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

October 31, 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 Second Quarter (April 1, 2024 to September 30, 2024)

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

	Six months ended September 30, 2024	%	Six months ended September 30, 2023	%
Net sales	50,135	6.4	47,127	2.2
Operating profit	1,306	194.5	443	(83.7)
Ordinary profit	1,406	(29.1)	1,983	(51.6)
Profit attributable to owners of parent	1,005	(11.9)	1,141	(65.1)

(Yen)

Basic earnings per share	18.95	21.19
Diluted earnings per share	-	-

Notes:
1. Comprehensive income:
Six months ended September 30, 2024: (2,092) million yen - %
Six months ended September 30, 2023: 3,767 million yen (4.6) %
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)

	September 30, 2024	March 31, 2024
Total assets	164,816	167,588
Total net assets	109,975	114,467
Equity ratio (%)	66.7	68.3

Reference:
Equity as of: September 30, 2024: 109,975 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	-	30.00
Annual cash dividends	60.00	-	50.00

Note: Revision to the latest dividend forecast announced in May 2024: Yes

Breakdown of the Year-End Dividend for the Fiscal Year Ended March 31, 2024: Ordinary dividend: ¥15 per share; commemorative dividend: ¥30 per share
For details, please refer to a press release “Komori Corporation Announces the Revised Dividend Forecast for the Fiscal Year Ending March 31, 2025 (Upward Revision)” disclosed today (October 31, 2024).

(English translation of "KESSAN TANSHIN" originally issued in Japanese.)

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)

	Fiscal year ending March 31, 2025	%
Net sales	113,300	8.7
Operating profit	6,700	36.8
Ordinary profit	6,800	0.0
Profit attributable to owners of parent	6,100	31.4

(Yen)

Basic earnings per share	114.97

Notes:

1. Revision to the latest forecast of consolidated business results announced in May 2024: Yes
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:
   - September 30, 2024: 55,428,840 shares
   - March 31, 2024: 55,428,840 shares
2. Number of treasury shares as of:
   - September 30, 2024: 2,369,519 shares
   - March 31, 2024: 2,369,371 shares
3. Average number of shares during the period
   - Six months ended September 30, 2024: 53,059,391 shares
   - Six months ended September 30, 2023: 53,847,280 shares

*This quarterly financial flash report (KESSAN TANSHIN), which covers the six months (interim period) ended September 30, 2024, is not subject to quarterly review by certified public accountants or auditing firms.

* 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 November 8, 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 six months of the fiscal year under review, the outlook for the global economy remained uncertain due to the prolongation of the Ukraine situation, as well as extended geopolitical risks in the Middle East. Inflationary pressure was alleviated in Europe and the United States, with monetary easing initiated by financial authorities in each country. In China, the deceleration of economic growth continued due to the impact of supply chain reorganization undertaken in European countries and the United States and sluggish domestic demand. 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, consolidated net sales amounted to ¥50,135 million, representing a 6.4% 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)

		Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Increase / (Decrease) (%)
Net sales		47,127	50,135	6.4%
Breakdown	Japan	13,760	15,469	12.4%
	North America	4,953	3,786	(23.6%)
	Europe	11,334	10,483	(7.5%)
	Greater China	8,937	8,538	(4.5%)
	Other Regions	8,141	11,856	45.6%

Domestic Sales

In the domestic market, improving employment resulted in higher wages while personal consumption recovered, and 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 12.4% from the same period of the previous fiscal year to ¥15,469 million.

North America

In North America, wage growth slowed due to the easing of labor supply and demand situation, while personal consumption remained stable in line with the alleviated inflation rate. However, persistently high interest rates caused printing companies to take a cautious stance toward executing capital expenditures. Consequently, net sales in this region amounted to ¥3,786 million, a decrease of 23.6% year on 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. The volume of orders received increased thanks to the positive effect of Komori's participation in "drupa2024," the world's largest printing equipment exhibition held at the end of May 2024, although it is expected that this increase will only be reflected in net sales from the fourth quarter of the fiscal year under review onward. Consequentially, net sales in this region decreased 7.5% year on year to ¥10,483 million.

Greater China

In Greater China, the market environment for commercial and other printing services remained harsh due to supply chain reorganization undertaken by overseas corporations, and sluggish domestic demand amid the influence of stagnation in the real estate market. In the field of package printing, on the other hand, the ongoing trend toward undertaking capital expenditures aimed at streamlining printing operations and improving profitability continued, with the volume of orders received by Komori on a growth track. Despite this trend, due to the time lag between order receipt and revenue recognition, net sales in this region decreased 4.5% year on year to ¥8,538 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 a favorable economic environment, 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 ¥11,856 million, an increase of 45.6% year on year.

The cost of sales ratio improved year on year due to such factors as changing sales mix. On the other hand, selling, general and administrative (SG&A) expenses increased year on year, reflecting growth in corporate spending on advertising due to the Company's participation in an international exhibition held in May 2024, growing payments of wages at European subsidiaries due to the depreciation of the yen, and other factors. Taking these factors into account, Komori posted operating income of ¥1,306 million, an increase of 194.5% from the same period of the previous fiscal year.

The Company posted ordinary income of ¥1,406 million, which represents a decrease of 29.1% from the same period of the previous fiscal year, due mainly to the recording of foreign exchange losses.

For the six months of the fiscal year under review, the Company recorded interim income before income taxes of ¥1,766 million, which represents a decrease of 8.0% from the same period of the previous fiscal year. As a result, Komori posted interim profit attributable to owners of the parent totaling ¥1,005 million, which represents a decrease of 11.9% compared with the same period of the previous fiscal year.

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

- Komori added "ENTHRONE G29," a newly developed 29-inch sheet-fed offset printing press, to its lineup. The model was created by incorporating technologies used in the "LITHRONE G-advance" series, thereby achieving even higher printing quality while reducing the volume of energy required for its operation. Furthermore, once connected with "KP-Connect Basic," a KOMORI cloud-based solution, "ENTHRONE G29" makes it possible to visualize the status of printing machinery operation and help customers improve productivity.
- The printing industry is now being called upon to promote optimal staff allocation and reduce burden placed on operators as part of countermeasures against chronic labor shortages, and, therefore, prompted to tackle the imminent need to push ahead with digital transformation (DX). In response, Komori and SCREEN Graphic Solutions Co., Ltd. (hereinafter, "SCREEN GA") have worked together to promote industry-wide DX and automation via the coordinated use of their workflow-related products, including "KP-Connect Pro" (a printing process management system developed by Komori) and "EQUIOS" (a workflow-compatible Raster Image Processer developed by SCREEN GA). Recently, both companies agreed to step up their partnership based on the KP-Connect alliance program. As a result, the automated workflow supported by their solutions has been in operation at two printing companies in Japan. The strengthened partnership between Komori and

SCREEN GA is expected to lead to the increasing sophistication of a hybrid operational environment involving both offset printing presses and digital printing systems (DPS). Looking ahead, the Company will deliver solutions designed to help customers transition to their desired forms of smart factories and pursue the DX of printing operations.

(2) Financial Condition

Total Assets

As of September 30, 2024, total assets stood at ¥164,816 million, down ¥2,771 million (1.7%) from the end of the previous fiscal year. Key factors decreasing total assets were a ¥3,934 million decrease in notes and accounts receivable—trade and contract assets, a ¥3,122 million decrease in investments and other assets, and a ¥1,265 million net decrease in securities. Key factors increasing total assets included a ¥1,966 million increase in cash and deposits, a ¥1,492 million increase in inventories, a ¥1,113 million increase in property, plant and equipment—other, and a ¥1,013 million increase in goodwill.

Liabilities and Net Assets

Liabilities as of September 30, 2024 were ¥54,841 million, up ¥1,720 million (3.2%) from the end of the previous fiscal year. Key factors increasing liabilities included a ¥3,037 million increase in current liabilities—other. Key factors reducing liabilities included a ¥640 million decrease in noncurrent liabilities—other, a ¥329 million decrease in provisions, and a ¥242 million decrease in notes and accounts payable—trade.

Net assets totaled ¥109,975 million, down ¥4,492 million (3.9%) from the end of the previous fiscal year. Key negative factors leading to the decrease in net assets included a ¥2,544 million decrease in valuation difference on available-for-sale securities, a ¥1,393 million decrease in retained earnings due primarily to the payment of cash dividends, and a ¥599 million decrease in foreign currency translation adjustment.

Equity Ratio

The equity ratio as of September 30, 2024 stood at 66.7%, down 1.6 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 revised its previous forecasts, disclosed as of May 14, 2024, on consolidated operating results for the fiscal year ending March 31, 2025.

For more detail, please refer to the press release titled “Differences between Performance Forecasts and Actual Results for the Second Quarter, and Revised Forecasts for the Full Year” that was disclosed today (October 31, 2024).

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2024 (March 31, 2024)	Fiscal 2025 (September 30, 2024)
(ASSETS)		
Current Assets:		
Cash and deposits	39,789	41,756
Notes and accounts receivable - trade, and contract assets	20,083	16,149
Electronically recorded monetary claims - operating	2,861	2,930
Short-term investment securities	10,825	9,559
Merchandise and finished goods	18,590	19,894
Work in process	14,026	14,762
Raw materials and supplies	9,328	8,779
Other	3,831	3,952
Allowance for doubtful accounts	(373)	(376)
Total current assets	118,963	117,408
Noncurrent Assets:		
Property, plant and equipment		
Land	8,395	8,307
Other, net	10,320	11,433
Total property, plant and equipment	18,715	19,740
Intangible assets		
Goodwill	319	1,333
Other	970	837
Total intangible assets	1,290	2,171
Investments and other assets	28,619	25,496
Total noncurrent assets	48,625	47,408
Total Assets	167,588	164,816

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2024 (March 31, 2024)	Fiscal 2025 (September 30, 2024)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable - trade	7,101	6,858
Electronically recorded obligations - operating	7,174	7,087
Short-term loans payable	620	597
Income taxes payable	822	878
Provisions	2,383	2,054
Other	19,615	22,653
Total current liabilities	37,719	40,130
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	181	145
Net defined benefit liability	1,367	1,354
Provisions	10	9
Other	3,841	3,201
Total noncurrent liabilities	15,402	14,711
Total Liabilities	53,121	54,841
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,286	37,286
Retained earnings	29,433	28,039
Treasury stock	(2,289)	(2,289)
Total shareholders' equity	102,144	100,750
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	9,082	6,538
Foreign currency translation adjustment	3,217	2,617
Remeasurements of defined benefit plans	23	68
Total accumulated other comprehensive income	12,322	9,224
Total Net Assets	114,467	109,975
Total Liabilities and Net Assets	167,588	164,816

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

Consolidated Statements of Income

For the six months ended September 30, 2024 and 2023

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to September 30, 2023)	Fiscal 2025 (April 1, 2024 to September 30, 2024)
Net Sales	47,127	50,135
Cost of Sales	32,186	32,620
Gross profit	14,941	17,514
Selling, General and Administrative Expenses	14,497	16,208
Operating profit	443	1,306
Non-Operating Income		
Interest income	57	118
Dividends income	409	206
Foreign exchange gains	1,002	-
Other	127	125
Total non-operating income	1,596	450
Non-Operating Expenses		
Interest expenses	43	63
Foreign exchange losses	-	255
Other	13	30
Total non-operating expenses	56	349
Ordinary profit	1,983	1,406
Extraordinary Income		
Gain on sales of noncurrent assets	17	206
Gain on sale of investment securities	7	140
Other	-	16
Total extraordinary income	24	363
Extraordinary Loss		
Loss on sales of noncurrent assets	0	0
Loss on retirement of noncurrent assets	4	3
Provision for loss on guarantees	83	-
Total extraordinary loss	88	3
Profit before income taxes	1,919	1,766
Income taxes-current	713	691
Income taxes-deferred	49	69
Total income taxes	762	760
Profit	1,157	1,005
Profit attributable to non-controlling interests	15	-
Profit attributable to owners of parent	1,141	1,005

Consolidated Statements of Comprehensive Income

For the six months ended September 30, 2024 and 2023

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to September 30, 2023)	Fiscal 2025 (April 1, 2024 to September 30, 2024)
Profit	1,157	1,005
Other comprehensive income		
Valuation difference on available-for-sale securities	1,345	(2,544)
Foreign currency translation adjustment	1,236	(599)
Remeasurements of defined benefit plans, net of tax	28	45
Total accumulated other comprehensive income	2,610	(3,098)
Comprehensive Income	3,767	(2,092)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,736	(2,092)
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

(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 September 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