

Summary of Consolidated Financial Results  
for the Six Months Ended September 30, 2020  
(Based on Japanese GAAP)

November 5, 2020

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: November 11, 2020  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 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	%
Six months ended September 30, 2020	32,100	△25.3	△1,560	—	△1,485	—	△1,748	—
Six months ended September 30, 2019	42,981	△4.0	715	△60.0	779	△56.8	287	△75.7

(Note) Comprehensive income:

Six months ended September 30, 2020 △2,989million yen (—%)  
 Six months ended September 30, 2019 84million yen (519.2%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2020	△29.53		—	
Six months ended September 30, 2019	4.85		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2020	95,789		51,422		50.2	
As of March 31, 2020	96,044		54,932		53.6	

(Reference) Shareholder's equity:

As of September 30, 2020 48,130million 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				
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: Yes

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: Yes

※ Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 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 September 30, 2020	3,864,367 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)

Six months ended September 30, 2020	59,196,022 shares	Six months ended September 30, 2019	59,196,681 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 September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	16,694	21,815
Notes and accounts receivable - trade	20,389	16,990
Merchandise and finished goods	4,529	5,492
Work in process	3,592	3,307
Raw materials and supplies	2,434	2,201
Other	1,080	1,228
Allowance for doubtful accounts	△56	△129
Total current assets	48,665	50,906
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,279	11,652
Machinery, equipment and vehicles, net	16,683	16,318
Land	8,253	8,238
Construction in progress	2,618	1,926
Other, net	1,217	1,092
Total property, plant and equipment	41,052	39,228
Intangible assets		
Goodwill	116	99
Other	220	192
Total intangible assets	337	291
Investments and other assets		
Investment securities	2,318	2,383
Retirement benefit asset	1,119	720
Other	2,550	2,242
Allowance for doubtful accounts	△28	△28
Total investments and other assets	5,959	5,317
Total non-current assets	47,349	44,838
Deferred assets		
Bond issuance costs	29	44
Total deferred assets	29	44
<b>Total assets</b>	<b>96,044</b>	<b>95,789</b>

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,761	9,665
Short-term borrowings	4,455	5,710
Current portion of bonds payable	1,352	352
Income taxes payable	246	191
Provision for bonuses	510	548
Allowance for restructuring	126	126
Other	4,639	2,642
Total current liabilities	21,091	19,237
Non-current liabilities		
Bonds payable	5,023	5,722
Long-term borrowings	13,206	17,769
Retirement benefit liability	93	94
Asset retirement obligations	449	450
Other	1,247	1,072
Total non-current liabilities	20,020	25,109
Total liabilities	41,111	44,347
<b>Net assets</b>		
Shareholders' equity		
Share capital	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	12,671	10,568
Treasury shares	△3,135	△3,135
Total shareholders' equity	48,471	46,367
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	446	574
Deferred gains or losses on hedges	0	△0
Foreign currency translation adjustment	2,262	1,210
Remeasurements of defined benefit plans	270	△21
Total accumulated other comprehensive income	2,979	1,762
Non-controlling interests	3,480	3,311
Total net assets	54,932	51,442
Total liabilities and net assets	96,044	95,789

## Quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	42,981	32,100
Cost of sales	37,510	29,353
Gross profit	5,470	2,746
Selling, general and administrative expenses		
Employees' salaries and bonuses	1,636	1,644
Provision for bonuses	23	33
Retirement benefit expenses	9	15
Provision of allowance for doubtful accounts	5	77
Other	3,079	2,536
Total selling, general and administrative expenses	4,754	4,307
Operating profit (loss)	715	△1,560
Non-operating income		
Interest income	15	8
Dividend income	49	45
Foreign exchange gains	103	32
Other	147	241
Total non-operating income	316	327
Non-operating expenses		
Interest expenses	136	123
Other	116	129
Total non-operating expenses	252	252
Ordinary profit (loss)	779	△1,485
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	17	189
Other	—	0
Total extraordinary income	17	190
Extraordinary losses		
Loss on retirement of non-current assets	118	100
Loss on valuation of investment securities	—	53
Compensation for damage	30	—
Total extraordinary losses	149	154
Profit (loss) before income taxes	647	△1,450
Income taxes	215	161
Income taxes for prior periods	51	59
Profit (loss)	380	△1,670
Profit attributable to non-controlling interests	93	77
Profit (loss) attributable to owners of parent	287	△1,748

## Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit (loss)	380	△1,670
Other comprehensive income		
Valuation difference on available-for-sale securities	△24	127
Deferred gains or losses on hedges	0	△0
Foreign currency translation adjustment	△246	△1,153
Remeasurements of defined benefit plans, net of tax	△24	△292
Total other comprehensive income	△296	△1,318
Comprehensive income	84	△2,989
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	87	△2,965
Comprehensive income attributable to non-controlling interests	△2	△24

## Quarterly consolidated statement of cash flow

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	647	△1,450
Depreciation	2,271	2,228
Interest and dividend income	△65	△53
Interest expenses	136	123
Foreign exchange losses (gains)	△171	65
Loss (gain) on sales of non-current assets	△0	△0
Loss on retirement of non-current assets	118	100
Decrease (increase) in trade receivables	2,190	3,088
Decrease (increase) in inventories	△317	△596
Increase (decrease) in trade payables	△426	△68
Increase (decrease) in provision for bonuses	12	37
Other, net	△6	△1,987
Subtotal	4,389	1,487
Interest and dividends received	65	53
Interest paid	△137	△125
Income taxes paid	△154	△270
Net cash provided by (used in) operating activities	4,163	1,145
Cash flows from investing activities		
Purchase of property, plant and equipment	△5,702	△1,283
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	△14	△99
Purchase of investment securities	△5	△5
Proceeds from sales of investment securities	26	257
Collection of loans receivable	0	0
Other, net	△10	393
Net cash provided by (used in) investing activities	△5,706	△737
Cash flows from financing activities		
Proceeds from short-term borrowings	3,234	5,193
Repayments of short-term borrowings	△3,234	△3,193
Proceeds from long-term borrowings	—	5,320
Repayments of long-term borrowings	△1,596	△1,445
Proceeds from issuance of bonds	—	724
Redemption of bonds	△301	△1,051
Repayments of finance lease obligations	△101	△103
Proceeds from sales of receivables	△265	—
Purchase of treasury shares	△0	△0
Dividends paid	△649	△353
Dividends paid to non-controlling interests	△117	△144
Net cash provided by (used in) financing activities	△3,032	4,945
Effect of exchange rate change on cash and cash equivalents	△159	△232
Net increase (decrease) in cash and cash equivalents	△4,735	5,120
Cash and cash equivalents at beginning of period	25,436	16,694
Cash and cash equivalents at end of period	20,701	21,815