

Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2017
(Based on Japanese GAAP)

November 8, 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
 Administration Division
 Inquiries: Administration Affairs Department Manager Akihiro Okabe TEL 03-5323-0231
 Scheduled date to file Quarterly Securities Report: November 14, 2017
 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, 2017 (from April 1, 2017 to September 30, 2017)

(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, 2017	41,981	17.3	2,136	148.4	1,984	155.5	1,630	103.1
Six months ended September 30, 2016	35,785	Δ0.5	860	—	776	—	802	—

(Note) Comprehensive income:

Six months ended September 30, 2017 1,740million yen (— %)
 Six months ended September 30, 2016 Δ3,111million yen (— %)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2017	27.54		—	
Six months ended September 30, 2016	13.56		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2017	94,660		52,904		52.4	
As of March 31, 2017	93,748		51,549		51.5	

(Reference) Shareholder's equity:

As of September 30, 2017 49,625million yen As of March 31, 2017 48,255million 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, 2017	—	0.00	—	6.50	6.50
Year ending March 31, 2018	—	0.00	—	—	—
Year ending March 31, 2018(forecast)	—	—	—	—	—

(Note) 1. Revisions to dividend forecasts published most recently: Yes

2. 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	

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

※ Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2017

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

As of September 30, 2017	3,862,324 shares	As of March 31, 2017	3,861,494 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, 2017	59,198,376 shares	Six months ended September 30, 2016	59,199,243 shares
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※This quarterly financial results statement is exempt from the quarterly review 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
Quarterly Consolidated balance sheet

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	22,671	17,644
Notes and accounts receivable - trade	22,166	24,443
Securities	46	17
Merchandise and finished goods	3,273	3,612
Work in process	3,408	3,582
Raw materials and supplies	1,829	2,247
Other	1,312	1,449
Allowance for doubtful accounts	△36	△37
Total current assets	54,672	52,960
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,220	10,306
Machinery, equipment and vehicles, net	11,026	12,423
Land	8,288	8,272
Construction in progress	1,462	2,004
Other, net	1,098	1,187
Total property, plant and equipment	32,096	34,194
Intangible assets		
Goodwill	226	204
Other	195	177
Total intangible assets	421	382
Investments and other assets		
Investment securities	3,390	3,992
Net defined benefit asset	832	831
Other	2,282	2,252
Allowance for doubtful accounts	△38	△23
Total investments and other assets	6,466	7,052
Total non-current assets	38,984	41,629
Deferred assets		
Bond issuance cost	91	70
Total deferred assets	91	70
Total assets	93,748	94,660

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,543	12,316
Short-term loans payable	5,407	5,418
Current portion of bonds	560	560
Income taxes payable	323	369
Provision for bonuses	374	511
Allowance for restructuring	131	131
Other	6,650	7,157
Total current liabilities	24,990	26,464
Non-current liabilities		
Bonds payable	6,960	6,680
Long-term loans payable	8,468	6,824
Net defined benefit liability	43	43
Asset retirement obligations	165	166
Other	1,571	1,576
Total non-current liabilities	17,208	15,290
Total liabilities	42,199	41,755
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	9,773	11,019
Treasury shares	△3,133	△3,133
Total shareholders' equity	45,575	46,819
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	886	1,298
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	1,561	1,277
Remeasurements of defined benefit plans	232	229
Total accumulated other comprehensive income	2,679	2,805
Non-controlling interests	3,294	3,279
Total net assets	51,549	52,904
Total liabilities and net assets	93,748	94,660

Quarterly Consolidated statement of income

(Millions of yen)

	Six months ended September 30,2016	Six months ended September 30,2017
Net sales	35,785	41,981
Cost of sales	31,178	35,658
Gross profit	4,607	6,322
Selling, general and administrative expenses		
Employees' salaries and bonuses	1,282	1,368
Provision for bonuses	42	46
Retirement benefit expenses	26	18
Provision of allowance for doubtful accounts	0	△14
Other	2,395	2,767
Total selling, general and administrative expenses	3,747	4,185
Operating profit	860	2,136
Non-operating income		
Interest income	26	27
Dividend income	40	45
Other	192	169
Total non-operating income	260	241
Non-operating expenses		
Interest expenses	122	137
Foreign exchange losses	—	81
Other	220	175
Total non-operating expenses	343	394
Ordinary profit	776	1,984
Extraordinary income		
Gain on sales of non-current assets	341	5
Insurance income	—	6
Subsidy income	—	17
Total extraordinary income	341	29
Extraordinary losses		
Loss on sales of non-current assets	15	1
Loss on retirement of non-current assets	144	72
Total extraordinary losses	160	73
Profit before income taxes	958	1,940
Income taxes	104	268
Profit	853	1,671
Profit attributable to non-controlling interests	51	41
Profit attributable to owners of parent	802	1,630

Quarterly Consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30,2016	Six months ended September 30,2017
Profit	853	1,671
Other comprehensive income		
Valuation difference on available-for-sale securities	33	411
Deferred gains or losses on hedges	Δ0	1
Foreign currency translation adjustment	Δ4,016	Δ340
Remeasurements of defined benefit plans, net of tax	17	Δ3
Total other comprehensive income	Δ3,965	69
Comprehensive income	Δ3,111	1,740
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	Δ2,596	1,755
Comprehensive income attributable to non-controlling interests	Δ514	Δ14

Quarterly Consolidated statement of cash flow

(Millions of yen)

	Six months ended September 30,2016	Six months ended September 30,2017
Cash flows from operating activities		
Profit before income taxes	958	1,940
Depreciation	2,108	1,980
Interest and dividend income	△67	△72
Interest expenses	122	137
Foreign exchange losses (gains)	12	20
Loss (gain) on sales of non-current assets	△325	△3
Loss on retirement of non-current assets	144	72
Decrease (increase) in notes and accounts receivable - trade	△1,502	△2,439
Decrease (increase) in inventories	△276	△976
Increase (decrease) in notes and accounts payable - trade	1,356	954
Increase (decrease) in provision for bonuses	154	137
Other, net	△1,071	412
Subtotal	1,614	2,161
Interest and dividend income received	48	77
Interest expenses paid	△123	△134
Income taxes paid	△18	△203
Net cash provided by (used in) operating activities	1,520	1,900
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,944	△4,086
Proceeds from sales of property, plant and equipment	1,147	161
Purchase of intangible assets	△2	△2
Purchase of investment securities	△5	△5
Payments of loans receivable	—	△0
Collection of loans receivable	0	0
Other, net	△128	29
Net cash provided by (used in) investing activities	△932	△3,903
Cash flows from financing activities		
Increase in short-term loans payable	3,803	3,814
Decrease in short-term loans payable	△4,106	△3,815
Proceeds from long-term loans payable	—	100
Repayments of long-term loans payable	△1,628	△1,749
Proceeds from issuance of bonds	296	—
Redemption of bonds	△250	△280
Repayments of finance lease obligations	△142	△207
Proceeds from sales of receivables	357	△107
Purchase of treasury shares	△0	△0
Cash dividends paid	△0	△384
Dividends paid to non-controlling interests	△30	△79
Net cash provided by (used in) financing activities	△1,699	△2,710
Effect of exchange rate change on cash and cash equivalents	△1,430	△313
Net increase (decrease) in cash and cash equivalents	△2,542	△5,027
Cash and cash equivalents at beginning of period	21,582	22,671
Cash and cash equivalents at end of period	19,040	17,644