Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: KOMORI CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 6349
URL: https://www.komori.com
Representative: Mr. Satoshi Mochida, Representative Director, President and CEO
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Scheduled date of annual general meeting of shareholders: June 18, 2025
Scheduled date to commence dividend payments: June 19, 2025
Scheduled date to file annual securities report: June 19, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for financial analysts/investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	111,050	6.5	7,118	45.3	7,617	12.1	7,248	56.2
March 31, 2024	104,278	6.5	4,898	(14.3)	6,797	2.8	4,641	(18.8)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥4,497 million (62.5)%
For the fiscal year ended March 31, 2024: ¥11,978 million 75.6 %

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	136.62	-	6.3	4.5	6.4
March 31, 2024	86.79	-	4.2	4.1	4.7

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	172,915	115,499	66.8	2,176.81
March 31, 2024	167,588	114,467	68.3	2,157.34

Reference: Equity
As of March 31, 2025: ¥115,499 million
As of March 31, 2024: ¥114,467 million

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	17,018	(4,781)	(4,310)	57,400
March 31, 2024	(8,051)	483	(4,874)	49,664

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	15.00	-	45.00	60.00	3,198	69.1	2.9
Fiscal year ended March 31, 2025	-	20.00	-	48.00	68.00	3,632	49.8	3.1
Fiscal year ending March 31, 2026 (Forecast)	-	35.00	-	35.00	70.00		58.0	

Breakdown of the Year-End Dividend for the Fiscal Year Ended 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, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	58,600	16.9	3,800	190.9	3,700	163.1	2,600	158.6	49.00
Full year	124,500	12.1	9,100	27.8	8,900	16.8	6,400	(11.7)	120.62

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	53,478,840 shares
As of March 31, 2024	55,428,840 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	419,711 shares
As of March 31, 2024	2,369,371 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	53,059,299 shares
Fiscal year ended March 31, 2024	53,483,718 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	78,062	8.8	6,700	79.1	7,821	31.0	7,913	29.8
March 31, 2024	71,716	1.7	3,741	(15.5)	5,972	9.7	6,096	(21.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	149.15	-
March 31, 2024	113.99	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	142,616	105,944	74.3	1,996.73
March 31, 2024	138,678	105,008	75.7	1,979.08

Reference: Equity

As of March 31, 2025: ¥105,944 million

As of March 31, 2024: ¥105,008 million

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

* 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 12 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, 2025. 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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(English translation of "KESSAN TANSHIN" originally issued in Japanese.)

1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION

(1) Fiscal 2025 Operating Results

(1) Overview

During the fiscal year ended March 31, 2025, the global economy benefitted from a gradual recovery trend. However, the outlook 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.

(2) Consolidated Performance

In the domestic printing machinery market, ongoing surges in costs for energy, printing supplies and logistics as well as higher labor costs and chronic worker shortages caused printing companies to transfer higher costs to printing prices in addition to executing capital expenditure aimed at improving productivity, promoting labor-saving operations, and otherwise streamlining printing operations in order to counter these challenges. Amid this ongoing trend, Komori's domestic net sales fell slightly short of net sales for the previous fiscal year, reflecting the higher proportion of orders received for products whose revenue recognition is expected to take place in the subsequent fiscal year (e.g., multi-colored presses, double-sided printing presses, and other products that require an extended manufacturing period).

In North America, the volume of orders received grew thanks to the contribution of orders received for banknote and other security printing facilities. However, net sales in this region decreased from the previous fiscal year as printing companies took a cautious stance toward executing capital expenditures related to offset printing presses in the face of continued high interest rates following the presidential election in the United States and uncertainties regarding trade policies enforced by this country. Other factors leading to this decrease included a number of orders clustered in the fourth quarter of the fiscal year under review.

In Europe, the economy saw a recovery trend due to the moderation of the inflation rate as well as the downward revision of the policy rate. Moreover, Komori participated in "drupa2024," the world's largest international printing exhibition held in Germany in May 2024. At this event, the Company exhibited newly developed models boasting superior energy-saving performance. As a result, net sales in this region grew year on year, due in part to the effect of participation in the above exhibition.

In Greater China, conditions surrounding the commercial printing market remained harsh due to supply chain reorganization undertaken by overseas corporations, the sluggishness of the real estate market, and other negative factors leading to stagnant domestic demand. In the package printing market, on the other hand, printing companies have promoted facility updates aimed at achieving labor-saving, automated printing operations to counter increasingly serious labor shortages and surging personnel expenses. This trend was particularly profound among major printing firms. Reflecting this trend, net sales in this region increased year on year.

In Other Regions, including ASEAN and India, net sales grew year on year

thanks to ongoing expansion in demand for offset printing presses amid the favorable economic environment positively affected by the relocation of production bases from China due to supply chain reorganization.

Against this backdrop, in the offset printing press business, Komori unveiled LITHRONE GX/G advance Edition at drupa2024. This printing press is equipped with superior environmental performance, higher productivity and other features designed to address social issues. Specifically, LITHRONE GX/G advance Edition is capable of reducing energy consumption by up to 18% via the adoption of eco-friendly specifications in addition to reducing paper waste. Backed by these features, this model has successfully gained strong customer appeal, thereby contributing to expansion in the volume of orders received in the fiscal year under review.

In the security printing press business, Komori secured orders for major projects on the back of the resumption of bidding for printing facilities, which had been suspended due to COVID-19 pandemic. Specifically, the Company succeeded in taking orders for facilities worth more than ¥20 billion through bidding that took place in a total of 10 countries over the period from April 2023 to June 2024. This was attributable to robust ratings earned by Komori regarding its superior technology, high product quality and solid financial base, the latter of which is particularly important to stably deliver after-sales services over the long term. Thanks to this achievement, Komori recorded growth in sales in step with progress in facility installation during the fiscal year under review. Furthermore, the Company has since then steadily secured additional orders, including orders placed by the U.S. Bureau of Engraving and Printing, which is tasked with the printing of U.S. dollar banknotes.

Taking the above factors into account, orders received in the fiscal year under review rose 32.1% from the previous fiscal year to ¥130,897 million, while consolidated net sales grew 6.5% year on year to ¥111,050 million. 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 costs associated with business combinations. Taking these factors into account, Komori posted operating income of ¥7,118 million, which represents an increase of 45.3% from the previous fiscal year.

The Company posted ordinary income of ¥7,617 million, which represents an increase of 12.1% from the previous fiscal year.

For the fiscal year under review, the Company recorded income before income taxes of ¥9,163 million, which represents an increase of 57.8% from the previous fiscal year. As a result, Komori posted profit attributable to owners of the parent totaling ¥7,248 million, which represents an increase of 56.2% from the previous fiscal year.

Overseas sales totaled ¥77,128 million, up 10.7% from the previous fiscal year, with the ratio of overseas sales to net sales at 69.5%.

(3) Overview of Consolidated Net Sales by Region

Consolidated net sales during the fiscal year under review amounted to ¥111,050 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, 2024	Fiscal Year Ended March 31, 2025	Increase / (Decrease) (%)
Net sales		104,278	111,050	6.5
Breakdown	Japan	34,578	33,922	(1.9)
	North America	11,683	9,248	(20.8)
	Europe	22,754	24,718	8.6
	Greater China	18,316	19,182	4.7
	Other Regions	16,944	23,978	41.5

Domestic Sales

In the domestic market, the volume of orders received remained high due to a trend toward executing capital expenditures in connection with sheet-fed offset presses with the purpose of streamlining printing operations, as well as the positive effect of government subsidies aimed at encouraging investment. On the other hand, the Company received a number of orders for multi-colored presses, double-sided printing presses, and other high-value-added products that require an extended manufacturing period. While orders received for these products accounted for an ever-larger proportion in the overall volume of orders, their sales will not be recorded until the subsequent fiscal year. Taking these factors into account, net sales in this region decreased 1.9% year on year to ¥33,922 million.

North America

In North America, the volume of orders received grew substantially as Komori secured orders for major projects involving the supply of security printing presses. Furthermore, the volume of orders received for offset printing presses increased year on year thanks to the receipt of orders related to major projects in connection with high-value-added models, even though printing companies took a cautious stance toward executing capital expenditures on the back of continued high interest rates. However, a substantial proportion of orders received for security printing presses in the fiscal year under review are not expected to be recognized as sales until the subsequent fiscal year. In addition, orders received for offset printing presses were clustered in the fourth quarter. Taking these and other factors into account, net sales in this region decreased 20.8% to ¥9,248 million.

Europe

In Europe, Komori received the higher volume of orders due to the positive effect of its

participation in drupa2024, an international exhibition held in May in Germany. Other positive factors included the downward revision of the policy rate, which led to the resumption of demand for printing facilities from stagnation due to the impact of the Ukraine situation and inflation. Furthermore, higher sales of package printing presses manufactured by a local subsidiary contributed to overall regional sales. Consequentially, net sales in this region grew 8.6% year on year to ¥24,718 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, which, in turn, led to a rise in demand for high-value-added models. Taking these and other factors into account, Komori benefitted from an upward trend in the volume of orders received and, as a result, net sales in this region increased 4.7% year on year to ¥19,182 million.

Other Regions

In Other Regions, the volume of orders received by Komori expanded. This was due to growth in demand for offset printing facilities amid the favorable economic environment positively affected by the relocation of production bases from China as the result of supply chain reorganization undertaken by overseas corporations. In addition, Komori secured orders for major projects in connection with security printing presses and thus recorded growth in sales in step with progress in facility installation. Taking these factors into account, net sales in Other Regions increased 41.5% year on year to ¥23,978 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 ¥82,736 million, a year-on-year increase of 7.6%. Operating income totaled ¥7,033 million, representing an increase of 58.8% 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 “(3) Overview of

Consolidated Net Sales by Region," above. As a result, net sales in this reportable segment totaled ¥9,295 million, which represents a year-on-year decrease of 20.5%. Operating income totaled ¥8 million, representing a year-on-year decrease of 98.9%.

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 ¥25,190 million, a year-on-year increase of 7.8%. Operating loss totaled ¥776 million, compared with ¥168 million in the previous fiscal year, reflecting growth in corporate spending on advertising due to the Company's participation in drupa2024, an international exhibition, and other factors.

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 ¥15,991 million, a year-on-year decrease of 3.2%. On the other hand, operating income totaled ¥259 million, in contrast with operating loss of ¥230 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 ¥5,892 million, a year-on-year increase of 30.9%. Operating income amounted to ¥411 million, a year-on-year increase of 28.6%.

(5) Highlights

In the fiscal year ended March 31, 2025, Group highlights were as follows:

In the mainstay offset printing press business, Komori has completed the two acquisition deals in the package printing field, which is expected to grow continuously. Specifically, the Company acquired a business managed by Bernal. LLC, a leading rotary die tool manufacturer in North America, while making Canadian Primoflex Systems Inc.—a flexographic printing developer and manufacturer based in Canada—a subsidiary. The acquisition of the above business is expected to enable Komori to step up its approach to the North American package printing market through the supply of die tools. Moreover, the inclusion of flexographic printing presses into the Komori Group's traditional product lineup, which already boasts offset and gravure printing presses, will help it expand its operations in the package printing market.

In the digital printing system (DPS) business, which is considered a growth

business, the Company exhibited J-throne 29, a newly developed B2-size sheet-fed, UV inkjet digital printing system, at drupa2024. This model is capable of achieving a printing speed of 6,000 sheets per hour in single-sided printing (the highest of its kind among Komori's B2-size digital printing presses), as well as a printing speed of 3,000 sheets per hour in double-sided printing. Having demonstrated these capabilities at drupa2024, J-throne 29 attracted the attention of visitors from around the world. Currently, Komori plans to participate in China Print 2025, a major exhibition to be held in China, and is engaged in preparatory work to this end, with an eye to expanding sales of this model.

In the Print Engineering Service Provider (PESP) business, Komori strives to deliver various solutions ranging from post-press machinery to printing workflow systems. To augment its solution capabilities, the Company reopened the Komori Graphic Technology Center (KGC) in October 2024 after renovation. This renovated facility boasts a virtual "smart printing factory" and is designed to enable the Company to deliver even more sophisticated proposals to visitors on the introduction of automated, labor-saving printing operations backed by robotics as part of efforts to support the digital transformation (DX) of printing lines. Looking ahead, the Company will engage in even closer collaboration with its alliance partners to enhance connectivity among various automated equipment and empower customers to enjoy greater productivity, with the aim of expanding the PESP business.

(2) Fiscal 2025 Financial Condition

Assets, Liabilities and Net Assets

Total assets as of March 31, 2025 stood at ¥172,915 million, an increase of ¥5,327 million compared with the previous fiscal year-end. Total liabilities were ¥57,416 million, an increase of ¥4,294 million, while net assets totaled ¥115,499 million, an increase of ¥1,032 million.

Key positive factors leading to the increase in total assets included an ¥8,358 million increase in cash and deposits, a ¥1,125 million increase in lease assets, a ¥1,050 million increase in machinery, equipment and vehicles, a ¥949 million increase in net defined benefit asset, and an ¥811 million increase in goodwill. Key negative factors affecting total assets included a ¥3,966 million decrease in investment securities, and a ¥3,923 million decrease in notes and accounts receivable—trade, and contract assets.

The primary factors leading to the increase in total liabilities included a ¥4,152 million increase in contract liabilities, a ¥1,288 million increase in income taxes payable, and a ¥1,077 million increase in noncurrent liabilities—other. The primary factors that decreased total liabilities included a ¥1,776 million decrease in deferred tax liabilities.

Key positive factors affecting net assets included the cancelation of treasury stock totaling ¥1,947 million, an ¥1,873 million increase in retained earnings, and a ¥988 million increase in remeasurements of defined benefit plans. Key negative factors affecting net assets included a ¥3,480 million decrease in valuation difference on investment securities.

(3) Fiscal 2025 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, 2025	17,018	(4,781)	(4,310)	57,400
Fiscal year ended March 31, 2024	(8,051)	483	(4,874)	49,664
Increase / (Decrease)	25,069	(5,265)	564	7,736

Net cash provided by operating activities in the fiscal year ended March 31, 2025 amounted to ¥17,018 million, a turnaround of ¥25,069 million from net cash used in operating activities of ¥8,051 million in the previous fiscal year. Principal cash inflows included the posting of income before income taxes totaling ¥9,163 million, as well as an ¥8,590 million decrease in notes and accounts receivable, and a ¥2,297 million adjustment for depreciation. Major cash outflows were a ¥1,764 million gain on sales of investment securities, and income taxes paid of ¥1,358 million.

Net cash used in investing activities was ¥4,781 million, a negative turnaround of ¥5,265 million from ¥483 million provided by investing activities in the previous fiscal year. Main cash outflows included ¥2,569 million in business acquisition, ¥2,276 million in purchase of property, plant and equipment and intangible assets, ¥2,138 million in payments into time deposits, and ¥1,066 million in purchase of investment securities. Principal cash inflows included ¥1,878 million proceeds from sales of investment securities, ¥968 million in proceeds from withdrawal of time deposits, and ¥443 million in proceeds from sales of property, plant and equipment and intangible assets.

Net cash used in financing activities totaled ¥4,310 million, compared with ¥4,874 million used in financing activities in the previous fiscal year. With the pace of the increase in net cash used slowed somewhat, the volume of the year-on-year increase recorded in the fiscal year under review was ¥564 million smaller than the volume of year-on-year increase recorded in the year earlier. The principal components of cash outflows were ¥ 3,461 million in the payment of cash dividends, a ¥407 million net decrease in short-term loans payable, and ¥353 million in repayments of lease obligations.

(4) Outlook

While considering the level of retained earnings required to prudently secure a robust operating platform and ensure future business growth from a long-term perspective, Komori positions maintaining the robust and stable return of profits to its shareholders as a key management priority. With regard to year-end cash dividend for the fiscal year under review, Komori has passed a resolution at its Board of Directors meeting to propose the payment of ¥48 per common share and is thus set to submit this proposal to the 79th Annual General Meeting of Shareholders.

For the fiscal year ending March 31, 2026, Komori plans to pay annual dividends of ¥70 per common share based on its forecasts for annual operating results. This will comprise an interim cash dividend of ¥35 per common share and a fiscal year-end cash dividend of ¥35 per common share.

Going forward, the business environment surrounding the Company is expected to remain quite uncertain. Komori believes that it will be called upon to exercise nimble judgment and, as necessary, revise the course of its business management in light of geopolitical risks and economic fluctuations. 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 has grown stronger and is likely to remain firm in the Asian region.

On the other hand, the printing industry has been confronted by ongoing challenges arising from surges in costs for materials and logistics as well as labor shortages while being called upon to reduce greenhouse gas emissions and otherwise counter climate change. In short, printing companies are expected to take immediate actions to overcome these challenges. Therefore, printing press manufacturers are facing ever-stronger calls for the development of high-value-added functions aimed at improving productivity (e.g., one-pass double-sided printing presses, multi-colored presses and inspection equipment). Also, desirable features required of printing presses now include more advanced environmental performance, such as reduced energy consumption.

Well aware of the above environment, Komori is currently implementing the Seventh Medium-Term Management Plan. Over the course of the fiscal year ending March 31, 2026, the interim year of this management plan, the Company intends 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, the Company released LITHRONE GX/G advance EX Edition—a model boasting superiority in terms of environmental performance, as well as improved productivity and operability—in the previous fiscal year. Looking ahead, Komori will push ahead with the release of models equipped with double-sided inline coaters, pseudo-embossing functions and other elemental technologies aimed at delivering greater added value through printing services. 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 DPS business, Komori has released J-throne 29, a B2-size sheet-fed inkjet digital printing press. 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-throne 29 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. In the PE business, the Company will promote the development of novel applications via engagement in joint development with partner corporations as well as open innovation involving industry-academia collaboration in order to push ahead swiftly with technological development.

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" (Komori Way Workstyle Reforms), 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. The Company will also conduct employee engagement surveys and thereby address issues identified via such surveys. Komori will thus enhance employee engagement, with the aim of preventing the outflow of human resources, improving productivity and achieving even more robust operating results. Going forward, Komori will step up these initiatives to help realize a sustainable society.

Regarding the potential impact of U.S. tariffs, Komori anticipates only a minor effect on its consolidated results. This is due to several factors: the U.S. market consistently accounts for approximately 10% of the Company's consolidated net sales; major orders for securities printing presses and packaging printing presses have already been received with customers agreeing to bear the tariff burden; and there are no offset printing press manufacturers in the U.S., meaning that European competitors are also subject to the same tariffs. On the other hand, Komori recognizes that U.S. tariffs may have broader implications for the global economy over the long term. However, given the high level of uncertainty surrounding these developments, the Company has not factored them into its current earnings forecast.

Taking the aforementioned factors into account, the Company's consolidated operating results forecasts include net sales of ¥124,500 million, operating income of ¥9,100 million, ordinary income of ¥8,900 million, and profit attributable to owners of the parent of ¥6,400 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 2024 (March 31, 2024)	Fiscal 2025 (March 31, 2025)
(ASSETS)		
Current Assets:		
Cash and deposits	39,789	48,148
Notes and accounts receivable - trade, and contract assets	20,083	16,159
Electronically recorded monetary claims-operating	2,861	2,231
Short-term investment securities	10,825	11,321
Merchandise and finished goods	18,590	21,228
Work in process	14,026	12,378
Raw materials and supplies	9,328	8,885
Other	3,831	3,993
Allowance for doubtful accounts	(373)	(307)
Total current assets	118,963	124,039
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	28,466	28,756
Accumulated depreciation	(22,111)	(22,505)
Buildings and structures, net	6,355	6,251
Machinery, equipment and vehicles	15,676	17,043
Accumulated depreciation	(13,518)	(13,834)
Machinery, equipment and vehicles, net	2,158	3,209
Land	8,395	8,221
Leased assets	1,736	2,845
Accumulated depreciation	(991)	(975)
Leased assets, net	744	1,870
Construction in progress	122	88
Other	7,475	7,731
Accumulated depreciation	(6,536)	(6,589)
Other, net	939	1,141
Total property, plant and equipment	18,715	20,782
Intangible assets		
Goodwill	319	1,131
Other	970	1,357
Total Intangible assets	1,290	2,488
Investments and other assets		
Investment securities	17,716	13,749
Deferred tax assets	1,235	1,340
Insurance funds	7,075	7,045
Net defined benefit asset	2,176	3,125
Other	495	424
Allowance for doubtful accounts	(80)	(81)
Total investments and other assets	28,619	25,604
Total noncurrent assets	48,625	48,875
Total Assets	167,588	172,915

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

(1) Consolidated Balance Sheets

(In millions of yen)

	Fiscal 2024 (March 31, 2024)	Fiscal 2025 (March 31, 2025)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	7,101	7,442
Electronically recorded obligations-operating	7,174	7,388
Short-term loans payable	620	191
Current portion of bonds payable	-	10,000
Income taxes payable	822	2,110
Contract liabilities	12,042	16,195
Provision for bonuses	1,073	1,117
Provision for product warranties	930	739
Other provisions	379	320
Other	7,572	7,658
Total current liabilities	37,719	53,163
Noncurrent Liabilities:		
Bonds payable	10,000	-
Long-term loans payable	181	114
Deferred tax liabilities	2,849	1,073
Net defined benefit liability	1,367	970
Other provisions	10	24
Other	992	2,069
Total noncurrent liabilities	15,402	4,252
Total Liabilities	53,121	57,416
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,286	37,286
Retained earnings	29,433	31,306
Treasury stock	(2,289)	(380)
Total shareholders' equity	102,144	105,927
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	9,082	5,601
Foreign currency translation adjustment	3,217	2,958
Remeasurements of defined benefit plans	23	1,011
Total accumulated other comprehensive income	12,322	9,571
Total Net Assets	114,467	115,499
Total Liabilities and Net Assets	167,588	172,915

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

Consolidated Statements of Income

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to March 31, 2024)	Fiscal 2025 (April 1, 2024 to March 31, 2025)
Net Sales	104,278	111,050
Cost of Sales	69,690	71,559
Gross profit	34,588	39,491
Selling, General and Administrative Expenses	29,689	32,373
Operating profit	4,898	7,118
Non-Operating Income		
Interest income	145	228
Dividends income	557	383
Foreign exchange gains	1,048	-
Other	370	323
Total non-operating income	2,121	935
Non-Operating Expenses		
Interest expenses	102	108
Compensation for damage	72	11
Foreign exchange losses	-	254
Other	48	62
Total non-operating expenses	223	437
Ordinary profit	6,797	7,617
Extraordinary Income		
Gain on sales of noncurrent assets	26	164
Gain on sales of investment securities	472	1,764
Other	-	15
Total extraordinary income	498	1,944
Extraordinary Loss		
Loss on sales of noncurrent assets	0	3
Loss on retirement of noncurrent assets	19	12
Impairment losses	1,384	314
Business restructuring expenses	-	53
Other	85	14
Total extraordinary loss	1,490	398
Profit before income taxes	5,805	9,163
Income taxes-current	1,519	2,642
Income taxes-deferred	(371)	(727)
Total income taxes	1,147	1,914
Profit	4,657	7,248
Profit attributable to non-controlling interests	15	-
Profit attributable to owners of parent	4,641	7,248

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to March 31, 2024)	Fiscal 2025 (April 1, 2024 to March 31, 2025)
Profit	4,657	7,248
Other comprehensive income		
Valuation difference on available-for-sale securities	4,875	(3,480)
Foreign currency translation adjustment	1,555	(258)
Remeasurements of defined benefit plans, net of tax	889	988
Total other comprehensive income	7,321	(2,751)
Comprehensive Income	11,978	4,497
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	11,947	4,497
Comprehensive income attributable to non-controlling interests	31	-

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to March 31, 2024)	Fiscal 2025 (April 1, 2024 to March 31, 2025)
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	37,286
Changes of items during the period		
Cancellation of treasury shares		(37)
Disposal of treasury shares to Board Benefit Trust		37
Acquisition of treasury shares by Board Benefit Trust		
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	37,286	37,286
Retained earnings		
Balance at the beginning of current period	28,693	29,433
Changes of items during the period		
Dividends from surplus	(2,442)	(3,465)
Profit attributable to owners of parent	4,641	7,248
Purchase of treasury stocks		
Cancellation of treasury shares	(1,459)	(1,909)
Total changes of items during the period	739	1,873
Balance at the end of current period	29,433	31,306
Treasury stock		
Balance at the beginning of current period	(2,248)	(2,289)
Changes of items during the period		
Purchase of treasury stocks	(1,500)	(0)
Cancellation of treasury shares	1,459	1,947
Disposal of treasury shares to Board Benefit Trust		161
Acquisition of treasury shares by Board Benefit Trust		(198)
Total changes of items during the period	(40)	1,909
Balance at the end of current period	(2,289)	(380)
Total shareholders' equity		
Balance at the beginning of current period	101,948	102,144
Changes of items during the period		
Dividends from surplus	(2,442)	(3,465)
Profit attributable to owners of parent	4,641	7,248
Purchase of treasury stocks	(1,500)	(0)
Cancellation of treasury shares	-	-
Disposal of treasury shares to Board Benefit Trust		198
Acquisition of treasury shares by Board Benefit Trust		(198)
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	196	3,783
Balance at the end of current period	102,144	105,927

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

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to March 31, 2024)	Fiscal 2025 (April 1, 2024 to March 31, 2025)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	4,206	9,082
Changes of items during the period		
Net changes of items other than shareholders' equity	4,875	(3,480)
Total changes of items during the period	4,875	(3,480)
Balance at the end of the period	9,082	5,601
Foreign currency translation adjustment		
Balance at the beginning of the period	1,676	3,217
Changes of items during the period		
Net changes of items other than shareholders' equity	1,540	(258)
Total changes of items during the period	1,540	(258)
Balance at the end of the period	3,217	2,958
Remeasurements of defined benefit plans		
Balance at the beginning of the period	(866)	23
Changes of items during the period		
Net changes of items other than shareholders' equity	889	988
Total changes of items during the period	889	988
Balance at the end of the period	23	1,011
Total accumulated other comprehensive income		
Balance at the beginning of the period	5,016	12,322
Changes of items during the period		
Net changes of items other than shareholders' equity	7,305	(2,751)
Total changes of items during the period	7,305	(2,751)
Balance at the end of the period	12,322	9,571
Non-controlling interests		
Balance at the beginning of the period	168	
Changes of items during the period		
Net changes of items other than shareholders' equity	(168)	
Total changes of items during the period	(168)	
Balance at the end of the period	-	
Total Net Assets		
Balance at the beginning of the period	107,133	114,467
Changes of items during the period		
Dividends from surplus	(2,442)	(3,465)
Profit attributable to owners of parent	4,641	7,248
Purchase of treasury stocks	(1,500)	(0)
Cancellation of treasury shares	-	-
Disposal of treasury shares to Board Benefit Trust		198
Acquisition of treasury shares by Board Benefit Trust		(198)
Net changes of items other than shareholders' equity	7,137	(2,751)
Change in ownership interest of parent due to transactions with non-controlling interests	(502)	-
Total changes of items during the period	7,334	1,032
Balance at the end of the period	114,467	115,499

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

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	Fiscal 2024 (April 1, 2023 to March 31, 2024)	Fiscal 2025 (April 1, 2024 to March 31, 2025)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	5,805	9,163
Depreciation and amortization	1,967	2,297
Impairment losses	1,384	314
Amortization of goodwill	577	249
Loss (gain) on sale of property, plant and equipment	(25)	(161)
Increase (decrease) in allowance for doubtful accounts	72	(62)
Increase (decrease) in provision for bonuses	(36)	44
Increase (decrease) in net defined benefit liability	59	(19)
Interest and dividends income	(703)	(612)
Interest expenses	102	108
Foreign exchange losses (gains)	(921)	61
Loss (gain) on sales of investment securities	(472)	(1,764)
Decrease (increase) in notes and accounts receivable-trade	(5,635)	8,590
Decrease (increase) in inventories	(2,762)	(176)
Increase (decrease) in notes and accounts payable-trade	(6,760)	499
Increase (decrease) in accrued consumption taxes	328	(343)
Other, net	217	(319)
Subtotal	(6,802)	17,871
Interest and dividends income received	702	606
Interest expenses paid	(102)	(101)
Income taxes paid	(1,849)	(1,358)
Net cash provided by (used in) operating activities	(8,051)	17,018
Net Cash Provided by (Used in) Investing Activities:		
Net decrease (increase) in short-term investment securities	1,710	-
Payments into time deposits	(744)	(2,138)
Proceeds from withdrawal of time deposits	485	968
Purchase of property, plant and equipment and intangible assets	(1,552)	(2,276)
Proceeds from sales of property, plant and equipment and intangible assets	225	443
Purchase of insurance funds	(325)	-
Proceeds from maturity of insurance funds	531	-
Purchase of investment securities	(554)	(1,066)
Proceeds from sales of investment securities	660	1,878
Payments for acquisition of businesses	-	(2,569)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(18)
Other	46	(1)
Net cash provided by (used in) investing activities	483	(4,781)
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	261	(407)
Repayments of long-term loans payable	(153)	(86)
Repayments of lease obligations	(336)	(353)
Purchase of treasury stocks	(1,504)	(199)
Cash dividends paid	(2,439)	(3,461)
Proceeds from sale of treasury shares	-	198
Net cash provided by (used in) financing activities	(4,874)	(4,310)
Effect of exchange rate change on cash and cash equivalents	1,160	(190)
Net increase (decrease) in cash and cash equivalents	(11,281)	7,736
Cash and cash equivalents at beginning of the period	60,945	49,664
Cash and cash equivalents at end of the period	49,664	57,400

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

(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 eight-year period at some of the Company's consolidated subsidiaries overseas. This period was set within employees' average remaining period of service. However, because the average remaining period of service came to fall short of eight years, the Company decided to amortize this item upon the passage of seven years. This change took effect from the beginning of the fiscal year ended March 31, 2025.

Reflecting this, operating profit and ordinary profit recorded in the fiscal year ended March 31, 2025 increased ¥11 million each compared with operating results calculated based on the conventional method. Similarly, profit before income taxes increased ¥8 million compared with operating results calculated based on the conventional method.

(Matters Related to Consolidated Statements of Income)
(Impairment Loss)

Region	Usage	Category	Impairment loss
Japan	Business assets	Long-term prepaid expenses	¥314 million

1. Factors leading to the recognition of impairment losses
The long-term prepaid expenses listed above have been recognized in connection with a specific business newly launched by the Company. However, as this business has yet to generate profit, the Company decided to record an impairment loss after the careful examination of the future recoverability of these assets.

2. Method for grouping assets
Business assets are grouped by each cash generating unit that can be deemed independent.

3. Method for calculating recoverable value
The recoverable value of the above asset group is calculated using the value in use. However, such recoverable value is deemed zero as the Company considers this asset group's value in use to be negative based on its future cash flows.

(Business Combinations)
(Business Combination via the Acquisition of a Rotary Die Tool Business Managed by Bernal. LLC)
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 acquired business 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. 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) Reasons for Undertaking 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 is designed to 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 is now 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 is designed to 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 is now 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 consolidated financial statements in relation to operating results of

the acquired business

From April 24, 2024 to March 31, 2025

3. Acquisition cost and breakdown of acquisition cost by category

Consideration for the acquisition	Cash payments*1	¥2,611 million
	Monetary consideration under terms*2	¥154 million
Total acquisition costs		¥2,765 million

*1 Reflecting price adjustments based on the Asset Purchase Agreement

*2 Estimated value of additional consideration to be paid in accordance with the above agreement, which includes a clause requiring performance-based additional payments

4. Content and components of key expenses associated with acquisition

Advisory fees, etc. ¥169 million

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

(1) Amount of goodwill recorded

¥987 million

(2) Reasons for recording goodwill

Goodwill is recognized based on the expected profitability from future business activities in excess of fair value.

(3) Amortization method and period

Straight-line method: eight years

6. Value of assets and liabilities assumed at the date of the business combination and their main components

Current assets	¥741 million
Noncurrent assets	¥2,307 million
Total assets	¥3,048million
Current liabilities	¥601 million
Noncurrent liabilities	¥668 million
Total liabilities	¥1,270 million

7. Content of monetary consideration under terms stipulated in the business combination agreement and the Company's relevant accounting treatment policy to be implemented in the fiscal year under review and later

(1) Content of monetary consideration under terms

The business combination agreement includes a clause requiring performance-based additional payments of a certain amount of monetary consideration in line with operating results to be achieved by the acquired business. Accordingly, the Company may be required to additionally pay up to 1 million U.S. dollars in the future.

(2) Accounting policy
In the fiscal year under review, the Company factored in 1 million U.S. dollars (¥154 million) as part of total acquisition costs. This amount is based on the estimated maximum amount of the additional payments explained above. Any changes in the monetary consideration will be recognized in accordance with U.S. GAAP.

8. Provisional estimate of the impact of the business combination on the consolidated statement of income for the fiscal year under review based on a hypothetical assumption that the business combination was completed at the beginning of such fiscal year, and methods for this estimation

Omitted because such an estimate has no significant monetary implications.

(Business Combination via the Acquisition of Shares in Canadian Primoflex Systems Inc.)
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 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. Period included in consolidated financial statements in relation to operating results of the acquired business
From January 18, 2025 to March 31, 2025

3. Acquisition cost and breakdown of acquisition cost by category

Consideration for the acquisition	Cash payments*	¥302 million
Total acquisition costs		¥302 million

* Reflecting price adjustments based on the share transfer agreement

4. Content and components of key expenses associated with acquisition
Advisory fees, etc. ¥67 million

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

(1) Amount of goodwill recorded
¥110 million
This amount is based on provisional calculation as the allocation of total acquisition costs

has yet to be completed. This is because the business combination took place shortly before the close of the Company's fiscal year, leading to the lack of a sufficient period of time to determine or estimate the fair value of recognizable assets and liabilities as of the date of such business combination.

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

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

6. Value of assets and liabilities assumed at the date of the business combination and their main components

Current assets	¥523 million
Noncurrent assets	¥374 million
Total assets	¥898 million
Current liabilities	¥364 million
Noncurrent liabilities	¥341 million
Total liabilities	¥706 million

7. Content of monetary consideration under terms stipulated in the business combination agreement and the Company's relevant accounting treatment policy to be implemented in the fiscal year under review and later

(1) Content of monetary consideration under terms
The business combination agreement includes a clause requiring performance-based additional payments of a certain amount of monetary consideration in line with operating results to be achieved by the acquired business. Accordingly, the Company may be required to additionally pay up to 1 million Canadian dollars in the future.

(2) Accounting policy
If any changes occur in the monetary consideration, such changes are treated as if they had occurred at the acquisition date under IFRS. Accordingly, the acquisition cost is adjusted, and the amount of goodwill and its amortization are revised based on this policy.

8. Provisional estimate of the impact of the business combination on the consolidated statement of income for the fiscal year under review based on a hypothetical assumption that the business combination was completed at the beginning of such fiscal year, and methods for this estimation

Omitted because such an estimate has no significant monetary implications.

(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 Profit (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 Profit (Loss), Assets and Other Items by Reportable Segment

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

(In millions of yen)

	Reportable Segment					Others (Note)	Total	Adjustments	Amount presented in consolidated financial statements
	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	—	104,278
Intersegment sales	26,149	8	621	1,849	28,629	86	28,716	—	28,716
Total	76,896	11,692	23,376	16,527	128,493	4,501	132,994	—	132,994
Operating profit (Loss)	4,428	758	(168)	(230)	4,788	319	5,108	(209)	4,898
Assets	143,433	7,673	23,442	7,111	181,661	5,011	186,673	(19,084)	167,588
Other items									
Depreciation	790	31	711	402	1,936	31	1,967	(0)	1,967
Impairment loss	—	—	—	1,375	1,375	8	1,384	—	1,384
Amortization of goodwill	51	—	—	526	577	—	577	—	577
Increase of property, plant and equipment and intangible assets	1,620	3	281	89	1,994	2	1,997	—	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.

Fiscal 2025 (April 1, 2024 to March 31, 2025)

(In millions of yen)

	Reportable Segment					Others (Note)	Total	Adjustments	Amount presented in consolidated financial statements
	Japan	North America	Europe	Greater China	Subtotal				
Net sales									
Sales to outside customers	55,287	9,285	24,718	14,268	103,560	5,723	109,283	1,766	111,050
Intersegment sales	27,448	9	471	1,723	29,652	169	29,822	—	29,822
Total	82,736	9,295	25,190	15,991	133,213	5,892	139,106	1,766	140,872
Operating profit (Loss)	7,033	8	(776)	259	6,525	411	6,936	181	7,118
Assets	143,669	8,833	27,186	5,969	185,658	6,319	191,978	(19,062)	172,915
Other items									
Depreciation	878	33	943	410	2,266	31	2,297	(0)	2,297
Impairment loss	314	—	—	—	314	—	314	—	314
Amortization of goodwill	53	—	124	71	249	—	249	—	249
Increase of property, plant and equipment and intangible assets	2,052	71	414	53	2,591	9	2,600	—	2,600

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 2024	Fiscal 2025
Total net sales in reportable segments	128,493	133,213
Net sales in others	4,501	5,892
Eliminations	(28,716)	(29,822)
Principal-agent adjustments*1	—	1,804
Adjustments on progress in the fulfillment of performance obligations*2	—	(37)
Net sales as presented in Consolidated Financial Statements	104,278	111,050

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

(In millions of yen)

Operating Profit	Fiscal 2024	Fiscal 2025
Total operating profit in reportable segments	4,788	6,525
Operating profit in others	319	411
Adjustments for inventories	(314)	75
Eliminations	74	199
Adjustments on progress in the fulfillment of performance obligations*2	—	(37)
Operating profit as presented in Consolidated Financial Statements	31	(56)
	4,898	7,118

(In millions of yen)

Assets	Fiscal 2024	Fiscal 2025
Total assets in reportable segments	181,661	185,658
Assets in others	5,011	6,319
Adjustments for inventories	△2,476	△2,401
Eliminations	△16,979	△16,973
Other adjustments	371	312
Total assets as presented in Consolidated Financial Statements	167,588	172,915

*1 Agent transactions recorded as part of reportable segment transactions but treated as those undertaken by the Company itself in the consolidated statement of income due to the presence of intersegment transactional parties

*2 Adjustments for progress in intersegment transactions whose revenue is being recognized for a set period of time based on progress in the fulfillment of performance obligations

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 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."

Fiscal 2025 (April 1, 2024 to March 31, 2025)

(In millions of yen)

	Reportable Segment					Others	Total
	Japan	North America	Europe	Greater China	Subtotal		
Balance as of the end of fiscal 2024	51	—	938	140	1,131	—	1,131

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

(Per Share Information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	2,157.34	2,176.81
Basic earnings per share	86.79	136.62

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) and Employee Stock Ownership Plan (J-ESOP) are classified as treasury stock as part of shareholders' equity. Shares of treasury stock are excluded from the number of shares outstanding as of the fiscal year-end in the calculation of net assets per share as well as from the average number of shares in the calculation of basic earnings per share.

   The number of treasury shares outstanding at the close of the fiscal years ended March 31, 2024 and March 31, 2025 amounted to 252,000 shares and 414,000 shares, respectively. The average number of treasury shares during the fiscal years ended March 31, 2024 and March 31, 2025 amounted to 252,000 shares and 277,000 shares, respectively. These treasury shares have been excluded from the calculation of the above two indicators during the periods specified above.

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	4,641	7,248
Amount not available to common stockholders (millions of yen)	—	—
Profit attributable to owners of parent pertaining to common stock (millions of yen)	4,641	7,248
Average number of shares of common stock outstanding during the year (thousands of shares)	53,483	53,059

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets (millions of yen)	114,467	115,499
Net assets pertaining to common stock (millions of yen)	114,467	115,499
Number of shares of common stock outstanding (thousands of shares)	53,059	53,059

(Important Subsequent Events)

Komori executed the second round of issuance of unsecured corporate bonds on April 16, 2025 based on a resolution passed at its Board of Directors meeting held on February 26, 2025 to comprehensively determine terms and conditions of such bonds. An overview of the issuance follows.

(1) Total issuance amount	¥9,000 million
(2) Par value	¥100 per ¥100 corporate bond unit
(3) Annual interest rate	1.642%
(4) Redemption date	April 16, 2030
(5) Redemption method	Lump-sum redemption at maturity
(6) Payment date for purchasers	April 16, 2025
(7) Usage of proceeds	Working capital