

2009/03/23

Company Name Mori Seiki Co., Ltd.  
Name of Representative Dr. Masahiko Mori  
(Code No. 6141 Tokyo & Osaka Stock exchange)  
Contact Administrative HQ Investment Planning Dep.  
Operating Director, General Manager  
Fumihiko Nakazawa

### Notice on the Business and Capital Collaboration between Mori Seiki Co., Ltd. and GILDEMEISTER AG

This letter is a showing on the business and capital collaboration between Mori Seiki Co., Ltd. (referred to below as Mori Seiki) and GILDEMEISTER AG (referred to below as GILDEMEISTER), for which both parties agreed upon a memorandum of understanding (MOU) and share subscription agreement (SSA) today.

#### 1. Reason of business and capital collaboration

With the aim of expanding and cultivating its global opportunities in the machine tool market, Mori Seiki has been in conversation with GILDEMEISTER for a common business development.

Both Mori Seiki and GILDEMEISTER are leading selling companies in the Asian and European markets. With this cooperation both parties aim to a success not only in their home regions, but also around the globe.

Mori Seiki has a sound sales result in Japan and USA, and is specially known for its multi-axis turning centers, machining centers and the lathe line. Based on its policy for vertical integration, Mori Seiki produces main parts for machine tools, such as spindle motor or ball screws. On the other hand, GILDEMEISTER is particularly strong in European countries and has a direct sales system in 16 other countries. While both companies sell a wide range of machine tools, GILDEMEISTER stands out with its 5 axis machining centers and large milling centers, as well as their low-budget machines (Ecoline).

Mori Seiki and GILDEMEISTER are not only complementary to each other in terms of regions but also products. It is only natural that both companies benefit through a variety of synergies.

For the above reasons, the two companies have decided to engage in business and capital alliance to further increase their respective corporate values.

## 2. Contents of the business collaboration

The parties are planning business collaboration particularly in the areas of:

1. Production
2. Purchasing
3. Machine developing
4. Sales and services

To realize the synergies, reciprocal representation on competent bodies is planned. If all necessary procedures subject to German law are completed as planned, Mori Seiki will send its representative Masahiko Mori to GILDEMEISTER as member of the supervisory board and GILDEMEISTER will send its representative Rüdiger Kapitza as Senior Operating Director ("Senmu Shikko-Yakuin") of Mori Seiki in year 2009.

In addition, a steering committee (name yet to be decided) will be set up to manage and evaluate the progress of the synergy effect, with the presence of both mentioned managers.

## 3. Capital Sharing

To establish a relation of trust necessary for business collaboration, the two parties have signed share subscription agreement (SSA) together with memorandum of understanding (MOU) today. Based on this agreement, Mori Seiki will subscribe until April 2, 2009 to 2,279,500 new GILDEMEISTER Common Shares for EUR 18,076,435, representing 5.0% of GILDEMEISTER's issued and outstanding share capital. GILDEMEISTER will issue the above mentioned shares by way of a capital increase. On the other hand, GILDEMEISTER plans to acquire up to 4,426,000 Mori Seiki shares, representing 5.0% of Mori Seiki's issued and outstanding share capital. Until today GILDEMEISTER has acquired 2,000,000 Mori Seiki shares.

## 4. Outline of the Companies

1. Company Name	Mori Seiki Co., Ltd.	GILDEMEISTER AG
2. Primary Business	Manufacture and sale of machine tool equipments	Manufacture and sale of machine tool equipments
3. Establishment date	October 23, 1948	October 1, 1870 as Werkzeugmaschinenfabrik GILDEMEISTER & Comme
4. Registered address	106 kitakoriyama-cho, Yamato-Koriyama City, Nara 639-1160, Japan	Gildemeisterstr. 60, D-33689 Bielefeld Germany

5. Representative	Masahiko Mori, President	Rüdiger Kapitza, CEO
6. Capital	32,698 million yen	112.587 million Euro
7. No of employees	4,184 (consolidated)	6,451 (consolidated)
8. Major shareholders	<p>Japan Trustee Services Bank, Ltd. (Trust Account) 5.79%</p> <p>Mori Seiki Co., Ltd. 5.22%</p> <p>Masahiko Mori 4.78%</p> <p>The Master Trust Bank of Japan, Ltd. (Trust account) 4.36%</p> <p>Japan Trustee Services Bank, Ltd. (Trust account 4G) 3.19%</p> <p>The Nanto Bank, Ltd. 3.03%</p> <p>Chieko Mori 2.37%</p> <p>The Chase Manhattan Bank 385036 (Standing proxy Mizuho Corporate Bank, Ltd.) 2.07%</p> <p>Masaru Mori 1.89%</p> <p>Nomura Asset Management U.K. Limited Sub A/C Evergreen Nominees Ltd (Standing Proxy The Bank of Tokyo-Mitsubishi UFJ, Ltd.) 1.33%</p>	<p>M.M. Warburg Luxinvest SA 2.98% (03.11.2008)</p> <p>AQR Capital Management LLC 2.91% (17.10.2008)</p> <p>JPMorgan Asset Management (UK) Ltd. 2.90% (09.09.2008)</p>
9. Relation between the Parties	There is currently no personnel, capital or business alliance between the parties	

Note: Capital, number of employees and major shareholder information of Mori Seiki is as of September 30, 2008, and of GILDEMEISTER is as of December 31, 2008 if not indicated else wise.

	(Million Yen)	(Million €)	(1€ = 152,5*)
	Mori Seiki Co., Ltd. (07'4~08'3)	GILDEMEISTER AG (08'1~08'12)	GILDEMEISTER AG (08'1~08'12)
Sales Revenue	202,260	1,904	290,360
Operating Income	31,302	158	24,095
Net Income	15,975	81	12,353
Total Assets	174,270	1,390	211,975

\*FX Rate: 2008 average

5. Schedule

March 23, 2009	Board meeting
March 23, 2009	Signing of MOU and SSA regarding business and capital collaboration
April 15, 2009	Due date for Issuance of GILDEMEISTER's shares

6. Further Plans

This business and capital collaboration will have no effect on neither consolidated nor parent results of fiscal year ending in March, 2009.

End