



FY2009 2nd Quarter Result

Mori Seiki Co., Ltd
October 27, 2009

About 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

Profit and Loss Statement (P/L)

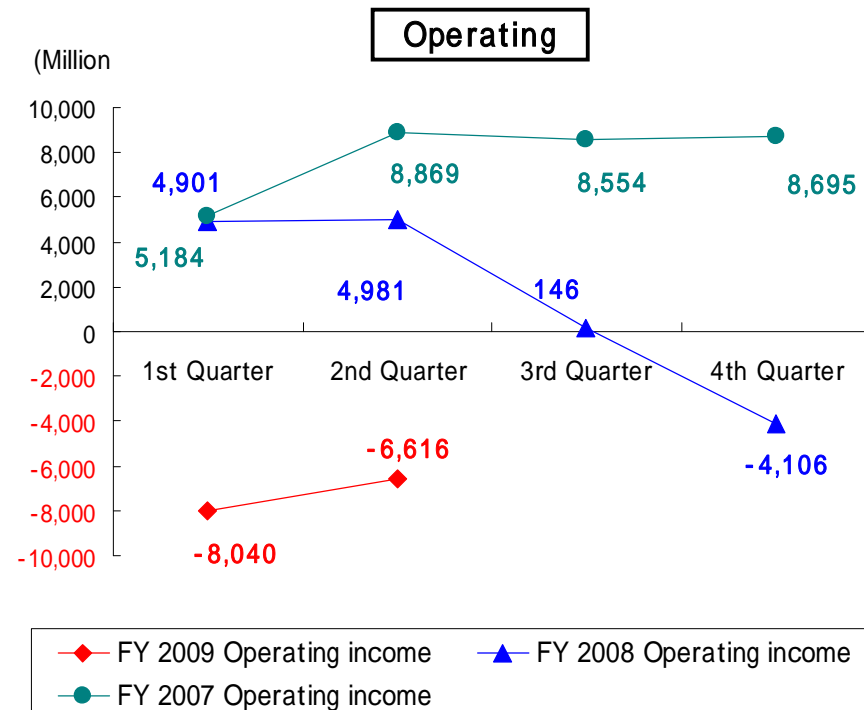
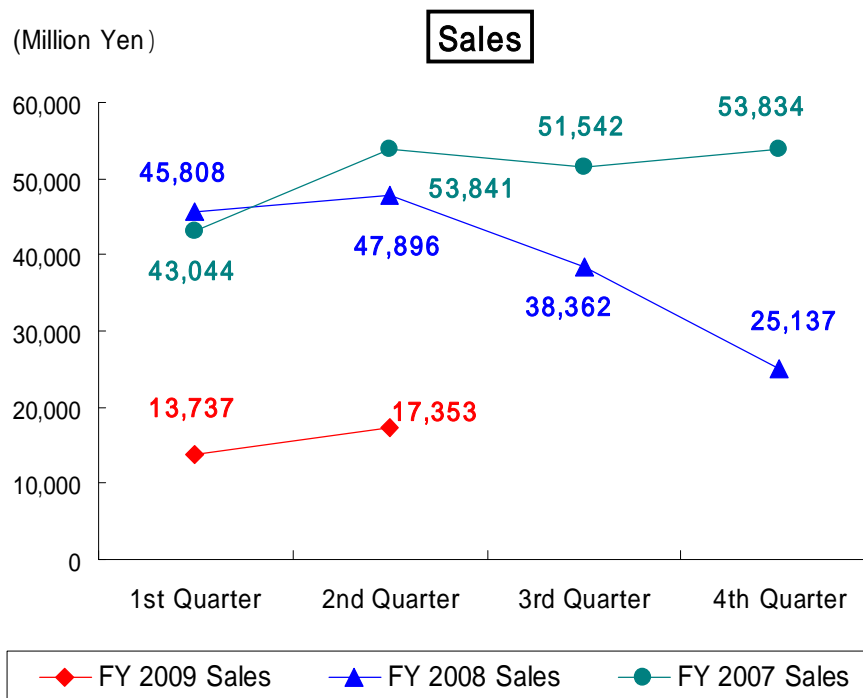
- Sales 31.1 billion yen (-67% from previous year), operating loss 14.7billion yen
- Resulted as announced on Oct 2nd: sales 31billion yen, operating loss 15billion yen)

(Million yen)	FY 2008 1st half	FY 2009 1st half				FY 2009
	Results	Results	Difference	Year-on-Year		Revised Forecast
Net sales	93,704	31,090	-62,614	-67	%	65,000
Operating income	9,881	-14,656	-24,537	-	%	-28,000
(Operating margin)	10.5%	-				
Ordinary income	8,759	-14,885	-23,644	-	%	-28,000
(Ordinary margin)	9.3%	-				
Net income	4,478	-15,744	-20,222	-	%	-28,700
(Covers. Rate 1US\$ =)	(106.3)	(95.5)				(92.8)
(1EURO=)	(162.1)	(133.1)				(131.6)

Exchange rate : FY2009 2nd half forecast US \$ = 90yen, € = 130yen

Sales and Operating Income Trend

2nd quarter : Sales 17.3billion yen (26.3% increase from 1st quarter)
 Operating loss -6.6billion yen

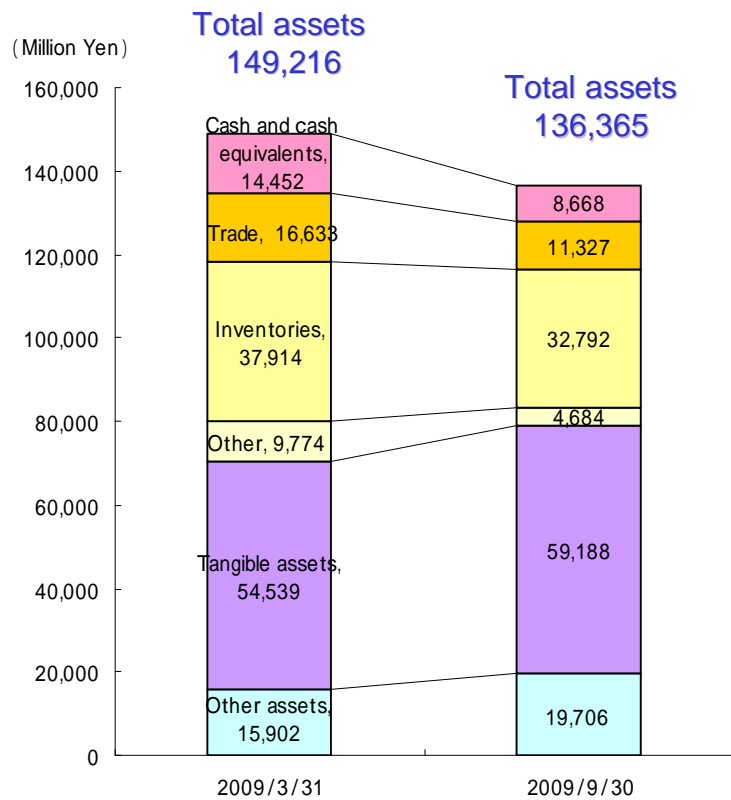


consolidated base

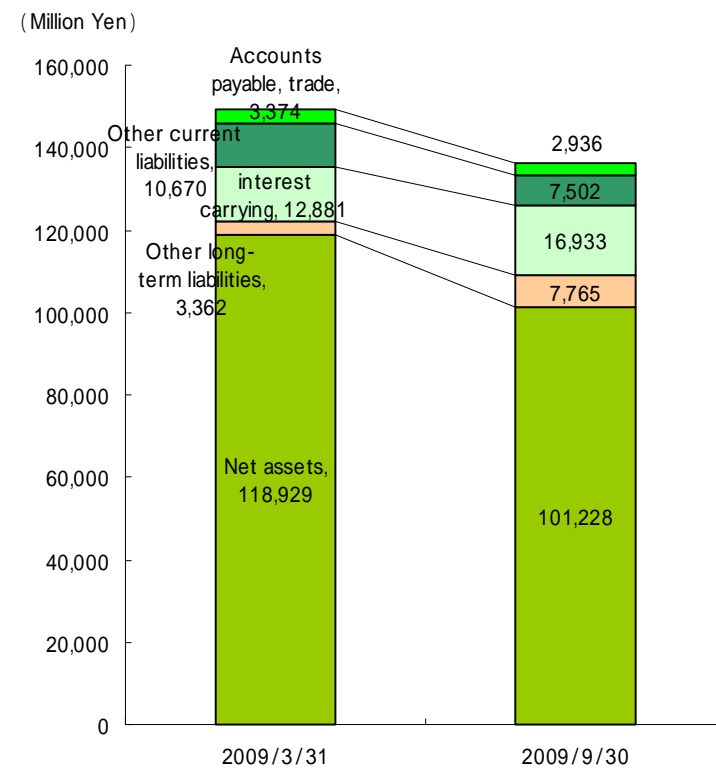
Balance Sheet (B/S)

• Inventory is being compressed as scheduled

Assets

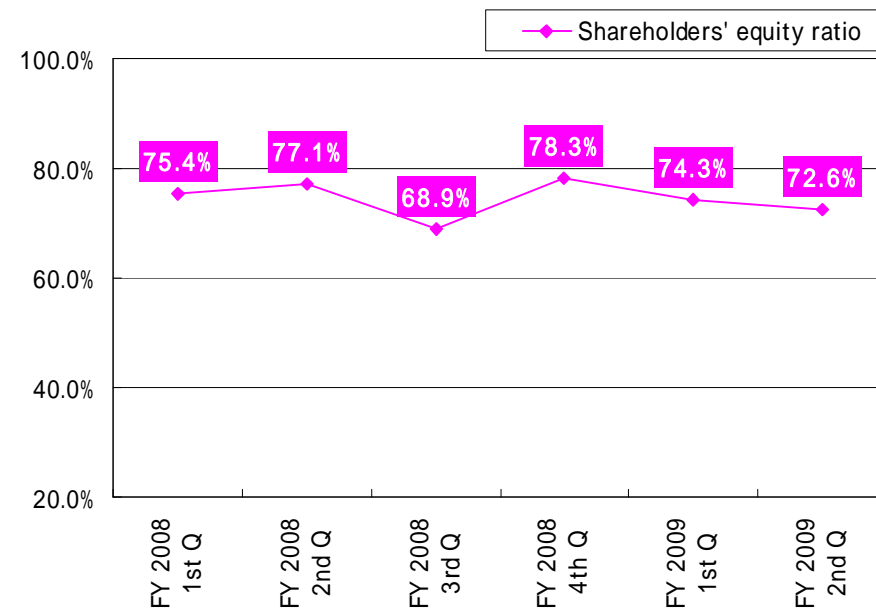
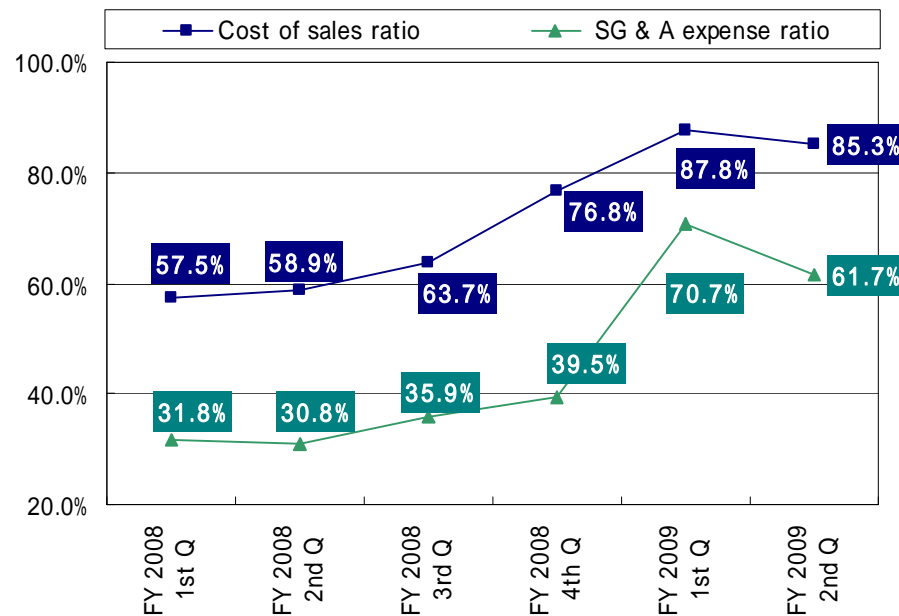


Liabilities and net assets



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

- Fixed cost cut down as planned. Slight improvement on cost rate and SG&A
- Equity capital ratio remains high at 72.6%



Turnover Period

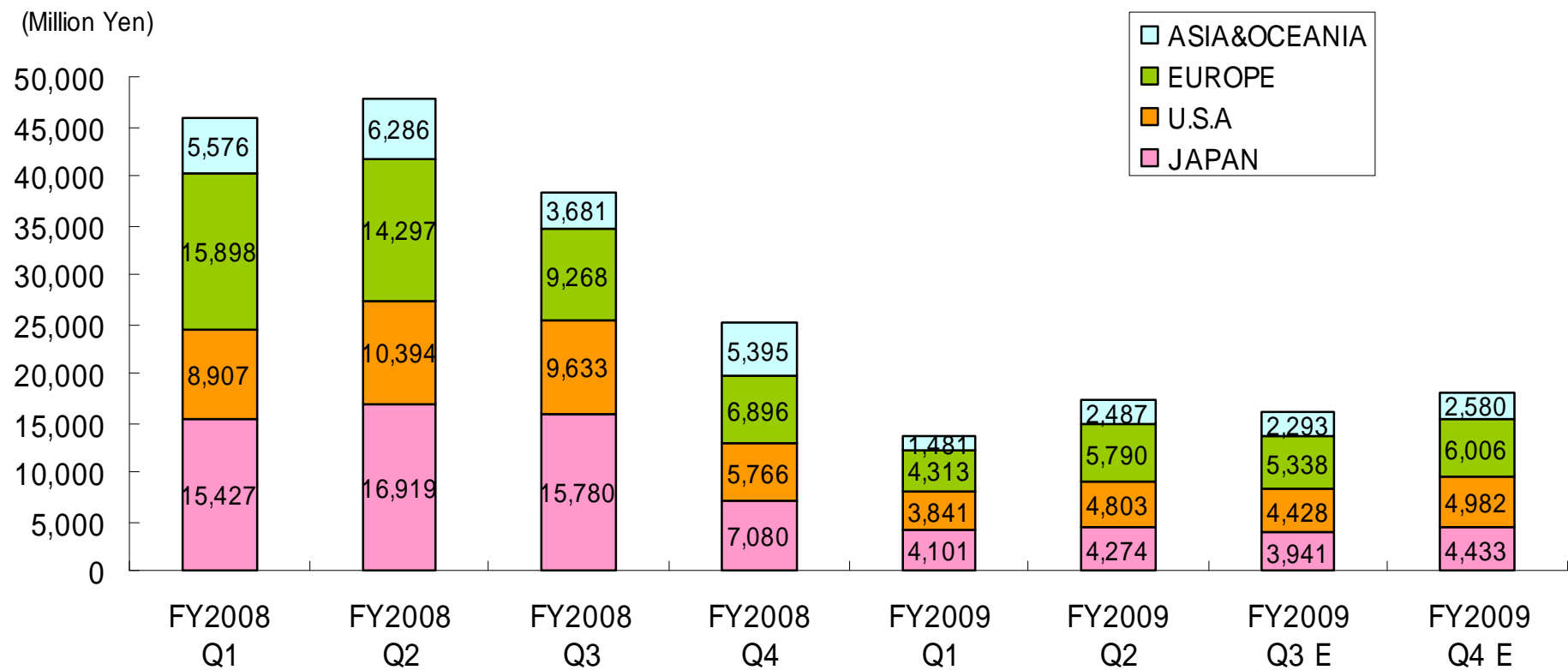
- All turnover period time improved compared to 1Q result
- Stock promotion contributed in improving cash flow

	FY 2008	FY 2009	FY 2009	
	2nd Quarter Results	1st Quarter Results	2nd Quarter Results	Difference
Notes and accounts receivable turnover period	1.97	2.25	2.19	-0.06 Months
Inventories turnover period	2.87	8.01	6.33	-1.68 Months
Accounts payable turnover period	0.67	0.66	0.57	-0.09 Months
Fixed asset turnover period (property, plant and equipment)	3.55	12.48	11.42	-1.06 Months
Loan payable turnover period (incl. bonds)	0.33	3.39	3.27	-0.12 Months



Sales by Region

- Quarterly sales result bottomed out in 1Q, 2009
- Led by Asia, specially China, figures are on the rise

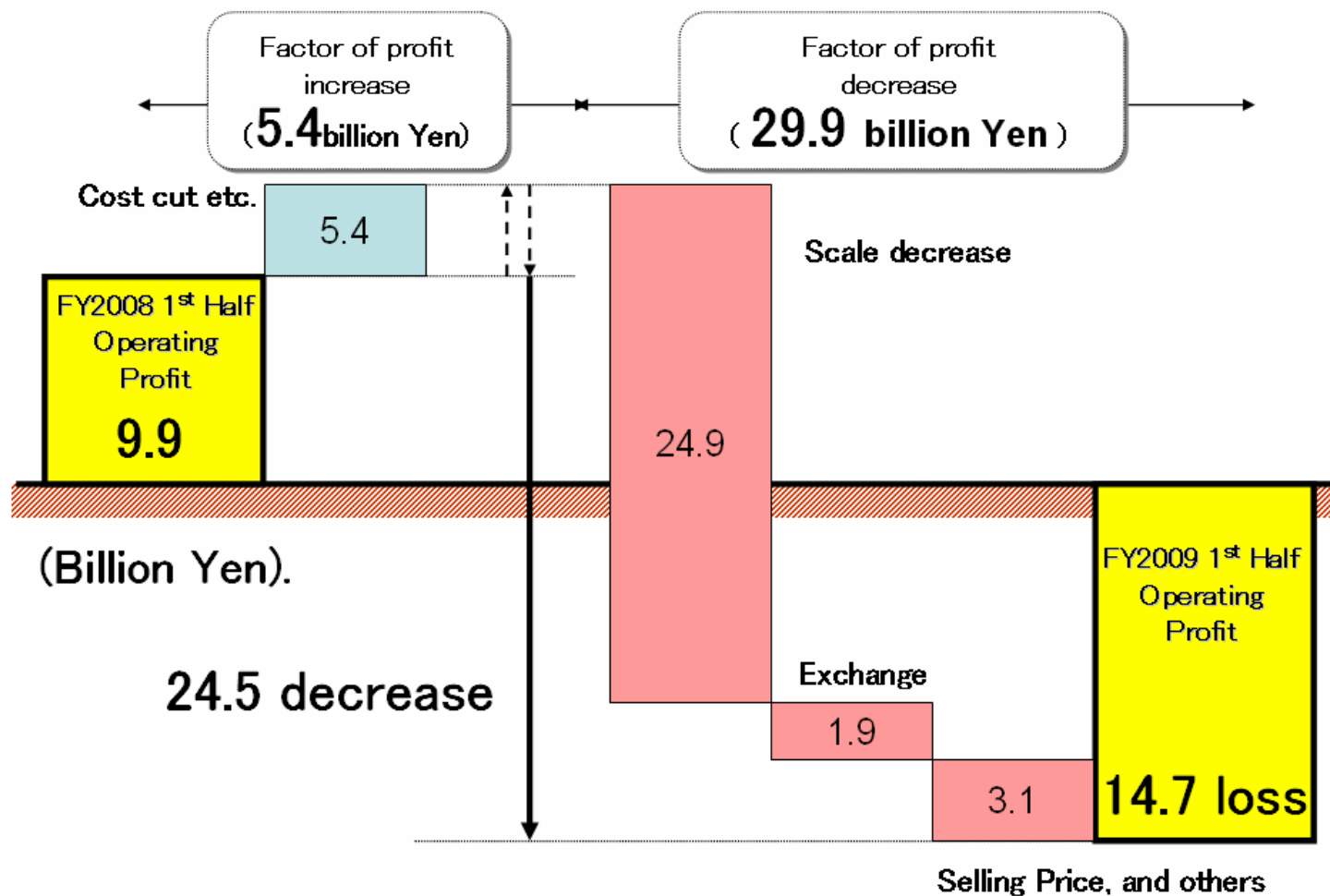


Group Cash Flow Statement

(Million yen)	FY 2008 1Q	FY 2008 2Q	FY 2008 3Q	FY 2008	FY 2009 1Q	FY 2009 2Q
Net cash provided by operating activities	455	2,728	2,938	8,564	1,343	53
Net cash used in investing activities	-2,579	-5,230	-7,485	-11,424	-4,992	-7,996
Net cash used in financing activities	-1,982	-3,771	15,857	-507	550	1,583
(Decrease) increase in cash and cash equivalents	-3,850	-6,482	10,073	-4,075	-2,981	-6,420
Cash and cash equivalents at beginning of the year	17,916	17,916	17,916	17,916	14,255	14,255
Cash and cash equivalents at end of the year	14,426	11,795	28,350	14,255	11,731	8,292

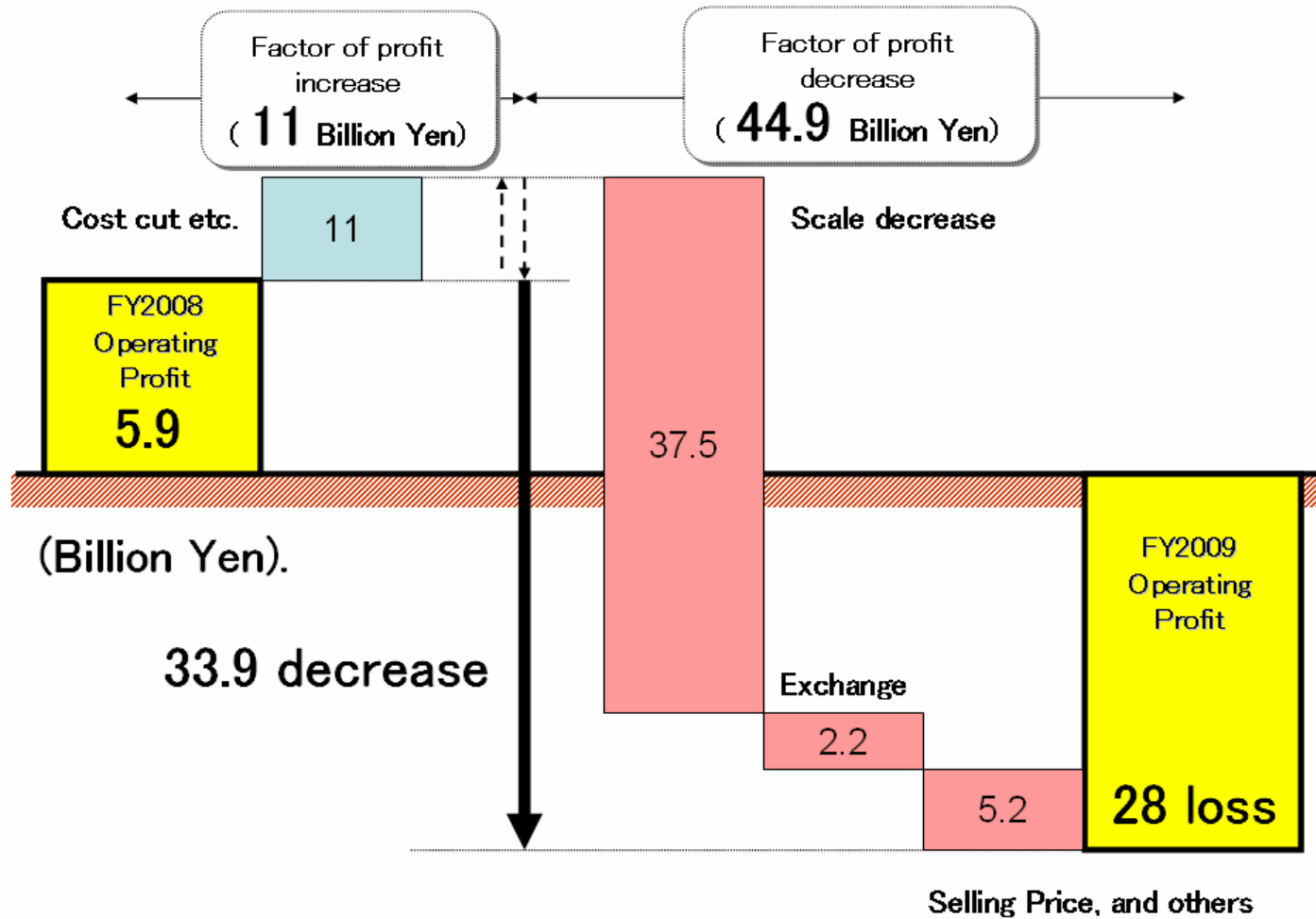
Income Profit Analysis -Half Year-

[FY2008 first half vs. FY2009 first half]



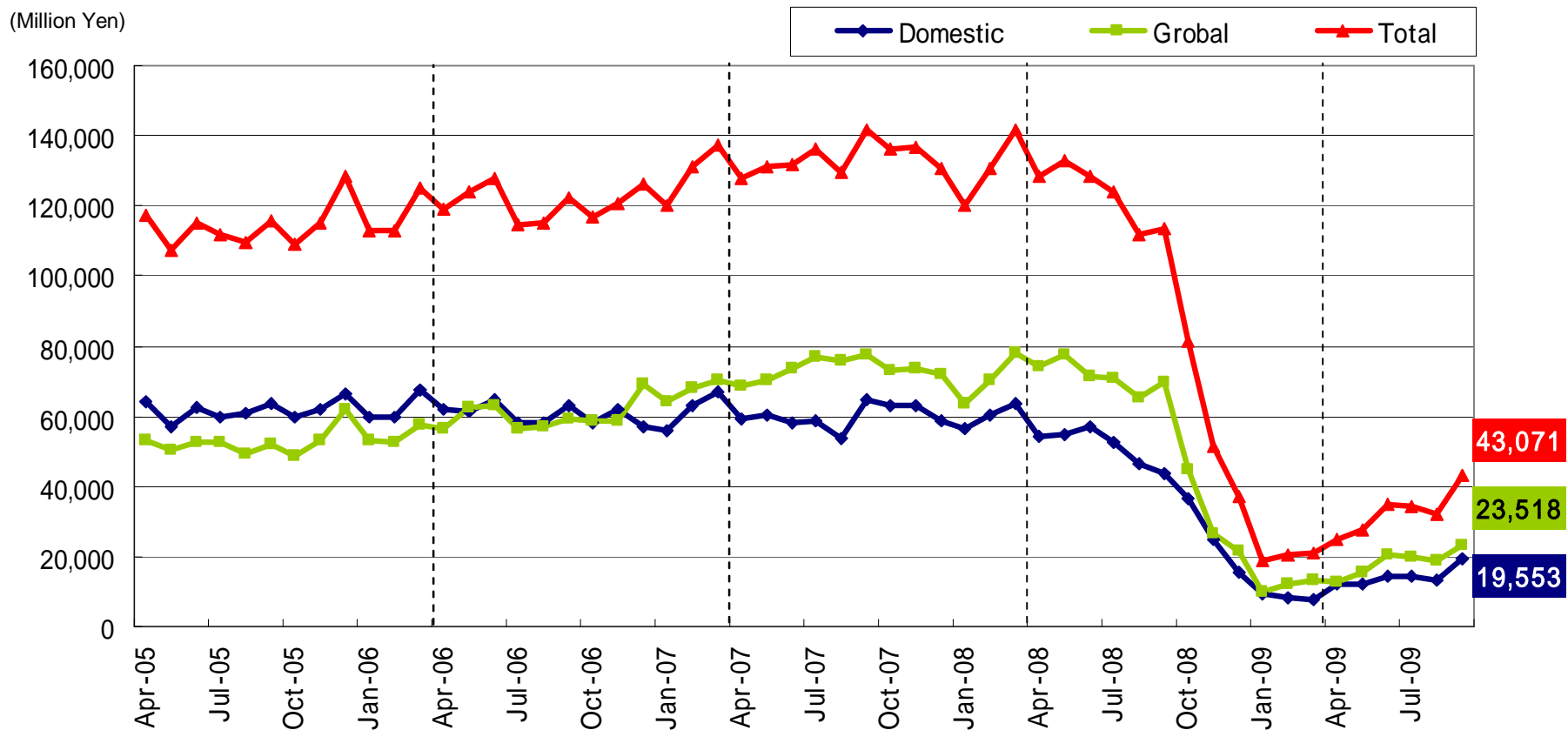
Income Profit Analysis -Full Year-

[FY2008 vs. FY2009 Full Year Estimation]



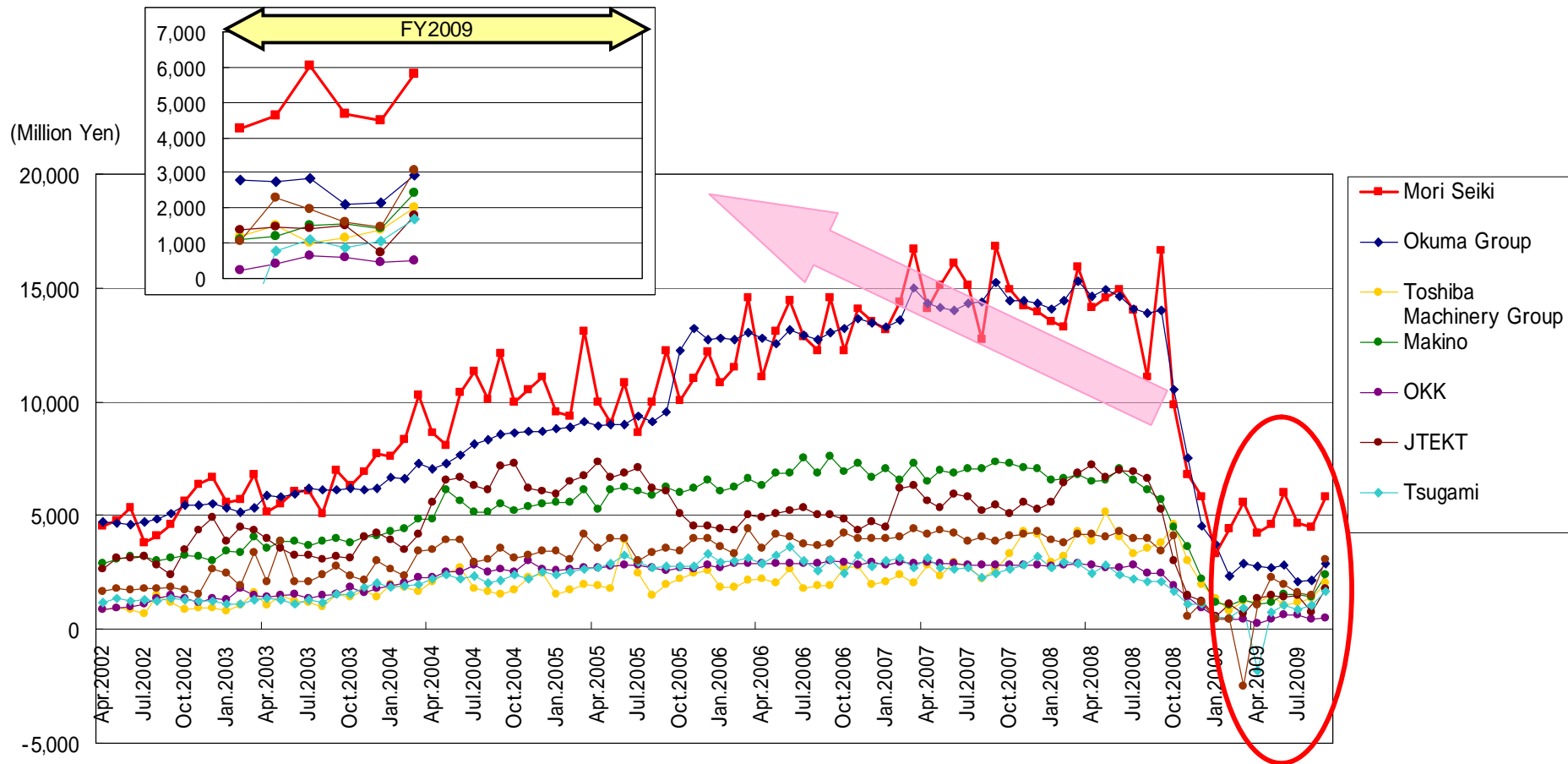
Market Demand (JMTBA order trends)

- Orders in first half stayed low: 196.9 billion yen (-73.3% to previous year)
- Yet orders are recovering: Jan 19 bill yen to Sep 43.1 bill yen



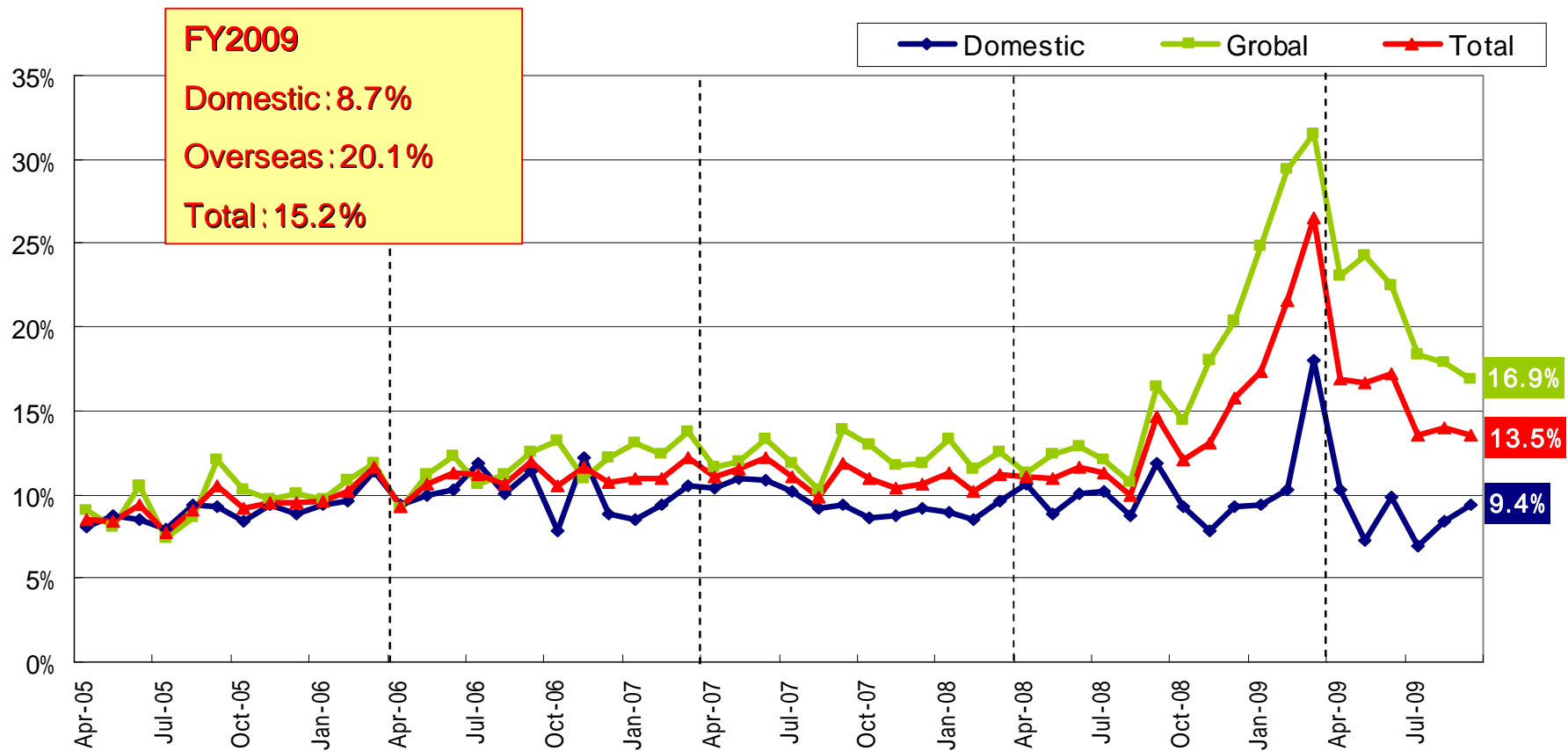
Results of 8 Major Machine Tool Builders

- Higher order intake than competitors
- JMTBA shares are also increasing



Market Share (JMTBA)

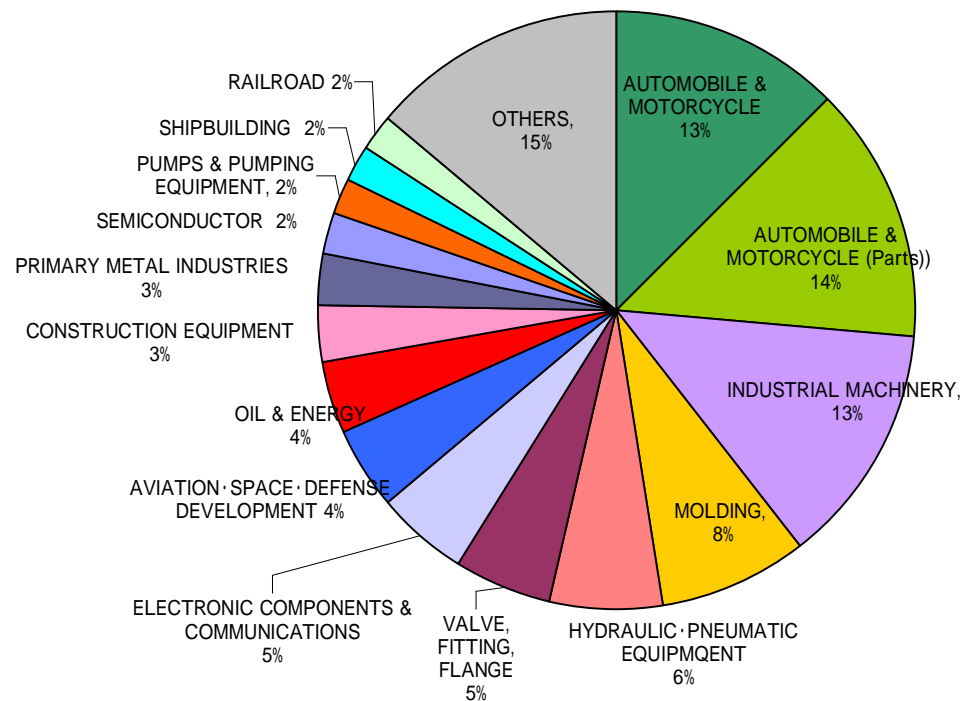
- Averages share in first half reached 15.2%
- Noticeable increase in shares overseas



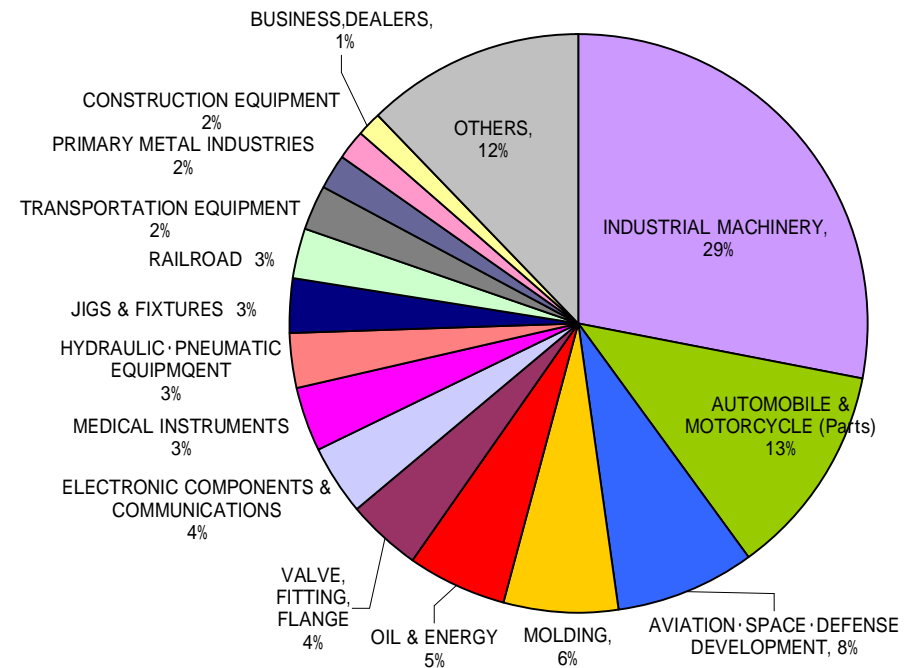
Breakdown of Orders by Industry -1st Half-

Amount base

【Domestic】



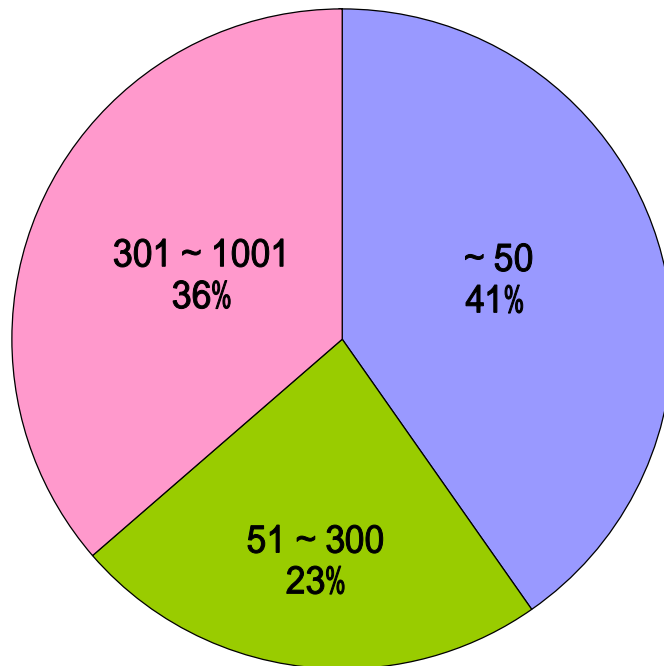
【Overseas】



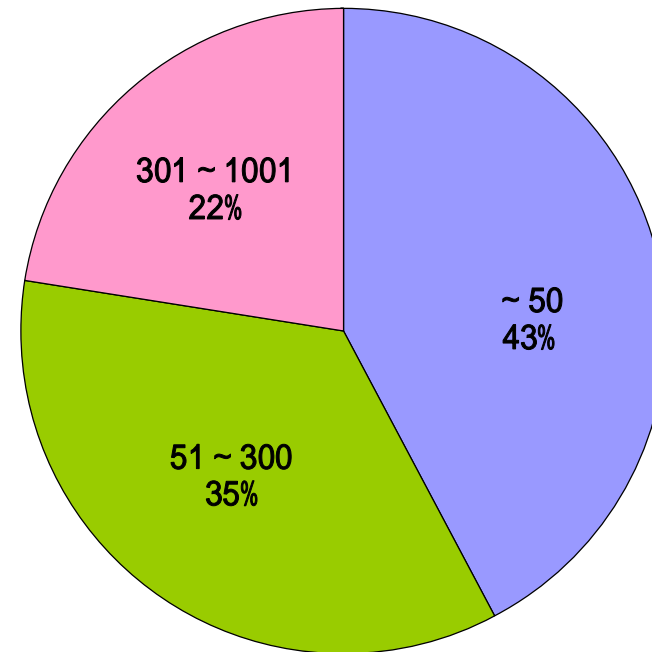
Breakdown of Orders by User Size -1st Half-

Amount base

[Domestic]

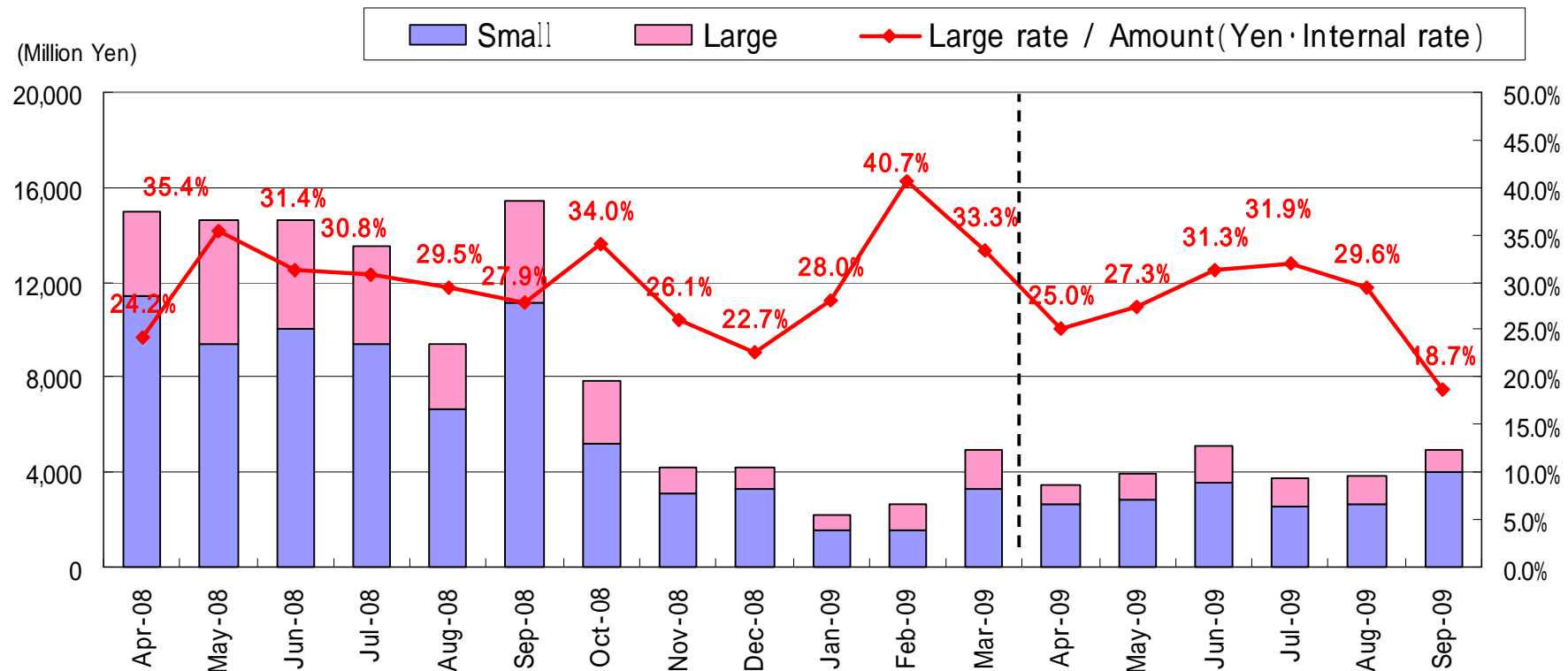


[Overseas]



Trends in Orders by Machine Size

- Order figures for large machines are sinking
- Under the hard market situation, smaller machines are selling well



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

Amount base (internal rate) MORI SEIKI Internal rate: US dollar=107Yen, EURO=128Yen



Exhibitions in 2nd Quarter

• EMO MILANO 2009 2009/10/5-10 <MILANO>

- | | |
|--------------|--|
| • Orders: | 48 orders / 48 units
(including 5 DMG machines) |
| • Inquiries: | 455 |
| • Visitors: | 1,859 |



• MECT2009 2009/10/14-17 <Port Messe Nagoya>

- | | |
|--------------|--|
| • Orders: | 22 orders / 31 units
(including 5 DMG machines) |
| • Inquiries: | 523 |
| • Visitors: | 3,250 |



Both exhibitions achieved targets of order !

• Early Winter Productivity Show 2009/11/12~14 <Mori Seiki's Iga Campus >

555 Development Plan

- 5 models introduced in 1st half
- 6 models will be introduced in 2nd half (5 axis VMC, large lathe, etc)
- Small to large machines to suit all industries
- Further 10 models planned for FY2010

FY2009 Released Model	
機種 Machine Model	量産開始月 Mass Production
VL553	2009/04
NMV3000DCG	2009/07
NV7000	2009/08
NZL6000/2000	2009/08
NT1000	2009/09



NT1000 **New**



NMV3000DCG **New**



NH6300
125 units sold



NT6600 **30 units sold**



NVL1350 **New**

Reference Information

[Consolidated]

(shows difference compared to previous year) (%)

(Million Yen)

	FY 2008 2Q		FY 2009 2Q		FY2009 (Forecast)	
Sales	93,704	(23.5)	31,090	(-66.8)	65,000	(-58.6)
Japan	32,345	(-11.9)	8,375	(-76.3)	18,000	(-67.3)
Overseas	61,359	(19.7)	22,715	(-62.9)	47,000	(-53.9)
The Americas	19,301	(-4.9)	8,644	(-55.2)	16,500	(-52.4)
Europe	30,195	(8.9)	10,103	(-66.5)	18,500	(-60.0)
Asia	11,862	(-2.3)	3,968	(-66.5)	12,000	(-42.6)
Operating income	9,881	(40.1)	(14,656)	-	(28,000)	-
Ordinary income	8,759	(29.6)	(14,885)	-	(28,000)	-
Net income	4,478	(57.7)	(15,744)	-	(28,700)	-
Exchange rates						
1 US dollar=	106.3Yen		95.5Yen		92.8Yen	
1 Euro =	162.1Yen		133.1Yen		131.6Yen	
Investments in plant and e	4,991		4,053		8,000	
Depreciation	3,290		3,537		7,100	
R&D	2,836		2,865		5,800	



Thank you