

Results of Operations for the Nine Months Ended December 31, 2007
REPORTED BY KOMORI CORPORATION

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Company name: KOMORI CORPORATION
 Securities code: 6349 (Tokyo Stock Exchange, Osaka Securities Exchange)
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1. Consolidated Business Results for the Third Quarter of Fiscal 2008 (April 1, 2007 to December 31, 2007)

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

	Nine months ended December 31, 2007	%	Nine months ended December 31, 2006	%	Year ended March 31, 2007
Net sales	107,831	6.1	101,659	15.1	141,870
Operating income	12,221	19.4	10,238	55.8	15,002
Ordinary income	12,900	2.6	12,567	39.2	16,782
Net income	7,743	14.7	6,748	28.9	9,246

(Yen)

Net income per share	113.62		97.18		133.47
Diluted net income per share	-		-		-

Note:

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)

	December 31, 2007	December 31, 2006	March 31, 2007
Total assets	211,310	212,247	215,403
Net assets	155,957	153,832	153,978
Equity ratio (%)	73.8	72.5	71.5

(Yen)

Net assets per share	2,306.11	2,219.73	2,249.67
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(3) Summary of statements of cash flows (In millions of yen, rounded down)

	Nine months ended December 31, 2007	Nine months ended December 31, 2006	Year ended March 31, 2007
Net cash provided by operating activities	11,741	1,234	6,199
Net cash used in investing activities	(653)	(112)	(211)
Net cash used in financing activities	(4,934)	(3,268)	(5,519)
Cash and cash equivalents at the end of the period	35,421	27,204	29,332

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

2. Dividends

The Company does not pay cash dividends based on a record date as of the end of the first and the third quarter. Dividend forecasts for the fiscal year ending March 31, 2008 announced on November 12, 2007 remain unchanged.

	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) [Reference]

Business forecasts for the fiscal year ending March 31, 2008 remain unchanged from estimates announced on November 12, 2007, except for net income per share.

(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)	159.70	-

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 to specified subsidiaries accompanying changes in the scope of consolidation): 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 Others, 4. Others" on page 4 for details.

(Reference)

1. Non-Consolidated Business Results for the Third Quarter of Fiscal 2008

(April 1, 2007 to December 31, 2007)

(1) Results of operations

(In millions of yen, rounded down)

	Nine months ended December 31, 2007	%	Nine months ended December 31, 2006	%	Year ended March 31, 2007
Net sales	86,332	2.6	84,152	23.2	116,360
Operating income	11,088	13.8	9,742	89.8	14,470
Ordinary income	12,535	2.8	12,196	45.7	16,792
Net income	8,143	14.9	7,090	128.6	7,036

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.

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 Others, 3. Qualitative Information Regarding Consolidated Business Result Forecasts" on page 4 for details.

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

[Qualitative Information / Financial Statements and Others]

1. Qualitative Information Regarding the Status of Consolidated Business Results

For the nine-month period ended December 31, 2007, net sales totaled ¥107,831 million, an increase of 6.1% compared with the corresponding period of the previous fiscal year. Net sales in Japan dropped 21% year on year. This was attributed to the decrease in sales of web offset presses as the recent wave of capital expenditure for equipment renewal came to a close. Net sales in the Americas also shrank 8% year on year, with robust performances in the Central and South American markets offset by a sales decline in the North American market. The weak performance in the North American market was attributable to the Komori Group's adoption of a new accounting method in which sheet-fed offset press sales are recorded on an acceptance basis. Meanwhile, net sales in Europe expanded 18% year on year thanks to strong sales growth in the mature markets of Western and Northern Europe as well as in the growing markets of Central and Eastern Europe. Net sales in Asia showed a 46% year-on-year increase. The favorable performance in the region was caused by significant sales growth in China from the start of the fiscal year under review, where customer purchasing bounced back after a period of restrained spending in anticipation of duty exemptions, as well as by steady sales expansion in the ASEAN region and India. Net sales in other regions surged 106%, buoyed by significant sales growth in Oceania and the Middle East. As a result of the aforementioned conditions, operating income amounted to ¥12,221 million, up 19.4% from the corresponding period of the previous fiscal year. Ordinary income showed a 2.6% year-on-year increase to ¥12,900 million. This slight increase was attributable to a significant year-on-year decrease in gain on foreign exchange, due to a slowdown in the depreciation of the yen during the period under review. Net income soared 14.7% to ¥7,743 million.

2. Qualitative Information Regarding the Status of Consolidated Financial Position

(1) *Assets, Liabilities and Net Assets*

Total assets as of December 31, 2007 stood at ¥211,310 million, a decrease of ¥4,093 million compared with the end of the previous fiscal year. Total liabilities as of the end of the third quarter amounted to ¥55,352, a decline of ¥6,071 million compared with March 31, 2007, while total net assets came to ¥155,957 million, an increase of ¥1,978 million.

A major factor behind the decrease in assets was a ¥17,132 million decrease in notes and accounts receivable that more than offset a ¥4,795 million increase in cash on hand and bank deposits and a ¥8,331 million increase in inventories. Significant factors behind the decrease in total liabilities included a ¥3,438 million decrease in income taxes payable, a ¥789 million decrease in accrued bonuses for employees and a ¥902 million decrease in other current liabilities.

(2) *Consolidated Cash Flows*

Net cash provided by operating activities totaled ¥11,741 million, an increase of ¥10,507 million compared with the corresponding period of the previous fiscal

year. Major cash inflows were income before income taxes of ¥13,240 million and a ¥17,478 million decrease in notes and accounts receivable. Significant cash outflows were a ¥7,936 million increase in inventories and the payment of income taxes totaling ¥8,895 million.

Net cash used in investing activities amounted to ¥653 million, a year-on-year increase of ¥540 million. The principal component was payments for purchase of property, plant and equipment.

Net cash used in financing activities showed a ¥1,666 million year-on-year increase to ¥4,934 million. The principal cash outflows were an increase in treasury stock, net, of ¥2,155 million and cash dividends paid totaling ¥2,524 million.

Accounting for the aforementioned activities, cash and cash equivalents at the end of the period under review stood at ¥35,421 million, an increase of ¥6,089 million compared with March 31, 2007.

3. Qualitative Information Regarding Consolidated Business Result Forecasts

Results for the nine-month period ended December 31, 2007 are essentially in line with forecasts for the full fiscal year ending March 31, 2008. Despite the extremely uncertain nature surrounding trends in foreign currency exchange rate movements, business results forecasts announced on November 12, 2007 remain unchanged.

4. Others

(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 accounting method for net sales**

From the nine-month 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 method 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 method has been implemented.

As a result of this change in accounting method and in comparison with the previously existing accounting method, net sales fell by ¥7,322 million, while operating income, ordinary income and income before income taxes each declined by ¥1,927 million.

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

Pursuant to a revision of the Corporate Income Tax Law and effective from the nine-month 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 ¥26 million.

Additional Information

From the nine-month period under review, Komori and its domestic consolidated subsidiaries depreciate 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 policy and in comparison with the previously existing accounting policy, operating income, ordinary income and income before income taxes each decreased by ¥89 million.

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

Consolidated Balance Sheets

(In millions of yen)

	December 31, 2006		December 31, 2007		Increase / (Decrease)	March 31, 2007	
		%		%			%
(ASSETS)							
Current Assets:	143,052	67.4	145,761	69.0	2,709	147,373	68.4
Cash on hand and bank deposits	28,016		35,009		6,992	30,214	
Notes and accounts receivable	60,443		46,550		(13,892)	63,682	
Marketable securities	79		1,061		982	-	
Inventories	45,052		51,308		6,256	42,977	
Deferred income taxes	6,148		7,734		1,585	7,107	
Other current assets	3,911		4,566		655	3,966	
Allowance for doubtful accounts	(600)		(470)		129	(575)	
Fixed Assets:	69,195	32.6	65,548	31.0	(3,646)	68,030	31.6
1. Tangible Fixed Assets	36,257	17.1	35,179	16.6	(1,077)	36,451	16.9
Buildings and structures	10,715		10,310		(404)	10,522	
Machinery and equipment	5,389		5,480		90	5,722	
Land	18,389		18,149		(239)	18,390	
Construction in progress	550		128		(421)	515	
Other tangible fixed assets	1,213		1,109		(103)	1,299	
2. Intangible Fixed Assets	794	0.4	1,001	0.5	206	787	0.4
3. Investments and Others	32,142	15.1	29,367	13.9	(2,775)	30,791	14.3
Investments in securities	10,588		9,438		(1,149)	10,992	
Long-term loans	538		457		(80)	518	
Long-term deferred income taxes	326		90		(236)	345	
Insurance fund	13,105		12,015		(1,090)	11,831	
Reorganization and related receivables	3,120		1,018		(2,101)	1,632	
Long-term bank deposits	5,830		5,820		(10)	5,850	
Other investments and others	1,025		1,240		214	752	
Allowance for doubtful accounts	(2,392)		(713)		1,678	(1,131)	
Total Assets	212,247	100.0	211,310	100.0	(937)	215,403	100.0

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

Consolidated Balance Sheets

(In millions of yen)

	December 31, 2006		December 31, 2007		Increase / (Decrease)	March 31, 2007	
		%		%			%
(LIABILITIES)							
• Current Liabilities:	<u>54,805</u>	25.8	<u>52,606</u>	24.9	<u>(2,198)</u>	<u>58,086</u>	27.0
Notes and accounts payable	31,652		31,364		(287)	31,609	
Short-term bank loans	946		963		16	864	
Current portion of long-term debt	376		178		(198)	354	
Income taxes payable	3,257		2,386		(870)	5,824	
Accrued bonuses for employees	405		404		0	1,194	
Reserve for product warranty	2,338		1,981		(356)	2,070	
Reserve for loss on guarantees	2,228		2,407		178	2,247	
Accrued bonuses for directors and corporate auditors	-		38		38	74	
Deferred profit on installment sales	398		313		(85)	376	
Other current liabilities	13,201		12,567		(633)	13,469	
• Long-Term Liabilities:	<u>3,608</u>	1.7	<u>2,745</u>	1.3	<u>(863)</u>	<u>3,338</u>	1.5
Long-term debt	185		-		(185)	139	
Accrued retirement benefits for directors and corporate auditors	461		395		(66)	472	
Accrued retirement benefits for employees	380		627		247	524	
Accrued sales promotion expenses	-		195		195	47	
Deferred income taxes	2,250		1,350		(899)	1,902	
Other long-term liabilities	330		176		(154)	252	
Total Liabilities	58,414	27.5	55,352	26.2	(3,061)	61,424	28.5
(NET ASSETS)							
• Shareholders' Equity:							
Common stock	37,714	17.8	37,714	17.7	-	37,714	17.5
Additional paid-in capital	37,871	17.9	37,798	17.9	(72)	37,797	17.5
Retained earnings	80,282	37.8	84,843	40.2	4,560	79,623	37.0
Treasury stock	(4,571)	(2.2)	(5,584)	(2.6)	(1,012)	(3,428)	(1.6)
Total Shareholders' Equity	151,296	71.3	154,771	73.2	3,475	151,706	70.4
• Revaluation and Translation Adjustments:							
Net unrealized gains on available-for-sale securities	3,052	1.4	1,847	0.9	(1,205)	2,830	1.3
Translation adjustments	(516)	(0.2)	(661)	(0.3)	(145)	(557)	(0.2)
Total Revaluation and Translation Adjustments	2,536	1.2	1,185	0.6	(1,350)	2,272	1.1
Total Net Assets	153,832	72.5	155,957	73.8	2,124	153,978	71.5
Total Liabilities and Net Assets	212,247	100.0	211,310	100.0	(937)	215,403	100.0

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

Consolidated Statements of Income

(In millions of yen)

	Nine months ended December 31, 2006		Nine months ended December 31, 2007		Increase / (Decrease)	Year ended March 31, 2007	
		%		%			%
. Net Sales	101,659	100.0	107,831	100.0	6,172	141,870	100.0
. Cost of Sales	67,348	66.3	68,542	63.6	1,194	93,676	66.1
Reversal from deferred profit on installment sales	106	0.1	63	0.1	(42)	127	0.1
Transfer to deferred profit on installment sales	44	0.0	-	-	(44)	43	0.0
Gross profit	34,372	33.8	39,352	36.5	4,980	48,277	34.0
. Selling, General and Administrative Expenses	24,133	23.7	27,130	25.2	2,997	33,275	23.4
Operating income	10,238	10.1	12,221	11.3	1,982	15,002	10.6
. Non-Operating Income	2,925	2.9	1,179	1.1	(1,745)	2,905	2.0
Interest and dividend income	605		562		(43)	780	
Gain on sale of marketable securities	91		5		(85)	91	
Gain from insurance fund	89		11		(78)	118	
Gain on foreign exchange	1,907		223		(1,683)	1,588	
Other non-operating income	232		377		145	327	
. Non-Operating Expenses	597	0.6	501	0.4	(95)	1,125	0.8
Interest expenses	240		94		(145)	307	
Loss on disposal of obsolete inventories	16		71		55	34	
Loss on currency swaps	-		85		85	-	
Loss on asserted claims	168		65		(103)	456	
Valuation loss on inventories	76		17		(59)	162	
Loss on sale of notes receivable	31		86		55	37	
Other non-operating expenses	63		79		15	127	
Ordinary income	12,567	12.4	12,900	12.0	332	16,782	11.8
. Extraordinary Income	741	0.7	560	0.5	(181)	734	0.5
Gain on sale of fixed assets	65		323		257	67	
Gain on sale of investments in securities	639		-		(639)	639	
Reversal of allowance for doubtful accounts	15		193		178	28	
Reversal of reserve for loss on guarantees	22		43		21	-	
. Extraordinary Losses	1,102	1.1	220	0.2	(882)	1,293	0.9
Loss on disposal of fixed assets	112		80		(32)	226	
Valuation loss on investment securities	-		-		-	35	
Moving expenses of factory	43		-		(43)	49	
Allowance for doubtful accounts	897		-		(897)	408	
Loss on bad debt	-		-		-	486	
Loss on prior period adjustments	-		139		139	-	
Other extraordinary losses	48		-		(48)	87	
Income before income taxes	12,205	12.0	13,240	12.3	1,034	16,223	11.4
Income taxes --- current	5,252	5.2	5,777	5.4	525	8,111	5.7
Income taxes --- deferred	204	0.2	(281)	(0.3)	(486)	(1,134)	(0.8)
Net income	6,748	6.6	7,743	7.2	995	9,246	6.5

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

Consolidated Statements of Changes in Shareholders' Equity

Nine months ended December 31, 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 third quarter					
Dividends from surplus			(1,806)		(1,806)
Bonuses to directors			(45)		(45)
Net income			6,748		6,748
Increase of treasury stock				(354)	(354)
Items other than changes in shareholders' equity					
Total	-	-	4,897	(354)	4,542
Balance at December 31, 2006	37,714	37,871	80,282	(4,571)	151,296

	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 third quarter				
Dividends from surplus				(1,806)
Bonuses to directors				(45)
Net income				6,748
Increase of treasury stock				(354)
Items other than changes in shareholders' equity	(1,466)	158	(1,307)	(1,307)
Total	(1,466)	158	(1,307)	3,235
Balance at December 31, 2006	3,052	(516)	2,536	153,832

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

Consolidated Statements of Changes in Shareholders' Equity

Nine months ended December 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, 2007	37,714	37,797	79,623	(3,428)	151,706
Changes during the third quarter					
Dividends from surplus			(2,524)		(2,524)
Bonuses to directors					
Net income			7,743		7,743
Increase of treasury stock				(2,158)	(2,158)
Decrease of treasury stock		1		2	4
Items other than changes in shareholders' equity					
Total		1	5,219	(2,155)	3,064
Balance at December 31, 2007	37,714	37,798	84,843	(5,584)	154,771

	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 third quarter				
Dividends from surplus				(2,524)
Bonuses to directors				-
Net income				7,743
Increase of treasury stock				(2,518)
Decrease of treasury stock				4
Items other than changes in shareholders' equity	(982)	(103)	(1,086)	(1,086)
Total	(982)	(103)	(1,086)	1,978
Balance at December 31, 2007	1,847	(661)	1,185	155,957

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

Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Year ended March 31, 2007
· Cash Flows from Operating Activities:			
Income before income taxes	12,205	13,240	16,223
Depreciation and amortization	1,712	2,006	2,375
Increase (decrease) in allowance for doubtful accounts	852	(555)	(380)
Increase (decrease) in accrued bonuses for employees	(664)	(789)	124
Increase (decrease) in accrued retirement benefits	(656)	90	(523)
Decrease in accrued bonuses for directors and corporate auditors	-	(35)	-
Interest and dividend income	(605)	(562)	(780)
Interest expenses	240	94	307
Gain on foreign exchange	(2,538)	(509)	(1,856)
Directors' bonuses paid	(45)	-	(45)
Gain on sale of investment in securities	(730)	(5)	(730)
Gain from insurance fund	(89)	(11)	(118)
(Increase) decrease in notes and accounts receivable	(2,171)	17,478	(4,134)
Increase in inventories	(6,652)	(7,936)	(4,630)
Increase (decrease) in notes and accounts payable	3,188	(482)	3,075
Increase in other receivables	(341)	(127)	(130)
Others, net	1,588	(1,692)	1,698
Subtotal	5,293	20,203	10,475
Interest and dividends received	511	573	778
Interest paid	(237)	(141)	(316)
Income taxes paid	(4,333)	(8,895)	(4,737)
Net cash provided by operating activities	1,234	11,741	6,199
· Cash Flows from Investing Activities:			
Payments of time deposits	(1,500)	(890)	(1,590)
Proceeds from maturity of time deposits	1,627	1,174	1,627
Payments for purchase of property, plant and equipment	(3,353)	(1,730)	(4,226)
Proceeds from sale of property, plant and equipment	293	906	357
Payments for purchase of investments in securities	(316)	(168)	(1,075)
Proceeds from sale of investments in securities	3,499	16	3,492
Payments for purchase of other investments	(2,651)	(446)	(3,289)
Proceeds from maturity of other investments	2,233	423	4,417
Collection of loans	55	60	75
Net cash used in investing activities	(112)	(653)	(211)
· Cash Flows from Financing Activities:			
Increase in short-term debt	1,150	1,607	1,465
Repayments of short-term debt	(1,907)	(1,555)	(2,320)
Repayments of long-term debt	(350)	(306)	(416)
Increase in treasury stock, net	(354)	(2,155)	(2,442)
Cash dividends paid	(1,806)	(2,524)	(1,806)
Net cash used in financing activities	(3,268)	(4,934)	(5,519)
· Effect of exchange rate changes on cash and cash equivalents	434	(63)	(52)
· Net increase (decrease) in cash and cash equivalents	(1,712)	6,089	415
· Cash and cash equivalents at the beginning of the period	28,916	29,332	28,916
· Cash and cash equivalents at the end of the period	27,204	35,421	29,332

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

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

(In millions of yen)

	December 31, 2006	December 31, 2007	March 31, 2007
1. Accumulated depreciation on tangible assets	40,295	39,518	38,855
2. Contingent liabilities	23,834	21,689	25,533
3. Trade notes receivable*	423	1,069	691
Trade notes payable*	1,179	847	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 December 31, 2007.

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

Nine months ended December 31, 2007

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

(Shares)

	March 31, 2007	Increase	Decrease	December 31, 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	818,886	1,490	2,664,547
Total	1,847,151	818,886	1,490	2,664,547

* Breakdown of the increase in common treasury stock:

Increase due to the purchase of odd-lot shares of less than one trading unit: 18,886 shares

Increase due to the repurchase of treasury stock: 800,000 shares

* The decrease of 1,490 common treasury stock is attributed to sale of 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
November 12, 2007 Board of Directors' Meeting	Common stock	1,360	20	September 30, 2007	November 30, 2007

(Notes to Consolidated Statements of Cash Flows)

Reconciliation of cash and cash equivalents outstanding at the period-ends and items recorded on consolidated balance sheets.

(In millions of yen)

	December 31, 2006	December 31, 2007	March 31, 2007
Cash on hand and bank deposits	28,016	35,009	30,214
Time deposits of over three months	(812)	(598)	(882)
Marketable securities account (Transferable deposits)	-	1,010	-
Cash and cash equivalents	27,204	35,421	29,332

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

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

Nine months ended December 31, 2006

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and/or Corporate	Consolidated
Net sales							
(1) Sales to outside customers	46,327	19,955	30,123	5,252	101,659	-	101,659
(2) Intersegment sales	37,850	84	297	32	38,264	(38,264)	-
Total	84,178	20,040	30,421	5,284	139,924	(38,264)	101,659
Operating expenses	74,030	18,767	30,214	5,177	128,189	(36,768)	91,420
Operating income (loss)	10,147	1,273	207	107	11,734	(1,496)	10,238

Notes:

1. Among operating expenses in the nine-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

Nine months ended December 31, 2007

(In millions of yen)

	Japan	The Americas	Europe	Others	Total	Elimination and/or Corporate	Consolidated
Net sales							
(1) Sales to outside customers	44,204	17,928	38,165	7,532	107,831	-	107,831
(2) Intersegment sales	42,128	31	231	40	42,432	(42,432)	-
Total	86,333	17,960	38,396	7,573	150,264	(42,432)	107,831
Operating expenses	74,489	17,834	37,451	7,342	137,117	(41,507)	95,610
Operating income (loss)	11,843	126	945	231	13,146	(924)	12,221

Notes:

1. Among operating expenses in the nine-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 sales)

As reported under "Changes in accounting policies from the latest consolidated fiscal year," and from the nine-month 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 ¥3,981 million and ¥927 million, respectively. Net sales and operating income fell by ¥2,511 million and ¥366 million, respectively, in the Americas; by ¥829 million and ¥96 million, respectively, in Europe. There was no impact on the results for other regions. In connection with eliminations and/or corporate, operating income decreased by ¥536 million.

(Accounting method for depreciating tangible fixed assets)

As reported under "Changes in accounting policies from the latest consolidated fiscal year," and from the nine-month 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 ¥115 million and operating income decreased in Japan by the same amount.

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

3. Overseas Sales

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

Nine months ended December 31, 2006

(In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	22,256	26,743	13,690	3,969	66,660
(2) Consolidated sales	-	-	-	-	101,659
(3) Ratio of overseas sales (%)	21.9	26.3	13.5	3.9	65.6

Nine months ended December 31, 2007

(In millions of yen, %)

	The Americas	Europe	Asia	Others	Total
(1) Overseas sales	20,424	31,679	20,016	8,190	80,311
(2) Consolidated sales	-	-	-	-	107,831
(3) Ratio of overseas sales (%)	18.9	29.4	18.6	7.6	74.5

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 "Changes in accounting policies from the latest consolidated fiscal year," and from the nine-month 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 ¥3,341 million. This comprised declines of ¥2,511 million in the Americas and ¥829 million in Europe. There was no impact on results for Asia and 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 "ZAIMU/GYOSEKI NO GAIKYO" originally issued in Japanese.)