

**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2018
(Based on Japanese GAAP)**

November 6, 2018

Company name: CMK CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6958 URL <https://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: November 12, 2018
 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, 2018 (from April 1, 2018 to September 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	%
Six months ended September 30, 2018	44,769	6.6	1,791	△16.2	1,805	△9.0	1,179	△27.6
Six months ended September 30, 2017	41,981	17.3	2,136	148.4	1,984	155.5	1,630	103.1

(Note) Comprehensive income:

Six months ended September 30, 2018 13 million yen (△99.2%) Six months ended September 30, 2017 1,740 million yen (—%)

	Net income per share	Diluted net income per share
Six months ended September 30, 2018	Yen 19.93	—
Six months ended September 30, 2017	27.54	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	107,515	55,313	48.4
As of March 31, 2018	94,674	55,892	55.5

(Reference) Shareholder's equity:

As of September 30, 2018 52,012 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	—	0.00	—	—	—
Year ending March 31, 2019 (forecast)	—	—	—	—	—

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

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: No

※ Notes

(1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2018	3,862,930 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)

Six months ended September 30, 2018	59,197,445 shares	Six months ended September 30, 2017	59,198,376 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 September 30, 2018
Assets		
Current assets		
Cash and deposits	16,327	29,130
Notes and accounts receivable - trade	25,009	25,184
Merchandise and finished goods	4,067	3,914
Work in process	3,611	3,765
Raw materials and supplies	2,141	2,171
Other	1,144	1,410
Allowance for doubtful accounts	△23	△23
Total current assets	52,277	65,552
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,500	10,072
Machinery, equipment and vehicles, net	13,457	12,879
Land	8,289	8,220
Construction in progress	1,304	2,030
Other, net	1,236	1,138
Total property, plant and equipment	34,788	34,341
Intangible assets		
Goodwill	187	168
Other	183	189
Total intangible assets	371	357
Investments and other assets		
Investment securities	3,751	3,793
Net defined benefit asset	1,039	1,050
Other	2,418	2,403
Allowance for doubtful accounts	△23	△23
Total investments and other assets	7,185	7,224
Total non-current assets	42,346	41,924
Deferred assets		
Bond issuance cost	50	38
Total deferred assets	50	38
Total assets	94,674	107,515

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,972	12,740
Short-term loans payable	5,213	5,750
Current portion of bonds	5,060	5,102
Income taxes payable	379	602
Provision for bonuses	490	501
Allowance for restructuring	131	130
Other	6,150	6,340
Total current liabilities	30,397	31,168
Non-current liabilities		
Bonds payable	1,900	2,177
Long-term loans payable	5,324	17,603
Net defined benefit liability	78	82
Asset retirement obligations	167	168
Other	913	1,000
Total non-current liabilities	8,384	21,032
Total liabilities	38,782	52,201
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	13,027	13,615
Treasury shares	△3,134	△3,134
Total shareholders' equity	48,828	49,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,131	1,162
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	2,180	1,125
Remeasurements of defined benefit plans	358	307
Total accumulated other comprehensive income	3,670	2,596
Non-controlling interests	3,393	3,301
Total net assets	55,892	55,313
Total liabilities and net assets	94,674	107,515

Quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Net sales	41,981	44,769
Cost of sales	35,658	38,427
Gross profit	6,322	6,341
Selling, general and administrative expenses		
Employees' salaries and bonuses	1,368	1,573
Provision for bonuses	46	20
Retirement benefit expenses	18	13
Provision of allowance for doubtful accounts	△14	0
Other	2,767	2,943
Total selling, general and administrative expenses	4,185	4,550
Operating profit	2,136	1,791
Non-operating income		
Interest income	27	19
Dividend income	45	51
Other	169	216
Total non-operating income	241	286
Non-operating expenses		
Interest expenses	137	134
Foreign exchange losses	81	—
Other	175	137
Total non-operating expenses	394	272
Ordinary profit	1,984	1,805
Extraordinary income		
Gain on sales of non-current assets	5	11
Gain on sales of investment securities	—	6
Insurance income	6	—
Subsidy income	17	—
Total extraordinary income	29	17
Extraordinary losses		
Loss on sales of non-current assets	1	0
Loss on retirement of non-current assets	72	80
Compensation for damage	—	31
Total extraordinary losses	73	111
Profit before income taxes	1,940	1,712
Income taxes	268	271
Income taxes for prior periods	—	227
Profit	1,671	1,213
Profit attributable to non-controlling interests	41	33
Profit attributable to owners of parent	1,630	1,179

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	1,671	1,213
Other comprehensive income		
Valuation difference on available-for-sale securities	411	31
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	△340	△1,180
Remeasurements of defined benefit plans, net of tax	△3	△51
Total other comprehensive income	69	△1,199
Comprehensive income	1,740	13
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,755	105
Comprehensive income attributable to non-controlling interests	△14	△92

Quarterly Consolidated statement of cash flow

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	1,940	1,712
Depreciation	1,980	2,108
Interest and dividend income	△72	△70
Interest expenses	137	134
Foreign exchange losses (gains)	20	2
Loss (gain) on sales of non-current assets	△3	△10
Loss on retirement of non-current assets	72	80
Decrease (increase) in notes and accounts receivable - trade	△2,439	△579
Decrease (increase) in inventories	△976	△200
Increase (decrease) in notes and accounts payable - trade	954	128
Increase (decrease) in provision for bonuses	137	11
Other, net	412	△309
Subtotal	2,161	3,007
Interest and dividend income received	77	59
Interest expenses paid	△134	△116
Income taxes paid	△203	△260
Net cash provided by (used in) operating activities	1,900	2,689
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,086	△2,246
Proceeds from sales of property, plant and equipment	161	66
Purchase of intangible assets	△2	△25
Purchase of investment securities	△5	△6
Payments of loans receivable	△0	—
Collection of loans receivable	0	0
Other, net	29	5
Net cash provided by (used in) investing activities	△3,903	△2,204
Cash flows from financing activities		
Increase in short-term loans payable	3,814	3,512
Decrease in short-term loans payable	△3,815	△3,409
Proceeds from long-term loans payable	100	14,400
Repayments of long-term loans payable	△1,749	△1,782
Proceeds from issuance of bonds	—	593
Redemption of bonds	△280	△280
Repayments of finance lease obligations	△207	△182
Proceeds from sales and leasebacks	—	185
Proceeds from sales of receivables	△107	138
Purchase of treasury shares	△0	△0
Cash dividends paid	△384	△590
Dividends paid to non-controlling interests	△79	△23
Net cash provided by (used in) financing activities	△2,710	12,561

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Effect of exchange rate change on cash and cash equivalents	△313	△243
Net increase (decrease) in cash and cash equivalents	△5,027	12,802
Cash and cash equivalents at beginning of period	22,671	16,327
Cash and cash equivalents at end of period	17,644	29,130