



UACJ Corporation

IR-Day (First Half)

June 9, 2022

Event Summary

[Company Name]	UACJ Corporation	
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[Event Language]	JPN	
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[Fiscal Period]		
[Date]	June 9, 2022	
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[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	4	
	Miyuki Ishihara	Representative Director & President
	Masataka Taguchi	Chief Executive, Flat Rolled Products Division
		Senior Managing Executive Officer
	Kaoru Ueda	Manager of IR Department
	Kimitoshi Inagaki	Representative Director & President, UACJ(Thailand) Co., Ltd.

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Presentation

Ueda: It is now time for us to begin the briefing.

Let me now begin today's program. President Ishihara, please start.

Ishihara: Thank you very much for taking time out of your busy schedule today to participate in the UACJ Corporation's IR-Day. I am Ishihara, President.

It has been about four years since I assumed the position of president. We have been actively promoting IR and SR activities. We have received a great deal of advice from investors through quarterly financial results briefings, small meetings, and the first IR-Day held last year.

At today's IR-Day, I would like to begin by explaining the progress of our third mid-term management plan, which was announced on May 12, 2021. In addition, as requested by our investors, we will have the heads of each business and region discuss the progress of their mid-term plans or growth from a long-term perspective, and finally, as in the previous year, we will directly discuss our financial strategy.

We believe that having the opportunity to face the capital market is very important for company management. Thank you for your cooperation today.

Today's Program

1	Third Mid-term Management Plan Review of first year and future outlook	Miyuki Ishihara	Representative Director & President
2	Flat Rolled Products Business Strategy and future outlook	Masataka Taguchi	Senior Managing Executive Officer Chief Executive, Flat Rolled Products Division
3	UATH ^{*1} Mid- to long-term strategy	Kimitoshi Inagaki	Representative Director & President, UATH
4	TAA ^{*2} Mid- to long-term strategy	Henry Gordinier	Managing Executive Officer CEO, TAA
5	UWH ^{*3} Mid- to long-term strategy	David Cooper	CEO, UWH
6	Overview of financial position	Teruo Kawashima	Director, Executive Vice President
7	QA		

*1 UATH: UACJ (Thailand) Co., Ltd.
*2 TAA: Tri-Arrows Aluminum Holding Inc.
*3 UWH: UACJ Automotive Whitehall Industries, Inc.

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Today's program is as indicated.

The flat rolled products business and financial strategy will be explained from the head office in Tokyo. The UATH business in Thailand will be presented live from Thailand by President Inagaki, the US TAA business will be presented live from the US by President Henry Gordinier, and the North American auto parts business will be presented live by UWH President David Cooper.

All members present today will be available for questions and answers. Thank you for your understanding.

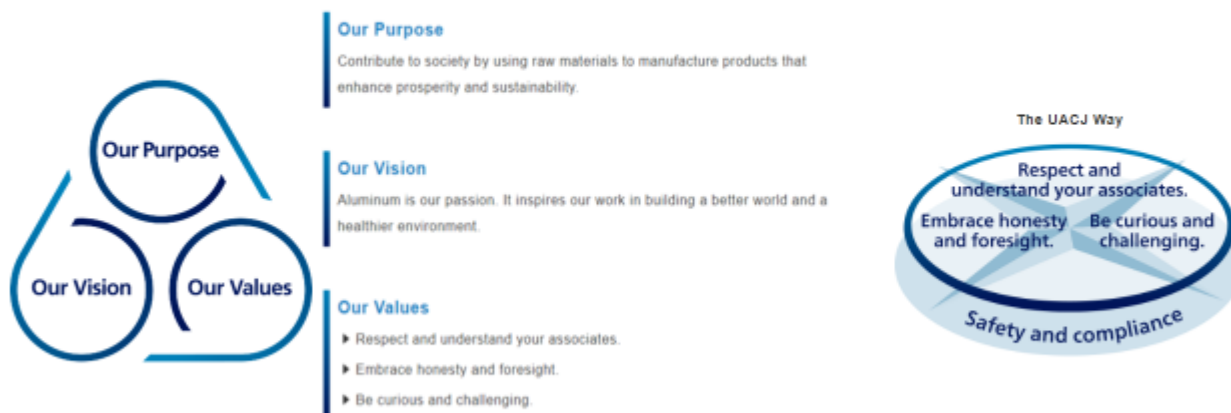
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UACJ Group Philosophy

Reexamining our purpose and redefining the UACJ Group Philosophy



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First, Ishihara will explain the third medium-term management plan and a review of the first year.

This slide summarizes the UACJ Group's philosophy system. I would like to explain about that.

Change is nothing new for the UACJ Group. Since 1898, when we started our aluminum flat rolled business, we have responded to various changes as a company with a history of more than 100 years.

In implementing structural reforms, the Company redefined its corporate philosophy system in February 2020 to ensure that all employees are facing the same direction and to clarify once again what UACJ aims to become through its corporate activities. In addition, we have been holding dialogue meetings for all employees to disseminate our corporate philosophy since 2020.

In today's presentation, I would like to reiterate the Group's philosophy of contributing to the society by using raw materials to manufacture products that enhance prosperity and sustainability. Let me explain once again how we are acting based on the UACJ Way to realize its philosophy and what we are doing under the third medium-term management plan.

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UACJ Sustainability

Identifying material issues that UACJ should address as priorities in order to grow sustainably alongside society

The UACJ Group's Sustainability Policy

Passing down a better world over the next century

Contribute to sustainability through technologies and innovation
 The UACJ Group shall contribute to the sustainability of society and the global environment by applying the technologies and expertise it has accumulated over its history to offer innovative solutions.

Work together with all types of stakeholders
 The UACJ Group shall forge partnerships and collaborate with a wide range of stakeholders and people across society in its efforts to help make the world more sustainable through its business activities.

Respect the individuality of diverse members
 The UACJ Group shall take steps to ensure that the individuality of its diverse members is respected, regardless of their nationality, gender, age, disabilities, or other characteristics, and provide them with opportunities to apply their individual knowledge and skills to help devise innovative solutions.

Materialities

- Response to climate change
- Product quality assurance
- Occupational health and safety
- Respect for human rights
- Diversity and equal opportunity
- Human resources development

* Definition of Innovation: Utilizing the strengths of UACJ to pioneer social reforms through (1) business development in existing sectors, and (2) Creation of new value
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In addition to the redefinition of our corporate philosophy, we have established a basic policy on sustainability, and have decided on materiality as an important activity to contribute to the realization of a sustainable society and are putting it into practice.

We have also held a series of workshops for the Group's employees and directors to discuss the materiality of this issue.

In addition, the opinions of outside experts were also added to identify these six materialities. This is tied to four of the SDGs in particular and is currently being addressed by the entire group.

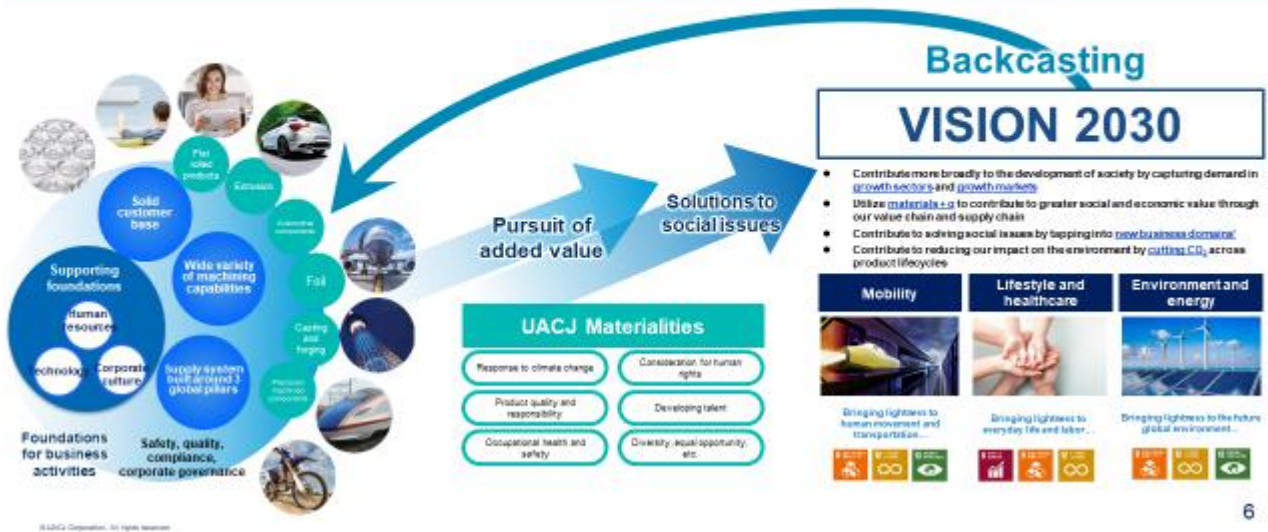
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Vision for our Future in the Long-term Management Vision "UACJ VISION 2030"

Pursuing our passion, aluminum, to contribute to building a sustainable society



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We will contribute to the realization of a sustainable society through the mastery of aluminum. The VISION Committee was formed by mid-career employees, the people who will be responsible for the Group in the next 10 years, and they are the ones who have the vision of what we want to be as a group in 2030. They drew three areas such as mobility, lifestyle and healthcare, and environment and energy.

When we think about this in terms of back casting, we will further contribute to solving social issues by adding value upstream and downstream of materials by adding the UACJ Group's current strengths of diverse processing capabilities, supply systems from three major bases around the world, and a solid customer base.

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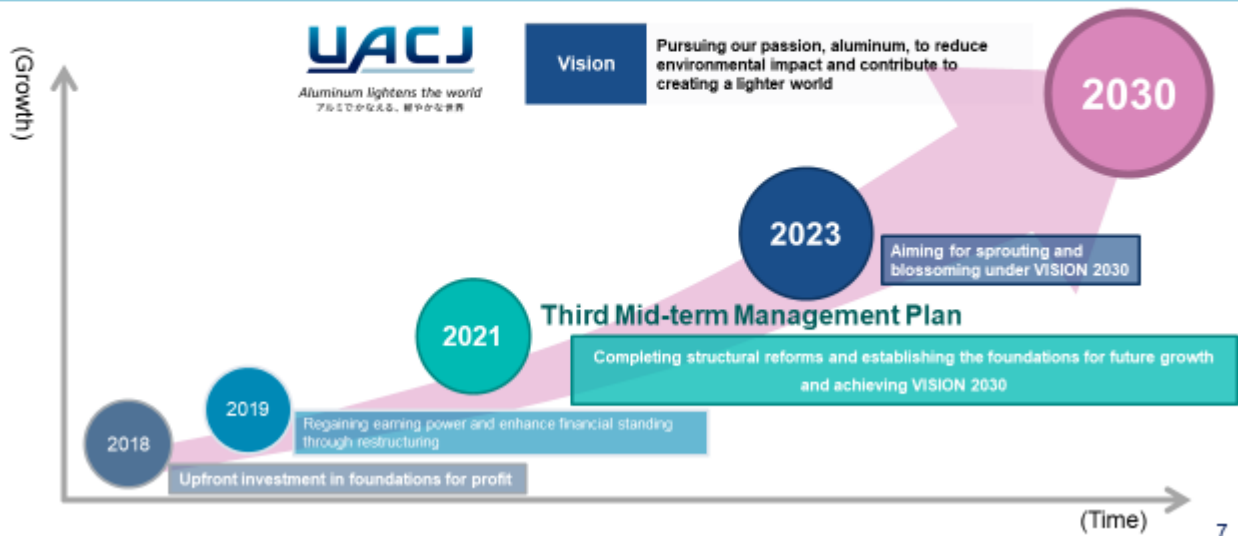
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Third Mid-term Management Plan Positioning

Three-year period to strengthen the foundations for growth, as we look to achieve UACJ VISION 2030



Continuing, to review the positioning of the third medium-term management plan, it is a three-year plan with FY2021 as the first year.

The concept is to complete structural reforms and establish a foundation for the realization of UACJ VISION 2030. This is an important three-year period for achieving this growth.

Major Policies

Complete structural reforms and establish the foundations for future growth and achieving VISION 2030

1. Complete structural reforms

- Enhance earnings power
- Improve financial position
- Strengthen management systems

2. Strengthen foundations for growth

- Increase added value
- Focus on growth markets and sectors
- Create new business domains
- Strengthen supporting foundations



3. Contribute to achieving a lighter world (promote sustainability)

- Contribute to solving issues related to climate change

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These are the three key policies of the third medium-term plan.

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Third Mid-term Management Plan Targets

Targeting ROE of 7.5% and ROIC² of 6.0% by final fiscal year of plan

Financial indicators		Future financial and ESG targets		
Financial indicator	FY2023	Six materialities	Evaluation indices	FY2023 targets
Net sales	¥700.0 billion	Response to climate change	Reduction of CO ₂ emissions across the supply chain (compared with FY2019 BAU ³)	22% reduction (FY2030 target)
Operating income	¥30.0 billion	Product quality and responsibility	Number of significant product quality defects	One or fewer
Operating margin	4.2%		Number of customer complaints	Down 10% YoY
Ordinary income	¥25.0 billion	Occupational health and safety	Number of serious accidents	Zero
D/E ratio ¹	1.2 times or less		Total workplace accidents ⁴	4.00
ROE	7.5%	Consideration for human rights	Implementation of DD for human rights, and creation of targets and implementation of action plan based on the results	To be implemented at four manufacturing sites
ROIC ²	6.0%		Proportion of employees receiving training related to the Code of Conduct, human rights, and harassment	96% (Continue to maintain a 100% implementation rate for harassment prevention training)
		Diversity, equal opportunity, etc.	Proportion of female managers (including officers, in Japan)	4%
		Developing talent	Successor candidate planning implementation rate	Rollout across domestic group companies
			Number of persons benefiting from activities to support education related to key areas	300 people/year

¹ D/E ratio: Factoring in subordinated loan
² ROIC: Calculated based on operating profit before tax
³ Compared with FY2019 BAU (Business as usual)

⁴ Total workplace accidents: An indicator to assess the occurrence of workplace accidents (frequency), calculated by converting the number of deaths and serious injuries from workplace accidents (including those that did not result in a loss of work time) for the total number of working hours during the period being measured, converted based on a factor of one million hours.

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Our financial targets for FY2023, the final year of the plan, are JPY25 billion in ordinary income, 7.5% in ROE, and 6% in ROIC.

In FY2021, in addition to the actual profit and loss, we were able to achieve these numbers with an ROE of 14.1% and ROIC of 11.1%, largely due to the impact of inventories. In the forecast for FY2022, ROE is 6.7% and ROIC is 5.5%, showing a steady improvement from these pre-structural reform levels.

In the next fourth medium-term plan, we will aim to further improve capital efficiency. See slide for non-financial targets.

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Perception of Business Environment and UACJ's Direction (1)

Over the past year there have been significant changes in the business environment, but by responding promptly to them we made progress towards achieving our Mid-Term Management Plan targets

Main perceptions regarding business environment: review of the past year

■ Global increase in demand for flat-rolled products

1. Increase in demand (global) for can stock caused by enhanced environmental awareness
2. Rising demand in multiple areas, primarily for automotive materials and thick plates

■ The five problems that UACJ is fighting

1. Rise in aluminum ingot prices
2. Soaring energy prices
3. Soaring additive metal prices
4. Increase in distribution costs
5. Cuts in automobile production caused by semiconductor supply constraints and other factors

Initiatives implemented by UACJ

Aiming to leap forward by completing restructuring to establish a foundation for achieving future growth, as well as VISION 2030

- ✓ Prompt response to changes in the external environment
- ✓ Implemented additional measures aimed at completing restructuring
- ✓ Expanded can stock sales utilizing 3-pillar global supply system
- ✓ Investigated expanding facilities at North American production site
- ✓ Strengthened UWH production and sales system
- ✓ Promoted sustainability management
- ✓ Took on the challenge of creating new business domains
- ✓ Strengthened financial position

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From this slide, we will begin a review of the third medium-term plan. I will present the overall picture over the next six pages, and then talk about each of the key policies for the Group.

In the aluminum flat rolled business, our global operations are near full capacity due to increased global demand. On the other hand, in addition to geopolitical risks such as the Ukraine issue, we are also facing soaring global resource prices and headwinds of profitability pressure that we could not have anticipated a year ago.

In addition, we are still facing the effects of the new coronavirus infection, as well as the fivefold headwind described in the slide, but what I am now certain of is that the direction and image that the UACJ Group is aiming for, as envisioned in the third medium-term business plan and beyond that in VISION 2030, is the correct one.

We believe that we are quickly pinpointing the best measures to deal with the headwinds of many profitability pressure factors, and that we are transforming into such a company that can quickly respond to changes in the business environment toward the achievement of the third medium-term business plan. We have been speeding up the measures and changes shown on the right side of the document.

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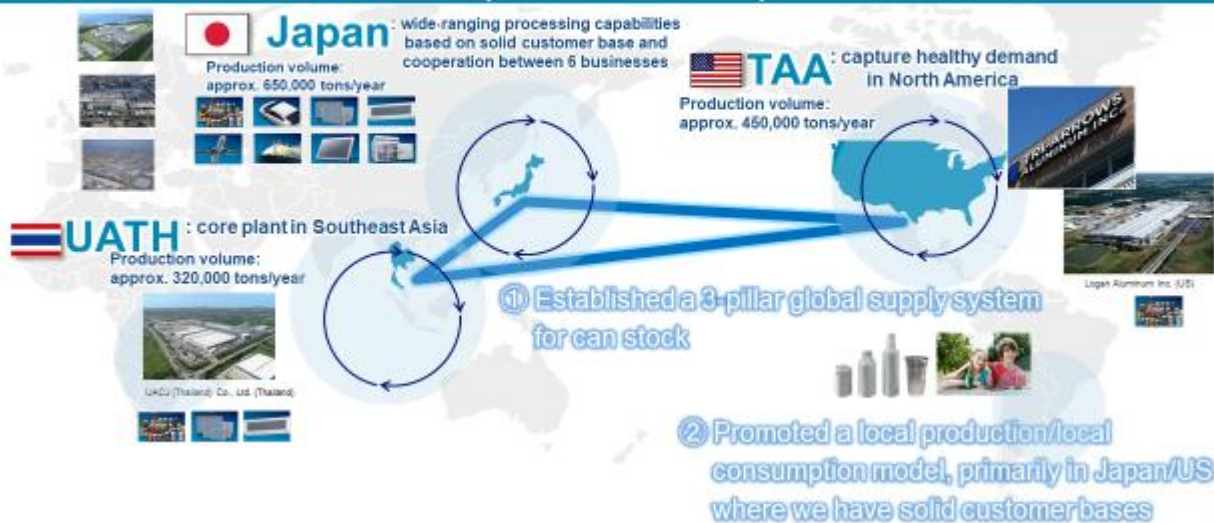
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Perception of Business Environment and UACJ's Direction (2)

Execute global strategy by leveraging global 3-pillar supply system and local strategy by leveraging local production and consumption



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The greatest achievement of the UACJ's efforts has been the creation and utilization of a system of three major poles around the world, which has enabled us to meet the increasing demand for aluminum can materials due to growing environmental awareness around the world.

This increase in demand for aluminum can materials is not a temporary phenomenon and is expected to accelerate further in the future. We are confident that it is a continuum.

UATH has been able to increase its presence not only in the Southeast Asian region, but also in North and South America, where it has expanded its sales channels for aluminum can materials, as well as air conditioner fin materials and automotive heat exchangers, which are now in full production and full sales.

In Japan and the US, we have been able to establish a business model of local production for local consumption based on a strong customer base, and our earning power has steadily improved.

As a result, record earnings were achieved in FY2021. We can say with confidence that the UACJ Group has evolved through its activities over the past year.

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Changes in the External Environment and Our Countermeasures

We will work to minimize the impact on earnings of changes in the external business environment by responding promptly

Changes in the External Environment and Our Countermeasures	Japan 	TAA (North America) 	UATH (Thailand) 
Increase in aluminum ingot prices	Pass on to sales prices		
Soaring unit energy prices	Currently negotiating price pass-through (switch to pricing system linked to market prices from July)	Pass through to sales prices (already introduced pricing system linked to market prices)	Currently negotiating price pass-through
Soaring additive metals prices	Introduce pricing system linked to market prices		
Increase in logistics costs	—		Pass through to sales prices (already introduced formula system)

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On May 12, 2022, we explained this item in our FY2021 full year financial results, but we will talk about it again in this table because it is an item that will have a large impact on earnings in FY2022.

Mr. Taguchi, Chief Executive, Flat Rolled Products Division Senior Managing Executive Officer, will explain the price pass-on scheme later.

First, we are not exposed to the risk of bullion price fluctuations due to the nature of our business model. By adopting the roll margin system shown here, product prices are divided into bullion and processing fees.

The system is designed to ensure that inventory effects or bullion prices are passed on to product prices in a timely manner, but the time lag can temporarily affect business results.

Regarding energy price hikes, in Japan we have been negotiating with our customers to switch to a price scheme since July. In TAA, we have already introduced a market price-linked pricing scheme.

UATH has begun negotiations with customers to introduce market price-linked schemes, and schemes have already been introduced in the respective markets for additive metal price hikes.

As for the rise in logistics costs, which has been pronounced in Thailand, we have already introduced a formula system to many of our customers' contracts.

As we move forward, I will now present the financial targets set forth in the third medium-term management plan.

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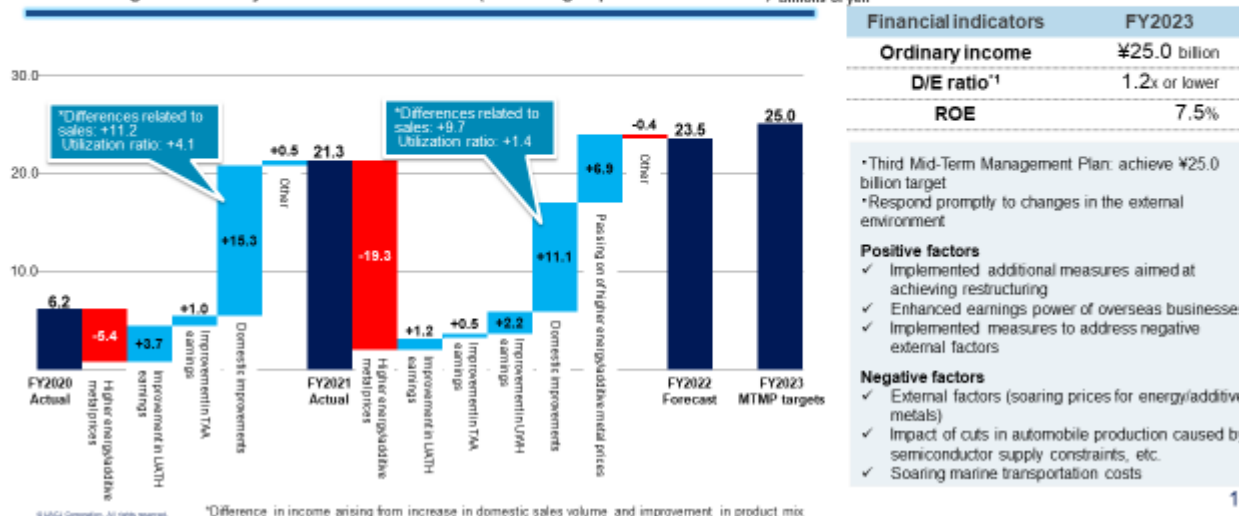
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Working Towards Achieving Mid-Term Management Plan Targets: Aiming for ¥25.0 Billion in Ordinary Income in FY2023

In addition to completing restructuring and strengthening our foundation for growth, we will respond to changes in the external environment in order to achieve Mid-Term Management Plan targets

Changes in ordinary income FY2020-FY2023 (excluding impact of inventories) Billions of yen



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The ordinary income before inventory impact would be JPY25 billion, the D/E ratio would be less than 1.2 times, and the ROE would be 7.5%. Although we are affected by these external factors, the entire company will work together to achieve these goals, as shown in the graph.

The actual profit before inventory effects for FY2021 is JPY21.3 billion. The effects of the structural reforms are definitely in place, and we were able to significantly increase profits both domestically and internationally. In FY2022, we will be affected by soaring energy and additive metal prices, etc. here, but by ensuring the implementation of these measures, we plan to achieve JPY23.5 billion in actual ordinary income before inventory effects by improving earning power.

For FY2023, it goes without saying that we will strive for further growth, having become a leaner company as a result of our structural reforms.

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Business Portfolio Management

No change in our policy of concentrated investment in growth markets, growth areas, and strengthening of management foundations in accordance with business portfolio management principles

Business Portfolio Management

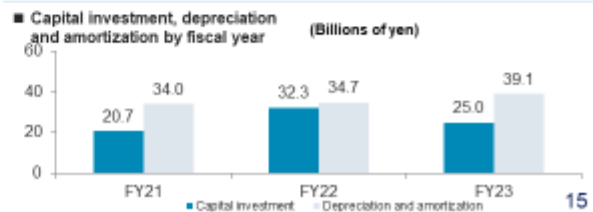
Classification	Business	Target market/area	Investment allocation policy under 3rd MTMP
Growth promotion businesses	TAA	North America / Can	Prioritize allocation of strategic investment
Businesses to become profitable ↓ Growth promotion businesses	Automotive parts business	North America / China / Japan / Automotive	Prioritize allocation of strategic investment UWH: Approx. ¥4.0 billion already invested
Businesses to become profitable ↓ Foundational businesses	UATH	Initiatives targeting both upstream and downstream areas	Investment focused on key issues, without significant increase in capacity
Foundational businesses	Domestic sites (other than automotive components)	Initiatives targeting both upstream and downstream	Investment focused on key issues, without significant increase in capacity
Businesses to be rebuilt (Foundational businesses)	Overseas sites in related businesses**		Investment focused on maintenance and renewal (also consider withdrawal when necessary)

**1 Extrusion, casting and forging, foil, and precision-machined components

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Capital investment plan

Type of objective	Amount (billions of yen)	Main objectives
General investment	53.6	BCP measures, earthquake resistance, quality assurance, renewing old facilities
Strategic investment	16.0	Increase manufacturing capacity at North American sites and bolster automotive components business
Investment in key issues	8.4	Measures to address climate change, DX/IT measures, response to structural reforms and workstyle reforms
FY2021-2023 (Total planned depreciation and amortization)	78.0 (107.8)	



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We will explain our business portfolio management through our capital investment plan.

There is no change in our positioning of growth markets as North America, Southeast Asia, and the growth areas of aluminum can materials and automotive materials. Demand for aluminum can materials and automotive parts in North America will continue to increase, and we plan to invest heavily in North America as a strategic investment during the third medium-term management plan period.

For UATH, we aim to improve profitability by maximizing the use of existing capacity. Earnings at the domestic sites of each business are improving, partly due to steady progress in structural reforms. As originally planned, we will limit capital investment to 70% of depreciation, and we will ensure that necessary investments, including those for growth and priority issues, are made while proceeding in this manner.

The large investments that we have continued to make over the period of 2013 to 2019 will surely begin to reap rewards in the current mid-term plan, and we will practice management with a focus on strengthening our financial base.

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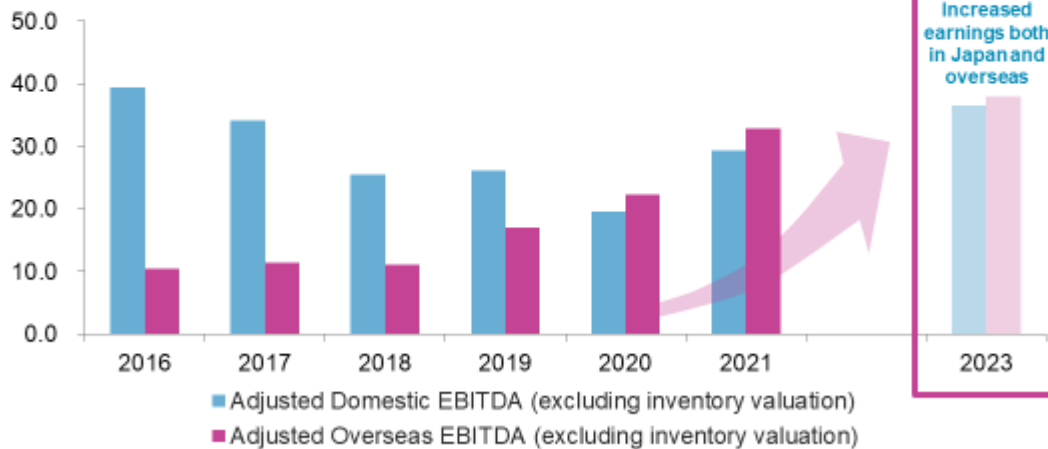
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Promoting Growth in Overseas Businesses

Steadily increase "earnings power" by recovering past investments overseas and achieving results from structural reforms in domestic businesses

Adjusted EBITDA in Japan and Overseas (Billions of yen)



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Since the integration, we have been making large investments in overseas growth markets, and since we are now in the recovery phase, the ratio of these investments both in Japan and overseas has changed significantly.

In particular, we expect growth overseas, and we believe that the overseas rate of return will exceed that in FY2023 as well.

Major Policy 1. Complete Structural Reforms

Complete structural reforms

Strengthen foundation for growth

Contribute to achieving a lighter world

Caught up in some areas where there have been delays, and moved towards completion of structural reforms

Key issues

Enhancements in earnings power

- Lower breakeven points, etc. to create earnings structures that are resilient to changes in the business environment
- Capture demand in growth sectors and maximize earnings by maximizing the use of capacity derived from major investments already completed

Improved financial position

- Highly selective investment
- Reduction in inventories
- Initiatives for management that emphasizes cash flow and capital efficiency

Strengthen management systems

- Bolster risk management
- Investment in IT, etc. to improve business processes and make indirect operations more efficient
- Overhaul organizational structure

Progress

- ✓ Steady lowering of breakeven point (FY2019: 100 → FY2022: 90)^{1,2}
- ✓ Target of ¥21.0 billion in restructuring effects is within reach
- ✓ Targeted consolidation of domestic production sites by end of fiscal year, as well as optimization of production system, now within reach
- ✓ Lowering of D/E ratio (FY2019: 1.56 → FY2022: 1.30)^{2,3}
- ✓ Reduction in long-term borrowings
- ✓ Cut the number of directors and executive officers
- ✓ Visualize the diversity and expertise of officers through the introduction of a skills matrix
- ✓ Assess the effectiveness of the Board of Directors and the Audit & Supervisory Board
- ✓ Enhance the performance-linked remuneration system (track performance against TSR⁴, non-financial indicators)

¹ Index with actual breakeven point in FY2019 set to 100
² Figures for FY2022 are estimates

³ D/E ratio is shown after factoring in subordinated loans
⁴ TSR: Total Shareholders' Return

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In the third medium-term business plan, we have identified three priority issues. I will now explain the progress of each of them.

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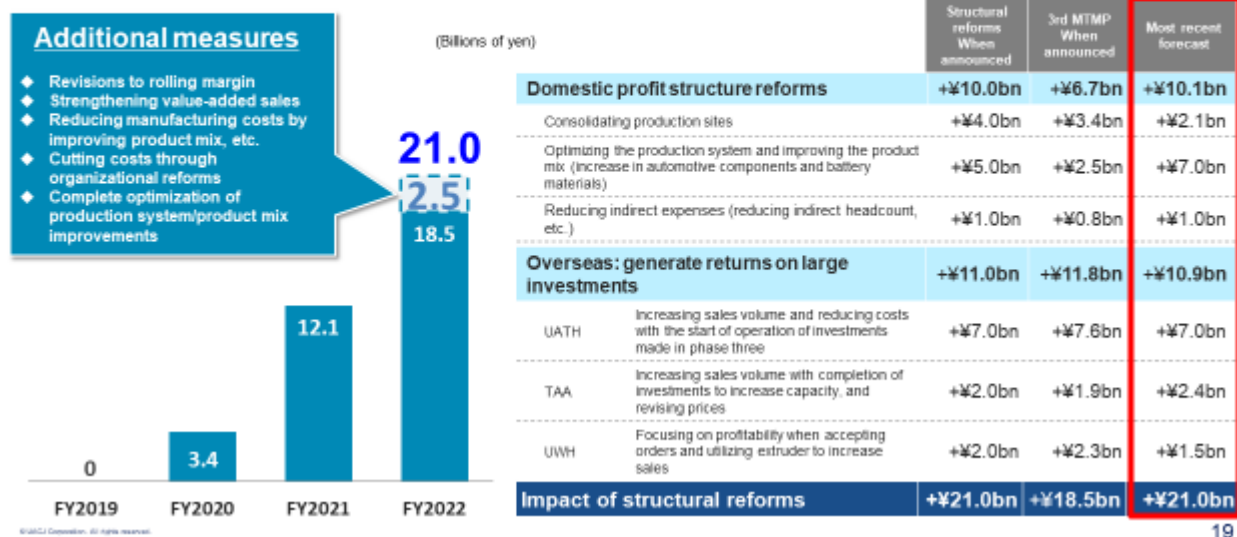
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The first and most important of our priority tasks will be to complete structural reforms, improve earning power, improve our financial position, and strengthen our management structure.

Major Policy 1. Complete Structural Reforms: Enhance Earnings Power

Target of ¥21.0 billion through revisions to rolling margin and reductions in manufacturing costs within reach



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At the time of the announcement of the third medium-term plan, volumes changed, especially in Japan. Or the variety composition has changed.

In response to these changes, we set the value of structural reform at JPY18.5 billion. With this sense of crisis, we have promoted reforms to the price structure through integration of production and sales, revised roll margins, and reviewed the product mix, which we steadily implemented as additional measures, and we are now on track to achieve the initial plan of JPY21 billion.

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Major Policy 1. Complete Structural Reforms: Governance Initiatives

Continuously enhance corporate value by seeking to strengthen and enhance corporate governance functions

Measures to strengthen governance

- 2013 UACJ was established and appointed its first outside director
- 2014 UACJ appointed its first non-Japanese executive officer
- 2015 UACJ appointed female outside director
- 2016 System for assessing the effectiveness of the Board of Directors began operation
- 2017 Nomination & Remuneration Advisory Committee was established
- 2018 Outside director with experience in corporate management appointed
Performance-linked remuneration system introduced for internal directors
- 2019 Number of Directors and Executive Officers was reduced
(Internal Directors: 8→6; Outside Directors: 4→4; Executive Officers: 27→10)*
Began full-fledged operation of succession plan

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*Change in the number of Directors and Executive Officers measured between FY2019 and May 30, 2022

Initiatives to improve the effectiveness of the Board of Directors

- | | |
|---------------------------|--|
| System aspects | <ul style="list-style-type: none"> ✓ Revision of proposal and reporting standards to strengthen supervisory function ✓ New category of "Deliberations" established for agenda items |
| Management aspects | <ul style="list-style-type: none"> ✓ Creation of documentation guidelines for the Board of Directors ✓ Enabling policy reports to be presented by each division ✓ Improved sharing of information between the Nomination & Remuneration Advisory Committee and the Board of Directors |
| Support aspects | <ul style="list-style-type: none"> ✓ Enhancements to explanations provided in advance to outside directors and Audit & Supervisory Board Members |

Assessment of the effectiveness of the Board of Directors using a third-party organization

- Scope and composition of the Board of Directors is **appropriate**
- Frequency of meeting, number of discussions, content, and time spent on discussion are **appropriate**
- Initiatives taken to improve quality of materials are **appropriate**
- Participants engage fully, and discussion of the direction of the Company has been **enhanced**
- Discussions by the Nomination & Remuneration Advisory Committee are **sufficient**

Future themes to address

- Fuller discussion of mid- to long-term direction of the Company
- Improve sharing of information between Nomination & Remuneration Advisory Committee and Board of Directors
- Deeper discussion by Board of Directors of succession plan

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Governance initiatives have undergone a number of reforms since the integration.

In particular, the effectiveness of the Board of Directors has been analyzed and evaluated, including by a third-party organization, and new initiatives have been implemented to improve the effectiveness of the Board of Directors. In the course of these efforts, we are steadily improving the role and responsibility of directors, which is to provide a broad direction for corporate strategy and to supervise effectively.

Major Policy 2. Strengthen Foundation for Growth

Complete structural reforms

Strengthen foundation for growth

Contribute to achieving a lighter world

Strengthening foundations for future growth after restructuring

Key issues

Enhancing added value

- Generate and provide added value in the form of "materials + α" via the value chain and supply chain

Concentrate on growth markets and growth areas

- Concentrate on growth markets (North America, Southeast Asia), growth areas (cans, automotive)
 - Address rising demand for cans in North America through cooperation between three pillars of supply, and consider raising capacity of North American production site
 - Expand capacity for automotive components business (North America, China)

Create new business domains

- Put in place frameworks and systems, such as internal startups, to support the creation of new business domains
- Identify new domains at the seed-funding stage

Strengthen supporting foundations

- Strengthening frontline capabilities on all fronts = passing down monozukuri (craftsmanship) from senior to junior employees and develop talents and organizations, mainly through Monozukuri Gakuen and the U-KI training program
- Invest management resources in recycling and digital technologies
- Utilize a diverse range of human resources and improve engagement

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Progress



- ✓ Provided "UACJ SMART" environmentally friendly aluminum products
→ Announced "U-ALight SMART" for automotive components
- ✓ Progress made in initiatives for commercialization and practical implementations of foil that can detect whether a package has been opened



- ✓ Facilities at production sites in Japan, Thailand, and North America put in place, and system for cooperation between these three pillars established
- ✓ Implemented expansion of production sites for automotive components business



- ✓ Around 40 applications to the internal startup system
- ✓ Proceeding with basic research and investigating feasibility of commercialization for multiple projects exploring the potential for aluminum in disaster prevention/mitigation applications



- ✓ Establish new "MONOZUKURI Core Manufacturing Innovation Department"
- ✓ Continue to pass down monozukuri knowledge and organization, such as through skills development and know-how related to safety and environment

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Continuing on, let's look at priority policy two. Strengthening the foundation for growth and progress. The [inaudible] will be attached in 2022, but we are working on strengthening the foundation for the future.

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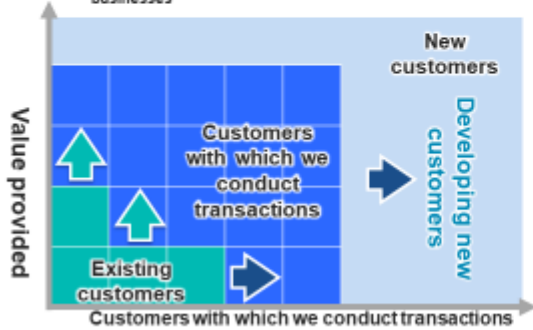
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Major Policy 2. Strengthen Foundation for Growth: Expansion of Value-added Business

Expand the customer base to the upstream and downstream of the supply chain by providing added value in the form of "materials + α "

Expand value provided: offer environmental materials + value-added services

- Provision of "UACJ SMART"¹ environmentally friendly products
- Joint development of recyclable materials
- Expand forming processes and services through cooperation between businesses



¹ UACJ SMART: An environmentally friendly aluminum brand whose products have a significantly lower environmental impact compared with conventional items, achieved through reductions in the usage ratio of new ingots, fine-tuned management of materials, composition of ingredients, and manufacturing processes.

² U-ALight: a brand for flat-rolled aluminum sold by the Company for use in the automotive sector. Primarily used for automobile panels, the lineup currently consists of six different product types in the 5000 and 6000 series, with outstanding strength, machinability, and surface quality.

Examples of products developed to resolve both social issues and customer issues



Helping to mitigate environmental impacts by cutting Scope 3 emissions

U-ALight SMART

New brand that cuts the CO₂ emissions at the time the material is manufactured by using the remnants of various aluminum alloys to reduce the volume of new ingots



Aluminum foil using a foil that can detect whether the package has been opened to provide timely customer service



Notification foil
(Concept)

The aluminum foil and a communications device is attached to the product, with the tearing of the foil enabling the opening of the package to be detected in real time. By enabling appropriate inventory management, this helps reduce losses and improve business efficiency

Regarding one of our priority issues, the enhancement of added value, our policy remains the same: to add value to materials by expanding the value we provide upstream and downstream of the materials, thereby expanding the scope of our customers.

As we have already seen in the case of the development of UACJ SMART, an environmentally friendly product announced last year, we offer U-ALight SMART in the automotive parts business, which has been adopted in products of major automobile manufacturers and is expected to expand in the future.

Because our group has various processing capabilities, we are able to provide products and services that take advantage of these processing technologies.

We see this as an opportunity for growth, to expand the scope of value-added businesses in line with the transition to an environmentally based economy.

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Major Policy 2. Strengthen Foundation for Growth: Creation of New Business Domains

“UACJ Innovators” internal startup system generates seeds of new business domains and new businesses



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There are several examples of introductions to the creation of new areas. We are now moving forward in the form of an in-house venture system to address social issues by taking advantage of our unique level of technology, adding what our customers want, and providing it to them.

In FY2021, the first year of the program, we received approximately 40 applications. From among the highly motivated applications, seeds in the field of disaster prevention and mitigation, one of the new areas of VISION 2030, and to which aluminum has great potential for contribution, are being generated one after another.

I feel that it embodies the curiosity and challenging spirit that the UACJ has as its Way.

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Major Policy 3. Contribute to Achieving a Lighter World

Complete structural reforms

Strengthen foundation for growth

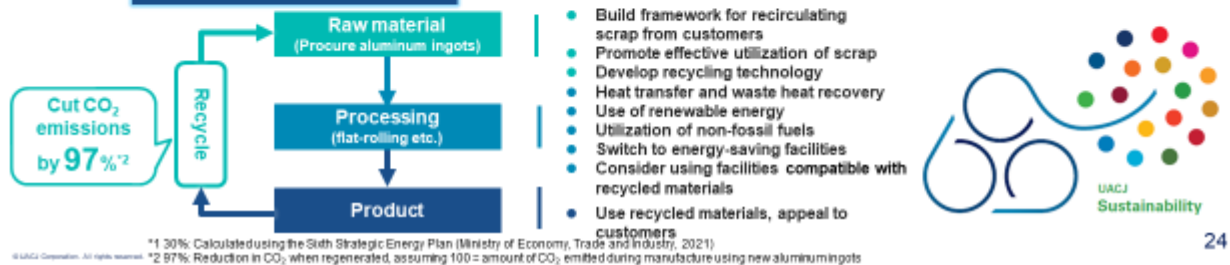
Contribute to achieving a lighter world

Preparing for Carbon Neutrality by 2050

Guidelines for action

- For Scope 1 and Scope 2, **take on the challenge of carbon neutrality by 2050**
- For Scope 1 and Scope 2, **aim to cut emissions by 30%^{*1} by FY2030**
- For Scope 3, **work on collaborations with a variety of partners in the supply chain to maximize recycling and minimize CO₂ for the supply chain as a whole**

Aluminum recycling and UACJ initiatives



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Next, we will talk about how we can contribute to the realization of a lighter world.

Today, in Scope 1 and 2 for the year 2050, we declare our challenge to become carbon neutral.

We will discuss the details at the ESG presentation to be held in the second half of the year, but in Scope 1 and 2, we aim to achieve a 30% reduction in FY2030 to become carbon neutral by FY2050, and in Scope 3, we will work with various partners in the supply chain to maximize GHG emissions through recycling and minimize GHG emissions throughout the supply chain. We intend to accelerate our efforts throughout the supply chain.

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Major Policy 3. Contribute to Achieving a Lighter World: Obtain ASI Certification

Become member of ASI^{*1}, participate in global rule-making for the aluminum industry

[ASI membership (July 2020: first Japan flat-rolling manufacturer)]



- A certification organization that seeks to maximize **the contribution of aluminum** to a sustainable society
- It aims to **collaboratively foster** responsible production, sourcing and stewardship of aluminum

Participating companies
231

- **Participate in the creation of global standards and making of rules for audit and certification** in relation to improving the ESG performance of the aluminum industry
- **Major overseas automobile and beverage manufacturers are making this a condition for doing business, so it contributes to an increase in future business opportunities**
- **Work with stakeholders to resolve social issues through the use of aluminum**

[ASI certification obtained^{*2} (March 2022)]



Performance Standard (PS):
Obtained certification in relation to **ESG requirements**



Chain of Custody (CoC) Standard:
Obtained certification in relation to **production, procurement, and use in the supply chain**



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*1 ASI: The Aluminium Stewardship Initiative

*2 Obtained for Fukui Works and Rayong Works. Going forward, we plan to expand initiatives to other production sites within the Group

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The first concrete initiative is to join ASI.

The purpose of ASI's affiliation is as indicated here. We believe that this certification will further expand our contribution, as we can be listed as a condition of doing business with global companies.

Through ASI's activities, we will continue to contribute to improving the sustainability of society on a global scale, and to capture business opportunities.

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Major Policy 3.

: Support for TCFD Recommendations and Scenario Analysis of Climate Change Risks and Opportunities

Devising future environmental strategies based on scenario analysis

September 2021

Expressed support for the TCFD recommendations and participated in the TCFD Consortium

October 2021 to January 2022

Conducted climate change scenario analysis with the support of the Ministry of the Environment

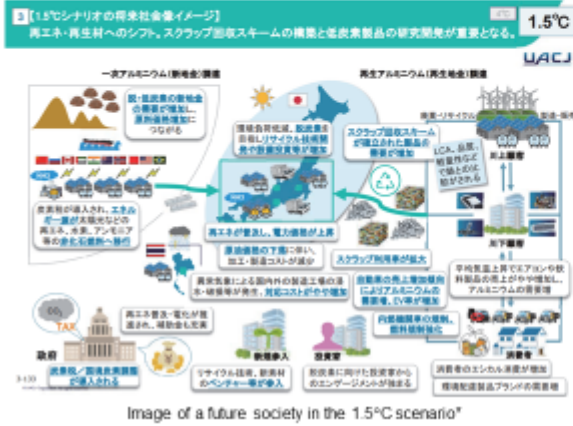


Image of a future society in the 1.5°C scenario*

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* Source: Ministry of the Environment "Recommendations for Business Strategy Planning Utilizing TCFD" (2021 version) https://www.env.go.jp/earth/strat/infocentral/mx01_20220418.pdf

Analysis of the 1.5°C scenario suggests a shift to more widespread use of renewable energy and recycled materials

Improve corporate value by implementing strategies that will become the core of the circular economy of aluminum products, such as:

- [Creating a scrap collection scheme at the earliest possible opportunity](#)
- [Conducting further research into recycling technologies](#)

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Next, we have identified strategies derived from the TCFD scenario analysis and are continuing our efforts to become the heart of the circular economy for aluminum products.

Major Policy 3. Contribute to Achieving a Lighter World: Make Full Use of Aluminum's Material Properties

Aluminum products can be reborn time and time again as the same aluminum product

Aggressively promote "closed-loop recycling" to enable end-of-life products to be regenerated into the same product, by leveraging the material properties of aluminum that make it easily recycled



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Aluminum has many outstanding properties among materials.

As represented by can-to-can, a typical example of a recycled material, it has this characteristic of being reborn as the same product over and over again without being discarded. This kind of can-to-can shows a proven track record. We are convinced that it is the most outstanding material with the potential to expand its variety.

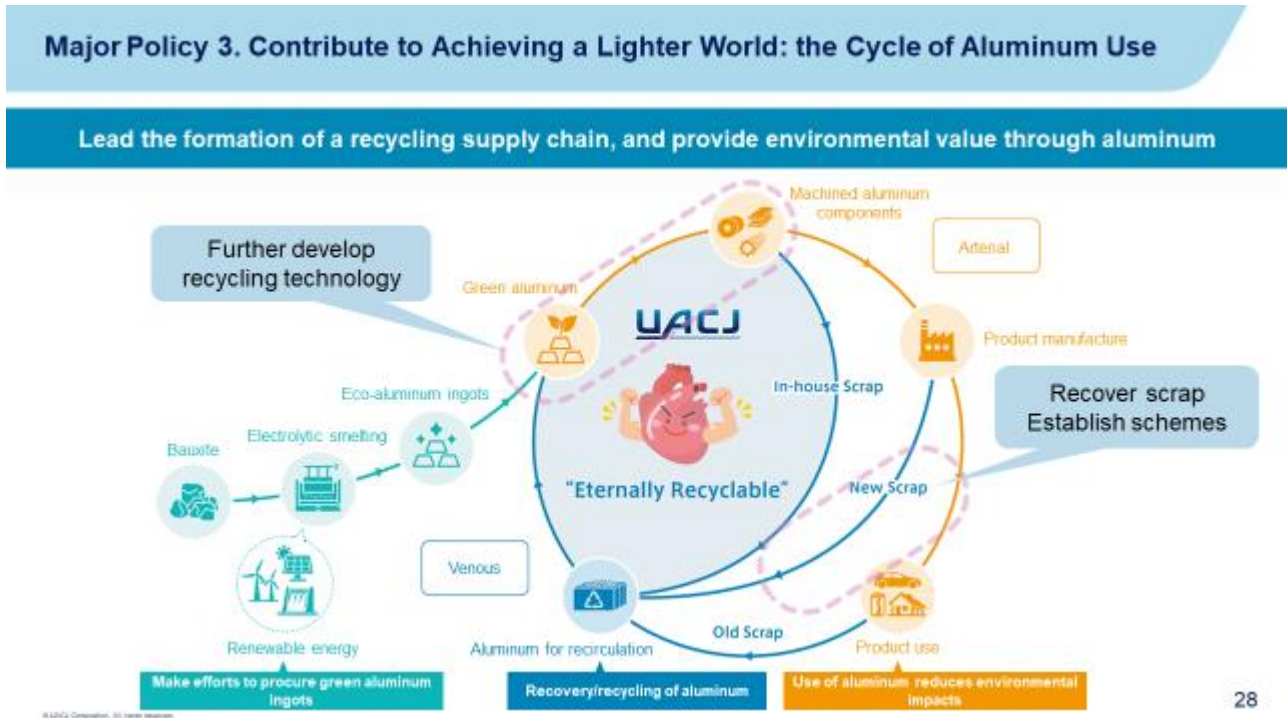
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We believe it is our role to expand the range of uses for aluminum, which can be transformed into the same aluminum product over and over again.



Aluminum, when utilized, can take advantage of product performance, especially energy savings, fuel savings, and high service life. The more it is used, the greater its value.

Then it comes back and is reborn. UACJ will be the heart of this cycle, and through competition with customers and other stakeholders, we will build a recycling loop, increase the recycling rate, increase the value of aluminum products throughout their lifecycle through the supply chain and value chain, and create a system where the value of their use is evaluated. By creating a system in which the value of aluminum products is evaluated, we will make a global contribution to reducing the environmental impact of the transition to an eco-friendly economy.

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Aluminum lightens the world

アルミでかなえる、軽やかな世界

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We hope you will look forward to the UACJ Group's contribution toward the realization of “Aluminum lightens the world.” And we look forward to your continued support.

This concludes my presentation. Thank you for your attention.

Ueda: Next, Mr. Masataka Taguchi, Chief Executive, Flat Rolled Products Division Senior Managing Executive Officer, will explain about the flat rolled products business.

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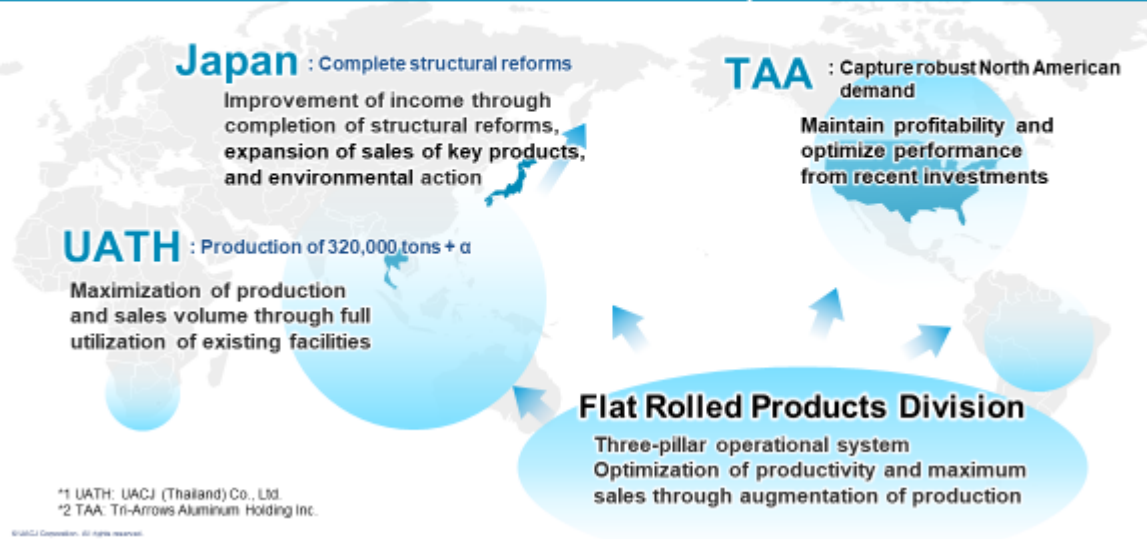
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Strengthening of Foundations for Growth: Regional Strategy and Group Strategy

Aiming to supply 1.5 million tons/year globally by leveraging our global supply system centered on three core pillars



2

Taguchi: Good morning, everyone. I am Taguchi of the Flat Rolled Products Business Division. Thank you for joining us today. I will talk about the current status and future of the flat rolled products business as a whole.

I will now talk about it according to the slides.

As Ishihara mentioned earlier, this is the strategy for the flat rolled products business as a whole, focusing on the three poles. And Japan and Thailand on the left side, first, Japan business will be leaner in 640,000 tons without major investment while completing structural reforms. Thailand was able to achieve 320,000 tons in FY2021 as a result of prior investment. To this, we will not make any major investments for the time being but will aim to reach 330,000 tons to ensure a profitable system.

North American TAA on the right. We have made an upfront investment here, but in 2017 and 2018, which has led to the current production increase, and as I will explain later, we have further determined that North America has the greatest demand, and we are considering the next investment specifically in this area.

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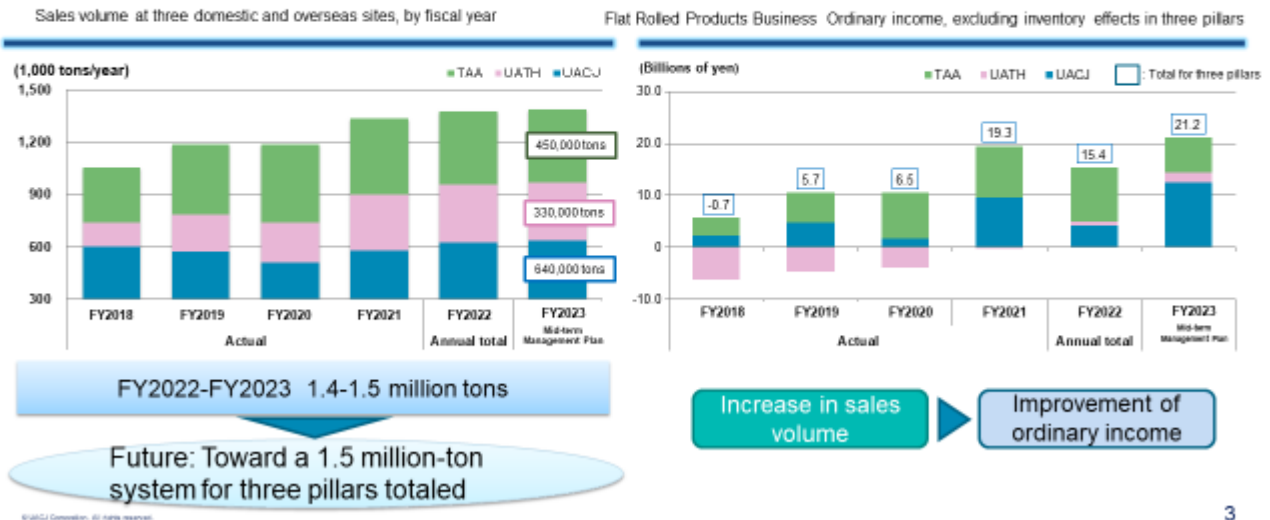
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Sales Volume and Ordinary Income for the Three Pillars of the Flat Rolled Products Business

Sales volume and ordinary income for the three pillars of the Flat Rolled Products Business increased against a backdrop of robust demand



3

The left side shows the sales volumes of the three poles.

It has been increasing from 2021, and we are aiming for a total of 1.42 million tons to 1.5 million tons in 2022 and 2023, with 450,000 tons from TAA, 330,000 tons from Thailand, and 640,000 tons from Japan, as I mentioned earlier.

The graph on the right, this is a graph of profit and loss.

Pink is Thailand. Thailand has been suffering from deficits for a long time but was able to achieve a total surplus in FY2021. Blue is TAA, and Green is Japan. In FY2021, we were able to achieve JPY19.3 billion, excluding inventory impact, and this figure is expected to drop in FY2022, but this will depend on the extent to which we can capture energy unit costs, which will be reported later. This figure assumes that about one-third of the cost can be recovered.

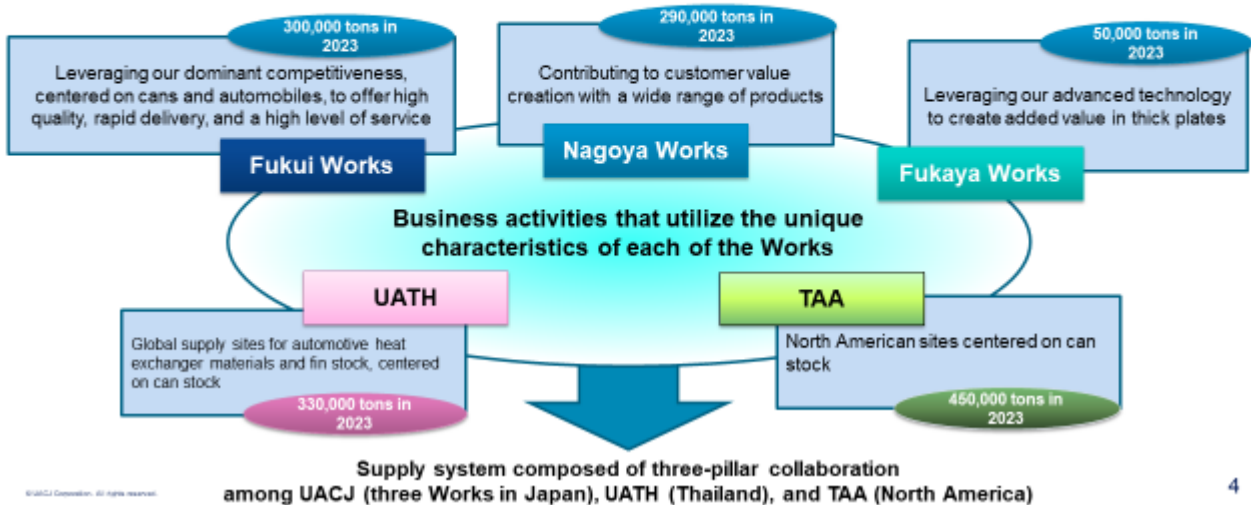
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Characteristics of Works in Japan, UATH, and TAA

Business development that utilizes our various product design capabilities and production capacity in a way tailored to our diverse range of customers and needs



4

I would like to talk a little more on these three regions, dividing the domestic market into three more manufacturing plants, and below that, Thailand, and North America, but I will mention on the domestic market a little more.

In Japan, there were initially four manufacturing plants, but the Nikko Plant completed its closure due to structural reforms and is now located in Nagoya, Fukui, and Fukaya.

Fukui will be a mass-production type company with an overwhelming production capacity, focusing on cans and automobiles. The Fukaya Works, on the far right, is currently being converted into a plant dedicated to thick plates. The plan was to handle all other products in Nagoya for a wide variety of products, and this is actually happening now.

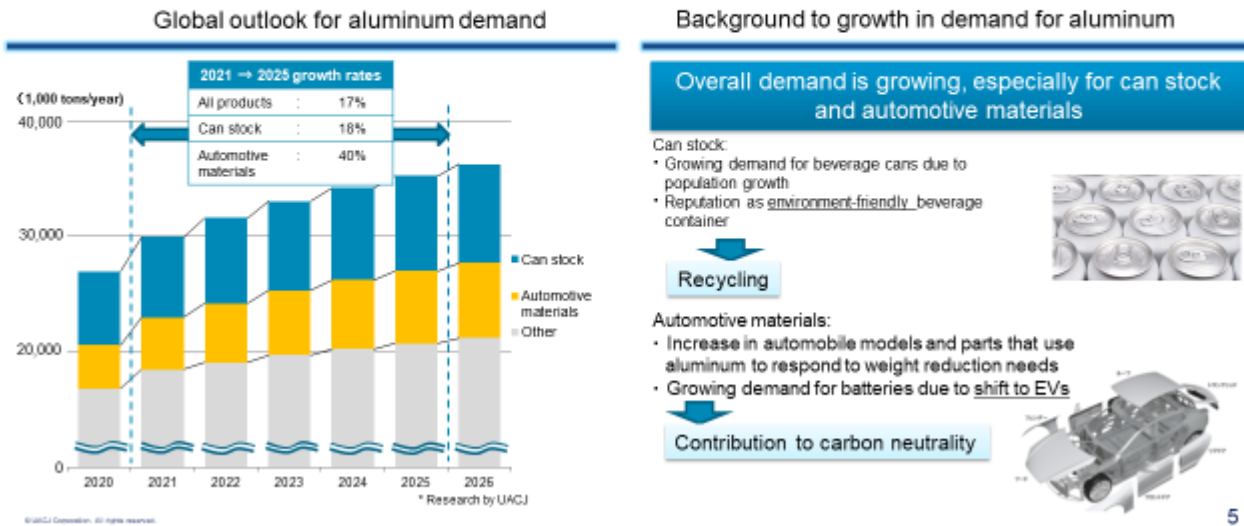
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Aluminum Market Conditions

Global demand for aluminum is growing year by year



This is the forecast of worldwide demand for aluminum.

We are now looking at 17% growth from FY2021 to FY2025 for all varieties. In particular, we now expect growth of 40% for automobiles and 18% for aluminum can materials.

On the right side, you can see the characteristics and why they are growing. Regarding aluminum can materials, as Ishihara mentioned earlier, can-to-can is an environmentally friendly container, and demand is growing, especially in North America. In addition, it means better recyclability.

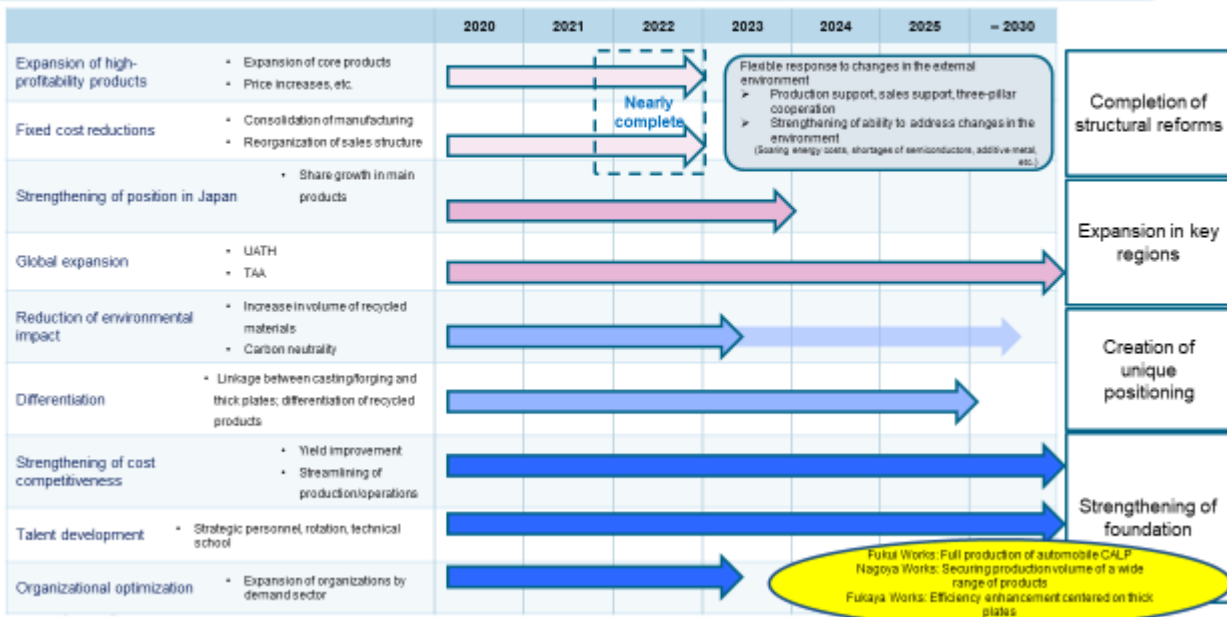
As you are already aware, automobile parts are increasingly replacing aluminum as the first choice for lightweight products. And the shift to EVs is progressing rapidly. Then, for EVs, batteries will also be made of aluminum foil, which will also grow. We believe that all of these will contribute to carbon neutrality.

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Roadmap for Mid-term Management Plan Measures



7

Next, let me talk a little more about our domestic business.

This is the medium-term plan of the flat rolled products business division, the third medium-term plan, so this is the status of the roadmap for the FY2021, FY2022, and FY2023. On the right, I have written that we will complete structural reforms in major areas, priority areas, and also unique positioning, which we will establish. That and strengthening the infrastructure. Here is a brief explanation of this.

The structural reform, as I mentioned earlier, is to close the Nikko manufacturing plant in Japan and to turn the variety I mentioned earlier into Fukaya and a manufacturing plant with such characteristics. The priority regions will be North America and Thailand, as mentioned earlier.

We will talk about our unique position. Contribute to society, not simply seek quantity. As the President mentioned earlier, we would like to contribute to the environment, especially the environment that can contribute to society.

And strengthening the infrastructure. As is natural for a manufacturing company, we are now proceeding almost according to plan in our pursuit of quality and productivity, with safety as our first priority.

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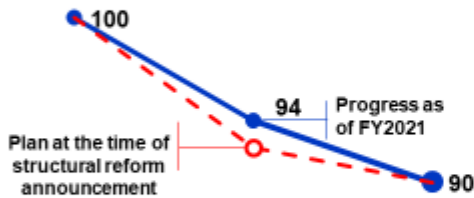
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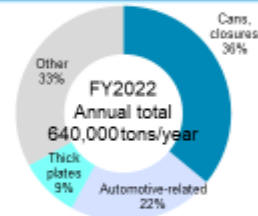
Japan: FY2022 Major Sales Policies

Gain earnings capability, and aim for total of 640,000 tons/year at three domestic Works with focus on core can stock, automotive materials, and thick plates

Change in profit/loss breakpoint (metric with FY2019 set to 100)



Domestic composition of products sold, and FY2022 policies for key products



Can stock	<ul style="list-style-type: none"> Promotion of both domestic and export orders. Promotion of recycling in collaboration with customers.
Automotive materials	<ul style="list-style-type: none"> Stable production at Fukui Works. Proposals for materials that reduce environmental impact. <p>* Risk factors: Closely watch impacts of semiconductor shortages and Shanghai lockdown</p>
Thick plates	<ul style="list-style-type: none"> Capture of strong demand for semiconductor manufacturing equipment. Capture of future fuel carrier demand.

8

On the other hand, in Japan, we talked about structural reforms, and one indicator of this is the break-even point. It is shown in the left side. This was planned in 2019, and taking that as 100, we will lower it by 10% by 2022. The blue line is the actual results, and at the end of FY2021, we are losing a little now, but we are almost on the planned line, and in 2022, 90% as planned.

This includes, of course, the consolidation of factories, but it also includes the pursuit of profitability and price optimization as a sales operation.

The right-hand side shows the product mix of the flat rolled products business in FY2022. 60% of the products are aluminum cans and automobiles, and 70% are thick plates, which are also growing very fast right now. I will talk about it in a moment.

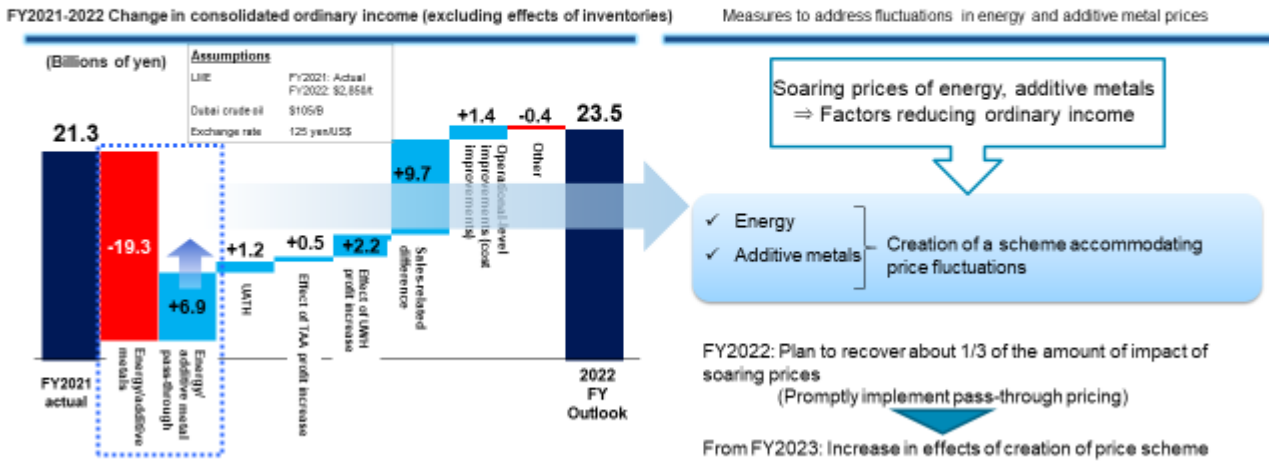
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Measures to Combat Soaring Prices of Energy and Additive Metals

Review of pricing methods to address fluctuations in additive metal, energy prices



9

And I would like to talk a little bit about why we have to do this energy transfer, and I would like to talk a little bit about that in terms of profit and loss.

The leftmost figure, JPY21.3 billion, is the actual results for the entire company excluding the inventory impact in FY2021, which is JPY19.3 billion, and if additive metals and energy in the entire company continue at this level for a long time, the impact will be JPY19.3 billion.

It is fluctuating slightly now, but if it does, there will be almost no more profit. We would like to transfer at least one-third of this amount, JPY6.9 billion, as a first step. We will naturally keep any further activities. We are now thinking of JPY23.5 billion, excluding inventory effects, after adding improvements to the existing inventory.

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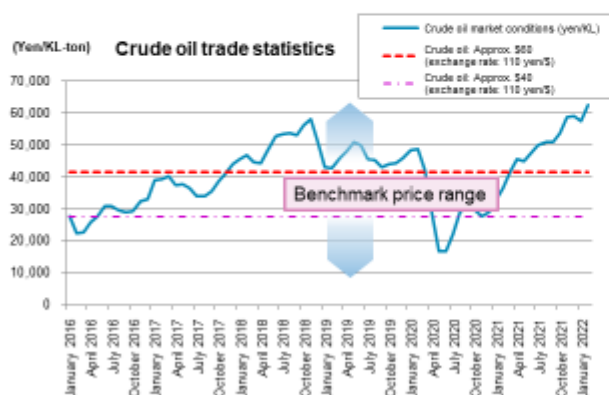
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Introduction of Energy Surcharge System

Introduction of mechanism to add the cost increase/decrease due to market energy price fluctuations to the product roll margin

About the energy surcharge system



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- (1) Target products
 - Aluminum plate products: All products
- (2) Benchmark prices
 - Use of Ministry of Finance trade statistics for crude oil and LNG
 - Historical average of \$40-60/barrel for crude oil as the level borne by our company
 - Reflection of increase from our company's borne level into transaction prices
- (3) Pricing period for applied prices
 - Price revision period will be adjusted through agreement with customers and revised quarterly or semi-annually.
- (4) Starting period
 - Sequentially from July 2022

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Next, I would like to talk a little bit next about how to transfer energy and added metals.

This is just one example, but electricity is linked to crude oil and LNG. This graph shows the trend of crude oil, which is now continuing to rise sharply.

We have attached a certain baseline, and this is important, but up to that baseline, UACJ will bear the cost up to the baseline, and the cost beyond the baseline will be passed on. However, we have begun negotiations with the stance that if the price drops, we will pay it back.

We are now working vigorously to pass this on by carefully negotiating, with the goal of July and the second half of the year.

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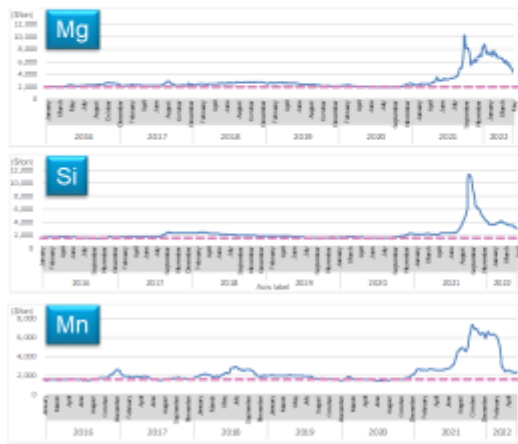
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Introduction of Additive Metal Formula System

Introduction of mechanism to add the cost increase/decrease due to additive metal market fluctuations to the product roll margin

About the additive metal formula system



Standard price

Standard price

Standard price

- (1) Targets for pass-through pricing
 - Three elements: Mg, Si, Mn
- (2) Standard prices
 - ① Use "Asian Metal" as metric for market price determination
 - ② Passing on of increase, based on market price of each element before price hike
- (3) Pricing period for applied prices
 - Price revision period will be adjusted through agreement with customers and revised quarterly or semi-annually.
- (4) Starting period
 - Sequentially from April 2022

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* Mg, Si, Mn prices: UACJ research

11

This is an additive metal. This also has magnesium at the top and silicon and manganese at the bottom. Silicon and manganese have recently dropped, but manganese is still at a high level.

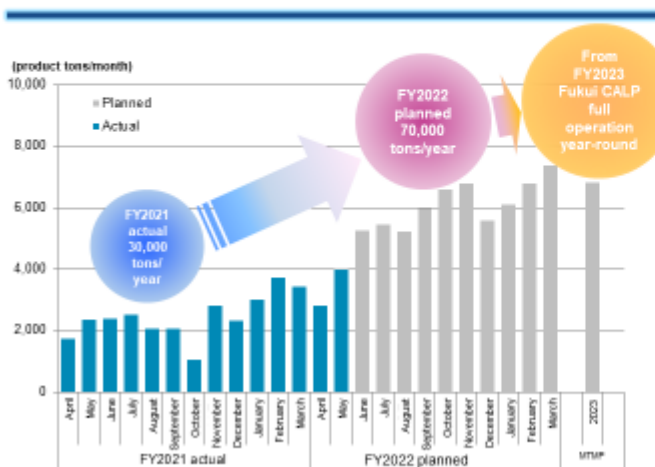
We are negotiating a formula system, which is basically the same concept, where the amount raised is linked to the price, which we call a formula system. We have determined that we almost acquired our customers' understanding and will be able to pass on the price.

Consolidation and Effects of Fukui Works Automotive Materials Production

Fukui CALP consolidation of automotive materials will be completed during FY2022

Fukui Works Automotive materials production

➤ Through consolidation of Fukui Works automotive materials production ...



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Fukui Works

Provision of quality, delivery, and service through overwhelming competitiveness centered on cans and automobiles

Nagoya Works

Contribution to customers' value creation through wide-ranging products

Fukaya Works

Creation of added value for thick plates through advanced technology

Production structure that leverages characteristics
Maximization of production capacity and value provided

12

For automotive, we have built a large facility called CALP in Fukui, Japan, and we have been in the process of transferring the entire facility from Nagoya and Fukaya to Fukui. The equipment has long been up and

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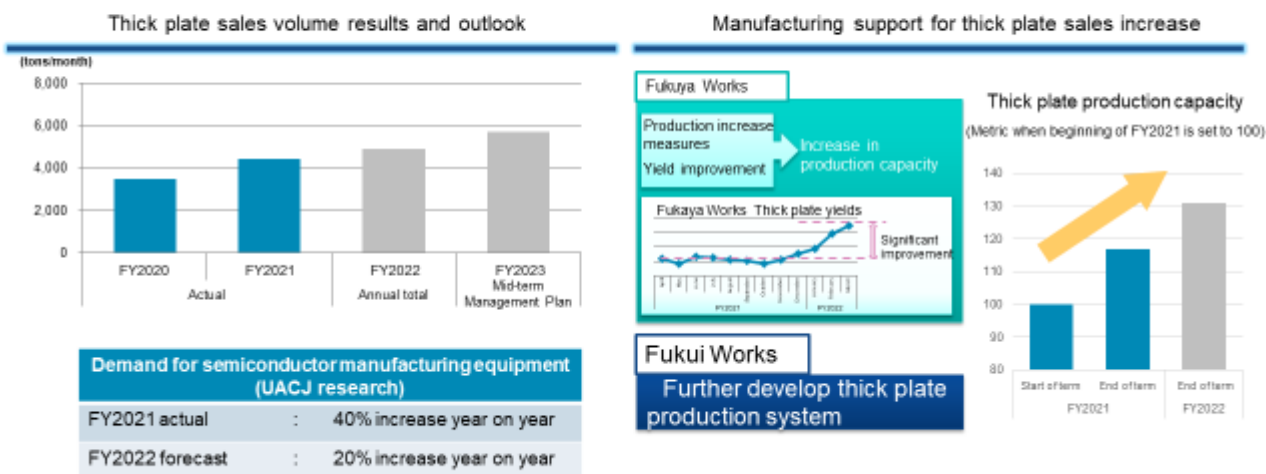
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running, but there was a problem with certification, and certification was delayed in various ways due to customers, but it is now almost complete.

On the other hand, although the volume of orders has been decreasing due to the recent shortage of semiconductors, recent information suggests that the lockdown in Shanghai will gradually improve from around the end of June, and we believe that we will be able to achieve the full annual volume of over 80,000 tons this fiscal year, almost as planned.

Creation of a Structure for Increased Production of Thick Plates

Significant improvement of thick plate production capacity to meet strong demand for semiconductor manufacturing equipment, fuel carriers, etc.



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13

I mentioned earlier those thick plates will grow in the future. Thick plates are used in semiconductor manufacturing equipment. It is also used in the liquid crystal industry, but the liquid crystal industry is not growing that much at the moment, but semiconductor manufacturing equipment is growing rapidly.

The second from the left in the bar chart shows FY2021, which grew 40% compared to FY2020. Furthermore, we believe that the market will continue to grow by 20% in the future. On the other hand, the Fukuya Works, which is now a dedicated thick plate plant, has been making progress in its improvement activities, and the data in the middle shows the yield rate, which has increased by 10% through various steady activities. The capacity has also increased by about 30% as of now. We would like to respond to this demand by making it possible to produce thick plates in Fukui.

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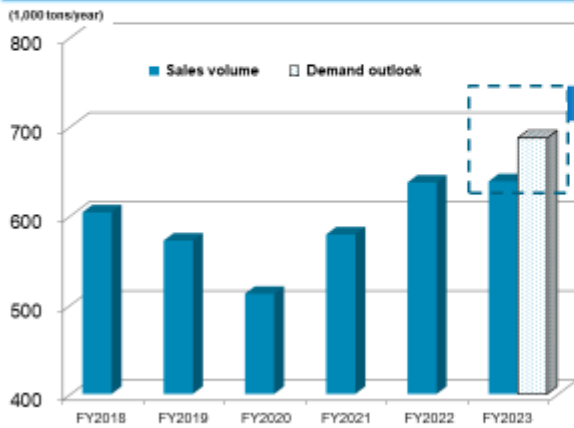
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Outlook

Strong demand expected to continue from FY2023

Sales volume and demand outlook through 2023



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Efforts toward profit maximization

Demand outlook > Capacity limit → Optimization of sales and production composition

- (1) Capture of demand for core can stock and automotive materials
- (2) Capture of strong demand for semiconductor liquid crystal manufacturing equipment
- (3) Correction of low-profit products and depressed prices

For FY2025, FY2030

Maximum capacity utilization × Production and sales optimization = Profit maximization
(Efficiency improvement, lot improvement, sales optimization, etc.)

Risk factors

- Semiconductor shortages
- Pandemic effects

Continue to closely watch supply chain disruptions

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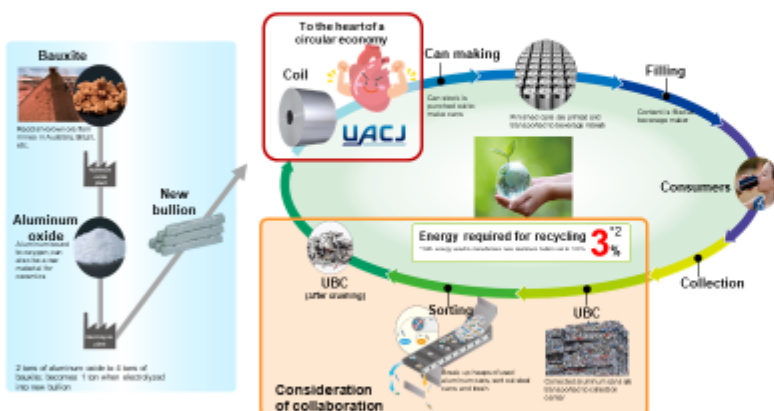
This is the overall demand for aluminum in Japan in FY2023.

We mentioned 640,000 tons at the beginning of this report, but the reality is that the most recent information indicates actual demand in the latter half of 600,000 tons, or 670,000 to 680,000 tons.

We will not make a large investment in this area, but we will make a series of improvements while maintaining a certain degree of selection and concentration and keeping prices at an appropriate level, and we will follow up with a large investment in this area of 640,000 to 650,000 tons for the time being.

Initiatives for Sustainability

Contribution to the establishment of closed-loop recycling for aluminum cans



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➢ Conclusion of basic agreement with Yamaichi Metal Corporation for collaboration on UBC^{*1} processing

➢ Long-term management vision "UACJ VISION 2030"
Goal is to contribute to CO₂ reduction and environmental impact reduction during product life cycle

➢ Increase UBC usage volume; connect this to recycling promotion and increased CAN TO CAN rate

^{*1} UBC: Used Beverage Can

^{*2} Calculated from values in VISION 2050 (Japan Aluminium Association)

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For sustainability, as the President mentioned earlier, this is a picture of a cycle centered on canned materials.

The coils made at our company go to aluminum can makers, then to beverage manufacturers, and then to UBCs, which collect disposable aluminum cans, sort them, roast them, and crush them. We are in the process of discussing with Yamaichi Metals to enter into this field and become the heart of a circular economy, and we are now moving forward with this in a concrete manner.

Obtaining ASI Certification

First Japanese aluminum rolling manufacturer to acquire ASI certification (Fukui Works, UATH)

What is ASI?

- ASI is a certification body for the maximization of **aluminum's contribution** to a sustainable society
- ASI aims for the **joint promotion** of responsible production, procurement, and management of aluminum



As an internationally recognized ESG compliant company, we will aim to:

- Contribution to enhanced sustainability of society
- Secure customer trust
- Gain business opportunities

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Lastly, as the President mentioned, we were able to obtain ASI certification in Thailand and Fukui, the first time this has been done in Japan.

That is all, aluminum is a really necessary alloy and metal in today's world. I will replace my presentation by saying that we will continue to respond to that more and more as a flat rolled products business project.

Thank you very much for your time today.

Ueda: Next, Mr. Koki Inagaki, Representative Director & President of UACJ (Thailand), will explain our overseas business in Thailand.

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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



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Inagaki: I am Inagaki, President of UACJ (Thailand). I have served as president since April of this year. Thank you.

I will start my presentation. First of all, let me give you an overview of UACJ (Thailand).

It has been eight years since it began operations in 2014. Last year, we achieved our long-sought corporate plan of 320,000 tons of annual sales volume.

Main products are aluminum can materials, automotive heat exchanger materials, and fin materials for air conditioners. We also produce and sell general materials in small quantities. As the only full-scale aluminum rolling mill in ASEAN, the Company sells its products from Thailand to 26 countries. As the UACJ Group's core plant in the Southeast Asia region, we will strive to increase sales on the back of strong demand as part of our three-pole structure.

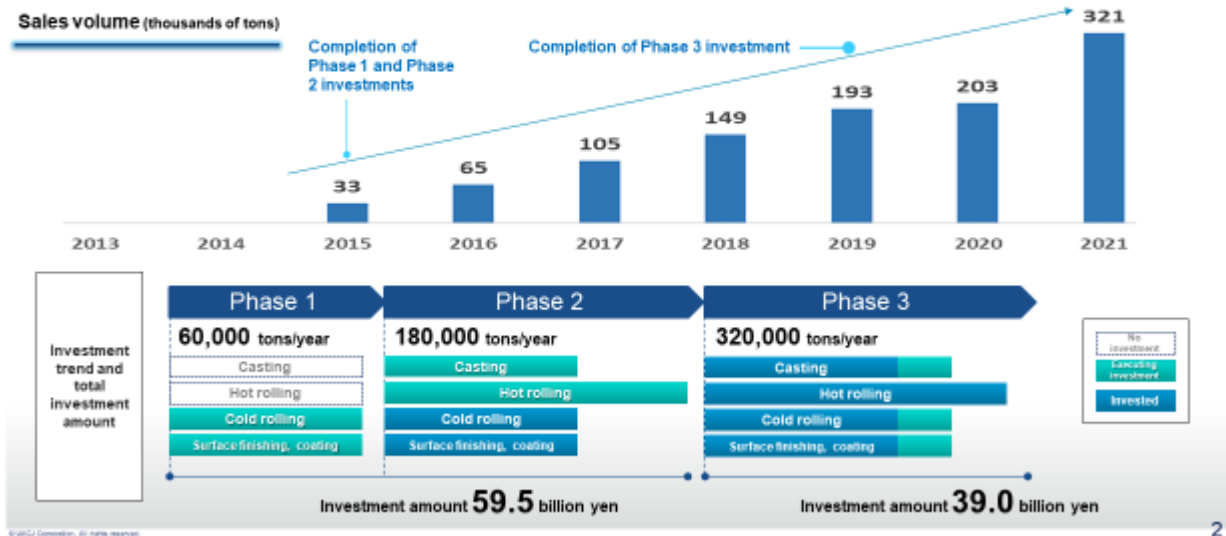
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1-2. UATH's Investment and Sales Volume

Seeking steady growth through capturing robust demand



Shown here is the status of facility expansion and sales volume since the first phase in 2012, when construction began.

With the third phase of start-up completed in 2019, the investment in can production facilities has been completed for casting, cold rolling, and surface treatment, completing the expansion of facilities to meet an annual sales volume of 320,000 tons.

In 2020, the market was cooled by the coronavirus disaster, which affected sales volumes. In 2021, although the effects of the coronavirus disaster remained, the strong performance of the rapidly recovering market allowed the annual sales volume to exceed 300,000 tons for the first time, reaching the corporate plan of 320,000 tons.

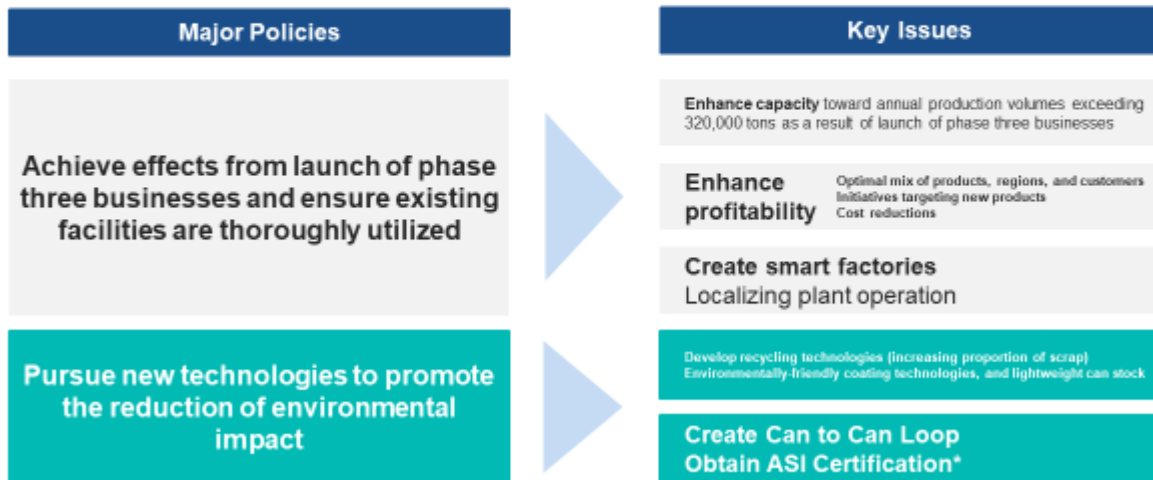
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2. UATH' s Major Policies and Key Issues

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



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This presentation will focus on the current mid-term plan, which started in 2021.

We are tackling each issue with the aim of realizing a UATH with a strong presence based on the completion of recycling-oriented manufacturing that can contribute to a sustainable society.

The first is to realize the benefits of the three-phase start-up and maximize the use of existing facilities. We will increase the production capacity of our existing facilities to capture strong demand without making large investments. To this end, we will work on improving production efficiency, further improving yield rate, and increasing operational efficiency through the smart factory.

Second, we are working to reduce our environmental impact. It is an important issue to establish a can-to-can closed loop and expand the demand for recycled materials in conjunction with the development of technologies to improve the recycling rate. This year, with the acquisition of ASI certification, we will take more responsibility as a member of a company trying to build a sustainable society.

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3-1. Sales Strategy

<p>✓</p> <p>01</p> <p>Increase regional market share as one-of-a-kind mill in Southeast Asia</p>	<p>➤ Aim to expand sales in the US and Asia</p> <ul style="list-style-type: none"> ✓ 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) <p>➤ Establish can stock recycling loop</p> <ul style="list-style-type: none"> ✓ 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 <p>➤ Profit improvement</p> <ul style="list-style-type: none"> ✓ Seek to expand profits by passing on energy and other rising costs to customers and further increasing base prices
<p>✓</p> <p>02</p> <p>Refine competitive strengths as a global supplier and strengthen relationships with global customers</p>	<p>➤ Harness global three-pillar system to strengthen can stock sales</p> <ul style="list-style-type: none"> ✓ Maximally utilize our information and interpersonal networks from our global three-pillar system, strengthening relationships with global customers ✓ <u>Strengthen one-stop support by UATH, TAA, and UACJ</u> ✓ Appoint agents with strong local knowledge, expand agent pool ✓ Strengthen sales capabilities by cultivating global personnel <p>➤ Further strengthen direct sales systems</p> <ul style="list-style-type: none"> ✓ Enhance organizations, systems, and personnel training, including more actively utilizing local talent

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*TAA: Tri-Arrows Aluminum Holding Inc.

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We will explain the sales strategy that supports our mid-term plan.

We will focus on increasing our advantage as the only full-scale aluminum flat rolled manufacturer in the ASEAN region and increasing our competitiveness as a global supplier with customers in all regions of the world.

We will complement TAA in the booming North American aluminum can material market as a member of the global tri-lateral system. In parallel, we will strengthen our relationships with customers in other regions, especially in Asia, to capture growth in the region and maximize our ability to capture strong demand in each region. To this end, we will strengthen our sales capabilities by enhancing our access to information, including market trends in each region, and by developing global human resources.

In addition, we plan to introduce a sales-related support system in FY2022 to improve operational efficiency. With strong demand, we are negotiating with each customer to revise prices.

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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	→

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Let us explain the specific situation.

We expect the supply of aluminum can materials, which account for 80% of our sales volume, to remain tight in relation to increased demand. Sales of automotive heat exchanger materials are expanding in all regions, especially in North America, despite the impact of production cutbacks at automakers due to the shortage of semiconductors.

Demand for air conditioner fin materials is expected to continue to increase due to the effects of global warming. General materials are also beginning to be sold as components, albeit gradually, amid the trend toward weight reduction of automobiles in Thailand. With the understanding of our customers regarding the recent sharp rise in ocean freight rates, added metals, and sub-materials, we have been able to optimize our prices.

For new contracts in FY2023 and beyond, we are working on increasing base prices in addition to various cost pass-throughs.

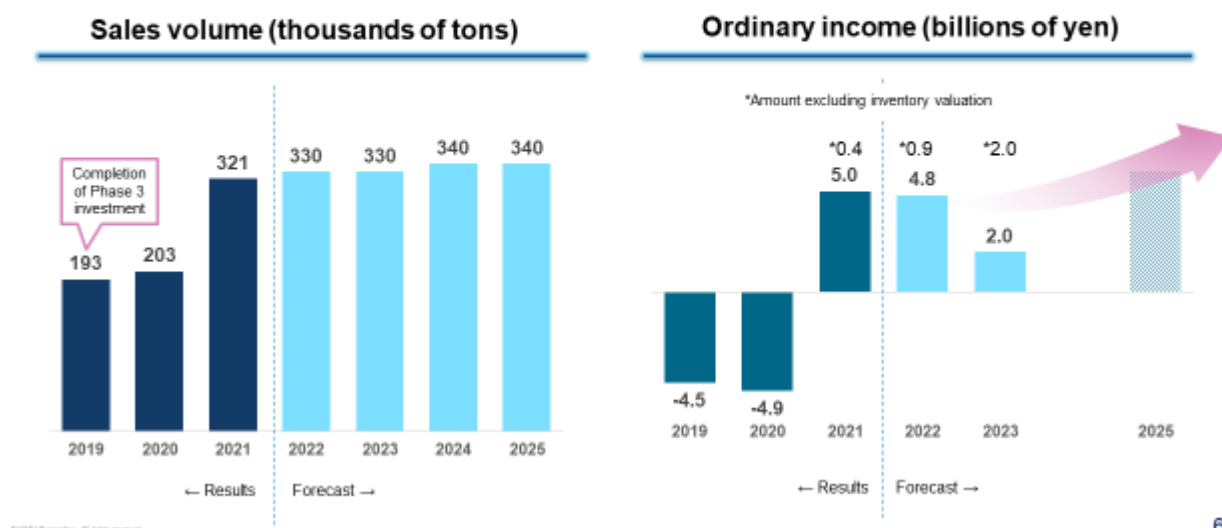
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4. Sales Volume and Ordinary Income Targets

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



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The following chart shows the annual sales volume and profit and loss from the completion of the third phase of the start-up until 2025, respectively.

The robust order environment from the previous fiscal year is expected to continue for the time being. We expect annual sales to increase to 340,000 tons by 2025.

To this end, we will make maximum use of our existing facilities and establish corresponding production capacity. As for profit and loss, in 2021, the Company achieved profitability for the first time since the start of operations due to strong sales volume as well as a favorable turnaround in inventory valuation.

Although there is a favorable turnaround in inventory valuation this year, we expect profits to be comparable to last year's, despite higher energy prices, on the back of sales exceeding last year's.

In 2023, we expect inventory valuation effects to subside, but earnings excluding inventory valuation are expected to increase due to volume effects and improvement measures.

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

	FY2022	Through FY2025	Through FY2030
Enhance productivity	<ul style="list-style-type: none"> ✓ Pursue improvement in yields ✓ Support production of 330,000 tons per year ✓ Enhance capacity for existing facilities 	<ul style="list-style-type: none"> ✓ Establish world-class productivity ✓ Establish production system for 340,000 tons per year ✓ Support maximization of existing facility capacity 	<ul style="list-style-type: none"> ✓ Pursue further, world-class productivity
Enhance profitability	<ul style="list-style-type: none"> ✓ Reduce costs ✓ Enter mobility-related products market ✓ Build global sales system 	<ul style="list-style-type: none"> ✓ Develop new products and enhance compatible facilities ✓ Negotiate sales prices ✓ Consider optimization of product mix 	<ul style="list-style-type: none"> ✓ Expand new product development and implement new facilities ✓ Complete optimization of product mix
Localization and shift to smart factories	<ul style="list-style-type: none"> ✓ Improve operational efficiency (Utilize IoT and improve systems) ✓ Transfer operations to locally hired employees ✓ Create educational systems for different levels and operations 	<ul style="list-style-type: none"> ✓ Complete smart factories ✓ Improve facilities and systems through utilization of IoT ✓ Establish localization of plant operation 	<ul style="list-style-type: none"> ✓ Promote digital transformation ✓ Promote reallocation of personnel
Environmental response	<ul style="list-style-type: none"> ✓ Obtain ASI Certification ✓ Develop recycling technologies ✓ Reduce CO₂ emissions 	<ul style="list-style-type: none"> ✓ Create recycling supply chain ✓ Bolster recycling facilities ✓ Reduce CO₂ emissions 	<ul style="list-style-type: none"> ✓ Complete recycling supply chain ✓ Achieve CO₂ emission reduction targets
Can to Can	<ul style="list-style-type: none"> ✓ Step 1 in creation of Can to Can Loop ✓ Utilize UBCs* 	<ul style="list-style-type: none"> ✓ Step 2 in creation of Can to Can Loop ✓ Expand shift to can stock closed-loop recycling within Thailand ✓ Improve recycling ratio 	<ul style="list-style-type: none"> ✓ Expand Can to Can Loop ✓ Create system for collecting UBCs* in neighboring countries ✓ Maximize recycling ratio

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*UBC: Used Beverage Can

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The following is a summary of issues and measures to achieve this goal. We have categorized the issues into five major categories.

We will systematically realize measures for each of these and link them to results. In terms of productivity, the production volume will correspond to an annual sales volume of 340,000 tons.

We are working to improve the efficiency of existing facilities, review control software, and improve yields. The transfer of work to locally hired employees will be promoted by adding a business support system in addition to enhancing the training system.

Regarding environmental responsiveness, we will strengthen our efforts by starting operation of solar power generation panels in FY2022 and enhancing recycling-related facilities.

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5-2. Status of Smart Factory Initiatives

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

<p>01</p> <p>Digitizing paper documents</p> <ul style="list-style-type: none">□ 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)	<p>02</p> <p>Automating production planning</p> <ul style="list-style-type: none">□ 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
<p>03</p> <p>Automating product design</p> <ul style="list-style-type: none">□ 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	<p>04</p> <p>Analyzing and utilizing image/video data</p> <ul style="list-style-type: none">□ Summary Automatically detecting abnormal activity by utilizing data from existing cameras, allowing for rapid, advance detection of quality anomalies.□ Target completion Q3 2023

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*MC: Manufacturing Instructions

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In the current mid-term plan, we have started a smart factory initiative to improve operational efficiency. We plan to achieve the functions we consider necessary at this time by FY2023.

Converting from paper to electronic media makes it easier to manage information in real time. In addition, by converting the entire plant to Wi-Fi, it will facilitate the collection of operational data, and the data can be used for more stable operations and improved quality.

Sales support systems will be introduced and linked to production planning systems and product design systems to reduce manual work and dependence on individual knowledge.

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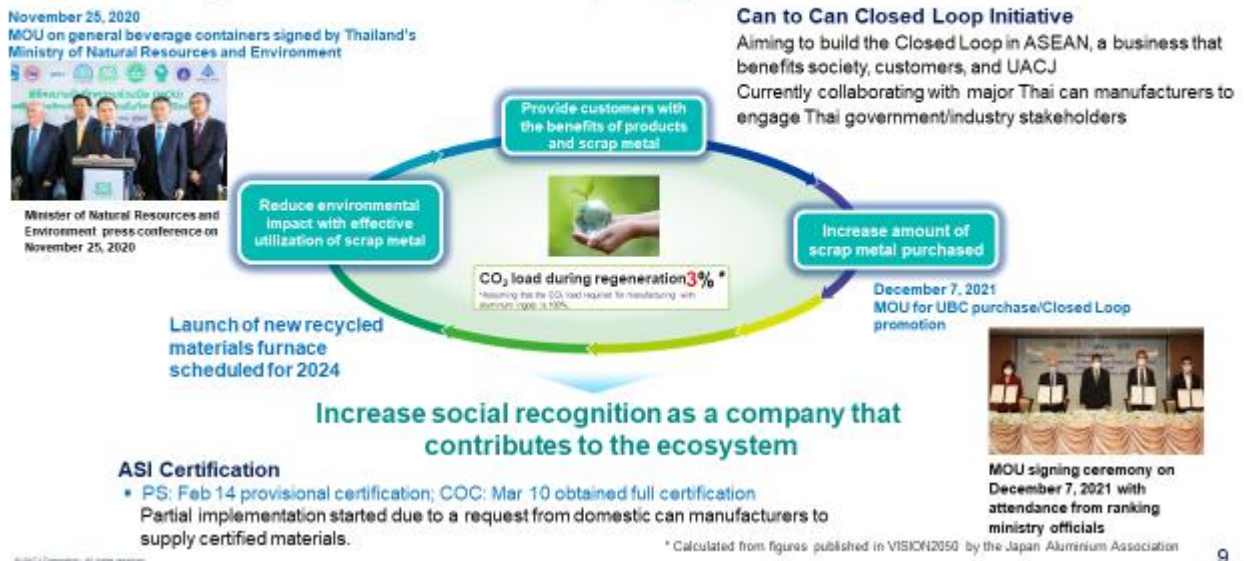
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6-1. Realizing a Sustainable Society

Leading the creation of a recycling initiative in Southeast Asia



It shows the efforts made over the past few years.

As the only aluminum can material production plant in Thailand as well as in the ASEAN region, horizontal recycling of aluminum can materials in Southeast Asia would not be possible without UATH. We will contribute to the realization of a sustainable society in Southeast Asia.

To promote horizontal recycling of aluminum can materials, we are expanding the number of dedicated furnaces with the aim of starting operation in FY2024. This is expected to increase the recycling rate even more than before.

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6-2. Reducing CO₂ 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 m² (around 1.9x the size of Tokyo Dome (46,755 m²))
Generates power equivalent to annual consumption of approx. 7,600 households

Power generated

Approx. 25,000 MWh/year

CO₂ reductions

Approx. 14,000 ton-CO₂/year



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

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Last year, as a measure to reduce CO₂ emissions, I told you about the introduction of one of the world's largest roof-mounted solar power generation systems, and the largest in Southeast Asia. The facility was completed at the end of May, with trial operation beginning this month in June and full-scale power generation starting in October. The UACJ Group will contribute to the reduction of CO₂ emissions.

This concludes my report on UACJ (Thailand). Thank you very much.

Ueda: We will now take a break. Please note that the second half of the program will start at 10:00 AM.

[END]

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