

Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2020
(Based on Japanese GAAP)

February 5, 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
 Executive Officer
 Inquiries: Accounting Department General Manager Yoshihisa Yamaguchi TEL 03-5323-0231
 Scheduled date to file Quarterly Securities Report: February 10, 2021
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	50,304	△20.6	△2,017	—	△1,761	—	△2,162	—
Nine months ended December 31, 2019	63,383	△6.4	1,375	△52.9	1,443	△51.8	610	△59.5

(Note) Comprehensive income:

Nine months ended December 31, 2020 △4,110million yen (—%)
 Nine months ended December 31, 2019 389million yen (△59.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2020	△36.52	—
Nine months ended December 31, 2019	10.32	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	96,811	50,321	48.5
As of March 31, 2020	96,044	54,932	53.6

(Reference) Shareholder's equity:

As of December 31, 2020 46,914million yen As of March 31, 2020 51,451million 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, 2020	—	0.00	—	6.00	6.00
Year ending March 31, 2021	—	0.00	—	—	—
Year ending March 31, 2021 (forecast)	—	—	—	—	—

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

2. Payment of dividends for the year ending March 31, 2021 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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	68,500	△17.1	△1,500	—	△1,400	—	△2,100	—	△35.48

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

※ Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020

(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, 2020	63,060,164 shares	As of March 31, 2020	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of December 31, 2020	3,864,456 shares	As of March 31, 2020	3,864,028 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, 2020	59,195,928 shares	Nine months ended December 31, 2019	59,196,583 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, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	16,694	20,594
Notes and accounts receivable - trade	20,389	20,009
Merchandise and finished goods	4,529	4,480
Work in process	3,592	3,643
Raw materials and supplies	2,434	2,242
Other	1,080	1,733
Allowance for doubtful accounts	△56	△127
Total current assets	48,665	52,576
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,279	11,255
Machinery, equipment and vehicles, net	16,683	15,897
Land	8,253	8,236
Construction in progress	2,618	1,937
Other, net	1,217	1,146
Total property, plant and equipment	41,052	38,472
Intangible assets		
Goodwill	116	90
Other	220	226
Total intangible assets	337	317
Investments and other assets		
Investment securities	2,318	2,503
Retirement benefit asset	1,119	724
Other	2,550	2,206
Allowance for doubtful accounts	△28	△28
Total investments and other assets	5,959	5,405
Total non-current assets	47,349	44,195
Deferred assets		
Bond issuance costs	29	40
Total deferred assets	29	40
Total assets	96,044	96,811

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,761	11,991
Short-term borrowings	4,455	5,446
Current portion of bonds payable	1,352	352
Income taxes payable	246	271
Provision for bonuses	510	362
Allowance for restructuring	126	126
Other	4,639	3,243
Total current liabilities	21,091	21,793
Non-current liabilities		
Bonds payable	5,023	5,722
Long-term borrowings	13,206	17,392
Retirement benefit liability	93	94
Asset retirement obligations	449	451
Other	1,247	1,035
Total non-current liabilities	20,020	24,696
Total liabilities	41,111	46,490
Net assets		
Shareholders' equity		
Share capital	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	12,671	10,154
Treasury shares	△3,135	△3,135
Total shareholders' equity	48,471	45,953
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	446	630
Deferred gains or losses on hedges	0	△0
Foreign currency translation adjustment	2,262	354
Remeasurements of defined benefit plans	270	△25
Total accumulated other comprehensive income	2,979	960
Non-controlling interests	3,480	3,407
Total net assets	54,932	50,321
Total liabilities and net assets	96,044	96,811

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	63,383	50,304
Cost of sales	54,957	45,886
Gross profit	8,425	4,418
Selling, general and administrative expenses		
Employees' salaries and bonuses	2,535	2,536
Provision for bonuses	△40	△0
Retirement benefit expenses	14	24
Other	4,540	3,874
Total selling, general and administrative expenses	7,050	6,435
Operating profit (loss)	1,375	△2,017
Non-operating income		
Interest income	21	11
Dividend income	88	81
Foreign exchange gains	296	183
Other	214	364
Total non-operating income	620	640
Non-operating expenses		
Interest expenses	200	180
Plant shutdown related costs	142	—
Other	209	204
Total non-operating expenses	552	384
Ordinary profit (loss)	1,443	△1,761
Extraordinary income		
Gain on sales of non-current assets	0	5
Gain on sales of investment securities	17	189
Total extraordinary income	17	194
Extraordinary losses		
Loss on sales of non-current assets	0	6
Loss on retirement of non-current assets	141	189
Compensation for damage	41	18
Other	—	2
Total extraordinary losses	183	218
Profit (loss) before income taxes	1,277	△1,784
Income taxes	377	213
Income taxes for prior periods	50	59
Profit (loss)	849	△2,057
Profit attributable to non-controlling interests	238	104
Profit (loss) attributable to owners of parent	610	△2,162

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	849	△2,057
Other comprehensive income		
Valuation difference on available-for-sale securities	341	184
Deferred gains or losses on hedges	0	△0
Foreign currency translation adjustment	△764	△1,940
Remeasurements of defined benefit plans, net of tax	△37	△296
Total other comprehensive income	△459	△2,052
Comprehensive income	389	△4,110
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	368	△4,181
Comprehensive income attributable to non-controlling interests	21	71