

Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2018
(Based on Japanese GAAP)

August 3, 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 to file Quarterly Securities Report: August 8, 2018
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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	%
Three months ended June 30, 2018	22,076	6.1	760	△32.6	558	△46.9	239	△72.5
Three months ended June 30, 2017	20,813	17.7	1,128	229.1	1,052	286.1	870	355.7

(Note) Comprehensive income:

Three months ended June 30, 2018 △575 million yen (— %) Three months ended June 30, 2017 532 million yen (—%)

	Net income per share	Diluted net income per share
Three months ended June 30, 2018	Yen 4.04	Yen —
Three months ended June 30, 2017	14.70	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	92,390	54,725	55.7
As of March 31, 2018	94,674	55,892	55.5

(Reference) Shareholder's equity:

As of June 30, 2018 51,469 million yen As of March 31, 2018 52,498 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter end	3rd quarter end	Fiscal Year-end	Total
Year ended March 31, 2018	Yen —	Yen 0.00	Yen —	Yen 10.00	Yen 10.00
Year ending March 31, 2019	—	—	—	—	—
Year ending March 31, 2019 (forecast)	—	—	—	—	—

(Note) 1. Revisions to dividend forecasts published most recently: None

2. 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

(Note) Revisions to financial forecasts published most recently: None

※ Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2018

(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 June 30, 2018	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 June 30, 2018	3,862,673 shares	As of March 31, 2018	3,862,573 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	59,197,567 shares	Three months ended June 30, 2017	59,198,596 shares
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※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
Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	16,327	15,005
Notes and accounts receivable - trade	25,009	24,725
Merchandise and finished goods	4,067	3,740
Work in process	3,611	3,578
Raw materials and supplies	2,141	2,165
Other	1,144	1,037
Allowance for doubtful accounts	△23	△23
Total current assets	52,277	50,228
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,500	10,347
Machinery, equipment and vehicles, net	13,457	13,048
Land	8,289	8,283
Construction in progress	1,304	1,580
Other, net	1,236	1,183
Total property, plant and equipment	34,788	34,443
Intangible assets		
Goodwill	187	175
Other	183	187
Total intangible assets	371	362
Investments and other assets		
Investment securities	3,751	3,900
Net defined benefit asset	1,039	1,044
Other	2,418	2,392
Allowance for doubtful accounts	△23	△23
Total investments and other assets	7,185	7,314
Total non-current assets	42,346	42,120
Deferred assets		
Bond issuance cost	50	41
Total deferred assets	50	41
Total assets	94,674	92,390

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,972	12,086
Short-term loans payable	5,213	4,862
Current portion of bonds	5,060	5,060
Income taxes payable	379	418
Provision for bonuses	490	789
Allowance for restructuring	131	130
Other	6,150	6,221
Total current liabilities	30,397	29,569
Non-current liabilities		
Bonds payable	1,900	1,900
Long-term loans payable	5,324	4,862
Net defined benefit liability	78	80
Asset retirement obligations	167	168
Other	913	1,083
Total non-current liabilities	8,384	8,095
Total liabilities	38,782	37,664
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	13,027	12,675
Treasury shares	△3,134	△3,134
Total shareholders' equity	48,828	48,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,131	1,238
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	2,180	1,442
Remeasurements of defined benefit plans	358	313
Total accumulated other comprehensive income	3,670	2,994
Non-controlling interests	3,393	3,255
Total net assets	55,892	54,725
Total liabilities and net assets	94,674	92,390

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	20,813	22,076
Cost of sales	17,585	19,052
Gross profit	3,228	3,024
Selling, general and administrative expenses		
Employees' salaries and bonuses	621	718
Provision for bonuses	98	76
Retirement benefit expenses	9	6
Provision of allowance for doubtful accounts	△15	0
Other	1,386	1,461
Total selling, general and administrative expenses	2,100	2,264
Operating profit	1,128	760
Non-operating income		
Interest income	14	7
Dividend income	42	46
Rent income	20	20
Other	46	31
Total non-operating income	123	105
Non-operating expenses		
Interest expenses	70	60
Foreign exchange losses	53	214
Other	75	33
Total non-operating expenses	199	307
Ordinary profit	1,052	558
Extraordinary income		
Gain on sales of non-current assets	3	0
Total extraordinary income	3	0
Extraordinary losses		
Loss on sales of non-current assets	1	—
Loss on retirement of non-current assets	28	35
Total extraordinary losses	29	35
Profit before income taxes	1,026	523
Income taxes	136	120
Income taxes for prior periods	—	226
Profit	890	176
Profit (loss) attributable to non-controlling interests	20	△62
Profit attributable to owners of parent	870	239

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	890	176
Other comprehensive income		
Valuation difference on available-for-sale securities	185	106
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	△542	△813
Remeasurements of defined benefit plans, net of tax	△1	△45
Total other comprehensive income	△358	△751
Comprehensive income	532	△575
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	607	△437
Comprehensive income attributable to non-controlling interests	△75	△137