CMK
Creating the future

2021 Business Report

Year Ended March 31, 2021

CMK CORPORATION

Securities Cord No : 6958

Message from the President

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

During the fiscal year under review, the Japanese economy showed signs of a gradual recovery amid restrictions on economic activity due to the COVID-19 pandemic, but with the resurgence of infections there is no clear end in sight and the situation remains uncertain.

Similarly, in the global economy, despite seeing signs of recovery due to the gradual resumption of economic activity, in addition to infections starting to rise once again, prolonged trade friction between the US and China has also contributed to the uncertain outlook.

Under these conditions, in the CMK Group's main operating field of products for automotive use, automobile sales recovered early on in China and are on the recovery track in Japan, but are still sluggish worldwide.

The CMK Group saw a decrease in sales of products designed for automotive use, resulting in consolidated net sales of ¥69,967 million (down 15.3% year on year).

On the profit front, despite driving down fixed costs and other expenses, due to factors include the fall in net sales, we recorded an operating loss of ¥1,676 million (compared with operating income of ¥1,601 million in the previous fiscal year).

Additionally, in connection with the fall in operating income, we recorded an ordinary loss of ¥1,511 million (compared with ordinary income of ¥792 million the previous fiscal year) and loss attributable to owners of parent of ¥1,868 million (compared with a loss of ¥1,128 million the previous fiscal year).

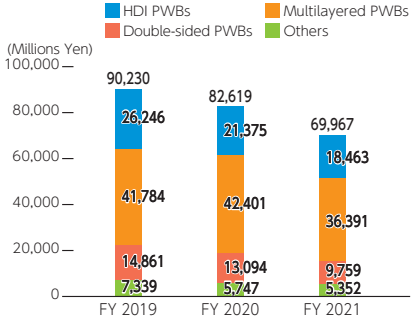
We regard the uncertainty and harsh economic conditions brought about by the COVID-19 pandemic as an opportunity to initiate internal reforms, and we appreciate the continued understanding and support of shareholders as we strive to enhance our corporate value going forward.

June 2021

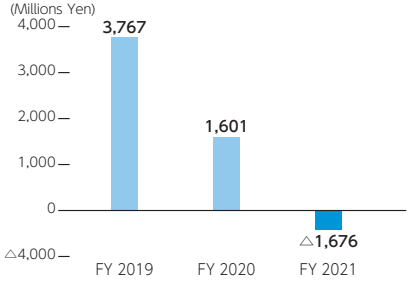
Isao Osawa

President and CEO

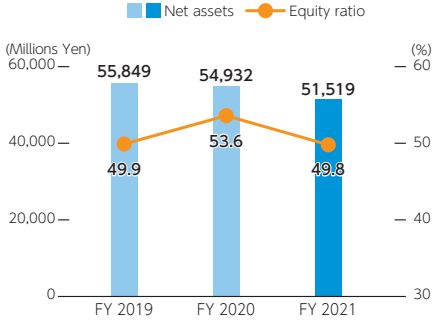
Net sales



Operating income (loss) (△)



Net assets／Equity ratio



Future Outlook

With the resurgence of COVID-19 infections and prolonged trade friction between the US and China, we expect the outlook for the Japanese and global economies to remain uncertain.

However, in the CMK Group's main operating field of products for automotive use, despite concerns over the impact of global semiconductor shortages, demand is expected to expand as electrification advances against a backdrop of structural changes driven by the new "CASE" trend of connected cars, autonomous driving, electric vehicles, and so on.

To achieve sustainable growth under these circumstances, the CMK Group will continue to prioritize promoting structural reforms and improvement in the quality of Group companies adopted in the Medium-Term Management Plan, and will work to enhance both productivity and profitability.

In terms of structural reforms, we will streamline production and enhance cost competitiveness through production reforms, and develop new business fields through sales reforms.

Additionally, at the Niigata Factory we have pursued technological innovation through investment in development facilities and aim to establish new areas of business in 5G-related markets and elsewhere.

In terms of improvement in the quality of Group companies, we will enhance product quality through quality reforms predicated on a compliance emphasis. We will also work to improve the quality of business operations through the new personnel system introduced in April 2020, which is designed to revitalize communication and develop a vibrant workplace based on an environment in which every employee can flourish, regardless of age, gender, nationality or other factors.

Additionally, we will drive ESG (environment, society, governance) management initiatives in order to become a company that is trusted by all stakeholders.

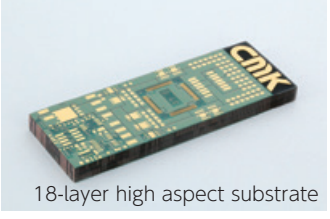
We will be making every effort to further enhance our corporate value, and sincerely appreciate the understanding and ongoing support of our valued shareholders.

TOPICS

launch of CMK Innovation Center

CMK consolidated its development center inside the Niigata Factory and launched the CMK Innovation Center. This was an effort to strengthen development functions and make capital investments in R&D incorporating medium-to-long-term perspectives.

Niigata Factory



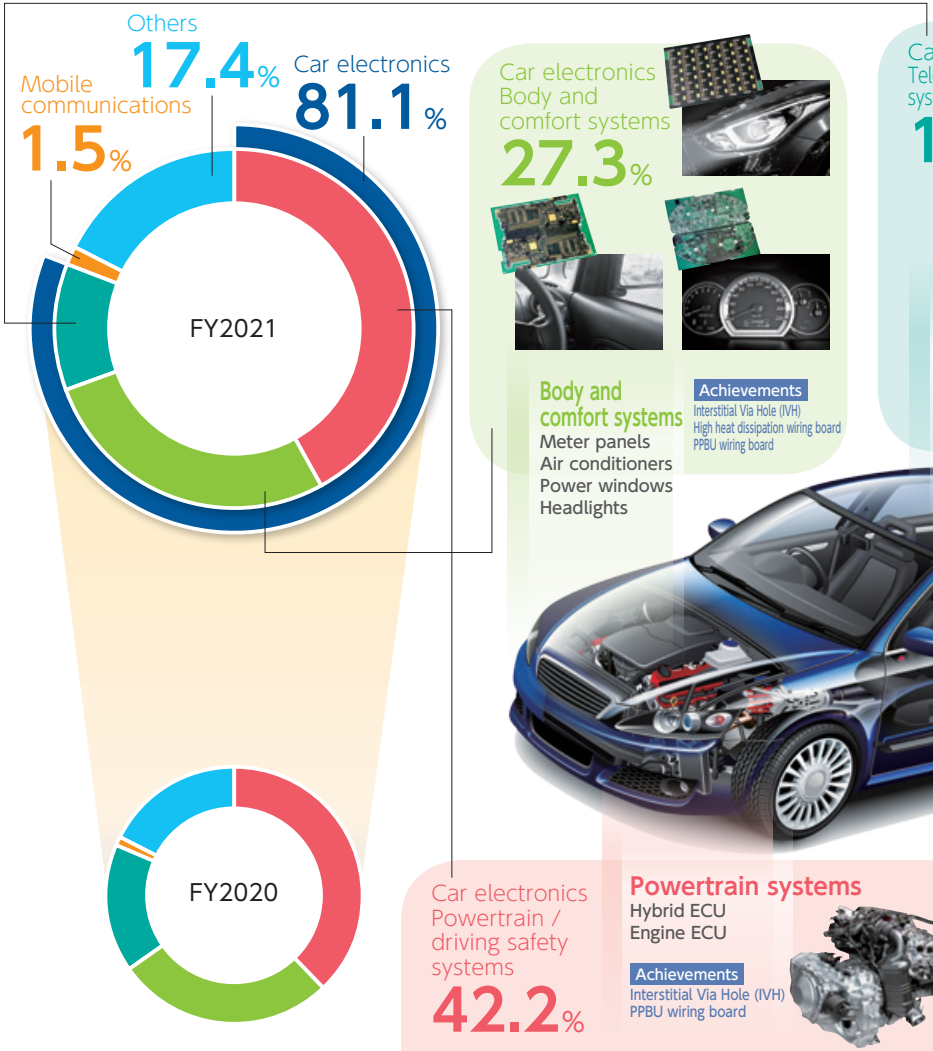
18-layer high aspect substrate

In response to the ever-accelerating development of automobile electrification and autonomous driving, CMK will increase the supply of printed wiring boards (PWBs) going forward. At the same time, we expect that development of the basic technologies of PWBs (thinner wiring, multi-stage, etc.) will become increasingly important due to the advance of integrated ECUs.

Developing new fields of business and continuing with research and development to stay one step ahead of market demands will also be important for stable business continuity, further development potential and creativity over the medium and long terms.

To that end, the CMK Innovation Center will not only employ cutting-edge technologies in manufacturing PWBs, but will also introduce eco-friendly manufacturing technologies and establish model lines that incorporate high-mix low-volume production concepts to acquire the flexibility that will be needed to respond to the post-COVID economic recovery and changes in the market economy.

Sales by application

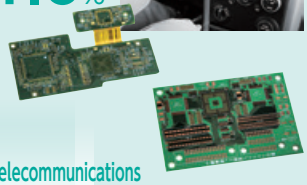


Car electronics
Body and comfort systems
27.3%

Body and comfort systems
Meter panels
Air conditioners
Power windows
Headlights

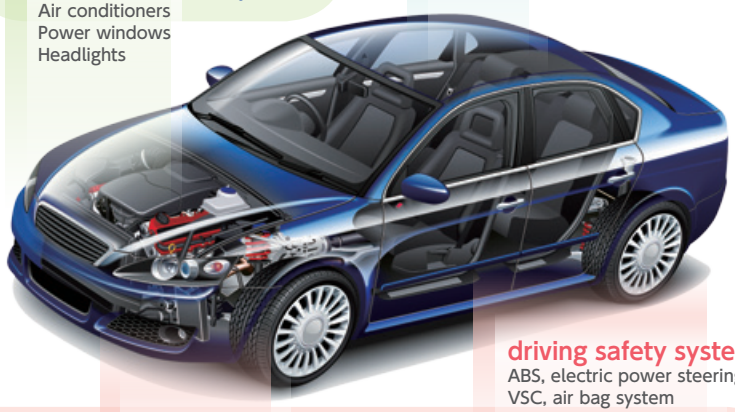
Achievements
Interstitial Via Hole (IVH)
High heat dissipation wiring board
PPBU wiring board

Car electronics
Telecommunications systems
11.6%



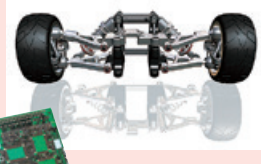
Telecommunications systems
Automotive
TV monitor

Achievements
Interstitial Via Hole (IVH)
PPBU wiring board
Rigid-flex wiring board



driving safety systems
ABS, electric power steering
VSC, air bag system

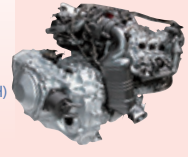
Achievements
Interstitial Via Hole (IVH)
PPBU wiring board



Car electronics
Powertrain / driving safety systems
42.2%

Powertrain systems
Hybrid ECU
Engine ECU

Achievements
Interstitial Via Hole (IVH)
PPBU wiring board



	FY2020	FY2021	Change
Car electronics	81.6%	81.1%	△0.5%
Powertrain / driving safety systems	37.9%	42.2%	4.3%
Body and comfort systems	27.6%	27.3%	△0.2%
Telecommunications systems	16.1%	11.6%	△4.6%
Mobile communications	1.1%	1.5%	0.4%
Others	17.3%	17.4%	0.1%

Corporate Data (As of March 31, 2021)

Name of listed company	CMK CORPORATION (Securities code no.: 6958)
Date of establishment	February 25, 1961
Capital	¥22,306,203,140
Number of employees	1,327 (Group total 4,960)

Executives (as of June 25, 2021)

Board of Directors

President and CEO	Isao Osawa
Vice-President and CCO	Akira Kurosawa
Director and Executive Officer	Hiroshi Hanaoka
Director and Executive Officer	Kunihiko Tedo
Director and Executive Officer	Yoshihisa Yamaguchi
Director and Executive Officer	Yoshiaki Ishizaka
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	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

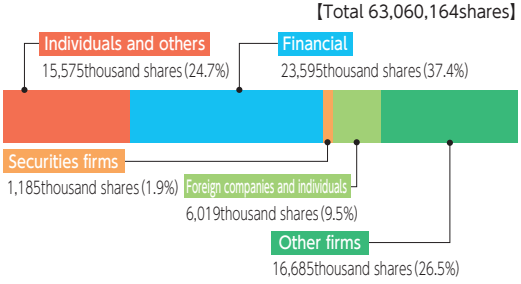
- PRODUCT
- IR INFO
- COMPANY
- CSR
- RECRUIT
- TOPICS

We disclose detailed information on this website.

Stock Information (As of March 31, 2021)

Total number of shares authorized	227,922,000
Total number of shares issued and outstanding	63,060,164
Number of shareholders	6,703
Share trading unit	100

Shareholder Breakdown



Major shareholders (10 largest)

Shareholders	Number of shares held (thousands)	Percentage (%)
Kyoden Area Net KK	5,310	8.9
The Master Trust Bank of Japan, Ltd. (Trust account)	4,309	7.2
Takahiro Nakayama	2,975	5.0
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. (Trust account 9)	2,295	3.8
The Dai-ichi Life Insurance Company, Limited	1,895	3.2
Akiharu Nakayama	1,891	3.1
Hiroshi Hashimoto	1,890	3.1
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust, Kiraboshi Bank Account Re-Trustee: Custody Bank of Japan, Ltd.	1,745	2.9

Note:1. Although the Company holds 3,864,583 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.
1-2-1, Yaesu, Chuo-ku, Tokyo, Japan
Stock Transfer Agency Bussiness Planning Department

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8-4 Izumi 2-chome, Suginami-ku,
Tokyo 168-8507
0120-288-324

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