

News Release

January 25, 2006

Mori Seiki Co., Ltd Sponsored ADR program, Level 1 The very first in the machine tool industry

Notice is hereby given that Mori Seiki Co. Ltd. (the "Company") will establish an American Depositary Receipt (ADR) program, which will allow the distribution of the Company's shares in the United States, in the form of ADRs effective January 26, 2006 (U.S. Eastern Standard Time).

This ADR program will not be accompanied by a listing or capital raising, such as an issuance of new shares of the Company.

1. Purpose of establishing the ADR program

The purpose is to develop new investors and expand the base of investors, by enhancing investor service and broadening the choices in available investment instruments in the U.S. capital market.

Thus far we have focused efforts on IR activities in the U.S. and expect that the establishment of the ADR program will lead to greater name recognition of the Company in the U.S.

This sponsored ADR program, Level 1 will be the very first one in the machine tool industry.

2. Details of ADR program

- | | |
|--------------------------|---|
| (1) Type of ADR Program | : Sponsored Level 1 |
| (2) Trading Market | : OTC (Over-the-counter) |
| (3) Start Date | : January 26, 2006 (U.S. Eastern Standard Time) |
| (4) ADR Ratio | : 1 ADR = 1 ordinary share (1:1) |
| (5) U.S. CUSIP Number | : 617578109 |
| (6) Ticker Symbol | : MRSKY |
| (7) Depositary Bank | : The Bank of New York |
| (8) Local Custodian Bank | : Sumitomo Mitsui Banking Corporation |

■ Supplementary explanation

1. What is an ADR?

ADR is the acronym for American Depositary Receipts, which are U.S. dollar denominated transferable registered securities that foreign companies can distribute in the U.S. instead of the underlying stock.

They facilitate investment in foreign stock by U.S. investors. The underlying stock is held in custody (deposit) in the issuing company's home country and ADRs are issued by the depositary bank in the U.S. based on the underlying stock.

2. Types of ADRs

ADRs are divided into Levels 1-3 depending on whether new stock is issued, whether the company is listed or unlisted on U.S. stock markets and other conditions.

Level 1 offers a convenient means for foreign companies to distribute securities in the U.S. market, although new stock is not issued and since the company is not listed, stock is traded on the over-the-counter market. Unlike U.S. listed companies, a non-U.S. company with a Level 1 ADR program is not required to file reports with the SEC, provided that certain submissions are made. Securities may not be offered or sold in the United States unless they are registered under applicable law or exempt from registration.

3. Sponsored ADR

The company issuing the underlying stock (sponsor) concludes a depositary agreement with a specific depositary bank and ADRs are issued by the depositary bank once the issuer, depositary bank and investor rights and obligations have been clarified.

In contrast, unsponsored ADRs are issued by the depositary bank based on investor demand without any involvement at all by the company issuing the underlying stock.