

Summary of Consolidated Financial Results
for the Year Ended March 31, 2018
(Based on Japanese GAAP)

May 11, 2018

Company name: CMK CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6958 URL <http://www.cmk-corp.com/>
 Representative: President and Chief Executive Officer Isao Osawa
 Administration Division
 Inquiries: Accounting Department General Manager Akihiro Okabe TEL 03-5323-0231
 Scheduled date of ordinary general meeting of shareholders: June 28, 2018
 Scheduled date to file Securities Report: June 28, 2018
 Scheduled date to commence dividend payments: June 29, 2018
 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, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2018	86,894	15.3	4,266	60.9	3,917	49.0	3,638	69.0
Year ended March 31, 2017	75,370	3.1	2,652	594.9	2,628	—	2,153	—

(Note) Comprehensive income:

Year ended March 31, 2018 4,751 million yen (208.9%) Year ended March 31, 2017 1,538 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, 2018	61.46	—	7.2	4.1	4.9
Year ended March 31, 2017	36.38	—	4.5	2.9	3.5

(Reference) Equity in earnings of affiliated companies

Year ended March 31, 2018 —million yen Year ended March 31, 2017 —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, 2018	95,072	55,892	55.2	886.84
As of March 31, 2017	93,748	51,549	51.5	815.14

(Reference) Shareholder's equity:

As of March 31, 2018 52,498 million yen As of March 31, 2017 48,255 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, 2018	5,520	△6,821	△4,943	16,327
Year ended March 31, 2017	5,226	△3,159	△426	22,671

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, 2017	—	0.00	—	6.50	6.50	384	17.9	0.8
Year ended March 31, 2018	—	0.00	—	10.00	10.00	591	16.3	1.2
Year ending March 31, 2019 (forecast)	—	—	—	—	—	—	—	—

(Note) Payment of dividends for the year ending March 31, 2019 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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	90,000	3.6	4,000	△6.2	3,700	△5.5	3,000	△17.5	50.68

※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(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: Yes
 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, 2018	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 March 31, 2018	3,862,573 shares	As of March 31, 2017	3,861,494 shares
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3) Average number of shares during the period

Year ended March 31, 2018	59,198,049 shares	Year ended March 31, 2017	59,199,031 shares
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(Reference) Summary of Non-consolidated Financial Statement

Non-consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2018	49,631	6.4	1,302	251.7	2,483	88.9	2,693	103.2
Year ended March 31, 2017	46,664	5.5	370	—	1,314	—	1,325	—

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2018	45.50	—
Year ended March 31, 2017	22.39	—

(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, 2018	71,113	40,566	57.0	685.27
As of March 31, 2017	72,617	37,995	52.3	641.84

(Reference) Shareholder's equity:

As of March 31, 2018 40,566 million yen As of March 31, 2017 37,995 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, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	22,671	16,327
Notes and accounts receivable - trade	22,166	25,009
Securities	46	—
Merchandise and finished goods	3,273	4,067
Work in process	3,408	3,611
Raw materials and supplies	1,829	2,141
Deferred tax assets	70	459
Other	1,242	1,144
Allowance for doubtful accounts	△36	△23
Total current assets	54,672	52,737
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,835	49,433
Accumulated depreciation	△37,615	△38,932
Buildings and structures, net	10,220	10,500
Machinery, equipment and vehicles	67,603	70,780
Accumulated depreciation	△56,576	△57,322
Machinery, equipment and vehicles, net	11,026	13,457
Tools, furniture and fixtures	4,848	5,220
Accumulated depreciation	△3,750	△3,984
Tools, furniture and fixtures, net	1,098	1,236
Land	8,288	8,289
Construction in progress	1,462	1,304
Total property, plant and equipment	32,096	34,788
Intangible assets		
Goodwill	226	187
Other	195	183
Total intangible assets	421	371
Investments and other assets		
Investment securities	3,390	3,751
Net defined benefit asset	832	1,039
Deferred tax assets	1	0
Other	2,281	2,355
Allowance for doubtful accounts	△38	△23
Total investments and other assets	6,466	7,123
Total non-current assets	38,984	42,283
Deferred assets		
Bond issuance cost	91	50
Total deferred assets	91	50
Total assets	93,748	95,072

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,543	12,972
Short-term loans payable	5,407	5,213
Current portion of bonds	560	5,060
Accounts payable - other	5,435	5,020
Lease obligations	419	310
Income taxes payable	323	379
Provision for bonuses	374	490
Allowance for restructuring	131	131
Other	794	819
Total current liabilities	24,990	30,397
Non-current liabilities		
Bonds payable	6,960	1,900
Long-term loans payable	8,468	5,324
Lease obligations	631	366
Deferred tax liabilities	912	908
Net defined benefit liability	43	78
Asset retirement obligations	165	167
Other	27	36
Total non-current liabilities	17,208	8,782
Total liabilities	42,199	39,180
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	9,773	13,027
Treasury shares	△3,133	△3,134
Total shareholders' equity	45,575	48,828
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	886	1,131
Deferred gains or losses on hedges	△0	△0
Foreign currency translation adjustment	1,561	2,180
Remeasurements of defined benefit plans	232	358
Total accumulated other comprehensive income	2,679	3,670
Non-controlling interests	3,294	3,393
Total net assets	51,549	55,892
Total liabilities and net assets	93,748	95,072

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	75,370	86,894
Cost of sales	64,998	74,036
Gross profit	10,372	12,857
Selling, general and administrative expenses	7,720	8,591
Operating profit	2,652	4,266
Non-operating income		
Interest income	46	46
Dividend income	72	80
Reversal of allowance for doubtful accounts	1	—
Foreign exchange gains	226	—
Rent income	81	84
Other	193	226
Total non-operating income	621	438
Non-operating expenses		
Interest expenses	243	268
Loss on abandonment of inventories	48	—
Other	352	518
Total non-operating expenses	644	787
Ordinary profit	2,628	3,917
Extraordinary income		
Gain on sales of non-current assets	346	6
Gain on sales of investment securities	0	31
Insurance income	33	7
Subsidy income	—	17
Other	6	—
Total extraordinary income	388	62
Extraordinary losses		
Loss on sales of non-current assets	15	5
Loss on retirement of non-current assets	319	142
Impairment loss	17	—
Restructuring expenses	21	—
Compensation for damage	16	113
Other	—	0
Total extraordinary losses	390	260
Profit before income taxes	2,627	3,718
Income taxes - current	331	541
Income taxes - deferred	4	△478
Total income taxes	335	62
Profit	2,291	3,656
Profit attributable to non-controlling interests	137	17
Profit attributable to owners of parent	2,153	3,638

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	2,291	3,656
Other comprehensive income		
Valuation difference on available-for-sale securities	527	244
Deferred gains or losses on hedges	△0	△0
Foreign currency translation adjustment	△1,683	723
Remeasurements of defined benefit plans, net of tax	403	126
Total other comprehensive income	△753	1,094
Comprehensive income	1,538	4,751
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,705	4,629
Comprehensive income attributable to non-controlling interests	△167	122

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	2,627	3,718
Depreciation	4,143	4,108
Amortization of goodwill	34	35
Increase (decrease) in provision for bonuses	209	115
Increase (decrease) in allowance for doubtful accounts	△5	△27
Increase (decrease) in net defined benefit liability	△144	△47
Interest and dividend income	△119	△127
Interest expenses	243	268
Foreign exchange losses (gains)	16	△147
Loss (gain) on sales of non-current assets	△331	△1
Loss on retirement of non-current assets	319	142
Impairment loss	17	—
Restructuring expenses	21	—
Decrease (increase) in notes and accounts receivable - trade	△2,038	△2,659
Decrease (increase) in inventories	△199	△1,203
Increase (decrease) in notes and accounts payable - trade	1,648	1,316
Increase (decrease) in accrued consumption taxes	21	79
Other, net	△981	573
Subtotal	5,484	6,143
Interest and dividend income received	120	127
Interest expenses paid	△277	△239
Income taxes paid	△100	△511
Net cash provided by (used in) operating activities	5,226	5,520
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,609	△7,012
Proceeds from sales of property, plant and equipment	1,700	249
Purchase of intangible assets	△11	△19
Purchase of investment securities	△9	△10
Proceeds from sales and redemption of investment securities	1	43
Payments of loans receivable	—	△1
Collection of loans receivable	0	0
Other, net	△230	△70
Net cash provided by (used in) investing activities	△3,159	△6,821

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Increase in short-term loans payable	7,680	7,389
Decrease in short-term loans payable	△7,983	△7,540
Proceeds from long-term loans payable	2,764	400
Repayments of long-term loans payable	△3,223	△3,517
Proceeds from issuance of bonds	296	—
Redemption of bonds	△530	△560
Proceeds from sales of receivables	372	△218
Repayments of finance lease obligations	△293	△429
Proceeds from sales and leasebacks	517	—
Purchase of treasury shares	△0	△1
Cash dividends paid	△0	△384
Dividends paid to non-controlling interests	△26	△80
Net cash provided by (used in) financing activities	△426	△4,943
Effect of exchange rate change on cash and cash equivalents	△552	△98
Net increase (decrease) in cash and cash equivalents	1,088	△6,343
Cash and cash equivalents at beginning of period	21,582	22,671
Cash and cash equivalents at end of period	22,671	16,327