Results of Operations for the Fiscal Year Ended March 31, 2014
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

May 20, 2014

Company name:	KOMORI CORPORATION
Securities code:	6349 (Tokyo Stock Exchange)
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Annual General Meeting of Shareholders:	June 24, 2014
Payment date of year-end dividend:	June 25, 2014

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 2014 (April 1, 2013 to March 31, 2014)

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

	Fiscal year ended March 31, 2014	%	Fiscal year ended March 31, 2013	%
Net sales	91,837	31.5%	69,825	(3.4)
Operating income (loss)	8,473	1338.4%	589	-
Ordinary income (loss)	10,098	472.9%	1,762	-
Net loss	13,657	-	(1,899)	-

(Yen)

Net income (loss) per share	220.39	(30.66)
Diluted net income per share	220.39	-

(%)

ROE	11.4	(1.7)
ROA	6.4	1.2
Operating income to net sales ratio	9.2	0.8

Notes:

1. Comprehensive income:
   Fiscal year ended March 31, 2014: 14,370 million yen -%
   Fiscal year ended March 31, 2013: (359) million yen -%
2. Equity in net income of affiliated companies accounted for by the equity method:
   Fiscal year ended March 31, 2014: -
   Fiscal year ended March 31, 2013: -
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, 2014	March 31, 2013
Total assets	172,407	143,957
Total net assets	125,686	113,722
Equity ratio (%)	72.9	79.0
Net assets per share (Yen)	2,028.31	1,835.17

Note:
Equity as of: March 31, 2014: 125,686 million yen
March 31, 2013: 113,722 million yen

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

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2013
Net cash provided by (used in) operating activities	13,430	2,794
Net cash provided by (used in) investing activities	(7,086)	2,759
Net cash provided by (used in) financing activities	8,820	(7,745)
Cash and cash equivalents at end of the period	54,392	38,054

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

2. Dividends

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ending March 31, 2015 (Forecast)
Annual cash dividends per share (Yen)	10.00	15.00	20.00
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	5.00	5.00	10.00
Third quarter period-end dividends	-	-	-
Year-end dividends	5.00	10.00	10.00
Total cash dividends for the year (Millions of yen)	619	929	-
Dividend payout ratio (Consolidated) (%)	-	6.8	17.0
Ratio of dividends to net assets (Consolidated) (%)	0.5	0.7	-

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2015
(April 1, 2014 to March 31, 2015)

(In millions of yen, unless otherwise stated)

	Sixth months ending September 30, 2013	%	Fiscal year ending March 31, 2014	%
Net sales	41,700	2.0	95,000	3.4
Operating income	2,500	(25.7)	7,600	(10.3)
Ordinary income	2,400	(43.1)	7,600	(24.7)
Net income	2,400	(41.0)	7,300	(46.5)
Net income per share (Yen)	38.73	-	117.81	-

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: None
4. Restatements: None

Note: Indicates changes under Article 14-2 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 17.

(3) Number of shares outstanding (common stock)
1. Number of shares outstanding (including treasury stock) as of:
March 31, 2014: 68,292,340 shares
March 31, 2013: 68,292,340 shares
2. Number of treasury stock as of:
March 31, 2014: 6,326,071 shares
March 31, 2013: 6,324,323 shares
3. Average number of shares during the period:
Fiscal year ended March 31, 2014: 61,967,359 shares
Fiscal year ended March 31, 2013: 61,968,618 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 12.

Materials for summary result presentation in Japanese will be disclosed through the Tokyo Stock Exchange's Timely Disclosure Network, known as TDnet, on May 13, 2014. 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

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1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION

(1) Review of Operations

(1) Overview

In the fiscal year ended March 31, 2014, signs of recovery emerged in the global economy, reflecting such factors as burgeoning personal consumption and improving employment in the United States as well as the bottoming out of economic conditions in Europe. Furthermore, the momentum of growth in China and other major Asian nations has held up thanks to robust domestic demand that offset the sense of overall economic deceleration. On the back of the depreciation of the yen, which boosted corporate earnings, the Japanese economy enjoyed an upturn in business sentiment in anticipation of the growth in the value of assets resulting from stock price rises and positive effects of the government-led stimulus programs on the economy.

Turning to the offset printing press market, the key market of the Komori Group, print demand failed to grow in Japan, the United States and Europe. However, after the long period of stagnation in capital expenditures in these countries, a growing sense of economic recovery triggered demand for the replacement of existing printing facilities with cutting-edge printing presses used for high-value-added printing services. In China, despite a slowdown in economic growth, rising labor wages drove a switchover to state-of-the-art printing equipment in line with printing companies' pursuit of automation. In major Asian nations other than China, domestic demand was robust, reflecting the growing middle class and growth in the overall population. Reflecting this, the trend toward capital expenditures in printing presses with high productivity grew stronger, although demand varied by country due to local economic conditions and foreign currency exchange rates.

(2) Consolidated Performance

Amid this market environment, Komori made Groupwide efforts aimed at regaining profitability through the pursuit of the following initiatives: enhancing cost competitiveness; expanding sales through "KOMORI OnDemand"; developing new businesses; and achieving business model innovation in sales activities.

To enhance cost competitiveness, Komori focused on implementing *Monozukuri (Manufacturing) Innovation* activities. The goals of these activities include cutting production costs and lead time and building a production control structure capable of accommodating orders for a variety of products in diverse production volumes. To move toward these goals, in February 2014, the Company initiated production at its Chinese subsidiary, established in Nantong City, Jiangsu Province, to manufacture mainly printing machinery-related equipment.

With the aim of expanding sales through “KOMORI OnDemand,” Komori participated in three printing equipment exhibitions, namely, CHINA PRINT 2013, held in Beijing in May 2013, PRINT 13, held in Chicago in September 2013, and JGAS 2013, held in Tokyo in October 2013, giving demonstrations of the Company’s state-of-the-art sheet-fed offset presses and digital printing presses with the aim of boosting demand. At these exhibitions, Komori presented printing processes that help customers improve productivity and profitability through the combination of Digital OnDemand and OffsetOnDemand solutions capable of accommodating requests for extremely short runs and tight delivery schedules. In particular, the Company’s participation in CHINA PRINT 2013 yielded a significant advertising effect, contributing to sales expansion in the Chinese market.

In a bid to develop new businesses, Komori focused on expanding its security printing press business in markets overseas. Consequently, the Company received orders for currency printing facilities, including one printing line, from Indonesian state-run currency printing firm Perum Percetakan Uang Republik Indonesia. Moreover, in accordance with a comprehensive technological cooperation agreement with UK-based De La Rue International Limited, the world’s largest private securities printing firm, Komori completed the installation of its currency printing facilities for one printing line in September 2013. A number of officials from the central banks of countries around the world attended the opening ceremony of De La Rue’s new printing line, making the event a perfect opportunity for the Komori Group to build greater recognition and understanding of its currency printing presses.

The Company also exhibited its digital printing presses at PRINT 13 and JGAS 2013. The Impremia IS29, a digital printing system co-developed with Konica Minolta IJ Technologies, Inc., drew great interest from attendees, owing to Komori’s efforts to demonstrate the system’s superior print quality, performance and productivity.

At the same time, to advance its Printed Electronics (PE) business, which employs printing technologies to form fine electronic circuits, Komori promoted joint development efforts with the Industrial Technology Research Institute of Taiwan R.O.C. (ITRI) aimed at making its PE technologies usable in mass-production processes. In August 2013, Komori and ITRI exhibited samples of touch panels incorporating extremely fine circuits, a product of Komori’s breakthrough gravure offset printing technologies, at Touch Taiwan 2013. Komori has also been seeking partners with whom to commercialize technologies used for creating such extremely fine circuits.

Pursuing business model innovation in its sales activities, Komori is advancing its Print Engineering Service Provider (PESP) business, a business approach that aims to provide wide-ranging products and services through the better utilization of customer perspectives. More specifically, the Company facilitated closer collaboration between its sales and service sections while expanding the lineup of its products and services to include peripheral printing machinery equipment, supplies and expendables as well as maintenance services. By doing so, the Company made proposals of comprehensive solutions aimed at helping customers resolve business challenges.

Buoyed by the positive effects brought about by the depreciation of the yen, Komori’s success in the aforementioned key initiatives led to the accomplishment of its targets for fiscal 2014 in terms of orders received, net sales, operating income and ordinary income.

In accordance with the above, orders received in fiscal 2014, ended March 31, 2014, rose 29.9% from fiscal 2013 to ¥96,334 million, with consolidated net sales increasing 31.5% to ¥91,837 million. The cost of sales ratio improved 4.8 percentage points compared with the previous fiscal year to 66.5%, reflecting the Company’s success in ongoing production cost reduction as well as the effect of the depreciation of the yen. Selling, general and administrative (SG&A) expenses accounted for 24.4% of net sales, down 3.5 points from fiscal 2013. As a result, operating income totaled ¥8,473 million compared with an operating income of ¥589 million in the previous fiscal year. Ordinary income totaled ¥10,098 million, significantly increased from an ordinary income of ¥1,762 million in fiscal 2013 in step with a rise in gain on foreign exchange from ¥925 million in fiscal 2013 to ¥1,472 million due to the further depreciation of the yen. Extraordinary loss posted during the fiscal year under review considerably decreased year on year, with loss on valuation of investment securities amounting to only ¥12 million, compared with extraordinary loss recorded in the previous fiscal year that included a ¥798 million loss on valuation of investment securities and business structure improvement expenses totaling ¥1,701 million. Income before income taxes in fiscal 2014 was ¥10,070 million, making a turnaround from a ¥1,699 million loss before income taxes in the previous fiscal year. Taking the upswing in its operating results into account, the Company posted deferred tax assets through the reversal of income tax—deferred, given the future possibility of the recovery of deferred tax assets. As a result, net income for the fiscal year under review was ¥13,657 million, a considerable improvement from the ¥1,899 million net loss in the previous fiscal year. Overseas sales totaled ¥56,944 million, up 46.6% from the previous fiscal year, with the ratio of overseas sales to net sales at 62.0%.

(3) Overview of Consolidated Net Sales by Region

Consolidated net sales during the fiscal year under review amounted to ¥91,837 million, representing a 31.5% increase from the previous fiscal year. An overview of consolidated net sales by region is set out below.

(In millions of yen)

		Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014	Increase (%)
Net sales		69,825	91,837	31.5%
Breakdown	Japan	30,985	34,893	12.6%
	North America	6,335	9,518	50.2%
	Europe	12,985	14,279	10.0%
	Greater China	13,580	21,098	55.4%
	Other Regions	5,939	12,048	102.9%

Domestic Sales

Despite gradual recovery in the Japanese economy, demand for printing on paper remained sluggish due to such factors as the diversification of media and stagnation in corporate spending on advertising. Moreover, printing companies faced consistently harsh operating conditions, such as falling print prices resulting from intensifying competition as well as hikes in energy and raw material costs. Amid these circumstances, Komori strove to promote its sheet-fed offset and web offset presses equipped with the H-UV curing system. More specifically, the Company participated in JGAS 2013 while giving demonstrations at the Komori Graphic Technology Center, with the aim of making the excellence of these presses known to customers. Accordingly, orders received remained favorable throughout the first half of fiscal 2014, further buoyed by public subsidy systems aimed at facilitating investments in cutting-edge facilities and the last-minute surge in capital expenditures prior to the consumption tax hike. As a result, domestic net sales in the fiscal year under review totaled ¥34,893 million, up 12.6% from the previous fiscal year.

North America

On the back of gradual economic recovery in the United States, the Company sought to expand sales through demonstrations at its showrooms and by participating in printing equipment exhibitions, such as PRINT 13, held in September 2013 in Chicago. Thanks to the success of these efforts, business negotiations with potential customers were particularly brisk in the second half of fiscal 2014 and began to lead to orders. Net sales in this region rose 50.2% compared with the previous fiscal year to ¥9,518 million.

Europe

As in the United States, the structure of the printing industry in Europe is changing, and printing companies' motivation to upgrade facilities was weak due to the stagnant economy. However, certain companies prospering despite this circumstance sought eco-friendly, high-value-added printing presses with superior productivity. In response, Komori promoted high-end printing presses, such as the GL-40, equipped with the H-UV curing system that instantly dries ink, across Europe. In recent years, customer reviews of Komori's printing presses equipped with H-UV have grown more and more favorable thanks to the presses' environment-friendliness due to the elimination of the use of powder granules, quick curing and flexibility to accommodate various types of printing requests at high print quality. Business negotiations relating to printing presses equipped with H-UV were further buoyed by signs of economic recovery in the second half of fiscal 2014.

Nonetheless, overall demand for offset printing presses remained sluggish due to the delay in economic recovery in Southern Europe. As a result, net sales in Europe edged up 10.0% compared with the previous fiscal year to ¥14,279 million.

Greater China

Despite clear signs of deceleration in China's economic growth, the printing industry enjoyed robust print demand reflecting bourgeoning exports from coastal cities and strong personal consumption in interior areas. On the back of the depreciation of the yen, which has spurred active business negotiations since the beginning of 2013, the Company participated in CHINA PRINT 2013, held in May 2013 in Beijing, and received a number of orders, taking advantage of booming eagerness toward capital expenditure in offset printing presses. Since then, orders received remained at a high level throughout the year thanks to the Company's success in developing new customers by particularly promoting its mainstay GL-40 and new LA-37 printing presses. As a result, net sales in Greater China rose 55.4% compared with the previous fiscal year to ¥21,098 million.

Other Regions

Economies and currencies were unstable in newly emerging Asian nations due to such factors as changes in the U.S. government's monetary policies. However, the printing industry has been supported by firm print demand reflecting booming domestic demand in step with growth in middle class populations. In the offset printing press markets mainly in India and ASEAN nations, high-productivity automated printing presses drew growing interest from customers, reflecting rising labor wages.

At the same time, Komori sought to expand its security printing press business, particularly in Asian nations, making active sales negotiations. Net sales in other regions surged 102.9% compared with the previous fiscal year to ¥12,048 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. 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 in the above regions, net sales in the reportable segment “Japan” totaled ¥77,713 million, a year-on-year increase of ¥20,228 million, while operating income totaled ¥8,394 million, an increase from an operating income of ¥1,444 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 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 ¥9,564 million, a year-on-year increase of ¥3,194 million. Reflecting a decrease in cost of sales due to the posting of a transfer pricing adjustment, operating income amounted to ¥766 million, a turnaround from a loss of ¥235 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 ¥14,811 million, a year-on-year increase of ¥1,487 million, and operating income amounted to ¥87 million, a turnaround from a loss of ¥688 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 a printing machinery production subsidiary in Nantong, China. Subject to the aforementioned operating conditions in Asia, net sales in this reportable segment totaled ¥4,113 million, a year-on-year increase of ¥1,434 million. On the other hand, due to a loss posted by the Nantong printing machinery production subsidiary that had just started its operations, operating loss amounted to ¥128 million, compared with a loss of ¥11 million recorded in the previous fiscal year.

(5) Highlights

In the fiscal year ended March 31, 2014, Group highlights were as follows.

Firstly, the Komori Group aims to utilize diversified financing methods to secure funds necessary for the commercialization of new businesses. To that end, in December 2013, the Company issued straight corporate bonds totaling ¥10 billion, with the redemption period set at December 2018, to raise funds for R&D activities and other operations aimed at developing new businesses in connection with digital printing presses.

Secondly, the Group considered it crucial to secure a business partner to solidify the operating platform for its PE business, and thus decided to acquire Tokai Holdings Co., Ltd. In line with this decision, Komori made Tokai Holdings a wholly owned subsidiary through the acquisition of its shares in May 2014. Established in 1972 as a screen printing press manufacturer, Tokai Holdings has developed its business operations in response to requests from customers in diverse industries by employing the unique features of screen printing, which can be applied to a myriad of print media, ranging from paper, glass, plastic, synthetic resins and metals to fabrics. In recent years, Tokai Holdings has focused on the electronics industry and has been providing total solutions developed upon the knowhow accumulated over the course of its history, accommodating needs for printing methods applicable to diversified media, such as electronic parts, mobile phones, displays, photovoltaic panels and organic ELs. The Komori Group will make effective use of Tokai Holdings’ sales channels and step up initiatives aimed at commercializing its PE business through the integration of its PE technologies developed to create ultra-fine line circuits with the Tokai Group’s total solutions centered on screen printing technologies.

Thirdly, Komori established a production subsidiary in Nantong, Jiangsu Province, China in June 2012 to manufacture printing machinery-related equipment using a leased plant. In January 2014, the subsidiary completed the construction of its own plant, with a site area totaling 30,000m^2 and building area totaling 8,000m^2. This plant was brought online the following month. The new plant is considered an essential production base for bolstering Komori’s future initiatives aimed at penetrating the Chinese market as well as mitigating foreign currency exchange risk. At the same time, Komori expects that the inclusion of this plant in its production network will help the Company improve production efficiency and achieve greater cost competitiveness by operating in tandem with the two key plants in Japan, namely, the Tsukuba Plant in Tsukuba City, Ibaraki, and Komori Machinery Co., Ltd. in Higashiokitama-gun, Yamagata.

Fourthly, Komori augmented the lineup of LA-37, a series of compact, A-full size printing presses, through the release of a newly developed printing press with perfecting mechanisms, aimed at penetrating emerging markets in China, India and Southeast Asia as well as the domestic market. Moreover, the Company developed GX-40RP, a printing press for simultaneous double-sided printing, for the package printing market, as it expects firm demand growth in this field going forward. At the same time, with particular focus on growth fields in the offset printing press market, Komori sought to expand sales through the development of new products, such as web offset presses that incorporate the H-UV curing system and are capable of accommodating customer requirements for small print runs and environment-friendliness, making full use of H-UV's features developed upon proprietary Komori technologies.

Fifthly, in March 2014, the Komori Group became one of 100 companies chosen by Japan's Ministry of Economy, Trade and Industry under the "Global Niche Top Companies Selection 100," a program aimed at commending excellent business enterprises that capture outstanding global market shares in niche fields. The Komori Group has been chosen for its track record in securing global market share through pioneering product development centered on offset printing presses as well as for its growing sales of security and currency printing presses overseas.

(6) Outlook

Going forward, the global economy is expected to make a moderate recovery despite risk factors besetting the Japanese, U.S. and European economies that could cause a downturn. Although growth in the Chinese and other emerging economies has decelerated, moderate momentum for expansion will remain due to exports to the United States and Europe as well as firm domestic demand. However, against the backdrop of global economic recovery, remarkable growth in demand for printing on paper media cannot be expected in the printing industry, which is currently undergoing structural changes. Komori nevertheless expects that customers will continue to prefer highly automated offset printing presses capable of performing high-value-added printing services due to intensifying competition between printing companies. The security printing press business is also considered a promising business field due to anticipated demand for facility upgrades and expansions aimed at meeting growing demand for currency printing and better counterfeit prevention.

In the offset printing press business, the Company will also strive to expand sales overseas by promoting the superior features of H-UV system with the latest GL-40 and LA-37 product lines, which have been augmented to incorporate this system. Moreover, as it promotes the PESP business, the Company will enrich solutions provided under this business approach, thereby expanding customer bases to secure sources of stable profit.

In the security printing press business, Komori will work to build a closer partnership with De La Rue International Limited while pursuing sales activities in markets overseas to consistently obtain orders.

In the digital printing press and PE businesses, Komori will seek alliances and partnerships that help to steadily promote these businesses, thereby establishing mass production technologies as well as a product marketing structure.

Furthermore, with the aim of achieving greater cost competitiveness, the Company is advancing *Monozukuri (Manufacturing) Innovation* activities aimed at enhancing its production structure, consisting of three production bases, while exhaustively reducing costs through the pursuit of SGA 20 Initiatives aimed at cutting the ratio of SG&A expenses to net sales to 20%.

Fiscal 2015 will be a crucial time for The Komori Group as it seeks to stably remain profitable and expand new businesses. Achieving business model innovation through the pursuit of the PESP business, Komori will also secure a stronger revenue base in the offset printing press and security printing press businesses. At the same time, the Company will reinforce operating platforms for the digital printing press and PE businesses to make these businesses profitable.

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

(In millions of yen)

	Fiscal Year Ended March 31, 2014	Fiscal Year Ending March 31, 2015	Increase / (Decrease) (%)
Net sales	91,837	95,000	3.4%
Operating loss	8,473	7,600	(10.3%)
Ordinary loss	10,098	7,600	(24.7%)
Net loss	13,657	7,300	(46.5%)

Forecasts for the fiscal year ending March 31, 2015 are based on exchange rate assumptions as follows: USD 1.00 = ¥100, Euro 1.00 = ¥135

The effect of the acquisition of Tokai Holdings Co., Ltd. is not included in the consolidated operating result forecasts presented above.

(2) Financial Condition

(1) Assets, Liabilities and Net Assets

Total assets as of March 31, 2014 stood at ¥172,407 million, an increase of ¥28,450 million compared with the previous fiscal year-end. Liabilities were ¥46,720 million, up ¥16,485 million compared with March 31, 2013, while net assets totaled ¥125,686 million, an increase of ¥11,964 million.

Key factors contributing to the rise in total assets included a ¥17,264 million increase in negotiable deposits and other securities, a ¥4,592 million rise in long term deferred tax assets and deferred tax assets under current assets and a ¥4,644 million growth in cash and deposits. The key contributors to the increase in liabilities were a ¥10,000 million increase in corporate bonds, a ¥2,871 million rise in notes and accounts payable—trade and a ¥1,056 million growth in electronically recorded monetary obligations as well as a ¥1,685 million net increase in provision for retirement benefits and net defined benefit liabilities that reflected the previously unrecognized actuarial difference in accordance with the revised “Accounting Standard for Retirement Benefits.”

Major factors contributing to the increase in net assets included a ¥13,657 million increase in retained earnings reflecting the posting of net income, a ¥419 million growth in foreign currency translation adjustment and a ¥279 million rise in valuation difference on available-for-sale securities. Key contributors leading to the decrease in net assets were a ¥1,783 million decline in cumulative total retirement benefit adjustment and a ¥619 million fall in retained earnings due to the payment of cash dividends.

(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, 2014	13,430	(7,086)	8,820	54,392
Fiscal Year Ended March 31, 2013	2,794	2,759	(7,745)	38,054
Increase / (Decrease)	10,635	(9,846)	16,566	16,337

Net cash provided by operating activities in the fiscal year ended March 31, 2014 amounted to ¥13,430 million, up ¥10,635 million from net cash provided by operating activities of ¥2,794 million in the previous fiscal year. Principal cash outflows included a ¥1,526 million increase in notes and accounts receivable—trade and a ¥786 million growth in foreign exchange gains. Major cash inflows were the posting of income before income taxes totaling ¥10,070 million as well as a ¥3,860 million growth in notes and accounts payable—trade and ¥2,171 million in depreciation and amortization.

Net cash used in investing activities was ¥7,086 million, a turnaround of ¥9,846 million from ¥2,759 million provided by investing activities in the previous fiscal year. Principal cash outflows were a ¥6,573 million purchase of securities and a ¥1,675 million net increase in property, plant and equipment and intangible assets. Main cash inflows included a ¥1,283 million net decrease in time deposits maturing over three months.

Net cash provided by financing activities totaled ¥8,820 million, a turnaround of ¥16,566 million from ¥7,745 million used in financing activities in the previous fiscal year. The principal components of cash inflows included the issuance of corporate bonds totaling ¥10,000 million. The primary cash outflows included the payment of cash dividends amounting to ¥619 million.

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

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Equity Ratio (%)	79.0%	72.9%
Equity Ratio (%) (Market capitalization basis)	43.6%	46.3%
Ratio of Interest-Bearing Debt to Cash Flow (Times)	0.70	0.87
Interest Coverage Ratio (Times)	28.0	162.6

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, 2015

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.

Taking the current operating results into account, Komori’s Board of Directors resolved to submit a proposal at its 68th Annual General Meeting of Shareholders for the payment of a fiscal year-end cash dividend of ¥10 per common share as forecast.

Although the operating environment surrounding the Company is likely to remain severe, Komori plans to pay annual dividends of ¥20 per common share in the fiscal year ending March 31, 2015. This will comprise an interim cash dividend of ¥10 per common share and a fiscal year-end cash 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 operates, while achieving harmonious coexistence with them.

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

Following the worldwide recession triggered by the bankruptcy of Lehman Brothers in 2008, Komori faced the harshest business environment since its founding. In addition to external factors such as the shrinking of the printing machinery market as well as the extremely strong yen, there were internal factors that made securing profit more difficult. One of these factors was the Company's profit structure, which has been vulnerable to disadvantageous foreign currency exchange rate fluctuations. This vulnerability nullified the Company's cost reduction efforts. Another was a business structure that was overly dependent on offset printing presses.

Seriously reflecting on these issues, Komori launched the Fourth Medium-Term Management Plan in April 2013 and is thus decisively pushing ahead the plan's three key initiatives, "transforming the business structure," "achieving business model innovation in sales activities" and "transforming the profit structure."

To transform the business structure, Komori is promoting joint development of digital printing presses with Konica Minolta and the Israel-based Landa Corporation with the aim of launching the mass-production of these presses as early as possible. In the PE business, which employs printing technologies to form electronic circuits, the Company will build an even closer technological partnership with ITRI, a Taiwanese research institution, to establish printing technology usable in mass-production of ultra-fine line circuits. At the same time, with the aim of swiftly generating profit from the PE business, Komori will leverage synergies with Tokai Holdings' competitive operating platforms in terms of sales and development. In the security printing press business, the Company will strengthen its technological partnership with the UK-based De La Rue International Limited to increase orders received for security printing presses aimed at markets overseas. Steadily developing these new businesses, Komori will transform from a specialized offset printing press manufacturer to a company with a diversified business structure capable of generating greater earnings.

To achieve business model innovation in sales activities, Komori will expand the range of its marketing, enriching its lineup of products and services to comprise peripheral equipment for printing machinery, supplies and expendables as well as preventive maintenance services in line with the PESP business approach. By doing so, the Company will develop sales and service structures capable of providing optimal solutions to business challenges that confront customers. In these ways, Komori will build long-lasting partnerships with customers in Japan and overseas, thereby securing sources of stable profit.

To transform the profit structure, Komori will strive to enhance its cost competitiveness through the utilization of ICT aimed at improving operational efficiency and the pursuit of SG&A expense reduction. Simultaneously, the Company will push forward initiatives aimed at achieving a significant cut in production lead time and reducing production costs while boosting quality. To that end, Komori will completely overhaul its manufacturing operations by decisively carrying out *Monozukuri (Manufacturing) Innovation* activities at its three key production bases, consisting of the Tsukuba Plant, Komori Machinery Co., Ltd. and Komori Machinery (Nantong) Co., Ltd. in China.

By rallying Groupwide strength to pursue these initiatives, Komori will solidify its operating platform to realize sustainable growth and greater corporate value while getting the Group back to good financial standing.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2013	March 31, 2014
(ASSETS)		
Current Assets:		
Cash and deposits	39,328	43,973
Notes and accounts receivable-trade	22,118	24,730
Short-term investment securities	4,748	22,013
Merchandise and finished goods	11,291	10,927
Work in process	7,977	8,346
Raw materials and supplies	6,129	6,623
Current portion of insurance funds	586	904
Deferred tax assets	62	4,647
Other	2,096	1,904
Allowance for doubtful accounts	(270)	(270)
Total current assets	94,068	123,800
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	29,438	30,378
Accumulated depreciation	(17,461)	(18,521)
Buildings and structures, net	11,976	11,857
Machinery, equipment and vehicles	22,710	21,699
Accumulated depreciation	(20,052)	(19,580)
Machinery, equipment and vehicles, net	2,658	2,118
Land	17,385	17,444
Construction in progress	39	103
Other	7,349	7,714
Accumulated depreciation	(6,832)	(7,198)
Other, net	517	515
Total property, plant and equipment	32,577	32,040
Intangible assets	2,571	2,290
Investments and other assets		
Investment securities	7,317	7,551
Long-term time deposits	352	32
Deferred tax assets	15	23
Insurance funds	6,077	5,625
Net defined benefit asset	-	253
Other	1,180	967
Allowance for doubtful accounts	(202)	(177)
Total investments and other assets	14,740	14,726
Total noncurrent assets	49,888	48,606
Total Assets	143,957	172,407

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2013	March 31, 2014
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	9,122	11,994
Electronically recorded obligations-operating	4,879	5,936
Short-term loans payable	1,534	1,614
Income taxes payable	209	1,071
Provision for bonuses	564	862
Provision for product warranties	986	1,039
Provision for loss on guarantees	742	596
Provision for directors' bonuses	-	20
Provision for point card certificates	3	4
Provision for business structure improvement	386	-
Deferred installment income	129	91
Other	8,742	9,387
Total current liabilities	27,302	32,617
Noncurrent Liabilities:		
Bonds payable	-	10,000
Long-term loans payable	411	-
Deferred tax liabilities	1,279	1,173
Provision for directors' retirement benefits	5	6
Provision for retirement benefits	815	-
Provision for point card certificates	4	-
Provision for environmental measures	10	10
Net defined benefit liability	-	2,500
Other	405	412
Total noncurrent liabilities	2,932	14,103
Total Liabilities	30,235	46,720
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,797	37,797
Retained earnings	42,267	55,305
Treasury stock	(4,950)	(4,953)
Total shareholders' equity	112,829	125,864
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	1,969	2,249
Deferred gains or losses on hedges	(13)	-
Foreign currency translation adjustment	(1,063)	(643)
Remeasurements of defined benefit plans	-	(1,783)
Total other comprehensive income	892	(177)
Total Net Assets	113,722	125,686
Total Liabilities and Net Assets	143,957	172,407

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

Consolidated Statements of Income

(In millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
Net Sales	69,825	91,837
Cost of Sales	49,777	61,028
Reversal of unrealized income on installment sales	134	38
Provision of unrealized income on installment sales	88	-
Gross profit	20,093	30,847
Selling, General and Administrative Expenses	19,504	22,374
Operating income (loss)	589	8,473
Non-Operating Income		
Interest income	96	92
Dividends income	153	162
Insurance income	279	-
Foreign exchange gains	925	1,472
Other	349	588
Total non-operating income	1,804	2,315
Non-Operating Expenses		
Interest expenses	99	82
Loss on disposal of inventories	243	105
Compensation for damage	146	175
Settlement package	-	110
Other	140	217
Total non-operating expenses	630	690
Ordinary income (loss)	1,762	10,098
Extraordinary Income		
Gain on sales of noncurrent assets	149	7
Total extraordinary income	149	7
Extraordinary Loss		
Loss on sales of noncurrent assets	7	3
Loss on retirement of noncurrent assets	152	6
Impairment loss	521	-
Provision for business structure improvement	344	-
Business structure improvement expenses	1,701	12
Retirement benefit expenses	86	-
Loss on valuation of investment securities	798	12
Total extraordinary loss	3,611	35
Income (loss) before income taxes	(1,699)	10,070
Income taxes-current	152	968
Income taxes-deferred	47	(4,554)
Total income taxes	200	(3,586)
Income (loss) before minority interests	(1,899)	13,657
Net Income (loss)	(1,899)	13,657

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
Income (loss) before Minority Interests	(1,889)	13,657
Other comprehensive income		
Valuation difference on available-for-sale securities	1,129	279
Deferred gains or losses on hedges	(13)	13
Foreign currency translation adjustment	424	419
Total other comprehensive income	1,539	713
Comprehensive Income	(359)	14,370
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(359)	14,370

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
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	45,097	42,267
Changes of items during the period		
Dividends from surplus	(929)	(619)
Net Income (loss)	(1,899)	13,657
Total changes of items during the period	(2,829)	13,037
Balance at the end of current period	42,267	55,305
Treasury stock		
Balance at the beginning of current period	(4,949)	(4,950)
Changes of items during the period		
Purchase of treasury stock	(0)	(2)
Total changes of items during the period	(0)	(2)
Balance at the end of current period	(4,950)	(4,953)
Total shareholders' equity		
Balance at the beginning of current period	115,659	112,829
Total changes of items during the period		
Dividends from surplus	(929)	(619)
Net Income (loss)	(1,899)	13,657
Purchase of treasury stock	(0)	(2)
Total changes of items during the period	(2,829)	13,034
Balance at the end of current period	112,829	125,864

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
Valuation and Translation Adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	840	1,969
Changes of items during the period		
Net changes of items other than shareholders' equity	1,129	279
Total changes of items during the period	1,129	279
Balance at the end of current period	1,969	2,249
Deferred gains or losses on hedges		
Balance at the beginning of current period	-	(13)
Changes of items during the period		
Net changes of items other than shareholders' equity	(13)	13
Total changes of items during the period	(13)	13
Balance at the end of current period	(13)	-
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,487)	(1,063)
Changes of items during the period		
Net changes of items other than shareholders' equity	424	419
Total changes of items during the period	424	419
Balance at the end of current period	(1,063)	(643)
Remeasurements of defined benefit plans		
Balance at the beginning of current period		-
Changes of items during the period		
Net changes of items other than shareholders' equity		(1,783)
Total changes of items during the period		(1,783)
Balance at the end of current period		(1,783)
Total valuation and translation adjustments		
Balance at the beginning of current period	(647)	892
Changes of items during the period		
Net changes of items other than shareholders' equity	1,539	(1,069)
Total changes of items during the period	1,539	(1,069)
Balance at the end of current period	892	(177)
Total Net Assets		
Balance at the beginning of current period	115,012	113,722
Changes of items during the period		
Dividends from surplus	(929)	(619)
Net loss	(1,899)	13,657
Purchase of treasury stock	(0)	(2)
Net changes of items other than shareholders' equity	1,539	(1,069)
Total changes of items during the period	(1,290)	11,964
Balance at the end of current period	113,722	125,686

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	Fiscal 2013 (April 1, 2012 to March 31, 2013)	Fiscal 2014 (April 1, 2013 to March 31, 2014)
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) before income taxes	(1,699)	10,070
Depreciation and amortization	2,251	2,171
Impairment loss	521	-
Increase (decrease) in allowance for doubtful accounts	(160)	(54)
Increase (decrease) in provision for bonuses	(76)	298
Increase (decrease) in provision for retirement benefits	154	-
Increase (decrease) in net defined benefit liability	-	(135)
Increase (decrease) in provision for business structure improvement	344	(344)
Business structure improvement expenses	1,701	12
Interest and dividends income	(249)	(255)
Interest expenses	99	82
Foreign exchange losses (gains)	(249)	(786)
Loss (gain) on valuation of investment securities	798	12
Decrease (increase) in notes and accounts receivable-trade	(1,215)	(1,526)
Decrease (increase) in inventories	2,378	467
Increase (decrease) in notes and accounts payable-trade	34	3,860
Increase (decrease) in accrued consumption taxes	171	(84)
Other, net	(346)	(117)
Subtotal	4,457	13,672
Interest and dividends income received	255	249
Interest expenses paid	(126)	(82)
Payments for business structure improvement expenses	(1,701)	(12)
Income taxes paid	(88)	(396)
Net cash provided by (used in) operating activities	2,794	13,430
Net Cash Provided by (Used in) Investing Activities:		
Payments into time deposits	(3,056)	(1,831)
Proceeds from withdrawal of time deposits	8,687	3,114
Purchase of property, plant and equipment and intangible assets	(1,507)	(1,874)
Proceeds from sales of property, plant and equipment and intangible assets	241	199
Purchase of securities	(2,970)	(6,573)
Purchase of insurance funds	(551)	(691)
Proceeds from maturity of insurance funds	2,040	824
Other payments	(150)	(549)
Other proceeds	27	294
Net cash provided by (used in) investing activities	2,759	(7,086)
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decrease) in short-term loans payable	(417)	(184)
Repayment of long-term loans payable	(6,353)	(364)
Repayments of lease obligations	(44)	(7)
Net decrease (increase) in treasury stock	(0)	(2)
Proceeds from issuance of bonds	−	10,000
Cash dividends paid	(929)	(619)
Net cash provided by (used in) financing activities	(7,745)	8,820
Effect of exchange rate change on cash and cash equivalents	980	1,173
Net increase (decrease) in cash and cash equivalents	(1,210)	16,337
Cash and cash equivalents at beginning of the period	39,264	38,054
Cash and cash equivalents at end of the period	38,054	54,392

(5) Notes to Consolidated Financial Statements

(Notes on Premise as a Going Concern)

Not applicable.

(Change in Accounting Principles)

Adoption of Accounting Standard for Retirement Benefits, etc.

As of March 31, 2014, Komori Corporation adopted the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ), Statement No. 26, issued on May 17, 2012; hereinafter "Retirement Benefits Accounting Standards") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, issued on May 17, 2012; hereinafter the "Guidance"), excluding the provisions stipulated in the main clause of Article 35 of the Retirement Benefits Accounting Standards and in the main clause of Article 67 of the Guidance.

Accordingly, the Company's retirement benefit liabilities are now presented as net defined benefit liabilities, which are obtained by deducting pension assets from retirement benefit liabilities and by including previously unrecognized actuarial gains or losses. In addition, the amount of pension assets in excess of retirement benefit liabilities is recorded in net defined benefit assets.

The adoption of the Retirement Benefits Accounting Standards and its Guidance is subject to the transitional treatment stipulated by Article 37 of the Retirement Benefits Accounting Standards. Accordingly, the Company made adjustment in remeasurements of defined benefit plans recorded as accumulated other comprehensive income for the fiscal year under review by taking into consideration the impact of the abovementioned revision in calculation methods.

As a result, as of March 31, 2014, accumulated other comprehensive income (remeasurements of defined benefit plans) posted a decrease of ¥1,783 million.

(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 methods for the reportable segments are basically the same as those described in “Important Matters That Form the Basis for Compiling Consolidated Financial Statements.”

Inter-segment earnings and transfers are calculated based on current market prices.

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

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
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.

Fiscal 2014 (April 1, 2013 to March 31, 2014)

(In millions of yen)

	Reportable Segment				Others (Note)	Total
	Japan	North America	Europe	Subtotal		
Net sales						
Sales to outside customers	64,025	9,518	14,279	87,823	4,014	91,837
Intersegment sales	13,687	45	531	14,265	98	14,363
Total	77,713	9,564	14,811	102,088	4,113	106,201
Operating income (loss)	8,394	766	87	9,248	(128)	9,119
Assets	144,919	12,453	14,256	171,629	3,170	174,799
Other items						
Depreciation	1,926	29	195	2,151	27	2,179
Increase of property, plant and equipment and intangible assets	562	6	74	643	723	1,367

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 2013	Fiscal 2014
Total net sales in reportable segments	77,178	102,088
Net sales in others	2,678	4,113
Eliminations	(10,030)	(14,363)
Net sales as presented in Consolidated Financial Statements	69,825	91,837

(In millions of yen)

Operating Income (Loss)	Fiscal 2013	Fiscal 2014
Total operating income in reportable segments	520	9,248
Operating loss in others	(11)	(128)
Adjustments for inventories	19	(706)
Eliminations	69	53
Other adjustments	(10)	6
Operating income as presented in Consolidated Financial	589	8,473

(Per Share Information)

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Net assets per share	1,835.17	2,028.31
Net loss per share	(30.66)	220.39

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, 2013 and 2014.
Net income per share after dilution by potential shares for the fiscal year ended March 31, 2014

Basis for Calculation

1. Basis for the calculation of net income (or loss) per share are as follows.

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Net income (loss) per share		
Net income (loss) (millions of yen)	(1,899)	13,657
Amount not available to common stockholders (millions of yen)	—	—
Net income (loss) pertaining to common stock (millions of yen)	(1,899)	13,657
Average number of shares of common stock outstanding during the year (thousands of shares)	61,968	61,967

2. Basis for the calculation of net assets per share are as follows.

	March 31, 2013	March 31, 2014
Net total assets (millions of yen)	113,722	125,686
Amount deducted from net total assets (millions of yen)	—	—
Net assets pertaining to common stock (millions of yen)	113,722	125,686
Number of shares of common stock outstanding (thousands of shares)	61,968	61,966

(Important Subsequent Events)

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

Not applicable.

Fiscal 2014 (April 1, 2013 to March 31, 2014)

(Important Purchases of Stock)

1. Reason for the Purchase

While the Komori Group has been developing gravure offset printing technologies for use in forming ultra-fine line circuits with the aim of entering the PE business, the company whose stock is subject to purchase has provided total solutions centered on screen printing. With this in mind, the Group decided to absorb the operations of this company to combine its total solutions with the

Group's gravure offset technologies. Moreover, the Group will effectively utilize sales channels that this company has developed. In doing so, Komori will step up efforts to make the PE business profitable, thereby achieving transformation of the business structure.

2. Name of the Company Whose Stock Is Subject to Purchase

Tokai Holdings Co., Ltd.

3. Name of the Purchasing Company

Komori Corporation

4. Date of Purchase

May 12, 2014

5. Number of Shares and Ratio of Voting Rights Held Prior to and Following Purchase and Purchase Cost

(1) Number of shares held prior to purchase: 0

(Number of voting rights: 0; ratio of voting rights held: 0.0%)

(2) Number of shares purchased: 159,400

(Number of voting rights: 159,400; ratio of voting rights: 100.0%)

(3) Number of shares held following purchase: 159,400

(Number of voting rights: 159,400; ratio of voting rights held: 100.0%)

(4) Purchase cost

Komori has decided not to disclose the purchase amount used to purchase the aforementioned shares because Tokai Holdings strongly wishes not to make the purchase cost known to the general public and the cost accounts for less than 15% of Komori's consolidated total assets.

6. Method of Fund Raising

Komori used its own funds.

(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 Officer Personnel

As stated in “Notice Regarding Changes in President, Representative Directors, Directors and Other Executive Officer Personnel and Organizational Changes” (available only in Japanese) disclosed on March 28, 2014, Komori implemented the following changes in its management team.

1. Changes in Representative Director Positions

The following changes are scheduled to take effect on June 24, 2014.

(Current positions)

Representative Director, Chairman, President and CEO	Yoshiharu Komori
Representative Director, Vice President and COO	Satoshi Mochida

(Positions as of June 24, 2014)

Representative Director, Chairman and CEO	Yoshiharu Komori
Representative Director, President and COO	Satoshi Mochida

2. Other Changes in Executive Officer Personnel

The following changes are scheduled to take effect on June 24, 2014.

a. Changes in Directors

(Candidate for new appointment)

Director Koichi Matsuno
(Currently Operating Officer, General Manager of the Administration Group)

(Planned retirement)

Director Masaru Tsukamoto

b. Changes in Corporate Auditor Personnel

(Candidate for new appointment)

Corporate Auditor (full-time) Yuji Asakura

(Planned retirement)

Corporate Auditor (full-time) Yasumichi Sato