Results of Operations for the Fiscal Year Ended March 31, 2021
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

May 14, 2021

Company name:	KOMORI CORPORATION
Representative:	Mr. Satoshi Mochida Representative Director, President and CEO
Securities code:	6349 (Tokyo Stock Exchange)
Contact:	Mr. Koichi Matsuno Director, Operating Officer Phone: (81)-3-5608-7826 URL (https://www.komori.com)
Annual General Meeting of Shareholders:	June 22, 2021
Payment date of year-end dividend:	June 23, 2021

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

1. Consolidated Business Results for Fiscal 2021 (April 1, 2020 to March 31, 2021)

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

	Fiscal year ended March 31, 2021	%	Fiscal year ended March 31, 2020	%
Net sales	71,825	(7.5)	77,646	(14.0)
Operating income (loss)	(2,332)	-	(3,404)	-
Ordinary income (loss)	(1,149)	-	(3,480)	-
Profit (Loss) attributable to owners of parent	(2,068)	-	(25,473)	-

(Yen)

Basic earnings (loss) per share	(36.99)	(450.11)
Diluted earnings per share	-	-

(%)

ROE	(2.1)	(22.3)
ROA	(0.8)	(2.3)
Operating income to net sales ratio	(3.2)	(4.4)

Notes:
1. Comprehensive income:
   Fiscal year ended March 31, 2021: 877 million yen - %
   Fiscal year ended March 31, 2020: (27,245) million yen - %
2. Share of profit of entities accounted for using equity method:
   Fiscal year ended March 31, 2021: -
   Fiscal year ended March 31, 2020: -
3. Percentage figures given for the first four items in the above table represent the percentage increase/decrease on a year-on-year basis.

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

	March 31, 2021	March 31, 2020
Total assets	144,443	135,697
Total net assets	97,736	97,979
Equity ratio (%)	67.6	72.2
Net assets per share (Yen)	1,746.55	1,750.80

Note:
Equity as of: March 31, 2021: 97,673 million yen
March 31, 2020: 97,912 million yen

(3) Summary of statements of cash flows (In millions of yen, rounded down)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020
Net cash provided by (used in) operating activities	8,174	1,807
Net cash provided by (used in) investing activities	(2,220)	(3,569)
Net cash provided by (used in) financing activities	9,288	(5,057)
Cash and cash equivalents at end of the period	54,321	38,587

2. Dividends

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ending March 31, 2022 (Forecast)
Annual cash dividends per share (Yen)	30.00	20.00	20.00
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	20.00	10.00	10.00
Third quarter period-end dividends	-	-	-
Year-end dividends	10.00	10.00	10.00
Total cash dividends for the year (Millions of yen)	1,682	1,123	-
Dividend payout ratio (Consolidated) (%)	-	-	66.1
Ratio of dividends to net assets (Consolidated) (%)	1.5	1.1	-

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2022
(April 1, 2021 to March 31, 2022)

(In millions of yen, rounded down)

	Sixth months ending September 30, 2021	%	Fiscal year ending March 31, 2022	%
Net sales	42,000	23.9	90,000	25.3
Operating income	300	-	1,900	-
Ordinary income	0	-	1,700	-
Profit attributable to owners of parent	200	-	1,700	-
Basic earnings per share (Yen)	3.58	-	30.40	-

Note:
Percentage figures given for the first four items in the above table represent the percentage increase/decrease on a year-on-year basis.

*Notes
(1) Changes in significant subsidiaries during the fiscal year under review (Changes in the scope of consolidation accompanying changes in specified subsidiaries): None

(2) Changes in accounting policies; changes in accounting estimates; restatements
1. Changes accompanying revisions to accounting standards: None
2. Changes other than those in item 1. above: None
3. Changes in accounting estimates: None
4. Restatements: None

(3) Number of shares outstanding (common stock)
1. Number of shares outstanding (including treasury stock) as of:
March 31, 2021: 58,292,340 shares
March 31, 2020: 58,292,340 shares
2. Number of treasury stock as of:
March 31, 2021: 2,368,339 shares
March 31, 2020: 2,368,005 shares
3. Average number of shares during the period:
Fiscal year ended March 31, 2021: 55,924,195 shares
Fiscal year ended March 31, 2020: 56,594,610 shares

Reference: Overview of Non-Consolidated Performance

1. Non-Consolidated Performance for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Non-Consolidated Operating Results (In millions of yen, rounded down)

	Fiscal year ended March 31, 2021	%	Fiscal year ended March 31, 2020	%
Net sales	50,625	(16.1)	60,363	(13.5)
Operating income (loss)	(2,187)	-	(2,808)	-
Ordinary income (loss)	(217)	-	(2,175)	-
Profit (Loss) attributable to owners of parent	(133)	-	(23,521)	-

(Yen)

Basic earnings (loss) per share	(2.39)	(415.61)
Diluted earnings per share	-	-

(2) Non-Consolidated Financial Condition (In millions of yen, rounded down)

	March 31, 2021	March 31, 2020
Total assets	121,980	114,443
Total net assets	90,233	90,188
Equity ratio (%)	74.0	78.8
Net assets per share (Yen)	1,613.50	1,612.69

Note:

Equity as of: March 31, 2021: 90,233 million yen
March 31, 2020: 90,188 million yen

* 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 (5) Outlook” in page 11 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 24, 2021. 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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1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION

(1) Fiscal 2021 Operating Results

(1) Overview

During the fiscal year ended March 31, 2021, the global economy was affected by an ongoing sense of uncertainty due to the outbreak of novel coronavirus (COVID-19) worldwide. Although economic recovery was seen in Greater China, thanks to the earlier containment of the pandemic in the region, many other regions have confronted repeated resurgences of the virus. Moreover, since its introduction, vaccination progress has varied greatly by country despite public expectations for its potential to contain the pandemic. Accordingly, it is likely to take time until vaccination is completed in major countries. Despite recovery in manufacturing backed by growing exports, the Japanese economy was hit by the near disappearance of inbound tourism-related demand due to international travel restrictions aimed at curbing the spread of COVID-19, as well as stagnant personal consumption, which primarily affected the restaurant, entertainment and tourism industries.

In the printing machinery market, demand fell in Europe due mainly to the repeated resurgences of the pandemic which, in turn, caused printing companies to cancel or postpone capital investment. In ASEAN, India and other regions, demand for offset printing presses declined due to ongoing movement restrictions aimed at countering the pandemic. Komori’s security printing press business was similarly affected in these regions by the postponement of product delivery. In the domestic market, although demand for offset printing presses likewise decreased under the influence of economic stagnation and the resulting decline in commercial printing demand, sales of Komori’s Printed Electronics (PE) business increased due to growing demand for electronics devices, including 5G communication devices, on the back of the popularization of remote working. In Greater China, where economies revived earlier than other regions, the volume of orders for Komori’s automated, labor-saving solutions has been solid, with overall market demand on a steady recovery track. In the United States, signs of recovery in orders and net sales have emerged thanks to the announcement of massive stimulus packages and expectations for progress in vaccination.

(2) Consolidated Performance

In November 2019, Komori announced the Sixth Medium-Term Management Plan, a five-year plan, with an eye to celebrating the centennial of its founding in 2023. However, the Company temporarily shifted its priority thereafter to the implementation of emergency measures to reinforce the Company’s business revenue structure, with the aim of countering a rapid decline in profit amid the market environment discussed above. These measures included the optimization of growing inventories reflecting stagnant demand, the streamlining of operations via work style reforms, the thoroughgoing review and reduction of selling, general and administrative (SG&A) and other expenses. At the same time, Komori strove to safeguard its customers and employees from the risk of infection to COVID-19 and, to this end, promoted the use of online alternatives for business negotiation meetings and customer support involving in-person contact. Moreover, in the face of restrictions on in-person marketing activities due to the postponement of exhibitions, the downsizing of open house events and other measures aimed at countering the pandemic, the Company enhanced the content of information offered online via video streaming and its corporate website. These endeavors involved showcasing best practices for introducing new equipment, troubleshooting tips for printing operations, and maintenance know-how enabling users to achieve stable operations, as well as other helpful topics that often attract customer interest.

In addition to the above measures, Komori has steadily reinstated its focus on launching initiatives announced under the Sixth Medium-Term Management Plan. For example, Komori strove to enhance the profitability of the offset printing press business, its core business, by releasing “advance” models developed to offer solutions capable of empowering customers to achieve world-leading ROI. Simultaneously, efforts have been under way to expand the scope of printing press brands that feature “advance” models. In the digital printing system (DPS) business, Komori has been pushing ahead with the evaluation of field test results for Impremia NS40, as part of its efforts to commercialize this large sheet-fed printing system employing the Nanographic Printing® process and capable of accepting 40-inch paper.

Taking the above factors into account, orders received in the fiscal year under review fell 19.1% from the previous fiscal year to ¥71,658 million, while consolidated net sales dropped 7.5% year on year to ¥71,825 million. Turning to expenses, the cost of sales ratio remained virtually unchanged year on year. In addition, SG&A expenses declined due mainly to reduction in travel and other expenses under the influence of the COVID-19 pandemic as well as strict control on such costs as personnel expenses via the execution of emergency measures, which aimed to reinforce the Company’s business revenue structure and improve profitability. As a result, operating loss amounted to ¥2,332 million, compared with operating loss of ¥3,404 million in the previous fiscal year. Ordinary loss was ¥1,149 million, an improvement from an ordinary loss of ¥3,480 million in the previous fiscal year. This was primarily attributable to the recording of foreign exchange gains backed by improving exchange rates. As a result of these and other factors, loss before income taxes amounted to ¥1,522 million, a decrease from a loss before income taxes of ¥21,176 million in the previous fiscal year, reflecting the recording of gains on negative goodwill totaling ¥901 million, despite the recording of impairment losses totaling ¥1,187 million in connection with noncurrent assets. Loss attributable to owners of the parent totaled ¥2,068 million, an improvement from loss attributable to owners of the parent of ¥25,473 million in the previous fiscal year.

Overseas sales totaled ¥42,151 million, down 13.3% from the previous fiscal year, with the ratio of overseas sales to net sales at 58.7%.

(3) Overview of Consolidated Net Sales by Region

Consolidated net sales during the fiscal year under review amounted to ¥71,825 million, representing a 7.5% decrease from the previous fiscal year. An overview of consolidated net sales by region is set out below. (In millions of yen)

<table>
<tr><th colspan="2"></th><th>Fiscal Year Ended March 31, 2020</th><th>Fiscal Year Ended March 31, 2021</th><th>Increase / (Decrease) (%)</th></tr>
<tr><td colspan="2">Net sales</td><td>77,646</td><td>71,825</td><td>(7.5%)</td></tr>
<tr><td rowspan="5">Breakdown</td><td>Japan</td><td>29,049</td><td>29,673</td><td>2.1%</td></tr>
<tr><td>North America</td><td>5,890</td><td>5,374</td><td>(8.8%)</td></tr>
<tr><td>Europe</td><td>12,303</td><td>12,768</td><td>3.8%</td></tr>
<tr><td>Greater China</td><td>15,976</td><td>13,600</td><td>(14.9%)</td></tr>
<tr><td>Other Regions</td><td>14,425</td><td>10,408</td><td>(27.8%)</td></tr>
</table>

Domestic Sales

In the domestic market, commercial printing demand declined due to stagnation in economic activities, with printing companies taking a cautious stance about capital investment in offset printing presses. On the other hand, demand for Komori's PE business offerings increased due to growing needs for electronics devices, including 5G communications devices, thanks to the popularization of remote working. Consequentially, domestic sales rose 2.1% year on year to ¥29,673 million.

North America

Orders received in North America rose year on year, while sales have been on a growth track from the third quarter onward. Nevertheless, due to the significant impact of falloff in first-half performance, net sales in this region dropped 8.8% year on year to ¥5,374 million.

Europe

In Europe, despite temporary recovery in summer 2020, the printing press market has been affected by repeated resurgences of the COVID-19 pandemic from autumn onward. However, Komori included the MBO Group, which manufactures and sells post-press machinery, into the scope of consolidation in April 2020, with the latter's business results being factored into consolidated operating results from the first quarter of the fiscal year under review. Reflecting this, net sales in this region increased 3.8% year on year to ¥12,768 million.

Greater China

In Greater China, economic activities revived earlier than other regions. Against this background, orders received in this region grew year on year thanks to robust capital expenditure associated with operational streamlining. However, despite similarly steady growth in sales in the second half, net sales in this region declined 14.9% year on year to ¥13,600 billion due to stagnant operating results in the first half.

Other Regions

Other Regions include ASEAN, India and Oceania as well as Central and South America. Sales declined in India due to the lingering impact of the COVID-19 pandemic, as did sales in other countries. As a result, net sales in Other Regions decreased 27.8% year on year to ¥10,408 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—including part of mainland China and the ASEAN region but excluding Hong Kong and Taiwan—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 ¥55,990 million, a year-on-year decrease of ¥9,521 million. Operating loss totaled ¥1,734 million, compared with operating loss of ¥2,921 million in 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 ¥5,392 million, a year-on-year decrease of ¥553 million. Operating loss totaled ¥506 million, compared with operating loss of ¥547 million in 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 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 the above section, net sales in this reportable segment totaled ¥13,297 million, a year-on-year increase of ¥668 million. Operating loss totaled ¥466 million, in contrast with operating income of ¥143 million in 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 the above section, net sales in this reportable segment totaled ¥10,474 million, a year-on-year decrease of ¥1,192 million. Operating loss totaled ¥395 million, compared with operating loss of ¥91 million in the previous fiscal year.

5. Other

The “Other” reportable segment includes sales recorded by the Company’s sales subsidiaries in India, Singapore and Malaysia. Subject to the aforementioned operating conditions in Other Regions, net sales in this reportable segment totaled ¥1,404 million, a year-on-year decrease of ¥1,158 million. Operating loss amounted to ¥23 million, a turnaround from operating income of ¥2 million in the previous fiscal year.

(5) Highlights

In the fiscal year ended March 31, 2021, Group highlights were as follows:

Currently, the printing industry is confronting such issues as labor shortages, aging operators and the pressing need of work style reform while striving to accommodate evolving customer needs. Reflecting this, ongoing efforts have been under way to improve productivity. To help address these issues, Komori developed “advance” models, a series of sheet-fed offset printing presses focused on empowering users to improve ROI, and began taking orders for these models in September 2020. The “advance” models are easy to operate while boasting higher productivity and superior printing quality. As these features offer significantly greater ROI than conventional printing presses, Komori expects the “advance” models to become an integral part of future generations of printing business operations. To promote this series, Komori has hosted open house events in a way that thoroughly safeguards attendees from the risk of COVID-19 infection, in addition to providing webinars and video livestreaming. Thanks to these efforts, the “advance” series is currently attracting the growing interest from customers at home and abroad.

Komori's LITHRONE GX40RP was chosen by PRINTING United Alliance, which boasts the largest and most diverse membership of printing and graphic arts businesses in the United States, to receive the 2020 InterTech^{TM} Technology Award. The LITHRONE GX40RP was praised by the alliance as a high-performance printing press designed to accommodate printing needs in future generations. Currently, this model is helping a number of package and commercial printing operators improve productivity thanks to its ability to offer stable, high-quality, double-sided printing with just one-pass, as well as its compatibility with Komori's Connected Automation, a work-flow solution that supports the automation of production frontlines.

Komori was chosen by the Ministry of Economy, Trade and Industry (METI) as one of the 100 Global Niche Top Companies under METI's 2020 selection program. Through this program, METI commends companies gaining growing presence in niche fields and supply chains even as the business environment surrounding Japan's industrial sector evolves due to the advancement of the digital economy, changes in global political and economic trends, and changes in the country's social structure brought about by the graying population, low birth rate and other factors. Komori was named as one such company thanks to its considerable global market share backed by its offset printing press and other world-leading product and printing technologies. Other factors contributing to this selection included the Company's unparalleled domestic presence as the only currency printing press manufacturer in Japan and a robust track record in supplying security and banknote printing facilities to several tens of countries around the world in addition to the unique business model Komori has established by combining digital printing systems and offset printing presses. Using this as a springboard, Komori will continuously contribute to the development of the world's printing industry.

(2) Financial Condition

Assets, Liabilities and Net Assets Total assets as of March 31, 2021

Total assets as of March 31, 2021 stood at ¥144,443 million, an increase of ¥8,746 million compared with the previous fiscal year-end. Liabilities were ¥46,707 million, an increase of ¥8,989 million compared with March 31, 2020, while net assets totaled ¥97,736 million, a decrease of ¥243 million.

Key positive factors leading to the increase in total assets included a ¥19,471 million increase in cash and deposits and a ¥1,723 million increase in investment securities. Key negative factors affecting total assets included a ¥4,588 million decrease in inventories and a ¥4,310 million net decrease in securities.

The primary factors leading to the increase in liabilities included a ¥10,000 million increase in corporate bonds. The primary factors that decreased liabilities included a ¥3,800 million decrease in electronically recorded monetary obligations.

Key negative factors affecting net assets included a ¥3,305 million decrease in retained earnings due to the recording of loss attributable to owners of the parent, the payment of cash dividends, and other factors. Key positive factors affecting net assets included a ¥1,331 million increase in valuation difference on available-for-sale securities.

(3) Fiscal 2021 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, 2021	8,174	(2,220)	9,288	54,321
Fiscal year ended March 31, 2020	1,807	(3,569)	(5,057)	38,587
Increase / (Decrease)	6,367	1,348	14,345	15,734

Net cash provided by operating activities in the fiscal year ended March 31, 2021 amounted to ¥8,174 million, an increase of ¥6,367 million from net cash provided by operating activities of ¥1,807 million in the previous fiscal year. Major cash inflows were a ¥7,575 million decrease in inventories, ¥3,425 million attributable to a decrease in notes and accounts receivable—trade, and a ¥1,604 million adjustment for depreciation. Principal cash outflows included a ¥4,300 million decrease in notes and accounts payable—trade and a ¥1,522 million in loss before income taxes.

Net cash used in investing activities was ¥2,220 million, a decrease of ¥1,348 million from ¥3,569 million used in investing activities in the previous fiscal year. Principal cash outflows included ¥2,067 million in purchase of shares of subsidiaries that resulted in change in scope of consolidation and a ¥1,132 million net increase in property, plant and equipment and intangible assets. Main cash inflows included a ¥599 million net decrease in securities.

Net cash provided by financing activities totaled ¥9,288 million, a turnaround of ¥14,345 million from ¥5,057 million used in financing activities in the previous fiscal year. The principal components of cash inflows included ¥10,000 million proceeds from the issuance of corporate bonds. The principal cash outflows were ¥1,120 million in the payment of cash dividends and ¥364 million in the repayment of lease obligations.

(4) Basic Policy on the Appropriation of Profits and Cash Dividends for the Fiscal Year under Review and the Fiscal Year Ending March 31, 2022

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 ¥10 per common share, in line with its initial plan. Komori decided to submit this proposal to the 75th Annual General Meeting of Shareholders.

For the fiscal year ending March 31, 2022, Komori plans to pay annual dividends of ¥20 per common share, the same amount paid in the previous fiscal year. This will comprise an interim cash dividend of ¥10 per common share and a fiscal year-end cash dividend of ¥10 per common share.

(5) Outlook

Looking ahead, although in many regions COVID-19 infections are likely to repeatedly surge and wane for a while due mainly to the emergence of new variants, the global economy is expected to ultimately recover, thanks to progress in vaccination and the resulting improvement in major economies.

Given these circumstances, printing companies in developed countries, including Europe, the United States and Japan, have become active in reorganizing their facilities via, for example, consolidation, to secure resilience against a volatile environment in the post-pandemic world. In step with these trends, some printing companies begin to replace their facilities with models designed to offer higher productivity. Moreover, in China and elsewhere in Asia, personal consumption is likely to grow stronger over the medium to long term along with the middle-class expansion backed by economic growth, despite the pandemic’s current repercussions in these regions. Reflecting this, overall demand for package printing, which is essential to sales of goods, is robust, with the market for such printing being expected to grow. In addition, there is the growing need for solutions for universal issues confronting the printing industry, including how to raise productivity and secure profit amid a rapidly evolving socio-economic environment. With this in mind, Komori will engage in proposals aimed at drawing customer attention to higher ROI offered by the “advance” models introduced in the fiscal year under review while striving to secure orders via the provision of other comprehensive solutions. These will include professional-use digital printing systems capable of accommodating printing requests involving small print runs and variable data printing, the KP-Connect cloud-based printing operation system supporting Connected Automation, post-press processing equipment manufactured by the Germany-based MBO Group, which has just become a consolidated subsidiary, and other printing supplies and services. Furthermore, Komori will continuously focus on developing the PE business.

Taking the aforementioned factors into account, the Company’s consolidated operating results forecasts include net sales of ¥90.0 billion, operating income of ¥1.9 billion, ordinary income of ¥1.7 billion, and profit attributable to owners of the parent of ¥1.7 billion. These forecasts are based on the assumed exchange rates of USD 1.00 = JPY 105 and EUR 1.00 = JPY 120.

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)

	March 31, 2020	March 31, 2021
(ASSETS)		
Current Assets:		
Cash and deposits	27,403	46,875
Notes and accounts receivable-trade	15,823	14,662
Electronically recorded monetary claims	2,416	1,259
Short-term investment securities	12,821	8,511
Merchandise and finished goods	17,923	13,837
Work in process	10,481	9,987
Raw materials and supplies	7,959	7,949
Current portion of insurance funds	311	90
Other	3,120	2,562
Allowance for doubtful accounts	(334)	(430)
Total current assets	97,926	105,304
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	27,609	28,378
Accumulated depreciation	(22,935)	(23,411)
Buildings and structures, net	4,673	4,967
Machinery, equipment and vehicles	16,929	16,380
Accumulated depreciation	(15,280)	(15,231)
Machinery, equipment and vehicles, net	1,648	1,148
Land	8,091	8,641
Construction in progress	218	355
Other	7,629	7,816
Accumulated depreciation	(6,612)	(6,638)
Other, net	1,017	1,178
Total property, plant and equipment	15,650	16,290
Intangible assets		
Goodwill	3,259	2,709
Other	1,724	1,810
Total Intangible assets	4,983	4,520
Investments and other assets		
Investment securities	7,134	8,857
Deferred tax assets	1,582	1,431
Insurance funds	6,167	6,120
Net defined benefit asset	1,542	1,317
Other	794	674
Allowance for doubtful accounts	(83)	(74)
Total investments and other assets	17,136	18,327
Total noncurrent assets	37,771	39,138
Total Assets	135,697	144,443

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2020	March 31, 2021
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	5,826	5,826
Electronically recorded obligations-operating	10,478	6,677
Short-term loans payable	34	873
Income taxes payable	329	436
Advances received	8,737	9,448
Provision for bonuses	930	871
Provision for product warranties	729	782
Provision for loss on guarantees	112	101
Provision for onerous contracts	39	49
Deferred installment income	38	38
Other	5,535	6,510
Total current liabilities	32,792	31,615
Noncurrent Liabilities:		
Bonds payable	-	10,000
Long-term loans payable	-	439
Deferred tax liabilities	1,058	1,637
Provision for directors' retirement benefits	25	20
Provision for loss on litigation	110	-
Provision for onerous contracts	56	44
Net defined benefit liability	2,780	2,030
Other	894	918
Total noncurrent liabilities	4,925	15,091
Total Liabilities	37,717	46,707
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,788	37,788
Retained earnings	26,040	22,735
Treasury stock	(2,736)	(2,621)
Total shareholders' equity	98,807	95,618
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	1,756	3,087
Foreign currency translation adjustment	(1,313)	(345)
Remeasurements of defined benefit plans	(1,337)	(685)
Total other comprehensive income	(895)	2,055
Non-controlling interests	67	62
Total Net Assets	97,979	97,736
Total Liabilities and Net Assets	135,697	144,443

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

Consolidated Statements of Income

(In millions of yen)

	Fiscal 2020 (April 1, 2019 to March 31, 2020)	Fiscal 2021 (April 1, 2020 to March 31, 2021)
Net Sales	77,646	71,825
Cost of Sales	55,396	51,473
Reversal of unrealized income on installment sales	0	-
Gross profit	22,249	20,351
Selling, General and Administrative Expenses	25,654	22,684
Operating income (loss)	(3,404)	(2,332)
Non-Operating Income		
Interest income	80	45
Dividends income	256	214
Foreign exchange gains	-	417
Subsidy income	-	346
Rent income	88	85
Other	274	380
Total non-operating income	700	1,490
Non-Operating Expenses		
Interest expenses	7	51
Compensation for damage	171	4
Foreign exchange losses	473	-
Bond issuance cost	-	57
Provision of allowance for doubtful accounts	-	79
Other	123	112
Total non-operating expenses	776	307
Ordinary income (loss)	(3,480)	(1,149)
Extraordinary Income		
Gain on sales of noncurrent assets	0	5
Gain on sales of investment securities	259	93
Gain on bargain purchase	-	901
Insurance income	55	-
Total extraordinary income	315	1,001
Extraordinary Loss		
Loss on sales of noncurrent assets	4	0
Loss on retirement of noncurrent assets	19	10
Impairment loss	17,757	1,187
Business structure improvement expenses	150	40
Loss on valuation of investment securities	28	77
Loss on disaster	53	-
Other	-	58
Total extraordinary loss	18,012	1,373
Income (loss) before income taxes	(21,176)	(1,522)
Income taxes-current	177	375
Income taxes-deferred	4,122	167
Total income taxes	4,299	543
Income (loss) before minority interests	(25,476)	(2,065)
Profit (loss) attributable to non-controlling interests	(2)	2
Profit (loss) attributable to owners of parent	(25,473)	(2,068)

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Fiscal 2020 (April 1, 2019 to March 31, 2020)	Fiscal 2021 (April 1, 2020 to March 31, 2021)
Profit (Loss)	(25,476)	(2,065)
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(1,115)	1,331
Foreign currency translation adjustment	(484)	959
Remeasurements of defined benefit plans, net of tax	(168)	652
Total other comprehensive income	(1,768)	2,943
Comprehensive Income (loss)	(27,245)	877
Comprehensive income attributable to:		
Comprehensive income (loss) attributable to owners of the parent	(27,236)	882
Comprehensive income (loss) attributable to non-controlling interests	(8)	(5)

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2020 (April 1, 2019 to March 31, 2020)	Fiscal 2021 (April 1, 2020 to March 31, 2021)
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	37,788
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	37,788	37,788
Retained earnings		
Balance at the beginning of current period	58,797	26,040
Changes of items during the period		
Dividends from surplus	(2,287)	(1,121)
Profit (Loss) attributable to owners of parent	(25,473)	(2,068)
Disposal of treasury shares	(0)	(115)
Retirement of treasury shares	(4,995)	-
Total changes of items during the period	(32,756)	(3,305)
Balance at the end of current period	26,040	22,735
Treasury stock		
Balance at the beginning of current period	(5,058)	(2,736)
Changes of items during the period		
Purchase of treasury stocks	(2,674)	(0)
Disposal of treasury shares	0	115
Retirement of treasury shares	4,995	-
Total changes of items during the period	2,321	115
Balance at the end of current period	(2,736)	(2,621)
Total shareholders' equity		
Balance at the beginning of current period	129,242	98,807
Changes of items during the period		
Dividends from surplus	(2,287)	(1,121)
Profit (Loss) attributable to owners of parent	(25,473)	(2,068)
Purchase of treasury stocks	(2,674)	(0)
Disposal of treasury shares	0	-
Retirement of treasury shares	-	-
Net changes of items other than shareholders' equity	-	-
Total changes of items during the period	(30,434)	(3,189)
Balance at the end of current period	98,807	95,618

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2020 (April 1, 2019 to March 31, 2020)	Fiscal 2021 (April 1, 2020 to March 31, 2021)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of the period	2,871	1,756
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,115)	1,331
Total changes of items during the period	(1,115)	1,331
Balance at the end of the period	1,756	3,087
Foreign currency translation adjustment		
Balance at the beginning of the period	(834)	(1,313)
Changes of items during the period		
Net changes of items other than shareholders' equity	(478)	967
Total changes of items during the period	(478)	967
Balance at the end of the period	(1,313)	(345)
Remeasurements of defined benefit plans		
Balance at the beginning of the period	(1,169)	(1,337)
Changes of items during the period		
Net changes of items other than shareholders' equity	(168)	652
Total changes of items during the period	(168)	652
Balance at the end of the period	(1,337)	(685)
Total accumulated other comprehensive income		
Balance at the beginning of the period	867	(895)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,762)	2,951
Total changes of items during the period	(1,762)	2,951
Balance at the end of the period	(895)	2,055
Non-controlling interests		
Balance at the beginning of the period	74	67
Net changes of items other than shareholders' equity	(7)	(5)
Total changes of items during the period	(7)	(5)
Balance at the end of the period	67	62
Total Net Assets		
Balance at the beginning of the period	130,184	97,979
Changes of items during the period		
Dividends from surplus	(2,287)	(1,121)
Profit (Loss) attributable to owners of parent	(25,473)	(2,068)
Purchase of treasury stocks	(2,674)	(0)
Disposal of treasury shares	0	-
Net changes of items other than shareholders' equity	(1,770)	2,946
Total changes of items during the period	(32,204)	(243)
Balance at the end of the period	97,979	97,736

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	Fiscal 2020 (April 1, 2019 to March 31, 2020)	Fiscal 2021 (April 1, 2020 to March 31, 2021)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	(21,176)	(1,522)
Depreciation and amortization	2,304	1,604
Impairment loss	17,757	1,187
Gain on bargain purchase	-	(901)
Amortization of goodwill	595	584
Increase (decrease) in allowance for doubtful accounts	12	34
Increase (decrease) in provision for bonuses	(138)	(58)
Increase (decrease) in net defined benefit liability	(311)	53
Interest and dividends income	(336)	(260)
Interest expenses	7	51
Foreign exchange losses (gains)	151	(166)
Loss (gain) on sales of investment securities	(259)	(93)
Decrease (increase) in notes and accounts receivable-trade	11,537	3,425
Decrease (increase) in inventories	(4,404)	7,575
Increase (decrease) in notes and accounts payable-trade	(3,958)	(4,300)
Decrease (increase) in prepaid expenses	(154)	195
Increase (decrease) in deposits received	(828)	186
Increase (decrease) in accrued consumption taxes	(512)	469
Other, net	1,186	213
Subtotal	1,471	8,279
Interest and dividends income received	337	260
Interest expenses paid	(7)	(51)
Income taxes paid	6	(312)
Net cash provided by (used in) operating activities	1,807	8,174
Net Cash Provided by (Used in) Investing Activities:		
Net decrease (increase) in short-term investment securities	1,799	599
Payments into time deposits	(111)	(97)
Proceeds from withdrawal of time deposits	72	72
Purchase of property, plant and equipment and intangible assets	(1,062)	(1,137)
Proceeds from sales of property, plant and equipment and intangible assets	4	5
Purchase of insurance funds	(104)	(43)
Proceeds from maturity of insurance funds	68	311
Purchase of investment securities	(122)	(60)
Proceeds from sales of investment securities	409	197
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,562)	(2,067)
Purchase of long-term prepaid expenses	(28)	(0)
Other payments	(3)	(28)
Other proceeds	72	28
Net cash provided by (used in) investing activities	(3,569)	(2,220)
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decrease) in short-term loans payable	(0)	403
Repayments of long-term loans payable	-	(97)
Repayments of lease obligations	(96)	(364)
Proceeds from long-term loans payable	-	467
Proceeds from issuance of bonds	-	10,000
Purchase of treasury stocks	(2,674)	(0)
Cash dividends paid	(2,287)	(1,120)
Proceeds from sales of treasury stock	0	-
Net cash provided by (used in) financing activities	(5,057)	9,288
Effect of exchange rate change on cash and cash equivalents	(266)	491
Net increase (decrease) in cash and cash equivalents	(7,085)	15,734
Cash and cash equivalents at beginning of the period	45,673	38,587
Cash and cash equivalents at end of the period	38,587	54,321

(5) Notes to Consolidated Financial Statements

(Notes on Premise as a Going Concern)

Not applicable.

(Change in the Scope of Consolidation or Application of Equity Method)

(Significant Change in the Scope of Consolidation)

The Company acquired 100% of the shares in Maschinenbau Oppenweiler Binder GmbH & Co. KG, the main company of the Germany-based MBO Group, through Komori Germany GmbH, which is a newly established subsidiary. Reflecting this, Komori included the acquired company and its six subsidiaries into the scope of consolidation from the fiscal year under review.

In conjunction with this acquisition, the acquired company was merged into Komori Germany GmbH. The resulting company was renamed MBO Postpress Solutions GmbH and is a consolidated subsidiary of Komori.

(Additional Information)

1. Assumptions Used as a Basis for Projections regarding the Impact of the COVID-19 Pandemic

Although the Company continues to face ongoing difficulties in predicting precisely when COVID-19 will be contained or the magnitude of the pandemic's economic impact, the Komori Group establishes accounting estimates based on assumptions that the pandemic's impact will remain in place for a certain period of time.

In addition, the COVID-19 pandemic's economic impact is believed to remain highly volatile. Accordingly, should the circumstances evolve going forward, the Group's financial position and business performance could be negatively affected.

2. Introduction of a Performance-Based Share Compensation Plan Employing a Board Benefit Trust

Based on a resolution at the 74th Annual General Meeting of Shareholders held on June 26, 2020, Komori introduced a performance-based share compensation plan (hereinafter the "plan") that employs a Board Benefit Trust to reward the Company's executive directors. Details follow.

(1) Overview of the Plan

The introduction of the plan entails the establishment of the Board Benefit Trust (hereinafter the "BBT"), which acquires Komori shares via funding from the Company. In accordance with Komori's rules on share compensation for directors, the Company will provide executive directors with the shares through the BBT based on individual and corporate achievements in addition to delivering cash compensation equivalent to the fair value of a portion of the shares to be granted to them.

In general, the executive directors are eligible to receive share compensation only when they have stepped aside from executive director positions.

(2) Status of Komori Shares Held by the BBT

Komori recorded the value of its shares held by the BBT as treasury stock under net assets (on a basis of the book value determined by the BBT; excluding peripheral expenses). As of March 31, 2021, the number of these shares stands at 252,000, with their book value totaling ¥175 million.

(Matters Related to Consolidated Statements of Income)
Impairment Loss
In the fiscal year ended March 31, 2021, the Company recorded impairment losses in connection with the following assets.

1. List of assets with impairment losses

Region	Usage	Category	Impairment loss
Takahata, Yamagata	Business assets (Printing machinery manufacturing facilities)	Machinery, equipment and buildings, etc.	¥1,179 million
Nasu, Tochigi	Idle assets (recreational facilities)	Land and buildings, etc.	¥8 million

2. Factors leading to the recognition of impairment losses
The above business assets are possessed by subsidiary Komori Machinery Co., Ltd. and were utilized mainly to produce small-size sheet-fed offset printing presses. In light of recent stagnation in market demand for such presses, Komori judged that the profitability of these operations will decline.
The idle assets named above have become subject of impairment as their planned sales value fell short of their book value.

3. Breakdown of impairment losses by asset category
(Business assets)
Machinery, equipment and vehicles: ¥616 million
Buildings and structures ¥297 million
Land: ¥174 million
Other: ¥91 million

(Idle assets)
Buildings and structures: ¥8 million
Land: ¥0 million
Other: ¥0 million

4. Method for grouping assets
The business assets are grouped by each cash generating unit that can be deemed independent. The idle assets are grouped by each asset group.

5. Method for calculating recoverable value
The recoverable value of the business assets is calculated using the value in use, with the present value of future cash flows estimated using a discount rate of 12.75%. The recoverable value of the idle assets is based on the planned sales value.

(Business Combination, etc.)
Business combination via share acquisition
1. Outline of business combination
(1) Name and business of the acquired company
Name of the acquired company: Maschinenbau Oppenweiler Binder GmbH & Co. KG

Main business: Manufacture and sales of post-press equipment and expendables as well as the provision of relevant services

(2) Reasons for undertaking business combination

Maschinenbau Oppenweiler Binder is the main company of the Germany-based MBO Group. The MBO Group engages in the manufacture and sale of paper folding machines, a type of machinery that performs an important post-press process. In the course of operations in this field for more than a half century, the MBO Group successfully commands a considerable market share in Europe and elsewhere. Moreover, the MBO Group maintains collaboration with a variety of sales partners in regions worldwide and is currently engaged in the global marketing of paper folding machines and the provision of after-sales services in more than 60 countries.

Products manufactured by the MBO Group are known for highly precise performance and superior productivity. The group is also distinguished by its technological capabilities in multiple fields, including paper folding for general commercial printing, inline processing employing a combination of paper folding machines and digital printing systems (DPS) and a complex folding process that handles thin paper and requires specialized technology. In recent years, the MBO Group also launched collaboration with robot makers, resulting in the creation of labor-saving systems as part of the MBO Group product lineup.

Through the acquisition of the equity stake in the MBO Group, Komori expects to be able to market unique products that will support the PESP business approach the Company is currently promoting. Specifically, the inclusion of the aforementioned operations into Komori’s business portfolio will help it introduce post-press solutions for commercial printing, a new field for the Company. When coupled with KP-Connect and other IoT-based cloud solutions Komori is marketing on a global basis, the MBO Group’s products will also help provide customers with even more robust, seamless printing production systems that include post-press processing. Komori is also looking to develop new solutions through the combination of the MBO Group’s technologies and Komori’s DPS, offset printing presses and other key products.

(3) Date of business combination

April 30, 2020

(4) Legal form of business combination

Purchase of shares in exchange for cash

(5) Name of the acquired company after business combination

MBO Postpress Solutions GmbH

(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 of the acquired company’s operating results included in consolidated financial statements

From May 1, 2020 to December 31, 2020

3. Content and amount of key expenses associated with transaction

Advisory fees, etc.	¥292 million

4. Acquisition cost of the acquired company and breakdown of acquisition cost by category

Cash payments	¥2,294 million
Total acquisition cost	¥2,294 million

5. Amount of gains on negative goodwill recorded and reasons for recording gains on negative goodwill

(1) Amount of gains on negative goodwill recorded
¥901 million

(2) Reasons for recording gains on negative goodwill
Net value of assets and liabilities assumed by the Komori Group is in excess of acquisition costs. This excess has been recorded as gains on negative goodwill.

6. Amount of assets classified as intangible assets other than goodwill, its breakdown by primary type, the weighted average amortization period by primary type and overall weighted average amortization period

Type	Amount	Amortization period
Customer-related assets	¥122 million	3 years
Technology-related assets	¥104 million	5 years
Trademark rights	¥30 million	10 years
Total	¥258 million	4 years

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

Current assets	¥3,074 million
Noncurrent assets	¥2,004 million
Total assets	¥5,079 million
Current liabilities	¥1,396 million
Noncurrent liabilities	¥484 million
Total liabilities	¥1,880 million

8. Approximate estimate of the impact on consolidated statements of income for the fiscal year under review based on the assumption that the business combination was completed at the beginning of said fiscal year

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 all of its products, except certain products, in Japan. 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” which are defined in line with the locations of its various Group companies constituting its global sales and marketing structure.

(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 (excluding 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 MBO Postpress Solutions GmbH, 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 this region. 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 sales of printing machinery and equipment as well as parts for these products, is also included in this segment.

(3) Matters related to changes in reportable segments

For the fiscal year ended March 31, 2020, Komori has defined four reportable segments “Japan,” “North America,” “Europe” and “Greater China” based on its sales structure supported by Group business bases operating in each location. In the fiscal year under review, however, the Company acquired 100% equity stake in Maschinenbau Oppenweiler Binder GmbH & Co. KG (currently MBO Postpress Solutions GmbH) and thereby included it into the scope of consolidation along with its six subsidiaries. Thanks to this move, the Group is now equipped with a global network encompassing sales, manufacturing and development. Moreover, the Group's manufacturing and development bases are deeply relevant to its sales bases in terms of business fields they are charged with. Reflecting this change, Komori revised its reportable segments in the fiscal year under review based on its sales, manufacturing and development structure, taking into account locations of the main companies supervising these business bases under the umbrella of the Komori Group and its subsidiary corporate groups.

In addition, the revised reportable segments consist of four segments "Japan," "North America," "Europe" and "Greater China" as did the former reportable segments announced by Komori in the previous fiscal year, and there is no other change than the inclusion of a subsidiary corporate group supervised by MBO Postpress Solutions GmbH, the parent, into the "Europe" segment. Also, segment information for the previous fiscal year is unaffected by this change.

(4) Matters related to the impairment of noncurrent assets or the recording of goodwill by reportable segment

Important gains on negative goodwill

In the "Europe" segment, Komori acquired 100% equity stake in Maschinenbau Oppenweiler Binder GmbH & Co. KG (currently MBO Postpress Solutions GmbH), the main company of the MBO Group, though subsidiary Komori Germany GmbH in April 2020. Reflecting this, Komori included the acquired company and its six subsidiaries into the scope of consolidation from the fiscal year under review. This acquisition resulted in the recording of gains on negative goodwill totaling ¥901 million.

2. Accounting Method Concerning Net Sales, Operating Income (Loss), Assets, Liabilities 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 Income (Loss), Assets, Liabilities and Other Items by Reportable Segment

Fiscal 2020 (April 1, 2019 to March 31, 2020)

(In millions of yen)

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Net sales							
Sales to outside customers	46,431	5,890	12,303	10,515	75,141	2,504	77,646
Intersegment sales	19,080	54	324	1,151	20,611	58	20,669
Total	65,511	5,945	12,628	11,666	95,752	2,563	98,315
Operating income (loss)	(2,921)	(547)	143	(91)	(3,418)	2	(3,416)
Assets	123,568	5,546	10,880	8,571	148,567	1,396	149,963

Other items							
Depreciation	1,749	36	174	298	2,259	44	2,304
Impairment loss	17,757	—	—	—	17,757	—	17,757
Amortization of goodwill	197	—	—	398	595	—	595
Increase of property, plant and equipment and intangible assets	1,312	20	562	720	2,615	8	2,624

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 2021 (April 1, 2020 to March 31, 2021)

(In millions of yen)

	Reportable Segment					Others (Note)	Total
	Japan	North America	Europe	Greater China	Subtotal		
Net sales							
Sales to outside customers	42,464	5,374	12,768	9,928	70,536	1,288	71,825
Intersegment sales	13,525	17	529	545	14,617	116	14,733
Total	55,990	5,392	13,297	10,474	85,154	1,404	86,559
Operating income (loss)	(1,734)	(506)	(466)	(395)	(3,103)	(23)	(3,127)
Assets	128,679	4,917	15,120	8,496	157,214	1,243	158,458
Other items							
Depreciation	808	47	413	304	1,574	29	1,604
Impairment loss	1,187	—	—	—	1,187	—	1,187
Amortization of goodwill	193	—	—	390	584	—	584
Increase of property, plant and equipment and intangible assets	600	0	667	101	1,369	24	1,393

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 2020	Fiscal 2021
Total net sales in reportable segments	95,752	85,154
Net sales in others	2,563	1,404
Eliminations	(20,669)	(14,733)
Net sales as presented in Consolidated Financial Statements	77,646	71,825

(In millions of yen)

Operating Income (Loss)	Fiscal 2020	Fiscal 2021
Total operating income in reportable segments	(3,418)	(3,103)
Operating income (loss) in others	2	(23)
Adjustments for inventories	(109)	679
Eliminations	123	115
Other adjustments	(2)	0
Operating income (loss) as presented in Consolidated Financial Statements	(3,404)	(2,332)

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 2020 (April 1, 2019 to March 31, 2020)

(In millions of yen)

	Reportable Segment					Others	Total
	Japan	North America	Europe	Greater China	Subtotal		
Balance as of the end of fiscal 2020	456	–	–	2,802	3,259	–	3,259

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

Fiscal 2021 (April 1, 2020 to March 31, 2021)

(In millions of yen)

	Reportable Segment					Others	Total
	Japan	North America	Europe	Greater China	Subtotal		
Balance as of the end of fiscal 2021	273	–	–	2,436	2,709	–	2,709

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

(Per Share Information)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets per share (Yen)	1,750.80	1,746.55
Basic earnings (loss) per share (Yen)	(450.11)	(36.99)

Notes:

1. Diluted earnings (loss) per share, which represent loss for both the fiscal years ended March 31, 2020 and 2021, are not presented in the table above as there were no potentially dilutive shares for these fiscal years.
2. Komori shares held by Board Benefit Trust (BBT) are classified as treasury stock as part of shareholders' equity and, accordingly, excluded from the number of shares outstanding as of the fiscal year-end to calculate net assets per share. To calculate basic loss per share, shares of treasury stock are also excluded from the average number of shares for the period.

   In the course of calculating net assets per share, a total of 252,000 treasury shares were excluded from the number of shares outstanding as of the end of the fiscal year under review. The average number of treasury shares during the fiscal year under review amounted to 155,000 shares, which were excluded from the average number of shares used to calculate basic loss per share during the same period.

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

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (millions of yen)	(25,473)	(2,068)
Amount not available to common stockholders (millions of yen)	—	—
Profit (loss) attributable to owners of parent pertaining to common stock (millions of yen)	(25,473)	(2,068)
Average number of shares of common stock outstanding during the year (thousands of shares)	56,594	55,924

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

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets (millions of yen)	97,979	97,736
Net assets pertaining to common stock (millions of yen)	97,912	97,673
Number of shares of common stock outstanding (thousands of shares)	55,924	55,924

(Important Subsequent Events)

Not applicable.