

FACT BOOK 2016

For the year ended March 31, 2016



Contents

1. Financial Highlights
2. Operation Review
3. Consolidated Financial Statements
 - Consolidated Statements of Income
 - Consolidated Statements of Comprehensive Income
 - Consolidated Balance Sheets
 - Consolidated Statements of Cash Flows
4. History
5. Corporate Data, Stock Information

UMC Electronics Co., Ltd

Financial Highlights

UMC Electronics Co., Ltd and Subsidiaries

(Thousands of yen)

	2015/3	2016/3
For the year:		
Net sales	113,566,560	110,051,722
(Plant output)	21,938,552	23,534,951
Gross profit	5,626,150	6,057,910
Selling, general and administrative expenses	3,583,200	3,719,794
Operating income	2,042,949	2,338,115
Profit attributable to owners of parent	1,525,146	1,814,492
Capital investment	2,670,103	3,008,584
Depreciation	1,786,535	2,308,787
Free cash flow	431,014	1,389,376
At year-end:		
Total assets	54,163,563	56,723,386
Total shareholders' equity	9,205,747	15,448,199
Total net assets	11,388,696	15,963,716
Per share (yen):		
Profit per share	249.39	278.59
Net assets per share	1,770.16	1,983.39
Cash dividends per share	15.00	44.60
Dividend payout ratio	6.0	16.0
Ratios (%):		
Operating profit/sales	1.8	2.1
ROE	16.0	13.3
ROA	3.0	3.3
Shareholders' Equity Ratio	21.0	28.1
Exchange rates into U.S. currency:		
At year-end	120.27	112.69
Average for the year	109.94	120.14
Number of employees (at year-end):	9,231	8,811
Number of subsidiaries (at year-end):	9	11

Notes:

(1) Factory production = Net sales - Parts cost
(Indicators in UMC Electronics)

(2) Dividend payout ratio = Cash dividend per share ÷ Basic earnings per share × 100

(3) ROE = Profit attributable to owners of parent ÷ Average shareholders' equity × 100

(4) ROA = Profit attributable to owners of parent ÷ Average total assets × 100

Operation Review

(1) Net Sales by Product Category

(Thousands of yen)

	2015/3	2016/3
EMS business		
Automotive equipment	31,463,547	34,789,714
Share	27.7%	31.6%
YoY		10.6%
Industrial equipment	23,830,016	22,950,551
Share	21.0%	20.9%
YoY		-3.7%
Consumer equipment	14,287,940	12,684,474
Share	12.6%	11.5%
YoY		-11.2%
Office automation	27,697,317	24,919,517
Share	24.4%	22.6%
YoY		-10.0%
Information equipment	12,498,458	9,179,796
Share	11.0%	8.3%
YoY		-26.6%
Other EMS	3,441,013	5,106,293
Share	3.0%	4.6%
YoY		48.4%
Other business	348,267	421,374
Share	0.3%	0.4%
YoY		21.0%
Total	113,566,560	110,051,722
YoY		-3.1%

(2) Net Sales by Region

(Thousands of yen)

	2015/3	2016/3
Japan	20,026,911	21,327,369
China	71,809,826	63,548,277
Vietnam	20,381,489	19,513,561
Thai	4,869,903	9,128,362
Other	0	26,371
Eliminations and adjustments	-3,521,569	-3,492,218
Total	113,566,560	110,051,722

Consolidated Statements of Income

(Thousands of yen)

	2015/3 (2014.4.1-2015.3.31)	2016/3 (2015.4.1-2016.3.31)
Net sales	113,566,560	110,051,722
Cost of sales	107,940,410	103,993,811
Gross profit	5,626,150	6,057,910
Selling, general and administrative expenses	3,583,200	3,719,794
Operating income	2,042,949	2,338,115
Non-operating income		
Interest income	12,158	11,341
Dividends income	30,372	35,705
Foreign exchange gain	654,499	-
Insurance return	-	112,727
Other	66,174	42,779
Total non-operating income	763,204	202,553
Non-operating expenses		
Interest expenses	306,917	375,338
Foreign exchange losses	-	26,762
Going public expenses	-	28,071
Other	447	4,879
Total non-operating expenses	307,365	435,051
Ordinary income	2,498,788	2,105,617
Extraordinary income		
Gain on sales of non-current assets	1,311	29,426
Gain on bargain purchase	11,936	-
Gain on sales of investment securities	-	190,354
Subsidy income	-	133,640
Total extraordinary income	13,248	353,422
Extraordinary losses		
Loss on sales of non-current assets	17	-
Loss on retirement of non-current assets	3,642	4,183
Impairment loss	1,964	18
Total extraordinary loss	5,624	4,201
Profit before income taxes	2,506,412	2,454,838
Income taxes-current	1,016,393	616,005
Income taxes-deferred	(38,303)	28,929
Total income taxes	978,090	644,934
Profit for the year	1,528,321	1,809,903
Profit (loss) attributable to non-controlling interests	3,175	(4,589)
Profit attributable to owners of parent	1,525,146	1,814,492

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	2015/3 (2014.4.1-2015.3.31)	2016/3 (2015.4.1-2016.3.31)
Profit for the year	1,528,321	1,809,903
Other comprehensive income		
Valuation difference on available-for-sale securities	108,048	(311,855)
Deferred gains or losses on hedges	316	(437)
Foreign currency translation adjustment	1,618,383	(1,359,137)
Total other comprehensive income	1,726,748	(1,671,430)
Comprehensive income	3,255,070	138,473
(Content)		
Comprehensive income for the parent company's shareholders	3,251,556	143,062
Comprehensive income attributable to non-controlling interests	3,513	(4,589)

Consolidated Balance Sheets

(Thousands of yen)

	2015/3 (As of March 31, 2015)	2016/3 (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	8,090,030	13,074,194
Notes and accounts receivable-trade	18,064,312	17,274,633
Finished goods	1,043,339	1,537,126
Work in process	765,586	553,402
Raw materials and supplies	8,574,279	8,272,835
Income taxes receivable	10	64,420
Deferred tax assets	81,134	44,312
Other	1,066,596	1,107,020
Total current assets	37,685,290	41,927,944
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	9,203,495	9,303,507
Accumulated depreciation	(4,042,701)	(4,123,362)
Buildings and structures, net	5,160,794	5,180,145
Machinery, equipment and vehicles	16,296,941	16,413,477
Accumulated depreciation	(11,205,602)	(11,630,005)
Machinery, equipment and vehicles, net	5,091,339	4,783,471
Tools, furniture and fixtures	2,416,462	2,559,698
Accumulated depreciation	(1,393,360)	(1,564,385)
Tools, furniture and fixtures, net	1,023,101	995,312
Land	1,394,819	1,189,774
Leased assets	1,082,035	1,269,678
Accumulated depreciation	(171,143)	(312,299)
Leased assets, net	910,891	957,379
Construction in progress	153,518	47,487
Total property, plant and equipment	13,734,464	13,153,570
Intangible assets		
Software	535,398	445,641
Software in progress	-	5,963
Goodwill	-	40,969
Other	100	100
Total intangible assets	535,498	492,674
Investments and other assets		
Investment securities	1,299,095	238,780
Long-term prepaid expenses	569,086	532,468
Long-term time deposits	200,000	200,000
Deferred tax assets	25,337	119,832
Other	114,791	58,114
Total Investments and other assets	2,208,310	1,149,196
Total noncurrent assets	16,478,273	14,795,441
Total assets	54,163,563	56,723,386

(Thousands of yen)

	2015/3 (As of March 30, 2015)	2016/3 (As of March 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,048,890	16,583,893
Short-term loans payable	2,707,425	3,789,110
Current portion of long-term loans payable	6,105,000	5,547,406
Current portion of bonds	184,000	184,000
Lease obligations	166,642	188,837
Income taxes payable	729,309	594,574
Accounts payable - other	687,091	664,336
Accrued expenses	961,363	823,300
Provision for bonuses	207,525	178,341
Other	177,430	126,413
Total current liabilities	28,974,680	28,680,213
Noncurrent liabilities		
Bonds payable	448,000	264,000
Long-term loans payable	12,170,862	10,654,367
Lease obligations	878,863	902,880
Liabilities for retirement benefits	-	2,022
Deferred tax liabilities	281,888	235,685
Other	20,572	20,500
Total noncurrent liabilities	13,800,186	12,079,456
Total liabilities	42,774,867	40,759,669
Net assets		
Shareholders' equity		
Capital stock	1,334,000	1,334,000
Capital surplus	1,740,822	5,513,746
Retained earnings	7,026,623	8,744,610
Treasury stock	(895,699)	(144,158)
Total shareholders' equity	9,205,747	15,448,199
Accumulated comprehensive income		
Valuation difference on available-for-sale	270,101	(41,753)
Deferred gains or losses on hedges	(11,944)	(12,381)
Foreign currency translation adjustment	1,924,791	565,654
Total accumulated comprehensive income	2,182,949	511,518
Non-controlling interests	-	3,998
Total net assets	11,388,696	15,963,716
Total liabilities and net assets	54,163,563	56,723,386

Consolidated Statements of Cash Flows

(Thousands of yen)

	2015/3 (2014.4.1-2015.3.31)	2016/3 (2015.4.1-2016.3.31)
Net cash provided by (used in) operating activities		
Profit before income taxes	2,506,412	2,454,838
Depreciation and amortization	1,793,162	2,308,787
Impairment loss	1,964	18
Amortization of goodwill	-	8,186
Increase (decrease) in provision for bonuses	(225,854)	(19,050)
Interest and dividends income	(42,531)	(47,046)
Interest expenses	306,917	375,338
Foreign exchange losses (gains)	(639,954)	(132,664)
Loss (gain) on valuation of investment securities	-	(190,354)
Loss (gain) on sales of property, plant and equipment	(1,293)	(29,426)
Loss on retirement of property, plant and equipment	3,642	4,183
Gain on bargain purchase	(11,936)	-
Gain on maturity of insurance contract	-	(112,727)
Subsidy income	-	(133,640)
Decrease (increase) in notes and accounts receivable-trade	347,404	(346,593)
Decrease (increase) in inventories	1,277,781	(540,152)
Increase (decrease) in notes and accounts payable-trade	(500,596)	905,882
Increase (decrease) in accounts payable-other	(222,489)	151,596
Other	(278,714)	(340,133)
Subtotal	4,313,915	4,317,040
Interest and dividends income received	42,531	47,046
Interest expenses paid	(291,551)	(386,143)
Proceeds from subsidy income	-	133,640
Income taxes paid	(723,856)	(982,972)
Net cash provided by (used in) operating activities	3,341,038	3,128,611
Net cash provided by (used in) investment activities		
Payments into time deposits	(100,000)	(100,000)
Proceeds from withdrawal of time deposits	100,000	-
Purchase of property, plant and equipment	(2,553,624)	(2,581,081)
Proceeds from sales of property, plant and equipment	23,451	223,955
Purchase of intangible assets	(232,679)	(61,701)
Purchase of investment securities	(123,216)	(50,728)
Proceeds from sales of investment securities	-	874,750
Purchase of shares of subsidiaries	(17,400)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	2,579
Payments for investments in capital of subsidiaries resulting in change in scope of consolidation	-	(251,623)
Proceeds from cancellation of insurance funds	-	202,515
Other	(6,555)	2,098
Net cash provided by (used in) investment activities	(2,910,024)	(1,739,235)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	77,369	1,298,359
Proceeds from long-term loans payable	6,254,482	5,253,490
Repayment of long-term loans payable	(6,353,225)	(6,666,625)
Redemption of bonds	(214,000)	(184,000)
Proceeds from issuance of common shares	480,000	-
Proceeds from sales of treasury stock	-	4,524,465
Repayments of lease obligations	(105,634)	(197,276)
Cash dividends paid	(61,137)	(96,505)
Net cash provided by (used in) financing activities	77,855	3,931,907
Effect of exchange rate change on cash and cash equivalents	929,397	(437,119)
Net increase (decrease) in cash and cash equivalents	1,438,267	4,884,164
Cash and cash equivalents at beginning of period	6,551,763	7,990,030
Cash and cash equivalents at end of period	7,990,030	12,874,194

History

1968	Established in Kawasaki as Uchiyama Seisakusho Co.
1976	Green System Co., Ltd established
1992	Ageo factory built Omiya head office built
1994	Head office factory built
1997	ISO 9002 certification acquired
1998	Green System Co. Kitakami Development Center new building built
2000	UMC Electronics Hong Kong Ltd. Established UMC Electronics China, Shenzhen Works built ISO 9001 certification acquired (Japan)
2001	ISO 9001 certification acquired (China)
2002	ISO 14001 certification acquired (Japan, China)
2003	QS9000 certification acquired (China)
2004	UMC Electronics (Shenzhen) Ltd. established UMC Just in Staff Co., Ltd. Established UMC Electronics China, Dongguan Works built UMC Electronics (Dongguan) Ltd. Established
2005	ISO/TS 16949 certification acquired (China) Miyazaki factory new premises built Logistics Center built in Ageo district
2006	UMC Electronics China, Dongguan Works moved to new Dongguan factory ISO/TS 16949 certification acquired (Japan) UMC Electronics Vietnam Limited established
2007	Vietnam factory started operations Sales and Procurement Department, VCM Sales Department (Nagoya) established
2008	Sales and Procurement Department, Spiral Up EMS Sales Department (Miyazaki) established
2009	Sales and Procurement Department, VAS Sales Department (Osaka) established
2010	Global Compact Japan Network joined UMC Electronics and Green System head offices moved to Ageo
2011	UMC Electronics (Thailand) Limited established
2013	Thailand factory started operations UMC Electronics Europe GmbH established (sales base for Germany/Europe) Capital increased (to ¥1,094 million)
2014	ISO 9001,ISO 14001 certification acquired (Thailand)
2015	UMC acquired UNITEC Co., Ltd (currently Cyber Core Co., Ltd.) UMC acquired UMC Dongguan Plastics Co., Ltd.
2016	UMC listed on the First Section of Tokyo Stock Exchange UMC Electronics Mexico, S.A. de C.V. established Merger and acquisition of Green System Co. UMC Electronics Manufacturing (Dongguan) Co., Ltd. Established ISO/TS 16949 certification acquired (Vietnam)

Corporate Data, Stock Information

(As of September 30, 2016)

Corporate Data

Corporate name	UMC Electronics Co., Ltd
Main Business	EMS (Electric Manufacturing Service)
Established	January 5, 1968
Capital	¥1,334 million
Stock Exchange Listing	Tokyo Stock Exchange, First Section (Securities code: 4324)
President	Shigeki Uchiyama
Employees (As of October 1, 2016)	9,337 (consolidated)
Head office	721 Kawarabuki, Ageo-shi, Saitama 362-0022, Japan
Telephone	+81-048-724-0001

Share Data (As of September 30, 2016)

Authorized Shares	27,000,000
Issued and outstanding	8,356,140
Shareholders	3,557

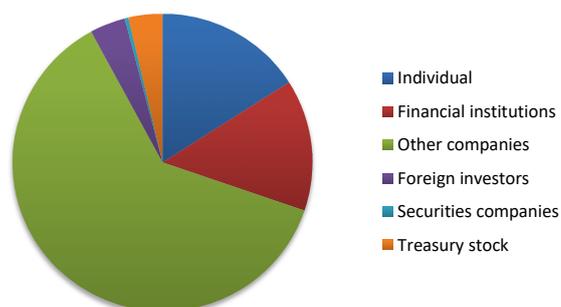
Major Shareholders (Listing 10 by Shareholding)

Name of Shareholders	Number of Shares Held	Percentage of Total Shares Issued (%)
S Uchiyama Holdings, Ltd.	1,817,860	22.59
Tokyo Century Corporatain	1,193,600	14.83
H Uchiyama Holdings, Ltd.	756,440	9.40
O Uchiyama Holdings, Ltd.	641,840	7.98
TOYOTA INDUSTRIES CORPORATION	338,140	4.20
NOK Corporation	320,000	3.98
The Shoko Chukin Bank, Ltd.	223,600	2.78
Japan Trustee Services Bank, Ltd.	193,900	2.41
Mizuho Bank, Ltd.	167,700	2.08
UMC Electronics Group Employees Shareholding Union	167,460	2.08

Note: Percentage is calculated excluding treasury stock (309,440 shares).

Shareholders by Category

	Number of Shares Held	Percentage of Total Shares Issued (%)
Individual	1,333,334	15.96
Financial institutions	1,194,100	14.29
Other companies	5,167,680	61.84
Foreign investors	320,002	3.83
Securities companies	31,584	0.38
Treasury stock	309,440	3.70



Stock Price Trend

