

UMC Electronics Co., Ltd.

FY2024 1st Quarter Financial Results Briefing Materials

August 2023



Securities Code: 6615

I. Financial Results Overview

FY2024: Financial Summary of First Quarter / Earnings FY Forecast

(Million yen)

	FY2023 1st Quarter (Apr 2022 - Jun 2022)	FY2024 1st Quarter (Apr 2023 - Jun 2023)	Change (Amount)	Change (%)	FY2024 Forecast (Apr 2023 - Mar 2024)
Net sales	37,862	32,781	(5,081)	(13.4)	153,000
Operating profit	260	189	(70)	(27.2)	2,500
(Profit rate)	0.7%	0.6%	(0.1%)	—	1.6%
Ordinary profit	96	(156)	(252)	—	2,000
(Profit rate)	0.3%	—	—	—	1.3%
Profit attributable to owners of the parent	25	(266)	(292)	—	1,500
(Profit rate)	0.1%	—	—	—	1.0%
Exchange rate (1USD=)	130 yen	137 yen	7 yen	—	135 yen
Earnings per share	0.90 yen	(9.44 yen)	(10.34 yen)	—	53.05 yen
Cash Dividends per share	—	—	—	—	—
Dividend payout ratio	—	—	—	—	—
Investments in tangible assets	7,216	927	(6,289)	(87.2)	—
Depreciation	712	749	37	5.2	
	FY 2023 (As of March 31, 2023)	FY2024 1st Quarter (As of Jun 30, 2023)	Change (Amount)	Change (%)	
Total assets	84,785	85,773	988	1.2	
Net assets	18,010	18,035	25	0.1	—
Capital ratio (%)	21.2	21.0	(0.2)	—	

Overview

- The recovery of personal consumption due to the elimination of consumption suppression due to restrictions on activities during the corona disaster, and the recovery of the business climate in the manufacturing industry due to the alleviation of the shortage of materials.
- On the other hand, energy and resource prices remain high, global monetary tightening, high inflation, and concerns about further price increases continue.

Sales

- In the automotive equipment field, sales decreased due to net revenue recording as proxy transactions from the first quarter of the current consolidated accounting period for customer production adjustments and transactions with some customers. In the OA equipment field, transaction volume decreased due to the reaction to increased production due to home demand.
- In the industrial equipment field, energy-saving investment continued to be strong, resulting in an increase in sales.
- A decrease of 13.4% compared to the same period of the previous year (-5,081 million yen)

FY2024 1st Quarter: Financial Report Points (2)

Operating Profit

- Although there are improvement effects such as company-wide loss reduction, profit decrease due to the decrease in sales and the accompanying deterioration in the manufacturing cost ratio.
- Soaring energy and material prices, and the tight supply-demand balance for parts continue to have an impact.
- A decrease of 27.2% compared to the same period of the previous year (-70 million yen)

Ordinary Profit

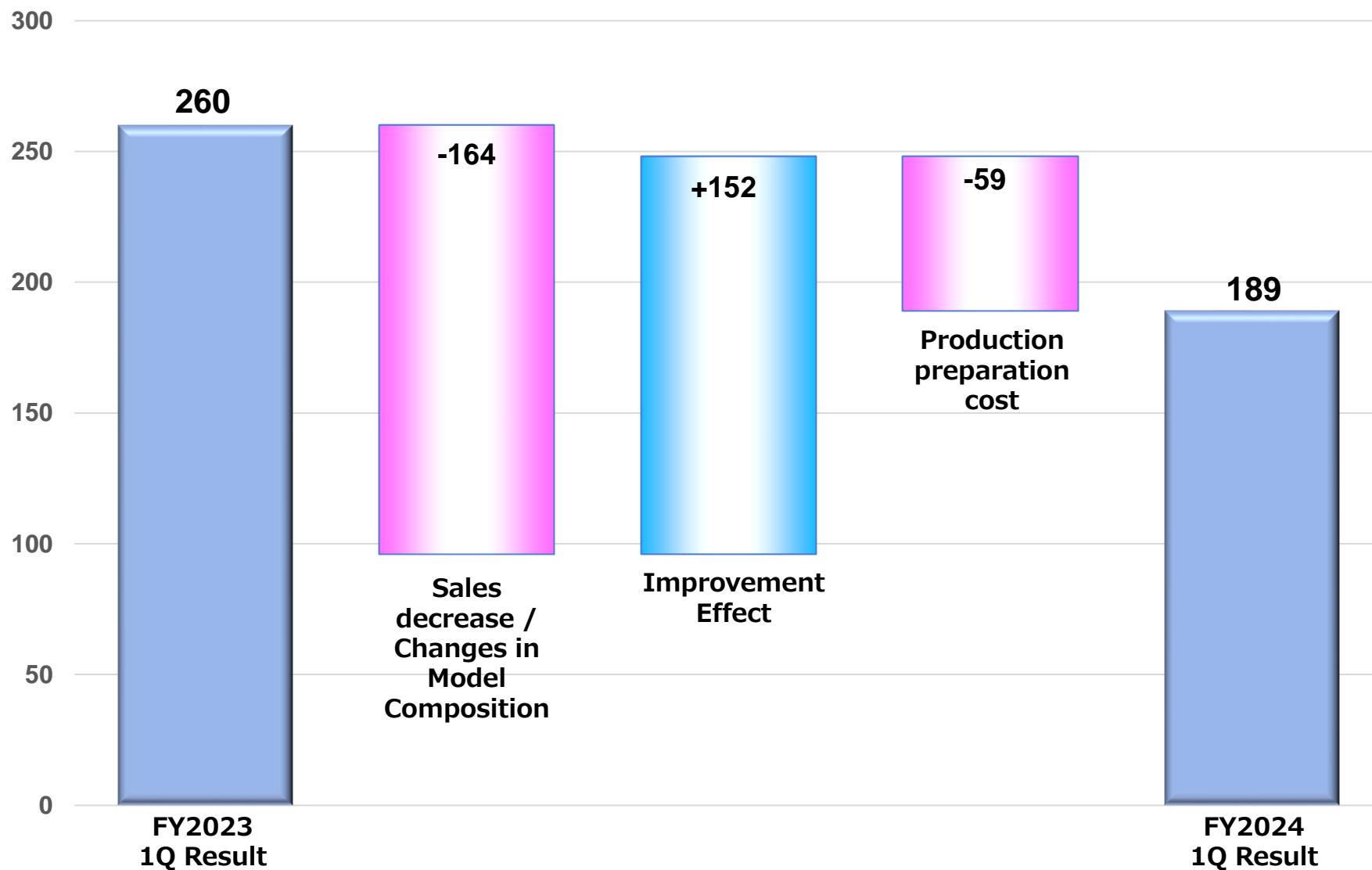
- Although the impact of foreign exchange losses due to the appreciation of the yuan and the dollar has decreased, interest expense due to the rise in dollar interest rates has increased.
- Ordinary profit decreased by 252 million yen from the same period of the previous year.

Profit Attributable to Owners of the Parent

- Profit attributable to owners of parent decreased by 292 million yen from the same period of the previous year.

Operating Profit Contributing Factors

(Million yen)



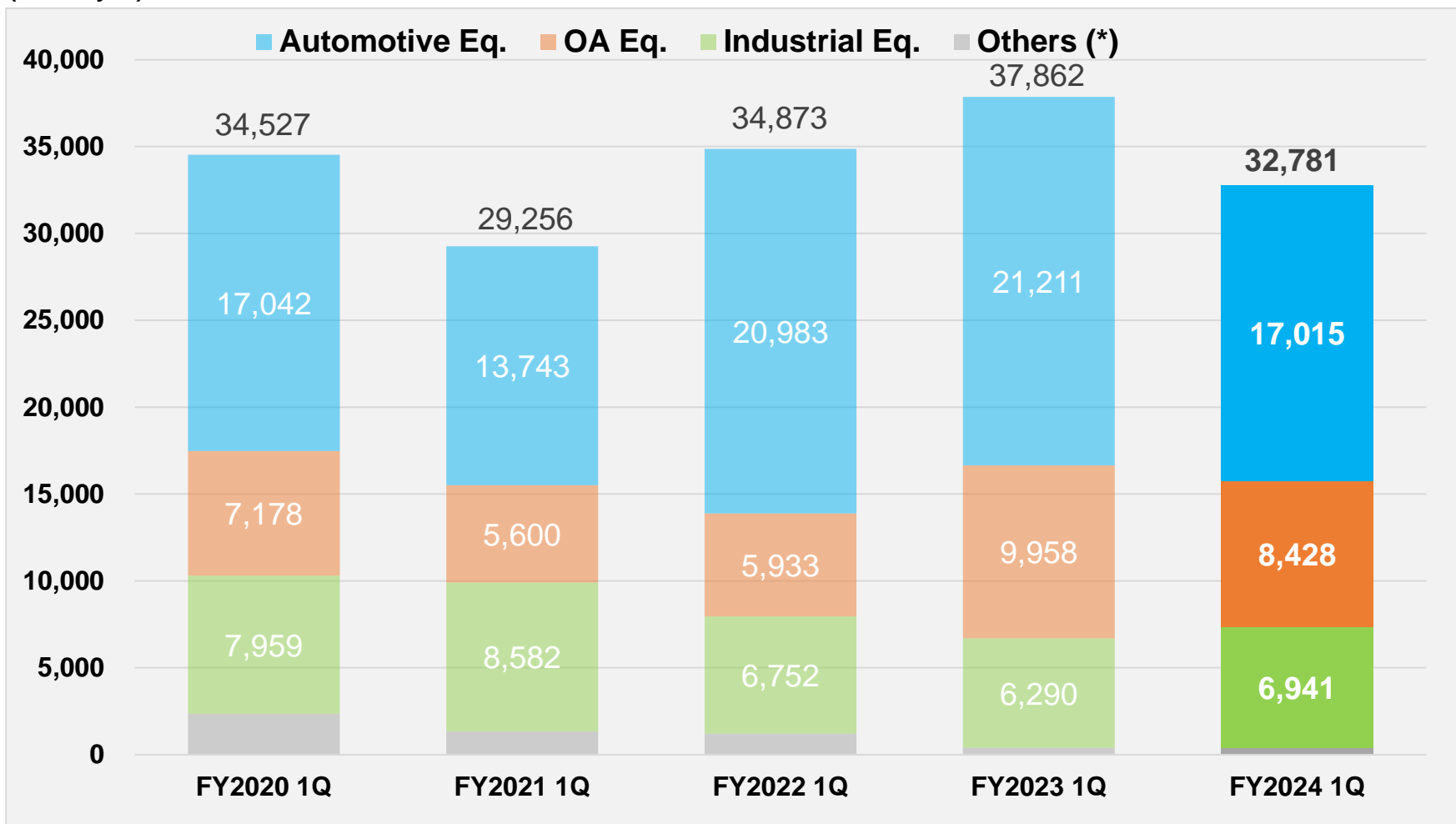
Sales by Product (vs Same Period of Previous Year)

(Million yen)

	FY2023 1Q (Apr 2022-Jun 2022)	FY2024 1Q (Apr 2023-Jun 2023)	Change (Amount)	Change (%)
Automotive Equipment	21,211	17,015	(4,196)	(19.8)
OA Equipment	9,958	8,428	(1,530)	(15.4)
Industrial Equipment	6,290	6,941	651	10.4
Others (EMS Business)	228	205	(22)	(9.8)
Other Businesses	173	189	16	9.3
Total	37,862	32,781	(5,081)	(13.4)

Sales by Product (Past Five Years)

(Million yen)



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

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

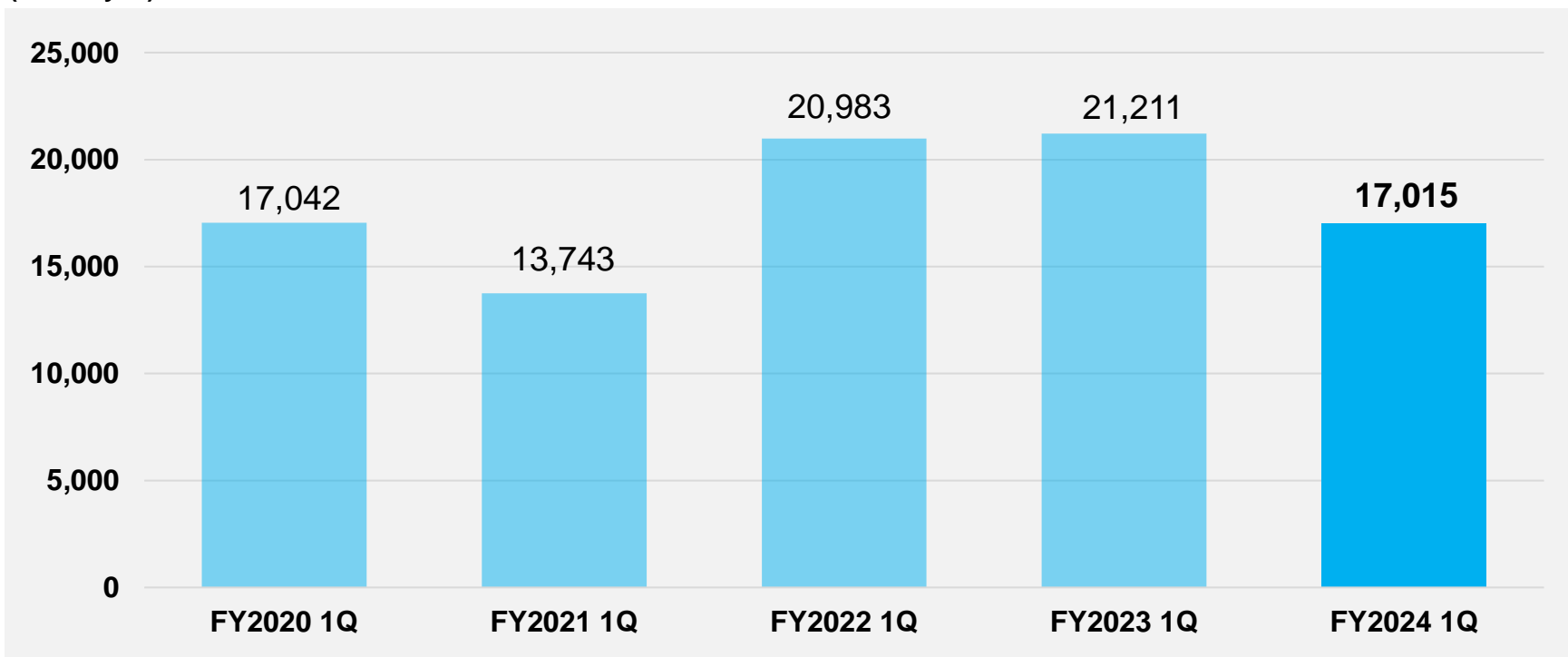
II. Net Sales for Three Primary Segments

Sales : Automotive Equipment (Past Five Years)

Point

- Although demand continues to increase due to the expansion of the electric vehicle market, production is declining due to the impact of tightness in electronic components for automotive applications.
- Impact of net income on transactions with some customers as proxy transactions from the first quarter of the current consolidated accounting period.

(Million yen)



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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>

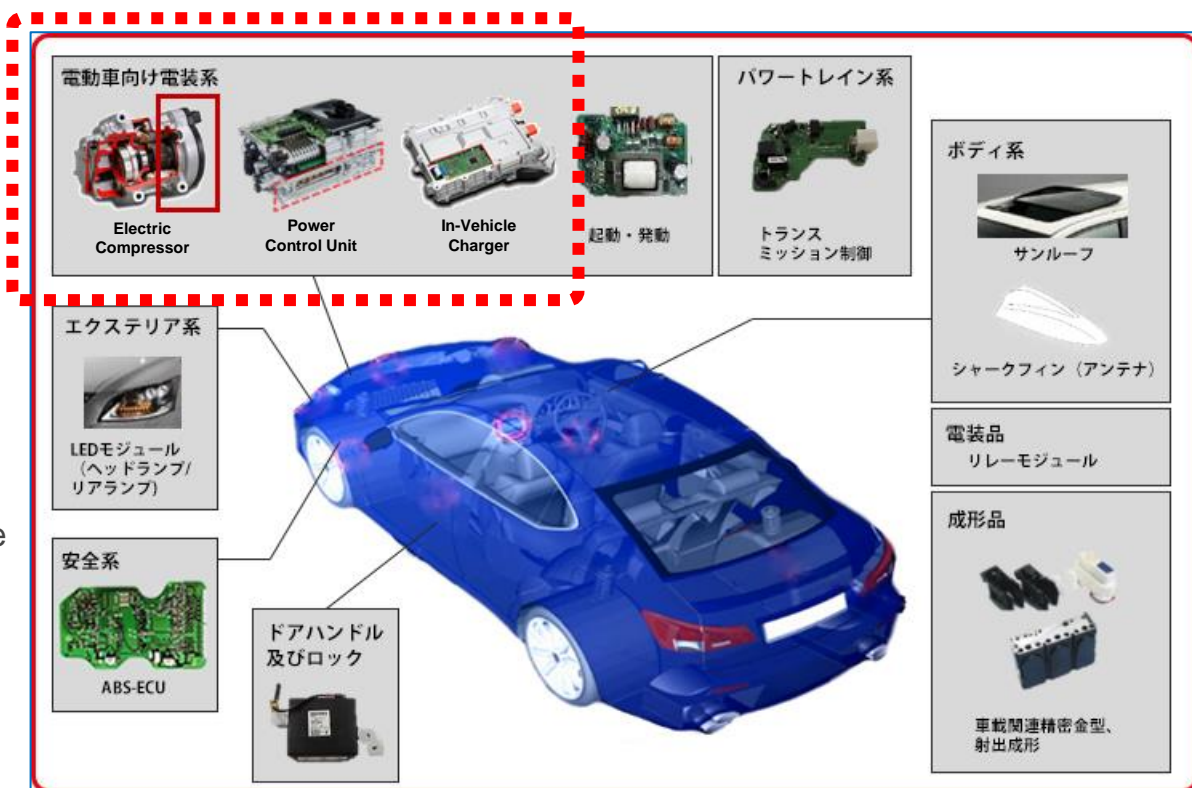
A power control device that supplies direct current (DC) to electronic equipment in a vehicle, and to headlights and other equipment that operate at various voltages

<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.

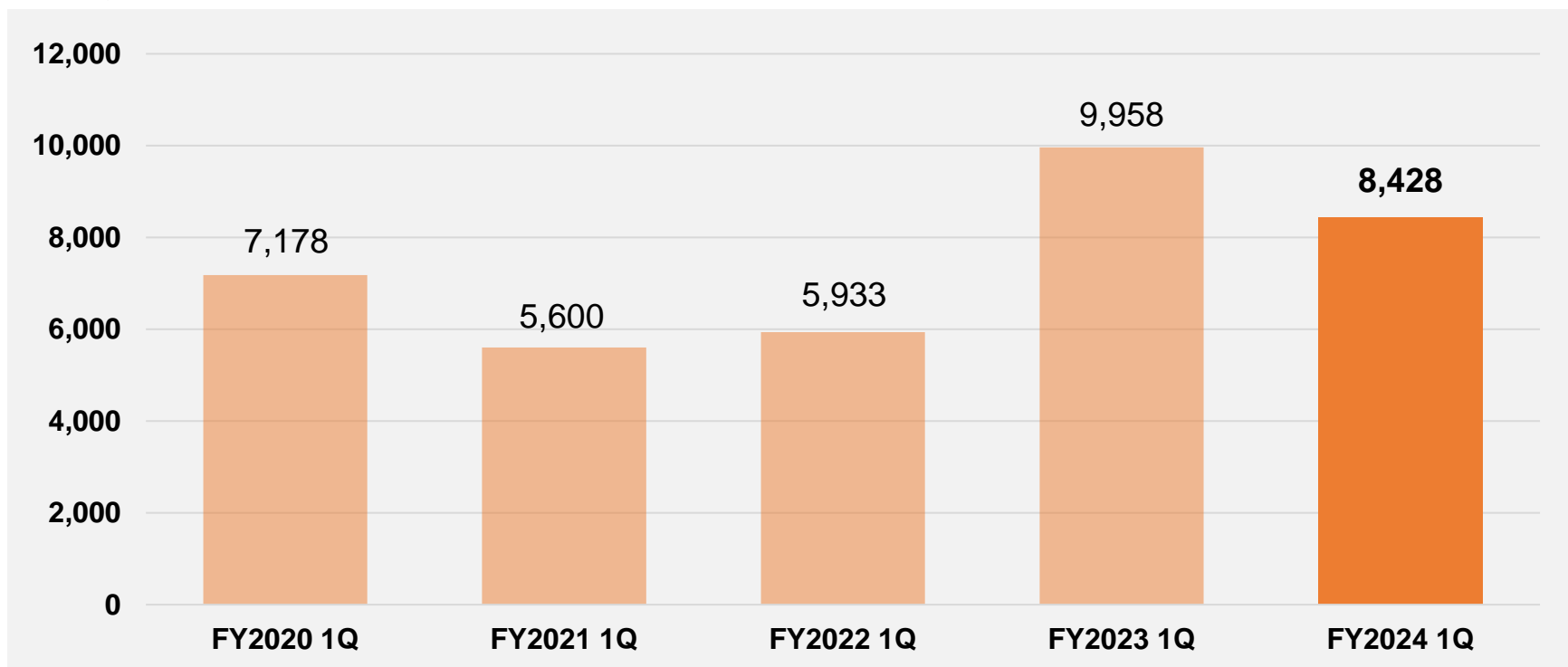


Sales : OA Equipment (Past Five Years)

Point

- Decrease in transaction volume of products for MFP(*) and laser printers due to reaction to increased production due to home demand.

(Million yen)



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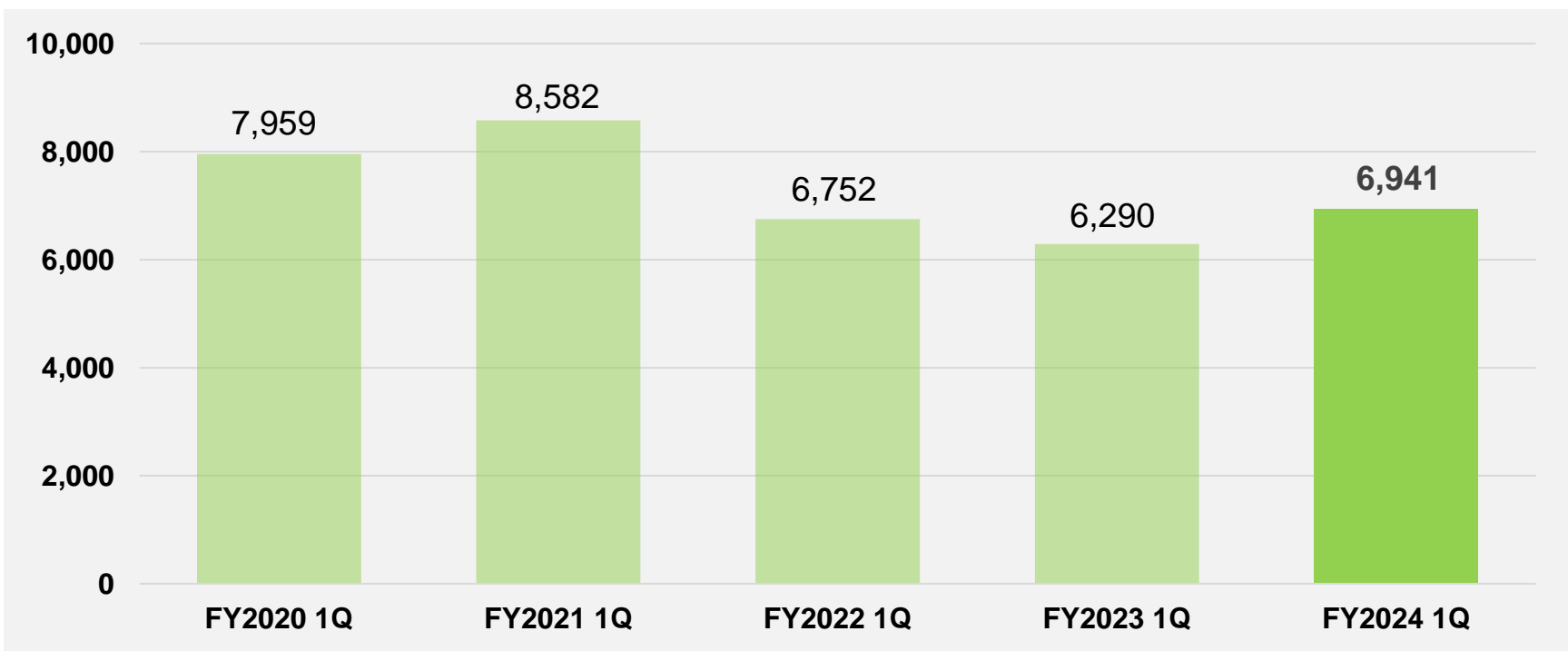
* MFP: Multifunction printer

Sales : Industrial Equipment (Past Five Years)

Point

- Production has normalized due to the elimination of the impact of the lockdown in China, and investment in energy conservation continues to be strong.

(Million yen)



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III. Topics

Thailand and Vietnam plant to introduce solar power generation equipment

The Group has decided to install solar power generation equipment at its plants in Thailand and Vietnam to promote the use of renewable energy and decarbonization.

※A system that installs power generation equipment without initial investment and can use the generated power

Use PPA (Power Purchase Agreement)

■ Overview

Installation location	Thailand factory	Vietnam factory
Operation time (Under adjustment)	May 2024	June 2024
Annual power generation (assumption)	About 2,600MWh	About 2,300MWh
Annual CO2 emission reduction (assumption)	About 1,300t	About 1,800t

■ Image of solar panel installation (Thailand factory)



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