

2022

# Business Report

Year Ended March 31, 2022





I would like to express our sincere gratitude to shareholders for their continued support of our operations.

In the fiscal year ended March 31, 2022, the Japanese economy was beset by a growing sense of uncertainty about the future, mainly due to the recurrent spread of COVID-19 with no signs that that pandemic was nearing its end, as well as the worsening of the situation in Ukraine, in addition to global supply chain disruptions.

Under those conditions, in the CMK Group's main operating field of products for automotive use, the number of automobiles sold recovered globally, resulting in an increase in orders received for those products, in spite of the prolonged effects of the shortage of semiconductors and other components.

The CMK Group saw an increase in sales of products designed for automotive use, resulting in consolidated net sales of ¥81,486 million (up 16.5% year on year).

On the profit front, operating income amounted to ¥3,021 million (compared with an operating loss of ¥1,676 million posted in the previous fiscal year), reflecting factors such as production efficiency enhancements and the effects of the net sales growth, despite the effects of rises in raw material expenses.

Ordinary income came to ¥3,305 million (compared with ordinary loss of ¥1,511 million posted in the previous fiscal year) and profit attributable owners of parent was ¥2,785 million (compared with a loss attributable to owners of parent of ¥1,868 million posted in the previous fiscal year), mainly attributable to the growth in operating income.

Economic conditions are expected to remain severe in the period ahead, with COVID-19 and the worsening of the international situation. However, demand for products for automotive use, which represent a key market for the CMK Group, is anticipated to expand over the medium to long term.

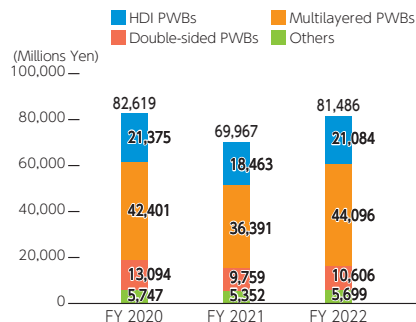
To capture this demand, the CMK Group will move forward with establishing its profit base, a key component of the 1st Medium-Term Management Plan the Group has been executing from the fiscal year ending March 31, 2023, and will make preparations for the next stage of growth. We ask our shareholders for their continued understanding and support.

June 2022

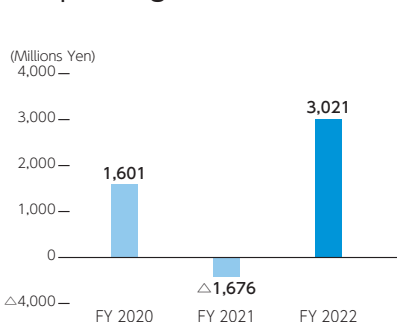
# Isao Osawa

President and CEO

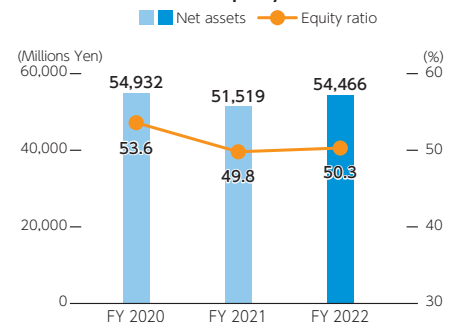
### Net sales



### Operating income (loss) (△)



### Net assets / Equity ratio



## Future Outlook

The outlook for the global economy has become more uncertain, given developments such as the worsening of the situation in Ukraine and lockdowns imposed to deal with the spread of COVID-19.

In the CMK Group's key market for automotive products, the effects of the global shortage of semiconductors and other components are still unclear. However, demand for those products is expected to continue to expand in the medium and long term, reflecting the progress of vehicle electrification that will accompany CASE reforms.

Under those conditions, the CMK Group adopted its new Medium-Term Management Plan in November 2011, divided the period under the Plan into the first three years as the 1st Medium-Term Management Plan and the following two years as the 2nd Medium-Term Management Plan, and launched activities accordingly.

Under the 1st Medium-Term Management Plan, the CMK Group will work on (1) improving production efficiency through business structure reforms, (2) achieving an automotive product portfolio shift toward products with high added value, and (3) making preparations for new businesses and accelerating commercialization.

In the area of production efficiency improvement in particular, the CMK Group will further efforts to enhance productivity and improve quality through investment in automation and facility replacement, in addition to restructuring its production bases in Japan.

Moreover, the CMK Group will seek to establish the advanced element technologies required for multilayer PWBs used in 5G communications technologies, enter markets related to 5G communications systems, and put new businesses on a firm footing by improving its accumulated technological capabilities.

Under the following 2nd Medium-Term Management Plan, the CMK Group will work on establishing a growth cycle by capturing CASE demand and accelerating its growth by increasing net sales from new businesses.

## TOPICS

### NEPCON JAPAN 2022 held at the Tokyo Big Sight

CMK Corporation (the "Company") exhibited its products at the NEPCON JAPAN 2022 trade fair held at the Tokyo Big Sight from January 19, 2022 to January 21, 2022. At the show, the Company proposed various PWBs designed for new business fields to customers, in addition to introducing the following two initiatives.

The Company welcomed customers by complying with exhaustive measures against COVID-19 required by organizers and asking participating employees to take sufficient precautions.

#### 1. Introduction of New Products

The Company's Innovation Center is developing heavy copper coil substrates to meet demand for heavy copper products.

The Company proposed products compatible with high withstand voltage applications by forming unprecedented circuits using heavy copper that is 0.5 millimeters or 1.0 millimeter thick.

To address customer demand, the Company also exhibited many new technologies to meet increasingly sophisticated market demand for technologies geared to the CASE trend for automobiles, such as high-density HDI technologies for substrates for millimeter wave radars for ADAS and integrated ECUs, as well as high frequency substrates for V2X for automotive 5G communications.

#### 2. New Exhibition and Public Relations Methods

Substrates are displayed in ways to keep bare hands away at regular exhibitions to prevent the adhesion of foreign matter and the oxidation of circuit conductors. As a new experiment, The Company set up a section for touching substrates at its booth at the NEPCON JAPAN 2022.

The booth section became popular with customers by offering them a chance to feel with their hands the bendability of rigid flex substrates, the solidity of substrates made with 3D printers, and the heaviness of copper substrates.

The latest NEPCON JAPAN was held amid the growing sixth wave of COVID-19 infection. Nonetheless, the Company's booth welcomed more than twice as many customers as it did at the previous fair in January 2021.

The Company also took part in a multilingual live broadcast from the NEPCON JAPAN 2022, sponsored by its organizers once again under circumstances that prevented many overseas customers from attending in person.

During the broadcast, which featured simultaneous Chinese and Korean interpretation, the Company publicized its products and technologies from its booth.



CMK booth at the NEPCON JAPAN 2022



A coil substrate 1.0 millimeter thick

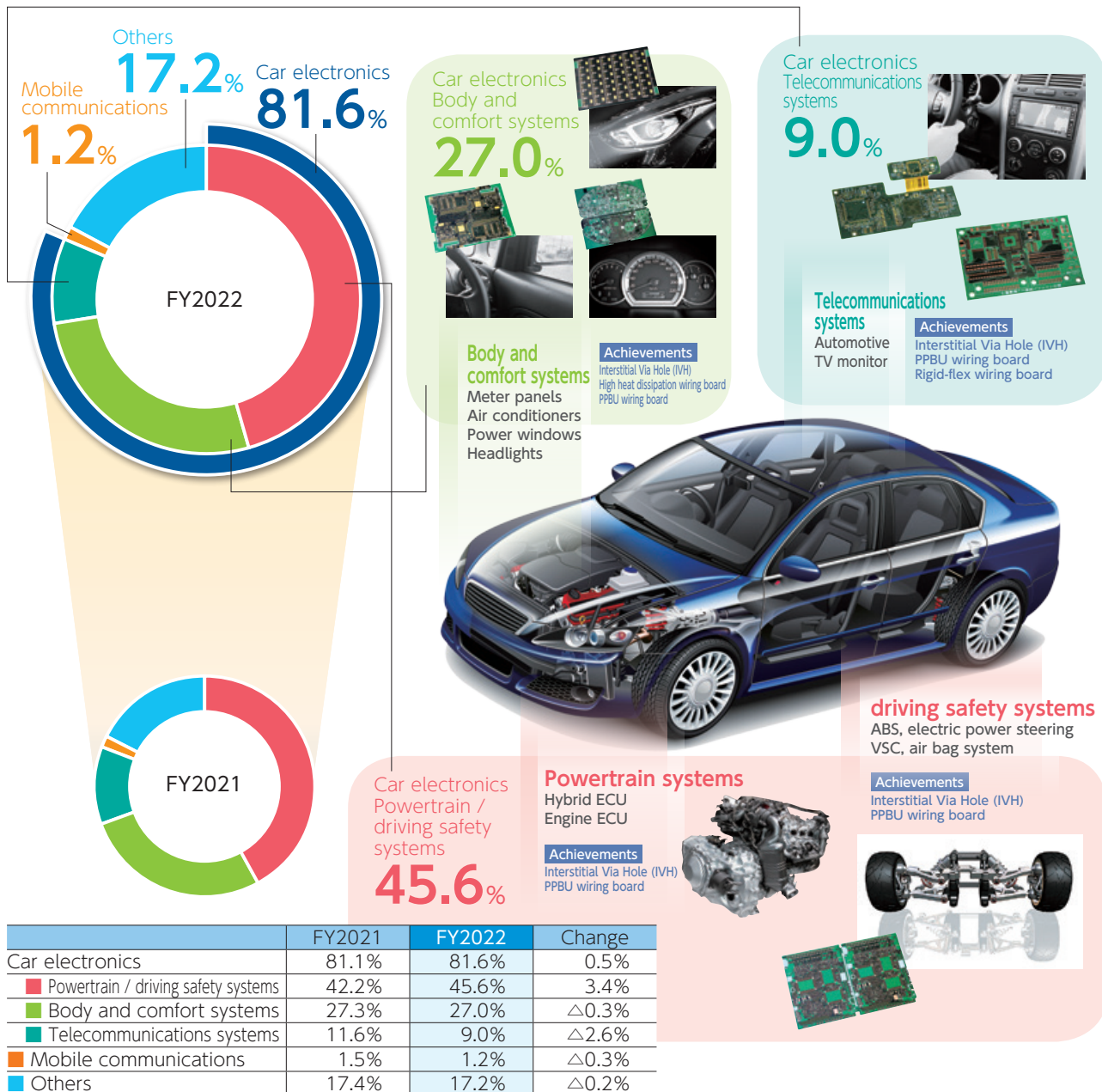


Substrate exhibition offering hands-on experience



Live broadcast from the booth

# Sales by application



**Name of listed company** CMK CORPORATION  
(Securities code no.: 6958)

**Date of establishment** February 25, 1961

**Capital** ¥22,306,203,140

**Number of employees** 1,309 (Group total 4,854)

## Executives (as of June 28, 2022)

### Board of Directors

President and CEO	Isao Osawa
Director and Executive Officer	Kunihiko Tedo
Director and Executive Officer	Yoshihisa Yamaguchi
Director and Executive Officer	Yoshiaki Ishizaka
Director and Executive Officer	Kazuto Ono
Director	Tsuyoshi Ukyo
Director	Rika Sato
Director	Mitsuru Kaitoh

### Board of Corporate Auditors

Standing Corporate Auditor	Masashi Koike
Standing Corporate Auditor	Akihiro Okabe
Corporate Auditor	Yuji Yamanashi
Corporate Auditor	Masaki Ashibe

### Executive Officers

Executive Officer	Junichi Ishibashi
Executive Officer	Takashi Izumisawa
Executive Officer	Takashi Okayasu
Executive Officer	Kazuhiro Kawaguchi
Executive Officer	Masanori Kawashima
Executive Officer	Masaya Kuriyama
Executive Officer	Tatsuya Koizumi
Executive Officer	Satoru Takahashi
Executive Officer	Yasuhiko Takahashi
Executive Officer	Masayoshi Hagiwara
Executive Officer	Toshikazu Fujino
Executive Officer	Naoki Matsuo

## Primary Consolidated Subsidiaries

### ■ Japan

- CMK Products Corporation

### ■ Overseas

- CMK ASIA (PTE.) LTD.
- CMKM SDN.BHD.
- CMK CORPORATION (THAILAND) CO.,LTD.
- CMK ELECTRONICS (WUXI) CO., LTD.
- CMKC (HK) LIMITED
- CMKC (DONG GUAN) LTD.
- CMKC (SHENZHEN). LTD.
- CMK EUROPE N.V.
- CMK AMERICA CORPORATION

## Our Website

- PRODUCT
- IR INFO
- COMPANY
- CSR
- RECRUIT
- TOPICS

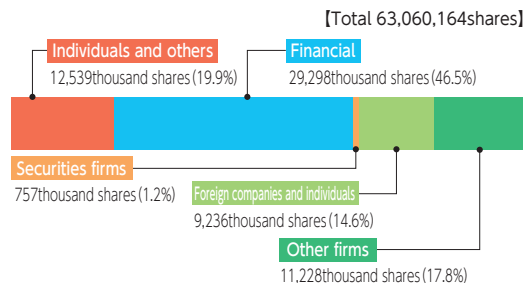
We disclose detailed information on this website.



## Stock Information (As of March 31, 2022)

Total number of shares authorized	227,922,000
Total number of shares issued and outstanding	63,060,164
Number of shareholders	7,246
Share trading unit	100

### Shareholder Breakdown



### Major shareholders (10 largest)

Shareholders	Number of shares held (thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	9,588	16.1
Custody Bank of Japan, Ltd. (Trust Account)	5,657	9.5
Mizuho Bank, Ltd.	2,576	4.3
The Foundation for Technology Promotion of Electronic Circuit Board	2,500	4.2
Custody Bank of Japan, Ltd. (securities investment trust account)	2,404	4.0
Takahiro Nakayama	1,975	3.3
The Dai-ichi Life Insurance Company, Limited	1,895	3.2
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust, Kiraboshi Bank Account Re-Trustee: Custody Bank of Japan, Ltd.	1,745	2.9
Akiharu Nakayama	1,668	2.8
Sumitomo Mitsui Banking Corporation	1,613	2.7

Note: 1. Although the Company holds 3,865,040 shares of treasury stock, it is not included in the above list of major shareholders.

2. Treasury shares were excluded in calculating the shareholding ratios.

## Shareholders Memo

**Fiscal year:** April 1 through March 31 of the following year

**Regular general meeting of shareholders:** Held in June each year

**Date of record for end-of-year dividends:** March 31

**Date of record for mid-year dividends:** September 30

**Notification method:** Electronic notification (company website at <https://www.cmk-corp.com>). If notification cannot be made electronically, it will be made using the Nihon Keizai Shimbun.

**Transfer agent:** Mizuho Trust & Banking Co., Ltd.  
1-3-3 Marunouchi, Chiyoda-ku, Tokyo

**Contact address:** Mizuho Trust & Banking Co., Ltd.  
8-4 Izumi 2-chome, Suginami-ku,  
Tokyo 168-8507  
☎ 0120-288-324



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