

**Summary of Consolidated Financial and Business Results of the Second Quarter
for the Fiscal Year 2011(to September 30, 2011) [Japan GAAP]**

(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 27, 2011)

October 27, 2011

Company name Mori Seiki Co., Ltd.

Code Number 6141 Tokyo and Osaka Stock Exchanges
(URL <http://www.moriseiki.co.jp>)

Representative Title President (the representative director)
Name Masahiko Mori

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Expected date of filing the quarterly financial report November 11, 2011

Expected payment date of cash dividends December 1, 2011

Quarterly financial closing supplementary explanatory documents Yes

Quarterly financial closing presentation Yes (for analysts and institutional investors)

Note: All amounts less than one million are disregarded.

1. Consolidated business results for the Second quarter of the fiscal year 2011 (April 1, 2011 to September 30, 2011)

(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 2011	71,812	54.1	2,328	—	1,075	—	1,225	—
Second Quarter Fiscal Year 2010	46,590	49.9	-5,740	—	-6,305	—	-6,108	—

(Note)

Comprehensive profit Second quarter of the Fiscal Year 2011: -927 million yen. Second quarter of the Fiscal Year 2010: -8,084 million yen

	Net income per share in this quarter		Diluted net income per share	
	yen	yen	yen	yen
Second Quarter Fiscal Year 2011	11	12	10	92
Second Quarter Fiscal Year 2010	-55	24	—	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Second Quarter Fiscal Year 2011	186,402	91,785	48.4
Fiscal year 2010	171,949	95,328	54.6

(Reference) Equity capital Second quarter of the Fiscal Year 2011 90,308 million yen Fiscal Year 2010 93,855 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 2010	— —	10 00	— —	10 00	20 00	
Fiscal Year 2011	— —	10 00				
Fiscal Year 2011(Forecast)			— —	10 00	20 00	

Note: Amendment of the latest forecast on dividends No

3. Consolidated earnings forecast for Fiscal Year 2011 (April 1, 2011 to March 31, 2012)

(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	152,000	26.2	6,300	—	4,100	623.2	3,900	198.2	35 51	

Note: Amendment of the latest consolidated earnings forecast of the fiscal year 2011 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 peculiar accounting methods for preparing quarterly consolidated financial statements No

(3) Changes of important accounting policies, procedures, changes of estimate in view of accounting, and amendment.

- ① Changes along the revision of accounting standards, etc. No
- ② Changes other than mentioned in ① No
- ③ Changes of estimate in view of accounting No
- ④ Amendment 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 2011	118,475,312 shares	Fiscal year 2010	118,475,312 shares
② Treasury stocks at the end of the year	The second quarter of the fiscal year 2011	8,783,828 shares	Fiscal year 2010	7,893,507 shares
③ Number of average shares (during the quarter terms)	The second quarter of the fiscal year 2011	110,200,255 shares	The second quarter of the fiscal year 2010	110,582,229 shares

⊗Implementation of quarterly review

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

⊗Proper use of the earnings forecasts and other notes

(Attention for the forecasts)

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.

(How to get the additional explanation)

We will upload additional explanation on October 28, 2011.

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1. Qualitative Information/Financial Statements, etc.

(1) Qualitative information on consolidated operating results

For the first half of FY 2011 (from April 1st to September 30th, 2011), the machine tool industry saw a steady increase in orders, despite concerns over the impact of financial instability in Europe and the prolonged appreciation of the yen. According to the Japan Machine Tool Builders' Association, the industry's total order value during the period from January through September 2011 was increased by 43.1% from the same period last year.

In this business environment, the Mori Seiki Group transferred part of the business of MORI SEIKI GmbH, our German subsidiary that handles the sales and service of our products in Germany, to GILDEMEISTER AG (hereafter, "GILDEMEISTER") in September. Additionally, Mori Seiki and GILDEMEISTER will establish a joint company in Switzerland and, assuming that legal approval is granted in each country, both companies' sales and service operations in other European countries will be combined under the new company. At EMO Hannover 2011, which took place in Germany in September, Mori Seiki and GILDEMEISTER jointly exhibited nearly 100 machines and attracted approximately 20,000 visitors. During the show we received orders greatly exceeded our target.

For production, we partially introduced line production systems at our Iga Campus in July in order to improve production efficiency. We have established an additional manufacturing base of Magnescale, a wholly owned subsidiary of Mori Seiki, within the Iga Campus to increase their productivity. The construction of our first North American manufacturing plant (Davis, California), which will go into operation in July 2012, is well underway. We aim to increase our competitiveness in terms of delivery time and service by manufacturing products at places closer to our customers. Also, overseas production helps us avoid the risk of exchange rate fluctuations and minimize damage caused by natural disasters.

With regard to products, we launched the NHX10000 high-precision horizontal machining center in the X-class in August. We will further expand the lineup of our flagship series of X-class to meet every customer's production needs, including machining large workpieces and difficult-to-cut materials that are in great demand in the construction machinery, aircraft and energy sectors. In September, we released the MILLTAP 700 next-generation compact machining center. The MILLTAP 700 is the first joint development machine with GILDEMEISTER and answers the growing demand for compact, high-speed, high-precision machining centers, which has come from the automobile and electronic parts industries seeking to make smaller, lighter and more sophisticated parts in response to the current energy-saving trend.

The Mori Seiki Group will continue to expand the business on a global scale and actively implement strategies for medium and long-term growth.

Under the present conditions, our consolidated sales were 71,812 million yen (54.1% increase from the same period last year), consolidated operating profit was 2,328 million yen (the same period last year: consolidated operating loss of 5,740 million yen), consolidated ordinary profit was 1,075 million yen (the same period last year: consolidated ordinary loss of 6,305 million yen) and consolidated net profit was 1,225 million yen (the same period last year: quarterly net loss of 6,108 million yen).

(2) Qualitative information on consolidated financial status

At the end of the second quarter, total assets were 186,402 million yen, 14,452 million yen increased from the end of the previous fiscal year. The main reasons for the increase are that though Buildings and structures have decreased by 1,394 million yen respectively, Investments in securities and Inventories have increased by 8,700 million yen and 6,875 million yen respectively. Net assets were 91,785 million yen, and shareholders' equity ratio was 48.4%, 6.2 percentage decreased in the current second quarter.

(3)Qualitative information on consolidated earnings forecast

We announce that we have revised the forecast for the full year of the fiscal year 2011(April 1, 2011 to March 31, 2012) originally announced on May 9, 2011. The full year consolidated sales have been revised to 152,000 million yen because of steady increase in orders received in the machine tool industry. And the operating income, ordinary income and net income for the year have been revised to 6,300 million yen, 4,100 million yen, and 3,900 million yen respectively due to the strong yen.

The forecast is based on the information available as of the release date 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.

2. Consolidated financial statements

(1) The second quarter consolidated balance sheet

(Amount : million yen)

	At the end of the previous consolidated fiscal year (March 31, 2011)	At the end of the 2 nd consolidated quarter (September 30, 2011)
(Assets)		
Current Assets		
1 Cash and deposits	7,418	8,046
2 Notes and accounts receivable	32,085	31,466
3 Securities	101	101
4 Goods and products	12,421	16,614
5 Work in process	7,130	8,140
6 Raw material and Supplies	19,285	20,957
7 Deferred income taxes	2,061	2,033
8 Consumption tax receivable	398	534
9 Other	5,413	5,496
10 Allowance for doubtful receivables	-139	-183
Total current assets	86,177	93,209
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	24,581	23,186
(2) Machinery, equipment and vehicles, net	4,101	3,568
(3) Land	18,339	18,943
(4) Lease assets, net	4,026	3,666
(5) Construction in progress	476	1,302
(6) Other, net	2,895	2,812
Total tangible fixed assets	54,421	53,479
2 Intangible fixed assets		
(1) Goodwill	1,575	1,632
(2) Other	4,681	4,475
Total Intangible fixed assets	6,256	6,108
3 Investments and other assets		
(1) Investments in securities	23,082	31,783
(2) Long-term prepaid expenses	85	129
(3) Deferred income taxes	374	336
(4) Other	1,552	1,356
Total investments and other assets	25,094	33,604
Total fixed assets	85,772	93,192
Total assets	171,949	186,402

	At the end of the previous consolidated fiscal year (March 31, 2011)	At the end of the 2 nd consolidated quarter (September 30, 2011)
(Liabilities)		
Current liabilities		
1 Payable-trade	11,451	12,151
2 Short-term bank loans	45,172	33,413
3 Current portion of convertible bonds with stock acquisition rights	—	2,583
4 Lease obligations	278	276
5 Accrued payments	3,796	4,026
6 Accrued expenses	1,734	1,868
7 Accrued income taxes	373	349
8 Advances received	1,336	1,375
9 Accrued consumption taxes	71	82
10 Deferred income taxes	16	14
11 Provision for product warranties	914	844
12 Provision for bonuses	123	202
13 Provision for directors' bonuses	—	18
14 Other	1,035	642
Total current liabilities	<u>66,303</u>	<u>57,850</u>
Fixed liabilities		
1 Bonds payable	—	30,000
2 Convertible bonds with stock acquisition rights	2,583	—
3 Lease obligations	3,983	3,658
4 Deferred income taxes	1,387	838
5 Deferred income taxes for land revaluation reserve	1,699	1,699
6 Accrued retirement benefits	309	314
7 Long-term accrued payments	288	186
8 Asset retirement obligations	62	62
9 Other	4	6
Total fixed liabilities	<u>10,317</u>	<u>36,766</u>
Total liabilities	<u>76,621</u>	<u>94,617</u>
(Net assets)		
Shareholders' equity		
1 Capital	41,132	41,132
2 Capital surplus	53,863	53,863
3 Retained earnings	11,910	12,023
4 Treasury stock	-10,545	-11,429
Total shareholders' equity	<u>96,360</u>	<u>95,590</u>
Comprehensive profit		
1 Net unrealized holding gain on securities	1,463	678
2 Net unrealized gain/loss on derivative instruments	476	185
3 Land revaluation reserve	1,545	1,545
4 Translation adjustments	-5,989	-7,690
Total valuation and translation adjustments	<u>-2,505</u>	<u>-5,281</u>
Stock acquisition rights	469	474
Minority interests	1,003	1,002
Total net assets	<u>95,328</u>	<u>91,785</u>
Total liabilities and net assets	<u>171,949</u>	<u>186,402</u>

(2) The second quarter consolidated statement of income and statement of comprehensive profit
(The second consolidated quarter total)

(Amount : million yen)

	The previous 2 nd consolidated quarter total (April 1, 2010 to September 30, 2010)	The 2 nd consolidated quarter total (April 1, 2011 to September 30, 2011)
Net sales	46,590	71,812
Cost of sales	33,652	47,480
Gross profit	12,938	24,331
Selling, general and administrative expenses	18,678	22,003
Operating income or loss (-)	-5,740	2,328
Non-operating income		
1 Interest income	20	28
2 Dividend income	117	153
3 Other	123	196
Total of non-operating income	261	377
Non-operating expenses		
1 Interest expense	218	251
2 Exchange loss	207	820
3 Fees and commissions	51	64
4 Equity in losses of affiliates	122	226
5 Other	227	266
Total of non-operating expenses	826	1,630
Ordinary income or Ordinary loss (-)	-6,305	1,075
Extraordinary gain		
1 Gain on sales of fixed assets	7	5
2 Gain on transfer of business	—	599
Total of extraordinary income	7	605
Extraordinary loss		
1 Loss on sales of fixed assets	20	3
2 Loss on disposal of fixed assets	19	19
3 Loss on revaluation of investments in securities	68	89
4 Loss on revaluation of other investments	3	—
5 Loss on disaster	—	58
6 Loss on adjustment for changes of accounting standard for asset retirement obligations	15	—
7 Loss on business structural reorganization	251	—
Total of extraordinary loss	379	170
Income before income taxes or Loss before income taxes(-)	-6,677	1,510
Income taxes	85	335
Income taxes deferred	-384	-88
Total of Income taxes	-299	247
Income before minority interests or Loss before minority interests (-)	-6,377	1,263
Minority interests in income or Minority interests in loss (-)	-268	38
Net income or Net loss(-)	-6,108	1,225

statement of comprehensive profit

(The second consolidated quarter total)

(Amount: million yen)

	The previous 2 nd consolidated quarter total (April 1, 2010 to September 30 2010)	The 2 nd consolidated quarter total (April 1, 2011 to September 30, 2011)
Income before minority interests or Loss before minority interests	-6,377	1,263
Other comprehensive profit		
Net unrealized holding gain on securities	-896	-427
Net unrealized gain/loss on derivative instruments	116	-476
Translation adjustments	-926	-1,251
Share of other comprehensive income of associates accounted for using equity method	-0	-35
Other comprehensive profit	-1,706	-2,191
Quarterly comprehensive profit	-8,084	-927
Contents		
Comprehensive income attributable to owners of the parent	-7,802	-925
Comprehensive income attributable to minority interests	-281	-1

(3) Notes about premise of going concern

There are no applicable matters.

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

There are no applicable matters.