

**Summary of Consolidated Financial and Business Results of the First Quarter
for the Fiscal Year 2008 (to March 31, 2009)**

(All financial information has been prepared based on the original Japanese-language documents; Summary of Consolidated Financial and Business Results of the First Quarter announced on July 29, 2008 and correction of its partial information released on August 7, 2008)

July 29, 2008

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 Director
Accounting / Finance HQ Executive Officer
Name Morikuni Uchigasaki (TEL: 052-587-1811)

Note: All amounts less than one million are disregarded.

1. Consolidated business results for the First Quarter of fiscal year 2008 (April 1, 2008 to June 30, 2008)

(1) Consolidated business results

(Percent change shows the change from the previous First Quarter fiscal year)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--------------------------------|-------------|------|------------------|------|-----------------|-----|-------------|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| First Quarter Fiscal Year 2008 | 45,808 | — | 4,900 | — | 5,302 | — | 2,874 | — |
| First Quarter Fiscal Year 2007 | 43,043 | 19.8 | 5,184 | 13.8 | 5,205 | 9.9 | 2,844 | — |

| | Net income per share In this quarter | Diluted net income per share |
|--------------------------------|---|---------------------------------|
| | yen | yen |
| First Quarter Fiscal Year 2008 | 30.63 | 30.28 |
| First Quarter Fiscal Year 2007 | 29.59 | 28.50 |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio | Shareholders' equity per share |
|--------------------------------|--------------|-------------|----------------------------|--------------------------------|
| | million yen | million yen | % | yen |
| First Quarter Fiscal Year 2008 | 174,929 | 133,615 | 75.4 | 1,406.13 |
| Fiscal Year 2007 | 174,270 | 131,761 | 74.7 | 1,388.52 |

(Reference) Equity capital First Quarter Fiscal Year 2008 131,931million yen First Quarter Fiscal Year 2007 130,214million yen

2. Situation of Dividend

| Dividend per share | | | | | |
|-------------------------------|---------------|----------------|---------------|---------------|-----------|
| | First Quarter | Second Quarter | Third Quarter | Final Quarter | Full Year |
| | yen | yen | yen | yen | yen |
| Fiscal Year 2007 | - | 25.0 | - | 25.0 | 50.0 |
| Fiscal Year 2008 | - | - | - | - | - |
| Fiscal Year 2008(Expectation) | - | 25.0 | - | 25.0 | 50.0 |

Note The correction is none in this quarter

3. Consolidated earnings forecast for Fiscal Year 2008 (April 1, 2008 to March 31, 2009)

(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 | % | million | % | million | % | million | % | yen |
| Interim | 90,000 | — | 12,600 | — | 12,000 | — | 7,000 | — | 74.64 |
| Full year | 200,000 | △1.1 | 28,000 | △10.6 | 26,800 | △6.5 | 15,600 | △2.3 | 166.35 |

Note: Amendment of Consolidated earnings forecast for the first quarter of fiscal year 2009 No

4. Other

(1) Changes of significant subsidiaries during the financial term (increasing/deletion in the scope of consolidation) None

Increase — (Name) Decrease — (Name)

(2) Adoption of simplified accounting methods and peculiar accounting methods for making quarter accounting statements None

(3) Change of important accounting policies, procedures, and ways of display (description as the change of basis for preparing quarter consolidated financial statements)

① Changes along the revision of accounting standard, etc Yes

② Changes mentioned other than mentioned in ① None

Note: Please refer to page No.3 on "[Qualitative Information/Financial Statements, etc]" 4. Notes for further details.

(4) Number of shares outstanding (Common Stocks)

| | | | | |
|---|---------------------------------------|-------------------|---------------------------------------|-------------------|
| ① Number of shares outstanding at the end of the year (Including treasury stocks) | The first quarter of Fiscal year 2008 | 96,475,312 shares | Fiscal year 2007 | 96,475,312 shares |
| ② Treasury stocks at the end of the end of the year | The first quarter of Fiscal year 2008 | 2,649,989 shares | Fiscal year 2007 | 2,695,892 shares |
| ③ Number of average shares (During quarter consolidated terms) | The first quarter of Fiscal year 2008 | 93,810,143 shares | The first quarter of Fiscal year 2007 | 96,151,992 shares |

※Proper use of the earnings forecasts and other notes

(1) 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 "Qualitative Information/Financial Statements, etc" 3 Qualitative information about consolidated earnings forecast" on page No.4 for further information of the forecasts and assumptions.

(2) [Accounting standards regarding quarter financial statements](Administration of financial accounting standards Article 12 on 14 MAR.2007) and [application guideline regarding quarter financial statements](Administration of financial accounting standards application guideline Article 14 on 14 MAR.2007) are applied from current consolidated fiscal year. Quarter Consolidated financial statements are made according to the regulation of quarter consolidate financial statements.

[Qualitative Information/Financial Statements, etc.]

1. Qualitative information about consolidated operating results

In the Americas, the economy has been slowing down due to the sub prime mortgage crisis; however, we have been less affected so far by the crisis. We have received favorable orders not only from the aircraft and oil-related industries which are experiencing a global demand, but also from the medical equipment, agricultural machinery and construction machinery industries, resulting in a 20% increase from the same period last year (on a dollar basis).

In Europe, there has been a strong demand from the aircraft, automobile and general industrial machinery industries. In addition, we are receiving new inquiries from the environmental energy sector (e.g. wind power generation). The market in Europe has also maintained stable growth, and our orders have increased by 5% from the same period last year (on a Euro basis). In the emerging markets of Brazil, India, Russia, and Turkey, orders are increasing as their infrastructures are improved.

In Japan and Asia, meanwhile, our orders have dropped by 10% from the same period last year. This is because our major customers--companies with 50 or fewer employees--are still fairly cautious about making new capital investments, even though they have funds available to invest. We expect that demand will be able to recover in the future.

With good market conditions in the Americas and Europe and the economic growth in emerging markets, demand for machine tools will continue to grow in each sector such as aircraft and construction machinery. This strong demand for our machine tools is expected to continue for the foreseeable future.

Mori Seiki started its medium-term management plan, the PQR555, for the three-year period from FY 2008 to FY 2010. The basic policy of the PQR555 is: to maintain a growth path by increasing our market share in emerging markets and maintaining stable growth in the markets in Japan, the Americas and Europe; to pursue high standards in "P" (People: human resource development), "Q" (Quality: quality improvement) and "R" (Risk Management); and to establish a global management system. Through these efforts, we are striving to become "Global One."

As our specific targets, we are aiming to achieve 15% of share in the total amounts of machine tool orders reported by the Japan Machine Tool Builders' Association, attain an annual growth of 25% in BRICs, and achieve a consolidated cost of sales ratio of 55%, and a selling, general and administrative expenses ratio of 25%, in order to further strengthen the profit structure. We will establish a system to achieve our goals set in the PQR555 by hiring talented people and providing trainings for employees so that they can work globally. Aiming to establish global management quality, we will strictly comply with compliance rules, promote health and safety practices, strengthen our security trade management system, and thoroughly implement internal control for the management system and financial reporting.

As for our products, we started accepting orders for the NT6600 DCG high-precision, high-efficiency integrated mill turn center for long/large-diameter work pieces and the MV-1003L large vertical machining center. Moreover, orders for the NH Series of high-precision, horizontal machining centers reached 5,000 units in April 2008. In June 2008, we relocated Thailand Technical Center, a sales and service base in Southeast Asia, to Rojana Industrial Park in Ayutthaya Province, where various businesses including the automobile and precision industries gather. We also opened Mori Seiki University on the same site to provide technical training for our customers and employees.

In this business environment, we recorded sales of 45,808 million yen and operating income of 4,900 million yen for the first quarter of the current consolidated fiscal year.

2. Qualitative information about consolidated financial status

At the end of the first quarter, total assets were 174,929 million yen, up 659 million yen from the end of the previous fiscal year. The main reasons for this increase are that even though trade notes and accounts receivable have decreased by 6,722 million yen, products increased by 4,056 million yen, property, plant and equipment by 2,145 million yen, and other assets by 736 million yen.

Net assets were 133,615 million yen, and shareholders' equity ratio rose by 0.7 points to 75.4% for the current fiscal quarter, maintaining the same level as the previous year.

(Cash flow situation)

For the first quarter, the balance of cash and cash equivalents was 14,426 million yen, down 3,489 million yen from the end of the previous fiscal year.

Net cash provided by operating activities was 455 million yen. The main positive factors are income before income taxes and minority interests of 5,280 million yen and an 8,385 million yen decrease in notes and accounts receivable, etc. The main negative factors are a 4,923 million yen increase in inventories, income tax payments of 9,917 million yen, etc.

Net cash used in investing activities was 2,579 million yen. This is mainly due to purchase of property, plant and equipment of 1,958 million yen.

Net cash used in financing activities was 1,982 million yen. This is mainly due to cash dividend payment of 1,919 million yen.

3. Qualitative information about consolidated earnings forecast

The Mori Seiki Group will actively and continuously promote our sales activities in areas with strong demand. We expect that we will be able to achieve the planned consolidated sales by ensuring proper operation from manufacturing, shipping to acceptance. As for operating income, ordinary income and net income, we expect to achieve our initial targets.

Therefore, we have not carried out the revision of our earnings forecast (released on May 7, 2008).

4. Other

(1) Important changes in subsidiary companies (changes in subsidiaries which could affect the size of the consolidated Group) during the term.

There are no applicable matters.

(2) Adoption of simpler accounting practices and accounting practices peculiar to quarterly consolidated financial statements

There are no applicable matters.

(3) Changes in rules, procedures, ways of description, etc. for creating quarterly consolidated financial statements

1. From the current fiscal year, we applied "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12 on March 14, 2007), and "Implementation Guidance for Accounting Standard for Quarterly Financial Statements" (ASBJ Guidance No. 14, on March 14, 2007). Also, our quarterly consolidated financial statements were created in accordance with the "Rules for Quarterly Consolidated Financial Statements."

2. Previously, inventories held for the ordinary purpose of marketing had been stated at cost determined by the gross average method. However, since the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 on July 5, 2006) was applied from the current 1st quarter, the inventories were stated at cost determined by the gross average method (The value to be carried on the balance is calculated by the write-down of book value due to the decline in profitability).

This change has almost no effect on profit and loss.

3. The current 1st quarter, we applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18 on May 17, 2006), and made modifications necessary for the consolidated settlement of accounts.

This change has almost no effect on profit and loss.

5. Consolidated financial statement

(1) 1st quarter Consolidated balance sheets

(Amount : million yen)

| | End of Current consolidated 1st quarter (June 30 ,2008) | End of previous consolidated fiscal year (March 31, 2008) |
|---------------------------------------|--|--|
| (Assets) | | |
| I Current Assets | | |
| 1 Cash and deposit | 14,494 | 17,984 |
| 2 Notes and account receivable | 31,705 | 38,427 |
| 3 Inventories | 17,447 | 13,391 |
| 4 Raw material | 17,932 | 17,076 |
| 5 Goods in process | 8,656 | 7,867 |
| 6 Deferred income taxes | 3,122 | 3,280 |
| 7 Consumption tax receivable | 593 | 711 |
| 8 Other | 5,485 | 3,362 |
| 9 Allowance for doubtful receivables | △ 146 | △ 126 |
| Total current assets | 99,291 | 101,976 |
| II Fixed assets | | |
| 1 Property ,plant and equipment | | |
| (1) Buildings and structure | 26,182 | 25,448 |
| (2) Machinery ,equipment and vehicles | 8,483 | 8,152 |
| (3) Land | 15,511 | 15,165 |
| (4) Construction in progress | 1,747 | 1,131 |
| (5) Other | 4,030 | 3,911 |
| Total property ,plant and equipment | 55,954 | 53,808 |
| 2 Intangible fixed assets | | |
| (1) Business/goodwill | 1,367 | 1,012 |
| (2) Other | 3,808 | 3,427 |
| Total Intangible fixed assets | 5,176 | 4,439 |
| 3 Investments and other assets | | |
| (1) Investment in securities | 11,463 | 11,541 |
| (2) Long-term prepaid expenses | 406 | 401 |
| (3) Deferred income taxes | 1,547 | 1,115 |
| (4) Other | 1,090 | 987 |
| Total investments and other assets | 14,508 | 14,045 |
| Total fixed assets | 75,638 | 72,294 |
| Total assets | 174,929 | 174,270 |

(Amount : million yen)

| | End of current consolidated 1st quarter (June 30, 2008) | End of previous consolidated fiscal year (March 31, 2008) |
|--|--|--|
| (Liabilities) | | |
| I Current liabilities | | |
| 1 Account payable | 11,141 | 11,517 |
| 2 Short-term loans | 600 | 696 |
| 3 Unpaid money | 8,835 | 6,962 |
| 4 Unpaid cost | 1,287 | 637 |
| 5 Advances received | 1,762 | 1,637 |
| 6 Accrued income taxes | 4,140 | 11,623 |
| 7 Accrued consumption tax | 14 | 42 |
| 8 Deferred income taxes | 101 | 79 |
| 9 Allowance for warranty protection | 1,827 | 1,555 |
| 10 Allowance for executive bonuses | 48 | 163 |
| 11 other | 5,972 | 2,237 |
| Total current liabilities | 35,729 | 37,151 |
| II Fixed liabilities | | |
| 1 Corporate bond with share purchase warrant | 2,583 | 2,583 |
| 2 Deferred income taxes | 711 | 643 |
| 3 Deferred income taxes on reserve for revaluation | 1,699 | 1,699 |
| 4 Retirement supply reserve | 579 | — |
| 5 Long-term accrued amount payable | 11 | 431 |
| Total fixed liabilities | 5,584 | 5,357 |
| Total liabilities | 41,314 | 42,508 |
| (Net worth) | | |
| I Shareholder's equity | | |
| 1 Capital | 32,698 | 32,698 |
| 2 Capital surplus | 45,429 | 45,429 |
| 3 Earned surplus | 57,104 | 56,750 |
| 4 Common stock | △4,683 | △4,768 |
| Total shareholder's equity | 130,549 | 130,109 |
| II Adjustment gains and losses | | |
| 1 Net unrealized holding gain on securities | 2,740 | 1,570 |
| 2 Deferred hedge profits | △2,256 | △1,026 |
| 3 Reserve for land revaluation | 1,545 | 1,545 |
| 4 Translation adjustment | △646 | △1,984 |
| Total adjustment gains and losses | 1,382 | 104 |
| Share purchase warrant | 492 | 369 |
| III Minority equity | 1,191 | 1,177 |
| Total net worth | 133,615 | 131,761 |
| Total liabilities, net worth | 174,929 | 174,270 |

(2) 【1st quarter consolidated statement of income】

【1st quarter consolidated total term】

(Amount : million yen)

| | Current consolidated 1st quarter (April 1, 2008 to June 30, 2008) |
|--|--|
| I Net sales | 45,808 |
| II Cost of sales | 26,342 |
| Gross profit | 19,465 |
| III Selling, general and administrative expenses | 14,564 |
| Operating income | 4,900 |
| IV Non operating income | |
| 1 Interest income | 42 |
| 2 Dividend income | 100 |
| 3 Exchange gains | 221 |
| 4 Equity method income | 3 |
| 5 Other | 76 |
| Total of Non operating income | 444 |
| V Non-operating expenses | |
| 1 Interest expenses | 7 |
| 2 Fees and commissions | 16 |
| 3 Other | 19 |
| Total of Non operating expenses | 42 |
| Ordinary income | 5,302 |
| VI Extraordinary income | |
| 1 Gain on sale of fixed assets | 9 |
| 2 Reversal of allowance for doubtful accounts | 10 |
| Total of Extraordinary income | 20 |
| VII Extraordinary expenses | |
| 1 Loss on sale of fixed assets | 1 |
| 2 Loss on disposal of fixed assets | 11 |
| 3 Loss on devaluation of investments in securities | 30 |
| Total of Extraordinary expenses | 42 |
| Income before income taxes | 5,280 |
| Income taxes | 2,084 |
| Corporation tax adjustment | 282 |
| Total of Income taxes | 2,367 |
| Minority interests in net income | 38 |
| Net income | 2,874 |

(3) 1st quarter Consolidated Statement of Cash flows

(Amount : million yen)

Current consolidated 1st quarter
(April 1, 2008 to June 30, 2008)

| | | |
|---------------------------------------|---|--------|
| I Cash flow from operating activities | | |
| 1 | Income before income taxes and minority interests | 5,280 |
| 2 | Depreciation and amortization | 1,573 |
| 3 | Loss on sale of fixed assets | △8 |
| 4 | Loss on disposal of fixed assets | 11 |
| 5 | Gain on sale of investments in securities | 30 |
| 6 | Amortization of represent goodwill | 113 |
| 7 | Equity method income | 123 |
| 8 | Investment profit on equity method | △3 |
| 9 | Increase in Bonuses to directors and statutory auditors | 48 |
| 10 | Increase in allowance for doubtful receivables | △8 |
| 11 | Increase in allowance for employee retirement | 386 |
| 12 | Increase in allowance of products warranty | 272 |
| 13 | Interest and dividend income | △142 |
| 14 | Interest expense | 7 |
| 15 | Unrealized exchange gain | △1,292 |
| 16 | Increase in trade receivable | 8,385 |
| 17 | Decrease (increase) in inventories | △4,923 |
| 18 | Increase in accounts payable | △763 |
| 19 | Decrease (increase) in uncollected consumption tax | 117 |
| 20 | Increase (decrease) in unpaid consumption tax | △28 |
| 21 | Increase (decrease) in other accounts payable | 1,284 |
| 22 | Bonuses to directors and statutory auditors | △163 |
| 23 | Other | △59 |
| | Sub-total | 10,240 |
| 24 | Interest and dividend income received | 144 |
| 25 | Interest paid | △12 |
| 26 | Income tax (paid) refunded | △9,917 |
| | Cash flow from operating activities | 455 |

(Amount : million yen)

Current consolidated 1st quarter
(April 1, 2008 to June 30, 2008)

| | |
|--|--------------------|
| <hr/> | |
| II Cash flow from investing activities | |
| 1 Proceeds from adjustment for stock of affiliate companies | 35 |
| 2 Purchase of tangible fixed assets | △1,958 |
| 3 Purchase of intangible fixed assets | △603 |
| 4 Other | △52 |
| Cash flow from investing activities | <hr/> △2,579 <hr/> |
| III Cash flow from financing activities | |
| 1 increase (decrease) in short-term debt | △96 |
| 2 Proceeds from disposal of Treasury stock | 54 |
| 3 Purchase of Treasury stock | △1 |
| 4 Cash Dividend | △1,919 |
| 5 Cash dividend for minority shareholders | △18 |
| 6 Others | △1 |
| Cash flow from financing activities | <hr/> △1,982 <hr/> |
| IV Effect of exchange rate changes on cash and cash equivalent | 255 |
| V Increase (decrease) in cash and cash equivalent | <hr/> △3,850 <hr/> |
| VI Cash and cash equivalents at the beginning of year | 17,916 |
| VII Increase in cash and cash equivalent with elimination | 361 |
| VIII Cash and cash equivalent at the end of quarter | <hr/> 14,426 <hr/> |

[Accounting standards regarding quarter financial statements](Administration of financial accounting standards Article 12 on March 14, 2007) and [application guideline regarding quarter financial statements](Administration of financial accounting standards application guideline Article 14 on March 14, 2007) are applied from current consolidated fiscal year. Quarter Consolidated financial statements are made according to the regulation of quarter consolidate financial statements.

(4) Note regarding premise of a going concern

Nothing is suitable for the requirements.

(5) Segment information

By business

The first quarter of consolidated fiscal year 2008 (April 1, 2008 to June 30, 2008)

As the Company and its consolidated subsidiaries manufacture and sell the same kinds and same series of machine tools which are similar in terms of the type and nature of the products, the manufacturing methods and sales markets, the disclosure of business segment information has been omitted.

By geographic region

The first quarter of consolidated fiscal year 2008 (April 1, 2008 to June 30, 2008)

(unit : million yen)

| | Japan | Americas | Europe | Asia and Oceania | Total | Eliminations | Consolidated |
|----------------------------|--------|----------|--------|------------------|--------|--------------|--------------|
| Sales and operating income | | | | | | | |
| (1) Sales to third parties | 21,693 | 7,359 | 15,898 | 856 | 45,808 | — | 45,808 |
| (2) Intra-group sales | 19,876 | 339 | 566 | 356 | 21,138 | (21,138) | — |
| Total sales | 41,570 | 7,699 | 16,464 | 1,212 | 66,946 | (21,138) | 45,808 |
| Operating income (loss) | 5,285 | 74 | 394 | △175 | 5,579 | (678) | 4,900 |

By overseas sales

The first quarter of consolidated fiscal year 2008 (April 1, 2008 to June 30, 2008)

| | Americas | Europe | Asia and Oceania | Total |
|--|----------|--------|------------------|--------|
| I Overseas sales (million yen) | 8,907 | 15,898 | 5,576 | 30,382 |
| II Consolidated Sales (million yen) | — | — | — | 45,808 |
| Overseas sales as a percentage of total consolidated sales (%) | 19.4 | 34.7 | 12.2 | 66.3 |

(6) Note regarding remarkable fluctuation of owner's capital

Nothing is suitable for the requirements.

「Reference data」

Financial statements etc. concerning the last 1st quarter
 (1) Quarter consolidated income statement

(Amount : million yen)

| Subject | Previous consolidated 1st quarter (April 1, 2007 to June 30, 2007) |
|--|---|
| I Sales | 43,043 |
| II Cost of goods sold | 24,807 |
| Gross margin | 18,235 |
| III Distribution cost and administrative expenses | 13,051 |
| Operating profit | 5,184 |
| IV Non-operating income | 284 |
| 1 Interest earned | 36 |
| 2 Dividend earned | 114 |
| 3 Investment income by equity method | 13 |
| 4 Other | 119 |
| V Non-operating expenditure | 262 |
| 1 Interest due | 7 |
| 2 Exchange loss | 191 |
| 3 commissions | 33 |
| 4 Other | 30 |
| Ordinary profit | 5,205 |
| VI Extraordinary gain | 38 |
| 1 Gains from sale of fixed assets | 25 |
| 2 Reversal profit of allowance for doubtful accounts | 12 |
| VII Extraordinary loss | 33 |
| 1 Loss from sale of fixed assets | 12 |
| 2 Fixed-assets loss on retirement | 20 |
| Front [adjustment] quarter net earnings, such as a tax | 5,210 |
| A corporation tax, a resident tax, and business tax | 2,568 |
| The amount of adjustment, such as a corporation tax | △228 |
| Minority-stockholders profits | 25 |
| Quarter net earnings | 2,844 |

(2) (Summary) 1st quarter Consolidated Statement of Cash flows

(Amount : million yen)

| | Previous consolidated 1st quarter (April 1, 2007 to June 30, 2007) |
|---|---|
| I Cash flow from operating activities | |
| 1 Income before income taxes and minority interests | 5,210 |
| 2 Depreciation and amortization | 1,361 |
| 3 Loss on sale of fixed assets | 12 |
| 4 Loss on disposal of fixed assets | 20 |
| 5 Gain on sale of fixed assets | △25 |
| 6 Amortization of represent goodwill | 204 |
| 7 Equity method income | △13 |
| 8 Increase in Bonuses to directors and statutory auditors | 50 |
| 9 Increase in allowance for doubtful receivables | △13 |
| 10 Increase in allowance of products warranty | 114 |
| 11 Interest and dividend income | △150 |
| 12 Interest expense | 7 |
| 13 Unrealized exchange gain | △896 |
| 14 Increase in trade receivable | 4,380 |
| 15 Decrease (increase) in inventories | △6,217 |
| 16 Increase in accounts payable | 307 |
| 17 Decrease (increase) in uncollected consumption tax | △15 |
| 18 Increase (decrease) in unpaid consumption tax | 6 |
| 19 Increase (decrease) in other accounts payable | △180 |
| 20 Bonuses to directors and statutory auditors | △158 |
| 21 Other | △519 |
| Sub-total | 3,484 |
| 22 Interest and dividend income received | 156 |
| 23 Interest paid | △13 |
| 24 Income tax (paid) refunded | △3,828 |
| Cash flow from operating activities | △201 |

(Amount : million yen)

| | Previous consolidated 1st quarter (April 1, 2007 to June 30, 2007) |
|--|---|
| II Cash flow from investing activities | |
| 1 Increase in investments in securities | △717 |
| 2 Proceeds from sale of property and equipment | 41 |
| 3 Purchase of property and equipment | △1,243 |
| 4 Purchase of Intangible assets | △244 |
| 5 Other | △187 |
| Cash flow from investing activities | △2,351 |
| III Cash flow from financing activities | |
| 1 Proceeds from disposal of Treasury stock | 193 |
| 2 Purchase of Treasury stock | △3 |
| 3 Cash Dividend | △1,946 |
| Cash flow from financing activities | △1,756 |
| IV Effect of exchange rate changes on cash and cash equivalents | 267 |
| V Increase (decrease) in cash and cash equivalents | △4,042 |
| VI Cash and cash equivalents at beginning of the year | 29,959 |
| VII Increase (decrease) in cash and cash equivalents with addition | 628 |
| VIII decrease in cash and cash equivalents with elimination | △2 |
| IX Cash and cash equivalents at end of 1st quarter | 26,543 |

(Segment information)

By business

Fiscal year 2007 (April 1, 2007 to June 30, 2007)

As the Company and its consolidated subsidiaries manufacture and sell the same kinds and same series of machine tools which are similar in terms of the type and nature of the products, the manufacturing methods and sales markets, the disclosure of business segment information has been omitted.

By geographic region

Previous consolidated 1st Quarter (April 1, 2007 to June 30, 2007)

| | Japan (million yen) | Americas (million yen) | Europe (million yen) | Asia and Oceania (million yen) | Total (million yen) | Eliminations (million yen) | Consolidated (million yen) |
|------------------------------|------------------------|---------------------------|-------------------------|--------------------------------------|------------------------|-------------------------------|-------------------------------|
| I Sales and operating income | | | | | | | |
| (1) Sales to third parties | 21,382 | 7,912 | 12,659 | 1,088 | 43,043 | — | 43,043 |
| (2) Intra-group sales | 18,068 | 195 | 356 | 346 | 18,967 | (18,967) | — |
| Total sales | 39,451 | 8,108 | 13,016 | 1,435 | 62,011 | (18,967) | 43,043 |
| Operating expenses | 5,420 | 86 | 296 | 31 | 5,385 | (651) | 5,184 |

Overseas sales

Previous consolidated 1st Quarter (April 1, 2007 to June 30, 2007)

| | Americas | Europe | Asia and Oceania | Total |
|--|----------|--------|---------------------|--------|
| I Overseas sales (million yen) | 8,435 | 12,973 | 4,964 | 26,373 |
| II Consolidated Sales (million yen) | — | — | — | 43,043 |
| III Overseas sales as a percentage of total consolidated sales (%) | 19.6 | 30.2 | 11.5 | 61.3 |