

Securities Code: 6615
June 14, 2022

To all our shareholders:

Kota Otsushi
President, Representative Director
UMC Electronics Co., Ltd.
721 Kawarabuki, Ageo, Saitama, Japan

Notice of the 55th Annual General Meeting of Shareholders

We hereby inform you of our 55th General Meeting of Shareholders as in the following.

In lieu of attending the meeting in person, you could exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights in the manner described hereafter by 5:30 p.m. (Japan time) on Tuesday, June 28, 2022.

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|---------------------------------|---|
| 1. Date and Time | 10:00 a.m. on June 29, 2022 (Wednesday) (Japan Time) |
| 2. Place | Sonic City Palace Hotel, the third floor at Cherry Room
1-7-5 Sakuragi-cho, Omiya-ku, Saitama, Saitama |
| 3. Agenda of the Meeting | |
| Matters to be reported | Business Report, Consolidated Financial Statements for the 55th Fiscal Year (from April 1, 2021 to March 31, 2022) and Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board |
| Items to be resolved | |
| Proposal 1 | Partial Amendments to the Articles of Incorporation |
| Proposal 2 | Election of three (3) Directors (Excluding Directors Serving as the Audit and Supervisory Committee Members) |

While new coronavirus currently continues to spread, please assure to verify the event status for the day and your physical condition, and please assure to cooperate for infection prevention by wearing a mask as you attend General Meeting of Shareholders.

In addition, please bear in mind that we might take measures for infection prevention at General Meeting of Shareholders. We also request those shareholders who are unable to come to General Meeting of Shareholders on the day of the event to exercise their voting rights in advance, in writing (via mail) or online by any means.

Upon attending the event, please submit the enclosed voting rights exercise form at the reception desk.

When allowing a representative to exercise your voting rights, another shareholder who holds voting rights for our company may be a representative for exercising voting rights on your behalf. However, please note that you will be required to submit a document certifying your delegation. Out of the documents to be provided along with this notice, "Status of stock acquisition rights, etc.", "System and operational status to ensure the appropriateness of business", "Consolidated statement of changes in shareholders' equity," "Consolidated note sheet", "Statement of Changes in Shareholders' Equity" and "Individual Note Table" are not found on this notice since they are found on our company's website (URL <https://www.umc.co.jp/>), which is according to regulations and Article 16 of the Company's Articles of Incorporation.

Thus, the business report, consolidated financial statements, and calculated documents described in this notice are part of accounting audit reports of which accounting auditors or Audit and Supervisory Committee have audited.

In case any revisions were made to reference documents for General Meeting of Shareholders, business reports, financial statements, and consolidated financial statements, they shall be posted on the company's website.

Business Report

(From April 1, 2021 to March 31, 2022)

1. Overview of the Group

(1) This fiscal year's business status

"Accounting Standards for Revenue Recognition" (Accounting Standards No. 29 issued on March 31, 2020) and "Guidelines for Implementing Accounting Standards for Revenue Recognition" (Accounting Standards Implementation Guidance No. 30 issued on March 26, 2021) have been implemented since the beginning of this consolidated accounting period. Thus, the following business results are described without the amount of increase/decrease and the year-on-year comparison from the previous year (%).

1) Circumstances and results of business

As for the world economy in this consolidated fiscal year, economic activities have been progressively normalized as COVID-19 vaccinations have prevailed. On the other hand, there have been concerns on further material supply shortages such as semiconductors and on soaring of raw material and energy prices triggered by the Russia-Ukraine issue along with the US and China prolonged trade friction issue. Despite a reboot of manufacturing activities due to steady overseas demand primarily in developed countries, Japan has been experiencing an increasing uncertainty as the situation is continuously unpredictable with the emergence of COVID-19 new variants and destabilizing world situations.

Under such circumstances, net sales for this consolidated fiscal year were 134,550 million yen (136,179 million yen compared to that of the previous consolidated fiscal year). Regarding profit/loss, operating profit was 1,498 million yen (857 million yen compared to that of the previous consolidated fiscal year) and ordinary profit was 2,093 million yen (1,117 million yen compared to that of the previous consolidated fiscal year). Net income attributable to owners of the parent was 1,570 million yen (net loss attributable to shareholders of the parent was 97 million yen in the previous consolidated fiscal year).

We are engaged in the EMS business and other businesses, and segment information is omitted since most of them are of the EMS business.

Net sales of EMS business by product and of other businesses are shown as in the following. What is indicated as net sales figures is of after eliminating consolidated offsets.

A. EMS Business

Net sales of the EMS business, which is our main business, were 133,921 million yen. The results by product category are outlined below.

(Automotive Equipment)

Net sales were 81,133 million yen due to growth in products such as electric compressor parts for electric vehicles, power control units, and DC-DC converters, despite delays in recovery because of reduced production by automakers with semiconductor shortages and re-expansion of COVID-19 in some areas.

(Industrial Equipment)

Net sales were 21,907 million yen as some FA equipment ended its production, although demand has been expanding due to energy conservation policies in China along with investment in advanced technology, investment for increasing production capacity, and growth in 5G-related demand.

(Office Automation Equipment)

Net sales were 28,775 million yen due to an increase in transaction volume of major customers in China and continued favorable demand for remote work while there was an impact of operation suspension due to COVID-19 at our major customer plant in Vietnam for products of Multifunction Printers.

(Consumer Equipment)

Net sales were 848 million yen due to a decrease in orders from existing Japanese customers.

(Information Equipment)

There were no net sales in this consolidated accounting period due to the end of production of optical pickup-related products.

(Others)

Net sales were 1,256 million yen whose main product is amusement equipment.

B. Other Businesses

Net sales for the staffing business were 629 million yen.

2) Expenditure

Capital investment made in this consolidated fiscal year totaled 2,012 million yen. The main expenditure was 1,818 million yen for production equipment at the respective group company.

3) Financing

As of the end of this fiscal year, we have procured short-term and long-term loans payable, which resulted in the balance of short-term loans payable was 18,018 million yen (5,375 million yen increase compared to the end of the previous fiscal year), and the balance of long-term loans payable (including those that are to be repaid within one year) was 7,468 million yen (2,258 million yen increase compared to the end of the previous fiscal year).

(2) Property and Profit / Loss of Recent Four Fiscal Years

(million yen)

Item	FY2019 (From April 1, 2018 - March 31, 2019)	FY2020 (From April 1, 2019 - March 31, 2020)	FY2021 (From April 1, 2020 - March 31, 2021)	FY2022 (From April 1, 2021 - March 31, 2022)
Net Sales	138,665	141,010	136,179	134,550
Operating Profit	(769)	(5,188)	857	1,498
Ordinary Profit	(1,828)	(6,609)	1,117	2,093
Profit attributable to owners of the parent	(2,243)	(12,571)	(97)	1,570
Earnings per share (yen)	(120.48)	(651.55)	(5.04)	55.56
Total Assets	74,310	61,419	67,357	73,368
Net Assets	17,384	3,414	14,923	17,086
Net Assets per share (yen)	893.77	168.28	277.29	353.72

Notes:

1. Net income per share or net loss per share for this fiscal year was calculated based on the average total number of issued shares during the period after deducting treasury stock, and net assets per share are calculated based on the total number of issued shares at the end of the period after deducting treasury stock. Since we have issued preferred stock, the net assets per share for the 54th and 55th periods were calculated based on the net assets at the end of the period for the common stock after deducting the preferred stock.
2. The main reason for the increase in net assets in the 54th term was a capital increase through third-party allotment.
3. Since we have corrected errors, etc., the property and profit/loss for the 52nd term has been replaced with the corrected figures.
4. Accounting Standards for Revenue Recognition" (Corporate Accounting Standards No. 29, March 31, 2020) and "Guidelines for Implementing Accounting Standards for Revenue Recognition" (Accounting Standards for Corporate Accounting No. 30, March 26, 2021), etc. have been implemented from the beginning of this consolidated fiscal year, and each value for this consolidated fiscal year is of the value after implementing the applicable accounting standards.

(3) Major Subsidiaries

Subsidiaries

Company Name	Capital	Voting Right Ratio (%)	Principal Business
UMC Electronics Hong Kong Limited	74,892 thousand USD	100.0	Electronics Manufacturing / Sales
UMC Electronics (Shenzhen) Co., Ltd.	9,000 thousand USD	100.0 (100.0)	Electronics Manufacturing / Sales
UMC Electronics (Dongguan) Co., Ltd.	12,250 thousand USD	100.0 (100.0)	Electronics Manufacturing / Sales
UMC Electronics Products (Dongguan) Co., Ltd.	18,130 thousand USD	100.0 (100.0)	Electronics Manufacturing / Sales
UMC Dongguan Plastics Co., Ltd.	63,000 thousand HKD	100.0 (100.0)	Plastic Parts Molding, Precision Plastic Molds Manufacturing and Sales, etc.
UMC Electronics Manufacturing (Dongguan) Co., Ltd.	10,000 thousand USD	100.0 (100.0)	Electronics Manufacturing / Sales
UMC Electronics Vietnam Limited	19,800 thousand USD	100.0	Electronics Manufacturing / Sales
UMC Electronics (Thailand) Limited	2,318,000 thousand THB	100.0 (0.0)	Electronics Manufacturing / Sales
UMC Electronics Europe GmbH	2,000 thousand EUR	100.0	Electronics Equipment Sales
UMC Electronics Mexico, S.A. de C.V.	754,493 thousand MXN	100.0 (0.0)	Electronics Manufacturing / Sales
UMC Electronics North America, Inc.	1,400 thousand USD	100.0	Electronic Equipment Sales
UMC H Electronics Co., Ltd.	50,000 thousand yen	85.1	Electronics Manufacturing / Sales
UMC Just In Staff Co., Ltd.	100,000 thousand yen	100.0	Staffing, Human Resources Contracting, Real Estate Management, Insurance Agency Businesses

Notes:

1. Inside the parenthesis of voting right ratio indicates of indirect holding ratio, which is of partial voting right ratio.
2. Indirect holding ratio (100.0%) of UMC Electronics (Shenzhen) Co., Ltd., UMC Electronics (Dongguan) Co., Ltd., UMC Electronics Products (Dongguan) Co., Ltd., UMC Dongguan Plastics Co., Ltd., UMC Electronics Manufacturing (Dongguan) Co., Ltd. is possessed by UMC Electronics Hong Kong Limited.
3. Indirect holding ratio (0.0%) of UMC Electronics (Thailand) Limited is possessed by UMC Electronics Hong Kong Limited as well as UMC Electronics Vietnam Limited. And indirect holding ratio (0.0%) of UMC Electronics Mexico, S.A.de C.V. is possessed by UMC Electronics Hong Kong Limited.

Other affiliated companies

Company	Capital	Voting shares ratio	Primary Business
Toyota Industries Corporation	80,462 million yen	34.6%	Production and Sales of Textile Machinery, Material Handling Equipment, Automobiles, and Automobile Parts

(4) Challenges

As for the business environment which surrounds our Group, there are yet no signs of an end to COVID-19 despite ongoing economic activities for normalization. The future outlook is becoming increasingly uncertain as soaring prices of natural resources are triggered by geopolitical risks such as the Russia-Ukraine issue. Besides that, a part of the uncertainty lies in the risks of soaring logistic costs and production constraints associated with long-lasting material shortages such as semiconductors. In addition, an acceleration of global efforts for carbon neutrality realization and digitalization progression are allowing to boost the speed of change in the fields of politics, economy, and technology.

Besides, it is estimated that an increasing trend for products for semiconductors and automobiles would continue despite an increased intensification of competition between companies at each destined customer for the EMS business, which is our primary Group business.

Under such circumstances, in the second year after transitioning to our new management organization, our Group will work on the following three points based on the Company Principles; "We will deliver heartfelt products."

1. We will polish our manufacturing capabilities, which is our original concept and strength of our group.
2. We will propose optimal production processes that go beyond instead of focusing on mere production.
3. We will build a solid partnership with customers who have supported us so far and new customers whom we will meet in the future.

Then, we will enhance our competitiveness as an EMS company by continuously maintaining and solidifying our supply chain and strengthening our earning pillars with a view to the mid to long-term sustainable growth.

(5) Principal businesses (as of March 31, 2022)

Our corporate group business consists of EMS business and other businesses, of which primary products and business descriptions are found as in the following.

Category	Main Products / Businesses	
EMS	Automotive Equipment	In-vehicle electronic devices such as Electrical systems for electric vehicles, Start-up / Power generation equipment, Exteriors, Speed meters, In-vehicle environment control equipment, Security equipment, Car audio equipment, etc.
	Industrial Equipment	Electronic equipment such as Inverters, Semiconductor test equipment, Power supplies, Medical equipment, etc.
	OA Equipment	Electronic devices such as Printers and Multifunction Printers
	Consumer Equipment	Electronic devices such as Digital home appliances
	Other	Electronic equipment such as Amusement equipment, Parts business, etc.
Other	Staffing service, Manufacturing service, Insurance agency business	

(6) Primary sales offices and plants (as of March 31, 2022)

Company name	Name (Location)
UMC Electronics Co., Ltd.	Headquarters (Ageo, Saitama), Saitama Plant (Ageo, Saitama), Kyushu [Miyazaki] Plant (Miyakonojo, Miyazaki), Kyushu [Saga] Plant (Kanzaki, Saga), Kitakami Development Center (Kitakami, Iwate)
UMC H Electronics Co., Ltd.	Headquarters, Plant (Hadano, Kanagawa)
UMC Just In Staff Co., Ltd.	Headquarters (Saitama, Saitama)
UMC Electronics Hong Kong Limited	Headquarters (Hong Kong, China)
UMC Electronics (Dongguan) Co., Ltd.	Headquarters, Plant (Dongguan, Guangzhou, China)
UMC Electronics Products (Dongguan) Co., Ltd.	Headquarters, Plant (Dongguan, Guangzhou, China)
UMC Dongguan Plastics Co., Ltd.	Headquarters, Plant (Dongguan, Guangzhou, China)

UMC Electronics Manufacturing (Dongguan) Co., Ltd.	Headquarters, Plant (Dongguan, Guangzhou, China)
UMC Electronics Vietnam Limited	Headquarters, Plant (Hai Duong, Vietnam)
UMC Electronics (Thailand) Limited	Headquarters, Plant (Chachoengsao, Thailand)
UMC Electronics Europe GmbH	Headquarters (Bayern, Germany)
UMC Electronics Mexico, S.A. de C.V.	Headquarters, Plant (Jalisco, Mexico)
UMC Electronics North America, Inc.	Headquarters (Illinois, USA)

(7) Employees (as of March 31, 2022)

1) Employees of our Group

(people)

Category	Number of employees	Change from end of previous fiscal year
EMS Business	8,316 (851)	333 decrease (63 increase)
Other businesses	8 (1)	— (1 increase)
Total	8,324 (852)	333 decrease (64 increase)

Notes:

1. In the number of employees, those assigned from the Group to outside of the Group are excluded and those assigned from outside of the Group to the Group are included. The number of temporary employees (including part-timers, staffed employees from staffing companies, fixed-term workers), which is indicated in the parenthesis, is of the average number of employees per year other than the forementioned number of employees.
2. The number of overall employees has decreased by 333 compared to the end of the previous fiscal year as China has increased by 289 with personnel reinforcement due to Production increase while there was a decrease by 622 because Vietnam and Thailand have made an adjustment due to productivity improvement and also because of the end of its operation at Mexico Plant.

2) Employees of our Company

(people)

Number	Change from the end of previous fiscal year	Average age	Average length of service
229 (507)	11 increase (42 decrease)	46.0 years old	13.3 years

Note:

In the number of employees, those assigned from the Group to outside of the Group are excluded and those assigned from outside of the Group to the Group are included. The number of temporary employees (including part-timers, staffed employees from staffing companies, fixed-term workers), which is indicated in the parenthesis, is of the average number of employees per year other than the forementioned number of employees.

(8) Major Lenders (as of March 31, 2021)

(million yen)

Lender	Outstanding balance
Mizuho Bank, Ltd.	9,859
Sumitomo Mitsui Banking Corporation	7,543
MUFG Bank, Ltd.	7,109
Saitama Resona Bank, Limited	975

(9) Other important matters relating to the current state of the Group

Not applicable.

2. Status of Shares**(1) Shares** (as of March 31, 2022)

1) Number of shares authorized	Common share	77,173,720 shares
	Class A preferred share	7,000 shares
2) Number of shares issued	Common share	28,277,620 shares
	Class A preferred share	7,000 shares
3) Number of shareholders	Common share	5,936 people
	Class A preferred share	1 people

4) Primary shareholders (top 10 shareholders)

Shareholders	Number of shares (thousand)	Percentage of shares held (%)
Toyota Industries Corporation	9,788	34.62
AISIN Corporation	2,205	7.80
NEXTY Electronics Corporation	2,205	7.80
Nomura Trust and Banking Co., Ltd. (Trust 2052251)	1,000	3.54
The Master Trust Bank of Japan, Ltd. (Trust)	877	3.10
Tokyo Century Corporation	797	2.82
H-Uchiyama Holdings Ltd.	731	2.59
NOK Corporation	689	2.44
O-Uchiyama Holdings Ltd.	625	2.21
Peg Inc.	453	1.60

Notes:

1. The holding ratio is calculated after deducting treasury stock (47 shares).
2. The above major shareholders do not hold any Class A preferred stock.
3. Class A preferred stock is preferred stock, which has no voting rights.

(2) Board members and corporate officers

1) Directors (as of March 31, 2022)

Position	Name	Responsibility and significant concurrent assignment
President, Representative Director	Kota Otoshi	Executive Chairman of UMC H Electronics Co., Ltd. Chairman of UMC Electronics Hong Kong Limited Chairman of UMC Electronics (Dongguan) Co., Ltd. Chairman of UMC Electronics Products (Dongguan) Co., Ltd. Chairman of UMC Electronics (Shenzhen) Co., Ltd. Chairman of UMC Dongguan Plastics Co., Ltd. Chairman of UMC Electronics Manufacturing (Dongguan) Co., Ltd. Director of UMC Electronics Vietnam Limited Director of UMC Electronics (Thailand) Limited Director of UMC Electronics Mexico, S.A. de C.V.

Vice President, Representative Director	Akito Takada	Director of UMC Just In Staff Co., Ltd. Director of UMC H Electronics Co., Ltd. Auditor of UMC Electronics Hong Kong Limited Auditor of UMC Electronics (Dongguan) Co., Ltd. Auditor of UMC Electronics Products (Dongguan) Co., Ltd. Auditor of UMC Electronics (Shenzhen) Co., Ltd. Auditor of UMC Dongguan Plastics Co., Ltd. Auditor of UMC Electronics Manufacturing (Dongguan) Co., Ltd. Auditor of UMC Electronics Vietnam Limited Director of UMC Electronics (Thailand) Limited Director of UMC Electronics Mexico, S.A. de C.V. Director of UMC Electronics North America, Inc. Director Chairman of UMC Electronics Europe GmbH Director of UMEK GmbH
Outside Director	Takuo Sasaki	Vice President, Representative Director of Toyota Industries Corporation
Outside Director (Full-time Audit and Supervisory Committee Member)	Osami Maehara	Outside Director of Fujitsu General Limited
Outside Director (Audit and Supervisory Committee Member)	Jun Ozeki	Representative of Ozeki CPA Firm Representative Partner of Chiyoda Tax Accountant Corporation Outside Director (Audit and Supervisory Committee member) of Techno Medica Co., Ltd. Outside Auditor of Goldcrest Co., Ltd.
Outside Director (Audit and Supervisory Committee Member)	Katsumi Nakamura	Partner of T. Kunihiro & Co. Attorneys-at-Law Outside Auditor of Japan Novel Corporation Outside Auditor of Will Group, Inc.

Notes:

1. Mr. Takuo Sasaki, who is a director, is an outside director.
2. Mr. Osami Maehara, Mr. Jun Ozeki, and Mr. Katsumi Nakamura, who are directors (Auditing and Supervisory Committee members), are outside directors.
3. Mr. Takuo Sasaki has experiences in corporate management at a major automobile parts manufacturer, and has the firsthand knowledge to be able to objectively and appropriately perform his duties as an outside director with a fair and neutral third-party standpoint.
4. Mr. Osami Maehara has many years of experience in corporate management, and has the firsthand knowledge to be able to objectively and appropriately perform his duties as an outside director with a fair and neutral third-party standpoint.
5. Mr. Jun Ozeki has firsthand knowledge in finance and accounting as a certified accountant and has cultivated experience as an auditor at auditing corporation and as outside director (Audit and Supervisory Committee member) of the company.
6. Mr. Katsumi Nakamura has experiences and knowledge as a lawyer cultivated in legal practice for private companies, government think tanks, and internal and external investigation committee work career.
7. Mr. Osami Maehara has been selected as a full-time Audit and Supervisory Committee member for information collection enhancement, audit and supervisory function reinforcement by high effectiveness of audits through sufficient cooperation with Internal Audit Department.
8. Our Company has designated Mr. Osamu Maehara, an Outside Director (full-time Audit and Supervisory Committee member), and Mr. Jun Ozeki, an Outside Director (Audit and Supervisory Committee member), as independent officers based on the procedure of the Tokyo Stock Exchange, which has been already notified to the aforementioned Stock Exchange.

2) Overview of the liability limitation contract

Based on the procedure of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, our Company has had a contract of limiting liability for damages under Article 423, Paragraph 1 of the Companies Act with Mr. Takuo Sasaki, an Outside Director, and directors who are members of each Audit and Supervisory Committee.

The maximum amount of liability for damages based on the contract is what is stipulated in Article 425, Paragraph 1 of the Companies Act.

3) Overview of liability insurance contract content for officers

Our Company has a liability insurance contract for officers as stipulated in Article 430-3, Paragraph 1 of the Companies Act with the insurance company.

The scope of insured person of this contract includes the Directors, Managing Officers, Executive Officers of our Company, and Directors and Auditors of the subsidiaries of our Company.

The insurance contract shall cover the dispute costs and liabilities that the insured person must bear in the proceedings of the shareholder derivative suit and the third-party proceedings.

As a measure to prevent the insured person from impairing the appropriateness of the execution of duties, the dispute costs and liabilities incurred by the insured person due to the company proceedings shall not be covered.

The insurance contract is fully covered by our Company. In addition, the insurance contract shall be renewed with the same contents at the following renewal.

4) Compensations for Directors

A. Decision policy for board member compensations

At the Board of Directors meeting on March 3, 2021, our Company has resolved a decision policy regarding individual compensations for directors (excluding Directors who are Audit and Supervisory Committee members; hereinafter referred to as "directors"). When resolving the Board of Directors, we would consult with and receive a report from the Nomination and Compensation Committee on the resolution in advance. The content of the decision policy regarding individual compensations for Directors is as in the following.

a. Basic policy

Concerning the compensation for our Directors, arbitrariness is eliminated, and fairness and transparency are ensured. In addition, the basic policy lies in such a compensation system that links to shareholder interests so that it functions sufficiently as an incentive to continuously enhance corporate value and to set a proper level based on each responsibility when determining the compensation of each Director.

Specifically, the compensation of Senior Directors consists of basic compensation as a base with performance-linked compensation. Only basic compensation shall be provided to Outside Directors, taking their performance into account.

b. Policy regarding determining of individual compensations. for basic compensation (monetary compensation) (including policy regarding destemming of time or conditions for providing compensations)

Basic compensation for Directors of our Company is regularly provided with a fixed monthly compensation during the term of office. The amount of compensation for each individual is comprehensively determined by having the standard of other companies and the performance of our Company taken into account according to their position, responsibility, years of service, etc.

c. Policy regarding determining of performance-linked and non-monetary compensations as well as its calculation method (including policy regarding determining of time and conditions of providing compensations)

Performance-linked compensation for Directors of our Company is to be annually provided at a certain time as a bonus, whose calculation is based on the predetermined table according to the achievement of consolidated sales and operating income for each fiscal year, in addition to the standard amount set according to the position. Non-monetary compensation is not currently provided because there has been no stipulation on the matter.

d. Policy regarding determining of the ratio for the basic compensation amount and the performance-linked compensation amount, which is of compensation for each Director

The ratio of performance-linked compensation to its total shall be set within the range of about 14% to 37%, whose ratio increases as the position becomes higher. The basic compensation to the performance-linked compensation shall be provided approximately 70% to 30% ratio (assuming the median value of

the performance-linked compensation table).

e. Matters regarding determining of compensation for each Director

The specific content of the compensation amount for each Director shall be delegated to the President Representative Director according to the resolution of the Board of Directors. The bonus shall be of evaluation distribution, which is based on the amount of basic compensation and the performance of the business of each Director. The Board of Directors shall consult the draft and obtain a report from the Nomination and Compensation Committee so that the authority can be properly exercised by President Representative Director. Accordingly, the delegated President Representative Director shall determine. In deciding each compensation content for directors, Nomination and Compensation Committee multifacetedly examines the draft including its consistency according to the above decision policy. Accordingly, the conformity of each defined compensation content is deemed.

B. Total amount of compensations for this fiscal year

(people)

Category	Total amount of compensations (million yen)	Total amount of compensations by type (million yen)			Number of Directors subject to payment
		Basic compensation	Performance based compensations	Non-monetary compensations	
Directors (excluding Directors serving as the Audit and Supervisory Committee members) (Outside Directors)	51 (3)	51 (3)	— (—)	— (—)	3 (1)
Directors (serving as Audit and Supervisory Committee members) (Outside Directors)	33 (33)	33 (33)	— (—)	— (—)	3 (3)
Total (Outside Directors)	85 (37)	85 (37)	— (—)	— (—)	6 (4)

Notes:

1. Consolidated net sales and consolidated operating income for the relevant fiscal year are used as performance indicators for performance-linked compensations. The reason for selecting this index is to ensure the fairness and transparency of the Director's compensation and to create a compensation system linked to shareholder interests so that it functions sufficiently as an incentive to enhance corporate value.
2. The maximum amount of compensation for a Director (excluding Audit and Supervisory Committee members) was resolved to be within 300 million yen per year at the Extraordinary General Meeting of Shareholders held on March 27, 2020. The number of Directors (excluding Audit and Supervisory Committee members) is three (including one Outside Director) at the end of this General Meeting of Shareholders.
3. The maximum amount of compensation for Directors (Audit and Supervisory Committee members) was resolved to be within 100 million yen per year at the Extraordinary General Meeting of Shareholders held on March 27, 2020. The number of Directors (Audit and Supervisory Committee members) is three (including two Outside Directors) at the end of the General Meeting of Shareholders.
4. The specific content of the compensation amount for each Director shall be delegated to Kota Otoshi, who is the President Representative Director, according to the resolution of the Board of Directors. Its authority content is such that the bonus shall be of evaluation distribution, which is based on the amount of basic compensation and the performance of the business of each Director (excluding Outside Director). The reason for the delegation is that the Representative Director is that he is suitable for evaluating assignments of each Director while examining company's whole business performance. Each amount of compensation is determined accordingly, as the Board of Directors is to consult the draft and obtain a report from the Nomination and Compensation Committee so that this authority can be properly exercised by the President Representative Director.

5) Matters related to outside board members

A. Important concurrent assignment at other corporations, etc. and relationship between the Company and other corporations, etc.

- Mr. Takuo Sasaki, who is Outside Director, concurrently serves as Director for Toyota Industries Corporation. There is a capital and business alliance between our Company and Toyota Industries Corporation, which falls under the category of other affiliated companies.
- Mr. Osamu Maehara, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Outside Director for Fujitsu General Limited. There are no capital relationships, significant business relationships, nor special interests between our Company and the above-mentioned company.
- Mr. Jun Ozeki, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Representative for Ozeki CPA Firm. There are no capital relationships, significant business relationships, nor special interests between our Company and the above-mentioned accounting firm.
- Mr. Jun Ozeki, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Representative Partner for Chiyoda Tax Accountant Corporation. There are no capital relationships, significant business relationships nor special interests between our Company and the above-mentioned corporation.
- Mr. Jun Ozeki, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Outside Director (Audit and Supervisory Committee member) for Techno Medica Co., Ltd. There are no capital relationships, significant business relationships nor special interests between our Company and the above-mentioned company.
- Mr. Jun Ozeki, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Outside Auditor for Goldcrest Co., Ltd. There are no capital relationships, significant business relationships, nor special interests between our Company and the above-mentioned company.
- Mr. Katsumi Nakamura, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Partner for T. Kunihiro & Co. Attorneys-at-Law. There are no capital relationships, significant business relationships nor special interests between our Company and the above-mentioned law firm.
- Mr. Katsumi Nakamura, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Outside Auditor for Japan Novel Corporation. There are no capital relationships, significant business relationships nor special interests between our Company and the above-mentioned company.
- Mr. Katsumi Nakamura, who is Outside Director (Audit and Supervisory Committee member), concurrently serves as Outside Auditor for Will Group Co., Ltd. There are no capital relationships, significant business relationships nor special interests between our Company and the above-mentioned company.

B. Primary activities for this fiscal year

Position	Name	Attendance and remarks
Director	Takuo Sasaki	<p>Performed duty summary regarding expected role for outside directors</p> <ul style="list-style-type: none"> • He has attended 17 out of 17 Board Directors meetings held this fiscal year. He has suitably made necessary remarks, mainly when deliberating business execution decisions based on his business management knowledge and experience at a major automobile parts manufacturer. • He has been fulfilling his duties by making appropriate recommendations regarding strengthening of our governance system and promoting of legal compliance, utilizing his firsthand knowledge as a Director of a major automobile parts manufacturer.
Director (Audit and Supervisory Committee Member)	Osami Maehara	<ul style="list-style-type: none"> • He has attended 16 out of 17 Board of Directors meetings and 25 out of 25 meetings of Audit and Supervisory Committee meetings held this fiscal year. He has suitably made necessary remarks for deliberating business execution decisions and reports from an independent perspective, at Board of Directors' meetings, based on his knowledge and experience as a company Director. • Based on his knowledge and experience as a company Director, he has made necessary remarks as he attended monthly management meetings when deliberating business execution decisions and reporting business execution. • Besides he has made suitable recommendations on strengthening governance system and promoting legal compliance, he has been fulfilling his responsibilities as Chairman of Compliance Committee, such as selecting candidates for officers of our Company with an objective and neutral standpoint. taking on the supervisory function in the process of determining executive compensation as Chairman of Nomination and Compensation Committee.
Director (Audit and Supervisory Committee Member)	Jun Ozeki	<ul style="list-style-type: none"> • He has attended 16 out of 17 Board of Directors meetings and 24 out of 25 meetings of Audit and Supervisory Committee meetings held this fiscal year. He has suitably made necessary remarks for deliberating business execution decisions and reports from an independent perspective, at Board of Directors' meetings, based on his knowledge and experience as an auditing firm, an Outside Director (an Audit and Supervisory Committee member). • He has been suitably advising on our financial statements as a certified accountant based on his knowledge and experience. • Besides he has made suitable recommendations on strengthening governance system and promoting legal compliance, he has been fulfilling his responsibilities as a member of Compliance Committee, such as selecting candidates for officers of our Company with an objective and neutral standpoint. taking on the supervisory function in the process of determining executive compensation as a member of Nomination and Compensation Committee.
Director (Audit and Supervisory Committee Member)	Katsumi Nakamura	<ul style="list-style-type: none"> • He has attended 17 out of 17 Board of Directors meetings and 25 out of 25 meetings of Audit and Supervisory Committee meetings held this fiscal year. He has suitably made necessary remarks for deliberating business execution decisions and reports from an independent perspective, with experiences which have been cultivated in a career of legal practice of private companies, government think tanks, and internal and external investigation committee work, besides with his knowledge and experience as an attorney. • He has been suitably advising on strengthening governance systems and

	<p>administering Board of Directors as an attorney based on his knowledge and experience.</p> <ul style="list-style-type: none"> • He has been fulfilling his responsibilities as a member of Compliance Committee by making suitable recommendations on strengthening the governance system and promoting legal compliance.
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(3) Accounting Auditor

1) Name: PricewaterhouseCoopers Arata LLC

Note: Ernst & Young ShinNihon LLC, which was our Accounting Auditor firm, retired at the conclusion of the 54th General Meeting of Shareholders held on June 29, 2021.

2) Amount of compensation

(million yen)

	Amount of compensation
Amount of compensation for this fiscal year	234
Total amount of money to be paid to Accounting Auditor by our Company and our subsidiaries, and other benefits on assets	234

Notes:

1. The amount of compensations for this fiscal year includes the total amount of compensations based on the Companies Act and the Financial Instruments and Exchange Act, since they are not distinguished in the audit contract between our Company and the Accounting Auditor.
2. The Audit and Supervisory Committee has defined agreeable on the amount of accounting auditor compensations, as having conducted necessary verification on auditor plan, realization of audit, and calculations on its compensation quotation.
3. Our subsidiaries are audited by certified accountants or an accounting firm that are not of ours (including those who have qualifications equivalent to these qualifications in foreign countries).

3) Policy on determining dismissal or refusal of reappointment of the Accounting Auditor

When it is found that there exists such situation that the auditor's execution is problematic, Audit and Supervisory Committee would determine on the content of proposal regarding dismissal or non-reappointment of the Accounting Auditor, which is to be submitted to General Meeting of Shareholders.

In addition, if the Accounting Auditor is found to fall under any of the items stipulated in each item of Article 340, Paragraph 1 of the Companies Act, accounting auditor shall be dismissed based on the agreement of all Audit and Supervisory Committee members. In this case, the Audit and Supervisory Committee members selected by the Audit and Supervisory Committee will report the fact that the Accounting Auditor has been dismissed and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

(4) Basic policy regarding control of the company

Not applicable.

Reference Documents for General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendment

In accordance with the amended provisions stipulated in a proviso to Article 1 of the Supplementary Provisions of the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019), which will come into effect on September 1, 2022, the Company will make the following necessary amendments to its Articles of Incorporation in order to introduce a system for the electronic provision of materials for General Meeting of Shareholders.

- (1) Article 16 (Measures for electronic provision of information, etc.), Paragraph 1 of the proposed amendments is to be newly introduced, as the Company will be obliged to stipulate in its Articles of Incorporation that it will take measures for the electronic provision of the information contained in reference materials for General Meeting of Shareholders, etc.
- (2) Article 16 (Measures for electronic provision of information, etc.), paragraph 2 of the proposed amendments is to be newly introduced in order to allow the scope of the matters described in the documents to be delivered to shareholders who have requested document delivery to be limited to the scope specified by the Ordinance of the Ministry of Justice, with respect to those matters for which measures for electronic provision of information are to be taken concerning the information contained in reference materials for General Meeting of Shareholders, etc.
- (3) Article 16 (Disclosure of reference materials for General Meeting of Shareholders, etc. via the Internet and deemed provision) of the current Articles of Incorporation is to be deleted, as its provisions will become unnecessary once the system of electronic provision of materials for General Meeting of Shareholders is introduced.
- (4) Supplementary provisions are to be established concerning the effectiveness of the above newly introduced and deleted provisions. These supplementary provisions shall be deleted after the appropriate period has elapsed.

2. Contents of amendments

Contents are indicated as in the following.

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed Articles of Incorporation
Articles 1 to 15 (Descriptions omitted)	Articles 1 to 15 (Remain unchanged)
(Internet Disclosure of Reference Documents for the General Shareholder’s Meeting, etc.) Article 16 When convening General Meeting of Shareholders, our Company shall use the Internet for information on matters to be stated or displayed in the reference documents for the General Meeting of Shareholders, business reports, financial statements, and consolidated financial statements, in accordance with the Ordinance of the Ministry of Justice. By disclosing it by the method, it can be regarded as provided to the shareholders.	(Deleted)

<p>(Newly established)</p> <p>Articles 17 to 41 (Descriptions omitted)</p> <p>Supplementary Provisions (Transitional measures regarding exemption from liability of Audit and Supervisory Board members)</p> <p>By the Board of Directors resolution, our Company could exempt, to the extent of the law, the liability responsibility provoked by duty negligence of Audit and Supervisory Committee members (including those who were in the same capacity) before its effectiveness of partial amendment of the Articles of Incorporations resolved at the Extraordinary General Meeting of Shareholders held in March 2020, which was according to Article 426, Paragraph 1 of the Companies Act procedure.</p> <p>(Newly established)</p>	<p>(Measures for Electronic Provision, etc.)</p> <p>Article 16 When convening a General Meeting of Shareholders, our Company shall take measures to electronically provide information that is the content of reference documents for the General Meeting of Shareholders.</p> <p>2. Our Company does not need to describe all or part of the matters for which electronic provision measures are to be taken, as specified by the Ordinance of the Ministry of Justice, in the document to be delivered to the shareholders who have requested the issuance of documents by the record date of voting rights.</p> <p>Articles 17 to 41 (Remain unchanged)</p> <p>Supplementary Provisions (Transitional measures regarding exemption from liability of Audit and Supervisory Board members)</p> <p>Article 1 By the Board of Directors resolution, our Company could exempt, to the extent of the law, the liability responsibility provoked by duty negligence of Audit and Supervisory Committee members (including those who were in the same capacity) before its effectiveness of partial amendment of the Articles of Incorporations resolved at the Extraordinary General Meeting of Shareholders held in March 2020, which was according to Article 426, Paragraph 1 of the Companies Act procedure.</p> <p>(Transitional measures regarding the electronic provision of materials for the General Meeting of Shareholders)</p> <p>Article 2 The deletion of Article 16 of the Articles of Incorporation (disclosure of reference documents for shareholders' meetings on the Internet) and the establishment of Article 16 of the Articles of Incorporation (measures for electronic provision, etc.) shall come into effect on September 1, 2022.</p> <p>2. Despite the procedure of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet disclosure of reference documents for the General Meeting of Shareholders, etc.) shall still be effective for the General Meeting of Shareholders whose date is within six months from September 1, 2022.</p> <p>3. The procedure of this Article shall be deleted either after six months have passed from September 1, 2022 or three months have passed from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</p>
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Proposal 2: Election of Three (3) Directors (excluding those who are members of Audit and Supervisory Committee)

The terms of office of the current three (3) directors (excluding directors who are Audit and Supervisory Committee members) will expire at the end of this General Meeting of Shareholders. Thus, we request the appointment of three directors (excluding directors who are Audit and Supervisory Committee members).

The proposal was examined by the Audit and Supervisory Committee, and there were no particular matters to be pointed out.

Candidates for directors (excluding directors who are Audit and Supervisory Committee members) are as in the following.

No.	Name (Date of Birth)	Career summary, position and responsibilities at our Company (Important concurrent duties)	Share type and quantity
1	Kota Otsoshi (Feb 9, 1960) (Reelected)	<p>Apr 1983 Joined Toyoda Automatic Loom Work Ltd. (currently Toyota Industries Corporation)</p> <p>Jun 2006 Engineering General Manager of Electronics Division of Toyota Industries Corporation</p> <p>Jan 2013 Development General Manager of Electronics Division of Toyota Industries Corporation</p> <p>Jun 2014 Managing Officer of Toyota Industries Corporation</p> <p>Jun 2016 Managing Director of Toyota Industries Corporation</p> <p>Jun 2018 Outside Director of UMC Electronics Co., Ltd.</p> <p>Jun 2019 Executive Officer of Toyota Industries Corporation</p> <p>Jun 2020 Senior Executive Officer of Toyota Industries Corporation</p> <p>Apr 2021 President, Representative Director of UMC Electronics Co., Ltd. (to present)</p> <p>(Important concurrent duties)</p> <p>Chairman Director of UMC H Electronics Co., Ltd.</p> <p>Director of UMC Electronics Hong Kong Limited</p> <p>Director of UMC Electronics (Dongguan) Co., Ltd.</p> <p>Director of UMC Electronics Products (Dongguan) Co., Ltd.</p> <p>Director of UMC Electronics (Shenzhen) Co., Ltd.</p> <p>Director of UMC Dongguan Plastics Co., Ltd.</p> <p>Director of UMC Electronics Manufacturing (Dongguan) Co., Ltd.</p> <p>Director of UMC Electronics Vietnam Limited</p> <p>Director of UMC Electronics (Thailand) Limited</p> <p>Director of UMC Electronics Mexico, S.A. de C.V.</p>	Common share 10,000 shares
2	Akito Takada (Apr 8, 1966) (Reelected)	<p>Apr 1991 Joined Kaga Electronics Co., Ltd.</p> <p>Jun 1994 Joined UMC Electronics Co., Ltd.</p> <p>Mar 2011 Senior Managing Officer of UMC Electronics Co., Ltd.</p> <p>Sep 2015 Managing Executive Officer / Deputy General Manager of Sales Headquarters, UMC Electronics Co., Ltd.</p> <p>Apr 2018 Vice President, Managing Executive Officer /Senior Executive Officer of Sales Division of UMC Electronics Co., Ltd.</p> <p>Jun 2018 Vice President, Representative Director / Vice President Senior Executive Officer / Senior Executive Officer of Sales Division of UMC Electronics Co., Ltd.</p> <p>Oct 2019 President, Representative Director of UMC Electronics Co., Ltd.</p> <p>Apr 2021 Vice President, Representative Director of UMC Electronics Co., Ltd. (to present)</p> <p>May 2022 President, Representative Director of UMC Electronics (Thailand) Limited (to present)</p>	Common share 8,000 shares

		(Important concurrent duties) President, Representative Director of UMC Electronics (Thailand) Limited Director of UMC H Electronics Co., Ltd. Auditor of UMC Electronics Vietnam Limited Director of UMC Electronics Mexico, S.A. de C.V. Director of UMC Electronics North America, Inc. Chairperson, Director of UMC Electronics Europe GmbH	
3	Takuo Sasaki (Dec 3, 1956) (Reelected / Outside)	Apr 1980 Joined Toyota Motor Co., Ltd. Jun 2009 Managing Director of Toyota Motor Corporation Jun 2011 President, Representative Director of Toyota Financial Service Jun 2011 Advisor of Toyota Motor Corporation Apr 2013 Managing Director of Toyota Motor Corporation Jun 2015 Senior Managing Director of Toyota Industries Corporation Jun 2016 Member of the Board, Senior Managing Officer of Toyota Industries Corporation Jun 2018 Executive Vice President of Toyota Industries Corporation Apr 2021 Outside Director of UMC Electronics Co., Ltd. (to present)	-

Notes:

1. Each candidate for director does not own Class A preferred stock issued by our Company.
2. There is no special interest between each candidate for director and the Company.
3. Mr. Takuo Sasaki is a candidate for Outside Director.
4. The outline as to why Mr. Takuo Sasaki was selected as Outside Director candidate and as to what is expected is based on the abundant business management knowledge and experience at a major automobile parts manufacturer. Thus, it has been determined that he is qualified for his contribution capacity to improving the objectivity of business execution decisions. It is expected, after him being appointed, that he would appropriately carry out operations such as determining important matters and supervising business execution from a management perspective by utilizing his specialized knowledge with management experience.
5. Mr. Takuo Sasaki has been the business executor of Toyota Industries Corporation, which is a specific related company for our Company during the past ten years.
6. Mr. Takuo Sasaki is currently Outside Director of our Company, and his term of office as Outside Director will be a year and two months as of the end of this General Meeting of Shareholders.
7. Based on the procedure of Article 427, Paragraph 1 of the Companies Act, our Company and Mr. Takuo Sasaki have had a liability limitation contract to the effect of the minimum liability limit stipulated in Article 425, Paragraph 1, which is of liabilities under Article 423, Paragraph 1 of the same Act. If his reappointment is approved, we will continue the contract with him.
8. Our Company has a liability insurance contract for officers, etc. with an insurance company, and each candidate is an insured person for the insurance contract. Please refer to page 9 of the business report for an overview of the contents of the insurance contract. In addition, the insurance contract will be renewed with the same contents at the following renewal.

<Reference>

Name	Title	Main specialty and experiences						Belonged committee		
		① Corporate Management Management Strategy	② Development Production Quality	③ Marketing Sales Purchasing	④ Finance Accounting	⑤ Legal Risk Management	⑥ Global	Audit and Supervisory Committee	Nomination/ Remuneration Committee	Compliance Committee
Kota Otoshi	President, Representative Director	●	●	●		●	●		●	●
Akito Takada	Vice President, Representative Director	●	●	●		●	●			
Takuo Sasaki	Outside Director	●			●	●	●			
Osami Maehara	Outside Director	●		●			●	● (Full-time)	● (Chairman)	● (Chairman)
Jun Ozeki	Outside Director				●			●	●	●
Katsumi Nakamura	Outside Director					●		●		●