

Summary of Consolidated Financial and Business Results of the Second Quarter

for the Fiscal Year 2012(to September 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 Second Quarter announced on October 30, 2012)

October 30, 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 November 9, 2012

Expected payment date of cash dividends December 3, 2012

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 2012(April 1, 2012 to September 30, 2012)

(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 2012	73,564	2.4	1,895	-18.6	110	-89.7	636	-48.0
Second Quarter Fiscal Year 2011	71,812	54.1	2,328	—	1,075	—	1,225	—

(Note)

Comprehensive profit Second quarter of the Fiscal Year 2012: -2,763 million yen. Second quarter of the Fiscal Year 2011: -927 million yen

	Net income per share in this quarter		Diluted net income per share	
	yen		yen	
Second Quarter Fiscal Year 2012	5	82	5	77
Second Quarter Fiscal Year 2011	11	12	10	92

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net income per share	
	million yen	million yen	%	yen	
Second Quarter Fiscal Year 2012	177,926	90,794	50.2	815	89
Fiscal year 2011	185,419	94,718	50.3	852	31

(Reference) Equity capital Second quarter of the Fiscal Year 2012 89,245 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	— —	10 00			
Fiscal Year 2012(Forecast)			— —	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	150,000	-3.4	4,000	-41.1	3,000	-49.3	3,000	-46.6	27	43

Note: Amendment of the latest consolidated earnings forecast of the fiscal year 2012 : Yes

※ 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 second 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 second quarter of the fiscal year 2012	9,090,716 shares	Fiscal year 2011	9,090,403 shares
③ Number of average shares (during the quarter terms)	The second quarter of the fiscal year 2012	109,384,802 shares	The second quarter of the fiscal year 2011	110,200,255 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 31, 2012.

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1. Qualitative Information/Financial Statements, etc.

(1) Qualitative information on consolidated operating results

In the first half of the fiscal year 2012 (from April 1 to September 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, as well as stagnation of economic growth in emerging countries including China. According to the Japan Machine Tool Builders' Association, the industry's total order value for the period from January to September 2012 dropped by 5.2% over the same period last year. The Mori Seiki Group is determined to work on sales activities in order to secure orders as many as possible.

In this business environment, the Mori Seiki Group and GILDEMEISTER AG of Germany (hereafter, GILDEMEISTER) jointly exhibited at IMTS 2012 in Chicago, USA, in September with the theme "The Most Machines. The Sharpest Technologies. The Perfect Cut.": most exhibited machines with cutting-edge technologies for perfect cutting, and attracted over 7,000 visitors. We exhibited 40 machine tools including the NHX4000 horizontal machining center manufactured at Mori Seiki Manufacturing USA, Inc., which was inaugurated this July, and received many inquiries and orders that exceeded our targets. Furthermore, together with GILDEMEISTER, we exhibited 40 machine tools at AMB 2012 held in Stuttgart, Germany, in September. We attracted over 6,000 visitors and received many inquiries and orders that exceeded our targets.

As for products, the MILLTAP 700 next-generation compact machining center, the first machine jointly developed with GILDEMEISTER, was awarded the Nikkan Kogyo Shimbun sponsored "Japan Machine Tool Builders' Association Award of 2012 (42nd) Machine Design Award" in July. MILLTAP 700 was highly evaluated in the following points: the machine is compact but its machining area is wide and it has exceptional milling ability that is realized by high rigidity and spindle capability. Mori Seiki and GILDEMEISTER thoroughly integrated our innovation capability in MILLTAP 700 to contribute to enhancement of customers' productivity and efficiency.

As for production, we held a groundbreaking ceremony at the construction site for MORI SEIKI (TIANJIN) Manufacturing CO., LTD. in Tianjin, China in August. We are steadily preparing for starting the operation in September, 2013. We will achieve shorter delivery time by manufacturing at the Tianjin plant near our customers and increase sales in China by reducing overhead costs such as distribution costs from Japan and production costs. The new Tianjin plant will be the important manufacturing base for machines as well as machine parts to be delivered to our plants in Japan and the U.S.A.

Under the present conditions, our consolidated sales were 73,564 million yen (2.4% increase from the same period last year), consolidated operating profit was 1,895 million yen (18.6% decrease from the same period last year), consolidated ordinary profit was 110 million yen (89.7% decrease from the same period last year) and consolidated net profit was 636 million yen (48.0% decrease from the same period last year).

(2) Qualitative information on consolidated financial status

At the end of the first quarter, total assets were 177,926 million yen, 7,493 million yen decreased from the end of the previous fiscal year. The main reasons for the decrease are that though Machinery, equipment and vehicles have increased by 1,792 million yen respectively, Notes and accounts receivable have decreased by 5,049 million yen and Investment securities have decreased by 3,215 million yen respectively. Net assets were 90,794 million yen, and shareholders' equity ratio was 50.2%, 0.1 percentage decreased in FY2011.

(3)Qualitative information on consolidated earnings forecast

We announce that we have revised the forecast for the full year of the fiscal year 2012(April 1, 2012 to March 31, 2013) originally announced on May 7, 2012. The full year consolidated sales have been revised to 150,000 million yen because of decline in demand from Japan, BRICs and South European area. And the operating income, ordinary income and net income for the year have been revised to 4,000 million yen, 3,000 million yen, and 3,000 million yen respectively due to decrease in sales and Exchange loss.

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. 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 increase of 38 million yen for each.

3. Consolidated financial statements

(1) The second quarter consolidated balance sheet

(Amount : million yen)

	At the end of the previous consolidated fiscal year (March 31, 2012)	At the end of the 2nd consolidated quarter (September 30, 2012)
(Assets)		
Current Assets		
1 Cash and deposits	4,549	4,460
2 Notes and accounts receivable	31,735	26,686
3 Securities	101	100
4 Goods and products	16,263	16,057
5 Work in process	7,571	8,166
6 Raw material and Supplies	19,438	18,395
7 Deferred income taxes	2,158	2,113
8 Consumption tax receivable	511	388
9 Other	3,898	3,611
10 Allowance for doubtful receivables	-199	-210
Total current assets	86,028	79,768
Fixed assets		
1 Tangible fixed assets		
(1) Buildings and structures, net	24,194	25,118
(2) Machinery, equipment and vehicles, net	4,496	6,289
(3) Land	18,717	18,579
(4) Lease assets, net	3,896	3,717
(5) Construction in progress	1,370	819
(6) Other, net	2,886	3,018
Total tangible fixed assets	55,562	57,542
2 Intangible fixed assets		
(1) Goodwill	1,066	882
(2) Other	4,812	4,600
Total Intangible fixed assets	5,878	5,483
3 Investments and other assets		
(1) Investments in securities	36,021	32,806
(2) Long-term prepaid expenses	140	275
(3) Deferred income taxes	370	712
(4) Other	1,416	1,338
Total investments and other assets	37,949	35,132
Total fixed assets	99,390	98,158
Total assets	185,419	177,926

	At the end of the previous consolidated fiscal year (March 31, 2012)	At the end of the 2nd consolidated quarter (September 30, 2012)
(Liabilities)		
Current liabilities		
1 Payable-trade	10,702	9,358
2 Short-term bank loans	28,778	30,560
3 Current portion of convertible bonds with stock acquisition rights	2,583	—
4 Lease obligations	334	389
5 Accrued payments	5,699	4,477
6 Accrued expenses	1,689	2,050
7 Accrued income taxes	462	417
8 Advances received	980	1,680
9 Accrued consumption taxes	67	65
10 Deferred income taxes	47	41
11 Allowance for product warranties	837	802
12 Allowance for bonuses	195	214
13 Other	715	548
Total current liabilities	53,094	50,607
Fixed liabilities		
1 Bonds	30,000	30,000
2 Lease obligations	3,882	3,665
3 Deferred income taxes	1,418	757
4 Deferred income taxes for land revaluation reserve	1,485	1,485
5 Accrued retirement benefits	341	249
6 Long-term accrued payments	406	291
7 Asset retirement obligations	63	64
8 Other	8	10
Total fixed liabilities	37,606	36,523
Total liabilities	90,701	87,131
(Net assets)		
Shareholders' equity		
1 Capital	41,132	41,132
2 Capital surplus	53,863	53,863
3 Retained earnings	15,312	14,842
4 Treasury stock	-11,742	-11,742
Total shareholders' equity	98,565	98,095
Comprehensive profit		
1 Net unrealized holding gain on securities	2,132	530
2 Net unrealized gain/loss on derivative instruments	104	112
3 Land revaluation reserve	1,759	1,759
4 Translation adjustments	-9,331	-11,251
Total valuation and translation adjustments	-5,335	-8,849
Stock acquisition rights	466	449
Minority interests	1,021	1,100
Total net assets	94,718	90,794
Total liabilities and net assets	185,419	177,926

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

(Amount : million yen)

	The previous 2nd consolidated quarter total (April 1, 2010 to September 30, 2011)	The 2nd consolidated quarter total (April 1, 2011 to September 30, 2012)
Net sales	71,812	73,564
Cost of sales	47,480	51,654
Gross profit	24,331	21,910
Selling, general and administrative expenses	22,003	20,015
Operating profit	2,328	1,895
Non-operating income		
1 Interest income	28	21
2 Dividend income	153	225
3 Equity in earnings of affiliates	—	118
4 Other	196	92
Total of non-operating income	377	459
Non-operating expenses		
1 Interest expense	251	274
2 Exchange loss	820	1,646
3 Fees and commissions	64	57
4 Equity in losses of affiliates	226	—
5 Other	266	265
Total of non-operating expenses	1,630	2,243
Ordinary profit	1,075	110
Extraordinary gain		
1 Gain on sales of fixed assets	5	4
2 Gain on reversal of subscription rights to shares	—	16
3 Gain on transfer of business	599	—
4 Insurance income	—	409
Total of extraordinary income	605	429
Extraordinary loss		
1 Loss on sales of fixed assets	3	2
2 Loss on disposal of fixed assets	19	5
3 Loss on revaluation of investments in securities	89	—
4 Loss on disaster	58	—
5 Retirement benefit expenses	—	8
6 Loss on cancel of lease contracts	—	15
Total of extraordinary loss	170	31
Income before income taxes and minority interests	1,510	508
Income taxes	335	150
Income taxes deferred	-88	-400
Total of Income taxes	247	-249
Income before minority interests	1,263	758
Minority interests in income	38	121
Net income	1,225	636

statement of comprehensive profit

(The second consolidated quarter total)

(Amount: million yen)

	The previous 2nd consolidated quarter total (April 1, 2010 to September 30 2011)	The 2nd consolidated quarter total (April 1, 2011 to September 30, 2012)
Income before minority interests	1,263	758
Other comprehensive profit		
Net unrealized holding gain on securities	-427	-1,593
Net unrealized gain/loss on derivative instruments	-476	—
Translation adjustments	-1,251	-1,124
Share of other comprehensive income of associates accounted for using equity method	-35	-804
Other comprehensive profit	-2,191	-3,521
Quarterly comprehensive profit	-927	-2,763
Contents		
Comprehensive income attributable to owners of the parent	-925	-2,877
Comprehensive income attributable to minority interests	-1	114

(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.