

September 10, 2003

Mori Seiki Co., Ltd.

Establishing a Local Corporation in Indonesia for the First Time in the Industry

Mori Seiki Co., Ltd. (Headquarters: Yamato-Koriyama City, Nara; President: Masahiko Mori, referred to as Mori Seiki hereafter) established a local corporation in Indonesia for the first time in the industry and held an opening ceremony on September 9th. Details are given below.



(Overview of the local corporation)

- ① Company name: PT. MORI SEIKI INDONESIA
- ② Location: Jakarta, Indonesia (4-story building, 660 m²)
- ③ Business operations: Sale and service of Mori Seiki's products
- ④ Capital: US\$400,000- (100% subsidiary of Mori Seiki)
- ⑤ Board member: President Masahiko Mori (President of Mori Seiki)
- ⑥ Sales territory: Inside Indonesia
- ⑦ Number of employees: 7 (2 Japanese and 5 local staff)
- ⑧ Regional manager: Koji Ehara
- ⑨ Operation starting date: August, 2003
- ⑩ First year sales: Approx. 500 million yen

This subsidiary is Mori Seiki's 16th Technical Center established as a local corporation. In 1993, Mori Seiki opened a resident office in Indonesia, however, they temporarily retreated from Indonesia due to the political uncertainty in the country. From 2002, they restarted their operation in the country by having service personnel stationed in their distributor. Along with their expanding orders in Indonesia, Mori Seiki established a local corporation to deploy sales and service activities coherent to local users. (75% of their users are located within 1-hour distance). In the showroom on the first floor, there are two machines exhibited regularly and service parts are stocked, and test cutting is handled here. They also have a seminar room that accommodates 30 people permanently established for various seminars. In Indonesia, Mori Seiki has installed 700 machines and they have 200 companies as their users including large number of Japanese enterprises, such as motor cycle manufacturers.

Our company is exploiting marketing strategies with emphasis on Asian market this year. Opening of this new Indonesia Technical Center, along with Australia Technical Center and Technical Centers in China (Shenzhen, Dongguan, Beijing, etc.), is expected to boost our orders in Asia to 7 billion yen this year, from last year's 5 billion yen, then to 10 billion yen for the next year.