Results of Operations for the Fiscal Year Ended March 31, 2023
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

May 15, 2023

Company name: KOMORI CORPORATION
Representative: Mr. Satoshi Mochida
Representative Director, President and CEO
Securities code: 6349 (Tokyo Stock Exchange)
Contact: Mr. Iwao Hashimoto
Director, Senior Operating Officer
Phone: (81)-3-5608-7826
URL (https://www.komori.com)

Annual General Meeting of Shareholders: June 19, 2023
Payment date of year-end dividend: June 20, 2023
Preparation of supplementary materials for financial results: Yes
Holding of presentation meeting for financial results: Yes (for financial analysts/investors)

1. Consolidated Business Results for Fiscal 2023 (April 1, 2022 to March 31, 2023)

(1) Results of operations (In millions of yen, rounded down)

	Fiscal year ended March 31, 2023	%	Fiscal year ended March 31, 2022	%
Net sales	97,914	11.7	87,623	22.0
Operating income	5,719	152.2	2,267	-
Ordinary income	6,611	93.9	3,408	-
Profit attributable to owners of parent	5,716	(7.2)	6,158	-

(Yen)

Basic earnings per share	104.85	110.67
Diluted earnings per share	-	-

(%)

ROE	5.4	6.1
ROA	4.1	2.3
Operating income to net sales ratio	5.8	2.6

Notes:
1. Comprehensive income:
Fiscal year ended March 31, 2023: 6,819 million yen (16.0) %
Fiscal year ended March 31, 2022: 8,122 million yen 825.3 %
2. Share of profit of entities accounted for using equity method:
Fiscal year ended March 31, 2023: -
Fiscal year ended March 31, 2022: -
3. Percentage figures given for the first four items in the above table represent the percentage increase/decrease on a year-on-year basis.

(2) Financial position (In millions of yen, rounded down)

	March 31, 2023	March 31, 2022
Total assets	165,523	157,081
Total net assets	107,133	103,382
Equity ratio (%)	64.6	65.8
Net assets per share (Yen)	1,961.88	1,894.34

Note:
Equity as of: March 31, 2023: 106,965 million yen
March 31, 2022: 103,286 million yen

(3) Summary of statements of cash flows (In millions of yen, rounded down)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Net cash provided by (used in) operating activities	4,475	9,281
Net cash provided by (used in) investing activities	(526)	(1,379)
Net cash provided by (used in) financing activities	(4,077)	(2,940)
Cash and cash equivalents at end of the period	60,945	60,321

2. Dividends

		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024 (Forecast)
Annual cash dividends per share (Yen)		56.00	45.00	30.00
	First quarter period-end dividends	-	-	-
	Second quarter period-end dividends	15.00	15.00	15.00
	Third quarter period-end dividends	-	-	-
	Year-end dividends	41.00	30.00	15.00
Total cash dividends for the year (Millions of yen)		3,088	2,464	-
Dividend payout ratio (Consolidated) (%)		50.6	42.9	62.9
Ratio of dividends to net assets (Consolidated) (%)		3.1	2.3	-

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(In millions of yen, rounded down)

	Sixth months ending September 30, 2023	%	Fiscal year ending March 31, 2024	%
Net sales	49,000	6.3	102,000	4.2
Operating income	300	(89.0)	3,300	(42.3)
Ordinary income	300	(92.7)	3,500	(47.1)
Profit attributable to owners of parent	100	(96.9)	2,600	(54.5)
Basic earnings per share (Yen)	1.83	-	47.69	-

Note:
Percentage figures given for the first four items in the above table represent the percentage increase/decrease on a year-on-year basis.

*Notes

(1) Changes in significant subsidiaries during the fiscal year under review (Changes in the scope of consolidation accompanying changes in specified subsidiaries): No

(2) Changes in accounting policies; changes in accounting estimates; restatements

1. Changes accompanying revisions to accounting standards: Yes
2. Changes other than those in item 1. above: No
3. Changes in accounting estimates: No
4. Restatements: No

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock) as of:
   March 31, 2023: 56,890,740 shares
   March 31, 2022: 58,292,340 shares
2. Number of treasury stock as of:
   March 31, 2023: 2,368,980 shares
   March 31, 2022: 3,768,240 shares
3. Average number of shares during the period:
   Fiscal year ended March 31, 2023: 54,522,102 shares
   Fiscal year ended March 31, 2022: 55,649,827 shares

Reference: Overview of Non-Consolidated Performance

1. Non-Consolidated Performance for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Operating Results (In millions of yen, rounded down)

	Fiscal year ended March 31, 2023	%	Fiscal year ended March 31, 2022	%
Net sales	70,525	19.9	58,815	16.2
Operating income (loss)	4,428	-	(159)	-
Ordinary income	5,445	352.0	1,204	-
Profit	7,720	71.1	4,513	-

(Yen)

Basic earnings per share	141.60	81.11
Diluted earnings per share	-	-

Note:

Percentage figures given for the first four items in the above table represent the percentage increase/decrease on a year-on-year basis.

(2) Non-Consolidated Financial Condition (In millions of yen, rounded down)

	March 31, 2023	March 31, 2022
Total assets	138,298	129,750
Total net assets	98,029	92,714
Equity ratio (%)	70.9	71.5
Net assets per share (Yen)	1,797.99	1,700.44

Note:

Equity as of: March 31, 2023: 98,029 million yen
March 31, 2022: 92,714 million yen

* Implementation status of audit procedures

This financial flash report (Kessan Tanshin) is not subject to auditing by a certified public accountant or auditing firm.

* Disclaimer regarding the appropriate use of performance forecasts and other remarks

The aforementioned forecasts are based on management's assumptions and beliefs held in light of information currently available to it and accordingly involve risks and uncertainties that may cause actual results to differ materially from forecasts. These uncertainties include, but are not limited to, changes in economic conditions, market trends, changes in foreign currency exchange rates and other factors.

For qualitative information regarding consolidated operating results forecasts, please refer to "1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION (4) Outlook" in page 11 of the attached material.

Materials for the summary result presentation in Japanese will be disclosed through the Tokyo Stock Exchange's Timely Disclosure Network, known as TDnet, on May 22, 2023. The same materials will be posted on Komori's website. Also, English translation of these materials will be posted on the Company's website at:
https://www.komori.com/contents_com/ir/index.htm

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1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION

(1) Fiscal 2023 Operating Results

(1) Overview

During the fiscal year ended March 31, 2023, the global economy benefited from ongoing recovery resulting from progress in the normalization of economic activities premised on embracing the new normal of living with the risk of COVID-19 infection. On the other hand, the outlook remained unclear due mainly to consistently high energy costs in the face of continuing geopolitical risks, the shortage of semiconductor and other parts supply on the back of recovery in demand, and foreign exchange fluctuations resulting from monetary tightening undertaken by major countries.

(2) Consolidated Performance

Given the above environment, the domestic printing machinery market has seen an ongoing trend toward executing investment aimed at improving productivity, enhancing efficiency and otherwise streamlining printing operations in light of surging costs for energy and printing supplies as well as labor shortages. Amid this trend, Komori secured a robust volume of orders for such products as sheet-fed offset presses and thereby achieved growth in net sales, thanks to the positive effect of its marketing activities focused on delivering proposals designed to enhance ROI via the use of “advance” models. In the printed electronics (PE) business, showings of semiconductor manufacturing equipment were similarly strong, contributing to higher net sales for this business. In North America, demand remained on a recovery track since 2022 despite the impact of interest rate hikes and inflation. With consistently strong demand offsetting these negative factors, net sales in this region remained virtually unchanged from the previous fiscal year. In Europe, although demand has been negatively affected by ongoing geopolitical risks and surging energy prices, net sales in this region were supported by post-pandemic economic recovery and thus grew larger, especially in western European countries. In Greater China, on the other hand, net sales declined from the previous fiscal year due to the significant impact of economic downturn resulting from repeated resurgences of the pandemic since the beginning of the fiscal year and the subsequent enforcement of “zero-COVID” policy. However, demand in this region has returned to a recovery track despite temporary turmoil following the lifting of the “zero-COVID” policy in December 2022. While Other Regions, which include ASEAN and India, remained stagnant in terms of recovery in demand in the previous fiscal year, Komori has seen a turnaround of this trend in these regions in the fiscal year ended March 31, 2023. Thus, drastic recovery in demand enabled the Company to achieve higher sales in India and elsewhere.

Taking the above factors into account, orders received in the fiscal year under review fell 0.2% from the previous fiscal year to ¥97,361 million, while consolidated net sales grew 11.7% year on year to ¥97,914 million. Turning to expenses, the cost of sales ratio improved year on year due primarily to fluctuations in exchange rates. In addition, selling, general and administrative (SG&A) expenses increased from the previous fiscal year due mainly to growth in shipping and other expenses in step with higher net sales along with corporate spending on advertising in connection with the Company's participation in an international trade show in November 2022. As a result, operating income amounted to ¥5,719 million, compared with operating income of ¥2,267 million in the previous fiscal year. Ordinary income was ¥6,611 million, an improvement from ordinary income of ¥3,408 million in the previous fiscal year.

Taking these and other factors into account, income before income taxes amounted to ¥6,604 million, compared with income before income taxes of ¥6,990 million in the previous fiscal year, due mainly to the absence of proceeds from sales of noncurrent assets recorded in said fiscal year. Profit attributable to owners of the parent totaled ¥5,716 million, compared with profit attributable to owners of the parent of ¥6,158 million in the previous fiscal year.

Overseas sales totaled ¥65,638 million, up 3.1% from the previous fiscal year, with the ratio of overseas sales to net sales at 67.0%.

(3) Overview of Consolidated Net Sales by Region

Consolidated net sales during the fiscal year under review amounted to ¥97,914 million, representing an 11.7% increase from the previous fiscal year. An overview of consolidated net sales by region is set out below.

(In millions of yen)

		Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	Increase / (Decrease) (%)
Net sales		87,623	97,914	11.7
Breakdown	Japan	23,988	32,275	34.5
	North America	7,912	8,087	2.2
	Europe	20,464	22,549	10.2
	Greater China	20,776	17,637	(15.1)
	Other Regions	14,481	17,362	19.9

Domestic Sales

In the domestic market, there has been a trend toward investing in sheet-fed offset presses and other facilities with the aim of streamlining printing operations, while government

subsidies contributed to the facilitation of such investment. Komori has thus benefitted from recovery in the volume of orders received especially in the first quarter. In the PE business, the volume of orders received similarly rose thanks to the robustness of electronics parts-related market demand. Consequentially, domestic sales increased 34.5% year on year to ¥32,275 million, reflecting the higher volume of orders received in the first quarter, along with the robust volume of orders received in the previous fiscal year.

North America

In North America, demand associated with capital expenditure remained strong on the back of post-pandemic economic recovery, with the volume of orders received constantly exceeding the volume of orders received in the previous fiscal year. With a majority of these orders received in the second half of the fiscal year under review, however, the Company's regional sales increased by a slight 2.2% year on year to ¥8,087 million.

Europe

In Europe, sales recorded by Germany-based MBO Group, which manufactures and markets post-press processing equipment, declined due to the absence of the one-time boost from adjusting its fiscal period in the previous fiscal year. However, overall sales in this region continued to grow thanks to recovery in demand especially in western European countries, thus amounting to ¥22,549 million, up 10.2% year on year.

Greater China

After achieving strong recovery from the impact of the COVID-19 pandemic in the previous fiscal year, markets in this region stagnated in the fiscal year under review in the face of the pandemic's resurgence. Although sales began to recover in the fourth quarter, annual net sales in this region fell 15.1% year on year to ¥17,637 million.

Other Regions

In Other Regions, which include ASEAN and India, sales of sheet-fed offset presses recovered substantially in the fiscal year under review, in contrast with sales in the previous fiscal year under the influence of prolonged fallout from the COVID-19 pandemic. On the other hand, sales of security printing presses were affected by the postponement of bidding for printing facility supply projects. This, in turn, caused recovery in the overall volume of orders received in these regions to remain modest. As a result, net sales in Other Regions increased 19.9% year on year to ¥17,362 million.

(4) Business Performance by Reportable Segment

1. Japan

The “Japan” reportable segment includes the Company’s sales in Japan and direct sales to distributors in certain overseas regions as well as sales of security printing presses to overseas customers. These overseas regions consist of Asia (excluding a portion of Greater China) and Central and South America, as well as other regions. Reflecting the Company’s performance in the above regions, net sales in the reportable segment “Japan” totaled ¥76,010 million, a year-on-year increase of ¥12,137 million. Operating income totaled ¥5,251 million, compared with operating income of ¥284 million in the previous fiscal year.

2. North America

The “North America” reportable segment comprises sales posted by the Company’s sales subsidiaries in the United States. The Company’s performance in this reportable segment was affected by the operating conditions described in the section “(3) Overview of Consolidated Net Sales by Region,” above. As a result, net sales in this reportable segment totaled ¥8,049 million, a year-on-year increase of ¥119 million. Operating income totaled ¥230 million, compared with operating income of ¥1,141 million in the previous fiscal year.

3. Europe

The “Europe” reportable segment consists of sales recorded by the Company’s sales subsidiaries in Europe, those recorded by a subsidiary that manufactures and markets package printing presses (also in Europe), and those recorded by a corporate group based in the region that manufactures and sells post-press machinery. As a result of the factors explained in the above section, net sales in this reportable segment totaled ¥23,274 million, a year-on-year increase of ¥2,058 million. Operating income totaled ¥370 million, in contrast with ¥703 million in the previous fiscal year.

4. Greater China

The “Greater China” reportable segment consists of sales recorded by the Company’s sales subsidiaries in Hong Kong, Shenzhen (China) and Taiwan as well as those recorded by its printing machinery production and sales subsidiary in Nantong, China. As a result of the factors explained in the above section, net sales in this reportable segment totaled ¥15,205 million, a year-on-year increase of ¥213 million. Operating loss totaled ¥32

million, compared with operating income of ¥216 million in the previous fiscal year.

5. Other

The “Other” reportable segment includes sales recorded by the Company’s sales subsidiaries in India, Singapore and Malaysia. Subject to the aforementioned operating conditions in Other Regions, net sales in this reportable segment totaled ¥3,574 million, a year-on-year increase of ¥1,351 million. Operating income amounted to ¥302 million, compared with ¥96 million in the previous fiscal year.

(5) Highlights

In the fiscal year ended March 31, 2023, Group highlights were as follows:

In the fiscal year under review, Komori participated in the International Graphic Arts Show (IGAS 2022) held at Tokyo Big Sight. This event is held once every four years. Spanning five days from November 24 to 28, 2022, IGAS 2022 provided a much-awaited physical venue for large-scale exhibitions for the first time since the recent lifting of pandemic-related movement restrictions. As a result, it attracted a great number of attendees, including participants from India, ASEAN regions and other countries overseas, as well as those from all across Japan. Under the banner of “Connected Automation—Opening the Door for Production Innovation,” the Company earned highly favorable reviews from attendees through the demonstration of solutions designed to update frontline printing operations via digital transformation (DX) to address issues customers are now confronting.

To strengthen synergies among Group companies, Komori promoted management integration involving Germany-based MBO Group, which manufactures and markets post-press processing equipment and became a Group company in 2020. Specifically, Komori and MBO Group pushed ahead with the sharing of sales channels and resources while, in North America, strengthening the marketing of the latter’s products targeting post-press processes for digital printing to expand sales.

In the PE field, which constitutes part of new businesses, the Company initiated the construction of a dedicated base for the development of elemental technology within the premises of the Tsukuba Plant (Tsukuba City, Ibaraki Prefecture), with the aim of upgrading the R&D environment for the PE business. Moreover, Komori endeavored to reinforce human resources and develop overseas sales structure to strengthen its business capabilities in this field.

To promote operational streamlining, Komori relocated the Global Parts Center, a key logistics facility supplying repair parts to customers around the world, from the

former location in Noda City, Chiba Prefecture. The new Global Parts Center was completed within the premises of the Tsukuba Plant in Tsukuba City, Ibaraki Prefecture. Now fully operational, this fresh logistics base is equipped with consolidated functions. This move enabled the Company to optimize its logistics and ordering operations, curb running costs associated with these operations, and promote the sharing of relevant resources. These improvements, in turn, resulted in greater service quality offered under the Print Engineering Service Provider (PESP) business and higher profitability.

(2) Financial Condition

Assets, Liabilities and Net Assets

Total assets as of March 31, 2023 stood at ¥165,523 million, an increase of ¥8,441 million compared with the previous fiscal year-end. Total liabilities were ¥58,389 million, an increase of ¥4,691 million, while net assets totaled ¥107,133 million, an increase of ¥3,750 million.

Key positive factors leading to the increase in total assets included a ¥5,021 million increase in inventories and a ¥2,133 million increase in notes and accounts receivable—trade, and contract assets. Key negative factors affecting total assets included a ¥653 million decrease in cash and deposits.

The primary factors leading to the increase in total liabilities included a ¥3,307 million increase in electronically recorded obligations—operating and a ¥1,721 million increase in notes and accounts payable—trade. The primary factors that decreased total liabilities included a ¥473 million decrease in short-term loans payable and a ¥459 million decrease in deferred tax liabilities.

Key positive factors affecting net assets included a ¥1,370 million decrease in treasury stock, a ¥1,276 million increase in retained earnings, and a ¥1,024 million increase in foreign currency translation adjustment. Key negative factors affecting net assets included a ¥661 million decrease in remeasurements of defined benefit plans.

(3) Fiscal 2023 Consolidated Cash Flows

(In millions of yen)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended March 31, 2023	4,475	(526)	(4,077)	60,945
Fiscal year ended March 31, 2022	9,281	(1,379)	(2,940)	60,321
Increase / (Decrease)	(4,805)	853	(1,137)	623

Net cash provided by operating activities in the fiscal year ended March 31, 2023 amounted to ¥4,475 million, a decrease of ¥4,805 million from net cash provided by operating activities of ¥9,281 million in the previous fiscal year. Major cash inflows were the posting of income before income taxes totaling ¥6,604 million, a ¥4,713 million increase in notes and accounts payable—trade, and a ¥1,895 million adjustment for depreciation. Principal cash outflows included a ¥4,169 million increase in inventories and a ¥3,153 million increase in notes and accounts receivable—trade.

Net cash used in investing activities was ¥526 million, an improvement of ¥853 million from ¥1,379 million used in investing activities in the previous fiscal year. Principal cash outflows included ¥1,713 million in purchase of property, plant and equipment and intangible assets. Main cash inflows included a ¥850 million net increase in securities and ¥553 million in proceeds from withdrawal of time deposits.

Net cash used in financing activities totaled ¥4,077 million, an increase of ¥1,137 million from ¥2,940 million used in financing activities in the previous fiscal year. The principal components of cash outflows were ¥3,064 million in the payment of cash dividends, a ¥513 million net decrease in short-term loans payable, and ¥358 million in repayments of lease obligations.

(4) Outlook

While considering the level of retained earnings required to prudently secure a robust operating platform and ensure future business growth from a long-term perspective, Komori positions maintaining the robust and stable return of profits to its shareholders as a key management priority.

With regard to year-end cash dividend for the fiscal year under review, Komori has passed a resolution at its Board of Directors meeting to propose the payment of ¥30 per common share, up ¥5 per common share, and decided to submit this proposal to the

77th Annual General Meeting of Shareholders.

For the fiscal year ending March 31, 2024, Komori plans to pay annual dividends of ¥30 per common share based on its forecasts for annual operating results. This will comprise an interim cash dividend of ¥15 per common share and a fiscal year-end cash dividend of ¥15 per common share.

Going forward, the business environment surrounding the Company is likely to face a number of uncertainties, such as geopolitical risks. As these factors are expected to emerge and evolve at an ever faster pace than before, Komori believes that it will be called upon to exercise management judgment with even greater nimbleness and, as necessary, revise the course of its business management in light of the prevailing circumstances.

Looking at the demand outlook influencing Komori's printing machinery sales, the volume of printing materials is expected to decrease in publishing and commercial printing fields due to progress in DX initiatives aimed at updating society's mode of operation as a whole, especially in developed countries. However, the Company expects demand for high-value-added printing and package printing services to remain robust. In addition, printing companies are now facing growing calls for measures to improve productivity due to surges in prices of materials, logistics costs, personnel expenses and energy prices, which together affect the printing industry at large on an ongoing basis.

Well aware of the above environment, Komori will strive to step up collaboration among its manufacturing, sales, technology and service organizations in the fiscal year ending March 31, 2024, the final year of the Sixth Medium-Term Management Plan as well as the landmark year of the centennial of its founding. In this way, the Company will execute the priority objective of said plan, namely, "Improving profitability and building foundations for growth businesses." In the offset printing press business, the Company will focus on strengthening coordination between business units tasked with machinery sales and services in the course of solution sales. With regard to "KP-Connect," a solution designed to create a "smart factory," Komori will update cloud-based systems supporting it and deliver services compatible with information security regulations enforced in each country, with the aim of pushing ahead with global expansion. Furthermore, the Company will develop "KP-Connect-API"* to be offered to user corporations and alliance partners going forward. This new solution is expected to step up coordination among various equipment supporting printing lines. In the security printing press business, Komori will strengthen its PESP business approach that delivers proposals on preventive maintenance services. At the same time, the Company will take on operational restructuring for the digital printing system (DPS) business and, to this end, clarify target applications for digital printing, including high-definition, large-size photograph printing. In the PE

business, Komori will enhance its development structure to expand the scope of solutions that it can deliver in light of growing demand for package circuit substrate printing on the back of robust market demand for electronics parts.

As part of its initiatives to protect the environment, Komori will promote the analysis of risks and opportunities arising from climate change and other relevant initiatives based on recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), with the aim of securing sustainable growth. The Company also considers workstyle reforms to be a matter of urgency. With this in mind, Komori is currently engaged in “Workstyle Reforms in Komori Way.” This initiative consists of three reform pillars, namely, “reducing excessive working hours,” “developing training and human resource management systems designed to better motivate employees and enable them to enhance skills,” and “promoting diversity.” Based on a belief that employees are the Komori Group’s most valuable asset, the Company is thus continuously striving to empower employees to strike an optimal work-life balance and enhance their engagement. This will, in turn, help Komori improve its corporate value. The overview of these and other activities aimed at helping realize a sustainable society is disclosed in the *KOMORI CORPORATION INTEGRATED REPORT 2022*. The Company intends to step up these initiatives going forward.

Taking the aforementioned factors into account, the Company’s consolidated operating results forecasts include net sales of ¥102,000 million, operating income of ¥3,300 million, ordinary income of ¥3,500 million, and profit attributable to owners of the parent of ¥2,600 million. These forecasts are based on the assumed exchange rates of USD 1.00 = JPY 125 and EUR 1.00 = JPY 135.

* Application Programming Interface

2. FUNDAMENTAL APPROACH TO THE SELECTION OF ACCOUNTING STANDARDS

The Komori Group has adopted J-GAAP. With regard to the adoption of IFRS reporting, Komori intends to appropriately respond to such reporting needs in light of relevant circumstances at home and abroad.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2022 (March 31, 2022)	Fiscal 2023 (March 31, 2023)
(ASSETS)		
Current Assets:		
Cash and deposits	48,296	47,642
Notes and accounts receivable - trade, and contract assets	15,480	17,614
Electronically recorded monetary claims-operating	1,871	2,003
Short-term investment securities	15,622	15,719
Merchandise and finished goods	13,522	16,429
Work in process	10,794	12,349
Raw materials and supplies	8,080	8,638
Current portion of insurance funds	68	-
Other	3,024	3,528
Allowance for doubtful accounts	(490)	(279)
Total current assets	116,269	123,646
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	28,616	27,542
Accumulated depreciation	(23,579)	(21,596)
Buildings and structures, net	5,036	5,945
Machinery, equipment and vehicles	16,132	14,921
Accumulated depreciation	(14,441)	(13,134)
Machinery, equipment and vehicles, net	1,690	1,787
Land	8,315	8,384
Construction in progress	620	433
Other	8,048	8,635
Accumulated depreciation	(6,744)	(7,148)
Other, net	1,303	1,486
Total property, plant and equipment	16,966	18,038
Intangible assets		
Goodwill	2,427	2,085
Other	1,509	1,186
Total Intangible assets	3,937	3,271
Investments and other assets		
Investment securities	9,384	10,370
Deferred tax assets	1,088	1,233
Insurance funds	7,171	7,231
Net defined benefit asset	1,784	1,302
Other	543	510
Allowance for doubtful accounts	(65)	(83)
Total investments and other assets	19,907	20,565
Total noncurrent assets	40,811	41,876
Total Assets	157,081	165,523

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2022 (March 31, 2022)	Fiscal 2023 (March 31, 2023)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	6,576	8,298
Electronically recorded obligations-operating	9,227	12,534
Short-term loans payable	850	377
Income taxes payable	847	1,054
Contract liabilities	12,730	12,796
Provision for bonuses	977	1,109
Provision for product warranties	741	802
Other provisions	377	300
Other	6,720	7,088
Total current liabilities	39,049	44,362
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	357	238
Deferred tax liabilities	1,420	961
Net defined benefit liability	1,832	1,738
Other provisions	41	15
Other	996	1,073
Total noncurrent liabilities	14,649	14,026
Total Liabilities	53,698	58,389
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,788	37,788
Retained earnings	27,416	28,693
Treasury stock	(3,619)	(2,248)
Total shareholders' equity	99,300	101,948
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	3,538	4,206
Foreign currency translation adjustment	652	1,676
Remeasurements of defined benefit plans	(204)	(866)
Total other comprehensive income	3,986	5,016
Non-controlling interests	95	168
Total Net Assets	103,382	107,133
Total Liabilities and Net Assets	157,081	165,523

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(In millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Net Sales	87,623	97,914
Cost of Sales	59,595	64,173
Gross profit	28,027	33,740
Selling, General and Administrative Expenses	25,759	28,020
Operating income	2,267	5,719
Non-Operating Income		
Interest income	48	78
Dividends income	247	298
Foreign exchange gains	656	323
Other	435	439
Total non-operating income	1,388	1,139
Non-Operating Expenses		
Interest expenses	58	64
Compensation for damage	11	93
Loss on sale of notes receivable - trade	21	34
Other	154	55
Total non-operating expenses	247	247
Ordinary income	3,408	6,611
Extraordinary Income		
Gain on sales of noncurrent assets	3,688	11
Gain on sales of investment securities	5	-
Insurance claim income	146	24
Other	15	-
Total extraordinary income	3,855	35
Extraordinary Loss		
Loss on sales of noncurrent assets	1	0
Loss on retirement of noncurrent assets	18	28
Business structure improvement expenses	133	-
Loss on valuation of investment securities	104	-
Loss on disaster	15	13
Total extraordinary loss	274	42
Income before income taxes	6,990	6,604
Income taxes-current	896	1,481
Income taxes-deferred	(92)	(668)
Total income taxes	804	813
Profit	6,185	5,791
Profit attributable to non-controlling interests	26	74
Profit attributable to owners of parent	6,158	5,716

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Profit	6,185	5,791
Other comprehensive income		
Valuation difference on available-for-sale securities	451	667
Foreign currency translation adjustment	1,004	1,022
Remeasurements of defined benefit plans, net of tax	480	(661)
Total other comprehensive income	1,936	1,028
Comprehensive Income	8,122	6,819
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	8,089	6,747
Comprehensive income attributable to non-controlling interests	33	72

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Shareholders' Equity		
Capital stock		
Balance at the beginning of current period	37,714	37,714
Restated balance	37,714	-
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	37,714	37,714
Capital surplus		
Balance at the beginning of current period	37,788	37,788
Restated balance	37,788	-
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	37,788	37,788
Retained earnings		
Balance at the beginning of current period	22,735	27,416
Cumulative effects of changes in accounting policies	(73)	-
Restated balance	22,662	-
Changes of items during the period		
Dividends from surplus	(1,404)	(3,067)
Profit attributable to owners of parent	6,158	5,716
Disposal of treasury shares	-	(0)
Cancellation of treasury shares	-	(1,372)
Total changes of items during the period	4,754	1,276
Balance at the end of current period	27,416	28,693
Treasury stock		
Balance at the beginning of current period	(2,621)	(3,619)
Restated balance	(2,621)	-
Changes of items during the period		
Purchase of treasury stocks	(998)	(1)
Disposal of treasury shares	-	0
Cancellation of treasury shares	-	1,372
Total changes of items during the period	(998)	1,370
Balance at the end of current period	(3,619)	(2,248)
Total shareholders' equity		
Balance at the beginning of current period	95,618	99,300
Cumulative effects of changes in accounting policies	(73)	-
Restated balance	95,544	-
Changes of items during the period		
Dividends from surplus	(1,404)	(3,067)
Profit attributable to owners of parent	6,158	5,716
Purchase of treasury stocks	(998)	(1)
Disposal of treasury shares	-	0
Cancellation of treasury shares	-	-
Total changes of items during the period	3,755	2,647
Balance at the end of current period	99,300	101,948

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	3,087	3,538
Restated balance	3,087	-
Changes of items during the period		
Net changes of items other than shareholders' equity	451	667
Total changes of items during the period	451	667
Balance at the end of the period	3,538	4,206
Foreign currency translation adjustment		
Balance at the beginning of the period	(345)	652
Restated balance	(345)	-
Changes of items during the period		
Net changes of items other than shareholders' equity	997	1,024
Total changes of items during the period	997	1,024
Balance at the end of the period	652	1,676
Remeasurements of defined benefit plans		
Balance at the beginning of the period	(685)	(204)
Restated balance	(685)	-
Changes of items during the period		
Net changes of items other than shareholders' equity	480	(661)
Total changes of items during the period	480	(661)
Balance at the end of the period	(204)	(866)
Total accumulated other comprehensive income		
Balance at the beginning of the period	2,055	3,986
Restated balance	2,055	-
Changes of items during the period		
Net changes of items other than shareholders' equity	1,930	1,030
Total changes of items during the period	1,930	1,030
Balance at the end of the period	3,986	5,016
Non-controlling interests		
Balance at the beginning of the period	62	95
Restated balance	62	-
Changes of items during the period		
Net changes of items other than shareholders' equity	33	72
Total changes of items during the period	33	72
Balance at the end of the period	95	168
Total Net Assets		
Balance at the beginning of the period	97,736	103,382
Cumulative effects of changes in accounting policies	(73)	-
Restated balance	97,663	-
Changes of items during the period		
Dividends from surplus	(1,404)	(3,067)
Profit attributable to owners of parent	6,158	5,716
Purchase of treasury stocks	(998)	(1)
Disposal of treasury shares	-	0
Cancellation of treasury shares	-	-
Net changes of items other than shareholders' equity	1,963	1,103
Total changes of items during the period	5,719	3,750
Balance at the end of the period	103,382	107,133

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	6,990	6,604
Depreciation and amortization	1,877	1,895
Amortization of goodwill	502	547
Loss (gain) on sale of property, plant and equipment	(3,686)	(11)
Increase (decrease) in allowance for doubtful accounts	27	(211)
Increase (decrease) in provision for bonuses	105	132
Increase (decrease) in net defined benefit liability	(149)	(222)
Interest and dividends income	(296)	(377)
Interest expenses	58	64
Foreign exchange losses (gains)	(378)	(167)
Loss (gain) on sales of investment securities	(5)	-
Decrease (increase) in notes and accounts receivable-trade	1,616	(3,153)
Decrease (increase) in inventories	223	(4,169)
Increase (decrease) in notes and accounts payable-trade	2,950	4,713
Increase (decrease) in accrued consumption taxes	(201)	(209)
Other, net	(30)	18
Subtotal	9,603	5,453
Interest and dividends income received	296	373
Interest expenses paid	(58)	(64)
Income taxes paid	(559)	(1,286)
Net cash provided by (used in) operating activities	9,281	4,475
Net Cash Provided by (Used in) Investing Activities:		
Net decrease (increase) in short-term investment securities	(2,484)	850
Payments into time deposits	(100)	(204)
Proceeds from withdrawal of time deposits	72	533
Purchase of property, plant and equipment and intangible assets	(1,922)	(1,713)
Proceeds from sales of property, plant and equipment and intangible assets	4,111	71
Purchase of insurance funds	(1,120)	(59)
Proceeds from maturity of insurance funds	90	68
Purchase of investment securities	(47)	(41)
Proceeds from sales of investment securities	9	-
Loan advances	-	(42)
Other payments	(7)	(26)
Other proceeds	21	38
Net cash provided by (used in) investing activities	(1,379)	(526)
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decrease) in short-term loans payable	(72)	(513)
Repayments of long-term loans payable	(199)	(139)
Repayments of lease obligations	(372)	(358)
Proceeds from long-term loans payable	104	-
Purchase of treasury stocks	(998)	(1)
Cash dividends paid	(1,402)	(3,064)
Net cash provided by (used in) financing activities	(2,940)	(4,077)
Effect of exchange rate change on cash and cash equivalents	1,037	751
Net increase (decrease) in cash and cash equivalents	5,999	623
Cash and cash equivalents at beginning of the period	54,321	60,321
Cash and cash equivalents at end of the period	60,321	60,945

(5) Notes to Consolidated Financial Statements

(Notes on Premise as a Going Concern)

Not applicable.

(Changes in Accounting Policies)

(Adoption of the FASB Accounting Standards Codification (ASC) No. 842 “Lease” from the U.S. Financial Accounting Standards Board)

Komori’s overseas consolidated subsidiary whose financial results are accounted using U.S. GAAP, adopted ASC No. 842 “Lease” at the beginning of the first quarter of the fiscal year under review. In line with this change, all lease transactions undertaken by this subsidiary as a borrower are now recorded as assets or liabilities in principle. In addition, this subsidiary also recognizes the cumulative effect of the adoption of said accounting standard from the first day of adoption, taking advantage of a method provided under transitional treatment stipulated by said accounting standard.

In addition, the impact of this change on the Company’s consolidated financial statements is insignificant.

(Consolidated Segment Information)

[Segment Information]

1. Overview of Reportable Segments

(1) Method for defining reportable segments

Komori’s reportable segments are constituent units of the Company whose separate financial information is obtainable. The Company’s Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and assessing operating results.

The Komori Group is primarily engaged in a single business activity, namely, the manufacture, sale and repair of printing presses. Komori has established a structure to manufacture most of its products in Japan, with bases in Europe and Greater China offering complementary manufacturing capacities. Meanwhile, the Company has developed a global sales and marketing structure underpinned by subsidiaries based in important overseas markets. These overseas subsidiaries are independently promoting business activities through the formulation and implementation of their own comprehensive, region-specific sales and marketing strategies.

Accordingly, the Komori Group has the four reportable segments of “Japan,” “North America,” “Europe” and “Greater China.” Defined in line with the geographic

presence of Komori Corporation and its Group companies, these reportable segments are based on the sales, manufacturing and development structures they provide as parents to various subsidiary corporate groups.

(2) Regional scope of marketing covered by each reportable segment

The composition of individual reportable segments is as follows. The reportable segment “Japan” includes sales recorded in Japan, Central and South America, and Asia, the latter of which excludes a portion of Greater China, as well as sales of security printing presses to overseas customers. Komori Corporation and SERIA CORPORATION are in charge of sales and marketing in this segment.

The reportable segment “North America” mainly includes sales recorded in the United States. Komori America Corporation is in charge of sales and marketing in this segment.

The reportable segment “Europe” mainly includes sales recorded in Western Europe, Eastern Europe and the Middle East. Komori International (Europe) B.V. is in charge of sales and marketing in this segment. Komori-Chambon S.A.S., which undertakes the manufacture and sale of package printing presses, and a corporate group supervised by the MBO Group, which manufactures and sells post-press machinery, are also included in this segment.

The reportable segment “Greater China” includes sales recorded in Greater China, except for a portion recorded in “Japan.” The Komori Hong Kong (KHK) Group and Komori Taiwan Limited are in charge of sales and marketing in this segment. The China-based Komori Machinery (Nantong) Co., Ltd., a subsidiary charged with the manufacture and sales of printing machinery and equipment as well as parts for these products, is also included in this segment.

(3) Matters related to changes in reportable segments, etc.

On March 16, 2022, Komori executed organizational revisions establishing regional business headquarters in Europe, the Americas and Greater China. These headquarters have been operational since the beginning of the current fiscal year ended March 31, 2023. Through these revisions, each geographical segment is now equipped with a key Group subsidiary providing regional headquarters functions. This move is intended to secure a structure enabling the formulation and promotion of region-specific strategies that utilize Group assets in each location to the fullest. Accordingly, all Group assets located in each geographical segment are now being managed and handled comprehensively by subsidiaries responsible for local operations.

In line with this new management structure, Komori revised its methods for allocating surplus funds earmarked for investment, noncurrent assets and other assets previously deemed common to the entire Company. Komori now allocates these assets to each segment as the Company considers them naturally better suited for management and handling by the segment possessing them.

Segment information for the fiscal year ended March 31, 2022, is presented based on the revised methods for asset allocation.

2. Accounting Method Concerning Net Sales, Operating Income (Loss), Assets and Other Items by Reportable Segment

The accounting methods for the reportable segments are basically the same as the accounting methods used in the preparation of consolidated financial statements.

Intersegment sales and transfers are based on wholesale prices calculated by taking into account current market values and other factors.

3. Information Concerning Net Sales, Operating Income (Loss), Assets and Other Items by Reportable Segment

Fiscal 2022 (April 1, 2021 to March 31, 2022)

(In millions of yen)

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Net sales							
Sales to outside customers	43,657	7,912	20,464	13,513	85,547	2,075	87,623
Intersegment sales	20,216	17	751	1,478	22,463	147	22,611
Total	63,873	7,929	21,216	14,992	108,011	2,223	110,234
Operating income	284	1,141	703	216	2,347	96	2,444
Assets	131,718	8,999	22,775	10,634	174,128	1,839	175,968
Other items							
Depreciation	746	26	725	350	1,849	28	1,877
Amortization of goodwill	89	—	—	413	502	—	502
Increase of property, plant and equipment and intangible assets	1,181	6	1,084	96	2,369	1	2,371

Note: Others includes the Company’s business activities conducted outside the reportable segments, namely, those undertaken by sales subsidiaries in India, Singapore and Malaysia.

Fiscal 2023 (April 1, 2022 to March 31, 2023)

(In millions of yen)

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Net sales							
Sales to outside customers	50,552	8,015	22,549	13,487	94,595	3,318	97,914
Intersegment sales	25,457	34	724	1,727	27,944	256	28,200
Total	76,010	8,049	23,274	15,205	122,540	3,574	126,114
Operating income	5,251	230	370	-32	5,819	302	6,122
Assets	141,943	6,659	21,161	9,963	179,728	3,046	182,774
Other items							
Depreciation	778	30	647	410	1,866	29	1,896
Amortization of goodwill	56	—	—	490	547	—	547
Increase of property, plant and equipment and intangible assets	1,537	40	672	28	2,279	22	2,302

Note: Others includes the Company’s business activities conducted outside the reportable segments, namely, those undertaken by sales subsidiaries in India, Singapore and Malaysia.

4. Adjustments for Differences between Total Amounts in Reportable Segments and Corresponding Amounts as Presented in Consolidated Financial Statements

(In millions of yen)

Net Sales	Fiscal 2022	Fiscal 2023
Total net sales in reportable segments	108,011	122,540
Net sales in others	2,223	3,574
Eliminations	(22,611)	(28,200)
Net sales as presented in Consolidated Financial Statements	87,623	97,914

(In millions of yen)

Operating Income	Fiscal 2022	Fiscal 2023
Total operating income in reportable segments	2,347	5,819
Operating income in others	96	302
Adjustments for inventories	(457)	(696)
Eliminations	286	198
Other adjustments	(5)	94
Operating income as presented in Consolidated Financial Statements	2,267	5,719

(In millions of yen)

Assets	Fiscal 2022	Fiscal 2023
Total assets in reportable segments	174,128	179,728
Assets in others	1,839	3,046
Adjustments for inventories	(1,465)	(2,161)
Eliminations	(17,628)	(15,412)
Other adjustments	207	323
Total assets as presented in Consolidated Financial Statements	157,081	165,523

5. Information Concerning Amortization and Unamortized Balance of Goodwill by Reportable Segment

Fiscal 2022 (April 1, 2021 to March 31, 2022)

(In millions of yen)

	Reportable Segment					Others	Total
	Japan	North America	Europe	Greater China	Subtotal		
Balance as of the end of fiscal 2022	197	—	—	2,230	2,427	—	2,427

Note: The amortization amount of goodwill is omitted because similar information is presented in *Segment Information*.

Fiscal 2023 (April 1, 2022 to March 31, 2023)

(In millions of yen)

	Reportable Segment					Others	Total
	Japan	North America	Europe	Greater China	Subtotal		
Balance as of the end of fiscal 2023	144	—	—	1,940	2,085	—	2,085

Note: The amortization amount of goodwill is omitted because similar information is presented in *Segment Information*.

(Per Share Information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	1,894.34	1,961.88
Basic earnings per share	110.67	104.85

Notes:

1. Diluted earnings per share are not presented in the table above as there were no potentially dilutive shares.

2. Komori shares held by Board Benefit Trust (BBT) are classified as treasury stock as part of shareholders' equity and, accordingly, excluded from the number of shares outstanding as of the fiscal year-end to calculate net assets per share. To calculate basic earnings per share, shares of treasury stock are also excluded from the average number of shares for the period. The average number of treasury shares during the fiscal years ended March 31, 2022 and March 31, 2023 amounted to 252,000 shares for each. These shares have been excluded from the average number of shares used to calculate basic earnings per share during the above periods.

3. Basis for the calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	6,158	5,716
Amount not available to common stockholders (millions of yen)	—	—
Profit attributable to owners of parent pertaining to common stock (millions of yen)	6,158	5,716
Average number of shares of common stock outstanding during the year (thousands of shares)	55,649	54,522

4. Basis for the calculation of net assets per share is as follows.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets (millions of yen)	103,382	107,133
Net assets pertaining to common stock (millions of yen)	103,286	106,965
Number of shares of common stock outstanding (thousands of shares)	54,524	54,521

(Important Subsequent Events)

Not applicable.