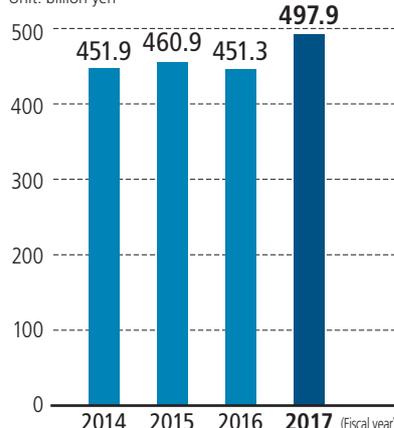


## Rolled Aluminum Products Business



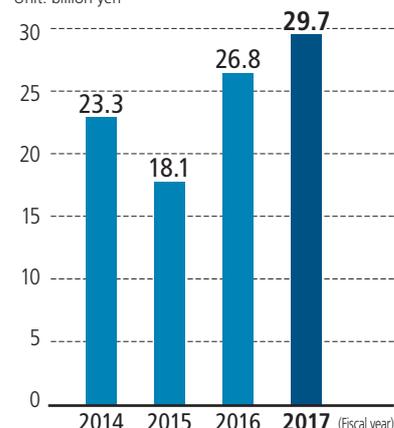
### Net sales

Unit: billion yen



### Operating income

Unit: billion yen



Note: Figures for net sales and operating income were calculated before intersegment sales and transfers.

## Financial results and forecast

In fiscal 2017, total sales volume of flat-rolled aluminum products surpassed the million-ton mark for the second consecutive year, increasing 28 thousand tons year on year to 1,049 thousand tons. Sales of flat-rolled aluminum for can stock, a mainstay product, were negatively affected by declining demand in Japan, which continued from the previous fiscal year due to slumping sales of canned beer. Nonetheless, demand in Asia was strong, resulting in a substantial sales increase at UACJ (Thailand) Co., Ltd. In the U.S., sales were down at Tri-Arrows Aluminum Inc. as it boosted its supply of aluminum structural materials for automobiles. Meanwhile, sales of aluminum foil stock and materials for IT-related devices and equipment were on par with the previous fiscal year. Sales of automotive body sheet and heat exchanger materials were brisk, but sales of thick plates for LNG tankers were down year on year. Sales of materials for semiconductor and liquid crystal manufacturing equipment grew significantly, while sales of general

aluminum materials, including fin materials for air conditioner condensers, increased year on year.

As a result of the factors above, as well as the positive impact of higher aluminum ingot prices, which are reflected in product sales prices, net sales in the Flat-Rolled Aluminum Products segment rose 10.3% to 497.9 billion yen in fiscal 2017. Operating income came in at 29.7 billion yen, up 10.8% year on year mainly as a result of favorable Inventory valuation.

In fiscal 2018, total sales volume of flat-rolled aluminum products is projected to reach 1,115 thousand tons, increasing 66 thousand tons year on year. The growth is expected to be especially prominent in markets outside Japan, with UACJ (Thailand) forecasting a substantial increase. In fact, UACJ expects its annual sales volume in overseas markets to exceed the amount in the Japanese market for the first time since it was established in 2013.

### Product mix of rolled aluminum products and main customers

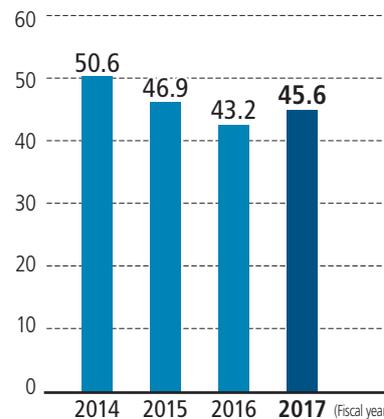
| Product uses                   | Fiscal 2017 sales volume |                 | Main customers                          | Main end-product manufacturers   |
|--------------------------------|--------------------------|-----------------|---|--|
|                                | (Unit: 1,000t)           | (as % of total) |   |  |
| Can stock                      | 602                      | 57.4%           | Can manufacturers                       | Beverage/Food manufacturers  |
| Foil                           | 49                       | 4.7%            | Foil manufacturers                      | Pharmaceutical/Food manufacturers  |
| IT                             | 21                       | 2.0%            | Electronic parts manufacturers          | IT equipment manufacturers   |
| Automotive                     | 135                      | 12.9%           | Automobile/<br>Parts manufacturers      | Automobile manufacturers   |
| Thick plate                    | 69                       | 6.6%            | Metal trading companies<br>Shipbuilders | Liquid crystal/Semiconductor production<br>equipment manufacturers<br>Shipbuilding |
| Other generalpurpose materials | 174                      | 16.6%           |   |  |
| <b>Total</b>                   | <b>1,049</b>             | <b>100%</b>     |   |  |
| For Japanese market            | 529                      | 50.4%           |   |  |
| For overseas markets           | 520                      | 49.6%           |   |  |

## Wrought Copper Products Business



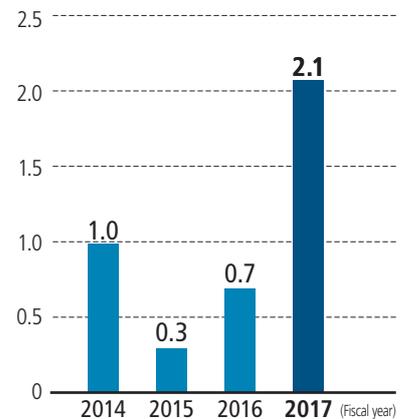
### Net sales

Unit: billion yen



### Operating income

Unit: billion yen



Note: Figures for net sales and operating income were calculated before intersegment sales and transfers.

## Financial results and forecast

In the Wrought Copper Products segment, net sales increased by 5.6% to 45.6 billion yen, mainly due to brisk sales of copper tubing for air conditioners on the back of steady shipments of air conditioner units in Japan, as well as to higher copper ingot prices, which were reflected in product sales prices. Operating income jumped 195.3% year on year to 2.1 billion yen mainly as a result of highly favorable

inventory valuation.

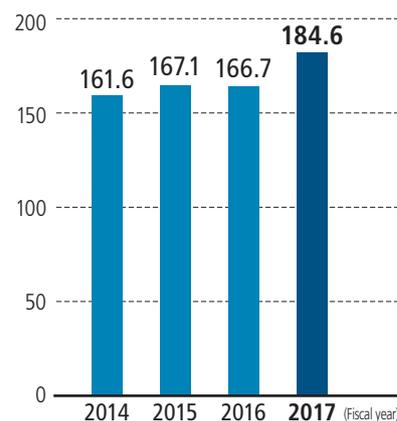
In fiscal 2018, net sales are forecast to increase to 55.0 billion yen based on growing sales volume of copper pipes for air conditioners. Operating income, however, is projected to remain on par with fiscal 2017 at 2.0 billion yen, mainly due to the impact of unfavorable inventory valuation.

## Precision-machined Components and Related Businesses



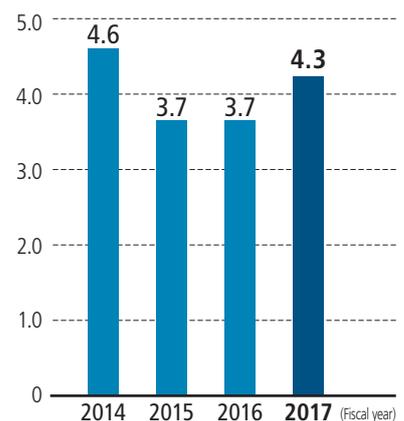
### Net sales

Unit: billion yen



### Operating income

Unit: billion yen



Note: Figures for net sales and operating income were calculated before intersegment sales and transfers.

## Financial results and forecast

In the Precision-machined Components and Related Businesses segment, net sales climbed 10.7% to 184.6 billion yen in fiscal 2017, mainly due to growing demand for aluminum components for IT-related devices and equipment, as well as to higher aluminum ingot prices. Operating income totaled 4.3 billion yen, an increase of 13.9% year on year.

In fiscal 2018, net sales are projected to reach 200.0 billion yen amid ongoing brisk demand for aluminum components for IT-related devices and equipment. On the other hand, operating income is expected to remain flat at 4.0 billion yen, mainly as a result of unfavorable inventory valuation.