

KOMORI CORPORATION INTEGRATED REPORT 2022



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KOMORI

To Be a Company That Delivers Customer *Kando* Beyond Expectations

VISION

Strive to provide our customers with *Kando* by always being a step ahead of their expectations

MISSION

Build strong relationships with stakeholders to contribute to society

VALUE

Review and improve our business operations continuously from the customer’s viewpoint

Satoshi Mochida,
Representative Director,
President & CEO

Yoshiharu Komori,
Chairman

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About KOMORI CORPORATION INTEGRATED REPORT 2022

[Fiscal term]	FY 2021 : Apr.2021 – Mar.2022
[Editorial Policy]	The purpose of the KOMORI COPORATION INTEGRATED REPORT 2022 is to disclose both financial and non-financial information that shows the Komori Group's efforts to create value over the medium- to long-term to all stakeholders, including shareholders and investors. The "International Integrated Reporting Framework" issued by the International Integrated Reporting Council (IIRC) and the "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation" issued by the Ministry of Economy, Trade and Industry were used as guides in editing this Report.
[Target Readers]	All stakeholders involved in the Komori Group
[Period covered by the Report]	The Report primarily covers the fiscal year ended March 31, 2022 (April 2021 to March 2022) and includes information before and/or after the said period as well.
[Scope of the Report]	The Report covers the Komori Group, which consists of KOMORI CORPORATION and its 24 subsidiaries (subject to consolidated accounting).
[Date of Publication]	October 2022

[Caution Regarding Forward-Looking Statements]

This Report contains information about forward-looking statements. We appreciate your understanding that actual activities and business results could differ from these statements.



Hyakumanto Darani or The One Million Pagodas and Dharani Prayers (770)
It is the world's oldest printed matter whose production year is clearly identified. It is said that one copy of the wood-block printed "Darani" was housed inside each of the one million small wooden three-story pagodas, and 100 thousand units were donated to each of the ten great temples in Nara. Some of them are extant in the Horyu-ji Temple.

Mizuno Printing Museum collection

Where there is printing, there is culture

Printed matter was once the only information medium for humankind.
Printed matter has helped disseminate human wisdom and enriched people's lives.
Subsequently, a new medium called broadcasting was born. Print media has competed with and complemented the new media since, thereby becoming more diversified and sophisticated, and coming a long way.
The same was true when the arrival of computers ushered in a new information age.
Komori has supported the information society, culture, and economy with advanced printing technologies. That is Komori's starting point.
It is not easy to accurately predict the times ahead.
However, one clue as to what direction the printing industry is headed in the future can be found in Komori corporate strategy.

Komori reproduces and shares originals to pass down culture

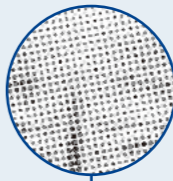
One of the elements for printing to be able to assert its unique value is the reproduction of ultra-high-definition image representation.
About 30 years ago, Komori already made high-definition printing a reality, in that no halftone dots could be detected.
For example, the Huntington Library in the U.S. employed Komori's printing press in the production of a reprinted edition of Chaucer's "The Canterbury Tales" to commemorate its 75th anniversary. That reprint was enlarged using a computer at the time to find halftone dots were invisible thanks to our high-definition printing.



4th-7th centuries
Papyrus documents
Ancient Egypt



ca. 1455
Johannes Gutenberg
Biblia Latina, 42 lines (Leaf)



1911
Advent of offset printing using
a lithographic printing plate



1985
Advent of Desk Top Publishing
Package printing, etc.



1993
Digital offset printing press
Diversification of printing techniques

Since its establishment in 1923, Komori has been striving to manufacture printing machinery which supports sociocultural aspects. With corporate changes every 30 years in our history, we have been contributing to the world's printing culture, while supporting the development of the Japanese economy through the advancement of printing technology. From the Company's founding until World War II, we supported the Japanese economy at its beginning stage through the mechanization of printing. Subsequently, from the end of World War II to the present, the Company has played a key role in the global economy and the global printing market through

the automation of printing, colorization, and overseas business expansion. Then, in 1993, Komori declared itself the "Company That Delivers Customer *Kando* beyond expectations." As we move forward toward the next 30 years (2010-2040), we aim to provide customers all over the world with products and services full of inspiring experiences beyond their expectations. To this end, we are determined to make strenuous efforts to realize customer *Kando* beyond expectations through customer-driven value creative activities.

Startup Stage

From the Founding after the Great Kanto Earthquake to World War II

Growth Stage

A Fresh Start after World War II

Expansion Stage

Komori as the World's Leading Company

Reformation Stage

Re-establish the Company in the era of major transformation

1923 Establishment

1950

1980

2010

2040

We contributed to the development of the Japanese economy after the Great Kanto Earthquake through the first offset printing and mechanized printing. On October 20, 1923, 50 days after the Great Kanto Earthquake struck, the brothers Yoshishichi and Yoshikazu Komori, the founders of the Company, established Komori Machine Works. The first offset printing press was developed in 1928. The Company was reorganized as Komori Printing Machinery Manufacturing Co., Ltd. in 1946 with Yoshishichi Komori appointed as president.

The manufacture of printing and binding machinery resumed after the abolition of wartime laws and regulations in 1946, which advanced the automation and faster performance of offset printing presses, and the advent of color printing at the same time. It was also the time when we underwent a structural transformation which could be called the printing revolution: from letterpress to offset printing. The full-scale expansion phase in the offset printing machinery market allowed printing presses to be enlarged and also enabled us to shift our focus to overseas business expansion. Furthermore, in 1958 we received an order from the Japan Printing Bureau, Ministry of Finance, for a letterpress 2-color sheet-feed printing press for printing banknotes, and thus entered the field of bank-note printing presses in earnest.

Throughout the bubble economy, we contributed to the Japanese economy by addressing the labor shortage in the printing industry and by providing high-speed, high-volume, and color printing. Concurrently, we set to work to establish overseas local subsidiaries, strengthening our overseas business expansion. This was the time when we established a position as a leading Japanese manufacturer of offset printing machinery.

Our company's shares were listed on the second section of the Tokyo Stock Exchange in 1983, and were moved to the first section in the following year. In 2005, the 2nd phase construction of the Tsukuba Plant was completed and fully integrated with the Toride Plant. In 2009, the 3rd phase construction of the Tsukuba Plant was completed and integrated with the Sekiyado Plant. In addition, the Komori Graphic Technology Center was opened in the extended space.

A new era is rapidly unfolding, ushering in printing demands for small print runs, short turnarounds, advanced digitization, and a cashless society. Under such circumstances, we have entered a period of re-establishment by enhancing our business domain, responding to digitization, boldly implementing manufacturing innovation, and transforming our business model through corporate acquisition (the Germany-based MBO Group) and the market introduction of the state-of-the-art digital printing system, as well as launching new businesses such as PE (Printed Electronics). Moreover, to realize a comprehensive solution, we are promoting the PESP (Print Engineering Service Provider) business, which offers a production management system that links pre- and post-printing processes via a network.

30-Year Business Shift



1923 Komori Ironworks (before the Great Kanto Earthquake)



1936 Second Plant (in Honjo-azumabashi)



1967 Toride Plant Completed



1978 Sekiyado Plant Completed



1986 Komori Yamagata Machinery Plant Completed



1989 Komori-Chambon S.A Established in France



2009 3rd Phase Construction of Tsukuba Plant Completed



2012 Production Base in Nantong, P.R.C.

Globalization

- 1952 Offset presses were exported for the first time (to Thailand and the Philippines).
- 1956 Full-automatic high-speed offset press was exported to the U.S. for the first time.
- 1968 We participated in an international printing exhibition for the first time (Chicago).

- 1982 A local subsidiary was established in North America.
- 1984 A local subsidiary was established in the U.K.
- 1986 A local subsidiary was established in the Netherlands.
- 1988 Komori Europe B.V. was established in the Netherlands.

- 1990 A local subsidiary was established in Italy.
- 1991 A local subsidiary was established in France.
- 1998 A local subsidiary was established in Hong Kong.
- 2001 A local subsidiary was established in Taiwan.
- 2005 A local subsidiary was established in Shenzhen, P.R.C.

- 2012 A production base was established in Nantong, P.R.C.
- 2014 Local subsidiaries were established in Singapore and Malaysia.
- 2018 A local subsidiary was established in India.
- 2019 Komori (Shenzhen) Print Engineering Co., Ltd. was established in P.R.C.



Komori International (Europe) B.V.

Technologies New Businesses



•1925 Hand press



•1957 First Komori four-color offset printing press "UM-4C" was developed.



•1990 Full-APC, the world's first automatic plate changer, was released.



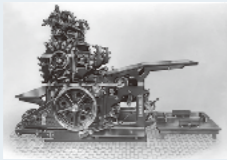
•2002 LITHRONE S40 was developed and received Machine Design Excellence Award.



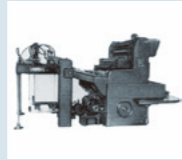
•2011 H-UV System received InterTech™ Technology Award.



•2014 Gravure offset printing press for extremely precise fine-line printing for the PE business was released.



•1928 Manual Sheet-fed 32-inch Offset Printing Press



•Single-color press with stream feeder



•1981 LITHRONE 40 was released



•1997 Komori KHS System was developed.



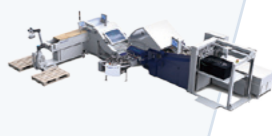
•2004 System 35S received Machine Design Excellence Award.



•2015 Impremia IS29 was launched.



•2020 LITHRONE GX40RP received InterTech™ Technology Award.



•2020 The Company completed the acquisition of the MBO Group specializing in post-press equipment. MBO K8—CoBo-Stack

Security Printing Presses

- 1958 We received an initial order from the Japan Printing Bureau, Ministry of Finance, and start manufacturing bank-note printing presses.
- 1972 Dry offset intaglio printing press was developed for the Japan Printing Bureau, Ministry of Finance.

- 1996 8-color perfecting dry offset printing press, 3-color intaglio press, and 2-color numbering printing press were developed and delivered to India.



•1996 Intaglio printing press CURRENCY I332 delivered to India.



•2012 12-color perfecting bank-note offset printing press LC1232 was developed and delivered to the U.K.



•2018 CURRENCY NV received IACA Excellence in Currency Technical Award.



Be a Company That Delivers *Kando* Beyond Expectations

Printing Technologies as Advanced Composite Technologies

Ultra-high technology

Even higher speed and quality demanded by the times

The printed matter produced by offset printing is a collection of fine dots called halftone dots. This reproduction requires ultra-high-accuracy assembly technology to handle a single part in 1/1,000th of a millimeter measurement, which are much stricter than JIS standards. In addition, the difficult problem of how to stabilize delicate materials such as paper and ink in high-speed printing stands in the way. Solving this problem requires the development of diverse technologies, including structural analysis, fluid analysis, motion analysis, and new materials technology. Thus, printing technologies are extremely advanced composite technologies.



Pride and responsibility as a bank-note press manufacturer

Bank-note press as a collection of various printing techniques

It is a notable fact that banknotes endorsing the means of payment for economic activities are printed by Komori's bank-note printing presses. In the 1960s, Komori developed its first bank-note press at the request of the Printing Bureau, Ministry of Finance (present the National Printing Bureau). Since then, the Company has maintained its position as the only manufacturer of bank-note presses in Japan, leveraging advanced technology unrivaled by any other printing press manufacturers. Bank-note presses are equipped with a complex combination of various printing techniques, including offset, letterpress, and intaglio in order to make counterfeiting impossible. The customers for this product are limited: the National Printing Bureau; other central banks; and government agencies in various countries. Consequently, the number of units produced is limited. The production of bank-note presses differ significantly from that of mass-produced printing machinery, in that bank-note presses are assembled based on a highly integral architecture. A bank-note press is the one that embodies the apex of printing technologies, and in this sense, we are similar to an automobile manufacturer working on a racing car.



High speed, high quality, digitalization, and automation

High technology that revolutionized printing processes

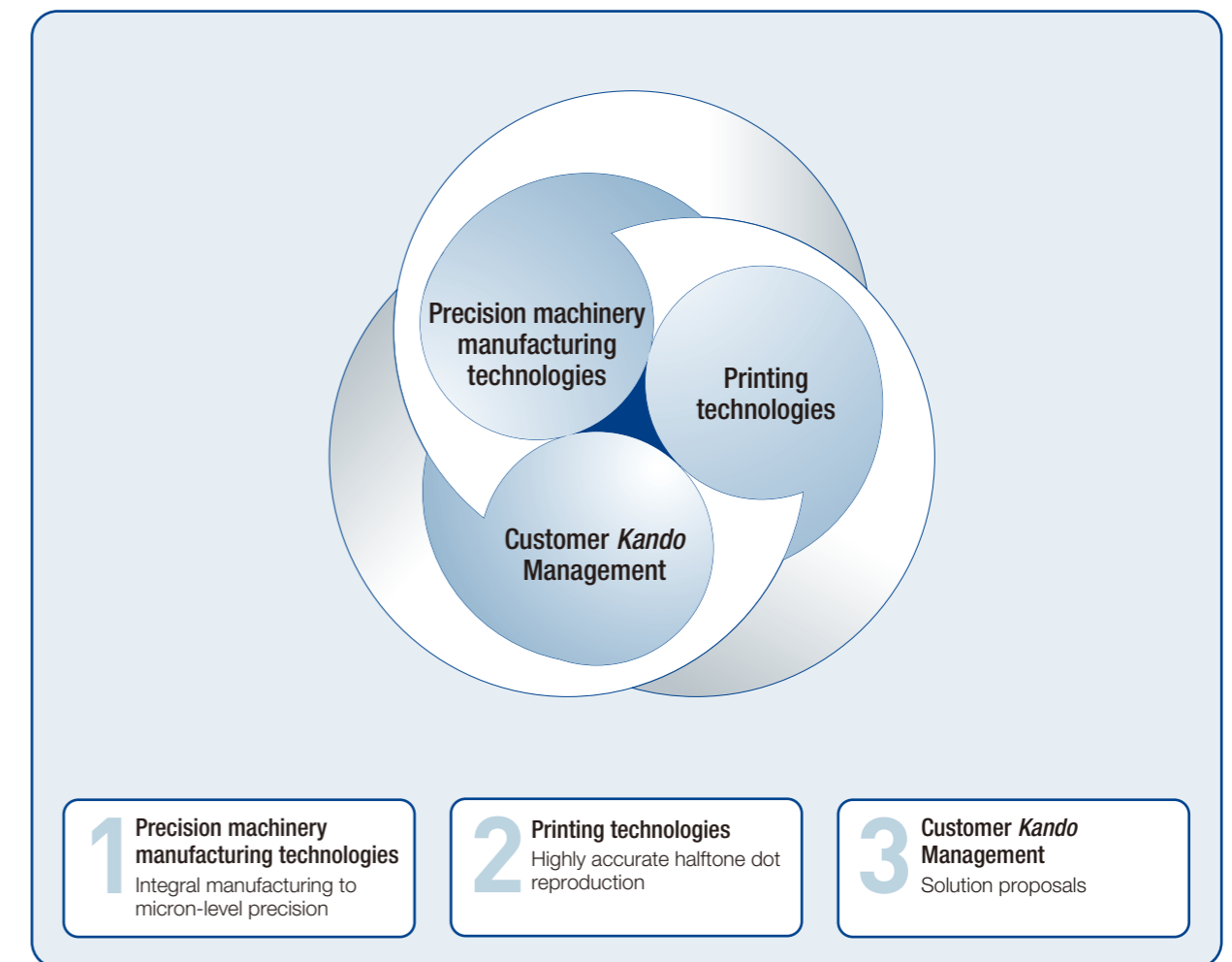
Komori developed the APC (Full Automatic Plate Changer) in 1990 ahead of other countries to allow each plate to be changed fully automatically. Moreover, Komori successfully developed the automatic cleaning device for ink rollers and other parts, creating a whirlwind in the printing industry. In the 2010s, Komori developed "KP-Connect," a digital process control system to consolidate and visualize work schedules and progress information of all printing processes in real time, as well as to provide automated coordination with MIS (Management Information System) and production scheduling functions utilizing an IoT-driven, cloud-based platform.



Core Competencies Amassed Through Offset Printing Technology

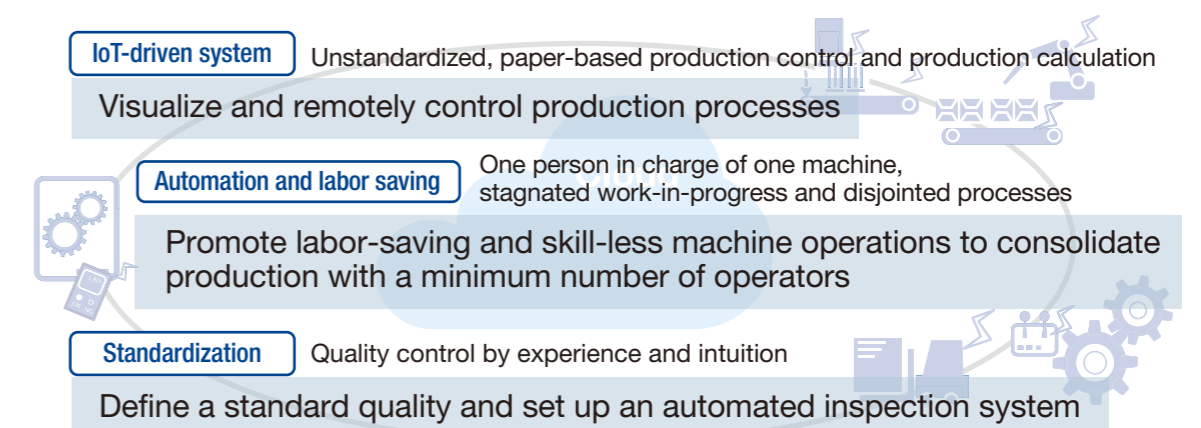
The three core competencies

The technological base for achieving high-speed printing while maintaining the quality of printing, which requires micron-level precision, is at the same extremely high level as the technology used to manufacture rockets and aircraft. These advanced composite technologies are represented in Komori's three core competencies amassed through its offset printing technologies.



« Smart Factory envisioned by Komori »

The Smart Factory is the ultimate form of maximizing the three core competencies.



“Customer *Kando*” means setting our sights far above customer expectations

Creative Endeavors for Customer *Kando* Beyond Expectations launched in 1994

What is needed to provide many people with *Kando* beyond their expectations?

What should be the future of printing?

With these as our starting point, we have been striving to develop clean and ecological printing systems leveraging a number of technologies and products born from our unconventional thinking and originality.

1. Integrate technological innovation and printing presses

Solving problems in printing plants → High quality and high productivity achieved

2. Harmonize humans and printing presses

Providing operator-friendly environment → Comfortability, operability, and safety improved

3. Connect printing presses to a plant environment

Linking the entire plant → A total printing system established

Komori's Concept of “Company That Delivers Customer *Kando* Beyond Expectations”

Identify customers and determine customer expectations by listening to their feedback.

And ceaselessly endeavor to set our sights above customer expectations and earn customer appreciation.

Customer expectations < Customer appreciation (Customer *Kando*)

To that end, we should exert ourselves to provide value-added products or services to stay one step ahead of customer expectations.

Komori's Materiality

Komori has identified its materiality from the following perspectives:

- ① Management issues aimed at realizing its corporate philosophy: Be a Company That Delivers Customer *Kando* Beyond Expectations
- ② Key management issues aimed at achieving the Sixth Medium-Term Management Plan
- ③ Management issues identified through dialogue with stakeholders
- ④ Future social issues and changes in the environment surrounding the printing industry

The six material issues identified are classified into two aspects: strategic direction of our businesses and ESG management.

The contents of and decision-making process for this materiality will be reviewed from time to time as we move forward under the Medium-Term Management Plan.

Materiality that contributes to the realization of a company that delivers customer *Kando* beyond expectations



Business Transformation

Innovate business model in sales activities

Transform business model on our own to go forward with the times and customers

[Target: PESP business expected to be 32.6% in FY2023]

Expand new businesses and cultivate existing markets further

Change business domains and create new businesses to implement structural reforms, thereby contributing to the sustainable development of the Company.

Promote global business development

Overseas markets account for a large share in the printing business. Thus, Komori in the international business domain is the global market and requires a global organization and human resources.

ESG Management

Realize Sustainable Environment and Society

Since printing materials (paper, water, ink, etc.) are deeply related to the earth's resources, ecological activity should be part of our corporate activities.

[Target: 50% reduction in CO₂ emissions in FY2030 (compared with FY2010)]

Employee Engagement Enhancement

Prepare an organizational culture and human resources development opportunities through which employees realize they can grow professionally at Komori, thereby motivating them and improving their skills.

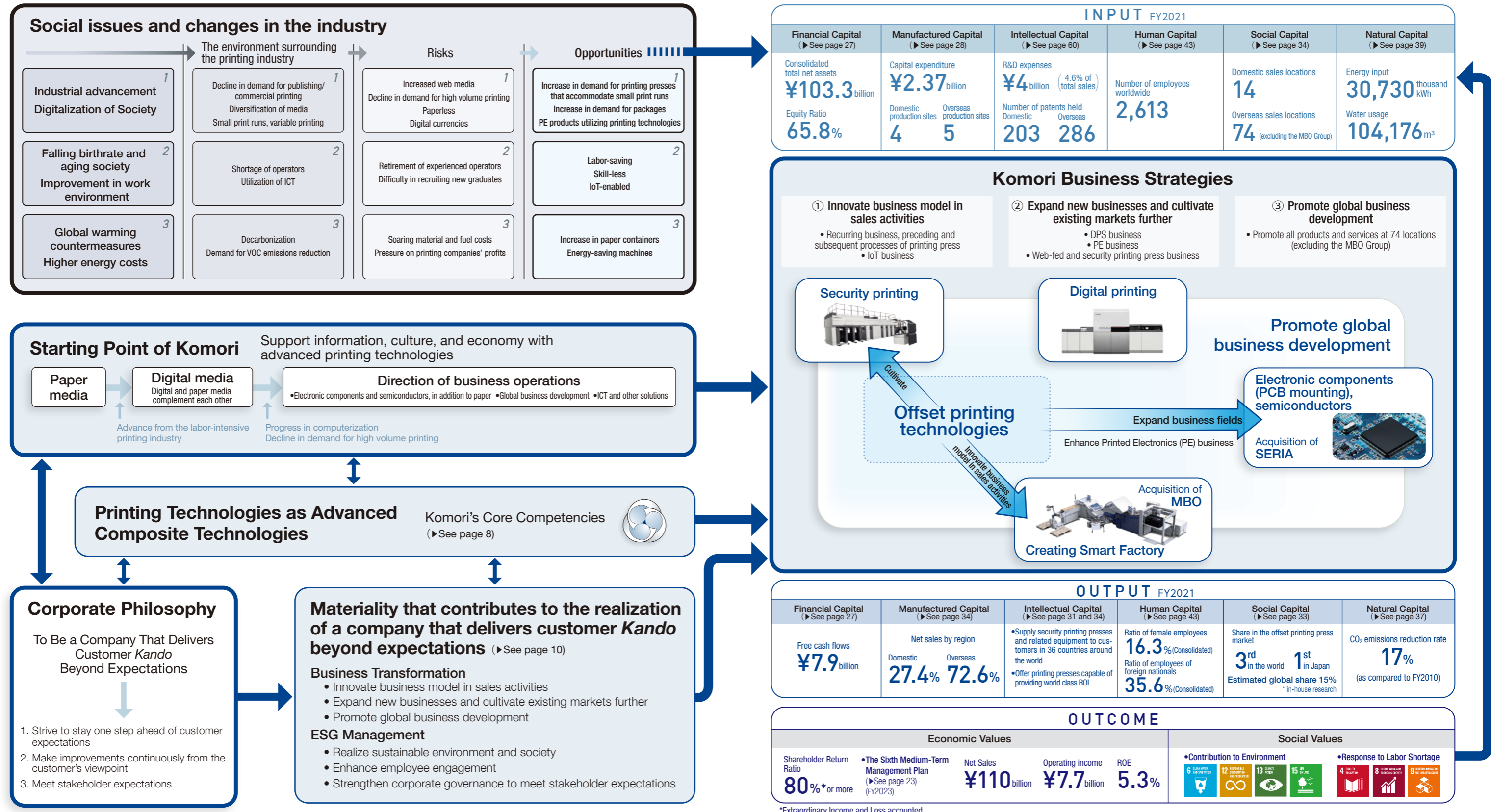
Strengthen corporate governance to meet stakeholder expectations

Corporate governance is a prerequisite for Komori to be a sustainable company in the global market.

Komori's Value Creation Process

We will continuously work towards increasing our corporate value by innovating our own business model while confronting and solving social issues in the fields of information, culture, and economy.

In response to social issues surrounding our customers, Komori is delivering *Kando* beyond expectations to our customers by introducing printing machinery and security printing presses that boast the world's highest level of return on investment, as well as proposing cutting-edge digital printing systems and Smart Factory solutions for printing plants under our PESP business strategy. In line with this, we aim to create a new market by strengthening our PE (Printed Electronics) business by applying printing technology, together with the enhanced product lineup through the acquisition of the MBO Group.





Looking ahead to the 100th anniversary of our founding, we are committed to moving forward with the creation of value further into the future of the company that delivers customer *Kando* beyond expectations.

As there remains uncertainty in the business environment due to the COVID-19 pandemic, Russian invasion of Ukraine, supply chain disruptions among others, the Komori Group is stepping up company-wide efforts to expand its business and expand new businesses, as well as working on organizing a task team mainly of young employees with a view to transforming its business and realizing our long-term vision. Printing companies, which are our customers, have been consolidating their businesses amidst a continuing harsh management environment due to price increases for paper, ink, and other raw materials, in addition to the digitization of paper media. Under this severe business environment, Komori is implementing various business transformations in an effort to achieve ¥110 billion in net sales and ¥7.7 billion in operating income for the fiscal year ending March 31, 2024, the final year of the Sixth Medium-Term Management Plan.

The year 2023 will mark the 100th anniversary of the Komori Group's founding. Komori is poised to solve social issues through continuous collaboration and dialogue with stakeholders in order to make progress and enhance its corporate value toward the next 100 years.

Representative Director, President & CEO

持田 訓

Global Competitive Landscape, Komori's Sources of Competitive Edge

Changes in competitive landscape

The competitive landscape in the offset printing press industry has changed dramatically over the past 30 years. There were more than 20 companies in this industry worldwide at one time. At present, however, the number of printing press manufacturers with a substantial global presence has been reduced to three, which are two German companies and Komori, due in part to a decline in printing demand as a result of the spread of digital media. Although the local subsidiaries in China completed their entry into the printing press industry in 2000, they have been losing the competition. This change in competition is attributable to the fact that printing presses have more parts than machine tools and other machinery, and require highly accurate integral technologies. Furthermore, they need to fulfill high-quality requirements and perform multi-item and variable printing.

Characteristics of Komori's business

Komori has specialized in the manufacture and sale of mid-size (29- to 40-inch) offset printing presses for more than 50 years. Komori is the only company capable of unit line production for printing presses, owing to the size segmentation we implemented. In addition, Komori was able to build a strong infrastructure together with many excellent partner companies in the Kanto and southern Tohoku regions, and intensively introduced superior specialized machine tools for machining important parts such as cylinders, gears, frames, etc. Consequently, Komori has successfully maintained an efficient production system.

Komori's superiority and global business development

The Japanese market accounts for only 7-8% of the global offset printing press market, and thus it is vital to expand our business operations on a global scale. Komori has tended to be very export-oriented from the beginning. In order to compete in international markets, we adopted the pattern designing based on our mainstay LITHRONE 40 to share the same machine structure and parts to the extent possible. Komori is the only manufacture in the printing press industry that has achieved multi-item mixed-line production, based on its integrated design philosophy. This has enabled us to streamline production and continuously work on labor- and energy- saving initiatives to maintain our superiority in terms of quality, cost, and production efficiency.

Demand for offset printing presses is linked to each country's GDP and standard of living. Color printing has evolved especially in developed countries since 1970, and offset printing, which allowed for the mass and economical production of color prints, has become the mainstream. For this reason, Komori has strengthened its sales structure, mainly in Japan, Europe, and the U.S. since 1980. Komori's very first overseas subsidiary was established in 1982 in a suburb of Chicago, U.S.A., which was also the first local sales subsidiary for all other printing press manufacturers. Subsequently, we established sales subsidiaries in various European countries. From 2000 on, we have expanded our business to China and other Asian countries as the markets in Europe and the U.S. are already matured. Successful experiences in Japan, Europe, and the U.S., especially a

wide range of customer specifications and cost advantages, contributed to this particular business development. In China, demand for printing has grown rapidly since 2010, and sales in Greater China for the fiscal year ended March 31, 2022 were the highest in the past five years. In accordance with the current machine specifications in China, advanced automation and labor-saving technology are required, just as in Europe and the U.S. We expect similar automation specifications would be required next in India and the ASEAN region. Our local subsidiaries already established in both of these regions will help us facilitate business development exactly according to local customer needs.

(▶ See page 5)

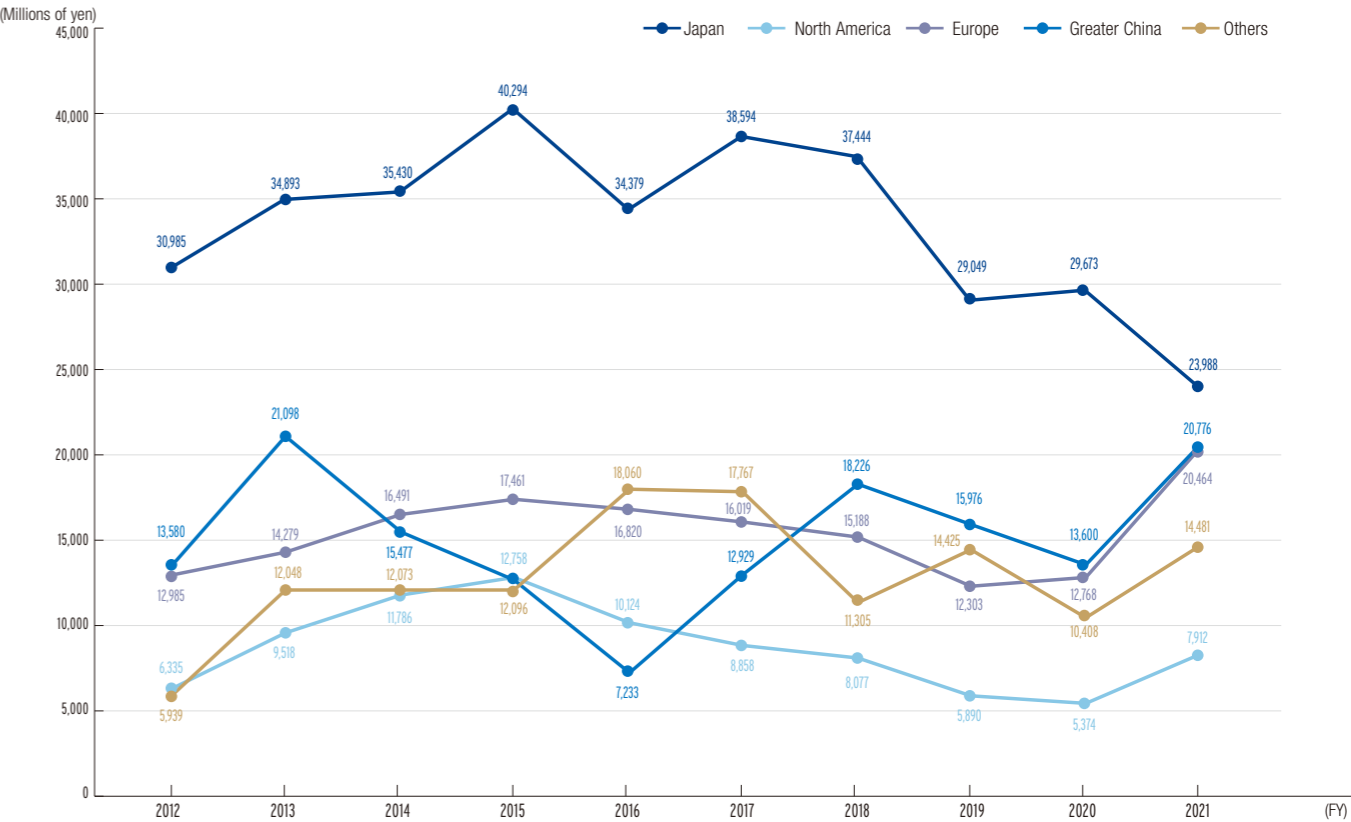
Komori's strengths demonstrated in a series of crises

Komori had little choice but to slim down after global printing demand dropped sharply and its inventories ballooned in the wake of the Lehman Brothers collapse. In addition, the spread of COVID-19 after 2020 has had a serious impact on the economies of many countries, and Komori and the printing industry in various countries were severely affected, albeit for a short time. I believe that the reason why we are able to operate soundly today as compared to those with the same sales size as ours is because we have a clear business model with cost

competitive edge, and we are supported by a large number of customers worldwide. Komori's printing machines consist of approximately 50,000 parts on average. They are high in price: a small press costs around ¥100 million; and a large press around ¥500 million to ¥1,000 million. Printing companies purchase expensive machines from Komori and use them for 10 years or so. Therefore, technical services provided by us are indispensable for them to maintain sound management. With regards to security printing presses, the central bank of each country decides on the procurement through a bidding process, subject to the soundness of each vendor's financial standing. In my opinion, Komori's key management issue which is, at the same time, its strength is to maintain a robust financial standing that can address inventory risk and foreign exchange fluctuation risk due to frequent economic downturns, and that can withstand the financial analysis by central banks in various countries for the purpose of procuring of security printing presses.



10-Year Comparison of Net Sales by Region



Present Business Environment and Medium- to Long-term Prospects for Printing Press Demand

For the fiscal year ended March 31, 2022, the business environment improved on a consolidated basis, due in part to the recovery in capital expenditure from COVID-19. To be specific, orders received came to ¥97.6 billion (up 36% year on year), net sales to ¥87.6 billion (up 22% year on year), operating income to ¥2.3 billion (back in the black), and profit attributable to owners of the parent to ¥6.2 billion (back in the black). Orders received in Europe, where the MBO Group was consolidated, increased by 71% year on year, and those in other regions and China remained steady, while those in Japan fell short of expectations. Meanwhile, order backlog swelled to ¥58.6 billion (up 25% year on year) due to parts shortages caused by supply chain disruptions in particular.

For the fiscal year ending March 31, 2024, the final year of the Sixth Medium-Term Management Plan, we are targeting consolidated net sales of ¥110 billion, operating income of ¥7.7 billion, and ROE of 5.3%. The four initiatives here are to (1) improve the profitability of core businesses, (2) monetize the priority business (DPS), (3) strategize for the future of new businesses, and (4) innovate business model in sales activities. Even with slow progress, including delays in DPS sales and the accompanying unachieved recurring income target, we are committed to improving these business operations so that they can be successfully connected to the Seventh Medium-Term Management Plan, since the PE and other businesses are steadily evolving. (► See page 30)

Changes and challenges in the printing industry over the medium- to long-term

The business environment in the printing industry, where Komori's customers operate, is rapidly changing. The COVID-19 outbreak in 2020 has changed the economic environment. While stronger companies in the printing industry have become even stronger, weaker companies are beginning to experience a shakeout and mergers and acquisitions with little visibility into the future. The number of printing companies worldwide is on the decline, which will make the consolidation through acquisitions by large companies inevitable.

Many printing companies have been slow in passing on printing skills amid the generational shift. Currently, this is a common and urgent challenge not only for small and medium-sized companies, but also for large companies. In addition to business model transformation through marketing, it is an important issue for manufacturers in the printing industry to improve profitability in manufacturing. For this purpose, printing plants have come under pressure to drastically reexamine their management, and this is an area where Komori can make a significant contribution. Leading printing companies are moving toward optimizing production capacity through facility integration and disposal (facility restructuring), while streamlining production through "visualization" and "networking" of all printing processes. In general, preceding and printing processes in printing companies

are being automated, whereas automation and digitalization of subsequent processes, such as folders, cutting machines, and collators, have not progressed much.

Komori's concrete approach

Komori is convinced that the "visualization" of printing processes will eliminate bottlenecks and streamline each process, and help produce in a single integrated manner, thereby enhancing the overall plant output.

Toward this end, Komori is focusing on the development of "KP-Connect," which promotes "visualization," automation and labor-saving of manufacturing processes in printing plants, and is working with many printing-related manufacturers. This is the core ICT cloud-based platform in streamlining printing plants. With the aim of connecting and sharing information not only with the MBO Group and other subsidiaries, but also with prepress and major post-press manufacturers, we will proceed to take necessary steps. Meanwhile, as printing process is, after all, a major part of the entire process, it is critical to improve printing press productivity. Historically, Komori has developed printing presses capable of performing single-pass double-sided printing with doubled-sided coating function, along with its endeavors to pursue higher speed and automated printing machinery. In particular, perfectors which print on both sides simultaneously have the optimal specification and configuration for each printing application. I consider that these presses will be major products that can achieve differentiation as equipment comprising the Smart Factory.



"DPS technology has the potential to evolve rapidly in the future."

Digital printing system (DPS) is another important business. It is expected that there will be fewer skilled offset printing operators in printing plants in the next five to 10 years. DPS is a machine that the manufacturer and customers alike make use of. The machine manufacturer is responsible for maintenance, and customers have the advantage of adopting the same click-charge model for ink and other expendables as with copy machines.

The benefits that DPS offers are: no difficult adjustments by an operator unlike offset printing press; less waste paper at the start of printing; uniform density and color tone even when printing conditions change; and easy just-in-time style inventory-less management. As demand for DPS takes off, the printing industry may undergo further business transformation, with offset printing only for high volume printing and digital printing for small print runs. In my judgment, DPS will be a driving force in the business transformation of printing companies and hold the key to the development of new markets.

The B1-sized Impremia NS40 that Komori is working on incorporates advanced DPS technology to accommodate challenging printing requirements. The B1 size is the most common paper size for offset printing, so ROI competitive with offset printing is required. After repeated trials, I am now convinced that DPS has technological advantages over offset and other printing methods in certain printing areas, and demand for the product may take off quickly. Our current DPS products have been developed through technical collaboration with excellent digital machine manufacturers.

With the amassed know-how in the DPS business through the development and sales of commercial digital printing presses, I am determined to further develop our

proprietary technology incorporating offset printing technologies and establish a sales system for the business.

Outlook for printing machinery demand by region

One of the regions where printing demand will grow is Asia. While the Asian region currently accounts for 40% of global printing press demand, it is expected to grow to 50% or so by 2030. India, set to surpass China as the world's most populous country, is one of the countries with significant room for growth in printing demand over the medium- to long-term. India is characterized by its vast land and poor infrastructure, and thus highly dependent on paper. Although digital and paper media are used in combination in China, paper still plays an important role in rural areas. In these Asian countries, package printing has recently improved in quality, including multi-color and high-grade printing. In line with this, it is expected to promote consolidation to, enlargement and automation of the machines that require high productivity.

In the meantime, there is little room for growth in printing demand in Japan, Europe, and the U.S. However, as printing becomes more upscale, we see a need for low-volume printing with short turnarounds. Our DPS is able to fulfill this particular need. The need to print what you want, when you want, is likely to increase in the future in response to the diversification of consumption. There is a possibility that a new market will be created, if individuals or companies are able to easily obtain high-quality printed matter, even a single sheet of paper, in a variety of sizes that they require in a timely manner. It would be intriguing if Komori could introduce such a printing machine into the market.

Materiality based on business environment recognition

Based on the recognition of the business environment, the important material issues in the short term among the materiality the Komori Group is working on are: cultivating offset printing operations and strengthening package printing operations based on the materiality theme of Expanding New Businesses and Cultivating Existing Markets Further; and implementing the strategy for China and other Asian countries based on the materiality them of Promoting Global Business Development. On the other hand, the material issues to be addressed in the medium- to long-term are to put the DPS, PE and PESP businesses on a solid growth track based on the materiality themes of Expanding New Businesses and Cultivating Existing Markets Further, and Innovating Business Model in Sales Activities. As Komori has been collaborating with related companies so far, the skill levels of our engineers have been raised over the past 10 years or more. We have accumulated underlying technologies such as know-how in image data processing technology accordingly.

Intangible Assets for CF Generation, ESG Issues, and Sustainability Management

Presently, Komori is based in Japan. Naevertheless, overseas operations account for a large proportion of its business. In addition to offset printing presses which remain our core business, we are pushing forward new businesses leveraging printing and precision machinery technologies. Specifically speaking, there is ample room for the DPS, PE, and MBO businesses to grow substantially in overseas markets.



Komori's challenges in utilizing intangible assets

Regarding the utilization of intangible assets leading to future cash flow (CF) generation, Komori needs to globalize its workforce for new business development, which is one of the issues that Komori should address. On average, approximately 65% of the Company's consolidated net sales are generated overseas, and 36% of its 2,613 total employees are foreign nationals. The number of local subsidiaries currently stands at 18 locations in 11 countries and a region. In particular, we have appointed local staff with management experience as presidents of our local sales subsidiaries in China, France, the U.K., Italy, and other countries, as well as our manufacturing and sales subsidiaries for original products mainly of the MBO Group in Germany and KCM in France. The reason behind this includes that printing press sales inevitably require sales promotion by top management who is familiar with the area and business customs, and who can respond quickly to customer expectations and requirements.

Global human resources need to improve business management skills of our headquarters' human resources and local human resources as well. Besides, it is important to be able to talk openly with each other. This is where EQ as well as CQ (Cultural Intelligence Quotient) comes in. This is because product planning and sales strategies should be based on a thorough understanding of local market changes and customer requirements, rather than one-sided instructions from Japan. Therefore, it is my intention to enhance the global human resource development of the headquarters first and foremost. After creating training plans and setting targets for each division, I am working with the Personnel and General Affairs Division and the Management Planning Office to create training programs and deliver lectures.

Development of global human resources depends on the executives appointed by the president of each local

subsidiary. Some of the qualities we look for in our local executive officers include a highly evaluation by customers and in the market, effective communication skills, results they achieved in their past business operations, and the ability to think and examine from a global perspective. Before making a hiring decision, the Company's senior management including myself interview candidates who are global human resources for executive positions. In this instance, I sincerely evaluate whether they have the aptitude to carry out our management philosophy of "Delivering customer *Kando* beyond expectations," and personal charm to elicit expectations from our customers.

ESG issues to enhance sustainability

Among the ESG issues, we will continue to proceed with the existing Green Project to address environmental issues. While it will take some time to achieve targets of Scope 3, we are planning to reduce CO₂ emissions of Scopes 1 and 2 to less than half of those in FY2010 by 2030. We will proactively promote configurations that eliminate hazardous substances and enable parts to be easily reused, and utilize recycled materials. It is also important to ensure that printing presses operate without wasting resources such as paper and electricity.

Going forward, we will work towards reforming the way we work by pushing forward the Komori-Way Work-Style Reform. The framework of the initiative is defined as the "three pillars of Komori-Way Work-Style Reform," focusing on "improvement of long working hours," "education and personnel systems to enhance work ethic and skills," and "diversity promotion." We will commit ourselves to improving productivity through automation and waste reduction, strengthening work performance through expansion of training programs, and improving long working hours, among other things. Likewise, we consider that a revised personnel system will motivate employees, and enable us to maintain and secure our workforce owing to diverse human resources and work styles.

Additionally, a large number of core employees who joined the Company in the 1980s are reaching retirement age. Although we are able to reform their work styles to the current times in many ways, they are required to remain motivated and contribute to the Company after they are rehired. We are encouraging these employees to actively participate in business operations by assigning the right person to the right position and reskilling them, while conducting systematic employee interviews so that they can make use of the skills and insight they have acquired to date. (► See page 43)

In terms of corporate governance, I believe that the appointment of female Outside Directors is necessary because it will help invigorate the Board of Directors and contribute to multifaceted analysis and judgment. Of the current 11 Directors, four are from within the Company and all of the Audit & Supervisory Board Members are from outside the Company. Furthermore, 10 of the 14 Directors and Audit & Supervisory Board Members of the Company

are from outside the Company, bringing a diverse range of experience to the organization. In my view, each director's qualification, diverse business experience or professional knowledge are the key to constructive discussion at board meetings. In this regard, I conclude that the current Board of Directors is capable of making its best business decisions based on its deep knowledge and collective expertise. (► See page 48)

Progress of the Medium-Term Management Plan has not

Toward the Next 100 years—A Leap into the Future of a Company That Delivers Customer *Kando* beyond Expectations

History of Komori's technological innovations

The year 2023 will mark the 100th anniversary of Komori's founding. Let's trace our corporate history now: Komori was started nearly 100 years ago by brothers and co-founders as well, who were business-minded and technology-oriented. Amid the chaos of the Great Kanto Earthquake, Komori's name became well-known for its customer service and the printing machine built with its proprietary technologies. It was during the postwar recovery and reconstruction period when the Company began to grow. The reason behind this was that the Company had developed its capabilities through overhauling machines, etc., and had had a proven track record by responding to customer requests.

In the 1960s, the Printing Bureau of the Ministry of Finance imported expensive security printing presses from overseas. During this high economic growth period, there was a move to produce security printing presses in Japan to meet the need to print more bank notes, when Komori stepped forward to undertake the manufacturing project. I was told that Komori's engineers worked day and night for three months on the drawings to meet the deadline, spent another four to five months manufacturing, and delivered the press to the Printing Bureau. This was a milestone event that led to our full-scale entry into the security printing press business. With more than 200 deliveries in Japan, sales to DLR in the U.K. and sales in India in the subsequent 60 years, Komori now has an approximately 50% share of the world annual sales of security printing presses.

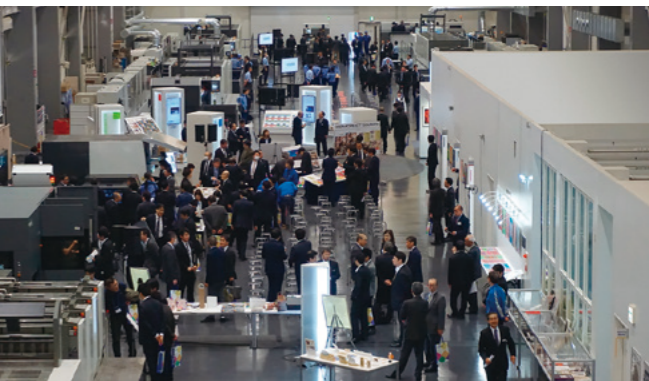
While major competing manufacturers in Japan produced printing machinery by introducing technologies from overseas, Komori has established its technologies by sticking to its proprietary technologies and developing commercial and security printing presses through trial and error in collaboration with its customers. Our product development is fast because we have repeatedly taken on the challenge of developing new technologies to meet our customer expectations over the past 40-50 years.

Be a Company That Delivers *Kando* Beyond Expectations

The phrase "customer *Kando*" began in 1993 when Mr. Yoshiharu Komori, the 4th-generation president of the

been reported in detail on an ongoing basis outside of the Board of Directors meetings. However, we have decided to have the head of operating divisions explain to all Directors twice a year, starting this fiscal year, so that Directors can fully evaluate our business performance. As various discussions have been made at the Board of Directors meetings, we will make continuous improvements and provide a stimulus in order to take advantage of the experience and knowledge that Outside Directors possess.

Company, encouraged all Komori Group employees to conduct business activities to inspire customers rather than satisfy them. The Komori Club, Komori's user group in Japan, has already been in existence for 30 years, and more than 1,500 customers from all over Japan exchange and share information with Komori executive officers and employees in various locations every year. Listening to customers on these occasions has become part of Komori's culture cultivated over the years, and these gatherings are a source of inspiration for new product ideas. For example, during the period of Japan's bubble economy, factories in the printing industry faced the issue of 3D (dirty, difficult, and dangerous) jobs. Therefore, Komori set a goal to prepare an automated and safe environment to solve the 3Ds. The solution to the 3Ds presented at the drupa exhibition, the world's largest printing equipment exhibition held in Germany, was very well received, and it expanded the need for automation worldwide. Until that time, we had been strongly technology-oriented. Through solving printing companies' problems including the 3Ds, we have become more customer-oriented. All this led to the establishment of the Komori Graphic Technology Center (*KGC), a move to provide technical support in building a next generation printing culture. As a result, the H-UV and other new products were developed.



* KGC: Facilities attached to the Tsukuba Plant with three functions: development of underlying technologies related to the state-of-the-art printing; printing press operation training for customers; and demonstration and hand-on experience of machines and systems.

The Komori Group's VALUE is to "make improvements continuously from the customer's viewpoint." It means that we develop a business strategy based on the customer's perspective, make proposals that contribute to the improvement of our customers' profitability, implement them, and continue to review and improve our business activities as we take heed of customer feedback. For instance, we launched the LITHRONE GX/G advance Series of offset printing presses with a world class ROI (return on investment) on the market in the last fiscal year. The product was released for the purpose of solving the issue currently faced by printing companies. However, as we listen to our customers after delivery, we have found new ideas in customers' request, which will lead to future development. I believe that the first priority of management in every business planning is to value the "customer perspective" and conduct business operations that exceed "customer expectations of our company." I have confidence that this will lead to our management philosophy, "Realization of a company delivering customer *Kando* beyond expectations."

Initiatives to enhance stakeholder engagement

As for the Komori Group's MISSION of "Meet Stakeholder Expectations," it is essential to build a firm relationship through collaboration and dialogue with stakeholders to solve social issues. Understanding and sincerely responding to customer needs make it possible to realize a company delivering customer *Kando* beyond expectations.

There are two basic approaches to customer engagement: building relationships with customers via the Komori Club; and customer visits by management in person. Printing companies that purchase expensive printing machinery tend to be small and medium-sized businesses, and therefore it is important to build solid relationships with them.

Besides, Komori would not work well without the support from many of its partner companies. Komori shares information on production trends, etc., with its

partner companies on a monthly basis and senior management, including myself, and executives from partner companies get together to discuss Komori's current situation and problems, as well as to strengthen the relationship on a yearly basis. The PESP business has been jointly developed with various companies dealing with inks, related equipment and other products. In the PE business, it is important to collaborate not only with private enterprises but also with universities or research institutions. Especially in advanced technologies including sensors, we need to work in cooperation with universities. It is becoming increasingly important to engage with partner companies, affiliated companies, and research institutions for Komori's future.



The Komori Athletic Team contributes to the local community. The Komori Athletic Team members participate in the New Year's Ekiden Race and other events as representatives of the whole printing industry, receiving unified support from customers and the community. I am looking forward to their success in bringing *Kando* to everyone in the industry through running. The athletic team members are committed to building engagement and trust by conducting training programs at local junior high and high schools.

(▶ See page 47)

Creating a fulfilling work environment for employees is a prerequisite for increasing activity and enhancing corporate value. In my view, when superiors engage in deep dialogue with their subordinates on a regular basis, subordinates become more cooperative, and more likely to produce positive results. At the same time, the Personnel and General Affairs Division conducts interviews with employees as part of the evaluation system over the long run to ensure that there are no problems with their job description, work environment and treatment. In order to create a satisfactory working environment for our employees, I make sure to encourage a frank exchange of opinions between the Company, superiors, and subordinates, and strive to correct problems as soon as possible.

A Leap into the future of a company that delivers customer *Kando* beyond expectations

As the Komori Group begin its second century, I will renew my commitment and am determined to strive to move a step up in management to go beyond a company that delivers customer *Kando* beyond expectations. Komori has been adhering to its management philosophy of "conducting business operations in a manner that exceeds customer expectations." While advancing technological development centered on "printing technologies" and "precision machine manufacturing technologies" as core technologies, we have created new business value through the collaborative development and integration of these technologies as well. However, the business environment in which we operate today remains in the balance due to major changes in the market economy. Additionally, Komori's business value required by the next generation might have to incorporate major changes that are not an extension of our initiatives to date.

In the next decade, in particular, our business transformation will be put to the test. We will continue to strengthen our offset printing press and security printing press businesses as our core businesses for the time being. On the other hand, new businesses could emerge from the PESP, DPS, and PE businesses while we are stepping up efforts to expand each business. I believe that these businesses can certainly grow into ones that resonate with the employees of the

Komori Group by interacting with customers and other stakeholders beyond existing frameworks, and mobilizing the wisdom and collective knowledge of all employees in the Group. In this context, my role as top management is to complete the business transformation by taking unwavering leadership that helps develop empathy and improve motivation among the employees of the Komori Group. Simultaneously, I will fulfill my accountability for outstanding tasks and changes in a timely manner.

To the best of my belief, Komori will be an excellent company that underpins "information and print culture" with its advanced technologies, undergoing these changes. I would be grateful if you would have high hopes for the Komori Group.



General meeting of the Komori Club



"It's the Komori Group's value to make improvements continuously from the customer's viewpoint."

With the theme of Improving Profitability and Building a Foundation for

Outline of the Sixth Five-Year Medium-Term Management Plan

The year 2023 will mark the 100th anniversary of Komori Group’s founding. We have set forth the theme of Improving Profitability and Building a Foundation for Growth Businesses in our Sixth Medium-Term Management Plan covering the five-year period from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024 in order to establish a growth stage. As for target numbers, we aim to achieve net sales of ¥110.0 billion, operating income of ¥7.7 billion (operating income margin of 7.0%), and ROE of 5.3%, as well as PESP/Recurring amount of sales of ¥35.9 billion and its sales ratio of 32.6% for the fiscal year ending March 31, 2024, assuming exchange rates of ¥105.00 to the US\$ and ¥120.00 to the EUR. We operate a shareholder return policy aimed at realizing a total shareholder return ratio of 80% or more. The Plan consists of underlying strategies to: (1) clarify roles of each business and steadily implement measures aimed at achieving the plan’s goals: four priority business areas; (2) establish organizational and other measures to be undertaken to promote the Medium-Term Management Plan: strengthen organizational management to achieve goals; (3) build an optimal capital structure, all of which are to improve profitability and build a foundation for new growth businesses; and (4) strengthen ESG and SDGs conscious management initiatives while promoting information disclosure.


Outline of the Sixth Medium-Term Management Plan		
1	Clarify business goals and take concrete measures <ul style="list-style-type: none">Core business: Business that secures stable profitsPriority businesses: Business that invests intensively with the aim of monetizationBusiness format transformation: Providing solutions that contribute to productivityNew (incubation) businesses: Business to strengthen the foundation as a growth business	Target businesses Offset press business/Security printing press business DPS business PESP/Recurring business PE business/MBO business
2	Management system of Medium-Term Management Plan <ul style="list-style-type: none">Improving profits through organizational management that clarifies profit responsibility and execution of “Amoeba Management”Implementation of work style reforms that contribute to improving productivity	
3	Optimization of capital structure <ul style="list-style-type: none">Ensuring financial soundness (including maintaining a rating of A, capital adequacy ratio of 65-70% and securing cash on hand)Management with an awareness of capital efficiency (including increase the efficiency of accounts receivable and inventory turnover, and arrangement and utilization of fixed assets)Total return ratio of 80% or more while emphasizing stable dividends (however, extraordinary profits and losses are considered separately)Maintaining a sound financial status while aiming to increase ROE by improving profitability and asset efficiency	
4	ESG initiatives <ul style="list-style-type: none">Making company-wide cross-sectional organizational efforts with the CSR Committee and Green Project at the coreClarification of efforts to solve social issues and improve corporate value by issuing an integrated reportActivity evaluation and improvement through activity evaluation by a third-party organization “Nikkei SDGs Management”	

Initiatives for core businesses (offset press business and security printing press business)

- Invest intensively in the packaging market, Asian markets, and the Connected Automation sector
- Stabilize profitability by differentiation strategy for overseas security printing presses and strengthening support services
- Increase competitiveness by reviewing product positioning with a focus on improving customer ROI
- Achieve mass customization and establish a sustainable competitive advantage by standardizing product specifications, etc.

Offset press business


- Announcing the advance Series that provides the world’s highest class ROI
- Introducing a unique model specification machine that meets market needs
- Strengthening sales formation in China, Asia, and India
- Increasing added value by proposing Connected Automation/ROI to North America and Europe



LITHRONE G40 advance

Security printing press business

- Differentiation proposals pursuing maximization of occupancy rate and expandability of banknote design
- Pursuit of business expansion opportunities through services contracts, etc.
- Providing “KOMORI” brand value through differentiation proposals



CURRENCY IC


Growth Businesses, we are laying the groundwork for the next 100 years

Initiatives for priority business (DPS) and sales business format transformation (recurring income)

- Strengthen sales capabilities of digital machines by leveraging Komori’s unique business model (offset and DPS)
- Realize “Connected Automation” with KP-Connect at the core
- Release and commercialize “Impremia NS40,” a 40-inch sheet-fed nanographic printing system
- Secure business earnings and expand recurring income in association with the increase in the cumulative total number installed
- Expand stable business domains such as materials and equipment sales, ink/maintenance and other fees for DPS

DPS business


- Accelerate the development of “Impremia NS40” and start mass production from this year



Impremia NS40

PESP/Recurring business

- Strengthen “KP-Connect” cloud service to promote sales



Initiatives for new business (PE) and MBO business acquired

- Strengthen manufacturing and sales structures in the Chinese market
- Develop and launch differentiated products in the printed-circuit board/electronic parts market
- Commercialize high-definition mount technology
- Maximize synergistic effects with businesses of the German-based MBO Group acquired

PE business

- Succeeded in developing 30μm ball mounting technology as cutting-edge semiconductor chip bonding technology
- Moved to mass production trial and business model development phase



Vacuum coating machine “SVM-6151 IP”

MBO business

- Joined the Komori Group and Strengthened Komori’s post-press solution
- Development of Collaborative Robot “CoBo-Stack”



MBO CoBo-Stack

Progress in the Sixth Medium-Term Management Plan

In the fiscal year ended March 31, 2022, the third year of the Management Plan, an upward trend in demand has become evident, especially in the Greater China, European and North American markets, where COVID-19-related restrictions on activity were eased. Consolidated orders received reached ¥97.6 billion, up 36% year on year, exceeding pre-COVID levels. In particular, sheet-fed offset printing presses secured the highest order volume in the past 5 years, driven by Greater China and the European region. Net sales remained firm in terms of the target numbers set in the Medium-Term Management Plan, and the percentage of the PESP business to net sales, which is set as a KPI, reached 32.4% (including a cut-off error in association with the acquisition of the MBO Group). Although operating income turned into the black (operating income ratio of 2.6%) for the first time in three fiscal years, the results were slightly below the target number set in the Medium-Term Management Plan, mainly due to shortage of parts and soaring logistics costs. We will commit ourselves to implementing measures to address the issues in order to achieve the target numbers set in the Medium-Term Management Plan.

	The Sixth Medium-Term Management Plan			
Target numbers	Results for FY2020	Results for FY2021	Forecast for FY2022	Plan for FY2023
Orders received in ¥100 million units	717	976	940	-
Net sales in ¥100 million units	718	876	928	1,100
Operating income in ¥100 million units	-23	23	34	77
Ratio of operating income to net sales: %	-3.2	2.6	3.7	7.0
ROE: %	-2.1	6.1	-	5.3
PESP/recurring revenue in ¥100 million units	216	284	280	359
Sales ratio: %	30.1	32.4	30.2	32.6
Equity Ratio: %	67.6	65.8	-	65-70
Total Return Ratio: %	-	66.3 ^{*1}	56.4	80 or more
US\$: ¥	106.17	112.86	120	105
€: ¥	123.73	131.01	130	120

*1 80.4% excluding income taxes-deferred for prior periods

Outline and Progress in the Plan, and Future Initiatives

1 Outline of the Plan: Clarify business goals and take concrete measures

Core businesses: Progress and initiatives in Offset press business and Security printing press business

Offset printing presses

Future initiatives
Expand the LITHRONE advance Series models
Strengthen product capabilities by the advance Series strategic models Introduce a strategic model for package printing Release a strategic model for the Asian region
Leverage DX to maximize manufacturing productivity Simplify production with Connected Automation Pursue technology to crease Smart Factory
Convert to solution sales with high ROI Develop solution sales that achieve high ROI overseas

Security printing presses

Future initiatives
Differentiation strategy Prepare for a successful bid for each customer and enhance product lineup Implement product planning with emphasis on continuity, productivity, and profitability
Business domain expansion strategy Promote after-sales services Expand sales for passport and other highly sophisticated special printing

Priority businesses & search for growth businesses: DPS/PE/Other businesses

Future initiatives
DPS business Aim for next-generation digital printing presses leveraging printing press manufacturing technologies Promote Impremia IS29 recurring business Focus on developing next-generation technologies
PE business Further expand sales of vacuum coating machines for packaging in good demand continuously Secure an increase in revenue, up 146% year on year, for vacuum coating machines for packaging Strengthen sales of system products that enable full automation Realize a fully automated line production including preceding and subsequent processes of the printing presses
M&A and other new businesses Seek new businesses with a focus on printing technologies and precision machinery manufacturing technologies Seek partnerships and M&A for new businesses

PESP/Recurring business: accelerate sakes business format transformation

Future initiatives
From Repair to Care Perform preventive maintenance to minimize impact on customer business Launch Komori-Kare services for security printing press business
Start remote repair support services Support remote maintenance and complement customer skills
Evolve from stand-alone printing press to printing plant process control Support creation of Smart Factory with KP-Connect

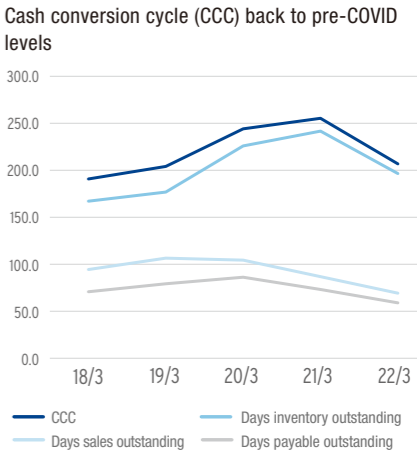
2 Outline of the Plan: Management structure to implement the Medium-Term Management Plan

We have positioned the largest market for offset printing presses, comprised of Europe, the U.S. and Greater China, as strategically enhanced regions, where our top priority is to improve the profitability of the entire Komori Group by utilizing synergistic effects among the offset press business and its services, ICT, PESP business including MBO, KCM, and KNT. For this purpose, we have established business headquarters for each overseas area to conduct organizational management in a timely and flexible manner. Furthermore, the Company holds Management Strategy Meetings involving directors and operating officers on a regular basis to ensure communication between the board of directors and operating officers, with the aim of realizing the Medium-Term Management Plan.

3 Outline of the Plan: Building an optimal capital structure

In the fiscal year ended March 31, 2022, the Company maintained the strong B/S with equity ratio of 65.8%, net cash including securities of ¥52.7 billion, and net cash to equity ratio of 51%. While capital efficiency is also on a recovery trend, there was an issue of profitability improvement left unsolved. Although total return ratio was apparently 66.3% due to share buybacks, it achieved the target of 80% or more if income taxes-deferred for prior periods is excluded.

Major achievements and challenges		Future initiatives
Maintaining financial soundness	Equity ratio: 65.8% Net cash including securities: ¥52.7 billion	Commitment to maintaining financial soundness Ensuring a system that responds to flexible investment and financing
Management with an awareness of capital efficiency	Cash conversion cycle (CCC): 206.8 days (improved by 48.4 days year on year) Tangible fixed assets turnover ratio: 5.3 times (improved by 0.8 times year on year)	Continuously improve capital efficiency
Total Return Ratio: 80% or more	Total Return Ratio: 66.3% (80.4% excluding income taxes-deferred for prior periods)	Consider share buybacks subject to stable dividends
Aim for ROE improvement (Target ROE: 5.3%)	ROE 6.1% achieved Profitability improvement as a priority issue	Continuously strengthen policy measures set forth in the Medium-Term Management Plan

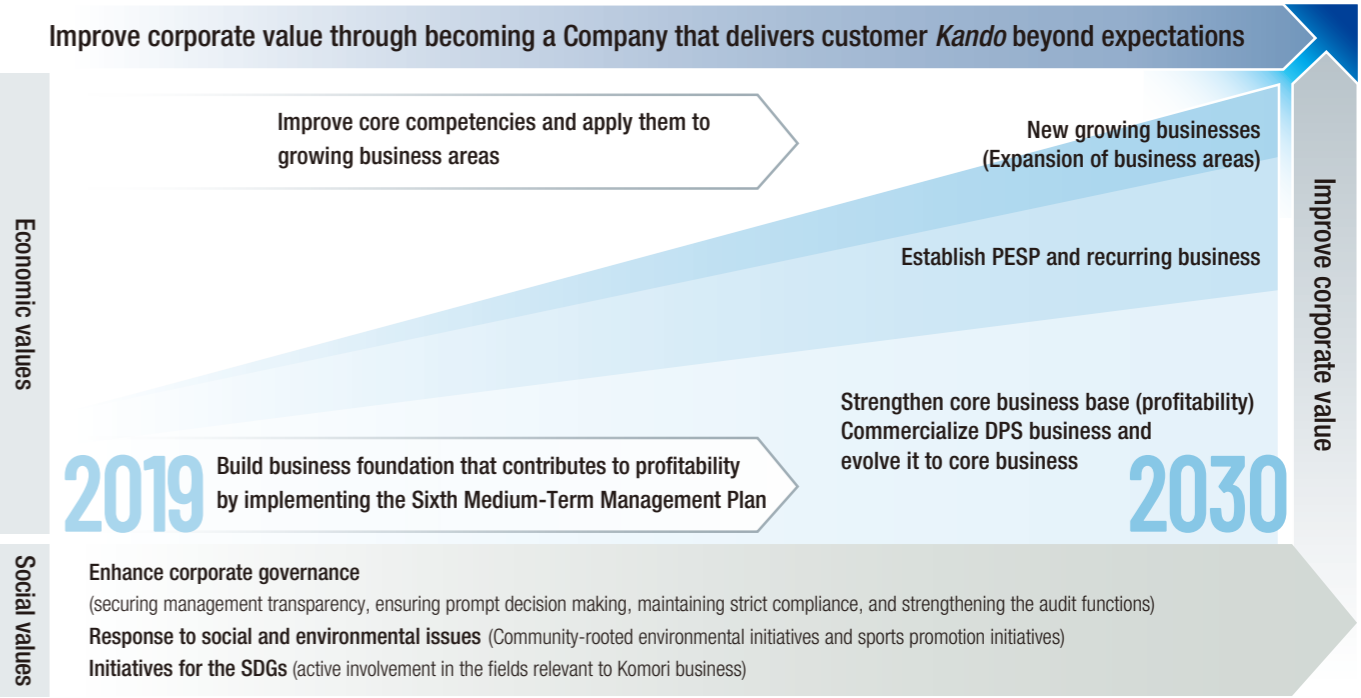


4 Outline of the Plan: ESG initiatives

The Company has launched company-wide cross-sectional organizational initiatives with the CSR Committee and Green Project at the core. We will work towards strengthening our system to realize the long-term vision, resolve materiality, and achieve the target numbers set in the Medium-Term Management Plan. Last year, the Environmental and Social Responsibility Report was integrated into the Integrated Report. We will proceed to enhance the contents as an important information distribution tool to enhance stakeholder engagement.

Long-Term Vision and Initiatives in the Next Medium-Term Management Plan

The Komori Group aims to be a Company that delivers customer *Kando* beyond expectations by attaining three goals: Enhance "Komori" brand image; Implement thorough perceptual quality control; and Implement solution business. Currently, we are proceeding with the Sixth Medium-Term Management Plan set to end in 2023 (the fiscal year ending March 31, 2024), which marks the 100th anniversary of the Company's founding. Looking ahead to 2030, we will set out sight on enhancing economic and social values by becoming a Company that delivers customer *Kando* beyond expectations, going forward





While being aware of
capital efficiency,
we will expand the PESP business
to improve our ROE

Iwao Hashimoto
Director, Operating Officer and
General Manager of Administrative Division

Komori's financial and capital policies, and capital efficiency improvement in the Sixth Medium-Term Management Plan

Komori is currently carrying out its Sixth Medium-Term Management Plan for the five-year period from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024. The key point of financial and capital strategies here is to strive to build an optimal capital structure by maintaining financial soundness, executing management with an awareness of capital efficiency, enhancing shareholder returns and so forth. We have set our KPIs (Key Performance Indicators) for the fiscal year ending March 31, 2024: (1) ROE of 5.3%; (2) operating income ratio of 7%; and (3) equity ratio of 65-70%, with a total return ratio of 80% or more as our shareholder returns policy.

At the time when the Sixth Medium-Term Management Plan was formulated, the balance sheet (B/S) was showing a large amount of total assets considering the size of the Company's business. Hence, we have put effort into improving capital efficiency by shrinking our B/S, with the understanding that it would take time to improve profitability. Total assets decreased 6% from ¥167.3 billion as of March 31, 2019 to

¥157.1 billion as of March 31, 2022, and are scheduled to decrease about 10% at the end of the fiscal year ending March 31, 2024 compared with the end of the fiscal year ended March 31, 2019. This will mainly result from a reduction in inventories.

According to the current forecast for B/S reduction at the end of the fiscal year ending March 31, 2024, total assets will not be reduced as much as when the Sixth Medium-Term Management Plan was formulated, due to parts shortage and other supply chain issues caused by the COVID-19 pandemic over the past few years, whereas inventories were reduced as of March 31, 2022. However, our policy of increasing capital efficiency remains unchanged and is considered important in the medium- to long-term, as we sold 56,000m² of land at the Komori Global Parts Center and Sekiyado Techno Center in the fiscal year ended March 31, 2022 (gain on sale of ¥3.1 billion) and transferred operations to the Tsukuba Plant.

Results as of March 31, 2019: Total Assets ¥167.3 billion

Current Assets ¥109.5 billion Cash and Deposits 491 Inventories 322	Liabilities ¥37.2 billion
Noncurrent Assets ¥57.9 billion	Net Assets ¥130.2 billion (Equity ratio 78%)

Results as of March 31, 2022: Total Assets ¥157.1 billion

Current Assets ¥116.2 billion Cash and Deposits 482 Inventories 324	Liabilities ¥53.7 billion
Noncurrent Assets ¥40.8 billion	Net Assets ¥103.3 billion (Equity ratio 66%)

Forecast as of March 31, 2024:
10% reduction (as compared to FY2018)

Current Assets	Liabilities
Noncurrent Assets	Net Assets

Profitability improvement measure—Potential for revenue growth in the PESP business

For the fiscal year ended March 31, 2022, we recorded operating income ratio of 2.6% and free cash flow of ¥7.9 billion, mainly due to asset transfers associated with business restructuring.

In order for Komori to increase profitability in line with its business transformation, it will be necessary to expand the PESP business, which generates higher margins than the product itself. There is still room for business expansion in this area, along with KP-Connect and other businesses, and we intend to focus on this area not only in the current Medium-Term Plan but also in the Seventh Medium-Term Management Plan. The recurring business expansion, including sales of ink and other expendables driven by the DPS business expansion, which was targeted at the time of the formulation of the Sixth Medium-Term Management Plan, is likely to take some time to bear fruit, partly due to low sales volumes of the DPS printing press itself. Instead, sales of the post-press equipment and other products of the MBO Group we acquired have been growing. Even in existing business domains, we believe the PESP business has the potential to grow in (1) overseas offset printing press

services and (2) security printing press maintenance services, and thus we will work on restructuring our overseas service system as well.

Especially, there are ample opportunities to grow the PESP business in the future, as Komori has a share of approximately 50% in the security printing press market, and sales volume of security printing presses has increased globally over the past several years. At present, the PESP business for security printing presses accounts for about 5% of total sales. The PESP business for overseas offset printing presses accounts for approximately 30%. Considering the effects of restructuring our overseas service system and of relocating the Global Parts Center to the Tsukuba Plant, we are aiming to increase said ratio over the medium term.

In the Sixth Medium-Term Plan, net sales in the PESP business was expected to stand at ¥35.9 billion for the fiscal year ending March 31, 2024, which seems somewhat difficult to achieve. Nevertheless, we will strive to catch up as soon as possible through the initiatives mentioned above.

Approach to growth investment— Future policies on R&D, M&A and other expenses

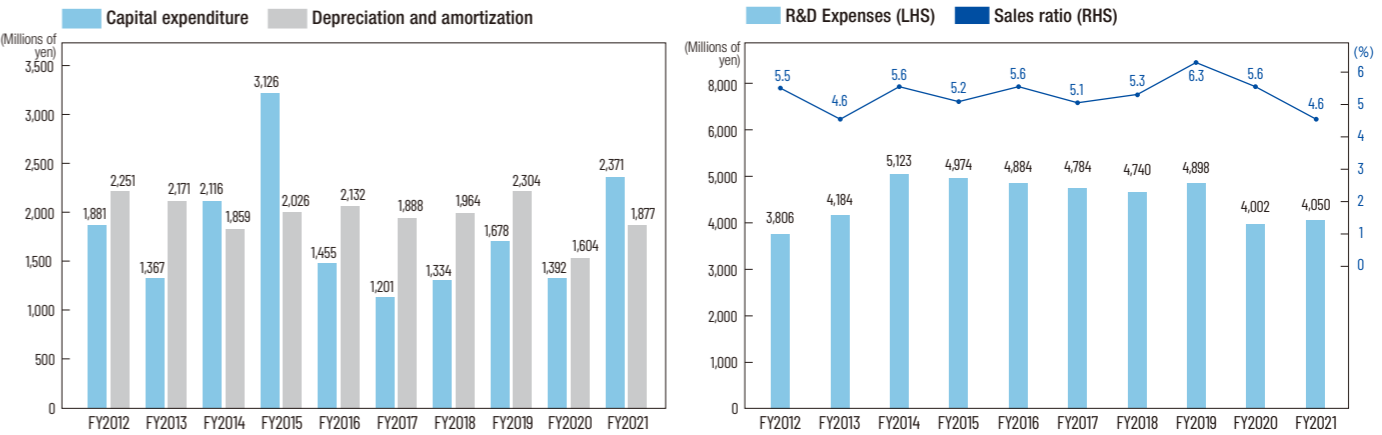
Komori's R&D expenses account for 5% or so of net sales, which remains higher than that of its competitors. In the fiscal year ended March 31, 2022, there were some changes seen in R&D expenses. While most of the expenses had been allocated to the promising DPS business, more weight was placed on R&D expenses for expanding the product line of the advance Series of offset printing presses for package printing. We see it has started to bring good results.

Although total capital expenditure was below depreciation and amortization for five consecutive fiscal years through the fiscal year ended March 31, 2021, it exceeded depreciation and amortization in the fiscal year ended March 31, 2022 for the first time in six years. The reason behind this is that the Global Parts Center was established and integrated into the Tsukuba Plant (capital expenditure: approximately ¥1 billion). As to future capital expenditure, less investment will be made in machinery. It would be beneficial to determine a framework for growth investment in the Long-Term Vision we are currently

formulating and to increase investment in the area of PE and other advanced technologies.

In terms of M&A, we acquired sales companies in China and India as subsidiaries, as well as the German-based MBO Group with strengths in folding machines for the subsequent process of printing in the fiscal year ended March 31, 2021. Each of them has grown into multi-billion yen business. We can expect to see more results in the future such as sales of MBO products at Komori's sales locations in the U.S. as a result of the acquisition of the MBO Group, and integration of the locations in China into Komori's. Going forward, we will continuously implement initiatives to create Smart Factories in terms of preceding, press, and subsequent processes of printing.

Since net cash (cash and equivalents – balance of interest-bearing debt) as of March 31, 2022 stood at ¥52.7 billion, which is abundant, we would like to make growth investments while maintaining our financial soundness.



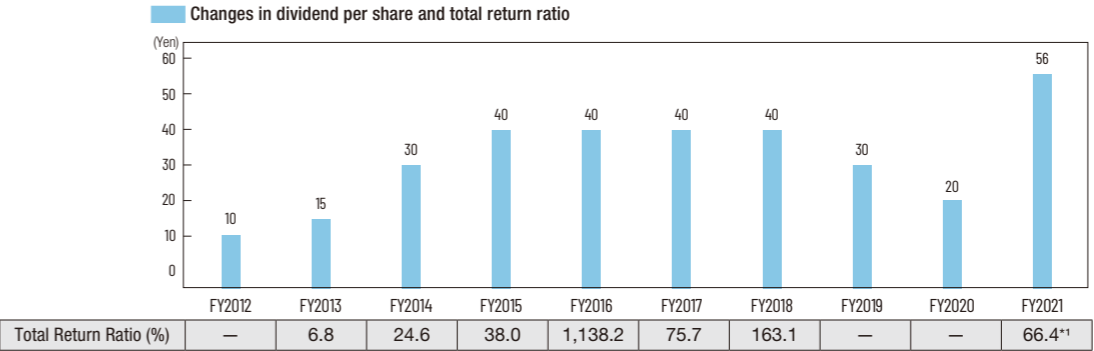
Policies on shareholder returns and information disclosure

The Sixth Medium-Term Management Plan calls for a total shareholder return ratio of 80% or more. Hence, the Company intends to provide stable dividend payment and implement flexible share buybacks. The annual dividend for the fiscal year ended March 31, 2022 was ¥56 per share. As a result of share buybacks of ¥1.0 billion, a total return ratio came to 66.4% externally (80.4% excluding income taxes deferred for previous periods). All own shares purchased were cancelled. On the other hand, in order to firmly maintain our creditworthiness to be able to do business with government agencies around the world mainly on an advance payment basis, not through trading companies, we are determined to sustain an equity ratio of 65-70%, and currently approaching the lower end of the target range owing to recent sales growth and other factors. As we commemorate the 100th anniversary of our founding in the fiscal year ending March 31, 2024, we will commit ourselves to enhancing shareholder returns while giving due

consideration to financial soundness.

With regard to information disclosure, we have integrated our Annual Report and Environmental and Social Responsibility Report into a single Integrated Report, starting from the fiscal year ended March 31, 2021, to enrich the contents, including financial as well as non-financial information. As evidenced by the fact that Mr. Satoshi Mochida, CEO of the Company, has set "creating integrated reports rich in contents" in his new year's address for 2022, we will strive to enhance our non-financial information reporting while engaging in dialogue with our stakeholders.

Komori is often thought to be a mature company with a business model handling mainly offset printing presses, which is reflected in its corporate value. However, going forward, we will push forward with business model transformations, including development of PE and other new fields, to increase corporate value over the medium- to long-term.

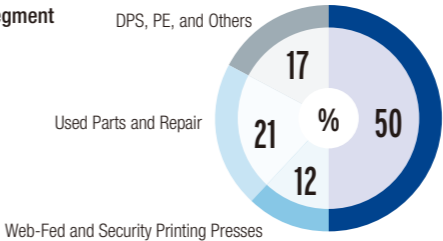


* 80.4% excluding income taxes-deferred for prior periods

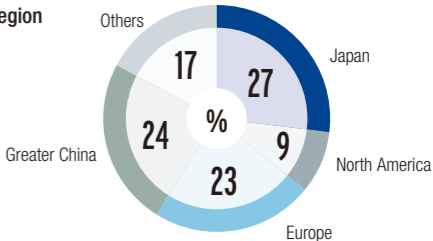
Segment Highlights

In the fiscal year ended March 31, 2022, the business of our flagship sheet-fed printing presses accounted for 50% of consolidated net sales; web-fed offset press and security printing press businesses 12%; used parts and repair businesses 21%; and DPS, PE and other businesses 17%. Referring to the regional composition ratio of net sales, Japan accounted for 27%, North America 9%, Greater China 24%, Europe 23%, and other regions 17%.

• Net Sales by Segment



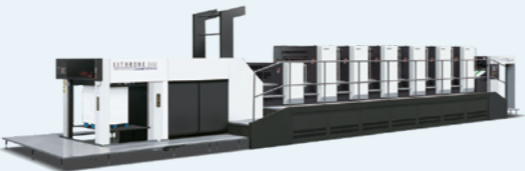
• Net Sales by Region



Sheet-Fed Printing Press Business

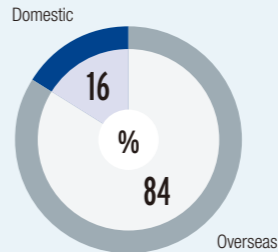
(Sheet-fed offset printing presses)

Offset printing is the most common type of printing method today using a plate, in which the inked image is transferred from a plate (off) to a blanket and then to the printing surface (set). Sheet-fed printing presses print on individual sheets of paper cut in advance. Presses of this type boast high accuracy, high-quality and high-speed printing capabilities. Thus, these presses are suitable for commercial printing matter such as catalogs and posters as well as package printing. Komori's printing system boasts the ability to accommodate paper as large as 840mm x 1,150mm. Ink for offset printing comes in various types, including oil-based and UV ink. In addition to the four colors of cyan, magenta, yellow, and black, a spot color, gold, and silver are available for multi-color printing. Offset printing is said to account for about 70% of the world print output.

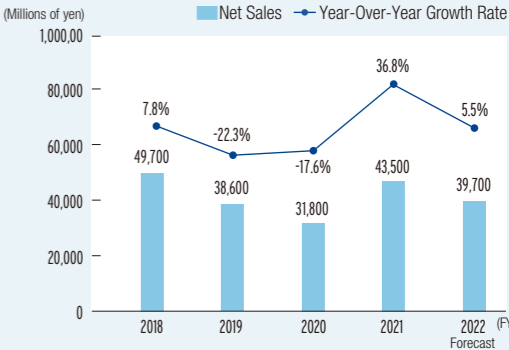


LITHRONE G40 advance
40" Sheet-Fed Offset Printing Press

• Overseas Sales Ratio



• Net Sales and Year-Over-Year Growth Rate



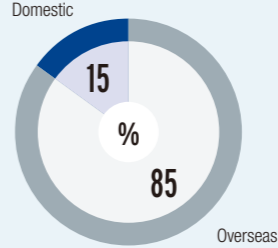
Web-Fed and Security Printing Press Business

Web-fed offset presses have the same structure as sheet-fed offset printing presses. However, unlike sheet-fed printing presses which print on individual sheets, web-fed offset presses print on a continuous roll of paper, the pages being cut to size and folded after having been printed. Therefore, these presses boast very high productivity. These presses are suitable mainly for high-quality, large-volume commercial printing matter such as magazines, ad inserts, etc. Furthermore, as opposed to other printing presses, security printing presses are required for highly sophisticated printing technologies to prevent counterfeiting and to have high reliability. These presses utilize the most advanced technologies that printing machine manufactures can offer.

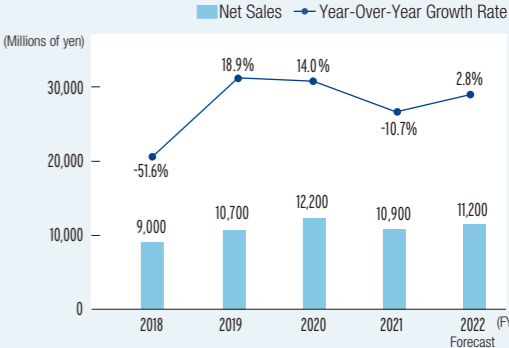


CURRENCY IC
Multicolor Intaglio Press

• Overseas Sales Ratio



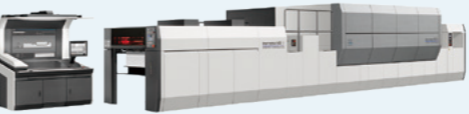
• Net Sales and Year-Over-Year Growth Rate



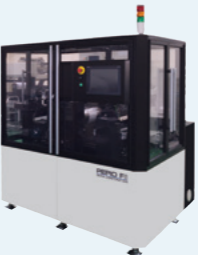
Digital Printing System (DPS) Business
Printed Electronics (PE)
Business
Others

With a digital printing press, digital-based images can be sent directly to the printing press to print. There is no need for a printing plate, unlike with offset printing. Because it takes only a short time to print after printing data is created, it is mainly used for short turnarounds and small print runs. It is then able to perform variable printing with customized information on each piece of paper, adding high value including personalization and versioning to satisfy the customer's printing needs. In addition, the printing press is easy to operate.

Printed Electronics (PE) refers to a technology for manufacturing electronic circuits and components using printing technologies. SERIA CORPORATION, a Komori Group subsidiary, is engaged in developing and manufacturing gravure offset printing machines (PEPIO Series) for the printing of fine lines with high quality and high productivity for the manufacture of touchscreens, such as those for smartphones, and screen printing presses for electronic components such as the MLCC.

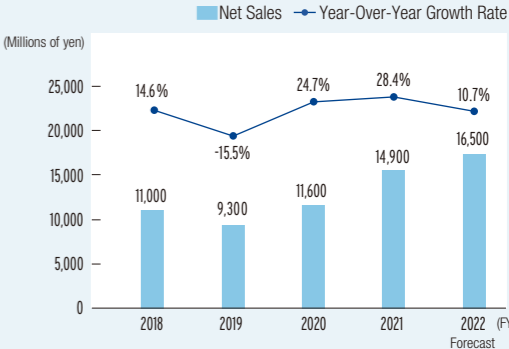


Impremia NS40
40-inch Sheetfed Nanographic Printing® System



PEPIO F6
Semi-Auto Gravure Offset Printing Press

• Net Sales and Year-Over-Year Growth Rate

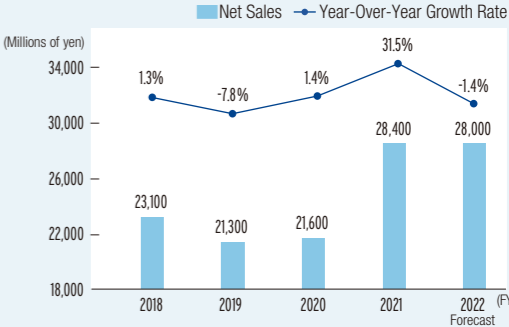


PESP Business

Thus far, Komori has been expanding its business with a focus on printing machinery and maintenance services. In recent years, however, we are aiming at promoting the Print Engineering Service Provider (PESP) business to help resolve various issues our customers may face and at the same time enhancing the recurring income business. Its business domains include a broad lineup of digital printing systems, preceding and subsequent processes, as well as printing related materials such as ink and various parts.

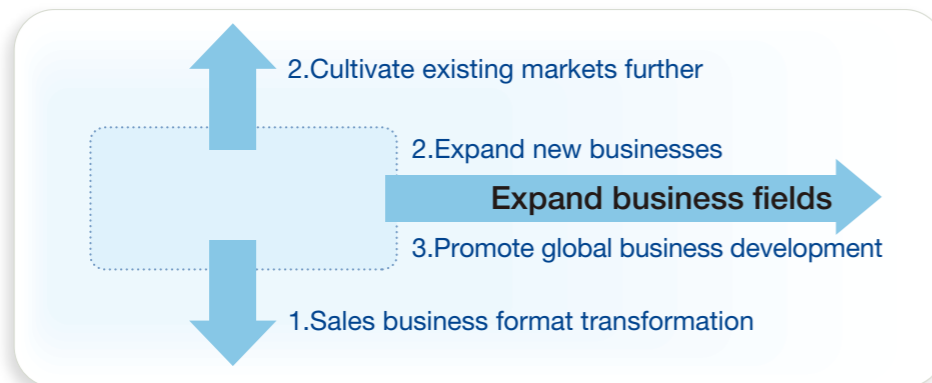


• Net Sales and Year-Over-Year Growth Rate



*PESP sales consist of sales of PESP and services generated in each segment.

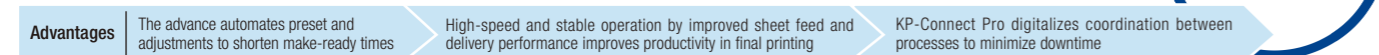
Komori Business Strategies: Support Information, Culture, and Economy with Advanced Printing Technologies



1.Sales business format transformation

World class ROI (Return on Investment) advance Series at the center of DX in printing

Komori has developed the advance Series that provide a world class ROI to drastically improve the productivity and profitability of printing companies. In addition to shortened make-ready times by automated preset and adjustments, and improved productivity through high-speed and stable operation, they connect prepress, press, and post-press processes with our KP-Connect Pro, process management software, to optimize the entire production line, and help create the Smart Factory, emerging as a front-runner in the DX field for printing companies. Since its launch in 2020, the advance Series have been well received around the world, with sales exceeding 300 units in just over a year and a half (See page 33).



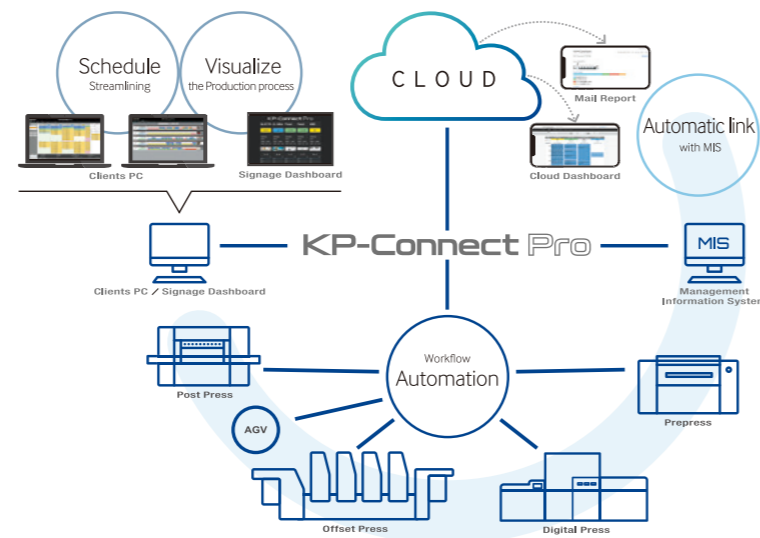
“From Repair to Care” —Enhance stable operability of printing presses

Since last year, Komori has been steadily shifting its after-sales services from the traditional on-call services to proposal-based services that analyze repair histories to prevent problems beforehand under the slogan of “from Repair to Care.” In Japan, where the new services were first launched, we now see some large proposals, exceeding ¥100 million per case, which have surely contributed to steady revenue growth. On the intangible side, we are promoting engineer training and cloud-based information sharing, in order to further enhance our after-sales service capabilities overseas and in the security printing press business as well. On the tangible side, the Komori Global Parts Center was completed in August this fiscal year on the Tsukuba Plant site. Stable parts supply through real-time visualization of inventory, shortened lead times for parts procurement through systemization of inventory control and traffic line management, and the construction on the Tsukuba Plant site will further strengthen collaboration with the manufacturing side and significantly improve our after-sales service responsiveness.



“Connected Automation” creating a Smart Factory to realize DX in printing

At the same time, “Connected Automation” proposed by Komori connects machines and production systems to utilize operation condition data and facilitate job efficiency mainly with “KP-Connect Pro” that enables visualization of production processes on an IoT-based cloud platform. The linkage is possible not only with our printing presses, but also with a wide range of printing presses, which will help printing companies propel labor- and energy-saving efficiency and maximize productivity in the midst of aging skilled workers and labor shortages. With the preventive proposal “Komori-Kare” and “Connected Automation,” it is possible to realize stable operation and a Smart Factory in a printing plant.

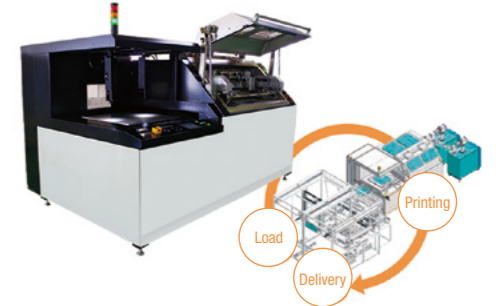


2. Expand new businesses and cultivate existing markets further

PE business: Vacuum coating machines for the era of large-capacity and high-speed communications

With the acceleration of DX processes and introduction of large-capacity, high-speed 5G technologies amid COVID-19, demand for package PCBs, including high-performance CPUs, AI chips, etc., to be installed in high-end servers and other devices is growing rapidly. In response to this demand, SERIA has developed the SVM-6151IP, a semi-automatic vacuum coating machine with CCD camera that eliminates 100% of voids (air bubbles), a problem in package PCB manufacturing, and has delivered machines to semiconductor-related companies in Japan and overseas. Furthermore, we are focusing on proposing fully automated production lines with the combination of printing presses and material handling equipment to fulfill customer requests for factory automation. We will ceaselessly contribute to the development of semiconductor-related industries by providing production equipment that meets the demands of the times.

Example of automation proposal utilizing vacuum coating machines



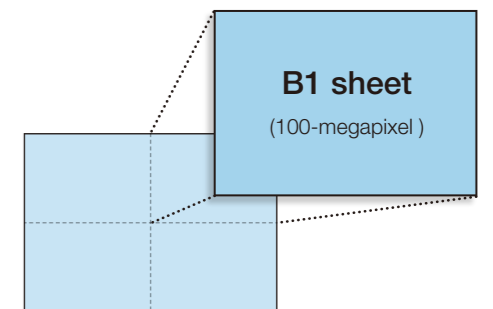
The world of “400-megapixel photos” realized by Impremia NS40

The Impremia NS40 is a state-of-the-art digital printing press that fully demonstrates Komori’s full range of offset technologies. The press achieves B1 sheet print speeds of 6,500 RPH, with the impressive productivity and profitability to meet growing demand for short and medium runs including variable printing and versioning for immediate turnaround on jobs such as packages and displays.

In September 2022, a collaboration project with the Tokyo Camera Club was realized, and the works printed by the Impremia NS40 were exhibited in the Tokyo Camera Club 2022 Photo Exhibition (number of visitors for 4 days: 13,357). In this project, Komori used the press to print the colorful landscapes taken with a 100-megapixel digital camera by Mr. Misaki Nagao, one of the 10 photographers of the Tokyo Camera Club and Mr. Yoshikazu Sobukawa, winner of the Tokyo Camera Club contest, while maintaining a high resolution of 300 PPI. In addition, we exhibited for the first time 400-megapixel dynamic works in a size equivalent to two B0 sheets by combining four B1 sheets. Our works were highly acclaimed by many visitors there, and we are certain that there are also solid possibilities in new artistic fields expected to emerge in the future.



Impremia NS40 with Nanographic Printing® technology that enables high-resolution printing

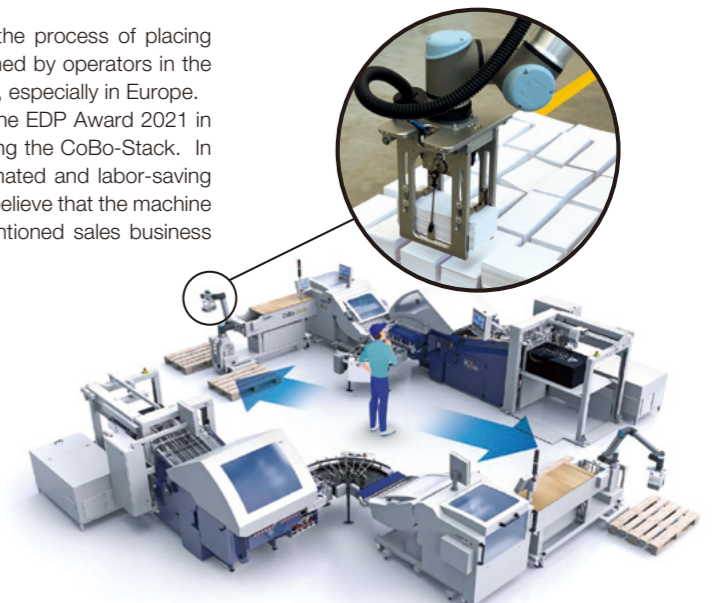


Dynamic works in a size equivalent to two B0 sheets by combining four B1 sheets exhibited for the first time

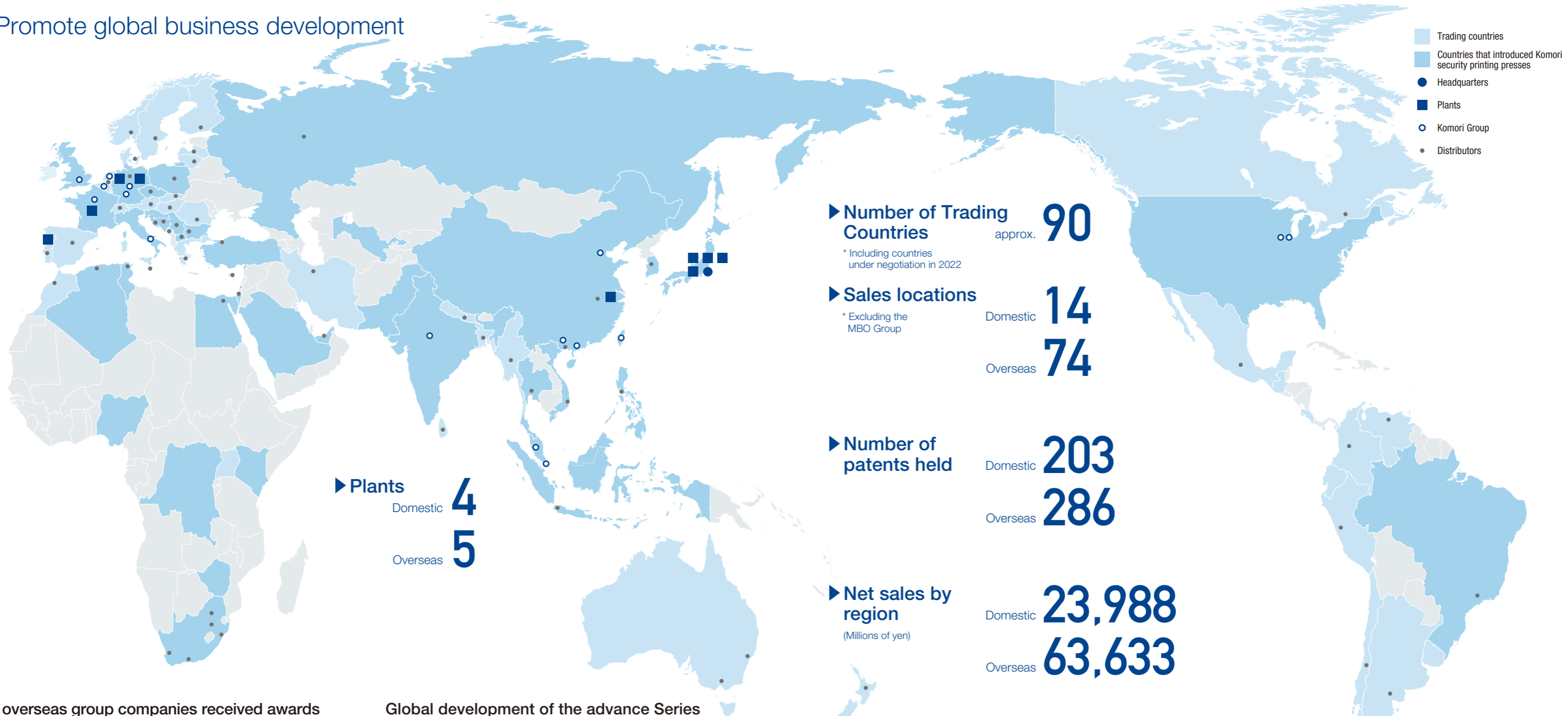
Factory automation expands with MBO “CoBo-Stack”

The Cobo-Stack, a palletizer developed by MBO, can automate the process of placing stacks of folded signatures on a pallet, a task conventionally performed by operators in the folding process, with a highly accurate robot hand. Sales are growing, especially in Europe.

The machine was developed in only one year. The MBO received the EDP Award 2021 in the “Finishing” category with its Autonomous Production Line including the CoBo-Stack. In the future, sales will accelerate in Japan and the U.S., where automated and labor-saving processes are essential amid rapidly aging population. Moreover, we believe that the machine will contribute to creating a Smart Factory set forth in the aforementioned sales business format transformation.



3. Promote global business development



Two overseas group companies received awards

MBO Wins "World Market Leader Champion" Award for the Second Consecutive Year

The award was presented by the German economic magazine "WirtschaftsWoche" to German companies that are expanding their business overseas. The other listed World Market Leader Champions include Adidas and Siemens among other companies. It previously received the award in 2018 and 2019 in a row as well.

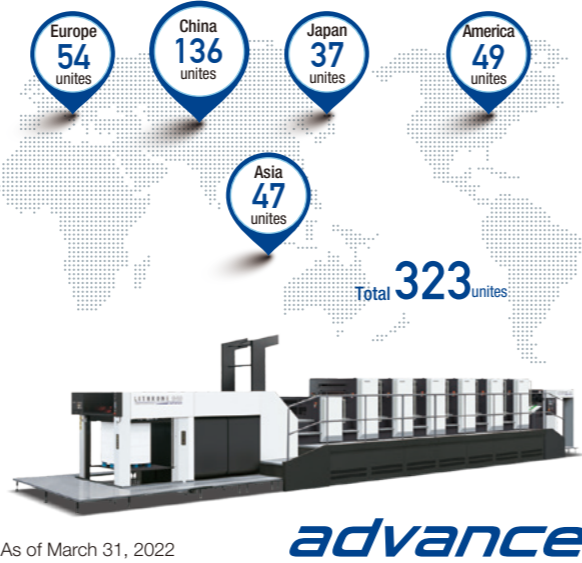


Komori America and Spectrum Printing of Arizona, the U.S. Capture Award for Best Folding Carton Case Study at 2021 Digital Packaging Summit

The Impremia IS29, Komori's digital printing press, won the award for the Best Case Study at the Digital Packaging Summit, as the case study highlighted how it contributes to Spectrum Printing highly creative packaging production.



Global development of the advance Series



Cultivate the Indian market further and expand into Latin America and Africa

Since Komori started exporting in the 1950s, the Company has established its bases in the U.S., Europe, China and other Asian countries, and India. Accordingly, overseas sales ratio has grown, with 50-60% or more at any given time. In India, the 15th Print Pack India was held in May this year, and our subsidiary received double-digit orders, indicating a likely solid demand rebound after the pandemic. Going forward, we will step up our efforts to expand into Africa and Latin America, where economic growth is expected in the medium term, and to increase sales of security printing presses in the established marketing area. Furthermore, we have recently delivered offset printing presses to Uganda, Uruguay, Ecuador, and other countries, and are currently devoted to establishing a business model for them.



Countries that introduced Komori security printing presses

The security printing press market is dominated by Komori and a German manufacturer at present. As our business model and strong financial foundation have been highly rated by governments around the world, the number of countries with which we have done business has reached 36 in the past 10 years, despite being a latecomer in the market. We will further scale out our accumulated know-how, moving forward.

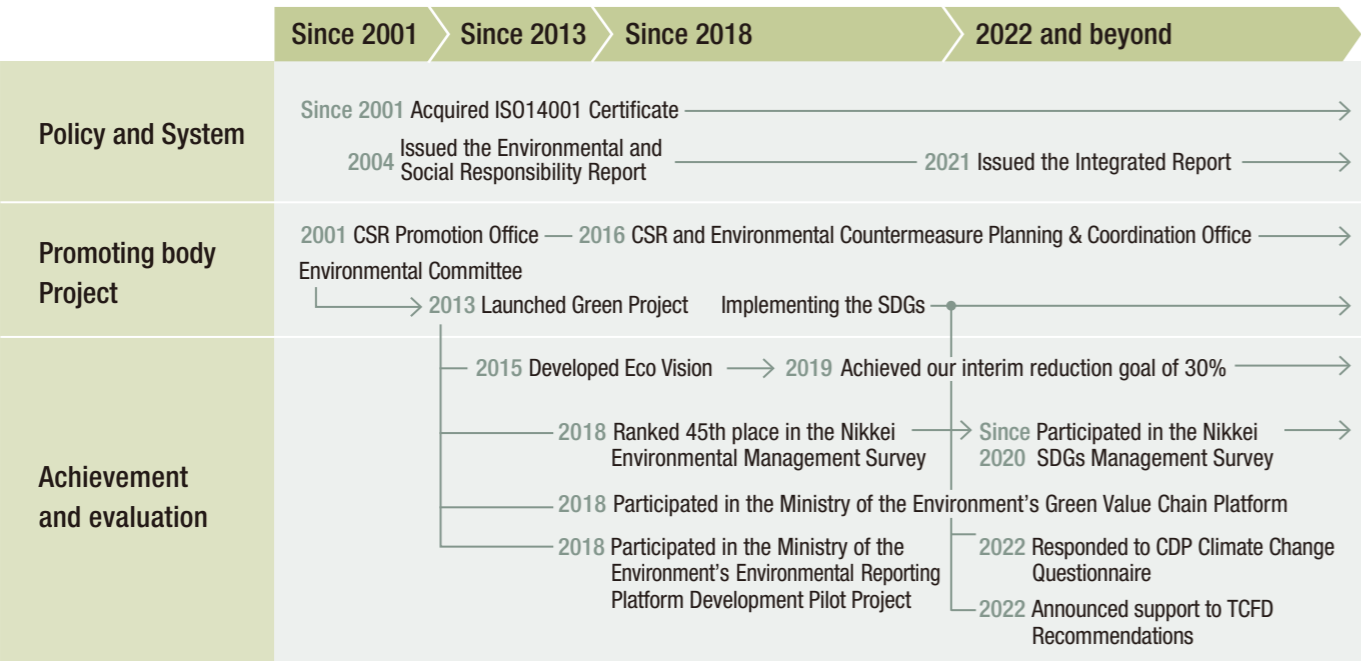
•Japan	•Vietnam	•Russia	•Malta	•Democratic Republic of the Congo
•The U.S.	•Thailand	•Poland	•Former Yugoslavia	•Zimbabwe
•China	•India	•Germany	•Uzbekistan	•South Africa
•Korea	•Pakistan	•Czech Republic	•Egypt	•Brazil
•Taiwan	•United Arab Emirates	•Bulgaria	•Tunisia	
•Indonesia	•Israel	•France	•Algeria	
•Malaysia	•Saudi Arabia	•The U.K.	•Nigeria	
•The Philippines	•Turkey	•Italy	•Kenya	

Export destinations as of September 30, 2022: 36

Environmental Initiatives

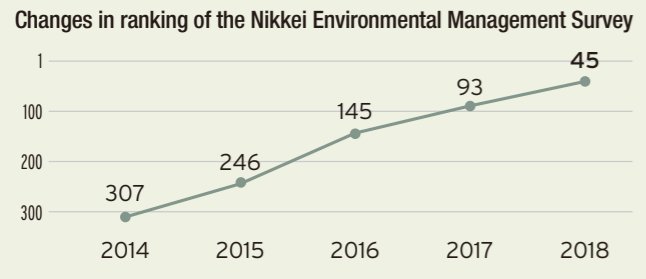
History of Komori's Environmental Initiatives

To meet the expectations for an environmentally-friendly society, in 2013, Komori launched the Green Project (Green-PJ) to promote environmental activities and has since strived to improve the global environment and work environment. In 2015, we formulated Komori Eco Vision 2030, a set of long-term environmental targets (See the following page). Since 2018, we have started promoting the ESG Management, to contribute to the achievement of SDGs with the aim of realizing the sustainability of “earth, society, and people.” In 2022, we announced that we support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will report climate-related information in line with the recommendations.



Details of ISO14001 Certificates Acquired

Certified Facilities	KOMORI CORPORATION (Tsukuba Plant)	KOMORI CORPORATION (Techno Service Center)	Komori Machinery Co., Ltd.
Applicable standards	ISO 14001:2015/ JIS Q 14001:2015	ISO 14001:2015/ JIS Q 14001:2015	ISO 14001:2015/ JIS Q 14001:2015
Registration certificate number	JQA-EM1949	JQA-EM3223	JQA-EM3213
Registration date	December 7, 2001	June 13, 2003	June 6, 2003
Certification body	Japan Quality Assurance Organization (JQA)	Japan Quality Assurance Organization (JQA)	Japan Quality Assurance Organization (JQA)



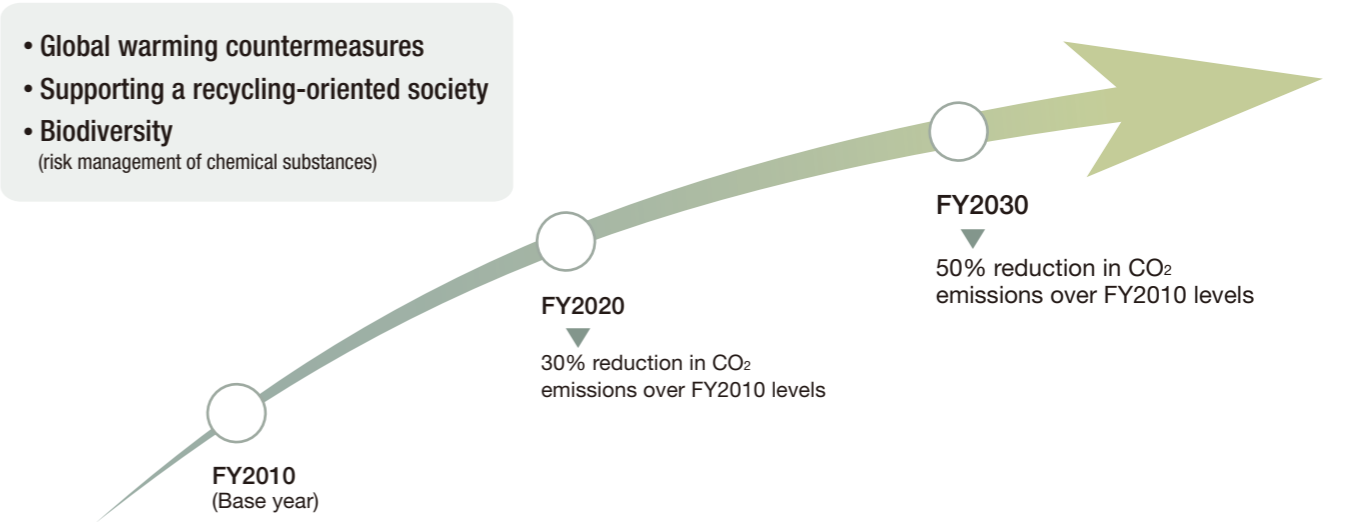
We participated in the Nikkei Environmental Management Survey every year. As a result of our focused environmental initiatives since we launched the Green-PJ in 2013, our ranking had improved every year from the 307th place in 2014 to the 45th in 2018. Then we switched to the Nikkei SDGs Management Survey and have continued our environmental initiatives. The Company received an overall rating of three and a half stars in 2021.



Komori Eco Vision 2030 (long-term targets)

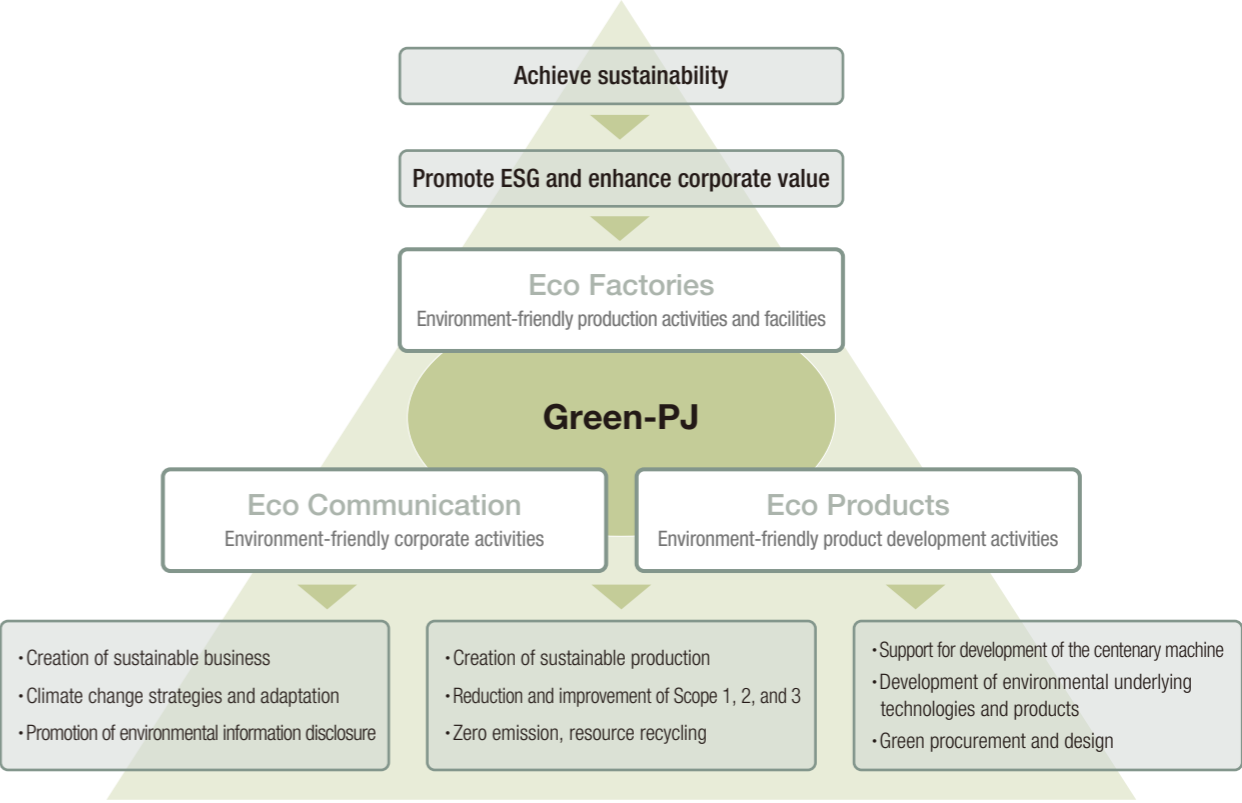
In 2015, Komori Group formulated “Komori Eco Vision 2030,” a set of long-term environmental targets, and has since continuously worked to achieve it. Based on global warming countermeasures, supporting a recycling-oriented society, and restoring biodiversity, this vision puts forward our commitment to contributing to the realization of a sustainable earth and society and our direction as to how to fulfill our responsibilities as a global company.

- CO₂ emissions: a 50% reduction in CO₂ emissions in FY2030 over FY2010 levels, and a carbon neutrality target in FY2050 are under planning at the present.
- Water inputs: a 10% reduction by FY2030 as compared to FY2010 levels
- Waste: achieve zero waste emissions by FY2030, applicable for the Company and its group companies



Komori Green Project

Companies are expected to promote and fulfill CSR, meaning corporate social responsibility (respect for human rights, fair trade practice, environmental activities, etc.) in their overall business activities. To fulfill environmental CSR, we are conducting environmental activities under the Green-PJ.



Initiatives for Climate Change Information Disclosure

Support to TCFD Recommendations

Since 2015, we have released a reduction target of greenhouse gas (GHG) emissions, a disclosure item recommended by the Task Force on Climate-related Financial Disclosures (TCFD) in our Environmental and Social Responsibility Report/Integrated Report. We also have participated in the Green Value Chain Platform initiatives organized by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, and have released our results of Scope 1, 2 and, 3 of GHG emissions in the examples of Green Value Chain Platform initiatives, since 2018.

In May 2022, we announced our support to TCFD Recommendations. We will conduct a data-based analysis in a phased manner, identify risks and opportunities related to climate change, and increase the quality and quantity of the information disclosure in line with TCFD. By responding to the questionnaire developed by CDP, an international environmental nonprofit organization (NGO) founded in the U.K., we started disclosing environmental information including GHG emissions, reduction targets, and progress thereof, from this fiscal year.



Initiatives for TCFD Recommendations

Governance System

The Komori Group's basic environmental policy and material issues including climate change countermeasures are reported and discussed in the CSR Committee. The CSR Committee is scheduled to meet quarterly, and its resolutions are presented and reported to the Board of Directors and reflected in the Group strategies as necessary.

* See page 48 for "Corporate Governance Structure."

Strategy

To specifically clarify risks and opportunities arising from climate change, we will analyze them based on multiple scenarios released by external organizations and conduct business impact assessment.

Risk management

- At the Komori Group, the Risk Management Committee is responsible for identifying possible risks to its management strategies and business operations. Out of the hazard and risk factors, four risk factors due to storm and flood damage such as typhoon, weather abnormalities, bad weather patterns such as cold summer and heat waves, have been extracted.
 - In the event of a disaster, we plan to set up the emergency headquarters in either the headquarters (in Tokyo) or Tsukuba Plant (in Tsukuba City, Ibaraki Pref.) depending on a disaster-stricken area in accordance with the manual for business continuity and recovery activities, centering on confirmation of the safety of employees.
 - Our business continuity and recovery activities also cover our customers. The system is in place to ensure that 255 engineers at 11 service centers in Japan will be able to quickly respond in the case of a disaster.*
- *In the wake of the Great East Japan Earthquake, we provided service for 886 disaster-affected machines of 378 customers.

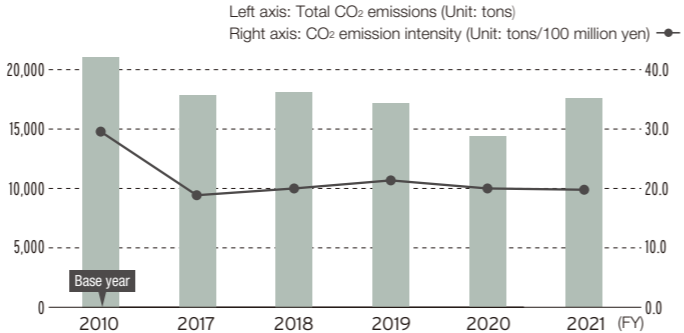
Indicators and Targets

In "Komori Eco Vision 2030" (*1) formulated in 2015, we have set a target of a 50% reduction in CO₂ emissions in FY2030 as compared to FY2010 levels to mitigate the impact of climate change. We are also calculating and disclosing GHG emissions.

*1 See page 36 for "Komori Eco Vision 2030 (long-term targets)."

Changes in Scope 1 and 2 GHG Emissions

Relative to CO₂ emissions of 21,058t-CO₂ in FY2010 (base year), we have continued reducing CO₂ emissions every year in a planned manner and our reduction rate was 31% in FY2020. In 2022, as a result of the merger of MBO Group, the emissions increased to 17,458t-CO₂ and the reduction rate declined to 17%. We will continue to make effort to reduce the emissions.



Scope 1・2・3

Printing machinery uses a large amount of resources, mainly steel, and the environmental impact of resource procurement is second only to the usage phase in the life cycle (See the table below). To further contribute to the establishment of a sustainable society, in addition to Scope 1 and 2, the Komori Group launched Scope 3 in the fiscal year ended March 31, 2017, aiming to devote more efforts to global warming countermeasures as a responsible finished product manufacturer. In the fiscal year ended March 31, 2022, CO₂ emissions increased by 88.0% year on year to 1,094,000 tons. Of this figure, emissions under Scope 3 increased by 89.7% to 1,077,000 tons. This is due to increases in Category 1 and 11, accounting for 95% of the total as a result of the increased number of units produced.

Breakdown of CO₂ Emissions Between FY2017 and FY2021

Scope	Category		CO ₂ emissions (tons)					Applicability
			FY2017	FY2018	FY2019	FY2020	FY2021	
Scope 1	-	Gasoline, diesel fuel	5,841	5,654	5,124	4,836	5,598	
Scope 2	-	Electricity	12,016	12,446	12,050	9,653	11,860	
Scope 3	1	Purchased goods and services	296,907	421,478	372,422	205,211	374,070	
	2	Capital goods	10,743	8,854	4,290	977	5,405	
	3	Fuel and energy related activities	2,129	2,259	1,575	1,316	1,559	
	4	Transportation and distribution (upstream)	18,421	23,583	20,310	17,301	25,625	
	5	Waste generated in operations	142	100	86	88	116	
	6	Business travel	1,703	1,612	1,284	444	979	
	7	Employees commuting	809	2,785	3,315	3,370	3,274	
	8	Leased assets (upstream)	0	0	0	0	0	N/A
	9	Transportation and distribution (downstream)	0	0	0	0	0	N/A
	10	Processing of sold products	0	0	0	0	0	N/A
	11	Use of sold products	578,136	689,441	528,290	328,390	653,427	
	12	End-of-life treatment of sold products	2,052	2,500	2,186	1,260	2,392	
	13	Leased assets (downstream)	0	0	0	0	0	N/A
	14	Franchise	0	0	0	0	0	N/A
	15	Investments	11,486	8,859	7,266	9,145	9,682	
Total			922,528	1,179,571	958,198	581,991	1,093,987	

Water Risk

It is impossible to carry out offset printing without water. Water is important to that extend. That is why, the Komori Group quantified water risks and stress in the areas of its business operations with the AQUEDUCT tool of the World Resources Institute (WRI). The results show that the Company's water risks have decreased compared to the last year, but at Komori Machinery (Nantong) Co., Ltd. (KNT), water risk has worsened, requiring water purification measures.

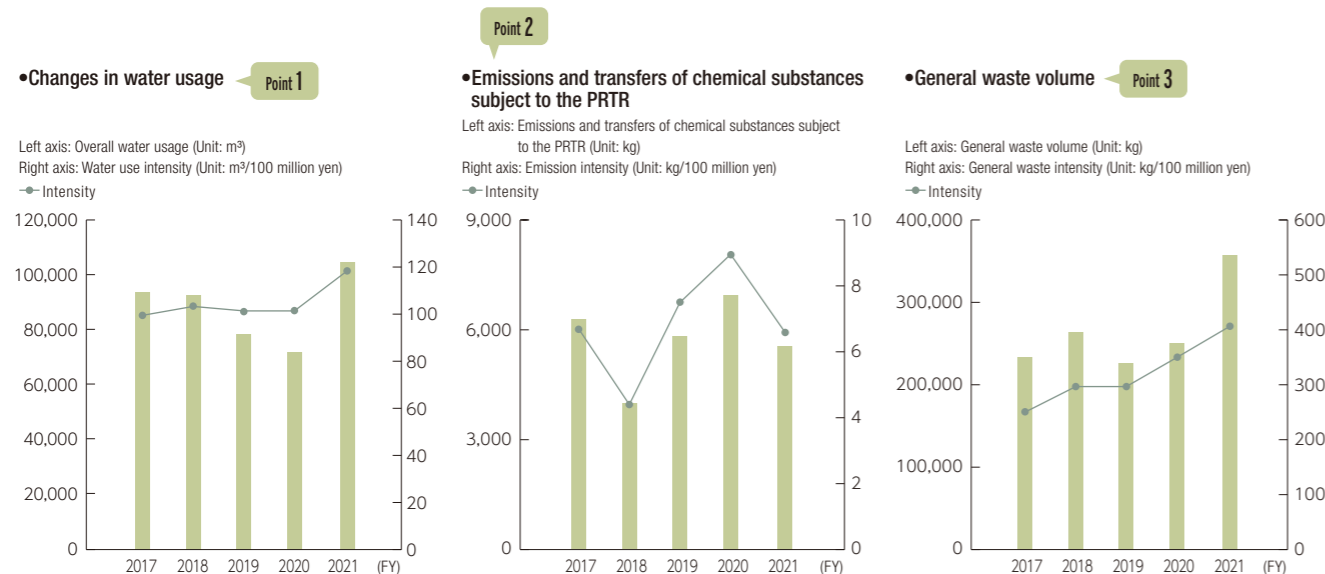
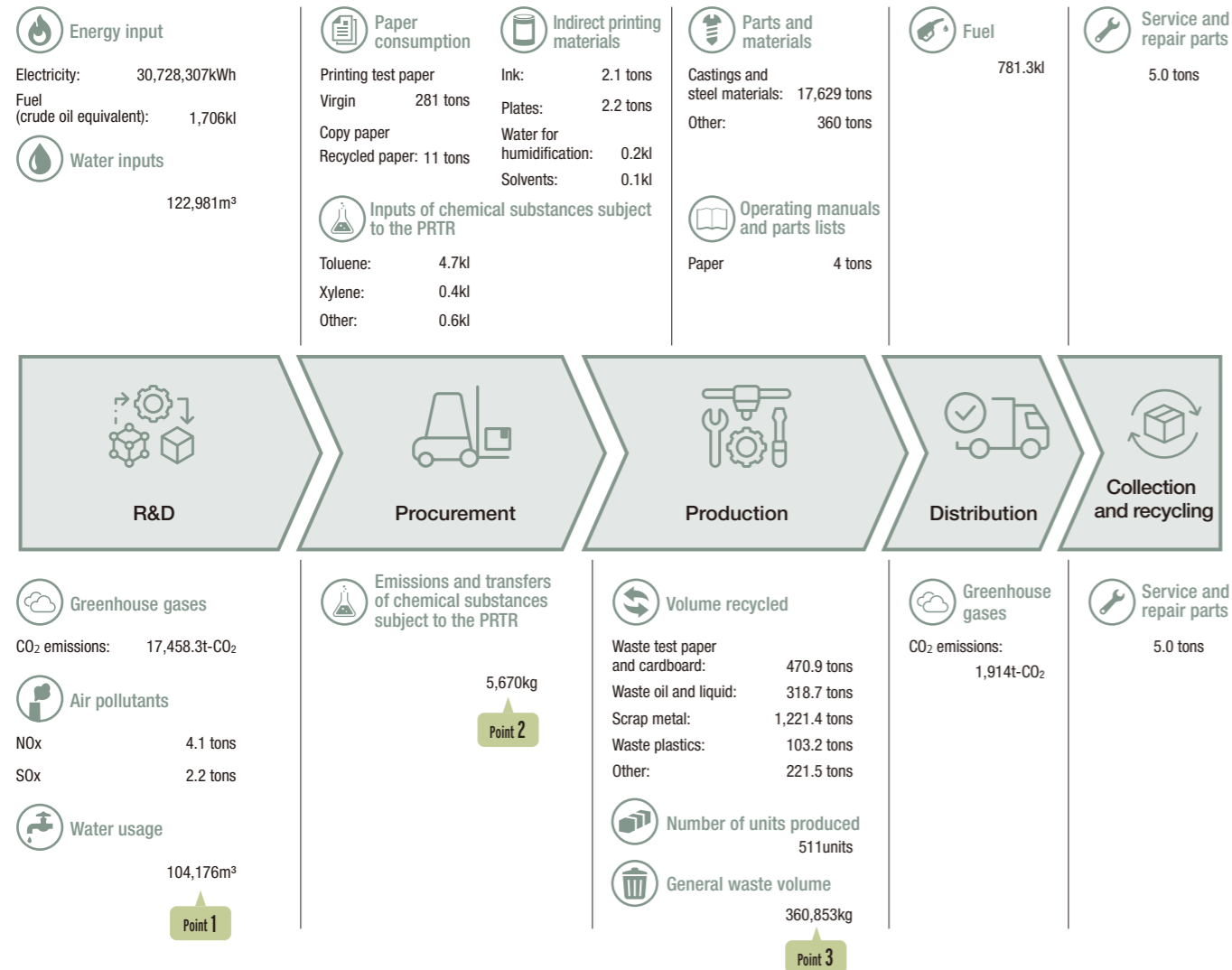
Site	Country	Location	Water risk survey (with AQUEDUCT tool) Overall water risks	Water consumption at the site	Risk of concern (High Risk and above)	Remarks
Headquarters	Japan	Sumida-ku, Tokyo	Low to medium risk(1-2)	B	High physical risk High possibility of eutrophication	Flood control measures for the underground parking
Tsukuba Plant	Japan	Tsukuba City, Ibaraki Pref.	Low to medium risk(1-2)	C	High physical risk	Water saving policy by introduction of the heat source equipment for energy-efficient air conditioners (LIL-tech), etc. is underway
Komori Global Parts Center	Japan	Noda City, Chiba Pref.	Low to medium risk(1-2)	B	High drought risk High water stress	Strive to save water and resources by introducing an advanced water supply machine, etc.
Komori Machinery Co., Ltd.	Japan	Higashiokitama-gun, Yamagata Pref.	Low risk(0-1)	C	None	
SERIA ENGINEERING, INC.	Japan	Gujo City, Gifu Pref.	Low to medium risk(1-2)	C	High flood risk High possibility of eutrophication	Countermeasures are to be determined
Komori-Chambon S.A.S.	France	Orleans Cedex, Loiret	Low to medium risk(1-2)	B	High drought risk High possibility of eutrophication	Countermeasures are to be determined
Komori Machinery (Nantong) Co., Ltd.	China	Nantong City, Jiangsu Province	Medium to high risk(2-3)	B	High flood risk High drought risk High risk of untreated waste water connection High possibility of eutrophication High risk of not improved/unsanitary water	Decide proactive countermeasures and daily rules for floods, under the guidance of the municipality and the insurer
MBO Postpress Solutions GmbH	Germany	Rems-Murr-Kreis, Baden-Württemberg	Low to medium risk(1-2)	A	High possibility of eutrophication High physical risk	It is not a manufacturing plant and has no water pollution risk
MBO Máquinas S.A.	Portugal	Matosinhos, Porto	Low to medium risk(1-2)	C	High possibility of eutrophication	The site has received external risk assessment and carried out automated monitoring and water purification through continuous control

C...10,000–100,000m³ B...1,000–9,999m³ A...1–999m³

Environmental Accounting

The amount we invested in environmental preservation in the fiscal year ended March 31, 2022, was ¥27.60 million (¥7.40 million in fiscal year ended March 31, 2021). Environmental expenditures amounted to ¥114.29 million (¥110.60 million in fiscal year ended March 31, 2021). As a result of countermeasures both energy used and CO₂ emissions increased. This is because MBO Group joined us.

Material Balance

















Basic Environmental Policy

- 1 We consistently pursue process improvements, such as saving energy and other resources, reusing and recycling, and reducing all waste for corporate activities.
- 2 We proactively promote the development of environmentally friendly printing presses and peripheral equipment. Furthermore, we practice green purchasing.
- 3 We adhere strictly to environmental and related laws and ordinances while reducing emissions of hazardous chemical substances and striving to prevent pollution.
- 4 We set and regularly review environmental goals and targets in order to continuously reduce environmental loads.
- 5 We will document, practice, and maintain this policy. We will educate employees about the policy to enhance their awareness of the need to safeguard the environment.
- 6 We are committed to communicating with local residents, customers, and related companies to proactively aid environmental protection. We will disclose this policy to the general public.

Material Issues and Opportunities Regarding the Environment

The Komori Group is moving forward by identifying material issues related to our sustainable development targets connected to the SDGs, as well as material issues related to our Eco-Products, Eco-Factories, and Eco-Communication under the Green-PJ. We will contribute to realizing a sustainable society through various initiatives, including improving energy efficiency and reducing CO2 emissions throughout the full product life cycle, utilizing renewable energy in the manufacturing process, and support activities to reduce the environmental burden on our customers and society.

Theme	Material Issue	Corresponding SDGs	Activity	Related SDGs
Eco Products	Development of environment-friendly products	8,12,13,15	LITHRONE GX/G advance	     
		6	e-Mist (static electricity control apparatus)	
		3	VOC Collector	
		13	DC Blower	
Eco Factories	Reduction of environmental impact at plants and business sites	7,13	Adoption of solar power generation equipment	  
		7,13	Upgrade of heat source equipment for energy-efficient air conditioners	
		7,13	Power usage monitoring system	
		7,13	Reduction of standby power	
		12	Zero emission	
Eco Communication	Reduction of environmental impact upon distribution, marketing, and services	4,12	KGC's global contribution activities	    
		14	Water risk management	
		15	Biodiversity preservation	
		14	Addressing the problem of plastic waste in the ocean	
		12,17	KOMORI-Kare support	

Eco Products



LITHRONE GX/G advance Series; 150 units sold in the fiscal year ended March 31, 2022

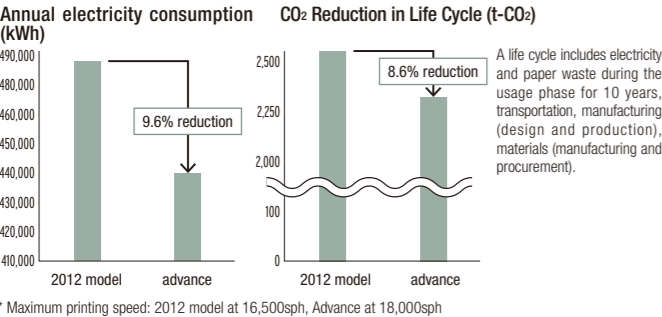
With the recent rapid changes in the social and economic environment, there is a growing need for management transformation through more efficient and labor-saving printing machinery, consequently ROI (return on investment) is given special emphasis. The LITHRONE GX/G advance Series has gone through constant technological evolution. In addition to superior specifications such as high-speed printing and various printing formats, the series has realized productivity improvements including reduced start-up and preparation time, automated presetting, and significantly reduced make-ready time, which greatly contributes to ROI. Since its development, the series has reduced CO₂ emissions over its entire lifecycle, contributing to the sustainability of not only customers but also society as a whole through *Kando* (beyond expectations).



Sheet-feed offset printing press LITHRONE GX40RP advance

LITHRONE GX40RP advance capable of one-pass perfecting printing from thin paper to card board is a printing press that realizes overwhelming productivity with the maximum printing speed of 18,000sph and parallel make-ready of plate changing and cleaning and focuses on environment-friendliness. Compared to the developmental stage, the machine achieved a 9.6% reduction of electricity consumption by such methods as reducing the load of an inking system and adopting the DC blower (based on 8-color press). We achieved reduction of CO₂ emissions in a life cycle by 8.6% compared to those during the development phase, particularly by reducing CO₂ emissions of materials that form a large part of CO₂ emissions related to printing presses mainly during the usage phase.

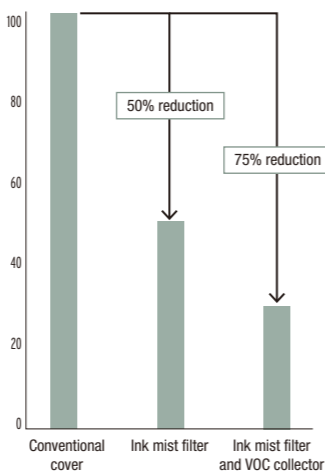
Comparison of the 2012 model and advance model of LITHRONE GX40RP



Volatile Organic Solvent (VOC) Countermeasures

Printing is an industry requiring materials containing VOC, such as ink and cleaning agents, we directly remove this hazardous substance from each printing unit with environmentally-friendly products including ink mist filter and VOC collector to protect the health of operators.

Reduction Effect of VOC Generation



Ink mist filter



It seals up the inking system cover and vacuum ink mist generated inside the inking system and collect it into the dedicated filter.

VOC Collector



It decontaminates VOC collected from each printing unit with a photocatalytic filter.



Eco Factories

In order to reduce environmental impacts in our plants and offices, we have installed solar power generation equipment, upgraded the heat source equipment for energy-efficient air conditioners, and installed a power usage monitoring system in the machining area. At the same time, we are promoting to reduce power consumption by improving the operation of machining equipment.

Adoption of solar power generation equipment

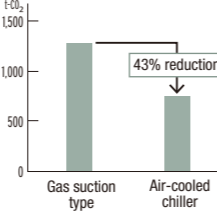
In December 2016, in efforts to protect environment, Tsukuba Plant installed approximately-500-kWh solar power generator on a space, as large as a soccer field, of the plant's rooftop. The equipment has generated electricity at the same level as when it was installed. All the electricity generated in the fiscal year ended March 2022, approximately 635,000 kWh (286.8 t-CO₂), was fully used in the plant. Aiming to become an environmentally-friendly eco factory, the plant will contribute to environment preservation.



Upgrade of heat source equipment for energy-efficient air conditioners

In December 2018, the plant upgraded the air-cooled heat pump chiller used for some of its air conditioning system to the model certified by the Ministry of the Environment as the most energy efficient. Compared to before, the Tsukuba Plant's total gas consumption decreased by approximately 35% and water consumption during summer also decreased by about a third. CO₂ emissions decrease by approximately 500 tons as a result.

CO₂ emissions (per year)



Eco Communication

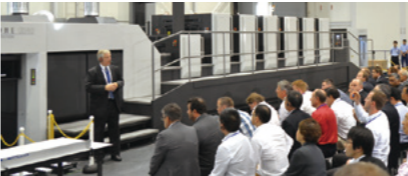


Further to the above, we are also working to reduce environmental impact in all our business domains. The KGC (Komori Graphic Technology Center), the core location of the Komori Group solutions, has started webinars and remote training for customers, contributing to reducing CO₂ emissions.



Organically integrating the following three functions, KGC, as the core location for Komori's development of solutions including environmental solutions, is proactively disseminating latest information to customers and the industries around the world.

Demonstration Center



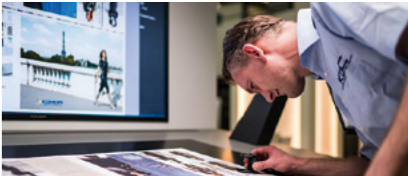
The Demonstration Center offers a variety of demonstrations of actual machines including advanced printing machines and system equipment, while taking all possible measures against COVID-19. Visitors have a chance to experience the highest level of functionality, performance, productivity, operability, and safety of machines.

Printing College & Training



The Printing College & Training provides full-range support for customers' human resources development by developing training curriculum related to printing quality and improved productivity and offering it with practical approach. This hands-on training program helps participants acquire more practical knowledge and skills.

Printing R&D Center



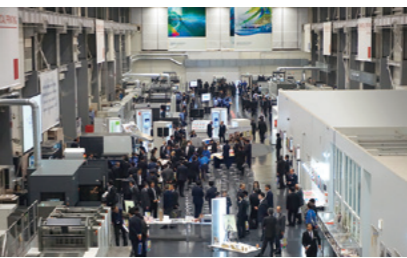
The Printing R&D Center is engaged in new technological development, new equipment and product development centering on fundamental research of printing technologies and printing software-related technologies, and, by collaborating with various public and private corporations, has contributed to the development of the entire printing industry and its profit generation.



Utrecht, The Netherlands



Tsukuba, Japan



Chicago, The U.S.



In 2020, KGC started remotely providing a printing technologies training program within the Group and at locations in Japan in order to contribute to the printing industry and sustain and develop its capabilities, while responding to the COVID-19 crisis. It will continue to support the printing industry as a whole with an eye on future business development with overseas customers.

Employee Engagement Enhancement

All employees are the most valuable asset to the Komori Group. As employees accumulate experience at work and in the workplace, the strategies and direction presented by the Komori Group resonate with them, they feel connected to the organization and work to contribute voluntarily.

The goal Komori pursues is to be a Company That Delivers Customer *Kando* Beyond Expectations. “Engaged employees” are indispensable for the Company to always taking heed customer feedback, highly conscious of our mission to provide meticulous services based on the customer’s perspective, and offer various products designed to deliver better solutions to customers. We are continuing our efforts to improve our corporate value through employee engagement enhancement, gaining a solid understanding of the diverse points of view of employees.

Information on Employees

• Number of Employees by Segment of the Komori Group (regular employees)

Segment	Number of Employees	YoY Change (No. of Employees)
Printing machinery manufacture and sale	1,824	(50)
Repair and fabrication, and used machinery sale	519	(33)
Administration	270	+10
Total	2,613	(70)

(as of March 31, 2022) on a consolidated basis of the Komori Group

• Employees by Gender (regular employees), Average Age and Years of Service

Segment	Male	Female	Total
Number of Employees	928	143	1,071
Average Age	43.5	40.6	43.1
Average Years of Service	19.2	16.9	18.9

(as of March 31, 2022) on a non-consolidated basis of KOMORI CORPORATION

• Workforce Diversity

	Total Number of Employees	Female		Foreign Nationals		Number of Employees in Managerial Positions	Female		Foreign Nationals	
		Number of Employees	Ratio (%)	Number of Employees	Ratio (%)		Number of Employees	Ratio (%)	Number of Employees	Ratio (%)
As of March 31, 2022*1	2,613	426	16.3	929	35.6	521	31	6.0	187	35.9
As of March 31, 2021*2	1,137	146	12.8	16	1.4	271	4	1.5	2	0.7
As of March 31, 2020*2	1,159	147	12.7	17	1.5	287	4	1.4	2	0.7

*1 On a consolidated basis of the Komori Group as of March 31, 2022

*2 All employees including regular, non-regular, temporary, and loaned employees on a non-consolidated basis of KOMORI CORPORATION as of March 31, 2020 or March 31, 2021

• Number of New Hires

	New Graduate Recruitment			Mid-Career Recruitment		
	Total	Male	Female	Total	Male	Female
Hired between April 1, 2021 and March 31, 2022	23	18	5	3	3	0
Hired between April 1, 2020 and March 31, 2021	27	20	7	3	3	0
Hired between April 1, 2019 and March 31, 2020	26	20	6	13	11	2

on a non-consolidated basis of KOMORI CORPORATION

Promotion of Komori-Way Work-Style Reform

We believe that work style reform is an urgent issue for us in order to address such challenges as the "decrease in the population of productive age due to the falling birthrate and aging society" and "employees diversified work style needs." With the aim of achieving a good work-life balance for all employees and improving labor productivity, we are working on the "Komori-Way Work-Style Reform" based on the three pillars of transformation: improvement of long working hours; educational and personnel systems to enhance work ethic and skills; and diversity promotion.

Three Pillars of Transformation for Komori-Way Work-Style Reform

Requirements for the Reform		
1	Improvement of long working hours	A company that encourages voluntary actions and enables speedy decision-making to improve company-wide issues such as job performance, organizational drive, and work efficiency
2	Educational and personnel systems to enhance work ethic and skill	A personnel system (hiring, company benefits, evaluation, training, etc.) that fosters employees with a high work ethic and the skills required by the company, with the aim of becoming a "challenging but rewarding company to work for"
3	Diversity promotion	A company that promotes diversity and includes diverse human resources, work styles, and time use, etc., regardless of age, position, gender, or nationality

1 Improvement of long working hours

Work-Style Reform Activities & Results

In addition to establishing new ways of working, such as work-from-home, we are also working to provide stratified education, revise our personnel system and review its application so that all employees can realize their full potential and play active roles.

With regard to our efforts to promote diversity, we are implementing measures to support all employees in their life events by expanding such initiatives as childcare leave and reduced working hours for childcare, and providing career design education for senior employees. The activities and results are listed below.

• Rate of employees using childcare and nursing care leave/reduced working hours system

Ratio of employees taking childcare leave (%)

	FY2019	FY2020	FY2021
Female	100	100	100
Male	86.4	86.7	82.4

Ratio of employees taking childcare leave (%)

	FY2019	FY2020	FY2021
Female	29	25	28
Male	0	0	0

* Since September 2019, we have had a system in place for all employees (on a non-consolidated basis of KOMORI CORPORATION) to take annual leave in increments of one hour, up to a maximum of 40 hours (equivalent to five days) per year. This is also available for those who are on the reduced working hours system for childcare or nursing care, allowing them to choose a more flexible working style.

• Number of employees who used the annual leave system on an hourly basis

	Cumulative total for FY2020	Cumulative total for FY2021
Total hours taken	2,817	3,784
Number of uses	1,550	2,105
Number of employees	1,184	1,200
Utilization ratio (to total number of employees)	8.7	9.1

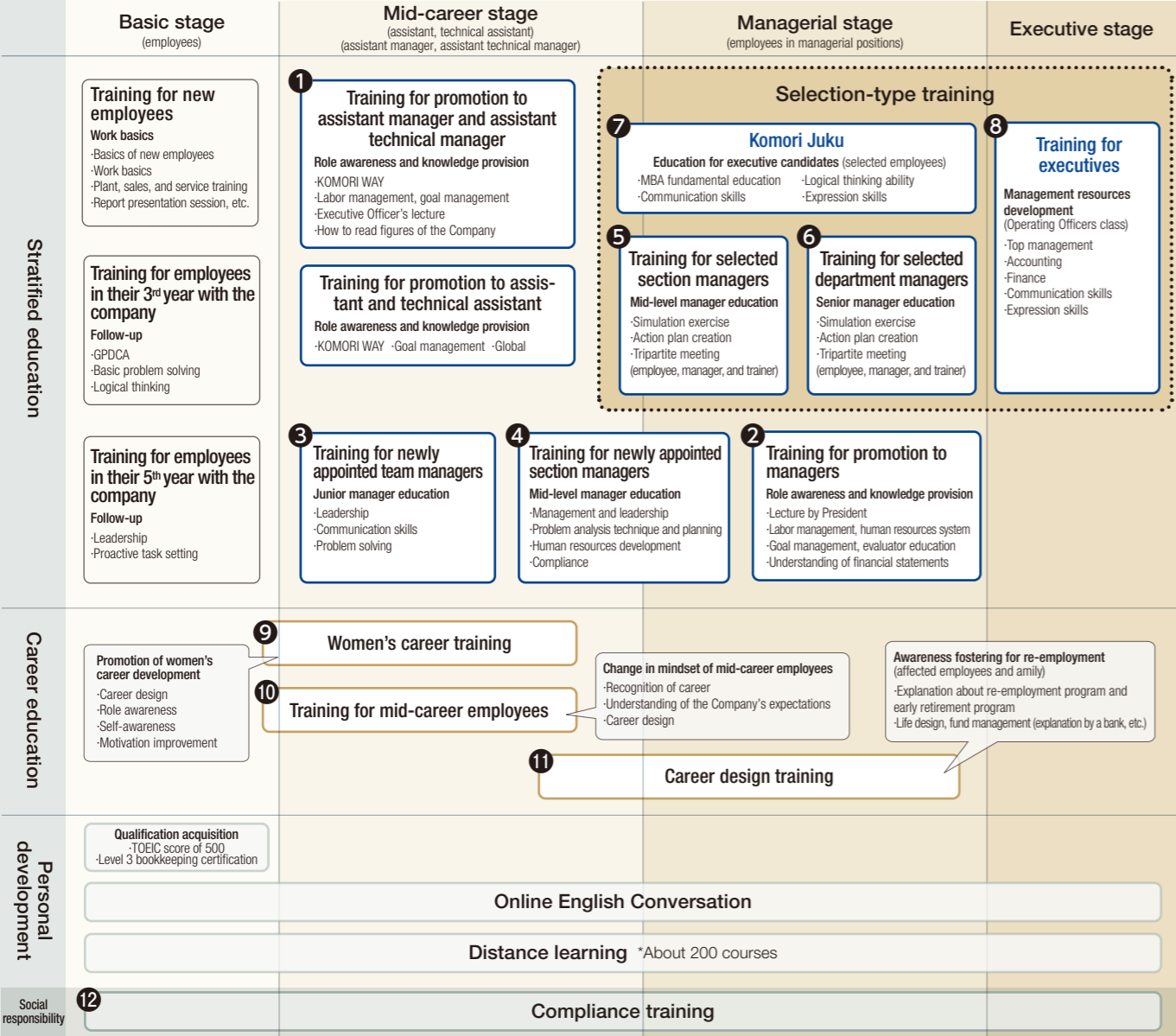
on a non-consolidated basis of KOMORI CORPORATION

Human Resources Development Map

Komori aims to be an organization where each and every person can autonomously grow and continue to play an active role. To this end, we intend to provide growth opportunities according to each employee's career plan and enhance employees' growth and achievements by getting them motivated. Komori values ability and autonomy and puts in place a mechanism and environment that allow employees to try as many times as they like.

2 Educational and personnel systems to enhance work ethic and skills

Human resources development matrix



Stratified education (FY2017 to FY2021)

Training name	Number of times	Number of participants	Training name	Number of times	Number of participants
① Training for promotion to assistant manager and assistant technical manager	5	98	⑦ Komori Juku	7	66
② Training for promotion to managers	5	59	⑧ Training for executives	1	13
③ Training for newly appointed team managers	3	59	⑨ Women's career training	3	51
④ Training for newly appointed section managers	4	64	⑩ Training for mid-career employees	2	27
⑤ Training for selected section managers	5	95	⑪ Career design training	12	188
⑥ Training for selected department managers	2	22	⑫ Compliance training	100	8,498

Changes in education expenses (FY2017 to FY2021)

Business term	Education expenses	Expenses per person
FY2017	¥23,531,930	¥20,498
FY2018	¥37,033,506	¥31,953
FY2019	¥26,907,680	¥23,077
FY2020	¥26,227,547	¥22,629
FY2021	¥44,614,139	¥39,238

Health and Productivity Management Initiatives

Komori provides every employee with an opportunity to receive regular health checkups, recommend participation in specific health guidance, improve health by promoting radio gymnastics exercises, etc., take countermeasures for long working hours, and take measures against infectious diseases such as COVID-19 and influenza. We will continue to recognize employees' health management from a management perspective, continuously examine and review the effectiveness of our initiatives, solve various health issues, and maintain and improve the health of employees and their families.

Certified as 2022 Health and Productivity Management Organization

Komori was recognized under the 2022 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) in March 2022. This program is to recognize corporations and other organizations that practice excellent health and productivity management through response to local health issues and healthcare initiatives promoted by Nippon Kenko Kaigi.

Kurumin Certification

Komori was certified by the Ministry of Health, Labor and Welfare as a company that supports childrearing in April 2021. As part of promoting diversity, since 2019 we have been promoting women' career development, and this year met the standards stipulated in the Act on Advancement of Measures to Support Raising Next-Generation Children.

<Other Activities>

We participate in Fun + Walk Project launched by the Japan Sports Agency

Fun + Walk Project is a public-private collaboration led by the Japan Sports Agency designed to make walking more fun and make fun activities healthier. Starting from walking, it aims to improve the public health. Komori encourages employees to take the stairs instead of the elevator.

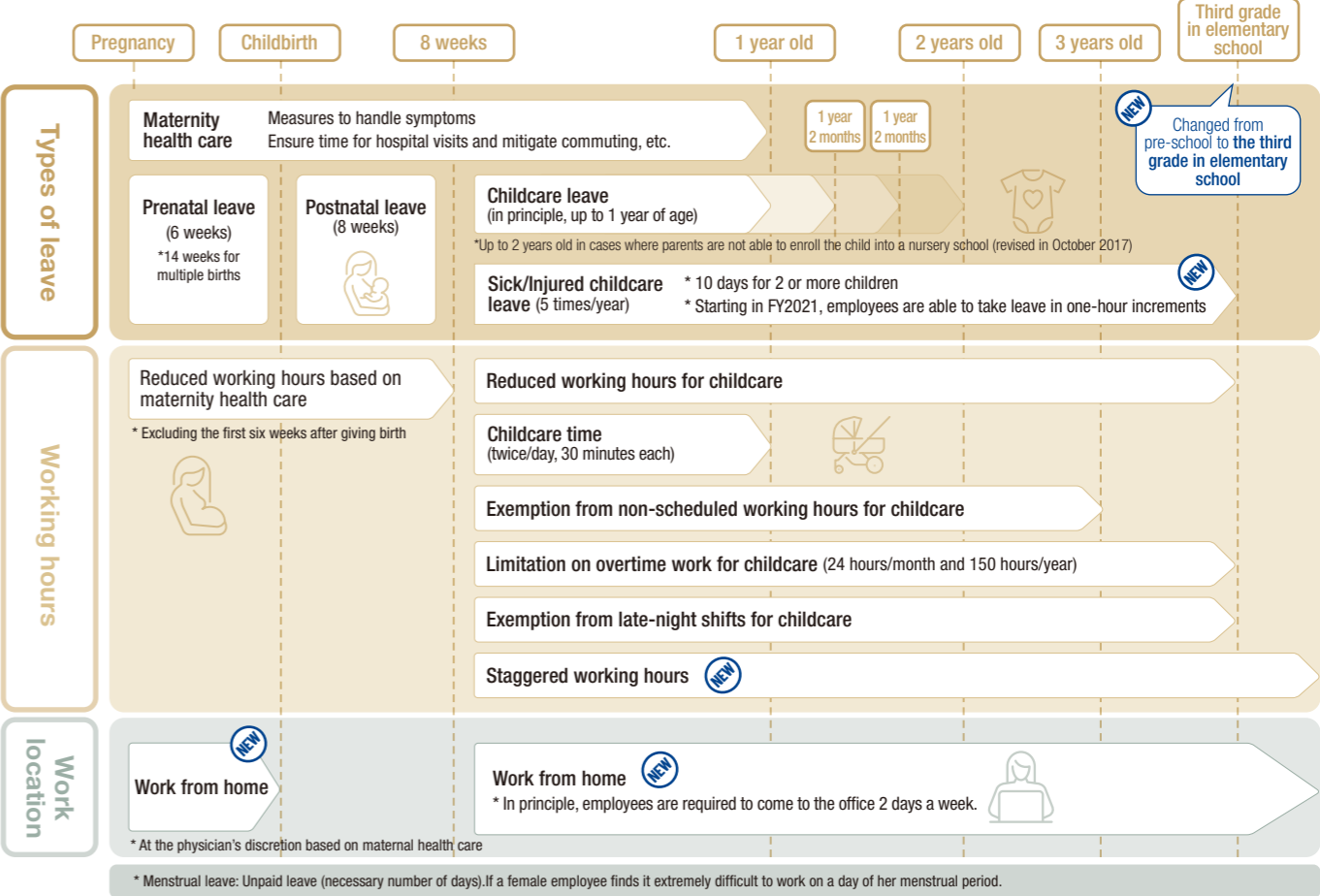
We participate in SMART LIFE PROJECT of the Health, Labour and Welfare Ministry

SMART LIFE PROJECT is a national campaign led by the Ministry of Health, Labour and Welfare under the slogan "Extend the healthy life-span" aiming that every Japanese citizen will live an active, healthy and enjoyable life throughout one's life. We are encouraging employees to take actions especially in three areas: exercise, good dietary habit, and no smoking.

3 Diversity promotion

Komori positions supporting work-life balance and raising next-generation children as one of the focused initiatives of promoting diversity and inclusion, and has been increasing and improving systems compatible with life events. Various initiatives have been taken based on the belief, "If we provide a comfortable and fulfilling working environment for employees who are balancing work and childcare, they can exert their full potential."

Komori Childcare Support System



Supplier Partnerships

Procurement Policy

Komori's printing presses require an extremely large number of parts and high quality construction, particularly given their nature as precision machinery designed on the basis of many custom specifications tailored to customer demands. As such, Komori's business activities first and foremost involve forging relationships of trust with its suppliers (partner companies). With this in mind, we conclude standard purchase agreements with our partner companies, and accordingly engage in procurement in a manner whereby both parties mutually adhere to Komori's corporate philosophy. On a regular basis, we hold concurrent briefings on our partner company policy at our two main plants (Tsukuba Plant and Komori Machinery Co., Ltd.) to share important information on the procurement of parts and materials and to promote close communication.

Green Procurement

We have formulated the "Komori Green Procurement Standard Guidelines" to promote initiatives including low-carbonization, compliance with chemical substance-related laws and regulations, and biodiversity preservation in collaboration with our suppliers.

Coexistence with Local Communities

Komori Athletic Team's Coexistence with Local Communities

The Komori Athletic Team has the activity philosophy, "a running Team that creates *Kando* excitement." Embracing the ideal of continuing to deliver excitement to our employees, the printing industry, and our local communities through track and field athletics activities, the team is engaged in activities contributing to local communities every year.

We expect children participating in each athletic training lesson to aspire to be track and field athletes in corporate competitions and have interest in track and field athletic activities. We also expect that some of them will compete in the All-Japan High School Ekiden, All-Japan Collegiate Ekiden, and The Tokyo-Hakone Round-Trip College Ekiden.



Track and field training lesson in Kushiro

The Komori Athletic Team members hold a training camp in Kushiro every year and have continuous exchanges with local elementary school students. The team members help participating junior high school students improve their athletic performance, and encourage every student to have hopes and dreams while practicing together with corporate athletes.

Track and field training lesson in Mito

After participating in the 6th Hinuma Natsumi Marathon as part of its activities contributing to the local community in June 2022, the Konami Athletic Team members held the training lesson, together with the local track and field club in Mito City for the first time. The team will continue exchanges with elementary and junior high school students in communities of Ibaraki Prefecture.

Track and field training lesson in Takahata-machi

In Takahata-machi where Komori Machinery Co., Ltd. is located, The Komori Athletic Team members participate in a road race every year as part of its activities contributing to the local community and concurrently hold a track and field training lesson for local students. The first training lesson was held again after a few years due to the COVID-19 pandemic. Joined by local elementary and junior high school students and Komori Machinery employees, the event was a great success. We will continue to hold the training lesson as activities contributing to local communities.

Track and field training lessons held this year

Locations	Kushiro City	Mito City	Takahata-machi	Total
Past Classes	Sep. 2022	Sep. 2022	Sep. 2022	-
Number of participants	30	65	43	138

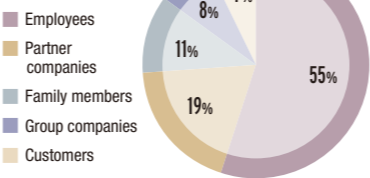
Implementation of Workplace Vaccination

We promptly secured necessary quantities of vaccines, doctors and nurses, and facilitated a vaccination campaign of the Takeda/Moderna COVID-19 vaccine within the Company's premises for employees and their family members, workers of partner companies, customers and other stakeholders from June 2021 to May 2022. The number of people who got vaccinated was 3,096 for the first and second doses, and 1,066 for the third dose, which totaled 4,162. We provided a safe and secure work environment where everyone can work and live safely and comfortably and thus made small contribution to efforts for early end of the COVID-19 pandemic.

In addition, every winter we arrange for a mass influenza vaccination program that allows employees to get vaccinated for free of charge during working hours. (For employees and their family members who are unable to participate in the mass vaccination program, we subsidize up to 3,000 yen instead.)



Ratio of people vaccinated



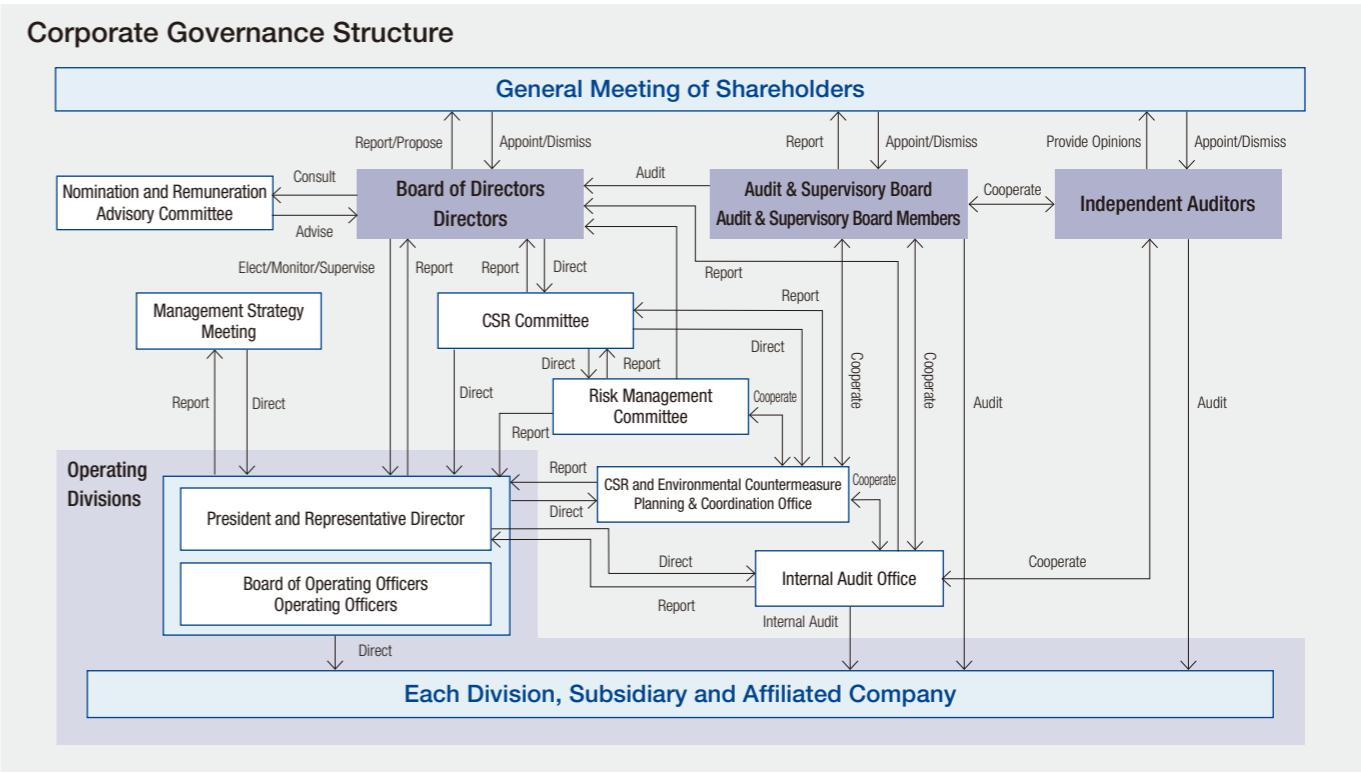
Briefings on our partner company policy and the number of participating companies

Past Briefings	Tsukuba	KKM
2021	200	65
2019	131	59
2018	131	57

Fundamental Concepts of Corporate Governance

Under the corporate philosophy, "Company delivering Customer *Kando* beyond expectations," Komori understands that it is one of the most important material issues to meet expectations from all stakeholders including shareholders, customers, suppliers, local communities, employees and their families in its business activities, fulfill its responsibilities and maximize corporate value. To that end, Komori employs a Company with Audit & Supervisory Board system as a core part of its corporate governance activities.

Komori also acknowledges that securing management transparency, prompt decision making, compliance, and strengthening the audit function are fundamental to corporate governance. Based on these fundamental concepts, the Company pursues efforts to ensure solid corporate governance in all facets of management, including the supervision of management.



History of Corporate Governance Structure

	Before 2011, since 2013	since 2016	since 2020
System	1994 Transferred to a Company with Audit & Supervisory Board		As of July 2022 267 meetings in total
Directors	2013 Ratio of Outside Directors: 25% 2 Outside Directors	2018 Increased to 3	2022: 36% 2021 Increased to 4
Evaluation of effectiveness		2016 Introduce a questionnaire-style self-evaluation Evaluated 12 times in total	
Nomination Advisory Committee		2019 Established	2022 Integrated into Nomination and Remuneration Advisory Committee (Consists of 3 outside and 2 inside directors)
Remuneration Advisory Committee		2019 Established Held 10 times in total	2020 Introduced the Board Benefit Trust Remuneration System

Main decision-making bodies and frequency of meetings in the fiscal year ended March 31, 2022

The main decision-making bodies and the frequency of meetings in the fiscal year ended March 31, 2022 are as follows:

Board of Directors	11 Directors (including 4 Outside Directors) and 3 Audit & Supervisory Board members (all Outside Audit & Supervisory members) Chair Yoshiharu Komori (Chairman)	14 meetings <small>Out of inside directors and Audit & Supervisory Board members, 3 are mid-career recruitment</small> <div><div>Outside 36%</div><div>Inside 64%</div></div>
Audit & Supervisory Board	3 Audit & Supervisory Board members (all Outside Audit & Supervisory board members) Chair Shinji Amako (Full-Time Outside Audit & Supervisory Board member)	14 meetings <div><div>Outside 100%</div><div>One of whom is female</div></div>
Board of Operating Officers	11 Directors, 1 Full-Time Audit & Supervisory Board member, 8 Operating Officers, 1 General Manager of Service Engineering Division, and 1 General Manager of ICT Promotion Division Chair Satoshi Mochida (Representative Director and President)	Mid-Career Recruitment 12 meetings <div><div>25%</div><div>Inside 75%</div></div>
CSR Committee	11 Directors, 1 Full-Time Audit & Supervisory Board member, 8 Operating Officers, 1 General Manager of Service Engineering Division, and 1 General Manager of ICT Promotion Division Chair Shoji Oyama (Operating Officer)	4 meetings

Reasons for appointment of Outside Directors and Outside Audit & Supervisory Board members

Outside Directors and Outside Audit & Supervisory Board members		Reasons for appointment
Harunobu Kameyama Appointed in June 2013 Born on May 15, 1959	Outside	He was elected for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to having him utilize his expertise, experience, etc. gained as an attorney at law in the management of the Company. (Attendance at the Board of Directors: 14 out of 14 meetings)
	Independent	
	Director	
Kenji Sekine Appointed in June 2018 Born on May 24, 1952	Outside	He has been engaged in a wide range of business operations including overseas operation in a general medical equipment manufacturer. He was elected for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to having him utilize his broad experience, insight, etc. in the management of the Company. (Attendance at the Board of Directors: 14 out of 14 meetings)
	Independent	
	Director	
Masataka Sugimoto Appointed in June 2019 Born on March 22, 1970	Outside	He was elected for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to having him utilize his extensive academic experience, broad insight, etc. relating to new functional materials and leading-edge molding processing technology in the management of the Company. (Attendance at the Board of Directors: 12 out of 14 meetings)
	Independent	
	Director	
Toshiro Maruyama Appointed in June 2021 Born on April 21, 1957	Outside	He has deep expertise in printing securities and broad insight based on his experience in plant operations and business management. He was elected for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to having him utilize his expertise, insight, and other skills in the management of the Company. (Attendance at the Board of Directors: 11 out of 11 meetings)
	Independent	
	Director	
Shinji Amako Appointed in June 2016 Born on April 21, 1956	Outside	He was elected, having determined that he would be able to execute audits from an outsider's perspective to a greater degree as an Outside Audit & Supervisory Board Member by utilizing his extensive knowledge and experience that he has gained from business operations, overseas assignments, and management at a manufacturing company in another industry. (Attendance at the Board of Directors: 14 out of 14 meetings, Attendance at the Audit & Supervisory Board: 14 out of 14 meetings)
	Independent	
	Audit & Supervisory Board member	
Hiroko Sakamoto Appointed in June 2013 Born on July 30, 1954	Outside	She was elected, having determined that she would be able to execute audits from an outsider's perspective to a greater degree as an Outside Audit & Supervisory Board Member by utilizing her professional knowledge as a certified public accountant and a certified tax accountant and her experience in audit corporations. (Attendance at the Board of Directors: 14 out of 14 meetings, Attendance at the Audit & Supervisory Board: 14 out of 14 meetings)
	Independent	
	Audit & Supervisory Board member	
Muneaki Kiyota Appointed in June 2020 Born on April 3, 1957	Outside	He was elected, having determined that he would be able to execute audits from an outsider's perspective to a greater degree as an Outside Audit & Supervisory Board Member by utilizing his extensive knowledge and experience that he has gained from business operations and management at other companies in different industries including a financial institution. (Attendance at the Board of Directors: 14 out of 14 meetings, Attendance at the Audit & Supervisory Board: 14 out of 14 meetings)
	Independent	
	Audit & Supervisory Board member	

Skills Matrix

		Expertise and Practical Experience										
Name		Outside	Experience in corporate management	Knowledge about the Company's business	Sales and Marketing	Manufacturing and Quality Control	R&D and Innovation	Finance	Personnel and HR Development	Legal Affairs and Compliance	Global	Mid-Career Recruitment
Inside Directors	Yoshiharu Komori		●	●	●		●				●	
	Satoshi Mochida		●	●	●	●	●		●		●	
	Eiji Kajita		●	●	●			●			●	●
	Masafumi Yokoyama		●	●					●	●	●	●
	Koichi Matsuno			●		●		●		●	●	
	Isao Funabashi			●		●	●					
	Iwao Hashimoto			●		●		●	●	●		●
Outside Directors	Harunobu Kameyama	●								●		
	Kenji Sekine	●	●		●					●	●	
	Masataka Sugimoto	●					●				●	
	Toshiro Maruyama	●	●			●	●					
Audit & Supervisory Board member	Shinji Amako	●	●			●				●	●	
	Hiroko Sakamoto	●						●		●		
	Muneaki Kiyota	●	●					●		●	●	

*The above matrix is not an exhaustive list of areas of expertise of Directors and Audit & Supervisory Board members.

Dialogue with Stakeholders

Komori is working to find solutions to management issues through conversations with our stakeholders, including customers, business partners, and shareholders. Also, as we consider human capital as an important management resource for business development, we have established a cooperative system through communication between employees and management and various internal systems in order to enhance corporate value. Aiming to be a company trusted in the community, we are making efforts to actively participate in community activities.

Stakeholders	Policy measures
Customers	<ul style="list-style-type: none">• Providing printing machinery which complies with domestic and overseas environmental regulations• Realizing energy and resource savings of printing machinery on the basis of environmental impact assessments• Supporting customers in reducing their environmental impact through various training programs
Suppliers	<ul style="list-style-type: none">• Green procurement implementation• Discussions with top management at briefings for partner companies• Policy explanation by the purchasing department
Shareholders	<ul style="list-style-type: none">• Early notification of general meetings of shareholders• Holding general meetings avoiding peak periods (once a year)• Preparing various electronic documents and their English versions• Allowing the exercise of voting rights via the Internet and smartphones
Market Players	<ul style="list-style-type: none">• Scheduling financial results briefings (4 times a year)• Internet financial reporting• Individual meetings
Employees	<ul style="list-style-type: none">• Good work-life balance support, including a gender-neutral parental leave system, etc.• Interactive regular training and workplace revitalization via corporate newsletters, etc.• In-house reward system to recognize outstanding ideas and activities
Local Communities	<ul style="list-style-type: none">• Introducing company business at schools (remote mock training due to COVID-19)• Exchange with elementary school students through sports training by the Komori Athletic Team• Collaboration with local public institutions in joint disaster drills, etc.

Directors’ Remuneration

Directors’ Remuneration

Directors are paid basic remuneration and performance-linked remuneration, paid as bonuses, to ensure that the remuneration system appropriately reflects accountability and performance, and thereby increases corporate value. The ratio of performance-linked remuneration is determined to be approximately 50% of the total amount of basic remuneration for average performance. The performance is, in principle, determined according to the consolidated operating income, and the total amount to be paid is to be submitted to the general meeting of shareholders for deliberation after the end of the fiscal year. Remuneration for Outside Directors is a fixed amount on a monthly basis.

The Remuneration Advisory Committee, which the Company voluntarily established in December 2018, has been working to strengthen the objectivity and transparency of directors' remuneration. The Committee (presently as the Nomination and Remuneration Advisory Committee) is composed of three members: two Outside Directors and one Inside Director. Proposals deliberated by the Committee are submitted and resolved at meetings of the Board of Directors. In light of the nature of their duties, Audit & Supervisory Board members receive a basic remuneration on a monthly basis, of which the total amount shall be within the limit approved by the General Meeting of Shareholders. The amount of basic remuneration for each Audit & Supervisory Board member is determined through deliberations among all Audit & Supervisory Board members.

Performance-Linked Stock Remuneration System

Komori has introduced a performance-linked stock remuneration system, the Board Benefit Trust (BBT), for executive directors. The system is to make clearer the linkage between the remuneration for executive directors, the Company's business performance, and shareholder value, and for executive directors to share with investors not only the benefits of increasing stock prices but also the risks of declining stock prices. Thus, we are aiming to motivate executive directors to contribute to the improvement of the Company's business performance and enhancement of corporate value over the medium- to long-term. Specifically, the figure is adjusted at the end of the Medium-Term Management Plan, depending on the achievement of each numerical plan set in the Medium-Term Management Plan.

Reduction Status of Cross-Shareholdings

Komori holds shares in other companies, considering the fact that cooperation with business partners is vital for development, sales, financing, etc., which will increase corporate value and achieve sustainable growth. As to the shareholdings, the Board of Directors verifies the merits of holding stocks of each company every year. Any judged to be unreasonable to hold has been reduced and the stocks of one company were sold accordingly in the fiscal year ended March 31, 2022. With respect to the exercise of voting rights for cross-shareholdings, we make a judgment on each proposal according to the evaluation criteria which verify whether the merits of our shareholding will be impaired or whether the corporate value of the company in question will be improved from a medium- to long-term perspective after taking into full consideration the management policies and strategies of the company which issued the stock.

Evaluation of the Effectiveness of the Board of Directors

Evaluation for the 76th term (Fiscal year ended March 31, 2022)

In order to analyze and evaluate the effectiveness of the Board of Directors, we conducted a questionnaire survey (self-evaluation) of all directors and all Audit & Supervisory Board members on the following matters. Based on the analysis and evaluation of the survey results, we have determined that the effectiveness of the Board of Directors is validated. A summary of the evaluation is given below.

•Composition of the Board of Directors	Consists of 14 directors, including 4 outside directors and 3 outside Audit & Supervisory Board members, who have a good balance of knowledge and experience in various fields and are deemed appropriate for the Board of Directors.
•Operation of the Board of Directors	The Chair of the Board of Directors makes efforts to ensure prompt and active deliberations, for example, by encouraging outside directors to be proactively involved in discussion. Also, the start and/or end time of meetings is changed according to the importance of proposals and matters to be reported to ensure sufficient time for deliberations. Equipment was installed to allow members to attend a meeting of the Board of Directors from any place during the COVID-19 pandemic.
•Matters to be proposed and reported	In accordance with the regulations of the Board of Directors and legal requirements, important matters are appropriately proposed and reported. Additionally, we hold a preliminary briefing on proposals and matters to be reported and distribute relevant materials in advance to facilitate effective and prompt discussions.
•Status of Deliberations	Meetings are held every month according to the schedule decided at the beginning of the fiscal year. The attendance rate of 99%, including outside directors and outside Audit & Supervisory Board members, ensured the smooth operation of the Board of Directors.
•Status of Improvement	We have made improvement one by one according to requests and findings by directors. Since the fiscal year ended March 31, 2022, briefing sessions and the like have been held in response to the request for an increase in face-to-face opportunities to give advice and guidance to the execution side (See page 56).

Basic Concepts on Compliance, Risk Management and Internal Control

We ensure that all our officers and employees in Japan and overseas conduct their activities in compliance with laws, regulations and corporate ethics based on the Komori Group Code of Corporate Conduct and the Komori Group Employee Conduct Standards, both of which were formulated as basic guidelines for corporate activities. In addition, we have established the CSR Committee and the section in charge of compliance to promote and raise compliance awareness throughout the Komori Group by providing an internal reporting system for domestic Group companies, as well as compliance education for all employees.

Further, the Board of Directors resolved the Basic Policy on Establishment of Internal Control System (hereinafter referred to as the “Basic Policy”) in accordance with the Companies Act of Japan in May 2006. In line with the policy, we have been working to ensure compliance, risk management, and operational effectiveness and efficiency across the board. The establishment and operational status of the Basic Policy is evaluated and the results of the evaluation is reported to the Board of Directors every year.

Risk Management

We have identified individual risks in the Komori Group and examined countermeasures for them at various meetings, and responded to issues in daily operations to a certain extent. However, as the environment surrounding us is changing, there are concerns that any lack in common understanding and linkage between sections of important risks could lead to a delay in taking the countermeasures. Therefore, CSR and Environmental Countermeasure Planning & Coordination Office is working together with each department to narrow down and manage 21 risk factors, including those stated in the Securities Report, in view of the severity of the risks we faced in the past and the priority of risks we are currently facing.

Out of them, 12 risk factors are classified into 6 risk types as listed in the table below and the status of risk management is disclosed in the Securities Report for this fiscal year.

In our internal activities, the risk management organization headed by CEO was formed, and is responsible for identifying and assessing risks from group-wide perspectives. In accordance with the Regulations for Risk Management and the Operational Guidelines for Risk Management established to this end, we set up the Risk Management Committee which is responsible for formulating the group-wide risk management policy, reviewing the risk management system, monitoring the implementation status of countermeasures for each individual risk, and providing necessary follow-ups. The progress status is reported at the CSR Committee quarterly and the Board of Directors as necessary. The emergency headquarters will be in charge for the risks in emergencies.

	Risk type	Risk factor	Number of risk factors
1	Management risk of overseas subsidiaries	<ul style="list-style-type: none">• Risk of declined profitability of subsidiaries in Europe and the U.S.• Risk of possible damages due to product quality claim• Risk of deterioration in cash flow due to excess inventories	3
2	Hazard risk	<ul style="list-style-type: none">• Risk related to information security breach• Risk related to concentration of production sites• Risk of suspension of business operations due to a possible spread of COVID-19	3
3	Market volatility risk (Market monitoring risk)	<ul style="list-style-type: none">• Risk of shrinking of the offset printing market• Risk caused by currency exchange fluctuations	2
4	New business management risk	<ul style="list-style-type: none">• Risk of stagnant growth of digital printing business• Risk of possible impairment of goodwill	2
5	Risk of hike in raw material prices	<ul style="list-style-type: none">• Risk related to price hikes of raw materials and electronic parts, etc.	1
6	Parts supply risk	<ul style="list-style-type: none">• Adjustment risk related to electronic parts, business closure of small and medium enterprises, etc.	1

Interview with Outside Directors
and members of the Nomination
and Remuneration Advisory
Committee



Picture: Members of the Nomination and Remuneration Advisory Committee (except Representative Director and President Mochida; Yokoyama, Kameyama, Maruyama and Sekine from the left)

The Komori Group understands that it is a material issue to maximize corporate value and to realize it is indispensable to enhance the effectiveness of corporate governance. We asked three Outside Directors who are serving as a member of the Nomination and Remuneration Advisory Committee for their views on corporate governance of KOMORI CORPORATION.

Questions and Answers with Outside Directors

- Q1

How do you perceive your mission as Outside Director?
- Q2

How do you see KOMORI CORPORATION from a standpoint of Outside Director?
- Q3

After assuming office as Outside Director, what changes have you seen?
- Q4

What challenges should Komori address from now on?

Toshiro Maruyama Appointed in June 2021, born on April 21, 1957

A1 I recognize that the role of Outside Directors is to give advice and oversight to the management to improve corporate value from an objective standpoint. KOMORI CORPORATION is a well-established company that commemorates its centennial anniversary in 2023. Looking ahead another 100 years to come, we are working to access the adequacy of decision making not only of the Board of Directors but also of the Board of Operating Officers. Specifically, I have understood how organizational decisions are made by attending meetings about technological development, manufacturing and reporting of the Medium-Term Management Plan, as well as through exchanging views with Operating Officers.

A2 As expressed in its corporate philosophy, “Company delivering Customer *Kando* beyond expectations,” the Company values manufacturing and has grown through providing solutions to problems that customers have. Tsukuba Plant is an ideal plant capable of highly efficient production. The plant has also cultivated its core technologies and know-how as well as human resources. Products based on high technological strength have competitive edge high enough to compete with overseas rivals. However, there are some issues. For example, it takes a long time to improve profitability of new businesses. As for the growth of overseas sales, regional sales strategies are not clear sometimes.

A3 Over the past year, the Management Planning Office was placed at the heart of formulating and promoting business strategies, and then the operational headquarters was set up in each of Japan, Asia, Europe and Americas regions. As a result, under the direction of each general manager, the system has been established to allow marketing to be conducted more swiftly in response to local circumstances. In addition, after technological development systems have been consolidated, competitiveness and profitability are expected to improve from now on. The Nomination and Remuneration Advisory Committee is reorganized and chaired by an Outside Director, so that it is possible to make better use of Outside Directors’ knowledge and revitalize the Company through human resources development and increased motivation, both of which are material Issues to us. Based on a diverse range of experiences Outside Directors have, we should regularly communicate with the execution side and convey information from perspectives of each one, to allow these policy measures to achieve their intended objectives.

A4 To begin with, I think the top priority is to increase profitability of new businesses that have been underway. Given current changes in the market, speedy actions matter. In addition it is indispensable to strengthen the revenue base of the offset and security printing press businesses, which would remain as our mainstay for the time being. It is also necessary, through offering excellent products and services, to earn customers’ trust in us, and make shareholders and investors rediscover our strong presence in society. To this end, I feel that public relations activities in a broad sense are required. I hope that this could result in enhancing our brand power and profitability.

Kenji Sekine Appointed in June 2018, born on May 24, 1952

A1 I make sure of giving opinions from a standpoint of monitoring and overseeing the management. I came from a different industry but I believe my experience is useful in areas such as market analysis, overseas business, M&A, and new product development. As you can see in the minutes of the Board of Directors before and after I assumed office as Outside Director, there is a significant improvement in the board’s deliberations. Outside Directors’ comments increased and became more productive. We cannot conclude that the management has improved just because opinions increased at the Board of Directors meetings. However, our challenge is to improve deliberations into those with effectiveness going forward.

A2 It is an excellent company due to commemorate its 100th anniversary in 2023, but I feel that long history might bring some constraints in its growth. In the case of the company I came from, even though its conventional profitable business reached a plateau, and started struggling in price wars, the company was able to get back on the growth path by developing a new market. Komori has high technological strength in printing and precision processing, though, as a matter of fact, there is a delay in its entry into a new field, and the management is trying to change the current situation. Whether to remain a moderate but stable company or bring it onto a growth path, we need to set a goal based on solid market analysis and come up with action plans to achieve it.

A3 The Board of Operating Officers is undergoing a significant change, and the governance system has also improved, keeping abreast of a general trend in society. However, what is more important is to change mindset of the execution side. It is imperative to increase the level of communication between the management and the employees who are working on site and the level of cross-sectional communication, clarify themes, realign organizations and human resources to be focused on technological development and marketing. To create a new market and business, one needs to destroy conventional ideas and seek human resources broadly internally and externally.

A4 It is about time to separate oversight and execution. I think that net sales of 100 billion yen is a turning point for changing organizational forms. The company I came from was also able to establish a sustainable growth base by changing organizational forms. As I already started discussing with President Mochida, we should transform ourselves into an organization that allows Operating Officers to focus on business execution and accumulate their experiences so that the Company will be able to make a further leap forward. Another challenge is to develop products based on core technologies by clearly defining technological development. Currently, net sales are expected to return to the 100-billion-yen level. To further boost it to 200 billion yen or over, it is necessary to create a new market. Discussions are needed as to what exactly the new market is, where the market is and how we make it profitable.

Harunobu Kameyama Appointed in June 2013, born on May 15, 1959

A1 I believe that conveying our expertise and experience to management is one of the most important roles of Outside Directors. The execution side has the best understanding of the actual situation of the Company, so it is necessary to have them verbally explain targets and strategies. Therefore, I try to create opportunities for such explanation. For example, in a situation where a technology or development is explained, whether to internal or external audience, but if it is not explained in an appropriate manner, it would be difficult to gain the understanding of investors or customers. That could end up having negative impact on our business execution. When it comes to the appointment of directors or selection of successors, if reasons for the appointment or the selection are verbally explained, the transparency and fairness of the management would be better ensured.

A2 The year 2023 marks the Company’s centennial anniversary. The environment surrounding companies including us has undergone a significant change. President Mochida is strongly promoting the transformation by quoting Darwin’s adage, “The one most adaptable to change is the one that survives.” However, has the Company been able to adapt to all of such environmental changes appropriately and properly? Sometimes, it seems to me that the previous practices are just repeated. I think there is a strong need for further transformation and for continuing such transformation.

A3 In response to a significant change in the environment surrounding companies including us, we see a higher level of prior disclosure and explanation of agenda presented and reported to the Board of Directors, and, as a result, communications at the Board of Directors have become more active and intensive. In this sense, I feel things have drastically changed now. Personally, I think that this is not only due to the executives’ raised awareness of problems but also due to its secretariat’s enhanced awareness of problems and improved attitude to work on them. Further, the Nomination Advisory Committee and the Remuneration Advisory Committee arbitrarily in place were integrated into the new Nomination and Remuneration Advisory Committee and its role was reviewed. We have embarked on ever-more-active initiatives to tackle urgent issues, such as what kind of company we want to make, how to find and develop human resources responsible for the Company’s future.

A4 We must formulate more specific plans as to how to be more profitable. One important issue is to how to develop new products and businesses. At a meeting held recently, I asked the execution side to verbally explain the development division’s role and policy measures for the purpose of achievement of the Medium-Term Management Plan targets, and a liaison with the sales and production divisions. I arranged for an opportunity for the explanation that I mentioned. Any explanation that is difficult to gain the understanding of Outside Directors would be difficult to win the support of shareholders and investors. I believe clear explanation that it is easy for us to understand would be effective in sending clear message externally. Let me take return of profits to shareholders as an example. I think we must discuss how our approach to investment and profit distribution to employees should be disclosed as specifically as possible, based on the sustainability approach stated in the Corporate Governance Code.

Recent Initiatives for Enhancement of Corporate Governance

1 Nomination Advisory Committee and Remuneration Advisory Committee were established in 2018

- Each committee consisted of President and 2 Outside Directors. Each was chaired by President.

2 Nomination Advisory Committee

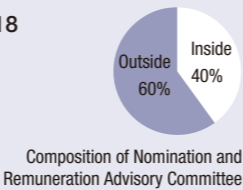
- 12 meetings were held between in March 2019 and May 2022.
- Deliberations were made on definition of requirements for successor to the president, selection of candidates, and candidates for new directors (inside and outside) and so on.

3 Remuneration Advisory Committee

- 10 meetings were held between in March 2019 and May 2022.
- Deliberations and confirmations were made on introduction of the Board Benefit Trust Remuneration System as a long- and mid-term incentive system for directors, and directors’ remuneration system.

4 Nomination Advisory Committee and Remuneration Advisory Committee were reorganized into Nomination and Remuneration Advisory Committee

- Governance was further enhanced in May 2022, by increasing the number of committee members to three Outside Directors and two Inside Directors and having Kameyama Outside Director serve as the chair.
- 4 meetings have been held as of August 2022.
- Confirmation was made on directors’ remunerations and deliberations were made on annual plan of the committee’s activities including appointment of successor to the president, proposal for interview with candidates.



Establishment of mechanism to allow Outside Directors to provide valuable advice

Outside Directors are invited to major internal meetings so that the Company could receive valuable advice from them. For instance, the Board of Operating Officers and the meeting for performance achievement promotion, both held monthly, as well as each plant inspection of manufacturing sites, including Tsukuba Plant and Komori Machinery Co., Ltd., held six times a year, are always attended by at least one Outside Director. In addition, the explanatory session and briefing session, including an explanation about important issues such as dividends, are also held as below:

Explanatory session before the Board of Directors		
Date	Preceding day of the Director of Directors	
Number of times	FY2020	6
	FY2021	5
	From April to September 2022	3

Briefing session of progress of the Medium-Term Management Plan	
Description	Briefing on progress by Operating Officers and a responsible person for promoting the business
Date	Held in October 2021 and July 2022

Briefing session of progress of management issues	
Description	Briefing on each regional strategies by a responsible person for supervising each region
Date	August 2022 (1st round)

Directors



Yoshiharu Komori
Chairman
Born on June 27, 1939
April 1962 Joined the Company
June 1967 Director
August 1979 Managing Director
August 1987 Senior Managing Director and General Manager of Sales Department
April 1993 President and Representative Director
July 2006 Representative Director, President and CEO
June 2009 President, Chairman, CEO and Representative Director
June 2014 Chairman, CEO and Representative Director
June 2019 Chairman (to present)
Number of shares of the Company held: 1,054,573 common shares



Satoshi Mochida
President and Representative Director
Born on August 7, 1950
April 1975 Joined the Company
June 1995 Director, Deputy Head of Corporate Management Office, Head of Secretary's Office and General Manager of Overseas Sales Division
June 1998 Managing Director, Head of President's Office and General Manager of Sales Department at Head Office
April 2000 Managing Director, General Manager of Sales Management Division and General Manager of Sales Department at Head Office
July 2001 Managing Director, General Manager of Sales Management Division, General Manager of Sales Department at Head Office and General Manager of Overseas Sales Division
March 2005 Managing Director and Head of Management Planning Office
July 2006 Managing Director, Managing Operating Officer and Head of Management Planning Office
November 2006 Senior Managing Director, COO and Representative Director and Head of Management Planning Office
June 2007 Senior Managing Director, COO and Representative Director
January 2009 Senior Managing Director, COO and Representative Director and Head of Management Planning Office
June 2011 Representative Director, COO and Head of Management Planning Office
April 2013 Vice President, COO, Representative Director and Head of Management Planning Office
June 2014 President, COO, Representative Director, Head of Management Planning Office and Head of CSR Planning & Coordination Office
March 2016 President, COO, Representative Director and Plant Director of Tsukuba Plant
June 2017 President, COO and Representative Director
June 2019 President, CEO and Representative Director (to present)
Number of shares of the Company held: 72,245 common shares



Harunobu Kameyama
Director
Born on May 15, 1959
April 1992 Registered as attorney at law (Daiichi Tokyo BAR Association)
April 1997 Opened Harunobu Kameyama Law Office
(now Kameyama Sogo Law Office)
June 2005 Auditor of Kyoritsu International Foundation (to present)
June 2007 Outside Audit & Supervisory Board Member of the Company
April 2010 Civil conciliation commissioner of Tokyo Summary Court (to present)
October 2012 Outside Director of Takaoka Toko Holdings Co., Ltd.
(now Takaoka Toko Co., Ltd.) (to present)
June 2013 Outside Director of the Company (to present)
October 2013 Outside Audit & Supervisory Board Member of SOMAR Corp. (to present)
March 2021 Outside Audit & Supervisory Board Member, YAMABIKO CORPORATION
March 2022 Outside Director, YAMABIKO CORPORATION (to present)
Number of shares of the Company held: 0 common shares



Kenji Sekine
Director
Born on May 24, 1952
April 1977 Joined Terumo Corporation
April 1998 Seconded to Terumo Beiersdorf KK
January 2003 Division President, Medical Devices Division, General Hospital Company of Terumo Corporation
June 2006 Executive Officer of Terumo Corporation
October 2006 General Manager of Kansai Block of Terumo Corporation
June 2008 Director, Executive Officer and Officer in charge of Marketing Office of Terumo Corporation
June 2010 Director and Senior Executive Officer of Terumo Corporation
October 2010 General Manager of India and Middle East Region of Terumo Corporation
June 2013 Full-time Audit and Supervisory Committee Member of Terumo Corporation
June 2015 Director and Audit/Supervisory Committee Member of Terumo Corporation
June 2017 Advisor of Terumo Corporation
June 2018 Outside Director of the Company (to present)
Number of shares of the Company held: 0 common shares



Eiji Kajita
Directors
Born on September 7, 1965
April 1988 Joined Nomura Securities Co., Ltd.
April 2008 General Manager of Osaka Capital Market Dept., Nomura Securities Co., Ltd.
April 2009 Joined the Company
April 2009 General Manager of Export Dept. II, Overseas Sales Division
January 2010 Seconded to Komori International (Europe) B.V. (President)
April 2012 Operating Officer, seconded to Komori International (Europe) B.V. (President)
September 2012 Operating Officer and Deputy Head of Management Planning Office
April 2013 Operating Officer and General Manager of Sales Management Division
June 2013 Director, Operating Officer and General Manager of Sales Management Division
October 2015 Director, Operating Officer, General Manager of Sales Management Division and General Manager of DPS Sales Promotion Division
March 2016 Director, Operating Officer, Head of Management Planning Office and Leader of Business Growth Strategy Promotion Project
June 2018 Director, Managing Operating Officer, Head of Management Planning Office and Leader of Business Growth Strategy Promotion Project
March 2019 Director, Managing Operating Officer, General Manager of Sales Management Division, and Officer in charge of DPS Business Promotion
February 2022 Director, Managing Operating Officer, General Manager of European Business, President of Komori International (Europe) B.V., and Komori-Chambon S.A.S. (to present)
Number of shares of the Company held: 18,300 common shares



Masafumi Yokoyama
Director
Born on November 8, 1953
April 1977 Joined Kubota Tekko K.K. (now Kubota Corporation)
April 1993 Head of Planning Section, Personnel Division, Kubota Corporation
January 1997 Head of Human Resources Development Group, Kubota Corporation
June 2000 General Manager of Environmental Planning Division, Kubota Corporation
June 2003 General Manager of Environmental Engineering Consolidated Division, Kubota Corporation
April 2006 General Manager of Environmental Business Development Division, Kubota General
April 2007 Manager of Membrane Solutions Business Unit, Kubota Corporation, and President of Kubota Membrane Co., Ltd.
April 2009 General Manager of Air Condition Equipment Division, Kubota Corporation, and President of Kubota Air Conditioner, Ltd.
April 2012 General Manager of Air Conditioning Equipment Business Unit, Kubota Corporation, and President of Kubota Air Conditioner, Ltd.
April 2013 Director of Electronic Equipped Machinery Division, Kubota Corporation
June 2013 Full-time Outside Audit & Supervisory Board Member of the Company
June 2016 Director, Operating Officer and Deputy General Manager of Administration and Personnel (in charge of general affairs and personnel affairs)
February 2017 Director, Operating Officer and General Manager of Personnel and General Affairs Division
June 2018 Director, Managing Operating Officer and General Manager of Personnel and General Affairs Division
March 2019 Director, Managing Operating Officer, Head of Management Planning Office and Officer in charge of Personnel and General Affairs Division (to present)
Number of shares of the Company held: 10,000 common shares



Masataka Sugimoto
Director
Born on March 22, 1970
April 1994 Joined CHISSO PETROCHEMICAL CORPORATION
April 2002 Principal researcher of Polymer Research Institute, CHISSO PETROCHEMICAL CORPORATION
April 2003 Assistant, Faculty of Engineering, Yamagata University
August 2004 Overseas researcher, North Carolina State University
October 2007 Assistant professor (Polymer Science), Graduate School of Science and Engineering, National University Corporation Yamagata University
December 2007 Associate professor (Polymer Science), Graduate School of Science and Engineering, National University Corporation Yamagata University
April 2018 Professor (Polymer Science), Graduate School of Organic Materials Science, National University Corporation Yamagata University (to present)
June 2019 Outside Director of the Company (to present)
Number of shares of the Company held: 0 common shares



Toshiro Maruyama
Director
Born on April 21, 1957
April 1982 Joined Printing Bureau, the Ministry of Finance (now National Printing Bureau)
April 2009 Manager, Development Department, National Printing Bureau
April 2011 Director, Takingawa Plant, National Printing Bureau
April 2013 General Manager, Security Product Business Department, National Printing Bureau
April 2015 Vice President, National Printing Bureau
March 2019 Retired from National Printing Bureau
June 2021 Outside Director of the Company (to present)
Number of shares of the Company held: 0 common shares



Koichi Matsuno
Directors
Born on September 7, 1960
April 1985 Joined the Company
March 2004 Manager, Administration Section, Administration Department
November 2004 Head of Toride Plant General Manager's Office
March 2005 General Manager of Toride Plant and Tsukuba Plant
March 2006 General Manager of Tsukuba Plant
February 2011 Deputy Plant Director of Tsukuba Plant and Head of Overseas Production Promotion Office
February 2012 Deputy Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant
April 2012 Operating Officer, Deputy Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant
April 2014 Operating Officer, General Manager of Administration Division
June 2014 Director, Operating Officer, General Manager of Administration Division and Leader of KNT Business Promotion Project
February 2022 Director, Operating Officer, Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant (to present)
Number of shares of the Company held: 15,700 common shares



Isao Funabashi
Director
Born on December 4, 1960
April 1983 Joined the Company
March 1998 Manager, Design I Section, Sheet-fed Dept.
March 2004 Seconded to Komori Machinery Co., Ltd., Deputy Plant Director and Manager of Sheet-fed Dept.
March 2006 General Manager of Tsukuba Design Dept.
February 2011 Senior Project Manager of Design Dept.
February 2012 Chief Engineer, Technology Division
April 2014 General Manager of Technology Division and General Manager of DPS Development Dept.
April 2015 Operating Officer and General Manager of Technology Division
February 2017 Operating Officer, Deputy Plant Director of Tsukuba Plant and General Manager of Technology Division
June 2017 Director, Operating Officer, Plant Director of Tsukuba Plant and General Manager of Technology Division
March 2018 Director, Operating Officer, Plant Director of Tsukuba Plant, General Manager of Technology Division, and Officer in charge of Komori's Graphic Technology Center
February 2021 Director, Operating Officer, Plant Director of Tsukuba Plant and General Manager of Technology Division
February 2022 Director, Operating Officer, General Manager of DPS Business Promotion Division and General Manager of Technology Division (to present)
Number of shares of the Company held: 1,000 common shares



Shinji Amako
Full-Time Audit & Supervisory Board Member
Born on April 21, 1956
April 1977 Joined Kubota Tekko K.K. (now Kubota Corporation)
April 1998 Technical Group Leader of Steel Engineering Department, Hirakata Plant, Kubota Corporation
October 2002 Overseas Group Leader of Steel Sales Department, Kubota Corporation
July 2005 Manager, Steel Sales Department, Kubota Corporation
April 2009 Director, Kubota Corporation
April 2010 Manger, Formed and Fabricated Materials Sales Department, Kubota Corporation
April 2012 Head of Formed and Fabricated Materials Business Unit, Kubota Corporation
April 2013 President, Kubota Materials Canada Corporation
June 2016 Full-time Outside Audit & Supervisory Board Member of the Company (to present)
Number of shares of the Company held: 0 common shares



Muneaki Kiyota
Full-Time Audit & Supervisory Board Member
Born on April 3, 1957
April 1981 Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd.)
June 2004 General Manager, Forex Department, Mizuho Bank, Ltd.
April 2007 General Manager, Bangkok Branch, Mizuho Bank, Ltd.
April 2009 Executive Officer, Mizuho Securities Co., Ltd. and President, Mizuho Bank (Switzerland) Ltd.
April 2010 Director, Mizuho Securities Co., Ltd.
June 2010 Audit & Supervisory Board Member, OKAYA ELECTRIC INDUSTRIES CO., LTD.
June 2012 Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.
June 2014 Director, Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.
April 2018 Director, Senior Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.
April 2020 Director, OKAYA ELECTRIC INDUSTRIES CO.,LTD.
June 2020 Outside Audit & Supervisory Board Member, Nichirei Corporation (to present)
June 2020 Full-time Outside Audit & Supervisory Board Member of the Company (to present)
Number of shares of the Company held: 0 common shares



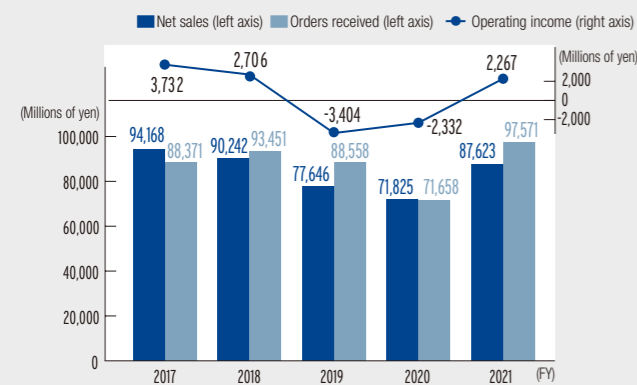
Iwao Hashimoto
Directors
Born on December 14, 1958
April 1981 Joined Kubota Tekko K.K. (now Kubota Corporation)
June 1996 Head of Pump Group, Administrative Divisions, Steel Engineering Dept., Hirakata Plant, Kubota Corporation
October 2015 Head of Planning Group, Pump Planning Division, Kubota Corporation
April 2007 General Manager of Pump Planning Division, Kubota Corporation
April 2015 General Manager of Water and Environment Engineering Division, Kubota Corporation
April 2019 Joined the Company
Deputy General Manager of Administrative Division
February 2020 Operating Officer, Deputy Plant Director of Tsukuba Plant and Representative Director of Komori Machinery Co., Ltd.
February 2022 Operating Officer, General Manager of Administration Division (to present)
Number of shares of the Company held: 0 common shares



Hiroko Sakamoto
Full-Time Audit & Supervisory Board Member
Born on July 30, 1954
October 1984 Joined Chuo Audit Corporation (the now defunct Misuzu Audit Corporation)
July 1997 Partner of Chuo Audit Corporation
July 2001 Representative Partner of Chuo Audit Corporation
July 2007 Joined A&A Partners
July 2007 Representative Partner of A&A Partners
July 2010 Partner of A&A Partners due to abolition of Representative Partner system
June 2013 Outside Audit & Supervisory Board Member of the Company (to present)
February 2019 Outside Audit & Supervisory Board Member of Lacto Japan Co., Ltd.
April 2019 Auditor (part-time) of Deposit Insurance Corporation of Japan (to present)
October 2019 Representative, Sakamoto Hiroko CPA Office (to present)
February 2021 Director (Outsider) and Audit Committee Member, Lacto Japan Co., Ltd. (to present)
Number of shares of the Company held: 0 common shares

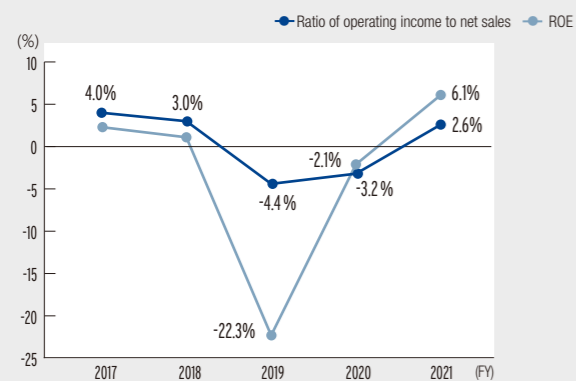
Financial Highlights

•Net Sales, Orders Received, and Operating Income



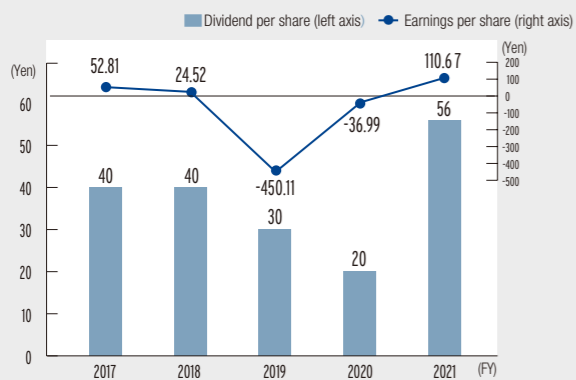
Orders received for the fiscal year ended March 31, 2022 increased by 36% year on year to ¥97,500 million, the highest in five years. Net sales amounted to ¥87,600 million, a 22% increase from a year earlier. Operating income increased by ¥4,600 million over the previous fiscal year to ¥2,200 million.

•Ratio of Operating Income to Net Sales and ROE



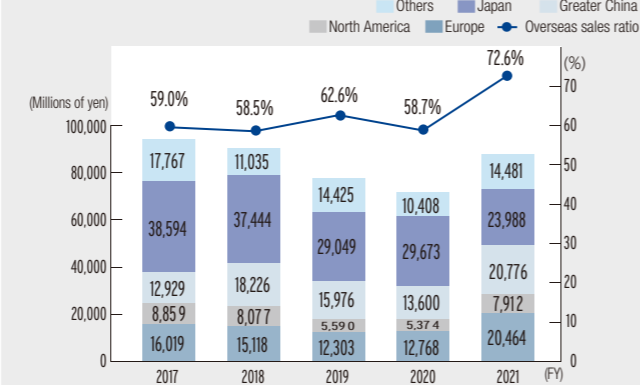
Ratio of operating income to net sales for the fiscal year ended March 31, 2022 was 2.6%, 5.8 percentage points up year on year primarily due to an increase in sales volume, improved capacity utilization, and the yen's depreciation. As a result of improved operating income and the proceeds from sales of noncurrent assets in the course of the integration of business bases as part of measures to reinforce the Company's business revenue structure, ROE (Return on Equity = Profit Attributable to Owner of Parent / Equity) was 6.1%, 8.2 percentage points up from the previous fiscal year.

•Earnings and Dividend Per Share



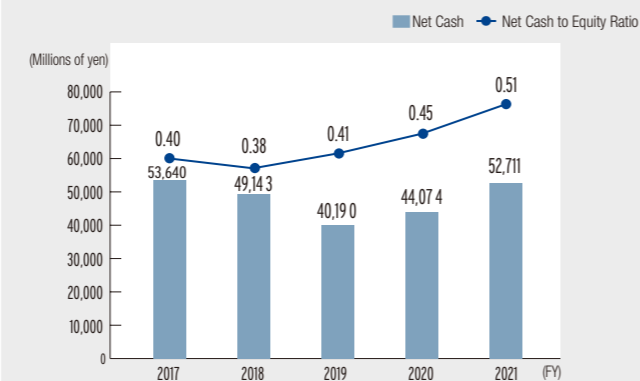
Earnings per share for the fiscal year ended March 31, 2022 amounted to ¥110.67, a significant improvement from ¥-36.99 recorded in the fiscal year ended March 31, 2021. Dividends per share for the fiscal year under review was ¥56 per share (including an interim dividends of ¥15 per share), an increase of ¥36 year-on-year. In April 2022 we completed the purchase of treasury stock up to ¥1,000 million launched in December 2021 in order to increase shareholder returns.

•Net Sales by Region and Overseas Sales Ratio



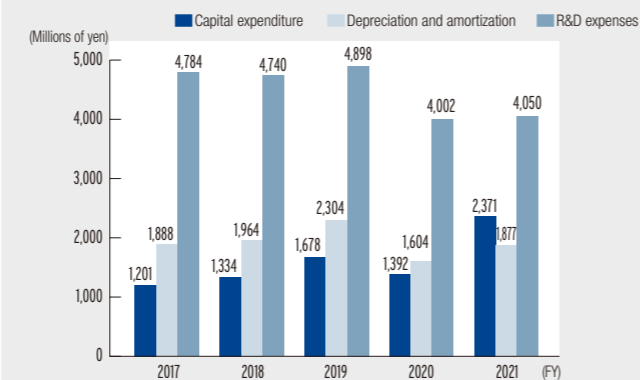
Net sales by region for the fiscal year ended March 31, 2022 show that net sales in Japan decreased by 19% to ¥23,900 million despite an increase in order received. Sales in all other regions increased. North America increased by 47%, Europe increased by 60%, Greater China increased by 53% and other regions increased by 39%. Overseas sales for the fiscal year ended March 31, 2022 represent 72.6% of its total sales, 13.9 percentage points up from the previous year.

•Net Cash and Net Cash to Equity Ratio



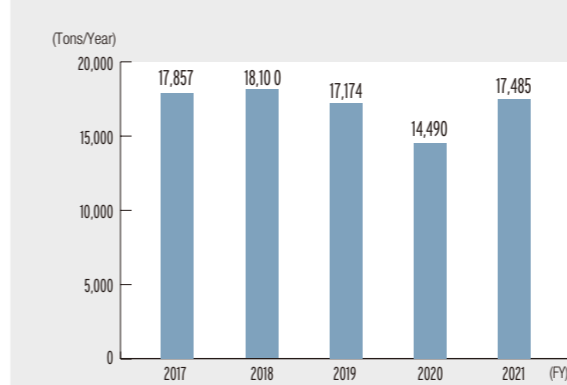
Net cash as of March 31, 2022 amounted to ¥52.7 billion (¥48.2 billion in Cash and Deposits + ¥15.6 billion in Investment Securities – ¥11.2 billion in Interest-bearing Debt), an increase of ¥8.7 billion over the same period of the previous year. Net Cash to Equity Ratio as of March 31, 2022 turned 0.51x, 0.06 percentage points up from the same period of the previous fiscal year mainly due to improved net cash provided by operating activities driven by increases in production and sales, and the difference in timing of recording of the increased portion of year-end dividends in net cash used in financing activities.

•Capital Expenditure, R&D Expenses, Depreciation and Amortization



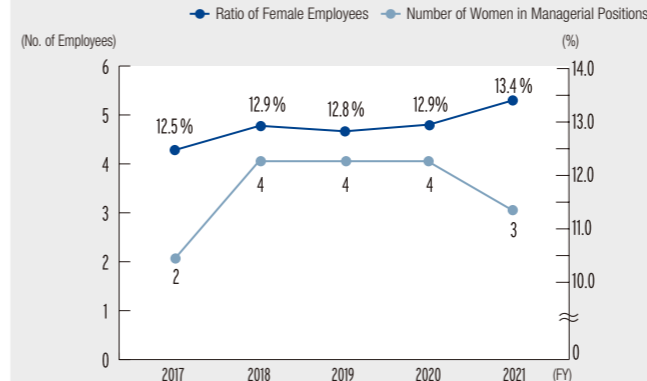
Total capital expenditure in the fiscal year ended March 31, 2022 was ¥2,371 million (2.7% of net sales), an increase of ¥979 million from ¥1,392 million over the previous fiscal year. This increase is due to expenditures related to the integration of business bases as part of measures to reinforce the Company's business revenue structure, and expenditures mainly on machinery and equipment, tools, appliances and fixings. Depreciation and amortization increased to ¥1,877 million, an increase of ¥273 million year on year. Total R&D expenses in the fiscal year under review amounted to ¥4,050 million, an increase of ¥48 million year on year.

Non-Financial Highlights

•Changes in CO₂ Emissions

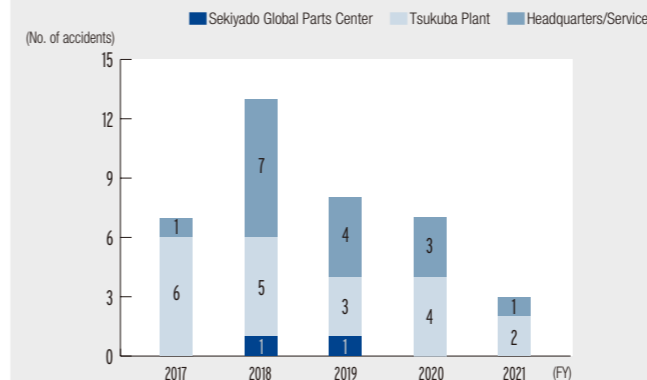
In the fiscal year ended March 31, 2022, CO₂ emissions from Scopes 1 and 2 increased by 20.4% to 17,485 tons per year over the previous fiscal year. We have strove to reduce environmental impact mainly by running Green-PJ in charge of promoting environmental activities. CO₂ emissions increased year on year in the fiscal year ended March 31, 2022, as economic activities got back on a recovery track under the "coexistence with COVID-19" policy and emissions of MBO Group, a new consolidated subsidiary, were added. We will continue to make efforts to reduce emissions.

•Ratio of Female Employees to Total Number of Employees (non-consolidated)



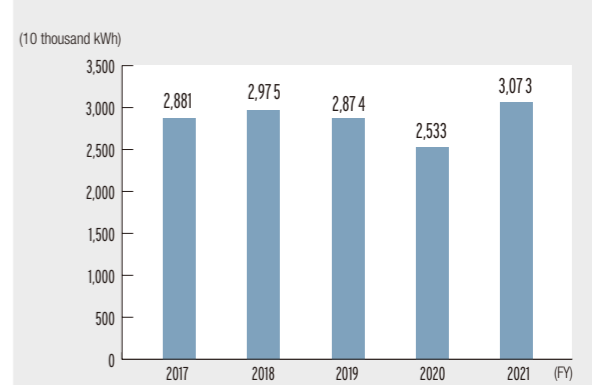
The number of employees on a non-consolidated basis for the fiscal year ended March 31, 2022, was 1,071, down 66 from the previous fiscal year. This includes 143 female employees, accounting for 13.4% of the total, which was up 0.5 percentage points year on year. Out of 259 employees in managerial positions, 3 are women, down 1 from the previous fiscal year.

•Number of Industrial Accidents (non-consolidated)



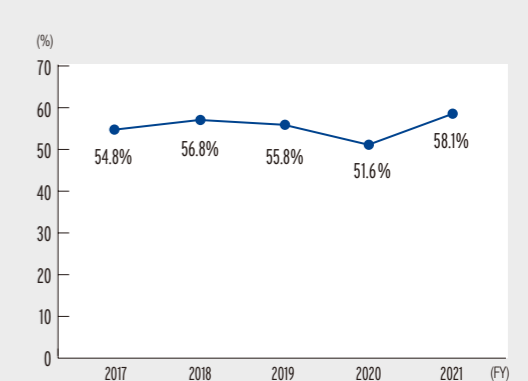
A total of 3 industrial accidents were reported in the fiscal year ended March 31, 2022. The number of accidents has been on the decrease over the past five years after a total of 13 accidents were reported in the fiscal year ended March 31, 2019.

•Electric Power Consumption



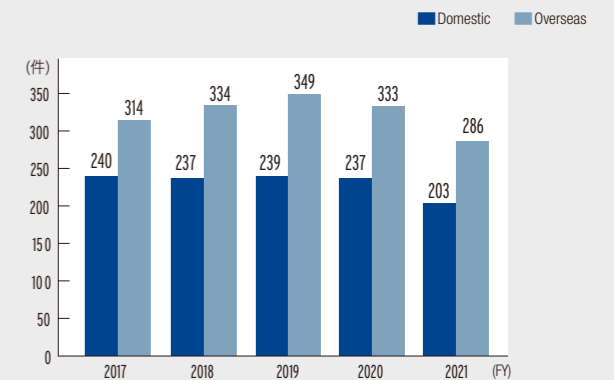
Electric power consumption in the fiscal year under review decreased by 17.6% to 3,073 million kWh year on year. Electric power consumption increased year on year in the fiscal year ended March 31, 2022, as economic activities got back on a recovery track under the "coexistence with COVID-19" policy and electric power consumption of MBO Group, a new consolidated subsidiary, was added. We will continue to make efforts to reduce electric power consumption.

•Annual Leave Utilization Rate for the Past 5 Years (non-consolidated)



Annual leave utilization rate on a non-consolidated basis for the fiscal year ended in March 31, 2022 was 58.1%, up 6.5 percentage points compared to 51.6% in the previous fiscal year. More employees took paid leave efficiently by taking advantage of the time unit paid holiday system, and work styles were more diversified due to reasons including a reduction of commuting hours by working from home. In this way, the improved working environment made it more easily to take paid holiday.

•Time Series Transition of Patents Held at Home and Abroad (non-consolidated)



The number of patents registered in Japan was 203, and 286 overseas in the fiscal year under review. As a result of selection in light of patent licensing situation and technological and economical values, some patents were surrendered and thus the total number of patents held by the Group decreased.

10-Year Summary of Financial Data

				FY2012	FY2013	FY2014		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (FY)
Performance	Net Sales	Japan	Millions of yen	30,985	34,893	35,430		40,294	34,379	38,594	37,444	29,049	29,673	23,988
		North America	Millions of yen	6,335	9,518	11,786		12,758	10,124	8,858	8,077	5,890	5,374	7,912
		Europe	Millions of yen	12,985	14,279	16,491		17,461	16,820	16,019	15,188	12,303	12,768	20,464
		Greater China	Millions of yen	13,580	21,098	15,477		12,715	7,233	12,929	18,226	15,976	13,600	20,776
		Others	Millions of yen	5,939	12,048	12,073		12,096	18,060	17,767	11,305	14,425	10,408	14,481
		Total	Millions of yen	69,824	91,836	91,257		95,324	86,618	94,168	90,242	77,646	71,825	87,623
	Cost of sales		Millions of yen	49,777	61,028	59,190		62,564	59,139	64,882	61,966	55,396	51,473	59,595
	Gross profit		Millions of yen	20,093	30,847	32,091		32,780	27,483	29,289	28,279	22,249	20,351	28,027
	Selling, General and Administrative Expenses		Millions of yen	19,504	22,374	25,601		26,167	25,771	25,556	25,573	25,654	22,684	25,759
	Operating income (loss)		Millions of yen	589	8,473	6,489		6,612	1,712	3,732	2,706	(3,404)	(2,332)	2,267
	Ordinary income (loss)		Millions of yen	1,762	10,098	7,841		6,508	1,430	4,420	2,502	(3,480)	(1,149)	3,408
	Income (loss) before income taxes		Millions of yen	(1,699)	10,070	8,121		6,293	824	4,152	2,458	(21,176)	(1,522)	6,990
	Profit (loss) attributable to owners of parent		Millions of yen	(1,899)	13,657	7,569		6,522	657	3,074	1,427	(25,473)	(2,068)	6,158
Profitability	Earnings per share		Yen	(30.66)	220.39	122.16		105.26	10.94	52.81	24.52	(450.11)	(36.99)	110.67
	Number of consolidated subsidiaries		No. of Subsidiaries	15	14	17		18	18	18	19	18	25	25
	(affiliates accounted for by the equity method)		No. of Affiliates	0	0	0		0	0	0	0	0	0	0
Order Status	Ratio of gross profit to net sales		%	28.8	33.6	35.2		34.4	31.7	31.1	31.3	28.7	28.3	32.0
	Ratio of operating income to net sales		%	0.8	9.2	7.1		6.9	2.0	4.0	3.0	(4.4)	(3.2)	2.6
	Return on equity		%	(1.7)	11.4	5.8		4.8	0.5	2.3	1.1	(22.3)	(2.1)	6.1
Financial Position	Orders received		Millions of yen	74,163	96,334	91,554		91,695	89,620	88,371	93,451	88,558	71,658	97,571
	Order backlog		Millions of yen	32,638	37,712	40,069		36,113	38,311	32,699	36,709	46,174	46,794	58,639
Dividends	Total assets		Millions of yen	143,957	172,407	184,622		188,173	180,100	181,199	167,370	135,697	144,443	157,081
	Equity		Millions of yen	113,722	125,686	135,128		135,890	131,386	132,451	130,184	97,979	97,736	103,382
	Interest-bearing debt		Millions of yen	1,945	11,614	10,260		10,065	10,048	10,198	39	34	11,312	11,207
	Equity Ratio		%	79.0	72.9	73.2		72.2	73.0	73.1	77.7	72.2	67.6	65.8
	Book-value per share		Yen	1,835.17	2,028.31	2,180.73		2,192.83	2,256.47	2,274.80	2,234.61	1,750.80	1,746.55	1,894.34
Capital expenditure, etc.	Dividends per share		Yen	10	15	30		40	40	40	40	30	20	56
	Total dividends		Millions of yen	618	928	1,858		2,478	2,440	2,329	2,329	1,681	1,122	3,087
	Payout ratio		%	-	6.8	24.6		38.0	365.6	75.7	163.1	-	-	50.6
	Dividends on equity		%	0.5	0.8	1.4		1.8	1.8	1.8	1.8	1.5	1.1	3.1
Cash Flows	Capital expenditure		Millions of yen	1,881	1,367	2,116		3,126	1,455	1,201	1,334	1,678	1,392	2,371
	Depreciation and amortization		Millions of yen	2,251	2,171	1,859		2,026	2,132	1,888	1,964	2,304	1,604	1,877
	R&D expenses		Millions of yen	3,806	4,184	5,123		4,974	4,884	4,784	4,740	4,898	4,002	4,050
	Ratio of R&D expenses to net sales		%	5.5	4.6	5.6		5.2	5.6	5.1	5.3	6.3	5.6	4.6
	Number of employees at fiscal year-end (Consolidated basis)		No. of Employees	1,814	1,784	2,106		2,189	2,195	2,227	2,335	2,363	2,686	2,613
	Personnel expenses		Millions of yen	14,892	16,972	19,796		20,495	20,317	20,245	20,908	20,386	20,199	22,122
Cash Flows	Net cash provided by (used in) operating activities		Millions of yen	2,794	13,430	7,483		11,935	(793)	6,091	112	1,807	8,174	9,281
	Net cash provided by (used in) investing activities		Millions of yen	2,759	(7,086)	(8,684)		(1,352)	4,261	295	(449)	(3,569)	(2,220)	(1,379)
	Net cash provided by (used in) financing activities		Millions of yen	(7,745)	8,820	(2,529)		(2,778)	(7,669)	(2,340)	(12,789)	(5,057)	9,288	(2,940)
	Cash and cash equivalents at end of period		Millions of yen	38,054	54,392	51,556		59,140	54,652	58,826	45,673	38,587	54,321	60,321

Business Summary for the Fiscal Year Ended March 31, 2022

The business environment during the fiscal year ended March 31, 2022 saw that the global economy enjoyed modest yet continued recovery thanks to economic stimulus packages executed in major countries to counter fallout from the COVID-19 pandemic, along with progress in vaccination against COVID-19. On the other hand, in the second half of the fiscal year under review, the resumption of economic activities entailed logistics disruptions and raw material price surges, while shortages in semiconductor and other parts supply emerged on the back of recovery in demand. As markets in Greater China achieved recovery from the impact of the COVID-19 pandemic earlier than other regions, Komori maintained robust operating results in this region since the previous fiscal year. As a result, Komori posted the largest net sales over the past five years in this region. In North America and Europe, in particular Western Europe, Komori confirmed robust demand, and in Other Regions including ASEAN and India in the second half, the Company saw recovery in demand and benefitted from the resulting upturn in sales.

Given the above environment, Komori promoted the global marketing of its “advance” models as part of the offset printing press business, its core business. These models were developed to empower customers to achieve world-leading ROI. Specifically, in order to help address operator shortages, a pressing issue confronting the printing industry, “advance” models enable users to achieve high productivity and superior printing quality via easy operations, and thus have garnered a robust market reputation. In addition, Komori strove to realize synergies with the MBO Group, which was made a consolidated subsidiary to enhance the Print Engineering Service Provider (PESP) business through which the Company aims to deliver a variety of solutions to customers. To this end, Komori worked in tandem with this subsidiary to promote the integration of both companies’ existing organizations in Europe, the U.S. and China. Taking the above factors into account, orders received in the fiscal year under review rose 36.2% from the previous fiscal year to ¥97,571 million, while consolidated net sales grew 22.0% year on year to ¥87,623 million. Turning to profitability, the ratio of gross profit to net sales improved by 3.7 percentage points year on year to 32.0% primarily due to an increase in production volume. Ordinary income was ¥3,408 million, a major improvement from an ordinary loss of ¥1,149 million in

the previous fiscal year. This was thanks in part to improving foreign exchange rates and the resulting foreign exchange gains. Income before income taxes amounted to ¥6,990 million, compared with loss before income taxes of ¥1,522 million in the previous fiscal year. This was mainly due to proceeds from sales of noncurrent assets, a move aimed at promoting operational streamlining via the integration of business bases as part of measures to reinforce the Company’s business revenue structure. Profit attributable to owners of parent totaled ¥6,158 million, a turnaround from loss attributable to owners of parent of ¥2,068 million in the previous fiscal year.

Dividends per share increased ¥36 from ¥20 in the previous fiscal year to ¥56, comprising an interim of ¥15 per share and a year-end dividend of ¥41 per share. The dividends on equity improved 1.6 percentage point from 1.5% in the previous fiscal year to 3.1%.

Operating Income Variance Analysis

Operating income in the fiscal year ended March 31, 2022, was ¥2,267 million, an improvement of ¥4,600 million from the previous fiscal year. Key positive factors contributing to the increase in operating income include a ¥4,200 million increase in volume due to sales increase, a ¥1,900 million capacity utilization variance, and ¥1,600 million foreign exchange gains due to the depreciation of the yen. Meanwhile, factors contributing to the decrease in operating income include an increase in sales volume and a ¥3,100 million increase in selling, general and administrative expenses due to resumed sales promotion.

Financial Analysis

Current assets as of March 31, 2022 stood at ¥116,269 million, an increase of ¥10,965 million compared with the previous fiscal year-end. Key positive factors leading to the increase in total assets included a ¥7,110 million increase in short-term investment securities and a ¥1,421 million increase in cash and deposits. Noncurrent assets stood at ¥40,811 million, an increase of ¥1,673 million compared with the previous fiscal year-end. As a consequence, total assets as of March 31, 2022, stood at ¥157,081 million, an increase of ¥12,638 million compared with the previous fiscal year-end. Meanwhile, current liabilities as of March 31, 2022 amounted to ¥39,049 million, an increase of ¥7,434 million, and noncurrent

liabilities ¥14,649 million, and decrease of ¥442 million compared with the previous fiscal year-end. The primary factors leading to the increase in liabilities included a ¥3,296 million increase in the sum of contract liabilities and advances received (formerly referred to as advances received in the previous fiscal year). The primary factors that decreased liabilities included a ¥216 million decrease in deferred tax liabilities. As of the end of the fiscal year under review, total net assets amounted to ¥103,382 million, an increase of ¥5,646 million compared with March 31, 2021. Key positive factors affecting net assets included a ¥4,681 million increase in retained earnings due mainly to the recording of profit attributable to owners of parent, despite the payment of cash dividends. Key negative factors affecting net assets included a ¥998 million increase in treasury stock.

Cash Flow Analysis

Net cash provided by operating activities in the fiscal year ended March 31, 2022, amounted to ¥9,281 million, an increase of ¥1,107 million year on year. Major cash inflows were the posting of income before income taxes totaling ¥6,990 million, a ¥2,950 million increase in notes and accounts payable—trade, a ¥1,616 million decrease in notes and accounts receivable—trade, and a ¥1,877 million adjustment for depreciation. Principal cash outflows included losses on sales of noncurrent assets totaling ¥3,686 million. Net cash used in investing activities was ¥1,379 million, a decrease of ¥840 million from ¥2,220 million used in investing activities in the previous fiscal year. Principal cash outflows included a ¥2,484 million net increase in short-term investment securities and ¥1,922 million in purchase of property, plant and equipment and intangible assets. Main cash inflows included ¥4,111 million in proceeds from sales of property, plant and equipment and intangible assets. Net cash used in financing activities totaled ¥2,940 million, a turnaround of ¥12,228 million from ¥9,288 million used in financing activities in the previous fiscal year. The principal components of cash outflows were ¥1,402 million in the payment of cash dividends and ¥998 million in the purchase of treasury stock. Main cash inflows included ¥104 million in proceeds from long-term loans payable. As a result of the aforementioned activities, cash and cash equivalents at the end of the fiscal year under review stood at ¥60,321 million, an increase of ¥5,999 million compared with the previous fiscal year-end.

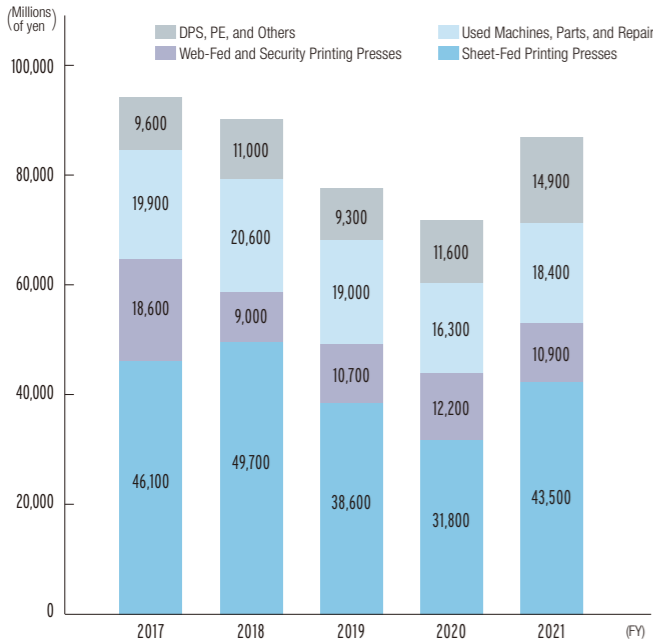
Capital Expenditure, Depreciation and Amortization

Total capital expenditure in the fiscal year ended March 31, 2022 was ¥2,371 million, an increase of ¥979 million compared with the previous fiscal year. Total capital expenditure was ¥1,877 million, an increase of ¥273 million compared with the previous fiscal year. Total R&D expenses in the fiscal year under review amounted to ¥4,050 million, an increase of ¥48 million year on year. This was equivalent to 4.6% of total net sales, down 1.0 percentage point from 5.6% in the fiscal year ended March 31, 2021. Looking ahead, Komori plans to post ¥2,800 million in capital expenditure, ¥1,800 million in depreciation and amortization, and ¥4,400 million in total R&D expenses in the fiscal year ending March 31, 2023.

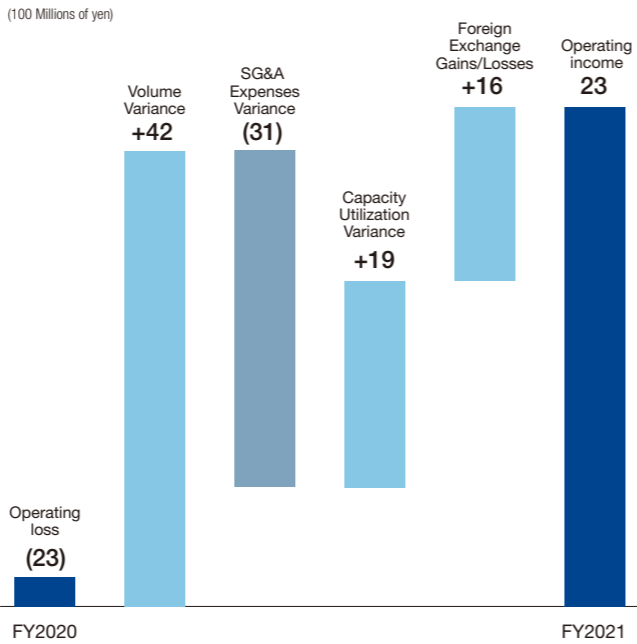
Business Environment and Foreign Exchange Sensitivity in the Fiscal Year Ending March 31, 2023

In the fiscal year ending March 31, 2023, economic activities are expected to continue to enjoy a modest recovery while there will still remain geopolitical uncertainties and shortages in semiconductor and other parts supply on the back of recovery in demand. As regards capital expenditure in the printing industry, there will be a lull in growing investment in China over the years up to last year. In general capital expenditure for streamlining operations and package printing will be maintained against a backdrop of operator shortages, etc. As for currency movement, the weak yen trend is likely to stay for a while caused by changes of monetary policies of major countries. These forecasts for the full year are based on the assumed exchange rates of USD 1.00 = JPY 120 and EUR 1.00 = JPY 130. Foreign exchange rate risk sensitivity (annualized rate) is ¥120 million per yen against the dollar and ¥40 million per yen against the euro.

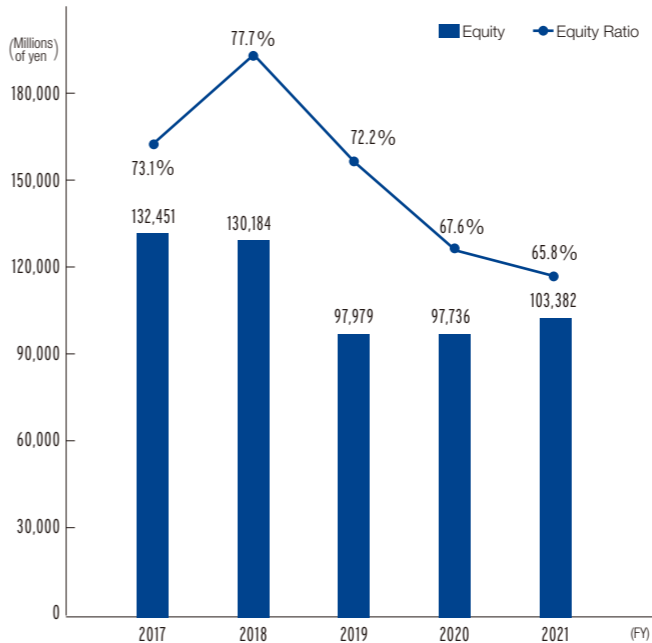
• Net Sales by Product Category



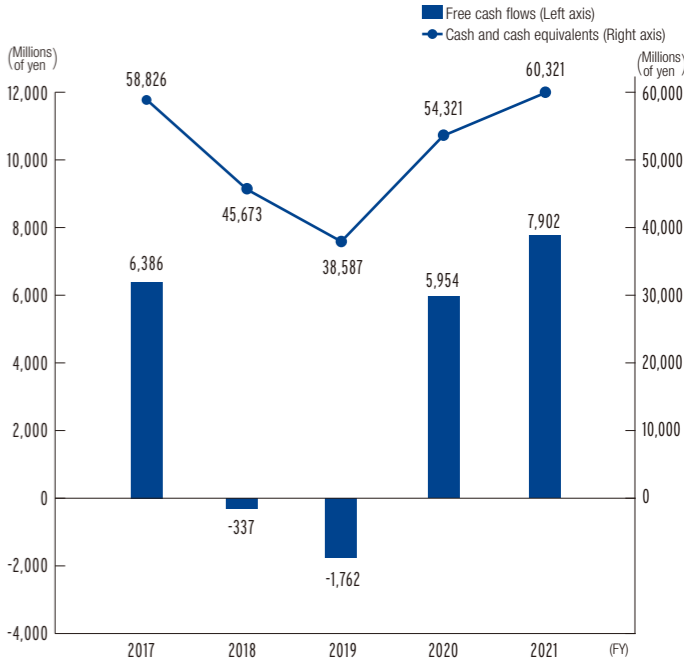
• Operating Income Variance Analysis



• Equity and Equity Ratio



• Free Cash Flows, Cash and Cash Equivalents



Consolidated Balance Sheets

ASSETS	FY2020	FY2021
Current Assets:		
Cash and deposits	46,875	48,296
Notes and accounts receivable-trade	14,662	-
Notes and accounts receivable-trade, and contract assets	-	15,480
Electronically recorded monetary claims-operating	1,259	1,871
Short-term investment securities	8,511	15,622
Merchandise and finished goods	13,837	13,522
Work in process	9,987	10,794
Raw materials and supplies	7,949	8,080
Current portion of insurance funds	90	68
Other	2,562	3,024
Allowance for doubtful accounts	(430)	(490)
Total current assets	105,304	116,269
Noncurrent Assets:		
Property, plant and equipment		
Buildings and structures	28,378	28,616
Accumulated depreciation	(23,411)	(23,579)
Buildings and structures (net)	4,967	5,036
Machinery, equipment and vehicles	16,380	16,132
Accumulated depreciation	(15,231)	(14,441)
Machinery, equipment and vehicles (net)	1,148	1,690
Land	8,641	8,315
Construction in progress	355	620
Other	7,816	8,048
Accumulated depreciation	(6,638)	(6,744)
Other (net)	1,178	1,303
Total property, plant and equipment	16,290	16,966
Intangible assets		
Goodwill	2,709	2,427
Other	1,810	1,509
Total intangible assets	4,520	3,937
Investments and other assets		
Investment securities	8,857	9,384
Deferred tax assets	1,431	1,088
Insurance funds	6,120	7,171
Net defined benefit asset	1,317	1,784
Other	674	543
Allowance for doubtful accounts	(74)	(65)
Total investments and other assets	18,327	19,907
Total noncurrent assets	39,138	40,811
Total Assets	144,443	157,081

(Unit: Millions of yen)

LIABILITIES	FY2020	FY2021
Current Liabilities:		
Notes and accounts payable-trade	5,826	6,576
Electronically recorded obligations-operating	6,677	9,227
Short-term loans payable	873	850
Income taxes payable	436	847
Advances received	9,448	14
Contract liabilities	-	12,730
Provision for bonuses	871	977
Provision for bonuses for directors	-	45
Provision for product warranties	782	741
Provision for loss on guarantees	101	88
Provision for onerous contracts	49	26
Provision for loss on construction contracts	-	19
Provision for business restructuring	-	106
Provision for loss on disaster	-	20
Provision for loss on litigation	-	71
Deferred installment income	38	-
Other	6,510	6,705
Total current liabilities	31,615	39,049
Noncurrent Liabilities:		
Bonds payable	10,000	10,000
Long-term loans payable	439	357
Deferred tax liabilities	1,637	1,420
Provision for directors' retirement benefits	20	24
Provision for onerous contracts	44	17
Net defined benefit liability	2,030	1,832
Other	918	996
Total noncurrent liabilities	15,091	14,649
Total Liabilities	46,707	53,698

NET ASSETS	FY2020	FY2021
Shareholders' Equity:		
Capital stock	37,714	37,714
Capital surplus	37,788	37,788
Retained earnings	22,735	27,416
Treasury stock	(2,621)	(3,619)
Total shareholders' equity	95,618	99,300
Other Comprehensive Income:		
Valuation difference on available-for-sale securities	3,087	3,538
Foreign currency translation adjustment	(345)	652
Remeasurements of defined benefit plans	(685)	(204)
Total other comprehensive income	2,055	3,986
Non-controlling interest	62	95
Total Net Assets	97,736	103,382
Total Liabilities and Net Assets	144,443	157,081

Consolidated Statements of Income

(Unit: Millions of yen)

	FY2020	FY2021
Net Sales	71,825	87,623
Cost of Sales	51,473	59,595
Gross profit	20,351	28,027
Selling, General and Administrative Expenses	22,684	25,759
Operating income (loss)	(2,332)	2,267
Non-Operating Income:		
Interest income	45	48
Dividends income	214	247
Foreign exchange gains	417	656
Subsidy income	346	26
Other	465	409
Total non-operating income	1,490	1,388
Non-Operating Expenses:		
Interest expenses	51	58
Bond issuance cost	57	-
Provision of allowance for doubtful accounts	79	-
Provision for loss on litigation	-	68
Other	117	119
Total non-operating expenses	307	247
Ordinary income (loss)	(1,149)	3,408
Extraordinary Income		
Gain on sales of noncurrent assets	5	3,688
Gain on sales of investment securities	93	5
Gain on bargain purchase	901	-
Other	-	161
Total extraordinary income	1,001	3,855
Extraordinary Loss:		
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	10	18
Impairment loss	1,187	-
Business structure improvement expenses	40	133
Loss on valuation of investment securities	77	104
Other	58	15
Total extraordinary Loss	1,373	274
Income (loss) before income taxes	(1,522)	6,990
Income taxes-current	375	896
Income taxes-deferred	167	(92)
Total income taxes	543	804
Profit (Loss)	(2,065)	6,185
Profit attributable to non-controlling interests	2	26
Profit (loss) attributable to owners of parent	(2,068)	6,158

Consolidated Statements of Comprehensive Income

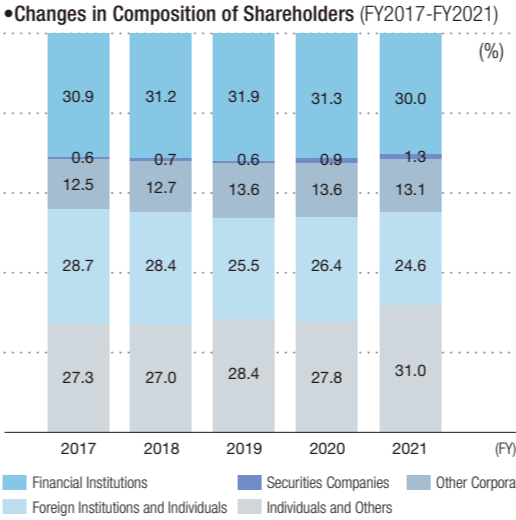
	FY2020	FY2021
Profit (Loss)	(2,065)	6,185
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,331	451
Foreign currency translation adjustment	959	1,004
Remeasurements of defined benefit plans, net of tax	652	480
Total other comprehensive income	2,943	1,936
Comprehensive Income	877	8,122
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	882	8,089
Comprehensive income attributable to non-controlling interests	(5)	33

Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	FY2020	FY2021
Net Cash Provided by (Used in) Operating Activities:		
Income (loss) before income taxes	(1,522)	6,990
Depreciation and amortization	1,604	1,877
Impairment loss	1,187	-
Gain on bargain purchase	(901)	-
Amortization of goodwill	584	502
Loss (gain) on sale of property, plant, and equipment	(5)	(3,686)
Increase (decrease) in allowance for doubtful accounts	34	27
Increase (decrease) in provision for bonuses	(58)	105
Increase (decrease) in net defined benefit liabilities	53	(149)
Interest and dividends income	(260)	(296)
Interest expenses	51	58
Foreign exchange losses (gains)	(166)	(378)
Loss (gain) on sales of investment securities	(93)	(5)
Decrease (increase) in notes and accounts receivable-trade	3,425	1,616
Decrease (increase) in inventories	7,575	223
Increase (decrease) in notes and accounts payable-trade	(4,300)	2,950
Increase (decrease) in accrued consumption taxes	469	(201)
Other	601	(30)
Subtotal	8,279	9,603
Interest and dividends income received	260	296
Interest expenses paid	(51)	(58)
Income taxes paid	(312)	(559)
Net cash provided by (used in) operating activities	8,174	9,281
Net Cash Provided by (Used in) Investing Activities:		
Net decrease (increase) in short-term investment securities	599	(2,484)
Payments into time deposits	(97)	(100)
Proceeds from withdrawal of time deposits	72	72
Purchase of property, plant and equipment and intangible assets	(1,137)	(1,922)
Proceeds from sales of property, plant and equipment and intangible assets	5	4,111
Purchase of insurance funds	(43)	(1,120)
Proceeds from maturity of insurance funds	311	90
Purchase of investment securities	(60)	(47)
Proceeds from sales of investment securities	197	9
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,067)	-
Other payments	(29)	(7)
Other proceeds	28	21
Net cash provided by (used in) investing activities	(2,220)	(1,379)
Net Cash Provided by (Used in) Financing Activities:		
Net increase (decrease) in short-term loans payable	403	(72)
Repayments of long-term loans payable	(97)	(199)
Repayments of lease obligations	(364)	(372)
Proceeds from long-term loans payable	467	104
Proceeds from issuance of bonds	10,000	-
Purchase of treasury stocks	(0)	(998)
Cash dividends paid	(1,120)	(1,402)
Net cash provided by (used in) financing activities	9,288	(2,940)
Effect of exchange rate change on cash and cash equivalents	491	1,037
Net increase (decrease) in cash and cash equivalents	15,734	5,999
Cash and cash equivalents at beginning of the period	38,587	54,321
Cash and cash equivalents at end of the period	54,321	160,321

Stock Information (as of March 31, 2022)

Listings : Tokyo Stock Exchange, Prime Market	Stock Transfer Agent : Mizuho Trust and Banking Co., Ltd. Stock Transfer Agency Department
Securities Code : 6349	Fiscal Year : April 1 to March 31
Stock Data : Authorized Number of Shares: 295,500,000 shares Issued Number of Shares: 58,292,340 shares (including 3,516,240 shares of treasury stock)	Ordinary Meeting of Shareholders : June every year
Minimum Trading Unit : 100 shares	Year-End Dividend Record Date : March 31
Number of Shareholderst : 4,811	Interim Dividend Record Date : September 30



Principal Shareholders (Top 10)

Name of Shareholders	Number of Shares Held (Thousands)	Ownership Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,853	14.3
NORTHERN TRUST CO.(AVFC) SUB A/C USL NON-TREATY	5,182	9.5
Custody Bank of Japan, Ltd. (Trust Account)	2,337	4.3
Komori Estate YK	2,090	3.8
Komori Business Association	2,015	3.7
Meiji Yasuda Life Insurance Company	1,895	3.5
Noriko Komori	1,748	3.2
STATE STREET BANK AND TRUST COMPANY	1,579	2.9
Yoshiharu Komori	1,054	1.9
SUMITOMO LIFE INSURANCE COMPANY	1,030	1.9


Notes: The Company's holdings of treasury stock (3,516 thousand shares) are not included in the above figures.

•Total Shareholder Return Comparison (TSR %)


Holding period	One year (from March 31, 2021 to March 31, 2022)	Three years (from March 31, 2019 to March 31 2022)	Five years (from March 31, 2017 to March 31 2022)
KOMORI CORPORATION Stock Price	4.4%	-33.5%	-36.1%
TOPIX	1.7%	29.2%	44.3%
Machinery Index	-4.3%	34.3%	40.8%

The above table shows cumulative returns on equity including dividends as of March 31, 2022 in case of investing one, three or five years ago respectively.

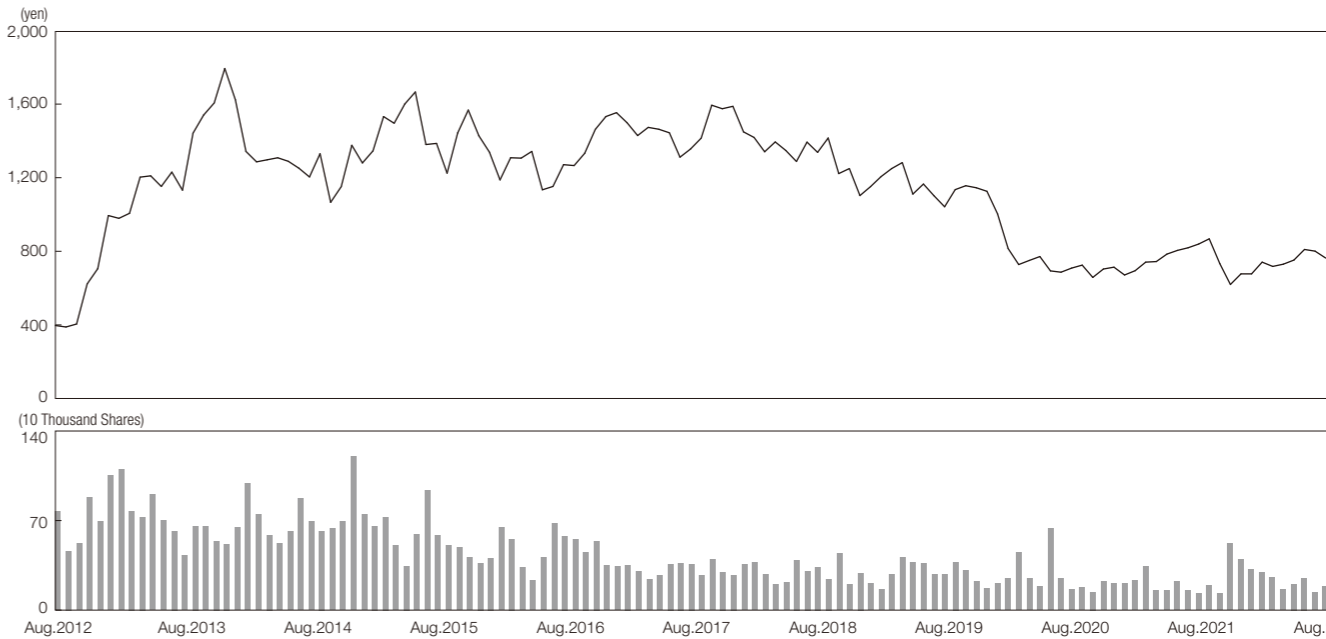
•Inclusion in ESG Indices



FTSE Blossom Japan Sector Relative Index



•10-Year Stock Price and Trading Volume History (from August 31, 2012 to August 31, 2022)



Corporate Profile (As of March 31, 2022)

Company Name: KOMORI CORPORATION

Company Name in English: KOMORI CORPORATION

Headquarters: 11-1 Azumabashi 3-chome, Sumida-ku, Tokyo 130-8666, Japan

Tel: 03-5608-7811

Website: https://www.komori.com

Representative: Representative Director, President and CEO
Satoshi Mochida

Company Established: October 20, 1923

Capital: ¥37,715 million

Employees (Consolidated basis): 2,613 (as of March 31, 2022)

Plants: 9 plants (including 5 overseas plants)/the Komori Group

Main Products: Commercial offset presses (sheet-fed presses and web-fed presses), security printing presses (security and banknote presses, etc.), web-fed package printing presses, digital printing systems, screen printing machines, and related equipment

Facilities: Business bases
Headquarters
East-Japan Service
West-Japan Service
Tsukuba Service
Komori Global Parts Center
Komori Graphic Technology Center
Sales Offices
Nishinohon Regional Headquarters
Nagoya Branch Office
Shizuoka Office
Kyushu Branch Office
Hokkaido Office
Komori Currency Technology
Plants
Tsukuba Plant

Tohoku Office
Hokuriku Office
Chugoku Office
Shikoku Office

KOMORI Group

Komori Machinery Co., Ltd.

Komori Realty Co., Ltd.

Komori Engineering Co., Ltd.

SERIA CORPORATION

SERIA ENGINEERING, INC.

Komori America Corporation

Komori Leasing Incorporated

Komori International(Europe) B.V.

Komori U.K. Limited

Komori France S.A.S.

Komori Belgium Branch Office of Komori France

Komori Italia S.r.l.

Komori-Chambon S.A.S.

MBO Postpress Solutions GmbH

Komori Hong Kong Limited

Komori (Shenzhen) Print Engineering Co., Ltd.

Komori (Shenzhen) Print Engineering Co., Ltd. Beijing Branch

Komori (Shenzhen) Print Engineering Co., Ltd. Shanghai Branch

Komori Machinery (Nantong) Co.,Ltd.

Komori Taiwan Limited

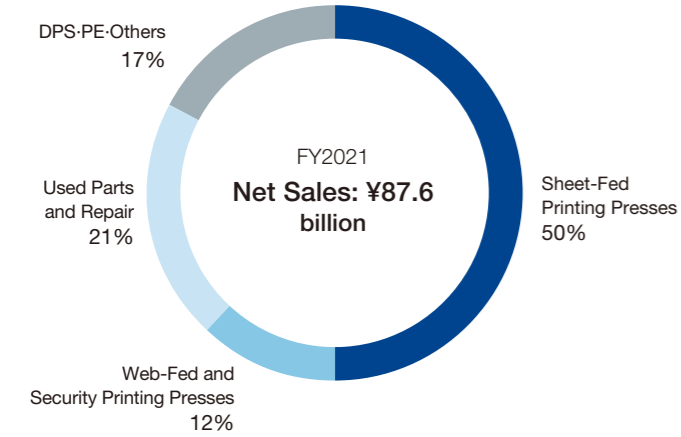
Komori Southeast Asia Pte. Ltd.

Komori Malaysia Sdn. Bhd.

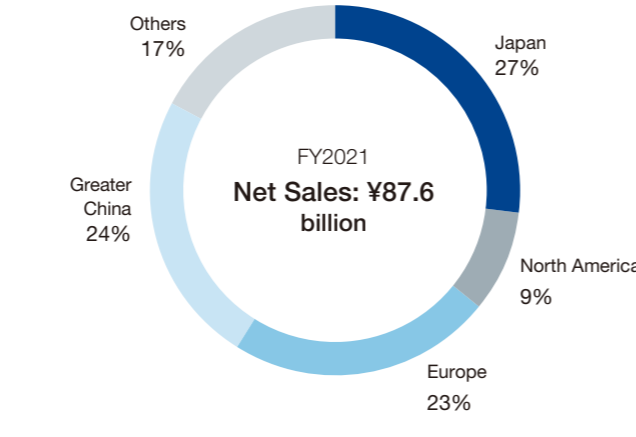
Komori India Private Limited



•Net Sales by Segment



•Net Sales by Region



Company Name	Address	Main Business Activities
Komori Machinery Co., Ltd.*1	Takahata-machi, Yamagata Pref., Japan	Manufacture and sale of printing presses, equipment and parts
Komori Engineering Co., Ltd.	Tsukuba City, Ibaraki Pref., Japan	Design of printing presses and related equipment
SERIA CORPORATION	Kita-ku, Tokyo, Japan	Manufacture and sale of printing presses and printing supplies
SERIA ENGINEERING, INC.	Gujo City, Gifu Pref., Japan	Manufacture of printing presses and equipment
Komori America Corporation	Rolling Meadows, Illinois, U.S.A	Sale, repair and fabrication of our products
Komori Leasing Incorporated	Rolling Meadows, Illinois, U.S.A	Provision of customer finance for printing presses and related equipment
Komori International (Europe) B.V.	Utrecht, The Netherlands	Sale, repair and fabrication of our products; regional control of related activities
Komori France S.A.S.	Antony Cedex, France	Sale, repair and fabrication of our products
Komori Italia S.r.l.	Milan, Italy	Sale, repair and fabrication of our products
Komori U.K. Limited	Leeds, UK	Sale, repair and fabrication of our products
Komori-Chambon S.A.S.	Orleans Cedex, France	Manufacture and sale of printing presses
MBO Postpress Solutions GmbH	Oppenweiler, Germany	Manufacture, sale, repair and fabrication of postpress machines, equipment and parts
MBO Máquinas S.A.	Perafita, Portugal	Manufacture, sale, repair and fabrication of postpress machines, equipment and parts
H+H Beteiligungsgesellschaft GmbH	Bielefeld, Germany	Manufacture, sale, repair and fabrication of postpress machines, equipment and parts
MBO America Co.Ltd	Marlton, New Jersey, U.S.A	Sale, repair and fabrication of postpress machines, equipment and parts
MBO Binder Graphic Systems (Beijing) Co.Ltd.	Beijing, China	Sale, repair and fabrication of postpress machines, equipment and parts
Komori Hong Kong Limited*1	Hong Kong SAR, P.R.C.	Sale, repair and fabrication of our products
Komori (Shenzhen) Print Engineering Co., Ltd.	Shenzhen, P.R.C.	Sale, repair and fabrication of our products
Komori Taiwan Limited	Taipei, Taiwan	Sale, repair and fabrication of our products
Komori Machinery (Nantong) Co., Ltd.	Nantong, P.R.C.	Manufacture and sale of printing presses and equipment
Komori Southeast Asia Pte. Ltd.	Singapore	Sale, repair and fabrication of our products
Komori Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	Sale, repair and fabrication of our products
Komori India Private Limited	Haryana, India	Sale, repair and fabrication of our products

Notes: 1. Of the companies listed above, none has submitted an annual securities report or securities registration statement. 2. *1: This is a specified company. 3. The above listed companies are our consolidated subsidiaries.