

Basic Concept

The UACJ Group believes that being a business that contributes widely to society requires understanding the expectations of stakeholders and responding to their trust. We see product safety and quality control initiatives, supply-chain management, human resource development and diversity, and the provision of safe, healthy work environments as having importance not only for us but for society, as well, and do our best to achieve progress in all of these areas, with their social benefits in mind.

Key Objectives and Results

	Fiscal 2017 Objectives	Fiscal 2017 Results	Assessment	Fiscal 2018 Objectives
Quality and Customer Satisfaction	Zero major quality problems	Results on a par with fiscal 2016	○	Zero major quality problems
	10% or greater year-on-year reduction in complaints (both those involving claims for damages and those that do not)	7% year-on-year reduction	×	10% or greater year-on-year reduction in complaints (both those involving claims for damages and those that do not)
Human Resource Development and Diversity	Promote diversity in hiring	Hired nine new college graduates from outside Japan Rehired 218 people who had reached the mandatory retirement age	○	Promote diversity in hiring

	Fiscal 2017 Objectives	Fiscal 2017 Results	Assessment	Fiscal 2018 Objectives
Human Resource Development and Diversity	<p>Hire women at the rate of 40% of new-graduate staff hires, and 10% of new-graduate hires for technical positions</p> <p>Increase female participation in management by 40% compared to the figure for the end of fiscal 2015</p>	<p>Began to implement UACJ's first General Employer Action Plan</p> <p>Hired 7 women among a total of 43 new-graduate staff hires</p> <p>Hired women at the rate of 45% of new-graduate staff hires, and 6% of new-graduate hires for technical positions</p> <p>Increased female participation in management by 6.5% compared to the figure for the end of fiscal 2016</p>	×	<p>Hire women at the rate of 40% of new-graduate staff hires, and 10% of new-graduate hires for technical positions</p> <p>By 2020, increase female participation in management by 100% compared to the figure for the end of fiscal 2015</p>
	<p>Continue strengthening technology development, frontline execution, and workforce capabilities for the Group as a whole</p>	<p>Conducted a total of 26 seminars of 15 types, for 264 participants</p> <p>Had 907 employees participate in job-level training</p>	○	<p>Continue strengthening technology development, frontline execution, and workforce capabilities for the Group as a whole</p>
Provision of Safe, Healthy Work Environments	<p>Energize improvement activities aimed at eliminating workplace accidents</p>	<p>Conducted monthly safety inspections across the entire company</p> <p>Implemented safety measures based on uniform facility safety standards for the Group</p> <p>Conducted safety assessments for new construction, renovation, and relocation projects</p>	○	<p>Energize improvement activities aimed at eliminating workplace accidents</p>
	<p>Conduct employee education on safety and health</p>	<p>Included in job-level training</p> <p>Enhanced the content of experiential education on hazards</p> <p>Conducted safety and health seminars for supervisors</p>	○	<p>Conduct employee education on safety and health</p>
	<p>Adjust working hours to appropriate levels</p>	<p>Implemented a work-time management system to accurately record and confirm working hours</p>	○	<p>Adjust working hours to appropriate levels</p>

Looking toward the Future

In fiscal 2016, the UACJ Group will redouble its efforts to achieve zero major quality problems, an objective for which performance fell short in fiscal 2015. At the same time, we will work to further activities aimed at eliminating workplace accidents and advancing human resource development. Other areas of particular focus will include efforts to achieve the various objectives, such as the target for hiring women into staff positions, established to promote diversity and achieve the action plan for compliance with the Act to Advance Women's Success in Their Working Life.

Comment by the Executive in Charge

Marking its fifth anniversary in 2018, UACJ has expanded its operations over the past five years by establishing and acquiring companies in the United States and Thailand. As a result, the UACJ Group's employees have become more diverse overall. Mean-while, transferring skills to the next generation of workers and drastically reforming working conditions have emerged as serious issues in Japan, making it important for us to improve our workplace environment.

In response to these developments, UACJ has launched two new initiatives for its employees. One is the UACJ Way campaign. The UACJ Way is a set of principles of conduct for every employee to follow and value. We are promoting it group-wide to foster a sense of unity among all members so that we can realize the future direction envisioned by UACJ. The second initiative is a project for reforming our workplaces in Japan. Targeting almost all types of operations, the project is aimed at helping employees become more productive while maintaining a healthy work-life balance with plenty of rest time. By carrying out these two initiatives, we hope to be a group of companies that meets the expectations of our employees as well as the Group's many stakeholders around the world.



Yukihiro Kuwamoto
Executive Officer

Relationships with Customers

The UACJ Group strives to satisfy customers and earn their trust through excellence in quality, technology, and execution.

Basic Policies on Quality

1. We will constantly strive to improve our capabilities in technological development, quality management, and frontline execution to offer products and services that earn the satisfaction and trust of customers.
2. We will fulfill demands put before us.
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.
5. All Group employees will act based on a clear understanding of our stance on quality and will participate in quality improvement activities.

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. The Quality Committee discusses and reports on the status of quality, significant problems, and other quality-related matters.

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 Quality Management Department and the leaders of organizational units, as they pursue quality management activities.

Quality Improvement Activities

A uniform, annual quality management policy has been established for the entire UACJ Group. In fiscal 2017, quality objectives and priorities were clearly stated under the slogan, "Enhance quality to create a leading corporate group with world-class competitiveness," and measures for improving quality were undertaken.

Fiscal 2017 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.

Key Objectives

- Identify fundamental causes of problems to prevent recurrences and human error.
- Identify customer needs and expectations, and respond to them swiftly to increase customer satisfaction.
- Secure necessary capabilities and understanding, based on appropriate education, training, and experience.
- Implement DR (design reviews), change management, and initial flow control in the transfer of control of products.

Through focused action on these key objectives, the UACJ Group as a whole achieved a 7% reduction in complaints.

At present, no UACJ Group products are prohibited for sale due to major quality problems, and none are the subject of a dispute.

Considering factors including our fiscal 2017 results, we decided to carry forward with the same quality objectives in fiscal 2018 under the slogan, "Further strengthen the quality platform to realize world-class competitiveness." Key objectives reflecting our vision of the future will be established, and we will proceed with efforts to further improve quality.

Fiscal 2018 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.

Key Objectives

- Identify the fundamental causes of problems to prevent both problem recurrence and human error
- Achieve greater customer satisfaction by identifying customer needs and expectations, and rapidly responding to them
- Secure necessary capabilities, and ensure proper understanding, by conducting appropriate education and training activities and providing employees with opportunities to learn on the job
- Implement DR, change management, and flow control
- Strengthen the quality management structure

| Quality Management based on International Certifications

The UACJ Group practices quality management in accordance with the international quality management system certifications obtained by UACJ and its Group companies. For Group companies that have yet to obtain these certifications, the Quality Management Department provides support enabling quality management that conforms to 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.”

Knowing what customers want, therefore, is essential. To gather customer feedback, we conduct regular customer satisfaction surveys. We also hold gatherings where customers can tell us directly what they think and what they would like to see in our products. Having collected feedback from activities such as these, we analyze it and then apply findings in improvement activities and development of new products.

| Addressing Complaints

For fiscal 2017, our objectives in addressing customer complaints were: “Zero major quality problems (quality anomalies)” and “10% or greater year-on-year improvements in numbers of complaints, both those involving claims for damages and those that do not.” In fiscal 2018, 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.

| 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

Award	Recipient	Rationale
NHK Spring Co., Ltd. Special Contribution Award (June 2017)	UACJ	For zero defects and 100% on-time deliveries of aluminum plate. In appreciation of outstanding efforts to further surface treatment and special-order aluminum alloy technologies, and for proactively providing streamlining recommendations and making outstanding contributions to production activities.
Toyota Motor Corporation New Lexus LS Project Award in the Technology Category (October 2017)	UACJ	In appreciation of outstanding contributions to product appeal for the new Lexus LS.

Awards Received from Outside Organizations

Award	Description	Recipient of a prize
Japan Aluminum Association Association Award (Development Award) (May 2017)	Award is presented for technical advancement, product development, and products that have contributed to demand expansion for the aluminum industry, and for products that are expected to promote aluminum demand and develop new markets.	For development of Ai-PAC II packaging material printed with codes invisible to the naked eye. Ko Nishio, Yukie Kitada (Research & Development Division) Toru Tanaka, Akihiro Koike (UACJ Foil Corporation)
Japan Aluminum Association Association Award (Technology Award) (May 2017)	Award is presented for technical advancement, product development, and products that have contributed to demand expansion in the aluminum industry, and for aluminum material, and product manufacturing and processing technologies, that are outstanding as technical achievements or make significant social contributions in terms of environmental protection.	Automobile body parts using friction-stir-welded aluminum tailored blanks Shunya Okada, Kazuo Matsubara, Toshihiko Fukuda (Research & Development Division)
The Japan Institute of Light Metals Takahashi Award (November 2017)	In recognition of the achievements of craftspeople in advancing industrial technologies related to light-metal casting and die-casting, and melting and casting of expansile materials, secondary alloys, and recycled base metals	Kaoru Fujieda (Nagoya Works)
Japan Institute of Copper 51st Research Paper Awards (November 2017)	For research papers contributing to the sound development of the copper products industry by advancing science and technology related to copper products	Mechanism for suppressing honeycomb corrosion of copper alloys that include large amounts of phosphorous additives Yoshihiko Kyo, Yoshiyuki Otani, Koji Kanamori, Hiromi Kono, Masaki Kumagaya (Research & Development Division)

Dissemination of Information on New Products and Technologies

| Publication of a Technology and Research Journal

The most recent edition of UACJ Technical Reports, Vol. 4 No. 1, was published in February 2018.

UACJ Technical Reports offer readers papers on the results of basic and applied research, analyses of technologies and discussions of future development possibilities, introductions of new products and coverage of various other topics.

We plan to continue publishing UACJ Technical Reports as a tool for highlighting the UACJ Group's latest technical achievements in terms of research results, and new products and technologies.

Relationships with Suppliers

With the basic objective of pursuing procurement that is fair, transparent, and proper, the UACJ Group engages in procurement activities that are global in scale and environmentally conscious.

Fair Transactions

| Basic Approach

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 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. Our efforts in this regard include seminars on Japan's Subcontract Act. Seminars are scheduled for each business site of UACJ Corporation and the domestic Group companies and steady progress is being made in holding them.

| 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, have developed the UACJ Corporation CSR Deployment Guideline for Suppliers and 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, we endeavor to procure alternatives with the least environmental impact. These efforts include having individual works request, as part of their ISO14001 activities, that suppliers 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.

UACJ actively pursues information disclosure and dialogue with investors in advancing its global IR activities.

Communication with Investors

At UACJ, forthright information disclosure and interactive communication are key to our efforts to meet investor expectations. Timely 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 2017, 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. At the international level, our executive in charge of IR conducted face-to-face meetings with institutional investors. Intended to provide a better, more direct sense of who we are, these meetings were held in Hong Kong, Singapore, the U.S. and the U.K.

To promote dialogue with individual investors, which is also very important to us, we conducted investors-only tours of the Fukui and Nagoya works in October and November 2017, respectively. The tours were organized to provide individual investors with a better understanding of the UACJ Group and aluminum as a raw material. For fiscal 2018, tours are planned to take place again at the Fukui and Nagoya works, and a management briefing will be held in Osaka. All of our IR activities 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 to shareholders and other investors. Our ongoing efforts to enhance information disclosure also include the preparation of an integrated report providing clear explanations of both financial and nonfinancial information, and communications intended specifically for individual investors. The UACJ website is another important medium for investor relations and in fiscal 2017, Nikko Investor Relations Co. Ltd. ranked it the 4th best among the websites of all 3,713 listed companies, for thoroughness of content. Other outside organizations, too, have expressed praise for our investor relations activities.

Dividend Policy

UACJ views dividends as an important avenue for providing 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 2018, we paid total dividends of 60 yen per share.*

* UACJ conducted a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Annual dividends per share, based on calculations following the stock split, were ¥60 for the year ended March 31, 2018.

Relationships with Local Communities

The UACJ Group engages in various types of activities to not only contribute to society through business activities as a good corporate citizen but also coexist with and contribute to local communities as a corporate group trusted by society.

Basic Approach

The UACJ Group places great value on coexisting with the communities where we pursue business activities. We, therefore, support activities promoting environmental conservation, the development of children, the well-being of people with disabilities, local festivals, and other locally oriented activities.

Promoting Employee Participation

At UACJ, we encourage employees to participate in volunteer activities by not only inviting them to join in company activities supporting social welfare, disaster recovery, environmental conservation, and other such causes but have also implemented a volunteer leave system* that supports social participation by individual employees.

* Under the volunteer leave system, employees are allowed to take paid time off, separate from their regular paid leave, to participate in volunteer activities.

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 local beautification efforts by conducting cleanups of areas surrounding the works. Participation in these twice-a-year events (held in May and September in fiscal 2017) consists mainly of supervisors numbering 60 or so for each occasion.

Fukui Works

The Fukui Works participates in environmental beautification activities promoted by Fukui Prefecture, and performs cleanup activities in areas next to its facility. Held every year, they have now become regular events for the community surrounding the works.

The Fukaya Works and Six Group Companies in the Fukaya Area*

Since 2001, the Fukaya Works and six Group companies in the Fukaya area have participated in Fukaya City's semiannual (May and November) "zero garbage" activities and conducted their own local cleanup activities. In fiscal 2017, a total of 106 people, including Group company employees joined in a cleanup of areas along the Maenogawa River as it passes along the western side of the Fukaya Works.

* ACE21, UACJ Logistics, UACJ Fukaya Service, UACJ Metal Components Corporation, UACJ System Corporation, UACJ Green-net Corporation



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

Nikko Works

The Nikko Works performs cleanup activities in the area around its facility and in neighboring areas.



Cleaning up near the Nikko works

R&D Center

The R&D Center, which leads research and development endeavors, cleans areas around the Nagoya Works, its neighbor at the same business location. In 2018, a total of 76 people joined in the cleanup activities, which were held 19 times. For each of these activities, participants spent about an hour picking up litter and helping to beautify the local area.



UACJ Copper Tube Corporation and UACJ Copper Tube Packaging Corporation

UACJ Copper Tube and UACJ Copper Tube Packaging hold cleanup activities in the areas around their 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.

UACJ Copper Tube employees cleaning up areas around the company's facilities as part of Toyokawa City's Cleanup Day



UACJ Copper Tube employees cleaning up areas around the company's facilities as part of Toyokawa City's Cleanup Day

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.

UACJ Extrusion Gunma Corporation

UACJ Extrusion Gunma Corporation holds activities to remove litter and other discarded items from along public walkways, roads, and water channels, in areas near its plant. In fiscal 2017, these activities were held in April, July, December, and March, with 13 participants representing management and workers on each occasion. Items collected were processed by the city under a fee exemption and included cans, plastic bottles, and a variety of other items, with a total weight of 50 kg.



Cleaning up the public roads and water channels around the facilities of UACJ Extrusion Gunma Corporation

UACJ Extrusion Nagoya Corporation, Anjo Works

Working together with neighborhood associations, the Anjo Works of UACJ Extrusion Nagoya Corporation conducts cleanup activities mainly in areas adjacent to or near its plant at the end of every month. As an additional contribution to local beautification, the works also sweeps up litter and fallen leaves after stormy weather and on other occasions as necessary.

UACJ Extrusion Shiga Corporation

UACJ Extrusion Shiga Corporation participated in the June 2017 Lake Biwa Clean Fishing event, which was organized to help eliminate invasive species from Lake Biwa and preserve its environment.

UACJ Extrusion Shiga Corporation participates in this annual event held jointly by all Shiga Prefecture municipalities.



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

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 fiscal 2017, 12 volunteers including Nogi Works employees and employees of business partners performing work on site joined in this event.



UACJ Foil Corporation, Shiga Works

The Shiga Works of UACJ Foil Corporation held an event on December 28, 2017 to collect leaf litter from areas surrounding the works and to clean the parking lot. Attention focused in particular on storm drains, which had become clogged, causing the formation of large puddles from rainfall.



UACJ Foil Corporation, Isesaki Works

The Isesaki Works of UACJ Foil Corporation helps to advance global environmental beautification activities by holding a cleanup activity for a water channel running along the south side of the works. In fiscal 2017, this event was held on June 21, and participants, including recent new hires, worked together to clear the water channel of cans, plastic garbage, leaf litter, and other matter.



Nikken Co., Ltd., Saitama Plant

Every year, the Saitama Plant of Nikkin Co., Ltd. helps to install and remove lanterns for the cherry blossom festival sponsored by the Kiyoku Industrial Park in March, joins in the industrial park's zero-garbage activities in May and November, and helps to set up and manage the Noryo Fireworks Festival held on the industrial park's athletic field in July.

In addition, the plant performs activities such as collecting garbage and leaf litter, and trimming grass, once a week in surrounding areas.

Sansen Co., Ltd.

For over 10 years, Sansen Co., Ltd. has been conducting its "Sawayaka Undo" cleanup activities in areas (junior high school, school for special needs education, hospital, and other places) surrounding the Nagoya Works of UACJ Corporation.

These activities are held on a monthly basis and draw participation by about 10 employees on each occasion.



Sansen Co., Ltd.'s "Sawayaka Undo"

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 other types of education and training initiatives, as well, inside and outside Japan.

| 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

As one way of contributing to the local community, the Fukui Works welcomes visitors for plant tours.

| Fukaya Works

In August, the Fukaya Works conducted a plant tour for high school students as part of its cooperation with the Ministry of Education, Culture, Sports, Science and Technology's Super Science High School project. The aim of this project is to develop people who can be active participants in science and technology at the international level. It is doing this by helping students develop scientific abilities and skills, and capacities for scientific thinking, judgment, and self-expression, through advanced math and science high-school education. Eight high school students participated in the plant tour, which gave them an opportunity to see the inside of the Fukaya Works and the R&D Center.



| R&D Center

The R&D Center applies the UACJ Group's wealth of accumulated scientific knowledge to provide educational support. In 2018, it invited science students from Nagoya Koyo Senior High School, designated a Super Science High School by the Ministry of Education, Culture, Sports, Science and Technology, to the Inari Festival held at the Nagoya Works and made their visit into a learning opportunity by having them view exhibit items.

| 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 Color Aluminum Corporation

UACJ Color Aluminum accepts students from Utsunomiya Kogyo High School in Utsunomiya City, Tochigi Prefecture, for internships in October of every year.

| UACJ Copper Tube Corporation

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

| UACJ Metal Components Corporation, Shiga Works

The Shiga Works of UACJ Metal Components Corporation participates in a program in which public school teachers undergo training at private sector companies. Over the past 17 years, it has regularly welcomed teachers into its facilities, and conducted training for 16 teachers in total. From October through December of fiscal 2017, 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.

| UACJ Metal Components Corporation, Ena Works

The Ena Works of UACJ Metal Components Corporation accepts students from Nakatsugawa Kogyo High School and Ena Kita Junior High School, both in Gifu Prefecture, for internships. It also conducts plant tours for local elementary, junior high, and high school students. As a member of Ena City's environmental committee and labor standards association, the works also participates in events sponsored by these organizations.

| Nalco Koriyama Co., Ltd.

Nalco Koriyama Co., Ltd. offers internships to students from Koriyama Kita Kogyo High School. In fiscal 2017, 3 second-year students from the school's machinery program participated in the three-day internship (July 11-13), which included classes on safety and how to read technical diagrams, and hands-on experience in performing light-duty work.

| ACE21 Nara Center

ACE21 Nara Center participates in the experiential learning education program of the nearby Shikige Junior High School. In fiscal 2017, the center took great pride in guiding 2 students through a three-day program in the basics of processing sheets of aluminum.

| UACJ Marketing & Processing

Since fiscal 2012, UACJ Marketing & Processing Corporation has been conducting a practical learning program for people with disabilities. Its intent is to support their efforts to live independently. In fiscal 2017, the company accepted one student from Anjo Special Needs Education School for the program, as has become its annual practice. With the help of detailed discussions with the school, and proper attention paid to safety during the program, the student accepted for the program completed it with flying colors.

| Toyo Fitting Co., Ltd.

Toyo Fitting participates in an experiential learning project for local junior high school students.

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 a tsunami evacuation site for students of a nearby school for disabled children, and it continues to conduct tsunami evacuation drills with 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. The company also registered as a business that will cooperate in firefighting for the city and has employees participate in firefighting activities.

| Toyo Fitting Co., Ltd.

Toyo Fitting participates in an experiential learning project for local junior high school students.

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.

| Fukaya Works and Six Group Companies in the Fukaya Region*

Since 2007, the Fukaya Works and six Group companies in the Fukaya region have been making contributions to programs that assist disabled people.

These contributions are overseen by the UACJ Shogai Fukushi Kikin. Together with funds donated by the six Group companies, a total of two million yen is contributed to the fund every year to promote projects for the benefit of disabled people in Fukaya City.

* ACE21 Corporation, UACJ Logistics Corporation, UACJ Fukaya Service Corporation, UACJ Metal Components Corporation, UACJ System Corporation, and UACJ Green-net Corporation

| 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.



Inari Festival (UACJ Corporation, Nagoya Works)

| UACJ Copper Tube Corporation and UACJ Copper Tube Packaging Corporation

As part of their efforts to support people with learning disabilities, UACJ Copper Tube Corporation and UACJ Copper Tube Packaging Corporation began in April 2013 to allow Smile, an organization supporting people with learning difficulties, to sell its baked goods within their companies every Wednesday, excluding holidays. Popular with employees, these items – all 150 Smile brings – are sold out in only about 15 minutes.

The companies also outsource the sorting of waste items to Smile and Mokusei 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.

| UACJ Extrusion Gunma Corporation

Since fiscal 2015, UACJ Extrusion Gunma Corporation has been hosting students from Isesaki Senior Special Needs School for on-site group practical training.

| Nalco Koriyama Co., Ltd.

With help from the city of Koriyama, Nalco Koriyama Co., Ltd. organized a summer festival sponsored by the association of companies with operations in the Koriyama Nishibu Dai-ni Industrial Park. The festival, which was held on July 21, 2017, attracted roughly 840 visitors, including local residents. Following an opening address by the mayor of Koriyama, the festival commenced with a can-stacking game, a comedy performance, and other attractions visitors thoroughly enjoyed.

Relationships with Employees

One of the UACJ Group’s company principles is to “nurture staff by creating safe and positive work environments.” Accordingly, we work to address issues concerning human rights, diversity, human resources development, work-life balance, and occupational safety and health.

Basic Workforce Data

UACJ Workforce Data

	2016		2017	
Employees	2,756	(283)	2851	(236)
Men	2,539	(259)	2619	(224)
Women	217	(24)	232	(12)
Average age	40.5		40.2	
Average years of continuous service	17.4		16.7	
New hires (excluding temporary transfers)	187		248	
Men	179		227	
Women	8		21	
Employee turnover rate	4.5%		4.2%	
(Voluntary resignations)	2%		2.8%	

* Figures in parentheses are the average numbers of temporary hires (not included in totals).

* As of March 31 of each year.

UACJ Group Workforce Data (Consolidated)

	2016		2017	
Group employees (consolidated)	9,651	(1,116)	10,067	(922)
Men	8,132	(948)	8,506	(773)
Women	1,519	(168)	1,561	(149)
By Region				
Japan	6,102	(854)	6,293	(810)
Asia	2,260	(17)	2,290	(13)
Americas	1,127	(245)	1,329	(96)
Europe, other	162	(0)	155	(0)

* Figures in parentheses are the average numbers of temporary hires (not included in totals).

Respect for Human Rights

Basic Approach

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 the importance of respecting human rights is emphasized in job-level education, intra-departmental education focusing on the Code of Conduct, and in other settings, as well.

Promoting Diversity

Basic Approach

The UACJ Group believes that its competitiveness relies on having diverse human resources. One of the major policies under the human resource development section of the Mid-term Management Plan is to "Promote diversity (by employing more older individuals, women, and immigrants)." We, therefore, are committed to building and maintaining a system that enables the continuous nurturing of human resources.

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 2018, our hiring of new graduates included 43 people (36 men and 7 women) for staff positions, and 64 (61 men and 3 women) for skilled labor positions. We are also actively hiring people from other countries, and have brought 19 on board since fiscal 2011.

Creating Work Environments Supporting Career Success for Women

At the UACJ Group, we are actively working to increase career opportunities for women. Our objectives under our action plan based on the Act to Advance Women's Success in Their Working Life include: 1) Making women 40% of the new college graduates we hire into administrative positions and at least 10% of technical positions; and 2) Doubling by fiscal 2020 the number of women in management positions as of March 2016. As our most recent results along these lines, we hired 43 new college graduates, including 7 women, in fiscal 2018. Women accounted for 45% of the administrative positions filled and 6% of technical positions. Regarding the number of women in management positions, there were 93 female managers across the entire UACJ Group as of the end of fiscal 2017 (March 31, 2018). This reflects an increase of 6* from the end of the previous fiscal year. 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.

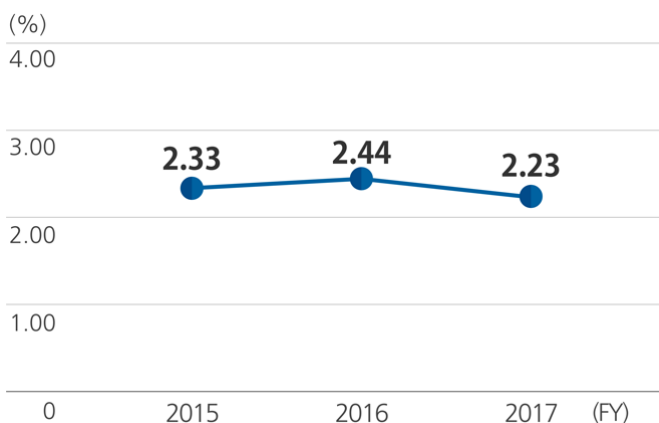
* Includes Group companies that are not consolidated subsidiaries.

Initiatives for Hiring People with Disabilities

UACJ works to achieve the legally mandated workforce percentage for employment of people with disabilities. We do this via UACJ Green-net Corporation, a company recognized as a special subsidiary under Japan's Act for Promotion of Employment of Persons with Disabilities. The UACJ Green-net Nagoya Office was established in April 2015 to expand work opportunities for people with disabilities and its Anjo Satellite Office was set up in April 2017. The Toyokawa Office was opened in April 2018. As of June 1, 2018, people with disabilities comprised 2.23%* of the Company's workforce, more than the legally mandated 2.2%.

* For fiscal 2017, calculation of this rate was based on combined employment data for UACJ; UACJ Foil Corporation; UACJ Extrusion Nagoya Co. Ltd.; UACJ Logistics Co., Ltd.; and UACJ Green-net Corporation. For fiscal 2018, data for UACJ Trading Co., Ltd.; UACJ Copper Tube Co., Ltd.; UACJ Copper Tube Packaging Co., Ltd.; and UACJ Metal Components Co., Ltd. were added to the calculation.

Employment Rate for People with Disabilities



Personnel Development Initiatives

| Approach to Personnel Development

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-first 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.

| Human Resource Development Program

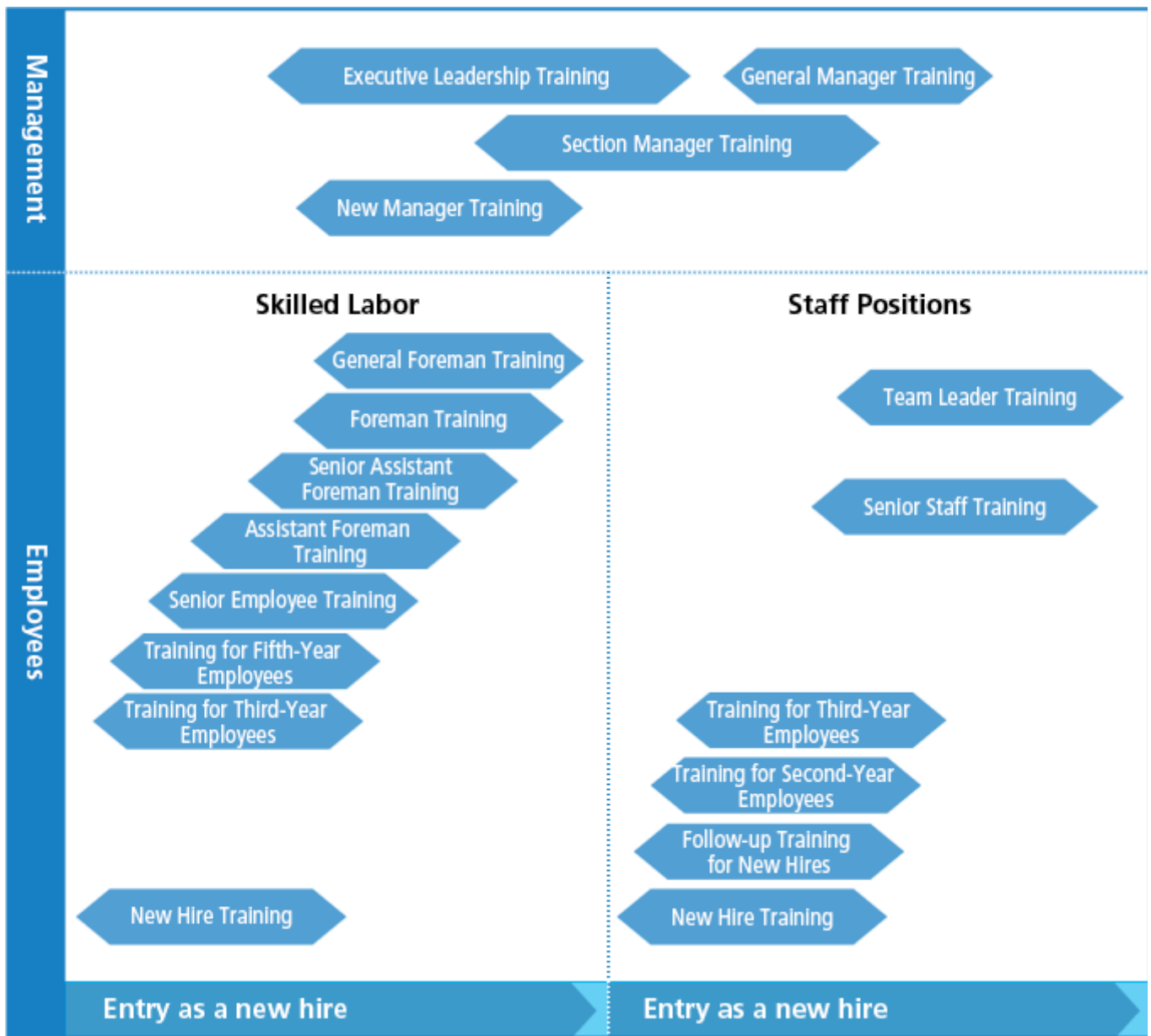
The UACJ Group's Human Resources Development Department uses the Human Resources Development Center at the Nagoya Works and external training facilities to conduct job-level training and seminars.

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, we conduct a series of training programs over the first three years of employment. 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 training programs at the time of hiring, and in the third and fifth years of employment. From their sixth year of service, employees participate in training as required for their job level.



Fiscal 2017 Job-Level Training Participation

	UACJ	Affiliates	Total
Management	55	69	124
Staff	115	73	188
Skilled Labor	335	260	595
Total	505	402	907

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 2017, we held seminars in areas such as improving leadership skills, instructor development, development of on-the-job training leaders, quality control (QC), and naze naze (why why)* analysis at principal business sites. To better equip employees for working in a global environment, we conducted a business communication seminar, and to address new needs, we held seminars on the topics of diversity management and self-management for women.

In fiscal 2017, we conducted a total of 26 seminars of 15 types, with participation by 264 employees in all.

* Naze naze (why why) analysis is a problem-solving approach that focuses on ascertaining fundamental causes.

Support for Self-Development

In an effort to meet the needs of individual employees and workplaces, we help employees undertake self-development through avenues such as distance learning, preparation to acquire various types of professional certifications, and language study. We also issue a monthly newsletter that carries information on training activities and other information intended to promote employee interest in self-development.

Education Support for Group

The Human Resources Development Department accepts Group company employees for participation in job-level training and seminars, and provides guidance and other forms of on-site support.

In fiscal 2017, 6 improvement and 5S seminars were conducted at Group company locations by local instructors.

Developing Human Resources for Overseas Roles

In fiscal 2014, we introduced a two-year overseas training program in which participants spend the first year in language training and the second in practical training. Through fiscal 2017, a total of seven employees were sent to the U.S. Two employees are currently participating in the program in fiscal 2018. We plan to continue with this program as a human resources development tool with a medium- to long-term outlook.

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.



Human Resources Development Center

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.

Outside of Japan, Group companies are beginning to develop and operate their own education systems.

| 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. In fiscal 2017, a similar initiative was launched at the Fukui Works, adding to others already 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. Development of these activities is underway 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.

Note: Ji-Kotei Kanketsu (JKK) is a manufacturing approach in which individual employees focus on not making or passing on defective goods (information) to customers and downstream processes, and take pride in and bear responsibility for their work, making improvements to perform their work perfectly, and without blaming others for problems. JKK is based on an approach learned from Toyota Motor Corporation and customized by UACJ for its own purposes.

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 2018, 218 senior employees were back at work at UACJ.

Work-Life Balance

Basic Approach

The UACJ Group has several systems intended to promote a healthy work-life balance by enabling all employees to properly meet work responsibilities and have quality time off to be with their families, study topics of personal interest, enjoy hobbies, or do whatever else they would like.

As a new initiative in the same vein, the Workstyle Reform Project was launched as a Group-wide endeavor in November 2017.

UACJ Systems for Balancing Work and Family Responsibilities

Category	System	Description	No. of Employees Using (Fiscal 2017)
Child Care Support	Child-care leave	The employee may take leave for the desired period up through the end of the first April after the child becomes 2 years old (Legal requirement: Leave up to the time the child reaches the age of 2 years)	57
	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)	9
	Overtime exemption	Same as legal requirement.	0
	Sick-child leave	Same as legal requirement. 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)	2
	Limitation on late-night work	Same as legal requirement.	0

Category	System	Description	No. of Employees Using (Fiscal 2017)
Child Care Support	Limitation on overtime work	Same as legal requirement.	0
	Limitation on overtime work Accumulated leave	Leave may be taken for child care or to care for a sick child.	37
	Baby sitter assistance service	Babysitter services by providers arranged by the Company are available at reduced rates.	0
	Telework (work from home)	Ability to work from home up to four times a month.	7
	Coreless flextime system (coretimeless)	Flextime without core working hours.	3
	Online services for employees on child-care leave	Communication tools (information messaging, notices), online courses, 24-hour telephone consultation, etc. (introduced in April 2018)	0
	Rehiring of former employees	Rehiring of employees who left to give birth or care for children.	0
Nursing Care Support	Nursing care	Up to 365 calendar days may be taken to provide nursing care (Legal requirement: 93 days)	1
	Reduced working hours	Ability to reduce working hours for the amount of time needed on each occasion	0
	Elimination of overtime work	Same as legal requirement	0
	Nursing care leave	Same as legal requirement	4
	Limitation on overtime work	Same as legal requirement	0

Category	System	Description	No. of Employees Using (Fiscal 2017)
Nursing Care Support	Limitation on late-night work	Same as legal requirement	0
	Accumulated leave	Leave may be taken to provide nursing care	23
	Telework (work from home)	Ability to work from home up to four times a month.	7
	Coreless flextime system	Flextime without core working hours.	0
	Rehiring of former employees	Rehiring of employees who left to provide nursing care.	0
Other	Flex-time system	Implemented at UACJ headquarters; branch offices; offices; and the Nagoya, Fukui, Fukaya, and Nikko works; and Research & Development Division	585
	Nursing care	Leave may be taken to provide nursing care to parents or spouses	3
	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.	0
	Transfer to accompany a domestically transferred spouse	A transfer requested to accompany a domestically transferred cohabiting spouse will be granted if certain requirements are met. (introduced in May 2018)	-
	Leave of absence to accompany a spouse transferred overseas	A leave of absence requested to accompany a cohabiting spouse transferred overseas (for a continuous period of at least one year) will be granted if certain requirements are met. (introduced in May 2018)	-
	Rehiring of former employees	Rehiring of employees who left because a spouse was transferred.	0

Child-Care Leave System and Systems for Diverse Workstyles

At UACJ, 100% of the women who took maternity leave in fiscal 2017 used the child-care leave system. As of fiscal 2017, 100% of the women who had taken child-care leave had returned to their jobs, and 84.6% of these women were still with the Company three years after returning to work. To encourage men to take childcare leave, too, the Company allows expired paid leave to be used for child care. As an additional incentive for men to participate in child care, a system has been established to allow them to take up to five days of leave at their convenience during the first month following the birth of a child.

In fiscal 2017, a total of 57 employees – seven women and 50 men - took child-care leave. Going forward, the Company will continue to take steps to help employees balance work and home responsibilities. In April 2015, the Company established a new system for rehiring former employees who left because of reasons such as the birth of a child, the need to provide child or nursing care, or the transfer of their spouse. And in March 2017, we introduced systems for providing child-care subsidies and enabling employees with child- or nursing-care responsibilities to work at home, and adopted a coreless flextime system. In April 2018, we launched online services to help employees on child-care leave balance careers and child-care and in May introduced systems to allow domestic transfers for employees to accompany domestically transferred spouses and leaves to accompany spouses transferred overseas.

Child Care Leave Taken

Fiscal Year	Men	Women	Total
2016	12	8	20
2017	50	7	57

(%)

Fiscal Year	Percents of UACJ Employees Returning to Work Following Child-Care Leave	Percents of UACJ Employees Still on the Job After Three Years
2016	88%	100%
2017	100%	84.6%

Appropriate Management of 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.

Along the same lines, we also decided to participate in the Japanese government's Premium Friday campaign, which began in February 2017. On the last Friday of every month, therefore, we have employees finish their work by the official end of the workday. Separately, we are also encouraging employees to use paid leave (even in hour increments) and flextime to finish their work days by 3 PM.

In addition to the above, we distribute a message by our President to enhance employee awareness of work-life balance during the month we have designated for that purpose, appropriately hire and assign people to prevent overwork, have lights turned off automatically at our head office, and automatically issue email alerts to employees and their supervisors when the employees are working excessive hours.

UACJ Overtime Hours

(h)

Fiscal Year	Average Overtime Hours
2016	32.5
2017	32.0

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
2015	12.1
2016	12.3
2017	13.1

* 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).

Volunteer Leave System

In 2013, 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.

Occupational Safety and Health

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.

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 and Health Management System

Safety and Hygiene Committee

The UACJ Group has built a safety and health management system in which leadership is exercised by the general safety and health managers at individual business locations. The purpose of the system is to create work environments where workers can be confident that their safety and health are being adequately protected.

Overseeing safety and health is the Safety and Health Committee. Chaired by the Executive Officer in Charge of Safety and Health, the committee, which meets once a year, is composed of members including full-time directors, works managers, and presidents of principal Group companies. At the meeting held in January 2018, a report on fiscal 2017 activities was presented by the Safety & Environment Department and then the committee discussed and approved directions to be taken in safety and health activities for fiscal 2018. President's Safety Awards for 2017 were presented to those business locations that experienced no accidents during the fiscal year.



[Presentations of President's Safety Awards (17 business locations)]

UACJ Extrusion Nagoya Corporation; Nagoya Works; UACJ Foundry & Forging (Vietnam) Co., Ltd.; Fukaya Works; UACJ Copper Tube Co., Ltd.; UACJ Metal Components (Thailand) Co., Ltd.; UACJ Nagoya Alupack Corporation; UACJ Foil Corporation, Isesaki Works; UACJ Extrusion Gunma Corporation; UACJ Extrusion (Thailand) Co., Ltd., Headquarters Works (Ayutthaya); PT. UACJ-Indal Aluminum; UACJ Extrusion (Tianjin) Corporation; UACJ Foundry & Forging Corporation, Foundry & Forging Works; UACJ Metal Components Corporation, Shiga Works; P.T. Yan Jin Indonesia; Nikkin Co., Ltd., Saitama Plant; UACJ Foil Sangyo Corporation; and NALCO Koriyama 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 refines the unified rules and promotes their inculcation 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.

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 accidents in the workplace.

Safety and health activity plans are prepared at each works in accordance with the UACJ Group's safety and health activity aims. Plans are finalized once they are approved by the head of each works, and then discussed and approved by the worker/management joint Safety and Health Committee at each works.

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 Group, we hold annual liaison meetings of people in charge of safety and hygiene at Group companies.

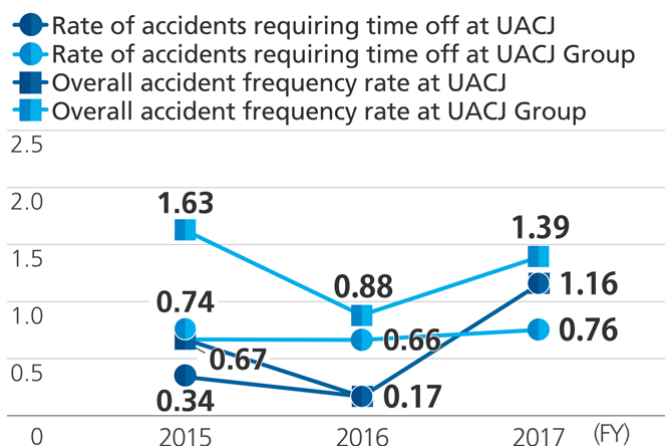
To achieve further enhancement going forward, we intend to improve the accuracy of internal audits.

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 Group came to 49 for fiscal 2011. Since then, they have been trending downward. In fiscal 2017, there were 20 accidents. The rate of accidents requiring time off from work was 0.76, with an overall frequency rate of 1.39.

Workplace Accidents



*The overall frequency rate is a measure of the rate at which workplace accidents occurred during the fiscal year. It is calculated by dividing the total number of worker fatalities and injuries (including cases not requiring time off) resulting from a workplace accident during the fiscal year, by one million hours.

*The rate of accidents requiring time off from work is a measure of the frequency of workplace accidents that occurred during the fiscal year and required workers to take time off from work. It is calculated by dividing the total number of workplace accidents that occurred during the measurement period and required time off from work, by one million hours.

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.

Based on uniform equipment safety standards the Group introduced in March 2015, zones are being delineated within facilities and thorough safety measures are being 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, job-level training includes safety and health education, and content aimed at raising safety awareness. Furthermore, experiential training aimed at enhancing awareness of dangerous situations, and competitions to encourage workers to hone crane and forklift skills, are held regularly.

For managers, 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 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.



Crane operation and slinging skill contest

Principal Safety and Health Awards

Award	Recipient	Rationale
Japan aluminum Association Excellent Labor Safety Work Place Special Award for Superior Performance (Fiscal 2017)	UACJ Extrusion Gunma Corporation UACJ Extrusion Shiga Corporation* UACJ Foundry & Forging Corporation UACJ Extrusion Nagoya Corporation	No workplace accidents for three years (five years at Shiga)
Japan aluminum Association Excellent Labor Safety Work Place Prize for Excellence (Fiscal 2017)	Fukaya Works UACJ Foil Corporation, Isesaki Works	No workplace accidents for two years
Japan Crane Association Awards, Chairman's Award for outstanding operators of cranes and other equipment (October 2017)	Nagoya Works	For outstanding sling work by crane operator
Nara Prefecture Labor Standards Association Award for zero accidents in a three-month period (October 2017)	ACE21 Corp., Nishi Nihon Sales Department, Nara Center	For zero accidents in a three-month period (June, July, and August)

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.

Understanding that early detection of symptoms is critical for treating mental health issues, we devote significant energy and attention to education and "line care" by managers and supervisors. More specifically, in job-level and other types of training, we conduct systematic, ongoing training and education to provide managers with tools for counseling subordinates experiencing mental health issues. For employees still in their 20s and 30s and not yet in management positions, we conduct self-care and other types of training to help employees maintain remain physically and mentally healthy.

Early detection of employees experiencing mental health issues is accomplished by having managers routinely talk to individuals to provide guidance and advice. If a manager comes to believe that an individual requires mental health care assistance, the manager will contact the department in charge of mental health care, which will immediately take appropriate action. In addition, as part of the stress-check system we have implemented, we have employees engage in stress checks and we conduct group analyses to raise their stress self-awareness. 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 livable. Concerning summer heat in particular, we are moving forward with installation of air conditioning and ventilation equipment in places where it is needed.

Employee-Management Relationship

Relations with labor unions are harmonious and information on the condition of the Company is regularly shared in central and business-site labor-management conferences. In April 2016, labor-management committees were formed at UACJ and at individual business sites to engage in ongoing discussions of measures for improving work-life balance by shortening working hours.