

April 27, 2021

Name of Listed Company: KOMORI CORPORATION
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Representative Director, President and CEO
Securities Code: 6349 (First Section, Tokyo Stock Exchange)
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**Komori Corporation Announces the Posting of Extraordinary Income and Loss,
the Revision of Forecasts for Full-Year Consolidated Operating Results and the
Disclosure of Non-Consolidated Operating Results Forecasts**

Komori hereby announces the posting of extraordinary income (gains on negative goodwill) and extraordinary loss (impairment loss) as part of operating results for the fiscal year ended March 31, 2021, in addition to revising its forecasts for full-year consolidated operating results for said fiscal year, as detailed below, from the previous forecasts disclosed on October 27, 2020. In addition, although Komori had previously opted to omit the disclosure of non-consolidated operating results forecasts, the Company hereby discloses such forecasts as differences between the forecasts for the fiscal year ended March 31, 2021 and results for the previous fiscal year are expected to reach the threshold defined by Tokyo Stock Exchange's timely disclosure rules.

1. Posting of Extraordinary Income (gains on negative goodwill)

In April 2020, Komori acquired 100% equity stake in Maschinenbau Oppenweiler Binder GmbH & Co. KG (currently MBO Postpress Solutions GmbH), the main company of the Germany-based MBO Group, through Komori Germany GmbH, which is a Komori subsidiary. Reflecting this, Komori included the acquired company and its six subsidiaries into the scope of consolidation from the first quarter of the fiscal year ended March 31, 2021. This inclusion resulted in the posting of gains on negative goodwill of ¥637 million based on provisional calculation at the time of acquisition. Having completed the allocation of acquisition costs at the close of said fiscal year, Komori finalized the amount of gains on negative goodwill associated with this acquisition and thus recorded an additional ¥264 million. Taking these into account, gains on negative goodwill are expected to total ¥901 million for the fiscal year ended March 31, 2021.

2. Posting of Extraordinary Loss (impairment loss)

Komori Machinery Co., Ltd. (Takahata-machi, Yamagata Prefecture), a consolidated subsidiary tasked mainly with the production of small-size sheet-fed offset printing presses, is expected to record an impairment loss of ¥1,179 million based on the careful assessment of the future recoverability of its business assets in light of recently stagnant market demand and the resulting likelihood of a decline in profitability.

3. Revision of Forecasts for Full-Year Consolidated Operating Results

(1) Consolidated Operating Results Forecasts for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Profit (Loss) Attributable to Owners of Parent	Basic Earnings (Loss) per Share (Yen)
Previous Forecasts (A)	71,000	(2,600)	(1,900)	(2,100)	(37.55)
Revised Forecasts (B)	71,800	(2,500)	(1,300)	(2,200)	(39.34)
Difference (B – A)	800	100	600	(100)	
Difference (%)	1.1	—	—	—	
(Reference) Results for the Fiscal Year Ended March 31, 2020	77,646	(3,404)	(3,480)	(25,473)	(450.11)

(2) Reasons for Revising the Forecasts

With regard to its consolidated operating results forecasts for the fiscal year ended March 31, 2021, Komori anticipates a decrease in operating loss due to growth in net sales while expecting to record foreign exchange gains as the depreciation of yen exceeded the Company's estimates. Taking these factors into account, Komori expects ordinary loss to decrease by around 30% from the previous forecast. On the other hand, loss attributable to owners of parent is expected to increase approximately ¥100 million from the previous forecast, despite the posting of extraordinary income (gains on negative goodwill), due to such factors as the posting of extraordinary loss (impairment loss).

4. Non-Consolidated Operating Results Forecasts

(1) Non-Consolidated Operating Results Forecasts for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Profit (Loss)	Basic Earnings (Loss) per Share (Yen)
Results for the Previous Fiscal Year (A)	60,363	(2,808)	(2,175)	(23,521)	(415.61)
Forecasts (B)	50,600	(2,200)	(220)	(140)	(2.50)
Difference (B – A)	(9,763)	608	1,955	23,381	
Difference (%)	(16.2)	—	—	—	

(2) Reasons for Disclosing Operating Results Forecasts

Net sales are likely to decline due to the impact of the novel coronavirus pandemic. However, operating loss is expected to decrease. This is thanks to reduction in marketing expenses and other positive effects arising from emergency measures to reinforce the Company's business revenue structure, as well as the absence of the impact of changes in valuation methods for service parts inventories, which took place in the previous fiscal year and affected cost of sales for said year. Furthermore, Komori is likely to record lower ordinary loss due mainly to year-on-year differences in foreign exchange gains and losses. In addition to improvement in these and other components of operating and ordinary income/loss, Komori expects to benefit from the absence of impairment loss recorded in the previous fiscal year and the resulting reversal of deferred tax assets. For the fiscal year ended March 31, 2021, Komori thus forecasts that loss for the year will significantly decrease.

5. Dividend Forecasts

Komori has not revised its dividend forecasts for the fiscal year ended March 31, 2021.

Disclaimer: The aforementioned forecasts are based on management's assumptions and beliefs held in light of information currently available to it as of the date of this document's release and, accordingly, involve risks and uncertainties that may cause actual results to differ materially from forecasts.