

## Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 13, 2016

Company name : CMK CORPORATION

Stock exchange listing : Tokyo

Stock code : 6958 URL <http://www.cmk-corp.com/>

Representative : President and Chief Executive Officer Takeo Takai

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Scheduled date of ordinary general meeting of shareholders : June 29, 2016

Scheduled date to file Securities Report : June 29, 2016

Scheduled date to commence dividend payments : —

Preparation of supplementary material on financial results : Yes

Holding of financial results meeting : Yes(for institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(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, 2016	73,098	△0.9	381	△40.5	△628	—	△8,122	—
Year ended March 31, 2015	73,730	3.8	641	—	1,513	—	1,178	—

(Note) Comprehensive income Year ended March 31, 2016 △9,234millions of yen (—%)  
Year ended March 31, 2015 3,386millions of yen (—%)

	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, 2016	△137.21	—	△15.9	△0.7	0.5
Year ended March 31, 2015	19.99	—	2.2	1.5	0.9

(Reference) Equity in earnings of affiliated companies

Year ended March 31, 2016 —millions of yen Year ended March 31, 2015 —millions of 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, 2016	90,504	50,090	51.4	786.33
As of March 31, 2015	99,175	59,651	56.4	944.76

(Note) Shareholder's equity

As of March 31, 2016 46,549million yen As of March 31, 2015 55,930million 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, 2016	5,210	△1,579	1,300	21,582
Year ended March 31, 2015	1,937	△2,789	△1,438	17,164

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	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	Millions of yen	%	%
Year ended March 31, 2015	—	0.00	—	5.00	5.00	296	25.0	0.5
Year ended March 31, 2016	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2017 (forecast)	—	—	—	—	—		—	

## 3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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	77,000	5.3	2,500	555.1	2,100	—	1,600	—	27.03

### ※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(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: Yes

2) Changes in accounting policies due to other reasons: Yes

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements after error corrections: 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, 2016	63,060,164shares	As of March 31, 2015	63,060,164shares
As of March 31, 2016	3,860,818shares	As of March 31, 2015	3,860,071shares
Year ended March 31, 2016	59,199,794shares	Year ended March 31, 2015	58,971,501shares

2) Number of treasury shares at the end of the period

3) Average number of shares during the period

(Reference) Summary of Non-consolidated Financial Statement

## 1. Non-consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

### (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, 2016	44,250	△1.6	△263	—	△735	—	△10,590	—
Year ended March 31, 2015	44,955	3.7	△863	—	1,241	—	2,172	—

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2016	△178.90	—
Year ended March 31, 2015	36.84	—

(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, 2016	71,510	36,146	50.5	610.60
As of March 31, 2015	78,510	47,557	60.6	803.34

(Note) Shareholder's equity

As of March 31, 2016 36,146million yen

As of March 31, 2015 47,557million yen

※ Information on the audit procedures

This report is not subject to the audit procedures under the Financial Instruments and Exchange Act of Japan. At the time of disclosure of this report, the procedures for review of financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

※ 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 sheets**

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	14,564	21,582
Notes and accounts receivable - trade	21,552	20,376
Securities	2,647	38
Merchandise and finished goods	4,441	3,904
Work in process	3,148	3,046
Raw materials and supplies	1,659	1,534
Deferred tax assets	21	22
Other	2,337	948
Allowance for doubtful accounts	△170	△34
Total current assets	50,201	51,419
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,564	52,457
Accumulated depreciation	△42,063	△41,487
Buildings and structures, net	14,501	10,970
Machinery, equipment and vehicles	82,316	76,264
Accumulated depreciation	△67,330	△64,666
Machinery, equipment and vehicles, net	14,985	11,597
Tools, furniture and fixtures	4,954	5,092
Accumulated depreciation	△3,829	△3,938
Tools, furniture and fixtures, net	1,125	1,153
Land	9,972	9,063
Construction in progress	511	520
Total property, plant and equipment	41,096	33,306
Intangible assets		
Goodwill	301	265
Other	446	321
Total intangible assets	748	587
Investments and other assets		
Investment securities	3,380	2,661
Net defined benefit asset	495	183
Deferred tax assets	8	0
Other	3,278	2,260
Allowance for doubtful accounts	△48	△46
Total investments and other assets	7,115	5,059
Total non-current assets	48,959	38,953
Deferred assets		
Bond issuance cost	13	131
Total deferred assets	13	131
Total assets	99,175	90,504
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,441	10,088
Short-term loans payable	8,673	5,476
Current portion of bonds	4,500	500
Accounts payable - other	3,293	4,345
Lease obligations	2,430	294
Income taxes payable	74	103
Deferred tax liabilities	—	0
Provision for bonuses	262	165
Allowance for restructuring	207	1,110
Other	579	617
Total current liabilities	32,463	22,704

Non-current liabilities		
Bonds payable	—	7,250
Long-term loans payable	5,527	9,179
Lease obligations	428	475
Deferred tax liabilities	872	564
Net defined benefit liability	44	44
Asset retirement obligations	160	162
Other	27	33
Total non-current liabilities	7,060	17,709
Total liabilities	39,523	40,413
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	22,063	22,063
Retained earnings	10,603	2,185
Treasury shares	△3,132	△3,132
Total shareholders' equity	51,841	43,422
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	887	359
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	2,915	2,939
Remeasurements of defined benefit plans	286	△170
Total accumulated other comprehensive income	4,088	3,127
Non-controlling interests	3,721	3,540
Total net assets	59,651	50,090
Total liabilities and net assets	99,175	90,504

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	73,730	73,098
Cost of sales	65,403	64,912
Gross profit	8,326	8,186
Selling, general and administrative expenses	7,685	7,804
Operating income	641	381
Non-operating income		
Interest income	76	70
Dividend income	64	68
Reversal of allowance for doubtful accounts	590	114
Foreign exchange gains	752	—
Rent income	22	53
Other	191	278
Total non-operating income	1,698	585
Non-operating expenses		
Interest expenses	363	325
Loss on abandonment of inventories	51	82
Foreign exchange losses	—	733
Other	411	455
Total non-operating expenses	826	1,595
Ordinary income (loss)	1,513	△628
Extraordinary income		
Gain on sales of non-current assets	23	6
Gain on bargain purchase	3	—
Insurance income	—	68
Reversal of allowance for restructuring	464	—
Gain on sales of shares of subsidiaries and associates	619	—
Subsidy income	—	95
Other	—	1
Total extraordinary income	1,111	171
Extraordinary losses		
Loss on sales of non-current assets	42	80
Loss on retirement of non-current assets	125	149
Impairment loss	525	4,182
Restructuring expenses	—	2,833
Compensation for damage	19	148
Loss on liquidation of subsidiaries and associates	62	—
Other	—	28
Total extraordinary losses	775	7,422
Profit (loss) before income taxes	1,849	△7,879
Income taxes - current	362	169
Income taxes - deferred	175	28
Total income taxes	538	197
Profit (loss)	1,310	△8,077
Profit attributable to non-controlling interests	131	44
Profit (loss) attributable to owners of parent	1,178	△8,122

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit (loss)	1,310	△8,077
Other comprehensive income		
Valuation difference on available-for-sale securities	469	△528
Deferred gains or losses on hedges	△0	△0
Foreign currency translation adjustment	1,509	△171
Remeasurements of defined benefit plans, net of tax	95	△457
Total other comprehensive income	2,075	△1,156
Comprehensive income	3,386	△9,234
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,860	△9,083
Comprehensive income attributable to non-controlling interests	525	△150

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit (loss) before income taxes	1,849	△7,879
Depreciation	4,953	4,932
Amortization of goodwill	34	36
Increase (decrease) in provision for bonuses	70	△97
Increase (decrease) in provision for directors' retirement benefits	△7	—
Increase (decrease) in allowance for doubtful accounts	△807	△116
Increase (decrease) in net defined benefit liability	△206	△282
Interest and dividend income	△141	△138
Interest expenses	363	325
Foreign exchange losses (gains)	△952	1,184
Loss (gain) on sales of shares of subsidiaries and associates	△619	—
Loss (gain) on sales of non-current assets	18	74
Loss on retirement of non-current assets	125	93
Reversal of allowance for restructuring	△464	—
Impairment loss	525	4,182
Restructuring expenses	—	2,833
Decrease (increase) in notes and accounts receivable - trade	△356	818
Decrease (increase) in inventories	△880	614
Increase (decrease) in notes and accounts payable - trade	1,782	△2,122
Increase (decrease) in accrued consumption taxes	78	15
Other, net	△2,558	920
Subtotal	2,806	5,395
Interest and dividend income received	131	147
Interest expenses paid	△396	△325
Income taxes paid	△604	△7
Net cash provided by (used in) operating activities	1,937	5,210
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,467	△3,075
Proceeds from sales of property, plant and equipment	957	235
Purchase of intangible assets	△106	△7
Purchase of investment securities	△7	△9
Proceeds from sales and redemption of investment securities	0	0
Payments of loans receivable	△0	△1
Collection of loans receivable	—	68
Purchase of shares of subsidiaries	△251	—
Proceeds from sales of shares of subsidiaries and associates	554	—
Other, net	532	1,208
Net cash provided by (used in) investing activities	△2,789	△1,579
Cash flows from financing activities		
Increase in short-term loans payable	23,645	25,021
Decrease in short-term loans payable	△25,153	△29,160
Proceeds from long-term loans payable	1,500	6,950
Repayments of long-term loans payable	△1,566	△1,941
Proceeds from issuance of bonds	—	7,614
Redemption of bonds	—	△4,500
Proceeds from sales of receivables	628	△363
Repayments of finance lease obligations	△444	△3,170
Proceeds from sales and leasebacks	—	1,215



Purchase of treasury shares	△0	△0
Cash dividends paid	△0	△295
Dividends paid to non-controlling interests	△46	△70
Other, net	0	0
Net cash provided by (used in) financing activities	△1,438	1,300
Effect of exchange rate change on cash and cash equivalents	△1,465	△512
Net increase (decrease) in cash and cash equivalents	△3,754	4,418
Cash and cash equivalents at beginning of period	20,919	17,164
Cash and cash equivalents at end of period	17,164	21,582