

Results Briefing for the First Half of the Fiscal Year Ending March 31, 2018
(Summary of Questions and Answers)

1. Status of Principal Overseas Subsidiaries

Q. Please describe the operating performance of key subsidiaries.

A. Tri-Arrows Aluminum Inc. (TAA) recorded ordinary income of ¥3.5 billion in the first half of fiscal 2017. UACJ (Thailand) Co., Ltd. (UATH) recorded an ordinary loss of ¥2.3 billion. We recorded equity in loss of associated companies of approximately ¥1.8 billion on Constellium-UACJ ABS LLC (CUA).

Q. Do you think the amount of decrease in sales at UATH will be postponed into next fiscal year and beyond?

A. We are in the process of drawing up our business plans for next fiscal year, but as the market is not shrinking we believe these sales have been pushed back.

Q. Is there some problem with the start of mass production at CUA?

A. The company has faced a difficult time in starting mass production and making prototype samples simultaneously. We are putting together a task force team and working to resolve the issue.

2. Consolidated Operating Performance, Other

Q. You have left your ordinary income forecast unchanged at ¥30.0 billion. In what ways does your current forecast differ from the initial forecast?

A. Inventory valuations are up ¥2.0 billion, performance in Thailand is down ¥2.0 billion, the difference in energy unit costs is up ¥1.0 billion and other adjustments are down ¥1.0 billion. There are no significant changes other than these.

Q. You have announced capital expenditure related to automotive body sheet at the Fukui Works. What is the forecast increase on the casting line and the cold rolling line?

A. We will consider these factors going forward, based on the overall balance between supply and demand.

Q. Have you received any requests from customers for alternate production?

A. We are starting to hear such discussion, but our operating rate also remains high. After listening carefully to these requests, we will do our best to consider them.

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