



UMC Electronics Co., Ltd.

Fiscal 2020 3Q Performance in Focus (April 1, 2020 – December 31, 2020)

1. Overview of Quarterly Results

(1) Overview of Operating Results

In the third quarter of the fiscal year ending March 2021 (FY2020), UMC Electronics Co., Ltd. and its consolidated subsidiaries (hereinafter referred to as the Group) continued to be affected by the global epidemic of coronavirus infection. Some bases were temporarily shut down, orders decreased due to the shutdown of customer production bases, and shipments of some products were delayed due to difficulty in obtaining electronic components. However, Net sales for the third quarter consolidated accounting period increased by 11.9% compared to the second quarter consolidated accounting period, and the cumulative third quarter consolidated accounting period decreased by 5.9% compared to the same period of the previous year. The uncertain situation continues, but there are signs of recovery.

As a result, Net sales for the third quarter of the current consolidated cumulative period were 103,340 million yen (down 5.9% year-on-year). In terms of profit and loss, Operating income was 1,025 million yen (operating loss of 1,450 million yen in the same period of the previous year), and ordinary income was 936 million yen (ordinary loss of 2,092 million yen in the same period of the previous year). Net income attributable to owners of the parent was 27 million yen (Net loss attributable to owners of the parent of 5,222 million yen in the same period of the previous year) due to the elimination of special factors such as expenses related to correction of financial results for the previous fiscal year recorded as extraordinary losses in the previous fiscal year.

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. Segment information is not provided in this document because the EMS business accounts for an overwhelming majority of the Group's operations.

Consolidated net sales for the EMS business by product category and consolidated net sales for the Other business are as follows. Consolidated net sales shown below are the figures after the elimination of inter-company transactions.

① EMS business

Net sales in the EMS business, which is the main business of the Group, were 102,801 million yen (down 5.9% year-on-year). The results by product category are outlined below.

(Automotive equipment)

Despite the increase in power control products for electric vehicles in critical safety parts, Net sales were 53,515 million yen (down 0.1% year-on-year) due to the impact of a significant decrease in automobile production and production adjustments.

(Industrial equipment)

Despite the contributions of servers, storage, network equipment, and new products, Net sales were 24,382 million yen (down 7.9% year-on-year) due to a decrease in factory automation (FA) equipment for the Chinese market.

(Office automation equipment)

Net sales were 21,019 million yen (down 0.8% year-on-year), although there were changes by major customers.

(Consumer equipment)

Net sales were 1,860 million yen (down 50.5% year-on-year) due to a decrease in orders from existing Japanese customers.

(Information equipment)

Optical pickups are the main product, and Net sales were 889 million yen (down 66.1% year-on-year).

(Others)

Amusement equipment is the main product, and Net sales were 1,134 million yen (down 31.4% year-on-year).

② Other businesses

The temporary staffing business is doing well, and Net sales were 538 million yen (up 6.2% year-on-year).

(2) Explanation of financial condition

Status of assets, liabilities and net assets

Total assets at the end of the third quarter of the current consolidated fiscal year were 65,589 million yen (up 6.8% from the end of the previous consolidated fiscal year). This was mainly due to an increase in cash, deposits and accounts receivable and a decrease in inventories.

Liability was 61,789 million yen (up 6.5% from the end of the previous consolidated fiscal year). This was mainly due to an increase in accounts payable and short-term borrowings.

Net assets were 3.8 billion yen (up 11.3% from the end of the previous consolidated fiscal year). This was mainly due to an increase in retained earnings and foreign currency translation adjustment accounts.

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

Based on the results for the third quarter of the current consolidated cumulative period, UMC Electronics revised its full-year earnings forecast to Net sales of 36,647 million yen, operating loss of 430 million yen, and ordinary loss of 718 million yen, attributable to owners of the parent. The net loss was 2,111 million yen.