

October 26, 2018

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Komori Corporation Announces Revised Operating Results Forecasts

In light of recent trends in its operating results, Komori Corporation (“Komori” or “the Company”) today announced revisions to the performance forecasts it disclosed on August 2, 2018 along with operating results for the three months ended June 30, 2018. Details are as follows.

1. Revised Forecasts

Revised Forecasts of Consolidated Business Results for the Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income	Profit (Loss) Attributable to Owners of Parent	Basic Earnings (Loss) per Share (Yen)
Previous Forecasts (A)	43,500	100	200	100	1.72
Revised Forecasts (B)	40,200	(250)	100	(150)	(2.58)
Difference (B – A)	(3,300)	(350)	(100)	(250)	
Difference (%)	(7.6)	—	(50.0)	—	
(Reference) Results for the Six Months Ended September 30, 2017	42,773	436	1,270	1,102	18.93

Revised Forecasts of Consolidated Business Results for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Basic Earnings per Share (Yen)
Previous Forecasts (A)	101,000	3,100	3,200	2,700	46.37
Revised Forecasts (B)	93,000	1,500	1,800	1,100	18.89
Difference (B – A)	(8,000)	(1,600)	(1,400)	(1,600)	
Difference (%)	(7.9)	(51.6)	(43.8)	(59.3)	
(Reference) Results for the Fiscal Year Ended March 31, 2018	94,168	3,732	4,420	3,074	52.81

2. Reasons for Revising Forecasts

(1) Forecasts for the Six Months Ended September 30, 2018

Consolidated net sales are likely to fall short of the previous forecast. In China, there was strong demand for facility upgrades aimed at installing automated printing systems capable of performing high-value-added printing services. In Japan, however, major printing firms maintained a cautious stance toward capital expenditure, despite demand for facility upgrades among medium-sized printing companies seeking to expand their printing capacities. Furthermore, Komori has seen a pullback in demand in ASEAN nations and India due to the depreciation of their currencies. These negative factors resulted in stagnation in Komori's overall sales performance. On the earnings front, due to the decrease in net sales, profit indicators are expected to fall below the previous forecasts.

(2) Forecasts for the Full Fiscal Year Ending March 31, 2019

From the third quarter onward, Komori expects that capital expenditure will remain firm in China. However, bidding for the security printing press supply projects of certain Asian clients that had been planned for the fiscal year ending March 31, 2019 has been postponed to the subsequent fiscal year or later. Furthermore, capital expenditure in Asia is expected to remain sluggish due to the depreciation of currencies in emerging nations. Taking these factors into account, the Company anticipates that consolidated net sales will fall short of the previous forecast. On the earnings front, Komori believes that profit indicators will fall below the previous forecasts due to the decrease in net sales and changes in sales by product category.

For the third quarter onward, the assumed exchange rates of the Japanese yen against the U.S. dollar and the euro remain the same at USD 1.00 = JPY 105 and EUR 1.00 = JPY 125, respectively.

3. Dividend Forecasts

Dividend forecasts remain unchanged.

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 announcement and, accordingly, involve risks and uncertainties that may cause actual results to differ materially from forecasts.