DMG MORI CO., LTD.

FY 2018 H1 (Jan-Jun) Results

IR Conference

August 8, 2018

DMG MORI

1. Financial summary FY2018 H1 (Jan-Jun)

2. Business environment

3. Topics

- ✓ Expansion of business domain (average price increase, stable order intake)
- ✓ Successful Innovation Days
- ✓ Progress of automation and digitization
- ✓ Increasing production capacity
- ✓ Enhancement of training program

DMG MORI

- ✓ Machine order intake: JPY 266.1 bn (JPY term: +24%)
- ✓ Operating profit: JPY 15.8 bn (JPY term: +75%)
- ✓ Uplifted full-year forecast

	(last forecast)		(revised forecast)
Machine OI	JPY 470 bn	▶	JPY 480 bn or more
Sales revenue	JPY 450 bn	▶	JPY 470 bn
Operating profit	JPY 35 bn	▶	JPY 38 bn
OP-margin	7.8%		8.1%

- ✓ Free cash flow: JPY 15 bn (y-o-y JPY -8.7 bn)
  Net debt: JPY 93.9 bn (2017/12/31: JPY 105.7 bn)
- ✓ More automation projects => higher average price of orders
- ✓ Established “Tokyo Digital Innovation Center”

INCOME STATEMENT SUMMARY FY2018 H1

DMG MORI

(JPY bn)	H1 (Jan-Jun) 2017	H1 (Jan-Jun) 2018	Changes (%)	Full-year forecast last	Full-year forecast revised	Changes (value)
Total order intake				500.0	510.0	+10.0
(Machine order intake)	215.4	266.1	+24%	470.0	480.0	+10.0
Sales revenue	198.1	235.3	+19%	450.0	470.0	+20.0
Operating profit	9.0	15.8	+75%	35.0	38.0	+3.0
% to sales revenue	4.6%	6.7%		7.8%	8.1%	
Net financial costs	-2.1	-2.2		-5.0	-5.0	
(thereof, economic compensation associated with DA)	(-1.0)	(-1.1)		(-2.0)	(-2.0)	
Profit before taxes	7.0	13.6	+95%	30.0	33.0	+3.0
Net profit	3.7	9.1	2.4x	21.0	23.0	+2.0
Net profit attributable to owners	3.6	8.9	2.5x	20.0	22.0	+2.0
Depreciation & amortization	8.9	9.0		18.5	18.5	
Capital expenditure	3.8	6.8		12.0	12.0	
USD/JPY	112.4	108.7		110.0	110.0	
EUR/JPY	121.7	131.7		130.0	130.0	

QUARTERLY FINANCIAL RESULTS

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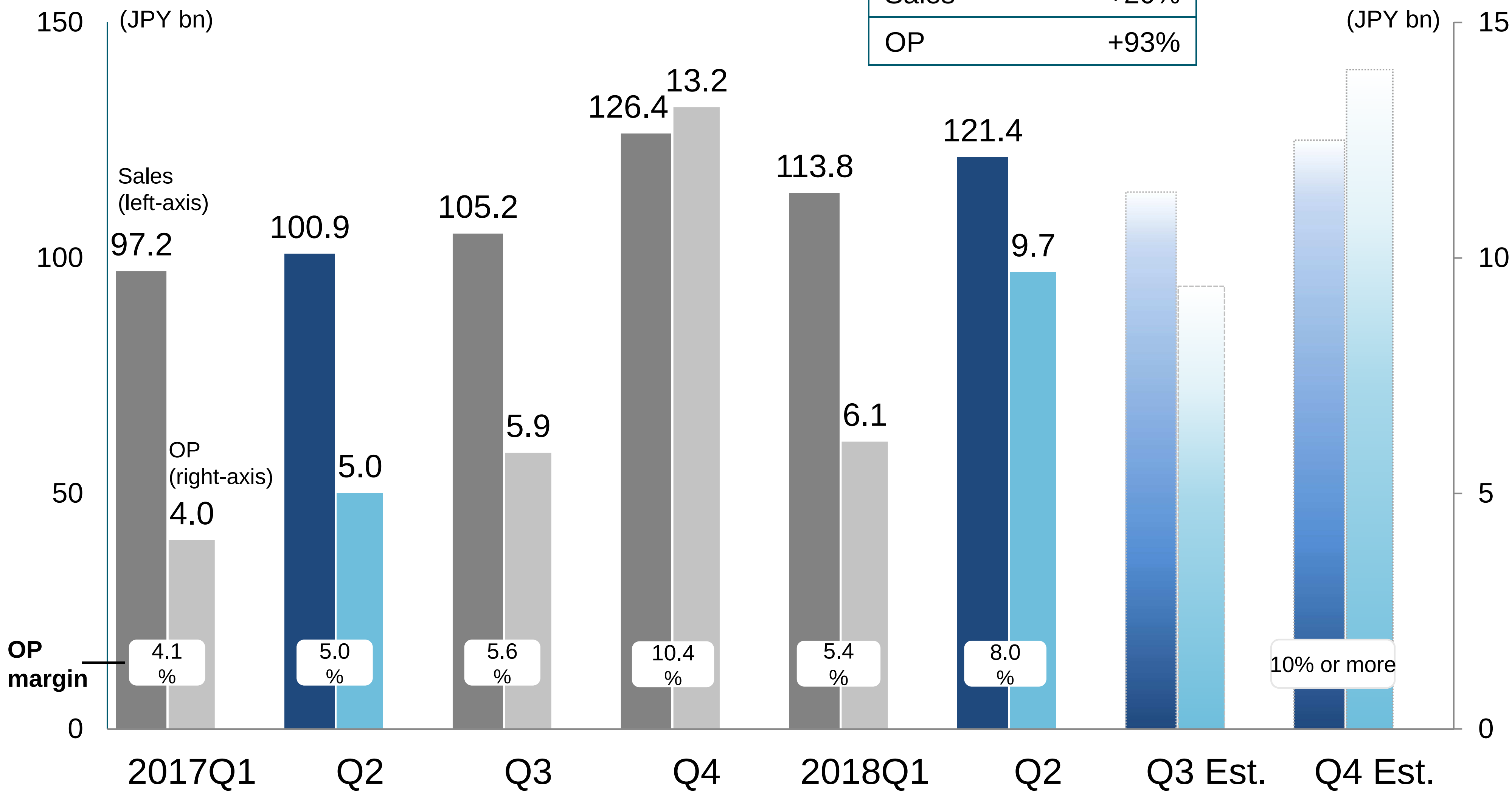
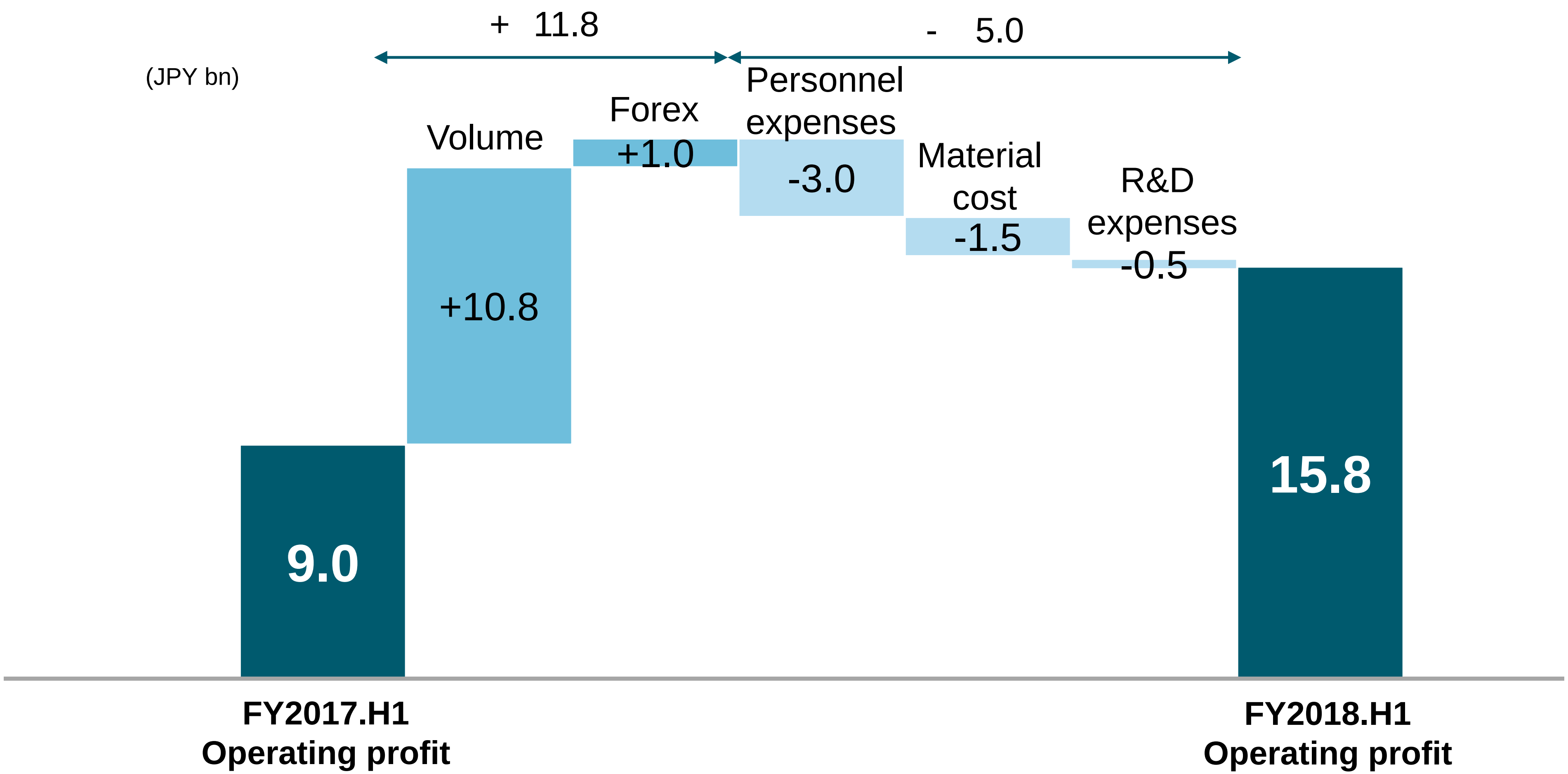
2018Q2	YoY
Sales	+20%
OP	+93%



FY2018 H1 OPERATING PROFIT BRIDGE -YEAR ON YEAR

	FY2017.H1	FY2018.H1	+/-
Sales	198.1	235.3	+37.2
Volume			+26.1
Forex			+11.1

Currency :		2017.H1	2018.H1
	USD/JPY	112.4	108.7
	EUR/JPY	121.7	131.7

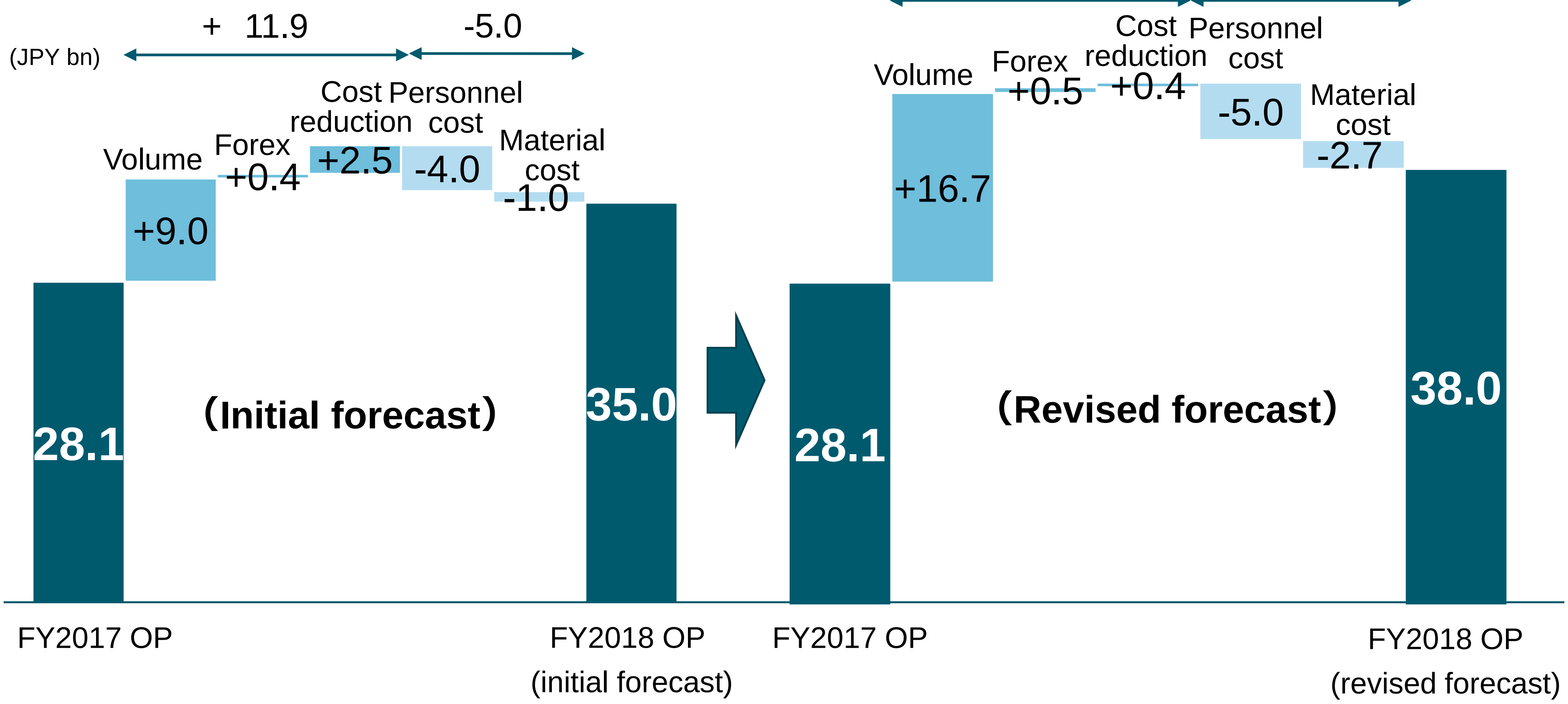


FY2018 UPWARD REVISION: +/- BRIDGE ANALYSIS -AGAINST INITIAL FORECAST

DMG MORI

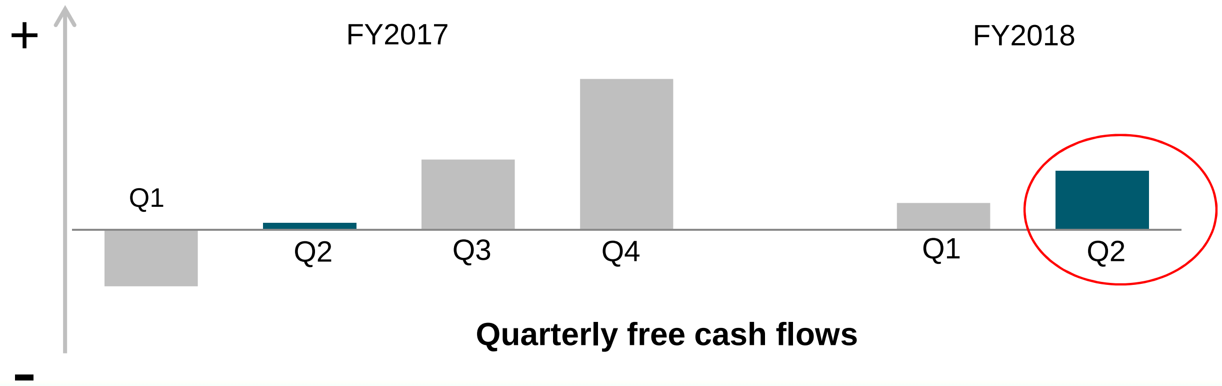
	FY2018 (initial)	FY2018 (revised)	+/-
Sales	450	470	+20
Volume			+20
Forex			+0

Currency :		FY2018(initial)	FY2018(revised)
	USD/JPY	110.0	110.0
	EUR/JPY	130.0	130.0



CASH FLOWS

(JPY bn)	FY2017					FY2018		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	H1
Cash flow from operation	**-7.8**	**3.2**	**12.3**	**23.8**	**31.4**	**7.8**	**13.5**	**21.3**
Profit before taxes	2.9	4.0	4.7	13.1	24.8	5.0	8.7	13.6
Depreciation & amortization	4.4	4.5	4.5	5.0	18.3	4.5	4.5	9.0
+/- in working capital	-6.9	2.3	4.2	4.6	4.1	5.8	1.8	7.6
Others	-8.2	-7.6	-1.1	1.1	-15.8	-7.5	-1.5	-8.9
Cash flow from investments	**-2.1**	**-2.0**	**0.0**	**2.6**	**-1.4**	**-3.2**	**-3.1**	**-6.3**
(thereof, acquisition of fixed assets)	-1.6	-2.2	-2.6	-3.0	-9.4	-3.0	-3.7	-6.8
FCF	**-9.9**	**1.2**	**12.3**	**26.4**	**30.0**	**4.7**	**10.3**	**15.0**



Quarterly free cash flows

OPTIMIZATION OF TOTAL ASSETS FOR BETTER CAPITAL EFFICIENCY- FINANCIAL POSITION SUMMARY

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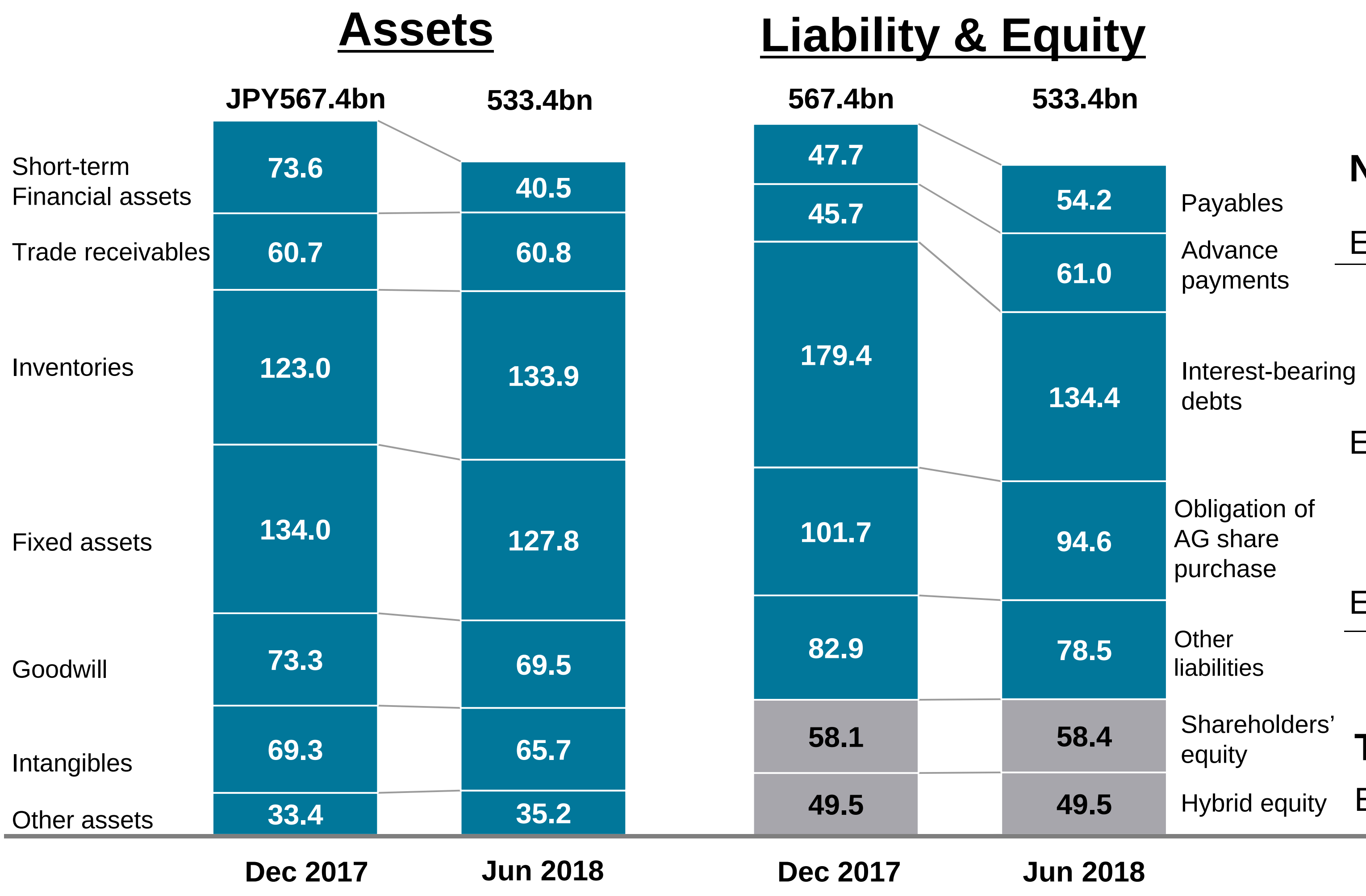

Net Debt (Interest-bearing debt – Short-term financial asset)

(JPY bn)	
Ended Dec 2017	**105.7**
Ended Jun 2018	93.9
Ending Dec 2018	below 85.0

(Initial plan：below 90.0)

Total Asset

Ending Dec 2018 below 500.0

	Dec 2017	Jun 2018
Total assets of AG (Mio EUR)	2,234	2,350
EUR/JPY closing rate	135.0	127.8

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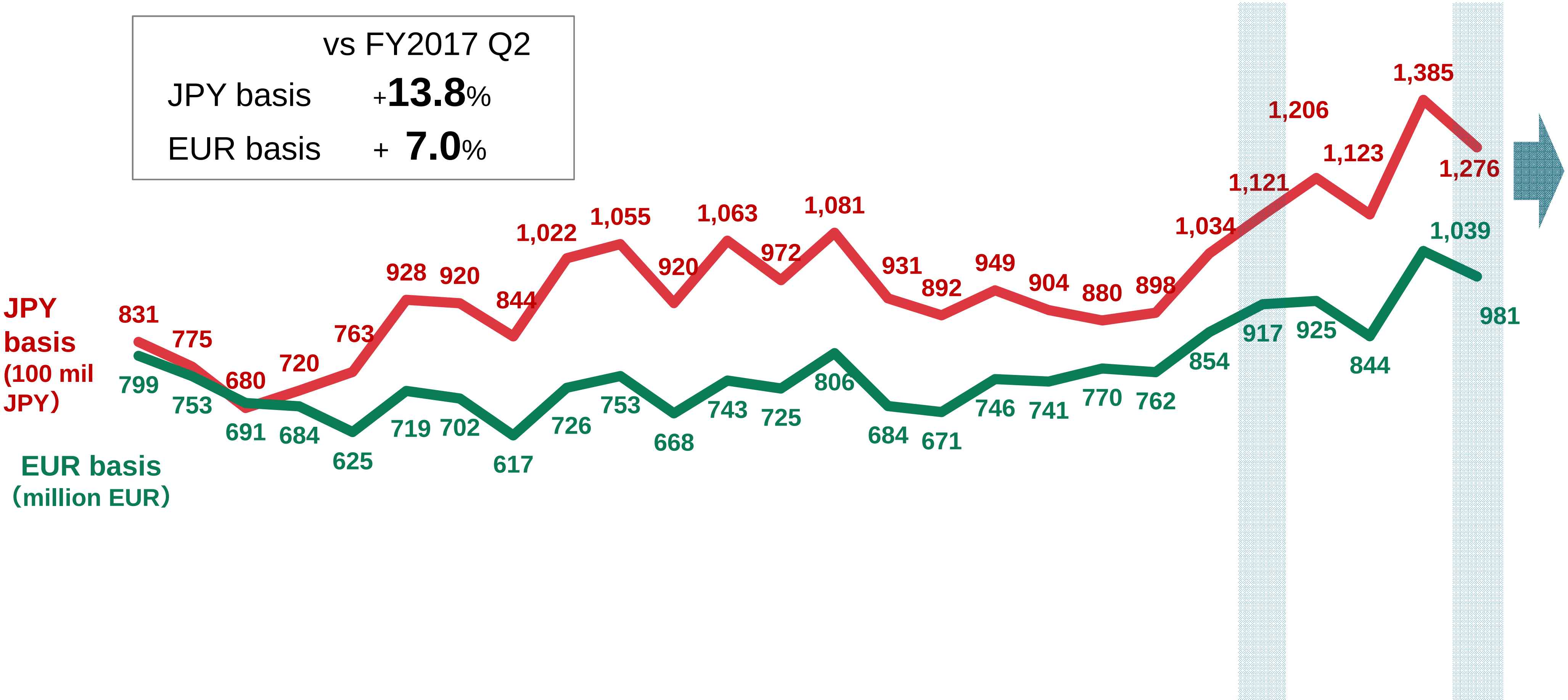
QUARTERLY CONSOLIDATED ORDER INTAKE

DMG MORI

vs FY2017 Q2

JPY basis +**13.8**%

EUR basis + **7.0**%



Currency	Jan-Mar CY12	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar CY13	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar CY14	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar CY15	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar CY16	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar CY17	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar CY18	Apr-Jun
USD	79.3	80.2	78.6	81.2	92.4	98.8	99.0	100.5	102.8	102.2	103.9	114.5	119.1	121.4	122.2	121.5	115.5	108.2	102.4	109.3	113.7	111.1	111.1	113.0	108.3	109.1
EUR	104.0	102.9	98.4	105.3	122.0	129.0	131.1	136.7	140.8	140.1	137.8	143.1	134.2	134.2	136.0	133.0	127.2	122.0	114.3	117.8	121.1	122.2	130.4	133.0	133.2	130.1

DEMAND BY REGION & INDUSTRY

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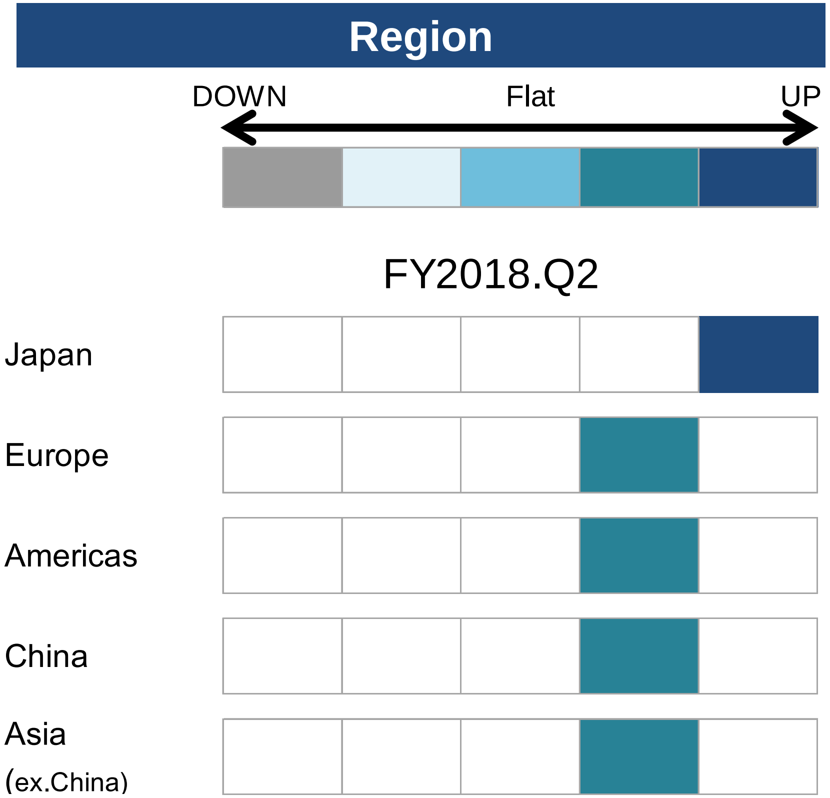

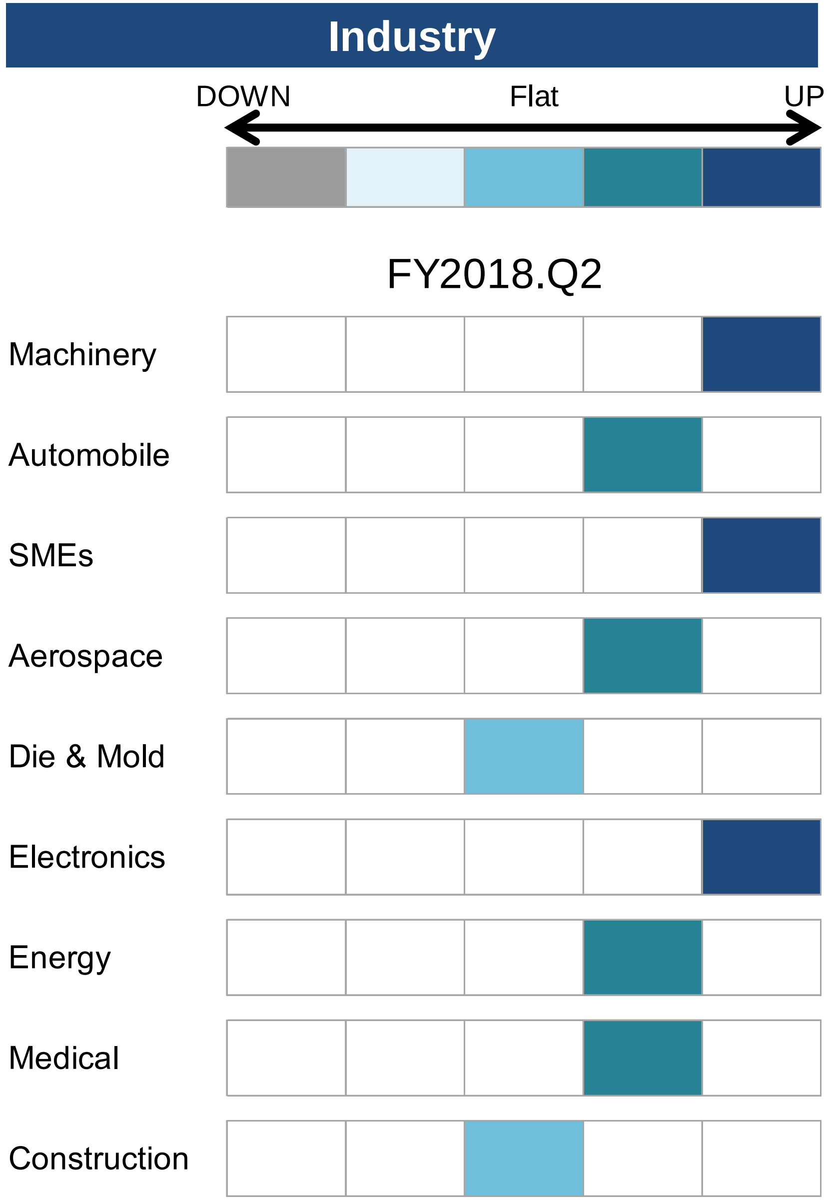

AVERAGE PRICE OF ORDERS – CONSOLIDATED

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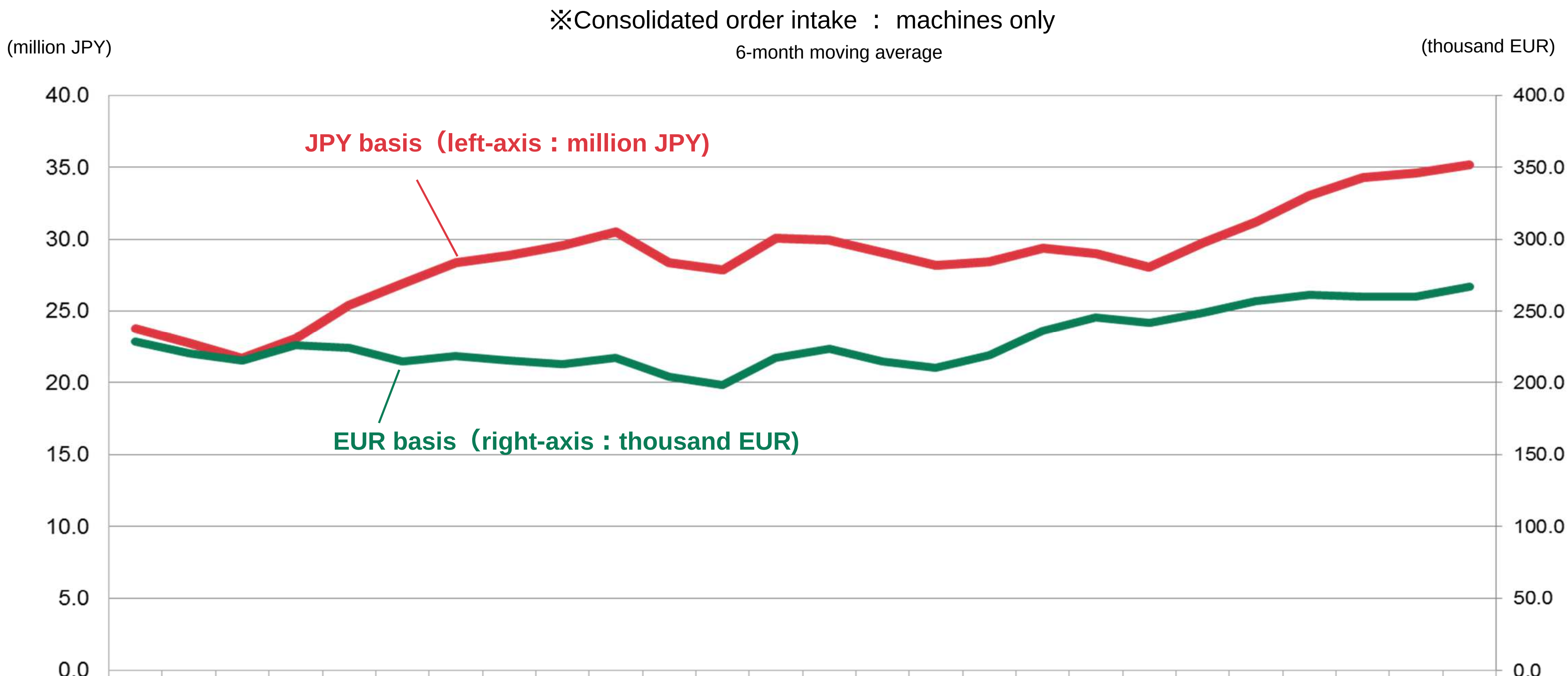
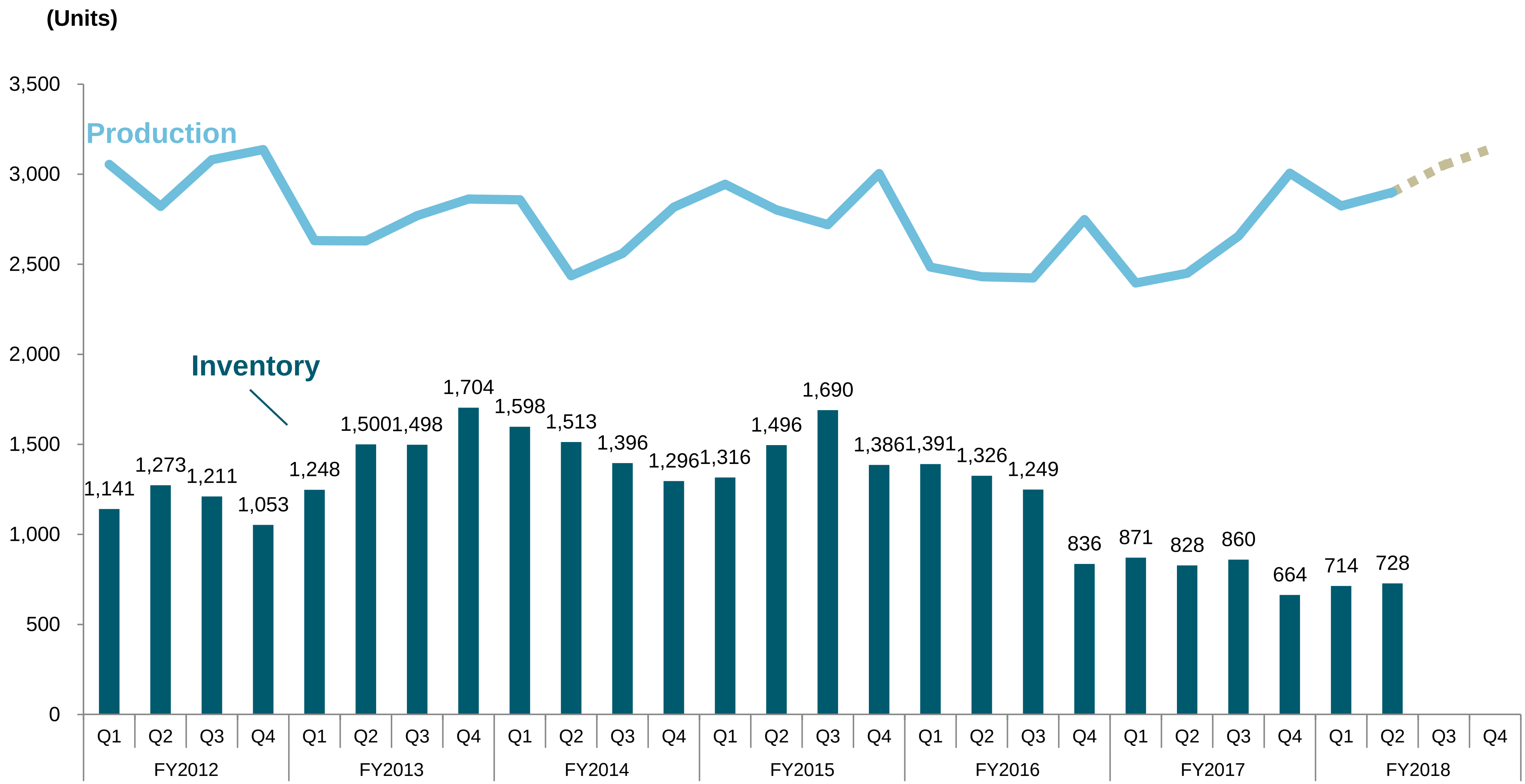


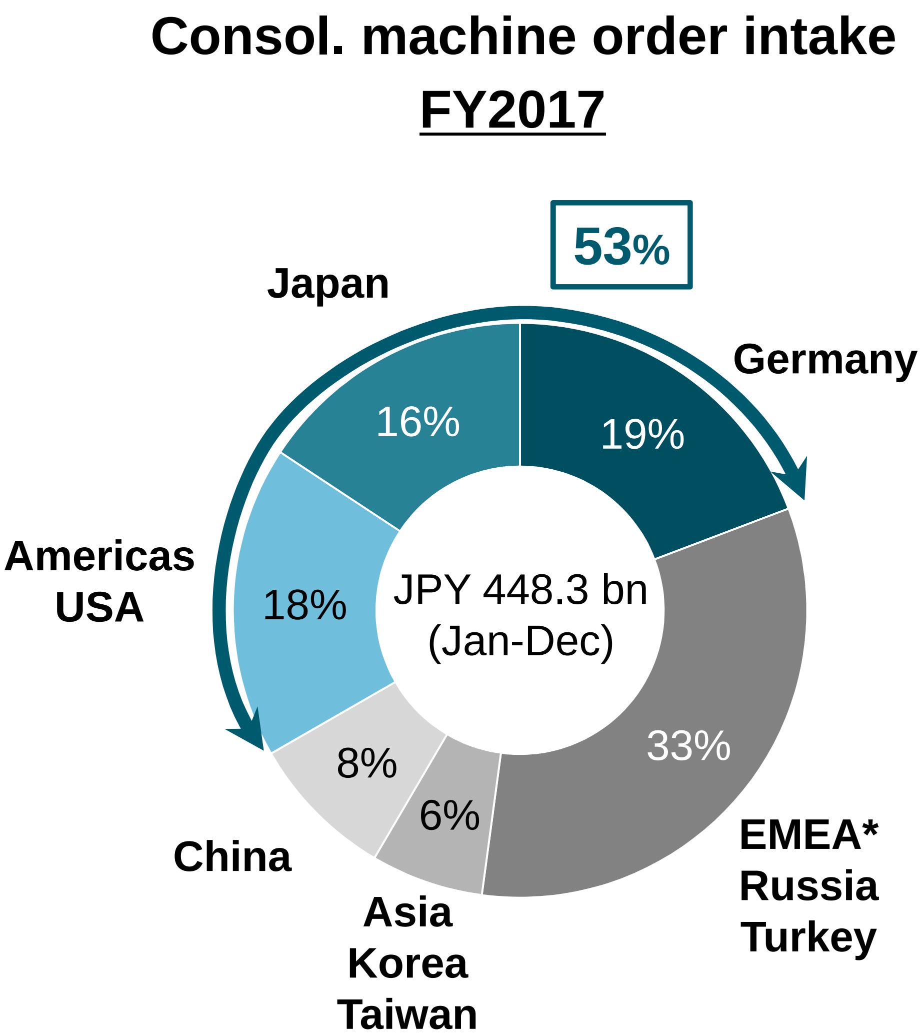
Currency	2012 Q1	Q2	Q3	Q4	2013 Q1	Q2	Q3	Q4	2014 Q1	Q2	Q3	Q4	2015 Q1	Q2	Q3	Q4	2016 Q1	Q2	Q3	Q4	2017 Q1	Q2	Q3	Q4	2018 Q1	Q2
USD	79.3	80.2	78.6	81.2	92.4	98.8	98.9	100.5	102.8	102.2	103.9	114.5	119.1	121.4	122.2	121.9	115.5	108.2	102.4	109.3	113.7	111.1	111.1	113.0	108.3	109.1
EUR	104.0	102.9	98.4	105.3	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	130.4	133.0	133.2	130.1

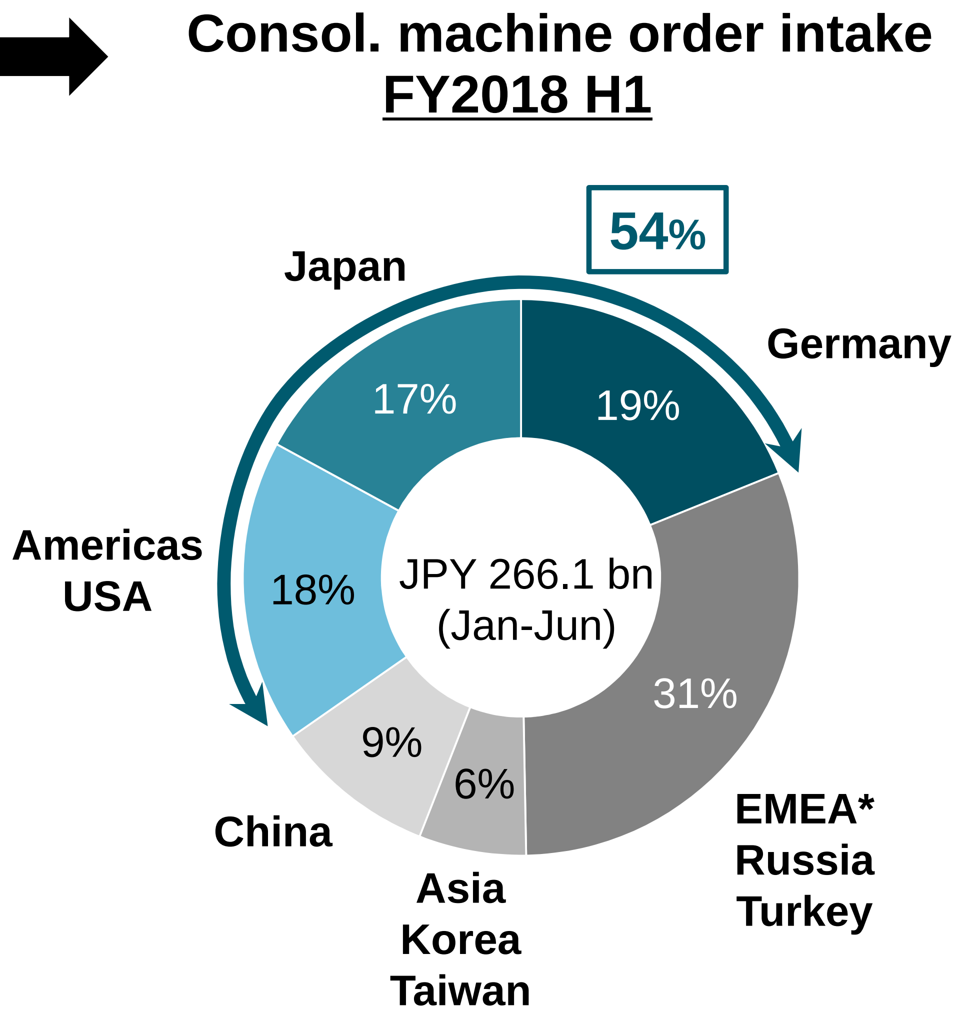
INVENTORY AND PRODUCTION - CONSOLIDATED



ORDER COMPOSITION BY REGION

Value basis
Machine only



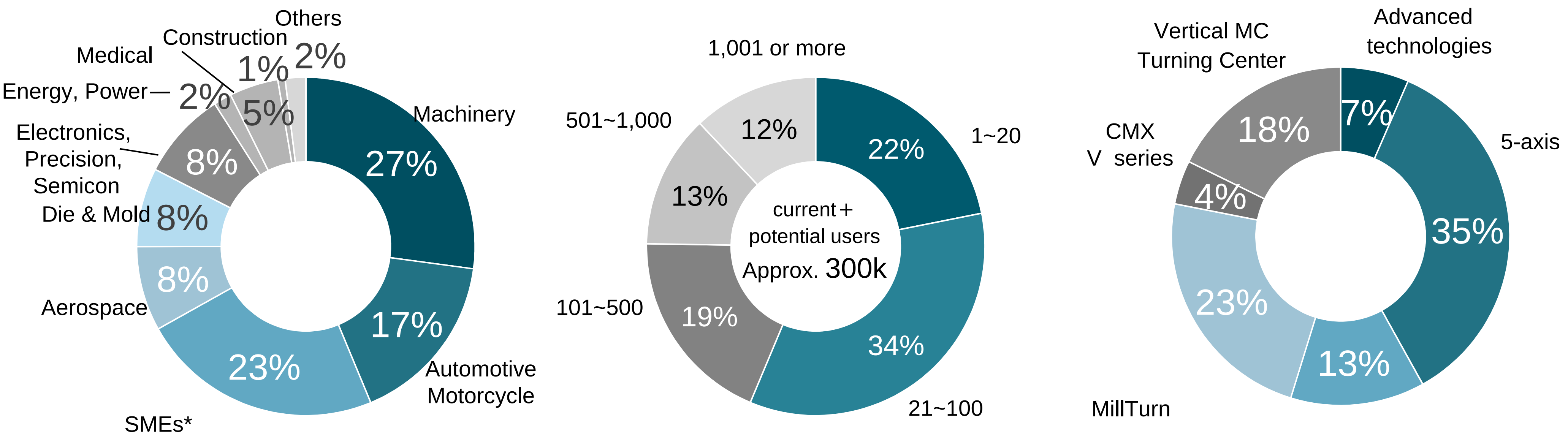


*Europe, the Middle East and Africa

ORDER COMPOSITION

FY2018 H1

Value basis
Machine only



*Small and medium-sized enterprises

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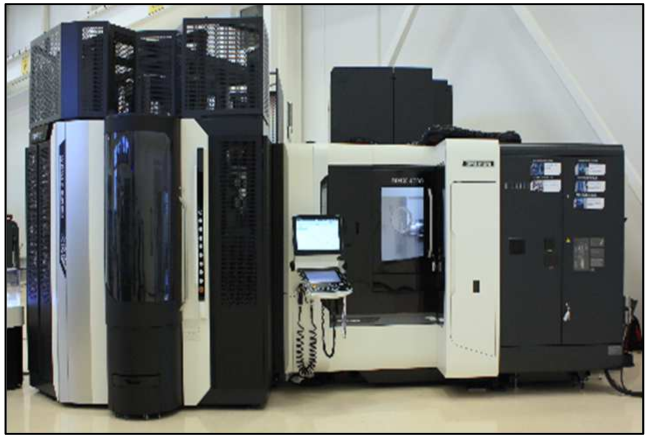
DMG MORI

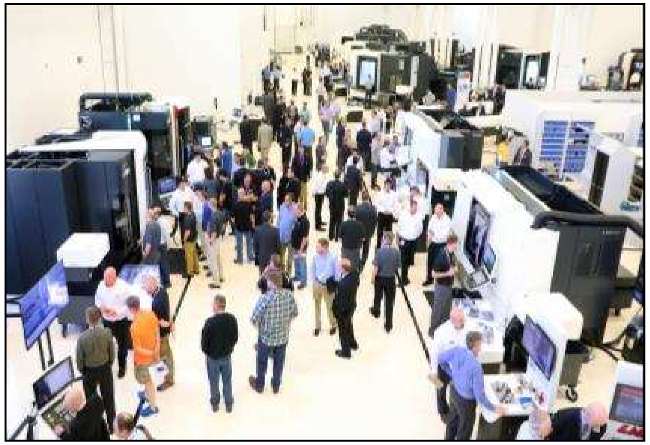
Date： May 7-10, 2018
Average price： USD 379K (+7% from 2017)

Flexible automation and higher productivity by integrated machines
Strong demand for automation

CMX 1100 V
+ MATRIS



NHX4000Gen3
+ 21RPP



IGA INNOVATION DAYS 2018

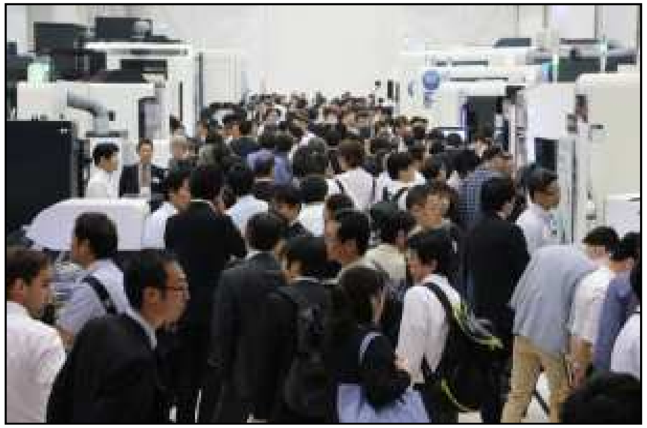
DMG MORI

Date： May 22-26, 2018
Average price: JPY 28 Million (+4% from 2017)

Strong demand for connected industries & AI solutions

MATRIS mini

ALX series
Turning center:
Compact, high-precision＋
wide range of variations



CIMES 2018 (BEIJING)

DMG MORI

Date：　June 26-30, 2018
Average price:　EUR 271K　(+13% from 2017)

Strong demand for integrated automation solutions

NLX2500SY/700
+Robot

CMX1100Vc
MATRIS

FY2018 H2 MAJOR EXHIBITIONS

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September 18-22
(Stuttgart, Germany)

September 10-15
(Chicago, USA)

October 9-13
(Milano, Italy)

November 1-6
(Tokyo, Japan)

GROWING DEMAND - AUTOMATION SYSTEMS

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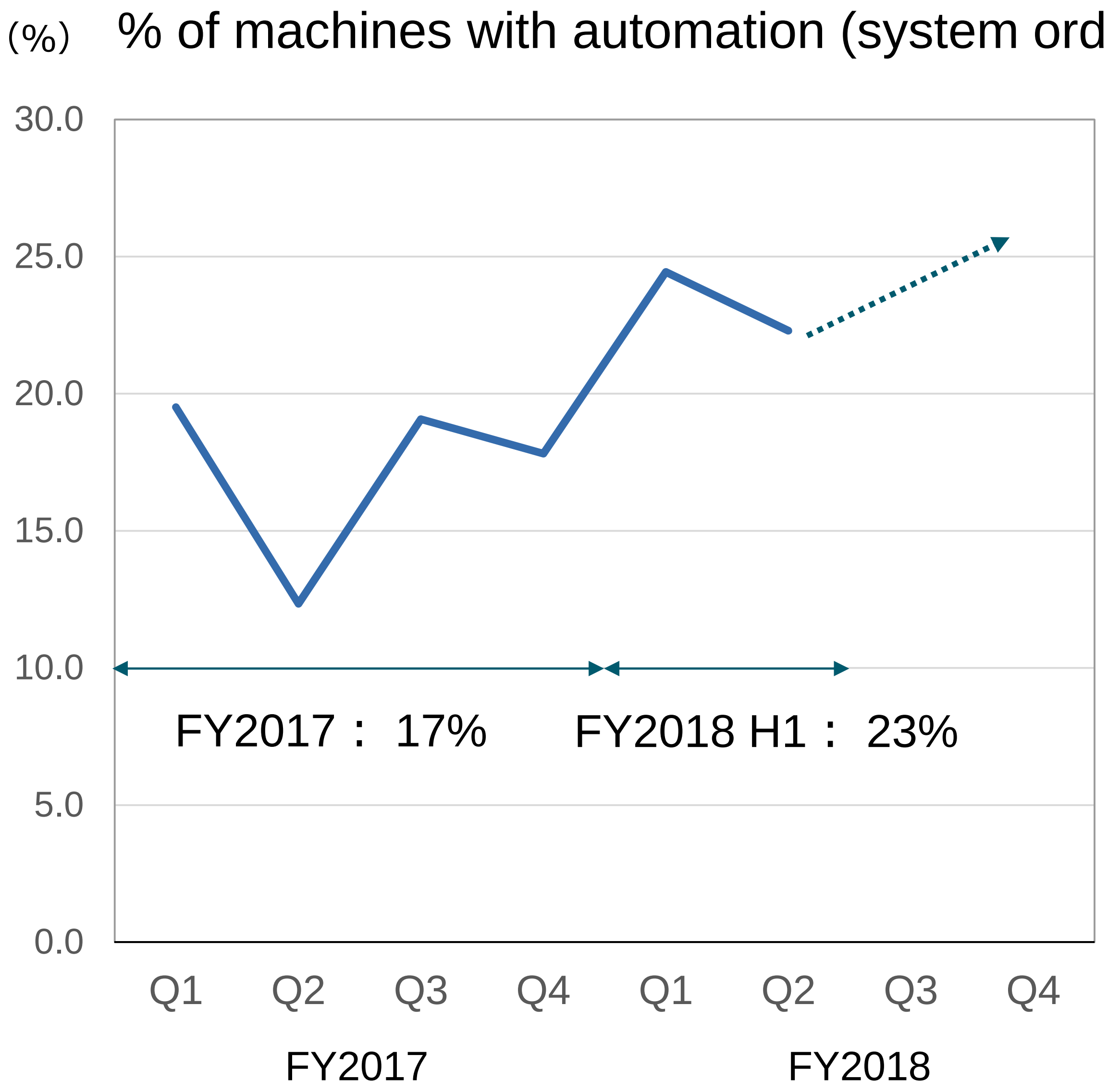

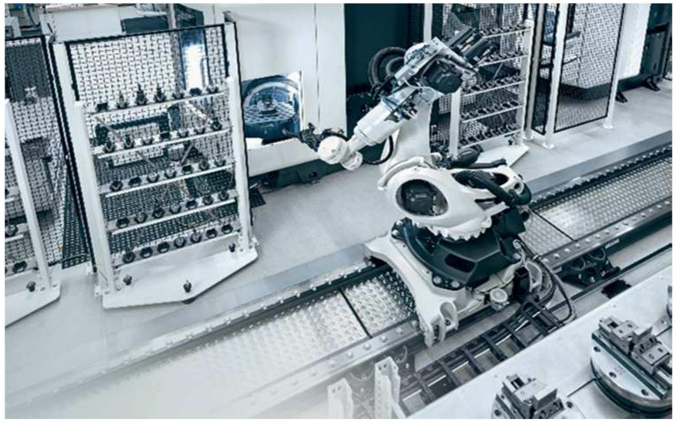

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157 machine models **40** standard automation systems

Work piece handling

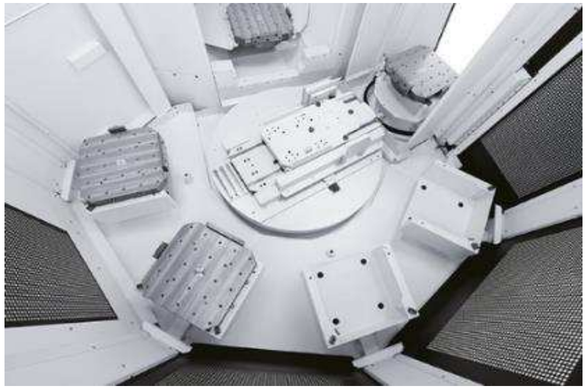
MATRIS

MATRIS mini

In-machine Robot

GX Loader

Pallet handling



CPP

RPP

AWC

LPP

RS

PH

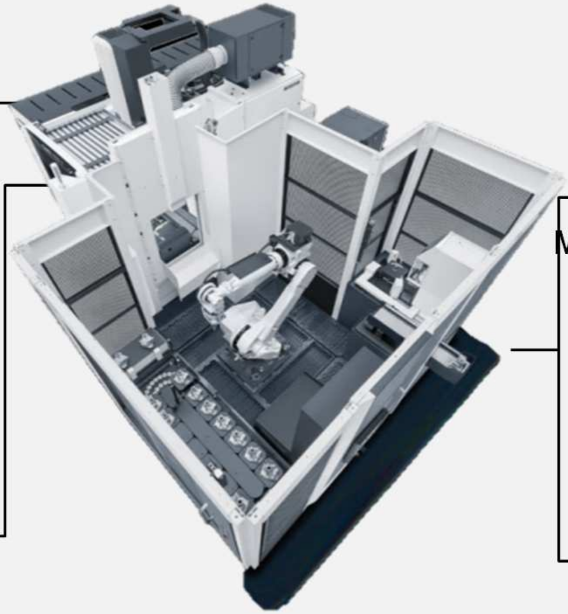
DMG MORI

MATRIS “Module Automation Transfer Robot Intelligence System”

CO machine

AG machine

*including machines with SIEMENS control



MAPPSconnected

Stocker

Chute

Measuring

Washing

Vision

Open Innovation

IGA GLOBAL PARTS CENTER (FROM 2019)

DMG MORI

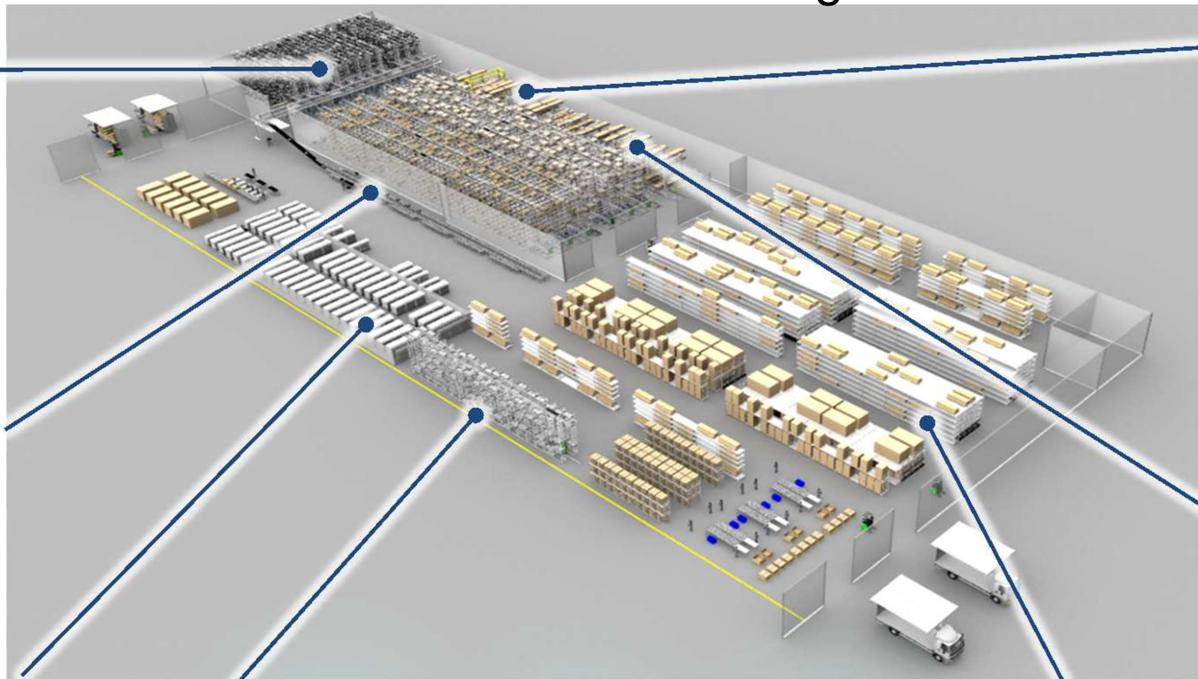
State-of-the-art warehouse logistics & IoT

Bucket-type warehouse

Case conveyor line

Mid- to light-weight racks

Warehouse for small bars



Pallet-type warehouse

Gantry-type warehouse

Movable racks

Geretsried (Germany)

Iga (Japan)

Dallas (USA)

Shipment within 24hours: **95%**

Further enhancement

Products:

monoBLOCK series

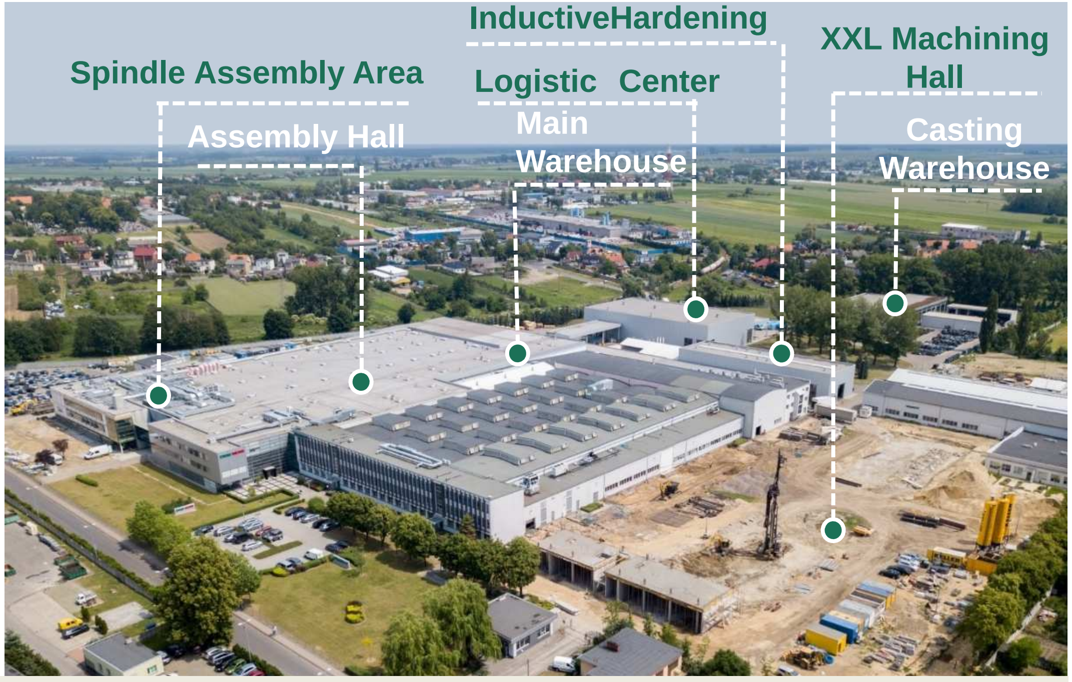
duoBLOCK series

Portal machines

Facility development (+sqm):

	（Increment）
✓ Production:	10,000 m²
✓ Technology Center:	2,000 m²
✓ Customer Center:	1,000 m²
	etc.
✓ Total add. Space:	~ 24,000 m²

FAMOT: FACILITY DEVELOPMENT（OCT 2018）




new Assembly Hall / 2018


new Spindle Assembly Area / 2018


new Inductive Hardening / 2017


Main Warehouse Modernization / 2017

Products:

CLX/CMX series 7 model

Facility development (+sqm):

	（Increment）
✓ Assembly:	6,900 m²
✓ Machining:	6,100 m²
✓ Induct. Hardening:	1,100 m²
	etc.
✓ Total add. space:	~ 22,000 m²

Production capacity per year:

✓ **1,200** machines→targeting **+40%** increase

✓ **1,500** spindles→targeting **2x** increase

TOKYO DIGITAL INNOVATION CENTER (DIC)

【DIC Outline】
Established ：June 1, 2018
Address ：Edagawa 3-1-4, Koto-ku, Tokyo
Size ：7,326㎡, 5 stories

DIC building

Headquarters of DMG MORI group companies
- ✓ DMG MORI (Sensor & software development)
- ✓ Magnescale
- ✓ Saki Corporation
- ✓ BUG DMG MORI
- ✓ TECHNIUM
- ✓ Advanced Research Institute

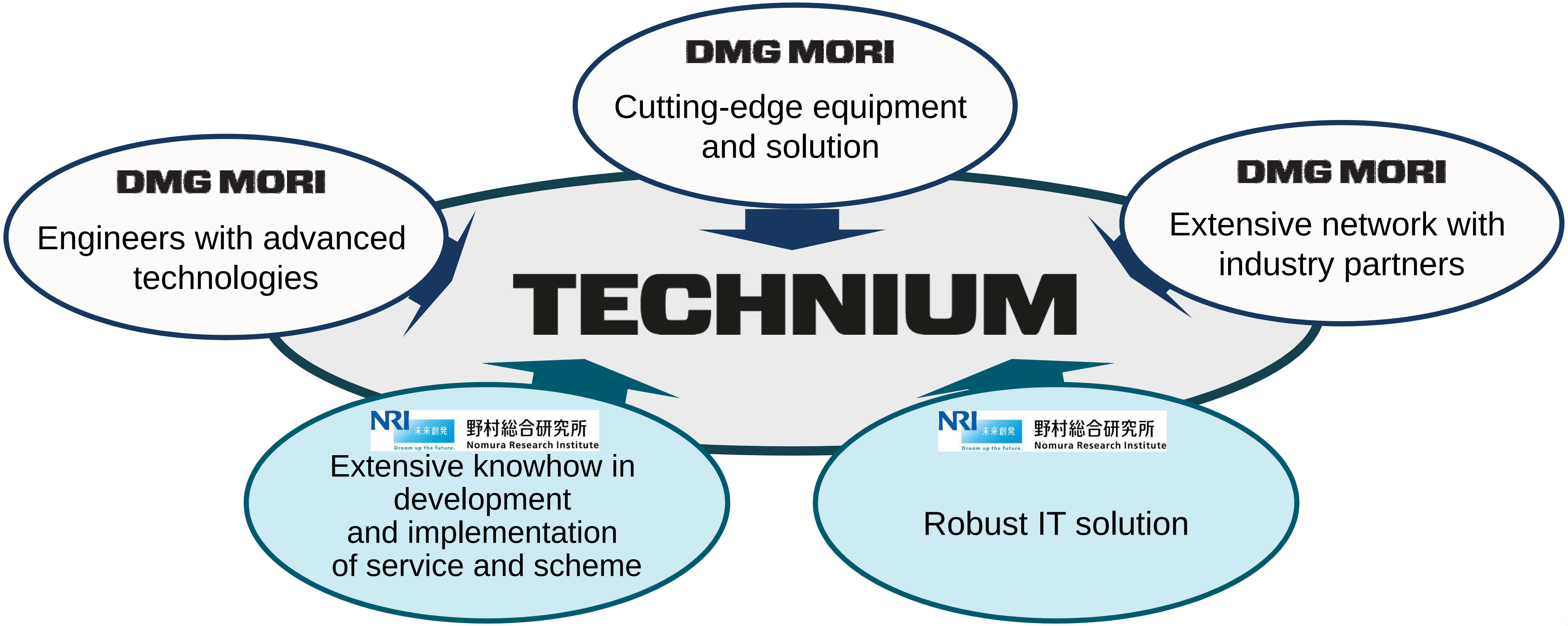

1F showroom

Digital platform for service and operator education

- ✓ Support IT-based production
- ✓ Machining engineering
- ✓ Human resources development

→

Members' Website service
Generate **optimized machining program** based on DMG MORI's database
Tailor-made training for each customer



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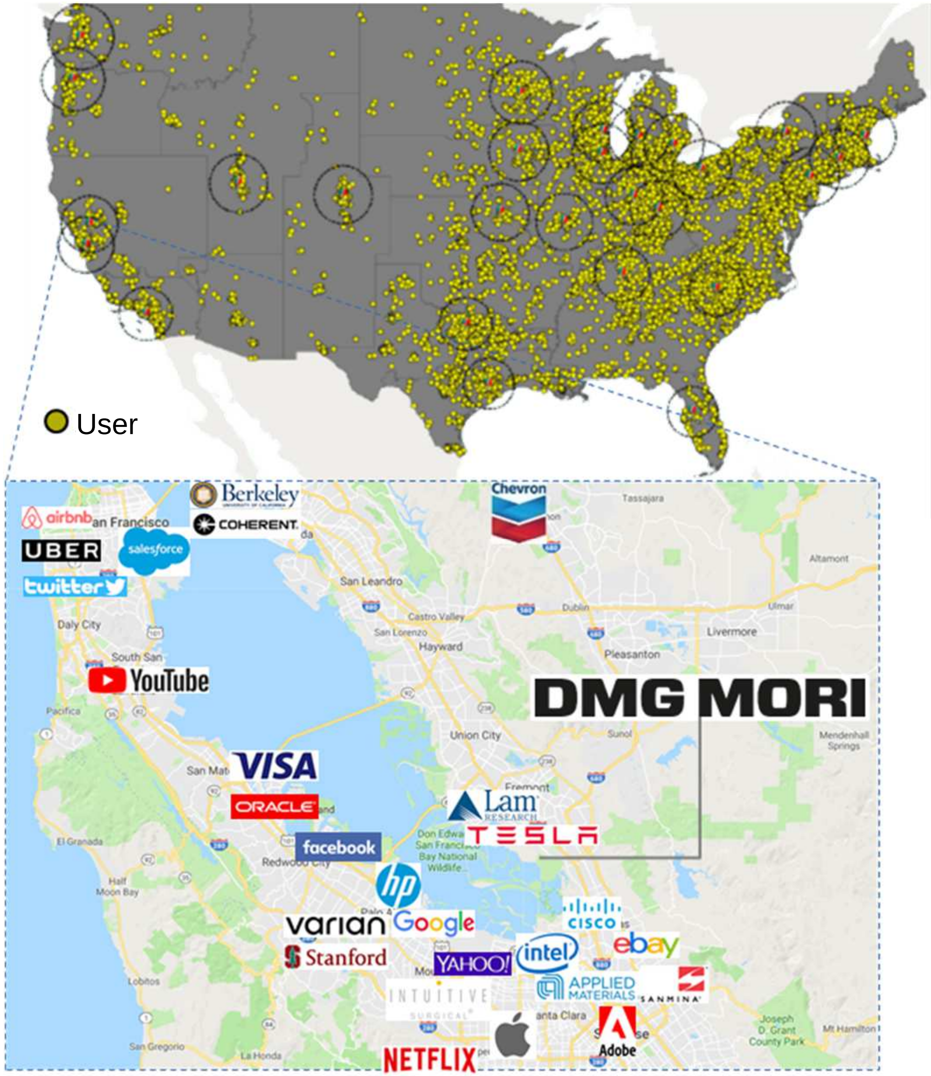


Silicon Valley Technical Center

47338 Fremont Blvd, Fremont, CA 94538

DMG MORI Academy (Iga)

Training program for engineers

- ✓42 machines for training (at Academy)
- ✓Develop more than 100 young application engineers
- ✓Acquire skills to cover all the technologies in a 3-year curriculum

DMG MORI

DMG MORI Leadership Program

To nurture future leaders

- ✓Group-wide human resources and organizational development
- ✓60 participants from USA, Canada, Mexico, Brazil, Japan, and India attended in 2 terms
- ✓Group training of 2.5 days x 4 (every quarter)

DMG MORI AG 116TH ANNUAL GENERAL MEETING (MAY 4, 2018 IN BIELEFELD, GERMANY)

DMG MORI
AKTIENGESELLSCHAFT

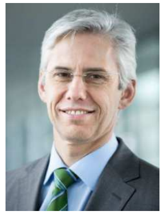
AG Supervisory Board (12 members)

Dr. Masahiko Mori
Chairman of the Supervisory Board

Ulrich Hocker
Presid. of Dt. Schutzv. für Wertpapierbesitz

James Nudo
President DMG MORI USA

Irene Bader
Director DMG MORI Global Marketing



Prof. Dr.-Ing. Berend Denkena
University Hannover

Prof. Dr. A. Köhler
University Duisburg-Essen

Mario Krainhöfner
Chairman of the Group Works Council

Stefan Stetter
Representative of Senior Managers

Larissa Schikowski
*Member of the Works Council**

Michaela Schroll
*Member of the Works Council***

Tanja Fondel
Union Secretary, IG Metall Manag. Board

Dietmar Jansen
1st Director and Treas. IG Metall, Allgäu

DISCLAIMER

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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.