

Consolidated Business Results for the Nine Months Ended December 31, 2014 **REPORTED BY KOMORI CORPORATION (Japanese GAAP)**

January 30, 2015

Company name: KOMORI CORPORATION
Securities code: 6349 (Tokyo Stock Exchange)
Contact: Mr. Koichi Matsuno
Director, Operating Officer
Phone: (81)-3-5608-7826
URL (http://www.komori.com)

Preparation of supplementary materials for quarterly financial results: Yes
Holding of presentation meeting for quarterly financial results: Yes (for securities analysts only)

1. Consolidated Business Results for the Third Quarter (April 1, 2014 to December 31, 2014)

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

	Nine months ended December 31, 2014	%	Nine months ended December 31, 2013	%
Net sales	64,488	4.8	61,540	31.6
Operating income	3,778	(23.0)	4,908	-
Ordinary income	5,458	(21.2)	6,926	-
Net income	5,423	(18.5)	6,657	-

(Yen)

Net income per share	87.53	107.43
Diluted net income per share	-	-

Notes:

1. Comprehensive income:

Nine months ended December 31, 2014: 7,268 million yen (6.6) %

Nine months ended December 31, 2013: 7,785 million yen - %

2. Percentage figures accompanying consolidated net sales indicate the percentage increase/decrease from the corresponding period of the previous fiscal year.

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

	December 31, 2014	March 31, 2014
Total assets	182,684	172,407
Net assets	131,764	125,686
Equity ratio (%)	72.1	72.9

Reference:

Equity as of: December 31, 2014: 131,764 million yen
March 31, 2014: 125,686 million yen

2. Dividends

(Yen)

	Fiscal year ended March 31, 2014	Fiscal year ending March 31, 2015	Fiscal year ending March 31, 2015 (Forecast)
Cash dividends per share			
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	5.00	10.00	-
Third quarter period-end dividends	-	-	-
Year-end dividends	10.00	-	20.00
Annual cash dividends	15.00	-	30.00

Note: Revision to the latest dividend forecast announced in May 2014: Yes

Please see the press release issued on January 30, 2015, "Komori Corporation Announces Revised Dividend Forecasts" concerning the revision of consolidated results forecasts

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, rounded down)

	Fiscal year ending March 31, 2015	%
Net sales	95,000	3.4
Operating income	6,500	(23.3)
Ordinary income	6,500	(35.6)
Net income	5,900	(56.8)
(Yen)		
Net income per share	95.22	

Notes:

1. Revision to the latest forecast of consolidated business results announced in October 2014: None
2. Percentage figures in the above table indicate the percentage increase/decrease from the corresponding period of the previous fiscal year.

*Notes

(1) Changes in significant subsidiaries during the period under review: None

Note: Indicates changes in the scope of consolidation accompanying changes in specified subsidiaries during the period under review

(2) Adoption of the simplified accounting and special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies; changes in accounting estimates; restatements

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

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock) as of:
 - December 31, 2014: 68,292,340 shares
 - March 31, 2014: 68,292,340 shares
2. Number of treasury shares as of:
 - December 31, 2014: 6,327,033 shares
 - March 31, 2014: 6,326,071 shares
3. Average number of shares during the period
 - Nine months ended December 31, 2014: 61,966,105 shares
 - Nine months ended December 31, 2013: 61,967,666 shares

* Implementation status of quarterly review

This quarterly financial flash report (KESSAN TANSIN) is not subject to the review 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 review of the quarterly financial statements contained herein is in progress.

* Disclaimer regarding the appropriate use of performance forecasts and other remarks

The aforementioned forecasts are based on management's assumptions and beliefs held in light of information currently available to it and accordingly involve risks and uncertainties that may cause actual results to differ materially from forecasts. These uncertainties include, but are not limited to, changes in economic conditions, market trends, changes in foreign currency exchange rates and other factors.

Materials for summary result presentation in Japanese will be disclosed through the Tokyo Stock Exchange's Timely Disclosure Network, known as TDnet, on January 30, 2015. 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

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

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1. Items Regarding Summary (and Notes) Information**(1) Changes in Accounting Policies, Accounting Estimates and Restatement****(Changes in Accounting Policies Accompanying Revisions to Accounting Standards)***(Adoption of Accounting Standard for Retirement Benefits, etc.)*

From the first quarter of the fiscal year ending March 31, 2015, the Company has adopted the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ), Statement No. 26, dated on May 17, 2012; hereinafter “Retirement Benefits Accounting Standards”) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, dated on May 17, 2012; hereinafter the “Guidance”), including 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 revised its methods for calculating retirement benefit liabilities and service cost, and changed its method of attributing projected retirement benefits to periods from a straight-line basis to a benefit formula basis. Moreover, although the discount rate had been calculated based on the number that approximates employees’ average remaining years of service, the Company has decided to determine the discount rate by using the single weighted-average rate that reflects the projected payment periods of retirement benefits and projected payment amount per such period.

In addition, the adoption of the Retirement Benefits Accounting Standards and their Guidance is subject to the transitional treatment stipulated by Article 37 of the Retirement Benefits Accounting Standards. Accordingly, the Company made adjustments in the retained earnings recorded at the beginning of this quarter by taking into consideration the impact of the aforementioned changes in the calculation methods for retirement benefit liabilities and service cost.

As a result, net defined benefit liabilities as of the beginning of the fiscal year ending March 31, 2015, decreased by 49 million yen, while retained earnings increased by the same amount. The impact of the aforementioned changes in accounting methods on operating income, ordinary income and income before income taxes during this fiscal year is insignificant.

(1) Changes in Accounting Policies, Accounting Estimates and Restatement**(Changes in Accounting Estimates and Restatement Policies)**

(Changes in Depreciation Method and Useful Lives of Property, Plant and Equipment (PPE))

Previously, the depreciation of PPE had been calculated using mainly the declining balance method (excluding the depreciation of PPE held by overseas consolidated subsidiaries). However, after introducing a system to administrate noncurrent assets held by Komori Corporation and its domestic subsidiaries, the Company conducted surveys on the actual status of use of such assets. Taking into consideration results gleaned from these surveys and recent changes in the Komori Group's businesses and its operating environment, a review was then carried out on depreciation methods for PPE used by Komori Corporation and its domestic consolidated subsidiaries. Following the review, the Company predicted that PPE held by each subsidiary will be used equally over each fiscal period during their useful lives, expecting continued steady demand for offset printing presses going forward.

Giving comprehensive consideration to the above factors, in this first quarter, the Company changed its method for the depreciation of PPE from the declining balance method to the straight line method based on the conclusion that the latter better reflects the actual status of the Group's operations in accounting results.

In conjunction with the abovementioned changes in depreciation method, in this first quarter, Komori Corporation and its domestic consolidated subsidiaries have also made changes in the useful lives set for part of their PPE in line with the actual status of their operations, with comprehensive consideration given to the usage period and payback period of their manufacturing facilities.

As a result, operating income, ordinary income and income before income taxes during the period of April 1, 2014, to December 31, 2014, each increased by 300 million yen compared with their respective values calculated using the previous accounting methods.

2. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	(In millions of yen)	
	Fiscal 2014	Fiscal 2015
	(March 31, 2014)	(December 31, 2014)
(ASSETS)		
Current Assets:		
Cash and deposits	43,973	42,021
Notes and accounts receivable-trade	24,730	22,331
Short-term investment securities	22,013	21,319
Merchandise and finished goods	10,927	15,448
Work in process	8,346	9,675
Raw materials and supplies	6,623	7,348
Other	7,457	9,053
Allowance for doubtful accounts	(270)	(224)
Total current assets	123,800	126,973
Noncurrent Assets:		
Property, plant and equipment		
Land	17,444	18,464
Other, net	14,595	15,589
Total property, plant and equipment	32,040	34,054
Intangible assets	2,290	2,981
Investments and other assets	14,276	18,676
Total noncurrent assets	48,606	55,711
Total Assets	172,407	182,684

“KESSAN TANSIN” originally issued in Japanese.)

(1) Consolidated Balance Sheets

	(In millions of yen)	
	Fiscal 2014	Fiscal 2015
	(March 31, 2014)	(December 31, 2014)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	11,994	13,267
Electronically recorded obligations-operating	5,936	6,888
Short-term loans payable	1,614	1,646
Income taxes payable	1,071	255
Provision for loss on guarantees	596	521
Other provision	1,926	1,305
Other	9,478	12,095
Total current liabilities	32,617	35,979
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	-	56
Net defined benefit liability	2,500	2,609
Provision	16	40
Other	1,585	2,234
Total noncurrent liabilities	14,103	14,941
Total Liabilities	46,720	50,920
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,797	37,797
Retained earnings	55,305	59,539
Treasury stock	(4,953)	(4,954)
Total shareholders' equity	125,864	130,097
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	2,249	2,983
Foreign currency translation adjustment	(643)	322
Remeasurements of defined benefit plans	(1,783)	(1,639)
Total other comprehensive income	(177)	1,666
Total Net Assets	125,686	131,764
Total Liabilities and Net Assets	172,407	182,684

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

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

For the nine months ended December 31, 2014 and 2013

	(In millions of yen)	
	Fiscal 2014	Fiscal 2015
	(April 1, 2013 to December 31, 2013)	(April 1, 2014 to December 31, 2014)
Net Sales	61,540	64,488
Cost of Sales	40,907	42,514
Reversal of unrealized income on installment sales	29	17
Gross profit	20,662	21,990
Selling, General and Administrative Expenses	15,754	18,211
Operating Income	4,908	3,778
Non-Operating Income		
Interest income	61	93
Dividends income	159	176
Foreign exchange gains	1,813	1,289
Other	427	371
Total non-operating income	2,462	1,930
Non-Operating Expenses		
Interest expenses	39	73
Loss on disposal of inventories	103	-
Compensation for damage	49	80
Other	251	96
Total non-operating expenses	443	250
Ordinary income	6,926	5,458
Extraordinary Income		
Gain on sales of noncurrent assets	3	6
Total extraordinary income	3	6
Extraordinary Loss		
Loss on sales of noncurrent assets	0	0
Loss on retirement of noncurrent assets	1	2
Loss on valuation of investment securities	12	3
Total extraordinary loss	13	6
Income before income taxes	6,916	5,458
Income taxes-current	702	709
Income taxes-deferred	(443)	(675)
Total income taxes	258	34
Income before minority interests	6,657	5,423
Net income	6,657	5,423

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

Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2014 and 2013

(In millions of yen)

	Fiscal 2014	Fiscal 2015
	(April 1, 2013 to December 31, 2013)	(April 1, 2014 to December 31, 2014)
Income before Minority Interests	6,657	5,423
Other comprehensive income		
Valuation difference on available-for-sale securities	615	734
Deferred gains or losses on hedges	13	-
Foreign currency translation adjustment	498	965
Remeasurements of defined benefit plans, net of tax	-	144
Total other comprehensive income	1,127	1,844
Comprehensive Income	7,785	7,268
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	7,785	7,268

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(3) Notes regarding Quarterly Consolidated Financial Statements

(Notes on Premise as a Going Concern)

None

(Notes in the Case of a Significant Change in Shareholders' Equity)

None