

Consolidated Business Results for the Nine Months Ended December 31, 2015 **REPORTED BY KOMORI CORPORATION (Japanese GAAP)**

January 28, 2016

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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, 2015 to December 31, 2015)

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

	Nine months ended December 31, 2015	%	Nine months ended December 31, 2014	%
Net sales	68,234	5.8	64,488	4.8
Operating income	4,667	23.5	3,778	(23.0)
Ordinary income	5,201	(4.7)	5,458	(21.2)
Profit attributable to owners of parent	5,839	7.7	5,423	(18.5)
(Yen)				
Net income per share	94.23		87.53	
Diluted net income per share	-		-	

Notes:

1. Comprehensive income:

Nine months ended December 31, 2015: 6,006 million yen (17.4) %

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

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, 2015	March 31, 2015
Total assets	188,636	184,622
Net assets	138,646	135,128
Equity ratio (%)	73.5	73.2

Reference:

Equity as of: December 31, 2015: 138,632 million yen
March 31, 2015: 135,128 million yen

2. Dividends

(Yen)

	Fiscal year ended March 31, 2015	Fiscal year ending March 31, 2016	Fiscal year ending March 31, 2016 (Forecast)
Cash dividends per share			
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	10.00	20.00	-
Third quarter period-end dividends	-	-	-
Year-end dividends	20.00	-	20.00
Annual cash dividends	30.00	-	40.00

Note: Revision to the latest dividend forecast announced in May 2015: None

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, rounded down)

	Fiscal year ending March 31, 2016	%
Net sales	95,500	4.6
Operating income	7,200	10.9
Ordinary income	7,100	(9.5)
Profit attributable to owners of parent	6,800	(10.2)
(Yen)		
Net income per share	109.74	

Notes:

1. Revision to the latest forecast of consolidated business results announced in January 2016: 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: | None |
| 3. Changes in accounting estimates: | None |
| 4. Restatements: | None |

Note: For further information, please refer to "1. Items Regarding Summary (and Notes) Information" on page 4.

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock) as of:

December 31, 2015:	68,292,340 shares
March 31, 2015:	68,292,340 shares
2. Number of treasury shares as of:

December 31, 2015:	6,328,248 shares
March 31, 2015:	6,327,390 shares
3. Average number of shares during the period

Nine months ended December 31, 2015:	61,964,838 shares
Nine months ended December 31, 2014:	61,966,105 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 February 4, 2016. 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 significant subsidiaries during the period under review

Not applicable.

From the first quarter of the fiscal year ending March 31, 2016, Komori Southeast Asia Pte. Ltd. in Singapore and Komori Malaysia Sdn. Bhd. in Malaysia were included in the scope of consolidation due to their increased importance to the Group. These inclusions, however, do not constitute changes in specified subsidiaries.

(2) Changes in accounting principles; changes in accounting estimates; restatements

(Changes in accounting principles)

From the first quarter of the fiscal year ending March 31, 2016, the Company adopted the Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21, dated September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, dated September 13, 2013) and Accounting Standard for Business Divestitures (ASBJ Statement No. 7, dated September 13, 2013).

In line with these standards, the Company records differences arising from changes in its equity in subsidiaries under its ongoing control as capital surplus while posting business acquisition costs as expenses for the fiscal year in which such acquisition was executed. In addition, with regard to business combinations that come into effect at the commencement of the first quarter of the fiscal year ending March 31, 2016 or later, after the allocation of acquisition costs under provisional accounting treatment is finalized, said allocation shall be retrospectively reflected in the consolidated quarterly financial statements of the fiscal period in which such business combinations take effect. Moreover, the adoption of the aforementioned accounting standards led to a change in methods for presenting net income. To reflect this change, certain items presented in the consolidated financial statements regarding the nine-month and full-year operating results for the previous fiscal year have been reclassified.

The adoption of these standards is effective from the beginning of the first quarter of the fiscal year ending March 31, 2016 and subject to the transitional treatment stipulated by Item 4, Paragraph 2, Article 58 of the Accounting Standard for Business Combinations; Item 4, Paragraph 5, Article 44 of the Accounting Standard for Consolidated Financial Statements; and Item 4, Paragraph 4, Article 57 of the Accounting Standard for Business Divestitures.

In addition, as of December 31, 2015, the aforementioned changes in accounting methods had no impact on the Company's consolidated quarterly financial statements.

2. CONSOLIDATED FINANCIAL STATEMENTS**(1) Consolidated Balance Sheets**

	(In millions of yen)	
	Fiscal 2015	Fiscal 2016
	(March 31, 2015)	December 31, 2015
(ASSETS)		
Current Assets:		
Cash and deposits	44,306	43,196
Notes and accounts receivable-trade	21,968	19,365
Short-term investment securities	21,288	19,995
Merchandise and finished goods	13,918	18,954
Work in process	10,397	9,778
Raw materials and supplies	7,209	7,894
Other	9,280	9,343
Allowance for doubtful accounts	(183)	(175)
Total current assets	128,186	128,352
Noncurrent Assets:		
Property, plant and equipment		
Land	18,392	18,375
Other, net	15,595	16,409
Total property, plant and equipment	33,987	34,785
Intangible assets	3,004	3,283
Investments and other assets	19,444	22,215
Total noncurrent assets	56,436	60,284
Total Assets	184,622	188,636

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

(1) Consolidated Balance Sheets

	(In millions of yen)	
	Fiscal 2015	Fiscal 2016
	(March 31, 2015)	(December 31, 2015)
(LIABILITIES)		
Current Liabilities:		
Notes and accounts payable-trade	12,420	13,898
Electronically recorded obligations-operating	5,794	6,706
Short-term loans payable	211	42
Income taxes payable	460	482
Provision for loss on guarantees	479	509
Other provision	2,162	1,372
Other	13,331	12,479
Total current liabilities	34,860	35,490
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	49	31
Net defined benefit liability	2,090	1,807
Provision	159	224
Other	2,334	2,436
Total noncurrent liabilities	14,633	14,500
Total Liabilities	49,493	49,990
(NET ASSETS)		
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,797	37,797
Retained earnings	61,685	65,022
Treasury stock	(4,954)	(4,956)
Total shareholders' equity	132,242	135,578
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	3,447	3,525
Foreign currency translation adjustment	404	334
Remeasurements of defined benefit plans	(966)	(806)
Total other comprehensive income	2,886	3,053
Non-controlling interests	-	14
Total Net Assets	135,128	138,646
Total Liabilities and Net Assets	184,622	188,636

(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, 2015 and 2014

	(In millions of yen)	
	Fiscal 2015	Fiscal 2016
	(April 1, 2014 to December 31, 2014)	(April 1, 2015 to December 31, 2015)
Net Sales	64,488	68,234
Cost of Sales	42,514	44,301
Reversal of unrealized income on installment sales	17	14
Gross profit	21,990	23,947
Selling, General and Administrative Expenses	18,211	19,280
Operating Income	3,778	4,667
Non-Operating Income		
Interest income	93	92
Dividends income	176	194
Foreign exchange gains	1,289	-
Late-payment penalty charges received	-	242
Other	371	308
Total non-operating income	1,930	838
Non-Operating Expenses		
Interest expenses	73	47
Foreign exchange losses	-	15
Compensation for damage	80	62
Provision for loss on litigation	-	93
Other	96	85
Total non-operating expenses	250	304
Ordinary income	5,458	5,201
Extraordinary Income		
Gain on sales of noncurrent assets	6	3
Total extraordinary income	6	3
Extraordinary Loss		
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	2	19
Loss on valuation of investment securities	3	-
Total extraordinary loss	6	21
Income before income taxes	5,458	5,183
Income taxes-current	709	822
Income taxes-deferred	(675)	(1,478)
Total income taxes	34	(655)
Profit	5,423	5,838
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	5,423	5,839

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

Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2015 and 2014

(In millions of yen)

	Fiscal 2015	Fiscal 2016
	(April 1, 2014 to December 31, 2014)	(April 1, 2015 to December 31, 2015)
Profit	5,423	5,838
Other comprehensive income		
Valuation difference on available-for-sale securities	734	77
Foreign currency translation adjustment	965	(69)
Remeasurements of defined benefit plans, net of tax	144	159
Total other comprehensive income	1,844	167
Comprehensive Income	7,268	6,006
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	7,268	6,008
Comprehensive income attributable to non-controlling interests	—	(1)

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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