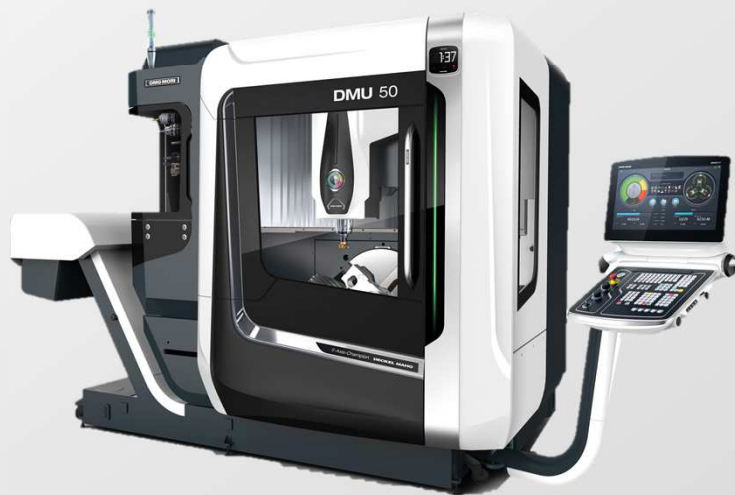


DMG MORI CO., LTD.

CY 2017 (Jan- Dec) Q2 Result

IR Conference



DMU 50 3rd Generation

The latest version of world best selling 5-axis machine



NVX 5080 2nd Generation

Ultra-high spec machining center from Japan



LASERTEC 30 SLM

Additive manufacturing with powder bed

Agenda

1) Financial summary of 2nd quarter

2) Business environment

3) Topics from DMG MORI

- Development of solution business
- Actions as leading company in the industry

Highlights of 2nd quarter 2017

✓ Strong order intake (JPY term : +24%(Apr-Jun), +16%(Jan - Jun))

✓ JPY 5bn Operating profit in the 2nd quarter (YoY 4.3x)

✓ Upward revision of annual forecast

	(Previous)		(Revised)
Order intake	JPY 385bn	▶	JPY 410bn or more
Sales revenue	380bn	▶	403bn
Operating profit	22bn	▶	26bn
Operating profit margin	5.8%		6.5%

✓ Great acceptance of Open House, Chicago (May) and Iga (Jun)

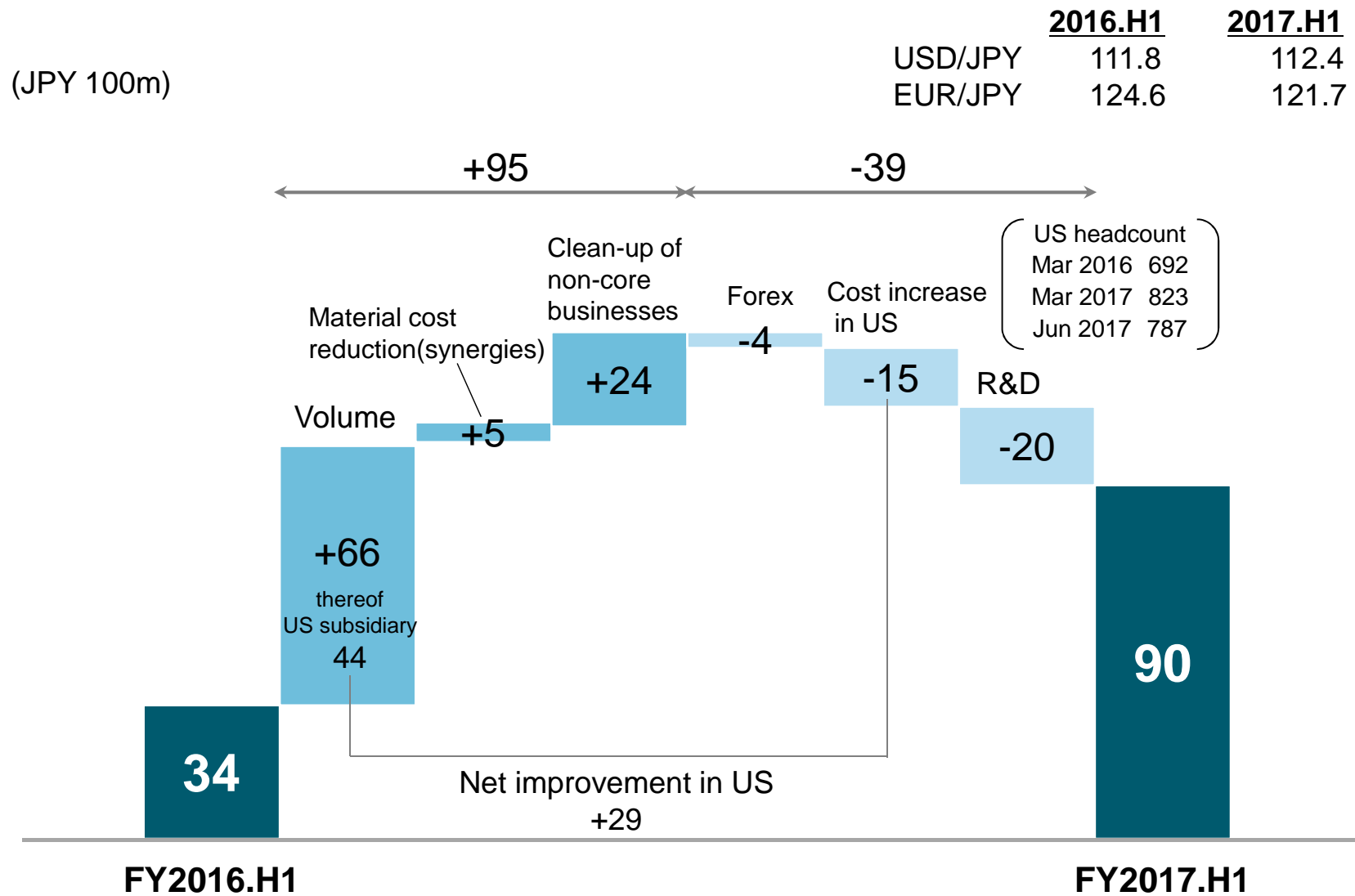
✓ Stronger presence with solution offering at EMO (Sep)

2017 Q2 Income statement summary

(JPY bn)	Jan – Mar		Changes	Apr – Jun		Changes	Forecast		Changes
	2016	2017	(%)	2016	2017	(%)	Previous	Now	(amount)
Sales revenue	95.4	97.2	+1.9%	89.9	100.9	+12.2%	380	403	+23
Operating profit	2.3	4.0	+77.6%	1.2	5.0	+335.5%	22	26	+4
Operating profit margin (%)	2.4%	4.1%		1.3%	5.0%		5.8%	6.5%	
Net financial cost	-0.6	-1.1		-0.5	-1.0		-4	-4	
(economic compensation associated with DA)	-	-0.5		-	-0.5		(-2)	(-2)	
Net profit attributable to owners of the parent company	0.8	1.6		-0.1	2.0		11	14	+3
Depreciation & Amortization	4.3	4.4		4.1	4.5		17	17	0
Capex	2.9	1.6		4.2	2.2		10	10	0
USD/JPY	115.5	113.7		108.2	111.1		110.0	111.2	
EUR/JPY	127.2	121.1		122.0	122.2		120.0	123.3	

*Forex for the 2nd half USD/JPY **110.0**
 EUR/JPY **125.0**

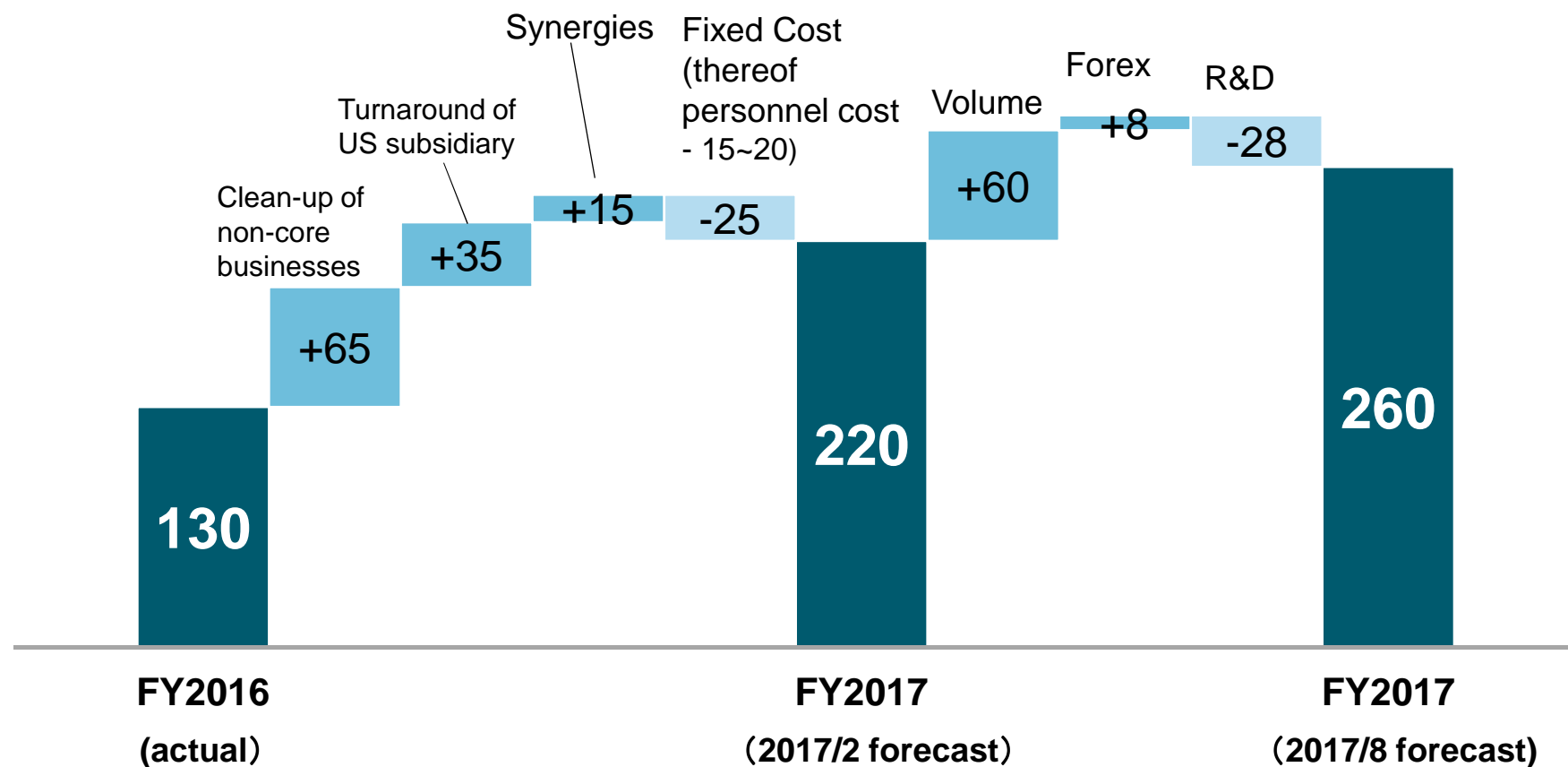
2017H1 (Jan - Jun) Operating profit bridge vs 2016H1



2017 Full Year (Jan - Dec) Operating profit bridge vs FY2016 and 2017/2 forecast

(JPY 100m)

	<u>2016</u>	<u>2017</u>
USD/JPY	108.9	111.2
EUR/JPY	120.3	123.3



5/31

IR Conference
2017/8/8

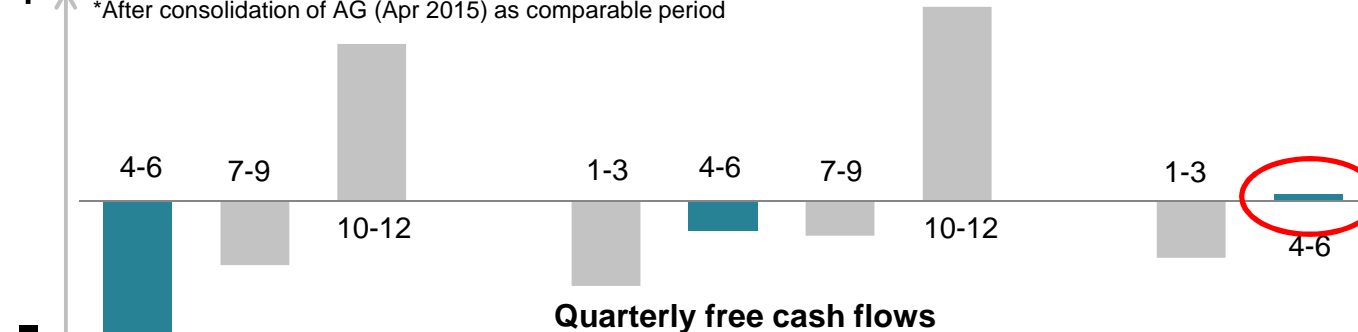
DMG MORI
COMPANY LIMITED

Cash flows

(JPY bn)	2015				2016					2017		
	4-6	7-9	10-12	FY	1-3	4-6	7-9	10-12	FY	1-3	4-6	H1
Cash flow from operation	-13.6	-3.2	35.4	18.6	-11.9	-1.4	-3.2	34.6	18.2	-7.8	3.2	-4.6
Profit before taxes	33.6	4.1	-8.1	29.6	1.6	0.7	-1.6	-1.9	-1.1	2.9	4.0	7.0
Depreciation and amortization	3.8	3.9	6.8	14.6	4.3	4.1	3.9	5.3	17.7	4.4	4.5	8.9
Changes in working capital	-6.8	-5.7	32.5	19.9	-10.4	-8.3	-3.4	18.0	-4.1	-10.2	2.6	-7.6
Others	-44.2	-5.6	4.2	-45.6	-7.4	2.1	-2.1	13.2	5.7	-4.9	-7.9	-12.8
Cash flow from investments	-11.0	-8.0	-7.8	-26.8	-2.9	-3.8	-2.8	-0.5	-10.0	-2.1	-2.0	-4.1
(thereof, acquisition of fixed assets)	-6.9	-7.7	-9.7	-24.4	-2.9	-4.2	-2.5	-5.6	-15.2	-1.6	-2.2	-3.8
Free cash flows	-24.6	-11.2	27.6	-8.2	-14.8	-5.2	-6.0	34.1	8.1	-9.9	1.2	-8.7

+

*After consolidation of AG (Apr 2015) as comparable period



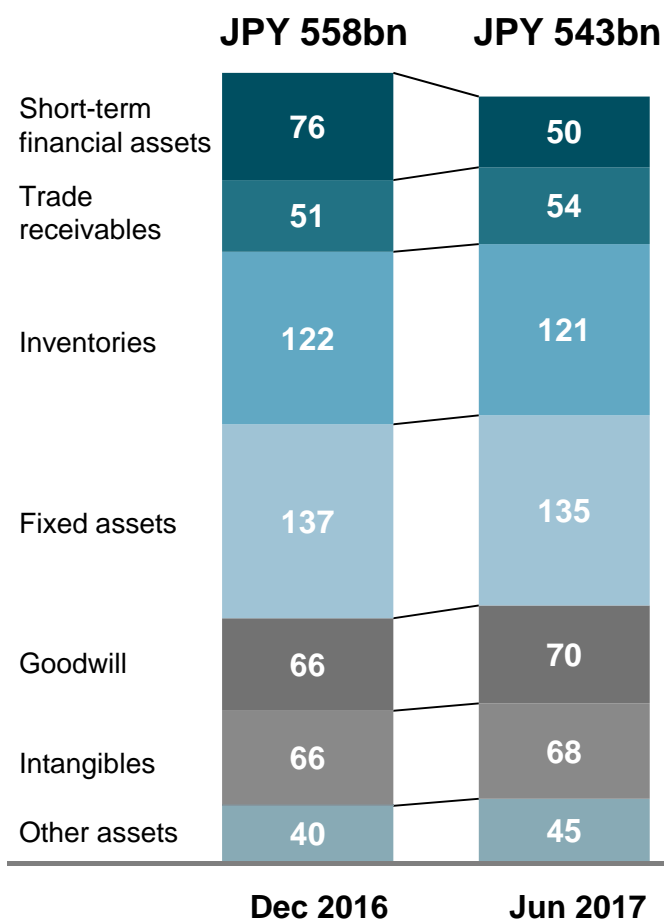
6/31

IR Conference
2017/8/8

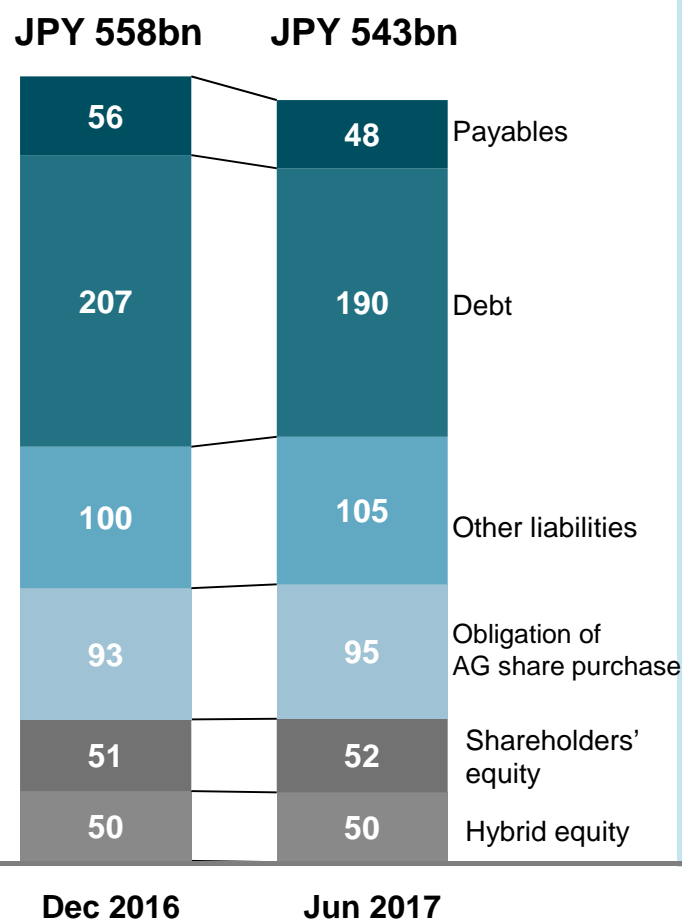
DMG MORI
COMPANY LIMITED

Financial position

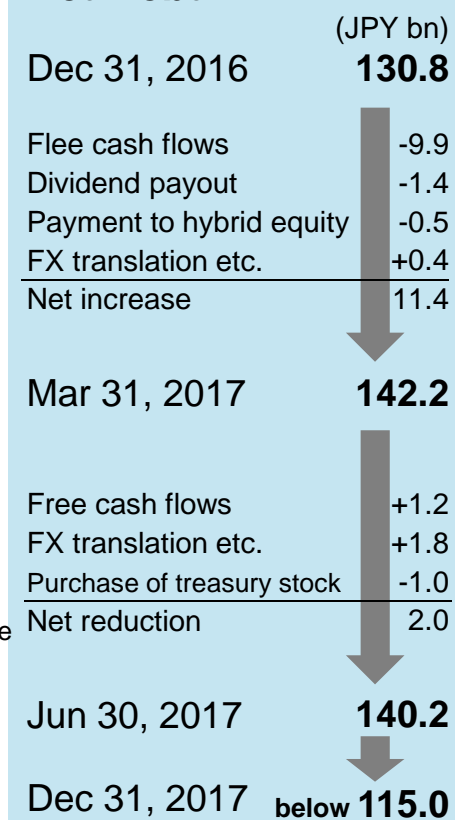
Assets



Liabilities & Equities



Net Debt



Agenda

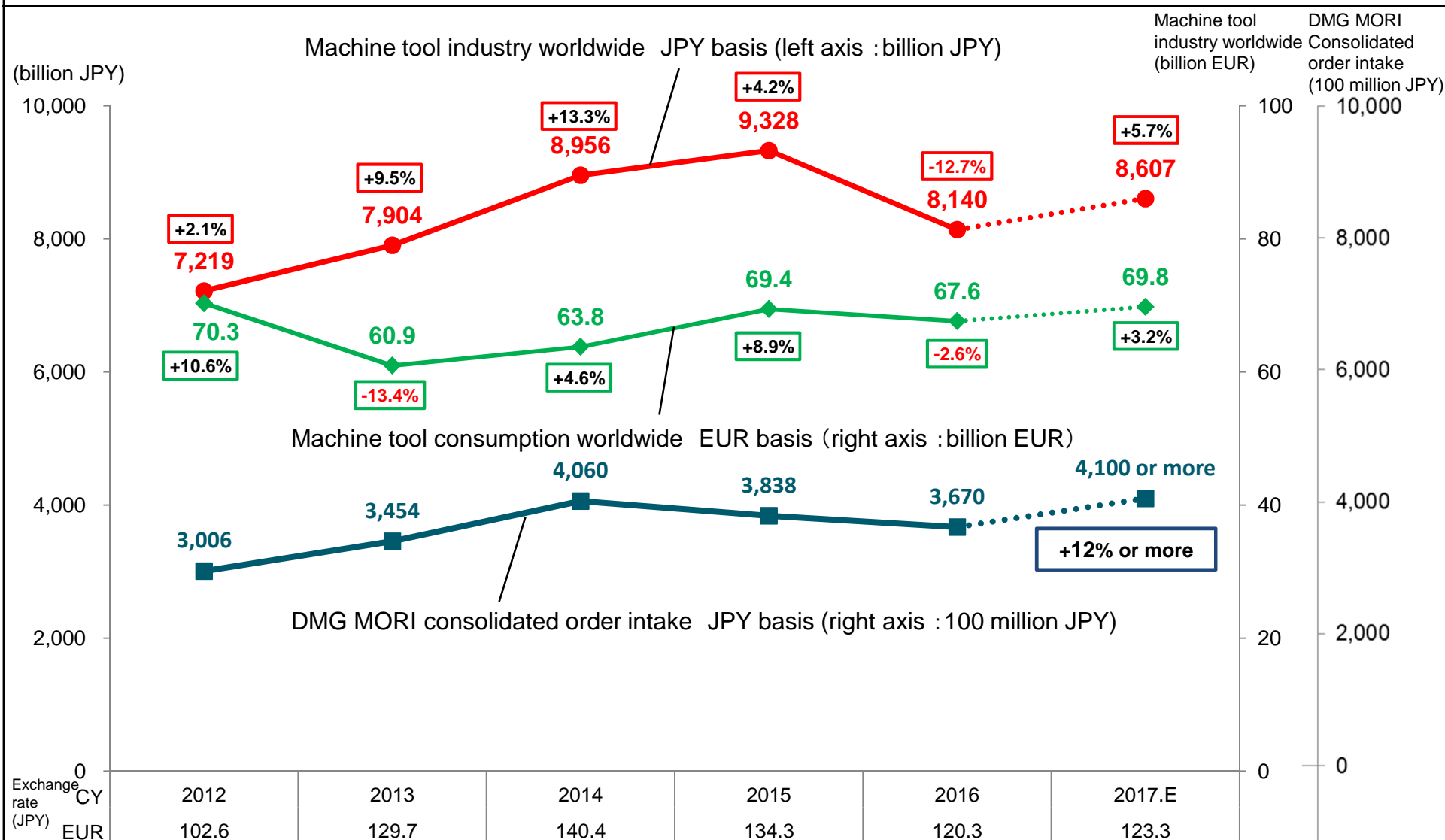
1) Financial summary of 2nd quarter

2) Business environment

3) Topics from DMG MORI

- Development of solution business
- Actions as leading company in the industry

Worldwide machine tool consumption (VDW/Oxford Economics) / DMG MORI consolidated order intake



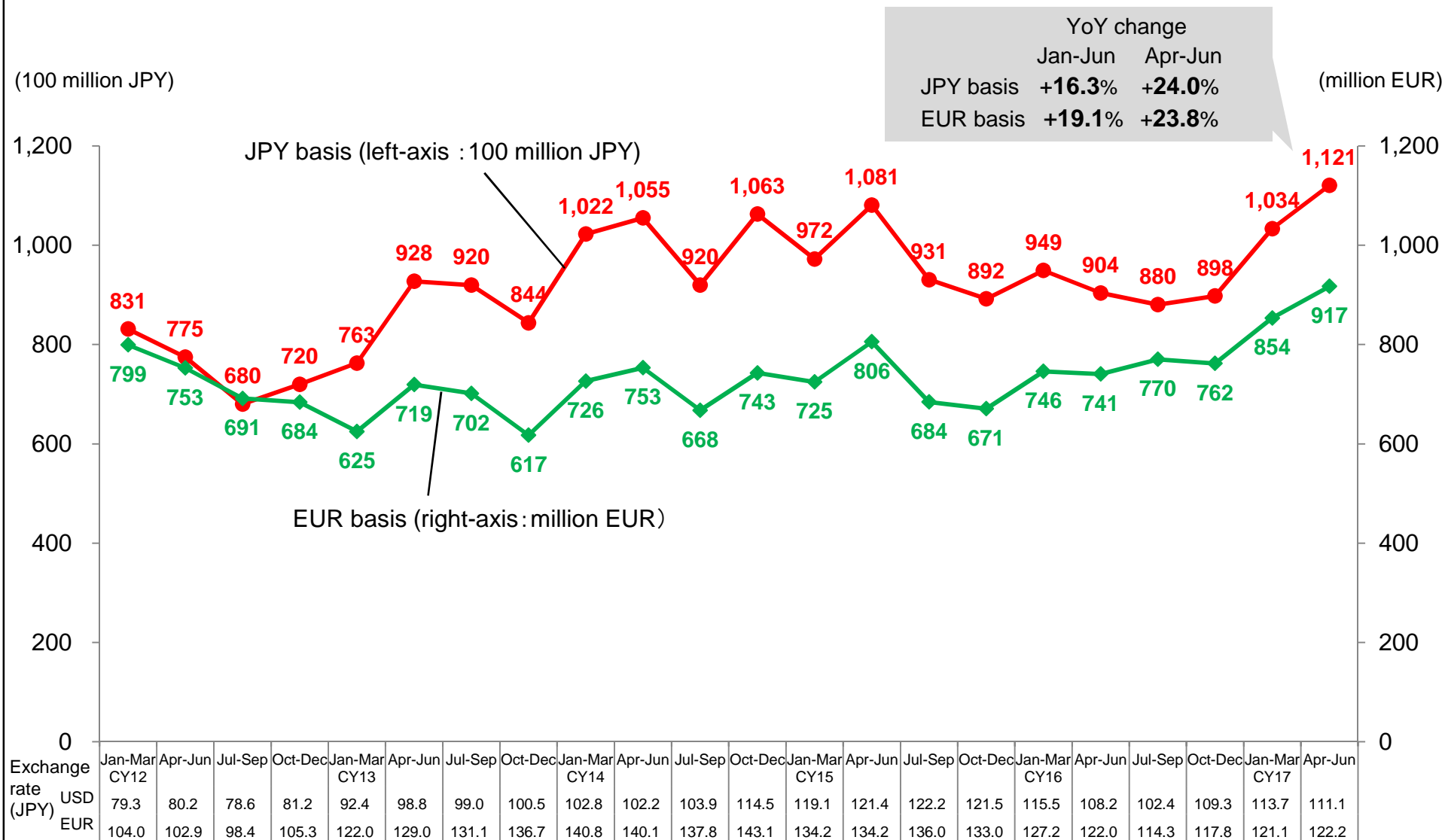
9/31

IR Conference
2017/8/8

* Source : VDW / Oxford Economics, Jul. 2017; 2017 without exchange rate effects;
Total market (cutting and forming); DMG MORI AKTIENGESELLSCHAFT

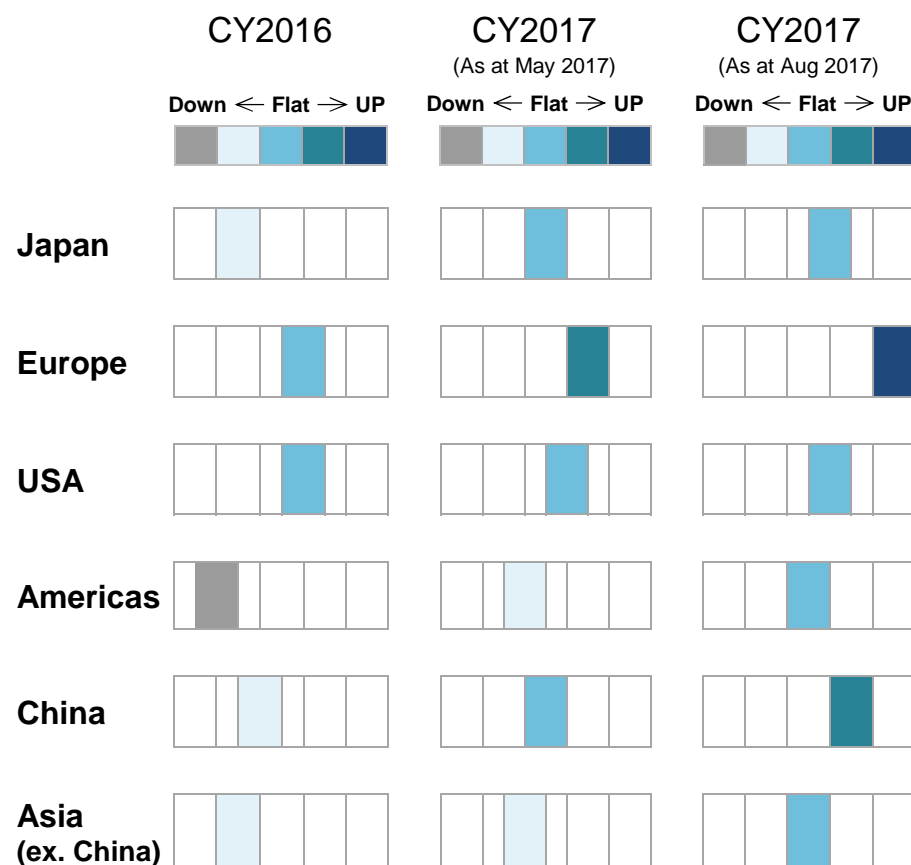
DMG MORI
COMPANY LIMITED

DMG MORI quarterly consolidated order intake

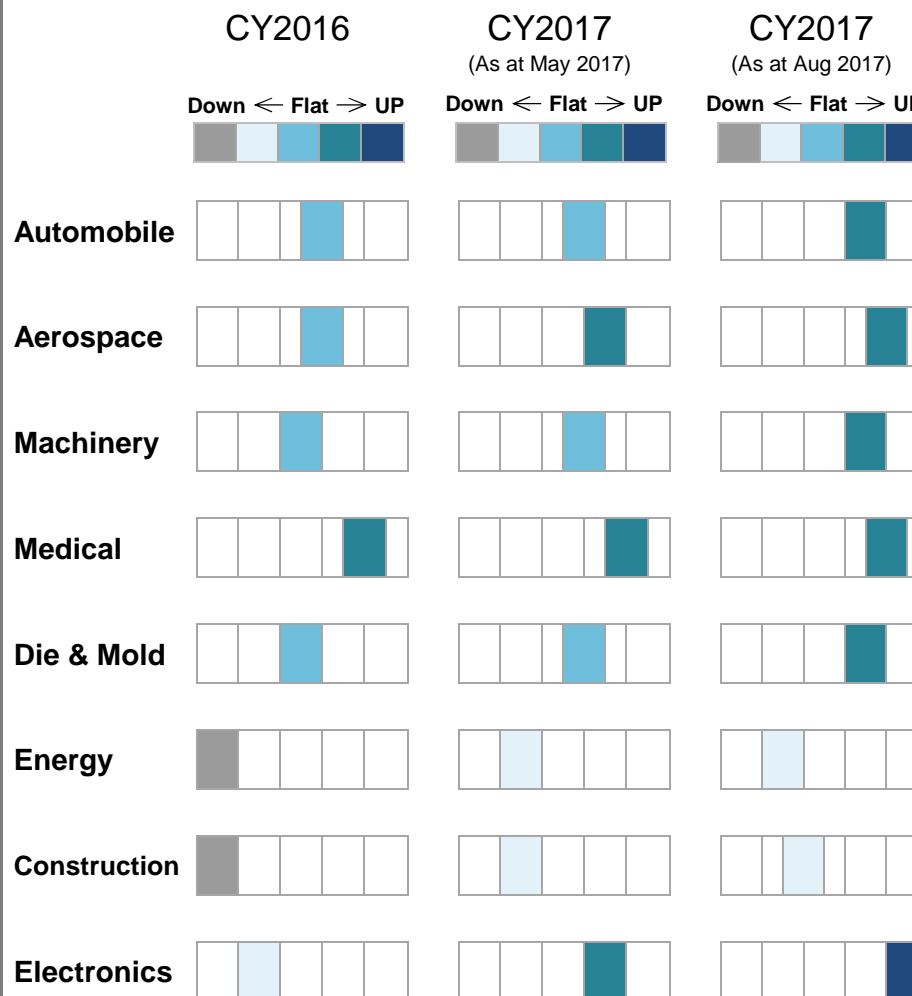


Overview (by region & by industry)

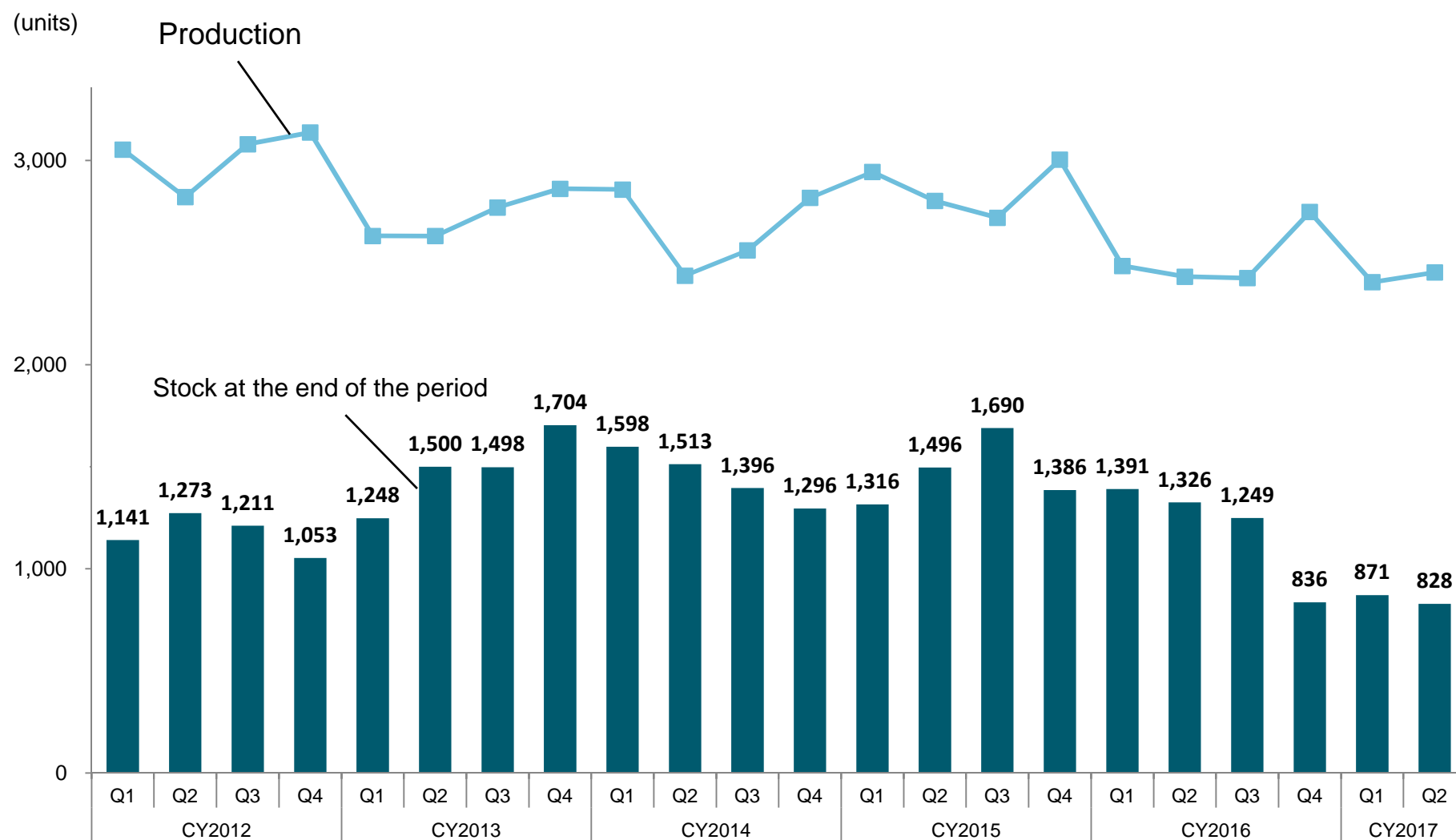
Region



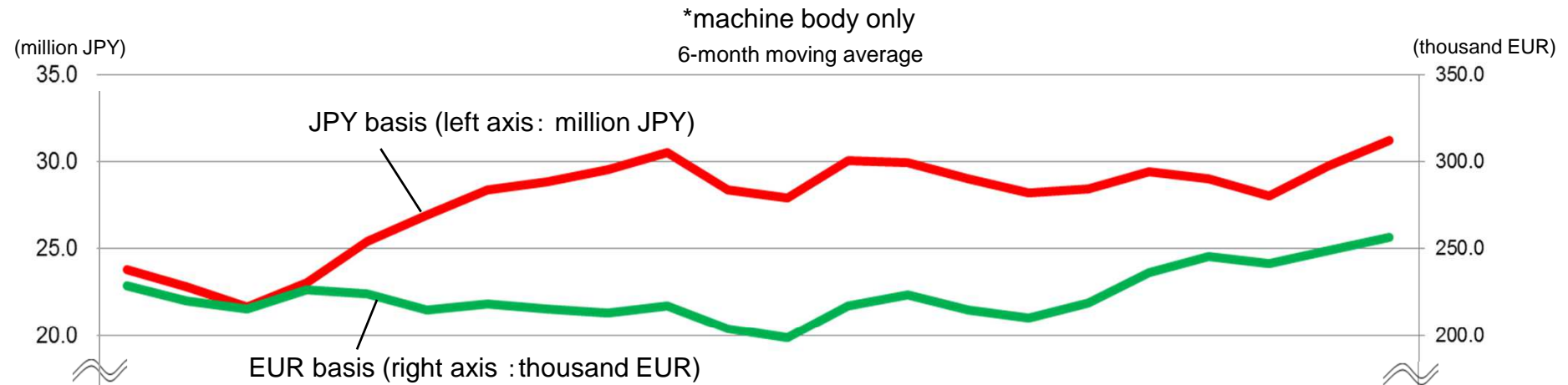
Industry



Consolidated stock and production

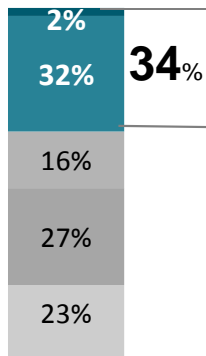


Consolidated order intake - average price

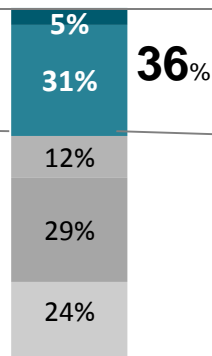


CY	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2
USD/JPY	79.3	80.2	78.6	81.2	92.4	98.8	98.9	100.5	102.8	102.2	103.9	114.5	119.1	121.4	122.2	121.9	115.5	108.2	102.4	109.3	113.7	111.1
EUR/JPY	104.0	102.9	98.4	105.3	122.1	129.0	131.1	136.7	140.8	140.1	137.8	143.1	134.2	134.2	136.0	132.5	127.2	122.0	114.3	117.8	121.1	122.2

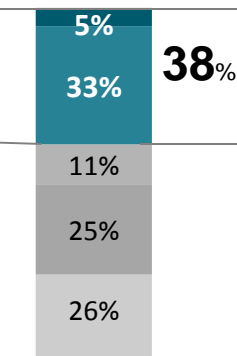
CY2012



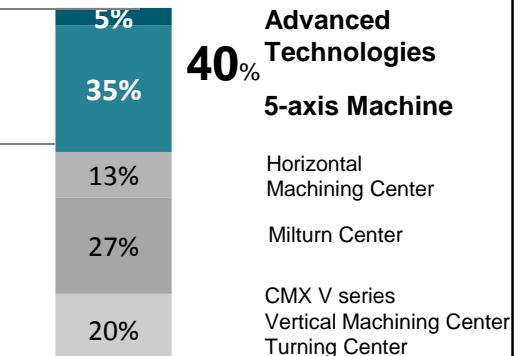
CY2014



CY2016



CY2017.H1



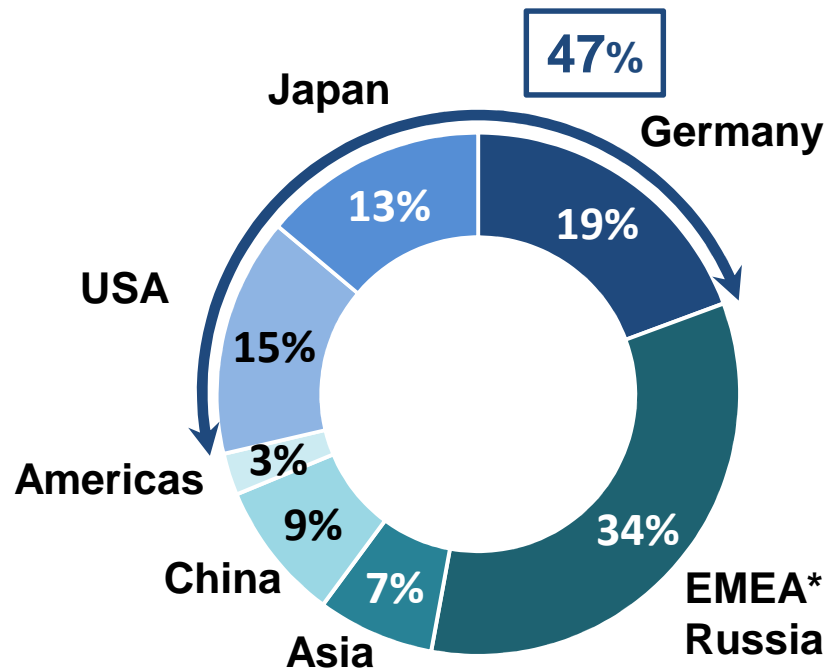
Order and sales composition (by region)

* Value basis
* Machine body only

*Europe, the Middle East and Africa

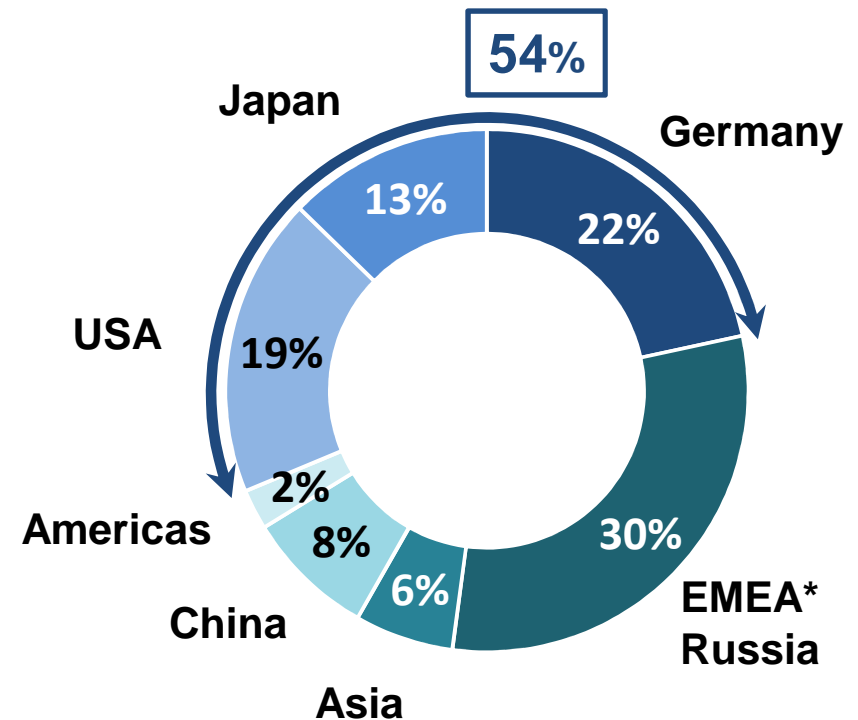
Consolidated machine order intake

CY2017.H1



Consolidated machine sales

CY2017.H1



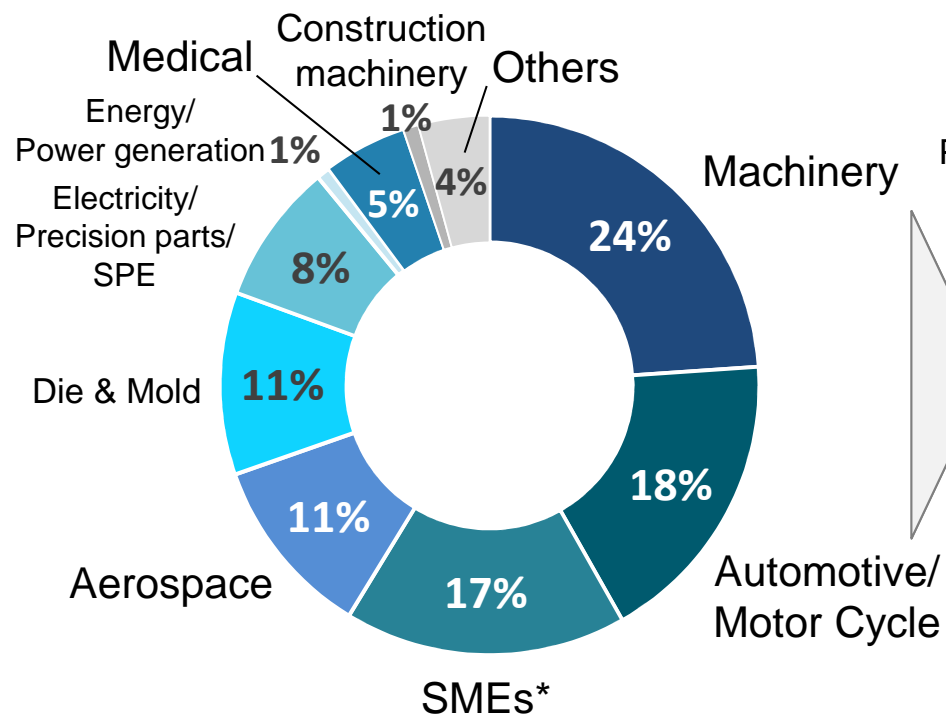
Order composition (by industry)

* Value basis

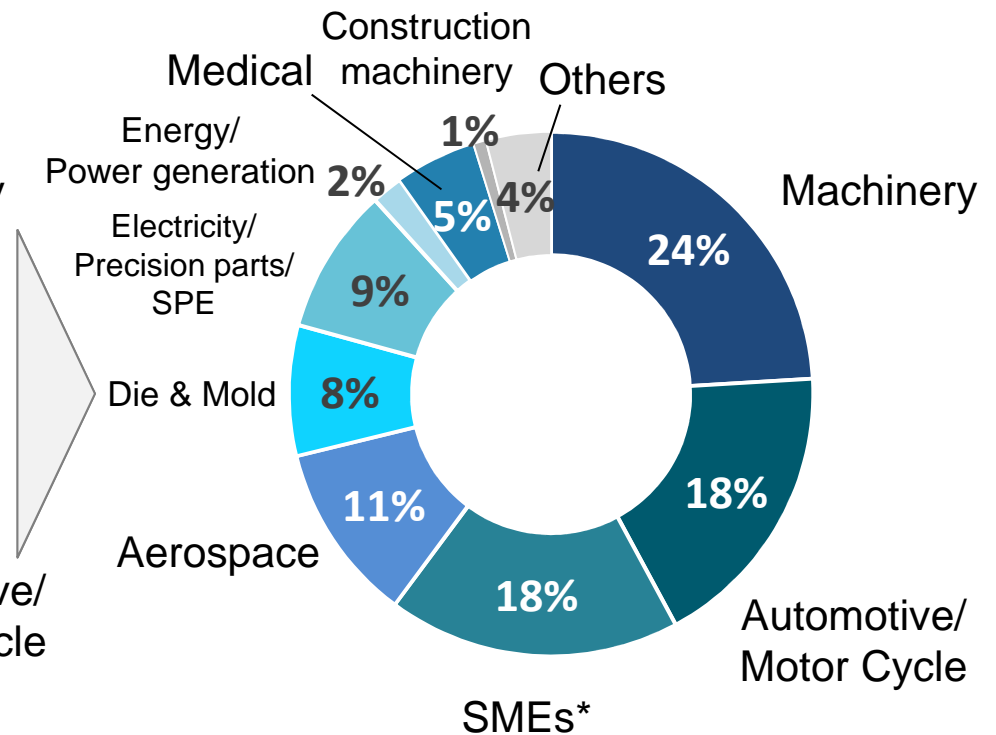
* Machine body only

*Small and medium-sized enterprises

CY2016



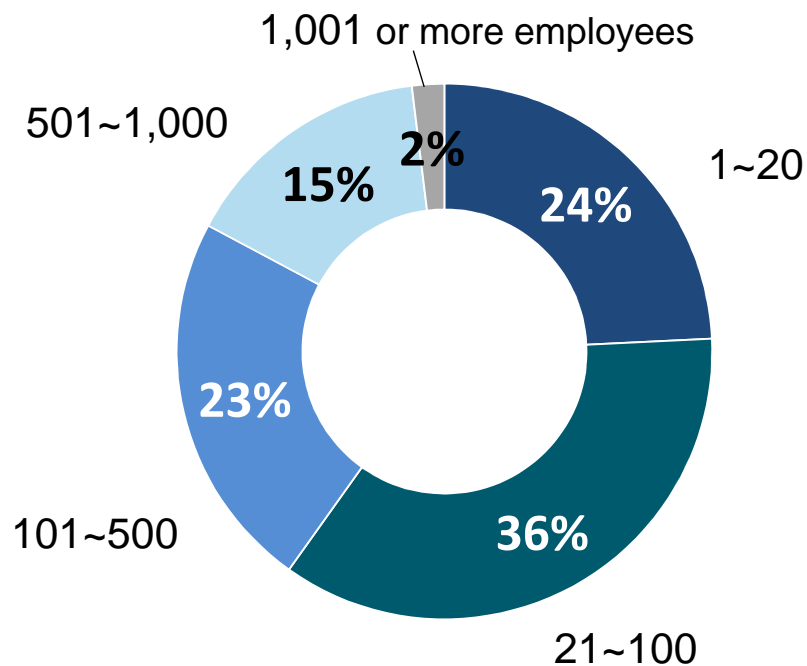
CY2017.H1



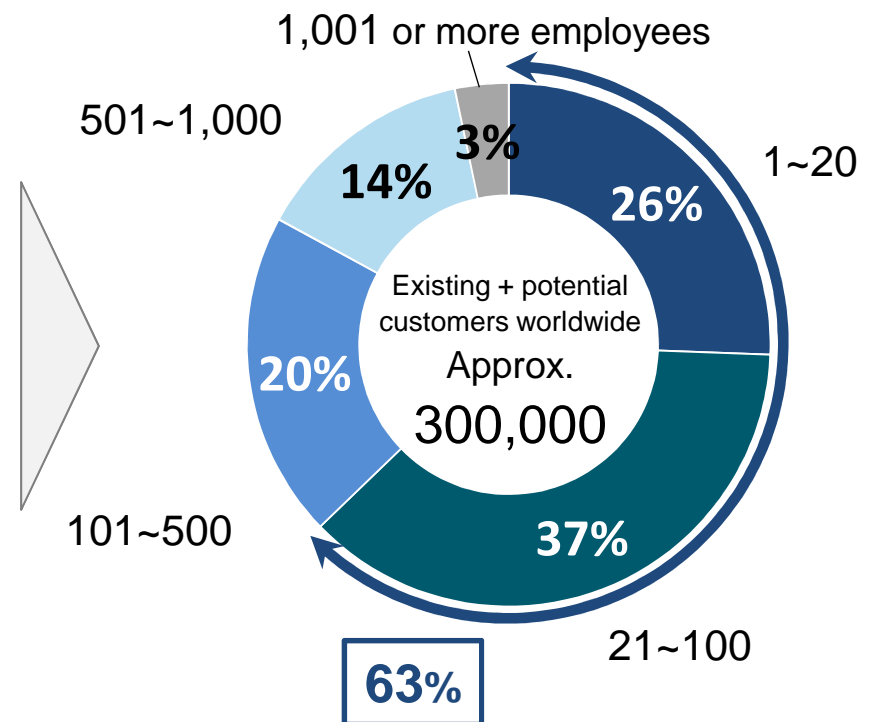
Order composition (by customers' number of employees)

* Value basis
* Machine body only

CY2016



CY2017.H1

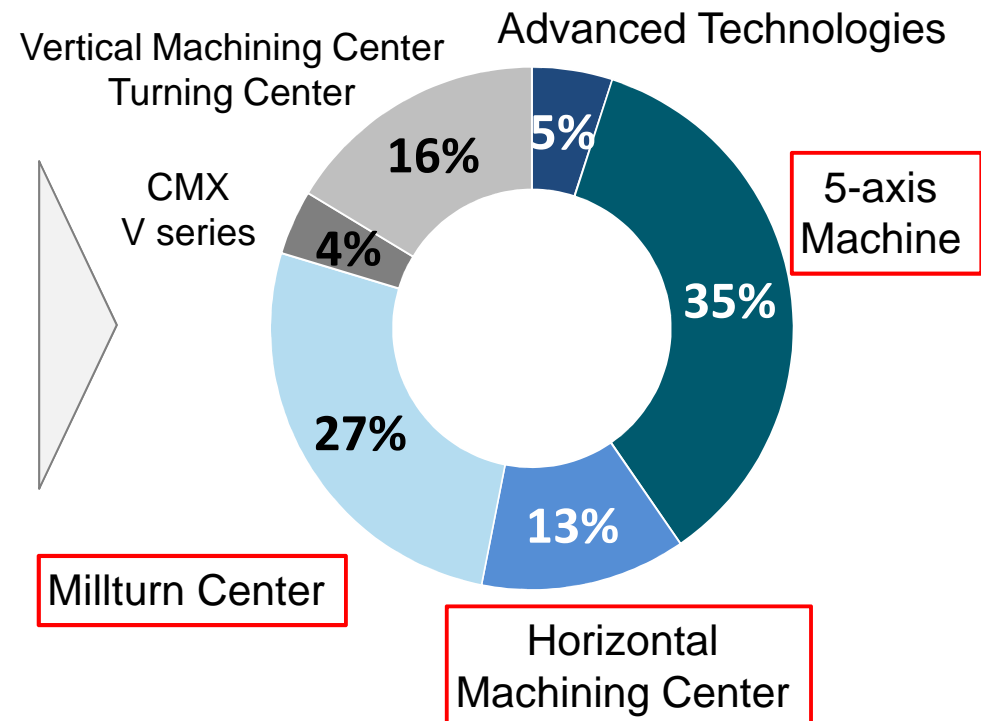
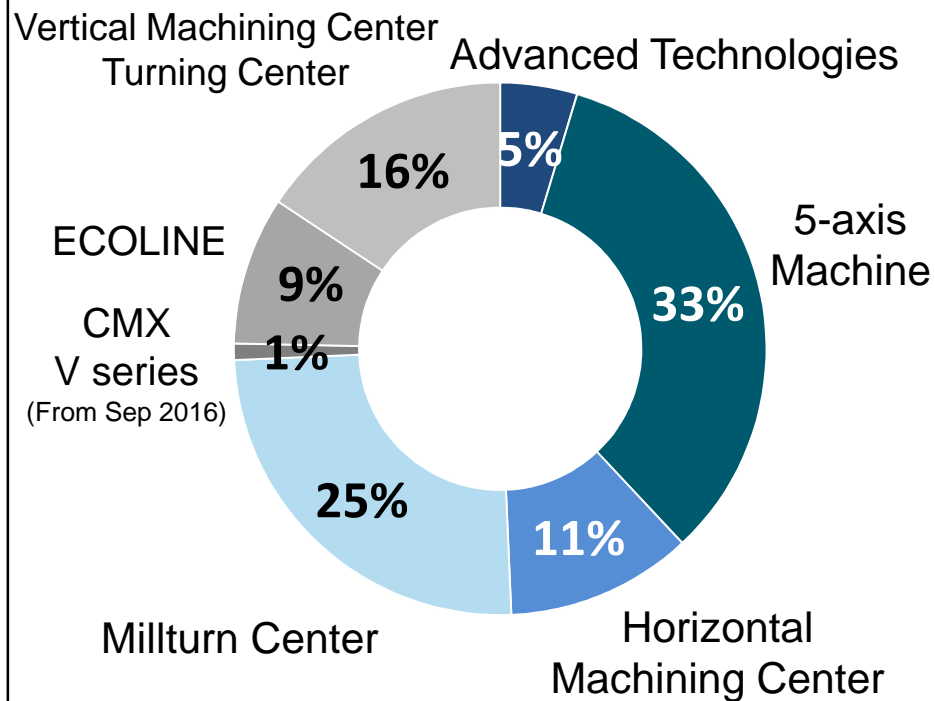


Order composition (by product type)

* Value basis
* Machine body only

CY2016

CY2017.H1



Agenda









1) Financial summary of 2nd quarter

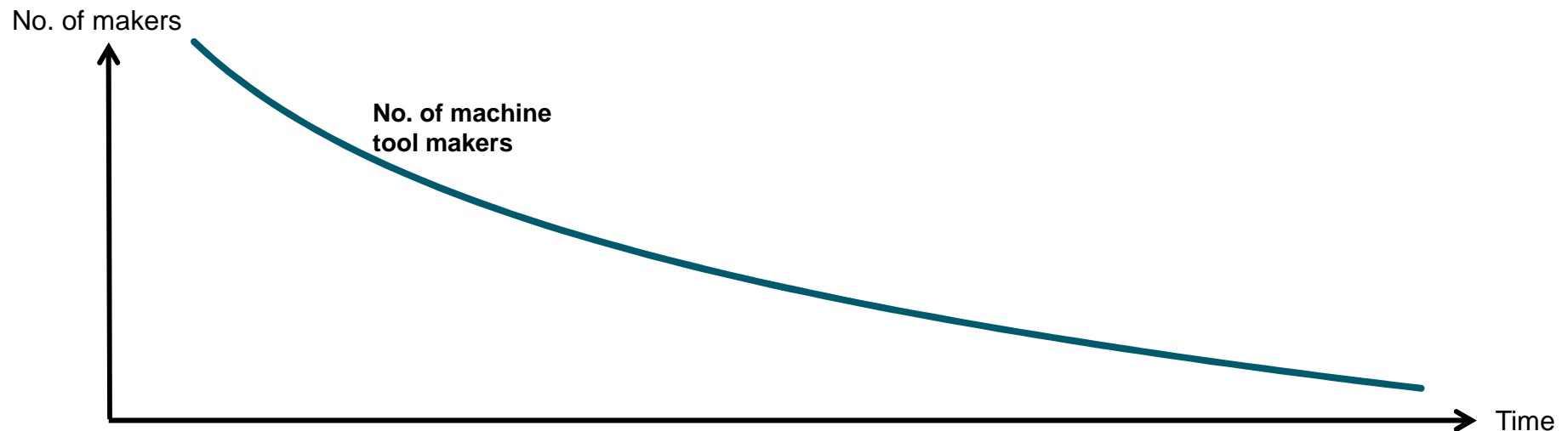
2) Business environment

3) Topics from DMG MORI

- Development of solution business
- Actions as leading company in the industry

Transition of technologies and competitors among machine tool industry

	1960's	70's	80's	90's	2000's	10's	20's -
Technology	Car	Calculator Computer	Office Computer	Personal Computer	Internet Mobile phone	Smartphone Cloud computing	Sensing technology VR, AI
Machine tools	Universal Lathe	NC Lathe	Vertical MC	Horizontal MC	Mill-turn	5-axis machining Additive manufacturing	Data-based IoT, Industry4.0
						 	



DMG MORI's total solution

High-spec machine



Software



Technology Cycles



Sensing

Open innovation



Connectivity

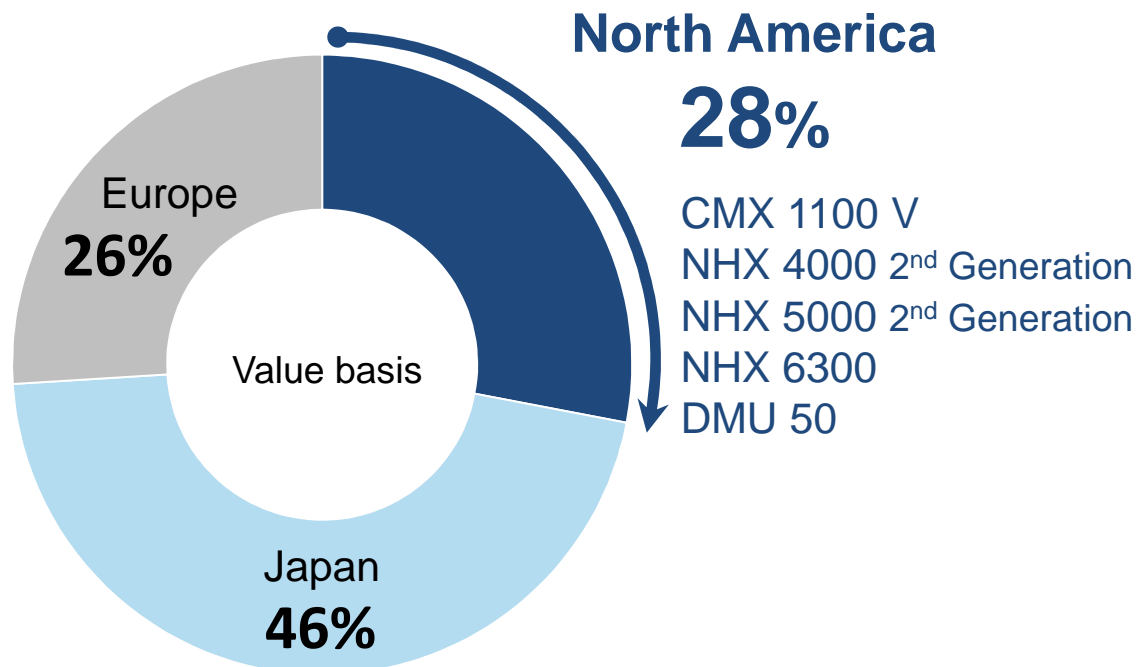


System solution

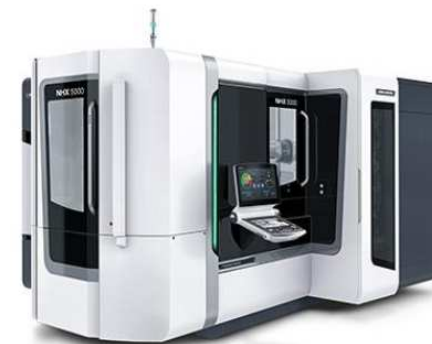
Chicago Open House, May 2017

- YoY +20% order intake both in volume and value
System solution with US manufactured machines is well-received

Order intakes during the open house (by factory)



CMX 1100 V with robot module system

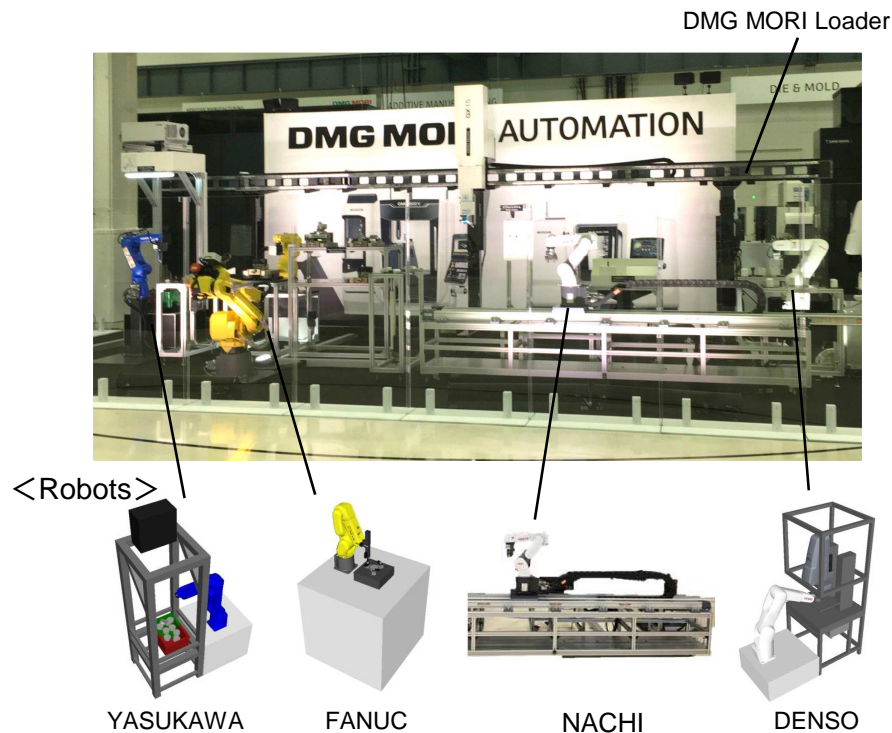


NHX 5000 2nd Generation

Iga Open House (Japan), June 2017

❑ Packaged systems exhibited

Loader + 4 robots



CMX600V + Robot module system



We are the largest manufacturer and solution provider of machine tools

Benefit of 5-axis machine and value composition

- a case from a customer in Japan

□ Innovative productivity

3 machines → 1 machine



Portal 5-axis machines × 3



DMU 600 G linear × 1

➤ Process time **Half**

Value composition of 5-axis machine

Machine
body

55%

45%

Open
Innovation



Promotion of automation

□ Future growth is expected, with strong demands



Robot module system



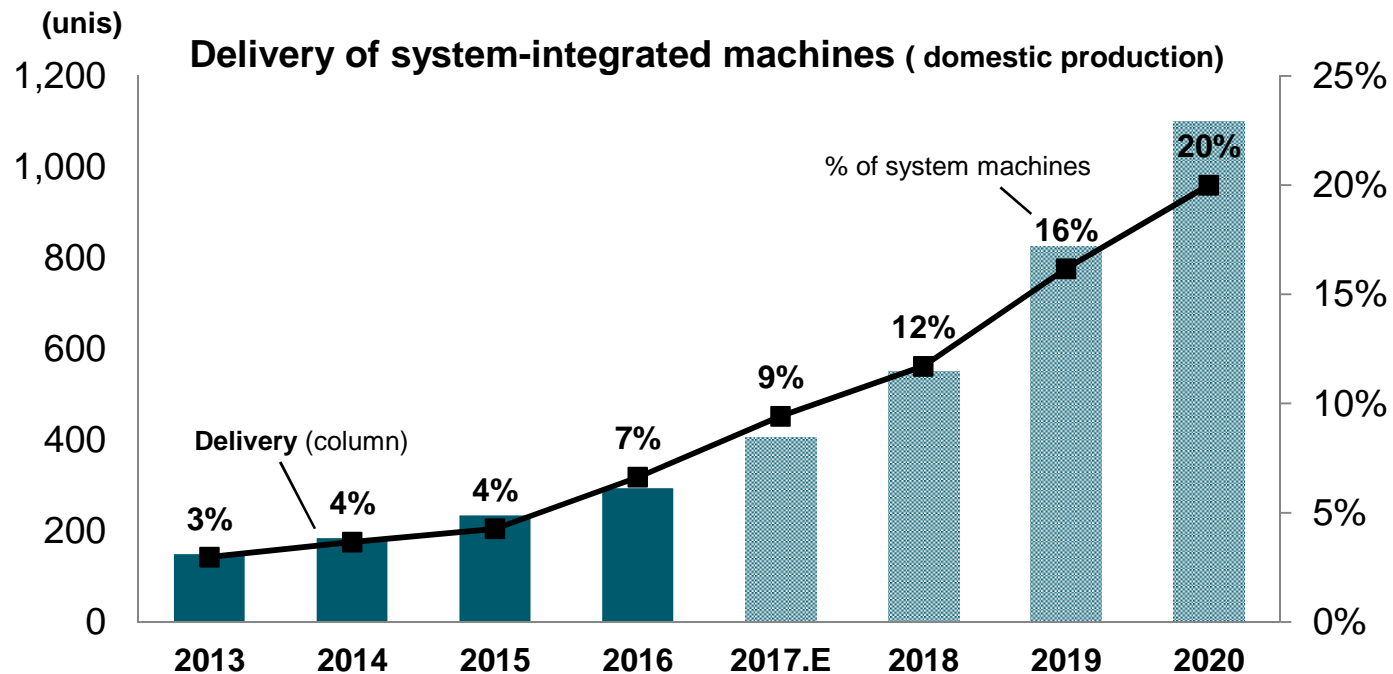
LPP



RPP



Loader module system



EMO 2017 Hannover, September 2017

- ❑ The largest exhibition in the world. DMG MORI will present 80 machines and system solutions.



Hannover

Period
Venue

: 18 - 23 September, 2017
: Hannover (Germany)



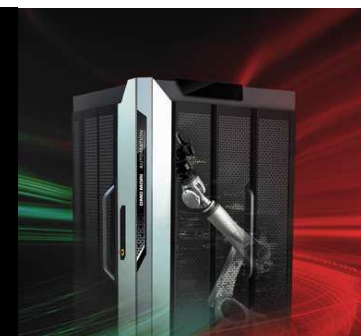
<Main features>



Digitalization



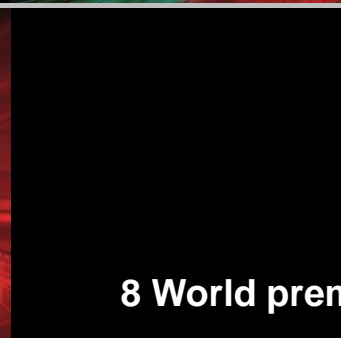
**Additive
Manufacturing**



Automation



**Technology Excellence
Automobile, Aerospace
Medical, Die and mold**



8 World premiers



Grand opening of Shanghai solution center

November 2017



❑ 5-axis Excellence Center

- ✓ Transition of manufacturing in China from labor-intensive to knowledge-intensive
- ✓ The largest test-cutting site in China

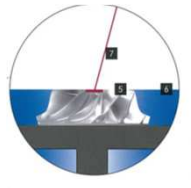


The future of additive manufacturing

Powder bed



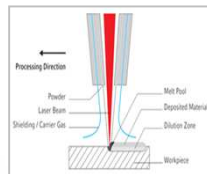
LASERTEC 30 SLM



Powder nozzle



LASERTEC 65 3D



LASERTEC 4300 3D

Present



Quick delivery

Complex shape

Huge & heavy

Future



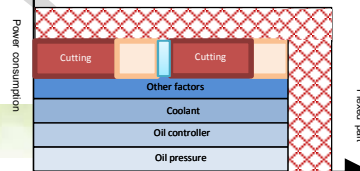
GREEN mode -New standard of energy consumption of machine tools

□ Energy savings with 4 technologies

Monitoring



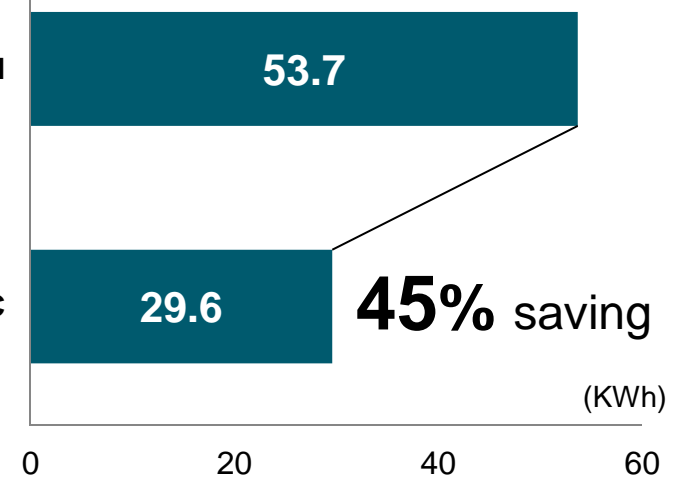
Idle reduction



1997 model

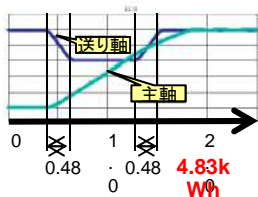
NLX2500MC

Comparison of energy consumption



*Comparison with same workpiece and same quantity

Control



Device



Reduction of **CO₂** emission

2,650kg per year

*Calculated from saved energy

70th anniversary event

Set-up of internal day-care center for children

- ❑ Support work-life balance of employees and promote the active role of women

April 2018 (Plan)

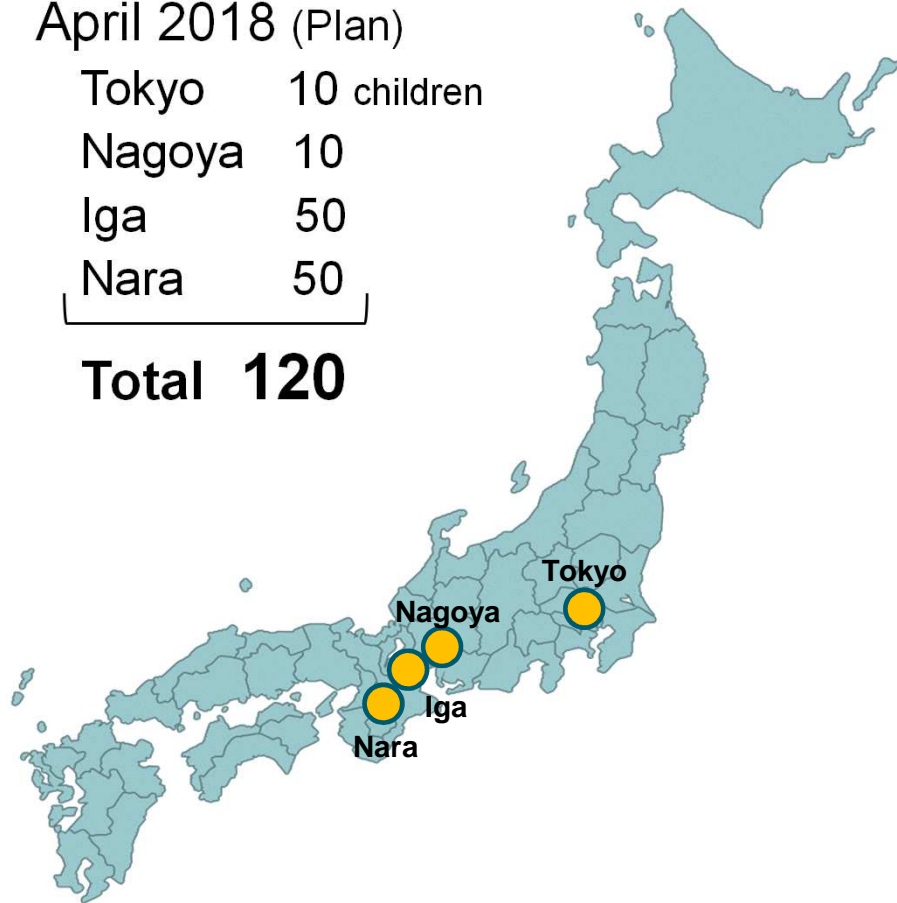
Tokyo 10 children

Nagoya 10

Iga 50

Nara 50

Total 120



Eligible employees

Female employees with children
under age of 6

approx. 100 staffs

※As of July 1, 2017

Image (Iga campus)



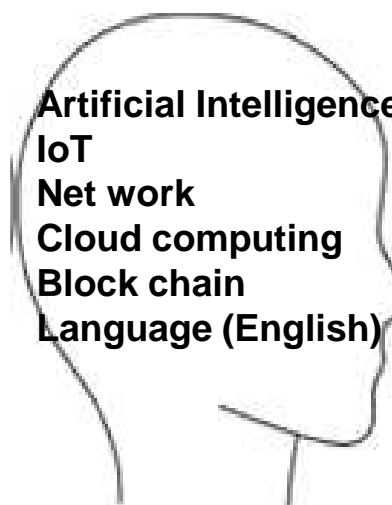
December 2016- Opened day-care center on holidays



Grand opening of Emerging Technologies Laboratory



- ❑ In-company^{A6} post graduate school, aiming to create a professional team of next generation technologies



To continuously create customer value in the coming decades

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 forecasts, 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, but not limited to, the following:

- 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.