

Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2019
(Based on Japanese GAAP)

February 7, 2020

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
 Executive Officer
 Inquiries: Accounting Department General Manager Yoshihisa Yamaguchi TEL 03-5323-0231
 Scheduled date to file Quarterly Securities Report: February 12, 2020
 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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(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	%
Nine months ended December 31, 2019	63,383	△6.4	1,375	△52.9	1,443	△51.8	610	△59.5
Nine months ended December 31, 2018	67,734	5.4	2,919	△11.9	2,993	△5.3	1,507	△42.7

(Note) Comprehensive income:

Nine months ended December 31, 2019 389million yen (△59.4%)
 Nine months ended December 31, 2018 961million yen (△72.9%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2019	10.32		—	
Nine months ended December 31, 2018	25.47		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2019	99,859		55,472		52.2	
As of March 31, 2019	105,189		55,849		49.9	

(Reference) Shareholder's equity:

As of December 31, 2019 52,175million yen As of March 31, 2019 52,459million 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, 2019	—	0.00	—	11.00	11.00
Year ending March 31, 2020	—	0.00	—		
Year ending March 31, 2020(forecast)				—	—

(Note) 1. Revisions to dividend forecasts published most recently: No

2. Payment of dividends for the year ending March 31, 2020 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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	87,000	△3.6	2,000	△46.9	1,700	△54.9	1,200	△40.5	20.27	

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

※ Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2019	63,060,164 shares	As of March 31, 2019	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of December 31, 2019	3,863,836 shares	As of March 31, 2019	3,863,270 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	59,196,583 shares	Nine months ended December 31, 2018	59,197,307 shares
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※This quarterly financial results statement is exempt from the quarterly review 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, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	25,436	17,547
Notes and accounts receivable - trade	24,061	22,989
Merchandise and finished goods	4,260	4,856
Work in process	3,716	3,072
Raw materials and supplies	2,331	2,525
Other	1,282	1,693
Allowance for doubtful accounts	△22	△61
Total current assets	61,066	52,623
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,871	11,803
Machinery, equipment and vehicles, net	13,244	15,975
Land	8,229	8,242
Construction in progress	4,973	2,965
Other, net	1,184	1,252
Total property, plant and equipment	37,503	40,240
Intangible assets		
Goodwill	151	124
Other	188	220
Total intangible assets	339	345
Investments and other assets		
Investment securities	2,697	3,185
Retirement benefit asset	969	988
Other	2,583	2,470
Allowance for doubtful accounts	△23	△28
Total investments and other assets	6,228	6,615
Total non-current assets	44,072	47,200
Deferred assets		
Bond issuance cost	50	34
Total deferred assets	50	34
Total assets	105,189	99,859

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,104	11,377
Short-term borrowings	4,856	4,575
Current portion of bonds	602	1,352
Income taxes payable	253	422
Provision for bonuses	496	204
Allowance for restructuring	129	126
Other	6,473	5,995
Total current liabilities	25,917	24,054
Non-current liabilities		
Bonds payable	6,376	5,324
Long-term borrowings	16,014	13,973
Retirement benefit liability	95	86
Asset retirement obligations	157	159
Other	778	787
Total non-current liabilities	23,422	20,332
Total liabilities	49,340	44,387
Net assets		
Shareholders' equity		
Share capital	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	14,451	14,411
Treasury shares	△3,134	△3,135
Total shareholders' equity	50,251	50,210
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	739	1,080
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	1,235	688
Remeasurements of defined benefit plans	233	196
Total accumulated other comprehensive income	2,208	1,965
Non-controlling interests	3,389	3,296
Total net assets	55,849	55,472
Total liabilities and net assets	105,189	99,859

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	67,734	63,383
Cost of sales	57,933	54,957
Gross profit	9,801	8,425
Selling, general and administrative expenses		
Employees' salaries and bonuses	2,444	2,535
Provision for bonuses	△42	△40
Retirement benefit expenses	20	14
Other	4,459	4,540
Total selling, general and administrative expenses	6,881	7,050
Operating profit	2,919	1,375
Non-operating income		
Interest income	26	21
Dividend income	89	88
Foreign exchange gains	131	296
Other	234	214
Total non-operating income	481	620
Non-operating expenses		
Interest expenses	206	200
Plant shutdown related costs	—	142
Other	201	209
Total non-operating expenses	407	552
Ordinary profit	2,993	1,443
Extraordinary income		
Gain on sales of non-current assets	11	0
Gain on sales of investment securities	10	17
Total extraordinary income	22	17
Extraordinary losses		
Loss on sales of non-current assets	4	0
Loss on retirement of non-current assets	168	141
Loss on valuation of investment securities	416	—
Compensation for damage	73	41
Other	74	—
Total extraordinary losses	737	183
Profit before income taxes	2,278	1,277
Income taxes	402	377
Income taxes for prior periods	224	50
Profit	1,651	849
Profit attributable to non-controlling interests	143	238
Profit attributable to owners of parent	1,507	610

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	1,651	849
Other comprehensive income		
Valuation difference on available-for-sale securities	△409	341
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	△224	△764
Remeasurements of defined benefit plans, net of tax	△56	△37
Total other comprehensive income	△690	△459
Comprehensive income	961	389
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	978	368
Comprehensive income attributable to non-controlling interests	△17	21