

**Summary of Consolidated Financial and Business Results of the Third Quarter
for the Fiscal Year 2010 (to December 31, 2010) (Japan GAAP)**

(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial and Business Results of the Third Quarter announced on February 4, 2011)

February 4, 2011

Company name Mori Seiki Co., Ltd.
Code Number 6141 Tokyo and Osaka Stock Exchanges
(URL <http://www.moriseiki.co.jp>)

Representative Title President
Name Masahiko Mori
Contact Title Vice president
Accounting / Finance HQ Executive Officer
Name Tatsuo Kondo (TEL: 052-587-1811)
Expected date of filing the quarterly financial report February 9, 2011
Expected payment date of cash dividends
Quarterly financial closing supplementary explanatory documents Yes
Quarterly financial closing presentation Yes

Note: All amounts less than one million are disregarded.

1. Consolidated business results for the Third quarter of the fiscal year 2010 (April 1, 2010 to December 31, 2010)

(1) Consolidated business results

(Percentage shows the change from the previous Third quarter.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	Million yen	%
Third Quarter Fiscal Year 2010	78,360	72.8	-5,366	-	-6,032	-	-5,895	-
Third Quarter Fiscal Year 2009	45,350	-65.7	-22,343	-	-22,342	-	-23,466	-

	Net income per share in this quarter		Diluted net income per share	
	yen		yen	
Third Quarter Fiscal Year 2010	-53	32	-	-
Third Quarter Fiscal Year 2009	-258	51	-	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share	
	million yen	million yen	%	yen	
Third Quarter Fiscal Year 2010	153,258	89,530	56.7	786	08
Fiscal year 2009	144,166	98,717	66.8	870	57

(Reference) Equity capital Third quarter of the Fiscal Year 2010 86,925 million yen Fiscal Year 2009 96,269 million yen

2. Dividends

Dividends per share						
	First Quarter	Second Quarter	Third Quarter	The end of the term	Year	
	yen	yen	yen	yen	yen	
Fiscal Year 2009	- -	10 00	- -	10 00	20 00	
Fiscal Year 2010	- -	10 00	- -			
Fiscal Year 2010(Forecast)				10 00	20 00	

Note: Amendment of the forecast on dividends during the third quarter of the fiscal year 2010 No

3. Consolidated earnings forecast for Fiscal Year 2010 (April 1, 2010 to March 31, 2011)

(Percent change shows the change from the previous interim or full year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	120,000	80.7	1,000	-	1,000	-	1,000	-	9 04

Note: Amendment of the consolidated earnings forecast during the third quarter of the fiscal year 2010 Yes

4. Other

(1) Changes of significant subsidiaries during the financial term (changes in specific subsidiaries involving changes in scope of consolidation) No

(2) Adoption of simplified accounting methods and peculiar accounting methods for preparing quarterly consolidated financial statements No

(3) Changes of important accounting policies, procedures, and ways of display (matters to be included in the section, "Change in Notes related to the preparation of the quarterly consolidated financial statements")

Changes along the revision of accounting standards, etc. Yes

Changes other than mentioned in No

(4) Number of shares outstanding (Common Stocks)

Number of shares outstanding at the end of the year (Including treasury stocks)	The third quarter of the fiscal year 2010	118,475,312 shares	Fiscal year 2009	118,475,312 shares
Treasury stocks at the end of the year	The third quarter of the fiscal year 2010	7,893,560 shares	Fiscal year 2009	7,892,985 shares
Number of average shares (during the quarter terms)	The third quarter of the fiscal year 2010	110,582,128 shares	The third quarter of the fiscal year 2009	90,775,279 shares

Implementation of quarterly review

This summary of Consolidated Financial and Business Results is out of scope in the quarterly review based on Financial Instrument and Exchange Act. At the time of releasing this summary, the review has not been completed.

Proper use of the earnings forecasts and other notes

The above forecasts are based on information available as of the release of this report and assumptions of several uncertain factors which may affect the company's results. Actual results might be different from the above estimates due to subsequent changes in the circumstances. Please refer to "1 Qualitative Information/Financial Statements, etc" (3) Qualitative information on consolidated earnings forecast for further information of the forecasts and assumptions.

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1. Qualitative Information/Financial Statements, etc.

(1) Qualitative information about consolidated operating results

The business conditions in the machine tool industry steadily improved during the first three quarters of FY 2010 (from April 1 to December 31, 2010). According to the Japan Machine Tool Builder's Association (JMTBA), the order value for machine tools during the period from January through December, 2010 increased by approximately 2.4 times compared to the previous year. We expect that the demand for Mori Seiki's products will also increase in the future in line with the economic recovery.

In this business environment, Mori Seiki attracted approximately 25,000 visitors to the booth shared with GILDEMEISTER AG of Germany during the JIMTOF 2010 held from October 28 to November 2, receiving more orders than it had expected. We will further intensify our sales activities to boost sales.

Last November, we launched the NVL1350 Series of large vertical lathes. We continue to strengthen our structures to meet demand from customers in the aircraft, construction machinery and energy industries. We will also make our flagship X-class range launched last September more diverse by adding new models.

We have decided to establish the North American plant in California, the United States, and are planning to start manufacturing operations in July, 2012. We aim to increase our competitiveness in terms of delivery time and service by manufacturing products outside of Japan—at a place close to our customers. We believe that this also helps us to reduce overhead costs, including freight and packing costs, and to minimize the impact of exchange rate fluctuations. At the North American plant, horizontal machining centers and X-class models will be mainly produced.

Under the present conditions, our accumulated consolidated sales from April to December were 78,360 million yen (72.8% increase from the same period last year); consolidated operating loss was 5,366 million yen (the same period last year: consolidated operating loss of 22,343 million yen); and consolidated ordinary loss was 6,032 million yen due to foreign exchange losses (the same period last year: consolidated ordinary loss of 22,342 million yen). The quarterly net loss was 5,895 million yen (the same period last year: quarterly net loss of 23,466 million yen). In the third quarter (from October 1 to December 31, 2010), we had a surplus, achieving consolidated operating income of 374 million yen, consolidated ordinary income of 272 million yen, and quarterly net income of 212 million yen.

(2) Qualitative information on consolidated financial status

At the end of the third quarter, total assets were 153,258 million yen, 9,091 million yen increased from the end of the previous fiscal year. The main reasons for the increase are that though Tangible fixed assets and intangible fixed assets have decreased by 3,357 million yen and 1,116 million yen respectively, Notes and accounts receivable and Inventories have increased by 6,002 million yen and 4,649 million yen respectively. Net assets were 89,530 million yen, and shareholders' equity ratio was 56.7%, 10.1 percentage decreased in the current third quarter.

(Situation of cash flows)

For the third quarter, the balance of cash and cash equivalents were 6,917 million yen, 338 million yen decreased from the end of the previous fiscal year.

Net cash used by operating activities was 10,108 million yen. The main increasing factors are Depreciation and amortization of 4,900 million yen and Increase in account payable of 4,620 million yen. The main decreasing factors are Increase in notes and accounts receivable of 7,294 million yen, Loss before income taxes and minority interests of 6,452 million yen and Increase in inventories of 6,174 million yen.

Net cash used in investing activities was 2,790 million yen. The main increasing factor is Sales of tangible fixed assets of 747 million yen. The main decreasing factors are Purchase of tangible fixed assets of 2,062 million yen, Payment of investment in capital of subsidiaries and affiliates of 569 million yen and purchase of intangible fixed assets of 520 million yen.

Net cash provided in financing activities was 12,407 million yen. The main increasing reason is Increase in short-term bank loans, net of 14,770 million yen. The main decreasing reason is Cash dividends of 2,141 million yen.

(3) Qualitative information on consolidated earnings forecast

We announce that we have revised the forecast for the full year of the fiscal year 2010 (April 1, 2010 to March 31, 2011) originally announced on October 26, 2010. The revised full year net sales is 120,000 million yen for the reason of recovery in orders for machine tool industries.

2 . Others

(1) Changes of significant subsidiaries

There are no applicable matters.

(2) Adoption of simplified accounting methods and peculiar accounting methods

There are no applicable matters.

(3) Changes of important accounting policies, procedures, and ways of display

Change in accounting standard

(Application of "Accounting Standard for Asset Retirement Obligations")

From the first quarter of fiscal year 2010, we apply the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18 of March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21 of March 31, 2008).

There is no significant impact on our operating income/loss, ordinary income/loss or income/loss before income tax and minority interests.

Change of ways of display

(The third quarter consolidated statement of income)

Based on the "Accounting Standard for Consolidated Financial Statement" (ASBJ Statement No.22 of December 26, 2008), we apply the "Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statement" (Cabinet Office Ordinance No.5, March 24, 2009). As a result, "Loss before minority interests" is included in the consolidated financial statement for the third quarter of fiscal year 2010.

3 . Consolidated financial statements

(1) The third quarter consolidated balance sheet

(Amount : million yen)

	At the end of the 3rd consolidated quarter (December 31, 2010)	At the end of the previous consolidated fiscal year (March 31, 2010)
(Assets)		
Current Assets		
1 Cash and deposits	6,921	7,516
2 Notes and accounts receivable	22,668	16,665
3 Securities	101	-
4 Goods and products	13,021	10,067
5 Work in process	6,350	6,241
6 Raw material and Supplies	18,338	16,751
7 Deferred income taxes	1,008	533
8 Consumption tax receivable	512	310
9 Other	6,728	4,761
10 Allowance for doubtful receivables	-128	-114
Total current assets	75,522	62,733
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	24,661	26,926
(2) Machinery, equipment and vehicles, net	4,146	4,301
(3) Land	18,215	17,152
(4) Lease assets, net	4,052	4,354
(5) Construction in progress	288	1,722
(6) Other, net	2,934	3,199
Total tangible fixed assets	54,299	57,657
2 Intangible fixed assets		
(1) Goodwill	1,711	2,024
(2) Other	4,928	5,733
Total Intangible fixed assets	6,640	7,757
3 Investments and other assets		
(1) Investments in securities	13,647	12,966
(2) Long-term prepaid expenses	97	165
(3) Deferred income taxes	1,513	1,569
(4) Other	1,537	1,317
Total investments and other assets	16,795	16,018
Total fixed assets	77,735	81,433
Total assets	153,258	144,166

	At the end of the 3rd consolidated Quarter (December 31, 2010)	At the end of the previous consolidated fiscal year (March 31, 2010)
(Liabilities)		
Current liabilities		
1 Notes and accounts payable-trade	10,521	6,087
2 Short-term bank loans	33,320	18,550
3 Lease obligations	281	270
4 Accrued payments	3,759	4,116
5 Accrued expenses	1,509	1,780
6 Advances received	1,576	925
7 Accrued income taxes	395	741
8 Accrued consumption taxes	33	4
9 Deferred income taxes	54	35
10 Allowance for product warranties	825	845
11 Allowance for bonuses	105	234
12 Other	843	1,390
Total current liabilities	53,225	34,983
Fixed liabilities		
1 Convertible bonds with stock acquisition rights	2,583	2,583
2 Lease obligations	3,976	4,241
3 Deferred income taxes	1,559	1,227
4 Deferred income taxes for land revaluation reserve	1,699	1,699
5 Accrued retirement benefits	316	312
6 Long-term accrued payments	303	402
7 Asset retirement obligations	62	—
8 Other	2	—
Total fixed liabilities	10,502	10,465
Total liabilities	63,727	45,449
(Net assets)		
Shareholders' equity		
1 Capital	41,132	41,132
2 Capital surplus	53,863	53,863
3 Retained earnings	4,706	12,820
4 Treasury stock	-10,545	-10,544
Total shareholders' equity	89,157	97,271
Valuation and translation adjustments		
1 Net unrealized holding gain on securities	1,822	1,750
2 Net unrealized gain/loss on derivative instruments	990	943
3 Land revaluation reserve	1,545	1,545
4 Translation adjustments	-6,590	-5,242
Total valuation and translation adjustments	-2,231	-1,002
Stock acquisition rights	1,868	1,533
Minority interests	736	914
Total net assets	89,530	98,717
Total liabilities and net assets	153,258	144,166

(2) The third quarter consolidated statement of income
(The third consolidated quarter total)

	(Amount : million yen)	
	The previous 3rd consolidated quarter total (April 1, 2009 to December 31 2009)	The 3rd consolidated quarter total (April 1, 2010 to December 31, 2010)
Net sales	45,350	78,360
Cost of sales	38,828	54,732
Gross profit	6,521	23,627
Selling, general and administrative expenses	28,864	28,993
Operating loss (-)	-22,343	-5,366
Non-operating income		
1 Interest income	20	28
2 Dividend income	162	177
3 Exchange gain	227	—
4 Other	366	190
Total of non-operating income	777	397
Non-operating expenses		
1 Interest expense	209	314
2 Exchange loss	—	260
3 Fees and commissions	87	84
4 Equity in losses of affiliates	136	162
5 Other	342	241
Total of non-operating expenses	775	1,063
Ordinary loss (-)	-22,342	-6,032
Extraordinary gain		
1 Gain on sales of fixed assets	19	24
Total of extraordinary income	19	24
Extraordinary loss		
1 Loss on sales of fixed assets	9	20
2 Loss on disposal of fixed assets	76	64
3 Loss on impairment of fixed assets	4	—
4 Loss on revaluation of investments in securities	32	68
5 Loss on revaluation of other investments	5	3
6 Loss on adjustment for changes of accounting standard for asset retirement obligations	—	15
7 Loss on business structural reorganization	721	270
Total of extraordinary loss	850	444
Loss before income taxes and minority interests (-)	-23,173	-6,452
Income taxes	101	136
Income taxes deferred	784	-405
Total of Income taxes	886	-268
Loss before minority interests (-)	—	-6,183
Minority interests in loss (-)	-592	-287
Net loss(-)	-23,466	-5,895

(3) The third quarter consolidated statement of cash flows

(Amount : million yen)

	The previous 3rd consolidated quarter total (April 1, 2009 to December 30, 2009)	The 3rd consolidated quarter total (April 1, 2010 to December 31, 2010)
Operating activities		
Loss before income taxes and minority interests	-23,173	-6,452
Depreciation and amortization	5,408	4,900
Loss / gain on sales of fixed assets	-10	-3
Loss on disposal of fixed assets	76	64
Loss on impairment of fixed assets	4	—
Loss / gain on revaluation of investments in securities	32	68
Loss on business structural reorganizations	—	270
Amortization of goodwill	259	401
Stock-based compensation	509	334
Equity in earnings / losses of affiliates	136	162
Loss on valuation of other investments	5	3
Increase / decrease in allowance for bonuses	—	-129
Increase / decrease in allowance for directors' bonuses	-25	—
Increase / decrease in allowance for doubtful receivables	-14	25
Increase / decrease in allowance for retirement benefits	158	21
Increase / decrease in allowance for product warranties	-238	-19
Interest and dividend income	-183	-206
Interest expense	209	314
Unrealized exchange loss / gain	33	861
Decrease / increase in notes and accounts receivable	6,459	-7,294
Decrease / increase in inventories	4,819	-6,174
Increase / decrease in accounts payable	725	4,620
Decrease / increase in consumption tax receivable	-302	-202
Increase / decrease in accrued consumption tax	-65	29
Increase / decrease in other accrued payments	-1,413	-118
Other	488	21
Sub-total	-6,098	-8,500
Interest and dividend income received	183	207
Interest paid	-203	-314
Loss on business structural reorganizations paid	—	-1,156
Income taxes paid/refund	2,070	-344
Net cash provided by operating activities	-4,047	-10,108

	The previous 3rd consolidated quarter total (April 1, 2009 to December 31, 2009)	The 3rd consolidated quarter total (April 1, 2010 to December 31, 2010)
Investing activities		
Decrease / increase in long-term deposit	-184	250
Purchase in investments in securities	-2,518	-383
Purchase of stocks of subsidiaries and affiliates	-19	-445
Payment of Investments in capital of subsidiaries and affiliates	—	-569
Sales of tangible fixed assets	49	747
Purchases of tangible fixed assets	-4,489	-2,062
Purchases of intangible fixed assets	-2,080	-520
Other	-47	193
Net cash used in investing activities	-9,289	-2,790
Financing activities		
Increase / decrease in short-term bank loans, net	-7,498	14,770
Proceeds from sales of common stock	16,770	—
Proceeds from sales of treasury stock	32	0
Purchase of treasury stock	-5	-0
Cash dividends	-2,586	-2,141
Cash dividends paid to minority shareholders	-21	-0
Other	-117	-221
Net cash provided / used in financing activities	6,574	12,407
Effect of exchange rate changes on cash and cash equivalents	-3	-106
Increase / decrease in cash and cash equivalents	-6,767	-598
Cash and cash equivalents at the beginning of the fiscal year	14,255	7,255
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	457	260
Cash and cash equivalents at the end of the third quarter	7,945	6,917

(4) Notes about premise of going concern

There are no applicable matters.

(5) Segment Information

[Geographical Segment Information]

The previous third consolidated quarter total (April 1, 2009 to December 31, 2009)

(Million yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Eliminations	Consolidated
Sales and operating income							
(1) Sales to third parties	17,912	11,233	14,922	1,282	45,350	—	45,350
(2) Inter-group sales	15,339	1,467	700	488	17,997	(17,997)	—
Total	33,252	12,700	15,623	1,770	63,347	(17,997)	45,350
Operating income / loss(-)	-19,117	344	-3,944	-762	-23,480	1,137	-22,343

[Overseas sales]

The previous third consolidated quarter total (April 1, 2009 to December 31, 2009)

	The Americas	Europe	Asia and Oceania	Total
I Overseas sales (Million yen)	12,155	15,146	5,699	33,001
II Consolidated net sales (Million yen)	—	—	—	45,350
III Ratio of overseas sales to consolidated net sales	26.8	33.4	12.6	72.8

[Segment information]

1. Outline of segment reported

The segments in this report are geographical units for which we are able to obtain respective financial information separately in order for the Board of Directors and Operating Directors to conduct periodic investigations to determine distribution of management resources and evaluate their business results.

The main business of our group is to product and to sell machine tools. In Japan, the company and the group's consolidated subsidiaries plan comprehensive strategies on the products and do the business. Outside of Japan, the group's consolidated local subsidiaries do as well.

As a result, our group is composed by geographical segment based on product and sales and its segment reported comprise of "Japan" "The Americas" "Europe" and "China and Asia".

2. Information on sales and income (loss) by segment reported

The third consolidated quarter total (April 1, 2010 to December 31, 2010)

(Million yen)

	Segment Reported				
	Japan	The Americas	Europe	China Asia	Total
Sales and operating income					
(1) Sales to third parties	28,864	19,352	16,759	13,384	78,360
(2) Inter-group sales or Transfer	38,239	1,485	865	960	41,550
Total	67,103	20,838	17,624	14,344	119,910
Segment loss (-)	-3,538	-435	-1,152	-66	-5,192

3. Total income/loss of segment reported and difference from the third quarter consolidated statement of income (adjustment of difference)

Income/loss	Amount (Million yen)
(1) Total of Segment reported	-5,192
(2) Minus of unrealized profit	-173
Operating loss on the third quarter consolidated statement of income(-)	-5,366

4. Information concerning significant loss from noncurrent assets, goodwill and other items by segment reported

There are no applicable matters.

(6) Note regarding remarkable fluctuation of shareholder's equity

There are no applicable matters.