

# **Consolidated Business Results for the Three Months Ended June 30, 2016** **REPORTED BY KOMORI CORPORATION (Japanese GAAP)**

July 28, 2016

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Representative Director, President and COO  
Securities code: 6349 (Tokyo Stock Exchange)  
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Preparation of supplementary materials for quarterly financial results: Yes  
Holding of presentation meeting for quarterly financial results: Yes (for financial analysts/investors)

## **1. Consolidated Business Results for the First Quarter (April 1, 2016 to June 30, 2016)**

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

	Three months ended June 30, 2016	%	Three months ended June 30, 2015	%
Net sales	14,876	(18.5)	18,254	11.4
Operating income (loss)	(2,035)	-	284	29.8
Ordinary income (loss)	(2,881)	-	799	340.7
Profit (loss) attributable to owners of parent	(2,178)	-	368	(10.3)
(Yen)				
Basic earnings (loss) per share	(35.15)		5.95	
Diluted earnings per share	-		-	

Notes:

### 1. Comprehensive income:

Three months ended June 30, 2016: (2,992) million yen - %

Three months ended June 30, 2015: 839 million yen 30.3 %

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)

	June 30, 2016	March 31, 2016
Total assets	180,592	188,173
Net assets	131,679	135,890
Equity ratio (%)	72.9	72.2

Reference:

Equity as of: June 30, 2016: 131,666 million yen  
March 31, 2016: 135,876 million yen

## **2. Dividends**

(Yen)

	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017	Fiscal year ending March 31, 2017 (Forecast)
Cash dividends per share			
First quarter period-end dividends	-	-	-
Second quarter period-end dividends	20.00	-	20.00
Third quarter period-end dividends	-	-	-
Year-end dividends	20.00	-	20.00
Annual cash dividends	40.00	-	40.00

Note: Revision to the latest dividend forecast announced in May 2016: None

### 3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(In millions of yen, rounded down)

	Six months ending September 30, 2016	%	Fiscal year ending March 31, 2017	%
Net sales	41,200	(4.8)	97,500	2.3
Operating income	300	(86.1)	5,200	(21.4)
Ordinary income	100	(96.5)	5,000	(23.2)
Profit attributable to owners of parent	100	(97.4)	4,000	(38.7)
(Yen)				
Basic earnings per share	1.61		64.55	

Notes:

1. Revision to the latest forecast of consolidated business results announced in May 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: | None |
| 2. Changes other than those in item 1. above:                                     | None |
| 3. Changes in accounting estimates:   | None |
| 4. Restatements:  | None |

(4) Number of shares outstanding (common stock)

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

June 30, 2016:	68,292,340 shares
March 31, 2016:	68,292,340 shares

2. Number of treasury shares as of:

June 30, 2016:	6,328,663 shares
March 31, 2016:	6,328,517 shares

3. Average number of shares during the period

Three months ended June 30, 2016:	61,963,750 shares
Three months ended June 30, 2015:	61,964,950 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 August 3, 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](http://www.komori.com/contents_com/ir/index.htm)

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

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## 2. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

	(In millions of yen)	
	Fiscal 2016	Fiscal 2017
	(March 31, 2016)	(June 30, 2016)
<b>(ASSETS)</b>		
<b>Current Assets:</b>		
Cash and deposits	50,034	42,260
Notes and accounts receivable-trade	18,306	13,787
Short-term investment securities	18,821	20,779
Merchandise and finished goods	16,871	17,070
Work in process	7,423	9,481
Raw materials and supplies	8,154	8,053
Other	8,989	10,297
Allowance for doubtful accounts	(191)	(203)
Total current assets	128,409	121,527
<b>Noncurrent Assets:</b>		
Property, plant and equipment		
Land	18,352	18,303
Other, net	16,471	16,100
Total property, plant and equipment	34,824	34,404
Intangible assets	2,975	2,823
Investments and other assets	21,963	21,837
Total noncurrent assets	59,764	59,065
<b>Total Assets</b>	<b>188,173</b>	<b>180,592</b>

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

**(1) Consolidated Balance Sheets**

	(In millions of yen)	
	Fiscal 2016	Fiscal 2017
	(March 31, 2016)	(June 30, 2016)
<b>(LIABILITIES)</b>		
<b>Current Liabilities:</b>		
Notes and accounts payable-trade	12,435	10,705
Electronically recorded obligations-operating	6,395	5,589
Short-term loans payable	40	16
Income taxes payable	713	341
Provision for loss on guarantees	415	398
Other provision	2,059	1,460
Other	14,269	15,201
Total current liabilities	36,329	33,712
<b>Noncurrent Liabilities:</b>		
Bonds payable	10,000	10,000
Long-term loans payable	25	-
Net defined benefit liability	3,657	3,522
Provision	273	143
Other	1,997	1,535
Total noncurrent liabilities	15,954	15,201
<b>Total Liabilities</b>	<b>52,283</b>	<b>48,913</b>
<b>(NET ASSETS)</b>		
<b>Shareholders' Equity:</b>		
Capital stock	37,714	37,714
Capital surplus	37,797	37,797
Retained earnings	65,669	62,274
Treasury stock	(4,956)	(4,956)
Total shareholders' equity	136,225	132,830
<b>Other Comprehensive Income:</b>		
Valuation difference on available-for-sale securities	2,664	2,802
Foreign currency translation adjustment	(380)	(1,424)
Remeasurements of defined benefit plans	(2,632)	(2,541)
Total other comprehensive income	(348)	(1,163)
<b>Non-controlling interests</b>	<b>14</b>	<b>13</b>
<b>Total Net Assets</b>	<b>135,890</b>	<b>131,679</b>
<b>Total Liabilities and Net Assets</b>	<b>188,173</b>	<b>180,592</b>

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

For the three months ended June 30, 2016 and 2015

	(In millions of yen)	
	Fiscal 2016	Fiscal 2017
	(April 1, 2015 to June 30, 2015)	(April 1, 2016 to June 30, 2016)
<b>Net Sales</b>	18,254	14,876
<b>Cost of Sales</b>	11,824	10,695
Reversal of unrealized income on installment sales	4	1
Gross profit	6,434	4,182
<b>Selling, General and Administrative Expenses</b>	6,149	6,217
Operating Income (loss)	284	(2,035)
<b>Non-Operating Income</b>		
Interest income	28	23
Dividends income	110	131
Foreign exchange gains	349	-
Other	68	79
Total non-operating income	558	234
<b>Non-Operating Expenses</b>		
Interest expenses	17	14
Foreign exchange losses	-	966
Compensation for damage	16	16
Other	10	83
Total non-operating expenses	43	1,080
Ordinary income (loss)	799	(2,881)
<b>Extraordinary Income</b>		
Gain on sales of noncurrent assets	-	6
Total extraordinary income	-	6
<b>Extraordinary Loss</b>		
Loss on sales of noncurrent assets	1	17
Loss on retirement of noncurrent assets	0	8
Total extraordinary loss	2	26
Income before income taxes (loss)	796	(2,900)
Income taxes-current	314	(121)
Income taxes-deferred	113	(601)
Total income taxes	428	(722)
<b>Profit (loss)</b>	368	(2,177)
Profit attributable to non-controlling interests	0	0
<b>Profit (loss) attributable to owners of parent</b>	368	(2,178)

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**Consolidated Statements of Comprehensive Income**

For the three months ended June 30, 2016 and 2015

	(In millions of yen)	
	Fiscal 2016	Fiscal 2017
	(April 1, 2015 to June 30, 2015)	(April 1, 2016 to June 30, 2016)
<b>Profit (loss)</b>	368	(2,177)
Other comprehensive income		
Valuation difference on available-for-sale securities	170	138
Foreign currency translation adjustment	296	(1,043)
Remeasurements of defined benefit plans, net of tax	4	90
Total other comprehensive income	471	(814)
<b>Comprehensive Income</b>	839	(2,992)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	840	(2,991)
Comprehensive income attributable to non-controlling interests	(0)	(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

#### **(Important Subsequent Events)**

##### **Acquisition and Retirement of Treasury Stock**

Pursuant to the provisions of Article 459-1 of the Company Law of Japan and Komori's Articles of Incorporation, the Company's Board of Directors passed a resolution to acquire treasury stock at its meeting held on July 1, 2016. Pursuant to the provisions of Article 178 of said law, the Company's Board of Directors also passed a resolution to retire such stock at the same meeting. Details follow.

##### **1. Reasons for the acquisition and retirement of treasury stock**

Komori aims to enhance shareholder returns while improving its capital efficiency and flexibly executing its capital policies.

##### **2. Details of acquisition**

(1) Type of stock to be acquired: Common stock

(2) Total number of shares to be acquired: Up to 3.8 million shares

(Approximately 6.1% of common stock issued excluding treasury stock)

(3) Total value of shares to be acquired: Up to ¥5.0 billion

(4) Period of acquisition: July 4 to December 22, 2016

(5) Method of acquisition: Market purchase on the Tokyo Stock Exchange

##### **3. Details of retirement**

(1) Type of stock to be retired: Common stock

(2) Total number of shares to be retired: Up to 6.0 million shares

(3) Scheduled date of retirement: July 29, 2016