

FY2009

1st Quarter Result Meeting

MORI SEIKI CO., LTD

July 27,2009

Notice on Future Projections

◆ This material contains targets, plans, etc, concerning the future of Mori Seiki and the Mori Seiki Group. All predictions concerning the future are judgments and assumptions based on information available to Mori Seiki 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 the following:

- Fluctuations in exchange rates
- Changes to the laws, regulations and government policies in the markets where Mori Seiki conducts its business
- Mori Seiki's ability to develop and sell new products in a timely fashion
- Instability of governments in the markets where Mori Seiki conducts its business

Summary

- **Sales Revenue: 13.7billion yen (70% decrease from previous year)**
- **Operating income: Deficit of 8 billion yen**
- **Shareholder's equity ratio remains high at 74.3%**
- **Orders are recovering gradually**
(Success at Early Summer Productivity Show)
- **High inquiries for new products (NT1000, NMV3000)**
- **Continuous improvements in productivity (Shorter assembly times)**
- **Steady progress on collaboration with DMG**
 - **Sales and service collaboration began July 1st in selected markets**
 - **Product sharing and components supply also on schedule**

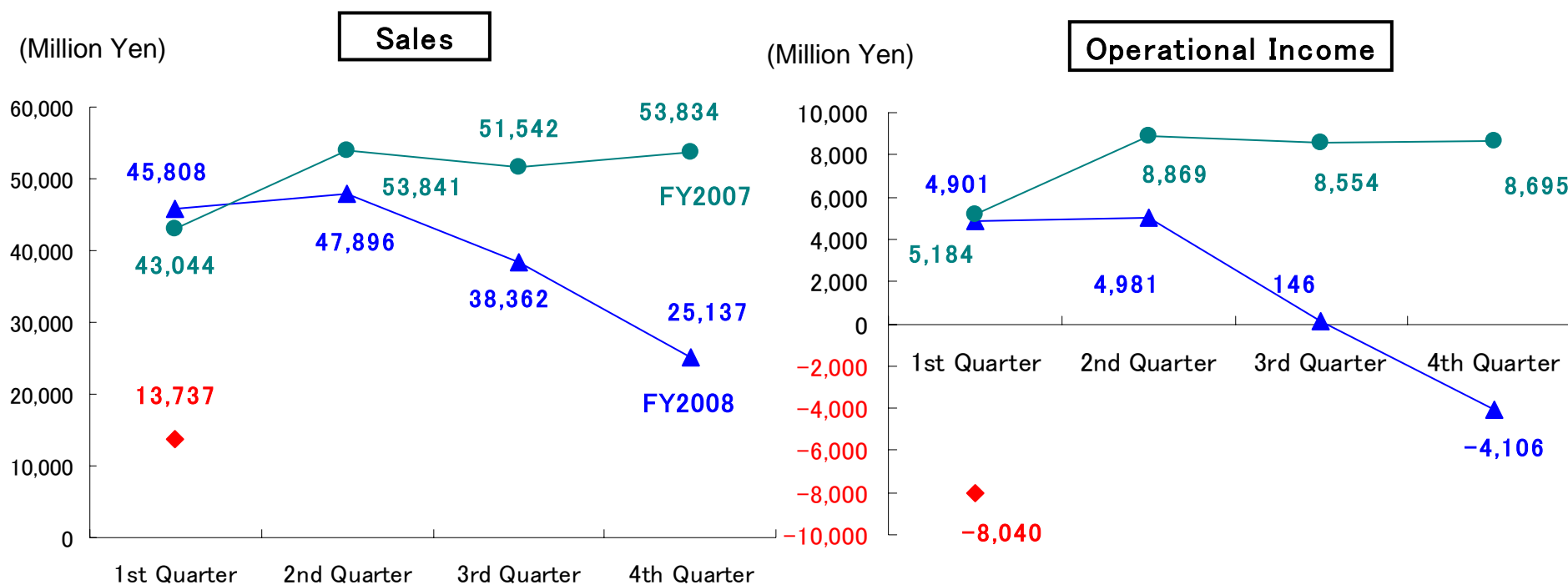
Profit and Loss Statement (P/L)

- Low demands and high yen resulted in 70% decrease of sales.
- Saving cash by lowering production contributed to hefty loss.

	FY 2008 1Q	FY 2009 1Q				FY2009 1st half	FY2009
(Million yen)	Results	Results	Difference	Year-on-Year		Forecast	Forecast
Net sales	45,808	13,737	-32,071	-70	%	35,000	80,000
Operating income	4,900	-8,040	-12,940	-	%	-12,000	-20,000
(Operating margin)	10.7%	-				—	—
Ordinary income	5,302	-7,729	-13,031	-	%	-12,000	-20,000
(Ordinary margin)	11.6%	-				—	—
Pretax net income	5,280	-7,762	-13,042	-	%	—	—
Net income	2,874	-8,757	-11,631	-	%	-12,000	-20,000
(Covers. Rate 1US\$ =)	(105.4)	(97.3)				(95.0)	(95.0)
(1EURO=)	(164.8)	(132.6)				(125.0)	(125.0)

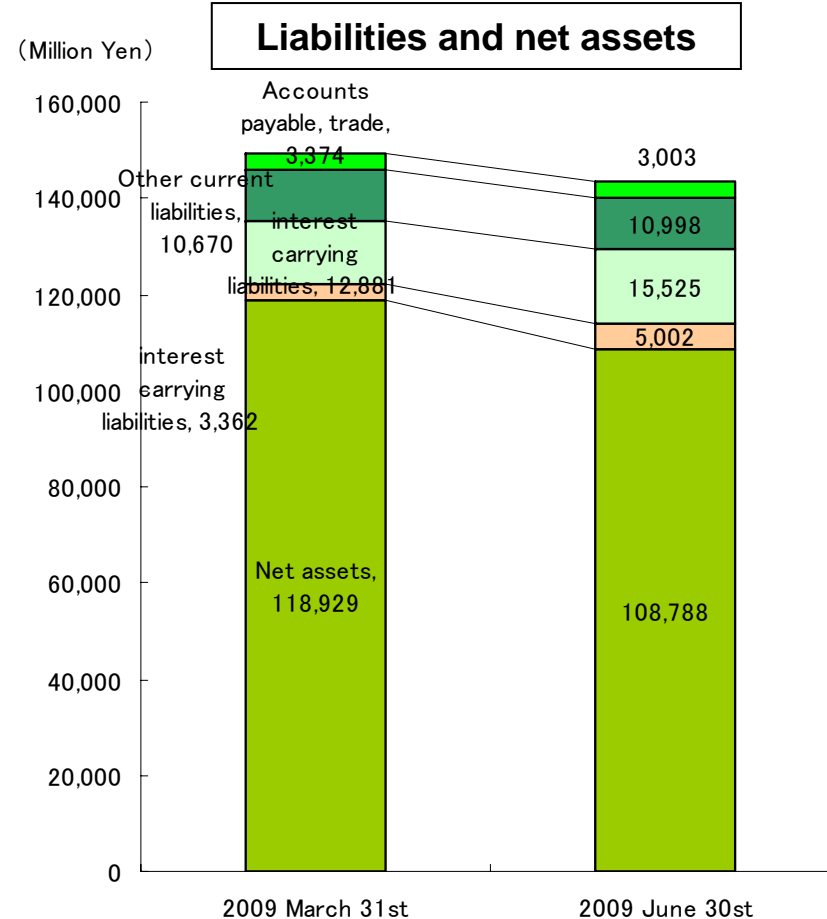
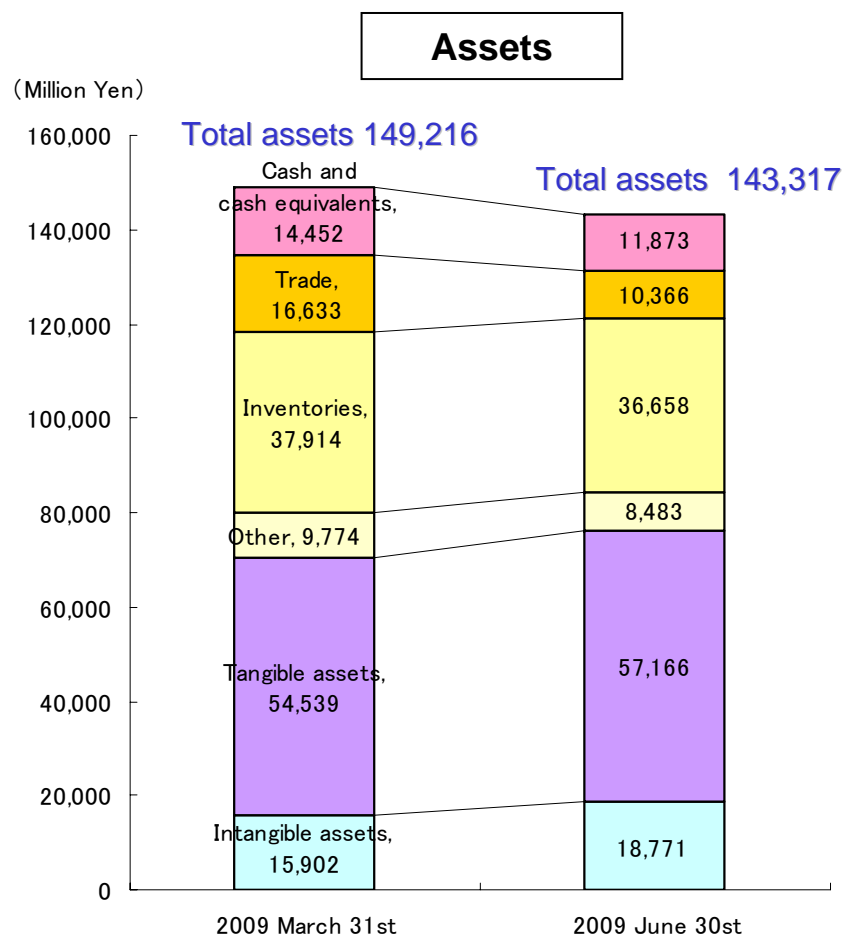
Quarterly Result of Sales and Operating Income

※consolidated base



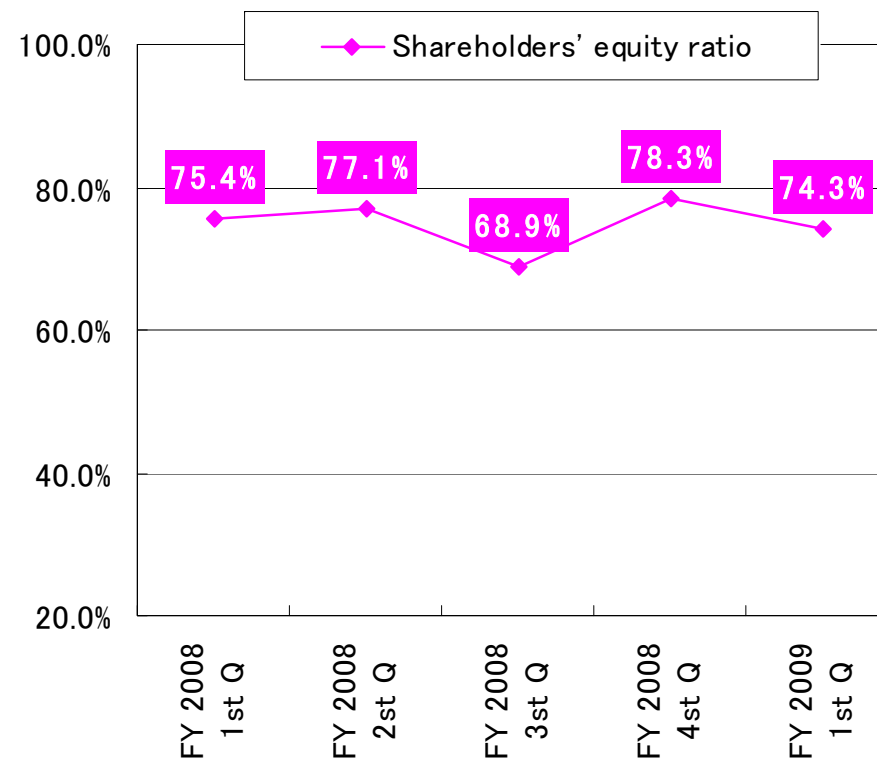
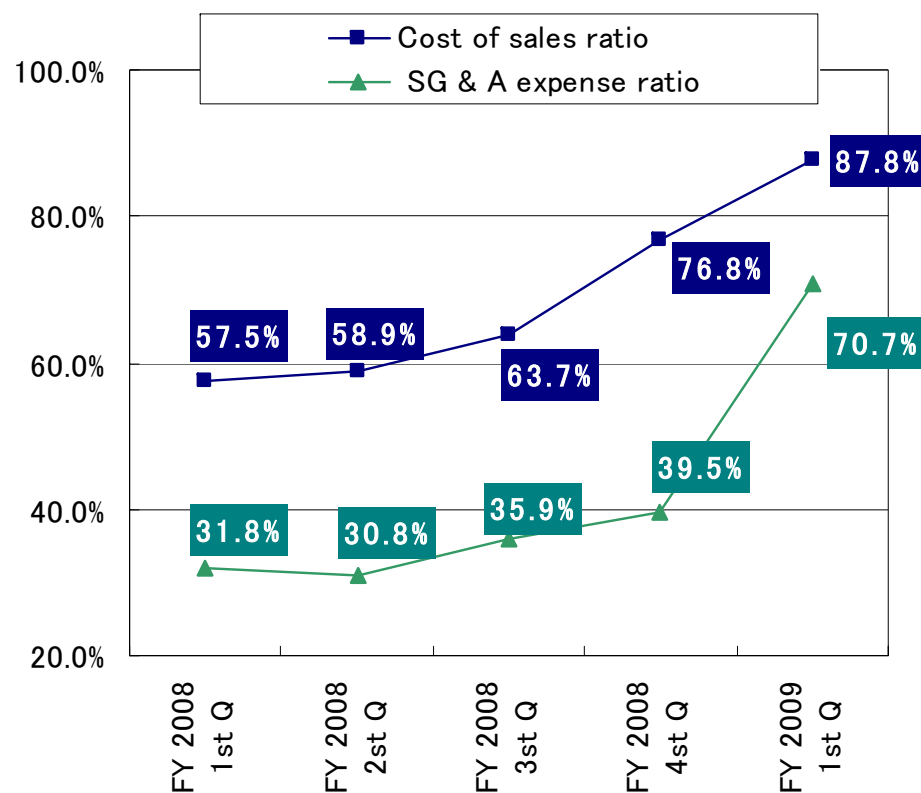
Balance Sheet (B/S)

- Inventory of finished products are reduced as scheduled.
Finished products in stock: 900 units (March 31st) ⇒ 684 units (June 30th)
- Shareholder's equity ratio remains high at 74.3%.



Cost of Sales Ratio / Selling, General and Administrative Expenses Ratio (SG&A Ratio) / Shareholder's Equity Ratio

- Decline in sales caused increase in cost of sales ratio and SG&A expense ratio.
- However, fixed costs are reduced as scheduled.



Turnover Period

- Decline in sales prolonged the turnover period for inventory assets and fixed assets.
- However, collection of cash for both inventory and accounts receivable are improving.

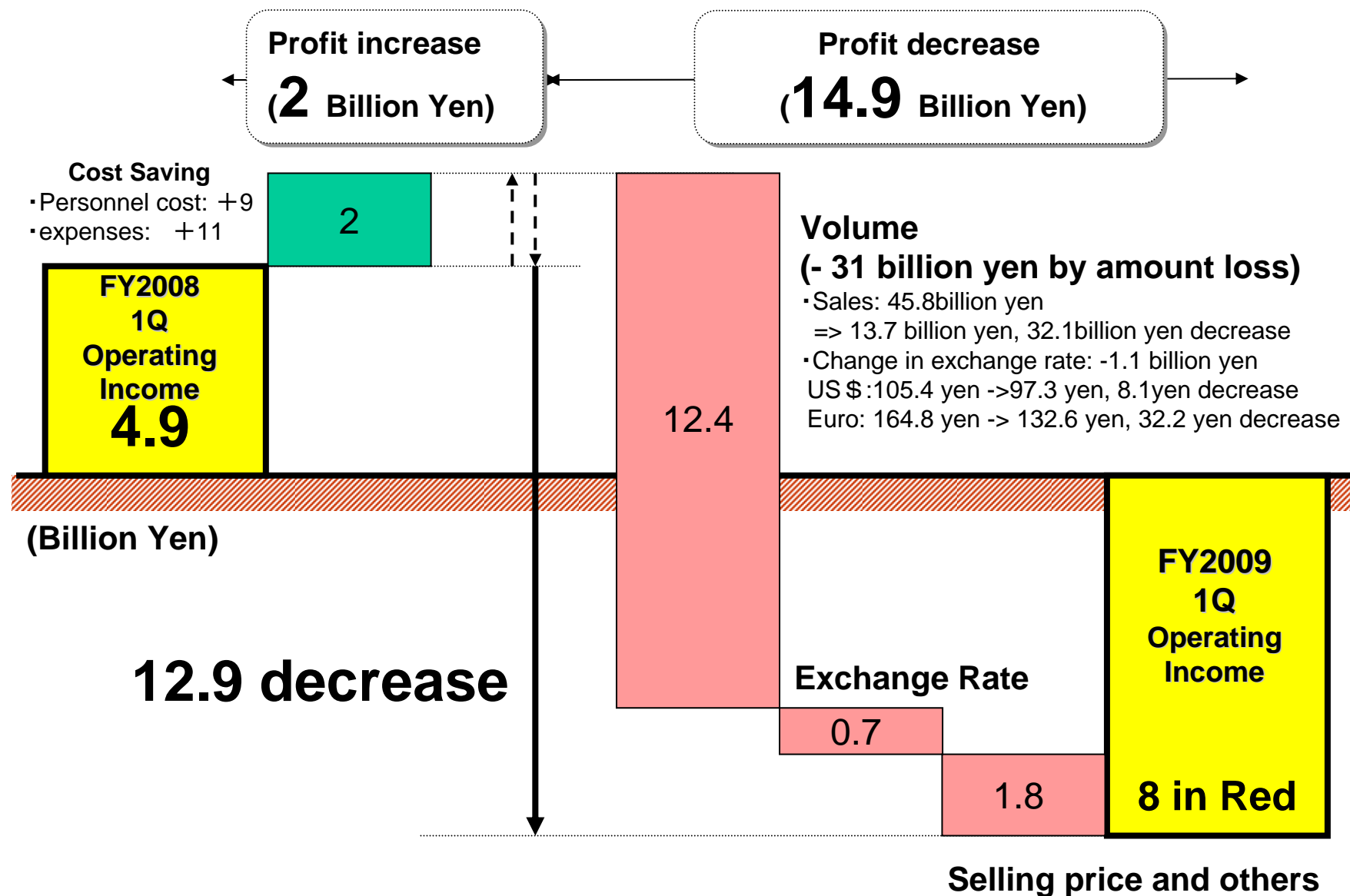
	FY 2008 1st Quarter	FY 2009 1st Quarter	
	1st Quarter Results	1st Quarter Results	Difference
Notes and accounts receivable turnover period	2.08	2.25	0.17 m
Inventories turnover period	2.91	8.01	5.10 m
Accounts payable turnover period	0.73	0.66	-0.07 m
Fixed asset turnover period (property, plant and equipment)	3.66	12.48	8.82 m
Loan payable turnover period (incl. bonds)	0.21	3.39	3.18 m



Cash Flow Statement (Consolidated)

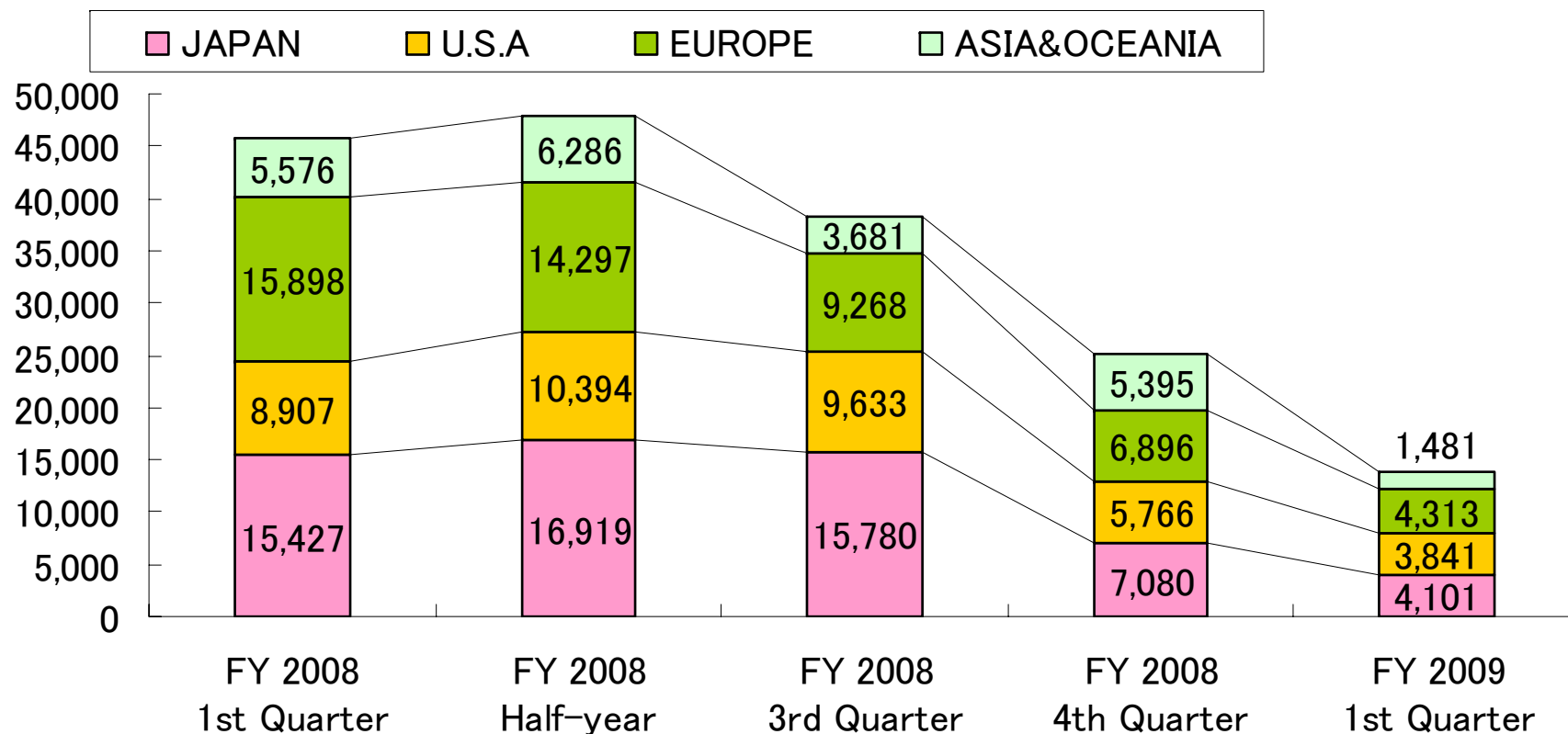
(Million yen)	FY 2008 1st Quarter	FY 2008 Half-year	FY 2008 3rd Quarter	FY 2008 4th Quarter	FY 2009 1st Quarter
Net cash provided by operating activities	455	2,728	2,938	8,564	1,343
Net cash used in investing activities	-2,579	-5,230	-7,485	-11,424	-4,992
Net cash used in financing activities	-1,982	-3,771	15,857	-507	550
(Decrease) increase in cash and cash equivalents	-3,850	-6,482	10,073	-4,075	-2,981
Cash and cash equivalents at beginning of the year	17,916	17,916	17,916	17,916	14,255
Cash and cash equivalents at end of the year	14,426	11,795	28,350	14,255	11,731

Analysis of Operating Income Result (against FY2008 1Q)



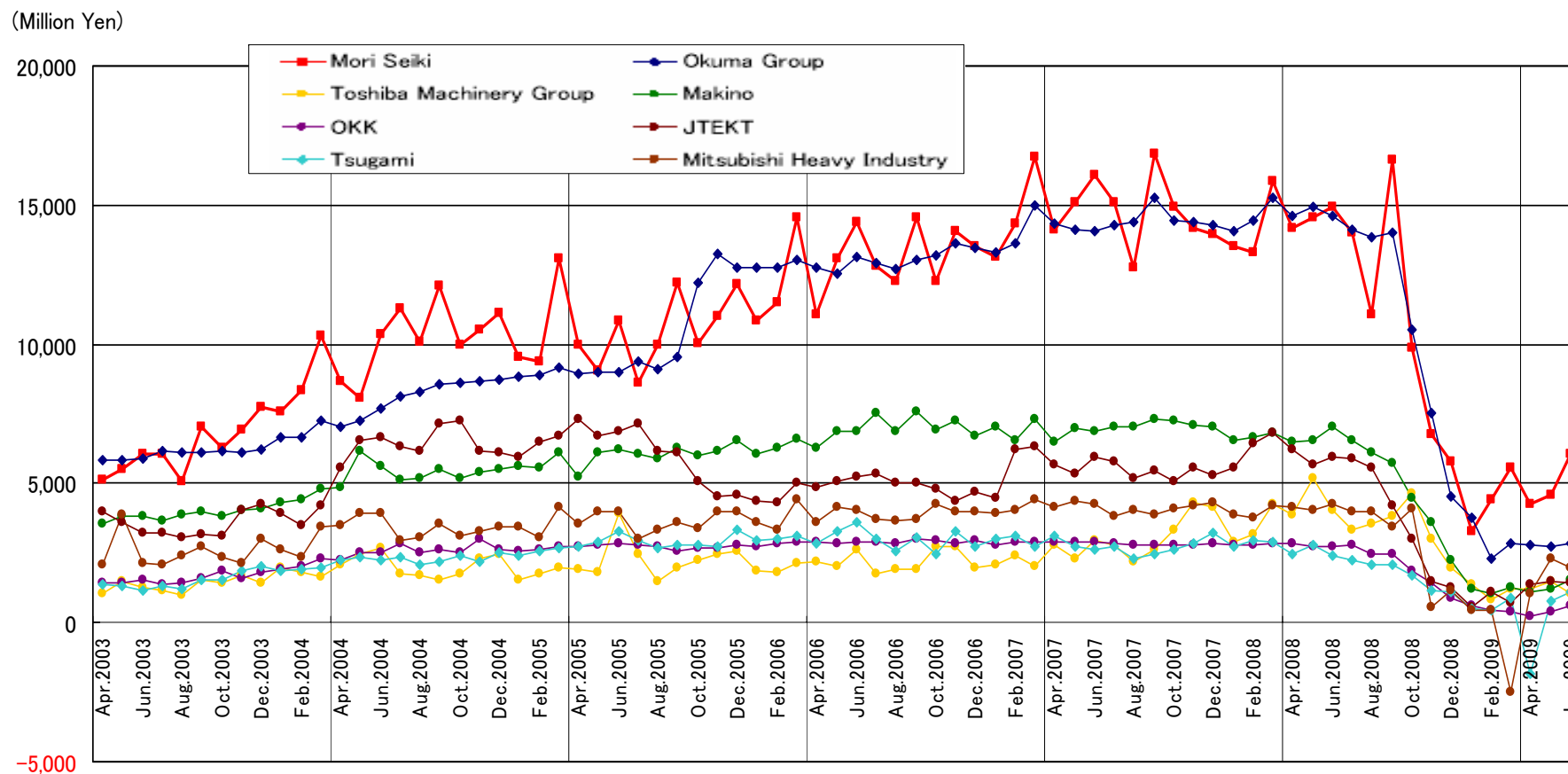
Sales Revenue by Region

FY2009 1st Quarter Local Currency		
U.S.A	39.4MUS \$	(1\$=97.3Yen)
EUROPE	32.5M€	(1€=132.6Yen)



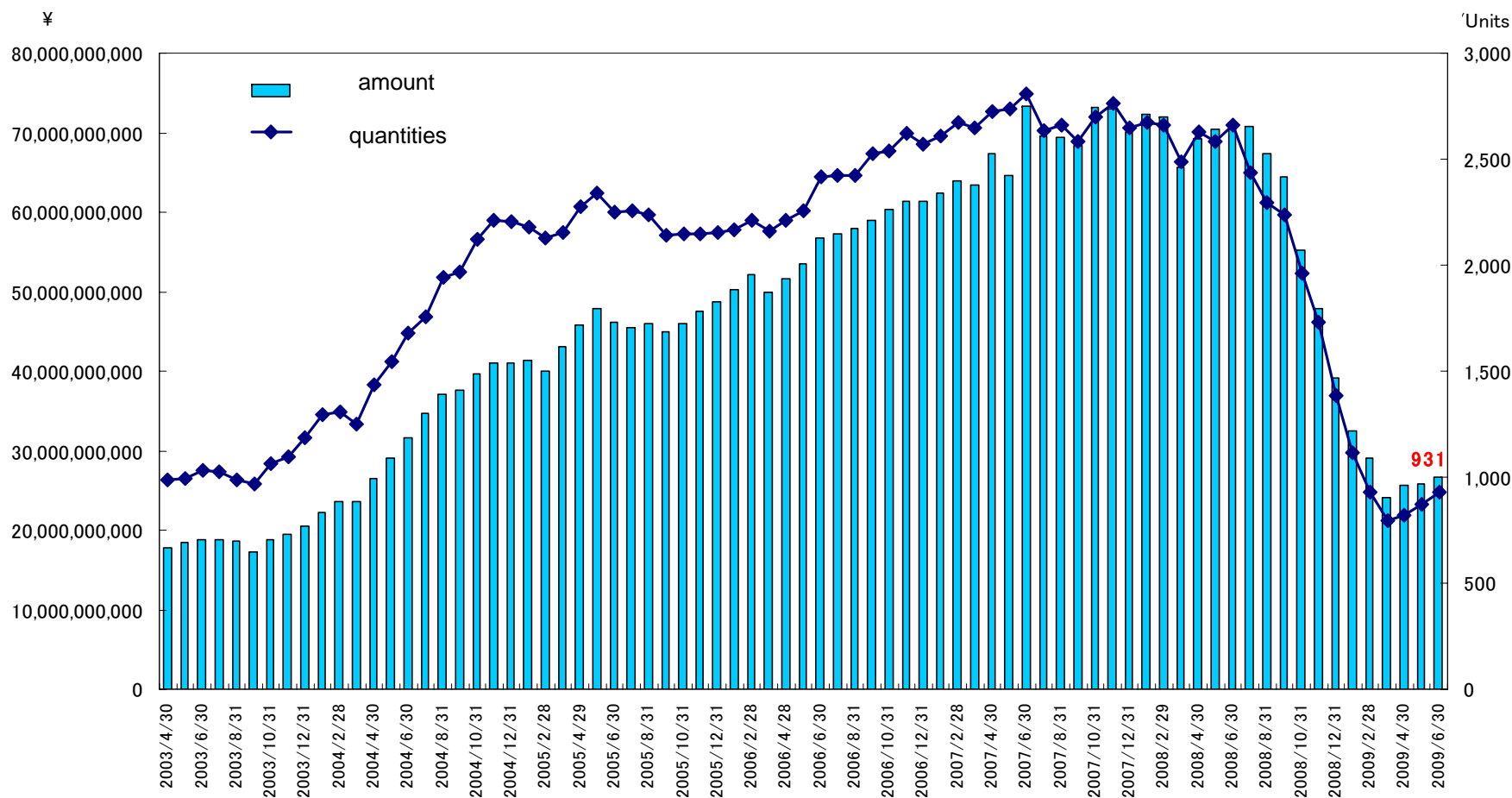
Order Intake

- Gradual recovery in order intake.
April: 4.3 billion yen, May: 4.6 billion yen, June: 6 billion yen
- Recent reinforcement in overseas sales determines superiority against competitors.

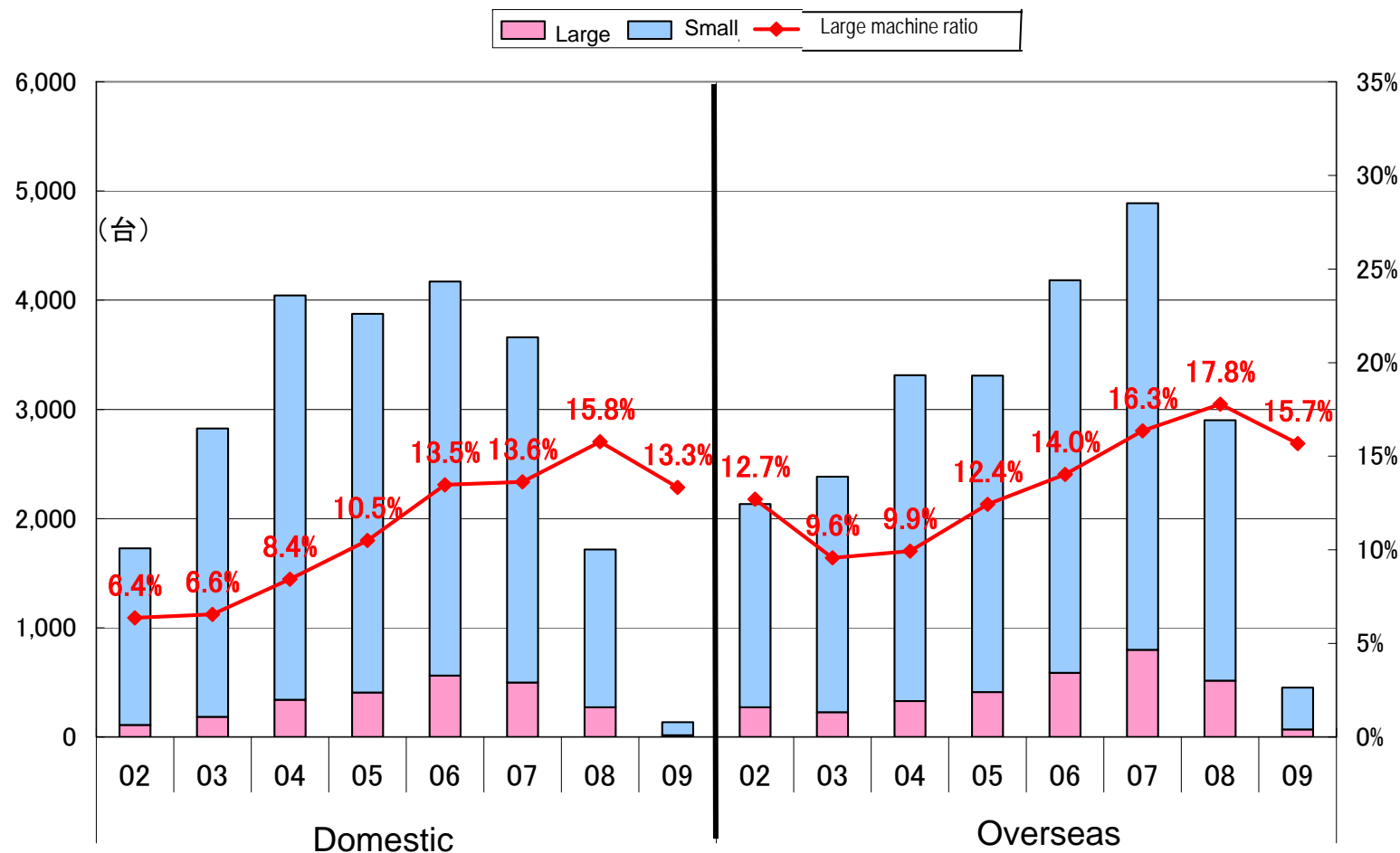


Order Backlog

- Cancellation bottomed out earlier in the year.
- Order backlog has also seen its bottom and is now slowly on rise.



Number of Orders by Size and Region



Large machines are defined as follows: Lathe: Chuck 12 inch or larger, Vertical MC: Y-axis stroke 600 mm or longer, Horizontal MC: pallet size 630 mm square or more

Early Summer Productivity Show

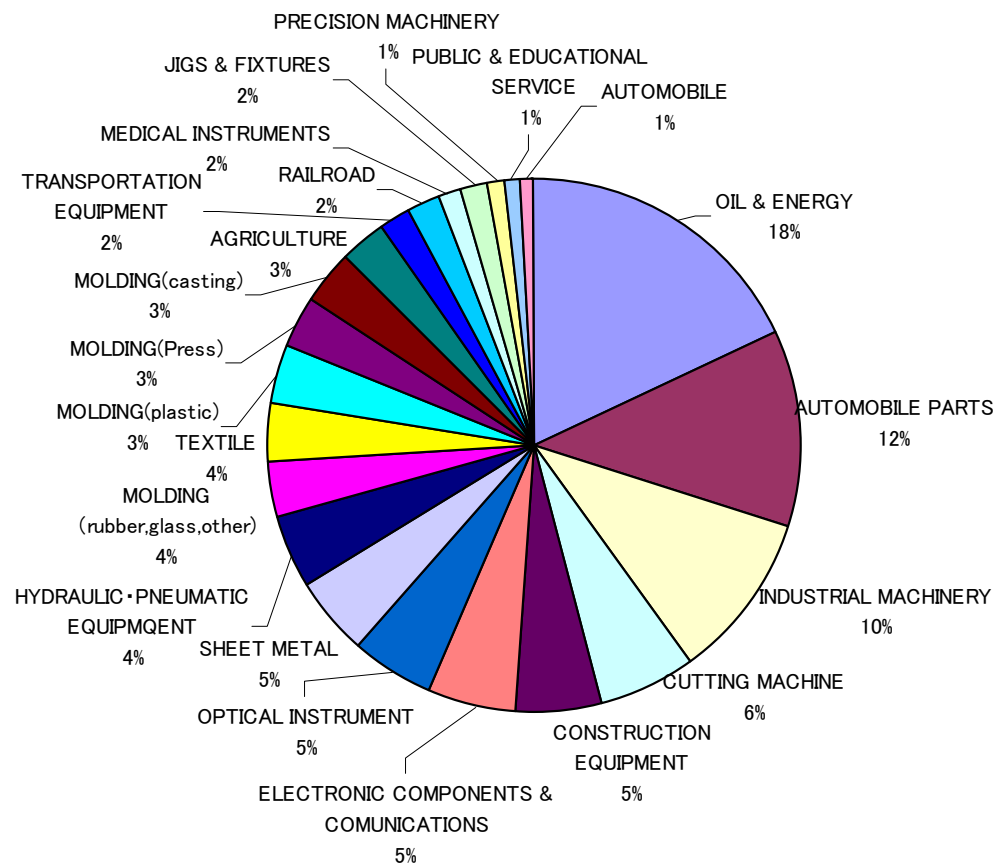
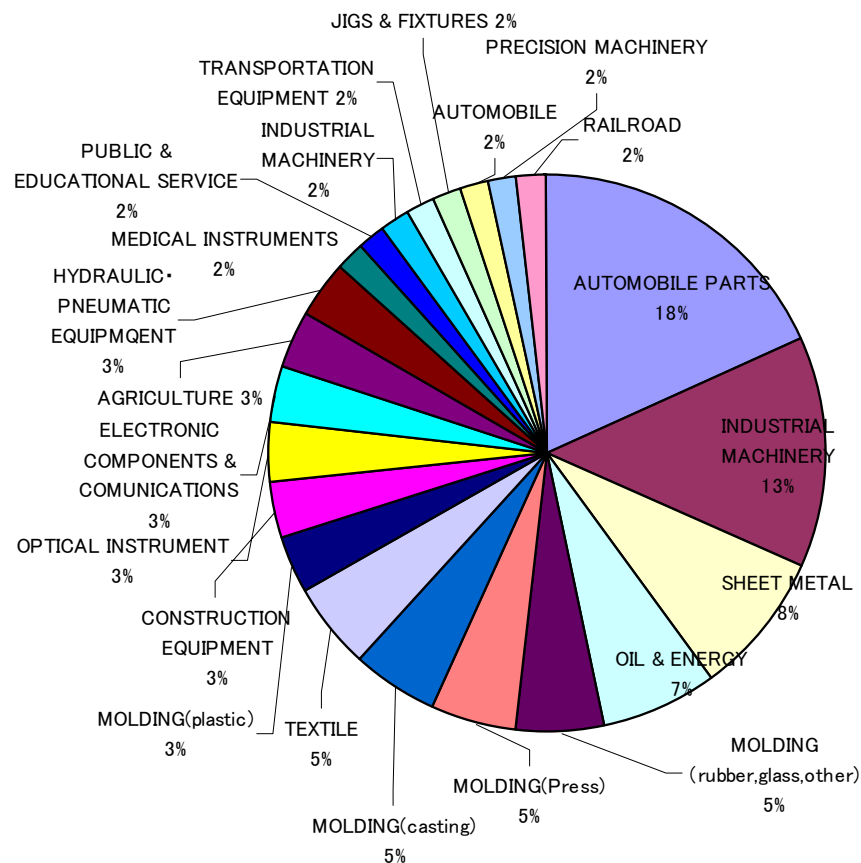
- **Date** : June 18(Thu)- 20(Sat) (3 days)
- **Place** : Mori Seiki's Chiba Campus
- **Displayed machines** : NT1000, NMV3000DCG, NV7000/50, NVL1350T, MAPPS IV, MC 635V eco, CTX310 eco, Taiyo-Koki NVG-12T etc
- **Visitors** : approx. 4,800
- **Orders** : approx. 60



Early Summer Productivity Show Breakdown of Orders by Industry

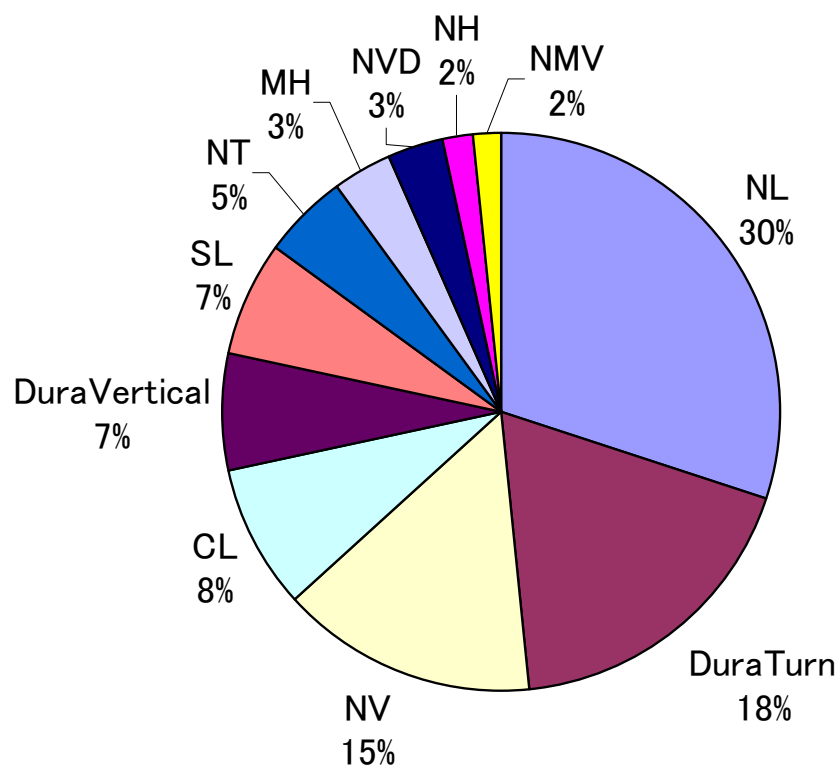
Unit base

Amount base

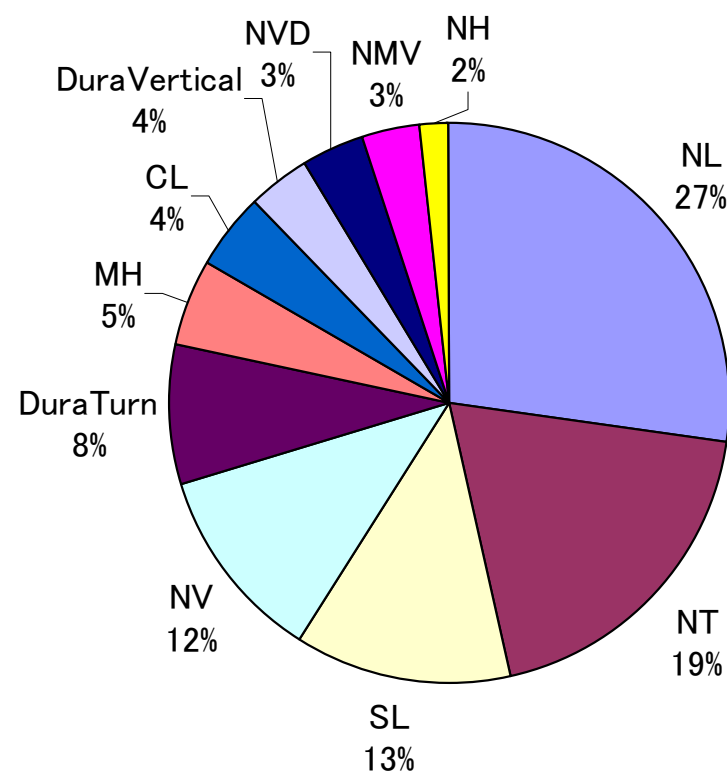


Early Summer Productivity Show Breakdown of Orders by Machine Model

Unit base



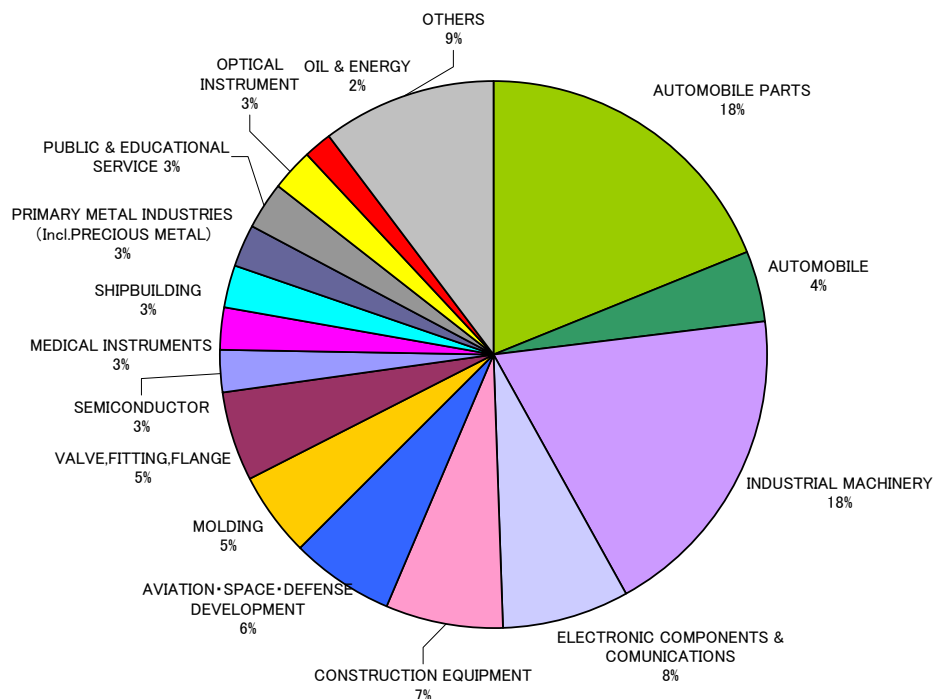
Amount base



New Model Released in July 2009

NT1000 (compact, lathe-based multi-axis machine)

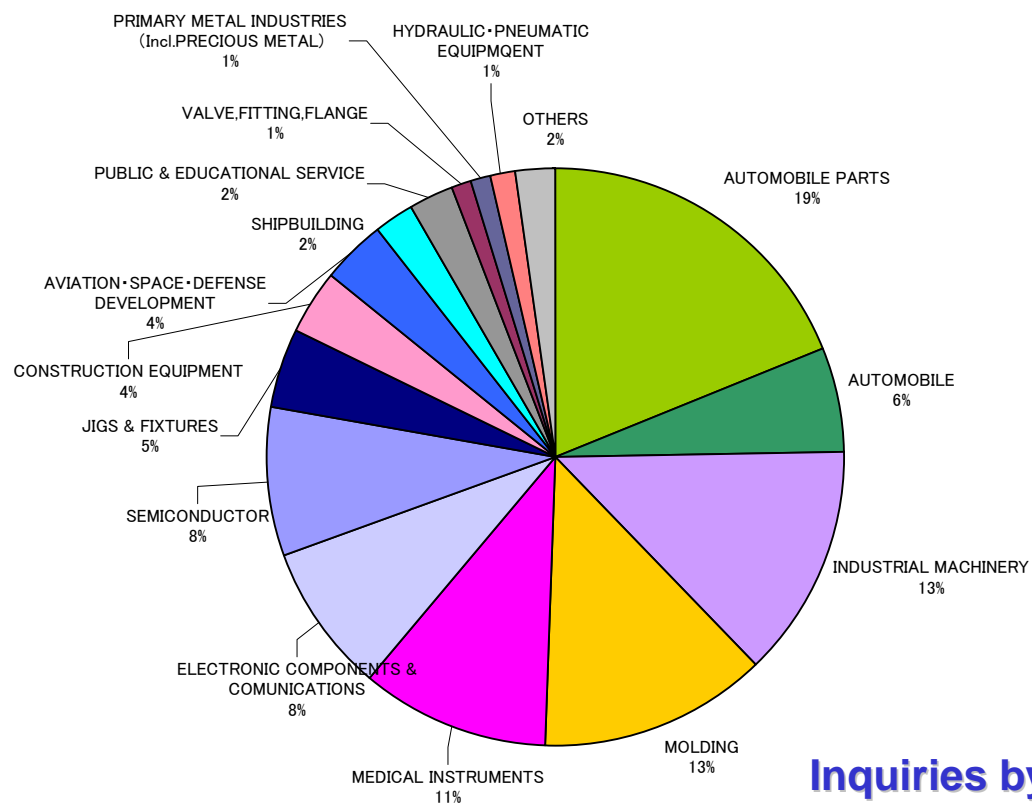
- For precision work pieces of small circular shape with complex geometry.
- Target Industries: Medical devices, watches and measuring systems



Inquiries by Industry

NMV3000DCG (compact, 5-axis vertical machining center) New Model Released in June 2009

- For work pieces of small square shape with complex geometry.
- Target Industry: Automobiles, aircrafts, medical and die and molds



Inquiries by Industry

DMG (GILDEMEISTER) Shareholders' Meeting

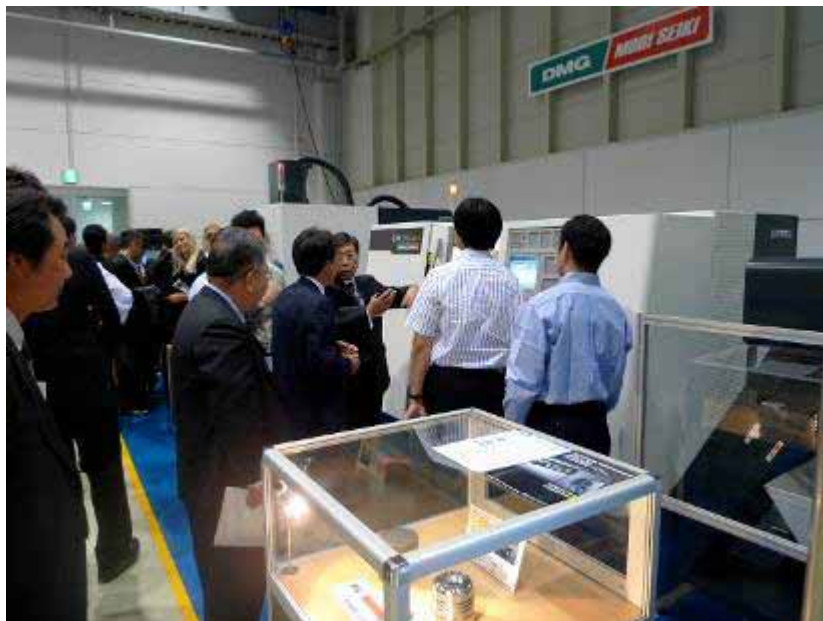


15, May Bielefeld, Germany

- Dr. Mori, now the largest shareholder, gave speech.
- Topics: potentiality of the machine tool industry and the impact of DMG and Mori Seiki collaboration

Collaboration with DMG 1

Product Sharing



DMG ECO Series machines, the first product to be shared with Mori Seiki, were shown at the productivity show:

- **CTX 310 ECO with MAPPS**
- **DMC 635 V ECO with MAPPS**



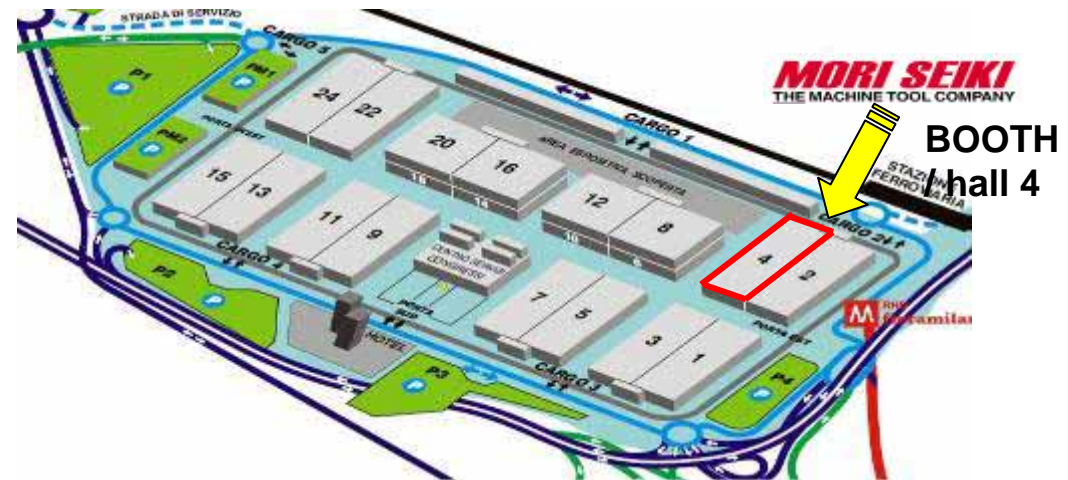
Collaboration with DMG 2 Sales & Service

On July 1st, Cooperation with DMG began in the following markets.

MORI SEIKI Manufacturing (Thailand) Co., Ltd.	→	DMG / MORI SEIKI Thailand
PT. MORI SEIKI Indonesia	→	DMG / MORI SEIKI Indonesia
DMG Machinery Taiwan Ltd.	→	DMG / MORI SEIKI Taiwan
DMG Istanbul Makine Tikaret ve Servis Limited Sirketi	→	DMG / MORI SEIKI Turkey



Upcoming Exhibition: EMO MILANO 2009



October 5 (Mon) - 10 (Sat)

**Press conference with DMG (October 5th)
on the collaboration status**



Reference Information

[Consolidated]

(shows difference compared to previous year)
 (Million Yen)

	FY 2007 1Q		FY 2008 1Q		FY 2009 (forecast)	
Orders	43,620	(-3.7)	14,880	(-65.9)	80,000	(-33.9)
Japan	16,380	(-14.0)	3,570	(-78.2)	25,100	(-38.7)
Overseas	27,240	(3.8)	11,310	(-58.5)	54,900	(-31.5)
Sales	45,808	(6.4)	13,737	(-70.0)	80,000	(-49.1)
Japan	15,426	(0.7)	4,102	(-73.4)	25,100	(-54.5)
Overseas	30,382	(15.2)	9,636	(-68.2)	54,900	(-46.2)
The Americas	8,907	(5.5)	3,841	(-56.8)	18,000	(-48.1)
Europe	15,898	(22.5)	4,313	(-72.8)	21,200	(-54.3)
Asia	5,576	(12.3)	1,481	(-73.4)	15,700	(-25.0)
Operating income	4,900	(-5.4)	(8,040)	-	(20,000)	-
Ordinary income	5,302	(1.9)	(7,729)	-	(20,000)	-
Net income	2,874	(0.1)	(8,757)	-	(20,000)	-
Exchange rates						
1 US dollar=	105.4yen		97.3yen		95.0yen	
1 Euro =	164.8yen		132.6yen		125.0yen	
Investments in plant and equipment	2,582		3,782		8,000	
Depreciation	1,573		1,671		7,100	
R&D	1,389		1,535		5,800	