



FY2010 2nd Quarter Results and Outlook

October 26th, 2010



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



Summary

Acc. Sales 46,590m¥ OP Loss 5,740 m¥
2Q Sales 27,564m¥ OP Loss 963 m¥

- Sales result exceeded forecast
- Q2 Operating Profit was on track
- September order 13,530m¥ marked highest since Sep 2008
- Newly developed machine series “X-class” launched
Great demand at Chicago show; Tokyo expected to follow
- Collaboration markets with DMG to be expanded
- Magnescale sold well to semi-conductor / liquid-crystal customers

Back to the black in 3 Q!



Consolidated Income Statement

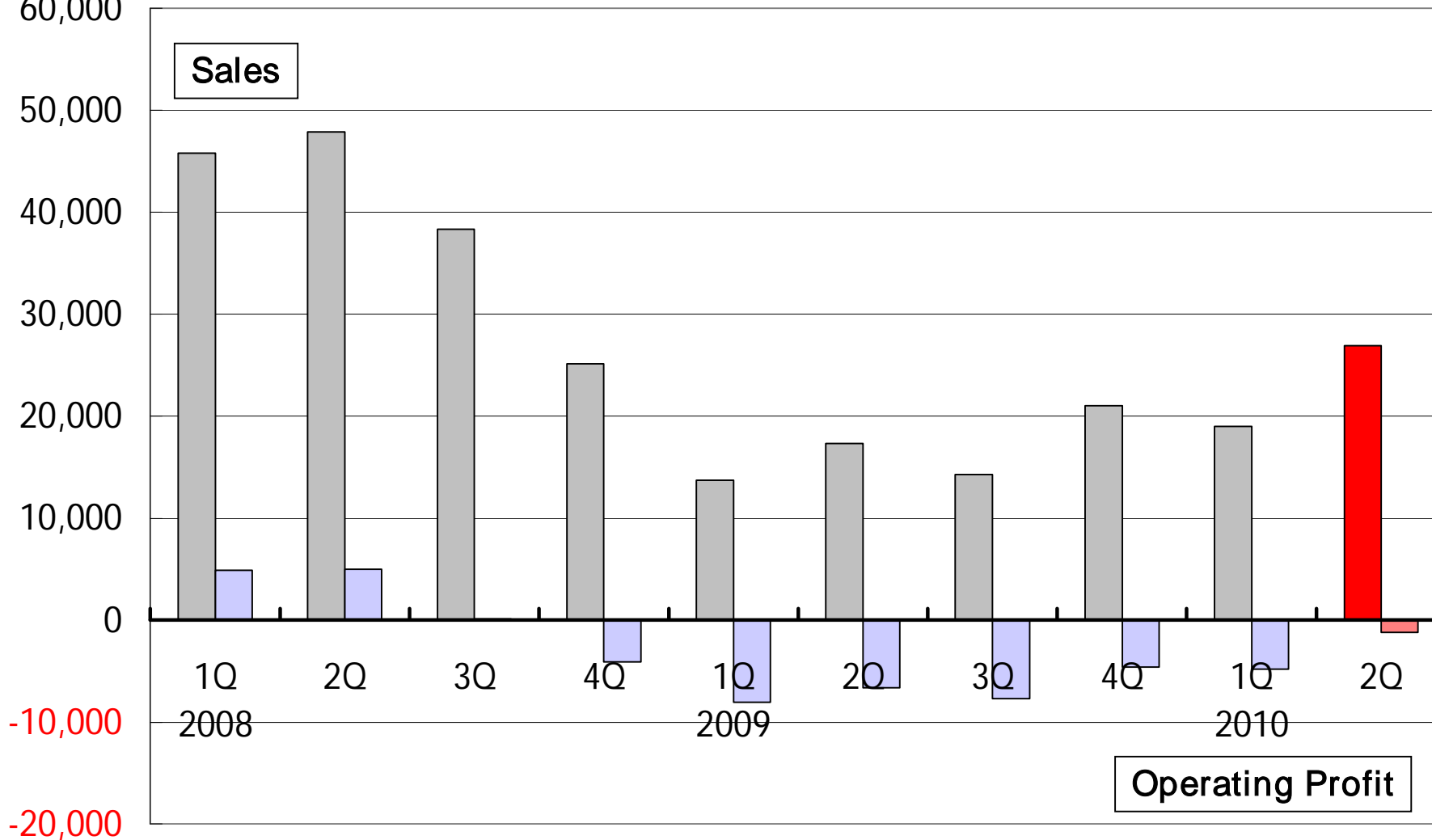
(Mill Yen)	FY2009			FY2010			
	1st Half	2nd Half	Full Year	1st Half	2nd Half Forecast	Initial Full Year.E	Revised Full Year.E
Net sales	31,090	35,312	66,402	46,590	68,410	108,000	115,000
Operating profit	-14,656	-12,277	-26,933	-5,740	6,740	1,000	1,000
Operating margin	-	-	-	-	9.9%	0.9%	0.9%
Ordinary profit	-14,885	-11,714	-26,599	-6,305	7,305	1,000	1,000
Ordinary margin	-	-	-	-	10.7%	0.9%	0.9%
Net profit	-15,744	-18,949	-34,693	-6,108	7,108	1,000	1,000
Exchange rate (1USD=)	(95.5)	(90.2)	(92.8)	(88.9)	(85.0)	(88.3)	(87.0)
Exchange rate (1EUR=)	(133.2)	(129.2)	(131.2)	(113.8)	(110.0)	(111.8)	(111.9)

2Q Actual Rate (1US\$=85.9Yen, 1Euro=110.7Yen)



Sales / Operating Profit

Million Yen
60,000





Consolidated Balance Sheet



2010/9/30 Total 144,581

2010/3/31 Total 144,166 (Million Yen)

Cash 5,754	Accounts payable 8,501
Account receivables 20,362	Debt 27,672
Inventories 33,830	Other short-term liabilities 8,614
Other Short-term assets 6,828	long-term liabilities 9,908
Long-term tangible assets 55,608	Net assets 89,885 (Shareholders' equity) 90,050 (Other) -165
Other long-term assets 22,199	

Cash 7,516	Accounts payable 6,087
Account receivables 16,665	Debt 18,550
Inventories 33,059	Other short-term liabilities 10,346
Other Short-term assets 5,493	long-term liabilities 10,465
Long-term tangible assets 57,657	Net assets 98,717 (Shareholders' equity) 97,271 (Other) 1,446
Other long-term assets 23,776	

Net Debt 21,918
 ND/Equity 24.3%
 Shareholders' equity ratio 60.4%

Net Debt 11,034
 ND/Equity 11.3%
 Shareholders' equity ratio 66.8%

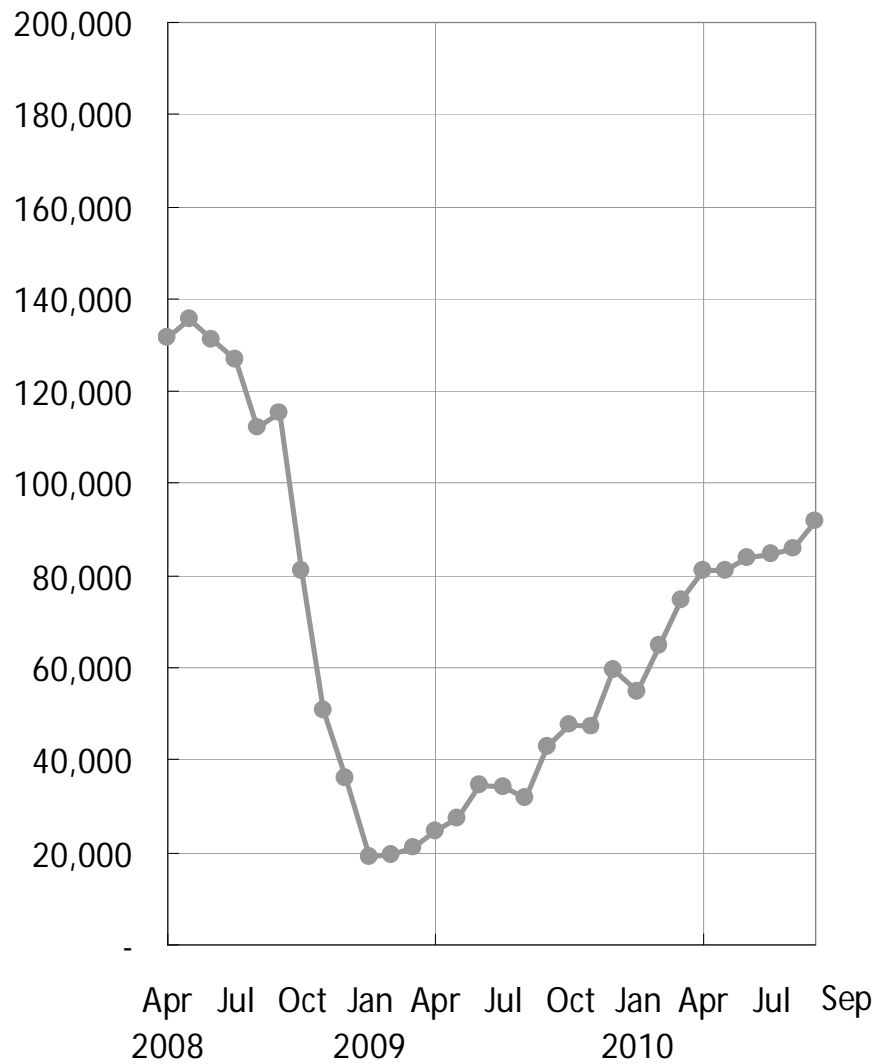


JMTBA / Mori Seiki Orders



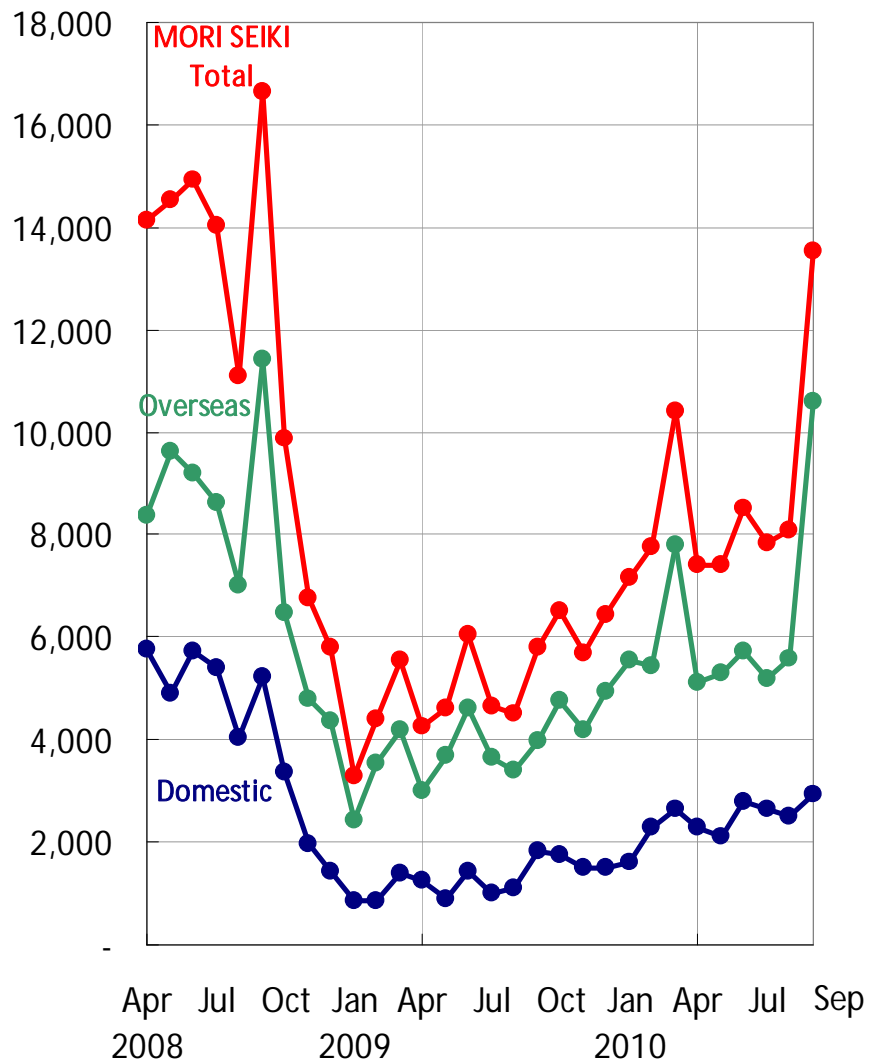
Million Yen

JMTBA



Million Yen

Mori Seiki





Shanghai Application Center



Shanghai Application Center
(Image)

Showroom, Parts center and
NC school will be established



Launch of X-class



Machine Name	Type	Price	Main Users' Industries
NLX2500/700	CNC Lathes	¥ 9,480,000~	Automobile parts, construction machinery, hydraulic/pneumatic equipment
NVX5080/40	Vertical MC	¥ 10,900,000 ~	Automobile parts, molding Other general parts
NHX4000	Horizontal MC	¥ 19,200,000 ~	Automobile parts, construction machinery, agricultural machinery, other general parts
NTX1000	Multi-Axis Turning	¥ 33,800,000 ~	Precision parts for medical, watch and measurement etc



NLX 2500/700



NVX5000

Price for Japanese market



Major Exhibitions

9/28 -10/2 (Finished)



Stuttgart (AMB)

Order result 44units

9/13 – 9/18 (Finished)



Chicago (IMTS)

Order result 210units

10/5 -10/9 (Finished)



Milan (BIMU)

Order result 44units

10/28 - 11/2



Tokyo (JIMTOF)

Order target 210units



Chicago show (IMTS)





Tokyo Show (JIMTOF)

MORI SEIKI
THE MACHINE TOOL COMPANY

DMG MORI SEIKI

Days : Oct 28th ~ Nov 2nd
 Place : Tokyo Big Sight
 Booth No : East hall3 E3022
 Number of machines : 31machines



Tokyo Big Sight (Tokyo International Exhibition Center)

3-11-1 Ariake, Koto-ku, Tokyo 135-0063 JAPAN

Rinkai line : About 7-mins. walk from Kokusai-Tenjijo Station

Yurikamome : About 3-mins. walk from Kokusai-Tenjijo-Seimon Station





Magnescale

- Black figures in 1st half

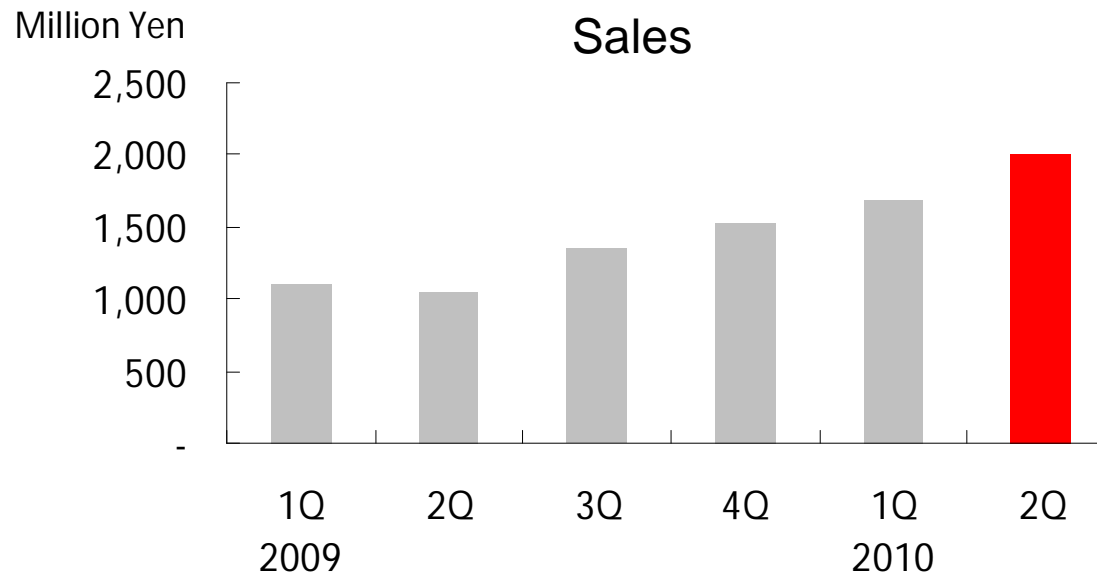
Laserscale :Semi-conductor and liquid crystal customers

Magnescale :Machine tool and chip mounting devices

Digital gauge :Automobile, aerospace, precision customers

- Upwardly-revised Sales Target 2010 7.5 Bill (pre. 6.5 Bill)

Stronger relations with Mori Seiki: Magnescale as standard on NHX series





Appendix

(Million Yen)	FY2009 1st Half	FY2010 1st Half		FY2010 Full Year (Forecast)	
			(Y/Y)		(Y/Y)
Sales	31,090	46,590	49.9%	115,000	73.2%
Japan domestic	8,375	17,806	112.6%	41,200	115.9%
Overseas	22,715	28,782	26.7%	73,800	56.0%
Americas	8,644	10,551	22.1%	27,100	55.8%
Europe	10,103	9,517	-5.8%	24,500	19.1%
Asia (Incl. China)	3,968	8,714	119.6%	22,200	137.7%
Operating profit	-14,656	-5,740	-	1,000	-
Ordinary profit	-14,885	-6,305	-	1,000	-
Net profit	-15,744	-6,108	-	1,000	-
Exchange rate 1USD=	¥95.5	¥88.9	-	¥87.0	-
1EUR=	¥133.2	¥113.8	-	¥111.9	-
CAPEX	4,053	1,586	-60.5%	5,000	-26.5%
Depreciation	3,537	3,206	-9.5%	6,700	-7.7%
R&D	2,865	2,450	-14.5%	5,000	-11.2%



Q&A

Q How will sales / operating profit develop in 3Q and 4Q?

Our sales forecast for 2nd half is 68.4 billion yen. We will be able to generate more sales in 4th Q than in 3rd. Most of the sales in 3rd Q are underlined; they come from order backlog of September end and Service & Parts.

Q How many machines will you produce in 2nd half? How many X-class?

Production units in September exceeded 400units and productivity has improved as expected. X-class machines orders are increasing month by month, so we expect that the X-class ratio will be more than half in the future.

Q Will you have any additional cost cuts in 2nd Q?

We always try to reduce material costs and other expenses, but the main factor for profit increase in the 2nd half should come from sales and production increase.

Q September order was 13.5 billion yen, it's very high level. Without the effect of Chicago show, how is your order environment?

It is true that the orders at in the US were beyond our expectations, but we felt an overall improvement in the September market including Europe. Even without the Chicago show effect, our order trends are increasing as a whole.

(Answers by Tatsuo Kondo, Vice President Accounting/Finance HQ Executive Officer)