

**DMG MORI CO., LTD.**

**FY 2022 First Quarter (Jan-Mar) Results**

**IR Announcement**

**May 12, 2022**

---

## **1. FY2022 1Q (Jan-Mar) Financial Summary**

## 2. Business Environment

## 3. Focus Topics

- ① Two Headquarters System (Tokyo & Nara)  
Recruiting Talented People, Pursuit of Cutting-Edge Technology, BCP Promotion
- ② Promotion of Small-Scale Business Meeting
- ③ Established “AM Lab & Fab” at Iga Plant, developing Additive Manufacturing Business
- ④ Contribution in Process Integration through Technology Cycles

## 4. ESG/CSR Initiatives

- ① Employee Health and Productivity Management
- ② Cooperation with Nara Women's University
- ③ Partnership Building Declaration
- ④ Progress in Climate Change Efforts

## FY2022 1<sup>st</sup> quarter (Jan-Mar) highlights

**DMG MORI**

- ✓ Consolidated orders grew to 150 bn. yen, up 48% y/y, exceeding the previous peak of 148.5 bn. yen in 1Q 2018
- ✓ Order backlog climbed to 203 bn. yen (164 bn. yen at the end of December 2021)
- ✓ Average machine tool unit price increased to 47.2 mil. yen (39.4 mil. yen in FY2021), derived from process integration, automation, DX\* and large-scale investment projects  
\*Digital Transformation
- ✓ Operating profit margin exceeded the previous peak level to 8.8% on a quarterly basis\*\* (after integration of AG in 2015, 8.6% in 4Q 2018 and 1Q 2019)  
\*\*Excluding periods with extraordinary gain
- ✓ Introduction of two headquarters systems (Tokyo & Nara)  
Recruiting talented people, pursuit of cutting-edge technology and promotion of BCP
- ✓ Upward revision of full-year forecast and dividend plan; sales revenue : 430 bn. => 450 bn. yen  
operating profit 40 bn. => 45 bn. yen (10% OP margin), annual dividend per share at 70 yen

## FY2022 1Q income statement summary

**DMG MORI**

- Substantial improvement in operating profit margin driven by process integration, automation and DX
- Jump in net profit thanks to decline in finance cost and normalized effective tax rate

JPY bn	FY2019 1Q	FY2020 1Q	FY2021 1Q	FY2022 1Q	(Y/Y %)
<b>Consolidated order intake</b>	119.1	78.3	101.4	<b>150.0</b>	+47.9
<b>Sales revenue</b>	120.6	87.3	81.1	<b>107.3</b>	+32.2
<b>Operating profit</b>	10.4	3.3	4.0	<b>9.5</b>	2.4x
% to sales revenue	8.6%	3.8%	4.9%	8.8%	
<b>Net finance costs</b>	-1.6	-2.1	-0.9	<b>-0.5</b>	
(thereof, economic compensation associated with DA*)	(-0.9)	(-1.6)	(-0.5)	(-0.3)	
<b>Profit before taxes</b>	8.8	1.3	3.1	<b>8.9</b>	2.8x
<b>Net profit (after taxes)</b>	6.2	0.1	1.8	<b>6.3</b>	3.5x
<b>EPS (Yen)</b>	48.74	-1.13	10.38	<b>46.66</b>	
Depreciation & amortization including lease	5.5	5.9	5.5	<b>5.6</b>	
Capital expenditure	3.1	3.1	4.4	<b>10.2</b>	
USD/JPY	110.2	108.9	105.9	<b>116.2</b>	
EUR/JPY	125.2	120.1	127.7	<b>130.4</b>	

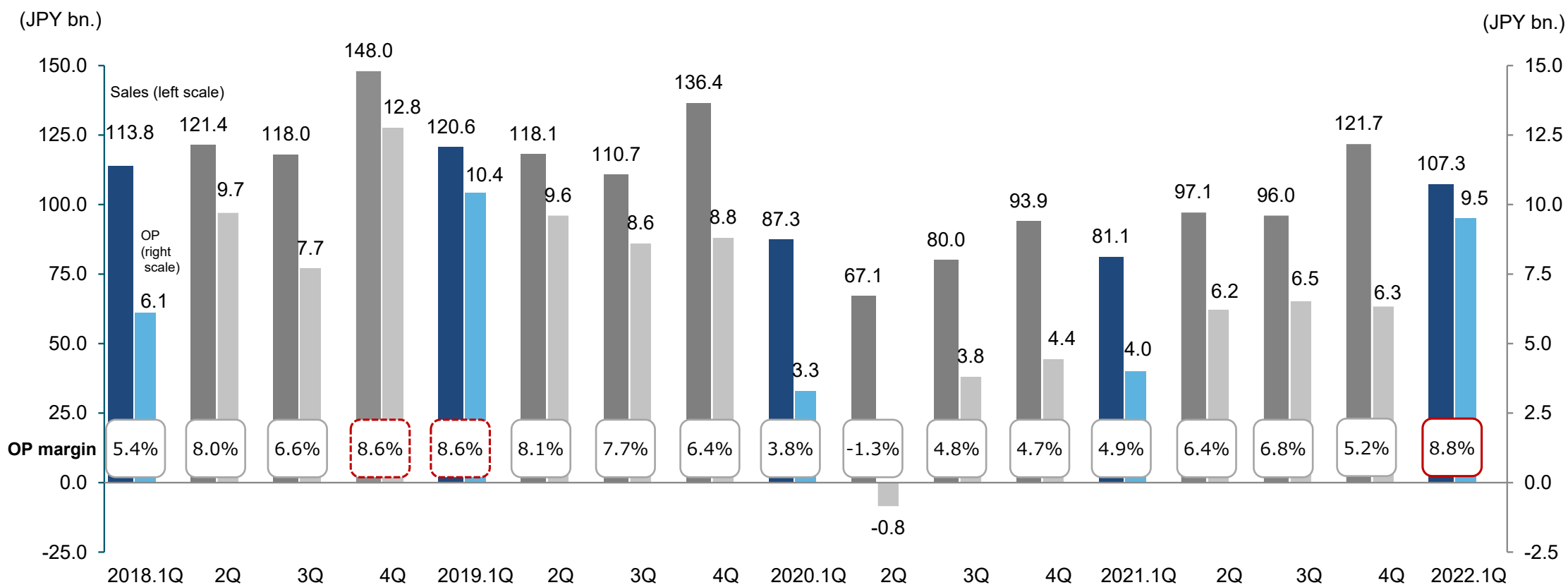
\*Domination Profit and Loss Transfer Agreement



# Quarterly financial results

**DMG MORI**

- Operating profit margin of 8.8% exceeded the previous peak of 8.6% in 4Q 2018 and in 1Q 2019  
(Excluding periods with extraordinary gain)
- Improved gross profit by differentiated products. Abundant order backlog led to planned procurement and production



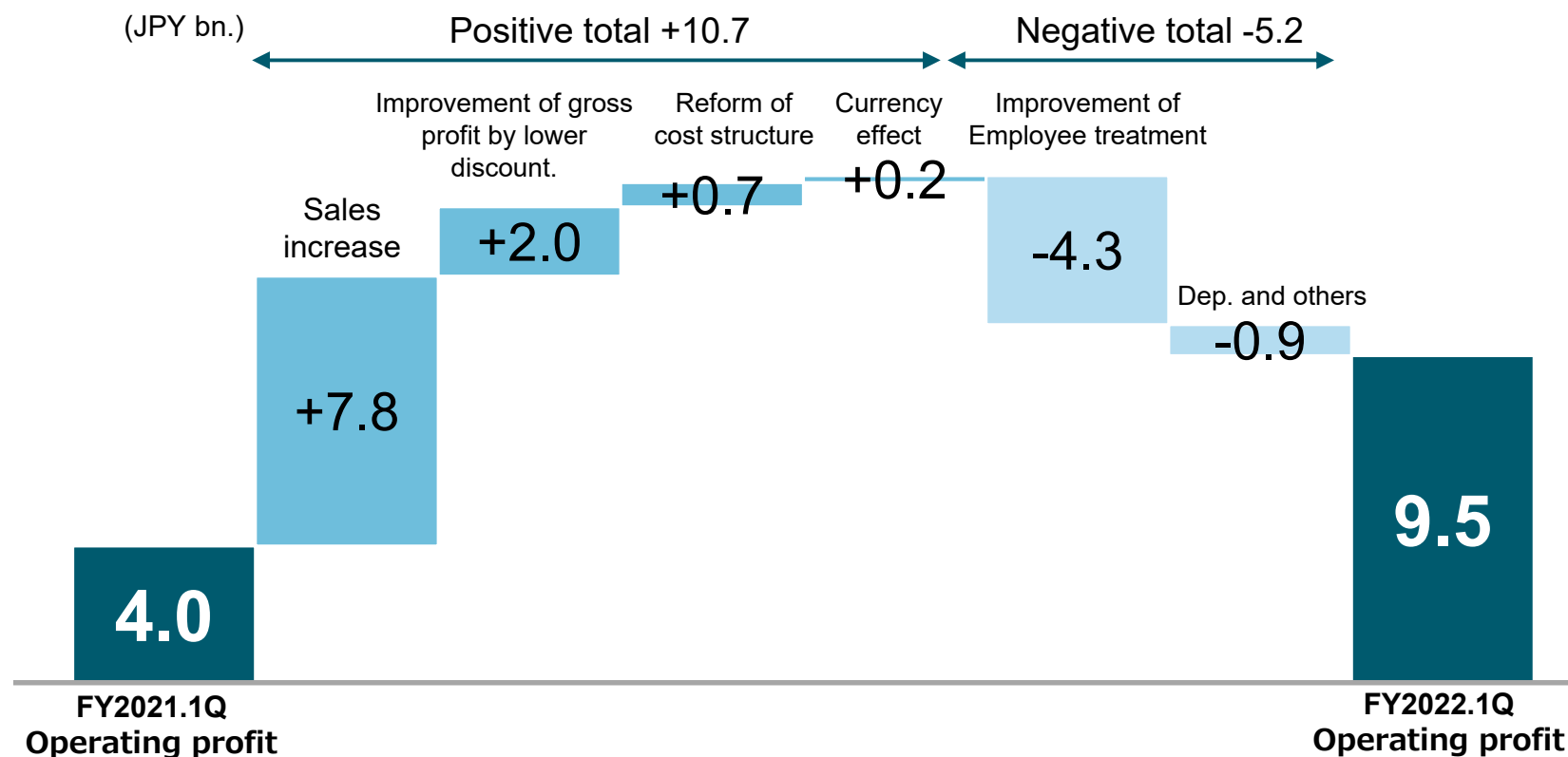
# Operating profit bridge FY2021 1Q vs FY2022 1Q

**DMG MORI**

- Contribution by lower discount rate derived from process integration, automation and DX
- Break up from low-price and short-delivery order intake

(JPY bn.)	FY2021.1Q	FY2022.1Q	changes
Sales revenue	81.1	107.3	+26.2

FX rate:		<u>FY2021.1Q</u>	<u>FY2022.1Q</u>
	USD/JPY	105.9	116.2
	EUR/JPY	127.7	130.4

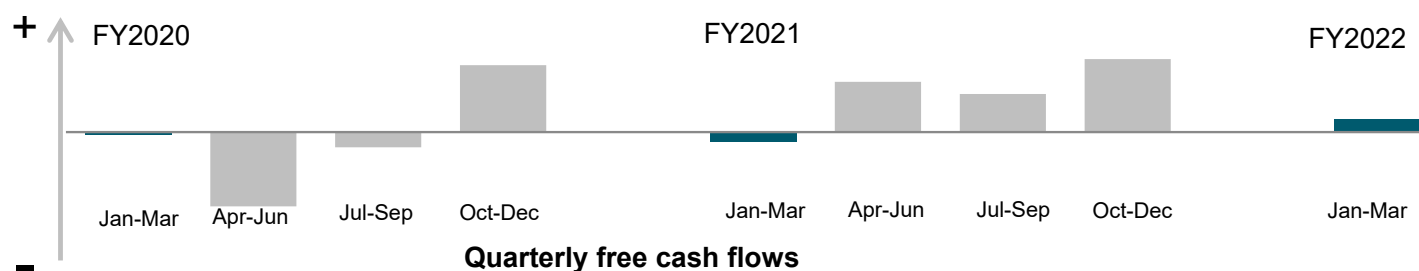


## Cash flows

**DMG MORI**

- FCF turned to black of 2.4 bn. yen. Positive by growing profits and down-payments, negative by increased receivables
- Full fiscal year free cash flow is expected to be 30 bn. yen or more

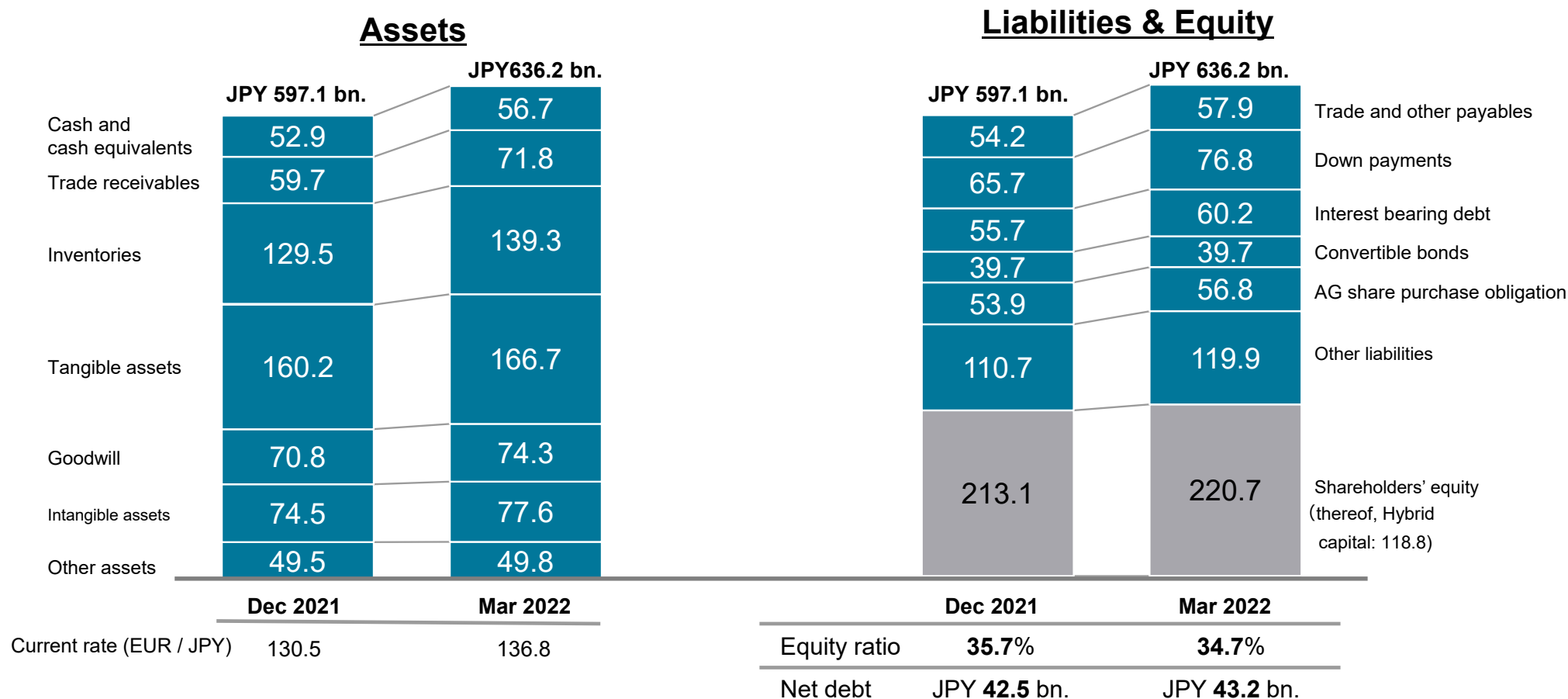
(JPY bn.)	2020					2021					2022		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q		FY (Plan)
<b>Operating cash flow</b>	<b>2.5</b>	<b>-10.9</b>	<b>-0.5</b>	<b>22.6</b>	<b>13.6</b>	<b>2.6</b>	<b>13.4</b>	<b>10.6</b>	<b>23.1</b>	<b>49.7</b>	<b>12.5</b>		<b>53.0</b>
Profit before taxes	1.3	-1.8	2.8	2.8	5.1	3.1	5.4	5.6	5.5	19.6	8.9		
Depreciation & amortization	5.9	5.7	5.8	6.7	24.1	5.5	5.4	5.3	5.7	21.9	5.6		
Changes in working capital	4.4	-10.6	-5.4	14.0	2.2	-3.5	5.3	2.3	11.8	15.9	-1.8		
Others	-9.0	-4.2	-3.7	-0.9	-17.8	-2.5	-2.7	-2.7	0.2	-7.7	-0.2		
<b>Investment cash flow</b>	<b>-3.1</b>	<b>-3.9</b>	<b>-2.5</b>	<b>-9.3</b>	<b>-18.9</b>	<b>-4.5</b>	<b>-3.4</b>	<b>-3.0</b>	<b>-8.5</b>	<b>-19.4</b>	<b>-10.1</b>		<b>23.0</b>
(thereof, acquisition of tangible and intangible fixed assets)	-2.9	-4.1	-3.5	-9.6	-20.1	-4.4	-3.1	-5.7	-10.0	-23.3	-10.2		
<b>Free cash flow</b>	<b>-0.6</b>	<b>-14.9</b>	<b>-3.1</b>	<b>13.3</b>	<b>-5.2</b>	<b>-1.8</b>	<b>10.0</b>	<b>7.6</b>	<b>14.6</b>	<b>30.4</b>	<b>2.4</b>		<b>30.0</b>



## Balance sheet summary

**DMG MORI**

- The weak yen inflated total balance sheet by approximately 20 bn. yen
- Net debt balance of 43.2 bn yen almost flat from December last year



Net D/E ratio at the end of March : **0.20** (0.20 as at end Dec. 2021)

## FY2022 full-year forecast

**DMG MORI**

- Full-year 2022 consolidated order forecast raised to be 500+α bn. yen
- Full-year forecast upward; Sales: 430→450 bn. yen, OP: 40→45 bn. yen, OP margin: 10%, Dividend/share: 60→70 yen

JPY bn	FY2019	FY2020	FY2021	FY2022		
				Plan	YoY (%)	Previous (Feb 10 <sup>th</sup> )
<b>Consolidated order intake</b>	409.4	279.7	456.0	<b>500+α</b>	+9.6%	480.0
<b>Sales revenue</b>	485.8	328.3	396.0	<b>450.0</b>	+13.6%	430.0
<b>Operating profit</b>	37.3	10.7	23.1	<b>45.0</b>	+95.1%	40.0
% to sales revenue	7.7%	3.3%	5.8%	10.0%		9.3%
<b>Net finance costs</b>	-5.9	-5.6	-3.5	<b>-3.5</b>	-	-3.5
(thereof, economic compensation associated with DA*)	(-3.5)	(-3.0)	(-1.8)	(-2.0)		(-2.0)
<b>Profit before taxes</b>	31.5	5.1	19.6	<b>41.5</b>	2.1x	36.5
<b>Net profit (after taxes)</b>	18.0	1.7	13.5	<b>28.0</b>	2.1x	25.0
<b>EPS (Yen)</b>	138.64	3.40	91.75	<b>209.80</b>		185.92
<b>Dividend per share (Yen)</b>	60	20	40	<b>70</b> (interim 30, end 40)		60
Depreciation & amortization including lease	23.1	24.1	21.9	<b>23.0</b>		23.0
Capital expenditure	21.2	20.1	23.3	<b>23.0</b>		23.0
USD/JPY	109.1	106.8	109.8	<b>120</b>		110
EUR/JPY	122.1	121.8	129.9	<b>135</b>		130

\*Domination Profit and Loss Transfer Agreement

## 1. FY2022 1Q (Jan-Mar) Financial Summary

## **2. Business Environment**

## 3. Focus Topics

- ① Two Headquarters System (Tokyo & Nara)  
Recruiting Talented People, Pursuit of Cutting-Edge Technology, BCP Promotion
- ② Promotion of Small-Scale Business Meeting
- ③ Established “AM Lab & Fab” at Iga Plant, developing Additive Manufacturing Business
- ④ Contribution in Process Integration through Technology Cycles

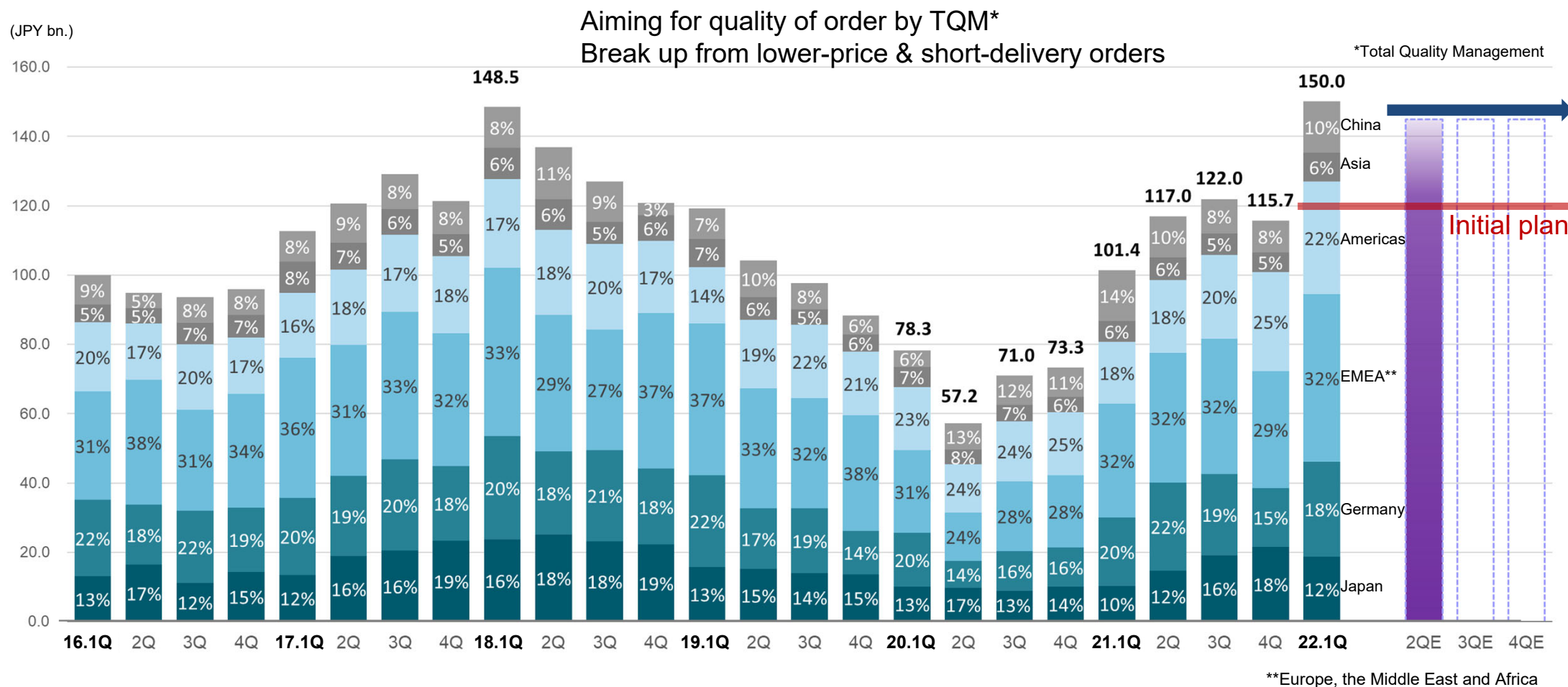
## 4. ESG/CSR Initiatives

- ① Employee Health and Productivity Management
- ② Cooperation with Nara Women's University
- ③ Partnership Building Declaration
- ④ Progress in Climate Change Efforts

## Consolidated order composition (by region)

**DMG MORI**

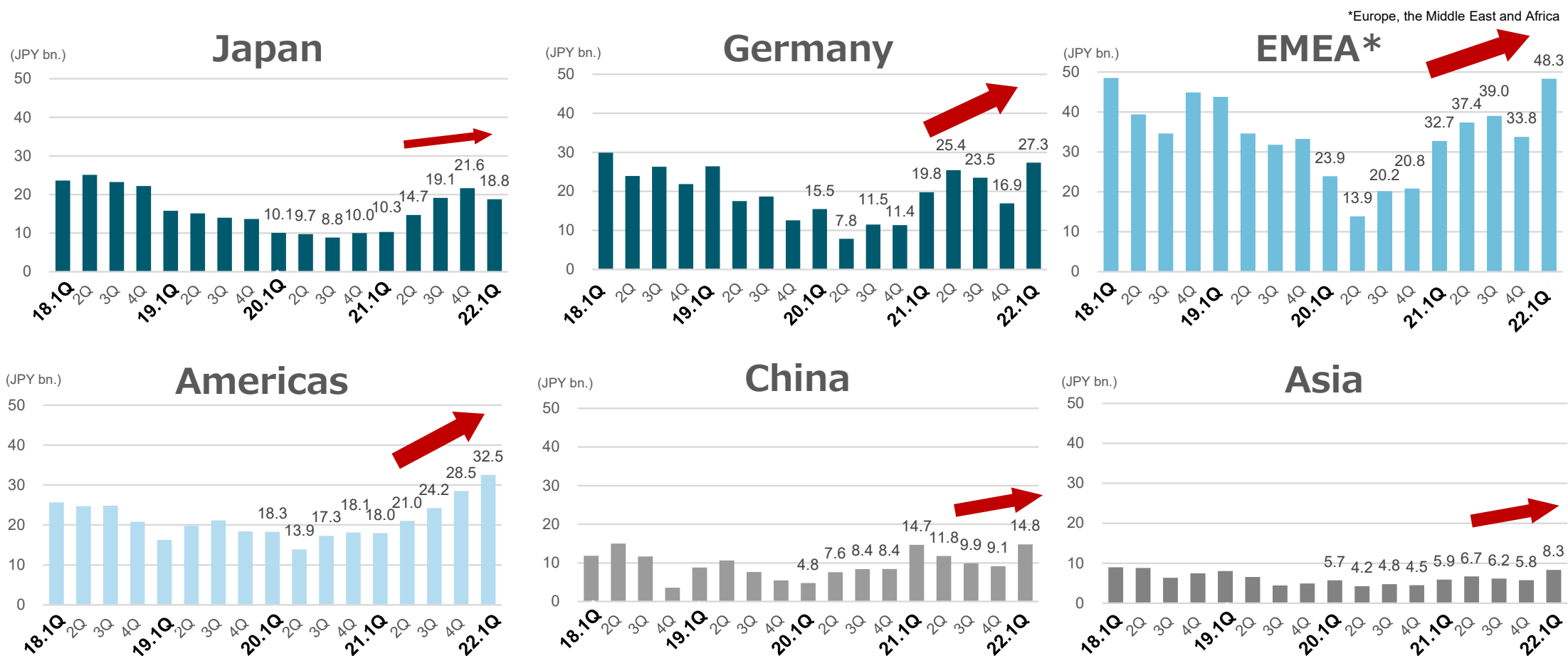
- Consolidated orders hit a record-high (previous peak: 148.5 bn yen in 1Q 2018)
- Stable order trend likely to continue 2Q onwards. More focus on process integration, automation and DX



## Order intake by region

**DMG MORI**

- Stable order momentum in all region
- Orders in Americas, China and Asia went ahead of the previous peak. European markets remain stable





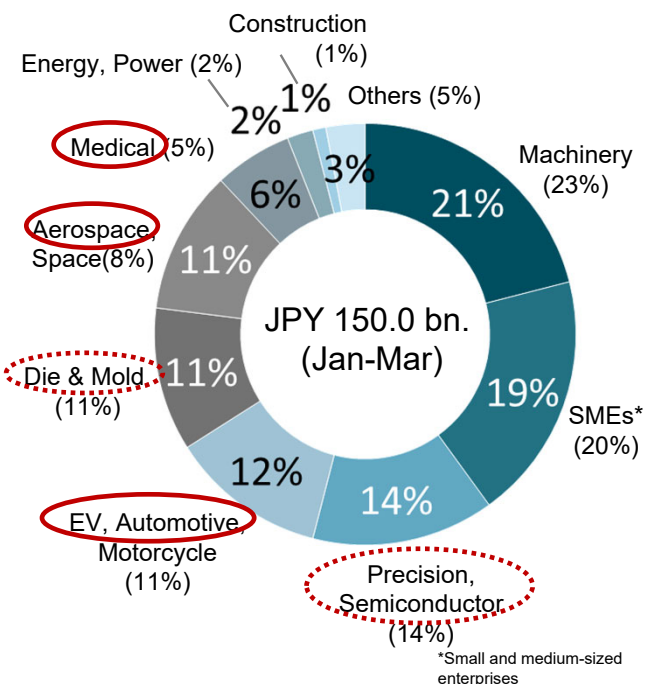
## Consolidated order composition (Jan. - Mar.)

**DMG MORI**

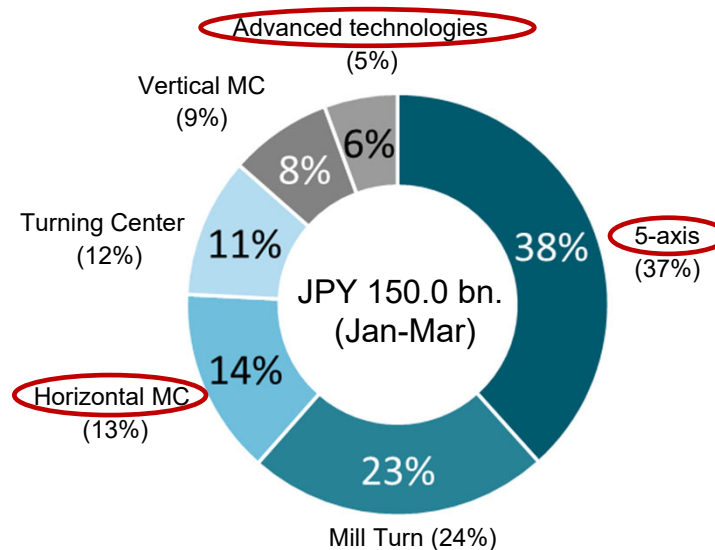
- Demand in all industries remained in good trend with space, medical, EV, mold and SPE particularly driving
- Large-scale projects increasing by global brand companies. Share of mid-large sized companies rose

Based on amount  
(%in brackets:  
FY2021 Jan-Dec)

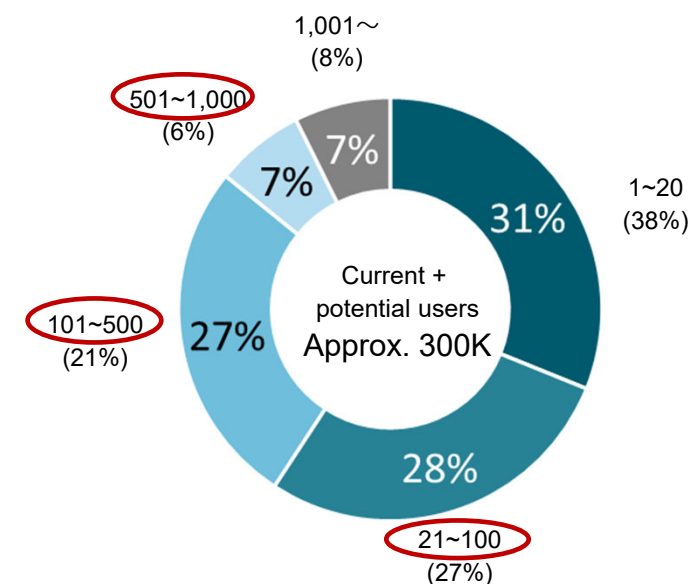
**by industry**



**by product type**

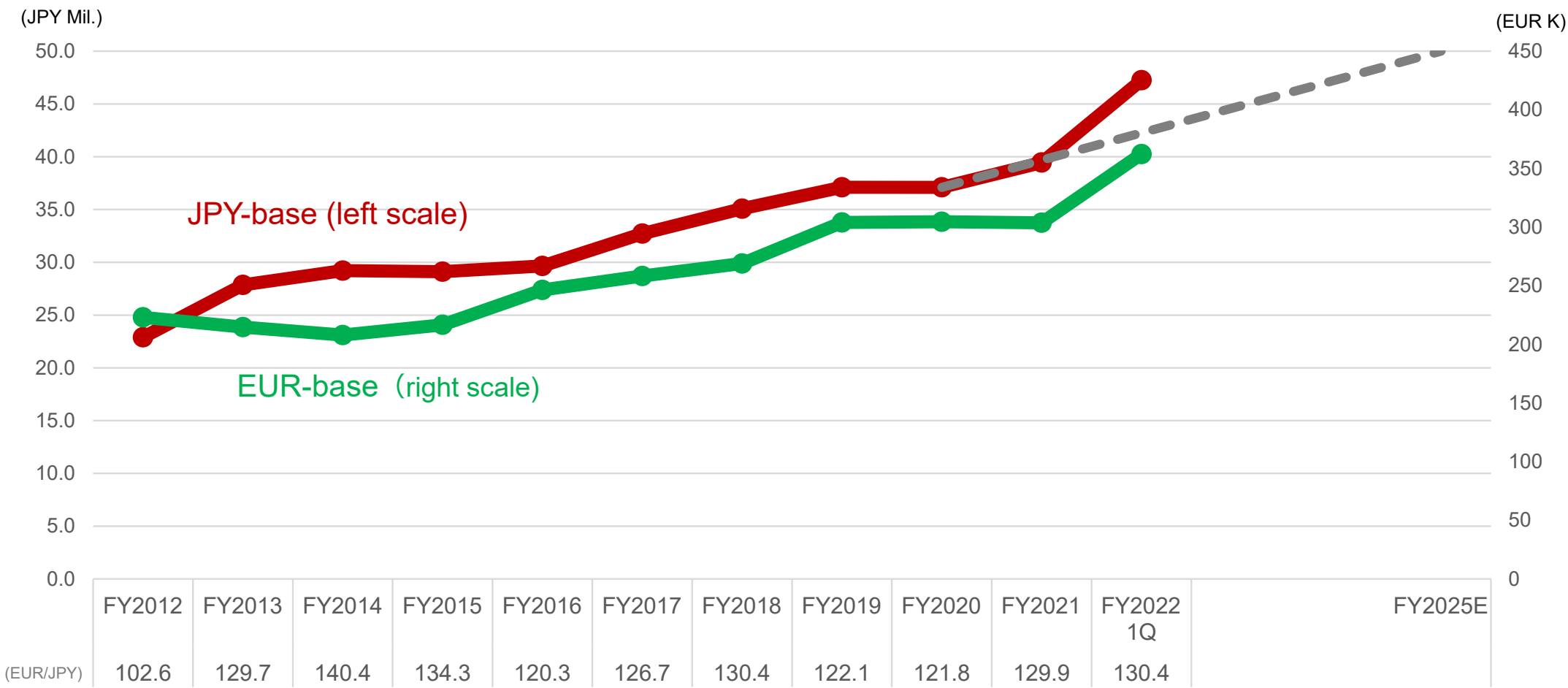


**by customer's employee number**



# Average order price per unit

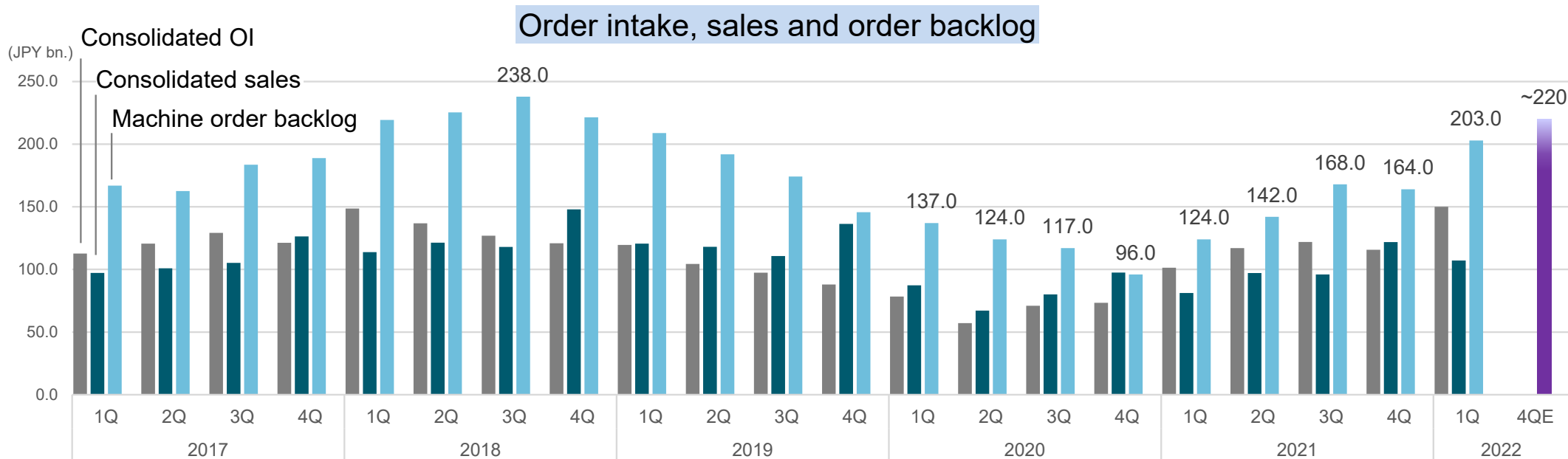
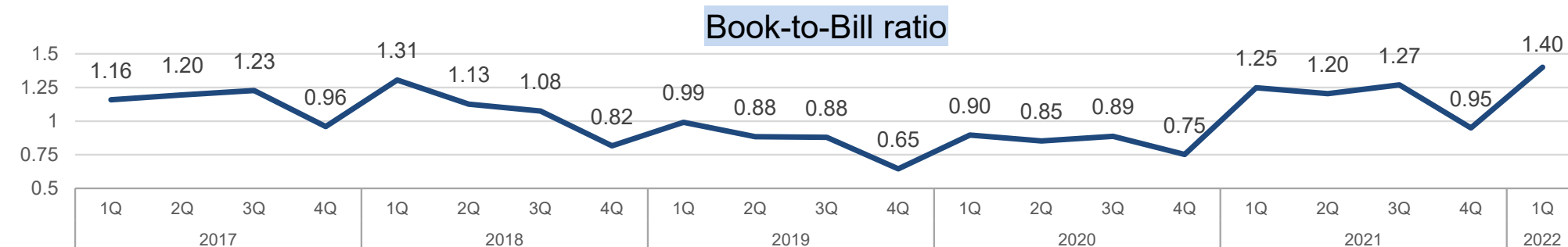
- Average price of machine tool per unit rose substantially to 47.2 mil. yen (FY2021 average: 39.4 mil. yen)
- Drivers include process integration, automation, DX and large-scale projects



## Transition of order intake & order backlog

**DMG MORI**

- Book-to-Bill ratio in the first three month of this fiscal year improved to 1.4
- Order backlog climbed to 203 bn yen at the end of Mar. Order backlog to be planned to 220 bn. yen at Dec. 2022



## 1. FY2022 1Q (Jan-Mar) Financial Summary

## 2. Business Environment

## 3. Focus Topics

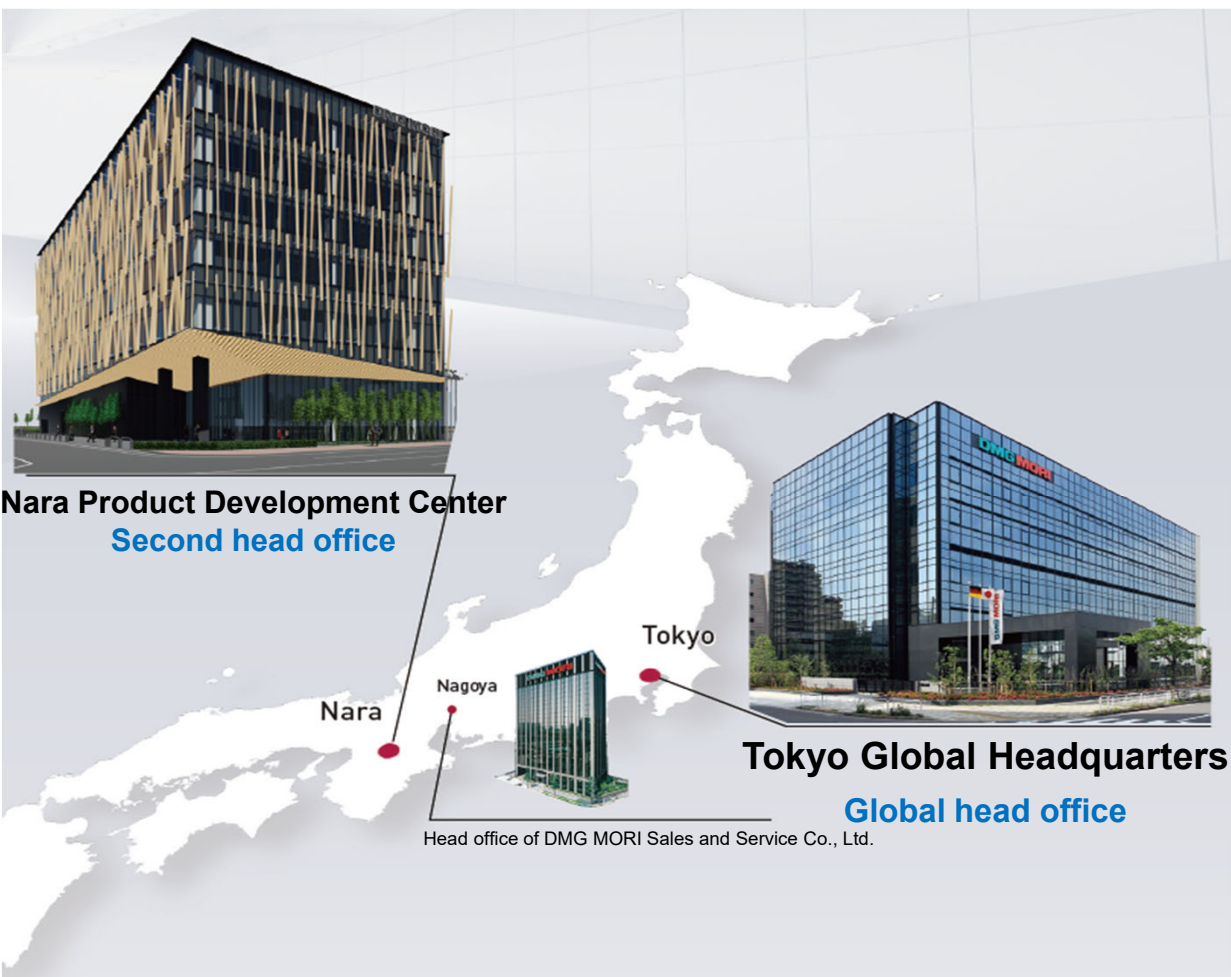
- ① **Two Headquarters System (Tokyo & Nara)  
Recruiting Talented People, Pursuit of Cutting-Edge Technology, BCP Promotion**
- ② **Promotion of Small-Scale Business Meeting**
- ③ **Established “AM Lab & Fab” at Iga Plant, developing Additive Manufacturing Business**
- ④ **Contribution in Process Integration through Technology Cycles**

## 4. ESG/CSR Initiatives

- ① Employee Health and Productivity Management
- ② Cooperation with Nara Women's University
- ③ Partnership Building Declaration
- ④ Progress in Climate Change Efforts

## Two headquarters system (Tokyo & Nara)

### Introduction of two headquarters system from July 2022



### Nara Product Development Center (Nara PDC)

Scheduled to open in July 2022

Promoting networking of engineers from among enterprises and academics, close to JR Nara station

### Tokyo Global Headquarters (Tokyo GHQ)

Opened in July 2014

Approx. 30 state-of-the-art products exhibited in showroom

### Strengthen risk managements

- ❑ Complement headquarters function each other
- ❑ Update business continuity planning

#### <Updated points>

- Measures in case of huge earthquakes and infectious diseases
- Resilience to other hazardous incidents (e.g. cyber criminals)

## Training facilities for customers in Japan to provide private lessons



- ✓ Build training facilities of DMG MORI Academy in several cities in Japan
- ✓ Decided opening training centers in Kanazawa, Hamamatsu, Sendai  
To be decided in Okayama, Fukuoka by the end of 2022



Kanazawa: Open in October 2022 (planned) \*  
Lease part of the ground floor of the building



Hamamatsu: Open in January 2023  
(planned)



Sendai: Open in summer 2023  
(planned)

### **Exhibition of machine tools\*, TULIP, 3D measuring device; Set training rooms**

\*e.g., DMU 50, NTX 1000, NLX 2500, NVX 5000, NHX 4000

- Offer opportunities for customers to come into touch with our products
- Places where private lessons can be held and contributes to operators' skill development



## Grand opening of new Boston Technology Center (Apr. 12, 2022)

**DMG MORI**

### DMG MORI Boston

- DMG MORI Technology Center and Tulip Interfaces\*'s HQs & showroom are shared in the same building
- Promoting digitization by use of the low-code-manufacturing platform "TULIP"

#### Tulip Interfaces Inc.

2014 Established; Started by a team of engineers out of the US MIT Media Lab and engaged in software development

2019 DMG MORI participated in with a 14.6% stake

Estimated value: USD 800 mn. (approx. JPY 100 bn.)



Location: Somerville MA



## Development of Technology Fridays (small-scale meeting with 10 to 50 guests) in global markets

**DMG MORI**

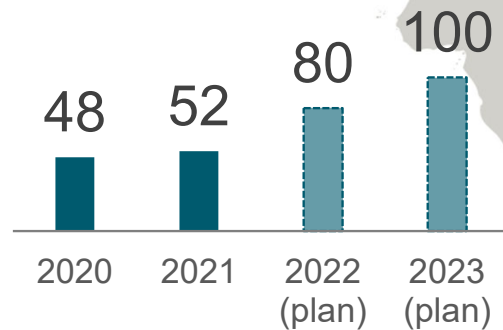


Tokyo

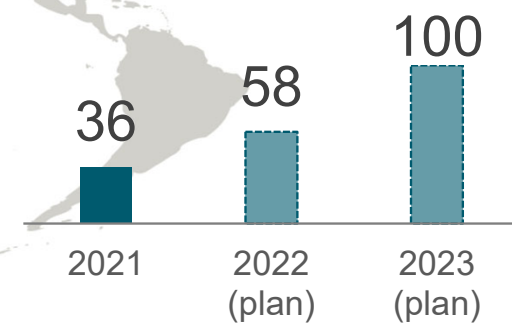


Chicago

**Number of Technology Fridays held in Japan**



**Number of Private Technology Tour held in the US**





## 5-axis machining association

**DMG MORI**

- ✔ Contribute to address a social challenge of the shortage of skilled workers by promoting process integration with 5-axis machines



Number of registered member: **137** (as of April 1)

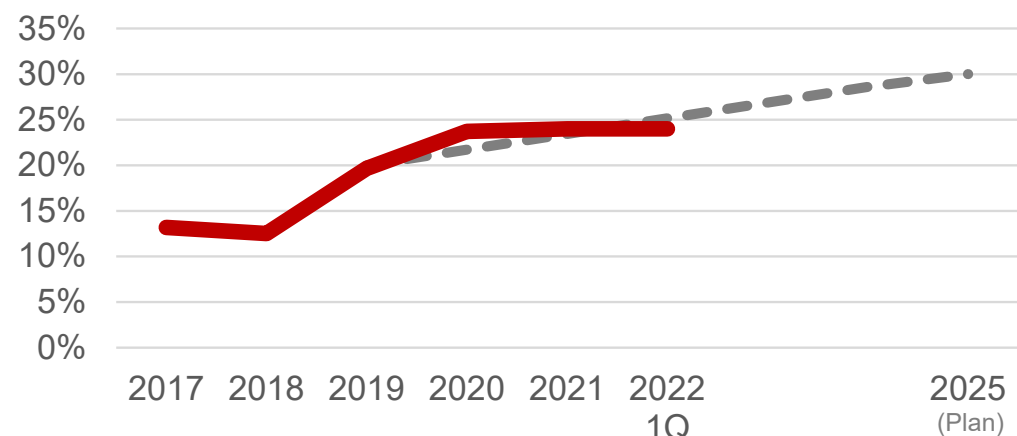
### 5-axis private lesson in Japan (2019 - March 2022)

Number of session held	approx. <b>2,100</b>
Number of participate companies	approx. <b>2,700</b>
Number of participants	approx. <b>5,300</b>

Iriso Precision Co., Ltd. started 5-axis navigation from March 2022

**80** sessions are planned for fiscal year 2022

### Share of 5-axis machine in total machine orders in Japan



Private lesson



5-axis Machining Association  
Members' magazine 「DISCOVERY」

New Medical Excellence Center opened in Stuttgart, Germany (Apr. 2022)

**DMG MORI**

DMG MORI Medical Excellence Center: 4th Excellence Center in the world  
(Seebach & Stuttgart (Germany), Chicago and Shanghai)  
Technology Fridays to be held in Stuttgart and Pfronten



Acetabular  
prosthesis



Knee joint



Bone plate



# OPEN HOUSE PFRONTEN (May 9 – 21, 2022)

**DMG MORI**



09. – 21.05.2022

May 09 – 13 & 16 – 21, 2022  
Mon – Fri 9:00 a.m. – 6:00 p.m. | Sat 9:00 a.m. – 2:00 p.m.

**DMG MORI**  
OPEN HOUSE 2022  
PFRONTEN

**DMG MORI OPEN HOUSE  
IN PFRONTEN**

**NEW**  
TWO WEEKS  
OPEN

**WORLD  
PREMIERES  
2022**

**AUTOMATION**

**GEAR CUTTING AND  
5-AXIS MACHINING**

The graphic features a large aerial photograph of the DMG MORI Pfronten industrial park, which includes a large building with a green roof and a modern glass-fronted 'XHL Center'. In the foreground, several DMG MORI industrial machines are displayed, including two large vertical lathes, a smaller machine, and a robotic arm. A circular inset on the right shows a close-up of a gear being cut by a tool. The background shows a green valley with a small town and forested mountains.



## Establishment of Additive Manufacturing Laboratory & Fabrication (AM Lab & Fab)

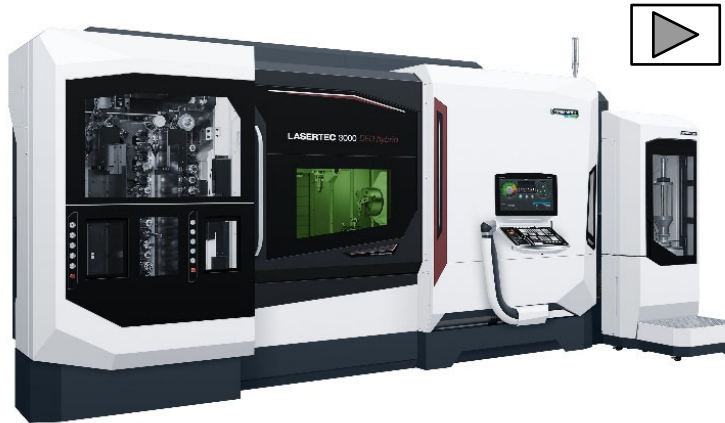
**DMG MORI**

- ✔ Launch contract processing services using Additive Manufacturing machines in Iga
- ✔ Similar function to be opened by the end of 2022 in Tokyo Global Headquarters





- DED : Directed Energy Deposition  
(Powder nozzle technology)



LASERTEC 3000 *DED hybrid*

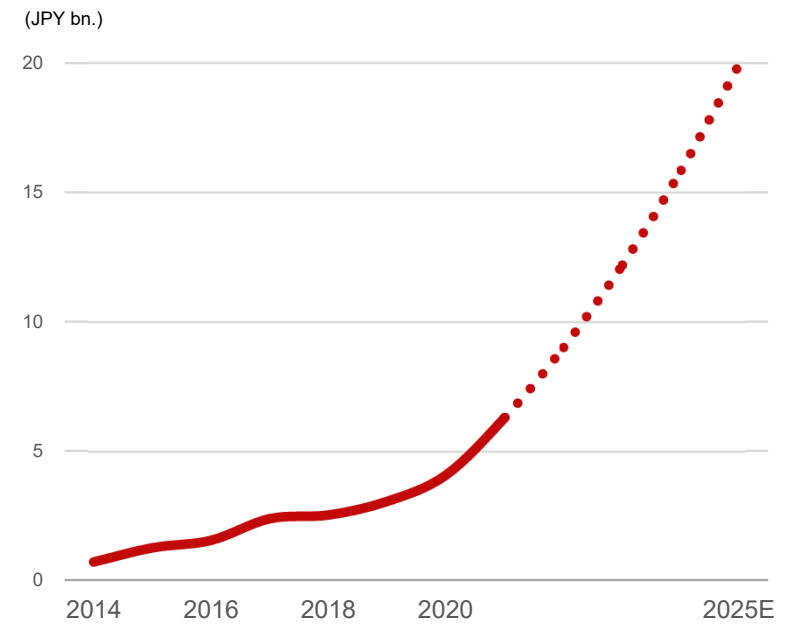


- SLM : Selective Laser Melting  
(Powder bed technology)



LASERTEC 30 *SLM*  
2<sup>nd</sup> Generation

## Order intake of additive manufacturing at DMG MORI (worldwide)



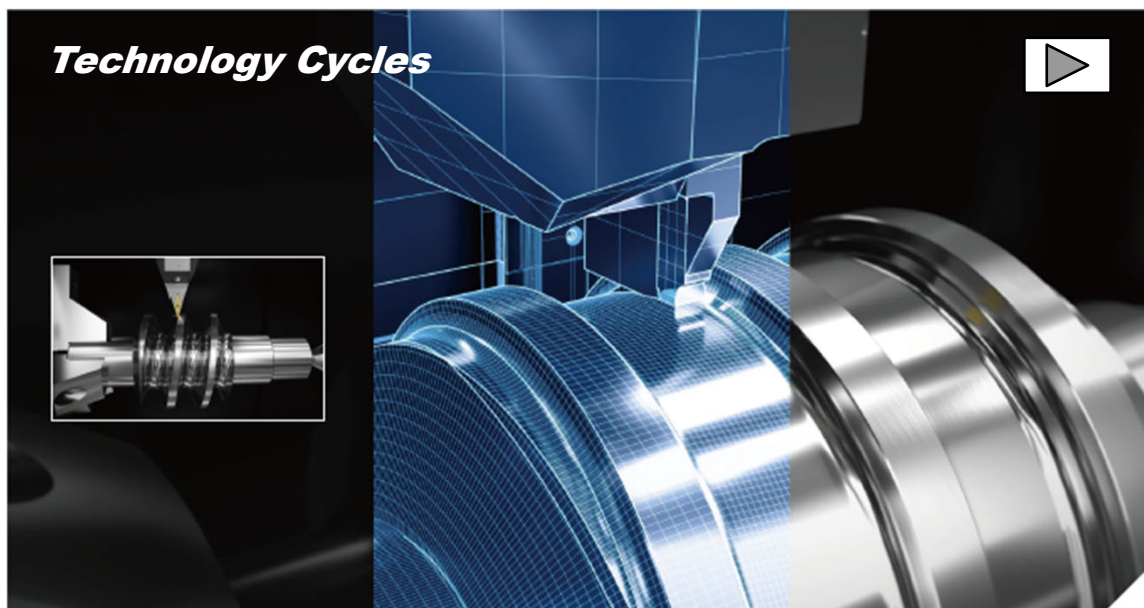




## Multi-threading 2.0

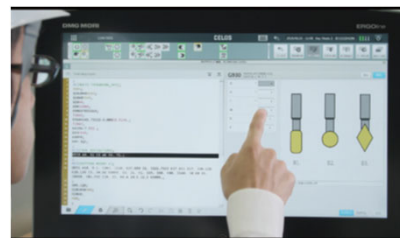
Programming for special threading

**Technology Cycles**



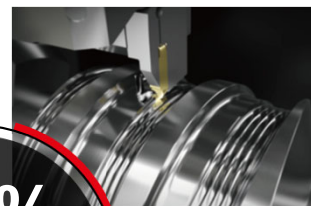
### Point 1

Drastic reduction of programming time



### Point 3

No special tools required



### Point 2

Various screw shapes



### Point 4

Applicable to worm-gear cutting



Decelerator parts  
Application: Medical equipment, etc.

Without Multi-threading  
3 processes / **40** minutes

With Multi-threading  
1 process / **15** minutes

**63%**  
reduction of total  
process time

## 14 Handling Cycles



## 24 Machining Cycles



## 10 Measuring Cycles



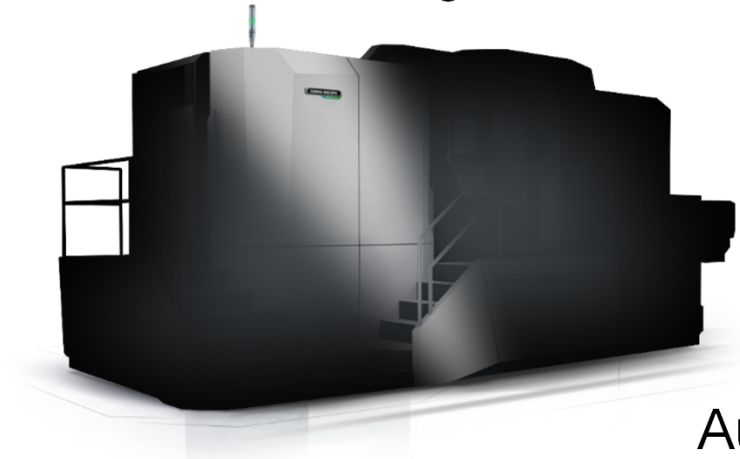
## 7 Monitoring Cycles



**55**

Technology  
cycles

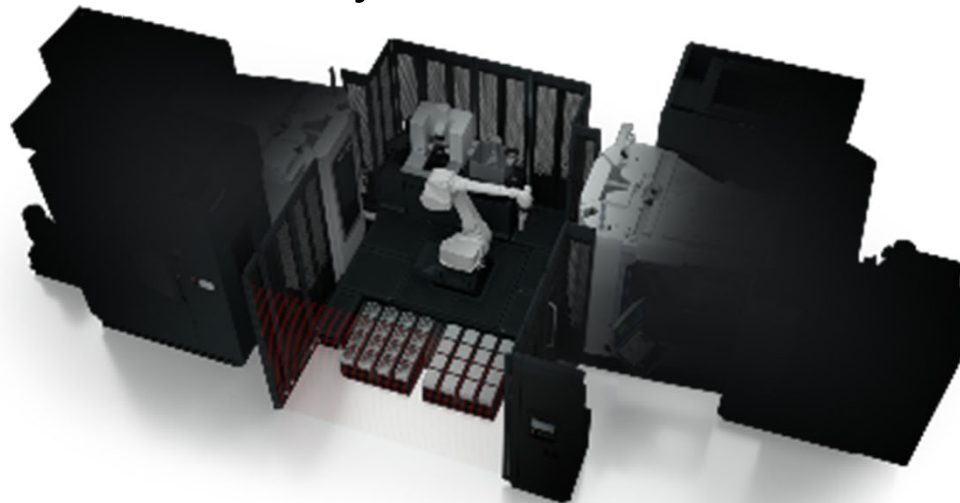
### High-precision & high-speed horizontal 5-axis machining center



### High-precision compact mill-turn center NTX 500



### Automation system





## 1. FY2022 1Q (Jan-Mar) Financial Summary

## 2. Business Environment

## 3. Focus Topics

- ① Two Headquarters System (Tokyo & Nara)  
Recruiting Talented People, Pursuit of Cutting-Edge Technology, BCP Promotion
- ② Promotion of Small-Scale Business Meeting
- ③ Established “AM Lab & Fab” at Iga Plant, developing Additive Manufacturing Business
- ④ Contribution in Process Integration through Technology Cycles

## 4. ESG/CSR Initiatives

- ① **Employee Health and Productivity Management**
- ② **Cooperation with Nara Women’s University**
- ③ **Partnership Building Declaration**
- ④ **Progress in Climate Change Efforts**

# Employee Health and Productivity Management (1)



## 1 year has passed since the announcement of the Health Management Declaration in January 2021

### DMG MORI Health Management Declaration

DMG MORI places importance on the health management of its employees and will promote efforts towards the realization of “Health Management.”

DMG MORI writes the following in its Mission Statement:

“Play hard and be dynamic to enrich our private lives, study continuously and be open to advance professional career, and work together and be innovative to bring innovation to workplace.”

DMG MORI believes that the employees' vitality is connected to a healthy mind and body. This vitality is essential to the sustainable growth of our company.

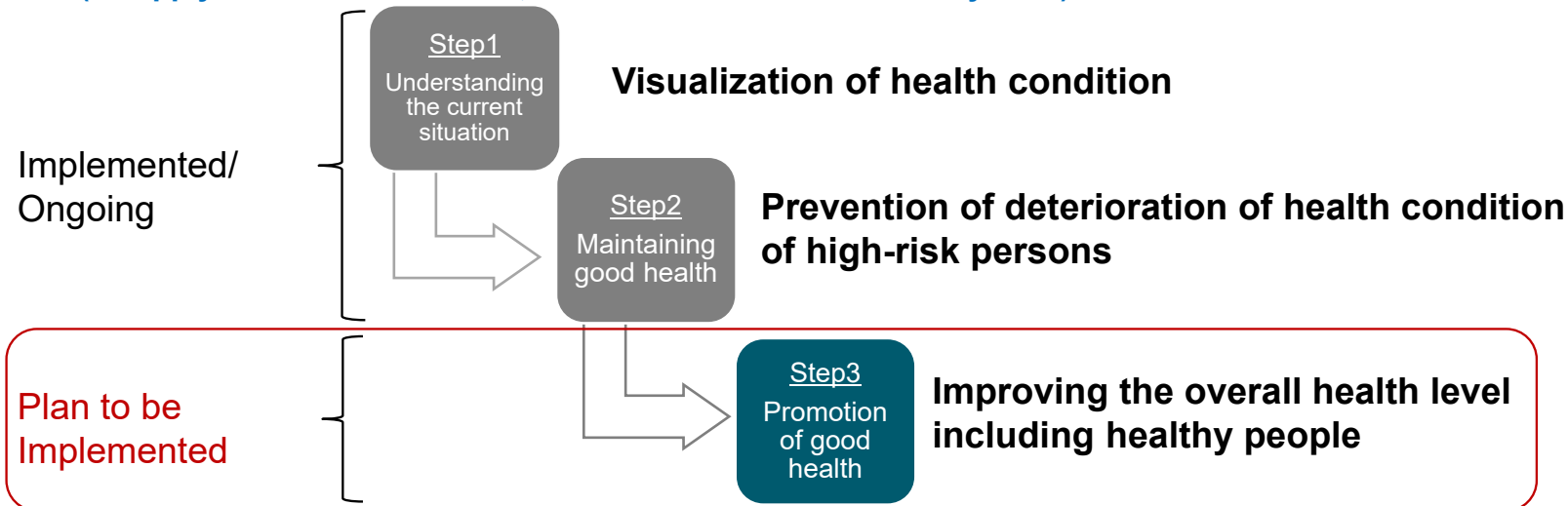
DMG MORI pledges to support the health improvement activities of its employees and to implement health improvement strategies to foster a corporate culture in which each employee's health can reach its fullest potential.

January 4th, 2021  
Masahiko Mori, Dr., Eng.  
President  
DMG MORI Co., Ltd



## Plan to acquire an excellent health management corporation (White 500)

(To apply around autumn 2022, to be certified around February 2023)

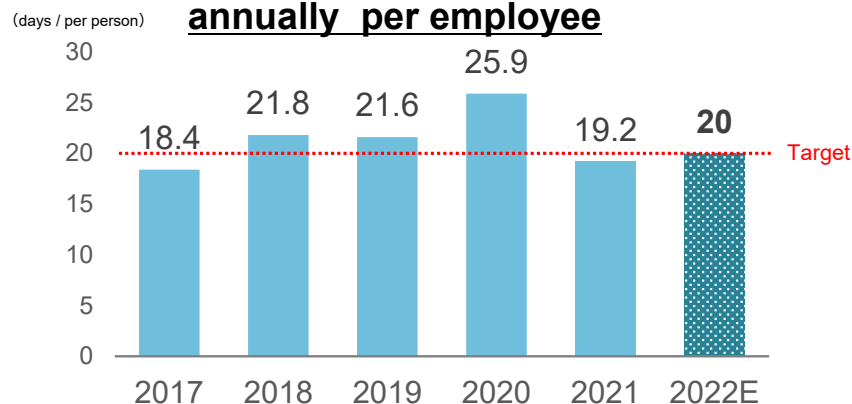


Acquired sports ale company certification(Certified by Japan Sports Agency)

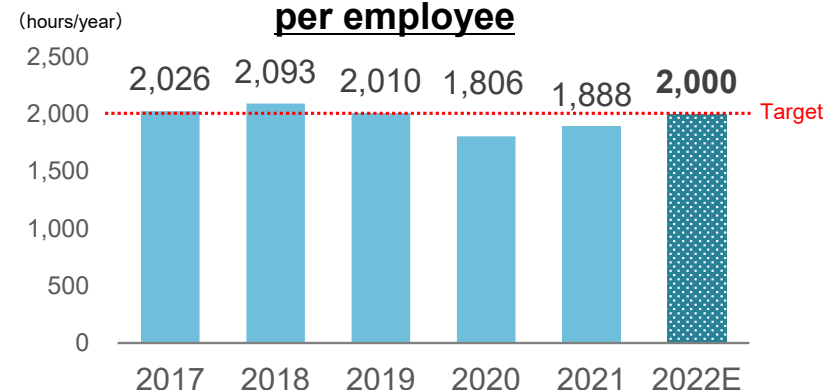
- ✔ Create an environment where employees can continue to work in good health, leading to vitality as a company.



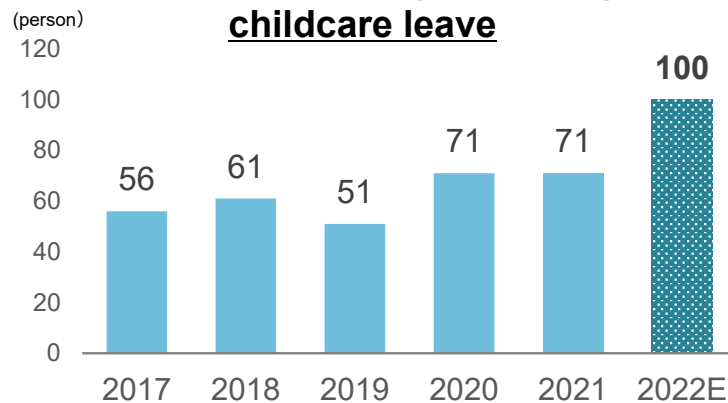
**Number of paid holidays taken annually per employee**



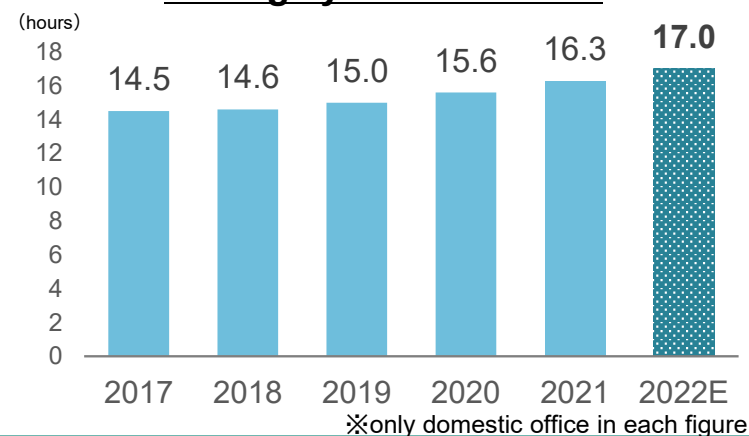
**Total annual working hours per employee**



**Number of employees taking childcare leave**



**Average years of service**



## HR development: cooperation with Nara Women's University

**DMG MORI**

- ✔ Support for the University, that became Japan's 1st women's university with a faculty of engineering
- ✔ Signed in comprehensive cooperation agreement in March 2022
- ✔ 40 students for 2022 entrance exam.(Application rate : early exam 3.6x, late exam 12.1x) Source: Nara Women's University



Nara Women's University  
Memorial Hall



Faculty of engineering



DMG MORI Nara Development Center  
(PDC)

Collaboration on education and training of female science and engineering researchers and engineers and their success in society

- Dispatch of lecturers and instructors
- Developing a curriculum that utilizes machining center technology
- Practical training using DMG MORI's machines (planned to be conducted at Nara PDC)



## “Partnership Building Declaration” : new cooperation with business partners and compliance with desirable business practices

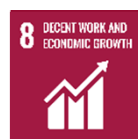
✓ We agree with the purpose of the “Partnership Building Declaration and declared to focus on the following items

- ✓ **Coexistence and co-prosperity of the entire supply chain and new cooperation that transcends business scale and affiliates**
- ✓ **Compliance with desirable trading practices (“promotion standards”) between contracting company and subcontractors**



By practicing the efforts of the Declaration, the SDGs will be achieved at the same time.

We are now working on the following five goals through the “SDGs” (Sustainable Development Goals Declaration) that many companies are working on.



Logo of “Partnership Building Declaration”

<https://www.icci.or.jp/partnership/>

### 「パートナーシップ構築宣言」

当社は、サプライチェーンの取引先の皆様と価値創造を図る事業者の皆様との連携・共存共栄を進めることで、新たなパートナーシップを構築するため、以下の項目に重点的に取り組むことを宣言します。

1. サプライチェーン全体の共存共栄と規模・系列を超えた新たな連携  
直接の取引先に本宣言の趣旨・内容をご説明し、ご理解・ご協力いただくことを通じてその先の取引先に働きかける（「Tier N」から「Tier N+1」へ）ことにより、サプライチェーン全体での付加価値向上に取り組むとともに、既存の取引関係や企業規模等を超えた連携により、取引先との共存共栄の構築を目指します。その際、災害時等の事業継続や働き方改革の観点から、取引先のテレワーク導入やBCP（事業継続計画）策定の助言等の支援にも努めます。

（個別項目）

- a. 企業間の連携（サプライチェーン全体の情報共有や見える化により業務効率向上を推進）
- b. IT実装支援（共通EDIの構築、データの相互利用、製造現場支援アプリ（TULIP）による生産・品質向上、生産計画の共有）
- c. サプライチェーン上の人権・環境デューデリジェンスのモニタリングシステムの構築・連携
- d. カーボンニュートラルへの取組（脱・低炭素化技術の共同開発、生産工程等の脱・低炭素化、グリーン調達）

2. 「振興基準」の遵守

親事業者と下請事業者との望ましい取引慣行（下請中小企業振興法に基づく「振興基準」）を遵守し、取引先とのパートナーシップ構築の妨げとなる取引慣行や商慣行の是正に積極的に取り組みます。

①価格決定方法

不合理な原価低減要求を行いません。取引対価の決定に当たっては、下請事業者から協議の申入れがあった場合には協議に応じ、原材料価格高騰分また労務費上昇分の影響を考慮するなど下請事業者の適正な利益を含むよう、十分に協議します。取引対価の決定を含め契約に当たっては、親事業者は契約条件の書面等による明示・交付を行います。

②梱包管理などのコスト負担

型管理の適正化を推進します。不要な型の廃棄を促進するとともに、保管が必要な型については保管費用の支払い等を下請事業者と十分協議のうえ合意します。

③手形などの支払条件

下請代金は従来通り現金で支払います。

④知的財産・ノウハウ

片務的な秘密保持契約の締結、取引上の立場を利用したノウハウの開示や知的財産権の無償譲渡などは求めません。

1

<https://www.biz-partnership.jp/declaration/8580-05-18-tokyo.pdf>



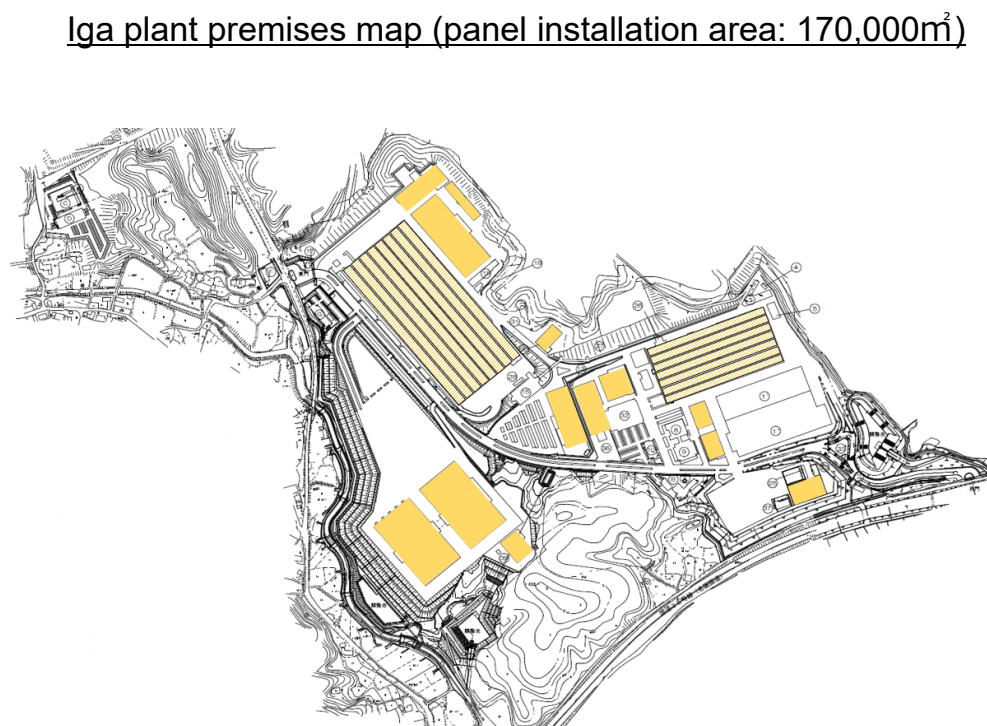
## Initiatives of carbon neutrality in Iga plant (1) Installation of solar PV panel

**DMG MORI**

- ✓ Sufficient up to 50% of daily power consumption with solar power
- ✓ CO<sub>2</sub> emissions reduction : approx. 5,300 tons per year  
(equivalent to 16% of Scope 2 emissions in base year 2019. The campus already switched to 100% CO<sub>2</sub>-free power since April 2021)
- ✓ Final completion to be in 2024



To be completed between 2023 to 2024



## Initiatives of carbon neutrality in Iga plant (2) Usage of biomass energy

**DMG MORI**

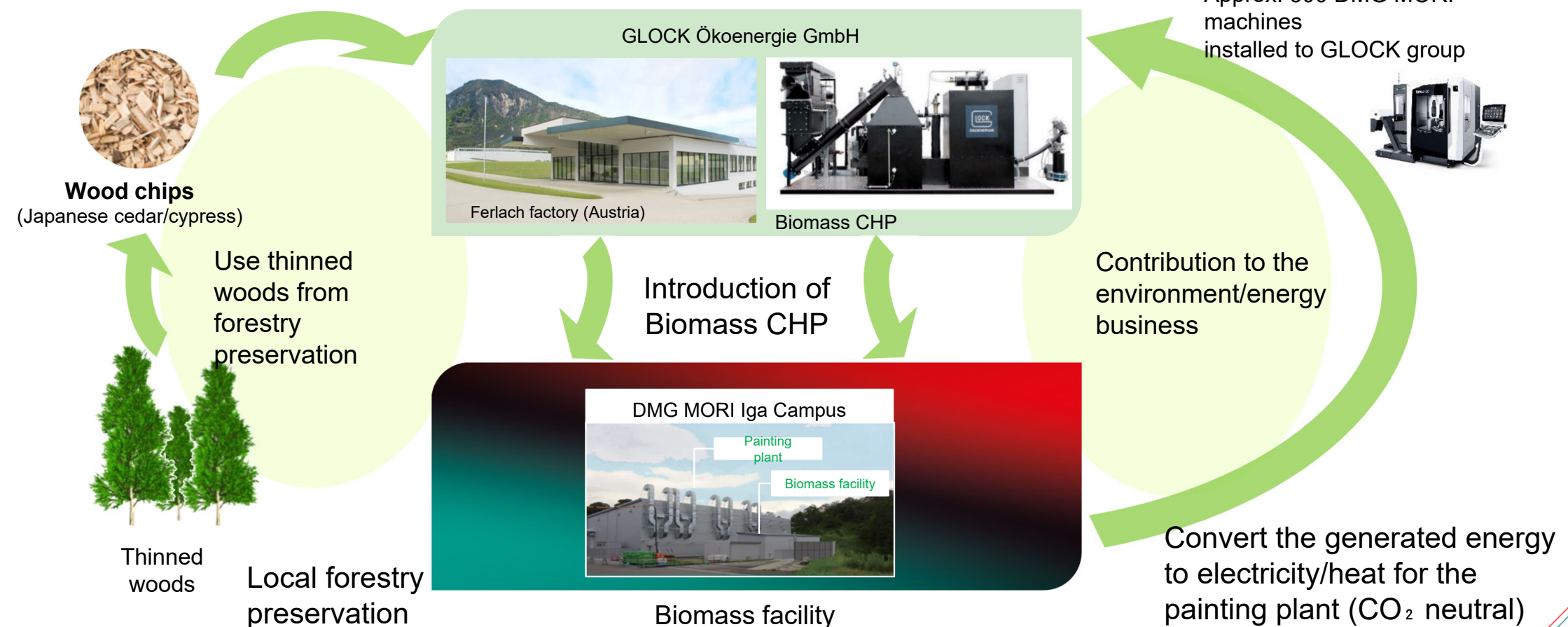


CHP : Combined Heat and Power

Approx. 300 DMG MORI machines installed to GLOCK group



- ✓ Biomass facility (CHP) to be established in Iga Campus in May, 2022
- ✓ Use biomass energy (net zero CO<sub>2</sub> emission)





- ◆ 2018～ Supporting Japanese pianist Mr. Kyohei Sorita
- ◆ May 2021 Establishment of Japan National Orchestra Co., Ltd.
- ◆ Now became an orchestra with “high application rate for the concert ticket”
- ◆ Japan nation-wide concert tour <https://www.jno2021.jp/>





This material contains targets, plans, etc. concerning the future of DMG MORI CO., LTD..

All predictions concerning the future are judgments and assumptions based on information available to DMG MORI CO., LTD. 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:

- Changes in the demand environment within the markets in which DMG MORI group operates
- Fluctuations in exchange rates
- Changes to the laws, regulations and government policies in the markets where DMG MORI group 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 group conducts its business
- Operational changes by the competent authorities or regulations related to anti-trust, export control, etc.
- Travel restrictions or stay-at-home requests for COVID-19 in Japan and other countries