T1.1

Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 14, 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
Inquiries: Executive Officer Accounting Department General Manager Yoshihisa Yamaguchi TEL 03-5323-0231
Scheduled date of ordinary general meeting of shareholders: June 25, 2020
Scheduled date to file Securities Report: June 25, 2020
Scheduled date to commence dividend payments: June 26, 2020
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

T1.2 (Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results (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	%
Year ended March 31, 2020	82,619	△8.4	1,601	△57.5	792	△79.0	△1,128	—
Year ended March 31, 2019	90,230	3.8	3,767	△11.7	3,770	△3.7	2,015	△44.6

(Note) Comprehensive income:
Year ended March 31, 2020 △150 million yen (— %) Year ended March 31, 2019 549 million yen (△88.4%)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/ net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	△19.06	—	△2.2	0.8	1.9
Year ended March 31, 2019	34.05	—	3.8	3.8	4.2

(Reference) Equity in earnings of affiliated companies
T1.3 Year ended March 31, 2020 —million yen Year ended March 31, 2019 —million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	96,044	54,932	53.6	869.17
As of March 31, 2019	105,189	55,849	49.9	886.18

(Reference) Shareholder's equity:
As of March 31, 2020 51,451 million yen As of March 31, 2019 52,459 million yen

T1.4

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	5,576	△8,523	△5,922	16,694
Year ended March 31, 2019	7,013	△7,278	9,340	25,436

T1.5

2. Cash dividends

	Annual dividends per share					Total cash dividends(Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	0.00	—	11.00	11.00	651	32.3	1.2
Year ended March 31, 2020	—	0.00	—	6.00	6.00	355	—	0.7
Year ending March 31, 2021 (forecast)	—		—	—	—		—	

3. Forecast of consolidated financial results for the year ending March 31, 2021(from April 1, 2020 to March 31, 2021)

Due to the impact of COVID-19, it is difficult to estimate a logical forecast at this stage for the consolidated earnings for the fiscal year ending March 31, 2021. A prompt announcement will be made as soon as it becomes possible.

※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

T3.1

4) Restatement of prior period financial statements: No

(3) Number of issued shares（common shares）

1) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	63,060,164 shares	As of March 31, 2019	63,060,164 shares

2) Number of treasury shares at the end of the period

As of March 31, 2020	3,864,028 shares	As of March 31, 2019	3,863,270 shares

3) Average number of shares during the period

Year ended March 31, 2020	59,196,490 shares	Year ended March 31, 2019	59,197,217 shares

T3.2

(Reference) Summary of Non-consolidated Financial Statement

Non-consolidated financial results for the year ended March 31, 2020(from April 1, 2019 to March 31, 2020)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	45,738	△9.2	△1,113	—	△864	—	△1,572	—
Year ended March 31, 2019	50,370	1.5	554	△57.4	1,449	△41.6	916	△66.0

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2020	△26.57	—
Year ended March 31, 2019	15.48	

T3.3

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	70,500	37,988	53.9	641.74
As of March 31, 2019	82,567	40,500	49.1	684.17

(Reference) Shareholder's equity:

As of March 31, 2020 37,988 million yen As of March 31, 2019 40,500 million yen

※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

Due to the impact of COVID-19, it is difficult to estimate a logical forecast at this stage for the consolidated earnings for the fiscal year ending March 31, 2021. A prompt announcement will be made as soon as it becomes possible.

T5.1

Consolidated financial statements

Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	25,436	16,694
Notes and accounts receivable - trade	24,061	20,389
Merchandise and finished goods	4,260	4,529
Work in process	3,716	3,592
Raw materials and supplies	2,331	2,434
Other	1,282	1,080
Allowance for doubtful accounts	△22	△56
Total current assets	61,066	48,665
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,101	52,882
Accumulated depreciation	△39,229	△40,602
Buildings and structures, net	9,871	12,279
Machinery, equipment and vehicles	69,793	71,156
Accumulated depreciation	△56,549	△54,472
Machinery, equipment and vehicles, net	13,244	16,683
Tools, furniture and fixtures	5,204	5,348
Accumulated depreciation	△4,019	△4,131
Tools, furniture and fixtures, net	1,184	1,217
Land	8,229	8,253
Construction in progress	4,973	2,618
Total property, plant and equipment	37,503	41,052
Intangible assets		
Goodwill	151	116
Other	188	220
Total intangible assets	339	337
Investments and other assets		
Investment securities	2,697	2,318
Retirement benefit asset	969	1,119
Deferred tax assets	161	67
Other	2,422	2,482
Allowance for doubtful accounts	△23	△28
Total investments and other assets	6,228	5,959
Total non-current assets	44,072	47,349
Deferred assets		
Bond issuance costs	50	29
Total deferred assets	50	29
Total assets	105,189	96,044

T7.1

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,104	9,761
Short-term borrowings	4,856	4,455
Current portion of bonds payable	602	1,352
Accounts payable - other	5,589	3,741
Lease obligations	193	230
Income taxes payable	253	246
Provision for bonuses	496	510
Allowance for restructuring	129	126
Other	691	666
Total current liabilities	25,917	21,091
Non-current liabilities		
Bonds payable	6,376	5,023
Long-term borrowings	16,014	13,206
Lease obligations	341	183
Deferred tax liabilities	406	1,030
Retirement benefit liability	95	93
Asset retirement obligations	157	449
Other	30	33
Total non-current liabilities	23,422	20,020
Total liabilities	49,340	41,111
Net assets		
Shareholders' equity		
Share capital	22,306	22,306
Capital surplus	16,628	16,628
Retained earnings	14,451	12,671
Treasury shares	△3,134	△3,135
Total shareholders' equity	50,251	48,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	739	446
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	1,235	2,262
Remeasurements of defined benefit plans	233	270
Total accumulated other comprehensive income	2,208	2,979
Non-controlling interests	3,389	3,480
Total net assets	55,849	54,932
Total liabilities and net assets	105,189	96,044

T9.1

Quarterly consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	90,230	82,619
Cost of sales	77,180	71,678
Gross profit	13,050	10,941
Selling, general and administrative expenses	9,283	9,340
Operating profit	3,767	1,601
Non-operating income		
Interest income	38	26
Dividend income	89	88
Foreign exchange gains	191	—
Rental income	78	77
Other	236	283
Total non-operating income	633	476
Non-operating expenses		
Interest expenses	279	259
Foreign exchange losses	—	278
Plant shutdown related cots	—	387
Other	350	359
Total non-operating expenses	630	1,285
Ordinary profit	3,770	792
Extraordinary income		
Gain on sales of non-current assets	12	0
Gain on sales of investment securities	195	17
Total extraordinary income	207	17
Extraordinary losses		
Loss on sales of non-current assets	4	0
Loss on retirement of non-current assets	329	192
Loss on valuation of investment securities	436	—
Compensation for damage	73	39
Other	162	—
Total extraordinary losses	1,005	232
Profit before income taxes	2,972	577
Income taxes - current	602	565
Income taxes for prior periods	222	50
Income taxes - deferred	△101	788
Total income taxes	722	1,404
Profit (loss)	2,249	△826
Profit attributable to non-controlling interests	233	301
Profit (loss) attributable to owners of parent	2,015	△1,128

T11.1

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit (loss)	2,249	△826
Other comprehensive income		
Valuation difference on available-for-sale securities	△392	△292
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	△1,182	931
Remeasurements of defined benefit plans, net of tax	△125	37
Total other comprehensive income	△1,700	676
Comprehensive income	549	△150
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	553	△356
Comprehensive income attributable to non-controlling interests	△3	205

T13.1

Quarterly consolidated statement of cash flow

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,972	577
Depreciation	4,278	4,721
Amortization of goodwill	34	34
Increase (decrease) in provision for bonuses	6	13
Increase (decrease) in allowance for doubtful accounts	△2	39
Increase (decrease) in retirement benefit liability	△36	△99
Interest and dividend income	△127	△115
Interest expenses	279	259
Foreign exchange losses (gains)	△121	158
Loss (gain) on valuation of investment securities	436	—
Loss (gain) on sales of non-current assets	△7	△0
Loss on retirement of non-current assets	329	192
Decrease (increase) in trade receivables	585	3,832
Decrease (increase) in inventories	△655	△196
Increase (decrease) in trade payables	492	△3,373
Increase (decrease) in accrued consumption taxes	△146	107
Other, net	△181	164
Subtotal	8,135	6,316
Interest and dividends received	126	115
Interest paid	△272	△260
Income taxes paid	△976	△594
Net cash provided by (used in) operating activities	7,013	5,576
Cash flows from investing activities		
Purchase of property, plant and equipment	△7,464	△8,261
Proceeds from sales of property, plant and equipment	69	6
Purchase of intangible assets	△41	△52
Purchase of investment securities	△11	△11
Proceeds from sales and redemption of investment securities	324	26
Loan advances	△0	△0
Collection of loans receivable	0	0
Other, net	△156	△231
Net cash provided by (used in) investing activities	△7,278	△8,523

T15.1

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Proceeds from short-term borrowings	6,841	6,513
Repayments of short-term borrowings	△6,903	△6,513
Proceeds from long-term borrowings	14,400	—
Repayments of long-term borrowings	△4,069	△3,194
Proceeds from issuance of bonds	5,062	—
Redemption of bonds	△5,081	△602
Proceeds from sales of receivables	9	△1,142
Repayments of finance lease obligations	△355	△216
Proceeds from sale and leaseback transactions	181	—
Purchase of treasury shares	△0	△0
Dividends paid	△591	△650
Dividends paid to non-controlling interests	△63	△114
Net cash provided by (used in) financing activities	9,430	△5,922
Effect of exchange rate change on cash and cash equivalents	△58	128
Net increase (decrease) in cash and cash equivalents	9,108	△8,741
Cash and cash equivalents at beginning of period	16,327	25,436
Cash and cash equivalents at end of period	25,436	16,694