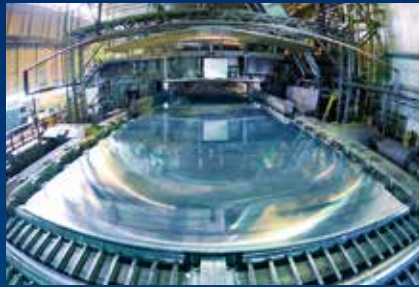


Accumulated Strengths

Globally Competitive Aluminum Group Created by Integrating Capital of Two Domestic Companies

Strengths Inherited from Furukawa-Sky *since 1910*

UACJ products for International Space Station and Mitsubishi Regional Jet (MRJ)



400m long rolling mill dedicated to producing only LNG tanker aluminum thick plates in Japan

World's largest



15,000t large-scale forging press

Japan's largest



AS9100, global quality standard for aerospace industry

Japan's first

Strengths Inherited from Sumitomo Light Metal Industries *since 1897*



Rolling mill capable of producing 2m-wide coils with outer diameter over 2m

High speed High quality



High-speed integrated coating line

Industry first

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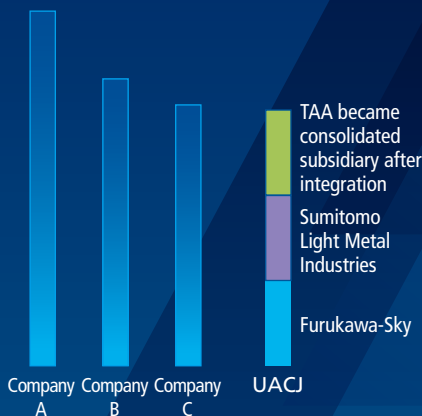
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UACJ strengths created since integrating in October 2013 *since 2013*



Production capacity surpassing **1 million tons**

Supply network with over **40 locations worldwide**



Diverse products thriving in various markets



Highly diverse human resources

Over **9,000 employees**

Industry top-class, over **300 researchers**

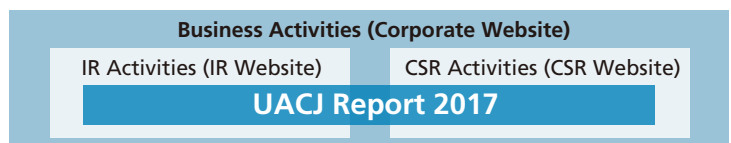


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UACJ Report 2017



The UACJ Report 2017 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.

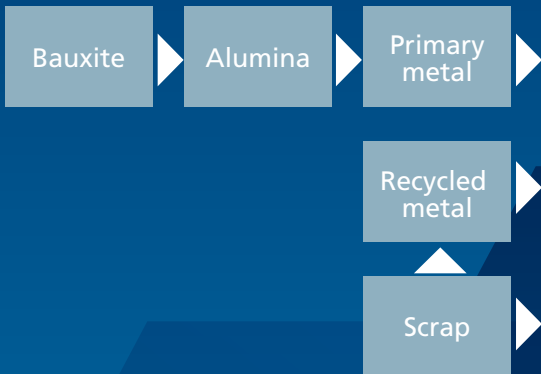
For further information, this website is linked to the investor relations (IR) and corporate social responsibility (CSR) websites of UACJ.

About Forward-looking Statements

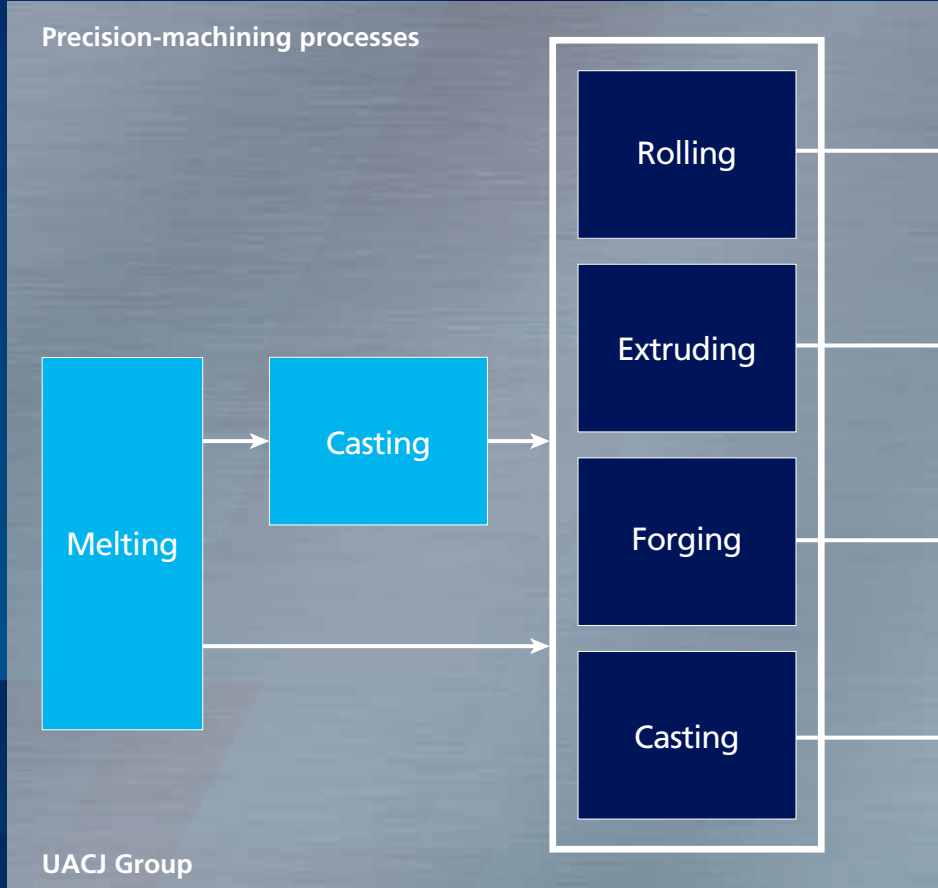
Some information on this report pertains to forward-looking statements and future earnings. These statements are not a guarantee of future earnings, but rather address the risks and uncertainties faced by the Company. Please be aware that actual prospects and earnings may differ from forecasts as a result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

Utilizing various processing technologies to produce goods that meet market needs

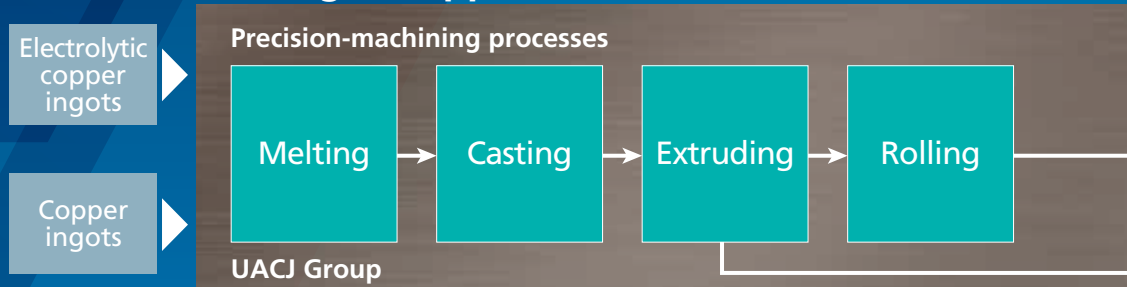
As one of few comprehensive aluminum manufacturers in the world, the UACJ Group supplies aluminum in various forms, such as flat-rolled products, extruded products, foils, cast and forged products, and precision-machined products. We also process copper for a number of clients. By specializing in the rolling and processing operations of non-ferrous metals, a stable business base has been ensured. Taking advantage of the extensive processing technologies we have developed over the years, we supply products for a diverse range of businesses, while serving newly arising needs as well.



Rolled Aluminum Products Business



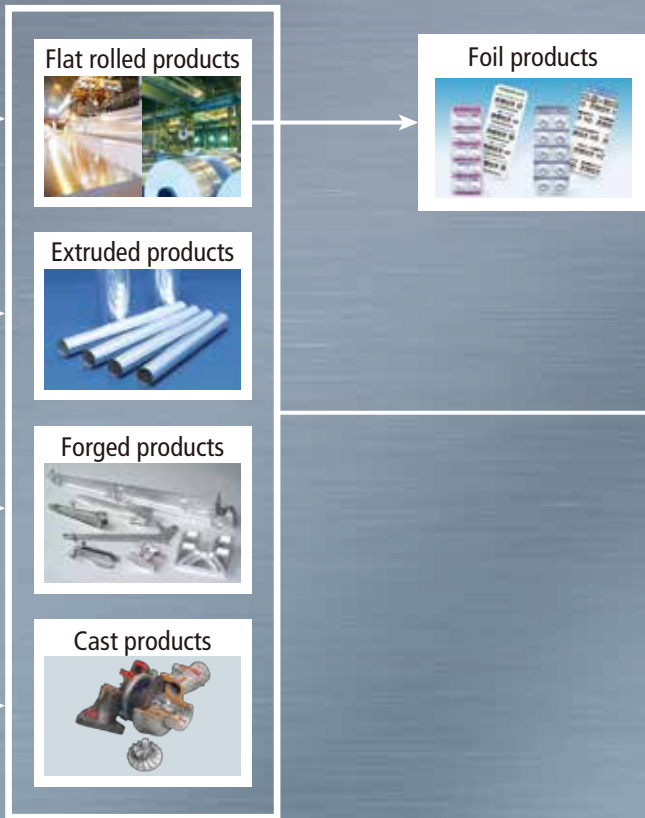
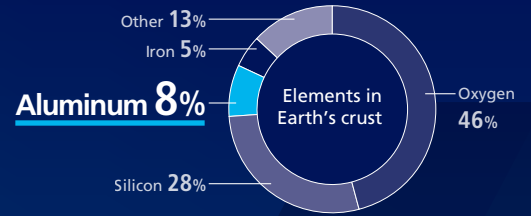
Wrought Copper Products Business



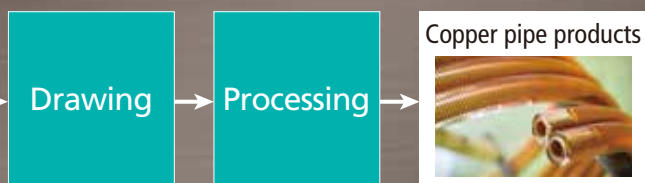
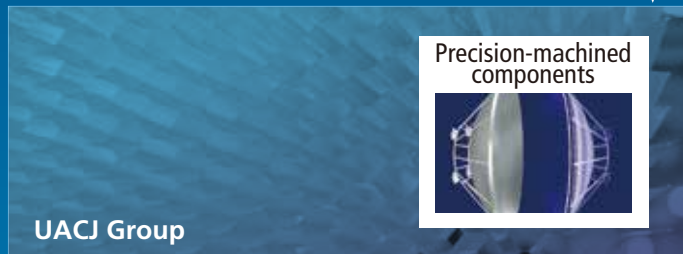
What's aluminum?

Aluminum is a metal that will not likely be exhausted

Aluminum is the third most abundant element in the Earth's crust and the most abundant of all metals. It is safe to say that there is no fear of depletion as far as aluminum is concerned.



Precision-machined Components and Related Businesses



Major applications/customers

- Beverage cans 
- Automobiles 
- Aviation and aerospace 
- Shipbuilding 
- Pharmaceuticals/ Foods 
- IT 
- Air-conditioning 
- Construction 

Contributing Widely to Society by Making the Most of the Potential of Aluminum

Aluminum's superb properties as a material are highly evaluated. As a result, the metal can be found everywhere in today's society, from our immediate surroundings to its use in state-of-the-art industries. Aluminum products manufactured by UACJ, which pledges to make broad-reaching contributions to society in its management philosophy, are used in a wide range of areas. They are being applied to help solve various social problems related to issues such as global warming and our aging society.

Strong/ Lightweight

Contributes to reducing the weight of automobiles and aircraft

Lighter transportation equipment means higher fuel efficiency and lower CO₂ emissions. Taking advantage of two of aluminum's main characteristics—being strong despite being lightweight—UACJ supplies a wide variety of components, including structural materials that form the backbone of transportation equipment.

Management Philosophy

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

Strong

Lightweight

Non-magnetic

Anti-corrosive

Properties of Aluminum

Attractive

Easy to recycle

Resistant to low temperatures

Non-toxic



▶▶▶▶ Values



Non-magnetic

Used in the magnetic disk substrates of hard-disk drives (HDDs)

In today's sophisticated information society, IT devices require large-volume HDDs. Utilizing aluminum's non-magnetic property, UACJ produces blank panels used for large-volume magnetic disk substrates.

Easy to recycle

Recycling promoted through the widespread use of aluminum cans

Recycling resources plays a vital part in the creation of a recycling-based society, and aluminum fits the purpose as it is easily recycled into ingots. UACJ is contributing to society by promoting a shift in beverage containers towards greater use of aluminum and the widespread use of aluminum cans.

Resistant to low temperatures

Supplying LNG tanker materials resistant to low temperatures

Natural gas, which generates less CO₂ when it burns, is liquefied into LNG in ultra-cold conditions and then transported. Producing aluminum that withstands such extreme conditions, UACJ is the only supplier of giant thick plates for LNG tankers in Japan.



c r e a t e d b y U A C J



Anti-corrosive/ Attractive

Achieving safe, advanced-design structures

Aluminum has excellent resistance to corrosion and its strength can be enhanced through surface treatment, and it can be colored, too. UACJ products are used in advanced architecturally designed state-of-the-art buildings thanks to the Company's sophisticated processing technologies to create beautiful landscapes.

Non-toxic

Ensuring high levels of safety for pharmaceutical packaging foils

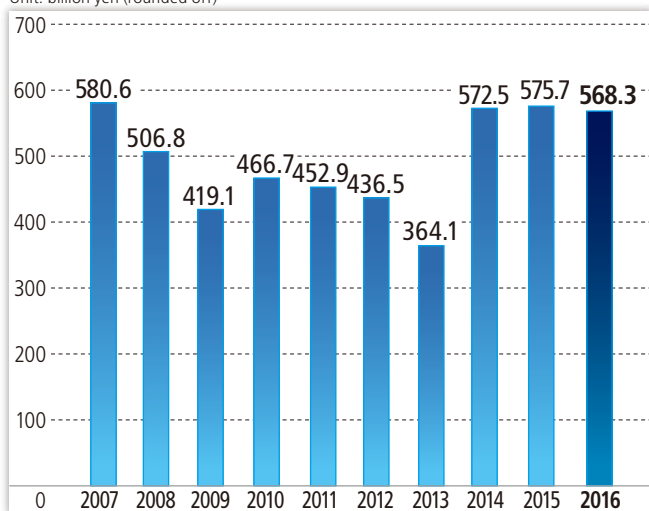
As the population ages in Japan and overseas as well, the medical and healthcare industries continue to flourish. Aluminum is harmless and odorless. In the unlikely event of elution, it will do no harm to human bodies. Thanks to these properties, UACJ foil products are used in pharmaceutical packaging to provide peace of mind.

Financial

Profitability

Consolidated net sales

Unit: billion yen (rounded off)

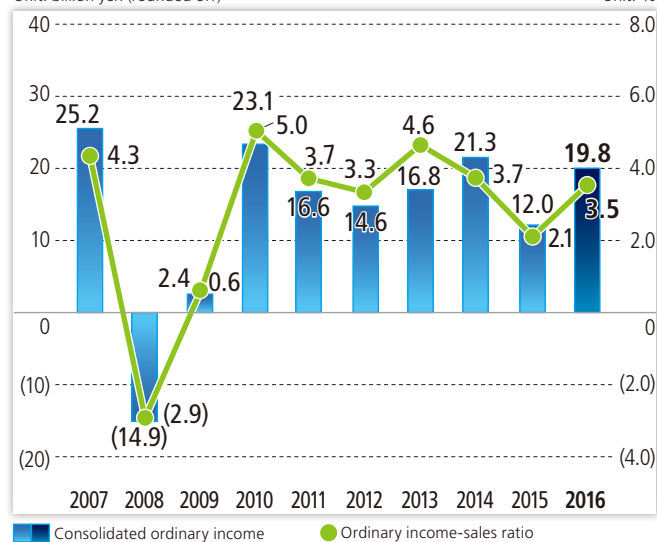


Sales are affected by the ingot market, as the prices of UACJ products reflect the combined primary aluminum ingot price and processing costs. In fiscal 2016, although year-on-year sales volume rose, sales value remained more or less the same as fiscal 2015 due to lower ingot prices and the negative impact of foreign exchange rates.

Consolidated ordinary income/ Ordinary income-sales ratio

Unit: billion yen (rounded off)

Unit: %

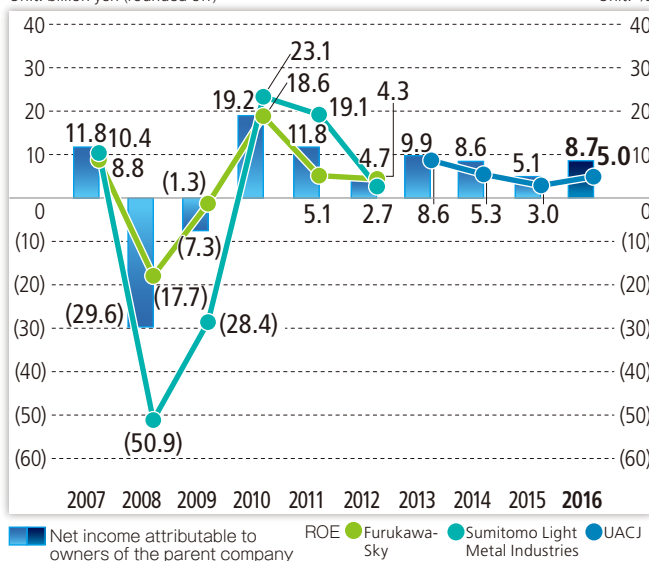


Fiscal 2016 saw a year-on-year rise in income thanks to fewer adverse effects related to lower inventory valuations accompanying the fall in ingot prices, as well as the impact realized by reducing costs.

Net income attributable to owners of the parent company/ROE

Unit: billion yen (rounded off)

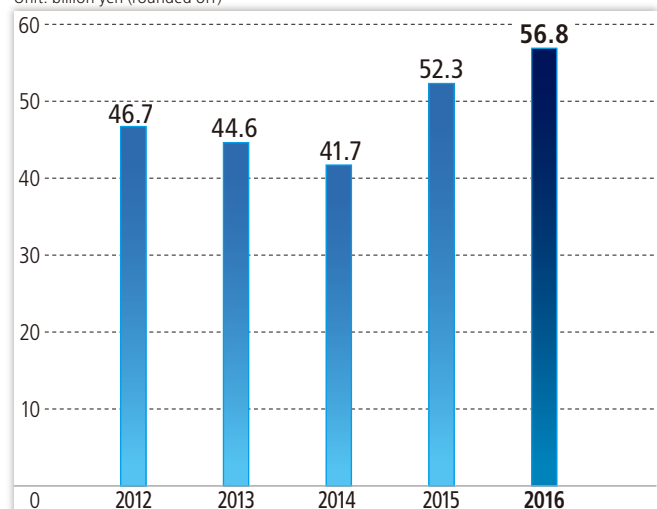
Unit: %



In fiscal 2016, an increase in ordinary income more than offset the effect of the non-recurrence of the insurance proceeds received at Logan Aluminum Inc., which was on the books last fiscal year. Consequently, both net income attributable to owners of the parent company and net income grew year-on-year, with ROE improving as well.

Adjusted EBITDA

Unit: billion yen (rounded off)



Adjusted earnings before interest, taxes and amortization (EBITDA) is determined after inventory valuations are deducted to discount the impact of fluctuations in primary aluminum ingot price so that it reflects real-term profitability.

In fiscal 2016, even without the benefit of improved inventory valuations, which were a major contributor to the rise in earnings, profit in terms of adjusted EBITDA increased for the third consecutive fiscal year. Adjusted EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill – Inventory valuations

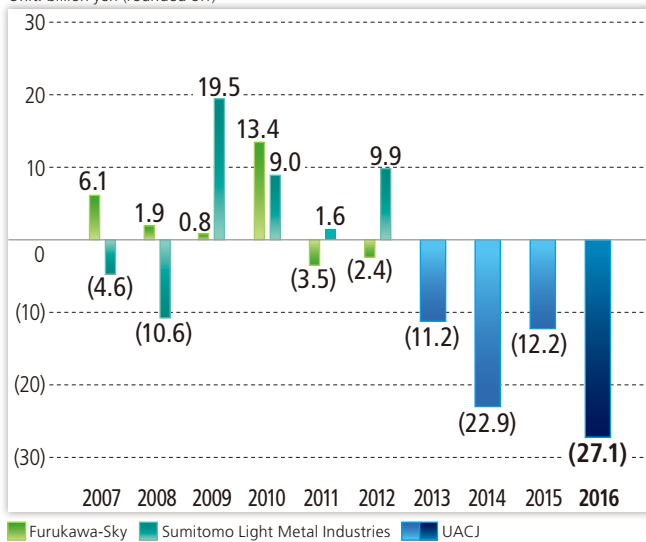
Note: The UACJ fiscal year is from April 1 to March 31 of the following year. Fiscal 2016 is the year ended March 31, 2017

Accounting principles 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.

Investment in Safety and Growth

Free cash flow

Unit: billion yen (rounded off)



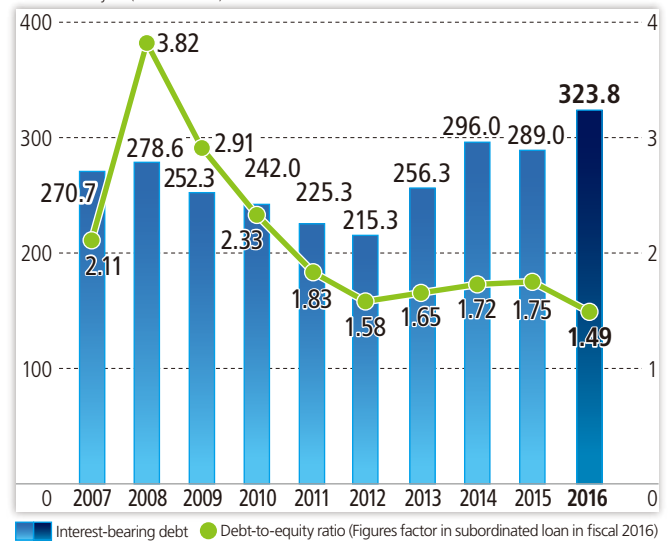
Free cash flow has been suffering continuous deficits since fiscal 2013 due to accelerated investment for global-scale growth. We will press ahead with management taking into account the need to ensure a balance between strategic investment and financial soundness.

Free cash flow = Operating cash flow + Investment cash flow

Interest-bearing debt/Debt-to-equity ratio

Unit: billion yen (rounded off)

Unit: times

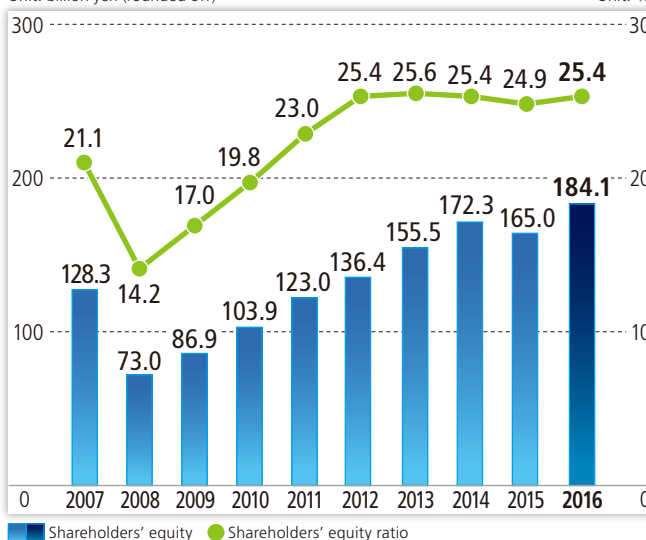


As a result of our aggressive investment, interest-bearing debt has been on the increase. However, we implemented measures in March 2017 to reinforce our financial foundation, including a capital increase through a public offering and the issuance of a subordinated loan, 50% of which is counted as equity by rating agencies. Thanks to these measures, the D/E ratio improved to 1.49 in fiscal 2016.

Shareholders' equity/Shareholders' equity ratio

Unit: billion yen (rounded off)

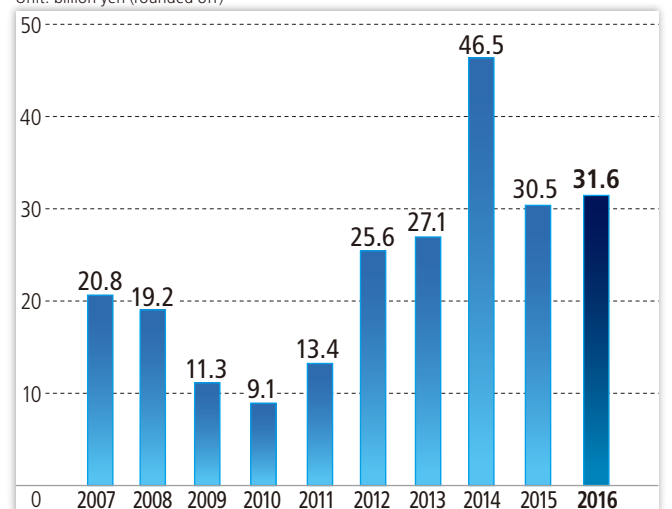
Unit: %



Shareholders' equity increased in fiscal 2016 as a result of the public offering amounting to ¥14.6 billion carried out in March 2017. Shareholders' equity improved accordingly.

Capital investment

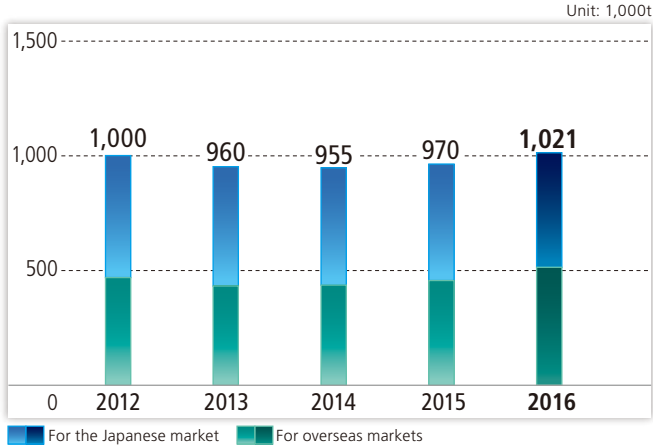
Unit: billion yen (rounded off)



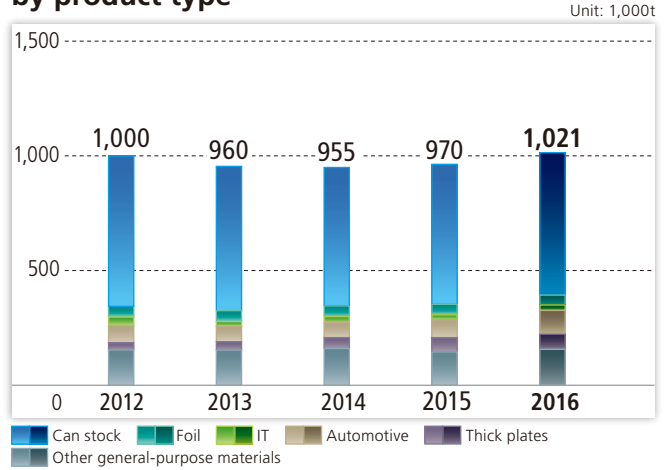
Capital investment soared in fiscal 2014 as the result of building the Rayong Works at UACJ (Thailand) Co., Ltd. In fiscal 2016, we concentrated our investment in casting facilities at Logan Mill in USA.

Financial

Flat rolled product sales volume

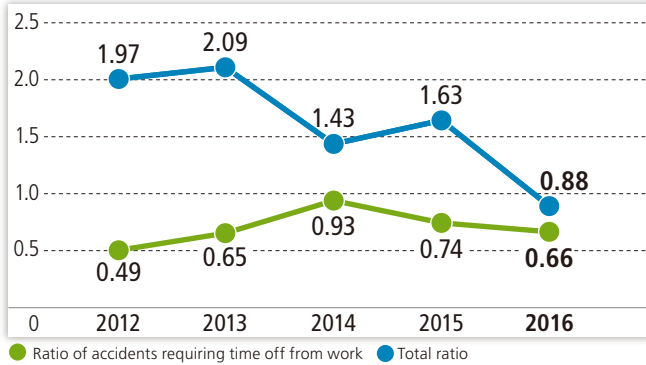


Flat rolled product sales volume by product type

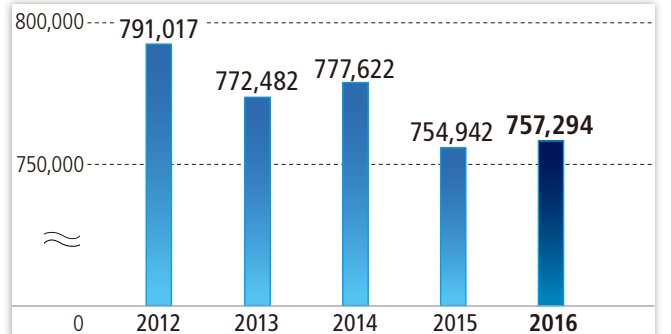


Non-Financial

Workplace accidents

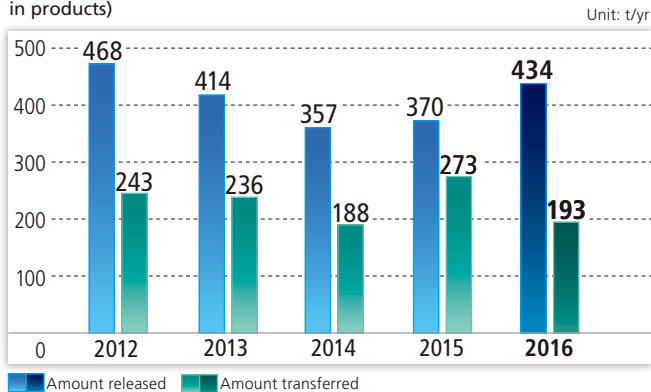


CO₂ emissions*

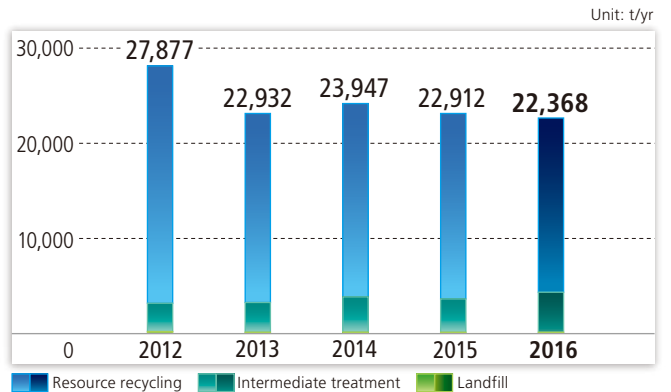


PRTR substance emissions and transfer*

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



Industrial waste volume*



Note: The UACJ fiscal year is from April 1 to March 31 of the following year. Fiscal 2016 is the year ended March 31, 2017.

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.

* 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