

**Results of Operations for the Six Months Ended September 30, 2007**  
**REPORTED BY KOMORI CORPORATION**

November 12, 2007

Company name: KOMORI CORPORATION  
 Securities code: 6349 (Tokyo Stock Exchange, Osaka Securities Exchange)  
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 Payment date of interim dividend: November 30, 2007

**1. Consolidated Business Results for the First Half of Fiscal 2008 (April 1, 2007 to September 30, 2007)**

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

	Six months ended September 30, 2007	%	Six months ended September 30, 2006	%	Year ended March 31, 2007
Net sales	72,165	7.9	66,870	13.0	141,870
Operating income	7,376	10.2	6,690	46.4	15,002
Ordinary income	7,941	5.0	7,563	35.8	16,782
Net income	4,645	13.5	4,092	34.9	9,246

(Yen)

Net income per share	67.97		58.91		133.47
Diluted net income per share	-		-		-

Notes:

- Equity in net income of affiliated companies accounted for by the equity method:  
 Six months ended September 30, 2007: - Six months ended September 30, 2006: - Year ended March 31, 2007: -
- Percentage figures accompanying consolidated net sales, operating income, ordinary income and net income indicate the percentage increase/decrease from corresponding periods in the previous fiscal year.

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

	September 30, 2007	September 30, 2006	March 31, 2007
Total assets	218,848	209,898	215,403
Net assets	155,653	153,168	153,978
Equity ratio (%)	71.1	73.0	71.5

(Yen)

Net assets per share	2,288.05	2,205.19	2,249.67
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Note:

Equity as of: September 30, 2007: 155,653 million yen  
 September 30, 2006: 153,168 million yen  
 March 31, 2007: 153,978 million yen

(3) Summary of statements of cash flows (In millions of yen, rounded down)

	Six months ended September 30, 2007	Six months ended September 30, 2006	Year ended March 31, 2007
Net cash provided by (used in) operating activities	12,610	(180)	6,199
Net cash used in investing activities	(238)	(851)	(211)
Net cash used in financing activities	(1,449)	(1,912)	(5,519)
Cash and cash equivalents at the end of the period	39,494	26,219	29,332

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

## 2. Dividends

	Year ended March 31, 2007	Year ending March 31, 2008
Annual cash dividends per share (Yen)	30.00	40.00 (Forecast)
Interim dividends	13.00	20.00
Year-end dividends	17.00	20.00 (Forecast)

## 3. Forecast of Consolidated Business Results for the Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(In millions of yen, unless otherwise stated)

	Year ending March 31, 2008	%
Net sales	157,000	10.7
Operating income	18,700	24.6
Ordinary income	18,300	9.0
Net income	10,800	16.8
Net income per share (Yen)	158.76	-

Note:

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

## 4. Other

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

Note:

For details refer to "OVERVIEW OF THE KOMORI GROUP" on page 9.

(2) Changes to principle accounting procedures and presentation methods relating to the preparation of consolidated financial statements (Significant changes in basis for preparing consolidated financial statements)

1. Changes accompanying revisions to accounting standards: Yes

2. Changes other than those in item 1. above: Yes

Note:

For details refer to "Important Matters that Form the Basis for Compiling Interim Consolidated Financial Statements" on pages 18-19 and "Significant Changes in the Basis for Preparing Interim Consolidated Financial Statements" on page 21.

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock) as of:

September 30, 2007: 70,292,340 shares

September 30, 2006: 72,092,340 shares

March 31, 2007: 70,292,340 shares

2. Number of treasury stock as of:

September 30, 2007: 2,263,610 shares

September 30, 2006: 2,634,072 shares

March 31, 2007: 1,847,151 shares

Note:

Refer to "Per share information" on page 28 for details regarding the number of shares that forms the basis for the calculation of net income per share (consolidated).

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

(Reference)

## 1. Non-Consolidated Business Results for the First Half of Fiscal 2008 (April 1, 2007 to September 30, 2007)

### (1) Results of operations

(In millions of yen, rounded down)

	Six months ended September 30, 2007	%	Six months ended September 30, 2006	%	Year ended March 31, 2007
Net sales	58,674	5.0	55,875	22.6	116,360
Operating income	7,853	25.7	6,247	85.8	14,470
Ordinary income	8,863	19.8	7,398	43.8	16,792
Net income	5,963	40.9	4,231	317.3	7,036

(Yen)

Net income per share	87.25		60.91		101.56
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Note:

Percentage figures accompanying net sales, operating income, ordinary income and net income indicate the percentage increase/decrease from corresponding periods in the previous fiscal year.

### (2) Financial position

(In millions of yen, unless otherwise stated)

	September 30, 2007	September 30, 2006	March 31, 2007
Total assets	193,373	189,978	190,541
Net assets	150,120	148,640	147,078
Equity ratio (%)	77.6	78.2	77.2
Net assets per share (Yen)	2,206.72	2,140.00	2,148.86

Notes:

Equity as of: September 30, 2007: 150,120 million yen

September 30, 2006: 148,640 million yen

March 31, 2007: 147,078 million yen

## 2. Forecast of Non-Consolidated Business Results for the Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)

(In millions of yen, unless otherwise stated)

	Year ending March 31, 2008	%
Net sales	124,000	6.6
Operating income	16,500	14.0
Ordinary income	17,300	3.0
Net income	10,500	49.2
Net income per share (Yen)	154.35	-

Note:

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

The aforementioned forecasts are based on management's assumptions and beliefs in light of the information currently available to the Company 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 pages 6-7 of the supplementary data attached.

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

## 1. REVIEW OF OPERATIONS

### 1. Review of Operations

#### *(1) Overview*

Despite concerns surrounding the impacts of rising crude oil and raw material prices as well as unsettled conditions within international financial markets triggered by the sub-prime loan problem in the United States, the Japanese economy continued to experience modest growth during the first half of fiscal 2008, the six-month period ended September 30, 2007, due to healthy corporate-sector results and steady improvements in employment. In the United States, growth rates continued to soften, reflecting an expanding slump in residential investment that began in 2006. This downturn was held in check, however, countered by personal consumption, corporate-sector capital expenditure and external demand. Turning to Europe, economic conditions were mixed. While continued capital expenditure and export growth contributed to a positive operating environment, signs of a slight decline in personal consumption began to emerge. Led by China, which has been enjoying a persistently high rate of economic growth, Asian economies exhibited firm conditions overall. Similar favorable economic growth rates were experienced by newly developing countries on the back of continued robust capital expenditure.

During the six-month period ended September 30, 2007, the printing industry, Komori's primary market, exhibited the following investment expenditure trends. Japan's printing industry faced a difficult operating environment owing to an ongoing decline in printing unit prices and the impact of raw material price hikes. Under these circumstances, capital expenditure capabilities among printing companies in Japan, geared toward such customer needs as high quality and high productivity as well as high-value-added, short-run and quick turnaround printing, became increasingly polarized. Overseas, the trend toward differentiation through higher productivity and value-added initiatives gathered steam, supporting steady capital expenditure in the Americas, Europe, Asia and other regions.

#### *(2) Consolidated Performance*

In the context of this business environment, the Komori Group worked to develop products and deliver solutions that address such customer needs as high quality and high productivity as well as high-value-added, short-run and quick turnaround printing in conjunction with vigorous marketing activities both in Japan and overseas. In particular, the Group's participation in the International Graphic Arts Show (IGAS) 2007, an international printing exhibition held in Japan every four years, was an excellent opportunity for Komori to showcase its cutting-edge R&D capabilities through new products and functions that boast inline, automated and one-pass printing. Held in Tokyo in September 2007, the exhibition was attended by a record 130,000 domestic and international visitors.

Accounting for these factors, orders received during the six-month period ended September 30, 2007 increased 14.7% compared with the corresponding period of the previous fiscal year to ¥82,477 million, while net sales rose 7.9% year on year to ¥72,165 million. On the earnings front, operating income climbed 10.2% to ¥7,376 million, ordinary income grew 5.0% to ¥7,941 million and interim net income improved 13.5% compared with the corresponding period of the previous fiscal year to ¥4,645

million.

Overseas sales increased 23.5% year on year to ¥52,240 million, representing 72.4% of total net sales.

### (3) Net Sales by Geographic Segment

(In millions of yen)

		Six months ended September 30, 2006	Six months ended September 30, 2007	Increase / (Decrease) (%)
Net sales		66,870	72,165	7.9%
Breakdown	Japan	24,569	19,925	(18.9)%
	The Americas	14,595	12,540	(14.1)%
	Europe	14,970	20,483	36.8%
	Asia	9,946	13,231	33.0%
	Other regions	2,788	5,984	114.6%

#### *Domestic Sales*

Amidst growing polarization within the printing industry, robust capital expenditure supported continued firm demand for sheet-fed offset presses. This reflected company efforts to renew aging equipment in use since the bubble period and to enhance and rationalize production as well as accommodate high-value-added printing. On the other hand, with the ending of the recent wave of investment in web offset presses, orders and sales declined year on year. Furthermore, Komori changed its accounting method for sales of sheet-fed offset presses from the period under review on an acceptance basis. As a result, sales in Japan declined 18.9% compared with the corresponding period of the previous fiscal year.

#### *The Americas*

In North America, the economy was clouded in uncertainty, reflecting difficult conditions in the residential and financial markets. Against this backdrop, demand remained firm mainly for presses that offer such high-value-added options as multicolor printing and inline coating functions. In Central and South America, sales increased steadily, fueled by successful efforts to deliver more competitive products and services. During the period under review, Komori's U.S.-based subsidiary changed its method for recording sales of sheet-fed offset presses to an acceptance basis. As a result, overall sales in the Americas declined 14.1% compared with the corresponding period of the previous fiscal year.

#### *Europe*

Reflecting robust results in the corporate sector as well as positive sentiment toward capital expenditure throughout Europe, sales grew significantly in both developed nations, which comprise the mature markets of Western and Northern Europe, and the growing market of Central and Eastern Europe. In specific terms, demand in Western and Northern Europe centered mainly on equipment that offers such high-value-added options as multicolor printing and inline coating functions. In Central and Eastern Europe, demand covered a much wider spectrum, from small and mid-size equipment, mainly four-color presses, to high-value-added presses catering to leading printing companies. Due to the aforementioned factors, sales across Europe climbed 36.8% year

on year.

#### *Asia*

In China, the impact of the government's removal of tax and duty exemptions began to weaken. This has led to the growing acceptance of printing presses that utilize imposts. Following an extended period during which companies held off on acquiring new equipment, demand for sheet-fed offset presses is showing a substantial upswing. Buoyed by this positive environment as well as steady sales growth in other parts of Asia, sales throughout the region increased 33.0% compared with the corresponding period of the previous fiscal year.

#### *Other Regions*

Sales in Oceania and the Middle East doubled during the period under review. Overall sales in the other regions segment surged 114.6% year on year.

#### **(4) Outlook**

Looking ahead, the impact of sharp increases in the cost of crude oil and raw materials on the global economy, the length and depth of economic downturn in the United States brought on by the slump in residential markets and the deterioration in Japan's competitive price advantage overseas due to the yen's appreciation are expected to further fuel uncertainty in the Komori Group's principal operating environment. As a result, Komori recognizes that there is no room for complacency.

Under these conditions, the Komori Group will work diligently to expand sales mainly in newly developing countries. In this fashion, the Group will endeavor to maintain the momentum established over the first half. In addition, Komori will pursue cost reduction and other initiatives with the aim of offsetting increases in R&D, marketing, selling, general and administrative expenses relating to IGAS 2007 as well as drupa 2008, the world's largest international printing equipment exhibition, which, held every four years, is next scheduled for Germany in May 2008. Based on these endeavors, the Group expects to achieve its full fiscal year operating results forecasts, which have been revised upwards from those initially announced at the beginning of the period.

#### *Forecasts of Consolidated Results for the Fiscal Year Ending March 31, 2008*

(In millions of yen)

	Previous Forecasts	Revised Forecasts	Increase / (Decrease)	Fiscal Year Ended March 31, 2007	YoY
Net sales	154,000	157,000	1.9%	141,870	10.7%
Operating income	17,700	18,700	5.6%	15,002	24.6%
Ordinary income	16,900	18,300	8.3%	16,782	9.0%
Net income	10,300	10,800	4.9%	9,246	16.8%

Forecasts for the fiscal year ending March 31, 2008 are based on exchange rate assumptions as follows:

Second half                      USD 1.00 = ¥110  
    Euro 1.00 = ¥160

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

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 particularly with regard to the U.S. dollar and euro
- Sudden and significant changes in product supply and demand as well as sales prices
- Movements in Japan's stock market

## 2. Financial Condition

### (1) Assets, Liabilities and Net Assets

Total assets as of September 30, 2007 stood at ¥218,848 million, an increase of ¥3,444 million compared with the previous fiscal year-end. Liabilities were ¥63,194 million, up ¥1,770 million compared with March 31, 2007 while net assets totaled ¥155,653 million, reflecting growth of ¥1,674 million. From the period under review, Komori changed its accounting method for recording sales of sheet-fed offset presses. Due to the adoption of an acceptance-based system, inventories rose ¥4,722 million. The key factors contributing to the growth in liabilities were increases in notes and accounts payable of ¥679 million and increases in advances received totaling ¥1,574 million included in other current liabilities.

### (2) 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, 2006	(180)	(851)	(1,912)	26,219
Six months ended September 30, 2007	12,610	(238)	(1,449)	39,494
Fiscal year ended March 31, 2007	6,199	(211)	(5,519)	29,332

Net cash provided by operating activities amounted to ¥12,610 million, a turnaround of ¥12,791 million compared with the corresponding period of the previous fiscal year. Major cash inflows were income before income taxes of ¥8,289 million and a decrease in notes and accounts receivable totaling ¥13,327 million. The principal cash outflow was an increase in inventories amounting to ¥4,445 million.

Net cash used in investing activities was ¥238 million, down ¥613 million year on year. The principal component was payments for purchase of property, plant and equipment.

Net cash used in financing activities totaled ¥1,449 million, a decrease of ¥463 million compared with the corresponding period of the previous fiscal year. The principal outflows were an increase in treasury stock, net, of ¥1,119 million and cash dividends paid in the amount of ¥1,163 million.

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

Accounting for the aforementioned activities, cash and cash equivalents at the end of the period stood at ¥39,494 million, an increase of ¥10,162 million compared with March 31, 2007.

### **(3) Basic Policy on the Appropriation of Profits**

While considering the level of retained earnings required to prudently secure a robust operating platform and ensure future business growth from a long-term perspective, Komori positions the continuous and stable return of profits to its shareholders as a key management priority. Guided by this underlying policy, the Company strives to ensure a dividend payout ratio of 30% on a consolidated net income basis. In an effort to further enhance shareholder value, Komori also undertakes the prudent acquisition of treasury stock. On this basis, Komori acquired 400,000 shares of treasury stock during the period under review. The Company will retire treasury stock after considering the balance of treasury stock held and its overall capital policy.

Guided by the aforementioned, Komori plans to upwardly revise previous forecasts announced on May 14, 2007 for both the interim and the fiscal year-end dividends by ¥3 per share. As a result, Komori anticipates it will pay interim and fiscal year-end dividends of ¥20 per share for an annual cash dividend of ¥40 per share.

### **(4) Business Risks**

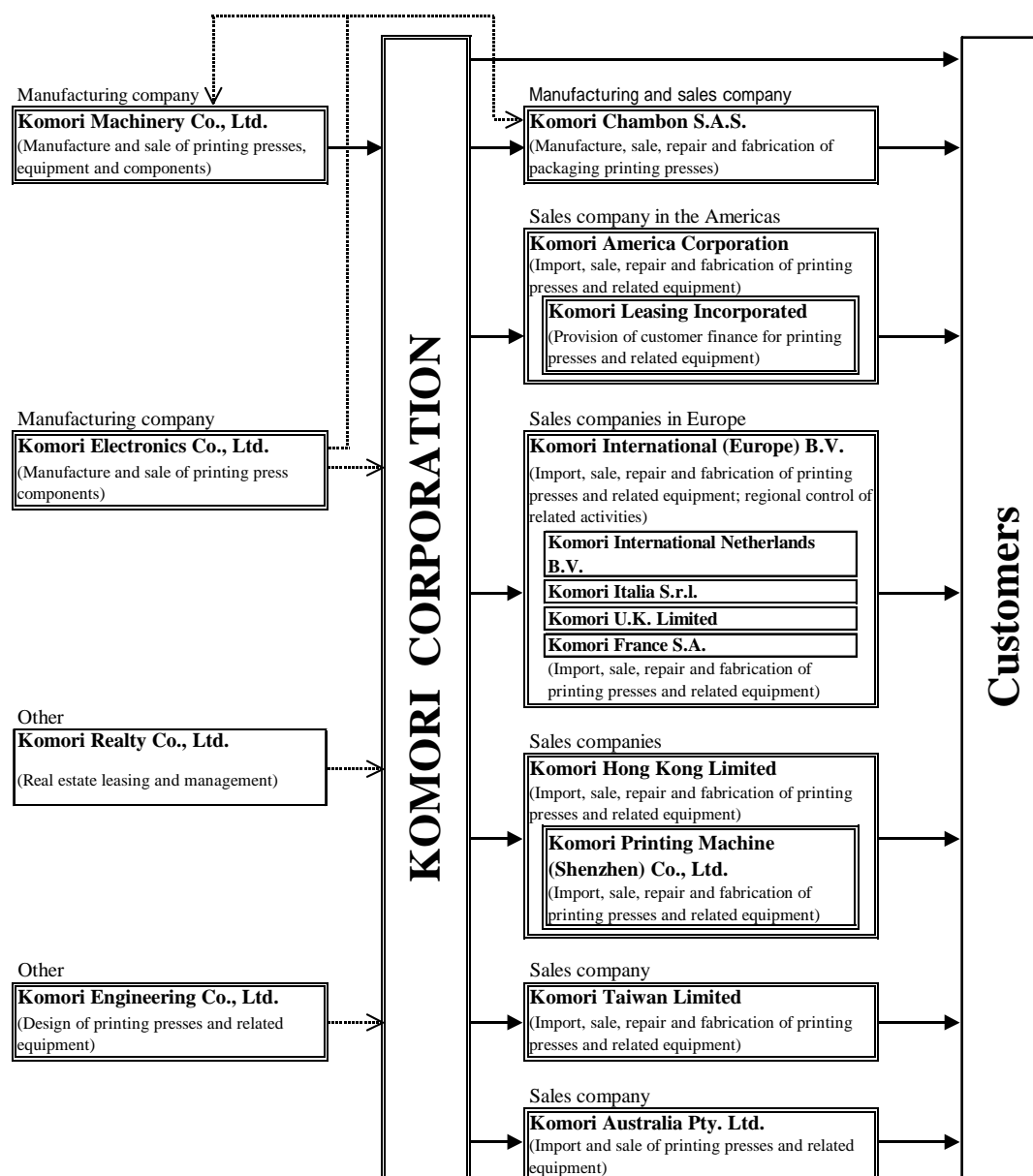
The Komori Group's business performance and financial condition are subject to a number of business and other risks. Risks that may significantly impact the Group include the following:

- a. The Komori Group's ratio of overseas sales to total sales is in excess of 70% and, accordingly, 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, the United States, Europe or Asia, Komori's performance, sales volume and sales prices may be significantly affected.
- c. In the printing press market, 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 losses on doubtful accounts based on historic data and the individual assessment of each transaction, Komori's performance may be impacted by customer bankruptcy due to such factors as economic recession.

## 2. OVERVIEW OF THE KOMORI GROUP

The Komori Group comprises Komori Corporation and its 16 subsidiary companies. The Group's principal activity is to manufacture, sell and provide services for printing presses and related equipment and parts. Other related activities include financing and real estate management services.

An organization chart outlining the names, business activities and relationships among Group companies is provided as follows.



Notes:

1. Group organization as of September 30, 2007.
2. Consolidated subsidiary Komori International Trading (Shenzhen) Co., Ltd. was liquidated effective September 30, 2007.

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

### 3. MANAGEMENT POLICIES

There have been no significant changes to (1) Basic Management Policies, (2) Management Targets, (3) Medium-term Management Strategies and Pending Issues and (4) Other Important Issues Relating to the Company's Management as outlined in results of operations for the fiscal year ended March 31, 2007 and reported by Komori Corporation on May 14, 2007. Accordingly, this information has been omitted. For details, please refer to the relevant report on the Websites listed below. URL details are provided as follows.

The Company's Website (IR Information)

**URL: [http://www.komori.com/contents\\_com/ir](http://www.komori.com/contents_com/ir)**

Tokyo Stock Exchange Website [Search function — Information on publicly listed companies]

**URL: <http://www.tse.or.jp/english/index.html>**

**Consolidated Balance Sheets**

(In millions of yen)

	September 30, 2006		September 30, 2007		Increase / (Decrease)	March 31, 2007	
		%		%			%
<b>(ASSETS)</b>							
<b>Current Assets:</b>	138,673	66.1	152,256	69.6	13,583	147,373	68.4
Cash on hand and bank deposits	27,287		39,088		11,801	30,214	
Notes and accounts receivable	60,948		52,858		(8,089)	63,682	
Marketable securities	174		1,171		997	-	
Inventories	41,078		47,700		6,621	42,977	
Deferred income taxes	5,985		7,762		1,776	7,107	
Other current assets	3,936		4,178		241	3,966	
Allowance for doubtful accounts	(738)		(503)		235	(575)	
<b>Fixed Assets:</b>	71,225	33.9	66,591	30.4	(4,633)	68,030	31.6
<b>1. Tangible Fixed Assets</b>	36,009	17.1	35,572	16.3	(437)	36,451	16.9
Buildings and structures	10,955		10,480		(474)	10,522	
Machinery and equipment	4,980		5,721		740	5,722	
Land	18,351		18,144		(207)	18,390	
Construction in progress	577		6		(570)	515	
Other tangible fixed assets	1,143		1,218		75	1,299	
<b>2. Intangible Fixed Assets</b>	805	0.4	919	0.4	113	787	0.4
<b>3. Investments and Others</b>	34,409	16.4	30,100	13.7	(4,309)	30,791	14.3
Investments in securities	12,228		10,013		(2,215)	10,992	
Long-term loans	558		477		(80)	518	
Long-term deferred income taxes	921		245		(675)	345	
Insurance fund	13,296		12,018		(1,278)	11,831	
Reorganization and related receivables	2,910		950		(1,959)	1,632	
Long-term bank deposits	5,500		5,820		320	5,850	
Other investments and others	1,009		1,203		193	752	
Allowance for doubtful accounts	(2,014)		(629)		1,385	(1,131)	
<b>Total Assets</b>	209,898	100.0	218,848	100.0	8,950	215,403	100.0

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

**Consolidated Balance Sheets**

(In millions of yen)

	September 30, 2006		September 30, 2007		Increase / (Decrease)	March 31, 2007	
		%		%			%
<b>(LIABILITIES)</b>							
<b>• Current Liabilities:</b>	<u>52,611</u>	25.1	<u>60,155</u>	27.5	<u>7,544</u>	<u>58,086</u>	27.0
Notes and accounts payable	30,944		32,289		1,345	31,609	
Short-term bank loans	925		1,959		1,034	864	
Current portion of long-term debt	372		239		(132)	354	
Income taxes payable	3,120		4,274		1,154	5,824	
Accrued bonuses for employees	1,122		1,227		104	1,194	
Reserve for product warranty	2,264		2,096		(167)	2,070	
Reserve for loss on guarantees	2,101		2,303		201	2,247	
Accrued bonuses for directors and corporate auditors	-		36		36	74	
Deferred profit on installment sales	419		333		(86)	376	
Other current liabilities	11,340		15,394		4,054	13,469	
<b>• Long-Term Liabilities:</b>	<u>4,118</u>	1.9	<u>3,039</u>	1.4	<u>(1,079)</u>	<u>3,338</u>	1.5
Long-term debt	246		-		(246)	139	
Accrued retirement benefits for directors and corporate auditors	451		387		(64)	472	
Accrued retirement benefits for employees	366		611		245	524	
Accrued sales promotion expenses	-		224		224	47	
Deferred income taxes	2,806		1,595		(1,210)	1,902	
Other long-term liabilities	247		220		(26)	252	
<b>Total Liabilities</b>	<b>56,729</b>	<b>27.0</b>	<b>63,194</b>	<b>28.9</b>	<b>6,465</b>	<b>61,424</b>	<b>28.5</b>
<b>(NET ASSETS)</b>							
<b>• Shareholders' Equity:</b>							
Common stock	37,714	18.0	37,714	17.2	-	37,714	17.5
Additional paid-in capital	37,871	18.0	37,798	17.3	(73)	37,797	17.5
Retained earnings	78,528	37.4	83,105	38.0	4,576	79,623	37.0
Treasury stock	(4,236)	(2.0)	(4,549)	(2.1)	(312)	(3,428)	(1.6)
<b>Total Shareholders' Equity</b>	<b>149,878</b>	<b>71.4</b>	<b>154,069</b>	<b>70.4</b>	<b>4,190</b>	<b>151,706</b>	<b>70.4</b>
<b>• Revaluation and Translation Adjustments:</b>							
Net unrealized gains on available-for-sale securities	3,870	1.8	2,191	1.0	(1,679)	2,830	1.3
Translation adjustments	(580)	(0.2)	(607)	(0.3)	(26)	(557)	(0.2)
<b>Total Revaluation and Translation Adjustments</b>	<b>3,290</b>	<b>1.6</b>	<b>1,584</b>	<b>0.7</b>	<b>(1,705)</b>	<b>2,272</b>	<b>1.1</b>
<b>Total Net Assets</b>	<b>153,168</b>	<b>73.0</b>	<b>155,653</b>	<b>71.1</b>	<b>2,484</b>	<b>153,978</b>	<b>71.5</b>
<b>Total Liabilities and Net Assets</b>	<b>209,898</b>	<b>100.0</b>	<b>218,848</b>	<b>100.0</b>	<b>8,950</b>	<b>215,403</b>	<b>100.0</b>

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

**Consolidated Statements of Income**

(In millions of yen)

	Six months ended September 30, 2006		Six months ended September 30, 2007		Increase / (Decrease)	Year ended March 31, 2007	
		%		%			%
<b>. Net Sales</b>	66,870	100.0	72,165	100.0	5,295	141,870	100.0
<b>. Cost of Sales</b>	44,373	66.4	46,425	64.3	2,051	93,676	66.1
Reversal from deferred profit on installment sales	85	0.1	43	0.0	(41)	127	0.1
Transfer to deferred profit on installment sales	44	0.0	-	-	(44)	43	0.0
Gross profit	22,537	33.7	25,783	35.7	3,246	48,277	34.0
<b>. Selling, General and Administrative Expenses</b>	15,846	23.7	18,407	25.5	2,560	33,275	23.4
Operating income	6,690	10.0	7,376	10.2	685	15,002	10.6
<b>. Non-Operating Income</b>	1,357	2.0	919	1.3	(437)	2,905	2.0
Interest and dividend income	403		378		(25)	780	
Gain on sale of marketable securities	-		5		5	91	
Gain from insurance fund	52		6		(45)	118	
Gain on foreign exchange	736		241		(494)	1,588	
Other non-operating income	164		287		122	327	
<b>. Non-Operating Expenses</b>	483	0.7	354	0.5	(129)	1,125	0.8
Interest expenses	158		63		(94)	307	
Loss on disposal of obsolete inventories	4		47		42	34	
Loss on sale of marketable securities	6		-		(6)	-	
Loss on currency swaps	-		77		77	-	
Loss on asserted claims	160		68		(92)	456	
Valuation loss on inventories	76		17		(58)	162	
Loss on sale of notes receivable	16		35		18	37	
Other non-operating expenses	60		45		(15)	127	
Ordinary income	7,563	11.3	7,941	11.0	377	16,782	11.8
<b>. Extraordinary Income</b>	87	0.1	540	0.8	453	734	0.5
Gain on sale of fixed assets	7		298		291	67	
Gain on sale of investments in securities	19		-		(19)	639	
Reversal of allowance for doubtful accounts	18		192		173	28	
Reversal of reserve for loss on guarantees	41		50		8	-	
<b>. Extraordinary Losses</b>	767	1.1	192	0.3	(574)	1,293	0.9
Loss on disposal of fixed assets	64		54		(10)	226	
Valuation loss on investment securities	-		-		-	35	
Moving expenses of factory	43		-		(43)	49	
Allowance for doubtful accounts	588		-		(588)	408	
Loss on bad debt	-		-		-	486	
Loss on prior period adjustments	-		138		138	-	
Other extraordinary losses	69		-		(69)	87	
Income before income taxes	6,883	10.3	8,289	11.5	1,406	16,223	11.4
Income taxes --- current	2,826	4.2	4,095	5.7	1,269	8,111	5.7
Income taxes --- deferred	(35)	(0.0)	(451)	(0.6)	(416)	(1,134)	(0.8)
Net income	4,092	6.1	4,645	6.4	553	9,246	6.5

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

**Consolidated Statements of Changes in Shareholders' Equity**

Six months ended September 30, 2006

(In millions of yen)

	Shareholders' Equity				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at March 31, 2006	37,714	37,871	75,384	(4,217)	146,753
Changes during the first half					
Dividends from surplus			(903)		(903)
Bonuses to directors			(45)		(45)
Net income			4,092		4,092
Increase of treasury stock				(19)	(19)
Items other than changes in shareholders' equity					
Total	-	-	3,143	(19)	3,124
Balance at September 30, 2006	37,714	37,871	78,528	(4,236)	149,878

	Revaluation and Translation Adjustments			Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Translation Adjustments	Total Revaluation and Translation Adjustments	
Balance at March 31, 2006	4,519	(675)	3,843	150,597
Changes during the first half				
Dividends from surplus				(903)
Bonuses to directors				(45)
Net income				4,092
Increase of treasury stock				(19)
Items other than changes in shareholders' equity	(648)	94	(553)	(553)
Total	(648)	94	(553)	2,570
Balance at September 30, 2006	3,870	(580)	3,290	153,168

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

**Consolidated Statements of Changes in Shareholders' Equity**

Six months ended September 30, 2007

(In millions of yen)

	Shareholders' Equity				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at March 31, 2007	37,714	37,797	79,623	(3,428)	151,706
Changes during the first half					
Dividends from surplus			(1,163)		(1,163)
Bonuses to directors					
Net income			4,645		4,645
Increase of treasury stock				(1,122)	(1,122)
Decrease of treasury stock		1		2	3
Items other than changes in shareholders' equity					
Total		1	3,481	(1,120)	2,362
Balance at September 30, 2007	37,714	37,798	83,105	(4,549)	154,069

	Revaluation and Translation Adjustments			Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Translation Adjustments	Total Revaluation and Translation Adjustments	
Balance at March 31, 2007	2,830	(557)	2,272	153,978
Changes during the first half				
Dividends from surplus				(1,163)
Bonuses to directors				-
Net income				4,645
Increase of treasury stock				(1,122)
Decrease of treasury stock				3
Items other than changes in shareholders' equity	(638)	(49)	(688)	(688)
Total	(638)	(49)	(688)	1,674
Balance at September 30, 2007	2,191	(607)	1,584	155,653

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

**Consolidated Statements of Changes in Shareholders' Equity**

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 at 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 at 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 at 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 at March 31, 2007	2,830	(557)	2,272	153,978

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

**Consolidated Statements of Cash Flows**

(In millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2007
<b>· Cash Flows from Operating Activities:</b>			
Income before income taxes	6,883	8,289	16,223
Depreciation and amortization	1,107	1,303	2,375
Increase (decrease) in allowance for doubtful accounts	692	(600)	(380)
Increase in accrued bonuses for employees	52	32	124
Increase (decrease) in accrued retirement benefits	(654)	80	(523)
Decrease in accrued bonuses for directors and corporate auditors	-	(37)	-
Interest and dividend income	(403)	(378)	(780)
Interest expenses	158	63	307
(Gain) loss on foreign exchange	(1,212)	311	(1,856)
Directors' bonuses paid	(45)	-	(45)
Gain on sale of investment in securities	(12)	(5)	(730)
Gain from insurance fund	(52)	(6)	(118)
(Increase) decrease in notes and accounts receivable	(4,196)	13,327	(4,134)
Increase in inventories	(3,413)	(4,445)	(4,630)
Increase in notes and accounts payable	2,680	260	3,075
Increase in other receivables	(313)	(20)	(130)
Others, net	810	(522)	1,698
Subtotal	2,081	17,652	10,475
Interest and dividends received	403	389	778
Interest paid	(173)	(73)	(316)
Income taxes paid	(2,491)	(5,357)	(4,737)
Net cash provided by (used in) operating activities	(180)	12,610	6,199
<b>· Cash Flows from Investing Activities:</b>			
Payments of time deposits	(687)	(292)	(1,590)
Proceeds from maturity of time deposits	890	460	1,627
Payments for purchase of property, plant and equipment	(2,672)	(1,163)	(4,226)
Proceeds from sale of property, plant and equipment	151	896	357
Payments for purchase of investments in securities	(160)	(163)	(1,075)
Proceeds from sale of investments in securities	2,262	14	3,492
Payments for purchase of other investments	(1,745)	(239)	(3,289)
Proceeds from maturity of other investments	1,075	209	4,417
Collection of loans	35	40	75
Net cash used in investing activities	(851)	(238)	(211)
<b>· Cash Flows from Financing Activities:</b>			
Increase in short-term debt	998	1,818	1,465
Repayments of short-term debt	(1,701)	(733)	(2,320)
Repayments of long-term debt	(287)	(250)	(416)
Increase in treasury stock, net	(19)	(1,119)	(2,442)
Cash dividends paid	(903)	(1,163)	(1,806)
Net cash used in financing activities	(1,912)	(1,449)	(5,519)
<b>· Effect of exchange rate changes on cash and cash equivalents</b>	247	(761)	(52)
<b>· Net increase (decrease) in cash and cash equivalents</b>	(2,697)	10,162	415
<b>· Cash and cash equivalents at the beginning of the period</b>	28,916	29,332	28,916
<b>· Cash and cash equivalents at the end of the period</b>	26,219	39,494	29,332

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

## 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

The unconsolidated subsidiary, Komori Realty Co., Ltd., is a small-scale company and was excluded from the scope of consolidation as its total assets, net sales, interim net income and retained earnings were immaterial in relation to the interim consolidated financial statements.

(Additional Information)

Steps to liquidate the consolidated subsidiary Komori International Trading (Shenzhen) Co., Ltd. were completed on September 30, 2007. The statement of income for the period prior to liquidation was excluded from the scope of consolidation as the subsidiary's impact on the consolidated financial statements was considered immaterial.

### 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; rather, it accounts for the unconsolidated subsidiary on a cost basis.

### 3. Date of Settlement of Interim Accounts for Consolidated Subsidiaries

The interim period-end of the consolidated subsidiary Komori Printing Machine (Shenzhen) Ltd. is June 30. For the purposes of preparing 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 company mentioned above correspond to the closing dates for interim consolidated accounting.

### 4. Summary of Significant Accounting Standards

(1) Standards and evaluation methods for important 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 net assets, 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.

The basis for investment in limited partnership investment businesses and similar partnerships (those defined as marketable securities under Article 2.2 of the Securities and Exchange Law) is provided in the most recent financial statements available, in accordance with partnership agreements provided for on the day of financial reporting and using methods that incorporate the equivalent of equity in the net price of investment.

(b) Inventories

Products, used products and 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.

## (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.

## (Changes in Accounting Policies)

Pursuant to a revision of the Corporate Income Tax Law and effective from the interim period of the fiscal year ending March 31, 2008, the depreciation of tangible fixed assets acquired by Komori and its domestic consolidated subsidiaries on and after April 1, 2007 is calculated in accordance with the revised Corporate Income Tax Law. As a result of this change in accounting policy and in comparison with the previously existing accounting policy, operating income, ordinary income and income before income taxes each declined by ¥11 million.

## (Additional Information)

Pursuant to a revision of the Corporate Income Tax Law and effective from the interim period of the fiscal year ending March 31, 2008, tangible fixed assets acquired prior to March 31, 2007 by Komori and its domestic consolidated subsidiaries are depreciated and amortized on a straight-line basis over five years from the following fiscal year when depreciation and amortization is completed to pre-established depreciable limits. As a result of this change in accounting policy and in comparison with the previously existing accounting policy, operating income, ordinary income and income before income taxes each declined by ¥56 million.

The impact of the aforementioned on segment information is recorded in the relevant section of this report.

## (b) Intangible fixed assets

## Marketing rights

Komori Taiwan Limited: Straight-line method over a maximum of 10 years.

## Software

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

## Other

Straight-line method

## (3) Accounting for allowances and reserves

## (a) Allowance for doubtful accounts

An allowance for doubtful accounts is provided on the basis of the amount estimated by applying the percentage of the Company's 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 for employees

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

## (c) Reserve for product warranty

A reserve for product warranty is provided for based on an amount estimated by applying a ratio of the

amount of repair costs actually incurred under the product warranty provided by the Group against the amount of net sales. In addition, an amount to cover individual repair costs is provided when appropriate.

(d) 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.

(e) Accrued bonuses for directors and corporate auditors

Accrued bonuses for directors and corporate auditors are recorded in an amount based on the estimated amount payable by the Company and a portion of its domestic consolidated subsidiaries in the interim period of the fiscal year under review.

(f) Accrued retirement benefits for directors and corporate auditors

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

(g) Accrued retirement benefits for 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.

(h) Accrued sales promotion expenses

Accrued sales promotion expenses are recorded in an amount determined based on the estimated amount payable in connection with the use by customers of a points system established as part of a campaign initiative designed to promote sales.

(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 current 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 net assets 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 three months that can be readily converted into cash and carry little risk of fluctuation in value.

### Significant Changes in the Basis for Preparing Interim Consolidated Financial Statements:

#### (Changes in Accounting Method for Net Sales)

From the interim period of the fiscal year ending March 31, 2008, the Komori Group changed the accounting method used for recording net sales of sheet-fed offset presses from a delivery basis to an acceptance basis. This shift was implemented to ensure a more objective and accurate measure for recording net sales; one that takes into consideration the protracted period between delivery and acceptance, reflecting growing sales of multicolor, longer length and highly sophisticated sheet-fed offset presses. In addition, this change in accounting policy was adopted to enable the development of an operating structure better equipped to manage the process between delivery and acceptance, enhance quality and minimize the period through to acceptance. In the case of web offset presses, which require a longer period through acceptance than sheet-fed offset presses, the Komori Group already records net sales on an acceptance basis. Accordingly, no change in accounting policy has been implemented. Reflecting these factors, and in comparison with the previous accounting method, net sales declined ¥7,116 million. From a profit perspective, operating income, ordinary income and income before income taxes each decreased by ¥2,176 million. The impacts on segment information and overseas sales are recorded in the relevant sections of this report.

## Notes

(Notes to Interim Consolidated Balance Sheets)

(In millions of yen)

	September 30, 2006	September 30, 2007	March 31, 2007
1. Accumulated depreciation	39,791	39,223	38,855
2. Contingent liabilities	26,365	22,377	25,533
3. Notes receivable*	553	947	691
Notes payable*	671	810	858

\*The value of notes that have matured are calculated as of the date of their conversion. Because the closing date of the interim period under review was a holiday for financial institutions, mature notes are included in the balance as of September 30, 2007.

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

Six months ended September 30, 2007

Type and number of shares issued, and type and number of treasury stock

(Unit: Shares)

	March 31, 2007	Increase	Decrease	September 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	417,650	1,191	2,263,610
Total	1,847,151	417,650	1,191	2,263,610

\* Breakdown of the increase in common treasury stock:

Increase due to the purchase of odd-lot shares of less than one trading unit: 17,650 shares

Increase due to the repurchase of treasury stock: 400,000 shares

\* Breakdown of the decrease in common treasury stock:

Decrease due to the additional purchase of odd-lot shares of less than one trading unit: 1,191 shares

Items related to dividends

(1) Dividend payments

Resolution	Class of Shares	Total Dividends (Millions of yen)	Dividends 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

(2) Dividends with a record date that falls within the interim period under review and an effective date in the following fiscal period

Resolution	Class of Shares	Total Dividends (Millions of yen)	Dividend Resource	Dividends per Share (Yen)	Record Date	Effective Date
November 12, 2007 Board of Directors Meeting	Common stock	1,360	Retained earnings	20	September 30, 2007	November 30, 2007

(Notes to Interim Consolidated Statements of Cash Flows)

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

(In millions of yen)

	September 30, 2006	September 30, 2007	March 31, 2007
Cash on hand and bank deposits	27,287	39,088	30,214
Term deposits of over three months	(1,067)	(714)	(882)
Marketable securities account (Transferable deposits)	-	1,120	-
Cash and cash equivalents	26,219	39,494	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

Six months ended September 30, 2006

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and/or Corporate	Consolidated
Net sales							
(1) Sales to outside customers	32,326	12,832	17,451	4,258	66,870	-	66,870
(2) Intersegment sales	23,563	75	231	8	23,878	(23,878)	-
Total	55,889	12,907	17,683	4,267	90,748	(23,878)	66,870
Operating expenses	49,448	12,184	17,732	4,165	83,532	(23,352)	60,179
Operating income (loss)	6,441	723	(49)	101	7,216	(526)	6,690

Notes:

1. Among operating expenses in the interim 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

Six months ended September 30, 2007

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and/or Corporate	Consolidated
Net sales							
(1) Sales to outside customers	31,474	10,774	25,388	4,527	72,165	-	72,165
(2) Intersegment sales	27,202	18	141	26	27,389	(27,389)	-
Total	58,677	10,793	25,530	4,553	99,554	(27,389)	72,165
Operating expenses	50,339	11,220	25,118	4,512	91,190	(26,401)	64,789
Operating income (loss)	8,337	(427)	411	41	8,363	(987)	7,376

Notes:

1. Among operating expenses in the interim 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 sales)

As reported under "Significant Changes in the Basis for Preparing Interim Consolidated Financial Statements," and from the interim period 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 fell by ¥1,942 million and ¥582 million, respectively. Net sales and operating income fell by ¥3,405 million and ¥508 million, respectively, in the Americas; by ¥1,287 million and ¥119 million, respectively, in Europe; and by ¥481 million and ¥20 million, respectively, in other regions. In connection with eliminations and/or corporate, operating income decreased by ¥945 million.

(Accounting method for depreciating tangible fixed assets)

As reported under "Important Matters that Form the Basis for Compiling Interim Consolidated Financial Statements (2) (a)," and from the interim period of the fiscal year ending March 31, 2008, the Komori Group has changed the accounting method used for depreciating tangible fixed assets acquired on or after April 1, 2007 in accordance with the revised Corporate Income Tax Law. In addition, the Komori Group depreciates tangible fixed assets acquired prior to March 31, 2007 on a straight-line basis over five years from the fiscal year following that date until depreciation is completed to pre-established depreciable limits. As a result of this change in accounting method and in comparison with the previously existing accounting method, operating expenses in Japan increased by ¥67 million and operating income decreased in Japan by the same amount.

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

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

Notes:

1. Among operating expenses in the 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 bonuses to directors and corporate auditors)

From the fiscal year ended March 31, 2007, Komori adopted the "Accounting Standard for Directors' Bonus" (Accounting Standards Board of Japan Statement No. 4 issued on November 29, 2005). As a result of this change in accounting method and in comparison with the previously existing accounting method, operating expenses in Japan increased by ¥74 million while operating income in Japan decreased by the same amount.

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

### 3. Overseas Sales

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

Six months ended September 30, 2006

(In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	14,595	14,970	9,946	2,788	42,300
(2) Consolidated sales	-	-	-	-	66,870
(3) Ratio of overseas sales (%)	21.8	22.4	14.9	4.2	63.3

Six months ended September 30, 2007

(In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	12,540	20,483	13,231	5,984	52,240
(2) Consolidated sales	-	-	-	-	72,165
(3) Ratio of overseas sales (%)	17.4	28.4	18.3	8.3	72.4

Notes:

1. Overseas sales are the sum of the Company and its consolidated subsidiaries' sales in countries and regions outside of Japan.

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, Canada, Brazil

Europe: The Netherlands, United Kingdom, France

Asia: China, Hong Kong, Taiwan

3. Changes in accounting policies

(Accounting method for sales)

As reported under "Significant Changes in the Basis for Preparing Interim Consolidated Financial Statements," and from the interim period 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, and in comparison with the previous accounting method, overseas sales declined by ¥5,174 million. This comprised declines of ¥3,405 million in the Americas; ¥1,287 million in Europe; ¥216 million in Asia; and ¥265 million in other regions.

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

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

**Securities****1. Other Securities with Fair Value**

(In millions of yen)

	September 30, 2006			September 30, 2007			March 31, 2007		
	Acquisition cost	Amount stated on consolidated balance sheets	Difference	Acquisition cost	Amount stated on consolidated balance sheets	Difference	Acquisition cost	Amount stated on consolidated balance sheets	Difference
Other marketable securities									
1. Stocks	4,781	11,157	6,376	5,655	9,331	3,676	5,491	10,239	4,748
2. Debt securities and bonds	10	9	(0)	10	9	(0)	10	9	(0)
3. Other	282	401	118	-	-	-	-	-	-
Total	5,073	11,568	6,494	5,665	9,341	3,676	5,501	10,250	4,748

**2. Other Securities without Fair Value**

(In millions of yen)

	September 30, 2006	September 30, 2007	March 31, 2007
	Amount stated on consolidated balance sheets	Amount stated on consolidated balance sheets	Amount stated on consolidated balance sheets
Other marketable securities			
1. Unlisted stocks (excluding over-the-counter stocks)	337	306	306
2. Preferred equities	300	300	300
3. Voluntary fund partnerships	196	117	135
4. Transferable deposits	-	1,120	-
Total	833	1,843	742

**Per Share Information**

(Yen)

	First Half of Fiscal 2007 (April 1, 2006 to September 30, 2006)	First Half of Fiscal 2008 (April 1, 2007 to September 30, 2007)	Fiscal 2007 (April 1, 2006 to March 31, 2007)
Net assets per share	2,205.19	2,288.05	2,249.67
Net income per share	58.91	67.97	133.47

Note: Since no residual shares exist, diluted net income per share is not stated.

**Basis for Calculation****1. Net assets per share**

(In millions of yen; thousands of shares)

Item	First Half of Fiscal 2007 (September 30, 2006)	First Half of Fiscal 2008 (September 30, 2007)	Fiscal 2007 (March 31, 2007)
Total net assets recorded in consolidated balance sheets	153,168	155,653	153,978
Net assets related to common stock	153,168	155,653	153,978
Number of shares issued and outstanding (common stock)	72,092	70,292	70,292
Number of treasury stock (common stock)	2,634	2,263	1,847
Number of shares of common stock used to calculate net assets per share	69,458	68,028	68,445

**2. Net income per share**

(In millions of yen; thousands of shares)

Item	First Half of Fiscal 2007 (April 1, 2006 to September 30, 2006)	First Half of Fiscal 2008 (April 1, 2007 to September 30, 2007)	Fiscal 2007 (April 1, 2006 to March 31, 2007)
Net income recorded in consolidated statements of income	4,092	4,645	9,246
Net income related to common stock	4,092	4,645	9,246
Average number of shares of common stock outstanding during the period	69,463	68,348	69,281

**Important Subsequent Events**

Not applicable.

**Disclosure Omission**

Information and notes relating to lease and derivative transactions are considered of little importance to this report. Accordingly, this information has been omitted.

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

**Production, Order and Sales****1. Production**

## Production Results

(In millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
(1) Printing presses	60,169	61,219	115,171
(2) Other	8,910	11,057	21,157
Total	69,079	72,276	136,328

Notes:

1. The figures presented in the preceding table are based on average sales prices.
2. The figures presented in the preceding table are exclusive of consumption tax.
3. The figures presented in the preceding table include amounts denominated in foreign currencies that have been converted at average exchange rates for each period.

**2. Orders**

## Orders Received

(In millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
(1) Printing presses	62,504	72,277	125,568
(2) Other	9,389	10,200	19,278
Total	71,893	82,477	144,846

Notes:

1. The figures presented in the preceding table are exclusive of consumption tax.
2. The figures presented in the preceding table include amounts denominated in foreign currencies that have been converted at average exchange rates for each period.

## Order Backlog as of the Period-End

(In millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
(1) Printing presses	58,064	66,869	56,814
(2) Other	1,231	1,601	1,125
Total	59,295	68,471	57,939

Notes:

1. The figures presented in the preceding table do not include estimates of future orders received.
2. The figures presented in the preceding table are exclusive of consumption tax.
3. The figures presented in the preceding table include amounts denominated in foreign currencies that have been converted at exchange rates prevailing at the closing date of each period.

**3. Sales**

## Net Sales Results

(In millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Fiscal year ended March 31, 2007
(1) Printing presses	57,563	62,423	122,535
(2) Other	9,306	9,741	19,335
Total	66,870	72,165	141,870

Note:

1. The figures presented in the preceding table are exclusive of consumption tax.

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

**Non-Consolidated Balance Sheets**

(In millions of yen)

	September 30, 2006		September 30, 2007		Increase / (Decrease)	March 31, 2007
		%		%		
<b>(ASSETS)</b>						
<b>Current Assets:</b>	<u>106,135</u>	55.9	<u>118,949</u>	61.5	<u>12,814</u>	<u>113,685</u>
Cash on hand and bank deposits	13,162		20,774		7,612	13,464
Notes receivable	13,226		13,580		353	16,969
Accounts receivable	54,885		58,111		3,226	59,807
Marketable securities	174		151		(22)	-
Inventories of products	8,041		8,204		163	6,414
Inventories of raw materials	4,008		4,241		233	4,344
Inventories of work in progress	7,792		9,068		1,276	7,885
Deferred income taxes	2,810		3,560		750	3,178
Other current assets	2,085		1,263		(821)	1,678
Allowance for doubtful accounts	(49)		(7)		41	(57)
<b>Fixed Assets:</b>	<u>83,842</u>	44.1	<u>74,423</u>	38.5	<u>(9,418)</u>	<u>76,856</u>
<b>1. Tangible Fixed Assets</b>	<u>30,051</u>	15.8	<u>29,486</u>	15.2	<u>(565)</u>	<u>30,051</u>
Buildings	8,146		7,826		(320)	7,799
Structures	746		673		(73)	696
Machinery and equipment	2,843		3,231		388	3,267
Vehicles and transportation equipment	90		77		(13)	87
Furniture and tools	678		687		9	756
Land	17,217		16,983		(233)	17,241
Construction in progress	328		6		(322)	201
<b>2. Intangible Fixed Assets</b>	<u>699</u>	0.4	<u>701</u>	0.4	<u>2</u>	<u>694</u>
Land leasehold	366		365		(1)	366
Other intangible fixed assets	332		336		4	327
<b>3. Investments and Others</b>	<u>53,091</u>	27.9	<u>44,236</u>	22.9	<u>(8,855)</u>	<u>46,110</u>
Investments in securities	12,155		9,939		(2,215)	10,919
Investments in equity of affiliated companies	7,813		4,541		(3,271)	8,041
Long-term loans	558		477		(80)	518
Long-term loans to affiliated companies	15,632		12,823		(2,809)	14,424
Long-term prepaid expenses	206		40		(166)	163
Long-term bank deposits	5,500		5,500		-	5,500
Insurance fund	13,296		12,018		(1,278)	11,831
Other investments and others	1,571		1,865		293	1,300
Allowance for doubtful accounts	(3,642)		(2,969)		672	(3,889)
Allowance for investment loss	-		-		-	(2,700)
<b>Total Assets</b>	<u>189,978</u>	100.0	<u>193,373</u>	100.0	<u>3,395</u>	<u>190,541</u>

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

**Non-Consolidated Balance Sheets**

(In millions of yen)

	September 30, 2006		September 30, 2007		Increase / (Decrease)	March 31, 2007
		%		%		
<b>(LIABILITIES)</b>						
<b>Current Liabilities:</b>	<u>37,698</u>	19.9	<u>40,649</u>	21.0	<u>2,951</u>	<u>40,586</u>
Notes payable	5,693		5,563		(129)	5,444
Accounts payable	22,639		23,238		598	21,992
Accrued amounts payable	421		638		216	530
Accrued expenses	887		1,013		125	823
Income taxes payable	2,517		3,809		1,291	5,371
Advances received	535		1,708		1,172	1,177
Deposits payable	1,020		1,603		583	1,497
Accrued bonuses for employees	909		1,010		101	978
Reserve for product warranty	1,640		1,156		(484)	1,280
Reserve for loss on guarantees	482		542		60	592
Accrued bonuses for directors and corporate auditors	-		32		32	68
Deferred profit on installment sales	419		333		(86)	376
Other current liabilities	531		-		(531)	451
<b>Long-Term Liabilities:</b>	<u>3,639</u>	1.9	<u>2,603</u>	1.4	<u>(1,035)</u>	<u>2,876</u>
Accrued retirement benefits for directors and corporate auditors	443		381		(61)	462
Accrued retirement benefits for employees	187		255		68	278
Accrued sales promotion expenses	-		224		224	47
Deferred income taxes	2,802		1,586		(1,216)	1,897
Other long-term liabilities	206		156		(50)	190
<b>Total Liabilities</b>	<b>41,337</b>	<b>21.8</b>	<b>43,253</b>	<b>22.4</b>	<b>1,915</b>	<b>43,462</b>
<b>(NET ASSETS)</b>						
<b>Shareholders' Equity:</b>	<u>144,769</u>	76.2	<u>147,929</u>	76.5	<u>3,159</u>	<u>144,248</u>
<b>1. Common stock</b>	<u>37,714</u>	19.9	<u>37,714</u>	19.5	-	<u>37,714</u>
<b>2. Additional paid-in capital</b>	<u>37,871</u>	19.9	<u>37,798</u>	19.5	<u>(73)</u>	<u>37,797</u>
1) Legal capital reserve	37,797		37,797		-	37,797
2) Gain on disposal of treasury stock	74		1		(73)	-
<b>3. Retained earnings</b>	<u>73,420</u>	38.6	<u>76,965</u>	39.8	<u>3,545</u>	<u>72,165</u>
1) Legal retained earnings	2,122		2,122		-	2,122
2) Other retained earnings	65,862		67,879		2,017	65,879
Reserve for special depreciation	14		9		(4)	9
Reserve for advanced depreciation	298		319		21	319
General reserve	65,550		67,550		2,000	65,550
3) Unappropriated retained earnings	5,435		6,963		1,527	4,163
<b>4. Treasury stock</b>	<u>(4,236)</u>	(2.2)	<u>(4,549)</u>	(2.3)	<u>(312)</u>	<u>(3,428)</u>
<b>Revaluation and Translation Adjustments:</b>	<u>3,870</u>	2.0	<u>2,191</u>	1.1	<u>(1,679)</u>	<u>2,830</u>
Net unrealized gains on available-for-sale securities	3,870		2,191		(1,679)	2,830
<b>Total Net Assets</b>	<b>148,640</b>	<b>78.2</b>	<b>150,120</b>	<b>77.6</b>	<b>1,479</b>	<b>147,078</b>
<b>Total Liabilities and Net Assets</b>	<b>189,978</b>	<b>100.0</b>	<b>193,373</b>	<b>100.0</b>	<b>3,395</b>	<b>190,541</b>

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

**Non-Consolidated Statements of Income**

(In millions of yen)

	Six months ended September 30, 2006		Six months ended September 30, 2007		Increase / (Decrease)	Year ended March 31, 2007
		%		%		
<b>. Net Sales</b>	55,875	100.0	58,674	100.0	2,799	116,360
<b>. Cost of Sales</b>	39,892	71.4	39,964	68.1	71	82,272
Reversal from deferred profit on installment sales	85	0.2	43	0.1	(41)	127
Transfer to deferred profit on installment sales	44	0.1	-	0.0	(44)	43
Gross profit	16,022	28.7	18,754	32.0	2,731	34,171
<b>. Selling, General and Administrative Expenses</b>	9,775	17.5	10,900	18.6	1,125	19,700
Operating income	6,247	11.2	7,853	13.4	1,605	14,470
<b>. Non-Operating Income</b>	1,515	2.7	1,259	2.2	(256)	3,084
Interest and dividend income	545		773		227	922
Gain on foreign exchange	671		127		(544)	1,409
Gain from insurance fund	52		6		(45)	118
Gain on sale of marketable securities	-		5		5	91
Gain on technical management	123		143		19	310
Other non-operating income	122		203		81	232
<b>. Non-Operating Expenses</b>	364	0.7	249	0.5	(115)	762
Interest expenses	119		0		(119)	239
Loss on sale of marketable securities	6		-		(6)	-
Loss on disposal of obsolete inventories	2		42		40	24
Loss on sale of notes receivable	16		35		18	37
Loss on asserted claims	126		49		(77)	244
Valuation loss on inventories	76		4		(71)	147
Other non-operating expenses	16		117		100	68
Ordinary income	7,398	13.2	8,863	15.1	1,465	16,792
<b>. Extraordinary Income</b>	62	0.1	1,316	2.2	1,253	729
Gain on sale of investments in securities	19		-		(19)	639
Gain on sale of fixed assets	4		294		289	62
Reversal of reserve for loss on guarantees	20		50		30	-
Reversal of allowance for doubtful accounts	18		972		954	28
<b>. Extraordinary Losses</b>	352	0.6	844	1.4	491	3,655
Valuation loss on equity of affiliated companies	-		800		800	-
Loss on disposal of fixed assets	20		2		(17)	161
Loss on sale of fixed assets	38		42		3	55
Moving expenses of factory	43		-		(43)	43
Allowance for doubtful accounts	250		-		(250)	660
Valuation loss on investment securities	-		-		-	35
Allowance for investment loss	-		-		-	2,700
Income before income taxes	7,108	12.7	9,335	15.9	2,227	13,866
Income taxes --- current	2,468	4.4	3,633	6.2	1,164	6,989
Income taxes --- deferred	409	0.7	(260)	(0.5)	(669)	(158)
Net income	4,231	7.6	5,963	10.2	1,732	7,036

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

**Non-Consolidated Statements of Changes in Shareholders' Equity**

Six months ended September 30, 2006

(In millions of yen)

	Shareholders' Equity											
	Common Stock	Additional Paid-in Capital			Retained Earnings						Treasury Stock	Total Shareholders' Equity
		Legal capital reserve	Other additional paid-in capital	Total Additional Paid-in Capital	Legal retained earnings	Other retained earnings		General reserve	Unappropriated retained earnings	Total Retained Earnings		
					Reserve for special depreciation	Reserve for advanced depreciation						
Balance at March 31, 2006	37,714	37,797	74	37,871	2,122	18	302	67,050	638	70,132	(4,217)	141,501
Changes during the first half												
Dividends from surplus									(903)	(903)		(903)
Bonuses to directors									(40)	(40)		(40)
Reversal of reserve for special depreciation						(4)			4	-		-
Reversal of reserve for advanced depreciation							(4)		4	-		-
Reversal of general reserve								(1,500)	1,500	-		-
Net income									4,231	4,231		4,231
Increase of treasury stock											(19)	(19)
Items other than changes in shareholders' equity												
Total	-	-	-	-	-	(4)	(4)	(1,500)	4,796	3,287	(19)	3,268
Balance at September 30, 2006	37,714	37,797	74	37,871	2,122	14	298	65,550	5,435	73,420	(4,236)	144,769

	Revaluation and Translation Adjustment		Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Total Revaluation and Translation Adjustments	
Balance at March 31, 2006	4,519	4,519	146,020
Changes during the first half			
Dividends from surplus			(903)
Bonuses to directors			(40)
Reversal of reserve for special depreciation			-
Reversal of reserve for advanced depreciation			-
Reversal of general reserve			-
Net income			4,231
Increase of treasury stock			(19)
Items other than changes in shareholders' equity	(648)	(648)	(648)
Total	(648)	(648)	2,620
Balance at September 30, 2006	3,870	3,870	148,640

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

**Non-Consolidated Statements of Changes in Shareholders' Equity**

Six months ended September 30, 2007

(In millions of yen)

	Shareholders' Equity											
	Common Stock	Additional Paid-in Capital			Retained Earnings						Treasury Stock	Total Shareholders' Equity
		Legal capital reserve	Other additional paid-in capital	Total Additional Paid-in Capital	Legal retained earnings	Other retained earnings		General reserve	Unappropriated retained earnings	Total Retained Earnings		
					Reserve for special depreciation	Reserve for advanced depreciation						
Balance at March 31, 2007	37,714	37,797	0	37,797	2,122	9	319	65,550	4,163	72,165	(3,428)	144,248
Changes during the first half												
Dividends from surplus									(1,163)	(1,163)		(1,163)
Reversal of reserve for special depreciation										-		-
Reversal of reserve for advanced depreciation										-		-
Reversal of general reserve								2,000	(2,000)	-		-
Net income									5,963	5,963		5,963
Increase of treasury stock											(1,122)	(1,122)
Decrease of treasury stock				1							2	3
Items other than changes in shareholders' equity												
Total	-	-	1	1	-	-	-	2,000	2,799	4,799	(1,120)	3,680
Balance at September 30, 2007	37,714	37,797	1	37,798	2,122	9	319	67,550	6,963	76,965	(4,549)	147,929

	Revaluation and Translation Adjustment		Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Total Revaluation and Translation Adjustments	
Balance at March 31, 2007	2,830	2,830	147,078
Changes during the first half			
Dividends from surplus			(1,163)
Reversal of reserve for special depreciation			-
Reversal of reserve for advanced depreciation			-
Reversal of general reserve			-
Net income			5,963
Increase of treasury stock			(1,122)
Decrease of treasury stock			3
Items other than changes in shareholders' equity	(638)	(638)	(638)
Total	(638)	(638)	3,041
Balance at September 30, 2007	2,191	2,191	150,120

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

**Non-Consolidated Statements of Changes in Shareholders' Equity**

Year ended March 31, 2007

(In millions of yen)

	Shareholders' Equity											
	Common Stock	Additional Paid-in Capital			Retained Earnings						Treasury Stock	Total Shareholders' Equity
		Legal capital reserve	Other additional paid-in capital	Total Additional Paid-in Capital	Legal retained earnings	Other retained earnings		General reserve	Unappropriated retained earnings	Total Retained Earnings		
					Reserve for special depreciation	Reserve for advanced depreciation						
Balance at March 31, 2006	37,714	37,797	74	37,871	2,122	18	302	67,050	638	70,132	(4,217)	141,501
Changes during the year												
Dividends from surplus									(1,806)	(1,806)		(1,806)
Bonuses to directors									(40)	(40)		(40)
Reversal of reserve for special depreciation (previous year)						(4)			4	-		-
Reversal of reserve for special depreciation (during the year)						(4)			4	-		-
Reversal of reserve for advanced depreciation (previous year)							(4)		4	-		-
Reversal of reserve for advanced depreciation (during the year)							(4)		4	-		-
Reserve for advanced depreciation							25		(25)	-		-
Reversal of general reserve								(1,500)	1,500	-		-
Net income									7,036	7,036		7,036
Increase of treasury stock											(2,444)	(2,444)
Decrease of treasury stock			0	0							1	1
Retirement of treasury stock			(74)	(74)							3,231	-
Items other than changes in shareholders' equity												
Total	-	-	(74)	(74)	-	(8)	17	(1,500)	3,525	2,033	788	2,747
Balance at March 31, 2007	37,714	37,797	-	37,797	2,122	9	319	65,550	4,163	72,165	(3,428)	144,248

	Revaluation and Translation Adjustment		Total Net Assets
	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Total Revaluation and Translation Adjustments	
Balance at March 31, 2006	4,519	4,519	146,020
Changes during the year			
Dividends from surplus			(1,806)
Bonuses to directors			(40)
Reversal of reserve for special depreciation (previous year)			-
Reversal of reserve for special depreciation (during the year)			-
Reversal of reserve for advanced depreciation (previous year)			-
Reversal of reserve for advanced depreciation (during the year)			-
Reserve for advanced depreciation			-
Reversal of general reserve			-
Net income			7,036
Increase of treasury stock			(2,444)
Decrease of treasury stock			1
Retirement of treasury stock			-
Items other than changes in shareholders' equity	(1,688)	(1,688)	(1,688)
Total	(1,688)	(1,688)	1,058
Balance at March 31, 2007	2,830	2,830	147,078

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

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

### 1. Standards and Evaluation Methods for Assets

#### (1) Marketable securities

##### (a) Subsidiary companies' shares

Stated at cost, determined by the moving-average method

##### (b) Other marketable 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 net assets, while the cost of securities sold is computed using the moving-average method.)

For which market quotations are not available:

Stated at cost, determined by the moving-average method.

The basis for investment in limited partnership investment businesses and similar partnerships (those defined as marketable securities under Article 2.2 of the Securities and Exchange Law) is provided in the most recent financial statements available, in accordance with partnership agreements provided for on the day of financial reporting and using methods that incorporate the equivalent of equity in the net price of investment.

#### (2) Inventories

Products, work in process

Stated at cost, determined by the individual-identified cost method

Raw materials

Stated at cost, determined by the first-in first-out method

#### (3) Derivatives

Stated at fair value

### 2. Methods for Depreciating and Amortizing Depreciable Assets

#### (1) 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) acquired after April 1, 1998.

(Changes in Accounting Policies)

Pursuant to a revision of the Corporate Income Tax Law and effective from the interim period of the fiscal year ending March 31, 2008, the depreciation of tangible fixed assets acquired on and after April 1, 2007 is calculated in accordance with the revised Corporate Income Tax Law. As a result of this change in accounting policy and in comparison with the previously existing accounting policy, operating income, ordinary income and income before income taxes each declined by ¥7 million.

(Additional Information)

Pursuant to a revision of the Corporate Income Tax Law and effective from the interim period of the fiscal year ending March 31, 2008, tangible fixed assets acquired prior to March 31, 2007 are depreciated and amortized on a straight-line basis over five years when depreciation and amortization is completed to pre-established depreciable limits. As a result of this change in

accounting policy and in comparison with the previously existing accounting policy, operating income, ordinary income and income before income taxes each declined by ¥30 million.

(2) Intangible fixed assets

Software

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

Other

Straight-line method

### 3. Accounting for Allowances and Reserves

(1) Allowance for doubtful accounts

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

(2) Accrued bonuses for employees

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

(3) Reserve for product warranty

A reserve for product warranty is provided for based on an amount estimated by applying a ratio of the amount of repair costs actually incurred under the product warranty provided by the Company against the amount of net sales. In addition, an amount to cover individual repair costs is provided when appropriate.

(4) Reserve for loss on guarantees

A reserve is maintained for loss on guarantees provided by the Company 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.

(5) Accrued bonuses for directors and corporate auditors

Accrued bonuses for directors and corporate auditors are recorded in an amount based on the estimated amount payable by the Company in the interim period of the fiscal year under review.

(6) Accrued retirement benefits for directors and corporate auditors

A specified amount determined by internal regulations is recorded to prepare retirement benefit payments to directors and corporate auditors of the Company.

(7) Accrued retirement benefits for 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.

(8) Accrued sales promotion expenses

Accrued sales promotion expenses are recorded in an amount determined based on the estimated amount payable in connection with the use by customers of a points system established as part of a campaign initiative designed to promote sales.

#### **4. Accounting for Profit on Deferred Sales**

For accounting purposes, the Company records sales profits relating to purchase and sales agreements with deferred payment terms and conditions on a payment collection due date basis.

#### **5. 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 current period.

#### **6. 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.

#### **7. Other Important Items for the Preparation of Interim Financial Statements**

Consumption taxes are separately recorded.

#### **Significant Changes in the Basis for Preparing Interim Non-Consolidated Financial Statements:**

(Changes in Accounting Method for Net Sales)

From the interim period of the fiscal year ending March 31, 2008, the Komori Group changed the accounting method used for recording net sales of sheet-fed offset presses from a delivery basis to an acceptance basis. This shift was implemented to ensure a more objective and accurate measure for recording net sales; one that takes into consideration the protracted period between delivery and acceptance, reflecting growing sales of multicolor, longer length and highly sophisticated sheet-fed offset presses. In addition, this change in accounting policy was adopted to enable the development of an operating structure better equipped to manage the process between delivery and acceptance, enhance quality and minimize the period through to acceptance. In the case of web offset presses, which require a longer period through acceptance than sheet-fed offset presses, the Komori Group already records net sales on an acceptance basis. Accordingly, no change in accounting policy has been implemented. Reflecting these factors, and in comparison with the previous accounting method, net sales declined ¥1,942 million. From a profit perspective, operating income, ordinary income and income before income taxes each decreased by ¥582 million.

**Notes**

(Notes to Interim Balance Sheets)

(In millions of yen)

	September 30, 2006	September 30, 2007	March 31, 2007
1. Accumulated depreciation	23,983	22,627	22,712
2. Contingent liabilities	18,418	18,628	18,429
3. Notes receivable*	552	947	691
Notes payable*	496	500	532

\*The values of notes that have matured are calculated as of the date of their conversion. Because the closing date of the interim period under review was a holiday for financial institutions, mature notes are included in the balance as of September 30, 2007.

(Notes to Interim Statements of Income)

(In millions of yen)

	Six Months Ended September 30, 2006	Six Months Ended September 30, 2007	Year Ended March 31, 2007
Depreciation and Amortization			
Tangible Fixed Assets	675	779	1,488
Intangible Fixed Assets	33	34	68

(Notes Related to Interim Statements of Changes in Shareholders' Equity)

Six months ended September 30, 2007

Type and number of treasury stock

(Unit: Shares)

	March 31, 2007	Increase	Decrease	September 30, 2007
Common stock*	1,847,151	417,650	1,191	2,263,610

\* Breakdown of the increase in common treasury stock:

Increase due to the repurchase of treasury stock: 400,000 shares

Increase due to the purchase of odd-lot shares of less than one trading unit: 17,650 shares

Decrease due to the additional purchase of odd-lot shares of less than one trading unit: 1,191 shares