

**Summary of Consolidated Financial and Business Results of the Second Quarter  
for the Fiscal Year 2014 (to September 30, 2014) [Japan GAAP]**

(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial and Business Results of the Second Quarter announced on October 27, 2014)

October 27, 2014

**Company name** **DMG Mori Seiki Co., Ltd.**

**Code Number** 6141 Tokyo Stock Exchanges  
( URL <http://www.dmgmorseiki.co.jp>)

**Representative** Title President (the representative director)  
Name Masahiko Mori

**Contact** Title Vice president  
Accounting / Finance HQ Executive Officer  
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Expected date of filing the quarterly financial report November 12, 2014

Expected payment date of cash dividends December 1, 2014

Quarterly financial closing supplementary explanatory documents Yes

Quarterly financial closing presentation Yes (for analysts and institutional investors)

Note: All amounts less than one million yen are disregarded.

1. Consolidated business results for the Second quarter of the fiscal year 2014 (April 1, 2014 to September 30, 2014)

(1) Consolidated business results

(Percentage shows the change from the previous Second quarter.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	Million yen	%
Second Quarter Fiscal Year 2014	80,401	4.7	4,574	32.5	6,690	92.3	5,721	89.0
Second Quarter Fiscal Year 2013	76,766	4.4	3,452	82.2	3,479	—	3,026	375.5

(Note)

Comprehensive profit Second quarter of the Fiscal Year 2014: 5,044 million yen (-33.7%)

Second quarter of the Fiscal Year 2013: 7,606 million yen (—%)

	Net income per share in this quarter	Diluted net income per share
	yen	yen
Second Quarter Fiscal Year 2014	44. 03	44. 03
Second Quarter Fiscal Year 2013	27. 81	27. 80

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net income per share
	million yen	million yen	%	yen
Second Quarter Fiscal Year 2014	248,740	158,905	62.2	1,190. 40
Fiscal year 2013	241,670	155,501	62.6	1,164. 59

(Reference) Equity capital Second quarter of the Fiscal Year 2014 154,678 million yen Fiscal Year 2013 151,324 million yen

## 2. Dividends

Dividends per share					
	First Quarter	Second Quarter	Third Quarter	The end of the term	Year
	yen	yen	yen	yen	yen
Fiscal Year 2013	— —	10. 00	— —	12. 00	22. 00
Fiscal Year 2014	— —	12. 00			
Fiscal Year 2014(Forecast)			— —	12. 00	24. 00

Note: Amendment of the latest forecast on dividends: No

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

(Percent change shows the change from the previous full year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	174,000	8.3	14,000	49.6	16,000	42.3	11,000	16.5	84. 66

Note: Amendment of the latest consolidated earnings forecast of the fiscal year 2014: Yes

### ※ Notes

(1) Changes of significant subsidiaries during the financial term (changes in specific subsidiaries involving changes in scope of consolidation): No

(2) Adoption of peculiar accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes of important accounting policies, procedures, changes of estimate in view of accounting, and amendment.

- |  |    |
|--|----|
| ① Changes along the revision of accounting standards, etc. | No |
| ② Changes other than mentioned in ①                        | No |
| ③ Changes of estimate in view of accounting                | No |
| ④ Amendment  | No |

(4) Number of shares outstanding (Common Stocks)

① Number of shares outstanding at the end of the year (Including treasury stocks)	The second quarter of the fiscal year 2014	132,943,683 shares	Fiscal year 2013	132,943,683 shares
② Treasury stocks at the end of the year	The second quarter of the fiscal year 2014	3,005,624 shares	Fiscal year 2013	3,005,226 shares
③ Number of average shares (during the quarter terms)	The second quarter of the fiscal year 2014	129,938,289 shares	The second quarter of the fiscal year 2013	108,840,987 shares

### ※Implementation of quarterly review

This summary of Consolidated Financial and Business Results is out of scope in the quarterly audit based on Financial Instrument and Exchange Act. At the time of releasing this summary, the audit has not been completed.

### ※Proper use of the earnings forecasts and other notes

(Attention for the forecasts)

The above forecasts are 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. Please refer to "1 Qualitative Information/Financial Statement, etc" (3) Explanation on earnings forecast and etc for further information of the forecasts and assumptions.

(How to get the additional explanation)

We will upload additional explanation on October 27, 2014.

## Index of the Attachment

1. Qualitative Information / Financial Statement, etc	2
(1) Explanation on operating results	2
(2) Explanation on financial status	2
(3) Explanation on earnings forecast and etc	2
2. Consolidated financial statements	3
(1) The second quarter consolidated balance sheet	3
(2) The second quarter consolidated statement of income and statement of comprehensive profit	5
Consolidated statement of income	
The second consolidated quarter total	5
Statement of comprehensive profit	
The second consolidated quarter total	6
(3) Notes (Consolidated financial statements)	7
Notes about premise of going concern	7
Note regarding remarkable fluctuation of shareholders' equity	7

## 1. Qualitative Information/Financial Statement, etc.

### (1) Explanation on operating results

During the first half of the fiscal year 2014 (from April 1 to September 30, 2014), the machine tool industry saw favorable trends in both domestic and external demand, and the machine tool order results (January 2014 to September 2014) in the Japan Machine Tool Builders' Association showed a 35.7% increase compared to the same period last year. With robust orders particularly in Japan and Americas, the DMG MORI SEIKI group will continue to secure a high level of orders.

Under the business environment our group showcased 40 cutting-edge machine tools, including the second generation models of "NHX 4000" and "NHX 5000" and "LASERTEC 65 3D," a hybrid additive/subtractive machine, at IMTS 2014 held in Chicago, U.S. in September. The machines are manufactured at the North American plant. Our booth was attended by over 10,000 visitors, and the total order received during the event exceeded the sales target. Besides, the total order received at AMB 2014 held in Stuttgart, Germany in September, where 46 machines were put on display and over 9,000 visitors were attracted to our booth, also outstripped the target volume.

In the aspect of products, we began taking orders for "i 50," a high-speed horizontal machining center for mass production parts in August. The "i 50" is a horizontal machining center with a No. 40 taper spindle, which is most suitable for automotive cylinder blocks and cylinder heads. The model is designed to be specialized for the target workpieces, thereby allowing for space-saving and high-speed machining. As a result, productivity per unit area has drastically improved. In September, we began taking orders for the second generation of "NHX 4000" and "NHX 5000." The models are equipped with the new design and innovative new operating system CELOS. We have improved the spindle performance and reliability and strengthened the fundamental machine structure, which as a result enables the models to deliver the world's highest performance. We continue to strive to meet the high needs of high-speed, high-precision machine tools and contribute to improving customers' productivity and efficiency.

Under the current circumstances, our consolidated sales were 80,401 million yen, (4.7% increase from the same period last year), consolidated operating income was 4,574 million yen (32.5% increase from the same period last year), consolidated ordinary income was 6,690 million yen (92.3% increase from the same period last year) and consolidated net income was 5,721 million yen (89.0% increase from the same period last year).

### (2) Explanation on financial status

At the end of the second quarter, total assets were 248,740million yen, 7,069 million yen increased from the end of the previous fiscal year. The main reasons for the increase are that while Notes and account receivable have increased by 3,902 million yen, Work in progress by 2,516 million yen and Raw material and stocks by 3,193 million yen, Goods and products have decreased by 1,945 million yen.

Net assets were 158,905 million yen, and shareholders' equity ratio was 62.2%, 0.4 points decreased from the end of the previous fiscal year.

### (3) Explanation on earnings forecast and etc

We announce that we have revised the forecast for the full year of the fiscal year 2014(April 1, 2014 to March 31, 2015) originally announced on May 12, 2014. The full year consolidated sales, the operating income, ordinary income and net income for the year have been revised to 174,000 million yen, 14,000 million yen, 16,000 million yen, and 11,000 million yen respectively because of the strong demand in market.

The forecast is based on the information available as of the release date of this report and assumptions of several uncertain factors which may affect the company's results. Actual results might be different from the estimates due to subsequent changes in the circumstances.

## 2. Consolidated financial statements

### (1) The second quarter consolidated balance sheet

(Amount : million yen)

	At the end of the previous consolidated fiscal year (March 31, 2014)	At the end of the 2nd consolidated quarter (September 30, 2014)
(Assets)		
Current Assets		
1 Cash and deposits	18,935	14,748
2 Notes and accounts receivable	32,989	36,891
3 Goods and products	15,886	13,941
4 Work in progress	7,709	10,226
5 Raw material and stocks	17,173	20,367
6 Deferred tax assets	3,066	2,420
7 Consumption tax receivable	484	911
8 Other	3,313	5,127
9 Allowance for doubtful receivables	-207	-226
Total current assets	99,353	104,406
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	29,412	31,797
(2) Machinery, equipment and vehicles, net	8,247	8,658
(3) Land	22,253	22,306
(4) Lease assets, net	3,802	3,696
(5) Construction in progress	1,766	556
(6) Other, net	3,527	3,899
Total tangible fixed assets	69,009	70,916
2 Intangible fixed assets		
(1) Goodwill	704	613
(2) Other	5,408	5,946
Total Intangible fixed assets	6,112	6,559
3 Investments and other assets		
(1) Investments in securities	64,736	64,007
(2) Long-term prepaid expenses	640	1,052
(3) Long-term loans	87	66
(4) Deferred tax assets	274	330
(5) Other	1,455	1,400
Total investments and other assets	67,194	66,857
Total fixed assets	142,317	144,333
Total assets	241,670	248,740

(Amount : million yen)

	At the end of the previous consolidated fiscal year (March 31, 2014)	At the end of the 2nd consolidated quarter (September 30, 2014)
<b>(Liabilities)</b>		
Current liabilities		
1 Payable-trade	11,937	13,364
2 Short-term bank loans	90	30
3 Current portion of long-term bonds	15,000	—
4 Lease obligations	443	397
5 Accrued payments	6,483	5,205
6 Accrued expenses	1,942	2,424
7 Advances received	2,141	1,010
8 Accrued income taxes	1,017	935
9 Accrued consumption taxes	140	234
10 Deferred tax liabilities	6	36
11 Allowance for product warranties	943	931
12 Allowance for bonuses	171	133
13 Others	1,138	735
Total current liabilities	41,454	25,438
Fixed liabilities		
1 Bonds	35,000	35,000
2 Long-term borrowing	—	20,000
3 Lease obligations	3,853	3,846
4 Deferred tax liabilities	2,577	2,511
5 Deferred tax liabilities for land revaluation	1,485	1,485
6 Accrued retirement benefits	379	388
7 Long-term accrued payments	681	573
8 Asset retirement obligations	101	48
9 Other	635	540
Total fixed liabilities	44,714	64,395
Total liabilities	86,169	89,834
<b>(Net assets)</b>		
Shareholders' equity		
1 Capital	51,115	51,115
2 Capital surplus	64,153	64,153
3 Retained earnings	25,501	29,624
4 Treasury stock	-3,609	-3,610
Total shareholders' equity	137,161	141,283
Other comprehensive profit		
1 Net unrealized holding gain on securities	4,003	4,760
2 Deferred gains on hedges	2	106
3 Land revaluation reserve	1,759	1,759
4 Translation adjustments	8,797	7,146
5 Remeasurements of defined benefit plans	-399	-377
Total other comprehensive profit	14,163	13,395
Stock acquisition rights	34	—
Minority interests	4,142	4,227
Total net assets	155,501	158,905
Total liabilities and net assets	241,670	248,740

(2) The second quarter consolidated statement of income and statement of comprehensive profit

Consolidated statement of income

(The second consolidated quarter total)

	(Amount : million yen)	
	The previous 2nd consolidated quarter total (April 1, 2013 to September 30, 2013)	The 2nd consolidated quarter total (April 1, 2014 to September 30, 2014)
Net sales	76,766	80,401
Cost of sales	51,679	53,672
Gross profit	25,087	26,729
Selling, general and administrative expenses	21,634	22,154
Operating income	3,452	4,574
Non-operating income		
1 Interest income	12	10
2 Dividend income	254	329
3 Exchange gain	561	1,024
4 Equity in earnings of affiliates	—	1,030
5 Other	115	160
Total of non-operating income	944	2,554
Non-operating expenses		
1 Interest expense	279	250
2 Fees and commissions	90	111
3 Equity in losses of affiliates	241	—
4 Other	306	76
Total of non-operating expenses	917	438
Ordinary income	3,479	6,690
Extraordinary gain		
1 Gain on sales of fixed assets	15	4
2 Gain on sales of investment securities	4	—
3 Gain on change in equity	3,432	54
4 Gain on reversal of subscription rights to shares	373	32
5 Gain on sales of other investments	—	8
6 Gain on transfer of business	—	162
Total of extraordinary income	3,826	262
Extraordinary loss		
1 Loss on sales of fixed assets	1	0
2 Loss on disposal of fixed assets	27	34
3 Loss on valuation of other investments	1	—
4 Loss on change in equity	895	—
5 Business structure improvement expenses	2,656	—
6 Loss on sales of other investments	—	1
Total of extraordinary loss	3,583	35
Income before income taxes	3,722	6,916
Income taxes	594	1,042
Income taxes deferred	-3	85
Total of Income taxes	590	1,127
Income before minority interests	3,132	5,789
Minority interests	105	68
Net income	3,026	5,721

Statement of comprehensive profit

(The second consolidated quarter total)

(Amount: million yen)

	The previous 2nd consolidated quarter total (April 1, 2013 to September 30 2013)	The 2nd consolidated quarter total (April 1, 2014 to September 30, 2014)
Income before minority interests	3,132	5,789
Other comprehensive profit		
Other difference in securities valuation	471	1,225
Defferred gains on hedges	—	159
Translation adjustments	1,143	746
Remeasurements of defined benefit plans	—	14
Share of other comprehensive income of associates accounted for using equity method	2,859	-2,890
Other comprehensive profit	4,474	-745
Quarterly comprehensive profit	7,606	5,044
(Contents)		
Comprehensive income attributable to owners of the parent	7,510	4,950
Comprehensive income attributable to minority interests	96	93

(3) Notes (Consolidated financial statements)

(Notes about premise of going concern)

There are no applicable matters.

(Note regarding remarkable fluctuation of shareholder's equity)

There are no applicable matters.