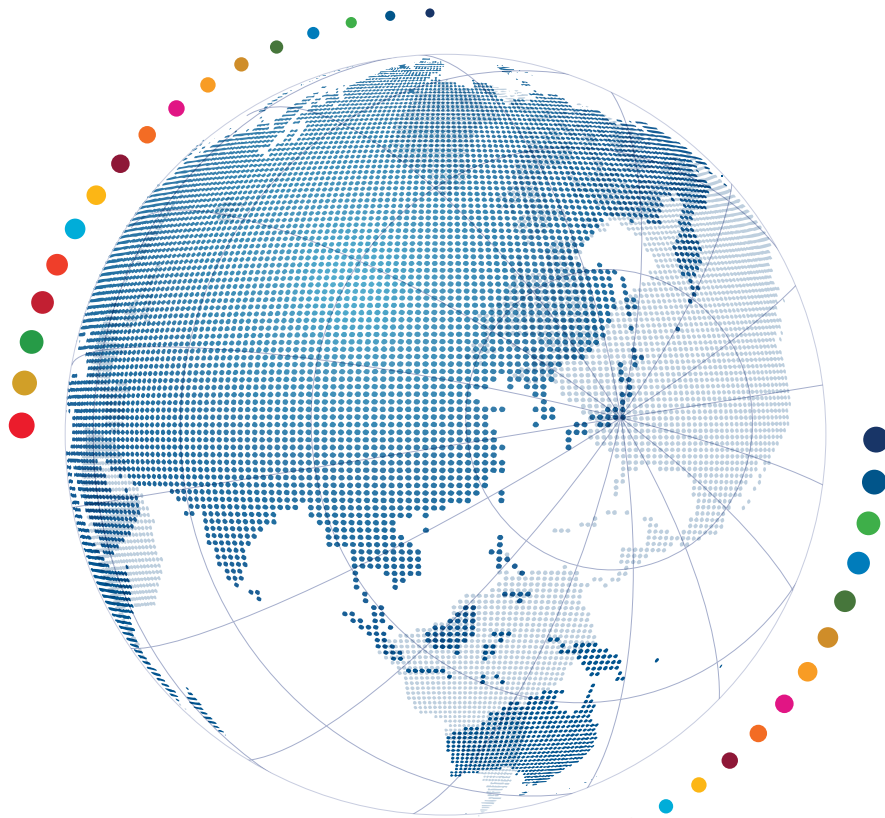


KOMORI CORPORATION  
INTEGRATED REPORT  
2023



**Beyond** Expectations

Komori's 100th Anniversary

**KOMORI**

Celebrating Our 100th Anniversary

Komori has carried out activities under its management philosophy, “Company That Delivers customer *Kando* Beyond Expectations” for over 30 years.


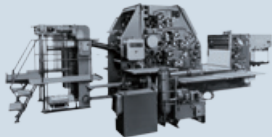


As we mark the 100th anniversary of our founding, we have revised our management philosophy to “Company That Delivers *Kando* Beyond Expectations.”

We aim to continue fulfilling our responsibility as a public entity of society through the creation of *Kando*.

Yoshiharu Komori,  
Chairman

Satoshi Mochida,  
Representative Director,  
President & CEO

# — Komori's 100 Years —

Manufacturing	Sales	Era / Slogan	Technologies
	<p><b>Company Established</b></p>	<p><b>1923</b> Startup Stage</p>	<ul style="list-style-type: none"> <li>•1923 Manual lithographic press</li> <li>•1928 Manual offset printing press</li> </ul> 
<ul style="list-style-type: none"> <li>•1967 Toride Plant completed</li> <li>•1978 Sekiyado Plant completed</li> </ul>	<ul style="list-style-type: none"> <li>•1956 Full-automatic high-speed offset press exported to the U.S. for the first time</li> <li>•1956 Participated in an international printing exhibition for the first time (Chicago)</li> </ul>	<p><b>1950</b> Growth Stage</p>	<ul style="list-style-type: none"> <li>•1957 Four-color offset press "UM-4C"</li> <li>•1958 Japan's first banknote printing press</li> <li>•1969 Sheet-fed offset printing press "Sprint"</li> </ul> 
<ul style="list-style-type: none"> <li>•1986 Komori Machinery Co., Ltd. (Yamagata) completed</li> <li>•2009 Toride Plant and Sekiyado Plant consolidated into Tsukuba Plant</li> </ul>	<ul style="list-style-type: none"> <li>•1982 Komori America Corporation in the United States established</li> <li>•1988 Komori Europe B.V. in the Netherlands established</li> <li>•1998 A local subsidiary in Hong Kong established</li> </ul>	<p><b>1980</b> Expansion Stage</p> <p><b>1990</b> Create Printing Culture for the 21st Century</p>	<ul style="list-style-type: none"> <li>•1981 Sheet-fed offset printing press "Lithrone 40"</li> <li>•1990 Fully automatic plate changer "APC"</li> <li>•2005 Web offset press "System 38D"</li> </ul> 
<ul style="list-style-type: none"> <li>•2012 A production base in Nantong, P.R.C. established</li> <li>•2022 Global Parts Center opened</li> </ul>	<ul style="list-style-type: none"> <li>•2014 Acquisition of SERIA</li> <li>•2018 A local subsidiary in India established</li> <li>•2019 Expanded subsidiaries in China</li> <li>•2020 Acquisition of the MBO Group</li> </ul>	<p><b>2010</b> Reformation Stage</p> <p><b>1993</b> Company That Delivers Customer Kando Beyond Expectations</p> <p><b>2023</b> Company That Delivers Kando Beyond Expectations</p>	<ul style="list-style-type: none"> <li>•2012 Gravure offset press "PEPIO" for the PE business</li> <li>•2015 Digital inkjet printing system "Impremia IS29"</li> <li>•2020 Collaborative robot "MBO CoBo-stack"</li> </ul> 
	<p><b>100</b> The 100th anniversary</p>	<p><b>2023</b></p>	

## Company That Delivers *Kando* Beyond Expectations

Our management philosophy, “Company That Delivers Customer *Kando* Beyond Expectations,” has permeated our group companies both in Japan and overseas, with “***Kando=Beyond Expectations***” in particular met with resonance by employees overseas. ***Kando* is a word that touches the hearts of people, no matter their age, gender, or nationality.**

Our objective is to pursue humanity, sociability, and economic efficiency in the coming 100 years based on the creation of *Kando*. We will thus not only create *Kando* for customers with a business objective, but also for **employees and partners (collaborative companies)** to cover a wider scale.

This is because unless employees and partners including collaborative companies, who are the ones to hear first-hand the opinions of customers and to go one step beyond their expectations, do not feel the *Kando* themselves, our efforts will be futile. Such is the background behind revising our management philosophy at this time to

### “Company That Delivers *Kando* Beyond Expectations.”

With this revision,

1. attaining perceptual quality control and solution proposals that will create customer
2. achieving Komori-style work reform and utilization of diverse human resources to provide employees with *Kando*,
3. establishing far-reaching creation and collaboration to give *Kando* to our partners including collaborative companies,

are the three activities to be steadily carried out.



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### About KOMORI CORPORATION INTEGRATED REPORT 2023

<b>[Editorial Policy]</b>	The purpose of the KOMORI CORPORATION INTEGRATED REPORT 2023 is to disclose both financial and non-financial information that shows the Komori Group's efforts to create value over the medium- to long-term to all stakeholders, including shareholders and investors. The "International Integrated Reporting Framework" issued by the IFRS Foundation and the "Guidance for Collaborative Value Creation" issued by the Ministry of Economy, Trade and Industry were used as guides in editing this Report.
<b>[Target Readers]</b>	All stakeholders involved in the Komori Group
<b>[Period Covered by the Report]</b>	The Report primarily covers the fiscal year ended March 31, 2023 (April 2022 to March 2023) and includes information before and/or after the said period as well.
<b>[Scope of the Report]</b>	The Report covers the Komori Group, which consists of KOMORI CORPORATION and its 24 subsidiaries (subject to consolidated accounting).
<b>[Date of Publication]</b>	October 23, 2023

### [Caution Regarding Forward-Looking Statements]

This Report contains information about forward-looking statements. We appreciate your understanding that actual activities and business results could differ from these statements.



# 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

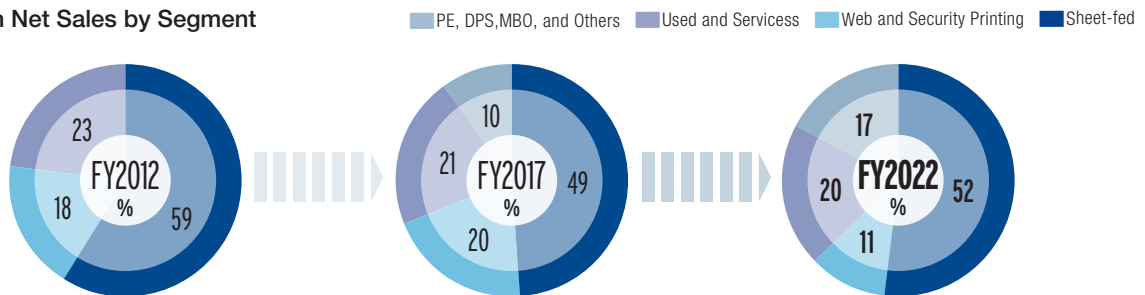
持田 訓

“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.

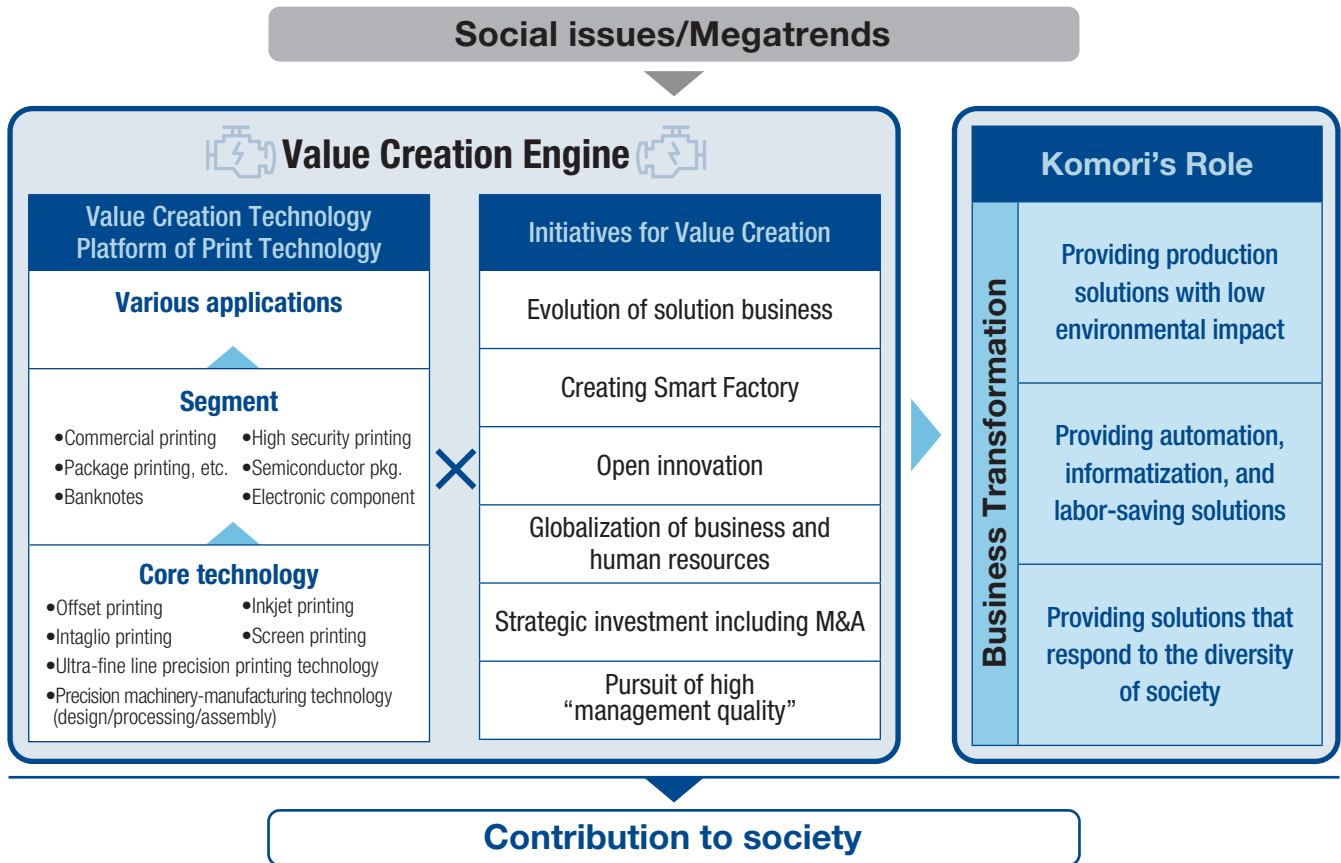
The Long-Term Vision identifies material issues for business activities from four social issues and megatrends

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.

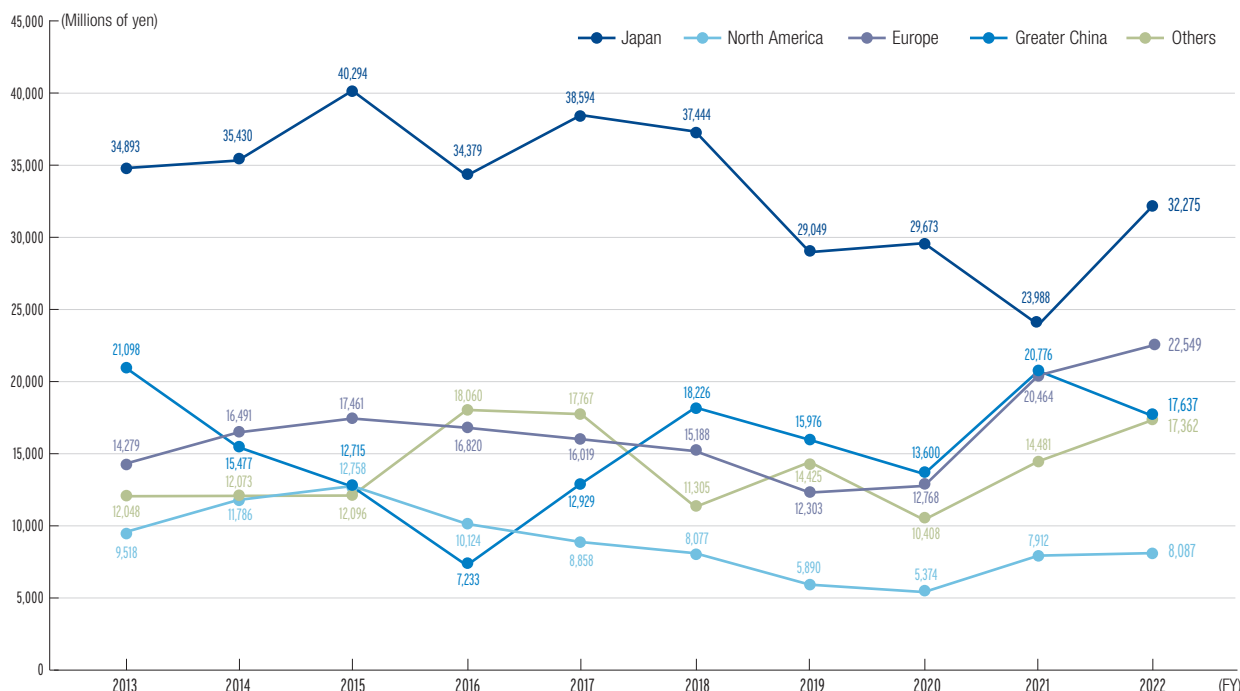
In China, commercial printing is sluggish, but we expect package printing to continue expanding. Major Chinese printing companies are moving their production sites to the Asian region due in part to U.S.-China tension. We will conduct sales promotion and services provision in

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)

### 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)



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

been providing products and services that are indispensable to society through our offset press, security printing, DPS, and PE businesses. We will continue to implement social contribution with our four basic businesses made up of core and growth businesses as well as the PESP business.

## 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.



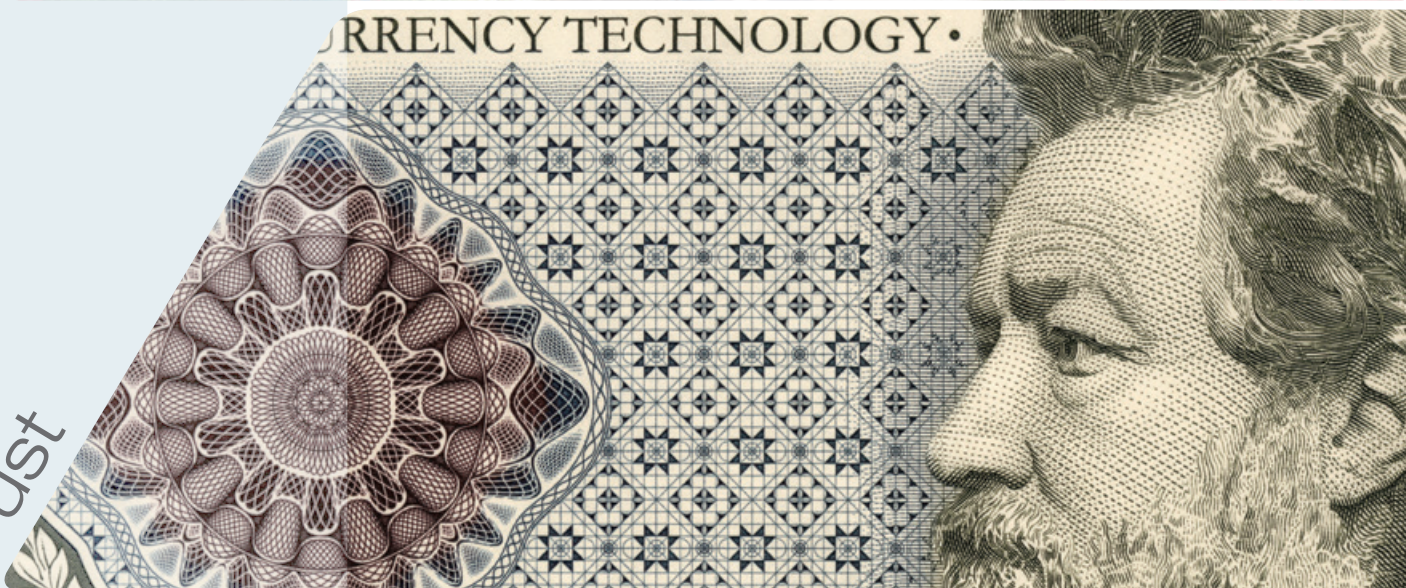
Education



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

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

Tsukuba Plant  
SatoBrand Promotion Division  
Uemura

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.

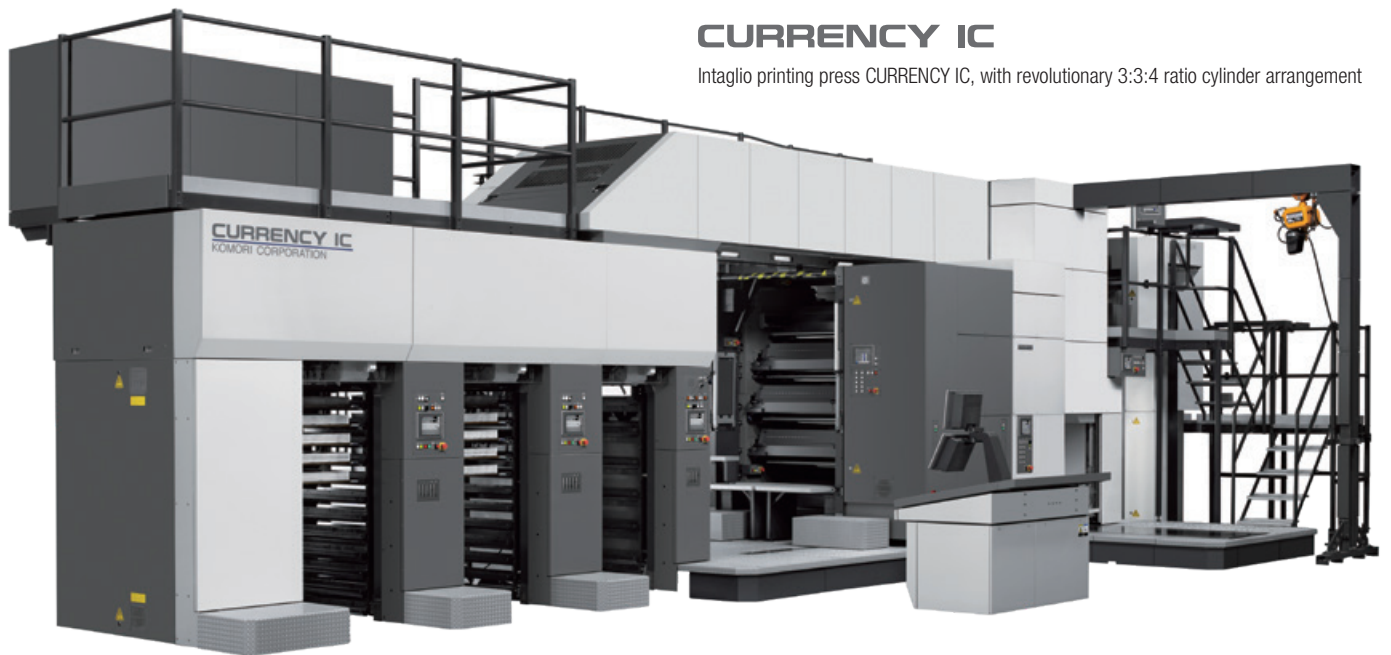
Komori has been reproducing that beauty vividly with print technology.

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

*Security  
Printing  
Machinery*

### 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's Security Printing Technology

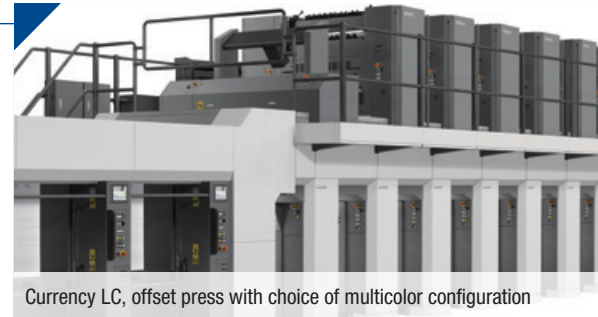
### Offset printing

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

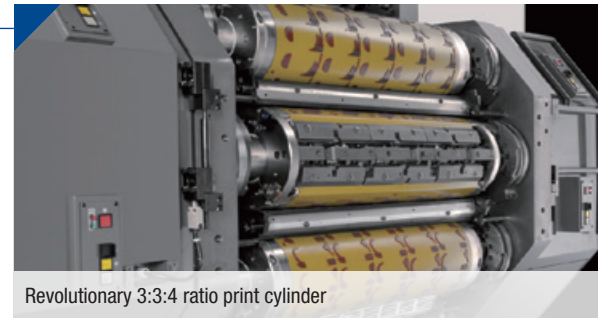
### Intaglio printing

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.

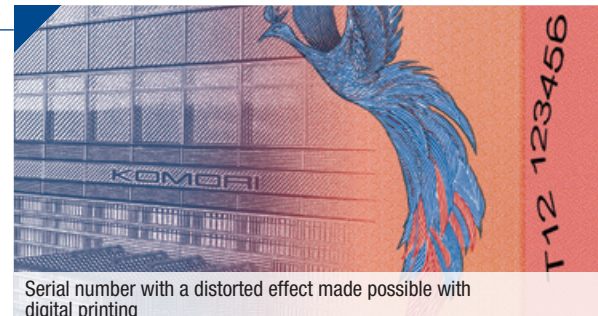


Revolutionary 3:3:4 ratio print cylinder

### 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.

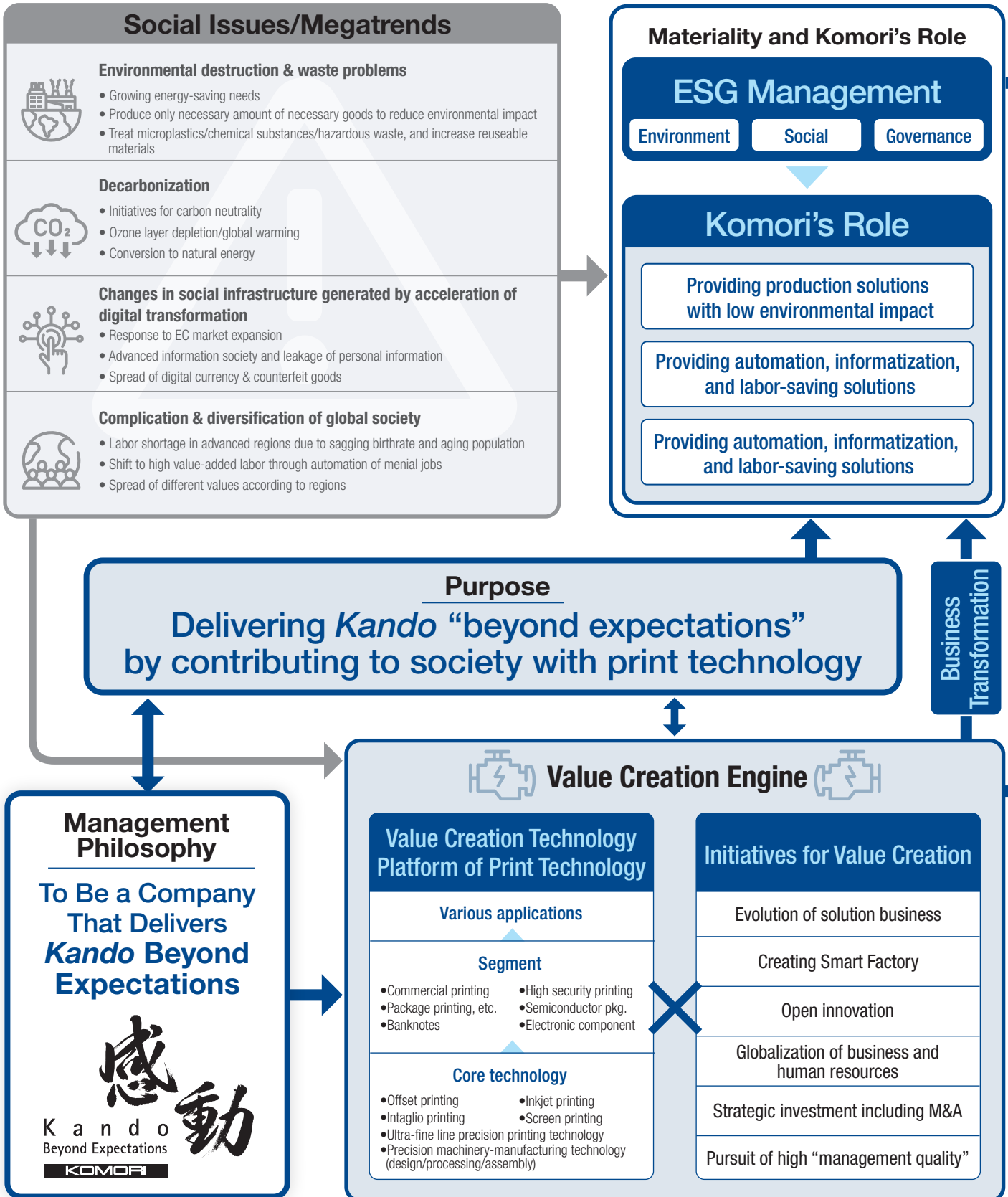


Serial number with a distorted effect made possible with digital printing

**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.

### INPUT FY2022

Financial Capital (▶ See page 35)	Manufactured Capital (▶ See page 36)	Intellectual Capital (▶ See page 67)	Human Capital (▶ See page 54)	Social Capital (▶ See page 42)	Natural Capital (▶ See page 47)
Consolidated total net assets <b>¥107.1 billion</b> Equity Ratio <b>64.6%</b>	Capital expenditure <b>¥2.30 billion</b> Domestic production sites: <b>4</b> Overseas production sites: <b>5</b>	R&D expenses <b>¥3.6 billion</b> (3.7% of total sales)	Number of employees worldwide <b>2,567</b>	Domestic sales locations: <b>14</b> Overseas sales locations: <b>74</b> (excluding the MBO Group)	Energy input: <b>3,107</b> thousand kWh Water usage: <b>92,379</b> m <sup>3</sup>

### Komori Business Strategies

#### Initiatives for Value Creation

Evolution of solution business	Creating Smart Factory	Open innovation	Globalization of business and human resources	Strategic investment including M&A	Pursuit of high "management quality"
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#### Business Portfolio

##### Core Businesses

##### Sheet-fed press business

Offset printing technologies



##### Web-fed and security printing press business

Banknote printing



#### PESP (business transformation of sales)

##### Growth Businesses

##### DPS business

Digital printing



##### PE business

Electronic components (PCB mounting), semiconductors

Acquisition of SERIA CORPORATION



##### MBO business

Industry 4.0

Acquisition of the MBO Group



### OUTPUT FY2022

Financial Capital (▶ See page 67)	Manufactured Capital (▶ See page 38)	Intellectual Capital (▶ See page 42 and 49)	Human Capital (▶ See page 54)	Social Capital (▶ See page 41)	Natural Capital (▶ See page 47)
Free cash flows <b>¥3.94 billion</b>	Net sales by region Domestic: <b>33.0%</b> Overseas: <b>67.0%</b>	<ul style="list-style-type: none"> <li>Supply security printing presses and related equipment to customers in 36 countries around the world</li> <li>Offer printing presses capable of providing world class ROI</li> </ul>	Ratio of female employees: <b>16.8%</b> (Consolidated) Ratio of Overseas Employees: <b>35.2%</b> (Consolidated)	Share in the offset printing press market: <b>3rd</b> in the world, <b>1st</b> in Japan Estimated global share: <b>15%</b> * in-house research	CO <sub>2</sub> emissions reduction rate: <b>18%</b> (as compared to FY2010)

### OUTCOME

Economic Values				Social Values		
Shareholder Return Ratio: <b>80%*</b> or more	<ul style="list-style-type: none"> <li>The Sixth Medium-Term Management Plan (▶ See page 26) (FY2023)</li> </ul>	Net Sales: <b>¥110 billion</b>	Operating income: <b>¥7.7 billion</b>	ROE: <b>5.3%</b>	<ul style="list-style-type: none"> <li>Contribution to Environment: 6 CLEAN WATER AND WASTE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 15 LIFE ON LAND</li> <li>Response to Labor Shortage: 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</li> </ul>	

\*Extraordinary Income and Loss accounted

## Komori’s Material Issues and Their Driving Force

The long-term vision "Komori 2030" identifies social issues/megatrends that are emerging as significant trends in this uncertain age, when forecasting is difficult, and materiality (material issues) derived from Komori's role, and makes solving them the role of Komori. We have named the force that drives the role the “Value Creation Engine” and have made clear our commitment to the business.

The following matters were discussed over a period of one year or the full 2022 fiscal year, and they were endorsed at the Board of Directors meeting in March 2023.

Social issues/trends that Komori confronts are the following four:

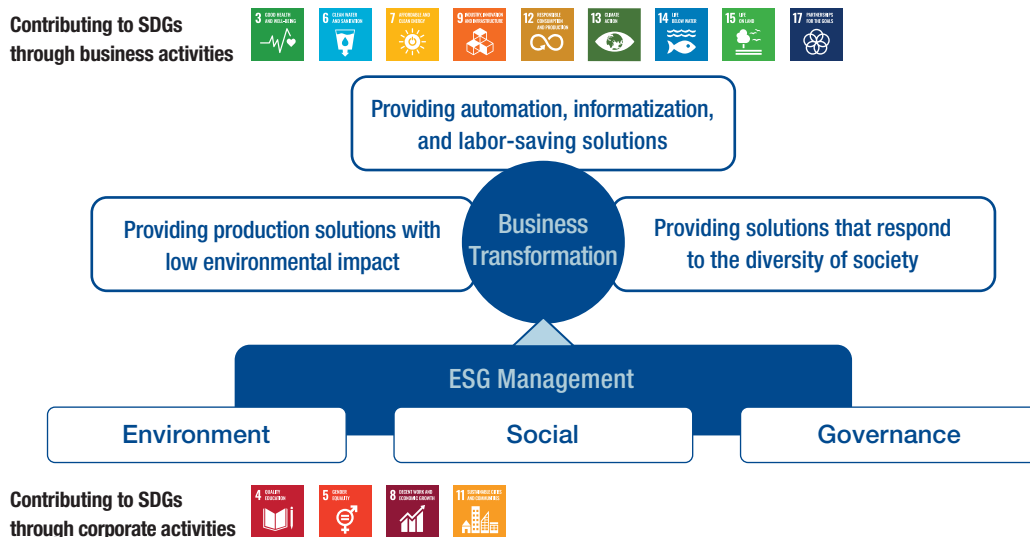
- ① “Environmental destruction & waste problems”
- ② “Decarbonization”
- ③ “Changes in social infrastructure generated by acceleration of digital transformation”
- ④ “Complication & diversification of global society”

In the face of these social issues/megatrends (▶ See Page 29), Komori will push ahead with business transformation in its **business activities** in the following three material spheres.

1) Production solution with low environmental impact	We provide “production solutions with low environmental impact” by creating a new solution business derived from sophisticated print technology.
2) Automation, informatization, and labor-saving solutions	We provide “automation, digitalization and labor-saving solutions” by integrating print technology with production quality data, optimized workflows, etc. that constitute a Smart Factory.
3) Solutions that respond to the diversity of society	To enable the utilization of print technology in new domains, we achieve open innovation and globalization, thereby providing “solutions that cater to social diversity.”

In its corporate operations, Komori will realize ESG management in the following three material fields.

1) Environment	<ul style="list-style-type: none"> <li>• We have “Komori Eco Vision 2030” in place, aiming to realize sustainable environment and society.</li> <li>• We will strive to reduce CO<sub>2</sub> emissions by 50% by FY2030 from their FY2010 level.</li> </ul>
2) Social	<ul style="list-style-type: none"> <li>• We will promote “Komori-Way Work-Style Reform” seeking to enhance employee engagement.</li> <li>• We will work to globalize our human resources and promote their diversity.</li> </ul>
3) Governance	We will strengthen corporate governance to meet stakeholder expectations and publish initiatives to ensure management transparency through our “Integrated Report.”



## We aim at “Improving Profitability” and “Building a Foundation for Growth Businesses.”

### Outline of Sixth Medium-Term Management Plan

We have set forth the theme of “Improving Profitability” and “Building a Foundation for Growth Businesses” in our Sixth Medium-Term Management Plan covering the five-year period from the fiscal year ended March 31, 2020, to the fiscal year ending March 31, 2024, in order to establish a growth stage. As numerical targets for the fiscal year ending March 2024, we will aim to achieve consolidated net sales of ¥110.0 billion, operating income of ¥7.7 billion (operating income margin of 7.0%), and ROE of 5.3%. We expect to boost PESP (Print Engineering Service Provider)/recurring sales aimed at enhancing profitability and stabilizing earnings to ¥35.9 billion (accounting for 32.6% of total sales). We will strive to realize a total shareholder return ratio of 80% or more.

The Plan features the following strategies:

- (1) clarify the role of each of the four business domains and steadily implement measures aimed at achieving the Plan’s goals;
- (2) establish organizational and other measures to be undertaken to promote the Medium-Term Management Plan (strengthening organizational management to achieve the goals);
- (3) build an optimal capital structure (aiming to enhance profitability while maintaining financial soundness); and
- (4) strengthen ESG- and SDGs-conscious management initiatives while promoting information disclosure.

### Outline of Sixth Medium-Term Management Plan

## 1

#### Clarify business goals and take concrete measures

- Core businesses (offset press business/security printing press business) : Business to secure stable profit
- Priority businesses (DPS business) : Business that invests intensively with the aim of monetization
- Business format transformation (PESP/recurring business) : Providing solutions that contribute to productivity
- New (incubation) businesses (PE business/MBO business) : Business to strengthen the foundation as a growth business

## 2

#### Management system under Medium-Term Management Plan

- Improving profit through organizational management that clarifies profit responsibility and execution of “Amoeba Management”
- Implementation of work-style reforms that contribute to improving productivity

## 3

#### Optimization of capital structure

- Ensuring financial soundness (including maintaining a credit rating of A, retaining a capital adequacy ratio of around 65-70%, and securing cash on hand)
- Management with awareness of capital efficiency (including increased efficiency of accounts receivable and inventory turnover, and arrangement and utilization of fixed assets)
- Total return ratio of 80% or more while emphasizing stable dividend payout (however, extraordinary profits and losses are considered separately)
- Maintaining sound financial status while aiming to increase ROE by improving profitability and asset efficiency

## 4

#### ESG initiatives

- Making company-wide cross-sectional organizational efforts, with the CSR Committee and Green Project at the core
- Clarification of efforts to solve social issues and improve corporate value by issuing an integrated report
- Activity evaluation and improvement through a third-party organization’s activity assessment report “Nikkei SDGs Management”

## Measures for Implementation & Progress in Each Business Domain

### Offset press business

Sales in the offset press business have recovered to pre-COVID levels after plunging amid the COVID-19 pandemic. We are implementing two measures to ensure the maintenance and growth of a secure sales level. We assume response to environmental protection and shortage in human resources as major challenging issues faced by customers. Turning to the market, we regard it as important themes to expand market share in the promising package printing sector, and address region-specific needs.

In order to cope with these challenging issues, we will work to further enhance the appeal of products and strengthen their sales in the LITHRONE advance series, our flagship printing machines. Given growing demand for increased productivity in the market, we will strengthen sales of Komori's unique differentiated products such as 44-inch printers capable of efficient printing and single-pass double-sided machines that can simultaneously print both sides of paper in one pass. Moreover, we will enhance product proposals catering to market needs, including multifunction printers capable of handling from thin paper to cardboard as well as multicolor printers and reversing machines that can adapt to various types of printed matter. In addition, we will also undertake the development of products which reduce environmental load through such means as energy conservation and the use of technology for slashing waste paper and which, at the same time, adapt to market needs. We also deem the building of a Smart Factory as an important theme.

We aim to enhance our customers' productivity and profitability by visualizing, automating, and streamlining on-site scenes through the integration of our strengths, including printers, the PESP product lineup, and KP-Connect. We will build a system that allows us to propose solutions as well beyond what we have traditionally offered through your participation in the KP-Connect alliance. (▶ See Page 39)



LITHRONE G40 advance

### Security printing press business

We will execute two strategies in the security printing press business.

The first is a differentiation strategy. We will prioritize the three factors of Sustainability/Productivity/Profitability and make winning bids based on our differentiated products not available on the part of competitors. Meanwhile, we will set up a demonstration center dubbed KGC-C, featuring security printing presses, inside the Komori Graphic Technology Center (KGC). This is intended mainly for R&D on security printing technology and for nurturing printing specialists while conducting demonstration tests associated with business deals. The center is scheduled to be used for the permanent exhibition of machines for overseas markets, including gravure printing machines, dry offset presses, and combination machines capable of printing numbers and coating in a single pass. We hope to develop new products for security printing based on these activities.

The second is a strategy for the expansion of business domains. We will expand after-sale service business, including long-term maintenance contracts, thereby contributing to the optimization of product maintenance costs on the part of customers. We will also expand our sales efforts for highly counterfeit-resistant printing materials like passports and broaden our customer base beyond clients for banknote printing.



CURRENCY IC

### PESP (business transformation of sales)

The PESP initiative is intended to enhance recurring business. We will enhance solutions to minimize customer downtime. We will enhance communication with our customers as well and improve service quality by implementing planned maintenance projects integrated with preventive maintenance, expediting services through IT-based remote support, and developing recurring business through printing consultant maintenance contracts.

We will expand the PESP product lineup. We will strengthen R&D and sales activities for printing materials that are compatible with our machines and environmentally friendly. We also provide post-press equipment and offer retrofit products to enhance your existing machines. Through these measures, we provide customers with services ensuring the long-term and more secure use of our machines after their purchase.



Lineup of PESP expendables

## DPS business

We will commence field tests in China for high-quality large-format photo and art printing, on which we have been working as part of our application expansion efforts. Furthermore, as part of our new application expansion, we will be focusing on cosmetic micro flute printing used in various packaging and displays. Package printing is a growing market, and we believe that by performing cosmetic micro flute printing with the use of digital printing machines, we can contribute to environmental issues such as reducing transportation costs and promoting effective recycling by producing required quantity as needed.



Impremia NS40

## MBO business

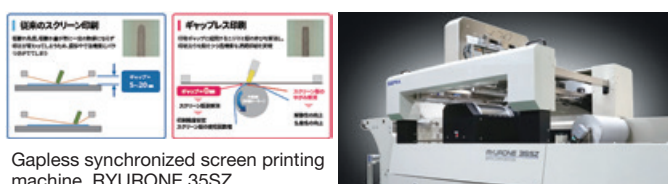
We are committed to continuous digitalization and Industry 4.0 technologies, leveraging machine networking, big data analysis and utilization to optimize production processes, and the use of automation and robotics. Furthermore, we are also working on the use of AI for automating complex tasks, optimizing production processes, and moving toward predictive maintenance.



MBO CoBo-Stack + MBO A80 + MBO K8RS

## PE business

We will strengthen equipment proposals to enhance manufacturing productivity by responding to an anticipated medium- to long-term increase in demand for electronic components and PKG boards, leveraging fully automatic printing machines and automated equipment using FA technology. We have significantly strengthened our PE business as a growth initiative and changed our management structure to integrate element technology development, manufacturing and sales of Komori Corporation, SERIA CORPORATION and SERIA ENGINEERING, INC.



Gapless synchronized screen printing machine RYURONE 35SZ

## Progress in Sixth Medium-Term Management Plan and challenging issues

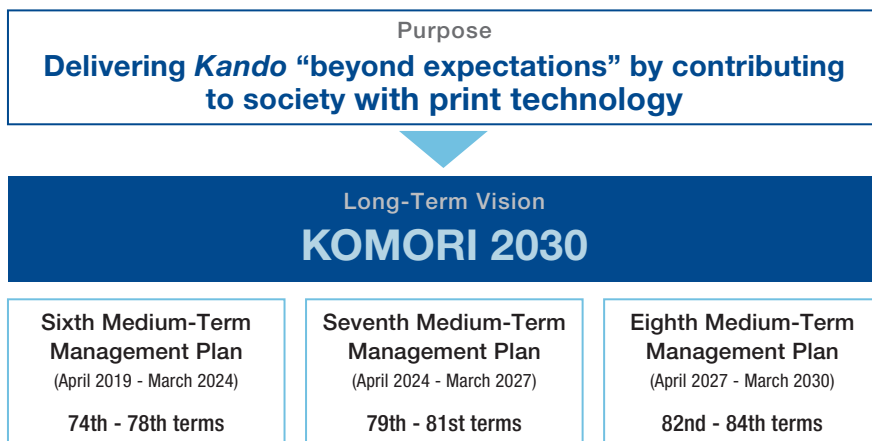
In the fiscal year ended March 31, 2023, the fourth year of the Management Plan, orders received leveled off from the previous fiscal year at ¥97.4 billion while net sales rose 12% year on year to ¥97.9 billion. Operating income absorbed the increases in personnel costs and soaring raw material prices through revenue growth and the yen's depreciation, scoring a 152% surge to ¥5.7 billion (operating income margin of 5.8%), significantly exceeding the planned figure of ¥4.4 billion. Meanwhile, our performance outlook for the fiscal year ending March 31, 2024, which is the final year of the Management Plan, is as follows, based on exchange rate assumptions of ¥125 to the U.S. dollar (against the previous year's actual rate of ¥134.95) and ¥135 to the euro (against the previous year's actual rate of ¥141.24): Orders received, up 4% year on year to ¥101.0 billion; net sales, also up 4% to ¥102.0 billion; and operating income, down 47% to ¥3.3 billion (operating income margin of 3.2%). The differences from the numerical target for operating income forecast under the Management Plan are primarily attributed to factors such as delays in resolving supply challenges caused by the COVID-19 pandemic, as well as delays in realizing the effects of product price increases. We expect to continue striving to achieve target numbers under the Plan.

Target numbers	Sixth Medium-Term Management Plan			
	Results for FY2020	Results for FY2021	Results for FY2022	Results for FY2023*2
Orders received in 100 million yen	717	976	974	1,010
Net sales in 100 million yen	718	876	979	1,020
Operating income in 100 million yen	(23)	23	57	33
Operating income ratio to net sales: %	-3.2	2.6	5.8	3.2
ROE: %	-2.1	6.1	5.4	-
PESP/recurring revenue in 100 million yen	216	284	293	294
Sales ratio: %	30.1	32.4	29.9	28.8
Equity ratio: %	67.6	65.8	64.6	65-70
Total return ratio: %	-	66.3*1	69.3*1	80
US\$: yen	106.17	112.86	134.95	125
€: yen	123.73	131.01	141.24	135

\*1 Actual rates after excluding income taxes deferred for prior periods: 80.4% for FY2021, 81.7% for FY2022 \*2 Forecast for FY2023: Announced May 15, 2023





## Long-Term Vision “Komori 2030” Adopted Based on Corporate Purpose

Based on the Komori Group’s newly formulated corporate purpose, “Delivering *Kando* ‘beyond expectations’ by contributing to society with print technology,” we have established a long-term vision called “Komori 2030” for each business division in anticipation of the Seventh Medium-Term Management Plan starting in April 2024 (covering the three-year period from FY2024 to FY2026) and the subsequent Eighth Medium-Term Management Plan (from FY2027 to FY2029). Anticipating long-term social issues and megatrends, we use them to guide our efforts for value creation toward 2030 and for the ideal state of each business segment. We are scheduled to announce the next plan, the Seventh Medium-Term Management Plan, in May 2024.



### Four social issues to be tackled

The Komori Group has taken up the following four matters as social issues/megatrends to be tackled: (1) Environmental destruction & waste problems, (2) decarbonization, (3) changes in social infrastructure generated by acceleration of digital transformation, and (4) complication & diversification of global society. In response to these challenges, the Komori Group supports society and brings about *Kando* “beyond expectations” with three solutions resulting from business transformation. The Group does so through its value creation platform of print technology and the following six initiatives: “Promoting solution business,” “creating a Smart Factory,” “pursuing open innovation,” “globalizing business and human resources,” “seeking strategic investments, including M&A,” and “pursuing high management quality.”

Social Issues/Megatrends	
	<p><b>Environmental destruction &amp; waste problems</b></p> <ul style="list-style-type: none"> <li>• Growing energy-saving needs</li> <li>• Produce only necessary amount of necessary goods to reduce environmental impact</li> <li>• Treat microplastics/chemical substances/hazardous waste, and increase reuseable materials</li> </ul>
	<p><b>Decarbonization</b></p> <ul style="list-style-type: none"> <li>• Initiatives for carbon neutrality</li> <li>• Ozone layer depletion/global warming</li> <li>• Conversion to natural energy</li> </ul>
	<p><b>Changes in social infrastructure generated by acceleration of digital transformation</b></p> <ul style="list-style-type: none"> <li>• Response to EC market expansion</li> <li>• Advanced information society and leakage of personal information</li> <li>• Spread of digital currency &amp; counterfeit goods</li> </ul>
	<p><b>Complication &amp; diversification of global society</b></p> <ul style="list-style-type: none"> <li>• Labor shortage in advanced regions due to sagging birthrate and aging population</li> <li>• Shift to high value-added labor through automation of menial jobs</li> <li>• Spread of different values according to regions</li> </ul>

### Komori's role

We believe a “value creation engine ” is necessary to fulfill Komori's role in addressing social issues/megatrends. We believe that we can create this “value creation engine” by leveraging the synergy of “print technology” and “company-wide efforts for value creation.”

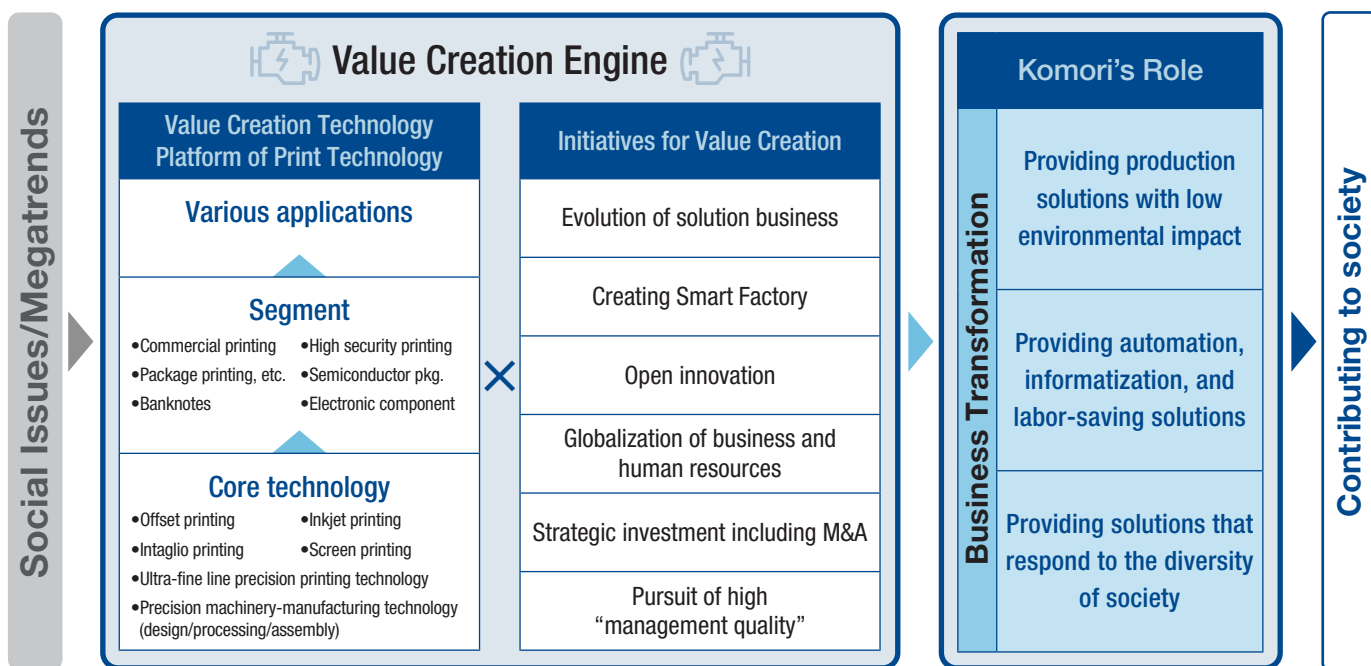
The “value creation engine” will act as a driving force for advancing our corporate purpose and, through this, we will drive business transformation and contribute to society by providing the three solutions that leverage Komori's role. Namely:

- We provide “production solutions with low environmental impact ” by creating a new solution business derived from sophisticated print technology.
- We provide “automation, digitalization and labor-saving solutions” by integrating print technology with production quality data, optimized workflows, etc. that constitute a Smart Factory.
- To enable the utilization of print technology in new domains, we achieve open innovation and globalization, thereby providing “solutions that cater to social diversity.”

We will perform Komori's role by generating technological innovation of print technology and providing solutions.

## Long-Term Vision “Komori 2030”

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



# Contributing to realizing eco-friendly Smart Factory anyone can safely operate

## Offset Press Business



- Provide products/services meeting market needs
- Provide High productivity leveraged by environmental and robotics technologies
- Expand customer support based on products for repair/maintenance



Managing Director,  
Group General Manager of Offset Business Group  
and Tsukuba Plant

Koichi Matsuno

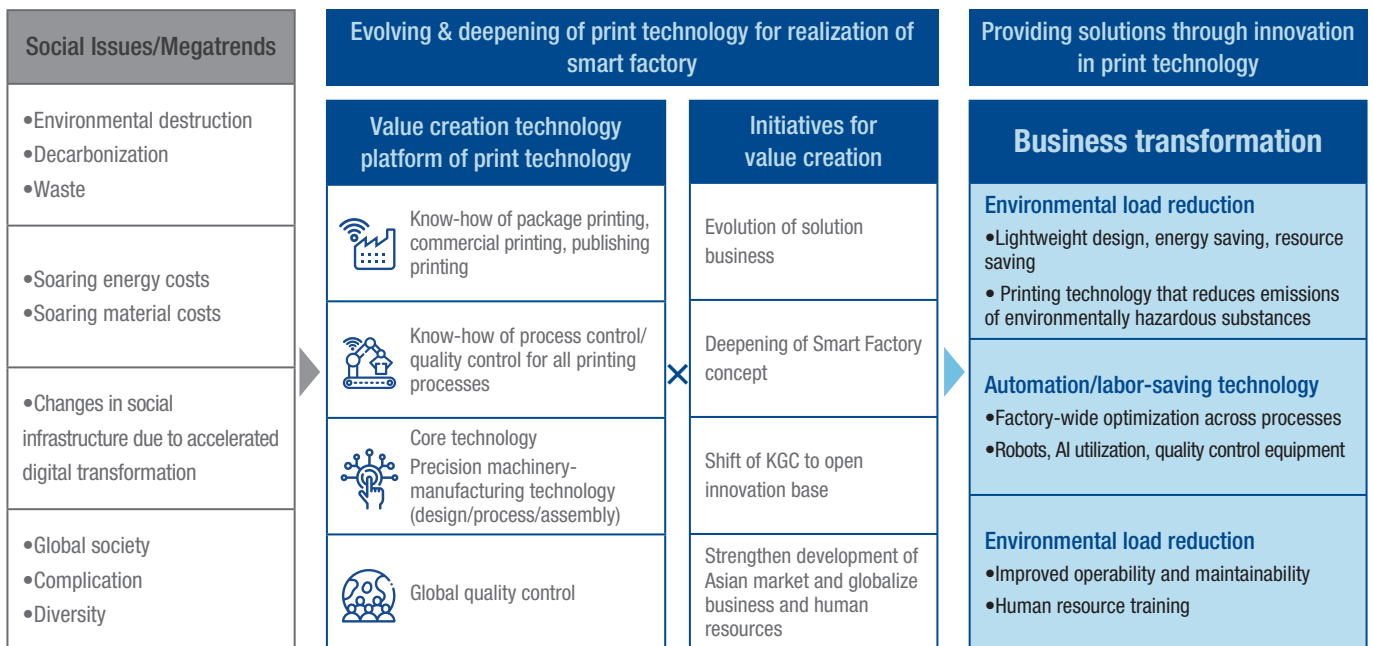
The environment surrounding the offset press business, continuing since our company's establishment, has undergone significant changes in recent years.

The business environment for our customers, particularly in packaging printing, is performing well while the commercial printing market continues to shrink. Reorganization of printing companies is underway along with such a change in the market environment. Furthermore, the rising costs of raw materials like paper, and a shortage of skilled labor capable of operating printing machinery have become increasingly prominent on a global scale. There is a growing demand for significant improvement in productivity and user-friendly printing machines. On the other hand, the expanding global environmental concerns require a reduction in environmental impact, decarbonization, and the resolution of waste problems.

To address these challenges faced by our customers, we will further deepen our print technology, which is primarily based on precision machinery manufacturing technology developed over the years, for Komori's offset printing presses. We are committed to decarbonization through the development of functions to reduce paper waste in response to the rising costs of energy and raw materials, and through the reduction of energy consumption to address environmental concerns, among other measures. We are also addressing the shortage of skilled labor by improving the user-friendliness of printing machine operation and maintenance. Additionally, we are working to provide labor-saving solutions, such as the automation of quality inspection and that of post-processing logistics using robots and AGVs, thus aligning with the voices of customers aiming to realize a Smart Factory.

Meanwhile, we will strive to enhance the sustainability of the offset press business as Komori's core business. Our business revenues are increasingly coming from overseas, and we are promoting the strengthening of our global quality management structure. Simultaneously, we are working toward efficient manufacturing and improved operational efficiency to enhance the profitability of our offset press business.

In the future as well, building on our century-long history, we will continue to focus on the offset press business as a foundational business geared to Komori's sustained growth by "contributing to realizing a Smart Factory with eco-friendly printing systems anyone can safely operate."





# Contributing to protecting the identities of individuals, companies and nations worldwide with “security printing technology”

## Security Printing Business



- Propose solutions contributing to protecting diverse identities
- Respond to diverse needs in countries worldwide



Managing Operating Officer,  
Group General Manager of Security Press Business Group

Junya Shimada

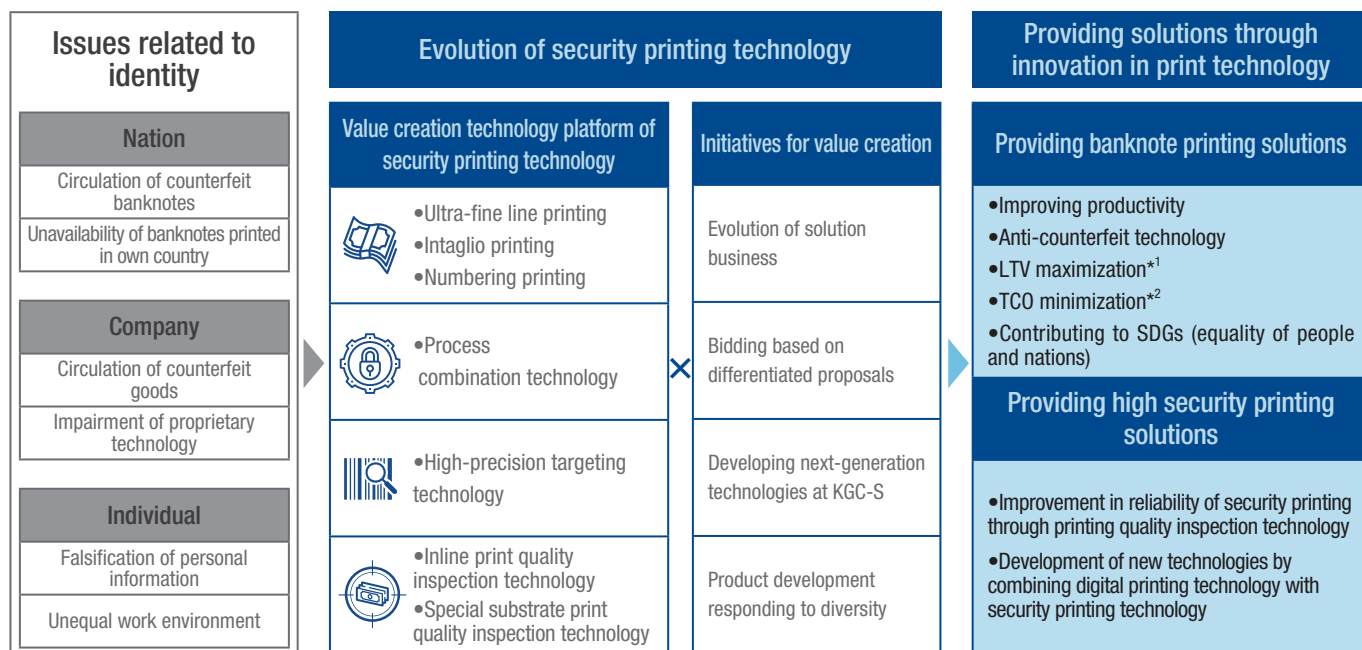
The security printing business, including the banknote printing business that began in 1958, plays a crucial role as a foundational business for Komori, along with the offset press business.

We are currently providing banknote printing solutions in 36 countries around the world, and as we expand our business globally, we receive various needs and requirements. As we continue to combat counterfeit banknotes on a global scale, there are countries that cannot print their own banknotes even if they want to, and different solutions are required depending on each country's circumstances.

The needs for security printing extends beyond preventing counterfeit banknotes, as companies are increasingly seeking solutions for brand protection. The necessity for preventing counterfeits and safeguarding proprietary technology has become more prominent. Furthermore, preventing tampering with documents containing personal information, such as passports and ID cards, has become a challenging issue to be addressed internationally.

In addition to security printing, there is a growing need from the perspective of achieving one of the Sustainable Development Goals (SDGs), which aims to eliminate inequalities among people and nations. Regardless of age, gender, or the size of a country, the development of printing machines that enable all individuals and nations to operate them equally is becoming increasingly important.

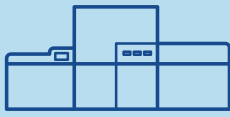
In light of such an environment, we will continue to further advance security printing technology for banknote printing at the national level, aiming to enhance productivity and develop additional counterfeit prevention techniques. Furthermore, for businesses and individuals, we will strive to meet their needs for enhancing the reliability of high-level security printing by developing new printing technology that combines digital printing with security printing, and improving security printing trustworthiness. In the securities printing business, we will contribute, through these efforts, to safeguarding the identities of individuals, businesses and nations worldwide with “security printing technology.”



\*<sup>1</sup> LTV=Life Time Value \*<sup>2</sup> TCO=Total Cost Ownership

# Contributing to low-carbon society by taking advantage of digital printing technology

## DPS Business



- Develop new applications toward market creation
- Differentiate from other companies and enhance competitiveness through improved product value
- Foray into new domains through use of digital printing technology



Director, Senior Operating Officer,  
Group General Manager of DPS Business Unit and  
Technical Management Group

Isao Funabashi

The DPS business, which delivers digital printing machines, has become even more crucial in an era where the SDGs are demanded.

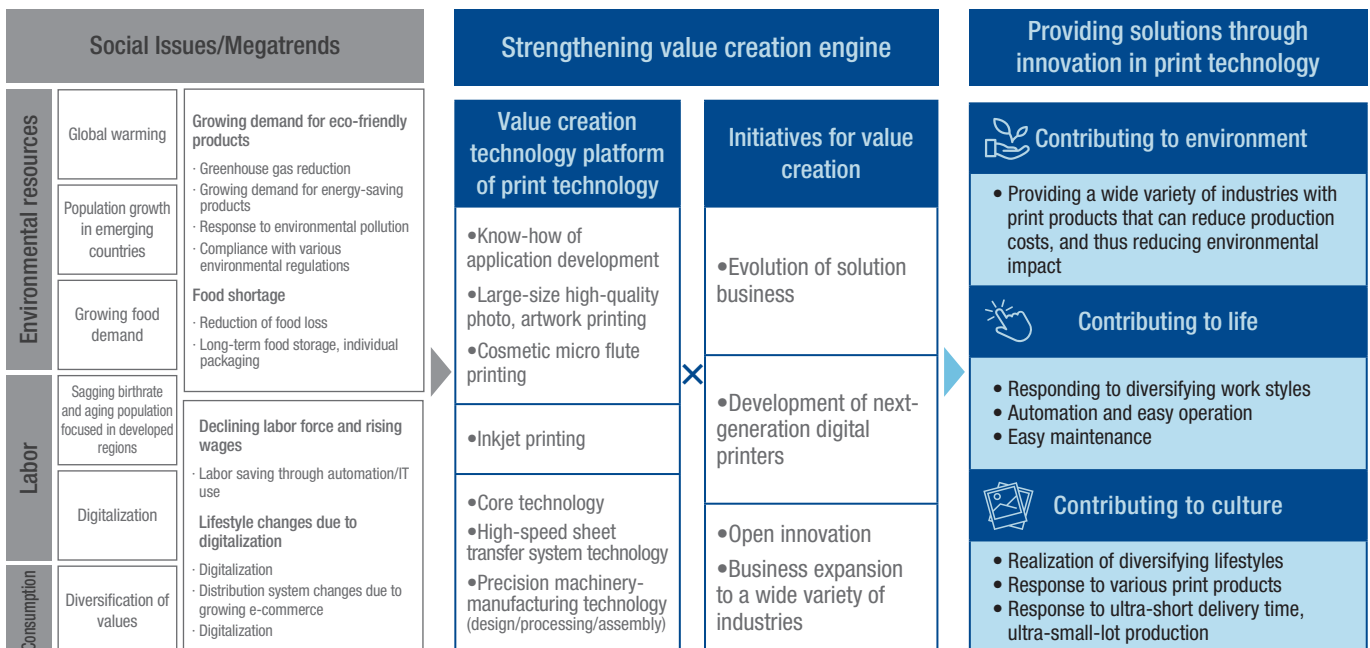
The era of mass production and mass consumption has come to an end amid the worsening environmental problems, and there is a growing demand for producing only the necessary amount when needed, as well as reducing CO<sub>2</sub> emissions. Furthermore, the trend of individual packaging, aimed at reducing food loss, has emerged due to food shortages stemming from population growth underway in emerging countries. On the other hand, there is a demand for production systems that can operate with fewer personnel or without any human involvement in advanced countries against the backdrop of a shrinking labor population. Moreover, there are calls for response to the expansion of e-commerce and for data management through IT, both trends driven by digitalization-caused changes in consumer behavior.

To address these diverse social challenges, we will continue efforts in our DPS business to leverage the features of digital printing machines and contribute to the development of culture and livelihood in a low-carbon society.

As for our environmental initiatives, we will strive to provide solutions for CO<sub>2</sub> reduction by supplying a wide range of industries with eco-friendly digital printing machines capable of reducing environmental impact.

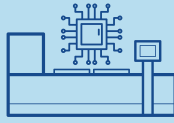
In response to changes in lifestyle, we are working to provide printing machines that can adapt to the diversifying ways of work. We aim to offer solutions accessible to anyone, regardless of the years of experience or gender, and enabling efficient production through automation, easy operation, and simple maintenance.

In connection with cultural changes, we are committed to providing printing machines that can accommodate various print products tailored to the diverse lifestyles. By so doing, we will seek to meet the need for print products that enhance added value for a wide range of industries, offering solutions permitting ultra-short delivery time and ultra-small-lot production.



# Contributing to improving productivity of eco-friendly manufacturing and to sustainability of social life with “print technology” and “automation and FA technology”

## PE Business



- Developing manufacturing solutions for PE
- Developing elemental technologies for electronic parts/semiconductor domain



Operating Officer, Group General Manager of PE Business Group and General Manager of Business Promotion Department

Takashi Fujimoto

Let me explain our efforts in the printed electronics (PE) business, a new growth business. Electric vehicles (EVs) are spreading rapidly against the background of the current era when we are required to achieve decarbonization. In the EV sector, a large number of semiconductors and electronic components are used compared with traditional automobiles, which is leading to the expansion of demand for semiconductor and electronic parts production.

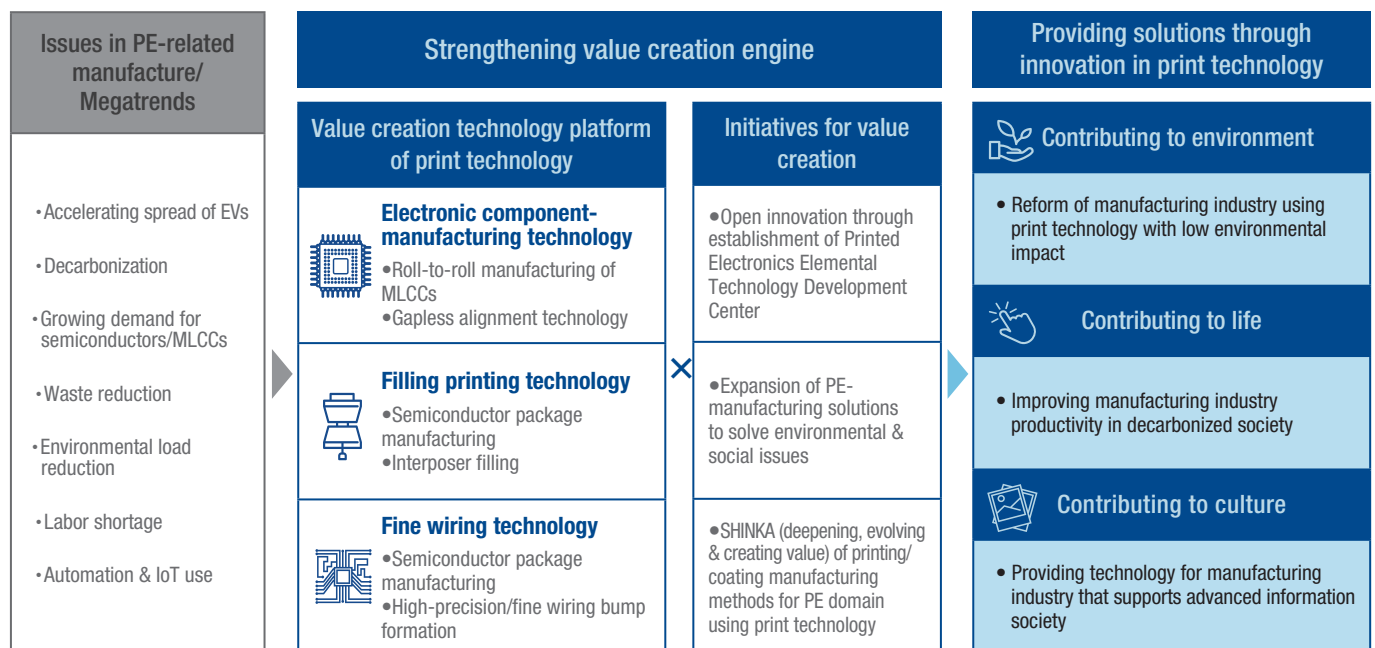
On the other hand, we face the challenging issues of lowering environmental impact and reducing waste in the process of semiconductor and electronic parts production. At the site of production, there is also a need for automation and use of IoT to address labor shortages.

In addressing these challenges, our PE business is committed to utilizing “print technology” and “automation and FA technology” to enhance productivity in environment-conscious manufacturing and contribute to the sustainability of our society.

We have developed fine wiring technology by applying gravure offset printing technology as a solution for the manufacture of semiconductor packages and electronic components using print technology. Furthermore, we have commercialized filling printing technology for interposer filling in laminate semiconductor packages. Additionally, we have established roll-to-roll electronic component-manufacturing technology to produce, with high productivity, multi-layer ceramic capacitors (MLCCs) used extensively in EVs.

With these print technologies as our technical foundation, we have established the Printed Electronics Elemental Technology Development Center (PEDEC) at our Tsukuba Plant. Together with our customers and partner companies, we will push ahead with the development of new applications through open innovation.

In the PE business, we will further enhance elemental technology development, aiming to establish printing and coating manufacturing methods for PE products using environmentally friendly print technology. Furthermore, we are working to expand our PE manufacturing solutions to address environmental issues and societal challenges.



# Based on the “Komori 2030 Long-Term Vision,” we will increase investment under the upcoming Seventh Medium-Term Management Plan.

Director, Operating Officer and  
General Manager of Administrative Division

Iwao Hashimoto



## Komori’s financial/capital policies, & financial officer’s role

In the current fiscal year ending in March 2024, Komori is in the final year of the Sixth Medium-Term Management Plan. The key point of financial and capital strategies here is to strive to build an optimal capital structure by maintaining financial soundness, executing management with an awareness of capital efficiency, and enhancing shareholder returns. Specifically, it is to improve capital efficiency by reducing total assets in the balance sheet. Our key performance indicators (KPIs) targeted for the fiscal year ending March 31, 2024, are as follows: (1) ROE of 5.3%; (2) operating income ratio of 7%; and (3) equity ratio of 65-70%, with a total return ratio of 80% or more.

Currently, in my role as the financial officer, my primary responsibility is to secure investment funds and shareholder return

funds for the upcoming Seventh Medium-Term Management Plan starting next fiscal year. More specifically, my focus is on improving the profitability of our core offset press business and enhancing our cash generation capability. In alignment with this, we strengthened the cash management of our overseas subsidiaries in the fiscal year ended in March 2023, consolidating funds at Komori headquarters.

The second aspect of my responsibility involves strengthening our internal management structure. With the introduction of a business group system in April 2023, we have set made clear specific cost awareness and profitability targets for each business division. Finally, ensuring financial stability is crucial, and it is important to maintain financial soundness, including effective management of funding costs.

### Results as of March 31, 2019: Net Assets ¥130.2 billion

Current Assets <b>¥109.5 billion</b> Cash and Deposits <b>49.1</b> Inventories <b>32.2</b>	Liabilities <b>¥37.2 billion</b>
Noncurrent Assets <b>¥57.9 billion</b>	Net Assets <b>¥130.2 billion</b> (Equity ratio 78%)



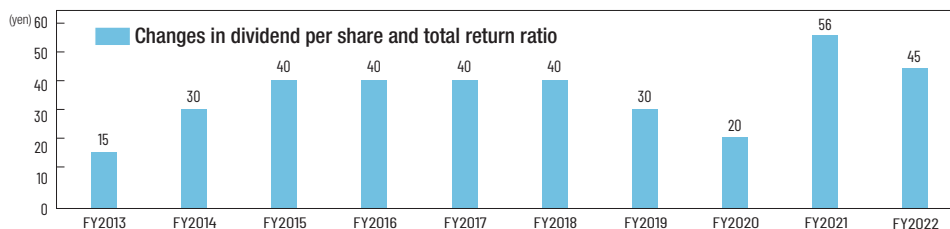
### Results as of March 31, 2023: Net Assets ¥107.1 billion

Current Assets <b>¥123.6 billion</b> Cash and Deposits <b>47.6</b> Inventories <b>37.4</b>	Liabilities <b>¥58.4 billion</b>
Noncurrent Assets <b>¥41.9 billion</b>	Net Assets <b>¥107.1 billion</b> (Equity ratio 65%)

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

The achievements of the Sixth Medium-Term Management Plan include enhancing shareholder returns while compressing net assets, thus maintaining financial soundness. The compression of total assets did not progress as initially planned due to such factors as an inventory increase stemming from supply chain disruptions, including parts shortages in the past few years. Another factor was the yen’s depreciation. Despite these challenges, certain achievements have been realized. On the flip side, we have given top priority to tackling

the parts supply issue, resulting in delays to the latter half of this fiscal year or later in passing on the increased costs of raw materials to higher product prices. In the face of such a challenging issue, it appears tough to achieve KPIs (1) and (2). In terms of business segments, the Advance series of offset printing machines, which enhanced return on investment (ROI), significantly contributed to revenue improvement. However, the DPS business is likely to cause a great impact because of its sales delays and unmet recurring income target.



Total Return Ratio (%)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	6.8	24.6	38	1138.2	75.7	163.1	-	-	66.4 <sup>*1</sup>	69.3 <sup>*1</sup>

\*1 80.4% (FY2021) and 81.7% (FY2022) excluding income taxes-deferred for prior periods

In the current Sixth Medium-Term Management Plan, the cash allocation over a period of five years is projected as follows: Cash inflow of approximately ¥32.0 billion (including operating cash flow of about ¥28.0 billion) and cash outflow of around ¥10.0 billion for capital expenditure, about ¥15.0 billion for shareholder returns, and approximately ¥7.0 billion for activities such as M&A deals. We plan to spend around ¥4.7 billion in capital expenditure for the current fiscal year, focusing on SDGs-related initiatives and a PE research facility. However, we feel the lingering impact of the low levels of investment from FY2019 to FY2020. The compression of total assets has been at

the forefront of our capital policy, and there has not been any significant increase in specific investment. M&A activities included the acquisitions of the Germany-based MBO group, and of sales companies in China and India, all of which have been made subsidiaries. However, the financial magnitude of these acquisitions was not substantial. The cash allocation under the Sixth Medium-Term Management Plan is featured by the fact that shareholder returns, including share buybacks, account for approximately half of the cash outflow. As a result, we anticipate that the liquidity on hand at the end of FY2023 in March 2024 will be approximately the same as it was at the end of FY2018 in March 2019.

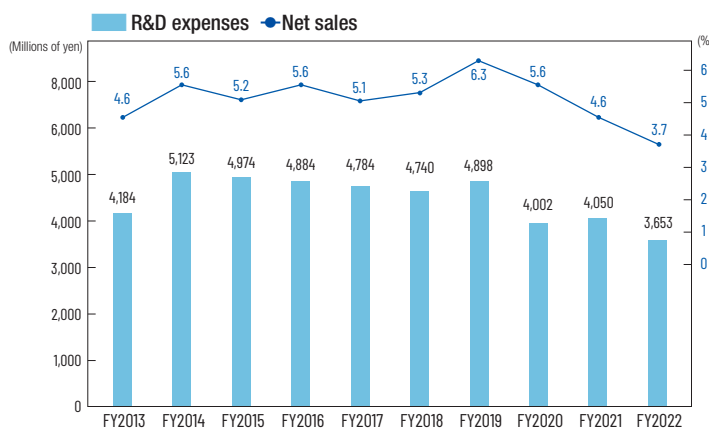
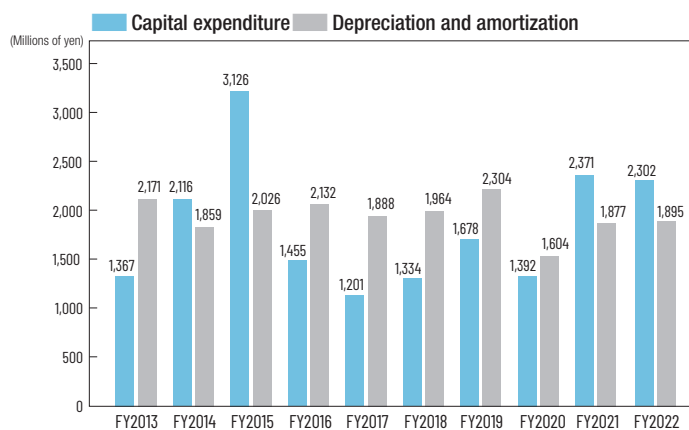
## Direction of financial and capital policies under the Seventh Medium-Term Management Plan

At present, we are formulating our financial and capital policies under the Seventh Medium-Term Management Plan (FY2024 to FY2026) which begins in April 2024. The difference in cash allocation under the Seventh Plan compared with the Sixth Plan lies in the intention to allocate funds to priority areas. Specifically, we plan to increase investment in growth areas, including M&A. Aiming to expand the print technology domain beyond the existing offset press and security printing businesses, we are considering making investment in enhancing production capacity in the PE and DPS businesses as well as promoting M&A deals.

We will set the cost of shareholder equity for investment at 6-7%, and aim for returns exceeding that level, keeping this factor in mind during the investment process. While increasing investment, we will maintain an equity ratio of around 60% as financial soundness is crucial for the continuity of the overseas security printing machine business. Our M&A plan involves the assessment of an acquisition

price using indicators such as the DCF method and the EV/EBITDA multiple, taking into account potential future synergies and returns. The presence of a competent and capable management team at the acquisition target is deemed crucial in this evaluation process. Additionally, as part of our response to multiple stakeholders, we plan to increase investment in human capital and shorten payment cycles to partner companies. While maintaining a high total return ratio, we will shift the focus of cash allocation toward investment that contributes to growth.

In the Long-Term Vision “Komori 2030,” the Seventh Medium-Term Management Plan corresponds to a period of advanced investment in building the foundation to achieve the vision. We aim to enhance profitability under the Eighth Medium-Term Management Plan, based on the groundwork laid during the preceding period. Therefore, we will consider the optimal capital structure separately for the Seventh and Eighth Medium-Term Management Plans.



### Continuing to enhance PESP business

In order for Komori to increase profitability in the medium to long term, it remains crucial to expand the PESP business, which generates higher margins than product themselves. The PESP business accounted for 30% of total net sales in the fiscal year ended March 31, 2023. There is still room for business expansion here, especially in conjunction with KP-Connect, and the key is to strategically address challenges such as labor shortages on the part of customers and component shortages.

When Komori introduced the business group system in April 2023, it integrated the service departments of domestic sales, overseas sales and security printing, resulting in a change in the

organizational structure as well.

Among these, we believe there is significant room for expansion in the services of overseas offset printing and security printing. We will extend the PESP business, including the streamlining of these structures. There are ample opportunities to grow the PESP business in the medium to long term as Komori has a share of approximately 50% in the security printing press market (only one competitor in the world), and sales volume of security printing presses has been increasing globally over the past several years. (▶See Page 40)

### Information disclosure policy, shareholder/investor engagement, and corporate value

Regard information disclosure, we have integrated our Annual Report and Environmental and Social Responsibility Report into a single Integrated Report, starting from the fiscal year ended March 31, 2021, to enrich the contents, including not only financial but also non-financial information. One of the challenges is to expedite the disclosure of the English version of the Integrated Report, narrowing the gap with the Japanese version. With an increasing number of inquiries from overseas investors, we aim to leverage this trend for dialogue and engagement with shareholders and investors. Our earnings briefings, conducted four times a year, have become more dynamic than before, with the use of a web-based format allowing for the acceptance of pre-submitted questions as well.

We recognize that Komori’s corporate value is perceived with

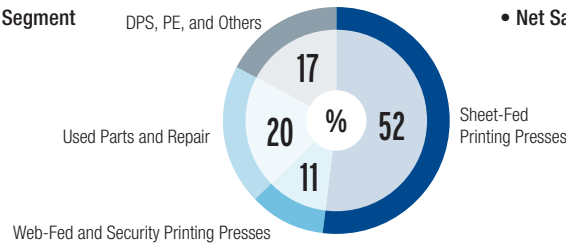
a strong image of a mature company in the offset printing press-focused business. There is also an awareness of a lack of public relations efforts, as reflected in the current relatively low price-to-book value ratio (PBR) as a stock valuation indicator. As we go forward, it is essential to present investors with a compelling narrative that anticipates future revenue expansion. Anchored in our corporate purpose and aligned with the Long-Term Vision “Komori 2030,” achieving business transformation through the three pillars of SHINKA (deepening, progress and true value) in print technology is crucial. To enhance corporate value, it is indispensable to heighten growth expectations, realize the vision of becoming “a company that delivers *Kando* beyond expectations,” and engage in co-creation with multiple stakeholders.

## Segment Highlights

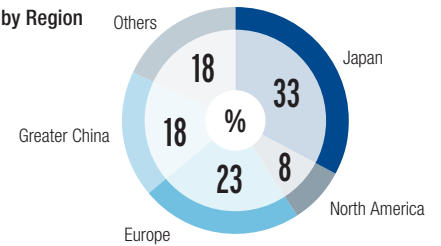
In the fiscal year ended March 31, 2023, the business of our flagship sheet-fed printing presses accounted for 52% of consolidated net sales; web-fed offset press and security printing press businesses 11%; used parts and repair businesses 20%; and DPS, PE and other businesses 17%. Referring to the regional composition of net sales, Japan accounted for 33%, North America 8%, Europe 23%, Greater China 18%, and other regions 18%.

<p><b>Sheet-Fed Printing Press Business</b> (Sheet-fed offset printing presses)</p>	<p>Offset printing is the most common type of printing method today using a plate, in which the inked image is transferred from a plate (off) to a blanket and then to the printing surface (set). Sheet-fed printing presses print on individual sheets of paper cut in advance. Presses of this type boast high-accuracy, high-quality and high-speed printing capabilities. Thus, these presses are suitable for commercial printing matter such as catalogs and posters as well as package printing. Komori's printing system boasts the ability to accommodate paper as large as 840mm × 1,150mm. Ink for offset printing comes in various types, including oil-based and UV ink. In addition to the four colors of cyan, magenta, yellow, and black, a spot color, gold, and silver are available for multi-color printing. Offset printing is said to account for about 70% of the world print output.</p>
<p><b>Web-Fed and Security Printing Press Business</b></p>	<p>Web-fed offset presses have the same structure as sheet-fed offset printing presses. However, unlike sheet-fed printing presses which print on individual sheets, web-fed offset presses print on a continuous roll of paper, the pages being cut to size and folded after having been printed. Therefore, these presses boast very high productivity. These presses are suitable mainly for high-quality, large-volume commercial printing matter such as magazines, ad inserts, etc.</p>
<p><b>Digital Printing System (DPS) Business</b> <b>Printed Electronics (PE) Business</b> <b>Others</b></p>	<p>With a digital printing press, digital-based images can be sent directly to the printing press to print. There is no need for a printing plate, unlike with offset printing. Because it takes only a short time to print after printing data is created, it is mainly used for short turnarounds and small print runs. It is then able to perform variable printing with customized information on each piece of paper, adding high value, including personalization and versioning, to satisfy the customer's printing needs. In addition, the printing press is easy to operate.</p> <p>Printed Electronics (PE) refers to a technology for manufacturing electronic circuits and components using printing technologies. SERIA CORPORATION, a Komori Group subsidiary, is engaged in developing and manufacturing gravure offset printing machines (PEPIO Series) for the printing of fine lines with high quality and high productivity for the manufacture of touchscreens, such as those for smartphones, and screen printing presses for electronic components such as the MLCC.</p>
<p><b>PESP Business</b></p>	<p>Thus far, Komori has been expanding its business with a focus on printing machinery and maintenance services. In recent years, however, we are aiming at promoting the Print Engineering Service Provider (PESP) business to help resolve various issues our customers may face and at the same time enhancing the recurring income business. Its business domains include a broad lineup of digital printing systems, and preceding and subsequent processes, as well as printing-related materials such as ink and various parts.</p>

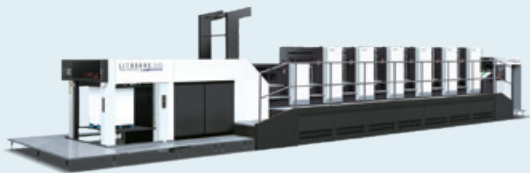
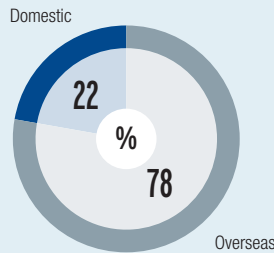
• Net Sales by Segment



• Net Sales by Region

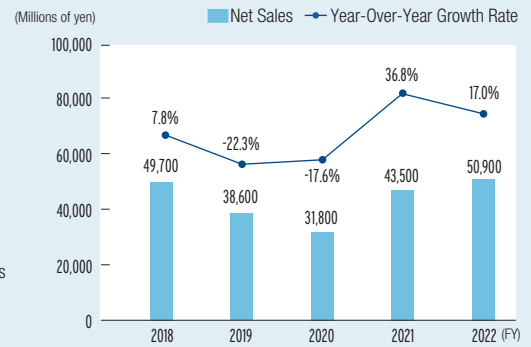


• Overseas Sales Ratio

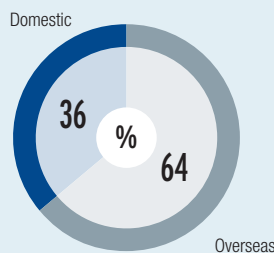


**LITHRONE G40 advance**  
40" Sheet-Fed Offset Printing Press

• Net Sales and Year-Over-Year Growth Rate

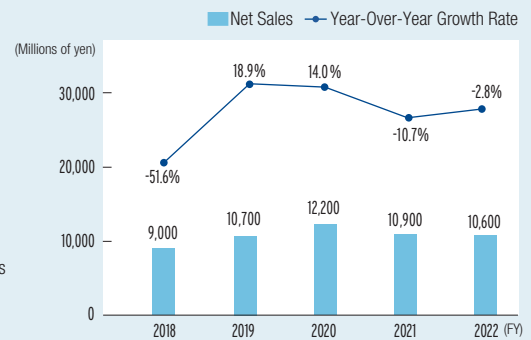


• Overseas Sales Ratio



**CURRENCY IC**  
Multicolor Intaglio Press

• Net Sales and Year-Over-Year Growth Rate

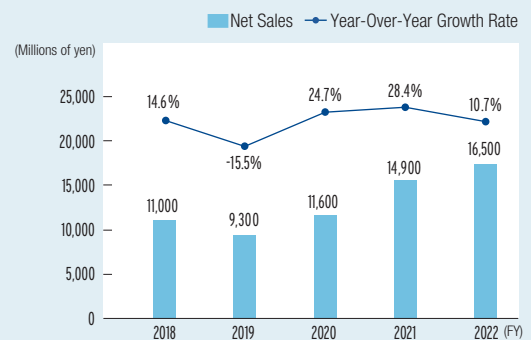


**Impremia NS40**  
40-inch Sheetfed Nanographic Printing® System

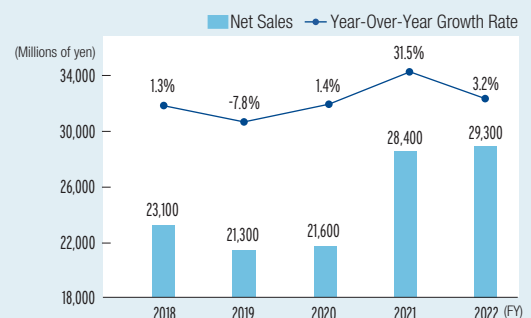


**PEPIO F6**  
Semi-Auto Gravure Offset Printing Press

• Net Sales and Year-Over-Year Growth Rate

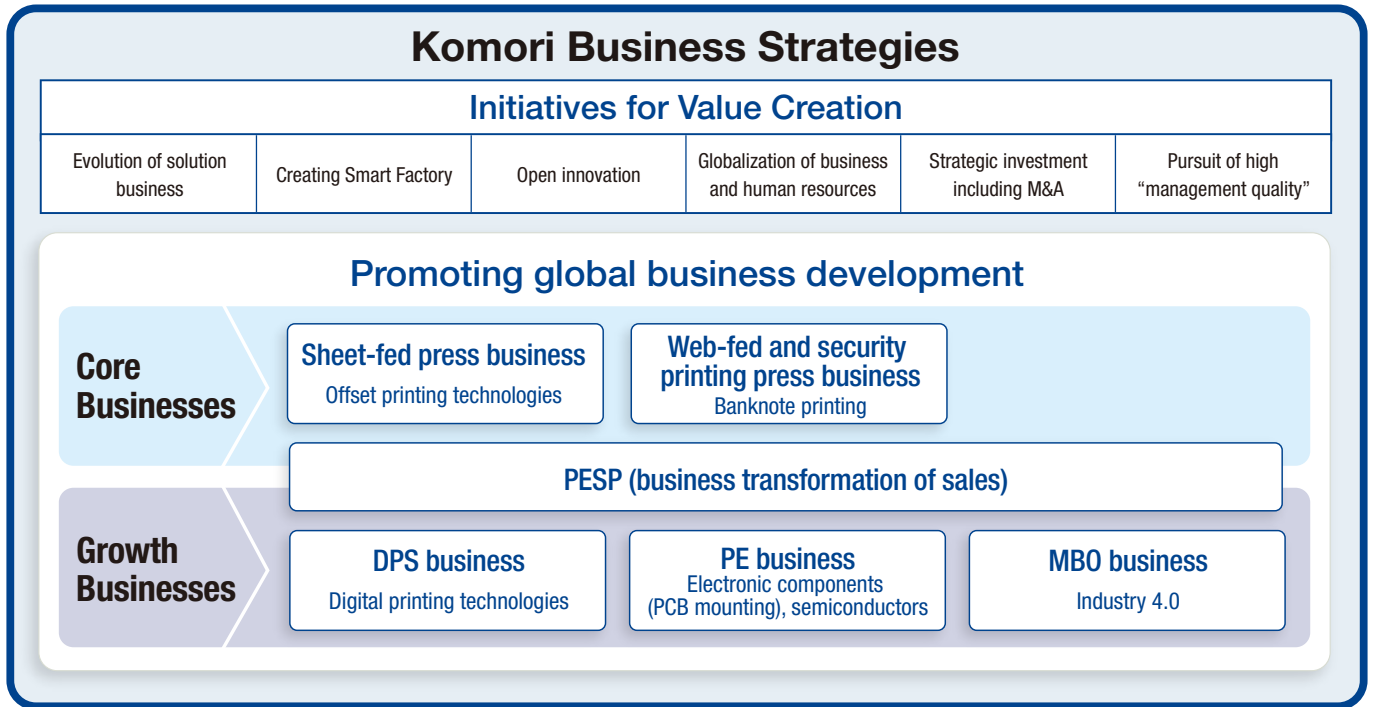


• Net Sales and Year-Over-Year Growth Rate



\*PESP sales consist of sales of PESP and services generated in each segment.

# Komori Business Strategies: Initiatives for Value Creation

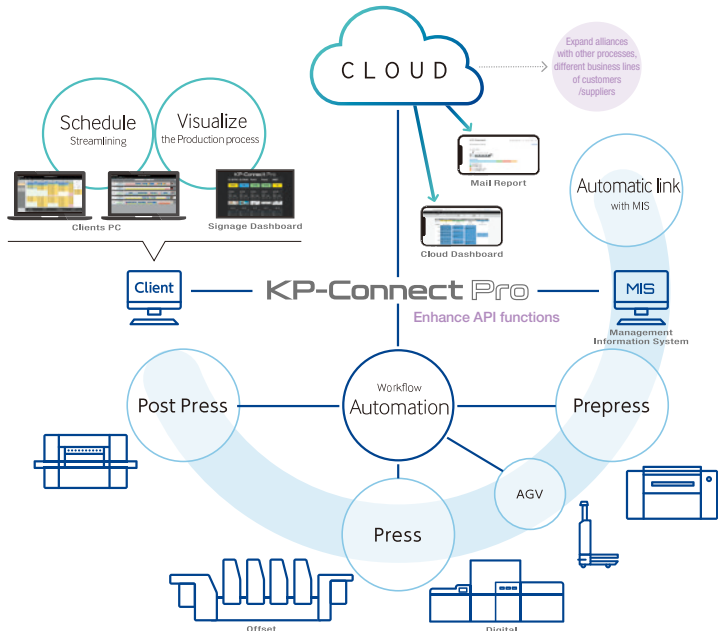


## Enhancing corporate partnerships toward turning KGC into Smart Factory

Initiatives for Value Creation					
Evolution of solution business	Creating Smart Factory	Open innovation	Globalization of business and human resources	Strategic investment including M&A	Pursuit of high "management quality"

Komori is making headway in its efforts toward Smart Factory creation. We are advancing Connected Automation as a concept of connecting machinery and production systems equipped with labor-saving and automation technologies, with the concept built around KP-Connect as a central hub. Currently, KP-Connect's primary function is digital transformation (DX) to "digitize and visualize" analog management in factories. However, in February 2023, we announced an inter-company alliance with the aim of achieving the Smart Factory transformation of the entire printing workflow. A plan to design and develop KP-Connect's API is being put into shape to enhance the efficiency of paper transport using automated guided vehicles (AGVs) and to seamlessly connect with a broader range of processes, products, equipment, etc. We aim to enhance the value and functions of KP-Connect, realize an effective Smart Factory beyond corporate boundaries, and contribute to the DX of printing companies. Currently, 80% of KP-Connect users are domestic companies, but we plan to establish a cloud environment that can support companies in major foreign countries such as those in Europe and North America as well as China. We anticipate expanding the scope of our presence abroad in the future.

It is essential for our customers to actually experience these initiatives undertaken by Komori. The Komori Graphic Technology Center (KGC) goes beyond the traditional showroom function and has research and development capabilities for building solutions that enhance the added value of customers' factories. It is a facility where customers can experience these solutions firsthand. In order to enhance the productivity of a printing factory as a whole, Komori has digitally connected not only its printing machines but also equipment of allied companies, including from prepress to post-press and in-house logistics. This has realized the visualization, automation and streamlining of the production process in an easy-to-understand manner.



A scene of press conference in February 2023



### KGC-S / Komori Global Center – Security

#### Initiatives for Value Creation

Evolution of solution business	Creating Smart Factory	Open innovation	Globalization of business and human resources	Strategic investment including M&A	Pursuit of high "management quality"
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We opened the Komori Global Center-Security (KGC-S) in the premises of the Tsukuba Plant in October 2023. Komori has established a state-of-the-art facility to provide its security printing technology, fine-tuned over 65 years, to government agencies, printing companies, and their suppliers interested in banknotes and other areas of high-security printing. The facility has leading-edge equipment for printing demonstrations, training, R&D activities, etc.



KGC-S is founded on the concepts of "Power to the Print" and "Trust in Print." The foundational printing technology for banknote printing consists of offset printing, intaglio printing, and number printing. All of them are indispensable and important security printing technologies. Recent trends show cases where security devices effective for counterfeit prevention are also incorporated in addition to this foundational printing technology. Komori will further strengthen the foundational printing technology at KGC-S. However, the circulation of counterfeit notes continues unabated, underscoring the increasing importance of Komori's foundational printing technology. KGC-S is equipped with a banknote printing machine and system that can embody various security printing technologies. The facility has in place a structure where security printing experts address challenging issues faced by customers. Komori aspires to be a trusted name for government agencies, printing companies, and their suppliers worldwide through "Power to the Print" and "Trust in Print." And our goal is to deliver the world's safest and most trusted banknotes to people around the globe. Komori will continue to envision next-generation security printing technologies and engage in business activities to protect the identities of individuals, corporations, and nations. (Number of countries that introduced Komori's security printing presses is 36 as of March 2023. ▶ See Page 42)

### Printed Electronics Elemental Technology Development Center (PEDEC) established

#### Initiatives for Value Creation

Evolution of solution business	Creating Smart Factory	Open innovation	Globalization of business and human resources	Strategic investment including M&A	Pursuit of high "management quality"
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In positioning its Printed Electronics (PE) business as a growth initiative, Komori has established the Printed Electronics Elemental Technology Development Center (PEDEC) with the aim of coping with the rapid evolution in the electronics industry. The PEDEC is designed to build a foundation for the development of elemental technologies and enhance technological competitiveness. It has gone into operation since October this year.



The experimental area within the facility is equipped with a Class 1000 cleanroom, which requires a high level of cleanliness. Alongside our proprietary printing machines, various measurement and analysis instruments are installed, enabling us to not only conduct experiments and provide prototypes but also meet data requirements at the application level. Komori will utilize this center as a platform to promote open innovation through joint development with partner companies and industry-academia, continuing to explore the potential of PE technology.

### Synergies of KAC-MBO integration displayed in North American market

#### Initiatives for Value Creation

Evolution of solution business	Creating Smart Factory	Open innovation	Globalization of business and human resources	Strategic investment including M&A	Pursuit of high "management quality"
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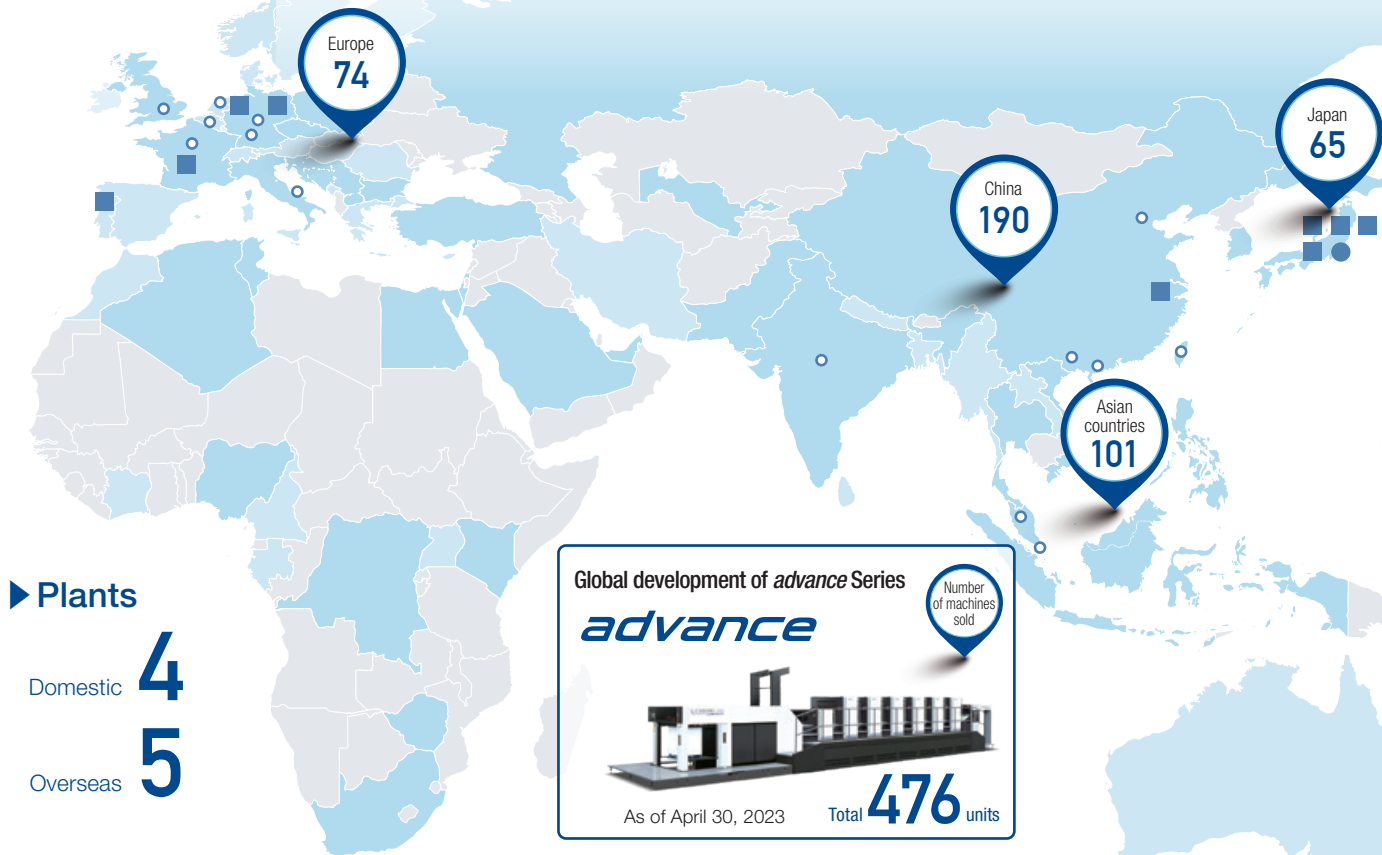
We are promoting collaboration among the U.S. sales operations of Komori America Corporation (KAC) and of our subsidiary MBO, which handles post-press machinery, seeking to enhance our overall capabilities as a provider. We are advancing efforts to integrate MBO America's robotic arm system, "CoBo-Stack," with the core "advance Series ." Additionally, we are working on modular roll-fed finishing and other initiatives to connect localized optimizations into a holistic optimization system.

North America has seen early consolidation among printing companies in recent years and, coupled with the aging workforce of skilled labor, it is one of regions with particularly strong demand for automation and labor-saving machinery. Moreover, the region represents the largest direct mail market in the world, commanding 70% share. It is currently experiencing a resurgence in the adoption of digital printing machines tailored to this market. MBO America holds a prominent position as a key player in near-line devices for roll-fed digital printing machines. The company has not only excelled in the traditional combination of offset printing machines and folding equipment but also achieved a series of successful product introductions in the digital printing domain. Our comprehensive proposal for a Smart Factory, combining Japanese and German technologies, has been well received in the digitally inclined North American market. It is anticipated that opportunities for showcasing the effects of the KAC-MBO integration will further expand in the future.



MBO Cobo-Stack + MBO A80 + MBO K8RS

# Komori's Global Development and Sales Strategy



## Three Regional Business Headquarters

Interview with Group General Managers of each Business Headquarters

### Europe

Senior Managing Director,  
Group General Manager of  
European Business Headquarters  
**Eiji Kajita**

In the European printing industry, moves to abolish, consolidate and streamline printing companies and printing equipment have been spreading in recent years. This is attributed to ongoing challenges such as high inflation, including energy prices, and a shortage of skilled personnel as well as stringent environmental requirements.

In anticipation of the possibility that similar trends may occur in other regions as well in the near future, our headquarters' designers and local experts have proactively conducted market research, and we have established a framework to incorporate their findings into Komori's future product development.

Meanwhile, at Komori-Chambon (KCM), a French subsidiary with a competitive edge against major packaging companies, we are driving improvements in value we provide to customers, or return on investment (ROI), by equipping products with paper waste reduction technologies such as KHS-AI, thus significantly enhancing productivity and environmental responsiveness, among other things. Furthermore, Germany-based MBO will strive to build solutions to address the shortage of skilled personnel in industries like printing by enhancing its robot business and actively incorporating the latest digital technologies such as robotics, AI and image recognition.

In the future, we intend to achieve disruptive innovation with high added value, such as Komori's unique offerings like Smart Color printing technology, and take on other challenges so that we can eventually contribute to the printing industry and society as a whole.



## Countries that introduced Komori security printing presses

The security printing press market is dominated by Komori and a German manufacturer at present. As our business model and strong financial foundation have been highly rated by governments around the world, the number of countries with which we have done business has reached 36 in the past 10 years, despite being a latecomer in the market. We will foray into other overseas markets as well in the future, taking advantage of our accumulated know-how.

- Japan
  - The U.S.
  - China
  - Korea
  - Taiwan
  - Indonesia
  - Malaysia
  - The Philippines
  - Vietnam
  - Thailand
  - India
  - Pakistan
  - United Arab Emirates
  - Israel
  - Saudi Arabia
  - Turkey
  - Russia
  - Poland
  - Germany
  - Czech Republic
  - Bulgaria
  - France
  - The U.K.
  - Italy
  - Malta
  - Former Yugoslavia
  - Uzbekistan
  - Egypt
  - Tunisia
  - Algeria
  - Nigeria
  - Kenya
  - Democratic Republic of the Congo
  - Zimbabwe
  - South Africa
  - Brazil
- As of March 31, 2023

▶ **Number of Trading Countries** approx. **90**

\* Including countries under negotiation in 2023

▶ **Sales locations** Domestic **14**

\* Excluding the MBO Group

Overseas **74**

▶ **Net sales by region** Domestic **32,275**

(Millions of yen)

Overseas **65,639**



## Greater China

Operating Officer,  
Group General Manager of Greater  
China Business Headquarters  
**Akihiro Komori**

China is the world's largest single market for offset printing machines, with approximately 500 units being sold annually. In recent times, there is a strong demand for machinery equipped with labor-saving and automation technologies against the backdrop of price competition in the printing industry and the rising costs of labor. In commercial printing, there are strong needs for automation and double-sided single-pass presses while in packaging printing, inquiries are growing for models that can handle larger format sizes. Meanwhile, amid mounting calls for the efficient streamlining of production management tasks at printing plants, customer interest is growing in software like KP-Connect, which facilitates the sharing of operational information and "visualizes" workflow management, leading to increased sales activities.

About 30 years have passed since Komori entered the Chinese market on a full scale. Many Chinese users have visited the Tsukuba Plant and Komori Graphic Technology Center (KGC) to acquire insights and expertise in production management. Due to its close proximity to Japan, China offers geographical advantages with convenient transportation, and the communication style is high-context. These factors enable businesses to progress advantageously when compared with overseas competitors. We will continue to maximize the utilization of our manufacturing facility in China, Komori Machinery Co., Ltd., and strive to expand the sales of our products in the Chinese market.



## America

Senior Operating Officer,  
Group General Manager of  
America Business Headquarters  
**Toshiyasu Kubotera**

In the United States, the world's largest economy, digital marketing has reached a saturation point, and there is a trend toward a resurgence in paper direct mail (DM), which has high viewership rates. This shift has led to an increase in demand for digital printing machines. In the realm of printing machinery, there is a concentration of printing needs on high value-added products that are not easily replaced by digital media, and inquiries are increasing, particularly in growing areas such as the printing of packaging and trading cards.

Our company can provide technology that allows for single-pass printing on both sides with fast drying, tailored to the specific configurations and sizes for each segment. This capability significantly enhances the productivity of printing plants. In commercial printing, there are a growing number of cases where two to three existing machines are replaced with our products. This has become a prevalent sales model in North America. In packaging, the single-pass capability allows for excellent print registration without flipping the paper, maintaining high printing speeds. This results in a significant reduction in paper costs. In the future, we aim to promote the widespread adoption of KP-Connect and complete automation of printing machines, working toward the swift realization of Komori's Smart Factory.

Furthermore, North America is the home base for semiconductor-related companies, and we anticipate growth in the sales of our SERIA products in the same field. We are reviewing our sales structure and striving to strengthen access to key players in the regional market.



## Environmental Initiatives

We uphold the provision of solutions with low environmental impact as Komori’s role in our Long-Term Vision and believe that environmental conservation and profit generation should be achieved at the same time. Toward realizing sustainable environment and society, we position achieving carbon neutrality by 2050 as a material issue, and will undergo a review of the Komori Eco Vision 2030 in advance of the Seventh Medium-Term Management Plan set to begin next year.

### History of Komori’s environmental initiatives

Policy	Since 2001 Acquired ISO14001 Certificate →
	Since 2004 Basic Environmental Policy →
	Since 2015 Komori Eco Vision 2030 →
	Since 2022 Support to TCFD Recommendations →
System	2001 Environmental Committee ——— Since 2013 Green Project →
	2001 CSR Promotion Office ——— Since 2013 CSR and Environmental Countermeasure Planning & Coordination Office →
Information Disclosure	Since 2004 Issued the Environmental and Social Responsibility Report ——— Since 2022 Issued the Integrated Report →
	Since 2014 Nikkei Environmental Management Survey — Since 2022 Participation in the Nikkei SDGs Management Survey →
	Since 2018 Participated in the Ministry of the Environment’s Green Value Chain Platform →
	Since 2022 Response to CDP Climate Change Questionnaire →
	Since 2022 Disclosure of TCFD-aligned Information →

To meet the expectations for an environmentally-friendly society, Komori launched the Environmental Committee in 2001, and has been engaged in initiatives such as acquiring ISO14001 certification and establishing the Basic Environmental Policy. In 2013, Komori launched the Green Project (Green-PJ) to further promote environmental activities and has since strived to improve the global environment and work environment. We also formulated the Komori Eco Vision 2030 in 2015 as long-term environmental targets.

Efforts surrounding information disclosure include publishing details of initiatives in our Environmental and Social Responsibility Report since 2004, and from 2015 we have been disclosing greenhouse gas (GHG) reduction targets set forth in our Komori Eco Vision 2030 as well as actual results. We began participating in the Nikkei Environmental Management Survey in 2014, then switched to the Nikkei SDGs Management Survey, and received an overall rating of three stars in 2022. We announced that we support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2022 and have disclosed climate-related information. By responding to the questionnaire developed by CDP, an international environmental nonprofit organization (NGO) founded in the U.K., we have been disclosing environmental information including GHG emissions, reduction targets, and progress thereof, since the fiscal year ended March 31, 2023.



### Basic Environmental Policy

- 1 We consistently pursue improvements, such as saving energy and other resources, reusing and recycling, and reducing all waste for corporate activities.
- 2 We proactively promote the development of environmentally friendly printing presses and peripheral equipment.
- 3 Furthermore, we practice green procurement, which has lower environmental impact, in purchasing material.
- 4 We adhere strictly to environmental and related laws and ordinances while reducing emissions of hazardous chemical substances and striving to prevent pollution.
- 5 We set and regularly review environmental goals and targets in order to continuously reduce environmental loads.
- 6 We will document, practice, and maintain this policy. We will educate employees about the policy to enhance their awareness of the need to safeguard the environment.
- 7 We are committed to communicating with local residents, customers, and related companies to proactively aid environmental protection.

# Initiatives for Climate Change

(Information disclosure based on the TCFD recommendations)



## Governance

Komori's basic environmental policy and material issues including climate change countermeasures are reported and discussed in the CSR Committee. The CSR Committee is headed by President and Representative Director and consists of all Directors and Operating Officers, with meetings scheduled to be held four times annually. Its resolutions are presented and reported to the Board of Directors as necessary and reflected in the Group strategies.

## Risk management

Based on Komori's risk management regulations, the Risk Management Committee has been established as an organization subordinate to the CSR Committee which undergoes initiatives in cooperation with those in charge of risks in each of the divisions, against various risks that are assumed in the management strategies and business strategies. In identifying and evaluating risks, those involving all aspects surrounding the business environment including climate-related are identified, then the frequency of occurrence and impact of those risks are evaluated. Planning and evaluation of risk management activities are conducted by those in charge of risks within each division, and progress of the activities are discussed by the Risk Management Committee, with particularly important risks being reported to and discussed by the CSR Committee and the Board of Directors. Risks identified through these processes are assigned individually to divisions in charge, who address the risks and consider measures to implement. They are to prevent the occurrence of these risks or minimize the effects when they do occur, and the Risk Management Committee oversees the progress of such activity and manages the status of action. (\*See diagram of the Corporate Governance Structure on Page 56 for details.)

## Strategy

To consider the impact of climate change on business, scenario analysis was conducted, taking into account climate-related scenarios released by external organizations such as the International Energy Association (IEA) and the Intergovernmental Panel on Climate Change (IPCC). The analysis makes evaluations based on quantitative and qualitative aspects of impact of climate change as of 2030 as stipulated in Komori Eco Vision 2030. The scenarios used for the analysis and results of the analysis are as follows:

	4°C scenario		1.5°C (under 2°C) scenario	
<b>Overview</b>	A scenario in which temperatures in the 21st Century are assumed to rise between 3.2°C and 5.4°C (roughly 4°C) compared with world average temperatures in the time around the Industrial Revolution, and a worldview where physical effects such as storm and flood damage are assumed to grow and intensify.		A scenario in which rise in temperatures in the 21st Century is assumed to be contained under 1.5°C (under 2°C) compared with world average temperatures in the time around the Industrial Revolution, with a worldview assuming policy regulations and technological innovation progressing toward decarbonization.	
<b>Scenarios referenced</b>	IEA • Stated Polices Scenario	IPCC • RCP 8.5	IEA • Sustainable Development Scenario • Net Zero Emissions by 2050 Scenario	IPCC • RPC 2.6









With the 4°C scenario, physical effects such as storm and flood damage are assumed to grow and intensify. Efforts are taking place to reduce risks for Komori locations that are susceptible to storm and flood damage, etc. with relocations and change to energy saving for air conditioning equipment. The 1.5°C scenario assumes the effects of introducing carbon tax and expanding emissions trading systems. Anticipating such impact arising from decarbonization, Komori is aiming to reducing risks by taking initiatives for decarbonization such as setting reduction targets for Scopes 1 and 2. By improving the energy-saving performance of our products and downsizing them, we are responding to the changes in demands placed on our products.

As for other matters with potential to become business opportunities, a transition from conventional printing presses to those with high environmental performance and digital printing systems are a risk for the Company, but is also believed to lead to increased demand by uncovering customer needs.

An increase in demand for electronic components arising from the advance of digital transformation will also lead to development of the printed electronics field. We believe that focusing on product R&D will lead to risk reduction and opportunities such as business expansion and increased sales, and we will continue to promote initiatives.

Given this latest scenario analysis and current initiatives, we will continue to strengthen response to climate change looking ahead to increased resilience against various matters that have been evaluated and identified with both scenarios and to initiatives toward decarbonization.

Results of analysis pertaining risks and opportunities based on climate change scenarios

Segment	Factors and events		
Impact from transitioning to a decarbonized society	Carbon pricing 	Increase in business costs such as the start of carbon tax	
	Energy-saving and renewable energy measures 	Response to measures related to energy-saving and renewable energy	
	Changes in energy costs 	Increase in electricity price due in part to switch to power-generating method sourced from renewable energy	
	Progress in next-generation technology 	Changes in demand for printing presses due to digital transformation	
	Changes in raw material costs 	Rise in prices of casting and steel materials due to changes in iron smelting methods	
	Reputational risks 	Impact from status of initiatives pertaining climate change on corporate evaluation	
Physical impact from climate change	Intensifying extreme weather 	Damage to Komori locations and the supply chain due to weather disasters	
	Rise in average temperatures 	Increase in business costs due to the use of air conditioning equipment caused by rising temperatures	

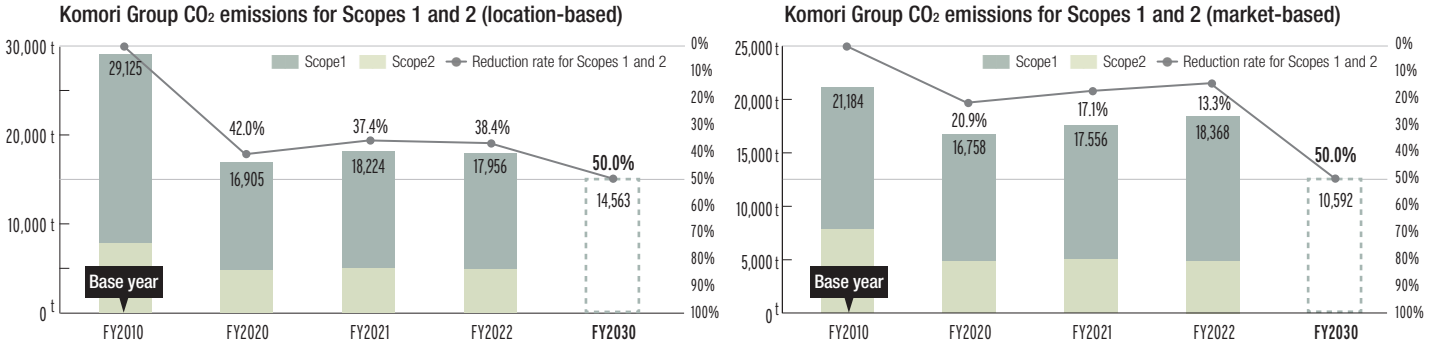
[Evaluation Indicators]

- Quantitative evaluations have been performed with the following criteria on items that (potentially) impacted operating income performance in the fiscal year ended March 31, 2022:  
 ⇒ High: 5% or more, Medium: More than 1% - under 5%, Low: Under 1%
- Impact on which quantitative evaluations are not performed is evaluated based on qualitative study, and qualitative evaluation is indicated with gray coloring.

	Evaluation				Status of Komori initiatives ● Response to risk ○ Response to opportunity ● Response to risk/ opportunity
	4°C scenario		1.5°C scenario		
	Risks	Opportunities	Risks	Opportunities	
	Low	Low	High	Low	<ul style="list-style-type: none"> <li>• Setting reduction targets for Scopes 1 and 2 and taking action</li> <li>• Initiatives to achieve carbon neutrality by 2050</li> </ul>
	Low	Low	High	High	<ul style="list-style-type: none"> <li>• Installation of solar panels ⇒Solar panels were installed at the MBO plant in Germany, and electricity generated in the fiscal year ended March 31, 2023 was 57,364kWh</li> <li>• Introduction of electricity sourced from renewable energy</li> <li>○ Promote energy-saving performance during product development</li> </ul>
	Low	Low	Medium	Low	<ul style="list-style-type: none"> <li>• Switch to energy-saving air conditioning and lighting equipment during product manufacturing ⇒Changed lighting at Tsukuba Plant and headquarters to LED</li> <li>○ Development of products at high energy-saving performance</li> </ul>
	Medium	Medium	High to Medium	High to Medium	<ul style="list-style-type: none"> <li>• Downsizing due to improved product manufacturing capabilities</li> <li>● Transition to printing presses and digital printing systems with high environmental performance</li> <li>○ Development of products in the field of printed electronics with low environmental impact</li> </ul>
	Low	Low	Medium	Low	<ul style="list-style-type: none"> <li>• Examination and consideration into substitution of parts through dialogue with suppliers</li> </ul>
	Low	Low	Medium	Low	<ul style="list-style-type: none"> <li>• Appropriate information disclosure and communication with stakeholders</li> </ul>
	High	Low	Medium	Low	<ul style="list-style-type: none"> <li>• Relocations and measures for offices exposed to hazards and risks ⇒Relocated the Komori Global Parts Center from Noda City, Chiba Pref., where flooding risks were high on the hazard map, to the Tsukuba Plant in August 2022</li> <li>• Strengthening of BCP measures</li> </ul>
	High	Low	Medium	Low	<ul style="list-style-type: none"> <li>• Installation of air conditioning equipment with high energy-saving performance</li> </ul>

### Indicators and targets

In the Komori Eco Vision 2030 formulated in 2015, we have set a target of a 50% reduction in CO<sub>2</sub> emissions for Scopes 1 and 2 in FY2030 as compared to FY2010 levels to mitigate the impact of climate change, and activities to reduce emissions are being promoted.

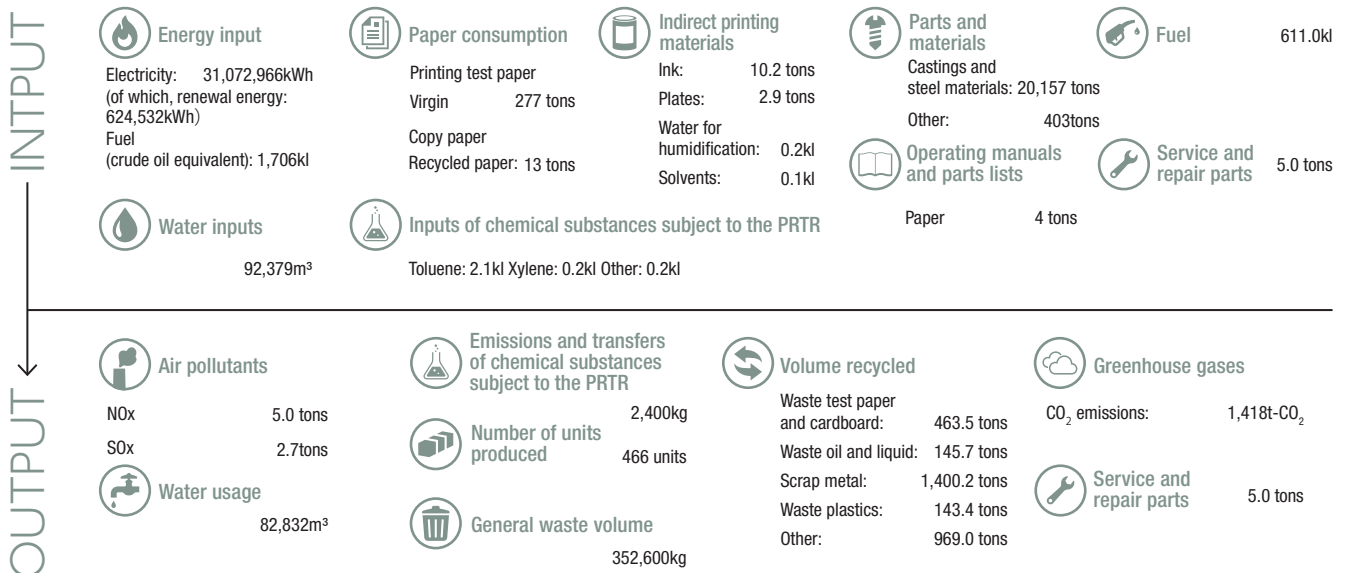


\* CO<sub>2</sub> emission amounts for acquired companies are reflected retroactively to adjust the amounts before acquisition.

Emissions for Scope 3 are also being calculated and progress is indicated in the table below.

Scope	Category	CO <sub>2</sub> emissions (tons)			Applicability
		FY2020	FY2021	FY2022	
Scope 3	1 Purchased goods and services	205,211	374,070	459,015	
	2 Capital goods	2,627	4,416	5,461	
	3 Fuel and energy related activities	1,316	1,559	1,416	
	4 Transportation and distribution (upstream)	17,301	24,599	26,394	
	5 Waste generated in operations	88	116	122	
	6 Business travel	444	979	696	
	7 Employees commuting	3,370	3,274	3,404	
	8 Leased assets (upstream)	0	0	0	N/A
	9 Transportation and distribution (downstream)	0	0	0	N/A
	10 Processing of sold products	0	0	0	N/A
	11 Use of sold products	328,390	653,427	683,565	
	12 End-of-life treatment of sold products	1,260	2,392	2,664	
	13 Leased assets (downstream)	0	0	0	N/A
	14 Franchise	0	0	0	N/A
	15 Investments	9,145	9,682	6,976	
Total		569,152	1,074,514	1,189,713	

### Environmental Data



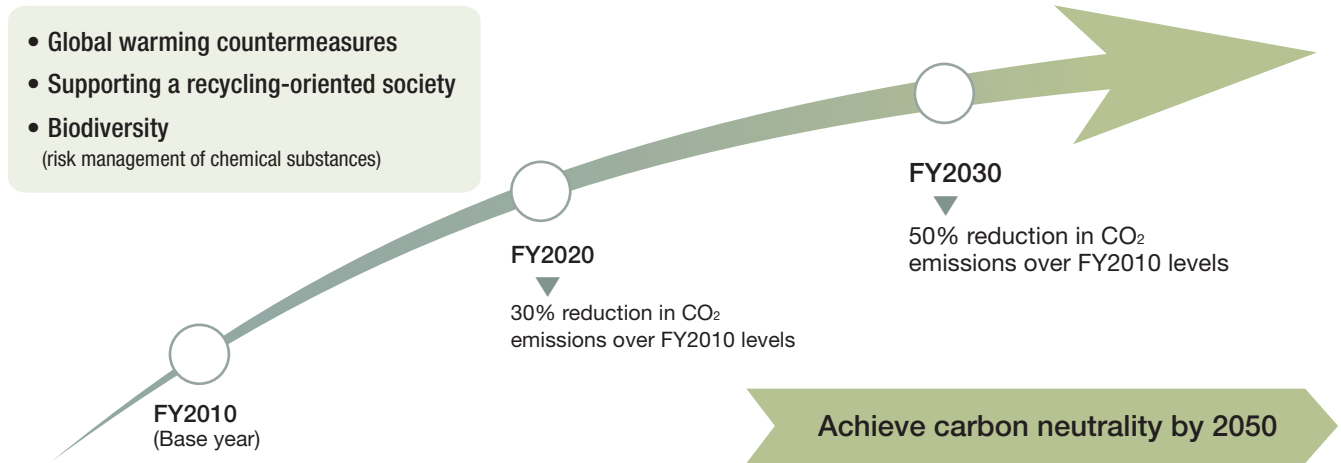


## Komori Eco Vision 2030 (long-term targets)

In 2015, the Komori Group formulated “Komori Eco Vision 2030,” a set of long-term environmental targets, and has since continuously worked to achieve it. Based on global warming countermeasures, supporting a recycling-oriented society, and restoring biodiversity, this vision puts forward our commitment to contributing to the realization of a sustainable environment and society and our direction as to how to fulfill our responsibilities as a global company.

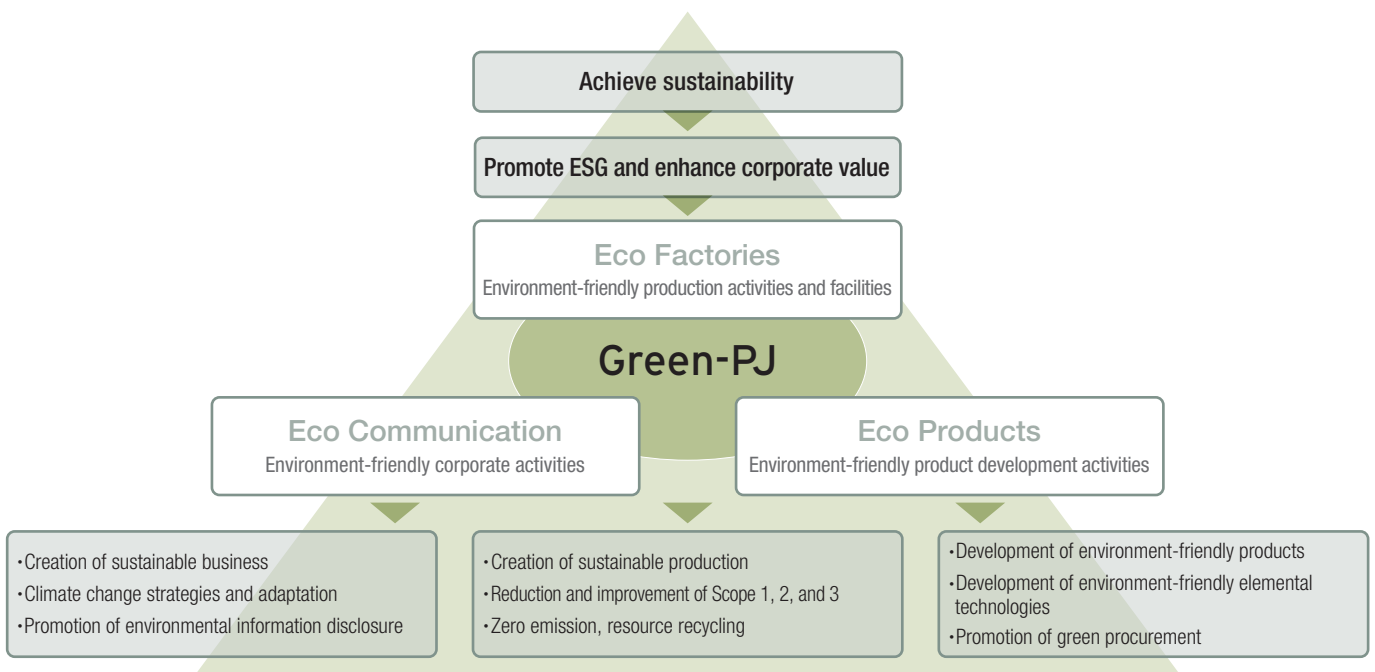
- CO<sub>2</sub> emissions (Scopes 1+2): a 50% reduction by FY2030 as compared to FY2010 levels
- Waste: achieve zero waste emissions by FY2030, applicable for the Company and its domestic group companies

For CO<sub>2</sub> emissions (Scopes 1+2), further aim to achieve carbon neutrality by 2050 and promote activities to reduce emissions.



## Komori Green Project

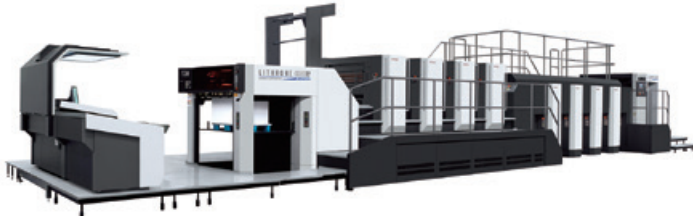
Komori has created a group-wide project dedicated to the environment, “Green-PJ.” In line with promoting ESG management, the three guidelines of Eco Products, Eco Factories, and Eco Communication will be used to continue activities for environmental matters overall.



## Eco products

### LITHRONE GX/G advance series; 476 units sold (as of April 30, 2023)

The advance Series, which offers world class ROI (Return on Investment), greatly contributes to higher productivity and profitability with high-speed printing and shorter make-ready times. It also contributes to a reduction in CO<sub>2</sub> emissions as a result of suppressed electricity consumption with increased efficiency and less loss of paper with stabilized quality. The LITHRONE GX40RP advance in particular, capable of single-pass perfecting printing from thin paper to card board, is a printing press that realizes overwhelming productivity and focuses on environment-friendliness. Despite an increase in maximum printing speed compared to when it was developed, electricity consumption and CO<sub>2</sub> emissions throughout its life cycle have been reduced.

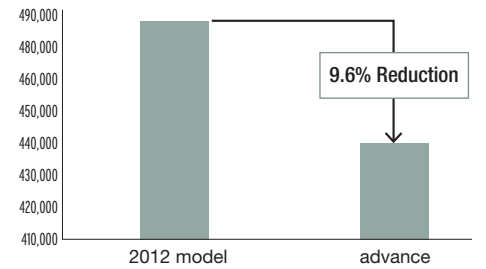


**LITHRONE GX40RP advance (40" 8-color Front/Reverse Offset Printing Press)**

Maximum printing speed: 18,000sph

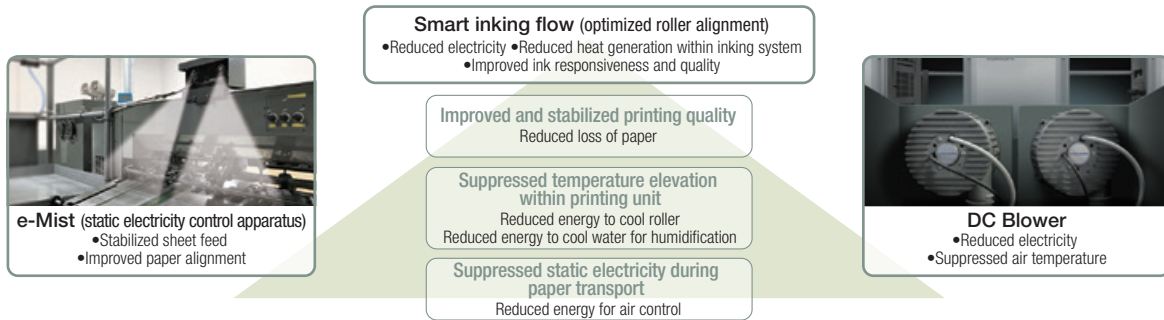
- Major specifications featured:
- Parallel make-ready
  - DC Blower
  - Optimization of roller alignment
  - H-UV L(LED)

Annual electricity consumption (kWh)



### Development of environmental and energy-saving items

We are developing printing presses, equipment, and systems that are environmentally-friendly, and working to reduce environmental impact. We will contribute to reduced paper loss, greater productivity, and a reduction in electricity consumption and costs through more stable printing quality, suppressed temperature elevation, and reduced static electricity that is generated.



## Eco factories

In order to reduce environmental impacts from our plants and offices, we have installed solar power generation equipment, LED lighting, heat source equipment for energy-efficient air conditioners, and a power usage monitoring system in the machining area, etc., thereby promoting reduced energy consumption from improvements in both equipment and operating methods.

### Adoption of solar power generation equipment

At the Tsukuba Plant, a large-scale 500kW solar power generator was installed on the rooftop, and the electricity generated in the fiscal year ended March 31, 2023 at 597,000 kWh was fully used in the plant, equivalent to a reduction of 259.2 t-CO<sub>2</sub>\*.

Group company MBO, a manufacturer of post presses for the post-printing process, added on facilities to their plant in Germany in 2022 for output of 117kW, and installed facilities in the Portugal Plant in 2023 for output of 590kW, and is consuming electricity in-house and selling the electricity as well.

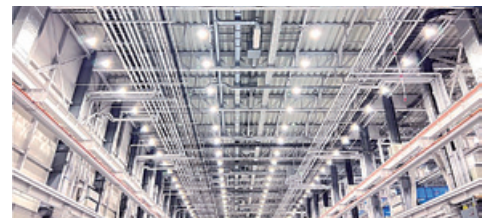


Solar panels at the MBO plant in Germany

### LED lighting installed

At the Tsukuba Plant, ceiling lighting, crane lighting, office and plant fluorescent lighting have all been changed to LED in the fiscal year ended March 31, 2023, and CO<sub>2</sub> emissions are expected to be reduced by 72.4t-CO<sub>2</sub>\* in the fiscal year ending March 31, 2024.

Lighting on all floors of the headquarters building was switched to LED in the same fiscal year, and group companies are also working to change lighting to LED.



LED lighting on ceiling of Tsukuba Plant

\*FY2022 National average emission factor for calculating greenhouse gas emissions

## Eco communication

Further to the above, we are also working to reduce environmental impact in all our business domains. The KGC (Komori Graphic Technology Center), the core location of the Komori Group solutions, has started webinars and remote training for customers, contributing to reducing CO<sub>2</sub> emissions.

**KGC**

Organically integrating the following three functions, KGC, as the core location for Komori's development of solutions including environmental solutions, is proactively disseminating the latest information to customers and industries around the world.

### Demonstration Center



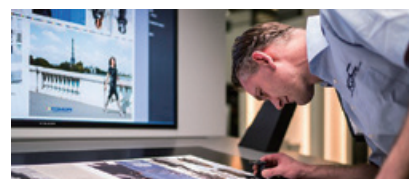
The Demonstration Center offers a variety of demonstrations of actual machines including advanced printing machines and system equipment, while taking all possible measures against COVID-19. Visitors have a chance to experience the highest level of functionality, performance, productivity, operability, and safety of machines.

### Printing College & Training



The Printing College & Training provides full-range support for customers' human resources development by developing training curriculums related to printing quality and improved productivity, and offering it with a practical approach. This hands-on training program helps participants acquire more practical knowledge and skills.

### Printing R&D Center

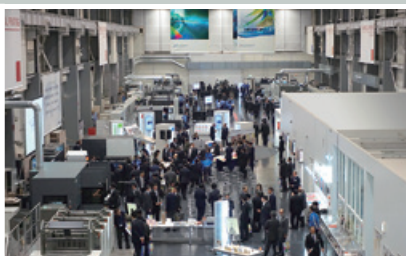


The Printing R&D Center is engaged in new technological development, new equipment and product development centering on fundamental research of printing technologies and printing software-related technologies. By collaborating with various public and private corporations, it has contributed to the development of the entire printing industry and its profit generation.

#### Utrecht, The Netherlands



#### Tsukuba, Japan



#### Chicago, The U.S.



## Initiatives for biodiversity preservation

The Komori Group appreciates the bounty of nature and will contribute to the preservation of biodiversity through its business.



### Group photo of Katsuragi foresters

We began sponsorship in 2016 of the Tsukuba Kankyo Forum, an NPO for local environmental activities. We also participate in activities being held by the Tsukuba Kankyo Forum related to development of the forest in Katsuragi, and are contributing to maintaining and improving the ecosystem rooted in the region.



### Cherry blossom trees lined up alongside the road facing the Tsukuba Plant

The Tsukuba Plant is not just a printing press factory, but also a plant that gives due consideration to coexisting with nature and the local region. A total of 112 cherry blossom trees are planted on both sides of the road facing the plant, creating a verdant environment for the site.



### Nukanome Cherry Blossom Street along the Mogami River

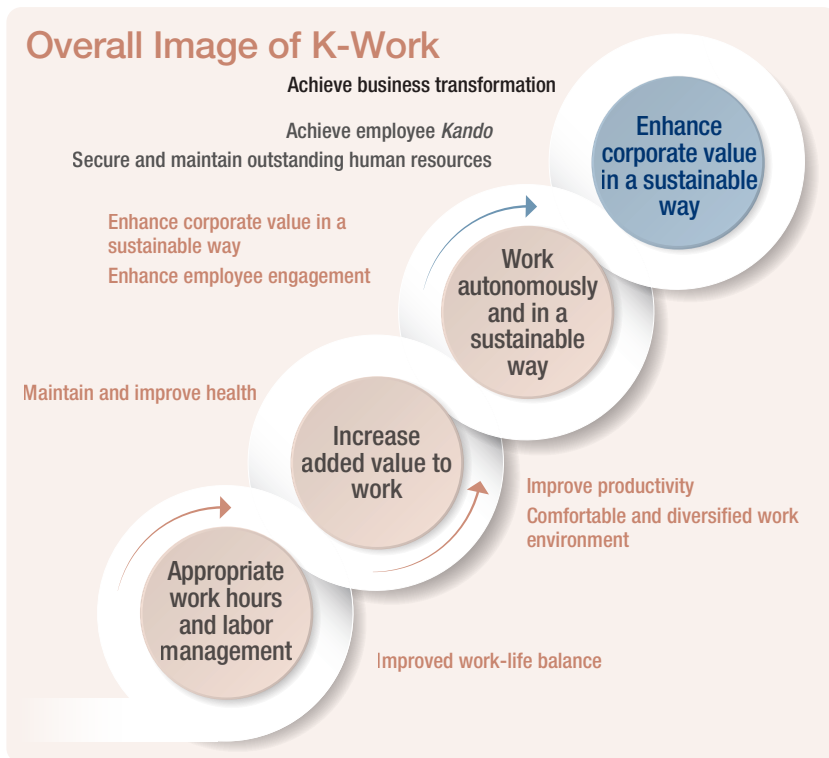
Komori Machinery rounded up volunteers to join the Nukanome Sakura-kai, which preserves cherry blossom trees that make up the Nukanome Cherry Blossom Street. Our volunteers participated three times between the months of July and September to work on trimming undergrowth, pruning, fertilizing, pest control, etc.



## Realization of *Kando* beyond expectations is unattainable without employee *Kando*

Employee engagement enhancement is one of the material issues for the Group’s endeavors toward 2030 in the Long-Term Vision, Komori 2030. For Komori to continue enhancement of corporate value in a sustainable way, human resources are positioned as its most important “capital,” and we believe initiatives for the enhancement of employee engagement is essential by realizing employee *Kando*, with the Komori-Way Work-Style Reform that is challenging but rewarding positioned as the basis. We are working to strengthen human capital for the group overall, naming the Komori-Way Work-Style Reform “K-Work,” and implementing reforms in stages.

Senior Operating Officer and General Manager  
of Personnel and General Affairs Division  
Shoji Oyama



### Three pillars of K-Work

- 1. Establishment of a Comfortable Workplace Environment**  
A workplace environment that allows a healthy and flexible work style
- 2. Enhancement of Human Resource Management**  
Personnel and educational systems to enhance work ethic and skills
- 3. Diversity Promotion**  
Support for work-life balance according to life events and employing diverse human resources

## 1. Establishment of a Comfortable Workplace Environment

At Komori, the spread of COVID-19 became an opportunity to implement new work styles, such as working remotely and staggered work hours, as well as promoting reforms in the office layout in order to create new ideas and values through revitalized communication across divisions. We are working to expand flexible work styles that are not bound by time and place.

Based on the idea that health management of each and every employee is important for employees to sustainably reach their full potential in their performance, we are also undergoing initiatives strategically with regard to health management aiming to maintain and improve the health of employees.

### Diversified work styles

Working remotely and staggered work hours were implemented as measures against the pandemic, but they have continued even after the easing of restrictions against COVID-19. Currently, preparations are underway to employ them under official company systems as new work styles.

### Use of stress checks

The checks are being conducted with our original questions added to the legally-required items. Results of their analysis are shared with the management team at reporting sessions and to department heads at briefings so that they can lead to improvements in the workplace environment.

## Office layout reform



SERIA CORPORATION, one of our group companies, integrated their Tokyo headquarters located in Tabata together with their East Japan Stencil Making Department in Toda City, Saitama, transferring their headquarter functions to the third floor of the Toda office. At that time, with an aim to promoting efficient use of space and work-style reform, they adopted the free addressing arrangement where employees choose seating as they please according to their work for that day. This initiative is new and the first among the Group.

With the implementation of free addressing, divisions grew closer and it became easier for active opinion exchange as well as coordination of work. The workplace atmosphere also became brighter, leading to greater motivation among employees. It also became easier to communicate, gather together if necessary, and readily address concerns or hold discussions, all dramatically increasing the speed for decision-making. This initiative by SERIA CORPORATION became a precedent, and free addressing for the entire Group is being planned for the future.

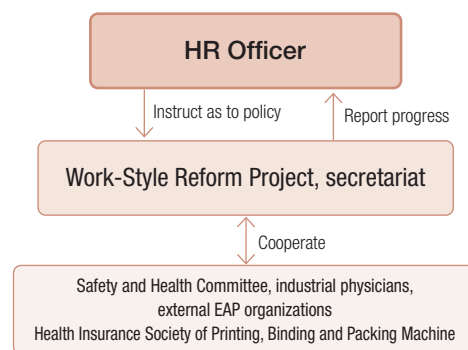


## Health Management

To achieve employee Kando, Komori is working on health management as it is essential for each and every employee to be healthy both mentally and physically and to work with enthusiasm. Specifically, Komori undergoes appropriate management of work hours, provides every employee with an opportunity to receive regular health checkups, recommends participation in specific health guidance, improves health by promoting radio calisthenics exercises, etc., and takes measures against infectious diseases such as workplace-based vaccinations for COVID-19 and influenza.

We will continue to recognize employees' health management from a management perspective, continuously examine and review the effectiveness of our initiatives, solve various health issues, and maintain and improve the health of employees and their families.

### Promotional system



### Certified as a 2023 Health and Productivity Management Organization

Komori was recognized under the 2023 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) in March 2023. It marked certification for two years in a row. This program is to recognize corporations and other organizations that practice excellent health and productivity management through response to local health issues and healthcare initiatives promoted by Nippon Kenko Kaigi.



### Initiatives for the integration of all health insurance societies of the Komori Group



With the aim of enhancing benefits for employees and their families, SERIA ENGINEERING, INC., one of our group companies, left their association health insurance society as of October 1, 2022 and joined the Health Insurance Society of Printing, Binding and Packing Machine, the same as the Group. As a result, burden of insurance premiums on individuals was reduced, and the level of services they were eligible for rose. Initiatives to integrate the Group's health insurance society will continue.

#### <Other Activities>

#### We participate in the Fun + Walk Project launched by the Japan Sports Agency.

The Fun + Walk Project is a public-private collaboration led by the Japan Sports Agency designed to make walking more enjoyable and make fun activities healthier. Starting with walking, it aims to improve the public's health. Komori encourages employees to take the stairs instead of the elevator.



#### We participate in the SMART LIFE PROJECT of the Health, Labour and Welfare Ministry.

The SMART LIFE PROJECT is a national campaign led by the Ministry of Health, Labour and Welfare under the slogan "Extend the healthy life-span" aiming for every Japanese citizen to lead active, healthy and enjoyable days throughout their lives. We are encouraging employees to take action especially in three areas: exercise, good dietary habit, and no smoking. At Komori, various information related to health is disseminated and educational activities for employees are also conducted through the internal portal.



#### Komori participates in the Ministry of Health, Labour and Welfare's Corporate Action to Promote Cancer Control.



The Corporate Action to Promote Cancer Control is an initiative to grow momentum in society to take action against cancer in a positive manner with the cooperation of companies by promoting an increase in the rate of cancer screening in the workplace. Komori encourages women to be screened for cervical cancer on a regular basis, and by providing subsidies, we promote creating an environment that makes it easier for female employees to be tested.



## 2. Enhancement of Human Resource Management

The Komori Group aims to be an organization where each and every person of our diverse personnel can autonomously grow and continue to play an active role. To this end, we intend to provide growth opportunities according to each employee's career plan and enhance employees' growth by getting them motivated, which in turn will lead to our growth as an organization. The Komori Group values ability and autonomy and puts in place a mechanism and environment that allow employees to try as many times as they like.

### Strengthening development of global human resources

Komori has overseas subsidiaries in 18 locations throughout 11 countries, and one third of the employees are overseas personnel of foreign nationality. As further globalization of our businesses is expected going forward, we consider the development of global leaders to be an urgent matter.

To that end, Komori defines global human resources as those that can plan and implement an overseas commercialization strategy together with the local staff. We have started training that aims to mainly strengthen adaptability to other cultures and business management know-how. We also promote human resource exchange with the overseas subsidiaries and hiring of overseas human resources, and are taking initiatives to establish a "people and organization structure" that is in line with globalization.



### Career development and evaluation

We are undergoing career development and evaluation, positioning personnel optimally so that: both employees and the organization can achieve maximum performance; highly fair, transparent evaluation can be carried out; and compensation in line with such evaluation can be provided. Utilizing the target management sheet set up every half year, supervisors and employees compare targets set and results achieved in a one-on-one meeting. Further, target management is tied to performance evaluation, and in evaluating achievements, results of the evaluation are also provided as feedback. Also, with self-assessment, individuals are free to include their ambition regarding future transfers and career aspirations, thereby allowing for each employee to be heard and for coordination in positioning personnel optimally as much as possible for the organization as a whole.

### Training and education

As employees working at Komori are diversified in job type and age group, individuals are subject to target management and OJT based on the stage they have reached at the time, and these tools are used for development and communication. In addition, human resource development is systematized, and by conducting various training and education, opportunities are provided for employees to gain skills and specialized knowledge required on the job. In recent years, aiming to improve communication skills and productivity, lower the rate of turnover, and increase soundness of the organization overall, emotional intelligence quotient (EQ) education is also being held for those in the executive level.

Human resources development matrix		Basic stage	Mid-career stage	Managerial stage	Executive stage
Selective	Management resources development				EQ training Training for executives
	Next-generation management resources development		Komori Juku	Training for selected section managers Training for selected department managers	
Common	Training for the next stage			Training for promotion to managers	
			Training for newly appointed team managers	Training for newly appointed section managers	
		Training for mid-career employee	Career design training		
		Women's career training			
			Training for promotion to assistant and technical assistant		
		Training for employees in their second to sixth year with the Company	Training for promotion to assistant managers and assistant technical managers		
		Training for new employees			
	Personal development	Qualification acquisition*	*TOEIC score of 500, level 3 bookkeeping certification		
Observing discipline		Online English conversation, distance learning *Roughly 200 courses			
		Compliance training			

### 3. Diversity Promotion

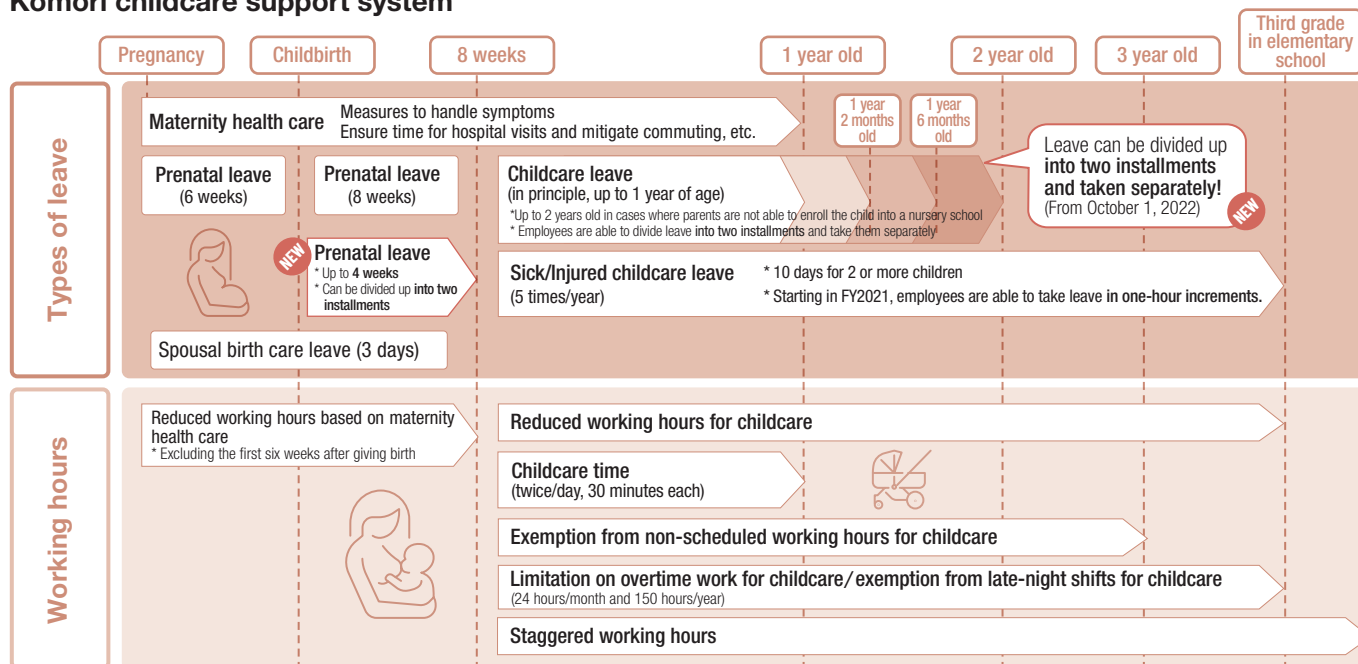
Komori positions supporting work-life balance and raising next-generation children as one of the focused initiatives of promoting diversity, equity, and inclusion, and has been increasing and improving systems compatible with life events. Various initiatives are being taken based on the belief, "If we provide a comfortable and fulfilling working environment for employees who are balancing work and childcare, they can exert their full potential."

#### Kurumin certification

Komori has been supporting women's career development as part of promoting diversity, and we received Kurumin certification in April 2021 by the Minister of Health, Labour and Welfare as a company that supports childrearing.



#### Komori childcare support system



#### Work during postpartum paternity leave (parental leave) NEW

Following revision to the Child Care and Family Care Leave Act, we have incorporated a program to enable work during postpartum paternity leave with the aim of raising the rate of male employees taking childcare leave. (Actual usage between October 2022 and March 2023: 1 employee)

#### Establishment of an external consultation contact point

Targeting employees undergoing maternity leave, childcare leave, and childrearing after returning to work, an external consultation contact point has been established as a system to provide childcare consultation

free of charge by consultants having many qualifications, such as trained childcare givers, family therapy counselors, and infant feeding instructors. Consultation is available by phone, email, and online.

#### Participation by elderly workers

Aiming to maintain and elevate motivation among the elderly workers, measures are being taken in steps to improve compensation, such as with revisions to salary and increasing application of expired accumulated leave.

#### Human resources data

Consolidated (FY)	Number of employees	Ratio of employees at overseas locations (%)	Number of female employees	Ratio of female employees (%)	Number of women in managerial positions	Ratio of women in managerial positions (%)	Non-consolidated (FY)	Number of employees	Number of female employees	Ratio of female employees (%)	Number of women in managerial positions	Ratio of women in managerial positions (%)
FY2021	2,613	35.2	426	16.3	31	6.0	FY2021	1,071	143	13.4	3	1.2
FY2022	2,567	35.2	438	17.1	27	5.6	FY2022	1,059	147	13.9	4	1.6

Non-consolidated (FY)	FY2020	FY2021	FY2022	Non-consolidated (FY)	FY2020	FY2021	FY2022	Non-consolidated (FY)	FY2020	FY2021	FY2022
Average age [male]	43.38	43.51	43.52	Ratio of employees taking annual leave (%)	50.5	58.5	64.5	Ratio of health exams taken (%)	98.4	89.5	90.9
Average age [female]	40.38	40.57	40.28	Average number of overtime work hours	12.5	18.7	22.7	Number of industrial accident occurrences	7	3	7
Average years of service [male]	19.16	19.19	19.19	Number of employees who use shortened work hours	21	28	29	Actual education expenses (yen)	26,227,574	44,614,139	29,521,452
Average years of service [female]	16.14	16.93	16.53	Ratio of employees taking childcare leave [male](%)*	86.7	82.4	91.7	Education expenses per person (yen)	22,629	39,238	27,209
Average annual salary [male] (yen)	6,731,280	6,997,775	7,103,543	Ratio of employees taking childcare leave [female](%)*	100	100	100	Number of female participants in education and training	22	23	29
Average annual salary [female] (yen)	4,665,882	4,791,328	4,978,983	Ratio of stress checks taken (%)	88.9	90.8	91.1	* Ratio of employees taking childcare leave: includes leave for the purpose of childcare			

#### Target figures related to human resources (non-consolidated)

\*1: By 2030 \*2: FY2023 to FY2024

Number of women in managerial positions<sup>\*1</sup>  
**6%**

Number of female participants in education and training<sup>\*2</sup>  
**40 or more**

Ratio of employees taking annual leave<sup>\*2</sup>  
**70% or more**

# Stakeholder Partnerships

Establishing far-reaching co-creation and collaboration to give Kando to our partners including collaborative companies

## Procurement policy

With basic agreements of transactions in place, we share Komori's philosophy at partner company policy briefings once a year, and hold regular meetings of partner companies at our two main plants (Tsukuba Plant and Komori Machinery Co., Ltd.) every month to share important information on the procurement of parts and materials.

## Green procurement

We have formulated the "Komori Green Procurement Standard Guidelines" to promote initiatives in collaboration with our suppliers including low-carbonization, compliance with chemical substance-related laws and regulations, and biodiversity preservation.

## Collaborative VE activities

We take the needs of partner companies that we can address to help improve issues they are facing, and work on activities to improve quality and costs with a technical approach.

## Establishing relationships of trust with long-term transactions

Production of Komori's printing presses, which consist of approximately 50,000 parts on average, would not be possible without the support of its many high-quality partner companies. As we marked the 100th anniversary of our founding, Komori honored our long-standing business partners.

Business partnership length in years	70 or more	60 or more and less than 70	50 or more and less than 60	40 or more and less than 50	30 or more and less than 40	Total
Number of companies honored	13	11	14	37	41	116

## Comments from our major long-standing partner company

### Interview with the Chairman and President of Aotsune Technology & Sales Co., Ltd., who we continue to do business with for over 70 years

Our company was established in 1912 as a copper and iron merchant in Sumida-ku, Tokyo. Thereafter, we shifted our business format to become a trading company handling power transmission parts (shafts, metals, pulleys). Located in an area with many textile spinning companies, we supplied parts for production facilities and expanded our business. Being situated near the Komori headquarters factory (at the time), we started engaging in business together. We supply various parts including chains and lifting motors, and have been doing business with Komori for 70 years. The reason our business alliance has continued for so long is that we as a specialized trading company have many customers, and are able to leverage the strong relationships with them to be able adjust and develop parts and equipment to propose and supply to Komori based on their needs in terms of quality and specifications. At the same time, we are able to share a sense of direction with Komori by obtaining orders and production trends as well as information regarding future development from them, and this has allowed us to build a steady and favorable business relationship.

For development of Komori's new products, we make various proposals as to selection of supply manufacturers and regarding costs, and always strive to support their vast number of parts with steady production through efficient delivery management and quality control. We also addressed the recent shortage of parts with a determined stance to ensure production lines were never halted. We hope to continue cooperating to build a sustainable supply chain through efficiency stemming from even more information sharing.



President Ryutaro Aoyagi and Chairman Tsunehide Aoyagi

#### [After the interview]

Chairman Aoyagi smiled as he noted it would be much more profitable for them to do business with a trading company where products could be delivered as is, since Komori's demand for precision in parts is on a high level with tight delivery dates, while also saying that he aims for not short-term profits, but stable and mutually beneficial profit in the long-term. It makes one realize anew how Komori's strength lies in our long-term business relationships of trust, and that co-creation with partner companies is the very backbone of Komori's development and production capabilities.

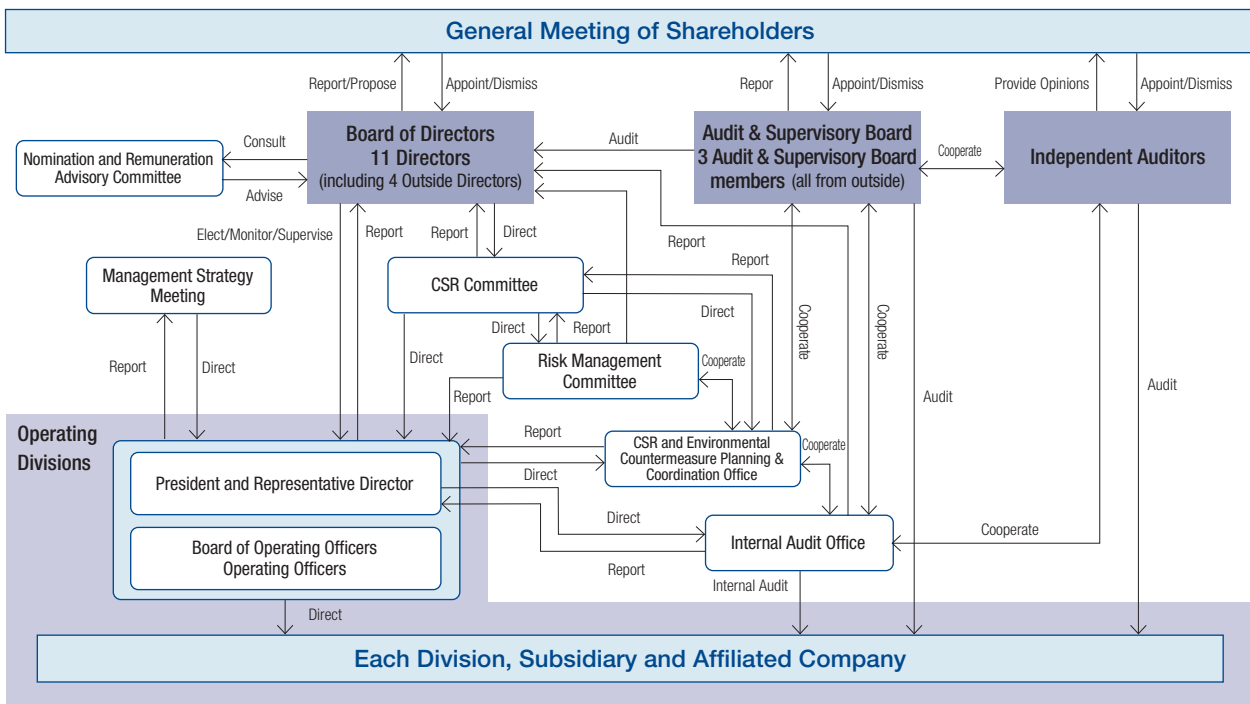


## Fundamental Concept of Corporate Governance

Under the corporate philosophy, “Company delivering Kando beyond expectations,” Komori understands that it is one of the most important material issues to meet expectations from all stakeholders including shareholders, customers, suppliers, local communities, and employees and their families in its business activities, fulfill its responsibilities and maximize corporate value. To that end, Komori employs a Company with Audit & Supervisory Board system as a core part of its corporate governance activities.

Komori also acknowledges that securing management transparency, prompt decision-making, compliance, and strengthening the audit function are fundamental to corporate governance. Based on these fundamental concepts, the Company pursues efforts to ensure solid corporate governance in all facets of management, including the supervision of management.

### Corporate governance structure



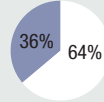

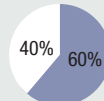

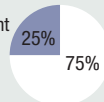
### History of corporate governance structure

	Before 2011, since 2013	since 2016	since 2020
Structure	1994 Transferred to a Company with Audit & Supervisory Board		As of July 2023 280 meetings in total
Director	2013 Ratio of Outside Directors: 25% 2 Outside Directors	2018 Increased to 3	2023 36% 2021 Increased to 4
Evaluation of effectiveness		2016 Introduce a questionnaire-style self-evaluation	Evaluated 13 times in total
Nomination Advisory Committee		2019 Established	2022 Integrated into Nomination and Remuneration Advisory Committee (Chaired by Outside Director, comprising 3 Outside and 2 Inside Directors)
Remuneration Advisory Committee		2019 Established Held 10 times in total	2020 Introduced Performance-Linked Stock Remuneration System

## Main Decision-Making Bodies and Frequency of Meetings in Fiscal Year Ended March 31, 2023

The main decision-making bodies and the frequency of meetings in the fiscal year ended March 31, 2023 are as follows:

□=Inside ■=Outside

<b>Board of Directors</b>	11 Directors (including 4 Outside Directors) and 3 Audit & Supervisory Board members (all from outside) Chair <b>Yoshiharu Komori</b> (Chairman)	<b>13 meetings</b> Out of Inside Directors and Audit & Supervisory Board members, 3 are mid-career recruitment 
<b>Audit &amp; Supervisory Boards</b>	3 Audit & Supervisory Board members (all from outside) Chair <b>Shinji Amako</b> (Full-Time Outside Audit & Supervisory Board member)	<b>13 meetings</b> Including 1 female 
<b>Nomination &amp; Remuneration Advisory Committee</b>	5 Directors (including 3 Outside Directors) Chair <b>Harunobu Kameyama</b> (Outside Director)	<b>11 meetings</b> 
<b>Management Strategy Meeting</b>	7 Directors and 1 Full-Time Audit & Supervisory Board member (including 4 from outside) Chair <b>Satoshi Mochida</b> (Representative Director and President)	<b>7 meetings</b> 
<b>Board of Operating Officers</b>	11 Directors, 1 Full-Time Audit & Supervisory Board member, 8 Operating Officers, 1 General Manager of Service Engineering Division, and 1 General Manager of ICT Promotion Division Chair <b>Satoshi Mochida</b> (Representative Director and President)	<b>12 meetings</b> Mid-career recruitment 
<b>CSR Committee</b>	11 Directors, 1 Full-Time Audit & Supervisory Board member, 8 Operating Officers, 1 General Manager of Service Engineering Division, and 1 General Manager of ICT Promotion Division Chair <b>Satoshi Mochida</b> (Representative Director and President)	<b>4 meetings</b>
<b>Risk Management Committee</b>	1 Operating Officer, 1 Management Planning Office member, and responsible officer/employee from each division Chair <b>Shoji Oyama</b> (Operating Officer)	<b>Held as needed</b> <b>2 CSR Committee reports</b>

### Reasons for appointment of Outside Directors and Outside Audit & Supervisory Board members

Outside Directors and Outside Audit & Supervisory Board members	Reasons for appointment
<b>Harunobu Kameyama</b> Appointed in June 2013 Born on May 15, 1959 Outside Independent Director	He was elected for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to having him utilize his expertise, experience, etc. gained as an attorney at law in the management of the Company. (Board meeting attendance: 12 out of 13 sessions)
<b>Masataka Sugimoto</b> Appointed in June 2019 Born on March 22, 1970 Outside Independent Director	He was elected for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to having him utilize his extensive academic experience, broad insight, etc. relating to new functional materials and leading-edge molding processing technology in the management of the Company. (Board meeting attendance: 13 out of 13 sessions)
<b>Toshiro Maruyama</b> Appointed in June 2021 Born on April 21, 1957 Outside Independent Director	He has deep expertise in printing securities and broad insight based on his experience in plant operations and business management. He was elected for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to having him utilize his expertise, insight, and other skills in the management of the Company. (Board meeting attendance: 13 out of 13 sessions)
<b>Koji Yamada</b> Appointed in June 2023 Born on June 21, 1954 Outside Independent Director	He was elected to utilize his extensive experience in managing both domestic and overseas factories for a comprehensive machinery manufacturer with a global presence as well as his proven track record as an executive responsible for the business. Moreover, we would like him to use his wealth of experience and insight in training and managing many foreign employees for the Company's management. Additionally, he was appointed for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions. (Appointed in June 2023)
<b>Shinji Amako</b> Appointed in June 2016 Born on April 21, 1956 Outside Independent Audit & Supervisory Board member	He was elected, having determined that he would be able to execute audits from an outsider's perspective to a greater degree as an Outside Audit & Supervisory Board Member by utilizing his extensive knowledge and experience that he has gained from business operations, overseas assignments, and management at a manufacturing company in another industry. (Board meeting attendance: 13 out of 13 sessions, Audit & Supervisory Board meeting attendance: 13 out of 13 sessions)
<b>Hiroko Sakamoto</b> Appointed in June 2013 Born on July 30, 1954 Outside Independent Audit & Supervisory Board member	She was elected, having determined that she would be able to execute audits from an outsider's perspective to a greater degree as an Outside Audit & Supervisory Board Member by utilizing her professional knowledge as a certified public accountant and a certified tax accountant and her experience in audit corporations. (Board meeting attendance: 13 out of 13 sessions, Audit & Supervisory Board meeting attendance: 13 out of 13 sessions)
<b>Muneaki Kiyota</b> Appointed in June 2020 Born on April 3, 1957 Outside Independent Audit & Supervisory Board member	He was elected, having determined that he would be able to execute audits from an outsider's perspective to a greater degree as an Outside Audit & Supervisory Board Member by utilizing his extensive knowledge and experience that he has gained from business operations and management at other companies in different industries including a financial institution. (Board meeting attendance: 13 out of 13 sessions, Audit & Supervisory Board meeting attendance: 13 out of 13 sessions)

## Skills Matrix

Name		Expertise and Practical Experience								
		Outside	Experience in corporate management	Knowledge about the Company's business	Sales and Marketing	Manufacturing and Quality Control	R&D and Innovation	Finance	Personnel and HR Development	Legal Affairs and Compliance
Inside Directors	Yoshiharu Komori		●	●	●		●			●
	Satoshi Mochida		●	●	●	●	●		●	●
	Eiji Kajita		●	●	●			●		●
	Masafumi Yokoyama		●	●					●	●
	Koichi Matsuno			●		●		●	●	●
	Isao Funabashi			●		●	●			
	Iwao Hashimoto			●		●		●	●	●
Outside Directors	Harunobu Kameyama	●							●	
	Masataka Sugimoto	●					●			●
	Toshiro Maruyama	●	●			●	●			
	Koji Yamada	●	●		●	●		●	●	●
Audit & Supervisory Board member	Shinji Amako	●	●			●			●	●
	Hiroko Sakamoto	●						●	●	
	Muneaki Kiyota	●	●					●	●	●

\*The above matrix is not an exhaustive list of areas of expertise of Directors and Audit & Supervisory Board members.

## Stakeholder Dialogue and Engagement

Komori is working to find solutions to management issues through dialogues with our stakeholders, including customers, business partners, and shareholders. Also, as we consider human capital as an important management resource for business development, we have established a cooperative system through communication between employees and management and various internal systems in order to enhance corporate value. Aiming to be a company trusted by the community, we are making efforts to actively participate in community activities.



Track and field training lesson in Kushiro

Stakeholders	Policy measures
Customers	<ul style="list-style-type: none"> <li>Providing printing machinery which complies with domestic and overseas environmental regulations</li> <li>Realizing energy and resource savings of printing machinery on basis of environmental impact assessments</li> <li>Providing, as printing education institution, various training programs that contribute to improving quality and productivity of offset printing as well as reducing environmental impact</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Execution of green procurement</li> <li>Discussions with top management at briefings for partner companies</li> <li>Policy explanation by the purchasing department</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Early notification of general meetings of shareholders</li> <li>Holding general meeting avoiding peak period (once a year)</li> <li>Preparing various documents in electronic documents and their English versions</li> <li>Allowing exercise of voting rights via the Internet and smartphones</li> </ul>
Market Players	<ul style="list-style-type: none"> <li>Scheduling online financial results briefings (4 times a year)</li> <li>Internet financial reporting</li> <li>Individual meetings</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Good work-life balance support, including gender-neutral parental leave system, etc.</li> <li>In-house reward system to recognize outstanding ideas and activities</li> <li>Interactive town-hall meetings and workplace revitalization via regular training, corporate newsletters, etc.</li> <li>Promoting the Company's printers through internal photo contest and external events</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Providing scholarship for overseas study</li> <li>Providing part of premises for use as helipad for medical helicopters</li> <li>Initiative for community greening activities</li> <li>Exchange with elementary school students through sports training by the Komori Athletic Team</li> <li>Supporting employment of refugees from international conflict, etc.</li> <li>Operational support for community marathon event</li> <li>Support for funding water supply for daily use abroad</li> <li>Collaboration with local public institutions in joint disaster drills, etc.</li> </ul>

## Directors' Remuneration

### Directors' remuneration

Directors are paid basic remuneration and performance-linked remuneration, paid as bonuses, to ensure that the remuneration system appropriately reflects accountability and performance, thereby increasing corporate value. The ratio of performance-linked remuneration is determined to be approximately 50% of the total amount of basic remuneration for average performance. The performance is, in principle, determined according to the achievement of consolidated operating income, and the total amount to be paid is to be submitted to the General Meeting of Shareholders for deliberation after the end of the fiscal year. Remuneration for Outside Directors is a fixed amount on a monthly basis.

The Remuneration Advisory Committee, which the Company voluntarily established in December 2018, has been working to strengthen the objectivity and transparency of Directors' remuneration. The Committee (presently as the Nomination and Remuneration Advisory Committee) is composed of three members: two Outside Directors and one Inside Director. Proposals deliberated by the Committee are submitted and resolved at meetings of the Board of Directors. In light of the nature of their duties, Audit & Supervisory Board members receive basic remuneration on a monthly basis, of which the total amount shall be within the limit approved by the General Meeting of Shareholders. The amount of basic remuneration for each Audit & Supervisory Board member is determined through deliberations among all Audit & Supervisory Board members.

### Performance-linked stock remuneration system

Komori has introduced a new performance-linked stock remuneration system, the Board Benefit Trust (BBT), for executive directors. The introduction of the system is to make clearer the linkage between the remuneration for executive directors, the Company's business performance, and shareholder value, and for executive directors to share with investors not only the benefits of increasing stock prices but also the risks of declining stock prices. Thus, we are aiming to motivate executive directors to contribute to the improvement of the Company's business performance and enhancement of corporate value over the medium- to long term. Specifically, the figure is adjusted at the end of the Medium-Term Management Plan, depending on the achievement of each numerical plan set in the Plan.

## Status of Reduction in Cross-Shareholdings

Komori holds shares in other companies, considering the fact that cooperation with business partners is vital for development, sales, financing, etc., which will increase corporate value and achieve sustainable growth. As to the shareholdings, the Board of Directors verifies the significance of holding stock in each company every year and any shareholding judged to be unreasonable is reduced. With respect to the exercise of voting rights for cross-shareholdings, we make a judgment on each proposal according to our evaluation criteria which verify, from a medium- to long-term perspective, whether the relevant company's corporate value will improve or whether the significance of our shareholding will be impaired after fully taking into consideration the management policies and strategies of the stock-issuing company concerned.

## Evaluation of Effectiveness of Board of Directors

### Evaluation for 77th term (fiscal year ended March 31, 2023)

In analyzing and evaluating the effectiveness of the Board of Directors, a questionnaire survey (self-assessment) was conducted for all Directors and Audit & Supervisory Board members on the following matters: As a result of the analysis and evaluation, it is determined that the effectiveness of the Board of Directors is ensured. A summary of the evaluation is given below.

<b>•Board composition</b>	It consists of 14 Directors, including 4 Outside Directors and 3 Outside Audit & Supervisory Board members, who have good balance of knowledge and experience in various fields, thus constituting an appropriate structure.																								
<b>•Board operation</b>	The Chair of the Board of Directors makes efforts to ensure prompt and active deliberations by, for example, encouraging Outside Directors to be proactively involved in discussions. Also, the start and/or end time of meetings was changed according to the importance of proposals and matters to be reported to ensure sufficient time for deliberations. We continue to practice online attendance, which was implemented during the COVID-19 pandemic. Meetings were held every month according to the schedule decided at the beginning of the fiscal year. The attendance rate was 99.4%, including Outside Directors and Outside Audit & Supervisory Board members, ensuring the smooth operation of the Board of Directors.																								
<b>•Matters to be proposed and reported</b>	In accordance with the regulations of the Board of Directors and legal requirements, important matters were appropriately proposed and reported. Additionally, we hold a preliminary briefing on proposals and matters to be reported, and distribute relevant materials in advance to facilitate effective and prompt discussions.																								
<b>•Status of deliberation</b>	Meetings were held every month according to the schedule decided at the beginning of the fiscal year. The attendance rate was 99.4%, including Outside Directors and Outside Audit & Supervisory Board members, ensuring the smooth operation of the Board of Directors.																								
<b>•Status of improvement</b>	We have made improvements one by one according to requests and findings by the Board of Directors. In the fiscal year ended March 31, 2023, briefing sessions and the like were held in response to the request for an increase in face-to-face opportunities to give advice and guidance to the execution side.																								
	<table border="1"> <thead> <tr> <th colspan="2">Explanatory session before Board meeting</th> </tr> <tr> <th>Date for session</th> <th>Preceding day of Board meeting</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Number of sessions</td> <td>FY2020</td> <td>6</td> </tr> <tr> <td>FY2021</td> <td>5</td> </tr> <tr> <td>FY2022</td> <td>7</td> </tr> </tbody> </table>	Explanatory session before Board meeting		Date for session	Preceding day of Board meeting	Number of sessions	FY2020	6	FY2021	5	FY2022	7	<table border="1"> <thead> <tr> <th colspan="2">Briefing session on progress in Medium-Term Management Plan</th> </tr> <tr> <th>Description</th> <td>Progress report by Operating Officers and persons responsible for promoting business</td> </tr> <tr> <th>Date of session</th> <td>Held in July and December 2022</td> </tr> </thead> <tbody> <tr> <th colspan="2">Individual briefing sessions</th> </tr> <tr> <td>Aug. 2023</td> <td>Briefing on each regional strategy by a person responsible for supervising each region</td> </tr> <tr> <td>Feb. 2023</td> <td>Formulation of Purpose</td> </tr> </tbody> </table>	Briefing session on progress in Medium-Term Management Plan		Description	Progress report by Operating Officers and persons responsible for promoting business	Date of session	Held in July and December 2022	Individual briefing sessions		Aug. 2023	Briefing on each regional strategy by a person responsible for supervising each region	Feb. 2023	Formulation of Purpose
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## Concepts of Compliance and Internal Control

### Compliance

We ensure that all our officers and employees in Japan and overseas conduct their activities in compliance with laws, regulations, social ethics, and respect for human rights based on the "Komori Group Code of Corporate Conduct" and the "Komori Group Employee Conduct Standards" both of which were formulated as basic guidelines for corporate activities. In addition, we have established the CSR Committee and the section in charge of compliance to promote and raise compliance awareness throughout the Komori Group by providing a whistle-blowing system for domestic Group companies, as well as compliance education for all employees. As for information disclosure regarding our efforts to respect human rights, we issued a statement in February 2023 based on Section 54 of the UK Modern Slavery Act, 2015.

### Internal control

•Internal control system	We have an internal control system in place, based on a basic policy for establishing it approved by the Board of Directors. We annually review and evaluate the operational status of the internal control system, reporting the results to the Board of Directors.
•Internal audit	We have an internal control system in place, based on a basic policy for establishing it approved by the Board of Directors. We annually review and evaluate the operational status of the internal control system, reporting the results to the Board of Directors.
•Cooperation with Audit & Supervisory Board members/ Independent Auditors	We closely collaborate with the Audit & Supervisory Board members by regularly exchanging opinions, conducting joint audits, and sharing audit results, aiming to enhance the efficiency and quality of audits. We engage in discussions with our Independent Auditors through meetings on their quarterly review reports, interim/final audit result reports, and other occasions.

## Risk Management

We have identified individual risks in the Komori Group and examined countermeasures for them at various meetings, and responded to issues in daily operations to a certain extent. However, as the environment surrounding us is changing, there are concerns that any lack in common understanding and partnership between departments regarding important risks could lead to a delay in taking countermeasures. Therefore, the CSR and Environmental Countermeasure Planning & Coordination Office is working together with each department to narrow down and manage 21 risk factors, including those stated in the Securities Report, in view of the severity of the risks we faced in the past and the priority of risks we are currently facing.

Out of them, 17 risk factors are classified into 8 risk types as listed in the table below and the status of risk management is disclosed in the Securities Report for this fiscal year.

In our internal activities, the risk management organization headed by CEO was formed, taking responsibility for identifying and assessing risks from group-wide perspectives. In accordance with the Regulations for Risk Management and the Operational Guidelines for Risk Management established to this end, we set up the Risk Management Committee which is responsible for formulating the group-wide risk management policy, reviewing the risk management system, monitoring the status of measures taken for each individual risk, and implementing necessary follow-up action. The status of progress is reported to the CSR Committee quarterly and the Board of Directors as necessary. The emergency headquarters will be in charge for risks in emergencies.

Risk type	Risk factor	Number of risk factors
1 Management risk of overseas subsidiaries	<ul style="list-style-type: none"> <li>• Risk of reduced profitability of subsidiaries in Europe and the U.S.</li> <li>• Risk of possible damage due to product quality claims</li> <li>• Risk of deterioration in cash flow due to excess inventories</li> </ul>	3
2 Hazard risk	<ul style="list-style-type: none"> <li>• Risk related to information security breach (BCP to respond) Important information: Customer information, employee information, drawings, intellectual property information, design/manufacturing technology information, financial information</li> <li>• Risks linked to Headquarters functions and plants</li> <li>• Country risk involved in overseas business</li> </ul>	3
3 Market volatility risk (Market monitoring risk)	<ul style="list-style-type: none"> <li>• Market volatility risk (market monitoring risk)</li> <li>• Risk of offset printing market shrinking</li> <li>• Risk caused by currency exchange fluctuations</li> </ul>	2
4 New business management risk	<ul style="list-style-type: none"> <li>• Risk of digital printing business growth stagnating</li> <li>• Risk of target areas in PE business</li> </ul>	2
5 Supply chain risk (parts supply risk)	<ul style="list-style-type: none"> <li>• Risk related to price hikes on raw materials, electronic parts, etc.</li> <li>• Risk of supply of electronic parts, etc. being delayed</li> </ul>	2
6 Risk related to environment/ climate change	<ul style="list-style-type: none"> <li>• Risk of making little progress in developing next-generation technologies in environmental response</li> <li>• Risk of energy costs increasing</li> </ul>	2
7 Risk related to human resources	<ul style="list-style-type: none"> <li>• Risk related to human resource employment/diversity</li> <li>• Risk of employees quitting</li> </ul>	2
8 Risk related to compliance	<ul style="list-style-type: none"> <li>• Risk related to wrongdoing and harassment</li> </ul>	1

## Interviews with Outside Directors



Photo shows Outside Directors (from left: Yamada, Maruyama and Sugimoto, excluding Kameyama)

The Komori Group believes that the enhancement of management transparency and governance contributes to improving corporate value. For the reappointed Outside Directors, we asked about the environment surrounding Komori, the improvement of corporate value, changes and achievements, as well as advice and supervision. As for the newly appointed Outside Director, we asked about his past experiences and Komori's impressions.

**Harunobu Kameyama** Appointed in June 2013, born on May 15, 1959

### Q1 From the perspective of your expertise, how do you perceive the social environment surrounding Komori?

**A1** To start with, every business entity, including our Company, should not only aim for profit maximization but also strive to contribute to all entities involved in our business, including ESG and the SDGs (Sustainable Development Goals) as well as individuals, things, and the environment. Whether social challenges have been resolved efficiently or not should be shared as responsible corporate value and issues. I perceive that such an understanding is rapidly gaining momentum. At the same time, I feel that our Company is in need of the sort of external publicity effort that makes us positively evaluated by all stakeholders, including investors and business partners, particularly in areas such as responsiveness to ROE and PBR, for example.

### Q2 What do you think is necessary to improve corporate value?

**A2** The Long-Term Vision and Purpose have been formulated with the involvement of external officers as well as part of our efforts to enhance the corporate value of the Company. "Delivering Kando 'beyond expectations' by contributing to society with print technology" is based on the environment surrounding the Company, as previously mentioned. The slogan is also a declaration underscoring our commitment to continually advocate for Kando beyond mere "satisfaction" so that not just customers but all our stakeholders will feel it. Recently, the Company has introduced a product-based business group system to accelerate business activities and optimize revenue management by integrating development, manufacturing and sales. I may only be expressing my personal perception, but the benefits of the reform extend beyond these objectives; within each business group, there seems to be seamless sharing of information from customers and business partners, which is noticeably evident in various discussion forums and meetings. I believe the above-mentioned Purpose has become a means to make it easier for each and every employee in charge to envision the direction we aspire to as the Company. Also, I believe that, in the above-mentioned external publicity as well, the purpose serves as a specific direction for enhancing the Company's corporate value.

### Q3 Please tell us changes brought on and results achieved while in office.

**A3** As mentioned in last year's Integrated Report interview, interactions at Board of Directors meetings have become more proactive and dynamic in response to significant changes in the business environment surrounding the Company. Over the past year, discussions have taken place on various topics, including the formulation of the Long-Term Vision and Purpose, response to PBR, shareholder returns, diversity focusing on women's empowerment, initiatives addressing human rights issues involving supply chains, investment projects, asset management, cross-shareholdings, and further enhancement of external publicity. There have been

active contributions from outside officers during these deliberations. In discussions like these, I believe it important to have senior executives in charge of business execution articulate and explain their actions in words. Therefore, when it proves challenging to realize certain things while they are actively discussed, I seek explanations about the reasons behind such challenges and take other actions.

#### **Q4 How do you advise and supervise the Company to realize the current Medium-Term Management Plan and to move toward the next Plan.**

**A4** As I said before, I see it as one of my roles to create opportunities for senior executives responsible for business implementation to articulate and explain their actions in words. From this perspective, we initially and sincerely accept explanations from the executive side in a straightforward and unassuming manner regarding the Medium-Term Management Plan. Moreover, we maintain an attitude of actively inquiring further, using all words to seek clarification on any point that we cannot understand based on the explanations provided. Speaking of the current Medium-Term Management Plan, we inquire about the circumstances and reasons for any unmet target, clarification of where responsibility lies, and the like. Regarding the next Plan, we seek the confirmation of factors such as the relationship with the Long-Term Vision, anticipated goals, measures, and specific efforts aimed at achieving numerical targets, etc. Based on these, we ask for explanations and take other actions.

**Masataka Sugimoto** Appointed in June 2019, born on March 22, 1970

#### **Q1 Can you tell us about your expertise and compatibility with Komori?**

**A1** I have gained work experience in the private sector and, currently, I am conducting research at Yamagata University on novel materials, focused on functional polymers, and high-precision molding/processing techniques. The ink used in printing is a viscous liquid containing various additives such as resins and pigments. It exhibits high compatibility with functional materials, resins, etc. that I am studying. In addition to participating in the monthly Board of Directors meetings, I attend various management conferences. Particularly, I have the opportunity to engage in discussions with researchers, especially those in the new PE business, about new materials, technological challenges, market trends, and related topics. As a university faculty teacher with a background in the private sector, there are high expectations for development projects, especially those focused on new businesses.

#### **Q2 What do you think is necessary to improve corporate value?**

**A2** In my research laboratory, we need a lot of time for extensive experimentation in materials research and, to enhance efficiency, we also engage in data digitization and utilize it for predictive purposes. At Komori Corporation, I believe that accumulating and analyzing various data can lead to improvements in production efficiency, such as assembly and inventory management, and that the utilization of AI, particularly in narrowing down various themes, can be effective. Furthermore, concerning digital transformation (DX), there has been progress in utilizing tools like "KP-Connect," which enables the visualization of complex printing processes. I believe that gaining a comprehensive understanding of company-wide DX, including the manufacturing department, can contribute to strengthening the management foundation and enhancing corporate value.

#### **Q3 Please tell us changes brought on and results achieved while in office.**

**A3** I think the full-scale launch of the advance series of offset printing machines is indeed the most significant achievement. In addition to the increase in market share, there is also evidence of contributions to the improvement in profitability. In the case of the advance series, we ultimately succeeded in commercializing the products. However, instead of delivering a developed machine to customers and resolving issues that arose while in use in the field to finalize the product, we recognize that one of our challenges is to improve the completeness of any product during its development stage. Another achievement is the expansion of business into the post-processing area of printing through the acquisition of MBO. The DPS business is technically challenging and we are engaged in inherently contradictory problem-solving tasks. While it seems that it will take some more time for commercialization, it's worth noting that even our current state-of-the-art offset machines trace their origin back to the lithographic printing of 100 years ago. I truly hope for its success. In the PE business, we hope it will contribute to the realization of new market creation in processes such as semiconductor production by making full use of a unique differentiating technology based on Seria's screen printing technology combined with Komori's offset printing and coating technologies.

#### **Q4 What sort of advice and supervision do you provide as to the realization of the Medium-Term Management Plan, the development of new businesses, and the like?**

**A4** With regard to the existing businesses, we are required to improve production efficiency through the use of labor-saving and automation equipment, such as the introduction of robots, besides further cultivating our businesses. Furthermore, I would like Komori to draw inspiration from successful examples of other companies, irrespective of industries, adopting a sales approach that incorporates innovative thinking unconstrained by conventional norms and promoting technological collaboration. For new business ventures, on the other hand, I believe that we are required to prioritize speed, undertake concentrated short-term investment, assess the market viability of technologies, and embrace aggressive investment without fearing risks. Particularly, research and development in the PE business can lead to future top-line growth. So, I strongly encourage its thorough execution. Additionally, if necessary technologies are available, the implementation of M&A or alliances with other companies can also be effective. I would like to urge researchers to proactively go outside to gather and disseminate information by actively participating in academic conferences and engaging in external networking, among other activities. I also encourage the Company to focus on exploring new business opportunities and market creation beyond the PE business, aiming to take the lead among other companies.

**Toshiro Maruyama** Appointed in June 2021, born on April 21, 1957

**Q1 From the perspective of your expertise, how do you perceive the social environment surrounding Komori?**

**A1** The security printing press market is witnessing a shift toward in-house production, particularly in countries that have traditionally relied on external sources for banknote manufacturing, in addition to investment in the modernization of printing plants and equipment. Komori has split the German printing press market into two halves with local companies. I believe that, through precise market analysis, we can expand Komori users by disseminating proposals leveraging Komori's strengths, such as enhancing the attractiveness of our products and ensuring the excellence of maintenance and peripheral facilities. Initiatives in the realm of digital currencies are under consideration by nonbank financial institutions, commercial banks and central banks. However, numerous challenges exist, and the issuance of digital currencies as legal tender is expected to take additional time. Therefore, it is anticipated that the circulation of banknotes as a means of payment will continue for the present.

**Q2 What do you think is necessary to improve corporate value?**

**A2** I believe that increasing revenue is crucial for the improvement of economic value, and this can be achieved through conscious management focused on profitability and growth, including the provision of attractive and differentiated products. By emphasizing profitability and growth, such strategic management can lead to an increase in sales. Required of us are solving challenges faced by customers, improving customer return on investment (ROI), and providing products based on high-quality assurance. In addition to the machines themselves, providing attractive services utilizing DX will also be necessary for improving customer satisfaction. I believe that we are required to seek early profitability improvement in the DPS and PE businesses, which are anticipated as growth segments in the future, as well as focusing on business development with sustainable management in mind, and making aggressive investment toward its realization. To enhance social value, on the other hand, external appeal is necessary toward raising awareness of Komori's corporate activities aligned with its purpose and strengthening brand power. From the perspective of securing human resources who support the future of Komori, such information dissemination is also crucial.

**Q3 Please tell us changes brought on and results achieved while in office.**

**A3** We have transitioned our organizational structure to a product-based business group system. By reinforcing regional sales channels during the transition process, it has become easy to share needs and challenges in each region. This has facilitated the visualization of performance contributions, and the responsibility structure has become clear. Moreover, enhancement of our development power is making headway. By strengthening the development of elemental technologies and expanding the scope of in-house verification in the development process, we can expect the development of more reliable products, the nurturing of development talents, and the accumulation of intellectual property. I believe that providing products high in their degree of perfection contributes to strengthening brand power and ultimately leads to improved profitability.

**Q4 How do you supervise and advise the Company to realize the current Medium-Term Management Plan and to move toward the next Plan.**

**A4** The ongoing Sixth Medium-Term Management Plan, affected by factors such as the COVID-19 pandemic, necessitated a downward revision of its targets in May 2021. Additionally, it had a significant impact on the development of new business areas. In hindsight, we feel that maybe we should have delved deeper into discussions regarding this response. Any delay in development has a significant impact on subsequent revenue plans. In drawing up the Seventh and Eighth Medium-Term Management Plans, careful consideration and formulation are underway regarding what, by when, and how to achieve financial and non-financial goals, and what sorts of measures to be taken for these objectives. As a result, we expect to strengthen the progress-monitoring function and implement effective measures before significant delays occur, thereby mitigating execution risks and enhancing corporate value.

**Koji Yamada** Appointed in June 2023, born on June 21, 1954

**Q1 Will you tell us about your experience at Komatsu, where you are from, and expertise?**

**A1** I joined Komatsu Ltd. in 1977 and worked for 20 years at its materials department at the Osaka Plant and Headquarters. I remember that by separating the procurement function from the construction and logistics sector and advancing company-wide centralized purchasing, we enhanced the expertise of buyers, strengthened collaboration with the development and production departments, and transformed the function into a strategic procurement development. I was once responsible as well for a project synchronizing the development of new products modeled on our medium-sized hydraulic excavators. With these achievements recognized, I was entrusted with the position of general manager of Plants in the U.S. and Osaka, and head of the Awazu plant, overseeing overall plant management. During my stint at Komatsu Industries Corp. , I managed all aspects of business operations, ranging from development to sales and services. In India, I worked on the dissolution of a joint venture company and prepared for the establishment of our second company-owned plant. From my time at Komatsu, the lessons I have learned and hold dear include the importance of collaboration with suppliers as partners and the critical role of decisive leadership as a top executive.

**Q2 Could you tell us if Komori has any commonalities with Komatsu?**



**A2** What is common is that both companies are manufacturers leading their respective industries. The number of components in a construction machine is approximately 30,000, while printing machines are assemblies of around 50,000 components each. It seems that my experience in parts procurement, which is my expertise, could be useful. Furthermore, printing machines are similar to the press machines handled by Komatsu Industries Corp. in their processing stages and, although there are differences in the processed products, I thought that my experience at Komatsu Industries Corp. could be beneficial. This is the reason why I accepted the position of Outside Director at Komori. Also common to both companies is that they have a high overseas sales ratio, engaging in global operations. While working at Komatsu, I experienced duties in the U.S. and India. I will be happy if my knowledge gained there turns out useful to Komori.

**Q3** What sort of impression did you have through your attendance at Board of Directors meetings at Komori?

**A3** My initial impression was that everyone speaks actively and articulately during discussions while demonstrating a good understanding of the topics at hand. It's positive to see lively discussions and the exchange of diverse opinions during Board meetings. However, it's unfortunate that there are no female directors on the Board. Of course, regardless of gender, fair and sound advice and supervision are required. However, from a diversity perspective as well, the appointment of women is advisable. Since there are no females among operating officers as well, it seems that a policy of promoting training and hiring women, including mid-career recruitment, is needed from a long-term perspective. I also participated, as an observer, in the medium-term management meeting held at the end of July, which was attended by operating officers as well. I was able to listen to insightful presentations from various departments.

**Q4** Please tell us what sort of problem awareness you have about Komori and the role you expect to play in enhancing corporate value.

**A4** As for your existing businesses, I think that you need to change conventionally received notions. Due to its long history, Komori Corporation gives the impression that traditional customs and practices have been left unchanged. When I saw an offset printing press for the first time, for example, I was struck by the impression of "Why is it so big?" During my work at Komatsu Industries Corp., an automaker told us to halve the size of a press machine, and we responded to the request. In fact, by making the machine smaller, we went a long way toward reducing the cost of constructing the customer's plant. Also, in areas where high growth is expected, you should recruit talented individuals and make active investment. I think it important as well to raise product prices to levels matching their brand appeal as an industry leader. Customers who voice objections to price increases often present new improvement requests. By addressing these challenges, I believe new value can be created. I also want to contribute to creating a vibrant and energetic work environment.

## Interview with Chair of Nomination and Remuneration Advisory Committee

**Q1** Could you please tell us how our Nomination and Remuneration Advisory Committee operates and the aspects you prioritize as the Chair of the Nomination and Remuneration Advisory Committee?

**A1** Our Nomination and Remuneration Advisory Committee is in place for the nomination and remuneration of not only directors but also operating officers, as well as for the selection and nurturing of successors, to ensure the fairness, transparency and objectivity of such duties. It is also designed to advise the Representative Director and the Board of Directors. In the fiscal year ended in March 2022, the Nomination and Remuneration Advisory Committee held 11 meetings. Not only during meetings but also on other occasions, the Committee shares relevant reference materials. It also shares information such as on Directors, or individuals deemed suitable as successor or for the posts of Director/operating officer, and on the evaluation of achievement of missions assigned to these people.

As I mentioned in the interview for last year's Integrated Report, I believe it crucial to create opportunities for senior executives responsible for business execution to verbally explain and articulate their perspectives. As the Chair of the Nomination and Remuneration Advisory Committee, I consider it my role to create an environment where the executives explain in words about the nomination and succession planning for Directors, and where each Committee member explicitly states his or her perspective and understanding. Additionally, I aim to facilitate active opinion exchanges in order to foster an atmosphere for thorough discussions on these matters.

At the current stage, I must be candid and say that such an environment is still halfway in the process. However, I aspire to continue experimenting and refining our approach, aiming to achieve Committee operations that can provide more appropriate advice in the future.



Photo: Harunobu Kameyama, Chair, Nomination & Remuneration Advisory Committee

## Directors



### Yoshiharu Komori

Chairman

Born on June 27, 1939

April 1962 Joined the Company  
June 1967 Director  
August 1979 Managing Director  
August 1987 Senior Managing Director and General Manager of Sales Department  
April 1993 President and Representative Director  
July 2006 Representative Director, President and CEO  
June 2009 President, Chairman, CEO and Representative Director  
June 2014 Chairman, CEO and Representative Director  
June 2019 Chairman (to present)

Number of shares of the Company held: 1,068,573 common shares



### Satoshi Mochida

President and Representative Director

Born on August 7, 1950

April 1975 Joined the Company  
June 1995 Director, Deputy Head of Corporate Management Office, Head of Secretary's Office and General Manager of Overseas Sales Division  
June 1998 Managing Director, Head of President's Office and General Manager of Sales Department at Head Office  
April 2000 Managing Director, General Manager of Sales Management Division and General Manager of Sales Department at Head Office  
July 2001 Managing Director, General Manager of Sales Management Division, General Manager of Sales Department at Head Office and General Manager of Overseas Sales Division  
March 2005 Managing Director and Head of Management Planning Office  
July 2006 Managing Director, Managing Operating Officer and Head of Management Planning Office  
November 2006 Senior Managing Director, COO and Representative Director and Head of Management Planning Office  
June 2007 Senior Managing Director, COO and Representative Director  
January 2009 Senior Managing Director, COO and Representative Director and Head of Management Planning Office  
June 2011 Representative Director, COO and Head of Management Planning Office  
April 2013 Vice President, COO, Representative Director and Head of Management Planning Office  
June 2014 President, COO, Representative Director, Head of Management Planning Office and Head of CSR Planning & Coordination Office  
March 2016 President, COO, Representative Director and Plant Director of Tsukuba Plant  
June 2017 President, COO and Representative Director  
June 2019 President, CEO and Representative Director (to present)

Number of shares of the Company held: 82,245 common shares



### Eiji Kajita

Director

Born on September 7, 1965

April 1988 Joined Nomura Securities Co., Ltd.  
April 2008 General Manager of Osaka Capital Market Dept., Nomura Securities Co., Ltd.  
April 2009 Joined the Company  
April 2009 General Manager of Export Dept. II, Overseas Sales Division  
January 2010 Seconded to Komori International (Europe) B.V. (President)  
April 2012 Operating Officer, seconded to Komori International (Europe) B.V. (President)  
September 2012 Operating Officer and Deputy Head of Management Planning Office  
April 2013 Operating Officer and General Manager of Sales Management Division  
June 2013 Director, Operating Officer and General Manager of Sales Management Division  
October 2015 Director, Operating Officer, General Manager of Sales Management Division and General Manager of DPS Sales Promotion Division  
March 2016 Director, Operating Officer, Head of Management Planning Office and Leader of Business Growth Strategy Promotion Project  
June 2018 Director, Managing Operating Officer, Head of Management Planning Office and Leader of Business Growth Strategy Promotion Project  
March 2019 Director, Managing Operating Officer, General Manager of Sales Management Division, and Officer in charge of DPS Business Promotion  
February 2020 Director, Managing Operating Officer, General Manager of Sales Management Division, and General Manager of DPS Business Promotion Division  
February 2022 Director, Managing Operating Officer and General Manager of European Business  
July 2022 Director, Senior Managing Operating Officer and Group General Manager of European Business (to present)

Number of shares of the Company held: 22,100 common shares



### Masafumi Yokoyama

Director

Born on November 8, 1953

April 1977 Joined Kubota Tekko K.K. (now Kubota Corporation)  
April 1993 Head of Planning Section, Personnel Division, Kubota Corporation  
January 1997 Head of Human Resources Development Group, Kubota Corporation  
June 2000 General Manager of Environmental Planning Division, Kubota Corporation  
June 2003 General Manager of Environmental Engineering Consolidated Division, Kubota Corporation  
April 2006 General Manager of Environmental Business Development Division, Kubota Corporation  
April 2007 Manager of Membrane Solutions Business Unit, Kubota Corporation, and President of Kubota Membrane Co., Ltd.  
April 2009 General Manager of Air Condition Equipment Division, Kubota Corporation, and President of Kubota Air Conditioner, Ltd.  
April 2012 General Manager of Air Conditioning Equipment Business Unit, Kubota Corporation, and President of Kubota Air Conditioner, Ltd.  
April 2013 Director of Electronic Equipped Machinery Division, Kubota Corporation  
June 2013 Full-time Outside Audit & Supervisory Board Member of the Company  
June 2016 Director, Operating Officer and Deputy General Manager of Administration and Personnel (in charge of general affairs and personnel affairs)  
February 2017 Director, Operating Officer and General Manager of Personnel and General Affairs Division  
June 2018 Director, Managing Operating Officer and General Affairs Division  
March 2019 Director, Managing Operating Officer, Head of Management Planning Office and Officer in charge of Personnel and General Affairs Division  
July 2022 Director, Senior Managing Operating Officer, Head of Management Planning Office and Officer in charge of Personnel and General Affairs Division (to present)

Number of shares of the Company held: 15,000 common shares



### Koichi Matsuno

Director

Born on September 7, 1960

April 1985 Joined the Company  
March 2004 Manager, Administration Section, Administration Department  
November 2004 Head of Toride Plant General Manager's Office  
March 2005 General Manager of Toride Plant and Tsukuba Plant  
March 2006 General Manager of Tsukuba Plant  
February 2011 Deputy Plant Director of Tsukuba Plant and Head of Overseas Production Promotion Office  
February 2012 Deputy Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant  
April 2012 Operating Officer, Deputy Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant  
April 2014 Operating Officer, General Manager of Administration Division  
June 2014 Director, Operating Officer, General Manager of Administration Division and Leader of KNT Business Promotion Project  
February 2022 Director, Operating Officer, Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant  
July 2022 Director, Managing Operating Officer, Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant  
March 2023 Director, Managing Operating Officer, Group General Manager of Offset Press Business Group and Plant Director of Tsukuba Plant (to present)

Number of shares of the Company held: 19,700 common shares



### Isao Funabashi

Director

Born on December 4, 1960

April 1983 Joined the Company  
March 1998 Manager, Design I Section, Sheet-fed Dept.  
March 2004 Seconded to Komori Machinery Co., Ltd., Deputy Plant Director and Manager of Sheet-fed Dept.  
March 2006 General Manager of Tsukuba Design Dept.  
February 2011 Senior Project Manager of Design Dept.  
February 2012 Chief Engineer, Technology Division  
April 2014 General Manager of Technology Division and General Manager of DPS Development Dept.  
April 2015 Operating Officer and General Manager of Technology Division  
February 2017 Operating Officer, Deputy Plant Director of Tsukuba Plant and General Manager of Technology Division  
June 2017 Director, Operating Officer, Plant Director of Tsukuba Plant and General Manager of Technology Division  
March 2018 Director, Operating Officer, Plant Director of Tsukuba Plant, General Manager of Technology Division, and Officer in charge of Komori's Graphic Technology Center  
February 2021 Director, Operating Officer, Plant Director of Tsukuba Plant and General Manager of Technology Division  
February 2022 Director, Operating Officer, General Manager of DPS Business Promotion Division and General Manager of Technology Division  
April 2023 Director, Senior Operating Officer, General Manager of DPS Business Promotion Division and General Manager of Technology Division (to present)

Number of shares of the Company held: 1,000 common shares



### Iwao Hashimoto

Director

Born on December 14, 1958

April 1981 Joined Kubota Tekko K.K. (now Kubota Corporation)  
June 1996 Head of Pump Group, Administrative Divisions, Steel Engineering Dept., Hirakata Plant, Kubota Corporation  
October 2015 Head of Planning Group, Pump Planning Division, Kubota Corporation  
April 2007 General Manager of Pump Planning Division, Kubota Corporation  
April 2015 General Manager of Water and Environment Engineering Division, Kubota Corporation  
April 2019 Joined the Company  
Deputy General Manager of Administrative Division  
February 2020 Operating Officer, Deputy Plant Director of Tsukuba Plant and Representative Director of Komori Machinery Co., Ltd.  
February 2022 Operating Officer, General Manager of Administration Division  
June 2022 Director, Operating Officer and General Manager of Administrative Division  
April 2023 Director, Senior Operating Officer and General Manager of Administrative Division (to present)

Number of shares of the Company held: 300 common shares



## Harunobu Kameyama

Director

Born on May 15, 1959

April 1992 Registered as attorney at law (Daichi Tokyo BAR Association)  
 April 1997 Opened Harunobu Kameyama Law Office (now Kameyama Sogo Law Office)  
 June 2005 Auditor of Kyoritsu International Foundation (to present)  
 June 2007 Outside Audit & Supervisory Board Member of the Company  
 April 2010 Civil conciliation commissioner of Tokyo Summary Court (to present)  
 October 2012 Outside Director of Takaoka Toko Holdings Co., Ltd. (now Takaoka Toko Co., Ltd.)  
 June 2013 Outside Director of the Company (to present)  
 October 2013 Outside Audit & Supervisory Board Member of SOMAR Corp. (to present)  
 March 2021 Outside Audit & Supervisory Board Member, YAMABIKO CORPORATION  
 March 2022 Outside Director, YAMABIKO CORPORATION (to present)

Number of shares of the Company held: 0 common shares



## Masataka Sugimoto

Director

Born on March 22, 1970

April 1994 Joined CHISSO PETROCHEMICAL CORPORATION  
 April 2002 Principal researcher of Polymer Research Institute, CHISSO PETROCHEMICAL CORPORATION  
 April 2003 Assistant, Faculty of Engineering, Yamagata University  
 August 2004 Overseas researcher, North Carolina State University  
 October 2007 Assistant professor (Polymer Science), Graduate School of Science and Engineering, National University Corporation Yamagata University  
 December 2007 Associate professor (Polymer Science), Graduate School of Science and Engineering, National University Corporation Yamagata University  
 April 2018 Professor (Polymer Science), Graduate School of Organic Materials Science, National University Corporation Yamagata University (to present)  
 June 2019 Outside Director of the Company (to present)  
 April 2022 Assistant Dean of the Faculty of Engineering and Professor (Polymer Science) of Graduate School of Organic Materials Science, National University Corporation Yamagata University (to present)

Number of shares of the Company held: 0 common shares



## Toshiro Maruyama

Director

Born on April 21, 1957

April 1982 Joined Printing Bureau, the Ministry of Finance (now National Printing Bureau)  
 April 2009 Manager, Development Department, National Printing Bureau  
 April 2011 Director, Takinogawa Plant, National Printing Bureau  
 April 2013 General Manager, Security Product Business Department, National Printing Bureau  
 April 2015 Vice President, National Printing Bureau  
 March 2019 Retired from National Printing Bureau  
 June 2021 Outside Director of the Company (to present)

Number of shares of the Company held: 0 common shares



## Koji Yamada

Director

Born on June 21, 1954

April 1977 Joined Komatsu Ltd.  
 August 1996 General Manager of Planning & Cooperation Department, Chattanooga Manufacturing Operation, Komatsu America Corp.  
 April 1999 General Manager of Planning & Coordination of Osaka Plant, Production Division, Komatsu Ltd.  
 April 2002 Plant Manager of Awazu Plant, Production Division, Komatsu Ltd.  
 April 2004 Executive Officer, Komatsu Ltd.  
 April 2005 General Manager of Industrial Machinery Division, Komatsu Ltd., and President & Representative Director, Komatsu Industries Corporation  
 February 2009 Representative of All India Operations, Komatsu Ltd.  
 April 2009 President of Komatsu India Pvt. Ltd.  
 April 2010 Senior Executive Officer, Komatsu Ltd.  
 June 2013 Standing Audit and Supervisory Board Member, Komatsu Ltd.  
 May 2018 Special Advisor, Uchimura Co., Ltd. (to present)  
 June 2023 Outside Director of the Company (to present)

Number of shares of the Company held: 0 common shares

## Audit & Supervisory Board Members



## Shinji Amako

Audit & Supervisory Board Member

Born on April 21, 1956

April 1977 Joined Kubota Tekko K.K. (now Kubota Corporation)  
 April 1998 Technical Group Leader of Steel Engineering Department, Hirakata Plant, Kubota Corporation  
 October 2002 Overseas Group Leader of Steel Sales Department, Kubota Corporation  
 July 2005 Manager, Steel Sales Department, Kubota Corporation  
 April 2009 Director, Kubota Corporation  
 April 2010 Manger, Formed and Fabricated Materials Sales Department, Kubota Corporation  
 April 2012 Head of Formed and Fabricated Materials Business Unit, Kubota Corporation  
 April 2013 President, Kubota Materials Canada Corporation  
 June 2016 Full-time Outside Audit & Supervisory Board Member of the Company (to present)

Number of shares of the Company held: 0 common shares



## Muneaki Kiyota

Audit & Supervisory Board Member

Born on April 3, 1957

April 1981 Joined The Fuji Bank, Limited (now Mizuho Bank, Ltd.)  
 June 2004 General Manager, Forex Department, Mizuho Bank, Ltd.  
 April 2007 General Manager, Bangkok Branch, Mizuho Bank, Ltd.  
 April 2009 Executive Officer, Mizuho Securities Co., Ltd. and President, Mizuho Bank (Switzerland) Ltd.  
 April 2010 Director, Mizuho Securities Co., Ltd.  
 June 2010 Audit & Supervisory Board Member, OKAYA ELECTRIC INDUSTRIES CO., LTD.  
 June 2012 Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD  
 June 2014 Director, Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.  
 April 2018 Director, Senior Managing Executive Officer, OKAYA ELECTRIC INDUSTRIES CO., LTD.  
 April 2020 Director, OKAYA ELECTRIC INDUSTRIES CO., LTD.  
 June 2020 Outside Audit & Supervisory Board Member, Nichirei Corporation (to present)  
 June 2020 Outside Audit & Supervisory Board Member of the Company (to present)  
 June 2021 Outside Director, JCU Corporation (to present)

Number of shares of the Company held: 0 common shares



## Hiroko Sakamoto

Audit & Supervisory Board Member

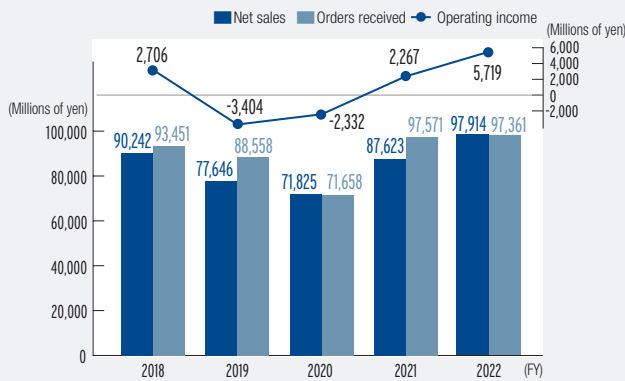
Born on July 30, 1954

October 1984 Joined Chuo Audit Corporation (the now defunct Misuzu Audit Corporation)  
 July 1997 Partner of Chuo Audit Corporation  
 July 2001 Representative Partner of Chuo Audit Corporation  
 July 2007 Joined A&A Partners  
 July 2007 Representative Partner of A&A Partners  
 July 2010 Partner of A&A Partners due to abolition of Representative Partner system  
 June 2013 Outside Audit & Supervisory Board Member of the Company (to present)  
 February 2019 Outside Audit & Supervisory Board Member of Lacto Japan Co., Ltd.  
 April 2019 Auditor (part-time) of Deposit Insurance Corporation of Japan (to present)  
 October 2019 Representative, Sakamoto Hiroko CPA Office (to present)  
 February 2021 Director (Outsider) and Audit Committee Member, Lacto Japan Co., Ltd. (to present)

Number of shares of the Company held: 0 common shares

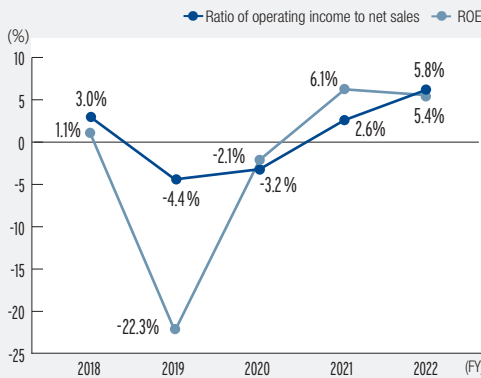
# Financial Highlights

## •Net Sales, Orders Received, and Operating Income



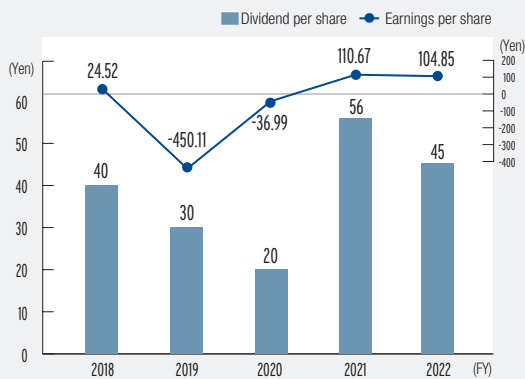
Orders received for the fiscal year ended March 31, 2023 remained flat at ¥97,300 million year on year, maintaining the highest level in the past five years as seen in the previous fiscal year. Net sales amounted to ¥97,900 million, a 11.7% increase from a year earlier, reflecting strong orders received in the previous fiscal year. Operating income increased by ¥3,400 million over the previous fiscal year to ¥5,700 million.

## •Ratio of Operating Income to Net Sales and ROE



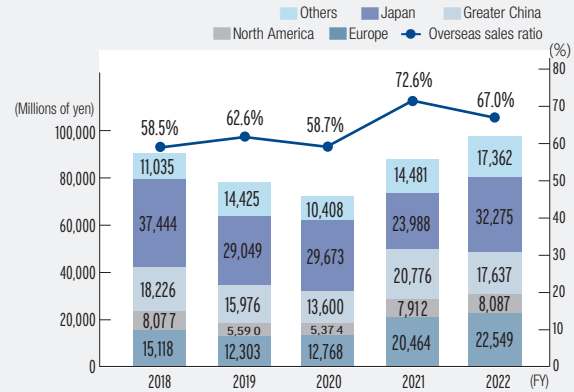
Ratio of operating income to net sales for the fiscal year ended March 31, 2023 was 5.8%, 3.2 percentage points up year on year primarily due to positive effects such as an increase in sales volume, improved capacity utilization, and the yen's depreciation. ROE (Return on Equity = Profit Attributable to Owner of Parent / Equity) was 5.4%, 0.7 percentage points down year on year due to the absence of the proceeds from sales of noncurrent assets in the course of the integration of business bases as part of measures to reinforce the Company's business revenue structure recorded in the previous year.

## •Earnings and Dividend Per Share



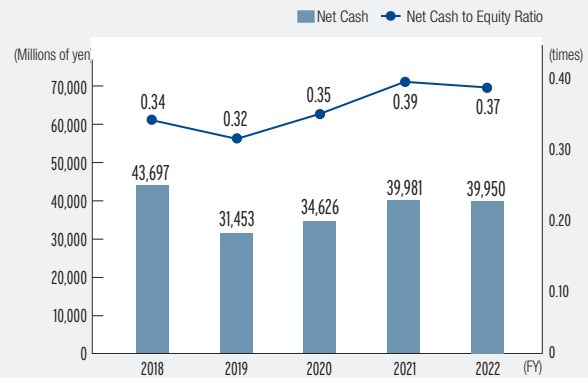
Earnings per share for the fiscal year ended March 31, 2023 amounted to ¥104.85, a decrease from ¥110.67 recorded in the fiscal year ended March 31, 2022 due to a decrease in the proceeds from sales of noncurrent assets despite an increase in operating income. Dividends per share for the fiscal year under review was ¥45 per share (including an interim dividend of ¥15 per share), and total dividends amounted to ¥2,400 million. We launched the purchase of treasury stock up to ¥1,500 million in May 2023 in order to increase shareholder returns.

## •Net Sales by Region and Overseas Sales Ratio



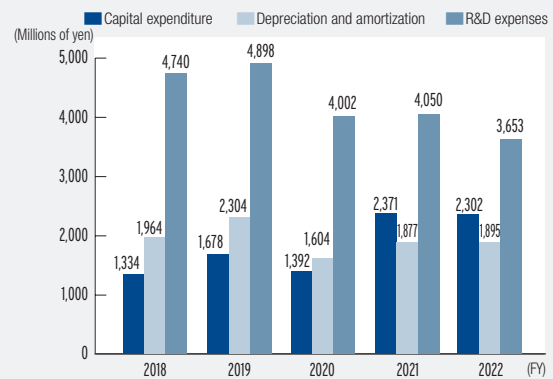
Net sales by region for the fiscal year ended March 31, 2023 show that net sales in Japan increased by 35% to ¥32,200 million due to order received remaining strong in the fiscal year under review after an increase in the previous fiscal year. Overseas, sales in all regions other than Greater China increased. Europe increased by 10%, North America increased by 2%, and other regions increased by 20%. Meanwhile Greater China decreased by 15% due to the continuation of the zero-COVID 19 policy until December 2022. Overseas sales ratio for the fiscal year ended March 31, 2023 decreased by 5.6 percentage points to 67.0% due to the strong sales of Japan.

## •Net Cash and Net Cash to Equity Ratio



Net cash as of March 31, 2023 amounted to ¥39.9 billion (¥47.6 billion in Cash and Deposits + ¥15.7 billion in Investment Securities - ¥10.6 billion in Interest-bearing Debt - ¥12.7 billion in contract liabilities), in line with the same period of the previous year. Net Cash to Equity Ratio was 0.37 times, 0.02 percentage points down year on year. (Note: From the Integrated Report 2023 onward, we add contract liabilities as deductions for net cash and recalculate net cash for prior periods as well.)

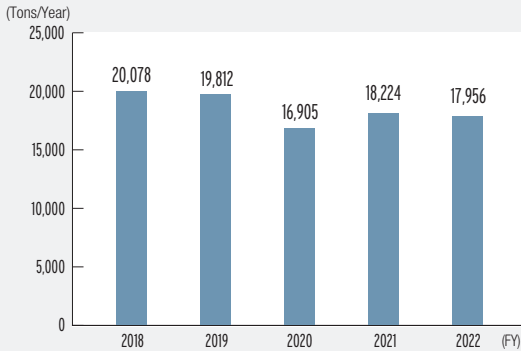
## •Capital Expenditure, R&D Expenses, Depreciation and Amortization



Total capital expenditure in the fiscal year ended March 31, 2023 was ¥2,302 million (2.4% of net sales), down by 2.9% year on year due to the investment associated to the integration of business bases recorded in the previous year. Depreciation and amortization increased by ¥18 million year on year to ¥1,895 million. Total R&D expenses in the fiscal year under review amounted to ¥3,653 million, an increase of ¥397 million year on year.

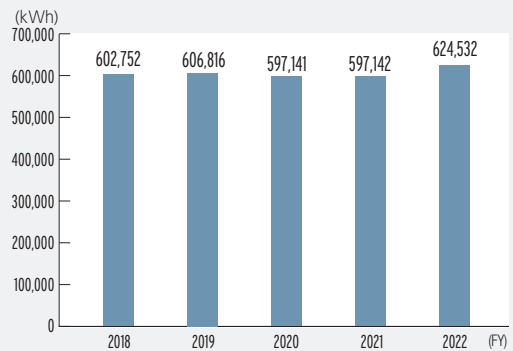
## Non-Financial Highlights

### •Changes in CO<sub>2</sub> Emissions



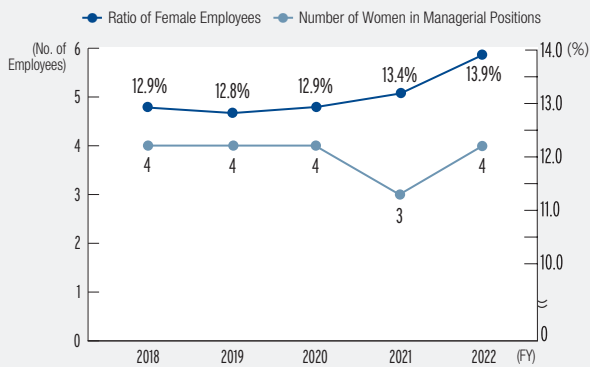
In the fiscal year ended March 31, 2023, CO<sub>2</sub> emissions from Scopes 1 and 2 (based on locations) decreased by 1.5% to 17,956 tons per year over the previous fiscal year. We consider this as a result of our efforts to reduce environmental impact such as elimination and integration of locations and replacement with LED lighting systems at each location in the fiscal year under review. We will continue to make efforts to achieve a carbon neutrality by 2050.

### •Changes in renewable energy electricity output



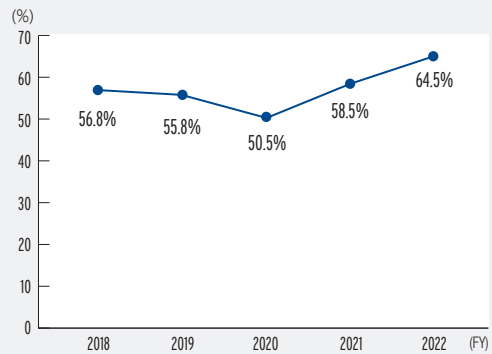
Electric output from renewable energy sources in the fiscal year under review increased by 4.6% to 6.24 million kWh year on year. We installed a solar power electricity generation system with output of 117kW/h in MBO plant in Germany in the fiscal year under review. We also installed such system with output of 590kW/h in MBO plant in Portugal in April 2023. We will promote renewable energy sources.

### •Ratio of Female Employees and Number of Women in Managerial Positions (non-consolidated)



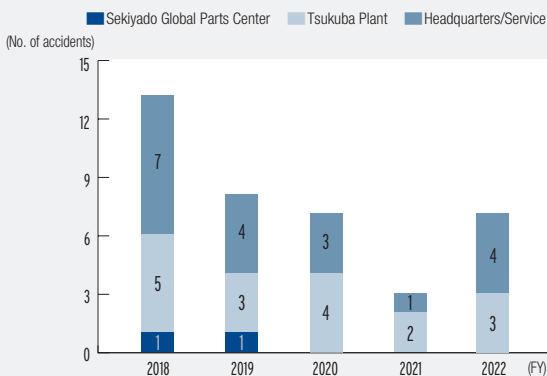
The number of employees on a non-consolidated basis for the fiscal year ended March 31, 2023 was 1,085. This includes 148 female employees, accounting for 13.9% of the total, which was up 0.5 percentage points year on year. Out of 246 employees in managerial positions, 4 are women, up 1 from the previous fiscal year.

### •Annual Leave Utilization Rate for the Past 5 Years (non-consolidated)



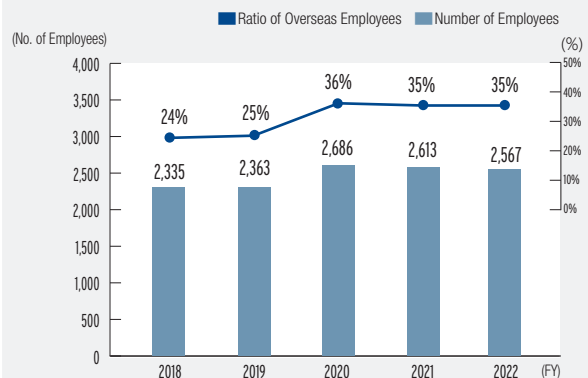
Annual leave utilization rate on a non-consolidated basis for the fiscal year ended in March 31, 2023 was 64.5%, up 6.0 percentage points compared to 58.5% in the previous fiscal year, marking an increase for the second consecutive year. More employees took paid leave efficiently by taking advantage of the time unit paid holiday system. In this way, the improved working environment made it more easily to take paid holiday.

### •Number of Industrial Accidents (non-consolidated)



A total of 7 industrial accidents were reported in the fiscal year ended March 31, 2023. Over the past five years, the number of accidents had been on the decrease until the previous fiscal year but increased by 4 accidents year on year in the fiscal year under review.

### •Number of Employees and Ratio of Overseas Employees



The number of employees for the fiscal year ended March 31, 2023 was 2,567. Of the total, the ratio of overseas employees was 35%. Overseas employees increased in the fiscal year ended March 31, 2021 as a result of M&A.

## 10-Year Summary of Financial Data

				FY2013	FY2014	FY2015
<b>Performance</b>	Net Sales	Japan	Millions of yen	34,893	35,430	40,294
		North America	Millions of yen	9,518	11,786	12,758
		Europe	Millions of yen	14,279	16,491	17,461
		Greater China	Millions of yen	21,098	15,477	12,715
		Others	Millions of yen	12,048	12,073	12,096
		Total	Millions of yen	91,836	91,257	95,324
	Cost of sales		Millions of yen	61,028	59,190	62,564
	Gross profit		Millions of yen	30,847	32,091	32,780
	Selling, General and Administrative Expenses		Millions of yen	22,374	25,601	26,167
	Operating income (loss)		Millions of yen	8,473	6,489	6,612
	Ordinary income (loss)		Millions of yen	10,098	7,841	6,508
	Income (loss) before income taxes		Millions of yen	10,070	8,121	6,293
	Profit (loss) attributable to owners of parent		Millions of yen	13,657	7,569	6,522
	Earnings per share		Yen	220.39	122.16	105.26
Number of consolidated subsidiaries		No. of Subsidiaries	14	17	18	
(affiliates accounted for by the equity method)		No. of Affiliates	0	0	0	
<b>Profitability</b>	Ratio of gross profit to net sales		%	33.6	35.2	34.4
	Ratio of operating income to net sales		%	9.2	7.1	6.9
	Return on equity		%	11.4	5.8	4.8
<b>Order Status</b>	Orders received		Millions of yen	96,334	91,554	91,695
	Order backlog		Millions of yen	37,712	40,069	36,113
<b>Financial Position</b>	Total assets		Millions of yen	172,407	184,622	188,173
	Equity		Millions of yen	125,686	135,128	135,890
	Interest-bearing debt		Millions of yen	11,614	10,260	10,065
	Equity Ratio		%	72.9	73.2	72.2
	Book-value per share		Yen	2,028.31	2,180.73	2,192.83
<b>Dividends</b>	Dividends per share		Yen	15	30	40
	Total dividends		Millions of yen	928	1,858	2,478
	Payout ratio		%	6.8	24.6	38.0
	Dividends on equity		%	0.8	1.4	1.8
<b>Capital expenditure, etc.</b>	Capital expenditure		Millions of yen	1,367	2,116	3,126
	Depreciation and amortization		Millions of yen	2,171	1,859	2,026
	R&D expenses		Millions of yen	4,184	5,123	4,974
	Ratio of R&D expenses to net sales		%	4.6	5.6	5.2
	Number of employees at fiscal year-end (Consolidated basis)		No. of Employees	1,784	2,106	2,189
	Personnel expenses		Millions of yen	16,972	19,796	20,495
<b>Cash Flows</b>	Net cash provided by (used in) operating activities		Millions of yen	13,430	7,483	11,935
	Net cash provided by (used in) investing activities		Millions of yen	(7,086)	(8,684)	(1,352)
	Net cash provided by (used in) financing activities		Millions of yen	8,820	(2,529)	(2,778)
	Cash and cash equivalents at end of period		Millions of yen	54,392	51,556	59,140

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (FY)
	34,379	38,594	37,444	29,049	29,673	23,988	<b>32,275</b>
	10,124	8,858	8,077	5,890	5,374	7,912	<b>8,087</b>
	16,820	16,019	15,188	12,303	12,768	20,464	<b>22,549</b>
	7,233	12,929	18,226	15,976	13,600	20,776	<b>17,637</b>
	18,060	17,767	11,305	14,425	10,408	14,481	<b>17,362</b>
	86,618	94,168	90,242	77,646	71,825	87,623	<b>97,914</b>
	59,139	64,882	61,966	55,396	51,473	59,595	<b>64,173</b>
	27,483	29,289	28,279	22,249	20,351	28,027	<b>33,740</b>
	25,771	25,556	25,573	25,654	22,684	25,759	<b>28,020</b>
	1,712	3,732	2,706	(3,404)	(2,332)	2,267	<b>5,719</b>
	1,430	4,420	2,502	(3,480)	(1,149)	3,408	<b>6,611</b>
	824	4,152	2,458	(21,176)	(1,522)	6,990	<b>6,604</b>
	657	3,074	1,427	(25,473)	(2,068)	6,158	<b>5,716</b>
	10.94	52.81	24.52	(450.11)	(36.99)	110.67	<b>104.85</b>
	18	18	19	18	25	24	<b>24</b>
	0	0	0	0	0	0	<b>0</b>
	31.7	31.1	31.3	28.7	28.3	32.0	<b>34.5</b>
	2.0	4.0	3.0	(4.4)	(3.2)	2.6	<b>5.8</b>
	0.5	2.3	1.1	(22.3)	(2.1)	6.1	<b>5.4</b>
	89,620	88,371	93,451	88,558	71,658	97,571	<b>97,361</b>
	38,311	32,699	36,709	46,174	46,794	58,639	<b>59,592</b>
	180,100	181,199	167,370	135,697	144,443	157,081	<b>165,523</b>
	131,386	132,451	130,184	97,979	97,736	103,382	<b>107,133</b>
	10,048	10,198	39	34	11,312	11,207	<b>10,615</b>
	73.0	73.1	77.7	72.2	67.6	65.8	<b>64.6</b>
	2,256.47	2,274.80	2,234.61	1,750.80	1,746.55	1,894.34	<b>1,961.88</b>
	40	40	40	30	20	56	<b>45</b>
	2,440	2,329	2,329	1,681	1,122	3,087	<b>2,464</b>
	365.6	75.7	163.1	-	-	50.6	<b>42.9</b>
	1.8	1.8	1.8	1.5	1.1	3.1	<b>2.3</b>
	1,455	1,201	1,334	1,678	1,392	2,371	<b>2,302</b>
	2,132	1,888	1,964	2,304	1,604	1,877	<b>1,895</b>
	4,884	4,784	4,740	4,898	4,002	4,050	<b>3,653</b>
	5.6	5.1	5.3	6.3	5.6	4.6	<b>3.7</b>
	2,195	2,227	2,335	2,363	2,686	2,613	<b>2,567</b>
	20,317	20,245	20,908	20,386	20,199	22,122	<b>23,246</b>
	(793)	6,091	112	1,807	8,174	9,281	<b>4,475</b>
	4,261	295	(449)	(3,569)	(2,220)	(1,379)	<b>(526)</b>
	(7,669)	(2,340)	(12,789)	(5,057)	9,288	(2,940)	<b>(4,077)</b>
	54,652	58,826	45,673	38,587	54,321	60,321	<b>60,945</b>

### Business Summary for the Fiscal Year Ended March 31, 2023

The business environment for the fiscal year ended March 31, 2023 benefited from ongoing recovery resulting from progress in the normalization of economic activities premised on embracing the new normal of living with the risk of COVID-19 infection. On the other hand, the outlook remained unclear due mainly to consistently high energy costs in the face of continuing geopolitical risks, the shortage of semiconductor and other parts supply on the back of recovery in demand, and foreign exchange fluctuations resulting from monetary tightening undertaken by major countries.

Given the above environment, the domestic printing machinery market has seen an ongoing trend toward executing investment aimed at improving productivity, enhancing efficiency and otherwise streamlining printing operations in light of surging costs for energy and printing supplies as well as labor shortages. Amid this trend, Komori secured a robust volume of orders for such products as sheet-fed offset presses and thereby achieved growth in net sales, thanks to the positive effect of its marketing activities focused on delivering proposals designed to enhance ROI via the use of “advance” series. In the printed electronics (PE) business, showings of semiconductor manufacturing equipment were similarly strong, contributing to higher net sales for this business. In North America, demand remained on a recovery track since 2022 despite the impact of interest rate hikes and inflation. With consistently strong demand offsetting these negative factors, net sales in this region remained virtually unchanged from the previous fiscal year. In Europe, although demand has been negatively affected by ongoing geopolitical risks and surging energy prices, net sales in this region were supported by post-pandemic economic recovery and thus grew larger, especially in western European countries. In Greater China, on the other hand, net sales declined from the previous fiscal year due to the significant impact of economic downturn resulting from repeated resurgences of the pandemic since the beginning of the fiscal year and the subsequent enforcement of “zero-COVID” policy. However, demand in this region has returned to a recovery track despite temporary turmoil following the lifting of the “zero-COVID” policy in December 2022. While Other Regions, which include ASEAN and India, remained stagnant in terms of recovery in demand in the previous fiscal year, Komori has seen a turnaround of this trend in these regions in the fiscal year ended March 31, 2023. Thus, drastic recovery in demand enabled the Company to achieve higher sales in India and elsewhere.

Under such market environment, to promote global business

development of the “advance” series that offers world class ROI (Return on Investment) for customers, our core Offset Press Business strengthened its sales structure by setting up the operational headquarters in each of Americas, Europe, and Greater China regions. We also made efforts to expand the spread of cloud solution “KP-Connect” that realizes a smart factory connecting manufacturing data with prepress and postpress processes and thus promotes the efficiency of printing factories. These efforts increased alliance companies that offer equipment connected to KP-Connect. Promoting data linkage with automated guided vehicles (AGVs), labor-saving robots and the like other than printing peripheral equipment has enhanced convenience and expanded new business opportunities.

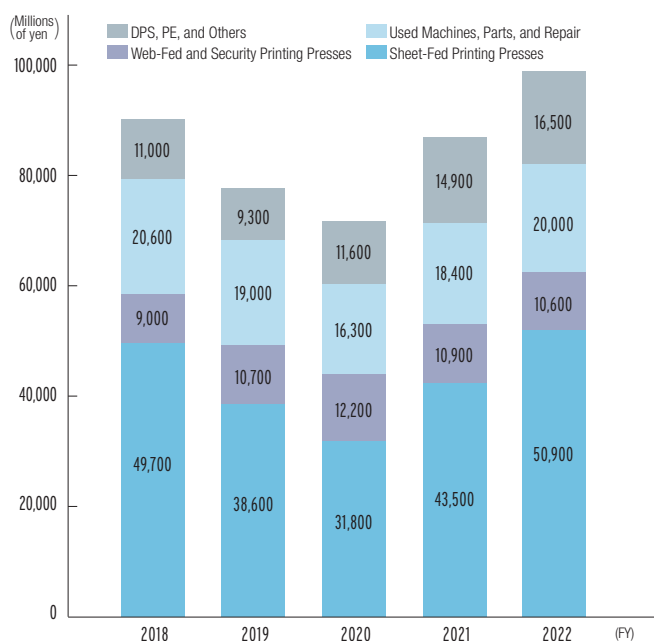
Taking the above factors into account, orders received in the fiscal year under review fell 0.2% from the previous fiscal year to ¥97,361 million, while consolidated net sales grew 11.7% year on year to ¥97,914 million. Turning to expenses, the gross profit ratio improved year on year due primarily to fluctuations in exchange rates. In addition, selling, general and administrative (SG&A) expenses increased from the previous fiscal year due mainly to growth in shipping and other expenses in step with higher net sales along with corporate spending on advertising in connection with the Company’s participation in an international trade show in November 2022. Operating income on a consolidated basis was ¥5,719 million (¥2,267 million in the previous fiscal year). Ordinary income on a consolidated basis was to ¥6,611 million (¥3,408 million in the previous fiscal year).

Taking these and other factors into account, income before income taxes amounted to ¥6,604 million, compared with income before income taxes of ¥6,990 million in the previous fiscal year, due mainly to the absence of proceeds from sales of noncurrent assets recorded in said fiscal year. Profit attributable to owners of parent totaled ¥5,716 million, compared with profit attributable to owners of parent of ¥6,158 million in the previous fiscal year. Overseas sales totaled ¥65,638 million, up 3.1% from the previous fiscal year, with the ratio of overseas sales to net sales at 67.0%.

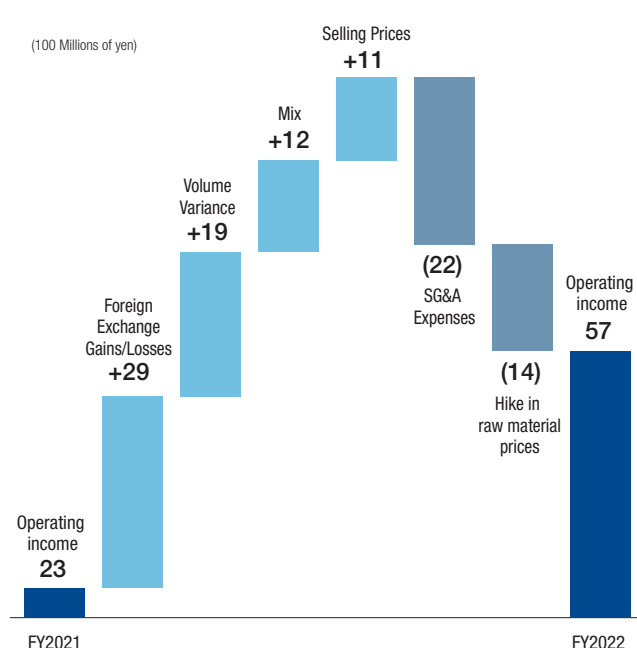
### Operating Income Variance Analysis

Operating income in the fiscal year ended March 31, 2023, was ¥5,719 million, an improvement of ¥3,400 million from the previous fiscal year. Key positive factors contributing to the increase in operating income include ¥2,900 million foreign exchange gains, a ¥1,900 million increase in sales volume, a ¥1,200 increase due

#### • Net Sales by Product Category



#### • Operating Income Variance Analysis





to changes in region and item mixes, and a ¥1,100 improvement due to revised selling prices. Meanwhile, factors contributing to the decrease in operating income include an increase in sales volume, a ¥2,200 million increase in selling, general and administrative expenses due to resumed sales promotion, and a ¥1,400 million increase in raw material prices.

## Financial Analysis

Total assets as of March 31, 2023 stood at ¥165,523 million, an increase of ¥8,441 million (or 5.4%) compared with the previous fiscal year-end. Key positive factors leading to the increase in total assets included a ¥5,021 million increase in inventories and a ¥2,133 million increase in notes and accounts receivable—trade, and contract assets. Total liabilities were ¥58,389 million, an increase of ¥4,691 million (or 8.7%) compared with the previous fiscal year-end. The primary factors leading to the increase in total liabilities included a ¥3,307 million increase in electronically recorded obligations—operating and a ¥1,721 million increase in notes and accounts payable—trade. The primary factors that decreased total liabilities included a ¥473 million decrease in short-term loans payable and a ¥459 million decrease in deferred tax liabilities.

Net assets as of March 31, 2023 totaled ¥107,133 million, an increase of ¥3,750 million (or 3.6%) compared with the previous fiscal year-end.

Key positive factors affecting net assets included a ¥1,370 million decrease in treasury stock, a ¥1,276 million increase in retained earnings, and a ¥1,024 million increase in foreign currency translation adjustment. Key negative factors affecting net assets included a ¥661 million decrease in remeasurements of defined benefit plans.

As a result, equity ratio as of March 31, 2023 declined year on year by 1.2 percentage points from 65.8% to 64.6%, and book-value per share as of March 31, 2023 increased year on year by ¥67.54 from ¥1,894.34 to ¥1,961.88.

## Cash Flow Analysis

Net cash provided by operating activities in the fiscal year ended March 31, 2023 amounted to ¥4,475 million, a decrease of ¥4,805 million from net cash provided by operating activities of ¥9,281 million in the previous fiscal year. Major cash inflows were the posting of income before income taxes totaling ¥6,604 million, a ¥4,713 million increase in notes and accounts payable—trade, and a ¥1,895 million adjustment for depreciation. Principal cash outflows included a ¥4,169 million increase in inventories and a ¥3,153 million increase in notes and accounts receivable—trade. Net cash

used in investing activities was ¥526 million, an improvement of ¥853 million from ¥1,379 million used in investing activities in the previous fiscal year. Principal cash outflows included ¥1,713 million in purchase of property, plant and equipment and intangible assets. Main cash inflows included a ¥850 million net increase in securities and ¥533 million in proceeds from withdrawal of time deposits. Net cash used in financing activities totaled ¥4,077 million, an increase of ¥1,137 million from ¥2,940 million used in financing activities in the previous fiscal year. The principal components of cash outflows were ¥3,064 million in the payment of cash dividends, a ¥513 million net decrease in short-term loans payable, and ¥358 million in repayments of lease obligations.

Taking the above factors into account, cash and cash equivalents in the fiscal year under review was ¥60,945 million, an increase of ¥623 million (or 1.0%) from the previous fiscal year.

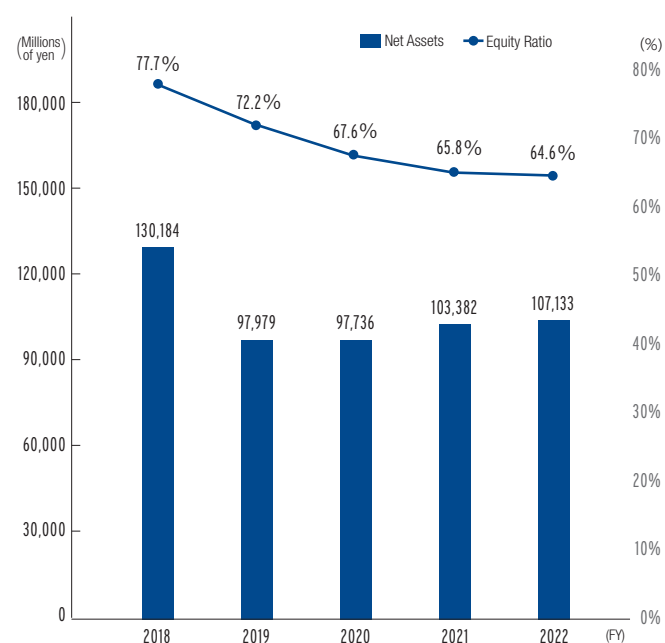
## Capital Expenditure, Depreciation and Amortization

Total capital expenditure in the fiscal year ended March 31, 2023 was ¥2,302 million, a decrease of ¥69 million compared with the previous fiscal year. Depreciation and amortization was ¥1,895 million, an increase of ¥18 million compared with the previous fiscal year. R&D expenses decreased ¥397 million to ¥3,653 million due mainly to the completion of development for the “advance” series. This was equivalent to 3.7% of total net sales, down 0.9 percentage point from 4.6% in the fiscal year ended March 31, 2022 partly due to the negative impact of the increase in net sales. Looking ahead, Komori plans to post ¥4,700 million in capital expenditure, ¥1,800 million in depreciation and amortization, and ¥4,300 million in total R&D expenses in the fiscal year ending March 31, 2024.

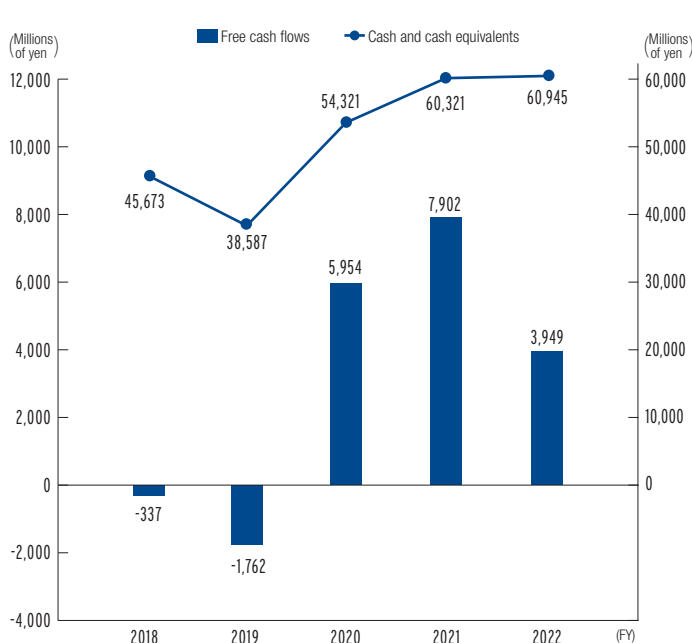
## Business Environment in the Fiscal Year Ending March 31, 2024

In the business environment for the fiscal year ending March 31, 2024, economic activities are expected to continue to enjoy a modest recovery while there will still remain uncertainties due to the prolonged situation in Ukraine, global inflation and associated monetary tightening policies undertaken by major countries. As regards capital expenditure in the printing industry, a cautious stance will be seen in the U.S., Europe, and Greater China. In general capital expenditure for streamlining operations and package printing will be maintained against a backdrop of operator shortages, etc. For numerical forecast of operational results, please refer to the latest timely disclosure information.

### • Net Assets and Equity Ratio



### • Free Cash Flows, Cash and Cash Equivalents



## Consolidated Balance Sheets

(Unit: Millions of yen)

ASSETS	FY2021	FY2022
<b>Current Assets:</b>		
Cash and deposits	48,296	47,642
Notes and accounts receivable-trade	—	—
Notes and accounts receivable-trade, and contract assets	15,480	17,614
Electronically recorded monetary claims-operating	1,871	2,003
Short-term investment securities	15,622	15,719
Merchandise and finished goods	13,522	16,429
Work in process	10,794	12,349
Raw materials and supplies	8,080	8,638
Current portion of insurance funds	68	—
Other	3,024	3,528
Allowance for doubtful accounts	(490)	(279)
<b>Total current asset</b>	<b>116,269</b>	<b>123,646</b>
<b>Noncurrent Assets:</b>		
Property, plant and equipment		
Buildings and structures	28,616	27,542
Accumulated depreciation	(23,579)	(21,596)
Buildings and structures (net)	5,036	5,945
Machinery, equipment and vehicles	16,132	14,921
Accumulated depreciation	(14,441)	(13,134)
Machinery, equipment and vehicles (net)	1,690	1,787
Land	8,315	8,384
Construction in progress	620	433
Other	8,048	8,635
Accumulated depreciation	(6,744)	(7,148)
Other(net)	1,303	1,486
<b>Total property, plant and equipment</b>	<b>16,966</b>	<b>18,038</b>
Intangible assets		
Goodwill	2,427	2,085
Other	1,509	1,186
<b>Total intangible assets</b>	<b>3,937</b>	<b>3,271</b>
Investments and other assets		
Investment securities	9,384	10,370
Deferred tax assets	1,088	1,233
Insurance funds	7,171	7,231
Net defined benefit asset	1,784	1,302
Other	543	510
Allowance for doubtful accounts	(65)	(83)
<b>Total investments and other assets</b>	<b>19,907</b>	<b>20,565</b>
<b>Total noncurrent assets</b>	<b>40,811</b>	<b>41,876</b>
<b>Total Assets</b>	<b>157,081</b>	<b>165,523</b>

LIABILITIES	FY2021	FY2022
<b>Current Liabilities:</b>		
Notes and accounts payable-trade	6,576	8,298
Electronically recorded obligations-operating	9,227	12,534
Short-term loans payable	850	377
Income taxes payable	847	1,054
Contract liabilities	12,730	12,796
Provision for bonuses	977	1,109
Provision for product warranties	741	802
Other provisions	377	300
Other	6,720	7,088
<b>Total current liabilities</b>	<b>39,049</b>	<b>44,362</b>
<b>Noncurrent Liabilities:</b>		
Bonds payable	10,000	10,000
Long-term loans payable	357	238
Deferred tax liabilities	1,420	961
Net defined benefit liability	1,832	1,738
Other provisions	41	15
Other	996	1,073
<b>Total noncurrent liabilities</b>	<b>14,649</b>	<b>14,026</b>
<b>Total Liabilities</b>	<b>53,698</b>	<b>58,389</b>
<b>NET ASSETS</b>	<b>FY2021</b>	<b>FY2022</b>
<b>Shareholders' Equity:</b>		
Capital stock	37,714	37,714
Capital surplus	37,788	37,788
Retained earnings	27,416	28,693
Treasury stock	(3,619)	(2,248)
<b>Total shareholders' equity</b>	<b>99,300</b>	<b>101,948</b>
<b>Other Comprehensive Income:</b>		
Valuation difference on available-for-sale securities	3,538	4,206
Foreign currency translation adjustment	652	1,676
Remeasurements of defined benefit plans	(204)	(866)
<b>Total other comprehensive income</b>	<b>3,986</b>	<b>5,016</b>
<b>Non-controlling interest</b>	<b>95</b>	<b>168</b>
<b>Total Net Assets</b>	<b>103,382</b>	<b>107,133</b>
<b>Total Liabilities and Net Assets</b>	<b>157,081</b>	<b>165,523</b>

## Consolidated Statements of Income

(Unit: Millions of yen)

	FY2021	FY2022
<b>Net Sales</b>	87,623	97,914
<b>Cost of Sales</b>	59,595	64,173
<b>Gross profit</b>	28,027	33,740
<b>Selling, General and Administrative Expenses</b>	25,759	28,020
<b>Operating income (loss)</b>	2,267	5,719
<b>Non-Operating Income:</b>		
Interest income	48	78
Dividends income	247	298
Foreign exchange gains	656	323
Other	435	439
Total non-operating income	1,388	1,139
<b>Non-Operating Expenses</b>		
Interest expenses	58	64
Compensation for damage	11	93
Loss on sale of notes receivable - trade	21	34
Other	154	55
Total non-operating expenses	247	247
<b>Ordinary income (loss)</b>	3,408	6,611
<b>Extraordinary Income</b>		
Gain on sales of noncurrent assets	3,688	11
Gain on sales of investment securities	5	—
Insurance claim income	146	24
Other	15	—
Total extraordinary income	3,855	35
<b>Extraordinary Loss</b>		
Loss on sales of noncurrent assets	1	0
Loss on retirement of noncurrent assets	18	28
Business structure improvement expenses	133	-
Loss on valuation of investment securities	104	-
Loss on disaster	15	13
Total extraordinary loss	274	42
<b>Income before income taxes</b>	6,990	6,604
<b>Income taxes-current</b>	896	1,481
<b>Income taxes-deferred</b>	(92)	(668)
<b>Total income taxes</b>	804	813
<b>Profit</b>	6,185	5,791
<b>Profit attributable to non-controlling interests</b>	26	74
<b>Profit attributable to owners of parent</b>	6,158	5,716

## Consolidated Statements of Comprehensive Income

	FY2021	FY2022
<b>Profit (Loss)</b>	6,185	5,791
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	451	667
Foreign currency translation adjustment	1,004	1,022
Remeasurements of defined benefit plans, net of tax	480	(661)
Total other comprehensive income	1,936	1,028
<b>Comprehensive Income</b>	8,122	6,819
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	8,089	6,747
Comprehensive income attributable to non-controlling interests	33	72

## Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2021	FY2022
<b>Net Cash Provided by (Used in) Operating Activities:</b>		
Income before income taxes	6,990	6,604
Depreciation and amortization	1,877	1,895
Amortization of goodwill	502	547
Loss (gain) on sale of property, plant and equipment	(3,686)	(11)
Increase (decrease) in allowance for doubtful accounts	27	(211)
Increase (decrease) in provision for bonuses	105	132
Increase (decrease) in net defined benefit liabilities	(149)	(222)
Interest and dividends income	(296)	(377)
Interest expenses	58	64
Foreign exchange losses (gains)	(378)	(167)
Loss (gain) on sales of investment securities	(5)	—
Decrease (increase) in notes and accounts receivable-trade	1,616	(3,153)
Decrease (increase) in inventories	223	(4,169)
Increase (decrease) in notes and accounts payable-trade	2,950	4,713
Increase (decrease) in accrued consumption taxes	(201)	(209)
Other	(30)	18
Subtotal	9,603	5,453
Interest and dividends income received	296	373
Interest expenses paid	(58)	(64)
Income taxes paid	(559)	(1,286)
Net cash provided by (used in) operating activities	9,281	4,475
<b>Net Cash Provided by (Used in) Investing Activities:</b>		
Net decrease (increase) in short-term investment securities	(2,484)	850
Payments into time deposits	(100)	(204)
Proceeds from withdrawal of time deposits	72	533
Purchase of property, plant and equipment and intangible assets	(1,922)	(1,713)
Proceeds from sales of property, plant and equipment and intangible assets	4,111	71
Purchase of insurance funds	(1,120)	(59)
Proceeds from maturity of insurance funds	90	68
Purchase of investment securities	(47)	(41)
Proceeds from sales of investment securities	9	—
Loan advances	—	(42)
Other payments	(7)	(26)
Other proceeds	21	38
Net cash provided by (used in) investing activities	(1,379)	(526)
<b>Net Cash Provided by (Used in) Financing Activities:</b>		
Net increase (decrease) in short-term loans payable	(72)	(513)
Repayments of long-term loans payable	(199)	(139)
Repayments of lease obligations	(372)	(358)
Proceeds from long-term loans payable	104	—
Purchase of treasury stocks	(998)	(1)
Cash dividends paid	(1,402)	(3,064)
Net cash provided by (used in) financing activities	(2,940)	(4,077)
<b>Effect of exchange rate change on cash and cash equivalents</b>	1,037	751
<b>Net increase (decrease) in cash and cash equivalents</b>	5,999	623
<b>Cash and cash equivalents at beginning of the period</b>	54,321	60,321
<b>Cash and cash equivalents at end of the period</b>	60,321	60,945

**Stock Information** (as of March 31, 2023)

**Listings** : Tokyo Stock Exchange, Prime Market

**Securities Code** : 6349

**Stock Data** : Authorized Number of Shares: 295,500,000 shares  
 Issued Number of Shares: 56,890,740 shares  
 (including 2,116,980 shares of treasury stock)

**Minimum Trading Unit** : 100 shares

**Number of Shareholderst** : 5,654

**Stock Transfer Agent** : Mizuho Trust and Banking Co., Ltd.  
 Stock Transfer Agency Department

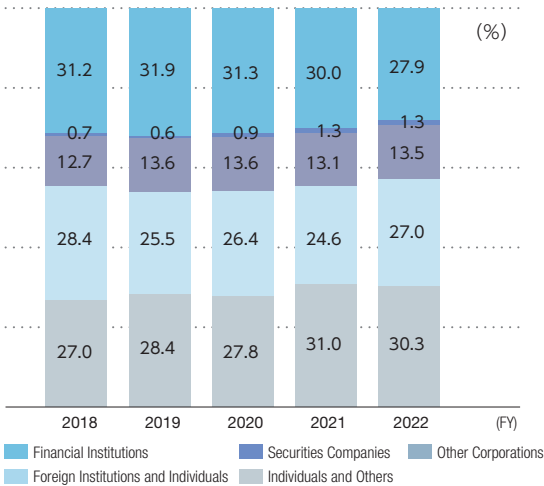
**Fiscal Year** : April 1 to March 31

**Ordinary Meeting of Shareholders** : June every year

**Year-End Dividend Record Date** : March 31

**Interim Dividend Record Date** : September 30

**•Changes in Composition of Shareholders (FY2018-FY2022)**



**Principal Shareholders (Top 10)**

Name of Shareholders	Number of Shares Held (Thousands)	Ownership Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,933	12.7
NORTHERN TRUST CO.(AVFC) RE USL NON-TREATY CLIENTS ACCOUNT	4,774	8.7
Komori Business Association	2,190	4.0
Custody Bank of Japan, Ltd. (Trust Account)	2,119	3.9
Komori Estate YK	2,090	3.8
Meiji Yasuda Life Insurance Company	1,895	3.5
Noriko Komori	1,696	3.1
STATE STREET BANK AND TRUST COMPANY 505103	1,579	2.9
Yoshiharu Komori	1,068	2.0
SUMITOMO LIFE INSURANCE COMPANY	1,030	1.9

Treasury stocks are not included in the ownership ratio.

**•Total Shareholder Return Comparison (TSR %)**

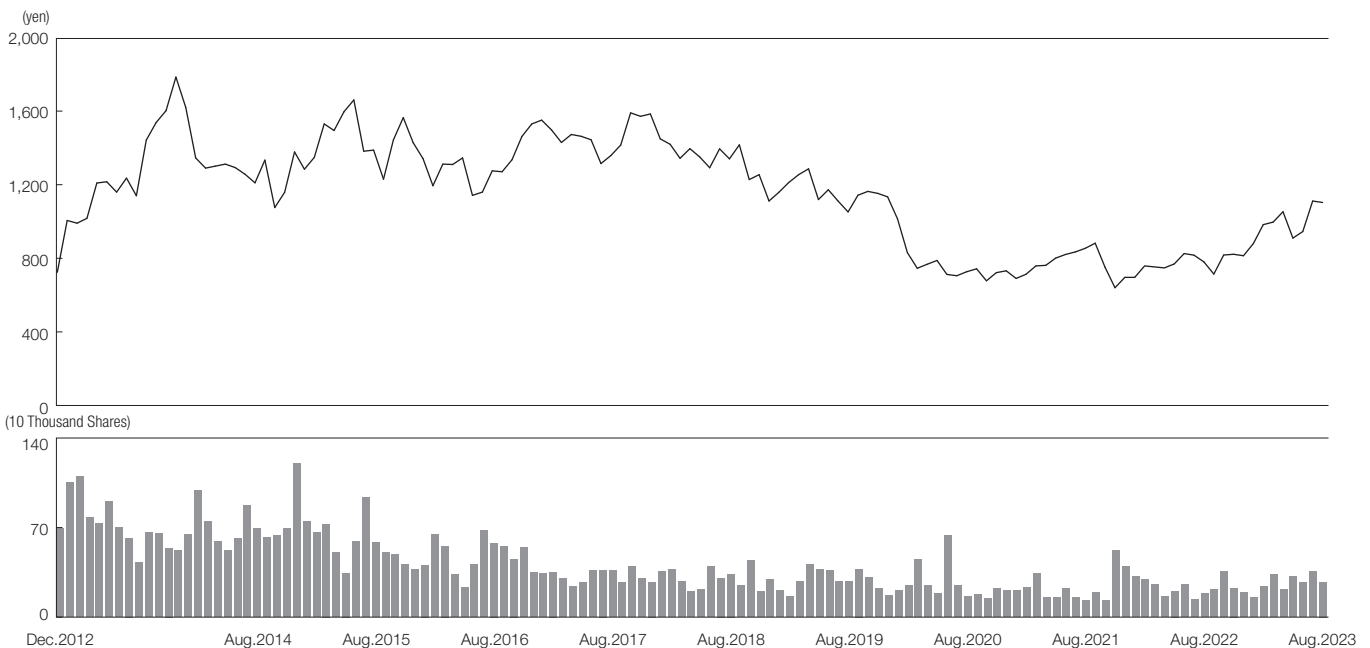
Holding period	One year (from March 31, 2022 to March 31, 2023)	Three years (from March 31, 2020 to March 31, 2023)	Five years (from March 31, 2018 to March 31, 2023)
<b>KOMORI CORPORATION Stock Price</b>	<b>42.5%</b>	<b>50.9%</b>	<b>-11.9%</b>
<b>TOPIX</b>	5.4%	57.5%	29.4%
<b>Machinery Index</b>	9.3%	69.8%	28.7%

The above table shows cumulative returns on equity including dividends as of March 31, 2023 in case of investing one, three or five years ago respectively.

**•Inclusion in ESG Indices**



**•Stock Price and Trading Volume History** (from December 31, 2012 to August 31, 2023)



## Corporate Profile (As of March 31, 2023)

Company Name: KOMORI CORPORATION

Company Name in English: KOMORI CORPORATION

Headquarters: 11-1 Azumabashi 3-chome, Sumida-ku, Tokyo 130-8666, Japan

Tel: 03-5608-7811

Website: <https://www.komori.com>

Representative: Representative Director, President and CEO

Satoshi Mochida

Company Established: October 20, 1923

Capital: ¥37,715 million

Employees (Consolidated basis): 2,567 (as of March 31, 2023)

Plants: 9 plants (including 5 overseas plants)/the Komori Group

Main Products: Commercial offset presses (sheet-fed presses and web-fed presses), security printing presses (security and banknote presses, etc.), web-fed package printing presses, digital printing systems, screen printing machines, and related equipment

Facilities: Business bases

Headquarters

East-Japan Service

West-Japan Service

Tsukuba Service

Chugoku Service Station

Komori Global Parts Center

Komori Graphic Technology Center

Sales Offices

Nishinohon Regional Headquarters Hokkaido Office

Nagoya Branch Office Tohoku Office

Shizuoka Office Hokuriku Office

Kyushu Branch Office Shikoku Office

Komori Currency Technology

Plants

Tsukuba Plant

### KOMORI Group

Komori Machinery Co., Ltd.

Komori Realty Co., Ltd.

Komori Engineering Co., Ltd.

SERIA CORPORATION

SERIA ENGINEERING, INC.

Komori America Corporation

Komori International (Europe) B.V.

Komori U.K. Limited

Komori France S.A.S.

Komori Belgium Branch Office of Komori France

Komori Italia S.r.l.

Komori-Chambon S.A.S.

Komori Chambon USA Corporation

MBO Postpress Solutions GmbH

Komori Hong Kong Limited

Komori (Shenzhen) Print Engineering Co., Ltd.

Komori (Shenzhen) Print Engineering Co., Ltd. Beijing Branch

Komori (Shenzhen) Print Engineering Co., Ltd. Shanghai Branch

Komori Machinery (Nantong) Co., Ltd.

Komori Taiwan Limited

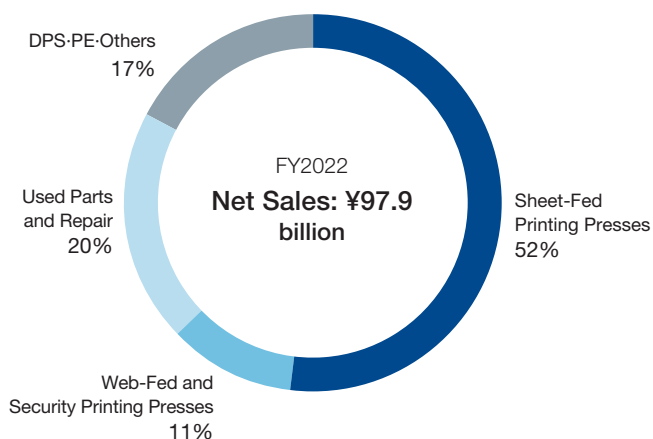
Komori Southeast Asia Pte. Ltd.

Komori Malaysia Sdn. Bhd.

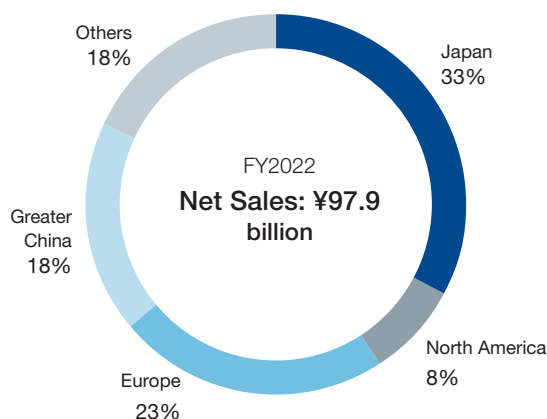
Komori India Private Limited



### •Net Sales by Segment



### •Net Sales by Region



Company Name	Address	Main Business Activities
Komori Machinery Co., Ltd.* <sup>1</sup>	Takahata-machi, Yamagata Pref., Japan	Manufacture and sale of printing presses, equipment and parts
Komori Engineering Co., Ltd.	Tsukuba City, Ibaraki Pref., Japan	Design of printing presses and related equipment
SERIA CORPORATION	Toda City, Saitama Pref., Japan	Manufacture and sale of printing presses and printing supplies
SERIA ENGINEERING, INC.	Gujo City, Gifu Pref., Japan	Manufacture of printing presses and equipment
Komori America Corporation	Rolling Meadows, Illinois, U.S.A	Sale, repair and fabrication of our products
Komori International(Europe) B.V.	Utrecht, The Netherlands	Sale, repair and fabrication of our products; regional control of related activities
Komori France S.A.S.	Antony Cedex, France	Sale, repair and fabrication of our products
Komori Italia S.r.l.	Milan, Italy	Sale, repair and fabrication of our products
Komori U.K. Limited	Leeds, UK	Sale, repair and fabrication of our products
Komori-Chambon S.A.S.	Orleans Cedex, France	Manufacture and sale of printing presses
Komori Chambon USA Corporation	Charlotte, North Carolina, U.S.A	Sale of printing presses
MBO Postpress Solutions GmbH	Oppenweiler, Germany	Manufacture, sale, repair and fabrication of postpress machines, equipment and parts
MBO Máquinas S.A.	Perafita, Portugal	Manufacture, sale, repair and fabrication of postpress machines, equipment and parts
H+H Beteiligungsgesellschaft GmbH	Bielefeld, Germany	Management company under the company law in Germany
H+H GmbH & Co.KG	Bielefeld, Germany	Manufacture, sale, repair and fabrication of postpress machines, equipment and parts
MBO America Co., Ltd	Marlton, New Jersey, U.S.A	Sale, repair and fabrication of postpress machines, equipment and parts
MBO Binder Graphic Systems (Beijing) Co., Ltd.	Beijing, China	Sale, repair and fabrication of postpress machines, equipment and parts
Komori Hong Kong Limited* <sup>1</sup>	Hong Kong SAR, P.R.C.	Sale, repair and fabrication of our products
Komori (Shenzhen) Print Engineering Co., Ltd.	Shenzhen, P.R.C.	Sale, repair and fabrication of our products
Komori Taiwan Limited	Taipei, Taiwan	Sale, repair and fabrication of our products
Komori Machinery (Nantong) Co., Ltd.	Nantong, P.R.C.	Manufacture and sale of printing presses and equipment
Komori Southeast Asia Pte. Ltd.	Singapore	Sale, repair and fabrication of our products
Komori Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	Sale, repair and fabrication of our products
Komori India Private Limited	Haryana, India	Sale, repair and fabrication of our products

Notes: 1. Of the companies listed above, none has submitted an annual securities report or securities registration statement. 2. \*1: This is a specified company. 3. The above listed companies are our consolidated subsidiaries.



For inquiries on the KOMORI CORPORATION INTEGRATED REPORT 2023,  
please contact

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