

Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2022
(Based on Japanese GAAP)

November 7, 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 to file Quarterly Securities Report: November 11, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	40,988	6.0	1,245	212.1	1,552	—	1,068	—
Six months ended September 30, 2021	38,677	20.5	399	—	107	—	13	—

(Note) Comprehensive income:

Six months ended September 30, 2022 6,259million yen (200.1%)
 Six months ended September 30, 2021 2,086million yen (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2022	18.05		—	
Six months ended September 30, 2021	0.22		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2022	118,842		59,842		48.7	
As of March 31, 2022	104,865		54,466		50.3	

(Reference) Shareholder's equity:

As of September 30, 2022 57,836million yen As of March 31, 2022 52,716million 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, 2022	—	0.00	—	14.00	14.00
Year ending March 31, 2023	—	0.00	—	—	—
Year ending March 31, 2023(forecast)	—	—	—	11.00	11.00

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

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

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

※ Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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, 2022	63,077,770 shares	As of March 31, 2022	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of September 30, 2022	3,865,553 shares	As of March 31, 2022	3,865,040 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, 2022	59,198,461 shares	Six months ended September 30, 2021	59,195,546 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	15,879	23,785
Notes and accounts receivable - trade	17,948	18,202
Electronically recorded monetary claims - operating	4,427	3,507
Merchandise and finished goods	9,621	11,615
Work in process	3,673	4,391
Raw materials and supplies	2,775	3,407
Other	1,337	1,573
Allowance for doubtful accounts	△40	△45
Total current assets	55,623	66,438
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,212	12,858
Machinery, equipment and vehicles, net	17,721	19,445
Land	7,758	7,807
Construction in progress	3,251	3,654
Other, net	1,259	1,473
Total property, plant and equipment	42,204	45,239
Intangible assets		
Goodwill	58	50
Other	341	366
Total intangible assets	400	417
Investments and other assets		
Investment securities	2,975	3,056
Retirement benefit asset	1,221	1,235
Other	2,433	2,454
Allowance for doubtful accounts	△28	△28
Total investments and other assets	6,602	6,717
Total non-current assets	49,206	52,374
Deferred assets		
Bond issuance costs	35	29
Total deferred assets	35	29
Total assets	104,865	118,842

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,506	11,798
Electronically recorded obligations - operating	2,458	2,153
Short-term borrowings	14,328	23,510
Current portion of bonds payable	42	342
Income taxes payable	356	317
Provision for bonuses	748	565
Provision for loss on disaster	46	—
Other	3,148	3,501
Total current liabilities	33,637	42,190
Non-current liabilities		
Bonds payable	3,608	3,287
Long-term borrowings	11,824	12,111
Retirement benefit liability	117	143
Asset retirement obligations	454	453
Other	755	814
Total non-current liabilities	16,761	16,809
Total liabilities	50,398	58,999
Net assets		
Shareholders' equity		
Share capital	22,306	22,310
Capital surplus	16,962	16,966
Retained earnings	13,411	13,651
Treasury shares	△3,135	△3,135
Total shareholders' equity	49,543	49,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	959	1,019
Foreign currency translation adjustment	1,977	6,818
Remeasurements of defined benefit plans	235	206
Total accumulated other comprehensive income	3,172	8,045
Non-controlling interests	1,750	2,006
Total net assets	54,466	59,842
Total liabilities and net assets	104,865	118,842

Quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	38,677	40,988
Cost of sales	33,850	34,762
Gross profit	4,826	6,226
Selling, general and administrative expenses		
Employees' salaries and bonuses	1,792	1,947
Provision for bonuses	13	△44
Retirement benefit expenses	15	12
Provision of allowance for doubtful accounts	△81	△0
Other	2,687	3,064
Total selling, general and administrative expenses	4,427	4,980
Operating profit	399	1,245
Non-operating income		
Interest income	4	5
Dividend income	45	70
Foreign exchange gains	—	394
Other	169	135
Total non-operating income	219	606
Non-operating expenses		
Interest expenses	101	125
Commission expenses	48	117
Foreign exchange losses	206	—
Other	154	55
Total non-operating expenses	511	298
Ordinary profit	107	1,552
Extraordinary income		
Gain on sale of non-current assets	0	0
Insurance claim income	244	—
Total extraordinary income	244	0
Extraordinary losses		
Loss on retirement of non-current assets	53	94
Loss on sale of non-current assets	—	0
Total extraordinary losses	53	94
Profit before income taxes	298	1,458
Income taxes	211	305
Profit	86	1,152
Profit attributable to non-controlling interests	73	83
Profit attributable to owners of parent	13	1,068

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	86	1,152
Other comprehensive income		
Valuation difference on available-for-sale securities	157	60
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	1,869	5,074
Remeasurements of defined benefit plans, net of tax	△27	△28
Total other comprehensive income	1,999	5,106
Comprehensive income	2,086	6,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,738	5,941
Comprehensive income attributable to non-controlling interests	347	317

Quarterly consolidated statement of cash flow

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	298	1,458
Depreciation	2,071	2,325
Interest and dividend income	△50	△75
Interest expenses	101	125
Foreign exchange losses (gains)	532	△175
Loss (gain) on sale of non-current assets	△0	0
Loss on retirement of non-current assets	53	94
Decrease (increase) in trade receivables	1,643	2,432
Decrease (increase) in inventories	△2,118	△2,061
Increase (decrease) in trade payables	102	△2,595
Increase (decrease) in provision for bonuses	9	△182
Other, net	256	38
Subtotal	2,900	1,383
Interest and dividends received	50	77
Interest paid	△105	△135
Income taxes paid	△35	△365
Net cash provided by (used in) operating activities	2,809	959
Cash flows from investing activities		
Purchase of property, plant and equipment	△3,575	△2,516
Proceeds from sale of property, plant and equipment	266	0
Purchase of intangible assets	△19	△12
Purchase of investment securities	△5	△5
Proceeds from collection of loans receivable	0	—
Other, net	65	△64
Net cash provided by (used in) investing activities	△3,268	△2,598
Cash flows from financing activities		
Proceeds from short-term borrowings	3,334	15,990
Repayments of short-term borrowings	△3,334	△16,212
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	△752	△643
Redemption of bonds	△51	△21
Repayments of finance lease liabilities	△98	△25
Purchase of treasury shares	△0	△0
Purchase of investments in capital of subsidiaries without change in scope of consolidation	△1,858	—
Dividends paid	△0	△827
Dividends paid to non-controlling interests	△40	△62
Net cash provided by (used in) financing activities	△2,800	8,196
Effect of exchange rate change on cash and cash equivalents	317	1,347
Net increase (decrease) in cash and cash equivalents	△2,942	7,905
Cash and cash equivalents at beginning of period	17,466	15,879
Cash and cash equivalents at end of period	14,524	23,785