

FACT BOOK 2017

For the year ended March 31, 2017



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UMC Electronics Co., Ltd

Financial Highlights

UMC Electronics Co., Ltd. and Consolidated Subsidiaries

(Thousands of yen)

	2016/3	2017/3
For the year:		
Net sales	110,051,722	111,915,564
(Plant output)	23,534,951	24,382,510
Gross profit	6,057,910	7,077,026
Selling, general and administrative expenses	3,719,794	4,203,955
Operating income	2,338,115	2,873,071
Profit attributable to owners of parent	1,814,492	1,306,148
Capital investment	3,008,584	4,634,069
Depreciation	2,308,787	2,227,204
Free cash flow	1,389,376	(2,178,145)
At year-end:		
Total assets	56,723,386	60,627,720
Total shareholders' equity	15,448,199	16,394,673
Total net assets	15,963,716	16,636,752
Per share (yen):		
Profit per share	278.59	162.32
Net assets per share	1983.39	2067.52
Cash dividends per share	44.60	44.60
Dividend payout ratio	16.00	27.50
Ratios (%):		
Operating profit/sales	2.1	2.6
ROE	13.3	8.0
ROA	3.3	2.2
Shareholders' Equity Ratio	28.1	27.4
Exchange rates into U.S. currency:		
At year-end	112.69	112.20
Average for the year	120.14	108.42
Number of employees (at year-end):	8,811	10,862
Number of subsidiaries (at year-end):	11	11

Notes:

- (1) Plant output = 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)

	2016/3	2017/3
EMS business		
Automotive equipment	36,223,739	43,947,239
Share	32.9%	39.3%
YoY		21.3%
Industrial equipment	24,120,807	26,922,589
Share	21.9%	24.1%
YoY		11.6%
Office automation equipment	24,221,847	21,490,450
Share	22.0%	19.2%
YoY		-11.3%
Consumer equipment	12,564,935	8,364,055
Share	11.4%	7.5%
YoY		-33.4%
Information equipment	9,193,641	6,894,136
Share	8.4%	6.2%
YoY		-25.0%
Other EMS	3,305,376	3,797,099
Share	3.0%	3.4%
YoY		14.9%
Other business	421,374	499,994
Share	0.4%	0.4%
YoY		18.7%
Total	110,051,722	111,915,564
YoY		-3.1%

Notes:

UMC Electronics reviews the criteria for each product category frequently for the purposes of its own accounts.

(2) Net Sales by Region

(Thousands of yen)

	2016/3	2017/3
China	63,548,277	57,296,557
Vietnam	19,513,561	25,255,218
Japan	21,327,369	23,229,629
Thai	9,128,362	8,843,528
Other	26,371	55,107
Eliminations and adjustments	-3,492,218	-2,764,476
Total	110,051,722	111,915,564

Consolidated Statements of Income

(Thousands of yen)

	2016/3 (2015.4.1-2016.3.31)	2017/3 (2016.4.1-2017.3.31)
Net sales	110,051,722	111,915,564
Cost of sales	103,993,811	104,838,538
Gross profit	6,057,910	7,077,026
Selling, general and administrative expenses	3,719,794	4,203,955
Operating income	2,338,115	2,873,071
Non-operating income		
Interest income	11,341	11,635
Dividends income	35,705	42,377
Insurance return	112,727	—
Other	42,779	40,530
Total non-operating income	202,553	94,543
Non-operating expenses		
Interest expenses	375,338	375,861
Share of loss of entities accounted for using equity method	—	4,743
Foreign exchange losses	26,762	407,816
Going public expenses	28,071	—
Other	4,879	18,701
Total non-operating expenses	435,051	807,123
Ordinary income	2,105,617	2,160,490
Extraordinary income		
Gain on sales of non-current assets	29,426	187
Gain on sales of investment securities	190,354	44,998
Gain on sales of shares of subsidiaries and associates	—	75,114
Subsidy income	133,640	—
Gain on change in equity	—	19,423
Total extraordinary income	353,422	139,724
Extraordinary losses		
Loss on retirement of non-current assets	4,183	19
Impairment loss	18	—
Gain on reversal of loss on valuation of investment securities	—	538
Business structure improvement expenses	—	322,692
Total extraordinary loss	4,201	323,249
Profit before income taxes	2,454,838	1,976,965
Income taxes-current	616,005	499,375
Income taxes-deferred	28,929	157,861
Total income taxes	644,934	657,236
Profit for the year	1,809,903	1,319,729
Profit (loss) attributable to non-controlling interests	(4,589)	13,580
Profit attributable to owners of parent	1,814,492	1,306,148

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	2016/3 (2015.4.1-2016.3.31)	2016/3 (2016.4.1-2017.3.31)
Profit for the year	1,809,903	1,319,729
Other comprehensive income		
Valuation difference on available-for-sale securities	(311,855)	175,745
Deferred gains or losses on hedges	(437)	4,848
Foreign currency translation adjustment	(1,359,137)	(450,034)
Total other comprehensive income	(1,671,430)	(269,440)
Comprehensive income	138,473	1,050,288
(Content)		
Comprehensive income for the parent company's shareholders	143,062	1,036,708
Comprehensive income attributable to non-controlling interests	(4,589)	13,580

Consolidated Balance Sheets

(Thousands of yen)

	2016/3 (As of March 31, 2016)	2017/3 (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	13,074,194	9,880,829
Notes and accounts receivable-trade	17,274,633	18,765,190
Finished goods	1,537,126	2,183,259
Work in process	553,402	392,253
Raw materials and supplies	8,272,835	10,224,891
Income taxes receivable	64,420	2,722
Deferred tax assets	44,312	63,086
Other	1,107,020	1,626,955
Total current assets	41,927,944	43,139,186
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	9,303,507	9,239,625
Accumulated depreciation	(4,123,362)	(4,472,162)
Buildings and structures, net	5,180,145	4,767,463
Machinery, equipment and vehicles	16,413,477	16,407,114
Accumulated depreciation	(11,630,005)	(10,703,008)
Machinery, equipment and vehicles, net	4,783,471	5,704,105
Tools, furniture and fixtures	2,559,698	2,598,008
Accumulated depreciation	(1,564,385)	(1,579,692)
Tools, furniture and fixtures, net	995,312	1,018,315
Land	1,189,774	1,368,898
Leased assets	1,269,678	1,380,275
Accumulated depreciation	(312,299)	(459,343)
Leased assets, net	957,379	920,931
Construction in progress	47,487	1,039,598
Total property, plant and equipment	13,153,570	14,819,313
Intangible assets		
Software	445,641	373,556
Software in progress	5,963	186,862
Goodwill	40,969	—
Other	100	100
Total intangible assets	492,674	560,519
Investments and other assets		
Investment securities	238,780	1,113,534
Shares of subsidiaries and associates	—	53,407
Long-term prepaid expenses	532,468	678,280
Long-term time deposits	200,000	200,000
Deferred tax assets	119,832	2,475
Other	58,114	61,002
Total Investments and other assets	1,149,196	2,108,701
Total noncurrent assets	14,795,441	17,488,534
Total assets	56,723,386	60,627,720

(Thousands of yen)

	2016/3 (As of March 31, 2016)	2017/3 (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,583,893	19,336,652
Short-term loans payable	3,789,110	5,401,540
Current portion of long-term loans payable	5,547,406	5,115,844
Current portion of bonds	184,000	184,000
Lease obligations	188,837	171,320
Income taxes payable	594,574	751,400
Accounts payable - other	664,336	1,087,925
Accrued expenses	823,300	968,986
Provision for bonuses	178,341	190,142
Other	126,413	115,521
Total current liabilities	28,680,213	33,323,335
Noncurrent liabilities		
Bonds payable	264,000	80,000
Long-term loans payable	10,654,367	9,424,398
Lease obligations	902,880	780,282
Liabilities for retirement benefits	2,022	3,854
Deferred tax liabilities	235,685	365,520
Other	20,500	13,577
Total noncurrent liabilities	12,079,456	10,667,633
Total liabilities	40,759,669	43,990,968
Net assets		
Shareholders' equity		
Capital stock	1,334,000	1,334,000
Capital surplus	5,513,746	5,513,881
Retained earnings	8,744,610	9,690,950
Treasury stock	(144,158)	(144,158)
Total shareholders' equity	15,448,199	16,394,673
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	(41,753)	133,991
Deferred gains or losses on hedges	(12,381)	(7,533)
Foreign currency translation adjustment	565,654	115,619
Total accumulated comprehensive income	511,518	242,078
Non-controlling interests	3,998	—
Total net assets	15,963,716	16,636,752
Total liabilities and net assets	56,723,386	60,627,720

Consolidated Statements of Cash Flows

(Thousands of yen)

	2016/3 (2015.4.1-2016.3.31)	2017/3 (2016.4.1-2017.3.31)
Net cash provided by (used in) operating activities		
Profit before income taxes	2,454,838	1,976,965
Depreciation and amortization	2,308,787	2,227,204
Impairment loss	18	—
Amortization of goodwill	8,186	7,229
Increase (decrease) in provision for bonuses	(19,050)	15,718
Interest and dividends income	(47,046)	(54,012)
Interest expenses	375,338	375,861
Share of (profit) loss of entities accounted for using equity method	—	4,743
Foreign exchange losses (gains)	(132,664)	(92,448)
Loss (gain) on sales of investment securities	(190,354)	(44,998)
Loss (gain) on sales of shares of subsidiaries and associates	—	(75,114)
Loss (gain) on valuation of investment securities	—	538
Loss (gain) on sales of property, plant and equipment	(29,426)	(187)
Loss on retirement of property, plant and equipment	4,183	19
Gain on maturity of insurance contract	(112,727)	—
Subsidy income	(133,640)	(1,980)
Loss (gain) on change in equity	—	(19,423)
Decrease (increase) in notes and accounts receivable-trade	(346,593)	(2,065,403)
Decrease (increase) in inventories	(540,152)	(2,560,772)
Increase (decrease) in notes and accounts payable-trade	905,882	3,180,488
Increase (decrease) in accounts payable-other	151,596	227,654
Other	(340,133)	(350,192)
Subtotal	4,317,040	2,751,891
Interest and dividends income received	47,046	54,012
Interest expenses paid	(386,143)	(366,405)
Proceeds from subsidy income	133,640	1,980
Income taxes paid	(982,972)	(383,523)
Net cash provided by (used in) operating activities	3,128,611	2,057,954
Net cash provided by (used in) investment activities		
Payments into time deposits	(100,000)	—
Purchase of property, plant and equipment	(2,581,081)	(3,444,029)
Proceeds from sales of property, plant and equipment	223,955	187
Purchase of intangible assets	(61,701)	(243,092)
Purchase of investment securities	(50,728)	(689,896)
Proceeds from sales of investment securities	874,750	106,308
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 sales of shares of subsidiaries resulting in change in scope of consolidation	—	39,020
Proceeds from cancellation of insurance funds	202,515	—
Other	2,098	(4,598)
Net cash provided by (used in) investment activities	(1,739,235)	(4,236,099)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,298,359	1,531,212
Proceeds from long-term loans payable	5,253,490	4,282,976
Repayment of long-term loans payable	(6,666,625)	(5,888,202)
Redemption of bonds	(184,000)	(184,000)
Proceeds from sales of treasury stock	4,524,465	—
Repayments of lease obligations	(197,276)	(148,923)
Proceeds from share issuance to non-controlling shareholders	—	1,000
Cash dividends paid	(96,505)	(358,882)
Net cash provided by (used in) financing activities	3,931,907	(764,819)
Effect of exchange rate change on cash and cash equivalents	(437,119)	(250,399)
Net increase (decrease) in cash and cash equivalents	4,884,164	(3,193,364)
Cash and cash equivalents at beginning of period	7,990,030	12,874,194
Cash and cash equivalents at end of period	12,874,194	9,680,829

Statement of Changes in Equity

Previous year (2015.4.1-2016.3.31)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total
Balances at March 31, 2015	1,334,000	1,740,822	7,026,623	(895,699)	9,205,747
Changes of items during period					
Disposal of treasury shares		3,772,923		751,541	4,524,465
Dividends of surplus			(96,505)		(96,505)
Profit attributable to owners of parent			1,814,492		1,814,492
Net changes of items other than shareholders' equity					
Total changes of items during period	—	3,772,923	1,717,987	751,541	6,242,452
Balances at March 31, 2016	1,334,000	5,513,746	8,744,610	(144,158)	15,448,199

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale secu	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balances at March 31, 2015	270,101	(11,944)	1,924,791	2,182,949	—	11,388,696
Changes of items during period						
Disposal of treasury shares						4,524,465
Dividends of surplus						(96,505)
Profit attributable to owners of parent						1,814,492
Net changes of items other than shareholders' equity	(311,855)	(437)	(1,359,137)	(1,671,430)	3,998	(1,667,431)
Total changes of items during period	(311,855)	(437)	(1,359,137)	(1,671,430)	3,998	4,575,020
Balances at March 31, 2016	(41,753)	(12,381)	565,654	511,518	3,998	15,963,716

Current year (2016.4.1-2017.3.31)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total
Balances at March 31, 2016	1,334,000	5,513,746	8,744,610	(144,158)	15,448,199
Changes of items during period					
Change of scope of consolidation			(926)		(926)
Capital increase of consolidated subsidiaries		134			134
Dividends of surplus			(358,882)		(358,882)
Profit attributable to owners of parent			1,306,148		1,306,148
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	134	946,339	—	946,474
Balances at March 31, 2017	1,334,000	5,513,881	9,690,950	(144,158)	16,394,673

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balances at March 31, 2016	(41,753)	(12,381)	565,654	511,518	3,998	15,963,716
Changes of items during period						
Change of scope of consolidation						(926)
Capital increase of consolidated subsidiaries						134
Dividends of surplus						(358,882)
Profit attributable to owners of parent						1,306,148
Net changes of items other than shareholders' equity	175,745	4,848	(450,034)	(269,440)	(3,998)	(273,439)
Total changes of items during period	175,745	4,848	(450,034)	(269,440)	(3,998)	673,035
Balances at March 31, 2017	133,991	(7,533)	115,619	242,078	—	16,636,752

History

1968	Established in Kawasaki as Uchiyama Seisakusho Co. Ltd.
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 Dpartment, VCM Sales Department (Nagoya) established
2008	Sales and Procurement Dpartment, Spiral Up EMS Sales Department (Miyazaki) established
2009	Sales and Procurement Dpartment, 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)
2017	Sales and Procurement Dpartment, CRM Sales Department (Shizuoka) established Wuhan Sales Department established Chicago Sales Department established

Corporate Data, Stock Information

(As of September 30, 2017)

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: 6615)
President	Shigeki Uchiyama
Employees (As of October 1, 2017)	10,820 (consolidated)
Head office	721 Kawarabuki, Ageo-shi, Saitama 362-0022, Japan
Telephone	+81-048-724-0001

Share Data (As of September 30, 2017)

Authorized Shares	54,000,000
Issued and outstanding	16,712,280
Shareholders	1,772

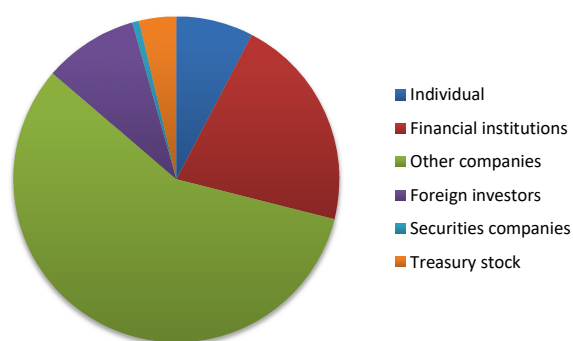
Major Shareholders (Listing 10 by Shareholding)

Name of Shareholders	Number of Shares Held	Percentage of Total Shares Issued (%)
S Uchiyama Holdings, Ltd.	3,635,720	22.59
Tokyo Century Corporatain	1,721,800	10.70
H Uchiyama Holdings, Ltd.	1,512,880	9.40
O Uchiyama Holdings, Ltd.	1,283,680	7.98
Japan Trustee Services Bank, Ltd. (Trustee Account)	785,400	4.90
TOYOTA INDUSTRIES CORPORATION	676,280	4.20
NOK Corporation	640,000	3.98
THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED 131800	545,800	3.39
The Master Trust Bank of Japan ,Ltd. (Trustee Account)	543,000	3.37
GOLDMAN SACHS INTERNARIONAL	490,719	3.04

Note:Percentage is calculated excluding treasury stock (618,927 shares).

Shareholders by Category

	Number of Shares Held	Percentage of Total Shares Issued (%)
Individual	1,279,557	7.66
Financial institutions	3,555,500	21.27
Other companies	9,581,360	57.33
Foreign investors	1,566,504	9.37
Securities companies	110,432	0.66
Treasury stock	618,927	3.70



Stock Price Trend

