May 12, 2014

Summary of Consolidated Financial and Business Results for the Fiscal Year 2013 (to March 31, 2014)〔Japan GAAP〕

(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial and Business Results for the Fiscal Year announced on May 12, 2014.)

Company name	DMG MORI SEIKI CO., LTD.	Stock exchanges	Tokyo
Listing Code number	6141	URL	http://www.dmgmoriseiki.co.jp
Representative (Title)	President （Name） Masahiko Mori		
Contact (Title)	Vice President Accounting / Finance HQ Executive Officer （Name） Tatsuo Kondo	TEL	（052） 587-1811
Expected date of the ordinary general shareholders' meeting	June 20, 2014	Expected payment date of cash dividends	June 23, 2014
Expected date of filing the financial statements	June 20, 2014		

Preparation of Supplementary Explanations of Financial Results: Yes

Financial Results Presentation to Be Held: Yes (for analysts and institutional investors)

（Note: All amounts less than one million are disregarded.）

１． Consolidated business results for fiscal year 2013 (April 1, 2013 to March 31, 2014)

(1) Consolidated business results （Percentage shows the change from the previous fiscal year.）

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal Year 2013	160,728	8.2	9,357	126.3	11,245	124.6	9,442	82.6
Fiscal Year 2012	148,559	-4.4	4,134	-39.1	5,005	-15.4	5,170	-8.0

(Note) Comprehensive profit　Fiscal Year 2013　22,975 million yen(91.2%)　Fiscal Year 2012　12,016 million yen(229.1%)

	Net income per share	Diluted net income per share	Return on Equity	Ordinary income on total assets	Operating income on net sales
	yen	yen	%	%	%
Fiscal Year 2013	85. 73	85. 69	7.4	5.3	5.8
Fiscal Year 2012	47. 27	47. 07	5.3	2.7	2.8

（Reference） Equity-method earnings　Fiscal Year 2013　1,008 million yen　Fiscal Year 2012　680 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	million yen	million yen	%	yen
Fiscal Year 2013	241,670	155,501	62.6	1,164. 59
Fiscal Year 2012	186,653	104,481	55.0	938. 53

（Reference） Equity capital　Fiscal Year 2013　151,324 million yen　Fiscal Year 2012　102,659 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at the end of the fiscal year
	million yen	million yen	million yen	million yen
Fiscal Year 2013	5,906	-17,527	23,914	18,916
Fiscal Year 2012	21,421	-10,089	-10,085	6,268

２． Dividends

	Dividends per share					Total amount of dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
(Record date)	First Quarter	Second Quarter	Third Quarter	The end of the term	Year			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal Year 2012	―	10. 00	―	10. 00	20. 00	2,212	42.3	2.3
Fiscal Year 2013	―	10. 00	―	12. 00	22. 00	2,700	25.7	2.1
Fiscal Year 2014 (Forecast)	―	12. 00	―	12. 00	24. 00		29.7	

３． Consolidated earnings forecast for Fiscal Year 2014 (April 1, 2014 to March 31, 2015)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year 2014	170,000	5.8	13,000	38.9	15,000	33.4	10,500	11.2	80.81

※ Note

(1) Change of significant subsidiaries during the fiscal year (increase/decrease in the scope of consolidation) No

(2) Change of important accounting policies, procedures, and ways of display (description as the change of basis for preparing consolidated financial statements)

① Changes along the revision of accounting standard, etc Yes

② Changes mentioned other than mentioned in ① Yes

③ Changes accounting estimate Yes

④ Revision and change of display No

Consolidated Financial Statements. For details, please refer to “(5) Notes (Consolidated balance sheet)” under “3.Consolidated financial statements” on page 24

(3) Number of shares outstanding (Common Stocks)

① Number of shares outstanding at the end of the fiscal year (Including treasury stocks)	Fiscal year 2013	132,943,683shares	Fiscal year 2012	118,475,312shares
② Treasury stocks at the end the fiscal year	Fiscal year 2013	3,005,226shares	Fiscal year 2012	9,091,233shares
③ Average number of common stocks in the fiscal year	Fiscal year 2013	110,147,114shares	Fiscal year 2012	109,384,622shares

(Reference) Unconsolidated Financial results

1. Unconsolidated business results for fiscal year 2013 (April 1, 2013 to March 31, 2014)

(1) Unconsolidated business results (% of change from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal Year 2013	102,625	2.6	7,331	94.1	9,409	91.4	6,269	49.7
Fiscal Year 2012	100,020	-7.6	3,776	3.0	4,917	28.9	4,188	167.7

	Net income per share	Diluted net income per share
	yen	yen
Fiscal Year 2013	55. 81	55. 78
Fiscal Year 2012	37. 87	37. 72

(2) Unconsolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal Year 2013	201,465	133,544	66.3	1,005. 15
Fiscal Year 2012	166,948	98,527	58.8	887. 05

(Reference) Total Shareholders' equity Fiscal Year 2013 133,521 million yen Fiscal Year 2012 98,107 million yen

※Indication for status of an audit.

This is not subject of an audit based on Financial Instruments and Exchange Act, and the audit is not finished when this is released.

※Proper use of the earnings forecasts and other notes

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 2014 (Forecast), see "(2)Forecast for FY 2014" page 7.

We will upload additional explanation on May 12, 2014.

Index of the Attachment

1. Analysis of management performance and consolidated financial status

(1) Business results for FY 2013

The conditions for sales leads and orders received in the machine tool industry showed a definite recovery in the consolidated fiscal year (term) under review, with a resurgence in both domestic and foreign demand in the second half despite the slowdown in Japan, China and the rest of Asia in the first half, and the Japan Machine Tool Builders' Association announced a 5.7% increase in machine tool orders for fiscal 2013 compared to the previous year. The DMG MORI SEIKI CO., LTD. Group has experienced a healthy trend in orders received not just in the Americas, where it was strong throughout the fiscal year, but also in Japan, Europe and China, where there was a recovery in demand. The DMG MORI SEIKI CO., LTD. Group will continue to aggressively expand its sales activities and aim to secure orders of a high standard.

It was in this business environment that an Open House event was held at the Pfronten plant of DMG MORI SEIKI AKTIENGESELLSCHAFT (hereafter DMG MORI SEIKI AG), and more than 6,000 customers attended the event. We exhibited machines including the NLX2500 equipped with CELOS, the newly-developed operating system that can be installed on both companies' new models, and were able to secure a large number of orders.

In March we entered into a premium partnership with Porsche AG. Through this partnership we will learn a lot from the diligent manufacturing and advanced quality control typified by the FIA World Endurance Championship (WEC), and will make use of this knowledge in the development of business from here on.

The Tokyo Global Head Quarter under construction at Shiomi, Koto-ku, Tokyo will accommodate a customer-friendly experimental test center alongside its headquarters function. We are making preparations for the grand opening in July. This facility, together with the Swiss Global Head Quarter currently being prepared by DMG MORI SEIKI AG, will propose solutions and run machining demonstrations for customers worldwide.

We achieved a 30.5 billion yen increase in capital in March through an overseas offering of new shares and divesting treasury shares. We will use the funds that we raised through this initiative to upgrade and expand the facilities at the North American Manufacturing plant and Tianjin plant, introduce state-of-the-art equipment at the Campuses in Japan, fit out the showrooms at the sales centers and enhance the exhibited machines, build the Tokyo Global Head Quarter and integrate information systems. The aim will be to adopt a more aggressive stance in the global marketplace by capitalizing on the cooperative relationship with DMG MORI SEIKI AG that we have built up thus far.

Under these circumstances, our consolidated sales were 160,728 million yen (up 8.2% from previous fiscal year), consolidated operating profit was 9,357 million yen (up 126.3% from previous fiscal year), consolidated ordinary profit was 11,245 million yen (up 124.6% from previous fiscal year) and consolidated net profit was 9,442 million yen (up 82.6% from previous fiscal year).

Business trends and results by geographical segment are summarized as follows:

In Japan, sales leads were robust in the automotive and agricultural machinery related fields. Sales were

129,253 million yen (up 3.9% from previous fiscal year) and segment profit was 8,632 million yen (up 83.0% from previous fiscal year).

In the Americas, there was a favorable trend for orders in the automotive, aircraft and energy industries. Sales were 55,473 million yen (up 13.2% from previous fiscal year) and segment profit was 1,133 million yen (previous fiscal year: segment loss of 995 million yen).

In Europe, there was solid trend in inquiries centering on the automotive and aircraft related fields. Sales were 33,783 million yen (up 17.8% from previous fiscal year) and segment loss was 25 million yen (previous fiscal year: segment loss of 62 million yen).

There was solid trend in inquiries centering on the automotive and agricultural machinery related fields in Asia in general, and on the automobile and die & mold related fields especially in China. Sales were 22,918 million yen (down 7.1% from previous fiscal year) and segment loss was 435 million yen (previous fiscal year: segment loss of 2 million yen).

Consolidated

（Million yen）

	65th term FY2012	66th term FY2013	Change
Sales	148,559	160,728	12,169
Operating income	4,134	9,357	5,223
Ordinary income	5,005	11,245	6,239
Net income	5,170	9,442	4,272

Unconsolidated

（Million yen）

	65th term FY2012	66th term FY2013	Change
Sales	100,020	102,625	2,605
Operating income	3,776	7,331	3,554
Ordinary income	4,917	9,409	4,492
Net income	4,188	6,269	2,080

(2)Forecast for FY 2014

In this business environment, the level of orders is expected to remain robust in Americas and Europe in the foreseeable future.

We, the DMG MORI SEIKI CO., LTD. Group, will continue to improve development, manufacturing, sales and service systems so as to provide customers with products and services in demand in a timely manner, and to work hard on cost reduction for the sound financial status. The forecast for the business results (consolidated) for FY 2014 is as follows:

(Million yen)

	Full year (consolidated)
Sales	170,000
Operating income	13,000
Ordinary income	15,000
Net income	10,500

* The average yen-U.S. dollar market rate is set at 100 yen = U.S. $1.00

**The average yen-Euro market rate is set at 140 yen = € 1.00

Note concerning statements about the future, etc.

This material contains earnings estimates, plans, policies, business strategies, targets, forecasts, and perceptions and judgments about matters of fact concerning the future of DMG MORI SEIKI CO., LTD. and the DMG MORI SEIKI CO., LTD. Group. Its predictions, expectations, assumptions, plans, perceptions and judgments are based on information available to DMG MORI SEIKI CO., LTD. at the time of writing. For this reason, there is a possibility that actual results may differ from these forecasts.

(3) Analysis of consolidated financial status

A. Assets, liabilities and net assets

- Assets

Current assets increased by 32.9% compared to the previous fiscal year to 99,353 million yen. That was mainly because Cash and deposits increased by 12,647 million yen, Notes and accounts receivable increased by 8,164 million yen and Inventories increased by 2,829 million yen.

Fixed assets increased by 27.2% compared to the previous fiscal year to 142,317 million yen. That was mainly because Tangible fixed assets increased by 6,221 million yen and investment securities increased by 24,369 million yen.

As a result, total assets increased by 29.5% compared to the previous fiscal year to 241,670 million yen.

- Liabilities

Current liabilities decreased by 6.3% compared to the previous fiscal year to 41,454 million yen. That was mainly because Accounts payable-trade increased by 2,859 million yen, Current portion of bonds increased by 15,000 million yen, Accrued payments increased by 2,628 million yen but Short-term bank loans decreased by 23,839 million yen.

Fixed liabilities increased by 17.9% compared to the previous fiscal year to 44,714 million yen. That was mainly because Bonds payable increased by 5,000 million yen.

As a result, total liabilities increased by 4.9% compared to the previous fiscal year to 86,169 million yen.

- Net assets

Total net assets increased by 48.8% compared to the previous fiscal year to 155,501 million yen. The major reasons for the increase were that posting a Net income of 9,442 million yen, increase of Capital stock 9,983 million yen, increase of Capital surplus 10,290 million yen and increase of 12,221 million yen in Translation adjustments. On the other hand, Overseas disposal of treasury stock decreased the treasury stocks by 8,133 million yen, and we paid cash dividend of 2,211 million yen.

B. Cash flows during fiscal year 2013

（million yen）

	65th term Fiscal Year 2012	66th term Fiscal Year 2013	Change
Operating activities	21,421	5,906	-15,514
Investing activities	-10,089	-17,527	-7,437
Financing activities	-10,085	23,914	33,999
Cash and cash equivalents at the end of the year	6,268	18,916	12,648

Cash and cash equivalents at the end of FY 2013 were 18,916 million yen, an increase of 12,648 million yen from the previous fiscal year.

Factors which affected the cash flows for FY 2013 are shown below.

- Cash flows from operating activities

Net cash provided in operating activities was 5,906 million yen (21,421 million yen was provided in the previous fiscal year).

The main increasing factors are 11,376 million yen Income before income taxes, 5,775 million Depreciation and amortization, 2,220 million yen increase in Notes and accounts payable-trade and 2,274 million yen increase in Accrued payments. The main decreasing factors are 6,105 million yen increase in Notes and accounts receivable-trade, 5,042 million yen increase in Inventories and 2,311 million yen decrease in Foreign exchange gains.

- Cash flows from investing activities

Net cash used in investing activities was 17,527 million yen (10,089 million yen was used in the previous fiscal year). This is mainly due to Obtaining of Stocks of subsidiaries of 7,657 million yen, Purchases of tangible fixed assets of 7,142 million yen, and Purchases of Intangible assets of 1,868 million yen.

- Cash flows from financing activities

Net cash provided in financing activities was 23,914 million yen (10,085 million yen was used in the previous fiscal year).

The main increasing reasons are issuing new shares of 19,858 million yen, issuing new Bonds payable of

19,907 million yen and sales of Treasury stock of 10,578 million yen. The main decreasing reasons are net decrease in Short-term bank loans of 23,839 million yen and Cash dividends of 2,215 million yen.

C. Trends in cash flow related indexes

	63rd term Fiscal Year 2010	64th term Fiscal Year 2011	65th term Fiscal Year 2012	66th term Fiscal Year 2013
Shareholders' equity ratio (%)	54.6	50.3	55.0	62.6
Shareholders' equity ratio at fair value (%)	63.9	50.2	65.1	70.2
Cash flow to interest bearing loans ratio (%)	—	731.1	272.4	920.7
Interest coverage ratio (times)	—	16.0	39.2	10.3

(Notes) Shareholders' equity ratio: Shareholders' equity / total assets

Shareholders equity ratio at fair value: Market value of listed shares / total assets

Cash flows to interest-bearing loans ratio: Interest-bearing liabilities / operating cash flows

Interest coverage ratio: Operating cash flows / interest payments

※ These indexes are calculated based on consolidated financial figures.

※ Market value of listed shares is calculated based on the closing share price at end of term x outstanding shares (excluding treasury stock) at end of term

※ For cash flows, "Cash flows from operating activities" from the consolidated cash flow statements are used. Interest-bearing liabilities include all liabilities on the balance sheets that incur interest. For the interest payments, the "Interest paid" on the consolidated cash flow statement is used.

※ For the terms with negative cash flows from operating activities, "Cash flows to interest-bearing loans ratio" and "Interest coverage ratio" are not mentioned.

(4) Basic policy concerning profit appropriation and dividend payment for FY 2013/2014

The DMG MORI SEIKI CO., LTD. Group strives to enhance corporate value for our shareholders, who understand that machine tools are both capital assets and products which support manufacturing throughout the world. For our principle for profit appropriation, we will continue to invest in the development of pivotal new products and technologies as well as consolidating our production equipment in order to reinforce our competitive strength in the market, based on an overall judgment concerning our future business plan, business results, financial conditions, and so on.

For FY 2013, we issued an interim dividend per share of 10 yen and year-end dividend per share of 12 yen, for a full-year total of 22 yen. For FY 2014, the interim dividend is scheduled to be 12 yen per share and the year-end dividend 12 yen, for a full-year total of 24 yen.

２． Management policy

(1) Basic management policy

Our basic management policy as a machine tool manufacturer is: “we provide customers with innovative, accurate and trouble-free machines at competitive prices.” We aim to become “Global One” in the fields of CNC lathes, machining centers, multi-axis machines and grinding machines as well as engineering and services.

(2) Management targets

The DMG MORI SEIKI CO., LTD. Group seeks to become Global One in the machine tool industry by responding quickly to rapid changes in the business environment and market trends. We believe that improving our profit margin and strengthening our financial strength are essential in achieving our pursuit. The Group is determined to achieve a consolidated operating margin of over 12% and shareholders’ equity ratio of over 70% by 2020, and continues its untiring efforts to create customer value and further improve its corporate value.

(3) Company's medium to long-term management strategies

With differences in economic development levels, financial problems, fluctuations in exchange rates, natural disasters and geopolitical risks arising in the global markets, manufactures are now entering a new phase in production innovation and relocation of management resources. At the same time, machine tool manufacturers are required to meet customers’ ever-diversifying requirements that include not only the provision of high-precision, high-performance machines, but also expansion of operation and engineering support, education and after-sales services. We, at the DMG MORI SEIKI CO., LTD. Group, respond flexibly to changes in the business environment and customer needs by fully utilizing our robust sales and service networks and technical expertise we have cultivated for over 65 years.

For product development, our flagship series of the X-class now accounts for more than 50% of all orders received. This indicates the X-class has developed into reliable machines that can surely meet customer demand. The collaboration with DMG MORI SEIKI AG has enabled us to include their machines in our product lineup such as the DMU series of five-axis machines and the LASERTEC series to provide more comprehensive products and solutions for our customers. Additionally, with the aim of attracting new and potential customers, the two companies have jointly developed the MILLTAP 700 compact machining center and the DIXI 210 five-axis machine that offers dramatically improved volumetric accuracy. Both companies also concentrate on standardization of machine components and consolidation of machine models in an effort to reduce manufacturing cost.

As for production, we define our domestic plants as the mother plants and work on the improvement of quality and productivity. To respond quickly to the needs of the areas where demand for machine tools is growing and to mitigate the risk of exchange rate fluctuations, we have promoted machine production in the high-demand areas and opened the U.S. plant in November 2012 and the Tianjin plant in China in November 2013. At the U.S. plant, production of horizontal machining centers, which have been in great demand in the American market, is now on track. We will increase production models according to local demand. At the Tianjin plant, where production is gradually expanding, we started machining casting parts and supplying them to our plants in Japan. Taking advantage of China's low procurement cost, we will utilize the plant as the casting supply hub. The addition of these plants, coupled with the collaboration with DMG MORI SEIKI AG, has enabled us to have manufacturing bases in four strategic locations around the world: Japan, North America, Europe and China. We will continue to strive to deliver the best products and services more quickly to our customers.

As for sales, we have been promoting sales collaboration with DMG MORI SEIKI AG, and are establishing a dominant position in the machine tool industry in terms of customer bases, solutions and services. With the integration of sales bases in major regions entering its final phase, both companies are proceeding with the process in the last three countries, namely Russia and Brazil to establish solid sales and service systems more than ever.

Under this management policy, the DMG MORI SEIKI CO., LTD. Group remains committed to creating customer value and building a competitive advantage in terms of business scale, profitability and financial base in the machine tool industry, aiming to further improve its corporate value.

(4) Challenges facing the company

① Product development

We, together with DMG MORI SEIKI AG, will promote the joint development of new machines and the standardization of units for machine tools, such as a spindle and a turret. The corporative development using technologies accumulated by both companies will enable us to efficiently develop products with a high degree of perfection. We also place importance on "technology development for machine surroundings" to improve customers' productivity, such as no-man operation; and "service technology development" such as preventative maintenance to prevent customers' machines from stopping using a sensor.

② Quality

We regard all of our activities that make us relate with customers through our products, from product planning and sales to service, as "quality," and each and every staff makes a daily effort to further improve it. With the motto of "giving customers a great excitement and impression through incomparable quality," we will manufacture products in such a manner that close attention is always paid to every inch of each product. Last October we integrated the company name together with DMG MORI SEIKI AG. We are committed to consolidating development, production, service and sales processes, and performing various activities for improvement so that customers will be able to feel the same high-quality in the products of DMG MORI SEIKI AG and DMG MORI SEIKI CO., LTD.

③ Trade controls for security

As there has been mounting uncertainty surrounding the world's national security environment, especially in

Asia, Middle East and Eastern Europe regions in recent years, the non-proliferation of weapons of mass destruction and the prevention of excessive stockpiling of conventional weapons became one of the growing international interests. To address the issue, the DMG MORI SEIKI CO., LTD. Group has stipulated internal regulations (Compliance Program) to ensure compliance with export control laws and applies them strictly. In addition, we have our machines equipped with the device to detect and disable a machine if the machine is relocated from the site where it was originally installed, aiming to prevent the illegal export of our products. We will continue to tackle the security trade control as our priority.

④ Compliance with the Law

Our board members give explicit instructions to the employees on implementation of the corporate activities in thorough compliance with the law and corporate ethics. We create a plan for various educational training and implement the training on a continuing basis in an attempt to increase awareness of law in all of our employees including the board members. For greater globalization of our business, we strive to establish a solid law compliance system in our global bases as well as domestic ones. With the Internal Auditing Department in the key role, we already have established the system to regularly monitor our law compliance activities, so we will continuously work on consolidation of our internal control.

⑤ Cooperation with DMG MORI SEIKI AG

We established a business and capital partnership with DMG MORI SEIKI AG of Germany, a largest machine tool manufacturer in Europe, in March 2009 with the aim to take a greater leap in the global market. Since then both companies have been promoting consolidation of sales and service bases and strengthening the collaboration in the area of parts supply, joint development and financing services for customers.

In August 2013, we subscribed for the newly issued shares of DMG MORI SEIKI AG, and in return transferred a part of the shares of our subsidiary named Magnescale Co., Ltd. and sub-subsidiary named DMG Mori Seiki Manufacturing USA Inc. to DMG MORI SEIKI AG. In September we again subscribed for the newly issued shares of DMG MORI SEIKI AG, which increased our voting rights ratio in DMG MORI SEIKI AG to 24.9%.

Then in March 2014, the ratio became 24.3% after DMG MORI SEIKI AG disposed of treasury shares. DMG MORI SEIKI AG also increased its voting rights ratio in DMG MORI CO., LTD. to 9.6% in September 2013. As a result, the capital collaboration of the two companies has further strengthened.

As the partnership of two companies deepened, we both changed each of the company names to “DMG MORI SEIKI CO., LTD.” and “DMG MORI SEIKI AG,” and integrated the brand name into “DMG MORI.” We will further strengthen the partnership with DMG MORI SEIKI AG through the common use of parts, consolidation of machine models, and integration of systems in sales, development, manufacturing and accounting areas under the same one motto of “One Brand for the World.”

3． Consolidated financial statements

（1） Consolidated balance sheet

（Amount：million yen）

	At the end of the previous consolidated fiscal year (March 31, 2013)	At the end of the current consolidated fiscal year (March 31, 2014)
(Assets)		
Current Assets		
Cash and deposits	6,287	18,935
Notes and accounts receivable	24,824	32,989
Goods and products	12,195	15,886
Work in process	7,189	7,709
Raw material and supplies	18,555	17,173
Deferred income taxes	2,742	3,066
Consumption taxes receivable	430	484
Other	2,744	3,313
Allowance for doubtful receivables	-230	-207
Total current assets	74,739	99,353
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	26,094	29,412
Machinery, equipment and vehicles, net	5,989	8,247
Land	21,774	22,253
Lease assets, net	3,995	3,802
Construction in progress	1,882	1,766
Other, net	3,052	3,527
Total tangible fixed assets	62,788	69,009
Intangible fixed assets		
Goodwill	666	704
Other	5,245	5,408
Total Intangible fixed assets	5,912	6,112
Investments and other assets		
Investment securities	40,367	64,736
Long-term prepaid expenses	310	640
Long-term loans receivable	132	87
Deferred income taxes	944	274
Other	1,459	1,455
Total investments and other assets	43,213	67,194
Total fixed assets	111,914	142,317
Total assets	186,653	241,670

	At the end of the previous consolidated fiscal year (March 31, 2013)	At the end of the current consolidated fiscal year (March 31, 2014)
(Liabilities)		
Current liabilities		
Accounts payable-trade	9,077	11,937
Short-term bank loans	23,929	90
Current portion of bonds	—	15,000
Lease obligations	428	443
Accrued payments	3,855	6,483
Accrued expenses	1,583	1,942
Advances received	1,894	2,141
Accrued income taxes	981	1,017
Accrued consumption taxes	75	140
Deferred income taxes	249	6
Allowance for product warranties	832	943
Allowance for bonuses	168	171
Other	1,177	1,138
Total current liabilities	44,253	41,454
Fixed liabilities		
Bonds payable	30,000	35,000
Lease obligations	3,986	3,853
Deferred income taxes	1,400	2,577
Deferred income taxes on land revaluation reserve	1,485	1,485
Allowance for retirement benefits	222	—
Liabilities for retirement benefits	—	379
Long-term accounts payable-other	748	681
Asset retirement obligations	62	101
Other	13	635
Total fixed liabilities	37,918	44,714
Total liabilities	82,172	86,169
(Net assets)		
Shareholders’ equity		
Capital	41,132	51,115
Capital surplus	53,863	64,153
Retained earnings	18,270	25,501
Treasury stock	-11,743	-3,609
Total shareholders’ equity	101,523	137,161
Other comprehensive profit		
Net unrealized holding gain on securities	2,616	4,003
Net unrealized gains/loss on derivative instruments	185	2
Revaluation reserve for land	1,759	1,759
Translation adjustments	-3,423	8,797
Accumulated retirement benefits	—	-399
Total other comprehensive profit	1,136	14,163
Stock acquisition rights	434	34
Minority interests	1,386	4,142
Total net assets	104,481	155,501
Total liabilities and net assets	186,653	241,670

（２）Consolidated statement of income and statement of comprehensive profit

Consolidated statement of income

（Amount：million yen）

	The previous consolidated fiscal year (April 1, 2012 to March 31, 2013)	The current consolidated fiscal year (April 1, 2013 to March 31, 2014)
Net sales	148,559	160,728
Cost of sales	104,393	107,469
Gross profit	44,165	53,259
Selling, general and administrative expenses	40,031	43,902
Operating income	4,134	9,357
Non-operating income		
Interest income	34	23
Dividend income	318	355
Exchange gain	756	1,478
Equity in earnings of affiliates	680	1,008
Other	261	216
Total of Non-operating income	2,052	3,081
Non-operating expenses		
Interest expense	544	575
Fees and commissions	189	197
Other	446	419
Total of Non-operating expenses	1,180	1,192
Ordinary income	5,005	11,245
Extraordinary income		
Gain on sales of fixed assets	14	44
Gain on sales of investment securities	6	4
Gain on reversal of subscription rights to shares	24	374
Gain on transfer of business	288	―
Insurance income	554	―
Gain on change in equity	―	4,299
Total of Extraordinary income	887	4,723
Extraordinary loss		
Loss on sales of fixed assets	3	4
Loss on disposal of fixed assets	16	310
Impairment loss	107	―
Loss on valuation of stocks of subsidiaries and affiliates	―	34
Loss on valuation of other investments	8	15
Loss on change in equity	―	895
Business structure improvement expenses	―	3,331
Retirement benefit expenses	105	―
Loss on cancel of lease contracts	15	―
Total of Extraordinary loss	256	4,593

	The previous consolidated fiscal year (April 1, 2012 to March 31, 2013)	The current consolidated fiscal year (April 1, 2013 to March 31, 2014)
Income before income taxes and minority interests	5,637	11,376
Income taxes	802	1,209
Income taxes deferred	-680	620
Total of Income taxes	122	1,829
Income before minority interests	5,514	9,546
Minority interests in income	344	103
Net income	5,170	9,442

Statement of comprehensive profit

（Amount：million yen）

	The previous consolidated fiscal year (April 1, 2012 to March 31, 2013)	The current consolidated fiscal year (April 1, 2013 to March 31, 2014)
Income before minority interests	5,514	9,546
Other comprehensive profit		
Net unrealized holding gain on securities	477	922
Deferred gains or losses on hedges, before tax	―	-242
Translation adjustments	2,303	2,383
Share of other comprehensive income of associates accounted for using equity method	3,720	10,365
Total of other comprehensive profit	6,501	13,428
Comprehensive profit	12,016	22,975
Contents		
Comprehensive income attributable to owners of the parent	11,642	22,869
Comprehensive income attributable to minority interests	373	106

（3） Consolidated Statement of changes in stockholders' equity

The previous consolidated fiscal year (April 1, 2012 to March 31, 2013)

(Amount：million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total amount of shareholders' equity
Balance at beginning of the year	41,132	53,863	15,312	-11,742	98,565
Changes in the current term					
Issuance of new shares					－
Dividend			-1,106		-1,106
Interim dividend			-1,106		-1,106
Current net income			5,170		5,170
Purchases of treasury stock				-0	-0
Sales of treasury stock					－
Increase in equity in affiliates accounted for by application of equity method					－
Net Changes of items other than shareholders' equity					
Total changes in the current term	－	－	2,958	-0	2,957
Balance at the end of the current fiscal year	41,132	53,863	18,270	-11,743	101,523

(Amount：million yen)

	Other comprehensive profit								
	Net unrealized holding gain on securities	Net unrealized gain/loss on derivative instruments	Revaluation reserve for land	Translation adjustments	Accumulated retirement benefits	Total other comprehensive profit	Stock acquisition rights	Minority interests	Total net assets
Balance at beginning of the year	2,132	104	1,759	-9,331	—	-5,335	466	1,021	94,718
Changes in the current term									
Issuance of new shares									—
Dividend									-1,106
Interim dividend									-1,106
Current net income									5,170
Purchases of treasury stock									-0
Sales of treasury stock									—
Increase in equity in affiliates accounted for by application of equity method									—
Net Changes of items other than shareholders' equity	483	80	—	5,907	—	6,472	-31	364	6,805
Total changes in the current term	483	80	—	5,907	—	6,472	-31	364	9,763
Balance at the end of the current fiscal year	2,616	185	1,759	-3,423	—	1,136	434	1,386	104,481

The current consolidated fiscal year (April 1, 2013 to March 31, 2014)

(Amount：million yen)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total amount of shareholders' equity
Balance at beginning of the year	41,132	53,863	18,270	-11,743	101,523
Changes in the current term					
Issuance of new shares	9,983	9,983			19,966
Dividend			-1,106		-1,106
Interim dividend			-1,105		-1,105
Current net income			9,442		9,442
Purchases of treasury stock				-1	-1
Sales of treasury stock		307		10,404	10,711
Increase in equity in affiliates accounted for by application of equity method				-2,269	-2,269
Net Changes of items other than shareholders' equity					
Total changes in the current term	9,983	10,290	7,230	8,133	35,637
Balance at the end of the current fiscal year	51,115	64,153	25,501	-3,609	137,161

(Amount：million yen)

	Other comprehensive profit						Stock acquisition rights	Minority interests	Total net assets
	Net unrealized holding gain on securities	Net unrealized gain/loss on derivative instruments	Revaluation reserve for land	Translation adjustments	Accumulated retirement benefits	Total other comprehensive profit			
Balance at beginning of the year	2,616	185	1,759	-3,423	―	1,136	434	1,386	104,481
Changes in the current term									
Issuance of new shares									19,966
Dividend									-1,106
Interim dividend									-1,105
Current net income									9,442
Purchases of treasury stock									-1
Sales of treasury stock									10,711
Increase in equity in affiliates accounted for by application of equity method									-2,269
Net Changes of items other than shareholders' equity	1,387	-183	―	12,221	-399	13,026	-400	2,756	15,382
Total changes in the current term	1,387	-183	―	12,221	-399	13,026	-400	2,756	51,020
Balance at the end of the current fiscal year	4,003	2	1,759	8,797	-399	14,163	34	4,142	155,501

（4）Consolidated statement of cash flows (Amount : million yen)

	The previous consolidated fiscal year(April 1, 2012 to March 31, 2013)	The current consolidated fiscal year(April 1, 2013 to March 31, 2014)
Operating activities		
Income before income taxes	5,637	11,376
Depreciation and amortization	6,584	5,775
Loss on sales of fixed assets	3	4
Loss on disposal of fixed assets	16	310
Impairment loss	107	―
Gain on sales of fixed assets	-14	-44
Loss (gain) on sales of investment securities	-6	-4
Loss on valuation of stocks of subsidiaries and affiliates	―	34
Loss on valuation of other investments	8	15
Business structure improvement expenses	―	3,331
Gain on reversal of subscription rights to shares	-24	-374
Amortization of goodwill	369	279
Loss (gain) on transfer of business	-288	―
Loss (gain) on change in equity	―	-3,404
Insurance income	-554	―
Equity in earnings/losses of affiliates	-680	-1,008
Increase (decrease) in allowance for bonuses	-27	2
Increase (decrease) in allowance for doubtful receivables	38	-31
Increase (decrease) in allowance for retirement benefits	-125	-230
Increase (decrease) in allowance for product warranties	-5	109
Increase (decrease) in retirement benefits	―	129
Interest and dividend income	-353	-378
Interest expense	544	575
Foreign exchange losses (gains)	-1,957	-2,311
Increase (decrease) in accounts receivable	6,344	-6,105
Increase (decrease) in inventories	6,683	-5,042
Increase (decrease) in accounts payable	-2,018	2,220
Increase (decrease) in consumption tax receivable	81	-54
Increase (decrease) in accrued consumption tax	7	64
Increase (decrease) in other accrued payments	-1,442	2,274
Other	2,531	-725
Sub-total	21,460	6,788
Interest and dividend income received	580	839
Interest paid	-546	-576
Income taxes paid	-432	-1,145
Insurance income	554	―
Premium of employees' pension fund paid	-193	―
Net cash provided in operating activities	21,421	5,906

	The previous consolidated fiscal year(April 1, 2012 to March 31, 2013)	The current consolidated fiscal year(April 1, 2013 to March 31, 2014)
Investing activities		
Sales of tangible fixed assets	111	148
Purchases of tangible fixed assets	-9,928	-7,142
Purchases of intangible fixed assets	-1,993	-1,868
Proceeds from sales of investment securities	113	15
Purchase of investment securities	-0	-1
Proceeds from redemption of securities	201	―
Purchases of stock of subsidiaries and affiliates	―	-7,657
Payments for investments in capital of subsidiaries and affiliates	-202	―
Purchase of investments in subsidiaries resulting in change in scope of consolidation	―	-987
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	24	―
Proceeds from transfer of business	1,783	―
Payments for transfer of business	―	-29
Purchases of stock from minority shareholders	-87	―
Other	-111	-4
Net cash used by Investing activities	-10,089	-17,527
Financing activities		
Increase (decrease) in short-term bank loans, net	-4,848	-23,839
Proceeds from issuance of bonds	―	19,907
Proceeds from issuance of common stock	―	19,858
Redemption of bonds with subscription rights to shares	-2,583	―
Cash dividends	-2,219	-2,215
Cash dividends paid to minority shareholders	-14	-14
Proceeds from sales of treasury stock	―	10,578
Purchases of treasury stock	-0	-1
Other	-420	-359
Net cash (provided) used in financing activities	-10,085	23,914
Effect of exchange rate changes on cash equivalents	488	330
Decrease in cash and cash equivalents	1,735	12,624
Cash and cash equivalents at beginning of the year	4,532	6,268
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	―	-1
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	―	25
Cash and cash equivalents at the end of the year	6,268	18,916

（5）Notes (Consolidated financial statement)

(Situation or problems with significant doubt for premise of going concern)

None.

(Changes of accounting policy)

(Change of method for calculating depreciation of property, plant and equipment)

Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries, except for buildings (other than structures attached to the buildings) acquired on or subsequent to April 1, 1998, had been calculated by the declining-balance method over the estimated useful lives of the respective assets. However, effective the current fiscal year, the Company and all its domestic consolidated subsidiaries, with the exception of one domestic consolidated subsidiary, have adopted the straight-line method.

The DMG MORI SEIKI CO., LTD. Group has been globalizing its manufacturing bases and promoting collaboration with DMG MORI SEIKI AG in various fields including sales, development and production based on its medium-term management plan. As our collaboration progressed, the companies shared the same recognition of the need for a standardized production management system. We then examined the operating status of our production equipment. Our study results suggested that the integration of both companies' sales bases and the globalization of production bases resulting in more stable and efficient operation. Taking these into consideration, we concluded that it was appropriate to use the straight-line method for calculating depreciation as it best reflects the pattern of consumption of economic benefits that are obtained based on the actual operating status.

As a result of this change, compared with the previous method, operating income, ordinary income and income before income taxes increased by 885 million yen, respectively.

(Implementation of accounting standards for retirement benefits, etc.)

The "Accounting Standard for Retirement Benefits" (ASBJ, Accounting Standards Board of Japan, Statement No. 26, 5/17/2012, hereinafter the "retirement benefit accounting standard") and its Implementation Guidance "Guidance for Implementation of Accounting Standards for Retirement Benefits" (ASBJ Guidance No. 25, 5/17/2012, hereinafter the "retirement benefit implementation guidance") apply from the end of this consolidated fiscal year (with the exception of the stipulations cited in paragraph 35 of the retirement benefit accounting standard and paragraph 67 of the retirement benefit implementation guidance); the method will change such that the amount after deducting the amount of pension assets from the retirement benefit obligations is recorded as retirement benefit related liabilities, and unrecognized actuarial differences are recorded in the retirement benefit related liabilities.

The implementation of the retirement benefit accounting standard will follow the transitional treatment stipulated in paragraph 37 of the retirement benefit accounting standard, and the effect of the relevant changes will be accommodated in the accumulated adjustments pertaining to retirement benefits in the accumulated other comprehensive income applied at the end of this consolidated fiscal year.

As a result, retirement benefit related liabilities of 379 million yen were recorded at the end of the consolidated fiscal year under review, and along with this the accumulated other comprehensive income (including a sum equivalent to the equity interest for the equity method affiliates) decreased by 399 million yen. The net asset value per share decreased by 3.07 yen.

(Segment Information)

1. General information about reportable segments

The reportable segments of the DMG MORI SEIKI CO., LTD. Group, for which discrete financial information about the individual components of the Group is available, are regularly reviewed at the Board of Directors' Meeting and Operating Directors' Meeting to make decisions about resources to be allocated to the segment and assess its performance.

Our main business is the manufacture and sale of machine tools. DMG MORI SEIKI CO., LTD. and its consolidated subsidiaries are responsible for the business operations in Japan, and each independent overseas subsidiary is responsible for the business operations in the region it belongs to. We conduct the business operations according to comprehensive product strategies by region.

The reportable segment of our group is therefore divided into four regional segments --Japan, the Americas, Europe, and China & Asia-- each of which has its own production and sales systems.

2. Information about reported segment operating revenues, segment income or loss, and segment assets

The accounting method for reportable segments is generally the same as the contents stated in "Rules for preparing consolidated financial statements."

The reportable segment income is based on the operating income.

The operating revenue inside the group is calculated based on the value which was decided taking into account the market price.

(Change of Method for Calculating Depreciation)

Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries, except for buildings (other than structures attached to the buildings) acquired on or subsequent to April 1, 1998, had been calculated by the declining-balance method over the estimated useful lives of the respective assets. However, effective the current fiscal year, the Company and all its domestic consolidated subsidiaries, with the exception of one domestic consolidated subsidiary, have adopted the straight-line method.

The DMG MORI SEIKI CO., LTD. Group has been globalizing its manufacturing bases and promoting collaboration with DMG MORI SEIKI AG in various fields including sales, development and production based on its medium-term management plan. As our collaboration progressed, the companies shared the same recognition of the need for a standardized production management system. We then examined the operating status of our production equipment. Our study results suggested that the integration of both companies' sales bases and the globalization of production bases resulting in more stable and efficient operation. Taking these into consideration, we concluded that it was appropriate to use the straight-line method for calculating depreciation as it best reflects the pattern of consumption of economic benefits that are obtained based on the actual operating status.

As a result, the segment income of the current consolidated fiscal year in Japan increased by 885 million.

3. Information about reported segment operating revenues, segment income or loss, and segment assets

Previous consolidated fiscal year (April 1, 2012 to March 31, 2013)

	Japan (million yen)	The Americas (million yen)	Europe (million yen)	Asia and Oceania (million yen)	Total (million yen)
Operating Revenues					
Outside customers	50,733	47,636	26,898	23,292	148,559
Inside group	73,625	1,357	1,772	1,373	78,129
Total	124,359	48,993	28,670	24,665	226,689
Segment Income/loss	4,717	-995	-62	-2	3,657
Segment Assets	121,529	25,393	45,712	10,996	203,631

Current consolidated fiscal year (April 1, 2013 to March 31, 2014)

	Japan (million yen)	The Americas (million yen)	Europe (million yen)	Asia and Oceania (million yen)	Total (million yen)
Operating Revenues					
Outside customers	53,166	53,892	32,101	21,569	160,728
Inside group	76,087	1,581	1,682	1,349	80,700
Total	129,253	55,473	33,783	22,918	241,428
Segment Income	8,632	1,133	-25	-435	9,305
Segment Assets	136,919	32,313	70,249	14,228	253,711

4. Differences and contents between total and amount on consolidated financial statements

Income	Fiscal year 2012 (million yen)	Fiscal year 2013 (million yen)
Total	3,657	9,305
Elimination of unrealized income	476	51
Income on consolidated financial statements	4,134	9,357

Assets	Fiscal year 2012 (million yen)	Fiscal year 2013 (million yen)
Total	203,631	253,711
Assets	10,424	12,479
Adjustment of unrealized income	-1,440	-1,380
Elimination of transaction inside group	-25,962	-23,139
Assets on consolidated financial statements	186,653	241,670

(Per share information)

Items	The previous consolidated fiscal year (April 1, 2012 to March 31, 2013)	The current consolidated fiscal year (April 1, 2013 to March 31, 2014)
Net assets per share	938.53yen	1,164.59yen
Net loss (-) per share	47.27yen	85.73yen
Net income per share after deduction of latent stocks	47.07yen	85.69yen

(Note) Basis of calculation of net income/loss and net income after deduction of latent stocks are as follows.

Items	The previous consolidated fiscal year (April 1, 2012 to March 31, 2013)	The current consolidated fiscal year (April 1, 2013 to March 31, 2014)
Net income per share		
Net income (million yen)	5,170	9,442
Amount not belonging to common stockholders (million yen)	—	—

Items	The previous consolidated fiscal year (April 1, 2012 to March 31, 2013)	The current consolidated fiscal year (April 1, 2013 to March 31, 2014)
Net income on common stock (million yen)	5,170	9,442
Average number of common stocks in the fiscal year (thousand stocks)	109,384	110,147
Diluted net income per share		
Adjustment of net income	—	—
Increase of common stocks	1,987	47
(convertible bond with warrants)	(1,987)	(—)
Overview of latent stock, not included in calculation of net income after deduction of latent stock because of un-existing dilution effect	The company's bond with warrants as stock-option 2 kinds (12,335). Consolidated subsidiaries' bond with warrants as stock-option 1 kind (379).	The company's bond with warrants as stock-option 1 kind (1,060). Consolidated subsidiaries' bond with warrants as stock-option 1 kind (280).

(Important subsequent event)

None.

4. Other

Changes in directors

(1) Change in representative directors

The new standing representative director candidate

Senior executive managing director ; Hiroaki Tamai

(2) Other changes

None

(3) Scheduled date

June 20, 2014