



**Supplementary Materials  
for Fiscal 2015 Financial Results**

**May 11, 2015**

**UACJ Corporation**

## **1. Full-Year Results for Fiscal 2015**

## **2. Full-Year Forecast for Fiscal 2016**

## **3. Progress on the Mid-Term Management Plan**

Note : Fiscal 2015 and 2016 indicate the fiscal years ended/ending March 31, 2015 and 2016 respectively

This presentation is divided into three sections. The results for fiscal year 2015 are presented in the first section, the results forecasted for fiscal 2016 in the second section, and progress of the mid-term management plan announced in December of last year in the third section.

## **1. Full-Year Results for Fiscal 2015**

Note: Fiscal 2015 indicates the fiscal year ended March 31, 2015

### Net Sales up ¥37.6 Billion, Ordinary Income Essentially Flat Year on Year

- Flat rolled product sales volumes were down, but sales expanded due to the impact of foreign exchange and primary aluminum ingot prices.
- Costs trended steadily downward, partly due to integration effects, but costs rose for such items as bringing the rolling mill in Thailand on line, as well as the impact of electricity and fuel prices.
- Breakdowns at the Logan plant had a negative effect on profit, but ordinary income remained essentially unchanged from the preceding fiscal year, thanks in part to the impact on inventory valuation of higher primary aluminum ingot prices.

### Year-end Dividend Forecast: ¥3 per share

- We intend to pay a year-end dividend of ¥3 per share in line with our initial plan  
(interim dividend: ¥3 per share; total annual dividend: ¥6 per share)

Note: Fiscal 2015 indicates the fiscal year ending March 31, 2015.

As UACJ was established by merging two companies in October 2013, the financial statement for the first half of fiscal 2014 was calculated using only the results of Furukawa-Sky Aluminum, Corp., and the statement for the second half of used the combined results of the companies that were merged.

However, in this document, in order to simplify comparisons with fiscal 2015, the companies are treated as one entity before merger. In other words, the results of Furukawa-Sky Aluminum Corp. and Sumitomo Light Metal Industries Co., Ltd., as well as and the results of Tri-Arrows Aluminum Holding Inc.,—which became a consolidated subsidiary following the merger—are the combined total for fiscal 2014.

Despite a decrease in sales volume for flat-rolled aluminum products, net sales in fiscal 2015 increased by 37.6 billion yen. Contributing factors included a lower exchange rate for the yen and the influence of primary aluminum ingot prices.

We are currently implementing cost reductions utilizing synergies created through post-merger integration initiatives. However, some cost increases have also been incurred at the same time due to factors such as starting up the rolling mill in Thailand, and resource, electricity and fuel prices. There was also a sudden breakdown in a hot rolling line at the Tri-Arrows Aluminum Logan Mill in America.

This will be discussed in more detail later, but the breakdown had a negative impact on profits. Even so, due to an increase in profits related to inventory valuation and higher primary aluminum ingot prices, ordinary income remained nearly the same as the previous fiscal year.

Due to factors such as extraordinary income and loss, including an impairment loss of 1.7 billion yen, net income for the year was 8.6 billion yen.

A year-end dividend of 3 yen per share, for an annual total of 6 yen per share, is planned.

## Full-Year Results for Fiscal 2015

**UACJ**

(Billions of yen)

<Consolidated>	Fiscal 2014 (1HTotals for the Two Former Companies* <sup>1</sup> + 2H for UACJ) (A)	Fiscal 2015 (B)	Change (B) - (A)
Net sales	534.9	572.5	37.6
Operating income	25.0	23.7	(1.3)
Ordinary income	21.5	21.3	(0.2)
Net income	11.7	8.6	(3.1)
<b>EBITDA*<sup>2</sup></b>	<b>49.9</b>	<b>48.8</b>	<b>(1.1)</b>

\*1 "Based on totals for the two former companies" refers to the total for the former Furukawa-Sky and the former Sumitomo Light Metal Industries. (A simple reclassification has been made of TAAH from an equity-method affiliate to a consolidated subsidiary.)

\*2 EBITDA: Operating income + depreciation and amortization (including goodwill amortization)

Note : Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015 respectively

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This graph shows results compared to the previous fiscal year. As mentioned earlier, combined results for the former companies were used for the first half of fiscal 2014.

While net sales increased in fiscal 2015, there was a slight decrease in operating and ordinary income. Compared to ordinary income, there was a substantial decrease in net income. The principal reason for this was an increase in corporate income tax. This is because extraordinary income related to the gain on step acquisitions accompanying consolidated subsidiary acquisition of TAA in the previous year was not included in taxable income. In addition to this, the Thailand rolling mill, which was still in the preparatory stage, ran a deficit and was thus also exempt from tax calculations.

We also included a new indicator this year: earnings before interest, taxes, depreciation and amortization, or EBITDA. Many companies in the industry overseas report this indicator. Accordingly, it is believed to be useful in comparing UACJ to the actual business environment.

EBITDA displays operating income plus depreciation and amortization costs, and is calculated by including items such as cash-based operating income. This year's EBITDA was about 48.8 billion yen, a slight decrease compared to the previous year.

## Sales and Operating Income by Segment

**UACJ**

(Billions of yen)

	Fiscal 2014 (1HTotals for the Two Former Companies* <sup>1</sup> + 2H for UACJ) (A)		Fiscal 2015 (B)		Change (B) - (A)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Flat rolled products	420.1	25.2	451.9	23.3	31.8	(1.9)
Wrought copper products	47.9	0.8	50.6	1.0	2.7	0.2
Precision-machined components and related business	147.8	4.0	161.6	4.6	13.8	0.6
(Adjustment)	(80.9)	(5.0)	(91.6)	(5.2)	(10.7)	(0.2)
<b>Total</b>	<b>534.9</b>	<b>25.0</b>	<b>572.5</b>	<b>23.7</b>	<b>37.6</b>	<b>(1.3)</b>

Note : Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015 respectively

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This graph shows sales and operating income by segment.

Company-wide trends and other matters related to flat rolled products will be discussed in detail later on.

Looking to wrought copper products, influenced by the strong performance of copper tubing for air-conditioners—one of our principle products—in the first half of the year, sales and profits increased.

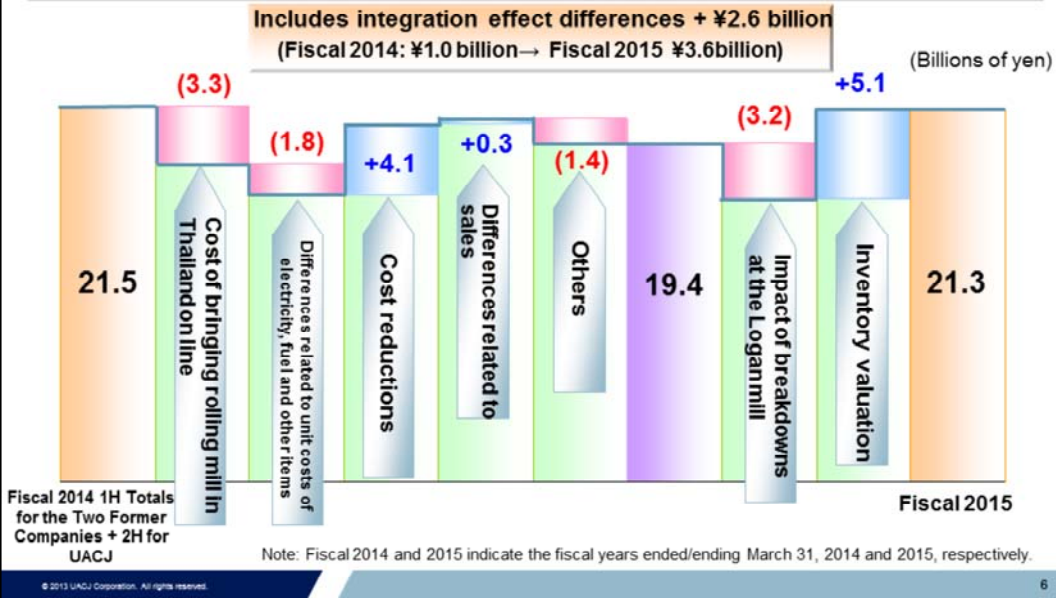
Precision-machined components and related business also showed increases in sales and profits. Contributing factors included the sales of principal IT-related products such as computer casings performing better than expected, and the continued demand accompanying the increase in primary aluminum ingot price.

## Analysis of Consolidated Ordinary Income

(Fiscal 2014 1H Totals for the Two Former Companies + 2H for UACJ → Fiscal 2015)



**¥21.5 billion** (Fiscal 2014 1H Totals for the Two Former Companies + 2H for UACJ)  
 → **¥21.3 billion** (Fiscal 2015)



Ordinary income in fiscal 2015 was 21.3 billion yen, down from 21.5 billion yen reported in fiscal 2014.

Negative factors included 3.3 billion yen for startup costs relating to the Thailand rolling mill and 1.8 billion yen in electricity and fuel costs. Cost reductions totaled 4.1 billion yen, including 2.6 billion yen resulting from the effects of business integration. As discussed further on the next page, although sales volume dropped, thanks to improvements in product mix and other factors, differences related to sales amounted to an increase of 300 million yen from the previous fiscal year.

The final two items on the graph show extraordinary factors. The first is 3.2 billion yen resulting from the sudden breakdown of a hot rolling line at the Tri-Arrows Aluminum Logan Mill, as mentioned earlier. The final item shows an increase of 5.1 billion yen related to inventory valuation. This was due to a higher primary aluminum ingot price compared to the previous fiscal year, which is shown in a graph on a separate page.

## Flat Rolled Product Sales Volume by Product Type

**UACJ**

(Thousands of tons)

Product category	Fiscal 2014 (1HTotals for the Two Former Companies + 2H for UACJ) (A)	Fiscal 2015 (B)	Change (B) - (A)
Can stock	633	607	(26)
Foil	48	48	0
IT	20	28	8
Automotive	68	65	(3)
Thick plates	38	48	10
Other general-purpose materials	153	159	6
<b>Total</b>	<b>960</b>	<b>955</b>	<b>(5)</b>
	For the Japanese market 524 For overseas market 436	For the Japanese market 516 For overseas market 439	For the Japanese market (8) For overseas market 3

Note: Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015, respectively.

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This chart shows flat-rolled product sales volume by product type.

The rows represents can stock, foil, IT products, automotive products, thick plate and other general purpose materials, respectively.

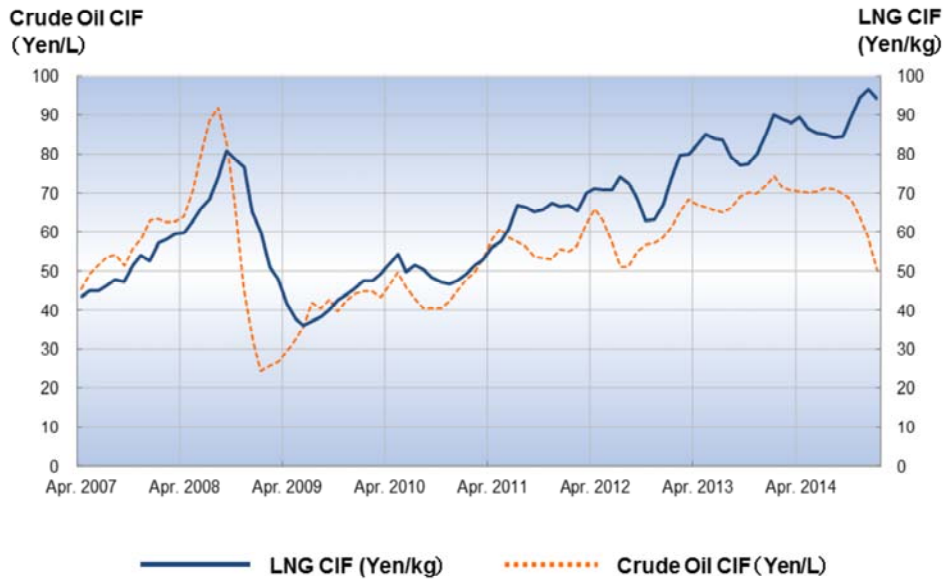
Sales volume for fiscal 2015 totaled 955,000 tons, 5,000 tons less compared to the previous year.

There was a significant drop in can stock sales, totaling 26,000 tons. One of the reasons was an equipment breakdown at the Logan Mill. Other factors included a lower demand for beer in Japan, the reaction to a higher Japanese consumption tax, and changes in market share due to the merger.

In IT products, sales performance of products such as computer casings remained favorable, leading to an increase of 8,000 tons. The sales of thick plate for LNG tankers also remained favorable, leading to a significant increase of 10,000 tons.



## Unit Fuel Costs



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This graph shows an example of the changes in unit fuel costs I mentioned earlier.

Unit costs have continued to rise since the economic crisis in 2008 set off by the Lehman Shock. While costs have dropped recently, the financial effect won't be felt until sometime this year, and as a general trend, unit costs are rising.

## Nikkei Average Primary Ingot Price/ Standard Primary Aluminum Ingot Price

UACJ



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This graph shows the Nikkei average for the standard primary aluminum ingot price and the Nikkei average. The increase continues starting from here

I will explain in more detail later on, but fiscal 2016 is showing a slight downward trend. The outlook for fiscal 2016 takes this into account.

## Key Consolidated Management Indicators



	As of March 31, 2014	As of March 31, 2015
Shareholders' equity (Billions of yen)	155.5	172.3
Shareholders' equity ratio (%)	25.6	25.4
Interest-bearing debt (Billions of yen)	256.3	296.0
D/E ratio (Times)	1.65	1.72
ROE (%)	*7.7	5.3

\*1HTotals for the Two Former Companies + 2H for UACJ

This table shows key consolidated management indicators.

Although shareholders' equity increased slightly due to exchange rates, the shareholders' equity ratio remained at about the same level as the previous year.

Interest-bearing debt increased significantly, to 296 billion yen. As a result, the debt/equity ratio rose to 1.72. The largest factor in this change was investment in the Thailand rolling mill. Although plans are to continue strategic investments, general investments will be moderate. As the debt/equity ratio also includes items such as inventory assets and primary mineral materials, measures are being taken to achieve the mid-term target ratio of 1.33.

Due in part to the sudden breakdown at the Logan Mill, return on equity was 5.3%. However, disregarding that incident, the Group is in line with achieving the levels targeted in the mid-term management plan. It is believed that proactively pursuing measures further will achieve the mid-term target of 10% return on equity.

## 2. Full-Year Forecast for Fiscal 2016

Note: Fiscal 2016 indicates the fiscal year ending March 31, 2016.

This concludes the results for fiscal 2015. I will now move on to the forecast for fiscal 2016.

## Full-Year Forecast for Fiscal 2016



### Performance Forecast for Full Fiscal Year: Net Sales of ¥640.0 Billion, Ordinary Income of ¥23.0 Billion

- We expect inventory valuations and increased costs for commencing fully integrated manufacturing at the rolling mill in Thailand to have a negative impact on income.
- However, the negative effects of the equipment breakdown at the Logan mill have essentially run their course. By realizing integration effects and other cost reductions, as well as the impact of higher unit sales, we anticipate ordinary income of ¥23.0 billion.

### Annual Dividend Forecast of ¥6 per Share

- In line with our aim of maintaining stable dividends, we forecast an annual dividend of ¥6 per share (including an interim dividend of ¥3 and a year-end dividend of ¥3).

Note: Fiscal 2016 indicates the fiscal year ending March 31, 2016.

The targets forecasted for fiscal 2016 include net sales of 640 billion yen and ordinary income of 23 billion yen.

Negative factors taken into consideration include items such as inventory valuations like the primary aluminum ingot price, which is expected to worsen in fiscal 2016. Additional costs are also anticipated for the Thailand rolling mill, which is still in the preparatory stage.

However, the negative effects of the fiscal 2015 breakdown at the Logan Mill have essentially run their course. Positive effects from integration and other cost reductions are expected, and slight increases in sales volumes are foreseen. As a result, an ordinary income of 23 billion yen is anticipated for the year.

In regards to dividends, in line with the Group's aim to maintain stable dividends, plans are to return a total annual dividend of 6 yen per share.

## Full-Year Forecast for Fiscal 2016



(Billions of yen)

<Consolidated>	Fiscal 2015 (A)	Fiscal 2016 Forecast (B)	Change (B) - (A)
Net sales	572.5	640.0	67.5
Operating income	23.7	26.5	2.8
Ordinary income	21.3	23.0	1.7
Net income*	8.6	11.0	2.4
EBITDA	48.8	53.8	5.0

Assumptions (fiscal 2016): Nikkei average price of aluminum metal of ¥295/kg, exchange rates of ¥115/US\$1.00, crude oil price of 60 US\$/ B

\* Consolidated net income: Net income attributable to owners of the parent

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This chart shows the forecast for fiscal 2016.

As I mentioned earlier, the forecast is for increases in annual sales and income compared to the previous fiscal year..

Net income is expected to return to 11 billion yen, surpassing an EBITDA of 50 billion yen. Specifically, the forecast is for an EBITDA of 53.8 billion yen.

## Forecast Sales and Operating Income by Segment



(Billions of yen)

	Fiscal 2015 (A)		Fiscal 2016 Forecast (B)		Change (B) - (A)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Flat rolled products	451.9	23.3	500.4	27.0	48.5	3.7
Wrought copper products	50.6	1.0	57.9	1.4	7.3	0.4
Precision- machined products and related business	161.6	4.6	179.6	4.4	18.0	(0.2)
(Adjustment)	(91.6)	(5.2)	(97.9)	(6.3)	(6.3)	(1.1)
<b>Total</b>	<b>572.5</b>	<b>23.7</b>	<b>640.0</b>	<b>26.5</b>	<b>67.5</b>	<b>2.8</b>

Note: Fiscal 2015 and 2016 indicate the fiscal years ended/ending March 31, 2015 and 2016, respectively.

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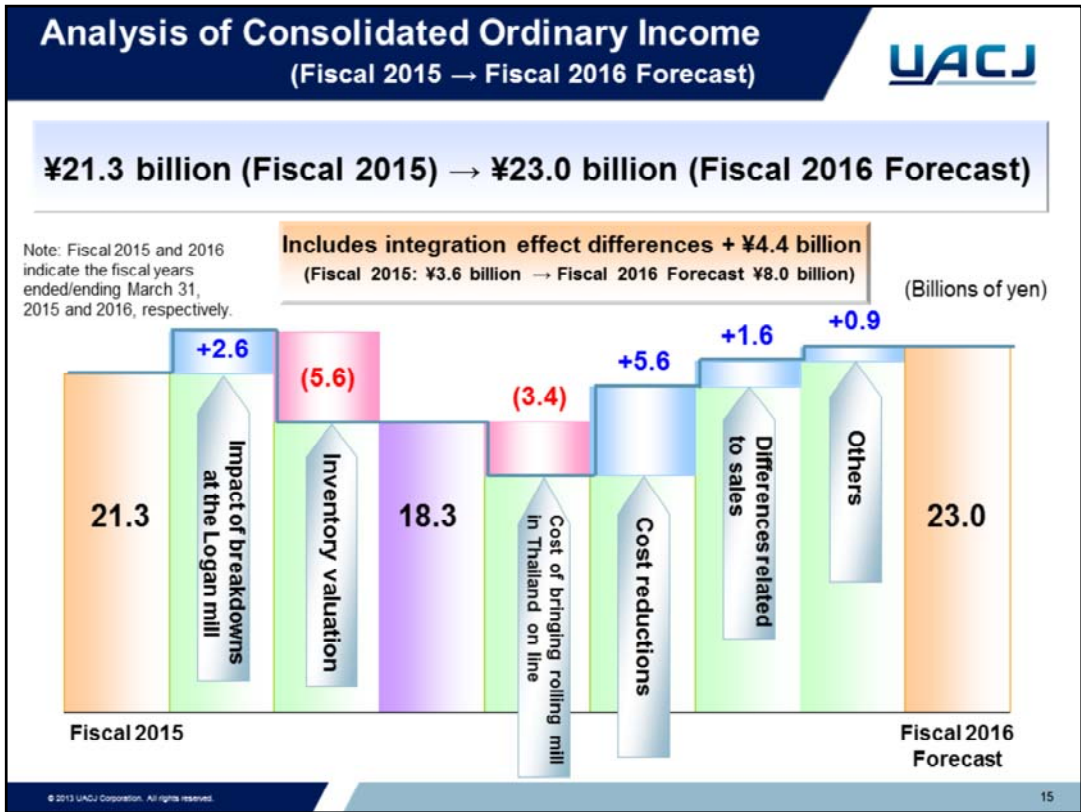
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This chart shows forecasted sales and operating income by segment.

Company-wide trends and other issues related to flat rolled products are discussed later on.

For wrought copper products, the aim is to promote thinner copper tubing products to increase market share and expand sales, thus increasing net sales and income.

In the precision-machined products and related business segment, while ongoing elevated demand resulting from the rise in primary aluminum ingot price was experienced in fiscal 2015, the market environment is expected to grow more severe this year. This includes intensified competition and higher costs due to the low yen and higher primary aluminum ingot prices.



The forecast for ordinary income is an increase from 21.3 billion yen in fiscal 2015 to 23 billion yen in fiscal 2016.

Individual factors include an anticipated increase of 2.6 billion yen assuming that the significant impact from the fiscal 2015 breakdown at the Logan Mill has essentially run its course. However, the positive effect on inventory valuations that accompanied the rise in primary aluminum ingot price in fiscal 2015 is also expected to come to an end, leading to a reduction of 5.6 billion yen. Other reductions anticipated include 3.4 billion yen due to increased costs related to starting fully-integrated manufacturing at the Thailand rolling mill. On the other hand, this will be offset by cost reductions of 5.6 billion yen, including 4.4 billion in post-merger integration effects. An increase in sales of 1.6 billion yen is also in the forecast.

After all of these factors are accounted for, the forecast is an ordinary income of 23 billion yen.



## Flat Rolled Sheet Sales Volume by Product Type

UACJ

(Thousands of tons)

Product category	Fiscal 2015 (A)	Fiscal 2016 Forecast (B)	Change (B) - (A)
Can stock	607	637	30
Foil	48	50	2
IT	28	26	(2)
Automotive	65	76	11
Thick plates	48	70	22
Other general-purpose materials	159	154	(5)
<b>Total</b>	<b>955</b>	<b>1,013</b>	<b>58</b>
	For the Japanese market 516 For overseas market 439	For the Japanese market 514 For overseas market 499	For the Japanese market (2) For overseas market 60

Note: Fiscal 2015 and 2016 indicate the fiscal years ended/ending March 31, 2015 and 2016, respectively.

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This chart shows a breakdown of flat rolled sheet sales volume by product type for fiscal 2016.

The forecast is for 1.013 million tons, surpassing the 1 million-ton mark. This is based on an anticipated increase of 58,000t.

Although there was a drop in the sales of can stock in fiscal 2015, with the Logan Mill restored to operation, losses are expected to be recovered. Together with fully-integrated manufacturing starting at the Thailand rolling mill, an increase of 30,000t is forecasted.

A slight increase in sales volume for automotive products such as body-in-white panels in North America is also expected.

For thick plate, continued performance in the sales for LNG plate is anticipated, with an increase of slightly more than 20,000t foreseen. In total, these effects amount to a forecasted increase of around 58,000t.

## Capital Investment and Depreciation and Amortization Forecasts



(Billions of yen)

		Fiscal 2015	Fiscal 2016 Forecast
Capital investment	General investment	12.0	12.0
	Strategic investment	34.5	28.0
	Total	46.5	40.0
Depreciation and Amortization		21.8	23.7
Strategic investment and loans		3.8	To be determined

Note: Fiscal 2015 and 2016 indicate the fiscal years ended/ending March 31, 2015 and 2016, respectively.

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The next chart shows forecasts for capital investment, depreciation and amortization.

The majority of strategic investment in both fiscal 2015 and 2016 is for the Thailand rolling mill.

Strategic investments of 28 billion yen are planned for fiscal 2016. Again, the majority of this will be invested in the Thailand rolling mill. While this is proactive investment, general investments mainly consisting of maintenance and upgrades to existing equipment will be suppressed as much as possible. In doing so, it is hoped that increases in depreciation and amortization can be avoided.

Regarding strategic investments and loans, while there was an investment of 3.8 billion yen for the automotive body-in-white panel business in North America last fiscal year, investment for this year is still under consideration.

### 3. Progress on the Mid-Term Management Plan

Finally, I will report on progress made related to the mid-term management plan.

# Major Policies of the Mid-term Management Plan (Announced December 10, 2014)



## Major Policies of the Global Step I Mid-term Management Plan

- 1 Expand growth products in the transportation field—focusing on automobiles—and the energy field, and strengthen business in growth regions such as Asia
- 2 Construct an optimal production network for each business sector utilizing the synergies created through unification
- 3 Develop unique technologies and products by applying our vast technological prowess to fundamental research

## Fundamental Policies for Implementation

### Major Policies of Vision for the Future

- Proactively expand in growth fields and markets around the globe
- Improve cost competitiveness through restructuring
- Develop revolutionary technologies and products

First, I will explain about the latest trends regarding the Global Step I Mid-term Management Plan announced in December 2014.

As part of the plan, three major policies were introduced. The first policy is to proactively pursue growth products and fields, which requires an even stronger focus on global expansion.

The second policy is to cultivate new demand and strengthen business operations in Japan. As part of this process, the plan is to optimize product mixes and the production network.

The third policy is to strengthen research and development of new products and technologies. Plans are to invest all of the Group's manufacturing, sales and research resources into achieving these three policies, maintaining the best possible balance while doing so.

**Phase 2 Construction to Establish a Fully-Integrated Manufacturing Network Proceeding on Track**

**Establish fully-integrated manufacturing network**

- In 2015, establish a fully-integrated manufacturing network spanning the casting to hot rolling processes
- Hold a grand opening ceremony in autumn of 2015
- Establish 200,000 t yearly supply capacity by 2017

**Differentiate by improving competitiveness**

- A core flat rolled aluminum sheet manufacturing works in Asia achieving both high quality and low cost
- Market approach integrating manufacturing, sales and R&D

**Function as first-class aluminum works in Asia**

- Explore capital investment for 300,000 t/yr (measures to be implemented within this mid-term management plan)
- Explore optimal product mix for maximizing profits

**Outlook for Demand in Southeast Asia and Other Nearby Regions (excl. China, S. Korea and Japan)**



**UATH Production Volume**



I would now like to explain about the UACJ Thailand Co., Ltd. Rayong Works, which is an important part of global expansion for the Group.

The second phase of construction, which will enable fully-integrated manufacturing, is proceeding on track. In addition to the already completed line, which covers processes beginning from cold-rolling, this phase will include processes from casting through hot rolling. The grand opening ceremony is scheduled for this autumn.

The goal is to realize a 200,000 ton annual supply capacity by 2017. This will make the works the core flat-rolled aluminum manufacturing base for the Asian region, enabling an integrated market approach combining production, sales, and research and development.

One of the strengths of the Thailand rolling mill will be its ability to provide high-quality products produced at low cost. This unique strength is an advantage that will be used to the fullest. The belief is that, by investing in manufacturing, sales and research, a strong market approach will be achieved.

Increasing production capacity to 300,000 tons per year is also being considered as part of the goal to make the mill an unparalleled manufacturing base in Asia.



**Bird's-eye view of the Rayong Works**



**Mass production of can stock underway**



**Making adjustments at melting furnace**



**Test production of slabs**



**Hot rolling mill under construction**



**Four-stand finishing mill under construction**

These photographs show the Rayong Works while under construction and during bench testing. Adjustment of the melting furnace, casting furnace, hot rolling mill and four-stand finishing mill have all been completed without difficulty, and operation is expected to begin on schedule.

## Reinforcing Business in Other Growth Regions



### Mexico: Metal automotive parts

- An opening ceremony took place on April 30, 2015, at IWAI METAL CENTRAL MEXICO, S.A. DE C.V.
- In response to growing demand for automotive parts in Mexico, the company will supply high-precision, high-quality metal automotive parts, centering on the press, welding and assembly processes.



### Europe: Automotive heat exchanger materials (Announced April 28, 2015)

- To meet growing demand for automotive heat exchanger materials in Europe, a key automotive market, UACJ has begun considering the establishment of a new company with ELVAL.
- The plan is to sell high-quality, competitive products in Europe under the UACJ name.

### United States: Body-in-White aluminum for the automotive industry

- Plant construction is moving ahead on schedule in the United States with a view to commencing operations in fiscal 2017, providing Body-in-White aluminum for the automotive industry.



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I will now explain the business reinforcement activities underway in other growth regions.

<Mexico>

Many automotive manufacturers have located operations in the Estado de Guanajuato region of Mexico. UACJ established a Group company, Iwai Central Mexico, S.A. de C.V., nearby. The opening ceremony for the company was held on April 30, 2015. This company will supply high-precision, high-quality metal automotive parts through its press, welding, and assembly processes. It is a significant prototype model for the Group's precision-machined components business, and is now in the process of being set up.

<Europe>

Europe is a major market for automobiles. To meet growing demand for automotive heat exchanger materials, UACJ is looking into establishing a new company together with ELVAL S.A..

The plan is to provide high-quality, highly competitive products in Europe under the UACJ brand name.

<United States>

Plant construction to provide automotive body-in-white aluminum panels in the United States is moving ahead on schedule, with plans to begin operations in fiscal 2017.

Although looking small in the photograph, the building is a nearly completed warehouse for storing large automotive body-in-white panels of sizes up to 75 by 160 meters.

## Building Optimal Production Networks (Status of Product Mix Reallocation)



### Optimize product mix at Japanese manufacturing bases (scheduled for completion in fiscal 2017)

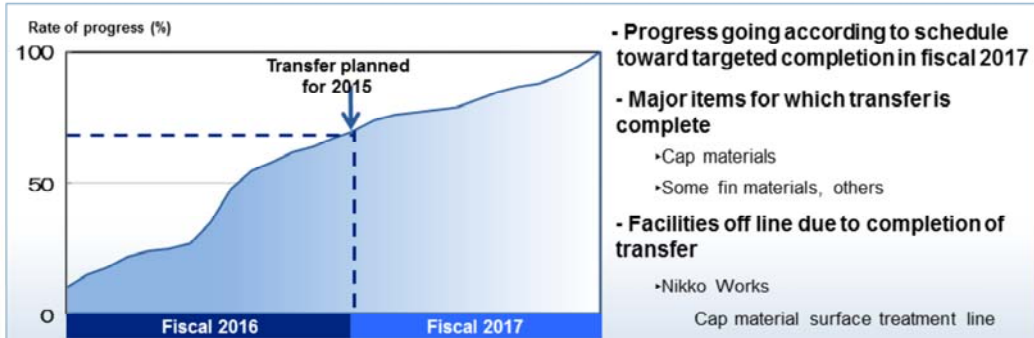
#### < Positioning of works >

**Fukui:** Core works for can stock and thick plate for LNG tankers

**Nagoya:** Core works for automotive materials, litho sheet and fin stock

**Fukaya:** Core works for thick plate

**Nikko:** Finishing plant for precision and specialty products



Note: Fiscal 2016 and 2017 indicate the fiscal years ended/ending March 31, 2016 and 2017, respectively.

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Next, I will move on to the creation of an optimal production network in Japan.

The second priority measure under the mid-term plan is to restructure operations and create an optimal production network in Japan. This involves the reallocation of product mixes, which is expected to be finished entirely by fiscal 2017.

The production mixes at various Japanese production sites will be positioned as follows:

The Fukui Works will become a core works for can stock and thick plate for LNG tankers.

The Nagoya Works will become a core works for automotive materials, litho sheet and fin stock.

The Fukaya Works will become a core works for thick plate.

The Nikko Works will become a finishing works for precision and specialty products.

The graph at the bottom of this slide is simple, but as you can see, UACJ is currently moving forward with preparations, and approximately 20% has been completed. Cap materials and air-conditioning fin materials have already been transferred from the Nikko Works to the Nagoya Works. Plans are to transfer approximately 70% of product distribution by fiscal 2016, and for the transfers to be fully completed by fiscal 2017.

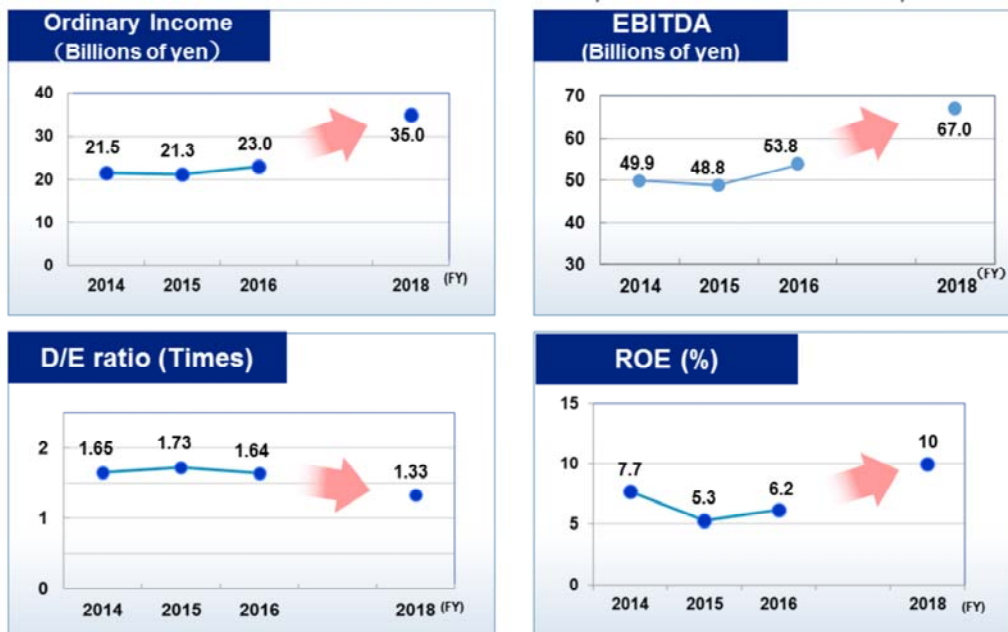
Achieving an optimal product mix is one of the Group's primary concerns, as it represents one of the most significant ways of creating integrated synergies.



## Progress on Key Management Indicators



Note: Fiscal years are to March 31 of the indicated year.



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In closing, let's take a look at progress related to key management indicators.

These graphs show expected progress for fiscal 2016 in relation to the fiscal 2018 targets announced under the mid-term management plan.

The final targets for fiscal 2018 include an ordinary income of 35 billion yen, an EBITDA of 67 billion yen, a debt-to-equity ratio of 1.33 and a return on equity of 10%. UACJ is confident that these figures are in line for achieving the mid-term management plan targets for each indicator.

Moving forward, the aim is to quickly bring the Thailand mill online and steadily continue progressing with post-merger integration effects so that the targets set out in the mid-term management plan are achieved.

## Cautionary note concerning forward-looking statements

This presentation contains various forward-looking statements that are based on current expectations and assumptions of future events. All figures and statements with respect to the future performance, projections and business plans of UACJ and its Group companies constitute forward-looking statements. Although UACJ believes that its expectations and assumptions are reasonable, actual results and trends UACJ's performance could differ materially from those expressed or implied by such figures or statements due to exchange rate movements and uncertainties in future business circumstances.

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