

**Summary of Consolidated Financial Results
for the Year Ended March 31, 2021
(Based on Japanese GAAP)**

May 11, 2021

Company name: CMK CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6958 URL <https://www.cmk-corp.com/>
 Representative: President and Chief Executive Officer Isao Osawa
 Inquiries: Executive Officer Yoshihisa Yamaguchi TEL 03-5323-0231
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results (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	%
Year ended March 31, 2021	69,967	△15.3	△1,676	—	△1,511	—	△1,868	—
Year ended March 31, 2020	82,619	△8.4	1,601	△57.5	792	△79.0	△1,128	—

(Note) Comprehensive income:

Year ended March 31, 2021 △2,911 million yen (— %) Year ended March 31, 2020 △150 million yen (— %)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	△31.57	—	△3.8	△1.6	△2.4
Year ended March 31, 2020	△19.06	—	△2.2	0.8	1.9

(Reference) Equity in earnings of affiliated companies

Year ended March 31, 2021 —million yen Year ended March 31, 2020 —million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	96,501	51,519	49.8	811.53
As of March 31, 2020	96,044	54,932	53.6	869.17

(Reference) Shareholder's equity:

As of March 31, 2021 48,039 million yen As of March 31, 2020 51,451 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	3,420	△3,185	1,162	17,466
Year ended March 31, 2020	5,576	△8,523	△5,922	16,694

2. Cash dividends

	Annual dividends per share					Total cash dividends(Total) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2020	—	0.00	—	6.00	6.00	355	—	0.7
Year ended March 31, 2021	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2022 (forecast)	—	0.00	—	5.00	5.00	—	29.6	—

3. Forecast of consolidated financial results for the year ending March 31, 2022(from April 1, 2021 to March 31, 2022)

(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	75,000	7.2	1,500	—	1,400	—	1,000	—	16.89

※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

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

(2) 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: No
- 2) Changes in accounting policies due to other reasons: No
- 3) Changes in accounting estimates: No
- 4) Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2021	63,060,164 shares	As of March 31, 2020	63,060,164 shares
----------------------	-------------------	----------------------	-------------------

2) Number of treasury shares at the end of the period

As of March 31, 2021	3,864,583 shares	As of March 31, 2020	3,864,028 shares
----------------------	------------------	----------------------	------------------

3) Average number of shares during the period

Year ended March 31, 2021	59,195,863 shares	Year ended March 31, 2020	59,196,490 shares
---------------------------	-------------------	---------------------------	-------------------

(Reference) Summary of Non-consolidated Financial Statement

Non-consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	42,020	△8.1	△1,969	—	1,018	—	1,163	—
Year ended March 31, 2020	45,738	△9.2	△1,113	—	△864	—	△1,572	—

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2021	19.66	—
Year ended March 31, 2020	△26.57	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	78,588	39,209	49.9	662.38
As of March 31, 2020	70,500	37,988	53.9	641.74

(Reference) Shareholder's equity:

As of March 31, 2021 39,209 million yen As of March 31, 2020 37,988 million yen

※This financial results statement is exempt from the audit procedures by certified public accountants or accounting auditors.

※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
Consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	16,694	17,466
Notes and accounts receivable - trade	18,771	19,771
Electronically recorded monetary claims - operating	1,617	1,622
Merchandise and finished goods	4,529	4,320
Work in process	3,592	3,744
Raw materials and supplies	2,434	2,223
Other	1,080	1,286
Allowance for doubtful accounts	△56	△116
Total current assets	48,665	50,318
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,882	52,481
Accumulated depreciation	△40,602	△41,114
Buildings and structures, net	12,279	11,367
Machinery, equipment and vehicles	71,156	68,470
Accumulated depreciation	△54,472	△52,356
Machinery, equipment and vehicles, net	16,683	16,113
Tools, furniture and fixtures	5,348	5,360
Accumulated depreciation	△4,131	△4,172
Tools, furniture and fixtures, net	1,217	1,188
Land	8,253	7,979
Construction in progress	2,618	2,919
Total property, plant and equipment	41,052	39,568
Intangible assets		
Goodwill	116	81
Other	220	254
Total intangible assets	337	335
Investments and other assets		
Investment securities	2,318	2,830
Retirement benefit asset	1,119	1,193
Deferred tax assets	67	62
Other	2,482	2,184
Allowance for doubtful accounts	△28	△28
Total investments and other assets	5,959	6,242
Total non-current assets	47,349	46,147
Deferred assets		
Bond issuance costs	29	35
Total deferred assets	29	35
Total assets	96,044	96,501

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,761	11,144
Electronically recorded obligations - operating	—	2,683
Short-term borrowings	4,455	3,912
Current portion of bonds payable	1,352	4,572
Accounts payable - other	3,741	2,432
Lease obligations	230	165
Income taxes payable	246	109
Provision for bonuses	510	546
Allowance for restructuring	126	124
Other	666	569
Total current liabilities	21,091	26,261
Non-current liabilities		
Bonds payable	5,023	1,200
Long-term borrowings	13,206	16,267
Lease obligations	183	16
Deferred tax liabilities	1,030	639
Retirement benefit liability	93	104
Asset retirement obligations	449	451
Other	33	39
Total non-current liabilities	20,020	18,720
Total liabilities	41,111	44,981
Net assets		
Shareholders' equity		
Share capital	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	12,671	10,448
Treasury shares	△3,135	△3,135
Total shareholders' equity	48,471	46,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	446	866
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	2,262	632
Remeasurements of defined benefit plans	270	292
Total accumulated other comprehensive income	2,979	1,791
Non-controlling interests	3,480	3,480
Total net assets	54,932	51,519
Total liabilities and net assets	96,044	96,501

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	82,619	69,967
Cost of sales	71,678	63,011
Gross profit	10,941	6,956
Selling, general and administrative expenses	9,340	8,632
Operating profit (loss)	1,601	△1,676
Non-operating income		
Interest income	26	14
Dividend income	88	81
Foreign exchange gains	—	122
Rental income	77	76
Other	283	422
Total non-operating income	476	717
Non-operating expenses		
Interest expenses	259	242
Foreign exchange losses	278	—
Plant shutdown related costs	387	—
Other	359	309
Total non-operating expenses	1,285	552
Ordinary profit (loss)	792	△1,511
Extraordinary income		
Gain on sale of non-current assets	0	6
Gain on sale of investment securities	17	189
Total extraordinary income	17	195
Extraordinary losses		
Loss on sale of non-current assets	0	7
Loss on retirement of non-current assets	192	383
Impairment losses	—	293
Compensation for damage	39	19
Total extraordinary losses	232	703
Profit (loss) before income taxes	577	△2,019
Income taxes - current	565	231
Income taxes for prior periods	50	59
Income taxes - deferred	788	△543
Total income taxes	1,404	△252
Loss	△826	△1,767
Profit attributable to non-controlling interests	301	100
Loss attributable to owners of parent	△1,128	△1,868

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Loss	△826	△1,767
Other comprehensive income		
Valuation difference on available-for-sale securities	△292	419
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	931	△1,586
Remeasurements of defined benefit plans, net of tax	37	22
Total other comprehensive income	676	△1,143
Comprehensive income	△150	△2,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△356	△3,056
Comprehensive income attributable to non-controlling interests	205	145

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	577	△2,019
Depreciation	4,721	4,475
Amortization of goodwill	34	34
Increase (decrease) in provision for bonuses	13	36
Increase (decrease) in allowance for doubtful accounts	39	64
Increase (decrease) in retirement benefit liability	△99	△31
Interest and dividend income	△115	△95
Interest expenses	259	242
Foreign exchange losses (gains)	158	△128
Loss (gain) on sale of non-current assets	△0	1
Loss on retirement of non-current assets	192	383
Impairment losses	—	293
Decrease (increase) in trade receivables	3,832	△1,408
Decrease (increase) in inventories	△196	57
Increase (decrease) in trade payables	△3,373	4,211
Increase (decrease) in accrued consumption taxes	107	△133
Other, net	164	△1,949
Subtotal	6,316	4,031
Interest and dividends received	115	95
Interest paid	△260	△242
Income taxes paid	△594	△464
Net cash provided by (used in) operating activities	5,576	3,420
Cash flows from investing activities		
Purchase of property, plant and equipment	△8,261	△3,672
Proceeds from sale of property, plant and equipment	6	70
Purchase of intangible assets	△52	△112
Purchase of investment securities	△11	△11
Proceeds from sale and redemption of investment securities	26	257
Loan advances	△0	△0
Proceeds from collection of loans receivable	0	0
Other, net	△231	282
Net cash provided by (used in) investing activities	△8,523	△3,185

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	6,513	8,399
Repayments of short-term borrowings	△6,513	△8,399
Proceeds from long-term borrowings	—	5,320
Repayments of long-term borrowings	△3,194	△2,815
Proceeds from issuance of bonds	—	724
Redemption of bonds	△602	△1,352
Proceeds from sales of receivables	△1,142	—
Repayments of finance lease obligations	△216	△212
Purchase of treasury shares	△0	△0
Dividends paid	△650	△355
Dividends paid to non-controlling interests	△114	△145
Net cash provided by (used in) financing activities	△5,922	1,162
Effect of exchange rate change on cash and cash equivalents	128	△625
Net increase (decrease) in cash and cash equivalents	△8,741	772
Cash and cash equivalents at beginning of period	25,436	16,694
Cash and cash equivalents at end of period	16,694	17,466