

Quarterly Financial Results for the First Quarter
Ended June 30, 2017
[According to Japanese Accounting Standards] (Consolidated)

August 2, 2017

Name of Listed Company UACJ Corporation
Stock Exchange Listings Tokyo
Code Number 5741 URL <http://www.uacj.co.jp/english/>
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Scheduled Date for Submitting Financial Statements August 14, 2017
Scheduled Date of Dividend Distribution -
Supplementary materials available on quarterly financial results : Yes
Quarterly results briefing : No

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

1. Consolidated Business Performance for the First Quarter, Ended June 30, 2017
(from April 1, 2017 to June 30, 2017)

(1) Consolidated business performance (cumulative) (% indicates year-on-year change)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of the parent | |
|----------------------------------|-----------|-------|------------------|------|-----------------|------|---|--------|
| | ¥million | % | ¥million | % | ¥million | % | ¥million | % |
| Three months ended June 30, 2017 | 152,494 | 9.9 | 9,487 | 93.0 | 7,809 | 99.7 | 4,401 | 217.3 |
| June 30, 2016 | 138,753 | (5.6) | 4,916 | 6.0 | 3,911 | 5.4 | 1,387 | (40.3) |

(Note) Comprehensive income: three months ended June 30, 2017: ¥3,629 million (-%); three months ended June 30, 2016 (¥5,795) million (-%)

| | Net income per share | Fully diluted net income per share |
|----------------------------------|----------------------|------------------------------------|
| Three months ended June 30, 2017 | 9.12 | — |
| June 30, 2016 | 3.24 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|----------------|--------------|------------|----------------------------|----------------------|
| As of: | ¥million | ¥million | % | ¥ |
| June 30, 2017 | 736,823 | 200,282 | 25.3 | 385.67 |
| March 31, 2017 | 725,443 | 198,360 | 25.4 | 381.47 |

(Reference) Shareholders' equity: ¥186,114 million as of June 30, 2017, ¥184,090 million as of March 31, 2017

2. Dividends

| | Cash dividends per share | | | | |
|-------------------------------|--------------------------|-------------|-------------|----------|--------|
| | 1st quarter | 2nd quarter | 3rd quarter | Year-end | Annual |
| Year ended/ending: | ¥ | ¥ | ¥ | ¥ | ¥ |
| March 31, 2017 | — | 3.00 | — | 3.00 | 6.00 |
| March 31, 2018 | — | | | | |
| March 31, 2018 (Forecasts) | | 3.00 | — | 30.00 | — |

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

The Company plans to conduct a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Accordingly, the year-end dividend per share for the fiscal year ending March 31, 2018 (forecast) is calculated after taking into consideration the impact of this reverse stock split. For this reason, a “—” symbol is contained in the column for annual dividends. The year-end dividend for the fiscal year ending March 31, 2018 (forecast), excluding the reverse stock split, is ¥3 yen, giving total dividends per share of ¥6 for the full year. For details, please see the section entitled “Explanations pertaining to appropriate use of information containing future forecasts.”

3. Forecast for consolidated business performance in the term ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(% 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 | % | ¥ |
| First half | 300,000 | 7.6 | 16,000 | 53.9 | 13,000 | 75.9 | 7,000 | 223.1 | 14.51 |
| Full year | 630,000 | 10.9 | 36,000 | 39.2 | 30,000 | 51.4 | 17,000 | 95.1 | 352.27 |

Note: Revisions to consolidated business performance forecasts during the quarter under review: No

In the forecast for consolidated business performance in the full year ending March 31, 2018, net income per share takes into account the impact of the reverse stock split. For details, please see the section entitled “Explanations pertaining to appropriate use of information containing future forecasts.”

Notes

- (1) Changes in significant subsidiaries during the period (Changes in the scope of consolidation of specific subsidiaries): No
- (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: No
 - 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 June 30, 2017 | 483,281,934 shares |
| As of March 31, 2017 | 483,281,934 shares |
 - b. Number of shares of treasury stock at the end of the period

| | |
|----------------------|----------------|
| As of June 30, 2017 | 711,824 shares |
| As of March 31, 2017 | 697,593 shares |
 - c. Average number of shares outstanding during the period (calculated cumulatively from the beginning of the fiscal year)

| | |
|--|--------------------|
| For the three months ended June 30, 2017 | 482,576,113 shares |
| For the three months ended June 30, 2016 | 427,669,074 shares |

Note: Quarterly earnings reports are exempt from quarterly reviews.

(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.

(Forecasts for dividends and consolidated business performance following the reverse stock split)

At the ordinary general meeting of shareholders on June 29, 2017, the Company obtained approval for the reverse stock split. Accordingly, the Company plans to conduct a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Forecasts for dividends and consolidated business performance before taking the reverse stock split into account are outlined below.

1. Dividend forecast for the year ending March 31, 2018

Dividends per share

Interim ¥3.00 (Note 1)

Year-end ¥3.00 (Note 2)

2. Forecast of consolidated business performance for the year ending March 31, 2018

Net income per share

Full year ¥35.23

(Note 1) The dividend on September 30, 2017, will be paid based on the number of shares prior to the reverse stock split.

(Note 2) The dividend is calculated before taking the reverse stock split into account.

(Note 3) The dividend for the year ending March 31, 2018 (before taking the reverse stock split into account) will be ¥6.

● List of attachments

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1. Qualitative Information on Results for the First Quarter Ended June 30, 2017

(1) Consolidated Business Performance

During the first three months of the fiscal year ending March 31, 2018, the worldwide economy was generally characterized by ongoing recovery despite overall uncertainties about the future outlook stemming from such factors as the running of the U.S. administration, owing to performance of economies in the United States, Europe, China and emerging markets.

In the Japanese economy, corporate activity continued to rebound, and the household sector remained in a modest recovery phase.

In this environment, net sales for the UACJ Group were up 9.9% year on year, to ¥152,494 million, prompted by higher sales volumes and a rise in primary ingot prices. On the profit front, owing to such factors as an upturn in inventory valuations, higher sales volumes and cost reductions, operating income grew 93.0%, to ¥9,487 million; ordinary income expanded 99.7%, to ¥7,809 million; and net income attributable to owners of the parent surged 217.3%, to ¥4,401 million.

Information by segment is provided below.

Rolled Aluminum Products

Looking at domestic demand in the flat-rolled products business, within sheet products, can stock demand was flat year on year, as a demand for use in bottle cans and low-alcohol beverages compensated for a fall in beer-related demand. In the automotive sector, sales volume of sheet for use in parts increased, due to expanding use of aluminum materials in automobiles.

In extruded products, demand was favorable in two major demand categories—the construction and automotive sectors, living overall domestic demand year on year. Demand for both flat-rolled and extruded products benefited from extremely favorable demand for semiconductor, LCD and organic electroluminescence display fabrication equipment, and shipments of thick plates and bars increased.

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. In particular, sales of thick plates remained at a high level.

In sheet products, sales from our sheet rolling mill in Thailand (UACJ (Thailand) Co., Ltd.), also increased, pushing up the Group's overall sales volume year on year.

As a result of these sales conditions, during the first three months of the year sales in the rolled aluminum products business grew 8.8% year on year, to ¥121,672 million. Operating income surged 73.4%, to ¥9,683 million, due to positive inventory valuations, higher sales and cost reductions.

Wrought Copper Products

In the wrought copper industry, the Group's sales volume of copper pipes were up due to continued strong domestic production of household air conditioners and commercial package air conditioners—the principal uses of these pipes—and domestic unit shipments exceeded the previous year's levels. Prices of primary copper ingots are trending downward year on year, but showed stable year on year growth in the first quarter of the year. As a result, sales of wrought copper produced increased 3.5%, to ¥11,668 million. Operating income jumped 611.5%, to ¥626 million, mainly due to an upturn in inventory valuations.

Precision-machined Components and Related Businesses

Due to increased orders stemming from a rise in demand from existing businesses and the acquisition of SRS Industries, LLC (now UACJ Automotive Whitehall Industries, Inc.), in the first three months of the fiscal year sales of precision-machined components and related businesses grew 16.4%, to ¥44,911 million, and operating income rose 76.5%, to ¥1,158 million.

(2) Consolidated Financial Position

As of June 30, 2017, net assets amounted to ¥200,282 million, up ¥1,922 million from March 31, 2017, as retained earnings grew due to the posting of net income attributable to owners of the parent.

Total assets were ¥736,823 million, up ¥11,380 million from March 31, 2017, mainly as a result of capital expenditures.

(3) Forecast for Consolidated Business Performance

Our business performance forecast announced on May 10, 2017, remains unchanged.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| | Previous fiscal year (as of March 31, 2017) | Current fiscal year (as of June 30, 2017) |
|--|--|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 41,242 | 18,481 |
| Notes and accounts receivable-trade | 126,287 | 135,498 |
| Merchandise and finished goods | 29,179 | 29,661 |
| Work in process | 42,969 | 47,261 |
| Raw materials and supplies | 43,764 | 47,379 |
| Other | 22,152 | 33,127 |
| Allowance for doubtful accounts | (29) | (32) |
| Total current assets | 305,563 | 311,375 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 61,516 | 61,272 |
| Machinery, equipment and vehicles, net | 95,953 | 95,937 |
| Land | 115,034 | 115,927 |
| Other, net | 32,964 | 41,825 |
| Total property, plant and equipment | 305,467 | 314,960 |
| Intangible assets | | |
| Goodwill | 50,677 | 49,389 |
| Other | 16,713 | 16,169 |
| Total intangible assets | 67,390 | 65,558 |
| Investments and other assets | | |
| Investment securities | 28,269 | 27,232 |
| Other | 18,857 | 17,803 |
| Allowance for doubtful accounts | (103) | (104) |
| Total investments and other assets | 47,023 | 44,931 |
| Total noncurrent assets | 419,880 | 425,449 |
| Total assets | 725,443 | 736,823 |

(Millions of yen)

| | Previous fiscal year (as of March 31, 2017) | Current fiscal year (as of June 30, 2017) |
|---|--|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 104,431 | 112,061 |
| Short-term loans payable | 50,592 | 53,582 |
| Commercial paper | — | 6,000 |
| Current portion of bonds | 2,500 | 2,500 |
| Current portion of long-term loans payable | 45,268 | 42,588 |
| Other | 34,859 | 32,638 |
| Total current liabilities | 237,650 | 249,368 |
| Noncurrent liabilities | | |
| Bonds payable | 2,500 | 1,250 |
| Long-term loans payable | 222,964 | 220,620 |
| Retirement benefit obligations | 18,768 | 18,816 |
| Other | 45,201 | 46,488 |
| Total noncurrent liabilities | 289,433 | 287,174 |
| Total liabilities | 527,083 | 536,542 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 52,277 | 52,277 |
| Capital surplus | 80,318 | 80,318 |
| Retained earnings | 42,252 | 45,205 |
| Treasury stock | (241) | (246) |
| Total shareholders' equity | 174,605 | 177,554 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,592 | 2,708 |
| Deferred gains or losses on hedges | (661) | (877) |
| Foreign currency translation adjustment | 6,851 | 5,975 |
| Cumulative adjustments related to retirement benefits | 703 | 755 |
| Total accumulated other comprehensive income | 9,485 | 8,561 |
| Non-controlling interests | 14,270 | 14,167 |
| Total net assets | 198,360 | 200,282 |
| Total liabilities and net assets | 725,443 | 736,823 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Three months ended June 30, 2017)

(Millions of yen)

| | FY2016 1st Quarter (From April 1, 2016 to June 30, 2016) | FY2017 1st Quarter (From April 1, 2017 to June 30, 2017) |
|--|--|--|
| Net sales | 138,753 | 152,494 |
| Cost of sales | 121,276 | 129,343 |
| Gross profit | 17,477 | 23,150 |
| Selling, general and administrative expenses | 12,561 | 13,664 |
| Operating income | 4,916 | 9,487 |
| Non-operating income | | |
| Interest income | 23 | 385 |
| Dividend income | 280 | 261 |
| Other | 241 | 188 |
| Total non-operating income | 544 | 834 |
| Non-operating expenses | | |
| Interest expenses | 997 | 1,357 |
| Equity in losses of equity method | — | 932 |
| Other | 552 | 222 |
| Total non-operating expenses | 1,549 | 2,511 |
| Ordinary income | 3,911 | 7,809 |
| Extraordinary income | | |
| Insurance income | — | 189 |
| Gain on sale of investment securities | 10 | — |
| Other | 30 | 16 |
| Total extraordinary income | 40 | 205 |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 73 | 129 |
| Inventory valuation loss | — | 125 |
| Loss on valuation of investments in capital | 45 | — |
| Other | 40 | 3 |
| Total extraordinary losses | 158 | 258 |
| Income before income taxes | 3,793 | 7,756 |
| Total income taxes | 2,217 | 3,143 |
| Net income | 1,576 | 4,613 |
| Net income attributable to non-controlling interests | 189 | 212 |
| Net income attributable to owners of the parent | 1,387 | 4,401 |

Quarterly Consolidated Statements of Comprehensive Income

(Three months ended June 30, 2017)

(Millions of yen)

| | FY2016 1st Quarter (From April 1, 2016 to June 30, 2016) | FY2017 1st Quarter (From April 1, 2017 to June 30, 2017) |
|---|--|--|
| Net income | 1,576 | 4,613 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (82) | 115 |
| Deferred gains (losses) on hedges | 153 | (227) |
| Foreign currency translation adjustment | (6,746) | (589) |
| Adjustments to retirement benefits | (10) | 23 |
| Share of other comprehensive income of associates accounted for using equity method | (687) | (306) |
| Total other comprehensive income | (7,371) | (984) |
| Comprehensive income | (5,795) | 3,629 |
| (Attributable to) | | |
| Parent company shareholders | (4,866) | 3,477 |
| Non-controlling interests | (929) | 153 |

(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 three months of the Fiscal Year Ended March 31, 2017 (April 1, 2016, to June 30 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-mac hined Components and Related Businesses | Subtotal | | |
| Net sales | | | | | | |
| Sales to external customers | 99,059 | 8,395 | 31,299 | 138,753 | — | 138,753 |
| Intersegment sales and transfers | 12,797 | 2,883 | 7,294 | 22,974 | (22,974) | — |
| Total | 111,857 | 11,278 | 38,593 | 161,728 | (22,974) | 138,753 |
| Segment income | 5,585 | 88 | 656 | 6,329 | (1,412) | 4,916 |

(Notes) 1. The negative ¥1,412 million adjustment to segment income includes a ¥44 million adjustment for inventories, negative ¥75 million in eliminations for intersegment transactions, and a negative ¥1,381 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 three months of the Fiscal Year Ending March 31, 2018 (April 1, 2017 to June 30, 2017)
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-mac hined Components and Related Businesses | Subtotal | | |
| Net sales | | | | | | |
| Sales to external customers | 107,064 | 8,372 | 37,057 | 152,494 | — | 152,494 |
| Intersegment sales and transfers | 14,608 | 3,295 | 7,854 | 25,757 | (25,757) | — |
| Total | 121,672 | 11,668 | 44,911 | 178,250 | (25,757) | 152,494 |
| Segment income | 9,683 | 626 | 1,158 | 11,467 | (1,981) | 9,487 |

(Notes) 1. The negative ¥1,981 million adjustment to segment income includes a negative ¥242 million adjustment for inventories, negative ¥78 million in eliminations for intersegment transactions, and a negative ¥1,661 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.