

UACJ Group's Vision for the Future

**— A highly competitive aluminum supplier with a secure foothold
in the global marketplace —**

**March 31, 2014
UACJ Corporation**



1. Vision for the Future

2. Policy and Direction for Aluminum Sheet Metal Business

- (1) Promoting Technological Development and Expanding on the Global Market**
- (2) Maintaining a Global Supply System**
- (3) Constructing an Optimal Production Distribution**
- (4) Expanding and Utilizing the UATH Rayong Works**

3. Policy and Direction for Non-sheet Metal Businesses

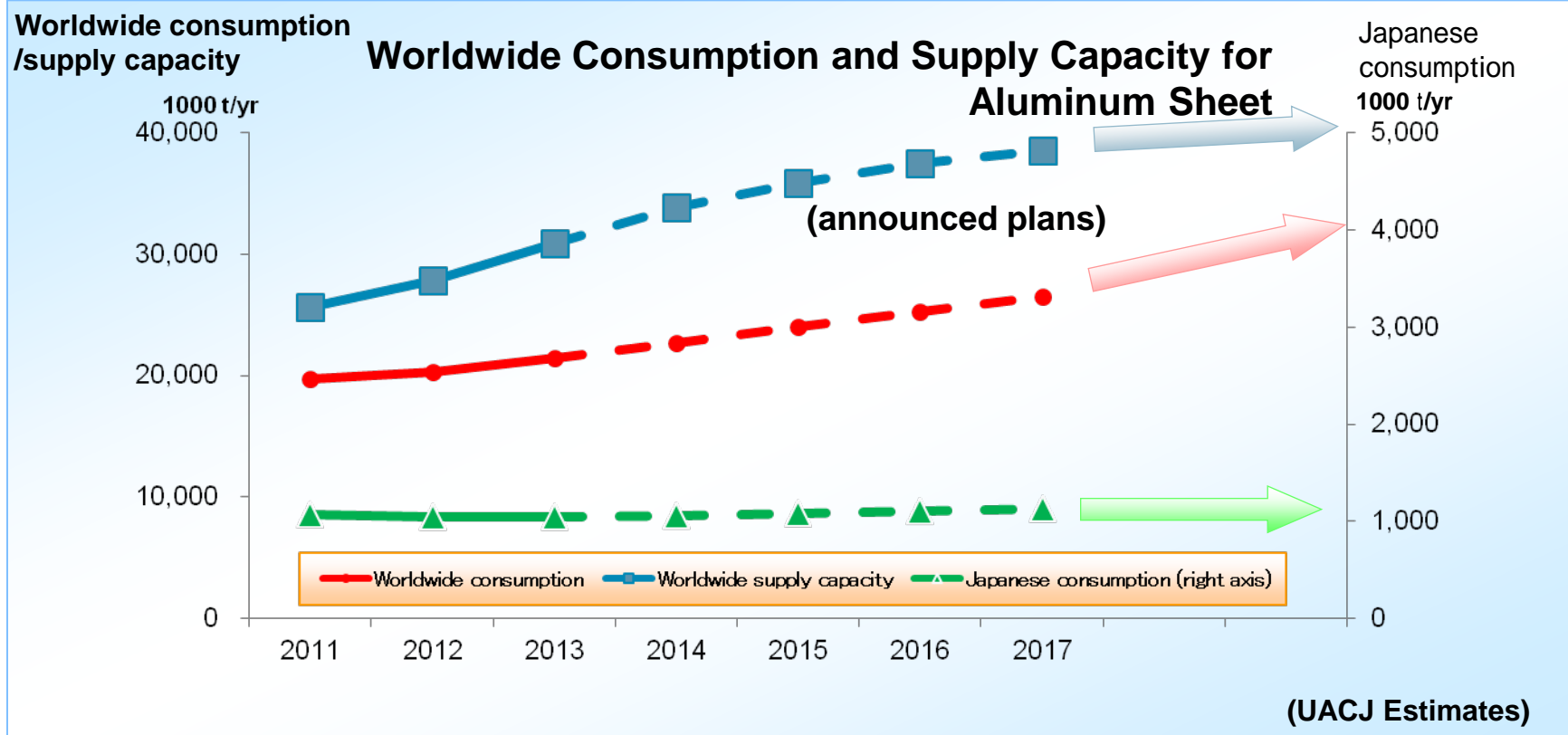
4. Consolidation Effects

5. Initiatives toward Vision of the Future

6. Establishment of Midterm Management Plan

1.Vision for the Future

Outlook for World Demand of Rolled Sheet Products (1)



World demand for rolled aluminum sheet products is expected to steadily grow

Increased demand due to economic growth in Southeast and East Asia

Increased demand due to reductions in vehicle weight in Europe and America

Outlook for World Demand of Rolled Sheet Products (2)



Large-scale investment in works and equipment is underway in regions worldwide

Large-scale investment by rolled aluminum manufacturers in China and South Korea is underway
Investment by European and American manufacturers in the automotive and aeronautic fields

Europe

Increased demand in automobile sector along with the growing demand for further reductions in vehicle weight

Companies such as Novelis, Aleris and Constellium plan to increase facilities for finishing, etc. in this field

Asia/Middle East

Due to increased populations and earnings, demand for rolled products will increase in all fields, including consumer goods such as cans and foil, automotive, and construction

Large-scale investment in plants and equipment and construction of new factories is underway by companies such as Novelis Korea and Chinese rolled product manufacturers

North America

Increased demand in automobile sector along with the growing demand for further reductions in vehicle weight

Companies such as Alcoa and Novelis plan to increase facilities for finishing, etc. in this field

UACJ Group's future corporate initiatives for achieving goals

Slogan

**Maximize the possibilities of aluminum in ways that
contribute to society and the environment**

< Corporate initiatives for achieving goals >

**To be a company respected by all stakeholders, capable of coexistence
and continuously evolving.**

To be a company that is appreciated and valued by customers worldwide.

**To be a global company that establishes itself locally in each region and
appropriately.**

Future Corporate initiatives for achieving goals (2)

**Making maximum use of company resources
through mergers**

Group strength

**Incorporating
market
directions**

**Providing
attentive
service**



**Technological
development**

**Cost
competitiveness**

**Global supply
capability**

As a major aluminum group originating from Japan, UACJ will push these strengths to the forefront, capitalizing on Japanese technology and service to become a renowned group on the global market

**A highly competitive aluminum supplier with a secure
foothold in the global marketplace**

- 1. Proactive global expansion in new growth fields and growing markets**
- 2. Strengthen cost competitiveness through restructuring**
- 3. Promote the development of new technologies and products**

2. Policy and Direction for Aluminum Sheet Metal Business

(1) Promoting Technological Development and Expanding on the Global Market

Responding to growing markets such as environmental, resources and energy, shipping and transportation, and IT

Responding to the global market

Pursuing the new possibilities in aluminum

Unifying R&D and production technology capabilities

Developing new/high-performance products

Reducing cost through production technologies/process improvements

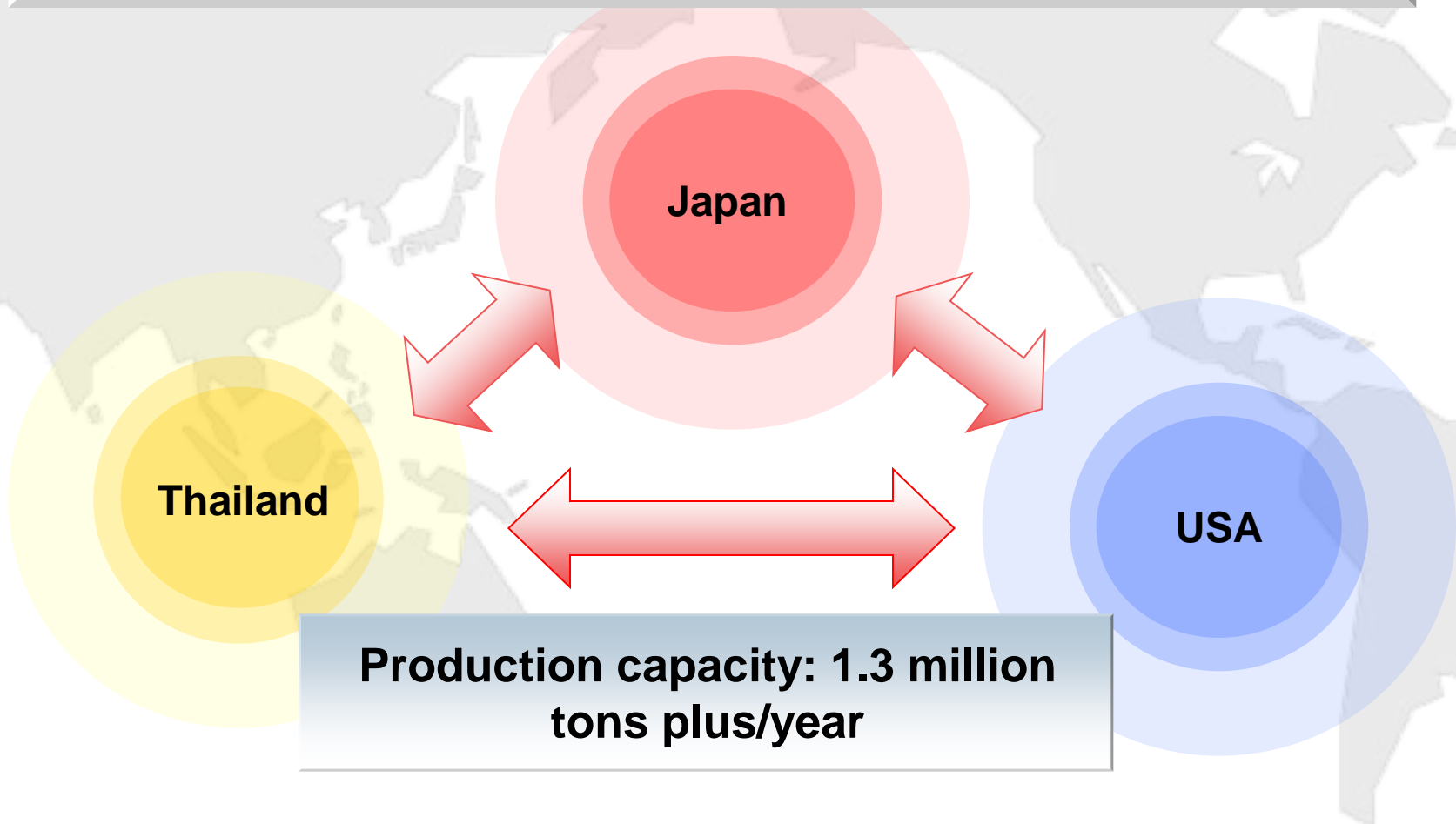
Strengthening platform/basic research

Developing exceptional, cutting-edge products for the global market at UACJ sites worldwide

(2) -1 Maintaining a Global Supply System

Creating an optimal production system to respond to the global market

Maintaining a complimentary supply system between the key regions of Japan, Thailand and USA



(2)-2 Maintaining a Global Supply System

Major aluminum sheet products and global supply system

Regions Main Products	Japan	China/South Korea	Southeast Asia	India	Middle East/ Africa	Europe	The Americas
Can materials	Fukui	Fukui UATH	UATH	UATH	UATH		TAA
Automobile heat exchanger materials	Nagoya Nikko	Ruyuan UATH	UATH	UATH	UATH	AFSEL	UATH AFSEL
Automobile panel materials	Nagoya Fukaya	Supply will be considered according to changes in demand					Joint venture with Constellium under consideration (North America)
Printing plate materials	Nagoya	Nagoya	Nagoya	BAL	BAL	BAL	BAL
LNG ship thick sheets	Fukui Fukaya	Fukui Fukaya					
General thick sheets	Fukaya	Fukaya UPIA	Fukaya				

Note): UATH: ACJ (Thailand) Co., Ltd.(Thailand), TAA: Tri-Arrows Aluminum Inc. (USA), Ruyuan: Ruyuan Dong Yang Guang Fine Foil Co., Ltd. (China), BAL: Bridgnorth Aluminum Inc. (UK), AFSEL:AFSEL S.A(Greece), PIA:UPIA Co., Ltd (South Korea), Constellium: Constellium N.V.(Netherlands)

(3)-1 Implementing optimal production distribution

Implementing optimal production distribution (constructing the optimal production system)

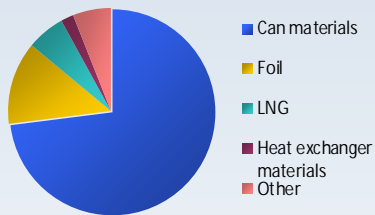
Site \ Process	Process				Main categories after relegation
	Casting	Hot rolling	Cold rolling	Finishing	
Fukui					Can materials, LNG ship thick sheets , aerospace materials, memory disk materials
Nagoya					Automobile heat exchanger materials, automobile panel materials, foil, printing plate materials, beverage cap materials, fin materials, other general materials
Fukaya					General thick sheets, LNG ship thick sheets, automobile panel materials, finishing
Nikko					Various materials finishing
UATH					Can materials, automobile heat exchanger materials, other general materials
TAA					Can materials, automobile panel materials (under review)

(3)-2 Implementing optimal production distribution

Implementing optimal production distribution through relegation of product categories based on plant capacity and features

Overview of product categories at Japanese sites

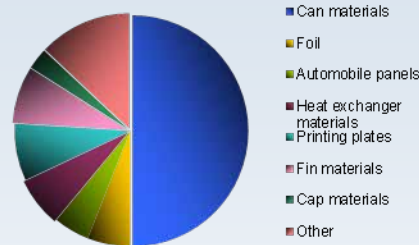
Fukui



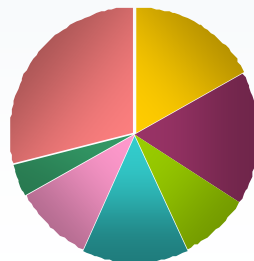
Core plant for can stocks and LNG ship thick sheet



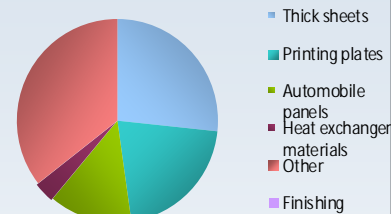
Nagoya



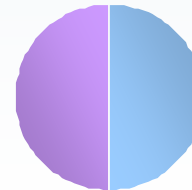
Core plant for automobile, printing plate and fin materials



Fukaya



Core plant for thick sheet



Nikko (finishing)



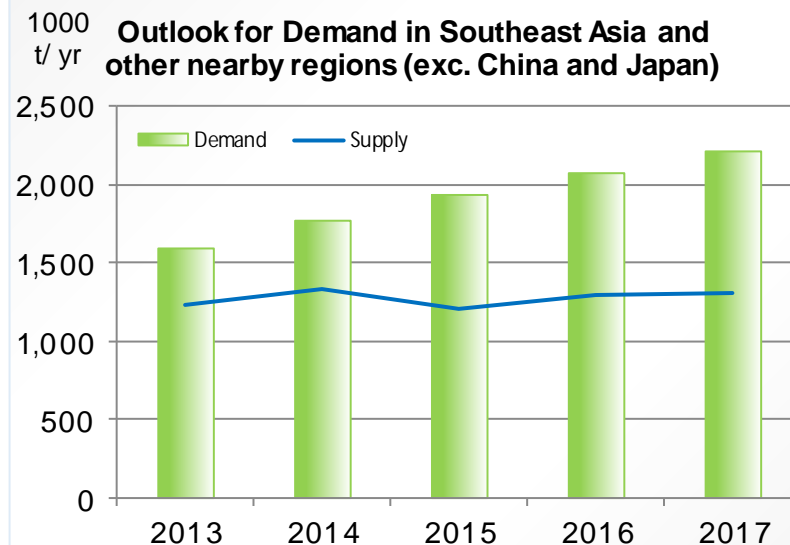
Finishing plant for precision and specialty materials



(4) Expanding and Utilizing the UATH Rayong Works

Demand in Southeast and East Asia for rolled aluminum sheet products such as beverage can and automobile materials is expected to steadily grow

The Rayong Works entered its first phase of operation in January 2014 (cold-rolling and subsequent processes) and are scheduled to enter its second phase of operation in fiscal 2015, with integrated production including casting

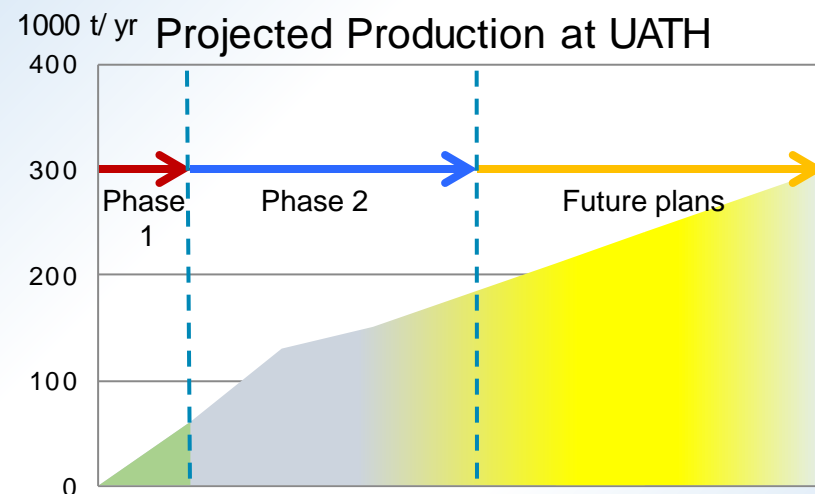


(UACJ estimates)

Future plans for the UATH Rayong Works

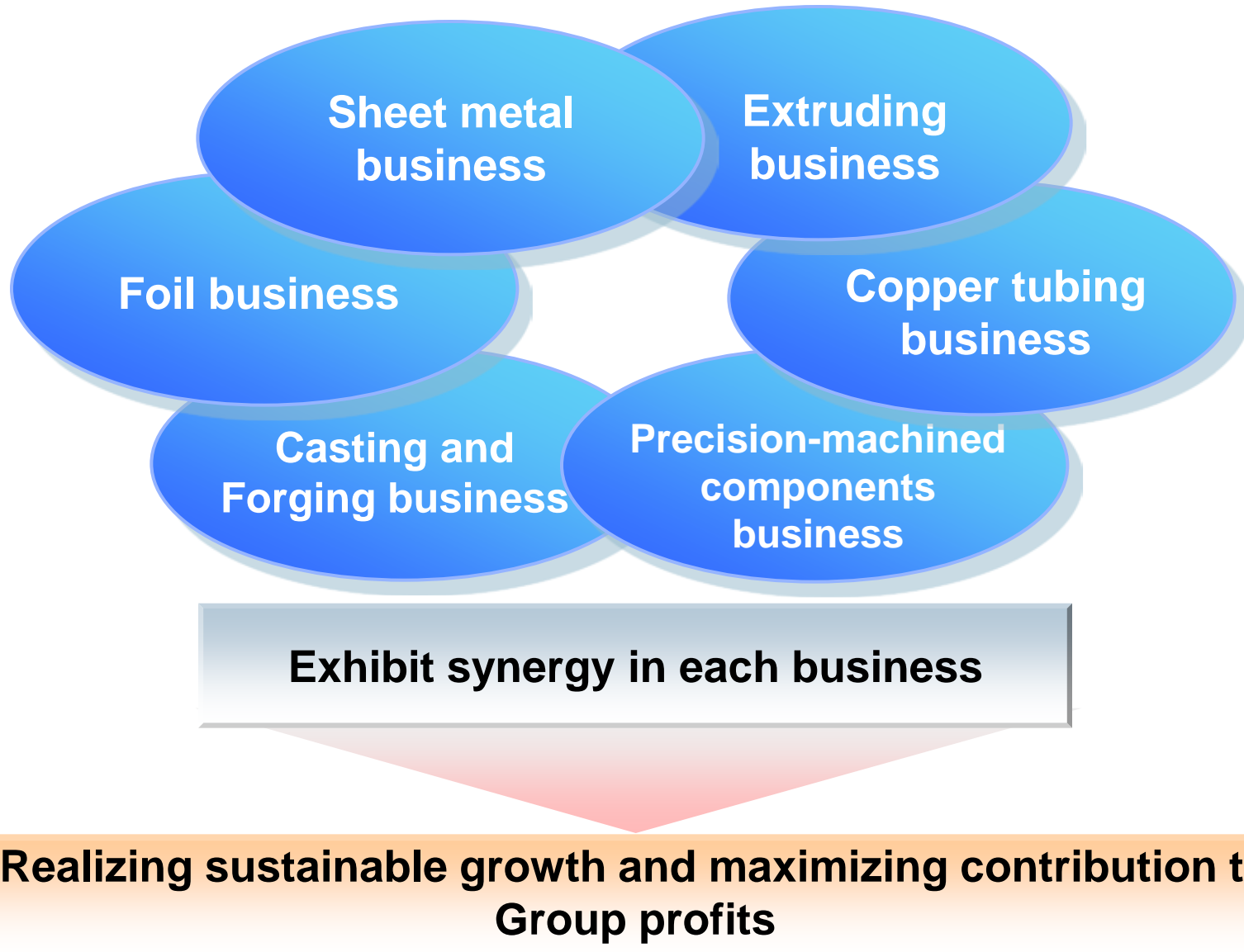
In response to increased demand, explore further expansion of facilities for cold-rolling and subsequent processes

Expand production levels through maximum use of hot-rolling capacity, aiming to establish **plant as a core aluminum sheet manufacturing base in Asia**, along with Fukui and Nagoya



3. Policy and Direction for Non-sheet Metal Businesses

Goals for Non-sheet Metal Businesses



1. Policy and Direction for Non-sheet Metal Businesses

Extrusion business

- Achieving maximum production in Japan through construction of optimal production system
- Developing new technologies and products, such as all-aluminum air-conditioning heat exchangers
- Maintaining a global supply system, focusing on automotive products

< Production site >
Japan, Czech Republic, China, Indonesia, Thailand

Foil business

- Expanding sales through R&D/cost reduction of strategic products such as foil for condensers, lithium ion batteries, and PTP packaging
- Increasing cost competitiveness through maintaining an optimal production system in Japan
- Strengthening overseas operations (utilizing new Malaysia site)

< Production site >
Japan, Malaysia

Casting and forging business

- Casting business: Establishing a leading hold on the world market by expanding turbocharger compressor wheel business
- Forging business: Expanding sales by making use of a 15,000 t press (e.g., one of the largest in Japan)
- Promoting original products through the company's free-forging technologies

< Production site >
Japan, Vietnam

2. Policy and Direction for Non-sheet Metal Businesses

Copper tubing business

- Improving cost competitiveness sufficient to counteract imported materials from China, etc.
- Expanding sales by focusing on advanced-technology, high-performance air-conditioner products

< Production site >
Japan, China, Malaysia

Precision-machined components business

- Strengthening coordination and creating systems for cooperation among individual precision-machining companies
- Expanding automotive and heating business, and promoting automotive business overseas
- Expanding overseas operations through global development of production sites

< Production site >
Japan, USA, China,
Indonesia, Mexico,
Thailand

4. Consolidation Effects

Strengthening global cost competitiveness

Creation of optimal production system	<ul style="list-style-type: none"> • Reduce manufacturing costs through relegation of product categories • Reduce costs through optimization of distribution, etc. 	¥8.5 billion	Yearly total of over ¥15 billion
Reduction in costs and development of new products by consolidating production technologies and R&D	<ul style="list-style-type: none"> • Improve productivity through increased capacity for on-site improvements • Greater efficiency through improvements to production processes • Increase R&D and technological capabilities 	¥3.0 billion	
Reduction in procurement costs and expenditures	<ul style="list-style-type: none"> • Greater efficiency for transportation of raw materials • Concentrated procurement of fuel, raw materials, etc. • Reduce management costs, such as office/plant expenses 	¥3.0 billion	
Other effects	<ul style="list-style-type: none"> • Greater efficiency through increased coordination in-Group • Derivative effects for businesses (casting, forging, copper tubing, precision-machined components, etc.) 	¥0.5 billion	

Pursuing steady implementation and further, additional effects

5. Initiatives toward Vision of the Future

A highly competitive aluminum supplier with a secure foothold in the global marketplace

Maximize integrated business effects

Combined financial structure improvement and growth investment

- Ensuring stable profits and promoting asset reduction
- Reducing interest-bearing liabilities
- Implementing continuous investment in growth

Stronger business structure and management

- A management system capable of responding flexibly to changes in business environment
- Maintaining and strengthening operations through swift restructuring

Initiatives toward maintaining trust

- Greater contribution to society through implementation of management philosophy
- Thorough attention to compliance

6. Establishment of Midterm Management Plan

UACJ Group 2017 Midterm Management Plan

Scheduled for release in third quarter of fiscal 2014 (ending
March 31, 2015)

A midterm management plan covering fiscal years
2015-2017 will be established based on the new
UACJ Group vision for the future.

Note: Fiscal years are from April 1 to March 31 of the following year (i.e. fiscal 2014 is from April 1, 2014 to March 31, 2015).

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