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Date: April 26, 2024

Summary of Consolidated Financial Statements for the First quarter of Fiscal Year 2024 ended March 31, 2024 (IFRS basis)
(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial Statements for the First quarter announced on April 26, 2024)

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>
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Filing date of quarterly financial statements: May 10, 2024

Estimated starting date of dividend payment: -

Preparation of supplementary explanatory materials: Yes

Holding of quarterly earnings release conference: Yes

1. Consolidated business results of the First quarter ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(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		Quarterly profit (loss)		Profit (loss) attributable to owners of the parent		Comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
First quarter ended March 31, 2024	132,851	7.8	10,772	10.9	9,268	9.1	(8,572)	-	(8,661)	-	6,074	(16.2)
First quarter ended March 31, 2023	123,225	-	9,715	-	8,495	-	6,194	(1.9)	6,297	0.4	7,251	(37.0)

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
First quarter ended March 31, 2024	(72.26)	(77.20)
First quarter ended March 31, 2023	46.70	46.70

(Note 1) Earnings per share is calculated based on the profit which excludes profit attributable to owners of other equity instruments.

(Note 2) Effective from the first quarter of the current fiscal year, DMG MORI Co., Ltd. (the "Company") has classified the operations related to Ulyanovsk Machine Tools ooo, a subsidiary located in Russia, as discontinued operations. As a result, sales revenues, operating profit and profit before income taxes are presented only in the amounts of continuing operations, which exclude discontinued operations. The amounts of quarterly profit (loss) and profit (loss) attributable to owners of the parent include the results of discontinued operations. As the businesses have been similarly reclassified in the first quarter ended March 31, 2023, changes from the same period of the previous fiscal year are not presented.

(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
March 31, 2024	794,577	279,376	274,757	34.6	2,137.59
December 31, 2023	765,806	272,545	267,990	35.0	2,134.72

(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.

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
December 31, 2023	-	40.00	-	50.00	90.00
December 31, 2024	-				
December 31, 2024 (Forecast)		50.00	-	50.00	100.00

(Note) Revision of dividends forecast in the current quarter: No

3. Consolidated financial forecast for Fiscal Year 2024 (January 1, 2024 to December 31, 2024)

(% 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 2024	550,000	2.0	58,500	5.7	36,000	6.1	242.61

(Note)

Revision of consolidated financial forecast in the current quarter: Yes

- Exchange rate used for consolidated financial forecast for fiscal year 2024: JPY 142.2 /USD 152.8 /EUR
- In the above forecast, sales revenues and operating profit are presented only in the amounts of continuing operations, which exclude discontinued operations. The amounts of profit attributable to owners of the parent and basic earnings per share include the results of discontinued operations. The Company has filed insurance claims to receive compensation for the losses from discontinued operations. The forecast of profit attributable to owners of the parent is based on the assumption that the compensation amount will be finalized during the FY2024. Regarding the detail of this forecast, please see "1. Qualitative Information Regarding Quarterly Settlement of Accounts (3) Explanation of forecasts and other projections" on page 4.

4. Others

(1) Changes in significant subsidiaries during the First quarter ended March 31, 2024: No

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

1. Changes in accounting policies required by IFRS: Yes
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)

March 31, 2024: 128,974,041	December 31, 2023: 125,953,683
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2. Number of treasury shares at the end of the period

March 31, 2024: 533,716	December 31, 2023: 533,582
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3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

January - March 2024: 125,685,230	January - March 2023: 125,420,885
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- Information regarding implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures.

- Proper use of the financial forecasts and other notes

(Precautions regarding future descriptions)

1. 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 2024 (Forecast), please see "1. Qualitative Information Regarding Quarterly Settlement of Accounts (3) Explanation of forecasts and other projections" on page 4.

2. The forecast of basic earnings per share for the fiscal year ended December 31, 2024 reflects the effect of the exercise of Euro-yen denominated convertible bonds due 2024.

(How to obtain supplementary explanatory materials for quarterly financial results)

The supplementary explanatory material for the quarterly financial results is scheduled to be posted on the Company's website on April 26, 2024 (Friday).

(Attached Documents) Index

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1. Qualitative Information Regarding Quarterly Settlement of Accounts

(1) Explanation of operating results

For the first quarter of the fiscal year 2024 (from January 1 to March 31), the sales revenues were JPY 132.9 bn. (EUR 824 mil.), the operating profit was JPY 10.8 bn. (EUR 67 mil.), the profit before income taxes was JPY 9.3 bn. (EUR 57 mil.) and the loss attributable to owners of the parent was JPY 8.7 bn. (EUR 54 mil.). (EUR amount is converted from yen at 161.3 yen, the average exchange rate between January 1 and March 31, 2024.) Quarterly loss attributable to owners of the parent includes loss of JPY 14.8 bn. from discontinued operations.

The quarterly order intake was JPY 136.8 bn., down 5.8% from the same period last year (Jan-Mar 2023) and up 13.5% from the previous quarter (Oct-Dec 2023). DMG MORI's Machining Transformation (MX) strategy to facilitate process integration, automation and Green Transformation (GX) through Digital Transformation (DX) has been positively accepted by the market. Thanks to our improved capabilities to propose added values to our customers, the average order price per unit rose significantly from JPY 61.9 mil. (EUR 40.7 thousand) in FY2023 to JPY 74.7 mil. (EUR 46.3 thousand). Spare parts and service account for 23% of the consolidated orders (+10% vs. FY2023) and contributed to higher order intake.

By region, order intake grew steadily in Europe by 9.9% (composition ratio: 60%), and the Americas by 8.3% (20%) year on year, partially due to the yen depreciation. Orders in Japan declined by 30.8% (9%) and Asia excluding China by 22.4% (4%) from FY2023 Q1, although mostly unchanged from the previous quarter of FY2023 Q4. We expect both regions to recover in the near future. China (7%) was down 54% from its historical peak in the same period last year. By industry, the commercial aircraft, space, medical, die & mold, infrastructure including energy & power generation, and defense sectors are active.

Consolidated order intake forecast for FY2024 remains at JPY 520 bn. as originally planned, but we will revise it according to the order intake status in Q2 and onwards. The machine order backlog grew from JPY 247 bn. at the end of December 2023 to JPY 263 bn. at the end of March 2024. The accumulated order backlog will also contribute to the sales revenues of this year and next.

As stated in our Medium-term Business Plan, we will utilize the time period from 2023 to 2025 to place emphasis on providing customers with higher value-added products, systems, and services through process integration, automation, DX and GX. With the resulting MX (Machining Transformation), we aim for global environmental preservation and sustainable business growth, while continuing to build a resilient business foundation as a total solution provider to customers' processing needs.

This January, KURAKI Co., Ltd. became our consolidated group company and was renamed to DMG MORI Precision Boring CO., LTD. in April. Their CNC horizontal boring machines are an excellent addition to our product portfolio and show increasing popularity in the aerospace, new energy, and heavy machinery industries, all of which are expected to grow in the medium to long term. In addition, we benefit from new development expertise, technology, and customer bases which are essential to realize our MX strategy. By continuously creating synergies among group companies, DMG MORI will pursue sustainable business growth and greater corporate value.

On the technological side, we developed "Measuring Pro" to digitally transform the creation of measuring programs. With easy-to-follow on-screen guidance and quick data input, operators can create individual macro programs without the need to check manuals, thus drastically shortening programming time. In addition, Measuring Pro automatically feeds back and inputs compensation data to further boost customer productivity.

In January, we held our annual DMG MORI Open House at Pfronten, Germany. Including several world premieres, more than 45 world machine models, 20 automation systems, and digital solutions were on display. More than 5,000 guests visited us to behold state-of-the-art products and technologies for higher productivity.

In 2026, DMG MORI will establish the Headquarters of DMG MORI Europe Holding GmbH in the capital city of Munich in the Free State of Bavaria, Germany. Being conveniently located in the center of Europe, our new Headquarters can be easily reached from Pfronten Factory, our largest European development and production site, as well as from all other production sites in Europe within a few hours. The new building will include various departments, such as administration, sales, service, and engineering, and more than 30 of our latest products and technologies will be on display. Serving as the headquarters for DMG MORI's European locations, Munich will further strengthen the Group's sense of unity.

DMG MORI is pursuing a sustainable society. In February, the international non-profit organization CDP acknowledged our efforts and ranked us A- in the "Climate Change" and "Water Security" categories. So far, we have set greenhouse gas reduction goals for 2030, obtained the Science Based Targets certification in November 2021, expanded the use of renewable energy and installed electric furnaces for casting production. DMG MORI is surpassing its targets, and being acknowledged by the CDP confirms our strategy as well as our assessment and

management of water risks.

We achieved 2,000 hours of maintenance-free operation of our wood biomass gas generator installed at Iga Campus in 2022. Previously, gas generator maintenance was needed approx. every 500 hours. Thanks to a close corporation with GLOCK ecotech GmbH and TESS Engineering Co., Ltd., we successfully increased the annual generator operation rate from 65% to over 80%. The electricity and hot water generated are used on-site.

Also at Iga Campus, the second batch of our solar power system is now producing 5,200 kW of electricity. The third batch is scheduled for operation start in 2025 and will supply 14 MWh per year, equivalent to approx. 30% of the annual power demand at Iga Campus. Nara Plant also began power generation with approx. 354kW. The second batch is planned to produce 3 MWh and cover approx. 30% of the plant's annual power demand starting October 2024. The electricity generated will be stored as an emergency power supply. DMG MORI will continue to expand the use of renewable energy and contribute to the realization of a carbon-neutral society.

With the wellbeing of our employees at heart we introduced mandatory 12-hour break intervals, established a Health Care Promotion Center and released the "DMG MORI Health and Productivity Management Declaration" in 2021. As a result, we were awarded the "Health & Productivity Stock Selection" by the Ministry of Economy, Trade, and Industry (METI) and the Tokyo Stock Exchange for our excellent health management in March 2024. This program acknowledges companies that prioritize the health of their employees from a managerial standpoint, engage in strategic health initiatives and contribute to productivity and enterprise value. For the second consecutive year, METI and Nippon Kenko Kaigi certified us as a "White 500" company in the large corporation category of their "Certified Health & Productivity Management Outstanding Organizations Recognition Program". We will continue to implement company-wide, systematic health promotion measures to empower everyone to realize their full potential in good health.

*Health & Productivity Management is a registered trademark of the Nonprofit Organization KenkoKeiei.

<Consolidated results>

Consolidated results of the First quarter of the fiscal year ended March 31, 2024 is as follows:

Unit: 100 Million yen

	January to March, 2023	January to March, 2024	Difference	<Forecast> January to December, 2024
Sales revenues	1,232	1,329	96	5,500
Sales revenues (Million EUR)	867	824	(44)	3,599
Operating profit	97	108	11	585
Operating profit (Million EUR)	68	67	(2)	383
Operating profit / Sales revenues	7.9%	8.1%	0.2%pts	10.6%
Profit attributable to owners of the parent	63	(87)	(150)	360
Profit attributable to owners of the parent (Million EUR)	44	(54)	(98)	236

(Note) • Euro amount is converted from yen at the average or forecasted exchange rate of each fiscal period; 142.1 yen/EUR for the figures of January to March, 2023, 161.3 yen/EUR for those of January to March, 2024, and 152.8 yen/EUR for the figures of January to December, 2024.

- Results of January to March, 2023 have been retroactively adjusted to reflect the classification of discontinued operations.
- Results of January to March, 2023 are before the review by the auditor.

(2) Explanation of financial position

Total assets at the end of the First quarter of fiscal year 2024 amounted to 794,577 million yen. Total equity is 279,376 million yen and ratio of equity attributable to owners of the parent is 34.6%.

(3) Explanation of forecasts and other projections

On February 19, 2024, the shares of the Company's consolidated subsidiary Ulyanovsk Machine Tools ooo were expropriated by the Russian government. The Company deems it has lost controlling interest in Ulyanovsk Machine Tools ooo, and it excluded Ulyanovsk Machine Tools ooo from the scope of consolidation effective from the first quarter of the fiscal year 2024. As a result, the business related to Ulyanovsk Machine Tools ooo has been classified as discontinued operations and a loss of 14,826 million yen has been recorded as loss from discontinued operations. The Company purchased an overseas direct investment insurance policy with the Federal German government and has filed insurance claims in relation to the aforementioned expropriation to receive compensation for the losses expected to arise in the Group's next fiscal year. At this point in time, as the amount of the said compensation claim has not been finalized, it is not possible to make a reasonable estimate of the financial impact projected in this case. On the other hand, our order intakes have been stronger than previously anticipated from various industries globally. Based on the above background, we made an upward revision of consolidated financial forecast for the FY2024 from the previous announcement released on February 5, 2024. The below forecast includes the aforementioned losses from discontinued operations and insurance reimbursement amounts. Since the amount of the said compensation claim has not been finalized at point in time, the forecast of profit attributable to owners of the parent is based on the assumption that the amount will be finalized during the FY2024.

Unit: 100 Million yen

	Released on February 5 January to December, 2024	Released on April 26 January to December, 2024	Difference	<Reference> January to December, 2023
Sales revenues	5,400	5,500	100	5,395
Sales revenues (Million EUR)	3,534	3,599	65	3,549
Operating profit	570	585	15	554
Operating profit (Million EUR)	373	383	10	364
Operating profit / Sales revenues	10.6%	10.6%	0.1%pts	10.3%
Profit attributable to owners of the parent	350	360	10	339
Profit attributable to owners of the parent (Million EUR)	229	236	7	223

(Note)

- Exchange rate used for consolidated financial forecast for fiscal year 2024: JPY 142.2 /USD 152.8 /EUR.
- Euro amount is converted from yen at the average exchange rate of JPY 152.0 yen/EUR for fiscal year 2023.
- Effective from the first quarter of the current fiscal year, the Company has classified the operations related to Ulyanovsk Machine Tools ooo as discontinued operations. As a result, in the forecast for the fiscal year ended December 31, 2024, sales revenues and operating profit are presented only in the amounts of continuing operations, which exclude discontinued operations. The amounts of profit attributable to owners of the parent and basic earnings per share include the results of discontinued operations.
- Results of FY2023 have been retroactively adjusted to reflect the classification of discontinued operations.
- Results of FY2023 are before the audit by the auditor.
- This 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.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated statement of financial position

(Million Yen)

	December 31, 2023	March 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	39,212	37,647
Trade and other receivables	62,927	62,705
Other financial assets	5,713	4,679
Inventories	200,843	211,977
Other current assets	14,277	16,788
Total current assets from continuing operations	322,974	333,799
Assets held for sale	799	835
Total current assets	323,773	334,635
Non-current assets:		
Property, plant and equipment	189,231	196,544
Right-of-use assets	24,637	25,859
Goodwill	85,587	89,050
Other intangible assets	100,909	104,613
Other financial assets	26,246	27,774
Investments in associates and joint ventures	6,322	6,616
Deferred tax assets	5,334	5,628
Other non-current assets	3,764	3,854
Total non-current assets	442,033	459,942
Total assets	765,806	794,577

(Million Yen)

	December 31, 2023	March 31, 2024
Liabilities		
Current liabilities:		
Trade and other payables	82,914	75,690
Interest-bearing bonds and borrowings	61,187	57,808
Contract liabilities	93,430	96,000
Other financial liabilities	71,967	81,936
Income taxes payable	9,657	10,749
Provisions	50,998	52,474
Other current liabilities	6,477	5,857
Total current liabilities	376,633	380,518
Non-current liabilities:		
Interest-bearing bonds and borrowings	52,474	62,628
Other financial liabilities	40,309	47,197
Net employee defined benefit liabilities	5,192	5,670
Provisions	6,371	6,131
Deferred tax liabilities	9,340	10,116
Other non-current liabilities	2,939	2,937
Total non-current liabilities	116,627	134,682
Total liabilities	493,261	515,200
Equity		
Share capital	51,115	54,912
Capital surplus	208	4,083
Other equity instruments	110,822	110,822
Treasury shares	(883)	(878)
Retained earnings	92,283	76,822
Other components of equity	14,444	28,995
Equity attributable to owners of the parent	267,990	274,757
Non-controlling interests	4,555	4,619
Total equity	272,545	279,376
Total liabilities and equity	765,806	794,577

(2) Quarterly consolidated statement of profit or loss

(Million Yen)

	First quarter ended March 31, 2023 (January 1 to March 31, 2023)	First quarter ended March 31, 2024 (January 1 to March 31, 2024)
Continuing operations:		
Revenues:		
Sales revenues	123,225	132,851
Other operating revenues	2,185	4,107
Total revenue	125,410	136,959
Costs:		
Changes in merchandise, finished goods and work in progress for sale	(10,275)	(750)
Costs of raw materials and consumables	60,408	54,710
Personnel costs	39,201	44,507
Depreciation and amortization	6,153	7,386
Other operating costs	20,208	20,332
Total costs	115,695	126,187
Operating profit	9,715	10,772
Financial income	223	445
Financial costs	1,509	1,993
Share of profits (losses) of associates and joint ventures accounted for using equity method	66	44
Profit before income taxes	8,495	9,268
Income taxes	2,286	3,015
Profit from continuing operations	6,208	6,253
Discontinued operations:		
Loss from discontinued operations	(14)	(14,826)
	6,194	(8,572)
Profit attributable to:		
Owners of the parent	6,297	(8,661)
Non-controlling interests	(103)	89
Profit (loss)	6,194	(8,572)
Earnings per share		
Basic earnings (loss) per share		
Continuing operations	46.81	45.70
Discontinuing operations	(0.11)	(117.96)
Basic (yen)	46.70	(72.26)
Diluted earnings (loss) per share		
Continuing operations	46.81	40.76
Discontinuing operations	(0.11)	(117.96)
Diluted (yen)	46.70	(77.20)

(3) Quarterly consolidated statement of comprehensive income

(Million Yen)

	First quarter ended March 31, 2023 (January 1 to March 31, 2023)	First quarter ended March 31, 2024 (January 1 to March 31, 2024)
Profit (loss)	6,194	(8,572)
Other comprehensive income (OCI):		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	128	48
Changes in fair value of financial assets designated at fair value through other comprehensive income	(1,385)	1,046
Subtotal	(1,256)	1,094
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	2,022	13,364
Effective portion of changes in fair value of cash flow hedges	118	(61)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	172	249
Subtotal	2,313	13,552
Total other comprehensive income	1,056	14,647
Comprehensive income	7,251	6,074
Comprehensive income attributable to:		
Owners of the parent	7,348	5,985
Non-controlling interests	(97)	89
Comprehensive income	7,251	6,074

(4) Quarterly 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, 2023	51,115	266	118,753	(906)	69,864	6,803	245,897	4,477	250,374
Profit					6,297		6,297	(103)	6,194
Other comprehensive income (OCI)						1,051	1,051	5	1,056
Total comprehensive income	-	-	-	-	6,297	1,051	7,348	(97)	7,251
Distributions to owners of other equity instruments					(540)		(540)		(540)
Acquisition of treasury shares				(0)			(0)		(0)
Disposition of treasury shares		0		6			6		6
Dividends					(5,022)		(5,022)	(57)	(5,080)
Share-based payments		61					61	47	108
Sale of shares of consolidated subsidiaries		8					8	6	15
Transfer from other components of equity to retained earnings					128	(128)	-		-
Total transaction with owners of the parent	-	70	-	5	(5,434)	(128)	(5,487)	(4)	(5,492)
Acquisition of non-controlling interests		0					0	3	3
Total changes in ownership interests in subsidiaries and others	-	0	-	-	-	-	0	3	3
As of March 31, 2023	51,115	336	118,753	(901)	70,727	7,726	247,758	4,378	252,137

(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, 2024	51,115	208	110,822	(883)	92,283	14,444	267,990	4,555	272,545
Profit (loss)					(8,661)		(8,661)	89	(8,572)
Other comprehensive income (OCI)						14,647	14,647		14,647
Total comprehensive income	-	-	-	-	(8,661)	14,647	5,985	89	6,074
Distributions to owners of other equity instruments					(545)		(545)		(545)
Acquisition of treasury shares				(0)			(0)		(0)
Disposition of treasury shares		0		6			6		6
Dividends					(6,278)		(6,278)	(72)	(6,350)
Transfer between retained earnings and capital surplus		23			(23)		-		-
Share-based payments		57					57	44	101
Conversion of bonds with stock acquisition rights	3,796	3,794				(47)	7,542		7,542
Transfer from other components of equity to retained earnings					48	(48)	-		-
Total transactions with owners of the parent	3,796	3,874	-	5	(6,798)	(96)	782	(27)	754
Acquisition of non-controlling interests		0					0	2	2
Total changes in ownership interests in subsidiaries and others	-	0	-	-	-	-	0	2	2
As of March 31, 2024	54,912	4,083	110,822	(878)	76,822	28,995	274,757	4,619	279,376

(5) Quarterly consolidated statement of cash flows

(Million Yen)

	First quarter ended March 31, 2023 (January 1 to March 31, 2023)	First quarter ended March 31, 2024 (January 1 to March 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	8,495	9,268
Depreciation and amortization	6,153	7,386
Loss (gain) on sales or disposal of property, plant and equipment, and intangible assets	33	(139)
Financial income and costs	1,281	1,547
Share of (profits) losses of associates and joint ventures accounted for using equity method	(66)	(44)
Other non-cash transactions	(1,665)	(1,461)
Inventories	(13,145)	(375)
Trade and other receivables	9,929	3,598
Trade and other payables	657	(1,543)
Contract liabilities	865	(1,593)
Provisions	1,575	(1,463)
Other	(2,089)	(3,141)
Subtotal	12,026	12,039
Interest received	208	372
Dividends received	18	80
Interest paid	(862)	(927)
Income taxes paid	(2,080)	(2,102)
Net cash flows from operating activities	9,311	9,461
Cash flows used in investing activities:		
Payments into time deposits	-	(101)
Proceeds from withdrawal of time deposits	415	-
Purchases of property, plant and equipment	(7,166)	(4,199)
Proceeds from sales of property, plant and equipment	9	326
Purchases of intangible assets	(3,798)	(3,946)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(2,800)
Decrease in the loss of control of subsidiaries	-	(379)
Purchases of investment securities	(427)	(38)
Other	(136)	583
Net cash flows used in investing activities	(11,105)	(10,555)

(Million Yen)

	First quarter ended March 31, 2023 (January 1 to March 31, 2023)	First quarter ended March 31, 2024 (January 1 to March 31, 2024)
Cash flows from/(used in) financing activities:		
Net increase (decrease) in short-term borrowings	8,712	(3,536)
Proceeds from long-term borrowings	-	10,000
Repayments of long-term borrowings	-	(4)
Repayment of lease liabilities	(1,429)	(1,620)
Dividends paid	(4,487)	(5,711)
Dividends paid to non-controlling interests	(54)	(66)
Payments for obligations for non-controlling interests	(1,200)	(0)
Acquisition of treasury shares	(0)	(0)
Distributions to owners of other equity instruments	(540)	(545)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	15	-
Other	(227)	(360)
Net cash flows from/(used in) financing activities	787	(1,845)
Effect of exchange rate changes on cash and cash equivalents	955	1,375
Change in cash and cash equivalents	(50)	(1,565)
Cash and cash equivalents at the beginning of period	36,992	39,212
Cash and cash equivalents at the end of period	36,942	37,647

(6) Notes to going concern assumption

Not applicable.

(7) Notes to the quarterly 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 condensed quarterly consolidated financial statements of the Company as of March 31, 2024 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, universal milling machines for five-axis machining and additive manufacturing machines), 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 Condensed Quarterly Consolidated Financial Statements have been prepared in accordance with "Basis of Preparation of Quarterly Financial Statements" 5-2 (applying the omission of the description specified in Article 5-5 of the same standard) issued by Tokyo Stock Exchange, Inc. and omit parts of International Accounting Standards (IAS) 34 "Interim Financial Reporting" 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 Quarterly Consolidated Financial Statements, it has applied the provisions of Article 93 of said Ordinance.

(2) Basis of Measurement

The condensed quarterly 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) Functional and presentation currency

The condensed quarterly 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) Material accounting policy

The material accounting policies adopted for the condensed quarterly consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2023, except for the following item. Income tax for the First quarter ended March 31, 2024 was calculated based on the estimated average annual effective tax rate.

(Supplier Finance Arrangements - IAS 7 and IFRS 7)

The Group has applied the standard IAS 7 "Statement of Cash Flows"(amended in May 2023) and IFRS 7 "Financial Instruments: Disclosures"(amended in May 2023), (expanded disclosure of Supplier Finance Arrangements) effective for the fiscal year ended December 31, 2024. The adoption of this standard does not have a material impact on the Group's condensed consolidated financial statements for the First quarter ended March 31, 2024.

3. Additional information

Concerning the euro-yen denominated convertible bonds due 2024 that the Company issued on 16 July 2021 (the "Bonds"), it has been determined that the conditions for the 130% call option clause set forth in the bond term were satisfied as of 18 March 2024. Consequently, the right to redeem all of the remaining Bonds at 100% of their par value was established on the same date. The Company has exercised those rights and made an early redemption of all the remaining Bonds. By the deadline of April 12, 2024, all of the stock acquisition rights of the Bonds have been exercised. Accordingly, the conversion of the Bonds into common stock has been completed by the date of early redemption of April 17, 2024, and there are no Bonds remain outstanding.

1. Name of security to be redeemed early	DMG MORI Co., Ltd. Euro-yen denominated convertible bonds due 2024
2. Initial maturity date	July 16, 2024
3. Total amount of early redemption	All of the remaining Bonds *Total principal amount: ¥40,000,000,000
4. Deadline for exercise of stock acquisition rights	April 12, 2024
5. Date of early redemption	April 17, 2024
6. Conversion amount by exercise of the stock acquisition rights and increase in number of shares by conversion from January 1 to March 31, 2024	3,020,358 shares, ¥7,550,000,000 (par value)
7. Conversion amount by exercise of the stock acquisition rights and increase in number of shares by conversion after March 31, 2024	12,981,549 shares, ¥32,450,000,000 (par value)
8. The Total Number of Issued Shares	141,955,590 shares