



SUMMARY OF CONSOLIDATED FINANCIAL RESULTS
For the Three Months Ended June 30, 2018

August 2, 2018

ARRK Corporation
 2-2-9 Minami Hommachi, Chuo-ku, Osaka, 541-0054, JAPAN

1. Consolidated Financial Results for the Three Months Ended June 30, 2018
 (April 1, 2018 to June 30, 2018)

(1) Consolidated Operating Results

(Notes) Percentage Figures Shown Year-on-year Changes

	Net Sales		Operating Profit		Ordinary Income		Profit Attributable to Owners of Parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
1Q Ended June 30, 2018	11,017	10.4	(50)	—	(159)	—	(316)	—
1Q Ended June 30, 2017	9,983	(4.5)	(168)	—	(344)	—	(456)	—

(Note) Comprehensive Income:
 1Q Ended June 30, 2018: (735) million yen
 1Q Ended June 30, 2017: (415) million yen

	Earnings Per Share	Diluted Earnings Per Share
	yen	yen
1Q Ended June 30, 2018	(0.79)	—
1Q Ended June 30, 2017	(1.28)	—

(2) Consolidated Financial Position

(Notes) Percentage Figures Shown Year-on-year Changes

	Total Assets	Net Assets	Equity-to-asset ratio	Net Assets Per Share
	millions of yen	millions of yen	%	yen
As of June 30, 2018	47,445	30,080	63.4	74.56
As of March 31, 2018	46,824	30,889	66.0	76.57

(Reference) Net Assets Excluding Non-controlling Interest:
 As of June 30, 2018 : 30,080 million yen
 As of March 31, 2018 : 30,889 million yen

2. Dividends

	Dividend Per Share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	yen	yen	yen	yen	Yen
Year Ended March 31, 2017	—	0.00	—	0.00	0.00
Year Ending March 31, 2018	—				
Forecast: Year Ending March 31, 2019		0.00	—	0.00	0.00

(Note) Revision to the latest forecast of dividends: None

3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2019

(Notes) Percentage Figures Shown Year-on-year Changes

	Net Sales		Operating Profit		Ordinary Income		Profit Attributable to Owners of Parent		Earnings Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Full Year	48,000	7.3	1,750	1.7	1,500	(14.8)	900	(19.3)	2.23

(Note) Revision to the latest forecast of business results: None

4. Number of Shares Outstanding

(1) Issued Shares Including Treasury Shares				
As of June 30, 2018:	409,770,388	As of March 31, 2018:	409,770,388	
(2) Number of Treasury Shares				
As of June 30, 2018:	6,345,867	As of March 31, 2018:	6,345,867	
(3) Average Number of Issued Shares Outstanding				
As of June 30, 2018:	403,424,521	As of June 30, 2017:	332,263,665	

5. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	15,172	14,923
Notes and accounts receivable - trade	12,356	11,610
Electronically recorded monetary claims - operating	1,107	1,249
Merchandise and finished goods	389	762
Work in process	729	1,637
Raw materials and supplies	842	860
Other	1,547	1,745
Allowance for doubtful accounts	(142)	(117)
Total current assets	32,002	32,672
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,488	8,719
Accumulated depreciation	(4,555)	(4,561)
Buildings and structures, net	3,933	4,158
Machinery, equipment and vehicles	11,285	11,181
Accumulated depreciation	(7,291)	(7,304)
Machinery, equipment and vehicles, net	3,994	3,876
Tools, furniture and fixtures	3,669	3,778
Accumulated depreciation	(2,678)	(2,727)
Tools, furniture and fixtures, net	990	1,050
Land	2,557	2,542
Construction in progress	728	643
Total property, plant and equipment	12,203	12,271
Intangible assets		
Goodwill	825	787
Other	511	456
Total intangible assets	1,336	1,243
Investments and other assets		
Investment securities	274	271
Deferred tax assets	372	347
Other	568	576
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	1,206	1,186
Total non-current assets	14,747	14,701
Deferred assets		
Bond issuance cost	74	71
Total deferred assets	74	71
Total assets	46,824	47,445

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,530	3,574
Electronically recorded obligations - operating	113	168
Short-term loans payable	—	639
Current portion of bonds	284	284
Current portion of long-term loans payable	466	492
Lease obligations	62	48
Accounts payable - other	892	827
Income taxes payable	207	118
Accrued expenses	1,017	980
Advances received	2,312	2,838
Provision for bonuses	773	571
Other provision	50	68
Other	1,210	1,324
Total current liabilities	10,919	11,936
Non-current liabilities		
Bonds payable	1,432	1,432
Long-term loans payable	2,142	2,493
Lease obligations	446	436
Deferred tax liabilities	348	406
Deferred tax liabilities for land revaluation	12	12
Provision for stock benefit	10	15
Other provision	63	61
Net defined benefit liability	423	440
Other	136	130
Total non-current liabilities	5,015	5,428
Total liabilities	15,934	17,364
Net assets		
Shareholders' equity		
Capital stock	2,000	2,000
Capital surplus	11,658	11,658
Retained earnings	17,217	16,827
Treasury shares	(192)	(192)
Total shareholders' equity	30,684	30,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	38
Revaluation reserve for land	(160)	(160)
Foreign currency translation adjustment	364	(60)
Remeasurements of defined benefit plans	(40)	(31)
Total accumulated other comprehensive income	205	(213)
Total net assets	30,889	30,080
Total liabilities and net assets	46,824	47,445

6. Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	9,983	11,017
Cost of sales	8,065	8,901
Gross profit	1,918	2,116
Selling, general and administrative expenses	2,086	2,166
Operating loss	(168)	(50)
Non-operating income		
Interest income	7	7
Share of profit of entities accounted for using equity method	—	2
Reversal of allowance for doubtful accounts	13	30
Other	21	30
Total non-operating income	42	71
Non-operating expenses		
Interest expenses	10	20
Share of loss of entities accounted for using equity method	1	—
Amortization of bond issuance cost	3	3
Foreign exchange losses	149	145
Other	54	11
Total non-operating expenses	219	180
Ordinary loss	(344)	(159)
Extraordinary income		
Gain on sales of non-current assets	7	0
Total extraordinary income	7	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	9	2
Loss on disaster	43	—
Total extraordinary losses	53	2
Loss before income taxes	(390)	(161)
Income taxes - current	133	84
Income taxes - deferred	(67)	71
Total income taxes	65	155
Loss	(456)	(316)
Loss attributable to owners of parent	(456)	(316)

7. Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Loss	(456)	(316)
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(3)
Foreign currency translation adjustment	38	(423)
Remeasurements of defined benefit plans, net of tax	(0)	9
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	40	(418)
Comprehensive income	(415)	(735)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(415)	(735)