

Securities Code: 6615

June 14, 2023

Date of commencement of electronic provision measures: June 7, 2023

To all our shareholders:

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

Notice of the 56th Annual General Meeting of Shareholders

We hereby inform you of our 56th General Meeting of Shareholders as in the following.

1. **Date and Time** 10:00 a.m. on June 29, 2023 (Thursday) (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 56th Fiscal Year (from April 1, 2022 to March 31, 2023) and Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 - Items to be resolved**
 - Proposal 1** Disposal of surplus
 - Proposal 2** Election of three (3) Directors (Excluding Directors Serving as the Audit and Supervisory Committee Members)
 - Proposal 3** Election of three (3) Directors who are Audit and Supervisory Committee Members

At the time of convocation of this General Meeting of Shareholders, electronic provision measures have been taken, and electronic provision measures have been posted on the following website on the Internet as "Notice of Convocation of the 56th Ordinary General Meeting of Shareholders".

Our Website https://www.umc.co.jp/ir/library_english.html

Please access the above website to view the Notice of the 56th Annual General Meeting of Shareholders.

In lieu of attending on the day of the event, voting rights can be exercised in writing or online, so please consider the reference documents for the General Meeting of Shareholders posted on the Electronic Provision Measures and exercise your voting rights by 5:30 p.m. (Japan time) on Wednesday, June 28, 2023.

Shareholders who are not invited to attend the event on the day of the event are requested to exercise their voting rights in advance in writing (by mail) or via the Internet as much as possible.

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.

If there are any corrections to the electronic provision measures, we will post the corrections on each website that is posted.

Business Report

(From April 1, 2022 to March 31, 2023)

1. Overview of the Group

(1) Status of business in the current consolidated fiscal year

1) Circumstances and results of business

In the global economic situation during this consolidated cumulative period, energy and resource prices remain high as tight supply and demand of semiconductors and other components as well as the excessive currency volatility, and global high-inflation continued, while economic activities recovered from the impact of the COVID-19. On the other hand, the outlook remains uncertain while the zero-corona policy in China has been deactivated and the economy is on a recovery trend with mainly domestic demand.

In Japan, the economy is slightly recovering with the effectiveness of various policies for COVID-19, yet the outlook for the economy continues to be unpredictable due to concerns about progressively soaring prices against a backdrop of persistently high prices of imported raw materials as well as a downturn in the international economy caused by monetary tightening.

Under such circumstances, net sales for this consolidated fiscal year were 161,706 million yen (20.2% increase from the previous consolidated fiscal year). Regarding profit/loss, operating profit was 2,222 million yen (48.3% increase from the previous consolidated fiscal year) and ordinary profit was 1,179 million yen (43.7% decrease from the previous consolidated fiscal year). Net income attributable to owners of the parent was 637 million yen (59.4% decrease from 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 161,003 million yen (20.2% increase from the previous consolidated fiscal year). The results by product category are outlined below.

(Automotive Equipment)

Despite the reduction in production by automobile manufacturers due to the shortage of parts such as semiconductors, products such as electric compressor parts, in-vehicle chargers, and DC-DC converters for electric vehicles increased due to the expansion of the electric vehicle market. Net sales were 82,110 million yen (1.2% increase from the previous consolidated fiscal year).

(Industrial Equipment)

Net sales were 31,279 million yen (42.8% increase from the previous consolidated fiscal year), driven by investment in advanced technology, investment in capacity expansion, and demand for control equipment such as inverters.

(Office Automation Equipment)

In addition to the decrease in the impact of the new coronavirus infection in Vietnam in the previous consolidated fiscal year, the transaction volume of products for MFPs and laser printers remained firm due to the continued demand for home use, and Net sales were 46,665 million yen (62.2% increase from the previous consolidated fiscal year). It was.

(Consumer Equipment)

Net sales were 297 million yen (64.9% decrease from the previous consolidated fiscal year) due to a decrease in orders from existing Japanese customers.

(Others)

Net sales were 649 million yen (48.3% decrease from the previous consolidated fiscal year) whose main product is amusement equipment.

B. Other Businesses

Net sales in the temporary staffing business were 703 million yen (11.8% increase from the previous consolidated fiscal year).

2) Expenditure

Capital investment made in this consolidated fiscal year totaled 9,467 million yen. The main one is 6,586 million yen for purchasing buildings and production equipment at Hadano Plant.

3) Financing

In the current consolidated fiscal year, we procured short-term loans and long-term loans in order to secure stable funds and make capital investment. As of the end of the current fiscal year, the balance of short-term loans was 24,613 million yen (Increase of 6,595 million yen from the end of the previous consolidated fiscal year), and the balance of long-term loans payable (including those that are to be repaid within one year) was 12,837 million yen (Increase of 5,369 million yen from the end of the previous consolidated fiscal year).

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

(million yen)

Item	FY2020 (From April 1, 2019 - March 31, 2020)	FY2021 (From April 1, 2020 - March 31, 2021)	FY2022 (From April 1, 2021 - March 31, 2022)	FY2023 (From April 1, 2022 - March 31, 2023)
Net Sales	141,010	136,179	134,550	161,706
Operating Profit	(5,188)	857	1,498	2,222
Ordinary Profit	(6,609)	1,117	2,093	1,179
Profit attributable to owners of the parent	(12,571)	(97)	1,570	637
Earnings per share (yen)	(651.55)	(5.04)	55.56	22.54
Total Assets	61,419	67,357	73,368	84,785
Net Assets	3,414	14,923	17,086	18,010
Net Assets per share (yen)	168.28	277.29	353.72	387.91

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, 55th and 56th 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. 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 applied from the beginning of the 55th term, and the figures for the 55th and 56th terms are the figures after applying the 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	97.0	Electronics Manufacturing / Sales
UMC Just In Staff Co., Ltd.	100,000 thousand yen	100.0	Staffing, Human Resources Contracting, Real Estate Management

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 future global economic situation, while economic activity is recovering from the impact of the novel coronavirus infection, energy and resource prices will remain high due to the prolonged situation in Ukraine and the emergence of geopolitical risks such as the U.S.-China conflict. The future is expected to continue to be uncertain due to uncertain trends such as global high inflation and tight supply-demand balance for parts such as semiconductors. In addition, in order to realize a sustainable society, efforts are required not only for individual electronic components but also for the entire supply chain.

As a result, although intense competition continues among the companies that sell our EMS business, which is the Group's main business, demand for automotive equipment, semiconductors, and capital investment-related demand is on the rise. The electronic component market is expected to expand due to the increase in the number of workers and the increase in the number of workers.

Under such circumstances, the Group in fiscal 2023 is working on the following four points based on the company motto of "We will deliver heartfelt products."

1. Reiterate compliance for credibility improvement.
2. Deploy contribution measures to all stakeholders.
3. Aim at employees' physical safety and satisfaction.
4. Carry out corporate social responsibility measures.

We will continue to maintain and strengthen our supply chain and focus on reducing and eradicating all losses. At the same time, by increasing our strengths, we will strengthen our earnings pillars with an eye on medium- to long-term sustainable growth. We will increase our competitiveness as an EMS company in order to improve the Group's business performance and achieve sustainable growth.

(5) Principal businesses (as of March 31, 2023)

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, 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 contracting	

(6) Primary sales offices and plants (as of March 31, 2023)

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, 2023)

1) Employees of our Group

(people)

Category	Number of employees	Change from end of previous fiscal year
EMS Business	8,663 (840)	347 increase (11 decrease)
Other businesses	8 (1)	— —
Total	8,671 (841)	347 increase (11 decrease)

Note:

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) Employees of our Company

(people)

Number	Change from the end of previous fiscal year	Average age	Average length of service
245 (433)	16 increase (74 decrease)	46.2 years old	12.0 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, 2023)

(million yen)

Lender	Outstanding balance
Mizuho Bank, Ltd.	14,229
Sumitomo Mitsui Banking Corporation	12,237
MUFG Bank, Ltd.	9,108
Saitama Resona Bank, Limited	1,875

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

Not applicable.

2. Status of Shares

(1) Shares (as of March 31, 2023)

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	5,541 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
The Master Trust Bank of Japan, Ltd. (Trust)	1,379	4.88
Nomura Trust and Banking Co., Ltd. (Trust 2052251)	1,200	4.24
Tokyo Century Corporation	797	2.82
NOK Corporation	689	2.44
H-Uchiyama Holdings Ltd.	650	2.30
O-Uchiyama Holdings Ltd.	625	2.21
The Shoko Chukin Bank, Ltd.	447	1.58

Notes:

1. The holding ratio is calculated after deducting treasury stock (86 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, 2023)

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 President of UMC Electronics Vietnam Limited Director President 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

Outside Director	Takuo Sasaki	Director of AICHI 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.

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 determining 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)	50 (3)	50 (3)	— (—)	— (—)	3 (1)
Directors (serving as Audit and Supervisory Committee members) (Outside Directors)	34 (34)	34 (34)	— (—)	— (—)	3 (3)
Total (Outside Directors)	84 (37)	84 (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 AICHI CORPORATION. There are no capital relationships, significant business relationships, nor special interests between our Company and the above-mentioned company.
- 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 16 out of 16 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 16 Board of Directors meetings and 21 out of 21 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 16 Board of Directors meetings and 21 out of 21 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 16 out of 16 Board of Directors meetings and 21 out of 21 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

2) Amount of compensation

(million yen)

	Amount of compensation
Amount of compensation for this fiscal year	174
Total amount of money to be paid to Accounting Auditor by our Company and our subsidiaries, and other benefits on assets	174

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: Disposal of surplus

To compensate for the current loss of retained earnings carried forward and to realize a flexible and agile capital policy in response to changes in the future business environment. Based on the provisions of Article 452 of the Companies Act, a part of other capital surplus will be transferred to retained earnings carried forward, and the full amount of reserve will be withdrawn separately to increase retained earnings carried forward. I would like to cover a part of the loss.

(1) Items and amounts of reduced surplus

Other capital surplus	4,700,000,000 yen
Separate reserve fund	2,500,000,000 yen

(2) Items and amounts of surplus to be increased

Retained earnings carried forward	7,200,000,000 yen
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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 (3) 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 Otoshi (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. Jun 1994 Joined UMC Electronics Co., Ltd. Mar 2011 Senior Managing Officer of UMC Electronics Co., Ltd. Sep 2015 Managing Executive Officer / Deputy General Manager of Sales Headquarters, UMC Electronics Co., Ltd. Apr 2018 Vice President, Managing Executive Officer /Senior Executive Officer of Sales Division of UMC Electronics Co., Ltd. Jun 2018 Vice President, Representative Director / Vice President Senior Executive Officer / Senior Executive Officer of Sales Division of UMC Electronics Co., Ltd. Oct 2019 President, Representative Director of UMC Electronics Co., Ltd. Apr 2021 Vice President, Representative Director of UMC Electronics Co., Ltd. (to present) May 2022 President, Representative Director of UMC Electronics (Thailand) Limited (to present) Oct 2022 President, Representative Director of UMC Electronics Vietnam Limited (to present) (Important concurrent duties) President, Representative Director of UMC Electronics Vietnam Limited President, Representative Director of UMC Electronics (Thailand) 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</p>	Common share 8,000 shares
3	Takuo Sasaki (Dec 3, 1956) (Reelected / Outside)	<p>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) Jun 2022 Director of AICHI CORPORATION (to present) (Important concurrent duties) Director of AICHI CORPORATION</p>	-

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 two years 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.

Proposal 3: Election of Three (3) directors who are Audit and Supervisory Committee members

The three (3) directors who are Audit and Supervisory Committee members will expire at the end of this general meeting. Therefore, we request the appointment of three (3) directors who are Audit and Supervisory Committee members.

In addition, the consent of the Audit and Supervisory Committee has been obtained regarding this proposal. The candidates for directors who are members of the Audit and Supervisory Committee are as follows.

No.	Name (Date of Birth)	Career summary, position and responsibilities at our Company (Important concurrent duties)	Share type and quantity
1	Osami Maehara (May 25, 1955) (Reelected / Outside /Independent)	Apr 1978 Joined Fujitsu General Limited Aug 1983 Joined Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.) Aug 2001 General Manager, Strategic Planning Department, Power Tools Business Group of Hitachi Koki Co., Ltd. Jun 2006 General Manager of Corporate Planning Division of Hitachi Koki Co., Ltd. Jun 2008 Director, General Manager of Corporate Planning Division of Hitachi Koki Co., Ltd. Jun 2012 Managing Director, General Manager of Domestic Sales Division of Hitachi Koki Co., Ltd. Jun 2013 Senior Managing Director, General Manager of Sales Division of Hitachi Koki Co., Ltd. Jun 2014 Representative Director and President of Hitachi Koki Co., Ltd. Apr 2019 Executive Chairman of Koki Holdings Co., Ltd. Aug 2020 Outside Director (Audit and Supervisory Committee Member) of UMC Electronics Co., Ltd. (to present) Jun 2021 Outside Director of Fujitsu General Limited (to present) (Important concurrent duties) Outside Director of Fujitsu General Limited	Common share 5,000 shares
2	Jun Ozeki (Apr 3, 1956) (Reelected / Outside /Independent)	Apr 1979 Joined Tokyo Regional Taxation Bureau Jan 1984 Joined Asahi Accounting Company (currently KPMG AZSA LLC) May 2004 Representative employee of KPMG AZSA LLC Jul 2016 Representative of Ozeki CPA Firm (to present) Jun 2017 Outside Director (Audit and Supervisory Committee member) of Techno Medica Co., Ltd. (to present) Mar 2020 Outside Director (Audit and Supervisory Committee Member) of UMC Electronics Co., Ltd. (to present) Apr 2021 Representative Partner of Chiyoda Tax Accountant Corporation (to present) Jun 2021 Outside Auditor of Goldcrest Co., Ltd. (to present) (Important concurrent duties) 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.	-

3	Katsumi Nakamura (Oct 28, 1970) (Reelected / Outside)	Apr 1993 Joined All Nippon Airways Co., Ltd. Apr 1997 Dispatched International Exchange Office, Ministry of Finance.Institute of Fiscal and Monetary Policy Apr 1999 Legal Department of All Nippon Airways Co., Ltd. Apr 2005 Supreme Court Legal Training Institute Oct 2006 Attorney registration / Joined T.Kunihiro & Co. Attorneys-at-Law Dec 2007 Outside Auditor of Japan Novel Corporation (to present) Jun 2012 Partner of T. Kunihiro & Co. Attorneys-at-Law (to present) Aug 2020 Outside Director (Audit and Supervisory Committee Member) of UMC Electronics Co., Ltd. (to present) Jun 2021 Outside Auditor of Will Group, Inc. (to present) (Important concurrent duties) Partner of T. Kunihiro & Co. Attorneys-at-Law Outside Auditor of Japan Novel Corporation Outside Auditor of Will Group, Inc.	-
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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. Osami Maehara, Mr. Jun Ozeki and Mr.Katsumi Nakamura, are candidates for Outside Director.
4.
 - (1) The reason for appointing Mr. Osamu Maehara as an outside director candidate is that he has many years of experience in corporate management and has determined that he can objectively properly perform his duties as an outside director from a fair and neutral third-party standpoint. After appointment, utilizing the specialized knowledge as a person with management experience, we will properly provide accurate advice and supervision of business execution in rebuilding our overseas expansion business and structural reform of our company organization. We hope that you will be involved in the promotion of our appropriate business activities as a compliance committee member.
 - (2) The reason for appointing Mr. Jun Ozeki as an outside director candidate is that he has experience cultivated through his background as an audit corporation and an outside director of the company (audit and supervisory committee member) and knowledge as a certified public accountant, and has no experience of being directly involved in corporate management. However, it was judged that he could objectively properly perform his duties as an outside director from a fair and neutral third-party standpoint. After appointment, we hope that you will utilize your specialized knowledge as a certified public accountant to properly carry out your duties such as guidance, advice and supervision of business execution to improve and strengthen our accounting operations, and as a member of our compliance committee. We hope that you will be involved in promoting appropriate business activities.
 - (3) The reason for appointing Katsumi Nakamura as an outside director candidate is that he has experience and knowledge as a lawyer cultivated through his background in legal practice of private companies, government-affiliated think tanks, and internal and external investigation committee operations. Although he has no experience of being directly involved in corporate management, he has objectively judged that he can properly perform his duties as an outside director from a fair and neutral third-party standpoint. After appointment, we will utilize our specialized knowledge as a lawyer specializing in corporate compliance and risk management, and use an appropriate check function to establish a system that does not cause accounting scandals, and appropriately carry out duties such as supervising business execution. We hope that you will be involved in the promotion of our appropriate business activities as a compliance committee member.
5. If the appointment of Mr. Osamu Maehara, Mr. Jun Ozeki and Mr. Katsumi Nakamura is approved, based on the provisions of Article 427, Paragraph 1 of the Companies Act, the liability for damages under Article 423, Paragraph 1 of the Act will be limited to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Act. We plan to continue the liability limitation contract.
6. If the appointment of Mr. Osamu Maehara and Mr. Jun Ozeki is approved at this general meeting, both will be notified to the exchange as independent officers based on the provisions of the Tokyo Stock Exchange.

7. The Company continues to conclude an insurance contract for liability for officers, etc. prescribed in Article 430-3, Paragraph 1 of the Companies Act with insurance companies, and the insured person of the insurance contract including the directors of the Company is a shareholder representative lawsuit and third party lawsuit. We will compensate for the dispute costs and compensation fees that will be incurred due to the lawsuit. If each candidate is elected as a director, he/she shall be insured under such insurance policy. In addition, the insurance contract is scheduled to be renewed with the same content at the next renewal.
8. Mr. Osamu Maehara is currently an outside director of the Company, and his tenure as an outside director will be two years and ten months at the conclusion of this general meeting.
9. Mr. Jun Ozeki is currently an outside director of the Company, and his tenure as an outside director will be three years and three months at the conclusion of this general meeting.
10. Mr. Katsumi Nakamura is currently an outside director of the Company, and his tenure as an outside director will be two years and ten months at the conclusion of this general meeting.

<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	●		●			●	● (Chairman)	● (Chairman)	● (Chairman)
Jun Ozeki	Outside Director				●			●	●	●
Katsumi Nakamura	Outside Director					●		●		●