

Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2016
(Based on Japanese GAAP)

February 8, 2017

Company name: CMK CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6958 URL <http://www.cmk-corp.com/>
 Representative: President and Chief Executive Officer Takeo Takai
 Inquiries: Administration Affairs Department Manager Akihiro Okabe TEL 03-5323-0235
 Scheduled date to file Quarterly Securities Report: February 14, 2017
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	54,707	0.5	1,573	—	1,434	—	1,325	—
Nine months ended December 31, 2015	54,423	△0.0	△220	—	△1,091	—	△8,243	—

(Note) Comprehensive income:

Nine months ended December 31, 2016 △2,660 million yen (— %)
 Nine months ended December 31, 2015 △8,550 million yen (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2016	22.39	—
Nine months ended December 31, 2015	△139.24	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	86,048	47,430	51.6
As of March 31, 2016	90,504	50,090	51.4

(Reference) Shareholder's equity:

As of December 31, 2016 44,421 million yen As of March 31, 2016 46,549 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	—	0.00	—	0.00	0.00
Year ending March 31, 2017	—	0.00	—		
Year ending March 31, 2017(forecast)				—	—

(Note) 1. Revisions to dividend forecasts published most recently: None

2. Payment of dividends for the year ending March 31, 2017 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	77,000	5.3	2,500	555.1	2,100	—	1,600	—	27.03

(Note) Revisions to financial forecasts published most recently: None

※ Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2016

(Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements:

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2016	63,060,164 shares	As of March 31, 2016	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of December 31, 2016	3,861,310 shares	As of March 31, 2016	3,860,818 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2016	59,199,137 shares	Nine months ended December 31, 2015	59,199,910 shares
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※Notice regarding quarterly review procedures for the quarterly financial results

This quarterly financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results statement, the quarterly review procedure based upon the Financial Instruments and Exchange Act has not been completed.

※Cautionary statement regarding forward-looking statements, and other information

Forward-looking statements such as operational forecasts contained in this report are based on the information currently available to the Company and certain assumptions regarded as reasonable, but are not guarantees of the achievements by the Company. Actual results may differ from any forecasts expressed in the statements due to various factors.

Consolidated financial statements
Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	21,582	17,345
Notes and accounts receivable - trade	20,376	22,526
Securities	38	47
Merchandise and finished goods	3,904	3,370
Work in process	3,046	3,031
Raw materials and supplies	1,534	1,818
Other	970	1,345
Allowance for doubtful accounts	△34	△36
Total current assets	51,419	49,449
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,970	9,857
Machinery, equipment and vehicles, net	11,597	9,867
Land	9,063	8,251
Construction in progress	520	1,067
Other, net	1,153	978
Total property, plant and equipment	33,306	30,022
Intangible assets		
Goodwill	265	223
Other	321	253
Total intangible assets	587	476
Investments and other assets		
Investment securities	2,661	3,411
Net defined benefit asset	183	360
Other	2,260	2,268
Allowance for doubtful accounts	△46	△41
Total investments and other assets	5,059	5,998
Total non-current assets	38,953	36,497
Deferred assets		
Bond issuance cost	131	102
Total deferred assets	131	102
Total assets	90,504	86,048

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,088	10,754
Short-term loans payable	5,476	5,073
Current portion of bonds	500	560
Income taxes payable	103	271
Provision for bonuses	165	127
Allowance for restructuring	1,110	149
Other	5,257	6,253
Total current liabilities	22,704	23,190
Non-current liabilities		
Bonds payable	7,250	7,240
Long-term loans payable	9,179	6,945
Net defined benefit liability	44	49
Asset retirement obligations	162	164
Other	1,073	1,029
Total non-current liabilities	17,709	15,428
Total liabilities	40,413	38,618
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	22,063	16,628
Retained earnings	2,185	8,946
Treasury shares	△3,132	△3,132
Total shareholders' equity	43,422	44,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	359	899
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	2,939	△1,081
Remeasurements of defined benefit plans	△170	△144
Total accumulated other comprehensive income	3,127	△326
Non-controlling interests	3,540	3,008
Total net assets	50,090	47,430
Total liabilities and net assets	90,504	86,048

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	54,423	54,707
Cost of sales	48,741	47,493
Gross profit	5,681	7,214
Selling, general and administrative expenses		
Employees' salaries and bonuses	2,152	1,962
Provision for bonuses	△37	2
Retirement benefit expenses	34	39
Other	3,751	3,636
Total selling, general and administrative expenses	5,901	5,640
Operating income (loss)	△220	1,573
Non-operating income		
Interest income	55	35
Dividend income	68	72
Reversal of allowance for doubtful accounts	92	2
Other	261	225
Total non-operating income	478	336
Non-operating expenses		
Interest expenses	244	181
Foreign exchange losses	722	—
Other	383	294
Total non-operating expenses	1,350	475
Ordinary income (loss)	△1,091	1,434
Extraordinary income		
Gain on sales of non-current assets	5	345
Insurance income	68	30
Subsidy income	36	—
Other	—	0
Total extraordinary income	111	377
Extraordinary losses		
Loss on sales of non-current assets	64	15
Loss on retirement of non-current assets	83	155
Impairment loss	4,128	—
Restructuring expenses	2,833	—
Compensation for damage	92	15
Total extraordinary losses	7,202	186
Profit (loss) before income taxes	△8,182	1,625
Income taxes	50	201
Profit (loss)	△8,233	1,423
Profit attributable to non-controlling interests	9	97
Profit (loss) attributable to owners of parent	△8,243	1,325

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit (loss)	Δ8,233	1,423
Other comprehensive income		
Valuation difference on available-for-sale securities	8	540
Deferred gains or losses on hedges	Δ0	0
Foreign currency translation adjustment	Δ320	Δ4,650
Remeasurements of defined benefit plans, net of tax	Δ4	26
Total other comprehensive income	Δ316	Δ4,083
Comprehensive income	Δ8,550	Δ2,660
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	Δ8,488	Δ2,128
Comprehensive income attributable to non-controlling interests	Δ61	Δ531