



SUMMARY OF CONSOLIDATED FINANCIAL RESULTS
For the Nine Months Ended December 31, 2018

February 5, 2019

Name of listed company	: ARRK Corporation	Listed on the Tokyo Stock Exchange, First Section
Code No.	: 7873	URL http://www.arrk.co.jp/
Representative	: Tae Ho Kim, President & CEO	
Contact	: Yasuki Shiraishi, Executive Officer/Head of Admin	(TEL) +81-6-6260-1040
Scheduled date of quarterly report filing	: February 5, 2019	Scheduled date for commencement of dividend payment: —
Supplementary materials on financial results	: Yes (in Japanese only)	
Presentation on financial results	: No (for institutional investors and analysts)	

(Notes) Figures are rounded-down to the nearest million yen.

1. Consolidated Financial Results for the Nine Months Ended December 31, 2018

(April 1, 2018 to December 31, 2018)

(1) Consolidated Operating Results

(Notes) Percentages indicate YOY 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	%
3Q Ended December 31, 2018	35,595	10.5	990	6.3	1,172	30.9	600	(12.8)
3Q Ended December 31, 2017	32,216	0.7	932	(18.6)	895	7.7	688	25.4

(Note) Comprehensive Income;
 3Q Ended December 31, 2018: 192 million yen
 3Q Ended December 31, 2017: 1,544 million yen

	Earnings Per Share	Diluted Earnings Per Share
	yen	yen
3Q Ended December 31, 2018	1.49	—
3Q Ended December 31, 2017	1.93	1.71

(Note) 3Q Ended December 31, 2018: Diluted earnings per share is not presented, due to the fact there are no dilutive shares.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-asset ratio	Net Assets Per Share
	millions of yen	millions of yen	%	yen
As of December 31, 2018	48,176	31,008	64.4	76.86
As of March 31, 2018	46,824	30,889	66.0	76.57

(Reference) Net Assets Excluding Non-controlling Interest;
 As of December 31, 2018 : 31,088 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, 2018	—	0.00	—	0.00	0.00
Year Ending March 31, 2019	—	0.00	—		
Forecast: Year Ending March 31, 2019				0.00	0.00

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

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

(Notes) Percentages indicate YOY 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	1,300	(24.5)	1,450	(17.7)	650	(38.2)	1.61

(Note) Revision to the latest forecast of business results; Yes

4. Number of Shares Outstanding

(1) Issued Shares Including Treasury Shares			
As of December 31, 2018:	409,770,388	As of March 31, 2018:	409,770,388
(2) Number of Treasury Shares			
As of December 31, 2018:	6,345,867	As of March 31, 2018:	6,345,867
(3) Average Number of Issued Shares Outstanding			
As of December 31, 2018:	403,424,521	As of December 31, 2017:	332,291,943

5. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	15,172	15,905
Notes and accounts receivable - trade	12,356	11,575
Electronically recorded monetary claims - operating	1,107	1,281
Merchandise and finished goods	389	628
Work in process	729	1,332
Raw materials and supplies	842	900
Other	1,547	1,372
Allowance for doubtful accounts	(142)	(102)
Total current assets	32,002	32,893
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,488	9,443
Accumulated depreciation	(4,555)	(4,757)
Buildings and structures, net	3,933	4,685
Machinery, equipment and vehicles	11,285	11,963
Accumulated depreciation	(7,291)	(7,770)
Machinery, equipment and vehicles, net	3,994	4,192
Tools, furniture and fixtures	3,669	4,024
Accumulated depreciation	(2,678)	(2,959)
Tools, furniture and fixtures, net	990	1,065
Land	2,557	2,557
Construction in progress	728	582
Total property, plant and equipment	12,203	13,084
Intangible assets		
Goodwill	825	757
Other	511	417
Total intangible assets	1,336	1,175
Investments and other assets		
Investment securities	274	148
Deferred tax assets	372	246
Other	568	572
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	1,206	957
Total non-current assets	14,747	15,217
Deferred assets		
Bond issuance cost	74	65
Total deferred assets	74	65
Total assets	46,824	48,176

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,530	2,882
Electronically recorded obligations - operating	113	83
Short-term loans payable	—	152
Current portion of bonds	284	284
Current portion of long-term loans payable	466	590
Lease obligations	62	43
Accounts payable - other	892	874
Income taxes payable	207	134
Accrued expenses	1,017	1,022
Advances received	2,312	2,817
Provision for bonuses	773	712
Other provision	50	360
Other	1,210	1,378
Total current liabilities	10,919	11,336
Non-current liabilities		
Bonds payable	1,432	1,290
Long-term loans payable	2,142	2,700
Lease obligations	446	422
Deferred tax liabilities	348	446
Deferred tax liabilities for land revaluation	12	12
Provision for stock benefit	10	35
Other provision	63	42
Net defined benefit liability	423	481
Other	136	400
Total non-current liabilities	5,015	5,831
Total liabilities	15,934	17,167
Net assets		
Shareholders' equity		
Capital stock	2,000	2,000
Capital surplus	11,658	11,658
Retained earnings	17,217	17,745
Treasury shares	(192)	(192)
Total shareholders' equity	30,684	31,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	20
Revaluation reserve for land	(160)	(160)
Foreign currency translation adjustment	364	(49)
Remeasurements of defined benefit plans	(40)	(13)
Total accumulated other comprehensive income	205	(203)
Total net assets	30,889	31,008
Total liabilities and net assets	46,824	48,176

6. Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	32,216	35,595
Cost of sales	25,164	27,979
Gross profit	7,052	7,615
Selling, general and administrative expenses	6,120	6,625
Operating profit	932	990
Non-operating income		
Interest income	18	24
Share of profit of entities accounted for using equity method	—	1
Foreign exchange gains	—	156
Reversal of allowance for doubtful accounts	47	43
Other	56	71
Total non-operating income	122	296
Non-operating expenses		
Interest expenses	35	66
Share of loss of entities accounted for using equity method	1	—
Amortization of bond issuance cost	9	9
Foreign exchange losses	7	—
Extra retirement payments	38	6
Other	66	32
Total non-operating expenses	159	114
Ordinary profit	895	1,172
Extraordinary income		
Gain on sales of non-current assets	20	2
Insurance income	118	—
Total extraordinary income	138	2
Extraordinary losses		
Loss on sales and retirement of non-current assets	21	8
Loss on sales of investment securities	—	12
Loss on disaster	81	—
Total extraordinary losses	102	20
Profit before income taxes	931	1,153
Income taxes - current	281	319
Income taxes - deferred	(38)	234
Total income taxes	243	553
Profit	688	600
Profit attributable to owners of parent	688	600

7. Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	688	600
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(21)
Foreign currency translation adjustment	825	(414)
Remeasurements of defined benefit plans, net of tax	(2)	27
Share of other comprehensive income of entities accounted for using equity method	2	0
Total other comprehensive income	856	(408)
Comprehensive income	1,544	192
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,544	192