

## News Release

October 4, 2005

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### Development of Direct Sales Enterprise in England

Recently, as part of the strengthening of the Mori Seiki sales network in the European market, we decided to develop a direct sales enterprise for machine tools in England, along with Germany and France.

On 1 October 2005, we established a wholly owned subsidiary, MS Pollard Ltd., to follow the business of the sales representative we have had in England until now, Fredk. Pollard & Co., Ltd.

Since it was established in 1911, Fredk. Pollard & Co., Ltd. (Head Office in Leicester) has expanded its business as a drilling machine and special machine manufacturer.

Also, for the 22 years since 1983, it has borne the responsibility for the English market as our company's exclusive dealer. So far it has delivered approximately 5,000 machines to about 1,000 customers.

Sales for 2004 were approximately 23,000,000 pounds (about ¥4,500,000,000).

Dr. Masahiko Mori (Mori Seiki Co., Ltd. President and Representative Director) will assume the role of Chairman of the new company, and Mr. Takeshi Saito (Senior Executive Managing Director) will be President. It will start with a staff of about 60.

The future sales plan anticipates 120 machines per year and sales of approximately ¥5,000,000,000, and aims to help the achievement of the Mori-568PLAN, the mid-term economic plan which Mori Seiki is currently promoting.