Consolidated Business Results for the Three Months Ended June 30, 2024
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

July 30 2024

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Preparation of supplementary materials for quarterly financial results: Yes
Holding of presentation meeting for quarterly financial results: Yes (for financial analysts/investors)

1. Consolidated Business Results for the First Quarter (April 1, 2024 to June 30, 2024)

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

	Three months ended June 30, 2024	%	Three months ended June 30, 2023	%
Net sales	24,313	25.5	19,369	1.0
Operating income (loss)	442	-	(698)	-
Ordinary income	1,111	116.2	513	(59.4)
Profit attributable to owners of parent	621	-	15	(98.4)

(Yen)

Basic earnings per share	11.72	0.28
Diluted earnings per share	-	-

Notes:
1. Comprehensive income:
Three months ended June 30, 2024: 723 million yen (65.2) %
Three months ended June 30, 2023: 2,079 million yen 30.1 %
2. Percentage figures accompanying consolidated net sales indicate the percentage increase/decrease from the corresponding period of the previous fiscal year.

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

	June 30, 2024	March 31, 2024
Total assets	169,974	167,588
Total net assets	112,791	114,467
Equity ratio (%)	66.4	68.3

Reference:
Equity as of: June 30, 2024: 112,791 million yen
March 31, 2024: 114,467 million yen

2. Dividends

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2025 (Forecast)
Cash dividends per share			
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	15.00	-	20.00
Third quarter period-end dividends	-	-	-
Year-end dividends	45.00	-	20.00
Annual cash dividends	60.00	-	40.00

Notes:
Revision to the latest dividend forecast announced in May 2024: None

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)

	Six 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
		(Yen)		(Yen)
Basic earnings per share	9.42		109.31	

Notes:
1. Revision to the latest forecast of consolidated business results announced in May 2024: No
2. Percentage figures in the above table indicate the percentage increase/decrease from the corresponding period of the previous fiscal year.

*Notes

(1) Changes in significant subsidiaries during the period under review: No

Note: Indicates changes in the scope of consolidation accompanying changes in specified subsidiaries during the period under review

(2) Adoption of the simplified accounting and special accounting methods for preparing quarterly consolidated financial statements: No

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

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

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock) as of:
   - June 30, 2024: 55,428,840 shares
   - March 31, 2024: 55,428,840 shares
2. Number of treasury shares as of:
   - June 30, 2024: 2,369,499 shares
   - March 31, 2024: 2,369,371 shares
3. Average number of shares during the period
   - Three months ended June 30, 2024: 53,059,434 shares
   - Three months ended June 30, 2023: 54,309,760 shares

* Review of the attached quarterly consolidated financial statements by certified public accounts or an audit firm: No

* 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.

Materials for the summary result presentation in Japanese will be disclosed through the Tokyo Stock Exchange's Timely Disclosure Network, known as TDnet, on August 2, 2024. The same materials will be posted on Komori's website. Also, English translations of these materials will be posted on the Company's website at https://www.komori.com/ir/en/

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1. Qualitative Information Regarding the Quarterly Financial Results

(1) Overview of Consolidated Business Results

During the first three months of the fiscal year under review, the outlook for the global economy remained unclear due to the prolongation of the Ukraine situation, while geopolitical risks persisted in the Middle East. On the other hand, inflationary pressure was alleviated in Europe and the United States, with financial authorities in each country engaged in ongoing discussions regarding when to implement monetary easing. All of this was, in turn, interpreted as signs of economic recovery. In China, the deceleration of economic growth continued due mainly to the growing trend among European countries and the United States toward imposing heavier tariffs on Chinese products. Elsewhere in the Asian region, however, national economies remained strong, benefitting from the relocation of production bases from China and other factors. Against this backdrop, orders received amounted to 45,600 million yen, the highest for the first quarter of the consolidated cumulative period since the fiscal year ended March 31, 2008, when we recorded our highest annual order volume, due to several large orders for security printing presses and also favorable orders for offset printing presses. Consolidated net sales also amounted to ¥24,313 million, representing a 25.5% increase from the same period of the previous fiscal year. An overview of consolidated net sales by region is set out below.

Overview of Consolidated Net Sales by Region

(In millions of yen)

		Three Months Ended June 30, 2023	Three Months Ended June 30, 2024	Increase / (Decrease) (%)
Net sales		19,369	24,313	25.5
Breakdown	Japan	5,243	6,799	29.7
	North America	1,764	2,074	17.6
	Europe	3,979	4,461	12.1
	Greater China	4,495	5,001	11.3
	Other Regions	3,886	5,975	53.8

Domestic Sales

In the domestic market, improving employment resulted in higher wages, while corporate earnings remained generally favorable. Amid these circumstances, printing companies continued to promote investment aimed at improving productivity, enhancing efficiency and otherwise streamlining printing operations to counter surging labor costs, pressing labor shortages and higher prices of energy and printing supplies. Komori pushed ahead

with the marketing of its solutions to meet demand arising from these trends. As a result, domestic sales increased 29.7% from the same period of the previous fiscal year to ¥6,799 million.

North America

In North America, steep inflation and continued high interest rates have caused printing companies to take cautious stances toward implementing capital expenditures. However, due to contribution by orders received at the end of the previous fiscal year and recorded as sales in the first quarter of the fiscal year under review, net sales in this region amounted to ¥2,074 million, an increase of 17.6% from the same period of the previous fiscal year.

Europe

In Europe, signs of economic recovery emerged on the back of the alleviation of inflation and downward policy rate revisions initiated by financial authorities. Consequentially, net sales in this region increased 12.1% year on year to ¥4,461 million due in part to the appreciation of the euro.

Greater China

In Greater China, stagnation in the real estate market and supply chain reorganization undertaken by overseas corporations have led to the modest deceleration of economy, causing the market environment for commercial and other printing services to remain harsh. In the field of package printing, on the other hand, a trend toward undertaking capital expenditures aimed at streamlining printing operations and improving profitability remained ongoing. Consequentially, net sales in this region increased 11.3% year on year to ¥5,001 million.

Other Regions

Other Regions include ASEAN, India and Oceania as well as Central and South America. With supply chain reorganization undertaken by overseas corporations operating in China, these regions benefitted from the relocation of production bases from that country. This, in turn, resulted in economic recovery, leading to growth in demand for offset printing facilities. In addition, Komori secured a large-scale contract involving orders for security printing facilities and recorded resulting growth in sales in step with progress in facility installation. As a result, net sales in Other Regions amounted to ¥5,975 million, an increase of 53.8% year on year.

The cost of sales ratio improved year on year due to such factors the depreciation of the yen. On the other hand, selling, general and administrative (SG&A) expenses increased year on year, reflecting corporate spending on advertising due to the Company's participation in an international exhibition held in June 2024, the recording of sales commission in step with growth in net sales, and other factors. Taking these factors into account, Komori posted operating income of ¥442 million, a turnaround from an operating loss of ¥698 million in the same period of the previous fiscal year.

The Company posted ordinary income of ¥1,111 million, which represents an increase of 116.2% from the same period of the previous fiscal year, due mainly to improvement in operating income.

For the three months of the fiscal year under review, the Company recorded income before income taxes of ¥1,132 million, which represents an increase of 154.1% from the same period of the previous fiscal year. As a result, Komori posted profit attributable to owners of the parent totaling ¥621 million, which represents an increase of 4,000.4% compared with the same period of the previous fiscal year.

Business performance by reportable segment is as follows.

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 Hong Kong and Taiwan and including a portion of mainland China and ASEAN countries, and Central and South America, as well as other regions. Reflecting the Company's performance in Japan, Greater China and other regions as described in "Overview of Consolidated Net Sales by Region," net sales in the reportable segment "Japan" totaled ¥13,030 million, a year-on-year increase of 52.0%. Operating income totaled ¥1,321 million, representing an increase of 878.3% from the same period of 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 "Overview of Consolidated Net Sales by Region," above. As a result, net sales in this reportable segment totaled ¥2,074 million, a year-on-year increase of 17.6%. Due to increases in personnel and other expenses, operating loss totaled ¥22 million, compared with

operating loss of ¥33 million in the same period of 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 corporate group that manufactures and markets package printing presses (also in Europe), and those recorded by a subsidiary corporate group based in the region that manufactures and sells post-press machinery. As a result of the factors explained in “Overview of Consolidated Net Sales by Region,” net sales in this reportable segment totaled ¥4,461 million, a year-on-year increase of 12.1%. Operating loss totaled ¥1,072 million, compared with operating loss of ¥318 million in the same period of the previous fiscal year, on the back of increases in corporate spending on advertising, personnel expenses and other cost items.

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 “Overview of Consolidated Net Sales by Region,” net sales in this reportable segment totaled ¥3,812 million, a year-on-year decrease of 6.8%. Operating income totaled ¥75 million, representing an increase of 156.6% from the same period of 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 ¥935 million, a year-on-year decrease of 3.1%. Operating income amounted to ¥61 million, representing an increase of 1.4% from the same period of the previous fiscal year.

In the first three months of the fiscal year under review, Group highlights were as follows:

Komori acquired operations associated with the manufacture and sale of rotary die tools as well as related services from Bernal, LLC based in North America. As the region is home to headquarters of several major package printing companies boasting future growth potential, the Komori Group has since striven to enhance its competitiveness in the ever-expanding package printing market by creating synergies between the acquired business and Komori Chambon S.A.S., a Group subsidiary tasked

with the manufacture and sale of package printing presses.

Meanwhile, drupa2024, the world's largest international printing equipment exhibition, was held in Germany for 11 days starting from the end of May 2024. The Komori Group participated in this exhibition and demonstrated its solutions designed to realize human- and environment-friendly printing operations. As part of these solutions, Komori unveiled two new models: an offset printing press boasting superior productivity and environmental performance; and a digital printing system that boasts a high-precision sheet-reversing unit and uses newly developed special UV inks. These models attracted the attention of a great number of attendees.

With regard to security printing presses, the Company has won the esteem of customers for its sophisticated technologies and high product quality, as well as a robust financial base supporting its abilities to stably deliver after-sales services over the long term. As a result, over the period from April 2023 to June 2024, Komori secured orders for products worth more than ¥20.0 billion through bidding undertaken in a total of 10 countries.

(2) Financial Condition

Total Assets

As of June 30, 2024, total assets stood at ¥169,974 million, up ¥2,385 million (1.4%) from the end of the previous fiscal year. Key factors increasing total assets were a ¥3,284 million increase in inventories, a ¥1,552 million increase in property, plant and equipment—other, and a ¥1,260 million increase in goodwill. Key factors decreasing total assets included a ¥1,486 million decrease in cash and deposits, a ¥1,130 million decrease in notes and accounts receivable—trade and contract assets, and a ¥906 million decrease in investments and other assets.

Liabilities and Net Assets

Liabilities as of June 30, 2024 were ¥57,182 million, up ¥4,061 million (7.6%) from the end of the previous fiscal year. Key factors increasing liabilities included a ¥5,399 million increase in current liabilities—other. Key factors reducing liabilities included a ¥872 million decrease in provisions under current liabilities, a ¥350 million decrease in short-term loans payable, a ¥312 million decrease in electronically recorded obligations—operating, and a ¥300 million decrease in income taxes payable.

Net assets totaled ¥112,791 million, down ¥1,676 million (1.5%) from the end of the previous fiscal year. Key negative factors leading to the decrease in net assets

included a ¥1,777 million decrease in retained earnings due primarily to the payment of cash dividends, and a ¥754 million decrease in valuation difference on available-for-sale securities. Key positive factors included a ¥874 million increase in foreign currency translation adjustment.

Equity Ratio

The equity ratio as of June 30, 2024 stood at 66.4%, down 1.9 percentage points from 68.3% at the end of the previous fiscal year.

(3) Consolidated Operating Results Forecasts and Other Information on the Future Outlook

The Company has not revised its previous forecasts, disclosed as of May 14, 2024, on the consolidated operating results for the fiscal year ending March 31, 2025.

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2024 (March 31, 2024)	Fiscal 2025 (June 30, 2024)
(ASSETS)		
Current Assets:		
Cash and deposits	39,789	38,303
Notes and accounts receivable - trade, and contract assets	20,083	18,952
Electronically recorded monetary claims - operating	2,861	2,896
Short-term investment securities	10,825	10,337
Merchandise and finished goods	18,590	21,034
Work in process	14,026	14,683
Raw materials and supplies	9,328	9,511
Other	3,831	3,998
Allowance for doubtful accounts	(373)	(379)
Total current assets	118,963	119,338
Noncurrent Assets:		
Property, plant and equipment		
Land	8,395	8,475
Other, net	10,320	11,872
Total property, plant and equipment	18,715	20,348
Intangible assets		
Goodwill	319	1,580
Other	970	993
Total intangible assets	1,290	2,574
Investments and other assets	28,619	27,712
Total noncurrent assets	48,625	50,635
Total Assets	167,588	169,974

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2024 (March 31, 2024)	Fiscal 2025 (June 30, 2024)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable - trade	7,101	7,308
Electronically recorded obligations - operating	7,174	6,861
Short-term loans payable	620	270
Income taxes payable	822	521
Provisions	2,383	1,511
Other	19,615	25,015
Total current liabilities	37,719	41,489
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	181	175
Net defined benefit liability	1,367	1,387
Provisions	10	9
Other	3,841	4,121
Total noncurrent liabilities	15,402	15,693
Total Liabilities	53,121	57,182
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,286	37,286
Retained earnings	29,433	27,655
Treasury stock	(2,289)	(2,289)
Total shareholders' equity	102,144	100,367
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	9,082	8,328
Foreign currency translation adjustment	3,217	4,091
Remeasurements of defined benefit plans	23	4
Total other comprehensive income	12,322	12,424
Total Net Assets	114,467	112,791
Total Liabilities and Net Assets	167,588	169,974

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

Consolidated Statements of Income

For the three months ended June 30, 2024 and 2023

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to June 30, 2023)	Fiscal 2025 (April 1, 2024 to June 30, 2024)
Net Sales	19,369	24,313
Cost of Sales	13,240	15,641
Gross profit	6,129	8,672
Selling, General and Administrative Expenses	6,828	8,229
Operating profit (loss)	(698)	442
Non-Operating Income		
Interest income	22	59
Dividends income	379	182
Foreign exchange gains	780	415
Other	58	56
Total non-operating income	1,240	713
Non-Operating Expenses		
Interest expenses	23	26
Loss on sale of notes receivable - trade	3	7
Other	1	11
Total non-operating expenses	28	45
Ordinary profit	513	1,111
Extraordinary Income		
Gain on sale of non-current assets	9	1
Gain on sale of investment securities	7	4
Gain on liquidation of subsidiaries	-	16
Total extraordinary income	16	22
Extraordinary Loss		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	2	1
Provision for loss on guarantees	82	-
Total extraordinary loss	84	1
Profit before income taxes	445	1,132
Income taxes-current	326	416
Income taxes-deferred	88	94
Total income taxes	414	510
Profit	30	621
Profit attributable to non-controlling interests	15	-
Profit attributable to owners of parent	15	621

Consolidated Statements of Comprehensive Income

For the three months ended June 30, 2024 and 2023

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to June 30, 2023)	Fiscal 2025 (April 1, 2024 to June 30, 2024)
Profit	30	621
Other comprehensive income		
Valuation difference on available-for-sale securities	1,019	(754)
Foreign currency translation adjustment	1,033	874
Remeasurements of defined benefit plans, net of tax	(4)	(18)
Total other comprehensive income	2,048	101
Comprehensive Income	2,079	723
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,048	723
Comprehensive income attributable to non-controlling interests	31	-

(3) Notes Regarding Quarterly Consolidated Financial Statements

(Notes on Premise as a Going Concern)

None

(Notes in the Case of a Significant Change in Shareholders' Equity)

None

(Notes on Cash Flow Statements)

The Company has not prepared quarterly consolidated cash flow statements for the first three months of the fiscal year under review. In addition, the amount of depreciation and amortization recorded in the first three months of the fiscal year under review (including the amortization of other intangible assets than goodwill), along with the amortization of goodwill, is as stated below.

	Three Months from April 1, 2023 to June 30, 2023	Three Months from April 1, 2024 to June 30, 2024
Depreciation and amortization	¥467 million	¥542 million
Amortization of goodwill	¥137 million	¥72 million

(Notes on Segment Information, etc.)

Segment Information

I. Three months from April 1, 2023 to June 30, 2023

1. Information concerning net sales and operating income (loss) by reportable segment

(In millions of yen)

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Net sales							
Sales to outside customers	8,569	1,764	3,979	4,090	18,404	965	19,369
Intersegment sales	7,433	3	159	444	8,041	20	8,062
Total	16,003	1,768	4,139	4,534	26,445	986	27,432
Operating income (Loss)	135	(33)	(318)	29	(186)	61	(125)

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

2. Adjustments for differences between total amounts of operating income (loss) in reportable segments and corresponding amounts as presented in quarterly consolidated statements of income

(In millions of yen)

Operating income (loss)	Amounts
Total operating loss in reportable segments	(186)
Operating income in others	61
Adjustments for inventories	(611)
Eliminations	15
Other adjustments	23
Total operating loss as presented in quarterly consolidated statements of income	(698)

3. Matters related to the impairment of noncurrent assets or the recording of goodwill by reportable segment

None.

II. Three months from April 1, 2024 to June 30, 2024

1. Information concerning net sales and operating income (loss) by reportable segment

(In millions of yen)

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Net sales							
Sales to outside customers	13,030	2,074	4,461	3,812	23,377	935	24,313
Intersegment sales	5,952	0	83	390	6,427	35	6,463
Total	18,982	2,075	4,544	4,202	29,805	970	30,776
Operating income (Loss)	1,321	(22)	(1,072)	75	302	61	363

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

2. Adjustments for differences between total amounts of operating income (loss) in reportable segments and corresponding amounts as presented in quarterly consolidated statements of income

(In millions of yen)

Operating income (loss)	Amounts
Total operating income in reportable segments	302
Operating income in others	61
Adjustments for inventories	166
Eliminations	45
Other adjustments	(133)
Total operating income as presented in quarterly consolidated statements of income	442

3. Matters related to the impairment of noncurrent assets or the recording of goodwill by reportable segment

(Significant change in the amount of goodwill)

In the reportable segment “Europe,” Komori Chambon S.A.S. (“KCM”), a consolidated subsidiary of Komori Corporation, acquired a business managed by Bernal, LLC (“Bernal”) in the first three months of the fiscal year under review through Komori Chambon USA Corporation, a KCM subsidiary based in the United States. The business in question 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 abovementioned event resulted in an increase of ¥1,273 million in goodwill as of the end of the first three month of the fiscal year under review.

In addition, the amount of goodwill is provisional as the allocation of acquisition cost has yet to be completed.

(Business Combinations)

(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 undertaken M&A and other measures aimed at 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. Period included in quarterly consolidated statements of income in relation to operating results of the acquired business
From April 23, 2024 to June 30, 2024

3. Acquisition cost and breakdown of acquisition cost by category

Cash payments	¥2,646 million
Total acquisition cost	¥2,646 million

The acquisition cost presented above is provisional as price adjustment in accordance with the business transfer agreement has yet to be completed.

4. Amount of goodwill recorded, reasons for recording goodwill and amortization method and period
(1) Amount of goodwill recorded
¥1,280 million
The above amount of goodwill represents a provisional estimate as the allocation of acquisition cost has yet to be completed.

(2) Reasons for recording goodwill
Goodwill is recognized based on the expected profitability from future business activities in excess of fair value.

(3) Amortization methods and period
Straight-line method: eight years