

**Summary of Consolidated Financial Results**  
for the Year Ended March 31, 2017  
(Based on Japanese GAAP)

May 12, 2017

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  
 Inquiries: Administration Affairs Department Manager Akihiro Okabe TEL 03-5323-0235  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2017  
 Scheduled date to file Securities Report: June 29, 2017  
 Scheduled date to commence dividend payments: June 30, 2017  
 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, 2017 (from April 1, 2016 to March 31, 2017)

(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, 2017	75,370	3.1	2,652	594.9	2,628	—	2,153	—
Year ended March 31, 2016	73,098	△0.9	381	△40.5	△628	—	△8,122	—

(Note) Comprehensive income:

Year ended March 31, 2017 1,538 million yen (—%) Year ended March 31, 2016 △9,234 million 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, 2017	36.38	—	4.5	2.9	3.5
Year ended March 31, 2016	△137.21	—	△15.9	△0.7	0.5

(Reference) Equity in earnings of affiliated companies

Year ended March 31, 2017 —million yen Year ended March 31, 2016 —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, 2017	93,748	51,549	51.5	815.14
As of March 31, 2016	90,504	50,090	51.4	786.33

(Reference) Shareholder's equity:

As of March 31, 2017 48,255 million yen As of March 31, 2016 46,549 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, 2017	5,226	△3,159	△426	22,671
Year ended March 31, 2016	5,210	△1,579	1,300	21,582

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, 2016	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2017	—	0.00	—	6.50	6.50	384	17.9	0.8
Year ending March 31, 2018 (forecast)	—	—	—	—	—	—	—	—

(Note) Payment of dividends for the year ending March 31, 2018 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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	80,000	6.1	4,000	50.8	3,700	40.7	3,000	39.3	50.68

※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2017

(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: 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, 2017	63,060,164 shares	As of March 31, 2016	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of March 31, 2017	3,861,494 shares	As of March 31, 2016	3,860,818 shares
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3) Average number of shares during the period

Year ended March 31, 2017	59,199,031 shares	Year ended March 31, 2016	59,199,794 shares
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(Reference) Summary of Non-consolidated Financial Statement

Non-consolidated financial results for the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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, 2017	46,664	5.5	370	—	1,314	—	1,325	—
Year ended March 31, 2016	44,250	△1.6	△263	—	△735	—	△10,590	—

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2017	22.39	—
Year ended March 31, 2016	△178.90	—

(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, 2017	72,617	37,995	52.3	641.84
As of March 31, 2016	71,510	36,146	50.5	610.60

(Reference) Shareholder's equity:

As of March 31, 2017 37,995 million yen As of March 31, 2016 36,146 million yen

※This financial results statement is exempt from the audit procedures.

※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, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	21,582	22,671
Notes and accounts receivable - trade	20,376	22,166
Securities	38	46
Merchandise and finished goods	3,904	3,273
Work in process	3,046	3,408
Raw materials and supplies	1,534	1,829
Deferred tax assets	22	70
Other	948	1,242
Allowance for doubtful accounts	△34	△36
Total current assets	51,419	54,672
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,457	47,835
Accumulated depreciation	△41,487	△37,615
Buildings and structures, net	10,970	10,220
Machinery, equipment and vehicles	76,264	67,603
Accumulated depreciation	△64,666	△56,576
Machinery, equipment and vehicles, net	11,597	11,026
Tools, furniture and fixtures	5,092	4,848
Accumulated depreciation	△3,938	△3,750
Tools, furniture and fixtures, net	1,153	1,098
Land	9,063	8,288
Construction in progress	520	1,462
Total property, plant and equipment	33,306	32,096
Intangible assets		
Goodwill	265	226
Other	321	195
Total intangible assets	587	421
Investments and other assets		
Investment securities	2,661	3,390
Net defined benefit asset	183	832
Deferred tax assets	0	1
Other	2,260	2,281
Allowance for doubtful accounts	△46	△38
Total investments and other assets	5,059	6,466
Total non-current assets	38,953	38,984
Deferred assets		
Bond issuance cost	131	91
Total deferred assets	131	91
Total assets	90,504	93,748

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,088	11,543
Short-term loans payable	5,476	5,407
Current portion of bonds	500	560
Accounts payable - other	4,345	5,435
Lease obligations	294	419
Income taxes payable	103	323
Deferred tax liabilities	0	—
Provision for bonuses	165	374
Allowance for restructuring	1,110	131
Other	617	794
Total current liabilities	22,704	24,990
Non-current liabilities		
Bonds payable	7,250	6,960
Long-term loans payable	9,179	8,468
Lease obligations	475	631
Deferred tax liabilities	564	912
Net defined benefit liability	44	43
Asset retirement obligations	162	165
Other	33	27
Total non-current liabilities	17,709	17,208
Total liabilities	40,413	42,199
<b>Net assets</b>		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	22,063	16,628
Retained earnings	2,185	9,773
Treasury shares	△3,132	△3,133
Total shareholders' equity	43,422	45,575
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	359	886
Deferred gains or losses on hedges	0	△0
Foreign currency translation adjustment	2,939	1,561
Remeasurements of defined benefit plans	△170	232
Total accumulated other comprehensive income	3,127	2,679
Non-controlling interests	3,540	3,294
Total net assets	50,090	51,549
Total liabilities and net assets	90,504	93,748

**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31,2016	Fiscal year ended March 31,2017
Net sales	73,098	75,370
Cost of sales	64,912	64,998
Gross profit	8,186	10,372
Selling, general and administrative expenses	7,804	7,720
Operating profit	381	2,652
Non-operating income		
Interest income	70	46
Dividend income	68	72
Reversal of allowance for doubtful accounts	114	1
Foreign exchange gains	—	226
Rent income	53	81
Other	278	193
Total non-operating income	585	621
Non-operating expenses		
Interest expenses	325	243
Loss on abandonment of inventories	82	48
Foreign exchange losses	733	—
Other	455	352
Total non-operating expenses	1,595	644
Ordinary profit (loss)	△628	2,628
Extraordinary income		
Gain on sales of non-current assets	6	346
Insurance income	68	33
Subsidy income	95	—
Other	1	7
Total extraordinary income	171	388
Extraordinary losses		
Loss on sales of non-current assets	80	15
Loss on retirement of non-current assets	149	319
Impairment loss	4,182	17
Restructuring expenses	2,833	21
Compensation for damage	148	16
Other	28	—
Total extraordinary losses	7,422	390
Profit (loss) before income taxes	△7,879	2,627
Income taxes - current	169	331
Income taxes - deferred	28	4
Total income taxes	197	335
Profit (loss)	△8,077	2,291
Profit attributable to non-controlling interests	44	137
Profit (loss) attributable to owners of parent	△8,122	2,153

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31,2016	Fiscal year ended March 31,2017
Profit (loss)	Δ8,077	2,291
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ528	527
Deferred gains or losses on hedges	Δ0	Δ0
Foreign currency translation adjustment	Δ171	Δ1,683
Remeasurements of defined benefit plans, net of tax	Δ457	403
Total other comprehensive income	Δ1,156	Δ753
Comprehensive income	Δ9,234	1,538
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	Δ9,083	1,705
Comprehensive income attributable to non-controlling interests	Δ150	Δ167

**Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	Δ7,879	2,627
Depreciation	4,932	4,143
Amortization of goodwill	36	34
Increase (decrease) in provision for bonuses	Δ97	209
Increase (decrease) in allowance for doubtful accounts	Δ116	Δ5
Increase (decrease) in net defined benefit liability	Δ282	Δ144
Interest and dividend income	Δ138	Δ119
Interest expenses	325	243
Foreign exchange losses (gains)	1,184	16
Loss (gain) on sales of non-current assets	74	Δ331
Loss on retirement of non-current assets	93	319
Impairment loss	4,182	17
Restructuring expenses	2,833	21
Decrease (increase) in notes and accounts receivable - trade	818	Δ2,038
Decrease (increase) in inventories	614	Δ199
Increase (decrease) in notes and accounts payable - trade	Δ2,122	1,648
Increase (decrease) in accrued consumption taxes	15	21
Other, net	920	Δ981
Subtotal	5,395	5,484
Interest and dividend income received	147	120
Interest expenses paid	Δ325	Δ277
Income taxes paid	Δ7	Δ100
Net cash provided by (used in) operating activities	5,210	5,226
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	Δ3,075	Δ4,609
Proceeds from sales of property, plant and equipment	235	1,700
Purchase of intangible assets	Δ7	Δ11
Purchase of investment securities	Δ9	Δ9
Proceeds from sales and redemption of investment securities	0	1
Payments of loans receivable	Δ1	—
Collection of loans receivable	68	0
Other, net	1,208	Δ230
Net cash provided by (used in) investing activities	Δ1,579	Δ3,159
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	25,021	7,680
Decrease in short-term loans payable	Δ29,160	Δ7,983
Proceeds from long-term loans payable	6,950	2,764
Repayments of long-term loans payable	Δ1,941	Δ3,223
Proceeds from issuance of bonds	7,614	296
Redemption of bonds	Δ4,500	Δ530
Proceeds from sales of receivables	Δ363	372
Repayments of finance lease obligations	Δ3,170	Δ293
Proceeds from sales and leasebacks	1,215	517
Purchase of treasury shares	Δ0	Δ0
Cash dividends paid	Δ295	Δ0
Dividends paid to non-controlling interests	Δ70	Δ26
Other, net	0	—
Net cash provided by (used in) financing activities	1,300	Δ426
Effect of exchange rate change on cash and cash equivalents	Δ512	Δ552
Net increase (decrease) in cash and cash equivalents	4,418	1,088
Cash and cash equivalents at beginning of period	17,164	21,582
Cash and cash equivalents at end of period	21,582	22,671