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**UACJ IR-Day 2021**

# **Current Status and Outlook on UACJ (Thailand) Business**

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**June 8, 2021**

**UACJ Corporation**



# 1. Overview of UACJ (Thailand) Co., Ltd.

## Core plant in the Southeast Asia region with 320,000-ton capacity

### Number of employees

**Approx. 1,270**

### Items manufactured

Can stock, automotive heat exchangers, fin stock for AC units, other general materials

### Area covered

Can stock: 25 countries  
Automotive heat exchangers: 12 countries  
Fin stock: 8 countries

### Customer base

**Approx. 70 companies**

- One-of-a-kind pioneering flat-rolled product plant in Southeast Asia
- Good access to Asian region, where future demand growth is expected
- Relationships of trust with Japanese companies and other can manufacturers



UACJ (Thailand) Co., Ltd.

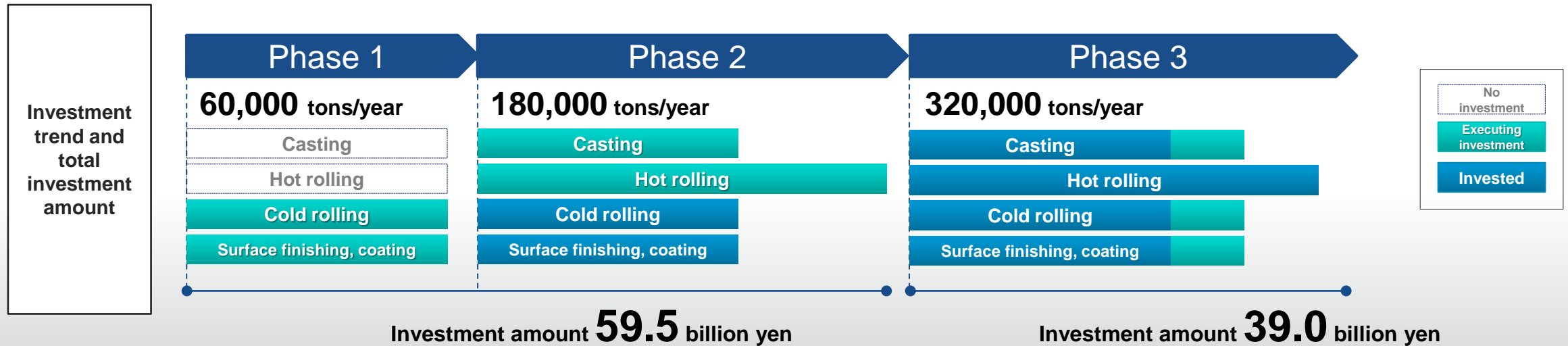
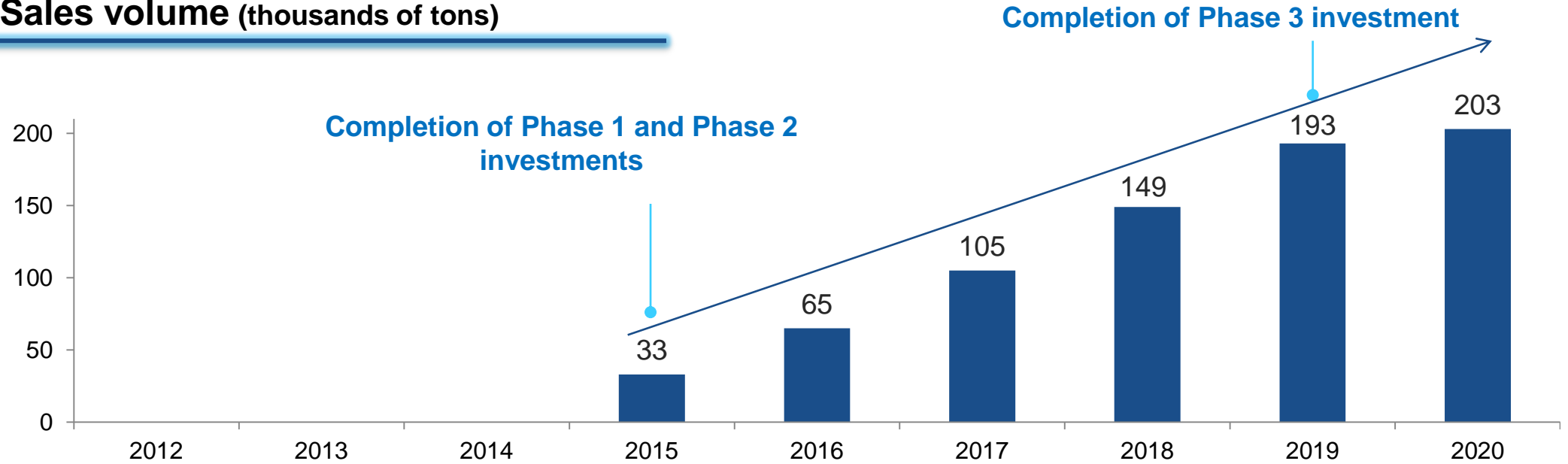
Sales to approx. 25 countries worldwide

Manufacturing system with annual capacity of 320,000 tons



# 1-2. UATH's Investment and Sales Volume

Sales volume (thousands of tons)



## 2. UATH's Major Policies and Key Issues

Achieving our vision of UATH with a great presence that draws on its strengths related to completing recycling-based manufacturing

### Major Policies

Achieve effects from launch of phase three businesses and ensure existing facilities are thoroughly utilized

Pursue new technologies to promote the reduction of environmental impact

### Key Issues

**Enhance capacity** toward annual production volumes exceeding 320,000 tons as a result of launch of phase three businesses

**Enhance profitability**      Optimal mix of products, regions, and customers  
Initiatives targeting new products  
Cost reductions

**Create smart factories**  
Localizing plant operation

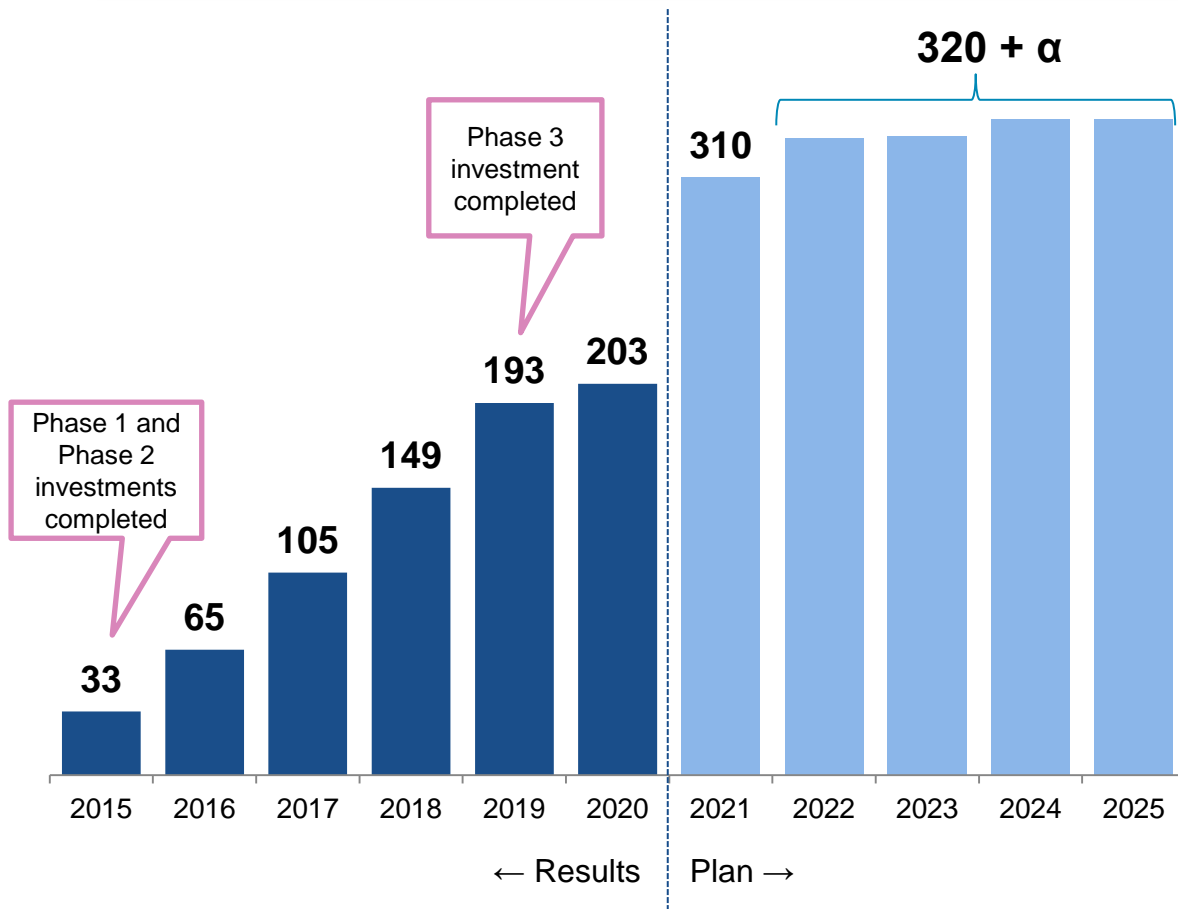
Develop recycling technologies (increasing proportion of scrap)  
Environmentally-friendly coating technologies, and lightweight can stock

**Create Can to Can Loop**  
**Obtain ASI Certification\***

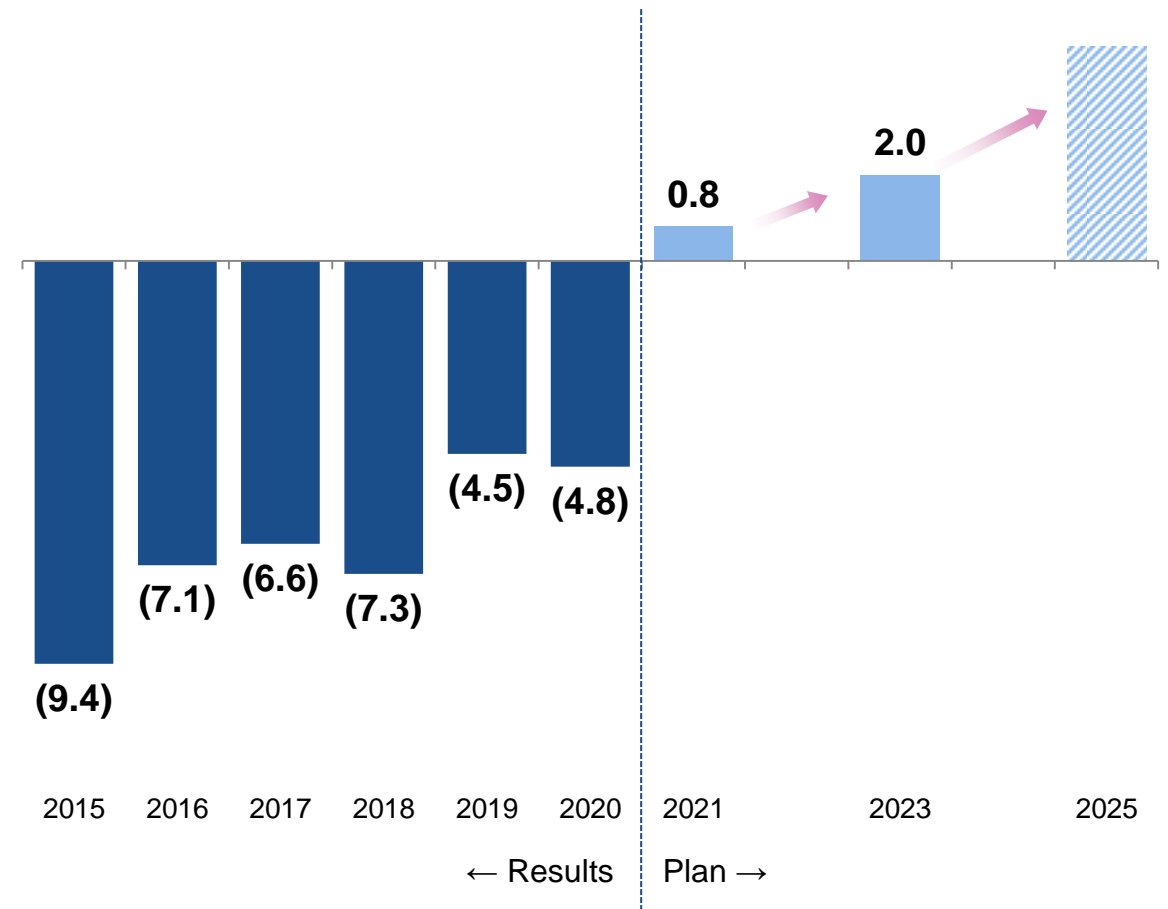
### 3. Sales Volume and Ordinary Income Targets

Significant impact from COVID-19 in FY19 and 1H FY20;  
recover with volume increases and cost reductions from FY21 onward

#### Sales volume (thousands of tons)



#### Ordinary income (billions of yen)



# 3-1. Sales Strategy



## 01

Increase regional market share as one-of-a-kind mill in Southeast Asia

### ➤ Aim to expand sales in US and Asia

- ✓ Currently continuing initiatives targeting strong can stock demand in North American market, with plans to expand sales in Asia from FY24 onward

### ➤ Establish can stock recycling loop in Thailand

- ✓ Participating in Can to Can Journey, a coordinated initiative between industry, government, and academia in Thailand. Establish systems for recycling, while promoting the superiority of recycling for cans



## 02

Refine competitive strengths as a global supplier and strengthen relationships with global customers

### ➤ Utilize system built around three global pillars to strengthen can stock sales

- ✓ Utilize to the maximum extent possible our information network and interpersonal connections from our system built around three global pillars to strengthen relationships with global customers [Strengthening one-stop response by UATH\\*1, TAA\\*2, and UACJ](#)
- ✓ Further strengthen our global sales by creating satellite offices, not just in Bangkok, but also in Europe, the Middle East, and India
- ✓ Appoint agents with strong local knowledge
- ✓ Strengthen sales capabilities by developing global personnel

### ➤ Further strengthen direct sales systems

- ✓ Strengthen systems and personnel training in order to strengthen direct sales systems

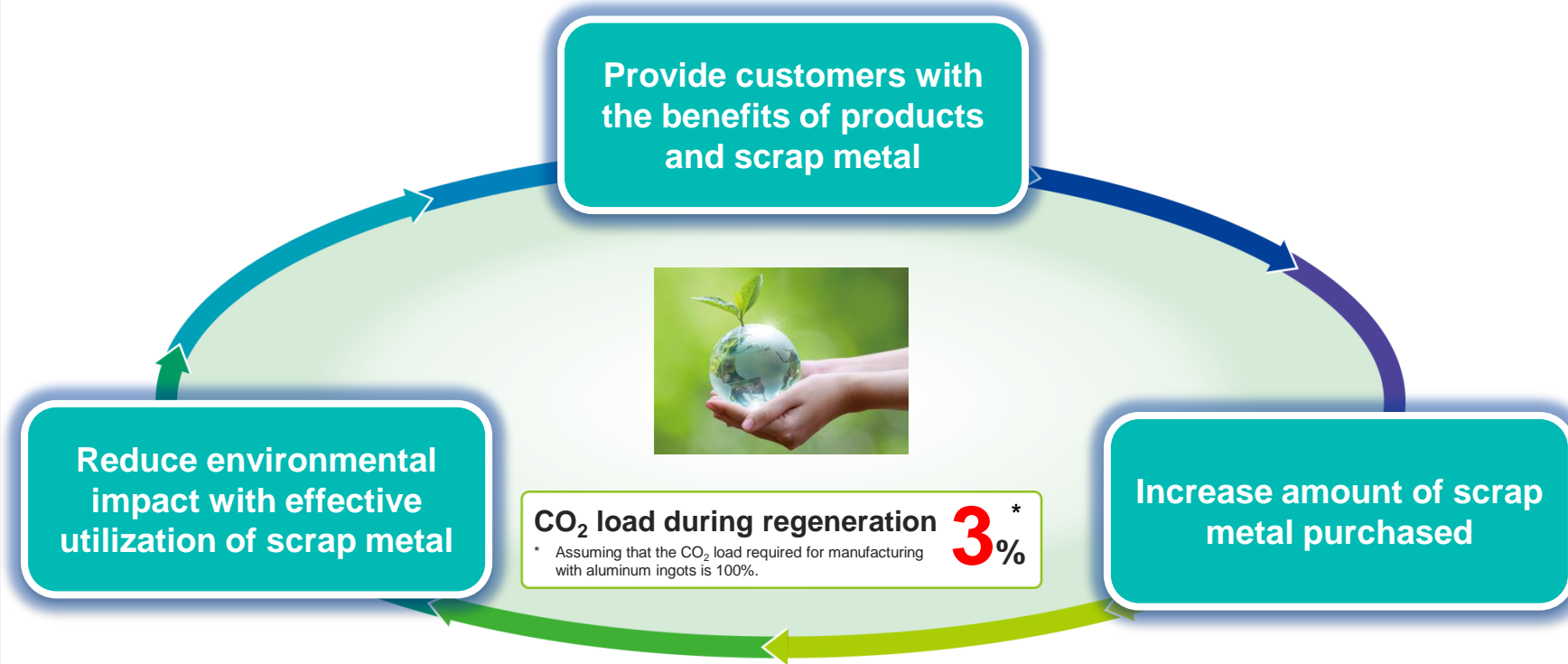
## 3-2. Sales Strategy – Create Can Stock Recycling Loop



# 03

Build a win-win business for both customers and UACJ through recycling

➤ Lead the creation of a recycling initiative in Southeast Asia



Increase social recognition as a company that contributes to the environmental cycle

# 4-1. Initiatives Targeting Key Issues

	FY21	-FY25	-FY30
<b>Enhance productivity</b>	<ul style="list-style-type: none"> <li>✓ Pursue improvement in yields</li> <li>✓ Establish production system with 320,000 ton annual capacity</li> <li>✓ Enhance capacity for +α production volumes</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establish world-class productivity</li> <li>✓ Respond to production exceeding 320,000 tons/year</li> </ul>	<ul style="list-style-type: none"> <li>✓ Pursue world-class productivity</li> </ul>
<b>Enhance profitability</b>	<ul style="list-style-type: none"> <li>✓ Reduce costs</li> <li>✓ Enter mobility-related products market</li> <li>✓ Build global sales systems</li> </ul>	<ul style="list-style-type: none"> <li>✓ Develop new products and enhance compatible facilities</li> <li>✓ Negotiate sales prices</li> <li>✓ Consider optimization of product mix</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expand new product development and introduce facilities</li> <li>✓ Complete optimization of product mix</li> </ul>
<b>Localization and move to smart factories for plants</b>	<ul style="list-style-type: none"> <li>✓ Improve operational efficiency (Utilize IoT and improve systems)</li> <li>✓ Transfer operations to locally hired employees</li> <li>✓ Create educational systems for different levels and operations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Complete smart factories</li> <li>✓ Improve facilities and systems through utilization of IoT</li> <li>✓ Establish localization of plant operation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promote digital transformation</li> <li>✓ Promote reallocation of personnel</li> </ul>
<b>Environmental response</b>	<ul style="list-style-type: none"> <li>✓ Obtain ASI Certification</li> <li>✓ Develop recycling technologies</li> <li>✓ Reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>✓ Create recycling supply chain</li> <li>✓ Bolster recycling facilities</li> <li>✓ Reduce CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>✓ Complete recycling supply chain</li> <li>✓ Achieve CO<sub>2</sub> emission reduction targets</li> </ul>
<b>Can to Can</b>	<ul style="list-style-type: none"> <li>✓ Step 1 in creation of Can to Can Loop</li> <li>✓ Utilize UBCs*</li> </ul>	<ul style="list-style-type: none"> <li>✓ Step 2 in creation of Can to Can Loop</li> <li>✓ Move to primary can stock recycling within Thailand</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expand Can to Can Loop</li> <li>✓ Create system for collecting UBCs* in neighboring countries</li> </ul>



## 4-2. UATH's Use of the Power of Materials

- 01 | **Aim to increase usage of can stock scrap with technical expertise in drawing out the power of materials**
- 02 | **Aim to increase performance of can stock with technical expertise in drawing out the power of materials**
- 03 | **Aim to increase end material moldability of cans with technical expertise in drawing out the power of materials**
- 04 | **Utilize the IoT as a technology for drawing out the power of materials**

# 5-1. Participation in Can to Can Journey

We are participating in a project to promote the recycling of aluminum cans, as part of a Thai government-led effort to reduce environmental impact.

## Can to Can Journey

The government and industry bodies invited UATH to take part in this movement to promote an understanding of the recyclability of aluminum cans and the closed loop of can-to-can recycling (the cycle for reusing aluminum in the aluminum can process).

### Participating companies and organizations



## 5-2. Solar Panel Installation Plans at Rayong Works

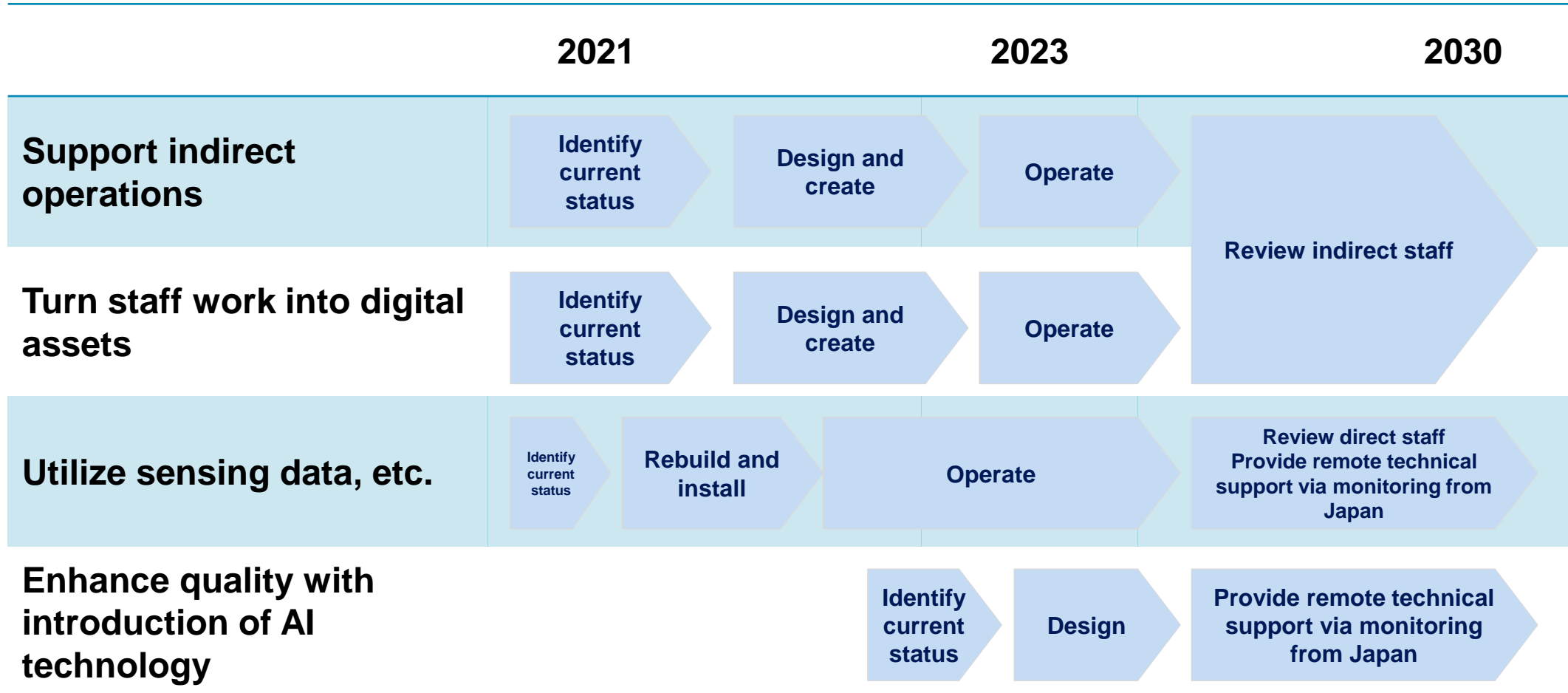
Install large-scale solar panels and cover some power usage with renewable energy

View of Rayong Works



## 5-3. Smart Factory Initiative

Lay groundwork for shift to smart factories to be completed by 2030



## 6. Future Plans for Personnel Development

### Moving from Operation by Local to Management by Local

- **Thoroughly spread corporate philosophy**
  - ✓ Hold seminars for dialogue concerning corporate philosophy and work to thoroughly spread corporate philosophy among all employees
- **Prepare Career Development Plans**
  - ✓ Visualize career paths for all employees
  - ✓ Promote systematic personnel development plans
- **Develop Localization Plans**
  - ✓ Formulate organizational plans aimed at achieving Management by Local
  - ✓ Aim for proportion of Japanese staff of 3% by 2023
- **Execute Functional Training Plans**
  - ✓ Promote localization and utilize data accumulated through talent management after transfer of operations
  - ✓ Build and execute systems to develop candidates for next-generation executives within UATH
- **Develop Language Training Plans**
  - ✓ Encourage core personnel to improve Japanese language ability



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