



**Sustainability Report
2015**

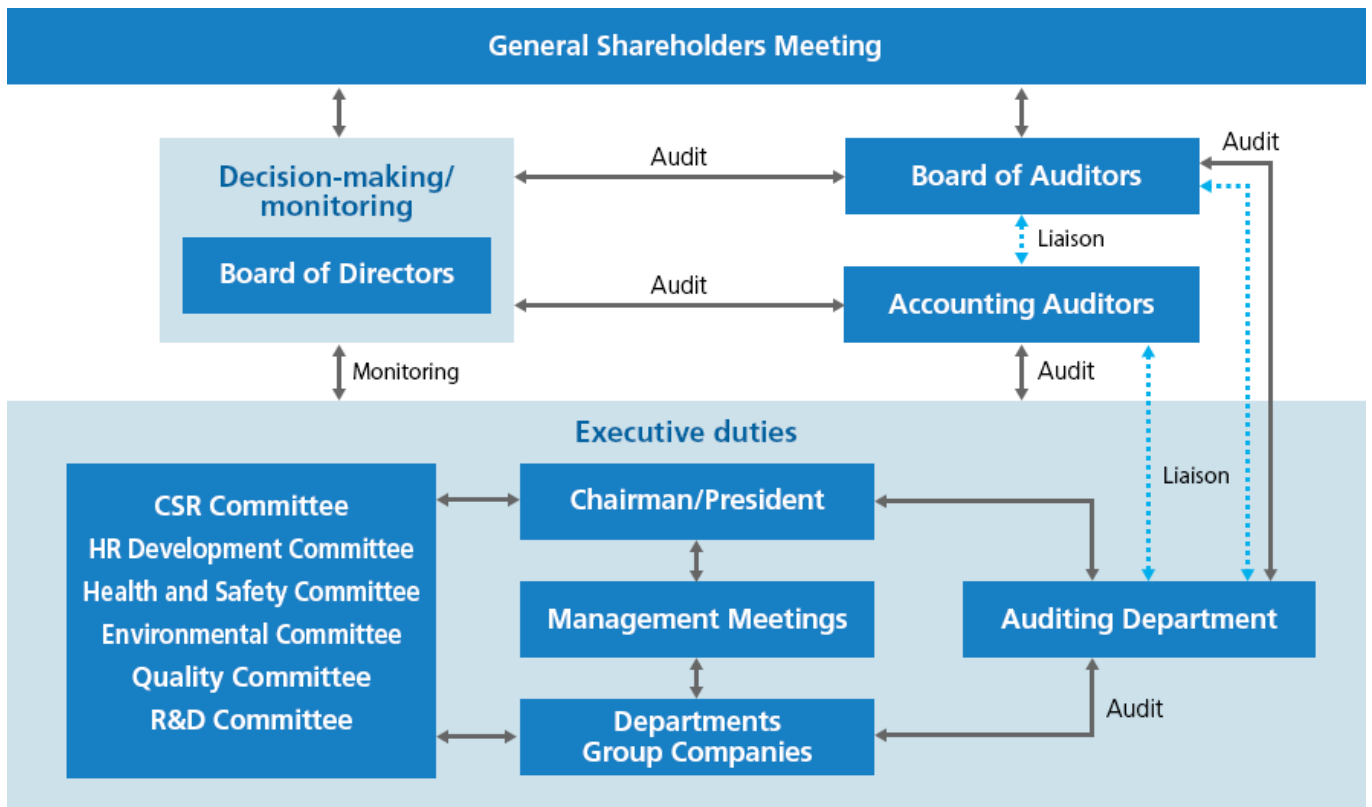
Basic Ideas on Corporate Governance

The UACJ Group believes that corporate governance is the basic framework for managing a company amid relationships with shareholders, customers, suppliers, employees, local communities, and all other stakeholders. Our duty is to benefit stakeholders by developing products, technologies, and services that are useful to society and incorporate abundant consideration for safety, and offering them to the market in an effort to continuously increase our corporate value. Toward that end, we practice robust corporate governance and, recognizing the importance of integrity and transparency in management, are committed to doing everything practical to ensure sound management oversight by strengthening Board of Directors functions, enhancing Audit & Supervisory Board functions, properly disclosing financial and management information, ensuring solid corporate ethics, and practicing painstaking compliance and risk management.

Corporate Governance System

The UACJ has adopted a new executive officer system that separates management decision making from the audit and operations functions. This new system both strengthens the Board of Directors functions and increases the speed with which we execute operations.

Corporate Governance System



Board of Directors Meetings

UACJ Board of Directors meetings, which are convened monthly, are attended by 12 Directors (including 2 outside Director) and 6 Audit & Supervisory Board Members (including 4 outside members) *, who deliberate important matters and hear reports on the status of business activities, as required by laws and ordinances, and UACJ's Articles of Incorporation and other internal rules.

There are two outside directors. One is a university professor emeritus with a wealth of academic experience, while the other also has a long and successful academic career and experience serving as a company director. Both of the outside directors serve to assure propriety in decision-making by the Board of Directors.

*Numbers of Directors and Audit & Supervisory Board Members are as of June 26, 2015.

Rationale for Selection of Outside Directors

Name	Independent Officer	Rational for Selection
Toshio Suzuki	○	<p>Toshio Suzuki is a Professor Emeritus at the University of Tokyo. He was asked to join the Board of Directors based on the judgment that his objective perspective stemming from his wealth of academic experience would enable him to properly perform the duties of an outside member.</p> <p>Judging also that Professor Suzuki is not in a position that would give rise to a conflict of interest with general shareholders, UACJ has designated him an independent officer.</p> <p>None of the descriptions provided in Rule 211.4.5 of the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange apply to Professor Suzuki.</p>
Ryoko Sugiyama	○	<p>Ryoko Sugiyama is a Professor at Tokoha University. She was asked to join the Board of Directors based on the judgment that her wealth of academic experience, and management experience as a company director, would allow her to properly perform the duties of an outside member.</p> <p>Judging also that Professor Sugiyama is not in a position that would give rise to a conflict of interest with general shareholders, UACJ has designated her an independent officer.</p> <p>None of the descriptions provided in Rule 211.4.5 of the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange apply to Professor Sugiyama.</p>

The Board of Directors and Executive Officers

At UACJ, the Board of Directors deliberates and renders decisions on important management matters, while the Executive Officers supervise and execute operations. By clearly separating these roles, we have enhanced management transparency and fairness, and created a governance system that clarifies responsibilities for individual business operations. In addition, to help ensure the proper control of operations, management meetings that are separate from the Board of Directors meetings are held on a monthly basis with participation by 10 Directors, 2 full-time Audit & Supervisory Board Members, and 18 Executive Officers (as of June 26, 2015). The purpose of these meetings is to deliberate and consider important management matters, and develop common understanding among those responsible for executing business operations.

The delegation of duties to, and areas of responsibility for, individual Directors are determined in a Board of Directors meeting following the general meeting of shareholders. Management organization rules govern the Executive Officers' execution of their responsibilities in accordance with laws and ordinances, the Articles of Incorporation, and Board of Directors resolutions.

Remuneration of Directors and Audit & Supervisory Board Members

For remuneration of UACJ Directors and Audit & Supervisory Board Members, limits were established in the June 28, 2006 regular general shareholders' meeting of the former Furukawa-Sky Corp. For Directors, it was determined that remuneration for the Directors as a group shall not exceed 450 million yen annually (not including employee salaries), while for Audit & Supervisory Board Members the upper limit on remuneration for the Audit & Supervisory Board Members as a group was set at ¥75 million annually. These limits have remained in effect even after the merger with Sumitomo Light Metal Industries, Ltd.

Amounts actually paid as remuneration to Directors are determined by Board of Directors resolutions within the overall limit approved by the shareholders. In determining amounts to be paid, a base amount is set depending on status – either full-time or part-time – and position within the company. Adjustments are then made based on performance.

Amounts paid to Audit & Supervisory Board Members as remuneration are determined via discussion by the Audit & Supervisory Board Members, within the overall limit approved in the general shareholders' meeting mentioned above.

At the UACJ Group, remuneration of Directors and Audit & Supervisory Board Members is accomplished without the use of stock options.

Audit Function

| Audit & Supervisory Board

UACJ is organized as “a company with a board of Statutory Auditors” under Japanese law. Within UACJ, the “board of Statutory Auditors” is referred to as the “Audit & Supervisory Board” and, as an independent element of the Company’s corporate governance, monitors the Directors as they perform their duties.

The Audit & Supervisory Board consists of 6 Audit & Supervisory Board Members, including 4 outside members and two members with knowledge of financial and accounting matters. Audit policies and plans are prepared by the Audit & Supervisory Board annually based on the Code of Kansayaku Auditing Standards (“Kansayaku” is the Japanese term for “corporate auditor” and means Audit & Supervisory Board Member at the UACJ Group.) and the rules governing the Audit & Supervisory Board. Each Audit & Supervisory Board Member, in accordance with the audit policies and plans determined by the Audit & Supervisory Board, is engaged primarily in monitoring the implementation and operation of internal control systems, conditions with regard to risk prevention and responses to management issues, and other matters to determine whether the Directors are properly fulfilling their duties. Audit & Supervisory Board Members also attend Board of Directors and other important meetings, and express their opinions as necessary.

As a rule, the Audit & Supervisory Board comes together in monthly meetings during which audit reports presented by the full-time members serve as a principal means for close communication, and the sharing of information and opinions among all Audit & Supervisory Board Members, including outside members.

Rationale for Selection of Outside Audit & Supervisory Board Members

Name	Independent Officer	Rational for Selection
Akari Asano	○	<p>Akari Asano has been a senior executive in charge of general affairs and performed other management roles at a manufacturing firm and within that firm's corporate group. He was asked to join the Audit & Supervisory Board based on the judgment that the knowledge and experience he has acquired throughout his career would enable him to properly perform the duties of an outside member.</p> <p>Judging also that Mr. Asano is not in a position that would give rise to a conflict of interest with general shareholders, UACJ has designated him an independent officer.</p> <p>None of the descriptions provided in Rule 211.4.5 of the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange apply to Mr. Asano.</p>
Tetsuya Sato	-	<p>Tetsuya Sato has a broad range of experience stemming from his experience as a statutory auditor at Furukawa Electric Co., Ltd. and in other senior management positions. He was asked to join the Audit & Supervisory Board based on the judgment that his wide-ranging experience would enable him to properly perform the duties of an outside member.</p>
Takashi Sone	-	<p>Takashi Sone acquired a wealth of experience and broad range of knowledge in his career at Sumitomo Corporation. He was asked to join the Audit & Supervisory Board based on the judgment that his experience and knowledge would enable him to properly perform the duties of an outside member.</p>
Atsuki Matsumura	-	<p>Atsuki Matsumura is President and Representative Director of Siltronic Japan Corporation and has previously participated in the management of Nippon Steel & Sumitomo Metal Corporation and its group companies, overseeing corporate planning. He was asked to join the Audit & Supervisory Board based on the judgment that his expertise and experience in corporate management would enable him to properly perform the duties of an outside member.</p>

| Audits by Audit & Supervisory Board Members

To help ensure the full functionality of UACJ's Audit & Supervisory Board, one employee has been assigned to assist the Audit & Supervisory Board Members with their work.

To enhance the quality of audits, audit work is performed in a three-pronged scheme consisting of audits by the Audit & Supervisory Board Members, audits by internal auditors, and audits by independent auditors. For audits by Audit & Supervisory Board Members and audits by internal auditors, on-site audit plans are developed in accordance with respective annual policies and plans. Audit & Supervisory Board Members and internal auditors freely share these plans, the results obtained, and opinions with each other. They also freely share their audit results and opinions with the independent auditors, and follow up on audit findings.

| Internal Audit System

Internal audits at the UACJ Group are performed by the 17-member (12 full-time internal auditors and 5 internal auditors with other job responsibilities as well) Internal Auditing Department, which reports directly to the chairman of the board and the president of UACJ Corporation. Internal audits are performed in accordance with annual audit policies and plans prepared based on the Internal Audit Rules. Their purpose is to objectively examine and assess the business activities of individual group companies to determine whether they are being pursued within the law, in a rational manner, and for the fulfillment of a management purpose. Audit results are reported to the chairman of the board and the president of UACJ Corporation, together with recommendations and suggestions for improvements.

Internal Controls

The UACJ Group endeavors to strengthen its internal control system to help ensure that its business activities are in line with management objectives, within the law and rational. Furthermore, as regards the status of internal controls stipulated by the Financial Instruments and Exchange Act, the Internal Auditing Department conducts tests and assessments with the aim of ensuring the reliability of financial reporting.

| Status of the Internal Control System

As described below, the UACJ Group's internal control systems (Systems for ensuring that the execution of duties by the Directors and employees of the Company and the Group complies with laws and ordinances, and the Articles of Incorporation, and for ensuring the propriety of the business activities of the corporation and of the corporate group consisting of the corporation and its subsidiaries) have been established in accordance with Japan's Companies Act and Ordinance for Enforcement of the Companies Act.

a. Systems for ensuring that the execution of duties by the Directors and employees of the Company and the Group complies with laws and ordinances, and the Articles of Incorporation

- The Company and the Group act in accordance with the management philosophy and company principles, and aim to be virtuous organizations that abide by laws and ordinances, and the Articles of Incorporation.
- Under the leadership of the CSR Committee, workshops are held, manuals are distributed, and other education steps are taken, and compliance activities, such as checks for legal and regulatory compliance, are pursued.
- An internal reporting system has been put in place to promote the early detection and correction of compliance violations.
- The Internal Auditing Department, as the internal audit unit, monitors the performance of duties in individual units, conducts audits to determine whether internal control systems are functioning effectively, and reports findings to the Board of Directors.

b. Systems for the preservation and management of information on the execution of duties by Directors

- Board of Directors meeting minutes, approval documentation, and other information on the execution of duties by Directors is prepared and retained in accordance with internal rules.
- Information is kept in a state that permits viewing by Directors and Audit & Supervisory Board Members whenever necessary.

c. Provisions and other systems addressing management of the risk of loss for the Company and the Group

- The Company and the Group, in accordance with internal rules, properly address environmental, safety and health, quality, information security, export management, and other Company or Group risks. Risks unique to particular units are managed by those units. The CSR Committee advances horizontal risk management.

d. Systems for ensuring efficient execution of duties by Directors of the Company and the Group

- Within the Company and the Group, duties are efficiently fulfilled based on measures such as the rule-based division of duties among Directors.
- Mid-term management plans and fiscal year budgets are prepared, and specific targets are established and their achievement is managed by individual units or groups.

e. Systems for ensuring the propriety of operations by the subject corporation and the corporate group consisting of it and its parent company and/or subsidiaries

- The UACJ Group has constructed and put in place an internal control system.
- The Internal Auditing Department conducts audits of operations. It then reports results to the Audit & Supervisory Board Members and Representative Director as a measure for promoting compliance throughout the Group. In addition, subsidiaries are obligated by their own internal rules to discuss important management matters with the Company. If necessary, rules concerning the management of subsidiaries will be revised to ensure the propriety of business activities carried out by the Group.

f. Matters concerning employees to be assigned to assist Audit & Supervisory Board Members at their request

- An employee has been assigned to assist the Audit & Supervisory Board Members. This employee supports the work of the Audit & Supervisory Board Members in accordance with their instructions.

g. Matters concerning the independence of the employee referred to in the previous item and the validity of instructions issued to the employee, from Directors

- The employee referred to above is an employee designated to be outside the direction and supervision of Directors, and personnel decisions concerning that employee require the prior agreement of the Audit & Supervisory Board.

h. Systems enabling Directors and employees of the Company and the Group to report concerns to Audit & Supervisory Board Members, and systems for other reports to Audit & Supervisory Board Members

- In connection with the execution of their duties, Directors, Executive Officers, and employees of the Company and the Group report to the Company's Audit & Supervisory Board Members without delay instances of significant violations of laws and ordinances, and the Articles of Incorporation; improprieties; and developments that could result in significant damage to the Company or Group.
- Directors, Executive Officers, and employees, based on the Board of Directors meeting rules and other internal rules, report or settle matters in Board of Directors meetings or other meetings at which Audit & Supervisory Board Members are in attendance.
- Subjecting Directors, Executive Officers, and employees of the Company and the Group, who have reported a matter, such as those described above, to the Company's Audit & Supervisory Board Members, to disadvantageous treatment on account of their having reported the matter is prohibited.

i. Other systems for ensuring that audits by Audit & Supervisory Board Members can be performed effectively

- The Board of Directors ensures Audit & Supervisory Board Member attendance at Board of Directors meetings, and management and other important meetings.
- The Audit & Supervisory Board Members and representative Director periodically hold meetings to exchange views.
- When the Audit & Supervisory Board Members make a request concerning the effectiveness of audits performed by the Audit & Supervisory Board Members, the Directors, Executive Officers, and heads of relevant units respond in good faith.
- Expenses covered by Article 388 of the Companies Act are handled in accordance with rules.

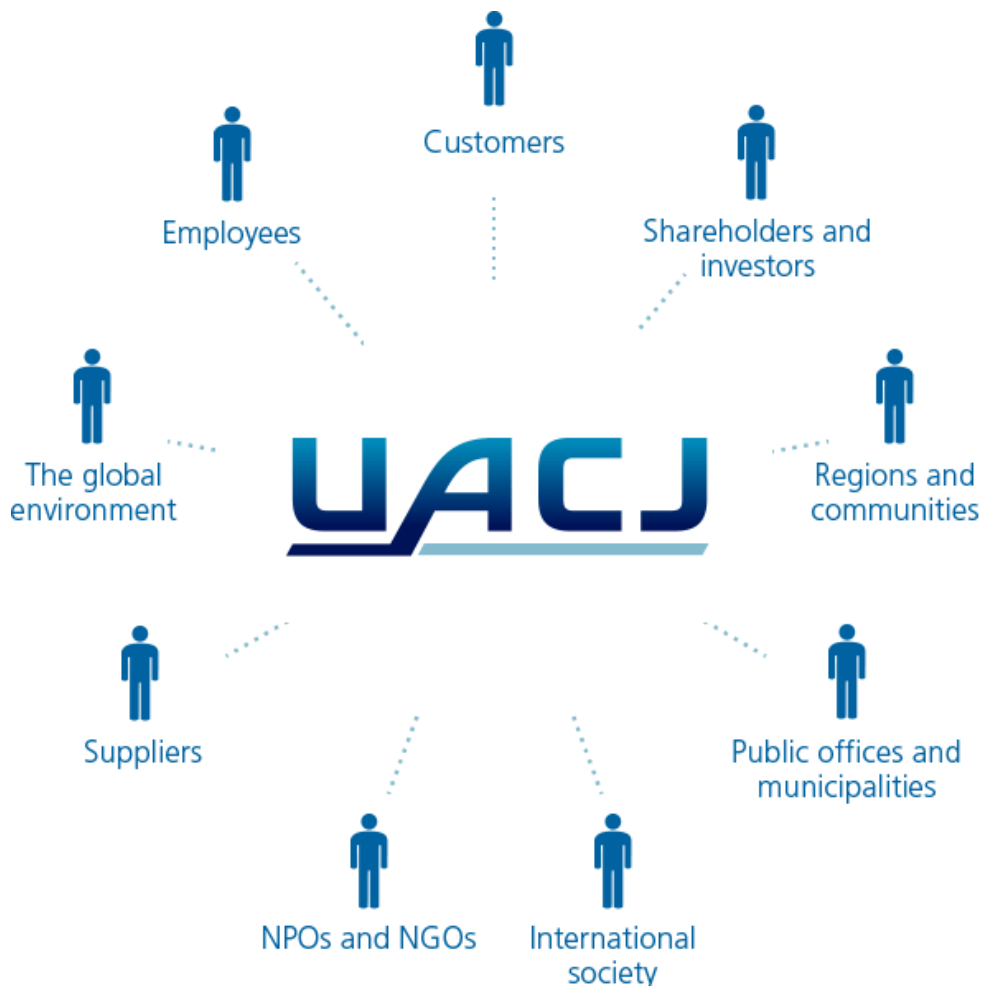
Our CSR Committee, consisting of full-time directors, works managers, the head of the Technical Development and Research Center, and relevant departments, is prepared to respond to society's wide-ranging demands.

Basic Policy on CSR

Based on the UACJ Group's management philosophy, we:

- As a member of international society, abide by the laws, and respect the cultures and customs, of countries where we engage in business,
- Contribute to the development of society through solid, sound business activities, and
- Communicate with stakeholders to earn their confidence and trust.

Relationships with Stakeholders



System for Advancing CSR

At UACJ, the CSR Committee, chaired by UACJ's president and with membership consisting of UACJ's full-time directors, works managers, the head of its Research & Development Division, and the heads of relevant departments, advances CSR activities throughout the company.

The CSR Committee meets in May of every year to deliberate policies and measures on matters concerning all aspects of CSR and risk management, and exercises supervision of every fiscal year's activities. Using case studies of compliance violations, and other tools, it also functions as a training venue for executives and managers.

Following the meeting, members of the CSR Committee share the committee's decisions with the units they oversee in an effort that disseminates this information throughout the company. Information on CSR policies and measures is disseminated to affiliates in Japan via the General Affairs Liaison Committee and other channels.

Responsibilities to and Methods for Communicating with Principal Stakeholders

	Key Responsibilities	Communication Methods
Customers	<ul style="list-style-type: none"> ▪ Maintain and improve the quality of products and services ▪ Provide products and services that are good for society ▪ Use a wide variety of technologies and expertise to solve customers' problems 	<ul style="list-style-type: none"> ▪ Dialogue in daily business dealings ▪ Website, CSR Report ▪ Dialogue through technology exhibits and trade shows ▪ Customer satisfaction surveys
Suppliers	<ul style="list-style-type: none"> ▪ Build sound relationships through fair transactions respecting laws and ordinances ▪ Fulfill CSRs throughout the supply chain 	<ul style="list-style-type: none"> ▪ Dialogue in daily business dealings
Environment	<ul style="list-style-type: none"> ▪ Reduce greenhouse gas emissions ▪ Promote energy efficiency and recycling ▪ Protect biodiversity ▪ Reduce industrial waste ▪ Manage and reduce harmful chemical substances 	<ul style="list-style-type: none"> ▪ Operate within laws and regulations ▪ Support the Kyoto Protocol on fighting global warming, the Nagoya Protocol on biodiversity, and other international agreements ▪ Support environmental activities advanced by Japan's Ministry of the Environment and others
Investors	<ul style="list-style-type: none"> ▪ Provide appropriate returns ▪ Make timely and appropriate disclosures ▪ Increase corporate value 	<ul style="list-style-type: none"> ▪ General meeting of shareholders ▪ Shareholder communications ▪ Results briefings ▪ Telephone conference ▪ One-on-one meetings ▪ Shareholder plant tours ▪ Website
Employees	<ul style="list-style-type: none"> ▪ Respect human rights ▪ Develop personnel, and provide fair evaluations and compensation ▪ Protect worker safety and health (including mental health) ▪ Support diverse working styles, and employee efforts to meet work and personal responsibilities 	<ul style="list-style-type: none"> ▪ Company newsletter and intranet ▪ CEO's inspections of individual business locations
Local Communities	<ul style="list-style-type: none"> ▪ Support sports and cultural activities, and efforts to nurture future generations ▪ Participate in and support traditional events ▪ Support and work with local and other NPOs 	<ul style="list-style-type: none"> ▪ Plant tours ▪ Local events ▪ Neighborhood clean-up and other social contribution activities by employees

Objectives

	Fiscal 2015 Objectives	Fiscal 2014 Results	Fiscal 2015 Results
Highlight Compliance	Establish Group Code of Conduct	<ul style="list-style-type: none"> Prepared and distributed in Japanese, English, Czech, Chinese, Indonesian, and Thai. Concise editions (for portability) have been distributed to UACJ and affiliate executives and employees in Japan. 	<ul style="list-style-type: none"> Prepared and distributed in Spanish and Vietnamese.
	Pledge to abide by the Group Code of Conduct	<ul style="list-style-type: none"> UACJ: All 3,074 executives and employees pledged compliance with the Group Code of Conduct to the president of UACJ. Affiliates in Japan: All executives and employees pledged compliance with the Group Code of Conduct to the president of their particular company. 	<ul style="list-style-type: none"> All executives and employees of UACJ and affiliates in Japan pledged compliance with the Group Code of Conduct to the president of their particular company.
	Formulate and implement rules for reporting compliance problems	<ul style="list-style-type: none"> Rules were implemented at UACJ and affiliates in Japan. Incident reports: 2 at UACJ, 2 at affiliates in Japan 	<ul style="list-style-type: none"> Promoted thorough understanding of reporting rules. Elimination of reporting failures
	Raise awareness of and enhance the internal reporting system	<ul style="list-style-type: none"> Completed establishment of reporting channels for UACJ and affiliates in Japan (24 companies in the previous year). Anonymous Reporting Board implemented at UACJ and 31 affiliates in Japan (0 in the previous year). 	<ul style="list-style-type: none"> Promoted awareness and understanding of the reporting system. Further enhanced the credibility of the reporting system.

	Hold workshops on the Antimonopoly Law and Subcontract Act	<ul style="list-style-type: none"> ▪ Seminars on the Antimonopoly Law: Held at UACJ and 3 branch offices ▪ Seminars on the Subcontract Act, Held at the Fukaya Works 	<ul style="list-style-type: none"> ▪ Held seminars on the Antimonopoly Law and the Subcontract Act.
Promote Risk Management	Conduct Group-wide risk management activities	<ul style="list-style-type: none"> ▪ Initiated activities at the department level. 	<ul style="list-style-type: none"> ▪ Implemented twice-yearly follow-ups for department-level activities.
	Implementation of employee safety confirmation systems and installation of emergency communications equipment throughout the Group	<ul style="list-style-type: none"> ▪ Prepared disaster preparedness management regulations and a disaster preparedness manual for UACJ. ▪ Began to prepare a series of manuals on topics such as assistance for stranded individuals. 	<ul style="list-style-type: none"> ▪ Prepared various types of manuals. ▪ Revised the BCP.
	Revise the BCP and prepare rules and manuals	<ul style="list-style-type: none"> ▪ Implemented at UACJ and 29 affiliates in Japan. 	<ul style="list-style-type: none"> ▪ Implemented at the four Japanese affiliates where the systems were yet to be installed.
	Establish an emergency contact system and install an emergency communications system	<ul style="list-style-type: none"> ▪ Established an emergency contact system. ▪ Installed commercial radio systems in 19 locations, at UACJ and 12 affiliates in Japan. 	<ul style="list-style-type: none"> ▪ Installed commercial radio systems at Japanese affiliates where they were yet to be installed. ▪ Continue to examine and consider options for emergency communications systems.
	Conduct training for setting up a disaster-response headquarters and responding to a disaster	<ul style="list-style-type: none"> ▪ Conducted training for the set-up of a disaster-response headquarters. ▪ Conducted disaster-response training at UACJ headquarters and individual works. 	<ul style="list-style-type: none"> ▪ Implemented a more advanced training curriculum.

Viewing thorough compliance as the foundation of ongoing existence for a company, we are working to advance understanding of compliance within the Group.

Group Code of Conduct

Based on the Group's management philosophy and company principles, the Group Code of Conduct was established in June 2014 to set forth standards that all Group executives and employees must abide by if the UACJ Group is to be able to move forward as a corporate group that garners even greater trust by society.

The Group Code of Conduct was created in Japanese and preparation of versions in the official languages of the locales of overseas affiliates is moving forward. English, Chinese, Czech, Indonesian, and Thai versions were issued in fiscal 2014. Spanish and Vietnamese versions are scheduled for completion in fiscal 2015. The Group Code of Conduct is available online in the various languages in which it has been completed.

Compliance Education

As part of its compliance education endeavors, the UACJ Group has distributed copies of the Group Code of Conduct to all executives and employees (in the relevant language version), and conducts training to promote understanding of its content. In fiscal 2014, concise versions of the Group Code of Conduct were distributed to all executives and employees of UACJ Corporation and UACJ affiliates in Japan. Workshops for promoting understanding of the Group Code of Conduct were held at the department and section levels. Afterward all executives and employees were asked to pledge to the president of their company that they would uphold the Group Code of Conduct.

Instruction on compliance in general is provided in job-level training and separately arranged training on legal and regulatory matters. In fiscal 2014, 16 workshops were held on Japan's Antimonopoly Act, 1 on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (the Subcontract Act), and 7 on the topic of insider trading. Through regular, ongoing measures such as these, UACJ Group strives to ensure sound compliance awareness and understanding of legal provisions throughout its organization.

Internal Reporting System (Corporate Ethics Consultation System)

The UACJ Group operates an internal reporting system (Corporate Ethics Consultation Hotline) the purpose of which is to prevent compliance problems altogether, or discover them early on and swiftly resolve them. This system has internal and external channels that employees can access anonymously. Measures are in place to receive contacts by telephone, postal mail, e-mail, and other means as well. The Anonymous Reporting Board^{*1} is another reporting function that we have established to make it easier for employees to report activity they believe or suspect constitutes a compliance violation. The administrative section of the consultation hotline oversees and appropriately handles all reports of questionable activity from the selection of a unit to investigate the report, to implementation of a formal response. At the same time, it makes clear to relevant employees that the reporting employee and those who cooperate with the investigation are not to suffer any negative consequences from the mere reporting of suspicious activity or cooperation with the investigation. Furthermore, actions are taken to thoroughly protect the reporting and cooperating employees by, for example, confirming that they actually have not been subjected to negative consequences for their actions.

^{*1} The Anonymous Reporting Board is a system that allows an employee to engage in a dialog anonymously with hotline personnel. The receipt of a report anonymously can make it impossible to adequately investigate the report or provide investigation results and information on problem solutions back to the reporting employee. The UACJ Group has adopted the Anonymous Reporting Board to alleviate such problems.

| Hotline Reports Received and Status of Responses

In fiscal 2014, UACJ Corporation received three reports via the Corporate Ethics Consultation Hotline, while affiliates in Japan received a total of five. Reports from employees willing to provide their names were properly handled, and investigation results and information on corrective measures were provided to the reporting employees.

Reports from employees wishing to remain anonymous were investigated to the extent possible. Those engaging in the improper activity identified were instructed on proper approaches and cautioned regarding their conduct going forward.

Reports received by affiliates were properly responded to by the relevant company, with investigative and other types of assistance from UACJ Corporation, as needed.

Strict Compliance with the Antimonopoly Act and Protection of Free Competition

To promote fair, transparent, and free competition, and engagement in legitimate business transactions, the UACJ Group operates in strict compliance with the Antimonopoly Law. More specifically, the Group raised internal awareness of key points by providing detailed explanations of them in attorney-led presentations to all executives, the heads of all sales departments, heads of branch offices, and presidents of principal affiliates in Japan. Relevant points for sales employees at UACJ and affiliates in Japan were covered in workshops. Furthermore, to raise internal awareness of the need to avoid activity that may invite suspicions of cartel-like behavior, we have established a set of guidelines addressing matters prohibited as cartel-like behavior and points to be mindful of when coming into contact with people affiliated with a competing company. In fiscal 2014, we experienced no violations of either Japan's Antimonopoly Act or the antimonopoly laws of other countries.

Rejection of Relationships with Antisocial Forces

In its company principles, the UACJ Group requires the strict rejection of relationships with antisocial forces and organizations. Furthermore, through our Group Code of Conduct, we strongly emphasize to all executives and employees that they are not to bend to inappropriate demands by antisocial forces, must remain resolute throughout, and must never engage in any relationship with antisocial forces.

UACJ, in accordance with its internal rules, decides whether to move forward with a donation or membership process only after confirming that potential donation recipients and organizations the Company may become a part of have no connection to antisocial forces.

We are building a comprehensive management system to prevent the realization of all manner of risks.

Risk Management System

At UACJ, risk is managed across the company by having individual departments manage risks that could be realized in their operations. Each department's risks and responses thereto are summarized in a risk management table, which is revised semiannually to update risk responses.

BCP (Business Continuity Plan)

UACJ is working to develop a business continuity plan (BCP) that would allow it to continue to provide important products and services, or enable the rapid restoration of these activities, in the event of a major earthquake, widespread emergence of infectious disease, or other emergency situation.

| Response System for Major Earthquakes and Other Disasters

In preparation for an earthquake, fire, or other such disaster, UACJ has built a response system that provides for the safety of employees, minimizes damage by preventing secondary disasters, and speeds recovery.

At a more specific level, we have established an emergency contact network and safety confirmation system for determining the condition of employees following a disaster, and equipped business locations with commercial radio equipment that will allow us to assess the condition of damaged facilities, swiftly assemble key personnel, and undertake rescue and support efforts even if telephone networks become unusable.

In fiscal 2014, we installed a safety confirmation system at UACJ and 28 affiliates in Japan. Work will continue in fiscal 2015 to install the system at affiliates yet to receive it.

A commercial radio system for use in times of emergency has been installed at nine UACJ business locations and 28 business locations belonging to one of 13 affiliates in Japan.

To ensure that we can mount a rapid, accurate response should an emergency occur, we regularly hold training and engage in other forms of preparation at individual business locations and among multiple

business locations.

At UACJ's headquarters, we conducted disaster-response headquarters set-up training for the first time since the creation of UACJ in July 2014. Participants included headquarters executives from the chairman and president down and all headquarters employees. This training provided a hands-on understanding of the basics of setting up and operating a disaster-response headquarters, from the time a major earthquake strikes, to the dismantling of the disaster-response headquarters when it is no longer needed. It also provided an opportunity to run through basic in-house firefighting training.

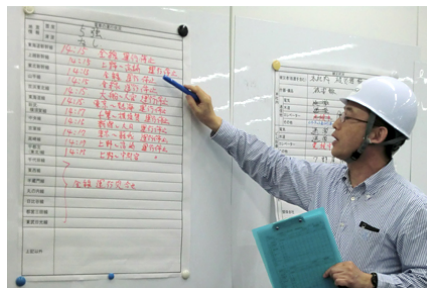
Disaster response initiatives tailored to circumstances at individual business locations are also being taken. Our headquarters, for example, acting in accordance with a Tokyo Metropolitan Government ordinance, has developed plans to keep employees in the building (and not send them home immediately) following a major earthquake.

To accommodate employees under such circumstances for up to three days, drinking water, food, and other supplies are being stored at our headquarters building.

The Nagoya Works, meanwhile, lying in an area specifically addressed by the Large-Scale Earthquake Countermeasures Law, has taken steps such as seismically reinforcing the works' main structure, securing evacuation routes, installing early warning devices, and setting aside disaster supplies. At the same time, it has prepared an earthquake preparedness manual, which serves as the basis for annual comprehensive preparedness training for a possible earthquake and tsunami.



Training for the set-up of a disaster-response headquarters at UACJ's headquarters



Basic Policies on Quality

1. We will advance technical development, quality improvement, and frontline response capabilities to provide products that offer high quality and outstanding reliability and satisfy customers.
2. We will continuously improve our ability to meet demands and enhance the effectiveness of our quality management system.
3. We will carefully consider the quality objectives we have established and results we have obtained, and allocate management resources as needed.
4. We will undertake quality improvement activities with participation by all Group members to ensure that all employees understand our policies on quality.

| Quality Management System

The UACJ Group has established its Quality Committee, chaired by the Executive in Charge of Quality, as the highest organ for advancing quality management throughout the UACJ Group. As such, it discusses and reports on the status of quality, significant problems, and other quality-related matters of importance for the Group.

Quality control groups have been established for each of the Group's businesses – flat rolled products, extrusion, foil, casting and forging, copper tubing, and precision-machined components. These individual quality control groups work together with the Engineering and Maintenance Department and the leaders of organizational units, as they pursue quality management activities. The UACJ Group's quality management activities are implemented in accordance with the Basic Principles on Quality and the Annual Quality Management Direction laying out objectives for the year.

| Quality Improvement Activities

A uniform quality management policy has been established for the entire UACJ Group. With fiscal 2014 quality objectives established under the slogan – Aim for World-Leading Quality with Stronger Frontline Capabilities of the New UACJ Group - a clear set of key issues was determined and measures for improving quality were undertaken.

Fiscal 2014 Quality Objectives

1. Zero major quality problems (quality anomalies)
2. 10% or greater year-on-year improvements in numbers of complaints, both those involving claims for damages those that do not.

The UACJ Group also took action on the following key issues.

Key Objectives

- Early realization of synergies in technical, development, and quality management capabilities
- Thorough-going essential improvements to enhance abilities to prevent problems from occurring or recurring
- Proactively addressing customer needs
- Development of personnel responsible for improving quality and elevation of frontline capabilities

Despite that we came up short in achieving objectives with regard to major quality problems and complaints (both those involving claims for damages and those that did not), our concerted efforts still resulted in major improvements compared to the fiscal 2013 results for the UACJ Group.

Working from these achievements, and under the slogan – Strengthen our foundations of quality to create a leading corporate group with world-class competitiveness – we will carry our fiscal 2014 quality objectives forward to fiscal 2015 and highlight key objectives reflecting our vision of the future, as we strive to achieve even higher levels of quality.

Fiscal 2015 Quality Objectives

1. Zero major quality problems (quality anomalies)
2. 10% or greater year-on-year improvements in numbers of complaints, both those involving claims for damages those that do not.

The UACJ Group will also take action on the following key issues.

Key Objectives

- Identify the fundamental causes of quality problems, take corrective measures, and prevent recurrences through SDCA (Standardize-Do-Check-Action) practices.
- Identify customer needs and increase customer satisfaction by responding to them swiftly.
- Develop human resources whose primary job is to manage quality.
- Promote quality management for the smooth transfer of control of products.

Obtaining International Certifications for Quality Management Systems

The UACJ Group practices quality management in accordance with the international quality management system certifications obtained by individual member companies. Nearly all affiliates have obtained these certifications. For the few that have not, the Engineering and Maintenance Department provides support enabling the management of quality in accordance with international certification requirements.

Measures to Improve Customer Satisfaction

In both its management philosophy and basic policies on quality, the UACJ Group states that it will strive “to offer products and services deserving of our customers’ satisfaction and trust.”

At a practical level, this means that we emphasize communication with customers and regularly conduct customer satisfaction surveys. These surveys cover a broad range of topics, including product quality, packaging and shipment, quality control, technical development, delivery timing, and sales activities. Based on close examination and analysis of the customer feedback we receive through these surveys, we then work to maximize customer satisfaction by reflecting what we learn in improvement activities, and incorporating customer input, in product development and every other place that could benefit as a result.

Customer feedback is also be gained through events we organize to communicate directly with customers and is used to improve quality, delivery times, and product development.

| Addressing Complaints

For fiscal 2014, our objectives in addressing customer complaints were: “Zero major quality problems (quality anomalies),” “10% or greater year-on-year improvements in numbers of complaints, both those involving claims for damages and those that do not.” In fiscal 2015, our efforts to achieve these objectives will continue.

Regarding major quality problems, we have created uniform decision criteria for the entire Group, share information throughout the Group, and are working to prevent recurrences of problems experienced in the past. The UACJ Group has never been prohibited from selling a product or had one of its products become the center of a dispute because of a major quality problem.

| Responding to Customer Questions

On its website, the UACJ Group has created a page where customers can submit questions on matters such as orders for aluminum materials and technical issues concerning applications, and ask for prepared information. Regardless of the nature of the inquiry, we make a point of providing customers with swift, accurate responses.

The number of questions we receive has been averaging about 200 per year over the past several years, with 20-30% coming from overseas. Going forward, we intend to further deepen our interaction with customers and reflect what we learn in the development of new products and other activities, as well.

Awards Received from Customers

Date	Sponsor	Recipient	Award	Notes
November 2014	Osaka Gas Co., Ltd.	UACJ Copper Tube Corporation	Award for Outstanding Quality	9 th consecutive year received for quality of underfloor heating panels
February 2015	Toyota Motor Corporation	UACJ	The “Superior” Value Improvement Award for cost-competitive products Letter of appreciation for the proactive approach to quality management activities	
April 2015	Fuji Xerox Co., Ltd.	UACJ Extrusion Corporation, UACJ Trading Corporation	Premier Partner	3rd consecutive year
May 2015	Toyota Motor Kyushu, Inc.	UACJ	Lexus Silver Award	For achievement of quality targets for aluminum to be used in automobile body sheets

Dissemination of Information on New Products and Technologies

Publication of a Technology and Research Journal

The inaugural edition of UACJ Technical Reports, a publication born of the combination of Furukawa-Sky Review and Sumitomo Light Metal Technical Reports, was issued in March 2015.

The first edition provides readers with reports on basic and applied research, technical outlooks, explanations of technologies, and product introductions. It also includes content such as a technical column that enlisted the 2013 hit anime, *The Wind Rises*, to unravel the history of duralumin.

UACJ Technical Reports is an annual publication that will be instrumental in providing information on UACJ Group research results, and new products and technologies.

Fair Transactions

The UACJ Group's basic policy on procurement rests on the principle of free competition and calls for us to engage in fair, transparent, and proper procurement activities. To adapt our procurement activities to changes in economic and social conditions, we revise the composition of procurement items, procurement methods, and procurement conditions, as needed, and make other changes as well.

We look beyond past performance in choosing who we do business with and are open to dealing with domestic and overseas suppliers that meet price, quality, delivery time, stable supply capability, reliability, environmental, and other requirements. Products with new functions and functions that offer improved performance are of particular interest and we actively include them in our scope of purchases.

| Compliance in Procurement Activities

The UACJ Group takes steps to promote strict compliance in procurement activities.

Regular workshops are held on matters concerning Japan's Subcontract Act. In fiscal 2014, a workshop held at the Fukaya Works was attended by 40 people working in purchasing at the works, either as employees of UACJ or affiliates. Plans are in place to hold more such workshops at other works going forward.

Other procurement compliance initiatives include participation in external workshops by headquarters and works employees in charge of purchasing.

In fiscal 2014 five employees of the headquarters procurement department participated in an external workshop sponsored by the Fair Trade Commission, among others.

| CSR Procurement Initiatives

The UACJ Group believes it is important to consider the needs of society and the environment not only within the Group but throughout the supply chain. We, therefore, ask that our suppliers work with us based on a thorough understanding of our position on CSR procurement.

| Environmentally Conscious Procurement

The UACJ Group's Purchasing Department works with manufacturing and other user departments to obtain environmentally conscious raw materials, indirect materials, office supplies, and services wherever practical.

Regarding raw materials and indirect materials, in particular, efforts to procure alternatives with the least environmental impact include requests to suppliers to perform surveys to identify the presence of designated chemical substances and provide certifications that designated chemical substances have not been used. When there are no options free of these substances, attention focuses on using those with the lowest amounts. Efforts to ensure that our procurement activities are as environmentally conscious as possible also extend to areas like packaging, where we encourage suppliers to be efficient in their use of packaging materials.

For office products, the department is taking steps such as shifting to products that comply with Japan's Law on Promoting Green Purchasing.



/ Relationship with Investors

To further solidify the trust investors place in us, we proactively disclose information, engage in dialogue, and pursue IR activities on a global scale.

Communication with Investors

At UACJ, forthright information disclosure and interactive communication are key to our efforts to meet investor expectations.

Appropriate disclosure and communication activities promote investor understanding of the UACJ Group, and help us to build and maintain enduring relationships based on trust.

In fiscal 2014, we held telephone conferences for analysts and institutional investors following the first- and third-quarter results announcements, and results briefings following the second- and fourth-quarter results announcements. In December 2014, we announced our Global Step I mid-term management plan, covering fiscal years 2015 to 2017, and held a briefing for analysts and institutional investors.

In November 2014, we conducted a tour of the Nagoya Works, providing 40 shareholders, selected randomly from a pool of 660 applicants, with a chance to observe production processes and technical facilities, and, thereby, deepen their understanding of the UACJ Group and the aluminum itself, as a material.

At the international level, our executive in charge of IR conducted face-to-face meetings with institutional investors. Intended to give investors a better, more direct sense of who we are, these meetings were held in Hong Kong, Singapore, the U.S. (New York and Boston), and the U.K. (London and Edinburgh).

All of our IR activities also function as a way for us to hear the opinions of investors and we incorporate what we learn into our activities and operations. Enhancing our corporate value as we build on communications between investors and the UACJ Group is our objective moving forward.

| Providing Information through Various IR Tools

The UACJ Group issues shareholder communications twice a year to both shareholders and other investors. In addition, UACJ has devoted a section of its website to the provision of IR information in an effort to bring greater speed and fairness to our information disclosures.

Dividend Policy

UACJ views dividends as an important avenue for paying returns to shareholders. Our decisions on dividend payments are guided by our basic policy of making stable, ongoing payouts, and are shaped by factors such as our performance trends, and the needs to enhance our corporate value through investments, secure R&D capital to boost competitiveness, and ensure financial soundness.

For the fiscal year ended March 2015, we paid total dividends of 6 yen per share.

/ Relationship with Local Communities

The UACJ Group, going beyond contributing to society as a good corporate citizen, engages in various activities to develop and grow together with local communities as a corporate group that is trusted and relied upon by society.

Environmental Protection and Neighborhood Cleanups

The UACJ Group, in its pursuit of CSR activities rooted in local communities, actively participates in the beautification activities of local governments and cleans areas adjacent to its plants.

| Nagoya Works

The Nagoya Works contributes to community beautification efforts by conducting cleanups of the area surrounding its site. Roughly 60 employees, consisting mainly of supervisors, participate in each of these semiannual (April and September) events.

| Fukui Works

The Fukui Works participates in environmental beautification activities promoted by Fukui Prefecture, and performs cleanup activities in areas next to its facility.

In fiscal 2014, these cleanup activities were held on four occasions – in June, September, December, and March – with a total of 300 participants. Held every year, they have now become regular events for the community surrounding the works.

| Fukaya Works

The Fukaya Works cooperates in cleanup activities sponsored by Fukaya City in May and November of every year by conducting cleanup activities in the surrounding community. In fiscal 2014, a total of 71 employees, including personnel from affiliates and Thai interns, conducted a cleanup along the Maenogawa River, along the west side of the works property, in May. Inclement weather caused the cancellation of the November event.



Cleaning up along the Maenogawa River in connection with Fukaya City's cleanup campaign

Nikko Works

The Nikko Works performs cleanup activities in the area adjacent to its facility. Thirty employees from indirect departments and cooperating companies participated in the activity held in June – Environment Month - of fiscal 2014.



Cleaning up near the Nikko works

UACJ Copper Tube Corporation

UACJ Copper Tube holds cleanup activities in the areas around its facilities, as part of Toyokawa City's Cleanup Day, an event held twice each year in accordance with the city's ordinance on littering and cleaning up after pets.

A total of 30 people from UACJ Copper Tube and UACJ Copper Tube Packaging participated on each occasion. A total of 16.6kg of waste (including 5.3kg of non-burnable and 11.3kg of burnable waste) was collected for the May 2014 event, while a total of 13.8kg (including 8.5kg of non-burnable and 5.3kg of burnable waste) was collected for the September 2014 event.

UACJ Extrusion Oyama Corporation and UACJ Foundry & Forging Corporation

Every four months, around 30 employees of UACJ Extrusion Oyama Corporation and UACJ Foundry & Forging come together to clean the approximate 2.5km footpath that surrounds the plant. They have also continuously participated in cleanup activities sponsored by Oyama City.

In fiscal 2014, a total of 40 employees participated in the cleanup of the Watarase Yusuichi recreation area, the cleanup following the Oyama fireworks event, and the Furusato cleanup event in Omoigawa. These annual events take place in April, July, and October, respectively.

UACJ Extrusion Gunma Corporation

UACJ Extrusion Gunma Corporation conducts quarterly cleanup activities around its plant. In these activities, employees collect garbage discarded on the public roads and in waterways near the plant.



Cleaning up around the facilities of UACJ Extrusion Gunma Corporation

UACJ Extrusion Shiga Corporation

Five UACJ Extrusion Shiga Corporation employees participated in a May 2014 fishing tournament held to remove invasive species that are destroying the ecosystem of Lake Biwa. Through their participation, these employees gained greater awareness of the need to protect Lake Biwa's ecosystem.



Fishing Tournament to Remove Invasive Species from Lake Biwa

UACJ Extrusion Shiga Corporation employees also participated in an environmental beautification activity - the Lake Biwa Clean Campaign - held in September 2014. At this annual event, ten employees collected litter and empty cans in areas surrounding the lake.



UACJ Extrusion Shiga Corporation employees participating in the Lake Biwa Clean Campaign

Nalco Iwai Co., Ltd., Narita Works

In May of every year, the Narita Works of Nalco Iwai Co., Ltd. joins in industrial park cleanup activities it co-sponsors with Narita City.

SK Corporation, Anjo Works

The Anjo Works of SK Corporation conducts cleanup operations of the areas surrounding its facilities at the end of every month.

Approximately 15 employees, comprised mainly of office staff, participate in these activities.



Cleaning up around the Anjo Works of SK Corporation

UACJ Foil Corporation, Nogi Works

In June of every year, the Nogi Works of UACJ Foil Corporation cleans the roughly 2km walking path between the works and Nogi Station, helping to beautify the area in the process. In June 2014, 12 volunteers including employees of the Nogi Works and business partners with staff on site joined in this event.

| Nikkin Co., Ltd., Saitama Plant

Every year, the Saitama Plant of Nikkin Co., Ltd. helps to install lanterns for the cherry blossom festival sponsored by the Kiyoku Industrial Park in March, joins in cleanup activities in May and November, and helps to set up and manage the Noryo Fireworks Festival in July.

| Sansen Co., Ltd.

On the second Friday of every month, Sansen Co., Ltd. conducts cleanup activities in the areas surrounding the Nagoya Works of UACJ Corporation. These activities focus on locations such as the area surrounding a local junior high school and typically draw participation by about ten employees.

Support for Education and Research

The UACJ Group provides support for university and other research institutions, and for community-based cultural and arts activities. We also participate in the Japanese Ministry of Economy, Trade and Industry's commissioned research, are moving forward with the development of a joint industrial-government-academia development program for young engineers and university students, act as a corporate practical training venue for the Super Science High School, support training activities sponsored by the Japan International Cooperation Agency, and support education and training inside and outside Japan in other ways as well.

| Internship System

The UACJ offers internships to 10-15 university (including graduate school) and technical college students every year. Participants are given a chance to experience actual operations in R&D and production technology departments, and in so doing gain a better understanding of the value of study and research in an academic environment and what it means to work at a company and in society.

| Fukui Works

To help local residents deepen their understanding of the UACJ Group's business activities, the Fukui Works conducts plant tours. In fiscal 2014, 282 residents, including elementary school students, came to the Fukui Works in eight separate groups and observed manufacturing processes, environmental protection measures, as well as other aspects of the plant. Continuing from the previous fiscal year, junior high school students who visited the works in October 2014, were provided with information on building careers and lives to encourage them to think about their futures and the work they would like to do.

| Fukaya Works

As part of the Super Science High School (SSH) project Japan's Ministry of Education, Culture, Sports, Science and Technology is conducting to develop people who can work in science and technology internationally in the future, the Fukaya Works has been holding plant tours since 2013. In July 2014, 23 students from Kumagaya Girls Upper Secondary School participated in the tour.

That the tour was valuable for the students was revealed in comments on the fascination of being able to see up close how aluminum foil and aluminum cans – common items in daily life - are made, and surprise at hearing about the ways in which aluminum is a better material than iron. One student was so excited about the prospect of substantial untapped applications for aluminum that she now wants to participate in their research.

| UACJ Extrusion Oyama Corporation

UACJ Extrusion Oyama Corporation welcomes local junior and senior high school students for workplace tours every year. Comments reflecting surprise at the quantity and size of equipment in the plant and recognition of the importance of workers simply greeting each other show that observing plant operations has impressed students in various ways.

| UACJ Copper Tube Corporation

Every year, UACJ Copper Tube Corporation accepts interns from a local high school.

In fiscal 2014, two students from Toyokawa Technical High School were welcomed for three days, October 28-30. During the program, the students were allowed to engage in primary and secondary tasks in the production and technology departments to experience the process of working to achieve particular objectives. It is hoped that this experience will help the students to develop a deeper appreciation for the meaning of studying at school and working at a company and in society.

| Nalco Iwai Co., Ltd., Shiga Works

The Shiga Works of Nalco Iwai Co., Ltd. participates in a program in which public school teachers undergo training at private sector companies. Over the past 15 years, it has regularly welcomed teachers into its facilities, and conducted training for 15 teachers in total. From May through July of fiscal 2014, a teacher from a local elementary school participated in assembly, packaging, and other types of work together with employees in the craft and manufacturing area of the Shiga Works.

Disaster Response Support for Communities

| Nagoya Works

Supporting the City of Nagoya's aims under its program for making the city more resilient against natural disasters, the Nagoya Works has signed a memorandum of understanding with a local committee working to prepare the Nakagawa school district for natural disasters. The agreement is for the provision of materials and equipment for responses to large-scale disasters. By entering into this relationship, the works is cooperating with the City of Nagoya's efforts to have communities and companies work together to improve their area's ability to deal with major disasters.

The Nagoya Works also signed an October 2012 memorandum of understanding in which it has agreed to make its unmarried employees' dormitory available free of charge as an evacuation site for students of a nearby school for disabled children when a tsunami warning is issued. The Nagoya Works also continues to conduct tsunami evacuation drills with the school. The third annual drill was held in October 2013 with participation by roughly 400 people from both the Nagoya Works and the school.

| UACJ Copper Tube Corporation

In an effort to support local disaster preparedness, UACJ Copper Tube Corporation entered into an agreement for firefighting and disaster response support with Toyokawa City in March 2013.

Other Forms of Communication

| Fukui Works

Cooperating with Sakai City's efforts to make itself more livable for people with disabilities, the Fukui Works began in fiscal 2008 to make donations of 9 million yen in five-year cycles, providing equipment for schools for special needs children and other social welfare facilities, as well.

The works' donation for the fiscal 2012-2016 period has been used for purposes such as the purchase of a bus for the Reihoku School for Children with Special Needs and installation of audio guidance systems for the visually impaired in five of the city's multipurpose toilets.

Fukaya Works

Since 2007, the Fukaya Works has been making contributions to programs that assist disabled people.

This effort began when the Fukayashi Furukawa-Sky Shogai Fukushi Kikin (now the Fukayashi UACJ Shogai Fukushi Kikin) was established following the 2007 passage of a Fukaya City ordinance. Six affiliates in the Fukaya region (ACE21, UACJ Logistics Corporation, Nikkei Kakoh Co., Ltd., UACJ Fukaya Service Corporation, UACJ System Corporation, and UACJ Green-net Corporation) now contribute a total of two million yen to the fund every year to promote projects for the benefit of disabled people in Fukaya City.

Nagoya Works, UACJ Copper Tube Corporation

The Nagoya Works holds the Inari Festival, which begins with a dedication ceremony at Inari Shrine, located on the grounds of the works, in April of every year, and UACJ Copper Tube Corporation holds its Summer Festival in August. Both of these festivals are attended by large numbers of local residents and are, therefore, good opportunities for deepening communication with local communities. The Nagoya Works and UACJ Copper Tube Corporation also actively co-sponsor and participate in festivals, sports, and other events held by local school districts.



Summer Festival (UACJ Copper Tube Corporation)

UACJ Copper Tube Corporation

As part of its efforts to support people with learning disabilities, UACJ Copper Tube Corporation began in April 2013 to allowsmile, an organization supporting people with learning difficulties, to sell its baked goods within the company every Wednesday, excluding holidays. The popularity of these items means it takes only about 15 minutes for the organization to sell all 150 items it brings.

The company also outsources the sorting of waste items to Smile and Kusei no Hana, another organization supporting disabled people.

UACJ Extrusion Oyama Corporation, UACJ Foundry & Forging Corporation

At UACJ Extrusion Oyama Corporation, employees, mostly younger ones, participate in the Mikoshi Neriaruki parade that is the highlight of every July's Oyama Summer Festival Opening Carnival.

Donations and other forms of support are provided on an ongoing basis to Tochigiken Bohan Kyokai (crime-prevention organization), Oyamashi Shakai Fukushi Kyokai (social welfare organization), and other charitable organizations.

Relationships with Employees

Respect for Human Rights

Among its provisions, the UACJ Group's Code of Conduct calls for respect for human rights, prohibition of harassment, prohibition of the use of child labor and forced labor, and respect for basic labor rights. Understanding of these points is emphasized in job-level education, intra-departmental education focusing on the Code of Conduct, and in other settings, as well.

Promoting Diversity

Diversity in Employment

The UACJ Group actively maintains a diverse work force to support its business endeavors in new fields and in the global arena. In fiscal 2014, our hiring of new graduates included 18 people (16 men and 2 women) for staff positions, and 21 (21 men) for skilled labor positions. We are also actively hiring people from other countries, and have brought six on board since fiscal 2011.

Creating Workplaces where Women Can Thrive

The UACJ Group is taking steps to expand employment opportunities for women. In fiscal 2014, we hired 18 career-track employees, including 2 women. We are also working to promote women into management positions, and, as of the end of fiscal 2014, there were 70* female managers at the UACJ Group as a whole. Furthermore, in response to provisions, such as those of Japan's Law for Measures to Support the Development of the Next Generation, we are striving to create workplaces that allow employees to fulfill both work and child-care responsibilities.

* Includes affiliates that are not consolidated subsidiaries.

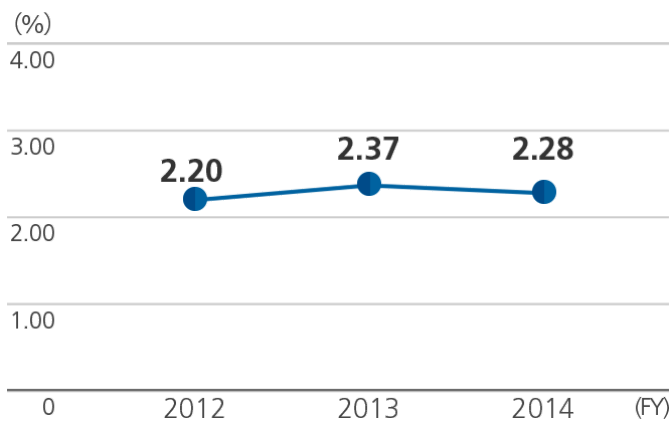
Initiatives for Employing People with Disabilities

UACJ's policy on employing people with disabilities is to achieve the legally mandated workforce percentage, and do so via UACJ Green-net Corporation, a company recognized as a special subsidiary under Japan's Act for Promotion of Employment of Persons with Disabilities. To expand work opportunities for people with disabilities, the UACJ Green-net Nagoya Office was established in April 2015.

As of June 1, 2015, people with disabilities comprised 2.33%* of UACJ's workforce, more than the legally mandated 2.0%.

* Calculation of this rate is based on employment data for UACJ, UACJ Foil Corporation (a UACJ subsidiary), and UACJ Green-net Corporation.

Employment Rate for People with Disabilities



* Figures for fiscal 2012 are sums for Furukawa-Sky and Sumitomo Light Metal Industries, which later merged to form UACJ. Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

Personnel Development Initiatives

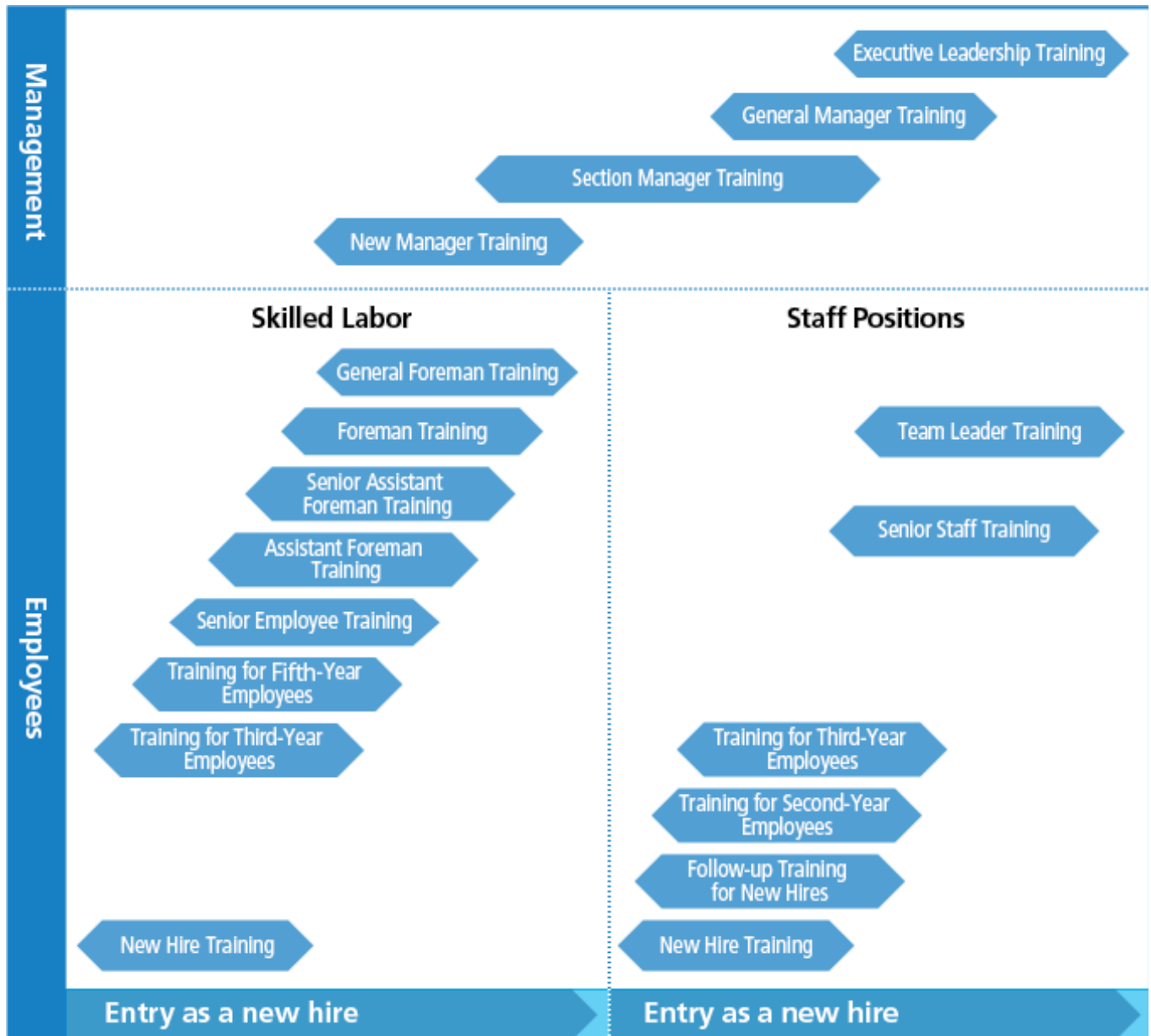
The UACJ Group sees people who understand our management philosophy and company principles, and act accordingly, as the source of its competitiveness. To practice our management philosophy, we believe it is important to develop people who:

- Do not simply accept the status quo but instead continuously pursue improvement and change,
- Have the ability to understand other cultures and can act on a global stage,
- Have the ability to act in UACJ's best interest, and
- Focus on quality and technology, and have the ability to act with a frontline orientation.

In terms of concrete action, we conduct job-level training and seminars, support self-development, and organize improvement activities, based on three basic ideas – employee development based on individual learning, developing subordinates' abilities on the job, and developing through the organization.

The Human Resources Development Department oversees the development and nurturing of people by filling in gaps to enable personnel development activities to function effectively.

Job-level training



Human Resource Development Program

The UACJ Group's Human Resources Development mainly uses the Human Resources Development Center in Nagoya Works to conduct job-level training and seminars.

Job-Level Training

The purpose of job-level training is to have employees sharpen their awareness of their job-level roles, acquire the professional capabilities and knowledge required to fulfill their job responsibilities, and deepen their understanding of the company's aims and systems.

For staff employees, new-hire training, second-year training, and third-year training are conducted for all employees under a system that constantly monitors employees through their first three years. For employees in their fourth year after joining the company, and employees up through department manager

level, we conduct senior staff, team leader, new manager, and other types of training in a continuous fashion by job level. We also perform training to prepare people for top management positions in the future.

For employees in skilled labor departments, we conduct new-hire training, third-year training, and fifth-year training for all employees under a system that constantly monitors employees through their first five years. Employees in their sixth year of service attend senior employee, assistant foreman, senior assistant foreman, foreman, general foreman, and other training required depending on job level.

Fiscal 2014 Job-Level Training Participation

	UACJ	Affiliates	Total
Management	64	60	124
Staff	144	36	180
Skilled Labor	192	205	397
Total	400	301	701

Seminars

The UACJ Group, separate from job-level training, also conducts seminars mainly for the purposes of helping individuals improve their skills or acquire expert knowledge, and imparting knowledge required for particular workplaces.

In fiscal 2014, we held seminars in areas such as improving leadership skills, problem-solving approaches (7 QC Tools, New 7 QC Tools, and QC Story), problem analysis using the 5 Whys method, Ji-Kotei Kanketsu (JKK), personal computer skills, business etiquette, and instructor training.

In addition, to help develop human resources capable of working globally, we included training on how to work in a global environment and English-language curricula in business skill seminars.

In fiscal 2014, we conducted 35 seminars of 23 types, with participation by 279 employees in total.

Support for Self-Development

To meet the needs of individual employees and workplaces, we provide support for self-development. We have 150 distance-learning curricula, 58 of which were used by a total of 115 employees in fiscal 2014, and offer support for obtaining various types of professional certifications, and language skills. In addition, the Human Resources Development Center has approximately 1,700 books on hand for lending to employees.

Through a monthly newsletter, we provide Group employees with information such as updates on training and distance-learning, and overviews of the latest additions to the library, to encourage Group employees to engage in self-development.

Education Support for Affiliates

The Human Resources Development Department accepts employees of affiliates for job-level training and seminars. By providing guidance and other services at their locations, we are supporting the employee education efforts of affiliates.

In fiscal 2014, 12 QC seminars were conducted locally for two affiliates.

Developing Human Resources for Overseas Roles

In fiscal 2014, we launched an overseas training system in which the first year is spent in language education and the second is used for practical training. Implementation of the system began with two employees and plans are now to move forward with a medium-term human resource development perspective.

For employees scheduled to be sent on overseas assignments, we identify specific training programs based on each individual's work history and the demands of the assignment he or she is about to undertake, and then conduct training, which also includes intensive language instruction, on an individual basis.

For employees in general, we provide language training support based on TOEIC scores and conduct business skill seminars to help employees cultivate experience and knowledge.

As for education for employees hired by overseas affiliates, plans are in place to take concrete steps going forward.



Human Resources Development Center

| Improving Frontline Capabilities (Handing down technical skills)

Efforts to pass on the monozukuri (manufacturing) spirit, experience, and skills veteran employees have developed and acquired over their long careers are critical for maintaining product quality and continuously improving productivity.

In preparation for the coming increase in veteran technicians reaching the mandatory retirement age, the UACJ Group's Nagoya Works began a program in 2004 to transfer the skills, instinct, and "tricks of the trade" - the professional know-how - of veteran employees to their younger colleagues. Similar initiatives are underway in the maintenance department of the Nagoya Works, the extrusion department of UACJ Extrusion Nagoya Corporation, and the pipe manufacturing department of UACJ Copper Tube Corporation, where efforts are tailored to specific manufacturing circumstances. These activities will be continued with an eye toward implementing them at other locations, as well.

| Improving the Capabilities of Non-Manufacturing Staff (Ji-Kotei Kanketsu initiative)

To improve the quality and efficiency of the work performed by non-manufacturing staff, we are pursuing initiatives based on the concept of "Ji-Kotei Kanketsu", or JKK.

JKK in non-manufacturing areas is the concept of individual employees thinking of the customer and downstream processes first, not making or passing on bad products (information), taking pride in and responsibility for their own work, not blaming others, improving themselves, and performing defect-free work. This is an approach we learned from Toyota Motor Corporation, and modified to suit our needs.

Our JKK initiative got underway on a trial basis in June 2009 in the Nagoya region. In April 2010, we launched a team within the Human Resources Development Department to advance this initiative and began promoting JKK throughout the Group, including affiliates.

By the end of March 2015, the UACJ Group had achieved 2,504 improvements under 774 themes, and Group-wide presentations of results had been held three times. Aiming to thoroughly implant the attitude of improving quality and efficiency in non-manufacturing areas, we are committed to the continued expansion of the number of locations where JKK is practiced, and realizing the benefits.

| Rehiring Employees Who Have Reached Mandatory Retirement Age

We are actively rehiring employees who have retired after reaching the mandatory retirement age, and transferring their years of skills, techniques, and know-how to younger employees. As of the end of April 2015, 215 senior employees were back at work.

Work-Life Balance

The UACJ Group respects that employees have personal lives and we have put in place various support systems to help ensure they can lead fulfilling lives both at work and at home.

Child-Care Leave System

As of March 31, 2015, 100% of UACJ employees who have taken maternity leave have also taken child-care leave and 91% have returned to work at the conclusion of their leave periods. To encourage male employees to also take child-care leave, we allow expired paid days off to be used for child-care.

Furthermore, to encourage them to participate in child care, we revised our rules on personal days off to allow up to five non-contiguous days off within the first month following the birth of a child. In fiscal 2014, 7 female employees and one male employee took child-care leave. Going forward, we will continue with our efforts to help employees fulfill both their work and home responsibilities.

In April 2015, we also implemented a new system for rehiring former employees who left to give birth, raise children, provide nursing care, or because their spouse was transferred.

Child Care Leave Taken by Men

Fiscal Year	Men Who Took Child Care Leave	Women
2013	1	10
2014	1	8

* Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

Support for Balancing Work and Family Responsibilities

Category	System	Description
Child Care Support	Child-care leave	The employee may take leave for the desired period up to the time the child reaches the age of 1 year and 6 months, or through the end of the first April after the child becomes 1 year old. (Legal requirement: Leave up to the time the child reaches the age of 1 year)
	Reduced working hours	Working hours may be reduced until the child becomes a fourth grade elementary school student. (Legal requirement: Until the child reaches the age of 3 years)
	Overtime exemption	Same as legal requirement.
	Sick-child leave	Leave may be taken to care for a sick child who is not yet in junior high school (Legal requirement: Leave for a child not yet in elementary school)
	Limitation on late-night work	Same as legal requirement.
	Limitation on overtime work	Same as legal requirement.
	Accumulated leave	Leave may be taken to care for a sick child
	Baby sitter assistance service	
	Rehiring of former employees	Rehiring of employees who left to give birth, care for children, provide nursing care, or because a spouse was transferred.
	Nursing care	Up to 365 calendar days may be taken to provide nursing care (Legal requirement: 93 days)
	Reduced working hours	Working hours to be reduced for the amount of time needed on each occasion
	Nursing care leave	Same as legal requirement.

Nursing Care Support	Limitation on overtime work	Same as legal requirement.
	Limitation on late-night work	Same as legal requirement.
	Accumulated leave	Leave may be taken to provide nursing care
	Rehiring of former employees	Rehiring of employees who left to give birth, care for children, provide nursing care, or because a spouse was transferred.
Other	Flex-time system	UACJ headquarters; branch offices; offices; and the Nagoya, Fukui, Fukaya, and Nikko works; and technical R&D centers)
	Nursing care	Parents and spouses
	Time off for volunteer activities	Leave be may be taken for social welfare, disaster recovery, community and environmental, and other volunteer activities recognized by the Company

Appropriate Work Hours

To properly manage work hours and prevent the working of excessive hours, the UACJ Group has implemented a work-time management system to accurately record and verify the times when employees begin and end each day at work. Employees who exceed overtime standards are asked to see an industrial physician.

UACJ has made every Wednesday a no overtime day to reduce overall work hours and promote work productivity and efficiency. And, through steps such as having each employee specify at the beginning of the fiscal year when they will take three consecutive paid days off (5 days every fifth year), we are systematically creating conditions that make it easier to take time off. Our aim in doing this is to achieve greater improvements in work efficiency by encouraging employees to refresh themselves mentally and physically.

Paid Days Off Taken (Days)

Fiscal Year	Yearly Average Paid Days Off Taken
2009	9.5
2010	10.4
2011	10.9
2012	12.1
2013	11.7
2014	10.9

* Figures for fiscal 2012 and earlier are sums for Furukawa-Sky and Sumitomo Light Metal Industries, which later merged to form UACJ. Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

Introduction of a Volunteer Leave System

In 2014, the UACJ Group implemented a system under which employees can take up to 50 days a year of expired paid leave to participate in social welfare, disaster recovery, local community, environmental conservation, or other company-approved volunteer activities under the auspices of the national or local governments, or quasi-governmental non-profit organizations.

Basic Stance on Occupational Safety and Health

We advance safety and hygiene activities that are joined in by all employees and start from the view that employee safety, hygiene, and health are all top priorities.

More specifically, we comply with laws and ordinances, and our own internal rules, concerning employee safety and hygiene, and have constructed occupational safety and health management systems. Through proper management, we strive to create work environments that are safe, hygienic, and healthy.

Safety and Health Management System

| Safety and Hygiene Committee

Aiming to create work environments where employees can perform their jobs with peace of mind, the UACJ Group has built a safety and hygiene management system that is led by each business location's general safety and health manager.

To supervise safety and hygiene throughout the group, we have established the Safety and Health Committee, which is chaired by the Executive Officer in Charge of Safety and Health and includes all full-time directors, works managers, and presidents of affiliates as members. The committee meets once a year. In the January 2015 meeting, a report on 2014 activities was presented by the Safety & Environment Department, and then the Committee discussed and approved the safety and hygiene activities planned for fiscal 2015. In addition, the fiscal 2014 President's Safety Awards were presented to those business locations that experienced no accidents during the fiscal year.



President's Safety Award
(Nagoya Works of UACJ Extrusion
Nagoya Corporation)



President's Safety Award
(Nalco (Thailand) Co., Ltd.)

| Safety and Hygiene Managers' Committee

The Safety and Hygiene Managers' Committee, with members including representatives of the Safety & Environment Department, and Safety Managers of the works and principal affiliates, meets once every month to discuss safety and work environment inspections and maintenance at each business location. The committee also discusses the advancement of rule unification and implementation of safety measures across the breadth of the Group.

Going forward, we will continue to act vigorously to ensure that our safety and health management systems are equal to our needs.

Basic Policies on Safety and Health

Philosophy

The UACJ Group, recognizing that the existence of a business enterprise rests on a foundation of employee safety and health and that ensuring employee safety and health is a social responsibility of business enterprises, will respect the following principles as a matter of course.

Principles

1. We will place employee safety and health before all else in all business activities.
2. To eliminate all workplace hazards as a step toward achieving zero workplace accidents, we will take the required organizational measures, allocate the necessary management resources, and, with the participation of all employees, strive to implement safety and health activities on an ongoing basis.
3. We will comply with the Industrial Safety and Health Law and other related laws and ordinances, and ensure employee safety and health in accordance with the safety and health provisions established by the Group companies.
4. Gaining the cooperation of employees, we will conduct education and training that is necessary and adequate for ensuring safety and health for all employees, and continuously implement safety and health activities, to constantly elevate safety and hygiene standards.
5. Sharing information on safety and health activities within the Group, and pursuing mutual enlightenment, we will work to improve understanding of safety and health principles, and raise safety and health awareness, among all employees.
6. We will advance the development of comfortable work environments to reduce worker fatigue and stress.
7. We will work to develop and implement new safety and health methods and technologies.

Safety Management Initiatives (Occupational Safety and Health Management System)

The Nagoya, Fukui, Fukaya, and Nikko works have adopted and are operating worker safety and health management systems, and are pursuing activities with the goal of achieving zero risk of accidents in the workplace.

As safety management activities, the individual works prepare and implement safety and health activity plans in line with the UACJ Group's safety and health activity aims. Once approved by the head of each works, plans are deliberated, agreed upon, and approved by the works' Safety and Health Committee, half of the members of which, as labor union executives, represent employees.

To help ensure that safety and health management is practiced at the highest standards, we have established internal audit and other schemes based on the management system. Through internal audits, we conduct self-assessments of system operations, assuring in the process, that PDCA (Plan-Do-Check-Action) cycles are being used. In addition, to enhance the safety management standards of the entire UACJ Group, we hold annual liaison meetings of people in charge of safety and hygiene at affiliates.

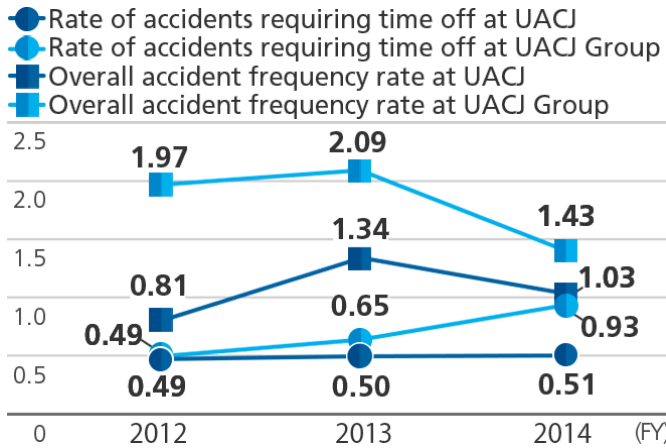
To achieve further enhancement going forward, we intend to improve the accuracy of internal audits.

Conditions with Regard to Workplace Accidents

The UACJ Group aims to eliminate workplace accidents, regardless of scale, and the Group is working together to strengthen safety management systems.

Prior to the merger, workplace accidents at the UACJ Group came to 49 for fiscal 2011. Since then they have been trending downward, falling to 20 in fiscal 2014. The rate of accidents requiring time off from work came to 0.9, with an overall frequency rate of 1.43.

Workplace Accidents



*Figures for fiscal 2012 are sums for Furukawa-Sky and Sumitomo Light Metal Industries, which later merged to form UACJ. Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

| Group-Wide Safety Inspections

Safety inspections of the principal workplaces of each business location are performed once a month on a rotating basis.

Safety inspections are performed with the participation of the Safety & Environment Department, people in charge of safety and health at each business location, and the head of the business location being inspected. Their objective is to determine whether work is being performed in line with standards and whether any risks have been overlooked.

For work locations and procedures for which safety inspections have identified problems, improvements are undertaken immediately. Two months afterward, the Safety & Environment Department confirms the status of corrective measures by performing an on-site inspection as a part of follow-up procedures that ensure complete compliance with safety measures.

| Toward Intrinsic Safety

The UACJ Group is striving to achieve intrinsic safety in its equipment and facilities. To do this, we are conducting risk assessments by examining work processes from various angles to thoroughly eliminate hazards and harmful factors. Safety measures are taken beginning with the facilities, equipment, and work approaches evaluated as having high risk levels. Residual risks, too, are all addressed with provisional measures.

The UACJ Group introduced uniform equipment safety standards in March 2015. Zones are being delineated based on these equipment safety standards, and thorough safety measures are implemented for each. Furthermore, when facilities are to be newly introduced or modified, intrinsic safety is achieved by conducting checklist-based safety examinations at the design, operational startup, and other stages.

| Safety-First Corporate Culture and Personnel Development

At the UACJ Group, safety and health education is conducted as a part of job-level training. Key components include safety and health education, raising awareness of safety, and an enhanced experiential approach to sensing danger. Crane and forklift operation contests, for example, are regularly held to encourage employees to improve their skills in using this equipment.

For personnel in the position of guiding and managing others, safety and health education and training sessions are held to promote acquisition of the position, knowledge, and attitudes necessary for implementing safety management.

In addition, to elevate safety and health management standards at



Crane operation and slinging skill contest

individual Group companies, safety and health education, safety inspections, and other support initiatives are actively undertaken to foster a safety-first corporate culture and advance personnel development along the same lines throughout the Group.

Principal Safety and Health Awards

Date Received	Conferring Body	Subject of Recognition	Award Name	Rationale
May 2014	Shiga Labour Standards Association	Metal cutting	Type-4 Accident-Free Award	<ul style="list-style-type: none"> 1,600 days of operation with no accidents
July 2014	Kasukabe Labour Standards Association	Nikken Co., Ltd. Saitama Works	Accident-Free Award	<ul style="list-style-type: none"> Achievement of accident-free targets
	Nara Labour Bureau	ACE21 Corporation West Japan Works	Nara Labour Bureau Director General's Award (Honorable Mention)	<ul style="list-style-type: none"> Outstanding safety and health standards Model of improvement initiatives
October 2014	Japan Industrial Safety & Health Association	UACJ Extrusion Oyama Corporation	Green Cross Award	<ul style="list-style-type: none"> Years of contributions to the advancement of labor safety and health
November 2014	Japan Crane Association	Nagoya Works	Award for Outstanding Sling Work by a Crane Operator	<ul style="list-style-type: none"> Outstanding sling work by crane operators
	Aichi Labour Bureau	Nagoya Works	Letter of Appreciation	<ul style="list-style-type: none"> Contributions to the teaching of crane operation skills

January 2015	Ministry of Health, Labour and Welfare	Nagoya Works	Minister of Health, Labour and Welfare's Award for Outstanding Safety Supervisors	<ul style="list-style-type: none"> Outstanding safety performance
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Mental Health Care Initiatives

The UACJ Group strives to maintain and improve the mental and physical health of employees, whom it sees as important business assets. We do this based on employee mental health maintenance and improvement guidelines prepared by Japan's Ministry of Health, Labour and Welfare.

Given the understanding that early detection of symptoms is important for mental health care, we incorporate mental health care education, including prevention and early detection tips, in job-level training, so that all employees can have correct knowledge and understanding of this important topic.

In addition, for management, which plays a key organizational role in supervising and developing those who work under them, we systematically and continuously conduct education and training to strengthen mental health care measures. We also conduct self-care training for non-management employees in their 20s and 30s to help them maintain their mental and physical health, provide this group with information to facilitate prevention and care, and address mental health care from various other angles as well.

For early identification of those who are experiencing mental health issues, we conduct line (or workplace) care in which managers, in their daily activities, provide individual guidance and advice. When an employee is thought to have a mental health condition, the department in charge of mental health care is contacted and appropriate measures are taken without delay. Our efforts to thoroughly look after workers' mental health also include consultations and health advice from industrial physicians and cooperation with outside institutions specializing in mental health care.

Workplace Environment Improvement Activities

To make better workplace environments, we are systematically taking steps to improve conditions with regard to summer heat, winter cold, dust, and noise; eliminate work that requires excessive physical exertion or taxing body positions; and add break areas and other features (e.g. adding or renovating break areas and on-site restrooms) that make environments more liveable. Measures to deal with summer heat have been a particular focus, and the installation of air conditioning and ventilation equipment is proceeding as planned.

Employee-Management Relationship

UACJ's employees belong to labor unions that were originally organized at the companies that merged to form UACJ. Employees of other UACJ Group companies belong to labor unions organized at their respective companies. The labor unions and UACJ are maintaining harmonious relationships.

UACJ Group Basic Environmental Policies

Corporate Philosophy

The UACJ Group is thankful for the earth and the abundance of life it supports. We recognize that the earth is indispensable for all living things, and we see protection of the global environment and the promotion of a recycling-oriented society as our highest priorities. The UACJ Group is committed to reducing environmental impact in all aspects of its business activities.

Guidelines

1. We will make the necessary organizational arrangements and allocate the required management resources to advance activities that are cognizant of the need to protect the global environment.
2. We will work to continuously improve the quality of our environmental protection activities by assessing the environmental impacts of our present and future business activities and using the results to establish technologically and economically practical environmental improvement measures and specific objectives.
3. We will abide by environmental laws, regulations, and agreements, and formulate our own standards in actively working to protect the environment. At the same time, we will advance activities cognizant of the need to improve work environments, as well.
4. We will work to reduce our resource and energy usage, promote recycling, and reduce waste in all areas of our business activities, including the environmental impacts of the products we handle.
5. We will work to maintain or improve the environment by conducting environmental audits and constantly revising environmental management items and standards.
6. We will work to raise environmental awareness among all of our employees by using internal Group-wide communications activities and other measures to promote understanding of our basic stance on the environment.
7. We will contribute to and develop ties with local communities.

Given our basic stance on the environment, as set forth above, we are pursuing the following activities.

1. Measures to fight global warming and reduce CO₂
 - (1) Advancement of energy-saving measures
 - (2) Advancement of fuel conversion
2. Development of a recycling-oriented society
 - (1) Advancement of the 3R(*1) resource conservation measures
 - (2) Increasing our scrap usage ratio
 - (3) Reduction of industrial waste generated
 - (4) Reduction of landfill waste generated
3. Proper control of chemical substances
 - (1) Proper control of chemical substances in products
 - (2) Reduction of volatile organic compounds (VOCs)
 - (3) Reduction of PRTR(*2) substances
 - (4) Establishment of an environmental quality management system that is trusted by customers
4. Compliance with laws and ordinances
Compliance with domestic and overseas laws and ordinances
5. Establishment of an environmental management system
Continuous improvement and enhancement of our environmental stewardship through the application of an environmental management system.
6. Promotion of environmental education
Steps to enlighten all employees and raise their awareness on environmental matters.
7. Improvement of the environmental performance of aluminum products
Contributions to the improvement of the environmental performance of our customers' products by developing and providing materials that make the most of aluminum's beauty and its environmentally harmonious characteristics of being light-weight and rustproof
8. Contributions to and ties with local communities.

*1 3Rs: Reduce, Reuse, Recycle

*2 The PRTR (Pollutant Release and Transfer Register) Law promotes improvement in the determination and control of amounts of designated chemical substances released into the environment.

UACJ Group Environmental Management Direction

In fiscal 2014, objectives were established for the entire Group and actions were taken to achieve them.

Fiscal 2014 Performance on UACJ Group Environmental Objectives

Area	Objectives (Fiscal 2014)	Performance	Assessment
Elimination of environmental accidents	Zero accidents	1 accident (UACJ Color Aluminum)	×
Measures to fight global warming	1% reduction in energy usage per unit production vs. prior fiscal year	Overall Group reduction of 2.6% per unit production vs. prior fiscal year	○
Reduction of industrial waste	Reduction in volume of industrial waste	Overall Group reduction of 2.0% in industrial waste volume vs. prior fiscal year	×
	Continuation of zero emissions*	Continued zero emissions	○
Control and reduction of chemical substance usage	Reduction of PRTR-controlled VOC emissions	Overall Group reduction of 3.3% in emissions vs. prior fiscal year	○

* Within the UACJ Group, "zero emissions" is defined as landfill disposal of less than 1% of all industrial waste generated.

UACJ Group Fiscal 2015 Environmental Management Direction

Beginning with fiscal 2015, per-unit-production indicators have been established for reduction of industrial waste and the proper control of chemical substances to enable proper evaluation of our environmental management activities, even amid changes in production volume.

Fiscal 2015 UACJ Group Environmental Management Direction

Area	Objective
Elimination of environmental accidents	Zero accidents
Advancement of measures to fight global warming	Per-unit-production reduction of energy consumption
Building of a recycling-oriented society	Per-unit-production reduction of industrial waste volume *
	Continuation of zero emissions
Proper control of chemical substances	Per-unit-production reduction of PRTR-controlled VOCs *

* Indicator changed to per-unit-production measurement.

Approach to Environmental Management

To advance environmental activities internally and raise the environmental awareness of employees, the UACJ Group has established the Environmental Committee as a body that represents the entirety of the Group.

The Environmental Committee, chaired by the Chief Environmental Officer, has a membership consisting of UACJ executives, plant managers, and presidents of major affiliates. In principle, meetings of the committee are convened annually and policies and objectives concerning environmental activities are discussed.

To link environmental activity objectives with business activities and reliably work for their achievement, we have established the Safety & Environment Department as a unit responsible for implementation. The Safety & Environment Department holds meetings for Environmental Managers, conducts Executive Environmental Inspections, and organizes subcommittees on topics such as industrial waste and energy saving in performing the function of implementing and refining environmental activities.

Environmental Manager Meetings

The Environmental Managers of UACJ's four main works, and principal extrusion, copper tube, foil manufacturing, and precision-machined components plants come together in meetings where they review progress in achieving the UACJ Group's environmental objectives, and share information on matters like changes in relevant laws.

Environmental Management Organization



Environmental Management System

Environmental management systems are in place at each business location, and nearly all our plants have obtained the ISO14001 certification. Some of our smaller business locations have obtained the Eco-Action 21 certification by following the guidelines formulated by Japan's Ministry of the Environment. Business locations that have obtained either certification will continue to renew them going forward.

ISO14001 Certifications

Business Location	Certifying Institution	Certification Number	Date Obtained
Nagoya Works	JIC Quality Assurance Ltd. (JICQA)	E440	2002.4
Fukui Works	Det Norske Veritas (DNV)	00484-2002-AE-KOB-RvA	2002.4
Fukaya Works	Japan Standards Association	JSAE545	2002.7
Nikko Works	Det Norske Veritas (DNV)	1851-2002-AE-KOB-RvA/JAB	2002.3
UACJ Color Aluminum Corporation	Det Norske Veritas (DNV)	00789-2003-AE-KOB-RvA	2003.5
UACJ Extrusion Oyama Corporation	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9
UACJ Extrusion Nagoya Corporation, Nagoya Plant	JIC Quality Assurance Ltd. (JICQA)	E440	2002.4
UACJ Extrusion Shiga Corporation	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9
UACJ Extrusion Gunma Corporation	JIC Quality Assurance Ltd. (JICQA)	E773	2004.1
UACJ Foil Corporation, Shiga Works, Nogi Works	Det Norske Veritas (DNV)	1423-1999-AE-KOB-RvA	1999.1
UACJ Foil Corporation, Isezaki Plant	JIC Quality Assurance Ltd. (JICQA)	E771	2004.1
Nikkin Co., Ltd.	Det Norske Veritas (DNV)	20221-2008-AE-KOB-RvA	2008.2
UACJ Foundry & Forging Corporation	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9
HIGASHI NIHON TANZO CO., LTD.	Det Norske Veritas (DNV)	00583-2002-AE-KOB-RvA	2002.9

Business Location	Certifying Institution	Certification Number	Date Obtained
UACJ Copper Tube Corporation	JIC Quality Assurance Ltd. (JICQA)	E281	2001.5
Toyo Fitting Co., Ltd.	JIC Quality Assurance Ltd. (JICQA)	E1610	2006.3
NIKKEI KAKOH CO., LTD. (Headquarters Plant, Sendai Plant, Hiroshima Plant)	Japan Quality Assurance Organization	JQA-EM3314	2003.8
NALCO Ena Co., Ltd.	The High Pressure Gas Safety Institute of Japan	04ER-420	2004.3
NALCO Koriyama Co., Ltd.	JIC Quality Assurance Ltd. (JICQA)	E1711	2007.2
NALCO Iwai Co., Ltd., Shiga Works	Japan Quality Assurance Organization	JQA-EM6018	2007.12

Eco-Action 21

Business Location	Certifying Institution	Certification Number	Date Obtained
NALCO Iwai Co., Ltd. Narita Works, Hiratsuka Works	Chibaken Kankyo Zaidan	0000341	2005.5

Executive Environmental Inspections

Executive Environmental Inspections are carried out to fulfill the following purposes at Group business locations in Japan.

- Propose and concretely implement measures for the prevention of environmental problems, and the reduction or elimination of environmental risks.
- Emphasize thorough compliance with environmental laws and regulations.

In fiscal 2014, Executive Environmental Inspections were performed at a total of 14 business locations spanning the full range of businesses in which the Group is involved.

| Status of Compliance with Environmental Laws and Regulations

In fiscal 2014, there was one instance in which an environmental legal or regulatory standard was exceeded. On November 11, 2014, wastewater with a 0.1-0.2mg/L concentration of hexavalent chromium was released into a sewerage system by UACJ Color Aluminum Corporation. This level of hexavalent chromium exceeded the 0.1mg/L standard established by the governing Utsunomiya City regulation (The Japanese Government standard is 0.5mg/L.) The release was quickly discovered and remedial action was taken, limiting the discharge to a very small amount. Monitoring at the downstream sewage treatment plant detected no impact from the release.

Environment-Related Investment

The UACJ Group's fiscal 2014 environment-related investments totaled approximately 840 million yen. As energy-saving measures, we are moving forward with steps such as updating of our electrical equipment and boilers, and adopting LED lighting. To protect the environment, we are investing mainly in the installation of dust collectors and construction aimed at preventing groundwater contamination.

Environmental Education

We conduct environmental education for all employees as another measure for fulfilling our social responsibility to protect the global environment.

The Safety & Environment Department and the environment units of individual business locations lead environmental education initiatives. The Safety & Environment Department conducts fundamental environmental education activities, the purposes of which are to enlighten and raise awareness of environmental protection, and promote understanding of the UACJ Group's Basic Stance on the Environment. Meanwhile, the environment units of individual business locations carry out environmental education initiatives to foster the skills and numbers of internal auditors needed to ensure that each business location conducts its daily activities with sensitivity toward the environment.

We encourage employees to obtain public qualifications in environmental fields and are developing a workforce that is capable of appropriately responding to trends in environmental regulation. Individual business locations conduct general environmental education programs and special education programs for employees engaged in work that could have significant environmental impacts.

Numbers of Employees with Environmental Management Qualifications (As of March 31, 2015)

Qualification	Qualified Employees
Pollution Control Manager - Air	53
Pollution Control Manager - Water	71
Pollution Control Manager - Noise	38
Pollution Control Manager - Vibration	36
Pollution Control Manager – Noise & Vibration	13
Pollution Control Manager – Dioxins	26
Energy Manager	81
Certified Environmental Measurer	6
Manager Responsible for Industrial Waste Requiring Special Controls	89
ISO14001 Internal Auditor	377

* Data are for UACJ and affiliates in Japan.

Biodiversity Initiatives

The UACJ Group views the protection of biodiversity as one of the most important global environmental challenges, and we treat it as such within the UACJ Group Code of Conduct. The UACJ Group's business model is to procure raw metal, our primary raw material, mainly on the open market, and then process it into metal materials that can then be used by our customers to make products. What we do, therefore, does not have a significant direct impact on biodiversity. Nevertheless, we engage in actions such as those given below at individual business locations.

- Provision of four employees from UACJ Extrusion Oyama to assist with the removal of invasive species from Watarase Yusuichi recreational area
- Provision of five employees from UACJ Extrusion Shiga to participate in a fishing tournament, the purpose of which was to eliminate destructive invasive species from Lake Biwa.
- Substitution, where possible, of steel pallets for wood pallets at the Nagoya Works.
- Switch from wood to cardboard shipping materials at UACJ Copper Tube.

Fiscal 2014 Material Balance

To support efforts to reduce industrial waste and substances of environmental concern, the UACJ Group works to accurately determine conditions with regard to the environmental impact of its business activities.

For fiscal 2014, data on substances of environmental concern and industrial waste were collected for the principal business locations, which comprise more than 95% of the UACJ Group for data collection purposes.

Fiscal 2014 Material Balance

INPUT		OUTPUT	
Energy	415,000 kℓ ^{※1}	Products	
Kerosene	7,000 kℓ	Al	780,000 t
Fuel oil A	1,000 kℓ	Cu	45,000 t
Fuel oil C	16,000 kℓ		
Liquefied petroleum gas	26,000 kℓ	Atmosphere	
Liquefied natural gas	33,000 kℓ	CO ₂	778,000 t-CO ₂ ^{※3}
City gas	132,000 kℓ	SO _x	74 t
Electricity	198,000 kℓ	NO _x	668 t
		Soot and dust	56 t
Raw materials			
Al	815,000 t ^{※2}	Waste	
Cu	45,000 t ^{※2}	Industrial waste	3,762 t ^{※4}
Mn	3,000 t	Direct landfill waste	10 t
Mg	11,000 t	Recycled materials	20,185 t
Si	1,000 t		
		Wastewater	
Water			11,896,000 t
	13,398,000 t	Chemical substances	
PRTR substances		Releases	354 t
	4,575 t	Transfers	188 t

Measurement Scope: 15 locations, including UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Color Aluminum Corporation, UACJ Extrusion Nagoya Corporation (Nagoya, Anjo), UACJ Extrusion Oyama Corporation, UACJ Extrusion Shiga Corporation, UACJ Extrusion Gunma Corporation, UACJ Foil Corporation (Shiga, Nogi, Isezaki), UACJ Copper Tube Corporation, and UACJ Foundry & Forging Corporation

※1 Crude oil equivalent

※2 Total of new and recycled metal

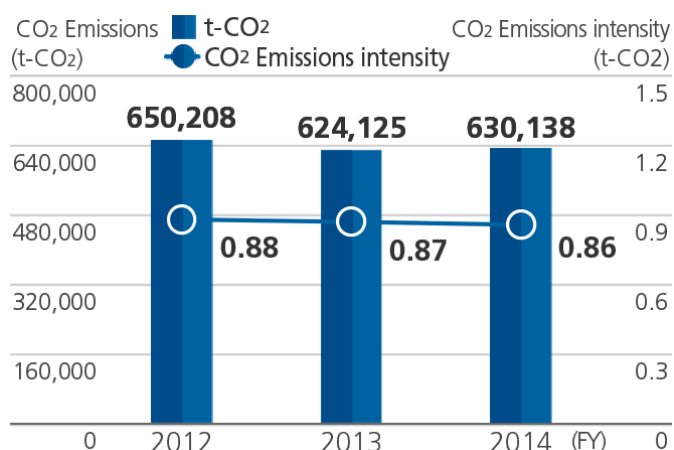
※3 Based on an electric power generation CO₂ emissions factor of 0.378kg-CO₂/kWh

※4 The amount of industrial waste consigned to outside parties for processing, less the amount recycled.

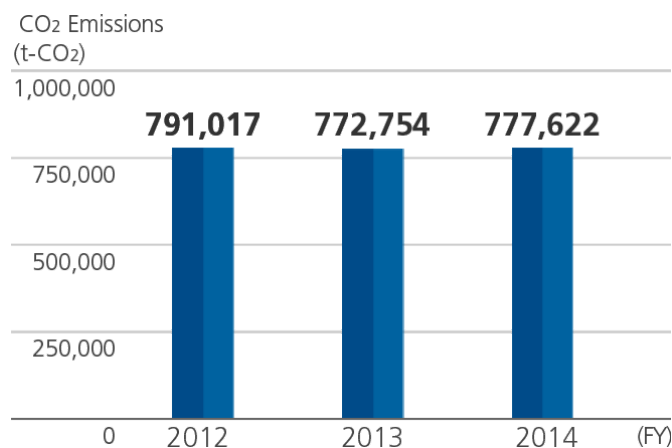
Fiscal 2014 Results

In fiscal 2014, the second year following the merger that created UACJ, we moved forward with the optimization of our production, by taking measures such as reassigning products among the various works. As a result, we have succeeded in increasing production efficiency, and improving our performance in terms of CO₂ emissions and energy consumption per unit of production, versus fiscal 2013. Regarding CO₂ emissions in particular, it should be noted that higher production volume resulted in greater overall emissions, despite the per-unit-production improvement. (Assuming a fixed emissions factor for electric power.)

UACJ CO₂Emissions



UACJ Group CO₂Emissions



*1 The CO₂ emissions factor is the one used for electricity generation, 0.378kg-CO₂/kWh.

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

* Figures for fiscal 2012 are sums for Furukawa-Sky and Sumitomo Light Metal Industries, which later merged to form UACJ. Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

Main Initiatives in Production Processes

Switching to LNG as a Heat Source for Production Processes

To provide heat for production processes, UACJ is systematically converting from heavy oil, kerosene, and LPG, to LNG (including city gas). When heavy oil and LNG are used to generate equal amounts of heat, the amount of CO₂ emitted from the use of LNG is 30% lower than that from the use of heavy oil. Converting to LNG, therefore, results in a significant contribution to the fight against global warming.

In fiscal 2014, we converted the heating furnace at the Fukaya Works from kerosene to city gas (LNG). And as of the end of fiscal 2014, LNG (including city gas), in terms of heat generated, accounted for roughly 78% of the fuel used at UACJ's four works.

Energy Saving Subcommittee

With the merger that created it, UACJ began to regularly hold Energy Saving Subcommittee Meetings. These meetings, which are joined mainly by facilities departments, have participants from multiple business locations. Information is shared among these various locations and all participants are informed of certain case examples in an effort to achieve significant improvements in energy saving throughout the Group.

Examples of Energy-Saving Activities

Principal energy-saving activities for fiscal 2014 are given in the table below. In addition, actions such as updating of compressors and air-conditioning systems, adoption of inverter technology for heating furnace fans, fixing of steam and air leaks, and reduction of energy usage associated with the operation of equipment during production line down periods were taken at business locations throughout the Group. As in fiscal 2013, the transition to LEDs for overhead lighting continued.

Plant	Theme
Nagoya	Application of steam waste heat
Fukui	Energy saving in finishing processes
Fukaya	Updating of the No. 7, 8 boilers
Extrusion Oyama	Adoption of different mode of operation for compressors
UACJ Extrusion Nagoya Nagoya Works	Updating of cooling water pump
UACJ Extrusion Nagoya Anjo Works	Switch to city gas for drying furnaces
UACJ Foundry & Forging	Improvement of insulation for material heating furnaces

Main Initiatives in Logistics

UACJ is working to save energy in its logistics processes. Considered a Specified Consignor (*²) under the Energy Saving Law (*¹), UACJ has established the goal of a 1% improvement in the 5-year average amount of energy used per ton-kilometer of shipments and is taking steps toward achieving it.

In fiscal 2014, a large percentage improvement was achieved in the amount of energy used for shipping, after considering the impacts of changes in the products covered following the merger. The cooperation of UACJ Logistics, an affiliate, and other logistics companies contributed greatly to this result.

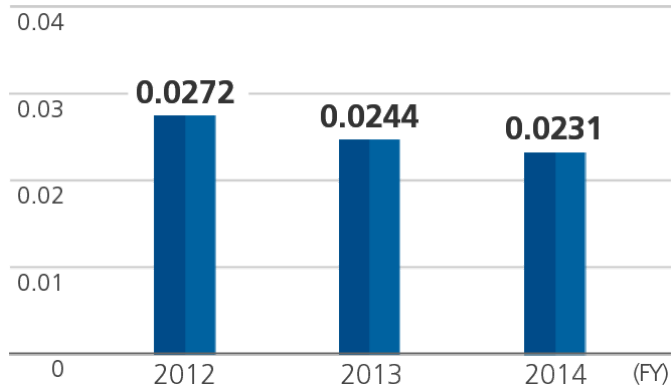
In addition, since 2001, we or our predecessor companies have been engaged in joint logistics with business partners in the same industry for the transport of extruded aluminum products. These relationships have contributed to CO₂ reductions by making shipping more efficient. Looking forward, we aim to achieve additional improvements to realize the benefits of the merger even in areas such as logistics rationalization.

*1 Energy Saving Law: Under an ordinance established by the Ministry of Economy, Trade and Industry under the Act on the Rational Use of Energy, a consignor, who is in the position of requesting services from a freight carrier, is required to develop an energy-saving plan, and work to reduce energy consumption.

*2 Specified Consignor: A consignor whose annual shipments of its own freight equal or exceed 3,000 ton-kilometers

Amount of Energy Used for Shipping, per Unit of Sales

(kL/1,000 ton-kilometers)



* Figure submitted in regular reports

* Figures for fiscal 2012 are sums for Furukawa-Sky and Sumitomo Light Metal Industries, which later merged to form UACJ. Figures for fiscal 2013 are totals of the sums for the two UACJ predecessors for the first half (April 1 to September 30, 2013) and UACJ for the second half (October 1, 2013 to March 31, 2014).

Main Initiatives in Offices

Energy-Saving Activities in Offices

UACJ's offices are actively working to cut electricity usage by implementing the Japanese government's "cool biz" and "super-cool biz" hot-weather measures, raising thermostats in the summer and lowering them in the winter, and systematically turning off lighting, electronic devices, and other electricity-consuming items when not in use.

Office-Based Environmental Protection Measures

As environmental protection initiatives, individual UACJ offices separate waste into paper and plastic, and recyclables into newsprint, copy paper, magazines, and cardboard. For office supplies, items complying with the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities and eco-mark items are purchased to the extent possible.

Chemical Substance Pollution Prevention

Fiscal 2014 Results

The UACJ Group's discharges into the air and water in fiscal 2014 were within legal or regulatory standards, except for one incident of wastewater discharge by UACJ Color Aluminum Corporation. For discharges environmental pollutants accompanying its production activities, the UACJ Group has set and abides by environmental (air and water) pollutant discharge standards that are stricter than those of Japan's Air Pollution Control Law, Water Pollution Control Law, local government ordinances, and conventions.

Pollutant Control at Individual Works (Fiscal 2014)

○: Measurements fall within standards

	Measurement Item	Nagoya Works	Fukui Works	Fukaya Works	Nikko Works
Air	NOx, SOx, soot and dust	○	○	○	○
Water	pH, BOD	○	○	○	○
	n-H (mineral oil), SS	○	○	○	○

Control of PRTR Substances

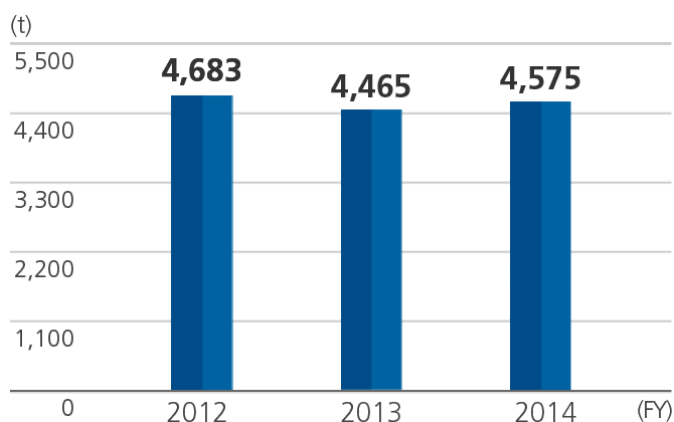
The UACJ Group, in accordance with the PRTR Law, identifies amounts of targeted substances handled, released, and transferred, and reports them as required. We also work to reduce these volumes.

In fiscal 2014, our production volume increased, but, with better results from our efforts to reduce our usage of targeted substances, per-unit-production releases declined. For all targeted substances, releases fell by 13.7% for the UACJ Group as a whole.

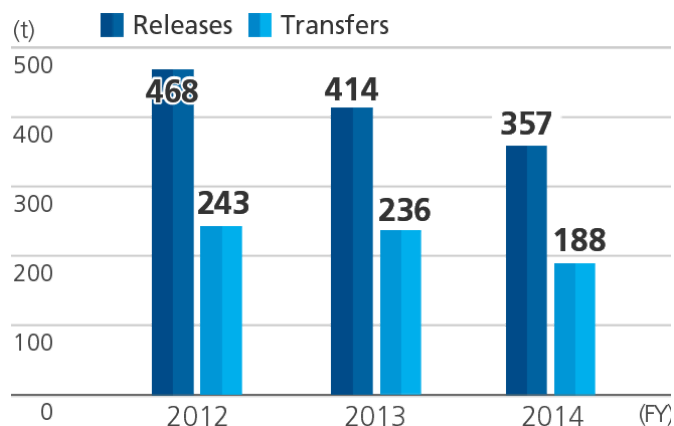
* PRTR Law: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Amounts of PRTR Substances Handled (Fiscal 2014)

(Contain manganese, chromium, nickel, and lead as alloy substances)



Amounts of PRTR Substances Released or Transferred (Fiscal 2014)



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

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Handling, Releases, and Transfers of PRTR Substances (Fiscal 2014)

No.	Substance	Amount Used (kg)	Amount Released (kg)	Amount Transferred (kg)
412	Manganese and its inorganic compounds	2,813,352	0	22,840
300	Toluene	572,521	113,769	45,088
296	1,2,4-trimethyl benzene	238,082	106,547	10,803
87	Chromium and chromium(III) compounds	232,740	23	31,636
80	Xylene	204,260	16,048	3,707
273	1-dodecanol	149,829	74,504	47,694
53	Ethyl benzene	62,804	6,625	1,201

71	Ferric chlorides	61,848	0	0
374	Hydrogen fluoride and its water-soluble salts	60,401	1,518	13,862
308	Nickel	55,407	0	0
297	1,3,5-trimethylbenzene	46,056	31,954	2,914
88	hexavalent chromium and its compounds	29,014	0	0
438	Methylnaphthalene	9,235	46	0
302	Naphthalin	6,986	158	33
133	Ethylene glycol monoethyl ether acetate	3,707	39	3
57	Ethylene glycol monoethyl ether	3,701	209	70
407	Polyoxyethylene = alkylether	3,440	3,405	0
392	n-hexane	3,377	497	535
245	Thiourea	3,000	0	3,000
304	Lead	2,995	0	0
207	2,6-Di-tert-butyl-4-cresol	2,558	769	1,789
405	Boron compounds	1,498	832	611
134	Vinyl acetate	1,477	34	111
309	Nickel compounds	1,035	232	726
	Total	4,568,287	356,977	185,895

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

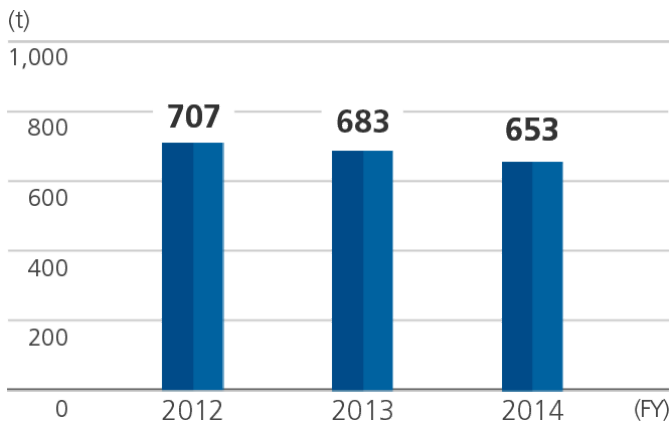
Reducing VOC Releases

Having targeted for reduction substances such as toluene, xylene, ethyl benzene, and 1,3,5-trimethylbenzene, the UACJ Group is moving forward with initiatives for cutting releases of these VOCs (Volatile Organic Compounds) into the air. As one example, the cleaning solution we use for the finishing of sheet products is being replaced with one that has very low levels of the VOCs targeted for reduction.

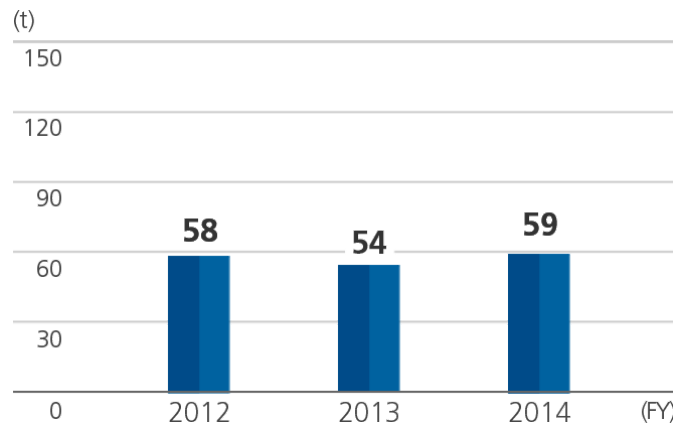
Prevention of Air Pollution

The UACJ Group is working to reduce its emissions of air pollutants by keeping plant facilities in top working condition and moving forward with conversion from heavy oil to LNG as a fuel. At present, our efforts are succeeding in keeping SOx and NOx emissions at low levels.

NOx Emissions



SOx Emissions



* Measurement Scope: UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Extrusion Oyama Corporation.

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Measures to Control Offensive Smells at the Nagoya Works

To control the offensive smells that arise from its hot-rolling process, the Nagoya Works upgraded equipment in its exhaust facilities in 2012 to improve odor control performance. Going forward, it will continue to take steps that are fully cognizant of the area environment to enable smooth production activities in coexistence with the local community.

Control of PCBs

The UACJ Group, in accordance with the Law Concerning Special Measures Against PCB (Polychlorinated biphenyl) Waste, accounts for PCB-containing equipment for each of its plants, submits reports to supervisory authorities, and properly stores and manages these items.

We also conduct surveys of fluorescent lamp ballasts and other small electrical devices and electrical devices suspected of containing small amounts of PCBs, and properly manage those exceeding standards.

We are steadily and properly rendering PCB-containing equipment harmless by commissioning the Japan Environmental Safety Corporation to perform this work. And, based on the judgment that stable processing of small amounts of PCB-contaminated oil is also now possible following an increase in the number of certified processors, we also have this work performed by an outside service provider when necessary.

Addressing the Problem of Asbestos

The UACJ Group has carried out a study of its historical and current usage of asbestos in products, plant buildings, equipment and fixtures. At present, we are not using asbestos in products and have never sold products containing asbestos.

As for our plant buildings, to a very limited extent, we have used spray-on asbestos, which entails a high risk of dispersion into the air, and have been working to remove it since fiscal 2005. At the present time, we have identified spray-on asbestos at the Fukaya Works, UACJ Foil Corporation's Nogi Plant, and at UACJ Copper Tube Corporation, and will proceed to systematically remove it.

Regarding equipment and fixtures, we have already completed the replacement of items for which there was a risk of asbestos dispersion. Equipment and fixtures with a small risk of asbestos dispersion are being replaced when regular inspections are due and on other occasions, as well.

Measures to Control Dioxins

For its aluminum melting furnaces that qualify as designated dioxin-emitting facilities under the Law concerning Special Measures against Dioxins, the UACJ Group has implemented management that lowers dioxin concentrations in exhaust gases to levels below the regulatory standard.

More specifically, we prevent the development of dioxins by maintaining ideal levels for the volume of combustion air for the subject aluminum melting furnaces and closely control the materials put into them.

In addition, we annually measure levels of dioxins for subject aluminum melting furnaces, as required by law, and report results to the government. All of our measurements of dioxins for fiscal 2014 came in below regulatory standards for the 24 facilities covered by air pollution regulations and the 2 facilities covered by water pollution regulations.

Prevention of Water Pollution

With the partial revision of the Water Pollution Prevention Act, promulgated in June 2012, reporting of information on storage facilities, piping, etc. used for harmful substances and compliance with standards set for structures became mandatory. In response, the UACJ Group prepared all of the necessary reports at individual business locations by the May 31, 2015 end of the deferment period.

Prevention of Soil and Groundwater Contamination

UACJ Extrusion Oyama Corporation and UACJ Color Aluminum Corporation, as responses to past incidents of soil and groundwater contamination, have implemented continuous purification of contaminated groundwater, and periodically take measurements of contaminants, to confirm effectiveness. At present, purification measures are working and steadily lowering contamination levels.

Measures to Deal with Soil and Groundwater Contamination

Business Location	Period	Contaminant	Response
UACJ Extrusion Oyama Corporation	Since fiscal 2000	Tetrachloroethylene	Soil replacement, water extraction and purification
UACJ Color Aluminum Corporation	Since fiscal 2005	hexavalent chromium, fluorine	Soil replacement, water extraction and purification

Control of Chemical Substances included in Products

The UACJ Group exercises proper and strict control over designated chemical substances included in products. In response to changes in domestic and overseas environmental laws (e.g. The addition of the EU's REACH^{*1} regulation), we revise our chemical substance management standards and common procurement documentation, and take other necessary steps.

We also devote significant effort to the registration of SDSs (Safety Data Sheets^{*2}) and to the improvement of our browsing cabinet.

*1 REACH regulation: Registration, Evaluation, Authorization and Restriction of CHemicals

*2 SDS: Safety Data Sheet: Products containing chemical substances designated by the Poisonous and Deleterious Substances Control Act, Industrial Safety and Health Law, and the Pollutant Release and Transfer Register Law at percentages greater than specified in these laws must be accompanied by a Safety Data Sheet with the required information when they are transferred or provided from one commercial party to another.

REACH Regulation Initiatives

The UACJ Group, though it is not required to be registered under the REACH regulation, is obligated to provide customers with information required under the REACH regulation if molded products include an SVHC (Substance of Very High Concern) specified in the REACH regulation. Accordingly, we have researched our use of SVHCs in all of our products and disclosed our findings.

The number of substances controlled as SVHCs is expected to rise, so if a substance newly added to the list of SVHCs is found to be included in a product, we will swiftly inform customers of that finding.

Environmental Quality Management System Certifications by Customers

At its business locations required to have specified supplier certifications, the UACJ Group emphasizes the practice of chemical substance management that satisfies customer standards, and undergoes environmental quality management system certifications^{*1} by customers. Going forward, we will continue to practice management that enables proper responses to customer demands.

*1 Sony Corporation's Green Partner and Nippon Chemi-Con Corporation's Green Supplier certifications, among others

| Communicating Information on Chemical Substances in Products

UACJ has put in place a companywide management system that allows us to accurately communicate to customers information we receive from raw material manufacturers on the chemical substances included in the products we supply.

Information on chemical substances is provided, with the cooperation of the Quality Assurance and Environmental Management departments, in the form of an SDS (Safety Data Sheet), a JAMP (Joint Article Management Promotion consortium) AIS (Article Information Sheet), JAMA (Japan Automobile Manufacturers Association) JAMA Sheet, or via any number of other industry-specific formats, depending on the customer request. Following the revision of the JIS (Japan Industrial Standards), we revised the SDSs issued by UACJ to provide GHS-compliant (Globally Harmonized System of Classification and Labeling of Chemicals) content.

In addition, at our principal plants, we conduct emission spectrochemical, ICP (Inductively Coupled Plasma) mass spectrometry, and fluorescent X-ray analyses and inspections that can detect minute amounts of substances in products. This is to respond to customer requests for certifications that certain substances have not been used in production or are not contained in a product.

| Conversion to Low-Environmental-Impact Raw Materials

The UACJ Group is striving to use low-environmental-impact raw materials. For the raw materials that, as in the case of free-cutting alloys, include lead or other metallic elements that are covered by EU directives, we are working with customers to switch to materials that do not include controlled substances. Moving forward, we will continue to switch to low-environmental-impact raw materials to meet customer needs.

We have also taken action regarding cleaning solutions for the finishing of sheet and extruded products. In the past, we used chlorine-based organic solvents, which are designated substances under the PRTR Law. However, given multiple instances of groundwater contamination with these substances across Japan, we ceased using chlorine-based organic solvents in the final cleaning processes at all of our business locations.

The paints used on aluminum can materials and colored aluminum are another area in which we are taking action. Oil-based products had been the most commonly used paints for these products, but have now been largely replaced with water-based paints, which are said to have low environmental impact. The UACJ Group is promoting the use of water-based paints by recommending them to customers and working with customers to test their use.

Fiscal 2014 Results

The UACJ Group is moving forward with efforts to reduce industrial waste and pursuing activities aimed at achieving zero emissions.

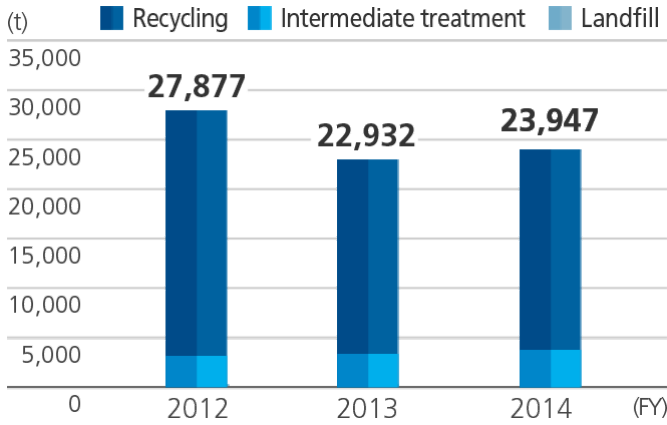
At the UACJ Group, “zero emissions” means that direct landfill waste comprises less than 1% of all industrial waste generated. For fiscal 2014, we achieved zero emissions with a direct landfill waste ratio of 0.39%. Going forward, we will work to maintain zero emissions by separating industrial waste and recycling.

In fiscal 2014, the total amount of industrial waste generated at our principal business locations rose by 4.4% compared to the prior fiscal year. This result is attributed to an increase in production volume. Going forward, we will redouble our efforts to reduce industrial waste, recycle, and turn waste into substances of value.

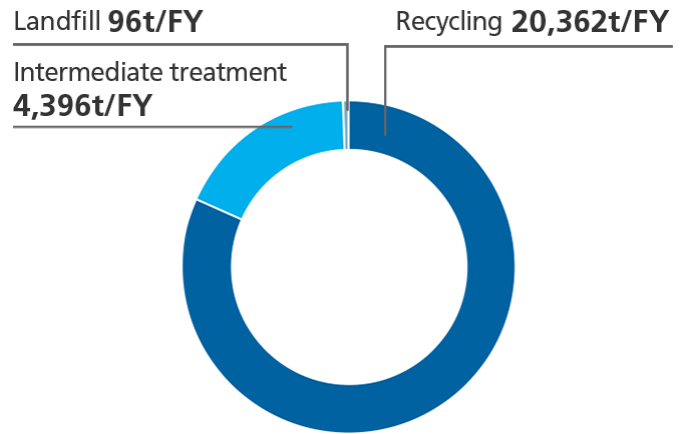
| Industrial Waste Subcommittee

At UACJ, the Industrial Waste Subcommittee has been established mainly with representatives of business locations generating significant amounts of industrial waste. The subcommittee meets regularly to promote reductions and proper processing of industrial waste by establishing a common understanding of separation and processing information, and by examining and promoting improvements in separation practices, and establishing a common understanding of reduction measures, at individual business locations.

Amounts of Industrial Waste Generated



Breakdown of Waste by Handling Approach (FY 2014)



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

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Industrial Waste Reduction Examples (Fiscal 2014 Activities)

Business Location	Theme
Nagoya Works	Reduction of finishing solution concentration to reduce sludge generation
Fukui Works	Reduction of waste oil from the cold rolling vacuum distillation regeneration apparatus
UACJ Extrusion Oyama Corporation	Installation of oil separation equipment to reduce amounts of waste oil
UACJ Extrusion Nagoya Nagoya Works	Extension of service life by putting an additive into the scrubber circulating liquid
Multiple business locations	Promotion of reuse of wooden pallets and skids
	Recycling of waste oil and waste ink
	Recycling of metal waste
	Recycling of wastepaper
	Implement a purchase and recycling program for waste plastic

Promoting Recycling of Aluminum Cans

Aluminum is light-weight, does not rust, conveys heat well, and is highly recyclable*1. Given the outstanding qualities of the metal from which they are made, aluminum cans – with the help of the public – are recycled at a rate exceeding 90% (including cans exported to South Korea). The UACJ Group, as a leading producer of aluminum products, supports aluminum can recycling as an activity beneficial for the formation of a recycling-oriented society. We do this through activities such as collecting (purchasing) aluminum cans at our works to participate in local recycling activities, and using recycled aluminum.

*1 Recycling aluminum requires only about 3% of the amount of energy needed to produce new aluminum from bauxite.

| Reducing Wood Usage to Protect Forests

Considering that deforestation plays a major role in ecosystem destruction, the UACJ Group is helping to protect forests by reducing our usage of wood. The Nagoya Works, for example, is shifting to steel pallets, and away from wooden pallets, for the shipment of aluminum can products in Japan. Meanwhile, UACJ Copper Tube Corporation has ceased using wooden pallets, in favor of cardboard pallets, for shipping intermediate products to overseas subsidiaries.

Environmental Consideration in Products

Improvement Objectives

The UACJ Group, is contributing to the realization of a low carbon, recycling-oriented society by working to improve the performance of aluminum materials.

To illustrate, when we develop, and a customer in the business of manufacturing transportation equipment adopts, an aluminum material that offers the same performance as previous materials but with less weight, we have contributed to improved fuel economy and, thereby, a reduction in carbon emissions.

The UACJ Group's production activities are mainly to fulfill specific customer orders, so we have developed and improved products in ways that reflect customer desires and approvals and emphasize environmental considerations through the following initiatives.

- Development and application of aluminum can materials with outstanding recyclability
- Development and application of high-performance heat exchanger tubes
- Development and improvement of aluminum materials for car air conditioners compatible with the European requirement to use CO₂ as a refrigerant
- Development and improvement of aluminum materials for hybrid automobiles

Two-thirds of the materials used to make aluminum cans in Japan (in fiscal 2014, 20.2 billion cans weighing approximately 310,000 tons) are made by UACJ. As the top manufacturer, we believe it is our responsibility to promote the recycling of aluminum cans, and we do so actively. Furthermore, we are rationalizing our use of packing materials for the delivery of products, and recovering and reusing them in conjunction with our rationalization of our logistics.

Editorial Policy

Results of the UACJ Group's fiscal 2014 CSR activities are reported on this website. In preparing this information, we referred to the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines.

Report Scope

In principle, this report covers UACJ Corporation and the following affiliates in Japan, which are referred to as the UACJ Group. In some cases, a different report scope has been used and each is indicated by an accompanying note.

Affiliates in Japan

UACJ Color Aluminum, UACJ Fukaya Service, UACJ Nagoya Alupack, Sansen
UACJ Extrusion, UACJ Extrusion Nagoya, UACJ Extrusion Oyama, UACJ Extrusion Shiga
UACJ Extrusion Gunma
UACJ Foil, Nikkin, UACJ Foil Sangyo, UACJ Foil Service
UACJ Foundry & Forging, Higashi Nihon Tanzo
UACJ Metal Components, Nalco Iwai, Nalco Koriyama, Nalco Ena, Nikkei Kakoh, Nichia Service
UACJ Copper Tube, UACJ Copper Tube Sales, Toyo Fitting, UACJ Copper Tube Packaging
UACJ Trading, Izumi Metal, Metal Cut, ACE21, Kamakura Industry, SK Corporation *
UACJ Logistics, UACJ System, UACJ Green-net

* The name of SK Corporation was changed to UACJ Marketing & Processing as of October 1, 2015.

Report Period

Fiscal 2014 (April 1, 2014 to March 31, 2015)

To aid understanding, data and information on earlier periods are included with that for fiscal 2015 in some cases.

Publication date: September 30, 2015 (annual publication)

Inquiries: General Affairs Department of UACJ Corporation

Projections, Forecasts, and Plans

This website includes not only material addressing the UACJ Group's past and present but also projections, forecasts, and plans. Material concerning the future is based on information available as of the time this report was prepared and involves uncertainty.

Future outcomes of business activities, and future events, may differ from the projections, forecasts, and plans included in the content of this site, which should be read with this understanding in mind.

The UACJ Group and those affiliated with it bear no responsibility whatsoever for future outcomes or events that differ from projections, forecasts, and plans.