

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

(All financial information has been prepared based on the original Japanese-language document, Summary of Consolidated Financial and Business Results of the Second Quarter announced on October 26, 2009)

October 26, 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

Contact Title Senior Executive Managing Officer
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Expected date of filing the quarterly financial report November 9, 2009

Expected payment date of cash dividends December 1, 2009

Note: All amounts less than one million are disregarded.

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

(1) Consolidated business results

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Second Quarter Fiscal Year 2009	31,090	-66.8	-14,656	—	-14,885	—	-15,744	—
Second Quarter Fiscal Year 2008	93,704	—	9,881	—	8,759	—	4,478	—

	Net income per share in this quarter		Diluted net income per share	
	yen		yen	
Second Quarter Fiscal Year 2009	-177	76	—	—
Second Quarter Fiscal Year 2008	47	95	47	51

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share	
	million yen	million yen	%	yen	
Second Quarter Fiscal Year 2009	136,365	101,228	72.6	1,117	64
Fiscal Year 2008	149,216	118,929	78.3	1,319	04

(Reference) Equity capital Second quarter of the Fiscal Year 2009 99,003 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	— —	10 00			
Fiscal Year 2009(Forecast)			— —	10 00	20 00

Note: Amendment of the forecast on dividends during the second 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 fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	
Full year	65,000	-58.7	-28.000	—	-28.000	—	-28.700	—	-324	03

Note: Amendment of the consolidated earnings forecast during the second 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 preparing quarterly consolidated financial statements No

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

① Changes along the revision of accounting standards, etc. No

② Changes 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 Second 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 Second quarter of the fiscal year 2009	7,892,510 shares	Fiscal year 2008	7,925,975 shares
③ Number of average shares (during the quarter terms)	The Second quarter of the fiscal year 2009	88,572,151 shares	The Second quarter of the fiscal year 2008	93,399,253 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

Although orders in the machine tool industry showed a sign of recovery in the half-year period (from April 1 to September 30, 2009), the machine tool market is still facing harsh business conditions because investments in plants and equipments remain slow.

In this business environment, the Mori Seiki Group, placing importance on cash flow management, carried out planned production cutbacks to minimize inventory, and cost reduction in all areas to strengthen its financial structure. For product development, we made an effort to develop new products to meet customers' needs, introducing the NT1000 that handles high-precision machining of complex work pieces required in the field of small precision parts manufacturing such as medical equipment, watches and measuring instruments; the NMV3000 DCG that handles high-efficiency, high-precision machining of small and complex work pieces increasingly demanded in the automobile and aircraft industries; and the MAPPS IV, the forth-generation of our high-performance operating system.

Against this background, we recorded consolidated sales of 31,090 million yen decreased by 66.8% from the previous second quarter, and consolidated operating loss of 14,656 million yen (consolidated operating income of 9,881 million yen in the previous second quarter).

Mori Seiki and the German machine tool manufacturer, GILDEMEISTER AG (hereinafter, "GILDEMEISTER") reached a business and capital agreement on March 23, 2009. In order to realize synergy effects of this collaboration, the two companies held the exhibition named "DMG / MORI SEIKI Private Show 2009" at the Iga Campus in September ("DMG" is a brand of GILDEMEISTER's products), and started joint sales and service in Thailand, Indonesia, Turkey and Taiwan. (In Thailand and Indonesia, GILDEMEISTER's sales and service bases have been integrated into Mori Seiki, and in Turkey and Taiwan, Mori Seiki's bases have been integrated into GILDEMEISTER.) Moreover, Mori Seiki started sales and service of DMG brand products in Japan as from October 1, 2009, based on the distributorship agreement with GILDEMEISTER.

We are also implementing joint projects for development and purchasing to maximize the synergy effects. The two companies will collaborate with each other to establish leadership in the global machine tool market.

2. Qualitative information about consolidated financial status

At the end of the second quarter, total assets were 136,365 million yen, 12,850 million yen decreased from the end of the previous fiscal year. The main reasons for the decrease are that though tangible fixed assets and investments in securities have increased by 4,648 and 2,741 million yen respectively, cash and deposits and notes and accounts receivable, and inventories have decreased by 5,784, 5,306, and 5,122 million yen respectively. Net assets were 101,228 million yen, and shareholders' equity ratio was 72.6%, 5.7 percentage decreased in the current second quarter.

(Situation of cash flows)

For the second quarter, the balance of cash and cash equivalents were 8,292 million yen, 5,962 million yen decreased from the end of the previous fiscal year.

Net cash provided by operating activities was 53 million yen. The main increasing factors are 5,531 and 5,099 million yen decreased in notes and accounts receivable and inventories respectively. The main decreasing factor is loss before income taxes and minority interests of 14,972.

Net cash used in investing activities was 7,996 million yen. This is mainly due to investments in securities of 2,518 million yen and purchases of tangible fixed assets of 3,395 million yen.

Net cash provided in financing activities was 1,583 million yen. The main increasing reason is short-term bank loans of 3,402 million yen, net. The main decreasing reason is cash dividends of 1,766 million yen.

3. Qualitative information about consolidated earnings forecast

We have not amended consolidated earnings forecast released on October 2, 2009.

4. Other

(1) Changes of significant subsidiaries during the financial term (increasing/deletion in the scope of consolidation)

There are no applicable matters.

(2) Adoption of simplified accounting methods and peculiar accounting methods for making quarterly consolidated financial statements

There are no applicable matters.

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

There are no applicable matters.

5. Consolidated financial statements

(1) The 2nd quarter consolidated balance sheet

(Amount : million yen)

	At the end of the 2nd consolidated quarter (September 30, 2009)	At the end of the previous consolidated fiscal year (March 31, 2009)
(Assets)		
Current Assets		
1 Cash and deposits	8,668	14,452
2 Notes and accounts receivable	11,327	16,633
3 Goods and products	9,289	14,652
4 Work in process	6,256	5,808
5 Raw material and Supplies	17,247	17,454
6 Deferred income taxes	971	1,714
7 Consumption tax receivable	400	210
8 Other	3,444	7,985
9 Allowance for doubtful receivables	-134	-139
Total current assets	57,471	78,773
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	26,348	25,541
(2) Machinery, equipment and vehicles, net	7,673	7,639
(3) Land	16,182	15,940
(4) Construction in progress	1,462	1,862
(5) Other, net	7,521	3,556
Total tangible fixed assets	59,188	54,539
2 Intangible fixed assets		
(1) Goodwill	667	694
(2) Other	5,746	4,628
Total Intangible fixed assets	6,413	5,323
3 Investments and other assets		
(1) Investments in securities	11,340	8,598
(2) Long-term prepaid expenses	390	398
(3) Deferred income taxes	277	283
(4) Other	1,283	1,298
Total investments and other assets	13,291	10,579
Total fixed assets	78,894	70,442
Total assets	136,365	149,216

	At the end of the 2nd consolidated quarter (September 30, 2009)	At the end of the previous consolidated fiscal year (March 31, 2009)	
(Liabilities)			
Current liabilities			
1	Accounts payable	2,936	3,374
2	Short-term bank loans	14,350	10,298
3	Lease obligations	194	15
4	Accrued payments	2,547	4,207
5	Accrued expenses	1,361	1,268
6	Advances received	1,056	1,554
7	Accrued income taxes	400	1,434
8	Accrued consumption taxes	5	45
9	Deferred income taxes	114	113
10	Allowance for product warranties	1,096	1,192
11	Allowance for bonuses to directors and corporate auditors	—	25
12	Other	725	813
Total current liabilities		24,788	24,342
Fixed liabilities			
1	Convertible bonds with stock acquisition rights	2,583	2,583
2	Lease obligations	3,908	82
3	Deferred income taxes	1,190	938
4	Deferred income taxes for land revaluation reserve	1,699	1,699
5	Accrued retirement benefits	878	641
6	Long-term accrued payments	87	—
Total fixed liabilities		10,348	5,945
Total liabilities		35,136	30,287
(Net assets)			
Shareholders' equity			
1	Capital	32,698	32,698
2	Capital surplus	45,429	45,429
3	Retained earnings	32,655	50,184
4	Treasury stock	-10,544	-10,589
Total shareholders' equity		100,238	117,723
Valuation and translation adjustments			
1	Net unrealized holding gain on securities	1,703	1,193
2	Net unrealized gain/loss on derivative instruments	739	1,202
3	Land revaluation reserve	1,545	1,545
4	Translation adjustments	-5,223	-4,864
Total valuation and translation adjustments		-1,235	-922
Stock acquisition rights		1,156	828
Minority interests		1,068	1,300
Total net assets		101,228	118,929
Total liabilities and net assets		136,365	149,216

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

(Amount : million yen)

	The previous 2nd consolidated quarter total (April 1, 2008 to September 30, 2008)	The 2nd consolidated quarter total (April 1, 2009 to September 30, 2009)
Net sales	93,704	31,090
Cost of sales	54,536	26,537
Gross profit	39,167	4,552
Selling, general and administrative expenses	29,285	19,209
Operating income/loss	9,881	-14,656
Non-operating income		
1 Interest income	83	15
2 Dividend income	130	99
3 Interest on refund of income taxes and other	—	93
4 Equity in earnings of affiliates	9	—
5 Other	182	160
Total of non-operating income	405	368
Non-operating expenses		
1 Interest expense	53	121
2 Exchange loss	1,078	155
3 Fees and commissions	70	58
4 Equity in losses of affiliates	—	110
5 Other	326	150
Total of non-operating expenses	1,528	596
Ordinary income/loss	8,759	-14,885
Extraordinary gain		
1 Gain on sales of fixed assets	11	16
2 Reversal of allowance for doubtful receivables	16	—
Total of extraordinary income	27	16
Extraordinary loss		
1 Loss on sales of fixed assets	1	4
2 Loss on disposal of fixed assets	69	57
3 Loss on impairment of fixed assets	14	4
4 Loss on revaluation of investments in securities	175	32
5 Loss on revaluation of other investments	2	4
Total of extraordinary loss	264	103
Income/loss before income taxes and minority interests	8,522	-14,972
Income taxes	4,151	117
Income taxes deferred	-257	1,073
Total of Income taxes	3,893	1,190
Minority interests in income / loss	150	-417
Net income / loss	4,478	-15,744

(3) The 2nd quarter consolidated statement of cash flows

(Amount : million yen)

	The previous 2nd consolidated quarter total (April 1, 2008 to September 30, 2008)	The 2nd consolidated quarter total (April 1, 2009 to September 30, 2009)
Operating activities		
Income / loss before income taxes and minority interests	8,522	-14,972
Depreciation and amortization	3,290	3,537
Loss / gain on sales of fixed assets	-9	-12
Loss on disposal of fixed assets	69	57
Loss on impairment of fixed assets	14	4
Loss / gain on revaluation of investments in securities	175	32
Amortization of goodwill	214	175
Stock-based compensation	207	327
Equity in earnings / losses of affiliates	-9	110
Loss on revaluation of other investments	2	4
Increase / decrease in allowance for bonuses to directors and corporate auditors	96	-25
Increase / decrease in allowance for doubtful receivables	-16	2
Increase / decrease in allowance for retirement benefits	623	130
Increase / decrease in allowance for product warranties	459	-96
Interest and dividend income	-213	-114
Interest expense	53	121
Unrealized exchange loss / gain	968	343
Decrease / increase in notes and accounts receivable	7,596	5,531
Decrease / increase in inventories	-7,212	5,099
Increase / decrease in accounts payable	-1,280	-477
Decrease / increase in consumption tax receivable	133	-189
Increase / decrease in accrued consumption tax	-33	-64
Increase / decrease in other accrued payments	-995	-1,687
Bonuses to directors and statutory auditors	-163	—
Other	710	174
Sub-total	13,205	-1,987
Interest and dividend income received	223	115
Interest paid	-51	-116
Income taxes paid/refund	-10,648	2,041
Net cash provided by operating activities	2,728	53
Investing activities		
Decrease / increase in long-term deposit	-56	-190
Increase in investments in securities	-50	-2,518
Purchase of stocks of subsidiaries and affiliates	-140	—
Sales of tangible fixed assets	54	44
Purchases of tangible fixed assets	-3,629	-3,395
Purchases of intangible fixed assets	-1,313	-1,950
Other	-95	15
Net cash used in investing activities	-5,230	-7,996
Financing activities		
Increase / decrease in short-term bank loans, net	1,802	3,402
Proceeds from sales of treasury stock	71	32
Purchase of treasury stock	-3,280	-0
Cash dividends	-2,336	-1,766
Cash dividends paid to minority shareholders	-21	-21
Other	-6	-62
Net cash provided / used in financing activities	-3,771	1,583
Effect of exchange rate changes on cash and cash equivalents	-208	-61
Increase / decrease in cash and cash equivalents	-6,482	-6,420
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 second quarter	11,795	8,292

(4) Notes about premise of going concern

There are no applicable matters.

(5) Segment Information

a. Geographical Segment Information

The previous 2nd consolidated quarter total (April 1, 2008 to September 30, 2008)

(Million yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Eliminations	Consolidated
Sales and operating income							
(1) Sales to third parties	44,666	16,902	30,129	2,005	93,704	—	93,704
(2) Inter-group sales	41,308	570	990	695	43,564	-43,564	—
Total Sales	85,975	17,472	31,119	2,701	137,268	-43,564	93,704
Operating income / loss	10,577	-153	959	-343	11,039	-1,157	9,881

The 2nd consolidated quarter total (April 1, 2009 to September 30, 2009)

(Million yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Eliminations	Consolidated
Sales and operating income							
(1) Sales to third parties	12,267	7,820	10,102	900	31,090	—	31,090
(2) Inter-group sales	10,836	1,049	557	309	12,752	-12,752	—
Total Sales	23,103	8,869	10,660	1,209	43,842	-12,752	31,090
Operating income / loss	-12,750	199	-2,501	-515	-15,568	911	-14,656

b. Overseas sales

The previous 2nd consolidated quarter total (April 1, 2008 to September 30, 2008)

	The Americas	Europe	Asia and Oceania	Total
I Overseas sales (Million yen)	19,301	30,195	11,862	61,359
II Consolidated net sales (Million yen)	—	—	—	93,704
III Ratio of overseas sales to consolidated net sales	20.6	32.2	12.7	65.5

The 2nd consolidated quarter total (April 1, 2009 to September 30, 2009)

	The Americas	Europe	Asia and Oceania	Total
I Overseas sales (Million yen)	8,644	10,103	3,968	22,715
II Consolidated net sales (Million yen)	—	—	—	31,090
III Ratio of overseas sales to consolidated net sales	27.8	32.5	12.8	73.1

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

There are no applicable matters.