

UMC Electronics Co., Ltd.

FY2024 2nd Quarter Financial Results Briefing Materials

November 2023



Securities Code: 6615

I. Financial Results Overview

FY2024: Financial Summary of Second Quarter / Earnings FY Forecast

(Million yen)

	FY2023 2nd Quarter (Apr 2022 - Sep 2022)	FY2024 2nd Quarter (Apr 2023 - Sep 2023)	Change (Amount)	Change (%)	FY2024 Forecast (Apr 2023 - Mar 2024)
Net sales	81,209	66,808	(14,400)	(17.7)	131,000
Operating profit	1,246	543	(702)	(56.4)	1,500
(Profit rate)	1.5%	0.8%	(0.7%)	—	1.1%
Ordinary profit	493	(45)	(539)	—	800
(Profit rate)	0.6%	—	—	—	0.6%
Profit attributable to owners of the parent	280	(343)	(624)	—	300
(Profit rate)	0.3%	—	—	—	0.2%
Exchange rate (1USD=)	134 yen	141 yen	7 yen	—	140 yen
Earnings per share	9.92 yen	(12.15 yen)	(22.07 yen)	—	10.61 yen
Cash Dividends per share	—	—	—	—	—
Dividend payout ratio	—	—	—	—	—
Investments in tangible assets	7,583	2,574	(5,008)	(66.0)	—
Depreciation	1,614	1,529	(84)	(5.2)	
	FY 2023 (As of March 31, 2023)	FY2024 2nd Quarter (As of Sep 30, 2023)	Change (Amount)	Change (%)	
Total assets	84,785	83,008	(1,777)	(2.1)	
Net assets	18,010	18,237	227	1.3	—
Capital ratio (%)	21.2	21.9	0.7	—	

Overview

- The economic situation in the manufacturing industry is picking up due to the elimination of consumption restrictions due to the restrictions on activities caused by the corona disaster, the recovery of private consumption due to the recovery of inbound demand, and the easing of component shortages. On the other hand, there are still deep-rooted concerns about energy and resource prices remaining high, global monetary tightening, high inflation, and further price increases, and there are also concerns about the future of the Chinese economy.

Sales

- In the automobile equipment field, sales decreased due to net revenue recording as a proxy transaction from the first quarter consolidated accounting period for customer production adjustments and transactions with some customers.
- In the OA equipment field, sales decreased due to a backlash from increased production due to home-based demand and the impact of inventory levels remaining high in the market.
- In the industrial equipment field, sales decreased due to sluggishness in the Chinese market for control equipment products.
- A decrease of 17.7% compared to the same period of the previous year (-14,400 million yen)

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.
- Operating profit decreased by 702 million yen from the same period of the previous year (a decrease of 56.4 % compared to the same period of the previous year)

Ordinary Profit

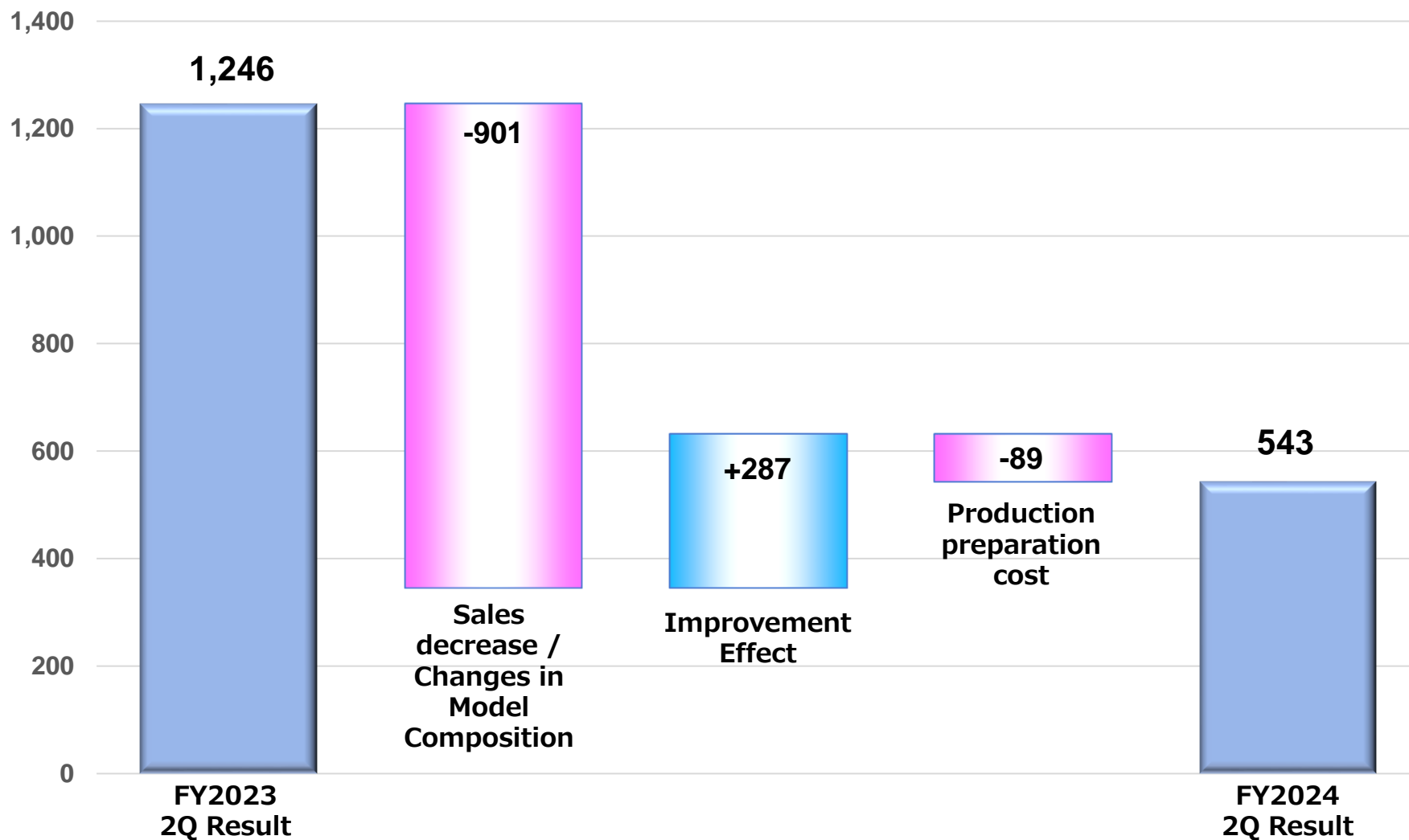
- Interest expenses increased due to the rise in dollar interest rates, and temporary rental expenses occurred in the second quarter. On the other hand, foreign exchange gains were recorded due to the impact of the weaker yen and stronger dollar.
- Ordinary profit decreased by 539 million yen from the same period of the previous year.

Profit Attributable to Owners of the Parent

- Profit attributable to owners of parent decreased by 624 million yen from the same period of the previous year.

Operating Profit Contributing Factors

(Million yen)



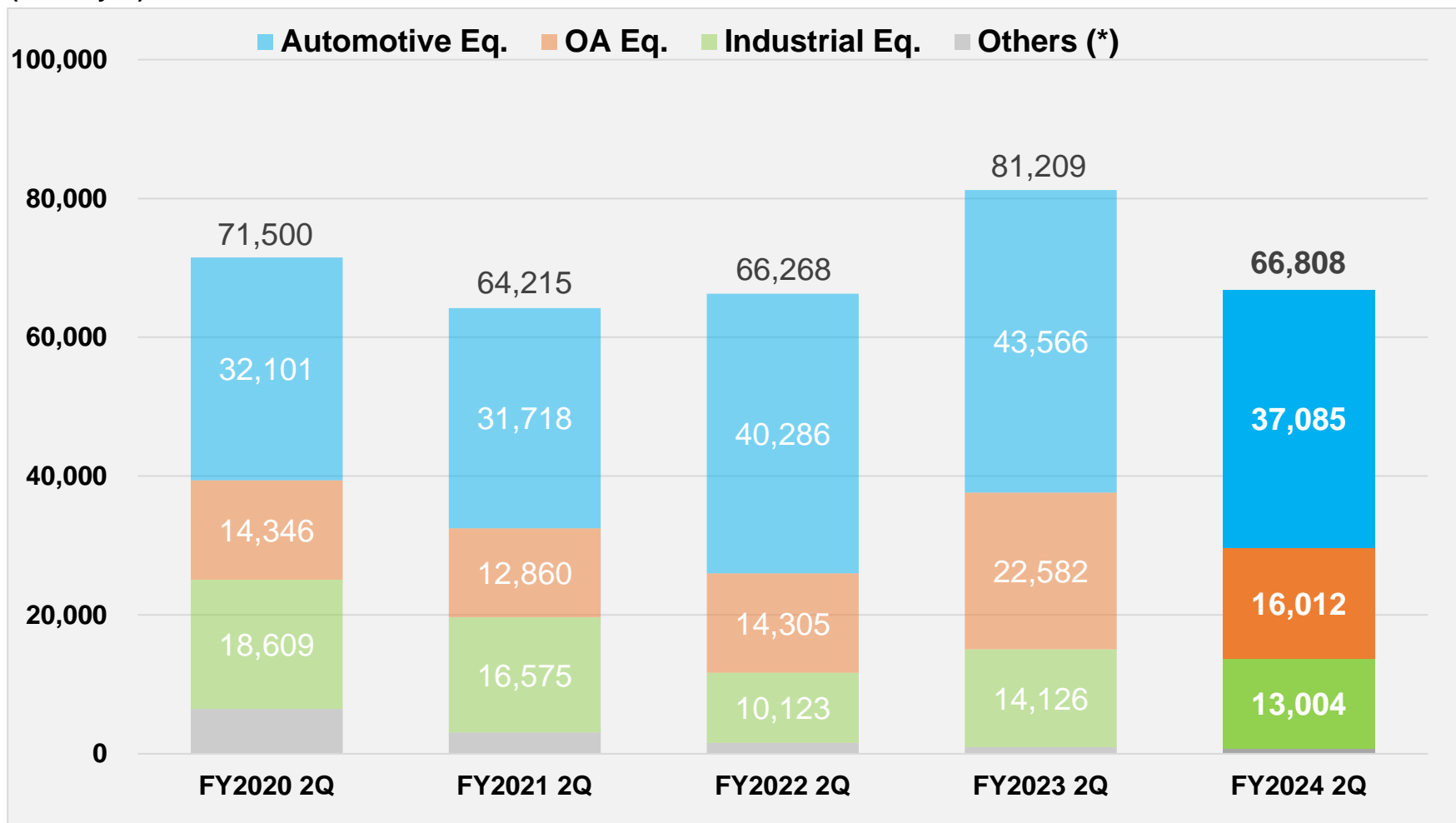
Sales by Product (vs Same Period of Previous Year)

(Million yen)

	FY2023 2Q (Apr 2022-Sep 2022)	FY2024 2Q (Apr 2023-Sep 2023)	Change (Amount)	Change (%)
Automotive Equipment	43,566	37,085	(6,480)	(14.9)
OA Equipment	22,582	16,012	(6,570)	(29.1)
Industrial Equipment	14,126	13,004	(1,122)	(7.9)
Others (EMS Business)	590	331	(258)	(43.8)
Other Businesses	343	375	31	9.3
Total	81,209	66,808	(14,400)	(17.7)

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

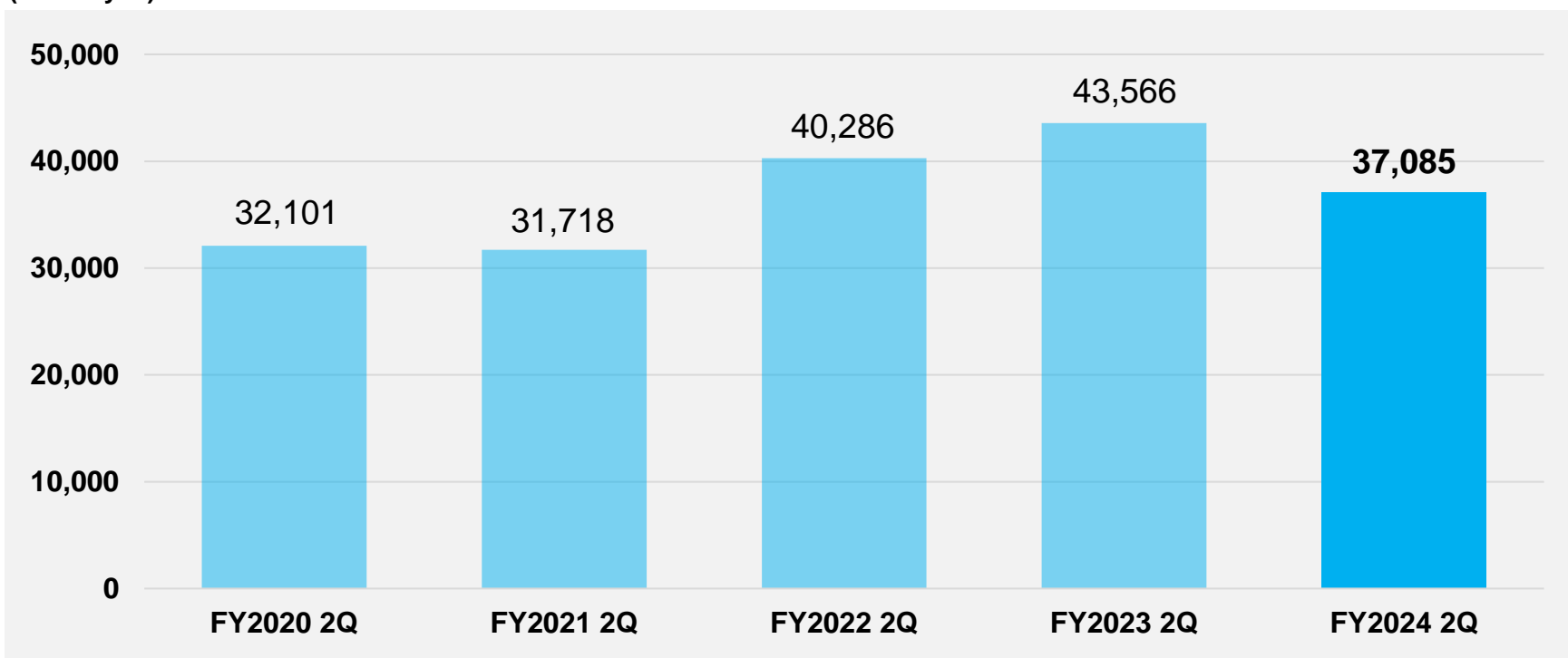
II. Net Sales for Three Primary Segments

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 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>

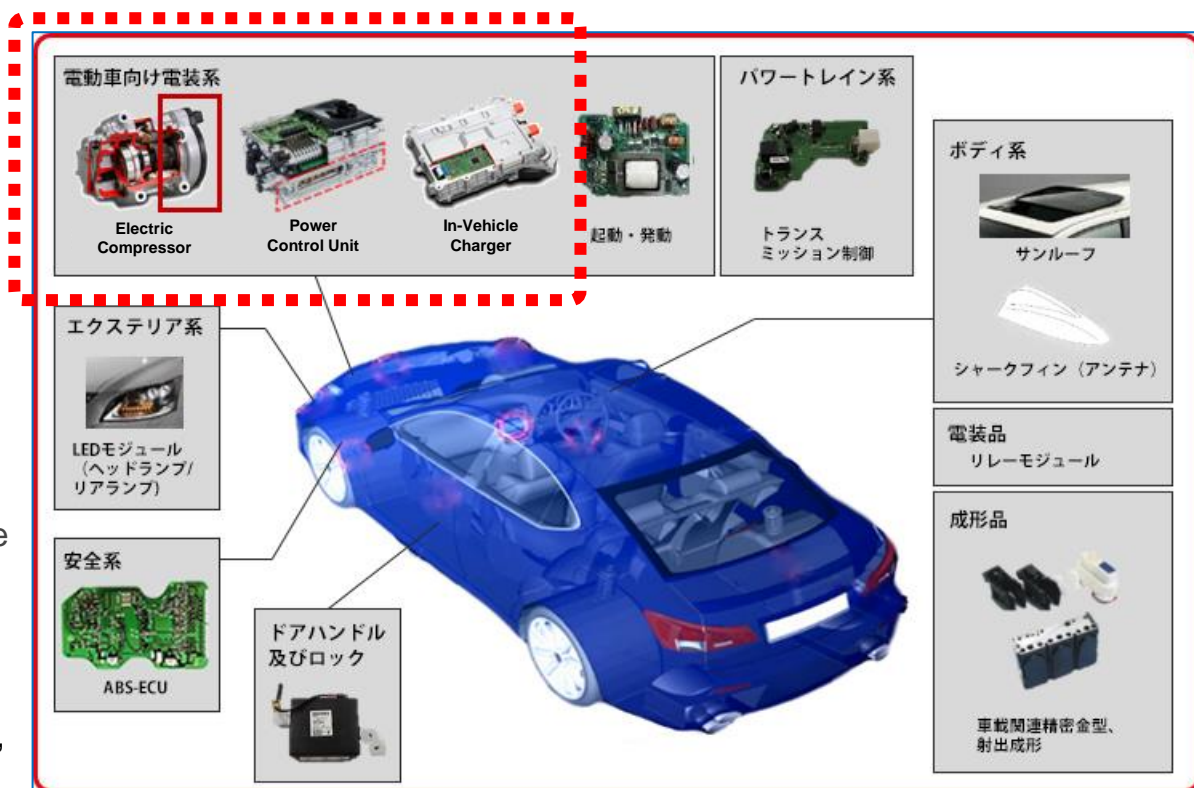
A power control device that supplies direct current (DC) to electronic equipment in a vehicle, and to headlights and other equipment that operate at various voltages

<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.

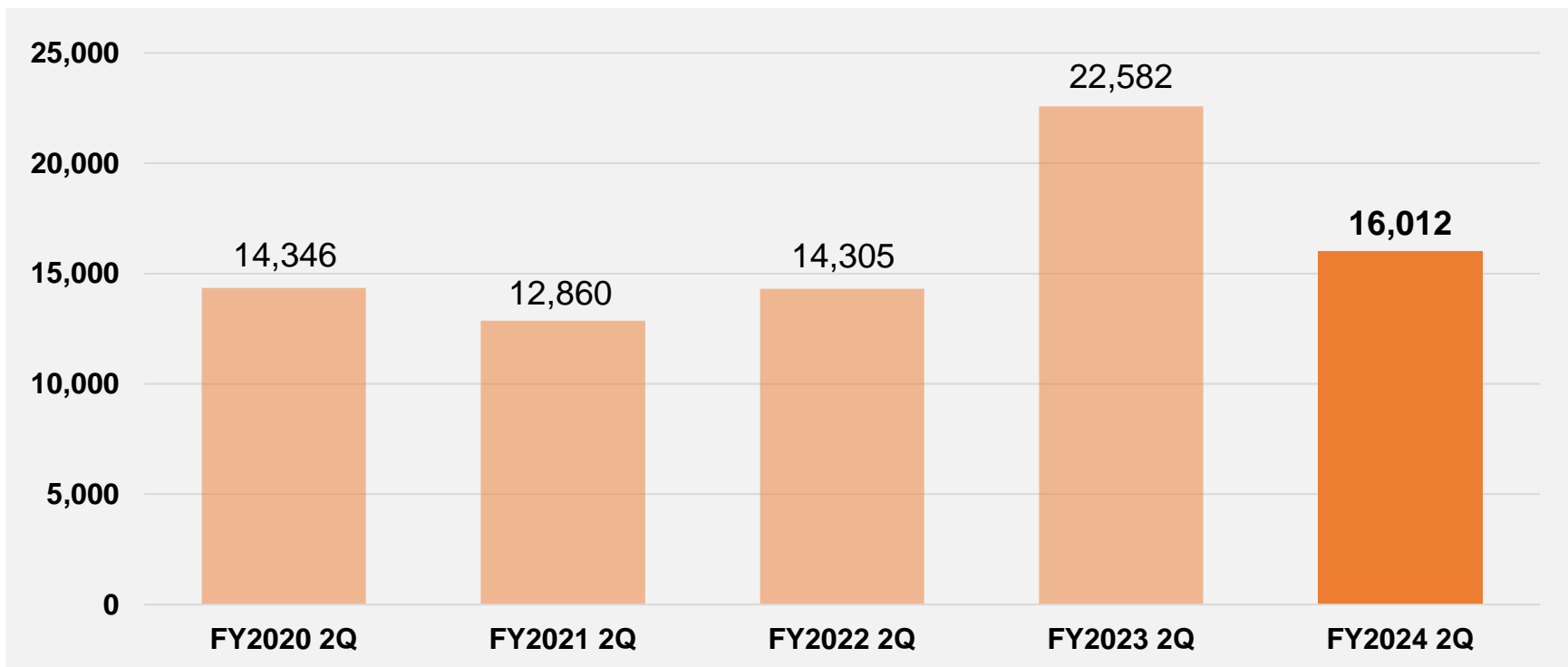


Sales : OA Equipment (Past Five Years)

Point

- Decrease in transaction volume of products for MFP(*) and laser printers due to the reaction to increased production due to home-based demand, and the impact of high inventory levels in the market.

(Million yen)



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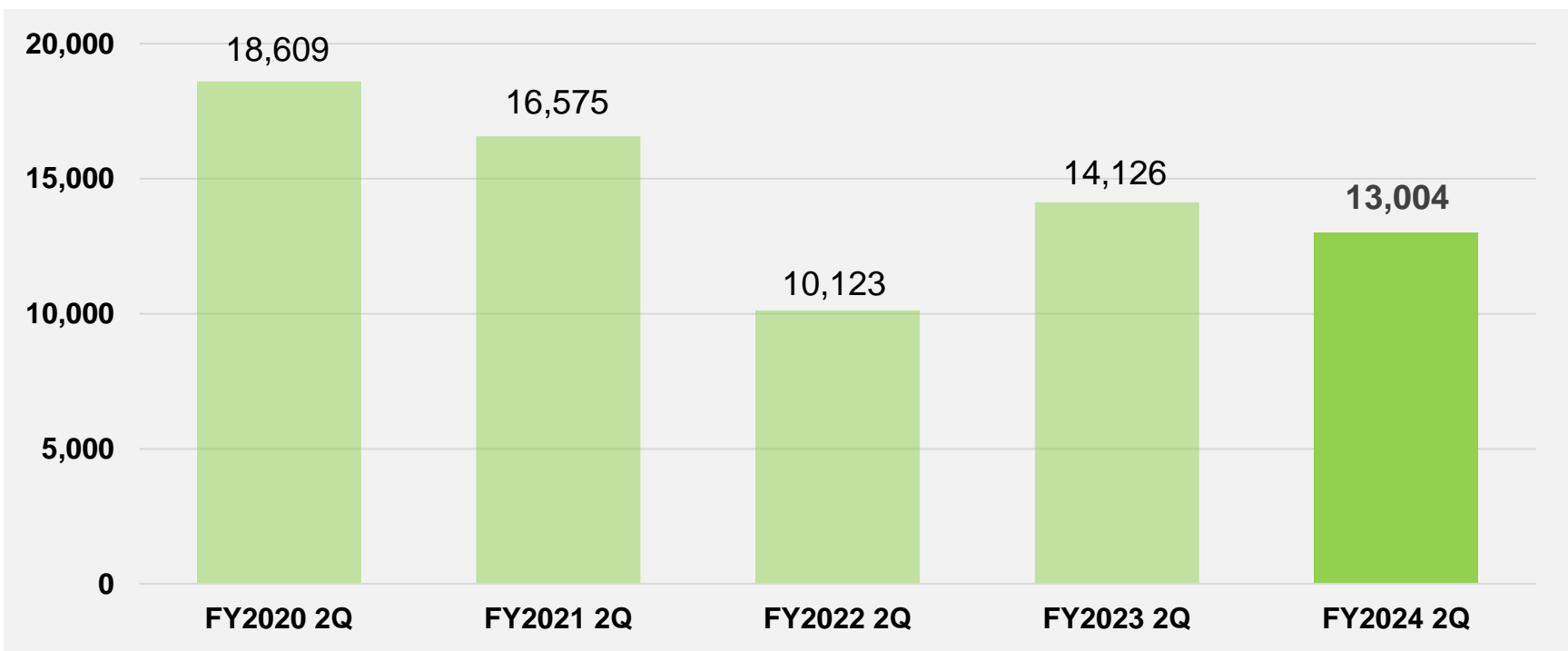
* MFP: Multifunction printer

Sales : Industrial Equipment (Past Five Years)

Point

- 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 sales decreased due to the slump in the Chinese market for control equipment products.

(Million yen)



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