

Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2017
(Based on Japanese GAAP)

February 8, 2018

Company name: CMK CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6958 URL <http://www.cmk-corp.com/>
 Representative: President and Chief Executive Officer Takeo Takai
 Administration Division
 Inquiries: Administration Affairs Department Manager Akihiro Okabe TEL 03-5323-0231
 Scheduled date to file Quarterly Securities Report: February 13, 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 nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(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, 2017	64,289	17.5	3,315	110.7	3,162	120.5	2,632	98.6
Nine months ended December 31, 2016	54,707	0.5	1,573	—	1,434	—	1,325	—

(Note) Comprehensive income:

Nine months ended December 31, 2017 3,540million yen (— %)

Nine months ended December 31, 2016 △2,660million yen (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2017	44.48	—
Nine months ended December 31, 2016	22.39	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	96,509	54,704	53.2
As of March 31, 2017	93,748	51,549	51.5

(Reference) Shareholder's equity:

As of December 31, 2017 51,302million yen As of March 31, 2017 48,255million yen

2. Cash dividends

	Annual dividends per share				
	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
Year ending March 31, 2018	—	0.00	—	—	—
Year ending March 31, 2018(forecast)	—	—	—	—	—

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

2. Payment of dividends for the year ending March 31, 2018 is not yet determined.

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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	80,000	6.1	4,000	50.8	3,700	40.7	3,000	39.3	50.68

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

※ Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2017

(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, 2017	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 December 31, 2017	3,862,393 shares	As of March 31, 2017	3,861,494 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, 2017	59,198,178 shares	Nine months ended December 31, 2016	59,199,137 shares
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※This quarterly financial results statement is exempt from the quarterly review procedures.

※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, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	22,671	17,151
Notes and accounts receivable - trade	22,166	25,284
Securities	46	—
Merchandise and finished goods	3,273	4,021
Work in process	3,408	3,573
Raw materials and supplies	1,829	2,242
Other	1,312	1,681
Allowance for doubtful accounts	△36	△37
Total current assets	54,672	53,919
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,220	10,440
Machinery, equipment and vehicles, net	11,026	12,849
Land	8,288	8,280
Construction in progress	1,462	1,925
Other, net	1,098	1,243
Total property, plant and equipment	32,096	34,740
Intangible assets		
Goodwill	226	196
Other	195	180
Total intangible assets	421	376
Investments and other assets		
Investment securities	3,390	4,266
Net defined benefit asset	832	831
Other	2,282	2,338
Allowance for doubtful accounts	△38	△23
Total investments and other assets	6,466	7,412
Total non-current assets	38,984	42,529
Deferred assets		
Bond issuance cost	91	60
Total deferred assets	91	60
Total assets	93,748	96,509

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,543	13,021
Short-term loans payable	5,407	5,486
Current portion of bonds	560	560
Income taxes payable	323	530
Provision for bonuses	374	198
Allowance for restructuring	131	131
Other	6,650	7,088
Total current liabilities	24,990	27,016
Non-current liabilities		
Bonds payable	6,960	6,680
Long-term loans payable	8,468	6,282
Net defined benefit liability	43	45
Asset retirement obligations	165	166
Other	1,571	1,613
Total non-current liabilities	17,208	14,788
Total liabilities	42,199	41,804
Net assets		
Shareholders' equity		
Capital stock	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	9,773	12,022
Treasury shares	△3,133	△3,133
Total shareholders' equity	45,575	47,822
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	886	1,496
Deferred gains or losses on hedges	△0	0
Foreign currency translation adjustment	1,561	1,755
Remeasurements of defined benefit plans	232	227
Total accumulated other comprehensive income	2,679	3,479
Non-controlling interests	3,294	3,401
Total net assets	51,549	54,704
Total liabilities and net assets	93,748	96,509

Quarterly Consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	54,707	64,289
Cost of sales	47,493	54,630
Gross profit	7,214	9,658
Selling, general and administrative expenses		
Employees' salaries and bonuses	1,962	2,145
Provision for bonuses	2	△21
Retirement benefit expenses	39	27
Other	3,636	4,192
Total selling, general and administrative expenses	5,640	6,343
Operating profit	1,573	3,315
Non-operating income		
Interest income	35	37
Dividend income	72	80
Reversal of allowance for doubtful accounts	2	—
Other	225	232
Total non-operating income	336	350
Non-operating expenses		
Interest expenses	181	200
Other	294	303
Total non-operating expenses	475	503
Ordinary profit	1,434	3,162
Extraordinary income		
Gain on sales of non-current assets	345	6
Gain on sales of investment securities	0	30
Insurance income	30	7
Subsidy income	—	17
Total extraordinary income	377	60
Extraordinary losses		
Loss on sales of non-current assets	15	4
Loss on retirement of non-current assets	155	94
Compensation for damage	15	—
Other	—	0
Total extraordinary losses	186	99
Profit before income taxes	1,625	3,123
Income taxes	201	421
Profit	1,423	2,701
Profit attributable to non-controlling interests	97	68
Profit attributable to owners of parent	1,325	2,632

Quarterly Consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	1,423	2,701
Other comprehensive income		
Valuation difference on available-for-sale securities	540	609
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	△4,650	233
Remeasurements of defined benefit plans, net of tax	26	△4
Total other comprehensive income	△4,083	838
Comprehensive income	△2,660	3,540
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△2,128	3,432
Comprehensive income attributable to non-controlling interests	△531	107