

# UMC Electronics Co., Ltd.

## FY2024 3rd Quarter Financial Results Briefing Materials

February 2024



Securities Code: 6615

# I. Financial Results Overview

# FY2024: Financial Summary of Third Quarter / Earnings FY Forecast

(Million yen)

	FY2023 3rd Quarter (Apr 2022 - Dec 2022)	FY2024 3rd Quarter (Apr 2023 - Dec 2023)	Change (Amount)	Change (%)	FY2024 Forecast (Apr 2023 - Mar 2024)
Net sales	126,166	<b>100,998</b>	(25,168)	(19.9)	131,000
Operating profit	1,568	<b>1,090</b>	(477)	(30.5)	1,500
( Profit rate )	1.2%	<b>1.1%</b>	(0.2%)	—	1.1%
Ordinary profit	696	<b>(144)</b>	(840)	—	800
( Profit rate )	0.6%	—	—	—	0.6%
Profit attributable to owners of the parent	343	<b>(562)</b>	(906)	—	300
( Profit rate )	0.3%	—	—	—	0.2%
Exchange rate (1USD=)	137 yen	<b>143 yen</b>	6 yen	—	140 yen
Earnings per share	12.15 yen	<b>(19.91 yen)</b>	(32.05 yen)	—	10.61 yen
Cash Dividends per share	—	—	—	—	—
Dividend payout ratio	—	—	—	—	—
Investments in tangible assets	1,058	<b>2,782</b>	1,723	162.9	—
Depreciation	2,415	<b>2,317</b>	(98)	(4.1)	
	FY 2023 (As of March 31, 2023)	FY2024 3rd Quarter (As of Dec 31, 2023)	Change (Amount)	Change (%)	
Total assets	84,785	<b>80,563</b>	(4,222)	(5.0)	
Net assets	18,010	<b>17,805</b>	(204)	(1.1)	—
Capital ratio (%)	21.2	<b>22.0</b>	0.9	—	

## Overview

- Although there has been a recovery in the manufacturing industry due to a recovery in inbound demand, a recovery in personal consumption, and the easing of material shortages energy and resource prices continue to remain high, and global monetary tightening, high inflation, and There are deep-rooted concerns about further price increases, and there are also concerns about the future of the Chinese economy.

## Sales

- In the automotive equipment field, sales decreased due to the impact of sluggish demand in the Chinese market for Japanese cars and the net amount of revenue recorded as proxy transactions from the first quarter consolidated accounting period for 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 sluggish control equipment products in the Chinese market and sluggish demand for semiconductor equipment investment.
- A decrease of 19.9% compared to the same period of the previous year (-25.1 billion 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 477 million yen from the same period of the previous year (a decrease of 30.5 % compared to the same period of the previous year)

## Ordinary Profit

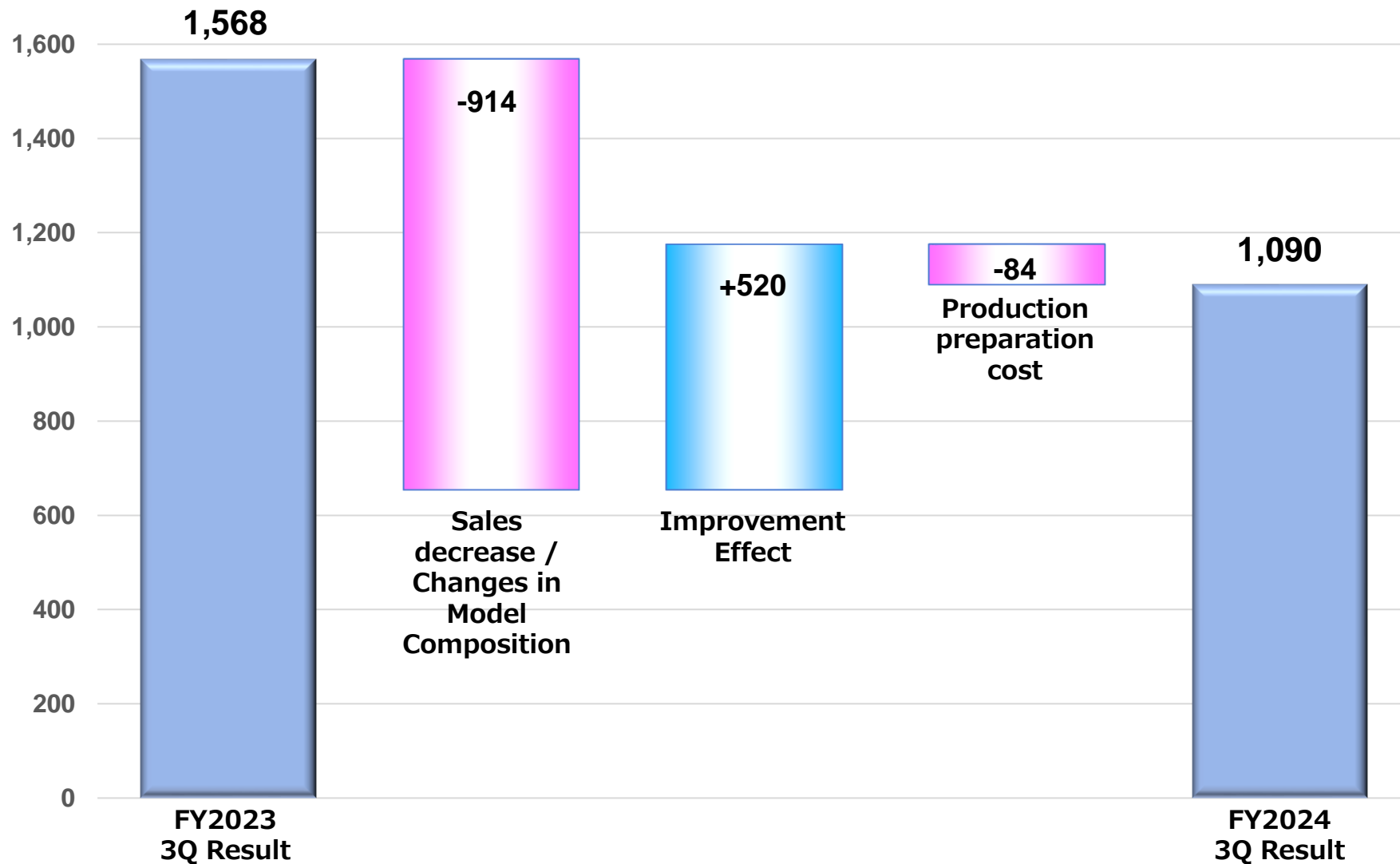
- Although foreign exchange losses decreased, temporary rental expenses were incurred in addition to the increase in interest expense due to the rise in dollar interest rates.
- Ordinary profit decreased by 840 million yen from the same period of the previous year.

## Profit Attributable to Owners of the Parent

- Profit attributable to owners of parent decreased by 906 million yen from the same period of the previous year.

# Operating Profit Contributing Factors

(Million yen)



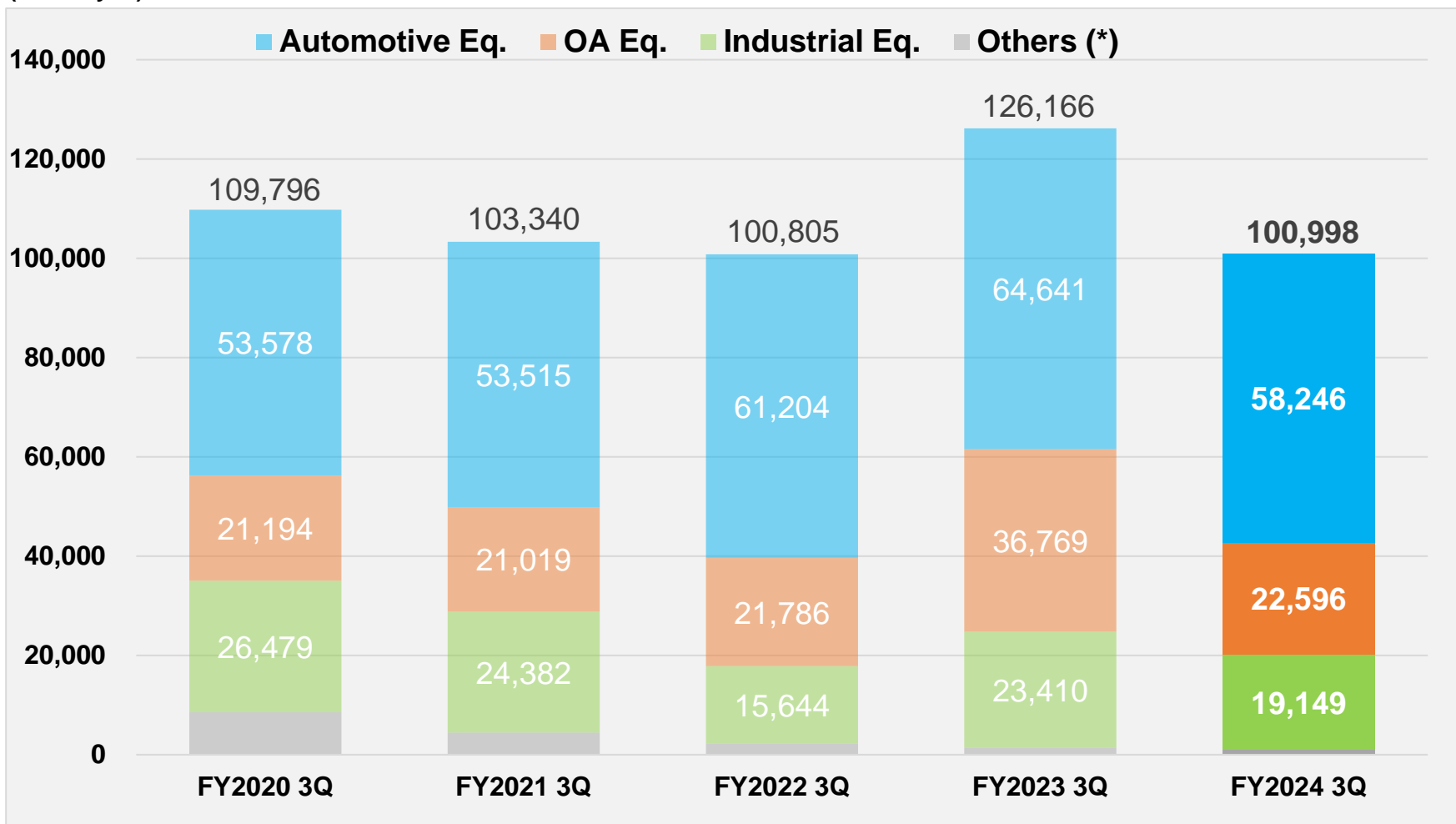
# Sales by Product (vs Same Period of Previous Year)

(Million yen)

	FY2023 3Q (Apr 2022-Dec 2022)	FY2024 3Q (Apr 2023-Dec 2023)	Change (Amount)	Change (%)
<b>Automotive Equipment</b>	64,641	58,246	(6,395)	(9.9)
<b>OA Equipment</b>	36,769	22,596	(14,173)	(38.5)
<b>Industrial Equipment</b>	23,410	19,149	(4,260)	(18.2)
<b>Others (EMS Business)</b>	820	436	(383)	(46.7)
<b>Other Businesses</b>	525	569	43	8.4
<b>Total</b>	126,166	100,998	(25,168)	(19.9)

# 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



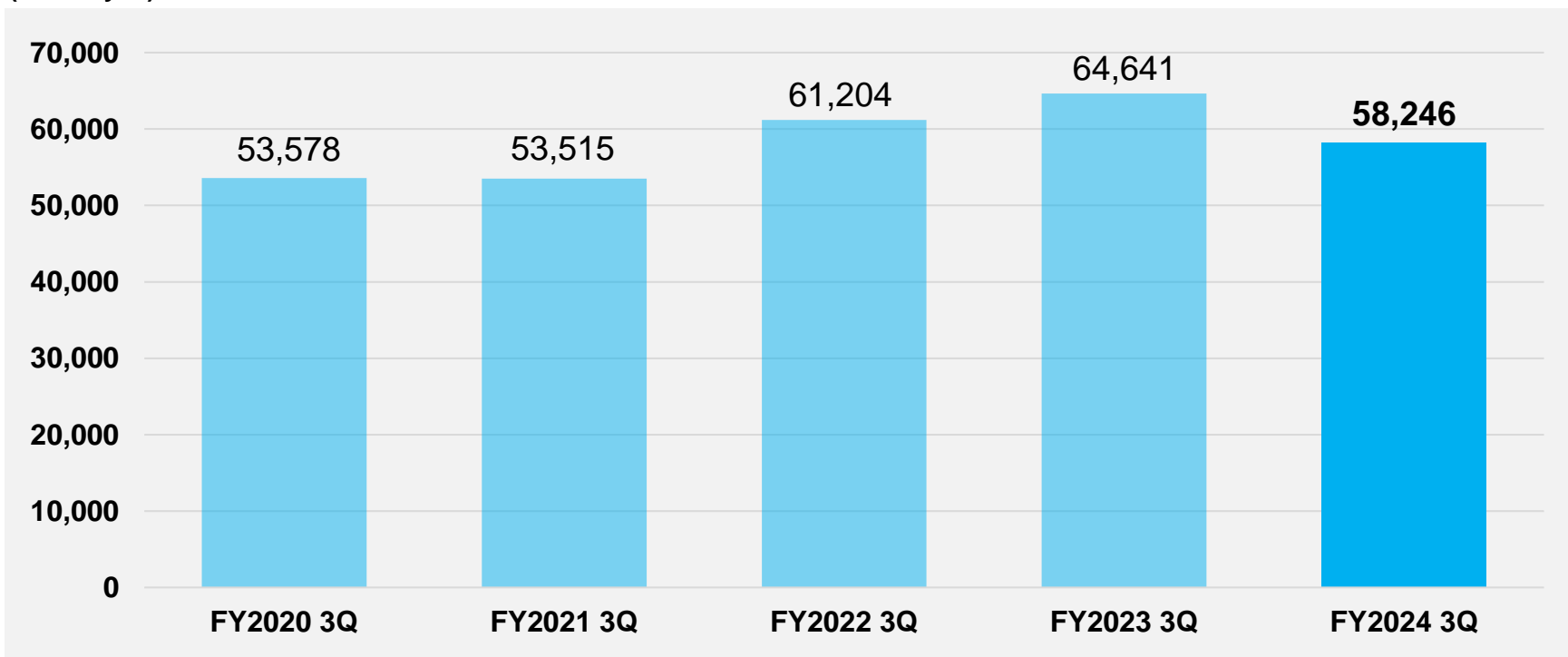
## **II. Net Sales for Three Primary Segments**

# Sales : Automotive Equipment (Past Five Years)

## Point

- Demand continues to increase due to the expansion of the electric vehicle market, but production declines due to sluggish demand in the Chinese market for Japanese vehicles.
- 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>

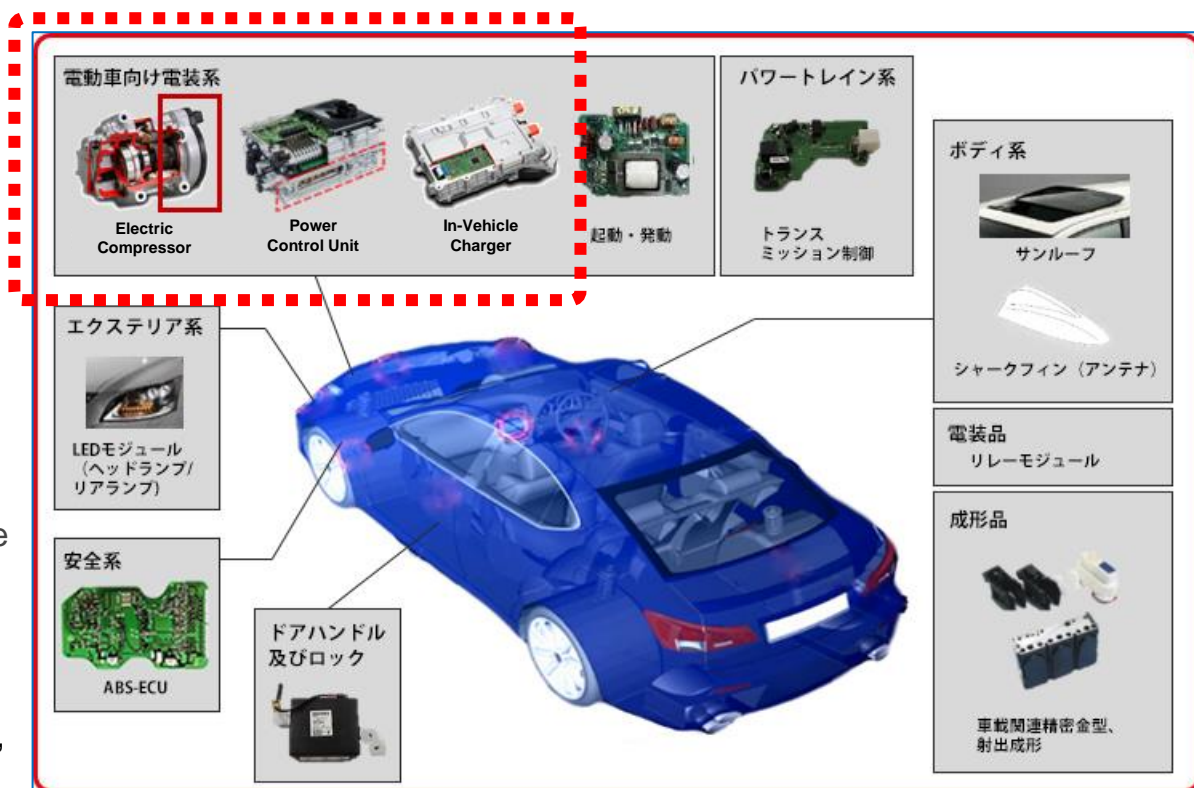
A power control device that supplies direct current (DC) to electronic equipment in a vehicle, and to headlights and other equipment that operate at various voltages

## <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.

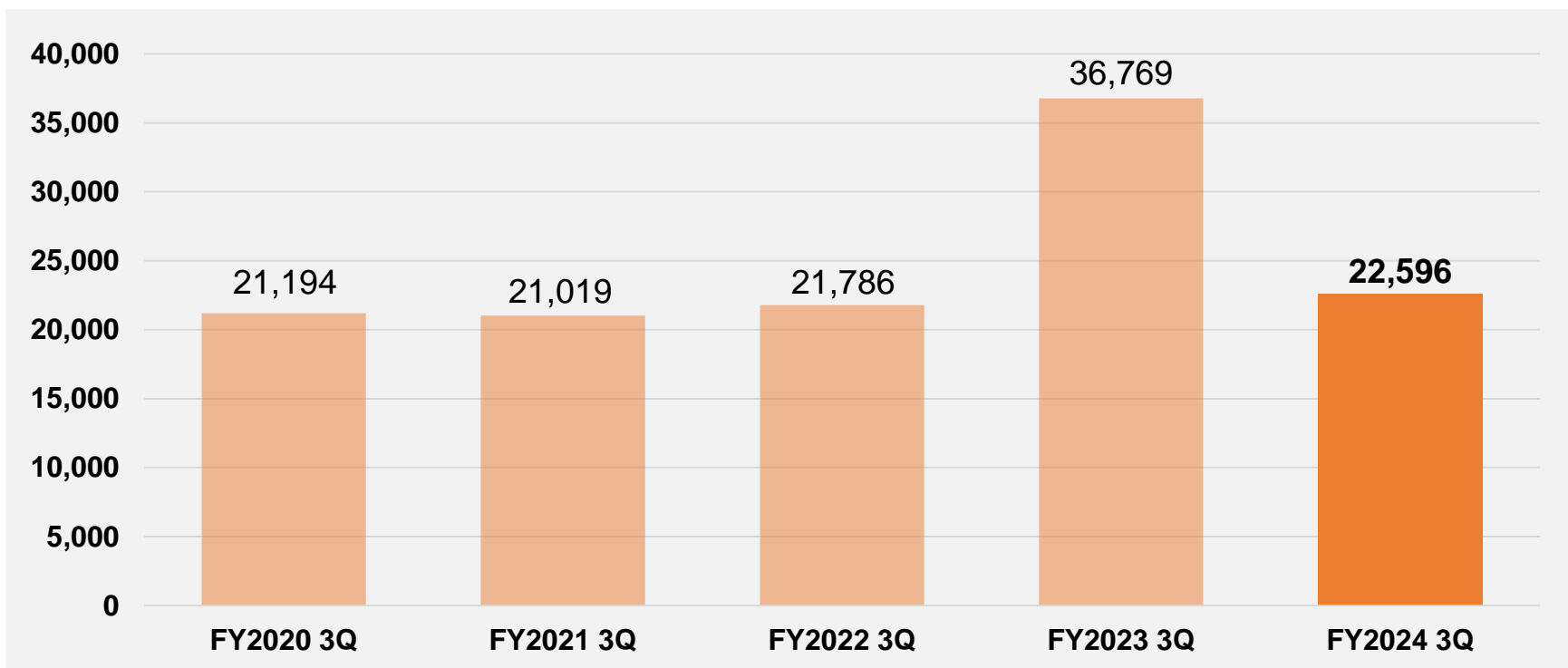


# Sales : OA Equipment (Past Five Years)

## 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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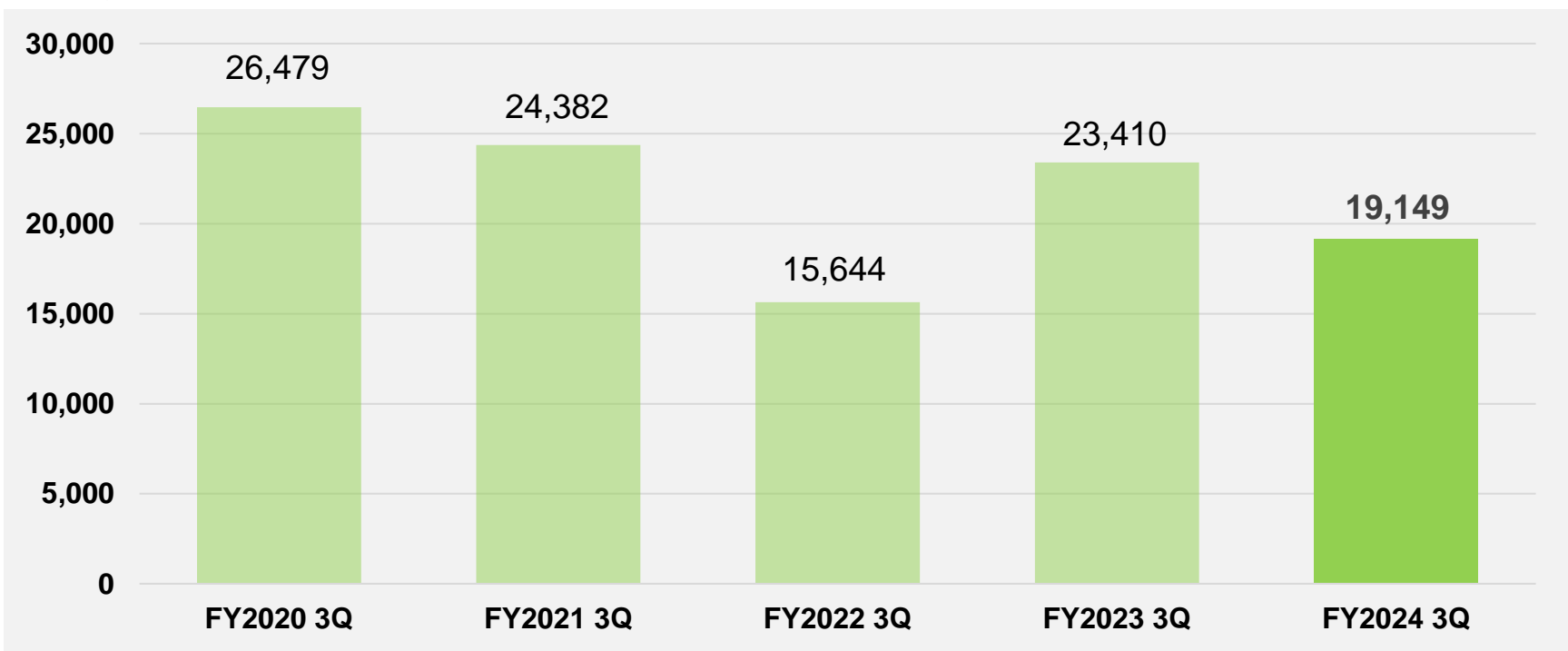
\* MFP: Multifunction printer

# Sales : Industrial Equipment (Past Five Years)

## Point

- Although capital investment such as energy conservation continues, transaction volume decreased due to sluggish performance in the Chinese market for control equipment products and sluggish demand for semiconductor capital investment.

(Million yen)



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

# III. Topics

## UMC Vietnam employees won 1st and 2nd place in the soldering competition !

From September 6th to September 8th, 2023, the soldering Vietnam tournament sponsored by IPC(\*) was held at the event of Nepcon Vietnam. 35 people from 13 companies participated, 4 people from UMC Vietnam participated, and won 1st and 2nd place !

\*IPC : Business association for the purpose of "standardizing assembly requirements and manufacturing requirements" for electronic equipment and parts.

1st place Pham Thi Hue participated in the soldering world competition held in Germany in November as a representative of Vietnam, and unfortunately did not win a prize, but did a good job.

### ◆ Past World Conferences ◆

Past world competition results of UMC Vietnam employees

- Winner of the 2016 American Tournament
- Runner-up at the 2017 German Tournament



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