

November 14, 2023

## Summary of Consolidated Financial Results for the Second Quarter Ended September 30, 2023 (Under Japanese GAAP)

Company Name: UMC Electronics Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities Code: 6615  
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 Scheduled date to file quarterly securities report: November 14, 2023  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing session: None

(Yen amounts are rounded down to millions unless otherwise noted.)

### 1. Financial Highlights for FY2024 Second Quarter (April 1, 2023 - September 30, 2023)

#### (1) Consolidated Financial Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Second Quarter Ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	66,808	(17.7)	543	(56.4)	(45)	-	(343)	-
September 30, 2022	81,209	22.5	1,246	132.6	493	10.6	280	5.7

Note: Comprehensive income: For the second quarter ended September 30, 2023: ¥ 227 million [(72.9) %]

For the second quarter ended September 30, 2022: ¥ 839 million [ 99.8 %]

	Basic Earnings per share	Diluted Earnings per share
Second Quarter Ended	Yen	Yen
September 30, 2023	(12.15)	-
September 30, 2022	9.92	-

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity-to-Asset Ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	83,008	18,237	21.9
March 31, 2023	84,785	18,010	21.2

Reference: Equity: As of September 30, 2023: ¥18,197 million

As of March 31, 2023: ¥17,969 million

### 2. Dividends

	Annual Dividends per share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2023	-	0.00	-	0.00	0.00
Fiscal Year Ending March 31, 2024	-	0.00			
Fiscal Year Ending March 31, 2024 (Forecast)			-	-	-

(Notes) 1. Changes in the dividend forecast from the latest announcement: None

2. The amount of dividends for the fiscal year ending March 2024 is undefined.

### 3. Forecasts of Consolidated Financial Results for FY2024 (April 1, 2023 - March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per share
Full Year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	131,000	(19.0)	1,500	(32.5)	800	(32.2)	300	(52.9)	10.61

(Notes) Changes in the forecast from the latest announcement: Yes

#### \*Notes

- (1) Changes in significant subsidiaries during this period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting processing specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to reasons other than (i): None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

#### (4) Number of Issued Shares (Common Shares)

##### (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	28,277,620 shares
As of March 31, 2023	28,277,620 shares

##### (ii) Number of treasury shares at the end of the period

As of September 30, 2023	86 shares
As of March 31, 2023	86 shares

##### (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	28,277,534 shares
Six months ended September 30, 2022	28,277,549 shares

\*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

#### \*Regarding proper use of performance forecasts and other special matters

The statements regarding the future such as the performance perspective described in this document are based on our currently available information and certain assumptions that we deem reasonable. Actual business results may differ significantly due to numerous factors. Regarding assumed conditions for performance forecasts as well as precautions upon using performance forecasts, please refer to “1. Overview of this Quarterly Financial Results (3) Overview of Forecast for FY2024 on page 4 in the document.

## 1. Overview of this Quarterly Financial Results

### (1) Overview of Business Results

In the economic situation for the second quarter of the current consolidated cumulative period, although the economic situation in the manufacturing industry has picked up due to the elimination of restrictions on activities due to the corona disaster, the recovery of private consumption due to the recovery of inbound demand, and the easing of component shortages, energy prices and resource prices are still high. The outlook for the economy continues to be uncertain, with concerns about global monetary tightening, high inflation, and further price increases persisting, and concerns about the future of the Chinese economy.

As a result, net sales for the Second quarter of the current consolidated cumulative period were 66,808 million yen (a decrease of 17.7% compared to the same period of the previous year). In terms of profit and loss, operating profit has been 543 million yen (a decrease of 56.4% compared to the same period of the previous year). Ordinary income was a loss of 45 million yen (ordinary income of 493 million yen in the same period of the previous year) due to an increase in interest expense due to the rise in US interest rates and the occurrence of temporary rental expenses. Net income attributable to owners of the parent was a loss of 343 million yen (quarterly net income attributable to owners of the parent of 280 million yen in the same period of the previous year).

We are engaged in the EMS business and other businesses. Since most of our business is with EMS, segment information is omitted.

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

#### i) EMS Business

Net sales of the EMS business, which is our major business, have been 66,433 million yen (a decrease of 17.8% compared to the same period of the previous year). The results by product category are outlined below.

##### (Automotive Equipment)

Although demand continues to increase due to the expansion of the electric vehicle market, there is a tightening of demand for in-vehicle electronic components, and from the first quarter consolidated accounting period, the net amount of revenue from transactions with some customers has been reduced as an agent transaction. As a result, sales amounted to 37,085 million yen (a decrease of 14.9% compared to the same period of the previous year).

##### (Industrial Equipment)

In addition to the normalization of production due to the elimination of the impact of lockdown in China, energy saving investment is also continuing, but due to the slump in the Chinese market for control equipment products, sales were 13,004 million yen (a decrease of 7.9% compared to the same period of the previous year).

##### (Office Automation Equipment)

A decline in the transaction volume of products for MFP (Multifunction printer) and laser printers due to a reaction to increased production due to home demand, and the impact of high inventory levels in the market, resulted in net sales of 16,012 million yen (a decrease of 29.1% compared to the same period of the previous year).

##### (Others)

Consumer products and development for amusement are the main business activities, with net sales of 331 million yen (a decrease of 43.8% compared to the same period of the previous year).

#### ii) Other Businesses

Net sales for the staffing business have been 375 million yen (an increase of 9.3% compared to the same period of the previous year).

## (2) Overview of Financial Condition

### i) Assets, liabilities, and net assets

Total assets at the end of the second quarter consolidated accounting period were 83,008 million yen (a decrease of 1,777 million yen compared to the end of the previous consolidated fiscal year). This is mainly due to a decrease in inventories while construction in progress increased.

Liabilities were 64,770 million yen (a decrease of 2,004 million yen compared to the end of the previous consolidated fiscal year). This was mainly due to an increase in long-term loans payable and a decrease in short-term loans payable.

Net assets were 18,237 million yen (an increase of 227 million yen compared to the end of the previous consolidated fiscal year). This is mainly due to an increase in foreign currency translation adjustments.

### ii) Cash Flow

Cash and cash equivalents at the end of the second quarter consolidated cumulative period increased by 1,360 million yen from the end of the previous consolidated fiscal year to 11,110 million yen.

The status of each cash flow during the second quarter consolidated cumulative period is as follows.

#### (Cash Flow through Operating Activities)

Cash flow through operating activities has been 6,655 million yen income. This was mainly due to an increase in trade payables.

#### (Cash Flow through Investment Activities)

Cash flow through investing activities has been 2,798 million yen expenditure. This was mainly due to the acquisition of investment property.

#### (Cash Flow through Financial Activities)

Cash flow through financing activities has been 2,838 million yen expenditure. This was mainly due to income from long-term loans and an increase in short-term loans payable.

## (3) Overview of Forecast for FY2024

Regarding the full-year consolidated earnings forecast for the fiscal year ending March 2024, we have revised the earnings forecast announced on May 15, 2023.

For details, please refer to the "Notice Concerning Revision of Full-Year Consolidated Earnings Forecast (Japanese version only)" released today.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY2023 (As of March 31, 2023)	FY2024 Second Quarter (As of September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	9,749	11,110
Notes and accounts receivable - trade, and contract assets	16,971	15,177
Finished goods	2,806	2,703
Work in process	596	497
Raw materials and supplies	23,859	20,190
Accounts receivable - other	952	833
Consumption taxes refund receivable	1,765	1,034
Other	2,333	3,181
Total current assets	59,036	54,728
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,950	7,199
Machinery, equipment and vehicles, net	7,182	7,187
Other, net	3,496	5,806
Total property, plant and equipment	17,629	20,193
Intangible assets	197	280
Investments and other assets	7,921	7,805
Total non-current assets	25,749	28,279
Total assets	84,785	83,008
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,076	19,970
Short-term borrowings	24,613	21,988
Current portion of long-term borrowings	1,487	1,730
Income taxes payable	444	442
Provision for bonuses	655	933
Other	5,378	5,752
Total current liabilities	53,655	50,818
Non-current liabilities		
Long-term borrowings	11,350	12,088
Retirement benefit liability	848	840
Deferred tax liabilities	101	111
Other	819	912
Total non-current liabilities	13,119	13,952
Total liabilities	66,775	64,770
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,729	4,729
Capital surplus	10,484	5,784
Retained earnings	2,124	6,481
Treasury shares	(0)	(0)
Total shareholders' equity	17,338	16,994
Accumulated other comprehensive income		
Foreign currency translation adjustment	633	1,200
Remeasurements of defined benefit plans	(2)	1
Total accumulated other comprehensive income	630	1,202
Share acquisition rights	29	29
Non-controlling interests	11	11
Total net assets	18,010	18,237
Total liabilities and net assets	84,785	83,008

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
Quarterly Consolidated Statements of Income  
Second Quarter Consolidated Cumulative Period

(Millions of yen)

	FY2023 Second Quarter (April 1, 2022 - September 30, 2022)	FY2024 Second Quarter (April 1, 2023 - September 30, 2023)
Net sales	81,209	66,808
Cost of sales	76,933	63,558
Gross profit	4,276	3,250
Selling, general and administrative expenses	3,029	2,707
Operating profit	1,246	543
Non-operating income		
Interest income	21	49
Dividend income	1	1
Rental income from land and buildings	605	612
Foreign exchange gains	—	15
Other	166	56
Total non-operating income	794	734
Non-operating expenses		
Interest expenses	235	497
Rental expenses	432	704
Foreign exchange losses	838	—
Other	40	120
Total non-operating expenses	1,547	1,323
Ordinary profit (loss)	493	(45)
Extraordinary income		
Gain on sale of non-current assets	48	0
Total extraordinary income	48	0
Extraordinary losses		
Loss on retirement of non-current assets	16	11
Loss on sale of non-current assets	8	6
Impairment losses	6	—
Extra retirement payments	—	45
Total extraordinary losses	31	64
Profit (loss) before income taxes	511	(109)
Income taxes	232	234
Profit (loss)	278	(343)
Loss attributable to non-controlling interests	(1)	(0)
Profit (loss) attributable to owners of parent	280	(343)

Quarterly Consolidated Statements of Comprehensive Income  
Second Quarter Consolidated Cumulative Period

(Millions of yen)

	FY2023 Second Quarter (April 1, 2022 - September 30, 2022)	FY2024 Second Quarter (April 1, 2023 - September 30, 2023)
Profit (loss)	278	(343)
Other comprehensive income		
Foreign currency translation adjustment	558	567
Remeasurements of defined benefit plans, net of tax	2	4
Total other comprehensive income	560	571
Comprehensive income	839	227
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	841	228
Comprehensive income attributable to non-controlling interests	(1)	(0)

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	FY2023 Second Quarter (April 1, 2022 - September 30, 2022)	FY2024 Second Quarter (April 1, 2023 - September 30, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	511	(109)
Depreciation	1,614	1,529
Impairment losses	6	—
Amortization of goodwill	17	8
Increase (decrease) in provision for bonuses	240	250
Increase (decrease) in retirement benefit liability	(13)	(9)
Interest and dividend income	(22)	(50)
Interest expenses	235	497
Foreign exchange losses (gains)	423	(618)
Loss (gain) on sale of non-current assets	(40)	6
Loss on retirement of non-current assets	16	11
Decrease (increase) in trade receivables	(1,214)	2,802
Decrease (increase) in inventories	(1,972)	5,798
Increase (decrease) in trade payables	1,439	(2,603)
Decrease (increase) in accounts receivable - other	(166)	176
Increase (decrease) in accounts payable - other	29	(277)
Other, net	(142)	(28)
Subtotal	960	7,385
Interest and dividends received	26	50
Interest paid	(239)	(491)
Income taxes refund (paid)	(135)	(288)
Net cash provided by (used in) operating activities	612	6,655
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,536)	(2,532)
Purchase of intangible assets	(43)	(114)
Proceeds from sale of property, plant and equipment	89	8
Proceeds from sale of investment securities	7	4
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(31)	—
Purchase of investment property	(5,253)	(37)
Other, net	(159)	(127)
Net cash provided by (used in) investing activities	(7,927)	(2,798)
Cash flows from financing activities		
Proceeds from long-term borrowings	7,500	1,700
Net increase (decrease) in short-term borrowings	3,467	(3,777)
Repayments of long-term borrowings	(954)	(718)
Purchase of treasury shares	(0)	—
Repayments of lease liabilities	(106)	(41)
Net cash provided by (used in) financing activities	9,906	(2,838)
Effect of exchange rate change on cash and cash equivalents	269	341
Net increase (decrease) in cash and cash equivalents	2,860	1,360
Cash and cash equivalents at beginning of period	7,933	9,749
Cash and cash equivalents at end of period	10,793	11,110