

Profile

CMK is keeping up the demand for miniaturization and greater functionality in PWBs. As a major concern in the PWB sector, CMK is highly involved in technological research & development.

As a leading manufacturer of PWBs, CMK has established an efficient base of operations. Our customers in the world are satisfied with CMK quality services.

CMK maintains continuous business success in the fierce market competition. At the same time, CMK cares environmental issues and promotes the production shift to the offshore while electronics manufacturers has expanded the market for PWBs. We have been developing our overseas production facilities in these decades.

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Cautionary Statement with Respect to Forward-Looking Statements

Statements made in this annual report with respect to CMK's plans, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of CMK, which are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and unpredictability. Potential risks and unpredictability include, without limitation, general economic conditions in CMK's markets; industrial market conditions; exchange rates in which CMK makes significant sales or in which CMK's assets and liabilities are denominated; and CMK's ability to continue to win acceptance of its products and services, which are offered in highly competitive markets characterized by the continual introduction of new products, rapid developments in technology, and changing customer requirements.

CMK—Invisible, but everywhere.



AV equipment

Our single-sided, double-sided, silver through-hole PWBs and more are used in CD players, MD players, VCRs and DVD players.



Mobile communications

We provide primarily multi-layered IVH (4~10 layers) and ALIVH® boards for products such as mobile phones, PDA, etc.



Information devices

Our 4 ~12 layered through-hole PWBs, 4~10 layered IVH PWBs and Flex-Rigid (RF) build-up PWBs (RF-1, RF-3) can be found in a range of PCs and peripheral devices.



Displays

We produce double-sided PWBs, $4\sim12$ layered through-hole PWBs, $4\sim10$ layered IVH PWBs for LCDs, PDP displays and more.



Substrates for semi-conductor packages

(Rigid type, Tape type)

Our PWBs accommodate main components such as CPUs, DSPs, DRAM, SRAM, flash memory and more.



Car electronics

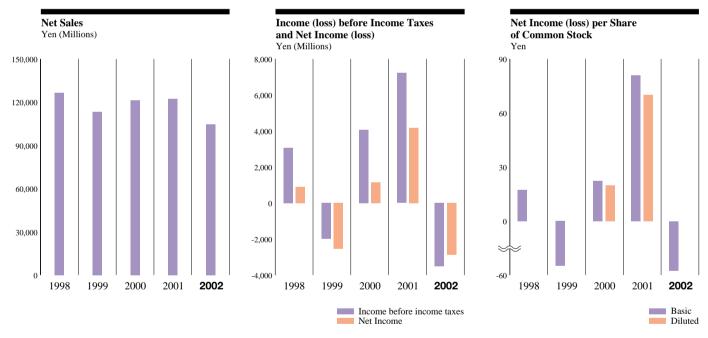
Our PWBs are installed in automotive electronic equipment like engine control systems, ABS, SRS air bags, instrument panels, car navigation systems, etc.

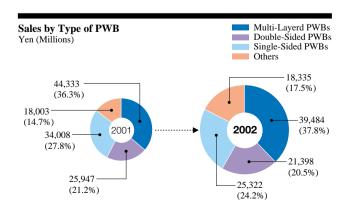
Financial Highlights

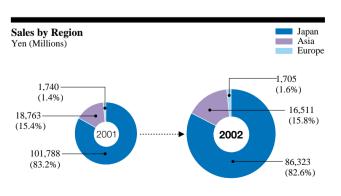
CMK CORPORATION and Consolidated Subsidiaries Years ended March 31, 2002, 2001 and 2000

	U.S. Dollars (Thousands) (except per share amounts)				
	(exce	(except per share amounts)			
Operating Results:		2001	2002	2002	
For the year					
Net sales	¥121,246	¥122,293	¥104,540	\$ 784,540	
Income (loss) before income taxes	4,071	7,220	(3,507)	(26,319)	
Net income (loss)	1,147	4,182	(2,871)	(21,546)	
At year-end					
Total shareholders' equity	¥ 48,407	¥ 52,822	¥ 49,716	\$ 373,103	
Total assets	152,087	144,749	149,477	1,121,779	
Per share					
Net income (loss)					
··· Basic	¥ 22.21	¥ 80.36	¥ (54.66)	\$ (0.41)	
··· Diluted	19.74	69.75		_	
Shareholders' equity	966.42	1,005.62	946.43	7.10	

Note: U.S. Dollars amounts have been translated from Yen, for convenience only, at the rate of \$133.25 = \$1, the Tokyo foreign exchange market rate as of March 31, 2002.







Message from the Management



During this fiscal year, due to the economical downturn in the U.S.A. and the worldwide production adjustment in information technology (IT) sector, exports and investment in equipment were decreased as same as personal consumption slow-down.

Moreover, The Terrorism on 9/11 in the U.S.A. have made world economy worse. The PWBs market has depressed considerably owing to the decrease of personal consumption, the continuous deflationary economy and the decrease in demand for mobile phones and personal computers.

Under business situation outlined above, we have got systems ready for worldwide high volume production lines of various PWBs. However the decrease of market demand and the decline of sales price affect negative impact for our operational revenue.

CMK is making a concerted effort to reward our investors with increasing profits. We thank you all for your understanding and continuous supports for our operations.

June 2002

E. Watanabe.

Eiji WatanabePresident and Chief Executive Officer

Management Issues

The world of electronics will be expanded with development of high information technologies. We are involved in the advanced research & development technologies that are required to fulfill the high performance products. We continuously make the best effort to compete with volatile economic conditions and to penetrate customer-oriented and profit-consciousness managements.

In addition, based on "the Corporate Officer System" started in April 2002, we have been promoting to fulfill the mid-term management plan. Outline of the plan is as the followings:

1. Focus on Group Management

We have a consciousness of cash-flow as all the CMK group.

2. Restructuring of Domestic Production and Overseas Production

We improve domestic production systems. We accelerate overseas production while reviewing the Japan's market synthetically.

3. Enhancement of High-Value-Added Productions

We pursue the worldwide business efficiency and inject management resources into high value-added products.

4. Environmental Protection and Information Disclosure

CMK promotes CO₂ minimization and energy save and develops environment-friendly products. Also CMK releases periodical environmental reports.

The Top Interview

Q: What do you think about the financial status in this term?

Watanabe: In the beginning of this term, the global IT recession has began. Until the beginning of 2002, the world wide sluggish economy was compounded with The Terrorism on 9/11 in the U.S.A. CMK has made every effort to pare down fixed expenses by restructuring of productivity. However, build-up PWBs and package substrates have been hard hit by the depression and the foreign demand also has been in slump.

Q: Please tell us your one-year sales forecast in each electronics devices sector.

Watanabe: The global IT recession and the deflation resulted in the sales downturn in mobile phones, personal computers, and audiovisual equipment. However, the demand of automotives and TV games kept the positive growth. During the next term, CMK forecasts that the market demand will increase in the digital electronics device arena: mobile phones with camera, digital still cameras, and DVDs.

Q: Please let us know the progress of three operations in China.

Watanabe: In terms of CMKS (CHINA) FACTORY: single sided PWBs and silver paste through holes production, an additional production line of silver paste through holes raises its sales revenues more. On the other hand, demand for single sided PWBs business is still low.

However, CMK keeps promoting the sales of single sided PWBs business and customers placed a high volume

production order. So, we forecast the sales will be upturn soon.

In terms of CMKC (DONG-GUAN) LTD.: doublesided and multi-layered PWB plant, the sales revenue has been going up since the second half of last year. They will move into the black during the next term.

Regarding to CMK ELECTRONICS (WUXI) CO., LTD.: build-up PWBs production site, high volume production system is almost ready. A small volume production has already been available. In 2003, they forecast to move into black.

Q: What is the influence from the business alliance with Photocircuits Corporation?

Watanabe: Photocircuits Corporation (PC) maintains significant sales account with "Big 3 automobile companies: GM, Chrysler, and Ford". CMK and PC establish a worldwide sales network, especially, for automotive market sales channels in the U.S.A. and Europe.

This alliance results in our great opportunity to improve the market share in automotive application PWBs.

PC's sales network in the U.S.A. is a very crucial business strategy for our operations in China. CMK China factories supply reasonably priced PWBs to the US customers.

This alliance is also important not only CMK China but also for the CMK global sales strategy because, in the future, CMK considers a capital alliance with PC.

CMK Topics

Alliance with Photocircuits CORPORATION

In May 2002, CMK agreed the strategic business contract with Photocircuits CORPORATION, a major PWB manufacturer established in 1951 in the U.S.A. Last year, PC's sales were \$300 millions and the sales of automotive electronic equipment accounted for 60% of it. Photocircuits has a large share for "Big 3 automobile companies".

By this alliance, CMK and PC aim to increase the share of US/Europe PWB market and the productions operate in China, Japan, and the U.S.A. CMK especially forecasts to increase the world share of automotive application PWBs. The goal is 30% from 15% the present share.

Completion of Development of Future-Oriented Package Substrates PWB

CMK has already concluded the basic agreement of technological cooperation with Simm Tech Co., Ltd., a major semiconductor package manufacturer, and collaborated the tip semiconductor package substrates PWB.

This time, we finished the collaboration and we will start building up the manufacturing technology for getting an order.

CMK completes the division of trial manufacture in the Technical Center Plant, therefore we'll consider the changeover to mass production according to the expansion of the order.

Commencement of Mass Production of the PWB for Lead-free Solder

CMK and Sumitomo Bakelite Co., Ltd. had accomplished the PWB that is made from phenolic paper, excellent in heat-resistant and enables to use lead-free solder. We started mass production from February 2002.

In consideration for the environment, major house-hold appliance manufacturers eliminate to use lead, therefore the use of lead-free solder is promoted. Hereafter, it is expected that the demand of the high heat-resistant PWB will increase rapidly.

Build-Up PWB Plant in China Starts on Operation

The Build-up PWB Plant "CMK ELECTRONICS (WUXI) Co., Ltd.", constructed since July 2001 as the third stronghold in China, accomplished the construction in May 2002 and started to ship the part of samples. We have already received many orders and we will start on mass production in this autumn.

Photocircuits CORPORATION





The Agreement Ceremony with Simm Tech Co., Ltd.



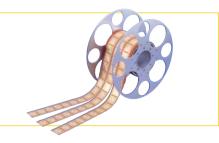
CMK ELECTRONICS (WUXI) Co., Ltd.

Package Substrate



Rigid Substrate

Rigid substrate is a package substrate, and the advanced technology to fulfill the requirement of miniaturization and thin substrate as the same as semiconductor devices.



♦ Tape Substrate

Tape substrate is a flex-type package substrate, and the features are thin and super fine conductors.

Applications: Mobile Phones, TV games, and PCs

E-Spec



♦ E-Spec

The "E-spec", the CMK original environment PWB specifications, has fulfilled the ecological requirements in the market. CMK continuously minimizes hazardous chemicals to our neighbors and eliminates negative impact to our children.



*"E-Spec" is a registered trademark of CMK CORPORATION.

Rigid-Flex Series



Rigid-Flex Series

The combination of flexible and rigid structure.

The Rigid-Flex is 3 dimensionally bendable and twistable.

Applications: Digital Still Cameras, Mobile Phones

Heat Sink PWB exclusively for Automobiles



♦ MB • MC Series

Newly developed for excellent heat sink, high pressure resistance, and assembled high density circuitry under the severe automotive conditions.

CMK Group

CMK is well known for its various products lineup and production capacity.

We, moreover, are highly involved in the product development and the improvement of the worldwide sales network that can respond to customers' demand quickly.





1 NIIGATA SATELLITE PLANT

High performance double-sided & multi layer PWBs.

- CMK MULTI CORPORATION
- CMK NIIGATA CORPORATION



2 CMK KANBARA ELECTRONIC CORPORATION JAPAN

Automotive applications specified double-sided & multi layer PWBs.



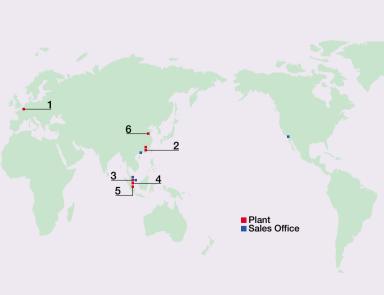
3 JT CMK CORPORATION

Joint-venture with Japan Tobacco Inc. over production of double-sided and multi-layered PWBs.



4 KIBAN Center Plant

Manufacture of single-sided and inner layer of multi-layered PWBs.





1 CMK EUROPE N. V.

Manufacture and sales of single-sided, double-sided and silver through-hole PWBs.



2 CMKS (CHINA) FACTORY

Manufacture of single-sided, silver through-hole PWBs.



3 CMKS (MALAYSIA) SDN. BHD.

Manufacture and sales of single-sided, double-sided and silver through-hole PWBs.



5 G-Station Plant

Manufacture of double-sided and multi-layered PWBs.



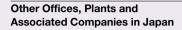
6 Technical Center Plant

Research & development facilities and manufacture of PWBs for package substrate.



7 CMK CIRCUIT TECHNOLOGY CENTER CORPORATION

The most advanced PWB design services.



- SE Center
- SE PRODUCTS CORPORATION
- CMK MECHANICS CORPORATION
- CMK HI-TECHS CORPORATION
- CMK DRILLING CORPORATION
- YAMANASHI SANKO CO., LTD.
- JSIC CORPORATION
- WAKOH ELECTRONICS CORPORATION



4 CMK SINGAPORE (PTE.) LTD.

Manufacture and sales of single-sided, double-sided PWBs.



5 P. T. CMKS INDONESIA

Manufacture of single-sided PWBs.



6 CMK ELECTRONICS (WUXI) CO., LTD.

Manufacture of build-up PWBs.

Other Companies Overseas

- CMKC (DONG GUAN) LTD.
- CMKS (MALAYSIA) SDN. BHD.
 PENANG SALES OFFICE
- CMKS (MALAYSIA) SDN. BHD. KUALA LUMPUR OFFICE
- CMKS (HONG KONG) CO., LTD.
- CMKS (THAILAND) CO., LTD.
- CMKC (HONG KONG) LIMITED
- NIPPON CMK CORPORATION (U.S.A.)

Environmental Protection

We practice environmental preservation activities such as acquisition of ISO14001 Certificate and sales of "E-Spec" (environmental-friendly PWBs) production.

Recently, we accomplished to develop the industrial waste recycled procedure during the PWB manufacturing processes.

Schedule of Acquisition of ISO14001

We consider the environment management systems as the foundation of the environmental activities. Therefore, we aim to acquire the ISO14001 Certificate in FY2003 for all the CMK production site.



Plants and Offices	Acquired Date
KIBAN Center Plant	Sep. 1998
NIIGATA SATELLITE PLANT	Aug. 1999
JSIC CORPORATION	Dec. 1999
CMK EUROPE N. V.	Oct. 2000
G-Station Plant	Oct. 2000
JT CMK CORPORATION	Dec. 2000
CMK SINGAPORE (PTE.) LTD.	Aug. 2001
WAKOH ELECTRONICS CORPORATION	Oct. 2001
P. T. CMKS INDONESIA	Dec. 2001
CMKS (MALAYSIA) SDN. BHD.	Dec. 2001

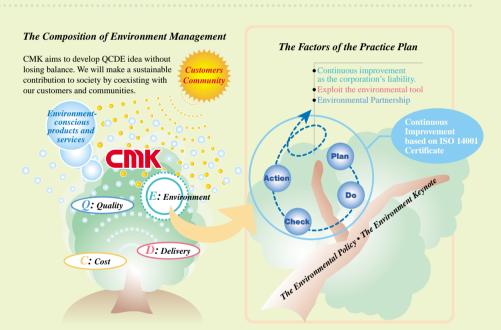
Environmental Policy

Based on one of our management policies, "fulfillment of the Company's social responsibility as a good corporate citizen", CMK CORPORATION makes the best efforts to all the business operation in order to protect the global environment.

General Environmental Policy

As a member of society, CMK believes that we are also responsible for harmony with the global environment.

Our policies are as follows:



- 1. To develop how to deal with environmental problems, establish an environmental promotion system of the CMK Group.
- 2. To abide by environmental laws and regulations and strictly control corporate activities.
- 3. To encourage energy- saving, recycling and the reduction of industrial waste with an aim to conserving limited resources.
- 4. To perform environmental assessment as part of corporate activities to reduce the load on the environment and promote the use of substitutes for toxic substances.
- 5. To perform environmental inspections to confirm and continuously improve environmental control activities.
- 6. To make every effort to protect natural areas and scenic sites, and coexist with the global environment.
- 7. To elevate awareness through environmental education and open to publicity measures.



Environmental report 2002

Financial Section

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Five-Year Summary

CMK CORPORATION and Consolidated Subsidiaries Years ended March 31, 2002, 2001, 2000, 1999 and 1998

Years ended March 31, 2002, 2001, 2000, 1999 and 1998			Yen (Millions)				S. Dollars housands)
	2002	2001	2000	1999	1998		2002
For the year							
Sales	¥104,540	¥122,293	¥121,246	¥113,448	¥126,552	\$	784,540
Operating income (loss)	(1,139)	9,284	4,945	895	9,905		(8,548)
Net income (loss)	(2,871)	4,182	1,147	(2,542)	890		(21,546)
At year end							
Shareholders' equity	49,716	52,822	48,407	47,451	50,992		373,103
Total assets	149,477	144,749	152,087	159,902	156,271	1,	,121,779
			Yen			U.S	S. Dollars
Per Share							
Net income							
···Basic	¥ (54.66)	¥80.36	¥22.21	¥(49.20)	¥17.21	\$	(0.410)
···Diluted	-	69.75	19.74				_
Price at Tokyo Stock Exchange							
High	1,480	2,390	1,600	1,810	1,790		11.11
Low	735	1,130	1,005	980	1,090		5.52
Cash dividends, applicable to period	12.00	10.00	10.00	10.00	10.00		0.090
			%				
Ratios							
Equity Ratio	33.3	36.5	31.8	29.7	32.6		
Return on Equity	-	8.3	2.4		1.7		
Price Earnings Ratio	-	16.8	54.9		76.7		
Number of employees (Person)	6,780	6,180	6,103				

Note: U.S. Dollars amounts have been translated from Yen, for convenience only, at the rate of ¥133.25= \$1, the Tokyo foreign exchange market rate as of March 31, 2002.

Consolidated Balance Sheets
CMK CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2002, and 2001

		Yen Illions)	U.S.Dollars (Thousands)
	Ma	rch 31	March 31
ASSETS	2002	2001	2002
Current assets:			
Cash and time deposits (Note 5)	¥ 17,873	¥ 13,968	\$ 134,131
Marketable securities (Note 3 & 5)	392	376	2,942
Trade receivable:			
Accounts and notes (Note 6 & 13)	26,826	33,599	201,321
Allowance for doubtful accounts	(85)	(147)	(638)
Inventories (Note 4)	10,288	9,917	77,208
Deferred income taxes (Note 9)	1,077	537	8,083
Other current assets (Note 6)	2,380	1,160	17,861
Total current assets	58,751	59,410	440,908
Property, plant and equipment (Note 7 & 10): Land Buildings and structures Machinery and equipment	14,125 56,883 103,234	14,152 54,524 98,858	106,004 426,889 774,739
Construction in progress	2,965	480	22,252
Less accumulated depreciation	177,207 106,808 70,399	168,014 99,430 68,584	1,329,884 801,561 528,323
	,		
Investments and other assets:			
Investments and other assets: Investments in securities (Note 3 & 6)	8.709	9 893	65.358
Investments in securities (Note 3 & 6)	8,709 257	9,893 569	65,358 2,222
Investments in securities (Note 3 & 6) Long-term loans (Note 6)	257	569	2,222
Investments in securities (Note 3 & 6) Long-term loans (Note 6) Deferred income taxes (Note 9)	257 1,687	569 1,088	2,222 12,660
Investments in securities (Note 3 & 6) Long-term loans (Note 6)	257	569	2,222

The accompanying notes are an integral part of these statements.

		en llions)	U.S.Dollars (Thousands)	
	Mar	rch 31	March 31	
LIABILITIES AND SHAREHOLDERS' EQUITY	2002	2001	2002	
Current liabilities:				
Short-term borrowings	¥ 6,835	¥ 5,632	\$ 51,295	
Current portion of long-term debt (Note 7)	6,781	11,647	50,889	
Trade payables:				
Accounts and notes (Note 6)	12,226	12,423	91,752	
Income taxes payables (Note 9)	493	1,911	3,700	
Other current liabilities (Note 6 & 9)	11,573	12,496	86,852	
Total current liabilities	37,908	44,109	284,488	
Long-term liabilities:				
Long-term debt (Note 7)	54,345	41,718	407,843	
Accrued pension and severance costs (Note 12)	141	115	1,058	
Provision for retirement and severance benefits for directors and statutory auditors	689	643	5,171	
Others (Note 9)	1,641	869	12,315	
Total long-term liabilities	56,816	43,345	426,387	
Total long term mannaes	20,010	13,313	-120,507	
Minority interests in subsidiaries	5,037	4,473	37,801	
Contingent liabilities (Note 13):	_	_	_	
Shareholders' equity (Note 8):				
Common stock				
Authorized: 199,871,000 Shares				
Issued:				
March 31, 2002; 53,205,124 Shares	16,117		120,953	
March 31, 2001; 53,205,124 Shares		16,117		
Additional paid-in capital	15,875	15,875	119,137	
Retained earnings	20,398	24,038	153,081	
Unrealized gains on securities	32	222	240	
Foreign currency translation adjustments	(1,353)	(2,060)	(10,154)	
Treasury stock, at cost	(1,353)	(1,370)	(10,154)	
Total shareholders' equity	49,716	52,822	373,103	
	¥149,477	¥144,749	\$1,121,779	

Consolidated Statements of Income CMK CORPORATION and Consolidated Subsidiaries Years ended March 31, 2002, 2001 and 2000

		U.S.Dollars (Thousands) Year ended March 3				
	Y	Year ended March 31				
	2002	2001	2000	2002		
Net sales (Note 14)	¥104,540	¥122,293	¥121,246	\$784,540		
Cost of sales	94,625	101,878	104,608	710,131		
Gross profit	9,915	20,415	16,638	74,409		
Selling, general and administrative						
expenses	11,054	11,131	11,693	82,957		
Operating income (loss) (Note 14)	(1,139)	9,284	4,945	(8,548)		
Other income (expenses):						
Interest and dividend income	144	349	228	1,081		
Interest expenses	(1,239)	(1,484)	(1,795)	(9,298)		
Other, net	(1,273)	(929)	693	(9,554)		
Income (loss) before income taxes	(3,507)	7,220	4,071	(26,319)		
Income taxes (Note 9)	(380)	2,562	2,611	(2,852)		
Income (loss) before minority interests	(3,127)	4,658	1,460	(23,467)		
Minority interests in subsidiaries	256	(476)	(313)	1,921		
Net income (loss)	¥ (2,871)	¥ 4,182	¥ 1,147	\$ (21,546)		
		Yen		U.S.Dollars		
Per share of common stock:						
Net income (loss) – Basic	¥ (54.66)	¥ 80.36	¥ 22.21	\$ (0.410)		

69.75

10.00

12.00

19.74

10.00

0.090

The accompanying notes are an integral part of these statements.

- Diluted

Cash dividends, applicable to period

Consolidated Statements of Shareholders' Equity CMK CORPORATION and Consolidated Subsidiaries Years ended March 31, 2002, 2001 and 2000

			Ye (Mill			
	Common stock	Additional paid-in capital	Retained earnings	Unrealized gains on securities	Foreign currency translation adjustment	Treasury stock, at cost
Balance at March 31, 1999	¥ 14,821	¥ 14,578	¥ 18,770	¥ -	¥ (715)	¥ (3)
Net income	_	_	1,147	_	_	_
Cash dividends	_	_	(528)	_	_	_
Bonuses to directors and statutory auditors	_	_	(53)	_	_	_
Increase due to consolidation of subsidiaries						
not consolidated in the previous year	_	_	266	_	_	_
Increase due to retroactive effect of						
accounting for deferred income taxes	_	_	932	_	_	_
Translation adjustment	_	_	_	_	(698)	_
Purchase of treasury stock	_	_	_	_	_	(182)
Reissuance of treasury stock	_	_	_	_	_	72
Retirement of treasury stock (Note 8)	_	_	(112)	_	_	112
Balance at March 31, 2000	¥ 14,821	¥ 14,578	¥ 20,422	¥ -	¥ (1,413)	¥ (1)
Conversion of convertible bonds	1,296	1,297	_	_	_	_
Net income	_	_	4,182	_	_	_
Cash dividends	_	_	(515)	_	_	_
Bonuses to directors and statutory auditors	_	_	(51)	_	_	_
Unrealized holding gains arising during the period	_	_	_	222	_	_
Translation adjustment	_	_	_	_	(647)	_
Purchase of treasury stock	_	_	_	_	_	(1,536)
Reissuance of treasury stock	_	_	_	_	_	167
Balance at March 31, 2001	¥ 16,117	¥ 15,875	¥ 24,038	¥ 222	¥ (2,060)	¥ (1,370)
Net income (loss)	_	_	(2,871)	_	_	_
Cash dividends	_	_	(631)	_	_	_
Increase due to consolidation of subsidiaries						
not consolidated in the previous year	_	_	(67)	_	_	_
Bonuses to directors and statutory auditors	_	_	(71)	_	_	_
Unrealized holding loss arising during the period	_	_	_	(191)	_	_
Translation adjustment	_	_	_	_	707	_
Purchase of treasury stock	_	_	_	_	_	(22)
Sale of treasury stock	_	_	_	_	_	39
Balance at March 31, 2002	¥ 16,117	¥ 15,875	¥ 20,398	¥ 32	¥ (1,353)	¥ (1,353)

	U.S.Dollars (Thousands)							
	Common stock	Additional paid-in capital	Retained earnings	Unrealized gains (losses) on securities	Foreign currency translation adjustment	Treasury stock, at cost		
Balance at March 31, 2001	\$120,953	\$119,137	\$180,398	\$ 1,673	\$(15,460)	\$(10,281)		
Net income (loss)	_	_	(21,546)	_	_	_		
Cash dividends	_	_	(4,735)	_	_	_		
Increase due to consolidation of subsidiaries								
not consolidated in the previous year	_	_	(503)	_	_	_		
Bonuses to directors and statutory auditors	_	_	(533)	_	_	_		
Unrealized holding loss arising during the period	_	_	_	\$(1,433)	_	_		
Translation adjustment	_	_	_	_	5,306	_		
Purchase of treasury stock	_	_	_	_	_	(165)		
Sales of treasury stock	_	_	_	_	_	292		
Balance at March 31, 2002	\$120,953	\$119,137	\$153,081	\$ 240	\$(10,154)	\$(10,154)		

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows CMK CORPORATION and Consolidated Subsidiaries Years ended March 31, 2002, 2001 and 2000

		U.S.Dollars (Thousands)		
	Ye	ar ended March 3	1	Year ended March 31
	2002	2001	2000	2002
Cash flows from operating activities:				
Net income (loss)	¥ (2,871)	¥ 4,182	¥ 1,147	\$(21,546)
Adjustments to reconcile net income				
to net cash provided by operating activities:				
Depreciation and amortization	10,062	10,344	12,561	75,512
Loss on disposal of fixed assets	331	189	219	2,484
Provision for directors and statutory auditors' retirement benefit	46	140	(36)	345
Deferred income taxes (Note 9)	(1,023)	(508)	(345)	(7,677)
Other, net	366	791	(223)	2,747
Changes in assets and liabilities:			, ,	
(Increase) decrease in trade accounts and notes receivable	7,216	520	(1,334)	54,154
(Increase) decrease in inventories	63	773	(2,191)	473
Increase (decrease) in trade payable	(116)	(4,586)	1,117	(871)
Increase (decrease) in income taxes payable	(2,474)	(749)	2,974	(18,567)
Changes in other current assets and liabilities	(844)	3,376	2,057	(6,334)
Net cash provided by operating activities	10,756	14,472	15,946	80,720
Cash flows from investing activities:	,	·		,
Decrease (increase) in investments and advances	(3,681)	(492)	1,080	(27,625)
Payment for purchase of property, plant and equipment	(11,447)	(7,455)	(12,028)	(85,906)
Proceeds from sales of property, plant and equipment	547	1,119	653	4,105
Other, net	(1,053)	(240)	3,404	(7,902)
Net cash used in investing activities	(15,634)	(7,068)	(6,891)	(117,328)
Cash flows from financing activities:				
Increase (decrease) in short-term debt	41,687	(1,372)	(4,065)	312,848
Repayment of long-term debt	(54,864)	(10,290)	(11,436)	(411,737)
Proceeds from long-term debt	21,300	2,150	6,000	159,849
Cash dividends paid	(631)	(515)	(523)	(4,735)
Other, net	967	(773)	(521)	7,257
Net cash provided by (used in) financing activities	8,459	(10,800)	(10,545)	63,482
Effect of exchange rate changes on cash	8	(975)	(538)	60
Net increase (decrease) in cash and cash equivalents	3,589	(4,371)	(2,028)	26,934
Cash and cash equivalents at beginning of year	14,134	18,505	20,533	106,071
Cash and cash equivalents at end of year (Note 5)	¥17,723	¥14,134	¥18,505	\$133,005
Supplemental data:				
Cash paid (refund) during the year for-				
Income taxes	¥ 3,116	¥ 3,819	¥ (19)	\$ 23,385
Interest	1,192	1,495	1,801	8,946

CMK CORPORATION and Consolidated Subsidiaries

1. Summary of significant accounting policies

(a) Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of CMK CORPORATION (the "Company") and its consolidated subsidiaries have been prepared from the consolidated financial statements filed with the Ministry of Finance as required by the Securities and Exchange Law of Japan, in conformity with generally accepted accounting principles in Japan.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

(b) Principle of consolidation

The Company had 25 and 24 subsidiaries as of March 31, 2002 and 2001, respectively. The consolidated financial statements included the accounts of the Company and its 20 and 18 significant subsidiaries as of March 31, 2002 and 2001, respectively. Intercompany accounts and significant intercompany transactions have been eliminated on consolidation.

The investments in (20% to 50% owned) affiliates, except some of them, are accounted for by the equity method.

Non-consolidated subsidiaries and a part of investments in affiliates are stated at cost because of their immateriality. Earnings of these companies are recorded in the Company's books only to the extent that cash dividends are received.

The difference between the cost of investments in consolidated subsidiaries and the equity in their net assets at dates of acquisition is amortized, on a straight-line basis, over five years for subsidiaries in Japan, twenty-years for subsidiaries outside Japan.

(c) Cash and cash equivalents

The cash and cash equivalents included certificates of deposit, bank deposits with a maturity of three months or less which can be withdrawn without any restriction, and highly liquid debt instruments with a original maturity of three months or less.

(d) Marketable securities and investment securities

Debt and equity securities are classified in one of three categories: available-for-sale, trading, or held-to-maturity. Debt securities that are classified as "held-to-maturity" securities are reported at amortized cost. Debt and equity securities that are classified as "trading" securities are reported at fair value, with unrealized gains and losses included in earnings. Other debt and equity securities are classified as "available-for-sale" securities and are reported at fair value at the closing date, with unrealized gains or losses net of deferred taxes, included in unrealized gains (losses) on securities in the stockholders' equity section of the consolidated balance sheet. Realized

gains and losses which are determined on the moving average cost method are reflected in income.

(e) Inventories

Merchandise except for molds, raw materials, finished goods and work in process are stated at cost determined by the average method. Molds are stated at cost determined by the specific identification method. Subsidiary outside of Japan, inventories are valued at lower of cost or market, which are determined by moving-average method.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost. In the company and Subsidiaries inside Japan, depreciation is computed by the declining-balance method at rates based on estimated useful lives of the respective assets according to general class, type of construction and use. For subsidiaries outside Japan, depreciations are computed by straight-line method. Significant renewals and additions are capitalized at cost. Maintenance, repairs and minor renewals and betterments are charged to income as incurred.

(g) Accounting for leases

Finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees, are accounted for by the method similar to that applicable to ordinary rental transactions.

(h) Income taxes

The assets and liability approach is used to recognize deferred tax assets and liabilities.

(i) Retirement and pension plans

The Company and its subsidiaries in Japan have various defined benefit pension plans and severance indemnity plans.

The Company provided for retirement allowance to directors and statutory auditors determined based on their pertinent rules that calculate the estimated amount to be paid if all directors and statutory auditors retired at the balance sheet date.

(j) Research and development costs

Research and development costs are charged to income as incurred.

(k) Foreign currency translation

All asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese Yen at appropriate yearend current rates, and the shareholders' equity accounts except for retained earnings are translated at historical rates. All income and expense accounts of foreign subsidiaries and affiliates are translated into Japanese Yen at the average rate during the fiscal year. The resulting translation adjustments are presented as "foreign currency translation adjustments" in the accompanying consolidated financial statements.

The monetary assets and liabilities in foreign currencies are translated into Japanese Yen at applicable current year-end rates, and other assets and liabilities are translated at historical rates, and differences due to translation are credited or charged to income as incurred.

(1) Net income and dividends per share

Basic net income per share is computed based on the weighted average number of shares outstanding during each

period, and diluted net income per share assumes the dilution that could occur if convertible bonds or similar securities were converted into common stock or exercised to result in the issuance of common stock.

Cash dividends per share reflect cash dividends applicable to the respective periods.

(m) Reclassifications

Certain reclassifications of the financial statements and related footnote amounts in the years ended March 31, 2001 and 2000 have been made to conform to the presentation in the year ended March 31, 2002.

2. Translation into U.S. Dollars

The consolidated financial statements presented herein are expressed in Japanese Yen and, solely for the convenience of the reader, have been translated into U.S. Dollars at the rate of \$133.25 = U.S. \$1, the exchange rate on March 31, 2002. The

translations should not be construed as representation that the Japanese Yen amounts actually represent, or have been or could be converted into U.S. Dollars.

3. Marketable securities and investments

The cost and fair value of marketable securities and investments as of March 31, 2002 are shown below:

	Yen	U.S. Dollars
	(Millions)	(Thousands)
	2002	2002
Debt and equity securities – available-for-sale:		
Cost	¥2,761	\$20,721
Gross unrealized gains	399	2,994
Gross unrealized losses	(345)	(2,589)
Amount in balance sheet	¥2,815	\$21,126

Non-marketable securities are not included in the above cost and fair value.

4. Inventories

Inventories at March 31, 2002 and 2001 comprise the following:

		Yen (Millions)	
	2002	2001	2002
Merchandise	¥ 1,487	¥2,013	\$11,159
Finished goods	2,325	2,405	17,449
Work in process	3,976	3,447	29,839
Raw materials and supplies	2,500	2,052	18,761
	¥10,288	¥9,917	\$77,208

5. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts at March 31, 2002 and 2001:

	Y	U.S. Dollars	
	(Millions)		(Thousands)
	2002	2001	2002
Cash and time deposits	¥17,873	¥13,968	\$134,131
Marketable securities	392	376	2,942
Deposits with a maturity of three months or more	(542)	(210)	(4,068)
Cash and cash equivalents	¥17,723	¥14,134	\$133,005

6. Accounts with Related Parties

Accounts with the non-consolidated subsidiaries and affiliates are shown below:

		en	U.S. Dollars
	(Mil	lions)	(Thousands)
	2002	2001	2002
Investment in securities of the non-consolidated:			
Subsidiaries and affiliates	¥ 3,044	¥ 2,704	\$ 22,844
Long-term loans	1,822	232	13,674
Trade receivable—Accounts and notes	2,266	25	17,006
Other current assets	1,411	45	10,589
Trade payable–Accounts and notes	4,212	385	31,610
Other current liabilities	280	23	2,101

7. Long-term debt

Long-term debt at March 31, 2002 and 2001 is as follows:

		Yen (Millions)		
	2002	2001	2002	
Unsecured bonds:				
1st series, due 2003, interest 2.25%	¥20,000	¥20,000	\$150,094	
Unsecured convertible bonds:				
3rd series, due 2005, interest 0.7%	12,408	12,408	93,118	
Loans, principally from banks and insurance company:				
Secured, due 2002~2008 interest 1.875%~5.5%	4,534		34,026	
Secured, due 2001~2008 interest 1.875%~8.1%		3,658		
Unsecured, due 2002~2008 interest 1.85%~8.5%	24,184		181,494	
Unsecured, due 2001~2008 interest 1.5%~7.35%		17,299		
	61,126	53,365	458,732	
Less current portion	6,781	11,647	50,889	
	¥54,345	¥41,718	\$407,843	

As of March 31, 2002 and 2001, long-term debt is secured by property, plant and equipment with a net value of \$12,904 million (\$96,841 thousand) and \$13,920 million, respectively.

As is customary in Japan, short-term and long-term bank

loans are made under general agreements, which provide that security, and guarantees for future and present indebtedness will be given upon request of the bank.

The aggregate annual maturities of long-term debt are as follows:

	Yen	U.S. Dollars
Year ending March 31	(Millions)	(Thousands)
2002	¥ 6,781	\$ 50,889
2003	4,506	33,816
2004	35,333	265,163
2005	4,040	30,319
2006	10,059	75,490
2007 and thereafter	407	3,055
	¥61,126	\$458,732

8. Shareholders' equity

The Japanese Commercial Code provides that the amount not exceeding one-half of the issue share prices may not be credited to the stated capital.

The Company set a provision that the Company may acquire its own shares within the maximum limit of three million shares and three billion yen of the acquisition cost.

9. Income taxes

The Company and its domestic subsidiaries are subject to a number of taxes based on income, which in the aggregate resulted in normal tax rates of approximately 42% for the year ended March 31, 2002 and 2001.

Income tax expenses comprise the following:

		Yen (Millions)	
	2002	2001	2002
Income taxes: Current Deferred	¥ 642 (1,022)	¥3,070 (508)	\$ 4,818 (7,670)
	¥ (380)	¥2,562	\$ (2,852)

The significant components of deferred tax assets and liabilities are as follows:

		(en llions)	U.S. Dollars (Thousands)
	2002	2001	2002
Deferred tax assets:			
Provision for employee's bonuses	¥ 188	¥ 246	\$ 1,411
Provision for retirement and severance benefit of directors and statutory auditors	353	269	2,649
Provision for enterprises tax	_	134	· –
Depreciation	346	370	2,597
Fix assets - intercompany profits	92	96	690
Inventory - intercompany profits	57	40	428
Securities evaluation loss	712	318	5,343
Tax loss	774	_	5,809
Others	242	150	1,816
Gross deferred tax assets	2,764	1,625	20,743
Deferred tax liabilities:			
Allowance for doubtful receivables - intercompany losses	(31)	(12)	(233)
Reserve for special depreciation	(10)	(11)	(75)
Others	(16)	(54)	(120)
Gross deferred tax liabilities	(57)	(77)	(428)
	¥2,707	¥1,548	\$20,315

Reconciliation of the differences between the statutory tax rate and the effective tax rate is as follows:

	2002	2001
Statutory tax rate	42.0%	42.0%
Increase (reduction) in taxes resulting from:		
Tax loss carry forward	(29.4%)	(2.6%)
Non-deductible entertainment expenses	(1.1%)	0.8%
Non- taxable dividend income	1.2%	(1.1%)
Difference in normal tax rates of subsidiaries	(1.4%)	(2.6%)
Others	(0.4%)	(1.0%)
Effective income tax rate	10.9%	35.5%

Net deferred tax assets are included in the consolidated balance sheets as follows:

		'en	U.S. Dollars
	(Mi	(Thousands)	
	2002	2001	2002
Current assets - Deferred income taxes	¥1,077	¥ 537	\$ 8,083
Investments and other assets - Deferred income taxes	1,687	1,088	12,660
Current liabilities - other current liabilities	(5)	_	(38)
Long-term liabilities - other	(52)	(77)	(390)
Net deferred tax assets	¥2,707	¥1,548	\$20,315

II C Dollars

10. Leased assets

Under Japanese accounting standards for leases, finance leases that do not transfer ownership of the leased assets to the lessees are permitted to be accounted for as rental transactions if certain "as if capitalized" information is disclosed in notes to lessee's financial statements. For the years ended March 31,

2002, 2001 and 2000, the Company and its domestic subsidiaries made payments of ¥634 million (\$4,758 thousand), ¥818 million and ¥810 million, respectively, on these finance leases.

	Yen (Millions)		U.S. Dollars (Thousands)
	2002	2001	2002
Class of property (inclusive of interest)			
Machinery and equipment	¥ 2,244	¥ 4,306	\$ 16,840
Others	1,014	809	7,610
Accumulated depreciation	(1,716)	(3,297)	(12,878)
	¥ 1,542	¥ 1,818	\$ 11,572

Depreciation expenses are computed using straight-line method over lease terms assuming no residual value.

Future minimum lease payments, inclusive of interest, as of March 31, 2002 and 2001 are:

	}	U.S. Dollars (Thousands)		
	(Mi	(Millions)		
Year ending March 31	2002	2001	2002	
2003	¥ 539	¥ 586	\$ 4,045	
2004 and the after	1,003	1,232	7,527	
Total future minimum lease payment	¥ 1,542	¥ 1,818	\$ 11,572	

11. Derivative financial instruments

Foreign exchange forward contracts are used to hedge the risk of changes in foreign currency exchange rates substantially associated with accounts receivable denominated in foreign currencies. As foreign exchange forward contracts are utilized for hedging purposes, such resulting gains or losses are effectively offset against foreign exchange gains or losses on the underlying hedged assets by recognizing them in the same

period. The purpose of the Company's foreign currency hedging activities is to protect the Company from the risk that eventual Yen net cash inflows resulting from the sale of products to foreign customers will be adversely affected by changes in exchange rates. The contracted amounts outstanding at March 31, 2002 and 2001 are shown below.

	Yen (Millions)			U.S. Dollars (Thousands)		
	2002		2001		20	
Forward exchange contracts:						
To sell foreign currencies	¥	_	¥	6	\$	_
To buy foreign currencies		_		_		_
	¥	-	¥	6	\$	_

12. Pension and severance plans

The Company and its domestic subsidiaries have various defined benefit pension plans and severance indemnity plans.

	Yen	U.S. Dollars
	(Millions)	(Thousands)
Accrued pension and severance costs at March 31, 2002	2002	2002
Benefit obligation	¥ (3,814)	\$ (28,623)
Plan assets	3,130	23,490
Funded status	(684)	(5,133)
Unrecognized actuarial loss	575	4,315
Net amount recognized	(109)	(818)
Prepaid benefit cost	32	240
Accrued pension and severance costs	¥ (141)	\$ (1,058)

	(M	Yen illions)		ousands)
Detail of net periodic benefit cost at March 31, 2002	2002		2002	
Service cost	¥	314	\$	2,356
Interest cost		101		758
Expected return on plan assets		(84)		(630)
Amortization of net transition obligation		15		113
Net periodic benefit cost	¥	346	\$	2,597

Assumptions used at March 31, 2002	2002
Discount rate	3.0%
Expected return on plan assets	3.0%

13. Contingent liabilities

Contingent liabilities at March 31, 2002 and 2001 are as follows:

	Yen (Millions)		U.S. Dollars
			(Thousands)
	2002	2001	2002
Notes receivable discounted with banks	¥ 101	¥ 374	\$ 758
Endorsed notes	945	3,348	7,092
	¥ 1,046	¥ 3,722	\$ 7,850

14. Segment information

The following segment information has been prepared according to a Ministerial Ordinance under the Securities and Exchange Law of Japan.

The printed wiring board sector, for each of the years in the three-year period ended March 31, 2002, is more than 90%.

Geographic areas:

Part	Geographic areas:	Yen (Millions)			U.S.Dollars (Thousands)	
Sales and operating revenue: Japan Customers ¥ 86,323 ¥101,788 ¥103,146 \$647,827 Intersegment 2,645 2,920 3,303 19,850 Total 88,968 104,708 106,449 667,677 Asia Customers ¥ 16,512 ¥ 18,764 ¥ 16,160 \$123,917 Intersegment 1,318 558 303 9,891 Total 17,830 19,322 16,463 133,808 Europe 2 1,706 ¥ 1,741 ¥ 1,940 \$12,803 Intersegment - 20 - - - Total 1,706 4,761 1,940 12,803 Intersegment - 20 - - - Customers 4 1,766 1,761 1,940 12,803 Intersegment - 20 - - - - - - - - - - - <						
Sapan Sapa		2002	2001	2000	2002	
Sapan Sapa	Sales and operating revenue:					
Customers ¥ 86,323 ¥101,788 ¥103,146 \$647,827 Intersegment 2,645 2,920 3,303 19,850 Total 88,968 104,708 106,449 667,677 Asia Customers ¥ 16,512 ¥ 18,764 ¥ 16,160 \$ 123,917 Intersegment 1,318 558 303 9,891 Total 17,830 19,322 16,463 133,808 Europe Customers Y 1,706 ¥ 1,741 ¥ 1,940 \$ 12,803 Intersegment - 20 -	• •					
Total 88,968 104,708 106,449 667,677 Asia Customers ¥ 16,512 ¥ 18,764 ¥ 16,160 \$ 123,917 Intersegment 1,318 558 303 9,891 Total 17,830 19,322 16,463 133,808 Europe Customers 1,706 ¥ 1,741 ¥ 1,940 \$ 12,803 Intersegment - 20 - - - Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥ 104,540 ¥ 122,293 ¥ 12,1246 \$ 784,540 Operating income: 3 4455 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ 10,7058 ¥ 115,709 ¥ 129,735 \$ 803,437 Asia 17,492 17,465	Customers	¥ 86,323	¥101,788	¥103,146	\$ 647,827	
Asia Customers Intersegment ¥ 16,512 1,318 ± 18,764 558 ¥ 16,160 303 \$ 123,917 9,891 Total 17,830 19,322 16,463 133,808 Europe Customers Intersegment * 1,706 ¥ 1,741 ¥ 1,940 \$ 12,803 Intersegment - 20 - - Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥ 104,540 ¥ 122,293 ¥ 12,1246 * 784,540 Operating income: ** ** ** * 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Consolidated ¥ 1,139 ¥ 9,284 ¥ 4,945 \$ 85,488 Identifiable assets: ** 1,492 17,455 15,303 131,272 Europe 2	Intersegment	2,645	2,920	3,303	19,850	
Customers ¥ 16,512 ¥ 18,764 ¥ 16,160 \$ 123,917 Intersegment 1,318 558 303 9,891 Total 17,830 19,322 16,463 133,808 Europe Customers Y 1,706 ¥ 1,741 ¥ 1,940 \$ 12,803 Intersegment - 20 - - Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥ 104,540 ¥ 122,293 ¥ 12,1246 * 784,540 Operating income: Japan ¥ 438 ¥ 9,111 ¥ 5,193 \$ 3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ 85,481 Identifiable assets: Japan ¥ 107,058 ¥ 115,709 ¥ 129,735 \$ 803,437 Asia 17,492	Total	88,968	104,708	106,449	667,677	
Intersegment 1,318 558 303 9,891 Total 17,830 19,322 16,463 133,808 Europe Customers \$\begin{array}{cccccccccccccccccccccccccccccccccccc	Asia					
Total 17,830 19,322 16,463 133,808 Europe Customers ¥ 1,706 ¥ 1,741 ¥ 1,940 \$ 12,803 Intersegment − 20 − − Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥ 104,540 ¥ 122,293 ¥ 121,246 \$ 784,540 Operating income: Japan ¥ 438 ¥ 9,111 ¥ 5,193 \$ 3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ 85,488 Identifiable assets: Japan ¥ 107,058 ¥ 115,709 ¥ 129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899	Customers	¥ 16,512	¥ 18,764	¥ 16,160	\$ 123,917	
Europe Customers Intersegment ¥ 1,706 ¥ 1,741 ¥ 1,940 \$ 12,803 Intersegment - 20 - - Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥ 104,540 ¥ 122,293 ¥ 121,246 \$ 784,540 Operating income: Japan ¥ 438 ¥ 9,111 ¥ 5,193 \$ 3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ 85,488 Identifiable assets: Japan ¥ 107,058 ¥ 115,709 ¥ 129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination	Intersegment	1,318	558	303	9,891	
Customers ¥ 1,706 ¥ 1,741 ¥ 1,940 \$ 12,803 Intersegment — 20 — — — — — Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥ 104,540 ¥122,293 ¥121,246 * 784,540 Operating income: Japan ¥ 438 ¥ 9,111 ¥ 5,193 \$ 3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ 8,548) Identifiable assets: Japan ¥ 107,058 ¥ 115,709 ¥ 129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 <td>Total</td> <td>17,830</td> <td>19,322</td> <td>16,463</td> <td>133,808</td>	Total	17,830	19,322	16,463	133,808	
Intersegment - 20 - - Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥104,540 ¥122,293 ¥121,246 \$784,540 Operating income: Japan ¥438 ¥ 9,111 ¥ 5,193 \$3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ 85,488 Identifiable assets: Identifiable assets: Identifiable assets: Image: Secondary of the part of the	Europe					
Total 1,706 1,761 1,940 12,803 Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥104,540 ¥122,293 ¥121,246 *784,540 Operating income: Japan ¥438 ¥9,111 ¥5,193 \$3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥9,284 ¥ 4,945 \$85,488 Identifiable assets: Japan ¥107,058 ¥115,709 ¥129,735 \$803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥15,2087 \$1,121,779 Export sales: To	Customers	¥ 1,706	¥ 1,741	¥ 1,940	\$ 12,803	
Elimination (3,964) (3,498) (3,606) (29,748) Consolidated ¥104,540 ¥122,293 ¥121,246 \$784,540 Operating income: Japan ¥438 ¥9,111 ¥5,193 \$3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥ 149,477 ¥ 144,749 ¥ 152,087 \$ 1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,13	Intersegment	_	20	_	_	
Consolidated ¥104,540 ¥122,293 ¥121,246 \$784,540 Operating income: Japan ¥438 ¥9,111 ¥5,193 \$3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ (8,548) Identifiable assets: Japan ¥107,058 ¥115,709 ¥129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156	Total	1,706	1,761	1,940	12,803	
Y 438 Y 9,111 Y 5,193 3,287 Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated Y (1,139) Y 9,284 Y 4,945 8,548) Identifiable assets: Japan Y 107,058 Y 115,709 Y 129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated Y 149,477 Y 144,749 Y 152,087 \$ 1,121,779 Export sales: To Asia Y 18,413 Y 20,193 Y 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	Elimination	(3,964)	(3,498)	(3,606)	(29,748)	
Japan ¥ 438	Consolidated	¥104,540	¥122,293	¥121,246	\$ 784,540	
Japan ¥ 438	Operating income:					
Asia (465) 1,287 605 (3,490) Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ (8,548) Identifiable assets: Japan ¥ 107,058 ¥ 115,709 ¥ 129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥ 149,477 ¥ 144,749 ¥ 152,087 \$ 1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022		¥ 438	¥ 9,111	¥ 5,193	\$ 3,287	
Europe (267) (182) (105) (2,004) Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ (8,548) Identifiable assets: Japan ¥107,058 ¥115,709 ¥129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	=	(465)	1,287	605	(3,490)	
Corporate and elimination (845) (932) (748) (6,341) Consolidated ¥ (1,139) ¥ 9,284 ¥ 4,945 \$ (8,548) Identifiable assets: Japan ¥107,058 ¥115,709 ¥129,735 \$ 803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	Europe	(267)	(182)	(105)		
Identifiable assets: Japan ¥107,058 ¥115,709 ¥129,735 \$803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥18,413 ¥20,193 ¥17,153 \$138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	•	(845)	(932)	(748)	(6,341)	
Japan ¥107,058 ¥115,709 ¥129,735 \$803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	Consolidated	¥ (1,139)	¥ 9,284	¥ 4,945	\$ (8,548)	
Japan ¥107,058 ¥115,709 ¥129,735 \$803,437 Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	Identifiable assets:					
Asia 17,492 17,465 15,303 131,272 Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated \\ \begin{array}{cccccccccccccccccccccccccccccccccccc		¥107,058	¥115,709	¥129,735	\$ 803,437	
Europe 2,034 2,057 2,899 15,265 Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated \mathbf{Y}149,477 \mathbf{Y}144,749 \mathbf{Y}152,087 \mathbf{\$\frac{1}{2}\$1,21,779 Export sales: \mathbf{Y}18,413 \mathbf{Y}20,193 \mathbf{Y}17,153 \mathbf{\$\frac{1}{2}\$138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	•					
Corporate and elimination 22,893 9,518 4,150 171,805 Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	Europe					
Consolidated ¥149,477 ¥144,749 ¥152,087 \$1,121,779 Export sales: To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	•		9,518	4,150		
To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	Consolidated	,		· · · · · · · · · · · · · · · · · · ·		
To Asia ¥ 18,413 ¥ 20,193 ¥ 17,153 \$ 138,184 To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	Export sales:					
To Europe 1,753 1,783 2,452 13,156 To Others 2,135 1,509 1,201 16,022	•	¥ 18.413	¥ 20.193	¥ 17.153	\$ 138.184	
To Others 2,135 1,509 1,201 16,022						
	•					
			· · · · · · · · · · · · · · · · · · ·			

General corporate expenses of \$1,221 million (\$9,163 thousand), \$1,366 million and \$1,134 million in 2002, 2001 and 2000, respectively, are included in "Corporate and elimination".

 To the Board of Directors of CMK CORPORATION

We have audited the accompanying consolidated balance sheets of CMK CORPORATION and subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended March 31, 2002, all expressed in Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CMK CORPORATION and subsidiaries as of March 31, 2002 and 2001, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2002, in conformity with accounting principles generally accepted in Japan.

The accompanying consolidated financial statements as of and for the year ended March 31, 2002 have been translated into U.S. Dollars solely for the convenience of the reader. We have reviewed the translation and, in our opinion, the consolidated financial statements expressed in Yen have been translated into U.S. Dollars on the basis set forth in Note 2 to consolidated financial statements.

Shinjuku Audit Corporation

Tokyo, Japan June 27, 2002

Group Companies (As of March 31, 2002)

Company Name	Equity held by the Company (%)	Principal Business
Subsidiaries		
CMK MECHANICS CORPORATION	100.0	Manufacturing and sales of PWBs and molds
CMK HI-TECHS CORPORATION	100.0	Manufacturing and sales of PWBs
CMK DRILLING CORPORATION	100.0	Manufacturing and sales of PWBs
CMK MULTI CORPORATION	100.0	Manufacturing and sales of PWBs
CMK CIRCUIT TECHNOLOGY CENTER CORPORATION	100.0	Designing circuit of PWBs
SE PRODUCTS CORPORATION	100.0	Manufacturing and sales of PWBs
CMK NIIGATA CORPORATION	100.0	Manufacturing and sales of PWBs
CMK FINANCE CORPORATION	100.0	Credit and loan to subsidiaries
CMKC (HONG KONG) LIMITED	100.0	Sales of PWBs
YAMANASHI SANKO CO., LTD.	90.0	Manufacturing and sales of PWBs
CMK EUROPE N. V.	80.0	Manufacturing and sales of PWBs
CMK KANBARA ELECTRONIC CORPORATION JAPAN	75.5	Manufacturing and sales of PWBs
JT CMK CORPORATION	66.6	Manufacturing and sales of PWBs
CMK ELECTRONICS (WUXI) CO., LTD.	65.0	Manufacturing and sales of PWBs
WAKOH ELECTRONICS CORPORATION	52.6	Manufacturing and sales of PWBs
CMK SINGAPORE (PTE.) LTD.	51.0	Manufacturing and sales of PWBs
JSIC CORPORATION	50.2	Manufacturing and sales of PWBs
CMKS (MALAYSIA) SDN. BHD.	64.1 (26.8)	Manufacturing and sales of PWBs
P. T. CMKS INDONESIA	100.0 (100.0)	Manufacturing and sales of PWBs
CMKS (HONG KONG) CO., LIMITED	100.0 (100.0)	Manufacturing and sales of PWBs
CMKC (DONG GUAN) LTD.	94.4 (94.4)	Manufacturing and sales of PWBs
CMKS (THAILAND) CO., LTD.	49.0 (49.0)	Sales of PWBs
Affiliate		
SNC INDUSTRIAL LAMINATES SDN. BHD.	49.0	Manufacturing and sales of copper-clad laminat

Note: Equity held by the Company equals the total of direct and indirect holdings. Figures in parentheses are indirect holdings.

Managements

(As of June 27, 2002)

Directors

Chairman	Noboru Nakayama
President and Chief Executive Officer	Eiji Watanabe
Director and Executive Vice President	Kameharu Seki
Director and Executive Senior Managing Officer	Norimasa Sato
Director and Executive Managing Officer	Kuniaki Kanemoto
Director and Executive Managing Officer	Shigeyuki Seki
Director and Executive Managing Officer	Takahiro Nakayama
Director and Executive Officer	Kunio Nishi
Director and Executive Officer	Mikihiko Hattori
Director and Executive Officer	Mamoru Manaka
Director	Ichiyo Kotani

Auditors

Standing Auditor	Mitsuo Honjo
Standing Auditor	Takashi Watanabe
Auditor	Hideaki Takahashi
Auditor	Tatsunao Matsuta

Executive officers

Executive Vice President	Shigeo Araki
Executive officer	Takeo Takai
Executive officer	Iwao Tachikawa

Corporate Data

(As of March 31, 2002)

Established

February 1961

Business Activities

Research and Development, production and sales of PWBs and electronic devices.

Major Shareholders

Shareholders	Number of shares held (Thousands)	Percentage (%)	
Nippon Trustee Service Bank, Ltd. (Trustee account	t) 5,540	10.4	
Noboru Nakayama	3,821	7.1	
Sumitomo Mitsui Banking Corporation	2,513	4.7	
The Dai-ichi Mutual Life Insurance Company	2,345	4.4	
The Industrial Bank of Japan, Limited	2,258	4.2	
Matsushita Electric Works, Ltd.	1,860	3.4	
UFJ Trust Bank Limited (Trustee account)	1,824	3.4	
The Mitsubishi Trust and Banking Corporation	1		
Retirement Benefit for Hitachi Chemical Co., Lt	d. 1,822	3.4	
Naohiko Seki	1,631	3.0	
The Tokyo Tomin Bank, Limited	1,545	2.9	

Correspondent Banks

(As of June 27, 2002)

Mizuho Corporate Bank, Ltd.

Mizuho Bank, Ltd.

Sumitomo Mitsui Banking Corporation

The Daiwa Bank, Ltd.

The Tokyo Tomin Bank, Ltd.

Principal Customers

Matsushita Electric Industrial Co., Ltd.

Sony Corporation

Toshiba Corporation

Pioneer Corporation

Seiko Epson Corporation

Casio Computer Co., Ltd.





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