

## Message from the president



**We are maximizing the possibilities of aluminum for society and the environment.**

**Miyuki Ishihara**

Representative Director & President

### **Helping people overcome challenges as a responsible global manufacturer of aluminum products**

Since the establishment of UACJ Corporation in October 2013, we have been building an organization that can generate synergy effects from integrated operations while expanding into other countries and boosting overall production capacity. Today, the UACJ Group manufactures and sells over one million tons of flat-rolled aluminum products annually, and is committed to safely and dependably supplying products to customers as a world-class manufacturer.

Our commitment is not limited to ensuring a steady product supply; we also have a much broader social mission. Since industries began widely using aluminum about a century ago, the metal has become an indispensable material for a broad range of applications spanning from construction materials and components for machinery, vehicles and ships to everyday items

and electrical and electronic applications. In recent years, aluminum's light weight, thermal conductivity, outstanding recyclability and other properties have been widely recognized, particularly with respect to reducing environmental burden. From that standpoint, the UACJ Group has an important responsibility to make the most of aluminum's potential in order to help solve environmental and other issues facing society today.

### **Applying technical development to facilitate aluminum product recycling**

As environmental problems such as global warming and ocean pollution grow more serious by the day, aluminum is increasingly being seen as an environmentally friendly alternative to materials like steel and plastic. For example, demand for aluminum automotive parts is growing as automakers work to reduce vehicle weight as part of efforts to meet increasingly strict environmental regulations. Likewise,

the beverage industry has begun shifting from plastic bottles to aluminum cans amid growing public awareness of plastic waste. Aluminum is also expected to replace other types of plastic containers besides beverage bottles in the future.

Against that backdrop, the UACJ Group will not only work to meet growing demand with a dependable supply of products, but also facilitate aluminum product recycling to make aluminum materials even friendlier to the environment. Our efforts will include technical development and extend across the entire supply chain. A vast amount of electricity is consumed in the smelting process to produce aluminum ingots from primary aluminum, but only about 3% of the total electricity consumption used at the initial smelting stage is required produce the same volume of ingots from recycled aluminum. While facilities for recycling aluminum cans and lithographic printing plates already exist, UACJ is aiming to develop technologies for recycling aluminum automotive parts and provide recycling facilities to suppliers with a view to further promote aluminum product recycling. We are paying particular attention to reducing the environmental impact of aluminum product manufacturing processes, beginning with flat-rolled aluminum production. Accordingly, we are striving to raise productivity and switch to cleaner fuels in order to reduce energy consumption at each of the Group's factories. In addition, we are taking measures to reduce industrial waste, minimize waste sent to landfills, and prevent pollution from chemical substances.

### **Jointly developing products and technologies with customers to accelerate innovation**

UACJ recognizes the importance of collaboration with stakeholders, including customers, local governments, and universities and research institutes, for creating products and technologies needed by society. To facilitate these efforts, we established a collaborative space called the U-AI Laboratory in our R&D Center in February 2019. Looking ahead, we will use this new laboratory for proactively collaborating with customers and other partners with a view to speed up the development of technologies and products that provide solutions to a wide range of challenges today.

To generate innovations, it is essential to have human resources with expertise in various fields, such as R&D, manufacturing engineering, and marketing. Therefore, UACJ

is strategically recruiting personnel who have diverse skills and specializations while supporting the career advancement and development of employees over the medium to long terms. Furthermore, we are planning to establish a new company training center for the purpose of maintaining a consistent level of skills among employees and ensuring that expertise is effectively passed down to younger members.

### **Setting goals for material issues based on ESG criteria**

Our management understands that improving corporate governance on a continuous basis is vital for UACJ to grow sustainably as a global company. On that basis, we took several progressive steps to enhance governance in fiscal 2018, such as overhauling our remuneration system for directors and increasing the number of outside directors and outside auditors.

Along with the aforementioned recycling initiatives, we are also training human resources and exploring innovative solutions for issues related to environmental, social and governance (ESG) criteria. To step up these efforts, we plan to designate important material issues and include related non-financial targets in our next mid-term management plan. We also intend to become a signatory to the United Nations Global Compact to publically demonstrate UACJ's commitment to these endeavors. As a global manufacturer of aluminum products, the UACJ Group will strive to uphold its corporate social responsibility in all of its business activities and meet the expectations of its many stakeholders.

