







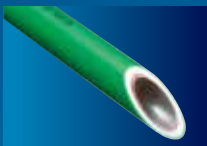






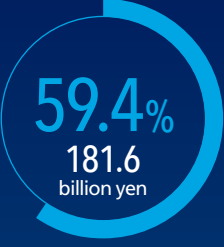
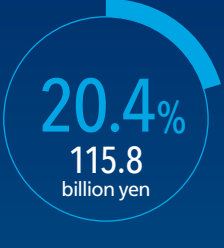
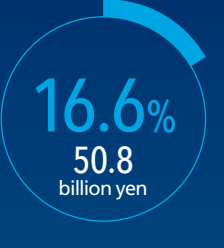
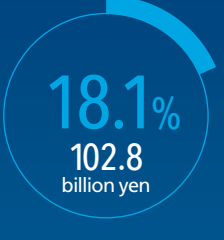



## Information by Business

Business	Net sales	Operating income	Products
<p><b>Rolled Aluminum Products Business</b></p> <ul style="list-style-type: none"> <li>• Flat Rolled Products Business</li> <li>• Extrusion Business</li> <li>• Foil Business</li> <li>• Casting and Forging Business</li> </ul>	<p><b>68.3%</b> 451.3 billion yen</p>	<p><b>85.8%</b> 26.8 billion yen</p>	 Automotive body sheet  Aluminum can stock and closure materials  LNG tank materials  Automobile heat exchanger and tubing materials  Turbocharger compressor wheels  Lithium-ion battery current collector foil
<p><b>Wrought Copper Products Business</b></p> <ul style="list-style-type: none"> <li>• Copper Tubing Business</li> </ul>	<p><b>6.5%</b> 43.2 billion yen</p>	<p><b>2.3%</b> 0.7 billion yen</p>	 Air-conditioner internally grooved copper tubing  Heat exchanger tubing  Piping for hot/cold water supply  Piping for construction
<p><b>Precision-machined Components and Related Businesses</b></p> <ul style="list-style-type: none"> <li>• Precision-machined Components Businesses</li> </ul>	<p><b>25.2%</b> 166.7 billion yen</p>	<p><b>12.0%</b> 3.7 billion yen</p>	 Bumper assembly  Parabolic antenna  Honeycomb panel  Large aluminum tank


Note: Net sales includes intersegment sales and transfers. Operating income is before intersegment adjustments.

## Sales by Region

Region	Main business sites	Net sales	Property, plant and equipment
Japan	<ul style="list-style-type: none"> <li>Nagoya Works</li> <li>Fukui Works</li> <li>Fukaya Works</li> <li>Nikko Works</li> </ul>	 <p><b>61.5%</b> 349.7 billion yen</p>	 <p><b>59.4%</b> 181.6 billion yen</p>
USA	<ul style="list-style-type: none"> <li>Tri-Arrows Aluminum Inc.</li> <li>Logan Aluminum Inc.</li> <li>UACJ Automotive Whitehall Industries, Inc.</li> <li>Constellium-UACJ ABS LLC</li> </ul>	 <p><b>20.4%</b> 115.8 billion yen</p>	 <p><b>16.6%</b> 50.8 billion yen</p>
Thailand/ Others	<ul style="list-style-type: none"> <li>UACJ (Thailand) Co., Ltd.</li> </ul>	 <p><b>18.1%</b> 102.8 billion yen</p>	 <p><b>23.9%</b> 73.0 billion yen</p>

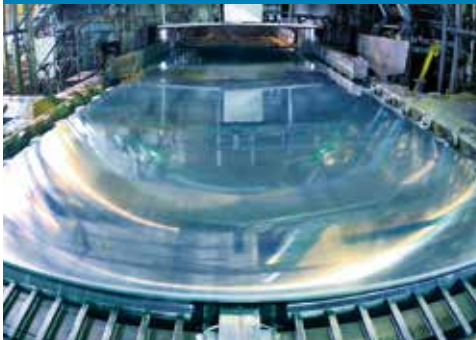
## Supply Network

Regions	Japan	China/ South Korea	Southeast Asia	India	Middle East/ Africa	Europe	USA	
Main products								
Can stock	Fukui	Fukui UATH	UATH	UATH	UATH		TAA	
Automotive heat exchanger materials	Nagoya	UDSH RUYUAN	UATH	UATH	UATH	UEHEM	UATH	
Automotive body sheet	Nagoya	Supply network reviewed based on trend in demand						CUA
Automotive extruded materials/processed products	Nagoya, Anjo, Koyama, Shiga, Gunma, Fukui	UEXTJ UEXTH	UEXIA UEXTH	UEXIA		UEXCZ	UWH	

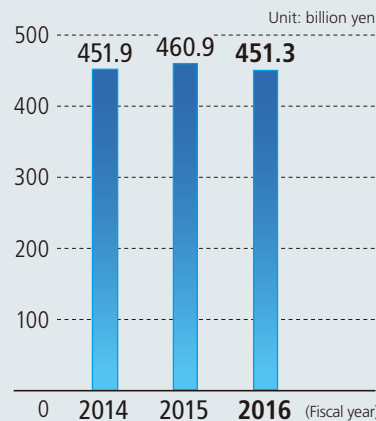
 Business sites that have implemented initiatives since integration, including reinforcement of production/sales networks

Notes: Abbreviations represent the following subsidiary names: TAA: Tri-Arrows Aluminum Inc., UEHEM: UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH, UEXTJ: UACJ Extrusion (Tianjin) Corporation, UEXIA: PT. UACJ-Indal Aluminum, UEXTH: UACJ Extrusion (Thailand) Co., Ltd., UEXCZ: UACJ Extrusion Czech s.r.o., UWH: UACJ Automotive Whitehall Industries, Inc., UDSH: SHANGHAI UACJ DONGYANGGUANG ALUMINUM SALES CORPORATION, RUYUAN : RUYUAN DONGYANGGUANG UACJ FINE ALUMINUM FOIL CO., LTD.

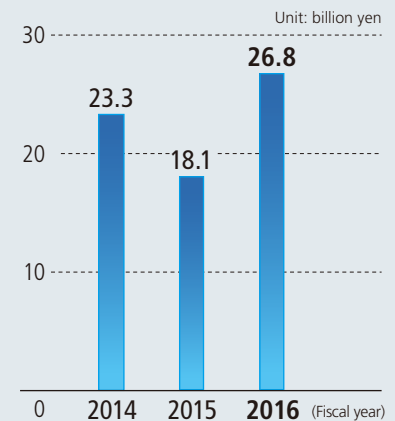
## Rolled Aluminum Products Business



### Net sales



### Operating income



Note: Net sales and operating income before inter-segment adjustment

## Overview and Outlook

In fiscal 2016, the sales volume of rolled aluminum sheet totaled 1.021 million tons, up 51,000 tons year-on-year and surpassing the 1 million-ton mark for the first time since integration. By region, the volume is more or less balanced between Japan and overseas. By type of product, demand remained strong and sales volume increased year-on-year for our mainstay can stock, partly because of fully-integrated manufacturing at the UATH Rayong Works. Automotive materials experienced a substantial increase thanks to growing demand in Japan and overseas as the shift towards aluminum continues to progress. The sales volume of thick plate also rose as a result of buoyant demand for liquid-crystal and semiconductor manufacturing equipment. The total shipment volume of extruded products exceeded the previous year's level for the first time in three years in the wake of strong demand.

Despite buoyant sales volumes, total net sales declined 2.1% year-on-year to 451.3 billion yen. This was due to a fall in primary aluminum ingot price and a negative impact brought on by foreign exchange rates. On the other hand, operating income rose to 26.8 billion yen, up 47.7% year-on-year thanks to the increase in sales volume, benefits from cutting cost and the shrinking adverse effect of inventory valuations compared to a year earlier.

In fiscal 2017, we expect the sales volume to continue to increase, mainly in the areas of can stock and automotive materials. The increased supply at UATH Rayong Works is likely to lead to overseas sales volume outperforming domestic volume for the first time. Taking all of this into account, we project increases in both sales and operating income, rising to 501.1 billion yen and 34.9 billion yen, respectively.

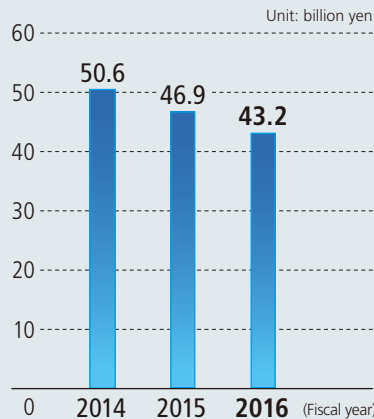
## Product mix of rolled aluminum products and main customers

Product uses	Fiscal 2016 sales volume		Main customers	Main end-product manufacturers
	(Unit: 1,000t)	(as % of total)		
Can stock	626	61%	Can manufacturers	Beverage/Food manufacturers
Foil	47	5%	Foil manufacturers	Pharmaceutical/Food manufacturers
IT	20	2%	Electronic parts manufacturers	IT equipment manufacturers
Automotive	104	10%	Automobile/Parts manufacturers	Automobile manufacturers
Thick plate	67	7%	Metal trading companies Shipbuilders	Liquid crystal/Semiconductor production equipment manufacturers Shipbuilding
Other generalpurpose materials	158	15%		
<b>Total</b>	<b>1,021</b>	<b>100%</b>		
For Japanese market	518	51%		
For overseas markets	503	49%		

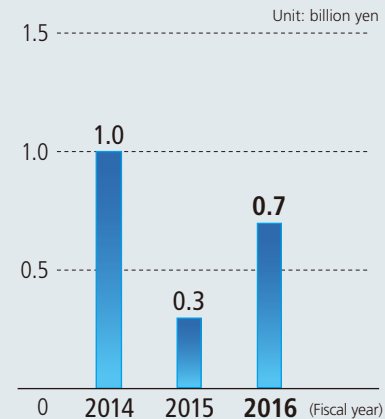
## Wrought Copper Products Business



### Net sales



### Operating income



Note: Net sales and operating income before inter-segment adjustment

## Overview and Outlook

In fiscal 2016, the sales of wrought copper products fell 7.9% year-on-year to 43.2 billion yen. This is despite solid shipments of air conditioners, the main use of the products, as the primary copper ingot price was sluggish compared to the previous year. On the other hand, operating income surged to 700 million yen, up 107.5% year-on-year as a result of improved inventory valuation

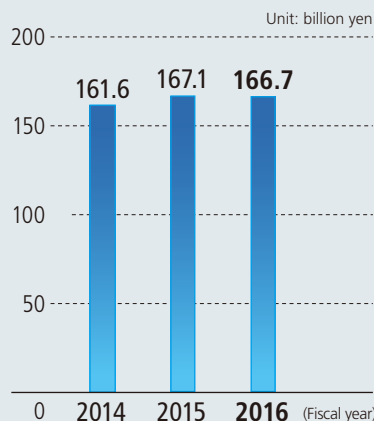
and the effects of cost reductions.

In fiscal 2017, the sales volume is expected to continue to grow thanks to the brisk shipment of air-conditioners. Consequently, we project increases in both sales and operating income to 48.5 billion yen and 1.6 billion yen, respectively.

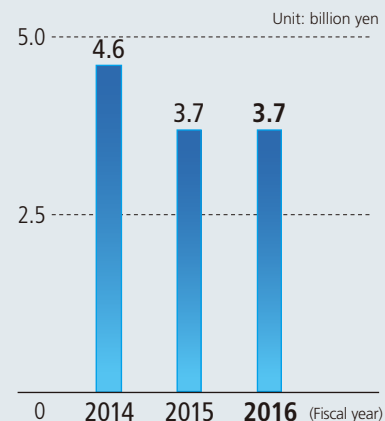
## Precision-machined Components and Related Businesses



### Net sales



### Operating income



Note: Net sales and operating income before inter-segment adjustment

## Overview and Outlook

In fiscal 2016, despite acquiring present-day UACJ Automotive Whitehall Industries, Inc. (UWH) and its subsequent addition to the consolidated account, sales in this segment slipped to 166.7 billion yen, down 0.2% year-on-year. This was due to the adverse effect of lower demand in existing businesses. Operating income also slid to 3.7 billion yen, down 0.1% year-on-year, due to slower sales and the amortization of

goodwill accompanying the purchase of UWH.

In fiscal 2017, a full-term contribution towards the consolidated account is expected from UWH and brisk sales of air-conditioner compressor fin materials is anticipated for the Japanese market. Consequently, we project increases in sales and operating income to 181.8 billion yen and 4.9 billion yen, respectively.

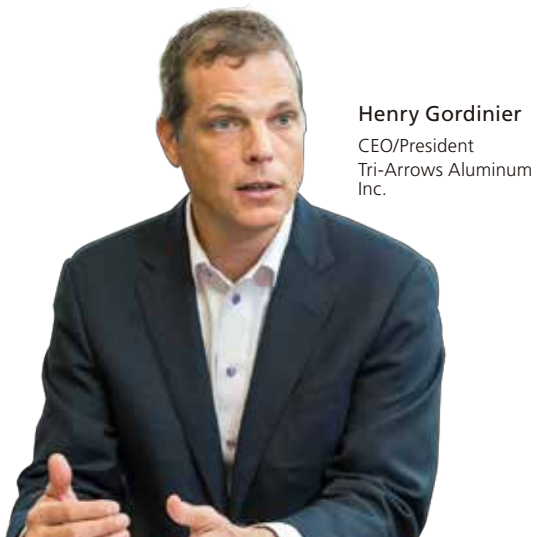
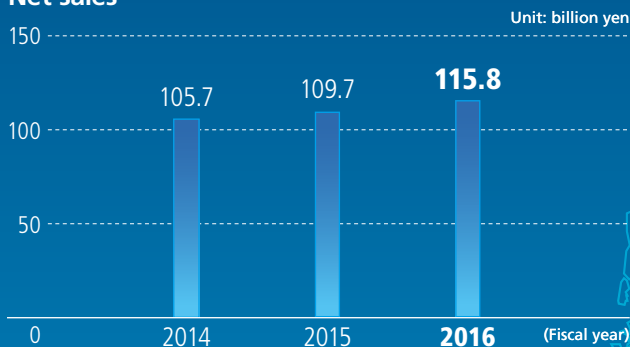
# USA

## Fiscal 2016 Highlights

- Automotive body sheet demand increased for lighter cars
- Can stock manufacturers also shifted their focus to automotive materials, creating concern of a shortage in can stock supply
- CUA began sample shipments and sales of automotive body sheet
- Acquired a leading company in the North American automotive structural materials industry and made it a subsidiary named UWH
- Committed 175 million dollar investment given in the casting and cold rolling lines of TAA to raise its annual production capacity to 400,000 tons

CUA: Constellium-UACJ ABS LLC  
 UWH: UACJ Automotive Whitehall Industries, Inc.  
 TAA: Tri-Arrows Aluminum Inc.

## Net sales



Henry Gordinier  
 CEO/President  
 Tri-Arrows Aluminum  
 Inc.

## Increasing Can Stock Supply Capacity While Proactively Responding to Rise in Aluminum Demand for Automobiles

UACJ made a full-scale entry into the American market by acquiring present-day TAA in 2011. The Logan Mill operated by TAA has established itself as the can stock plant with the world's highest production efficiency. It also began supplying base materials for automotive body sheet manufactured by CUA.

In order to keep pace with increasing demand, CUA started sample shipments and sales of automotive materials in June 2016. For structural materials, too, in April 2016 UACJ acquired a leading company of automotive structural materials and parts known for its Whitehall brand and made it a subsidiary named UWH. UACJ has therefore advanced its efforts to build a network capable of handling the rising demand. At TAA, while reinforcing the supply network for base materials to CUA, it was decided to make an additional investment in November 2016 in order to boost the plant's can stock supply capacity amidst concerns of a supply shortage. In the future, we will proactively capture business opportunities centering on these three companies.

# Accumulated Improvement in Network and ESG Activities

- **2011**  
Full-scale entry into North American market through the acquisition of present-day TAA
- **2013**  
TAA made a consolidated subsidiary upon the establishment of UACJ
- **2014**  
CUA automotive body sheet joint venture established
- **2015**  
Aluminum sheet rolling capacity, including casting, increased at TAA
- **2016**  
Acquired an automotive structural materials company and made it a subsidiary named UWH  
Capital investment in TAA casting and cold-rolling lines announced

## ESG Activity 1 Synergies Generated by Taking Advantage of Diverse Knowledge

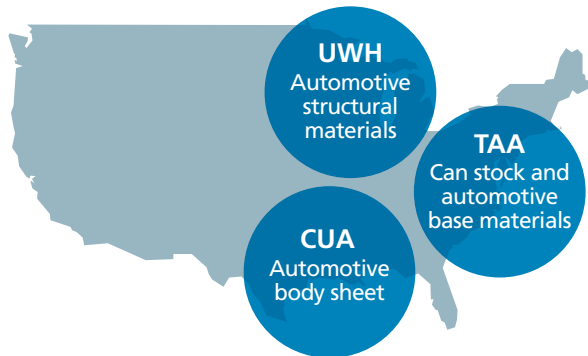
UACJ has expanded its business by incorporating external forces into the Group in North America via TAA, launching the joint venture CUA, and purchasing what is now UWH. These developments have led to a situation in which individuals from diverse backgrounds—which was not the case previously at UACJ—work together. This, in turn, has produced various wide-ranging synergies. For example, by supplying CUA with base materials, TAA has obtained expertise in automotive materials in addition to its traditional know-how in can manufacturing. Additionally, acquiring the company now known as UWH led to introducing that organization’s manufacturing expertise to the Group, in addition to a vast amount of marketing data that was accumulated and is now being used in R&D by the Group as a whole. We believe that such synergies are further enhancing our global competitive edge.

## ESG Activity 2 Recycling Ratio Also Improved by Increasing the Number of Casting Lines

In the USA, one of the world’s largest can consumption countries, recycling is thriving, with a reported 127,000 cans recycled every minute. At TAA, too, active efforts are being made to increase recycling and reduce environmental load. Approximately 80% of the raw materials used for can stock at the Logan Mill is recycled aluminum. In addition to reusing scrap aluminum generated at the factory, TAA also accepts it from external sources. Logan Mill’s state-of-the-art casting furnace enables these advanced recycling efforts. The capital expenditure plan announced in November 2016 will help increase production capabilities and improve the recycling ratio even further.



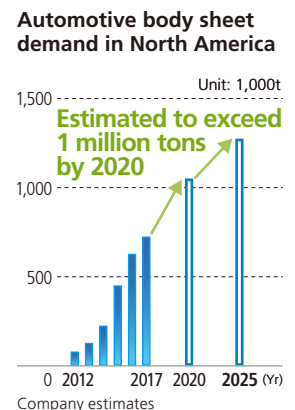
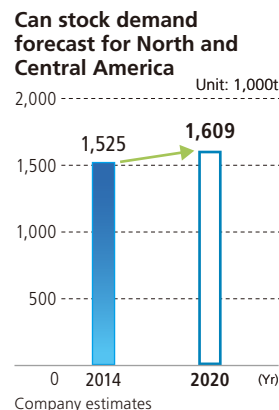
## Three-company network for handling can stock and automotive materials demand



## Regional Activity

### Capturing Growth Opportunities While Keeping an Eye on Increasing Demand for Automotive Materials and the Concern of Can Stock Shortage

In the US aluminum market, aluminum is being used for more automotive parts as part of the effort to reduce overall automobile weight. Amidst this trend, the global manufacturers of can stock are shifting their focus on production towards automotive materials. In the meantime, as the U.S. market is also the world’s largest can stock consumption region, with demand expected to remain solid, concerns are emerging that there may be a shortage of can stock. UACJ considers the demand trends in automotive materials and can stock as growth opportunities, and is planning to respond proactively. While TAA has established itself as a leading supplier of can stock, it also has the role of supply base for base materials used to produce automotive body sheet. The capital investment plan given the go-ahead in November 2016 should help TAA expand its base materials supply volume, while maintaining its responsibility to provide can stock.



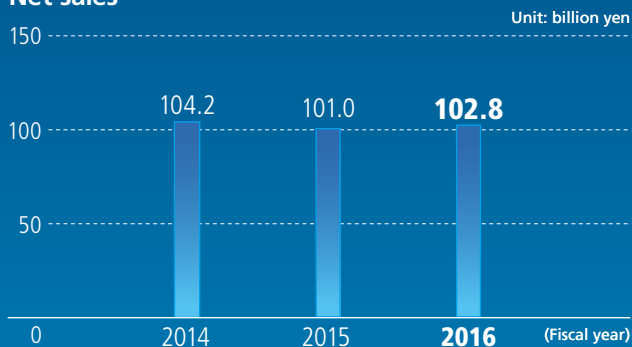
# Thailand/Others

## Fiscal 2016 Highlights

- Can stock demand increased from Asia to the Middle East and Australia as population and economy grew
- UATH clientele expanded to more than 50 companies, including transactions outside of the Asian region
- Rayong Works' proficiency levels improved, with monthly production reaching 10,000 tons
- Annual sales volume at UATH rose from 32,000 to 65,000 tons
- Investment amounting to approximately 39 billion yen earmarked for Rayong Works casting, cold-rolling, surface finishing and coating lines with aim to raise annual production capacity to 320,000t

UATH: UACJ (Thailand) Co., Ltd

## Net sales



Hironori Tsuchiya  
President  
UACJ (Thailand)  
Co., Ltd.

## Aiming to Expand Business via Additional Large-scale Investment and Becoming Profitable Early by Improving Production Efficiency

The construction of UATH Rayong Works began in 2012, and it has since become the core plant for UACJ in Asia. With the first- and second-phase construction work completed, the plant currently has an annual production capacity of 180,000 tons, producing can stock, heat exchanger materials, and general-purpose materials. It is the sole integrated aluminum production plant in Southeast Asia. Against the backdrop of growing populations and other factors, further demand for aluminum is expected; a prospect that led to the decision in November 2016 to commit a third phase of capital investment. The plan will increase annual production at the Rayong Works to 320,000 tons, one of the largest in Asia.

It has been 18 months since fully-integrated manufacturing began, and production efficiency is improving along with operations proficiency levels. The monthly sales volume at UATH is currently running 8,000–9,000 tons, and is expected to increase to an average of 13,000 tons in the second half of fiscal 2017. The increased sales volume is also bringing about an improvement in profitability. Our aim is to turn operating income profitable in the second half of fiscal 2017 and ordinary income profitable in fiscal 2018.

# Accumulated Improvement in Network and ESG Activities

- 2012** -----  
Construction of Rayong Works began
- 2014**  
Operations of cold rolling and downstream processes such as surface finishing and coating started
- 2015**  
Fully-integrated manufacturing started, including processes from casting to hot-rolling
- 2016** -----  
Monthly production of 10,000 tons achieved  
Capital investment in casting and cold-rolling processes announced

## ESG Activity 1 Contributing to Job Creation and Development of Industry through Rayong Works Operations

Recent years have seen momentum gathering towards the development of various industries, mainly manufacturing, in Thailand. The UATH Rayong Works is situated in Thailand's eastern economic corridor, where the country is promoting development. The company is contributing to the development of local industry by creating jobs, nurturing human resources, and committing large-scale investment. A good relationship with the local community has also been developed through various initiatives, such as environmental surveys based on visits to surrounding villages and regional contributions. In June 2017, a meeting between UACJ Chairman, Shigenori Yamauchi, and Thailand's Deputy Prime Minister, Somkid Jatusripitak, materialized. We will continue to contribute to the development of industry in broader areas of Asia, as well as in Thailand.



## Towards Asia's largest production capacity – 320,000 tons

Manufacturing processes Production capacity	Casting	Hot rolling	Cold rolling	Surface finishing and coating
Phase I 60,000t/yr				
Phase II 180,000t/yr	Capacity increased	Capacity increased		
Phase III 320,000t/yr	Capacity increased		Capacity increased	Capacity increased

## ESG Activity 2 Meticulous Training Results in Operations Being Run by Local Staff

For UATH to achieve its immediate target of an annual production of 300,000 tons, nurturing the skills of local personnel is imperative. To this end, skilled engineers were sent from Japan at the time of starting up the Rayong Works, and they focused on providing local staff with education and on-the-job training, backed by the full support of our R&D Division. Moreover, standard operating procedures were prepared in three languages: Japanese, Thai, and English. Meticulous training that explains operating procedures and their purpose together has led to operation of the first-phase lines to be manned exclusively by local employees. Some of the young local personnel have trained at plants in Japan to learn cutting-edge manufacturing. We expect that they will become key personnel for the future of UATH and the industry in Thailand.

## Regional Activity

### Increase in Demand Expected Over Broad Areas from Asia to Middle East and Australia, Likely to Expand 1.4-fold by 2020

In Asia, the Middle East and Australia, against the backdrop of economic growth and rising populations, the demand for can stock and heat exchanger materials is expanding rapidly. Our estimates suggest that can stock demand in these areas is likely to grow from 880,000 tons in 2014 to 1.25 million tons in 2020, a growth of approximately 1.4 times.

UATH is often recognized as a supply base for the surrounding Southeast Asian region because of the location of its plant in Thailand. Despite this common perception, our customer base is widespread, including the Middle East and Australia. Our clients currently comprise more than 50 companies, including numerous beverage can and heat exchanger manufacturers in these regions.

### UATH Regional Coverage



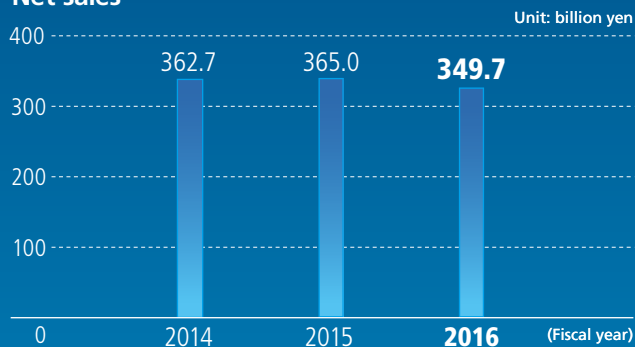


# Japan

## Fiscal 2016 Highlights

- Mainstay can stock demand remained solid
- Sales volume of automotive materials and thick plate for liquid-crystal and semiconductor production equipment increased
- Total shipment volume of extruded products posted first year-on-year increase in three years
- Reallocation of product mix among four Japanese factories nearly complete
- Construction of optimal production network led to integration effects amounting to 11 billion yen

## Net sales



## Achieving Larger-than-Planned Integration Effects Thanks to Construction of Optimal Production Network through Reallocation of Product Mix

Since integrating operations, UACJ has been pressing forward with reallocating its product mix among its four factories in Japan. Instead of producing the same types of products at each of the former two companies' factories, we have established a more efficient production network by concentrating on products that take advantage of the features of individual plants. This task was completed in fiscal 2016. As a result, cumulative integration effects totaled 11 billion yen at the end of fiscal 2016, exceeding our initial estimate of 10 billion yen.

The domestic sales volume of our mainstay product, can stock, fell slightly in fiscal 2016. However, an increase in the demand for automotive materials and thick plate for liquid-crystal and semiconductor production equipment more than offset the negative impact, leading to overall domestic sales volume surpassing the previous fiscal year level.

As demand is expected to continue to grow, mainly for automotive materials, the plan is to establish a production system that can handle such changes.



Miyuki Ishihara

Director, Member of the Board  
Managing Executive Officer  
Chief Executive, Production Division

# Accumulated Improvement in Network and ESG Activities

- 2013** -----  
Reallocation of product mix started at factories in Japan following integration
- 2015**  
R&D divisions consolidated
- 2016** -----  
Reallocation of product mix nearly complete at factories in Japan

## ESG Activity 1 Putting Systems in Place to Improve Work Environment and Take Advantage of Diversity

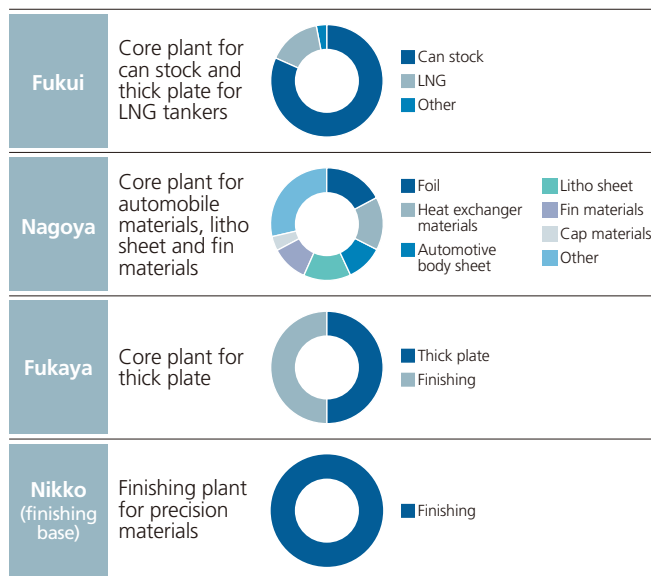
The Act on Promotion of Women's Participation and Advancement in the Workplace was enacted in Japan in August 2015, and women's work styles began attracting increasingly more attention. UACJ is working to expand opportunities for women by setting specific numerical targets based on action plans set forth under the aforementioned law. For example, "Ensuring 40% of the new college graduates we hire into administrative positions are women and hiring women for at least 10% of technical positions," and "Doubling the number of women in management positions based on the number in March 2016." Furthermore, childcare leave and a re-employment system are in place, and a teleworking scheme has been newly introduced. We are working to establish systems that ensure an excellent working environment for every employee, regardless of their gender or age, and publicizing the systems so that more employees will take advantage of them.

## ESG Activity 2 Promoting Passing Down of Skills That Improve Onsite Performance

At UACJ, a majority of the experienced and skilled workforce that participated in the startup of our plants in Japan will retire within 10 years from now. We regard it as an important issue to pass down technologies, expertise and ethos that have been developed over many years to the next generation in order to maintain our competitive edge as a manufacturer. Therefore, we proactively provide opportunities to hand down skills to subordinate personnel. For instance, a course was launched at the Nagoya Works featuring skilled veterans in the areas of plate making, extrusion, and copper working as the lecturers. In 2016, we also established a course at the Fukui Works. Additionally, retired employees are rehired to pass down the skills and knowledge of specialized processes to the entire line, including the experiences of high value-added manufacturing from the customer's perspective.



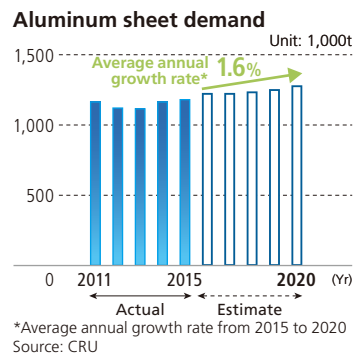
## Building an optimal production network that utilizes the features of each plant



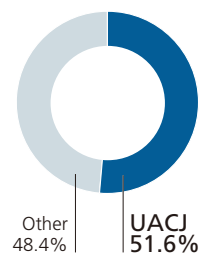
## Regional Activity

### Responding to Brisk Demand by Leveraging Overwhelming Production Share

Although a shrinking market is a cause for concern as the Japanese population declines, demand is expected to increase UACJ's major market, beverage cans, in particular, low-alcohol beverages and bottle-shaped cans. Meanwhile, as for the automotive industry, a shift towards the use of aluminum is gathering momentum in Japan and the rest of the world. Consequently, demand is on the rise for aluminum body sheet. The greatest strength of UACJ in the Japanese market is a high share of more than 50% of total production volume. On the back of this unparalleled scale, UACJ will focus on steadily capturing demand, mainly in growth areas, by demonstrating its overwhelming competitive edge in the Japanese market.



### Aluminum sheet production share (FY2016)



Source: Light Metal Digest, Kallos Publishing Co., Ltd., Aug. 28, 2017