



UMC Electronics Co., Ltd.

Fiscal 2020 First half Performance in Focus (April 1, 2020 – September 30, 2020)

1. Overview of Quarterly Results

(1) Overview of Operating Results

In the first half of the fiscal year ending March 31, 2021 (Fiscal 2020), UMC Electronics Co., Ltd. (hereinafter "the Company") was affected by the global epidemic of the new coronavirus infection. As a result, some bases were temporarily suspended, orders decreased due to the suspension of customer production bases, and some products were delayed due to difficulty in obtaining electronic components. However, there are signs of recovery in Net sales the second quarter of the current fiscal year due to the resumption of economic activity due to the gradual development of coexistence with the new coronavirus. As a result, Net sales for the first half of the current consolidated cumulative period were 64,215 million yen (down 10.2% year-on-year). In terms of profit and loss, Operating income was 71 million yen (operating loss of 570 million yen in the same period of the previous year), and ordinary loss was 16 million yen (ordinary loss of 1,244 million yen in the same period of the previous year). Quarterly profit or loss attributable to owners of the parent was a loss of 360 million yen (3.22 billion yen in the same period of the previous year) due to the elimination of special factors such as expenses related to correction of previous fiscal year's financial statements recorded as an extraordinary loss in the previous fiscal year. Net loss attributable to owners of the parent company).

UMC Electronics and its consolidated subsidiaries (hereinafter collectively referred to "the Group") operates two segments: the EMS business and the Other business. Segment information is not provided in this document because the EMS business accounts for an overwhelming majority of the Group's operations.

(i) EMS business

Net sales in the EMS business, which is the main business of the Group, were 63,864 million yen (down 10.3% year-on-year). The results by product category are outlined below.

(Automotive equipment)

Despite an increase in power control products for electric vehicles in critical safety parts, Net sales were 31,718 million yen (down 1.2% year-on-year) due to the impact of a significant decrease in automobile production and production adjustments.

(Industrial equipment)

Net sales were 16,575 million yen (down 10.9% year-on-year) due to a decrease in Factory Automation (FA) equipment for the Chinese market, despite contributions from servers, storage, network equipment, and new products.

(Office automation equipment)

Net sales were 12,860 million yen (down 10.4% year-on-year) due to a decrease in demand for multifunction devices.

(Consumer equipment)

Net sales were 12,000 million yen (down 13.1% YoY) due to a decrease in orders from existing Japanese customers.

(Information equipment)

Optical pickups are the main product, and Net sales were 617 million yen (down 60.4% year-on-year).

(Others)

Amusement equipment is the main product, and Net sales were 738 million yen (down 72.5% year-on-year).

(ii) Other business

The temporary staffing business performed well, with Net sales of 350 million yen (up 10.3% year-on-year).

(2) Overview of Financial Position

(i) Status of assets, liabilities, and net assets

Total assets at the end of the second quarter of the current consolidated fiscal year were 62,317 million yen (up 1.5% from the end of the previous fiscal year). This was mainly due to an increase in cash and deposits.

Liability was 59,131 million yen (up 1.9% from the previous consolidated fiscal year). This is mainly due to an increase in short-term debt.

Net assets were 3,185 million yen (down 6.7% from the end of the previous fiscal year). This is mainly due to a decrease in retained earnings.

(ii) Cash flow status

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the second quarter of the current fiscal year increased by 1,284 million yen from the end of the previous fiscal year to 5,504 million yen.

The status of each cash flow during the second quarter of the current consolidated cumulative period is as

follows.

(Cash flow from operating activities)

Net cash used in operating activities was 581 million yen. This was mainly due to a decrease in inventories.

(Cash flow from investing activities)

Cash flows from investing activities amounted to 1,288 million yen. This is mainly due to the acquisition of property, plant and equipment.

(Cash flow from financing activities)

Net cash used in financing activities was 2,074 million yen. This is mainly due to an increase in short-term debt.

(3) Explanation of Forward-looking Information Including Forecast of Consolidated Results

The impact of the spread of the new coronavirus is uncertain, including the production trends of customers and the risk of delays in supply and procurement due to interruptions in the distribution network. If the infection spreads again in China, where the Group's production ratio is high, it could have a significant impact on the Group's business activities. In addition, due to many uncertainties such as the fact that the Company has been designated the Company's stock as a Security on Alert, and is working on a revitalization plan, we have decided not to announce the earnings forecast for the fiscal year ending March 2021. We will disclose it as soon as it becomes possible to reasonably calculate the earnings forecast in the future.

Net Sales by Product Category

(Millions of yen)

	FY2019/2Q	FY2020/2Q
EMS business		
Automotive equipment	32,101	31,718
Share	44.9%	49.4%
YoY	9.7%	-1.2%
Industrial equipment	18,609	16,575
Share	26.0%	25.8%
YoY	6.4%	-10.9%
Office automation equipment	14,346	12,860
Share	20.1%	20.0%
YoY	-3.2%	-10.4%
Consumer equipment	1,382	1,200
Share	1.9%	1.9%
YoY	-26.4%	-13.1%
Information equipment	1,695	671
Share	2.4%	1.0%
YoY	-25.4%	-60.4%
Other EMS	3,047	837
Share	4.3%	1.3%
YoY	92.2%	-72.5%
Other business	317	350
Share	0.4%	0.5%
YoY	10.4%	10.3%
Total	71,500	64,215
YoY	5.8%	-10.2%