

# **Results of Operations for the Three Months Ended June 30, 2007** **REPORTED BY KOMORI CORPORATION**

July 30, 2007

Company name: KOMORI CORPORATION  
 Securities code: 6349 (Tokyo Stock Exchange, Osaka Securities Exchange)  
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## **1. Consolidated Business Results for the First Quarter (April 1, 2007 to June 30, 2007)**

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

	Three months ended Jun. 30, 2007	% *	Three months ended Jun. 30, 2006	% *	Year ended Mar. 31, 2007
Net sales	30,848	14.4	26,956	7.9	141,870
Operating income	2,437	24.0	1,966	33.9	15,002
Ordinary income	4,269	89.8	2,249	29.0	16,782
Net income	2,718	120.6	1,232	99.2	9,246

Note: 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.

(Yen)

Net income per share	39.73	17.74	133.47
Diluted net income per share	—	—	—

(2) Financial position (In millions of yen, rounded down)

	Jun. 30, 2007	Jun. 30, 2006	Mar. 31, 2007
Total assets	214,346	204,998	215,403
Net assets	155,923	150,232	153,978
Equity ratio (%)	72.7	73.3	71.5

(Yen)

Net assets per share	2,278.50	2,162.72	2,249.67
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(3) Summary of statements of cash flows (In millions of yen, rounded down)

	Three months ended Jun. 30, 2007	Three months ended Jun. 30, 2006	Year ended Mar. 31, 2007
Net cash provided by (used in) operating activities	3,679	(1,489)	6,199
Net cash (used in) investing activities	(244)	(1,141)	(211)
Net cash (used in) financing activities	(1,281)	(1,355)	(5,519)
Cash & cash equivalents at the end of the period	31,520	24,989	29,332

## 2. Reference: Forecast Business Results for the Fiscal Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(In millions of yen, rounded down)

	Six Months Ending Sep. 30, 2007	%	Fiscal Year Ending Mar. 31, 2008	%
Net sales	70,000	4.7	154,000	8.5
Operating income	6,150	(8.1)	17,700	18.0
Ordinary income	5,500	(27.3)	16,900	0.7
Net income	3,300	(19.4)	10,300	11.4

(Yen)

Net income per share	48.21	150.49
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Note: Percentage figures accompanying consolidated net sales, operating income, ordinary income and net income indicate the percentage increase/(decrease) from the corresponding periods of the previous fiscal year.

### 3. Other

(1) Changes in significant subsidiaries during the period under review (Changes in the scope of consolidation accompanying changes in specified subsidiaries): None

(2) Adoption of the simplified accounting method: Yes

(3) Changes in accounting policies from the latest consolidated fiscal year: Yes

Note: Please refer to "Qualitative Information / Financial Statements and Other, 4. Other" on page 4 for details.

#### Disclaimer:

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

Please refer to "Qualitative Information / Financial Statements and Other, 3. Qualitative Information Regarding Business Result Forecasts" on page 3 for details.

## [Qualitative Information / Financial Statements and Other]

### 1. Qualitative Information Regarding the Status of Consolidated Business Results

In the first quarter (the three-month period ended June 30, 2007), net sales were ¥30,848 million, an increase of 14.4% compared with the corresponding period of the previous fiscal year. From an overseas perspective, sales grew 28.6% year on year, amounting to ¥24,183 million. Results across Western, Central and Eastern Europe were robust, climbing 20.1%. In the Americas, sales declined 12.6% year on year in North America reflecting changes in the way sheet-fed offset press sales are recorded for accounting purposes. Despite significant growth in Central and South America, overall results in the Americas declined 6.8%. Buoyed by strong performances in the China region and South Korea, sales in Asia increased 28.4% year on year. Komori also experienced significant demand in other regions. On the domestic front, sales in Japan totaled ¥6,665 million. Impacted by changes to the way sheet-fed offset press sales are recorded for accounting purposes, sales in Japan declined 18.2% compared with the corresponding period of the previous fiscal year.

From a profit perspective, both operating income and ordinary income improved significantly. Operating income climbed 24.0% year on year to ¥2,437 million, while ordinary income surged 89.8% to ¥4,269 million. Included in ordinary income is a gain on foreign exchange of ¥1,752 million reflecting the substantial depreciation in the yen throughout the first quarter of the fiscal year under review. Accounting for these factors, net income climbed 120.6% compared with the corresponding period of the previous fiscal year to ¥2,718 million.

Looking at orders, Komori's performance was mixed. Owing to the concentration of orders for web offset presses in the corresponding period of the previous fiscal year, results in Japan were down year on year. On the other hand, orders in Europe and the Americas were unchanged from a year earlier, while orders grew significantly in the China and other regions. As a result, overall orders for the first quarter of the fiscal year under review totaled ¥39,093 million, roughly on par with the corresponding period of the previous fiscal year.

### 2. Qualitative Information Regarding the Status of Consolidated Financial Position

Total assets as of June 30, 2007 declined ¥1,057 million compared with the end of the previous fiscal year to ¥214,346 million. Total liabilities stood at ¥58,423 million, a decrease of ¥3,001 million, while net assets grew ¥1,945 million to ¥155,923 million. Accounting for these factors, the equity ratio improved from 71.5% as of March 31, 2007 to 72.7% as of June 30, 2007.

Despite an increase in cash on hand and bank deposits of ¥2,080 million, growth in inventories totaling ¥5,661 million and an upswing in investments in securities of ¥482 million reflecting valuation gain, the principal reason for the decline in assets is attributed to the significant decline in notes and accounts receivable amounting to ¥10,909 million. The major cause for the drop in liabilities is due to a decrease in income taxes payable of ¥3,376 million.

### 3. Qualitative Information Regarding Consolidated Business Result Forecasts

Komori anticipates it will achieve interim and full fiscal year net sales in line with forecasts. On the order front the Company's operating environment is expected to enjoy overall favorable conditions. Orders from Europe are forecast to remain robust while activities in North America and Japan are anticipated to be firm. Business conditions are also forecast to benefit from growing demand from newly emerging nations with high expectations of demand recovery in the China region.

Based on the aforementioned, forecasts disclosed on May 14, 2007 in conjunction with the Company's announcement of its business results for the fiscal year ended March 31, 2007 remain unchanged.

#### 4. Other

(1) Changes in significant subsidiaries during the period under review (Changes in the scope of consolidation accompanying changes in specified subsidiaries): None

(2) Adoption of the simplified accounting method:

Actual inventory is curtailed.

(3) Changes in accounting policies from the latest consolidated fiscal year:

(Change in the accounting treatment of net sales)

Historically, the Komori Group has recorded sheet-fed offset press sales on a delivery basis. Adopting a new accounting method from the first quarter of the fiscal year under review, the Komori Group now records sheet-fed offset press sales on an acceptance basis. Amid the trend toward multicolor, longer length, advanced sheet-fed offset presses, and the growing period between delivery and acceptance, Komori has adopted this new accounting method to ensure increased objectivity and accuracy. Other benefits include improved quality assurance based on efforts to rigorously monitor and manage the delivery and acceptance of products, and a shorter acceptance period as Komori strives to reinforce its management structure. In the case of web offset presses that require a longer period through to acceptance when compared with sheet-fed offset presses, sales are recorded on an acceptance basis. Accordingly, the existing accounting method remains unchanged.

Compared with the previous accounting method, net sales fall by ¥4,464 million, while operating income, ordinary income and income before income taxes each declined by ¥1,448 million as a result of this change.

The impact on each business segment as well as overseas sales is outlined separately in the relevant sections of this report.

(Change in accounting policies for the depreciation of tangible fixed assets)

The Komori Group has implemented changes in depreciation methods applicable to tangible fixed assets acquired after April 1, 2007 in accordance with revisions to the Corporate Income Tax Law of Japan (Partial revision to the Corporate Income Tax Law No. 6, enacted on March 30, 2007, and Enforcement Ordinance No. 83, enacted on March 30, 2007). In addition, for tangible fixed assets acquired before March 31, 2007, where depreciable amounts have been fully depreciated, Komori will depreciate the residual book value of each applicable asset in equal installments over a five-year period from the first quarter of the fiscal year under review.

The impact of this change is considered immaterial.

**Consolidated Balance Sheets**

(In millions of yen)

	Jun. 30, 2007		Jun. 30, 2006		Mar. 31, 2007	
		%		%		%
<b>(ASSETS)</b>						
<b>I. Current Assets:</b>	<u>145,991</u>	68.1	<u>133,307</u>	65.0	<u>147,373</u>	68.4
Cash on hand and bank deposits	32,294		26,056		30,214	
Notes and accounts receivable	52,773		57,025		63,682	
Inventories	48,638		42,088		42,977	
Deferred income taxes	7,584		5,459		7,107	
Other current assets	5,070		4,163		3,966	
Allowance for doubtful accounts	(370)		(1,486)		(575)	
<b>II. Fixed Assets:</b>	<u>68,355</u>	31.9	<u>71,691</u>	35.0	<u>68,030</u>	31.6
<b>1. Tangible Fixed Assets</b>	<u>36,419</u>	17.0	<u>36,021</u>	17.6	<u>36,451</u>	16.9
Buildings and structures	10,402		11,062		10,522	
Machinery and equipment	5,515		4,996		5,722	
Land	18,493		18,140		18,390	
Construction in progress	762		649		515	
Other tangible fixed assets	1,245		1,173		1,299	
<b>2. Intangible Fixed Assets</b>	<u>779</u>	0.4	<u>817</u>	0.4	<u>787</u>	0.4
<b>3. Investments and Others</b>	<u>31,156</u>	14.5	<u>34,852</u>	17.0	<u>30,791</u>	14.3
Investments in securities	11,474		14,355		10,992	
Long-term loans	498		576		518	
Long-term deferred income taxes	350		349		345	
Insurance fund	11,878		13,018		11,831	
Reorganization and related receivables	969		532		1,632	
Long-term bank deposits	5,850		5,500		5,850	
Other investments	754		1,040		752	
Allowance for doubtful accounts	(619)		(521)		(1,131)	
<b>Total Assets</b>	<b>214,346</b>	<b>100.0</b>	<b>204,998</b>	<b>100.0</b>	<b>215,403</b>	<b>100.0</b>

**Consolidated Balance Sheets (Continued)**

(In millions of yen)

	Jun. 30, 2007		Jun. 30, 2006		Mar. 31, 2007	
		%		%		%
<b>(LIABILITIES)</b>						
<b>I. Current Liabilities:</b>	55,002	25.7	50,277	24.5	58,086	27.0
Notes and accounts payable	30,864		30,170		31,609	
Short-term bank loans	1,005		1,355		864	
Current portion of long-term debt	324		389		354	
Income taxes payable	2,448		584		5,824	
Accrued bonuses for employees	394		328		1,194	
Reserve for product warranty	1,953		2,123		2,070	
Reserve for loss on guarantees	2,370		2,153		2,247	
Accrued bonuses for directors and corporate auditors	—		—		74	
Deferred profit on installment sales	351		402		376	
Other current liabilities	15,288		12,768		13,469	
<b>II. Long-Term Liabilities:</b>	3,420	1.6	4,488	2.2	3,338	1.5
Long-term debt	—		301		139	
Accrued retirement benefits for directors and corporate auditors	385		441		472	
Accrued retirement benefits for employees	507		968		524	
Accrued sales promotion expenses	75		—		47	
Deferred income taxes	2,175		2,574		1,902	
Other long-term liabilities	277		201		252	
<b>Total Liabilities</b>	58,423	27.3	54,766	26.7	61,424	28.5
<b>(NET ASSETS)</b>						
<b>I. Shareholders' Equity:</b>						
Common stock	37,714	17.6	37,714	18.4	37,714	17.5
Additional paid-in capital	37,798	17.6	37,871	18.5	37,797	17.5
Retained earnings	81,178	37.9	75,668	36.9	79,623	37.0
Treasury stock	(3,465)	(1.6)	(4,221)	(2.1)	(3,428)	(1.6)
Total Shareholders' Equity	153,225	71.5	147,033	71.7	151,706	70.4
<b>II. Revaluation and Translation Adjustments:</b>						
Net unrealized gains on available-for-sale securities	3,112	1.4	3,868	1.9	2,830	1.3
Translation adjustment	(414)	(0.2)	(670)	(0.3)	(557)	(0.2)
Total Revaluation and Translation Adjustments	2,697	1.2	3,198	1.6	2,272	1.1
<b>Total Net Assets</b>	155,923	72.7	150,232	73.3	153,978	71.5
<b>Total Liabilities and Net Assets</b>	214,346	100.0	204,998	100.0	215,403	100.0

## Consolidated Statements of Income

(In millions of yen)

	Three Months Ended Jun. 30, 2007		Three Months Ended Jun. 30, 2006		Fiscal Year Ended Mar. 31, 2007	
		%		%		%
<b>I. Net Sales</b>	30,848	100.0	26,956	100.0	141,870	100.0
<b>II. Cost of Sales</b>	20,404	66.2	17,811	66.1	93,676	66.1
Reversal from deferred profit on installment sales	25	0.1	57	0.2	127	0.1
Transfer to deferred profit on installment sales	—	—	—	—	43	0.0
Gross profit	<u>10,469</u>	33.9	<u>9,202</u>	34.1	<u>48,277</u>	34.0
<b>III. Selling, General and Administrative Expenses</b>	8,031	26.0	7,236	26.8	33,275	23.4
Operating income	<u>2,437</u>	7.9	<u>1,966</u>	7.3	<u>15,002</u>	10.6
<b>IV. Non-Operating Income</b>	<u>2,071</u>	6.6	<u>420</u>	1.5	<u>2,905</u>	2.0
Interest and dividend income	202		213		780	
Gain on sales of marketable securities	—		—		91	
Gain from insurance fund	5		1		118	
Gain on foreign exchange	1,752		101		1,588	
Other non-operating income	110		104		327	
<b>V. Non-Operating Expenses</b>	<u>239</u>	0.7	<u>136</u>	0.5	<u>1,125</u>	0.8
Interest expenses	18		69		307	
Loss on disposal of obsolete inventories	13		1		34	
Loss on asserted claims	175		—		456	
Valuation loss on inventories	—		—		162	
Other non-operating expenses	<u>31</u>		<u>65</u>		<u>164</u>	
Ordinary income	4,269	13.8	2,249	8.3	16,782	11.8
<b>VI. Extraordinary Income</b>	<u>231</u>	0.8	<u>29</u>	0.1	<u>734</u>	0.5
Gain on sale of fixed assets	1		7		67	
Gain on sale of investments in securities	—		19		639	
Reversal of allowance for doubtful accounts	204		3		28	
Other extraordinary income	25		—		—	
<b>VII. Extraordinary Losses</b>	<u>9</u>	0.0	<u>62</u>	0.2	<u>1,293</u>	0.9
Loss on disposal of fixed assets	9		38		226	
Valuation loss on investment securities	—		—		35	
Moving expenses of factory	—		24		49	
Allowance for doubtful accounts	—		—		408	
Loss on bad debt	—		—		486	
Other extraordinary losses	<u>—</u>		<u>—</u>		<u>87</u>	
Income before income taxes	4,491	14.6	2,217	8.2	16,223	11.4
Income taxes --- current	2,018	6.6	345	1.2	8,111	5.7
Income taxes --- deferred	<u>(246)</u>	(0.8)	<u>639</u>	2.4	<u>(1,134)</u>	(0.8)
Net income	2,718	8.8	1,232	4.6	9,246	6.5

(English translation of "ZAIMU/GYOSEKI NO GAIKYO" originally issued in Japanese.)

**Consolidated Statements of Changes in Shareholders' Equity****Three months ended June 30, 2007**

(In millions of yen)

	Shareholders' Equity				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of March 31, 2007	37,714	37,797	79,623	(3,428)	151,706
Changes during the quarter					
Dividends from surplus			(1,163)		(1,163)
Bonuses to directors					
Net income			2,718		2,718
Increase of treasury stock				(37)	(37)
Decrease of treasury stock		0		1	1
Items other than changes in shareholders' equity					
Total		0	1,555	(36)	1,519
Balance as of June 30, 2007	37,714	37,798	81,178	(3,465)	153,225

	Revaluation and Translation Adjustments			Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Translation Adjustments	Total Revaluation and Translation Adjustments	
Balance as of March 31, 2007	2,830	(557)	2,272	153,978
Changes during the quarter				
Dividends from surplus				(1,163)
Bonuses to directors				—
Net income				2,718
Increase of treasury stock				(37)
Decrease of treasury stock				1
Items other than changes in shareholders' equity	282	143	425	425
Total	282	143	425	1,944
Balance as of June 30, 2007	3,112	(414)	2,697	155,923

## Three months ended June 30, 2006

(In millions of yen)

	Shareholders' Equity				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of March 31, 2006	37,714	37,871	75,384	(4,217)	146,753
Changes during the quarter					
Dividends from surplus			(903)		(903)
Bonuses to directors			(45)		(45)
Net income			1,232		1,232
Increase of treasury stock				(4)	(4)
Items other than changes in shareholders' equity					
Total			283	(4)	279
Balance as of June 30, 2006	37,714	37,871	75,668	(4,221)	147,033

	Revaluation and Translation Adjustments			Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Translation Adjustments	Total Revaluation and Translation Adjustments	
Balance as of March 31, 2006	4,519	(675)	3,843	150,597
Changes during the quarter				
Dividends from surplus				(903)
Bonuses to directors				(45)
Net income				1,232
Increase of treasury stock				(4)
Items other than changes in shareholders' equity	(650)	4	(645)	(645)
Total	(650)	4	(645)	(365)
Balance as of June 30, 2006	3,868	(670)	3,198	150,232

## Fiscal year ended March 31, 2007

(In millions of yen)

	Shareholders' Equity				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance as of March 31, 2006	37,714	37,871	75,384	(4,217)	146,753
Changes during the year					
Dividends from surplus			(1,806)		(1,806)
Bonuses to directors			(45)		(45)
Net income			9,246		9,246
Increase of treasury stock				(2,444)	(2,444)
Decrease of treasury stock		0		1	1
Retirement of treasury stock		(74)	(3,156)	3,231	—
Items other than changes in shareholders' equity					
Total	—	(74)	4,238	788	4,953
Balance as of March 31, 2007	37,714	37,797	79,623	(3,428)	151,706

	Revaluation and Translation Adjustments			Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Translation Adjustments	Total Revaluation and Translation Adjustments	
Balance as of March 31, 2006	4,519	(675)	3,843	150,597
Changes during the year				
Dividends from surplus				(1,806)
Bonuses to directors				(45)
Net income				9,246
Increase of treasury stock				(2,444)
Decrease of treasury stock				1
Retirement of treasury stock				—
Items other than changes in shareholders' equity	(1,688)	117	(1,571)	(1,571)
Total	(1,688)	117	(1,571)	3,381
Balance as of March 31, 2007	2,830	(557)	2,272	153,978

## Consolidated Statements of Cash Flows

(In millions of yen)

	Three Months Ended Jun. 30, 2007	Three Months Ended Jun. 30, 2006	Fiscal Year Ended Mar. 31, 2007
<b>I. Cash Flows from Operating Activities:</b>			
Income before income taxes	4,491	2,217	16,223
Depreciation and amortization	619	534	2,375
Decrease in allowance for doubtful accounts	(756)	(6)	(380)
Increase (decrease) in accrued bonuses for employees	(800)	(741)	124
Decrease in accrued bonuses for directors and corporate auditors	(74)	—	—
Decrease in accrued retirement benefits	(24)	(48)	(523)
Interest and dividend income	(202)	(213)	(780)
Interest expense	18	69	307
Gain on foreign exchange	(2,169)	(32)	(1,856)
Directors' bonuses paid	—	(45)	(45)
Gain on sale of investment in securities	—	(19)	(730)
Gain from insurance fund	(5)	(1)	(118)
(Increase) decrease in notes and accounts receivable	12,249	2,512	(4,134)
Increase in inventories	(4,340)	(4,949)	(4,630)
Increase (decrease) in notes and accounts payable	(997)	1,874	3,075
(Increase) decrease in other receivables	(113)	7	(130)
Others, net	928	(188)	1,698
Subtotal	8,823	970	10,475
Interest and dividends received	83	114	778
Interest paid	(55)	(76)	(316)
Income taxes paid	(5,171)	(2,498)	(4,737)
Net cash provided by (used in) operating activities	3,679	(1,489)	6,199
<b>II. Cash Flows from Investing Activities:</b>			
Payments for time deposits	(292)	(687)	(1,590)
Proceeds from maturity of time deposits	400	890	1,627
Payments for purchase of property, plant and equipment	(341)	(1,114)	(4,226)
Proceeds from sales of property, plant and equipment	12	46	357
Payments for purchase of investments in securities	(9)	(66)	(1,075)
Proceeds from sales of investments in securities	—	216	3,492
Payments for purchase of other investments	(183)	(448)	(3,289)
Proceeds from maturity of other investments	149	5	4,417
Collections of loans	20	17	75
Net cash used in investing activities	(244)	(1,141)	(211)
<b>III. Cash Flows from Financing Activities:</b>			
Increase in short-term debt	405	725	1,465
Repayments of short-term debt	(300)	(974)	(2,320)
Repayments of long-term debt	(186)	(199)	(416)
Increase in treasury stock, net	(36)	(4)	(2,442)
Cash dividends paid	(1,163)	(903)	(1,806)
Net cash used in financing activities	(1,281)	(1,355)	(5,519)
<b>IV. Effect of exchange rate change on cash and cash equivalents</b>	34	59	(52)
<b>V. Net increase (decrease) in cash and cash equivalents</b>	2,188	(3,927)	415
<b>VI. Cash and cash equivalents at the beginning of the period</b>	29,332	28,916	28,916
<b>VII. Cash and cash equivalents at the end of the period</b>	31,520	24,989	29,332

**Explanatory Notes****(Notes to Consolidated Balance Sheets)**

(In millions of yen)

	Jun. 30, 2007	Jun. 30, 2006	Mar. 31, 2007
1. Accumulated depreciation on tangible fixed assets	39,609	39,481	38,855
2. Trade notes receivable*	1,345	—	691
Trade notes payable*	990	—	858

\* Matured notes are calculated as of the date of their conversion. Because the closing date of the period under review was a holiday for financial institutions, matured notes are included in the balance as of June 30, 2007.

**(Notes to Consolidated Statements of Changes in Shareholders' Equity)**

Three months ended June 30, 2007

## 1. Type and number of shares issued, and type and number of treasury stock

(Shares)

	Mar. 31, 2007	Increase	Decrease	Jun. 30, 2007
Shares outstanding				
Common stock	70,292,340	—	—	70,292,340
Total	70,292,340	—	—	70,292,340
Treasury stock				
Common stock*	1,847,151	13,340	619	1,859,872
Total	1,847,151	13,340	619	1,859,872

\* The increase of 13,340 common treasury stock is attributed to purchase of odd-lot shares of less than one trading unit. The decrease of 619 common treasury stock is due to the purchase request for odd-lot shares of less than one trading unit.

## 2. Items relating to dividends

## (1) Dividend payments

	Class of Shares	Total Cash Dividends Paid (Millions of yen)	Dividend per Share (Yen)	Record Date	Effective Date
June 26, 2007 Annual General Meeting of Shareholders	Common stock	1,163	17	March 31, 2007	June 27, 2007

**(Notes to Consolidated Statements of Cash Flows)**

Reconciliation of cash and cash equivalents outstanding at the fiscal year-end and items recorded on consolidated balance sheets.

(In millions of yen)

	Jun. 30, 2007	Jun. 30, 2006	Mar. 31, 2007
Cash on hand and bank deposits	32,294	26,056	30,214
Time deposits of over three months	(774)	(1,067)	(882)
Cash and cash equivalents	31,520	24,989	29,332

## 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

Three months ended June 30, 2007

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and / or Corporate	Consolidated
Net sales							
(1) Sales to outside customers	11,544	4,145	12,361	2,797	30,848	–	30,848
(2) Intersegment sales	13,416	9	95	0	13,521	(13,521)	–
Total	24,961	4,154	12,456	2,797	44,370	(13,521)	30,848
Operating expenses	21,168	4,639	12,310	2,797	40,915	(12,504)	28,411
Operating income (loss)	3,792	(484)	146	0	3,455	(1,017)	2,437

Three months ended June 30, 2006

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and / or Corporate	Consolidated
Net sales							
(1) Sales to outside customers	10,526	4,798	8,991	2,640	26,956	–	26,956
(2) Intersegment sales	10,336	52	84	1	10,474	(10,474)	–
Total	20,862	4,851	9,076	2,642	37,431	(10,474)	26,956
Operating expenses	19,273	4,492	9,003	2,499	35,269	(10,278)	24,990
Operating income	1,588	358	72	143	2,162	(196)	1,966

Notes:

1. Among operating expenses in the three-month period, no unallocatable cost is included in elimination or corporate items.

2. Classification of countries and regions/ major countries in each region

I. Classification of countries and regions is based on geographical proximity.

II. Major countries in each region

The Americas: The United States

Europe: The Netherlands, United Kingdom, France

Others: Hong Kong, Taiwan, Australia

3. Changes in accounting policies

(Accounting method for net sales)

As reported under "Changes in accounting policies from the latest consolidated fiscal year," and from the first quarter of the fiscal year ending March 31, 2008, the Komori Group has changed the accounting method used for recording net sales of sheet-fed offset presses. In accordance with this change, the Komori Group has shifted from a delivery basis to an acceptance basis. As a result of this change in accounting for sheet-fed offset press sales, and in comparison with the previous accounting method, net sales and operating income in Japan declined by ¥1,605 million and ¥478 million, respectively. Net sales and operating income fell by ¥2,311 million and ¥415 million, respectively, in the Americas; by ¥455 million and ¥38 million, respectively, in Europe; and by ¥92 million and ¥7 million, respectively, in other regions. In connection with eliminations and/or corporate, operating income decreased by ¥508 million.

Fiscal year ended March 31, 2007

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and / or Corporate	Consolidated
Net sales							
(1) Sales to outside customers	63,416	29,255	39,917	9,282	141,870	–	141,870
(2) Intersegment sales	53,018	91	1,078	43	54,232	(54,232)	–
Total	116,434	29,346	40,996	9,326	196,103	(54,232)	141,870
Operating expenses	101,278	27,873	40,939	9,074	179,166	(52,297)	126,868
Operating income	15,156	1,473	56	251	16,937	(1,934)	15,002

### 3. Overseas Sales

Details of overseas sales and the ratio of overseas sales to total net sales are as follows.

Three months ended June 30, 2007 (In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	4,812	9,477	5,888	4,006	24,183
(2) Consolidated sales	—	—	—	—	30,848
(3) Ratio of overseas sales (%)	15.6	30.7	19.1	13.0	78.4

Three months ended June 30, 2006 (In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	5,161	7,893	4,586	1,166	18,807
(2) Consolidated sales	—	—	—	—	26,956
(3) Ratio of overseas sales (%)	19.1	29.3	17.0	4.3	69.8

Notes:

1. Figures for overseas sales include net sales of the Company and all its consolidated subsidiaries outside of Japan.

2. Classification of countries and regions / major countries and regions in each category

I. Classification of countries and regions is based on geographical proximity.

II. Major countries in each region

The Americas: The United States, Canada, Brazil

Europe: The Netherlands, United Kingdom, France

Asia: China, Hong Kong, Taiwan

3. Changes in accounting policies

(Accounting method for net sales)

As reported under "Changes in accounting policies from the latest consolidated fiscal year," and from the first quarter of the fiscal year ending March 31, 2008, the Komori Group has changed the accounting method used for recording net sales of sheet-fed offset presses. In accordance with this change, the Komori Group has shifted from a delivery basis to an acceptance basis. As a result of this change in accounting for sheet-fed offset press sales, and in comparison with the previous accounting method, overseas sales declined ¥2,858 million. In specific terms, net sales fell in the Americas, Europe and Asia by ¥2,311 million, ¥455 million and ¥92 million, respectively.

Fiscal year ended March 31, 2007 (In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	33,062	34,501	20,044	6,157	93,765
(2) Consolidated sales	—	—	—	—	141,870
(3) Ratio of overseas sales (%)	23.3	24.3	14.1	4.3	66.1