Results of Operations for the Fiscal Year Ended March 31, 2024
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

May 14, 2024

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Annual General Meeting of Shareholders: June 18, 2024
Payment date of year-end dividend: June 19, 2024
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 2024 (April 1, 2023 to March 31, 2024)

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

	Fiscal year ended March 31, 2024	%	Fiscal year ended March 31, 2023	%
Net sales	104,278	6.5	97,914	11.7
Operating income	4,898	(14.3)	5,719	152.2
Ordinary income	6,797	2.8	6,611	93.9
Profit attributable to owners of parent	4,641	(18.8)	5,716	(7.2)

(Yen)

Basic earnings per share	86.79	104.85
Diluted earnings per share	-	-

(%)

ROE	4.2	5.4
ROA	4.1	4.1
Operating income to net sales ratio	4.7	5.8

Notes:
1. Comprehensive income:
Fiscal year ended March 31, 2024: 11,978 million yen 75.6 %
Fiscal year ended March 31, 2023: 6,819 million yen (16.0) %
2. Share of profit of entities accounted for using equity method:
Fiscal year ended March 31, 2024: -
Fiscal year ended March 31, 2023: -
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, 2024	March 31, 2023
Total assets	167,588	165,523
Total net assets	114,467	107,133
Equity ratio (%)	68.3	64.6
Net assets per share (Yen)	2,157.34	1,961.88

Note:
Equity as of: March 31, 2024: 114,467 million yen
March 31, 2023: 106,965 million yen

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023
Net cash provided by (used in) operating activities	(8,051)	4,475
Net cash provided by (used in) investing activities	483	(526)
Net cash provided by (used in) financing activities	(4,874)	(4,077)
Cash and cash equivalents at end of the period	49,664	60,945

2. Dividends

		Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025 (Forecast)
Annual cash dividends per share (Yen)		45.00	60.00	40.00
	First quarter period-end dividends	-	-	-
	Second quarter period-end dividends	15.00	15.00	20.00
	Third quarter period-end dividends	-	-	-
	Year-end dividends	30.00	45.00	20.00
Total cash dividends for the year (Millions of yen)		2,464	3,198	-
Dividend payout ratio (Consolidated) (%)		42.9	69.1	36.6
Ratio of dividends to net assets (Consolidated) (%)		2.3	2.9	-

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(In millions of yen, rounded down)

	Sixth months ending September 30, 2024	%	Fiscal year ending March 31, 2025	%
Net sales	50,200	6.5	109,400	4.9
Operating income	1,200	170.5	5,800	18.4
Ordinary income	700	(64.7)	5,400	(20.6)
Profit attributable to owners of parent	500	(56.2)	5,800	25.0
Basic earnings per share (Yen)	9.42	-	109.31	-

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

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock) as of:
   March 31, 2024: 55,428,840 shares
   March 31, 2023: 56,890,740 shares
2. Number of treasury stock as of:
   March 31, 2024: 2,369,371 shares
   March 31, 2023: 2,368,980 shares
3. Average number of shares during the period:
   Fiscal year ended March 31, 2024: 53,483,718 shares
   Fiscal year ended March 31, 2023: 54,522,102 shares

Reference: Overview of Non-Consolidated Performance

1. Non-Consolidated Performance for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

	Fiscal year ended March 31, 2024	%	Fiscal year ended March 31, 2023	%
Net sales	71,716	1.7	70,525	19.9
Operating income	3,741	(15.5)	4,428	-
Ordinary income	5,972	9.7	5,445	352.0
Profit	6,096	(21.0)	7,720	71.1

(Yen)

Basic earnings per share	113.99	141.60
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, 2024	March 31, 2023
Total assets	138,678	138,298
Total net assets	105,008	98,029
Equity ratio (%)	75.7	70.9
Net assets per share (Yen)	1,979.08	1,797.99

Note:

Equity as of: March 31, 2024: 105,008 million yen
March 31, 2023: 98,029 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 20, 2024. 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 2024 Operating Results

(1) Overview

During the fiscal year ended March 31, 2024, the outlook for the global economy grew ever murkier due to the prolongation of the Ukraine situation, along with the recent emergence of geopolitical risks in the Middle East. On the other hand, signs of recovery were observed as a slowdown in the pace of inflation, which has been fueled by the post-pandemic expansion of economic activities, prompted financial authorities in major countries to engage in ongoing discussions regarding the discontinuance of supplemental monetary tightening measures or when to implement monetary easing.

(2) Consolidated Performance

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 prices of energy and printing supplies as well as ever higher labor costs and pressing shortages of workers. Amid this trend, Komori secured a robust volume of orders, especially for offset printing presses, and thereby achieved growth in net sales thanks to the positive effect of marketing activities focused on delivering proposals designed to help customers address the issues described above and enhance ROI via the use of “advance” models. In North America, continued high interest rates caused printing companies to take cautious stances toward implementing capital expenditures. However, having received a large number of orders in the previous fiscal year, some of those remaining orders were recorded as sales in the fiscal year under review, contributing to sales growth in this region. In Europe, there has been a trend toward taking a cautious stance toward undertaking capital expenditures on the back of inflation and interest rate hikes. However, net sales still exceeded those of the previous fiscal year, due in part to the appreciation of the euro. In Greater China, Komori’s operating results were affected by a trend toward the postponement of capital expenditures due mainly to supply chain reorganization undertaken by overseas corporations, foreign exchange fluctuations that resulted in the depreciation of the Chinese yuan, and stagnation in the real estate market. On the other hand, some major printing companies pushed ahead with capital expenditures aimed at executing facility upgrades to counter the growing seriousness of labor shortages and ongoing surges in personnel expenses via the promotion of labor saving and facility automation. This, in turn, enabled Komori to achieve overall expansion in net sales in Great China compared with the previous fiscal year. In Other Regions, which include ASEAN and India, demand for offset printing presses continued to grow, but delays in the signing of security printing press supplier agreements caused net sales in these regions to decline.

Taking the above factors into account, orders received in the fiscal year under review rose 1.8% from the previous fiscal year to ¥99,114 million, while consolidated net sales grew 6.5% year on year to ¥104,278 million. The cost of sales ratio deteriorated year on

year due to such factors as surging raw material prices. Selling, general and administrative (SG&A) expenses increased year on year, reflecting such factors as the depreciation of the yen and resulting growth in personnel expenses incurred by overseas consolidated subsidiaries, as well as increased travel and transportation expenses in the post-COVID-19 era. As a result, operating income amounted to ¥4,898 million, compared with operating income of ¥5,719 million in the previous fiscal year. Ordinary income was ¥6,797 million, an improvement from ordinary income of ¥6,611 million in the previous fiscal year.

Income before income taxes amounted to ¥5,805 million, compared with income before income taxes of ¥6,604 million in the previous fiscal year, due mainly to the impact of recording an impairment loss during the fiscal year under review. Profit attributable to owners of the parent totaled ¥4,641 million, compared with profit attributable to owners of the parent of ¥5,716 million in the previous fiscal year.

Overseas sales totaled ¥69,700 million, up 6.2% from the previous fiscal year, with the ratio of overseas sales to net sales at 66.8%.

(3) Overview of Consolidated Net Sales by Region

Consolidated net sales during the fiscal year under review amounted to ¥104,278 million, representing a 6.5% 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, 2023	Fiscal Year Ended March 31, 2024	Increase / (Decrease) (%)
Net sales		97,914	104,278	6.5
Breakdown	Japan	32,275	34,578	7.1
	North America	8,087	11,683	44.5
	Europe	22,549	22,754	0.9
	Greater China	17,637	18,316	3.8
	Other Regions	17,362	16,944	(2.4)

Domestic Sales

In the domestic market, these has been a trend toward investing in offset presses and other facilities with the aim of streamlining printing operations, while government subsidies contributed to the facilitation of such investment. The volume of orders received has thus remained on a growth track that has been ongoing from the previous fiscal year. Consequentially, domestic sales increased 7.1% year on year to ¥34,578 million, as the remaining portion of orders received in the previous fiscal year was recorded as sales in the fiscal year ended March 31, 2024, while the higher volume of orders received in the fiscal year under review contributed to sales growth.

North America

In North America, demand for high-value-added printing presses has grown stronger especially among major corporations. However, overall demand was affected by a trend toward taking a prudent stance with regard to executing capital expenditures due to high interest rates. As a result, the volume of orders received decreased year on year. On the other hand, the robust volume of orders received in the second half of the previous fiscal year contributed to sales in the fiscal year under review following the completion of their post-delivery inspections. Taking these factors into account, net sales in this region grew 44.5% year on year to ¥11,683 million.

Europe

In Europe, printing companies have taken a prudent stance toward implementing capital expenditure plans amid the prolongation of the Ukraine situation and ongoing fallout from inflation, along with hikes in interest rates. Moreover, operating results were affected by a subsidence of the robust sales of security printing presses in the previous fiscal year, as well as delays in recording sales (previously scheduled for the fiscal year under review) of some large presses that are currently expected to take place in the fiscal year ending March 31, 2025. However, net sales in this region amounted to ¥22,754 million, a year-on-year increase of 0.9%, due in part to the impact of the appreciation of the euro.

Greater China

In Greater China, the printing market was significantly affected by supply chain reorganization undertaken by overseas corporations, the depreciation of the Chinese yuan, and stagnation in the real estate market. These circumstances caused middle-sized enterprises to take a prudent stance toward executing investment. On the other hand, major corporations seeking to improve profitability remained active in promoting investment aimed at achieving operational streamlining. Consequentially, net sales in this region increased 3.8% year on year to ¥18,316 million.

Other Regions

Other Regions include ASEAN, India and Oceania as well as Central and South America. Sales of offset printing presses rose significantly in India and Central and South America as these economies continued to benefit from post-pandemic recovery. Sales similarly expanded from the previous fiscal year in all other regions. However, sales of security printing presses decreased in the fiscal year under review due to delays in the receipt of orders. As a result, net sales in Other Regions declined 2.4% year on year to ¥16,944 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 ¥76,896 million, a year-on-year increase of ¥886 million. Operating income totaled ¥4,428 million, compared with operating income of ¥5,251 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 ¥11,692 million, a year-on-year increase of ¥3,643 million. Operating income totaled ¥758 million, compared with operating income of ¥230 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 section (3) above, net sales in this reportable segment totaled ¥23,376 million, a year-on-year increase of ¥101 million. Operating loss totaled ¥168 million, in contrast with an operating income of ¥370 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 section (3) above, net sales in this reportable segment totaled ¥16,527 million, a year-on-year increase of ¥1,321 million. Operating loss totaled ¥230 million, compared with operating loss of ¥32 million in the previous fiscal year.

5. Others

"Others" includes sales recorded by the Company's sales subsidiaries in India, Singapore and Malaysia. Subject to the operating conditions mentioned above in "Other Regions," net sales in this reportable segment totaled ¥4,501 million, a year-on-year increase of ¥926 million. Operating income amounted to ¥319 million, compared with ¥302 million in the previous fiscal year.

(5) Highlights

In the fiscal year ended March 31, 2024, Group highlights were as follows:

In the mainstay offset printing press business, Komori released LITHRONE E37 and LITHRONE E37P in January 2024. The former is designed to save energy and is capable of achieving superior cost performance, while the latter boasts a sheet-reversing function. As these models operate with a fewer number of rollers, users can expect to cut back on energy consumption as well as maintenance costs, time and processes, helping to reduce the burden placed on operators.

In the field of security printing presses, the Company opened Komori Global Center-Security (KGC-S) in October 2023 within the premises of the Tsukuba Plant (Tsukuba City, Ibaraki Prefecture). Based on concepts of "Power to the Print" and "Trust in Print," the KGC-S offers cutting-edge facilities backed by security printing technologies cultivated by the Komori Group for more than 65 years. Komori aims to utilize these facilities to invite government officials and printing company representatives—who are its customers in the banknote and high-end security printing field—as well as relevant suppliers, to observe printing demonstration, take part in training and join collaborative R&D activities. In this way, Komori will work together with customers and suppliers to help enhance the reliability of banknote and high-end security printing.

In the printed electronics (PE) field, the Company established the Printed Electronics Elemental Technology Development Center (PEDEC) in October 2023 to promote the development of elemental technologies. The Komori Group has positioned the PE business as a growth business. Accordingly, PEDEC is aimed at enabling Komori to establish its technological competitiveness through the upgrading of its platform for the development of elemental technologies so that the Company remains aligned with rapid advancements taking place in the electronics industry. PEDEC boasts diverse analysis equipment and, therefore, is capable of conducting development aimed at applying cutting-edge printing technologies to electronics manufacturing. In addition to advancing elemental technologies of its own, Komori will fully take advantage of PEDEC to promote joint development with partner companies, as well as open innovation involving industry-academia collaboration, with the aim of pursuing the possibilities of PE technologies.

(2) Financial Condition

Assets, Liabilities and Net Assets

Total assets as of March 31, 2024 stood at ¥167,588 million, an increase of ¥2,065 million compared with the previous fiscal year-end. Total liabilities were ¥53,121 million, a decrease of ¥5,268 million, while net assets totaled ¥114,467 million, an increase of ¥7,334 million.

Key positive factors leading to the increase in total assets included a ¥7,346 million net increase in investment securities, a ¥4,527 million increase in inventories and a ¥2,468 million increase in notes and accounts receivable—trade, and contract assets. Key negative factors affecting total assets included a ¥7,853 million decrease in cash and deposits, a ¥4,894 million net decrease in securities and a ¥1,765 million decrease in goodwill.

The primary factors that decreased total liabilities included a ¥5,360 million decrease in electronically recorded obligations—operating and a ¥753 million decrease in contract liabilities. The primary factors leading to the increase in total liabilities included a ¥1,887 million increase in deferred tax liabilities and ¥484 million increase in current liabilities—other.

Key positive factors affecting net assets included a ¥4,875 million increase in valuation difference on investment securities, a ¥1,540 million increase in foreign currency translation adjustment, a ¥889 million increase in remeasurements of defined benefit plans and a ¥739 million increase in retained earnings. Key negative factors affecting net assets included a ¥502 million decrease in capital surplus.

(3) Fiscal 2024 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, 2024	(8,051)	483	(4,874)	49,664
Fiscal year ended March 31, 2023	4,475	(526)	(4,077)	60,945
Increase / (Decrease)	(12,527)	1,009	(796)	(11,281)

Net cash used in operating activities in the fiscal year ended March 31, 2024 amounted to ¥8,051 million, a negative turnaround of ¥12,527 million from net cash provided by operating activities of ¥4,475 million in the previous fiscal year. Principal cash outflows included a ¥6,760 million decrease in notes and accounts payable—trade, a ¥5,635

million increase in notes and accounts receivable—trade and a ¥2,762 million increase in inventories. Major cash inflows were the posting of income before income taxes totaling ¥5,805 million, depreciation and amortization of ¥1,967 million, and impairment losses totaling ¥1,384 million.

Net cash provided by investing activities was ¥483 million, a turnaround of ¥1,009 million from ¥526 million used in investing activities in the previous fiscal year. Main cash inflows included a ¥1,710 million net decrease in securities, ¥660 million in proceeds from sales of investment securities, ¥531million in proceeds from maturity of insurance funds and ¥485 million in proceeds from withdrawal of time deposits. Principal cash outflows included ¥1,552 million in purchase of property, plant and equipment and intangible assets and ¥744 million in payments into time deposits.

Net cash used in financing activities totaled ¥4,874 million, an increase of ¥796 million from ¥4,077 million used in financing activities in the previous fiscal year. The principal components of cash outflows were ¥2,439 million in the payment of cash dividends, a ¥1,504 million increase in treasury stock, and ¥701 million in purchase of shares of subsidiaries not resulting in change in scope of consolidation.

(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 ¥45 per common share, which consists of ordinary dividends of ¥15 per share and commemorative dividends of ¥30 per share, the latter of which aims to commemorate the centennial of the Company’s founding. The Company thus decided to submit this proposal to the 78th Annual General Meeting of Shareholders.

For the fiscal year ending March 31, 2025, Komori plans to pay annual dividends of ¥40 per common share based on its forecasts for annual operating results. This will comprise an interim cash dividend of ¥20 per common share and a fiscal year-end cash dividend of ¥20 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.

In the printing industry, the volume of printing materials is expected to decrease in publishing and commercial printing fields. However, the Company expects demand for high-value-added printing and package printing services to remain robust. In particular, demand for package printing and other services is likely to remain strong in the Asian

region. On the other hand, the printing industry is affected by constant surges in costs for energy, materials and logistics, as well as ongoing labor shortages. Therefore, printing press manufacturers are facing ever-stronger calls for the development of high-value-added functions aimed at improving productivity, such as one-pass double-sided printing presses, multi-colored presses and inspection equipment, as well as the enhancement of environmental performance afforded by their products.

Well aware of the above environment, Komori is launching the Seventh Medium-Term Management Plan in the fiscal year ending March 31, 2025 and is determined to promote the reform of business operations and the strengthening of operating foundations, which together constitute essential policies of the plan, with the aim of securing a sustainable business management structure. In the offset printing press business, Komori plans to unveil the LITHRONE GX/G advance EX Edition at "drupa2024," an international printing exhibition to be held in Germany. This model boasts superiority in terms of environmental performance, as well as improved productivity and operability. Moreover, Komori is striving to crystalize its "smart factory" concept centered on "KP-Connect" in order to help customer production sites visualize their operational status, promote automation, and streamline their printing operations. By doing so, the Company will enable customers to maximize productivity, tackle environmental issues and address labor shortage problems. Meanwhile, in the digital printing system (DPS) business, Komori will exhibit J-throne29, a B2-size sheet-fed inkjet digital printing press at "drupa2024." This model is capable of achieving a printing speed of 6,000 sheets per hour (single-sided printing; the highest of its kind among Komori's B2-size printing presses). Thanks to its overwhelming speed and performance attained in defiance of the common-sense assumption regarding digital printing presses, J-throne29 is expected to empower users to realize a world-leading level of ROI. With regard to the security printing press business, the Company will further strengthen its security printing technologies that it has long nurtured in the field of banknote printing. At the same time, Komori will strive to deliver innovative solutions capable of protecting national governments, business corporations and individuals from the theft of identity or other types of fraud. As for the printed electronics (PE) business, the Company will promote the development of novel applications via open innovation involving customers and partner companies and thereby push ahead swiftly with technological development aimed at accommodating fast-growing needs for PE technologies, which will become even more sought after in the electronics industry going forward due to their low environmental footprints.

With regard to environmental initiatives, Komori will implement such measures as the analysis of climate change-related risks and opportunities based on recommendations from the Task force on Climate-related Financial Disclosures (TCFD), the reduction of CO_2 emissions from the Group's operations as a whole, and the development of environmentally friendly products. These endeavors are expected to enable the Group to secure sustainable growth. Furthermore, Komori has positioned its human resources as the most important capital and believes that improving employee engagement is essential

to achieving sustainable improvement in corporate value. Accordingly, based on a fundamental concept of “K-Work” (Workstyle Reforms in the Komori Way), the Company is now engaged in phased reforms involving three key initiatives, namely, developing an environment in which everyone can work in confidence, strengthening human resource management and promoting diversity. In these ways, Komori will strengthen its human capital on a Groupwide basis. In particular, with regard to strengthening human resource management, Komori will update its organizational structure to secure the ability to conduct business operations aligned with globalization by, for example, promoting foreign nationals to operating officer positions. These activities aimed at helping realize a sustainable society have been disclosed in Integrated Report 2023. Komori will step up these initiatives going forward.

Taking the aforementioned factors into account, the Company’s consolidated operating results forecasts include net sales of ¥109,400 million, operating income of ¥5,800 million, ordinary income of ¥5,400 million, and profit attributable to owners of the parent of ¥5,800 million. These forecasts are based on the assumed exchange rates of USD 1.00 = JPY 140 and EUR 1.00 = JPY 150.

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 2023 (March 31, 2023)	Fiscal 2024 (March 31, 2024)
(ASSETS)		
Current Assets:		
Cash and deposits	47,642	39,789
Notes and accounts receivable - trade, and contract assets	17,614	20,083
Electronically recorded monetary claims-operating	2,003	2,861
Short-term investment securities	15,719	10,825
Merchandise and finished goods	16,429	18,590
Work in process	12,349	14,026
Raw materials and supplies	8,638	9,328
Other	3,528	3,831
Allowance for doubtful accounts	(279)	(373)
Total current assets	123,646	118,963
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	27,542	28,466
Accumulated depreciation	(21,596)	(22,111)
Buildings and structures, net	5,945	6,355
Machinery, equipment and vehicles	14,921	15,676
Accumulated depreciation	(13,134)	(13,518)
Machinery, equipment and vehicles, net	1,787	2,158
Land	8,384	8,395
Construction in progress	433	122
Other	8,635	9,212
Accumulated depreciation	(7,148)	(7,528)
Other, net	1,486	1,683
Total property, plant and equipment	18,038	18,715
Intangible assets		
Goodwill	2,085	319
Other	1,186	970
Total Intangible assets	3,271	1,290
Investments and other assets		
Investment securities	10,370	17,716
Deferred tax assets	1,233	1,235
Insurance funds	7,231	7,075
Net defined benefit asset	1,302	2,176
Other	510	495
Allowance for doubtful accounts	(83)	(80)
Total investments and other assets	20,565	28,619
Total noncurrent assets	41,876	48,625
Total Assets	165,523	167,588

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2023 (March 31, 2023)	Fiscal 2024 (March 31, 2024)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	8,298	7,101
Electronically recorded obligations-operating	12,534	7,174
Short-term loans payable	377	620
Income taxes payable	1,054	822
Contract liabilities	12,796	12,042
Provision for bonuses	1,109	1,073
Provision for product warranties	802	930
Other provisions	300	379
Other	7,088	7,572
Total current liabilities	44,362	37,719
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	238	181
Deferred tax liabilities	961	2,849
Net defined benefit liability	1,738	1,367
Lease obligations	411	452
Other provisions	15	10
Other	661	539
Total noncurrent liabilities	14,026	15,402
Total Liabilities	58,389	53,121
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,788	37,286
Retained earnings	28,693	29,433
Treasury stock	(2,248)	(2,289)
Total shareholders' equity	101,948	102,144
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	4,206	9,082
Foreign currency translation adjustment	1,676	3,217
Remeasurements of defined benefit plans	(866)	23
Total other comprehensive income	5,016	12,322
Non-controlling interests	168	-
Total Net Assets	107,133	114,467
Total Liabilities and Net Assets	165,523	167,588

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

Consolidated Statements of Income

(In millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Net Sales	97,914	104,278
Cost of Sales	64,173	69,690
Gross profit	33,740	34,588
Selling, General and Administrative Expenses	28,020	29,689
Operating income	5,719	4,898
Non-Operating Income		
Interest income	78	145
Dividends income	298	557
Foreign exchange gains	323	1,048
Other	439	370
Total non-operating income	1,139	2,121
Non-Operating Expenses		
Interest expenses	64	102
Compensation for damage	93	72
Loss on sale of notes receivable - trade	34	15
Other	55	33
Total non-operating expenses	247	223
Ordinary income	6,611	6,797
Extraordinary Income		
Gain on sales of noncurrent assets	11	26
Gain on sales of investment securities	-	472
Insurance claim income	24	-
Total extraordinary income	35	498
Extraordinary Loss		
Loss on sales of noncurrent assets	0	0
Loss on retirement of noncurrent assets	28	19
Impairment losses	-	1,384
Loss on disaster	13	-
Other	-	85
Total extraordinary loss	42	1,490
Income before income taxes	6,604	5,805
Income taxes-current	1,481	1,519
Income taxes-deferred	(668)	(371)
Total income taxes	813	1,147
Profit	5,791	4,657
Profit attributable to non-controlling interests	74	15
Profit attributable to owners of parent	5,716	4,641

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Profit	5,791	4,657
Other comprehensive income		
Valuation difference on available-for-sale securities	667	4,875
Foreign currency translation adjustment	1,022	1,555
Remeasurements of defined benefit plans, net of tax	(661)	889
Total other comprehensive income	1,028	7,321
Comprehensive Income	6,819	11,978
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	6,747	11,947
Comprehensive income attributable to non-controlling interests	72	31

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Shareholders' Equity		
Capital stock		
Balance at the beginning of current period	37,714	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
Changes of items during the period		
Change in ownership interest of parent due to transactions with non-controlling interests	-	(502)
Total changes of items during the period	-	(502)
Balance at the end of current period	37,788	37,286
Retained earnings		
Balance at the beginning of current period	27,416	28,693
Changes of items during the period		
Dividends from surplus	(3,067)	(2,442)
Profit attributable to owners of parent	5,716	4,641
Purchase of treasury stocks		
Disposal of treasury shares	(0)	
Cancellation of treasury shares	(1,372)	(1,459)
Total changes of items during the period	1,276	739
Balance at the end of current period	28,693	29,433
Treasury stock		
Balance at the beginning of current period	(3,619)	(2,248)
Changes of items during the period		
Purchase of treasury stocks	(1)	(1,500)
Disposal of treasury shares	0	
Cancellation of treasury shares	1,372	1,459
Total changes of items during the period	1,370	(40)
Balance at the end of current period	(2,248)	(2,289)
Total shareholders' equity		
Balance at the beginning of current period	99,300	101,948
Changes of items during the period		
Dividends from surplus	(3,067)	(2,442)
Profit attributable to owners of parent	5,716	4,641
Purchase of treasury stocks	(1)	(1,500)
Disposal of treasury shares	0	
Cancellation of treasury shares	-	-
Net changes of items other than shareholders' equity	-	-
Change in ownership interest of parent due to transactions with non-controlling interests	-	(502)
Total changes of items during the period	2,647	196
Balance at the end of current period	101,948	102,144

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	3,538	4,206
Changes of items during the period		
Net changes of items other than shareholders' equity	667	4,875
Total changes of items during the period	667	4,875
Balance at the end of the period	4,206	9,082
Foreign currency translation adjustment		
Balance at the beginning of the period	652	1,676
Changes of items during the period		
Net changes of items other than shareholders' equity	1,024	1,540
Total changes of items during the period	1,024	1,540
Balance at the end of the period	1,676	3,217
Remeasurements of defined benefit plans		
Balance at the beginning of the period	(204)	(866)
Changes of items during the period		
Net changes of items other than shareholders' equity	(661)	889
Total changes of items during the period	(661)	889
Balance at the end of the period	(866)	23
Total accumulated other comprehensive income		
Balance at the beginning of the period	3,986	5,016
Changes of items during the period		
Net changes of items other than shareholders' equity	1,030	7,305
Total changes of items during the period	1,030	7,305
Balance at the end of the period	5,016	12,322
Non-controlling interests		
Balance at the beginning of the period	95	168
Changes of items during the period		
Net changes of items other than shareholders' equity	72	(168)
Total changes of items during the period	72	(168)
Balance at the end of the period	168	-
Total Net Assets		
Balance at the beginning of the period	103,382	107,133
Changes of items during the period		
Dividends from surplus	(3,067)	(2,442)
Profit attributable to owners of parent	5,716	4,641
Purchase of treasury stocks	(1)	(1,500)
Disposal of treasury shares	0	
Cancellation of treasury shares	-	-
Net changes of items other than shareholders' equity	1,103	7,137
Change in ownership interest of parent due to transactions with non-controlling interests	-	(502)
Total changes of items during the period	3,750	7,334
Balance at the end of the period	107,133	114,467

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	6,604	5,805
Depreciation and amortization	1,895	1,967
Impairment losses	-	1,384
Amortization of goodwill	547	577
Loss (gain) on sale of property, plant and equipment	(11)	(25)
Increase (decrease) in allowance for doubtful accounts	(211)	72
Increase (decrease) in provision for bonuses	132	(36)
Increase (decrease) in net defined benefit liability	(222)	59
Interest and dividends income	(377)	(703)
Interest expenses	64	102
Foreign exchange losses (gains)	(167)	(921)
Loss (gain) on sales of investment securities	-	(472)
Decrease (increase) in notes and accounts receivable-trade	(3,153)	(5,635)
Decrease (increase) in inventories	(4,169)	(2,762)
Increase (decrease) in notes and accounts payable-trade	4,713	(6,760)
Increase (decrease) in accrued consumption taxes	(209)	328
Other, net	18	217
Subtotal	5,453	(6,802)
Interest and dividends income received	373	702
Interest expenses paid	(64)	(102)
Income taxes paid	(1,286)	(1,849)
Net cash provided by (used in) operating activities	4,475	(8,051)
Net Cash Provided by (Used in) Investing Activities:		
Net decrease (increase) in short-term investment securities	850	1,710
Payments into time deposits	(204)	(744)
Proceeds from withdrawal of time deposits	533	485
Purchase of property, plant and equipment and intangible assets	(1,713)	(1,552)
Proceeds from sales of property, plant and equipment and intangible assets	71	225
Purchase of insurance funds	(59)	(325)
Proceeds from maturity of insurance funds	68	531
Purchase of investment securities	(41)	(554)
Proceeds from sales of investment securities	-	660
Loan advances	(42)	-
Proceeds from collection of loans receivable	-	47
Other payments	(26)	(12)
Other proceeds	38	11
Net cash provided by (used in) investing activities	(526)	483
Net Cash Provided by (Used in) Financing Activities:		
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(701)
Net increase (decrease) in short-term loans payable	(513)	261
Repayments of long-term loans payable	(139)	(153)
Repayments of lease obligations	(358)	(336)
Purchase of treasury stocks	(1)	(1,504)
Cash dividends paid	(3,064)	(2,439)
Net cash provided by (used in) financing activities	(4,077)	(4,874)
Effect of exchange rate change on cash and cash equivalents	751	1,160
Net increase (decrease) in cash and cash equivalents	623	(11,281)
Cash and cash equivalents at beginning of the period	60,321	60,945
Cash and cash equivalents at end of the period	60,945	49,664

(5) Notes to Consolidated Financial Statements

(Notes on Premise as a Going Concern)

Not applicable.

(Changes in Accounting Estimates)

(Change of the amortization period of actuarial differences arising from the accounting treatment of retirement benefits)

Previously, actuarial differences arising from the accounting treatment of retirement benefits had been amortized upon the passage of the 13-year period at Komori Corporation and some of its consolidated subsidiaries in Japan. This period was set within employees' average remaining period of service. However, because the average remaining period of service came to fall short of 13 years, the Company decided to amortize this item upon the passage of 11 years, while its consolidated subsidiaries mentioned above decided to amortize it upon the passage of 12 years. These changes took effect from the beginning of the fiscal year ended March 31, 2024.

Reflecting these changes, operating income, ordinary income and income before income taxes recorded in the fiscal year ended March 31, 2024 declined ¥133 million each compared with operating results calculated based on the conventional method.

(Matters Related to Consolidated Statements of Income)

(Impairment Loss)

In the fiscal year ended March 31, 2024, the Komori Group recorded impairment losses in connection with the following assets.

1. List of assets with impairment losses

Region	Usage	Category	Impairment loss
Hong Kong	Other	Goodwill	¥1,375 million
Malaysia	Business assets	Buildings and structures	¥8 million

2. Factors leading to the recognition of impairment losses

Goodwill was recognized due to the business combination through which Komori Hong Kong Limited, a consolidated subsidiary, acquired Shenzhen Infotech Technology Co., Ltd. (currently, Komori (Shenzhen) Print Engineering Co., Ltd.). The resulting profitability is now expected to fall short of the initial estimate, leading to the recording of the impairment losses presented above.

The aforementioned buildings and structures, owned by Komori Southeast Asia Pte. Ltd., a consolidated subsidiary, are now earmarked for divestment due to the signing of a sales agreement. As a result, their recoverable value was found to fall short of their book value.

3. Method for grouping assets

Goodwill is grouped by each cash generating unit that can be deemed independent. Buildings and structures are grouped by each asset group.

4. Method for calculating recoverable value

The recoverable value of goodwill is calculated using the value in use, with the present value of future cash flows estimated using a discount rate of 16.3%.

The recoverable value of buildings and structures is based on the planned sales value.

(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 sale of printing machinery and equipment as well as parts for these products, is also included in this segment.

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 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 (Loss)	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.

Fiscal 2024 (April 1, 2023 to March 31, 2024)

(In millions of yen)

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Net sales							
Sales to outside customers	50,746	11,683	22,754	14,678	99,863	4,414	104,278
Intersegment sales	26,149	8	621	1,849	28,629	86	28,716
Total	76,896	11,692	23,376	16,527	128,493	4,501	132,994
Operating income (Loss)	4,428	758	(168)	(230)	4,788	319	5,108
Assets	143,433	7,673	23,442	7,111	181,661	5,011	186,673
Other items							
Depreciation	270	31	454	331	1,087	31	1,118
Impairment loss	—	—	—	1,375	1,375	8	1,384
Amortization of goodwill	51	—	—	526	577	—	577

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Increase of property, plant and equipment and intangible assets	1,620	3	281	89	1,994	2	1,997

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 2023	Fiscal 2024
Total net sales in reportable segments	122,540	128,493
Net sales in others	3,574	4,501
Eliminations	(28,200)	(28,716)
Net sales as presented in Consolidated Financial Statements	97,914	104,278

(In millions of yen)

Operating Income	Fiscal 2023	Fiscal 2024
Total operating income in reportable segments	5,819	4,788
Operating income in others	302	319
Adjustments for inventories	(696)	(314)
Eliminations	198	74
Other adjustments	94	31
Operating income as presented in Consolidated Financial Statements	5,719	4,898

(In millions of yen)

Assets	Fiscal 2023	Fiscal 2024
Total assets in reportable segments	179,728	181,661
Assets in others	3,046	5,011
Adjustments for inventories	(2,161)	(2,476)
Eliminations	(15,412)	(16,979)
Other adjustments	323	371
Total assets as presented in Consolidated Financial Statements	165,523	167,588

5. Information Concerning Impairment of Noncurrent Assets by Reportable Segment

Omitted because similar information is presented in "Segment Information."

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

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."

Fiscal 2024 (April 1, 2023 to March 31, 2024)

(In millions of yen)

	Reportable Segment					Others	Total
	Japan	North America	Europe	Greater China	Subtotal		
Balance as of the end of fiscal 2024	107	—	—	212	319	—	319

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

(Per Share Information)

	Fiscal 2023	Fiscal 2024
Net assets per share（Yen）	1,961.88	2,157.34
Basic earnings per share（Yen）	104.85	86.79

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. Shares of treasury stock are excluded from the average number of shares in the calculation of basic earnings per share.

The average number of treasury shares during the fiscal years ended March 31, 2023 and March 31, 2024 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 2023	Fiscal 2024
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	5,716	4,641
Amount not available to common stockholders (millions of yen)	—	—
Profit attributable to owners of parent pertaining to common stock (millions of yen)	5,716	4,641
Average number of shares of common stock outstanding during the year (thousands of shares)	54,522	53,483

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets (millions of yen)	107,133	114,467
Net assets pertaining to common stock (millions of yen)	106,965	114,467
Number of shares of common stock outstanding (thousands of shares)	54,521	53,059

(Important Subsequent Events)

(Business Acquisition)

Komori Chambon S.A.S. (“KCM”), a consolidated subsidiary, signed an agreement regarding the acquisition of a business managed by Bernal, LLC (“Bernal”) through Komori Chambon USA Corporation, a KCM subsidiary based in the United States. The business to be acquired engages in the manufacture and sale of rotary die tools, as well as related services, and Bernal is one of America’s leading manufactures in this field. The aforementioned agreement (the “Asset Purchase Agreement”) was signed with Bernal’s shareholder on April 23, 2024 (April 22, 2024 in the U.S.). The aforementioned business was thus acquired by KCM on the same date.

1. Overview of Business Acquisition

(1) Name of the Transferrer and Its Main Business

Name of the transferrer: Bernal, LLC

Main business: Manufacture and sale of rotary die tools and related services

(2) Background and Objective of the Business Acquisition

KCM is a Komori Group company specializing in the development, manufacture and sale of integrated production lines for package printing and converting. Going forward, the global package printing market is expected to enjoy constant expansion. In particular, the paper package market is considered to have strong growth potential on the back of the recent trend of transitioning away from plastics. In the last few years, package manufacturers worldwide have undergone repeated M&A, consolidating their operations

at an ever-faster pace, with some major combinations headquartered in North America. Against this backdrop, KCM decided to acquire the business related to the manufacture and sale of, as well as services associated with, rotary die tools from the U.S.-based Bernal, a leading rotary die tool manufacturer boasting superiority in terms of proposal, design, manufacturing and service capabilities along with an extensive customer base, which encompasses a number of major package manufacturers and highly rated brand owners in North America. Komori believes that this acquisition will help KCM achieve its vision of “becoming a provider of high-value-added, one-stop solutions to package manufacturers around the globe

This business acquisition will provide KCM with access to the high-quality customer base served by Bernal, enabling the former to expand sales of its printing and converting systems. Moreover, KCM will be able to market high-value-added die tools, produced by Bernal for general paperboard packaging manufacturing, to customers in and outside North America. In addition, the acquisition will enable KCM to optimize Bernal’s sophisticated die tools so that these can be used in combination with the former’s highly productive printing and processing systems. This will, in turn, allow for the provision of proposals with greater added value for customers and thereby help KCM gain competitive edge over other companies. Also, KCM will be positioned to effectively utilize Bernal’s manufacturing facilities and service networks to create synergies and otherwise achieve business expansion.

(3) Date of business acquisition

April 23, 2024

(4) Legal method of business acquisition

Business acquisition in exchange for cash consideration

2. Acquisition cost and breakdown of acquisition cost by category

Not disclosed due to the agreement between related parties.

3. Content and components of key expenses associated with acquisition

Currently, these items have yet to be determined.

4. Amount of goodwill recorded, reasons for recording goodwill and amortization method and period

Currently, these items have yet to be determined.

5. Value of assets assumed via the business acquisition and their main components

Currently, these items have yet to be determined.