

Long-term Management Vision UACJ Vision 2030

Pursuing our passion, aluminum, to build a sustainable society

Projections for future society based on changes in the external environment



Changes to makeup of society

- Greater purchasing power and demand from economic growth in developing countries
- Shrinking domestic market from falling population



Achieving a sustainable society

- Increased awareness of environmental conservation in society as a whole
- Creating a society that is both abundant and sustainable



Technological innovation

- Expansion in new applications for materials with the mobility revolution
- Changes in business models owing to innovation in digital technologies

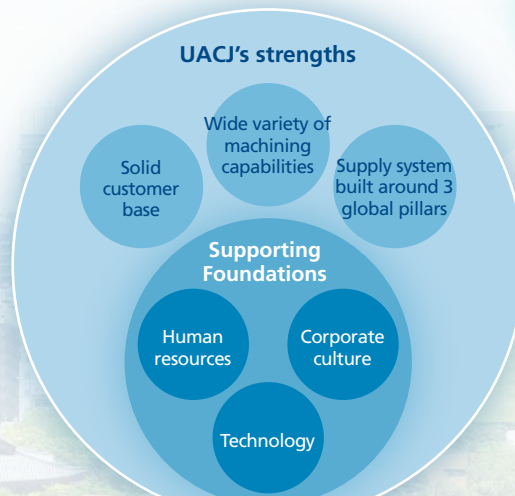
Four policies of the long-term management vision

- Contribute more broadly to the development of society by capturing demand in growth sectors and growth markets
- Utilize materials + α to contribute to greater social and economic value through our value chain and supply chain
- Contribute to solving social issues by tapping into new business domains
- Contribute to reducing our impact on the environment cutting CO₂ across product lifecycles

2025

Enhanced added value

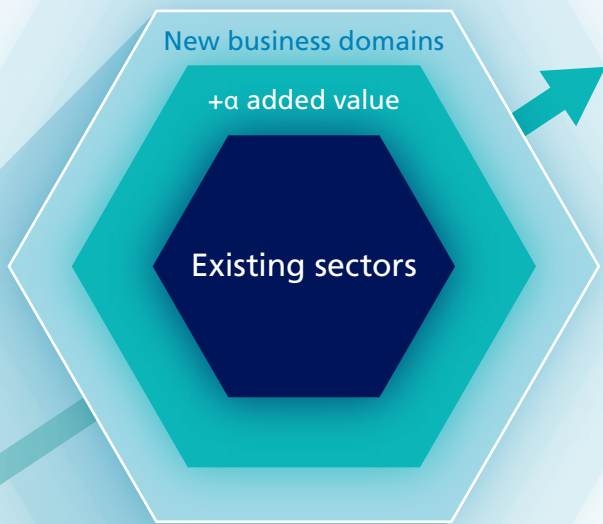
Existing sectors



Safety, quality, compliance, corporate governance

In May 2021, UACJ announced a long-term management vision that outlines the contribution it will make over the next 10 years. We will bring together the skills and techniques we have honed over the last 100 years to expand the possibilities of aluminum and contribute to the realization of a sustainable and prosperous society.

Business domains concept for 2030



Reduce environmental impact

Reduce environmental impact across the entire supply chain through measures such as raising recycling rates

Areas of contribution

Mobility sector



Bringing lightness to human movement and transportation

- New kinds of vehicles
- Next-generation transportation infrastructure
- Transportation services

Environment and energy sector



Bringing lightness to the future global environment

- Additional power generation
- Expanded recycling
- Energy conservation

Lifestyle and healthcare sector



Bringing lightness to everyday life and labor

- Next-generation food products
- More fulfilling lifestyles
- Enhanced medical and nursing care

FY2030 Target

Financial Targets

Net sales
¥800 billion+

Operating margin
6%+

ROE
10%+

ROIC
(Calculated based on operating profit before tax)
10%+

Non-financial Targets

Reduction of CO₂ emissions across the supply chain

22% reduction
(compared with FY2019 BAU*)

BAU (Business as usual): Maintaining the current circumstances (production amount, product makeup) without any countermeasures

A more in-depth look at the four areas of contribution for realizing UACJ Vision 2030

We plan to expand business domains and raise profitability by focusing on growth markets and areas and creating new businesses.

1 Focus on growth sectors and markets

Expand in scale, primarily in growth markets (North America, Southeast Asia) and growth sectors (can stock, the automotive industry)

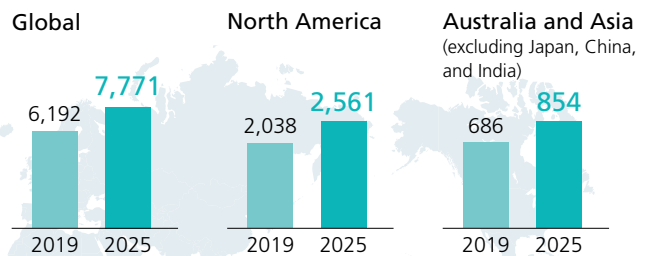
We have enhanced production capabilities by carrying out focused advance investment in TAA*1 and UWH*2 in North America and in UATH*3 in Thailand. We will fully utilize these capabilities by positioning can stock, where a huge rise in global demand is anticipated, and automobile materials, which is expecting a shift to aluminum products in accordance with the electrification of vehicles and an increasing need for lighter vehicle bodies, as growth sectors. We will expand the scale of our business in these sectors with a focus on markets in North America and Asia, where growth is anticipated.

*1 Tri-Arrows Aluminum Inc.

*2 UACJ Automotive Whitehall Industries, Inc.

*3 UACJ (Thailand) Co., Ltd.

Demand for can stock
(Thousands of tons)



Source: CRU Aluminium Rolled Products Market Outlook Report for November 2020

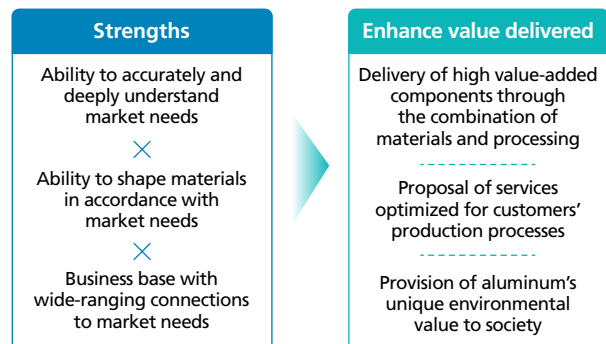
Demand for can stock is rising globally, particularly in North America

2 Increase the added value of enhanced material

Increase earning power by attaching new value to materials (plasticity processing, recycling, modules, services, etc.)

We are engaged in a wide variety of businesses, including flat-rolled aluminum, automotive parts, extruded products, aluminum foil, cast and forged products, and precision-machined components, and we have built a robust customer base. Therefore, one of our strengths is the ability to accurately and deeply understand market needs based on wide-ranging contact with these markets and then shape materials that meet these needs. We will fully leverage our technological advantage and business base to provide enhanced materials that create new environmental value, such as completely new processes, the use of big data related to industrial processes, and recycling. In this way, we will grow sales and our customer base.

Examples of strengths and value delivered



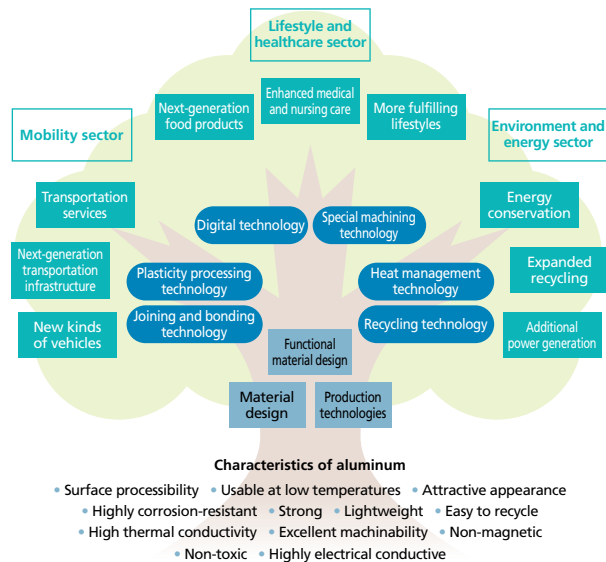
3 Creation and expansion of new business domains

Expand business in the three domains of 1) lifestyles and healthcare, 2) mobility, and 3) environment and energy

Aluminum has a variety of characteristics. Combining these characteristics with basic technologies such as material, design, functional design, and production technologies and practical technologies such as joining and bonding technology and heat management technology, enables the creation of a wide range of products. At UACJ, we are refining these basic and practical technologies with the aim of expanding our business into new sectors.

Also, in the same way as we developed our automotive parts business by interlinking the flat-rolled aluminum, extruded products, and precision-machined components businesses, we will leverage all six of our businesses to use the expertise gained from domains connected to each business and synergies among businesses as a platform for creating new business domains.

Business domain expansion concept



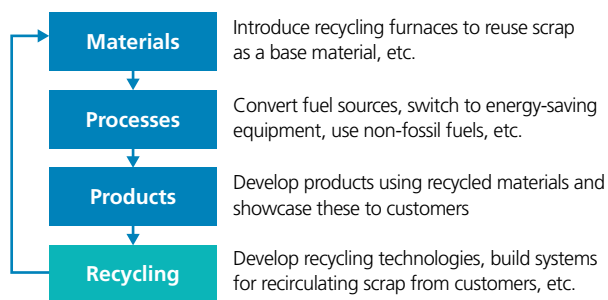
4 Reduce environmental impact

Reduce environmental impact across the entire supply chain through measures such as raising recycling rates

In regard to aluminum product lifecycles, manufacturing products from new aluminum results in the most CO₂ emissions while manufacturing from recycled aluminum can cut these emissions by 97%.

At UACJ, we are promoting recycling in addition to efforts such as reducing CO₂ emissions in our internal manufacturing processes and supplying aluminum components that help make products lighter and more heat efficient. By fiscal 2030, we aim to reduce CO₂ emissions by 22% compared to BAU* in fiscal 2019.

Reducing environmental impact across the entire value chain



* BAU (Business as usual): Maintaining the current circumstances (production amount, product makeup) without any countermeasures

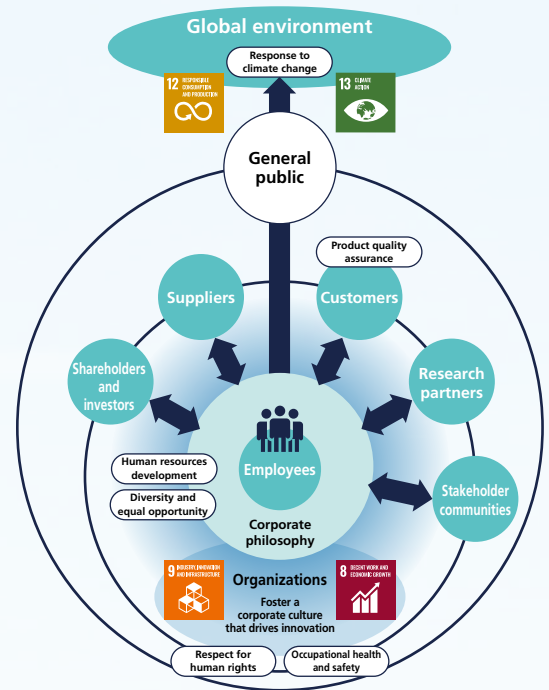
UACJ Vision 2030 non-financial targets (materiality issues)

We plan to expand business domains and raise profitability by focusing on growth markets and sectors and creating new businesses.

We have positioned sustainability-driven activities as a core element of our management and operations, and recognize the need to carry out such activities on a Group-wide basis. For that purpose, we have specified materiality issues as vital factors for growing sustainably together with society.

The six materiality issues we have selected are areas in which we can make a unique contribution as a Group and provide value to society.

We will continually implement activities utilizing a plan-do-check-act (PDCA) cycle in accordance with action plans and the results of the KPIs with the aim of realizing our vision for 2030.

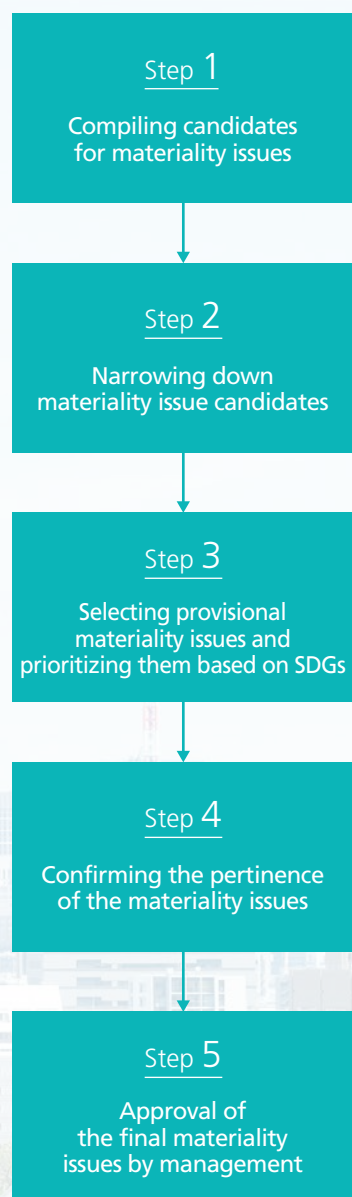


UACJ Group's materiality issues	Reason for selection	Performance indicators	FY2030 goals	FY2023 goals
Response to climate change	We can make a significant social contribution by pursuing ways to use the recyclability of aluminum to reduce greenhouse gas emissions throughout entire supply chains.	Reduction of CO ₂ emissions across the Group's supply chain compared with FY2019 under a BAU scenario	22% reduction	–
Product quality assurance	It is a source of our competitiveness as a manufacturer and directly connects to realizing the mutual sustainability of the Group and society.	Number of serious quality defects	Zero	No more than one
		Number of customer complaints related to quality	Half the number in FY2020	10% reduction year-on-year
Occupational health and safety	As a manufacturer, employee safety is part of the bedrock of our business continuity.	Number of serious workplace accidents	Zero continuously	Zero
		Frequency of workplace accidents resulting in injury or death per million work hours	2.45	4.00
Respect for human rights	As a global company, respect for the human rights of the employees of the Group and our suppliers is part of the bedrock of our business continuity.	Goals to be set based on results of due diligence, and an action plan to be carried out	Execution of due diligence at the Group's main workplaces in and outside Japan	Execution of due diligence at four manufacturing plants (in Fukui, Thailand, and two other locations)
		Percentage of employees and officers that participate in 1) training on codes of conduct and human rights, and 2) training on harassment	100%	1) 96%, 2) 100%, (Training on harassment continues to be 100%)
Diversity and equal opportunity	Ensuring employee diversity and equality in terms of promotion and treatment is essential for realizing future growth.	Percentage of women in management positions (including directors and officers)	15% or higher* While 15% is the minimum target, we will give our utmost to achieving the Japanese government's 30% target	4%
Human resources development	The development and mastery of abilities by employees is the source of value creation and is essential for realizing future growth.	Percent of successor candidates appointed to management positions	100%	Extend targets to group companies in Japan
		Number of people who participate in educational events held by UACJ	500 per year	300 per year

Materiality issue identification process

The identification of materiality issues was a five-step process lasting approximately two years. It involved workshops and other activities that engaged not only management level personnel such as directors and executives, but all Group employees in Japan and overseas, including regular employees at manufacturing plants and sales offices.

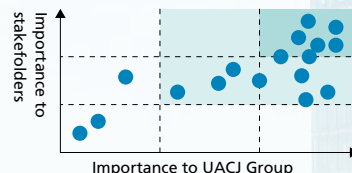
Starting in 2019, a total of four workshops were held, attended by 86 employees. This was followed by consultations with external experts before the Company's officers carried out the final considerations and approval. Six materiality issues were identified and linked to relevant SDGs, and ambitions, action plans, and KPIs were set for each materiality issue.



A total of 47 broad issues that could have a material impact on the UACJ Group were compiled as candidates for materiality issues based on surveys of benchmarking practices and disclosure requirements of ESG indices, as well as international frameworks and guidelines such as GRI and ISO 26000 standards. They were reviewed as materiality issue candidates through meetings and questionnaires conducted in-house, as well as consultations with experts in this field.

Members of the Group used a scoring sheet to rank the 47 materiality issue candidates according to both their "importance for the UACJ Group" and "importance for the UACJ Group's stakeholders" on a scale of one to three.

Results of the rankings in the second stage were reflected in a materiality matrix and deliberated on based on their pertinence. Provisional materiality issues were then selected and further prioritized according to their relevance to certain SDGs.



UACJ Corporation's president, Miyuki Ishihara, met with Makiko Akabane, who heads the Japanese branch of CSR Asia, a consulting company specializing in sustainability practices, to discuss the provisional materiality issues and related SDGs.

The UACJ Group's six materiality issues and four relevant SDGs were designated following a process in which a report was submitted to the CSR Committee, deliberations were held in management meetings, and then approval was given by UACJ Corporation's Board of Directors, which includes outside directors.