

**Summary of Consolidated Financial and Business Results of the First Quarter
for the Fiscal Year 2012(to June 30, 2012) [Japan GAAP]**

(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 26, 2012)

July 26, 2012

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

Contact Title Vice president
Accounting / Finance HQ Executive Officer
Name Tatsuo Kondo (TEL: 052-587-1811)

Expected date of filing the quarterly financial report August 10, 2012

Expected payment date of cash dividends —

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 First quarter of the fiscal year 2012(April 1, 2012 to June 30, 2012)

(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 2012	36,246	25.7	576	—	-923	—	-542	—
First Quarter Fiscal Year 2011	28,834	51.5	-1,318	—	-1,290	—	-1,267	—

(Note)

Comprehensive profit First quarter of the Fiscal Year 2012: -627 million yen. First quarter of the Fiscal Year 2011: -1,079 million yen

	Net income per share in this quarter		Diluted net income per share	
	yen		yen	
First Quarter Fiscal Year 2012	-4	96	—	—
First Quarter Fiscal Year 2011	-11	46	—	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net income per share	
	million yen	million yen	%	yen	
First Quarter Fiscal Year 2012	183,110	92,941	50.0	836	42
Fiscal year 2011	185,419	94,718	50.3	852	31

(Reference) Equity capital First quarter of the Fiscal Year 2012 91,491 million yen Fiscal Year 2011 93,230 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 2011	— —	10 00	— —	10 00	20 00
Fiscal Year 2012	— —				
Fiscal Year 2012(Forecast)		10 00	— —	10 00	20 00

Note: Amendment of the latest forecast on dividends No

3. Consolidated earnings forecast for Fiscal Year 2012 (April 1, 2012 to March 31, 2013) (Percent change shows the change from the previous 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	160,000	3.0	8,000	17.8	8,000	35.2	6,500	15.7	59 42	

Note: Amendment of the latest consolidated earnings forecast of the fiscal year 2012 : No

※ Notes

(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. Yes
- ② Changes other than mentioned in ① No
- ③ Changes of estimate in view of accounting Yes
- ④ Amendment No

Quarterly Consolidated Financial Statements. For details, please refer to “(3) Changes in Accounting Principles, accounting estimates and correction of prior period errors” under “2. Notes Regarding Other Information” on page 3.

(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 2012	118,475,312 shares	Fiscal year 2011	118,475,312 shares
② Treasury stocks at the end of the year	The first quarter of the fiscal year 2012	9,090,414 shares	Fiscal year 2011	9,090,403 shares
③ Number of average shares (during the quarter terms)	The first quarter of the fiscal year 2012	109,384,906 shares	The first quarter of the fiscal year 2011	110,581,789 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 July 26, 2012.

Index of the Attachment

1. Qualitative Information / Financial Statement, etc	2
(1) Qualitative information on consolidated operating results	2
(2) Qualitative information on consolidated financial status	2
(3) Qualitative information on consolidated earnings forecast	3
2. Information for the summery (notes)	3
(1) Changes of important accounting policies, procedures, changes of estimate in view of accounting,and amendment	3
3. Consolidated financial statements	4
(1) The first quarter consolidated balance sheet	4
(2) The first quarter consolidated statement of income and statement of comprehensive profit	6
(3) Notes about premise of going concern	8
(4) Note regarding remarkable fluctuation of shareholders' equity	8

1. Qualitative Information/Financial Statements, etc.

(1) Qualitative information on consolidated operating results

In the first quarter of the fiscal year 2012 (from April 1 to June 30, 2012), the machine tool industry saw declines in inquiries and orders, influenced by credit uncertainty in Europe and the prolonged appreciation of the yen. According to the Japan Machine Tool Builders' Association, the industry's total order value for the period from January to June 2012 dropped by 5.6% over the same period last year. However, the level of orders for machine tools is expected to remain robust in the foreseeable future. We therefore expect the demand for Mori Seiki products will also remain high, driven by the strong demand from the Americas.

In this business environment, the Mori Seiki Group exhibited at CIMES 2012 in Beijing and hosted Innovation Days 2012 at its Iga Campus in June. At the Innovation Days event, 37 machine tools including ones from GILDEMEISTER AG of Germany (hereafter, GILDEMEISTER) were on display. We attracted a record high of over 10,000 visitors and received many inquiries and orders that exceeded our targets. In May, as part of our efforts to reduce environmental burdens, a wind power system and a secondary battery system, both manufactured by GILDEMEISTER, were installed at the Iga Campus for the purposes of providing power for EVs and PHVs and securing power supply in an emergency.

As for products, we began to sell the NLX2500/1250, a high-rigidity and high-precision CNC lathe for machining long workpieces in April, and the NHX5500, a high-rigidity horizontal machining center for heavy-duty machining of large workpieces in June. We have reflected customers' requests and demands toward the previous models in the machine designs to improve and make them highly reliable, aiming to contribute to improving productivity of our customers in a broad range of industries such as the automobile parts, construction machinery, agricultural machinery, hydraulic equipment and pneumatic component industries. We will continue to launch products that are highly-efficient, highly-reliable, and worthy of investment by extending the lineup of our flagship model, "X-class series," in an effort to meet varieties of customers' demands.

As for production, the Mori Seiki Manufacturing USA, Inc., the plant which was newly constructed in California, USA has started its operation in July. We also decided to construct another plant in Tianjin, China, expecting to start the operation in September 2013. We plan on reducing delivery time, overhead costs such as distribution costs from Japan and production costs by establishing manufacturing sites near our customers. In Japan, two plants were completed: the Bed/Column Precise Processing Plant in the Iga Campus, and the No. 2 Assembly Plant to assemble machines and machine units in April. We will promote to streamline the machining processes of machine tool parts and the assembly processes of the unit and the machine by further improving productivity.

The Mori Seiki group is aggressively implementing the global business development plans and the strategies to ensure mid- and long-term company growth.

Under the present conditions, our consolidated sales were 36,246 million yen (25.7% increase from the same period last year), consolidated operating profit was 576 million yen (the same period last year: consolidated operating loss of 1,318 million yen), consolidated ordinary loss was 923 million yen (the same period last year: consolidated ordinary loss of 1,290 million yen) and consolidated net loss was 542 million yen (the same period last year: quarterly net loss of 1,267 million yen).

(2) Qualitative information on consolidated financial status

At the end of the first quarter, total assets were 183,110million yen, 2,308 million yen decreased from the end of the previous fiscal year. The main reasons for the decrease are that though Cash and deposits have increased by 1,209 million yen and Buildings and structures 1,195 million yen respectively, Notes and accounts receivable have decreased by 7,420 million yen respectively. Net assets were 92,941 million yen, and shareholders' equity ratio was 50.0%, 0.3 percentage decreased in the current first quarter.

(3)Qualitative information on consolidated earnings forecast

There is not any changes in the forecast for the full year of the fiscal year 2012 (April 1, 2012 to March 31, 2013) originally announced by "Summary of Consolidated Financial and Business Results for the Fiscal Year 2011 (to March 31, 2012)〔Japan GAAP〕"on May 7, 2012.

2. Information for the summery (notes)

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

In the first quarter ended June 30, 2012, Mori Seiki Co., Ltd. and its domestic consolidated subsidiaries changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012 in line with the revision of the Corporate Tax Act. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the current quarter is minimal.

3. Consolidated financial statements

(1) The first quarter consolidated balance sheet

(Amount : million yen)

	At the end of the previous consolidated fiscal year (March 31, 2012)	At the end of the 1 st consolidated quarter (June 30, 2012)
(Assets)		
Current Assets		
1 Cash and deposits	4,549	5,759
2 Notes and accounts receivable	31,735	24,315
3 Securities	101	100
4 Goods and products	16,263	16,872
5 Work in process	7,571	8,218
6 Raw material and Supplies	19,438	17,988
7 Deferred income taxes	2,158	2,227
8 Consumption tax receivable	511	635
9 Other	3,898	6,395
10 Allowance for doubtful receivables	-199	-167
Total current assets	86,028	82,345
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	24,194	25,389
(2) Machinery, equipment and vehicles, net	4,496	4,738
(3) Land	18,717	18,584
(4) Lease assets, net	3,896	3,780
(5) Construction in progress	1,370	1,415
(6) Other, net	2,886	2,776
Total tangible fixed assets	55,562	56,685
2 Intangible fixed assets		
(1) Goodwill	1,066	974
(2) Other	4,812	4,698
Total Intangible fixed assets	5,878	5,673
3 Investments and other assets		
(1) Investments in securities	36,021	36,432
(2) Long-term prepaid expenses	140	150
(3) Deferred income taxes	370	479
(4) Other	1,416	1,344
Total investments and other assets	37,949	38,407
Total fixed assets	99,390	100,765
Total assets	185,419	183,110

	At the end of the previous consolidated fiscal year (March 31, 2012)	At the end of the 1 st consolidated quarter (June 30, 2012)
(Liabilities)		
Current liabilities		
1 Payable-trade	10,702	10,943
2 Short-term bank loans	28,778	30,660
3 Current portion of convertible bonds with stock acquisition rights	2,583	—
4 Lease obligations	334	350
5 Accrued payments	5,699	5,926
6 Accrued expenses	1,689	2,026
7 Accrued income taxes	462	367
8 Advances received	980	1,002
9 Accrued consumption taxes	67	48
10 Deferred income taxes	47	42
11 Allowance for product warranties	837	806
12 Allowance for bonuses	195	111
13 Other	715	1,007
Total current liabilities	<u>53,094</u>	<u>53,293</u>
Fixed liabilities		
1 Bonds	30,000	30,000
2 Lease obligations	3,882	3,759
3 Deferred income taxes	1,418	922
4 Deferred income taxes for land revaluation reserve	1,485	1,485
5 Accrued retirement benefits	341	333
6 Long-term accrued payments	406	302
7 Asset retirement obligations	63	63
8 Other	8	9
Total fixed liabilities	<u>37,606</u>	<u>36,876</u>
Total liabilities	<u>90,701</u>	<u>90,169</u>
(Net assets)		
Shareholders' equity		
1 Capital	41,132	41,132
2 Capital surplus	53,863	53,863
3 Retained earnings	15,312	13,664
4 Treasury stock	-11,742	-11,742
Total shareholders' equity	<u>98,565</u>	<u>96,917</u>
Comprehensive profit		
1 Net unrealized holding gain on securities	2,132	1,063
2 Net unrealized gain/loss on derivative instruments	104	162
3 Land revaluation reserve	1,759	1,759
4 Translation adjustments	-9,331	-8,410
Total valuation and translation adjustments	<u>-5,335</u>	<u>-5,425</u>
Stock acquisition rights	466	453
Minority interests	1,021	995
Total net assets	<u>94,718</u>	<u>92,941</u>
Total liabilities and net assets	<u>185,419</u>	<u>183,110</u>

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

(Amount : million yen)

	The previous 1 st consolidated quarter total (April 1, 2010 to June 30, 2011)	The 1 st consolidated quarter total (April 1, 2011 to June 30, 2012)
Net sales	28,834	36,246
Cost of sales	19,459	25,938
Gross profit	9,375	10,307
Selling, general and administrative expenses	10,693	9,730
Operating profit/loss (-)	-1,318	576
Non-operating income		
1 Interest income	13	9
2 Dividend income	106	129
3 Exchange gain	116	—
4 Equity in earnings of affiliates	—	134
5 Other	111	65
Total of non-operating income	347	338
Non-operating expenses		
1 Interest expense	124	136
2 Fees and commissions	25	24
3 Exchange loss	—	1,432
4 Equity in losses of affiliates	101	—
5 Other	67	245
Total of non-operating expenses	319	1,838
Ordinary loss (-)	-1,290	-923
Extraordinary gain		
1 Gain on sales of fixed assets	3	3
2 Insurance income	—	333
3 Other	0	11
Total of extraordinary income	3	348
Extraordinary loss		
1 Loss on sales of fixed assets	1	0
2 Loss on disposal of fixed assets	1	5
3 Loss on revaluation of investments in securities	46	—
4 Loss on disaster	32	—
Total of extraordinary loss	81	5
Loss before income taxes and minority interests (-)	-1,369	-579
Income taxes	78	232
Income taxes deferred	-143	-274
Total of Income taxes	-64	-42
Loss before minority interests (-)	-1,304	-537
Minority interests in income/loss (-)	-36	4
Net loss(-)	-1,267	-542

statement of comprehensive profit
(The first consolidated quarter total)

(Amount: million yen)

	The previous 1 st consolidated quarter total (April 1, 2010 to June 30 2011)	The 1 st consolidated quarter total (April 1, 2011 to June 30, 2012)
Loss before minority interests	-1,304	-537
Other comprehensive profit		
Net unrealized holding gain on securities	167	-1,099
Net unrealized gain/loss on derivative instruments	-207	—
Translation adjustments	240	-1,109
Share of other comprehensive income of associates accounted for using equity method	24	2,118
Other comprehensive profit	225	-90
Quarterly comprehensive profit	-1,079	-627
Contents		
Comprehensive income attributable to owners of the parent	-1,036	-622
Comprehensive income attributable to minority interests	-42	-4

(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.