DMG MORI

DMG MORI CO., LTD.
2-3-23, Shiomi, Kotoku, Tokyo, 135-0052, Japan
Tel.: +81 (0)3-6758-5900

August 5th, 2021

DMG MORI Co., Ltd.
61% growth of orders in the first half/ Further upward revision of full year forecast

Key figures

(JPY bn)		FY2021.1H*	(YoY)	FY2020.1H	*January – June
Consolidated order Intake	:	218.4 bn	(+61.2%)	135.5 bn	
Machine order backlog	:	142.0 bn	-	96.0 bn	(End of Dec. 2020)
Sales revenue	:	178.2 bn	(+15.5%)	154.3 bn	
Operating profit	:	10.2 bn	(4.2x)	2.4 bn	
Operating profit margin	:	5.7%		1.6%	
Net profit attributable to the owners of the parent	:	6.1 bn		-2.2 bn	
Net profit attributable to ordinary shareholders	:	5.0 bn		-2.7 bn	

[First half summary]

DMG MORI's order inflow began to recover in earnest in the first quarter of 2021 (January-March 2021) and accelerated further in the second quarter (April-June). Orders in Japan, which had been slow to recover, started to increase in the second quarter, and demand for machine tools has been expanding worldwide.

Consolidated orders for the first half of 2021 (January-June 2021) were JPY218.4 billion, up 61% from the same period of last year. Integrated machines such as 5-axis machines and mill-turn centers as well as automation and full turnkey systems with peripheral equipment and software products, in which we have competitive advantages, contributed to the order growth. The order backlog for machinery increased by JPY46 billion to JPY142 billion at the end of June 2021 from JPY96 billion at the end of December 2020.

Strengthening the cost structures during the last year has now led to a significant improvement in the profit margin as sales increase. Sales for the first half of 2021 increased to JPY178.2 billion, up16% year-on-year and operating profit jumped to JPY10.2 billion, up 4.2 times, resulting in a significant improvement of the operating profit margin with 5.7% (1.6% in the same period of 2020). In April 2020, DMG MORI acquired additional shares in DMG MORI AG (hereinafter referred to as AG), thereby reducing the amount of annual recurring compensation owed to non-controlling shareholders of AG under the DPLTA (Domination Profit and Loss Transfer Agreement). As a result, the net financial cost was lowered by JPY1.3 billion. In addition, some group companies, which had pushed up the effective tax rate due to deterioration of business performance last year, recovered their profitability, leading to a net profit of JPY6.1 billion (JPY2.2 billion loss of the same period of last year) with an appropriate effective tax rate.

Free cash flow (cash flow from operating activities less capital expenditure) was in the black at JPY8.2 billion. Although trade receivables and inventories increased along with the increase in sales, advance payments increased by JPY13.8 billion due to strong orders, and net working capital came to a surplus of JPY1.7 billion. The receipt of advance payments as consideration for providing customers with higher value-added technology through direct sales channel has been going well, and this supported a positive cash flow in the period of expanding business volume.

[Business overview for the first half]

(Order trend)

Consolidated orders for the first half of 2021 increased to JPY218.4 billion, up 61% year-on-year thanks to the continued favorable demand for machine tools from the beginning of the year. The average unit price per machine bottomed out at JPY32.4 million in the fourth quarter of the last year (October-December 2020), and started to rise from the first quarter of this year (January-March 2021). In the second quarter, it climbed to JPY38.9 million. Increasing demand for ultra-precision and high-speed machinery, automation, and full turnkey systems for semiconductor production equipment, EVs (electric vehicles), molds, etc. contributed to the rise in the unit price. Orders for services and repair parts, which accounted for about 20% of total orders, also grew by 26% year-on-year, reflecting the expansion of machine utilization in customers. The share of domestic and foreign orders was 11% (14% of the last fiscal year) and 89% (86%), respectively. Domestic recovery was delayed compared to Europe, China and the Americas, but showed significant growth in the second quarter. In Japan, demand for almost all industries except commercial aircraft and combustion-driven automobiles is increasing, and, above all, demand for semiconductor production equipment and related products has remained very strong. In addition, small and medium-sized machine tool users are becoming interested in introducing automation for high-mix low-volume products, and some material manufacturers are trying to expand their business into the downstream processing field. In this way, investment activities that are different from conventional ones are emerging even in Japan.

As for order composition ratio by overseas region, EMEA accounted for 53% (45% of the last fiscal year), the Americas for 18% (24%), China for 12% (10%) and Asia for 6% (7%).

By industry, demand in semiconductor production equipment, communications-related parts, EV-related parts, space, medical equipment, mold, and ultra-precision parts related to decarbonization has been significantly increasing. The number of inquiries from commercial aircraft industry is picking

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up slightly, and we believe that the worst in the industry seems to be bottoming out.

As for the second quarter (April-June 2021), consolidated orders doubled to JPY117 billion from the same period of last year. By region, orders in Japan increased by 66%, Europe by 3.2 times, Americas by 67%, China by 71% and Asia by 74%. Compared to the second quarter of 2019, i.e. before COVID-19 that had its unusually negative effects to machine tool demand, consolidated orders saw a good recovery with a 12% growth. By region, Japan was up 1%, EMEA up 25%, Americas up 10%, China up14% and Asia up 5%, respectively. Orders of services and repair parts also went up by 4%.

(Order backlog)

The order backlog for machinery was JPY142 billion at the end of June 2021, up JPY46 billion from JPY96 billion at the end of December 2020 and by JPY18 billion from JPY124 billion at the end of March 2021. We expect orders for machines will continue to exceed sales in the third quarter and beyond, leading to an order backlog of JPY150-160 billion at the end of this year. Most of the order backlog will be translated into sales next fiscal year. Based on the projected sufficient order backlog, we would be able to see a good business performance from the beginning of the next year, unlike the start with the low order backlog of JPY96 billion at the beginning of this year.

(Profit and loss situation)

Sales for the first half of this year was JPY178.2 billion, up 16% from the same period of last year. Although the beginning of this year's term was tough because the order backlog stood at the low level of JPY96 billion, we were able to achieve better than expected sales. This was driven by a favorable order inflow since the beginning of this year as restrictions on the movement of sales and services staff were relaxed, particularly in Europe and North Americas. As a result, we worked through delayed machine installations and customer's final acceptances.

Operating profit for the first half of this year improved to JPY10.2 billion, up by JPY7.8 billion from JPY2.4 billion of the same period of last year. The factors driving this increase were JPY 5.1 billion from increased sales volume, JPY2.5 billion from the weak yen against euro including the revaluation gain of JPY2.2 billion on the foreign currency-denominated loans, and JPY1 billion from improved gross profits by providing competitive solutions to customers. Total positive impacts amounted to JPY8.6 billion. On the other hand, main factors behind the decline in the profit were JPY800 million from an increase in logistics cost. Other expenses increase in sales and general administrative expenses have been suppressed by use of digital tools and enhancement of digital contents. Personnel expenses increased by JPY2.6 billion, but this was due to a translation of AG's euro-denominated expenses into yen, and the actual personnel expenses of the group were almost flat

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year-on-year. As a result, the operating profit margin improved significantly from 1.6% of the same period of last year to 5.7% in the first half of this year.
As for the financial expenses, the amount of the annual recurring compensation to non-controlling shareholders of AG was lowered by JPY1.3 billion to JPY800 million from the same period of last year due to the additional acquisition of around 10% of AG shares in April 2020. As a result, profit before income taxes came to JPY8.5 billion (JPY600 million loss in the same period of last year). In addition, a lower effective tax rate of 28% pushed up net profit to JPY6.1 billion (JPY2.2 billion loss in the same period of last year). Although some group companies experienced losses last year, they returned to their healthier profit situation, leading to an almost normalized effective tax rate. Interest payment on perpetual subordinated loans and bonds classified as equity instruments was deducted by JPY1.1 billion from net income attributable to owners of the parent, resulting in income attributable to common shareholders of JPY5 billion.

Sales revenue for three months from April through June 2021 increased to JPY97.1 billion, up 45% year-on-year, operating profit to JPY6.2billion (JPY800 million loss in the same period of last year) with an operating profit margin of 6.4% (-1.3%). Profit before income taxes was JPY5.4 billion (JPY1.8 billion loss in the same period of last year), and net profit was JPY4.3 billion (JPY2.3 billion loss in the same period of last year). Compared to the first quarter (January-March 2021), sales revenue, operating profit and net profit increased by 20%, 56% and 2.4 times, respectively.

(Cash flow)
Free cash flow for the first half was in the black at JPY 8.2 billion. An increase of JPY8.1 billion in trade receivables driven by a sales expansion and JPY3.9 billion in inventories due to preparation for shipment in the second half resulted in total cash out-flow of JPY12.0 billion. This was more than compensated by cash in-flow of JPY13.8 billion in advance payments, leading to JPY1.7 billion of net cash inflow in the working capital. Together with income before taxes of JPY8.5 billion and depreciation and amortization of JPY10.9 billion, the total amount of cash inflow climbed to JPY21.1 billion. On the other hand, total investment came to JPY7.6 billion, of which tangible and intangible asset investments were JPY3.2 and JPY4.4 billion, respectively. Other cash out-flow including corporate income tax payments was JPY5.4 billion, leading to total cash out-flow of JPY13.0 billion.

(Capital expenditure)
In the first half of this year, we invested a total of JPY7.6 billion, whereof JPY3.2 billion for tangible assets and JPY4.4 billion for intangible assets. Tangible asset investments were mainly made for construction of the Nara Product Development Center, which will be the main base for future

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technological development, and at our Iga plant to improve production process efficiency. Intangible investments included the introduction of a new ERP (Enterprise Resource Planning) system for correct and quick management decision-making.

(Financial position)

Total assets at the end of June increased by JPY38.6 billion from the end of December 2020. The increase can be broken down into JPY10 billion in trade receivables, JPY8.1 billion in inventories, JPY4.5 billion in intangible assets and JPY7.3 billion in cash on hand including other short-term financial assets. The increased trade receivables were caused by the positive sales development and the ramped-up inventories shall serve the expected business expansion in the third quarter and beyond. We have been working on introduction of a new ERP system as mentioned earlier, resulting in the increase of intangible assets. An increase of debt was mainly caused by a JPY15.7 billion of advance payments. The shareholders' equity balance climbed by JPY11.9 billion because of profits progress and narrowed deficit of foreign currency translation reserve due to the depreciation of the yen against the euro (JPY131.6/euro at the end of June 2021 from JPY127.0/euro at the end of December 2020). As a result, the shareholders' equity ratio at the end of June 2021 was 34.9% (35.2% at the end of December 2020), the net interest-bearing debt was JPY59.5 billion (JPY64.4 billion at the end of December 2020), and the net interest-bearing debt divided by shareholders' equity declined to 30.1% (34.7% at the end of December 2020).

(Number of employees)

The number of consolidated employees (including contract employees, part-time workers) at the end of June 2021 was 12,180, which was almost same as 12,160 at the end of December 2020. Business activities such as orders, production, sales, and services have been growing rapidly, but the efficiency of marketing, production, and services has dramatically improved thanks to use of digital tools such as my DMG MORI, Digital Twin Showroom, and TULIP, and the enhancement of digital contents, resulting in a good management of the number of employee.

(Research and Development)

DMG MORI has been focusing on future business areas such as ultra-precision and high-speed machines, integrated machines including 5-axis machines and mill-turn centers, automation and full turnkey systems, digital tools and digital contents to satisfy our customers as well as education programs for human resource development.

As for newly developed products, we have launched the large-sized turning center NLX6000 | 1000, the additive manufacturing LASERTEC 3000 *DED hybrid*, and the small-space 5-axis machine DMP

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35. NLX6000 | 1000 is suitable for semiconductor production equipment, construction machinery parts, high-pressure steel pipes for the energy industry, etc. LASERTEC 3000 *DED hybrid* can be applied not only to parts processing but also to quenching, welding, and coating, leading to expansion of its scope of application. The DMP 35 is suitable for ultra-precision medical parts, space-related parts, and small-sized general machine parts such as valves and pumps. We are also working on the development of more groundbreaking new products, which will be launched into the market in the second half of this year.

With regard to automation, we have developed tool handling systems in addition to conventional work handling and pallet handling systems. Central Tool Storage (CTS), which we begun selling, is an automated system equipped with capacity for 400 tools, in which a transfer robot carries tools to and from tool magazine of each connected machine tool, enabling automation of high-mix production. We have also developed a "tool visualizer" and the built-in" mist collector *zero*FOG". The tool visualizer, which is mounted inside the machine, integrates the machine and measurement technology to measure tools with high efficiency and without contact. The shape of the tool changes due to expansion due to processing heat, which may cause an error in machining accuracy, but the error can be prevented by using this technology. The mist collector *zero*FOG with a compact housing can be installed on the machine tool's body, and efficiently collects mist (fine-grained cutting oil floating in the air) generated during metal processing in order to create a clean work site. This helps maintain product quality and improve the working environment.

The number of registrations for my DMG MORI as the portal site has been steadily increasing from 40,000 at the end of December 2020 to the target of 60,000 at the end of this year. We have started "Service Request" as a new function. This is a system in which the customer informs our service center of the status of the customer's machine by using various digital data such as images, videos, and programs. This makes it possible to visualize the machine tool status and support requests from the customer's perspective on the digital platform, enabling accurate and prompt response. It is more convenient because it is possible to respond not only to requests for repair and restoration, but also to customer requests for consultations regarding processing programs and selection of peripheral devices.

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Outlook for fiscal year 2021 (January - December)

		FY2021 Plan (Revised)	(YoY)	FY2020 Actual	FY2021 Plan (May 12, 2021)
Consolidated order intake	:	420.0 bn	+50.2%	279.7 bn	400.0 bn
Sales revenue	:	365.0 bn	+11.2%	328.3 bn	345.0 bn
Operating profit	:	20.0 bn	+87.4%	10.7 bn	14.0 bn
Operating profit margin	:	5.5 %		3.3 %	4.1 %
Profit before income taxes	:	16.5 bn	3.2x	5.1 bn	9.5 bn
Net profit attributable to the owners of the parent	:	11.0 bn	6.3x	1.7 bn	6.0 bn
Net profit attributable to ordinary shareholders	:	8.9 bn		0.4 bn	3.9 bn

[Fiscal Year Business Outlook]

(Full year order and profit forecasts have been revised up, and annual dividends are planned to be increased.)

Orders are expected to remain strong, as orders in the global market are coming in from almost all industries except energy and combustion-driven automobiles, and demand in small and medium-sized enterprises is also expanding. In addition, the processing of ultra-precision parts for EVs, molds, decarbonization-related equipment, semiconductor production equipment is increasing. The demand for automation and full turnkey is in full swing. Since the movement to reduce greenhouse gas emissions is becoming more and more active worldwide, our carbon-neutral machine tools with their label "GREEN MACHINE", which was launched first in the industry at the beginning of this year, have been well appreciated by our customers. The GREEN MACHINE is produced worldwide carbon-free from procurement (scope1) to product shipment (upstream categories of scope3) by using internationally accepted emission certificates to offset remaining CO_2 emissions. Together with our differentiated strength in product model portfolio and technology characteristics, and direct sales and services channels, the carbon-neutral products deliver another competitive advantage particularly in Europe and the United States. Given the above, we have increased the outlook of orders for the fiscal year from the previous plan of JPY400 billion to JPY420 billion.

We raised our full-year sales forecast from our previous plan of JPY345 billion to JPY365 billion, up 11% from last year. Orders received in the second quarter (April-June 2021) exceeded the plan, and most of them will be recorded as sales in remaining year. In addition, our global employees are in the process of being vaccinated against COVID-19, leading to more product shipments and installations

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in the second half of this year.
As for the cost structure, there are no major changes from the plan announced on May 12. We have already announced that we will raise the average annual salary of domestic employees from JPY6.43 million in the last year to JPY7.1 million this year (peak salary of JPY8.08 was in 2019). On the other hand, as logistics costs have been rising, we have factored in the increase of such costs conservatively. Although we expect a JPY7.5 billion contribution to operating profit from incremental sales of JPY20 billion, net impact on operating profit is estimated to be JPY6 billion after considering the rising logistic costs. As a result, we revised our full year operating profit forecast from JPY14 billion to JPY20 billion. The operating profit margin for this year is expected at 5.5%. We reduced our net financial costs plan from our previous forecast of JPY4.5 billion, which was estimated to be very conservative, to JPY3.5 billion. As a result, a forecast of profit before income taxes is expected at JPY16.5 billion (JPY9.5 billion as of May 12). Net profit is planned at JPY11 billion after deduction of income tax expenses based on an appropriate effective tax rate of 33% (JPY6 billion as of May 12).
Regarding shareholder returns, we have planned to increase full year dividend per share from the previous plan of JPY20 to JPY30, of which JPY10 will be paid in the first half as planned and JPY20 will be paid in the second half, which was revised up from the original plan of JPY10. Better than expected order development, upward revision of profits and free cash flow of over JPY15 billion is backing the planned increase of full year dividend.

(Effects of rising material prices, rising logistics costs, and shortages of parts such as semiconductors)

Although the prices of materials, mainly steel-remated materials, have been rising, we have been building up enough inventory from the latter half of last year in anticipation of a recovery in demand for this term, and have switched to long-term contracts with suppliers for some materials and parts. For these reasons, we expect that the impact will be minor for this fiscal year. As for increasing logistics costs, we have included them in our earnings forecast for the current fiscal year as mentioned earlier. There is a concern that the global shortage of semiconductor supply will affect the procurement of CNC (Computerized Numerical Control), but as commented in the financial results release on May 12, we have procured CNCs from four major global companies in a decentralized manner. Since we have already placed the order for the required quantity this year, we are sure that there will be little impact on our production this year. In the next fiscal year 2022, the impact of rising steel prices may become apparent, but we are preparing to pass price increases on to customers, and we will strive to further improve the productivity of internal manufacturing in key components such as castings, steel covers, ball screws, etc., thus curbing the cost increase. Our global direct sales channel enables DMG MORI to pass an expected increase of material costs on to customers by providing high value-added products and technology such as 5-axis machines and mill-turn centers, automation and full turnkey systems. In the medium to long term, we are confident that the impact by fluctuation of material prices will decline as the sales share of engineering, software products and service and repair components increases.

(Capital expenditure)

There is no change in the capital investment budget of JPY15 billion for this year. Investment projects that we have already announced have been proceeding as scheduled, such as the introduction of the state-of-the-art electric furnace at Watanabe Steel Works to expand the production capacity of green castings, the installation of biomass power generation equipment at the Iga factory, the expansion of production capacity in the existing factory in Tianjin, China, the construction of an assembly plant for 5-axis machines in Pinghu, China, about one hour drive away from Shanghai, China, the construction of "Nara Product Development Center", and the introduction of a new ERP system. We also announced the establishment of a new machine tool factory in Egypt as a joint venture with the Arab Organization for Industrialization (AOI) with investment ratios of 60% for AOI and 40% for DMG MORI. But actual payments for the factory project will be made from next year onwards. Please note that the total amount of capital investment for this year may increase, depending on the progress of the above-mentioned projects.

(Funding through Zero Coupon Convertible Bonds due 2024, and Perpetual Subordinated Bonds)

On July 16, 2021, we raised JPY40 billion through zero coupon convertible bonds with a conversion price of JPY2,593, up 30.04% from the closing price of JPY1,994 on the date of the relevant board resolution, and a redemption date of July 16, 2024. The funds raised through the convertible bonds will be used for the projects described in the above-mentioned capital expenditure section, such as reduction of CO_2 emissions, medium-to long-term business growth in China, and speeding up decision-making by the introduction of a new ERP. DMG MORI is certain that strengthening competitive advantages in the industry by promoting CO_2 emission reduction, promoting presence and growth in China, and improving management efficiency by ERP will be able to secure profits that exceed the cost of capital of the equity-related funding.

In addition, we plan to raise maximum JPY30 billion through perpetual subordinated bonds by September 2, 2021. The funds will be used for voluntary redemption of the first perpetual subordinated bonds issued in September 2016 and repayment of other existing loans and corporate bonds. Since machine tools are used for 10-12 years in a normal replacement cycle and 20 years or more in physical useful life, it is necessary to respond to long-term trust of customers with a standpoint of

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financial stability. Consequently, we have been shifting our funding to long-term instruments.

[Medium-term business outlook through 2023]

Demand for machine tools, which has entered a full-scale expansion from the first quarter of this year, continues to spread to various industries such as general machinery, mold, etc. As EV market penetration and decarbonization also accelerate, we expect the growth trend to continue until 2023. In addition, these types of demand require ultra-precision machines more than ever as well as changes in materials used, complexity of processed shapes and high-mix low volume processing. We believe that our strategies focusing on integrated machines, automation and full turnkeys will deliver more customer advantage, further accelerating our business in the future. On the other hand, sales-related, general and administrative expenses, which had increased due to the enhancement of our direct sales and services channel and the strengthening of marketing using large-scale exhibitions until 2019, will be efficiently managed due to the cutting-edge digital tools introduced during 2020 amid the global pandemic of COVID-19. We will continue to curb increase in sales-related, general and administrative expenses except personnel costs, by further enhancing digital contents.

Given this background, we aim to achieve a historical peak operating profit of JPY38 billion and an operating profit margin of 9.0% with a sales forecast of JPY420 billion in the fiscal year ending December 2022. We have set our goal of more than 10% of operating profit margin with over JPY450 billion in sales and over JPY45 billion in operating profit in the year ending December 2023.

With regard to the financial position, we assume that JPY40 billion of convertible bonds issued on July 16 will be converted by the end of 2023. By the end of 2023, we aim to reduce the balance of net interest bearing debt (interest bearing debt minus cash on hand) to zero and to achieve an equity ratio of about 50%.

The balance after subtracting the cash on hand from the perpetual subordinated loans and bonds is expected to be JPY100 billion or less, resulting in a ratio of net perpetual subordinated loans and bonds divided by the equity amount at 35% or less. In order to achieve this financial structure, we are planning to generate more than JPY70 billion of cumulative free cash flow (cash flow from operating activities minus capital expenditure) during the period between 2021 and 2023, and to pay approximately JPY15 billion of cumulative dividend during the same period.

(Sustainable - ESG/CSR- Management Policy)

DMG MORI has been placing great emphasis on coexistence with society and is working on management that satisfies all stakeholders. Regarding climate change, we announced our support for the TCFD (The Task Force on Climate-related Financial Disclosure) recommendations in July, and we officially published the first draft in accordance with the recommendations including governance,

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strategy, risk management and target of CO_2 emissions reduction. We also posted the draft on our website (https://www.dmgmori.co.jp/corporate/sustainability). Our machine tool business itself has been contributing to protect the environment, such as saving various resources including power consumption by replacing multiple machine tools with only one machine such as our 5-axis machine tools and mill-turn centers. As we have already reported, DMG MORI continues its efforts to reduce CO_2 emissions internally, and is offsetting remaining CO_2 emissions by internationally accepted emission certificates, resulting in a carbon-free "GREEN MACHINE" in the range from Scope 1 (procurement) to upstream categories of Scope 3 (audited by independent auditor Pricewaterhouse Coopers GmbH and assured by the company). Currently, we are working on calculating the amount of CO_2 emissions up to downstream Scope 3, and plan to disclose it by the end of 2022 at the latest. In order to reduce CO_2 emissions, we will increase our purchases of CO_2-free electricity, introduce biomass power generation, install state-of-the-art electric furnace equipment in casting manufacturing, replace company-owned vehicles to electric or more fuel-efficient vehicles. In addition, we have decided to install solar power generation systems at our major domestic factories. Through these measures, we aim to reduce CO_2 emissions per machine unit by 30% until 2030 compared to the level of 2019.

We believe that the health of our employees is of the utmost importance in achieving our management philosophy of "play hard, study continuously, work together" and we have therefore made the "DMG MORI Health Management Declaration." Maximum individual working hours per day at 10 work hours, 12-hour rest intervals and annual 20-day paid leave have been well established. As a measure against COVID-19 infections, DMG MORI has carried out workplace vaccinations in Japan and Europe, expanding vaccination offers not only to employees but also to their families as well as business partners such as dealers and suppliers, thereby also contributing to society. In addition, we have opened a PCR laboratory at our Iga Plant in Mie Prefecture, Japan, to check and curb infections with a registration of a temporary hygiene inspection site specializing in COVID-19.

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(Disclaimer）

This release 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.