

[Translation]

October 10, 2019

To Whom It May Concern:

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Announcement regarding Delay in Submission of the First Quarterly Report for the Fiscal Year Ending March 31, 2020 and the Designation of Securities Under Supervision (Confirmation)

As of October 10, 2019, UMC Electronics Co., Ltd. ("the Company") announced as follows that it was expected that there is no prospect to submit the First Quarterly Report for the Fiscal Year Ending March 31, 2020 by October 15, 2019.

1. Reason for the delay of submission

As announced in "Notice of Improper Accounting Treatment in Chinas Consolidated Subsidiary" dated July 24, 2019 and "Notice Concerning Establishment of External Investigation Committee" dated August 7, 2019, it turned out the suspicion of improper accounting at China's Consolidated Subsidiary, thus the company established an External Investigation Committee to conduct investigations.

In addition, the Company applied to the Kanto Local Finance Bureau on August 14, 2019 to extend the deadline for submitting the First Quarterly Report for the Fiscal Year Ending March 2020 (from April 1, 2019 to June 30, 2019). On the same date, the Kanto Local Finance Bureau approved the submission deadline of September 13, 2019.

Subsequent investigations by an External Investigation Committee have discovered several new methods that have not been identified before the investigation began, and several suspicions of profit manipulation by new participants. As a result of considering the time required for these investigations and additional audit procedures, the Company determined that it could not submit the First Quarterly Report for the Fiscal Year Ending March 31, 2020 by September 13, 2019. On January 13, the Company applied to the Kanto Local Finance Bureau on September 13, 2019 to extend the deadline for submitting the first quarter report for the fiscal year ending March 2020, and the Kanto Local Finance Bureau approved the deadline for submission on October 15, 2019.

In response to the occurrence of the new doubts, the External Investigation Committee has determined that it is necessary to investigate facts, investigate the existence of similar transactions, investigate the cause, and consider / provide measures to prevent recurrence. In addition, the Company conducted a digital forensic investigation related to new doubts, interviewed people concerned, reinvestigated internal questionnaire surveys, and re-established a whistle-blowing hotline. According to the External Investigation Committee, these surveys have generally revealed inappropriate accounting methods, executors and motivations.

Specifically, inappropriate accounting treatment such as falsification of SAP data, concealment of inventory fraud by transferring items of inflated inventory to tangible fixed assets in Chinese base, unhandled inventory loss / avoidance of disposal loss at consolidated subsidiary in Thailand turned out. As a result, there is a derivative effect that needs to be corrected on a non-consolidated basis. The impact on net assets, which includes these new items and accounting treatments that should be revised, such as underestimation of costs overvaluation of inventory, and recording of fictitious sales, these were known at the beginning of the survey is currently around 5.6 billion yen. The scope of the revision goes back to the consolidated financial statements for Fiscal Year Ended March 31, 2014. On the other hand, when retroactively adjusting the consolidated financial statements for the previous fiscal year, the Company has not completed some of the work items (1) to (4) below, so the final impact of the previous financial statements has not been determined.

- (1) Shipment trail confirmation work for the past 7 years (approx. 40,000 cases) by falsification of SAP shipment data (China).
- (2) Collection of balance confirmation letters (accounts receivable, accounts payable) for the past seven years to approximately 300 business partners and work to determine the balance (China).
- (3) Review of revenue recognition at the start of the project for each product ordered from customers and confirmation of trail (Japan and China).
- (4) Physical inventory taking of fixed assets and balance determination by recalculating acquisition costs for the past 6 years (China).

Note: The impact on net assets associated with the revisions (1) to (4) above is not included in the estimated impact of approximately 5.6 billion yen.

Items (1) and (2) above were derived from the fact that the SAP data was falsified, and it was necessary to additionally check the reliability of past accounting data. Regarding (3), from the perspective of unifying revenue recognition standards, it is necessary to investigate the appropriateness of receiving costs related to product production according to the transaction conditions with customers and the characteristics of each product field and treating them as revenue. Regarding (4), it was necessary to correct omissions in the cost of in-house manufactured equipment. Each of these

operations (1) to (4) takes a lot of time than initially envisioned because the number of cases to be processed is enormous and is scheduled to be completed in mid-October. After the final impact of the transaction is finalized, the Company will make corrections to previous year securities reports, quarterly report etc.

In the future, the results of the investigation by the external investigation committee will be received on October 23, and the financial statements for the first quarter of the Fiscal Year Ending March 31, 2020 will be finalized, followed by a review procedure by an auditor. Considering these things, it is unlikely that the First Quarterly Report for the Fiscal Year Ending March 31, 2020 will be submitted by October 15, 2019, the deadline for submission of the extended approval.

2. Securities Under Supervision (Confirmation)

As mentioned above, the Company is not expected to submit the First Quarterly Report for the Fiscal Year Ending March 31, 2020 by the approved deadline (October 15, 2019). According to Enforcement Rules for Securities Listing Regulations, Rule 605, Paragraph 1, Item 13, Sub-item a which enforced by the Tokyo Stock Exchange, if a quarterly report is not expected to be submitted by the submission deadline (October 15, 2019) stipulated in the Financial Instruments and Exchange Act, the Tokyo Stock Exchange will be designated as Securities Under Supervision (Confirmation) on October 10, 2019 to attract investors attention.

In addition, if the quarterly report cannot be submitted within 8 business days (October 28, 2019) after the deadline for submission after the extension approval has passed, the Companys shares will be sorted out in accordance with the delisting criteria of the Tokyo Stock Exchange. After it is designated as Securities to Be Delisted, it will be delisted.

3. Future outlook

The Company will proceed with discussions with the audit firm to submit the First Quarterly Report for the Fiscal Year Ending March 31, 2020 by October 28, 2019.

We offer its deepest apologies for the trouble caused to shareholders, investors, and all of our other stakeholders.

End.

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