



UACJ Report 2016

Integrated Report

Manufacturing at Its best – UACJ



Management Philosophy

The UACJ Group strives to offer products and services deserving of our customers' satisfaction and trust, and believes that sound and sustainable business development is key to making broad-reaching contributions to society.

Contents

About UACJ

- 01 Management Philosophy
- 03 History
- 05 Business Model
- 07 Financial and Non-financial Highlights

UACJ Strategy

- 10 Message from Management
- 17 Progress of Mid-term Management Plan
- 19 Global Strategy

UACJ Today

- 21 **Special Feature**
UACJ – Accelerating Operations towards Recognition as a Global Company
- 23 **North America/ Latin America Today**
- 27 **Thailand Today**
- 29 **Japan Today**

Corporate Value from Within

- 31 UACJ Assets
- 33 R&D and Production Capacity
- 35 Employee Development
- 37 Environmental Initiatives
- 39 Round Talk on Governance
- 43 Corporate Governance
- 47 List of Directors



Overall Results

- 50 Financial Results
- 51 10-Year Financial Data
- 53 Analysis of Business Performance and Financial Position (Consolidated Basis)
- 57 Consolidated Balance Sheets
- 59 Consolidated Statements of Income and Comprehensive Income
- 60 Consolidated Statements of Cash Flows
-
- 61 Corporate Information
- 62 Stock Information
- 63 Frequently Asked Questions

UACJ Report 2016



The UACJ Report 2016 summarizes the achievements and overall business operations of the UACJ Group. In addition to reporting current and future outlooks on corporate financial affairs, information on CSR and other non-financial issues has been compiled for this integrated report. Regarding the contents, reference was made to Version 1.0 of the International Integrated Reporting Framework, published by The International Integrated Reporting Council in December 2013.

For further information, this website is linked to the investor relations (IR) and corporate social responsibility (CSR) websites of UACJ.

About Forward-looking Statements

Some information on this report pertains to forward-looking statements and future earnings. These statements are not a guarantee of future earnings, but rather address the risks and uncertainties faced by the Company. Please be aware that actual prospects and earnings may differ from forecasts as a result of changes in the business environment and other factors.

From No. 1 in Japan to a Major Global Company

Established UACJ Corporation in October 2013, by merging the businesses of Furukawa-Sky Aluminum Corp. and Sumitomo Light Metal Industries, Ltd.

2014

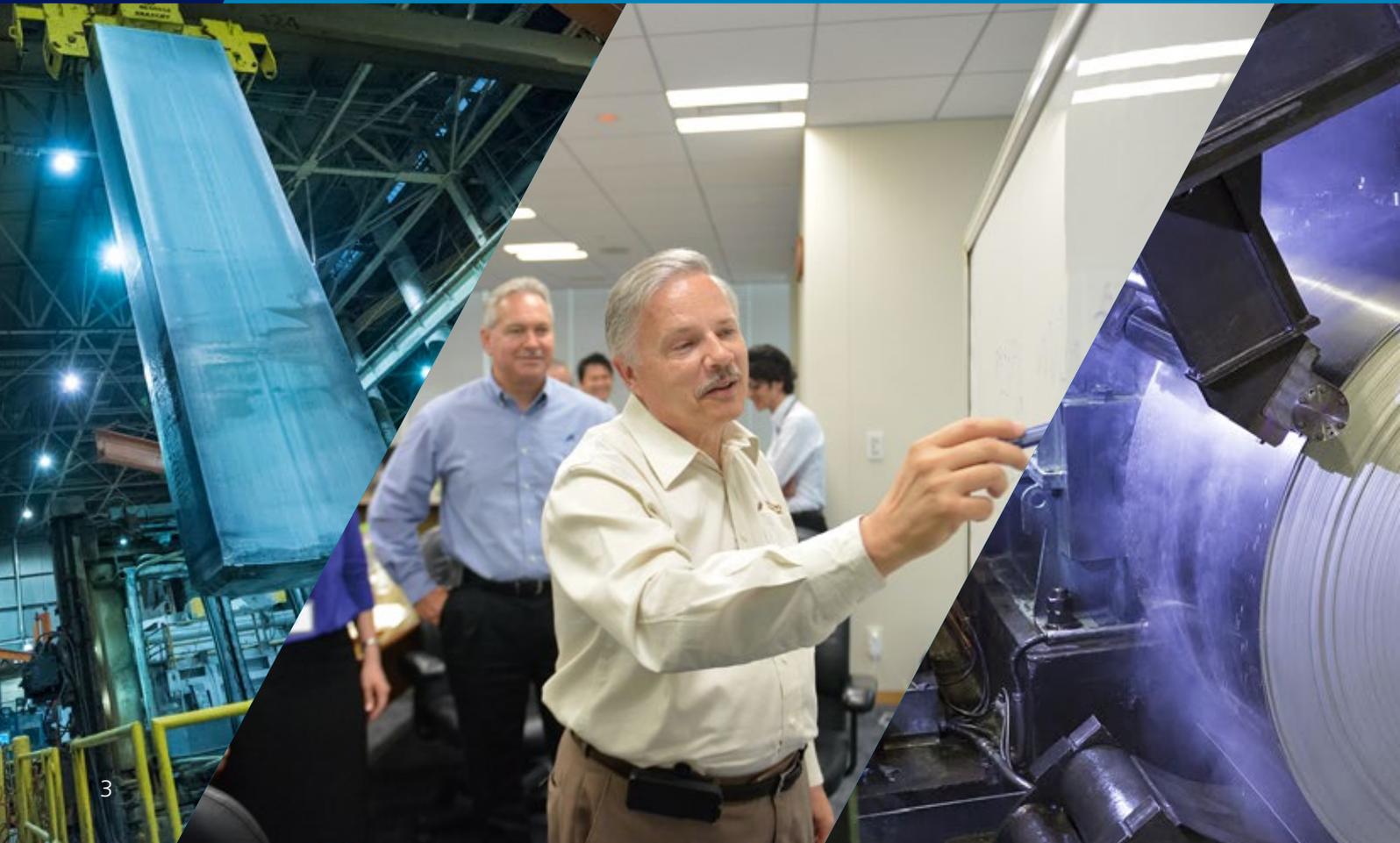
Jun. Established UACJ Trading (America) Co., Ltd. by consolidating subsidiary UACJ Trading Corporation

2014

Released "UACJ Group Global Step I" Mid-term Management Plan

2014

Aug. Began operations of automotive parts manufacturer and seller Iwai Metal Central Mexico, S.A. de C.V.



2015

Apr. Began consideration of establishing new company to sell automotive heat exchanger materials with European company, ELVAL

2015

Started production at new fully-integrated aluminum sheet rolling mill in Thailand

2015

Jun. Began use of UACJ automotive aluminum materials in the latest Mazda Roadster model

2016

Jan. Established sales company in Germany and started selling automotive heat exchanger materials in Europe

Feb. Established sales company in China to sell automotive heat exchanger materials

2016

Expanded strategic investments in North American automotive market

2016

Mar. Began further strengthening and expanding the joint-venture automotive body sheet (ABS) business with partner Costellium N.V.

Apr. Acquired controlling interest in leading U.S. manufacturer and seller of automotive aluminum structural materials, components and other aluminum products, and established UACJ Automotive Whitehall Industries, Inc.

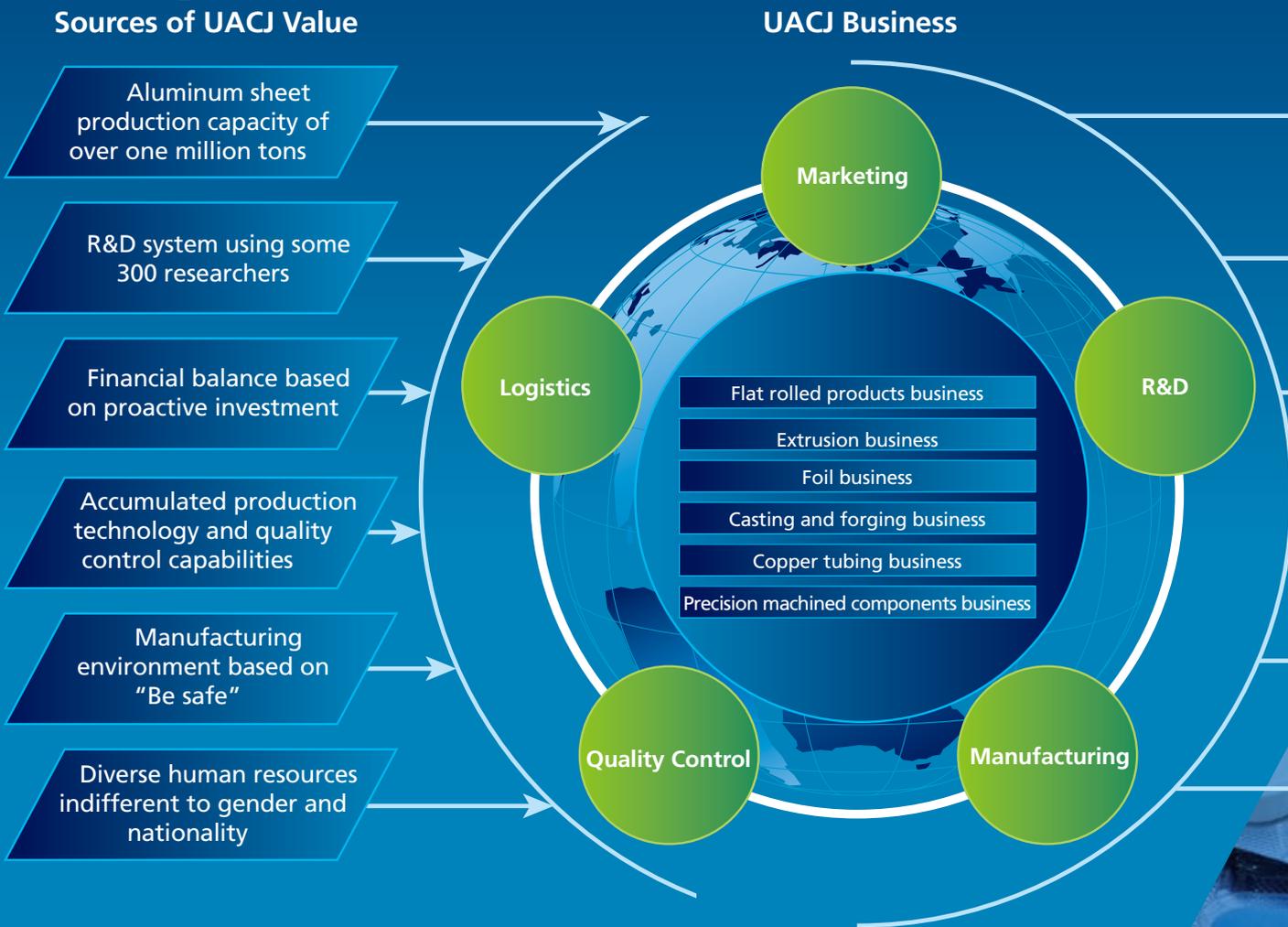
Jun. Began operations at Costellium-UACJ ABS LLC, a U.S. joint venture with Costellium N.V.



A More Affluent Society through Aluminum

Aluminum is a metal with the excellent characteristics of being lightweight and having low environmental impact, and the demand for it is increasing all over the world. The UACJ Group provides high-value-added products covering a wide range of industrial needs by leveraging those strengths in order to contribute to realizing a more affluent society.

Input



The origin of UACJ value creation is the production capacity of over one million tons per year, a R&D system that bring out the maximum characteristics of aluminum materials, and a strong financial foundation to continuously strengthen these assets. Additional assets supporting UACJ include the accumulation of advanced production technology and quality control capabilities, a manufacturing environment that places priority on safety under the theme "Be safe," and invisible assets such as diverse human resources of multiple nationalities. With such a foundation, being one of the few "comprehensive aluminum manufacturers" in the world, from objects in everyday life to products at the cutting edge of industries, UACJ is continuously bringing new value to society, including enhanced convenience, improved social infrastructure and reductions in environmental load by contributing solutions that help to resolve a wide spectrum of industrial issues.



Outcome

Values from UACJ

Output

UACJ Products



Enhanced convenience in daily life



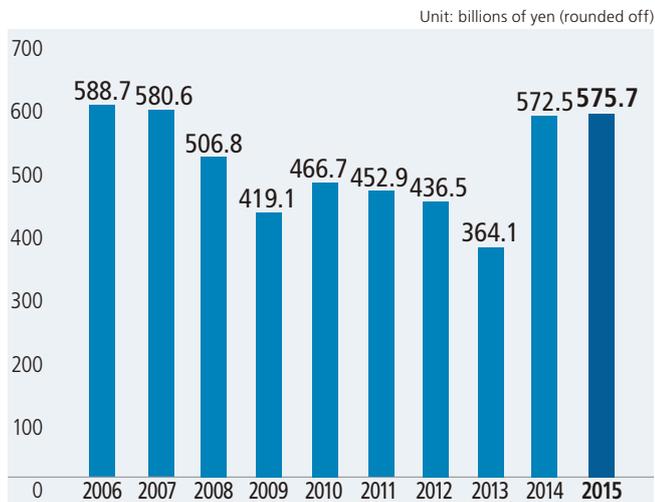
Contributions to social infrastructure

Towards realizing a low-carbon, recycling-oriented society



Financial

Consolidated net sales



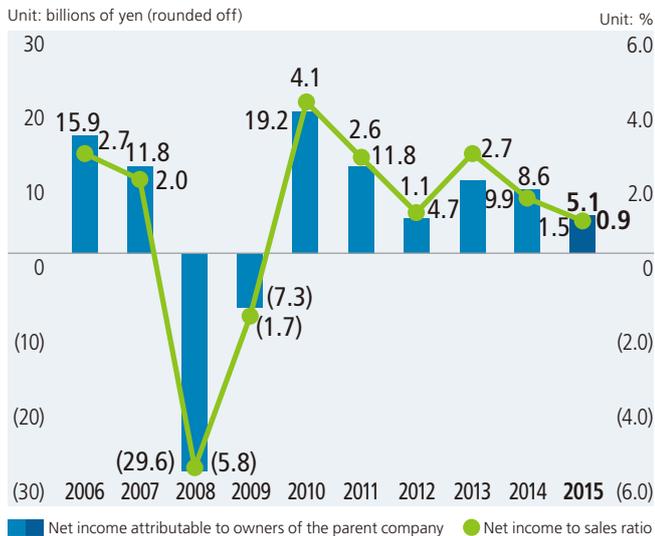
The “primary aluminum ingot price plus processing fee” determines the selling prices of our products. Accordingly, sales are largely affected by conditions in the primary aluminum ingot market; a market that has been quite volatile in recent years. Nevertheless, since integrating the two companies in fiscal 2013, sales have increased.

Consolidated ordinary income / Ordinary income-sales ratio



UACJ reported lower profits for fiscal 2015 due to various reasons, including unfavorable inventory valuations as a result of the sharp drop in primary aluminum ingot price beginning in May and higher than expected expenses incurred when starting up fully-integrated manufacturing at the Rayong Works of UACJ (Thailand) Co., Ltd. in August.

Net income attributable to owners of the parent company / Net income to sales ratio



Even though insurance proceeds covering losses resulting from previous fiscal year facility problems at the Logan Mill—consignee of Tri-Arrows Aluminum Inc.—in North America were appropriated as extraordinary profits in fiscal 2015, a lower profit was inevitable in view of the lower operating and ordinary incomes.

ROE

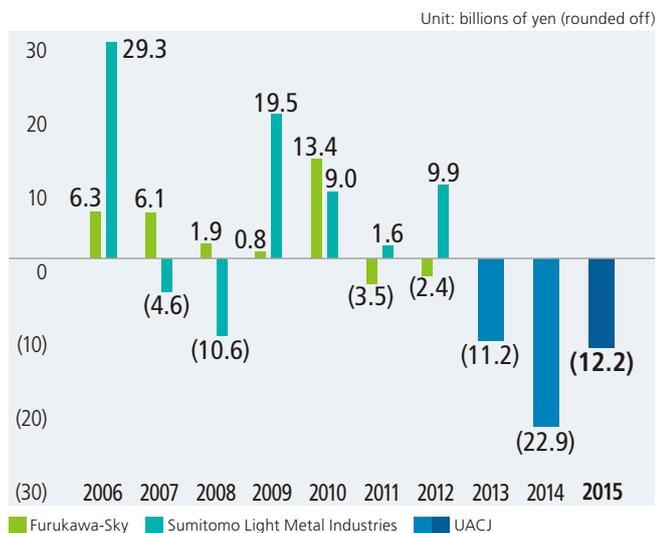


Since fiscal 2014, the ROE has declined in parallel with the drop in net income attributable to parent company shareholders. However, as stated in the mid-term management plan, our aim is to increase profitability, with the goal of attaining 10.0% in fiscal 2017, the final year of the plan.

Return on equity (ROE) = Net income for the term attributable to parent company shareholders/Equity capital (average during the term)

Note: The UACJ fiscal year is from April 1 to March 31 of the following year. Fiscal 2015 is the year ending March 31, 2016. Accounting principles, those for notes maturing at the end of the fiscal year, changed in fiscal 2013. However, the figures prior to retrospective treatment are shown for the main management indicators and other records prior to fiscal 2012. The figures before fiscal 2012 are a simple total of the two former companies, Furukawa-Sky Aluminum Corporation and Sumitomo Light Metal Industries Co., Ltd. In fiscal 2013, the figures reported for the first-half year are the amounts for both former companies, and those for the last half-year are the business results for UACJ.

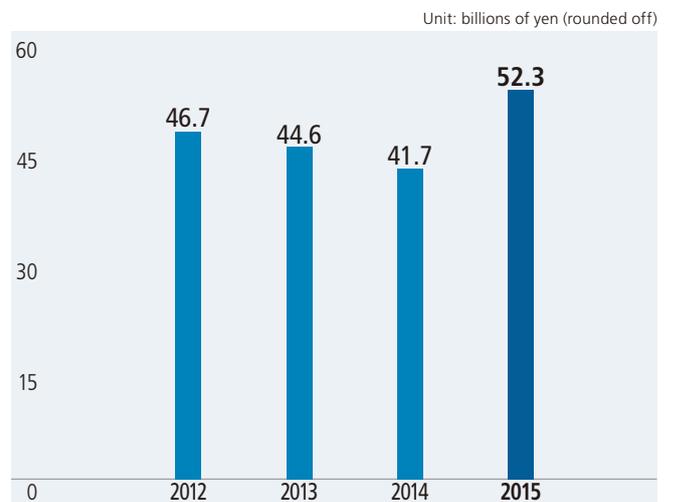
Free cash flow



Expanding upfront investments to support global growth has continued to affect free cash flow negatively, dropping continuously further and further into the red since fiscal 2013. We will press ahead with management taking into account the need to ensure a balance between strategic investment and financial strength.

Free cash flow = Operating cash flow + Investment cash flow

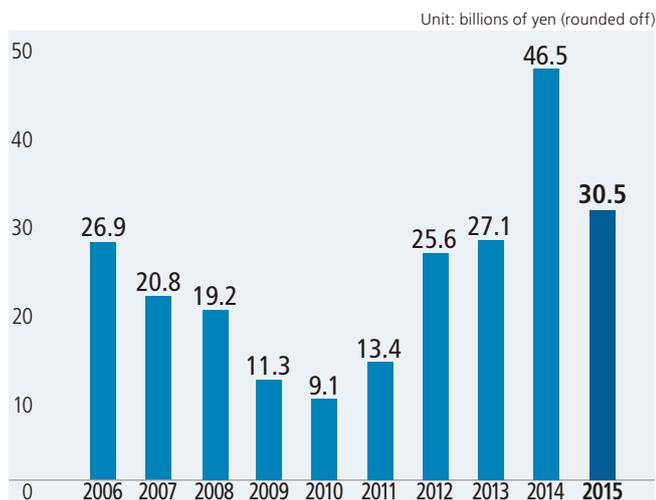
Adjusted EBITDA



Adjusted EBITDA is the result of deducting inventory valuations due to fluctuation in the primary aluminum ingot price from EBITDA, and is regarded as a merit-based profitability index. Decreases in operating income and ordinary income were reported for fiscal 2015, but profit in terms of adjusted EBITDA increased for the second consecutive fiscal year.

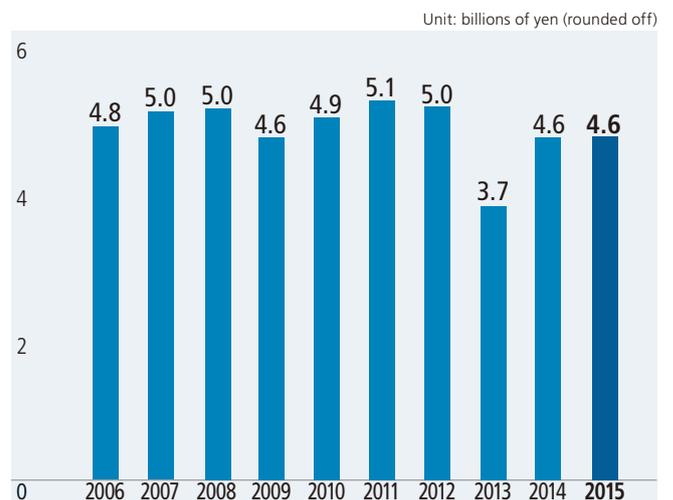
Adjusted EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill – Inventory valuations

Capital investment



Investments in fiscal 2014 increased as a result of constructing the Rayong Works of UACJ (Thailand) Co., Ltd. In fiscal 2015, investments continued grow in preparation second-phase construction of another line at the works and reinforcing the production capacity of aluminum sheet rolling and casting at the Logan Mill in North America.

R&D costs



The UACJ Research and Development Division employs approximately 300 researchers, a world-leading number in the aluminum rolling industry. It is responsible for product development, utilization technologies development, and the technological development of material designs and production processes. The Company considers R&D to be a key factor for mid- to long-term growth and will continue investing in research and development.

Financial

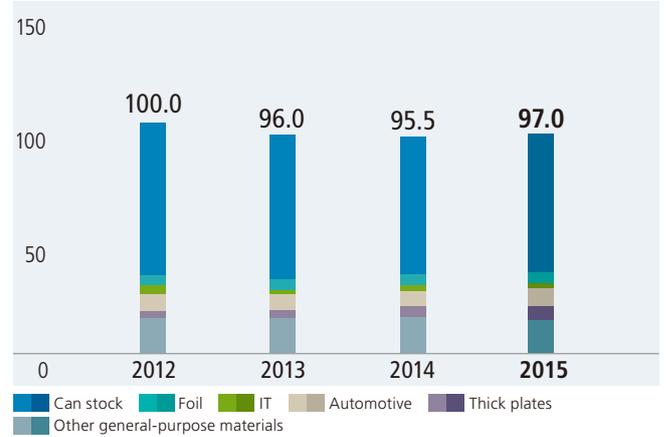
Flat rolled product sales volume

Unit: billions of yen (rounded off)



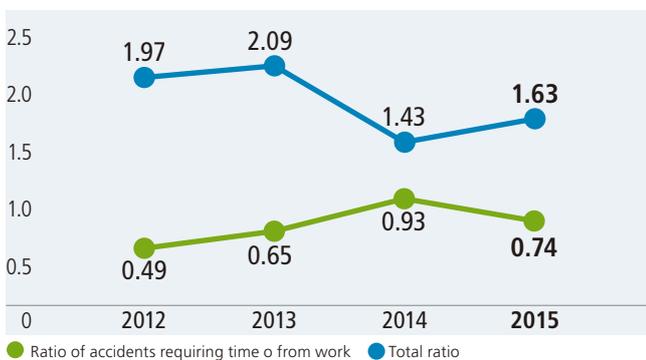
Flat rolled product sales volume by product type

Unit: billions of yen (rounded off)



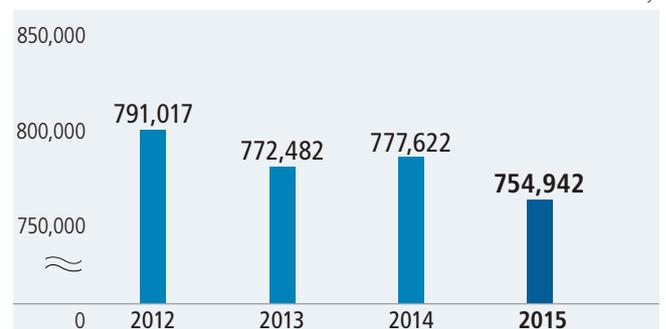
Non-Financial

Workplace accidents status



Trend in CO₂ emissions*1

Unit: t-CO₂/yr



Trend in PRTR substance emissions and transfer*1

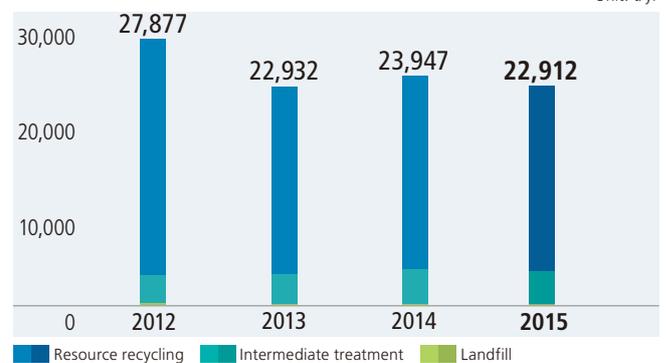
(including manganese, chromium, nickel and lead alloy elements in products)

Unit: t/yr



Trend in industrial waste volume*1

Unit: t/yr



Note: The UACJ fiscal year is from April 1 to March 31 of the following year. Fiscal 2015 is the year ending March 31, 2016.

The figures before fiscal 2012 are a simple total of the two former companies, Furukawa-Sky Aluminum Corporation and Sumitomo Light Metal Industries Co., Ltd. In fiscal 2013, the figures reported for the first-half year are the amounts for both former companies, and those for the last half-year are the business results for UACJ.

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

**Management integration
created a chain reaction,
accelerating UACJ as a
major aluminum group
that is increasingly
stronger in growth
markets and industries.**

Mitsuru Okada

Representative Director &
President

Message from Management

Management integration created a chain reaction, accelerating UACJ as a major aluminum group that is increasingly stronger in growth markets and industries.

First Steps into the Future

Three years ago, realizing that there is no future for the aluminum industry in Japan, with a sense of urgency, Furukawa Sky Aluminum and Sumitomo Light Metal Industries agreed to combine their strengths and gave birth to UACJ. Today, together with its subsidiaries, the UACJ Group is steadily creating a name for itself in global markets.

With the Japanese aluminum market maturing in the advent of declining birthrates and an aging society, we no longer have expectations of experiencing the levels of growth attained in past years. On the other hand, the markets in Asia and other countries are growing, with not only leading global manufacturers, but also companies from emerging nations are entering the game, which is making competition increasingly difficult. Before consolidating the businesses of Furukawa-Sky Aluminum Corporation and Sumitomo Light Metal Industries, Ltd., they were the two top-ranking companies in the aluminum industry in Japan, each pursuing growth through competition with the other. It was that market environment that inspired us to meld the two companies into one.

Since that time, the issues I have focused on most as president of UACJ are clarifying the road the Group must take in response to the challenging business environment, disseminating our vision for the future, and enforcing tangible policies and strategies throughout the Group in order for us to achieve our goals. We must carve out a future for ourselves, and establish sustainable growth by defeating the fierce competition in growth

markets like Asia and in growth industries, such as the automobile industry where aluminum contributes to weight savings. That is why we released the UACJ Group Vision for the Future in March 2014, which is aimed at establishing us as an aluminum industry leader in a competitive global market. This vision lays out fundamental policies for taking maximum advantage of the expansive business resources created after integrating the two companies, and strengthening our global supply capacity, cost-competitiveness and technical development capabilities.

In December 2014 we established the Global Step I Mid-term Management Plan, which introduced the policies of our vision to individual businesses. This mid-term management plan is the first step in a long-term roadmap to success. The three years from fiscal 2015 to fiscal 2017 mark the phase during which we are strengthening foundations by following three major policies: (1) expanding growth products in the transportation field—focusing on automobiles—and the energy field, and strengthening business in growth regions such as Asia; (2) constructing an optimal

Thriving under Pressure

Positioning of Mid-Term Management Plan

Fiscal 2015-2017

Reinforce foundation

**Global Step I
Mid-term management plan**

Fiscal 2018-2020

Accelerate Growth

**Global Step II
Next mid-term management plan**

Fiscal 2021 onward

Advance

**Global Step III
Vision for the Future**

production network for each business sector utilizing the synergies created through unification; and (3) developing unique technologies and products by applying our vast technological prowess to fundamental research.

In fiscal 2015—the plan’s first year—we made powerful strides toward restructuring business in Japan based on these policies; for instance, by concentrating on reallocating product mix. Meanwhile, we established a 200,000 ton per year fully-integrated manufacturing line at the Thai Rayong Works during August 2015. In the USA, we strengthened facilities, entered joint ventures and are working to expand the supply of aluminum automotive products in the region, for which we acquired the No. 1 US brand in automotive structural components and parts. Our Research and Development Division is also participating in national projects and cooperating with clients to develop new products and technologies, primarily in growth industries such as energy, the environment and transportation.

Consolidated net sales in fiscal 2015 greatly exceeded that before integration, reaching 575.7 billion yen and putting us in a position to aim for over 600 billion yen in the next fiscal term. While profits fell due to factors such as startup costs for the Thai rolling mill and falling primary aluminum ingot price, cost reductions resulted from our integration initiatives continue to materialize. Items indicating our true earning power, such as ordinary income before inventory valuation and adjusted EBITDA, have increased. Profits will continue to recover in the next term, with our business base growing firmer as we pursue expansion.

Defying Logic 1+1 = 3 or 4

From Simple Transformation to Chain Reaction

The integration of businesses in Japan and overseas continues to proceed smoothly. However, considering the importance of maximizing synergies, our present status is best described as “still in the phase of simple transformation,” working through the tasks of fusing organizational cultures and personnel of the former Furukawa-Sky Aluminum Corporation and Sumitomo Light Metal Industries, Ltd. Of course, cost reductions



Strategy Execution Policies

Major Policies of Vision for the Future

Proactively expand in growth fields and markets around the globe

Improve cost competitiveness through restructuring

Develop revolutionary technologies and products

Fundamental Policies for Implementation



Major Policies of the Global Step I Mid-term Management Plan

1 Expand growth products in the transportation field—focusing on automobiles—and the energy field, and strengthen business in growth regions such as Asia

2 Construct an optimal production network for each business sector utilizing the synergies created through unification

3 Develop unique technologies and products by applying our vast technological prowess to fundamental research

Message from Management

Management integration created a chain reaction, accelerating UACJ as a major aluminum group that is increasingly stronger in growth markets and industries.

have already materialized, but we are not yet to the point of “making one plus one equal three, or even four.” In order to produce this added synergy, it is important that we not only integrate businesses, but also spark chain reactions between individual elements and cultures so as to discover new value.

For instance, in order to ensure that integration proceeds smoothly, one of our main tasks has been to compare technologies and sales expertise of the two companies and select the best option in each case. However, moving forward, it is important to empirically analyze why an option is better, and adopt the approach that leads to the development of ever-better technologies and greater expertise.

Creating this chain reaction from disparate elements and cultures is also indispensable for operations at overseas bases. Having previously served as a manager at a factory in Vietnam, I know that operations will not go smoothly if an attempt is made to unilaterally force use of the “Japanese way” at an overseas factory. The important thing to do is share the UACJ Group philosophy and approach ways to enhance manufacturing through local employees; doing so while adequately understanding and respecting the local culture and natural characteristics. Furthermore, it is necessary to tailor Japanese manufacturing methods to the styles of the local people, and create an atmosphere where local workers proactively share opinions and make

proposals for better manufacturing.

As we continue to pursue the various policies of the Global Step I Mid-term Management Plan, we will focus on promoting these chain reactions at individual Group business sites, setting the stage for a new corporate culture in the UACJ Group.

Accelerating Global Development and Capitalizing on Rare Opportunities

To defeat the fierce competition in overseas markets and growth product industries, the UACJ Group is accelerating research and development and M&As, and strengthening its global supply network; the three key hubs of which are based in Japan, North America and Thailand.

Of the global markets, Southeast Asia in particular is showing high, sustained growth. Aluminum demand in Southeast Asia in fiscal 2020 is expected to be approximately two-fold what it was in fiscal 2012. In order to strengthen the supply network in this region, in 2012 the UACJ Group began construction of the Rayong Works in Thailand. The cold rolling and finishing lines began operating in January 2014, and the upstream processes of forging and hot rolling came online in August 2015. As a result, the rolling mill now has a fully-integrated manufacturing system that offers the benefits of high quality and low cost, with a production capacity of 200,000 tons per year. As the

Company Principles

In order to implement our management philosophy, the UACJ Group acts according to the following principles, and promotes an organizational structure in line with these precepts.

1. We will strive for active and impartial communication with all of our stakeholders, and will always place stakeholder trust first when acting.
2. We will act according to strict ethics, comply with laws and regulations, and proactively contribute to the environment and society. We will avoid all connection with criminal or subversive elements, and fulfill our responsibilities as a corporate citizen.
3. In order to earn our customers' satisfaction and trust, we will tirelessly strive to improve our quality, technical and on-site expertise.
4. We will nurture staff by creating safe and positive work environments.
5. We will consistently adopt a global and long-term outlook, and adapt flexibly to changes in the business environment, such as globalization. We will respect the laws, cultures and customs of each country, and contribute to the development of their societies.



Rayong Works is a key element in the UACJ Group's global supply network, we will continue to explore how to phase in more improvements to production capacity as necessary in the future.

Meanwhile, in the aluminum industry itself, we expect to see the best growth in automotive products. As environmental and fuel consumption regulations grow more stringent in regions around the world, many automotive manufacturers are promoting and examining ways to achieve reductions in vehicle weight by expanding the use of aluminum. The continued application of automotive panels and materials in this massive market is a very big business opportunity for the aluminum industry.

To seize on this rare opportunity, the UACJ Group is aggressively investing heavily to increase its market share in the USA which is a vital market for aluminum automotive components in view of the increasingly stricter environmental regulations. In 2014, we entered a joint venture with European company Constellium N.V. to establish a manufacturing and sales company,

Constellium-UACJ ABS LLC for ABS, and that company began operations in June 2016. We also invested 240 million dollars into strengthening casting and aluminum rolling capabilities at the Logan Mill of our consolidated US subsidiary, Tri-Arrows Aluminum, Inc. By moving into the production of slab stock in-house, we were able to pursue cost benefits for our businesses throughout North and Central America, as well as establish a network for supplying base materials to our joint venture with Constellium. We also purchased a North American company that manufactures and sells automotive aluminum structural materials and components under the brand name "Whitehall Industries," and established UACJ Automotive Whitehall Industries, Inc. in order to strengthen our position in the industry.

In the future, we plan to further improve cost, quality and delivery, and further strengthen and expand our automotive aluminum business in North and Central America by promoting synergies among UACJ Group companies in the region.

In addition to proactive global strategies such as these, we also continued reallocating our product mix in Japan in fiscal 2015, aiming to optimize the domestic production network. These changes have already achieved synergistic effects equivalent to 8 billion yen, and are expected to bring even greater benefits moving forward.

The UACJ Group will continue to accelerate its global growth by balancing financial stability with steady, strategic investments designed to capitalize on important business opportunities.

One in a Million Growth Opportunity

Message from Management

Management integration created a chain reaction, accelerating UACJ as a major aluminum group that is increasingly stronger in growth markets and industries.

Making Greater Contributions to Society through Aluminum

Aluminum is a relatively new material, first being used by humans only about 200 years ago. Compared to steel, which has a much longer history, the uses for aluminum are still limited. But this also means that significant room remains to discover new applications through innovative concepts and technical development.

I have been involved in aluminum research since I was a college student. I'm proud to say that there is no one as dedicated as I am to discovering new uses for aluminum, and ensuring greater contributions to society via this unique material.

Integration of the two former companies honestly helped to expand the possibilities of UACJ's Research and Development Division. Our two research and development centers, previously located in Nagoya and Fukaya, were consolidated into a single location in Nagoya, where we are currently in the process of implementing a new R&D framework. As a manufacturer focusing on aluminum processing, we have approximately 300 R&D researchers, and no other company in world rivals our capabilities in this industry. Additionally, while the R&D Division of the former Furukawa-Sky Aluminum Corporation consisted largely of young researchers, that at the former Sumitomo Light Metal Industries, Ltd. consisted largely of mid-career employees. This has resulted in an excellent balance of youth and experience for the newly established

A More Aluminum-friendly Society

department. We are looking forward to accelerating our R&D, with shared inspirations leading to a chain reaction.

During the R&D process, including the development of new applications, we avoid limiting ourselves to in-house resources. Instead, we embrace open innovation, collaborating with corporate clients in development and testing. In fact, the UACJ Group frequently dispatches R&D specialists to its clients to work on solutions in the pursuit of meeting material property demands and resolving technical concerns. For instance, ABS and structural materials currently utilize a wide variety of materials. When developing aluminum automotive materials and parts, we not only focus on development of the aluminum materials themselves, but also the technologies for joining dissimilar materials.

Through R&D such as this, that which incorporates the needs of the market, the UACJ Group is providing products with high added-value, and thus contribute to resolving obstacles for our customers. This customer-centric approach, meticulous technical services, and products

Areas of Growth in Mid-term Management Plan

Energy



- Lithium-ion batteries
- Fuel cells
- Reusable energies

Environment



- Recycling
- Exhaust heat

Transportation



- Automobiles
- Aircraft
- Ships

IT



- Computers
- Servers
- Memory media

tailored to meet demanding customer needs are important weapons we will use to compete in global markets, even against the large-scale aluminum manufacturers. Likewise, we will strive to always remain one step ahead of the times, challenging ourselves to develop new applications for aluminum that will contribute to solving societal issues in fields such as transportation (focusing on automobiles) and renewable energy.

A Level-headed Approach to Risk, Blinded by Neither Pessimism or Optimism

The business environment in present-day society continues to change at an astounding pace, making smooth sailing difficult for individuals and corporations alike. Since entering the company I have served as an engineer in the Research and Development Division, a plant foreman, and a manager at an overseas production site. Like many others, I have faced my own share of difficulties at each of these positions. During such times, something that went a long way to keeping me going were words written by the now departed Ikkaku Takeshima, a former representative at the Japan Training Center. In one of his books titled, "The Book to Read When Starting Your Life Over," he wrote, "In my case, I always strove to choose a better way of thinking. And it was a result of those cumulative decisions that made me the person I am today." I encountered this phrase during research while in my 30s, and it left a deep impression in my mind. Since that time, regardless of the issue, whenever I encounter something dissatisfying, I resist the urge to blame it to someone else, and instead, strive to take ownership of it and my own life, and act accordingly.

Likewise, in managing a company, I strive to take ownership of my actions and visit local sites whenever possible, seeing the works and facilities in person and listening to the troubles of those on the frontlines. It is a



philosophy of focusing on the real site, the real article and the real situation. In order to encourage this philosophy, I always tell employs to take a level-headed approach, be cognizant of risk, and be blinded by neither pessimism nor optimism. Pessimism causes people to give up before they've started, while optimism causes people to underestimate difficulties and grow negligent of what is needed. People and corporations can only grow when facing reality head on, acting with an awareness of the risks, and remaining motivated.

As we continue to formalize the new corporate culture at UACJ, we are also presented with an unparalleled opportunity to raise the level of our human resources and the organizational strength of the Group. Moving forward, I hope to continue to foster an awareness of risk and a sense of ownership in work, throughout the company, sparking continuing chain reactions in each department, and inviting breakthroughs in our R&D and business efforts.

In order to maintain the trust of all of stakeholders, as a truly global entity, the UACJ Group must focus on strengthening corporate governance, for instance by establishing oversight mechanisms via the Board of Directors, having active CSR committees, and implementing thorough compliance and risk management.

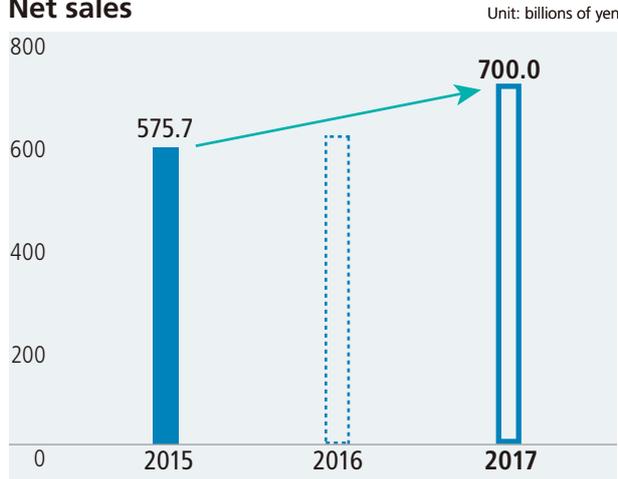
Moving forward, the UACJ Group will strive to raise corporate value and steadily implement further growth strategies under the Global Step I Mid-term Management Plan, doing so on the way to becoming an aluminum industry leader in a competitive global market. Thank you all for your continued guidance and support.

Actions of Individual in Charge

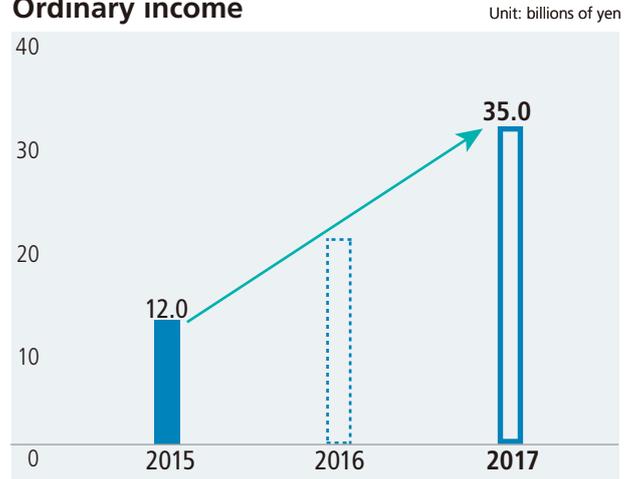
In line with the UACJ vision of “Strengthening the foundations,” as stipulated in the Global Step I Mid-term Management Plan, initiatives towards achieving growth continue

Progress toward Numerical Targets of the Mid-term Management Plan

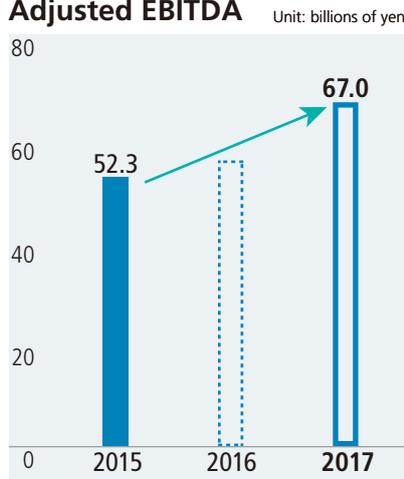
Net sales



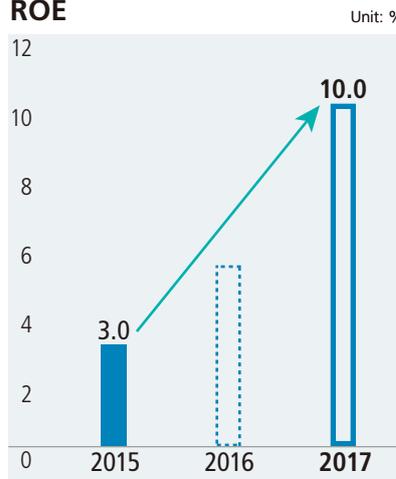
Ordinary income



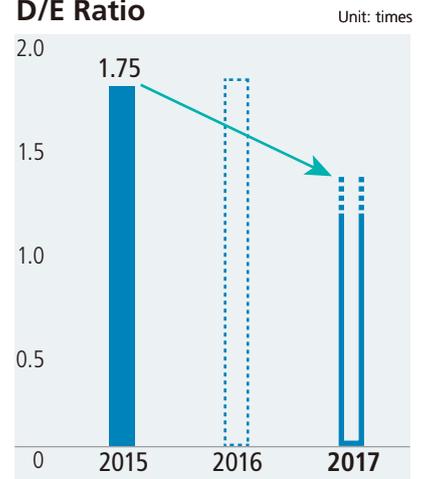
Adjusted EBITDA



ROE



D/E Ratio



In December 2014, the UACJ Group formulated Global Step I, the Group’s first mid-term management plan. With this plan, the three-year period up to fiscal 2017 is earmarked as the step for strengthening foundations to achieve the “UACJ Group Vision for the Future.”

In fiscal 2015, the first year of the plan, specific growth strategies were formulated and implemented for each business segment. Among them, regarding the reinforcement of a global network with hubs in Japan, Thailand and the U.S.A., there has been significant progress in building the foundations for future growth. It was also a year of steadily pressing forward with various measures, including the apparent effects of integration, the development of new technologies and

products, the development of proactive human resources and strategic capital investments.

As for progressing towards our goal, thanks to the synergies realized through integration contributing to improved profitability of our domestic factories, ordinary income and profit indicators such as adjusted EBITDA and ROE have shown steady improvement. On the other hand, targets of reducing the D/E ratio and interest-bearing liabilities have fallen slightly behind schedule due to active investments and loans not accounted for at the time of formulating the plan.

We will continue promoting our growth strategies while balancing investments for growth and financial strength.

Note: The UACJ fiscal year is from April 1 to March 31 of the following year. Fiscal 2015 is the year ending March 31, 2016.

Major Achievements in Fiscal 2015

1
Major achievement
Established a supply network for ABS and structural materials in North America

2
Major achievement
Fully-integrated manufacturing started at the Rayong Works of UATH in Thailand

3
Major achievement
As planned, approximately 60% of the product mix reallocation process has been completed in Japan

4
Major achievement
Awarded the Development Prize by the Japan Aluminum Association for developing the new AA2013 alloy for aircraft

Highlights of Activities in Fiscal 2015

	Apr.	
	May	Started operation of automotive parts manufacturing company in Mexico
	Jun.	
	Jul.	UACJ lightweight bumper assembly incorporated in production of the latest Mazda Roadster model
	Aug.	
Fully-integrated manufacturing started at the Rayong Works of UATH in Thailand	Sep.	
	Oct.	
	Nov.	Invested capital to increase flat rolled aluminum sheet capacity, including casting capability, at the Logan Mill in North America
	Dec.	
Reorganized precision-machined components companies	Jan.	Established sales company in Germany and began sales of automotive heat exchanger materials
	Feb.	Established business development and support center for North America
Established global supply network for automotive materials by strengthening sales network in China	Mar.	Began investigating business expansion of Constellium-UACJ ABS LLC, responsible for the ABS business in North America
Announced the acquisition of a leading U.S. manufacturer and seller of automotive aluminum structural materials and various aluminum components		

Accelerate interactive communication and positively seize new business opportunities as a true global player.

“Developing business in newly emerging economies” and “Making vehicles lighter” are driving new growth in the aluminum market

The business environment in the aluminum industry is in a period of change. One of the factors is that more and more customers are globalizing their business operations. Major buyers of aluminum in industries, such as automobile, machinery, electronics and beverage cans, are developing manufacturing bases not only in Japan, but also throughout major parts of the world, including Europe, America, China and other Asian countries. Consequently, we, as an aluminum manufacturer, are following this movement, and have established a network to ensure the stable supply of “aluminum products of the same quality anywhere in the world.”

Within the global market, there are a number of newly emerging markets, such as those in Southeast Asian countries, with enormous potential for growth. Aluminum consumption correlates to the GDP of the region. Therefore, as newly emerging countries in Southeast Asia, India, the Middle East and Africa expand their economic development, living standards improve

and the demand for aluminum will no doubt increase remarkably as well.

Meanwhile, the trend to “Make vehicles lighter” is creating new growth areas in developed markets as well. Amidst increasingly stricter environmental regulations, automobile manufacturers around the world are actively working to achieve lighter vehicle bodies for the purpose of improving fuel efficiency and obtaining better mileage performance from electric vehicles. Aluminum being lighter than steel, the transition towards its use for ABS and structural materials is an effective means of reducing vehicle weight. Moreover, unlike the past, the use of aluminum is no longer limited to a few luxury vehicles, and is now expanding to popular mass-produced vehicles such as pick-up trucks, which are a favorite means of transportation the U.S. Considering the long 100-year or more history of using steel for ABS and structural materials since first beginning mass production of the automobile, the current trend towards lighter vehicles is a golden opportunity for the aluminum industry.

The foremost objective of establishing UACJ by integrating the operations of Japan’s top two companies in the aluminum rolling industry was to accurately grasp such changes in the global market environment and lead this new business opportunity to sustainable growth. A fact that you may be aware of, aluminum manufacturing is an equipment-intensive industry and competitiveness in the market is largely dependent upon economies of scale. The establishment of a three-pronged global supply network with hubs in



Takayoshi Nakano

Director, Member of the Board
Senior Managing Executive Officer
Responsible for Global Business Strategy Department and
Public and Investor Relations Department

Japan, North America and Thailand, in addition to integrating our two former companies, has realized the world's leading annual production capacity of over one million tons; thereby providing us with a powerful weapon for competing in the global market.

To respond to growing local demand for aluminum in the Southeast Asian region where remarkable economic development is taking place, we pushed forward with bolstering production at the Rayong Works of UATH in Thailand. In August 2015, we completed construction and started operations of a fully-integrated manufacturing system capable of producing 200,000 tons a year. Our plan is to continue bolstering its production capacity as a key point in the global supply network. Furthermore, to strengthen our business structure in the U.S. market, which leads in environmental regulations for automobiles, we are investing proactively. This has included establishing a joint venture to undertake the production and sales of ABS, the acquisition of a leading manufacturer that develops automotive aluminum structural materials, and reinforcement of the local supply network for aluminum base materials among others.

Pursuing globalization with an emphasis on diversity through dynamic interactive communication

In this way, the proactive capital investments and mergers and acquisitions following the integration period are steadily strengthening UACJ's global business

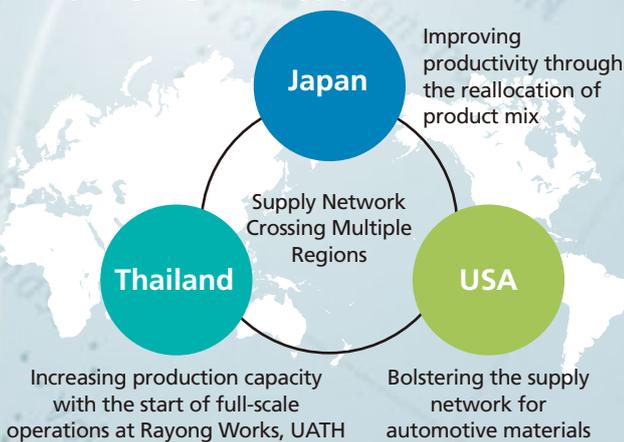
structure. However, for the company to compete evenly as a true global player with other international aluminum manufacturers, the reinforcement of organizational management on a global scale is essential, as well as the pursuit of upgrading of business.

"Interactive communication" has been an important keyword to keep our new global businesses in Thailand, U.S., and other regions on track, and to seize other business opportunities as shown in the growth of markets in Southeast Asia and the trend for lighter automobiles. We are an aluminum business group of Japanese origin, but we know that satisfactory results could never have been obtained by holding onto "one-way globalization" and simply utilizing the Japanese way of business and manufacturing techniques.

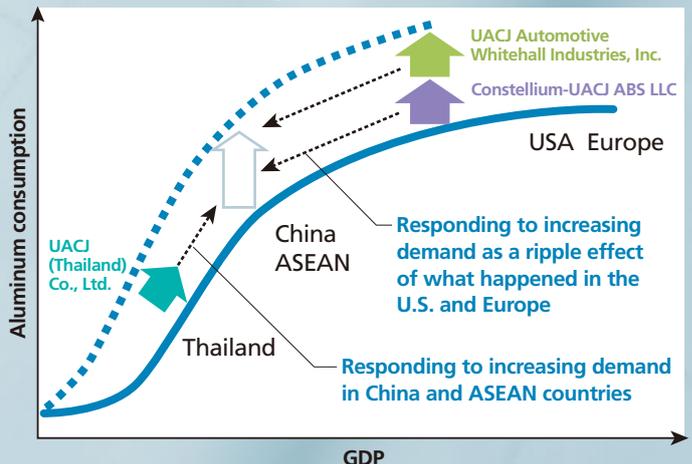
What is important is carefully explaining the UACJ corporate philosophy, its business strategy, and the advantages of manufacturing the Japanese way so that they are clearly understood, as well as deepening our understanding of the local business and working styles in order to utilize mutually beneficial points. Properly applying interactive communication, A+B no longer equals the sum of these figures, but creates a higher value, C, through the fusion and harmony of different cultures, senses of value and business styles. This is where dialectical globalization is realized.

Through such interactive communication, the UACJ Group will continue to work towards further globalization of a new era, emphasizing diversity in world markets and achieving sustainable growth as a major aluminum group in a true sense.

Three-pronged global supply network



Aluminum consumption in relation to GDP



Source: Based on data published by the U. S. Department of the Interior and U.S. Geological Survey, processed applying in-house estimations.

North America

In addition to operating the most productive can stock manufacturing plant in the USA, we have built a new automotive panel and structural materials supply network for the rapidly expanding automotive materials market.



Tri-Arrows Aluminum Inc.

Tri-Arrows Aluminum Inc. (TAA) is a subsidiary handling rolled aluminum products. Supported by Logan Aluminum Inc., which boasts world-leading can stock production efficiency, TAA manufactures and sells aluminum for beverage cans, producing over 300,000 tons per year.

Special
Feature

UACJ—Accelerating Operations towards Recognition as a Global Company

Thailand

The fully-integrated manufacturing lines of the Rayong Works in Thailand have entered full-scale operation, with an annual production capacity of 200,000 tons.

UACJ (Thailand) Co., Ltd.

The Rayong Works, featuring the only fully-integrated manufacturing lines in Asia and world-class production capacity, is an integral part of UACJ (Thailand) Co., Ltd. The works combines cost competitiveness with high quality, and boasts an annual production capacity of approximately 200,000 tons.





Constellium-UACJ ABS LLC

Constellium-UACJ ABS LLC is an automotive aluminum panel manufacturing and sales company jointly established with a leading global company, headquartered in the Netherlands, Constellium N.V. The joint venture began operations in June 2016, featuring continuous heat-treated finishing and surface treatment lines.



UACJ Automotive Whitehall Industries, Inc.

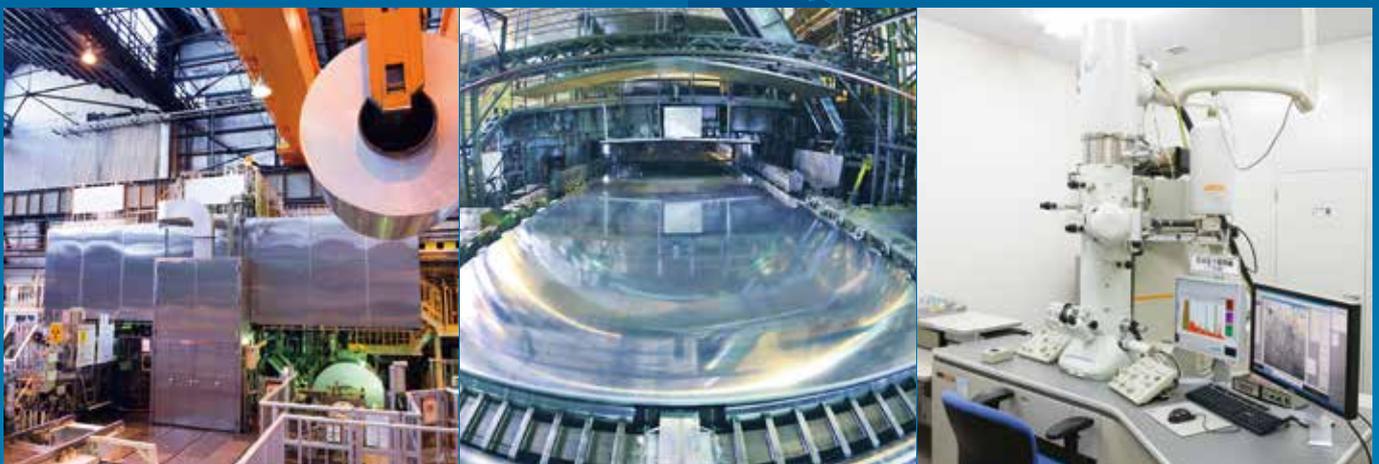
Whitehall Industries is known as the number one brand in North America for automotive structural materials. UACJ Automotive Whitehall Industries Inc. was introduced following acquisition of a subsidiary in April 2016. The company currently manufactures and sells aluminum structural materials and various aluminum parts components, with three plants in the USA and one in Mexico.

Integrating companies has given UACJ superior positioning within Japan. This action, however, was not to gain a major share of the Japanese market, but to become an aluminum industry leader in a competitive global market.

In the following, we introduce strategic developments underway involving three key global hubs that will support our efforts towards that end.

Japan

To increase cost and product quality competitiveness, we are proceeding with the reallocation of product mixes in Japan according to plan and developing new materials.



Harnessing the Synergistic Powers of the UACJ Group to Meet Demand in a Rapidly Growing Market

Special Features and Strengths of the Company

Having decades of experience and accumulating abundant technological prowess since its establishment, Tri-Arrows Aluminum, Inc. (TAA) has become a highly competitive aluminum manufacturer in the U.S.A. One of its strengths is owning a majority share of the Logan Mill, the world's largest and most cost-competitive rolling mill. Accordingly, the company is well prepared to take on the growing demand for aluminum; a market that is set for rapid expansion.

Global aluminum rolling mills have an annual production capacity on the scale of approximately 18,000 tons per year. The Logan Mill boasts a production capacity of approximately 900,000 tons per year, and TAA will soon have a production line capable of producing 300,000 tons per year.

An important advantage to all of this is that over 80 percent of the materials procured for manufacturing are recycled aluminum. This contributes to reducing environmental impact, while also increasing

competitiveness by lowering the cost of resource materials.

Yet another key strength of TAA is a self-reliant, proactive workforce. Truly valuing its employees, the company has built a strong and resilient culture: each employee is nurtured to understand his/her role and the importance of teamwork. As a result, all members work well together while personally striving to improve production efficiency. Commented company president, Henry Gordinier, "In the past, we needed to find ways to manage costs and increase volume without a lot of capital. This required a tremendous amount of innovation and a culture that knows how to get things done. Pairing that culture with our parent company, where aluminum is the core element, you have a very strong combination."

Benefits of Being Part of the UACJ Group

The UACJ Group is committed to becoming a global leader in the aluminum industry, which brings new dimensions of business to TAA. Gordinier continues, "While Tri-Arrows Aluminum is based in, and focuses on, the North American market, UACJ has close ties to Asia. This partnership gives us a better understanding of the Asian markets and will help position us to be more competitive as we merge into the global marketplace. As a result, new energy is emerging from within the company."

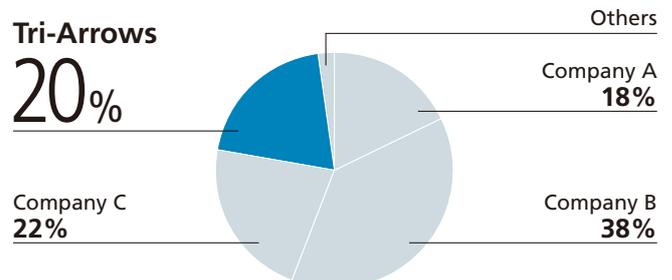
Exchanging information with various members of the UACJ Group has become a regular activity. This has led to more opportunities for collaboration and the realization of various synergies, some of which are assisting the Logan Mill and the transitional growing pains of adding operations to produce and sell automotive body sheet for the automotive industry. TAA established a cooperative working arrangement with Constellium-UACJ ABS that covers a variety of areas, including the management of internal process scrap and enhancements for elemental production materials to improve quality and performance.

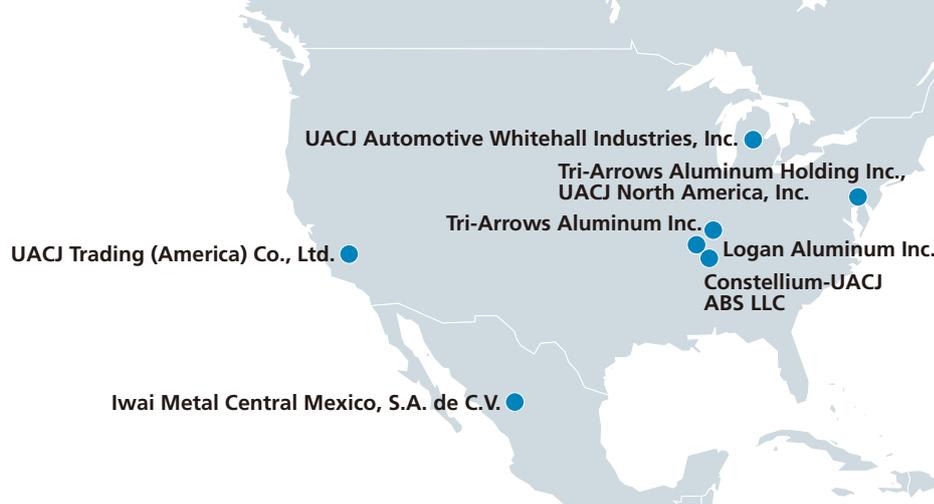


Henry Gordinier
President, Tri-Arrows Aluminum, Inc.

Henry Gordinier began his career in financial risk management in metal trading and then joined ARCO Aluminum (presently TAA) in 1999, where he engaged in risk management and business management. He left the aluminum industry and moved on to health care, where he was involved in risk strategy. His heart, however, remained in the aluminum business. He returned to the company (presently TAA) in 2014, where he was appointed to the position of president in June 2016.

North America Can Stock Sales





Publicly traded companies in America tend to focus on quarterly performance, and that can be detrimental to strategic planning that is longer-term in nature. Gordinier adds, "My experience with our Japanese owners is that strategic decisions consider a span of 10 or 20 years. For me, this was an extremely refreshing perspective to consider in business strategic planning. I believe that UACJ's decision to purchase an equity stake in the Logan Mill is a reflection of that long-term perspective. In coming together with UACJ, we will have a basis that will allow us to grow even more."

Growth Drivers and Future Direction

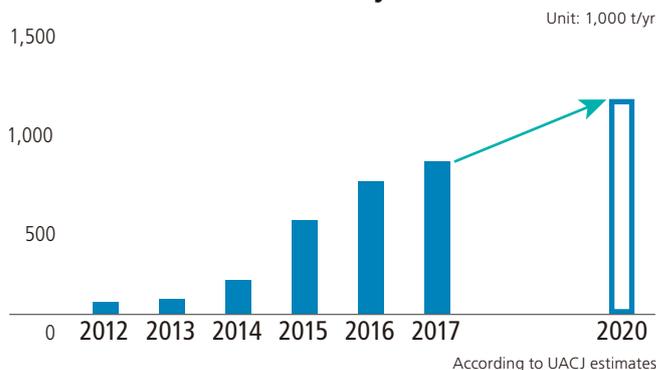
TAA is moving towards an integrated operations portfolio with a balance of materials for the beverage can and automotive markets. Declining sales have been reported in the beverage can market, mainly believed to be due to the trend of switching from carbonated beverages to healthier beverages. On the other hand, the shift from bottles to bottle-cans is gaining momentum. To meet both beverage can and automotive-related demand, production line expansion is underway at the Logan Mill. When completed, UACJ plans to own a larger share of the annual production capacity. Market conditions will be closely monitored and Logan Mill production of automotive body sheet slated for Constellium-UACJ ABS will be increased as required.

To support growth initiatives in North America, one of the ways TAA is setting itself apart is by maintaining consistency and being very deliberate in its market position. Gordinier continues, "Tri-Arrows Aluminum respects the heritage of its business, which has delivered

the earnings and capital returns that stakeholders have expected. So when we think about how important transitioning to produce materials for the automotive industry is to us and the UCAJ Group, it's vital to keep in mind we are structuring a strategy that takes advantage of an emerging new market." The consistency of TAA's message in the marketplace is highly valued by its customers. The company is focused on being able to maintain the 20 percent share presently held in the can stock market, while also seeking to expand its share of the automotive body sheet market.



Demand for Automotive Body Sheet



"Over 80 percent of Logan's resources come from recycled aluminum, which minimizes negative environmental impact."

"I think of Logan as providing green manufacturing jobs because we use so much recycled content. Aluminum, itself, is infinitely recyclable, and nearly all of our internal process scrap is recycled. UACJ also sources scrap from outside markets for use in our operations. We are very good stewards of the environment, and employees are involved in numerous activities in the community and surrounding area. As an example, the plant has been very active in supporting the United Way."



Ken Purdue
Plant Manager
Logan Aluminum Inc.



First Hot-rolled Coil Targeted for Supplying Automobile Manufacturers Comes off New Production Line

Plant Launch and Strengths of the Company

Constellium-UACJ ABS LCC was established as a joint venture between UACJ, Japan's largest aluminum manufacturer, and Constellium N.V., a European company, in response to rapidly growing demand for elemental aluminum materials. The company has completed construction of a new plant equipped with a state-of-the-art surface treatment line, and the production of materials for Japanese, European and US automobile manufacturers has begun.

The first hot-rolled coil came off of the production

line early April 1, 2016, marking the beginning of operations for the 100,000 tons facility. "This first coil was certainly a milestone for us, and we are hoping to create profits early on," stated Dave Davis, plant manager of Constellium-UACJ ABS. He continued, "We are also continuing to complete commissioning of the facility and seeking qualification. Our people are our strength. You can buy equipment anywhere, but the thing that makes you different from everybody else is the people you hire, the human factor. And what we committed ourselves to do is making sure we hire the right people, those who don't need to be managed. They have to lead."



Dave Davis
Plant Manager, Constellium-UACJ ABS LLC

Dave Davis, a mechanical engineer, was hired by Logan Aluminum in 1984, where he worked for 12 years in a variety of capacities, including process and team leader positions. He left the company for a period of time and then returned in 2002 and worked for another 12 years. In 2014, he was hired the position of plant manager at Constellium-UACJ ABS.

Growth Drivers and Future Direction

The introduction of stricter fuel efficiency regulations requires all automobile manufacturers to achieve a fixed standard of improvement by 2020. The resonating impact in the automotive industry has led to various opportunities in the market. One such example is, in order to produce lighter vehicles, manufacturers are rapidly changing to aluminum automotive body sheet. Currently, the demand for automotive aluminum sheet materials is expected to spike sharply from around 700,000 tons in 2016 to large-scale use of 1.0-1.2 million tons in 2020.

Automobile manufacturers are customers with high potential. "We've talked to representatives of automobile manufacturers in the U.S. about specific models and what exactly we can deliver that they need," Davis explained. "There's a lot of business out there. They talk openly about what they would like for us to do, and that is invaluable in moving forward. We'd like to start discussing partnering with Japanese automobile manufacturers as well."

Investment Plans to Match Future Market Growth – Contemplating the Addition of Second and Third Lines

Bill Pfund, CFO of Constellium-UACJ ABS LLC, is very bullish on business potential, commenting, "The possibilities for business in the future are looking up. Considering factors such as the Corporate Average Fuel Efficiency (CAFE) standards and requirements down the road, it's anticipated that the North American automobile aluminum materials market will grow from its current level of approximately 700,000 tons per annum to 1-1.2 million tons in 2020. That is an incredibly attractive market."

To meet that phenomenal demand, the company currently has a committee investigating the addition of more lines. We are looking at capital cost, personnel cost and possible synergies. Looking down the road, we'll watch the trend of using aluminum materials for automobiles in the U.S. market and investigate planning for investment from a positive perspective."



Bill Pfund
CFO
Constellium-UACJ
ABS LLC

UACJ and Whitehall Combine Resources to Surpass 50% Market Share

Special Features and Strengths of the Company

UACJ Automotive Whitehall Industries, Inc. is a unique precision fabricator of extruded aluminum parts that primarily services the rapidly growing aluminum market for the automotive industry. Extensive capabilities with aluminum position it to provide services that its competitors cannot. More specifically, the company is able to execute extremely precise extrusion at the upper end of the capabilities scale. David Cooper, President of UACJ Automotive Whitehall Industries, explained, “We design and build our own machinery, and engage in custom sales operations. So a lot of what you see at our plant, we designed and built. Our customer sends us a model of the part they want and we figure out a way to efficiently make it. It’s difficult to find what we have under one roof. The company is utilizing a vertically integrated business model, commissioning everything

from development to trial production and mass production. To realize a high-value-added business, the company has a great team of very talented people that have been working together for a long time; some of them as long as 40 years,” Cooper said.

Benefits of Being Part of the UACJ Group

Cooper maintains that the acquisition of UACJ Automotive Whitehall Industries is a good mutual fit, saying, “The M&A this time is a very rare case where everyone in it benefits. By joining the UACJ Group, we now have a financial foundation that is exponentially stronger compared to what we had. There’s also a global reach that we didn’t have before. Another merit that UACJ brings to the table is support in terms of production technologies and R&D. That gives us access to people with expertise that we don’t have. This, too, will help us eliminate waste and streamline manufacturing operations.”

Growth Drivers and Future Direction

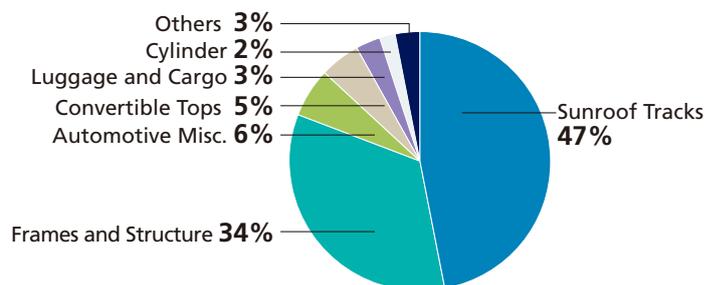
CAFE standards for fuel efficiency are driving the trend towards lighter-weight vehicles, and Cooper noted that parts previously made of steel are now being made of aluminum. The company also has operations in Mexico, a location that was selected because customers were in the vicinity. Business is exploding with requests from the automotive industry. “Orders are coming from new automotive manufacturers, as well as major companies,” Cooper continued. “So that will help us grow in Mexico. A major customer has also given us access to additional electric vehicles. UACJ has access to Japanese OEMs and other customers that we ourselves don’t currently have access to. It is a pretty good time to be where we are, and I don’t think there’s any risk of people fleeing from aluminum for any kind of safety reason.”



David Cooper
President, UACJ Automotive Whitehall Industries, Inc.

David Cooper worked at Vickers, Inc. for three years as a manufacturing manager before moving on to Parker Hannifin. He joined Whitehall Industries in 2004 as Vice President of Operations and became COO in 2009. Appointed President and COO in 2015, David remained in the same position when the company became UACJ Automotive Whitehall Industries, Inc. in 2016.

Product Overview



Fusing Technologies and Equipment Perfected in Japan to Lead Development in the Asian Market

Core aluminum factory in Asia with fully-integrated manufacturing

The UACJ Group has continued construction of its core factory in Asia, the Rayong Works of UACJ (Thailand) Co., Ltd. (hereinafter "UATH"). Following completion of cold-rolling and finishing lines, which commenced operation in January 2014, a fully-integrated manufacturing line that begins from the casting process was completed in August 2015 and has also begun full-scale operation.

Many aluminum manufacturers of beverage cans and heat exchangers now have operations not only in Thailand, but throughout Asia. The Rayong Works, built on a vast 500,000 square-meters of land, is ideally located about 100 kilometers from the international airport in the capital, Bangkok, and about 30 kilometers from the nearest seaport. Leveraging this geographical advantage and its advanced production capabilities, UATH is set for growth as it supports development of the Asian economy.

The Rayong Works is the only aluminum rolling mill in

Southeast Asia with a fully-integrated manufacturing system. Currently manufacturing is focused on producing can stock, but UATH is ready to expand the product lineup in response to market needs.

UATH President, Akinori Yamaguchi, commented sternly, "Reinforcement of the manufacturing industry in Thailand has gained momentum recently. There is nationwide promotion of R&D, and it was recently announced that the production of electric buses for specific routes would start. Future developments including collaboration with various industries, academia and the government may bring substantial business opportunities to UATH. The opening ceremony of the Rayong Works was widely reported by the local media, and we could feel the high expectations that the Thai society has for us. The growth of UATH, a pioneer of aluminum rolling manufacturing in this country, will have a direct impact on industrial development in Thailand. This will be a motivation for the people working at UATH."



Akinori Yamaguchi
President, UACJ (Thailand) Co., Ltd.

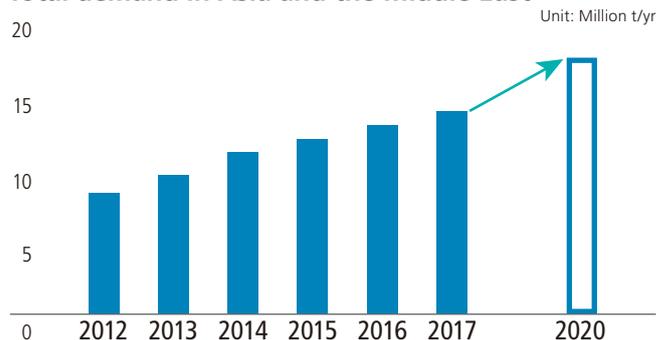
Joined Furukawa Electric Co., Ltd. in 1985. Became general manager of the Production Department in the Rolled Products Division of Fukui Works of Furukawa-Sky Aluminum Corporation in 2009. Promoted to general manager of Rolled Products Division of Fukui Works in 2011. Appointed to position of executive officer of company and promoted to current position, president of UACJ (Thailand) Co., Ltd.

Responding to strong demand, with the aim to reach annual production of 300,000 tons by fiscal 2020

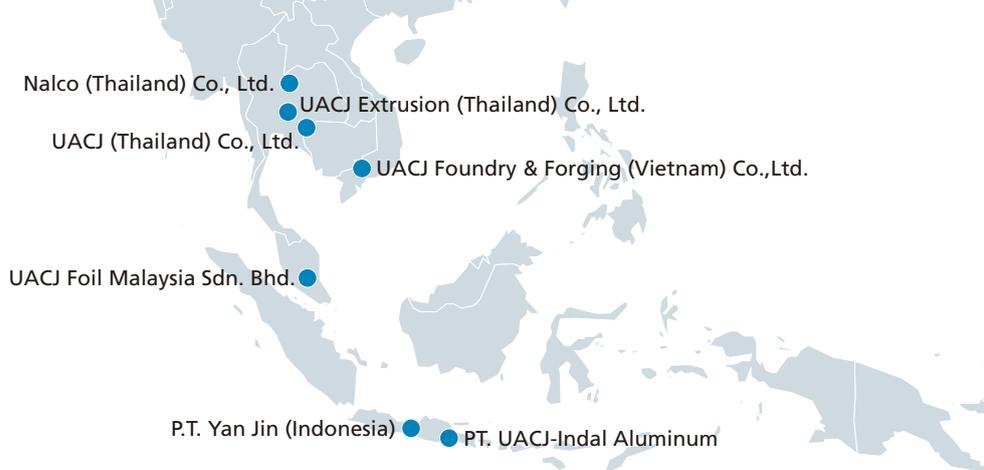
The immediate goal of the Rayong Works is to achieve the quality and production capacity equal to that of the plants in Japan. The plan is to reach a monthly production capacity of 10,000 tons in the second half of 2016 and annual production of 200,000 tons in fiscal 2017. A target for the future has been set too, annual production of 300,000 tons by fiscal 2020. This is equivalent to the same capacity as the Fukui Works and Nagoya Works, key plants in Japan.

As for product lineup, to build a firm business foundation, production will focus on can stock and automotive heat exchanger materials for the time being.

Total demand in Asia and the Middle East



According to UACJ estimates



President Yamaguchi explains, “We will concentrate our resources on training employees and expanding facilities, with the goal being to increase production capacity. In addition to Southeast Asia, where demand for aluminum is increasing, we plan to extend our sales network to the Middle East. We would like to establish a foundation capable of responding to enquiries from all over the world.”

Promoting localization of operations by strengthening technologies and human resources

The Rayong Works has made it a policy not to simply introduce “manufacturing the Japanese way,” but to pursue manufacturing that matches the local culture and employees’ disposition, and to refine these further to create a strength that makes the Rayong Works stand out. To that end, it is important that each and every one of the local staff is highly motivated in his/her work.

“With full-scale operations underway, the number of

employees at the Rayong Works has reached about 800,” says President Yamaguchi. “We will still need the assistance of Japanese engineers for product development and production engineering. But our policy is to carry out manufacturing operations using only local staff.”

To prepare employees for their jobs, efforts were concentrated on training the local staff by providing detailed explanations of work objectives and procedures of each task in the ‘Standard Procedures Handbook.’ Japanese engineers also provided instruction and coaching when starting up production. The first manufacturing line that went online in after the first phase of construction is now operated by local staff only.”

President Yamaguchi continued, “I want every employee to feel the “pride” of being a part of manufacturing at UATH. I want them to pursue the potential of aluminum and work with the spirit that they will help develop the country with their own hands.”

Acting as a builder of bridges by introducing sophisticated technologies and contributing to the growth of the homeland

Nopadol Kaewngarm
 Manager
 Electrical Engineering Section
 Engineering and
 Maintenance Dept.



“To achieve a monthly production capacity of 10,000 tons, which is the target for UATH in the second half of fiscal 2016, it is necessary for all employees to make a concerted effort to reduce equipment downtime as much as possible and continue highly efficient around-the-clock operation. For this, it is important to ensure the transfer of technologies from Japanese engineers to Thai engineers, not to mention the need to improve the skills of the operation staff themselves. As a manager of the electrical engineers, and also playing the role of bridge builder, I feel the gravity of my responsibility. At the same time, I am also very motivated being able to experience the excellence of Japanese production engineering and know-how first-hand.

My motto is ‘Nothing is impossible if you tackle things continuously and positively.’ With continued everyday efforts, I would like to contribute to the development of UATH and the Thai society.”



Turning Product Mix Reallocation and R&D Achievements into the Source of Competitiveness

Proceeding with product reallocation at domestic factories to further strengthen the competitive edge

Reallocating product mix at domestic factories has been an ongoing part of restructuring at UACJ since integrating the former companies in October 2013. Before integration began, the two companies had a number of similar products, so streamlining products and reallocating product mixes at each plant became the strategy for achieving a more efficient production network.

Hironori Tsuchiya, director and concurrently general manager of the Production Division at UACJ, explains, "One of the policies at UACJ is to strengthening global business, but it is also true that business is presently based on generating profits from domestic operations. Accordingly, increasing profitability by optimizing domestic production is an extremely important issue for achieving successful integration. Reallocating product mix at various plants requires meticulous adjustments while simultaneously being careful of customers' needs. However, work is progressing smoothly at all plants and

about 60% of the task was completed in fiscal 2015. We are looking at finishing most of the product reallocation in fiscal 2016 as scheduled."

The Fukui Works is home to one of the largest-class rough hot rolling mills in Japan. As shown below, to improve production efficiency and make the most of its capacity, it is now positioned as the core plant for producing can stock and thick plate for LNG tankers, with other products being reallocated to different production facilities.

On the other hand, by moving can stock production to the Fukui Works, the Nagoya Works is now positioned as the core plant for automobile materials, litho sheet and fin materials, of which close cooperation with the Research and Development Center is indispensable.

Similarly, the Fukaya Works is now the core plant for thick plates and the Nikko Works is a finishing plant for precision and specialty materials.

Tsuchiya continues, "The purpose of the reallocation based on product mix was to increase production efficiency at each plant, including Fukui and Nagoya, thereby strengthening our competitive edge. Even after completing the reallocation phase, each plant will continue to implement various initiatives to further improve competitiveness in quality, cost and delivery, what we call 'QCD.'"

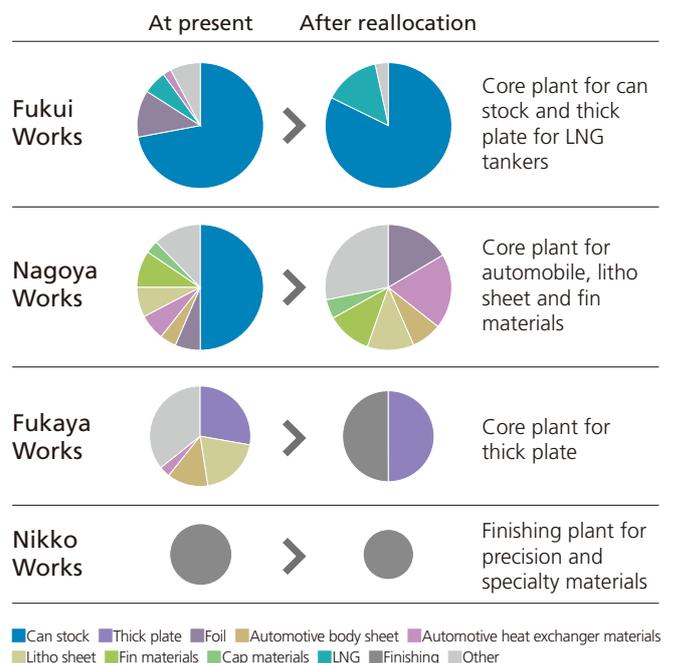


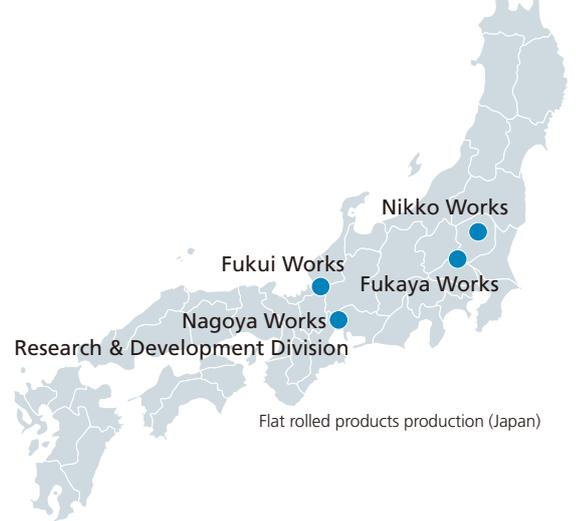
Hironori Tsuchiya

General Manager, Production Division Director, Managing Executive Officer and Board Member

Joined Furukawa Electric Co., Ltd. in 1980. Appointed to the position of director at the former Furukawa-Sky Aluminum Corporation in 2011. Appointed to the positions of director and managing executive officer at UACJ in 2013, where he continues to work to date. Has been assigned to the Production Division for many years and is currently the general manager.

Product mix reallocation at domestic production sites





Flat rolled products production (Japan)

Reinforcing new product development and next-generation basic technologies through optimum positioning of R&D resources

The headquarters of the UACJ Group's Research and Development Division is the Research and Development Center located at the Nagoya Works, the center of all R&D activities. There are also branches at the Fukui Works and Fukaya Works. This structure enables research resources to be centralized in Nagoya while providing certain R&D functions at other main production bases. It also creates better access to customers and achieves smooth collaboration at production bases. Utilizing this R&D structure, we are developing new products and technologies while simultaneously strengthening and deepening of basic technologies.

As a result of advances technological innovation, today's industrial products use not only metal materials like steel and aluminum, but also resins and various composite materials such as ceramics and carbon fiber-reinforced plastic (CFRP). In order for the UACJ Group to continue sustainable growth, it must keep winning in the competition against many diversified materials, let alone the competition within the aluminum industry.

Kazuhiro Shibue, director, explains, "Recently, big changes are taking place in the manufacturing world as represented by applying the Internet of things (IoT) and artificial intelligence (AI) to the manufacturing industry. In the near future, such advanced technologies will be used at production sites in the aluminum industry. To properly respond to rapidly evolving technological innovations, we

must strengthen our business competitiveness through pragmatic and steady materials development. Furthermore, it is essential to concentrate on cultivating engineers who can act quickly and proactively to the needs of our customers and production sites.



Kazuhiro Shibue

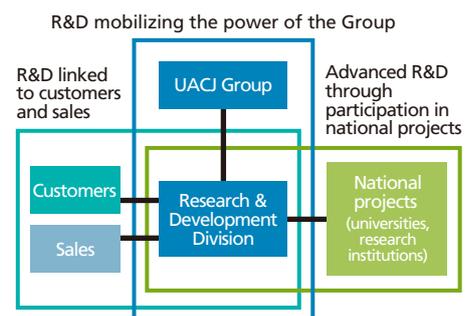
General Manager,
Research and Development Division Director,
Managing Executive Officer, Member of the Board

Joined Sumitomo Light Metal Industries, Ltd. in April 1980. Consistently involved in the research and development of aluminum materials. After working as the Section 2 Manager and then Section 5 Manager in the Research and Development Center, appointed to the position of executive officer and deputy general manager of the Research and Development Center in April 2013. Appointed managing executive officer and general manager of the UACJ Research and Development Division in October 2013, where he continues to work to date.

C O L U M N

Proactively promoting R&D leveraging a network that includes joint research with customers and participation in national projects

To maximize the excellent material characteristics of aluminum, it is essential to closely collaborate with product manufacturers well acquainted with the needs of the end-user. The Research & Development Division therefore focuses on joint research with customers, and at the same time, carries out trial manufacturing and verification utilizing manufacturing equipment identical to that used by the customer to enable highly accurate evaluation and analysis. Furthermore, efforts are concentrated on developing original technologies, as exemplified by participation in national projects such as the "Technical Development Project of Innovative New Structural Materials, etc.," commissioned by the Ministry of Economy, Trade and Industry. This project aims to develop new alloys for next-generation aircraft, doing so by taking on the challenge to resolve advanced technological issues through joint research with universities and research institutions.





Applying Assets Accumulated to Create New Value



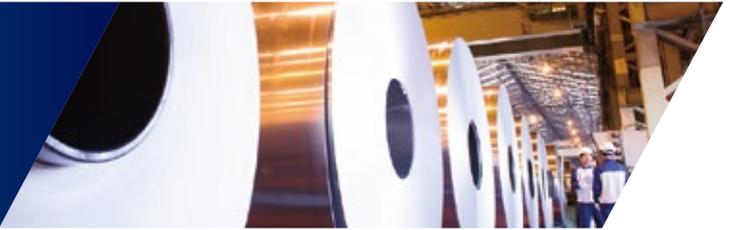


UACJ Assets

	Offensive assets	Defensive assets
R&D and production capacity	Technology Development Division that performs innovative product/technology development	Stable supply system that executes supply responsibility in BCP and emergency
	Production facilities of world biggest-class/best standard	Quality management activities that respond to strict quality demand
	Optimum production system that rises productive efficiency and cost competitive power	Measure for improving quality, etc. to increase customer satisfaction
Employee development	Fostering global human resources that are the origin of company growth	Ensuring occupational safety and health where employee can work safely
	Passing down skills that sustainably bring in innovation	
	Promoting diversity that diverse of human resource are utilized for the company growth	
Environmental initiatives	Developing eco-conscious products that contribute to reduce environmental impact	Management system to promote environmental activities
		Energy-saving to contribute to prevent global warming
		Chemical substance control to reduce environmental risk
		Waste reduction activities for continuing zero emissions
Corporate governance	Corporate governance as the ground of creating corporate value	

As a major aluminum supplier from Japan, the UACJ Group is creating new value and building the trust of the global society through its technological and manufacturing prowess, while promoting corporate management that harmonizes with the global environment and regional societies. To enable the entire Group to achieve those initiatives, we rely on fostering human resources capable of creating value and creating work environments where each person can effectively draw out his/her own abilities.

R&D and Production Capacity



Wholeheartedly Engaged in Manufacturing and Responding to Customer Needs

R&D

The Research & Development Division, important for carrying out the R&D function of the UACJ Group, is working to solve development issues common to the Group as well as those for each company in it. It is equipped with the most advanced transmission electron microscope and other evaluation apparatus for structural analysis and mold testing, also serving the function of an analysis center.

Following integration, the research facilities located at various business sites were centralized to enable a quicker response to customer needs and focus on developing innovative technologies and products ahead of the times.

Additionally, to introduce research results and new products and technologies to customers and throughout society, since fiscal 2014 we have been issuing the UACJ Technical Reports once a year.



Manufacturing

Manufacturing equipment

The UACJ Group utilizes world-leading large-scale manufacturing equipment in the aluminum industry, from hot and cold rolling mills to extrusion, casting and forging equipment. Leveraging them, manufacturing large-size products not available elsewhere and achieving highly efficient mass production have provided the Group with a competitive edge in the global market.

For example, the hot rolling line at the Fukui Works, one of our core rolling mills in Japan, is equipped with the world's largest rolling press, stretching 400m in length and 4.3m in width. It produces aluminum thick plate utilized to build LNG tankers and for applications in the aviation and aerospace industries. These applications require ultra-wide thick plates to be made in a uniform size. It's equipped with an automatic gauge control (AGC) system that regulates plate thickness to ensure high-quality rolling. Other equipment, some the largest in Japan, include a large top-charge melting furnace for melting materials, a stretcher with a tensile capacity of 5,600 tons for the straightening process after rolling, and a large 15,000 tons forging press in the casting and forging mill, all contributing to ensure reliable quality.

Furthermore, in the beverage can materials line, the industry's line incorporating the coating process is in operation, complete with all processes from straightening of aluminum sheet coil to surface treatment, coating and baking, surface inspection and even marking defects at high speed. Each of the sites thus has the most advanced production facilities.

Optimization of manufacturing

In order to maximize the synergies created by integrating Japan's two leading aluminum manufacturers, we are optimizing production distribution for the entire Group. With an eye on the trend in demand for each product and considering the facility capabilities and characteristics of each site, we are integrating and reallocating product mixes that were previously duplicated at some sites.

For example, the Fukui Works will mainly manufacture can stock and thick plate for LNG tankers, and the Nagoya Works has comprehensively taken charge of manufacturing automotive materials, litho sheet and fin materials. The Fukaya Works now concentrates on manufacturing thick plate including that used for LNG tankers, and the Nikko Works is specializing in finishing processes, thus narrowing down product mixes for each site to improve production efficiency and cost competitiveness, which will eventually lead to strengthening profitability.

■ Stable supply

The UACJ Group focuses on the responsibility of continually supplying products and services customers and society need, even in the event of an emergency such as an accident or earthquake. We therefore assumed various situations, like a large-scale earthquake or outbreak of a new influenza virus, and formulated a business continuity plan (BCP) so that we can continue to supply important products and services, or resume supply operations at the earliest possible time even if serious damage is caused. We have established an emergency network to ensure the safety of employees at the time of a disaster, and have established a system to prevent secondary disasters and enable the Group to engage in recovery as soon as possible. Additionally, the Employee Safety Check System introduced in fiscal 2015 will be introduced throughout all Group companies in fiscal 2016.

Quality Control

■ Quality control system

The UACJ Group established a Quality Committee to oversee the quality control of all Group companies; the chairman of which is also the director in charge of quality. All quality issues of the Group, serious quality accidents, etc. are now reported to, and discussed within the committee. Quality control organizations have also been established for each business segment, and the manager of each organization is in charge of promoting quality control activities in collaboration with the Technology Department.

UACJ and individual Group companies have been certified for international quality management systems, and quality control is practiced pursuant to the certification requirements. For those Group companies that have not yet received certification, the Technology Department is supporting their management in line with the requirements of international certification.

Specific quality control activities are carried out based on quality targets and important issues formulated each fiscal year under the Basic Quality Policy. In fiscal 2015, as

a result of our approach on the basis of these targets and issues, the number of serious quality defects, claims and complaints compared to the previous year were reduced for the Group as a whole. Based on the results, we are pushing forward with further quality improvements in fiscal 2016 under the Group Vision of “Improve quality from the bottom up and become an aluminum industry leader in a competitive global market.”

Please note that there are currently no products being prohibited from sale or subject to any dispute due to serious quality trouble in the Group.

Quality targets for fiscal 2016

1. Zero serious problems with quality (abnormal quality problems)
2. Reduce the number of claims/complaints by 10% or more from the previous year

Important issues

- Prevent recurrence by investigation into true cause and prevent human errors
- Understand customer needs and expectations and improve customer satisfaction by providing a prompt response
- Secure necessary competence and knowledge based on proper training or experience
- Fuse technologies in the reallocation of product mixes and strengthen quality control

■ Improving customer satisfaction

The UACJ Group has introduced, “Strive to offer products and services deserving of our customers’ satisfaction and trust,” as its Management Philosophy and Basic Quality Policy.

While placing importance on communication with customers in daily activities, we regularly conduct a “Customer Satisfaction Survey.” The survey covers diverse areas such as product quality, packaging and transportation, quality response, technological development, delivery response and sales response, and we scrutinize and analyze the survey results to reflect on improvement activities. The results are then incorporated into our operations proactively, such as using information in new product development.

Furthermore, we hold exchange meetings with customers, whose opinions and requests are then put to good use for quality, delivery and product development.

Additionally, complaints from customers are addressed with specific numerical targets for reduction. Information of serious quality issues is shared throughout the Group to prevent the occurrence of similar accidents.

Employee Development



Manufacturing Environment Based on “Be Safe”

Training

Basic concept

The UACJ Group considers “a person who can understand management philosophy and guidelines and act accordingly” as a source of competitiveness. Also important are exercising the management philosophy and placing importance on the training of human resources equipped with the following:

- Continuously pursuing improvement and reform instead of accepting things as they are.
- Understanding different cultures and being active globally.
- Acting from the viewpoint of being the best for UACJ (not being the best for division).
- Being particular about quality and technology, and acting based on field-oriented judgment.

To develop such human resources, we have three basic concepts: Develop each and every employee through self-learning, develop subordinates through work, and Develop people in the organization. As for specific measures, the Human Resources Development Department utilizes the Human Resources Development Center, a training facility at the Nagoya Works, to carry out a wide variety of employee development programs, such as stratified training, holding seminars, and support of self-enlightenment.

Fostering employees for global roles

The UACJ Group stipulates, “In globalization, we must respect the laws, cultures and customs of each nation, and contribute to the development of society” as guidelines, and tries to develop employees who fit into such global roles.

Specifically, we provide language study support, with scores based on the TOEIC points system, and business skills seminars to build experience and knowledge. Additionally, for those to be assigned overseas, in addition to short-term language training, we select the necessary curriculum based on business experience and role at the destination country and provide individual training.

We also conduct training for local staff members recruited by our overseas Group companies. In fiscal 2015, we had manager training (twice) for a local Thai subsidiary, which was attended by about 60 managers.

In addition to these, we introduced an overseas training system fiscal 2014. This system consists of overseas language training for one year and overseas on-the-job training for an additional year. Following two trainees in the first year, we sent another two in fiscal 2015.

Efforts for passing down skills

In order to improve product quality and productivity on an ongoing basis, the UACJ Group puts emphasis on the efforts for passing down to the next generation the spirit, experience and skills that have been built over a long period of time.

Therefore, in preparation for mass retirement of skilled workers, “Flat Rolling School” was established at the Nagoya Works in 2004, where efforts have been made for passing down the skills and know-how of expert employees. Similarly, the “Maintenance School” at the Nagoya Works, “Extrusion School” at UACJ Extrusion Nagoya, which is engaged in extrusion processes, and the “Copper Tube School” at UACJ Copper Tube, which is engaged in copper rolling and drawing, were established. Initiatives suitable for the respective characteristics of each are being introduced at the respective sites.

We will continue with such activities and study further deployment to other sites.

Promoting Diversity

From the perspective of supporting initiatives to advance into new fields and develop global business further, the UACJ Group actively promotes employee diversity, disregarding factors such as gender, age, nationality and disabilities.

As part of this initiative, we try to create environments where women can be actively engaged in work. In accordance with the action plan based on the Act of Female Advancement, our specific goals include “increasing the percentage of women hired as new

recruits for administrative positions to 40% or more and women hired for engineering positions to 10% or more” and “doubling the number of women in management positions by the end of fiscal 2020 (March 2016 being the baseline).” As a result of initiatives such as these, six of the 19 new recruits for career track positions in fiscal 2016 are women, accounting for 75% in administrative positions and 20% in engineering positions. For reference, at the end of fiscal 2015, there are 74 women in managerial roles, an increase of four from the previous year*.

In order for women to be able to fully demonstrate their abilities in the workplace, in addition to responding to the Act for Measures to Support the Development of the Next Generation, we are committed to creating work environments that realize a balance between work and family life.

* Including unconsolidated Group companies.



Ensuring occupational safety and health

To create anxiety-free working environments for employees, the UACJ Group introduced a safety and health management system that is overseen by general safety and health managers at each business site.

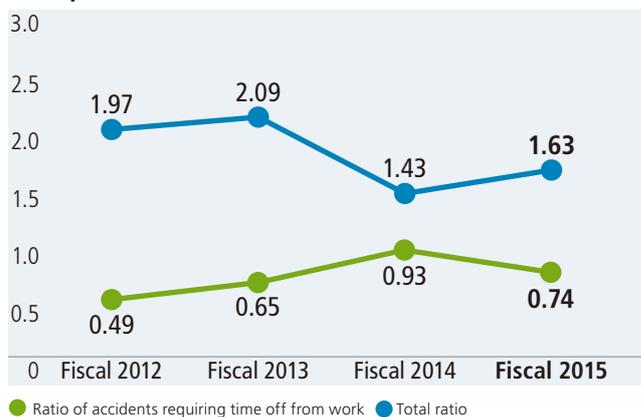
As an organization responsible for safety and health for the entire Group, the Safety and Health Committee has been established. It is chaired by the director in charge of safety and health. Other committee members include full-time directors, general managers from plants and presidents of Group companies. Meetings are held once a year.

At the Safety and Health Committee meeting held in January 2016, the summary of 2015 was reported by Safety & Environment Department, followed by a discussion for drafting the safety and health activity policy for fiscal 2016. Business sites that had no accidents for the year were given the President’s Safety Award for 2015.

The companies of the UACJ Group work together to strengthen the safety management system with the aim of eliminating industrial accidents during business activities, as well as promoting employee training on safety and health. The corporate culture of “Safety First” is being produced by developing knowledge on safety and health, and enhancing the awareness of safety and crisis management.

As a result of these activities, after 49 cases in fiscal 2011 before business integration, the number of industrial accidents of the UACJ Group has been on the decrease and was 22 cases in fiscal 2015. The ratio of accidents requiring time off from work was 0.74 and the total ratio was 1.63. We will continue with our efforts for ensuring safety and health.

Workplace Accidents Status



Note: The figures for fiscal 2012 are the results of combining former Furukawa-Sky Aluminum Corporation and former Sumitomo Light Metal Industries, Ltd. The figures for fiscal 2013 are the results of combining the first half of the former two companies and the second half of UACJ.

To Be a Good Corporate Citizen

As part of CSR activities rooted in the region, the UACJ Group plants, both domestically and internationally, proactively participate in a variety of activities, such as environment beautification campaigns and neighborhood clean-up events organized by local governments. Through these activities, we foster communication with our neighbors to establish a relationship of trust as a member of the community.



Clean-up activities at Nikko Works



Community interaction event at Logan Aluminum

Environmental Initiatives



Contributing to the Realization of a Sustainable Society by Pursuing Manufacturing with Reduced Environmental Impact

Environmental Management

Basic concept

The UACJ Group considers environmental conservation and realization of a recycling-oriented society one of the most important management issues. In addition to abiding by environmental laws and regulations and corporate statutes, we are working to reduce the environmental impact of all business activities.

To promote environmental management throughout the Group, we establish UACJ basic environmental policies based on the UACJ corporate philosophy and guidelines. Based on this, the UACJ Group Environmental Policies are formulated and annual targets are set for each issue, such as "Elimination of environmental accidents," "Measures to fight global warming," "Reduction of industrial waste" and "Control and reduction of chemical substance usage." Under these policies, we carefully consider the environment in all stages of the product lifecycle, from development and manufacturing to sales, use and recycling, as well as strive to reduce environmental impact in our business activities.

Environmental management system

The UACJ Group has established a Group-wide Environmental Committee, chaired by the Chief Environmental Officer, to promote environmental activities and raise environmental awareness among employees. Meetings are held once a year to check the implementation status of environmental activities and discuss policies and goals. The Safety & Environment Department was established as well as an organ to ensure the execution of policies and goals.

Additionally, environmental management systems are in the process of being implemented at all Group sites, and nearly all production sites have acquired ISO 14001 certification. Some of the smaller facilities have also acquired Eco Action 21 certification in accordance with guidelines released by Japan's Ministry of the Environment.

In addition, as a result of the ISO 14001:2015 issue, business sites that have already been certified are now

working towards transition, and all sites will complete it by the deadline, September 14, 2018.

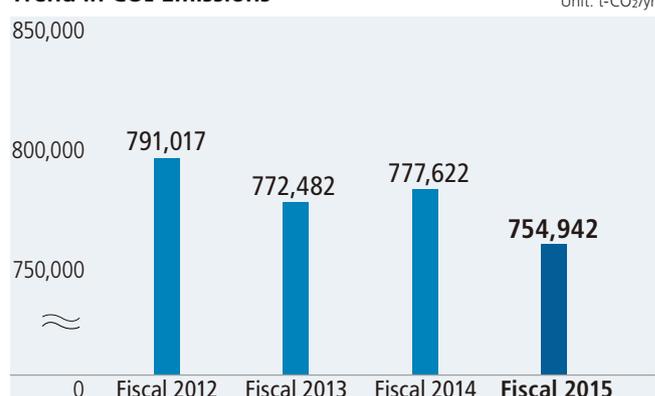
Preventing Global Warming

As a means of contributing to the prevention of global warming, the UACJ Group has introduced initiatives to reduce the use of energy throughout all business activities, including everything from manufacturing and distribution to the use of electricity in offices.

During manufacturing processes, in particular, where energy consumption is high, we are promoting initiatives to improve production efficiency at each site and are switching to substitute fuels, among other measures. The Energy-Saving Subcommittee meetings—cross-departmental meetings centered around the Facilities Department—are held periodically. During these meetings, information is shared between sites and the utilization of effective energy-saving examples is promoted throughout the Group.

As a result of these activities, along with efforts for improving production efficiency by reallocating product mixes among plants after business integration, the results of per-unit-production for both CO₂ emissions and energy consumption have been improving recently. In fiscal 2015, however, a year-on-year increase was reported as a result of the decrease in domestic production.

Trend in CO₂ Emissions



Preventing Environmental Pollution

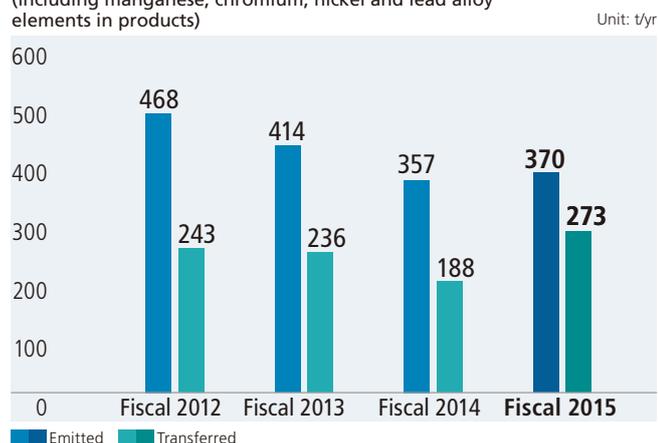
The UACJ Group has established its own voluntary emissions targets for air, water and soil pollutants, and is committed to reaching and maintaining them. These targets are stricter than those required by laws, regulations and agreements.

Regarding the initiatives for handling chemical substances, all Group companies record the volumes of targeted substances handled, emitted and transferred according to the Pollutant Release and Transfer Register (PRTR^{*1}) Law. In addition to reporting these values, the Group is working to further reduce the use of targeted substances. In fiscal 2015, while product production volume increased, the overall Group-wide emissions of all targeted substances combined slightly increased by only 3.6% compared to the previous fiscal year.

Regarding the emission of pollutants into the air and water in fiscal 2015, there was one case of wastewater discharge exceeding regulation standards at the Shiga Works (UACJ Metal Components Corporation). When it was found, the cause was identified, measures to resolve the problem were taken immediately, resulting in a minimal outflow with no effect was found in the river. All other reports stated figures within standards.

^{*1} Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Trend in PRTR Substance Emissions and Transfer (including manganese, chromium, nickel and lead alloy elements in products)



Reducing Waste

In order to help realize a recycling-oriented society, the UACJ Group is working to reduce industrial waste. Member companies carry out waste sorting and recycling with the ultimate goal of achieving zero emissions.^{*2} In fiscal 2015, the ratio of waste directly consigned to landfills was 0.22%, continuing to meet the targeted

objective at our main business site. We will continue to work to maintain zero emissions in the future as well and support aluminum can recycling activities as a leading company of aluminum products.

^{*2} Zero emissions is defined as a ratio of less than 1% of total industrial waste being disposed of directly to landfills.

Trend in Industrial Waste Volume



Developing Eco-conscious Products

The UACJ Group is working on the development and improvement of products meeting the needs of customers and society while placing an emphasis on environmental consideration.

In recent years, making the most of the characteristics of aluminum being light yet strong, the development of lighter-weight aluminum products with functions equivalent to conventional products is underway in effort to help reduce energy consumption, such as lighter automobiles that help to reduce energy consumption. Additionally, taking maximum advantage of the highly efficient recyclability of aluminum, we are developing practical can stock that is even easier to recycle.

Other activities include collaborating with customers to develop a variety of eco-conscious aluminum products that will reduce impact on the environment, including highly efficient exchanger tubes capable to contributing to saving energy, car air-conditioner materials compatible with non-Freon refrigerants, and materials for hybrid and fuel-cell vehicles.

Note: The aggregate scope for these graphs is as follows:
UACJ (Nagoya, Fukui, Fukaya, Nikko), UACJ Color Aluminum, UACJ Extrusion Nagoya (Nagoya, Anjo), UACJ Extrusion Oyama, UACJ Extrusion Gunma, UACJ Extrusion Shiga, UACJ Foundry & Forging, UACJ Foil (Shiga, Nogi, Isezaki), UACJ Copper Tube
The figures for fiscal 2012 are the results of combining former Furukawa-Sky Aluminum Corporation and former Sumitomo Light Metal Industries, Ltd. The figures for fiscal 2013 are the results of combining the first half results for the former two companies and the second half results for UACJ.

Roundtable Talk on Governance

Strengthening Group Governance to Become a True Major Global Aluminum Supplier

UACJ employs knowledgeable professionals actively involved in the manufacturing industry, research institutions and other areas as outside directors and outside auditors. These members supervise UACJ management based on their expertise and experience, and openly offer their objective viewpoints. Two outside directors and two outside auditors agreed to discuss UACJ's governance system and future management issues. Excerpts from those discussions are provided here.



Enhancing the feeling of a unified management organization by overcoming important issues one by one

What is your evaluation of UACJ's corporate governance system?

Asano More than three years has passed since integrating the former companies, and I believe I can safely say that UACJ's governance system surpassed the standard level of systems found in most Japanese corporations from the beginning. But I'm not suggesting that this was easy to achieve. The two former aluminum manufacturers, Furukawa-Sky Aluminum Corporation and Sumitomo Light Metal Industries Ltd., must have survived through their unique histories and corporate cultures independently and utilizing different business strategies. Accordingly, it probably wasn't easy to integrate the managements of two organizations into one.

Sone To be honest, when attending the first board meeting after the companies were integrated. I could see a notable difference in the corporate climate, I was a bit worried, and thought to myself, "Is this really going to work?"

Suzuki Yes, things did not move so smoothly in the beginning. But every time an important decision needed to be made, for example, regarding



investments for overseas acquisitions, there was rapid progress in communications and sharing of issue awareness among the board members. I could sense that a feeling of unity and teamwork had formed in management. Witnessing this, I could really see how the corporate culture developed.

Sugiyama I only became an outside director in June of last year, so I am not aware of situations before then. But I feel that present-day board meetings function very smoothly. I also attend the Group Business Report Session held monthly in order to deepen my understanding of business operations. There, I can feel



Toshio Suzuki
Outside Director

Professor Emeritus specializing in Materials Engineering at The University of Tokyo. Provides valuable advice based on a rich academic background.



Ryoko Sugiyama
Outside Director

Active in both academia and industry. Professor specializing in Waste Treatment on the Faculty of Social and Environmental Studies at Tokoha University and a director of LECIP Holdings Corporation—appointed as the company's first female director.



Akari Asano
Outside Auditor

A director and general manager involved in promoting compliance throughout a manufacturing company, with management positions in human resources and corporate planning as well, ensure the experience and ability to openly provide opinions conducive to the effects of integration based on previous experiences.



Takashi Sone
Outside Auditor

Engaged in international business at a trading company and has held the positions of managing director and advisor. Utilizing his vast experience, he gives advice on UACJ's accelerated inroads into overseas market from a strict perspective.



the excitement in the remarks of the participants, each of them wanting “everybody to work together to build the company.”

Sone Of course, we are only half way there, but overall in terms of evaluating the adjustments required for the organization and governance, integration is progressing.

Confirming prior review processes and checking BOD decisions

How do you follow-up on decisions made on issues such as investing in overseas acquisitions?

Asano Overseas M&A projects are an important aspect that will have a large influence on the future of UACJ. For that reason, As an outside auditor, I confirm whether or not the case in question has been discussed thoroughly by the departments concerned and if an internal consensus has been obtained.

Sugiyama M&A proposals require considerable internal discussion, and the amount of time for board meetings is limited. So it’s very important carefully confirm the review process and make sure everything is prepared correctly beforehand.

Asano That’s why I not only ask the individual in charge about the details of past discussions, but if I feel the response is not sufficient, I go through all of the meeting minutes. For very important projects, I try to attend the meetings for preparing proposals as well.

Creating a system that reveals problematic issues as a basis for further enhancing governance

Is there anything that can be done to raise the level of governance at UACJ?

Sone One thing that can be done is to increase the awareness of corporate governance throughout the Group. By this, I mean explaining what corporate governance is and why it’s important to ensure strict compliance throughout the organization. This must be recognized not only by top management such as the chairman, president and directors, but also by all companies and employees in the Group. Another issue is the need to create a system that enhances the effectiveness governance. For example, processes should not stop after conducting a routine check according to the bylaws and reporting, “There is no problem.” Even if rules have not been violated, there is no company entirely free from underlying problematic issues. The reason for conducting the review in the first place should be clarified and addressed.

Suzuki Yes, in addition to reviewing the actions of management according to the prescribed rules, a system is needed to proactively reveal underlying issues and risks involving corporate management.

Sone Isn’t it important to follow the PDCA cycle based on results in order to continually raise the level of management quality one level higher?



Reinforcing global management capabilities and engineering prowess as a global aluminum supplier competing worldwide

Do you have any suggestions as to what UACJ needs to do to achieve sustainable growth as a major global aluminum supplier?

Sone UACJ accelerated investments in Asia and North America after integrating the former companies. In terms of global management, the Group lacks experience in this area. Japanese common sense cannot simply be applied to all international business scenarios with the expectation of a successful outcome. In the overseas M&A projects, for example, how operations are managed after acquisition is extremely important. Even if the company acquired has performed well in the past, it's essential to ensure that everything is not left up to local management and to have UACJ personnel capable of hands-on management in place

Suzuki For that purpose, personnel with the expertise and skills need to be actively recruited. At the same time, it's important to make the present staff up to the mid-management level aware of the way forward planned, and instill in them the motivation to be leaders of international business.

Sugiyama I think "diversity" is a key word describing what the UACJ Group must have to strengthen its global management. The other day, I had the opportunity to talk with a few women working as specialists at the Technical Research Center in Nagoya, and left with the impression that they are highly motivated in their work. In addition to promoting active roles for women in management, how to manage people of various nationalities who are now employed by companies in the Group as a result of M&As, etc. is important as well. UACJ must help each employee understand how maximize to his/her potential. Furthermore, with the increasing global attention being drawn to corporate environmental management responsibility, UACJ should proactively release information regarding its environmental conservation initiatives, such as utilizing recycled aluminum materials in its products and reducing CO₂ emissions, to the international society.

Asano In addition to strengthening global management capabilities, I also believe it's important to further strengthen engineering prowess from the mid- to long-term perspective. UACJ's vision is to be recognized as a major aluminum industry leader in a competitive global market, and engineering prowess is one of the keys to having that competitive edge.

Sone To compete in the global market requires simultaneously reducing cost and improving quality



through innovative production engineering. To cultivate new markets and new applications as an aluminum manufacturer, it's necessary to increase basic research on materials and product development.

Asano Currently, UACJ is proactively making large-scale upfront investments, and it's important to ride out this cycle with all companies doing their absolute best in support of it. Once the investment phase is over, I expect it to grow to be one of the world's most outstanding major aluminum suppliers. To sharpen the edge it has over the competition, I think it is necessary to raise the level of comprehensive engineering prowess yet another level.

Suzuki Although outside directors and outside auditors are in a different position from that of employees in the Company, our objectives for UACJ are the same: achieve sustainable growth and increase the corporate value. We should all do our best for the Company, utilizing our knowledge and experience to the fullest to maximize results.

Corporate Governance



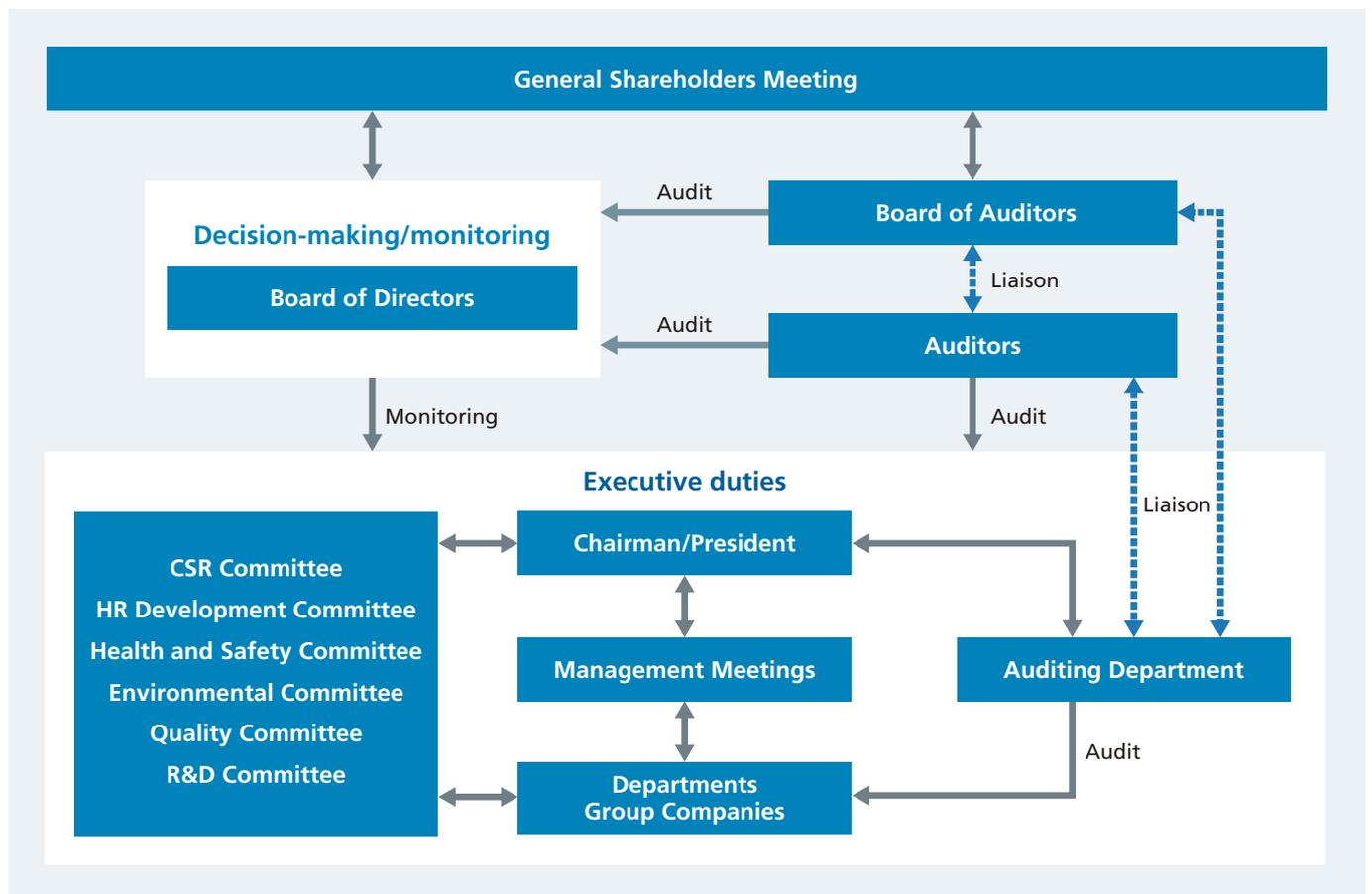
Truly Concentrating on Manufacturing with the Aims of Increasing Corporate Value and Improving Management Systems

Basic Concept

The UACJ Group believes that corporate governance is the basic framework of corporate management that maintains relationships with its various stakeholders (concerned parties), such as shareholders, customers, suppliers, employees and local communities. It is our responsibility to continuously increase corporate value by developing and providing products, technologies and services that are useful for society; doing so while

placing a priority on safety, and thereby contributing to our stakeholders as well. To achieve this, improving the functions of corporate governance and safeguarding sound and transparent operations are important issues. Equally important are continuing measures that ensure proper disclosure of financial and management information, practicing strong corporate ethics and maintaining thorough compliance and risk management, which are achieved by strengthening the functions of the Board of Directors and the Board of Auditors.

Corporate Governance System



Governance Organization

Governance System

UACJ has introduced an “Executive Officer” system that divides functions between “management decision-making and supervision” and “business execution” to ensure the Board of Directors (BOD) functions with maximum efficiency and conducts business quickly and effectively.

BOD meetings are held monthly, at which time 12 directors and six auditors, including two outside directors and four outside auditors, respectively, attend. The meeting agenda includes deliberating important management issues and reporting business operations in compliance with the laws and regulations of the Articles of Incorporation and other internal rules.

A monthly management meeting attended by 10 directors, two full-time auditors and 20 executive officers is also held, where members deliberate and review important issues and try to ensure further communication among executives in order to better control business operations.

UACJ also utilizes a “Board of Auditors” system comprised of six auditors, four of whom are outside auditors and two of whom have expertise in finance and accounting. There is also a Secretariat with two staff members assigned to help improve the functions of the Board of Auditors.

Auditors attend important internal meetings such as BOD meetings and audit the directors’ execution of duties as an independent organ playing a role in corporate governance. The board of auditors meets monthly. In addition to preparing the auditing policy and other plans for each fiscal year, the operation and maintenance status of internal control systems, risk prevention measures, and the state of initiatives for management issues and other matters are audited, and the information is shared in periodic audit reports prepared by the full-time auditors.

Effectively Evaluating the Board of Directors

To analyze and evaluate the effectiveness of the BOD, UACJ conducted a survey where it polled directors and auditors on various issues, including the composition and operations of the BOD. Following discussions based on the results of the survey, it was confirmed that the UACJ BOD is of an appropriate size, is comprised of a diverse balance of members, and operates properly in exercising supervisory functions over the management. It was also confirmed that, for BOD meeting discussions, a culture has developed in which both members of preliminary review meetings and those attending BOD meetings respect open and constructive discussions and freely exchange opinions.

The importance of making decisions after actively discussing business strategies and improving preparatory meeting explanations for outside officers has been realized as well.

Status of Responding to the Corporate Governance Code

In response to the applying the Corporate Governance Code as a measure of corporate performance on the Tokyo Stock Exchange in June 2015, UACJ is working to strengthen its governance system even further. In June 2016, we announced implementation of the following initiatives:

- Preparing evaluation and selection criteria for outside accounting auditors
- Holding periodic meetings with outside directors
- Beginning a study to consider introducing stock-based compensation linked to mid- to long-term performance, etc.
- Evaluating the effectiveness of the BOD

Remuneration for Officers

Regarding the remuneration paid to UACJ directors and auditors, the contents of the resolution made during the June 2006 general stockholders’ meeting of the former Furukawa-Sky Aluminum Corporation have been maintained. Specifically, the annual remuneration cap for directors is ¥450 million excluding normal employee salaries, and that for auditors is ¥75 million. The amounts paid to directors are limited to that which is approved at shareholders’ meetings and confirmed in a BOD meeting. Determination of the amounts paid to directors is calculated considering various factors, such as working full-time or part-time and position in the company. A portion of the remuneration paid is performance based.

The amounts of paid to auditors are also within the limit approved at the shareholders’ meeting, and further determined through consultation with the auditors.

The UACJ Group does not offer stock options as a means of providing remuneration to officers.

Remuneration for directors and auditors for the current fiscal year

Classification	Number of officers	Remuneration
Directors (Outside Directors)	14 (2)	¥361 million (¥13 million)
Auditors (Outside Auditors)	8 (5)	¥60 million (¥11 million)
Total (Outside Officers)	22 (7)	¥421 million (¥24 million)

Note: Above data includes two board directors and two auditors that resigned at a general meeting of the shareholders during the second term held on June 26, 2015.

Training Officers

To promote adequate performance of duties, UACJ provides various training programs for directors and auditors upon assuming their positions and during their terms of service.

New officer training includes a briefing for all directors and auditors, in which their roles and responsibilities are clarified. For outside officers, members are also briefed on information about the Group, such as businesses, finances and organizational structure.

Ongoing training while assigned to their positions includes camp-style training to deepen their understanding of governance and discuss various issues facing the Group. Additional training sessions are also provided depending on the knowledge, experience and capacity of each individual.

Attendance at sessions and participation in Group business debriefings when held help deepen the officers' understanding of business details.

Appointing Officers

The appointment of directors at UACJ is based on making appropriate decisions on personnel evaluations, taking into consideration a candidate's career and abilities, and also the balance and diversity of knowledge, experience and capacity of the BOD as a whole.

Two independent outside directors who meet the requirements set forth for independent outside officers by the Tokyo Stock Exchange are also appointed. Based on the criteria stipulated in the Companies Act and by the Tokyo Stock Exchange, members who are believed will best contribute to the BOD through their straightforward, concise and constructive opinions are chosen. If it becomes necessary to increase the number of officers according to changes in the environment in the future, candidates will likely be selected following a similar policy.

Information Disclosure

To ensure timely and appropriate information disclosure to investors, UACJ introduced a system in which the director in charge of the Public and Investor Relations Division is responsible for disclosure, and the general

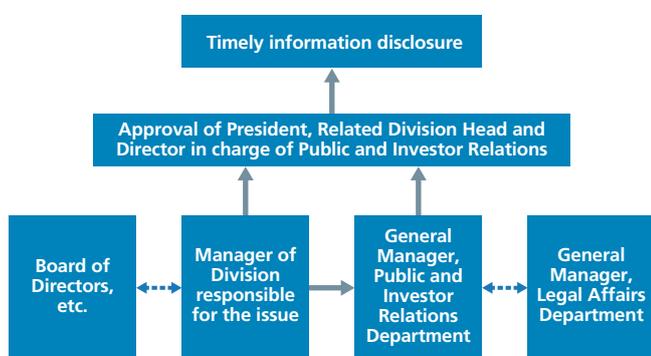
Reasons for appointing outside directors and auditors, and their activities

Classification	Full name	Reason for appointment	Activities
Outside director, member of the board	Toshio Suzuki	As a Professor Emeritus of The University of Tokyo, Toshio Suzuki has a rich academic background and an objective viewpoint. We were confident that these features would enable him to perform duties assigned, and requested him to assume the position as one of the outside directors of UACJ.	Attended all 14 of the BOD meetings held during the fiscal year, openly expressing his opinion from an objective viewpoint and confidently supporting his comments based on his rich academic experience as a Professor Emeritus.
	Ryoko Sugiyama	Having tenured experience as an academic at Tokoha University and an impressive background in business management including being a director at various companies, we were confident that Ryoko Sugiyama would perform duties assigned to her and accordingly requested her to accept the position of outside director at UACJ.	Attended 10 of the 11 BOD meetings held since joining UACJ in fiscal 2016. Openly expressed her opinions from an objective point of view, clearly showing her poise and experience as a university professor and company director.
Outside auditor & board supervisory role	Akari Asano	Given his long experience and extensive knowledge gained through management positions such as the general manager of an administrative department and corporate executive, we were certain that Akari Asano was an excellent choice for performing the duties of an outside auditor and requested him to work with UACJ.	Attended all 14 BOD meetings and 13 Board of Auditors meetings throughout the fiscal year. Openly commented and expressed his opinions backed by his years of experience accumulated as a company executive.
	Tetsuya Sato	Possessing a broad knowledge of the corporate world and many years of experience, including holding the position of auditor at Furukawa Electric Co., Ltd., we felt Tetsuya Sato was an ideal choice for the position of outside auditor and requested him to work with UACJ.	Attended 13 of 14 BOD meetings 10 of 13 Board of Auditors meetings held during the fiscal year. Openly commented and expressed his opinions based on his wealth of knowledge and broad perspective as a company officer.
	Takashi Sone	Boasting a wealth of knowledge and having broad perspective of business management, including serving as a managing executive office at Sumitomo Corporation, we were certain that Takashi Sone would perform the duties of outside auditor appropriately and requested him to take the position.	Attended all 14 BOD meetings and all Board of Auditors meetings held in the fiscal year. Freely expressed his opinions when he felt it was needed, doing so confidently and contributing his wealth of knowledge and broad perspective as a company officer.
	Atsuki Matsumura	In addition to having experience in corporate management as the president and representative director of Siltronic Japan Corporation, Atsuki Matsumura also engaged in group management in the Corporate Planning Division of Nippon Steel & Sumitomo Metal Corporation. With his wealth of knowledge and broad business perspective, we were confident he would perform his duties accordingly and asked him to take a position as an outside auditor.	Attended 10 of the 11 BOD meetings and all 10 Board of Auditors meetings held since joining UACJ during the fiscal year. Openly expressed his opinions backed long experience as a corporate officer.

manager of the Public and Investor Relations Department is in charge of administrative affairs.

Specifically, based on various regulations set forth by the Financial Instrument Exchange, any information that is likely to be classified as an issue requiring disclosure is immediately reported by the head of the division supervising such issue to the general manager of the Public and Investor Relations Department. The general manager of the Public and Investor Relations Department then consults with the general manager of the Legal Affairs Department, as needed, and decides whether or not to disclose the information. If the decision is made to disclose information, the general manager must first obtain approval from the head of the division concerned and the president of UACJ.

Timely Disclosure System



Constructive Dialogue with Shareholders

In addition to appointing a Director in charge of Public and Investor Relations, UACJ has assigned the Public and Investor Relations Department as the department responsible for investor relations.

Quarterly results briefings and other opportunities, such as one-on-one meetings, small meetings and factory tours, are arranged for shareholders and investors when required.

We also have a basic policy to visit investors in the U.S.A., Europe and Asia once a year.

We try to improve information disclosure even further through initiatives such as information dissemination through our website and issuing annual reports. The UACJ website has received high evaluation from external institutions, and came in sixth in the overall standings of the "Fiscal 2016 Adequacy Ranking of All Listed Company Homepages."



Factory tour

Compliance

In order to ensure the continuation of sound and fair business activities as a corporate group trusted by society, we established and distributed the Group Code of Conduct, which stipulates items that the employees of overseas companies in the Group must observe and share. The Code of Conduct is published in local languages for overseas companies including English, Chinese, Czech, Indonesian, Thai, Spanish and Vietnamese. Training to ensure compliance with laws and regulations such as the Anti-Monopoly Act is also being implemented as part of employee development at Group companies.

Risk Management

In the UACJ Group, risks that may occur during operations are identified and evaluated by the respective departments as part of the risk management activities conducted throughout each company. Additionally, for risks that are identified, information on countermeasures, the time limit required for implementing them and progress status are collected and compiled into a "Risk Management Chart" so that information can be shared throughout the company. It is also reported to the CSR Committee, which evaluates the validity of the countermeasure.

We are also reviewing business continuity plans (BCPs) for large-scale earthquakes and working to build systems that enable operations to recover quickly. This includes confirming employee safety, setting up alternate production facilities and relocating headquarter functions elsewhere should the headquarters be severely damaged.

CSR Management

In order to strengthen CSR management, UACJ established a CSR Committee for the purpose of creating a CSR promotion system to control group-wide, cross-sectional implementation of activities. This committee is chaired by the president and includes full-time directors, general managers from the headquarters and factories, and the presidents of related sales companies. To improve CSR management, the CSR Committee meets once a year to discuss and report on general policies and measures related to CSR, including compliance, risk management, and the training and enlightenment of executives and senior staff. Each committee member then disseminates the policies and measures discussed by the committee throughout the Group companies to further develop initiatives.

List of Directors (as of April 1, 2016)

Directors



Shigenori Yamauchi
Representative Director &
Chairman of the Board

Jul. 1971 Joined Sumitomo Light Metal Industries, Ltd.
Jun. 2002 Company Director
Jun. 2004 Managing Director
Apr. 2005 Director and Managing Executive Officer
Apr. 2007 Director and Senior Managing Executive Officer
Jun. 2009 President and CEO
Oct. 2013 Chairman of the Board CEO, UACJ Corporation
Apr. 2016 Representative Director & Chairman of the Board (current)



Mitsuru Okada
Representative Director &
President

Apr. 1982 Joined Furukawa Electric Co., Ltd.
Jun. 2008 Director, Furukawa-Sky Aluminum Corp.
Jun. 2010 Managing Director
Jun. 2012 President
Oct. 2013 Member of the Board, President CEO, UACJ Corporation
Apr. 2016 Representative Director & President (current)



Shujiro Ito
Director, Member of the Board
Executive Vice President

Apr. 1973 Joined Sumitomo Light Metal Industries, Ltd.
Jun. 2004 Director
Apr. 2005 Executive Officer
Apr. 2007 Managing Executive Officer
Jun. 2007 Director and Managing Executive Officer
Jun. 2009 Director and Senior Managing Executive Officer
Oct. 2013 Director, Member of the Board Senior Managing Executive Officer, UACJ Corporation
Apr. 2015 Director, Member of the Board Executive Vice President (current)



Keizo Shoji
Director, Member of the Board
Senior Managing Executive Officer

Apr. 1975 Joined Sumitomo Light Metal Industries, Ltd.
Apr. 2007 Executive Officer
Jun. 2010 Director and Executive Officer
Apr. 2011 Director and Managing Executive Officer
Oct. 2013 Director, Member of the Board Managing Executive Officer, UACJ Corporation
Apr. 2015 Director, Member of the Board Senior Managing Executive Officer (current)



Takayoshi Nakano
Director, Member of the Board
Senior Managing Executive Officer

Apr. 1978 Joined Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation)
Apr. 2004 Manager, European Office
Jun. 2009 Advisor, Furukawa-Sky Aluminum Corp.
Jun. 2010 Director
Jun. 2012 Managing Director
Jun. 2013 Director and Managing Executive Officer
Oct. 2013 Director, Member of the Board Managing Executive Officer, UACJ Corporation
Apr. 2015 Director, Member of the Board Senior Managing Executive Officer (current)



Kiyoshi Tanaka
Director, Member of the Board
Managing Executive Officer

Apr. 1981 Joined Furukawa Electric Co., Ltd.
Jun. 2010 Director, Furukawa-Sky Aluminum Corp.
Jun. 2013 Director and Managing Executive Officer
Oct. 2013 Director, Member of the Board Managing Executive Officer, UACJ Corporation (current)



Hironori Tsuchiya
 Director, Member of the Board
 Managing Executive Officer

Apr. 1980 Joined Furukawa Electric Co., Ltd.
 Jun. 2011 Director, Furukawa-Sky Aluminum Corp.
 Jun. 2013 Director and Managing Executive Officer
 Oct. 2013 Director, Member of the Board
 Managing Executive Officer,
 UACJ Corporation (current)



Kazuhisa Shibue
 Director, Member of the Board
 Managing Executive Officer

Apr. 1980 Joined Sumitomo Light Metal Industries,
 Ltd.
 Apr. 2010 Executive Officer
 Oct. 2013 Managing Executive Officer, UACJ
 Corporation
 Jun. 2014 Director, Member of the Board
 Managing Executive Officer (current)



Hisashi Hasegawa
 Director, Member of the Board
 Managing Executive Officer

Apr. 1980 Joined Furukawa Electric Co., Ltd.
 Jun. 2006 General Manager, Finance and
 Accounting Dept.
 Jun. 2009 Director and General Manager,
 Finance and Accounting Dept.,
 Furukawa-Sky Aluminum Corp.
 Jun. 2012 Managing Director
 Jun. 2013 Managing Executive Officer
 Oct. 2013 Managing Executive Officer, UACJ
 Corporation
 Jun. 2015 Director, Member of the Board
 Managing Executive Officer (current)



Miyuki Ishihara
 Director, Member of the Board
 Executive Officer

Apr. 1981 Joined Sumitomo Light Metal Industries,
 Ltd.
 Oct. 2012 Deputy General Manager,
 Production Div./Vice Factory Manager,
 Nagoya Works
 Executive Officer
 Apr. 2013 Deputy General Manager, Production
 Div./Factory Manager, Nagoya Works
 Executive Officer
 Oct. 2013 General Manager, Nagoya Works,
 Production Division
 Executive Officer, UACJ Corporation
 Jul. 2014 General Manager, Fukui Works,
 Production Division, Executive Officer
 Jun. 2015 Director, Member of the Board
 Executive Officer (current)

Outside Members of the Board



Toshio Suzuki
 Director, Member of the Board (outside)

Apr. 1988 Assistant Professor, University of Tokyo
 Jun. 1994 Professor
 Apr. 1995 Professor of Graduate School
 Mar. 2012 Retirement
 Jun. 2012 Professor Emeritus, University of Tokyo
 (current)
 Oct. 2013 Director, Member of the Board (outside),
 UACJ Corporation (current)



Ryoko Sugiyama
 Director, Member of the Board (outside)

May 1996 Established Sugiyama & Kurihara
 Environmental Consultants, Inc.,
 Representative Director
 Dec. 1997 Director, Gifu Shimbun
 Dec. 1999 Director, Gifu Broadcasting System, Inc.
 (current)
 Apr. 2010 Professor, Fuji Tokoha University
 (currently Tokoha University) Faculty of
 Social and Environmental Studies (current)
 Jun. 2010 Director, Lecip Holdings Corporation
 Jun. 2015 Director, Member of the Board (outside),
 UACJ Corporation (current)

Audit & Supervisory Board Members



Nobuhiro Ishihara
Audit & Supervisory Board Member

Apr. 1980 Joined Furukawa Electric Co., Ltd.
Oct. 2003 General Manager, General Affairs Dpt.,
Fukui Works, Rolled Products Div.,
Furukawa-Sky Aluminum Corp.
Jun. 2004 General Manager, General Affairs Div.,
Nuclear Fuel Industries, Ltd.
Jun. 2008 Director and General Manager, General
Affairs Dept.
May 2009 Executive Officer and General Manager,
General Affairs Dept.
Jun. 2010 Full-time Statutory Auditor,
Furukawa-Sky Aluminum Corp.
Oct. 2013 Audit & Supervisory Board Member,
UACJ Corporation (current)



Kazumasa Kato
Audit & Supervisory Board Member

Apr. 1980 Joined Furukawa Electric Co., Ltd.
Mar. 2003 Manager, Management Office,
Yokohama R&D Laboratory, Research &
Development Division
Jul. 2004 General Manager, Finance and Accounting
Department, NIKKEI KAKOH CO., LTD.
Jun. 2005 Director
Jun. 2009 Managing Director
Jun. 2015 Audit & Supervisory Board Member,
UACJ Corporation (current)

Outside Audit & Supervisory Board Members



Akari Asano
Audit & Supervisory Board Member
(outside)

Apr. 1970 Joined MITSUBISHI RAYON CO., LTD.
Jun. 2003 General Manager, General Affairs
Department
Jun. 2004 Senior Director
Jun. 2008 Resigned from MITSUBISHI RAYON CO., LTD.
Jun. 2009 Outside Statutory Auditor of Sumitomo Light
Metal Industries, Ltd.
Jun. 2013 Outside Statutory Auditor, Furukawa-Sky
Aluminum Corp.
Oct. 2013 Audit & Supervisory Board Member
(outside), UACJ Corporation (current)



Tetsuya Sato
Audit & Supervisory Board Member
(outside)

Apr. 1975 Joined the Ministry of International Trade and
Industry (currently the Ministry of Economy,
Trade and Industry)
Jul. 2002 Deputy Director-General for Technical
Regulations, Standards and Conformity
Assessment Policy
Jun. 2004 Retired from the Ministry of Economy, Trade and
Industry
Jul. 2004 Senior Director of The Shoko Chukin Bank
(currently The Shoko Chukin Bank, Ltd.)
Jun. 2006 Resigned from Senior Director of
The Shoko Chukin Bank, Ltd.
Aug. 2006 Corporate Vice President of Furukawa Electric
Co., Ltd.
Jun. 2007 Director, Member of the Board and
Corporate Vice President
Jun. 2009 Director, Member of the Board and
Corporate Senior Vice President
Jun. 2013 Outside Statutory Auditor, Furukawa-Sky
Aluminum Corp.
Oct. 2013 Audit & Supervisory Board Member (outside),
UACJ Corporation (current)
Apr. 2014 Director, Member of the Board and
Corporate Executive Vice President of
Furukawa Electric Co., Ltd.
Apr. 2015 Director, Member of the Board
Jun. 2015 Audit & Supervisory Board Member (current)



Takashi Sone
Audit & Supervisory Board Member
(outside)

Apr. 1971 Joined Sumitomo Corporation
Apr. 2004 General Manager,
Communications/Industry Project
Apr. 2007 Executive Officer
Apr. 2009 Managing Executive Officer
Apr. 2011 Advisor
Jun. 2012 Outside Statutory Auditor, Sumitomo Light
Metal Industries, Ltd.
Oct. 2013 Audit & Supervisory Board Member
(outside), UACJ Corporation (current)



Atsuki Matsumura
Audit & Supervisory Board Member
(outside)

Apr. 1986 Joined Nippon Steel Corporation
Oct. 1997 SIMOX Group Leader, Semiconductor
Substrate Development Group,
Advanced Materials & Technology
Research Laboratories, Technical
Research & Development Bureau
Aug. 2008 President and Representative Director and
General Manager, Sales Management
Department, Siltronic Japan Corporation
Dec. 2012 Joined Nippon Steel & Sumitomo Metal
Corporation Senior Principal Manager,
Corporate Planning Division
Mar. 2015 Auditor, Nippon Steel & Sumikin
Chemical Co., Ltd. (current)
Apr. 2015 Advisor, Corporate Planning Division, Nippon
Steel & Sumitomo Metal Corporation (current)
Jun. 2015 Audit & Supervisory Board Member (outside),
UACJ Corporation (current)

Executive Officers

Shigekazu Shiraishi
Senior Managing
Executive Officer

Akihiko Kusumoto
Senior Managing
Executive Officer

Tatsuro Matsuura
Managing Executive
Officer

Youji Shimizu
Executive Officer

Hiroyuki Fukui
Executive Officer

Katsuyasu Niibori
Executive Officer

Mizuho Taneoka
Executive Officer

Akinori Yamaguchi
Executive Officer

Teiichi Abe
Executive Officer

Teruo Kawashima
Executive Officer

Masataka Taguchi
Executive Officer

Masahiro Teshima
Executive Officer

Akito Imaizumi
Executive Officer

Akira Matsushita
Executive Officer

Kimitoshi Inagaki
Executive Officer

Akinori Yoshida
Executive Officer

Yasuhiro Hosomi
Executive Officer

Takahide Otani
Executive Officer

Yukio Takekawa
Executive Officer

Yukihiro Kuwamoto
Executive Officer

Financial Results

-
- 51 10-Year Financial Data
-
- 53 Analysis of Business Performance and
Financial Position
(Consolidated Basis)
-
- 57 Consolidated Balance Sheets
-
- 59 Consolidated Statements of Income and
Comprehensive Income
-
- 60 Consolidated Statements of Cash Flows

10-Year Financial Data

		Fiscal 2006	Fiscal 2007	Fiscal 2008
Operating Performance and Profitability (Consolidated)				
Net sales	Total	588,669	580,637	506,826
Operating income (loss)	Total	36,593	31,775	(6,860)
Ordinary income (loss)	Total	30,095	25,151	(14,883)
Income before income taxes (loss)	Total	26,368	20,287	(21,431)
Net income attributable to owners of the parent (loss)	Total	15,942	11,793	(29,643)
Operating margin	Total	6.2%	5.5%	(1.4%)
Net income/sales	Total	2.7%	2.0%	(5.8%)
Financial Condition and Efficiency (Consolidated)				
Total assets	Total	666,696	608,902	514,974
Net assets	Total	126,794	134,861	75,624
Shareholders' equity	Total	120,705	128,304	72,964
Interest bearing debt	Total	285,258	270,720	278,623
Current assets	Total	281,105	237,480	175,170
Fixed assets	Total	385,582	371,418	339,801
Current liabilities	Total	332,421	289,816	258,666
Long-term liabilities	Total	207,481	184,225	180,682
Shareholders' equity ratio	Total	18.1%	21.1%	14.2%
Return on equity (ROE)	UACJ/Furukawa-Sky	13.1%	8.8%	(17.7%)
	Sumitomo Light Metal	15.7%	10.4%	(50.9%)
Consolidated cash flows				
Cash Flows from operating activities	Total	61,989	24,768	14,644
Cash Flows from investing activities	Total	(26,389)	(23,215)	(23,339)
Cash Flows from financing activities	Total	(23,665)	(16,485)	9,399
Per Share Information				
Current net profit (loss) (yen)	UACJ/Furukawa-Sky	38.28	28.18	(50.64)
	Sumitomo Light Metal	19.73	14.69	(49.42)
Dividend (yen)	UACJ/Furukawa-Sky	8.0	8.0	6.0
	Sumitomo Light Metal	3.0	3.0	0.0
Capital Investment and R&D Costs (Consolidated)				
Capital investment	Total	26,888	20,805	19,235
Depreciation and amortization costs	Total	16,086	20,141	25,128
R&D costs	Total	4,767	4,967	5,008

Unit: millions of yen (rounded off)

Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
419,118	466,699	452,898	436,485	364,107	572,541	575,735
5,780	27,933	18,709	15,069	17,772	23,679	15,212
2,357	23,146	16,595	14,606	16,798	21,337	12,010
(9,491)	18,676	10,098	9,743	15,523	18,856	13,976
(7,250)	19,157	11,838	4,656	9,946	8,649	5,105
1.4%	6.0%	4.1%	3.5%	4.9%	4.1%	2.6%
(1.7%)	4.1%	2.6%	1.1%	2.7%	1.5%	0.9%
510,073	524,527	535,148	536,200	608,490	677,952	662,543
88,217	105,174	124,440	138,166	168,140	187,136	178,582
86,858	103,921	122,985	136,387	155,515	172,305	165,030
252,340	242,035	225,324	215,318	256,309	295,953	289,006
180,576	205,286	204,890	191,653	236,638	269,889	263,409
329,498	319,240	330,257	344,547	371,852	408,063	399,135
238,684	237,988	263,221	251,858	236,387	287,884	249,784
183,172	181,364	147,487	146,175	203,963	202,932	234,177
17.0%	19.8%	23.0%	25.4%	25.6%	25.4%	24.9%
(1.3%)	18.6%	5.1%	4.3%	8.6%	5.3%	3.0%
(28.4%)	23.1%	19.1%	2.7%	—	—	—
31,181	35,923	36,239	29,032	14,233	26,777	22,511
(10,840)	(13,595)	(38,120)	(21,520)	(25,452)	(49,668)	(34,759)
(21,969)	(5,441)	(8,034)	(12,887)	14,067	25,694	11,176
(3.39)	52.70	15.59	13.85	30.36	20.21	11.94
(15.95)	16.64	14.95	2.59	—	—	—
2.0	6.0	6.0	6.0	9.0	6.0	6.0
0.0	0.0	1.5	3.5	—	—	—
11,255	9,092	13,351	25,554	27,104	46,539	30,489
24,501	23,445	22,821	20,121	17,165	22,636	22,893
4,602	4,886	5,111	5,031	3,688	4,619	4,630

Note: Accounting principles, those for notes maturing at the end of the fiscal year, changed in fiscal 2013. However, the figures prior to retrospective treatment are shown for the main management indicators and other records prior to fiscal 2012. The figures before fiscal 2012 are a simple total of the two former companies, Furukawa-Sky Aluminum Corporation and Sumitomo Light Metal Industries Co., Ltd. In fiscal 2013, the figures reported for the first-half year are the amounts for both former companies, and those for the last half-year are the business results for UACJ.

Analysis of Business Performance and Financial Position (Consolidated Basis)

1. Business Performance

Business Environment

In fiscal 2015, the U.S. and European economies continued to post modest recoveries. However, economic growth began to level off in emerging markets, rendering the economic outlook increasingly uncertain.

Under such circumstances, while showing a slight decrease from the previous year, the flat rolled aluminum sheet industry shipped over two million tons of sheet and extrusion products the second consecutive year. For flat rolled aluminum products, the demand for the mainstay beverage can and automotive materials remained strong and marked an increase compared to the previous term, compensating the decline in foil materials and exports. There was also a decline in extrusion products compared to the previous term, mainly attributable to sluggish demand in most fields.

In the wrought copper industry, demand for residential air conditioners remained flat compared to the previous year, although unit production declined due to a buildup of inventory. The production volume of air conditioners for industrial use also remained lackluster because demand for construction and public works was stagnant.

Financial Results Overview

Net sales for the UACJ Group in fiscal 2015 was essentially flat, totaling 575.7 billion yen (up 0.6% compared to the previous term). This result was due in part to a rapid decline in the primary aluminum ingot

price from May 2015 onward, despite the positive effects of a higher sales volume and the impact of foreign currency exchange rates.

Income was affected negatively by inventory valuations stemming from the fall in the primary aluminum ingot price, as well as an increase in costs associated with bringing fully-integrated manufacturing online at the Rayong Works of UACJ (Thailand) Co., Ltd. ("UATH") in August 2015. As a result, operating income was 15.2 billion yen (down 35.8% compared to the previous term), and ordinary income was 12.0 billion yen (down 43.7% compared to the previous term).

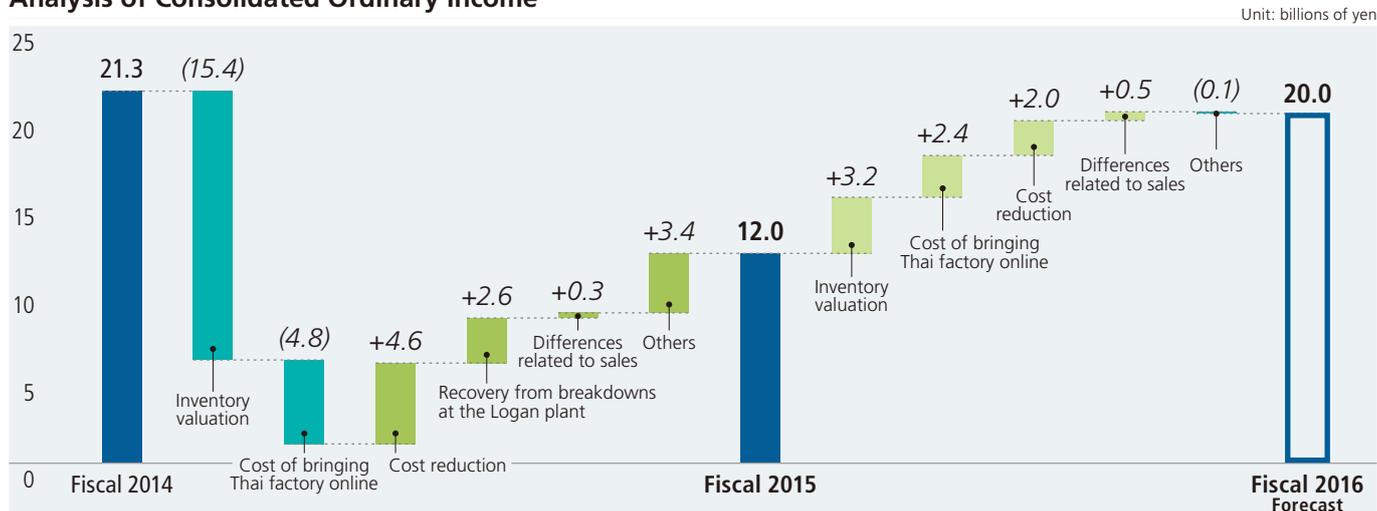
Net income attributable to owners of the parent company was 5.1 billion yen (down 41.0% compared to the previous term), despite extraordinary income from insurance proceeds received in relation to equipment breakdowns experienced during the previous fiscal year at the Logan Mill in North America.

Rolled Aluminum Products

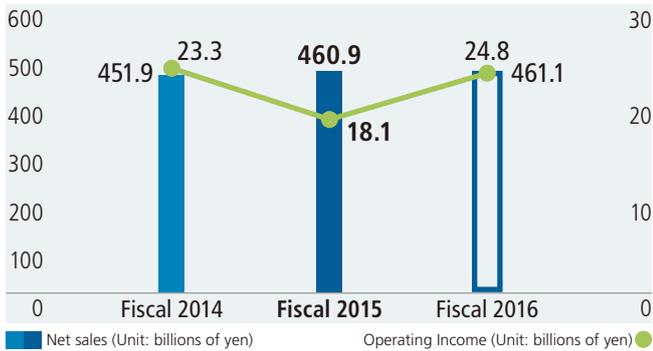
Flat rolled aluminum sheet sales remained strong for the mainstay canning stock as the Group ceased to be affected by equipment breakdowns at the Logan Mill in the U.S. Additionally, fully-integrated manufacturing started at the Rayong Works of UATH, and sales in the automotive sector and that for LNG tanker thick plates remained buoyant.

With regard to extrusion products, while significant growth was seen for all-aluminum heat exchanger applications, demand was sluggish overall. Under these circumstances, sales in fiscal 2015 totaled 460.9 billion yen (up 2.0% compared to the previous term), while operating income was 18.1 billion yen (down 22.1% compared to the previous term), due predominantly to the deterioration

Analysis of Consolidated Ordinary Income

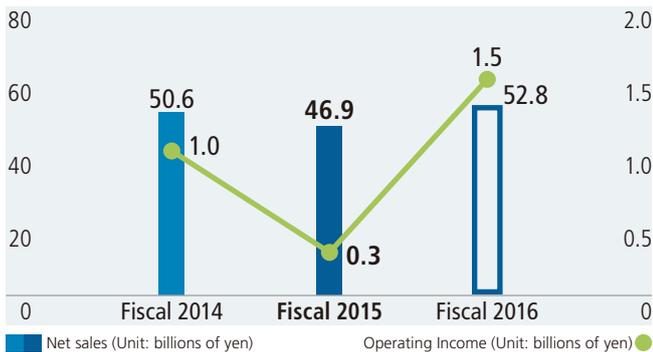


of inventory valuations resulting from a drop in primary aluminum ingot price and increasing cost of bringing manufacturing online at the Rayong Works, UATH.



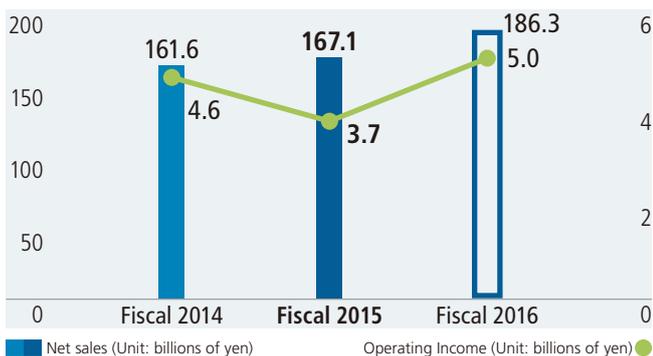
Wrought Copper Products

In fiscal 2015, the production of residential air conditioners and air conditioners for industrial use remained stagnant, affecting the sales of our mainstay copper piping for air conditioning products. The sales of wrought copper products consequently totaled 46.9 billion yen (down 7.3% compared to the previous term), and operating income was 0.3 billion yen (down 67.5% compared to the previous term).



Precision-machined Components and Related Businesses

In fiscal 2015, Group sales in this segment rose to 167.1 billion yen (up 3.4% compared to the previous term) owing partly to factors such as the acquisition business. However, sluggish demand led to a fall in orders for mainstay products in the second half, causing a decline in operating income to 3.7 billion yen (down 17.9% compared to the previous term).



2. Forecast for the Next Term

Issues to be Addressed

As an economic outlook, we expect the present uncertainty for the world as a whole to continue. In Japan, corporate business confidence and consumer sentiment are waning and uncertainty prevails over economic prospects due partly to the Kumamoto Earthquake in April. In the mid- to long-term, a severe business environment is expected to continue due to accelerated demographic aging and the shift of production bases overseas. Meanwhile, in overseas markets, factors are emerging to offset the recovery of the U.S. economy such as growing geopolitical risk in the Middle East, a slowing Chinese economy, and slumps in resource-rich countries due to a sluggish resource market.

Under such an economic environment, in order to become an aluminum industry leader in a competitive global market, in December 2014, the UACJ Group announced the Global Step I Mid-term Management Plan, for fiscal 2015 to 2017, setting forth initiatives for specific development in each business area in order to adapt to changes in the business environments, establish a revenue base and ensure sustainable growth.

Financial Performance Forecast for the Next Term

In fiscal 2016, we foresee increasing sales of can stock and automobile materials. Lower costs are anticipated due to the ongoing effects from integration and a decrease in costs associated with the construction at the Rayong Works of UATH.

Taking these factors into consideration, a net sales of 600.0 billion yen, operating income of 24.5 billion yen, ordinary income of 20.0 billion yen and net income attributable to owners of the parent company of 9.0 billion yen are forecast for the entire fiscal year. The estimate for adjusted EBITDA, a merit-based profitability index, is 55.7 billion yen, an increase of 3.4 billion yen. Ordinary income, in particular, will see a substantial increase from 12.0 billion yen in fiscal 2015. This is broken down into 3.2 billion yen for improved inventory valuations, 2.4 billion yen in cost reductions associated with starting operations at the Rayong Works of UATH, 2.0 billion yen for cost reductions including the effects from integration and 0.5 billion yen for buoyant sales, for a total increase of 8.0 billion yen.

Rolled Aluminum Products

Regarding can stock sales, we expect an increase owing to the fully-integrated manufacturing processes at the Rayong Works of UATH, and that the automotive

segment will continue to be robust supported by the sales of automotive body sheet and heat exchanger materials. The demand for construction materials in Japan will also recover, and active demand is expected for the fin materials incorporated in overseas air conditioners. With these factors combined, we expect the total sales volume to be 1,064,000 tons, up 94,000 tons compared to the previous term, exceeding one million tons for the first time following integration of the former companies. In terms of financial performance in fiscal 2016, the forecast is for net sales of 461.1 billion yen and operating income of 24.8 billion yen.

Wrought Copper Products

As we progress in adjusting inventory, etc., we anticipate sales to recover as demand grows for our mainstay copper piping used in air conditioners. In terms of financial performance in fiscal 2016, the forecast is for net sales of 52.8 billion yen and operating income of 1.5 billion yen.

Precision-machined Components and Related Businesses

A substantial increase in net sales and operating income from automotive aluminum structure materials is expected under the Whitehall Industries brand, which UACJ obtained through the acquisition of a leading U.S. automotive aluminum structural materials manufacturer and seller in April 2016.

In terms of financial performance in fiscal 2016, the forecast is for 186.3 billion yen in net sales and 5.0 billion yen in operating income.

3. Returning Profit to Shareholders

Dividend Policy

We believe it is important to return profits to shareholders in the form of dividends. While our basic policy is to provide stable and sustainable dividends, we also comprehensively consider a variety of factors when making decisions on dividend amounts. These factors include trends in corporate performance, securing funds to invest in improving corporate value and R&D to boost competitiveness, and strengthening our financial standing.

Our general policy is to pay dividends twice annually: an interim dividend that is decided by the Board of Directors, and a fiscal year-end dividend that is decided at the General Meeting of Shareholders.

For fiscal 2015, the year-end dividend was ¥3, the same amount as the interim dividend. Our dividend forecast for fiscal 2016 is an interim dividend of ¥3 per share and a fiscal year-end dividend of ¥3 per share, for a combined total of ¥6 for the year.

4. Financial Position

Balance Sheet Analysis

Total assets at the end of fiscal 2015 were 662.5 billion yen (down 2.3% compared to the previous term), influenced by various factors such as capital investments in the Rayong Works of UATH, a higher yen following fluctuations in the foreign currency exchange and lower inventories. Owing to the influence of foreign exchange rates and a drop in accounts payable among other factors, total liabilities were 484.0 billion yen (down 1.4% compared to the previous term).

Total net assets was 178.6 billion yen (down 4.6% compared to the previous year) despite an increase in retained earnings from net income attributable to owners of the parent. This was due to the influence of foreign currency translation adjustments and other factors.

Research and Development

The UACJ Research and Development Division is the heart of the R&D conducted for the UACJ Group, where it takes on the challenge of exploiting the full potential of aluminum materials. In order to respond to diversified customer needs, development initiatives are comprehensive in scope, from the intruding basic and advanced technologies to the utilization of those technologies in products and the manufacturing thereof.

The total cost for R&D in fiscal 2015 was 4.6 billion yen. To accelerate the development of innovative products and technologies that are one step ahead of the times and will be benchmarks in the industry, UACJ proactively liaises with some of the world's most advanced research institutions. Initiatives are also moving forward to foster human resources—players who will excel working on the global stage—and to ensure thorough compliance with rules and regulations.

Rolled Aluminum Products

For our mainstay flat rolled aluminum products, the focus is on R&D that enables the Group to respond to increasingly diversified and sophisticated customer needs in a wide spectrum of fields, including can stock, ABS, automotive heat exchangers, air conditioners, IT-related devices, thick plates for tankers, electrolytic capacitors, lithium-ion battery current collectors, and more.

In the area of manufacturing, we are developing new technologies, for both hardware and software, in order to improve processes and productivity, as well as reduce manufacturing costs and environmental load. We also participate in the "Technical Development Project for Innovative New Structural Materials, Etc.," commissioned by the Ministry of Economy, Trade and

Industry for the purpose of developing new alloys to be applied in the construction of next-generation aircraft.

Regarding extrusion products, in addition to our strength in developing automotive heat exchanger materials, we are developing various aluminum alloy materials to meet new demands for aircraft, automotive vehicles and air-conditioner heat exchangers. For our cast and forged products, we are actively taking on the challenge to develop aluminum materials with high added-value, such as a compressor wheel that few companies in the world can manufacture.

In fiscal 2015, R&D expenditures for flat rolled aluminum products came to 4.5 billion yen. We achieved advances in heat exchanger materials and ABS for Japan and North America. As for aircraft materials, our development of the new alloy AA2013 was evaluated highly for its excellent machinability and corrosion resistance, and received the "Japan Aluminum Association Development Award."

Wrought Copper Products

In the wrought copper business, we continue to make a significant contribution to the development and mass-production of energy-saving air conditioners with ever-better performance by developing the high-strength copper pipe used in them. Regarding the copper pipes for air conditioners and construction use, we now developing alloys with enhanced corrosion resistance and other related devices. We are actively involved in public relations activities to expand the use of these technologies.

In fiscal 2015, R&D expenditures for wrought copper products was 0.1 billion yen. A survey was conducted regarding the effects realized from manufacturing one of our copper pipe products with an inner groove applying a recrystallization. It obtained excellent evaluations, and we were presented the 49th Research Paper Award from the Japan Copper and Brass Association.

Precision-machined Components and Related Businesses

In the precision-machined components and related businesses, we are developing cooling devices such as a high-performance, precise power control devices, with the plan to expand their use into high-performance applications where an increase in demand is anticipated. In the air-conditioning heat exchanger field, we have introduced the mass-production of all-aluminum heat exchangers. This was accomplished utilizing the technological prowess of Group companies, applying technologies accumulated in the fields of materials and evaluation.

For fiscal 2015, a particular example was the automobile industry, where the shift to lighter-weight vehicles continued due to stricter regulations for fuel efficiency. We concentrated on realizing the mass production of an ultralight aluminum bumper system to be introduced globally. In fiscal 2016, we will increase our initiatives to expand the application of aluminum products in view of the

growing demand in Japan and North America.

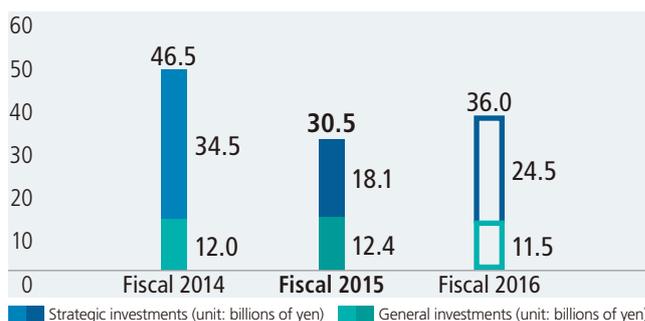
In fiscal 2015, R&D expenditures for precision-machined components and related businesses was 10 million yen.

Capital Investment

Capital investments in fiscal 2015 included 18.1 billion yen for strategic investments into growth areas and regions, and 12.4 billion yen in general investments for the maintenance and renewal of existing facilities, for a total of 30.5 billion yen.

As for details regarding strategic investments, the fully-integrated manufacturing system at the Rayong Works of UATH began operations following completion in August 2015. Additionally, in response to increasing demand in North America, investments were made to bolster the production capacity of flat rolled aluminum, including casting, at the Logan Mill in North America.

For fiscal 2016, we plan to invest even more yet, targeting 24.5 billion yen for strategic investments and 11.5 billion yen for general investments, bringing the total to 36 billion yen.



Analysis of Capital Resources and Funding Liquidity

Analysis of Cash Flows

Cash and cash equivalents totaled ¥18.8 billion as of March 31, 2016, down ¥2.1 billion from the previous term.

The situation and factors for cash flow from each activity are as follows:

Cash Flow from Operating Activities

Capital from operating activities was 22.5 billion yen, down 15.9% compared to the previous term. The main factor leading to this was an increase in working capital due to lower accounts payable.

Cash Flow from Investing Activities

Capital appropriated to investing activities was 34.8 billion yen, dropping 30.0% compared to the previous term. This was mainly the result of capital expenditures for fixed assets during construction of the UATH Rayong Works.

Cash Flow from Financing Activities

Capital procured for financing activities totaled 11.2 billion yen, down 56.5% from the preceding fiscal year, the main factor being lower demand for funds to be used in investment activities.

Consolidated Balance Sheets

Unit: millions of yen

	Previous fiscal year (as of March 31, 2015)	Current fiscal year (as of March 31, 2016)
Assets		
Current assets		
Cash and deposits	21,069	18,934
Notes and accounts receivable-trade	108,550	115,103
Merchandise and finished goods	32,672	30,780
Work in process	45,225	47,617
Raw materials and supplies	39,842	30,875
Deferred tax assets	5,938	2,271
Other	16,627	17,849
Allowance for doubtful accounts	(33)	(20)
Total current assets	269,889	263,409
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	56,729	63,566
Machinery, equipment and vehicles, net	62,421	93,100
Land	115,711	115,150
Lease assets, net	6,962	5,283
Construction in progress	47,175	11,860
Other, net	3,375	3,946
Total property, plant and equipment	292,374	292,904
Intangible assets		
Goodwill	46,503	43,232
Other	19,369	17,580
Total intangible assets	65,871	60,812
Investments and other assets		
Investment securities	32,804	29,363
Deferred tax assets	2,013	2,285
Retirement benefit assets	414	389
Other	14,659	13,462
Allowance for doubtful accounts	(73)	(81)
Total investments and other assets	49,818	45,419
Total noncurrent assets	408,063	399,135
Total assets	677,952	662,543

Unit: millions of yen

	Previous fiscal year (as of March 31, 2015)	Current fiscal year (as of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	110,114	97,543
Short-term loans payable	80,100	63,921
Commercial paper	6,000	—
Current portion of bonds	2,606	2,500
Current portion of long-term loans payable	47,074	47,714
Lease obligations	4,885	4,807
Income taxes payable	1,930	1,508
Other	35,176	31,791
Total current liabilities	287,884	249,784
Noncurrent liabilities		
Bonds payable	7,538	5,000
Long-term loans payable	152,636	169,871
Lease obligations	6,777	19,581
Deferred tax liabilities	7,809	7,826
Provision for restructuring	1,180	1,043
Retirement benefit obligations	21,358	18,814
Other	5,634	12,043
Total noncurrent liabilities	202,932	234,177
Total liabilities	490,816	483,961
Net assets		
Shareholders' equity		
Capital stock	45,000	45,000
Capital surplus	72,901	73,041
Retained earnings	33,564	36,103
Treasury stock	(178)	(214)
Total shareholders' equity	151,287	153,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,026	1,184
Deferred losses on hedges	(69)	(1,003)
Foreign currency translation adjustment	18,055	9,649
Cumulative adjustments related to retirement benefits	1,006	1,270
Total accumulated other comprehensive income	21,018	11,100
Non-controlling interests	14,831	13,552
Total net assets	187,136	178,582
Total liabilities and net assets	677,952	662,543

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

Unit: millions of yen

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Net sales	572,541	575,735
Cost of sales	500,400	509,176
Gross profit	72,142	66,559
Selling, general and administrative expenses	48,463	51,348
Operating income	23,679	15,212
Non-operating income		
Equity in earnings of affiliates	712	628
Dividend income	372	356
Rental income	301	284
Other	925	1,243
Total non-operating income	2,310	2,511
Non-operating expenses		
Interest expenses	3,221	3,525
Foreign exchange losses	—	890
Other	1,431	1,298
Total non-operating expenses	4,652	5,713
Ordinary income	21,337	12,010
Extraordinary income		
Insurance proceeds	397	3,325
Gain on sale of noncurrent assets	90	113
Other	3	282
Total extraordinary income	489	3,720
Extraordinary loss		
Loss on retirement of noncurrent assets	957	878
Impairment loss	1,678	430
Loss on sales of investment securities	—	209
Other	335	237
Total extraordinary losses	2,970	1,754
Income before income taxes	18,856	13,976
Income taxes-current	4,880	3,523
Income taxes-deferred	4,284	4,524
Total income taxes	9,165	8,048
Net income	9,691	5,928
Net income attributable to non-controlling interests	1,043	823
Net income attributable to owners of the parent	8,649	5,105

Consolidated Statements of Comprehensive Income

Unit: millions of yen

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Net income	9,691	5,928
Other comprehensive income		
Valuation difference on available-for-sale securities	1,450	(840)
Deferred gains (losses) on hedges	(239)	(783)
Foreign currency translation adjustment	12,938	(8,785)
Adjustments to retirement benefits	1,219	1,131
Share of other comprehensive income (loss) of associates accounted for using equity method	362	(1,756)
Total other comprehensive income	15,729	(11,034)
Comprehensive income	25,421	(5,106)
(Attributable to)		
Owners of the parent	22,634	(4,813)
Non-controlling interests	2,787	(293)

Consolidated Statements of Cash Flows

Unit: millions of yen

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Cash Flows from operating activities		
Income before income taxes	18,856	13,976
Depreciation and amortization	22,636	22,893
Amortization of goodwill	2,513	2,521
Impairment loss	1,678	430
Equity in (earnings) losses of affiliates	(712)	(628)
Interest and dividends income	(556)	(555)
Interest expenses	3,221	3,525
Insurance proceeds received	(397)	(3,325)
Decrease (increase) in notes and accounts receivable-trade	8,192	(7,873)
Decrease (increase) in inventories	(25,294)	5,228
Increase (decrease) in notes and accounts payable-trade	6,964	(11,253)
Increase (decrease) in retirement benefit obligations	(1,526)	(1,066)
Other	(511)	2,182
Subtotal	35,065	26,055
Interest and dividends income received	848	1,041
Interest expenses paid	(3,085)	(3,471)
Income taxes (paid)	(6,448)	(4,117)
Insurance proceeds received	397	3,004
Net cash provided by (used in) operating activities	26,777	22,511
Cash Flows from investing activities		
Purchase of property, plant and equipment	(43,870)	(29,126)
Purchase of intangible assets	(1,485)	(1,505)
Other	(4,313)	(4,127)
Net cash provided by (used in) investing activities	(49,668)	(34,759)
Cash Flows from financing activities		
Net increase (decrease) in short-term loans payable	32,693	(13,724)
Net increase (decrease) in commercial paper	(1,000)	(6,000)
Proceeds from long-term loans payable	52,065	67,283
Repayment of long-term loans payable	(51,496)	(48,311)
Payment for redemption of bonds	(56)	(2,643)
Cash dividends paid	(3,852)	(2,567)
Dividends paid to non-controlling interests	(198)	(213)
Proceeds from sale-and-leaseback	1,162	17,151
Proceeds from sale and installment back	—	4,527
Repayment of lease obligations	(3,802)	(5,656)
Other	177	1,328
Net cash provided by (used in) financing activities	25,694	11,176
Effect of exchange rate change on cash and cash equivalents	401	(1,064)
Net increase (decrease) in cash and cash equivalents	3,204	(2,135)
Cash and cash equivalents at beginning of period	17,471	20,949
Net increase (decrease) in cash and cash equivalents due to changes in scope of consolidation	274	—
Cash and cash equivalents at end of period	20,949	18,814

Company Overview

Corporate name	UACJ Corporation
Headquarters	Tokyo Sankei Bldg., Otemachi 1-7-2, Chiyoda-ku, Tokyo, Japan
Name and title of representatives	Shigenori Yamauchi, Representative Director & Chairman of the Board Mitsuru Okada, Representative Director & President
Principal business	Manufacture and sales of flat rolled products, casting products, forged products and precision-machined products of nonferrous metals, including aluminum and copper and alloys thereof
Capital	45 billion yen
Number of employees	8,881 (consolidated)
Fiscal year end	March 31
URL	http://www.uacj.co.jp/english/

Locations

Nagoya Works	Chitose 3-1-12, Minato-ku, Nagoya-shi, Aichi 455-8670, Japan
Fukui Works	Kurome 21-1, Mikuni-cho, Sakai-shi, Fukui 913-8588, Japan
Fukaya Works	Uwanodai 1351, Fukaya-shi, Saitama 366-8511, Japan
Nikko Works	Kiyotaki Sakuragaokamachi 1, Nikko-shi, Tochigi 321-1443, Japan
Chubu Office	Kanayama Place, Kanayama 1-13-13, Naka-ku, Nagoya-shi, Aichi 460-0022, Japan
Kansai Office	Nakanoshima Mitsui Building, Nakanoshima 3-3-3, Kita-ku, Osaka-shi, Osaka 530-0005, Japan
Kyushu Office	Fukuoka Center Building 5F, Hakataekimae 2-2-1, Hakata-ku, Fukuoka-shi, Fukuoka 812-0011, Japan
Hokkaido Branch	NREG Kitananjo Building, Kitananjonishi 3-1-25, Chuo-ku, Sapporo-shi, Hokkaido 060-0003, Japan
Shizuoka Branch	Shizuoka Fukoku Seimei Building, Miyuki-cho 5-9, Aoi-ku, Shizuoka-shi, Shizuoka 420-0857, Japan
Research & Development Division	Chitose 3-1-12, Minato-ku, Nagoya-shi, Aichi 455-8670, Japan

Group Companies (Japan)

Flat Rolled Products Business

UACJ Color Aluminum Corporation
UACJ Fukaya Service Corporation
UACJ Nagoya Alupack Corporation
Sansen Co., Ltd.
Furukawa UACJ Memory Disk Co., Ltd.

Extrusion Business

UACJ Extrusion Corporation
UACJ Extrusion Oyama Corporation
UACJ Extrusion Nagoya Corporation
UACJ Extrusion Gunma Corporation
UACJ Extrusion Shiga Corporation
Light Metals Extrusion Development Co., Ltd.
Nihon Cooler Co., Ltd.

Foil Business

UACJ Foil Corporation
Nikken Co., Ltd.
UACJ Foil Sangyo Corporation
UACJ Foil Service Corporation

Casting and Forging Business

UACJ Foundry & Forging Corporation
HIGASHI NIHON TANZO CO., LTD.

Copper Tubing Business

UACJ Copper Tube Corporation
UACJ Copper Tube Sales Corporation
Toyo Fitting Co., Ltd.
UACJ Copper Tube Packaging Corporation

Precision-machined Components Business

UACJ Metal Components Corporation
Nalco Koriyama Co., Ltd.
Sumikei-Nikkei Engineering Co., Ltd.*

Others

UACJ Trading Corporation
Izumi Metal Corporation
Metal Cut Co., Ltd.
KAMAKURA INDUSTRY COMPANY LIMITED
UACJ Marketing & Processing Corporation
ACE21 Corp.
UACJ Logistics Corporation
UACJ System Corporation
UACJ Green-net Corporation

* Equity-method affiliate

Group Companies (Overseas)

Flat Rolled Products Business

UACJ (Thailand) Co., Ltd. (Thailand)
 Tri-Arrows Aluminum Holding Inc. (USA)
 Tri-Arrows Aluminum Inc. (USA)
 Logan Aluminum Inc. (USA)*
 Constellium-UACJ ABS LLC (USA)*
 Bridgnorth Aluminium Ltd. (UK)*
 RUYUAN DONGYANGGUANG UACJ FINE ALUMINUM FOIL CO., LTD. (China)*
 UPIA Co., Ltd. (South Korea)

Extrusion Business

UACJ Extrusion (Tianjin) Corporation (China)
 PT. UACJ-Indal Aluminum (Indonesia)
 UACJ Extrusion (Thailand) Co., Ltd. (Thailand)
 UACJ Extrusion Czech s.r.o. (Czech Republic)

Foil Business

UACJ Foil Malaysia Sdn. Bhd. (Malaysia)

Casting and Forging Business

UACJ Foundry & Forging (Vietnam) Co., Ltd. (Vietnam)

Copper Tubing Business

UACJ Copper Tube (Malaysia) Sdn. Bhd. (Malaysia)
 UACJ Copper Tube (Guangzhou) Corporation (China)

Precision-machined Components Business

UACJ Metal Components North America, Inc. (USA)
 Iwai Metal Mexico, S.A. de C.V. (Mexico)
 Iwai Metal Central Mexico, S.A. de C.V. (Mexico)
 Nalco (Thailand) Co., Ltd. (Thailand)
 P.T. Yan Jin (Indonesia) (Indonesia)
 UACJ (Wuxi) Aluminum Products Corporation (China)

Others

UACJ Automotive Whitehall Industries, Inc. (USA)
 UACJ North America, Inc. (USA)
 SHANGHAI UACJ DONGYANGGUANG ALUMINUM SALES CORPORATION (China)
 UACJ MH (Thailand) Co., Ltd. (Thailand)
 UACJ (Shanghai) Aluminum Corporation (China)
 AFSEL S.A. (Greece)
 UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH (Germany)
 UACJ Trading (Thailand) Co., Ltd. (Thailand)
 UACJ Trading (Shanghai) Co., Ltd. (China)
 UACJ Trading (Kunshan) Metal Products Co., Ltd. (China)
 UACJ Trading (HongKong) Co., Ltd. (China)
 UACJ Trading (Dalian.F.T.Z.) Co., Ltd. (China)
 UACJ Trading Czech s.r.o. (Czech Republic)
 UACJ Trading (America) Co., Ltd. (USA)
 UACJ Marketing & Processing America, Inc. (USA)
 UACJ Australia Pty. Ltd. (Australia)
 Boyne Smelters Ltd. (Australia)*

* Equity-method affiliate

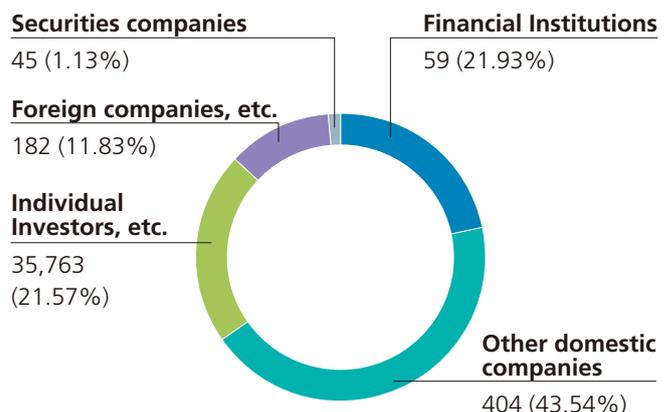
Stock Overview

Total number of shares issuable 1,700,000,000 shares
Total number of shares issued and outstanding 428,281,934 shares
 Note: Includes 607,582 shares of treasury stock
Number of shareholders 36,453

Major Shareholder

Shareholder name	Number of shares held (thousands)	Equity position (%)
Furukawa Electric Co., Ltd.	120,365	28.10
NIPPON STEEL & SUMITOMO METAL CORPORATION	37,446	8.74
Japan Trustee Services Bank, Ltd. (trust account)	28,020	6.54
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	11,244	2.62
The Master Trust Bank of Japan, Ltd. (investment trust account)	10,939	2.55
SUMITOMO CORPORATION	7,500	1.75
Mizuho Bank, Ltd.	7,331	1.71
Sumitomo Mitsui Banking Corporation	7,330	1.71
The UACJ Group Employee Stock Ownership Plan	6,597	1.54
Sumitomo Mitsui Trust Bank, Limited	5,213	1.21

Ownership Ratio (Share ownership percentage)



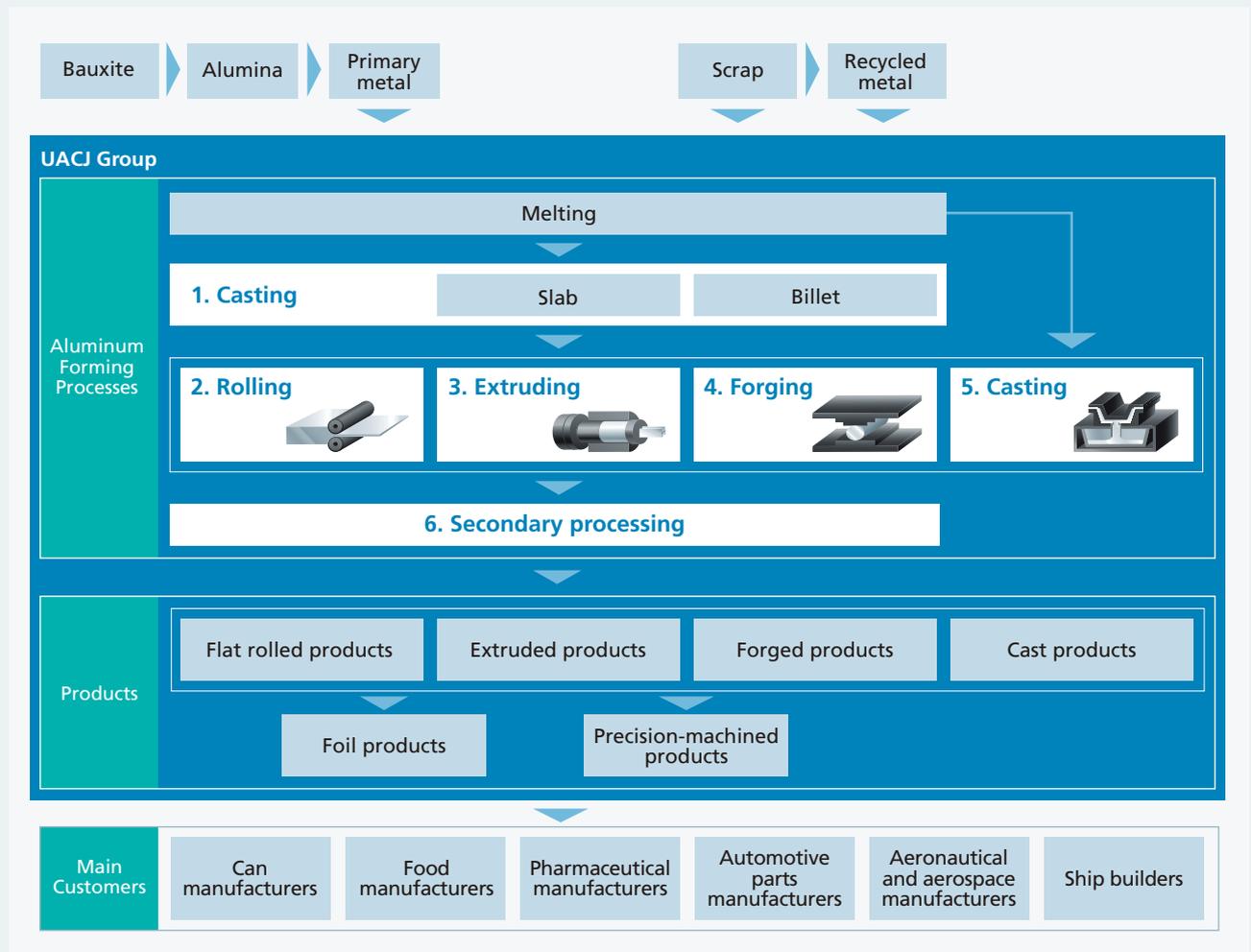
Responding to Stakeholders' and Investors' Questions Regarding UACJ and the Flat Rolled Aluminum Industry

Q What is the scope of UACJ manufacturing processes for aluminum products?

A To manufacture products using aluminum, the raw material (i.e., bauxite ore) must first be smelted to produce a white powder called “alumina,” which is then made into aluminum ingots. UACJ uses aluminum ingots it procures to manufacture a wide variety of aluminum products, doing so utilizing the following processes:

- 1. Casting:** Aluminum ingots are melted down to make mass aluminum slabs/billets.
- 2. Rolling:** Aluminum mass is rolled evenly to form a thin sheet.
- 3. Extruding:** Aluminum mass is pressed into dies to form bars and tubes.
- 4. Forging:** Molten aluminum is forged to add strength and processed to specified shapes.
- 5. Casting:** Molten aluminum is poured into casts and processed to form specified shapes.
- 6. Secondary processing:** Further processing such as coating and surface treatment to the products formed by processes 2 through 5.

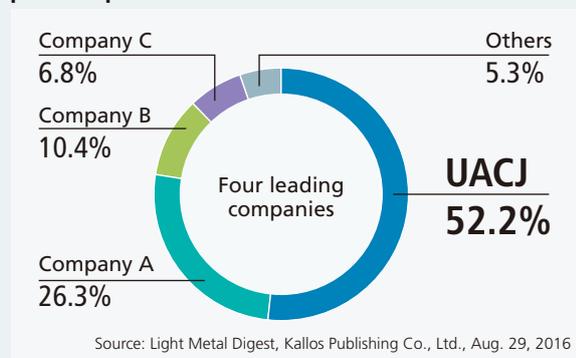
Aluminum Forming Processes



Q What is UACJ's position in the Japanese aluminum industry?

A Our global sales in fiscal 2015 was 970,000 tons, and we hold the No. 1 position in the Japanese aluminum industry.

Ratio of domestic flat rolled aluminum product production



Q Who are your main customers?

A Our customers cover a wide range of industries, including can manufacturers, food manufacturers, pharmaceuticals manufacturers, automotive parts manufacturers, aeronautical and aerospace manufacturers, ship builders and more.

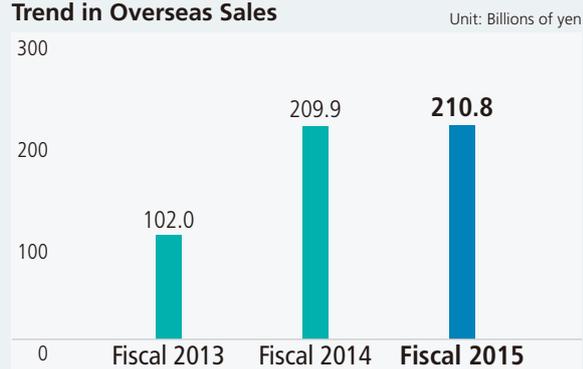
Q What UACJ's position in the global aluminum industry?

A UACJ has flat rolled aluminum products sales of approximately one million tons per year, along the scales of other major world-leading aluminum companies such as Novelis and Alcoa.

Q What is UACJ's ratio of overseas sales?

A The Global Step I mid-term management plan stipulates our goal of increasing the ratio of overseas sales from the actual result of 32% in fiscal 2013 to 43% in fiscal 2017. We have taken measures to attain this goal, and have steadily increased the ratio of overseas sales year after year. The ratio was 36.6% in fiscal 2015.

Trend in Overseas Sales



Q Do fluctuations in the primary aluminum ingot price affect UACJ's business performance?

A The primary ingot prices of aluminum and copper, which are the main materials utilized throughout the Group, are always fluctuating according to the market environment. The selling prices of our products is basically "Primary ingot price + Processing fee (roll margin)," and this fluctuates in parallel with the ingot market price. As we have prior arrangements with our customers to adjust prices according to market fluctuations, business performance is not largely affected by such fluctuations.

Q Please explain about "inventory valuations," which is referred to in the explanatory note on profits.

A It is the profit or loss generated by the difference between the primary ingot price, the basis of UACJ's sales price and the actual price of the ingot when purchased, and the difference between UACJ's purchase price and the aggregate average shipping price of the inventory. If we purchased aluminum ingots when the price was high and the price later falls, the inventory valuation becomes negative. In contrast, if we purchased aluminum ingots when the price was low and the price rises thereafter, the inventory valuation becomes positive.

Q Do fluctuations in crude oil price affect UACJ's business performance?

A The fluctuation of crude oil price by one US dollar causes our ordinary income to change approximately 100 million yen.

Q Do fluctuations in foreign currency affect UACJ's business performance?

A There is not such a large affect.

Q Do weather conditions affect UACJ's business performance?

A The sales of aluminum products tend to increase when there is a very hot summer. This is because the shipments of air conditioners and beverage cans, which use aluminum, increase. However, the influence is not as much as it once was.

Q UACJ has substantial interest-bearing liabilities. How does the Group feel about the soundness of its financial standing?

A The Group is actively making advanced investments with an eye toward future growth based on the growth strategy stipulated in the mid-term management plan. Borrowing is therefore increasing at present, but we will soon enter the payout period. We will continue with Group management emphasizing a balance between financial soundness and investment.

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facsimile using one of the numbers provided above.