

**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2023
(Based on Japanese GAAP)**

November 6, 2023

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 10, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	43,216	5.4	571	△54.1	1,677	8.0	759	△28.9
Six months ended September 30, 2022	40,988	6.0	1,245	212.1	1,552	—	1,068	—

(Note) Comprehensive income:

Six months ended September 30, 2023 3,760 million yen (△39.9%)
 Six months ended September 30, 2022 6,259 million yen (200.1%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2023	12.83		—	
Six months ended September 30, 2022	18.05		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2023	121,306		61,969		49.4	
As of March 31, 2023	114,570		58,779		49.6	

(Reference) Shareholder's equity:

As of September 30, 2023 59,949 million yen As of March 31, 2023 56,847 million 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, 2023	—	0.00	—	8.50	8.50
Year ending March 31, 2024	—	0.00	—	—	—
Year ending March 31, 2024(forecast)	—	—	—	10.00	10.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	87,000	3.8	3,000	15.1	3,200	22.0	2,000	25.9	33.77

(Note) Revisions to financial forecasts published most recently: Yes

※ Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(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, 2023	63,097,316 shares	As of March 31, 2023	63,077,770 shares
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2) Number of treasury shares at the end of the period

As of September 30, 2023	3,866,618 shares	As of March 31, 2023	3,865,795 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, 2023	59,215,685 shares	Six months ended September 30, 2022	59,198,461 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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	23,596	25,406
Notes and accounts receivable - trade	17,664	17,784
Electronically recorded monetary claims - operating	1,531	1,991
Merchandise and finished goods	9,691	10,247
Work in process	4,415	4,393
Raw materials and supplies	3,242	3,293
Other	1,552	1,747
Allowance for doubtful accounts	△41	△43
Total current assets	61,652	64,821
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,786	12,983
Machinery, equipment and vehicles, net	19,428	19,982
Land	7,801	7,827
Construction in progress	4,324	7,475
Other, net	1,498	1,763
Total property, plant and equipment	45,839	50,032
Intangible assets		
Goodwill	40	31
Other	329	314
Total intangible assets	370	345
Investments and other assets		
Investment securities	3,126	3,473
Retirement benefit asset	827	839
Other	2,720	1,770
Allowance for doubtful accounts	△23	△24
Total investments and other assets	6,651	6,059
Total non-current assets	52,860	56,438
Deferred assets		
Bond issuance costs	56	47
Total deferred assets	56	47
Total assets	114,570	121,306

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,265	11,706
Electronically recorded obligations - operating	2,049	1,734
Current portion of bonds payable	342	42
Current portion of long-term borrowings	10,327	3,127
Income taxes payable	240	509
Provision for bonuses	552	921
Asset retirement obligations	2	-
Other	3,155	3,791
Total current liabilities	26,936	21,835
Non-current liabilities		
Bonds payable	5,765	5,744
Long-term borrowings	21,472	29,908
Retirement benefit liability	153	178
Asset retirement obligations	404	406
Other	1,057	1,265
Total non-current liabilities	28,853	37,502
Total liabilities	55,790	59,337
Net assets		
Shareholders' equity		
Share capital	22,310	22,315
Capital surplus	16,966	16,971
Retained earnings	14,171	14,427
Treasury shares	△3,136	△3,136
Total shareholders' equity	50,311	50,577
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,198	1,598
Foreign currency translation adjustment	5,455	7,899
Remeasurements of defined benefit plans	△118	△125
Total accumulated other comprehensive income	6,535	9,372
Non-controlling interests	1,931	2,019
Total net assets	58,779	61,969
Total liabilities and net assets	114,570	121,306

Quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	40,988	43,216
Cost of sales	34,762	37,541
Gross profit	6,226	5,675
Selling, general and administrative expenses		
Employees' salaries and bonuses	1,947	1,939
Provision for bonuses	△44	114
Retirement benefit expenses	12	23
Provision of allowance for doubtful accounts	△0	1
Other	3,064	3,026
Total selling, general and administrative expenses	4,980	5,104
Operating profit	1,245	571
Non-operating income		
Interest income	5	70
Dividend income	70	66
Foreign exchange gains	394	1,029
Other	135	385
Total non-operating income	606	1,552
Non-operating expenses		
Interest expenses	125	157
Commission expenses	117	201
Other	55	86
Total non-operating expenses	298	446
Ordinary profit	1,552	1,677
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	—	6
Total extraordinary income	0	7
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	94	118
Loss on valuation of investment securities	—	47
Restructuring costs	—	216
Total extraordinary losses	94	382
Profit before income taxes	1,458	1,302
Income taxes	305	476
Profit	1,152	825
Profit attributable to non-controlling interests	83	65
Profit attributable to owners of parent	1,068	759

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,152	825
Other comprehensive income		
Valuation difference on available-for-sale securities	60	399
Foreign currency translation adjustment	5,074	2,542
Remeasurements of defined benefit plans, net of tax	△28	△6
Total other comprehensive income	5,106	2,934
Comprehensive income	6,259	3,760
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,941	3,596
Comprehensive income attributable to non-controlling interests	317	164

Quarterly consolidated statement of cash flow

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,458	1,302
Depreciation	2,325	2,525
Interest and dividend income	△75	△137
Interest expenses	125	157
Foreign exchange losses (gains)	△175	△1,057
Loss (gain) on sale of non-current assets	0	△0
Loss on retirement of non-current assets	94	118
Loss (gain) on valuation of investment securities	—	47
Decrease (increase) in trade receivables	2,432	223
Decrease (increase) in inventories	△2,061	67
Increase (decrease) in trade payables	△2,595	401
Increase (decrease) in accounts payable - other	△40	441
Increase (decrease) in provision for bonuses	△182	359
Other, net	78	95
Subtotal	1,383	4,544
Interest and dividends received	77	143
Interest paid	△135	△160
Income taxes paid	△365	△188
Net cash provided by (used in) operating activities	959	4,338
Cash flows from investing activities		
Purchase of property, plant and equipment	△2,516	△5,350
Proceeds from sale of property, plant and equipment	0	90
Purchase of intangible assets	△12	△4
Purchase of investment securities	△5	△1
Proceeds from sale of investment securities	—	187
Purchase of insurance funds	—	△287
Proceeds from cancellation of insurance funds	—	1,183
Other, net	△64	△58
Net cash provided by (used in) investing activities	△2,598	△4,241

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	15,990	—
Repayments of short-term borrowings	△16,212	—
Proceeds from long-term borrowings	10,000	10,000
Repayments of long-term borrowings	△643	△8,763
Redemption of bonds	△21	△321
Repayments of finance lease liabilities	△25	△29
Purchase of treasury shares	△0	△0
Dividends paid	△827	△502
Dividends paid to non-controlling interests	△62	△76
Net cash provided by (used in) financing activities	8,196	305
Effect of exchange rate change on cash and cash equivalents	1,347	1,407
Net increase (decrease) in cash and cash equivalents	7,905	1,809
Cash and cash equivalents at beginning of period	15,879	23,596
Cash and cash equivalents at end of period	23,785	25,406