Consolidated Business Results for the Nine Months Ended December 31, 2024
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

January 30, 2025

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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 Third Quarter (April 1, 2024 to December 31, 2024)

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

	Nine months ended December 31, 2024	%	Nine months ended December 31, 2023	%
Net sales	76,811	10.9	69,266	4.2
Operating profit	3,334	359.3	725	(72.7)
Ordinary profit	3,899	77.1	2,201	(38.9)
Profit attributable to owners of parent	2,913	126.8	1,284	(54.8)

(Yen)

Basic earnings per share	54.90	23.95
Diluted earnings per share	-	-

Notes:
1. Comprehensive income :
Nine months ended December 31, 2024: 860 million yen (82.5) %
Nine months ended December 31, 2023: 4,924 million yen 55.0 %
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)

	December 31, 2024	March 31, 2024
Total assets	167,871	167,588
Total net assets	111,862	114,467
Equity ratio (%)	66.6	68.3

Reference:
Equity as of: December 31, 2024: 111,862 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	-	35.00
Annual cash dividends	60.00	-	55.00

Note: Revision to the latest dividend forecast announced in October 2024: Yes
Please also refer to the press release “Revision to the Dividend Forecast for the Fiscal Year Ending March 31, 2025” disclosed today (January 30, 2025).
Breakdown of the Forecast for Year-End Dividend for the Fiscal Year Ending March 31, 2024:
Ordinary dividend: ¥15 per share; commemorative dividend: ¥30 per share

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 October 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:
   - December 31, 2024: 55,428,840 shares
   - March 31, 2024: 55,428,840 shares
2. Number of treasury shares as of:
   - December 31, 2024: 2,369,614 shares
   - March 31, 2024: 2,369,371 shares
3. Average number of shares during the period
   - Nine months ended December 31, 2024: 53,059,346 shares
   - Nine months ended December 31, 2023: 53,610,992 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 February 4, 2025. 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 nine months of the fiscal year under review, the outlook for the global economy remained unclear due to the prolongation of the Ukraine situation and extended geopolitical risks in the Middle East, in addition to uncertainties that began to loom over the economy following the U.S. presidential election. 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 ¥76,811 million, representing a10.9% 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)

		Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2024	Increase / (Decrease) (%)
Net sales		69,266	76,811	10.9%
Breakdown	Japan	22,438	24,471	9.1%
	North America	6,836	5,696	(16.7%)
	Europe	16,131	15,985	(0.9%)
	Greater China	12,929	12,758	(1.3%)
	Other Regions	10,930	17,899	63.8%

Domestic Sales

In the domestic market, improving employment resulted in higher wages and recovery in personal consumption, 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 9.1% from the same period of the previous fiscal year to ¥24,471 million.

North America

In North America, despite constantly high inflation rates, the rate of wage growth exceeded the pace of inflation. This, in turn, caused real wages to remain favorable, supporting the ongoing robustness of personal consumption. On the other hand, printing companies took a cautious stance toward executing capital expenditures following the U.S. presidential election due to persistently high interest rates and uncertainties regarding trade policies. Consequently, net sales in this region amounted to ¥5,696 million, a decrease of 16.7% 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 continued to expand 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 more fully reflected in net sales from the fourth quarter of the fiscal year under review onward. Consequentially, net sales in this region decreased 0.9% year on year to ¥15,985 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 volume of orders received by Komori remained on a growth track thanks to the trend toward undertaking capital expenditures aimed at streamlining printing operations and improving profitability. Despite this trend, due to the time lag between order receipt and revenue recognition, net sales in this region decreased 1.3% year on year to ¥12,758 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

¥17,899 million, an increase of 63.8% 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. This was mainly attributable to growth in corporate spending on advertising due to the Company's participation in an international exhibition held in May 2024, higher sales commissions in step with higher net sales, and growing payments of wages at European subsidiaries due to the depreciation of the yen. Taking these factors into account, Komori posted operating income of ¥3,334 million, an increase of 359.3% from the same period of the previous fiscal year.

The Company posted ordinary income of ¥3,899 million, which represents an increase of 77.1% from the same period of the previous fiscal year.

For the nine months of the fiscal year under review, the Company recorded income before income taxes of ¥4,190 million, which represents an increase of 95.6% from the same period of the previous fiscal year. As a result, Komori posted profit attributable to owners of the parent totaling ¥2,913 million, which represents an increase of 126.8% 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 ¥41,099 million, a year-on-year increase of 26.0%. Operating income totaled ¥4,263 million, representing an increase of 107.0% 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 ¥5,696 million, a year-on-year decrease of 16.7%. Operating loss totaled ¥200 million, compared with operating income of ¥86 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 ¥15,985 million, a year-on-year decrease of 0.9%. Operating loss totaled ¥1,312 million, compared with operating loss of ¥537 million in the same period of 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 “Overview of Consolidated Net Sales by Region,” net sales in this reportable segment totaled ¥9,648 million, a year-on-year decrease of 11.4%. Operating income totaled ¥14 million, compared with operating loss of ¥86 million in the same period of the previous fiscal year, due to the absence of impairment losses recorded on goodwill 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 ¥4,381 million, a year-on-year increase of 57.1%. Operating income amounted to ¥372 million, representing an increase of 216.3% from the same period of the previous fiscal year.

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

In October 2024, the Company reopened the Komori Graphic Technology Center (KGC) in the Tsukuba Plant after renovation. This move was aimed at enhancing Komori’s abilities to deliver proposals on automated, labor-saving and robotic-driven solutions through the establishment of a virtual “smart printing factory” within KGC in

order to accommodate the ongoing trend toward digital transformation (DX) in the printing industry.

In conjunction with KGC's reopening, Komori hosted the "Global Package Show 2024" from October 16 to 18, with customers engaged in package printing and trading card printing being invited to attend from regions around the world. Thus, the Company delivered proposals on solutions designed to transform an entire printing facility into a smart factory boasting higher productivity. These proposals were highly appreciated by attendees.

Looking ahead, Komori will continue to work in tandem with its alliance partners and contribute to the development of the printing industry by creating automated systems and equipment with higher efficiency and providing solutions aimed at enabling customers to improve the overall productivity of their printing facilities.

(2) Financial Condition

Total Assets

As of December 31, 2024, total assets stood at ¥167,871 million, up ¥283 million (0.2%) from the end of the previous fiscal year. Key factors increasing total assets were a ¥4,328 million increase in inventories, a ¥1,224 million increase in property, plant and equipment—other, and a ¥1,090 million increase in goodwill. Key factors decreasing total assets included a ¥4,168 million decrease in notes and accounts receivable—trade and contract assets, a ¥2,674 million decrease in investments and other assets, and a ¥1,612 million net decrease in securities.

Liabilities and Net Assets

Liabilities as of December 31, 2024 were ¥56,009 million, up ¥2,888 million (5.4%) from the end of the previous fiscal year. Key factors increasing liabilities included a ¥3,360 million increase in current liabilities—other and an ¥1,142 million increase in electronically recorded obligations—operating. Key factors reducing liabilities included a ¥1,035 million decrease in provisions for current liabilities and a ¥695 million decrease in noncurrent liabilities—other.

Net assets totaled ¥111,862 million, down ¥2,605 million (2.3%) from the end of the previous fiscal year. Key negative factors leading to the decrease in net assets included a ¥2,539 million decrease in valuation difference on available-for-sale securities, and a ¥552 million decrease in retained earnings due primarily to the payment of cash dividends. Key positive factors included a ¥447 million increase in foreign currency

translation adjustment.

Equity Ratio

The equity ratio as of December 31, 2024 stood at 66.6%, down 1.7 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 October 31, 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 (December 31, 2024)
(ASSETS)		
Current Assets:		
Cash and deposits	39,789	40,552
Notes and accounts receivable - trade, and contract assets	20,083	15,915
Electronically recorded monetary claims - operating	2,861	3,742
Short-term investment securities	10,825	9,213
Merchandise and finished goods	18,590	22,039
Work in process	14,026	15,213
Raw materials and supplies	9,328	9,020
Other	3,831	4,702
Allowance for doubtful accounts	(373)	(434)
Total current assets	118,963	119,964
Noncurrent Assets:		
Property, plant and equipment		
Land	8,395	8,253
Other, net	10,320	11,544
Total property, plant and equipment	18,715	19,798
Intangible assets		
Goodwill	319	1,410
Other	970	752
Total intangible assets	1,290	2,163
Investments and other assets	28,619	25,945
Total non-current assets	48,625	47,907
Total Assets	167,588	167,871

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2024 (March 31, 2024)	Fiscal 2025 (December 31, 2024)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable - trade	7,101	7,584
Electronically recorded obligations - operating	7,174	8,317
Short-term loans payable	620	244
Current portion of bonds payable	-	10,000
Income taxes payable	822	892
Provisions	2,383	1,347
Other	19,615	22,976
Total current liabilities	37,719	51,362
Noncurrent Liabilities:		
Bonds payable	10,000	-
Long-term loans payable	181	134
Net defined benefit liability	1,367	1,357
Provisions	10	10
Other	3,841	3,145
Total non-current liabilities	15,402	4,647
Total Liabilities	53,121	56,009
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,286	37,286
Retained earnings	29,433	28,880
Treasury stock	(2,289)	(2,290)
Total shareholders' equity	102,144	101,592
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	9,082	6,543
Foreign currency translation adjustment	3,217	3,664
Remeasurements of defined benefit plans	23	62
Total accumulated other comprehensive income	12,322	10,270
Total Net Assets	114,467	111,862
Total Liabilities and Net Assets	167,588	167,871

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

Consolidated Statements of Income

For the nine months ended December 31, 2024 and 2023

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to December 31, 2023)	Fiscal 2025 (April 1, 2024 to December 31, 2024)
Net Sales	69,266	76,811
Cost of Sales	46,823	49,661
Gross profit	22,443	27,149
Selling, General and Administrative Expenses	21,717	23,815
Operating profit	725	3,334
Non-Operating Income		
Interest income	92	143
Dividends income	539	371
Foreign exchange gains	751	-
Other	245	198
Total non-operating income	1,629	713
Non-Operating Expenses		
Interest expenses	69	70
Foreign exchange losses	-	28
Compensation for damage	61	11
Other	22	36
Total non-operating expenses	153	147
Ordinary profit	2,201	3,899
Extraordinary Income		
Gain on sales of noncurrent assets	23	157
Gain on sale of investment securities	7	140
Other	-	16
Total extraordinary income	30	314
Extraordinary Loss		
Loss on sales of noncurrent assets	0	3
Loss on retirement of non-current assets	5	4
Loss on disaster	-	14
Provision for loss on guarantees	84	-
Total extraordinary loss	90	23
Profit before income taxes	2,142	4,190
Income taxes-current	983	1,258
Income taxes-deferred	(141)	19
Total income taxes	842	1,277
Profit	1,299	2,913
Profit attributable to non-controlling interests	15	-
Profit attributable to owners of parent	1,284	2,913

Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2024 and 2023

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to December 31, 2023)	Fiscal 2025 (April 1, 2024 to December 31, 2024)
Profit	1,299	2,913
Other comprehensive income		
Valuation difference on available-for-sale securities	2,687	(2,539)
Foreign currency translation adjustment	872	447
Remeasurements of defined benefit plans, net of tax	64	39
Total other comprehensive income	3,624	(2,052)
Comprehensive Income	4,924	860
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,893	860
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 nine months of the fiscal year under review. In addition, the amount of depreciation and amortization recorded in the first nine 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.

	Nine Months from April 1, 2023 to December 31, 2023	Nine Months from April 1, 2024 to December 31, 2024
Depreciation and amortization	¥1,459 million	¥1,638 million
Amortization of goodwill	¥428 million	¥210 million

(Notes on Segment Information, etc.)
Segment Information

I. Nine months from April 1, 2023 to December 31, 2023

1. Information concerning net sales and operating profit (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	32,621	6,836	16,131	10,888	66,477	2,789	69,266
Intersegment sales	20,130	7	388	1,458	21,984	53	22,038
Total	52,751	6,843	16,520	12,346	88,462	2,842	91,304
Operating profit (Loss)	2,059	86	(537)	(86)	1,521	117	1,639

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 profit (loss) in reportable segments and corresponding amounts as presented in quarterly consolidated statements of income

(In millions of yen)

Operating profit (loss)	Amounts
Total operating profit in reportable segments	1,521
Operating profit in others	117
Adjustments for inventories	(958)
Eliminations	46
Other adjustments	(1)
Total operating profit as presented in quarterly consolidated statements of income	725

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

None.

II. Nine months from April 1, 2023 to December 31, 2024

1. Information concerning net sales and operating profit (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	41,099	5,696	15,985	9,648	72,429	4,381	76,811
Intersegment sales	16,924	4	304	1,338	18,571	127	18,699
Total	58,023	5,700	16,289	10,986	91,000	4,509	95,510
Operating profit (Loss)	4,263	(200)	(1,312)	14	2,765	372	3,138

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 profit (loss) in reportable segments and corresponding amounts as presented in quarterly consolidated statements of income

(In millions of yen)

Operating profit (loss)	Amounts
Total operating profit in reportable segments	2,765
Operating profit in others	372
Adjustments for inventories	76
Eliminations	223
Other adjustments	(103)
Total operating profit as presented in quarterly consolidated statements of income	3,334

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 ¥1,174 million in goodwill as of the end of the first nine 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.

(Important Subsequent Events)

(Business Combination via Share Acquisition)

Based on a resolution passed at its Board of Directors meeting held on September 27, 2024, Komori decided to make Canadian Primoflex Systems Inc. (“CPS”) a consolidated subsidiary, with all shares in CPS to be acquired by Komori Chambon S.A.S. (“KCM”), a consolidated subsidiary of Komori. Thus, KCM signed a share transfer agreement on January 17, 2025 and acquired these shares on the same date.

1. Overview of the Business Combination

(1) Name of the Acquired Company and Its Main Business

Name of the acquired company: Canadian Primoflex Systems Inc.

Main business: Development, design and manufacture of flexographic printing and processing lines for package production

(2) Reasons for Undertaking Business Combination

KCM is a Komori Group company specializing in the development, manufacture and sale of offset printing presses, gravure printing presses and other components of integrated printing production lines for package printing and converting. Going forward, the global package printing market is likely to enjoy constant expansion. In particular, the paper package market is expected to see growing demand for sustainable package solutions on the back of the recent trend of transitioning away from plastics. In April 2024, Komori acquired a portion of businesses previously managed by the U.S.-based Bernal, a leading rotary die tool manufacturer in North America, in order to help KCM achieve its vision of “becoming a provider of high-value-added, one-stop solutions to package manufacturers around the globe.” Following this acquisition, KCM completed the acquisition of shares in CPS, which boasts robust technologies and an impressive track record in the development and manufacture of flexographic printing presses, thus making it a sub-subsidiary.

The strategic acquisitions of Bernal and CPS are expected to enable Komori to bring together its conventional offset printing and gravure printing presses with flexographic printing technologies and thereby deliver more comprehensive solutions to KCM’s customers as well as the new customer base the Company acquired through the business acquisition from Bernal. In addition, KCM will be positioned to provide CPS with its technologies to together develop and deliver high-value-added products capable of accommodating wide-ranging paper sizes and boasting high-speed processing capacities, automated operations and other features.

(3) Date of Business Combination
January 17, 2025

(4) Legal Form of Business Combination
Purchase of shares in exchange for cash

(5) Name of the Acquired Company after Business Combination
Komori Primoflex Systems Inc.

(6) The Ratio of Voting Rights Acquired
100%

(7) Basis for Determining the Acquiring Company
Komori's subsidiary acquired 100% of shares in exchange for cash.

2. Acquisition Cost and Breakdown of Acquisition Cost by Category

Cash payments	3,000,000 Canadian dollars
Total acquisition cost	3,000,000 Canadian dollars

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

3. Amount of Goodwill Recorded, Reasons for Recording Goodwill and Amortization Method and Period

Currently, these items have yet to be determined.