

Summary of Consolidated Financial Results
for the Year Ended March 31, 2019
(Based on Japanese GAAP)

May 10, 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 Yoshihisa Yamaguchi TEL 03-5323-0231
 Scheduled date of ordinary general meeting of shareholders: June 26, 2019
 Scheduled date to file Securities Report: June 26, 2019
 Scheduled date to commence dividend payments: June 27, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results (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	%
Year ended March 31, 2019	90,230	3.8	3,767	△11.7	3,770	△3.7	2,015	△44.6
Year ended March 31, 2018	86,894	15.3	4,266	60.9	3,917	49.0	3,638	69.0

(Note) Comprehensive income:

Year ended March 31, 2019 549 million yen (△88.4%) Year ended March 31, 2018 4,751 million yen (208.9%)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	34.05	—	3.8	3.8	4.2
Year ended March 31, 2018	61.46	—	7.2	4.2	4.9

(Reference) Equity in earnings of affiliated companies

Year ended March 31, 2019 —million yen Year ended March 31, 2018 —million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	105,189	55,849	49.9	886.18
As of March 31, 2018	94,674	55,892	55.5	886.84

(Reference) Shareholder's equity:

As of March 31, 2019 52,459 million yen As of March 31, 2018 52,498 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	7,013	△7,278	9,430	25,436
Year ended March 31, 2018	5,520	△6,821	△4,943	16,327

2. Cash dividends

	Annual dividends per share					Total cash dividends(Total) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	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	591	16.3	1.2
Year ended March 31, 2019	—	0.00	—	11.00	11.00	651	32.3	1.2
Year ending March 31, 2020 (forecast)	—	—	—	—	—	—	—	—

(Note) Payment of dividends for the year ending March 31, 2020 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2020(from April 1, 2019 to March 31, 2020)

(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	94,000	4.2	4,000	6.2	3,600	△4.5	2,700	34.0	45.61

※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2019	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 March 31, 2019	3,863,270 shares	As of March 31, 2018	3,862,573 shares
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3) Average number of shares during the period

Year ended March 31, 2019	59,197,217 shares	Year ended March 31, 2018	59,198,049 shares
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(Reference) Summary of Non-consolidated Financial Statement

Non-consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2019	50,370	1.5	554	△57.4	1,449	△41.6	916	△66.0
Year ended March 31, 2018	49,631	6.4	1,302	251.7	2,483	88.9	2,693	103.2

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2019	15.48	—
Year ended March 31, 2018	45.50	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	82,567	40,500	49.1	684.17
As of March 31, 2018	70,793	40,566	57.3	685.27

(Reference) Shareholder's equity:

As of March 31, 2019 40,500 million yen As of March 31, 2018 40,566 million yen

※ This financial results statement is exempt from the audit procedures 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
Consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	16,327	25,436
Notes and accounts receivable - trade	25,009	24,061
Merchandise and finished goods	4,067	4,260
Work in process	3,611	3,716
Raw materials and supplies	2,141	2,331
Other	1,144	1,282
Allowance for doubtful accounts	△23	△22
Total current assets	52,277	61,066
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,433	49,101
Accumulated depreciation	△38,932	△39,229
Buildings and structures, net	10,500	9,871
Machinery, equipment and vehicles	70,780	69,793
Accumulated depreciation	△57,322	△56,549
Machinery, equipment and vehicles, net	13,457	13,244
Tools, furniture and fixtures	5,220	5,204
Accumulated depreciation	△3,984	△4,019
Tools, furniture and fixtures, net	1,236	1,184
Land	8,289	8,229
Construction in progress	1,304	4,973
Total property, plant and equipment	34,788	37,503
Intangible assets		
Goodwill	187	151
Other	183	188
Total intangible assets	371	339
Investments and other assets		
Investment securities	3,751	2,697
Retirement benefit asset	1,039	969
Deferred tax assets	62	161
Other	2,355	2,422
Allowance for doubtful accounts	△23	△23
Total investments and other assets	7,185	6,228
Total non-current assets	42,346	44,072
Deferred assets		
Bond issuance cost	50	50
Total deferred assets	50	50
Total assets	94,674	105,189

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,972	13,104
Short-term loans payable	5,213	4,856
Current portion of bonds	5,060	602
Accounts payable - other	5,020	5,589
Lease obligations	310	193
Income taxes payable	379	253
Provision for bonuses	490	496
Allowance for restructuring	131	129
Other	819	691
Total current liabilities	30,397	25,917
Non-current liabilities		
Bonds payable	1,900	6,376
Long-term loans payable	5,324	16,014
Lease obligations	366	341
Deferred tax liabilities	511	406
Retirement benefit liability	78	95
Asset retirement obligations	167	157
Other	36	30
Total non-current liabilities	8,384	23,422
Total liabilities	38,782	49,340
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	13,027	14,451
Treasury shares	△3,134	△3,134
Total shareholders' equity	48,828	50,251
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,131	739
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	2,180	1,235
Remeasurements of defined benefit plans	358	233
Total accumulated other comprehensive income	3,670	2,208
Non-controlling interests	3,393	3,389
Total net assets	55,892	55,849
Total liabilities and net assets	94,674	105,189

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	86,894	90,230
Cost of sales	74,036	77,180
Gross profit	12,857	13,050
Selling, general and administrative expenses	8,591	9,283
Operating profit	4,266	3,767
Non-operating income		
Interest income	46	38
Dividend income	80	89
Foreign exchange gains	—	191
Rent income	84	78
Other	226	236
Total non-operating income	438	633
Non-operating expenses		
Interest expenses	268	279
Other	518	350
Total non-operating expenses	787	630
Ordinary profit	3,917	3,770
Extraordinary income		
Gain on sales of non-current assets	6	12
Gain on sales of investment securities	31	195
Insurance income	7	—
Subsidy income	17	—
Total extraordinary income	62	207
Extraordinary losses		
Loss on sales of non-current assets	5	4
Loss on retirement of non-current assets	142	329
Loss on valuation of investment securities	—	436
Compensation for damage	113	73
Other	0	162
Total extraordinary losses	260	1,005
Profit before income taxes	3,718	2,972
Income taxes - current	541	602
Income taxes for prior periods	—	222
Income taxes - deferred	△478	△101
Total income taxes	62	722
Profit	3,656	2,249
Profit attributable to non-controlling interests	17	233
Profit attributable to owners of parent	3,638	2,015

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	3,656	2,249
Other comprehensive income		
Valuation difference on available-for-sale securities	244	△392
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	723	△1,182
Remeasurements of defined benefit plans, net of tax	126	△125
Total other comprehensive income	1,094	△1,700
Comprehensive income	4,751	549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,629	553
Comprehensive income attributable to non-controlling interests	122	△3

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	3,718	2,972
Depreciation	4,108	4,278
Amortization of goodwill	35	34
Increase (decrease) in provision for bonuses	115	6
Increase (decrease) in allowance for doubtful accounts	△27	△2
Increase (decrease) in retirement benefit liability	△47	△36
Interest and dividend income	△127	△127
Interest expenses	268	279
Foreign exchange losses (gains)	△147	△121
Loss (gain) on valuation of investment securities	—	436
Loss (gain) on sales of non-current assets	△1	△7
Loss on retirement of non-current assets	142	329
Decrease (increase) in notes and accounts receivable - trade	△2,659	585
Decrease (increase) in inventories	△1,203	△655
Increase (decrease) in notes and accounts payable - trade	1,316	492
Increase (decrease) in accrued consumption taxes	79	△146
Other, net	573	△181
Subtotal	6,143	8,135
Interest and dividend income received	127	126
Interest expenses paid	△239	△272
Income taxes paid	△511	△976
Net cash provided by (used in) operating activities	5,520	7,013
Cash flows from investing activities		
Purchase of property, plant and equipment	△7,012	△7,464
Proceeds from sales of property, plant and equipment	249	69
Purchase of intangible assets	△19	△41
Purchase of investment securities	△10	△11
Proceeds from sales and redemption of investment securities	43	324
Payments of loans receivable	△1	△0
Collection of loans receivable	0	0
Other, net	△70	△156
Net cash provided by (used in) investing activities	△6,821	△7,278

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Increase in short-term loans payable	7,389	6,841
Decrease in short-term loans payable	△7,540	△6,903
Proceeds from long-term loans payable	400	14,400
Repayments of long-term loans payable	△3,517	△4,069
Proceeds from issuance of bonds	—	5,062
Redemption of bonds	△560	△5,081
Proceeds from sales of receivables	△218	9
Repayments of finance lease obligations	△429	△355
Proceeds from sale and leaseback transactions	—	181
Purchase of treasury shares	△1	△0
Cash dividends paid	△384	△591
Dividends paid to non-controlling interests	△80	△63
Net cash provided by (used in) financing activities	△4,943	9,430
Effect of exchange rate change on cash and cash equivalents	△98	△58
Net increase (decrease) in cash and cash equivalents	△6,343	9,108
Cash and cash equivalents at beginning of period	22,671	16,327
Cash and cash equivalents at end of period	16,327	25,436