

Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2018
(Based on Japanese GAAP)

February 7, 2019

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
 Administration Division
 Inquiries: Accounting Department General Manager Akihiro Okabe TEL 03-5323-0231
 Scheduled date to file Quarterly Securities Report: February 12, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	67,734	5.4	2,919	△11.9	2,993	△5.3	1,507	△42.7
Nine months ended December 31, 2017	64,289	17.5	3,315	110.7	3,162	120.5	2,632	98.6

(Note) Comprehensive income:

Nine months ended December 31, 2018 961 million yen (△72.9%) Nine months ended December 31, 2017 3,540 million yen (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2018	25.47	—
Nine months ended December 31, 2017	44.48	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	107,811	56,260	49.1
As of March 31, 2018	94,674	55,892	55.5

(Reference) Shareholder's equity:

As of December 31, 2018 52,884 million yen As of March 31, 2018 52,498 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, 2018	—	0.00	—	10.00	10.00
Year ending March 31, 2019	—	0.00	—	—	—
Year ending March 31, 2019 (forecast)	—	—	—	—	—

(Note) 1. Revisions to dividend forecasts published most recently: No

2. Payment of dividends for the year ending March 31, 2019 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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	90,000	3.6	4,000	△6.2	3,700	△5.5	3,000	△17.5	50.68

(Note) Revisions to financial forecasts published most recently: No

※ Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2018

(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: 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

(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, 2018	63,060,164 shares	As of March 31, 2018	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of December 31, 2018	3,863,205 shares	As of March 31, 2018	3,862,573 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, 2018	59,197,307 shares	Nine months ended December 31, 2017	59,198,178 shares
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※This quarterly financial results statement is exempt from the quarterly review 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
Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	16,327	28,118
Notes and accounts receivable - trade	25,009	24,800
Merchandise and finished goods	4,067	4,130
Work in process	3,611	3,738
Raw materials and supplies	2,141	2,465
Other	1,144	1,879
Allowance for doubtful accounts	△23	△23
Total current assets	52,277	65,109
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,500	10,173
Machinery, equipment and vehicles, net	13,457	12,911
Land	8,289	8,239
Construction in progress	1,304	3,585
Other, net	1,236	1,171
Total property, plant and equipment	34,788	36,081
Intangible assets		
Goodwill	187	161
Other	183	189
Total intangible assets	371	350
Investments and other assets		
Investment securities	3,751	2,747
Net defined benefit asset	1,039	1,056
Other	2,418	2,460
Allowance for doubtful accounts	△23	△23
Total investments and other assets	7,185	6,241
Total non-current assets	42,346	42,673
Deferred assets		
Bond issuance cost	50	28
Total deferred assets	50	28
Total assets	94,674	107,811

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,972	13,255
Short-term loans payable	5,213	5,198
Current portion of bonds	5,060	5,102
Income taxes payable	379	541
Provision for bonuses	490	200
Allowance for restructuring	131	130
Other	6,150	6,982
Total current liabilities	30,397	31,411
Non-current liabilities		
Bonds payable	1,900	2,177
Long-term loans payable	5,324	16,904
Net defined benefit liability	78	81
Asset retirement obligations	167	157
Other	913	818
Total non-current liabilities	8,384	20,138
Total liabilities	38,782	51,550
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	13,027	13,943
Treasury shares	△3,134	△3,134
Total shareholders' equity	48,828	49,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,131	722
Deferred gains or losses on hedges	△0	△0
Foreign currency translation adjustment	2,180	2,117
Remeasurements of defined benefit plans	358	302
Total accumulated other comprehensive income	3,670	3,140
Non-controlling interests	3,393	3,376
Total net assets	55,892	56,260
Total liabilities and net assets	94,674	107,811

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	64,289	67,734
Cost of sales	54,630	57,933
Gross profit	9,658	9,801
Selling, general and administrative expenses		
Employees' salaries and bonuses	2,145	2,444
Provision for bonuses	△21	△42
Retirement benefit expenses	27	20
Other	4,192	4,459
Total selling, general and administrative expenses	6,343	6,881
Operating profit	3,315	2,919
Non-operating income		
Interest income	37	26
Dividend income	80	89
Foreign exchange gains	—	131
Other	232	234
Total non-operating income	350	481
Non-operating expenses		
Interest expenses	200	206
Other	303	201
Total non-operating expenses	503	407
Ordinary profit	3,162	2,993
Extraordinary income		
Gain on sales of non-current assets	6	11
Gain on sales of investment securities	30	10
Insurance income	7	—
Subsidy income	17	—
Total extraordinary income	60	22
Extraordinary losses		
Loss on sales of non-current assets	4	4
Loss on retirement of non-current assets	94	168
Loss on valuation of investment securities	—	416
Compensation for damage	—	73
Other	0	74
Total extraordinary losses	99	737
Profit before income taxes	3,123	2,278
Income taxes	421	402
Income taxes for prior periods	—	224
Profit	2,701	1,651
Profit attributable to non-controlling interests	68	143
Profit attributable to owners of parent	2,632	1,507

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	2,701	1,651
Other comprehensive income		
Valuation difference on available-for-sale securities	609	△409
Deferred gains or losses on hedges	0	△0
Foreign currency translation adjustment	233	△224
Remeasurements of defined benefit plans, net of tax	△4	△56
Total other comprehensive income	838	△690
Comprehensive income	3,540	961
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,432	978
Comprehensive income attributable to non-controlling interests	107	△17