

Summary of Consolidated Financial Results
for the Year Ended March 31, 2022
(Based on Japanese GAAP)

May 13, 2022

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: Accounting Department General Manager Nobutaka Okubo TEL 03-5323-0231
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	81,486	16.5	3,021	—	3,305	—	2,785	—
Year ended March 31, 2021	69,967	△15.3	△1,676	—	△1,511	—	△1,868	—

(Note) Comprehensive income:

Year ended March 31, 2022 4,826 million yen (— %) Year ended March 31, 2021 △2,911 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, 2022	47.05	—	5.5	3.3	3.7
Year ended March 31, 2021	△31.57	—	△3.8	△1.6	△2.4

(Reference) Equity in earnings of affiliated companies

Year ended March 31, 2022 —million yen Year ended March 31, 2021 —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, 2022	104,865	54,466	50.3	890.55
As of March 31, 2021	96,501	51,519	49.8	811.53

(Reference) Shareholder's equity:

As of March 31, 2022 52,716 million yen As of March 31, 2021 48,039 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, 2022	2,476	△6,107	1,574	15,879
Year ended March 31, 2021	3,420	△3,185	1,162	17,466

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, 2021	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2022	—	0.00	—	14.00	14.00	828	29.8	1.6
Year ending March 31, 2023 (forecast)	—	0.00	—	11.00	11.00		31.0	

3. Forecast of consolidated financial results for the year ending March 31, 2023(from April 1, 2022 to March 31, 2023)

(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	82,000	0.6	3,000	△0.7	2,900	△12.3	2,100	△24.6	35.48

※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes
- 2) Changes in accounting policies due to other reasons: Yes
- 3) Changes in accounting estimates: Yes
- 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, 2022	63,060,164 shares	As of March 31, 2021	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of March 31, 2022	3,865,040 shares	As of March 31, 2021	3,864,583 shares
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3) Average number of shares during the period

Year ended March 31, 2022	59,195,464 shares	Year ended March 31, 2021	59,195,863 shares
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(Reference) Summary of Non-consolidated Financial Statement

Non-consolidated financial results for the year ended March 31, 2022(from April 1, 2021 to March 31, 2022)

(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, 2022	46,787	11.3	1,007	—	1,479	45.2	957	△17.7
Year ended March 31, 2021	42,020	△8.1	△1,969	—	1,018	—	1,163	—

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2022	16.17	—
Year ended March 31, 2021	19.66	—

(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, 2022	85,480	40,259	47.1	680.12
As of March 31, 2021	78,588	39,209	49.9	662.38

(Reference) Shareholder's equity:

As of March 31, 2022 40,259 million yen As of March 31, 2021 39,209 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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	17,466	15,879
Notes and accounts receivable - trade	19,771	17,948
Electronically recorded monetary claims - operating	1,622	4,427
Merchandise and finished goods	4,320	9,621
Work in process	3,744	3,673
Raw materials and supplies	2,223	2,775
Other	1,286	1,337
Allowance for doubtful accounts	△116	△40
Total current assets	50,318	55,623
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,481	54,264
Accumulated depreciation	△41,114	△42,051
Buildings and structures, net	11,367	12,212
Machinery, equipment and vehicles	68,470	72,362
Accumulated depreciation	△52,356	△54,641
Machinery, equipment and vehicles, net	16,113	17,721
Tools, furniture and fixtures	5,360	5,769
Accumulated depreciation	△4,172	△4,509
Tools, furniture and fixtures, net	1,188	1,259
Land	7,979	7,758
Construction in progress	2,919	3,251
Total property, plant and equipment	39,568	42,204
Intangible assets		
Goodwill	81	58
Other	254	341
Total intangible assets	335	400
Investments and other assets		
Investment securities	2,830	2,975
Retirement benefit asset	1,193	1,221
Deferred tax assets	62	93
Other	2,184	2,340
Allowance for doubtful accounts	△28	△28
Total investments and other assets	6,242	6,602
Total non-current assets	46,147	49,206
Deferred assets		
Bond issuance costs	35	35
Total deferred assets	35	35
Total assets	96,501	104,865

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,144	12,506
Electronically recorded obligations - operating	2,683	2,458
Short-term borrowings	3,912	14,328
Current portion of bonds payable	4,572	42
Accounts payable - other	2,432	2,535
Lease liabilities	165	32
Income taxes payable	109	356
Provision for bonuses	546	748
Allowance for restructuring	124	—
Provision for loss on disaster	—	46
Other	569	580
Total current liabilities	26,261	33,637
Non-current liabilities		
Bonds payable	1,200	3,608
Long-term borrowings	16,267	11,824
Lease liabilities	16	66
Deferred tax liabilities	639	647
Retirement benefit liability	104	117
Asset retirement obligations	451	454
Other	39	41
Total non-current liabilities	18,720	16,761
Total liabilities	44,981	50,398
Net assets		
Shareholders' equity		
Share capital	22,306	22,306
Capital surplus	16,628	16,962
Retained earnings	10,448	13,411
Treasury shares	△3,135	△3,135
Total shareholders' equity	46,247	49,543
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	866	959
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	632	1,977
Remeasurements of defined benefit plans	292	235
Total accumulated other comprehensive income	1,791	3,172
Non-controlling interests	3,480	1,750
Total net assets	51,519	54,466
Total liabilities and net assets	96,501	104,865

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	69,967	81,486
Cost of sales	63,011	69,199
Gross profit	6,956	12,286
Selling, general and administrative expenses	8,632	9,265
Operating profit (loss)	△1,676	3,021
Non-operating income		
Interest income	14	9
Dividend income	81	87
Foreign exchange gains	122	289
Rental income	76	75
Other	422	242
Total non-operating income	717	705
Non-operating expenses		
Interest expenses	242	204
Commission expenses	104	56
Taxes and dues	69	44
Plant shutdown related costs	—	67
Other	135	48
Total non-operating expenses	552	421
Ordinary profit (loss)	△1,511	3,305
Extraordinary income		
Gain on sale of non-current assets	6	0
Gain on sale of investment securities	189	—
Insurance claim income	—	249
Gain on reversal of Foreign currency translation adjustment	—	360
Other	—	16
Total extraordinary income	195	627
Extraordinary losses		
Loss on sale of non-current assets	7	0
Loss on retirement of non-current assets	383	154
Impairment losses	293	56
Compensation for damage	19	63
Provision for loss on disaster	—	46
Other	—	34
Total extraordinary losses	703	355
Profit (loss) before income taxes	△2,019	3,577
Income taxes - current	231	530
Income taxes for prior periods	59	1
Income taxes - deferred	△543	△36
Total income taxes	△252	495
Profit (loss)	△1,767	3,081
Profit attributable to non-controlling interests	100	296
Profit (loss) attributable to owners of parent	△1,868	2,785

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	△1,767	3,081
Other comprehensive income		
Valuation difference on available-for-sale securities	419	93
Deferred gains or losses on hedges	0	△0
Foreign currency translation adjustment	△1,586	1,710
Remeasurements of defined benefit plans, net of tax	22	△57
Total other comprehensive income	△1,143	1,745
Comprehensive income	△2,911	4,826
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△3,056	4,165
Comprehensive income attributable to non-controlling interests	145	661

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	△2,019	3,577
Depreciation	4,475	4,218
Amortization of goodwill	34	23
Increase (decrease) in provision for bonuses	36	202
Increase (decrease) in allowance for doubtful accounts	64	△84
Increase (decrease) in retirement benefit liability	△31	△96
Interest and dividend income	△95	△97
Interest expenses	242	204
Foreign exchange losses (gains)	△128	82
Loss (gain) on sale of non-current assets	1	0
Loss on retirement of non-current assets	383	154
Impairment losses	293	56
Decrease (increase) in trade receivables	△1,408	△305
Decrease (increase) in inventories	57	△5,378
Increase (decrease) in trade payables	4,211	418
Increase (decrease) in accrued consumption taxes	△133	1
Other, net	△1,949	△155
Subtotal	4,031	2,822
Interest and dividends received	95	97
Interest paid	△242	△209
Income taxes paid	△464	△233
Net cash provided by (used in) operating activities	3,420	2,476
Cash flows from investing activities		
Purchase of property, plant and equipment	△3,672	△6,121
Proceeds from sale of property, plant and equipment	70	277
Purchase of intangible assets	△112	△126
Purchase of investment securities	△11	△11
Proceeds from sale and redemption of investment securities	257	—
Loan advances	△0	—
Proceeds from collection of loans receivable	0	0
Other, net	282	△125
Net cash provided by (used in) investing activities	△3,185	△6,107

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	8,399	24,913
Repayments of short-term borrowings	△8,399	△18,913
Proceeds from long-term borrowings	5,320	2,050
Repayments of long-term borrowings	△2,815	△2,252
Proceeds from issuance of bonds	724	2,433
Redemption of bonds	△1,352	△4,572
Repayments of finance lease liabilities	△212	△183
Purchase of treasury shares	△0	△0
Purchase of investments in capital of subsidiaries without change in scope of consolidation	—	△1,858
Dividends paid	△355	△1
Dividends paid to non-controlling interests	△145	△41
Net cash provided by (used in) financing activities	1,162	1,574
Effect of exchange rate change on cash and cash equivalents	△625	469
Net increase (decrease) in cash and cash equivalents	772	△1,586
Cash and cash equivalents at beginning of period	16,694	17,466
Cash and cash equivalents at end of period	17,466	15,879