



Revising our Management Philosophy, formulating Purpose, and steering the Company under a new framework

Having marked the 100th anniversary of our founding, Komori has revised its management philosophy from “Company That Delivers Customer *Kando* Beyond Expectations” to “Company That Delivers *Kando* Beyond Expectations.” Use of the phrase “customer *Kando*” began when 4th-generation president Mr. Yoshiharu Komori changed management of the Company from the conventional technology-oriented style to one that was aimed at customers. By encouraging all employees to conduct activities that would not only satisfy customers but also deliver *Kando* to them, or in other words, exceed customer expectations, he achieved great results.

In marking our 100th anniversary, we decided to revise our management philosophy to make our intent and direction clear in evolving toward the future, addressing the changes in our times and not resting on our laurels. I believe that in today’s society, a company exists not just alongside its customers, but with all stakeholders including employees and partners. Thus, along with the revision to management philosophy, our purpose statement to be shared with stakeholders has been established as delivering *Kando* “beyond expectations” by contributing to society with print technology, and our long-term vision, Komori 2030, was formulated.

The fiscal year ending March 31, 2024 is the final year of the Sixth Medium-Term Management Plan. These five years have seen drastic changes to the business environment, and this situation is expected to continue on. Not hesitating to address changes, I have decided to revamp our organizational structure, looking ahead to the upcoming Seventh Medium-Term Management Plan. A measure to do so was introducing a business group structure starting April 2023 aimed at strengthening management by each individual business, and we will work to speed up business operations by the delegation of authority.

On the occasion of our 100th anniversary, I am committed to management with a renewed sense of intent in re-establishing the Company, through a revision to our management philosophy, formulating our Purpose, and implementing a business-based structure.

Representative Director, President & CEO

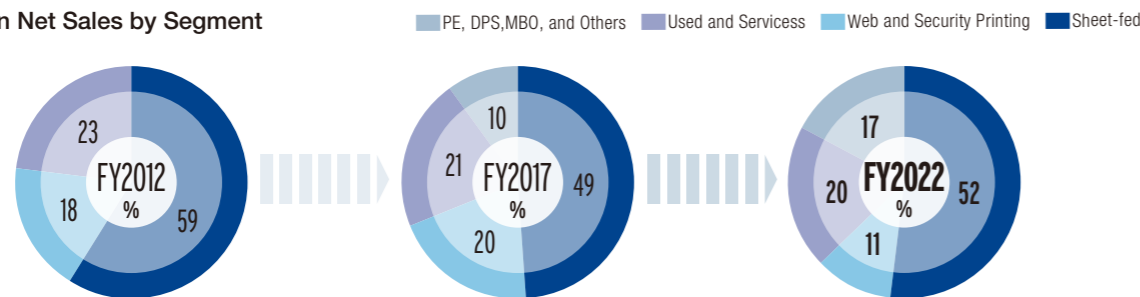
持田 訓

“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.” – Charles Darwin

Komori has been in business specializing as an offset printing press manufacturer for 100 years. The offset press business is clear in terms of customers and business content, with competition limited to two companies in Germany and one in Japan. Thus, it was easy to decide the direction of management needed to take. However, composition of sales has changed drastically in the last ten years. Businesses have become more diversified to include

the offset press, security printing, PE (printed electronics), and DPS (digital printing system) businesses, resulting in customers becoming more diversified as well. Offset press business was ¥69.8 billion in the fiscal year ended March 31, 2013 which accounted for 59% of Komori net sales; however, in the fiscal year ended March 31, 2023 at ¥97.9 billion, it fell to 52%. Total for the security printing, PE, and DPS businesses rose to make up 28% of all sales.

Changes in Net Sales by Segment



The PE business is involved in the electronic components industry, and depending on the product to be manufactured, such as for PCB, multilayer ceramic chip capacitors (MLCC), or semiconductor packages, machinery and equipment with a variety of technologies become necessary. Some machinery and equipment require fine printing technology for ±5 microns or less and special compound for lapping. Development of the security printing business is being strengthened overseas, and over 90% of net sales at present is for machinery for overseas and their related services. Much of the technology, including image processing, that is used in the DPS business is different from that used in offset printing presses, and the customer base is also partially different.

There is a need to respond promptly to these many specific technologies, customers, and issues and speed up business operations, and as we enter the age of VUCA, the pace is accelerating. Komori is faced with the need to demonstrate agility in management to match such an environment, and I had been sensing limitation as to how far we can go with a function-based organizational structure, which Komori has maintained since its establishment.

Thus I chose organizational reform and introduced a business-based organization in April 2023. The offset, security printing, DPS, and PE businesses are the four pillars, and these business groups will have technology, manufacturing, sales, and services combined within each of them to be able to integrally attend to customers. With the integration of sales and services, we can anticipate activities to be swift and efficient from a customer’s point of view. We will delegate authority for the business-based structure so that business groups can be bolstered in terms of agility. I believe this will help us enhance initiatives regarding management issues. We will strengthen governance for overseas subsidiaries and local companies, which has increased with M&A in recent years, and continue to

actively take initiatives for M&A as growth investments for the future. We will reinforce efforts regarding business and management issues, and push forward with management going forward with a new organizational structure that will adapt to the changes in the business environment.

Our management philosophy will also adapt to the changes in the business environment

As Komori’s businesses and customers become multifaceted and diverse, co-creations with partner companies (collaborating companies, joint development companies, etc.) are becoming increasingly important. Relations with new companies become necessary, and the number of partner companies is increasing. It is also becoming required of group employees to take on new challenges as the business environment changes. For growth businesses such as DPS and PE businesses where global expansion is key, having an understanding of differences among cultures in global businesses and mutual understanding of diversifying customers and partners, regardless of age and gender, become necessary. To do so, Komori is faced with the challenge of diversifying human resources, including supporting women’s participation, and global expansion. Given these changes to the environment, I began to ponder ideal management philosophy. Around this time, the Purpose task team, consisting mainly of young employees, was going over the management philosophy, “Company That Delivers Customer *Kando* Beyond Expectations,” as they were working on the Purpose. Here the opinion was drawn that *Kando* should not be limited to customers, but to a broader extent which would be more in line with Komori’s Purpose. Given this situation, Chairman Komori and I decided that it is necessary to spread *Kando* further to include not only customers, but to all stakeholders. I would like for us to work toward “Company That Delivers *Kando* Beyond Expectations” that keeps

Envision the future of Komori, and create it

customers, employees, and partners, in particular, at the forefront.(▶ See Page 3)

The Komori Group’s idea behind its Purpose

The printing business has changed rapidly over the past few years in response to social conditions. Our customers are concerned over the future of their business, as well as the change from print media to electronic form along with recent rises in raw material and energy prices, the labor shortage, etc. I believe the establishment of our Purpose and Long-Term Vision is very meaningful to both Komori and to our customers. That is because those who manage printing companies are able to compare the Long-Term Vision established by Komori as a printing press manufacturer against their own future vision, and Komori employees are able to wipe clean doubts they have surrounding the printing industry as they envision the Company’s future.

For the establishment of Purpose, six mid-career level employees in their 30’s and 40’s from various divisions were selected to form a task team, which has been holding discussions over the course of roughly one year. Specifically, two members each were in charge of examining three themes, “purpose management,” “history of Komori’s value creation,” and “social issues and megatrends.” Then, I joined in for discussions during the phase in which wording and branding that would resonate with Group employees were considered. Amidst various opinions

going back and forth within the task team, I believe we were able to decide on the compass that would be used for Komori’s long-term vision.

After undergoing such processes, Komori’s Purpose became delivering *Kando* “beyond expectations” by contributing to society with print technology. The terms “print technology” and “contributing to society” were proposed by the task team, with the term “print technology” encompassing the fact that areas for social contribution we can reach using printing technology is not only commercial printing and banknote printing, but also extends to cutting-edge business areas. I requested the term *Kando* be added, as it is our management philosophy and the centripetal force for our Group employees. “*Kando*” and “print technology” are the two keywords for our Purpose, and underlying these terms is the precision machinery manufacturing technology that is our core ability. Precision machinery manufacturing technology is a specific technology that is indispensable for print technology, so it is encapsulated as a component of print technology.

At the ceremony in Japan which was held after April 2023 commemorating the 100th anniversary of our founding, Komori announced its Purpose to customers, partner companies, etc. Here we explained our idea embodied in print technology and relayed the fact that areas in which the use of printing technology for social contribution are increasing, and many responded positively.(▶ See Page 15)



Clarify a sense of goals for each of the businesses with the long-term vision,

Along with formulation of Purpose, we set the long-term vision, Komori 2030, “supporting information, culture and economy by deepening, evolving, and creating value through the true value of print technology.” Our Purpose and Long-Term Vision are integrated and the aim is the same. The Purpose declares our reason for being, while the Long-Term Vision identifies the direction our business is headed. From here, specific targets can be set together with the business strategy for the Seventh Medium-Term Management Plan set to begin in the fiscal year ending March 31, 2025, and beyond that the Eighth Medium-Term Management Plan.

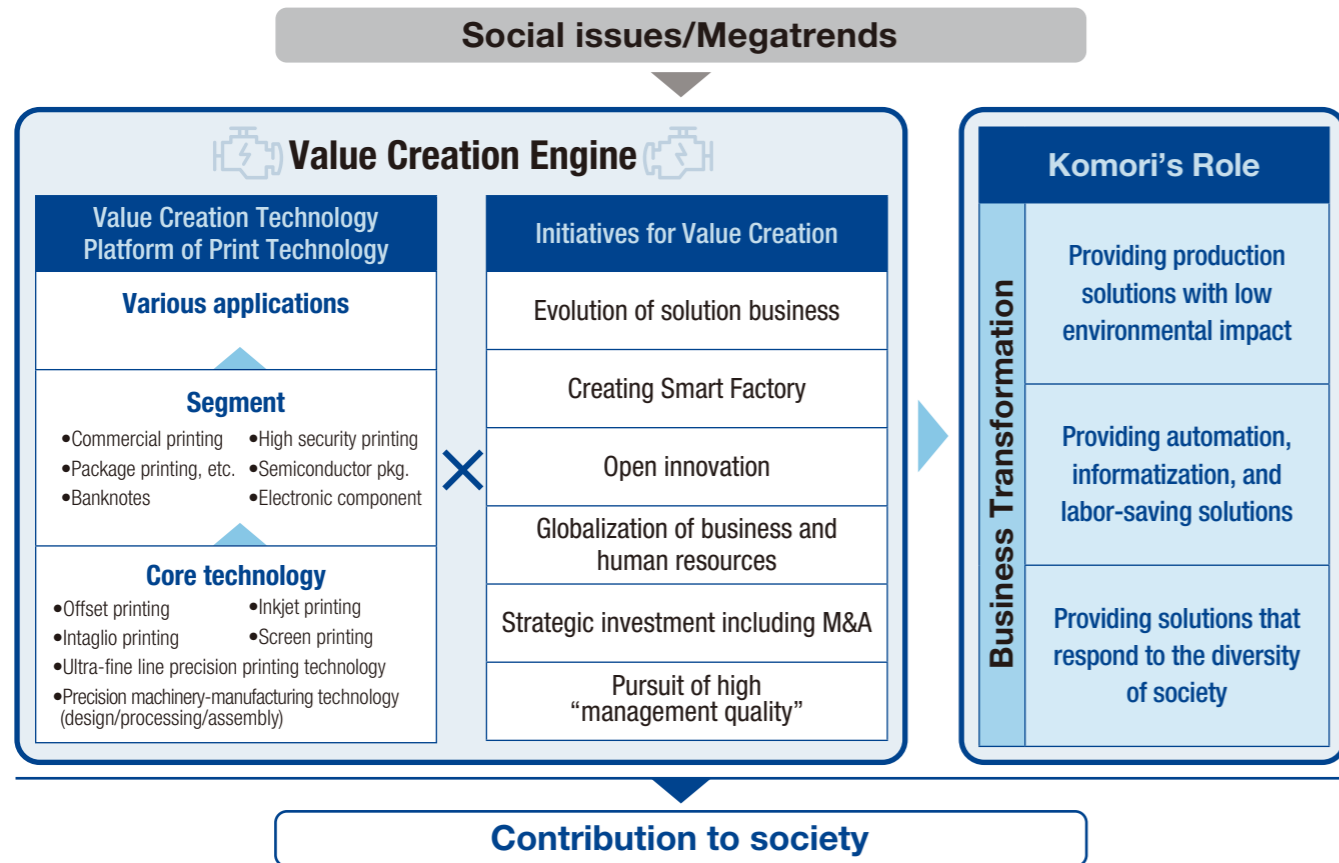
The Long-Term Vision identifies material issues for business activities from four social issues and megatrends

and makes it Komori’s mission to provide solutions. Komori’s roles are provisions of three solutions, namely: (1) production solutions with low environmental impact; (2) automation, informatization, and labor-saving solutions; (3) solutions that respond to social diversity.

To resolve these material issues, I believe business transformation with “Value Creating Engine” is necessary. Business expansion with Long-Term Vision is broadly categorized into core businesses (offset and security printing) and growth businesses (DPS and PE), and by defining characteristics of the businesses, the course of direction for business investment and human resource planning for the future has been made clear.

(▶See Page 29)

Supporting information, culture and economy with SHINKA through the true value of print technology (deepening, evolving, and creating value)



Business environment recognition and the Komori Group’s strategy

With continued recovery in capital expenditure as a result of COVID-19 subsiding, results on a consolidated basis for the fiscal year ended March 31, 2023 showed orders received at ¥97.4 billion (same level year on year), net sales at ¥97.9 billion (12% increase year on year), and operating income at ¥5.7 billion (152% increase year on year). Profit attributable to owners of parent was ¥5.7 billion. Orders received did not reach targets in the plan at the beginning of the year by a small margin, but operating income did surpass the plan due

to the weak yen and variance in composition of the product mix. By region, orders received rose 17% year on year for Japan, 33% for North America, and 10% for other regions. Meanwhile, orders received decreased 6% year on year for Europe and 34% for Greater China. There were also signs of a slowdown in backlog of orders, which had swelled due to disruptions in the supply chain, to ¥59.6 billion for the fiscal year ended March 31, 2023 (¥58.6 billion in fiscal year ended March 31, 2022).

“Komori 2030”

Business environment recognition by region and Komori’s sales strategy

Business environment recognition and sales strategy by region are as follows.

Japan faces soaring prices in raw material and energy, and medium- to long-term reorganization of printing companies is expected. We will make use of subsidies for energy-saving and other measures while promoting development of various solutions, such as with the spread of the offset printing press LITHRONE advance series, to expand our share of the market. Also, as it is the home country for Komori and we are fortunate to have leading customers, especially surrounding the Komori Club, I would like to boldly push forward one step ahead of other countries with the Smart Factory concept.

In Europe, reorganization of printing companies is taking place, and it is expected that in commercial printing, use of double-sided high-speed presses will increase and a change to single-pass multi-color machines for package printing will accelerate. We will move for market expansion in cooperation with the MBO Group (our manufacturing subsidiary for folding machines, etc.), a highly regarded company in Europe with headquarters in Germany.

In North America, the brisk direct mail (DM) market is expected to increase demand for digital printing systems, and there is also a return to paper with the saturation of digital marketing. We will promote expansion of large single-pass machines, realize synergy in sales with MBO America, and expand the DPS and PE businesses.

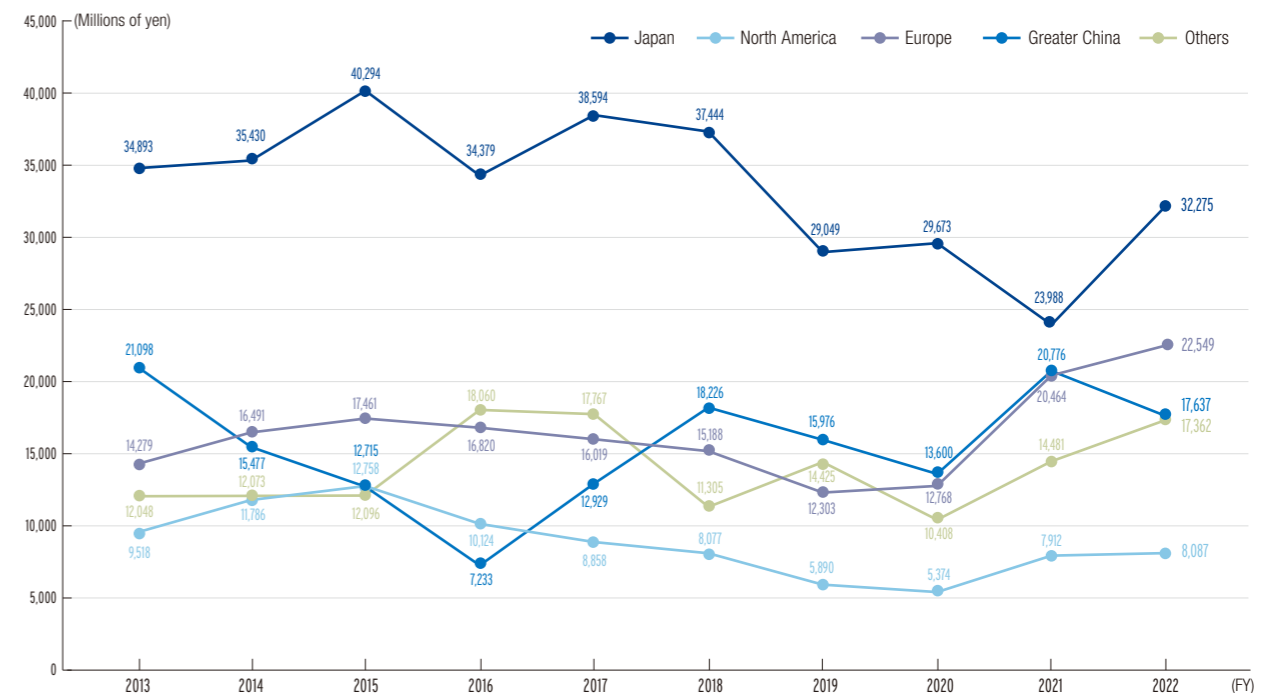
In China, commercial printing is sluggish, but we expect package printing to continue expanding. Major Chinese printing companies are moving their production sites to the Asian region due in part to U.S.-China tension. We will conduct sales promotion and services provision in

cooperation with subsidiaries in the Asian region.

For India and ASEAN countries, publishing and commercial printing, which became stagnant with COVID-19 pandemic, are recovering. We expect demand for printing, including package printing which is doing well, to see a positive trend in the medium term as well. Our subsidiary in India has revamped its management structure and strengthened its competitiveness over the past few years, and is steadily increasing its market share. We are looking at the ratio of global demand for offset printing presses to increase for the Asian region, from the current 40% to roughly 50% by 2030. Over the past few years, Komori has established sales subsidiaries in China, India, and the ASEAN to strengthen our sales structure. We will reinforce sales support for distributors in the ASEAN region through these subsidiaries.

Striving to expand business in Europe, the U.S. and Greater China, Komori established regional business headquarters at the beginning of the fiscal year ended March 31, 2023. The European business headquarters controls business strategy for the offset business, as well as for MBO and KCM (manufacturing subsidiary for printing and processing machines for package printing such as offset, gravure, and flexo coaters) businesses. The U.S. business headquarters is undergoing synergy expansion for sales between the offset business and MBO business, as well as sales marketing for DPS and PE businesses. The Greater China business headquarters is promoting business activities leveraging characteristics of the region, such as by focusing on expansion of the PESP business. I feel these three regional business headquarters will elevate their reason for being by undergoing activities that align with the business characteristics of their regions based on Komori’s Long-Term Vision. (▶See Page 41)

10-Year Comparison of Net Sales by Region





Results of the Sixth Medium-Term Management Plan and challenging issues

The fiscal year ending March 31, 2024 is the final year of the Sixth Medium-Term Management Plan. At present, the forecast for performance on a consolidated basis is net sales of ¥102.0 billion (target in the Medium-Term Management Plan ¥110.0 billion), operating income of ¥3.3 billion (target ¥7.7 billion), ratio of operating income to net sales 3.2% (target 7.0%), ROE 2.4% (target 5.5%), etc., for a situation where achieving targets is difficult. Major reasons are the long delivery times for Komori products due to delays in parts delivery resulting from COVID-19, and shrinking operating income due to soaring prices for parts procurement being greater than the increase in selling prices. This is projected to continue through the second quarter of the fiscal year ending March 31, 2024.

The four major activities set forth in the Sixth Medium-Term Management Plan are (1) improve the profitability of core businesses, (2) monetize the priority business (DPS), (3) strategize for the future of new businesses, and (4) innovate business model in sales activities.

The offset press business which is part of (1) was able to produce sales results worldwide by undergoing remodeling of all types in the LITHRONE advance series in a short amount of time. The security printing business saw a rise in sales performance in France, Italy, and Turkey. Selling prices are being revised to counter sharp rises in costs, but prices are gradually being increased with the understanding of customers.

With the DPS business in (2), development of elemental technologies such as for image processing and ink jetting control are not moving along to plan, causing delays in sales. Not reaching recurring income as a result is holding down performance overall. The benefits of using DPS are: high-level skills not being required of an operator as is the case with offset printing press; less waste paper at the start of printing; uniform density and color; and just-in-time style, inventory-less management. I am confident that DPS will be the driving force in the business transformation of printing companies and holds the key to the development of new markets.

The PE business in (3) was doing well in the fiscal year ended March 31, 2023, but the number of orders fell starting end of December 2022 with the slump in semiconductor and electronic component markets. These markets can expect an increase in demand for the medium- to long-term, but as the market conditions are volatile, proposals and product development that can differentiate from a medium-term perspective are key. The PE Elemental Technology Development Center was established in October 2023 within the Tsukuba Plant, and a structure was put in place to promote development of elemental technologies with a medium- to long-term perspective in cooperation with universities, parts manufacturers, and paste manufacturers, and for co-creation with them. Capital expenditure and human resource investment will be increased for the PE business as a growth business.

The key to innovating business model in sales activities in (4) is the PESP business, particularly KP-Connect, the core cloud-based software for the Smart Factory concept which Komori proposes, that will contribute to productivity enhancement at printing factories. Delivery has already expanded to not only Europe and the U.S. but to China and other regions in Asia, and we are steadily making progress linking to products of other companies with which we have formed alliances. We will also toughen competitive strength of MBO products, automate, and escalate the collaborative robot business. (▶ See Page 26)



Collaborative robot "MBO CoBo-Stack" exhibited at IGAS 2022

Komori's Materiality

Three material issues in business activities

Komori has taken up environmental destruction & waste issue, decarbonization, changes in social infrastructure generated by acceleration of digital transformation, and complication & diversification of global society as social issues/megatrends to be tackled in the medium to long term. They have been established as material issues in Komori's business activities. Specifically, they are: (1) providing production solutions with low environmental impact; (2) providing automation, informatization, and labor-saving solutions; (3) providing solutions that respond to social diversity. These three are roles to be assumed by Komori, and targets will be clearly established with the Medium-Term Management Plan and efforts made in a concrete manner. To solve these material issues, I believe that Value Creation Engine is required, made from synergy between print technology as a value creation technology platform and initiatives for value creation, along with business transformation.

For provision of production solutions with low environmental impact, we are focused on energy-saving and decarbonization with improved efficiency of plants and equipment, and all machinery are subject to measures. In particular, DPS and PE hold potential to change existing production processes, which is anticipated to greatly contribute in reducing environmental impact.

For providing automation, informatization, and labor-saving solutions, creating Smart Factory is an important target. Return on investment (ROI) is also an important factor. Level of automation will therefore be established at a point of compromise reached between the technological limits to automation and ROI, determining a sense of the targets for the Seventh Medium-Term Management Plan.

Providing solutions that respond to social diversity lies in the utilization of wide-ranging human resources that includes the active participation of women and placement of the elderly as well as foreign workers. Addressing demand for diversity will become necessary not only in developed countries of Europe and the U.S., but also in Asia and Africa going forward. From a global perspective, systems and machinery that can be used economically, safely, and efficiently are being required. Developing solutions for such diversity in society will lead to new business opportunities for us.

The value creation engine based on print technology as a value creation technology platform and initiatives for value creation will be used as a driving force to promote business transformation, and we will carry out business activities for our role in providing three solutions, i.e. for the environment, automation, and society, as the materiality for Komori's business activities. (▶ See Page 25)

Materiality in corporate activities

Materiality in corporate activities will continue to focus on initiatives for ESG management. That is, corporate governance that addresses (1) realizing sustainable environment and society, (2) enhancing employee engagement, and (3) meeting stakeholder expectations.

As a means to confirm the relative position of Komori's ESG management, we have been participating in the Nikkei's SDGs survey since 2021. Komori's score is high for environmental matters, but average for corporate and governance items, and thus we recognize the need for consistent improvement in these two areas.

With regard to environmental concerns, we disclosed information in March 2023 on all items called for by the TCFD recommendations, and responded to the full version of the CDP Climate Change 2023 Questionnaire. We are also undergoing a review of the Komori Eco Vision toward achieving carbon neutrality by 2050. (▶ See Page 43)

Enhancing employee engagement will be through Komori's challenge of work-style reform for women. Currently, divisions where women can actively participate tend to be limited. I would like to create opportunities for women to work in not only administrative and sales divisions, but in all divisions including manufacturing, by making improvements to working environments in those divisions. This is something that needs to be addressed immediately in terms of the future employee composition at Komori as well. (▶ See Page 51)

For governance, risk management items were carefully reviewed and prioritized anew. In particular, I would like to focus initiatives on cybersecurity vulnerabilities in domestic locations and overseas subsidiaries to address recent information security issues caused by frequent hacking. (▶ See Page 60)



Transformation of production process and reduction in environmental impact with digital printing system (DPS)

Strengthening development of global human resources

Out of Komori's roughly 2,600 Group employees, about one-third amounting to 900 employees are overseas personnel of foreign nationality. With the ratio of sales generated overseas reaching 70%, training and acquiring global personnel is an important issue for Komori. As global human resources, both human resources in Japan able to play an active role globally and outstanding human resources overseas need to be acquired. Managerial positions in India and the ASEAN region, which have just recently been set up, need to be strengthened in particular. Komori's share of India's market for offset printing presses is high, and the country is an important market where Komori hopes to expand its other businesses using offset printing presses as a point of entry.

An example of overseas human resources development is when security printing presses were transported to India and many local engineers were central in carrying out the transport process. Dispatching engineers from Japan was difficult due to COVID-19 pandemic, but with technical OJT and guidance remotely, we were able to elevate skills of engineers in India at a rapid pace. Many Indian employees able to speak English is an advantage in having them provide the proper technical guidance and service proposals to customers in regions outside of India. It is my belief that overseas human resources of foreign nationality can contribute largely to the expansion of Komori's business in Asia.

The remuneration system is very important in continuously employing outstanding global human resources. For remuneration of executives overseas in particular, we strive to assign missions and to appropriately evaluate them from various angles, but I would also like to further consider a remuneration system that can allow performance-based remuneration and be tailored to the specific regions.

(▶ See Page 53)



Town hall meeting in India

Komori's goal with print technology

Komori has revised its management philosophy to "Company That Delivers *Kando* Beyond Expectations," and established its Purpose and long-term vision "Komori 2030." Moving ahead, we will formulate the Seventh Medium-Term Management Plan in line with their course of direction, and define specific targets to achieve. Komori has

Importance of co-creation with stakeholders and strengthening relationships with them

Only Komori's core components are produced in-house, while we depend upon partner companies for 70-80% of all parts. A portion of parts are extreme, requiring micron-level precision. At the celebration held in July commemorating the 100th anniversary of our founding, Komori presented awards to five companies with which we have connections for over 80 years, and 120 companies we have relations with for over 30 years, with our heartfelt appreciation in honor of their many years of contribution. Strengthening partner companies' management structure and sustainability is a major management issue for Komori going forward. We must continue building strong relationships with our roughly 500 partner companies with VE proposals and co-creation in the future. Komori's Declaration of Partnership Building will be for encouraging this initiative.

Local communities are also important stakeholders for Komori. Komori's track and field team not only aims to elevate athletic performance, it also conducts track and field training lessons in the cities of Kushiro City, Mito City, Ushiku City, and Takahata-Machi, with the team slogan of "delivering *Kando* through running." Lessons have been offered in Kushiro City for the past 30 years, and this fiscal year we received a certificate of appreciation from Kushiro City.

We also intend to steadily interact through dialogue and engagement with our shareholders, who are important stakeholders, and not just limited to the announcement of financial results. Individual investors are slowly increasing in recent years, and we hope to provide clear business reports and bring back plant tours.

(▶ See Pages 55 and 58)

Looking Ahead to the Seventh Medium-Term Management Plan

It is being said that we are now facing the age of VUCA, and numerical targets are not easy to forecast and set. However, I would like to set clear action items and targets for the Seventh Medium-Term Management Plan in line with course of direction fixed with the Long-Term Vision.

As a project for our 100th Anniversary, KGC-S (security printing technology development) and PEDEC (PE Elemental Technology Development Center) were established at the Tsukuba Plant in October 2023. KGC is also undergoing renewal with the installation of a system including KP-Connect and equipment for the realization of a Smart Factory and to expand co-creation with alliance members. The next generation, 100th Anniversary model of Komori's flagship press, the LITHRONE 40, is currently undergoing product development in advance of next year's drupa exhibition. And we are anticipating greatly contributing to the stable supply of parts both in Japan and overseas with the establishment of the Komori Global Parts Center within the Tsukuba Plant. I believe such investments will play an important role in carrying out the Seventh Medium-Term Management Plan. (▶ See Page 39)

I am confident that by implementing business transformation, Komori will be able to achieve well-balanced management. We must abandon management in which profit relies heavily on existing core businesses, and shift focus to growth businesses. Core businesses, of course, will need steady development and production investment. However, growth businesses must have investment into human resources and equipment, including bold M&As. I believe such investment should not be hasty and short-term, and instead should be such that assumes contribution to medium-and long-term business expansion. Regarding target and scale of investments, I intend to make them clear in the Medium-Term Management Plan.

Meanwhile, Komori's scale requires management that always keep in mind financial status and puts consideration into various aspects so as to ensure it does not become

significantly damaged. Taking the security printing business as an example, weak financial standing may prove to be disadvantageous as a condition during a bidding process. And to prepare for any future pandemics or the like, I would like to consider the risks related to business continuity for Komori, such as inventory, and secure financial status that can withstand these risks. Komori's dividend policy will continue to consider provision of stable dividends. With the above in mind, we will increase business investment, maintain and strengthen our financial status, etc., and review the shareholder return ratio so that it is in line with actual conditions. (▶ See Page 35)

My role as head of management is to firmly share the course of direction (objective) and a sense of the targets stated in the Management Philosophy, Purpose, Long-Term vision, and the Medium-Term Management Plan to Group employees, and demonstrate leadership that will lead to implementation. Leadership going forward will require the sharing of management issues with employees, interactive communication along with working together for the creation of new knowledge for the resolution of issues, and invigorating the organization. I believe that by all employees sharing a sense of unity, and with each of them thinking for themselves, making decisions, and working toward the resolution of issues, targets can be achieved. As a specific initiative, I have started visiting business locations and subsidiaries around the world from July 2023 to conduct town hall meetings. With regard to results including performance, we will fulfill accountability in a proper manner. Investments into growth businesses will also be an important activity for Komori's business transformation. I would like to engage in direct dialogue actively with stakeholders, including investors, if necessary.

To all of our stakeholders, I would appreciate your continued support for Komori as we aim to become a company "delivering *Kando* beyond expectations by contributing to society with print technology."



Delivering *Kando* “beyond expectations” by contributing to society with print technology

Our social environment is rapidly changing, and advances in technology are accelerating the pace of change. Amid this social transformation, Komori recognizes the need to clarify the meaning of its existence so that it will continue to be what it is meant to be.

What is the reason for Komori's existence? What value Komori offers society as its contribution? The answers to these questions that we provide in clear words are our purpose.

We have established that our purpose is **to deliver *Kando* “beyond expectations” by contributing to society with printing technology.**

With its printing technologies, Komori supported children's growth through its educational initiatives, served as a purveyor of the beauty of artwork for a wide range of audiences, and delivered banknotes to bring a sense of security to the society and economy, thereby supporting the information society, culture, and economy.

As it is often said, everything but water and air can be printed. We see ever-expanding possibilities: commercial/art printing, package printing, banknote and security printing, curved surface/3D printing, printed circuit boards, electronic parts, and semiconductor packages. There are also opportunities for printing gigantic banners or infinitesimal texts or images measured in micrometers, and for printing one copy or more than one million copies.

Printing technologies are far from being antiquated. They are used for pioneering purposes.

With the diverse printing technologies it has developed as a printing machinery manufacturer, Komori is committed to supporting society through its printing presses and in other areas to deliver *Kando* as added value by being a step ahead of expectations.

We will share the purpose with our stakeholders, including our customers, business partners, and employees around the world as we continue our efforts to achieve the Komori Group's sustainable growth and to help solve environmental and social issues.

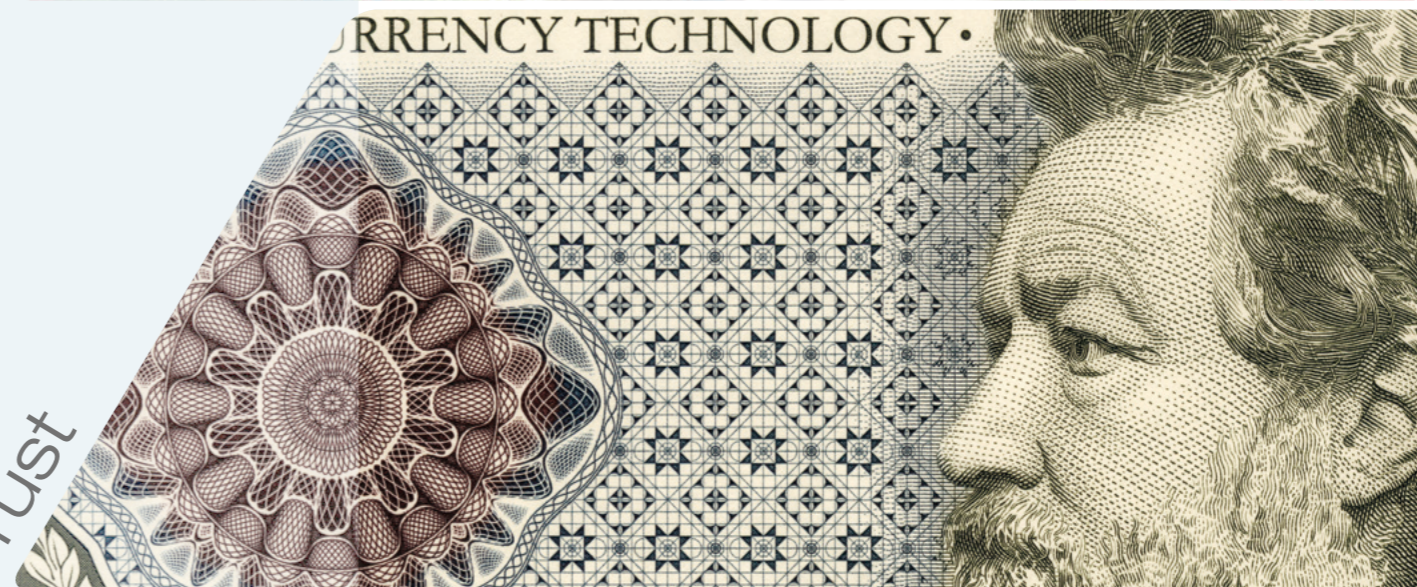
Education



Culture



Trust



Round-table Discussion about the Purpose



Overseas Sales and Services Division
Igarashi

Domestic Sales and Services Division
Nakamura

Personnel and General Affairs Division
Okazaki

Management Planning Office
Sugihara

DPS Business Promotion Division
Konishi

Tsukuba Plant
Sato

Brand Promotion Division
Uemura

Komori, having commemorated in 2023 the 100th anniversary of its founding, has established its Purpose for the next 100 years as “delivering *Kando* beyond expectations by contributing to society with print technology.” Six mid-career employees from different divisions, undergoing discussions together with the management team, were central in coming up with the Purpose that all employees could connect with. The establishment team members got together and talked about changes to their thoughts and ideas as they went through the process of establishing this Purpose.



Sugihara: I'm Sugihara of the Management Planning Office, and I'll be the moderator today. I joined Komori in 2008. After working on improvement activities in the assembly section and production technology section as well as in the procurement division, I was assigned to the Management Planning Office in 2022. Thank you for participating today.

Konishi: I joined Komori in 2008, and since then have been in charge of systems development for job management and quality check for sheet-fed presses, etc. I was put in charge of elemental technology development for digital printing systems in 2017, and am currently with the DPS Development Division.

Sato: After joining Komori in 1997, I was involved in machinery processing in the machinery section, but was transferred to the production technology development section in 2022. I am working on automation projects for plants, such as installing robots into the assembly line and automating parts delivery.

Okazaki: I'm Okazaki from the Personnel Division. I've been in the personnel field for 24 years now, since joining Komori in 1999. I started with duties related to hiring and employee training, then became involved in designing a system for managing targets, and now am in charge of personnel-related operations overall surrounding mainly the Komori

Group's organizational development.

Nakamura: I am in the Domestic Sales and Services Division, in charge of sales and services for customers in Japan. After joining the Company in 2010, I was in charge of customers in the Kansai region, then transferred to Tokyo in 2015, and have been transferred back to Kansai starting this year.

Igarashi: After working at overseas locations for a travel agency and a telecommunications company, I joined Komori in 2018 as a mid-career hire. I was first in charge of the Asian market within the Overseas Sales Division, and then from 2020 worked in the DPS Business Promotion Division before returning to the Overseas Sales Division in 2021. Currently I am with the European and the U.S. section.

Uemura: I joined Komori in 2008 as a mid-career hire. Upon joining the Company, I was assigned to the overseas sales promotion section in the Sales Promotion Division, and worked on creating sales tools for the overseas market and preparing for international exhibits. Having gone through maternity leave and childcare care twice each, I am now working on promotional activities for brands in the Brand Promotion Division.

You were all part of the team for establishing the Purpose as mid-level employees working at the forefront. Please let us know your impression of the experience overall.

Okazaki: Going over the corporate history again made me realize anew the history of Komori in social value creation, from

contributing to the printing industry over the course of its 100 years to experiencing the transition in the world from black and white to color.

Sato: The first thought I had after being selected a member of the team was, what exactly does “Purpose” refer to? At the Tsukuba Plant where I work, I had been engaging in work every day under the impression that guaranteeing precision on a micron-level was just a matter of fact. However, as I talked with the members from other divisions, I was able to reaffirm Komori's technological prowess. By reflecting on Komori's history of value creation and why the Company was created and where we are today, I felt the gravity in the Purpose for the next 100 years.

Nakamura: To be honest, I also did not comprehend the significance of the Purpose at first. As a sales representative, I communicate with customers on a day-to-day basis with an understanding of the Company's vision and management philosophy. By understanding the meaning and importance of the Purpose, I felt the significance in possessing a logical focus in the medium- to long-term amidst an environment of uncertainty.

What are your thoughts on “Purpose Management”?

Uemura: In learning about purpose management, it occurred to me that tying together Komori's past and present, and not just creating its future, is the foundation of purpose management. I realized the importance in being handed the baton from our forerunners regarding a sense of values, strength, brand, trust, and quality, and in working together with customers and suppliers to keep it moving into the future.

Igarashi: Looking back on Komori's past, it feels as though purpose management is already being reflected. As the Company's reason for being, social contribution through the provision of printing presses is incorporated into the “contributing to society” portion of the Purpose, and I feel the Company providing trust and safety to society over the years holds true in terms of its Purpose.





What do you think about Komori's strengths and the roles it should play?

Sato: Printing presses, like machine tools, are precision equipment requiring micron-level accuracy. The Company's strengths are precision parts processing and assembly technology, which have been the foundation of its 100-year history. In addition to high-quality parts precision comparable to none, assembly work requiring sliding technology is our proprietary, distinguishing technology that is indispensable in assuring high-quality printing.

Nakamura: From a sales perspective, comprehensive ability is the Company's strength, one that is being highly valued. Not only accuracy, speed, and performance of the machine itself, but offering services and solutions proposal for resolving customers' issues, thereby covering the entire process involved in printing operations, provides assurance. With the PESP business which started in the year I joined the Company, we attempt to provide stability in changes to performance by supplying various materials such as ink, and new value provision has become possible by offering consumables. I feel we are playing a role in supporting the printing industry comprehensively as a result.

Konishi: At the welcoming event when I joined the Company, I recall declaring an ambition to realize a fully-automated printing press. Currently, I am in charge of systems development, where it is important to listen to customers talk about their problems and needs, respond attentively, and firmly resolve the issues. I believe that the Company has been assigned a role in taking on the challenge to realize fully automated printing presses that can be handled without requiring skilled experience.

What kind of discussions were held during the course of the process in establishing the Purpose regarding selecting keywords and verbalizing them?

Okazaki: While I was undergoing the job hunting process, I saw the Company's corporate information, was greatly impacted by the statement declaring that banknote presses were supporting the economy, culture, and society of Japan and of the world, and it led me to joining the Company. The Purpose contains the phrase "contributing to society," and I believe that the stance of contributing to society through the provision of good products we can be proud of globally will never change.

Igarashi: I believed it was necessary to use a phrase that would leave a strong impression on those wanting to join the Company, and use appealing words that would resonate overseas. I wanted to incorporate words that unfold Komori's history and communicate the Company's presence needed by society and high technological strength that would contribute to banknotes and to culture. Kando is already spreading in markets overseas and we thought it would be an effective keyword.

Uemura: There is a strong association of Komori being a printing press company, but we also have digital printing systems and printed electronics (PE) businesses. I felt a connection with the term "print technology," which expresses the Company's uniqueness while aiming to appeal the Company as exceptional in its wide-ranging comprehensive ability with printing presses.

Sato: We wanted to incorporate the idea of the Company's high technological strength into the purpose statement, but with the word "technology" alone it would be too abstract and hard to convey the kind of company it is. Also, using Chinese characters for "printing technology" would give an outdated impression, and thus we decided to use the term "print technology" as a loanword. The term was well-received by colleagues when we asked them about it after the purpose statement was formulated.

Nakamura: Kando is a part of Komori's DNA. It has spread to customers, and as a sales representative it is rewarding to see customers satisfied with our machinery. I felt a strong desire to

experience Kando with our customers and wanted to include Kando in the Purpose. However, I feel the word "print" clings to the past, and therefore still have a slight reservation about it.

Konishi: I worried whether the terms "print" and "Kando" give an impression that Komori remains unchanged over the years. Also, "technology" alone makes it difficult to convey what kind of company we are. I feel it may have also been good to choose wording to appeal new transformation and various possibilities toward the next 100 years.

Please talk about future aspirations and spreading the Purpose throughout the Company.

Nakamura: As a sales representative, I hope to contribute to the next 100 years through the sale of print technology by providing feedback regarding changes and transformation of our customers and of the Company. The Purpose plays an essential role in leading employees and unifying our vector as to where we are headed and what we can contribute to, and is necessary in the Company becoming the industry's one-of-a-kind.

Okazaki: The Personnel Division, mainly the hiring team, is in fact incorporating the Purpose to promote appeal of the Company. We have also been conducting employee training with the Komori Way, but it has been hard to express and difficult for the employees to understand. With creation of the purpose statement that is relatable and easy to understand, I feel there will be a deeper understanding of the Company.

Igarashi: The timing is perfect to appeal the formulation of the Purpose even for those in sales overseas, as we mark the Company's 100th year anniversary. I would like to spread the Company's reason for being and the path ahead through events together with the young employees in particular.

Sato: In the division where I belong, we discussed future aspirations using the words that make up the Purpose. The

Purpose is easy to understand, and many of the young employees agree with it. Some in the production division express concern over the uncertainty surrounding the printing industry in the future, but all seemed to feel potential in a new chapter for the future with "print technology."

Konishi: I have a chance to speak with various people, and it appears many seem to feel the start in a new direction. I think we should use the Purpose as the focus of the next 100 years. I hope employees will think for themselves about the potential that Komori has in store with print technology and make the changes. I also would like to join everyone and lead the way for Komori.

Uemura: Spreading this Purpose both internally and outside the Company is my role. To do so, I prepared a video regarding the Purpose in collaboration with various divisions. In addition to Japanese, it has been translated into English, Chinese, and Korean. Those overseas seem to have favorably accepted it, and it is being utilized in social media of the subsidiaries overseas. Through branding activities in the future with this purpose statement at the core, I hope we can promote the spread of the Purpose both inside the Company and out, and have it contribute to future creation.

Moderator: Hearing your opinions today, I feel the Purpose that all stakeholders can agree with has been created. Toward Komori's next 100 years, I hope to join everyone in working for value creation while cultivating "purpose management." Thank you all for participating today.



The Potential of Print Technology

Culture is the heart that loves beauty.

Komori has been reproducing that beauty vividly with print technology.

And banknotes.

It is social infrastructure, as well as something that upholds the identity of people all over the world.

Komori developed its first banknote press at the request of the Printing Bureau, Ministry of Finance (currently the National Printing Bureau) in the 1960s. Since then, the Company has maintained its position as the only manufacturer of banknote presses in Japan, leveraging advanced technology unrivaled by any other printing press manufacturers. A banknote press embodies the apex of print technology, similar to a racing car being worked on by an automobile manufacturer.



CURRENCY IC
Intaglio printing press CURRENCY IC, with revolutionary 3:3:4 ratio cylinder arrangement

Komori's Security Printing Technology

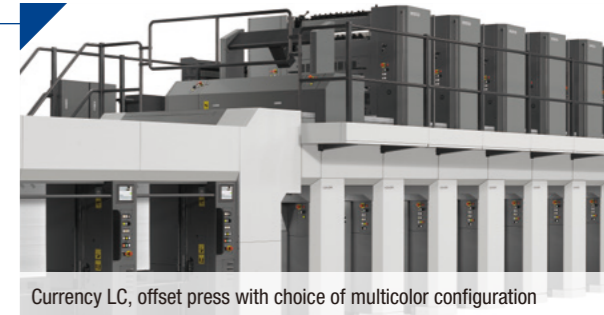
Offset printing

Komori offers offset presses, such as the Currency LC designed for multicolor printing, that are flexibly designed and offer a selection of number of colors, from 4/4, 5/5, and 6/6.

To enhance effects against counterfeit, banknote designs are becoming complexified in recent years, and the problem of different ink colors mixing together in printing is occurring on-site. With Komori's offset printing presses, different printing units are used separately for printing with each type of ink to prevent mixing of colors, so that wasted paper and ink can be prevented and a loss in down time to remove mixed colors can be reduced.

Among the world's banknote printing press manufacturers, only Komori has a selection of two types of security offset printing presses, offering optimal solutions for customers' special applications and production lines.

One is the blanket-impression cylinder type found with Currency LC, which can print at an even higher level with sharpness in fine lines and printing precision. Ultra fine precision printing, with extremely high counterfeit prevention capability by combining 12,000 dpi wet offset printing with the Currency LC, achieves security printing technology that only Komori can provide.



Currency LC, offset press with choice of multicolor configuration

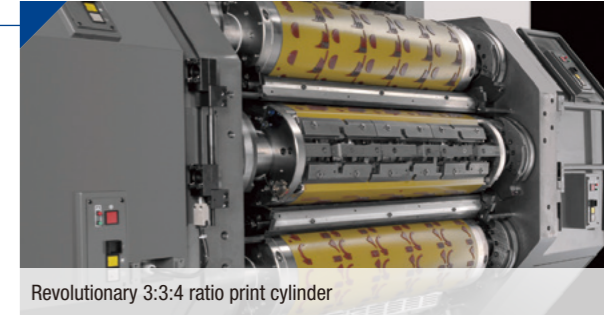
Intaglio printing

German physicist Heinrich Hertz produced a noted equation pertaining contact stress in 1881. Using this principle, Komori developed the multicolor intaglio printing press, CURRENCY IC. This printing press is made from a print cylinder that has a ratio that is revolutionary, at 3:3:4. Since it applies less stress and pressure to the intaglio cylinder, machine stress which is a burden on the machine is reduced, thereby increasing durability and ensuring longer-lasting printing accuracy.

Visitors watching Komori's intaglio printing press in action are often surprised and impressed by how quiet it is. One can feel the ultra-precision machine quiet in its lively motion, even when it is printing high-speed at 12,000 sheets per hour.

Komori's intaglio printing press has significantly less sheet deformation compared with traditional intaglio printing presses. For example, standard deviation value of deformation on the gripper side and the tail is a mere 0.1 mm after printing.

Banknotes printed on Komori's intaglio printing press also allows for ink relief to be formed on sheets of paper with excellent tactility, that anyone can perceive immediately and with ease. This is precisely the moment one can experience Komori's security print technology.

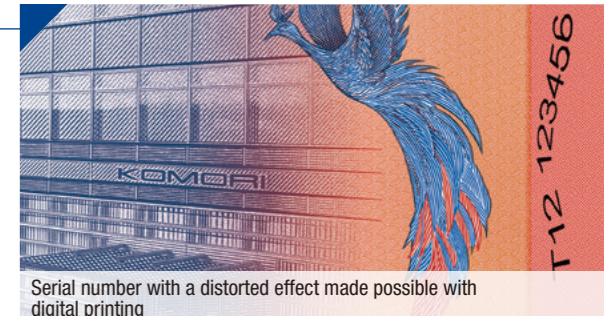


Revolutionary 3:3:4 ratio print cylinder

Digital security printing

In developing a digital security printing system, Komori focused on being able to print on any base material and printing in high-quality with a 1,200 x 1,200 dpi inkjet system. With a digital printing system, there are no printing plates, paper loss is zero in principle, and full variable printing is possible. Thus, it is not premature to apply this printing technology to banknote printing, and Komori has already stepped in to this new territory.

Komori's 100th anniversary housenotes were created each with an individual serial number printed digitally on it, the first such printing in the world. Serial numbers are printed with a distorted effect, which cannot be achieved for vertical numbers with a traditional machine number box, making counterfeiting extremely difficult. With maximum leverage of digital printing, design not visible to the eye that can only be scanned with a smartphone was printed, as we propose a new form of interactive banknote.



Serial number with a distorted effect made possible with digital printing



Paving the road ahead for high-security printers

To fulfill the various needs for high-security printers and the demands of the industry, design for security at an even higher level and security features are being called for.

Komori possesses offset printing technology, intaglio printing technology, number and coating printing technology for this, and by newly adding to that digital security printing technology, we will take on challenges of the global market.

Komori will continue to command a lead in security printing technology.

Komori's Value Creation Process

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

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

