-time quarterly high. All regions recorded double-digit year-on-year growth in consolidated orders.
- Given the strong order intake, we have revised our full-year business outlook upward. Consolidated orders are now expected to increase by 10.8% year on year to JPY 580.0 billion. Sales revenue is forecast at JPY 565.0 billion (initial plan: JPY 535.0 billion), and EBIT at JPY 28.0 billion (JPY 19.0 billion).

Financial summary (JPY bn.)	FY2025.1Q (Jan-Mar)	FY2026.1Q (Jan-Mar)	(Y/Y) %		FY2025 (Jan-Dec)	FY2026E (Jan-Dec)	(Y/Y) %
Consolidated orders	120.7	155.4	+28.8		523.4	580.0	+10.8
Order backlog for machine tools	223.5	266.0			240.0	-	
Sales revenue	114.0	135.5	+18.9		515.0	565.0	+9.7
EBITDA	10.0	12.5	+25.9		53.6	65.0	+21.3
EBITDA margin (%)	*8.7%*	*9.2%*			*10.4%*	*11.5%*	
EBIT	1.8	3.4	+88.0		19.0	28.0	+47.6
EBIT margin (%)	*1.6%*	*2.5%*			*3.7%*	*5.0%*	
EAT from continuing operations	0.2	1.3			7.0	15.0	2.2x
Profit or loss from discontinued operations	-	-			17.2*	-	
EAT (Net profit attributable to owners of the parent)	0.2	1.5	8.9x		24.0	15.0	-37.6
EAT margin	*0.1%*	*1.1%*			*4.7%*	*2.7%*	
Dividend per share (Yen)	-	-			105	105	

*EUR 102 mil (JPY 17.2 bn, EUR/JPY= 169) insurance proceeds were received in FY2025.

[Summary of Financial Results for the First Quarter of FY2026 (January-March)]

Consolidated orders were JPY 155.4 billion, an increase of 28.8% from the same period last year (January-March 2025). On a quarterly basis, this was the highest on record. The MX (Machining Transformation) strategy has been making strong progress. In addition, orders for BX (Basic Machine) increased significantly due to competitive machine quality and pricing. Amid growing demand for integrated machines with automation systems and large-sized machines, along with the yen's depreciation against the euro, the average machine order price per unit stayed at a high level of JPY 84.2 million (JPY79.6 million in 2025). MRO (Maintenance, Repair and Overhaul), spare parts and engineering segment came in at JPY35.7 billion, up 18.3% from the same period last year. The segment accounted for 23% of consolidated orders. Orders in all regions performed well with double-digit year-on-year growth. By industry, orders were robust for aircraft, defense, space, data-processing (including semiconductor production equipment), and medical industries. Group companies such as Magnescale Co., Ltd. and SAKI Corporation experienced a good recovery in demand from the data-processing industry. The machine order backlog at the end of March 2026 rose to JPY 266.0 billion (JPY 240.0 billion at the end of December 2025)

Sales revenue was JPY 135.5 billion, an increase of 18.9% from the first quarter of 2025. The machine tool, MRO, spare parts and engineering segment performed broadly as expected, while the depreciation of the yen against the euro provided a tailwind to sales revenue. EBITDA was JPY 12.5 billion, 25.9% year on year (JPY 10.0 billion in the same period last year), while EBIT was JPY 3.4 billion, up 88.0% year on year (JPY1.8 billion in the same period last year). An increase in personnel expenses and a rise in depreciation charges were more than offset by sales expansion and an improvement in the gross profit margin driven by the lower discount rates, resulting in securing profit growth. EBITDA margin and EBIT margin improved to 9.2% (8.7% in the same period last year) and 2.5% (1.6%), respectively. EAT attributable to owners of the parent was JPY1.5 billion (JPY 0.2 billion in the same period last year). Operating free cash flow (Operating cash flow minus investment cash flow) was a deficit of JPY 6.0 billion. Advance payments played a positive role on the back of better-than-expected order inflow. Capital expenditure was well managed at JPY 6.3 bn. as planned. On the other hand, inventory levels rose as we prepared for further increases in production. We expect operating free cash flow to improve from the second quarter onward, reflecting accelerated conversion of the order backlog into sales revenue.

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[Full-year 2026 (January-December) Business Forecast]

We have revised our full-year business outlook upward. Consolidated order intake is now forecast at JPY 580.0 billion, up from the original plan of JPY 540.0 billion, representing 10.8% year-on-year growth. Orders for machine tools, MRO, spare parts, and engineering are expected to maintain their current upward momentum. By industry, demand from aircraft, defense, space, medical, data-processing, and die & mold manufacturing is expected to continue contributing to performance. Sales revenue has been revised upward to JPY 565.0 billion (initial plan: JPY 535.0 billion), representing 9.7% year-on-year increase. Reflecting the expected increase in sales revenue, the EBIT forecast has been raised to JPY 28.0 billion (initial plan: JPY 22.5 billion), an increase of 47.4% year on year. The EBIT margin is expected to improve to 5.0% (FY 2025: 3.7%). EAT is now expected to decline by 37.6% to JPY 15.0 billion, due to the absence of overseas trade insurance proceeds recorded in FY 2025. We plan to maintain the full-year dividend per share at JPY 105, unchanged from FY 2025 and as originally scheduled.

[Results in the First Quarter of FY2026 (January-March)]

<Order Intake and Machine Order Backlog>

Consolidated orders hit an all-time quarterly high with an increase of 28.8% from the same period last year to JPY 155.4 billion. MX machines including 5-axis machines, mill-turn centers and additive manufacturing have performed well. Furthermore, BX (Basic) machines, on which DMG MORI started focusing from last year, increased significantly backed by their high quality and competitive pricing. The share of MX machines climbed to 14% on a value basis (9% in the same period last year) and 38% on a volume basis (23%). The balance between MX machines and BX machines is improving as expected. Although orders for BX machines are growing at a faster pace, the average machine order price per unit stayed at a high level of JPY 84.2 million (JPY79.6 million in 2025), driven by further automation systems combined with MX machines, reduction in discount rates and the depreciation of the yen against the euro. Orders for MRO, spare parts and engineering segment went up 18.3% year on year to JPY35.7 billion. The share of this segment stayed stable at 23% of consolidated orders. With demand for data-processing equipment growing rapidly, orders for such group companies have been on good track, including Magnescale, which mainly produces ultra-precision measuring scales for the semiconductor production equipment industry, and SAKI Corporation, which manufactures automated inspection systems for electronic component mounting processes.

By region, orders in all regions globally increased by double digits compared to the same period last year. Orders in Germany improved, resulting in a 28% year-on-year growth in the EMEA market (54% of the total orders). Orders in the Americas remained robust, increasing 33% compared to the same period last year. Although demand in Japan, Asia and China was sluggish last year, orders in these areas are recovering steadily. By industry, a recovery in orders has been spreading to a wide range of industries including aircraft, defense, space, medical, power generation, shipbuilding, data-processing and die & mold manufacturing. Orders for semiconductor production equipment, in particular, have been gaining strong momentum.

Machine order backlog at the end of March 2026 rose to JPY 266.0 billion from JPY 240.0 billion at the end of December 2025. Although we are increasing production volume, the pace of order growth is faster than expected, resulting in an upward trend in the order backlog. The current favorable orders and order backlog are expected to contribute to a rise in sales revenue from the third quarter onward given our lead times.

<Profit or Loss Statement, and Financial Position>

Sales revenue was JPY 135.5 billion, an increase of 18.9% from the same period last year. The yen weakened significantly against the euro, averaging JPY 183.7 per euro compared to JPY 160.5 in the same period last year. As a result, the impact of foreign exchange on sales revenue amounted to JPY 11.5 billion. EBITDA came in at JPY 12.5 billion, an increase of 25.9%, while EBIT stood at JPY 3.4 billion, up 88.0%. EBIT increased by JPY 1.6 billion from the same period last year. An increase in sales volume contributed JPY 3.2 billion, gross profit improved by JPY 1.5 billion driven by reduced price discount on MX machines and expansion in the MRO, spare parts and engineering business, and a favorable effect of JPY 0.9 billion from foreign currency exchange. The positive effect totaled JPY 5.6 billion. Cost increases totaled JPY 4.0 billion, primarily attributable to a JPY 2.2 billion rise in personnel expenses due to the hiring of additional MRO engineers, a JPY 0.8 billion increase in depreciation,

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and a one-off JPY 1.0 billion donation to the University of Tokyo MX promotion program. Higher sales contributed to the growth in profits. EAT (profit attributable to owners of the parent) was JPY 1.5 billion, compared with JPY 0.2 billion in the same period last year. After deducting JPY 0.56 billion in payment to holders of hybrid capital, EAT attributable to common shareholders was JPY 0.93 billion.

Operating free cash flow recorded a deficit of JPY 6.0 billion. Advance payment grew JPY 4.9 billion. Capital expenditures have been strictly managed within the level of depreciation and amortization charges from 2025. On the other hand, orders have been expanding at a faster-than-expected pace, leading to a rise in inventory as we prepare for an expected increase in shipments in the second quarter onward. Reflecting a more favorable business environment. the full-year operating free cash flow is now expected to increase to JPY 16.5 billion (initial plan: JPY 15.0 billion).

At the end of March 2026, total assets grew by JPY 8.7 billion to JPY 877.7 billion from JPY 869.0 billion at the end of December 2025. On the asset side, inventories increased due to higher production in response to increased orders, while there were no other significant changes. On the liabilities side, advance payments rose reflecting the strong order inflow. Interest-bearing debt temporarily increased to cover dividend payments. Net interest-bearing debt (excluding hybrid capital) rose by JPY 17.8 billion to JPY 97.4 billion from JPY 79.6 billion at the end of 2025. The Net Debt/Equity ratio increased to 0.29 from 0.23 at the end of 2025, but remained within the long-term target of 0.3 or below, maintaining financial soundness. The shareholders' equity ratio stood at 38.2%, down slightly from 39.2% at the end of 2025. From the second quarter onward, the Company aims to further enhance profitability through accelerated conversion of order backlog into machine sales as well as expansion of MRO, spare parts and engineering business, thereby promoting further balance sheet strengthening.

[Business Forecast for Full Year 2026 (January-December)]

We have revised upward our forecasts for consolidated order intake, sales revenue, and profits from the initial plan. The annual dividends per share remain unchanged from the original schedule. Compared to fiscal year 2025, consolidated order intake has been revised upward to JPY 580. billion (original plan: JPY 540.0 billion), up 10.8% year on year. Sales revenue has been raised to JPY 565.0 billion (original plan: JPY 535.0 billion), up 9.7% year on year. EBITDA is now projected to increase to JPY 65.0 billion (initial plan: JPY 59.5 billion), an increase of 21.3% year on year, and EBIT is expected to reach JPY 28.0 billion (initial plan: JPY 22.5 billion), up 47.6% year on year. EAT is expected to be JPY 15.0 billion (initial plan: JPY 10.5 billion), representing a 37.6% year-on-year decrease. In FY2025, EAT was positively impacted by a one-off overseas trade insurance receipt of JPY 17.2 billion, resulting in EAT of JPY 24.0 billion. Excluding this one-off effect, EAT from continuing operations is expected to increase by approximately 2.2 times year on year, from JPY 7.0 billion in FY 2025 to JPY 15.0 billion in FY2026. The annual dividend per share is planned to remain at JPY 105, consistent with FY2025.

In the machine tools business, we expect demand for both MX and BX machines to remain strong. Demand for MX machines is expanding as customers face operator shortages and see growing needs for high-precision machining components and high-mix, low-volume production. These trends are driving increased requirements for more efficient machining processes. Demand for BX machines is being supported by replacement demand, driven by their high quality and competitive pricing. As customers' utilization rates continue to rise, demand for MRO, spare parts, and engineering services is expected to remain robust. By region, we anticipate continued growth in orders in EMEA, the Americas, and India, while the Japanese market is also expected to maintain its recovery trend. By industry, the aircraft, defense and space industries have grown to account for approximately one-quarter of total company orders, and this momentum is expected to continue. Orders from industries such

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as data−processing, including semiconductor production equipment, power generation, medical related, shipbuilding, and die & mold manufacturing are also expected to remain stable.

From a profitability perspective, profit improvement is expected to be driven primarily by higher sales revenue supported by order expansion, as well as growth in businesses such as MRO, spare parts, and engineering services, together with a reduction in discount rates for MX machines. In addition, efficiency gains from increased production volumes, along with contributions from group companies offering high value-added products—Magnescale and Saki Corporation—are also expected to further strengthen performance. A price revision implemented in April is likewise anticipated to gradually contribute to earnings. Our revenue and profit base is steadily strengthening. Against this backdrop, we will continue to pursue further profit improvement from the second quarter onward.

Operating free cash flow is expected to improve progressively in line with earnings expansion from the second quarter onward. Inventories, which increased in the first quarter, are projected to be reduced through higher shipment volumes in the second half. Capital expenditure will continue to be tightly controlled at approximately JPY 30.0 billion per year from 2025, and reflecting improved profitability, full-year operating free cash flow is expected to increase to JPY 16.5 billion (initial plan: JPY 15.0 billion). Net interest-bearing debt (including hybrid capital), which increased in the first quarter, will be carefully managed and is expected to decline below JPY 190.0 billion by the end of December 2026, in line with the initial plan.

(Disclaimer)
This document contains forward-looking statement about the Company's goals, plans, and other matters.
These forward-looking statements are based on judgements and assumptions made in light of information currently available to the Company.
Actual results may differ materially from these forecasts in the future due to changes in management policies and external factors.
There are a number of factors that could cause uncertainties and volatility, including the following.

- Changes in the demand environment within the markets in which the Group operates
- Exchange rate fluctuations
- Changes in laws, regulations, and government policies within the markets in which the Group operates
- Our ability to develop new products in a timely manner and gain market acceptance
- Political instability within the markets in which the Group operates
- Changes in related laws and regulations, such as the Antimonopoly Act and export control regulations, or changes in their operation by the competent authorities