



IR Meeting

Mori Seiki Co., LTD.
President, Dr. Masahiko Mori

About Future Projections

This material contains targets, plans, etc, concerning the future of Mori Seiki and the Mori Seiki Group. All predictions concerning the future are judgments and assumptions based on information available to Mori Seiki at the time of writing. There is a possibility that the actual future results may differ significantly from these forecasts, due to changes in management policy or changes in external factors.

There are many factors which contain elements of uncertainty or the possibility of fluctuation, including the following:

- Fluctuations in exchange rates
- Changes to the laws, regulations and government policies in the markets where Mori Seiki conducts its business
- Mori Seiki's ability to develop and sell new products in a timely fashion
- Instability of governments in the markets where Mori Seiki conducts its business



Outline

- Revisions of FY2009 forecast
- Progress of PQR555
- Updates on alliance with GILDEMEISTER (DMG)



Revisions of FY2009 Forecast

Profit and Loss Statement (P/L)

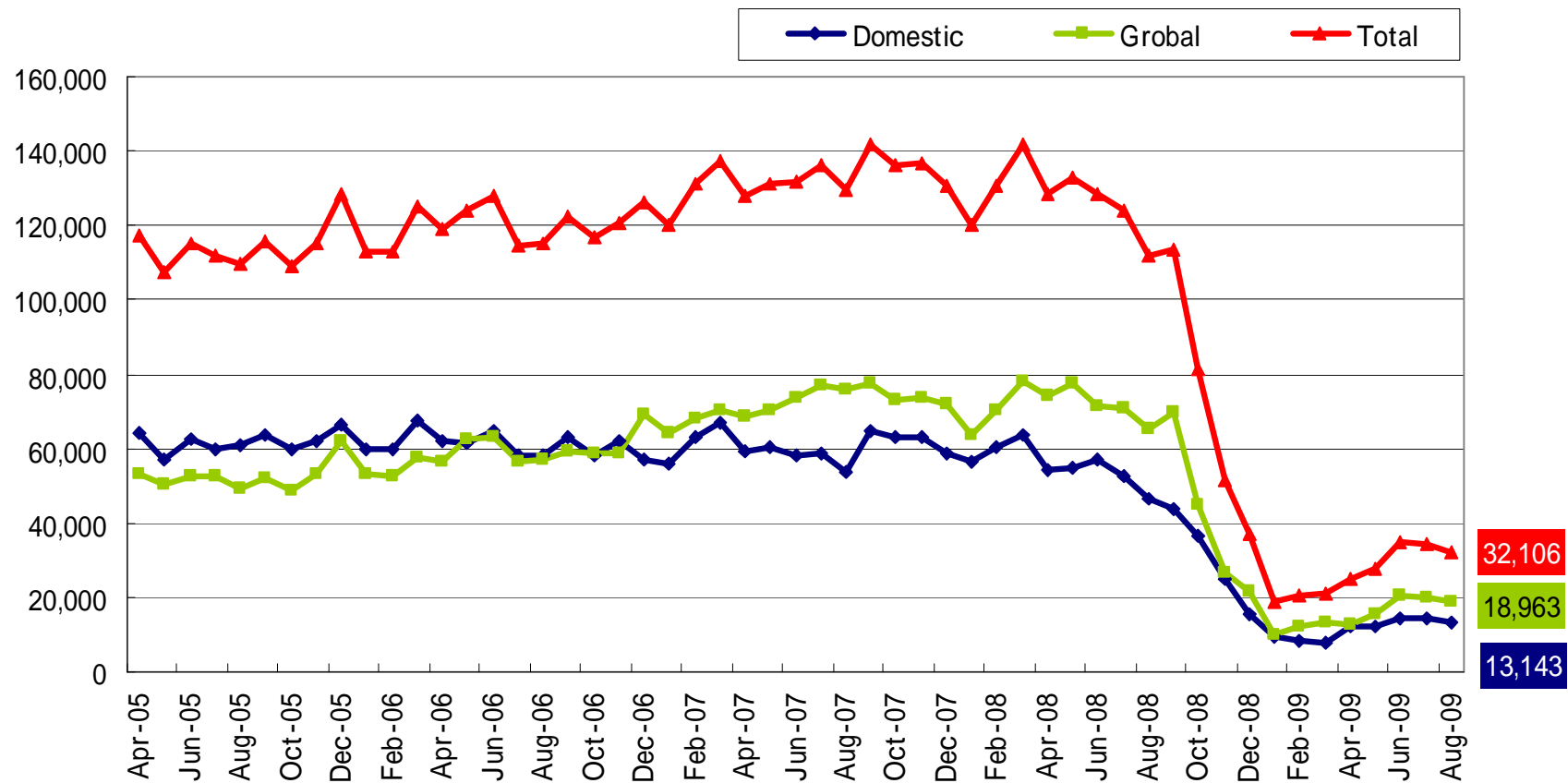
- First Half: Sales 31 billion yen (-4 billion yen from initial forecast)
Operating loss 15 billion yen (-3 billion yen from initial forecast)
- Full Year: Sales 65 billion yen (- 15 billion yen decrease from initial forecast)
Operating loss 28 billion yen (-8 billion yen from initial forecast)
- Dividends: No change

FY 2008 1st Half	FY 2008 Full Year	FY 2009 1st Half				FY2009 Full Year			
		initial forecast	Revised	Year-on- Year	VS initial forecast	initial forecast	Revised	Year-on- Year	VS initial forecast
93,704	157,203	35,000	31,000	33.1%	88.6%	80,000	65,000	41.3%	81.3%
9,881	5,922	-12,000	-15,000			-20,000	-28,000		
10.5%	3.8%								
8,759	3,197	-12,000	-15,000			-20,000	-28,000		
9.3%	2.0%								
4,478	-2,153	-12,000	-15,900			-20,000	-28,700		
106.3	100.7	95.0	95.5			95.0	92.7		
162.1	143.3	125.0	133.1			125.0	131.5		

Exchange rate : FY2009 2nd half forecast US \$ = 90yen, € = 130yen

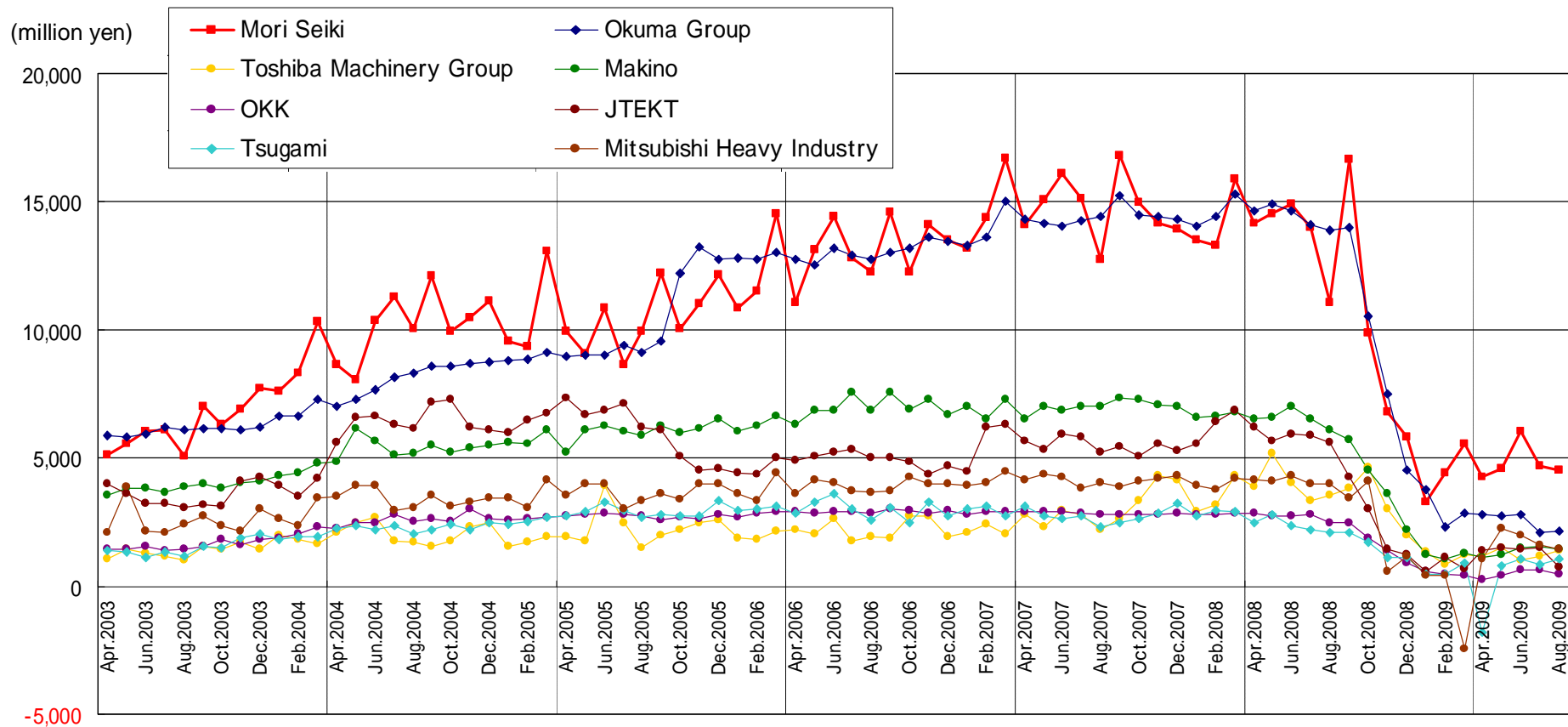
Market Demand (JMTBA order trends)

- Orders between Apr to Aug remained low:
Total of 153 billion yen (-75.4% from previous year)
- Full-year outcome estimated around 450 billion yen



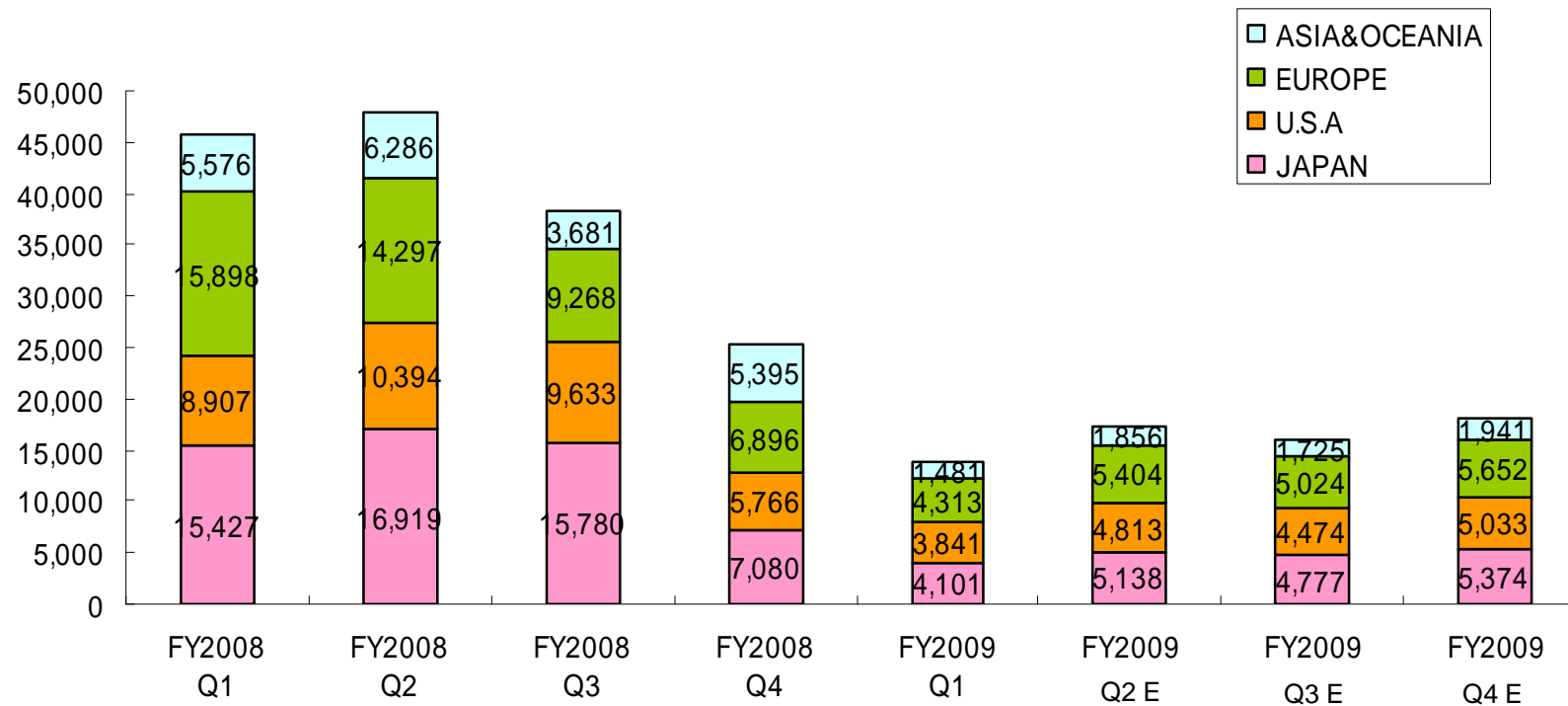
Results of 8 Major Machine Tool Builders

- Mori Seiki spearheads while others suffer from low orders
- Recent reinforcement in overseas sales led to superiority



Sales by Region

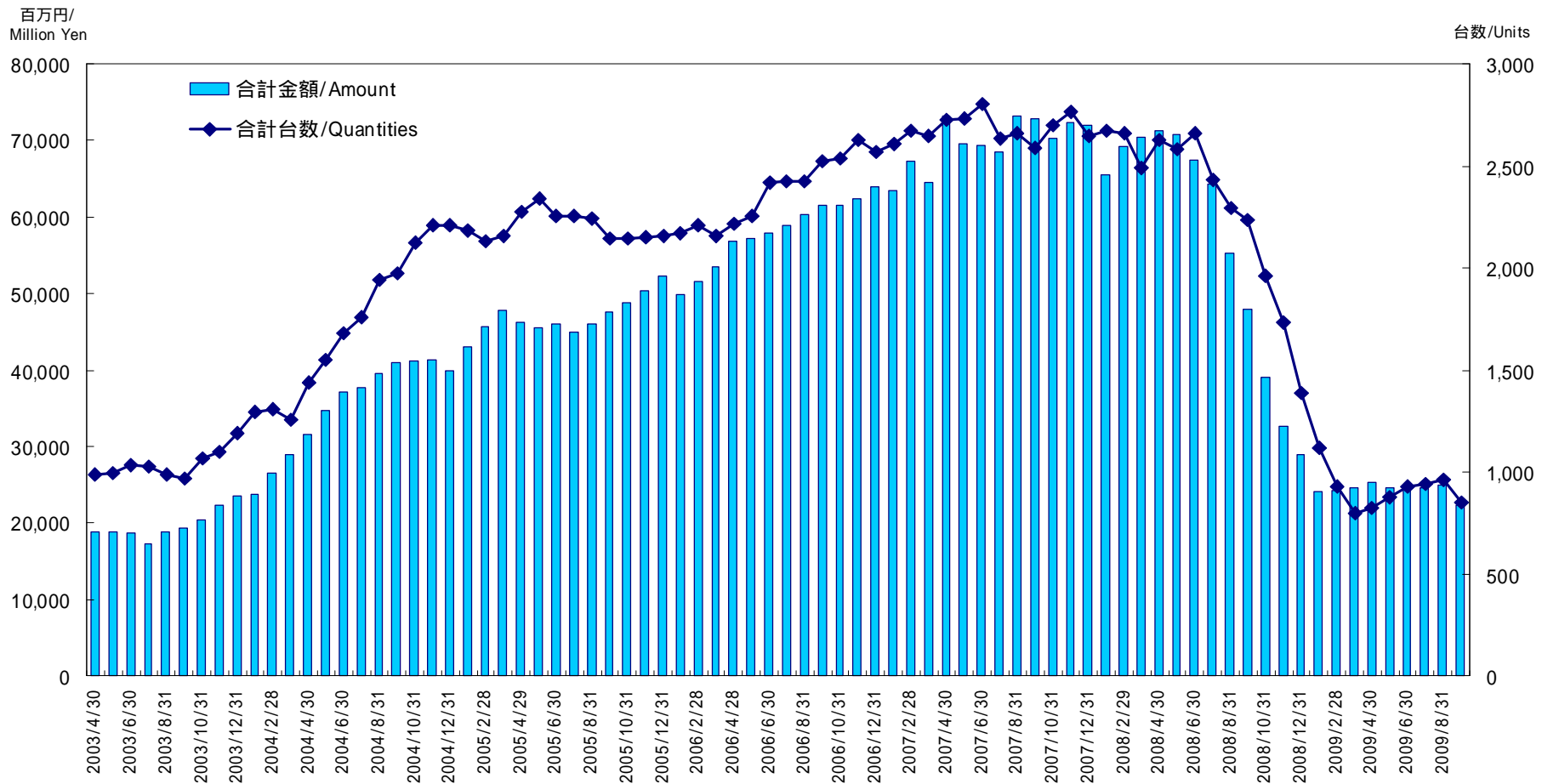
- All regions have hit bottom in FY2009 Q1
- Recovery in 2nd half year thanks to China (63 billion yen backlog as of Sep)



FY2009 Q2~Q4: Expectation

Order Backlog

- Amount of backlog remains low since start of year
- Cancellations were processed at the beginning of the year



Main Contents of Balance Sheet

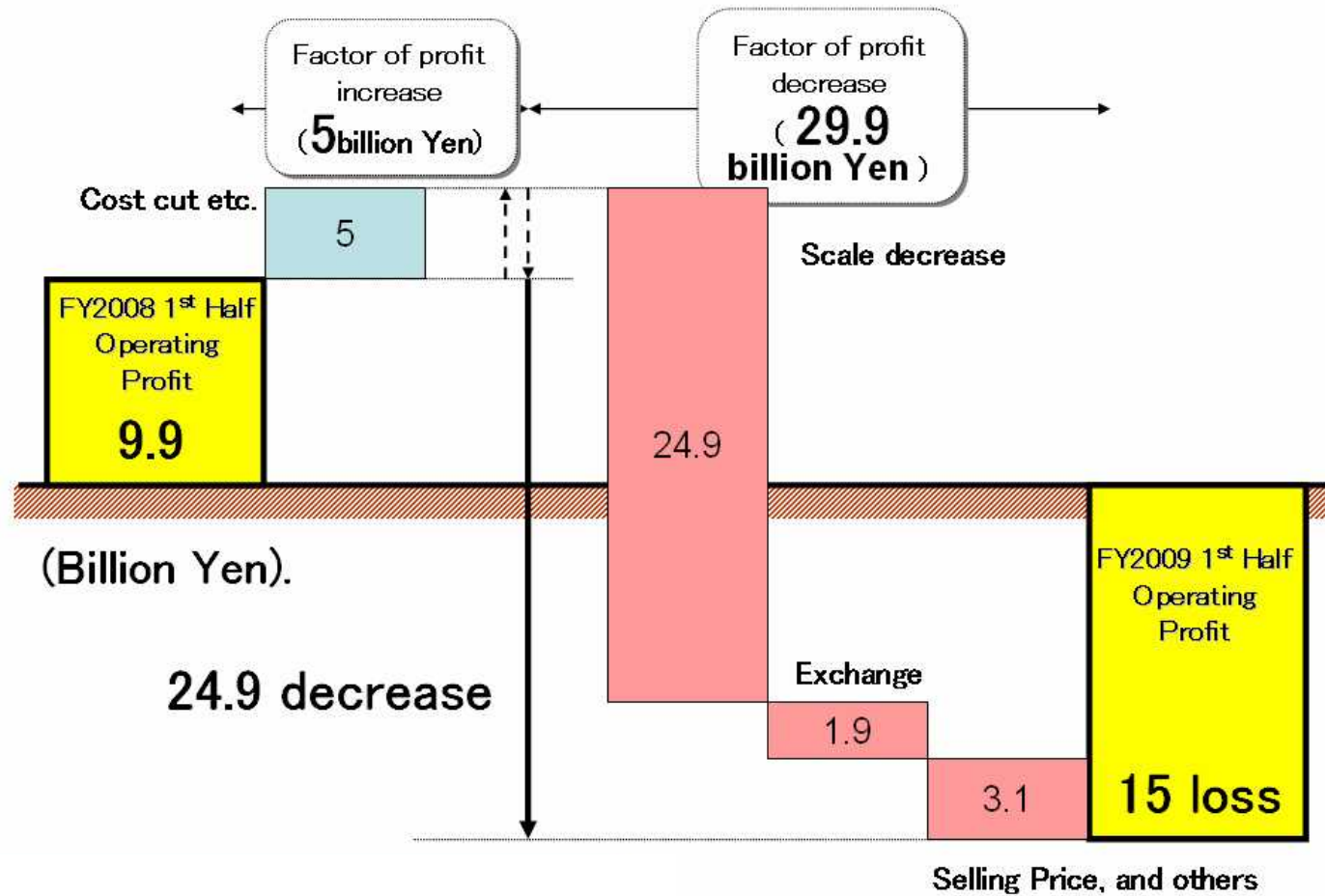
- Shareholders' equity ratio will be kept above 70%

	2009/3/31	2009/6/30	2009/9/30
Cash (Million Yen)	14,452	11,873	7,800
Loans payable(Bank) (Million Yen)	10,298	12,942	14,500
Shareholders' equity ratio	78.3%	74.3%	72 ~ 73%

2009/9/30: Expectation

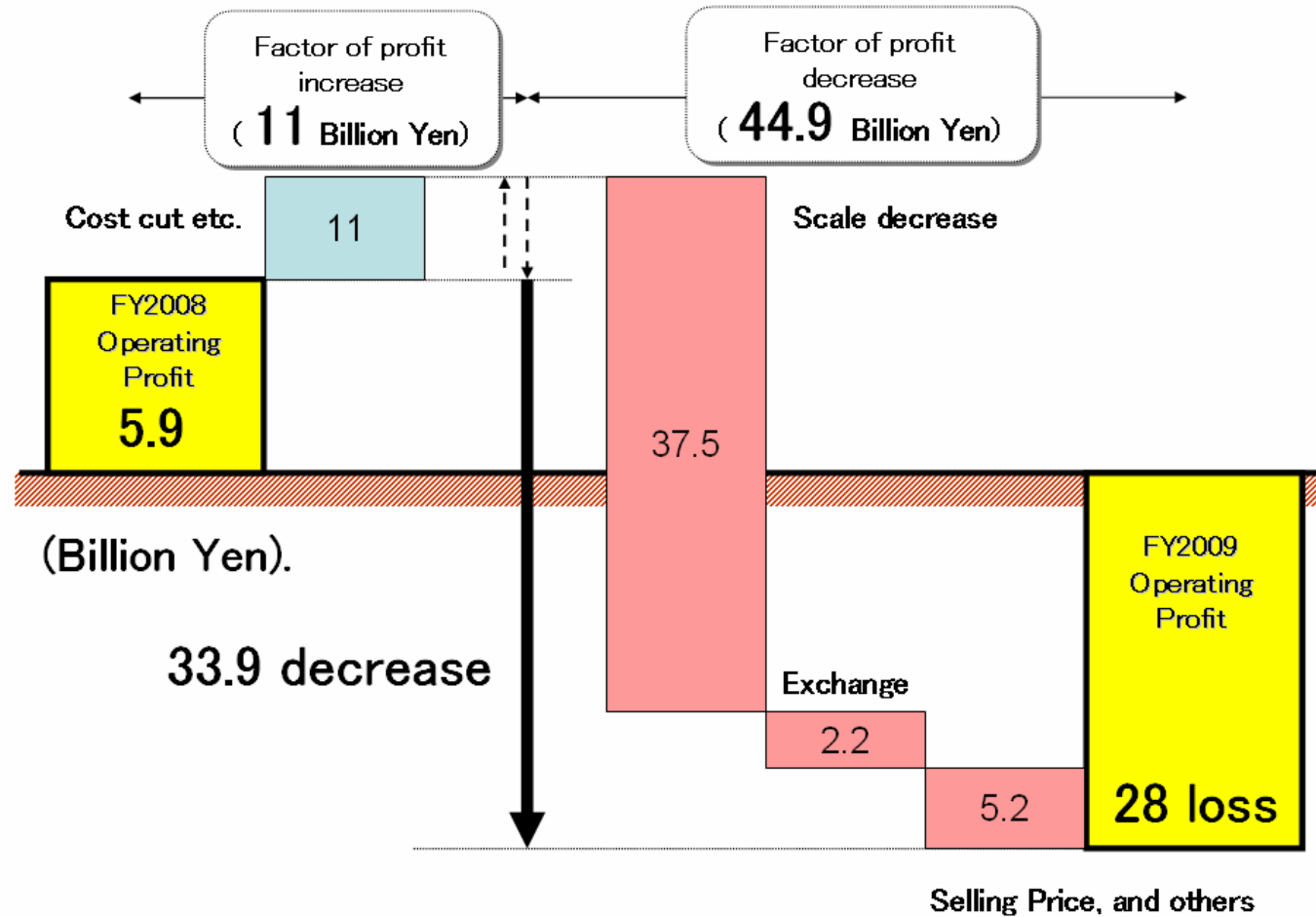
Income Profit Analysis - Half Year -

- FY2008 first half vs. FY2009 first half
[FY2008 1Q vs. FY2009 1Q E]



Income Profit Analysis - Full Year -

- FY2008 full year vs. FY2009 full year
[FY2008 vs. FY2009 E]





Upcoming Exhibitions

- **MECT 2009 2009/10/14 ~ 17**
 <Port Messe Nagoya>
 (Nagoya International Exhibition Hall)
- **Early Winter Productivity Show 2009/11/12~14**
 <Mori Seiki's Iga Campus >

Development Plan

- 5 models introduced in 1st half
- 6 models will be introduced in 2nd half (5 axis VMC, large lathe, etc)
- Small to large machines to suit all industries
- Further 10 models planned for FY2010

FY2009 Released Model	
機種 Machine Model	量産開始月 Mass Production
VL553	2009/04
NMV3000DCG	2009/07
NV7000	2009/08
NZL6000/2000	2009/08
NT1000	2009/09



NT1000 **New**



NMV3000DCG **New**



NH6300
125 units sold



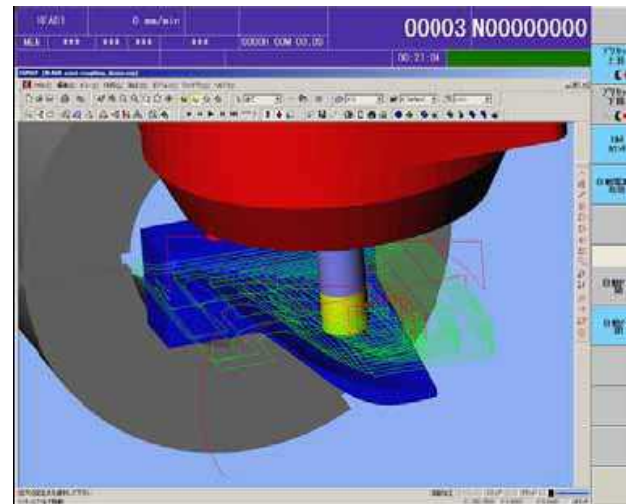
NT6600 **30 units sold**



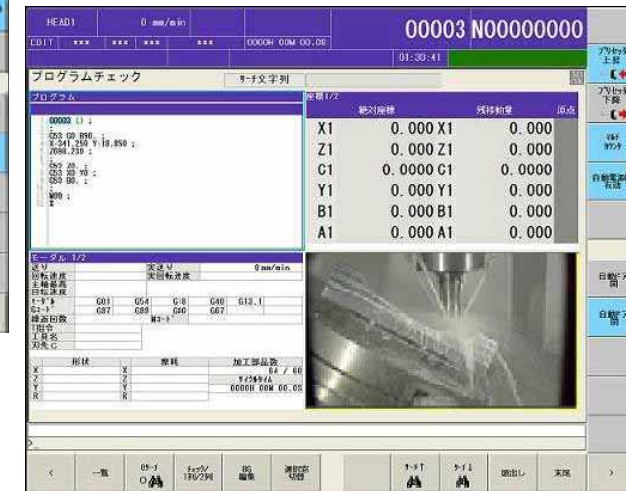
NVL1350 **New**

Features of MAPPS IV

- 19 inch screen – Better visibility
- CAM software on MAPPS - More functions
- [Option] Cameras - Observe in and out of machine



First CAM software



Now available with camera



PQR555

Principle of PQR555

- **Principle of PQR555**
 “We will continue to maintain the growing trend by achieving stable growth in mature markets and actively expanding the market share in emerging markets. We will establish the global management system for human resources ,quality and risk management. Through these efforts, we will strive to become Global One.”
- **Precondition to achieve PQR555**
 Members of Japan Machine Tool Builders Association (JMTBA) receive orders in excess of 1,660 Billion Yen in total.

PQR555

•Sustain Growth

–JMTBA Share 15%

•Strengthen Profit Structure

–Consolidated cost of sales ratio 55%

•Establish Global Management Quality

–**P**eople : Human resource development/Enhancement

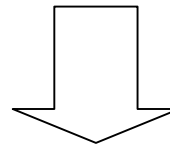
–**Q**uality : Quality improvement

–**R**isk Management : Compliance management

Adjustment of Figures to Market Situation

Preconditions to achieve target figures in FY2010:

- JMTBA Order : 1,660 billion Yen
- Market Share : 15%
- Operating Profit Ratio : 20%



Target for more than 15% share remains the same

FY2009: Sales 65 billion Yen, Operating Loss 28 billion Yen
 assuming JMTBA Order is ~ 450 billion Yen

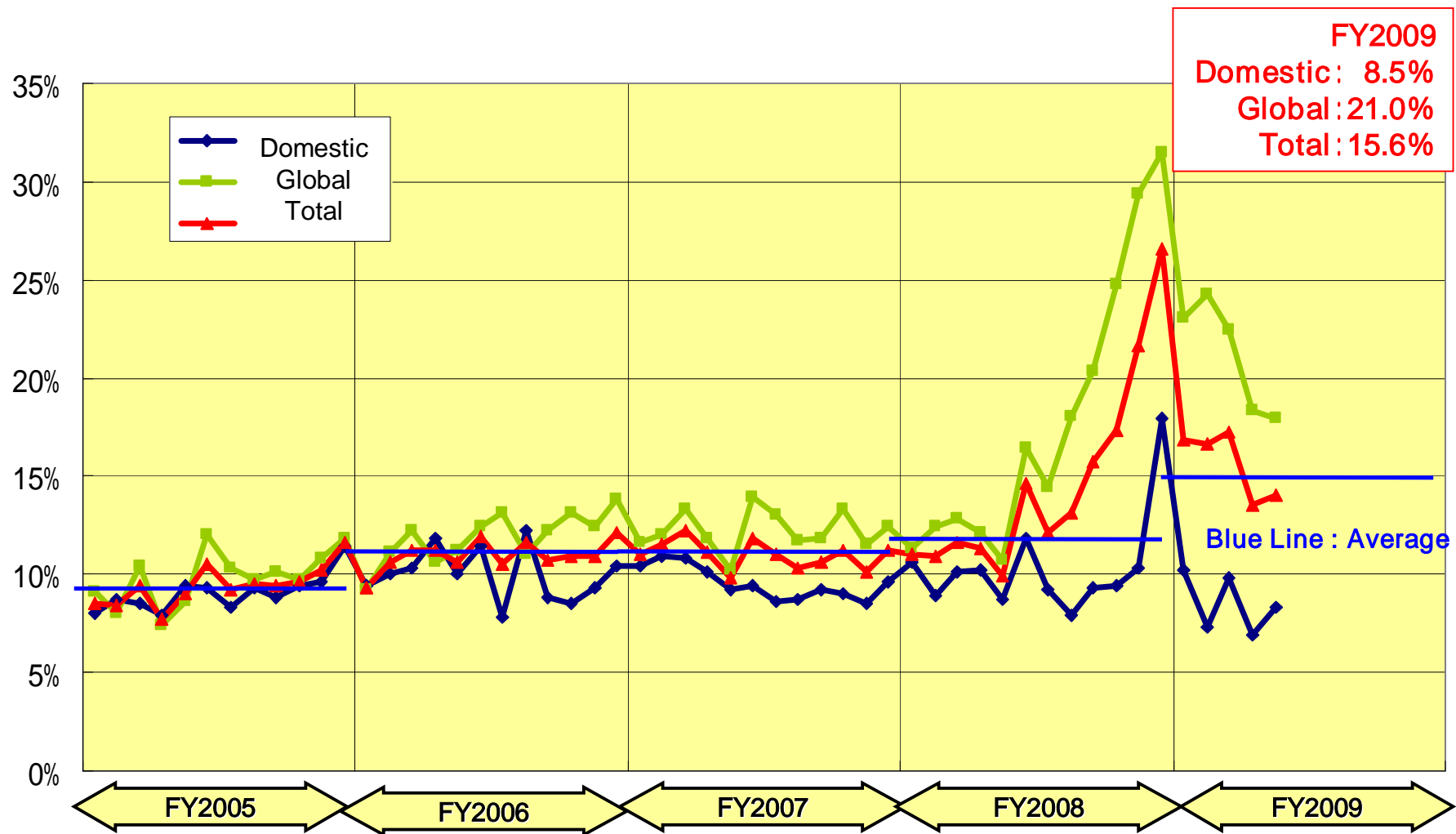
FY2010: To be decided based on demand in 2nd half



Main Objectives Remain the Same

- Main Objectives of PQR555
 - JMTBA share of more than 15%
 - Acquisition of emerging markets
 - Improve cost rate by reducing material cost and productivity
 - Personnel training
 - Quality improvement
 - Risk management

Market Share (Source: JMTBA)



Reinforcement of the personnel training

- Training cost per employee ranking No. 4
- Yearly 330,000 yen per employee

Training cost per employee			
Rank	Last Year	Company Name	amount(Yen)
1	1	Canon Inc.	398,368
2	2	Panasonic Corporation	392,824
3	3	ITOCHU Corporation	342,829
4	4	MORI SEIKI Co., LTD.	330,786
5	5	Komatsu Ltd.	295,639
6	6	Sumitomo Corporation	290,054
7	7	Nissin Seifun Group Inc.	289,063
8	8	ITOCHU Techno-Solutions Corporation	271,507
9	9	Takeda Pharmaceutical Company Limited	270,755
10	10	Hitachi, Ltd.	268,219

Source: 209/9/14 Nikkei Sangyo Newspaper

Quality Management Ranking

FY2008 Rank 44

FY2009 Rank 36

Quality Management Total Ranking			
Rank	Last Year	Company Name	Point
1	-	Panasonic Corporation	405.7
2	1	Fujifilm Holdings	404.9
3	2	SHARP	397.1
4	3	TOYOTA Motor Corporation	394.9
5	5	AISIN SEIKI Co., Ltd	394.2
6	13	TOSHIBA CORPORATION	392.5
7	12	DENSO CORPORATION	390.9
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36	44	MORI SEIKI Co., LTD.	358.5
37	49	Fuji Electric Holdings Co., Ltd.	357.5
38	26	JTEKT Corporation	355.2

Source: 2009/10/1 Nikkei Sangyo Newspaper



Updates on alliance with GILDEMEISTER (DMG)

Overview of Alliance



Capital Alliance
Signed on 2009 Mar 23rd
5% Capital Share

Business Alliance

1. Sales & Service
2. Product
3. Components Supply
4. Purchasing
5. Finance

Reciprocal Representation at
GILDEMEISTER's Supervisory
Board and Operating Directors
Board of Mori Seiki



Company Profile: GILDEMEISTER AG

GILDEMEISTER

- Founded in 1870
- Headquarter in Bielefeld (Germany)
- Capital 112,587 Mill Euro
- Employees 6,451 (Consolidated)
- World wide leading manufacturer of cutting machine tools, particularly strong in European market
- Initially started as lathe builder; enters MC business by acquiring Deckel Maho AG in 1994.
- In 1999, merger of LCTec GmbH (Pfronten) and starts laser business.
- Developing presence in solar technology in addition to machine tools
- With recent development of DMG ECO line, enters budget machine market.



Thank you