

May 10, 2010

To whom it may concern

Company	Mori Seiki Co., Ltd.
Representative	Masahiko Mori, President
(Code number:	6141, First Section of Tokyo Stock Exchange and Osaka Securities Exchange)
Contact	Masahiro Yanagihara, Operating Director, General Manager Public Relations Department
Telephone	+81-52-587-1830

Announcement Regarding Stock Acquisition Rights as Stock Options

At a meeting held on May 10, 2010, the Board of Directors of Mori Seiki Co., Ltd. ("the Company") resolved to propose an agenda asking for (i) the authorization to issue Stock Acquisition Rights as stock options to the Company's directors and corporate auditors pursuant to Articles 236 and 238 of the Corporation Law of Japan, (ii) the authorization to delegate to the Board of Directors the determination of the terms and conditions of the offering of such rights pursuant to Article 239 of the Corporation Law of Japan. The proposal will be presented at the 62nd annual general meeting of the shareholders of the Company held on June 18, 2010 and we hereby inform you as follows.

1. Reason for Issuing Stock Acquisition Rights under Specifically Advantageous Conditions
The Company intends to issue the stock acquisition rights as stock options without contribution for the purpose of increasing the eagerness and morale of the directors and corporate auditors of the Company, with a view to enhancing operating performance and corporate value. In addition, the stock acquisition rights shall be granted without contribution as described below since they will be issued as stock options. The acquisition price for the shares upon execution of the stock acquisition rights will be based on the market price of the Company's common shares at the time of issuance of the stock acquisition rights as described in item (5) below.
2. Procedure for Issue of Stock Acquisition Rights
 - (1) Eligible persons to whom stock acquisition rights are allotted
Company's directors and corporate auditors
 - (2) Type and number of shares to which stock acquisition rights apply
Up to 830,000 shares of the Company's common stock
In the event that the Company splits or consolidates its shares on or after the date of issuing the stock acquisition rights, the number of shares to which the stock acquisition rights apply shall be adjusted according to the following formula; provided, however, that this adjustment shall be made with respect to the number of shares to which stock acquisition rights apply but have not been exercised as of that point, and that the number of shares less than one share arising as a result of adjustment shall be truncated.

$$\text{Number of Shares after Adjustment} = \text{Number of Shares before Adjustment} \times \text{Ratio of Split or Consolidation}$$
 - (3) Total number of the stock acquisition rights
Up to 8,300 units (The number of shares covered by each stock acquisition right shall be 100 shares; provided, however, that in case of adjustment of the number of shares as described in the preceding item (2), the same adjustment shall be made accordingly.)

- (4) Amount to be paid in exchange for the stock acquisition rights or calculation method thereof

No payment of money shall be required with respect to the stock acquisition rights

- (5) Amount or calculation method of property to be invested upon exercise of the stock acquisition rights

The amount of property to be invested upon the exercise of each stock acquisition right shall be the amount that is equal to the product of the amount to be paid per share (hereinafter the "Exercise Price"), which is determined in the following manner, and the number of shares covered by each stock acquisition right, as set forth in item (3) above. The Exercise Price shall be the amount that is equal to the average of the daily closing prices (excluding days on which no transactions are established) of common stock of the Company in regular transactions at the Osaka Securities Exchange during the calendar month immediately prior to the month in which the allotment date of the stock acquisition rights (hereinafter the "Allotment Date") belongs, multiplied by 1.05, and any fraction less than one (1) yen resulting there from shall be rounded up to the nearest yen; provided, however, that in the event that this amount is less than the closing price of common stock of the Company in regular transactions at the Osaka Securities Exchange as of the Allotment Date (the closing price on the day immediately preceding the Allotment Date if no transactions are established on the Allotment Date), the relevant closing price shall be the Exercise Price.

In the event that the Company splits or consolidates its shares after the allocation of stock acquisition rights, the Exercise Price shall be adjusted in accordance with the following formula and any fraction less than one (1) yen resulting from this adjustment shall be rounded up to the nearest yen.

$$\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Split or Consolidation}}$$

In the event that an issue of new shares (excluding the case in which new shares are issued by exercise of the stock acquisition rights) is made at a price below the market price after the allocation of stock acquisition rights, the Exercise Price shall be adjusted in accordance with the following formula and any fraction less than one (1) yen resulting from this adjustment shall be rounded up to the nearest yen.

$$\text{Exercise Price after Adjustment} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Shares Outstanding} + \frac{\text{Number of Newly Issued Shares} \times \text{Exercise Price}}{\text{Market Price before Issue of New Shares}}}{\text{Number of Shares Outstanding} + \text{Number of Newly Issued Shares}}$$

- (6) Exercise period of the stock acquisition rights

From July 1, 2012, to June 30, 2015

- (7) Conditions for exercising the stock acquisition rights

- ① Allottees to whom the stock acquisition rights are allotted shall be required to be in the position of directors, corporate auditors, operating directors, or employees of the Company or any of its subsidiaries at the time of the exercise of the stock acquisition rights. However, this clause shall not apply in case of his/her leaving office due to retirement on expiry of his/her term of office, age-limit retirement, or any other justifiable reason.
- ② In no event shall disposal of the stock acquisition rights be authorized, including transfer or pledging thereof.
- ③ In case of the death of an allottee, the heir(s) of the allottee may exercise the stock acquisition rights. Provided, however, that such exercise by the heir(s) shall be conducted in accordance with the Stock Acquisition Rights Allotment Agreement prescribed in ④ below.
- ④ Other conditions pertaining to the exercise of stock acquisition rights shall be as set forth in the Stock Acquisition Rights Allotment Agreement separately entered into by and between each allottee and the Company, based on the resolutions of the 62nd annual general meeting of the shareholders and the resolutions of the meeting of the Board of Directors.

- (8) Increases in common stock and capital reserve resulting from exercise of stock acquisition rights
- ① The amount of increase in common stock as a result of the exercise of stock acquisition rights shall be one-half (1/2) of the maximum limit amount of increase of common stock, etc., calculated in accordance with Article 17, Paragraph 1, of the Company Calculation Rules and any fraction less than one (1) yen arising from the calculation shall be rounded up to the nearest yen.
 - ② The amount of increase in capital reserve as a result of the exercise of stock acquisition rights shall be the maximum limit amount of increase of common stock in item ① above less the amount of common stock to be increased provided in item ① above.
- (9) Acquisition of the stock acquisition rights
- ① In the event that a merger agreement in which the Company ceases to exist is resolved by a general meeting of the shareholders or a proposal on a stock exchange agreement or a stock transfer according to which the Company becomes a wholly owned subsidiary is resolved by a general meeting of the shareholders, the Company may acquire the stock acquisition rights without contribution on a date separately determined by the Board of Directors.
 - ② In the event that an allottee does not fulfill the exercise conditions prescribed in item (7) ① before exercising the stock acquisition rights, the Company may acquire such stock acquisition rights without contribution.
- (10) Restriction on transfer of stock acquisition rights
Approval of the Board of Directors shall be required for transfer of the stock acquisition rights.
- (11) Handling of the stock acquisition rights as a result of organizational restructuring
As described in item (9) ① above.

(Note)

The issuance of the Stock Acquisition Rights shall be subject to approval of the proposal "Issuance of Stock Acquisition Rights as Stock Options" at the 62nd annual general meeting of the shareholders of the Company scheduled to be held on June 18, 2010.