

Summary of Q&A of CMK's 1H FY2024 Financial Results Briefing
(Nov.13, 2024)

■ **Prospect for the second half of FY2024**

- Net Sales Forecast doesn't include upside factors such as recovery in Tier 1 production.
- The reason for the increase in profit compared to the first half is the expected effect of lowering the break-even point due to the recovery of factory operations, productivity improvement and cost containment.

■ **Prospect for next fiscal year and beyond**

- Because the market environment is expected to remain severe in the next fiscal year and beyond, it is necessary to assess customers' automobile production volume assumptions, etc., which are under scrutiny.
- Despite a challenging business environment, new orders for automotive HDI PCBs addressed in our automotive growth strategy are expected to come steadily. The launch may be delayed a bit, but there are strong inquiries.
- Sales for integrated ECUs are expected to exceed 10 billion yen in FY2028.

■ **Thai New Factory**

- Because the external environment has significantly changed since the new factory was built, overall demand is lower than expected. There is a delay in the start-up of mass production because we are still waiting to judge the customers' trend. However, despite the delay compared to the original expectation, we will not lower the amount of investment when new projects are starting up one after another.
- The timing of the second phase investment is still under consideration to be adjusted to demand.

■ **New Business Domain**

- We aim for sales of 7 billion yen in FY2026, which is the target of our medium-term management plan.
- For new customers with whom we do not have the same relationship as existing customers, we try proposal-based sales from the design planning stage. We initiate sales expansion focusing on the high-value added complex boards which are our strength from the design planning stage, so that new customers are not necessarily low-margin customers.
- We target at high value-added product zones.
- Capital investment is expected to be about 3 billion yen in the medium term, mainly for fine.