



Sustainability Report  
**2016**



The UACJ Group has formulated the UACJ Group Vision for the Future, setting forth a clear direction for moving forward, and has developed the Global Step I Mid-term Management Plan for achieving Vision for the Future objectives.

To achieve the goal of being a globally competitive player in the aluminum industry, we aim to bolster our capabilities in terms of management and operational fundamentals, increase our competitiveness, and ultimately realize sustainable growth by enhancing our capabilities in each of our businesses and advancing our CSR activities.

### Objectives

- To be a global company respected by all stakeholders, and capable of coexistence and continuously evolving
- To be a global company that is appreciated and valued by customers worldwide
- To be a global company that appropriately develops and supplies products suited to the characteristics of local regions

### Vision

**Becoming an aluminum industry leader in a competitive global market**

### Major Policies of Vision for the Future

- Proactively expand in growth fields and markets around the globe
- Improve cost competitiveness through restructuring
- Develop revolutionary technologies and products

### Major Policies under the Global Step I Mid-term Management Plan

- 1** Expand growth products in the transportation field - focusing on automobiles - and the energy field, and strengthen business in growth regions such as Asia
- 2** Construct an optimal production network for each business sector utilizing the synergies created through unification
- 3** Develop unique technologies and products by applying our vast technological prowess to fundamental research

Below are discussions of the main initiatives we undertook in fiscal 2015 for the benefit of the environment, society, and governance.

## TOPIC 1

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### **Unified, Relentless Pursuit of Compliance**

At the UACJ Group, compliance education includes distribution of the full and abridged editions of the Group Code of Conduct - which establishes rules of behavior that all executives and rank-and-file employees must follow - plus department-level seminars. Furthermore, we conduct job-level training and legal and regulatory education in which compliance is the main topic.

In addition to Japanese, we have prepared the Group Code of Conduct in eight local-language editions, including English, Chinese, and Thai, for the employees of overseas Group companies. We have posted all versions of the Group Code of Conduct on our intranet as part of our ongoing effort to promote consistent understanding of it globally throughout the UACJ Group.

The UACJ Group believes that rigorous compliance is indispensable for continuing to operate as a corporate group trusted by society, and we are unified in our commitment to compliance going forward.

[Completed Editions of the UACJ Group Code of Conduct]

Japanese, English, Chinese, Czech, Spanish, Thai, Vietnamese, Indonesian, and Brazilian Portuguese

## TOPIC 2

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### **Pursuit of Sound, Highly Transparent Corporate Management**

At UACJ, we recognize the importance of soundness and transparency in management and constantly strive to enhance our corporate governance.

In fiscal 2015, our efforts to enhance corporate governance included the addition of a second independent, outside director to join Mr. Toshio Suzuki. Ms. Ryoko Sugiyama brings to the board a wealth of experience as a university professor and as a member of the boards of other corporations.

In addition, we undertook a thorough self-examination of our compliance with Japan's Corporate Governance Code, which was implemented in June 2015, and determined that among the 73 principles - 11 principles requiring disclosures and 62 other principles - there were none that we have not



implemented. Regarding the 11 principles requiring disclosures, authorization by the Board of Directors was gained and disclosures were made in the corporate governance report dated November 30, 2015. Going forward, we will periodically review our implementation of the principles contained in the Corporate Governance Code.

UACJ is committed to the pursuit of highly transparent, sound corporate management to realize increases in corporate value over the mid-to-long term and continue benefiting stakeholders.

## TOPIC 3

### **Governance Roundtable of Outside Directors and Audit & Supervisory Board Members**

In August 2016, outside directors and outside Audit & Supervisory Board members (outside officers) gathered for a roundtable discussion on UACJ's governance system and key management issues.

At UACJ, outside officers, of course, participate in board discussions of important matters, such as overseas M&A, that could significantly impact the company's future. But they also examine the vetting processes, and conditions with regard to consensus formation, that shape matters taken up by the Board of Directors. As a result, UACJ has been praised for the smooth progress it has achieved in the ongoing process of melding the management and governance organizations of the companies that merged to form UACJ only three years ago.

To further strengthen our governance, outside officers believe that UACJ must do more to promote understanding of the importance of corporate governance in all parts of the UACJ Group and that organizational steps must be taken to increase the effectiveness of governance. Furthermore, outside officers have suggested that achieving ongoing growth as a global leader in the aluminum industry will require two things - enhancement of human resource development and diversity to augment global management capabilities, and further strengthening of overall technical capabilities. The opinions of outside officers are greatly valued and will be thoroughly incorporated in our management going forward. \*  
For more details, please refer to [UACJ Report 2016](#).



### TOPIC 1

### Sharing Manufacturing Prowess to Promote Overseas Industrial Development

The Rayong Works of UACJ (Thailand) Co., Ltd. (UATH) was opened in 2014 in response to rapidly growing Asian demand for aluminum. With annual production capacity of 180,000 tons, the Rayong Works is an integrated facility able to handle everything from the production of ingots, to hot rolling, cold rolling, and finishing.

In preparing to begin operations at the works, we paid special attention to the training and education of local employees. To instill UACJ's principles regarding manufacturing work, transfer practical know-how, and foster a feeling of unity as employees of the UACJ Group, we invited 35 Thai interns to one of our Japanese works in 2012. Under the guidance of dedicated instructors, these interns received practical hands-on training, and instruction in safety and other topics. Aiming to have the Rayong Works operate entirely with local employees in the near future, we continue to increase the level of on-the-job training local employees receive from their Japanese counterparts.

Thailand is presently undergoing an expansion in manufacturing, and, as indicated by the wide media coverage of the November 2015 UATH opening ceremony, much is expected for UATH. Our intent for UATH is not to have it simply emulate manufacturing in Japan; rather, we intend to contribute to the development of Thai manufacturing by promoting the establishment of a manufacturing culture that is suited to local customs and values, and helps local employees refine their manufacturing capabilities.



Rayong Works of UACJ (Thailand) Co., Ltd.



Integrated production began at UATH in August 2015

## UACJ Group Safety and Health Activity Presentations as a Forum for Group Members to Compete on Safety

The UACJ Group makes employee safety, hygiene, and health the top priority in everything it does and advances safety and health activities with participation by all employees.

Together with the birth of the UACJ Group, we began, in fiscal 2014, to hold UACJ Group Safety and Health Activity Presentations to more prominently promote safety and health activities. These events serve as a forum for exercising Group-wide synergy in having individual business locations share their discoveries and ideas on safety and health. At the third iteration of this event, in July 2016, 13 teams from 12 UACJ Group business locations gave presentations on their safety and health initiatives and what they achieved. In the end, a presentation by the Nagoya Works on how identifying the true causes of a problem can start with a simple conversation was selected as the overall winner.

With Group members pressing each other on in this way, every day is a day for improving safety and health at the UACJ Group.



UACJ Group Safety and Health Activity Presentations

### Most Outstanding Presentations

	Topic	Team
2014	Our safety activities (Identifying hidden work and assessing risks)	UACJ Nagoya Works
2015	Safety activities in quality assurance (Using close calls to mitigate risk)	UACJ Fukui Works
2016	Conversation as a start for pursuing the true causes of problems	UACJ Nagoya Works

## Providing Aerospace Products of Exacting Quality from Globally Certified Works

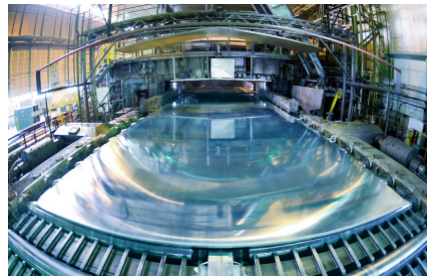
With a large-scale rolling mill 400 meters long and 4.3 meters wide, and other manufacturing equipment ranking among the world's largest, the Fukui Works turns out highly sophisticated products with unwavering quality and is UACJ's flagship manufacturing location.

The aircraft and rocket components produced by the Fukui Works must meet exacting quality standards set for ensuring performance in the harsh conditions of space and are made by only manufacturers that have passed a rigorous certification process. The Fukui Works is the first Japanese aluminum product manufacturing facility to earn the aerospace industry's AS9100 global quality certification. It is also the first Japanese aluminum product manufacturing facility to earn the NADCAP accreditation, a global certification with strict requirements concerning ultrasonic flow detection and other special processes.

By maintaining facilities compliant with some of the world's most rigorous certification requirements, and providing components that meet stringent quality standards, we are making an important contribution to the development of the world's aerospace industry.



Melting furnace



Rolling mill



Stretcher



## TOPIC 1

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### **Strengthening the Global Production System for Aluminum Panels Contributing to Greater Automobile Fuel Economy**

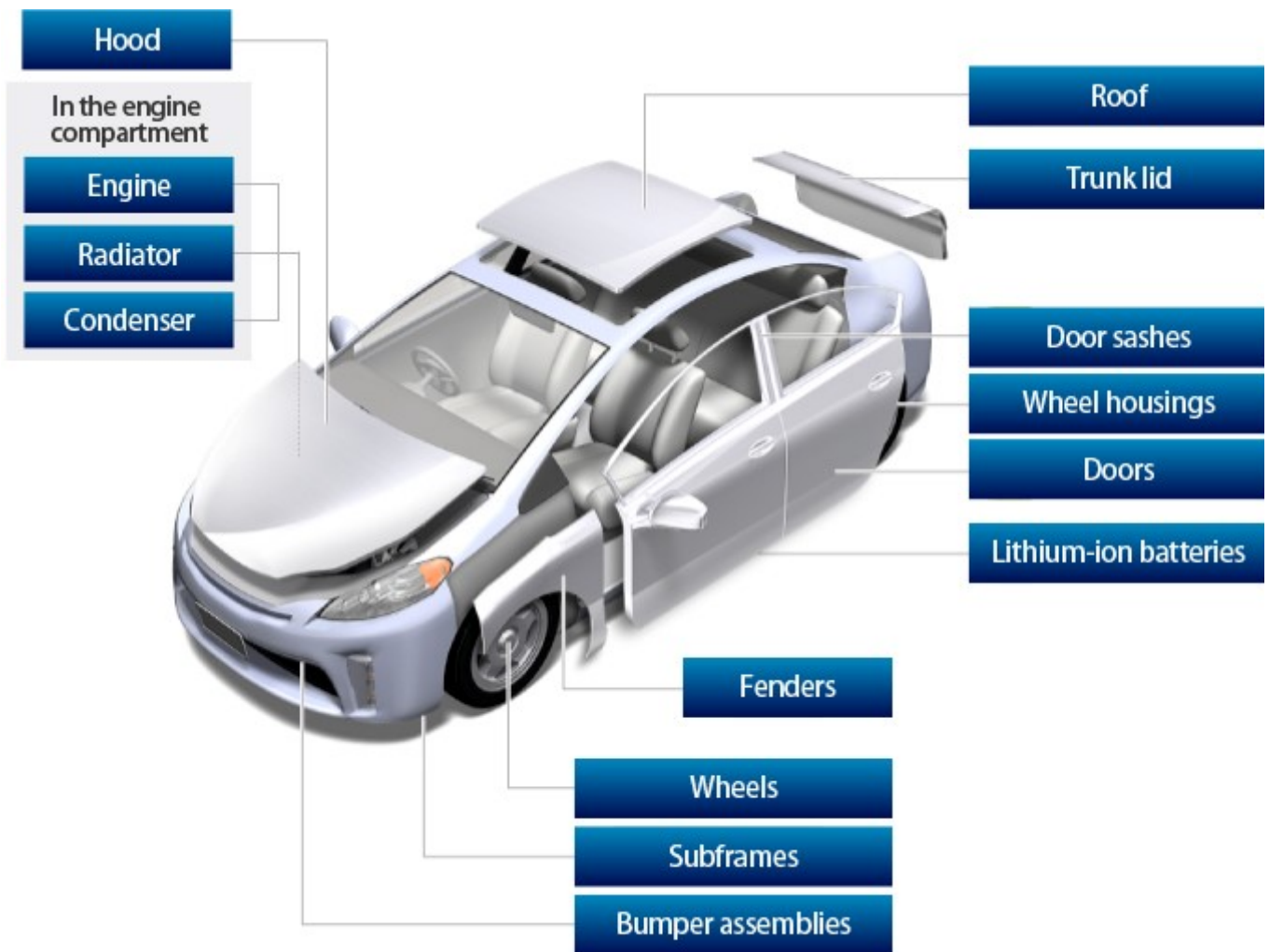
The automobile industry, given heightened market awareness of global environmental problems, believes that making automobile bodies lighter is critical for reducing emissions and improving fuel economy. Attention, therefore, has focused on aluminum, which has a specific gravity of only about one-third that of iron or copper. Demand for this lightweight material, for use in automobile body panels, came to around 500,000 tons in 2015 and is expected to grow to about 1.5 million tons by 2020.

Responding to this expected demand expansion, UACJ and Constellium NV, a major European manufacturer of aluminum products, established a joint venture, Constellium-UACJ ABS LLC, in the U.S. state of Kentucky in December 2014 to manufacture and sell aluminum materials for automobile body panels. Operations at the new company began in June 2016.

In addition, as aluminum is coming into greater and greater use not only for body panels but also as a material for structural and other components, we acquired a leading US manufacturer of aluminum products in March 2016. With the additional step of establishing UACJ Automotive Whitehall Industries, Inc., we have taken our first step in the establishment of a production system in North America.

By rapidly responding to growing needs, as discussed above, we will help to reduce the impacts of automobiles on the environment.

## Examples of How Aluminum Is Used in Automobiles



### TOPIC 2

## Using Our Advanced Technical Capabilities to Support the Distribution of Energy

With CO<sub>2</sub> emissions, from combustion, 20% to 40% lower than those of petroleum and coal, LNG (liquefied natural gas) has gained significant attention as an energy source with a low environmental burden. Shale gas, natural gas extracted from layers of shale hundreds of meters underground, is one source of gas that is processed into LNG. Thought to exist in massive quantities, and expected to be a highly economical fuel for generating electricity, shale gas is being viewed as a key energy resource going forward.

LNG is made by cooling gas to -162°C to liquefy it. It is often transported by loading it onto tankers equipped with gigantic spherical tanks, each one of which has a diameter 40 meters and a capacity of 1,000 tons. These LNG tanks are made with aluminum plates at least 150 millimeters thick. For toughness and the ability to resist becoming brittle at extremely low temperatures, no metal is better than aluminum.

UACJ is the only company in Japan capable of making the enormous aluminum plates used to manufacture LNG tanks. Having the large-scale facilities and advanced technology required to do this work, we are proud to be able to contribute to the safe marine transport of clean energy.



Spherical tanks made of thick aluminum plates

LNG carrier

### TOPIC 3

## Participation in a National Project for Better Fuel Economy in Transportation

Reducing the weight of automobile and train bodies, and airframes, is critical for achieving greater fuel efficiency in transportation. UACJ, as a participant in NEDO's (New Energy and Industrial Technology Development Organization) Research and Development Project for Innovative Structural Materials, is engaged in the development of new manufacturing technologies for aluminum, a material expected to play a significant role in achieving needed weight reductions.

The overall purpose of this project, which has the backing of the Japanese government, is to perform R&D on aluminum, titanium, magnesium, and other lightweight materials, and on joining technologies for these materials, with the ultimate goal of producing vastly lighter automobiles, aircraft, and railway cars. UACJ is leading the development of manufacturing processes for aluminum materials, which offer lower costs and higher performance than alternative materials.

Based on the judgment that existing aluminum manufacturing processes have reached their limits in terms of efficiency, we are conducting research aimed at the practical implementation of a new smelting method applying ionic liquids. This approach enables the room-temperature production of aluminum alloys, which include elements with high melting points. As such, it would eliminate the need for the enormous volumes of electricity traditional production processes need for heating. Through this research, we expect to be able to greatly contribute to efforts to lower the environmental impacts of transportation by reducing vehicle and aircraft weights.

## Basic Concept

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### Management Philosophy

“The UACJ Group strives to offer products and services deserving of our customers’ satisfaction and trust, and believes that sound and sustainable business development is key to making broad-reaching contributions to society.”

At the UACJ Group, we believe that robust corporate governance and sound, transparent management are essential for living up to our management philosophy. By working to strengthen and enhance our corporate governance, we not only enhance our efforts to achieve ongoing increases in corporate value but also advance the interests of shareholders, customers, suppliers, employees, local communities, and other stakeholders.



## Key Objectives and Results

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
Strengthen Corporate Governance	Begin efforts to comply with Japan's Corporate Governance Code	Resolution calling for compliance with Japan's Corporate Governance Code adopted by the Board of Directors	○	Continue efforts to achieve compliance with Japan's Corporate Governance Code
Highlight Compliance	Enhance understanding of the Group Code of Conduct among all employees	<p>Implemented Code of Conduct education programs at all domestic Group companies and four overseas group companies</p> <p>Prepared Vietnamese and Spanish versions of the Group Code of Conduct</p>	○	<p>Strengthen Code of Conduct education programs for overseas Group companies</p> <p>Prepare more foreign-language versions of the Group Code of Conduct</p>
	Enhance understanding of reporting rules and eliminate reporting failures	<p>Clarified reporting standards</p> <p>Enhanced understanding through the Group General Affairs/Human Resources Liaison Committee and other avenues</p>	○	Enhance understanding of reporting rules and eliminate reporting failures
	Further enhance awareness and credibility of the internal hotline	<p>Properly addressed eight matters reported via the hotline</p> <p>Used code of conduct education programs and other opportunities to enhance awareness of the hotline</p>	○	Further enhance awareness and credibility of the internal hotline

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
Promote Risk Management	Implement risk management activities for the entire company	Internally disseminated information on department-level activities on a semi-annual basis  Activity status reports were presented in CSR Committee meetings	○	Implement risk management activities for the entire company
	Update the BCP and develop rules and manuals	Developed rules and manuals  Discussed matters concerning a BCP framework	○	Rebuild the organization for promoting BCP  Develop a BCP framework

## Looking toward the Future

For fiscal 2016, we plan to enhance compliance throughout the Group by taking the Group Code of Conduct education program, which has been conducted annually at the company and Group companies in Japan, to key Group companies overseas, beginning with those in Thailand. Furthermore, we are considering the use of a survey to assess the effectiveness of education and other measures we have implemented to enhance compliance.

### Comment by the Executive in Charge

The role of a company, which is a member of society, is to provide society with valuable products and services, and to fulfill responsibilities to stakeholders. “The UACJ Group strives to offer products and services deserving of our customers’ satisfaction and trust, and believes that sound and sustainable business development is key to making broad-reaching contributions to society.” That is our management philosophy and we strive to implement it in our daily efforts to maintain the trust of stakeholders.

We see the role of corporate governance as providing a basic framework for our relationships with stakeholders. Of late, however, the role of corporate governance has come into question in society-at-



Senior Managing Executive Officer  
Akihiko Kusumoto

large. In 2015, therefore, we closely examined our own operations to determine how we stand in relation to the 73 principles of Japan's Corporate Governance Code, which sets forth best practices for companies to follow in pursuing ongoing growth and creating corporate value over the medium-to-long term. Based on that examination, we are confident that we have created a highly transparent, sound management system, and we are committed to further enhancing our corporate governance in line with the global standards set forth in the Corporate Governance Code.

In its pursuit of global business development, the UACJ Group strives to further strengthen its governance and ensure thorough compliance throughout its worldwide operations. Beginning with our Code of Conduct, which we established as a guide to help executives and other employees at all Group companies throughout the world act with the highest sense of ethics, we regularly conduct compliance education as a part of job-level training and education on particular laws and regulations.

The UACJ Group will spare no effort in enhancing its corporate governance, so that it can continue to be worthy of the trust of stakeholders going forward.

**UACJ is working to enhance its corporate governance to earn and maintain the trust of all of our stakeholders and increase our corporate value.**

### **Basic Ideas on Corporate Governance**

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The UACJ Group believes that corporate governance is the basic framework for managing a company amid relationships with shareholders, customers, suppliers, employees, local communities, and all other stakeholders. Our duty is to benefit stakeholders by developing products, technologies, and services that are useful to society and incorporate abundant consideration for safety, and offering them to the market in an effort to continuously increase our corporate value. Toward that end, we practice robust corporate governance and, recognizing the importance of integrity and transparency in management, are committed to doing everything practical to ensure sound management oversight by strengthening Board of Directors functions, enhancing Audit & Supervisory Board functions, properly disclosing financial and management information, ensuring solid corporate ethics, and practicing painstaking compliance and risk management.

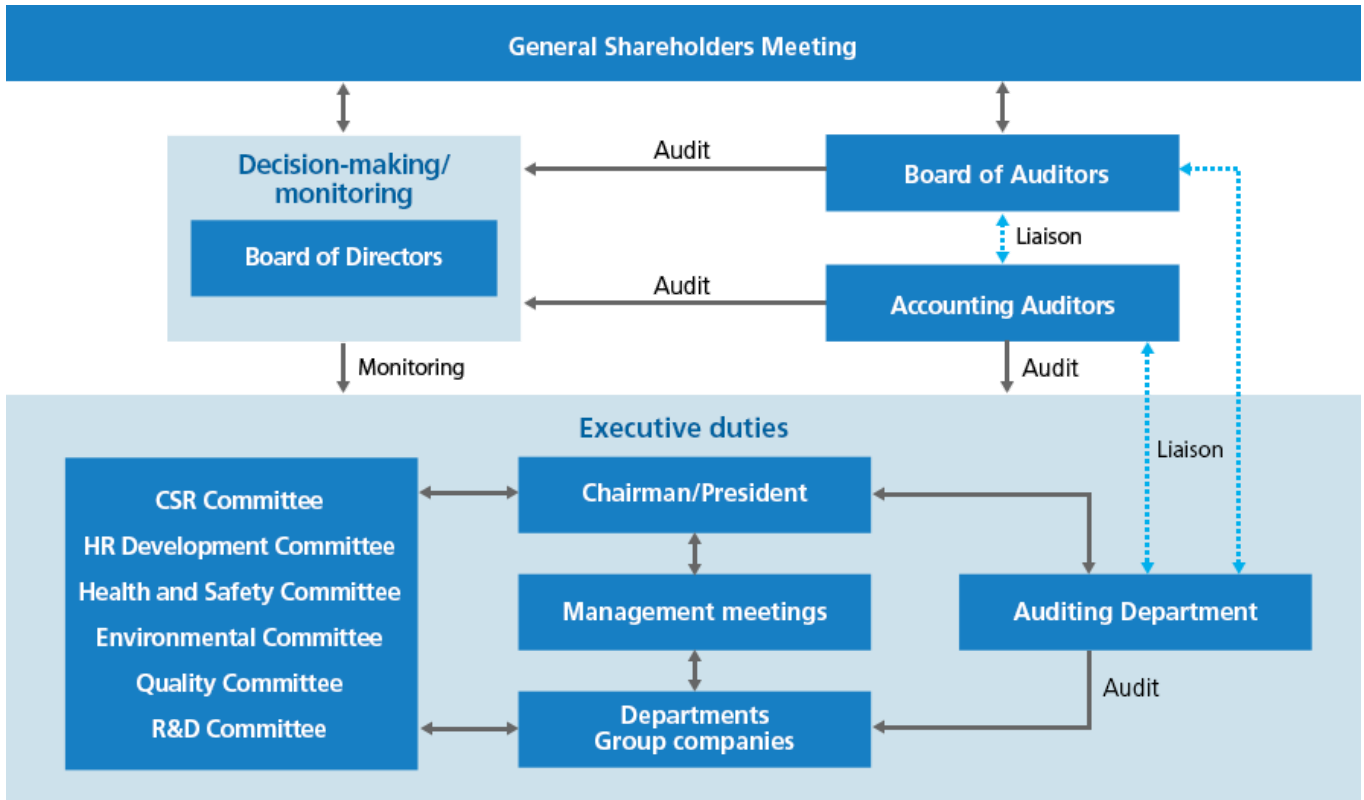
### **Corporate Governance System**

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The UACJ has adopted a new executive officer system that separates management decision making from the audit and operations functions. This new system both strengthens the Board of Directors functions and increases the speed with which we execute operations.



## Corporate Governance System



## Board of Directors Meetings

UACJ Board of Directors meetings, which are convened monthly, are attended by 12 Directors (including 2 outside Director) and 6 Audit & Supervisory Board Members (including 4 outside members)\*, who deliberate important matters and hear reports on the status of business activities, as required by laws and ordinances, and UACJ’s Articles of Incorporation and other internal rules.

Director terms have been set at one year in an effort to clarify responsibility.

Of the two outside directors, one is a university professor emeritus with a wealth of academic experience, while the other also has a long and successful academic career and experience serving as a company director. Both of the outside directors serve to assure propriety in decision-making by the Board of Directors.

\*Numbers of Directors and Audit & Supervisory Board Members are as of June 29, 2016.

Based on assessments of career backgrounds – factors such as professional experience, positions held, and qualifications – and capabilities, UACJ has put together an optimal group of individuals to serve as officers.

## Rationale for Selection of Outside Directors

Name	Independent Officer	Rational for Selection	Activities
Toshio Suzuki	○	<p>Toshio Suzuki is a Professor Emeritus at the University of Tokyo. He was asked to join the Board of Directors based on the judgment that his objective perspective stemming from his wealth of academic experience would enable him to properly perform the duties of an outside member.</p> <p>Judging also that Professor Suzuki is not in a position that would give rise to a conflict of interest with general shareholders, UACJ has designated him an independent officer.</p> <p>None of the descriptions provided in Rule 211.4.6 of the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange apply to Professor Suzuki.</p>	<p>Attended all 14 of the BOD meetings held during the fiscal year, openly expressing his opinion from an objective viewpoint and confidently supporting his comments based on his rich academic experience as a Professor Emeritus.</p>
Ryoko Sugiyama	○	<p>Ryoko Sugiyama is a Professor at Tokoha University. She was asked to join the Board of Directors based on the judgment that her wealth of academic experience, and management experience as a company director, would allow her to properly perform the duties of an outside member.</p> <p>Judging also that Professor Sugiyama is not in a position that would give rise to a conflict of interest with general shareholders, UACJ has designated her an independent officer.</p> <p>None of the descriptions provided in Rule 211.4.6 of the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange apply to Professor Sugiyama.</p>	<p>Attended 10 of the 11 BOD meetings held since joining UACJ in fiscal 2016. Openly expressed her opinions from an objective point of view, clearly showing her poise and experience as a university professor and company director.</p>

## **The Board of Directors and Executive Officers**

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At UACJ, the Board of Directors deliberates and renders decisions on important management matters, while the Executive Officers supervise and execute operations. By clearly separating these roles, we have enhanced management transparency and fairness, and created a governance system that clarifies responsibilities for individual business operations. In addition, to help ensure the proper control of operations, management meetings that are separate from the Board of Directors meetings are held on a monthly basis with participation by 10 Directors, 2 full-time Audit & Supervisory Board Members, and 20 Executive Officers (as of June 29, 2016). The purpose of these meetings is to deliberate and consider important management matters, and develop common understanding among those responsible for executing business operations.

The delegation of duties to, and areas of responsibility for, individual Directors are determined in a Board of Directors meeting following the general meeting of shareholders. Management organization rules govern the Executive Officers' execution of their responsibilities in accordance with laws and ordinances, the Articles of Incorporation, and Board of Directors resolutions.

Regarding concurrent service by directors and executive officers as officers of other companies, one outside director is concurrently serving as an outside director at another listed company. No other directors or executive officers are concurrently holding positions at other companies.

## **Remuneration of Directors and Audit & Supervisory Board Members**

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For remuneration of UACJ Directors and Audit & Supervisory Board Members, limits were established in the June 28, 2006 regular general shareholders' meeting of the former Furukawa-Sky Corp. For Directors, it was determined that remuneration for the Directors as a group shall not exceed 450 million yen annually (not including employee salaries), while for Audit & Supervisory Board Members the upper limit on remuneration for the Audit & Supervisory Board Members as a group was set at ¥75 million annually. These limits have remained in effect even after the merger with Sumitomo Light Metal Industries, Ltd.

Amounts of remuneration for individual Directors are determined by Board of Directors resolutions within the overall limit approved by the shareholders. In determining amounts of remuneration, a base amount is set depending on status – either full-time or part-time – and position within the company. Adjustments are then made based on performance.

Amounts of remuneration for Audit & Supervisory Board Members are determined via discussion by the Audit & Supervisory Board Members, within the overall limit approved in the general shareholders' meeting mentioned above.

At the UACJ Group, remuneration of Directors and Audit & Supervisory Board Members is accomplished without the use of stock options.

## Audit Function

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### | Audit & Supervisory Board

UACJ is organized as “a company with a board of Statutory Auditors” under Japanese law. Within UACJ, the “board of Statutory Auditors” is referred to as the “Audit & Supervisory Board” and, as an independent element of the Company’s corporate governance, monitors the Directors as they perform their duties.

The Audit & Supervisory Board consists of 6 Audit & Supervisory Board Members, including 4 outside members and two members with knowledge of financial and accounting matters. Audit policies and plans are prepared by the Audit & Supervisory Board annually based on the Code of Kansayaku Auditing Standards (“Kansayaku” is the Japanese term for “corporate auditor” and means Audit & Supervisory Board Member at the UACJ Group.) and the rules governing the Audit & Supervisory Board. Each Audit & Supervisory Board Member, in accordance with the audit policies and plans determined by the Audit & Supervisory Board, is engaged primarily in monitoring the implementation and operation of internal control systems, conditions with regard to risk prevention and responses to management issues, and other matters to determine whether the Directors are properly fulfilling their duties. Audit & Supervisory Board Members also attend Board of Directors and other important meetings, and express their opinions as necessary.

As a rule, the Audit & Supervisory Board comes together in monthly meetings during which audit reports presented by the full-time members serve as a principal means for close communication, and the sharing of information among all Audit & Supervisory Board Members.

Regarding concurrent service by Audit & Supervisory Board members as officers of other companies, two outside directors are concurrently serving in the capacity of an outside auditor or other position with other listed companies. No other Audit & Supervisory Board members are concurrently holding positions at other companies.



## Rationale for Selection of Outside Audit & Supervisory Board Members

Name	Independent Officer	Rational for Selection	Activities
Akari Asano	○	<p>Akari Asano has been a senior executive in charge of general affairs and performed other management roles at a manufacturing firm and within that firm's corporate group. He was asked to join the Audit &amp; Supervisory Board based on the judgment that the knowledge and experience he has acquired throughout his career would enable him to properly perform the duties of an outside member. Judging also that Mr. Asano is not in a position that would give rise to a conflict of interest with general shareholders, UACJ has designated him an independent officer.</p> <p>None of the descriptions provided in Rule 211.4.6 of the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange apply to Mr. Asano.</p>	<p>Attended all 14 BOD meetings and 13 Board of Auditors meetings throughout the fiscal year. Openly commented and expressed his opinions backed by his years of experience accumulated as a company executive.</p>
Tetsuya Sato	-	<p>Tetsuya Sato has a broad range of experience stemming from his experience as a statutory auditor at Furukawa Electric Co., Ltd. and in other senior management positions. He was asked to join the Audit &amp; Supervisory Board based on the judgment that his wide-ranging experience would enable him to properly perform the duties of an outside member.</p>	<p>Attended 13 of 14 BOD meetings 10 of 13 Board of Auditors meetings held during the fiscal year. Openly commented and expressed his opinions based on his wealth of knowledge and broad perspective as a company officer.</p>

Name	Independent Officer	Rational for Selection	Activities
Takashi Sone	-	Takashi Sone acquired a wealth of experience and broad range of knowledge in his career at Sumitomo Corporation. He was asked to join the Audit & Supervisory Board based on the judgment that his experience and knowledge would enable him to properly perform the duties of an outside member.	Attended all 14 BOD meetings and all Board of Auditors meetings held in the fiscal year. Freely expressed his opinions when he felt it was needed, doing so confidently and contributing his wealth of knowledge and broad perspective as a company officer.
Atsuki Matsumura	-	Atsuki Matsumura is President and Representative Director of Siltronic Japan Corporation and has previously participated in the management of Nippon Steel & Sumitomo Metal Corporation (NSSMC) and its group companies, overseeing corporate planning as an executive officer of NSSMC. He was asked to join the Audit & Supervisory Board based on the judgment that his expertise and experience in corporate management would enable him to properly perform the duties of an outside member.	Attended 10 of the 11 BOD meetings and all 10 Board of Auditors meetings held since joining UACJ during the fiscal year. Openly expressed his opinions backed long experience as a corporate officer.

## **Audits by Audit & Supervisory Board Members**

To help ensure the full functionality of UACJ's Audit & Supervisory Board, two employees have been assigned to assist the Audit & Supervisory Board Members with their work. To enhance the quality of audits, audit work is performed in a three-pronged scheme consisting of audits by the Audit & Supervisory Board Members, audits by internal auditors, and audits by independent auditors. For audits by Audit & Supervisory Board Members and audits by internal auditors, on-site audit plans are developed in accordance with respective annual policies and plans. Audit & Supervisory Board Members and internal auditors freely share these plans, the results obtained, and opinions with each other. They also freely share their audit results and opinions with the independent auditors, and follow up on audit findings.

## Internal Audit System

At the UACJ Group, internal audits are performed by the 15-member (12 full-time internal auditors and 3 internal auditors with other job responsibilities as well) Internal Auditing Department, which reports directly to the chairman of the board and the president of UACJ Corporation. Internal audits are performed in accordance with annual audit policies and plans prepared based on the Internal Audit Rules. Their purpose is to objectively examine and assess the business activities of individual group companies to determine whether they are being pursued within the law, and with rationality and propriety. Audit results are reported to the chairman of the board and the president of UACJ Corporation, together with recommendations and suggestions for improvements.

\* as of March 30, 2016

## Internal Controls

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The UACJ Group endeavors to strengthen its internal control system to help ensure that its business activities are in line with management objectives, within the law and rational. Furthermore, as regards the status of internal controls stipulated by the Financial Instruments and Exchange Act, the Internal Auditing Department conducts tests and assessments with the aim of ensuring the reliability of financial reporting.

## Status of the Internal Control System

As described below, the UACJ Group's internal control systems (Systems for ensuring that the execution of duties by the Directors and employees of the Company and the Group complies with laws and ordinances, and the Articles of Incorporation, and for ensuring the propriety of the business activities of the corporation and of the corporate group consisting of the corporation and its subsidiaries) have been established in accordance with Japan's Companies Act and Ordinance for Enforcement of the Companies Act.

### **a. Systems for ensuring that the execution of duties by the Directors and employees of the Company and the Group complies with laws and ordinances, and the Articles of Incorporation**

- The Company and the Group act in accordance with the management philosophy and company principles, and aim to be virtuous organizations that abide by laws and ordinances, and the Articles of Incorporation.
- Under the leadership of the CSR Committee, workshops are held, manuals are distributed, and other education steps are taken, and compliance activities, such as checks for legal and regulatory compliance, are pursued.

- An internal reporting system has been put in place to promote the early detection and correction of compliance violations.
- The Internal Auditing Department, as the internal audit unit, monitors the performance of duties in individual units, conducts audits to determine whether internal control systems are functioning effectively, and reports findings to the Board of Directors.

#### **b. Systems for the preservation and management of information on the execution of duties by Directors**

- Board of Directors meeting minutes, approval documentation, and other information on the execution of duties by Directors is prepared and retained in accordance with internal rules.
- Information is kept in a state that permits viewing by Directors and Audit & Supervisory Board Members whenever necessary.

#### **c. Provisions and other systems addressing management of the risk of loss for the Company and the Group**

- The Company and the Group, in accordance with internal rules, properly address environmental, safety and health, quality, information security, export management, and other Company or Group risks. Risks unique to particular units are managed by those units. The CSR Committee advances horizontal risk management.

#### **d. Systems for ensuring efficient execution of duties by Directors of the Company and the Group**

- Within the Company and the Group, duties are efficiently fulfilled based on measures such as the rule-based division of duties among Directors.
- Mid-term management plans and fiscal year budgets are prepared, and specific targets are established and their achievement is managed by individual units or groups.

#### **e. Systems for ensuring the propriety of operations by the subject corporation and the corporate group consisting of it and its parent company and/or subsidiaries**

- The UACJ Group has constructed and put in place an internal control system.
- The Internal Auditing Department conducts audits of operations. It then reports results to the Audit & Supervisory Board Members and Representative Director as a measure for promoting compliance throughout the Group. In addition, subsidiaries are obligated by their own internal rules to discuss important management matters with the Company. If necessary, rules concerning the management of subsidiaries will be revised to ensure the propriety of business activities carried out by the Group.

**f. Matters concerning employees to be assigned to assist Audit & Supervisory Board Members at their request**

- An employee has been assigned to assist the Audit & Supervisory Board Members. This employee supports the work of the Audit & Supervisory Board Members in accordance with their instructions.

**g. Matters concerning the independence of the employee referred to in the previous item and the validity of instructions issued to the employee, from Directors**

- The employee referred to above is an employee designated to be outside the direction and supervision of Directors, and personnel decisions concerning that employee require the prior agreement of the Audit & Supervisory Board.

**h. Systems enabling Directors and employees of the Company and the Group to report concerns to Audit & Supervisory Board Members, and systems for other reports to Audit & Supervisory Board Members**

- In connection with the execution of their duties, Directors, Executive Officers, and employees of the Company and the Group report to the Company's Audit & Supervisory Board Members without delay instances of significant violations of laws and ordinances, and the Articles of Incorporation; improprieties; and developments that could result in significant damage to the Company or Group.
- Directors, Executive Officers, and employees, based on the Board of Directors meeting rules and other internal rules, report or settle matters in Board of Directors meetings or other meetings at which Audit & Supervisory Board Members are in attendance.
- Subjecting Directors, Executive Officers, and employees of the Company and the Group, who have reported a matter, such as those described above, to the Company's Audit & Supervisory Board Members, to disadvantageous treatment on account of their having reported the matter is prohibited.

**i. Other systems for ensuring that audits by Audit & Supervisory Board Members can be performed effectively**

- The Board of Directors ensures Audit & Supervisory Board Member attendance at Board of Directors meetings, and management and other important meetings.
- The Audit & Supervisory Board Members and representative Director periodically hold meetings to exchange views.
- When the Audit & Supervisory Board Members make a request concerning the effectiveness of audits performed by the Audit & Supervisory Board Members, the Directors, Executive Officers, and heads of relevant units respond in good faith.
- Expenses covered by Article 388 of the Companies Act are handled in accordance with rules.

## **Strategic Shareholdings**

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UACJ's basic stance on strategic share investments is to maintain shareholdings to the extent that rational purposes, such as maintaining or strengthening business ties, or advancing business collaborations, can be advanced. Questions regarding possible investments in shares not already held, purchases of additional shares, and divestment are addressed with appropriate research considering factors such as necessity for the growth of the UACJ Group and effective use of the Group's capital, before referral to the Board of Directors, as required by Company standards.

Voting rights for shares held are exercised based on an overall consideration of whether resolution approval would have benefits, for example, in terms of supporting the purpose for the shareholding or promoting the sound management and, ultimately, greater corporate value for the issuing company.

## **Takeover Defense Strategy**

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Presently, UACJ has not adopted any takeover defense strategies.



**UACJ has established its CSR Committee to address a broad array of social demands. Chaired by the president, the committee's membership also includes UACJ's full-time directors, works managers, the head of its Research & Development Division, the heads of relevant departments, and the presidents of principal Group companies.**

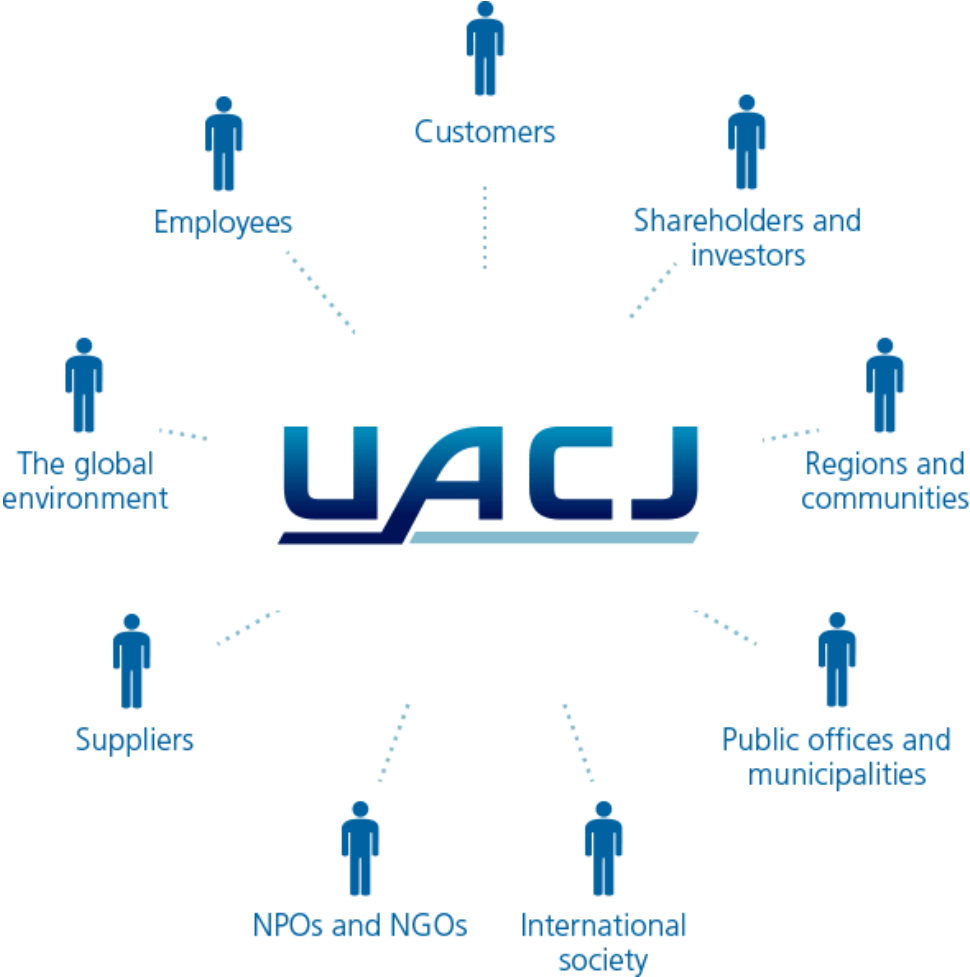
### **Basic Policy on CSR**

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Based on the UACJ Group's management philosophy, we:

- As a member of international society, abide by the laws, and respect the cultures and customs, of countries where we engage in business,
- Contribute to the development of society through solid, sound business activities, and
- Communicate with stakeholders to earn their confidence and trust.

**Relationships with Stakeholders**



## System for Advancing CSR

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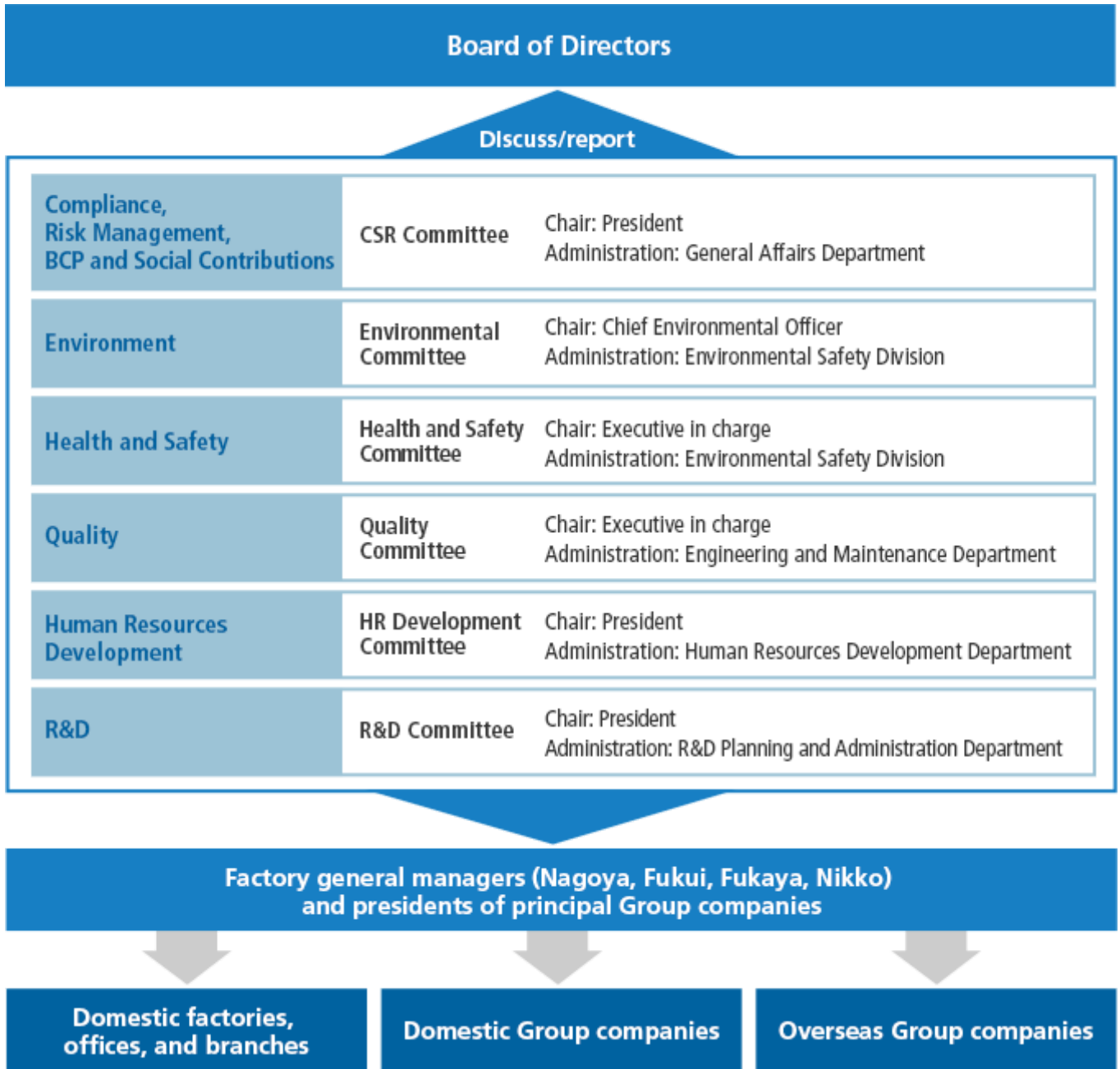
At UACJ, the CSR Committee, chaired by UACJ's president and with membership consisting of UACJ's full-time directors, works managers, the head of its Research & Development Division, the heads of relevant departments, and the presidents of principal Group companies advances CSR activities throughout the company.

The CSR Committee meets in May of every year to deliberate policies and measures on matters concerning all aspects of CSR and risk management, and exercises supervision of every fiscal year's activities. Using case studies of compliance violations, and other tools, it also functions as a training venue for executives and managers.

Following the meeting, members of the CSR Committee share the committee's decisions with the units they oversee in an effort that disseminates this information throughout the company. Information on CSR policies and measures is disseminated to affiliates in Japan via the General Affairs Liaison Committee and other channels.

In addition, the Safety and Hygiene Committee, Environmental Committee, Quality Committee, HR Development Committee, and R&D Committee address CSR issues in their respective areas.

## CSR Promotion Organization Chart



## Responsibilities to and Methods for Communicating with Principal Stakeholders

	Key Responsibilities	Communication Methods
Customers	<p>Maintain and improve the quality of products and services</p> <p>Provide products and services that are good for society</p> <p>Use a wide variety of technologies and expertise to solve customers' problems</p>	<p>Dialogue in daily business dealings</p> <p>Website</p> <p>Dialogue through technology exhibits and trade shows</p> <p>Customer satisfaction surveys</p>
Suppliers	<p>Build sound relationships through fair transactions respecting laws and ordinances</p> <p>Fulfill CSRs throughout the supply chain</p>	<p>Dialogue in daily business dealings</p>
Environment	<p>Reduce greenhouse gas emissions</p> <p>Promote energy efficiency and recycling</p> <p>Protect biodiversity</p> <p>Reduce industrial waste</p> <p>Manage and reduce harmful chemical substances</p>	<p>Operate within laws and regulations</p> <p>Support the Kyoto Protocol on fighting global warming, the Nagoya Protocol on biodiversity, and other international agreements</p> <p>Support environmental activities advanced by Japan's Ministry of the Environment and others</p>
Investors	<p>Provide appropriate returns</p> <p>Make timely and appropriate disclosures</p> <p>Increase corporate value</p>	<p>General meeting of shareholders</p> <p>Shareholder communications</p> <p>Results briefings</p> <p>Telephone conference</p> <p>One-on-one meetings</p> <p>Shareholder plant tours</p> <p>Website</p>

	<b>Key Responsibilities</b>	<b>Communication Methods</b>
Employees	<p>Respect human rights</p> <p>Develop personnel, and provide fair evaluations and compensation</p> <p>Protect worker safety and health (including mental health)</p> <p>Support diverse working styles, and employee efforts to meet work and personal responsibilities</p>	<p>Company newsletter and intranet</p> <p>CEO's inspections of individual business locations</p>
Local Communities	<p>Support sports and cultural activities, and efforts to nurture future generations</p> <p>Participate in and support traditional events</p> <p>Support and work with local and other NPOs</p>	<p>Plant tours</p> <p>Local events</p> <p>Neighborhood clean-up and other social contribution activities by employees</p>

## Objectives and Results

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
	Move ahead with preparation of the Group Code of Conduct in multiple languages.	Prepared and distributed Spanish and Vietnamese editions.	○	Continue to prepare and distribute editions in more languages.
	Pledge to abide by the Group Code of Conduct.	<p>Conducted Group Code of Conduct education programs for all UACJ and domestic Group company employees.</p> <p>Executives and department heads at UACJ and domestic Group companies pledged compliance with the Group Code of Conduct to the president of their particular company.</p> <p>The presidents of domestic Group companies and four overseas companies pledged compliance with the Group Code of Conduct to the president of UACJ.</p>	○	Continue conducting education programs and having individuals pledge compliance with the Group Code of Conduct.



	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
Highlight Compliance	Formulate and implement rules for reporting compliance problems.	Used Code of Conduct education programs and other opportunities to promote understanding of how to report compliance problems.	○	Continue to promote understanding of reporting rules.  Eliminate reporting failures.
	Raise awareness of and enhance the internal reporting system	Used Code of Conduct education programs and other opportunities to promote understanding of how to report compliance problems.	○	Promote understanding of how to report compliance problems.  Further enhance the credibility of the reporting system.

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
	<p>Hold workshops on the Antimonopoly Law and Subcontract Act.</p>	<p>Conducted interviews concerning the Antimonopoly Law at the headquarters Sales Department and the sales departments of principal Group companies.</p> <p>Included coverage of the Antimonopoly Law in job-level training.</p> <p>Included coverage of insider trading in department manager training.</p> <p>In department manager training and meetings of the General Affairs Liaison Committee, conducted seminars on aspects of the amended Companies Act dealing with internal controls within corporate groups.</p>	<p>○</p>	<p>Continue to conduct interviews concerning the Antimonopoly Law.</p> <p>Continue to include coverage of the Antimonopoly Law in job-level training.</p> <p>Continue education on insider trading.</p> <p>Continue education on the amended Companies Act.</p>

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
Promote Risk Management	Conduct Group-wide risk management activities.	Recorded the status of department-level activities in a risk management chart.  An overall review of activities was presented to the CSR Committee.	○	Revise the risk management framework.  Have each department record the status of its activities in a risk management chart at the end of September and March.  Present an overall review of activities to the CSR Committee.
	Revise the BCP and prepare rules and manuals.	Revised the emergency supplies manual.  Prepared a manual on assisting stranded individuals.	○	Prepare additional manuals.  Complete the BCP.
	Implementation of employee safety confirmation systems and installation of emergency communications equipment throughout the Group.	Implemented safety confirmation systems at three domestic Group companies where the systems were yet to be installed.	○	Implement at seven domestic Group companies where the systems have yet to be installed.  Move forward with the installation of emergency communications equipment at domestic Group companies where the systems have yet to be installed.
	Establish an emergency contact system and install an emergency communications system.	Continued implementation of the emergency contact system.	○	Continue implementation of the emergency contact system.

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
	Conduct training for setting up a disaster-response headquarters and responding to a disaster	<p>Conducted training for setting up a disaster-response headquarters and responding to a disaster.</p> <p>Conducted disaster-response training at the UACJ headquarters and at individual works.</p>	○	Implement a more advanced training curriculum.

**Viewing strict compliance as indispensable for business survival, we have made compliance education one of our highest priorities.**

### **Group Code of Conduct**

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Based on the Group's management philosophy and company principles, the Group Code of Conduct was established in June 2014 to set forth standards that all Group executives and employees must abide by if the UACJ Group is to be able to move forward as a corporate group that garners even greater trust by society.

The Group Code of Conduct was created in Japanese and preparation of versions in the official languages of the locales of overseas affiliates is moving forward. English, Chinese, Czech, Indonesian, and Thai versions were issued in fiscal 2014, and Spanish and Vietnamese versions in fiscal 2015. In June 2016, we issued a Brazilian Portuguese version in Japan as part of our plans to distribute foreign-language editions of the Group Code of Conduct for the benefit of diversifying workforces at Group companies here.

The Group Code of Conduct is available online in the various languages in which it has been completed.

### **Compliance Education**

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As part of its compliance education endeavors, the UACJ Group has posted the Group Code of Conduct on the intranet and distributes abridged editions that all executives and rank-and-file employees can keep with them at all times. In fiscal 2015, department-level seminars on the Group Code of Conduct were held for all employees of UACJ and Group companies in Japan. Afterward, all department heads were asked to pledge to the president of their company that they would uphold the Group Code of Conduct.

Instruction on compliance in general is provided in job-level training and separately arranged training on legal and regulatory matters. In fiscal 2015, we held 3 workshops on Japan's Antimonopoly Act, and 1 on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (the Subcontract Act). Through regular, ongoing measures such as these, UACJ Group strives to ensure sound compliance awareness and understanding of legal provisions throughout its organization.

# Internal Reporting System (Corporate Ethics Consultation System)

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The UACJ Group operates an internal reporting system (Corporate Ethics Consultation Hotline) the purpose of which is to prevent compliance problems altogether, or discover them early on and swiftly resolve them. This system has internal and external channels that employees can access anonymously. Measures are in place to receive contacts by telephone, postal mail, e-mail, and other means as well. The Anonymous Reporting Board\*<sup>1</sup> is another reporting function that we have established to make it easier for employees to report activity they believe or suspect constitutes a compliance violation. The Corporate Ethics Consultation Hotline oversees and appropriately handles all reports of questionable activity from the selection of a unit to investigate the report, to implementation of a formal response. At the same time, it makes clear to relevant employees that the reporting employee and those who cooperate with the investigation are not to suffer any negative consequences from the mere reporting of suspicious activity or cooperation with the investigation. Furthermore, actions are taken to thoroughly protect the reporting and cooperating employees by, for example, confirming that they actually have not been subjected to negative consequences for their actions.

\*1 The Anonymous Reporting Board is a system that allows an employee to engage in a dialog anonymously with hotline personnel. The receipt of a report anonymously can make it impossible to adequately investigate the report or provide investigation results and information on problem solutions back to the reporting employee. The UACJ Group has adopted the Anonymous Reporting Board to alleviate such problems.

## | Hotline Reports Received and Status of Responses

In fiscal 2015, UACJ Corporation received four reports via the Corporate Ethics Consultation Hotline, while affiliates in Japan received a total of three. Of the total of seven reports, three concerned human rights, two were about labor-related matters, and the remaining two pertained to other matters. Reports from employees willing to provide their names were properly handled, and investigation results and information on corrective measures were provided to the reporting employees.

Reports from employees wishing to remain anonymous were investigated to the extent possible. Those engaging in the improper activity identified were instructed on proper approaches and cautioned regarding their conduct going forward.

Reports received by affiliates were properly responded to by the relevant company, with investigative and other types of assistance from UACJ Corporation, as needed.

## **Strict Compliance with the Antimonopoly Act and Protection of Free Competition**

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To promote fair, transparent, and free competition, and engagement in legitimate business transactions, the UACJ Group operates in strict compliance with the Antimonopoly Law. More specifically, the Group raised internal awareness of key points by providing detailed explanations of them in attorney-led presentations to all executives, the heads of all sales departments, heads of branch offices, and presidents of principal affiliates in Japan. Relevant points for sales employees at UACJ and affiliates in Japan were covered in workshops. Furthermore, to raise internal awareness of the need to avoid activity that may invite suspicions of cartel-like behavior, we have established a set of guidelines addressing matters prohibited as cartel-like behavior and points to be mindful of when coming into contact with people affiliated with a competing company. In fiscal 2015, we experienced no violations of either Japan's Antimonopoly Act or the antimonopoly laws of other countries.

## **Anti-Corruption Initiatives**

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The UACJ Group explicitly prohibits actions such as bribery and excessive expenditures for entertainment in its Group Code of Conduct, and thorough understanding of these points is promoted in code of conduct education programs and job-level training. In fiscal 2015, Group Code of Conduct education materials were improved with the addition of examples of actions prohibited as either the acceptance or offering of a bribe.

There were no instances of the acceptance or offering of a bribe, or any other violations of the Group Code of Conduct, in fiscal 2015.

## **Rejection of Relationships with Antisocial Forces**

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In its company principles, the UACJ Group requires the strict rejection of relationships with antisocial forces and organizations. Furthermore, through our Group Code of Conduct, we strongly emphasize to all executives and employees that they are not to bend to inappropriate demands by antisocial forces, must remain resolute throughout, and must never engage in any relationship with antisocial forces.

UACJ, in accordance with its internal rules, makes donations and joins organizations only after determining that potential recipients, and organizations the company may join, have no connections to antisocial forces.



**We are constructing a comprehensive system for preventing the realization of all types of risks.**

## **Risk Management System**

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At UACJ, individual departments identify business risks, and take measures to avoid or mitigate them. Progress in implementing risk management measures is reported to the CSR Committee, which then assesses the propriety of the measures taken.

## **BCP (Business Continuity Plan)**

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UACJ is working to develop a business continuity plan (BCP) that would allow it to continue to provide products and services, or enable the rapid restoration of these activities, in the event of a major earthquake, widespread emergence of infectious disease, or other emergency situation.

## **| Response System for Major Earthquakes and Other Disasters**

In preparation for an earthquake, fire, or other such disaster, UACJ has built a response system that provides for the safety of employees, minimizes damage by preventing secondary disasters, and speeds recovery.

At a more specific level, we have established an emergency contact network and equipped business locations with commercial radio equipment that will allow us to assess the condition of damaged facilities, swiftly assemble key personnel, and undertake rescue and support efforts.

In fiscal 2015, we installed safety confirmation systems at three companies, bringing to 23 the total number of companies where installations have been completed. This is out of a total of 29 companies for which we plan to provide these systems. Installations at the remaining six companies where safety confirmation systems have yet to be installed are scheduled for fiscal 2016.

A commercial radio system for use in times of emergency has been installed at nine UACJ business locations and 28 business locations belonging to one of 13 Group companies in Japan. We plan to install this radio system at more locations in fiscal 2016.

To help ensure our ability to act swiftly and reliably in times of emergency, we regularly conduct training exercises at individual business locations. In one example, training for setting up a disaster-response headquarters and responding to a disaster was held at our headquarters in September 2015. Everyone, including the chairman, president, all other executives working at the headquarters, and all 300 or so rank-and-file employees participated in this exercise, in which we tested skills in setting up, operating, and breaking down a disaster-response headquarters; and fighting fires.

Disaster response initiatives tailored to circumstances at individual business locations are also being taken. The Nagoya Works provides one example. Lying in an area specifically addressed by the Large-Scale Earthquake Countermeasures Law, this facility has taken steps such as seismically reinforcing the works' main structure, securing evacuation routes, installing early warning devices, and setting aside disaster supplies. At the same time, it has prepared an earthquake preparedness manual, which serves as the basis for annual comprehensive preparedness training for a possible earthquake and tsunami.



Training for the set-up of a disaster-response headquarters at UACJ's headquarters

## Disaster-Response Training by Business Location

Business Location	Training Conducted
Headquarters	Firefighting, safety confirmation, evacuation, emergency life-saving, setting up a disaster-response headquarters, radio communications
Nagoya Works	Comprehensive training for responding to a major earthquake in the Nankai Trough (Setting up a disaster-response headquarters, evacuation, safety confirmation, emergency life-saving, etc.) Safety confirmation, radio communications
Fukui Works	Comprehensive disaster-response training (Setting up a disaster-response headquarters, evacuation, safety confirmation, firefighting, emergency life-saving, etc.) Safety confirmation, radio communications
Fukaya Works	Comprehensive disaster-response training (Setting up a disaster-response headquarters, evacuation, safety confirmation, firefighting, emergency life-saving, etc.) Safety confirmation, radio communications
Nikko Works	Comprehensive disaster-response training, firefighting at individual worksites, AED instruction, safety confirmation, radio communications

## **Basic Approach**

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The UACJ Group believes that being a business that contributes widely to society requires understanding the expectations of stakeholders and responding to their trust. We see product safety and quality control initiatives, supply-chain management, human resource development and diversity, and the provision of safe, healthy work environments as having importance not only for us but for society, as well, and do our best to achieve progress in all of these areas, with their social benefits in mind.

## Fiscal 2015 Social Objectives and Results

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
Quality and Customer Satisfaction	Zero major quality problems	38% year-on-year reduction	△	Zero major quality problems
	10% or greater year-on-year reduction in complaints (both those involving claims for damages those that do not)	21% year-on-year reduction	○	10% or greater year-on-year reduction in complaints (both those involving claims for damages those that do not)
Human Resource Development and Diversity	Promote diversity in hiring	Hired two new college graduates from outside Japan  Rehired 215 people who had reached the mandatory retirement age	○	Promote diversity in hiring
	Develop and implement career support measures for women	Developed UACJ's first General Employer Action Plan  Hired 6 women among a total of 19 new graduate hires	○	Hire women at the rate of 40% of new graduate hires across all positions, and 10% of new graduate hires for technical positions  Increase female participation in management by 40% compared to the figure for the end of fiscal 2015

	Fiscal 2015 Objectives	Fiscal 2015 Results	Assessment	Fiscal 2016 Objectives
	Strengthen technology development, frontline execution, and workforce capabilities for the Group as a whole	<p>Conducted a total of 36 seminars of 11 types, for 631 participants</p> <p>Had 736 employees participate in job-level training</p>	○	Continue strengthening technology development, frontline execution, and workforce capabilities for the Group as a whole
Provision of Safe, Healthy Work Environments	Strengthen activities aimed at eliminating workplace accidents	<p>Conducted monthly safety inspections across the entire company</p> <p>Implemented safety measures based on uniform facility safety standards for the Group</p> <p>Conducted safety assessments for new construction, renovation, and relocation projects</p>	○	Strengthen activities aimed at eliminating workplace accidents
	Conduct employee education on safety and health	<p>Included in job-level training</p> <p>Enhanced the content of experiential education on hazards</p> <p>Conducted safety and health seminars for supervisors</p>	○	Conduct employee education on safety and health
	Adjust working hours to appropriate levels	<p>Implemented a work-time management system to accurately record and confirm working hours</p>	○	Adjust working hours to appropriate levels

## Looking to the Future

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In fiscal 2016, the UACJ Group will redouble its efforts to achieve zero major quality problems, an objective for which performance fell short in fiscal 2015. At the same time, we will work to further activities aimed at eliminating workplace accidents and advancing human resource development. Other areas of particular focus will include efforts to achieve the various objectives, such as the target for hiring women into staff positions, established to promote diversity and achieve the action plan for compliance with the Act to Advance Women's Success in Their Working Life.

### Comment by the Executive in Charge

Underpinning the UACJ Group's global business activities, and leading its creation of value, are none other than the people who work here. At every one of our locations worldwide, we pay special attention to creating environments where individual employees can work with vigor, and fully exercise their drive and capabilities. The development of employees who can carry UACJ's style of manufacturing into the future is one of our highest priorities.

Amid constant social change, we believe a diverse workforce will be a critical resource for our businesses going forward. Toward that end, we have put together systems that enable us to promote more women into management positions, hire more people from outside Japan, rehire veteran employees who have reached the mandatory retirement age, and draw on the capabilities of diverse human resources in other ways, as well. We are committed to doing all of these things and to implementing the action plan we developed in fiscal 2015 based on the Act to Advance Women's Success in Their Working Life, as we also work as a Group to ensure that all of our workplace environments are safe.

Our duties as a manufacturer also include diligence in product safety and quality control. Accordingly, we work to provide customers with stable supplies of products we can stand behind, and equip our overseas locations with quality control technology and know-how we develop in Japan, to earn the highest levels of credibility in a global market.



Executive Officer  
Yukihiro Kuwamoto



## **Relationships with Customers**

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**The UACJ Group strives to satisfy customers and earn their trust through excellence in quality, technology, and execution.**

### **Basic Policies on Quality**

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1. We will constantly strive to improve our capabilities in technological development, quality management, and frontline execution to offer products and services that earn the satisfaction and trust of customers.
2. We will fulfill demands put before us.
3. We will carefully consider the quality objectives we have established and results we have obtained, and allocate management resources as needed.
4. We will undertake quality improvement activities with participation by all Group members to ensure that all employees understand our policies on quality.
5. All Group employees will act based on a clear understanding of our stance on quality and will participate in quality improvement activities.

### **Quality Management System**

The UACJ Group has established its Quality Committee, chaired by the Executive in Charge of Quality, as the highest organ for advancing quality management throughout the UACJ Group. The Quality Committee discusses and reports on the status of quality, significant problems, and other quality-related matters of importance for the Group.

Quality control groups have been established for each of the Group's businesses – flat rolled products, extrusion, foil, casting and forging, copper tubing, and precision-machined components. These individual quality control groups work together with the Engineering and Maintenance Department and the leaders of organizational units, as they pursue quality management activities.

## Quality Improvement Activities

A uniform, annual quality management policy has been established for the entire UACJ Group. In fiscal 2015, quality objectives and priorities were clearly stated under the slogan, “Strengthen our foundations of quality to create a leading corporate group with world-class competitiveness,” and measures for improving quality were undertaken.

### Fiscal 2015 Quality Objectives

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1. Zero major quality problems (quality anomalies)
2. 10% or greater year-on-year improvements in numbers of complaints, both those involving claims for damages those that do not.

### Key Objectives

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- Identify the fundamental causes of quality problems, take corrective measures, and prevent recurrences through SDCA (Standardize-Do-Check-Action) practices.
- Identify customer needs and increase customer satisfaction by responding to them swiftly.
- Develop human resources whose primary job is to manage quality.
- Promote quality management for the smooth transfer of control of products.

Through focused action on these key objectives, the UACJ Group as a whole achieved a 38% reduction in major quality problems and a 21% reduction in complaints (both those involving claims for damages and those that did not).

At present, no UACJ Group products are prohibited for sale due to major quality problems, or are the subject of a dispute.

Considering factors including our fiscal 2015 results, we decided to carry forward with the same quality objectives in fiscal 2016 under the slogan, “Elevate quality from the bottom up to create a leading corporate group with world-class competitiveness.” Key objectives reflecting our vision of the future will be established, and we will proceed with efforts to further improve quality.

## **Fiscal 2015 Quality Objectives**

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1. Zero major quality problems (quality anomalies)
2. 10% or greater year-on-year improvements in numbers of complaints, both those involving claims for damages those that do not.

## **Key Objectives**

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- Identify the fundamental causes of problems to prevent both problem recurrence and human error
- Achieve greater customer satisfaction by identifying customer needs and expectations, and rapidly responding to them
- Secure necessary capabilities, and ensure proper understanding, by conducting appropriate education and training activities and providing employees with opportunities to learn on the job
- Strengthen capabilities to manage technical integration and quality when transferring control products

## **Obtaining International Certifications for Quality Management Systems**

The UACJ Group practices quality management in accordance with the international quality management system certifications obtained by UACJ and its Group companies. For Group companies that have yet to obtain these certifications, the Engineering and Maintenance Department provides support enabling quality management that conforms to international certification requirements.

## **Measures to Improve Customer Satisfaction**

In both its management philosophy and basic policies on quality, the UACJ Group states that it will strive “to offer products and services deserving of our customers’ satisfaction and trust.”

We gather customer feedback on product quality, packaging and shipping, quality control, technology development, delivery timing, and sales conduct. We then carefully analyze this feedback, and reflect what we learn in improvement activities, while also actively pursuing new product development.

Customer feedback is also gained through events we organize to communicate directly with customers and is used to improve quality, delivery times, and product development.

## Addressing Complaints

For fiscal 2015, our objectives in addressing customer complaints were: “Zero major quality problems (quality anomalies),” “10% or greater year-on-year improvements in numbers of complaints, both those involving claims for damages and those that do not.” In fiscal 2016, our efforts to achieve these objectives will continue.

Regarding major quality problems, we have created uniform decision criteria for the entire Group, share information throughout the Group, and are working to prevent recurrences of problems experienced in the past.

## Responding to Customer Questions

On its website, the UACJ Group has created a page where customers can submit questions on matters such as orders for aluminum materials and technical issues concerning applications, and ask for prepared information. Regardless of the nature of the inquiry, we make a point of providing customers with swift, accurate responses.

The number of questions we receive has been averaging about 200 per year over the past several years, with 20-30% coming from overseas. Going forward, we intend to further deepen our interaction with customers and reflect what we learn in the development of new products and other activities, as well.

## Awards Received from Customers

Award	Recipient	Remarks
Osaka Gas Co., Ltd. Award for Quality Excellence (November 2014)	UACJ Copper Tube Corporation	Received for the 9th consecutive year for quality of underfloor heating panels
Toyota motor Corporation Award for cost improvement excellence Letter of gratitude for quality control (February 2015)	UACJ	
Fuji Xerox Co., Ltd. Premium Partner (April 2015)	UACJ Extrusion Corporation, UACJ Trading Corporation	3 <sup>rd</sup> consecutive year
Toyota Motor Kyushu, Inc. Lexus Silver Award (May 2015)	UACJ	For achievement of quality targets for aluminum to be used in automobile body sheets

## Awards Received from Outside Organizations

Award	Award Description	Recipient	Remarks
<p>Japan Aluminum Association Association Award (Development Award) (May 2015)</p>	<p>For development of material for pre-coated fins with outstanding defrosting performance.</p>	<p>NALCO (Thailand) Co., Ltd. UACJ MH (Thailand) Co., Ltd.</p>	<p>Development participants included Mikine Sasasaki (R&amp;D Center); Kai Kido, Naotaka Fukuda (Nagoya Works); Tetsuya Yamada (NALCO (Thailand)); Minami Takahashi (UACJ MH (Thailand))</p>
<p>The Japan Institute of Light Metals JILM Medal (May 2015)</p>	<p>The highest honor bestowed by the Japan Institute of Light Metals, this award is presented in recognition of outstanding contributions to the advancement of scholarship or technology related to light metals.</p>	<p>UACJ Corporation</p>	<p>Presented to Hideo Yoshida(R&amp;D Center)</p>
<p>The Japan Institute of Light Metals Takahashi Award (November 2015)</p>	<p>In recognition of meritorious skill, backed by a wealth (15-plus years) of melting and casting experience, that has contributed to the advancement of light metal cast and die-cast products, and related industrial technology. Presented also to melting and casting craftsmen working with secondary alloys and recycled-metals.</p>	<p>UACJ Corporation</p>	<p>Presented to Tatsuyoshi Shinosaki of the Fukaya Works</p>

Award	Award Description	Recipient	Remarks
The Japan Institute of Light Metals Light Metal Encouragement Prize (November 2015)	Presented to individuals the Japan Institute of Light Metals anticipates will achieve excellence in terms of providing an outstanding framework for the advancement of academic research, and the development of technology, in the field of light metals.	UACJ Corporation	Presented to Mineo Asano of the R&D Center
The Japan Institute of Light Metals Light Metal Encouragement Prize (November 2015)	Presented to up-and-coming researchers and engineers the Japan Institute of Light Metals anticipates will make great contributions, with results outstanding in terms of creativity and seminality in the areas of light metal scholarship or industry.	UACJ Corporation	Presented to Yusuke Yamamoto of the R&D Center

# Dissemination of Information on New Products and Technologies

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## | Publication of a Technology and Research Journal

The inaugural edition of UACJ Technical Reports, a publication carrying on from the technical and research journals published by Furukawa-Sky and Sumitomo Light Metal Industries until their merger, was issued in March 2015. The second edition was published in September of the same year.

UACJ Technical Reports offer readers papers on the results of basic and applied research, analyses of technologies and discussions of future development possibilities, introductions of new products and coverage of various other topics.

We plan to continue publishing UACJ Technical Reports as a tool for highlighting the UACJ Group's latest technical achievements in terms of research results, and new products and technologies.

## **Relationships with Suppliers**

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**With the basic objective of pursuing procurement that is fair, transparent, and proper, the UACJ Group engages in procurement activities that are global in scale and environmentally conscious.**

### **Fair Transactions**

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#### **| Basic Approach**

The UACJ Group's basic policy on procurement rests on the principle of free competition and calls for us to engage in fair, transparent, and proper procurement activities. To adapt our procurement activities to changes in social conditions, we revise the composition of procurement items, procurement methods, and procurement conditions, as needed, and make other changes as well.

We look beyond past performance in choosing who we do business with and are open to dealing with domestic and overseas suppliers that meet price, quality, delivery time, stable supply capability, reliability, environmental, and other requirements. Products with new functions and functions that offer improved performance are of particular interest and we actively include them in our scope of purchases.

#### **| Compliance in Procurement Activities**

The UACJ Group takes steps to promote strict compliance in procurement activities.

In fiscal 2015, employees working in procurement at our headquarters and each of our works participated in external workshops and then reviewed their procurement practices to ensure compliance with Japan's Subcontract Act.

In fiscal 2016, we will begin to hold internal workshops on compliance with the Subcontract Act at individual UACJ and Group company business locations.



## **| CSR Procurement Initiatives**

The UACJ Group believes it is important to consider the needs of society and the environment not only within the Group but throughout the supply chain. We, therefore, have developed the UACJ Group CSR Procurement Guidelines and ask that our suppliers work with us based on a thorough understanding of our position on CSR procurement.

## **| Environmentally Conscious Procurement**

The UACJ Group's Purchasing Department works with manufacturing and other user departments to obtain environmentally conscious raw materials, indirect materials, office supplies, and services wherever practical.

Regarding raw materials and indirect materials, in particular, we endeavor to procure alternatives with the least environmental impact. These efforts include having individual works request, as part of their ISO14001 activities, that suppliers perform surveys to identify the presence of designated chemical substances and provide certifications that designated chemical substances have not been used. When there are no options free of these substances, attention focuses on using those with the lowest amounts. Efforts to ensure that our procurement activities are as environmentally conscious as possible also extend to areas like packaging, where we encourage suppliers to be efficient in their use of packaging materials.

For office products, the department is taking steps such as shifting to products that comply with Japan's Law on Promoting Green Purchasing.

**UACJ actively pursues information disclosure and dialogue with investors in advancing its global IR activities.**

### **Communication with Investors**

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At UACJ, forthright information disclosure and interactive communication are key to our efforts to meet investor expectations. Timely disclosure and communication activities promote investor understanding of the UACJ Group, and help us to build and maintain enduring relationships based on trust.

In fiscal 2015, we held telephone conferences for analysts and institutional investors following the first- and third-quarter results announcements, and results briefings following the second- and fourth-quarter results announcements. At the international level, our executive in charge of IR conducted face-to-face meetings with institutional investors. Intended to provide a better, more direct sense of who we are, these meetings were held in Hong Kong, Singapore, the U.S. (New York and Boston), and the U.K. (London and Edinburgh).

To promote dialogue with individual investors, which is also very important to us, we conducted an investors-only tour of the Nagoya Works in November 2015. The tour was organized to provide individual investors with a better understanding of the UACJ Group and aluminum as a raw material. For fiscal 2016, tours are planned to take place again at the Nagoya Works and at the Fukui Works, as well. All of our IR activities function as a way for us to hear the opinions of investors and we incorporate what we learn into our activities and operations.

Enhancing our corporate value as we build on communications between investors and the UACJ Group is our objective moving forward.

## **Providing Information through Various IR Tools**

The UACJ Group issues shareholder communications twice a year to both shareholders and other investors. The UACJ Group issues shareholder communications twice a year. Our ongoing efforts to enhance disclosure content also include the preparation of an integrated report providing clear explanations of both financial and nonfinancial information, and communications intended specifically for individual investors. The UACJ website is another important medium for investor relations and in fiscal 2015, Nikko Investor Relations Co. Ltd. ranked it the sixth best out of all listed companies, for thoroughness of content. Other outside organizations, too, have expressed praise for our investor relations activities.

## **Dividend Policy**

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UACJ views dividends as an important avenue for providing returns to shareholders. Our decisions on dividend payments are guided by our basic policy of making stable, ongoing payouts, and are shaped by factors such as our performance trends, and the needs to enhance our corporate value through investments, secure R&D capital to boost competitiveness, and ensure financial soundness.

For the fiscal year ended March 2016, we paid total dividends of 6 yen per share.

## **Relationships with Local Communities**

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**The UACJ Group engages in various types of activities to not only contribute to society through business activities as a good corporate citizen but also coexist with and contribute to local communities as a corporate group trusted by society.**

### **Basic Approach**

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The UACJ Group places great value on coexisting with the communities where we pursue business activities. We, therefore, support activities promoting environmental conservation, the development of children, the well-being of people with disabilities, local festivals, and other locally oriented activities.

### **Promoting Employee Participation**

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At UACJ, we encourage employees to participate in volunteer activities by not only inviting them to join in company activities supporting social welfare, disaster recovery, environmental conservation, and other such causes but have also implemented a volunteer leave system\* that supports social participation by individual employees.

\* Under the volunteer leave system, employees are allowed to take paid time off, separate from their regular paid leave, to participate in volunteer activities.

### **Environmental Protection and Neighborhood Cleanups**

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The UACJ Group, in its pursuit of CSR activities rooted in local communities, actively participates in the beautification activities of local governments and cleans areas adjacent to its plants.

## | Nagoya Works

The Nagoya Works contributes to community beautification efforts by conducting cleanups of the area surrounding its site. Roughly 60 employees, consisting mainly of supervisors, participate in each of these semiannual (April and September) events.

## | Fukui Works

The Fukui Works participates in environmental beautification activities promoted by Fukui Prefecture, and performs cleanup activities in areas next to its facility. In fiscal 2015, these cleanup activities were held on four occasions – in June, September, December, and March – with a total of 500 participants. Held every year, they have now become regular events for the community surrounding the works.

## | The Fukaya Works and Six Group Companies in the Fukaya Area※

Since 2001, the Fukaya Works and six Group companies in the Fukaya area have participated in Fukaya City's semiannual (May and November) "zero garbage" activities and conducted their own local cleanup activities. In fiscal 2015, a total of 98 people, including Group company employees joined in a cleanup of areas along the Maenogawa River as it passes along the western side of the Fukaya Works.

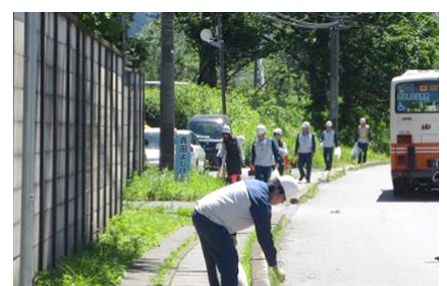
※ACE21, UACJ Logistics, UACJ Fukaya Service, NIKKEI KAKOH, UACJ System, UACJ Green-net



Cleaning up along the Maenogawa River in connection with Fukaya City's "zero garbage" cleanup campaign

## | Nikko Works

The Nikko Works performs cleanup activities in the area around its facility and in neighboring areas. Thirty employees from indirect departments and cooperating companies participated in the activity held in June – Environment Month - of fiscal 2015.



Cleaning up near the Nikko works

## UACJ Copper Tube Corporation

UACJ Copper Tube holds cleanup activities in the areas around its facilities, as part of Toyokawa City's Cleanup Day, an event held twice each year in accordance with the city's ordinance on littering and cleaning up after pets.

In fiscal 2015, the city held its Cleanup Days in May and September, and UACJ Copper Tube Corporation and UACJ Copper Tube Packaging Corporation employees, numbering 30 in total, joined in the collection of non-burnable and burnable waste.



UACJ Copper Tube employees cleaning up areas around the company's facilities as part of Toyokawa City's Cleanup Day

## UACJ Extrusion Oyama Corporation and UACJ Foundry & Forging Corporation

Every four months, around 30 employees of UACJ Extrusion Oyama Corporation and UACJ Foundry & Forging come together to clean the approximate 2.5km footpath that surrounds the plant. They have also continuously participated in cleanup activities sponsored by Oyama City. In fiscal 2015, a total of 42 employees participated in the cleanup of the Watarase Yusuichi recreation area, the cleanup following the Oyama fireworks event, and the Furusato cleanup event in Omoigawa. These annual events take place in April, July, and October, respectively.

## UACJ Extrusion Gunma Corporation

UACJ Extrusion Gunma Corporation conducts cleanup activities around its plant. In the fiscal 2015 activities, conducted in April and September, employees collected waste discarded along the public roads and water channels in areas near the plant.



Cleaning up the public roads and water channels around the facilities of UACJ Extrusion Gunma Corporation

## UACJ Extrusion Nagoya Corporation, Anjo Works

Working together with neighborhood associations, the Anjo Works of UACJ Extrusion Nagoya Corporation conducts cleanup activities mainly in areas adjacent to or near its plant at the end of every month. As an additional contribution to local beautification, the works also sweeps up litter and fallen leaves after stormy weather and on other occasions as necessary.



## UACJ Extrusion Shiga Corporation

UACJ Extrusion Shiga Corporation participated in the Lake Biwa Clean Campaign held in September 2015 to remove litter and empty cans from around Lake Biwa.

In fiscal 2015, 9 employees participated in this annual event.

Another event, a fishing tournament held in May 2015 to remove invasive species from the lake and raise awareness of the need to maintain the lake's ecosystem, was joined in by 6 employees.



Fishing Tournament to Remove Invasive Species from Lake Biwa



UACJ Extrusion Shiga Corporation employees participating in the Lake Biwa Clean Campaign

## UACJ Foil Corporation, Nogi Works

In June of every year, the Nogi Works of UACJ Foil Corporation cleans the roughly 2km walking path between the works and Nogi Station, helping to beautify the area in the process. In June 2015, 13 volunteers including employees of the Nogi Works and business partners with staff on site joined in this event.



## UACJ Foil Corporation, Isezaki Works

Between 10 and 20 employees of UACJ Foil Corporation's Isezaki Works, mainly fiscal 2015 new hires, joined in a cleanup of a water channel on the south side of the works. Beautification activities are used by the works to enhance employee awareness of its coexistence with the local community.



## | UACJ Foil Corporation, Shiga Works

The Shiga Works of UACJ Foil Corporation conducts cleanup activities at the Yamadera Industrial Park, where it is located, as a contribution to local beautification. At the event held on December 1, 2015, 31 volunteers collected 14.5 kg of trash.



## | Nikkin Co., Ltd., Saitama Plant

Every year, the Saitama Plant of Nikkin Co., Ltd. helps to install lanterns for the cherry blossom festival sponsored by the Kiyoku Industrial Park in March, joins in cleanup activities in May and November, and helps to set up and manage the Noryo Fireworks Festival in July.

## | Sansen Co., Ltd.

For over 10 years, Sansen Co., Ltd. has been conducting its “Sawayaka Undo” cleanup activities in areas (junior high school, school for disabled children, hospital, and other places) surrounding the Nagoya Works of UACJ Corporation.

These activities are held on a monthly basis and draw participation by about 10 employees on each occasion.



Sansen Co., Ltd.'s “Sawayaka Undo”



## Support for Education and Research

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The UACJ Group provides support for university and other research institutions, and for community-based cultural and arts activities. We also participate in the Japanese Ministry of Economy, Trade and Industry's commissioned research, are moving forward with the development of a joint industrial-government-academia development program for young engineers and university students, act as a corporate practical training venue for the Super Science High School, support training activities sponsored by the Japan International Cooperation Agency, and support education and training inside and outside Japan in other ways as well.

### | Internship System

The UACJ offers internships to 10-15 university (including graduate school) and technical college students every year. Participants are given a chance to experience actual operations in R&D and production technology departments, and in so doing gain a better understanding of the value of study and research in an academic environment and what it means to work at a company and in society.

### | Fukui Works

To help local residents deepen their understanding of the UACJ Group's business activities, the Fukui Works conducts plant tours. In fiscal 2015, 200 residents, in 11 separate groups, observed manufacturing processes, environmental protection measures, and other aspects of the plant. The Fukui Works also offers internships, giving students a place to learn something about building careers and lives, and begin thinking about their futures and work they may want to pursue.

## **| Fukaya Works**

Since fiscal 2013, the Fukaya Works has been holding plant tours in cooperation with the Super Science High School (SSH) project Japan's Ministry of Education, Culture, Sports, Science and Technology is conducting to develop people who will be capable of participating at an international level in science and technology in the future. In the August 2015 plant tour, 13 students from Kumagaya High School viewed the casting furnace, rolling mill, and other gigantic pieces of equipment inside the works, and experienced the operation of cutting-edge testing equipment in the R&D facility.



Fukaya Works plant tour held in cooperation with the SSH project

## **| UACJ Extrusion Oyama Corporation**

UACJ Extrusion Oyama Corporation welcomes local junior and senior high school students for workplace tours every year. Comments reflecting surprise at the quantity and size of equipment in the plant and recognition of the importance of workers simply greeting each other show that observing plant operations has impressed students in various ways.

## **| UACJ Copper Tube Corporation**

Every year, UACJ Copper Tube Corporation accepts interns from a local high school.

In fiscal 2015, two students from Toyokawa Technical High School were welcomed for three days, October 20-22. During the program, the students were allowed to engage in primary and secondary tasks in the production and technology departments to experience the process of working to achieve particular objectives. It is hoped that this experience will help the students to develop a deeper appreciation for the meaning of studying at school and working at a company and in society.

## **| Nalco Iwai, Shiga Works**

The Shiga Works of Nalco Iwai participates in a program in which public school teachers undergo training at private sector companies. Over the past 16 years, it has regularly welcomed teachers into its facilities, and conducted training for 16 teachers in total. From May through July of fiscal 2015, a teacher from a local elementary school participated in assembly, packaging, and other types of work together with employees in the craft and manufacturing area of the Shiga Works.

## **| Nalco Koriyama Co., Ltd.**

Nalco Koriyama Co., Ltd. offers internships to students from Koriyama Kita Kogyo High School. In fiscal 2015, 3 second-year students from the school's machinery program participated in the three-day internship, which included classes on safety and how to read technical diagrams, and hands-on experience in performing light-duty work. Separately, the company welcomed 40 first-year students from the same high school's machinery program for a plant tour.

## **| ACE21 Nara Center**

ACE21 Nara Center participates in the experiential learning education program of the nearby Shikige Junior High School. In fiscal 2015, the center took great pride in guiding 2 students through the basics of processing sheets of aluminum.

## **| UACJ Marketing & Processing**

Since fiscal 2012, UACJ Marketing & Processing Corporation has been conducting a practical learning program for people with disabilities. Its intent is to support their efforts to live independently. In fiscal 2015, the company accepted two special education students for the program. With the help of detailed discussions with the school, and proper attention paid to safety during the program, the students accepted for the program completed it with flying colors.

## Disaster Response Support for Communities

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### | Nagoya Works

Supporting the City of Nagoya's aims under its program for making the city more resilient against natural disasters, the Nagoya Works has signed a memorandum of understanding with a local committee working to prepare the Nakagawa school district for natural disasters. The agreement is for the provision of materials and equipment for responses to large-scale disasters. By entering into this relationship, the works is cooperating with the City of Nagoya's efforts to have communities and companies work together to improve their area's ability to deal with major disasters.

The Nagoya Works also signed an October 2012 memorandum of understanding in which it has agreed to make its unmarried employees' dormitory available free of charge as a tsunami evacuation site for students of a nearby school for disabled children, and it continues to conduct tsunami evacuation drills with the school. The fourth drill was held in September 2015 with participation by roughly 400 people, including 50 from the Nagoya Works and 350 from the school.

### | UACJ Copper Tube Corporation

In an effort to support local disaster preparedness, UACJ Copper Tube Corporation entered into an agreement for firefighting and disaster response support with Toyokawa City in March 2013.

## Other Forms of Communication

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### | Fukui Works

Cooperating with Sakai City's efforts to make itself more livable for people with disabilities, the Fukui Works began in fiscal 2008 to make donations of 9 million yen in five-year cycles, providing equipment for schools for special needs children and other social welfare facilities, as well.

The works' donation for the fiscal 2012-2016 period has been used for purposes such as the purchase of a bus for the Reihoku School for Children with Special Needs and installation of audio guidance systems for the visually impaired in five of the city's multipurpose toilets.

## **| Fukaya Works**

Since 2007, the Fukaya Works has been making contributions to programs that assist disabled people.

These contributions are overseen by the UACJ Shogai Fukushi Kikin. Together with funds donated by six Group companies (ACE21 Corporation, UACJ Logistics Corporation, NIKKEI KAKOH CO., LTD., UACJ Fukaya Service Corporation, UACJ System Corporation, and UACJ Green-net Corporation) in the Fukaya region, a total of two million yen is contributed to the fund every year to promote projects for the benefit of disabled people in Fukaya City.

## **| Nagoya Works, UACJ Copper Tube Corporation**

The Nagoya Works holds the Inari Festival, which begins with a dedication ceremony at Inari Shrine, located on the grounds of the works, in April of every year, and UACJ Copper Tube Corporation holds its Summer Festival in August. Both of these festivals are attended by large numbers of local residents and are, therefore, good opportunities for deepening communication with local communities. The Nagoya Works and UACJ Copper Tube Corporation also actively co-sponsor and participate in festivals, sports, and other events held by local school districts.



Inari Festival (UACJ Copper Tube Corporation)

## **| UACJ Copper Tube Corporation**

As part of its efforts to support people with learning disabilities, UACJ Copper Tube Corporation began in April 2013 to allow Smile, an organization supporting people with learning difficulties, to sell its baked goods within the company every Wednesday, excluding holidays. The popularity of these items means it takes only about 15 minutes for the organization to sell all 150 items it brings.

The company also outsources the sorting of waste items to Smile and Kusei no Hana, another organization supporting disabled people.

## UACJ Extrusion Oyama Corporation, UACJ Foundry & Forging Corporation

At UACJ Extrusion Oyama Corporation, employees, mostly younger ones, participate in the Mikoshi Neriaruki parade that is the highlight of every July's Oyama Summer Festival Opening Carnival.

Donations and other forms of support are provided on an ongoing basis to Tochigiken Bohan Kyokai (crime-prevention organization), Oyamashi Shakai Fukushi Kyokai (social welfare organization), and other charitable organizations. In fiscal 2015, nearby Sano City presented the company with an award recognizing its contributions to local industrial development.



Sano City award for contributions to local industrial development

## Nalco Koriyama Co., Ltd.

With help from the city of Koriyama, Nalco Koriyama Co., Ltd. organized a summer festival sponsored by the association of companies with operations in the Koriyama Nishibu Dai-ni Industrial Park. The festival, which was held on July 17, 2015, attracted roughly 500 visitors, including local residents. Following an opening address by the mayor of Koriyama, the festival commenced with games, live taiko drum and balloon art performances, and other attractions visitors thoroughly enjoyed.



Staff dressed in happi serving visitors to the summer festival at Nishibu Dai-ni Industrial Park (Nalco Koriyama Co., Ltd.)

## Relationships with Employees

One of the UACJ Group's company principles is to “nurture staff by creating safe and positive work environments.” Accordingly, we work to address issues concerning human rights, diversity, human resources development, work-life balance, and occupational safety and health.

### Basic Workforce Data

#### UACJ Workforce Data (Parent company)

	2014		2015	
Employees	2,668	(265)	2,707	(286)
Men	2,448	(242)	2,489	(262)
Women	220	(23)	218	(24)
Average age	40.1		40.4	
Average years of continuous service	17		17.5	
New hires (excluding temporary transfers)	46		129	
Men	44		127	
Women	2		2	
Employee turnover rate	4.9%		5.5%	
(Voluntary resignations)	1.2%		1.6%	

\* Figures in parentheses are the average numbers of temporary hires (not included in totals).

\* As of March 31 of each year.

## UACJ Group Workforce Data (Consolidated)

	2014		2015	
Group employees (consolidated)	8,556	(895)	8,881	(920)
Men	7,092	(720)	7,375	(743)
Women	1,464	(175)	1,506	(177)
By Region				
Japan	5,998	(863)	6,033	(898)
Asia	1,913	(27)	2,120	(18)
Americas	463	(5)	549	(4)
Europe, other	182	(0)	179	(0)

\* Figures in parentheses are the average numbers of temporary hires (not included in totals).

## Respect for Human Rights

### Basic Approach

Among its provisions, the UACJ Group's Code of Conduct calls for respect for human rights, prohibition of harassment, prohibition of the use of child labor and forced labor, and respect for basic labor rights.

Understanding of these points is emphasized in job-level education, intra-departmental education focusing on the Code of Conduct, and in other settings, as well.



# Promoting Diversity

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## | Basic Approach

The UACJ Group believes that its competitiveness relies on having diverse human resources. One of the major policies under the human resource development section of the Mid-term Management Plan is to “Practice diversity (respect and utilize individual diversity).” We, therefore, are committed to building and maintaining a system that enables the continuous nurturing of human resources.

## | Diversity in Employment

The UACJ Group actively maintains a diverse work force to support its business endeavors in new fields and in the global arena. In fiscal 2016, our hiring of new graduates included 19 people (13 men and 6 women) for staff positions, and 19 (19 men) for skilled labor positions. We are also actively hiring people from other countries, and have brought six on board since fiscal 2011.

## | Creating Work Environments Supporting Career Success for Women

At the UACJ Group, we are actively working to increase career opportunities for women. Our objectives under our action plan based on the Act to Advance Women’s Success in Their Working Life include: 1) Making women 40% of the new college graduates we hire into administrative positions and at least 10% of technical positions; and 2) Doubling by fiscal 2020 the number of women in management positions as of March 2016. As our most recent results along these lines, we hired 19 new college graduates, including 6 women, in fiscal 2016. Women accounted for 75% of the administrative positions filled and 20% of technical positions. Regarding the number of women in management positions, there were 74 female managers across the entire UACJ Group as of the end of fiscal 2015 (March 31, 2016). This reflects an increase of 4\* from the end of the previous fiscal year. In response to provisions, such as those of Japan’s Law for Measures to Support the Development of the Next Generation, we are striving to create workplaces that allow employees to fulfill both work and child-care responsibilities.

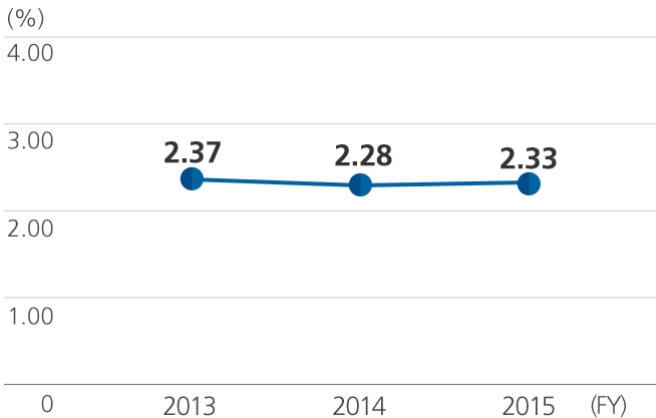
\* Includes Group companies that are not consolidated subsidiaries.

## Initiatives for Hiring People with Disabilities

UACJ works to achieve the legally mandated workforce percentage for employment of people with disabilities. We do this via UACJ Green-net Corporation, a company recognized as a special subsidiary under Japan's Act for Promotion of Employment of Persons with Disabilities. The UACJ Green-net Nagoya Office was established in April 2015 to expand work opportunities for people with disabilities. As of June 1, 2016, people with disabilities comprised 2.44%\* of UACJ's workforce, more than the legally mandated 2.0%.

\* Calculation of this rate is based on employment data for UACJ, UACJ Foil Corporation (a UACJ subsidiary), and UACJ Green-net Corporation

### Employment Rate for People with Disabilities



## Personnel Development Initiatives

### Approach to Personnel Development

The UACJ Group sees people who understand our management philosophy and company principles, and act accordingly, as the source of its competitiveness. To practice our management philosophy, we believe it is important to develop people who:

- Do not simply accept the status quo but instead continuously pursue improvement and change,
- Have the ability to understand other cultures and can act on a global stage,
- Have the ability to act in UACJ's best interest, and
- Focus on quality and technology, and have the ability to act with a frontline orientation.

In terms of concrete action, we conduct job-level training and seminars, support self-development, and organize improvement activities, based on three basic ideas – employee development based on individual learning, developing subordinates' abilities on the job, and developing through the organization. The Human Resources Development Department oversees the development and nurturing of people by filling in gaps to enable personnel development activities to function effectively.

## **| Human Resource Development Program**

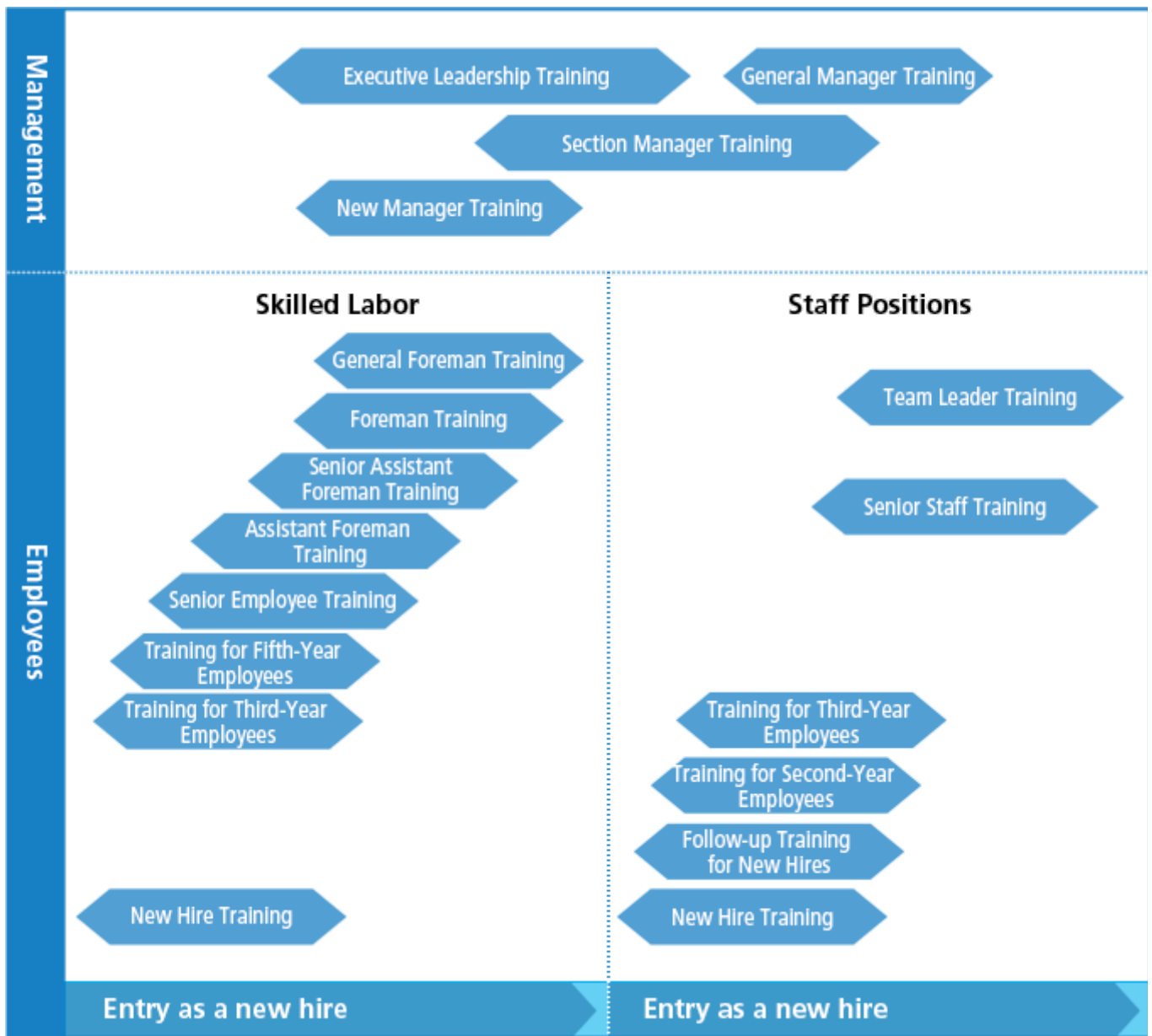
The UACJ Group's Human Resources Development mainly uses the Human Resources Development Center in Nagoya Works to conduct job-level training and seminars.

### **Job-Level Training**

The purpose of job-level training is to have employees sharpen their awareness of their job-level roles, acquire the professional capabilities and knowledge required to fulfill their job responsibilities, and deepen their understanding of the company's aims and systems.

For staff employees, new-hire training, second-year training, and third-year training are conducted for all employees under a system that constantly monitors employees through their first three years. For employees in their fourth year after joining the company, and employees up through department manager level, we conduct senior staff, team leader, new manager, and other types of training in a continuous fashion by job level. We also perform training to prepare people for top management positions in the future.

For employees in skilled labor departments, we conduct new-hire training, third-year training, and fifth-year training for all employees under a system that constantly monitors employees through their first five years. Employees in their sixth year of service attend senior employee, assistant foreman, senior assistant foreman, foreman, general foreman, and other training required depending on job level.



### Fiscal 2015 Job-Level Training Participation

	UACJ	Affiliates	Total
Management	68	74	142
Staff	106	44	150
Skilled Labor	212	232	444
Total	386	350	736

## **Seminars**

The UACJ Group, separate from job-level training, also conducts seminars mainly for the purposes of helping individuals improve their skills or acquire expert knowledge, and imparting knowledge required for particular workplaces.

In fiscal 2015, we held seminars in areas such as improving leadership skills, instructor development, and the 5S approach to workplace organization. A business communication seminar was also conducted to better equip employees for working in a global environment.

In fiscal 2015, we conducted a total of 36 seminars of 11 types, with participation by 631 employees in all.

## **Support for Self-Development**

In an effort to meet the needs of individual employees and workplaces, we help employees undertake self-development through avenues such as distance learning, preparation to acquire various types of professional certifications, and language study. We have stocked our Human Resources Development Center with approximately 1,800 books that employees may borrow, and we issue a monthly newsletter that carries information on training activities, new additions to the library, and other information intended to promote employee interest in self-development.

## **Education Support for Group**

The Human Resources Development Department supports the education and training of Group company employees by allowing them to participate in job-level training and seminars, and by providing guidance and other forms of on-site support.

In fiscal 2015, 10 QC seminars were conducted at Group company locations.

## Developing Human Resources for Overseas Roles

In fiscal 2014, we introduced a two-year overseas training program in which participants spend the first year in language training and the second in practical training. Two employees participated in that inaugural program, and two more are now in the middle of the second iteration of the program, spanning the fiscal 2015-2016 period. We plan to continue with this program as a human resources development tool with a medium-term outlook.



Human Resources Development Center

For employees scheduled to be sent on overseas assignments, we identify specific training programs based on each individual's work history and the demands of the assignment he or she is about to undertake, and then conduct training, which also includes intensive language instruction, on an individual basis.

For employees in general, we provide language training support based on TOEIC scores and conduct business skill seminars to help employees cultivate experience and knowledge.

As part of our efforts to promote education training for employees hired by overseas Group companies, we conducted two management training seminars in fiscal 2015, for approximately 60 participants in total, at affiliates in Thailand.

## Improving Frontline Capabilities (Handing down technical skills)

Efforts to pass on the monozukuri (manufacturing) spirit, experience, and skills veteran employees have developed and acquired over their long careers are critical for maintaining product quality and continuously improving productivity.

In preparation for the coming increase in veteran technicians reaching the mandatory retirement age, the UACJ Group's Nagoya Works began a program in 2004 to transfer the skills, instinct, and "tricks of the trade" - the professional know-how - of veteran employees to their younger colleagues. Similar initiatives are underway in the maintenance department of the Nagoya Works, the extrusion department of UACJ Extrusion Nagoya Corporation, and the pipe manufacturing department of UACJ Copper Tube Corporation, where efforts are tailored to specific manufacturing circumstances. These activities will be continued with an eye toward implementing them at other locations, as well.

## **Improving the Capabilities of Non-Manufacturing Staff (Ji-Kotei Kanketsu initiative)**

To improve the quality and efficiency of the work performed by non-manufacturing staff, we are pursuing initiatives based on the concept of “Ji-Kotei Kanketsu”, or JKK.

JKK in non-manufacturing areas is the concept of individual employees thinking of the customer and downstream processes first, not making or passing on bad products (information), taking pride in and responsibility for their own work, not blaming others, improving themselves, and performing defect-free work. This is an approach we learned from Toyota Motor Corporation, and modified to suit our needs.

Our JKK initiative got underway on a trial basis in June 2009 in the Nagoya region. In April 2010, we launched a team within the Human Resources Development Department to advance this initiative and began promoting JKK throughout the Group.

## **Rehiring Employees Who Have Reached Mandatory Retirement Age**

We are actively rehiring employees who have retired after reaching the mandatory retirement age, and transferring their years of skills, techniques, and know-how to younger employees. As of the end of April 2015, 215 senior employees were back at work.

## **Work-Life Balance**

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### **Basic Approach**

The UACJ Group has several systems intended to promote a healthy work-life balance by enabling all employees to focus on the tasks at hand and properly meet responsibilities while at work, and have quality time off to be with their families, study topics of personal interest, enjoy hobbies, or do whatever else they would like. We believe our initiatives along these lines enhance workplace morale and give rise to new perspectives that in turn lead to imaginative products, technologies, and services. Ultimately, we think the benefits include development and growth for the UACJ Group and greater happiness for our employees and their families.

## Support for Balancing Work and Family Responsibilities

Category	System	Description	No. of Employees Using (Fiscal 2015)
Child Care Support	Child-care leave	The employee may take leave for the desired period up to the time the child reaches the age of 1 year and 6 months, or through the end of the first April after the child becomes 1 year old (Legal requirement: Leave up to the time the child reaches the age of 1 year)	8
	Reduced working hours	Working hours may be reduced until the child becomes a fourth grade elementary school student. (Legal requirement: Until the child reaches the age of 3 years)	2
	Overtime exemption	Same as legal requirement.	0
	Sick-child leave	Same as legal requirement. Leave may be taken to care for a sick child who is not yet in junior high school. (Legal requirement: Leave for a child not yet in elementary school)	0
	Limitation on late-night work	Same as legal requirement.	0
	Limitation on overtime work	Same as legal requirement.	0
	Limitation on overtime work Accumulated leave	Leave may be taken for child care or to care for a sick child.	11
	Baby sitter assistance service	Babysitter services by providers arranged by the Company are available at reduced rates.	0



Category	System	Description	No. of Employees Using (Fiscal 2015)
	Rehiring of former employees	Rehiring of employees who left to give birth or care for children.	0
Nursing Care Support	Nursing care	Up to 365 calendar days may be taken to provide nursing care (Legal requirement: 93 days)	0
	Reduced working hours	Working hours to be reduced for the amount of time needed on each occasion	0
	Nursing care leave	Same as legal requirement	0
	Limitation on overtime work	Same as legal requirement	0
	Limitation on late-night work	Same as legal requirement	0
	Accumulated leave	Leave may be taken to provide nursing care	0
	Rehiring of former employees	Rehiring of employees who left to provide nursing care.	0
Other	Flex-time system	UACJ headquarters; branch offices; offices; and the Nagoya, Fukui, Fukaya, and Nikko works; and technical R&D centers	558
	Nursing care	Parents and spouses	0
	Time off for volunteer activities	Leave be may be taken for social welfare, disaster recovery, community and environmental, and other volunteer activities recognized by the Company.	0
	Rehiring of former employees	Rehiring of employees who left because a spouse was transferred.	0

## Child-Care Leave System

At UACJ, 85.7% of the women who took maternity leave in fiscal 2015 used the child-care leave system. As of fiscal 2015, 80% of the women who had taken child-care leave had returned to their jobs, and 100% of these women were still with the Company three years after returning to work. To encourage men to take childcare leave, too, the Company allows expired paid leave to be used for child care. As an additional incentive for men to participate in child care, a system has been established to allow them to take up to five days of leave at their convenience during the first month following the birth of a child.

In fiscal 2015, a total of eight employees – six women and two men - took child-care leave. Going forward, the Company will continue to take steps to help employees balance work and home responsibilities. In April 2015, the Company established a new system for rehiring former employees who left because of reasons such as the birth of a child, the need to provide child or nursing care, or the transfer of their spouse.

### Child Care Leave Taken

Fiscal Year	Men	Women	Total
2014	1	8	9
2015	2	6	8

(%)

Fiscal Year	Percents of UACJ Employees Returning to Work Following Child-Care Leave	Percents of UACJ Employees Still on the Job After Three Years
2014	90%	100%
2015	80%	100%

## Appropriate Work Hours

To properly manage work hours and prevent the working of excessive hours, the UACJ Group has implemented a work-time management system to accurately record and verify the times when employees begin and end each day at work. Employees who exceed overtime standards are asked to see an industrial physician.

UACJ has made every Wednesday a no overtime day to reduce overall work hours and promote work productivity and efficiency. And, through steps such as having each employee specify at the beginning of the fiscal year when they will take three consecutive paid days off (5 days every fifth year), we are systematically creating conditions that make it easier to take time off. Our aim in doing this is to achieve greater improvements in work efficiency by encouraging employees to refresh themselves mentally and physically.

### UACJ Overtime Hours

(h)

Fiscal Year	Average Overtime Hours
2014	28.2
2015	31.6

### Paid Days Off Taken

(Days)

Fiscal Year	Yearly Average Paid Days Off Taken
2009	9.5
2010	10.4
2011	10.9
2012	12.1
2013	11.7
2014	10.9
2015	12.1

\* Figures for fiscal 2012 and earlier are sums for Furukawa-Sky and Sumitomo Light Metal Industries, which later merged to form UACJ. Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

In 2013, the UACJ Group implemented a system under which employees can take up to 50 days a year of expired paid leave to participate in social welfare, disaster recovery, local community, environmental conservation, or other company-approved volunteer activities under the auspices of the national or local governments, or quasi-governmental non-profit organizations.

# Occupational Safety and Health

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## | Basic Stance on Occupational Safety and Health

We advance safety and hygiene activities that are joined in by all employees and start from the view that employee safety, hygiene, and health are all top priorities.

More specifically, we comply with laws and ordinances, and our own internal rules, concerning employee safety and hygiene, and have constructed occupational safety and health management systems. Through proper management, we strive to create work environments that are safe, hygienic, and healthy.

### Basic Policies on Safety and Health

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#### Philosophy

The UACJ Group, recognizing that the existence of a business enterprise rests on a foundation of employee safety and health and that ensuring employee safety and health is a social responsibility of business enterprises, will respect the following principles as a matter of course.

#### Principles

1. We will place employee safety and health before all else in all business activities.
2. To eliminate all workplace hazards as a step toward achieving zero workplace accidents, we will take the required organizational measures, allocate the necessary management resources, and, with the participation of all employees, strive to implement safety and health activities on an ongoing basis.
3. We will comply with the Industrial Safety and Health Law and other related laws and ordinances, and ensure employee safety and health in accordance with the safety and health provisions established by the Group companies.
4. Gaining the cooperation of employees, we will conduct education and training that is necessary and adequate for ensuring safety and health for all employees, and continuously implement safety and health activities, to constantly elevate safety and hygiene standards.
5. Sharing information on safety and health activities within the Group, and pursuing mutual enlightenment, we will work to improve understanding of safety and health principles, and raise safety and health awareness, among all employees.
6. We will advance the development of comfortable work environments to reduce worker fatigue and stress.
7. We will work to develop and implement new safety and health methods and technologies.

# | Safety and Health Management System

## Safety and Hygiene Committee

The UACJ Group has built a safety and health management system in which leadership is exercised by the general safety and health managers at individual business locations. The purpose of the system is to create work environments where workers can be confident that their safety and health are being adequately protected.

Overseeing safety and health at the Group level is the Safety and Health Committee. Chaired by the Executive Officer in Charge of Safety and Health, the committee, which meets once a year, is composed of members including full-time directors, works managers, and presidents of affiliates. At the meeting held in January 2016, the Safety & Environment Department presented a report on 2015 activities, and then the committee discussed and approved directions to be taken in safety and health activities for fiscal 2016. President's Safety Awards for 2015 were presented to those business locations that experienced no accidents during the fiscal year.



President's Safety Award(Fukaya Works)



President's Safety Award(UACJ Copper Tube)

## Safety and Hygiene Managers' Committee

The Safety and Hygiene Managers' Committee, with members including representatives of the Safety & Environment Department, and Safety Managers of the works and principal affiliates, meets once every month to discuss safety and work environment inspections and maintenance at each business location. The committee also discusses the advancement of rule unification and implementation of safety measures across the breadth of the Group.

Going forward, we will continue to act vigorously to ensure that our safety and health management systems are equal to our needs.

## **Safety Management Initiatives (Occupational Safety and Health Management System)**

The Nagoya, Fukui, Fukaya, and Nikko works have adopted and are operating worker safety and health management systems, and are pursuing activities with the goal of achieving zero accidents in the workplace.

Safety and health activity plans are prepared at each works in accordance with the UACJ Group's safety and health activity aims. Plans are finalized once they are approved by the head of each works, and then discussed and approved by the local Safety and Health Committee, which consists of even representation of workers and management.

To help ensure that safety and health management is practiced at the highest standards, we have established internal audit and other schemes based on the management system. Through internal audits, we conduct self-assessments of system operations, assuring in the process, that PDCA (Plan-Do-Check-Action) cycles are being used. In addition, to enhance the safety management standards of the entire UACJ Group, we hold annual liaison meetings of people in charge of safety and hygiene at affiliates.

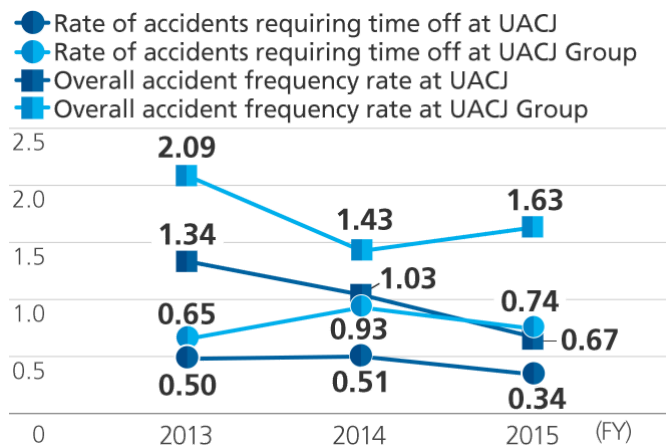
To achieve further enhancement going forward, we intend to improve the accuracy of internal audits.

### **Conditions with Regard to Workplace Accidents**

The UACJ Group aims to eliminate workplace accidents, regardless of scale, and the Group is working together to strengthen safety management systems.

Prior to the merger, workplace accidents at the UACJ Group came to 49 for fiscal 2011. Since then they have been trending downward, falling to 22 in fiscal 2015. The rate of accidents requiring time off from work came to 0.74, with an overall frequency rate of 1.63.

## Workplace Accidents



※Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

※The overall frequency rate is a measure of the rate at which workplace accidents occurred during the fiscal year. It is calculated by dividing the total number of worker fatalities and injuries (including cases not requiring time off) resulting from a workplace accident during the fiscal year, by one million hours.

※The rate of accidents requiring time off from work is a measure of the frequency of workplace accidents that occurred during the fiscal year and required workers to take time off from work. It is calculated by dividing the total number of workplace accidents that occurred during the measurement period and required time off from work, by one million hours.

## Group-Wide Safety Inspections

Safety inspections of the principal workplaces of each business location are performed once a month on a rotating basis.

Safety inspections are performed with the participation of the Safety & Environment Department, people in charge of safety and health at each business location, and the head of the business location being inspected. Their objective is to determine whether work is being performed in line with standards and whether any risks have been overlooked.

For work locations and procedures for which safety inspections have identified problems, improvements are undertaken immediately. Two months afterward, the Safety & Environment Department confirms the status of corrective measures by performing an on-site inspection as a part of follow-up procedures that ensure complete compliance with safety measures.

## Toward Intrinsic Safety

The UACJ Group is striving to achieve intrinsic safety in its equipment and facilities. To do this, we are conducting risk assessments by examining work processes from various angles to thoroughly eliminate hazards and harmful factors. Safety measures are taken beginning with the facilities, equipment, and work approaches evaluated as having high risk levels. Residual risks, too, are all addressed with provisional measures.

The UACJ Group introduced uniform equipment safety standards in March 2015. Zones are being delineated based on these equipment safety standards, and thorough safety measures are implemented for each. Furthermore, when facilities are to be newly introduced or modified, intrinsic safety is achieved by conducting checklist-based safety examinations at the design, operational startup, and other stages.

## Safety-First Corporate Culture and Personnel Development

At the UACJ Group, safety and health education is conducted as a part of job-level training. Key components include safety and health education, raising awareness of safety, and an enhanced experiential approach to sensing danger. Crane and forklift operation contests, for example, are regularly held to encourage employees to improve their skills in using this equipment.



Crane operation and slinging skill contest

For personnel in the position of guiding and managing others, safety and health education and training sessions are held to promote acquisition of the position, knowledge, and attitudes necessary for implementing safety management. In addition, to elevate safety and health management standards at individual Group companies, safety and health education, safety inspections, and other support initiatives are actively undertaken to foster a safety-first corporate culture and advance personnel development along the same lines throughout the Group.



## Principal Safety and Health Awards

Award	Recipient	Description
Hiroshima Prefecture Labor Standards Association, Miyoshi Branch Safety and Health Award (May 2015)	NIKKEI KAKOH CO., LTD.	For safety and health initiatives and facilities
Japan Aluminum Association Excellent Labor Safety Work Place Prize for Excellence (May 2015)	UACJ Extrusion Gunma Corporation	For zero accidents over the past three years
Nara Labor Standards Association Labor Standards Association Individual Safety Award Award for Three Consecutive Zero- Accident Months (October, 2015)	ACE21 Nara Center	For continued zero-accident performance and contributions to the Regional Association for the Promotion of Industrial Safety and Health  For zero accidents during June, July, and August
Japan Crane Association recognizing outstanding sling work by a crane operator (November 2015)	Nagoya Works	For outstanding sling work by crane operator
Japan Boiler Association recognizing outstanding boiler work by boiler engineers (November 2015)	Nagoya Works	For outstanding work by boiler engineers
Japan Industrial Safety & Health Association Award for Zero Workplace Accidents by a Small and Medium Enterprise (March 2016)	Nalco Koriyama Co., Ltd.	For 500 consecutive zero-accident days

## Mental Health Care Initiatives

The UACJ Group strives to maintain and improve the mental and physical health of employees, whom it sees as important business assets. We do this based on employee mental health maintenance and improvement guidelines prepared by Japan's Ministry of Health, Labour and Welfare.

Given the understanding that early detection of symptoms is important for mental health care, we incorporate mental health care education, including prevention and early detection tips, in job-level training, so that all employees can have correct knowledge and understanding of this important topic.

In addition, for management, which plays a key organizational role in supervising and developing those who work under them, we systematically and continuously conduct education and training to strengthen mental health care measures. We also conduct self-care training for non-management employees in their 20s and 30s to help them maintain their mental and physical health, provide this group with information to facilitate prevention and care, and address mental health care from various other angles as well.

For early identification of those who are experiencing mental health issues, we conduct line (or workplace) care in which managers, in their daily activities, provide individual guidance and advice. When an employee is thought to have a mental health condition, the department in charge of mental health care is contacted and appropriate measures are taken without delay. Our efforts to thoroughly look after workers' mental health also include consultations and health advice from industrial physicians and cooperation with outside institutions specializing in mental health care.

## **| Workplace Environment Improvement Activities**

To make better workplace environments, we are systematically taking steps to improve conditions with regard to summer heat, winter cold, dust, and noise; eliminate work that requires excessive physical exertion or taxing body positions; and add break areas and other features (e.g. adding or renovating break areas and on-site restrooms) that make environments more liveable. Measures to deal with summer heat have been a particular focus, and the installation of air conditioning and ventilation equipment is proceeding as planned.

## **Employee-Management Relationship**

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Until recently, UACJ employees belonged to labor unions originally organized at the two companies that merged to form UACJ. On October 13, 2015, however, the two unions merged to form the UACJ Labor Union. Employees of Group companies remain members of the unions formed at their companies. Relations between the labor unions and the companies where they have been organized are harmonious and healthy communications are maintained through regular meetings. In April 2016, labor-management committees were formed at UACJ and at Group companies to discuss possible measures for improving work-life balance by shortening working hours.

## Basic Stance

The UACJ Group is thankful for the earth and the abundance of life it supports. That feeling underlies our basic stance on the environment, and we have publicly declared our aim to reduce our environmental burden in all aspects of our business activities.

The economic activities of humankind are now of such a scale that they are having enormous impacts on the global environment and giving rise to various problems, including extreme weather, imbalances in ecosystems, and depletion of natural resources. These are sustainability risks for the UACJ Group and ultimately for the earth. Our basic stance on the environment, therefore, is to ascertain what we can do to lower our environmental burden and then work steadily to achieve what is possible.

## Fiscal 2015 Objectives and Performance

	Fiscal 2015 Objective	Fiscal 2015 Performance	Assessment	Fiscal 2016 Objective
Elimination of Serious Environmental Accidents	Zero accidents	Zero accidents 1 accident	×	Zero accidents
Measures to Fight Global Warming	Reduction of energy used per unit of production	3.2% increase per unit of production	×	Reduction of energy used per unit of production
Realization of a Recycling-Oriented Society	Reduction of waste generated per unit of production	2.2% increase per unit of production	×	Reduction of waste generated per unit of production
	Continuation of zero emissions*	Continuation of zero emissions	○	Continuation of zero emissions

	Fiscal 2015 Objective	Fiscal 2015 Performance	Assessment	Fiscal 2016 Objective
Chemical Substance Control	Reduction of PRTR-controlled VOC emissions per unit of production	4.0% reduction per unit of production	○	Reduction of PRTR-controlled VOC emissions per unit of production

\* Within the UACJ Group, “zero emissions” is defined as direct landfill disposal of less than 1% of all industrial waste generated.

## Looking to the Future

In fiscal 2015, objectives for reducing energy used per unit of production and industrial waste generated per unit of production were not achieved due to the overwhelming impact of a decline in production volume. In fiscal 2016, as well, it is possible that we may face various hurdles in achieving our objectives. Nevertheless, with new ideas and persistence, we will continue with efforts to achieve our objectives.

### Comment by the Executive in Charge

With heightened environmental awareness around the globe, attention is refocusing on potential uses for aluminum and copper in various fields. Both of these metals stand out for their thermal conductivity, workability, and recyclability. And the UACJ Group, as a comprehensive manufacturer in the global markets for aluminum and copper products, is making the most of the characteristics of these metals to contribute to society. Our products make automobiles lighter and air-conditioning equipment more efficient, increase the recycling rate for beverage containers, and help to lower environmental burden in other ways, as well. Through actions such as the construction of one of the world’s largest furnaces for recycling used beverage cans, at Logan Aluminum Inc. (located in Louisville, Kentucky), and the establishment of a facility for producing aluminum materials for use in making body panels for automobiles, at Constellium-UACJ ABS LLC (located in Bowling Green, Kentucky), we are creating a product supply system that will effectively contribute to the lowering of environmental burden on a global basis.

Furthermore, in an initiative aimed at supporting social contributions through our products, we are working to reinforce understanding of our



Managing Executive Officer  
Tatsuro Matsuura

Group-wide environmental stance at all UACJ Group companies throughout the world, acting to ensure that all Group employees are keenly aware of environmental issues, and pushing ahead with energy-saving and industrial waste reduction measures at all of our manufacturing locations.

Looking to the future, the UACJ Group is united in its pursuit of environmentally conscious management to support the realization of a sustainable society.

## UACJ Group Basic Environmental Policies

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### Corporate Philosophy

The UACJ Group is thankful for the earth and the abundance of life it supports, and recognizes that the fate of all living things hangs on the condition of the earth's environment. Therefore, we see protection of the global environment and the promotion of a recycling-oriented society as one of our highest priorities and are committed to reducing environmental impact in all aspects of our business activities.

### Guidelines

1. We will make the necessary organizational arrangements and allocate the required management resources to advance activities that are cognizant of the need to protect the global environment.
2. We will work to continuously improve the quality of our environmental protection activities by assessing the environmental impacts of our present and future business activities and using the results to establish technologically and economically practical environmental improvement measures and specific objectives.
3. We will abide by environmental laws, regulations, and agreements, and formulate our own standards in actively working to protect the environment. At the same time, we will advance activities cognizant of the need to improve work environments, as well.
4. We will work to reduce our resource and energy usage, promote recycling, and reduce waste in all areas of our business activities, including the environmental impacts of the products we handle.
5. We will work to maintain or improve the environment by conducting environmental audits and constantly revising environmental management items and standards.
6. We will work to raise environmental awareness among all of our employees by using internal Group-wide communications activities and other measures to promote understanding of our basic stance on the environment.
7. We will contribute to and develop ties with local communities.

Given our basic stance on the environment, as set forth above, we are pursuing the following activities.

1. Measures to fight global warming and reduce CO<sub>2</sub>
  - (1) Advancement of energy-saving measures
  - (2) Advancement of fuel conversion
2. Development of a recycling-oriented society
  - (1) Advancement of the 3R<sup>(\*1)</sup> resource conservation measures
  - (2) Increasing our scrap usage ratio
  - (3) Reduction of industrial waste generated
  - (4) Reduction of landfill waste generated
3. Proper control of chemical substances
  - (1) Proper control of chemical substances in products
  - (2) Reduction of volatile organic compounds (VOCs)
  - (3) Reduction of PRTR<sup>(\*2)</sup> substances
  - (4) Establishment of an environmental quality management system that is trusted by customers
4. Compliance with laws and ordinances  
Compliance with domestic and overseas laws and ordinances
5. Establishment of an environmental management system  
Continuous improvement and enhancement of our environmental stewardship through the application of an environmental management system.
6. Promotion of environmental education  
Steps to enlighten all employees and raise their awareness on environmental matters.
7. Improvement of the environmental performance of aluminum products  
Contributions to the improvement of the environmental performance of our customers' products by developing and providing materials that make the most of aluminum's beauty and its environmentally harmonious characteristics of being light-weight and rustproof
8. Contributions to and ties with local communities.

\*1 3Rs: Reduce, Reuse, Recycle

\*2 The PRTR (Pollutant Release and Transfer Register) Law promotes improvement in the determination and control of amounts of designated chemical substances released into the environment.

## UACJ Group Environmental Management Direction

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### | UACJ Group Fiscal 2016 Environmental Management Direction

## Fiscal 2016 UACJ Group Environmental Management Direction

Area	Objective
Elimination of environmental accidents	Zero accidents
Advancement of measures to fight global warming	Per-unit-production reduction of energy consumption
Building of a recycling-oriented society	Per-unit-production reduction of industrial waste volume
	Objective Continuation of zero emissions
Proper control of chemical substances	Per-unit-production reduction of PRTR-controlled VOCs

The environmental management direction for fiscal 2015 will be maintained for fiscal 2016.

## Approach to Environmental Management

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To advance environmental activities internally and raise the environmental awareness of employees, the UACJ Group has established the Environmental Committee as a body that represents the entirety of the Group.

The Environmental Committee, chaired by the Chief Environmental Officer, has a membership consisting of UACJ executives, plant managers, and presidents of principal Group companies . The committee meets once a year, in principle, to be updated on the status of environmental activities, and discuss aims and objectives for the following fiscal year’s environmental activities.

To link environmental activity objectives with business activities and reliably work for their achievement, we have established the Safety & Environment Department as a unit responsible for implementation. The Safety & Environment Department holds meetings for Environmental Managers, conducts Executive Environmental Inspections, and organizes subcommittees on topics such as industrial waste and energy saving in performing the function of implementing and refining environmental activities.



## Environmental Manager Meetings

The Environmental Managers of UACJ's four main works, and principal extrusion, foil manufacturing, copper tube, and precision-machined components plants come together in meetings where they review progress in achieving the UACJ Group's environmental objectives, and share information on matters like changes in relevant laws.

### Environmental Management Organization



## Environmental Management System

Environmental management systems are in place at each of the UACJ Group's business locations, and nearly all of our plants have obtained the ISO14001 certification. Some of our smaller business locations have obtained the Eco-Action 21 certification by following the guidelines formulated by Japan's Ministry of the Environment.

ISO standards are periodically reviewed and updated. The ISO14001 standard was updated last year with the issuance of the 2015 edition. Business locations that have obtained the ISO14001 certification have already begun to take the steps necessary to update their certifications under the revised standard. Exactly when this will be accomplished will differ depending on the circumstances at individual business locations. Plans, however, are for all certification updates to be completed by the September 14, 2018 deadline.

### ISO14001 Certifications (as of August 31, 2016)

Business Location	Certifying Institution	Certification Number	Date Obtained
Nagoya Works	JIC Quality Assurance Ltd. (JICQA)	E440	2002.4
Fukui Works	Det Norske Veritas (DNV)	00484-2002-AE-KOB-RvA	2002.4
Fukaya Works	Japan Standards Association	JSAE545	2002.7
Nikko Works	Det Norske Veritas (DNV)	1851-2002-AE-KOB-RvA/JAB	2002.3
UACJ Color Aluminum Corporation	Det Norske Veritas (DNV)	00789-2003-AE-KOB-RvA	2003.5
UACJ Extrusion Oyama Corporation	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9
UACJ Extrusion Nagoya Corporation, Nagoya Works , Anjo Works	JIC Quality Assurance Ltd. (JICQA)	E440	2002.4
UACJ Extrusion Shiga Corporation	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9
UACJ Extrusion Gunma Corporation	JIC Quality Assurance Ltd. (JICQA)	E773	2004.1
UACJ Foil Corporation, Shiga Works, Nogi Works	Det Norske Veritas (DNV)	1423-1999-AE-KOB-RvA	1999.1
UACJ Foil Corporation, Isezaki Plant	JIC Quality Assurance Ltd. (JICQA)	E771	2004.1

Business Location	Certifying Institution	Certification Number	Date Obtained
Nikkin Co., Ltd.	Det Norske Veritas (DNV)	20221-2008-AE-KOB-RvA	2008.2
UACJ Foundry & Forging Corporation	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9
HIGASHI NIHON TANZO CO., LTD.	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9
UACJ Copper Tube Corporation	JIC Quality Assurance Ltd. (JICQA)	E281	2001.5
Toyo Fitting Co., Ltd.	JIC Quality Assurance Ltd. (JICQA)	E1610	2006.3
UACJ Metal Components Corporation, Sendai Works, Osaka Works, Hiroshima Works	Japan Quality Assurance Organization	JQA-EM3314	2003.8
UACJ Metal Components Corporation, Ena Works	The High Pressure Gas Safety Institute of Japan	04ER-420	2004.3
UACJ Metal Components Corporation, Shiga Works	Japan Quality Assurance Organization	JQA-EM6018	2007.12
NALCO Koriyama Co., Ltd.	JIC Quality Assurance Ltd. (JICQA)	E1711	2007.2

#### Eco-Action 21 (as of August 31, 2016)

Business Location	Certifying Institution	Certification Number	Date Obtained
UACJ Metal Components Corporation, Narita Works	Chibaken Kankyo Zaidan	0000341	2005.5

## **| Executive Environmental Inspections**

Executive Environmental Inspections are carried out at Group business locations in Japan to prevent environmental problems, propose and advance implementation of measures for eliminating or mitigating risk, and ensure thorough compliance with environmental laws and regulations.

The inspection team, consisting of the Chief Environmental Officer and representatives from the Safety & Environment Department, visits business locations, receives reports on local environmental management, and checks local conditions in gathering information on matters such as legal and regulatory compliance, and the status of improvement activities. When matters requiring improvement are identified, the Safety & Environment Department provides guidance and support in taking the necessary corrective action. Through this approach, the quality of environmental management throughout the Group is being raised from the bottom up.

In fiscal 2015, Executive Environmental Inspections were conducted in each business area at a total of 26 business locations. Combined with inspections conducted in fiscal 2014, all business locations subject to Executive Environmental Inspections were inspected over that two-fiscal-year period.

## **| Status of Compliance with Environmental Laws and Regulations**

On May 27, 2015, an accident, in which wastewater with a COD (chemical oxygen demand) of 195mg/L was released into a river, occurred at the Shiga Works of Nalco Iwai Co., Ltd. That concentration exceeded our own standard of 30mg/L and the legal standard of 160mg/L. The cause of the problem, however, was quickly identified and remedied, and the problematic release was kept to a minimum, with no detectable impact on the river.

## **Environment-Related Investment**

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The UACJ Group's fiscal 2015 environment-related investments totaled approximately 1.0 billion yen. These funds were used for purposes such as reconstruction of wastewater treatment facilities (Nagoya Works), updating facilities related to an alumite line (Nalco Ena Co., Ltd.), and updating devices and converting to LED lighting to save energy (individual business locations).

## Environmental Education

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We conduct environmental education for all employees as another measure for fulfilling our social responsibility to protect the global environment.

The Safety & Environment Department and the environment units of individual business locations lead environmental education initiatives. The Safety & Environment Department conducts fundamental environmental education activities, the purposes of which are to enlighten and raise awareness of environmental protection, and promote understanding of the UACJ Group's Basic Stance on the Environment. Meanwhile, the environment units of individual business locations carry out environmental education initiatives to foster the skills and numbers of internal auditors needed to ensure that each business location conducts its daily activities with sensitivity toward the environment.

We encourage employees to obtain public qualifications in environmental fields and are developing a workforce that is capable of appropriately responding to trends in environmental regulation. Individual business locations conduct general environmental education programs and special education programs for employees engaged in work that could have significant environmental impacts.

**Numbers of Employees with Environmental Management Qualifications (As of March 31, 2016)**

Qualification	Qualified Employees
Pollution Control Manager - Air	38
Pollution Control Manager - Water	60
Pollution Control Manager - Noise	22
Pollution Control Manager - Vibration	25
Pollution Control Manager – Noise & Vibration	18
Pollution Control Manager – Dioxins	17
Energy Manager	60
Certified Environmental Measurer	4
Manager Responsible for Industrial Waste Requiring Special Controls	69
ISO1400 Internal Auditor	418

\* Data are for UACJ and Group companies in Japan.

## Biodiversity Initiatives

The UACJ Group views the protection of biodiversity as one of the most important global environmental challenges, and we treat it as such within the UACJ Group Code of Conduct. The UACJ Group procures raw metal, our primary raw material, mainly on the open market, and then processes it into metal materials that can then be used by our customers to make products. Our business model, therefore, does not have a significant direct impact on biodiversity. Nevertheless, we engage in actions such as those given below at individual business locations.

- Implementation of WET (Whole Effluent Toxicity) tests using bioresponse at UACJ Extrusion Oyama Corporation and UACJ Foundry & Forging Corporation
- Reduction of lumber usage in shipping materials at UACJ Extrusion Nagoya Corporation's Anjo Works and other locations
- Addition of greenery to individual business locations.

## Supply Chain

The UACJ Group's customer base includes a significant number of manufacturers who export products to destinations outside Japan. This is one reason why we are keenly aware of the importance of supply-chain management.

We take steps to ensure that the raw metals we use include no conflict mineral<sup>\*3</sup>. And we exercise stringent measures to comply with the European Union's REACH<sup>\*4</sup> regulation and RoHS<sup>\*5</sup> directive, and ensure that our products contain no controlled substances. Furthermore, we make a point of responding appropriately when customers request us to complete a green procurement survey.

<sup>\*3</sup> Conflict minerals are minerals subject to conflict mineral disclosure regulations under the US Dodd-Frank Act. These minerals include tin, tantalum, tungsten, and gold mined in the Democratic Republic of the Congo or neighboring countries.

<sup>\*4</sup> The EU's REACH regulation requires the "Registration, Evaluation, Authorization and Restriction of Chemicals."

<sup>\*5</sup> The EU's RoHS directive requires the "Restriction of Hazardous Substances" and was issued by the European Parliament and the European Council to restrict the use of certain hazardous substances in electrical and electronic devices.

## Fiscal 2015 Material Balance

To support efforts to reduce industrial waste and substances of environmental concern, the UACJ Group works to accurately determine conditions with regard to the environmental impacts of its business activities. For fiscal 2015, data on substances of environmental concern and industrial waste were collected for the principal business locations, which comprise more than 95% of the UACJ Group's total energy usage.

### Fiscal 2015 Material Balance

INPUT		OUTPUT	
<b>Energy</b>	<b>401,000 kℓ<sup>※1</sup></b>	<b>Products</b>	
Kerosene	6,000 kℓ	Al	736,000 t
Fuel oil A	1,000 kℓ	Cu	44,000 t
Fuel oil C	15,000 kℓ		
Liquefied petroleum gas	31,000 kℓ	<b>Atmosphere</b>	
Liquefied natural gas	27,000 kℓ	CO <sub>2</sub>	742,000 t-CO <sub>2</sub> <sup>※3</sup>
City gas	130,000 kℓ	SOX	70 t
Electricity	189,000 kℓ	NOX	759 t
		Soot and dust	59 t
<b>Raw materials</b>			
Al	771,000 t <sup>※2</sup>	<b>Waste</b>	
Cu	44,000 t <sup>※2</sup>	Industrial waste	3,551 t <sup>※4</sup>
Mn	3,000 t	Direct landfill waste	11 t
Mg	11,000 t	Recycled materials	19,376 t
Si	1,000 t		
<b>Water</b>	<b>14,972,000 t</b>	<b>Wastewater</b>	
Water for industrial use	11,035,000 t		12,522,000 t
River water	3,668 t		
Groundwater	3,393,000 t	<b>Chemical substances</b>	
Tap water	544,000 t	Releases	369 t
		Transfers	273 t
<b>PRTR substances</b>			
	4,255 t		



Measurement Scope: 15 locations, including UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Color Aluminum Corporation, UACJ Extrusion Nagoya Corporation (Nagoya, Anjo), UACJ Extrusion Oyama Corporation, UACJ Extrusion Shiga Corporation, UACJ Extrusion Gunma Corporation, UACJ Foil Corporation (Isezaki, Shiga, Nogi, ), UACJ Foundry & Forging Corporation, and UACJ Copper Tube Corporation

※1 Crude oil equivalent

※2 Total of new and recycled metal, scrap, ingots, etc. (Provisional figure as of August 24, 2016)

※3 Based on an electric power generation CO<sub>2</sub> emissions factor of 0.378kg-CO<sub>2</sub>/kWh

※4 The amount of industrial waste consigned to outside parties for processing, less the amount recycled.

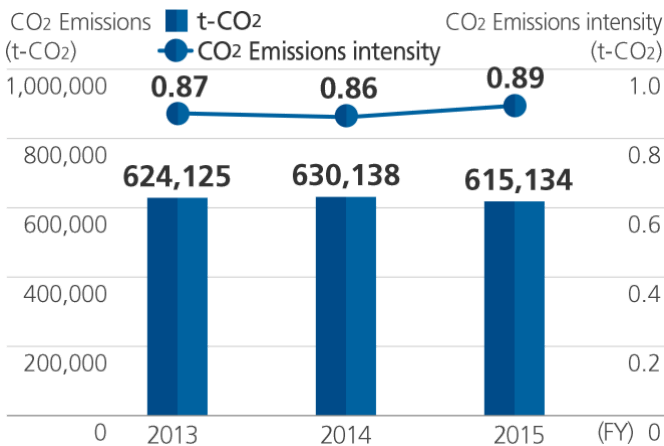
## Basic Stance

In light of the need to fight global warming, the pursuit of energy-saving activities is one of the UACJ Group's most important management concerns. Accordingly, we are steadily taking action on this front, focusing on what we can do in the present.

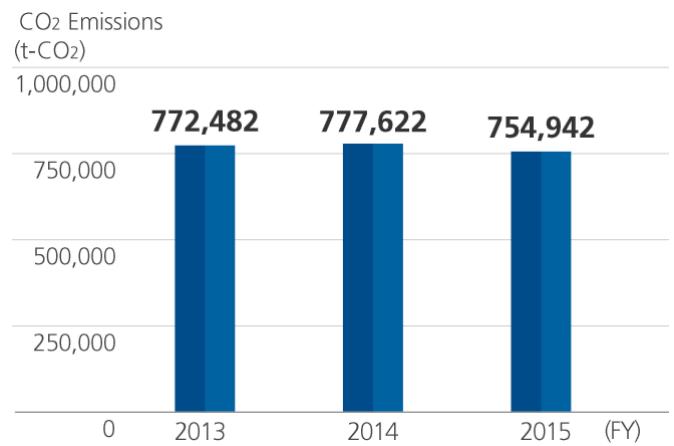
## Fiscal 2015 Results

In fiscal 2015, the third fiscal year following the merger that created UACJ, we moved forward with production optimization, in line with the Mid-term Management Plan. Production was streamlined by transferring the manufacturing of various products among our works, and this, together with a decline in domestic production volume, resulted in an overall year-on-year decline in energy usage. CO<sub>2</sub> emissions also declined on an overall basis, but rose per unit of production, compared to the previous fiscal year. (Assuming a fixed emissions factor for electric power.)

### UACJ CO<sub>2</sub>Emissions



### UACJ Group CO<sub>2</sub>Emissions



\*1 The CO<sub>2</sub> emissions factor is the one used for electricity generation, 0.378kg-CO<sub>2</sub>/kWh.

\*2 Measurement Scope: UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Color Aluminum Corporation, UACJ Extrusion Nagoya Corporation (Nagoya, Anjo), UACJ Extrusion Oyama Corporation, UACJ Extrusion Gunma Corporation, UACJ Extrusion Shiga Corporation, UACJ Foil Corporation (Isezaki, Shiga, Nogi), UACJ Foundry & Forging Corporation, UACJ Copper Tube Corporation

\* Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

# Main Initiatives in Production Processes

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## | Switching to LNG as a Heat Source for Production Processes

When heavy oil and LNG are used to generate equal amounts of heat, the amount of CO<sub>2</sub> emitted from the use of LNG is 30% lower than that from the use of heavy oil. UACJ, therefore, is systematically switching to LNG to provide heat for its production processes.

As of fiscal 2015, LNG (including city gas) accounted for approximately 76% of fuel usage at UACJ's four works, in terms of heat generated.

## | Energy Saving Subcommittee

UACJ regularly holds Energy Saving Subcommittee Meetings. These meetings, which are joined mainly by facilities departments, have participants from multiple business locations. Information is shared among these various locations and all participants are informed of certain case examples in an effort to achieve significant improvements in energy saving.

### Examples of Energy-Saving Activities

The UACJ Group's principal energy-saving activities for fiscal 2015 are given in the table below. In addition, actions such as updating of chillers and air-conditioning systems, adoption of inverter technology for heating furnace fans, fixing of steam and air leaks, and reduction of energy usage by disengaging power and reducing heat losses during production line down periods were taken at business locations throughout the Group. As in fiscal 2013, the transition to LEDs for overhead lighting continued.

## Examples of CO<sub>2</sub> Emissions Reductions (New for fiscal 2015)

Business Location	Theme	CO <sub>2</sub> Emissions Reduction Impact (t-CO <sub>2</sub> /yr.)
Fukui Works	Renewal of the catalyst for coating line deodorizing equipment	800
UACJ Foil Corporation Nogi Plant	Transition to high-efficiency boilers and updating of compressors	400
Common themes for all works	Adoption of LEDs for ceiling lights	300
Fukaya Works	Repairing of steam leaks	200
UACJ Foil Corporation Isezaki Plant	Reduction of boiler steam usage	200
UACJ Copper Tube Corporation	Optimization of cooling tower pump and fan operation	100

## Main Initiatives in Logistics

UACJ is working to save energy in its logistics processes. Considered a Specified Consignor <sup>(\*2)</sup> under the Energy Saving Law <sup>(\*1)</sup>, UACJ has established the goal of a 1% improvement in the 5-year average amount of energy used per ton-kilometer of shipments and is taking steps toward achieving it.

In fiscal 2015, lower production volume had a major impact resulting in a slight year-on-year increase in energy used per ton-kilometer of shipments.

In addition, since 2001, we or our predecessor companies have been engaged in joint logistics with business partners in the same industry for the transport of extruded aluminum products. These relationships have contributed to CO<sub>2</sub> reductions by making shipping more efficient.

Looking forward, we aim to achieve additional improvements to realize the benefits of the merger even in areas such as logistics rationalization.

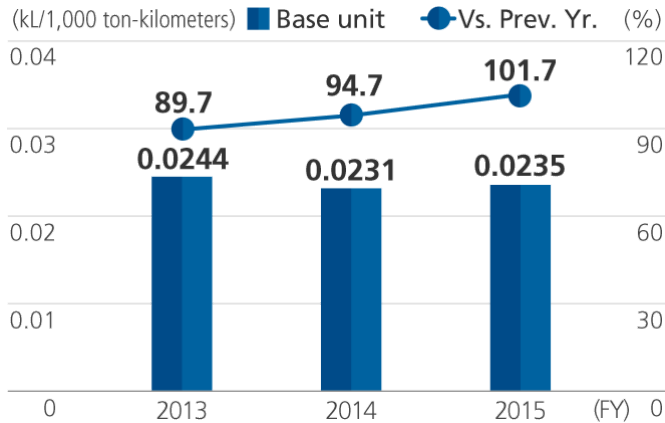
\*1 Energy Saving Law : Under an ordinance established by the Ministry of Economy, Trade and Industry under the Act on the Rational Use of Energy, a consignor, who is in the position of requesting services from a freight carrier, is required to

develop an energy-saving plan, and work to reduce energy consumption.

\*2 Specified Consignor:

A consignor whose annual shipments of its own freight equals or exceeds 30 million ton-kilometers

## Amount of Energy Used for Shipping, per Unit of Sales



\* Figure submitted in regular reports

\* Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014)

## Main Initiatives in Offices

### Energy-Saving Activities in Offices

UACJ's offices are actively working to cut electricity usage by implementing the Japanese government's "cool biz" and "super-cool biz" hot-weather measures, raising thermostats in the summer and lowering them in the winter, and systematically turning off lighting, electronic devices, and other electricity-consuming items when not in use.

### Office-Based Environmental Protection Measures

As environmental protection initiatives, individual UACJ offices separate waste into paper and plastic, and recyclables into newsprint, copy paper, magazines, and cardboard.

For office supplies, items complying with the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities and eco-mark items are purchased to the extent possible.

# Chemical Substance Pollution Prevention

## Basic Stance

The UACJ Group believes that, for both manufacturers and society, it would be ideal if products could be made without giving rise to any substances negatively impacting the environment, anywhere within the supply chain. Achieving that ideal, however, will not happen overnight; it is something that must be pursued on an ongoing basis and sets the direction for our constant efforts to prevent contamination by chemical substances.

## Fiscal 2015 Results

For discharges of environmental pollutants accompanying its production activities, the UACJ Group has set and abides by environmental (air and water) pollutant discharge standards that are stricter than those of Japan's Air Pollution Control Law, Water Pollution Control Law, local government ordinances, and conventions.

Regarding discharges into the air and water in fiscal 2015, a discharge of wastewater with a COD (chemical oxygen demand) exceeding our own standard and the legal standard occurred at the Shiga Works of Nalco Iwai Co., Ltd. (now UACJ Metal Components Corporation). Other than that incident, which was properly remedied, there were no other discharges into the air or water in excess of standards.

### Pollutant Control at Individual UACJ Works (Fiscal 2015) ○: Measurements fall within standards

	Measurement Item	Nagoya Works	Fukui Works	Fukaya Works	Nikko Works
Air	NOx, SOx, soot and dust	○	○	○	○
Water	pH, BOD	○	○	○	○
	n-H (mineral oil) , SS	○	○	○	○

# Control of PRTR Substances

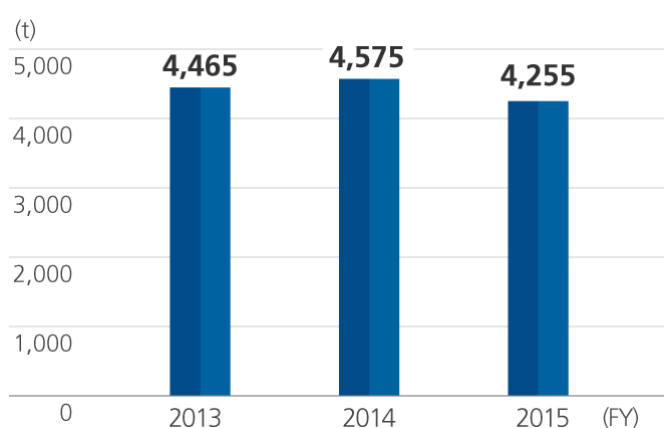
The UACJ Group, in accordance with the PRTR Law, identifies amounts of targeted substances handled, released, and transferred, and reports them as required. We also work to reduce these volumes.

In fiscal 2015, the production volume of products using targeted substances increased, compared to the prior fiscal year. Overall releases of targeted substances, therefore, increased by 3.4% year on year. Nevertheless, with efforts to reduce usage of targeted substances, releases actually declined on a per-unit-production basis.

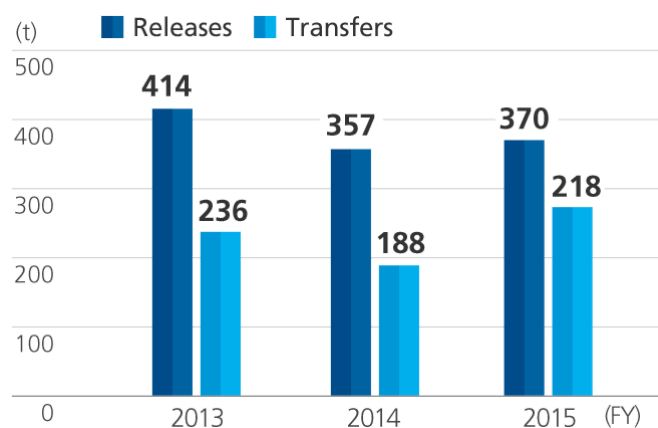
\* PRTR Law : Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

## Amounts of PRTR Substances Handled

(Contain manganese, chromium, nickel, and lead as alloy substances)



## Amounts of PRTR Substances Released or Transferred



※Measurement Scope: UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Color Aluminum Corporation, UACJ Extrusion Nagoya Corporation (Nagoya, Anjo), UACJ Extrusion Oyama Corporation, UACJ Extrusion Gunma Corporation, UACJ Extrusion Shiga Corporation, UACJ Foil Corporation (Isezaki, Shiga, Nogi), UACJ Foundry & Forging Corporation, UACJ Copper Tube Corporation.

※ Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

## Handling, Releases, and Transfers of PRTR Substances (Fiscal 2015)

No.	Substance	Amount Used (kg)	Amount Released (kg)	Amount Transferred (kg)
412	Manganese and its inorganic compounds	2,515,736	0	16,720
300	Toluene	638,801	164,454	59,511

No.	Substance	Amount Used (kg)	Amount Released (kg)	Amount Transferred (kg)
80	Xylene	191,652	15,591	3,628
296	1,2,4-trimethyl benzene	189,487	71,146	29,545
87	Chromium and chromium(III) compounds	186,363	25	28,835
273	1-dodecanol	159,762	80,607	52,909
308	Nickel	82,700	0	0
53	Ethyl benzene	62,883	6,761	1,193
374	Hydrogen fluoride and its water-soluble salts	59,657	1,726	15,532
71	Ferric chlorides	55,625	0	0
297	1,3,5-trimethylbenzene	35,525	21,762	2,318
88	Hexavalent chromium and its compounds	27,848	0	0
438	Methylnaphthalene	9,953	50	0
302	Naphthalin	6,679	158	24
304	Lead	4,697	0	0
133	Ethylene glycol monoethyl ether acetate	3,977	59	8
407	Polyoxyethylene = alkylether	3,547	3,511	0
207	2,6-Di-tert-butyl-4-cresol	3,542	2,228	1,314
245	Thiourea	3,500	0	3,500
392	n-hexane	3,174	498	602
57	Ethylene glycol monoethyl ether	1,814	106	27



No.	Substance	Amount Used (kg)	Amount Released (kg)	Amount Transferred (kg)
134	Vinyl acetate	1,392	31	136
405	Boron and its compounds	1,192	573	590
321	Vanadium compounds	1,039	0	0
	Total	4,250,546	369,287	216,392

Measurement Scope : UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Color Aluminum Corporation, UACJ Extrusion Nagoya Corporation (Nagoya, Anjo), UACJ Extrusion Oyama Corporation, UACJ Extrusion Gunma Corporation, UACJ Extrusion Shiga Corporation, UACJ Foil Corporation (Isezaki,Shiga,Nogi), UACJ Foundry & Forging Corporation, UACJ Copper Tube Corporation.

## Reducing VOC Releases

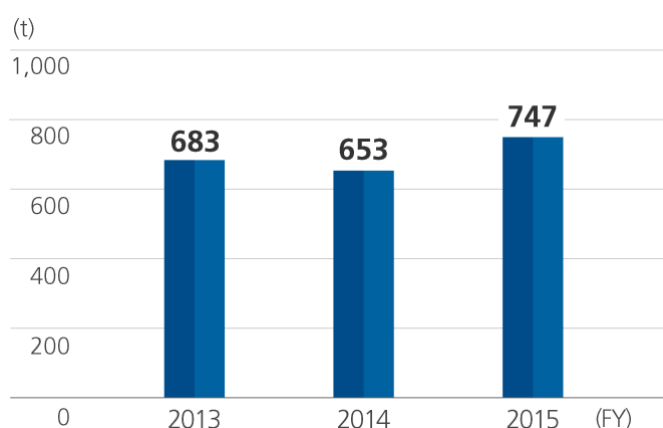
Having targeted for reduction substances such as toluene, xylene, ethyl benzene, and 1,3,5-trimethylbenzene, the UACJ Group is moving forward with initiatives for cutting releases of these VOCs (Volatile Organic Compounds) into the air. As one example, the cleaning solution we use for the finishing of sheet products is being replaced with one that has very low levels of the VOCs targeted for reduction.

## Prevention of Air Pollution

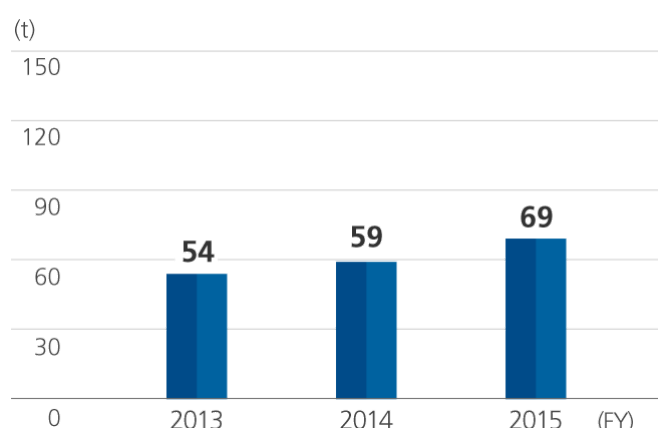
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The UACJ Group is working to reduce its emissions of air pollutants by keeping plant facilities in top working condition and moving forward with conversion from heavy oil to LNG as a fuel. At present, our efforts are succeeding in keeping SOx and NOx emissions at low levels.

### NOx Emissions



### SOx Emissions



Measurement Scope: UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Extrusion Oyama Corporation.

\* Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

## Measures to Control Offensive Smells at the Nagoya Works

To control the offensive smells that arise from its hot-rolling process, the Nagoya Works upgraded equipment in its exhaust facilities in 2012 to improve odor control performance. Going forward, it will continue to take steps that are fully cognizant of the area environment to enable smooth production activities in coexistence with the local community.

## Control of PCBs

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The UACJ Group, in accordance with the Law Concerning Special Measures Against PCB (Polychlorinated biphenyl) Waste, accounts for PCB-containing equipment for each of its plants, submits reports to supervisory authorities, and properly stores and manages these items. We also conduct surveys of fluorescent lamp ballasts and other small electrical devices and electrical devices suspected of containing small amounts of PCBs, and properly manage those exceeding standards.

We are steadily and properly rendering PCB-containing equipment harmless by commissioning the Japan Environmental Safety Corporation to perform this work. And, based on the judgment that stable processing of small amounts of PCB-contaminated oil is also now possible following an increase in the number of certified processors, we also have this work performed by an outside service provider when necessary.

## **Addressing the Problem of Asbestos**

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The UACJ Group has carried out a study of its historical and current usage of asbestos in products, plant buildings, equipment and fixtures. At present, we are not using asbestos in products and have never sold products containing asbestos.

As for our plant buildings, to a very limited extent, we have used spray-on asbestos, which entails a high risk of dispersion into the air, and have been working to remove it since fiscal 2004. At the present time, we have identified spray-on asbestos at the Fukaya Works, UACJ Foil Corporation's Nogi Plant, and at UACJ Copper Tube Corporation, and will proceed to systematically remove it.

Regarding equipment and fixtures, we have already completed the replacement of items for which there was a risk of asbestos dispersion. Equipment and fixtures with a small risk of asbestos dispersion are being replaced when regular inspections are due and on other occasions, as well.

## **Measures to Control Dioxins**

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For its aluminum melting furnaces that qualify as designated dioxin-emitting facilities under the Law concerning Special Measures against Dioxins, the UACJ Group has implemented management that lowers dioxin concentrations in exhaust gases to levels below the regulatory standard.

More specifically, we prevent the development of dioxins by strictly managing the volume of combustion air for the subject aluminum melting furnaces and closely controlling the materials put into them.

In addition, we annually measure levels of dioxins for subject aluminum melting furnaces, as required by law, and report results to the government. All of our measurements of dioxins for fiscal 2014 came in below regulatory standards for the 24 facilities covered by air pollution regulations and the 2 facilities covered by water pollution regulations.

## Prevention of Water Pollution

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With the partial revision of the Water Pollution Prevention Act, promulgated in June 2012, reporting of information on storage facilities, piping, etc. used for harmful substances and compliance with standards set for structures became mandatory.

At the UACJ Group, all necessary reports were prepared at individual business locations by the May 31, 2015 end of the deferment period.

## Prevention of Soil and Groundwater Contamination

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UACJ Extrusion Oyama Corporation and UACJ Color Aluminum Corporation, as responses to past incidents of soil and groundwater contamination, have implemented continuous purification of contaminated groundwater, and periodically take measurements of contaminants, to confirm effectiveness. At present, purification measures are working and steadily lowering contamination levels.

### Measures to Deal with Soil and Groundwater Contamination

Business Location	Period	Contaminant	Response
UACJ Extrusion Oyama Corporation	Since fiscal 1999	Tetrachloroethylene	Soil replacement, water extraction and purification
UACJ Color Aluminum Corporation	Since fiscal 2004	hexavalent chromium, fluorine	Soil replacement, water extraction and purification

For information on the management of chemical substances included in products, please refer to the section titled, "Environmental Consideration in Products."

## Basic Approach

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The recoverable reserves of aluminum, the primary raw material used by the UACJ Group, are in greater abundance, and will be recoverable for a longer period, than those of other metals. Nevertheless, as a beneficiary of a limited metal resource, we have a duty to conserve resources, reduce waste, and ensure availability for future generations.

The UACJ Group believes that advancing recycling and reuse is critical and is actively working in support of closed recycling\* of aluminum cans and printing plates, as an addition to standard recycling practices. At the same time, we are advancing waste reduction initiatives and the effective use of limited resources. In pursuit of our environmental objective of realizing a recycling-oriented society, we will work continuously to reduce our generation of industrial waste per unit of production and achieve zero emissions.

\* Closed recycling is the recycling of aluminum used in a specific type of product into raw material to produce the same type of product.

## Fiscal 2015 Results

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The UACJ Group is moving forward with efforts to reduce industrial waste and pursuing activities aimed at achieving zero emissions.

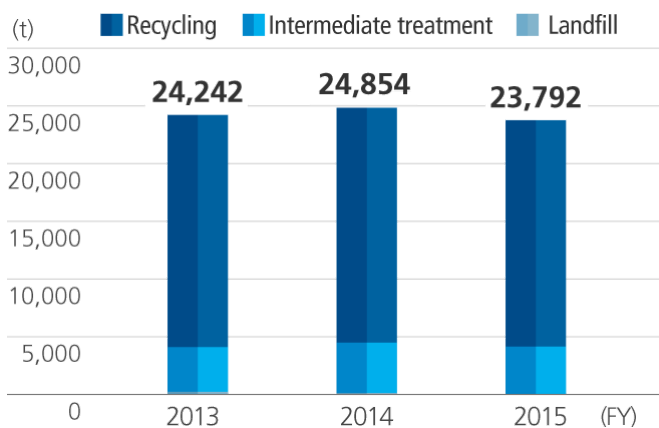
At the UACJ Group, “zero emissions” means that direct landfill waste comprises less than 1% of all industrial waste generated. For fiscal 2015, we achieved zero emissions with a direct landfill waste ratio of 0.22%. Going forward, we will work to maintain zero emissions by separating industrial waste and recycling.

In fiscal 2015, the total amount of industrial waste generated at our principal business locations fell by 4.3% compared to the prior fiscal year. This result is attributed to an increase in production volume. Going forward, we will redouble our efforts to reduce industrial waste, recycle, and turn waste into substances of value.

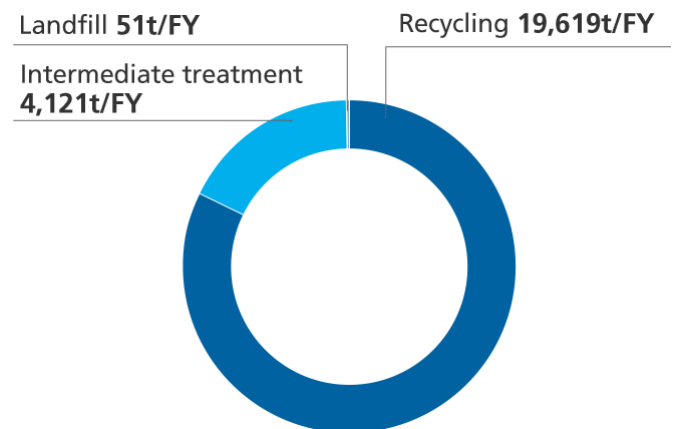
## Industrial Waste Subcommittee

At UACJ, the Industrial Waste Subcommittee has been established mainly with representatives of business locations generating significant amounts of industrial waste. The subcommittee meets regularly to promote reductions and proper processing of industrial waste by establishing a common understanding of separation and processing information, and by examining and promoting improvements in separation practices, and establishing a common understanding of reduction measures, at individual business locations.

### Amounts of Industrial Waste Generated



### Breakdown of Waste by Handling Approach (FY 2015)



Measurement Scope: UACJ Group business locations in Japan

\* Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

### Waste Amounts by Type and Main Post-Recycling Application (FY 2015)

Waste Type	Amount Generated (t)	Recycling Rate (%)	Main Post-Recycling Application
Sludge	10450	87	Raw material for cement
Waste oil	3458	90	Fuel
Wood waste	2482	94	Fuel, fertilizer
Slag	1655	100	Roadbed material
Waste plastic	1416	31	Fuel

## Industrial Waste Reduction Examples (Fiscal 2015 Activities)

Business Location	Theme	reduction (t/yr.)
Nagoya Works	Reduction of sludge generation through an improved processing method	105
Fukui Works	Recycling of waste alumina	47
UACJ Extrusion Nagoya Corporation, Nagoya Works	Reduction of washing iterations by adding a dispersing agent to the die washing apparatus	12
Multiple business locations	Promotion of reuse of wooden pallets and skids	-
	Recycling of waste oil and waste ink	
	Recycling of metal waste	
	Recycling of wastepaper	
	Implement a purchase and recycling program for waste plastic	

## Promoting Recycling of Aluminum Cans

Aluminum is light-weight, does not rust, conveys heat well, and is highly recyclable<sup>\*1</sup>. Given the outstanding qualities of the metal from which they are made, aluminum cans – with the help of the public - are recycled at a rate<sup>\*2</sup> of 90% (fiscal 2015). The UACJ Group, as a leading producer of aluminum products, supports aluminum can recycling as an activity beneficial for the formation of a recycling-oriented society. We do this through activities such as collecting (purchasing) aluminum cans at our works to participate in local recycling activities, and using recycled aluminum.

\*1 Recycling aluminum requires only about 3% of the amount of energy needed to produce new aluminum from bauxite.

\*2 Aluminum cans collected and recycled in Japan (including for export purposes) as a percent of all aluminum cans purchased by consumers in Japan.

## Effective Use of Water Resources

With 70% of its surface covered by water, the earth is sometimes referred to as the “blue planet.” But nearly all of the earth’s water, 97.5%, is salt water and only 2.5%, freshwater. Moreover, water that is easily

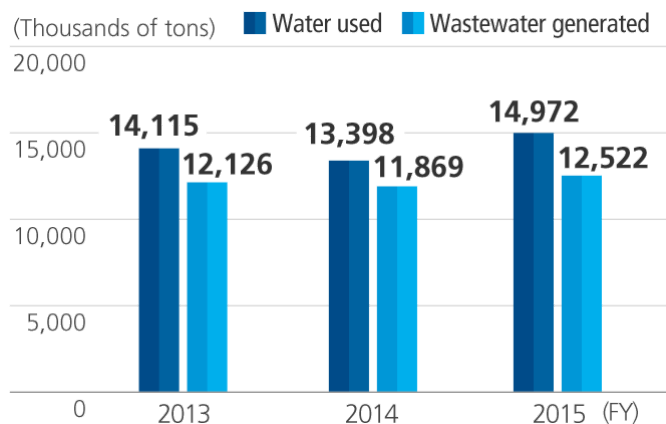
used by humans – the surface water in rivers and lakes - accounts for only 0.4% of freshwater, and only 0.01% of the total amount of water on the earth.

From a global perspective, this precious freshwater is said to be recyclable. At the local level, however, uneven distribution means there are already countries and regions facing pressing problems due to the risk of water shortages.

Well aware of global conditions concerning water, the UACJ Group pursues effective water resource usage and management. Each of our business locations tracks its water usage by water source, manages wastewater discharges by the waterway into which the discharges are made, and includes this information in material balance charts organized by business activity and environmental burden.

Furthermore, the UACJ Group has confirmed that none of its business facilities using large amounts of water are located in areas where the risk of water shortage is high.

### Volumes of Water Used and Wastewater Generated



\* Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

## Reducing Wood Usage to Protect Forests

Considering that deforestation plays a major role in ecosystem destruction, the UACJ Group is helping to protect forests by reducing our usage of wood. The Nagoya Works, for example, is shifting to steel pallets, and away from wooden pallets, for the shipment of aluminum can products in Japan. Meanwhile, UACJ Copper Tube Corporation has ceased using wooden pallets, in favor of cardboard pallets, for shipping intermediate products to overseas subsidiaries.



# Environmental Consideration in Products

## Improvement Objectives

The UACJ Group, is contributing to the realization of a low-carbon, recycling-oriented society by working to improve the performance of aluminum materials.

To illustrate, when we develop, and a customer in the business of manufacturing transportation equipment adopts, an aluminum material that offers the same performance as previous materials but with less weight, we have contributed to improved fuel economy and, thereby, a reduction in carbon emissions.

The UACJ Group, in response to customers' desires, is developing or improving products in ways that emphasize environmental considerations.

Product Development and Improvement	Contributions that Benefit the Environment and Society
Development and application of aluminum can materials with outstanding recyclability	Making lighter-weight cans that save resources and reduce costs
Development and application of high-performance heat exchanger tubes	Improving performance of heat exchangers to reduce equipment sizes and save resources
Development and improvement of aluminum materials for car air conditioners compatible with the European requirement to use CO <sub>2</sub> as a refrigerant	Making lighter-weight vehicle bodies that save resources and improve fuel economy Fighting global warming by adopting CO <sub>2</sub> as a refrigerant
Development and improvement of aluminum materials for hybrid automobiles	Making lighter-weight vehicle bodies that save resources and improve fuel economy

Two-thirds of the materials used to make aluminum cans in Japan (in fiscal 2015, 22.2 billion cans weighing approximately 330,000 tons) are made by UACJ. As the top manufacturer, we believe it is our responsibility to promote the recycling of aluminum cans, and we do so actively.

Furthermore, we are rationalizing our use of packing materials for the delivery of products, and recovering and reusing them in conjunction with our rationalization of our logistics.

# Control of Chemical Substances included in Products

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The UACJ Group is strict in its exercise of proper controls over designated chemical substances included in products. In response to changes in domestic and overseas environmental laws (e.g. The addition of the EU's REACH<sup>\*1</sup> regulation), we revise our chemical substance management standards and common procurement documentation, and take other necessary steps.

We also devote significant effort to the registration of SDSs (Safety Data Sheets<sup>\*2</sup>) and to the improvement of our browsing cabinet.

\*1 REACH regulation: Registration, Evaluation, Authorization and Restriction of CHemicals

\*2 SDS: Safety Data Sheet: Products containing chemical substances designated by the Poisonous and Deleterious Substances Control Act, Industrial Safety and Health Law, and the Pollutant Release and Transfer Register Law at percentages greater than specified in these laws must be accompanied by a Safety Data Sheet with the required information when they are transferred or provided from one commercial party to another.

## REACH Regulation Initiatives

The UACJ Group, though it is not required to be registered under the REACH regulation, examines all of its products to determine whether they include an SVHC (Substance of Very High Concern) specified in the REACH regulation and informs customers of any products that do.

If substances are newly designated as SVHCs, and we determine that they are included in our products, we will swiftly provide customers with the relevant information.

## Environmental Quality Management System Certifications by Customers

At its business locations required to have specified supplier certifications, the UACJ Group emphasizes the practice of chemical substance management that satisfies customer standards, and undergoes environmental quality management system certifications<sup>\*1</sup> by customers. Going forward, we will continue to practice management that enables proper responses to customer demands.

\*1 Sony Corporation's Green Partner and Nippon Chemi-Con Corporation's Green Supplier certifications, among others

## Communicating Information on Chemical Substances in Products

Raw material manufacturers provide UACJ with information on the chemical substance content of their products, and UACJ has established a management system that allows it to properly communicate this information to its own customers.

Information on chemical substances is provided, with the cooperation of the Quality Assurance and Environmental Management departments, in the form of an SDS (Safety Data Sheet), a JAMP (Joint Article Management Promotion consortium) AIS (Article Information Sheet), JAMA (Japan Automobile Manufacturers Association) JAMA Sheet, or via any number of other industry-specific formats, depending on the customer request. Following the revision of the JIS (Japan Industrial Standards), we revised the SDSs issued by UACJ to provide GHS-compliant (Globally Harmonized System of Classification and Labeling of Chemicals) content.

In addition, when necessary, we conduct emission spectrochemical, ICP (Inductively Coupled Plasma) mass spectrometry, and fluorescent X-ray analyses and inspections that can detect minute amounts of substances in products, and issue customer requested certifications that certain substances have not been used in production or are not contained in a product.

## **| Conversion to Low-Environmental-Impact Raw Materials**

The UACJ Group is striving to use low-environmental-impact raw materials. For the raw materials that, as in the case of free-cutting alloys, include lead or other metallic elements that are covered by EU directives, we are working with customers to switch to materials that do not include controlled substances. Moving forward, we will continue to switch to low-environmental-impact raw materials to meet customer needs.

We have also taken action regarding cleaning solutions for the finishing of sheet and extruded products. In the past, we used chlorine-based organic solvents, which are designated substances under the PRTR Law. However, given multiple instances of groundwater contamination with these substances across Japan, we ceased using chlorine-based organic solvents in the final cleaning processes at all of our business locations.

The paints used on aluminum can materials and colored aluminum are another area in which we are taking action. Oil-based products had been the most commonly used paints for these products, but have now been largely replaced with water-based paints, which are said to have low environmental impact. The UACJ Group is promoting the use of water-based paints by recommending them to customers and working with customers to test their use.

## Editorial Policy

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Results of the UACJ Group's fiscal 2015 CSR activities are reported on this website. In preparing this information, we referred to the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines.

## Report Scope

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In principle, this report covers UACJ Corporation and the following affiliates in Japan, which are referred to as the UACJ Group. In some cases, a different report scope has been used and each is indicated by an accompanying note.

### **【Affiliates in Japan】**

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UACJ Color Aluminum, UACJ Fukaya Service, UACJ Nagoya Alupack, Sansen  
UACJ Extrusion, UACJ Extrusion Nagoya, UACJ Extrusion Oyama, UACJ Extrusion Shiga  
UACJ Extrusion Gunma  
UACJ Foil, Nikkin, UACJ Foil Sangyo, UACJ Foil Service  
UACJ Foundry & Forging, Higashi Nihon Tanzo  
UACJ Metal Components, Nalco Iwai, Nalco Ena, Nalco Koriyama, NIKKEI KAKOH  
UACJ Copper Tube, UACJ Copper Tube Sales, Toyo Fitting, UACJ Copper Tube Packaging  
UACJ Trading, Izumi Metal, Metal Cut, ACE21, Kamakura Industry, SK Corporation\*  
UACJ Logistics, UACJ System, UACJ Green-net

\* UACJ Metal Components was merged into UACJ on April 1, 2016.

At the same time, Nalco Iwai, NIKKEI KAKOH, and Nalco Ena were merged into a single entity that was given the name UACJ Metal Components.

\* The name of SK Corporation was changed to UACJ Marketing & Processing as of October 1, 2015.

## **Report Period**

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Fiscal 2015 (April 1, 2015 to March 31, 2016)

To aid understanding, data and information on earlier periods are included with that for fiscal 2016 in some cases.

Publication date: October 31, 2016 (annual publication)

Inquiries: General Affairs Department of UACJ Corporation

## **Projections, Forecasts, and Plans**

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This website includes not only material addressing the UACJ Group's past and present but also projections, forecasts, and plans. Material concerning the future is based on information available as of the time this report was prepared and involves uncertainty.

Future outcomes of business activities, and future events, may differ from the projections, forecasts, and plans included in the content of this site, which should be read with this understanding in mind.

The UACJ Group and those affiliated with it bear no responsibility whatsoever for future outcomes or events that differ from projections, forecasts, and plans.