



UMC Electronics Co., Ltd.

Fiscal 2021 First half Performance in Focus (April 1, 2021 – September 30, 2021)

1. Explanation for Quarterly Financial Results

Following matters concerning the future are based on judgments as of the end of the first quarter of the consolidated fiscal period. UMC Electronics and its consolidated subsidiaries (hereinafter collectively referred to "the Group") has "Accounting Standards for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020) and "Accounting Standards for Revenue Recognition" (Corporate Accounting Standards Application Guideline No. 30, 2021). (March 26) has been applied from the beginning of the first quarter consolidated accounting period. Therefore, the following statements regarding business results are explained without mentioning the amount of increase or decrease and the year-on-year change (%). For details on the application of revenue recognition accounting standards, etc., please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes on Quarterly Consolidated Financial Statements (Changes in Accounting Policy)".

(1) Explanation for Business Results

The global economy during the second quarter of the current consolidated cumulative period has recovered as economic activity has normalized due to the spread of vaccination mainly in developed countries. On the other hand, there are concerns about the impact on the economy due to the prolonged trade friction between the United States and China and the shortage of supplies of semiconductors and other components. In Japan, personal consumption has been sluggish due to the spread of COVID-19S and corporate activities have been contracting, but the number of new coronavirus infections has been declining since the latter half of the second quarter of the current consolidated cumulative period. It is expected that restrictions on economic activities will be relaxed and the economy will recover toward the second half of the year.

As a result, Net sales for the first half of the current consolidated cumulative period were 66,268 million yen. Operating income was 535 million yen (71 million yen in the same period of the previous year). Ordinary income was 446 million yen (ordinary loss of 106 million yen in the same period of the previous year). Net income attributable to owners of the parent was 265 million (compared to a net loss of 360 million attributable to owners of

the parent in the same period of the previous 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.

Consolidated net sales of 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

Consolidated net sales of the EMS business, which is the main business of the Group, amounted to 65,950 million yen. The results by product category are outlined below.

(Automotive equipment)

Consolidated net sales totaled 40,286 million yen due to eliminating the impact of the market decline caused by the expansion of COVID-19 during the same period of the previous fiscal year. In addition, sales of products for electric vehicles such as power control units, DC-DC converters, and electric compressors grew, and other automotive equipment-related products also performed well overall.

(Industrial equipment)

Consolidated net sales totaled 10,123 million yen due to the stagnation of the entire market due to tight supply of parts and the end of handling of some FA equipment.

(Office automation equipment)

Consolidated net sales totaled 14,305 million yen due to an increase in transaction volume of major customers in China despite the impact of the suspension of operations at major customer factories in Vietnam caused by the expansion of COVID-19.

(Consumer equipment)

Consolidated net sales totaled 632 million yen due to a temporary increase in production by the end of production for some existing Japanese customers.

(Information equipment)

Due to the discontinuation of production of Optical pickups, there were no sales in the first quarter of the consolidated fiscal period.

(Others)

Consolidated net sales totaled 602 million yen, and Amusement equipment is the main product.

② Other businesses

Consolidated net sales of the dispatching business totaled 318 million yen.

(2) Explanation for Financial Condition

① Status of assets, liabilities and net assets

Total assets at the end of the second quarter of the current consolidated fiscal year amounted to 64,945 million yen (down 2,412 million yen from the end of the previous fiscal year). This was mainly due to a decrease in cash and deposits and a decrease in notes and accounts receivable - trade.

Liability was 49,601 million yen (down 2,833 million yen from the previous consolidated fiscal year). This was mainly due to a decrease in notes payable and accounts payable - trade.

Net assets were 15,343 million yen (up 420 million yen from the end of the previous consolidated fiscal year). This is mainly due to an increase in retained earnings.

② Cash flow status

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the second quarter of the current consolidated fiscal year decreased by 2,936 million yen from the end of the previous fiscal year to 6,233 million yen.

(Cash flow from operating activities)

Cash flows from operating activities amounted to 3,780 million yen. This was mainly due to an increase in inventories and a decrease in trade payables.

(Cash flow from investing activities)

Cash flows from investing activities amounted to 992 million yen. This is mainly due to the acquisition of property, plant and equipment.

(Cash flow from financing activities)

Net cash used in operating activities was 1,692 million yen. This is mainly due to an increase in short-term borrowings.

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

There are no changes in the forecasts of consolidated financial results from the forecast announced on March 17, 2021. Our projections are based on exchange rates of 105 yen to the U.S. dollar.