Results of Operations for the Fiscal Year Ended March 31, 2013
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

May 10, 2013

Company name: KOMORI CORPORATION
Securities code: 6349 (Tokyo Stock Exchange)
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Annual General Meeting of Shareholders: June 25, 2013
Payment date of year-end dividend: June 26, 2013
Preparation of supplementary materials for financial results: Yes
Holding of presentation meeting for financial results: Yes (for securities analysts only)

1. Consolidated Business Results for Fiscal 2013 (April 1, 2012 to March 31, 2013)

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

	Fiscal year ended March 31, 2013	%	Fiscal year ended March 31, 2012	%
Net sales	69,825	(3.4)	72,297	0.1
Operating income (loss)	589	-	(3,953)	-
Ordinary income (loss)	1,762	-	(4,278)	-
Net loss	(1,899)	-	(5,292)	-

(Yen)

Net loss per share	(30.66)	(80.69)
Diluted net income per share	-	-

(%)

ROE	(1.7)	(4.4)
ROA	1.2	(2.8)
Operating income to net sales ratio	0.8	(5.5)

Notes:
1. Comprehensive income:
Fiscal year ended March 31, 2013: (359) million yen -%
Fiscal year ended March 31, 2012: (5,331) million yen -%
2. Equity in net income of affiliated companies accounted for by the equity method:
Fiscal year ended March 31, 2013: -
Fiscal year ended March 31, 2012: -
3. Percentage figures accompanying net sales indicate the percentage increase/decrease from the previous fiscal year.

(2) Financial position (In millions of yen, unless otherwise stated)

	March 31, 2013	March 31, 2012
Total assets	143,957	149,277
Total net assets	113,722	115,012
Equity ratio (%)	79.0	77.0
Net assets per share (Yen)	1,835.17	1,855.97

Note:
Equity as of: March 31, 2013: 113,722 million yen
March 31, 2012: 115,012 million yen

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

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities	2,794	(792)
Net cash provided by (used in) investing activities	2,759	4,622
Net cash provided by (used in) financing activities	(7,745)	(5,461)
Cash and cash equivalents at end of the period	38,054	39,264

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

2. Dividends

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ending March 31, 2014 (Forecast)
Annual cash dividends per share (Yen)	20.00	10.00	10.00
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	10.00	5.00	5.00
Third quarter period-end dividends	-	-	-
Year-end dividends	10.00	5.00	5.00
Total cash dividends for the year (Millions of yen)	1,287	619	-
Dividend payout ratio (Consolidated) (%)	-	-	22.1
Ratio of dividends to net assets (Consolidated) (%)	1.1	0.5	-

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

(In millions of yen, unless otherwise stated)

	Sixth months ending September 30, 2013	%	Fiscal year ending March 31, 2014	%
Net sales	36,000	21.1	77,000	10.3
Operating income	1,000	-	3,500	494.1
Ordinary income	600	-	3,300	87.2
Net income	500	-	2,800	-
Net income per share (Yen)	8.07	-	45.18	-

Note:
Percentage figures accompanying consolidated net sales indicate the percentage increase/decrease from the previous fiscal year.

*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 principles; changes in accounting estimates; restatements

1. Changes accompanying revisions to accounting standards: Yes
2. Changes other than those in item 1. above: None
3. Changes in accounting estimates: Yes
4. Restatements: None

Note: Indicates changes under Article 14-7 of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc. For further information, please refer to "3. CONSOLIDATED FINANCIAL STATEMENTS," "(5) Notes to Consolidated Financial Statements," "Change in Accounting Principles" on page 22.

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock) as of:
   - March 31, 2013: 68,292,340 shares
   - March 31, 2012: 68,292,340 shares
2. Number of treasury stock as of:
   - March 31, 2013: 6,324,323 shares
   - March 31, 2012: 6,323,479 shares
3. Average number of shares during the period:
   - Fiscal year ended March 31, 2013: 61,968,618 shares
   - Fiscal year ended March 31, 2012: 65,598,576 shares

* Implementation status of audit procedures
This financial flash report (KESSAN TANSHIN) is not subject to the audit procedure by certified public accountants or auditing firm, as is required under the Financial Instruments and Exchange Law of Japan. Nevertheless, as of the date of announcement of this report, the audit of the financial statements contained herein is in progress.

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 further information on the forecast of consolidated business results, please refer to "1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION," "(1) Review of Operations," "*(6) Outlook* " on pages 10-11.

Materials for summary result presentation in Japanese will be disclosed through the Tokyo Stock Exchange’s Timely Disclosure Network, known as TDnet, on May 14, 2013. 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: http://www.komori.com/contents_com/ir/index.htm

Index

1.	REVIEW OF OPERATIONS AND FINANCIAL CONDITION	P. 5
	(1) Review of Operations	P. 5
	(2) Financial Condition	P. 11
	(3) Basic Policy on the Appropriation of Profits, Cash Dividends for the Fiscal Year under Review and the Fiscal Year Ending March 31, 2014	P. 12
2.	MANAGEMENT POLICIES	P. 13
	(1) Basic Management Policy	P. 13
	(2) Pending Issues, Medium-Term Management Strategies and Key Management Indicators	P. 13
3.	CONSOLIDATED FINANCIAL STATEMENTS	P. 15
	(1) Consolidated Balance Sheets	P. 15
	(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	P. 17
	(3) Consolidated Statements of Changes in Net Assets	P. 19
	(4) Consolidated Statements of Cash Flows	P. 21
	(5) Notes to Consolidated Financial Statements	P. 22
	(Notes on Premise as a Going Concern)	P. 22
	(Change in Accounting Principles)	P. 22
	(Consolidated Segment Information)	P. 23
	(Per Share Information)	P. 26
	(Important Subsequent Events)	P. 26
4.	OTHER	P. 27
	(1) Changes in Executive Personnel	P. 27

1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION

(1) Review of Operations

(1) Overview

In the fiscal year ended March 31, 2013, the global economy was marked by overall deceleration in the first half, due to economic stagnation in industrialized countries, especially Europe, which spilled over into newly emerging economies. However, from the third quarter (October to December 2012) onward, recovery gained traction in the United States as well as emerging Asian nations, owing mainly to strengthening domestic demand.

After year-on-year contraction in the first half of the fiscal year, the Japanese economy gained momentum, expanding in the fourth quarter (January to March 2013) due to increasing exports on the back of a weakening yen and an upswing in the global economy.

In the United States, although economic recovery has been slower than expected, business confidence began improving in the third quarter (October to December 2012) amid employment gains and a residential market improvement that reflected falling mortgage rates.

The European economy remained stagnant and recovery remains elusive. Austerity measures and tightened lending, mainly in Southern European countries, are hindering capital expenditure.

Newly emerging nations India and Brazil encountered stagnation caused by high inflation. However, ASEAN members experienced firm growth, driven mainly by domestic demand, while the Chinese economy bottomed out in the third quarter (October to December 2012), showing signs of improvement in exports. Thus, newly emerging economies are achieving gradual recovery.

Turning to the key market of the Komori Group, shipment value in the printing industry has decreased amid declining print demand brought on by the global economic slowdown and the expansion of digital media. In the domestic market, demand for commercial printing and publishing is decreasing due to a languid advertising market. Amid prolonged economic stagnation, print demand in Europe and the United States also declined as the growing adoption of the internet spurred switchover from print media. Due to the sluggish European economy, the Chinese market saw a substantial decline in print demand in coastal areas where printing companies that export to Europe are concentrated.

(2) Consolidated Performance

Amid this harsh business environment, Komori made Groupwide efforts to address priority measures aimed at regaining profitability as early as possible. These measures include lowering the break-even point; enhancing cost-competitiveness; expanding sales through “KOMORI OnDemand”; and rapidly attaining profitability with new businesses.

To lower the break-even point, Komori is focused on aligning its structure and staffing levels with the business scale of the Group, especially its domestic subsidiaries. To this end, in August 2012 Komori conducted a voluntary retirement program for the second time. This follows a similar step undertaken in the fiscal year ended March 31, 2010.

To enhance cost-competitiveness, Komori undertook such steps as reinforcing

Value Engineering (VE) activities, streamlining production and promoting overseas procurement to reduce costs. In June 2012, the Company established a production subsidiary in Nantong City in Jiangsu Province, China, to further reduce costs by increasing the ratio of overseas procurement. This subsidiary began operating in March 2013.

With the aim of expanding sales, the Komori Group participated in drupa 2012, the industry's largest international exhibition of printing equipment and materials held in Germany in May 2012. At this exhibition, the Group presented cutting-edge presses consisting of six offset printing presses and three digital printing presses to promote "OffsetOnDemand" and "DigitalOnDemand" solutions, collectively known as "KOMORI OnDemand." The "OffsetOnDemand" demonstration held at Komori's main booth attracted the most attention. Combining the KHS-AI integrated control system, H-UV curing system and Komori's state-of-the-art color management system (CMS), "OffsetOnDemand" displayed its ability to handle extremely short runs and tight delivery schedules, attracting attendees' interest as a concrete solution to their printing requirements. Following the demonstration at the exhibition, "KOMORI OnDemand" became the Group's driving force for sales expansion.

To rapidly attain profitability with new businesses, Komori implemented several measures. First, the Company has proactively promoted the overseas expansion of its security printing press business. As a result, the Company supplied currency printing facilities for one printing line to the UK-based De La Rue International Limited, the world's largest private securities printing firm. Also, in September 2012 Komori received an order for similar facilities from Bangko Sentral ng Pilipinas (the Central Bank of the Philippines) subsequent to the order received two years ago. As such, the Company is seeing an increase in orders for currency printing facilities from overseas customers, particularly those in Southeast Asia. Second, Komori began marketing digital printing presses worldwide, making a full-fledged entry into the commercial digital printing market. These offerings include a high-end electrophotographic series supplied by Konica Minolta Business Technologies Inc. on an OEM basis. Third, Komori is advancing its next-generation Printed Electronics (PE) business that employs print technology to manufacture electronic circuits. Komori launched the PEPIO gravure offset printing presses for the manufacture of touch panels, which are especially designed to meet the narrow bezel requirements of touch screens. These presses were exhibited at "Touch Taiwan 2012," the international touch panel and optical film exhibition held in August 2012. Efforts are now underway to promote sales.

During fiscal 2013, Komori undertook these priority measures to regain profitability. Mainly due to the recording of business structure improvement expenses, however, the Company failed to achieve a turnaround in terms of net profit. On the other hand, the Company recorded operating income, which was earned out of its main business, for the first time in four fiscal years.

Taking the aforementioned into account, orders received in fiscal 2013, ended March 31, 2013, rose 6.3% over fiscal 2012 to ¥74,163 million, with consolidated net sales decreasing 3.4% to ¥69,825 million. The Company worked for cost improvement through the reinforcement of VE activities from the development phase while striving to reduce direct material costs, as well as improving the efficiency of machinery processing. Moreover, the Company sought to cut selling, general and administrative expenses by curbing R&D expenses and reducing personnel expenses through such steps as voluntary retirement. As a result, the Company recorded operating income of ¥589 million, marking a turnaround from an operating loss of ¥3,953 million in the previous fiscal year. Net non-operating income and expenses rebounded propelled mainly by foreign exchange gains of ¥925 million, a reversal of the foreign exchange loss of ¥587 million in fiscal 2012. Ordinary income totaled ¥1,762 million, a turnaround from an ordinary loss of ¥4,278 million in the previous fiscal year.

On the other hand, the Company recorded extraordinary loss for business structure improvement expenses and provision for business structure improvement totaling ¥2,046 million, a ¥798 million loss on valuation of investment securities, and an impairment loss of ¥521 million. As a result, the loss before income taxes narrowed to ¥1,699 million from ¥5,257 million in the previous fiscal year.

The Company posted a net loss for the fiscal year under review of ¥1,899 million, an improvement from a net loss of ¥5,292 million in fiscal 2012. Overseas sales totaled ¥38,840 million, down 16.7% from fiscal 2012, with the ratio of overseas sales to net sales at 55.6%.

(3) Overview of Consolidated Net Sales by Region

Consolidated net sales during the fiscal year under review amounted to ¥69,825 million, representing a 3.4% decrease on 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, 2012	Fiscal Year Ended March 31, 2013	Increase / (Decrease) (%)
Net sales		72,297	69,825	(3.4)
Breakdown	Japan	25,688	30,985	20.6
	North America	7,180	6,335	(11.8)
	Europe	15,205	12,985	(14.6)
	Greater China	14,656	13,580	(7.3)
	Other Regions	9,567	5,939	(37.9)

Domestic Sales

In Japan, print demand weakened due to cutbacks in corporate spending on advertising and sluggish publishing demand for magazines and books. On the other hand, although printing price per unit has trended downward for years, it appears to be bottoming out. This, in turn, is making it easier for printing companies to assess the outlook for profit. Thanks to that, demand for web offset presses broke free of stagnation, showing a gradual growth. There is also a growing trend, mainly among printing companies with sufficient purchasing power, to replace aging sheet-fed offset presses. These companies tend to upgrade with high-value-added presses, including H-UV-equipped multi-color 40-inch presses and 44-inch presses, to meet shorter deadlines, improve productivity and cut costs. As a result, domestic sales of products and services increased 20.6% compared with the previous fiscal year to ¥30,985 million.

North America

The North American market was characterized by sluggish demand for printing presses, reflecting a sense of uncertainty triggered by the economic downturn that prevailed across the region from January 2012 onward and the ongoing shift from print to digital media. Despite signs of economic recovery from the second half of fiscal 2013, printing companies remained reluctant to update facilities, waiting to see if the indicators prove reliable. As a result, net sales in this region decreased 11.8% compared with the previous fiscal year to ¥6,335 million.

Europe

Domestic demand in Europe was stagnant reflecting sluggish capital expenditure. Similarly, the printing industry remained cautious about updating printing facilities due to uncertainty over future trends in print demand. Moreover, tightening monetary policy made financing more difficult to obtain for printing companies. Medium- and small-sized printing companies with weaker earnings confronted harsh financial circumstances, which, in turn, led to a decline in demand for updating printing facilities. Consequently, net sales in Europe fell 14.6% compared with the previous fiscal year to ¥12,985 million.

Greater China

In Greater China, which includes China, Hong Kong and Taiwan, print demand declined. This was concentrated in coastal areas hit by stagnating exports to Europe due to the lingering effect of the debt crisis. In interior areas, where sales negotiations have been brisk for years, the economy appeared to slow from December 2012 onward, cooling the number of negotiations. As a result, net sales in Greater China decreased 7.3% compared with the previous fiscal year to ¥13,580 million.

Other Regions

In other regions, although ASEAN members saw firm domestic demand, the continued appreciation of the yen caused Komori's cost competitiveness to deteriorate, hindering plans to increase sales. In the Central and South American market, Komori saw sales decline in Brazil, which is the largest market in this region, due mainly to the economic downturn. Sales of security printing presses decreased reflecting the absence of a large order comparable with the prior year sale of a currency printing facility in the Philippines. As a result, net sales throughout other regions decreased 37.9% compared with the previous fiscal year to ¥5,939 million.

(4) Business Performance by Reportable Segment

1. Japan

The "Japan" reportable segment includes the Company's sales in Japan and the amount of direct sales to distributors in certain overseas regions. These overseas regions consist of Asia—including mainland China, the ASEAN region and India but excluding Hong Kong and Taiwan—and Central and South America, as well as other regions. Reflecting the Company's performance, net sales in the reportable segment "Japan" totaled ¥57,484 million, a year-on-year decrease of ¥1,588 million, while operating income totaled ¥1,444 million, a turnaround from the previous fiscal year's ¥3,411 million loss.

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 similarly 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 ¥6,369 million, a year-on-year decrease of ¥936 million, and operating loss amounted to ¥235 million, compared with a loss of ¥552 million recorded in the previous fiscal year.

3. Europe

The "Europe" reportable segment consists of sales recorded by the Company's sales subsidiaries in Europe and by a subsidiary that manufactures and markets package printing presses, also in Europe. As a result of factors explained in the above section, net sales in this reportable segment totaled ¥13,323 million, a year-on-year decrease of ¥2,504 million, and operating loss amounted to ¥688 million, compared with a loss of ¥482 million recorded in the previous fiscal year.

4. Other

The "Other" reportable segment includes sales recorded by the Company's sales subsidiaries in Hong Kong and Taiwan as well as some of those in Greater China. Subject to the aforementioned operating conditions in Asia and other regions, net sales in this reportable segment totaled ¥2,678 million, a year-on-year decrease of ¥704 million, and operating loss amounted to ¥11 million, compared with a loss of ¥19 million recorded in the previous fiscal year.

(5) Highlights

In the fiscal year ended March 31, 2013, Group highlights were as follows.

Firstly, the Group decisively undertook the transformation of its profit structure. This transformation is aimed at reversing chronic losses and establishing a business foundation that enables a return to profitability. The printing industry, on which Komori depends, has seen major changes in terms of market size and product demand. Print demand in industrialized countries fell into stagnation following the Lehman Brothers' bankruptcy, while demand shifted to newly emerging nations. Moreover, the industry witnessed the decline of print media as digital media expands across the world. Grasping these changes, the Komori Group recognized that to move into black, there is an urgent need to optimize the size of the overall organization in line with the shrinking offset printing press business and to lower the break-even point. To that end, in August 2012 the Group solicited voluntary retirement for the second time, following up on a similar program in fiscal 2010. While seeking to establish optimal staffing levels, the Group transferred some of its workforce from existing businesses to new businesses.

Secondly, in June 2012 Komori established a new subsidiary in Nantong City in Jiangsu Province, in China, to meet a growing demand for printing presses in China, one of the Group's key markets, as well as to reinforce its cost competitiveness. This subsidiary began operations in March 2013 and is engaged in the manufacture and sale of printing presses, equipment and components. Although the subsidiary now operates using a rented plant, construction is now under way at an adjoining site where its own plant is scheduled for completion in December 2013.

Thirdly, Komori has proactively promoted business alliances with other companies to accelerate the commercialization of new businesses. In the field of security printing presses, Komori entered into a comprehensive technological cooperation agreement with De La Rue International Limited. In tandem with De La Rue International Limited, Komori will promote the commercialization of next-generation securities printing systems and counterfeit banknote prevention technologies, thereby achieving further business expansion. Also, the Company formed multiple business alliances with other companies to achieve full-fledged participation in the digital printing press field. Komori entered into a global sales alliance with Konica Minolta Business Technologies, Inc. with regard to digital printing presses and began marketing of such presses worldwide. Moreover, a co-development project with Konica Minolta Business Technologies is now under way to commercialize sheet-fed inkjet digital printing systems. Komori also entered into a global strategic partnership with the Landa Corporation, an Israel-based company, which possesses the Landa Nanographic Printing™ process. This process is anticipated to serve as a key technology to create innovative digital printing presses in the future. As such, Komori strives to commercialize new businesses as early as possible.

(6) Outlook

Looking ahead, business conditions are projected to see a gradual demand decline in the printing industry—the Komori Group’s key market. In particular, the switchover from print media to such digital media as the internet in industrialized countries is leading to diminished print demand. In the Chinese market, once robust print demand has stagnated, following the tightening of monetary policy. However, firm demand is still anticipated reflecting stable economic growth. In newly emerging nations, an upturn is expected in domestic demand, which will, in turn, lead to steady market growth. Komori expects that the depreciation of the yen will especially help to spur demand for printing presses in these emerging nations. Also, there is a strong trend toward increased demand for currency printing, mainly in Southeast Asian countries. This demand entails a need for counterfeit banknote prevention measures and capabilities with diverse materials. Therefore, the Company expects rising demand for securities printing systems.

Amid this business environment, the Komori Group will take countermeasures against the shrinking market for offset printing presses by developing a diversified business structure. More specifically, while retaining the offset printing press business as its core business, the Group will develop such businesses as the digital printing press business targeting markets worldwide; security printing press business that focuses on overseas markets; and the PE business.

Moreover, the Komori Group will advance the PRINT ENGINEERING SERVICE PROVIDER (PESP) business, namely, a business approach that seeks to cover the wide ranging customer needs through the provision of solutions and one stop services. To this end, the Group will realize business model innovation while strengthening customer relationships. In this way, Komori aims to secure a stable profit. Simultaneously, Komori will pursue its *Monozukuri (Manufacturing) Innovation* activities that entail lead time reduction through establishing a multi-product, small-lot production system; productivity improvement; and cost reduction. Also, the Company will promote the SGA20 Project to reduce selling, general and administrative expenses.

Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2014

(In millions of yen)

	Fiscal Year Ended March 31, 2013	Fiscal Year Ending March 31, 2014	Increase / (Decrease) (%)
Net sales	69,825	77,000	10.3
Operating income	589	3,500	494.1
Ordinary income	1,762	3,300	87.2
Net income (loss)	(1,899)	2,800	−

Forecasts for the fiscal year ending March 31, 2014 are based on exchange rate assumptions as follows: USD 1.00 = ¥90, Euro 1.00 = ¥115

(2) Financial Condition

(1) Assets, Liabilities and Net Assets

Total assets as of March 31, 2013 stood at ¥143,957 million, a decrease of ¥5,319 million compared with the previous fiscal year-end. Liabilities were ¥30,235 million, down ¥4,029 million compared with March 31, 2012, while net assets totaled ¥113,722 million, a drop of ¥1,290 million.

Key factors contributing to the decline in total assets included a ¥6,075 million fall in cash and deposits, a ¥1,601 million decrease in inventories, a ¥1,520 million drop in total property, plant and equipment, and a ¥1,489 million decline in insurance funds. The key contributors to the increase in total assets were a ¥1,974 million rise in notes and accounts receivable—trade, a ¥2,432 million increase in such securities as negotiable deposits and a ¥815 million growth in investment securities.

Major factors contributing to the reduction in total liabilities included a ¥5,838 million decrease in short- and long-term loans payable, a ¥4,660 million decline in notes and accounts payable—trade. The key contributors to the increase in total liabilities were a ¥4,879 million increase in electronically recorded obligations due to transfer from notes and accounts payable—trade, a ¥433 million rise in deferred tax liabilities and a ¥386 million growth in provision for business structure improvement.

Major factors leading to the drop in net assets included a ¥2,829 million decrease in retained earnings due to the posting of net loss and the payment of cash dividends. The key contributors to the increase in total net assets were a ¥1,129 million increase in valuation difference on available-for-sale securities and a ¥424 million rise in foreign currency translation adjustment.

(2) 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, 2013	2,794	2,759	(7,745)	38,054
Fiscal Year Ended March 31, 2012	(792)	4,622	(5,461)	39,264
Increase / (Decrease)	3,587	(1,863)	(2,283)	(1,210)

Net cash provided by operating activities in the fiscal year ended March 31, 2013 amounted to ¥2,794 million, a ¥3,587 million turnaround from net cash used in operating activities of ¥792 million in the previous fiscal year.

Principal cash outflows included a loss before income taxes of ¥1,699 million and a ¥1,215 million increase in notes and accounts receivable—trade. Major cash inflows were ¥2,251 million of depreciation and amortization, a ¥2,378 million decrease in inventories, a ¥798 million loss on valuation of investment securities, an impairment loss of ¥521 million and a ¥344 million increase in provision for business structure improvement.

Net cash provided by investing activities was ¥2,759 million, a decrease of ¥1,863 million from ¥4,622 million provided by investing activities in the previous fiscal year. Principal cash outflows were a ¥2,970 million purchase of securities and a ¥1,266 million net increase in property, plant and equipment and intangible assets. Main cash inflows included a ¥5,630 million net decrease in time deposits maturing over three months and a ¥1,489 million net decrease in insurance funds.

Net cash used in financing activities totaled ¥7,745 million, a ¥2,283 million increase compared with ¥5,461 million used in financing activities in the previous fiscal year.

The principal cash outflows were a ¥6,353 million repayment of long-term loans payable and cash dividends paid amounting to ¥929 million.

As a result of the aforementioned activities, cash and cash equivalents at the end of the fiscal year stood at ¥38,054 million, a decrease of ¥1,210 million compared with March 31, 2012

Trends in key cash flow-related indicators for the Komori Group are as follows:

	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Equity Ratio (%)	77.0%	79.0%
Equity Ratio (%) (Market capitalization basis)	29.6%	43.6%
Ratio of Interest-Bearing Debt to Cash Flow (Times)	–	0.70
Interest Coverage Ratio (Times)	–	28.0

Equity ratio: Equity / Total assets
Equity ratio (Market capitalization basis): Market capitalization / Total assets
Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Net cash provided by operating activities
Interest coverage ratio: Net cash provided by operating activities / Interest expense

The above-mentioned indicators have all been calculated using consolidated financial figures, cash flow referring to Net Cash Provided by (Used in) Operating Activities in the Consolidated Statements of Cash Flows.
Market capitalization is calculated by multiplying the share closing price at the end of the fiscal period by the number of shares issued and outstanding (less treasury stock) at the end of the fiscal period.

(3) Basic Policy on the Appropriation of Profits, Cash Dividends for the Fiscal Year under Review and the Fiscal Year Ending March 31, 2014

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 the continuous and stable return of profits to its shareholders as a key management priority. Guided by this underlying policy, Komori strives to ensure a dividend payout ratio of 30% on a consolidated net income basis. In an effort to further enhance shareholder value, Komori also undertakes the acquisition of treasury stock as appropriate and retires such stock based on the balance of treasury stock held and the Company's overall capital policy.

Despite difficult conditions, Komori's Board of Directors resolved to submit a proposal at its 67th Annual General Meeting of Shareholders for the payment of a fiscal year-end cash dividend of ¥5 per common share as forecast. This resolution takes into account the Company's commitment to delivering stable cash dividends. For the fiscal year ending March 31, 2014, Komori will again take into consideration trends in its operating performance when determining shareholder return.

Unfortunately, the Company expects business conditions to remain severe. As a result, Komori plans to pay an interim cash dividend of ¥5 per common share and a fiscal year-end cash dividend of ¥5 per common share for an annual dividend of ¥10 per common share.

2. MANAGEMENT POLICIES

(1) Basic Management Policy

Through the "Kando Project," which is based on its quality management approach, the Komori Group maintains the fundamental principle of contributing to the cultural development of society by striving to consistently deliver products and services that satisfy global customers to levels beyond their expectations.

In every facet of its business activities, Komori is committed to engendering the trust and fulfilling the expectations of all stakeholders, including shareholders, customers, business partners, employees and their families, and the communities in which the Company serves, while achieving harmonious coexistence with them.

(2) Pending Issues, Medium-Term Management Strategies and Key Management Indicators

The Komori Group has recorded a consolidated net loss for five consecutive fiscal years. This was mainly attributable to drastic structural changes in the printing industry, which outpaced the Group's efforts to keep up with the post-Lehman demand decrease in industrialized countries; the growing trend toward shorter turnarounds, small print runs and variable data printing; and the expansion of digital media all across the world.

To confront these challenges, the Komori Group strives to move beyond dependence on a single business, establishing a business structure comprised not only of the offset printing press business—the Group's core business—but also the security printing press business and digital printing press business. At the same time, the Group will realize business model innovation in each of its businesses.

In particular, Komori will counter the shrinking market for offset printing presses by developing a diversified business structure and thereby increasing profit. To this end, the Company will develop and commercialize new products combining its core technologies, which encompass printing technologies accumulated through the offset printing press business, as well as precision machinery manufacturing technology, and digital printing technology. Komori expects that its digital printing press business will drive such development and commercialization efforts. Also, the Company will strengthen the security printing press business by expanding into new markets for such presses overseas. In the PE business, the Company will promote commercialization of products for touch screen and other narrow bezel display manufacturing markets. The Company seeks to develop such technologies as ultrafine-line printing technology, which will be a sought-after technology in new PE markets, while promoting co-development and business alliances with other companies to accelerate the pace of technological development. In this way, Komori will respond to the needs of emerging PE markets.

To realize business model innovation, Komori will expand the range of its products and services, which until recently was largely confined to the field of offset printing presses, to provide related equipment and devices, OEM products, and other materials and services. By doing so, the Company will promote its PESP business aimed at securing stable profit through the provision of solution proposals and one stop services. While strengthening customer relationships, Komori will strive to remain their reliable partner that satisfies their diverse needs. This business approach will be adopted not only in the existing business but also in new businesses.

Komori is determined to undertake the aforementioned steps and realize their aims by positioning them as the core strategies in the Fourth Medium-Term Management Plan launched in April 2013.

In order to reinforce its management structure and to stabilize corporate performance, the Komori Group will make across-the-board efforts aimed at realizing business structure transformation and business model innovation. Moreover, the Group will realize business expansion and sustainable growth, thereby enhancing its corporate value and remaining a corporate group in good standing.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2012	March 31, 2013
(ASSETS)		
Current Assets:		
Cash and deposits	45,404	39,328
Notes and accounts receivable-trade	20,143	22,118
Short-term investment securities	2,316	4,748
Merchandise and finished goods	13,337	11,291
Work in process	7,393	7,977
Raw materials and supplies	6,268	6,129
Current portion of insurance funds	374	586
Deferred tax assets	78	62
Other	2,022	2,096
Allowance for doubtful accounts	(306)	(270)
Total current assets	97,032	94,068
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	29,297	29,438
Accumulated depreciation	(16,430)	(17,461)
Buildings and structures, net	12,866	11,976
Machinery, equipment and vehicles	22,742	22,710
Accumulated depreciation	(19,474)	(20,052)
Machinery, equipment and vehicles, net	3,268	2,658
Land	17,221	17,385
Construction in progress	187	39
Other	7,334	7,349
Accumulated depreciation	(6,778)	(6,832)
Other, net	555	517
Total property, plant and equipment	34,098	32,577
Intangible assets	2,064	2,571
Investments and other assets		
Investment securities	6,501	7,317
Long-term time deposits	570	352
Deferred tax assets	59	15
Insurance funds	7,778	6,077
Other	1,477	1,180
Allowance for doubtful accounts	(305)	(202)
Total investments and other assets	16,081	14,740
Total noncurrent assets	52,244	49,888
Total Assets	149,277	143,957

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2012	March 31, 2013
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	13,783	9,122
Electronically recorded obligations-operating	-	4,879
Short-term loans payable	7,064	1,534
Income taxes payable	140	209
Provision for bonuses	640	564
Provision for product warranties	854	986
Provision for loss on guarantees	1,040	742
Provision for point card certificates	18	3
Provision for business structure improvement	-	386
Provision for loss on retirement and other	20	-
Deferred installment income	174	129
Other	7,887	8,742
Total current liabilities	31,626	27,302
Noncurrent Liabilities:		
Long-term loans payable	719	411
Deferred tax liabilities	846	1,279
Provision for directors' retirement benefits	4	5
Provision for retirement benefits	642	815
Provision for point card certificates	5	4
Provision for environmental measures	10	10
Other	409	405
Total noncurrent liabilities	2,638	2,932
Total Liabilities	34,264	30,235
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,797	37,797
Retained earnings	45,097	42,267
Treasury stock	(4,949)	(4,950)
Total shareholders' equity	115,659	112,829
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	840	1,969
Deferred gains or losses on hedges	-	(13)
Foreign currency translation adjustment	(1,487)	(1,063)
Total other comprehensive income	(647)	892
Total Net Assets	115,012	113,722
Total Liabilities and Net Assets	149,277	143,957

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

(In millions of yen)

	Fiscal 2012 (April 1, 2011 to March 31, 2012)	Fiscal 2013 (April 1, 2012 to March 31, 2013)
Net Sales	72,297	69,825
Cost of Sales	54,166	49,777
Reversal of unrealized income on installment sales	41	134
Provision of unrealized income on installment sales	87	88
Gross profit	18,085	20,093
Selling, General and Administrative Expenses	22,039	19,504
Operating income (loss)	(3,953)	589
Non-Operating Income		
Interest income	147	96
Dividends income	161	153
Insurance fee	-	279
Foreign exchange gains	-	925
Other	557	349
Total non-operating income	867	1,804
Non-Operating Expenses		
Interest expenses	292	99
Loss on disposal of inventories	-	243
Compensation for damage	33	146
Foreign exchange losses	587	-
Other	278	140
Total non-operating expenses	1,191	630
Ordinary income (loss)	(4,278)	1,762
Extraordinary Income		
Gain on sales of noncurrent assets	116	149
Total extraordinary income	116	149
Extraordinary Loss		
Loss on sales of noncurrent assets	0	7
Loss on retirement of noncurrent assets	9	152
Provision for loss on retirement and other	20	-
Impairment loss	1,004	521
Provision for business structure improvement	-	344
Business structure improvement expenses	30	1,701
Retirement benefit expenses	-	86
Loss on valuation of investment securities	1	798
Loss on disaster	29	-
Total extraordinary loss	1,094	3,611
Loss before income taxes	(5,257)	(1,699)
Income taxes-current	83	152
Income taxes-deferred	(47)	47
Total income taxes	35	200
Income (loss) before minority interests	(5,292)	(1,899)
Net loss	(5,292)	(1,899)

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Fiscal 2012 (April 1, 2011 to March 31, 2012)	Fiscal 2013 (April 1, 2012 to March 31, 2013)
Loss before Minority Interests	(5,292)	(1,899)
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	1,129
Deferred gains or losses on hedges	-	(13)
Foreign currency translation adjustment	0	424
Total other comprehensive income	(38)	1,539
Comprehensive Income	(5,331)	(359)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(5,331)	(359)

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2012 (April 1, 2011 to March 31, 2012)	Fiscal 2013 (April 1, 2012 to March 31, 2013)
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	37,797	37,797
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	37,797	37,797
Retained earnings		
Balance at the beginning of current period	51,726	45,097
Changes of items during the period		
Dividends from surplus	(1,336)	(929)
Net loss	(5,292)	(1,899)
Total changes of items during the period	(6,629)	(2,829)
Balance at the end of current period	45,097	42,267
Treasury stock		
Balance at the beginning of current period	(2,451)	(4,949)
Changes of items during the period		
Purchase of treasury stock	(2,498)	(0)
Total changes of items during the period	(2,498)	(0)
Balance at the end of current period	(4,949)	(4,950)
Total shareholders' equity		
Balance at the beginning of current period	124,787	115,659
Total changes of items during the period		
Dividends from surplus	(1,336)	(929)
Net loss	(5,292)	(1,899)
Purchase of treasury stock	(2,498)	(0)
Total changes of items during the period	(9,127)	(2,829)
Balance at the end of current period	115,659	112,829

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2012 (April 1, 2011 to March 31, 2012)	Fiscal 2013 (April 1, 2012 to March 31, 2013)
Valuation and Translation Adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	878	840
Changes of items during the period		
Net changes of items other than shareholders' equity	(38)	1,129
Total changes of items during the period	(38)	1,129
Balance at the end of current period	840	1,969
Deferred gains or losses on hedges		
Balance at the beginning of current period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	(13)
Total changes of items during the period	-	(13)
Balance at the end of current period	-	(13)
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,487)	(1,487)
Changes of items during the period		
Net changes of items other than shareholders' equity	0	424
Total changes of items during the period	0	424
Balance at the end of current period	(1,487)	(1,063)
Total valuation and translation adjustments		
Balance at the beginning of current period	(608)	(647)
Changes of items during the period		
Net changes of items other than shareholders' equity	(38)	1,539
Total changes of items during the period	(38)	1,539
Balance at the end of current period	(647)	892
Total Net Assets		
Balance at the beginning of current period	124,178	115,012
Changes of items during the period		
Dividends from surplus	(1,336)	(929)
Net loss	(5,292)	(1,899)
Purchase of treasury stock	(2,498)	(0)
Net changes of items other than shareholders' equity	(38)	1,539
Total changes of items during the period	(9,166)	(1,290)
Balance at the end of current period	115,012	113,722

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	Fiscal 2012 (April 1, 2011 to March 31, 2012)	Fiscal 2013 (April 1, 2012 to March 31, 2013)
Net Cash Provided by (Used in) Operating Activities:		
Loss before income taxes	(5,257)	(1,699)
Depreciation and amortization	2,848	2,251
Impairment loss	1,004	521
Increase (decrease) in allowance for doubtful accounts	(11)	(160)
Increase (decrease) in provision for bonuses	7	(76)
Increase (decrease) in provision for retirement benefits	(6)	154
Increase (decrease) in provision for business structure improvement	-	344
Business structure improvement expenses	30	1,701
Interest and dividends income	(309)	(249)
Interest expenses	292	99
Foreign exchange losses (gains)	267	(249)
Loss (gain) on valuation of investment securities	1	798
Decrease (increase) in notes and accounts receivable-trade	(1,814)	(1,215)
Decrease (increase) in inventories	2,231	2,378
Increase (decrease) in notes and accounts payable-trade	(581)	34
Increase (decrease) in accrued consumption taxes	(43)	171
Other, net	571	(346)
Subtotal	(768)	4,457
Interest and dividends income received	300	255
Interest expenses paid	(292)	(126)
Payments for business structure improvement expenses	(30)	(1,701)
Income taxes paid	(1)	(88)
Net cash provided by (used in) operating activities	(792)	2,794
Net Cash Provided by (Used in) Investing Activities:		
Payments into time deposits	(8,852)	(3,056)
Proceeds from withdrawal of time deposits	11,786	8,687
Purchase of property, plant and equipment and intangible assets	(768)	(1,507)
Proceeds from sales of property, plant and equipment and intangible assets	364	241
Purchase of securities	-	(2,970)
Purchase of insurance funds	(701)	(551)
Proceeds from maturity of insurance funds	2,798	2,040
Other payments	(153)	(150)
Other proceeds	150	27
Net cash provided by (used in) investing activities	4,622	2,759
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decrease) in short-term loans payable	(269)	(417)
Repayment of long-term loans payable	(1,305)	(6,353)
Repayments of lease obligations	(52)	(44)
Net decrease (increase) in treasury stock	(2,498)	(0)
Cash dividends paid	(1,336)	(929)
Net cash provided by (used in) financing activities	(5,461)	(7,745)
Effect of exchange rate change on cash and cash equivalents	(216)	980
Net increase (decrease) in cash and cash equivalents	(1,848)	(1,210)
Cash and cash equivalents at beginning of the period	41,112	39,264
Cash and cash equivalents at end of the period	39,264	38,054

(5) Notes to Consolidated Financial Statements

(Notes on Premise as a Going Concern)

Not applicable.

(Change in Accounting Principles)

From the fiscal year ended March 31, 2013, Komori Corporation and the consolidated subsidiaries in Japan are adopting the method of calculating depreciation expenses set out in the revised Corporation Tax Act with regard to tangible fixed assets acquired on and after April 1, 2012.

The effect of this change on operating income, ordinary income, and loss before income taxes in the consolidated financial statements under review is minor.

(Consolidated Segment Information)
[Segment Information]

1. Overview of 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 the 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 three reportable segments of “Japan,” “North America” and “Europe,” which have been defined in line with the locations of these overseas subsidiaries constituting its global sales and marketing structure.

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. Komori Corporation is 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, is also included in this segment.

2. Accounting Method Concerning Net Sales, Operating Income (Loss), Assets, Liabilities and Other Items by Reportable Segment
The accounting method for the reportable segments are basically the same as those described in "Important Matters That Form the Basis for Compiling Consolidated Financial Statements."

3. Information Concerning Net Sales, Operating Income (Loss), Assets, Liabilities and Other Items by Reportable Segment

Fiscal 2012 (April 1, 2011 to March 31, 2012)

(In millions of yen)

	Reportable Segment				Others (Note)	Total
	Japan	North America	Europe	Subtotal		
Net sales						
Sales to outside customers	46,601	7,180	15,205	68,987	3,310	72,297
Intersegment sales	12,471	126	622	13,221	72	13,294
Total	59,073	7,306	15,828	82,208	3,383	85,591
Operating income (loss)	(3,411)	(552)	(482)	(4,446)	(19)	(4,466)
Assets	130,315	11,913	15,514	157,744	1,502	159,247
Other items						
Depreciation	2,640	38	160	2,839	12	2,852
Impairment loss	1,004	-	-	1,004	-	1,004
Amortization of goodwill	-	-	-	-	5	5
Increase of property, plant and equipment and intangible assets	619	8	199	828	24	852

Note: Others includes figures of the Company's business activities conducted outside the defined reportable segments, namely, in a part of Greater China and the Oceania region.

Fiscal 2013 (April 1, 2012 to March 31, 2013)

(In millions of yen)

	Reportable Segment				Others (Note)	Total
	Japan	North America	Europe	Subtotal		
Net sales						
Sales to outside customers	47,901	6,335	12,985	67,222	2,603	69,825
Intersegment sales	9,582	34	338	9,955	75	10,030
Total	57,484	6,369	13,323	77,178	2,678	79,856
Operating income (loss)	1,444	(235)	(688)	520	(11)	509
Assets	135,342	8,597	13,946	157,885	2,376	160,262
Other items						
Depreciation	2,046	30	165	2,243	16	2,259
Impairment loss	521	-	-	521	-	521
Amortization of goodwill	-	-	-	-	-	-
Increase of property, plant and equipment and intangible assets	1,539	18	86	1,643	237	1,881

Note: Others includes figures of the Company's business activities conducted outside the defined reportable segments, namely, in a part of Greater China.

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 2012	Fiscal 2013
Total net sales in reportable segments	82,208	77,178
Net sales in others	3,383	2,678
Eliminations	(13,294)	(10,030)
Net sales as presented in Consolidated Financial Statements	72,297	69,825

(In millions of yen)

Operating Income (Loss)	Fiscal 2012	Fiscal 2013
Total operating loss in reportable segments	(4,446)	520
Operating loss in others	(19)	(11)
Adjustments for inventories	415	19
Eliminations	90	69
Other adjustments	5	(10)
Operating income (loss) as presented in Consolidated Financial Statements	(3,953)	589

(Per Share Information)

(Yen)

	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Net assets per share	1,855.97	1,835.17
Net loss per share	(80.69)	(30.66)

Note: Diluted net income per share is not presented in the table above due to the absence of residual shares and the posting of net loss in the fiscal years ended March 31, 2012 and 2013.

Basis for Calculation

1. Net assets per share (In millions of yen; thousands of shares)

	March 31, 2012	March 31, 2013
Total net assets on the consolidated balance sheets	115,012	113,722
Net assets pertaining to common stock	115,012	113,722
Number of shares of issued and outstanding (common stock)	68,292	68,292
Number of treasury stock (common stock)	6,323	6,324
Number of shares of common stock used to calculate net assets per share	61,968	61,968

2. Net loss per share (In millions of yen; thousands of shares)

	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013
Net loss on the consolidated statements of income	(5,292)	(1,899)
Net loss pertaining to common stock	(5,292)	(1,899)
Amount not available to common stockholders	-	-
Average number of shares of common stock outstanding during the year	65,598	61,968

(Important Subsequent Events)

Fiscal 2012 (April 1, 2011 to March 31, 2012)
Not applicable.

Fiscal 2013 (April 1, 2012 to March 31, 2013)
Not applicable.

(Disclosure Omission)

The Company has omitted additional notes and information because the Company believes there is no significant need for such disclosure in this report.

4. OTHER

(1) Changes in Executive Personnel

1. Changes in Representative Director Positions

No relevant changes

2. Other Changes in Executive Personnel

The following changes will be made on June 25, 2013

a. Changes in Directors

(Newly appointed candidate)

Director	Eiji Kajita (Currently Operating Officer, General Manager of Sales Administrative Headquarters)
Director	Harunobu Kameyama (Currently Part-Time Corporate Auditor) Note: Harunobu Kameyama is a candidate for outside director as stipulated under Article 2-15 of the Japanese Corporate Code.

b. Changes in Corporate Auditor Personnel

(Newly appointed candidate)

Corporate Auditor (Full-time)	Masafumi Yokoyama (Currently Senior General Manager of Electronic Equipped Machinery Division, KUBOTA Corporation) Note: Masafumi Yokoyama is a candidate for outside corporate auditor as stipulated under Article 2-16 of the Japanese Corporate Code.
Corporate Auditor (Part-time)	Hiroko Sakamoto (Currently a partner of A&A Partners, the auditing firm Note: Hiroko Sakamoto is a candidate for outside corporate auditor as stipulated under Article 2-16 of the Japanese Corporate Code.

(Planned retirement)

Corporate Auditor (Full-time)	Eiro Hamada Note: Eiro Hamada is currently an outside corporate auditor as stipulated under Article 2-16 of the Japanese Corporate Code.
Corporate Auditor (Part-time)	Harunobu Kameyama Note: Harunobu Kameyama is currently an outside corporate auditor as stipulated under Article 2-16 of the Japanese Corporate Code.