



April 6, 2018

To whom it may concern

Company Name           DMG MORI CO., LTD.  
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                                  and President  
                                  (Securities Code:   6141  
                                  Tokyo Stock Exchange,  
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### **Notice of Disposal of Treasury Stock as Restricted Stock Compensation Plan**

DMG MORI CO., LTD. (hereinafter, “the Company”) hereby announces that its Board of Directors resolved, at the meeting held on April 6, 2018, to dispose treasury stock (hereinafter “the Disposal of Treasury Stock” or the “Disposal”) as follows.

#### 1. Outline of the Disposal

(1)	Disposal date	May 2, 2018
(2)	Class and number of shares to be disposed	153,400 shares of Common stock of the Company
(3)	Disposal price	¥1,954per share
(4)	Total value of shares to be disposed	¥299,743,600
(5)	Allottees and number thereof, number of shares to be disposed	Directors of the Company(excluding outside directors): 5 persons, 153,400 shares
(6)	Other	The disposal of treasury stock is conditioned upon the securities registration statement, filed under the Financial Instruments and Exchange Act, taking effect.

#### 2. Purpose and reason for disposition

At the meeting of its Board of Directors held on February 13, 2018, for the purpose of further promoting shared value with shareholders and providing an incentive to sustainably increase the Company’s corporate value for the Company’s Executive Directors excluding outside Directors (hereinafter “the Eligible Directors”), the Directors decided to introduce a restricted stock compensation plan (hereinafter “the Plan”) , and at the 70<sup>th</sup> Annual General Meeting of Shareholders on March 22, 2018 (the “General Meeting of Shareholders”), based on the Plan, as the monetary compensation to serve as invested assets to acquire the restricted stocks (hereinafter “the Restricted Stock Compensation”), it was approved that the amount of the Restricted Stock Compensation for the Eligible Directors shall not exceed 300 million yen, and that the restricted period on stock transfer shall be decided by its Board of Directors from ten (10) years to thirty (30) years.

The following is the overview of the Plan.

### [Outline of the Plan]

The Eligible Directors will make in-kind contribution of all monetary compensation claims to be provided by the Company according to the Plan, and , in return, receive shares of common stock of the Company that will be issued or disposed by the Company. The total number of shares of common stock of the Company to be issued or disposed for the Eligible Directors shall not exceed 300,000 shares per year, and the amount to be paid per share will be based on the closing price of common stock of the Company on the First section of the Tokyo Stock Exchange on the business day preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day.) It will be within a range that is not particularly advantageous to the Eligible Directors who receive the allotted shares.

For the disposal of shares of common stock of the Company under the Compensation Plan, the Company and each Eligible Director will make an agreement on allotment of restricted stocks, which includes (1) The Eligible Directors must not transfer, create a security interest on, or otherwise dispose of the allotted shares during a specific period, and (2) The Company will take back the allotted shares without cost in case that certain events happen.

Having comprehensively considered the compensation plan's purpose, the company's performance, the particular duties of the Eligible Directors, and various other factors, the Company has decided to provide the total sum of the monetary compensation claims and monetary claims of ¥299,743,600 (hereinafter "The Total Monetary Compensation Claims"), and 153,400 shares of common stock of the Company, and has decided the restricted period on stock transfer is 30 years in order to realize the purpose of further promoting shared value with shareholders. The following is the overview of the Allotment Agreement.

For the Disposal of Treasury Stock, 5 of the Eligible Directors will make in-kind contribution of all monetary compensation claims to the Company according to the Compensation Plan, and will receive disposed shares of common stock of the Company. The following is the overview of the Allotment Agreement.

### 3. Overview of the Allotment Agreement

(1) Transfer restriction period      May 2, 2018-May 2, 2048

(2) Conditions for releasing Transfer Restrictions

The Company shall release the Transfer Restriction on all of the Allotted Shares upon expiration of the transfer restriction period, on the condition that the Eligible Directors have remained in the position of Director, Operating Officer who does not serve as a Director, Audit & Supervisory Board Member, employee or Fellow or equivalent position of the Company or subsidiaries of the Company throughout the Transfer Restriction Period.

(3) In case the Eligible Director retired from any of the positions before the expiration of the Transfer Restriction Period due to the expiration of the term of his/her office, death, or any other justifiable reason.

1) The timing of releasing Transfer Restrictions

If the Eligible Directors retire from Director, Operating Officer who does not serve as a Director, Audit & Supervisory Board Member, employee or Fellow or equivalent position of the Company or subsidiaries of the Company for the reason of expiration or any other justifiable reasons (excluding the case of retirement from death), the company will release restrictions immediately after the retirement. In case the retirement from death, after the death of the Eligible Director, the Company release restrictions upon the time the Board of Directors decide.

2) Number of shares subject to release

The number of shares obtained by multiplying the number of shares held by the Eligible Directors by value obtained as a result of dividing the Employment Period during the Transfer Restricted Period by 12 (if the value is above 1, then 1 is applied.) shall be released. (If any fractional shares less than one unit arises as a result, that will be rounded down.)

(4) Take-back without cost by the Company

The Company will automatically take back all the allotted shares without cost upon expiration of the transfer restriction period or the time defined above (3).

(5) Management of stocks

To ensure compliance with the transfer restriction during the transfer restriction period, the allotted shares shall be managed in a dedicated account at Nomura Securities Co., Ltd., opened by the Eligible Directors. The Company and each Eligible Director execute the memorandum on the management of the dedicated accounts of the Eligible Directors with Nomura Securities Co., Ltd., in order to secure the effectiveness of the transfer restriction pertaining to the allotted shares. In addition, the Company shall separately obtain the consent from the Eligible Directors on the control of the dedicated accounts.

(6) Treatment during reorganization, etc.

If, during the transfer restriction period, matters relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization are approved at the Company's General Meeting of Shareholders (or in the case where the approval at the Company's General Meeting of Shareholders is not required, in relation to the reorganization in question, a meeting of its Board of Directors ), based on the resolution of the Board of Directors, the Company may release the Transfer Restriction on a certain number of the Allotted Shares obtained by multiplying the number of shares held by the Eligible Directors by value obtained as a result of dividing the period from the date of commencement of the Transfer Restriction Period through the date of approval on the organizational restructuring, etc., by 12 (if the value is above 1, then 1 is applied.) prior to the date on which the organizational restructuring, etc., becomes effective. (If any fractional shares less than one unit arises as a result, that will be rounded down.)

The Company will take back the remaining portion of the Allotted Shares not affected by the releasing Restriction immediately after release.

#### 4. Basis of Calculation and Specific Details for the Payment Amount

The Disposal of Treasury Stock to the Eligible Directors shall be funded by monetary compensation claims which the Company provided as the Restricted Stock Compensation for the 71<sup>st</sup> term in accordance with the Compensation Plan. To eliminate arbitrariness in the disposal price, the closing price for the common shares of the Company on the First Section of the Tokyo Stock Exchange on April 5, 2018 (the business day prior to the day of resolution at the meeting of the Board of Directors) of ¥1,954 is used as the disposal price. As this is the market price the day prior to the day of resolution of the Board of Directors, we believe it is valid and does not represent a particularly favorable price.