

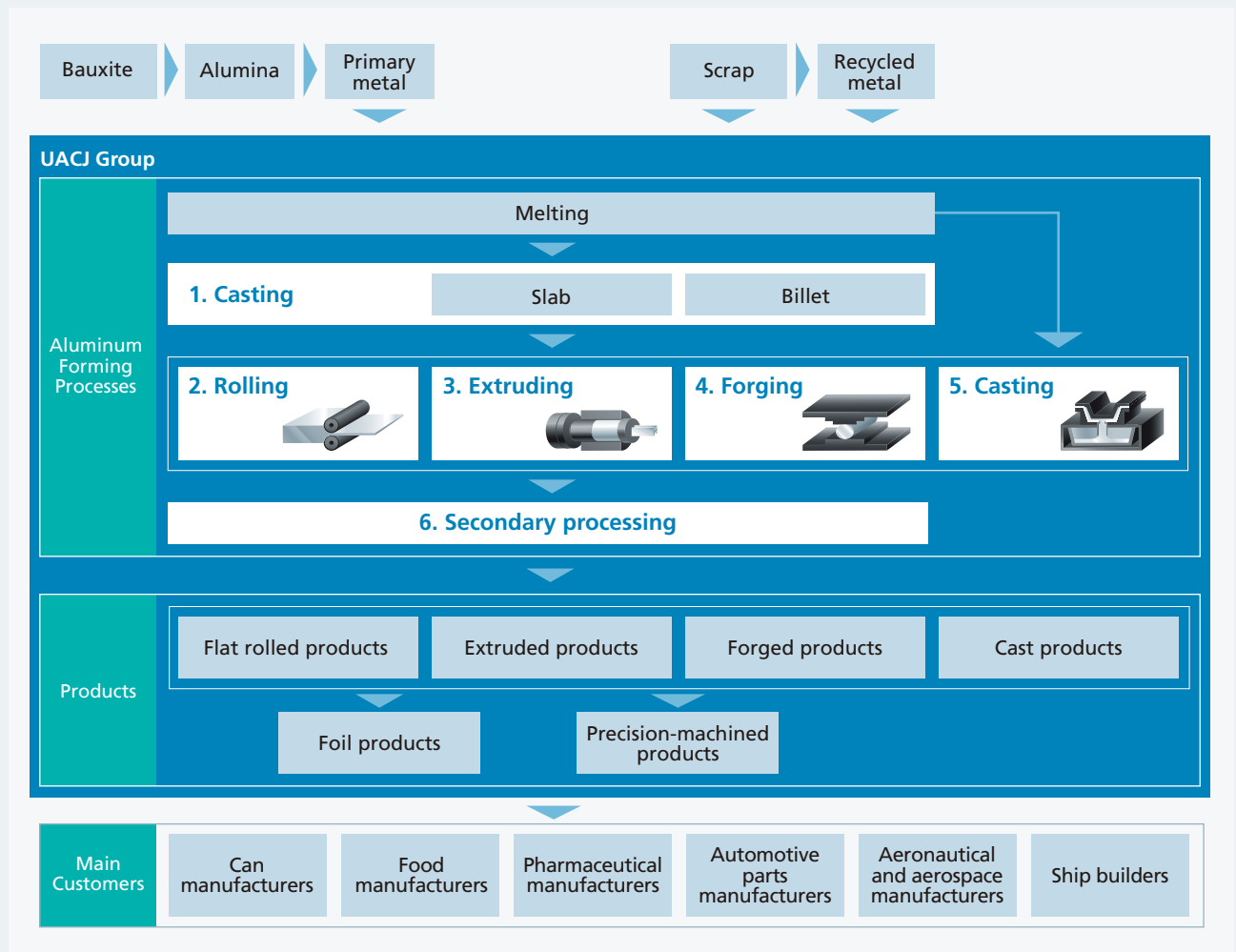
## Responding to Stakeholders' and Investors' Questions Regarding UACJ and the Flat Rolled Aluminum Industry

**Q What is the scope of UACJ manufacturing processes for aluminum products?**

**A** To manufacture products using aluminum, the raw material (i.e., bauxite ore) must first be smelted to produce a white powder called “alumina,” which is then made into aluminum ingots. UACJ uses aluminum ingots it procures to manufacture a wide variety of aluminum products, doing so utilizing the following processes:

- 1. Casting:** Aluminum ingots are melted down to make mass aluminum slabs/billets.
- 2. Rolling:** Aluminum mass is rolled evenly to form a thin sheet.
- 3. Extruding:** Aluminum mass is pressed into dies to form bars and tubes.
- 4. Forging:** Molten aluminum is forged to add strength and processed to specified shapes.
- 5. Casting:** Molten aluminum is poured into casts and processed to form specified shapes.
- 6. Secondary processing:** Further processing such as coating and surface treatment to the products formed by processes 2 through 5.

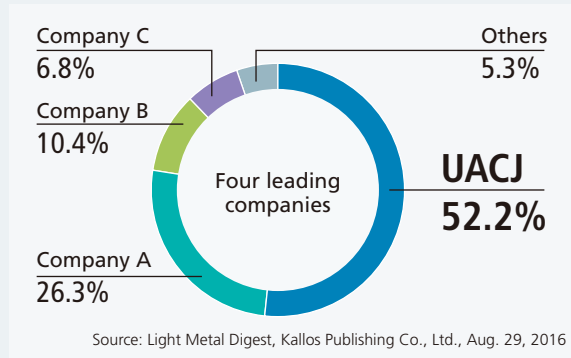
### Aluminum Forming Processes



**Q What is UACJ's position in the Japanese aluminum industry?**

**A** Our global sales in fiscal 2015 was 970,000 tons, and we hold the No. 1 position in the Japanese aluminum industry.

**Ratio of domestic flat rolled aluminum product production**



**Q Who are your main customers?**

**A** Our customers cover a wide range of industries, including can manufacturers, food manufacturers, pharmaceuticals manufacturers, automotive parts manufacturers, aeronautical and aerospace manufacturers, ship builders and more.

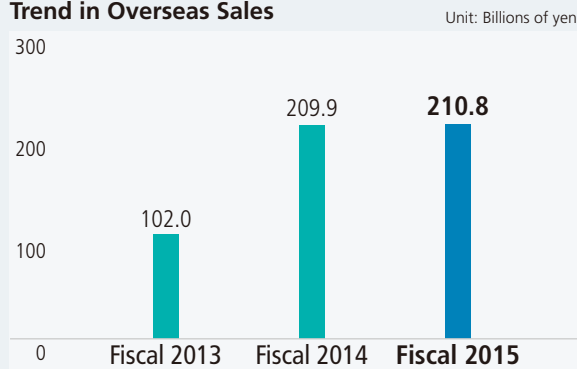
**Q What UACJ's position in the global aluminum industry?**

**A** UACJ has flat rolled aluminum products sales of approximately one million tons per year, along the scales of other major world-leading aluminum companies such as Novelis and Alcoa.

**Q What is UACJ's ratio of overseas sales?**

**A** The Global Step I mid-term management plan stipulates our goal of increasing the ratio of overseas sales from the actual result of 32% in fiscal 2013 to 43% in fiscal 2017. We have taken measures to attain this goal, and have steadily increased the ratio of overseas sales year after year. The ratio was 36.6% in fiscal 2015.

**Trend in Overseas Sales**



**Q Do fluctuations in the primary aluminum ingot price affect UACJ's business performance?**

**A** The primary ingot prices of aluminum and copper, which are the main materials utilized throughout the Group, are always fluctuating according to the market environment. The selling prices of our products is basically "Primary ingot price + Processing fee (roll margin)," and this fluctuates in parallel with the ingot market price. As we have prior arrangements with our customers to adjust prices according to market fluctuations, business performance is not largely affected by such fluctuations.

**Q Please explain about "inventory valuations," which is referred to in the explanatory note on profits.**

**A** It is the profit or loss generated by the difference between the primary ingot price, the basis of UACJ's sales price and the actual price of the ingot when purchased, and the difference between UACJ's purchase price and the aggregate average shipping price of the inventory. If we purchased aluminum ingots when the price was high and the price later falls, the inventory valuation becomes negative. In contrast, if we purchased aluminum ingots when the price was low and the price rises thereafter, the inventory valuation becomes positive.

**Q Do fluctuations in crude oil price affect UACJ's business performance?**

**A** The fluctuation of crude oil price by one US dollar causes our ordinary income to change approximately 100 million yen.

**Q Do fluctuations in foreign currency affect UACJ's business performance?**

**A** There is not such a large affect.

**Q Do weather conditions affect UACJ's business performance?**

**A** The sales of aluminum products tend to increase when there is a very hot summer. This is because the shipments of air conditioners and beverage cans, which use aluminum, increase. However, the influence is not as much as it once was.

**Q UACJ has substantial interest-bearing liabilities. How does the Group feel about the soundness of its financial standing?**

**A** The Group is actively making advanced investments with an eye toward future growth based on the growth strategy stipulated in the mid-term management plan. Borrowing is therefore increasing at present, but we will soon enter the payout period. We will continue with Group management emphasizing a balance between financial soundness and investment.