

**Summary of Consolidated Financial and Business Results of the Third Quarter
for the Fiscal Year 2009 (to December 31, 2009)**

(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 January 26, 2010)

January 26, 2010

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

Expected date of filing the quarterly financial report February 12, 2010

Expected payment date of cash dividends —

Note: All amounts less than one million are disregarded.

1. Consolidated business results for the Third quarter of the fiscal year 2009 (April 1, 2009 to December 31, 2009)

(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 2009	45,350	-65.7	-22,343	—	-22,342	—	-23,466	—
Third Quarter Fiscal Year 2008	132,066	—	10,028	—	6,906	—	2,067	—

	Net income per share in this quarter		Diluted net income per share	
	yen		yen	
Third Quarter Fiscal Year 2009	-258	51	—	—
Third Quarter Fiscal Year 2008	22	45	22	38

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share	
	million yen	million yen	%	yen	
Third Quarter Fiscal Year 2009	136,161	110,057	79.2	975	10
Fiscal Year 2008	149,216	118,929	78.3	1,319	04

(Reference) Equity capital Third quarter of the Fiscal Year 2009 107,829 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 third 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	—	-34,500	—	-361	84

Note: Amendment of the consolidated earnings forecast during the third quarter of the fiscal year 2009 Yes

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 Third quarter of the fiscal year 2009	118,475,312 shares	Fiscal year 2008	96,475,312 shares
② Treasury stocks at the end of the year	The Third quarter of the fiscal year 2009	7,892,778 shares	Fiscal year 2008	7,925,975 shares
③ Number of average shares (during the quarter terms)	The Third quarter of the fiscal year 2009	90,775,279 shares	The Third quarter of the fiscal year 2008	92,099,362 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 third quarter (from April 1 to December 31, 2009), the business conditions in the machine tool industry had been generally unfavorable. However, the conditions for inquiries and orders were gradually starting to show an upward tendency as customers in China and other Asian countries were starting to consider their next investment in equipment.

In this business environment, the Mori Seiki Group developed new products in response to customer needs and promoted thorough cost reduction efforts to build a sound financial structure. The NMV1500 DCG high-precision 5-axis control vertical machining center, for example, was designed to offer high-efficiency and high-precision machining of small and complex workpieces used in the precision manufacturing industries such as automobiles, medical equipment and watches.

In December, 2009, we raised equity finance of 16.8 billion yen through public offering and allocation of new shares to a third party in order to keep financial soundness and aggressively make investment for future growth. Of the funds raised, 6 billion yen will be used to acquire measuring instrument business of Sony Manufacturing Systems Corporation (hereafter referred to as SMS), which is a wholly-owned subsidiary of Sony Corporation, 6.3 billion yen for investment and loans, and the rest for investment in plant and equipment to improve production efficiency.

Under these conditions, our consolidated sales for the third quarter were 45,350 million yen (65.7% decrease from the same quarter last year), and the consolidated operating loss of 22,343 million yen was recorded (The same quarter last year: consolidated operating income of 10,028 million yen).

In January, 2010, we signed an official agreement to acquire measuring instrument business of SMS. Up until now, we have used outsourced Magnescales, but in the future, we are going to manufacture them in-house to improve accuracy of our machine tools and to differentiate ourselves from our competitors in terms of prices by reducing costs through mass production.

We are proceeding with the long-term partnership with GILDEMEISTER AG of Germany (hereafter referred to as GILDEMEISTER) in the field of development, manufacturing, purchasing, sales and service in order to maximize synergy effects of the business and capital agreement between the two companies entered into in March, 2009. On the sales front, DuraVertical 635 eco vertical machining center and DuraTurn 310 V3 eco turning center joined our product lineup as the Dura eco Series that establishes a new world standard for cost performance and high quality. In addition, President Mori became a member of GILDEMEISTER's Supervisory Board, and CEO Kapitzka of GILDEMEISTER assumed the post of Senior Executive Operating Officer of Mori Seiki in November, 2009. The two companies will continue to collaborate with each other to establish leadership in the global machine tool market.

With the aim of further expansion of our business in Europe, we entered into an agreement on establishment of a joint company, MG Finance GmbH, with Mitsui & Co., Ltd. and GILDEMEISTER in November, 2009. We are also going to provide financial services for customers in China and other Asian countries and help them introduce new equipment by working closely with a Japanese leasing company.

2. Qualitative information about consolidated financial status

At the end of the third quarter, total assets were 136,161 million yen, 13,054 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 4,605 and 3,390 million yen respectively, cash and deposits and notes and accounts receivable, and inventories have decreased by 6,131, 6,103, and 4,814 million yen respectively.

Net assets were 110,057 million yen, and shareholders' equity ratio was 79.2%, 0.9 percentage increased in the current third quarter. The main reasons for the increase are that though retained earnings has decreased by 26,136, capital and capital surplus have increased by 8,433 and 8,433 million yen respectively due to issuing new stocks. (22,000 thousand shares)

(Situation of cash flows)

For the third quarter, the balance of cash and cash equivalents were 7,945 million yen, 6,309 million yen decreased from the end of the previous fiscal year.

Net cash used by operating activities was 4,047 million yen. The main increasing factors are 6,459 and 4,819 million yen decreased in notes and accounts receivable and inventories respectively. The main decreasing factor is loss before income taxes and minority interests of 23,173 million yen.

Net cash used in investing activities was 9,289 million yen. This is mainly due to investments in securities of 2,518 million yen, purchases of tangible fixed assets of 4,489 million yen and purchases of intangible fixed assets of 2,080 million yen.

Net cash provided in financing activities was 6,574 million yen. The main increasing reason is proceeds from issuance of common stock of 16,770 million yen. The main decreasing reasons are short-term bank loan of 7,498 million yen, net and cash dividends of 2,586 million yen.

3. Qualitative information about consolidated earnings forecast

We announce that we have revised the forecast for the full year of the fiscal year 2009 (April 1, 2009 to March 31, 2010) originally announced on October 2, 2009. Please refer to “Announcement on the revision of earnings forecast for FY 2009” announced on January 26, 2010.

The 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 estimates due to subsequent changes in the circumstances.

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 3rd quarter consolidated balance sheet

(Amount : million yen)

	At the end of the 3rd consolidated quarter (December 31, 2009)	At the end of the previous consolidated fiscal year (March 31, 2009)
(Assets)		
Current Assets		
1 Cash and deposits	8,321	14,452
2 Notes and accounts receivable	10,530	16,633
3 Goods and products	9,092	14,652
4 Work in process	6,623	5,808
5 Raw material and Supplies	17,383	17,454
6 Deferred income taxes	1,248	1,714
7 Consumption tax receivable	512	210
8 Other	3,544	7,985
9 Allowance for doubtful receivables	-117	-139
Total current assets	57,140	78,773
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	26,993	25,541
(2) Machinery, equipment and vehicles, net	7,437	7,639
(3) Land	16,218	15,940
(4) Construction in progress	1,065	1,862
(5) Other, net	7,429	3,556
Total tangible fixed assets	59,145	54,539
2 Intangible fixed assets		
(1) Goodwill	590	694
(2) Other	5,459	4,628
Total Intangible fixed assets	6,049	5,323
3 Investments and other assets		
(1) Investments in securities	11,989	8,598
(2) Long-term prepaid expenses	219	398
(3) Deferred income taxes	273	283
(4) Other	1,344	1,298
Total investments and other assets	13,826	10,579
Total fixed assets	79,021	70,442
Total assets	136,161	149,216

	At the end of the 3rd consolidated quarter (December 31, 2009)	At the end of the previous consolidated fiscal year (March 31, 2009)	
(Liabilities)			
Current liabilities			
1	Accounts payable	4,146	3,374
2	Short-term bank loans	3,450	10,298
3	Lease obligations	212	15
4	Accrued payments	2,934	4,207
5	Accrued expenses	1,337	1,268
6	Advances received	1,246	1,554
7	Accrued income taxes	414	1,434
8	Accrued consumption taxes	4	45
9	Deferred income taxes	113	113
10	Allowance for product warranties	954	1,192
11	Allowance for bonuses to directors and corporate auditors	—	25
12	Other	788	813
Total current liabilities		15,603	24,342
Fixed liabilities			
1	Convertible bonds with stock acquisition rights	2,583	2,583
2	Lease obligations	3,932	82
3	Deferred income taxes	1,280	938
4	Deferred income taxes for land revaluation reserve	1,699	1,699
5	Accrued retirement benefits	918	641
6	Long-term accrued payments	86	—
Total fixed liabilities		10,500	5,945
Total liabilities		26,103	30,287
(Net assets)			
Shareholders' equity			
1	Capital	41,132	32,698
2	Capital surplus	53,863	45,429
3	Retained earnings	24,047	50,184
4	Treasury stock	-10,544	-10,589
Total shareholders' equity		108,498	117,723
Valuation and translation adjustments			
1	Net unrealized holding gain on securities	2,156	1,193
2	Net unrealized gain/loss on derivative instruments	624	1,202
3	Land revaluation reserve	1,545	1,545
4	Translation adjustments	-4,995	-4,864
Total valuation and translation adjustments		-669	-922
Stock acquisition rights		1,338	828
Minority interests		889	1,300
Total net assets		110,057	118,929
Total liabilities and net assets		136,161	149,216

(2) The 3rd quarter consolidated statement of income
(The 3rd consolidated quarter total)

(Amount : million yen)

	The previous 3rd consolidated quarter total (April 1, 2008 to December 31, 2008)	The 3rd consolidated quarter total (April 1, 2009 to December 31, 2009)
Net sales	132,066	45,350
Cost of sales	78,988	38,828
Gross profit	53,078	6,521
Selling, general and administrative expenses	43,050	28,864
Operating income/loss	10,028	-22,343
Non-operating income		
1 Interest income	107	20
2 Dividend income	197	162
3 Exchange gain	—	227
4 Equity in earnings of affiliates	23	—
5 Other	249	366
Total of non-operating income	578	777
Non-operating expenses		
1 Interest expense	98	209
2 Exchange loss	2,994	—
3 Fees and commissions	150	87
4 Equity in losses of affiliates	—	136
5 Other	456	342
Total of non-operating expenses	3,699	775
Ordinary income/loss	6,906	-22,342
Extraordinary gain		
1 Gain on sales of fixed assets	77	19
2 Reversal of allowance for doubtful receivables	17	—
Total of extraordinary income	94	19
Extraordinary loss		
1 Loss on sales of fixed assets	40	9
2 Loss on disposal of fixed assets	601	76
3 Loss on impairment of fixed assets	13	4
4 Loss on revaluation of investments in securities	1,139	32
5 Loss on revaluation of other investments	2	5
6 Loss on business structural reorganization	—	721
Total of extraordinary loss	1,798	850
Income/loss before income taxes and minority interests	5,203	-23,173
Income taxes	3,214	101
Income taxes deferred	-307	784
Total of Income taxes	2,907	886
Minority interests in income / loss	228	-592
Net income / loss	2,067	-23,466

(3) The 3rd quarter consolidated statement of cash flows

(Amount : million yen)

	The previous 3rd consolidated quarter total (April 1, 2008 to December 31, 2008)	The 3rd consolidated quarter total (April 1, 2009 to December 31, 2009)
Operating activities		
Income / loss before income taxes and minority interests	5,203	-23,173
Depreciation and amortization	5,029	5,408
Loss / gain on sales of fixed assets	-36	-10
Loss on disposal of fixed assets	601	76
Loss on impairment of fixed assets	13	4
Loss / gain on revaluation of investments in securities	1,139	32
Amortization of goodwill	302	259
Stock-based compensation	333	509
Equity in earnings / losses of affiliates	-23	136
Loss on revaluation of other investments	2	5
Increase / decrease in allowance for bonuses to directors and corporate auditors	—	-25
Increase / decrease in allowance for doubtful receivables	-17	-14
Increase / decrease in allowance for retirement benefits	692	158
Increase / decrease in allowance for product warranties	422	-238
Interest and dividend income	-305	-183
Interest expense	98	209
Unrealized exchange loss / gain	4,412	33
Decrease / increase in notes and accounts receivable	13,297	6,459
Decrease / increase in inventories	-6,288	4,819
Increase / decrease in accounts payable	-4,860	725
Decrease / increase in consumption tax receivable	264	-302
Increase / decrease in accrued consumption tax	-28	-65
Increase / decrease in other accrued payments	-1,818	-1,413
Bonuses to directors and statutory auditors	-163	—
Other	-666	488
Sub-total	17,604	-6,098
Interest and dividend income received	319	183
Interest paid	-100	-203
Income taxes paid/refund	-14,885	2,070
Net cash provided by operating activities	2,938	-4,047
Investing activities		
Decrease / increase in long-term deposit	-24	-184
Increase in investments in securities	-50	-2,518
Purchase of stocks of subsidiaries and affiliates	-373	-19
Sales of tangible fixed assets	359	49
Purchases of tangible fixed assets	-5,673	-4,489
Purchases of intangible fixed assets	-1,602	-2,080
Other	-120	-47
Net cash used in investing activities	-7,485	-9,289

	The previous 3rd consolidated quarter total (April 1, 2008 to December 31, 2008)	The 3rd consolidated quarter total (April 1, 2009 to December 31, 2009)
Financing activities		
Increase / decrease in short-term bank loans, net	25,782	-7,498
Proceeds from issuance of common stock	—	16,770
Proceeds from sales of treasury stock	71	32
Purchase of treasury stock	-5,932	-5
Cash dividends	-4,031	-2,586
Cash dividends paid to minority shareholders	-21	-21
Other	-9	-117
Net cash provided / used in financing activities	15,857	6,574
Effect of exchange rate changes on cash and cash equivalents	-1,237	-3
Increase / decrease in cash and cash equivalents	10,073	-6,767
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 thrid quarter	28,350	7,945

(4) Notes about premise of going concern

There are no applicable matters.

(5) Segment Information

a. Geographical Segment Information

The previous 3rd consolidated quarter total (April 1, 2008 to December 31, 2008)

(Million yen)

	Japan	The Americas	Europe	Asia and Oceania	Total	Eliminations	Consolidated
Sales and operating income							
(1) Sales to third parties	64,456	25,436	39,385	2,787	132,066	—	132,066
(2) Inter-group sales	56,786	782	1,280	1,049	59,898	-59,898	—
Total Sales	121,242	26,219	40,666	3,837	191,965	-59,898	132,066
Operating income / loss	11,442	-314	581	-485	11,224	-1,196	10,028

The 3rd 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 Sales	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

b. Overseas sales

The previous 3rd consolidated quarter total (April 1, 2008 to December 31, 2008)

	The Americas	Europe	Asia and Oceania	Total
I Overseas sales (Million yen)	29,258	40,199	17,176	86,634
II Consolidated net sales (Million yen)	—	—	—	132,066
III Ratio of overseas sales to consolidated net sales	22.2	30.4	13.0	65.6

The 3rd 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

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

We have increased our stock through public stock offerings whose due date of payment was on December 9, 2009. Therefore, issued common stocks, capital and capital surplus have increased by 19,200 thousand shares, 7,360 million yen respectively.

We also have increased our stock by allocating new stocks whose due date of payment was on December 28, 2009 to a third party, Nomura Securities Co. Ltd. Therefore, issued common stocks, capital and capital surplus have increased by 2,800 thousand shares, 1,073 million yen respectively.

As the result, capital was 41,132 million yen, and capital surplus was 53,863 million yen at the end of the 3rd consolidated quarter.