

Company Name: UACJ Corporation

Representative: Mitsuru Okada, President and Chief Executive Officer
(5741: Tokyo Stock Exchange First Section)

Inquiries: Ryu Sawachi, Public and Investor Relations Department
TEL: 03-6202-2654
INTL +81-3-6262-2654

UACJ Group "Global Step I " Fiscal 2015-2017 Mid-term Management Plan
- Becoming an aluminum industry leader in a competitive global market -

October 2014 marked the first-year anniversary since establishing the UACJ Group. During the year, the U.S. economy remained strong, while a remarkable slowdown was witnessed in the economies of China and Europe. For the Japanese economy too, even though employment expanded and stock prices rose, the real economic growth rate was negative with no clear sign of a turnaround in sight. In spite of the severe business environment, UACJ continued measures to integrate companies, systems and technologies throughout the year and announced the UACJ Group's Vision for the Future at the end of March 2014. Based on this vision, various measures were implemented with the objective of becoming an aluminum industry leader in a competitive global market, realizing the effects of integrating companies, systems and technologies, and pursuing global expansion.

We are now pleased to introduce "Global Step I," the UACJ Group's first mid-term management plan drafted for fiscal 2015-2017. Under this plan, the contents of Vision for the Future will be implemented in each business sector. In doing so, we will work to create strong revenue bases capable of withstanding the ever-changing business environment and maintaining sustainable growth. Note: Fiscal 2015-2017 is the period from April 1, 2015 to March 31, 2018.

1. UACJ Merger – First Year in Review

Some of the significant measures carried out in the first year are as follows:

Category	Measures implemented	Date
Unification	Drafted management philosophy and code of conduct, integrated various systems, designed new HR system, created HR development initiatives, promoted personnel exchange, etc.	From Oct. 2013
Integration	• Integrated various systems to reduce overlapping expenses, realized technological synergies, etc.	From Oct. 2013
	• Established UACJ Foil Corporation to consolidate foil subsidiaries (foil business)	Jan. 2014
	• Merged UACJ Logistics Corporation and LCOMPO Co., Ltd. (logistics business)	Apr. 2014
	• Established UACJ Metal Components Corporation (precision-machined components business)	Jul. 2014
	• Merged UACJ Components Fukaya Corporation and NIKKEI KAKOH Co., Ltd. (precision-machined components business)	Jul. 2014
Global expansion	• Invested capital in South Korean company ,UPIA Co., Ltd. (flat rolled products business: thick plate, precision-machined components sales)	Oct. 2013
	• Acquired Malaysian foil company, establishing UACJ Foil Malaysia Sdn.	Jan. 2014

	Bhd. (foil business)	
	<ul style="list-style-type: none"> Started first phase of operations (cold-rolling and subsequent processes) at Rayong Works of UACJ (Thailand) Co., Ltd. (flat rolled products business) 	Jan. 2014
	<ul style="list-style-type: none"> Signed joint venture agreement with Constellium N.V. to manufacture and sell aluminum Body-in-White(BiW) panels in North America (flat rolled products business) 	May 2014
	<ul style="list-style-type: none"> Commenced operation of UACJ Trading (America) Co., Ltd. (distribution business) 	Jul. 2014
	<ul style="list-style-type: none"> Commenced operation of IWAI METAL CENTRAL MEXICO, S.A. DE C.V. (precision-machined components business) 	Oct. 2014

2. Global Step I fiscal 2015-2017 mid-term management plan

(1)Business environment

With the increasing use of beverage can stock, consumer appliances and construction materials in Asia combined with the movement towards producing lighter automobiles and the growing demand for aircraft in Europe and America, the world demand for flat rolled products is expected to rise steadily over the period covered by the mid-term management plan. In Japan, however, in spite of the movement towards producing lighter automobiles like Europe and America, and expectations that demand will grow for LNG and other materials in the transportation field, in view of the declining population, aging society and movement of client production bases overseas, significant growth in the demand for flat rolled products is not anticipated.

In terms of supply, considering the increasing demand and industrial development in Asia and the Middle East, and in anticipation of higher demand for aluminum Body-in-White (BiW) panels in Europe and America, flat rolled aluminum manufacturers are engaging in large-scale expansion and reinforcement of facilities. Accordingly, the competitive environment is expected to become fierce. Costs are also expected to continue to rise considerably due to external factors such as increasing primary aluminum ingot and fuel and energy costs.

(2)Major policies

In line with the UACJ Group's Vision for the Future released in March 2014, the mid-term management plan introduces more concrete major policies for the three-year period from fiscal 2015 to fiscal 2017.

<Major policies in "Global Step I " mid-term management plan>

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

The basic policies announced in the Vision for the Future are as follows:

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

3. Policies and measures for each business

(1) Policies and measures for flat rolled products business

As the core business of the Group, UACJ will steadily implement mid-term management plan policies that clear the path to becoming an aluminum industry leader in a competitive global market.

<Major policies>

① Optimize global product mix and create technological synergies

- Improve cost competitiveness by reallocating product mix
- Optimize global supply network
- Reduce costs and improve quality through technological synergies

② Early Implementation of strategic investment

- Early startup of fully-integrated manufacturing at Rayong Works of UACJ (Thailand) Co., Ltd. (UATH)
- Proceed with BiW business in North America (joint venture with Constellium N.V.)

<Priority measures>

① Optimize product mix and create technological synergies

- Optimize product mix at Japanese manufacturing bases (scheduled for completion in fiscal 2016)
 - 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

Site	Product categories after reallocating product mix	Fiscal 2013 sales volume	Fiscal 2017 sales volume
Fukui	Can stock, LNG tanker thick plates, memory disk materials	230,000t/yr	310,000t/yr
Nagoya	Automobile heat exchanger materials, BiW, foil, Litho sheets, fin materials, cap materials, other general materials	300,000t/yr	320,000t/yr
Fukaya	General thick plates, LNG tanker thick plates, BiW finishing mainly for Kanto region	90,000t/yr	30,000t/yr (50,000t/yr)
Nikko	Memory disk materials, automotive heat exchanger materials finishing mainly for Kanto region	30,000t/yr	(20,000t/yr)

() finished processing volume

- Suspend use of surplus equipment by reallocating product mix in Japan
- Reduce capital expenditures by transferring surplus equipment to locations such as UATH

Classification	Site	Equipment
Suspend	Fukaya	Hot finishing rolling mill, cold rolling mills (x2), fin material coater, etc.
	Nikko	Cap material surface treatment machine, cutter, slitter, etc.
Transfer	Fukaya	Cold rolling mill (x1), can stock coater, etc.

- 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
- Optimize the global supply network including overseas bases
 - Optimize production distribution and implement complimentary network for manufacturing bases in Japan, Thailand and America

[Global supply network for main flat rolled products]

Region Main products	Japan	China/ South Korea	Southeast Asia	India	Middle East/ Africa	Europe	The Americas
Can stock	Fukui	Fukui UATH	UATH	UATH	UATH	-	TAA
Automotive heat exchanger materials	Nagoya (Nikko)	Ruyuan UATH	UATH	UATH	UATH	AFSEL	UATH AFSEL
BiW	Nagoya (Fukaya)	Under investigation					New company (joint venture)
Litho sheet	Nagoya	Nagoya	Nagoya	BAL	BAL	BAL	BAL
Thick plate for LNG tankers	Fukui Fukaya	Fukui Fukaya	-	-	-	-	-
General thick plates	Fukaya	Fukaya UPIA	Fukaya	-	-	-	-

Note: The above chart shows the basic supply network. Adjustments between each base will be made as necessary.

* UATH: UACJ (Thailand) Co., Ltd.

* TAA: Tri-Arrows Aluminum Inc.

* Ruyuan: Ruyuan Dong Yang Guang Fine Foil Co., Ltd.

* AFSEL: AFSEL S.A.

* BAL: Bridgnorth Aluminium Inc.

* UPIA: UPIA Co., Ltd.

② Early implementation of strategic investment

Measures at UATH Rayong Works

- Establish fully-integrated manufacturing network
 - Early startup of upstream processes (casting, hot rolling)
 - Establish 200,000 t yearly supply capacity by 2017
- Differentiate by improving competitiveness
 - Combine quality with cost-competitiveness
 - Market approach integrating manufacturing, sales and R&D
- Function as first-class aluminum works in Asia
 - Explore capital investment for 300,000 t/yr (measures to be implemented within this mid-term management plan)
 - Explore optimal product mix for maximizing profits

Measures for North American BiW business

- 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
 - Shorten period for first phase of investment → Establish 100,000 t/yr capacity from 2016
 - Investigate second phase of investment
- Realize fully-integrated manufacturing in North America
 - Procure cold-rolled coil from Logan mill of TAA

(2) Policies and measures for extrusion business

<Major policies>

- ① Improve cost competitiveness by optimizing manufacturing bases in Japan and overseas
- ② Reinforce priority businesses by integrating technologies, differentiate by developing new technologies and products, and manufacture products with higher added-value
- ③ 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

<Priority measures>

- Optimize production
 - Optimize production in Japan (between Oyama and Nagoya, and three extrusion bases: Anjo, Gunma and Shiga)
 - Reallocate product mix such as automotive heat exchanger tubing, aircraft materials, etc.
 - Build global supply network for automotive heat exchanger materials
 - Mutual complementary networks in Japan, Thailand, Indonesia, China (Tianjin) and Czech
- Develop new technologies and products
 - Strengthen initiatives in predominant fields
 - Automotive heat exchangers, office equipment, automotive and motorcycle products, aircraft, etc.
 - Strengthen initiatives for new products such as all-aluminum heat exchangers for air-conditioners
 - Collaborate with R&D center, copper tubing and precision-machined components businesses, UACJ MH(Thailand) Co., Ltd., etc.
 - Further enhance added-value of machined component products

- Utilize the processing facilities at the Anjo and Gunma works, and collaborate with precision-machined components businesses
- Fortify global business support
 - Strengthen support for growing the Chinese market
 - Newly installed # 3 extruder at UACJ Extrusion (Tianjin) Corporation (full-scale mass production to begin in 2015)
 - Strengthen customer support in growing Southeast Asian and Indian markets
 - Investigate supporting component machining capabilities and capacities
 - Investigate supporting the North American market focusing on the automotive business

(3) Policies and measures for foil business

<Major policies>

Become a comprehensive foil manufacturer in the global market

- Create integration and synergies early on
- Focus on predominant fields and growing markets
- Respond to growth in Asian regions

<Priority measures>

- Optimize production at Japanese manufacturing bases
 - Strengthen business structure by reallocating product mix at Japanese manufacturing bases (Isesaki, Shiga and Nogi)
 - Reallocate product mix utilizing special features of facilities, integrate capacitor foil production, unify production management of general foil and battery materials
- Support initiatives in predominant fields and growing markets
 - Develop highly functional products in the growing battery materials and capacitor foil markets
 - Increase PTP foil use in medical industry packaging
- Fortify global business support
 - Support the Asian region
 - Use UACJ Foil Malaysia Sdn. Bhd. (UFOM) to expand sales
 - Collaboration between UATH Rayong Works and UFOM

(4) Policies and measures for casting and forging business

<Major policies>

- ① 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
- ② Forging business
 - Utilize the strengths of large-scale forging presses and free-forging technologies to provide distinctive products and develop the market

<Priority measures>

- Casting business (CW business)
 - Transform into a comprehensive CW manufacturer by combining casting and milling
 - Improve cost competitiveness by consolidating production at UACJ Foundry & Forging

(Vietnam) Co., Ltd.

- Improve performance by increasing collaboration with R&D center and proceeding with the development of next-generation products
- Forging business
 - Expand sales in growing markets such as liquid-crystal production facilities, aircraft, railcars, and ships
 - Expand sales by making use of 15,000-t press (e.g., one of the largest in Japan), large-scale machining and other facilities
 - Increase collaboration with R&D center, utilize free-forging technologies to provide products with special features and develop markets

(5) Policy and measures for copper tubing business

<Major policy>

Increase profits by developing and expanding sales of unique products, and maximizing current facility capabilities

<Priority measures>

- Fortify business structure in Japan
 - Develop and expand sales of unique products that capitalize on advantageous technologies
 - Promote the practical application of internally grooved tubing compatible with new refrigerants, highly corrosion-resistant copper tubing and high-strength copper tubing
 - Expand the sales of Thermoexcel heat-transfer pipe with micro-finned outer surface
 - Develop heat-transfer tubing with high-performance inner/outer surfaces and applicable heat exchangers
 - Improve cost competitiveness by maximizing the use of existing facility capabilities
 - Increase the productivity of high-performance, small-diameter products and improve the production management network to provide better support at times of peak demand
- Strengthen competitiveness of overseas businesses
 - Improve cost competitiveness by increasing the local procurement of elemental tubing
 - Expand sales of internally grooved tubing in growth regions such as India and the Middle East

(6) Policy and measures for precision-machined components business

<Major policy>

Improve business structure efficiency, concentrate heavily on main businesses in Japan and overseas, and develop new fields of demand

<Priority measures>

- Reinforce business foundation by enhancing operation efficiency
 - Restructure business spearheaded by the managing company (UACJ Metal Components Corporation)
 - Improve the efficiency of production networks
 - NALCO Iwai: Reallocate, for example, by moving the business of Hiratsuka Works to Narita Works
 - Maximize the effects of integrating NIKKEI KAKOH and UACJ Components Fukaya Corporation

- Concentrate heavily on main businesses and develop new fields of demand
 - Focus on business related automotive and motorcycle products, railway rolling stock components, industrial equipment, craftworks, construction products, etc.
 - Expand into new fields of demand focusing on the automotive and heating businesses
 - Increase cooperative activities with related departments (R&D Center, Automotive Materials Department, etc.)
- Strengthen global expansion
 - Increase global expansion and reinforce the automotive business by collaborating with bases in North and Central America
 - Establish new manufacturing base in Mexico (IWAI METAL CENTRAL MEXICO, S.A. DE C.V.)
 - Increase collaboration with related companies in the USA (Penn TecQ Inc. and Iwai Metal (America) Co., Ltd.)
 - Increase collaboration with Asian bases (UACJ Extrusion (Wuxi) Corporation, Nalco (Thailand) Co., Ltd. and Pt. Yan Jin Indonesia)

4. **Strengthening the global sales network**

The UACJ Group will work to increase the ratio of sales overseas by strengthen its marketing capabilities. This will be achieved by increasing the number of overseas manufacturing bases and enhancing marketing capabilities utilizing the global network.

The ratio of sales for overseas operations in fiscal 2013 was 32%, and our target for fiscal 2017 is 43%.

<Priority measures>

- Strengthen sales network in Thailand: Sales of UATH products
- Increase size of sales companies in Shanghai: Sell products from UATH, Ruyuan Dong Yang Guang Fine Foil Co., Ltd. (China), etc.
- Reinforce sales network in North America: Sales of automotive- and IT-related products
- Strengthen sales network in Europe: Sales of automotive heat exchanger materials (aluminum sheet metal and extrusion)

5. **Policy for developing new technologies and products**

Based on expanding resources (i.e., human resources and R&D facilities) through integration, amass cutting-edge Japanese technologies and lead the world in the development of aluminum technologies.

<Priority measures>

- Increase advanced fundamental research and apply development results to products and mass-production process
 - Participate in technology development projects jointly conducted by industry, government and academia
 - Development of high-strength, high-toughness metal alloys, development of new manufacturing process technologies, and development of bonding technologies using heterogeneous materials
 - Development of new technologies utilizing computer-aided engineering (CAE) and proven

testing

- Application to material prediction technologies, press-forming prediction technologies and product development

■ Introduction of new technologies and rapid product introduction to growth fields

- Transportation field (automobiles, aerospace, aviation, railway rolling stock and motorcycles)
- Environmental field (recycling, exhaust heat and weight reduction)
- Energy field (Lithium-ion batteries, fuel cells and recyclable energies)
- IT and information-processing field (computers, mobile devices, servers and memory media)

6. Human resource development

We will prepare and build a system for continuously fostering human resources to be the source of the Group's competitiveness.

<Major policies>

- ① Continuously foster human resources worldwide
- ② Practice diversity (respect and utilize individual diversity)

<Priority measures>

- Secure and train human resources capable of conducting business at the global level
 - Strengthen global mindset and global business skills
 - Foster, utilize and promote local human resources
- Enhance technology development skills, onsite capabilities and staff knowledge
 - Foster resources with expert knowledge that is readily available in the world
 - Increase and expand technology-sharing and improvement activities
 - Conduct education at every level Group-wide

7. Capital investment plan

The plan is for capital investment of 90 billion yen in the three-year period starting from the beginning of fiscal 2015 to the end of fiscal 2017.

- Strategic capital investments will be proactively made in growth fields and growth regions in response to business opportunities that arise
 - Approximately 60% of the total amount is planned for strategic investment
 - Investment will mainly be in Japan, Asia and North America
- Containment of general investment in maintenance and renewal
 - General investments will be contained to within approximately 40% of the total amount (about half of the depreciation cost)

8. Mid-term management plan targets

The targets to be achieved by executing the strategies for each business as set out in the mid-term marketing plan are stipulated in the following.

(1) Performance indicators

	Fiscal 2014 outlook	Fiscal 2017 targets
Consolidated net sales	580 billion yen	700 billion yen
Operating income	26.5 billion yen	40 billion yen
Ordinary income	23 billion yen	35 billion yen

Shareholders' equity	160 billion yen	195 billion yen
Shareholders' equity ratio	25 %	28 %
Interest-bearing debt	280 billion yen	260 billion yen
D/E ratio	1.75 times	1.33 times
ROE	6.5 %	10 %

(2) Integration effect targets

By implementing strategies based on the policies of each business stated above, the UACJ Group aims to achieve an integration effect of more than 13 billion yen by the end of fiscal 2017. The Group will pursue further additional effects with the ultimate objective of achieving an annual integration effect of 15 billion yen.

9. CSR initiatives

UACJ will utilize its CSR initiatives to maintain the confidence of its stakeholders

<Basic approach>

- 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
 - Through sound corporate activities, contribute to stakeholders, employees and local communities
- ① Upholding corporate governance
- Steadily enforce the management philosophy and Code of Conduct
 - Strengthen the management monitoring system used by the Board of Directors and Board of Auditors
 - Thorough compliance and risk management
- ② Initiatives for sustainability
- Preserve the global environment
 - Promote the use of recyclable resources
 - Strengthen the business continuity plan