



Local employees at the helm of manufacturing operations

Thai employees trained in Japan lead training sessions in Thailand

Contributing to Thailand's economy with aluminum products

Special Feature

UACJ Thailand on the path to full operations as one of Asia's largest flat-rolled aluminum manufacturers



Production lines have been added to enable a wider range of products.

Advanced equipment is operated by local employees.

The company's comfortable workplace environment attracts a growing number of employees.



Thai employees have gained the expertise needed for facility maintenance.

Equipping local employees with skills while expanding output to 320,000 tons annually

Aiming to tap rising demand for aluminum products, UACJ established UACJ Thailand in 2011 as an important subsidiary for driving the Group's growth in the future. Until that time, markets in Southeast Asia, the Middle East and Africa were not being supplied by any locally based aluminum rolling mills operating on a large-scale. Recognizing this opportunity, UACJ set up the subsidiary in Thailand, a country undergoing rapid economic growth and industrialization. In 2014, cold-rolling lines together with surface finishing and coating lines started up at Rayong Works. Then in 2015, following the completion of a second phase of capital investment, casting and hot rolling equipment was installed, thereby integrating every stage of product manufacturing. Since then, Rayong Works has been fully operating as Southeast Asia's largest flat-rolled aluminum factory.

While UACJ sent experienced engineers from Japan to UACJ Thailand, it has focused on training local workers from early on. As a result, their ability to operate equipment and facilities has steadily improved, and production output of 150,000 tons was achieved according to plan in fiscal 2018.

Demand for aluminum products is projected to continue rising around the world, especially in Southeast Asia. In response, UACJ initiated a third phase of investment in 2017 to expand production facilities at Rayong Works, and construction was completed in 2019. Annual production capacity will reach 320,000 tons when the new facilities become fully operational, roughly on par with the Group's capacity in Japan and the United States, respectively.

Looking ahead, UACJ Thailand is poised to enter a new phase of realizing substantial returns on investments and increasing profits as it continues to boost output in response to solid demand in Southeast Asia and neighboring regions. This expanded production, however, not only drives the growth of the UACJ Group—it also contributes widely to Thailand's development by boosting exports, creating employment, and meeting strong domestic demand with a stable supply of aluminum products. With that in mind, all members of UACJ Thailand are working towards full operations so that the company can help the economy grow and bring benefits to people throughout the country.

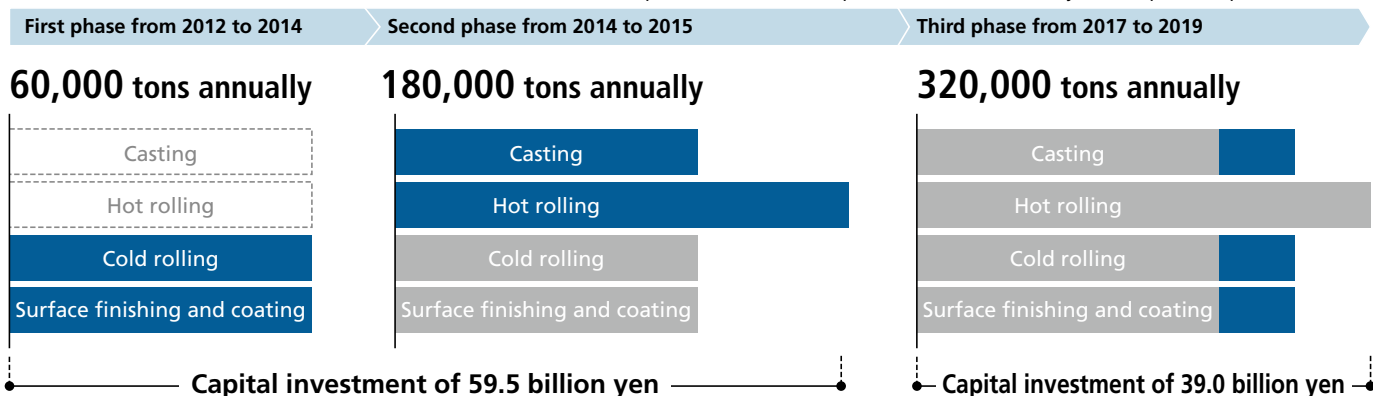
UACJ (Thailand) Co., Ltd. (hereafter, "UACJ Thailand") is the UACJ Group's key subsidiary in Southeast Asia. After commencing production at its manufacturing plant, Rayong Works, in 2014, the company's operations expanded to include all processes of aluminum product manufacturing in 2015, from casting to surface finishing and coating. Productivity has been rising steadily in recent years as local employees refine their skills and expertise. UACJ Thailand has completed the expansion of Rayong Works following a third phase of investment by UACJ, and looks forward to establishing a leading position in aluminum product markets in Asia and Africa.

Boosting production capacity in step with market demand

Manufacturing facilities have been installed at Rayong Works over three phases. In the first phase, cold rolling, surface finishing and coating lines were initially installed to quickly meet demand. In the second phase, casting and hot rolling facilities were added, enabling fully integrated product manufacturing. Now in the third phase, production capacity is being expanded in response to growing demand.

Growth in production capacity

□ Prior to capital investment ■ Capital investment underway ▒ Completed capital investment



Locally based activities

UACJ established R&D facilities in Thailand amid opportunities for joint research with a national research center and local universities

In October 2018, UACJ set up a new R&D center in suburban Bangkok to provide technical support to UACJ Thailand. The new facility has been working to develop products tailored to the local market. For example, taking into account the country's climate and usage conditions, it has been testing the corrosion resistance of developed materials in collaboration with Thailand's National Metal and Materials Technology Center (MTEC). In addition to developing products, the R&D center is training people through joint-research with national universities, and endorses Thailand 4.0, the country's long-term vision for its economy and society, with a view to contribute more broadly to national development.



AI is being applied to test corrosion resistance in collaboration with MTEC.



Research findings exhibited in Thailand were featured in a television program.



Ensuring the highest level of safety as local employees take charge of operations and management



Ekaphat Poolsilpa
Senior manager of the Safety Department
UACJ (Thailand) Co., Ltd.

At UACJ Thailand, we have steadily increased the operating capacity of our manufacturing facilities, as indicated by the company's growing output in recent years, and all operations are now completely handled by our local employees. Engineers from Japan have been supervising operations, but local personnel currently make up about 40% of all managers, so we are increasingly taking responsibility for factory management in addition to operations.

Along with this localization of operations and management, UACJ Thailand is now focusing on expanding its facilities in order to meet growing demand. Risks related to safety management, however, increase as we add more machinery to boost capacity and use more types of equipment to make a wider range of products. We

Operations expand in tandem with Thailand's growing exports of aluminum products

UACJ Thailand's sales volume has been increasing each year. More recently, its flat-rolled aluminum is often seen in products throughout the country, particularly leading brands of canned beer. This is the result of the company's excellent reputation for productivity and quality among customers, which is also attested by growing inquiries from domestic manufacturers and global firms. Now that it is fully operating, UACJ Thailand is contributing to the country's rising exports to Vietnam, Cambodia, and other ASEAN countries, which the Thai government has been actively promoting. By boosting sales of aluminum products, the company hopes to continue contributing to economic development and prosperity in Thailand and neighboring countries.



The company's growing expertise has led to more opportunities for business negotiations.



New products have been attracting greater interest from customers.



understand that UACJ Thailand has an important obligation to ensure safety for its employees and local residents as a world-class manufacturer of aluminum products. In my role as senior manager of the Safety Department, I oversee safety training and inspections, and appreciate the need to raise awareness of safety among employees through routine activities. The company's efforts are clearly working, demonstrated by the fact that our accident-free periods and safety-related results are now on par with the Group's factories in Japan. Our safety management has evolved together with the company's rapid expansion, and I am proud of our local employees for independently operating and managing those facilities.



Components of equipment are explained to ensure safe operations.



Routine instructions are given to raise awareness of safety.