

Results of Operations for the Six Months Ended September 30, 2005
REPORTED BY KOMORI CORPORATION

November 14, 2005

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Date of the Board of Directors Meeting: November 14, 2005
 U.S. GAAP: Not applied

Consolidated Financial Highlights

(1) Results of operations

(In millions of yen)

	Six months ended Sep. 30, 2005	% *	Six months ended Sep. 30, 2004	% *	Year ended March 31, 2005
Net sales	59,161	10.4	53,608	15.0	111,822
Operating income	4,571	22.4	3,735	21.9	9,049
Ordinary income	5,568	13.3	4,916	118.9	9,783
Net income	3,033	(1.9)	3,092	72.6	6,282

(Yen)

Net income per share	43.21	42.95	87.39
Diluted net income per share	-	38.77	79.15

Notes:

- Equity in net income of affiliated companies accounted for by the equity method:
 Six months ended September 30, 2005: - Six months ended September 30, 2004: - Year ended March 31, 2005: -
- Average number of shares outstanding during the period (consolidated):
 Six months ended September 30, 2005: 70,188,803
 Six months ended September 30, 2004: 71,996,687
 Year ended March 31, 2005: 71,435,435
- Changes in accounting methods: None
- Percentage figures accompanying consolidated net sales, operating income, ordinary income and net income indicate the percentage increase / decrease from the corresponding period of the previous fiscal year.

(2) Financial position

(In millions of yen)

	Six months ended Sep. 30, 2005	Six months ended Sep. 30, 2004	Year ended March 31, 2005
Total assets	198,450	211,980	211,345
Shareholders' equity	147,071	142,194	144,224
Ratio of shareholders' equity to total assets (%)	74.1	67.1	68.2

(Yen)

Shareholders' equity per share (EPS)	2,089.62	1,991.08	2,048.25
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Notes:

- Number of shares outstanding (consolidated) as of:

September 30, 2005:	70,382,015
September 30, 2004:	71,416,049
March 31, 2005:	70,394,302

(3) Summary of statements of cash flows

(In millions of yen rounded down)

	Six months ended Sep. 30, 2005	Six months ended Sep. 30, 2004	Year ended March 31, 2005
Net cash provided by operating activities	1,662	1,131	9,962
Net cash provided by investing activities	1,327	1,086	3,196
Net cash provided by (used in) financing activities	(21,381)	(1,777)	(10,196)
Cash & cash equivalents at the end of period	27,222	42,947	45,509

(4) Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries:	15
Number of non-consolidated subsidiaries accounted for by the equity method:	-
Number of affiliated companies accounted for by the equity method:	-

(5) Change in the Scope of Consolidation and Application of the Equity Method

Newly consolidated companies:	-
Excluded consolidated companies:	-
Newly affiliated companies accounted for by the equity method:	-
Excluded affiliated companies accounted for by the equity method:	-

(6) Forecast of results of operations for the year ending March 31, 2006

(In millions of Yen)

	Year ending March 31, 2006
Net sales	124,000
Ordinary income	10,900
Net income	6,000

(Ref.) Net income per share for the year ending March 31, 2006 is anticipated to be 84.69 yen.

The aforementioned forecasts are based on management's assumptions and beliefs in light of the information currently available to it and accordingly involve risks and uncertainties that may cause actual results to differ materially from forecasts. These uncertainties include, but are not limited to, changes in economic conditions, market trends, changes in foreign currency exchange rates and other factors. For further information on the aforementioned forecasts, please refer to page 12 of supplementary data attached.

MANAGEMENT POLICIES

1. Basic Management Policy

Kando: delivering a Lasting Impression

Underpinned by its sound management practice and quality technical expertise, Komori Corporation contributes to the development and prosperity of society by providing products and services in the printing equipment field that appeal to our extensive global customers. In every facet of its business activities, the Company is committed to harmonious coexistence with the environment while engendering the trust and fulfilling the expectations of all stakeholders including shareholders, customers, business partners, employees and their families and the communities in which Komori serves.

2. Basic Policy on Appropriation of Profits

In the context of retained earnings, Komori adopts a long-term perspective based on the fundamental objectives of ensuring a sound management platform and continuous business growth. Against this backdrop, Komori has positioned the consistent payment of a stable dividend to shareholders as a key priority for management. Guided by this policy, Komori makes every effort to achieve a dividend payout ratio of 30%. At the same time, the Company acknowledges the acquisition of treasury stock as a means to further increase shareholder value and improve shareholder returns. Accordingly, Komori is considering opportunities to retire treasury stock based on the balance of its existing holdings and overall capital policy.

For the six-month period ended September 30, 2005, Komori has declared a cash dividend of ¥11 per common share, an increase of ¥2.

In addition, the decision to acquire a maximum 1,000,000 shares of treasury stock for an acquisition amount of ¥2.0 billion was approved at the Company's Annual General Meeting of Shareholders held on June 29, 2005. Komori has refrained from acquiring treasury stock through September 30, 2005 in light of the recent sale of shares primarily those owned by financial institutions, for the purpose of reforming the distribution of shares and improving liquidity. The Company intends, however, to acquire treasury stock as planned before the next Annual General Meeting of Shareholders.

3. Basic Policy Regarding the Reduction of Investment Trading Unit

Komori maintains a policy of reviewing its share-trading unit with the aims of enhancing liquidity and broadening the Company's shareholder base. Any decision to reduce the trading unit shall be made based on a number of considerations including the share price, shareholders composition, an analysis of costs and benefits, financial position and other factors.

4. Management Targets

Financial targets identified in the Company's three-year medium-term management plan, which ends in fiscal 2006, the fiscal year ending March 31, 2006, are (1) operating income as a percentage of net

sales (ROS) of 10% or greater, and (2) ordinary income as a percentage of average total assets (ROA) of 6% or greater.

5. Medium-Term Management Strategies and Pending Issues

In October 2003, Komori formulated its medium-term management plan, a three-year plan ending in fiscal 2006. Currently, each operating division is implementing their respective action plan and working tirelessly to achieve objectives. This medium-term management plan is underpinned by two core strategies, namely to increase profitability and reinforce financial position.

(1) Increase Profitability

- a. In an effort to become a leading company in the global market, Komori is implementing comprehensive structural reform measures across every facet of its business operations. These measures include the complete review of the Company's development, design, material procurement, manufacturing and distribution activities with the aim of significantly improving productivity while reducing fixed and variable expenses.
- b. In specific terms, Komori commenced construction in November 2004 of a second phase at its Tsukuba Plant. On completion, the Tsukuba Plant will replace the Toride Plant as Komori's premier manufacturing base. The Company is committed to establishing the world's number one printing press manufacturing facility offering the highest in quality and productivity. In Japan, the Americas and Europe, markets are experiencing a marked shift toward multicolor printing. Demands are also increasing for high-value-added options such as the perfecting press, the double-sided printing press and presses with inline coating functions. Komori is endeavoring to establish an optimal manufacturing structure capable of addressing these trends efficiently and flexibly by introducing state-of-the-art technology at facilities. All operations at the Toride Plant are expected to transfer to the Tsukuba Plant in December 2005, significantly improving production capacity, productivity, quality assurance and reduced lead times. As the facility becomes fully operational, Komori is anticipating substantial contributions to the Group's overall earnings power.
- c. Against an ROS target of 10% or greater, Komori has successfully achieved an improvement in each year of the medium-term management plan. In fiscal 2003, ROS was 5.6%, 6.8% in fiscal 2004 and 8.1% in fiscal 2005. In the fiscal year under review, and the final year of the medium-term management plan, Komori is estimating an ROS of 8.4%. Currently, the Company anticipates significant difficulty in achieving its final ROS objective.

(2) Reinforce Financial Position

- a. Komori strives to establish a financial platform that is capable of addressing changes in the business environment. At the same time, the Company is working to reinforce its financial position with the aim of maintaining and improving its sound standing. To this end, and guided by

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the medium-term management plan, Komori is implementing measures to reduce interest-bearing debt and streamline assets.

- b. Komori has identified an ROA target of 6% or greater and the strategic objective to reduce interest-bearing debt by ¥40.0 billion. In this context, the Company repaid its second series of convertible bonds totaling ¥15.0 billion and its third series of convertible bonds totaling ¥20.0 billion, both issued in 1996, in September 2003 and September 2005, utilizing cash on hand and proceeds from the liquidation of investments. Komori has focused mainly on the activities of overseas subsidiaries in its effort to reduce bank debt. Accordingly, interest-bearing debt fell to approximately ¥3.2 billion in September 30, 2005 from approximately ¥50.3 billion in March 31, 2003. The Company is well placed to achieve its target of a ¥40.0 billion reduction in interest-bearing debt as of March 31, 2006. Notwithstanding the aforementioned, ROA as of March 31, 2003 was 2.1%, improving to 3.0% as of March 31, 2004 and 4.7% as March 31, 2005. Expectations are for an ROA of 5.3% as of March 31, 2006. Komori anticipates considerable difficulty in achieving its target of 6% or greater.

Komori is currently taking steps to formulate its second medium-term management plan, covering the period from fiscal 2007 through fiscal 2009, taking into consideration the Company's results and progress in the current medium-term management plan, as well as the business environment. In the period through to March 31, 2006, Komori intends to publicly disclose this new plan while familiarizing all employees with its details.

6. Fundamental Concepts Regarding Corporate Governance and Implementation Status of Initiatives

(1) Fundamental Concepts Regarding Corporate Governance

Komori has positioned corporate governance as a key management priority and an essential means to maximize corporate value and fulfill the expectations of all stakeholders including shareholders, customers, suppliers, local communities, employees and their families.

Komori also recognizes 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 will pursue efforts to ensure comprehensive corporate governance in all facets of management including the appointment of directors, determination of directors' compensation and supervision of management.

(2) Implementation Status

- a. Status of management decision-making, organizational structure relating to the executive and supervisory functions and other corporate governance systems

Specializing in the manufacture and sales of printing presses, Komori's business activities are relatively straightforward. Accordingly, the Company implements an audit system as the core of its

corporate governance activities.

The Board of Directors is the Company's ultimate decision-making body and determines matters relating to law, fundamental management policies and other matters of importance, while supervising the executive function of directors. The Board of Corporate Auditors attends meetings of major importance and oversees directors' executive function.

In addition, management meetings, chaired by the president and attended by relevant directors of the Production, R&D, Marketing and Administrative Divisions, together with corporate auditors, are held to deliberate and formulate policies relating to key management issues and the Company's medium-term management plan and to accelerate the process of decision-makings. Furthermore, the Production, R&D, Marketing and Administrative Divisions hold headquarters councils separately each month, attended by relevant directors, general managers and corporate auditors to deliberate matters of importance and at the same time confirm the execution of operations.

Komori maintains a Board of Corporate Auditors, comprised of four members, of whom three are appointed from outside the Company. In connection with the accounting audit, Komori has contracted with ChuoAoyama PricewaterhouseCoopers. An accounting audit is conducted in accordance with the Japanese Commercial Code and the Securities Exchange Law of Japan.

b. Details of personal and business relationships, capital or investment and other transactions between the Company and outside directors and outside auditors

There were no such relationships or applicable transactions.

c. Measures to enhance corporate governance during the six months ended September 30, 2005

During the period under review, the Board of Directors met on 7 occasions and management meetings were held 5 times to deliberate, determine and monitor the status of the implementation of a variety of important management matters. Separate headquarters councils were convened a total of 17 times in order to deliberate operating issues relating to each division and to oversee the execution of operations. The Board of Corporate Auditors met on 4 occasions. In addition, corporate auditors conducted hearings with directors and other officers in connection with the execution of their duties, and undertook audits of business activities of the Head Office and principal offices. Separate audits were also conducted for subsidiary companies when deemed appropriate.

In the area of information disclosure, Komori strived actively to bolster its efforts. The Company was involved in quarterly hearings with sell-side analysts and was interviewed separately by investors. Komori conducted interim and full-year investors' presentations, participated in IR fairs for individual investors, and endeavored to update its Web site on a timely basis.

(3) Efforts to Strengthen Internal Control Systems

Komori endeavors to build an internal control system best suited to the Company's business operations

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with the aim of further enhancing the corporate governance function. To this end, and in the particular context of internal control, Komori is committed to a system that best fits the Company's stance toward corporate governance. Accordingly, the Company is working to raise compliance awareness among all employees and to promote measures that accurately address personal information protection risk management, as well as internal controls relating to financial and information disclosure.

7. Matter Relating to Transactions with Parent Company

Komori does not have a parent company and accordingly there are no applicable transactions.

8. Other Important Issues Relating to the Company's Management

There were no other important matters relating to the Company's management.

REVIEW OF OPERATIONS AND FINANCIAL CONDITION

1. Review of Operations

(1) Overview

In the six months ended September 30, 2005, the Japanese economy continued to experience a soft recovery. Despite concerns relating to the sharp increase in crude oil and material prices, and the continued inventory adjustment in the IT sector, conditions were bolstered by the underlying strength of private sector demand such as capital investment and personal consumption.

Overseas, the U.S. economy continued to expand steadily, despite a decline in the pace of growth. Europe also experienced favorable conditions underpinned by strong export activity while the Asian economies continued on their growth path led by robust conditions in China.

During the period under review, the printing industry, Komori's primary market, exhibited the following investment expenditure trends. In Japan, the market was firm, as companies renewed aging equipment and undertook investment to shift toward multicolor printing and improve productivity. This contributed to continued healthy demand for both sheet-fed offset and web offset presses.

Overseas, overall conditions were steady, with the exception of China where growth stalled, impacted by the government's tight monetary policy.

(2) Consolidated Performance

Against this backdrop, Komori worked to expand sales of strategic products such as LITHRONE S40, LITHRONE S40P, SPICA 26P and SPICA 29P sheet-fed offset presses, and SYSTEM 35S and SYSTEM 38S web offset presses. In particular, the Company made every effort to secure orders at printing exhibitions including China Print 2005, an exhibition held in Beijing in May 2005, and PRINT 05 held in Chicago in September 2005. As a result, Komori received orders in excess of expectations.

Accordingly, in the period under review, orders received increased 8.6% compared with the corresponding period of the previous fiscal year to ¥66,840 million. Net sales rose 10.4% to ¥59,160 million while ordinary income climbed 13.3% to ¥5,568 million. Interim net income, however, declined 1.9% year on year to ¥3,033 million.

Overseas sales increased 6.1% to ¥37,005 million, representing 62.6% of total net sales.

Information by Business Segment

(In millions of yen)

	Six months ended September 30, 2005	Six months ended September 30, 2004	Increase / (Decrease) (%)	Year ended March 31, 2005
Printing equipment	50,887	44,647	14.0%	93,230
Other	8,273	8,961	(7.7)%	18,592
Total	59,161	53,608	10.4%	111,822

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(3) Information by Geographic Segment

(In millions of yen)

	Six months ended September 30, 2005	Six months ended September 30, 2004	Increase / (Decrease) (%)
Net sales	59,161	53,608	10.4%
Japan	22,156	18,746	18.2%
The Americas	12,127	10,222	18.6%
Europe	13,957	11,546	20.9%
Asia	8,111	10,720	(24.3)%
Other regions	2,808	2,372	18.4%

Domestic Sales

As in the previous period, capital expenditure in printing presses was steady, supported by the renewal of aging equipment, the shift toward multicolor printing and investment to rationalize production. In particular, demand ran at a high level for sheet-fed offset presses that offer high-value-added options such as the double-sided printing press, the perfecting press, multicolor printing press and presses with inline coating functions. In web offset presses, overall demand was high including models that cater to short-run printing. As a result, sales in Japan for the six months ended September 30, 2005 rose 18.0% compared with the corresponding period of the previous fiscal year.

The Americas

The amount of shipments in the United States by the printing industry increased 4.1% year on year in 2004 and are forecast to climb between 3.0 and 4.0% in 2005. This is reflected in a growth in sales of the Company's sheet-fed offset presses and particularly of its mainstay LITHRONE S series. As a result, sales rose 19.0% year on year. Furthermore, Komori received orders for its sheet-fed offset and web offset presses that exceeded expectations following the Company's participation in PRINT 05, a printing equipment exhibition held early September.

Europe

Demand continued to slump in Germany, France, Italy and other countries across the Continent. In England, the first signs of a slowdown in demand also began to appear reflected by a drop in personal consumption in England. In Eastern Europe, however, conditions were relatively strong as a result of the shift of printing work to this area due to low personnel costs. Accounting for these factors, sales across Europe increased 21.0% year on year. In addition, demand for printing presses that offer quick turnaround and high-value-added options has been gathering pace.

Asia

In the China market, the government's tight monetary policy and difficulties in gaining exemption on

duties and taxes contributed to stagnant conditions. As a result, sales declined 29.0% year on year. Despite slight growth in Korea and ASEAN countries, overall sales in Asia fell 24.0%.

Other Regions

Sales in Oceania decreased slightly. Results in the Middle East, however, continued on an upward path climbing 10.0% year on year. Buoyed by an increase in sales in South Africa, overall sales in other regions rose 18.0%.

2. Financial Condition

Consolidated Cash Flows

(In millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
Six months ended September 30, 2005	1,662	1,327	(21,381)	27,222
Six months ended September 30, 2004	1,131	1,086	(1,777)	42,947
Year ended March 31, 2005	9,962	3,196	(10,196)	45,509

Net cash provided by operating activities amounted to ¥1,662 million, an increase of ¥531 million compared with the corresponding period of the previous fiscal year. Major cash outflows were increases in inventories and notes and accounts receivable. Major cash inflows were income before income taxes and an increase in notes and accounts payable.

Net cash provided by investing activities rose ¥241 million to ¥1,327 million. In the period under review, Komori recorded payments for the purchase of property, plant and equipment of ¥1,852 million and undertook sales of investments in securities to affect the redemption of approximately ¥20,000 million in convertible bonds.

Net cash used in financing activities jumped ¥19,604 million to ¥21,381 million. This is mainly attributed to the redemption of convertible bonds and the payment of cash dividends.

As a result of the foregoing, cash and cash equivalents at the end of the period declined ¥18,287 million to ¥27,222 million.

3. Risk Factors

The Komori Group's business performance and financial condition are subject to a number of business and other risks. Risks that may significantly impact the Group include the following:

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- a. The Komori Group's ratio of overseas sales to total sales is in excess of 60% and accordingly is subject to movements in foreign exchange currency rates. While the Group's principal markets are the United States, Europe and Asia, Komori does not rely on any particular region for its business. In addition, the Company works to reduce risk through the application of foreign exchange forward contracts. Komori does however recognize that significant and volatile movements in foreign currency exchange rates may adversely affect its business performance.
- b. The Komori Group is a specialized manufacturer of printing presses, primarily engaged in the manufacture, sale and repair of offset presses. Historically, demand for printing presses is impacted by economic conditions and trends, although a slight time lag often exists. In other words, capital investment is significantly subdued in periods of economic downturn. Accordingly, in the event of major economic recession in the Company's principal markets of Japan, Europe and the United States, Komori's performance may be significantly affected.
- c. In the printing press market, additional services such as providing finance are integral to securing competitive advantage. To this end, the Company on occasion provides a debt guarantee to lease companies and banks for customers who have purchased its products. While the Company maintains a reserve for possible loss on doubtful accounts based on historic data and individual assessment of each transaction, Komori's performance may be impacted by customer bankruptcy due to factors such as economic recession.

OUTLOOK

1. Overview

Impacted by the continued high price of crude oil and the appreciation of the value of the yen, Komori anticipates continued uncertain conditions. In this setting, Komori will pursue efforts to expand sales of its sheet-fed offset presses, such as the LITHRONE S40 series, which was bolstered by the inclusion of perfecting presses and including SPICA 26P and 29P and the newly released SPICA 29P-W. Similar efforts will also be made in web offset presses comprising the SYSTEM 38S, SYSTEM 35S, the new SYSTEM 38 and the SYSTEM 40. In October 2005, Komori will participate in JGAS 2005, a printing equipment exhibition held in Tokyo. The Company will display and demonstrate a wide range of its products and systems and endeavor to achieve its sales objectives. Underpinned by its medium-term management plan, Komori will promote measures to increase profitability and reinforce its financial position, thereby maintaining and improving business performance.

The Komori Group seeks the continued support and understanding of its shareholders.

2. Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2006

(In billions of yen)

Net sales	124.0	YoY	+10.9%
Operating income	10.4	YoY	+14.9%
Ordinary income	10.9	YoY	+11.4%
Net income	6.0	YoY	(4.5)%

Forecasts for the second half of the fiscal year are based on exchange rate assumptions as follows:

USD 1.00 = ¥110, Euro 1.00 = ¥135

The aforementioned forecasts are based on management's assumptions and beliefs in light of the information currently available to it and accordingly involve risks and uncertainties that may cause actual results to differ materially from forecasts. These uncertainties include, but are not limited to the following:

- Sudden and significant changes in economic conditions in the Company's principal markets
- Movements in foreign currency exchange rates and in particular the U.S. dollar and euro
- Sudden and significant changes in product supply and demand
- Movements in Japan's stock market

3. Appropriation of Profits

Pursuant to the Company's policy on the appropriation of profits, Komori intends to pay an annual dividend of ¥22 per common share (interim dividend ¥11 per common share).

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Consolidated Balance Sheets

(In millions of yen)

	September 30, 2005		September 30, 2004		Increase / Decrease	March 31, 2005
		%		%		
(ASSETS)						
Current Assets:	134,766	67.9	143,372	67.6	(8,605)	143,804
Cash on hand and bank deposits	32,295		45,256		(12,960)	47,913
Notes and accounts receivable --- trade	56,978		57,257		(278)	54,797
Marketable securities	10		351		(340)	312
Inventories	37,106		33,788		3,318	35,084
Deferred income taxes	5,242		4,561		680	4,732
Other current assets	4,047		2,964		1,082	1,837
Allowance for doubtful accounts	(914)		(807)		(106)	(872)
Fixed Assets:	63,683	32.1	68,608	32.4	(4,924)	67,540
1. Tangible Fixed Assets:	35,201	17.7	33,216	15.7	1,985	33,974
Buildings and structures	11,535		8,635		2,900	8,347
Machinery and equipment	4,087		4,137		(50)	4,371
Land	18,253		19,310		(1,057)	18,922
Construction in progress	330		211		118	1,354
Other tangible fixed assets	994		921		73	977
2. Intangible Fixed Assets	1,350	0.7	1,329	0.6	21	1,442
3. Investments and Advances:	27,130	13.7	34,062	16.1	(6,931)	32,124
Investments in securities	12,675		14,445		(1,770)	13,661
Long-term loans	712		521		191	510
Long-term deferred income taxes	664		2,047		(1,383)	1,873
Insurance fund	12,029		15,363		(3,333)	14,930
Rehabilitation and related receivables	577		5,526		(4,948)	603
Other investments and advances	1,004		1,347		(343)	1,070
Allowance for doubtful accounts	(533)		(5,190)		4,657	(526)
Total Assets	198,450	100.0	211,980	100.0	(13,530)	211,345

Notes:

September 30, 2005September 30, 2004March 31, 2005

1. Accumulated depreciation	38,252 million yen	37,382 million yen	37,666 million yen
2. Contingent liabilities	27,247 million yen	26,639 million yen	27,014 million yen
3. Treasury stock	4,210,325 shares 6,154 million yen	3,176,291 shares 4,558 million yen	4,198,038 shares 6,091 million yen

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Consolidated Balance Sheets

(In millions of yen)

	September 30, 2005		September 30, 2004		Increase / Decrease	March 31, 2005
		%		%		
(LIABILITIES)						
Current Liabilities:	48,155	24.3	67,211	31.7	(19,056)	63,579
Notes and accounts payable --- trade	26,934		24,293		2,640	25,006
Short-term bank loans	1,535		7,644		(6,109)	1,806
Current portion of long-term debt	954		1,042		(88)	796
Current portion of convertible bonds	-		19,993		(19,993)	19,993
Income taxes payable	2,897		2,523		374	2,340
Accrued bonuses to employees	1,008		946		62	989
Reserve for product warranty	1,586		1,436		150	1,498
Reserve for loss on guarantees	2,027		1,699		327	1,680
Deferred profit on installment sales	547		685		(138)	519
Other current liabilities	10,664		6,947		3,717	8,947
Long-Term Liabilities:	3,222	1.6	2,573	1.2	649	3,541
Long-term debt	734		1,696		(961)	1,360
Accrued retirement benefits for directors and statutory auditors	411		408		2	429
Accrued retirement benefits for employees	96		131		(34)	115
Deferred income taxes	1,762		-		1,762	1,556
Other long-term liabilities	217		337		(119)	79
Total Liabilities	51,378	25.9	69,785	32.9	(18,407)	67,120
(MINORITY INTERESTS)						
Minority interests	-	-	-	-	-	-
(SHAREHOLDERS' EQUITY)						
Common stock	37,714	19.0	37,714	17.8	-	37,714
Additional paid-in capital	37,871	19.1	37,797	17.8	74	37,797
Retained earnings	75,277	37.9	70,511	33.3	4,766	73,057
Unrealized gain on available-for-sale securities	2,960	1.5	1,331	0.6	1,629	2,262
Cumulative translation adjustment	(599)	(0.3)	(600)	(0.3)	1	(516)
Treasury stock	(6,154)	(3.1)	(4,558)	(2.1)	(1,595)	(6,091)
Total Shareholders' Equity	147,071	74.1	142,194	67.1	4,876	144,224
Total Liabilities, Minority Interests and Shareholders' Equity	198,450	100.0	211,980	100.0	(13,530)	211,345

Consolidated Statements of Income

(In millions of yen)

	Six months ended September 30, 2005		Six months ended September 30, 2004		Increase / Decrease	Year ended March 31, 2005
		%		%		
Net Sales	59,161	100.0	53,608	100.0	5,552	111,822
Cost of Sales	39,777	67.2	36,569	68.2	3,207	75,904
Reversal from deferred profit on installment sales	107	0.2	176	0.3	(68)	333
Transfer to deferred profit on installment sales	135	0.3	82	0.1	53	72
Gross profit	19,355	32.7	17,133	32.0	2,222	36,178
Selling, General and Administrative Expenses	14,784	25.0	13,398	25.0	1,386	27,129
Operating income	4,571	7.7	3,735	7.0	836	9,049
Non-Operating Income	1,589	2.7	2,065	3.8	(475)	2,874
Interest and dividend income	400		394		6	719
Gain on sales of marketable securities	289		-		289	-
Gain on investment in monetary trusts	-		201		(201)	325
Gain from insurance fund	220		35		184	177
Gain on foreign exchange	359		1,160		(801)	1,196
Other non-operating income	318		272		45	455
Non-Operating Expenses	591	1.0	884	1.6	(292)	2,140
Interest expenses	173		360		(187)	649
Interest expenses on bonds	59		59		-	119
Loss on disposal of obsolete inventories	56		32		24	99
Loss on redemption of marketable securities	0		1		(1)	1
Loss on sale of investments in securities	-		-		-	424
Litigation settlement expenses	136		99		36	101
Other non-operating expenses	165		329		(164)	743
Ordinary income	5,568	9.4	4,916	9.2	652	9,783
Extraordinary Income	90	0.2	3	0.0	86	655
Gain on sale of fixed assets	4		3		0	5
Gain on sales of investments in securities	23		-		23	309
Reversal of allowance for doubtful accounts	61		-		61	318
Other extraordinary income	-		-		-	21
Extraordinary Losses	683	1.2	25	0.0	658	489
Loss on disposal of fixed assets	17		22		(4)	400
Impairment loss on fixed assets	665		-		665	-
Loss on write-down of securities	-		3		(3)	-
Other extraordinary losses	-		-		-	88
Income before income taxes	4,975	8.4	4,894	9.2	81	9,948
Income taxes --- current	2,684	4.5	2,013	3.8	670	3,092
Refund of previous year's income taxes	(1,246)	(2.1)	-	-	(1,246)	-
Income taxes --- deferred	504	0.9	(211)	(0.4)	715	574
Net income	3,033	5.1	3,092	5.8	(58)	6,282

Consolidated Statements of Shareholders' Equity

(In millions of yen)

	Six months ended September 30, 2005		Six months ended September 30, 2004		Increase / Decrease	Year ended March 31, 2005	
(CAPITAL SURPLUS)							
Capital surplus at the beginning of the period		37,797		37,797	-		37,797
Increase in capital surplus							
Gain on sale of treasury stock	74	74	-	-	74	-	-
Capital surplus at the end of the period		37,871		37,797	74		37,797
(RETAINED EARNINGS)							
Retained earnings at the beginning of the period		73,057		68,098	4,959		68,098
Increase in retained earnings							
Interim net income	3,033	3,033	3,092	3,092	(59)	6,282	6,282
Decrease in retained earnings							
Cash dividends	774		649			1,291	
Directors' bonuses	39	813	30	679	133	30	1,322
Retained earnings at the end of the period		75,277		70,511	4,766		73,057

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

Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2005	Six months ended September 30, 2004	Year ended March 31, 2005
. Cash Flows from Operating Activities:			
Income before income taxes	4,975	4,894	9,948
Depreciation and amortization	1,060	1,110	2,273
Increase (decrease) in allowance for doubtful accounts	41	27	(4,569)
Increase (decrease) in accrued bonuses to employees	18	(33)	10
Increase (decrease) in accrued retirement benefits	(22)	77	60
Interest and dividend income	(400)	(394)	(719)
Interest expense	233	420	769
Foreign exchange (gain) loss	(475)	(2,105)	(1,703)
Directors' bonuses paid	(39)	(30)	(30)
(Gain) loss on sales of investments in securities	(313)	21	115
Loss on write-down of securities	-	3	-
Loss on redemption of marketable securities	0	1	1
Income from cancellation and expiration of insurance fund	(220)	(35)	(177)
(Increase) decrease in notes and accounts receivable	(1,434)	(934)	3,317
Increase in inventories	(1,749)	(2,230)	(3,718)
Increase in notes and accounts payable	1,354	2,515	3,131
(Increase) decrease in other receivables	(416)	(52)	4,873
Others, net	904	538	136
	3,516	3,794	13,718
Interest and dividends earned	399	394	721
Interest paid	(241)	(427)	(770)
Income taxes paid	(2,011)	(2,629)	(3,705)
Net cash provided by (used in) operating activities	1,662	1,131	9,962
. Cash Flows from Investing Activities:			
Payments of time deposits	(4,942)	(2,269)	(4,653)
Proceeds from maturity of time deposits	2,274	2,874	5,163
Payments for purchase of marketable securities	(0)	(0)	(0)
Proceeds from sale of marketable securities	212	-	-
Proceeds from redemption of marketable securities	3	510	511
Payments for purchase of property, plant and equipment	(1,852)	(780)	(3,088)
Proceeds from sale of property, plant and equipment	124	108	249
Payments for purchase of investments in securities	(222)	(185)	(1,461)
Proceeds from sale of investments in securities	2,809	638	4,385
Payments for purchase of other investments	(1,425)	(889)	(2,006)
Proceeds from maturity of other investments	4,550	1,069	2,815
Increase in loans receivable	(220)	-	-
Collection of loans	18	10	20
Proceeds from monetary trust	-	-	1,258
Net cash provided by investing activities	1,327	1,086	3,196
. Cash Flows from Financing Activities:			
Increase in short-term debt	1,667	4,848	5,382
Repayment of short-term debt	(1,777)	(4,016)	(10,270)
Proceeds from long-term debt	(516)	(882)	(1,404)
Repayment of bond sinking	(19,993)	-	-
Decrease for acquisition of treasury stock	(500)	(1,078)	(2,611)
Proceeds from retirement of treasury stock	512	-	-
Cash dividends paid	(774)	(649)	(1,291)
Net cash used in financing activities	(21,381)	(1,777)	(10,196)
. Effect of exchange rate changes on cash and cash equivalents	104	234	273
. Net increase (decrease) in cash and cash equivalents	(18,287)	673	3,236
. Cash and cash equivalents at the beginning of the period	45,509	42,241	42,241
. Cash and cash equivalents from newly consolidated subsidiaries	-	31	31
. Cash and cash equivalents at the end of the period	27,222	42,947	45,509

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

Consolidated Segment Information

1. Information by Business Segment

The Komori Group is primarily engaged in a single business activity, namely the manufacture, sale and repair of printing presses. As a result, information by business segment has been omitted.

2. Information by Geographic Segment

Six months ended September 30, 2005

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and / or Corporate	Consolidated
Net Sales							
(1) Sales to outside customers	28,208	10,776	17,632	2,544	59,161	-	59,161
(2) Intersegment sales	17,425	29	51	26	17,533	(17,533)	-
Total	45,633	10,805	17,684	2,570	76,694	(17,533)	59,161
Cost of Sales and Operating Expenses	41,815	10,574	17,554	2,442	72,386	(17,796)	54,589
Operating Income	3,817	231	129	128	4,307	263	4,571

Six months ended September 30, 2004

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and / or Corporate	Consolidated
Net Sales							
(1) Sales to outside customers	26,124	9,308	14,491	3,684	53,608	-	53,608
(2) Intersegment sales	14,062	31	112	21	14,228	(14,228)	-
Total	40,186	9,339	14,604	3,705	67,836	(14,228)	53,608
Cost of Sales and Operating Expenses	37,034	9,299	14,725	3,494	64,553	(14,679)	49,873
Operating Income (Loss)	3,152	40	(121)	211	3,283	451	3,735

Year ended March 31, 2005

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and / or Corporate	Consolidated
Net Sales							
(1) Sales to outside customers	53,889	21,206	30,986	5,740	111,822	-	111,822
(2) Intersegment sales	31,628	47	1,009	37	32,723	(32,723)	-
Total	85,518	21,254	31,996	5,777	144,546	(32,723)	111,822
Cost of Sales and Operating Expenses	77,711	20,659	31,757	5,593	135,723	(32,949)	102,773
Operating Income (Loss)	7,806	594	238	183	8,822	226	9,049

3. Overseas Sales

Overseas sales and the proportion of overseas sales to total consolidated net sales are as follows:

Six months ended September 30, 2005 (In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	12,127	13,957	8,111	2,808	37,005
(2) Consolidated sales	-	-	-	-	59,161
(3) Ratio of overseas sales (%)	20.5	23.6	13.7	4.8	62.6

Six months ended September 30, 2004 (In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	10,222	11,546	10,720	2,372	34,862
(2) Consolidated sales	-	-	-	-	53,608
(3) Ratio of overseas sales (%)	19.1	21.5	20.0	4.4	65.0

Year ended March 31, 2005 (In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	23,161	24,501	19,231	4,953	71,848
(2) Consolidated sales	-	-	-	-	111,822
(3) Ratio of overseas sales (%)	20.7	21.9	17.2	4.4	64.3

Securities**1. Other securities with fair value**

(In millions of yen)

	As of September 30, 2005			As of September 30, 2004			As of March 31, 2005		
	Acquisition cost	Amount stated on consolidated balance sheet	Difference	Acquisition cost	Amount stated on consolidated balance sheet	Difference	Acquisition cost	Amount stated on consolidated balance sheet	Difference
Other marketable securities									
1. Stocks	4,466	9,314	4,848	4,676	7,075	2,398	4,350	7,789	3,438
2. Debt securities and Bonds	10	9	(0)	10	9	(0)	10	10	0
3. Other	2,430	2,550	119	6,910	6,745	(165)	4,815	5,172	356
Total	6,907	11,874	4,967	11,596	13,830	2,233	9,176	12,971	3,795

2. Other securities without fair value

(In millions of yen)

	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005
	Amount stated on consolidated balance sheet	Amount stated on consolidated balance sheet	Amount stated on consolidated balance sheet
(1) Securities held to maturity			
1. Discount bank debentures	-	-	-
2. Unlisted foreign bonds	-	-	-
Total	-	-	-
(2) Other marketable securities			
1. Unlisted stocks (excluding over-the-counter stocks)	317	457	316
2. Investment trusts (MMF・FFF)	-	209	209
3. Preferred equities	300	300	300
4. Voluntary fund partnerships (Note 1)	192	-	175
Total	810	966	1,001

Note: An amount totaling 186 million yen representing funds invested in voluntary fund partnerships was included in "Other investments and advances" as of September 30, 2004.

Important Matters that Form the Basis for Compiling Interim Consolidated Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries 15

(2) Unconsolidated subsidiary 1

(3) Reason for exclusion of unconsolidated subsidiary from the scope of consolidation

Unconsolidated subsidiary Komori Kosan Co., Ltd. is a small-scale company, and was excluded from the scope of consolidation since its combined assets, net sales, net income and shareholders' equity were immaterial in relation to the interim consolidated financial statements.

2. Application of the Equity Method

The unconsolidated subsidiary has no significant impact on interim net income and retained earnings, and is relatively insignificant overall. Accordingly, Komori does not apply the equity method, but accounts for the unconsolidated subsidiary using the cost basis.

3. Date of Settlement of Interim Accounts for Consolidated Subsidiaries

Consolidated subsidiary Komori International Trading (Shenzhen) Co., Ltd. settles its interim account on June 30. For the purposes of preparing the consolidated financial statements, statements are based upon a provisional settlement of accounts conducted at the consolidated interim period-end. The closing dates for interim earnings for the consolidated subsidiaries other than the above company correspond to the closing for interim consolidated accounting.

4. Summary of Significant Accounting Standards

(1) Standards and evaluation methods for assets

(a) Marketable securities

Other marketable securities

Securities for which market quotations are available:

Stated at fair value, determined by the market price valuation method on the closing date of the interim period under review. (The difference between the carrying value and the market value is included in equity, while the cost of securities sold is computed using the moving-average method.)

Securities for which market quotations are unavailable:

Stated at cost, determined by the moving-average method

(b) Inventories

Products, work in process

Primarily stated at cost determined by the individual-identified cost method

Raw materials

Primarily stated at cost determined by the first-in first-out method

(c) Derivatives

Stated at fair value

(d) Money trust

Money trust held by the Company and its subsidiaries for trading purposes is valued at fair value, with changes in fair value included in net profit or loss for the period in which they arise. Money trust held by the Company and its subsidiaries for purposes other than trading or held-to-maturity is value at fair value.

(2) Methods for depreciating and amortizing depreciable assets**(a) Tangible fixed assets**

Stated primarily using the declining balance method. Identical standards to regulations in the Corporate Tax Law are utilized to determine expected lifetime and salvage value. However, the straight-line method is used for buildings (except for attached facilities) obtained by Komori or Komori Machinery Co., Ltd. after April 1, 1998.

(b) Intangible fixed assets**Marketing rights**

Komori Corporation: Amortized by the straight-line method over a maximum of five years in accordance with the provisions of the Japanese Commercial Code

Komori Taiwan Limited: Amortized by the straight-line method over a maximum of ten years

Software

Straight-line method for estimated in-house usable period of five years

Other

Straight-line method

(3) Accounting for allowances and reserves**(a) Allowance for doubtful accounts**

Allowance for doubtful accounts is provided on the basis of the amount estimated by applying to the percentage of its own actual bad debt loss against the balance of total receivables. In addition, the amount deemed necessary to cover uncollectible receivables is provided when appropriate.

(b) Accrued bonuses to employees

Accrued bonuses to employees are provided for in an amount determined based on the estimated payable by the Company in the future.

(c) Reserve for product warranty

Reserve for product warranty is provided for based on the amounts estimated by applying to

the ratio of the amounts of repair cost actually incurred under the product warranty provided by the Company, against the amounts of net sales.

(d) Accrued retirement benefits for directors and statutory auditors

A specified amount determined by internal regulations is recorded to prepare retirement benefit payments to directors and statutory auditors of the Company and Komori Machinery Co., Ltd.

(e) Reserve for loss on guarantees

A reserve is maintained for loss on guarantees provided by the Company and a portion of overseas consolidated subsidiaries for loans of customers who purchase the Company's products. The amount of the reserve is determined by applying the ratio of the actual loss on guarantees plus the amount deemed necessary to cover potential losses of individual loans.

(f) Accrued retirement benefits to employees

The reserve to provide for the payment of employee retirement benefits is determined primarily at an amount calculated based on the retirement benefit obligation and the estimated fair value of pension plan assets at the end of the current interim period.

Unrecognized actuarial differences are amortized on a straight-line basis over the period of 15 years from the year following that in which they arise.

(4) Translation of foreign currency assets and liabilities

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. The resulting gains and losses are included in net income or loss for the period. The assets and liabilities of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rate prevailing at the balance sheet date, with income and expense accounts translated at the average rate of exchange during the period. The resulting translation adjustments are included in the Shareholders' Equity portion of the balance sheet.

(5) Accounting for leases

Finance leases, other than those in which ownership of the leased assets is transferred to the lessee, are accounted for as operating leases.

(6) Other important items for the preparation of the interim financial statements

Consumption taxes are separately recorded.

5. Scope of Cash and Cash Equivalents in the Statement of Cash Flows

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand, demand deposits, and highly liquid short-term investments with maturities of less than 3 months that can be readily converted into cash and carry little risk of fluctuation in value.

Accompanying Notes

(Change in Accounting Methods)

From the interim period under review, the Company is applying accounting standards for impairment of fixed assets presented in the “Accounting Standard for Impairment of Fixed Assets” and the “Guidance for Accounting Standard for Impairment of Fixed Assets” (Financial Accounting Standards Implementation Guidance No.6) issued respectively on August 9, 2002 and October 31, 2003 by the Business Accounting Council in Japan. As a result, interim income before income taxes decreased by ¥665 million.

Accumulated impairment loss has been deducted directly from respective asset values in accordance with rules surrounding the revised interim consolidated financial statements.

(Notes to Interim Consolidated Balance Sheets)

(In millions of yen)

	September 30, 2005	September 30, 2004	March 31, 2005
Accumulated depreciation	38,252	37,382	37,666
Contingent liabilities	27,247	26,639	27,014
Treasury stock	6,154 4,210,325 shares	4,558 3,176,291 shares	6,091 4,198,038 shares

(Notes to Interim Consolidated Statements of Cash Flows)

Reconciliation of cash and cash equivalents outstanding at interim period-end (or year-end) and items recorded on consolidated balance sheets

(In millions of yen)

	September 30, 2005	September 30, 2004	March 31, 2005
Cash on hand and bank deposits	32,295	45,256	47,913
Term deposits of over three months	(5,072)	(2,309)	(2,404)
Cash and cash equivalents	27,222	42,947	45,509

Non-Consolidated Financial Highlights

Company name: **KOMORI CORPORATION**

Securities Code: 6349
(Tokyo Stock Exchange, Osaka Securities Exchange)

(1) Date of the Board of Directors Meeting: November 14, 2005

(2) Payment date of interim dividends: December 9, 2005

(3) Results of operations (In millions of yen)

	Six months ended Sep. 30, 2005	% *	Six months ended Sep. 30, 2004	% *	Year ended March 31, 2005
Net sales	45,580	13.6	40,137	7.6	85,433
Operating income	3,362	33.3	2,522	(3.4)	6,877
Ordinary income	5,146	25.3	4,107	93.4	8,409
Net income	1,013	(59.8)	2,525	115.5	3,491
(Yen)					
Net income per share	14.45		35.07		48.40

Notes:

1. Average number of shares outstanding during the period:

Six months ended September 30, 2005: 70,188,803

Six months ended September 30, 2004: 71,996,687

Year ended March 31, 2005: 71,435,435

2. Changes in accounting methods: None

3. Percentage figures accompanying consolidated net sales, operating income, ordinary income and net income indicate the percentage increase / decrease from the corresponding period of the previous fiscal year.

(4) Dividends (Yen)

	Six months ended Sep. 30, 2005	Six months ended Sep. 30, 2004	Year ended March 31, 2005
Interim Dividend	11.00	9.00	-
Annual Dividend	-	-	20.00

(5) Financial Position (In millions of yen)

	Six months ended Sep. 30, 2005	Six months ended Sep. 30, 2004	Year ended March 31, 2005
Total assets	184,286	193,890	195,471
Shareholders' equity	144,380	143,742	143,464
Ratio of shareholders' equity to total assets	78.3	74.1	73.4
(Yen)			
Shareholders' equity per share (EPS)	2,051.38	2,012.75	2,037.53

Notes:

1. Number of shares outstanding as of:

Sep. 30, 2005:	70,382,015
Sep. 30, 2004:	71,416,049
March 31, 2005:	70,394,302

2. Number of treasury stock as of:

Sep. 30, 2005:	4,210,325
Sep. 30, 2004:	3,176,291
March 31, 2005:	4,198,038

(6) Forecasts for the Fiscal Year Ending March 31, 2006

(In millions of yen rounded down, except as noted)

Net Sales	95,000	
Ordinary Income	9,200	
Net Income	3,200	
Cash Dividends per Share (Yen)	Year-End	11.00
	Annual	22.00

(Ref.) Net income per share for the year ending March 31, 2006 is anticipated to be 44.98 yen.

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