



CMK CORPORATION
(Stock code : 6958)

FY2020 Financial Results (presentation material)

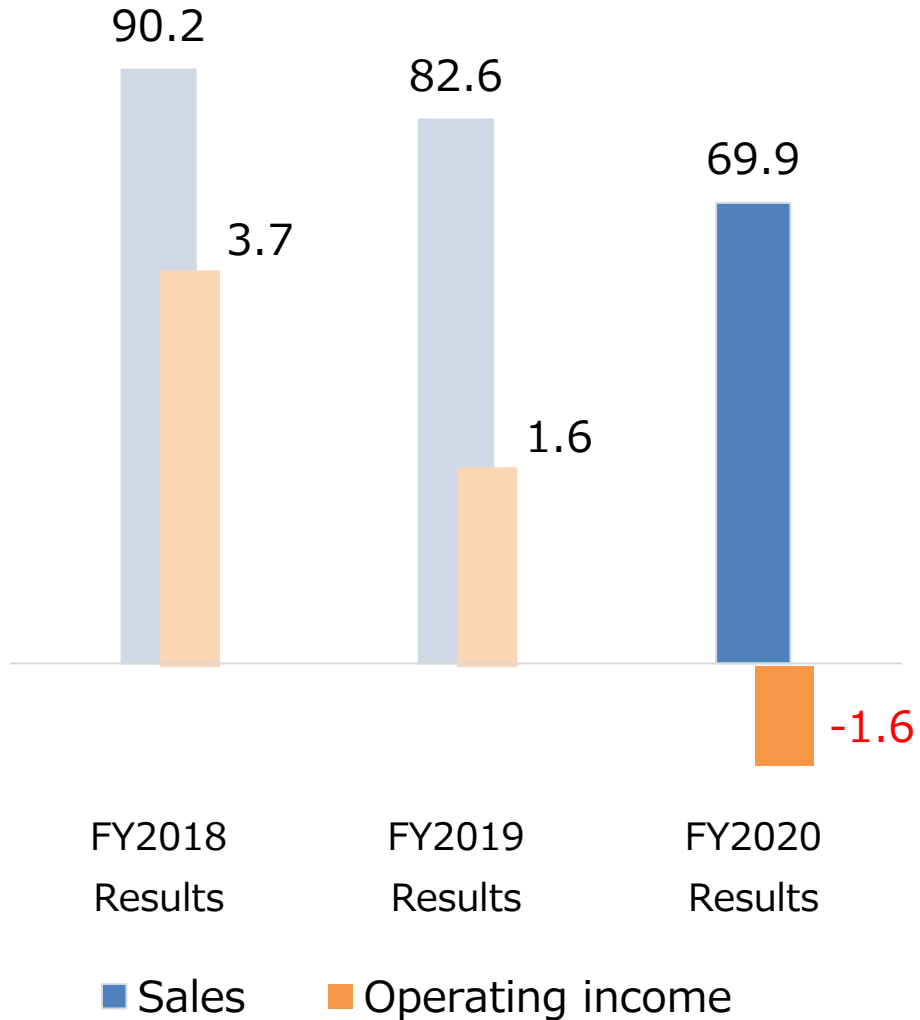
May 19, 2021
CMK CORPORATION

1. Consolidated financial results for FY2020
2. Consolidated financial forecast for FY2021
3. Market trend and Our business environment
4. Supplementary information

1 . Consolidated financial results for FY2020

① Key points of FY2020 Financial results

(Billions of yen)



- Net sales declined due to the decrease in global automobile production and sales by the impact of COVID-19.
- Despite efforts to reduce the fixed costs, operating income was negative due to the sales decrease.

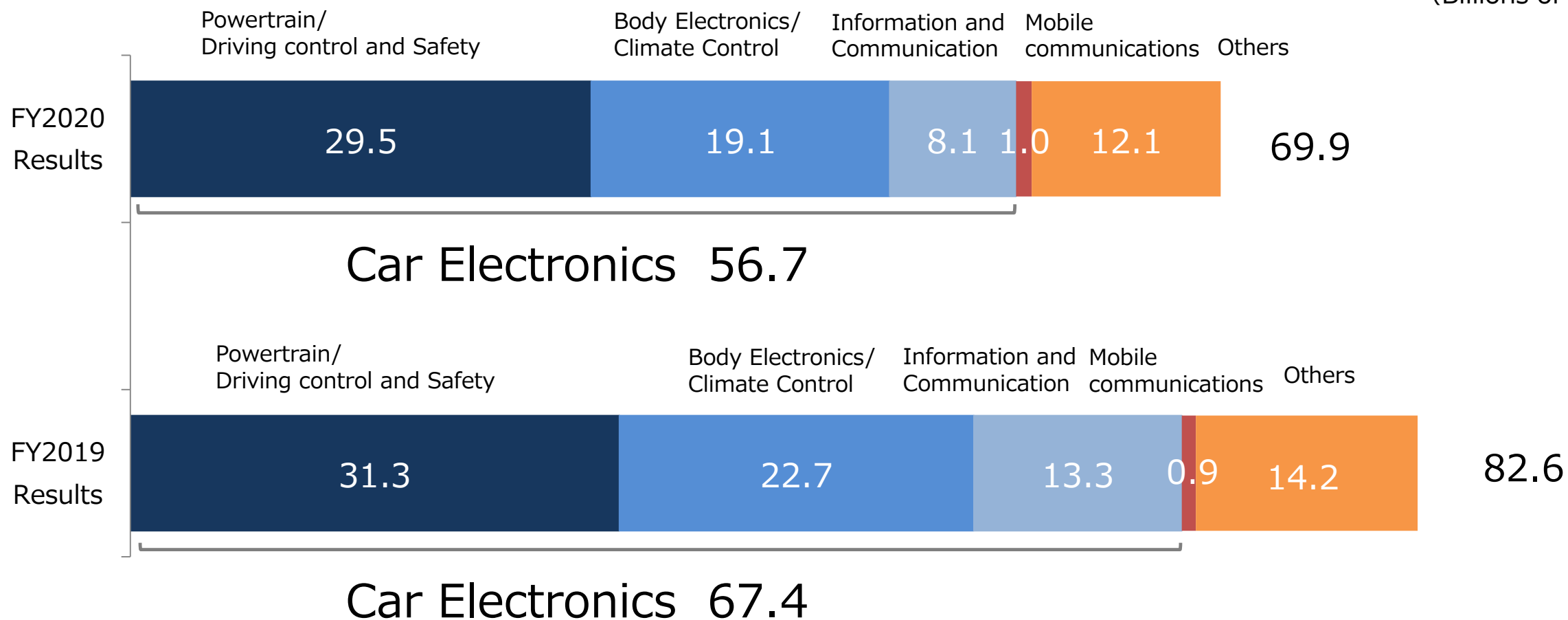
② Consolidated financial Results

(Billions of yen)

	FY2019 Results	FY2020 Results	YoY	
			Change	%
Net sales	82.6	69.9	-12.6	-15.3%
Operating income	1.6	-1.6	-3.2	-
Operating margin	1.9%	-	-	-
Ordinary income	0.7	-1.5	-2.3	-
Profit attributable to owners of parent	-1.1	-1.8	-0.7	-
Exchange rate (USD/JPY)	109.25	106.44	-2.81	-2.6%

③ Sales by product

(Billions of yen)

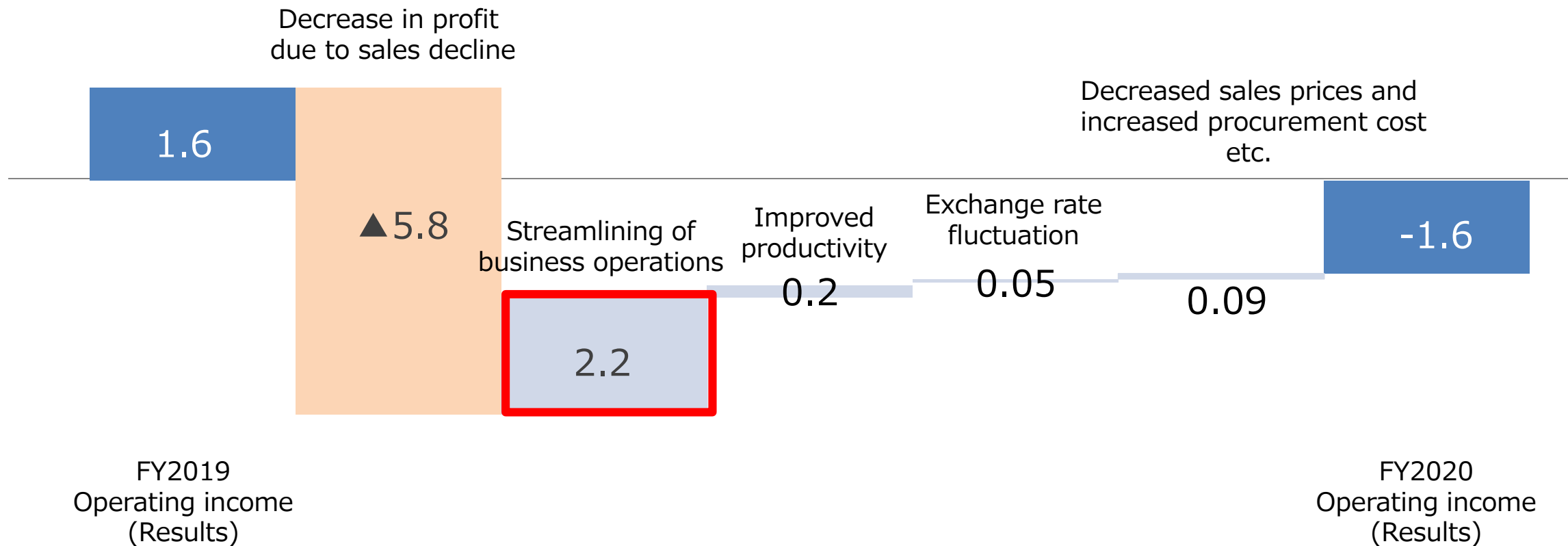


- Sales of products for automotive use declined 15.8% compared with the previous fiscal year due to a sharp drop in global automobile production and sales by the impact of COVID-19.

※Others include "AV equipment, Digital still camera, Amusement and others" 6

④ Analysis of changes in operating income

(Billions of yen)



- Streamlining of business operation : Effort of the fixed cost reduction under the quantity booking decrease.

⑤ Changes in quarterly sales and operating income

Changes in quarterly sales

(Billions of yen)

	FY2019 1Q	2Q	3Q	4Q	FY2020 1Q	2Q	3Q	4Q
Japan	12.5	12.7	12.0	11.0	9.4 (Apr-Jun)	10.7 (Jul-Sep)	11.9 (Oct-Dec)	12.3 (Jan-Mar)
Overseas	14.6	15.3	14.9	14.2	12.4 (Jan-Mar)	9.8 (Apr-Jun)	10.7 (Jul-Sep)	13.6 (Oct-Dec)
Total	27.3	27.9	26.9	25.3	22.0	20.4	22.6	25.9
Adjustment	▲6.0	▲6.2	▲6.5	▲6.1	▲5.5	▲4.8	▲4.4	▲6.2
Consolidated	21.3	21.6	20.4	19.3	16.4	15.7	18.2	19.6

Changes in quarterly operating income

	FY2019 1Q	2Q	3Q	4Q	FY2020 1Q	2Q	3Q	4Q
Japan	0.0	0.2	-0.0	-0.2	-0.6 (Apr-Jun)	-0.6 (Jul-Sep)	-0.1 (Oct-Dec)	0.3 (Jan-Mar)
Overseas	0.2	0.5	0.9	0.6	0.2 (Jan-Mar)	-0.2 (Apr-Jun)	-0.2 (Jul-Sep)	0.1 (Oct-Dec)
Total	0.3	0.7	0.8	0.3	-0.3	-0.9	-0.3	0.4
Adjustment	▲0.1	▲0.2	▲0.1	▲0.1	▲0.1	▲0.2	▲0.0	▲0.2
Consolidated	0.1	0.6	0.6	0.3	-0.5	-1.0	-0.4	0.3

- Operating income turned positive both in Japan and overseas in the 4Q

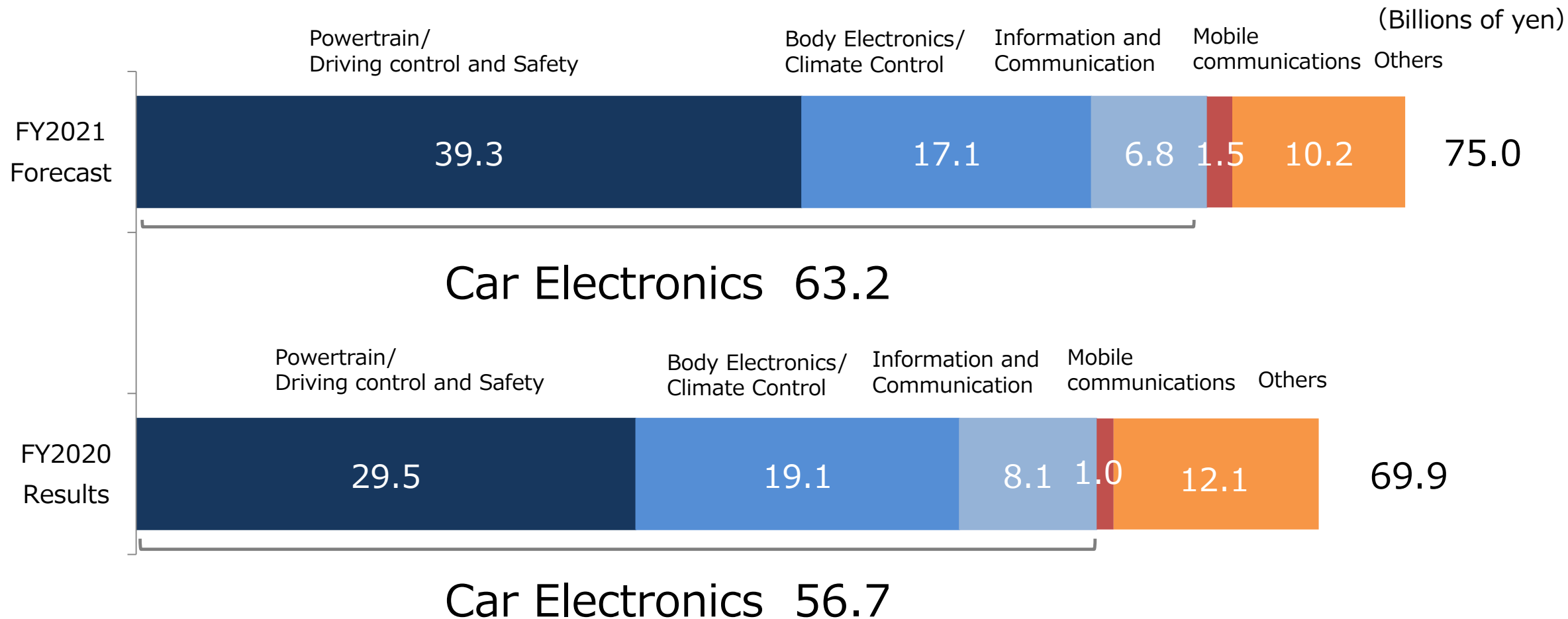
2. Consolidated financial forecast for FY2021

① Consolidated financial Results

(Billions of yen)

	FY2020 Results	FY2021 Forecast	YoY	
			Change	%
Net sales	69.9	75.0	+5.0	+7.2%
Operating income	-1.6	1.5	+3.1	-
Operating margin	-	2.0%	-	-
Ordinary income	-1.5	1.4	+2.9	-
Profit attributable to owners of parent	-1.8	1.0	+2.8	-
Exchange rate (USD/JPY)	106.44	102.00	-4.44	-4.2%

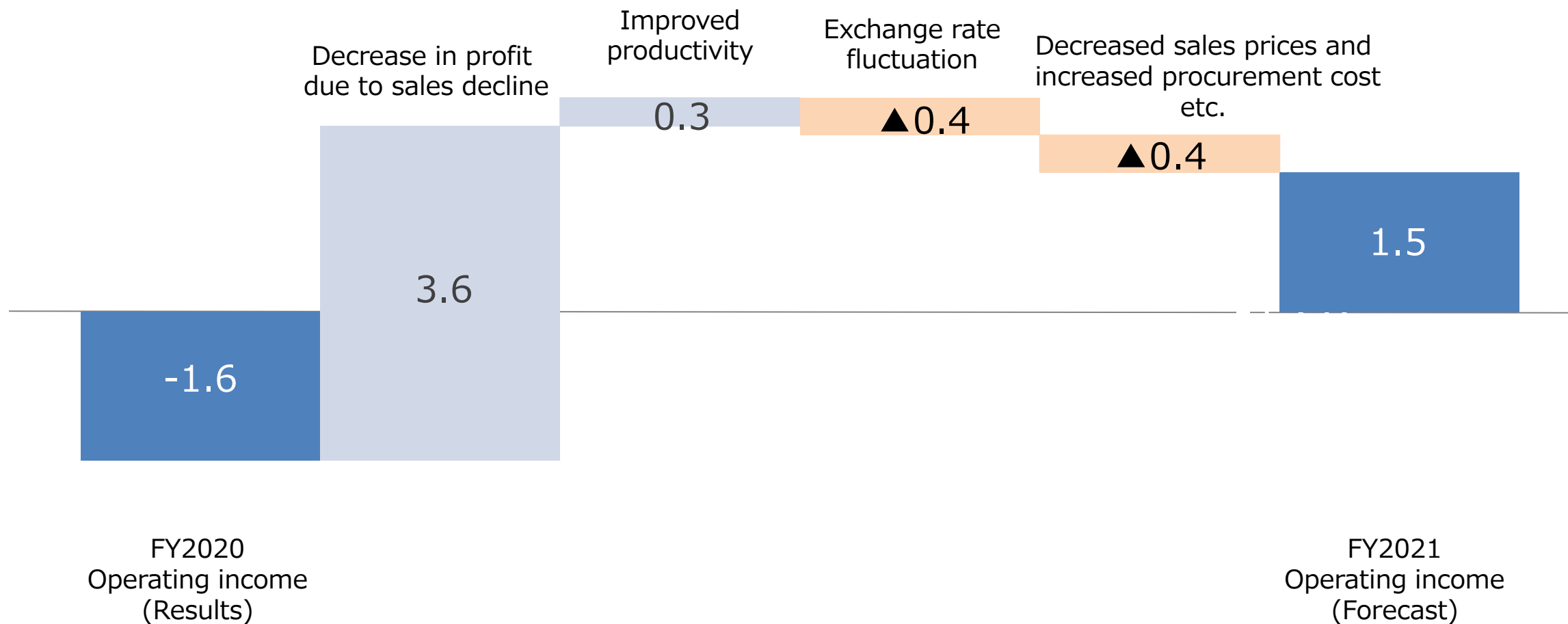
② Sales by product



- Sales of Powertrain/Driving control and Safety will be expected to increase by 33.1% compared with the FY2020.

③ Analysis of changes in operating income

(Billions of yen)

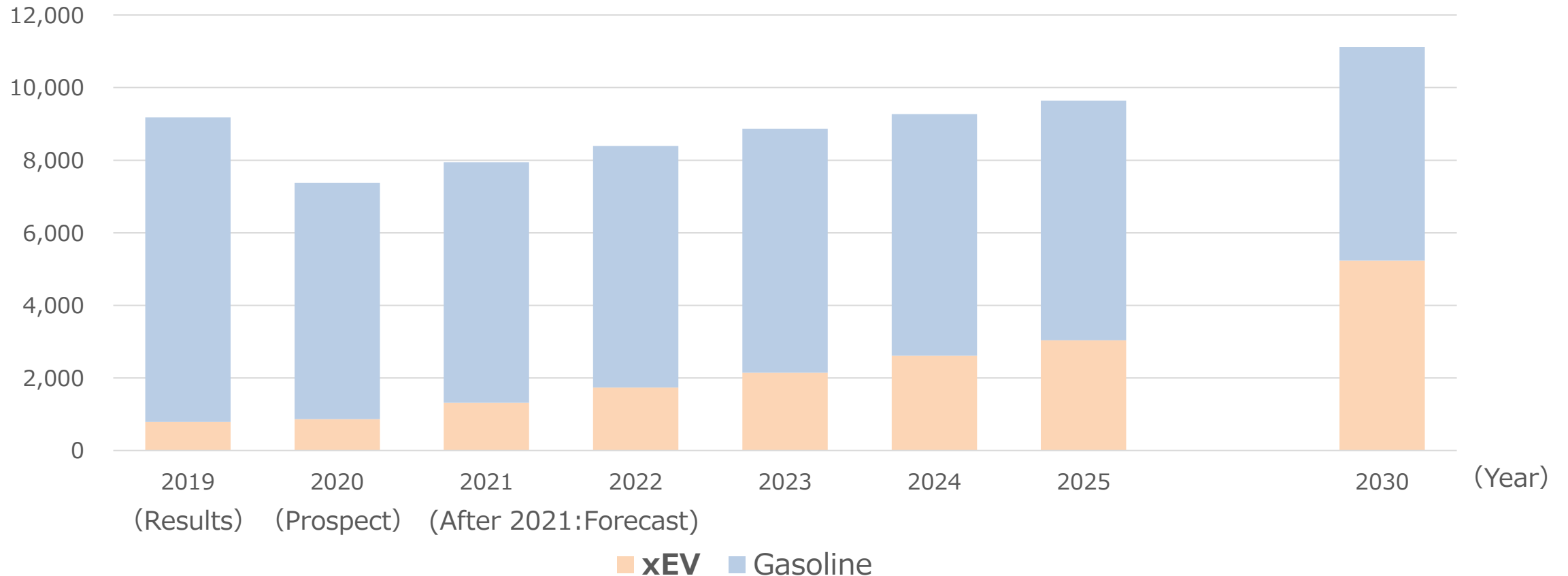


3. Market trend and Our business environment

① Market forecast of global vehicle production

(10,000 units)

Global vehicle production forecast



▶ Electric vehicles grow at a compound annual growth rate (CAGR) of 18.8% from 2019 to 2030

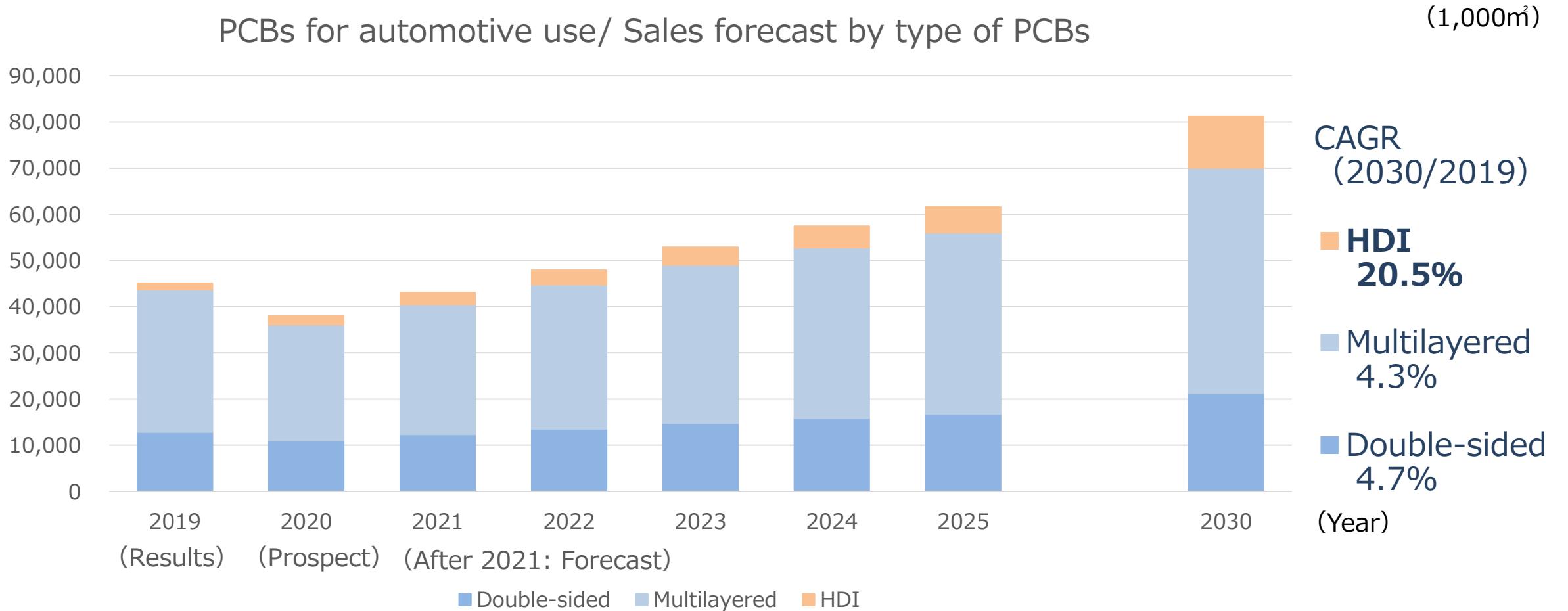
※Source: Comprehensive Study of In-Vehicle Electronics Devices and components 2021 by Fuji Chimera Research

② Trends in the PCBs for automotive use (Sales forecast by Powertrain)

Classification	sales volume (1,000m ²)		CAGR (2030/2019)	Comments
	2019 Results	2030 Forecast		
Engine	39,600	30,570	▲2.3%	<ul style="list-style-type: none"> •The PCBs used per vehicle is approximately 0.5 m² for gasoline vehicles, nearly 1m² for HV, and more than 1m² for PHV/EV/FCV •The spread of electric vehicles with lower pricing, the PCBs used per vehicle will be decreased, however, the total number of PCBs will be increased at the high growth rate.
HV	4,760	25,360	16.4%	
PHV	880	11,340	26.2%	
EV	1,960	14,620	20.0%	
FCV	few	1,000	-	
Total	47,200	82,890	5.3%	

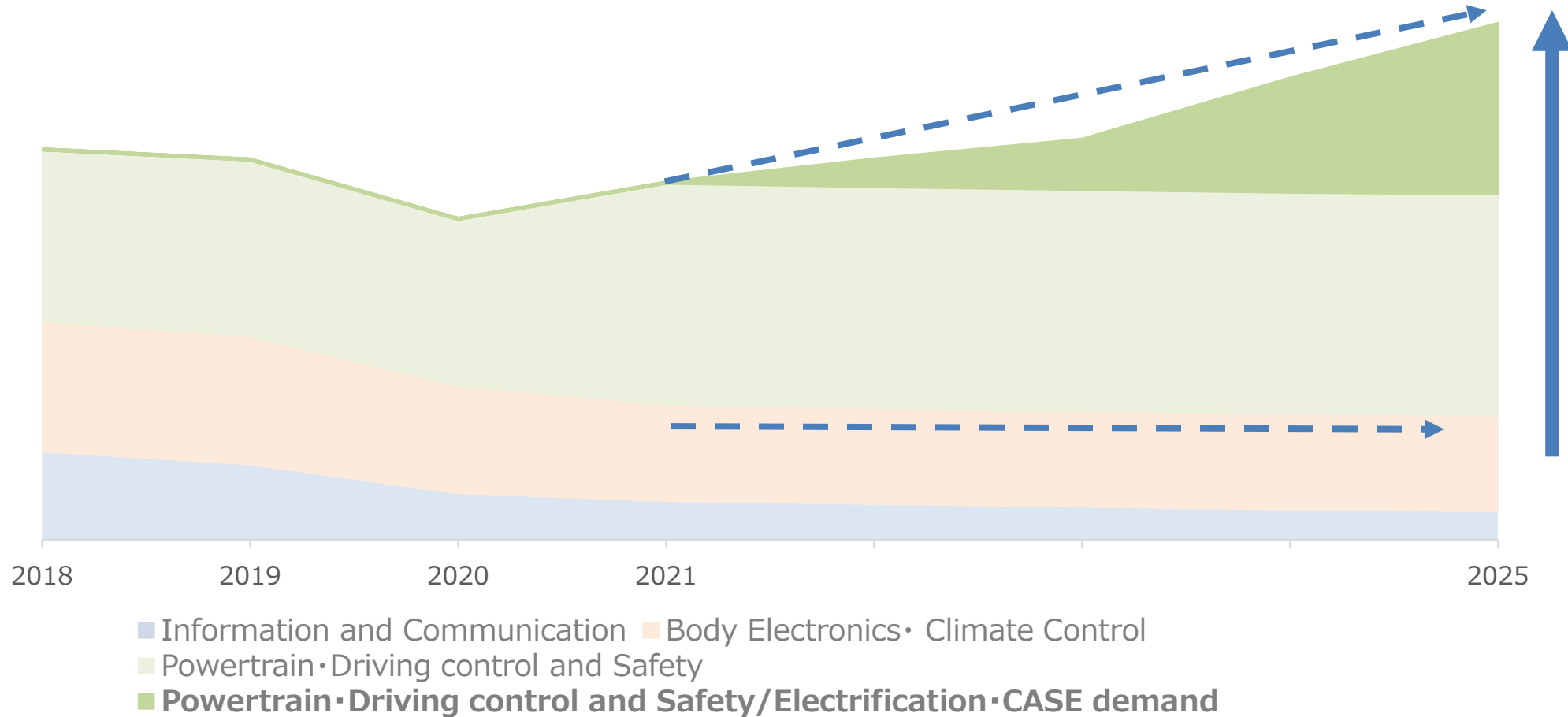
▶ PCBs for HV,PHV, EV will be increased significantly.

③ Trends of Automotive PCB market (Sales forecast by type of PCBs)



► There is a high demand for HDI PCBs.

④ Our Medium-Term Automotive Sales Structure



- ▶ Achieving growth in the area of Powertrain/Driving control and Safety will expand our business in the demand of the progress of electrification and CASE.

⑤ Target items and required spec in the new business area

	2020	2025
Items	Conventional 4G(LTE) : 700MHz~3.6GHz	High speed communication 5G : 3.6GHz~28GHz, 6G : Millimeter wave
Base station (Small cell) Data Center	Macro cell (More than 10 layers and aspect 10)	<ul style="list-style-type: none"> • Small cell (More than 16 layers and aspect 15) Impedance (Less than $\pm 8\%$) Low dielectric material, more than 3mm thick PCB • Local- 5 G (More than 16 layers and aspect 15)
	Server SSD etc.	
5G Communication Module	Communication module L/S=40/40um	<ul style="list-style-type: none"> • Communication module (Smartphone technology + High frequency technology) L/S=30/30um
	Device field L/S=50/50um	<ul style="list-style-type: none"> • Power Module • Substitution of Ceramics L/S=40/40um High heat resistance, Low elasticity and Special structure

▶ Target items in the telecommunications market due to the spread of 5G

⑥ Technology roadmaps

Application for automotive use	Products	Market needs	PCB requirement	2021	2022	After 2023	
Electric motorization	Inverter HEV/EV ECU PCU/IPM Battery Control Braking ECU	<ul style="list-style-type: none"> Downsized unit (HDI : PPBU) High withstand voltage (EV has higher voltage than 10x voltage for gasoline vehicle) High heat resistance (More than 1.5x conductive reliabilities of consumer products) High current PCB for HV and EV (inverter, coil etc.) Heat radiation (Heat radiation through PCB) 	HDI	Mass-produced			
			Next generation	Trial	Mass-production		
			Heavy copper	Trial	Mass-production		
ADAS Autonomous ↓ ↓ Connected (Integration with 5G)	Millimeter wave radar sensor	<ul style="list-style-type: none"> Downsized unit (HDI : PPBU) Improvement and stabilization Antenna accuracy (Improvement of circuit accuracy) Low loss (Application of low loss materials) High functionality for next generation models 	HDI	Mass-produced			
			MSAP	Trial	Mass-production		
			Next generation	Development		Trial	
	Sensing camera	<ul style="list-style-type: none"> Downsized unit (HDI : PPBU) RF for correspondence of in-vehicle camera (thick rigid flex wiring board) 	HDI	Mass-production			
			Thick RF	Development	Trial	Mass-production	
	Communication module (DCM·V2X)	<ul style="list-style-type: none"> Multi-pin processors(Fine and high HDI) 	High HDI	Development	Trial	Mass-production	
	Image control	<ul style="list-style-type: none"> Multi-pin processors(Fine and high HDI) Integration for integrated ECU 	HDI	Mass-produced			
			High HDI	Development	Trial	Mass-production	
	Integrated ECU	<ul style="list-style-type: none"> Multi-pin processors(Fine and high HDI) 	High HDI	Development	Trial	Mass-production	
	5 G	Antenna module	<ul style="list-style-type: none"> Modules for communication equipment (5G Infrastructure and Local-5G included) 	Low loss Heat radiation	Trial	Mass-production	

► In response to CASE, including 5G communications :
Meeting the demand to high functionality and high reliability for fine and high HDI

4. Supplementary information

2. Sales by product



(Billions of yen)

		FY 2019 Results	FY 2020 Results	YoY Change	FY 2021 Forecast	YoY Change
Car electronics		67.4	56.7	-10.6	63.2	+6.4
Breakdown	Powertrain/ Driving control and Safety	31.3	29.5	-1.7	39.3	+9.7
	Body Electronics/ Climate Control	22.7	19.1	-3.6	17.1	-2.0
	Information and Communication	13.3	8.1	-5.2	6.8	-1.3
Mobile communications		0.9	1.0	+0.1	1.5	+0.4
Others		14.2	12.1	-2.1	10.2	-1.9
Total		82.6	69.9	-12.6	75.0	+5.0

3. Sales by type of PWBs



(Billions of yen)

	FY 2019 Results	FY 2020 Results	YoY Change	FY 2021 Forecast	YoY Change
HDI PWBs	21.3	18.4	-2.9	20.1	+1.7
Multilayered PWBs	42.4	36.3	-6.0	40.3	+4.0
Double-sided PWBs	13.0	9.7	-3.3	10.0	+0.3
Others	5.7	5.3	-0.3	4.3	-0.9
Total	82.6	69.9	-12.6	75.0	+5.0

4 . Financial results by region



(Billions of yen)

	FY 2019 Results		FY 2020 Results		YoY	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Japan	48.2	-0.0	44.3	-1.0	-3.9	-1.0
China	28.5	1.9	23.3	0.5	-5.2	-1.3
Southeast Asia	24.7	-0.0	19.3	-0.7	-5.4	-0.7
Europe & North America	5.8	0.3	3.9	0.1	-1.8	-0.1
Total	107.4	2.1	90.9	-1.1	-16.5	-3.3
Adjustment	▲24.8	▲0.5	▲20.9	▲0.5	+3.8	+0.0
Consolidated	82.6	1.6	69.9	-1.6	-12.6	-3.2

FY 2021 Forecast		YoY	
Sales	Operating income	Sales	Operating income
46.5	1.5	+2.2	+2.6
24.5	0.1	+1.2	-0.3
21.9	0.5	+2.5	+1.2
4.0	0.1	+0.1	-0.0
97.1	2.3	+6.1	+3.4
▲22.1	▲0.8	-1.1	-0.3
75.0	1.5	+5.0	+3.1

5. Capital investment



(Billions of yen)

	FY 2019 Results	FY 2020 Results	YoY Change
Japan	1.1	1.5	+0.3
Overseas	7.1	2.2	-4.8
Consolidated	8.3	3.7	-4.5

FY 2021 Forecast	YoY Change
6.1	+4.6
2.1	-0.1
8.3	+4.5

Depreciation cost	4.7	4.4	-0.2
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4.0	-0.4
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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.)

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