Aluminum lightens the world
アルミでかなえる、軽やかな世界

UACJ IR Day 2022
UATH (Thailand)
Mid-/Long-Term Strategy

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June 9, 2022

UACJ Corporation

1-1. Overview of UACJ (Thailand) Co., Ltd. (UATH)

Becoming a core plant in the Southeast Asia region with more than 320,000 tons of capacity

Number of employees	Items manufactured	Areas covered	Customer base
Approx. 1,350	Can stock, automotive heat exchangers, fin stock for AC units, other general materials	Can stock: 26 countries Automotive heat exchangers: 12 countries Fin stock: 8 countries	Approx. 70 companies

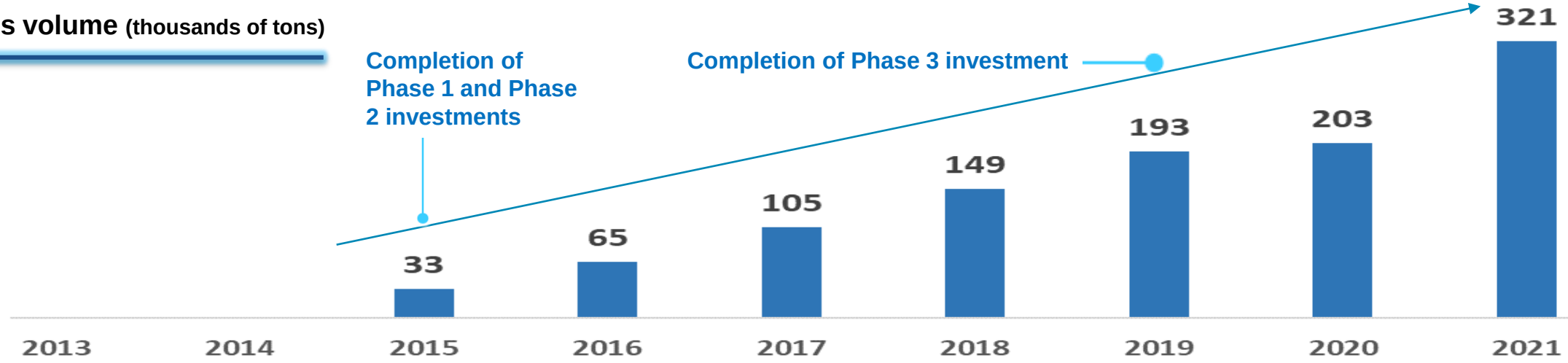
- **One-of-a-kind, pioneering** flat-rolled product plant in Southeast Asia
- Good access to Asian region, where future demand growth is expected
- Relationships of trust with Japanese companies and other can manufacturers

UACJ (Thailand) Co., Ltd.

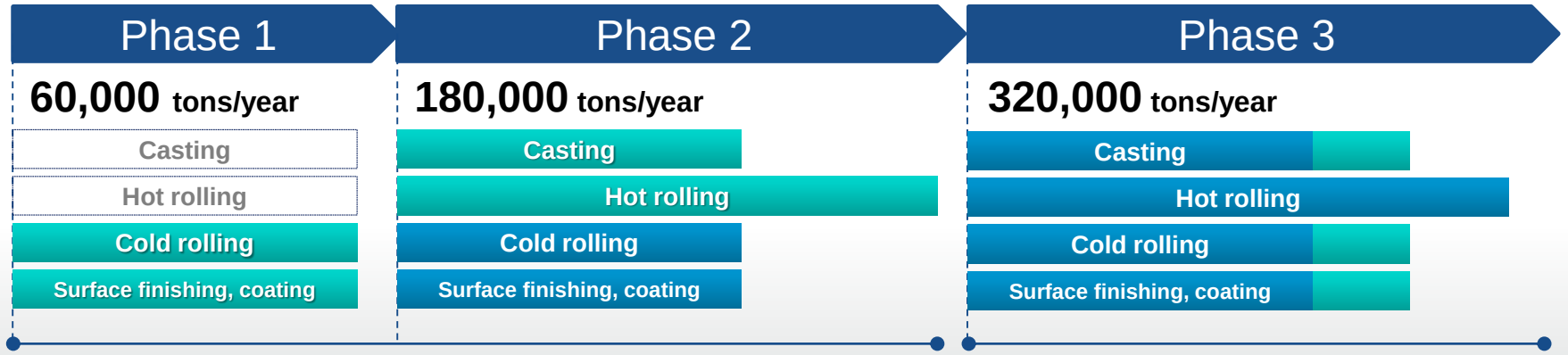
1-2. UATH's Investment and Sales Volume

Seeking steady growth through capturing robust demand

Sales volume (thousands of tons)



Investment trend and total investment amount



Investment amount **59.5** billion yen

Investment amount **39.0** billion yen

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	Key Issues
Achieve effects from launch of phase three businesses and ensure existing facilities are thoroughly utilized	**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
Pursue new technologies to promote the reduction of environmental impact	**Develop recycling technologies (increasing proportion of scrap)** **Environmentally-friendly coating technologies, and lightweight can stock**
	Create Can to Can Loop **Obtain ASI Certification***

*ASI Certification A certification managed by the Aluminum Stewardship Initiative, an international initiative aimed at enhancing sustainability across the whole aluminum supply chain.

3-1. Sales Strategy

01

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

➢ Aim to expand sales in the US and Asia

- ✓ Continue to capture the North American market with strong demand for can stock (complementing TAA*; about 20% of UATH's sales are to North America)
- ✓ Aim to expand sales in Asia from FY2024 onward (from 48% (current) to 55% in/after 2024)

➢ Establish can stock recycling loop

- ✓ Participating in Can to Can Journey, a coordinated initiative between industry, government, and academia in Thailand
  Roll out recycling horizontally within ASEAN while promoting cans' superior recycling capability

➢ Profit improvement

- ✓ Seek to expand profits by passing on energy and other rising costs to customers and further increasing base prices

02

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

➢ Harness global three-pillar system to strengthen can stock sales

- ✓ Maximally utilize our information and interpersonal networks from our global three-pillar system, strengthening relationships with global customers
  Strengthen one-stop support by UATH, TAA, and UACJ
- ✓ Appoint agents with strong local knowledge, expand agent pool
- ✓ Strengthen sales capabilities by cultivating global personnel

➢ Further strengthen direct sales systems

- ✓ Enhance organizations, systems, and personnel training, including more actively utilizing local talent

*TAA: Tri-Arrows Aluminum Holding Inc.

3-2. Initiatives to Address Changes in the Sales and External Environments

1) Demand status and initiatives

Item	FY2022 plan	Share of total	Demand trend	Initiatives
Can stock	272,000 tons	82%	↗	Rising can stock demand across each region alongside falling supply from China, Korea, resulting in an extremely tight market. We are extending contracts under better terms with an optimized sales portfolio.
Heat exchangers	28,000 tons	9%	→	Despite current cuts to automobile production, we are still supplying to Thailand, Indonesia, the US, and Mexico.
Fin stock	26,000 tons	8%	→	We will meet robust global demand for air conditioners in Europe, North America, and Thailand.
Other general materials	4,000 tons	1%	→	We will promote capturing new demand for automotive components and other products.
Total	330,000 tons	100%		

2) State of price optimizations

- Existing contracts for 2022 and 2023: Have already passed on various costs, also currently in negotiation to pass on energy costs.
- New contracts in 2024: Will incorporate various cost pass-through terms and increase base prices.

Category	To 2022	2023	From 2024
MJP	Passed on	→	→
Additive metal	Nearly fully passed on (95%)	→	→
Sea freight costs	Passed on	→	→
Energy	In negotiation, targeting early settlement	To be completed	→

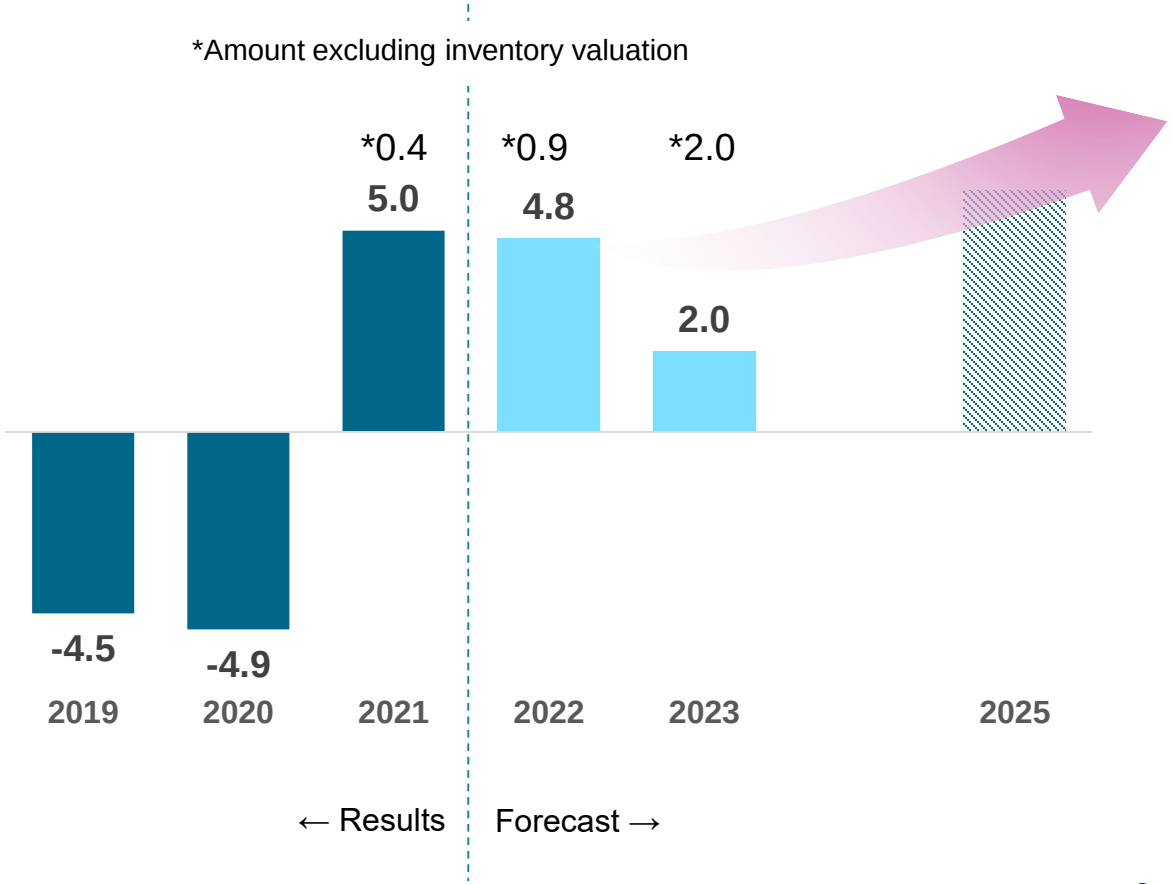
4. Sales Volume and Ordinary Income Targets

Achieved sales of 320,000 tons in FY2021
Expect to increase revenues through cost reductions and price revisions going forward

Sales volume (thousands of tons)

Ordinary income (billions of yen)

*Amount excluding inventory valuation



5-1. Medium- and Long-Term Issues and Initiatives

	FY2022	Through FY2025	Through FY2030
Enhance productivity	✓Pursue improvement in yields ✓Support production of 330,000 tons per year ✓Enhance capacity for existing facilities	✓Establish world-class productivity ✓Establish production system for 340,000 tons per year ✓Support maximization of existing facility capacity	✓Pursue further, world-class productivity
Enhance profitability	✓Reduce costs ✓Enter mobility-related products market ✓Build global sales system	✓Develop new products and enhance compatible facilities ✓Negotiate sales prices ✓Consider optimization of product mix	✓Expand new product development and implement new facilities ✓Complete optimization of product mix
Localization and shift to smart factories	✓Improve operational efficiency (Utilize IoT and improve systems) ✓Transfer operations to locally hired employees ✓Create educational systems for different levels and operations	✓Complete smart factories ✓Improve facilities and systems through utilization of IoT ✓Establish localization of plant operation	✓Promote digital transformation ✓Promote reallocation of personnel
Environmental response	✓Obtain ASI Certification ✓Develop recycling technologies ✓Reduce CO_2 emissions	✓Create recycling supply chain ✓Bolster recycling facilities ✓Reduce CO_2 emissions	✓Complete recycling supply chain ✓Achieve CO_2 emission reduction targets
Can to Can	✓Step 1 in creation of Can to Can Loop ✓Utilize UBCs*	✓Step 2 in creation of Can to Can Loop ✓Expand shift to can stock closed-loop recycling within Thailand ✓Improve recycling ratio	✓Expand Can to Can Loop ✓Create system for collecting UBCs* in neighboring countries ✓Maximize recycling ratio

*UBC: Used Beverage Can

5-2. Status of Smart Factory Initiatives

We are taking action on four specific smart factory-related themes, with their progress as follows:

01 Digitizing paper documents

❑ Summary
MCs*, currently provided on paper with products, to be provided via a QR-code on a sticker. Full Wi-Fi environment in plants will allow instant access to the latest information from tablet devices.

❑ Target completion
During 2023 (Wi-Fi installed by the end of 2022)

02 Automating production planning

❑ Summary
Human-created production plans are automatically generated through machine learning, taking into account delivery date information from Salesforce (launch scheduled in 2022) and conditions/priorities per facility.

❑ Target completion
Consulting begins in Q3 2022

03 Automating product design

❑ Summary
Using centralized customer specification data on Salesforce and past design results/facility conditions to automate, supporting fabrication and design processes.

❑ Target completion
Q1 2023

04 Analyzing and utilizing image/video data

❑ Summary
Automatically detecting abnormal activity by utilizing data from existing cameras, allowing for rapid, advance detection of quality anomalies.

❑ Target completion
Q3 2023

*MC: Manufacturing Instructions

6-1. Realizing a Sustainable Society

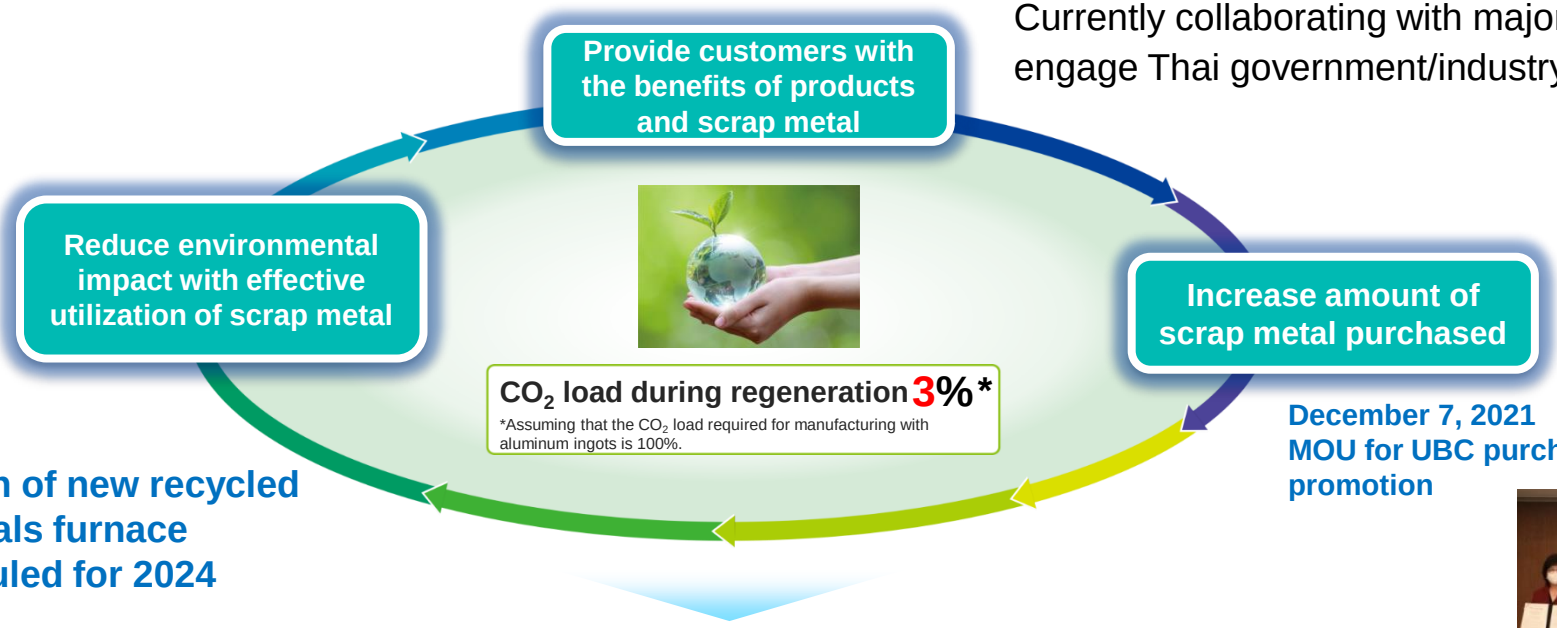
Leading the creation of a recycling initiative in Southeast Asia

November 25, 2020
MOU on general beverage containers signed by Thailand's Ministry of Natural Resources and Environment

Minister of Natural Resources and Environment press conference on November 25, 2020

Can to Can Closed Loop Initiative

Aiming to build the Closed Loop in ASEAN, a business that benefits society, customers, and UACJ
Currently collaborating with major Thai can manufacturers to engage Thai government/industry stakeholders



December 7, 2021
MOU for UBC purchase/Closed Loop promotion

MOU signing ceremony on December 7, 2021 with attendance from ranking ministry officials

Increase social recognition as a company that contributes to the ecosystem

ASI Certification

- PS: Feb 14 provisional certification; COC: Mar 10 obtained full certification
  Partial implementation started due to a request from domestic can manufacturers to supply certified materials.

* Calculated from figures published in VISION2050 by the Japan Aluminium Association

6-2. Reducing CO_2 Emissions, Installing Solar Power Facilities (FY2022)

Scale

Plant roof solar panels generate

World-class energy scale, largest in SE Asia

Capacity

18.2 MW

Total area: Approx. 87,000 m^2 (around 1.9x the size of Tokyo Dome (46,755 m^2))

Generates power equivalent to annual consumption of approx. 7,600 households

Power generated

Approx. 25,000 MWh/year

CO_2 reductions

Approx. 14,000 ton-CO_2/year

K-EST
Kansai Energy Solutions (Thailand)

K-EST
(Kansai Energy Solutions (Thailand) Co., Ltd.)

関西電力 power with heart

Kansai Electric Power Co., Inc.

End of May: Installation work completed ⇒ June: Test runs to begin
⇒ October: Full-scale power generation to launch

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