

Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2021
(Based on Japanese GAAP)

November 5, 2021

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
 Inquiries: Accounting Department General Manager Nobutaka Okubo TEL 03-5323-0231
 Scheduled date to file Quarterly Securities Report: November 11, 2021
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	38,677	20.5	399	—	107	—	13	—
Six months ended September 30, 2020	32,100	△25.3	△1,560	—	△1,485	—	△1,748	—

(Note) Comprehensive income:

Six months ended September 30, 2021 2,086million yen (—%)
 Six months ended September 30, 2020 △2,989million yen (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2021	0.22		—	
Six months ended September 30, 2020	△29.53		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2021	96,556		51,706		51.9	
As of March 31, 2021	96,501		51,519		49.8	

(Reference) Shareholder's equity:

As of September 30, 2021 50,111million yen As of March 31, 2021 48,039million 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, 2021	—	0.00	—	0.00	0.00
Year ending March 31, 2022	—	0.00	—	—	—
Year ending March 31, 2022(forecast)	—	—	—	5.00	5.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	77,000	10.1	1,800	—	1,500	—	1,100	—	18.58

(Note) Revisions to financial forecasts published most recently: Yes

※ Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(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: Yes

2) Changes in accounting policies due to other reasons: Yes

3) Changes in accounting estimates: Yes

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, 2021	63,060,164 shares	As of March 31, 2021	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of September 30, 2021	3,864,628 shares	As of March 31, 2021	3,864,583 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, 2021	59,195,546 shares	Six months ended September 30, 2020	59,196,022 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, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	17,466	14,524
Notes and accounts receivable - trade	19,771	15,726
Electronically recorded monetary claims - operating	1,622	4,449
Merchandise and finished goods	4,320	6,525
Work in process	3,744	3,602
Raw materials and supplies	2,223	2,512
Other	1,286	1,326
Allowance for doubtful accounts	△116	△39
Total current assets	50,318	48,628
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,367	12,241
Machinery, equipment and vehicles, net	16,113	17,780
Land	7,979	7,760
Construction in progress	2,919	2,070
Other, net	1,188	1,249
Total property, plant and equipment	39,568	41,103
Intangible assets		
Goodwill	81	65
Other	254	256
Total intangible assets	335	321
Investments and other assets		
Investment securities	2,830	3,058
Retirement benefit asset	1,193	1,210
Other	2,247	2,235
Allowance for doubtful accounts	△28	△28
Total investments and other assets	6,242	6,476
Total non-current assets	46,147	47,901
Deferred assets		
Bond issuance costs	35	27
Total deferred assets	35	27
Total assets	96,501	96,556

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,144	11,888
Electronically recorded obligations - operating	2,683	2,502
Short-term borrowings	3,912	3,824
Current portion of bonds payable	4,572	4,542
Income taxes payable	109	190
Provision for bonuses	546	555
Allowance for restructuring	124	96
Other	3,167	3,061
Total current liabilities	26,261	26,662
Non-current liabilities		
Bonds payable	1,200	1,179
Long-term borrowings	16,267	15,623
Retirement benefit liability	104	111
Asset retirement obligations	451	453
Other	695	819
Total non-current liabilities	18,720	18,187
Total liabilities	44,981	44,850
Net assets		
Shareholders' equity		
Share capital	22,306	22,306
Capital surplus	16,628	16,962
Retained earnings	10,448	10,461
Treasury shares	△3,135	△3,135
Total shareholders' equity	46,247	46,594
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	866	1,023
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	632	2,227
Remeasurements of defined benefit plans	292	265
Total accumulated other comprehensive income	1,791	3,517
Non-controlling interests	3,480	1,594
Total net assets	51,519	51,706
Total liabilities and net assets	96,501	96,556

Quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	32,100	38,677
Cost of sales	29,353	33,850
Gross profit	2,746	4,826
Selling, general and administrative expenses		
Employees' salaries and bonuses	1,644	1,792
Provision for bonuses	33	13
Retirement benefit expenses	15	15
Provision of allowance for doubtful accounts	77	△81
Other	2,536	2,687
Total selling, general and administrative expenses	4,307	4,427
Operating profit (loss)	△1,560	399
Non-operating income		
Interest income	8	4
Dividend income	45	45
Foreign exchange gains	32	—
Other	241	169
Total non-operating income	327	219
Non-operating expenses		
Interest expenses	123	101
Foreign exchange losses	—	206
Other	129	203
Total non-operating expenses	252	511
Ordinary profit (loss)	△1,485	107
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	189	—
Insurance claim income	—	244
Other	0	—
Total extraordinary income	190	244
Extraordinary losses		
Loss on retirement of non-current assets	100	53
Loss on valuation of investment securities	53	—
Total extraordinary losses	154	53
Profit (loss) before income taxes	△1,450	298
Income taxes	161	211
Income taxes for prior periods	59	—
Profit (loss)	△1,670	86
Profit attributable to non-controlling interests	77	73
Profit (loss) attributable to owners of parent	△1,748	13

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	△1,670	86
Other comprehensive income		
Valuation difference on available-for-sale securities	127	157
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	△1,153	1,869
Remeasurements of defined benefit plans, net of tax	△292	△27
Total other comprehensive income	△1,318	1,999
Comprehensive income	△2,989	2,086
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△2,965	1,738
Comprehensive income attributable to non-controlling interests	△24	347

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	△1,450	298
Depreciation	2,228	2,071
Interest and dividend income	△53	△50
Interest expenses	123	101
Foreign exchange losses (gains)	65	532
Loss (gain) on sale of non-current assets	△0	△0
Loss on retirement of non-current assets	100	53
Decrease (increase) in trade receivables	3,088	1,643
Decrease (increase) in inventories	△596	△2,118
Increase (decrease) in trade payables	△68	102
Increase (decrease) in provision for bonuses	37	9
Other, net	△1,987	256
Subtotal	1,487	2,900
Interest and dividends received	53	50
Interest paid	△125	△105
Income taxes paid	△270	△35
Net cash provided by (used in) operating activities	1,145	2,809
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,283	△3,575
Proceeds from sale of property, plant and equipment	0	266
Purchase of intangible assets	△99	△19
Purchase of investment securities	△5	△5
Proceeds from sale of investment securities	257	—
Proceeds from collection of loans receivable	0	0
Other, net	393	65
Net cash provided by (used in) investing activities	△737	△3,268
Cash flows from financing activities		
Proceeds from short-term borrowings	5,193	3,334
Repayments of short-term borrowings	△3,193	△3,334
Proceeds from long-term borrowings	5,320	—
Repayments of long-term borrowings	△1,445	△752
Proceeds from issuance of bonds	724	—
Redemption of bonds	△1,051	△51
Repayments of finance lease obligations	△103	△98
Purchase of treasury shares	△0	△0
Purchase of investments in capital of subsidiaries without change in scope of consolidation	—	△1,858
Dividends paid	△353	△0
Dividends paid to non-controlling interests	△144	△40
Net cash provided by (used in) financing activities	4,945	△2,800
Effect of exchange rate change on cash and cash equivalents	△232	317
Net increase (decrease) in cash and cash equivalents	5,120	△2,942
Cash and cash equivalents at beginning of period	16,694	17,466
Cash and cash equivalents at end of period	21,815	14,524