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Name of Listed Company: KOMORI CORPORATION  
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## **Komori Corporation Announces Revised Operating Results Forecasts and the Posting of Deferred Tax Assets**

In light of recent trends in its operating results, Komori Corporation (“Komori” or “the Company”) announced revisions to the performance forecasts it disclosed on May 12, 2015. In addition, Komori will record deferred tax assets for the second quarter of the fiscal year ending March 31, 2016. Details follow.

### **1. Revised Forecasts of Consolidated Business Results for the Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)**

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income per Share (Yen)
Previous Forecasts (A)	49,500	3,000	2,600	2,300	37.12
Revised Forecasts (B)	43,300	2,200	2,800	3,800	61.33
Difference (B – A)	(6,200)	(800)	200	1,500	
Difference (%)	(12.5)	(26.7)	7.7	65.2	
(Reference) Results for the Six Months Ended September 30, 2014	40,042	2,191	2,746	2,850	46.00

### **2. Reasons for Revising Forecasts**

Despite firm demand in the domestic market, net sales are expected to fall short of the previous forecast. This is attributable to sluggish demand in the Chinese market resulting from economic deceleration, the unexpected stagnation of demand in the United States and delays in the acceptance inspections of such large equipment as web

offset presses delivered by the Company. On the earnings front, although operating income is likely to edge down from the previous forecast in step with the decrease in net sales, the Company will be able to secure ordinary income largely in line with the forecast thanks to such positive factors as gain on foreign exchange backed by the depreciation of the yen. Also, net income attributable to owners of the parent will significantly exceed Komori's previous forecast since deferred tax assets will be recorded at its sales subsidiary in the United States.

In addition, full-year consolidated operating results forecasts have not been revised as market conditions are likely to remain favorable in Japan and Europe. However, if it becomes necessary, Komori will swiftly announce revised forecasts.

For the third quarter onward, the Company will revise the assumed exchange rate of the Japanese yen against the U.S. dollar to USD 1.00 = JPY 120 (current: JPY 115) and the Japanese yen against the euro to EUR 1.00 = JPY 130 (current: JPY 125).

### **3. Posting of Deferred Tax Assets**

Komori decided to post deferred tax assets for the second quarter of the fiscal year ending March 31, 2016. Although the previous plan called for posting deferred tax assets at the closure of the full-year operating results, the Company determined that the prerequisite conditions for this accounting treatment have been met and thus accelerated the schedule. This decision was based on careful consideration of the recoverability of such assets in light of the recent operating results of and future outlook for the sales subsidiary in the United States. As a result, the Company expects to record income taxes—deferred totaling around (positive) ¥1.5 billion.

#### **Disclaimer:**

The aforementioned forecasts are based on management's assumptions and beliefs held in light of information currently available to it as of the date of this document's release and, accordingly, involve risks and uncertainties that may cause actual results to differ materially from forecasts.