Results of Operations for the Fiscal Year Ended March 31, 2015
REPORTED BY KOMORI CORPORATION (Japanese GAAP)

May 12, 2015

Company name: KOMORI CORPORATION
Securities code: 6349 (Tokyo Stock Exchange)
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Annual General Meeting of Shareholders: June 23, 2015
Payment date of year-end dividend: June 24, 2015
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 2015 (April 1, 2014 to March 31, 2015)

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

	Fiscal year ended March 31, 2015	%	Fiscal year ended March 31, 2014	%
Net sales	91,259	(0.6)	91,837	31.5
Operating income	6,736	(20.5)	8,473	1,338.4
Ordinary income	8,088	(19.9)	10,098	472.9
Net income	7,817	(42.8)	13,657	-

(Yen)

Net income per share	126.15	220.39
Diluted net income per share	-	-

(%)

ROE	6.0	11.4
ROA	4.5	6.4
Operating income to net sales ratio	7.4	9.2

Notes:
1. Comprehensive income:
Fiscal year ended March 31, 2015: 10,880 million yen (24.3) %
Fiscal year ended March 31, 2014: 14,370 million yen - %
2. Equity in net income of affiliated companies accounted for by the equity method:
Fiscal year ended March 31, 2015: -
Fiscal year ended March 31, 2014: -
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, 2015	March 31, 2014
Total assets	184,869	172,407
Total net assets	135,376	125,686
Equity ratio (%)	73.2	72.9
Net assets per share (Yen)	2,184.72	2,028.31

Note:
Equity as of: March 31, 2015: 135,376 million yen
March 31, 2014: 125,686 million yen

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

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Net cash provided by (used in) operating activities	7,483	13,430
Net cash provided by (used in) investing activities	(8,684)	(7,086)
Net cash provided by (used in) financing activities	(2,529)	8,820
Cash and cash equivalents at end of the period	51,556	54,392

2. Dividends

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ending March 31, 2016 (Forecast)
Annual cash dividends per share (Yen)	15.00	30.00	40.00
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	5.00	10.00	20.00
Third quarter period-end dividends	-	-	-
Year-end dividends	10.00	20.00	20.00
Total cash dividends for the year (Millions of yen)	929	1,858	-
Dividend payout ratio (Consolidated) (%)	6.8	23.8	31.8
Ratio of dividends to net assets (Consolidated) (%)	0.7	1.4	-

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(In millions of yen, unless otherwise stated)

	Sixth months ending September 30, 2015	%	Fiscal year ending March 31, 2016	%
Net sales	49,500	23.6	103,000	12.9
Operating income	3,000	36.9	8,000	18.8
Ordinary income	2,600	(5.3)	7,800	(3.6)
Net income	2,300	(19.3)	7,800	(0.2)
Net income per share (Yen)	37.12	-	125.88	-

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: Yes
3. Changes in accounting estimates: Yes
4. Restatements: None

Note: Indicates changes under Article 14-2 and 14-7 of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc. For further information, please refer to "4. CONSOLIDATED FINANCIAL STATEMENTS, (5) Notes to Consolidated Financial Statements, Change in Accounting Principles" on page 16.

(3) Number of shares outstanding (common stock)
1. Number of shares outstanding (including treasury stock) as of:
   March 31, 2015: 68,292,340 shares
   March 31, 2014: 68,292,340 shares
2. Number of treasury stock as of:
   March 31, 2015: 6,327,390 shares
   March 31, 2014: 6,326,071 shares
3. Average number of shares during the period:
   Fiscal year ended March 31, 2015: 61,965,859 shares
   Fiscal year ended March 31, 2014: 61,967,359 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, 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

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1. REVIEW OF OPERATIONS AND FINANCIAL CONDITION

(1) Review of Operations

(1) Overview

During the fiscal year ended March 31, 2015, growth in the global economy was less than robust. While economic recovery remained steady in the United States, backed by upswings in personal consumption and housing investment, a sense of uncertainty prevailed in Europe, although the bottoming out of the region's ongoing economic stagnation led to signs of recovery. In Asia, India and ASEAN nations have seen moderate growth, but the Chinese economy has decelerated from its previous high-speed growth, settling into a more modest rate. Backed by the depreciation of the yen, Japan's major exporters enjoyed improving corporate earnings. The overall Japanese economy, however, was stagnant, especially for small- and medium-sized businesses, due to rising raw material prices and weak personal consumption.

Reflecting the sluggish global economy, the printing industry in developed countries saw stagnation in print demand due to the popularization of digital information and communications technology. In contrast, markets in newly emerging nations saw burgeoning print demand reflecting population growth and the expansion of the middle class. In the printing machinery market, there were signs of upswing in demand for cutting-edge offset printing presses due to the aging of printing facilities owned by European printing companies, which have abstained from facility upgrades since the worldwide recession triggered by the bankruptcy of the Lehman Brothers. In the Asian market, including India and the ASEAN nations, business sentiment toward capital expenditure was robust due to burgeoning print demand. However, the Japanese market was affected by declining print demand resulting from the prolonged economic stagnation triggered by the 2014 consumption tax hike. Moreover, the deceleration of China's economic growth has caused printing companies to adopt a cautious stance toward making investment in printing machinery.

(2) Consolidated Performance

Amid this market environment, the Komori Group strove to boost demand through the introduction of new offset printing presses while undertaking sales promotion activities such as holding open house events and participating in international exhibitions. Furthermore, the Group developed new businesses under the banners of "transforming the business structure" and "achieving business model innovation in sales activities." Specifically, the Company implemented initiatives aimed at reinforcing its security printing press business, Printed Electronics (PE) business, digital printing press (DPS) business and Print Engineering Service Provider (PESP) business.

In the offset printing press business, Komori promoted its flagship LITHRONE G40 and LITHRONE A37. Combined with these presses were Komori's H-UV curing system that instantly dries ink, KHS-AI integrated control system for high-quality and productivity printing, and color management system (CMS), which together comprise "Komori OnDemand" printing solutions. Komori OnDemand printing systems offer high-quality offset printing solutions with even shorter makeready times, less paper waste, streamlined printing processes and the highest possible productivity, enabling users to handle extremely short runs and tight delivery schedules. In addition, Komori held open house events at its Tsukuba Plant to present the newly developed LITHRONE GX40 and LITHRONE GX40RP package printing presses to attendees from Japan and overseas and began taking orders for these models. Moreover, Komori participated in All in Print China 2014, an international printing technology and equipment exhibition held in Shanghai in November 2014. With demonstrations of printing systems that embody the strengths of Komori OnDemand solutions, the Company's exhibition captured the attention of many attendees.

Aiming to develop new businesses, Komori has actively promoted the overseas expansion of its security printing press business and taken a significant step forward in the PE business through the acquisition of Tokai Holdings Co., Ltd. (renamed SERIA CORPORATION on April 1, 2015), which has enabled the Company to secure sales channels necessary for commercialization. In the DPS business, Komori engaged in joint development with Konica Minolta and the Israel-based Landa Corporation to create next-generation digital printing presses.

Despite the abovementioned initiatives, orders received during fiscal 2015 declined year on year due to stagnant market conditions in Japan and China. However, sales remained virtually unchanged from the previous fiscal year due to firm demand in Europe and the United States that offset a sales decline in the Chinese market.

Consequently, orders received in fiscal 2015, ended March 31, 2015, edged down 5.0% from fiscal 2014 to ¥91,554 million, with consolidated net sales decreasing slightly, down 0.6% to ¥91,259 million. The cost of sales ratio improved 1.9 percentage points compared with the previous fiscal year to 64.6%, 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 28.1% of net sales, up 3.7 points from fiscal 2014, due to increases in R&D and personnel expenses. As a result, operating income totaled ¥6,736 million, down 20.5% compared with the previous fiscal year. The balance of other income and expenses deteriorated due in part to a decline in gain on foreign exchange from ¥1,472 million in fiscal 2014 to ¥836 million. Reflecting this drop, ordinary income decreased 19.9% year on year to ¥8,088 million. In addition, the Company posted gain on sales of noncurrent assets and gain on sales of investment securities totaling ¥212 million and ¥123 million, respectively, as extraordinary income. As a result, income before income taxes in fiscal 2015 was ¥8,368 million, down 16.9% compared with fiscal 2014. Net income for the fiscal year under review was ¥7,817 million, down 42.8% compared with the previous fiscal year, due to a considerable year-on-year decrease in the reversal of income tax—deferred.

Overseas sales totaled ¥55,829 million, down 2.0% from the previous fiscal year, with the ratio of overseas sales to net sales at 61.2%.

(3) Overview of Consolidated Net Sales by Region

Consolidated net sales during the fiscal year under review amounted to ¥91,259 million, representing a 0.6% decrease 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, 2014	Fiscal Year Ended March 31, 2015	Increase / (Decrease) (%)
Net sales		91,837	91,259	(0.6%)
Breakdown	Japan	34,893	35,430	1.5%
	North America	9,518	11,786	23.8%
	Europe	14,279	16,491	15.5%
	Greater China	21,098	15,477	(26.6%)
	Other Regions	12,048	12,073	0.2%

Domestic Sales

Following the 2014 consumption tax hike and ensuing decline in personal consumption, print demand was sluggish in the Japanese market, causing printing companies to remain cautious about making capital expenditures. Against this backdrop, Komori strove to secure orders by proposing solutions finely tuned to resolve the challenges that confront its customers and, to this end, implemented proactive sales promotion activities including demonstrations at the Komori Graphic Technology Center. Nevertheless, sales in the offset printing press business declined year on year due to such factors as wary business sentiment toward investment and recoil from the last-minute surge in demand preceding the aforementioned consumption tax hike. However, overall domestic sales remained virtually unchanged year on year thanks to the incorporation of sales from Tokai Holdings Co., Ltd. (currently SERIA CORPORATION), which Komori acquired in May 2014. As a result, domestic net sales in the fiscal year under review totaled ¥35,430 million, up 1.5% from the previous fiscal year.

North America

On the back of recovery in the U.S. economy since the second half of 2014, there have been signs of resurgence in capital expenditure for offset printing presses, which has long been stagnant following the worldwide recession triggered by the bankruptcy of the Lehman Brothers. In fact, Komori had a growing number of major sales negotiations for multi-color sheet-fed offset presses capable of providing high-value-added printing service and for highly productive web offset presses. The Company also undertook such sales promotion activities as open house events, focusing on its Komori OnDemand printing systems. As a result, net sales in this region rose 23.8% compared with the previous fiscal year to ¥11,786 million.

Europe

In Europe, market conditions varied largely by region. In such primary markets as Germany, the United Kingdom and France, economic recovery has led to strong demand for printing machinery to replace aging facilities. Also, Komori began taking orders for LITHRONE GX40 and GX40RP, which are designed specifically for package printing. The Company also promoted printing presses incorporating the H-UV curing system, which has garnered a solid reputation for its features enabling high-quality printing as well as for its environment-friendliness. In addition, Komori stepped up support for local distributors to strengthen their sales and service capabilities. As a result, net sales in Europe climbed 15.5% compared with the previous fiscal year to ¥16,491 million.

Greater China

As signs of economic deceleration grew clearer, print demand in markets in Greater China was stagnant. Reflecting this, printing companies remained cautious about making capital expenditures, leading to weak demand for printing machinery throughout fiscal 2015, especially in China's coastal areas. Komori stepped up support for its distributors to boost sales in both these and interior areas while promoting the GL40, a popular model in the Chinese market, the LA37 compact printing press, and the GL44, specialized for Web to Print, striving to secure orders. Also, after its participation in All in Print China in Shanghai in November 2014, the Company received a greater number of promising customer inquiries than it expected. Nevertheless, net sales in this region declined 26.6% compared with the previous fiscal year to ¥15,477 million, due mainly to the absence of the record-setting increase in orders in fiscal 2014 following participation in CHINA PRINT 2013, in Beijing.

Other Regions

Demand for offset printing presses was firm in markets in other Asian countries, especially in South Korea, India and ASEAN nations. Komori established subsidiaries in Singapore and Malaysia in June and September 2014, respectively, to reorganize its sales and service structures in the ASEAN region while stepping up support for local distributors in such countries as South Korea and India. Thanks to these efforts, orders for and sales of offset printing presses rose year on year in these regions. However, although orders received for security printing presses were firm, sales in this product category edged down year on year due mainly to differences in the product mix. As a result, net sales in other regions rose 0.2% compared with the previous fiscal year to ¥12,073 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 ¥78,357 million, a year-on-year increase of ¥644 million, while operating income totaled ¥6,666 million, a decrease from an operating income of ¥8,394 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 operating conditions described in the section *Overview of Consolidated Net Sales by Region*, above. As a result, net sales in this reportable segment totaled ¥11,829 million, a year-on-year increase of ¥2,264 million. Reflecting the absence of a transfer pricing adjustment, which was posted in fiscal 2014 in relation to transactions between Japanese and North American Group members, operating income totaled ¥354 million, a decrease from an operating income of ¥766 million 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 ¥19,185 million, a year-on-year increase of ¥4,374 million, and operating income totaled ¥755 million, an increase from an operating income of ¥87 million 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 ¥5,275 million, a year-on-year increase of ¥1,162 million. However, due to a loss posted by a Nantong printing machinery production subsidiary that had just started its operations, operating loss amounted to ¥272 million, compared with a loss of ¥128 million recorded in the previous fiscal year.

(5) Highlights

In the fiscal year ended March 31, 2015, Group highlights were as follows.

Firstly, the Komori Group began taking orders for package printing presses on a full-scale basis, mainly in the U.S. and European markets. Although demand is currently sluggish for general commercial printing including publishing and advertisement due to structural changes in the printing industry, demand for package printing is expected to grow over the long term. Komori presented its package printing presses at open house events held at the Tsukuba Plant in June and October 2014 and March 2015 and won orders for these presses as they were well received by attendees from Japan and overseas.

Secondly, Komori reopened its Komori Graphic Technology Center (KGC) in October 2014, following renovations. Although KGC has three key functions, namely, 1) Demonstration Center, 2) Printing College, and 3) R&D Center, this renovation was aimed at strengthening functions for demonstration and exhibition. Specifically, this move enables Komori to demonstrate its printing software solutions designed to accommodate diversifying and challenging printing requirements as well as optimal, comprehensive printing system solutions that encompass digital printing presses, printing supplies, expendables and post-press equipment. In this way, Komori reinforced its ability to propose solutions, thereby promoting its PESP business—a business approach that aims to provide wide-ranging products and services through the better utilization of customer perspectives.

Thirdly, Komori exhibited its newly developed equipment for mass-producing metal circuits for touch panels at Touch Taiwan 2014, an international touch panel and optical film exhibition held in Taiwan in August 2014. As part of its PE business, Komori has been developing a method to form fine electronic circuits with printing technologies. Previously, the mainstay method for printing ultrafine-line circuits for touch panels has been photolithography. However, Komori has succeeded in applying gravure offset printing technologies, which reduce initial investment and running costs for manufacturers. Having completed development of this innovative mass-production system for touch-panel circuit printing, Komori began taking orders for said system. Simultaneously, the Company established a comprehensive structure for sales, service and customer support related to the PE business in collaboration with material suppliers, external research organizations and with the inclusion of Tokai Holdings Co., Ltd. (now SERIA CORPORATION) in the Group.

Fourthly, in October 2014, Komori received orders for two lines of currency printing facilities from De La Rue International Limited, the world's largest private securities printing firm, based in the United Kingdom. These orders were placed following similar orders by De La Rue in 2012 after the signing of a comprehensive technological cooperation agreement between Komori and this firm. Promoting a close partnership, these two parties aim to make improvements in fundamental aspects related to quality, productivity and cost effectiveness and to continue creating innovative security printing technologies into the future. Komori will leverage this opportunity to establish a brand image of "quality and trust," thereby securing a greater presence in the global market as a competitive security printing facility supplier.

(6) Outlook

Going forward, the global economy is expected to see a moderate recovery, especially in the United States. Demand for printing machinery will remain firm in North America, while markets in the Asia region will grow steadily. In addition, Komori anticipates that during fiscal 2016, ending March 31, 2016, printing companies' appetite for investment will be stimulated by such major exhibitions as Print China 2015 (April 2015 in Dongguan) and IGAS 2015 (September 2015 in Tokyo).

Against the backdrop of structural change in the printing industry, which has led to sluggish print demand, Komori will strive to propose optimal printing solutions, with sections in charge of sales and service as well as that for technology (KGC) collaborating closely to solve challenges confronting its customers. Moreover, the Company will secure greater competitiveness and market share in the package printing press market, as it expects that, compared with other market categories, this field will grow steadily.

In addition to securing sources of stable profit in the offset printing press business, Komori will step up its initiatives to develop new businesses. Specifically, the Company will enhance its technological development and service capabilities in the security printing press business while creating synergies with Tokai Holdings Co., Ltd. (now SERIA CORPORATION) to expand the PE business. Furthermore, to make its DPS business profitable at the earliest possible date, Komori will participate in IGAS 2015 while building a full-scale sales structure and a business model that differentiates the Company from competitors.

Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2016

(In millions of yen)

	Fiscal Year Ended March 31, 2015	Fiscal Year Ending March 31, 2016	Increase / (Decrease) (%)
Net sales	91,259	103,000	12.9%
Operating income	6,736	8,000	18.8%
Ordinary income	8,088	7,800	(3.6%)
Net income	7,817	7,800	(0.2%)

Forecasts for the fiscal year ending March 31, 2016 are based on exchange rate assumptions as follows: USD 1.00 = ¥115, Euro 1.00 = ¥125

(2) Financial Condition

(1) Assets, Liabilities and Net Assets

Total assets as of March 31, 2015 stood at ¥184,869 million, an increase of ¥12,461 million compared with the previous fiscal year-end. Liabilities were ¥49,493 million, up ¥2,772 million compared with March 31, 2014, while net assets totaled ¥135,376 million, an increase of ¥9,689 million.

Key factors contributing to the rise in total assets included a ¥5,875 million increase in inventories, a ¥3,882 million increase in investment securities, a ¥947 million increase in land, a ¥746 million increase in net defined benefit assets, a ¥714 million increase in intangible assets and a ¥468 million increase in long-term time deposits. Key negative factors affecting total assets included a ¥2,762 million decrease in notes and accounts receivable—trade.

The key contributors to the increase in liabilities were a ¥3,874 million increase in current liabilities—other_and a ¥426 million rise in notes and accounts payable—trade. Negative factors included a ¥1,402 million decrease in short-term loans payable.

Factors contributing to the increase in net assets included a ¥7,817 million increase in retained earnings due to the posting of net income, a ¥1,198 million growth in valuation difference on available-for-sale securities, a ¥1,047 million rise in foreign currency translation adjustment and an ¥817 million increase in remeasurements of defined benefit plans. Key negative factors included a ¥1,239 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, 2015	7,483	(8,684)	(2,529)	51,556
Fiscal Year Ended March 31, 2014	13,430	(7,086)	8,820	54,392
Increase / (Decrease)	(5,946)	(1,598)	(11,350)	(2,835)

Net cash provided by operating activities in the fiscal year ended March 31, 2015 amounted to ¥7,483 million, down ¥5,946 million from net cash provided by operating activities of ¥13,430 million in the previous fiscal year. Principal cash outflows included a ¥4,883 million increase in inventories, income taxes paid of ¥1,549 million and a ¥1,618 million decrease in notes and accounts payable—trade. Major cash inflows were the posting of income before income taxes totaling ¥8,368 million as well as a ¥6,657 million decrease in notes and accounts receivable—trade and ¥1,859 million in depreciation and amortization.

Net cash used in investing activities was ¥8,684 million, up ¥1,598 million from ¥7,086 million used in investing activities in the previous fiscal year. Principal cash outflows were a ¥3,932 million net increase in time deposits maturing over three months, a ¥3,306 million purchase of stocks of subsidiaries that led to a change in the scope of consolidation, ¥2,516 million in purchase of investment securities and a ¥1,329 million net increase in property, plant and equipment and intangible assets. Main cash inflows included a ¥2,026 million net decrease in securities and ¥412 million in proceeds from sales of investment securities.

Net cash used in financing activities totaled ¥2,529 million, a turnaround of ¥11,350 million from ¥8,820 million provided by financing activities in the previous fiscal year. The principal components of cash outflows included the payment of cash dividends amounting to ¥1,239 million and an ¥833 million net decrease in short-term loans payable.

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

	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015
Equity Ratio (%)	72.9%	73.2%
Equity Ratio (%) (Market capitalization basis)	46.3%	51.3%
Ratio of Interest-Bearing Debt to Cash Flow (Times)	0.87	1.37
Interest Coverage Ratio (Times)	162.6	79.40

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 and Cash Dividends for the Fiscal Year under Review and the Fiscal Year Ending March 31, 2016

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.

In line with this policy and taking the current operating results into account, Komori revised its forecast for the fiscal 2015 year-end cash dividend to ¥20 per common share, an increase of ¥10 from ¥10 per common share. Combined with the interim cash dividend of ¥10, the annual dividend for fiscal 2015 will amount to ¥30 per common share.

Although the operating environment surrounding the Company is likely to remain severe, Komori plans to pay annual dividends of ¥40 per common share in the fiscal year ending March 31, 2016. This will comprise an interim cash dividend of ¥20 per common share and a fiscal year-end cash dividend of ¥20 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

On the back of resurgence in demand for facility upgrades, the offset printing press market has seen signs of long-awaited recovery and is breaking out of the prolonged stagnation that followed the worldwide recession triggered by the bankruptcy of the Lehman Brothers. However, in the outlook for the global economy, a sense of uncertainty prevails due to such factors as slowing growth in China, which arguably represents world's largest market. As it aims to flexibly accommodate these changes in its business environment, Komori recognizes the urgent need to secure sources of stable profit in the offset printing press business. At the same time, the Company considers transforming business and profit structures a pressing issue.

Komori launched its Fourth Medium-Term Management Plan in April 2013. Under this plan, the Company decisively implemented initiatives to offset deterioration in profit reflecting a drastic fall in demand following the aforementioned recession and changes in foreign currency exchange rates that led to the appreciation of the yen. Embarking on fiscal 2016, the final year of the Fourth Medium-Term Management Plan, Komori will step up efforts to transform its business structure, swiftly making new businesses profitable and promoting business model innovation in sales activities. At the same time, the Company will implement such measures as *Monozukuri (Manufacturing) Innovation* activities to transform its profit structure.

To transform the business structure, Komori strives to boost sales in the security printing press business, building a more robust overseas marketing structure based on a technological partnership with the UK-based De La Rue International Limited. Also, the Company has taken a step forward in the PE business, securing a roadmap toward profitability, with newly acquired Tokai Holdings Co., Ltd. (now SERIA CORPORATION) as a core business driver. In the DPS business, however, the introduction of next-generation digital printing presses is somewhat lagging behind initial plans. Nevertheless, Komori will release the Impremia IS29, an inkjet digital printing system being developed in partnership with Konica Minolta, as well as a digital printing press incorporating the Landa Nanographic Printing™ process being jointly developed with the Israel-based Landa Corporation, thereby making this business profitable at the earliest possible date. Aiming to secure sources of greater profit, Komori will steadily promote these new businesses to transform its current business structure, which is dependent on offset printing presses, to be more multifaceted and robust.

To achieve business model innovation in sales activities, Komori has been promoting the PESP business, which involves the proposal of total solutions aimed at helping customers realize greater productivity and profitability. To this end, it has been expanding the lineup of peripheral equipment and supplies for printing machinery as well as the scope of maintenance services. Going forward, Komori will strive to build product development, sales and customer service structures that are responsive to changes in the market and operating environment surrounding printing companies while improving the sophistication of its account management. By doing so, Komori will establish long-lasting partnerships with customers in Japan and overseas that will, in turn, enable it to secure even more stable sources of 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 while promoting *Monozukuri (Manufacturing) Innovation* activities. In the latter initiative, Komori will establish an optimally efficient production structure across three key production bases, namely, the Tsukuba Plant (Tsukuba City, Ibaraki), Komori Machinery Co., Ltd. (Higashiokitama-gun, Yamagata) and Komori Machinery (Nantong) Co., Ltd. (Jiangsu Province, China). By doing so, the Company will be able to better accommodate multi-product and variable-lot production requirements with shorter production lead times and lower manufacturing costs. In addition, Komori will promote modular design and communization of parts in the production of sheet-fed and web offset presses as well as security printing presses to reduce production costs and enhance quality.

By rallying Groupwide strength, Komori will focus its management resources on the aforementioned initiatives to solidify its operating platform and thus realize sustainable growth and greater corporate value while getting the Group back to good financial standing.

3. FUNDAMENTAL APPROACH TO THE SELECTION OF ACCOUNTING STANDARDS

To ensure preparedness for the future adoption of IFRS, discussions are now under way to develop in-house manuals and guidelines and determine the appropriate timing for their introduction.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2014	March 31, 2015
(ASSETS)		
Current Assets:		
Cash and deposits	43,973	44,306
Notes and accounts receivable-trade	24,730	21,968
Short-term investment securities	22,013	21,288
Merchandise and finished goods	10,927	14,165
Work in process	8,346	10,397
Raw materials and supplies	6,623	7,209
Current portion of insurance funds	904	967
Deferred tax assets	4,647	5,225
Other	1,904	3,087
Allowance for doubtful accounts	(270)	(183)
Total current assets	123,800	128,433
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	30,378	31,832
Accumulated depreciation	(18,521)	(19,796)
Buildings and structures, net	11,857	12,035
Machinery, equipment and vehicles	21,699	20,679
Accumulated depreciation	(19,580)	(18,364)
Machinery, equipment and vehicles, net	2,118	2,314
Land	17,444	18,392
Construction in progress	103	336
Other	7,714	7,424
Accumulated depreciation	(7,198)	(6,515)
Other, net	515	908
Total property, plant and equipment	32,040	33,987
Intangible assets	2,290	3,004
Investments and other assets		
Investment securities	7,551	11,434
Long-term time deposits	32	500
Deferred tax assets	23	120
Insurance funds	5,625	5,522
Net defined benefit asset	253	1,000
Other	967	967
Allowance for doubtful accounts	(177)	(99)
Total investments and other assets	14,276	19,444
Total noncurrent assets	48,606	56,436
Total Assets	172,407	184,869

(1) Consolidated Balance Sheets

(In millions of yen)

	March 31, 2014	March 31, 2015
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	11,994	12,420
Electronically recorded obligations-operating	5,936	5,794
Short-term loans payable	1,614	211
Income taxes payable	1,071	460
Provision for bonuses	862	1,001
Provision for product warranties	1,039	1,144
Provision for loss on guarantees	596	479
Provision for directors' bonuses	20	16
Provision for point card certificates	4	-
Deferred installment income	91	69
Other	9,387	13,262
Total current liabilities	32,617	34,860
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	-	49
Deferred tax liabilities	1,173	1,669
Provision for directors' retirement benefits	6	36
Provision for point card certificates	-	2
Provision for environmental measures	10	10
Provision for loss on litigation	-	110
Net defined benefit liability	2,500	2,090
Other	412	665
Total noncurrent liabilities	14,103	14,633
Total Liabilities	46,720	49,493
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,797	37,797
Retained earnings	55,305	61,932
Treasury stock	(4,953)	(4,954)
Total shareholders' equity	125,864	132,489
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	2,249	3,447
Foreign currency translation adjustment	(643)	404
Remeasurements of defined benefit plans	(1,783)	(966)
Total other comprehensive income	(177)	2,886
Total Net Assets	125,686	135,376
Total Liabilities and Net Assets	172,407	184,869

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

(In millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Net Sales	91,837	91,259
Cost of Sales	61,028	58,943
Reversal of unrealized income on installment sales	38	21
Gross profit	30,847	32,338
Selling, General and Administrative Expenses	22,374	25,601
Operating income (loss)	8,473	6,736
Non-Operating Income		
Interest income	92	138
Dividends income	162	178
Foreign exchange gains	1,472	836
Insurance fee	-	736
Other	588	383
Total non-operating income	2,315	2,273
Non-Operating Expenses		
Interest expenses	82	94
Loss on disposal of inventories	105	350
Compensation for damage	175	124
Provision for loss on litigation	-	110
Settlement package	110	-
Other	217	241
Total non-operating expenses	690	921
Ordinary income	10,098	8,088
Extraordinary Income		
Gain on sales of noncurrent assets	7	212
Gain on sales of investment securities	-	123
Total extraordinary income	7	336
Extraordinary Loss		
Loss on sales of noncurrent assets	3	0
Loss on retirement of noncurrent assets	6	31
Business structure improvement expenses	12	20
Loss on valuation of investment securities	12	3
Total extraordinary loss	35	56
Income (loss) before income taxes	10,070	8,368
Income taxes-current	968	859
Income taxes-deferred	(4,554)	(308)
Total income taxes	(3,586)	551
Income (loss) before minority interests	13,657	7,817
Net Income (loss)	13,657	7,817

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Income before Minority Interests	13,657	7,817
Other comprehensive income		
Valuation difference on available-for-sale securities	279	1,198
Deferred gains or losses on hedges	13	-
Foreign currency translation adjustment	419	1,047
Remeasurements of defined benefit plans, net of tax	-	817
Total other comprehensive income	713	3,063
Comprehensive Income	14,370	10,880
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	14,370	10,880

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Shareholders' Equity		
Capital stock		
Balance at the beginning of current period	37,714	37,714
Cumulative effects of changes in accounting policies		
Restated balance	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
Cumulative effects of changes in accounting policies		
Restated balance	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	42,267	55,305
Cumulative effects of changes in accounting policies		49
Restated balance	42,767	55,355
Changes of items during the period		
Dividends from surplus	(619)	(1,239)
Net Income	13,657	7,817
Total changes of items during the period	13,037	6,577
Balance at the end of current period	55,305	61,932
Treasury stock		
Balance at the beginning of current period	(4,950)	(4,953)
Cumulative effects of changes in accounting policies		
Restated balance	(4,950)	(4,953)
Changes of items during the period		
Purchase of treasury stock	(2)	(1)
Total changes of items during the period	(2)	(1)
Balance at the end of current period	(4,953)	(4,954)
Total shareholders' equity		
Balance at the beginning of current period	112,829	125,864
Cumulative effects of changes in accounting policies	-	49
Restated balance	112,829	125,913
Changes of items during the period		
Dividends from surplus	(619)	(1,239)
Net Income	13,657	7,817
Purchase of treasury stock	(2)	(1)
Net changes of items other than shareholders' equity	-	-
Total changes of items during the period	13,034	6,575
Balance at the end of current period	125,864	132,489

(3) Consolidated Statements of Changes in Net Assets

(In millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Valuation and Translation Adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	1,969	2,249
Cumulative effects of changes in accounting policies		
Restated balance	1,969	2,249
Changes of items during the period		
Net changes of items other than shareholders' equity	279	1,198
Total changes of items during the period	279	1,198
Balance at the end of current period	2,249	3,447
Deferred gains or losses on hedges		
Balance at the beginning of current period	(13)	-
Cumulative effects of changes in accounting policies		
Restated balance	(13)	
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	-	-
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,063)	(643)
Cumulative effects of changes in accounting policies		
Restated balance	(1,063)	(643)
Changes of items during the period		
Net changes of items other than shareholders' equity	419	1,047
Total changes of items during the period	419	1,047
Balance at the end of current period	(643)	404
Remeasurements of defined benefit plans		
Balance at the beginning of current period	-	(1,783)
Cumulative effects of changes in accounting policies		
Restated balance		(1,783)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,783)	817
Total changes of items during the period	(1,783)	817
Balance at the end of current period	(1,783)	(966)
Total valuation and translation adjustments		
Balance at the beginning of current period	892	(177)
Cumulative effects of changes in accounting policies		
Restated balance	892	(177)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,069)	3,063
Total changes of items during the period	(1,069)	3,063
Balance at the end of current period	(177)	2,886
Total Net Assets		
Balance at the beginning of current period	113,722	125,686
Cumulative effects of changes in accounting policies		49
Restated balance	113,722	125,736
Changes of items during the period		
Dividends from surplus	(619)	(1,239)
Net Income	13,657	7,817
Purchase of treasury stock	(2)	(1)
Net changes of items other than shareholders' equity	(1,069)	3,063
Total changes of items during the period	11,964	9,639
Balance at the end of current period	125,686	135,376

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	Fiscal 2014 (April 1, 2013 to March 31, 2014)	Fiscal 2015 (April 1, 2014 to March 31, 2015)
Net Cash Provided by (Used in) Operating Activities:		
Income before income taxes	10,070	8,368
Depreciation and amortization	2,171	1,859
Amortization of intangible assets	-	108
Increase (decrease) in allowance for doubtful accounts	(54)	(167)
Increase (decrease) in provision for bonuses	298	128
Increase (decrease) in net defined benefit liability	(135)	(657)
Increase (decrease) in provision for business structure improvement	(344)	-
Business structure improvement expenses	12	20
Interest and dividends income	(255)	(317)
Interest expenses	82	94
Foreign exchange losses (gains)	(786)	(235)
Loss (gain) on valuation of investment securities	12	3
Decrease (increase) in notes and accounts receivable-trade	(1,526)	6,657
Decrease (increase) in inventories	467	(4,883)
Increase (decrease) in notes and accounts payable-trade	3,860	(1,618)
Increase (decrease) in accrued consumption taxes	(84)	(104)
Other, net	(117)	(429)
Subtotal	13,672	8,827
Interest and dividends income received	249	321
Interest expenses paid	(82)	(94)
Payments for business structure improvement expenses	(12)	(20)
Income taxes paid	(396)	(1,549)
Net cash provided by (used in) operating activities	13,430	7,483
Net Cash Provided by (Used in) Investing Activities:		
Net decrease (increase) in short-term investment securities	(6,529)	2,026
Payments into time deposits	(1,831)	(5,542)
Proceeds from withdrawal of time deposits	3,114	1,610
Purchase of property, plant and equipment and intangible assets	(1,874)	(1,706)
Proceeds from sales of property, plant and equipment and intangible assets	199	377
Purchase of insurance funds	(691)	(1,015)
Proceeds from maturity of insurance funds	824	1,055
Purchase of investment securities	(44)	(2,516)
Proceeds from sales of investment securities	-	412
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(3,306)
Other payments	(504)	(122)
Other proceeds	250	41
Net cash provided by (used in) investing activities	(7,086)	(8,684)
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decrease) in short-term loans payable	(184)	(833)
Repayment of long-term loans payable	(364)	(292)
Repayments of lease obligations	(7)	(166)
Net decrease (increase) in treasury stock	(2)	(1)
Proceeds from long-term loans payable	-	3
Proceeds from issuance of bonds	10,000	-
Cash dividends paid	(619)	(1,239)
Net cash provided by (used in) financing activities	8,820	(2,529)
Effect of exchange rate change on cash and cash equivalents	1,173	895
Net increase (decrease) in cash and cash equivalents	16,337	(2,835)
Cash and cash equivalents at beginning of the period	38,054	54,392
Cash and cash equivalents at end of the period	54,392	51,556

(5) Notes to Consolidated Financial Statements

(Notes on Premise as a Going Concern)

Not applicable.

(Change in Accounting Policies)

(Changes in Accounting Policies Accompanying Revisions to Accounting Standards)

(Adoption of Accounting Standard for Retirement Benefits, etc.)

In the fiscal year ended March 31, 2015, the Company 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 revised Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, dated on March 26, 2015; 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 previously 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 the fiscal year under review by taking into consideration the impact of the aforementioned changes in the calculation methods for retirement benefit liabilities and service cost.

As a result, as of the beginning of the fiscal year ended March 31, 2015, net defined benefit liabilities decreased ¥49 million, while retained earnings increased by the same amount. The impact of the aforementioned changes in accounting methods on operating income, ordinary income, income before income taxes and net assets and net income per share during the fiscal year under review is minor.

(Changes in Accounting Estimates and Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting Estimates)

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

Previously, the depreciation of property, plant and equipment had been calculated using mainly the declining balance method (excluding the depreciation of property, plant and equipment held by Komori Corporation and its domestic consolidated subsidiaries).

However, after introducing a system to administrate noncurrent assets held by Komori Corporation and its domestic consolidated 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 the depreciation methods for property, plant and equipment used by Komori Corporation and its domestic consolidated subsidiaries. Following the review, the Company predicted that property, plant and equipment 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 the fiscal year under review, the Company changed its method for the depreciation of property, plant and equipment 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 the fiscal year under review, Komori Corporation and its domestic consolidated subsidiaries also made changes in the useful lives set for part of their property, plant and equipment 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, in the fiscal year ended March 31, 2015, operating income, ordinary income and income before income taxes each increased ¥415 million compared with their respective values calculated using the previous accounting methods.

For the details of the impact of the changes in accounting methods on each segment, please see *Consolidated Segment Information.*

(Business Combinations)

Business Combination through Merger

(1) Outline of the Merger

i) Name and Principal Business of the Company Subject to the Merger

Company name: Tokai Holdings Co., Ltd. (now SERIA CORPORATION)

Principal Business: Shareholding of a corporate group that manufactures and markets screen printing machinery and real estate management

ii) Reasons for the Merger

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 that is subject to the merger 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 developed by this company. In doing so, Komori will step up efforts to make the PE business profitable, thereby achieving transformation of the business structure.

iii) Date of the Merger

May 12, 2014

iv) Legal Form of the Merger

Acquisition of stock

v) Company Name after the Merger

Tokai Holdings Co., Ltd.

vi) Ratio of Voting Rights Acquired

100.0%

vii) Grounds for Identifying the Company Subject to the Merger as Necessary for Reporting

Komori acquired all shares issued by Tokai Holdings Co., Ltd. (now SERIA CORPORATION).

(2) Scope of the Operating Results of the Company Subject to the Merger Included in the Consolidated Financial Statements

Operating results during the period from June 1, 2014 to March 31, 2015.
(Komori has identified May 31, 2014 as the deemed acquisition date.)

(3) Acquisition Cost and Its Breakdown

Cost for acquisition of shares:	Cash and deposits totaling ¥4,518 million
Other direct costs:	Advisory expenses, etc. of ¥70 million
Total:	¥4,588 million

(4) Amount of and Reasons for Posting Goodwill and Its Amortization Method and Period

i) Amount of Goodwill

¥912 million

ii) Reasons for Posting Goodwill

Expectation of potential earning power resulting from the future operations of the company subject to the merger

iii) Amortization Method and Period

Straight-line method; seven years

(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 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 its various Group companies 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 and Tokai Holdings Co., Ltd. (now SERIA CORPORATION) are in charge of sales and marketing in this segment.

The reportable segment "North America" mainly includes sales recorded in the United States. Komori America Corporation is in charge of sales and marketing in this segment. The reportable segment "Europe" mainly includes sales recorded in Western Europe, Eastern Europe and the Middle East. Komori International (Europe) B.V. is in charge of sales and marketing in this segment. Komori-Chambon S.A.S., which undertakes the manufacture and sale of package printing presses, 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 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.

Fiscal 2015 (April 1, 2014 to March 31, 2015)

(In millions of yen)

	Reportable Segment				Others (Note)	Total
	Japan	North America	Europe	Subtotal		
Net sales						
Sales to outside customers	58,095	11,786	16,491	86,373	4,885	91,259
Intersegment sales	20,261	42	2,693	22,998	390	23,388
Total	78,357	11,829	19,185	109,372	5,275	114,648
Operating income (loss)	6,666	354	755	7,776	(272)	7,503
Assets	162,596	12,838	13,631	189,066	3,489	192,555
Other items						
Depreciation	1,501	36	251	1,789	70	1,859
Amortization of goodwill	108	—	—	108	—	108

Increase of property, plant and equipment and intangible assets	2,764	14	210	2,989	219	3,209

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 2014	Fiscal 2015
Total net sales in reportable segments	102,088	109,372
Net sales in others	4,113	5,275
Eliminations	(14,363)	(23,388)
Net sales as presented in Consolidated Financial Statements	91,837	91,259

(In millions of yen)

Operating Income (Loss)	Fiscal 2014	Fiscal 2015
Total operating income in reportable segments	9,248	7,776
Operating loss in others	(128)	(272)
Adjustments for inventories	(706)	(824)
Eliminations	53	52
Other adjustments	6	4
Operating income as presented in Consolidated Financial Statements	8,473	6,736

5. Information Concerning Amortization and Unamortized Balance of Goodwill by Reportable Segment

Fiscal 2014 (April 1, 2013 to March 31, 2014)
Not applicable.

Fiscal 2015 (April 1, 2014 to March 31, 2015)
Goodwill was posted in the reportable segment “Japan,” reflecting the acquisition of all shares of Tokai Holdings Co., Ltd. (now SERIA CORPORATION), which became a consolidated subsidiary.

(In millions of yen)

	Reportable Segment				Others	Total
	Japan	North America	Europe	Subtotal		
Amount as of the end of fiscal 2015	804	―	―	804	―	804

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

6. Information Concerning Changes in Reportable Segments, Etc.

As stated in *Change in Accounting Policies* under *(5) Notes to Consolidated Financial Statements*, in the fiscal year under review, Komori and its domestic consolidated subsidiaries changed their method for the depreciation of property, plant and equipment and revised the useful lives of their manufacturing facilities. Accordingly, operating results in reportable segments were affected by these changes in the depreciation method for and useful lives of property, plant and equipment.

As a result, in the fiscal year under review, operating income in the reportable segment “Japan” increased ¥415 million compared with the value calculated using the previous accounting methods.

(Per Share Information)

	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015
Net assets per share	2,028.31	2,184.72
Net income per share	220.39	126.15

Net income per share after dilution by potential shares for the fiscal years ended March 31, 2014 and 2015 is not presented in the table above as there were no potential shares.

Basis for Calculation

1. Basis for the calculation of net income per share are as follows.

	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015
Net income per share		
Net income (millions of yen)	13,657	7,817
Amount not available to common stockholders (millions of yen)	—	—
Net income pertaining to common stock (millions of yen)	13,657	7,817
Average number of shares of common stock outstanding during the year (thousands of shares)	61,967	61,965

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

	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015
Net assets (millions of yen)	125,686	135,376
Amount deducted from net total assets (millions of yen)	—	—
Net assets pertaining to common stock (millions of yen)	125,686	135,376
Number of shares of common stock outstanding (thousands of shares)	61,966	61,964

(Important Subsequent Events)

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

Not applicable.

Fiscal 2015 (April 1, 2014 to March 31, 2015)

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.

5. OTHER

(1) Changes in Director and Corporate Auditor Personnel

The following changes are scheduled to take effect on June 23, 2015.

1. Changes in Representative Directors

Not applicable.

2. Changes in Other Directors and Corporate Auditors

(1) Changes in Directors

(Candidate for new appointment)

Not applicable.

(Planned retirement)

Makoto Kondo (currently Director and Managing Operating Officer, Deputy General Manager of Corporate Planning Office)

(2) Changes in Corporate Auditors

Not applicable.