



Securities Code: 6615

UMC Electronics Co., Ltd.

FY2023 3rd Quarter Financial Results Briefing Materials

February 2023

Note: This document has been translated from the Japanese original document for reference purposes only. The original Japanese document shall prevail in the event of any discrepancy between this translated document and the Japanese original one.

I. Financial Results Overview

FY2023: Financial Summary of Third Quarter / Earnings FY Forecast

(Million yen)

	FY2022 3rd Quarter (Apr 2021 - Dec 2021)	FY2023 3rd Quarter (Apr 2022 - Dec 2022)	Change (Amount)	Change (%)	FY2023 Forecast (Apr 2022 - Mar 2023)
Net sales	100,805	126,166	25,361	25.2	150,000
Operating profit	656	1,568	911	138.8	1,800
(Profit rate)	0.7%	1.2%	0.6%	—	1.2%
Ordinary profit	1,001	696	(305)	(30.5)	1,800
(Profit rate)	1.0%	0.6%	(0.4%)	—	1.2%
Profit attributable to owners of the parent	733	343	(389)	(53.2)	1,400
(Profit rate)	0.7%	0.3%	(0.5%)	—	0.9%
Exchange rate (1USD=)	111 yen	137 yen	26 yen	—	113 yen
Earnings per share	25.93 yen	12.15 yen	(13.78 yen)	—	49.50 yen
Cash Dividends per share	—	—	—	—	—
Dividend payout ratio	—	—	—	—	—
Investments in tangible assets	1,866	1,058	(807)	(43.3)	—
Depreciation	2,186	2,415	229	10.5	
	FY 2022 (As of March 31, 2022)	FY2023 3rd Quarter (As of Dec 31, 2022)	Change (Amount)	Change (%)	
Total assets	73,368	89,963	16,595	22.6	
Net assets	17,086	17,070	(15)	(0.1)	—
Capital ratio (%)	23.2	18.9	(4.2)	—	

Overview

<Global>

- Recovery trend from impact of COVID-19 through economic activities
- Energy and resource prices remain high with tight supply and demand of semiconductors, and with excessive currency volatility and continuous global inflation
- The significant easing of the zero-corona policy are attracting attention in China: uncertain economic situation continues.

<Domestic>

- Expectation on positive effect of COVID-19 policies in transition to new phase
- Concern with lingering negative impact on the economy by price increases of imported raw materials and by global tight monetary policy

Sales

- Economic activity globally recovered due to downward trend of COVID-19
→Substantial net sales increased even without yen's depreciation impact.
- An increase of 25.2% compared to the same period of the previous year (+25,361 million yen)

Operating Profit

- Steady expenditure control by company-wide loss reduction activities
- While the impact on customer production adjustments anticipated to be improved, soaring energy/material prices and tight parts supply remain.
- An increase of 138.8% compared to the same period of the previous year (+911 million yen)

Ordinary Profit

- With dollar-denominated debt of our subsidiary in China, foreign exchange loss of 875 million yen has been accounted for due to depreciation of yuan against dollar.
- A decrease of 30.5% compared to the same period of the previous year (-305 million yen)

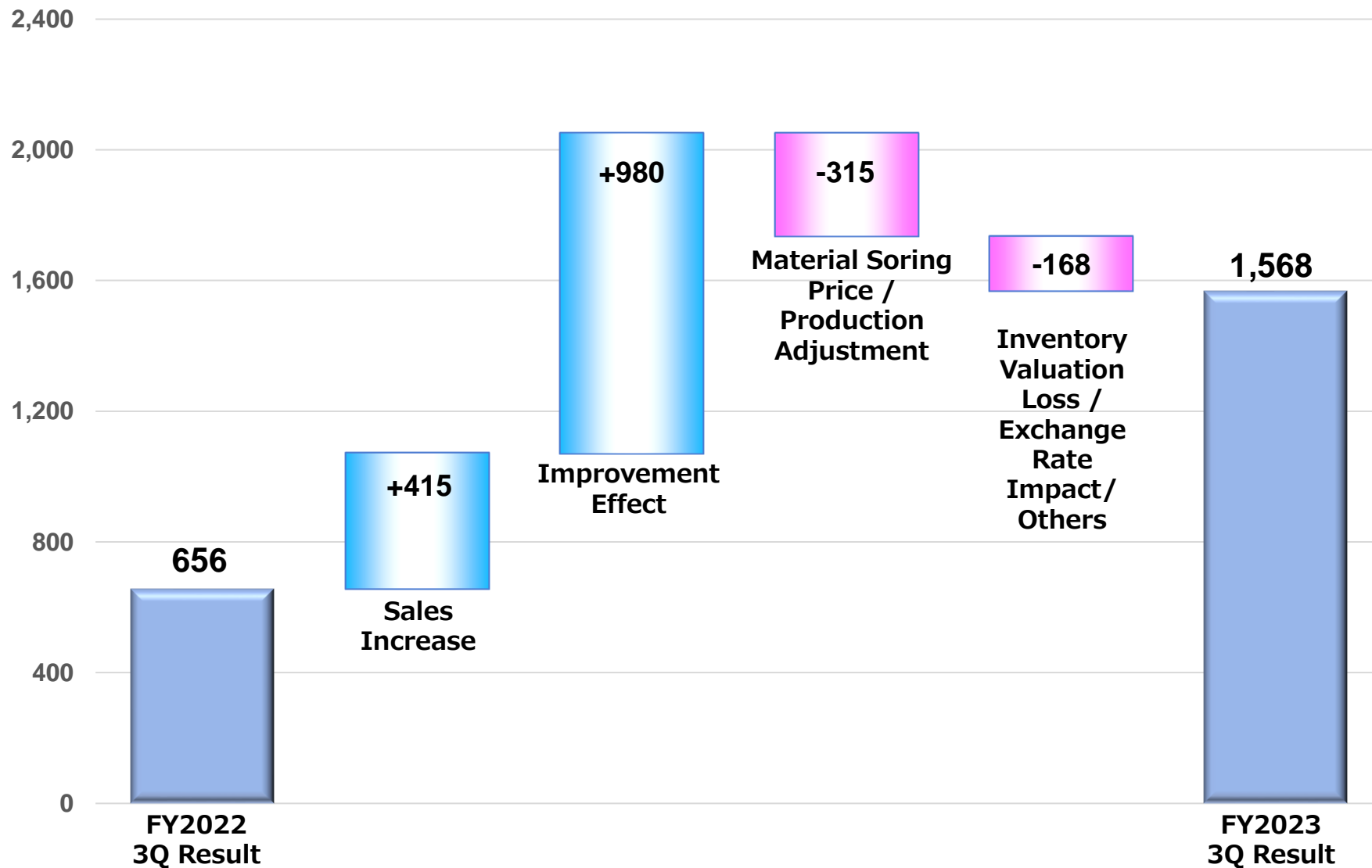
Profit Attributable to Owners of the Parent

- A decrease of 53.2% compared to the same period of the previous year (-389 million yen)



Operating Profit Contributing Factors

(Million yen)



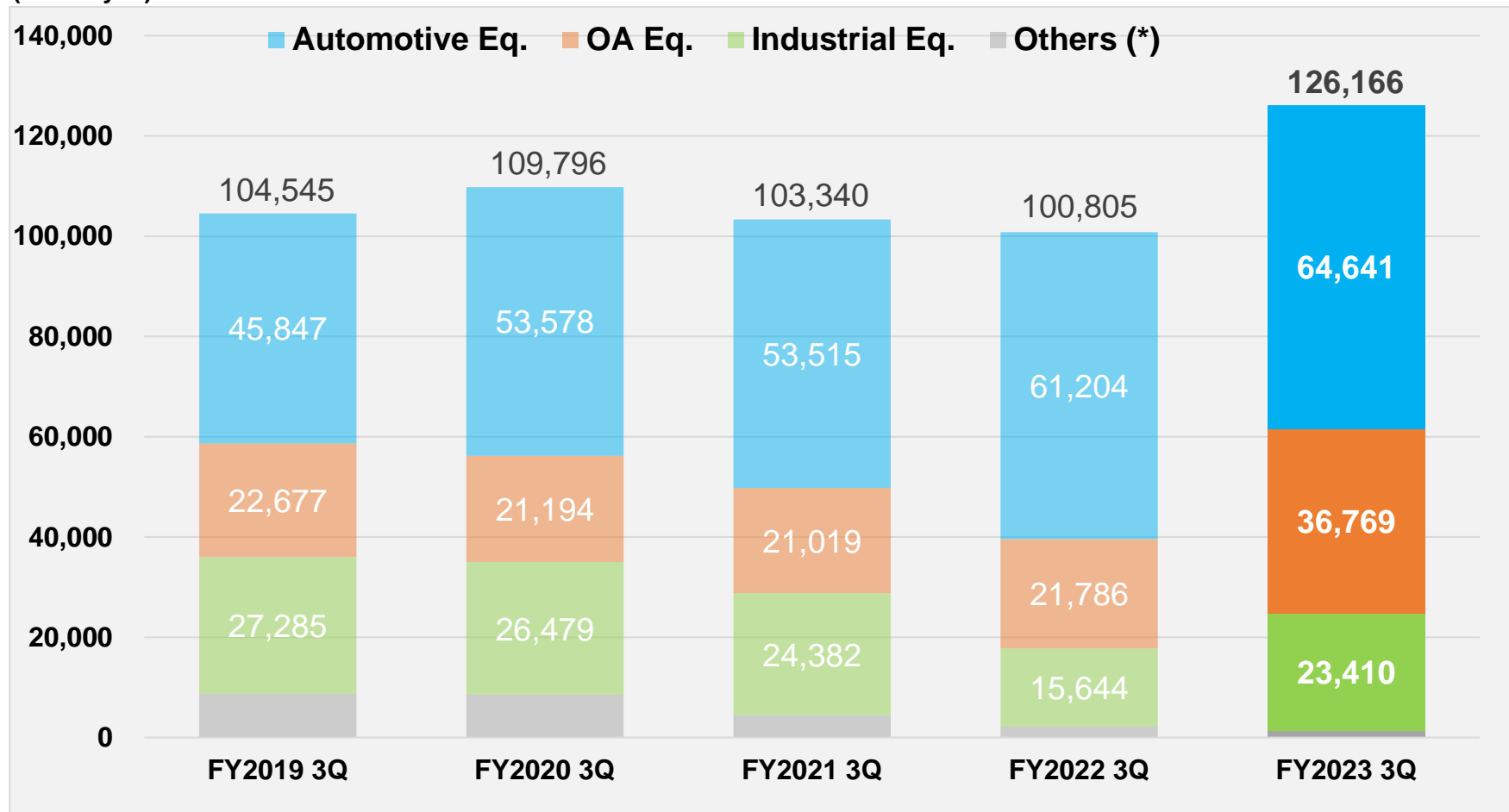
Sales by Product (vs Same Period of Previous Year)

(Million yen)

	FY2022 3Q (Apr 2021-Dec 2021)	FY2023 3Q (Apr 2022-Dec 2022)	Change (Amount)	Change (%)
Automotive Equipment	61,204	64,641	3,437	5.6
OA Equipment	21,786	36,769	14,983	68.8
Industrial Equipment	15,644	23,410	7,765	49.6
Consumer Equipment	752	192	(560)	(74.5)
Others (EMS Business)	941	628	(313)	(33.3)
Other Businesses	474	525	50	10.6
Total	100,805	126,166	25,361	25.2

Sales by Product (Past Five Years)

(Million yen)



※"Accounting Revenue Recognition Standard" has been implemented since FY2022 1Q.

*Others indicate Consumer Equipment, Others (EMS Business), and Other Businesses

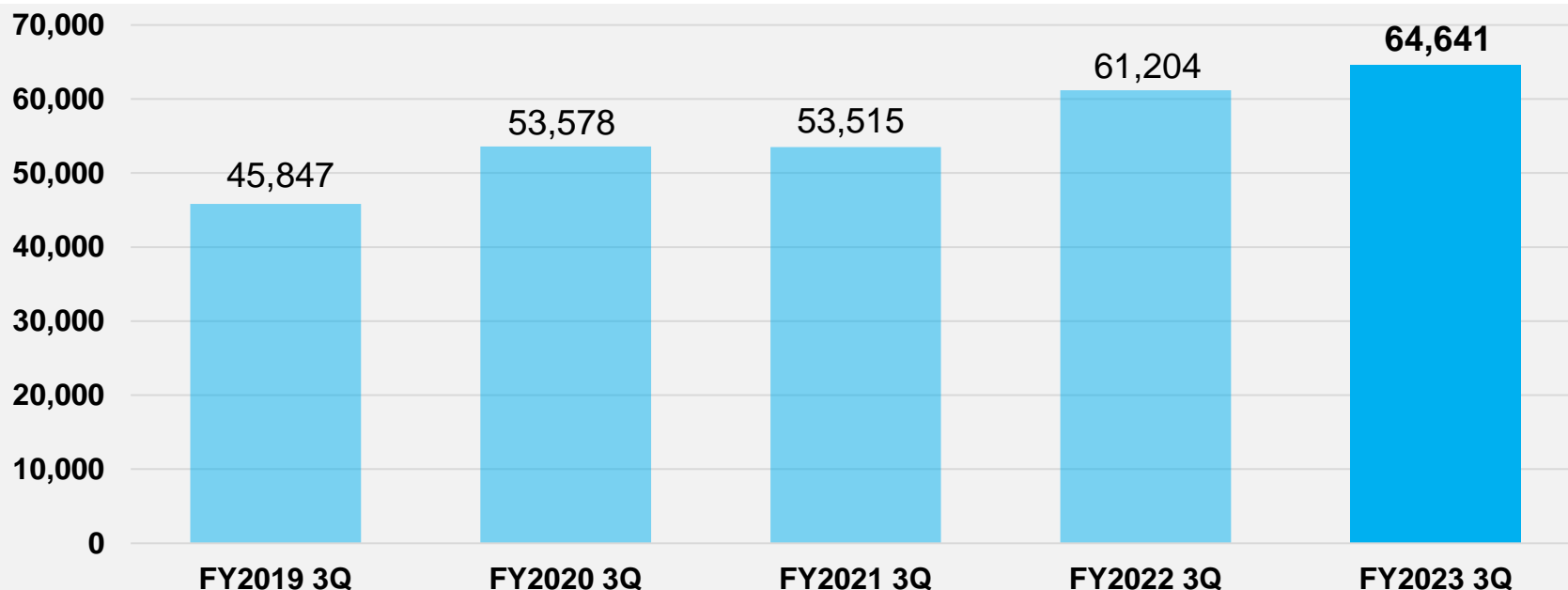
II. Net Sales for Three Primary Segments

Sales : Automotive Equipment (Past Five Years)

Point

- Sales increase in key products for electrified vehicle (HV/PHEV/EV) such as electric compressor inverters, in-vehicle chargers, and DC-DC converters
- Increase in demand by market expansion despite reduced production for semiconductors shortage

(Million yen)



※"Accounting Revenue Recognition Standard" has been implemented since FY2022 1Q.

Overview : Automotive Equipment

- We are the industry's first EMS company (Electric Manufacturing Services) on important safety parts that require reliability of automobiles such as "running, turning, and stopping", with plenty of experiences.
- Electronic vehicle equipment is supplied through the primary contractors of the Japanese as well as Western automobile makers.
- High technology and considerable time requirements from planning to mass production: stable orders can be possible once starting up with a new order.
- Production of various key components of automotive electrification has been particularly growing with business perspective.

<DC-DC converter for Power Control Unit>

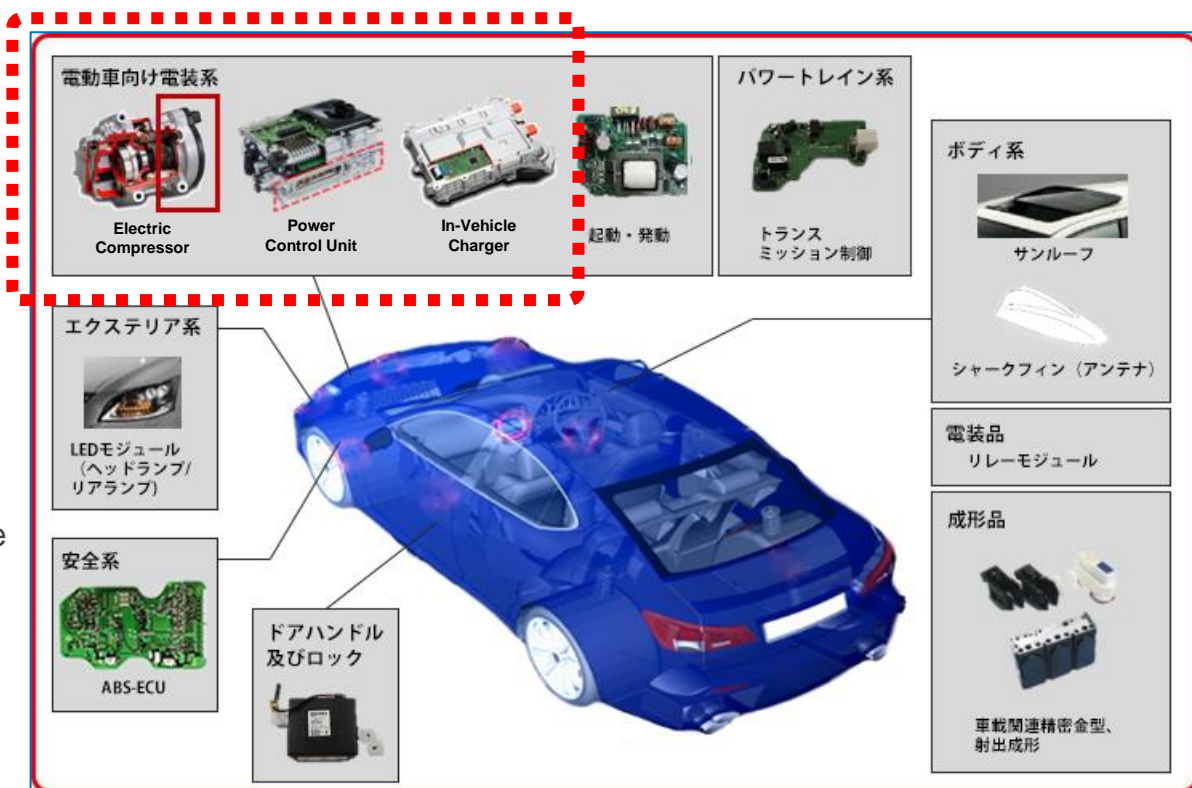
A power control device that supplies direct current (DC) to electronic equipment in a vehicle, and to headlights and other equipment that operate at various voltages

<In-vehicle charger>

Products that convert household alternating current (AC) to direct current (DC) to charge high-voltage batteries for PHEVs and EVs

<Inverter for electric compressor>

Compressor with a built-in motor, utilized for air conditioning and cooling battery for HVs, PHEVs, and EVs. Inverter supplies alternating current (AC) to built-in motor.

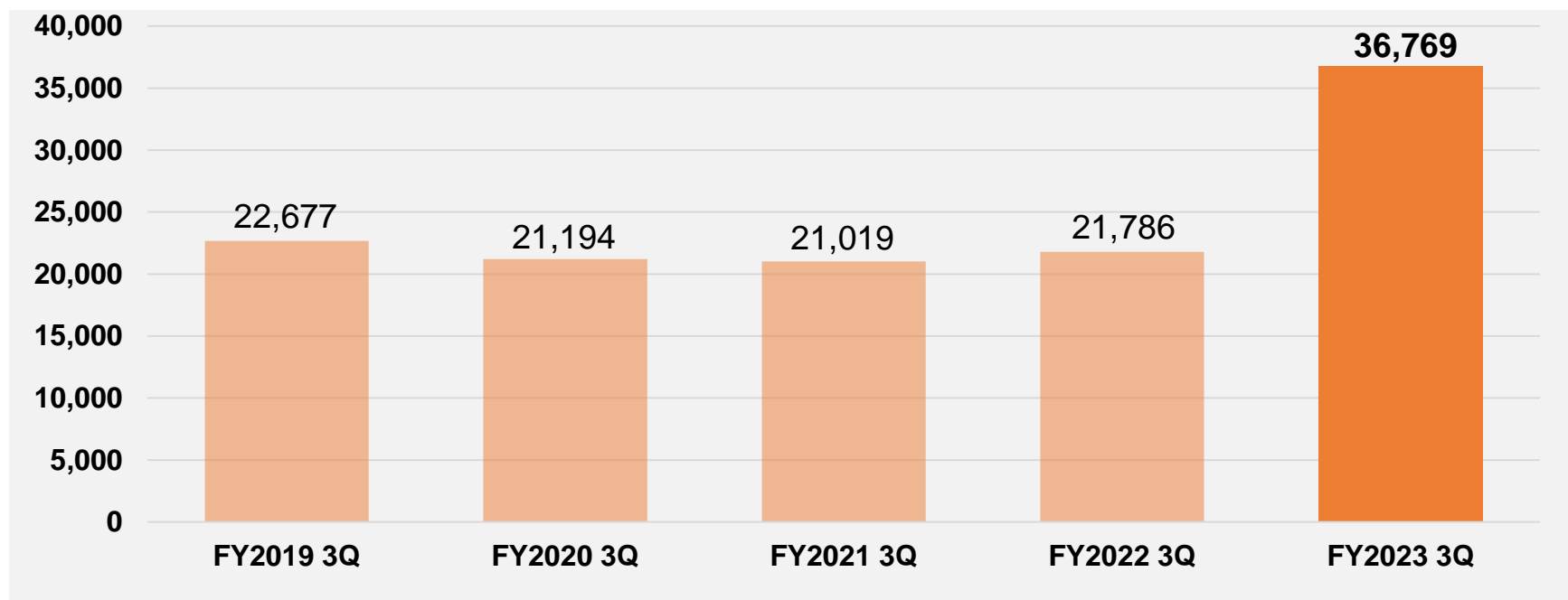


Sales : OA Equipment (Past Five Years)

Point

- Steady transaction volume of products for MFP (*) and laser printers due to continuing demand trend of remote work
- Less impact of COVID-19 from the previous consolidated fiscal year

(Million yen)



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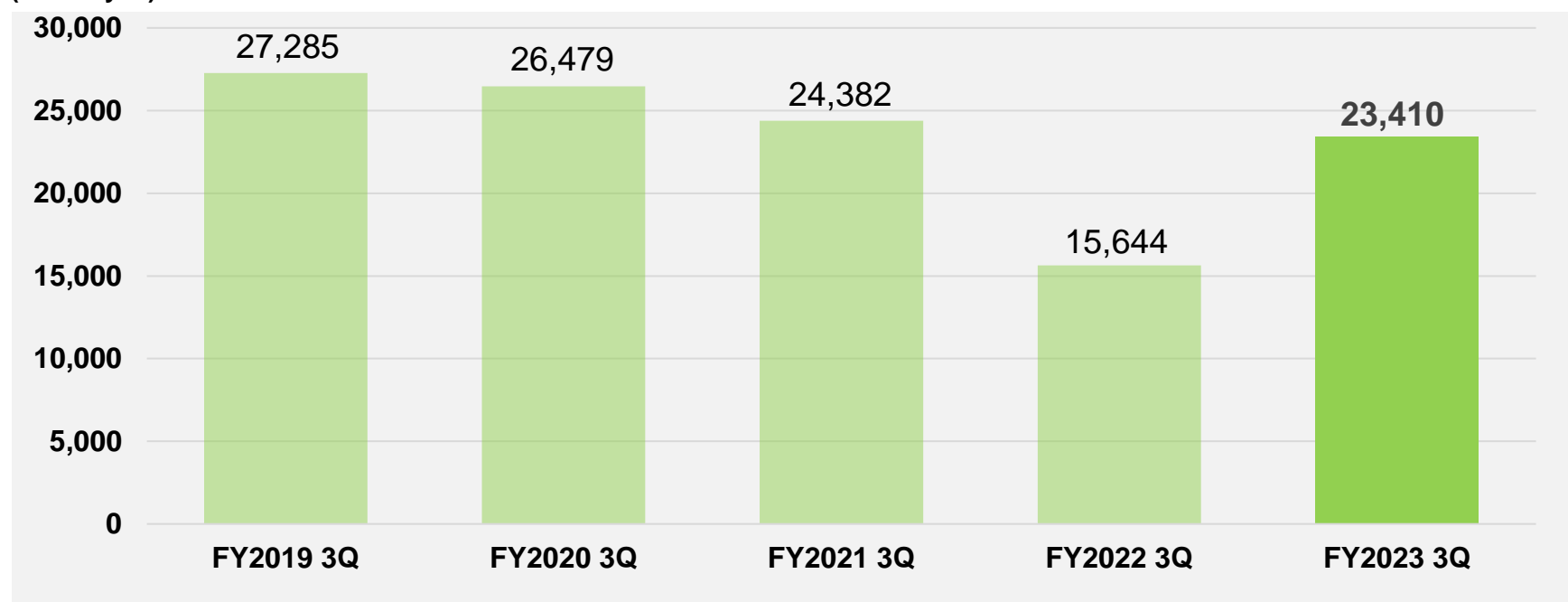
* MFP: Multifunction printer

Sales : Industrial Equipment (Past Five Years)

Point

- Growth in investment on products with advanced technology and on production capacity expansion, and in demand for inverters and other control equipment due to the recovery of global economic activity since FY21, which COVID-19 has impacted

(Million yen)



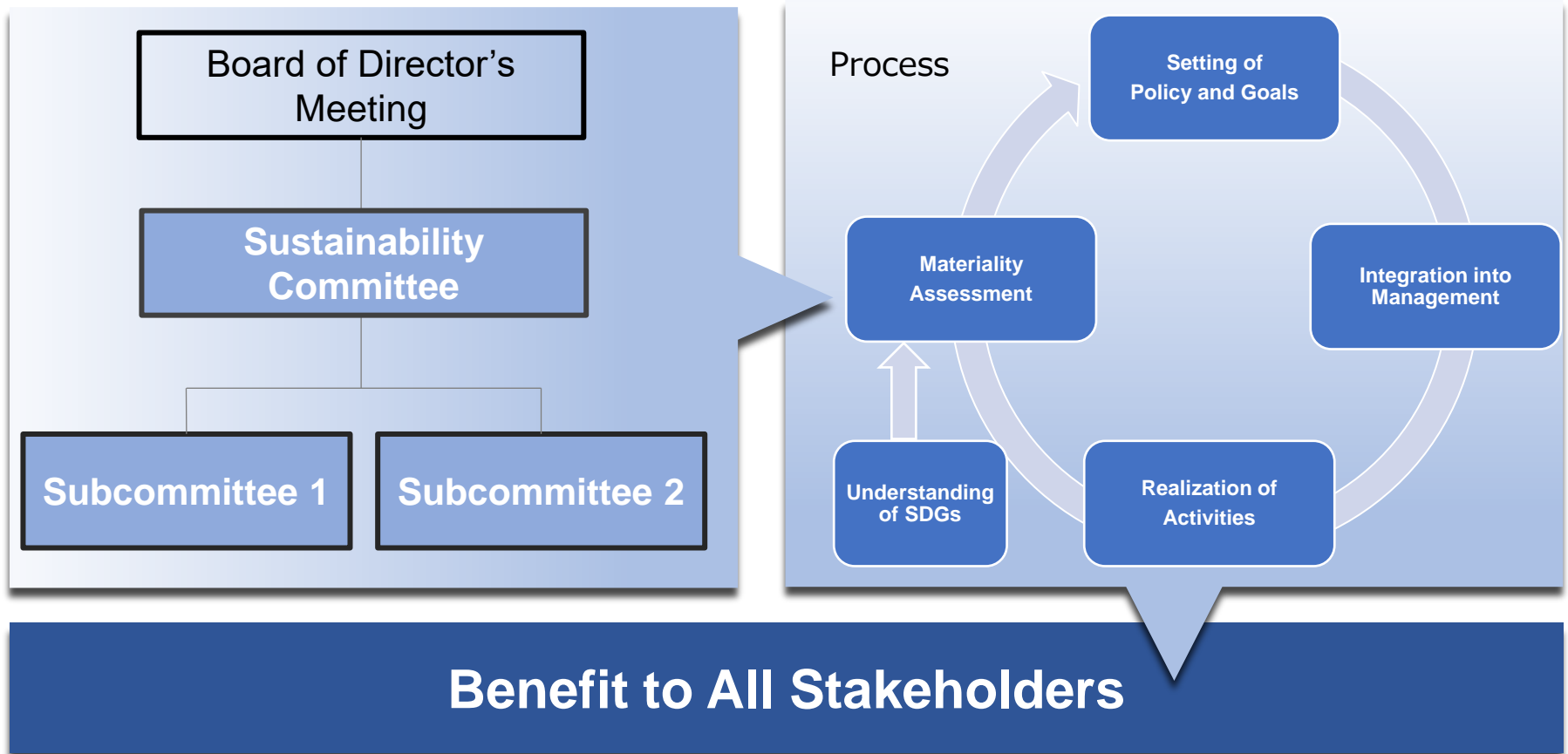
※"Accounting Revenue Recognition Standard" has been implemented since FY2022 1Q.

III. Topics

Newly Organized Sustainability Committee

We have organized Sustainability Committee in December 2022 with an aim to enhance corporate value and to realize sustainable society, identifying sustainability issues as part of our business priority factor.

We will reinforce our activities by establishing our organization which leads to contribution to all stakeholders based upon our Corporate Principles: “We cherish our grateful heart. We will deliver heartfelt products. We will create such a company that makes employees happy and proud. We will contribute to society through sound and sustainable growth.”





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