

February 3, 2017

Note: Figures have been rounded to the nearest million yen.

(From April 1, 2016 to December 31, 2016)

(% indicates year-on-year change)

(Note) Comprehensive income: nine months ended December 31, 2016: Negative ¥2,089 million (—) %; nine months ended December 31, 2015: ¥1,507 million (down 93.4) %

## (2) Consolidated financial position

(Reference) Shareholders' equity: ¥159,488 million as of December 31, 2016, ¥165.030 million as of March 31, 2016

## 2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
Year ended/ending:	¥	¥	¥	¥	¥
March 31, 2016	—	3.00	—	3.00	6.00
March 31, 2017	—	3.00	—		
March 31, 2017 (Forecasts)				3.00	6.00

Note 1: Changes in dividend forecast during the quarter under review: No

## 3. Forecast for consolidated business performance in the term ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

(% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥
Full year	550,000	(4.5)	23,000	51.2	18,000	49.9	7,000	37.1	16.37

Note 1: Revisions to consolidated business performance forecasts during the quarter under review: Yes  
For details, please refer to “(3) Forecast for Consolidated Business Performance” in “1. Qualitative Information on Results for the Third Quarter Ended December 31, 2016” on page 3.

### Notes

(1) Changes in significant subsidiaries during the period (Changes in the scope of consolidation of specific subsidiaries): Yes

New: 2 companies (Names) UACJ North America Inc, UACJ Automotive Whitehall industries, Inc.

Note: For details, please refer to “(1) Changes in significant subsidiaries during the period” in “2. Matters Relating to Summary Information” on page 3.

(2) Application of particular accounting procedures to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in estimates, or restatements

a. Changes in accounting policies owing to revisions in accounting standards: Yes

b. Changes in accounting policies other than a. above: No

c. Changes in accounting estimates: No

d. Restatements: No

(4) Number of shares outstanding (common stock)

a. Number of shares issued at the end of the period (including treasury stock)

As of December 31, 2016 428,281,934 shares

As of March 31, 2016 428,281,934 shares

b. Number of shares of treasury stock at the end of the period

As of December 31, 2016 672,336 shares

As of March 31, 2016 607,582 shares

c. Average number of shares outstanding during the period (calculated cumulatively from the beginning of the fiscal year)

For the nine months ended December 31, 2016 427,646,659 shares

For the nine months ended December 31, 2015 427,730,060 shares

### (Disclosure of Implementation Status of Quarterly Review Procedures)

This quarterly earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. The quarterly review procedure for consolidated financial statements under the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this report.

(Explanations pertaining to appropriate use of information concerning future forecasts)

The operating results forecasts and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information available to the company at the time the results were announced. Actual performance may differ substantially from these projections due to fluctuations in the economy or a variety of other known and unknown factor.

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# 1. Qualitative Information on Results for the Third Quarter Ended December 31, 2016

## (1) Consolidated Business Performance

During the first nine months of the fiscal year ending March 31, 2017, the global economy was characterized by ongoing modest recovery in the United States and Europe, although the Chinese economy decelerated gradually. Although results varied by country, performance in emerging markets was generally in a recovery phase. The Japanese economy remained in a moderate recovery phase, although certain improvements were delayed.

However, the economic outlook remains uncertain, being potentially affected by the U.S. administration's protectionist policies and hardline immigration policies.

In this environment, net sales for the UACJ Group were down 2.5%, to ¥417,179 million, affected by a year-on-year decline in primary ingot prices. Thanks to higher sales volume and cost reductions, operating income grew 46.2%, to ¥17,253 million, and ordinary income rose 47.0%, to ¥12,830 million. Net income attributable to owners of the parent fell 13.5% year on year, to ¥4,697 million, due to a decrease in comparison with the first nine months of the preceding year, when the Group recorded extraordinary income from insurance proceeds.

Information by segment is provided below.

### Rolled Aluminum Products

Looking at domestic demand in the flat-rolled aluminum products business, within sheet products demand benefited from a rise in demand for low-alcohol beverages, a large percentage of which are packaged in cans. Demand for bottle cans also remained firm, prompting a slight year-on-year rise in demand for use in beverage cans. In the automotive sector, robust domestic production of passenger vehicles lifted demand for exterior panels. Furthermore, active demand for semiconductor and LCD fabrication equipment boosted demand for the thick aluminum plate used in their manufacture. As a result of these factors, overall domestic demand for sheet products rose year on year. In extruded products, demand for products related to trucks and buses remained favorable, mainstay construction-related demand showed signs of a gradual recovery, and total domestic demand was also up year on year.

The Group's domestic sales volume was essentially in line with the above-stated demand trends, rising year on year in both sheet and extruded products.

The Group's overall sales volume also grew substantially, owing to the full-fledged start of fully integrated manufacturing at our sheet rolling mill in Thailand (UACJ (Thailand) Co., Ltd.) and the start of supply of cold-rolled coil from the Logan Mill in the United States to our joint venture business in aluminum for automotive panels (Constellium-UACJ ABS LLC).

Despite these sales conditions, performance in the nine months under review was affected by the year-on-year decline in primary ingot prices, causing sales in the flat-rolled products business to fall 2.5% year on year, to ¥331,985 million. Operating income grew 37.9%, to ¥18,569 million, due to higher sales volume and cost reductions.

### Wrought Copper Products

Due to generally robust shipments of air conditioners, the principal use for copper pipes from this segment, caused the Group's sales volume of copper pipes to rise year on year. However, although prices on primary copper ingots rose toward the end of the year, prices were sluggish in the first nine months, causing sales of wrought copper products to fall 10.0% in the first nine months, to ¥31,935 million. Furthermore, lackluster primary ingot prices caused inventory valuations to worsen, leading to a 42.1% drop in operating income, to ¥325 million.

## Precision-machined Components and Related Businesses

A decline in demand from key customers caused sales in the first nine months of the fiscal year to decrease 3.2%, to ¥122,501 million. Operating income declined 4.4%, to ¥2,791 million.

### (2) Consolidated Financial Position

As of December 31, 2016, net assets amounted to ¥173,752 million, down ¥4,830 million from March 31, 2016. This decrease was mainly the result of foreign currency translation, stemming from yen appreciation, although retained earnings rose due to the posting of net income attributable to owners of the parent.

Total assets were ¥675,383 million, essentially at the same level as on March 31, 2016.

### (3) Forecast for Consolidated Business Performance

We have revised our business performance forecast for the full fiscal year ending March 31, 2017, from the figures announced on May 11, 2016, taking performance for the first nine months into account, and due mainly to expectations that sales volume is now likely to be lower than we had previously anticipated in can stock for Japan and Thailand and for IT-related applications. For the year, we now forecast net sales of ¥550.0 billion, operating income of ¥23.0 billion, ordinary income of ¥18.0 billion and net income attributable to owners of the parent of ¥7.0 billion.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Previous forecast, on May 11, 2016	¥million 600,000	¥million 24,500	¥million 20,000	¥million 9,000
Current forecast	550,000	23,000	18,000	7,000

Our year-end dividend forecast of ¥3 per share remains unchanged from our previous forecast.

## 2. Matters Relating to Summary Information (Notes)

### (1) Changes in significant subsidiaries during the period

UACJ North America Inc. was included in the scope of consolidation from the first quarter, due to its increasing importance.

Also, in the first quarter we established UACJ Automotive Whitehall Industries, Inc., and through that company acquired all shares in SRS Industries, LLC. Accordingly, these two companies and the group companies of SRS Industries, LLC, were included in the scope of consolidation.

UACJ Automotive Whitehall Industries, Inc., engaged in an absorption-type merger with SRS Industries, LLC, following that company's acquisition.

### (2) Application of special accounting treatment in the preparation of quarterly consolidated financial statements

Not applicable

### (3) Changes in accounting policies, changed in estimates, or restatements

Changes in accounting policies

(Adoption of a Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

In accordance with revisions to the Corporate Tax Act, certain domestic consolidated subsidiaries adopted the “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) from the first quarter under review, changing the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

This change had an immaterial impact on the Company’s earnings in the nine months under review.

#### (4) Additional Information

(Adoption of the Guidance on Recoverability of Deferred Tax Assets)

The Company adopted the “Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016) from the first quarter of the fiscal year ending March 31, 2017.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (as of March 31, 2016)	Current fiscal year (as of December 31, 2016)
Assets		
Current assets		
Cash and deposits	18,934	18,827
Notes and accounts receivable-trade	115,103	117,455
Merchandise and finished goods	30,780	29,158
Work in process	47,617	47,341
Raw materials and supplies	30,875	33,898
Other	20,120	24,408
Allowance for doubtful accounts	(20)	(21)
Total current assets	263,409	271,066
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	63,566	60,174
Machinery, equipment and vehicles, net	93,100	91,598
Land	115,150	114,966
Other, net	21,088	25,630
Total property, plant and equipment	292,904	292,369
Intangible assets		
Goodwill	43,232	50,491
Other	17,580	17,177
Total intangible assets	60,812	67,668
Investments and other assets		
Investment securities	29,363	27,555
Other	16,136	16,837
Allowance for doubtful accounts	(81)	(112)
Total investments and other assets	45,419	44,280
Total noncurrent assets	399,135	404,316
Total assets	662,543	675,383



(Millions of yen)

	Previous fiscal year (as of March 31, 2016)	Current fiscal year (as of December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	99,090	106,487
Short-term loans payable	63,921	56,057
Current portion of bonds	2,500	2,500
Current portion of long-term loans payable	47,714	39,420
Other	36,560	31,960
Total current liabilities	249,784	236,424
Noncurrent liabilities		
Bonds payable	5,000	2,500
Long-term loans payable	169,871	198,858
Retirement benefit obligations	18,814	18,802
Other	40,492	45,046
Total noncurrent liabilities	234,177	265,206
Total liabilities	483,961	501,630
Net assets		
Shareholders' equity		
Capital stock	45,000	45,000
Capital surplus	73,041	73,041
Retained earnings	36,103	38,234
Treasury stock	(214)	(233)
Total shareholders' equity	153,931	156,043
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,184	2,439
Deferred losses on hedges	(1,003)	(772)
Foreign currency translation adjustment	9,649	827
Cumulative adjustments related to retirement benefits	1,270	952
Total accumulated other comprehensive income	11,100	3,446
Non-controlling interests	13,552	14,264
Total net assets	178,582	173,752
Total liabilities and net assets	662,543	675,383

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(First nine months of the fiscal year ending March 31, 2017)

(Millions of yen)

	FY2015 3rd Quarter (From April 1, 2015 to December 31, 2015)	FY2016 3rd Quarter (From April 1, 2016 to December 31, 2016)
Net sales	428,051	417,179
Cost of sales	378,727	361,580
Gross profit	49,325	55,599
Selling, general and administrative expenses	37,527	38,346
Operating income	11,797	17,253
Non-operating income		
Interest income	108	640
Dividend income	336	423
Other	1,215	851
Total non-operating income	1,658	1,914
Non-operating expenses		
Interest expenses	2,523	3,140
Other	2,202	3,196
Total non-operating expenses	4,725	6,336
Ordinary income	8,730	12,830
Extraordinary income		
Gain on sale of fixed assets	89	106
Insurance proceeds received	3,036	—
Other	272	14
Total extraordinary income	3,397	120
Extraordinary loss		
Loss on retirement of noncurrent assets	488	452
Impairment loss	—	321
Other	15	499
Total extraordinary losses	504	1,272
Income before income taxes	11,624	11,678
Income taxes-current	2,234	5,865
Income taxes-deferred	3,452	565
Total income taxes	5,686	6,430
Net income	5,938	5,248
Net income attributable to non-controlling interests	510	552
Net income attributable to owners of the parent	5,428	4,697

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2015 3rd Quarter (From April 1, 2015 to December 31, 2015)	FY2016 3rd Quarter (From April 1, 2016 to December 31, 2016)
Net income	5,938	5,248
Other comprehensive income		
Valuation difference on available-for-sale securities	(132)	1,254
Deferred gains (losses) on hedges	(558)	542
Foreign currency translation adjustment	(5,398)	(5,905)
Adjustments to retirement benefits	1,842	(370)
Share of other comprehensive income of associates accounted for using equity method	(184)	(2,857)
Total other comprehensive income	(4,430)	(7,337)
Comprehensive income	1,507	(2,089)
(Attributable to)		
Owners of the parent	938	(2,957)
Non-controlling interests	569	869

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

Not applicable

(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Segment Information, etc.)

Segment Information

I First nine months of the Fiscal Year Ended March 31, 2016 (April 1, 2015, to December 31, 2015)

Information on sales and income by reportable segment

(Millions of yen)

	Reportable Segments				Adjustments (Notes) 1	Amount recorded in the quarterly consolidated statements of income (Notes) 2
	Rolled Aluminum Products	Wrought Copper Products	Precision- machined Components and Related Businesses	Subtotal		
Net sales						
Sales to external customers	296,175	26,967	104,909	428,051	—	428,051
Intersegment sales and transfers	44,293	8,519	21,604	74,416	(74,416)	—
Total	340,468	35,487	126,513	502,468	(74,416)	428,051
Segment income	13,466	561	2,919	16,946	(5,148)	11,797

(Notes) 1. The negative ¥5,148 million adjustment to segment income includes a negative ¥75 million adjustment for inventories, negative ¥257 million in eliminations for intersegment transactions, and a negative ¥4,816 million for companywide expenses that were not allocable to individual reporting segments. Companywide expenses are general management expenses for the parent company that are not ascribed to reportable segments.

2. Segment income is adjusted to the operating income in the quarterly consolidated statements of income.

II First nine months of the Fiscal Year Ending March 31, 2017 (April 1, 2016 to December 31, 2016)

Information on sales and income by reportable segment

(Millions of yen)

	Reportable Segments				Adjustments (Notes) 1	Amount recorded in the quarterly consolidated statements of income (Notes) 2
	Rolled Aluminum Products	Wrought Copper Products	Precision- machined Components and Related Businesses	Subtotal		
Net sales						
Sales to external customers	292,691	23,171	101,317	417,179	—	417,179
Intersegment sales and transfers	39,294	8,764	21,183	69,241	(69,241)	—
Total	331,985	31,935	122,501	486,421	(69,241)	417,179
Segment income	18,569	325	2,791	21,685	(4,432)	17,253

(Notes) 1. The negative ¥4,432 million adjustment to segment income includes a negative ¥16 million adjustment for inventories, negative ¥227 million in eliminations for intersegment transactions, and a negative ¥4,189 million for companywide expenses that were not allocable to individual reporting segments. Companywide expenses are general management expenses for the parent company that are not ascribed to reportable segments.

2. Segment income is adjusted to the operating income in the quarterly consolidated statements of income.