

# FINANCIAL SECTION

*Financial information*

## Financial Summary

### Key financial figures

FY	Million Yen				
	2017	2018	2019	2020	2021
<b>Profit or loss</b>					
Sales revenues	429,664	501,248	485,778	328,283	<b>396,011</b>
Operating profit	29,391	36,261	37,339	10,674	<b>23,067</b>
(Operating profit margin)	6.8%	7.2%	7.7%	3.3%	<b>5.8%</b>
Profit before income taxes	24,803	31,275	31,451	5,106	<b>19,609</b>
Net profit	15,676	19,374	18,861	1,696	<b>13,231</b>
Net profit attributable to owners of the parent	15,263	18,517	17,995	1,745	<b>13,460</b>
<b>Cash flows</b>					
Free cash flows (*1)	30,036	30,378	20,101	-5,212	<b>30,357</b>
<b>Financial position</b>					
Equity attributable to owners of the parent	107,617	111,113	124,006	185,420	<b>213,139</b>
Total assets	567,411	528,423	524,606	526,526	<b>597,117</b>
Equity Ratio (*2)	19.0%	21.0%	23.6%	35.2%	<b>35.7%</b>
<b>Per-share information</b>					
Equity attributable to owners of the parent per share (Yen) (*3)	886.73	910.25	1,008.36	1,493.86	<b>1,703.51</b>
Dividends per share (Yen)	40	50	60	20	<b>40</b>
<b>Other management indicators</b>					
Return on Equity (ROE) (*4)	14.7%	16.9%	15.3%	1.1%	<b>6.8%</b>
Return on Assets (ROA) (*5)	5.2%	6.6%	7.1%	2.0%	<b>4.1%</b>

FY	(Million EUR)				
	2017	2018	2019	2020	2021
(Reference: converted into EUR)					
EUR / JPY	126.7	130.4	122.1	121.8	129.9
<b>Profit or loss</b>					
Sales revenues	3,392	3,843	3,979	2,695	<b>3,049</b>
Operating profit	232	278	306	88	<b>178</b>
(Operating profit margin)	6.8%	7.2%	7.7%	3.3%	<b>5.8%</b>
Profit before income taxes	196	240	258	42	<b>151</b>
Net profit	124	149	154	14	<b>102</b>
Net profit attributable to owners of the parent	120	142	147	14	<b>104</b>
<b>Cash flows</b>					
Free cash flows (*1)	237	233	165	-43	<b>234</b>
<b>Financial position</b>					
Equity attributable to owners of the parent	850	852	1,016	1,522	<b>1,641</b>
Total assets	4,479	4,051	4,297	4,322	<b>4,597</b>
Equity Ratio	19.0%	21.0%	23.6%	35.2%	<b>35.7%</b>

(\*1) Free cash flows = Cash flows from operating activities – Cash flows from investment activities

(\*2) Equity attributable to owners of the parent divided by total assets

(\*3) Equity attributable to owners of the parent includes hybrid capital

(\*4) ROE: Net profit attributable to owners of the parent divided by the average of equity attributable to owners of the parent at the beginning and end of the period

(\*5) ROA: Operating profit divided by the average of the total assets at the beginning and end of the period

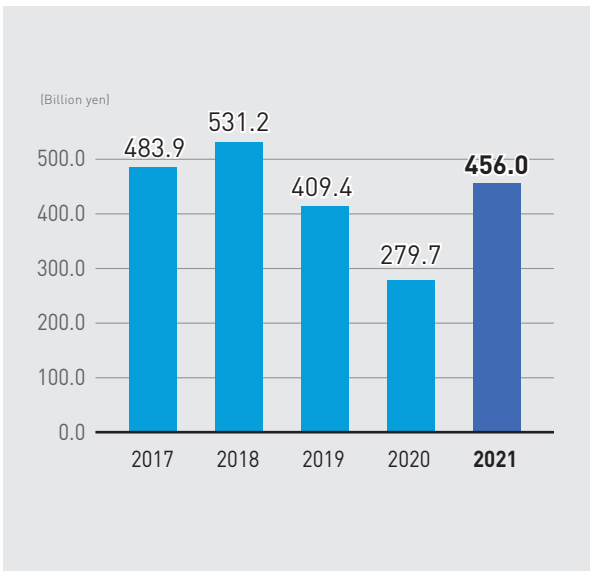
#### Changes in accounting standard for lease

Effective January 1, 2019, the Group has implemented IFRS 16 "Leases." Operating leases and real-estate rents weren't previously presented on Statement of Fiscal Position, whereas they are now presented under the standard. Due to the change, additional 16.7 billion JPY non-current assets (i.e. right-of use assets) were recognized at the beginning of FY2019, compared to the end of FY2018.

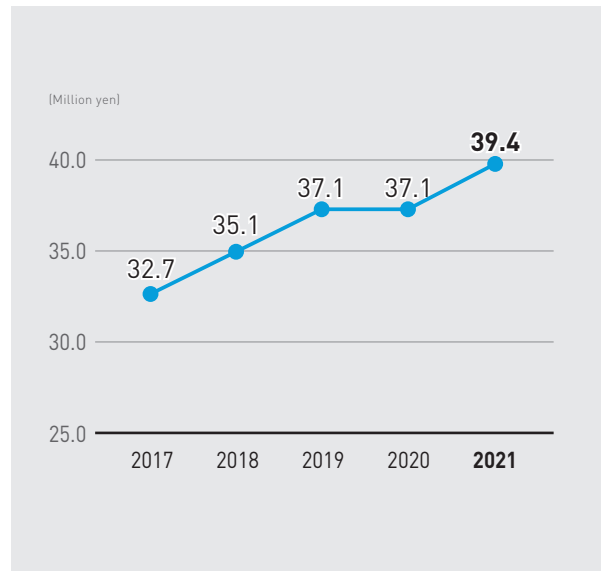
# Financial Summary

## Financial summary

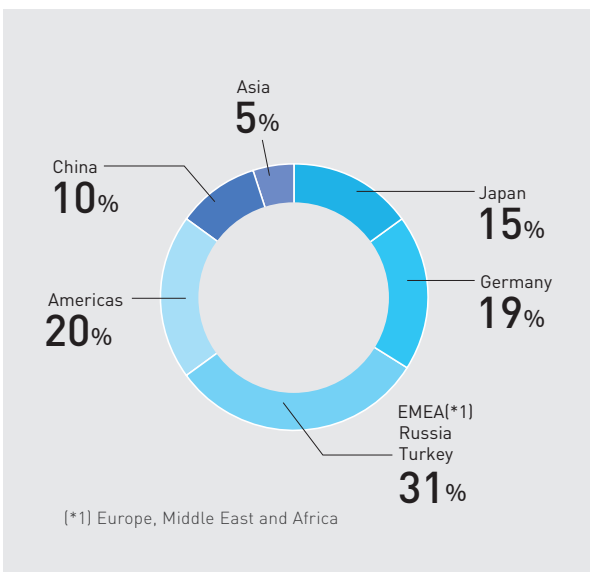
Consolidated order intake



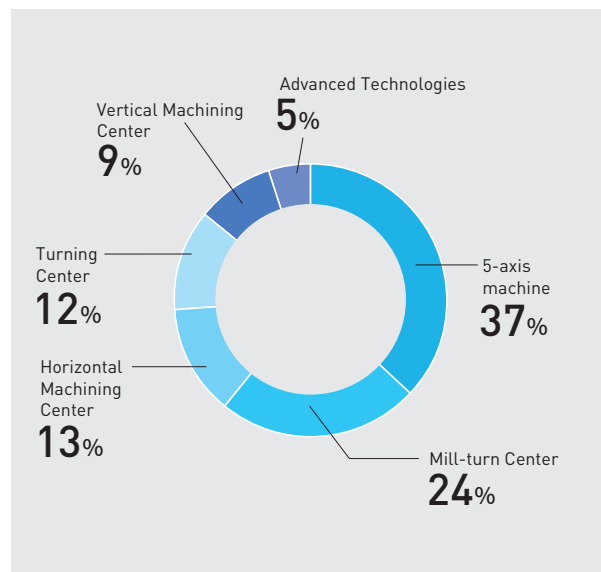
Average order price per unit



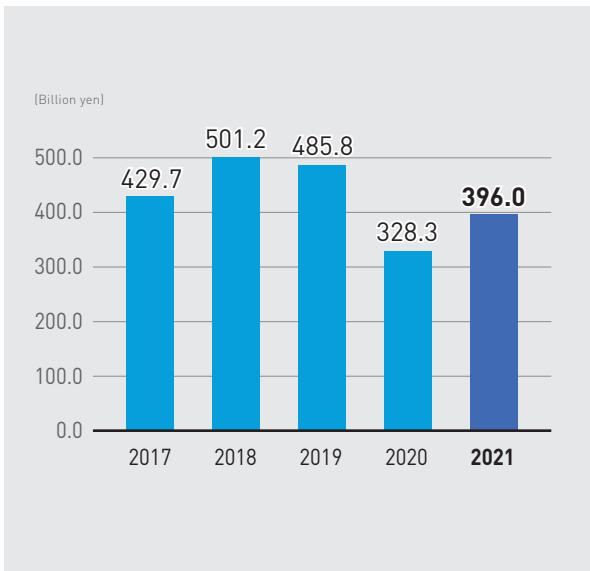
Order composition by region



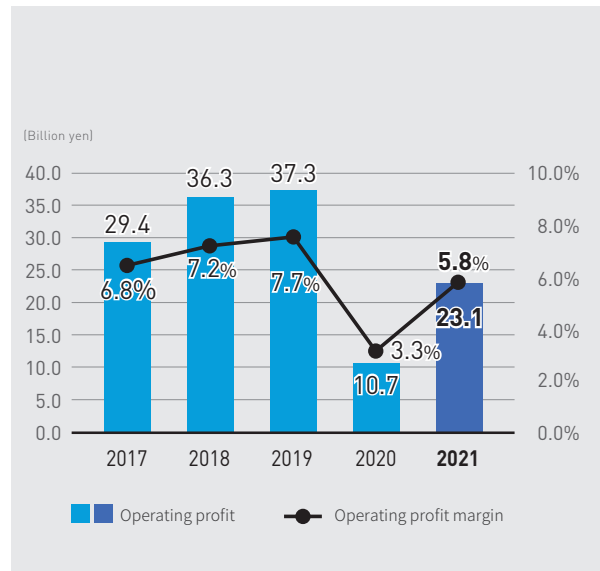
Order composition by product type



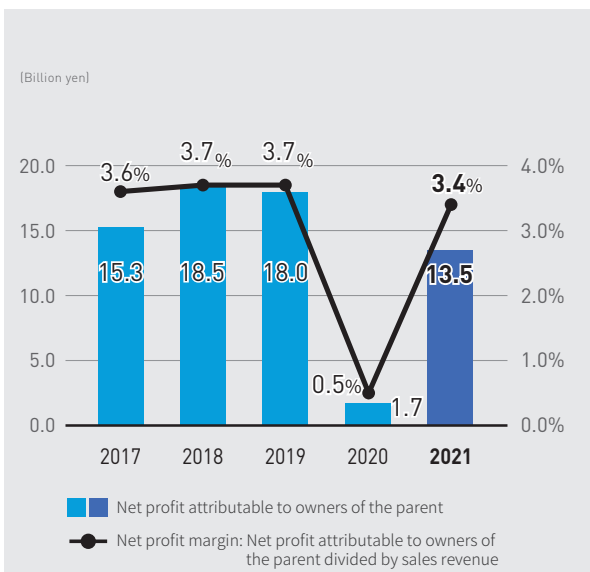
**█ Sales revenues**



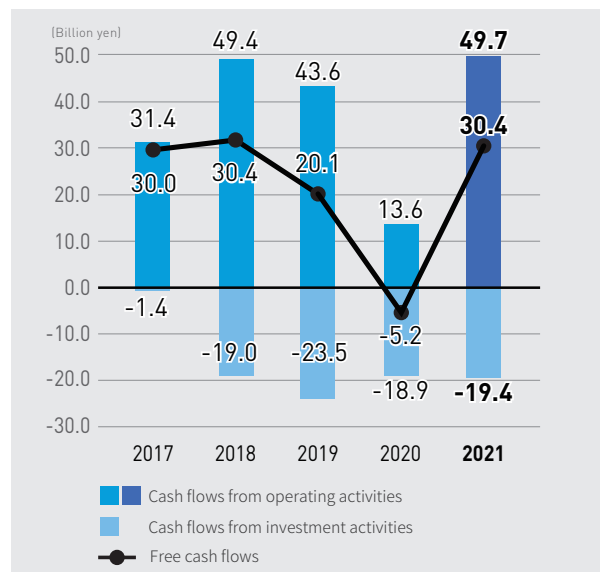
**█ Operating profit**  
**Operating profit margin**



**█ Net profit attributable to owners of the parent**  
**Net profit margin**



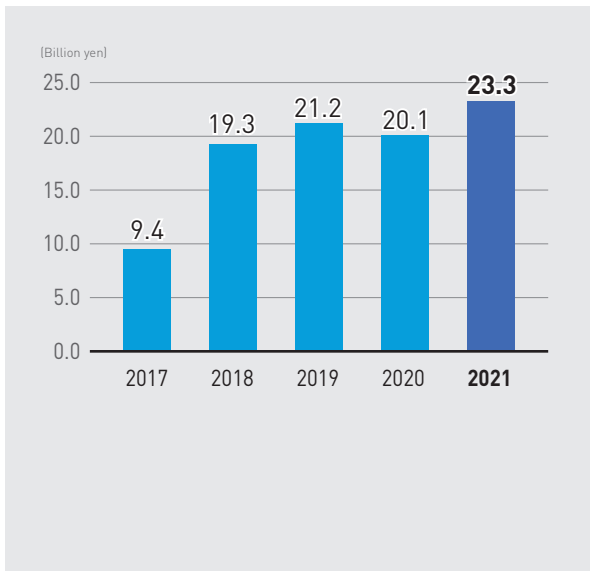
**█ Free cash flows**



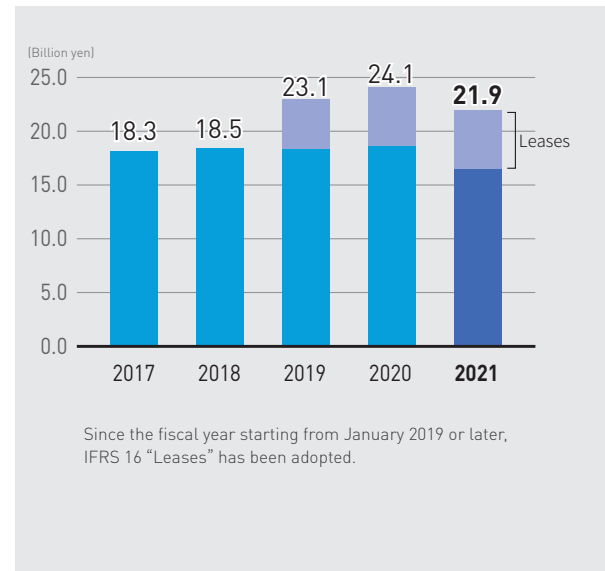
# Financial Summary

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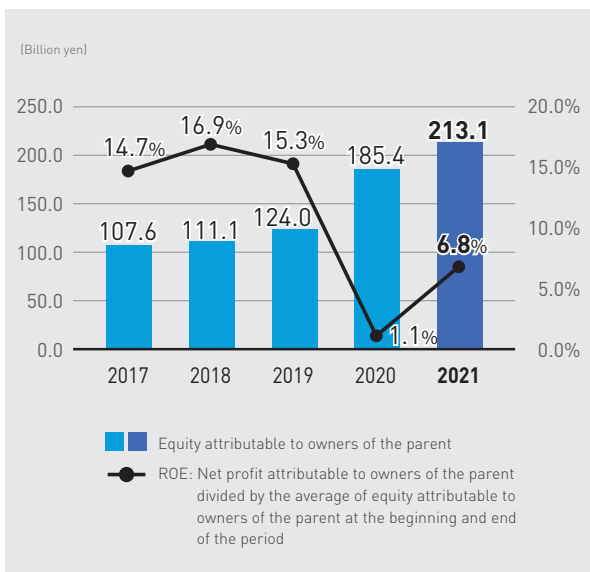
### Capital expenditure



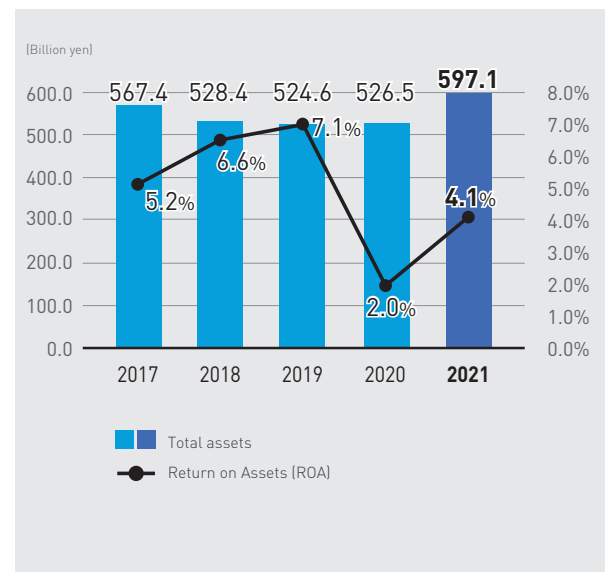
### Depreciation & amortization



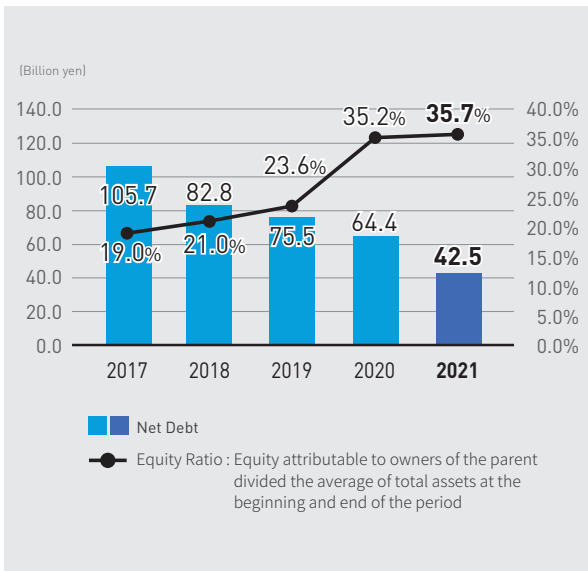
### Equity attributable to owners of the parent ROE



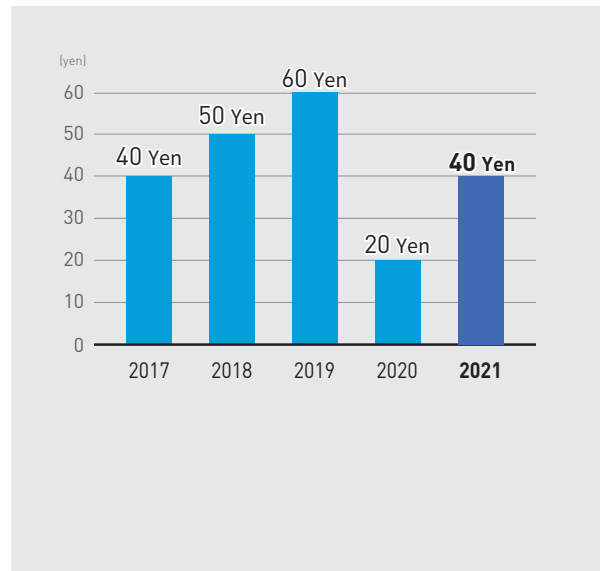
### Total assets Return on Assets (ROA)



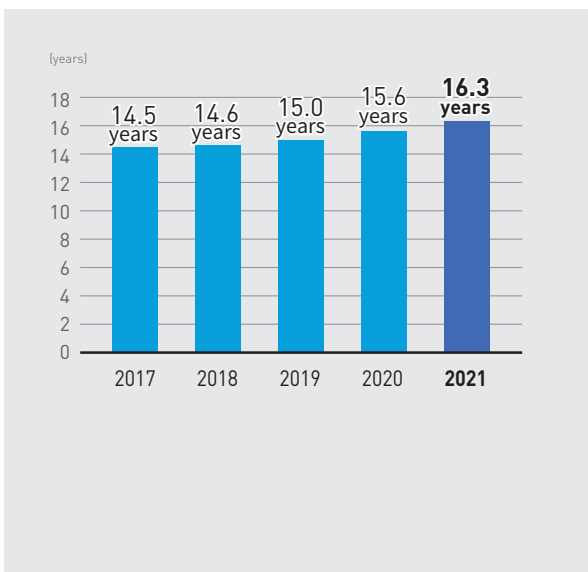
**Net Debt  
Equity Ratio**



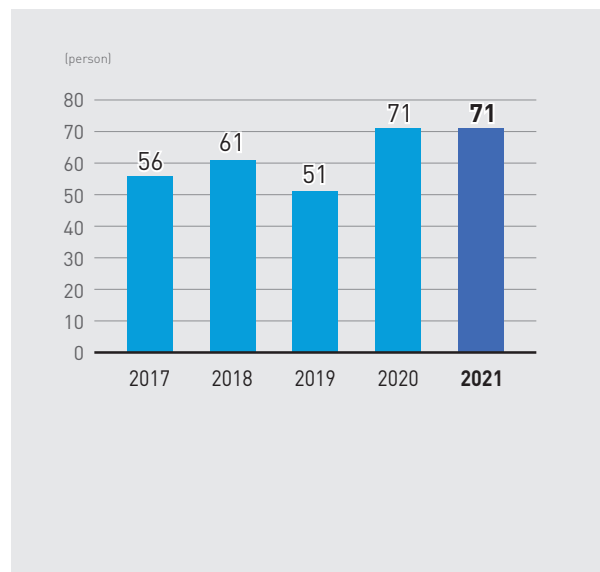
**Dividend per share**



**Average years of service  
(domestic offices)**



**Number of employees taking childcare leave  
(domestic offices / full-time employees)**



## Financial Summary

# Consolidated statements of financial position

	Million Yen		Million EUR	
	Previous fiscal year December 31, 2020	Current fiscal year December 31, 2021	Previous fiscal year December 31, 2020	Current fiscal year December 31, 2021
	Exchange rate (CR Yen) 130.51 (*) / EUR			
<b>Assets</b>				
Current assets				
Cash and cash equivalents	33,754	47,298	259	362
Trade and other receivables	42,563	59,677	326	457
Other financial assets	4,254	5,557	33	43
Inventories	121,008	129,542	927	993
Other current assets	7,976	12,616	61	97
<b>Total current assets</b>	<b>209,557</b>	<b>254,692</b>	<b>1,606</b>	<b>1,952</b>
Non-current assets				
Property, plant and equipment	130,809	138,076	1,002	1,058
Right-of-use assets	19,792	22,099	152	169
Goodwill	68,807	70,834	527	543
Other intangible assets	66,944	74,514	513	571
Other financial assets	16,636	21,989	127	168
Investments in associates and joint ventures	5,222	5,704	40	44
Deferred tax assets	4,064	5,132	31	39
Other non-current assets	4,691	4,073	36	31
<b>Total non-current assets</b>	<b>316,969</b>	<b>342,425</b>	<b>2,429</b>	<b>2,624</b>
<b>Total assets</b>	<b>526,526</b>	<b>597,117</b>	<b>4,034</b>	<b>4,575</b>

(\*) Euro amount is converted from yen at the closing rate of Dec. 2021 (130.51) for both previous and current fiscal year. See Security Report for the audited financial statements.

Exchange rate (CR Yen) 130.51 / EUR

	Million Yen		Million EUR	
	Previous fiscal year December 31, 2020	Current fiscal year December 31, 2021	Previous fiscal year December 31, 2020	Current fiscal year December 31, 2021
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Current liabilities				
Trade and other payables	47,908	54,169	367	415
Interest-bearing bonds and borrowings	36,993	10,259	283	79
Contract liabilities	33,679	65,707	258	503
Other financial liabilities	58,085	74,677	445	572
Accrued income taxes	3,451	4,734	26	36
Provisions	33,593	40,543	257	311
Other current liabilities	3,961	4,316	30	33
Total current liabilities	217,674	254,409	1,668	1,949
Non-current liabilities				
Interest-bearing bonds and borrowings	65,413	85,133	501	652
Other financial liabilities	35,142	22,406	269	172
Net employee defined benefit liabilities	5,817	5,180	45	40
Provisions	5,007	5,871	38	45
Deferred tax liabilities	6,374	5,429	49	42
Other non-current liabilities	1,201	1,407	9	11
Total non-current liabilities	118,957	125,428	911	961
Total liabilities	336,631	379,838	2,579	2,910
<b>Equity</b>				
Subscribed capital	51,115	51,115	392	392
Capital surplus	—	—	—	—
Hybrid capital	118,735	118,753	910	910
Treasury shares	-3,735	-1,889	-29	-14
Retained earnings	40,452	52,817	310	405
Other components of equity	-21,148	-7,657	-162	-59
Equity attributable to owners of the parent	185,420	213,139	1,421	1,633
Non-controlling interests	4,475	4,139	34	32
Total equity	189,895	217,279	1,455	1,665
Total liabilities and equity	526,526	597,117	4,034	4,575



## Financial Summary

# Consolidated statements of profit or loss

	Million Yen		Million EUR	
	Previous fiscal year January 1, 2020 to December 31, 2020	Current fiscal year January 1, 2021 to December 31, 2021	Previous fiscal year January 1, 2020 to December 31, 2020	Current fiscal year January 1, 2021 to December 31, 2021
	Exchange rate (CR Yen) 130.51 / EUR		Exchange rate (CR Yen) 130.51 / EUR	
<b>Revenue</b>				
Sales revenues	328,283	396,011	2,515	3,034
Other operating revenues	6,451	6,103	49	47
<b>Total revenue</b>	<b>334,734</b>	<b>402,114</b>	<b>2,565</b>	<b>3,081</b>
<b>Cost</b>				
Changes in merchandise, finished goods and work in progress for sale	-3,946	7,148	-30	55
Costs of raw materials, consumables and goods for resale	145,083	170,917	1,112	1,310
Personnel costs	107,818	119,327	826	914
Depreciation and amortization	24,118	21,894	185	168
Other operating costs	50,985	59,759	391	458
<b>Total costs</b>	<b>324,060</b>	<b>379,047</b>	<b>2,483</b>	<b>2,904</b>
<b>Operating profit</b>	<b>10,674</b>	<b>23,067</b>	<b>82</b>	<b>177</b>
Finance income	357	429	3	3
Finance costs	5,399	3,919	41	30
Profits (losses) relating to equity method	-526	30	-4	0
<b>Profit before income taxes</b>	<b>5,106</b>	<b>19,609</b>	<b>39</b>	<b>150</b>
<b>Income taxes</b>	<b>3,409</b>	<b>6,377</b>	<b>26</b>	<b>49</b>
<b>Net profit</b>	<b>1,696</b>	<b>13,231</b>	<b>13</b>	<b>101</b>
<b>Profit attributable to:</b>				
Owners of the parent	1,745	13,460	13	103
Non-controlling interests	-49	-229	-0	-2
<b>Net profit</b>	<b>1,696</b>	<b>13,231</b>	<b>13</b>	<b>101</b>
			Exchange rate (CR Yen) 130.51 / EUR	
			Yen	EUR
<b>Earnings per share</b>				
Basic	3.40	91.75	0.03	0.70
Diluted	3.40	91.75	0.03	0.70

(\*) Euro amount is converted from yen at the closing rate of Dec. 2021 (130.51) for both previous and current fiscal year. See Security Report for the audited financial statements.

# Consolidated statements of comprehensive income

	Exchange rate (CR Yen) 130.51 / EUR			
	Million Yen		Million EUR	
	Previous fiscal year January 1, 2020 to December 31, 2020	Current fiscal year January 1, 2021 to December 31, 2021	Previous fiscal year January 1, 2020 to December 31, 2020	Current fiscal year January 1, 2021 to December 31, 2021
<b>Net profit</b>	1,696	<b>13,231</b>	13	<b>101</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit plans	87	<b>380</b>	1	<b>3</b>
Change in fair value measurements of financial assets at fair value through other comprehensive income	198	<b>10,826</b>	2	<b>83</b>
Subtotal	286	<b>11,207</b>	2	<b>86</b>
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	-5,478	<b>7,013</b>	-42	<b>54</b>
Effective portion of changes in fair value of cash flow hedge	11	<b>-473</b>	0	<b>-4</b>
Total of other comprehensive income relating to equity method	13	<b>6</b>	0	<b>0</b>
Subtotal	-5,452	<b>6,546</b>	-42	<b>50</b>
Total other comprehensive income	-5,166	<b>17,754</b>	-40	<b>136</b>
Comprehensive income	-3,469	<b>30,985</b>	-27	<b>237</b>
<b>Comprehensive income attributable to:</b>				
Owners of the parent	-3,375	<b>31,230</b>	-26	<b>239</b>
Non-controlling interests	-93	<b>-244</b>	-1	<b>-2</b>
Comprehensive income	-3,469	<b>30,985</b>	-27	<b>237</b>

(\*) Euro amount is converted from yen at the closing rate of Dec. 2021 (130.51) for both previous and current fiscal year. See Security Report for the audited financial statements.

## Financial Summary

# Consolidated statements of changes in equity

	Million Yen									Exchange rate (CR Yen) 130.51 / EUR
	Equity attributable to owners of the parent									Million EUR
	Subscribed capital	Capital surplus	Hybrid capital	Treasury shares	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity	Total equity
<b>As of January 1, 2020</b>	51,115	—	49,505	-6,319	46,399	-16,695	124,006	3,800	127,807	979
Net profit					1,745		1,745	-49	1,696	13
Other comprehensive income						-5,121	-5,121	-44	-5,166	-40
Total comprehensive income	—	—	—	—	1,745	-5,121	-3,375	-93	-3,469	-27
Issuance of hybrid capital			70,000				70,000		70,000	536
Costs associated with issuance of hybrid capital			-770				-770		-770	-6
Payments to owners of hybrid capital					-1,086		-1,086		-1,086	-8
Acquisition of treasury shares				-0			-0		-0	-0
Disposal of treasury shares		-933		2,743		-152	1,657		1,657	13
Dividends					-4,916		-4,916	-117	-5,034	-39
Transfer from retained earnings to capital surplus		865			-865		—		—	—
Share-based payments		3				-3	—		—	—
Change in consolidated subsidiaries				-82			-82	539	456	3
Changes in equity from transaction with non-controlling interests				-76			-76	76	—	—
Capital increase of consolidated subsidiaries		62					62	237	300	2
Transfer from other components of equity to retained earnings					-825	825	—		—	—
Total transactions with owners of the parent	—	-1	69,229	2,583	-7,692	668	64,787	735	65,523	502
Acquisition of non-controlling interests		1					1	32	34	0
Changes in ownership interests in subsidiaries and others	—	1	—	—	—	—	1	32	34	0
<b>As of December 31, 2020</b>	<b>51,115</b>	<b>—</b>	<b>118,735</b>	<b>-3,735</b>	<b>40,452</b>	<b>-21,148</b>	<b>185,420</b>	<b>4,475</b>	<b>189,895</b>	<b>1,455</b>
<b>As of the beginning of the period</b>										
Net profit					13,460		13,460	-229	13,231	101
Other comprehensive income						17,769	17,769	-15	17,754	136
Total comprehensive income	—	—	—	—	13,460	17,769	31,230	-244	30,985	237
Issuance of hybrid capital			30,000				30,000		30,000	230
Issuance cost of hybrid capital			-282				-282		-282	-2
Payments of hybrid capital		-300	-29,699				-30,000		-30,000	-230
Payments to owners of hybrid capital					-2,123		-2,123		-2,123	-16
Acquisition of treasury shares				-0			-0		-0	-0
Disposal of treasury shares		-325		1,846		-132	1,388		1,388	11
Dividends					-2,488		-2,488	-87	-2,576	-20
Transfer from retained earnings to capital surplus		849			-849		—		—	—
Share-based payments		58				-33	25	19	45	0
Issuance of Bonds with stock acquisition rights						253	253		253	2
Capital increase of consolidated subsidiaries		-71					-71	71	—	—
Change in non-controlling interests due to decrease in number of consolidated subsidiaries							—	-84	-84	-1
Change in equity due to acquisition of shares in consolidated subsidiaries		-226					-226	93	-133	-1
Sales of shares of consolidated subsidiaries		3					3	11	15	0
Transfer from other components of equity to retained earnings					4,365	-4,365	—		—	—
Total transactions with owners of the parent	—	-11	18	1,845	-1,095	-4,278	-3,522	22	-3,499	-27
Acquisition of non-controlling interests		11					11	-113	-102	-1
Total changes in ownership interests in subsidiaries and others	—	11	—	—	—	—	11	-113	-102	-1
<b>As of December 31, 2021</b>	<b>51,115</b>	<b>—</b>	<b>118,753</b>	<b>-1,889</b>	<b>52,817</b>	<b>-7,657</b>	<b>213,139</b>	<b>4,139</b>	<b>217,279</b>	<b>1,665</b>

(\*) Euro amount is converted from yen at the closing rate of Dec. 2021 (130.51) for both previous and current fiscal year.

See Security Report for the audited financial statements.

# Consolidated statements of cash flows

Exchange rate (CR Yen) 130.51 / EUR

	Million Yen		Million EUR	
	Previous fiscal year January 1, 2020 to December 31, 2020	Current fiscal year January 1, 2021 to December 31, 2021	Previous fiscal year January 1, 2020 to December 31, 2020	Current fiscal year January 1, 2021 to December 31, 2021
<b>Cash flows from operating activities</b>				
Profit before income taxes	5,106	19,609	39	150
Depreciation and amortization	24,118	21,894	185	168
Loss (gain) on sales / disposal of property, plant and equipment (- : gain)	-387	230	-3	2
Finance income and costs(- : gain)	5,042	3,489	39	27
Share of profits of associates and joint ventures accounted for using equity method(- : gain)	526	-30	4	-0
Other non-cash transaction	-4,632	-817	-35	-6
Changes in inventories (- : increase)	-217	-4,130	-2	-32
Changes in trade and other receivables (- : increase)	12,498	-15,479	96	-119
Changes in trade and other payables (- : decrease)	-10,106	-406	-77	-3
Changes in contract liabilities (- : decrease)	-3,802	30,599	-29	234
Changes in provisions (- : decrease)	-1,737	5,937	-13	45
Others	-1,323	-2,451	-10	-19
(Subtotal)	25,085	58,444	192	448
Interest received	260	354	2	3
Dividends received	104	84	1	1
Interest paid	-3,394	-3,464	-26	-27
Income tax paid	-8,408	-5,685	-64	-44
Net cash flows from operating activities	13,647	49,733	105	381
<b>Cash flows from investment activities</b>				
Purchases of property, plant and equipment	-12,062	-12,645	-92	-97
Proceeds from sales of property, plant and equipment	2,211	1,210	17	9
Purchases of intangible assets	-8,080	-10,606	-62	-81
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-130	—	-1	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	-399	—	-3
Acquisition of associates, net of cash acquired	-137	-276	-1	-2
Purchase of investment securities	-747	-1,518	-6	-12
Proceeds from sales of investment securities	75	5,440	1	42
Others	12	-580	0	-4
Net cash flows from investment activities	-18,859	-19,376	-145	-148
<b>Cash flows from financing activities</b>				
Net increase (decrease) in current borrowings (- : decrease)	2,680	-21,730	21	-167
Proceeds from long-term borrowings	37,801	5,000	290	38
Payments for long-term borrowings	-46,148	-20,882	-354	-160
Proceeds from issuance of bonds with stock acquisition rights	—	39,887	—	306
Payments of bonds	—	-10,000	—	-77
Proceeds of issuance of hybrid capital	69,229	29,717	530	228
Payments of hybrid capital	—	-30,000	—	-230
Payments of lease liabilities	-5,780	-6,035	-44	-46
Dividends	-4,917	-2,496	-38	-19
Dividends paid to non-controlling interests	-121	-299	-1	-2
Acquisition of treasury shares	-1	-0	-0	—
Payments for obligations for non-controlling interests	-42,289	-8	-324	-0
Payments to owners of hybrid capital	-1,086	-2,123	-8	-16
Proceeds from capital increase of consolidated subsidiaries	300	—	2	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	-133	—	-1
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	—	15	—	0
Others	1,125	820	9	6
Net cash flows from financing activities	10,792	-18,270	83	-140
Effect of exchange rate changes on cash and cash equivalents	478	1,459	4	11
Increase (decrease) in cash and cash equivalents (- : decrease)	6,058	13,544	46	104
Cash and cash equivalents at the beginning of period	27,695	33,754	212	259
Cash and cash equivalents at the end of period	33,754	47,298	259	362

(\*) Euro amount is converted from yen at the closing rate of Dec. 2021 (130.51) for both previous and current fiscal year.

See Security Report for the audited financial statements.

# Corporate information as of December 31, 2021

## Corporate Profile

Company Name	DMG MORI CO., LTD.	
Subscribed Capital	51,115 million yen	
Established	October, 1948	
Registered Head Office	106, Kitakoriyama-cho, Yamato-Koriyama City, Nara 639-1160, Japan	Phone: +81-743-53-1125
Tokyo Global Headquarters	2-3-23, Shiomi, Koto-ku, Tokyo 135-0052, Japan	Phone : +81-3-6758-5900
Business Operations	Provision of total solutions consisting of machine tools (machining centers, turning centers, mill turn centers, 5-axis machines, etc.), software (user interface, Technology Cycles, embedded software, etc.), measurement equipment, service support, applications, and engineering	
Number of employees	12,259 (consolidated)	
Website	<a href="https://www.dmgmori.co.jp">https://www.dmgmori.co.jp</a>	

## Share

Total number of authorized shares	300,000,000
Number of shares outstanding	125,574,988 shares (treasury shares of 378,695 shares excluded)
Units	100
Number of shareholders	29,394

## Top share holders

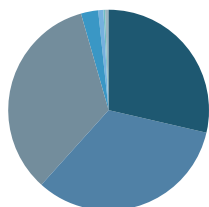
Name	Position (1,000 shares)	% of outstanding shares
The Master Trust Bank of Japan, Ltd. (trust account)	16,667	13.27
Custody Bank of Japan, Ltd. (trust account)	11,434	9.11
THE BANK OF NEW YORK MELLON 140051	6,833	5.44
DMG MORI Employee Shareholders Association	4,003	3.19
Masahiko Mori	3,591	2.86
Mori Manufacturing Research and Technology Foundation account (Custody Bank of Japan, Ltd.)	3,500	2.79
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2,300	1.83
DMG MORI Business Partner Shareholders Association	1,772	1.41
Masaru Mori	1,697	1.35
BBH FOR UMB BK, NATL ASSOCIATION-GLOBAL ALPHA INTL SMALL CAP FUND LP	1,660	1.32

(Note) 1. Acquisition and disposal of treasury shares in FY 2021

Treasury shares acquisition	Acquisition of fractional shares	425 shares
Treasury shares disposition	Decrease due to exercising stock options	479,500 shares

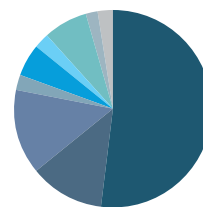
2. The shareholding ratio is calculated excluding the treasury shares. 499,500 shares owned by The Nomura Trust and Banking Co., Ltd. (DMG MORI Co., Ltd. Employee Shareholders Association trust account) are not included in the treasury shares.

## Composition by shareholder type



	Number of shares (1,000 shares)	Number of shareholders
■ Individuals / Others	35,943	28,728
■ Financial institutions (including securities investment trust)	41,039 (32,976)	50
■ Foreign corporate bodies (other than individuals)	42,032	291
■ Financial instruments firm	3,593	45
■ Other corporate bodies	2,939	232
■ Treasury shares	378	1
■ Foreign individual investors	26	47

## Composition by number of shares held



	Number of shares (1,000 shares)	Number of shareholders
■ 1,000,000 shares or more	65,749	20
■ 500,000 shares or more	15,120	23
■ 100,000 shares or more	17,710	73
■ 50,000 shares or more	3,109	45
■ 10,000 shares or more	6,814	368
■ 5,000 shares or more	3,115	505
■ 1,000 shares or more	9,050	5,454
■ 500 shares or more	2,112	3,568
■ Up to 500 shares	3,171	19,338

## Glossary

Below are additional explanations to some selected vocabulary in this Integrated Report.

Descriptions in the Integrated Report	Explanations
DMG MORI DMG MORI Group	The entire DMG MORI Group consisting of DMG MORI CO., LTD, DMG MORI AKTIENGESELLSCHAFT, and other group companies
DMG MORI CO CO	DMG MORI CO., LTD.
DMG MORI AG AG	DMG MORI AKTIENGESELLSCHAFT

## Financial Calendar (Schedule)

DMG MORI CO., LTD.

22 March 2022	74th Annual General Meeting
12 May 2022	Release for the 1st Quarter 2022
4 August 2022	Release for the 1st Half 2022
7 November 2022	Release for the 3rd Quarter 2022

## Reporting term

January 2021 – December 2021

(\*) Some contents include subjects that occurred outside of this term.

## Disclaimer

This Integrated Report contains targets, plans, etc. concerning the future of DMG MORI. All predictions concerning the future are judgments and assumptions based on information available to DMG MORI at the time of writing. There is a possibility that the actual future results may differ significantly from these forecasts, and described plans may not be implemented. There are many factors which contain elements of uncertainty or the possibility of fluctuation for a variety of reasons.