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Securities Code: 6141  
March 2, 2018

To Our Shareholders

106 Kitakoriyama-cho, Yamato-Koriyama City, Nara  
**DMG MORI CO., LTD.**  
Masahiko Mori, President

## Notice of Convocation of the 70th Annual General Meeting of Shareholders

You are cordially invited to attend the 70th Annual General Meeting of Shareholders of DMG MORI CO., LTD. (the “Company”) to be held as described below.

**In the event that you are unable to attend the meeting, you may exercise your voting rights in writing. Please indicate your approval or disapproval on the enclosed Exercise of Voting Rights form and return the form to us no later than 5:00 p.m. (the end of the business day) on March 20, 2018 after reviewing the attached Reference Material for the General Meeting of Shareholders.**

1. **Date and time:** Thursday, March 22, 2018, 1:00 p.m.  
Reception for attendees begins at 12:00 a.m.  
  
(The time of holding the 70th Annual General Meeting of Shareholders is different from that of the meeting for the 69th Fiscal Year.)
2. **Venue:** Grand Hall, DMG MORI YAMATO KORIYAMAJO HALL  
211-3 Kitakoriyama-cho, Yamato-Koriyama City, Nara
3. **Agenda:**  
**Matters to be reported:**
  1. Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 70th Fiscal Year (from January 1, 2017 to December 31, 2017)
  2. Audit Reports of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board for the 70th Fiscal Year**Matters to be resolved:**
  - Proposal 1:** Appropriation of surplus
  - Proposal 2:** Election of nine (9) Directors
  - Proposal 3:** Revision of remuneration amount for Directors
  - Proposal 4:** Determination of remuneration for granting restricted shares to Directors

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### Request

- ⊙ Attendees are kindly requested to submit their Exercise of Voting Rights form to the receptionist on the day of the meeting.
- ⊙ If any revision is made with regard to the matters stated in the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and the Reference Material for the General Meeting of Shareholders, the modified information will be shown on the website of the Company (<http://www.dmgmori.co.jp/en/>).

## Reference Material for the General Meeting of Shareholders

### Agenda Items and Reference Matters

#### Proposal 1: Appropriation of surplus

Details pertaining to the appropriation of surplus are as follows:

Matters relating to year-end dividends

It is proposed that the year-end dividend for the current fiscal year be paid in consideration of providing a stable return, the year's operating results, future operating environment and other aspects, as follows.

(1) Type of dividends

Cash

(2) Allocation and total amount of the dividend assets

¥25 per common share of the Company  
(including a commemorative dividend of ¥10)      Total amount of dividends: ¥3,022,962,950

Since the interim dividend in the amount of ¥15 has been distributed, the annual dividend for the current fiscal year would be ¥40 per share (total amount of dividends: ¥4,867,489,805).

(3) Effective date of dividends of surplus

March 23, 2018

**Proposal 2:** Election of nine (9) Directors

The terms of office of all nine (9) Directors expire at the conclusion of this General Meeting of Shareholders. This proposal requests the election of nine (9) Directors, including four (4) External Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Brief personal history, position and area of responsibility (significant concurrent positions)	Number of the Company's shares held
1	Masahiko Mori (September 16, 1961)	<p>Mar. 1985 Graduated from the Department of Precision Engineering, the Faculty of Engineering, Kyoto University</p> <p>Apr. 1985 Joined ITOCHU Corporation</p> <p>Apr. 1993 Joined the Company</p> <p>Jun. 1994 Director, General Manager, Planning / Management Office and International Affairs Department</p> <p>Jun. 1996 Senior Director</p> <p>Jun. 1997 Executive Director</p> <p>Jun. 1999 President (incumbent)</p> <p>Oct. 2003 Dr. Eng. of the University of Tokyo</p> <p>Nov. 2009 Member of Supervisory Board, DMG MORI AKTIENGESELLSCHAFT (incumbent)</p> <p>To the present</p>	3,540,285 shares
2	Hiroaki Tamai (March 20, 1960)	<p>Mar. 1983 Graduated from the Faculty of Commerce, Doshisha University</p> <p>Mar. 1983 Joined the Company</p> <p>Jun. 2003 Director, Executive General Manager, Administrative HQ</p> <p>Jun. 2007 Senior Director, Executive General Manager, Administrative HQ</p> <p>Jun. 2008 Executive Director, Executive General Manager, Administrative HQ</p> <p>Jun. 2014 Executive Vice President, Director in charge of Sales &amp; Marketing / Engineering, Administrative, Executive General Manager, Sales &amp; Marketing / Engineering HQ, Administrative HQ</p> <p>Mar. 2016 Executive Vice President, Director in charge of Administrative, Executive General Manager, Administrative HQ (incumbent)</p> <p>To the present</p>	22,800 shares
3	Hirotake Kobayashi (December 25, 1954)	<p>Mar. 1977 Graduated from the Faculty of Economics, Keio University</p> <p>Apr. 1977 Joined Kirin Brewery Company, Limited (currently Kirin Holdings Company, Limited)</p> <p>Mar. 2012 Representative Director, Managing Director, Kirin Holdings Company, Limited</p> <p>Oct. 2015 Joined the Company</p> <p>Senior Executive Officer, Vice Executive General Manager, Accounting / Finance HQ</p> <p>Mar. 2016 Executive Director, Director in charge of Accounting / Finance, Executive General Manager, Accounting / Finance HQ</p> <p>Mar. 2017 Executive Vice President, Director in charge of Accounting / Finance, Executive General Manager, Accounting / Finance HQ (incumbent)</p> <p>To the present</p>	5,200 shares

No.	Name (Date of birth)	Brief personal history, position and area of responsibility (significant concurrent positions)	Number of the Company's shares held
4	Naoshi Takayama (September 21, 1957)	<p>Mar. 1981 Graduated from the Department of Mechanical Engineering, College of Science and Engineering, Aoyama Gakuin University</p> <p>Apr. 1981 Joined Makino Milling Machine Co., Ltd.</p> <p>Dec. 2002 Joined the Company</p> <p>Jun. 2007 Director, Executive General Manager, Development / Manufacturing HQ (In charge of Development)</p> <p>Jun. 2008 Senior Director, Executive General Manager, Manufacturing / Development HQ (In charge of Development)</p> <p>Sep. 2011 Dr. Eng. of Osaka University</p> <p>Jun. 2014 Executive Director, Director in charge of Manufacturing / Development / Quality, Executive General Manager, Manufacturing / Development HQ &amp; Quality HQ</p> <p>Jan. 2017 Executive Director, Director in charge of Development / Quality, Executive General Manager, Development HQ (incumbent)</p> <p>To the present</p>	14,000 shares
5	Kenji Oishi (December 7, 1962)	<p>Mar. 1987 Graduated from the School of Law, Waseda University</p> <p>Mar. 1987 Joined the Company</p> <p>Apr. 2012 Operating Officer, Vice Executive General Manager, Development Technology / Development Management HQ</p> <p>Jun. 2014 Director, Director in charge of Procurement / Logistics / IT, Executive General Manager, Procurement / Logistics / IT HQ</p> <p>Jan. 2017 Director, Director in charge of Procurement / Logistics / Manufacturing / Engineering, Executive General Manager, Manufacturing HQ</p> <p>Mar. 2017 Executive Director, Director in charge of Procurement / Logistics / Manufacturing / Engineering (incumbent)</p> <p>To the present</p>	11,000 shares
6	Tojiro Aoyama (August 29, 1951)	<p>Mar. 1974 Graduated from the Faculty of Engineering, Keio University</p> <p>Mar. 1979 Dr. Eng. of Keio University</p> <p>Apr. 1988 Associate Professor, the Faculty of Science and Technology (Department of Mechanical Engineering), Keio University</p> <p>Apr. 1996 Professor, the Faculty of Science and Technology (Department of System Design Engineering), Keio University</p> <p>Jul. 2009 Dean, Faculty of Science and Technology and Chair of Graduate School of Science and Technology, Keio University</p> <p>Jun. 2015 External Director of the Company (incumbent)</p> <p>Mar. 2017 Outside Audit &amp; Supervisory Board Member, Mitsubishi Pencil Co., Ltd.) (incumbent)</p> <p>May 2017 Vice-President, Keio University (incumbent)</p> <p>To the present</p>	1,000 shares

No.	Name (Date of birth)	Brief personal history, position and area of responsibility (significant concurrent positions)	Number of the Company's shares held
7	Tsuyoshi Nomura (December 7, 1952)	<p>Mar. 1976 Graduated from the Faculty of Engineering, Kyoto University</p> <p>Mar. 1978 Completed master's course, Department of Precision Engineering, Graduate School of Engineering, Kyoto University</p> <p>Jan. 1990 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>Apr. 2009 Executive Officer, Director, Manufacturing Innovation Division, Panasonic Corporation Corporate Auditor, Panasonic Factory Solutions Co., Ltd.</p> <p>Apr. 2012 Managing Executive Officer, Director, Manufacturing Innovation Division, Panasonic Corporation</p> <p>Apr. 2013 Dr. Eng. of Osaka University</p> <p>Jun. 2013 Managing Director, Panasonic Corporation</p> <p>Jun. 2015 External Director of the Company (incumbent) President, Nomura Techno Science Co., Ltd. (incumbent) To the present</p>	1,000 shares
8	Makoto Nakajima (January 2, 1952)	<p>Mar. 1974 Graduated from the University of Tokyo Faculty of Law</p> <p>Apr. 1974 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>Jan. 2001 Director-General, Kansai Bureau of Economy, Trade and Industry, Ministry of Economy, Trade and Industry</p> <p>Jun. 2004 Director-General, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry</p> <p>Sep. 2005 Commissioner, Japan Patent Office</p> <p>Jul. 2007 Retired from office</p> <p>Feb. 2008 Consultant, Sumitomo Electric Industries, Ltd.</p> <p>Apr. 2009 Registered as Attorney at law</p> <p>Oct. 2009 Managing Executive Officer, Sumitomo Electric Industries, Ltd.</p> <p>Jun. 2010 Managing Director, Sumitomo Electric Industries, Ltd.</p> <p>Jun. 2014 Representative Senior Managing Director, Sumitomo Electric Industries, Ltd.</p> <p>Jun. 2016 Vice Chairman and Senior Executive Managing Director, Japan Institute of Invention and Innovation (incumbent)</p> <p>Mar. 2017 External Director of the Company (incumbent) To the present</p>	-

No.	Name (Date of birth)	Brief personal history, position and area of responsibility (significant concurrent positions)	Number of the Company's shares held
9	Takashi Mitachi (January 21, 1957)	<p>Mar. 1979 Graduated from the Faculty of Letters, Kyoto University</p> <p>Apr. 1979 Joined Japan Airlines Co., Ltd.</p> <p>Jun. 1992 Received MBA from Harvard Business School</p> <p>Oct. 1993 Joined The Boston Consulting Group</p> <p>Jan. 1999 Vice President, The Boston Consulting Group</p> <p>Jan. 2005 Japan Co-chair, The Boston Consulting Group</p> <p>May 2005 Senior Vice President, The Boston Consulting Group</p> <p>Apr. 2011 Board Member of Japan Association for the World Food Programme (incumbent)</p> <p>Apr. 2013 Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives), Chairman, Tourism-Oriented Nation Committee, KEIZAI DOYUKAI</p> <p>Jan. 2016 Senior Partner &amp; Managing Director, BCG Fellow (Risk Management), The Boston Consulting Group</p> <p>Mar. 2016 Outside Director, Rakuten, Inc. (incumbent)</p> <p>Mar. 2017 External Director of the Company (incumbent)</p> <p>Mar. 2017 Director, Audit &amp; Supervisory Committee Member, Unicharm Corporation (incumbent)</p> <p>Jun. 2017 Director (Outside Director), Tokio Marine Holdings, Inc. (incumbent)</p> <p>Oct. 2017 Senior Advisor, The Boston Consulting Group (incumbent)</p> <p>To the present</p>	100 shares

1. There are no special interests between each of the candidates for Directors and the Company.
2. Tojiro Aoyama, Tsuyoshi Nomura, Makoto Nakajima and Takashi Mitachi are candidates for External Directors fulfilling the requirements provided in Article 2, paragraph 3, item 7 of the Ordinances for Enforcement of the Companies Act.
3. Reasons for nominating Tojiro Aoyama, Tsuyoshi Nomura, Makoto Nakajima and Takashi Mitachi as candidates for External Directors are as follows:
  - (1) Candidate Tojiro Aoyama is a Vice-President of Keio University and has served in roles such as professor at the Faculty of Science and Technology of Keio University and Dean of that Faculty. This proposal requests the election of Tojiro Aoyama as an External Director with the expectation of utilizing his extensive and unsurpassed knowledge in fields such as mechanical engineering and production engineering, along with his rich experience toward the Company's management.
  - (2) Candidate Tsuyoshi Nomura has served in roles such as Managing Director of Panasonic Corporation during his career. This proposal requests the election of Tsuyoshi Nomura as an External Director with the expectation of utilizing his many years of management experience, work experience nurtured in the production technology, quality, and environmental fields, along with his extensive and sophisticated insight cultivated through these experiences to the Company's management.

Since June 2015, candidate Tsuyoshi Nomura has been retired from the position of Managing Director of Panasonic Corporation. Moreover, whereas the Company engages in transactions with Panasonic Corporation, the total amounts transacted and the corresponding value of that business as a percentage of the Company's consolidated net sales for the past three years, as listed below, are negligible, and the Company has determined that this is not something that affects the independence of Tsuyoshi Nomura.

Year	Total business transacted (Millions of yen)	Proportion of Company's consolidated net sales
2015	26	0.01%
2016	109	0.03%
2017	94	0.02%

- (3) Candidate Makoto Nakajima has served in roles such as Commissioner of Japan Patent Office and Representative Director of Sumitomo Electric Industries, Ltd. during his career, and has qualifications as an

attorney at law. As such, this proposal requests the election of Makoto Nakajima as an External Director with the expectation of utilizing his rich managerial experience along with his insight as a legal professional toward the Company's management.

Since June 2016, candidate Makoto Nakajima has been retired from the position of Senior Managing Director of Sumitomo Electric Industries, Ltd. Moreover, whereas the Company engages in transactions with Sumitomo Electric Industries, Ltd. the total amounts transacted and the corresponding value of that business as a percentage of the Company's consolidated net sales for the past three years, as listed below, are negligible, and the Company has determined that this is not something that affects the independence of Makoto Nakajima.

Year	Total business transacted (Millions of yen)	Proportion of Company's consolidated net sales
2015	238	0.06%
2016	537	0.14%
2017	89	0.02%

- (4) Candidate Takashi Mitachi has rich experience and expertise based on his many years having acted as a managerial consultant and manager at The Boston Consulting Group. As such, this proposal requests the election of Takashi Mitachi as an External Director with the expectation of utilizing such experience and expertise toward the Company's management.

Currently, candidate Takashi Mitachi has assumed the position of Senior Advisor of The Boston Consulting Group. Moreover, whereas the Company engages in transactions with The Boston Consulting Group, the total amounts transacted and the corresponding value of that business as a percentage of the Company's consolidated net sales for the past three years, as listed below, are negligible, and the Company has determined that this is not something that affects the independence of Takashi Mitachi.

Year	Total business transacted (Millions of yen)	Proportion of Company's consolidated net sales
2015	–	–
2016	–	–
2017	174	0.04%

4. Although candidate Tojiro Aoyama does not have an experience of being directly involved in corporate management, the Company has judged from his extensive knowledge in the technological field, experience and insight as the Dean of the Faculty of Keio University, officer of academic societies and the like, that he will be able to appropriately carry out his duties as an External Director. Accordingly, the Company has nominated him as a candidate for External Director.
5. The candidates Tojiro Aoyama, Tsuyoshi Nomura, Makoto Nakajima, and Takashi Mitachi currently serve as External Directors of the Company. At the conclusion of this General Meeting of Shareholders, the term of service of Tojiro Aoyama and Tsuyoshi Nomura as External Directors will have been 2 years and 9 months, the term of service of Makoto Nakajima and Takashi Mitachi 1 year.
6. The Company has concluded agreements with Tojiro Aoyama, Tsuyoshi Nomura, Makoto Nakajima, and Takashi Mitachi to restrict their liability for damages described in Article 423, paragraph 1 of the Companies Act pursuant to the provisions of Article 427, paragraph 1 of the same Act. In the event that the four candidates are reelected, the Company plans to maintain the current agreements. An overview of these agreements is provided below.
  - If the External Director is liable to compensate the Company for damages due to personal neglect of duties, that liability will be restricted to the minimum liability amount prescribed in Article 425, paragraph 1 pursuant to the provisions of Article 427, paragraph 1 of the same Act.
7. The Company has filed a notification to the Tokyo Stock Exchange, Inc. explaining that the candidates Tojiro Aoyama, Tsuyoshi Nomura, Makoto Nakajima, and Takashi Mitachi are independent officers, pursuant to the provisions prescribed by Tokyo Stock Exchange. In the event that this proposal is approved as proposed and the four candidates are reelected as External Directors, the Company intends that they will remain independent officers.

**Proposal 3:** Revision of remuneration amount for Directors

At the 59th Annual General Meeting of Shareholders held on June 28, 2007, a limit of ¥600 million per year was approved for the amount of remuneration for Directors of the Company and those limits have remained in place ever since. In consideration of various factors including the subsequent changes in the economic situation, business growth, and recruiting highly skilled personnel, the Company proposes to revise the amount of remuneration for Directors up to ¥1,000 million per year (of which, ¥100 million is for External Directors). Also, the Company requests that the employee remuneration for Directors concurrently serving as employees is not included in the amount of remuneration for Directors, as is the case at present.

Currently, there are nine (9) Directors (including four (4) External Directors). If Proposal 2 is approved and adopted as proposed, the number of Directors will be nine (9), including four (4) External Directors.



**Proposal 4:** Determination of remuneration for granting restricted shares to Directors

The Company proposes to pay remuneration for newly granting the restricted shares to Directors of the Company (excluding External Directors, hereinafter “Target Directors”) in a framework that is separate to the amount of remuneration for Directors described in Proposal 3, with the aim of, as part of the revisions of the remuneration system for corporate officers, giving incentives to Target Directors for sustainable growth in the Company’s corporate value and making Target Directors further share values with shareholders.

Based on this proposal, the remuneration to be paid to Target Directors for granting the restricted shares shall be monetary claims (hereinafter “Monetary Remuneration Claims”), and its total amount shall be ¥300 million or less per year, the amount deemed reasonable in light of the aforementioned objective. Also, the Company asks that specific granting periods and distributions to each Target Director be determined by the Board of Directors. The remuneration for granting the restricted shares shall not, however, be provided to External Directors.

The above remuneration amount does not include the employee remuneration for Directors concurrently serving as employees.

Currently, there are nine (9) Directors (including four (4) External Directors). If Proposal 2 “Election of nine (9) Directors” is approved and adopted as proposed, the number of Directors will be nine (9), including four (4) External Directors.

The Target Directors shall pay all Monetary Remuneration Claims to be provided under this proposal in the form of property contributed in kind, in accordance with the resolution by the Board of Directors of the Company, and shall, in return, receive common shares of the Company to be issued or disposed of by the Company. The total number of said common shares to be issued or disposed of by the Company shall be no more than 300,000 shares per year (in the event, however, that the Company makes a share split (including gratis allotment of common shares of the Company) or a share consolidation on or after this proposal is approved, or any other unavoidable circumstance arises requiring adjustment of the total number of the Company’s common shares to be issued or disposed of as the restricted shares, the total number of shares shall be adjusted within a reasonable range).

The amount to be paid per share shall be determined based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each resolution by the Board of Directors (if there is no closing price on such date, the closing price of the closest preceding trading day), which will be within the range not specially advantageous to Target Directors who are to be granted the common shares. In addition, such issuance or disposal of the Company’s common shares shall be subject to a restricted share allotment agreement (hereinafter the “Allotment Agreement”) entered into by and between the Company and each Target Director of the Company. The Allotment Agreement shall include the provisions summarized below.

(1) Transfer restriction period

The Target Directors may not transfer, offer as security, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) for a period of minimum 10 years and maximum 30 years that starts from the day of allotment designated in the Allotment Agreement as determined in advance by the Board of Directors of the Company (hereinafter the “Transfer Restriction Period”). The restriction described in the previous sentence will hereinafter be referred to as the “Transfer Restriction.”

(2) Treatment on retirement from office

When the Target Director retires or resigns from the position of Director, Operating Officer who does not serve as a Director, Audit & Supervisory Board Member, employee or Fellow or equivalent position of the Company or subsidiaries of the Company before expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without contribution unless the reason for his/her retirement or resignation from office is the expiration of the term of his/her office, death, or any other justifiable reason.

(3) Lifting of the Transfer Restrictions

Notwithstanding the provision in (1) above, the Company shall lift the Transfer Restriction on all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that a given Target Director has remained in the position of Director, Operating Officer who does not serve as a Director, Audit & Supervisory Board Member, employee or Fellow or equivalent position of the Company or subsidiaries of the Company throughout the Transfer Restriction Period. In case, however, the Target Director retired from any of the positions defined in (2) above before the expiration of the Transfer Restriction Period due to the expiration of the term of his/her office, death, or any other justifiable reason, the Company shall make reasonable adjustments to the number of the Allotted Shares and the schedule to lift the Transfer Restriction as necessary.

(4) Treatment during organizational restructuring, etc.

Notwithstanding the provision in (1) above, if a merger agreement under which the Company will become a non-surviving company, a share exchange agreement based upon which the Company will become a wholly-owned subsidiary, a stock transfer plan or other matters relating to organizational restructuring, etc. are approved in a General Meeting of Shareholders of the Company during the Transfer Restriction Period (or approved by the Board of Directors of the Company in the event that approval of the General Meeting of Shareholders is not required in relation to the organizational restructuring, etc.), the Company may lift the Transfer Restriction on a certain number of the Allotted Shares that will be reasonably determined by resolution of the Board of Directors of the Company prior to the date on which the organizational restructuring, etc., becomes effective, in view of the period from the date of commencement of the Transfer Restriction Period through the date of approval on the organizational restructuring, etc. In the event specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restriction has not been lifted as of the time immediately after the Transfer Restriction was lifted.

(5) Other matters to be determined by the Board of Directors

In addition to the above, the method for expressing intentions and giving notification in the Allotment Agreement, the method for amending the Allotment Agreement and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.