



CMK CORPORATION  
(Stock code : 6958)

# 1H FY2018 Financial Results (presentation material)

Nov 13, 2018

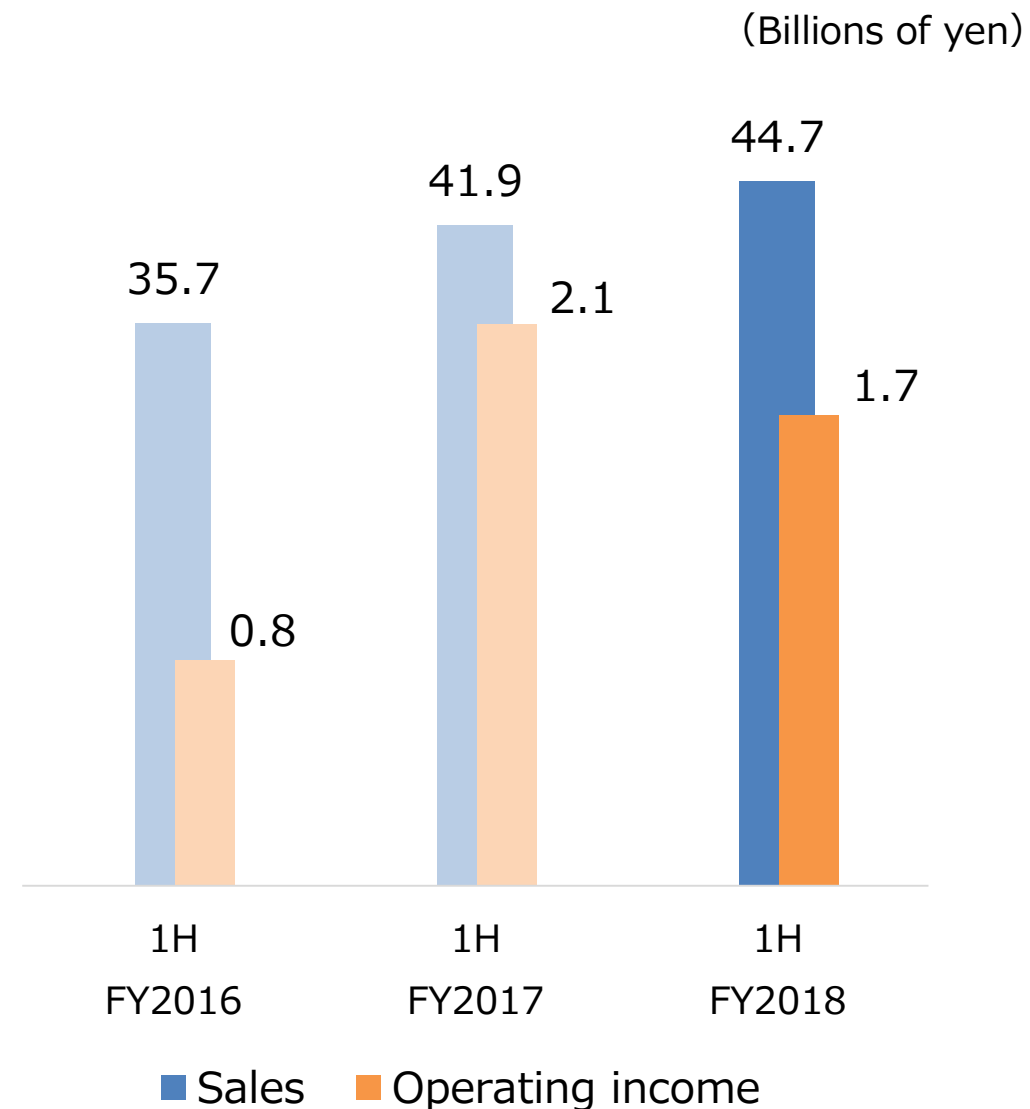
CMK CORPORATION

- 1 . Consolidated financial results for 1H FY2018
- 2 . Trends of Automotive market and  
Our business overview
- 3 . Supplementary material

# 1 . Consolidated financial results for 1H FY2018

① Key points of 1H FY2018 Financial results

- Orders of our key products, PWBs for automotive use remained strong by the progress of automotive electrification
- Profitability improved steadily, as a result of reflecting the impact of production capacity enhancements and productivity improvements implemented in parallel in factories
- However, operating income decreased due to the strong Chinese Yuan and Thai Baht against US dollar



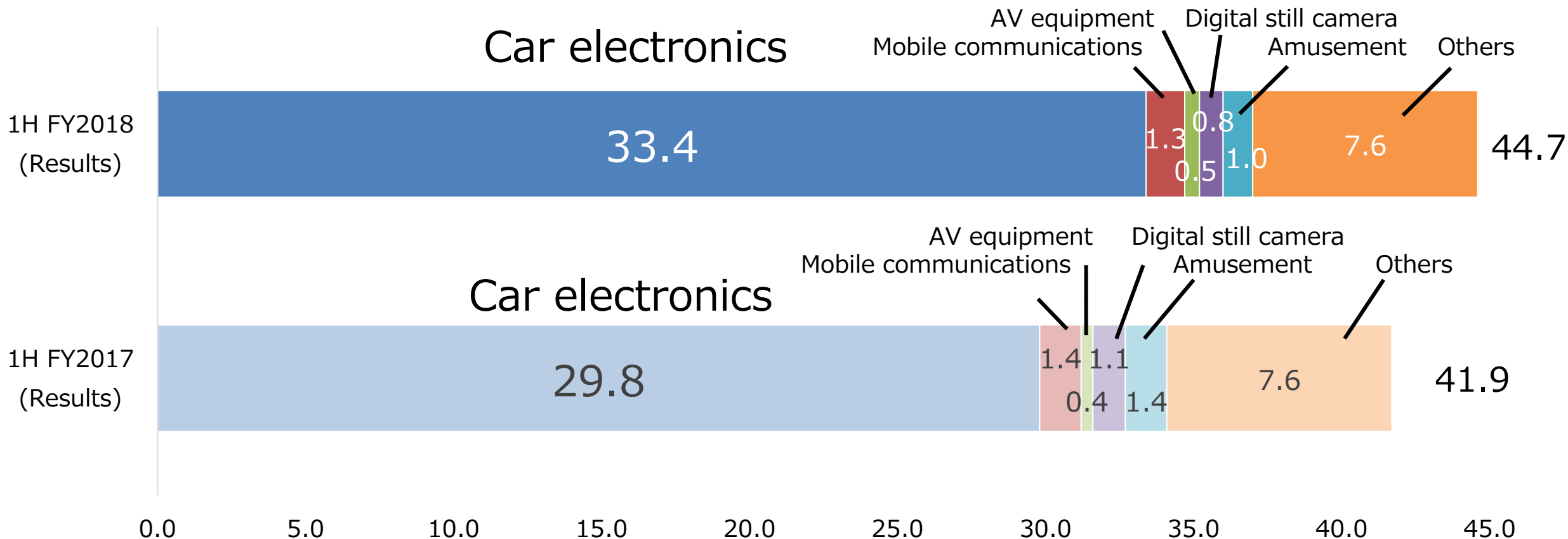
## ② Consolidated Income statement

(Billions of yen)

	1H FY2017 Results	1H FY2018 Results	YoY	
			Change	%
Net sales	41.9	44.7	+2.7	+6.6%
Operating income	2.1	1.7	-0.3	-16.2%
Operating margin	5.1%	4.0%	-1.1%	
Ordinary income	1.9	1.8	-0.1	-9.0%
Profit attributable to owners of parent	1.6	1.1	-0.4	-27.6%
Exchange rate (USD/JPY)	112.12	108.52	-3.60	-3.2%

③ Sales by application

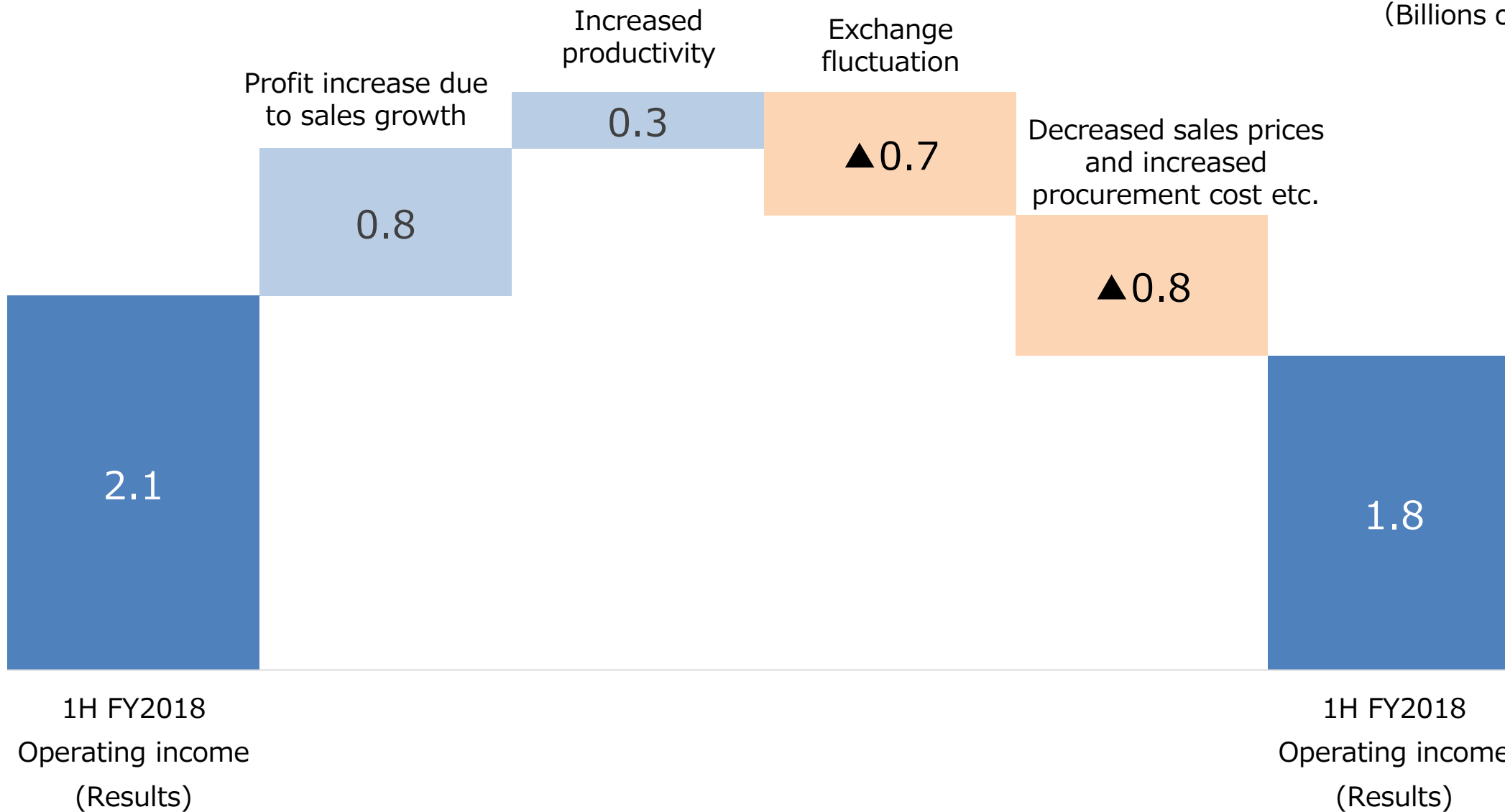
(Billions of yen)



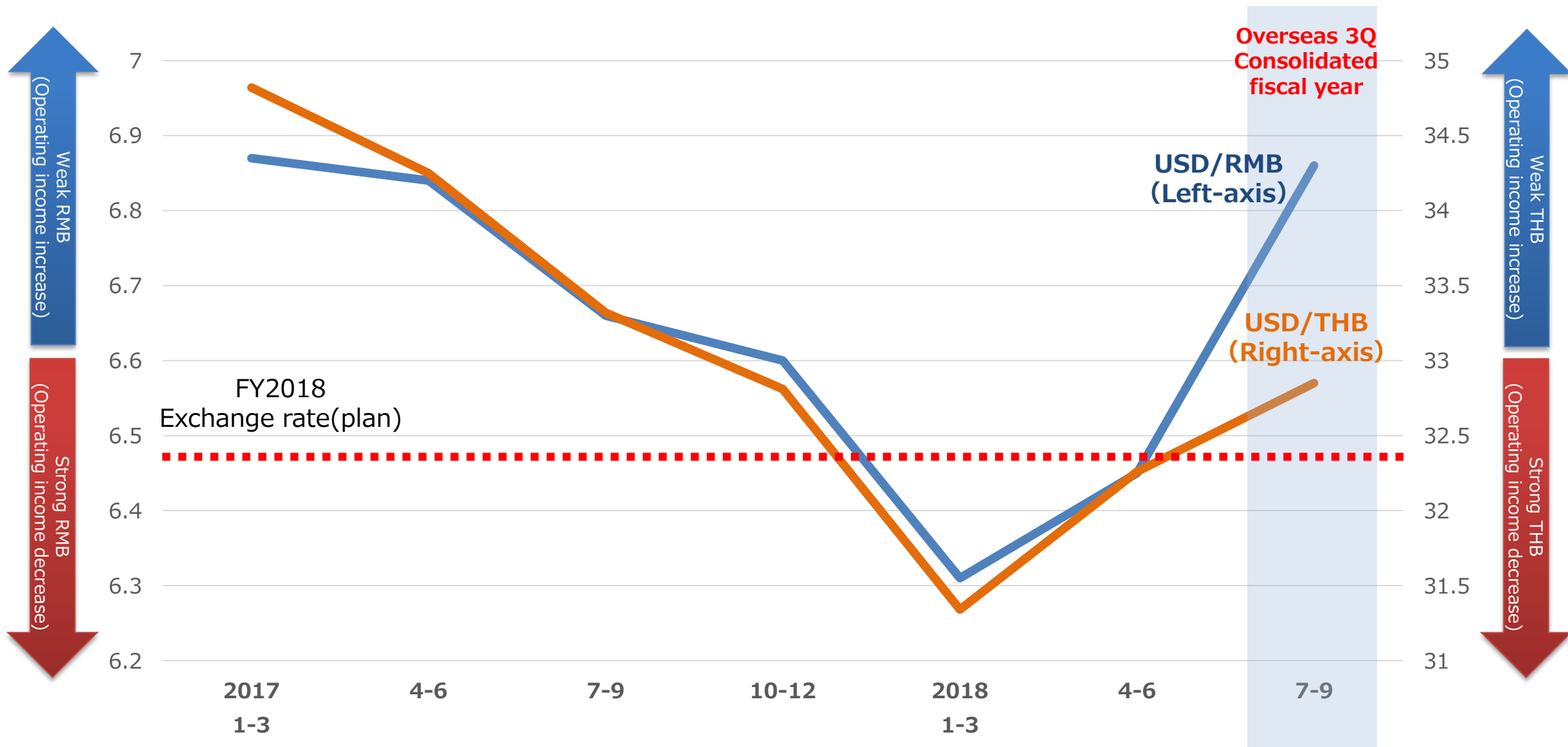
- Sales of products for automotive use increased steadily by 11.8% compared with the previous fiscal year, exceeding the overall sales growth rate, driven by the progress of automotive electrification
- The share of products for automotive use in total sales increased from 71.2% in the previous fiscal year to 74.6%

④ Analysis of changes in operating income

(Billions of yen)



⑤ Changes in exchange rate





## ⑥ Changes in quarterly operating income

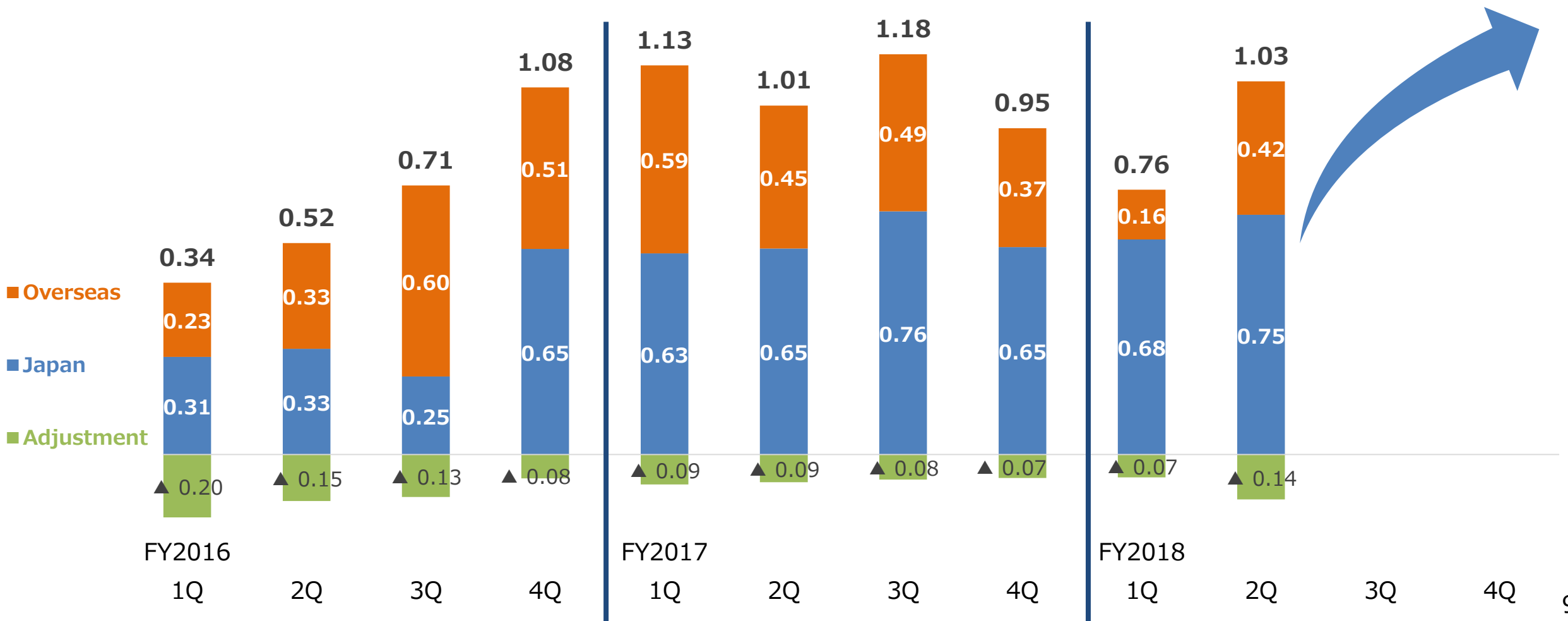
(Billions of yen)

Japan : Downsizing of production sites  
Overseas : Enhancement of production capacity in the factory of Thailand

Japan : Productivity enhancement  
Overseas : Enhancement of production capacity in the factory of Thailand and Wuxi

Overseas : Exchange fluctuation

Productivity enhancement  
Product mix improvement



## ⑦ Consolidated Income Statement



(Billions of yen)

	FY2017 Results	FY2018 Forecast	YoY	
			Change	%
Net sales	86.8	90.0	+3.1	+3.6%
Operating income	4.2	4.0	-0.2	-6.2%
Operating margin	4.9%	4.4%	-0.5%	
Ordinary income	3.9	3.7	-0.2	-5.5%
Profit attributable to owners of parent	3.6	3.0	-0.6	-17.5%
Exchange rate (USD/JPY)	112.04	110.00	-2.04	-1.8%

## 2 . Trends of Automotive market and Our business overview

# ①Automotive market : Growing needs for HDI PWBs

## Progress of automotive electrification

- ADAS(Advanced Driving Control System), Autonomous driving
- Electric motorization(HV/PHV/EV)
- Connected car
- Climate control system

**High  
functionality**

## High functional semiconductor

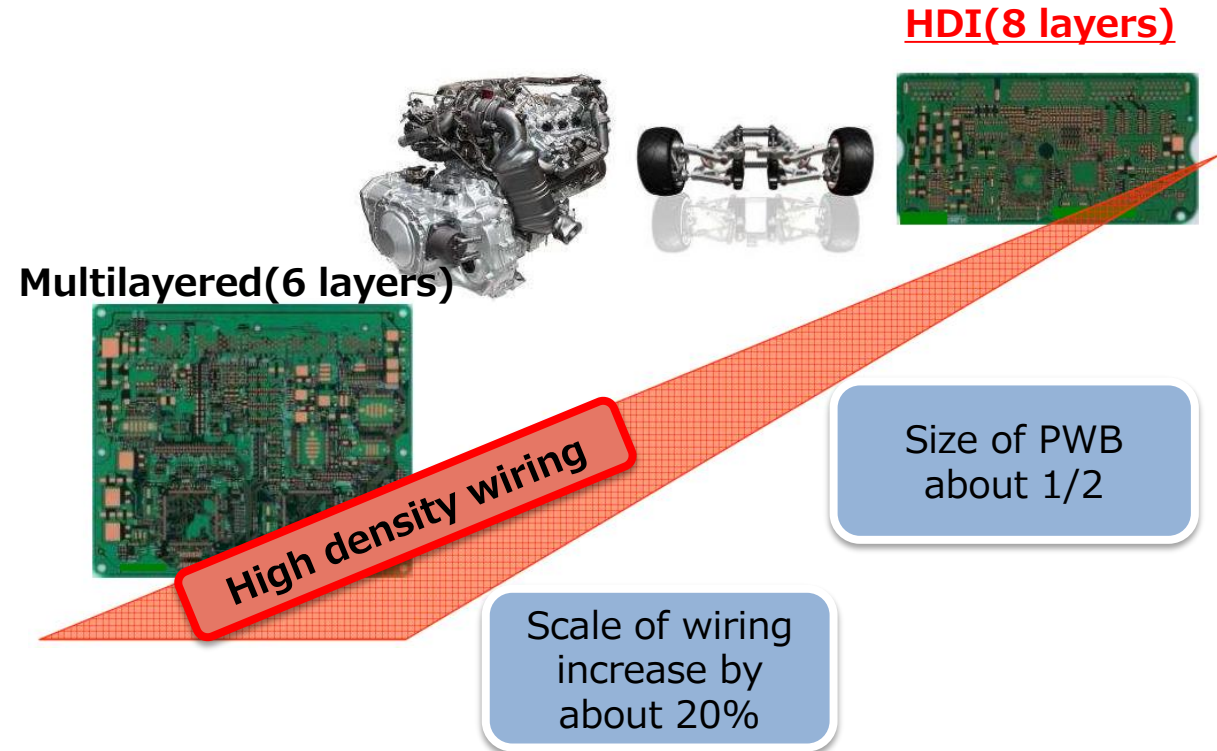
- High integration  
(New function /Integration /Standardization)
- Multi-core
- Low power
- Expansion of program capacity

**Narrow  
pitch**

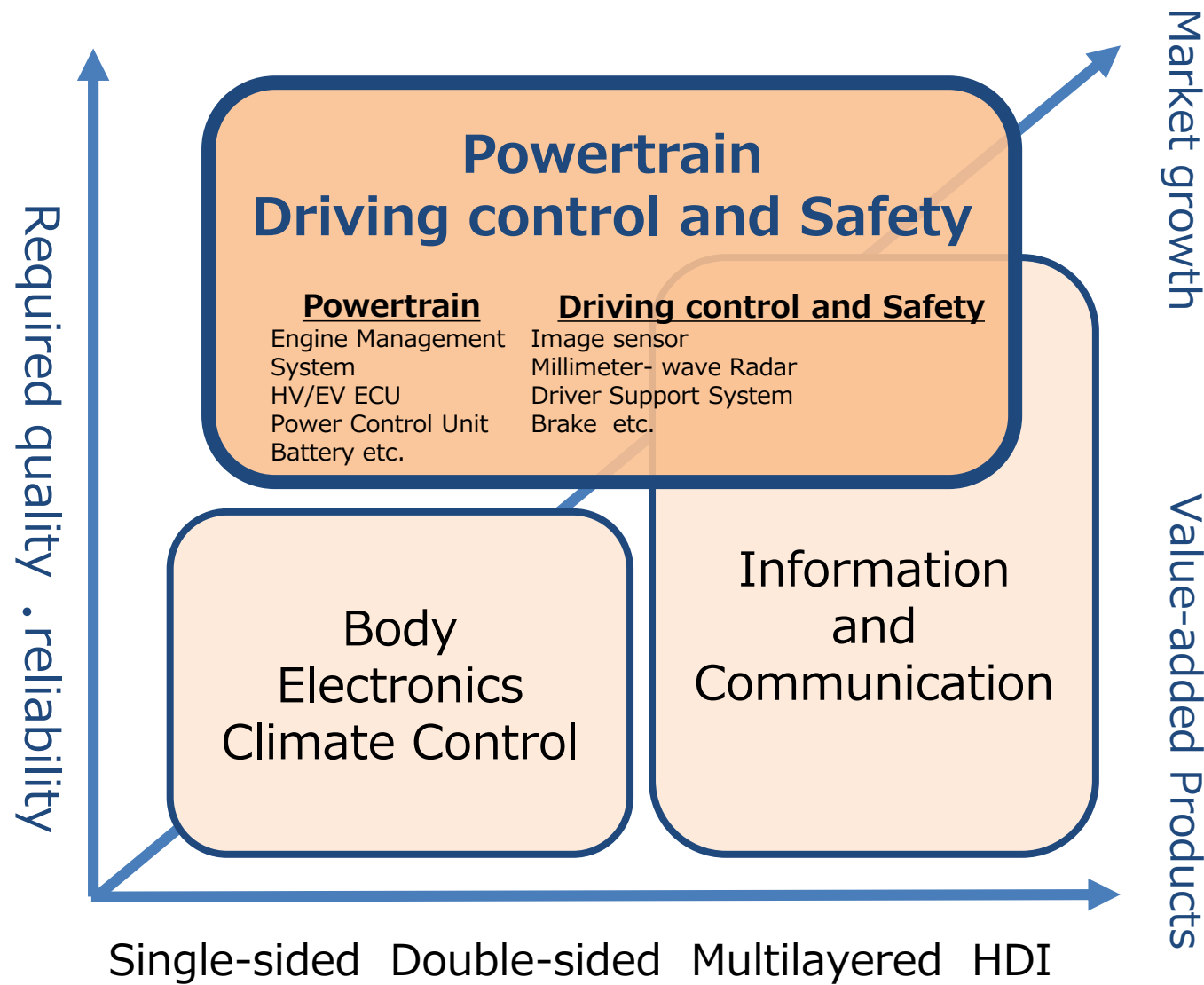
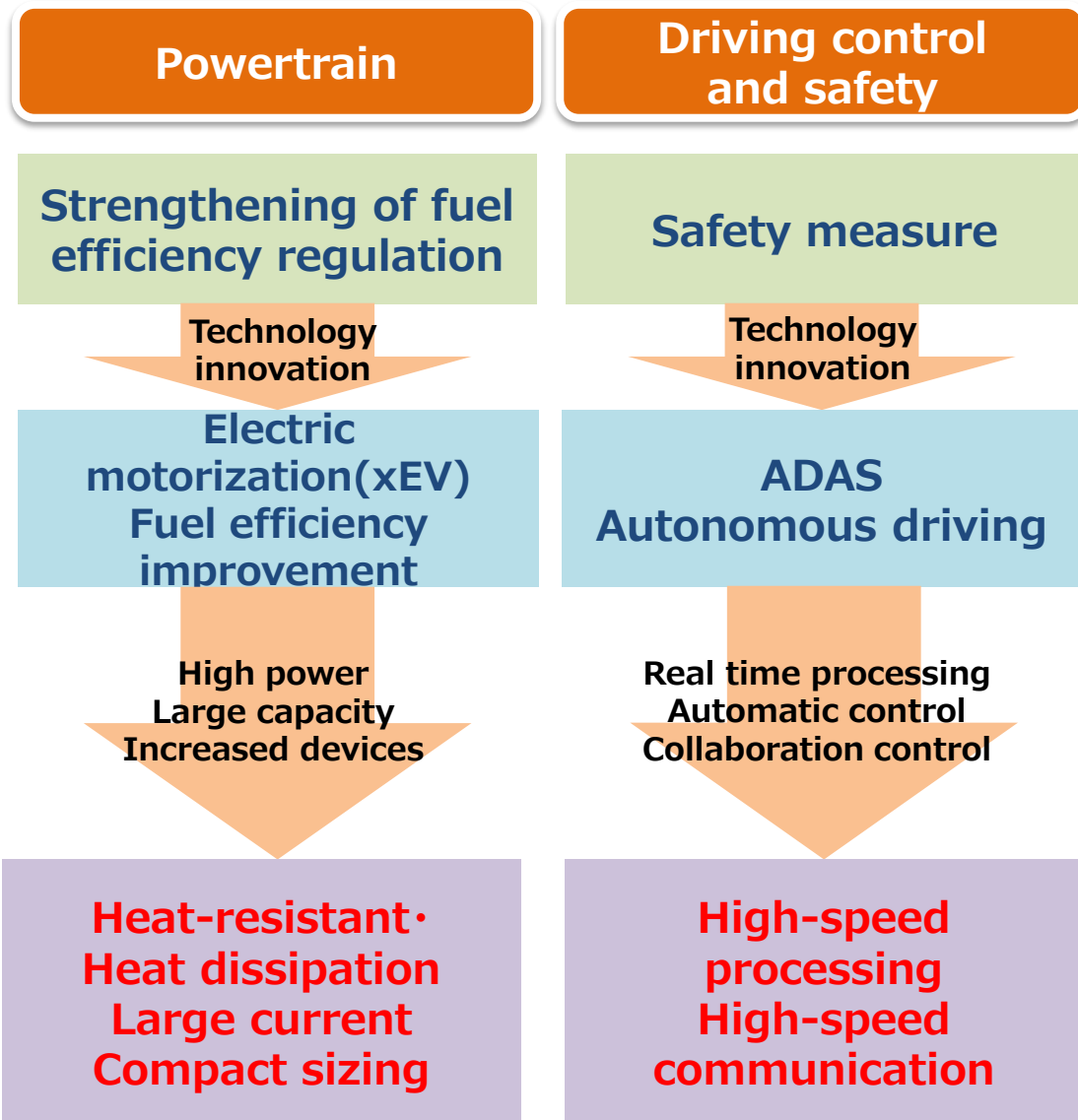
**PWBs are required high density  
(Use of HDI PWBs expanding)**

**Down-sized  
unit**

## ["High density" images]



② Automotive market : High-spec Powertrain and Driving control and Safety



### ③Our business overview : Enhancing production capacity in overseas factories

## CMK electronics(Wuxi)co., Ltd. (HDI)

Capital investment is in progress to **enhance production capacity by 20%** compared with the existing capacity, responding to a growing demand for HDI PWBs for automotive use (Due to complete in March 2019)



## CMK Corporation(THAILAND) co., Ltd. (Double-sided, Multilayered, HDI)

Capital investment is in progress to **enhance production capacity by 25%** compared with the existing capacity, responding to a growing demand for products for Powertrain and Driving control and Safety (Due to start phased operation from December 2018)

CMK AMERICA CORPORATION  
North America Atlanta

CMK EUROPE N.V.  
Belgium Geel

**CMK electronics(Wuxi)co., Ltd.**  
China Wuxi

CMKC(Dong Guan)ltd.  
China Dong Guan

CMKC (SHENZHEN), LTD.  
China Shenzhen/Wuxi/  
Dong Guan

CMKC (HK) LIMITED.



**CMK Corporation (THAILAND) co., Ltd.**  
Thailand Purachin Buri

CMK ASIA(PTE.)LTD.  
Singapore  
Malaysia Penang/Kuala Lumpur  
Indonesia Jakarta  
Vietnam Hanoi

CMK CORPORATION (THAILAND)CO.,LTD.  
Thailand Bangkok

④ Our business overview : Technology roadmaps

**We will progress our developments in the fields high quality and high reliability required.**

Application for automotive use	Main products	PWB requirement	2019	2020	After 2021	Market needs	
Powertrain	Inverter	Down sizing	Mass-production			<ul style="list-style-type: none"> <li>•Down-sized unit</li> <li>•Reliability of high withstand voltage ( EV has higher voltage than 10x voltage for gasoline vehicle )</li> <li>•High heat-resistance performance (More than 1.5x conductive reliabilities of consumer products)</li> <li>•High current PWB for PHV or EV</li> </ul>	
		Heavy copper		Mass-production			
Driving control and Safety ADAS	Millimeter-wave Radar	HDI	Under Mass-production				<ul style="list-style-type: none"> <li>•Requests of more down-sizing and more accuracy improvement</li> </ul>
		MSAP	Trial	Mass-production			
	Camera, Communication module, Other sensors	Thick RF PWB	Development		Mass-production		<ul style="list-style-type: none"> <li>•Thick RF PWB for higher stiffness</li> <li>•Higher reliability of thin PWB for automotive use</li> </ul>
		Thin PWB	Trial		Mass-production		
		Camera control	Fine pattern	Trial	Mass-production		
LED Lamp	Copper based	Under Mass-production			<ul style="list-style-type: none"> <li>•PWB combined higher density and hgiher stiffness</li> </ul>		
Information and communication	Communication module for automotive	Fine pattern	Mass-production			<ul style="list-style-type: none"> <li>•Requests of higher heat radiation</li> </ul>	
						<ul style="list-style-type: none"> <li>•Requests of more down-sizing and more accuracy improvement</li> </ul>	

※RF means Rigid flexible PWB

# 3 . Supplementary material



## ① Sales by application



(Billions of yen)

	1H FY2017 Results	1H FY2018 Results	YoY Change	FY2018 Forecast
Car electronics	29.8	33.4	+3.5	67.7
Mobile communications	1.4	1.3	-0.1	2.4
AV equipment	0.4	0.5	+0.1	1.2
Digital still camera	1.1	0.8	-0.2	1.9
Amusement	1.4	1.0	-0.3	3.5
Others	7.6	7.6	-0	13.0
<b>Total</b>	<b>41.9</b>	<b>44.7</b>	<b>+2.7</b>	<b>90.0</b>

## ② Sales by type of PWBs

(Billions of yen)

	1H FY2017 Results	1H FY2018 Results	YoY Change	FY2018 Forecast
<b>HDI PWBs</b>	12.9	13.8	+0.8	30.4
<b>Multilayered PWBs</b>	17.7	19.5	+1.8	39.2
<b>Double-sided PWBs</b>	7.6	7.5	-0	14.9
<b>Others</b>	3.6	3.8	+0.1	5.3
<b>Total</b>	41.9	44.7	+2.7	90.0

## ③ Financial results by region

(Billions of yen)

	1H FY2017 Results		1H FY2018 Results		YoY Change		FY2018 Forecast	
	Sales	Operating income	Sales	Operating income	Sales	Operating income	Sales	Operating income
Japan	26.0	1.2	26.9	1.4	+0.8	+0.1	50.7	1.9
China	14.1	0.6	14.3	0.1	+0.2	-0.4	30.7	1.4
Southeast Asia	9.9	0.2	11.3	0.1	+1.3	-0	22.9	0.6
Europe & North America	2.9	0.1	3.6	0.2	+0.6	+0	8.0	0.3
Total	53.1	2.3	56.2	2.0	+3.1	+0.3	112.5	4.4
Adjustment	▲11.1	▲0.1	▲11.5	▲0.2	-0.3	-0	▲22.5	▲0.4
Consolidated	41.9	2.1	44.7	1.7	+2.7	-0.3	90.0	4.0

## ④ Capital investment

(Billions of yen)

	1H FY2017 Results	1H FY2018 Results	YoY Change	FY2018 Forecast
Japan	0.7	0.5	-0.1	2.8
Overseas	3.3	1.7	-1.6	7.1
Consolidated	4.0	2.2	-1.8	10.0
Depreciation cost	1.9	2.1	+0.1	4.6

Future-related information and descriptions in this material are just forward-looking statements and not guarantees for future achievements

(Amounts are rounded, and % is rounded to one decimal place.)

**END**