

June 18, 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	+81-52-587-1811

Announcement Regarding Allotment of Stock Acquisition Rights as Stock Options

Mori Seiki Co., Ltd. ("the Company") hereby announces that the Company today determined, at its Board of Directors' meeting held on June 18, 2010, the procedures and considerations for subscribing to stock acquisition rights to be issued as stock options to the Company's directors and corporate auditors, and resolved to offer subscription to the stock acquisition rights in accordance with the provisions of Articles 236, 238 and 239 of the Corporation Law of Japan and the resolution adopted by the 62nd annual general meeting of the shareholders of the Company held on June 18, 2010.

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.
2. Procedure for Issue of Stock Acquisition Rights
 - (1) Eligible persons to whom stock acquisition rights are allotted and the number thereof, as well as the number of stock acquisition rights to be allotted
8,300 units of stock acquisition rights shall be allotted to the Company's directors and corporate auditors (Total number of allottees:11).
 - (2) Type and number of shares to which stock acquisition rights apply
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
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.)
The total number above means the number planned to be allotted. In the event that the total number of the stock acquisition rights to be allotted decreases, for example, if no application is made for the subscription, the total number of the stock acquisition rights to be actually allotted shall be the total number of the stock acquisition rights.

- (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 therefrom 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; provided, however, that 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 a general meeting of the shareholders and the Board of Directors held today.

- (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.
- (12) Allotment Date for stock acquisition rights
June 28, 2010

(Reference)

Board of Directors' meeting to submit a relevant proposal to
an annual general meeting of the shareholders:

May 10, 2010

Date of resolution by an annual general meeting of the shareholders:

June 18, 2010