

October 28, 2019

Name of Listed Company: KOMORI CORPORATION  
Representative: Mr. Satoshi Mochida  
Representative Director, President and CEO  
Securities Code: 6349 (First Section, Tokyo Stock Exchange)  
Contact: Mr. Koichi Matsuno  
Director, Operating Officer  
Phone: (81)-3-5608-7826

**Komori Corporation Announces Differences between Performance Forecasts and Operating Results for the Six Months Ended September 30, 2019, and Releases Revised Forecasts for the Full Year**

Komori Corporation (“Komori” or “the Company”) hereby announces the existence of differences between the consolidated operating results forecasts it previously announced on May 13, 2019 for the first six months of the fiscal year ending March 31, 2020, and actual operating results announced today. In light of recent trends in its operating results, Komori has also revised its full-year performance forecasts. Details follow.

**1. Details of Operating Results and Forecasts**

**(1) Differences between Operating Results Forecasts for the Six Months Ended September 30, 2019 (April 1 to September 30, 2019) and Actual Results**

(Millions of yen)

|   | Net Sales | Operating<br>Income (Loss) | Ordinary<br>Income (Loss) | Profit (Loss)<br>Attributable to<br>Owners of Parent | Basic Earnings<br>(Loss) per<br>Share (Yen) |
|---|-----------|----------------------------|---------------------------|--|---|
| Previous Forecasts (A)  | 41,500    | (400)                      | (400)                     | (700)  | (12.02)                                     |
| Actual Results (B)  | 41,068    | (341)                      | (676)                     | (968)  | (16.95)                                     |
| Difference (B – A)  | (432)     | 59                         | (276)                     | (268)  |   |
| Difference (%)  | (1.0)     | -                          | -                         | -  |   |
| (Reference) Results for<br>the Six Months Ended<br>September 30, 2018 | 40,225    | (258)                      | 95                        | (150)  | (2.58)                                      |

**(2) Revised Forecasts of Consolidated Business Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)**

(Millions of yen)

|  | Net Sales | Operating Income | Ordinary Income | Profit Attributable to Owners of Parent | Basic Earnings per Share (Yen) |
|--|-----------|------------------|-----------------|---|--------------------------------|
| Previous Forecasts (A)                                       | 93,200    | 2,300            | 2,400           | 1,400                                   | (24.05)                        |
| Revised Forecasts (B)  | 92,200    | 1,000            | 600             | 100                                     | (1.78)                         |
| Difference (B – A)   | (1,000)   | (1,300)          | (1,800)         | (1,300)                                 |                                |
| Difference (%)   | (1.1)     | (56.5)           | (75.0)          | (92.9)                                  |                                |
| (Reference) Results for the Fiscal Year Ended March 31, 2019 | 90,242    | 2,706            | 2,502           | 1,427                                   | (24.52)                        |

**2. Reasons for Differences and Forecast Revisions**

**(1) Differences between Forecasts and Results**

Komori received a robust volume of orders in Greater China thanks to its participation in PRINT CHINA 2019, an international printing technology exhibition held in April in Guangdong, China. However, consolidated net sales fell short of previous forecasts due to such factors as depreciation of the Chinese yuan, which, in turn, caused some customers to postpone the placement of orders.

On the earnings front, operating loss was smaller than the previous forecast due to a sales mix variance. However, foreign exchange losses, a key component of other income and expenses, grew, causing ordinary income and profit attributable to owners of the parent to fall short of previous forecasts.

**(2) Revisions of Full-Year Operating Results Forecasts**

In the first six months of the fiscal year ending March 31, 2020, Komori received a higher volume of orders than it had estimated in Greater China. Therefore, in terms of the full-year operating results, the Company believes that net sales in this region will be in line with its expectation. On the other hand, Komori expects net sales in Europe to fall below its estimation due to such factors as Brexit-related issues and a downturn in Germany's economy. Taking these factors into account, Komori anticipates that consolidated net sales will fall below previous forecasts.

On the earnings front, operating income is expected to fall below the previous forecast. This is due to a decrease in net sales and a sales mix variance as well as Komori's decision to revise its assumed exchange rate for the Japanese yen against the euro for the second half of the fiscal year ending March 31, 2020. This rate revision anticipates yen appreciation at levels in excess of the assumption the Company made at the beginning of the fiscal year. Moreover, Komori expects foreign exchange losses classified under other income and expenses to grow and cause ordinary income and profit attributable to owners of the parent to fall short of previous forecasts.

For the third quarter onward, the assumed exchange rate of the Japanese yen against the U.S. dollar is expected to remain the same at USD 1.00 = JPY 105. The Company revised its assumed exchange rate of the Japanese yen against the euro to EUR 1.00 = JPY 115 (current: JPY 120).

### **3. Dividend Forecasts**

Dividend forecasts remain unchanged from figures disclosed on May 13, 2019.

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.