

**Summary of Consolidated Financial and Business Results of the First Quarter
for the Fiscal Year 2009 (to June 30, 2009)**

(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial and Business Results of the First Quarter announced on July 27, 2009)

July 27, 2009

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

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Expected date of filing the quarterly financial report August 7, 2009

Note: All amounts less than one million are disregarded.

1. Consolidated business results for the first quarter of the fiscal year 2009 (April 1, 2009 to June 30, 2009)

(1) Consolidated business results

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter Fiscal Year 2009	13,737	-70.0	-8,040	—	-7,729	—	-8,757	—
First Quarter Fiscal Year 2008	45,808	—	4,900	—	5,302	—	2,874	—

	Net income per share in this quarter		Diluted net income per share	
	yen		yen	
First Quarter Fiscal Year 2009	-98	89	—	—
First Quarter Fiscal Year 2008	30	63	30	28

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share	
	million yen	million yen	%	yen	
First Quarter Fiscal Year 2009	143,317	108,788	74.3	1,202	50
Fiscal Year 2008	149,216	118,929	78.3	1,319	04

(Reference) Equity capital First quarter of the Fiscal Year 2009 106,521 million yen Fiscal Year 2008 116,800 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 2008	— —	20 00	— —	20 00	40 00	
Fiscal Year 2009	— —					
Fiscal Year 2009(Forecast)		10 00	— —	10 00	20 00	

Note: Amendment of the forecast on dividends during the first quarter of the fiscal year 2009 No

3. Consolidated earnings forecast for Fiscal Year 2009 (April 1, 2009 to March 31, 2010)

(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	
Interim	35,000	-62.6	-12,000	—	-12,000	—	-12,000	—	-135	50
Full year	80,000	-49.1	-20,000	—	-20,000	—	-20,000	—	-225	83

Note: Amendment of the consolidated earnings forecast during the first quarter of the fiscal year 2009 No

4. Other

(1) Changes of significant subsidiaries during the financial term (increasing/deletion in the scope of consolidation) No

Increase — (Name) Decrease — (Name)

(2) Adoption of simplified accounting methods and peculiar accounting methods for making quarter accounting statements No

(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 No

② Changes mentioned other than mentioned in ① No

(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 the fiscal year 2009	96,475,312 shares	Fiscal year 2008	96,475,312 shares
② Treasury stocks at the end of the end of the year	The first quarter of the fiscal year 2009	7,892,421 shares	Fiscal year 2008	7,925,975 shares
③ Number of average shares (During quarter consolidated terms)	The first quarter of the fiscal year 2009	88,564,119 shares	The first quarter of the fiscal year 2008	93,810,143 shares

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

Qualitative Information/Financial Statements, etc.

1. Qualitative information about consolidated operating results

For the period from April 1st to June 30, 2009 (hereinafter referred to as "the first quarter"), orders in the machine tool industry, which had dropped sharply since last October and bottomed out in the 4th quarter of FY2008 (from January to March, 2009), have been gradually recovering. However, as investment in plant and equipment has remained stagnant in many industries, particularly in the automobile industry, the machine tool market is still experiencing difficult times.

Under these business circumstances, the Mori Seiki Group has been implementing centralized management of production, sales and inventory, as well as planned reduction in production. We have also carried out further cost reduction measures to strengthen our financial structure under the second mid-term management plan, "PQR555." Moreover, we are establishing a system that allows us to swiftly deal with order increase when the economy recovers, by promoting various activities such as human resource development and product quality improvement.

Against this background, we recorded consolidated sales of 13,737 million yen decreased by 70.0% from the previous first quarter and consolidated operating loss of 8,040 million yen (consolidated operating income of 4,900 million yen in the previous first quarter).

As part of strategic business and capital alliance between Mori Seiki and the German machine tool manufacturer, GILDEMEISTER AG (hereinafter "GILDEMEISTER"), which was agreed on March 23, 2009, we are now discussing and implementing various cooperative strategies to achieve synergies. On the sales front, for example, Mori Seiki exhibited GILDEMEISTER's low-budget machines of ECOLINE Series at its Early Summer Productivity Show, and started accepting orders for the machines. We also plan to supply our large machine tools that are in great demand in Europe to GILDEMEISTER, with the aim of mutual expansion of product lineups. As regards the integration of sales bases, in Thailand and Indonesia, where Mori Seiki has a larger market share, GILDEMEISTER's base will be incorporated into the Mori Seiki's. On the other hand, in Turkey and Taiwan, where GILDEMEISTER holds a larger share, Mori Seiki's base will be absorbed into the GILDEMEISTER's. Effectively utilizing both companies' sales networks, Mori Seiki and GILDEMEISTER will continue to provide a wide range of products that are complementary to each other, and implement efficient integration of sales bases to achieve further cost reduction. In addition to these, the two companies also closely cooperate in joint development and procurement. Through these collaborative efforts we will strive to establish a leading presence in the global machine tool market.

2. Qualitative information about consolidated financial status

At the end of the first quarter, total assets were 143,317 million yen, 5,898 million yen decreased from the end of the previous fiscal year. The main reasons for the decrease are that though intangible fixed assets and investments in securities have increased by 2,626 and 2,829 million yen respectively, cash and deposits and notes and accounts receivable have decreased by 2,579 and 6,267 million yen respectively. Net assets were 108,788 million yen, and shareholders' equity ratio was 74.3%, 4.0 percentage decreased in the current first quarter.

(Situation of cash flows)

For the first quarter, the balance of cash and cash equivalents were 11,731 million yen, 2,523 million yen decreased from the end of the previous fiscal year.

Net cash provided by operating activities was 1,343 million yen. The main increasing factors are 6,914 and 1,848 million yen decreased in notes and accounts receivable and inventories respectively. The main decreasing factors are loss before income taxes and minority interests of 7,762 and income taxes paid of 1,142 million yen.

Net cash used in investing activities was 4,992 million yen. This is mainly due to investments in securities of 2,518 million yen and purchases of tangible fixed assets of 2,195 million yen.

Net cash provided in financing activities was 550 million yen. The main increasing reason is short-term bank loans of 1,994 million yen, net. The main decreasing reason is cash dividends of 1,438 million yen.

3. Qualitative information about consolidated earnings forecast

We have not amended consolidated earnings forecast released on May 7, 2009.

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 preparing quarterly consolidated financial statements

There are no applicable matters.

5. Consolidated financial statements

(1) The 1st quarter consolidated balance sheet

(Amount : million yen)

	At the end of the 1st consolidated quarter (June 30, 2009)	At the end of the previous consolidated fiscal year (March 31, 2009)
(Assets)		
Current Assets		
1 Cash and deposits	11,873	14,452
2 Notes and accounts receivable	10,366	16,633
3 Goods and products	12,132	14,652
4 Work in process	7,078	5,808
5 Raw material and Supplies	17,448	17,454
6 Deferred income taxes	1,040	1,714
7 Consumption tax receivable	309	210
8 Other	7,278	7,985
9 Allowance for doubtful receivables	-146	-139
Total current assets	67,380	78,773
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	26,970	25,541
(2) Machinery, equipment and vehicles, net	7,239	7,639
(3) Land	16,238	15,940
(4) Construction in progress	1,742	1,862
(5) Other, net	4,974	3,556
Total tangible fixed assets	57,166	54,539
2 Intangible fixed assets		
(1) Goodwill	784	694
(2) Other	4,525	4,628
Total Intangible fixed assets	5,309	5,323
3 Investments and other assets		
(1) Investments in securities	11,427	8,598
(2) Long-term prepaid expenses	418	398
(3) Deferred income taxes	271	283
(4) Other	1,343	1,298
Total investments and other assets	13,460	10,579
Total fixed assets	75,937	70,442
Total assets	143,317	149,216

	At the end of the 1st consolidated quarter (June 30, 2009)	At the end of the previous consolidated fiscal year (March 31, 2009)	
(Liabilities)			
Current liabilities			
1	Accounts payable	3,003	3,374
2	Short-term bank loans	12,942	10,298
3	Lease obligations	102	15
4	Accrued payments	4,434	4,207
5	Accrued expenses	1,436	1,268
6	Advances received	1,896	1,554
7	Accrued income taxes	372	1,434
8	Accrued consumption taxes	10	45
9	Deferred income taxes	117	113
10	Allowance for product warranties	1,242	1,192
11	Allowance for bonuses to directors and corporate auditors	—	25
12	other	1,384	813
Total current liabilities		26,943	24,342
Fixed liabilities			
1	Convertible bonds with stock acquisition rights	2,583	2,583
2	Lease obligations	1,234	82
3	Deferred income taxes	1,216	938
4	Deferred income taxes for land revaluation reserve	1,699	1,699
5	Accrued retirement benefits	771	641
6	Long-term accrued payments	80	—
Total fixed liabilities		7,585	5,945
Total liabilities		34,529	30,287
(Net assets)			
Shareholders' equity			
1	Capital	32,698	32,698
2	Capital surplus	45,429	45,429
3	Retained earnings	39,642	50,184
4	Treasury stock	-10,544	-10,589
Total shareholders' equity		107,226	117,723
Valuation and translation adjustments			
1	Net unrealized holding gain on securities	1,657	1,193
2	Net unrealized gain/loss on derivative instruments	550	1,202
3	Land revaluation reserve	1,545	1,545
4	Translation adjustments	-4,458	-4,864
Total valuation and translation adjustments		-704	-922
Stock acquisition rights		973	828
Minority interests		1,293	1,300
Total net assets		108,788	118,929
Total liabilities and net assets		143,317	149,216

(2) The 1st quarter consolidated statement of income
(The 1st consolidated quarter total)

(Amount : million yen)

	The previous 1st consolidated quarter total (April 1, 2008 to June 30, 2008)	The 1st consolidated quarter total (April 1, 2009 to June 30, 2009)
Net sales	45,808	13,737
Cost of sales	26,342	12,063
Gross profit	19,465	1,673
Selling, general and administrative expenses	14,564	9,714
Operating income	4,900	-8,040
Non-operating income		
1 Interest income	42	6
2 Dividend income	100	87
3 Exchange profit	221	260
4 Equity in earnings of affiliates	3	—
5 Other	76	87
Total of non-operating income	444	441
Non-operating expenses		
1 Interest expense	7	36
2 Fees and commissions	16	27
3 Equity in losses of affiliates	—	54
4 Other	19	11
Total of non-operating expenses	42	130
Ordinary income	5,302	-7,729
Extraordinary gain		
1 Gain on sales of fixed assets	9	4
2 Reversal of allowance for doubtful receivables	10	—
Total of extraordinary income	20	4
Extraordinary loss		
1 Loss on sales of fixed assets	1	3
2 Loss on disposal of fixed assets	11	28
3 Loss on impairment of fixed assets	—	4
4 Loss on revaluation of investments in securities	30	0
Total of extraordinary loss	42	37
Income before income taxes and minority interests	5,280	-7,762
Income taxes	2,084	21
Income taxes deferred	282	1,166
Total of Income taxes	2,367	1,188
Minority interests in income / loss	38	-193
Net income / loss	2,874	-8,757

(3) The 1st quarter consolidated statement of cash flows

(Amount : million yen)

	The previous 1st consolidated quarter total (April 1, 2008 to June 30, 2008)	The 1st consolidated quarter total (April 1, 2009 to June 30, 2009)
Operating activities		
Income / loss before income taxes and minority interests	5,280	-7,762
Depreciation and amortization	1,573	1,671
Loss / gain on sales of fixed assets	-8	-0
Loss on disposal of fixed assets	11	28
Loss on impairment of fixed assets	—	4
Loss / gain on sales of investments in securities	30	0
Amortization of goodwill	113	88
Stock-based compensation	123	145
Equity in earnings / losses of affiliates	-3	54
Increase in allowance for bonuses to directors and corporate auditors	48	-25
Increase / decrease in allowance for doubtful receivables	-8	1
Increase / decrease in allowance for retirement benefits	386	-34
Increase / decrease in allowance for product warranties	272	49
Interest and dividend income	-142	-94
Interest expense	7	36
Unrealized exchange loss / gain	-1,292	-402
Decrease / increase in notes and accounts receivable	8,385	6,914
Decrease / increase in inventories	-4,923	1,848
Increase / decrease in accounts payable	-763	-447
Decrease / increase in consumption tax receivable	117	-98
Increase / decrease in accrued consumption tax	-28	-59
Increase / decrease in other accrued payments	1,284	-184
Bonuses to directors and statutory auditors	-163	—
Other	-59	693
Sub-total	10,240	2,426
Interest and dividend income received	144	94
Interest paid	-12	-36
Income taxes paid	-9,917	-1,142
Net cash provided by operating activities	455	1,343
Investing activities		
Decrease / increase in long-term deposit	—	57
Increase in investments in securities	—	-2,518
Sales of tangible fixed assets	35	6
Purchases of tangible fixed assets	-1,958	-2,195
Purchases of intangible fixed assets	-603	-286
Other	-52	-56
Net cash used in investing activities	-2,579	-4,992
Financing activities		
Increase / decrease in short-term bank loans, net	-96	1,994
Proceeds from sales of treasury stock	54	32
Purchase of treasury stock	-1	-0
Cash dividends	-1,919	-1,438
Cash dividends paid to minority shareholders	-18	-17
Other	-1	-21
Net cash provided / used in financing activities	-1,982	550
Effect of exchange rate changes on cash and cash equivalents	255	117
Increase / decrease in cash and cash equivalents	-3,850	-2,981
Cash and cash equivalents at the beginning of the fiscal year	17,916	14,255
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	361	457
Cash and cash equivalents at the end of the first quarter	14,426	11,731

(4) Notes about premise of going concern

There are no applicable matters.

(5) Segment Information

a. Geographical Segment Information

The previous 1st consolidated quarter total (April 1, 2008 to June 30, 2008)

(Million yen)

	Japan	The 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) Inter-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

The 1st consolidated quarter total (April 1, 2009 to June 30, 2009)

(Million yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Eliminations	Consolidated
Sales and operating income							
(1) Sales to third parties	5,526	3,483	4,313	413	13,737	—	13,737
(2) Inter-group sales	4,722	524	422	90	5,760	-5,760	—
Total Sales	10,249	4,008	4,736	503	19,498	-5,760	13,737
Operating income / loss	-6,918	92	-1,074	-308	-8,208	168	-8,040

b. Overseas sales

The previous 1st consolidated quarter total (April 1, 2008 to June 30, 2008)

	The Americas	Europe	Asia and Oceania	Total
I Overseas sales (Million yen)	8,907	15,898	5,576	30,382
II Consolidated net sales (Million yen)	—	—	—	45,808
III Ratio of overseas sales to consolidated net sales	19.4	34.7	12.2	66.3

The 1st consolidated quarter total (April 1, 2009 to June 30, 2009)

	The Americas	Europe	Asia and Oceania	Total
I Overseas sales (Million yen)	3,841	4,313	1,481	9,636
II Consolidated net sales (Million yen)	—	—	—	13,737
III Ratio of overseas sales to consolidated net sales	28.0	31.4	10.8	70.2

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

There are no applicable matters.