



Aluminum lightens the world

アルミでかなえる、軽やかな世界

Financial Policies in the Third Mid-term Management Plan

Teruo Kawashima

**Director, Member of the Board, Managing Executive
Officer, and Chief Executive, Finance and Accounting
Division**

June 8, 2021

UACJ Corporation



Third Mid-term Management Plan – Financial Issues and Targets

Strengthen capital efficiency-oriented management

- Strengthen invested capital efficiency in each business division with ROE and ROIC as management indicators
- Strengthen cash flow management

Improve financial position

- 2014-2019: Upfront investment period
- 2021-2023: Investment recovery period, strengthen financial foundations in order to create corporate value

Shareholder returns

- Create corporate value
- Consolidated payout ratio (distribution of profits in each period)

Third Mid-term Management Plan – Financial Issues and Targets

Strengthen capital efficiency management and cash flow management
 (strengthen management capabilities)

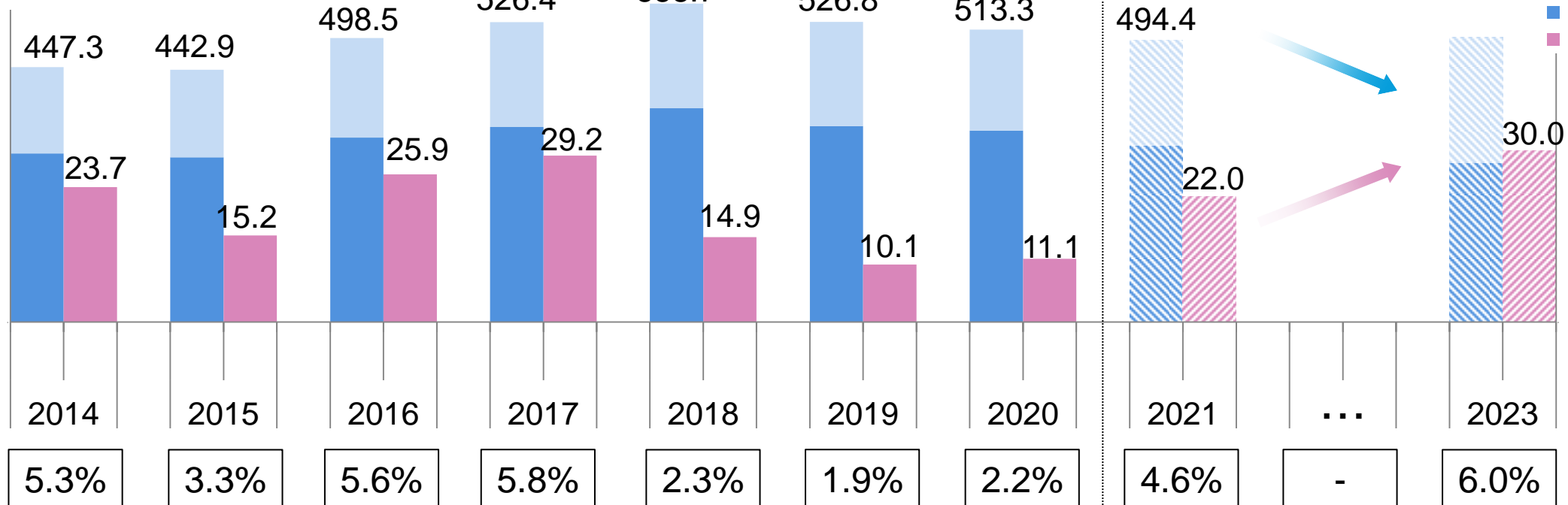
Capital efficiency indicators:

Business management based on invested capital efficiency for each business division, with ROIC as an indicator

Target capital efficiency ... At least WACC + α

(billions of yen)

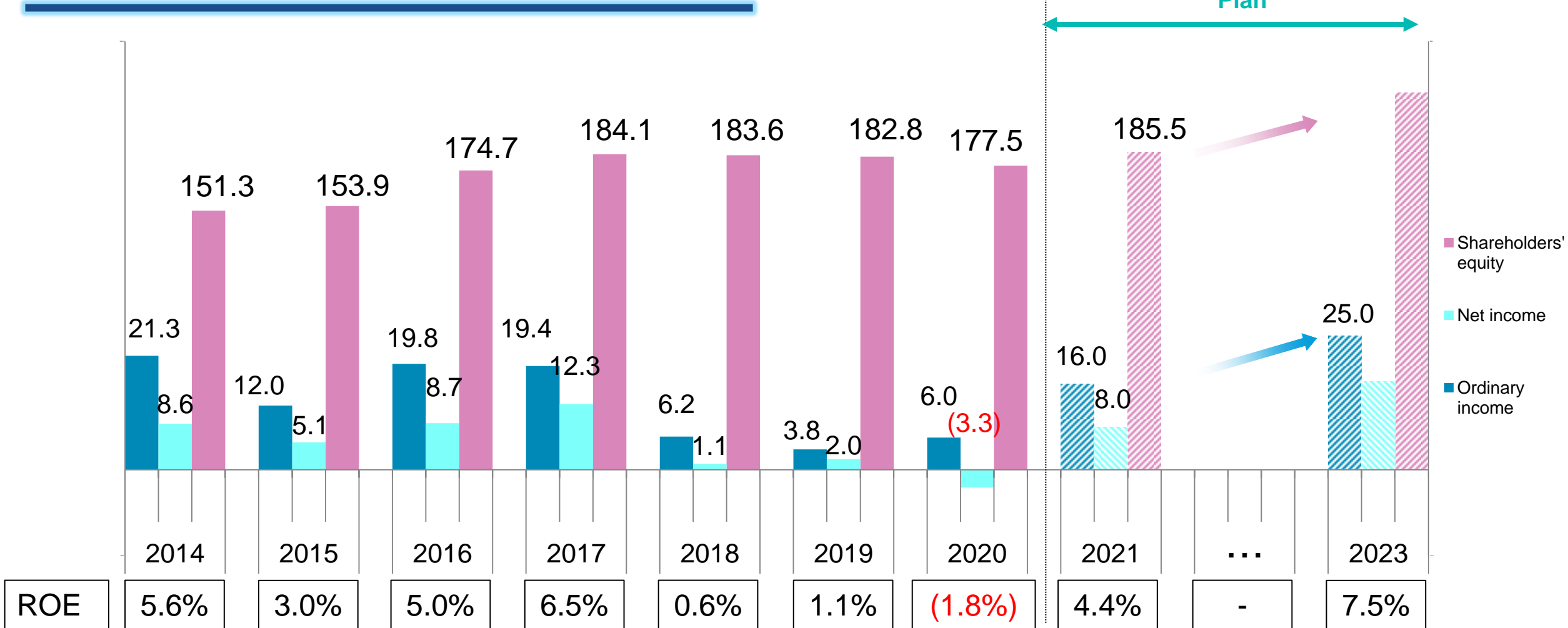
ROIC (%)



Third Mid-term Management Plan – Financial Issues and Targets

ROE (%)

(billions of yen)



Third Mid-term Management Plan – Financial Issues and Targets

Improve financial position

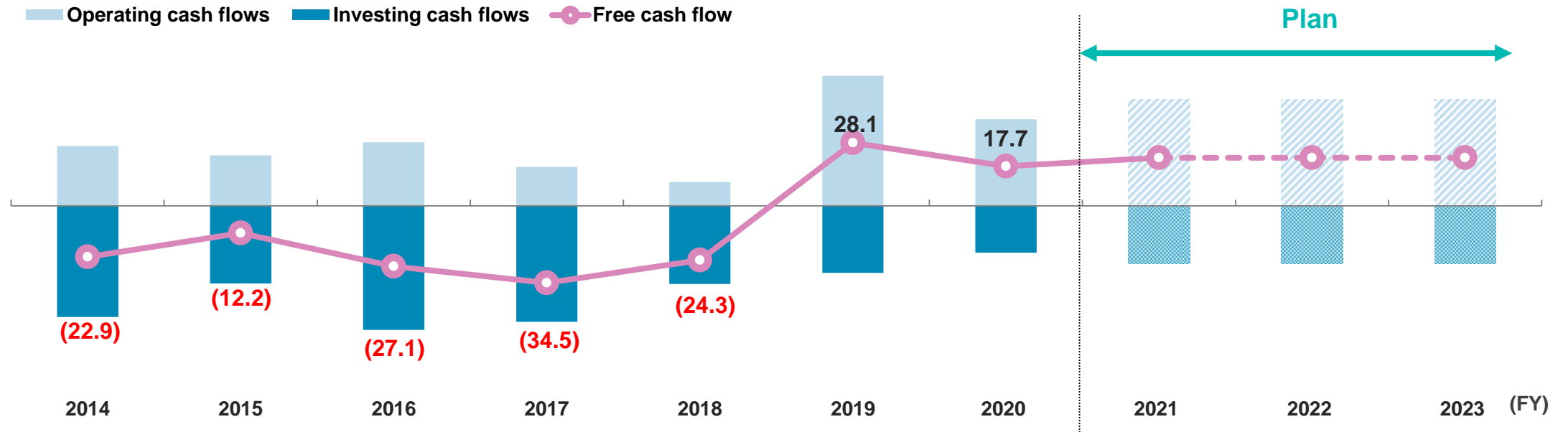
<<Investing cash flows>>

- 2014-2019 (2020): Major investments and upfront investments in Thailand, the US, and Japan (cash flows used in investing activities > cash flows provided by operating activities)
- 2021-2023: Complete major investments, recover investment, and create corporate value (cash flows provided by operating activities > cash flows used in investing activities)

<<Operating cash flows>>

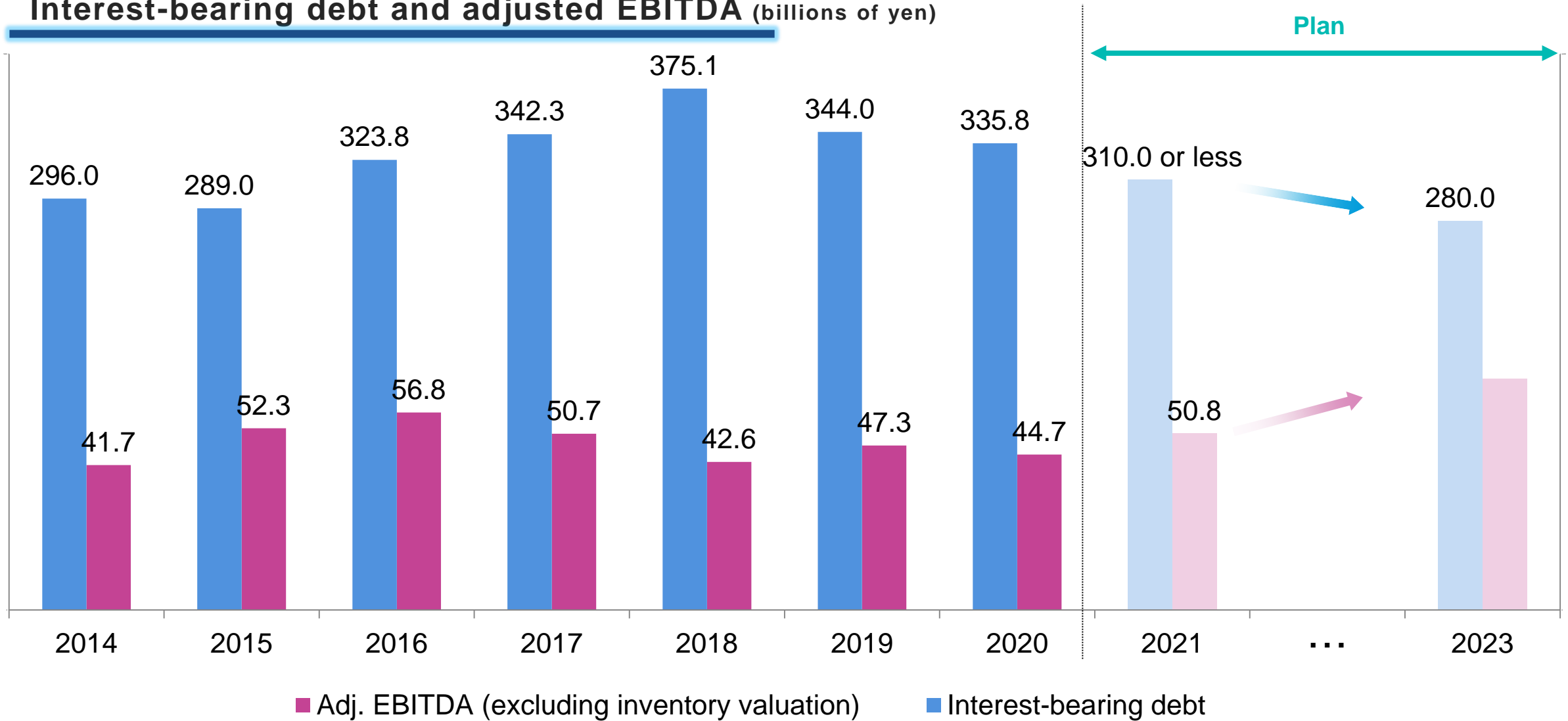
- Control working capital: Cut inventory assets, reduce days working capital

(billions of yen)



Interest-bearing Debt and Adjusted EBITDA

Interest-bearing debt and adjusted EBITDA (billions of yen)



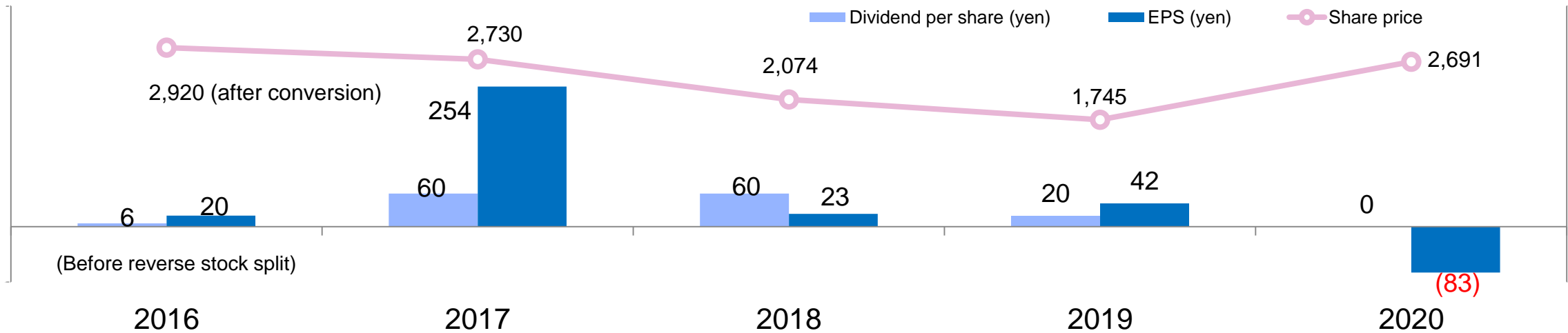
Third Mid-term Management Plan – Financial Issues and Targets

Shareholder returns policy

Returns policy: Targeting a long-term total return ratio of 30% or more

Dividend payout ratio: Aiming to pay a stable and continuous dividend, with a target of 20-30% for the consolidated payout ratio

Enhancing shareholder value: Aiming to enhance value by securing certain profits and cash flows, and engaging in dialogue with capital markets



Payout ratio	29.8%	23.6%	259.3%	47.3%	-
TSR (BM: 2015)	130.7%	125.0%	98.9%	76.9%	125.8%



Aluminum lightens the world

アルミでかなえる、軽やかな世界