



March 29, 2021

To whom it may concern

Company	DMG MORI CO., LTD.
Name of the Representative	Masahiko Mori President and Representative Director (Securities Code: 6141 Tokyo Stock Exchange, First Section)
Contact	Hirotake Kobayashi Executive Vice President, Accounting / Finance HQ Executive Officer (Tel: +81-03-6758-5900)

## Notice on Establishment of a Subsidiary by Company Split (Simplified Incorporation-type Company Split)

DMG MORI CO., LTD. (hereinafter “the Company”) hereby announces that it passed a resolution at its Board of Directors meeting held on March 29, 2021 to transfer the manufacturing business for machine tool components of the Company group to DMG MORI Precision Components CO., LTD., a company to be established through an incorporation-type company split.

As this company split is a simplified incorporation-type company split involving only the Company, some disclosure items and contents are omitted from this announcement.

### 1. Purpose of the Company Split

By separating the key component manufacturing business as a core technology of machine tools through the company split, we are aiming to further improve the competitiveness of this succession business and the corporate value of the Company group through strengthening profitability management, clarifying management responsibilities, speeding up decision making and achieving flexible business operations.

### 2. Outline of the Company Split

#### (1) Schedule for the company split

Board of Directors’ resolution on  
incorporation-type company split plan: March 29, 2021  
Date of split (effective date): April 30, 2021

As this company split meets the requirements for a simplified company split in accordance with the provisions of Article 805 of the Companies Act of Japan, the Company does not require approval at its General Meeting of Shareholders.

#### (2) Method of the company split

The Company is the splitting company and a company to be newly established is the successor company. This company split is an incorporation-type company split.

(3) Allocation of shares

The successor company will issue 2,000 shares of common stock, and all the shares will be allocated to the Company.

(4) Treatment of share options or bonds with share options upon the company split

There will be no change in the handling of issued share options due to the Company Split.

The Company has not issued bonds with share options.

(5) Increase and decrease in capital due to the company split

There will be no increase and decrease in capital due to the Company Split.

(6) Rights and obligations to be assumed by the successor company

The successor company will assume the assets, liabilities, contractual status, and other rights and obligations with respect to the business prescribed in the incorporation-type company split plan.

(7) Prospects for fulfilling financial obligations

The Company has determined that there will be no issue in fulfilling the financial obligations born by the successor company upon the company split.

3. Outline of Parties involved in the Company Split

		Splitting company (As of December 31, 2020)	Successor company (April 30, 2021: Planned)
(1)	Company name	DMG MORI CO., LTD.	DMG MORI Precision Components CO., LTD.
(2)	Business	Manufacture and Sale of Machine Tools	Manufacture and Sale of Machine Tool Components
(3)	Date of establishment	October 26, 1948	April 30, 2021 (planned)
(4)	Location of head office	106, Kita Koriyama-cho, Yamato-Koriyama City, Nara, Japan	201 Midai, Iga City, Mie, Japan
(5)	Name of the Representative	Masahiko Mori President and Representative Director	Yosuke Nakatsukasa President and Representative Director
(6)	Capital	51,115 million yen	100 million yen
(7)	No. of issued shares	125,953,683 shares	2,000 shares
(8)	Accounting period	December 31	December 31
(9)	Principal shareholders & shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 8.70% Custody Bank of Japan, Ltd. (Trust Account) 6.10% THE BANK OF NEW YORK MELLON 140051 4.37%	The Company 100%

		DMG MORI Employee Shareholders Association	3.09%	
		Masahiko Mori	2.87%	

(Note) The shareholding ratio is calculated excluding the treasury shares. 967,100 shares owned by The Nomura Trust and Banking Co., Ltd. (DMG MORI Co., Ltd. Employee Stock Ownership Plan trust account) is not included in the treasury share.

#### 4. Consolidated Financial Position and Operating Results of the Splitting Company for the Latest Fiscal Year (IFRS)

	The Company (Consolidated)
Accounting period	December 31, 2020
Equity	189,895 million yen
Total assets	526,526 million yen
Equity per share attributable to owners of the parent	1,493.86 yen
Sales revenues	328,283 million yen
Operating income	10,674 million yen
Earnings before income taxes	5,106 million yen
Income attributable to owners of the parent	1,745 million yen
Basic earnings per share	3.40 yen

#### 5. Contents of the Business to be Split

##### (1) Business to be split

Machine tool components manufacturing

##### (2) Operating results of the business to be split (year ended December 2020)

Sales revenues 8,000 million yen

##### (3) Amount of assets and liabilities to be succeeded (As of December 31, 2020)

Assets		Liabilities	
	Book Values (million yen)		Book Values (million yen)
Current assets	1	Current liabilities	—
Fixed assets	1,201	Long-term liabilities	—
Total	1,202	Total	—

(Note) The actual amount of the assets to be succeeded may vary from the amounts stated above after reflecting any increase or decrease of the assets occurring prior to the effective date of the company split.

6. Status of the Company after this Split

The Corporate name, business, location of head office, name and title of representative, capital, accounting period of the Company will not change after the company split.

7. Financial Outlook

As the successor company will be a wholly owned subsidiary of the Company, the company split will have no effect on the consolidated financial performance of the Company.