

Summary of Consolidated Financial Statements for the second quarter of Fiscal Year 2017 ended June 30, 2017 (IFRS basis)
(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial Statements for the second quarter announced on August 8, 2017)

Listed company name: DMG MORI CO., LTD.
 Stock exchange listing: First Section of Tokyo Stock Exchange
 Code Number: 6141 URL <http://www.dmgmori.co.jp>
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Filing date of quarterly financial statements: August 10, 2017

Estimated starting date of dividend paying: September 15, 2017

Preparation of supplementary explanatory materials: Yes

Holding of quarterly earnings release conference: Yes (for investment analysts and institutional investors)

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

1. Consolidated business results of the second quarter ended June 30, 2017 (January 1, 2017 to June 30, 2017)

(1) Consolidated business results

(% of change from same period in the previous year)

	Sales revenues		Operating result		Earnings before Taxes		Quarterly profit		Income attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Second quarter ended June 30, 2017	198,081	6.9	9,019	164.6	6,968	197.7	3,739	89.5	3,570	392.1	4,377	-
Second quarter ended June 30, 2016	185,320	-	3,408	-	2,340	-	1,973	-	725	-	△25,837	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Second quarter ended June 30, 2017	24.94	24.81
Second quarter ended June 30, 2016	6.04	6.04

(Note)

- Total comprehensive income of the second quarter ended June 30, 2016 is mainly caused by the differences from currency translation with the strong yen.
- Basic earnings per share of the second quarter ended June 30, 2017 is based on the earning amount which excludes earnings attributed to owners of hybrid capital.

(2) Consolidated financial position

	Total assets	Net assets	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	million yen	million yen	million yen	%	yen
June 30, 2017	542,458	103,887	101,726	18.8	825.38
December 31, 2016	558,222	102,482	100,449	18.0	836.25

(Note) Ratio of equity attributable to owners of the parent and equity per share attributable to owners of the parent are based on the equity amount which includes amounts of hybrid capital.

2. Dividends

Record Date	Dividends per share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
December 31, 2016	-	13.00	-	13.00	26.00
December 31, 2017	-	15.00			
December 31, 2017 (Forecast)			-	15.00	30.00

(Note) Revision of dividend forecast in the current quarter: No

3. Consolidated earnings forecast for Fiscal Year 2017 (January 1, 2017 to December 31, 2017) (% of change from same period in the previous year)

	Sales revenues		Operating result		Income attributable to owners of the parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	yen
Full Year 2017	403,000	7.0	26,000	-	14,000	-	105.65

(Note)

- Revision of consolidated earnings forecast in the current quarter: Yes
- Supported by the strong demand in market, we made an upward revision of the consolidated earnings forecast for FY 2017 released on February 10, 2017 for the sales revenues, the operating result, and the income attributable to owners of the parent. For details, please refer to the "1. Qualitative Information Regarding Quarterly Settlement of Accounts (3) Explanation of forecasts and other projections" on page 4.
- Exchange rate used for consolidated earnings forecast for fiscal year 2017: JPY 110.0 /USD for the second half, 111.2 /USD for the full year
JPY 125.0 /EUR for the second half, 123.3 /EUR for the full year

4. Others

(1) Changes in significant subsidiaries during the second quarter ended June 30, 2017: No

(2) Changes in accounting policies applied and changes in accounting estimates

1. Changes in accounting policies required by IFRS: No
2. Changes in accounting policies other than the above: No
3. Changes in accounting estimates: No

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of the period (including treasury stock)

June 30, 2017: 125,953,683

December 31, 2016: 132,943,683

2. Number of treasury stock at the end of the period

June 30, 2017: 3,004,914

December 31, 2016: 12,924,920

3. Average number of outstanding shares during the period (cumulative from the beginning of the period)

January - June 2017: 121,907,000

January - June 2016: 120,019,137

- Information regarding implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures.

- 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 2017(Forecast) on page 4, please see "1. Qualitative Information Regarding Quarterly Settlement of Accounts (3) Explanation of forecasts and other projections".

We will upload additional explanation on August 8, 2017.

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1. Qualitative Information Regarding Quarterly Settlement of Accounts

(1) Explanation of operating results

For the first half of the fiscal year 2017 (from January 1 to June 30), the sales revenues were 198,081 million yen (1,627,619 thousand EUR), the operating result was 9,019 million yen (74,112 thousand EUR), and earnings before taxes were 6,968 million yen (57,262 thousand EUR). The income attributable to owners of the parent was 3,570 million yen (29,334 thousand EUR). (Euro amount is converted from yen amount at 121.7 yen/EUR, the average exchange rate between January and June, 2017.)

Supported by the strong demand in market, we made an upward revision of the consolidated earnings forecast for fiscal year 2017 released on February 10, 2017 to 403,000 million yen for the sales revenues, 26,000 million yen for the operating result, and 14,000 million yen for the income attributable to owners of the parent.

As for the business strategies, we promote IoT and Connected Industries/Industry 4.0 innovations and respond to customer needs by offering total solutions with revolutionary products and services under the theme of “Smart Machine, Smart Factory, Smart Company.”

Our operating system CELOS, MAPPS Connected, and automation systems contribute not only to reducing machining time, but also saving manpower for production processes at shop floor as a whole. The Microsoft cloud platform “Azure” makes connections between factories to control operating rates of machines across the world. In an effort to provide customers with optimal total solutions, we expand a lineup of Technology Cycles, and certify peripherals with superior quality, performance and maintainability as “DMQP” (DMG MORI Qualified Products) and offer them through our integrated support, from proposal of solutions to delivery and installation. In addition, we employ modular cell systems that enable more flexible combinations of peripheral equipment and layout changes to provide highly productive total solutions with cutting-edge technologies in the world.

As the technological aspect, we premiered the LASERTEC 30 SLM, an additive manufacturing machine that employs the powder bed method, in Japan and began taking orders for the model. The machine using the powder bed method was newly added to the product lineup in addition to those using the existing powder nozzle method. This makes it possible for us to provide customers with all the key additive manufacturing processes for metal materials. We also unveiled the NVX 5080 2nd Generation equipped with drastically improved cutting performance and accuracy as a world premiere model. DMG MORI continues to develop new products to provide innovations for a wide range of customers.

As for the sales, we held Innovation Days in Chicago, the U.S. in May and in Iga, Japan in June. In the event we displayed an example of “smart factory,” in which machines and robots in the showroom are connected online and managed and monitored with the CELOS. DMG MORI’s strong support for customers from various aspects including hardware and software as well as machine tools was successfully showcased through live demos of Technology Cycles-equipped products. In the CIMT, one of the world’s four largest machine tool trade shows held in Beijing, China in April, we received a great number of inquiries from various industries including the automotive field.

As our technological approaches to revolutionary changes in society, we established the Emerging Technologies Laboratory in our Tokyo Global Headquarters with a clear focus on new technological innovations and trends such as IoT, Connected Industries/Industry 4.0, AI robots, COP22-supported decarbonization, electric vehicle (EV), self driving, fintech (block chain) and sharing economy. The laboratory also serves as “in-company graduate school” to gather, develop and support competent talents who can lead the innovations. The grand opening ceremony was held on July 24.

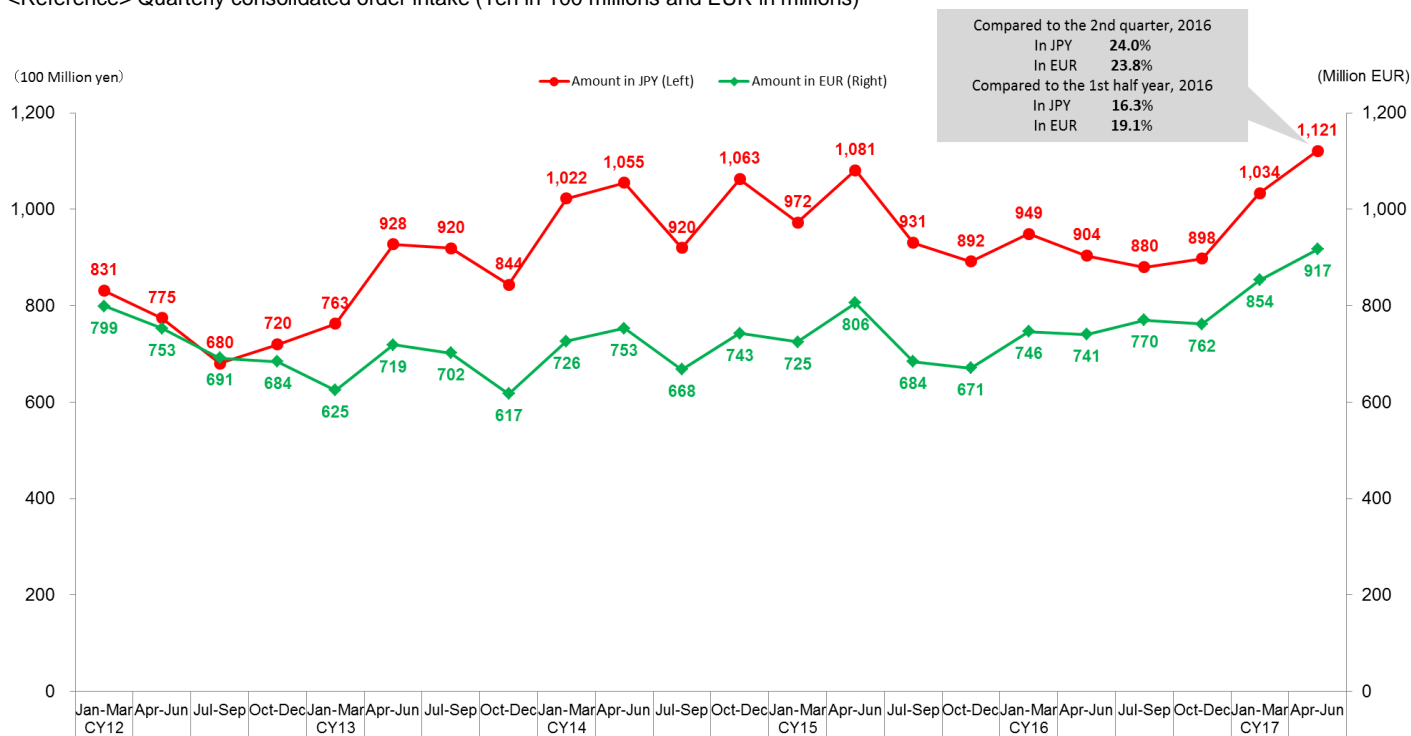
We facilitate “work style reform” through the expansion of teleworking, adoption of flextime with core hours and mindset changing efforts to eliminate overtime work. In addition to those approaches, we will establish new child care centers at all campuses in Japan in April 2018. DMG MORI continues to make an all-out effort to further enhance a life-work balance and increase productivity under the motto of “Play healthy + active,” “Work together + innovative,” and “Study smart + deeper.”

New orders for machine tools during the first half of the fiscal year 2017 (January 1, 2017 to June 30, 2017) were 16% higher than the comparable total for the 2016 result. On a quarterly basis, new orders during the second quarter (April 1, 2017 to June 30, 2017) delivered a higher year-over-year growth of 24% than those during the first quarter (January 1, 2017 to March 31, 2017) of 9%, which shows a strong growth in our business.

The demand for machine tools for the semiconductor manufacturing equipment, aircraft and general machinery industries and SMEs (Small and Medium-sized Enterprises) is robust in the global market. The demand in the automotive industry also remains steady. In the construction machinery field, the recovery is increasingly solid. The regional results for the first half of the fiscal year 2017 compared to the corresponding period of the fiscal year 2016 are up 5% in Japan, up 16% in Americas, and up 19% in Europe, respectively, showing favorable outcomes in our main sales regions. In China and Asian countries, the results show a solid recovery from the previous year.

We will join the world's largest trade show in Hanover, Germany in September, followed by Innovation Days held in Chicago, the U.S. in May and in Iga, Japan in June. We will showcase eight world premiere models and strengthen our efforts to provide customers with best solutions for digitalized and automated manufacturing, aiming to further increase in new orders.

<Reference> Quarterly consolidated order intake (Yen in 100 millions and EUR in millions)



<Consolidated results>

Consolidated results of the second quarter ended June 30, 2017 is as follows:

Unit : 100 Million yen

(Million EUR)

	<Reference>			<Forecast>
	January through June, 2016	January through June, 2017	Difference	January through December, 2017
Sales revenues	1,853 (1,486)	1,981 (1,627)	127 (140)	4,030 (3,268)
Operating result	34 (27)	90 (74)	56 (46)	260 (210)
Operating result / Sales revenues	1.8%	4.6%	2.7% pts	6.5%
Income attributable to owners of the parent	7 (5)	35 (29)	28 (23)	140 (113)

(Note) Euro amount is converted from yen at the average or forecasted exchange rate of each fiscal period; 124.6 yen/EUR for the figures of January through June, 2016, 121.7 yen/EUR for those of January through June, 2017, and 123.3 yen/EUR for the figures of January to December, 2017.

(2) Explanation of financial position

Total assets at the end of the second quarter of fiscal year 2017 amounted to 542,458 million yen. Total equity is 103,887 million yen and ratio of equity attributable to owners of the parent is 18.8%.

(3) Explanation of forecasts and other projections

Supported by the strong demand in market, we made an upward revision of the consolidated earnings forecast for fiscal year 2017 released on February 10, 2017. Therefore, the sales revenues, the operating result, and the income attributable to owners of the parent in the forecast for 2017 shown above have been changed accordingly.

This 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.

Unit : 100 Million yen
(Million EUR)

	Released on February 10	Released on August 8	Difference	<Reference>
	Jan. through Dec., 2017	Jan. through Dec., 2017		Jan. through Dec., 2016
Sales revenues	3,800	4,030	230	3,766
	(3,167)	(3,268)	(101)	(3,131)
Operating result	220	260	40	20
	(183)	(210)	(27)	(16)
Operating result / Sales revenues	5.8%	6.5%	0.7% pts	0.5%
Income attributable to owners of the parent	110	140	30	△78
	(92)	(113)	(21)	(△65)

(Note)

- Exchange rate used for consolidated earnings forecast for fiscal year 2017: JPY 110.0 /USD for the second half, 111.2 /USD for the full year
JPY 125.0 /EUR for the second half, 123.3 /EUR for the full year
- Euro amount is converted from yen at the average or forecasted exchange rate of each fiscal year; 120.3 yen/EUR for the figures of 2016, 120.0 yen/EUR for the figures of 2017 released on February 10, and 123.3 yen/EUR for figures of 2017 released on August 8.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated statements of financial position

(Yen in Millions)

	December 31, 2016	June 30, 2017
(Assets)		
Current assets		
Cash and cash equivalents	67,750	42,603
Trade and other receivables	51,008	54,364
Other financial assets	8,228	7,601
Inventories	122,172	121,418
Other current assets	10,823	13,416
Total current assets	<u>259,983</u>	<u>239,404</u>
Non-current assets		
Property, plant and equipment	137,441	134,778
Goodwill	65,641	69,536
Other intangible assets	66,346	67,591
Other financial assets	13,310	14,904
Investments in associates and joint ventures	1,987	1,991
Deferred tax assets	5,809	6,640
Other non-current assets	7,701	7,609
Total non-current assets	<u>298,238</u>	<u>303,053</u>
Total assets	<u><u>558,222</u></u>	<u><u>542,458</u></u>

	December 31, 2016	June 30, 2017
(Liabilities)		
Current liabilities		
Trade and other payables	55,861	48,329
Interest-bearing bonds and borrowings	45,960	42,575
Advances received	26,683	31,346
Other financial liabilities	14,796	13,714
Accrued income taxes	5,409	3,748
Provisions	26,045	26,072
Other current liabilities	5,505	5,589
Total current liabilities	180,261	171,377
Non-current liabilities		
Interest-bearing bonds and borrowings	160,820	147,850
Other financial liabilities	94,824	97,850
Net employee defined benefit liabilities	6,200	6,101
Provisions	4,088	5,126
Deferred tax liabilities	7,309	8,167
Other non-current liabilities	2,234	2,097
Total non-current liabilities	275,477	267,193
Total liabilities	455,739	438,571
Equity		
Subscribed capital	51,115	51,115
Capital surplus	-	-
Hybrid capital	49,505	49,505
Treasury shares	△23,769	△5,475
Retained earnings	34,863	17,049
Other components of equity	△11,266	△10,468
Equity attributable to owners of the parent	100,449	101,726
Non-controlling interests	2,033	2,160
Total equity	102,482	103,887
Total liabilities and equity	558,222	542,458

(2) Quarterly consolidated statements of income

(Yen in Millions)

	Second quarter ended June 30, 2016 (January 1, 2016 through June 30, 2016)	Second quarter ended June 30, 2017 (January 1, 2017 through June 30, 2017)
Revenues		
Sales revenues	185,320	198,081
Other operating revenues	3,073	3,216
Total revenue	188,394	201,297
Cost		
Changes in merchandise, finished goods and work in progress for sale	△268	3,401
Costs of raw materials, consumables and goods for resale	80,908	86,605
Personnel costs	58,913	57,514
Depreciation and amortization	8,413	8,886
Other operating costs	37,018	35,870
Total costs	184,985	192,278
Operating result	3,408	9,019
Financial income	255	308
Financial costs	1,372	2,395
Share of profits of associates and joint ventures accounted for using equity method(△: loss)	48	36
Earnings before income taxes	2,340	6,968
Income taxes	366	3,229
Quarterly profit	1,973	3,739
Quarterly profit attributable to:		
Owners of the parent	725	3,570
Non-controlling interests	1,248	169
Quarterly profit	1,973	3,739
Quarterly earnings per share		
Basic (yen)	6.04	24.94
Diluted (yen)	6.04	24.81

(3) Quarterly consolidated statements of comprehensive income

(Yen in Millions)

	Second quarter ended June 30, 2016 (January 1, 2016 through June 30, 2016)	Second quarter ended June 30, 2017 (January 1, 2017 through June 30, 2017)
Quarterly profit	1,973	3,739
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans	Δ837	6
Subtotal	Δ837	6
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	Δ24,345	167
Effective portion of changes in fair value of cash flow hedge	Δ219	342
Change in fair value measurements of available-for-sale financial assets	Δ2,206	113
Share of other comprehensive income of associates accounted for using equity method	Δ201	7
Subtotal	Δ26,973	631
Total other comprehensive income	Δ27,811	637
Comprehensive income	Δ25,837	4,377
Comprehensive income attributable to:		
Owners of the parent	Δ20,189	4,210
Non-controlling interests	Δ5,648	166
Total	Δ25,837	4,377

(4) Quarterly consolidated statements of changes in equity

(Yen in Millions)

	Equity attributable to owner of the parent							Non-controlling interest share of equity	Total equity
	Subscribed capital	Capital surplus	Hybrid capital	Treasury shares	Retained earnings	Other components of equity	Total		
As of January 1, 2016	51,115	53,057	-	Δ23,768	71,466	3,399	155,270	76,837	232,107
Net income					725		725	1,248	1,973
Other comprehensive income						Δ20,914	Δ20,914	Δ6,896	Δ27,811
Total comprehensive income	-	-	-	-	725	Δ20,914	Δ20,189	Δ5,648	Δ25,837
Amount paid out to owners of hybrid capital							-		-
Treasury shares acquisition				Δ0			Δ0		Δ0
Treasury shares cancellation							-		-
Treasury shares disposition		Δ0		0			0		0
Cash dividends					Δ1,560		Δ1,560	Δ28	Δ1,589
Transfer from retained earnings to capital surplus							-		-
Share-based payments							-		-
Changes due to business combinations							-		-
Transfer from other components of equity to retained earnings					Δ602	602	-		-
Total transactions with owners of the parent	-	Δ0	-	Δ0	Δ2,162	602	Δ1,560	Δ28	Δ1,589
Acquisition of non-controlling interests		Δ33,040					Δ33,040	Δ28,262	Δ61,303
Changes in ownership interests in subsidiaries and others	-	Δ33,040	-	-	-	-	Δ33,040	Δ28,262	Δ61,303
As of June 30, 2016	51,115	20,016	-	Δ23,768	70,029	Δ16,912	100,479	42,897	143,377

(Yen in Millions)

	Equity attributable to owner of the parent							Non-controlling interest share of equity	Total equity
	Subscribed capital	Capital surplus	Hybrid capital	Treasury shares	Retained earnings	Other components of equity	Total		
As of January 1, 2017	51,115	-	49,505	Δ23,769	34,863	Δ11,266	100,449	2,033	102,482
Net income					3,570		3,570	169	3,739
Other comprehensive income						640	640	Δ3	637
Total comprehensive income	-	-	-	-	3,570	640	4,210	166	4,377
Amount paid out to owners of hybrid capital					Δ533		Δ533		Δ533
Treasury shares acquisition				Δ1,000			Δ1,000		Δ1,000
Treasury shares cancellation		Δ12,847		12,847			-		-
Treasury shares disposition		Δ6,442		6,446			3		3
Cash dividends					Δ1,560		Δ1,560	Δ57	Δ1,618
Transfer from retained earnings to capital surplus		19,290			Δ19,290		-		-
Share-based payments						163	163		163
Changes due to business combinations					Δ5		Δ5	18	13
Transfer from other components of equity to retained earnings					6	Δ6	-		-
Total transaction with owners of the parent	-	-	-	18,293	Δ21,383	156	Δ2,933	Δ39	Δ2,972
Acquisition of non-controlling interests							-		-
Changes in ownership interests in subsidiaries and others	-	-	-	-	-	-	-	-	-
As of June 30, 2017	51,115	-	49,505	Δ5,475	17,049	Δ10,468	101,726	2,160	103,887

(5) Quarterly consolidated statements of cash flows

(Yen in Millions)

	Second quarter ended June 30, 2016 (January 1, 2016 through June 30, 2016)	Second quarter ended June 30, 2017 (January 1, 2017 through June 30, 2017)
Cash flows from operating activities		
Earnings before income taxes	2,340	6,968
Depreciation and amortization	8,413	8,886
Loss (gain) on sales/disposal of property, plant and equipment (△: gain)	△80	23
Financial income and costs(△: gain)	1,116	2,087
Share of profits of associates and joint ventures accounted for using equity method (△: gain)	△48	△36
Other non-cash transactions (△: gain)	1,119	△1,296
Changes in asset and liability items:		
Inventories (△: increase)	△6,715	2,700
Trade and other receivables (△: increase)	5,825	△2,447
Trade and other payables (△: decrease)	△17,797	△7,900
Provisions (△: decrease)	△651	△2,530
Others	△3,250	△3,874
Subtotal	△9,729	2,580
Interest received	66	165
Dividends received	190	143
Interest paid	△1,225	△3,700
Income tax paid	△2,584	△3,817
Net cash flows from operating activities	△13,282	△4,629
Cash flows from investment activities		
Purchases of property, plant and equipment	△5,325	△2,076
Proceeds from sales of property, plant and equipment	618	906
Purchases of intangible assets	△1,765	△1,760
Acquisition of subsidiaries, net of cash acquired	-	△541
Acquisition of financial instruments	△137	△1,331
Proceeds from sales of financial instruments	-	598
Other	△106	132
Net cash flows from investing activities	△6,716	△4,073

(Yen in Millions)

	Second quarter ended June 30, 2016 (January 1, 2016 through June 30, 2016)	Second quarter ended June 30, 2017 (January 1, 2017 through June 30, 2017)
Cash flows from financing activities		
Net increase (decrease) in current borrowings	70,252	18,116
Proceeds from non-current borrowings	114	-
Payments for non-current borrowings	Δ8,640	Δ12,120
Payments for bond redemption	-	Δ20,000
Dividends paid	Δ1,556	Δ1,558
Dividends paid to non-controlling interests	Δ28	Δ57
Acquisition of non-controlling interests	Δ61,303	-
Payments for obligations for non-controlling interests	-	Δ8
Payments to owners of hybrid capital	-	Δ533
Acquisition of treasury shares	Δ0	Δ1,000
Other	Δ215	Δ241
Net cash flows from financing activities	Δ1,378	Δ17,402
Effect of exchange rate changes on cash and cash equivalents	Δ9,241	958
Increase (decrease) in cash and cash equivalents	Δ30,618	Δ25,147
Cash and cash equivalents at the beginning of period	83,577	67,750
Cash and cash equivalents at the end of period	52,959	42,603

(6) Notes on going concern assumption

Not applicable.

(7) Notes on quarterly consolidated financial statements

1. Reporting Entity

DMG MORI Co., Ltd. (the "Company") is a company established under Japanese law. The Company domiciles in Japan and its registered office is located in 106 Kitakoriyama-cho, Yamato-Koriyama City, Nara.

The consolidated financial statements of the Company are reported as of June 30, 2017 and composed of the Company, its associates and equity interests to related companies (the "Group"). The Group engages in businesses related to providing total solutions utilizing of machine tools (Machining Centers, Turning Centers, Turn-Mill Complete Machining Centers, Universal Milling machines for 5-axis machining), software (user interface, technology cycles and embedded software), measuring devices with service support, application, and engineering.

2. Basis of preparations

(1) Accounting standards complied with

These quarterly consolidated financial statements have been prepared in accordance with IFRS 34 Interim Financial Reporting, pursuant to the provisions set forth in Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, etc. (Cabinet Office Ordinance No. 64 of 2007), as they satisfy all of the requirements for a "Specified Company" prescribed in Article 1-2, Paragraph 1, Item (i), (a) – (c) and (d)-3 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007).

(2) Basis of Measurement

These quarterly consolidated financial statements have been prepared on a historical cost basis, with the exception of some financial assets which are measured at fair value.

(3) Presentation currency and units used

These quarterly consolidated financial statements are presented in Japanese yen, with figures less than one million yen being rounded down.

(4) Change of important accounting policy

The significant accounting policies applied to the quarterly consolidated financial statements are identical to those applied to the consolidated financial statements for the previous fiscal year ended December 31, 2016.

3. Segmental information

(1) Scope of segment reporting

The reporting segments of the Group is based on the business areas where independent financial statements are available and that are regularly reviewed by executive boards for the purposes of decision-making on the allocation of management resources and evaluation of profitability. The segments are divided according to products and services that the Group deals with and difference in internal reporting and management method associated with the products and services.

The business activities of the Group are categorized into the business segments of "Machine Tools" and "Industrial Services".

(2) Calculation method of net sales, income or loss and other items by each reportable segment

The amount of segment income (loss) is based on operating income (loss) and Share of profits of at equity-accounted investments. Inter-segment

sales and transfers between the segments are based on the market prices.

(3) Segment sales and income

The segment sales and income by each reportable segment are summarized as follows.

Second quarter ended June 30, 2016 (January 1, 2016 through June 30, 2016)

						(Yen in Millions)
Reporting Segments			Adjustment (Note)			
Machine Tools	Industrial Services	Total	Corporate	Adjustment	Figures in consolidated statements of income	
Sales revenues						
Sales revenues with third parties	130,644	54,661	185,306	13	-	185,320
Sales revenues with other segments	60,932	12,186	73,118	1,364	Δ74,482	-
Total	191,577	66,847	258,424	1,377	Δ74,482	185,320
Segment income	6,099	3,597	9,697	Δ6,493	252	3,456
Financial income						255
Financial costs						Δ1,372
Earnings before Taxes						2,340

(Note) "Adjustment" includes trade elimination of inter-segment trade amounts and net profit of corporate functions.

Second quarter ended June 30, 2017 (January 1, 2017 to June 30, 2017)

						(Yen in Millions)
Reporting Segments			Adjustment (Note)			
Machine Tools	Industrial Services	Total	Corporate	Adjustment	Figures in consolidated statements of income	
Sales revenues						
Sales revenues with third parties	142,128	55,941	198,070	10	-	198,081
Sales revenues with other segments	58,604	10,376	68,980	1,001	Δ69,982	-
Total	200,733	66,318	267,051	1,012	Δ69,982	198,081
Segment income	12,321	3,310	15,632	Δ6,208	Δ367	9,056
Financial income						308
Financial costs						Δ2,395
Earnings before Tax						6,968

(Note) "Adjustment" includes trade elimination of inter-segment trade amounts and net profit of corporate functions.