



UACJ Report 2015

(Integrated Report)



History

Former Furukawa-Sky Aluminum Corp.

1910

Research of electric wire begun at Furukawa Electric Co., Ltd.

1964

Established SKY Aluminum Co., Ltd.

1890

1900

1910

1920

1930

1940

1950

1960

1970

1980

1990

2000

2010

1897

Established Sumitomo Shindo-jo in Osaka.

1935

Established Sumitomo Metal Industries, Ltd.

1959

Established Sumitomo Light Metal Industries, Ltd.

Former Sumitomo Light Metal Industries, Ltd.





2003

Businesses merged to create Furukawa-Sky Aluminum Corp.

Established UACJ Corporation on October 1, 2013, by merging the businesses of Furukawa-Sky Aluminum Corp. and Sumitomo Light Metal Industries, Ltd.

2013

Oct. Made capital investment in South Korean aluminum processing and sales company, FSP Co., Ltd. (presently UPIA Co., Ltd.)

Dec. Established UACJ Foil Malaysia Sdn. Bhd.

2014

May Signed formal agreement with Constellium N.V. to establish a joint venture company and collaborate in Body-in-White business in the USA.

Jun. Established UACJ Trading (America) Co., Ltd. by consolidating subsidiary UACJ Trading Corporation.

Aug. Began operations of automotive parts manufacturer and seller Iwai Metal Central Mexico, S.A. de C.V.

Dec. Released UACJ Group Global Step I Fiscal 2015-2017 Mid-term Management Plan.

2015

Apr. Began consideration of establishing new company to sell automotive heat exchanger materials with European company, ELVAL.

Jun. Began use of UACJ automotive aluminum materials in new Mazda Roadster model.

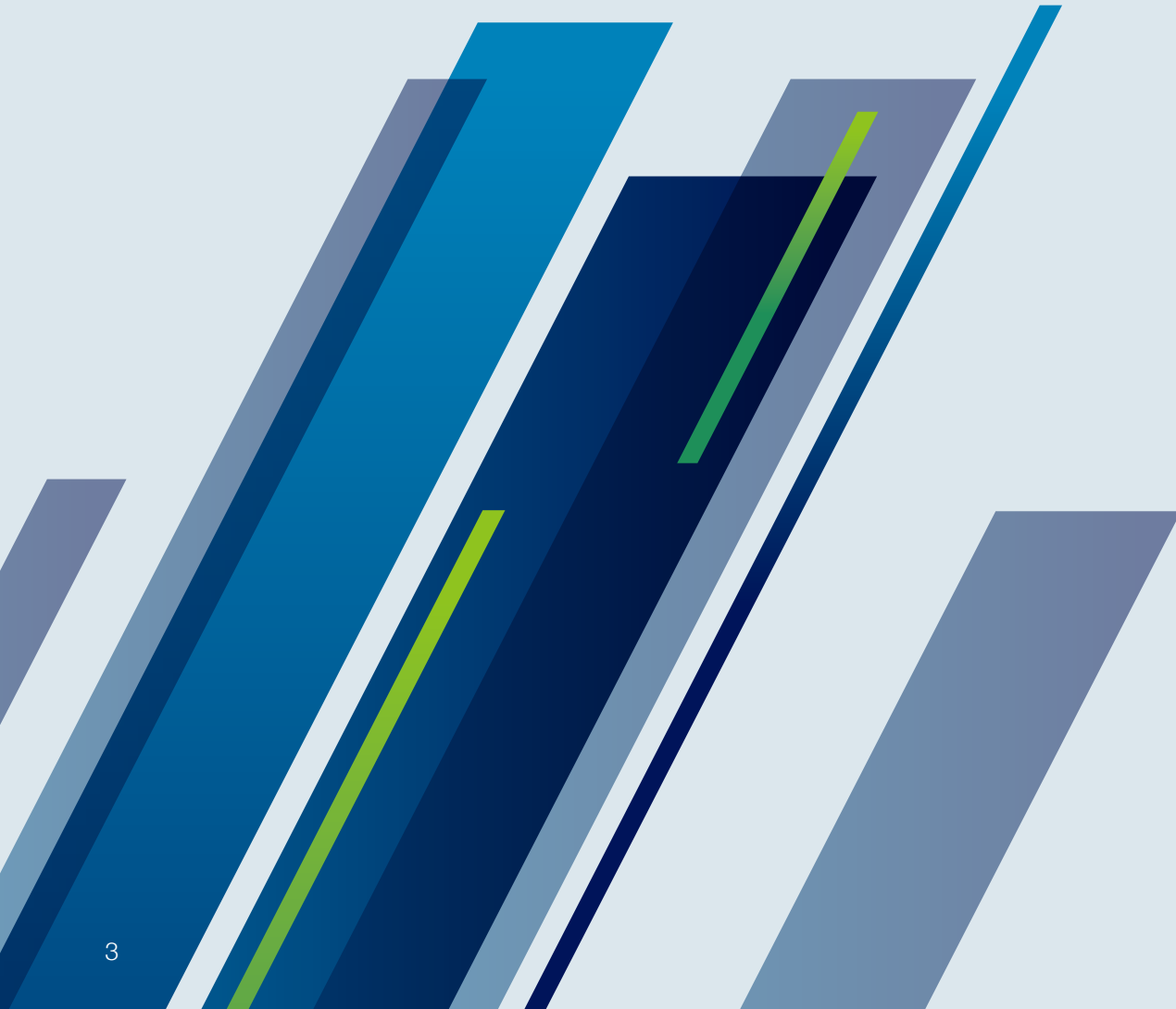
Aug. Introduced fully integrated manufacturing at UACJ (Thailand) Co., Ltd. Rayong Works.





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.



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Contents of the UACJ Report 2015

Business Activities (Corporate Website)

IR Activities
(IR Website)

CSR Activities
(CSR Website)

UACJ Report 2015

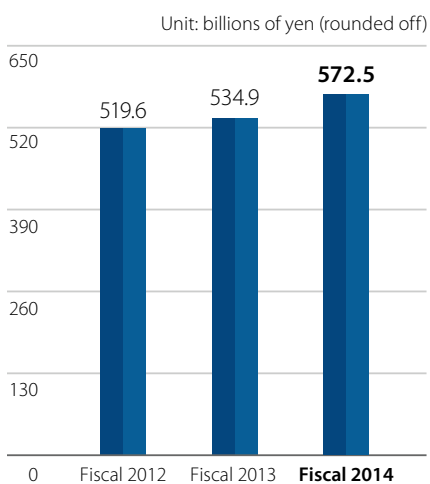
The UACJ Report 2015 summarizes the achievements and overall business operations of the UACJ Group. In addition to reporting current and future outlooks on corporate financial affairs, information on CSR and other non-financial issues has been compiled for this integrated report. Regarding the contents, reference was made to Version 1.0 of the International Integrated Reporting Framework, published by The International Integrated Reporting Council in December 2013. For further information, this website is linked to the Investor Relations (IR) and Corporate Social Responsibility (CSR) websites of UACJ.

About Forward-looking Statements

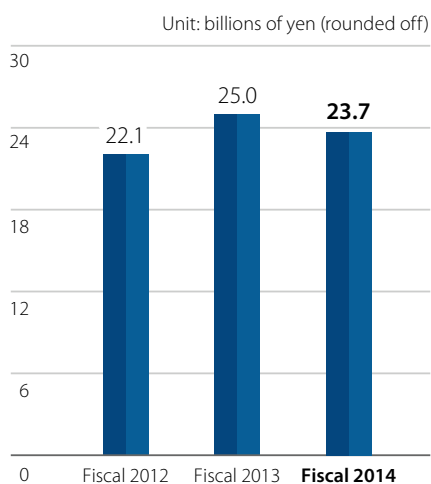
Some information on this report pertains to forward-looking statements and future earnings. These statements are not a guarantee of future earnings, but rather address the risks and uncertainties faced by the Company. Please be aware that actual prospects and earnings may differ from forecasts as a result of changes in the business environment and other factors.

Financial (Based on Combined Total for the Two Former Companies)

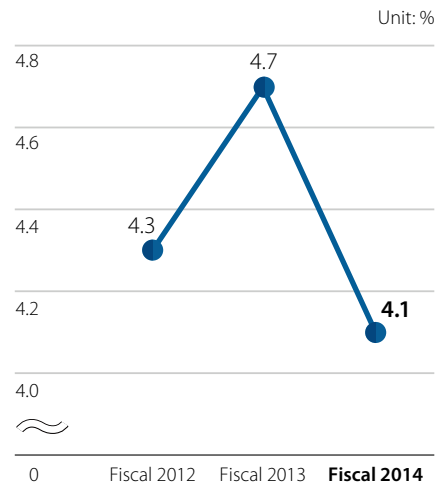
Consolidated net sales



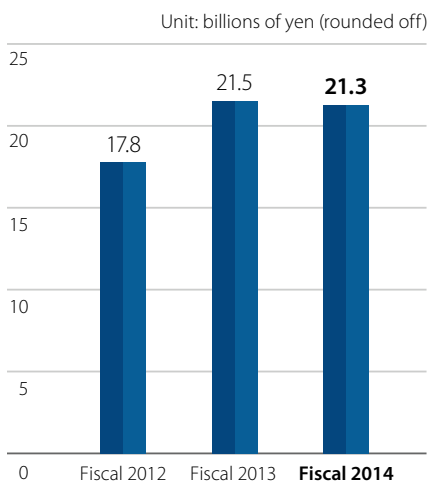
Consolidated operating income



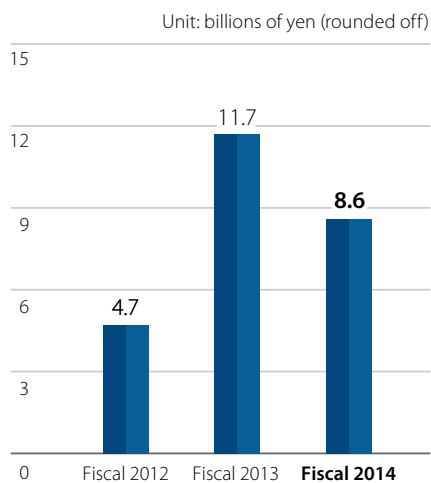
Operating income-sales ratio



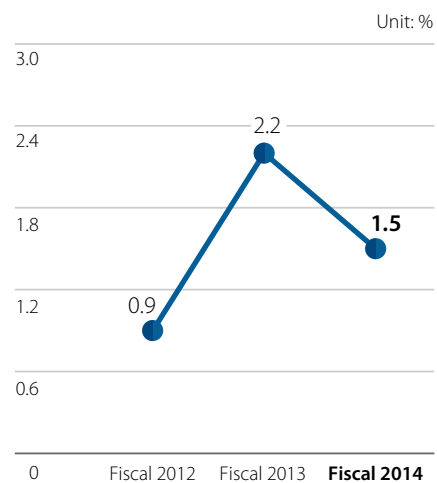
Consolidated ordinary income



Consolidated net income

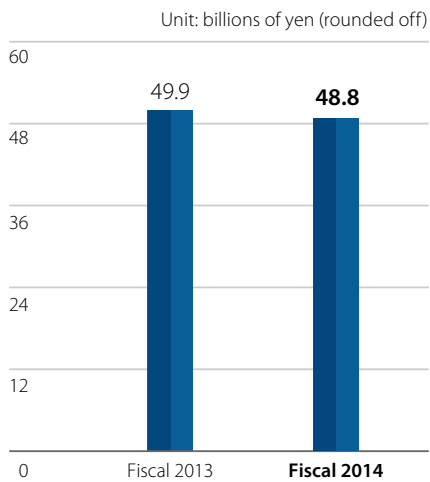


Ordinary income-sales ratio

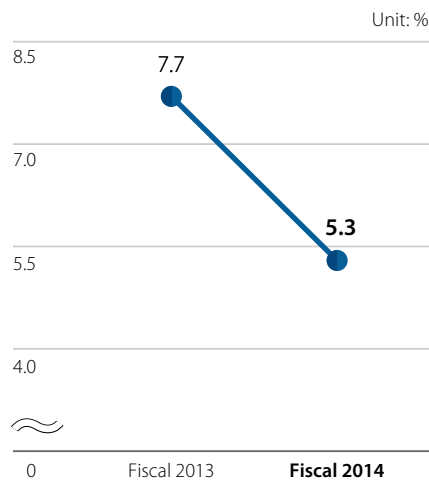




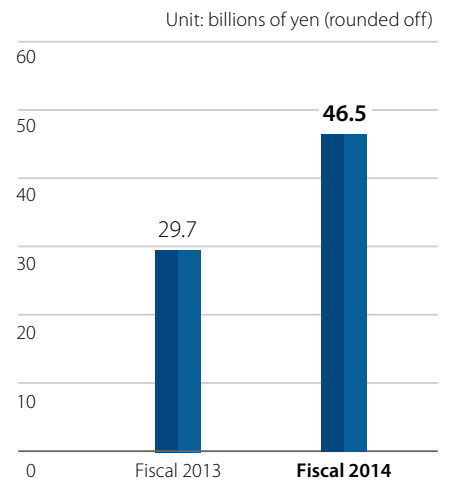
EBITDA



ROE



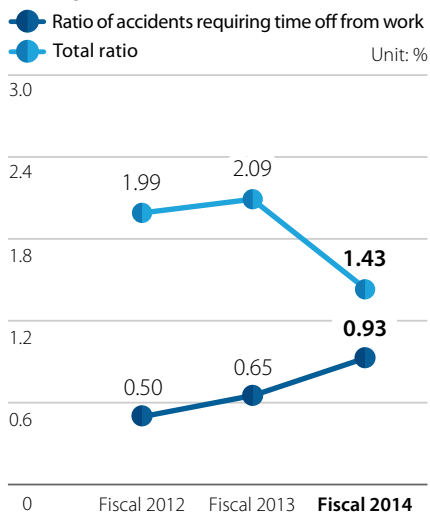
Capital investment



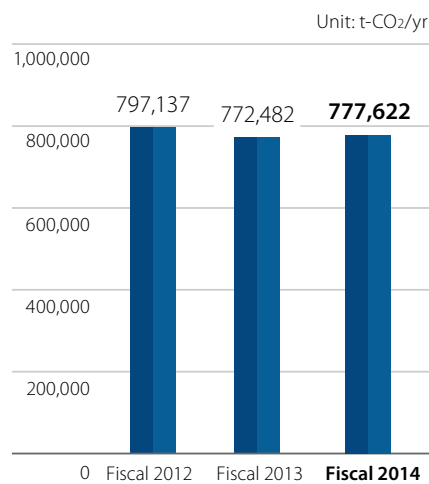
* Total for the former Furukawa-Sky and the former Sumitomo Light Metal Industries is used for fiscal 2012 and the first half of fiscal 2013. (A simple reclassification has been made of TAAH from an equity-method affiliate to a consolidated subsidiary.)

Non-Financial

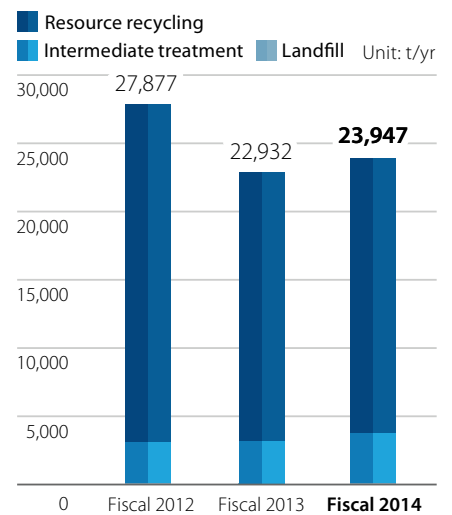
Workplace accidents status



Trend in CO₂ emissions



Trend in industrial waste volume





STEP I mid-term management plan — Making Vision for the Future a reality

Shigenori Yamauchi

Chairman of the Board
CEO
(left)

Mitsuru Okada

Member of the Board
President CEO
(right)

Reflecting on Fiscal Year 2014

Proactively strengthening our global supply network to better meet global aluminum demand.

The global demand for flat rolled products is expected to continue to grow steadily. In terms of individual regions, in line with the remarkable economic growth in Asian markets, demand is expected to grow in all fields; particularly for consumer goods such as can stock and foil. Looking to the transportation industry, demand is also expected to increase in regions such as North America, Central America and Europe, where the call for lighter weight automobiles, aircraft and other vehicles is on the rise.

In order to better meet this growing global demand, the UACJ Group has been reinforcing its global supply network with three hubs—one each in Thailand, the USA and Japan—acting as the center for their respective regions.

In fiscal 2014, we continued with the second phase of construction for fully-integrated manufacturing at the Rayong Works of UACJ (Thailand) Co., Ltd. (UATH), our core plant in Asia. We also actively engaged in capital investment in North America, where we have entered a joint venture with a leading European company to establish a manufacturing and sales company for automotive body-in-white (BiW) panels.

Regarding results, despite an equipment breakdown at the Logan Mill of Logan Aluminum Inc. in North America, with the post-merger expansion of business scope beginning in the second half of fiscal 2013, results greatly surpassed the previous term. Net sales for fiscal 2014 were ¥572.5 billion (a 57.3% increase compared to the previous term, or a 7.0% increase using the combined basis*). In terms of profits and losses, operating income was ¥23.7 billion (a 33.2% increase for the same term, or a 5.2% decrease using the combined basis), and ordinary income was ¥21.3 billion (a 27.0% increase for the same term, or a 0.9% decrease using the combined basis).

Net income for the term, however, was ¥8.6 billion (a 13.0% decrease for the same term, or a 26.5% decrease using the combined basis). This result reflects financial reporting in the previous term, in which marginal profits of ¥6.1 billion related to the step acquisition of Tri-Arrows Aluminum Holding, Inc. and Tri-Arrows Aluminum, Inc. were included in calculations.

* Combined total for former Furukawa-Sky Aluminum Corp. and former Sumitomo Light Metal Industries Ltd. in the first half of fiscal 2013. Tri-Arrows Aluminum Holding Inc. was reclassified, changing from a company accounted for using the equity method to a consolidated subsidiary.

Mid-term Management Plan

The mid-term management plan explains tangible strategies for global growth in response to the expanding aluminum market.

Step I: Reinforce Foundation in Order to Achieve Our Long-term Vision

The end of this fiscal year marks one-and-a-half years since our former companies were merged in October 2013. Since that time, in March 2014, we announced the UACJ Group Vision for the Future, which sets forth the main goal of the merger: namely to become an aluminum industry leader in a competitive global market. Then in December 2014, the UACJ Group Global Step I mid-term management plan was formulated. This plan expands on the policies of the UACJ Group Vision for the Future, stipulating strategies for each business sector. The first stage in our roadmap for achieving the goals of our long-term vision, Global Step I, focuses on reinforcing foundations over the plan's three-year term, fiscal 2015-2017 (Fig. 1).

Fig. 1 Breakdown of UACJ Group mid-term management plans



In preparing this plan, we carefully considered the progress we have made towards Group unity, synergies and global expansion since the merger, and made a close analysis of the projected market environment during the plan's term.

Global demand for flat rolled products is expected to continue to grow steadily, especially in regions such as Asia, North and Central Americas, and Europe. Competition is also expected to grow more severe, with rolled aluminum manufacturers engaging in large-scale plant and equipment investment in regions worldwide. Fuel and energy prices are also expected to continue to rise.

In light of this market environment, the mid-term management plan introduces three major policies for the Group: (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; and (3) Develop unique technologies and products by applying our vast technological prowess to fundamental research.

In addition to formulating and implementing tangible measures for each business sector in line with these policies, we will move forward strengthening our global sales network, developing new technologies and products, training human resources capable of excelling on the global stage, and carrying out strategic capital investment. This approach will surely enable us to achieve the objectives set forth in the mid-term management plan.

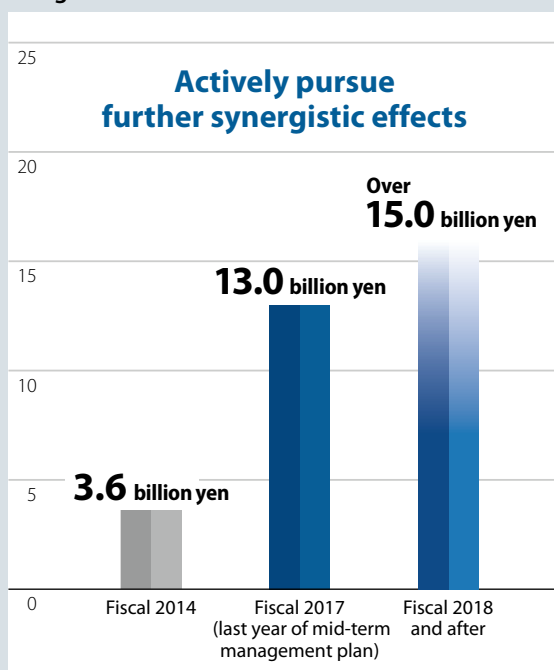
Policies and Measures for Each Business Sector

Based on the three major policies of Vision for the Future, in the Group's core business of sheet products, we are working to construct an optimal global production network, create technological synergies and bring large-scale strategic investments into play as early as possible.

In Thailand, the second phase of construction—covering processes from casting to rolling—at the Rayong Works of UATH has been completed. Fully-integrated manufacturing began at the

Mid-term Management Plan "Global Step I" Fiscal 2015-2017

Integration Effect



Mid-term Management Plan Targets

	Fiscal 2014 Results	Fiscal 2017 Targets
Consolidated net sales	572.5 billion yen	700.0 billion yen
EBITDA	48.8 billion yen	67.0 billion yen
Operating income	23.7 billion yen	40.0 billion yen
Ordinary income	21.3 billion yen	35.0 billion yen
Shareholders' equity	172.3 billion yen	195.0 billion yen
Shareholders' equity ratio	25.4%	28%
Interest-bearing debt	296.0 billion yen	260.0 billion yen
D/E ratio	1.72 times	1.33 times
ROE	5.3%	10%

works in August 2015. In order to meet the thriving demand in Asian markets, the original plans for the Rayong Works were increased in scale, in terms of both quality and volume. As a leading integrated manufacturing plant in Asia, combining high quality with low cost, the Rayong Works will make a significant contribution to improving the global competitiveness of the UACJ Group.

Aluminum demand is expected to increase further in the future. We are currently working to establish a supply network capable of meeting this demand, targeting a yearly capacity of 200,000 tons by 2017. We are also exploring further capital investments to raise that capacity to 300,000 tons.

In North America, the use of aluminum BiW panels has been increasing rapidly as the result of stricter fuel efficiency regulations. In response, we set up a joint venture in the USA to manufacture and supply automotive BiW panels. Plant construction for the new company is currently underway, and operations are scheduled to commence in fiscal 2016. The plan is for annual capacity to be 100,000 tons, enabling the company to meet automotive manufacturers' needs by supplying high-quality products.

In Japan, restructuring by reallocating product mixes at domestic manufacturing bases is also underway, with reorganization expected to be completed in fiscal 2016. Specifically, we plan to increase productivity by aggregating rolling processes at the Fukui and Nagoya works, and specialize in thick plate and finishing processes at the Fukaya Works, and finishing processes at the Nikko Works. This will enable us to transfer surplus equipment that is not being used to overseas plants, thus minimizing overall capital expenditures. Further increases in demand for the thick plate used in the construction of LNG tankers are also expected, and this restructuring will enable us to produce the plate at the Fukaya Works as well as the Fukui Works.

In conjunction, we will also expand leading technologies and quality management systems at individual plants to other locations. This will enable production costs to be lowered by reducing energy consumption, and improving efficiency and yield.

In other areas as well, we are proceeding with measures based on matching each business environment and its strengths, as well as maximizing synergies between businesses in order to contribute to realizing sustainable growth and maximum Group profits.

Policies and Measures for Flat Rolled Products Business

	Major Policies	Priority Measures
Optimize global product mix and create technological synergies	<ul style="list-style-type: none"> • Improve cost competitiveness by reallocating product mix 	Increase productivity by reallocating rolling processes at the Fukui and Nagoya works Specialize the Fukaya Works in thick plate and finishing processes, and the Nikko Works in finishing processes Suspend use of surplus equipment by reallocating product mix in Japan Reduce capital expenditures by transferring surplus equipment to locations such as UATH
	<ul style="list-style-type: none"> • Optimize the global supply network 	Optimize production distribution and implement complimentary network for manufacturing bases in Japan, Thailand and America
	<ul style="list-style-type: none"> • Reduce costs and improve quality through technological synergies 	Improve production costs by expanding advantageous technologies and quality control structures at each base to other sites, reduce energy usage, and increase production and minimize loss
Early implementation of strategic investment	<ul style="list-style-type: none"> • Early startup of fully-integrated manufacturing at Rayong Works of UACJ (Thailand) Co., Ltd. (UATH) 	Establish fully-integrated manufacturing network Differentiate by improving competitiveness Function as first-class aluminum works in Asia
	<ul style="list-style-type: none"> • Proceed with BiW business in North America (joint venture with Constellium N.V.) 	Provide high-quality products by combining the technologies of UACJ and European company Constellium N.V. Invest in plant and equipment and prepare supply network Realize fully-integrated manufacturing in North America

Strategic Capital Investment Focused on Growth Regions

Our capital investment plan, which is designed to establish a foundation for greater growth, calls for spending at the scale of ¥90 billion over the three-year period, fiscal 2015-2017.

Approximately 60% of expected investment is targeted for growth areas and regions. Among growth areas, one of the leaders is the transportation industry, where aluminum parts continue to be introduced to meet the need for lighter weight automobiles, aircraft and other vehicles. Growth regions include areas such as Asia and the Middle East, where incredible economic growth is leading to increased demand in all fields, but especially in consumer goods such as can stock and foil.

While focusing on strategic investment in these fields, we will also be reducing upkeep, renovation and other general expenditures by reallocating product mixes at manufacturing bases in Japan.

Our Approach to CSR

Fulfilling our responsibilities to stakeholders as a company trusted by society.

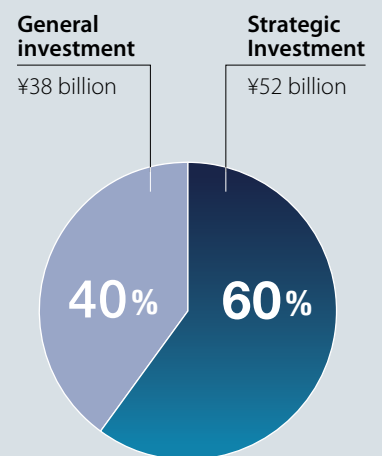
Both corporate social responsibility (CSR) and environmental, social and governance (ESG) management are indispensable to any corporation looking to achieve everlasting growth. As UACJ Group operations focus on aluminum, a metal with low environmental impact, above all else, one of the most important responsibilities as a corporation is to contribute to lower environmental impact on society as a whole through our businesses.

Recognizing this, the Group strives to ensure appropriate communications and build good relations while fulfilling its responsibilities to the many diverse stakeholders, including customers, shareholders, investors, suppliers, employees and communities. In order to do this, and to better

Policies and Measures for Businesses other than Flat Rolled Products

	Major Policies
Extrusion Business	<ul style="list-style-type: none"> • Improve cost competitiveness by optimizing manufacturing bases in Japan and overseas • Reinforce priority businesses by integrating technologies, differentiate by developing new technologies and products, and manufacture products with higher added-value • Focusing on UACJ strengths in high-precision products for automotive heat exchangers, improve capabilities for growing the Asian market and streamline the global supply network
Foil Business	<p>Become a comprehensive foil manufacturer in the global market</p> <ul style="list-style-type: none"> • Create integration and synergies early on • Focus on predominant fields and growing markets • Respond to growth in Asian regions
Casting and Forging Business	<p>Casting business (compressor wheel (CW) business): In addition to casting, introduce compressor wheel milling for the globally expanding automotive turbocharger market and firmly maintain the major market share for compressor wheel products</p> <p>Forging business: Utilize the strengths of large-scale forging presses and free-forging technologies to provide distinctive products and develop the market</p>
Copper Tubing Business	Increase profits by developing and expanding sales of unique products, and maximizing current facility capabilities
Precision-machined Components Business	Improve business structure efficiency, concentrate heavily on main businesses in Japan and overseas, and develop new fields of demand

Capital Investment Plan



respond to the wide range of appeals from society, we have established a CSR Committee. The committee is chaired by the company president, with other members consisting of executive officers and general managers from plants and corporate headquarters.

As the use of aluminum grows more widespread, our aim is to contribute to reducing environmental impact on our customers and society. In parallel to this, all members of the Group strive to continuously lower the environmental impact of business activities, including reducing energy consumption, environmentally hazardous emissions and waste. Additionally, as a manufacturer, we are fully committed to the responsibilities of ensuring product safety, quality management, and employee health and safety.

We also place a focus on strengthening corporate governance throughout the Group. We promote corporate ethics by adhering to UACJ's Management Philosophy and Code of Conduct, and through corporate supervision via the Board of Directors and Audit and Supervisory Board, and thorough compliance and risk management.

Future Outlook and Shareholder Returns

Anticipating further growth, we ask for your continued guidance and support.

Regarding the forecast for fiscal 2015, while startup of the UATH Rayong Works will continue to incur costs, we also expect further post-merger synergies to develop from the effects of integration. An increase in the sales of thick plate for LNG tankers is also anticipated as the import of shale gas from North America and Canada commences. However, we expect to see an adverse effect on inventory valuation due to a drop in the market price of aluminum ingots.

As a result of these factors, as of July 31, 2015, we have amended the full-year forecast for fiscal 2015. We are now forecasting net sales of ¥610 billion, operating income of ¥17 billion, ordinary income of ¥13 billion, and net income of ¥6 billion.

Regarding dividends, we consider a stable and continuous return on investment as an important commitment. At the end of fiscal 2014, we distributed a dividend of ¥3 per share. For fiscal 2015, we expect to distribute an interim dividend of ¥3 per share and year-end dividend of an additional ¥3, for a yearly total of ¥6 per share.

In terms of forecasting further on, plans are to continue expanding production capacity at the UATH Rayong Works, where a fully-integrated manufacturing system was completed in August 2015. It is believed this will strengthen the global production network and enable sales overseas to be increased. Furthermore, with the export of U.S. shale gas to Japan scheduled to begin in 2017 and export of Canadian shale gas scheduled to begin around 2018, demand for the thick plate used in the construction of LNG tankers—one of our principal products—is expected to increase greatly, and should contribute significantly to sales.

As we look forward to these exciting challenges, we wish to humbly request your continued guidance and support.

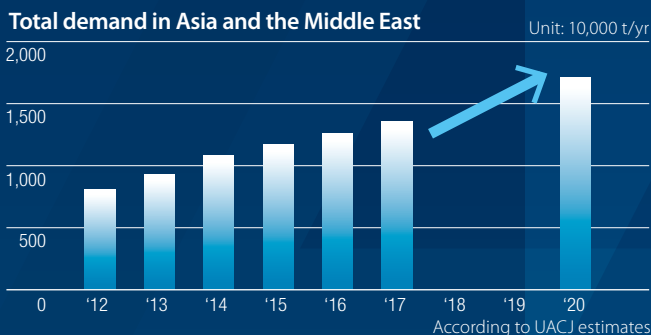
Increasing Our Global Competitiveness



Thailand p. 15

Supporting Growth in Asian Markets — Core Asian Factory Established

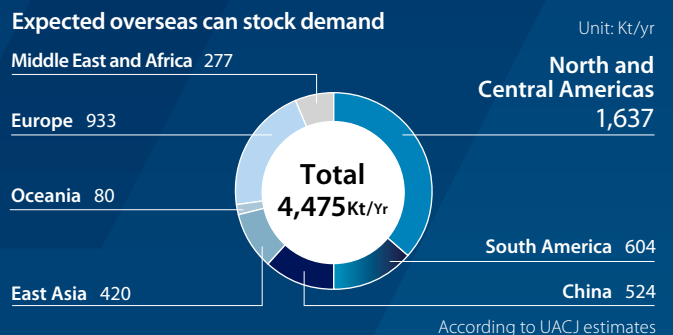
The construction of a new factory in Thailand that is to serve as the core of operations in Asia began in 2012. With the second phase of construction—covering processes from casting to hot rolling—completed in August 2015, the factory is now capable of fully-integrated manufacturing. In order to meet the vigorous demand in the Asian market, we plan to continue expanding our supply network.



USA

Supporting World's Largest Beverage Can Market in USA — Joint Operation of World-class Can Stock Factory

Can stock is one of the most important products at UACJ. In 2011 in the USA—the world's largest market for can stock—we acquired one of the world's largest rolled aluminum manufacturing and sales companies. Utilizing the company's wealth of experience in manufacturing can stock and sophisticated technological prowess we have further solidified our presence as a global player in the can stock market.



Supported by continuing economic growth, the demand for aluminum in Asian markets is rising across a wide range of fields. In the North American market, increasingly stringent standards, such as the CAFE regulations for more fuel efficient automobiles, are accelerating the adoption of aluminum to reduce vehicle weight. In order to respond to the increasing demand for aluminum around the world, UACJ has reinforced its global supply network with hubs in Japan, Thailand and the USA.



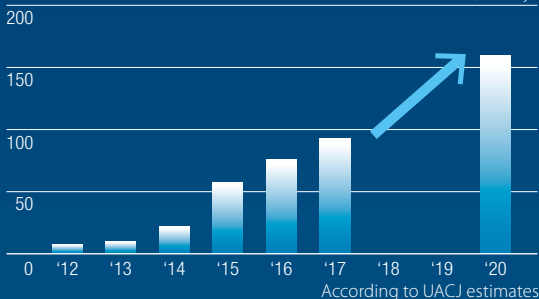
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Responding to Growing Aluminum Use in Vehicles and Body-in-White Panel Demand in North America

As fuel efficiency regulations grow more stringent, the use of aluminum in automotive parts is increasing in the USA. In response, UACJ established a joint venture to manufacture and sell BiW panels. Construction of the factory is currently underway, and operations are expected to begin in fiscal 2016.



Demand for Automotive BiW Panels Unit: 10,000 t/yr



/ Mexico

Supply Network Reinforced and Expanded with Establishment of **Automobile Parts Manufacturing and Sales Subsidiary**

In response to the impressive growth of the automotive industry in Mexico, we established an automotive parts manufacturing and sales subsidiary in the country in February 2014. Cooperating with Group companies in North America, the new subsidiary has strengthened our supply network for high-precision, high-quality metal automobile parts.



/ Germany

Company Established with **Local Partner** to Sell Automotive Heat Exchanger Materials

Responding to the strong demand for automotive heat exchanger materials, we signed a letter of intent with the Grecian aluminum manufacturing and sales company Elval Hellenic Aluminium Industry S.A. to create a sales company that will serve the European market. The company was established in October 2015.



/ Malaysia

Company Acquired to Manufacture and Sell Aluminum Foil for **Beverage Containers and Food Packaging**

In January 2014, UACJ Foil Corporation acquired a Malaysian company that manufactures and sells aluminum foil, and converted it into a subsidiary. Through this acquisition, we are responding to the growing Southeast Asian demand for foil used in beverage containers and food packaging.



Thailand



World-leading Manufacturing Base for the Growing Asian Market

In order to meet the growing demand for aluminum in Asia, construction of the Rayong Works at UACJ (Thailand) Co., Ltd. (hereinafter UATH) began in 2012. The lines completed in the first phase of construction started operating in January 2014, and the lines in the second phase of construction were completed in August 2015. Now, fully-integrated manufacturing enables the realization of both high quality and low cost, doing so with an annual production capacity of 180,000t. With plans to increase capacity to 300,000t in the future, our goal is to transform the Rayong Works into a leading manufacturing and supply base not only in Asia, but worldwide.



Overview of UATH Rayong Works

In order to maximize the synergies created through integration, the UACJ Group is building a global supply network with hubs in Japan, Thailand and the USA. As the core manufacturing and supply base in Asia, the UATH Rayong Works is a vital component in the system. Not only is it supplying flat rolled products throughout the Asian region where demand is rising, it is also collaborating with a Malaysian aluminum foil manufacturing and sales company that became one of our subsidiaries in January 2014, enabling us to better respond to needs in the Asian market.

Additionally, the works is located in the Amata City Industrial Estate, which is in an area developed so that business is unaffected by flooding and other natural disasters as part of Thailand's governmental policies to attract multinational companies. It is also near major harbors. Utilizing this advantageous location, we will strengthen coordination between the Rayong Works and production bases worldwide, establishing a pivotal role for the mill in our global supply network.



Fully-integrated Manufacturing from Casting to Finishing

The manufacturing processes at an aluminum rolling mill begin with casting, which involves melting raw materials to form aluminum slabs. The slabs are then hot-rolled, cold-rolled and subjected to finishing processes such as surface treatment, coating and cutting. The UATH Rayong Works is the first fully-integrated



manufacturing factory built overseas by a Japanese rolled aluminum manufacturer. The ability to perform all processes onsite—including pre-processing that determines final quality and functionality—enables UACJ to deliver products tailored to regional market needs quickly and efficiently.

The cold-rolling and finishing lines started operation in January 2014, and construction of the casting and hot-rolling lines, the addition of which achieves fully-integrated manufacturing, was completed in August 2015. The works combines large-scale



production with advanced manufacturing technologies developed in Japan, giving UACJ a powerful edge over competitors in the areas of cost competitiveness and quality assurance.

Timely Transfer of Technical Skills to Local Employees

To ensure stable operations at the UATH Rayong Works, it is necessary to have a system in place that efficiently employs and trains local employees so that they, themselves, can perform all tasks as quickly as possible.

In order to impart the traditional monozukuri (manufacturing) principles and expertise accumulated by the UACJ Group to local employees, from 2012 to 2013, 35 trainees from Thailand were invited to the Fukui, Fukaya and Nikko works, where they received training from specialized instructors. The training program passed on knowledge covering various areas, such as onsite practices, skills and technologies, and education on safety and management. Participants were encouraged to think of themselves as members of the family we call the UACJ Group.

After completing the program, the trainees returned to Thailand to work on bringing the Rayong Works online. As operations began, they showed great leadership ability locally, taking on key roles. They are expected to advance into management positions at various business sites in the future.

Rolling Mill Constructed Taking Local Environment into Consideration

Before beginning construction of the UATH Rayong Works, UACJ conducted environmental assessments, and was subjected to a review and receiving approval from various governmental agencies. As part of the review, public town hearings were held twice at two different locations, for a total of four hearings.

Careful consideration for the environment was also maintained when designing the manufacturing processes. Efforts are made to conserve resources by recycling aluminum to the furthest possible extent. We also introduced measures to reduce energy consumption throughout the rolling mill and offices, such as promoting more efficient operation of equipment and installing



energy-saving smelting furnaces that reuse waste heat. Furthermore, we are working to reduce the output of effluents, exhaust gases and harmful chemical substances.

We believe it is important to prosper together with the local community. In addition to creating jobs by employing local residents, we participate in a variety of local initiatives, such as cleanup drives, traffic safety activities, planting trees, donating books to schools, and conducting mill tours.

Steadily Expanding Production Capacity to Support the Global Supply Network

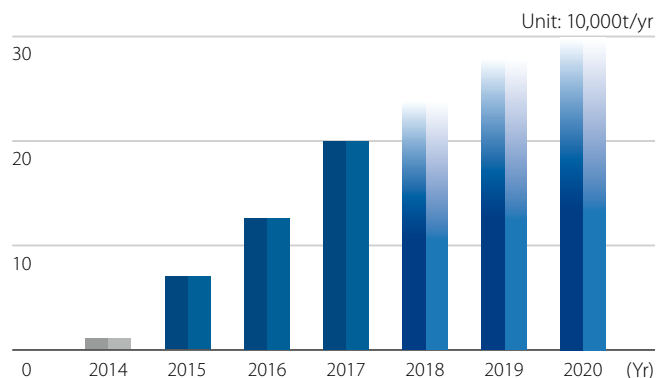
In Thailand, many automobile manufacturers and canned beverage companies—enterprises whose businesses result in a strong demand for flat rolled products—have entered the market. Previously, the majority of flat rolled products used by such companies were imported. However, the UATH Rayong Works will be able to supply approximately 40% of this domestic demand.

We plan to use the Rayong Works to manufacture and supply UACJ Group products that are known for their superior quality and technologies utilized to make them; for example, materials used to manufacture heat exchangers for automobiles and can ends. In addition to Japanese companies, there are many multinational companies moving into the local market. While serving the demand created by those companies, we also foresee supplying products to surrounding countries that are experiencing remarkable growth, and even to other areas such as North America.

We anticipate that the Rayong Works will become the core of our global supply network in Asia. Accordingly, further investment is already under consideration. Plans are to increase the works' annual production capacity from the current 180,000t to 200,000t by 2017. With the additional investment being considered, we could raise capacity to 300,000t per year.

By gradually increasing capacity, we will be able to expand supply from Asia to other regions in the future, thus making significant contributions to the economy of Southeast Asia.

Production Capacity Forecast for UATH Rayong Works





Answering the Growing Demand for Beverage Cans and BiW Panels

The UACJ Group has been jointly operating one of the largest rolling mills in the world since 2011. The mill is located in North America, the world's largest market for aluminum cans. Additionally, in 2014, anticipating an increase in demand for aluminum BiW panels utilized to manufacture lighter vehicles, UACJ announced it and a European company will establish a joint venture in the USA to produce and sell BiW panels. Promoting business through these two bases, we will increase the Group's presence in the US market.

Capitalizing on Production Scale and Stable Demand in the Can Stock Market

Together the US and Canadian markets use approximately 94 billion aluminum cans per year, making North America the largest market for can stock in the world. Two-thirds of that amount are cans for carbonated beverages, the consumption of which has been declining in recent years, thereby resulting in sluggish demand. The remaining one-third, however, are cans for beer, the demand for which remains strong. As a result, market scale continues to be good.

In order to respond to this intense demand, all American aluminum rolling companies combined manufacture more than 1.9 million tons of can stock each year, of which 1.6 million tons are used in North America. Compared to the Japanese can stock market, the size of the American market is readily apparent, being four times larger.

Aluminum cans are one of the most important products for the UACJ Group. In order to strengthen our presence as a global player in the aluminum can market, especially in North America, UACJ acquired a flat rolled products manufacturing and sales company from global oil giant British Petroleum in August 2011. Now named Tri-Arrows Aluminum Inc., together with Novelis, the world's largest can stock manufacturer, the companies jointly operate Logan Aluminum Inc., the world's largest aluminum can producer.

The mill's biggest strength is that it has focused solely on producing can stock for over 30 years, leading to a wealth of experience and sophisticated production expertise. Due to the high production levels and efficient operations achieved through joint operation with Novelis, the mill has also garnered praise as one of the most cost-competitive aluminum rolling mills in the world.

Responding to Increasing Use of Aluminum by Automobile Manufacturers Due to Stricter Fuel Efficiency Regulations

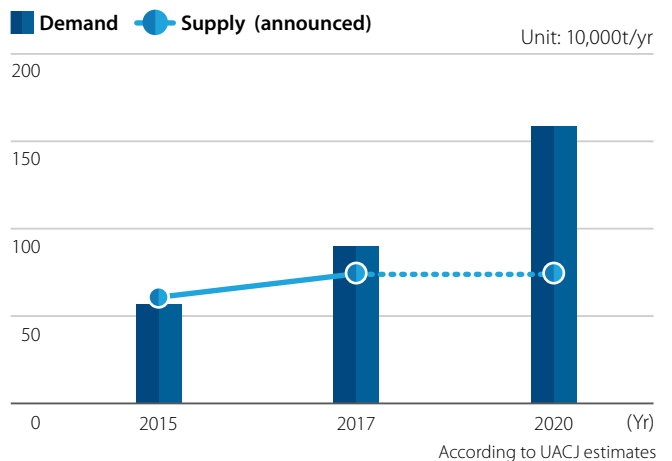
In the North American automotive market, stricter fuel efficiency regulations require that all automobile manufacturers achieve a fixed standard of improvement by 2020. As a result, in order to produce lighter vehicles, manufacturers are rapidly changing to aluminum for BiW panels. In recent years, aluminum alternatives for other parts such as doors and fenders are also being developed,

and total aluminum usage per vehicle is expected to increase. Currently, the strong demand for automotive aluminum sheet materials is expected to rise from its 2015 level of approximately 500,000 tons to large-scale use of around 1.5 million tons in 2020.

To respond to the increasing demand, in May 2014, Japan's No. 1 aluminum manufacturer, UACJ, entered a formal agreement with European company Constellium N.V. to establish a joint venture in the USA and start producing aluminum materials for BiW panels. The joint venture was established in December 2014 to manufacture and sell BiW panels in the USA. Plans are for this company to meet the needs of Japanese, American and European automobile manufacturers in the North American market by supplying high-quality products.

As the first stage of investment, construction has begun on a mill in Kentucky, which is scheduled to have an annual capacity of 100,000t when operations begin in fiscal 2016. It will have a state-of-the-art surface treatment line similar to those currently used by European and US automobile manufacturers. Additionally, base materials will be supplied from the Logan mill, also located in

Supply and Demand of BiW Panels in North America



Plant construction is moving ahead on schedule with a view to commencing operations in fiscal 2016

Kentucky, or mills of the joint venture. This will ensure the quick procurement and stable supply materials, thus enabling us to meet the needs of the US market in a timely fashion.

In order to ensure operations start smoothly at the new mill, we are currently negotiating with customers and working to obtain the automobile materials manufacturing certifications required for Logan Aluminum Inc., which will be supplying the base materials.

Team Concept – Employee Participation in Mill Management

Located on the outskirts of Russellville, Kentucky, the Logan mill is able to secure a reliable, high-quality workforce from the surrounding area. It has a positive, efficient work environment and employee participation management style that we refer to as the “Team Concept.” Through this method, everyday operations and improvements, including those of quality, safety, productivity and cost management, are driven by voluntary initiatives on the part of employees. This bottom-up approach to management is the result of employee training and education in place since the mill’s founding over 30 years ago.

Thorough Commitment to Eco-conscious Mill Management and Construction

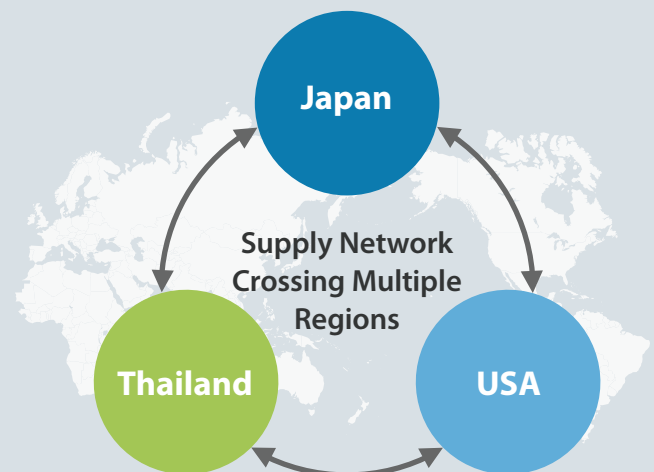
In order to achieve and maintain sustainable operations, the Logan mill engages in energy conservation and other ongoing environmental initiatives. In 2013, an exhaust recovery system was installed for the hot and cold rolling mills, enabling rolling oil contained in the exhaust to be recycled. Negative environmental impact has been reduced in a variety of other ways as well. For example, the mill engages in a range of successful daily projects to conserve and recycle industrial water, and has implemented measures to recycle wood packaging materials and other materials used internally.

UACJ Global Strategy

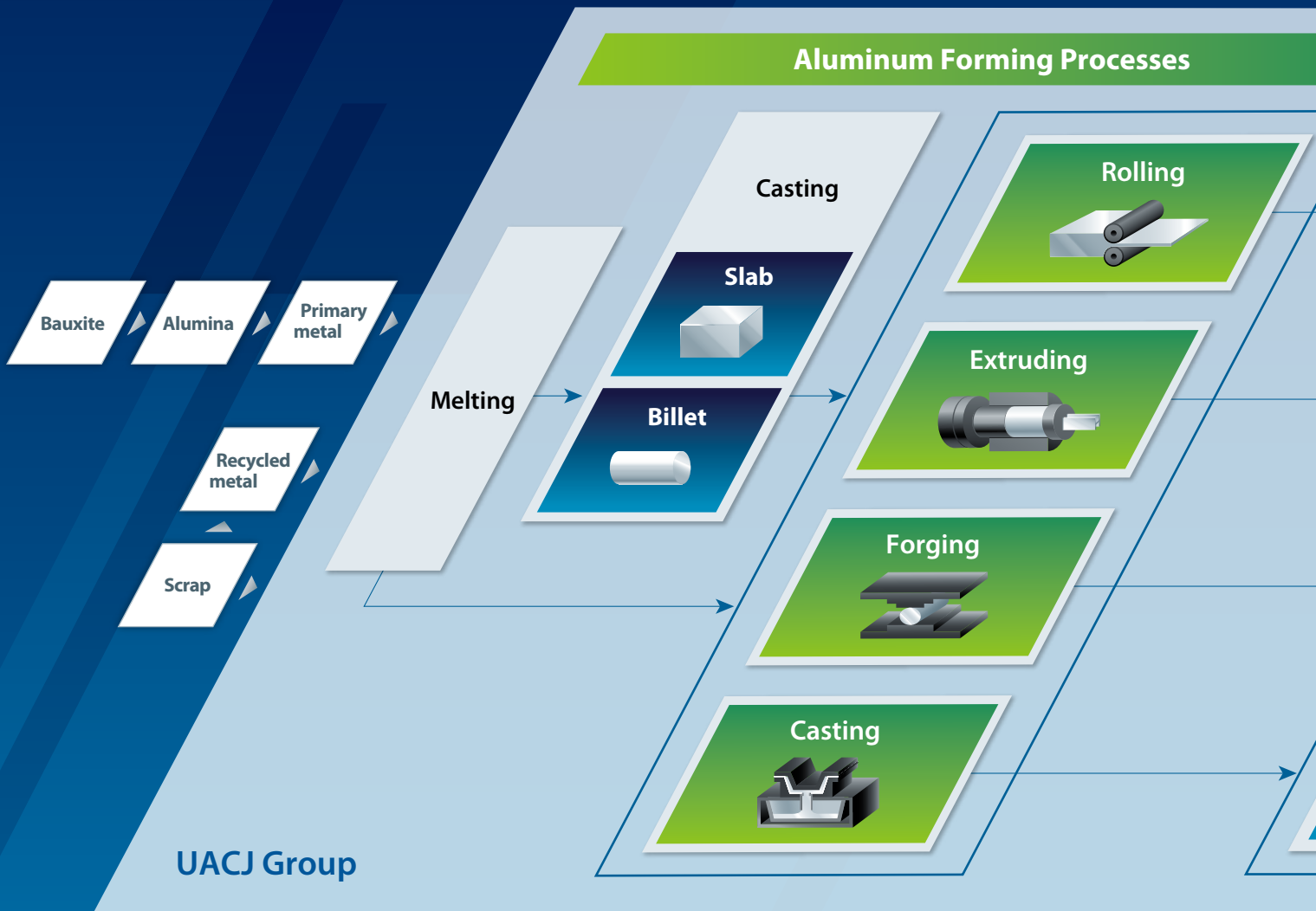
Expanding the Global Supply Network with Hubs in Japan, Thailand and USA

UACJ overseas production bases, including UACJ (Thailand) Co., Ltd. and Tri-Arrows Aluminum Inc. in the USA, focus on supplying primary products such as can stock, automotive heat exchanger materials and BiW panels. With three hubs in Japan, Thailand and the USA, we have built a complimentary supply network crossing multiple regions. This enables us to provide optimal responses to changes in global demand and expand sales in the global market.

Global Supply Network with Hubs in Japan, Thailand and USA



Meeting ever-changing market needs with technologies that maximize the properties inherent in aluminum



UACJ supplies products with value to the market, applying rolling, extrusion, casting, forging and a range of secondary processes to fabricate aluminum for different applications and purposes. This is done by drawing on a wealth of experience, and wide-ranging processing technologies and world-class production facilities unique only to the Group. As a comprehensive aluminum manufacturer—the only such manufacturer in Japan and one of the few in the world—we are working at the global scale to meet the needs of a wide variety of industries. Our products range from everyday items such as beverage cans to automotive parts, electronic devices, medical supplies, and even rocket and aircraft components.



UACJ Group Business Unit Structure

Utilizing a business unit structure for the UACJ Group, UACJ Corporation oversees Group operations and the core business of manufacturing and selling flat-rolled products. Separate companies have been established for other businesses, including extrusion, foil, casting and forging, copper tubing, and precision-machined components. This Group structure enables us to meet the unique needs of each industry in a flexible and timely manner.



Flat Rolled Products Business

Utilizing World-leading Manufacturing Capabilities to Deliver High-quality Flat Rolled Products

UACJ boasts some of the most advanced aluminum sheet manufacturing capabilities in the industry, including precise thickness control technologies and one of the world's largest rolling mills, measuring 400m long and 4.3m wide. This technological prowess enables us to supply the best products to a wide range of industries.



Aluminum can stock and closure materials



BiW (Body-in-White) panels



Aviation and aerospace materials



IT materials



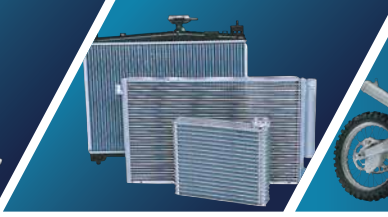
LNG tank materials



Litho sheets



Photocopier photoconductive drum materials



Automobile heat exchanger and tubing materials



Motorcycle frame materials



Extrusion Business

Utilizing Comprehensive, Industry-leading Technological Prowess to Meet Needs in a Wide Variety of Fields

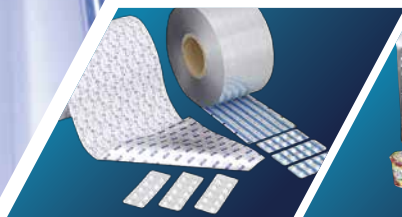
Supported by engineers highly experienced in manufacturing, molding design and various extrusion processing fields, UACJ utilizes its technological prowess to produce extruded products of the highest quality. Capitalizing on these comprehensive capabilities, we are able to meet the needs of customers from a wide variety of fields such as automotive, industrial machinery, aviation and office equipment. We continuously work to further improve technologies and quality at our production sites in Japan and overseas in order to better meet demands for higher quality.



Foil Business

Utilizing Unparalleled Foil Technologies to Supply Products Designed to Meet the Latest Needs

UACJ produces aluminum and metallic foils of the highest quality for use in a variety of fields. Applications include everything from foil for lithium-ion battery current collectors and packaging for foodstuffs and products in the medical industry to everyday products like foil for use in the home and industrial applications such as electrolytic capacitors.



Medical industry and chemical products packaging foil



Foodstuffs and packaging foil



Lithium-ion battery current collector foil

/ Casting and Forging Business

Delivering Highly Competitive Products Utilizing Advanced Technologies and Production Network

In the molding field, UACJ incorporates precise casting technologies in the production of a compressor wheel that is part of a turbocharger that holds the No. 1 share of the automotive turbocharger market. When it comes to forging, we operate one of Japan's largest forging presses, uniquely positioning us to meet large-scale forging needs.



Turbocharger compressor wheels

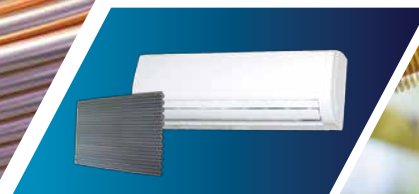
Aviation and aerospace materials



/ Copper Tubing Business

Meeting a Wide Range of Needs with the Superior Materials Characteristics of Copper

Utilizing the exceptional materials characteristics of copper such as heat conduction, corrosion resistance, machinability and anti-bacterial properties, we deliver products that satisfy wide-ranging needs. From products for heating and cooling equipment, and piping for hot/cold water supply, automobiles and medical devices to heat pipes for cooling electronic equipment, UACJ is ready to serve.



Air-conditioner internally grooved copper tubing



Heat exchanger tubing

/ Precision-machined Components Business

Utilizing a Vast Array of Equipment and Technologies in Response to Various Processing Needs

From roll forming processes to joining processes, surface treatment and painting, UACJ has the facilities and technologies to respond to virtually any processing needs. Regardless of size, shape or function required, we're ready to meet the needs of a wide variety of industries.



TOKYO SKYTREE®



Parabolic antenna



Garnering the trust of society by improving our cultivated assets

The UACJ Group utilizes technological prowess and manufacturing expertise cultivated in the past to create new value. This includes giving careful consideration to the environment and having a corporate management that works harmoniously with society.

Employee training and the effective use of human resources are also vital for taking business to the next stage and creating new value. Accordingly, we make every effort to create work environments where every employee can attain his/her full potential.



Technological Prowess



Research and Development

Pursuing New Possibilities in Aluminum

Discovered 200 years ago and used in industrial manufacturing for just over 120 years, aluminum is a “young metal” with many unknown properties. The UACJ Group is fully committed to in-depth research and development as it works to unlock the secrets of aluminum and meet the diverse needs of its customers. Our approach covers everything from the development of foundational technologies related to materials design and manufacturing processes to the development of products and application technologies. We also cooperate with leading research organizations around the world to foster new innovation.

Research and Development Division as the Hub of Group R&D

Research and development is essential to the UACJ Group, and the Research and Development Division focuses on activities geared towards solving not only issues faced by individual Group companies, but also issues shared throughout the Group. We have combined R&D locations post-merger for the purpose of quickly satisfying customers’ needs while staying one step ahead of the times, doing so through the accelerated development of revolutionary products and technologies. The R&D center also carries out analyses utilizing structural testing equipment such as the latest transmission electron microscopes.



Research & Development Division

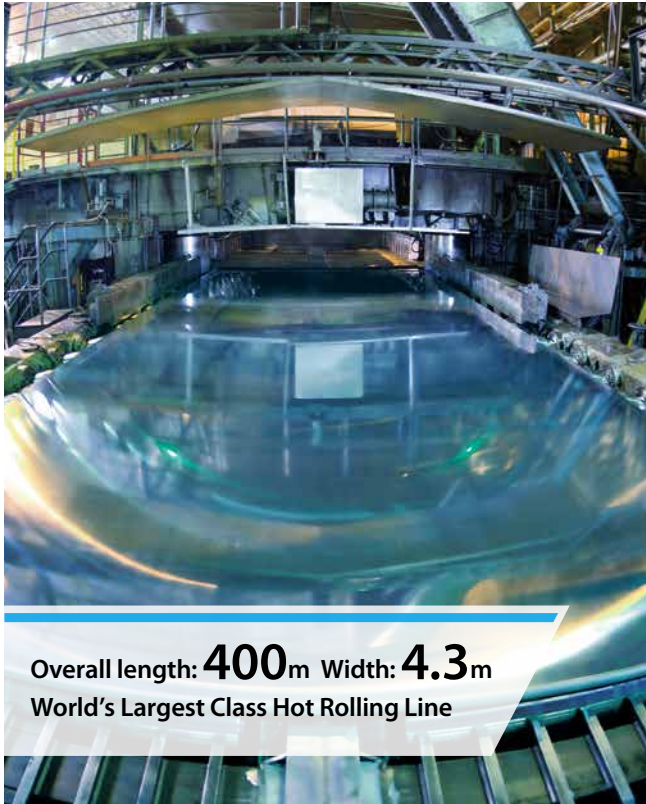
Manufacturing

World-class Manufacturing Facilities

The UACJ Group’s competitive strength lies in its manufacturing capability, which is supported by a global network of leading facilities. Covering processes ranging from hot and cold rolling to extrusion, casting and forging, and driven by industry-dominating large-scale operations, we are capable of manufacturing products in bulk and realizing highly efficient mass production unlike any other company.

For example, the hot-rolling line at the Fukui Works, one of our core rolling mills, is equipped with one of the world’s largest rolling presses, stretching 400m in length and 4.3m wide. The line utilizes an automatic gauge control (AGC) system that automatically regulates plate thickness and ensures high-quality rolling. The plate produced by the line is utilized in building LNG tankers and for applications in the aerospace industry, where uniform ultra-wide plates are necessary. The rolling mill also produces industry-leading, high-quality products using one of Japan’s largest top-charging melting furnaces, and is equipped with one of the country’s most powerful stretchers—used for straightening after rolling—with a capacity of 5,600t.

Additionally, all UACJ business sites are equipped with state-of-the-art equipment. Our casting and forging operations in Japan use a 15,000t forging press, the largest in the country. Furthermore, our beverage can lid materials line is equipped with the industry’s first integrated painting line, handling everything from straightening aluminum plate coils to surface treatment, painting, enameling, surface inspection and marking defects.



Overall length: **400m** Width: **4.3m**
World's Largest Class Hot Rolling Line

Optimizing Production and Creating Post-merger Synergies

UACJ was formed through the merger of Japan's two leading aluminum manufacturers, thereby further strengthening overall manufacturing capacity. To generate more effective synergies following the merger, we have introduced optimal Group-wide production distribution, relegating overlapping product categories to different sites based on the capacities and features of each production site.



World-leading Thick Plates Control Technologies

Production categories at the sites have been streamlined. The Fukui Works now focuses on can stock and thick plate for LNG tankers, the Nagoya Works on automotive, litho sheet and fin materials, the Fukaya Works mainly on thick plate—including that for LNG tankers—and the Nikko Works on finishing processes. This separation of roles has increased productivity and cost competitiveness, and will lead to enhancing overall profitability.

Fulfilling Our Ongoing Responsibility for Stable Supply

In recent years, the worldwide demand for aluminum has been growing in parallel with economic development, especially in emerging nations. This rise in demand has been especially significant in Southeast Asia and nearby regions. With the exception of countries such as Japan, China and South Korea, however, the availability of aluminum is still limited.

In order to meet increasing demand and fulfill our responsibility for supplying aluminum as a manufacturer, the UACJ Group is reinforcing its global supply network, which has hubs in Japan, Thailand and the USA. In 2012, in Thailand, we began construction of the first integrated manufacturing facility established overseas by a Japanese rolled aluminum manufacturer. Fully-integrated manufacturing at the mill began during the summer of 2015. As our core manufacturing base in Asia, further improvements are also planned.

Quality Control

Ensuring the Reliable Quality that Customers Demand

At UACJ, a Quality Committee consisting of officers responsible for quality control oversees quality assurance for the entire Group. Business segment-specific quality control groups have also been setup, and the Committee and groups work together with the Engineering and Maintenance Department at the headquarters to promote quality assurance activities. Under this system, the Group promotes business unit-specific quality improvements that are in line with our basic and yearly quality control policies.

For instance, in the case of flat rolled products, we utilize cutting-edge control technologies for the casting, hot rolling, cold rolling and finishing processes, enabling us to produce some of the highest quality products in the industry. We also have a comprehensive quality control system in place that is supported by proprietary expertise unique to UACJ. Because thick plate used in manufacturing aircraft is a critical issue for safety, aircraft manufacturers, in particular, demand strict quality standards. We are one of the few manufacturers worldwide to have acquired AS9100 aerospace industry international quality management certification.

Quality management technologies and expertise cultivated at our Japanese bases are also disseminated to our bases overseas, thereby helping to raise trust in the global marketplace.

Employee Development



Training

Training Competitive Global Human Resources

One of our objectives for management integration was to become “an aluminum industry leader in a competitive global market.” This requires skilled personnel capable of understanding and abiding by our management philosophy and company principles. Rather than simply maintaining the status quo, they must have the constant drive to pursue improvement and innovation.

This requires practical skills and qualities, including “the ability to understand different cultures and act globally;” “act based on the best perspective for UACJ;” and “act with a persistent commitment to improve onsite quality and technologies.”

Employees with such traits are the source of the Group’s competitiveness. In order to ensure the continual nurturing of human capital, our workplaces provide an environment where each employee can grow and feel a sense of personal accomplishment.

Foundation Based on Employee-specific Training

The Human Resources Development Department of UACJ is dedicated to overseeing the development and training of personnel. This department supports Group companies, helping to ensure that their human resource development and training policies are effective.

The foundation of human resource development and training in the UACJ Group is “employee-specific training.” Utilizing three forms of education (i.e., on-the-job training, course-based education and self-study), our aim is to help each individual visualize their role and how she/he contributes to the company as they grow.

Employees must be aware of, and value their personal growth. But it is also vital for supervisors in the workplace to create opportunities that train and develop employees through their work, and that the managerial layer utilizes a framework that encourages growth. Always mindful of these responsibilities, we make every effort to provide opportunities for learning and growth, including both new employee and stratified training.

Number of Stratified Training Participants in Fiscal 2014

	UACJ headquarters	Affiliated companies	Total
Management	64	60	124
General staff	144	36	180
Engineers	192	205	397
Total	400	301	701

Nurturing Human Capital with a Global Perspective

One of the guiding principles for employees of UACJ Group companies is to “consistently adopt a long-term global outlook and be flexible to changing environments such as globalization, while respecting the laws, cultures and customs of each country, and contributing to the development of their societies.” We are nurturing global human capital capable of fulfilling this responsibility.

As part of these efforts, we hold English-language business skills seminars focusing on global business approaches. We have also invited trainees from the UATH Rayong Works to Japan for technical and managerial training.

In the future, we will continue introducing tangible training initiatives for local staff employed by our overseas Group companies.

Promoting Diversity

Turning Employee Diversity into Group-wide Growth

From the perspective of supporting initiatives to advance into new fields and develop global business further, the UACJ Group actively promotes employee diversity, disregarding factors such as gender, age, nationality and disabilities. In fiscal 2014 new graduate hires included 18 general staff (16 male and 2 female), 21 planning and technologies staff (all male) and 21 engineering staff (all male). We

are proactively recruiting foreign nationals, and have employed a total of six foreign employees since fiscal 2011.

We are actively increasing employment opportunities for women and increasing the number of female managers. As of the end of fiscal 2014, there were 69*1 female managers in the Group.

We also consider it a social responsibility to provide employment opportunities for people with disabilities. In April 2015, we opened a new Nagoya location for UACJ Green-Net, a special subsidiary dedicated to increasing employment opportunities for people with disabilities. As of June 1, 2015, the ratio of people with disabilities employed by UACJ was 2.33%,*2 exceeding the legally required ratio of 2.0%.

We also actively reemploy aged retirees, promoting the transfer of technical skills, technologies and expertise from experienced professionals to the workforce. As of the end of April 2015, 215 such workers were employed.

*1 Includes UACJ Group companies that are not consolidated subsidiaries.

*2 Ratio calculated includes special subsidiaries system currently consisting of UACJ Green-NET (special subsidiary) and UACJ Foil Corporation (subsidiary) together with UACJ.



Ensuring Occupational Safety and Health

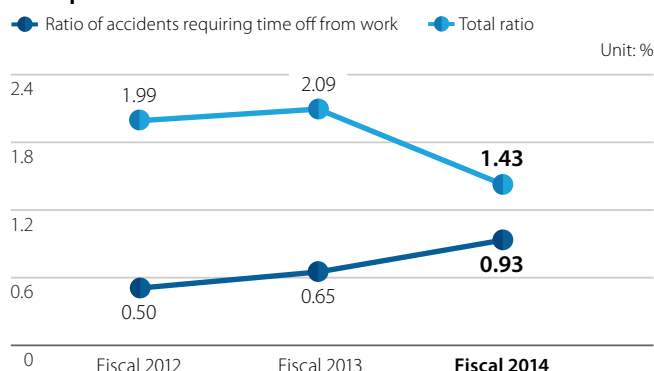
Creating Anxiety-free Working Environments

Employee safety, hygiene and health are top priorities throughout the UACJ Group, and health and safety activities are promoted with the participation of all employees. In addition to adhering to labor-related laws and regulations, we also introduced a health and safety management system that is overseen by general safety and health managers at each business site. This includes the occupational safety and health management systems introduced and being used at the Nagoya, Fukui, Fukaya and Nikko works. These ongoing activities are geared toward achieving "zero risk of accident in the workplace."

Plans for tangible safety management activities are created by individual factories, doing so in accordance with Group policies on health and safety activities after deliberation by onsite general managers and health and safety officers.

For fiscal 2014, the ratio of accidents requiring time off from work was 0.93, while the total ratio was 1.43.

Workplace Accidents Status



Respecting Human Rights and Diverse Working Styles

Creating Positive Working Environments Conducive to Enjoyable Lifestyles for All

It is the stance of the UACJ Group to ensure an anxiety-free corporate work culture where employees respect each other's individuality and human rights. We have set up consultation hotlines to help prevent and respond swiftly to sexual harassment, power harassment and other human rights issues. Such issues are covered in our stratified training and corporate code of conduct training programs as well.

We also respect our employees' lifestyles and provide a variety of systems, including a childcare leave system, to enrich both home- and work-life. The use of these systems by male employees is also promoted.

To Be a Good Corporate Citizen

When it comes to CSR, one of the basic policies of the UACJ Group is to communicate with stakeholders to earn their confidence and trust. As a good corporate citizen, we hold annual events, such as the Inari Festival organized by the Nagoya Works and the Summer Festival held on the grounds of UACJ Copper Tube Corporation, to deepen communications with local communities. We have also created the Volunteer Leave System that allows employees to take time off from work to participate in volunteer activities of their own choosing.



Inari Festival (Nagoya Works)

Environmental Initiatives

Environmental Management

Towards Realizing a Sustainable Society

The UACJ Group considers environmental conservation and realization of a recycling-oriented society important management issues. In addition to abiding by environmental laws and regulations and corporate statutes, we are working to reduce the environmental impact of all business activities.

To promote environmental management throughout the Group, we establish UACJ Group Environmental Policies every year, setting objectives for reducing environmental impact during business operations in that year. These policies are developed in accordance with basic environmental policies based on the UACJ corporate philosophy and guidelines. Under the policies, we carefully consider the environment in all stages of the product lifecycle, from development and manufacturing to sales, use and recycling.

Maintaining Environmental Management Promotion Systems

We have established a Group-wide Environmental Committee, chaired by the Chief Environmental Officer, to promote environmental activities and raise environmental awareness among employees. As a general rule, the committee meets one time each year to discuss policies and goals related to environmental activities. At the same time, the Environmental Safety Division works to ensure the practical implementation of policies and goals.

Additionally, environmental management systems are in the process of being implemented at all Group sites, and nearly all production sites have acquired ISO 14001 certification. Some of our smaller facilities have also acquired Eco Action 21 certification in accordance with guidelines released by Japan's Ministry of the Environment. All sites carry out initiatives based on management systems and work to continuously upgrade certifications.

Preventing Global Warming

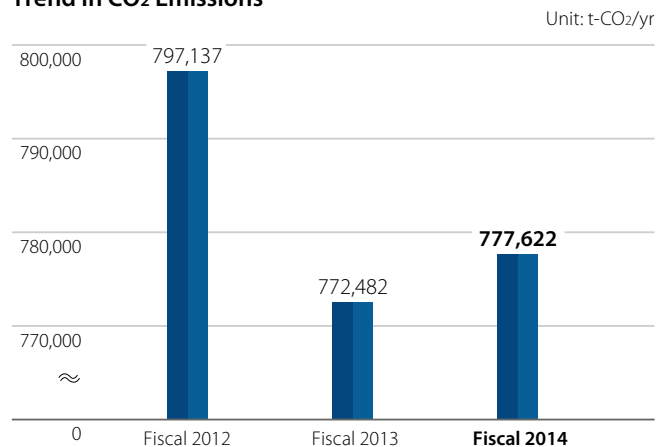
Saving Energy at Every Stage Beginning from Manufacturing Processes

As a means of contributing to the prevention of global warming, the UACJ Group has introduced initiatives to reduce the use of energy throughout all business activities, including everything from manufacturing and distribution to the use of electricity in offices.

During manufacturing processes, in particular, where energy consumption is high, we are promoting initiatives to improve production efficiency at each site and are switching to substitute fuels, among other measures. As a result of the reallocation of product mixes, which we have been carrying out since the merger, productivity has risen. Additionally, both CO₂ emissions and energy consumption per unit of production have improved over the previous year.

Furthermore, Energy Conservation Subcommittee meetings—cross-departmental meetings centered around the Facilities Department—are held periodically. During these meetings, information is shared between sites and the utilization of effective energy-saving examples is promoted throughout the Group.

Trend in CO₂ Emissions



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

Preventing Environmental Pollution

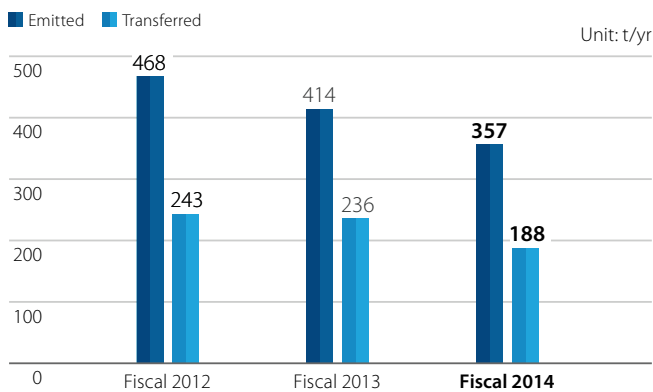
Strict Voluntary Targets Set to Reduce the Emission of Environmental Pollutants

The UACJ Group has established its own voluntary emissions targets for air, water and soil pollutants, and is committed to maintaining them. These targets are stricter than those required by laws, regulations and agreements.

Regarding initiatives for chemical substances, all Group companies record the volumes of targeted substances handled, emitted and transferred in accordance with the Pollutant Release and Transfer Register (PRTR*) law. In addition to reporting these values, the Group is working to further reduce the use of targeted substances. In fiscal 2014, despite an increase in production, due to successful reduction activities, the total amount of targeted substances decreased. Overall, Group-wide emissions were reduced 20.3% compared to the previous fiscal year.

* Law that promotes recognizing the amount of specific chemical substances released into the environment and improving the management thereof.

Trend in PRTR Substance Emissions and Transfer (including manganese, chromium, nickel and lead alloy elements in products)



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

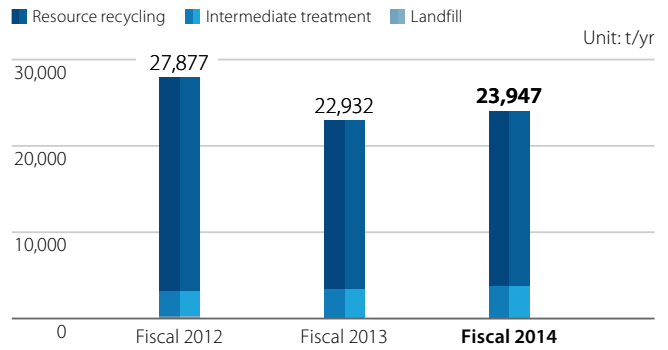
Reducing Waste

Aiming for Zero Emissions at Main Business Sites

In order to help realize a recycling-oriented society, the UACJ Group is working to reduce industrial waste. Member companies carry out waste sorting and recycling with the ultimate goal of achieving zero emissions.* In fiscal 2014, the ratio of waste directly consigned to landfills was 0.39% at our main business sites, meeting the targeted objective. We will continue to work to maintain zero emissions in the future as well.

* Zero emissions is defined as a ratio of less than 1% of total industrial waste being disposed of directly to landfills.

Trend in Industrial Waste Volume



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

Recycling Aluminum Cans

Aluminum can be recycled using approximately 3% of the energy required to produce new aluminum from bauxite ore. Capitalizing on this highly efficient characteristic, the recycling of aluminum cans has progressed considerably, reaching a current recycling rate of approximately 90%. As a leading aluminum products company, UACJ is taking the initiative in can recycling, and supporting activities on behalf of the Japan Aluminum Can Recycling Association.

Developing Eco-conscious Products

Focusing on the Development of Eco-conscious Products with Low Environmental Impact

The UACJ Group is highly conscious of harmonizing with the environment even at the product development stage.

In recent years, aluminum's characteristic lightweight and durability have attracted attention to the metal for application in the production of automobiles and other forms of transportation, where the lighter weight achieved contributes to better fuel efficiency and reduces energy consumption. In order to respond to the increasingly diversified demands of society, we are working to improve the characteristics of aluminum materials and developing products that are lighter yet maintain the same functionality as when manufactured with conventional materials.

Additionally, taking maximum advantage of the highly efficient recyclability of aluminum, we are developing practical can stock that is even easier to recycle.

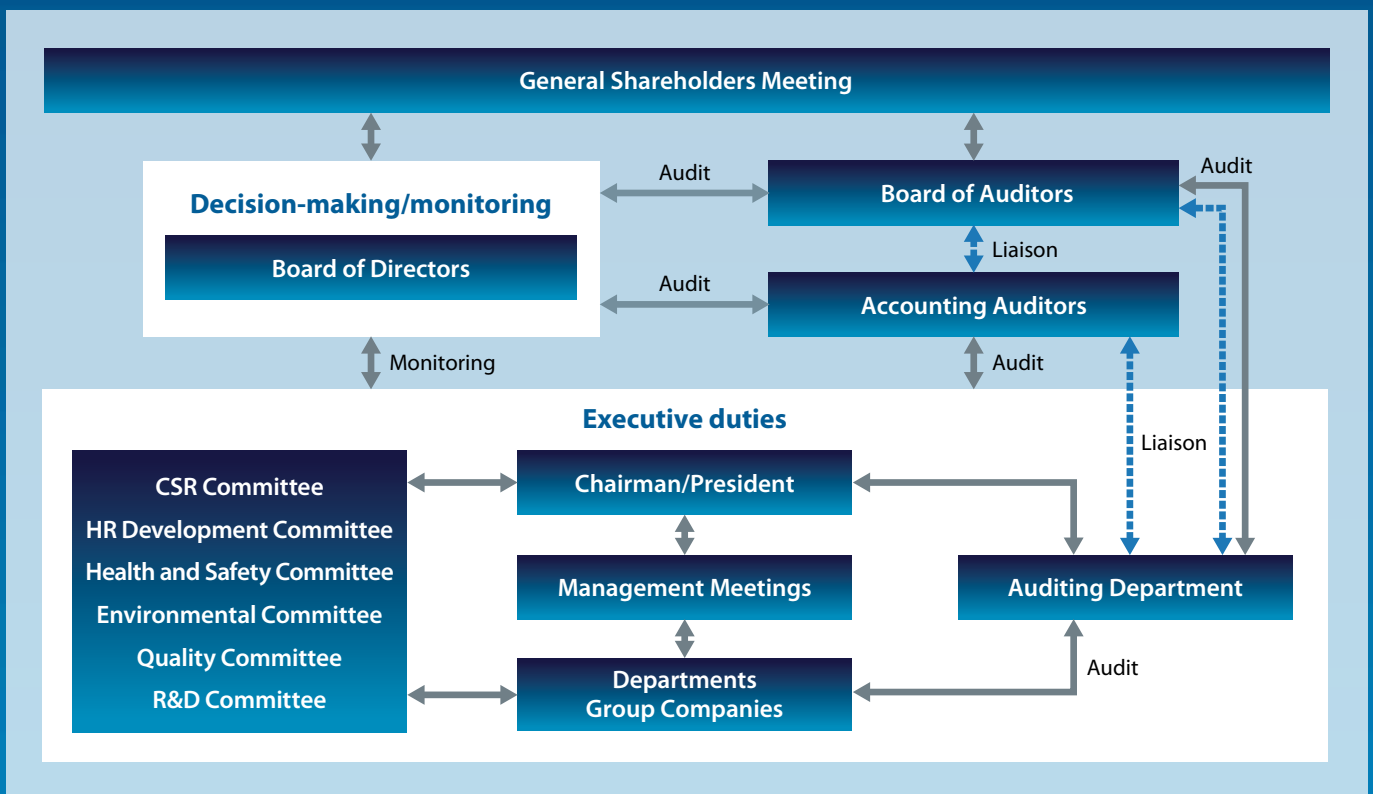
Other activities include collaborating with customers to develop a variety of eco-conscious aluminum products that will reduce impact on the environment, including highly efficient heat exchanger tubes capable of contributing to saving energy, car air-conditioner materials compatible with non-Freon refrigerants, and materials for hybrid and fuel-cell vehicles.



Full-scale management system to ensure stakeholder trust and high corporate value

The UACJ Group believes one of the most important roles of a company is to gain the trust of its customers and clients. This is done through the ongoing creation and provision of products, technologies and services that are safe and contribute to a more affluent society while simultaneously raising corporate value, thereby contributing to our shareholders and employees, and the local communities we do business in. To ensure that these responsibilities are fulfilled, corporate governance is the basic framework for maintaining our relationship with stakeholders. The Board of Directors established a system for monitoring management, through which it promote various initiatives such as adhering to corporate ethics, through compliance and thorough risk management.

Corporate Governance System



Management System

Board of Directors

There are 18 members on the UACJ Board of Directors: 12 company directors (two of which are from outside of the company) and six auditors (four of which are also from outside of the company). The term for all directors is one year, and we are currently working to clarify duties. The two outside directors include a professor emeritus from a university with a wealth of knowledge and a professor with a distinguished history of experience in both academics and corporate governance. Their roles are to provide commentary from an objective viewpoint and ensure appropriate decision-making on behalf of the Board.

We have also introduced an executive officer system. The reason for this being to separate decision-making and monitoring from executive duties, thereby improving Board functionality and expediting executive duties.

The Board reviews applicable laws and ordinances, articles of incorporation and internal regulations, deliberates issues of administrative importance, and reports on the status of executive duties. There is also a group of 10 internal directors, two full-time auditors and 18 managing directors that hold regular monthly management meetings. In addition to discussing and investigating important issues, they communicate with the persons responsible for executive duties and monitor their intended actions.

Board of Auditors

The Board of Auditors consists of six auditors including four from outside of the company. Two members are also qualified to provide expert opinion on financial and accounting issues.

The Board of Auditors is an independent body that plays an integral role in corporate governance by auditing the administrative activities of the directors. The auditing officer attends all important in-house meetings, including Board of Directors meetings, and shares the information obtained from periodic auditing reports prepared by full-time auditors and delivered during the monthly meetings held by the Board of Auditors.

Internal audits are also carried out by the Auditing Department, the members of which include 12 full-time auditors and five part-time auditors. This department is under the direct control of the chairman and president. It sets yearly policies and plans based on internal auditing regulations, objectively evaluates the activities of UACJ and Group companies, reports results to the chairman and president, and drafts and suggests improvements.

Additionally, whenever deemed necessary, the Board of Auditors and Auditing Department may confer with each other over policies, plans, and how audits are conducted and their results.

Internal Control

Based on the UACJ management philosophy, the UACJ Group utilizes a strict internal control system that ensures the legality and rationality of its operations. The Auditing Department evaluates internal controls and strives to ensure reliable reports, as stipulated under the Financial Instruments and Exchange Act.

CSR Committee

In order to strengthen CSR management, UACJ established a CSR Committee for the purpose of creating a CSR promotion system to control group-wide, cross-sectional implementation of activities. This committee is chaired by the president and includes full-time directors and general managers from each factory and technical R&D center, and the general managers of related departments at the headquarters. The CSR Committee meets once a year to discuss and report on general policies and measures related to CSR, compliance, risk management, and the training and enlightenment of executives and senior staff. The policies and measures discussed by the committee are communicated throughout the company via committee members, and are further disseminated to Group companies through the General Affairs Liaison Committee and other departments.

Compliance

In order to ensure the continuation of sound and fair business activities as a corporate group trusted by society, in June 2014, we established and distributed the Group Code of Conduct, which stipulates items that all Group company employees must observe. The Code of Conduct is translated into local languages for overseas Group companies, including English, Chinese, Czech, Indonesian and Thai. Training to ensure compliance to the Anti-Monopoly Act, Subcontract Act and other laws is also being introduced for overseas Group companies.

Risk Management

At UACJ, the risks that are characteristic to each department and may occur during operations are identified. They are then evaluated by the respective departments together with conducting risk management throughout the entire company. Additionally, for risks that could seriously affect business continuity, information on countermeasures, the time limit required for implementing them and progress status are collected and compiled into a "Risk Management Chart" so that information can be shared throughout the company.

We are also reviewing business continuity plans (BCPs) for large-scale earthquakes, and working to build systems that confirm employee safety, set up alternate production facilities and relocate headquarter functions elsewhere at the time of an emergency.

List of Directors (as of June 26, 2015)

Directors



Shigenori Yamauchi
Chairman of the Board
CEO

Jul. 1971 Joined Sumitomo Light Metal Industries, Ltd.
Jun. 2002 Company Director
Jun. 2004 Managing Director
Apr. 2005 Director and Managing Executive Officer
Apr. 2007 Director and Senior Managing Executive Officer
Jun. 2009 President and CEO
Oct. 2013 Chairman of the Board CEO, UACJ Corporation (current)



Mitsuru Okada
Member of the Board
President CEO

Apr. 1982 Joined Furukawa Electric Co., Ltd.
Jun. 2008 Director, Furukawa-Sky Aluminum Corp.
Jun. 2010 Managing Director
Jun. 2012 President
Oct. 2013 Member of the Board, President CEO, UACJ Corporation (current)



Shujiro Ito
Director, Member of the Board
Executive Vice President

Apr. 1973 Joined Sumitomo Light Metal Industries, Ltd.
Jun. 2004 Director
Apr. 2005 Executive Officer
Apr. 2007 Managing Executive Officer
Jun. 2007 Director and Managing Executive Officer
Jun. 2009 Director and Senior Managing Executive Officer
Oct. 2013 Director, Member of the Board Senior Managing Executive Officer, UACJ Corporation
Apr. 2015 Director, Member of the Board Executive Vice President (current)



Keizo Shoji
Director, Member of the Board
Senior Managing Executive Officer

Apr. 1975 Joined Sumitomo Light Metal Industries, Ltd.
Apr. 2007 Executive Officer
Jun. 2010 Director and Executive Officer
Apr. 2011 Director and Managing Executive Officer
Oct. 2013 Director, Member of the Board Managing Executive Officer, UACJ Corporation
Apr. 2015 Director, Member of the Board Senior Managing Executive Officer (current)



Takayoshi Nakano
Director, Member of the Board
Senior Managing Executive Officer

Apr. 1978 Joined Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation)
Apr. 2004 Manager, European Office
Jun. 2009 Advisor, Furukawa-Sky Aluminum Corp.
Jun. 2010 Director
Jun. 2012 Managing Director
Jun. 2013 Director and Managing Executive Officer
Oct. 2013 Director, Member of the Board Managing Executive Officer, UACJ Corporation
Apr. 2015 Director, Member of the Board Senior Managing Executive Officer (current)



Kiyoshi Tanaka
Director, Member of the Board
Managing Executive Officer

Apr. 1981 Joined Furukawa Electric Co., Ltd.
Jun. 2010 Director, Furukawa-Sky Aluminum Corp.
Jun. 2013 Director and Managing Executive Officer
Oct. 2013 Director, Member of the Board Managing Executive Officer, UACJ Corporation (current)



Hironori Tsuchiya
 Director, Member of the Board
 Managing Executive Officer

Apr. 1980 Joined Furukawa Electric Co., Ltd.
 Jun. 2011 Director, Furukawa-Sky Aluminum Corp.
 Jun. 2013 Director and Managing Executive Officer
 Oct. 2013 Director, Member of the Board
 Managing Executive Officer,
 UACJ Corporation (current)



Kazuhisa Shibue
 Director, Member of the Board
 Managing Executive Officer

Apr. 1980 Joined Sumitomo Light Metal Industries, Ltd.
 Apr. 2010 Executive Officer
 Oct. 2013 Managing Executive Officer, UACJ Corporation
 Jun. 2014 Director, Member of the Board
 Managing Executive Officer (current)



Hisashi Hasegawa
 Director, Member of the Board
 Managing Executive Officer

Apr. 1980 Joined Furukawa Electric Co., Ltd.
 Jun. 2006 General Manager, Finance and
 Accounting Dept.
 Jun. 2009 Director and General Manager,
 Finance and Accounting Dept.,
 Furukawa-Sky Aluminum Corp.
 Jun. 2012 Managing Director
 Jun. 2013 Managing Executive Officer
 Oct. 2013 Managing Executive Officer, UACJ Corporation
 Jun. 2015 Director, Member of the Board
 Managing Executive Officer (current)



Miyuki Ishihara
 Director, Member of the Board
 Executive Officer

Apr. 1981 Joined Sumitomo Light Metal Industries, Ltd.
 Oct. 2012 Deputy General Manager,
 Production Div./Vice Factory Manager,
 Nagoya Works
 Executive Officer
 Apr. 2013 Deputy General Manager, Production
 Div./Factory Manager, Nagoya Works
 Executive Officer
 Oct. 2013 General Manager, Nagoya Works,
 Production Division
 Executive Officer, UACJ Corporation
 Jul. 2014 General Manager, Fukui Works,
 Production Division, Executive Officer
 Jun. 2015 Director, Member of the Board
 Executive Officer (current)

Outside Members of the Board



Toshio Suzuki
 Director, Member of the Board (outside)

Apr. 1988 Assistant Professor, University of Tokyo
 Jun. 1994 Professor
 Apr. 1995 Professor of Graduate School
 Mar. 2012 Retirement
 Jun. 2012 Professor Emeritus, University of Tokyo
 (current)
 Oct. 2013 Director, Member of the Board (outside),
 UACJ Corporation (current)



Ryoko Sugiyama
 Director, Member of the Board (outside)

May 1996 Established Sugiyama & Kurihara Environmental
 Consultants, Inc., Representative Director
 Dec. 1997 Director, Gifu Shimbun
 Dec. 1999 Director, Gifu Broadcasting System, Inc.
 (current)
 Aug. 2007 Sugiyama & Kurihara Environmental
 Consultants, Inc. (current)
 Apr. 2010 Professor, Fuji Tokoha University (currently
 Tokoha University) Faculty of Social and
 Environmental Studies (current)
 Jun. 2010 Outside Director, Lecip Holdings Corporation
 May 2014 Director and Chairman, Gifu Shimbun
 (current)
 Jun. 2015 Director, Member of the Board (outside),
 UACJ Corporation (current)

Audit & Supervisory Board Members



Nobuhiro Ishihara

Audit & Supervisory Board Member

Apr. 1980 Joined Furukawa Electric Co., Ltd.
 Oct. 2003 General Manager, General Affairs Dpt., Fukui Works, Rolled Products Div., Furukawa-Sky Aluminum Corp.
 Jun. 2004 General Manager, General Affairs Div., Nuclear Fuel Industries, Ltd.
 Jun. 2008 Director and General Manager, General Affairs Dept.
 May 2009 Executive Officer and General Manager, General Affairs Dept.
 Jun. 2010 Full-time Statutory Auditor, Furukawa-Sky Aluminum Corp.
 Oct. 2013 Audit & Supervisory Board Member, UACJ Corporation (current)



Kazumasa Kato

Audit & Supervisory Board Member

Apr. 1980 Joined Furukawa Electric Co., Ltd.
 Mar. 2003 Manager, Management Office, Yokohama R&D Laboratory, Research & Development Division
 Jul. 2004 General Manager, Finance and Accounting Department, NIKKEI KAKOH CO., LTD.
 Jun. 2005 Director
 Jun. 2009 Managing Director
 Jun. 2015 Audit & Supervisory Board Member, UACJ Corporation (current)

Outside Audit & Supervisory Board Members



Akari Asano

Audit & Supervisory Board Member (outside)

Apr. 1970 Joined MITSUBISHI RAYON CO., LTD.
 Jun. 2003 General Manager, General Affairs Department
 Jun. 2004 Senior Director
 Jun. 2008 Resigned from MITSUBISHI RAYON CO., LTD.
 Jun. 2009 Outside Statutory Auditor of Sumitomo Light Metal Industries, Ltd.
 Jun. 2013 Outside Statutory Auditor, Furukawa-Sky Aluminum Corp.
 Oct. 2013 Audit & Supervisory Board Member (outside), UACJ Corporation (current)



Tetsuya Sato

Audit & Supervisory Board Member (outside)

Apr. 1975 Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
 Jul. 2002 Deputy Director-General for Technical Regulations, Standards and Conformity Assessment Policy
 Jun. 2004 Retired from the Ministry of Economy, Trade and Industry
 Jul. 2004 Senior Director of The Shoko Chukin Bank (currently The Shoko Chukin Bank, Ltd.)
 Jul. 2006 Resigned from Senior Director of The Shoko Chukin Bank, Ltd.
 Aug. 2006 Corporate Vice President of Furukawa Electric Co., Ltd.
 Jun. 2007 Director, Member of the Board and Corporate Vice President
 Jun. 2009 Director, Member of the Board and Corporate Senior Vice President
 Jun. 2013 Outside Statutory Auditor, Furukawa-Sky Aluminum Corp.
 Oct. 2013 Audit & Supervisory Board Member (outside), UACJ Corporation (current)
 Apr. 2014 Director, Member of the Board and Corporate Executive Vice President of Furukawa Electric Co., Ltd.
 Apr. 2015 Director, Member of the Board
 Jun. 2015 Audit & Supervisory Board Member (current)



Takashi Sone

Audit & Supervisory Board Member (outside)

Apr. 1971 Joined Sumitomo Corporation
 Apr. 2004 General Manager, Communications/Industry Project
 Apr. 2007 Executive Officer
 Apr. 2009 Managing Executive Officer
 Apr. 2011 Advisor
 Jun. 2012 Outside Statutory Auditor, Sumitomo Light Metal Industries, Ltd.
 Oct. 2013 Audit & Supervisory Board Member (outside), UACJ Corporation (current)



Atsuki Matsumura

Audit & Supervisory Board Member (outside)

Apr. 1986 Joined Nippon Steel Corporation
 Oct. 1997 SIMOX Group Leader, Semiconductor Substrate Development Group, Advanced Materials & Technology Research Laboratories, Technical Research & Development Bureau
 Aug. 2008 President and Representative Director and General Manager, Sales Management Department, Siltronic Japan Corporation
 Dec. 2012 Joined Nippon Steel & Sumitomo Metal Corporation Senior Principal Manager, Corporate Planning Division
 Mar. 2015 Auditor, Nippon Steel & Sumikin Chemical Co., Ltd. (current)
 Apr. 2015 Advisor, Corporate Planning Division, Nippon Steel & Sumitomo Metal Corporation (current)
 Jun. 2015 Audit & Supervisory Board Member, NS Solutions Corporation (current)
 Audit & Supervisory Board Member (outside), UACJ Corporation (current)

Executive Officers

Shigekazu Shiraishi
Senior Managing Executive Officer

Akihiko Kusumoto
Senior Managing Executive Officer

Tatsuro Matsuura
Managing Executive Officer

Youji Shimizu
Executive Officer

Hiroyuki Fukui
Executive Officer

Katsuyasu Niibori
Executive Officer

Mizuho Taneoka
Executive Officer

Akinori Yamaguchi
Executive Officer

Teiichi Abe
Executive Officer

Teruo Kawashima
Executive Officer

Masataka Taguchi
Executive Officer

Masahiro Teshima
Executive Officer

Akito Imaizumi
Executive Officer

Akira Matsushita
Executive Officer

Kimitoshi Inagaki
Executive Officer

Akinori Yoshida
Executive Officer

Yasuhiro Hosomi
Executive Officer

Takahide Otani
Executive Officer

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10-Year Financial Data

		Fiscal 2005	Fiscal 2006	Fiscal 2007
Operating Performance and Profitability (Consolidated)				
Net sales (million yen)	UACJ/Furukawa-Sky	209,357	239,580	253,046
	Sumitomo Light Metal	299,460	349,089	327,591
Operating income (loss) (million yen)	UACJ/Furukawa-Sky	14,396	16,459	13,734
	Sumitomo Light Metal	17,140	20,134	18,041
Ordinary income (loss) (million yen)	UACJ/Furukawa-Sky	12,794	15,065	11,858
	Sumitomo Light Metal	11,959	15,030	13,293
Income before income taxes and minority interests (loss) (million yen)	UACJ/Furukawa-Sky	11,703	14,498	11,175
	Sumitomo Light Metal	10,039	11,870	9,112
Net income (loss) (million yen)	UACJ/Furukawa-Sky	6,675	8,694	6,399
	Sumitomo Light Metal	5,404	7,248	5,394
Operating margin (%)	UACJ/Furukawa-Sky	6.9	6.9	5.4
	Sumitomo Light Metal	5.7	5.8	5.5
Net income/sales (%)	UACJ/Furukawa-Sky	3.2	3.6	2.5
	Sumitomo Light Metal	1.8	2.1	1.6
Financial Condition and Efficiency (Consolidated)				
Total assets (million yen)	UACJ/Furukawa-Sky	232,618	245,661	234,399
	Sumitomo Light Metal	398,019	421,035	374,503
Net assets (million yen)	UACJ/Furukawa-Sky	62,665	73,197	77,753
	Sumitomo Light Metal	42,108	53,597	57,108
Shareholders' equity (million yen)	UACJ/Furukawa-Sky	62,665	70,588	74,945
	Sumitomo Light Metal	42,108	50,117	53,359
Interest bearing debt (million yen)	UACJ/Furukawa-Sky	84,572	79,873	74,143
	Sumitomo Light Metal	221,243	205,385	196,577
Current assets (million yen)	UACJ/Furukawa-Sky	114,583	118,212	107,400
	Sumitomo Light Metal	146,456	162,893	130,080
Fixed assets (million yen)	UACJ/Furukawa-Sky	118,036	127,449	126,999
	Sumitomo Light Metal	251,558	258,133	244,419
Current liabilities (million yen)	UACJ/Furukawa-Sky	108,088	112,666	106,800
	Sumitomo Light Metal	185,082	219,755	183,016
Long-term liabilities (million yen)	UACJ/Furukawa-Sky	59,155	59,799	49,847
	Sumitomo Light Metal	164,393	147,682	134,378
Shareholders' equity ratio (%)	UACJ/Furukawa-Sky	26.9	28.7	32.0
	Sumitomo Light Metal	10.6	11.9	14.2
Return on equity (ROE) (%)	UACJ/Furukawa-Sky	12.2	13.0	8.8
	Sumitomo Light Metal	15.3	15.7	10.4
Consolidated cash flows (fiscal year)				
Net cash provided by operating activities (million yen)	UACJ/Furukawa-Sky	6,062	24,447	21,832
	Sumitomo Light Metal	27,081	37,542	2,936
Net cash used in investment activities (million yen)	UACJ/Furukawa-Sky	(4,312)	(18,161)	(15,702)
	Sumitomo Light Metal	(16,647)	(8,228)	(7,513)
Net cash used in financing activities (million yen)	UACJ/Furukawa-Sky	(1,869)	(6,400)	(7,531)
	Sumitomo Light Metal	(12,229)	(17,265)	(8,954)
Per Share Information				
Current net profit/loss (loss) (yen)	UACJ/Furukawa-Sky	32.0	38.28	28.18
	Sumitomo Light Metal	14.73	19.73	14.69
Dividend (yen)	UACJ/Furukawa-Sky	10.71	8.0	8.0
	Sumitomo Light Metal	3.0	3.0	3.0
Capital Investment and R&D Costs (Consolidated)				
Capital Investment (million yen)	UACJ/Furukawa-Sky	6,733	17,736	12,602
	Sumitomo Light Metal	20,561	9,152	8,203
Depreciation and amortization costs (million yen)	UACJ/Furukawa-Sky	7,991	8,076	10,883
	Sumitomo Light Metal	9,204	8,010	9,258
R&D costs (million yen)	UACJ/Furukawa-Sky	2,369	2,391	2,563
	Sumitomo Light Metal	2,366	2,376	2,404

Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
228,637	185,588	207,223	193,972	183,702	364,107	572,541
278,189	233,530	259,476	258,926	252,783	—	—
830	572	12,338	6,360	5,339	17,772	23,679
(7,690)	5,208	15,595	12,349	9,730	—	—
(584)	(660)	11,680	6,411	5,819	16,798	21,337
(14,299)	3,017	11,466	10,184	8,787	—	—
(4,687)	(3,072)	10,498	6,128	5,573	15,523	18,856
(16,744)	(6,419)	8,178	3,970	4,170	—	—
(11,500)	(770)	11,968	3,540	3,146	9,946	8,649
(18,143)	(6,480)	7,189	8,298	1,510	—	—
0.4	0.3	6.0	3.3	2.9	4.9	4.1
(2.8)	2.2	6.0	4.8	3.8	—	—
(5.0)	(0.4)	5.8	1.8	1.7	2.7	1.5
(6.5)	(2.8)	2.8	3.2	0.6	—	—
193,644	200,176	217,878	212,998	217,782	608,490	677,952
321,330	309,897	306,649	322,150	318,418	—	—
56,690	59,617	69,907	71,179	77,299	168,140	187,136
18,934	28,600	35,267	53,261	60,867	—	—
55,036	59,131	69,362	70,583	76,483	155,515	172,305
17,928	27,727	34,559	52,402	59,904	—	—
72,799	73,153	76,859	70,728	70,766	256,309	295,953
205,824	179,187	165,176	154,596	144,552	—	—
79,533	89,239	112,782	102,670	95,561	236,638	269,889
95,637	91,337	92,504	102,220	96,092	—	—
114,110	110,938	105,096	110,328	122,221	371,852	408,063
225,691	218,560	214,144	219,929	222,326	—	—
84,535	85,699	88,169	91,261	90,093	236,387	287,884
174,131	152,985	149,819	171,960	161,765	—	—
52,419	54,861	59,802	50,559	50,390	203,963	202,932
128,263	128,311	121,562	96,928	95,785	—	—
28.4	29.5	31.8	33.1	35.1	25.6	25.4
5.6	8.9	11.3	16.3	18.8	—	—
(17.7)	(1.3)	18.6	5.1	4.3	8.6	5.3
(50.9)	(28.4)	23.1	19.1	2.7	—	—
14,293	13,337	20,434	17,609	12,766	14,233	26,777
351	17,844	15,489	18,630	16,266	—	—
(12,391)	(12,509)	(7,070)	(21,083)	(15,198)	(25,452)	49,668
(10,948)	1,669	(6,525)	(17,037)	(6,322)	—	—
(2,831)	(190)	2,700	(7,526)	(451)	14,067	25,694
12,230	(21,779)	(8,141)	(508)	(12,436)	—	—
(50.64)	(3.39)	52.70	15.59	13.85	30.36	20.21
(49.42)	(15.95)	16.64	14.95	2.59	—	—
6.0	2.0	6.0	6.0	6.0	9.0	6.0
0.0	0.0	0.0	1.5	3.5	—	—
10,020	5,581	4,449	8,177	18,643	27,104	46,539
9,215	5,674	4,643	5,174	6,911	—	—
13,582	13,519	12,703	12,370	10,866	17,165	22,636
11,546	10,982	10,742	10,451	9,255	—	—
2,573	2,547	2,757	2,897	2,860	3,688	4,619
2,435	2,055	2,129	2,214	2,171	—	—

* The accounting procedure for handling invoices at the end of a term changed from fiscal 2013. However, regarding important items such as management indices for fiscal 2011 and 2012, figures before the retroactive process are stated.

Analysis of Business Performance and Financial Position (consolidated basis)

1. Business Performance

■ Business Environment

Influenced by a higher sales tax, UACJ experienced negative growth during the first half of fiscal 2014. However, signs of recovery began to appear in the second half, benefiting from various factors such as rising exports following recoveries in overseas markets and lower crude oil prices.

Amidst this environment, compared to the previous term, shipments of rolled aluminum products were up in categories including aluminum used for mainstay beverage cans, foil for condensers, and thick plate for liquid-crystal and semiconductor equipment. With exports also receiving a boost as the result of favorable exchange rates, overall shipments exceeded 2 million tons for the first time in four years.

In the wrought copper sector, demand for use in commercial air-conditioners remained unchanged compared to the previous year. However, due to sluggish consumption stemming from the sales tax hike and the impact of unstable weather conditions, unit shipments of residential air-conditioners decreased 14% compared to the previous year.

■ Financial Results Overview

Under the aforementioned conditions, in March 2014, we announced the “UACJ Group Vision for the Future.” Based on this vision, the Group is steadily introducing various measures aimed at realizing the effects of integration and pursuing

global expansion with the aim of “becoming an aluminum industry leader in a competitive global market.”

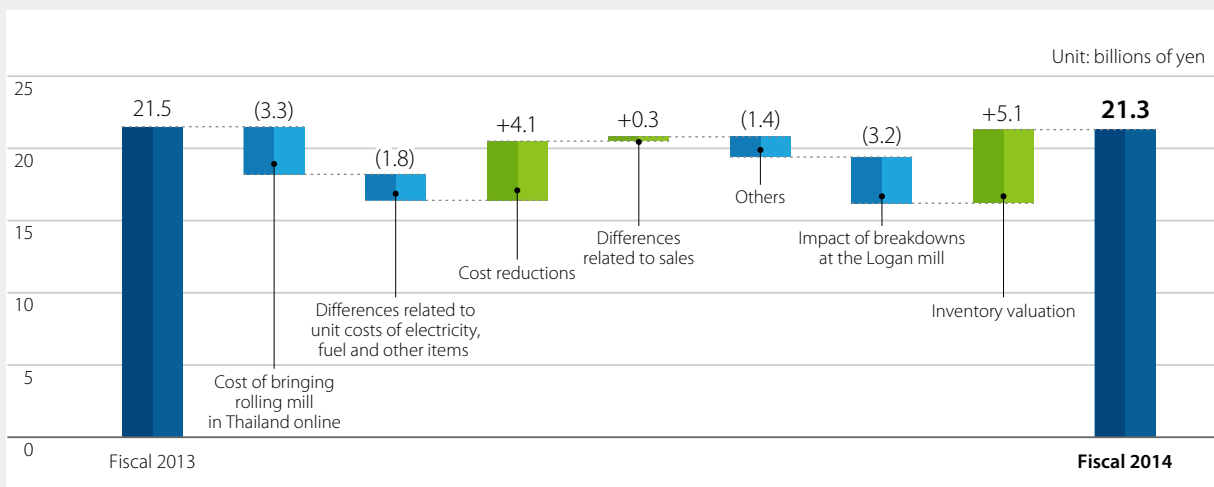
In addition, in December 2014, we formulated “Global Step 1,” the UACJ Group mid-term management plan. This plan explains the Group’s vision for the future in specific areas of business; through which it will create robust revenue bases capable of withstanding changes in the business environment and achieve sustainable growth.

As a result, for fiscal 2014, the UACJ Group reported net sales of ¥572.5 billion (up ¥208.4 billion compared to the previous term, and up ¥37.6 billion compared to the combined total of the two pre-merger companies for the same period). Operating income was ¥23.7 billion (up ¥5.9 billion compared to the previous term, but down ¥1.3 billion compared to the pre-merger combined total). Influenced by the expanding business scale following management integration, ordinary income was ¥21.3 billion (up ¥4.5 billion compared to the previous term, but down ¥0.2 billion compared to the pre-merger combined total), a substantial increase in the second-half compared to the previous term.

Net income for the term ending March 31, 2015 was ¥8.6 billion (down ¥1.3 billion compared to the previous term, and down ¥3.1 billion compared to the pre-merger combined total). This result was largely attributable to the marginal gain of ¥6.1 billion declared in relation to the step acquisition of Tri-Arrows Aluminum Holding Inc. and Tri-Arrows Aluminum Inc. during management integration in the previous term.

Reference: Based on Combined Totals for the Two Former Companies*

Analysis of Consolidated Ordinary Income



* “Based on totals for the two former companies” in fiscal 2013 refers to the combined total for former Furukawa-Sky and former Sumitomo Light Metal Industries. (A simple reclassification has been made for TAAH, transforming from an equity-method affiliate to a consolidated subsidiary.)
Fiscal 2014 (First-half combined total for the two former companies + Second-half for UACJ)

Rolled Aluminum Products

Segment performance was affected by an equipment breakdown at Logan Aluminum Inc., a manufacturing outsourcing partner of Tri-Arrows Aluminum Inc. However, demand grew for IT-related materials such as computer casings, the thick plate for liquid-crystal and semiconductor equipment, and the thick plate used in the construction of LNG tankers. In addition, the expanded scale of business resulting from management integration led to a substantial increase compared to the previous term. Accordingly, net sales of rolled aluminum products in fiscal 2014 totaled ¥451.9 billion (up ¥149.9 billion compared to the previous term) and operating income was ¥23.3 billion (up ¥5.7 billion for the same term).

Based on the pre-merger combined totals, net sales were up ¥31.8 billion and operating income was down ¥1.9 billion.

Wrought Copper Products

In fiscal 2014, demand for use in commercial air-conditioners remained unchanged compared to the previous year. However, due to sluggish consumption stemming from the sales tax hike and the impact of unstable weather conditions, unit shipments of residential air-conditioners decreased 14% compared to the previous fiscal year. As a result, net sales were ¥50.6 billion (up ¥26.5 billion compared to the previous term) and operating income was ¥1.0 billion (up ¥0.7 billion for the same term).

Based on pre-merger combined totals, net sales were up ¥2.7 billion and operating income was up ¥0.2 billion.

Precision-machined Components and Related Businesses

In fiscal 2014, performance in IT-related materials and automotive parts—mainly for North America—led to net sales of ¥161.6 billion

(up ¥76.3 billion compared to the previous term). Operating income came to ¥4.6 billion (up ¥1.5 billion for the same term).

Based on pre-merger combined totals, net sales were up ¥13.8 billion and operating income was up ¥0.6 billion.

2. Forecast for the Next Term

■ Issues to be Addressed

Even unclear, we believe the economic outlook in Japan points to ongoing economic recovery, but we expect the pace of recovery to be modest. Furthermore, we anticipate the domestic operating environment to remain difficult over the medium- to long-term due to various factors such as the falling birthrate, aging population and customer manufacturing bases migrating overseas. Meanwhile, although some uncertainties remain with respect to overseas economic prospects, overall we expect the global economy to continue expanding gradually.

Amidst this economic environment, in December 2014, the UACJ Group announced its three-year mid-term management plan, “Global Step 1,” for fiscal 2015–2017. Under this plan, we are targeting specific developments for each business sector with the aim of creating revenue bases capable of withstanding economic change and achieving sustainable growth.

The plan has three major policies:

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, and
3. Develop unique technologies and products by applying our vast technological prowess to fundamental research.

Segment Information/Net Sales

Unit: billions of yen

	Fiscal 2013	Fiscal 2014	Change
Rolled aluminum products	420.1	451.9	31.8
Wrought copper products	47.9	50.6	2.7
Precision-machined components and related businesses	147.8	161.6	13.8
(Adjustment)	(80.9)	(91.6)	(10.7)
Total	534.9	572.5	37.6

Segment Information/Operating Income

Unit: billions of yen

	Fiscal 2013	Fiscal 2014	Change
Rolled aluminum products	25.2	23.3	(1.9)
Wrought copper products	0.8	1	0.2
Precision-machined components and related businesses	4	4.6	0.6
(Adjustment)	(5)	(5.2)	(0.2)
Total	25	23.7	(1.3)

By enhancing these initiatives, our aim is to improve the Group's financial structure and invest in growth. As a result of these efforts, we intend to win the competition with major global aluminum companies and companies newly entering the rolling business, and further augment corporate value as we strive to achieve ongoing growth in expanding markets.

To secure the ongoing trust of our stakeholders, we are concentrating on CSR initiatives. The Group will steadily enforce the management philosophy and Code of Conduct, and ensure thorough compliance and risk management in order to enhance corporate governance, thereby fulfilling corporate responsibilities as a global company.

■ Financial Performance Forecast for the Next Term

Regarding the sales forecast for fiscal 2015, while expenses are expected to be incurred as the result of continued construction at the Rayong Works of UACJ (Thailand) Co., Ltd. (UATH), we also anticipate positive ongoing effects from the merger. Consequently, we are forecasting net sales of ¥640.0 billion, operating income of ¥26.5 billion, ordinary income of ¥23.0 billion and net income this term attributable to parent company shareholder's equity of ¥11.0 billion.

Rolled Aluminum Products

With shale gas imports from the United States and Canada scheduled to commence, we anticipate an increase in sales of thick plate used in the construction of LNG tankers.

For fiscal 2015, we forecast net sales of ¥500.4 billion and operating income of ¥27.0 billion.

Wrought Copper Products

We will work to develop and expand the sales of unique products that capitalize on advantageous technologies such as our internally grooved tubing compatible with new refrigerants and Thermoexcel heat-transfer pipe with a micro-finned outer surface. We will also strive to increase profits by maximizing the use of existing facility capabilities and strengthen the competitiveness of overseas business, centering on growth markets such as India and the Middle East.

For fiscal 2015, we forecast net sales of ¥57.9 billion and operating income of ¥1.4 billion.

Precision-machined Components and Related Businesses

We plan to further reinforce our business foundation while developing new areas of demand in various sectors such as our automotive and heating businesses. At the same time, we are implementing initiatives to increase global expansion. For example, we have established a new automotive parts manufacturing and sales subsidiary in Mexico, a principal market where automobile production is being concentrated.

For fiscal 2015, we forecast net sales of ¥179.6 billion and operating income of ¥4.4 billion.

3. Returning Profit to Shareholders

■ Dividend Policy

We believe it is important to return profits to shareholders in the form of dividends. While our basic policy is to provide stable and sustainable dividends, we also comprehensively consider a variety of factors when making decisions on dividend amounts. These factors include trends in corporate performance, securing funds to invest in improving corporate value and R&D to boost competitiveness, and strengthening our financial standing.

Our general policy is to pay dividends twice annually: an interim dividend that is decided by the Board of Directors, and a fiscal year-end dividend that is decided at the General Meeting of Shareholders.

For fiscal 2014, the year-end dividend was ¥3, the same amount as the interim dividend. Our dividend forecast for fiscal 2015 is an interim dividend of ¥3 per share and a fiscal year-end dividend of ¥3 per share, for a combined total of ¥6 for the year.

4. Financial Position

■ Balance Sheet Analysis

As of March 31, 2015, total assets were ¥678.0 billion, up ¥69.5 billion compared to the previous term. This rise was mainly attributable to capital investment at the UATH Rayong Works and currency exchange conversion resulting in a lower yen.

Total liabilities were ¥490.8 billion (up ¥50.5 billion compared to the same term), mainly because of higher loans payable for the aforementioned capital investment.

Net assets rose to ¥187.1 billion (up ¥19.0 billion compared to the same term), with retained earnings increasing following the posting of net income and an increase in currency conversion adjustments as well.

■ Research and Development

We are positioning fiscal 2015, the first year of the new mid-term management plan, as the base year for reinforcing our foundation. To achieve this, we will secure the trust of customers and business partners through the continuous creation and supply of products, technologies and services that are safe and beneficial to society. Based on this policy, the Research and Development Division is building a system that facilitates our ability to make use of comprehensive Group capabilities. To this end, we have concentrated key development activities and facilities in Nagoya, and moved some functions to Fukaya and Fukui.

In fiscal 2014, total R&D expenditures amounted to ¥4.6 billion.

Rolled Aluminum Products

In our mainstay category of aluminum sheet products, we are pursuing R&D to meet increasingly diverse and sophisticated needs in areas such as can stock, BiW panels, automotive heat exchanger materials, thick plate for LNG tankers and lithium-ion battery current collectors. To raise productivity and lower manufacturing costs and environmental impact, we are

developing new processes from both tangible and intangible perspectives. Aiming to develop new alloys that can be used in the construction of next-generation aircraft, we are participating in the Innovative Structural Materials Project, a business commissioned by Japan's Ministry of Economy, Trade and Industry.

Regarding extruded products, we are developing automotive heat exchanger materials—an area of strength—and pushing forward with the development of aluminum alloy materials to meet new demand in areas such as aircraft and automotive parts, and heat exchangers for air-conditioners.

Regarding casted products, we are proactively developing high-value-added aluminum components such as compressor wheels, which only a few companies worldwide have the ability to manufacture. In materials for motorcycles, we are developing new high-strength materials and processing methods that continue to receive excellent evaluations from the market, including winning the 49th Oyamada Medal from the Japan Institute of Light Metals.

R&D expenditures for rolled aluminum products in fiscal 2014 totaled ¥4,484 million.

Wrought Copper Products

In the wrought copper products segment, we are developing high-strength copper pipe for air-conditioners, contributing greatly to the development and mass production of air-conditioners that with increasingly higher performance and greater energy savings. Other activities include progressing in the development alloys and manufacturing equipment that increase the corrosion resistance of copper tubing and piping used for air-conditioners and construction. We are also proactively pursuing publicity activities to promote the spread of these leading-edge technologies.

R&D expenditures for wrought copper products in fiscal 2014 totaled ¥114 million.

Precision-machined Components and Related Businesses

In the precision-machined components and related businesses sector, we are developing and producing cooling devices for high-performance, precise power control units. Moving forward, we will work to expand sales to meet expected increases in demand for high-end applications. Regarding heat exchangers for air-conditioners, applying the Group's comprehensive technological expertise and technologies accumulated in the materials and assessment fields, we have begun the mass production of all-aluminum heat exchangers.

As regulations regarding fuel efficiency grow stricter, the automotive industry is increasing its focus on developing lighter-weight automobiles. Addressing this need, we have succeeded in commercializing a globally compatible ultralight aluminum bumper system. By providing this technology to customers, our aim is to contribute to reducing environmental impact throughout society as a whole.

R&D expenditures for precision-machined components and related businesses in fiscal 2014 totaled ¥21 million.

Capital Investment

Construction of the UATH Rayong Works continued in fiscal 2014, with Phase 2 investment (fully-integrated manufacturing beginning from casting processes) covering the installation of equipment and trial operations. The fully-integrated manufacturing system commenced operation in August 2015.

In Japan, optimizing our product mix at manufacturing bases is a priority measure of the mid-term management plan. Capital investment was focused on this area, and we invested where upgrading deteriorating facilities was necessary.

As a result, total capital investment came to ¥46.5 billion in fiscal 2014.

Analysis of Capital Resources and Funding Liquidity Analysis of Cash Flows

Cash and cash equivalents totaled ¥20.9 billion as of March 31, 2015, up ¥3.5 billion from the previous term.

The situation and factors for cash flow from each activity are as follows:

(Cash Flow from Operating Activities)

Net cash provided by operating activities was ¥26.8 billion, an increase of ¥12.5 billion compared to the previous term. The main sources of cash were income before income taxes and minority interests, which rose substantially due to the expanded business scale as a result of the merger, and depreciation and amortization minus cash outlays.

(Cash Flow from Investing Activities)

Net cash used in investing activities totaled ¥49.7 billion, an increase of ¥24.2 billion compared to that used in the previous term. The primary use of cash was for purchasing property, plant and equipment—including ongoing construction at the UATH Rayong Works—totaling ¥43.9 billion; up ¥19.1 billion compared to that used in the previous term.

(Cash Flow from Financing Activities)

Net cash provided by financing activities totaled ¥25.7 billion, an increase of ¥11.6 billion compared to the previous term. The primary reason was borrowing to raise funds for capital investment in addition to internal funding.

Analysis of Capital Funding and Liquidity

As capital investment related to construction of the UATH Rayong Works increased in fiscal 2014, necessary funds were obtained using funds on hand and loans payable. As a result, the consolidated balance of interest-bearing debt at the end of the term was ¥296.0 billion (up ¥39.6 billion compared to the previous term).

Additionally, borrowing from financial institutions and the issuance of commercial paper during fiscal 2014 had no impact on capital funding capacity, thereby maintaining fund liquidity.

Consolidated Balance Sheets

Unit: millions of yen (rounded off)

	Previous fiscal year (as of March 31, 2014)	Current fiscal year (as of March 31, 2015)
Assets		
Current assets		
Cash and deposits	17,471	21,069
Notes and accounts receivable-trade	113,209	108,550
Merchandise and finished goods	22,251	32,672
Work in process	36,399	45,225
Raw materials and supplies	28,249	39,842
Deferred tax assets	5,813	5,938
Other	13,266	16,627
Allowance for doubtful accounts	(21)	(33)
Total current assets	236,638	269,889
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	48,392	56,729
Machinery, equipment and vehicles, net	52,946	62,421
Land	115,669	115,711
Lease assets, net	7,972	6,962
Construction in progress	29,011	47,175
Other, net	2,998	3,375
Total property, plant and equipment	256,988	292,374
Intangible assets		
Goodwill	47,150	46,503
Other	17,825	19,369
Total intangible assets	64,976	65,871
Investments and other assets		
Investment securities	27,056	32,804
Deferred tax assets	8,103	2,013
Retirement benefit assets	334	414
Other	14,449	14,659
Allowance for doubtful accounts	(53)	(73)
Total investments and other assets	49,889	49,818
Total noncurrent assets	371,852	408,063
Total assets	608,490	677,952

Unit: millions of yen (rounded off)

	Previous fiscal year (as of March 31, 2014)	Current fiscal year (as of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	100,220	110,114
Short-term loans payable	42,094	80,100
Commercial paper	6,999	6,000
Current portion of bonds	99	2,606
Current portion of long-term loans payable	48,369	47,074
Lease obligations	4,617	4,885
Income taxes payable	2,645	1,930
Catastrophe reserve	1,125	291
Other	30,218	34,884
Total current liabilities	236,387	287,884
Noncurrent liabilities		
Bonds payable	10,143	7,538
Long-term loans payable	148,604	152,636
Lease obligations	9,268	6,777
Deferred tax liabilities	8,754	7,809
Provision for restructuring	1,210	1,180
Retirement benefit obligations	21,369	21,358
Other	4,615	5,634
Total noncurrent liabilities	203,963	202,932
Total liabilities	440,350	490,816
Net assets		
Shareholders' equity		
Capital stock	45,000	45,000
Capital surplus	72,901	72,901
Retained earnings	30,670	33,564
Treasury stock	(82)	(178)
Total shareholders' equity	148,489	151,287
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	571	2,026
Deferred gains or losses on hedges	(10)	(69)
Foreign currency translation adjustment	6,258	18,055
Cumulative adjustments related to retirement benefits	208	1,006
Total accumulated other comprehensive income	7,026	21,018
Minority interests	12,625	14,831
Total net assets	168,140	187,136
Total liabilities and net assets	608,490	677,952

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Unit: millions of yen (rounded off)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Net sales	364,107	572,541
Cost of sales	313,647	500,400
Gross profit	50,460	72,142
Selling, general and administrative expenses	32,688	48,463
Operating income	17,772	23,679
Non-operating income		
Equity in earnings of affiliates	1,240	712
Dividend income	119	372
Rental income	209	301
Other	801	925
Total non-operating income	2,368	2,310
Non-operating expenses		
Interest expenses	2,087	3,221
Other	1,255	1,431
Total non-operating expenses	3,342	4,652
Ordinary income	16,798	21,337
Extraordinary income		
Insurance proceeds	15	397
Gain on sale of noncurrent assets	23	90
Income related to step acquisitions	6,127	—
Other	91	3
Total extraordinary income	6,256	489
Extraordinary loss		
Impairment loss	3,596	1,678
Loss on retirement of noncurrent assets	408	957
Business restructuring costs	1,630	—
Other	1,897	335
Total extraordinary losses	7,531	2,970
Income before income taxes and minority interests	15,523	18,856
Income taxes-current	3,155	4,880
Income taxes-deferred	1,602	4,284
Total income taxes	4,757	9,165
Income before minority interests	10,766	9,691
Income of minority shareholders	821	1,043
Net income	9,946	8,649

Consolidated Statements of Comprehensive Income

Unit: millions of yen (rounded off)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Income before minority interests	10,766	9,691
Other comprehensive income		
Valuation difference on available-for-sale securities	332	1,450
Deferred gains (losses) on hedges	8	(239)
Foreign currency translation adjustment	5,031	12,938
Adjustments to retirement benefits	—	1,219
Share of other comprehensive income of associates accounted for using equity method	(377)	362
Total other comprehensive income	4,994	15,729
Comprehensive income	15,761	25,421
(Attributable to)		
Parent company shareholders	14,246	22,634
Minority interests	1,515	2,787

Consolidated Statements of Cash Flows

Unit: millions of yen (rounded off)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	15,523	18,856
Depreciation and amortization	17,165	22,636
Amortization of good will	1,385	2,513
Impairment loss	3,596	1,678
Equity in (earnings) losses of affiliates	(1,240)	(712)
(Gains) losses on step transactions	(6,127)	—
Interest and dividends income	(177)	(556)
Interest expenses	2,087	3,221
Decrease (increase) in notes and accounts receivable-trade	(14,361)	8,192
Decrease (increase) in inventories	(4,735)	(25,294)
Increase (decrease) in notes and accounts payable-trade	8,611	6,964
Increase (decrease) in provision for retirement benefits	(8,289)	—
Increase (decrease) in retirement benefit obligations	7,109	(1,526)
Other	(1,694)	(511)
Subtotal	18,853	35,462
Interest and dividends income received	440	848
Interest expenses paid	(2,101)	(3,085)
Income taxes (paid)	(2,959)	(6,448)
Net cash provided by (used in) operating activities	14,233	26,777
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(24,773)	(43,870)
Purchase of intangible assets	(1,653)	(1,485)
Other	975	(4,313)
Net cash provided by (used in) investing activities	(25,452)	(49,668)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(8,199)	32,693
Proceeds from long-term loans payable	41,527	52,065
Repayment of long-term loans payable	(29,953)	(51,496)
Proceeds from issuance of bonds	10,070	—
Cash dividends paid	(1,363)	(3,852)
Cash dividends paid to minority shareholders	(117)	(198)
Sale-and-leaseback revenues	4,222	1,162
Outlays for the repayment of lease obligations	(1,892)	(3,802)
Other	(228)	(879)
Net cash provided by (used in) financing activities	14,067	25,694
Effect of exchange rate change on cash and cash equivalents	6	401
Net increase (decrease) in cash and cash equivalents	2,855	3,204
Cash and cash equivalents at beginning of period	8,419	17,471
Net increase (decrease) in cash and cash equivalents due to changes in scope of consolidation	(93)	274
Increases in cash and cash equivalents due to merger	6,290	—
Cash and cash equivalents at end of period	17,471	20,949

Company Overview

Corporate name	UACJ Corporation
Headquarters	Tokyo Sankei Bldg., Otemachi 1-7-2, Chiyoda-ku, Tokyo, Japan
Name and title of representatives	Shigenori Yamauchi, Chairman of the Board CEO Mitsuru Okada, Member of the Board President CEO
Principal business	Manufacture and sales of flat rolled products, casting products, forged products and precision-machined products of nonferrous metals, including aluminum and copper and alloys thereof
Capital	45 billion yen
Number of employees	8,556 (consolidated)
Fiscal year end	March 31
URL	http://www.uacj.co.jp/english/

Locations

Nagoya Works	Chitose 3-1-12, Minato-ku, Nagoya-shi, Aichi 455-8670, Japan
Fukui Works	Kurome 21-1, Mikuni-cho, Sakai-shi, Fukui 913-8588, Japan
Fukaya Works	Uwanodai 1351, Fukaya-shi, Saitama 366-8511, Japan
Nikko Works	Kiyotaki Sakuragaokamachi 1, Nikko-shi, Tochigi 321-1443, Japan
Chubu Office	Kanayama Place, Kanayama 1-13-13, Naka-ku, Nagoya-shi, Aichi 460-0022, Japan
Kansai Office	Nakanoshima Mitsui Building, Nakanoshima 3-3-3, Kita-ku, Osaka-shi, Osaka 530-0005, Japan
Kyushu Office	Fukuoka Center Building 5F, Hakataekimae 2-2-1, Hakata-ku, Fukuoka-shi, Fukuoka 812-0011, Japan
Hokkaido Branch	NREG Kitanjo Building, Kitanjonishi 3-1-25, Chuo-ku, Sapporo-shi, Hokkaido 060-0003, Japan
Shizuoka Branch	Shizuoka Fukoku Seimei Building, Miyuki-cho 5-9, Aoi-ku, Shizuoka-shi, Shizuoka 420-0857, Japan
Research & Development Division	Chitose 3-1-12, Minato-ku, Nagoya-shi, Aichi 455-8670, Japan

Group Companies (Japan)

■ Flat Rolled Products Business

UACJ Color Aluminum Corporation
UACJ Fukaya Service Corporation
UACJ Nagoya Alupack Corporation
Sansen Co., Ltd.
Furukawa UACJ Memory Disk Co., Ltd.

■ Extrusion Business

UACJ Extrusion Corporation
UACJ Extrusion Oyama Corporation
UACJ Extrusion Nagoya Corporation
UACJ Extrusion Gunma Corporation
UACJ Extrusion Shiga Corporation
Light Metals Extrusion Development Co., Ltd.
Nihon Cooler Co., Ltd.

■ Foil Business

UACJ Foil Corporation
Nikken Co., Ltd.
UACJ Foil Sangyo Corporation
UACJ Foil Service Corporation

■ Casting and Forging Business

UACJ Foundry & Forging Corporation
HIGASHI NIHON TANZO CO., LTD.

■ Copper Tubing Business

UACJ Copper Tube Corporation
UACJ Copper Tube Sales Corporation
Toyo Fitting Co., Ltd.
UACJ Copper Tube Packaging Corporation

■ Precision-machined Components Business

UACJ Metal Components Corporation
Nalco Iwai Co., Ltd.
NIKKEI KAKOH CO., LTD.
Nalco Koriyama Co., Ltd.
Nalco Ena Co., Ltd.
NICHIA SERVICE CO., LTD.
Sumikei-Nikkei Engineering Co., Ltd.*

■ Others

UACJ Trading Corporation
Izumi Metal Corporation
Metal Cut Co., Ltd.
KAMAKURA INDUSTRY COMPANY LIMITED
NAKS Corporation
UACJ Marketing & Processing Corporation
ACE21 Corp.
UACJ Logistics Corporation
UACJ System Corporation
UACJ Green-net Corporation

* Equity-method affiliate

Group Companies (Overseas)

■ Flat Rolled Products Business

UACJ (Thailand) Co., Ltd. (Thailand)
 Tri-Arrows Aluminum Holding Inc. (USA)
 Tri-Arrows Aluminum Inc. (USA)
 Logan Aluminum Inc. (USA)*
 Quiver Ventures LLC (USA)*
 Bridgnorth Aluminium Ltd. (UK)*
 Ruyuan Dong Yang Guang Fine Foil Co., Ltd. (China)*
 AFSEL S.A. (Greece)
 UPIA Co., Ltd. (South Korea)

■ Extrusion Business

UACJ Extrusion (Tianjin) Corporation (China)
 PT. UACJ-Indal Aluminum (Indonesia)
 UACJ Extrusion (Thailand) Co., Ltd. (Thailand)
 UACJ Extrusion Czech s.r.o. (Czech Republic)

■ Foil Business

UACJ Foil Malaysia Sdn. Bhd. (Malaysia)

■ Casting and Forging Business

UACJ Foundry & Forging (Vietnam) Co., Ltd. (Vietnam)

■ Copper Tubing Business

UACJ Copper Tube (Malaysia) Sdn. Bhd. (Malaysia)
 UACJ Copper Tube (Guangzhou) Corporation (China)

■ Precision-machined Components Business

Nalco (Thailand) Co., Ltd. (Thailand)
 Iwai Metal (America) Co., Ltd. (USA)
 Iwai Metal Mexico, S.A. de C.V. (Mexico)
 Iwai Metal Central Mexico, S.A. de C.V. (Mexico)
 P.T. Yan Jin (Indonesia) (Indonesia)
 UACJ (Wuxi) Aluminum Products Corporation (China)
 Penn TecQ Inc. (USA)

■ Others

UACJ MH (Thailand) Co., Ltd. (Thailand)
 UACJ (Shanghai) Aluminum Sales Corporation (China)
 UACJ (Shanghai) Consulting Corporation (China)
 UACJ Trading (Thailand) Co., Ltd. (Thailand)
 UACJ Trading (Shanghai) Co., Ltd. (China)
 UACJ Trading (Kunshan) Metal Products Co., Ltd. (China)
 UACJ Trading (HongKong) Co., Ltd. (China)
 UACJ Trading (Dalian.F.T.Z.) Co., Ltd. (China)
 UACJ Trading Czech s.r.o. (Czech Republic)
 UACJ Trading (America) Co., Ltd. (USA)
 UACJ Marketing & Processing America, Inc. (USA)
 UACJ Australia Pty. Ltd. (Australia)
 Boyne Smelters Ltd. (Australia)*

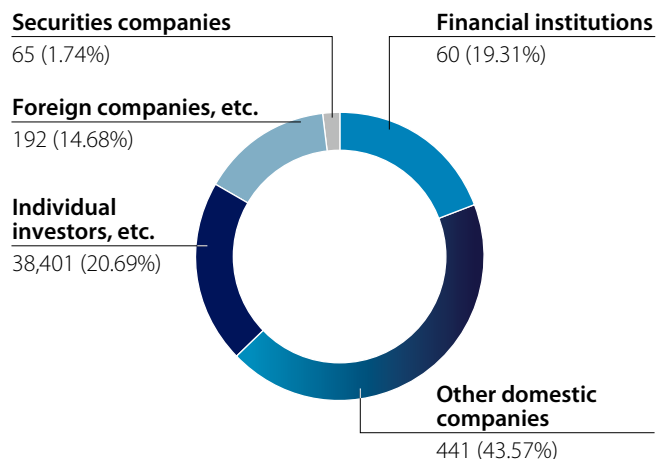
Stock Overview

Total number of shares issuable 1,700,000,000 shares
Total number of shares issued and outstanding 428,281,934 shares
 Note: Includes 486,942 shares of treasury stock
Number of shareholders 39,159

Major Shareholder

Shareholder name	Investment in company	
	Number of shares held (thousands)	Equity position (%)
Furukawa Electric Co., Ltd.	120,365	28.10
NIPPON STEEL & SUMITOMO METAL CORPORATION	37,446	8.74
The Master Trust Bank of Japan, Ltd. (investment trust account)	13,136	3.06
Japan Trustee Services Bank, Ltd. (trust account)	11,680	2.72
BBH FOR BBHSTIA NOMURA FUNDS IRELAND PLC/JAPAN STRATEGIC VALUE FUND	7,825	1.82
SUMITOMO CORPORATION	7,500	1.75
Sumitomo Mitsui Banking Corporation	7,330	1.71
Mizuho Bank, Ltd.	7,303	1.70
JP MORGAN CHASE BANK 385632	7,296	1.70
UACJ Group Employee Stock Ownership Plan	6,144	1.43

Ownership Ratio (Share ownership percentage)



* Equity-method affiliate

UACJ Corporation

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