To investors,

The financial statements for FY2015/12 were released on February 10, 2016. We received some comments on how to assess our financial results after consolidation of DMG MORI Aktiengesellshaft ("AG") since April 1, 2015, adoption of the IFRS accounting standards, and the release of 9-months' results due to the change of accounting period.
We would like to respond to those inquiries we received after our results announcement by publishing this document. We hope that this information will contribute to better understand the financial statements of DMG MORI.

We also received some inquiries on share prices. However, it is very difficult to assess market sentiments. We will continue to improve our business performance to gain market valuations.

【Table of contents】
・Management discussion and analysis
・Q&A

Management discussion and analysis

DMG MORI CO., LTD (the “Company”) manufactures machine tools for machining of metal components. Along with the changing needs of its customers, however, the Company takes pro-active efforts to establish a new business segment with innovative technologies such as “Technology Cycle*”.

* Technology Cycle is an innovative technology to maximize customers’ convenience and productivity. Technology Cycle provides operator-friendly Human Machine Interface for 5-axis and mill-turn technologies by packaging hardware solutions such as tooling and workpiece holding by ERGOline, SLIMline, and COMPACTline with software solutions such as MAPPS with CELOS and embedded software.

1) Responding to demand for system solutions:

The Company observes increasing demand for automation with integrated peripheral equipment, including robots, to maximize effectiveness of production process, along with the existing demand for improvement of productivity and quality by enhancing the multi-functionality of a single machine. The Company is working towards increasing customer satisfaction by focusing on maximization of productivity, by developing optimal software, and by supporting the selection of peripheral equipment and extending technical support to such equipment.

2) Responding to diversification of materials:

The Company observes increasing demand for various materials feature of which lighter, stronger, and more heat-resistant solutions in aerospace, industrial infrastructure such as power generation and transportation, and to some extent automotive industry. In connection to this overall trend, the demand for materials is getting more diverse to cut hard material, composite material or ceramics. The Company has complied a large database for machining of such materials to support its customers’ profitability improvement by making appropriate proposals on cutting programs corresponding to the characteristics of each material and optimized tools and jigs. The Company also offers the best-fitting machining solutions for each material by utilizing laser and ultrasonic technologies that were added to its lineup after the business integration with AG.

3) Responding to demand for machining of highly complex work pieces:

The Company observes increasing demand for manufacturing of highly complex work pieces to improve safety and functionality in aerospace, medical devices, and other industries. On the other hand, the Company observes tendencies to use composite or specialized materials, either as a whole or partially, to save material costs. Conventional machining technology of subtracting manufacturing is not sufficient to fully respond to those kinds of new demands in the

market. The Company has developed Lasertech 3D to introduce additive manufacturing technologies. Lasertech 3D has successfully created competitive advantage by perfectly combining material building by additive and subtract functions.

4) Responding to demand for IoT/ Industry 4.0 / AI:

The Company observes increasing demand for improvement of customers' productivity. Customers' work processes range from design of parts (by using CAD), programming, simulation, process design, management of work, machining, measurement, and to maintenance. The Company provides support at all processes by fully utilizing the internet. The Company contributes to improving productivity of its customers by enabling work process optimization through AI, based on its extensive machining and maintenance database.

5) Enhancing direct sales structure in Europe and the United States:

The Company is enhancing its direct sales structures, as it is convinced that increasing direct communication between very experienced and well-trained employees with customers is of great strategic importance. With 850 Area Sales Managers, more than 1,000 Application Engineers, and 1,500 Service Representative worldwide, the Company has built necessary structures to make best-fitting proposals in response to customers' demands. Direct sales structures in Europe and the United States have been almost completely built up.

In the Japanese market, the Company has launched Ayama Pfronten Association, a group of dealers and sales companies. The group members have developed strong sales networks that account for 70% of the Company's domestic sales amount. Members of Ayama Pfronten Association respond to specific needs of Japanese customers, share information on service and maintenance with the Company as cooperative partners, and promote sales while keeping economical rationality in mind.

Likewise, the Company promotes business through dealers and sales companies in China, Thailand, and Indonesia.

After consolidation of AG, the Company's annual sales exceed 400 billion yen.
By implementing the above mentioned strategies, the Company is working on achieving its business targets set as Vision2020; annual sales and production of 16,000 units, annual turnover of 600 billion yen, operating profit margin of 13-15%, 0 net debt, shareholders' equity ratio above 50%, and ROE over 12%.

Production capability is already ensured in terms of the space of production facilities. Fixed asset investment will significantly decrease with FY2015/12 as its peak. Staffing and education is at good level for improved sales, engineering, and service.
The next target of the Company is to improve productivity of production, sales and service by utilizing IoT/ Industry 4.0.

In capital goods industries, revenues could go down temporarily as cyclicality. However, the

Company is confident in achieving its goals set by Vision2020.

Based on the above business strategies described, the Company shares its views on the result of FY2015/12 and outlook for FY 2016/12.

FY2015/12: The first fiscal year in the new stage of growth after integration of AG

The Company believes that FY2015/12 was a very important year for its mid- to long term growth. For the 9 months accounting period, sales was JPY318.4bn, operating profit was JPY31.1bn, and income attributable to owners of the parent company was JPY26.9bn.

1) Consolidation of DMG MORI AG:

AG has become a consolidated entity in April 2015, following the cross-ownership of 5% started in March 2009. As a result, the Company achieved the largest sales value in the machine tools industry with sales of JPY428bn (as of FY2015/12: 12-month basis).

2) Shift to direct sales in the United States, the largest market for machine tools consumption:

In September 2015, the Company started direct sales in the US market by cancelling the distribution agreement with Ellison Technology ("Ellison"), an US dealer that contributed to about 60% of the Company's sales in the United States. The Company took this step in response to the increasingly diversifying needs of its customers. Well-trained and highly qualified employees are required to meet customers' requests, and it becomes convinced that continuous education and as training to sales, application engineering and service representatives are indispensable. The Company will enable optimization of production and sales resources by connecting sales and production information through cutting-edge IT technologies.

The Company has hired 400 additional employees in the United States and accomplished the set-up of new structures. Order Intake volume between September and December 2015 remained at low level, as customers awaited to see the effect of termination of distribution agreement. Monthly order intake volume exceeds year on year results since the start of 2016.

3) Adoption of the IFRS accounting standards:

The consolidation of AG has largely changed the Company's business structure. More than 80% of orders come from customers outside of Japan. Regional order intake results were as follows: 51% for Europe, 18% for Japan, 15% for the United States, and 16% for China/rest of Asia. The Company attracts increased attention by foreign investors. In line with globalization of business and capital, the Company has decided to adopt IFRS to respond to trusts from investors.

FY2016/12: Improvement of profitability by focusing on quality improvement

For FY2016/12, our targets for the full 12-month will be sales of JPY410bn, operating profit of JPY25bn, and income attributable to owners of the parent company of JPY13bn.

The Company regards 2016 as a “Year of Quality”. The Company will further improve productivity and quality of new products introduced since 2010. It will also improve customer satisfaction by enhancing the quality of employees involved in sales, application engineering, and service. The Company will focus on making improvements in the first half where demand is likely stagnant and production (activity) levels will require adjustments, and focus on improving profitability in the second half where the company expects demand will recover.

The Company suspects that demand of machine tool industry in 2016 will decrease in China/Asia (ex. Japan) and weaken in other developed countries as well. We aim to secure the same yearly sales volume levels, through increased presence in Europe due to consolidation of AG, increased sales from a switch to direct sales system in the US, and increased sales of the cost-effective ecoLine launched last year particularly in developing markets.

Q&A

【Table of contents】

Q1: Please explain why sales fluctuation will decrease as a result of AG consolidation ············· P7

Q2: Questions related to financial results for FY2015/12

Q2-1: Please explain about the consolidation of AG (timing, process, ownership) ············· P8

Q2-2: Please comment on results (step-up acquisition gains and structure reform costs)
Considering step-up acquisition gains of JPY37.3bn, what was normalized operating profit?
Please explain about the fluctuation in quarterly operating profit ·························· P9

Q3: Questions related to balance sheet

Q3-1: Please explain about PPA (impact of PPA as a result of consolidation of AG) ········ P11

Q3-2: Please explain how goodwill is calculated ·· P12

Q3-3: Please explain cash and debt trends ·· P13

Q4: Questions related to financial estimates for FY2016/12

Q4-1: Please explain the reason behind the sales decrease (JPY410bn for FY2016/12 vs JPY428.3bn for FY2015/12)··· P14

Q4-2: Please explain the reason behind the operating profit decrease (JPY25bn for FY2016/12 vs JPY41.1bn for FY2015/12) ·· P15

Q5: Please explain shareholder return policies (ie. Share buyback) ···································· P16

Q6: Please explain orders composition and demand trends by region ································· P17

Q1 : Please explain why sales fluctuation will decrease as a result of AG consolidation

The machine tools industry has been distinguished as an industry with continuous fluctuations of sales due to the huge demand swings.

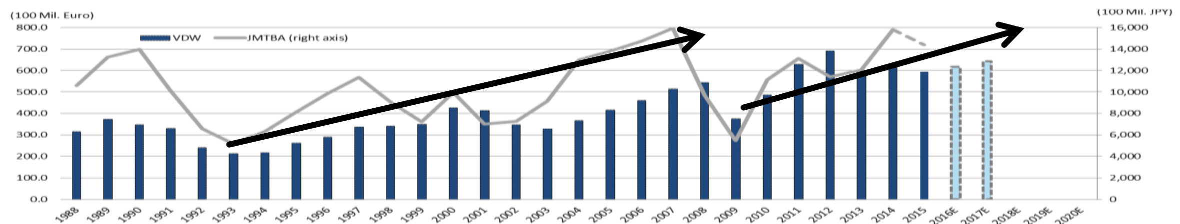
The following is an explanation regarding Figure 1. The line graph represents the transition of demand by the Japan Machine Tool Builders' Association ("JMTBA"). As shown in the graph, the orders have significantly fluctuated through the years. One reason for the fluctuation is the increasing ratios of Japan, US, and China and the significant impact from the 3 countries' economies.

In the first figure, the bar graph represents transition of the global machine tool consumption by the German Machine Tool Builders' Association ("VDW"). The cyclical nature of capital goods cannot be denied, but VDW's transition is significantly more stable compared to JMTB's orders. VDW statistics are more spread-out, limiting the impact of one country's economy on demand fluctuation and stabilizing demand.

The second figure outlines the sales transition. The red bar graph is a transition of Company sales. The sales correspond to orders from JMTBA. Before the partnership with AG, sales proportion mainly consisted of Japan and the US and sales fluctuation was quite high as a result.

The black bar graph represents the total sales of the Company and AG, a sum of the sales of the Company and AG from 1988 to 2008, and consolidated sales of the Company and AG for 2009 and beyond (assuming consolidation of AG in 2009). Consolidated sales since 2009 closely corresponds to VDW orders statistics and sales fluctuations are limited. Fixed costs such as personnel expense and facility expense are essential in order to improve the value added to products, sales and service, and to enhance the customers' satisfactions – it is an important aspect of limiting sales fluctuations which enables to absorb fixed costs in order to become a robust company. We will aim to make fixed cost absorption a strength of the Company, and focus on IoT / Industry4.0 and AI in order to further increase competitiveness in the industry.

Figure 1: Transition of the global machine tool consumption (VDW) and Machine tool orders transition (JMTBA)



*VDW transition: DMG MORI AG created according to VDW and Oxford Economics statistic.

DMG MORI Group sales transition

Q2: Questions related to financial results for FY2015/12

Q2-1: Please explain about the consolidation of AG (timing, process, ownership)

AG has become our consolidated company since 1st April, 2015. As we announced in the "Notice of Tender Offer", we implemented a tender offer at the end of January 2015 and completed it in April 2015. In the beginning of May 2015, we obtained the approvals of the antitrust law and anti-competition law authorities in the countries, where we mainly operate. As of 1st April, 2015, when we started consolidation of AG, our ownership in AG was 52.4%. After that, we acquired additional shares in the regulated market, and our ownership increased to 60.7% as of end of December 2015.

Q2-2：Please comment on results(step-up acquisition gain and restructuring costs). Considering step-up acquisition gain of JPY37.3bn, what was normalized operating profit?

Financials for FY2015/12 was on a 9-month basis. 9-month total sales were JPY318.4bn while operating profit was JPY31.1bn.

The Company recorded a step-up acquisition gain of JPY37.3bn from the revaluation of previously owned AG shares for a tender offer price of EUR30.55 per share.

A PPA (Purchase Price Allocation), revaluation of AG assets at the time of consolidation, is also required. Additional one time depreciation for revalued assets for the period was JPY13.6bn. At the same time, earnings worsened after cancelling the distribution agreement with Ellison in September 2015, revaluation of old models' inventory due to a quick shift to a new model – these events led to structural changes amounting to JPY18.6bn in fees, adding up to one-off costs of JPY32.2bn.
For the above reasons, one-off net profit was JPY5.1bn (JPY37.3bn – JPY32.2bn) and normalized operating profit was JPY26.0bn.

*Calculation of the step-up acquisition gain of JPY37.3bn

We started a business partnership with AG since the cross-ownership of 5% in March 2009. After that, we increased our ownership by participating in the rights offering by AG and acquiring additional shares in the open market. In 2012, AG became our affiliated company accounted for by the equity-method. Prior to the tender offer in 2015, we had 32.03 million shares with total acquisition cost of JPY87.7bn (average acquisition cost per share was JPY2,741 or EUR21.4). Through the tender offer, we acquired 9.38 million shares for JPY38.7bn (acquisition cost per share is JPY4,128 or EUR30.55).

As of the consolidation of AG, total acquisition cost and the fair market value were calculated as below and the step-up acquisition gain is the difference of total acquisition costs and fair market value

- Total acquisition cost: JPY134.3bn, sum of accumulated total acquisition cost (JPY126.4bn) and value recognized as a result of equity-method accounting (JPY7.9bn).
- Fair market value: JPY170.9bn, total shares owned as of the consolidation (41.408 million shares) multiplied by the tender offer price of EUR30.55 assuming exchange rate of 1EUR=JPY135

Please note that difference of JPY36.6bn and JPY37.3bn described above is due to the consolidation of leasing company in Germany in connection to AG's consolidation.

Table 1: FY2015/12 income statement

(billion JPY)	2015/3 (Co Only) (12 months)	2015/12 (AG consolidated) (9 months)	2015/12 (AG consolidated) (12 months)
Sales revenue	174.4	318.4	428.4
Operating result ※excl. Step gain, PPA, Business restructuring	18.2	26.0	36.0
%	10.4	8.2	8.4
Step acquisition gain	0	37.3	37.3
PPA	0	13.6	13.6
Business restructuring	0	18.6	18.6
TTL	0	5.1	5.1
Operating result	18.2	31.1	41.1
%	10.4	9.8	9.6
Profit attributed to owners of parent company	17.1	26.9	32.4
EPS (JPY)	131.7	216.5	243.7
CAPEX	8.5	24.5	31.1
Depreciation	6.8	14.6	18.1
(Exchange Rate)			
USD (JPY)	109.9	121.7	121.1
EUR (JPY)	138.8	134.4	134.3

* 100% of AG's financial figure is taken
* "Profit attributed to owners of parent company" is based on Shareholding ratio on AG shares owned by parent company.

Table 2: Quarterly result for FY2015/12 (9 months)

(billion JPY)	2015/4-6 (AG consolidated) (3 months)	2015/7-9 (AG consolidated) (3 months)	2015/10-12 (AG consolidated) (3 months)	2015/4-12 (AG consolidated) (9 months)
Sales revenue	96.1	100.7	121.7	318.4
Operating result ※excl. Step gain, PPA, Business restructuring	6.1	6.9	13.1	26.1
%	6.3	6.9	10.8	8.2
Step acquisition gain	37.3	0.0	0.0	37.3
PPA	0.0	0.0	13.6	13.6
Business restructuring	9.4	2.2	7.0	18.6
TTL	27.9	-2.2	-20.6	5.1
Operating result	34.0	4.7	-7.5	31.1
%	35.4	4.7	-6.2	9.8
Profit attributed to owners of parent company	32.3	0.7	-6.1	26.9
Shareholding ratio on AG shares owned by parent company.	53.7	58.9	60.7	60.7
(Exchange Rate)				
USD (JPY)	121.4	122.2	121.5	121.7
EUR (JPY)	134.2	136.0	133.0	134.4

* 100% of AG's financial figure is taken
* "Profit attributed to owners of parent company" is based on Shareholding ratio on AG shares owned by parent company.

Q3: Questions related to balance sheet

Q3-1：Please explain about PPA (impact of PPA as a result of consolidation of AG)

PPA (Purchase Price Allocation) is an accounting application which requires us to record AG's asset at their fair market value in relation to the consolidation of AG.

AG is a long-established company and its major strengths are name value, high technology, and strong customer relationships. Fair market value of these strengths, JPY74.7bn out of which JPY 55.7bn is intangible assets, is recorded as an asset on consolidated balance sheet by PPA.

Some assets recorded by PPA was already depreciated as explained in Q2-2, while others are still on the balance sheet as of December 2015.

Table 3: Balance sheet as of December 2015

(billion JPY)	End Mar. 2015 (Co only)	End Dec. 2015 (AG consolidated)
Cash and cash equivalent	21.4	83.6
Trade and other receivable	44.9	55.0
Inventories	53.9	129.9
Tangible assets	72.2	141.9
Goodwill	1.2	68.2
Intangible assets	6.6	72.8
Equity accounted investments	99.1	2.2
Others	24.4	44.4
Total assets	323.8	598.0
Trade and other payables	29.3	66.6
Bonds and borrowings	109.0	216.9
Other liabilities	19.1	82.4
Total liabilities	157.4	365.9
Subscribed capital & Capital provision	115.3	104.2
Revenue provisions	47.8	71.5
Treasury stock	-6.0	-23.8
Others	5.0	3.4
Minority interests' share of equity	4.4	76.8
Total equity	166.4	232.1
Total liabilities and equity	323.8	598.0
Net Debt	87.6	133.3
Shareholders' equity ratio	50%	26%

* 100% of AG's financial figure is taken

* "Profit attributed to owners of parent company" is based on Shareholding ratio on AG shares owned by parent company.

Q3-2：Please explain how goodwill is calculated

As explained before, our ownership in AG was 52.54% as of 1st April 2015, when we consolidated AG. The sum of AG's shareholders' equity as of 1st April 2015 and assets newly recorded by PPA as described in Q3-1 is AG's actual shareholders' equity of which we own 52.54%. Difference of 52.54% of AG's actual shareholders' equity and purchase price of AG's share are recorded as goodwill, which is JPY66.8bn.

Q3-3：Please explain cash and debt trends

We consider net debt (debt minus cash) as an important financial indicator. Debt outstanding was increased in 1-2Q (Apr-Sep) due to tender offer against AG and additional shares acquisition. However, during 3Q (Oct-Dec), debt outstanding was reduced slightly because of increase in sales, improvement of working capital (collection of account receivable), and deconsolidation of leasing company based in Germany. Net debt peaked out in September 2015 at JPY186.1bn, and then decreased to JPY133.3bn in December 2015.

Table 4: Cash and debt

(billion JPY)	2015/3 (Co Only)	2015/6 (AG consolidated)	2015/9 (AG consolidated)	2015/12 (AG consolidated)
Cash and cash equivalent	21.4	40.8	35.7	83.6
Bonds and borrowings	109.0	197.1	221.8	216.9
Net Debt	87.6	156.3	186.1	133.3

* 100% of AG's financial figure is taken
* "Profit attributed to owners of parent company" is based on Shareholding ratio on AG shares owned by parent company.

Q4: Questions related to financial estimates for FY2016/12

Q4-1：Please explain the reason behind the sales decrease (JPY410bn for FY2016/12 vs JPY428.3bn for FY2015/12)

Table 5: Financial estimates for FY2016/12

(billion JPY)	2015/12 (AG consolidated) (9 months)	2015/12 (AG consolidated) (12 months)	2016/12E (12 months)
Sales revenue	318.4	428.4	410.0
Operating result ※excl. Step gain, PPA, Business restructuring	26.0	36.0	25.0
%	8.2	8.4	6.1
Step acquisition gain	37.3	37.3	0
PPA	13.6	13.6	0
Business restructuring	18.6	18.6	0
TTL	5.1	5.1	0
Operating result	31.1	41.1	25.0
%	9.8	9.6	6.1
Profit attributed to owners of parent company	26.9	32.4	13.0
EPS （JPY）	216.5	243.7	108.3
CAPEX	24.5	31.1	15.0
Depreciation	14.6	18.1	19.0
(Exchange Rate)			
USD （JPY）	121.7	121.1	115.0
EUR （JPY）	134.4	134.3	130.0

* 100% of AG's financial figure is taken
* "Profit attributed to owners of parent company" is based on Shareholding ratio on AG shares owned by parent company.

There are two main reasons; exchange rate assumption change (a strong yen against other currencies) and deconsolidation of the leasing company based in Germany in December 2015. Financial estimates for FY2016/12 assume 1USD/JPY115 (vs JPY121 last year) and 1EUR/JPY130 (vs JPY134 last year). This assumption change has a negative impact of JPY13bn in sales. Deconsolidation of the leasing company has a negative impact of JPY3+bn in sales. In conclusion, we expect decrease of JPY17bn in sales compared to last year.

Q4-2：Please explain the reason behind the operating profit decrease (JPY25bn for FY2016/12 vs JPY41.1bn for FY2015/12)

The following is an explanation regarding Figure 2.

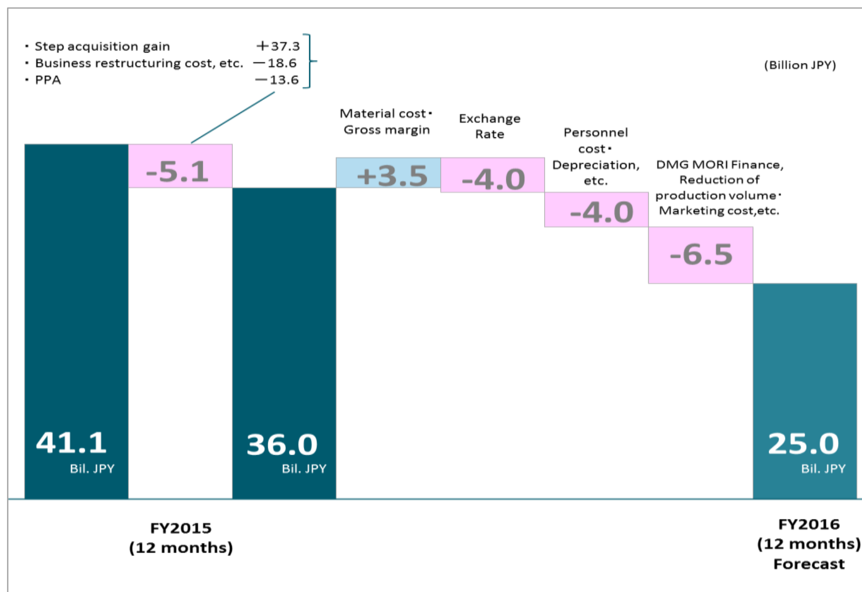
As explained in Q2-2, there was JPY5.1bn of one-off net profit (net of JPY37.3bn step-up acquisition gain and JPY32bn of PPA and restructuring cost) in FY2015/12.

We will not have this one-off net profit in FY2016/12. As positive factors, we assume JPY1.5bn of benefits from joint procurement of parts with AG, JPY2bn of benefits from shift to direct sales in the US. These result in increase of JPY3.5bn in operating profit.

As negative factors, we assume JPY4bn of impact from a stronger yen, JPY4bn of increase in fixed cost such as personnel expense and depreciation expense, and JPY6.5bn from other factors including decrease in capacity utilization with an aim of optimization of inventory, deconsolidation of the leasing company, and increasing marketing expense due to exhibition (IMTS in the US, JIMTOF in Japan). These result in decrease of JPY14.5bn in operating profit.

In conclusion, we estimate JPY25bn of operating profit, decrease by JPY16.1bn from FY2015/12, JPY41.1bn. Almost all of risks, reasonably anticipated at this stage, are already included in FY2016/12 estimates. We will make an effort to exceed this minimum target of JPY25bn.

Figure 2: Breakdown of changes in operating profit (FY2016 vs FY2015)



Q5：Please explain shareholder return policies (ie. Share buyback)

We target at a payout ratio of 20%-30% (percentage of income attributable to owners of the parent company that we pay out as dividends to shareholders) for FY2020/12 as announced in Vision2020. For FY2015/12, we plan to pay JPY26 of dividend per share. This implies a payout ratio of 19%, lower than expected as income attributable to owners of the parent company increased due to the step-up acquisition gain which is tax-exempt income.

We plan to keep JPY26 of dividend per share for FY2016/12, and payout ratio of 24% assuming currently estimated income attributable to owners of the parent company.

There are no plans for a share buyback currently. Between 2006 and 2009, we bought back 10.91 million of own shares for JPY18.9bn. In addition, we acquired ca. 12.80 million shares owned by AG for JPY20.2bn in November 2015. In total, we bought back 23.71 million shares for JPY39.1bn.

In Vision2020, we aim to improve balance sheet structure by achieving better net debt equity ratio (net debt divided by shareholders' equity x 100%) and shareholders' ratio. To be more specific, we target 0 net debt and 50+% shareholders' equity ratio.

To achieve these goals, our plan for shareholder's return is at 20-30% of income attributable to owners of the parent company, and we regard it as reasonable to allocate this amount as dividend to investors by cash. We will pay back the debt at an early stage and increase dividends after our net debt becomes less than JPY100bn. We will further increase payout ratio to 30%, provided that our net debt becomes less than JPY50bn. .

Q6：Please explain orders composition and demand trends by region

As shown in Figure 3, orders composition (including AG) by region was 51% Europe, 18% Japan, China/rest of Asia 16%, and 15% accounted for by the US. The upper left-side of the figure shows the orders composition by region before the consolidation of AG - the region composition has vastly changed after AG consolidation.

Please find below demand trends by region.

In Japan, for the first half of 2015, demand was pushed due to governmental subsidies for capital expenditures. However, by the second half, its effects faded and demand fell to minus levels in several situations. At the moment, most large-cap companies continue their CAPEX plans, but small-mid cap companies are put on hold and waiting for additional governmental subsidies. We expect demand to recover after the effect of subsidies resurface mid-year.

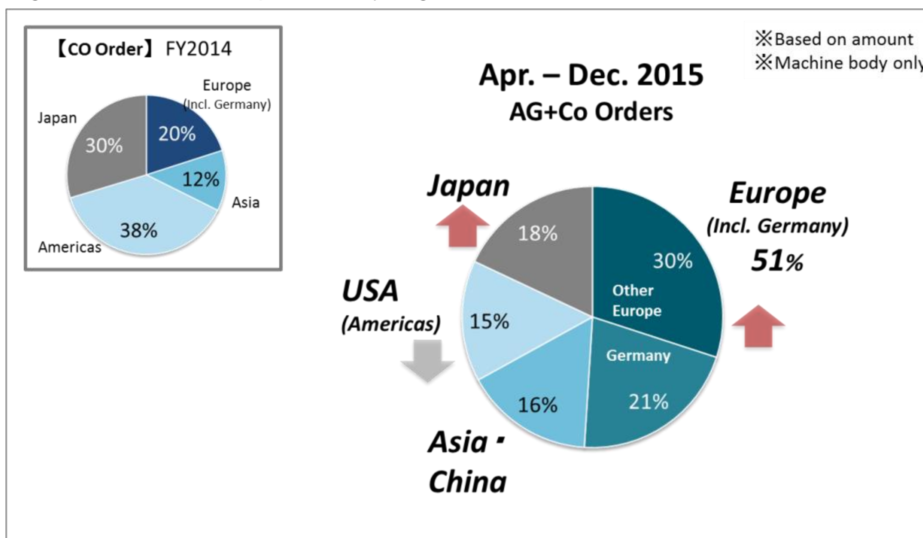
European operations are transitioning as planned. We held one of the largest private exhibitions in Germany in January 2016, and we are off to a good start to the year. Not the same can be said for all European countries, but Spain, UK, and France is also comparatively off to a good start.

We will continue to improve US operations. Due to the cancellation of the distribution agreement with Ellison, last year's orders significantly decreased towards the second half due to the transition to a direct sales structure, but as our new structure stabilizes we expect US orders to recover as orders for January 2016 were better year-on-year. Recovery in South America is still unclear. Effects of South America operations will have little impact however, given its ratio is quite small.

In terms of China, we have little exposure to the smart phone casing business, where demand stagnation is expected, and our orders decrease is not as bad compared to the entire market. However, at this stage we have yet to find catalysts for demand improvement and expect orders trend will be weak.

Orders trend for the rest of Asia is also weak, although it depends on the specific country.

Figure 3: Orders composition by region



【Disclaimer】

This material contains targets, plans, etc, concerning the future of DMG MORI CO., LTD. and the DMG MORI Group. 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 estimates, due to changes in management policy or changes in external factors.

There are many factors which contain elements of uncertainty or the possibility of fluctuation, including the followings;

- Fluctuations in exchange rates
- Changes to the laws, regulations and government policies in the markets where DMG MORI CO., LTD, conducts its business
- DMG MORI CO., LTD.'s ability to develop and sell new products in a timely fashion
- Instability of governments in the markets where DMG MORI CO., LTD, conducts its business
- Operational changes by the competent authorities or regulations related to anti-trust etc