



UACJ Report 2024

Integrated Report

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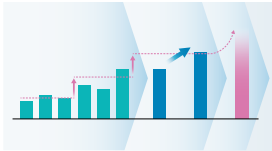
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On the Publication of UACJ Report 2024



Kaoru Ueda
General Manager,
Investor Relations Department
Finance and Accounting Division

This year, UACJ announced its fourth mid-term management plan. Meanwhile, there has been a changeover of president, and we are about to turn the page on a new chapter for the Company.

Under the third mid-term management plan, we have strengthened our supply capacity and expanded our market through the establishment of a major base in Thailand, UACJ (Thailand) Co., Ltd. Moreover, structural reforms have allowed us to achieve improved profitability. In the fourth mid-term management plan, we will draw on these strengthened foundations to further enhance our corporate value.

The cornerstone of the fourth mid-term management plan is a strategy of “materials that offer additional value,” providing added value beyond the supply of aluminum as a material. The key is to solve environmental issues by taking advantage of aluminum’s excellent recyclability. As part of our corporate social responsibility, we will work to solve environmental issues while translating the increasing demand for aluminum, as a material with low environmental impact, into higher profits. To build a foundation for these activities, we are also putting our efforts into creating a circular economy system to improve the recycling rate. Our materiality issues, which have been restructured in line with the changing times, now also include “driving a recycling-based society for aluminum (circular economy).”

The “materials that offer additional value” strategy also includes expanding our business in other sectors such as materials and processing, as well as in cutting-edge fields like aerospace. I encourage you to look through the pages of UACJ Report 2024 and see how we are making strides under a new management structure and a new mid-term management plan.

When compiling this report, we held many discussions with employees across the Group, and referred to the International Integrated Reporting Framework proposed by the International Financial Reporting Standards Foundation (IFRS), as well as Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0, issued by Japan’s Ministry of Economy, Trade and Industry (METI). We welcome any feedback and comments from readers of this report.

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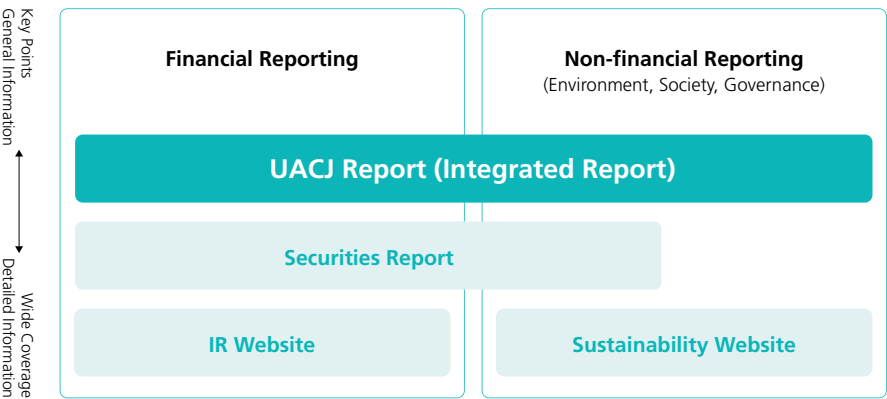
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UACJ (Thailand) Co., Ltd.

UACJ North America, Inc.

Produced with cooperation from: Public Relations Section,
General Affairs & Corporate Communication Department

Positioning of This Report



Reporting Scope

Period Covered :
April 1, 2023 to March 31, 2024
(with some information about activities after April 2024)

Organizations Covered :
UACJ Corporation and its consolidated subsidiaries in Japan (including specific data for some companies)

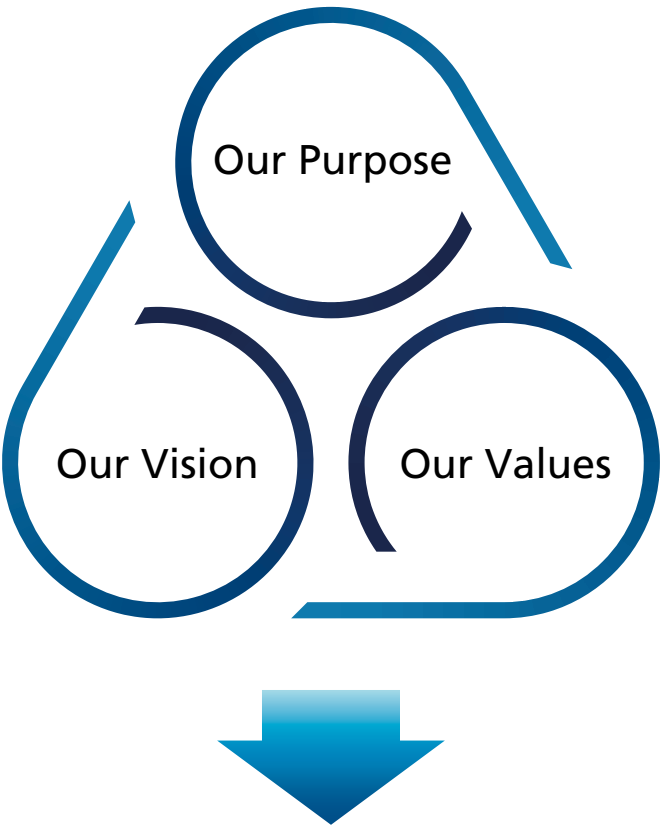
Accounting Standards : IFRS

Issue date : September 2024

About Forward-looking Statements
Some information in this report pertains to forward-looking statements and future earnings. These statements encompass risks and uncertainties and are not a guarantee of future earnings. Please be aware that actual prospects and earnings may differ from forecasts as a result of changes in the business environment and other factors.

Aluminum lightens the world

UACJ Group Philosophy



The UACJ Way



PHILOSOPHY

Today, through the supply of high-quality aluminum,
The UACJ Group is committed to improving people's lives
and helping to realize a more sustainable society.

Our Purpose

Contribute to a prosperous and sustainable society with technologies that bring out the innate power of Materials.

Our Vision

Aluminum is our passion. It inspires our work in building a better world and a healthier environment.

Our Values

The UACJ Way

Respect and understand your associates

- Value and contribute to your workplace's efforts to engage with the local community
- Accept diversity and respect people's values
- Communicate openly with your co-workers while placing importance on individual and team development
- Contribute to making your workplace more positive and dynamic

Embrace honesty and foresight

- Follow the Group's 5-gen principle*
- Sincerely respond to the expectations of stakeholders by helping the Group manufacture genuine products with integrity
- Stay ahead of emerging trends and play an active role in protecting the environment

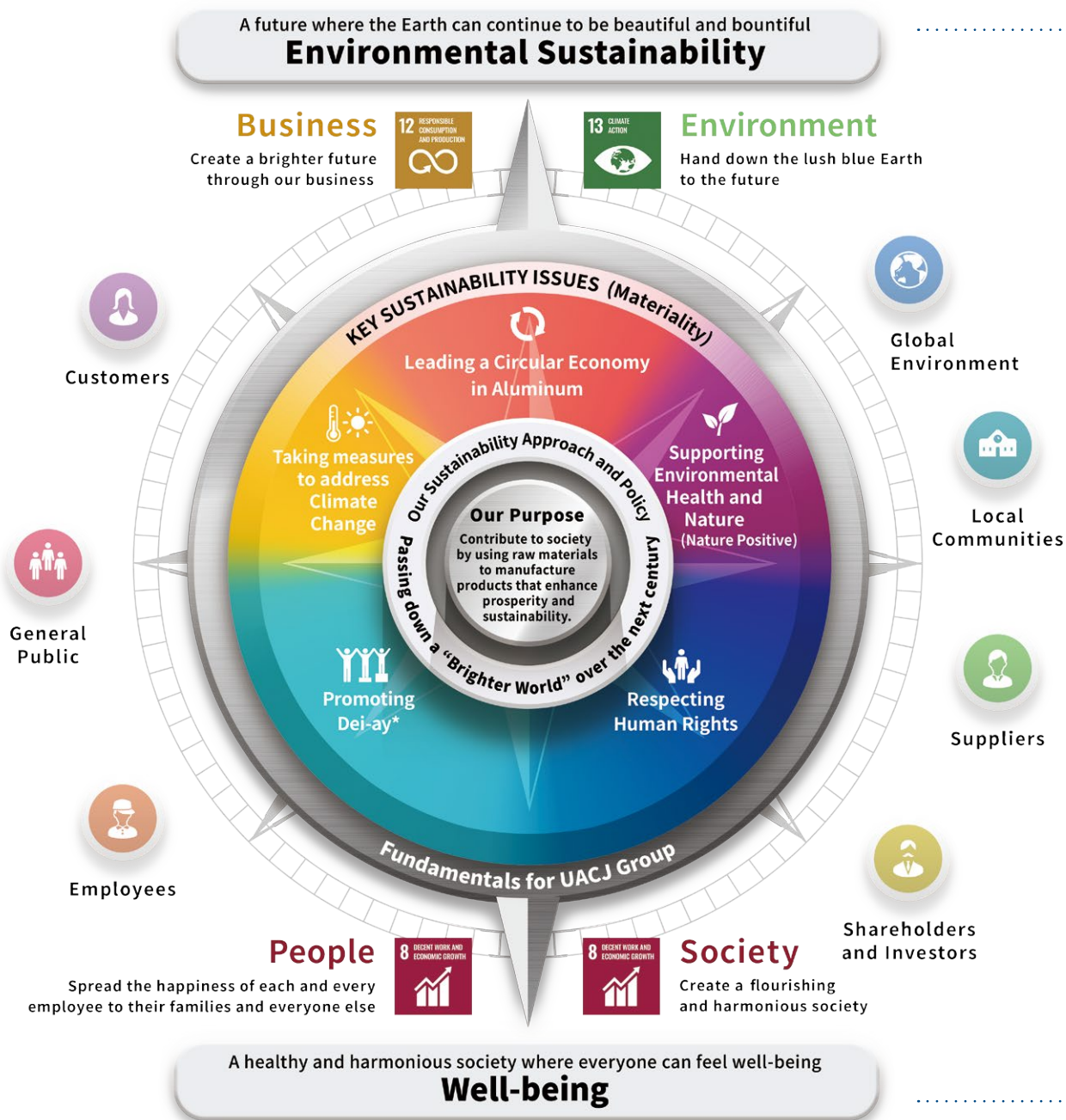
* The 5-gen principle is a concept used by manufacturers in Japan that stresses the importance of the place where relevant activities happen (genba), relevant things (genbutsu), actual conditions (genjitsu), know-how (genri), and rules (gensoku).

Be curious and challenging

- Be inquisitive about changing trends and take on challenges while helping the Group provide products and services needed by society
- Aim to be creative and innovative in your work with a forward-looking perspective

The UACJ Group Sustainability Compass:

Guiding the UACJ Group to Make a Better World



INABILITY

A future where the Earth can continue to be beautiful and bountiful

We will contribute to the creation of a sustainable society with loving care for our lush blue Earth through exploring further potential of aluminum.

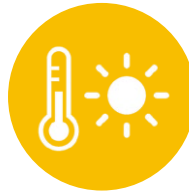
Related SDGs



UACJ Group's Materiality



Leading a Circular Economy in Aluminum
(Circular Economy)



Taking measures to address Climate Change



Supporting Environmental Health and Nature
(Nature Positive)

A healthy and harmonious society where everyone can feel well-being

We will contribute to the creation of a society in which each individual can feel healthy and happy, and in which this happiness will spread to all people.

Related SDGs



UACJ Group's Materiality



Respecting Human Rights

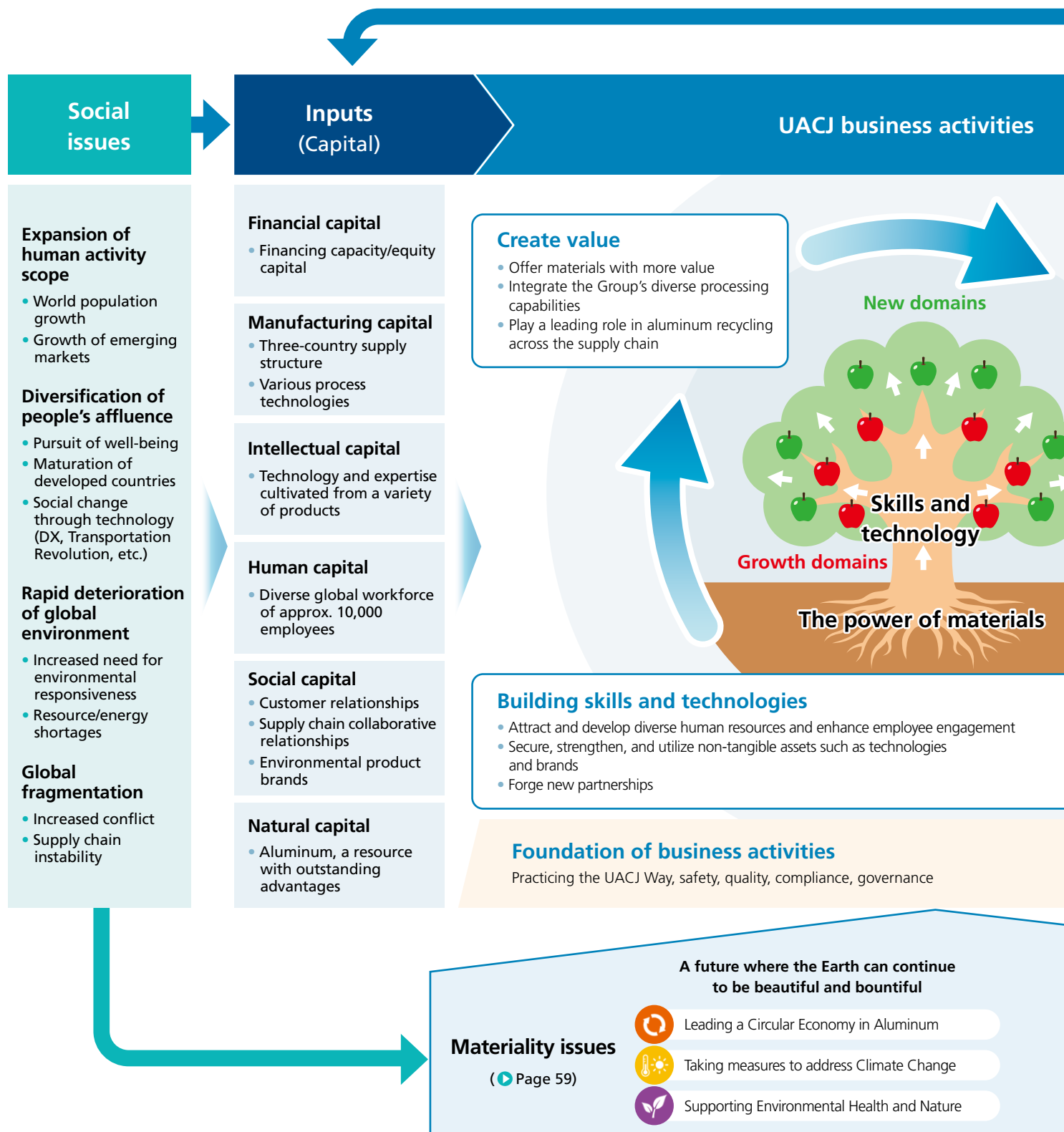


Promoting Dei-ay
(DE&I)

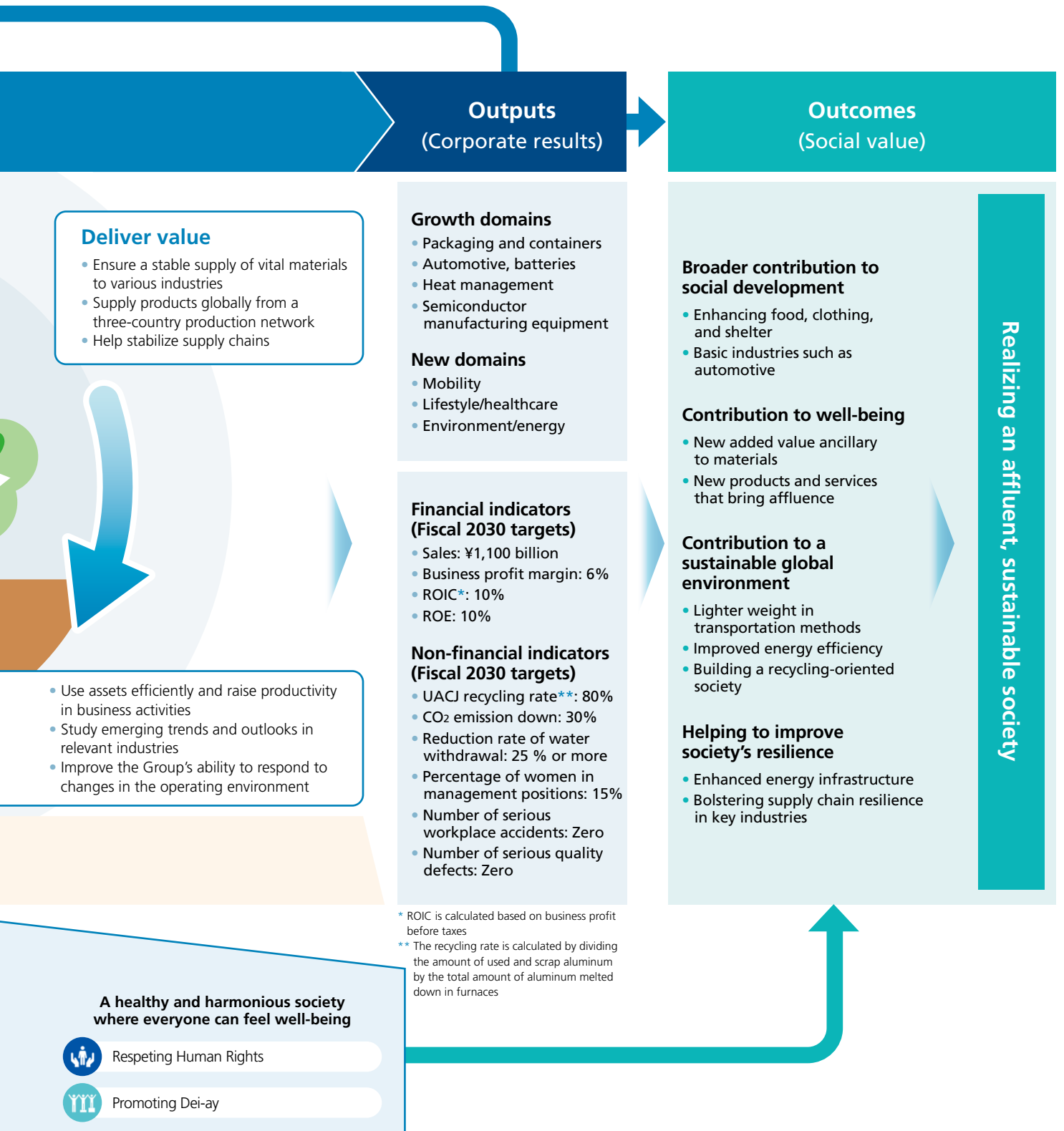
See page 59 for more UACJ Group's Materiality

To ensure the UACJ Group's sustainable growth

The Group will leverage the strengths of its capital to create value and offer solutions for issues facing the world today



CREATION





Shinji Tanaka

Representative Director,
President

We hope to build a better world and a healthier environment by adding more value to aluminum products and broadening their applications.

Creating business opportunities from aluminum's unlimited potential

A decade has passed since UACJ Corporation was established through a merger in October 2013, and since that time, the UACJ Group has grown as a major supplier of various kinds of aluminum products to a diverse range of customers around the world. In May 2021, we announced UACJ Vision 2030 as our long-term roadmap for contributing to sustainability through aluminum, and as an important step toward realizing this vision, we launched our new mid-term management plan spanning from fiscal 2024 to 2027 (April 2024 to March 2028).

In tandem with this new step forward, I was put in charge of leading the Company's management with my appointment as representative director and president in April 2024. Since assuming this position, I have reaffirmed the importance of my responsibilities while feeling a strong desire to expand business opportunities by taking advantage of aluminum's unlimited potential. I am especially excited now because the aluminum products industry is backed by more powerful tailwinds than ever before. Specifically, worldwide demand for aluminum products is rising on the back of economic growth in emerging countries of the Global South and elsewhere. Furthermore, aluminum is being

recognized as a metal that can help solve global environmental problems, particularly ocean plastics and global warming-induced climate change.

For example, in the automotive industry, the electrification of automobiles and shift to electric vehicles is proceeding on a global scale as manufacturers tackle global warming-induced climate change, and aluminum is being adopted for body panels and structural components because it is lighter than steel and has a superior strength-to-weight ratio. This reduces the overall weight of vehicles, which helps improve their fuel efficiency. In addition, aluminum foil is used in lithium-ion batteries installed in electric and hybrid vehicles, and the metal is also indispensable for their battery casings.

Aluminum can be recycled endlessly. A vast amount of energy is required to produce virgin aluminum ingots through the process of converting bauxite to alumina, but the greenhouse gas emissions from that smelting process can be reduced by about 97% if aluminum ingots are recycled from used aluminum products instead. Therefore, we can reduce the environmental impact of aluminum production by recycling the metal over and over again.

Aluminum recycling has already made great progress in the beverage can industry. In Japan, almost all aluminum cans are

Message from the President

recycled according to the Japan Aluminum Can Recycling Association. Its research found that the recycling rate of aluminum cans was 97.5% and the can-to-can closed loop recycling rate reached 73.8% in 2023. These exceptionally high levels have attracted attention worldwide. Indeed, in Europe and the United States, where environmental awareness is relatively high, aluminum is increasingly being used to make beverage containers.

In various industries besides the automotive and can stock industries, aluminum is being recognized for its excellent recyclability and contributions to reducing the environmental impacts of products. The UACJ Group has been receiving a growing number of requests from companies in such industries to supply aluminum products that can help them reduce CO₂ emissions, and to develop recycled materials for new applications.

In response to such customer requests and the expectations of the public, I would like the Group to add even more value to its aluminum products and actively promote those benefits to many more people so that aluminum becomes even more widely used throughout society. I believe that UACJ has a major responsibility as an industry leader to significantly expand recycling initiatives and spearhead efforts to build a circular economy for aluminum together with a many different stakeholders.

When I joined Sumitomo Light Metal Industries (one of the two companies that merged to form UACJ) in 1987, demand for aluminum was growing in Japan mainly due to steeply rising sales of canned beer. Today, however, demand growth will be long term and continuous because it is being driven by efforts to tackle global environmental problems. Such a shift in the aluminum products industry happens only once every half century or so, meaning we have a vast range of business opportunities compared to when I joined the industry. In my view, failure to fully capitalize on these opportunities is the biggest risk facing the Company at this point in time. Therefore, we will make sure to seize these once-in-a-lifetime opportunities in the process of executing our new mid-term management plan from this fiscal year.

Pursuing four strategies with the goal of adding more value to aluminum products

After it was established in 2013, UACJ undertook large-scale capital investments to set up and expand production facilities in Thailand and the United States while its business in Japan struggled amid declining demand triggered by trade friction between the US and China. Consequently, the Company's financial position weakened as it faced a very tough operating environment during the period of its first mid-term management plan (fiscal 2015 to 2017) and second mid-term management plan (fiscal 2018 to 2020). In response, we initiated a series of structural reforms from October 2019 to increase earnings capacity, reform the financial structure, and increase the speed and efficiency of management decision-making. As head of the Structural Reform Division at that time, I worked hard to execute reforms aimed at lowering the break-even point, optimizing production systems, streamlining and selling off businesses, and reducing the number of directors and executive officers.

When our third mid-term management plan (fiscal 2021 to 2023) commenced in April 2021, earnings capacity had improved thanks to the structural reforms, and production was on track at facilities built and expanded in Thailand and the US, greatly contributing to earnings. Then in fiscal 2022, we introduced additional reforms along with systems for passing on soaring market prices of energy and aluminum alloy additives to customers. At the same time, we adjusted our product prices to reflect the steeply rising commodity prices.

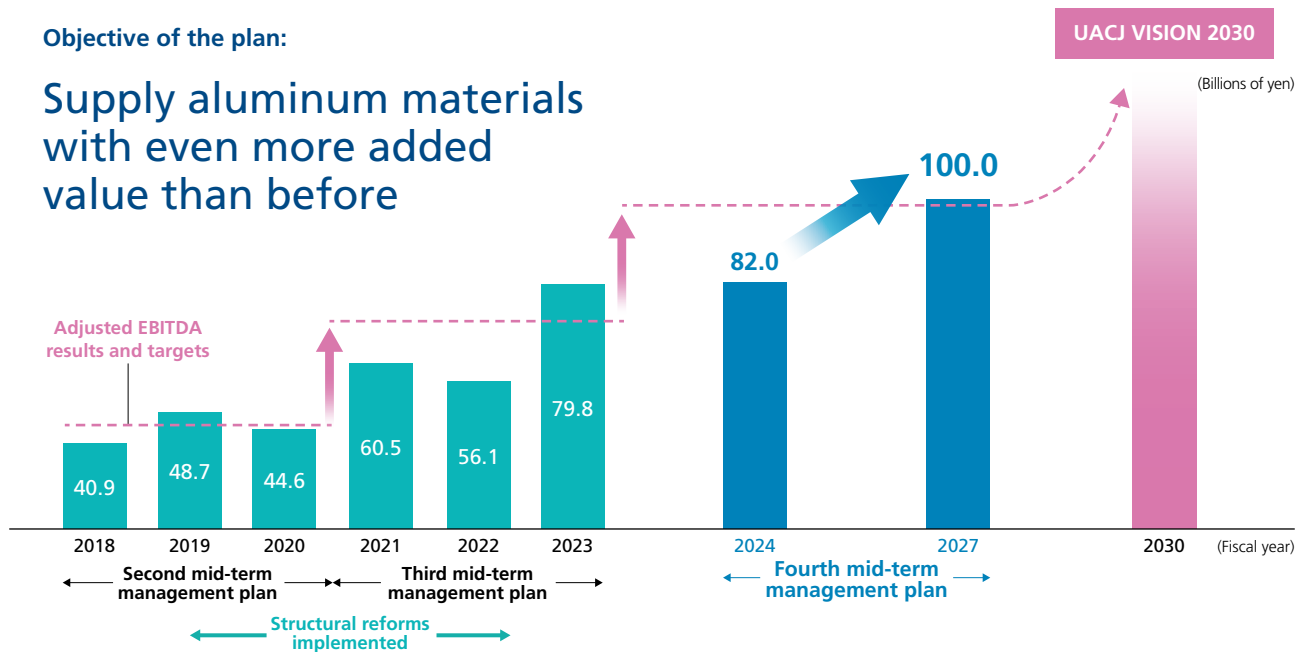
As a result of these efforts, the Company beat most of its key financial targets—including revenue, business profit¹, and the business profit margin—set for fiscal 2023, the final year of the third mid-term management plan. Having completed the structural reforms, boosted returns on investments in the US and Thailand, and renewed our product pricing systems, we built a solid operational foundation that can generate profit growth even if the operating environment suddenly changes.

We launched our fourth mid-term management plan on the back of these major achievements. Rather than extending the strategies of the previous plans, we will execute ambitious

Positioning of the fourth mid-term management plan

Objective of the plan:

Supply aluminum materials with even more added value than before



growth strategies under this new plan. One of our financial targets is ¥100 billion in adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA)². To return profits to shareholders, the Company will aim to continuously pay stable dividends based on a dividend payout ratio of at least 30%.

To achieve the goals of the plan, our objective is to supply aluminum materials with even more added value than before. In the aluminum products industry, many flat-rolled aluminum manufacturers engaged in price competition in the past, and even when value was added to products through material development and processing technologies, it remained difficult to have that added value recognized in the marketplace. Later, however, as the industry reorganized globally, UACJ emerged as a leading player with a dominant share of the Japanese market following its establishment in 2013. Consequently, we view the Group not just as a materials supplier, but as a partner that meets the needs of customers through its abilities to develop specific materials, apply advanced processing technologies, and ensure a

stable supply. Requests from our customers have become more sophisticated and diverse in recent years, and demand is growing rapidly for high-value-added products. They include products containing processed materials, and environmentally friendly products made of recycled materials and manufactured using green energy.

Under our new mid-term management plan, we have devised four strategies for capitalizing on changes in the market and substantially increasing earnings capacity: promote recycling, expand fabricated material businesses, help stabilize supply chains in technologically advanced industries, and grow new businesses. In these ways, we intend to add even more value to the materials we supply.

The first strategy of promoting recycling is the most crucial for the Group's future. I will discuss it in detail below.

The second strategy of expanding fabricated material businesses involves adopting the same business model already used by UACJ Automotive Whitehall Industries, Inc., in the

Message from the President

automotive parts industry for a broader range of businesses in the future. As the first step toward accelerating the development of such fabricated material businesses, UACJ integrated its former extrusion business and precision-machined components business into its new Extrusion and Metal components Business Division effective from January 2024. By making the most of aluminum's heat conduction and dissipation properties, we also plan to develop fabricated material businesses in the air conditioning and heat management system industries, and model these businesses after the Group's automotive parts business.

The third strategy is to help stabilize supply chains in technologically advanced industries. Specifically, we intend to offer highly advanced, high-value-added products to the battery, semiconductor manufacturing equipment, aerospace, and defense industries, which all require a stable product supply in Japan. Toward this end, UACJ established a new Aerospace and Defense Materials Business Division effective from October 2024, and will carry out customer- and market-oriented projects.

Finally, our fourth strategy is to grow new businesses, specifically in the mobility, lifestyles and healthcare, and environment and energy sectors, which we have targeted in our long-term roadmap, UACJ Vision 2030.

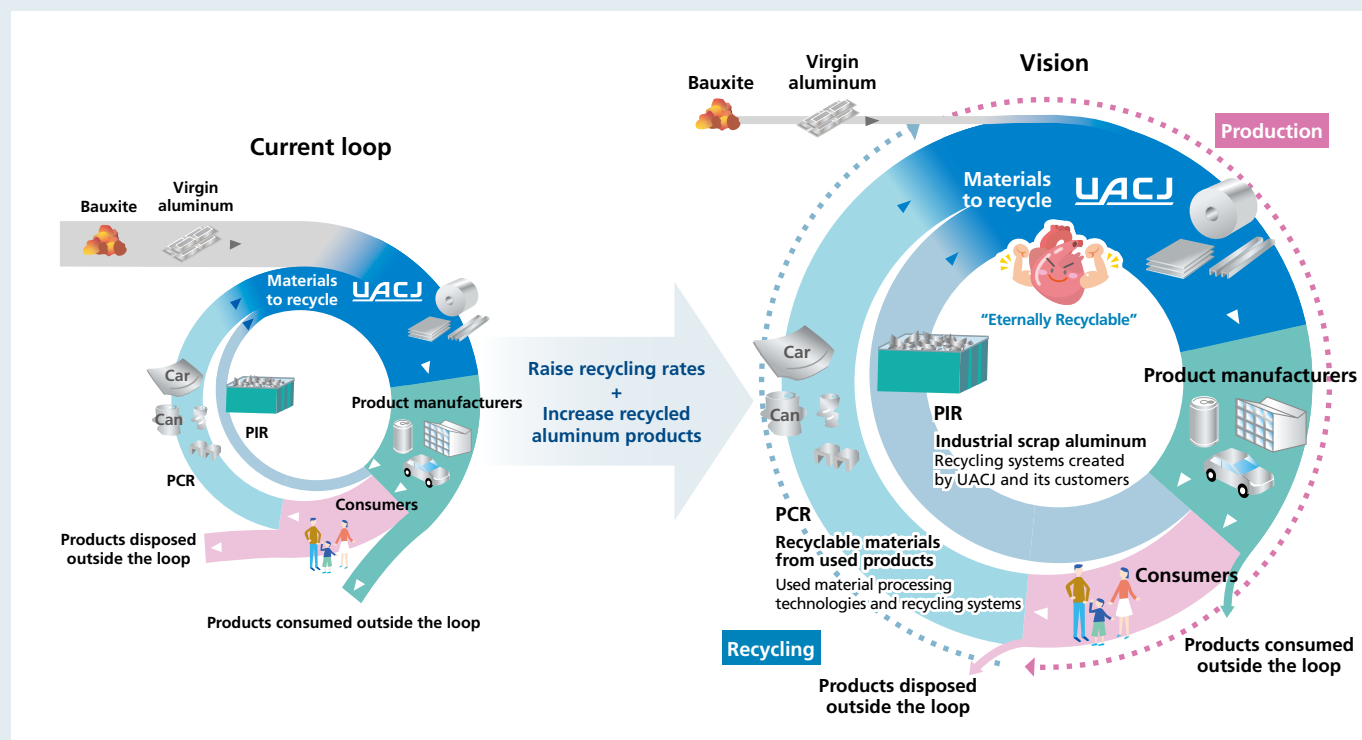
¹ Business profit is operating profit excluding the effect of the metal price lag as well as temporary and extraordinary factors

² Adjusted EBITDA is EBITDA excluding the effect of the metal price lag

Expanding the range of recyclable products while leading efforts to build a circular economy for aluminum

Returning to our strategy of promoting recycling, this will be important for adding value to aluminum materials and essential for the Group's sustainability and business growth over the medium and long terms. In collaboration with recycling firms and the manufacturers it supplies products to, UACJ has been working hard to promote aluminum product recycling, particularly aluminum beverage cans. As I mentioned above, the

Vision for an expanded recycling loop



aluminum can recycling rate in Japan reached 95% in 2023, and this was made possible by the adoption of recycling systems backed by legal requirements for sorting, collecting, and recycling containers. Still, many challenges must be overcome to recycle aluminum products other than cans. For that reason, UACJ is not able to recycle all of its aluminum products. In fact, the Company's recycling rate for all products, including cans, was about 65% in fiscal 2019 (see page 32).

To increase this rate, UACJ will work together with its customers and stakeholders to build new supply chains in which used aluminum is collected from a wide array of industries, including the automotive industry, and recycled for new products. By applying the Group's alloy development expertise and casting equipment and technologies, we intend to develop and manufacture recyclable products and supply them to customers, thereby increasing the amount of recycled aluminum. The goal of our long-term vision is to raise the Company's recycling rate to 80% by fiscal 2030.

If we can achieve this goal, the aluminum recycling loop will grow and virgin aluminum production will decrease as more aluminum products are recycled, greatly reducing environmental impacts. The environmental benefits of recycling add more value to aluminum products, which will, in turn, speed up their widespread adoption. We are confident that this will also substantially contribute to the Company's profit growth. The recycling loop that we envision and aim for is a circular economy for aluminum. As an industry leader, UACJ will strive to play a central role in this circular economy while strengthening links between upstream and downstream supply chains to expand its earnings base.

Various challenges will have to be overcome to build such a circular economy. One major issue, for instance, is how to create a system for continuously collecting used aluminum automotive parts, which have a much longer lifecycle than aluminum cans. Moreover, as a wider range of products are collected for recycling, the number of aluminum grades and alloy types will also increase, so advanced processing technologies will be needed to enable close-looped recycling systems. Even in the current recycling loop for aluminum cans, we must cut down on the number of overlapping processes to raise efficiency and



reduce environmental impacts. Toward this end, UACJ teamed up with Sumitomo Realty & Development Co., Ltd., and Toyo Seikan Group Holdings, Ltd., in March 2024 to set up a can-to-can closed-loop recycling system at office buildings in Tokyo. By collaborating with various stakeholders to newly establish recycling loops like this, I believe we will be able to create all-new business models going forward.

Overcoming the challenges ahead will take time, of course, but we hope to develop optimal solutions by leveraging our long-established manufacturing capabilities and the trust we have built up with partners from various industries as we strive to achieve the goals of UACJ Vision 2030. To expand recycling through sustainability initiatives, we have placed priority on recycling in our new mid-term management plan, and will work to create environmental value by establishing new recycling systems.

Having all employees of the Group commit to the new mid-term management plan and help achieve its goals

To realize UACJ Vision 2030, it will be essential to execute every measure of the new mid-term management plan and achieve its financial targets by the time it ends in fiscal 2027. Therefore,

Message from the President

management is working to ensure that all employees of the Group worldwide fully understand the plan so they can work together toward accomplishing its objectives. We want employees to identify with and contribute to the main themes of the plan: create earnings, build partnerships, and promote the environmental benefits of aluminum.

Firstly, creating earnings is essential for the Group's survival and has been a priority issue for management because earnings did not grow in line with targets following UACJ's establishment. Therefore, I want employees to understand how we must create earnings by launching new initiatives and adding more value to our products.

In order to create earnings, it will be critical to build partnerships. The circular economy for aluminum I spoke of earlier cannot be established by the Group on its own. We will need to build on our relationships with various stakeholders in the supply chain, including manufacturers of diverse products, distributors and retailers, consumers, government agencies involved in waste collection, and recycling firms. Our partnerships are not limited to recycling, however; to develop products with even more value, employees must work together and organizations must cooperate beyond the boundaries of business divisions and departments. To facilitate such interdivisional cooperation, we are integrating businesses into

organizations that can handle a diverse range of customers' needs, such as the Extrusion and Metal Components Business Division and Aerospace and Defense Materials Business Division mentioned above.

Finally, promoting the environmental benefits of aluminum creates opportunities for all members of the Group to reaffirm the essence of our corporate slogan, "Aluminum lightens the world," and our purpose statement, "Contribute to a prosperous and sustainable society with technologies that bring out the innate power of Materials." I want all employees to appreciate how important this endeavor is for the new mid-term management plan.

After announcing the new plan, we began organizing town hall-style meetings at various workplaces of the Group to share the plan's concepts, specific policies, and goals with employees on the front lines of operations. I have been attending these meetings to explain the plan and our management policies going forward, and to discuss what we should do in our workplaces to execute growth strategies and achieve targets. Employees have responded to the new plan very positively, and they have a solid understanding of our management philosophy and business strategies, thanks to many discussions held between employees and management in past years. Therefore, I am confident that the Group's members are committed to executing the measures of the plan and will do their best to help accomplish all of the plan's goals.

To help the Group's employees reach their full potential, I want to implement programs and systems for enhancing their well-being. At UACJ, we believe that being healthy, fulfilled, and happy are vital for each employee's well-being. When we renewed the Group's materiality issues in fiscal 2023, we positioned well-being on the same level of importance as the global environment, and specified two materiality issues related to well-being: Respecting Human Rights, and Promoting Dei-ay (DE&I). In December 2023, we announced a declaration on the Group's commitment to promoting DEI. It aims to allow all employees to demonstrate their abilities and contribute to innovations, which are vital for the Group's sustainable growth.

I feel that UACJ has become a more diverse company since its establishment in 2013. For example, while each of the two



companies that merged to form UACJ account for about one-third of the Company's employees, respectively, the remaining one-third are mid-career employees hired after the merger. Consequently, the Company is made up of people with a wider range of backgrounds, outlooks, and experience. By ensuring that our diverse employees can make the most of their abilities, we hope to spark new innovations in the years ahead.

We established the UACJ Group Health Management Policy in 2021, and have been stepping up efforts to help employees manage and improve their health. As an indicator of this progress, UACJ was recognized for its outstanding "health and productivity" performance among large-scale organizations in Japan in 2022 and 2023 by the Nippon Kenko Kaigi, a Japanese health association. In 2024, that association together with the Ministry of Economy, Trade, and Industry selected the Company as one of the Japan's top 500 "health and productivity" organizations for the first time. In the same year, UACJ was also recognized for the first time by the ministry and the Tokyo Stock Exchange for its outstanding "health and productivity" performance.

Building on this momentum, we will continue efforts to enhance the well-being of the Group's employees and maintain comfortable work environments for all members of the workplace as we strive toward achieving the goals of our mid-term management plan.

Leveraging production expertise and organizational capabilities to create new value for the future

When my career first began, I was initially assigned to a manufacturing division. My first big assignment was to devise a plan to boost our aluminum can stock capacity by six times within a single year, from 500 tons to 3,000 tons per month, in order to meet rising demand for aluminum cans used for beer and other beverages. Before creating the plan for that ambitious challenge, I received some advice from my boss. He told me to go to the company's factories to check what was happening, and confirm whether any problems had arisen onsite. Because I followed this advice, I was able to complete the assignment. Looking back on

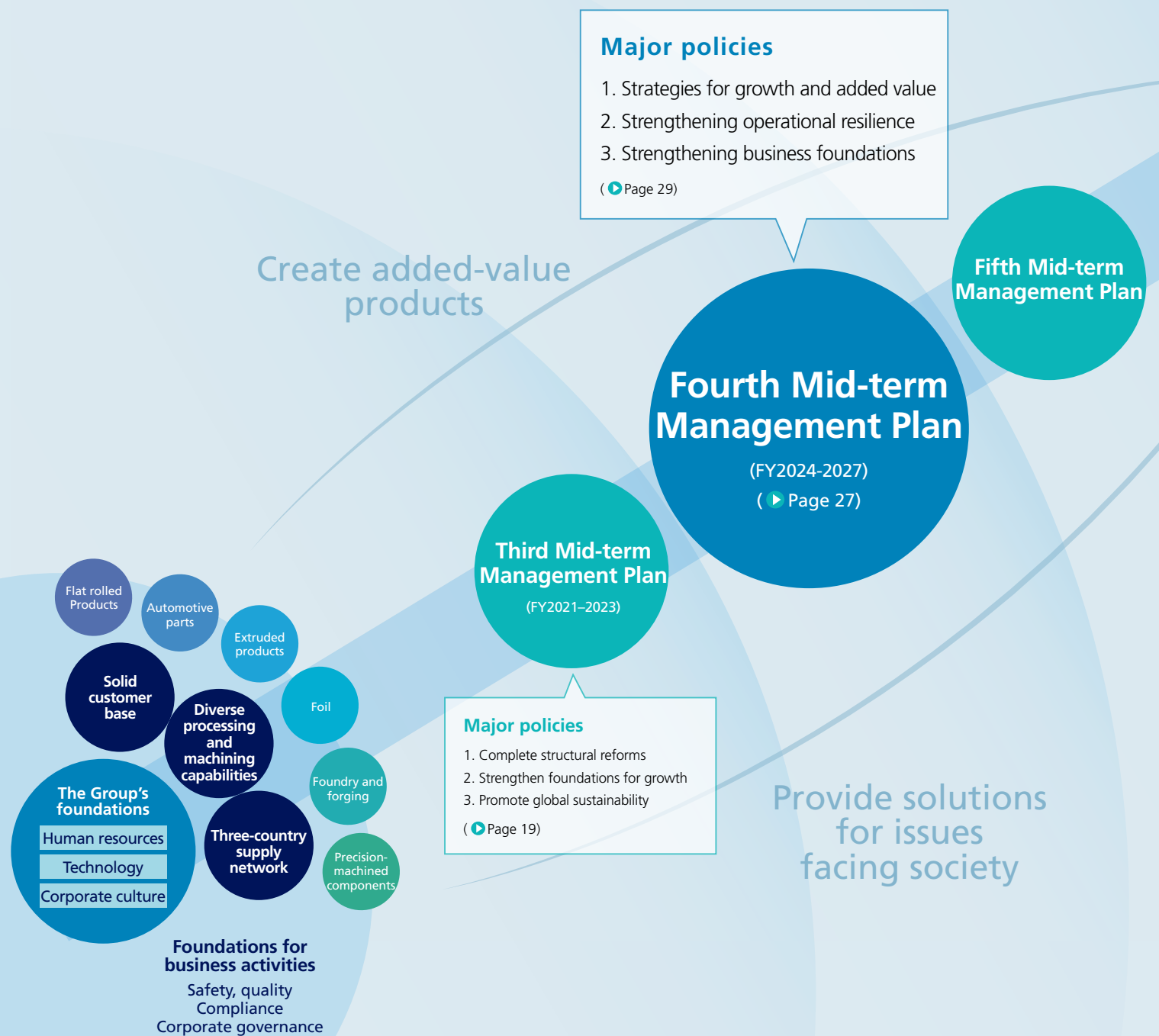
that now, the approach I learned is based on our five basic principles of action: understand how our factories operate, know our products inside and out, recognize how everything actually works, act rationally, and make decisions based on established rules. Because I learned these principles from the start of my career, when unforeseen problems happened later on, I was able to understand what was happening and take appropriate actions in line with the rules we had in place. I am not the only one to have done so, of course, because these principles are deeply ingrained in our corporate culture. Indeed, the principles of acting rationally and following established rules have enabled employees to pass down, develop, and improve the technologies and expertise underpinning the Company's flat rolled aluminum production, which are among its biggest strengths.

In addition to these manufacturing capabilities, a source of the Group's inherent organizational strength is the UACJ Way, a set of guidelines for all employees to follow based on three values: respect and understand your associates, embrace honesty and foresight, and be curious and challenging. Guided by these values, our employees in workplaces around the world are sincerely dealing with customers and taking on the challenge of creating beneficial new products with a future outlook. I am confident that by combining their skills and talents, we will be able to complete the new mid-term management plan and realize our long-term vision.

The UACJ Group is working to maximize the potential of aluminum to create a wide range of beneficial products and expand applications for the metal. In this way, we hope to reduce environmental impacts while helping build a better world and a healthier environment. As the Company's president, I believe my biggest responsibility is to bring us closer to such a future by accomplishing the goals of our mid-term management plan and meeting the expectations of all stakeholders. Accordingly, I will do my utmost to win over the backing of stakeholders by actively engaging in dialogues to explain our current endeavors and plans, while determining what capital market investors expect from the Company. We look forward to their ongoing support of all stakeholders in the future.

Building a better world and healthier environment

The UACJ Group is executing a new mid-term management plan
as the third phase of management's long-term roadmap,
UACJ Vision 2030



Our Vision

Aluminum is our passion. It inspires our work in building a better world and a healthier environment.

Group's long-term roadmap

UACJ VISION 2030

Mastering aluminum to help create a sustainable society

Our four policies

- Provide products that contribute to societal development by capturing demand in growing industries and markets
- Enhance aluminum materials in the supply and value chains to bring economic benefits to communities worldwide
- Develop all-new products and business models that offer solutions for challenges facing society
- Lower environmental impact by reducing CO₂ emissions across product lifecycles

Areas for contribution



Mobility

Contribute to efficient and user-friendly transportation



Lifestyles and healthcare

Provide beneficial products for daily life and work



Environment and energy

Reduce emissions and facilitate recycling

Materiality issues

- Leading a Circular Economy in Aluminum
- Taking measures to address Climate Change
- Supporting Environmental Health and Nature (Nature Positive)
- Respecting Human Rights
- Promoting Dei-ay

Review of the Previous Mid-term Management Plan

Various policy-based reforms led to higher earnings

The UACJ Group positioned its previous mid-term management plan as a platform for achieving its long-term roadmap, UACJ Vision 2030. Under this three-year plan, spanning from fiscal 2021 to 2023 (April 2021 to March 2024), the Group carried out initiatives based on three main policies: to complete structural reforms, strengthen foundations for growth, and promote global sustainability.

The structural reforms were executed between October 2019 and March 2023, with the main objectives of increasing earnings capacity, reforming the financial structure, and strengthening management systems. Specifically, UACJ consolidated its production facilities to optimize its manufacturing network. It also reduced the number of its

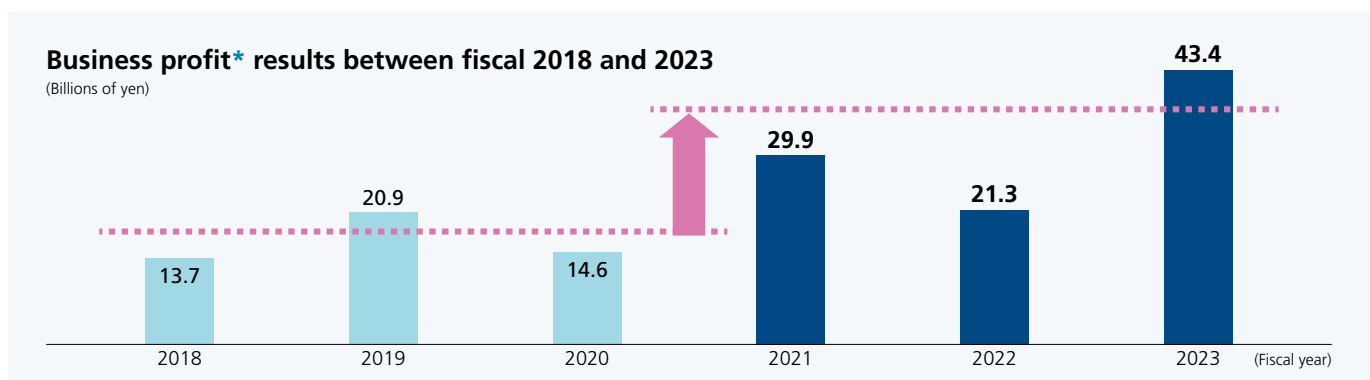
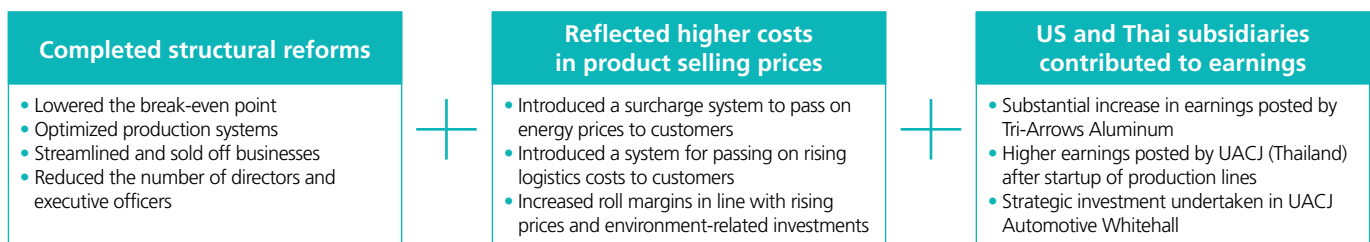
directors and executive officers in order to speed up decision-making and improve operational management. As a result of completing the structural reforms, the Company lowered its break-even point and reduced its debt-to-equity ratio¹ from 1.6 in March 2020 to 1.3 in March 2023. Moreover, the reforms contributed ¥21.0 billion in ordinary income, which was management's initial target.

To strengthen foundations for growth, the Group carried out measures aimed at adding more value to products, focusing on growth markets and industries, creating new businesses, and strengthening business foundations. In the United States, UACJ invested in production facility expansion for can stock and automotive parts in order to boost sales capacity. In Thailand,

Main policies and achievements

Main policies	Major achievements	Assessment
1. Complete structural reforms <ul style="list-style-type: none"> • Increase earnings capacity • Reform the financial structure • Strengthen management systems 	<ul style="list-style-type: none"> • Reforms contributed ¥21.0 billion in ordinary income between fiscal 2019 and 2022 • The break-even point was lowered by 10% between fiscal 2019 and 2022 • Production facilities were consolidated and the manufacturing network was optimized • The debt-to-equity ratio was reduced from 1.6 in March 2020 to 1.3 in March 2023 • The number of directors and executive officers was reduced 	Excellent
2. Strengthen foundations for growth <ul style="list-style-type: none"> • Add more value to products • Focus on growth markets and industries • Create new businesses • Strengthen business foundations 	<ul style="list-style-type: none"> • Investments were implemented to expand production capacity of can stock and automotive parts in the US • Decisions were made to invest in recycling facilities in Japan, the US, and Thailand • Partnerships were formed with customers to create aluminum recycling systems • Key initiatives for raising profitability were expanded 	Good
3. Promote global sustainability <ul style="list-style-type: none"> • Contribute to solving issues related to climate change 	<ul style="list-style-type: none"> • A solid platform for sustainability activities was established • Inter-divisional working groups were set up to more effectively tackle specific environmental issues 	Excellent

Main results of the previous mid-term management plan



* Business profit is operating profit excluding the effect of the metal price lag as well as temporary and extraordinary factors

production facilities that had been expanded through prior investments began operating at full capacity, enabling UACJ (Thailand) to generate substantial earnings. As steps to add more value to its products, UACJ partnered with customers to create aluminum recycling systems and decided to invest in recycling facilities at its production plants in Japan and those operated by UACJ (Thailand) and Tri-Arrows Aluminum. Although new businesses creation fell short of potential, UACJ's subsidiaries in Thailand and the United States greatly contributed to earnings, establishing a stronger foundation for future growth.

To promote global sustainability, the Group made progress with its recycling initiatives and established a solid platform for sustainability activities by redefining its materiality issues in response to changes in the environment. In addition, inter-divisional working groups were set up to more effectively tackle a number of specific environmental issues.

Compared with the time when the mid-term management plan was formulated, the Group's operating environment

changed dramatically as the COVID-19 pandemic brought economic activities to a halt and the conflict in Ukraine caused energy prices to soar. To stabilize its operations, the Group implemented additional structural reforms, through which it introduced systems for passing on rising prices of energy and aluminum alloy additives to customers, and increased roll margins in line with rising prices and environment-related investments.

Thanks to the Group's efforts to steadily execute the mid-term management plan and promptly initiate the additional reforms, financial results exceed targets in the final year of the plan. Only return on equity (ROE) fell short of the target, partially due to inventory valuations.

In addition, the Group carried out measures for achieving its targets for materiality issues during the period of the plan. It made steady progress for each materiality issue and beat targets set for the issues of respect for human rights, diversity and equal opportunity, and human resources development.

¹ The debt-to-equity ratio excludes subordinated loans

Financial targets and results

	Fiscal 2023 mid-term plan targets	Fiscal 2023 results	Fiscal 2030 targets
Net sales	¥700 billion	¥892.8 billion	¥1,100 billion**
Business profit	¥32.7 billion	¥43.4 billion	(No target set)
Net sales to business profit ratio	4.7%	4.9%	6.0%
Debt-to-equity ratio	1.2	1.0	(No target set)
Return on equity	7.5%	5.3%	10.0%
Return on invested capital*	6.0%	7.5%	10.0%

* ROIC is calculated based on business profit before taxes

** The target was revised following a review of market prices of aluminum and international exchange rates

Non-financial indicators, targets, and results

Materiality issues	Performance indicators	Fiscal 2023 targets	Fiscal 2023 results	Fiscal 2030 targets
Response to climate change	Reduction of CO ₂ emissions across the entire supply chain	Reduce Scope 1 and 2 CO ₂ emissions by 17.3% compared with fiscal 2019	10.5% reduction (calculated using location-based data) 18.0% reduction (calculated using national emissions-related data)	<ul style="list-style-type: none"> Reduce Scope 1 and 2 CO₂ emissions by 30% compared with fiscal 2019 Reduce Scope 3 CO₂ emissions across the entire supply chain by recycling as much aluminum as possible in cooperation with various suppliers
Product quality assurance	Number of serious quality defects	Zero	Zero	Zero
	Number of customer complaints due to the fault of materials	10% fewer complaints than in fiscal 2022	4.2% fewer complaints than in fiscal 2022	50% fewer complaints than in fiscal 2020
Occupational health and safety	Number of serious workplace accidents	Zero	1	Zero
	Frequency of workplace accidents resulting in injury or death per million working hours*	0.25	0.17	0.08
Respect for human rights	Goals to be set based on the results of due diligence, and an action plan to be carried out	Execution of due diligence at a minimum of four manufacturing plants (including Fukui Works and factories operated by UACJ (Thailand) and UACJ Extrusion Nagoya Corporation Anjo Works)	Due diligence was executed at six manufacturing plants (including the three targeted plants as well as Nagoya Works and two plants operated by Kamakura Industry Co., Ltd., and UACJ Australia Pty.	Execution of due diligence at all of the Group's main workplaces in and outside Japan
	Percentage of employees and officers that participate in 1) training covering codes of conduct and human rights, and 2) training on harassment	1) 96% 2) 100%	1) 98% 2) 100%	1) 100% 2) 100%
Diversity and equal opportunity	Percentage of women in management positions (including directors and officers) at UACJ and its subsidiaries in Japan	4%	4%	15% (but whenever possible, aim for the 30% target set by the Japanese government)
Human resources development	Percentage of successor candidates appointed to management positions	Extend target to group companies in Japan	100%	100%
	Number of children and young people who participate in educational events held by UACJ as part of its education and sports programs for youth	800	932	1,000

* The frequency is calculated by multiplying the combined number of serious workplace injuries and deaths (regardless of whether operations were suspended) by one million and dividing the resultant amount by the total hours worked in the fiscal year.

Platforms for the next stage of growth put in place over the past decade following UACJ’s establishment

Platform 1

Globally ranked production capacity of 1.4 million tons

After its establishment in 2013, UACJ positioned North America and Asia as growth markets, and carried out a series of large-scale investments in its production facilities in the United States and Thailand, which along with its factories in Japan, have formed a manufacturing network capable of supplying products globally. At present, the UACJ Group’s annual production capacity of rolled aluminum products is about 1.4 million tons, the third highest in the world. Sales posted by subsidiaries outside Japan have been growing and currently account for over half of consolidated net sales, demonstrating how UACJ has evolved from a Japan-based business to a global enterprise over just a decade since its establishment.

Global ranking of annual rolled aluminum production capacity (as of March 31, 2023)

1	Largest producer	3.9 million tons
2	Second largest producer	1.6 million tons
3	The UACJ Group	1.4 million tons
3	Fourth largest producer	1.4 million tons
5	Fifth largest producer	1.3 million tons

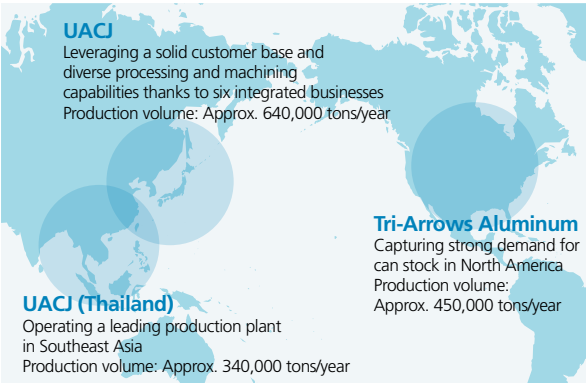
Source: Research by UACJ

Business scale

Platform 2

A manufacturing network capable of meeting global demand

Demand for aluminum products has been growing internationally amid efforts to build a more sustainable planet, and the UACJ Group has been meeting this demand by making the most of its world-leading production capacity. In Japan, UACJ has established a solid base of customers and responds to their needs by applying a wide range of processing and machining capabilities. In Thailand, UACJ (Thailand) manufactures aluminum can stock primarily for markets in Asia and Oceania, while also supplying air conditioner compressor fins and automotive heat exchanger materials. In the United States, Tri-Arrows Aluminum has been leveraging its annual production capacity of 450 thousand tons to meet rising demand for aluminum cans as consumers shift away from plastics.



Platform 3

A wide range of processing and machining capabilities that add value to products

Thanks to its establishment through the merger of two of Japan's leading aluminum product manufacturers, UACJ has a broad array of processing and machining capabilities that are unique in the industry. Following its acquisition of UACJ Automotive Whitehall Industries, UACJ acquired an array of technologies for fabricating automotive parts, further widening and refining its capabilities. The UACJ Group devises solutions that add value to products by integrating all of these technologies and capabilities, and has recently combined them with creative ideas to cultivate new businesses. It has also created products and services that solve various issues facing people today, such as aluminum cans for mineral water supplied during disasters, and entranceway flood barriers made from extruded aluminum materials.



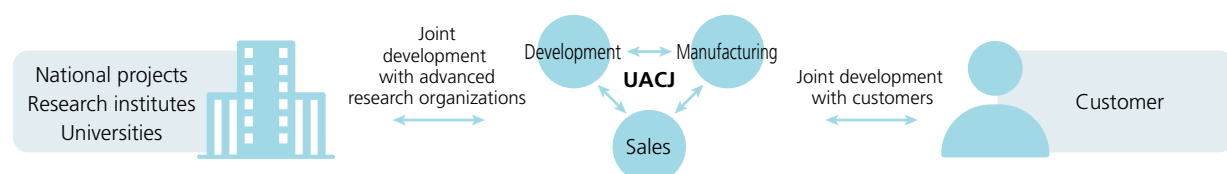
Synergies

Platform 4

A business model for co-creating new products with customers

UACJ develops products beyond the borders of its own operations by co-creating with customers and participating in national projects in Japan. Having built close relationships with customers, the Company's sales departments work in close collaboration with manufacturing and R&D departments to develop and supply products that meet customers' specific needs. To provide a place for employees and customers to explore new possibilities for aluminum,

the Company set up its U-AI Laboratory in 2019 as a hands-on exhibition space inside its R&D Center. Furthermore, as part of its efforts to develop aluminum products with added value, UACJ pursues research on methods for recycling various aluminum products, and develops innovative aluminum materials in collaboration with universities and Japan's New Energy and Industrial Technology Development Organization.



Platform 5

Rising expectations for aluminum
to provide solutions for environmental issues

In recent years, awareness of the need to reduce environmental impacts has been growing among businesses and consumers. Against that backdrop, more and more people are recognizing how environmental impacts can be lowered by recycling aluminum and using it in products as an alternative to other materials such as steel and plastic. For example, the adoption of aluminum for automotive parts can reduce the weight of automobiles, which improves fuel efficiency and, as a result, lowers CO₂ emissions. Moreover, compared to the smelting of virgin aluminum, recycling aluminum consumes only about 3% of the energy and emits just 3% of the greenhouse gases. Given such benefits, aluminum is increasingly expected to provide solutions for environmental issues.



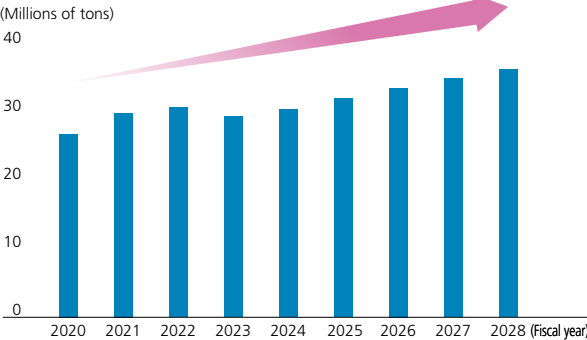
Market demand

Platform 6

Growing demand for aluminum products

Demand for aluminum products is expected to increase worldwide amid rising expectations for the metal to help reduce environmental impacts. During the period of the UACJ Group's mid-term management plan between 2024 and 2027, demand for aluminum sheets for automotive applications, which the Group regards as a growth market, is projected to grow by 7% annually, and demand for can stock is projected to increase by 5% annually. Both products are supplied by the Group's mainstay Flat Rolled Products business. The demand for automotive sheet reflects rising living standards, while demand for beverage cans is driven by population growth. In Japan, even though the population is declining, demand is projected to grow as aluminum applications increase and the metal becomes more widely adopted.

Global demand forecast for rolled
aluminum products



Source: 2024 Aluminum Rolled Products Market Outlook Report, published in February 2024 by CRU International Ltd.

Platform 7

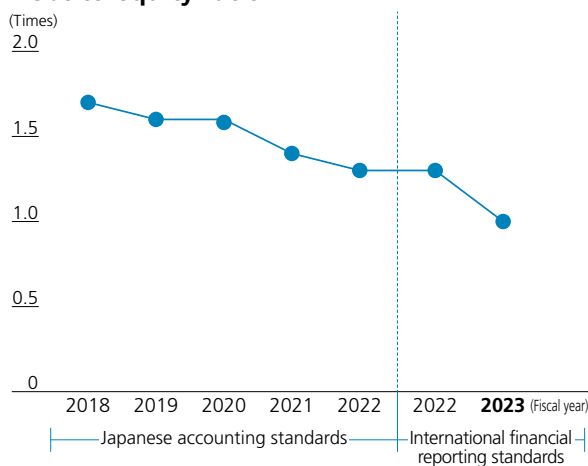
Growth investments underpinned by an improved financial structure

UACJ succeeded in strengthening its financial structure by completing a series of structural reforms initiated in October 2019 and its third mid-term management plan starting from fiscal 2021. In fiscal 2023, the plan's final year, the Company posted ¥43.4 billion in business profit and ¥79.8 billion in adjusted EBITDA*. As of March 31, 2024, the Company's debt-to-equity ratio** stood at 1.0, down from 1.6 as of March 31, 2021, reflecting growth in shareholders' equity. Having placed top priority on improving its financial structure during those years, UACJ is now firmly positioned for growth. Accordingly, it plans to allocate funds for growth investments while maintaining financial discipline.

* Adjusted EBITDA is EBITDA excluding the effect of the metal price lag

** The debt-to-equity ratio excludes subordinated loans

Debt-to-equity ratio



Note: Years are as of March 31

A solid foundation

Platform 8

Highly united organizations with a widespread understanding of UACJ's corporate philosophy

As part of its structural reforms, the UACJ Group took steps to reform its corporate culture. This involved renewing its corporate philosophy following discussions with employees about the Group's purpose and what it should strive for in the future. Many employees also participated in meetings with management aimed at raising awareness of the philosophy and enhancing employee engagement. Furthermore, the Group promoted a set of guidelines for all employees to follow called the UACJ Way, which includes three values: respect and understand your associates, embrace honesty and foresight, and be curious and challenging. As a result of these efforts, employees throughout the Group have embraced these values and are highly aware of the corporate philosophy and guidelines.

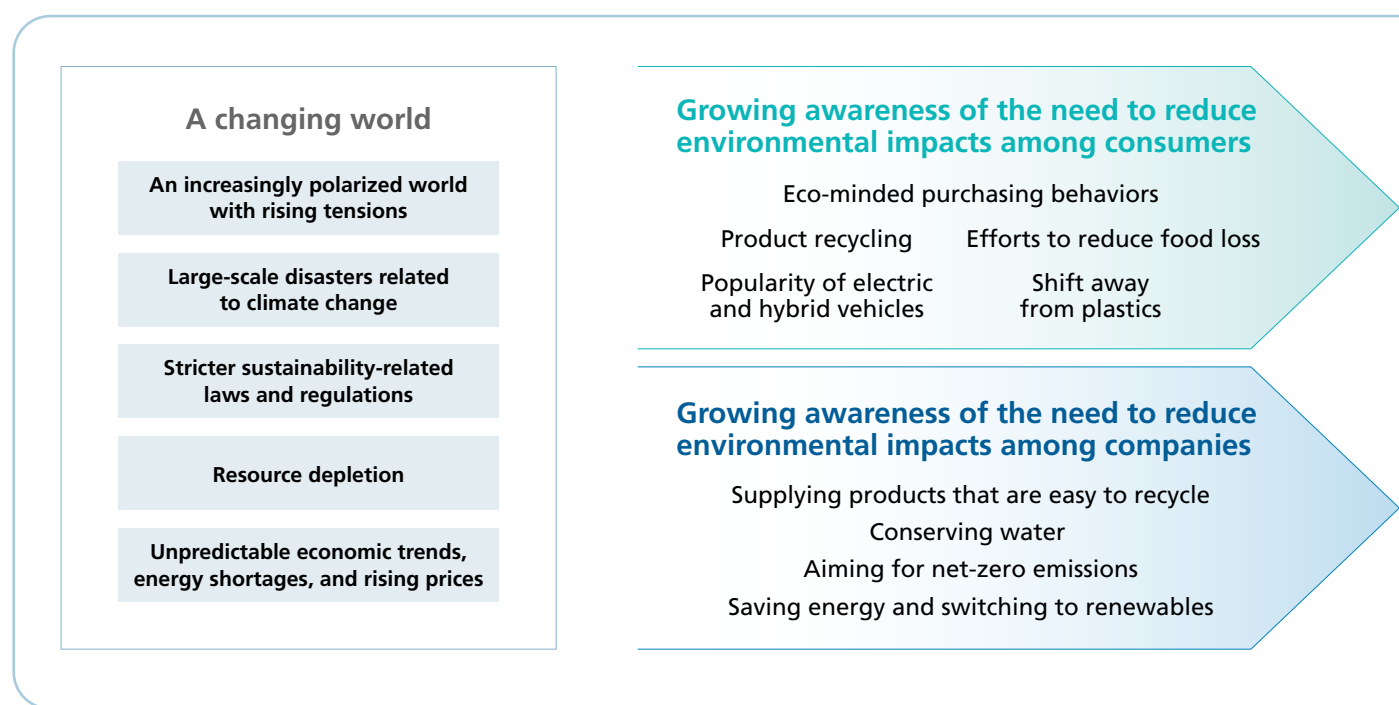


Business opportunities are increasing amid growing awareness of the need to reduce environmental impacts

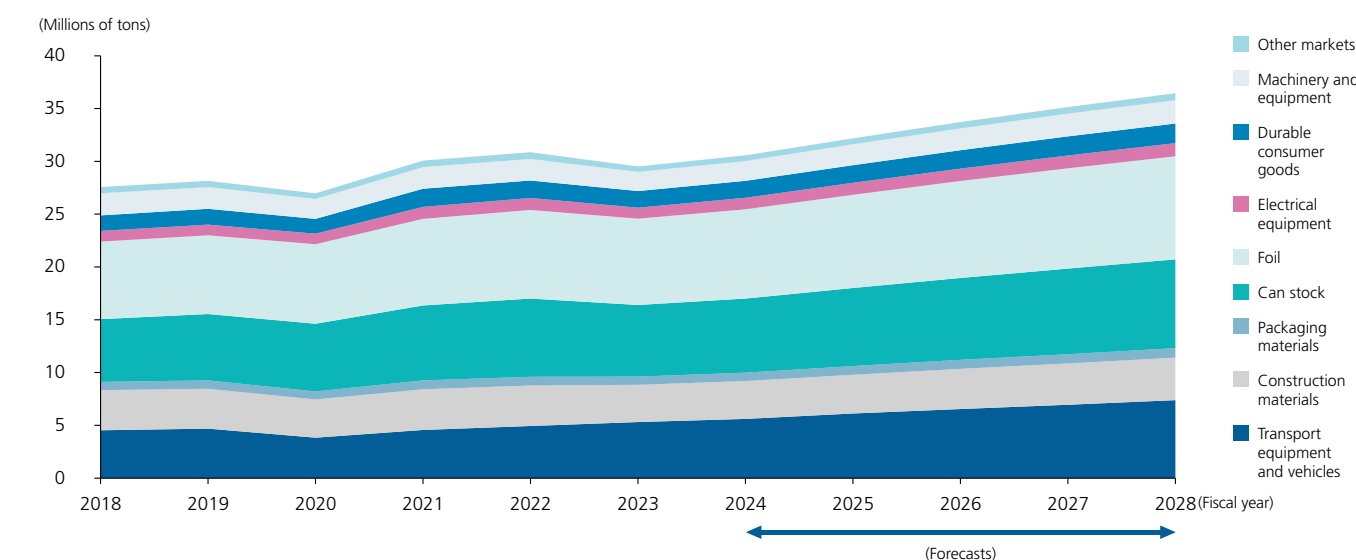
The world is changing every day. International relations have become polarized, conflicts have broken out in various regions, including the war in Ukraine, and economic trends are difficult to predict. Despite these changes, however, the movement to reduce environmental impacts is certain. Laws and regulations related to sustainability are becoming stricter around the world in response to climate change, energy shortages, and resource depletion, and consumers and business leaders are increasingly aware of the need to lower impacts on the environment. People are taking actions to do this, like recycling, purchasing eco-friendly products, and cutting

down on food loss. Companies are also stepping up efforts to solve environmental issues, such as by reducing their carbon emissions to net zero, and supplying products that are easy to recycle.

This growing awareness of the need to reduce environmental impacts is creating more and more business opportunities for the UACJ Group. Indeed, these impacts can be reduced by using aluminum as a product material instead of materials like steel and plastic. Global demand for aluminum is projected to grow by 3% annually. Demand for aluminum can stock, the Group's mainstay product, is expected to increase substantially as consumers in



Global production output and forecast of aluminum rolled products by market



Source: 2024 Aluminum Rolled Products Market Outlook Report, published in February 2024 by CRU International Ltd.

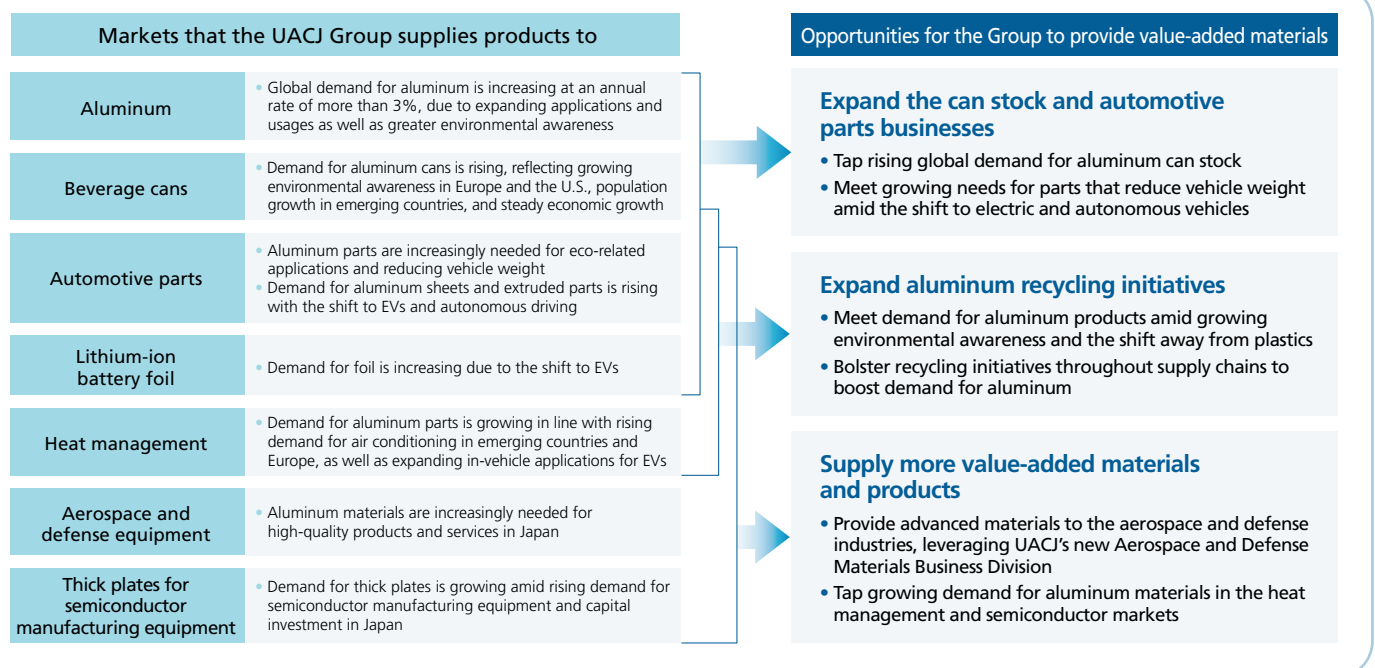
See our website for more Risk Management
<https://www.uacj.co.jp/english/ir/policy/risk.htm>



Europe and the United States shift away from plastic to aluminum beverage cans. Likewise, demand for aluminum automotive parts, also the Group's mainstay products, is expected to grow markedly as EVs become more popular and automakers work to reduce vehicle weight to meet stricter fuel efficiency regulations. Furthermore, the Group anticipates rising demand for its air conditioner compressor fins as global warming drives up demand for air conditioning. Demand for its thick plates for semiconductor manufacturing equipment is also expected to rise, especially as Japan steps up capital investment to reboot its domestic

semiconductor industry in response to geopolitical risks.

To seize opportunities for growth amid such favorable market trends, the UACJ Group has formulated a set of strategies under its new mid-term management plan, specifically to expand its mainstay can stock and automotive parts businesses, help build a circular economy for aluminum, and supply materials and products with added value. Based on these strategies, the Group will leverage this added value to provide unique solutions for environmental issues while pursuing business growth.



Spotlight

The benefits of recycling aluminum for today's decarbonization initiatives

Mass production and mass consumption since the industrial revolution are recognized as major causes of climate change. Today, significant steps are being taken to decarbonize in an effort to reverse this trend. For example, the European Union will put into effect the EU Carbon Border Adjustment Mechanism, a carbon tariff on carbon intensive products, from 2026, and other countries are also expected to adopt it.

Despite these trends, many companies tend to regard decarbonization initiatives as a burden on their operations because they can result in higher costs. UACJ, however,

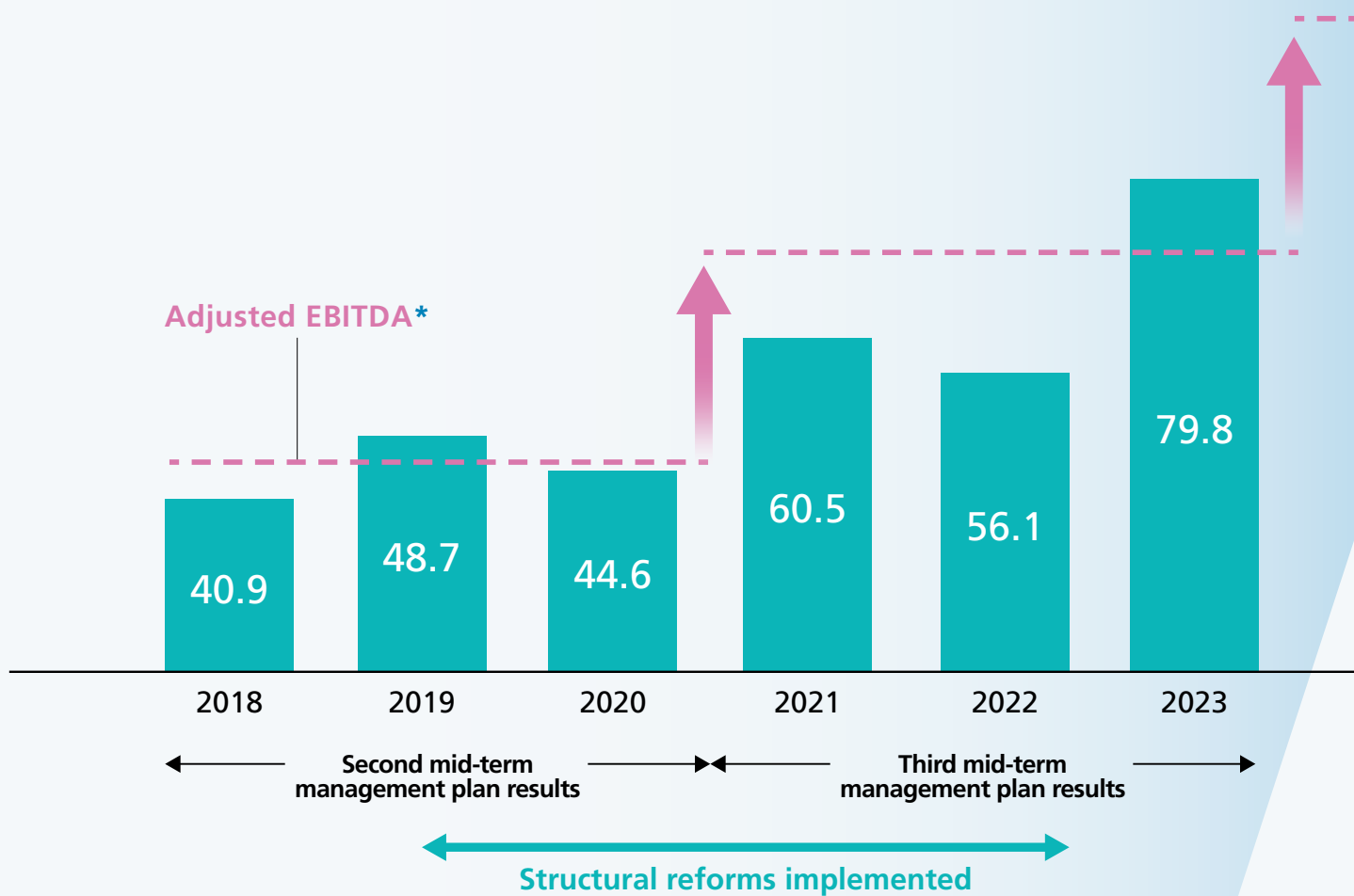
recognizes that these higher costs are outweighed by the new business opportunities resulting from decarbonization initiatives. This is because the adoption of aluminum as a product material can contribute to decarbonization. Recycling aluminum is especially effective, because it emits only around 3% of the greenhouse gases emitted by the smelting of virgin aluminum. Building on its track record of recycling, the UACJ Group intends to spearhead efforts to build a circular economy for aluminum going forward. In this way, the Group will aim to create unique value while helping the world decarbonize.

New Mid-term Management Plan

Value, Connect, and Lightens the World

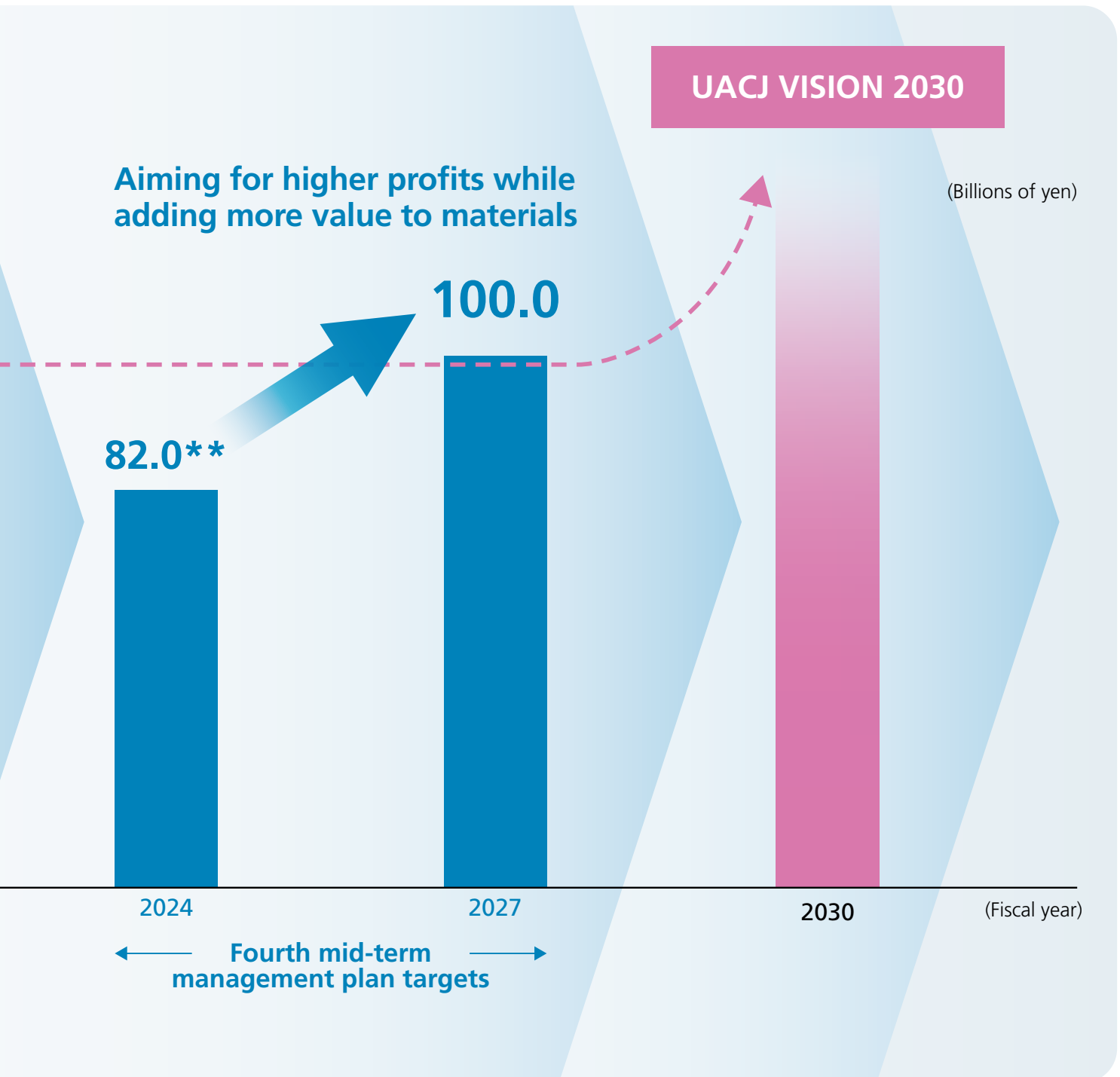
Aiming to supply aluminum materials with even more added value than before

The UACJ Group's new mid-term management plan—the fourth since its establishment—aims to continue the earnings growth achieved in the third plan and bring the Group closer to realizing its long-term roadmap, Vision 2030. By backcasting from this vision, the Group positioned the period of the new plan as the second of three phases up to 2030.



* EBITDA excluding the effect of the metal price lag

** The targets were revised in August 2024



Key Policies of the New Mid-term Management Plan

Aiming to supply aluminum materials with even more added value than before

The UACJ Group is aiming to supply aluminum materials with even more added value than before under its new mid-term management plan. Toward that end, the Group has specified three key policies during the period of the plan. The first is to execute growth and added value strategies designed to maximize revenues and raise profitability, specifically by promoting recycling, expanding fabricated materials businesses, contributing to supply chain stability in advanced fields, and creating and growing new businesses. Second, the Group will improve its operational resilience by streamlining and strengthening its operations, which will involve flexibly addressing changes in the operating environment and increasing the asset turnover ratio. Third, the Group will strengthen foundations for creating value and maintaining stable operations by developing human capital and enhancing the value of its brands and other intangible assets.

By fiscal 2027, the final year of the plan, the Group is

targeting ¥1,050 billion in net sales, ¥60 billion in business profit¹, and ¥100 billion in adjusted EBITDA². It also aims to increase return on equity (ROE) and return on invested capital (ROIC)³ to 9%, respectively, and keep the debt-to-equity⁴ ratio below 1.0.

The main themes of the new plan are to create earnings, build partnerships, and promote the environmental benefits of aluminum. Recognizing that all employees must work together to carry out the plan and achieve its objectives, UACJ President Shinji Tanaka has led town hall style meetings in various workplaces to explain the plan's underlying ideas, specific policies, and goals. In the meetings, participants also discussed how workplaces can execute the plan's growth strategies and achieve its targets.

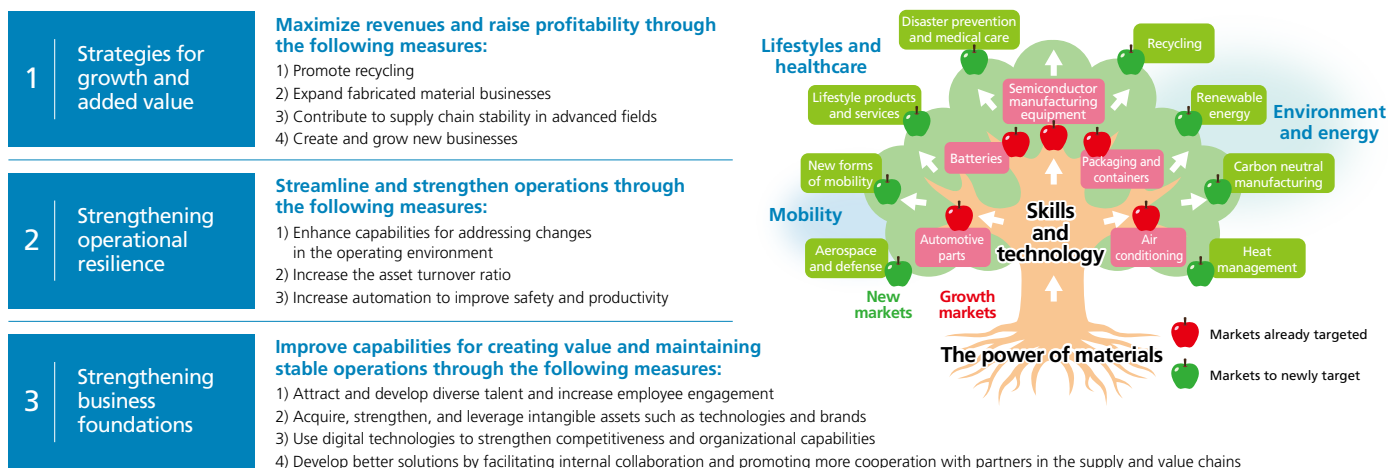
¹ Business profit is operating profit excluding the effect of the metal price lag as well as other temporary and extraordinary factors

² Adjusted EBITDA is EBITDA excluding the effect of the metal price lag

³ ROIC is calculated based on business profit before taxes

⁴ The debt-to-equity ratio excludes subordinated loans

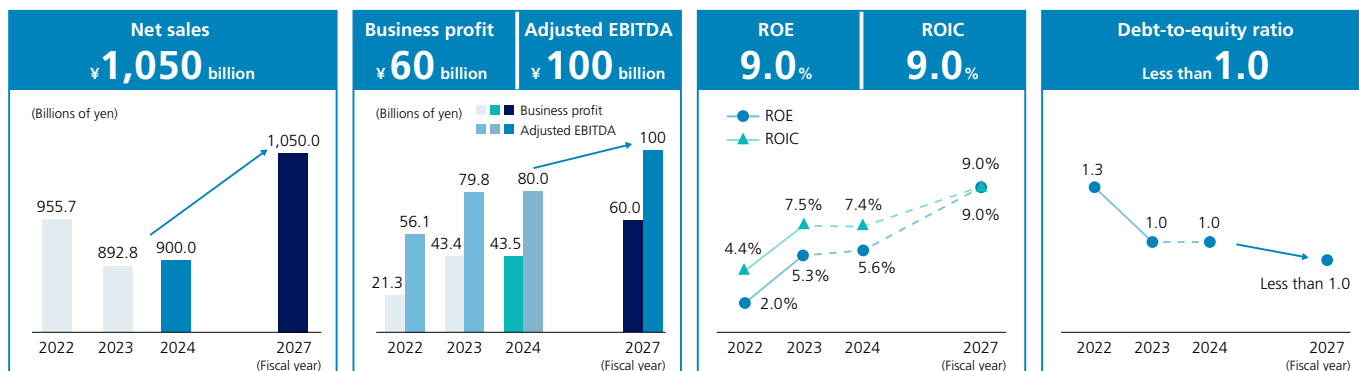
Key Policies of the new mid-term management plan



Uphold UACJ's principles of conduct

Conduct business in accordance with the UACJ Way
Promote health, safety, quality, compliance, and governance

Financial targets by the final year of the mid-term management plan



Objectives of the new mid-term management plan

Objective 1

Execute growth and added value strategies

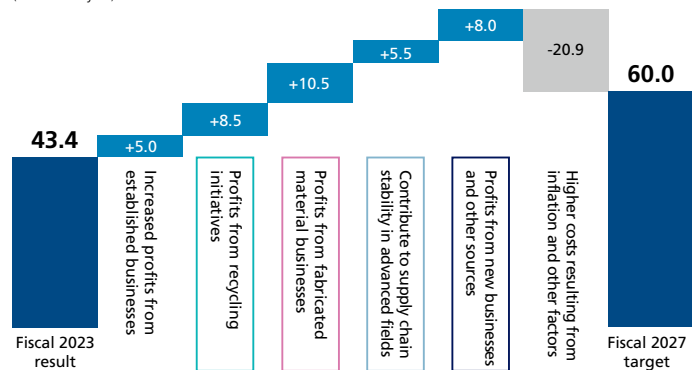
UACJ is aiming to increase business profit from ¥43.4 billion posted in fiscal 2023 to ¥60.0 billion by fiscal 2027, the final year of its new mid-term management plan. In addition to profit growth in established businesses, profits

from four sources of added value specified in growth and added value strategies are expected to help boost profits during the period of the plan.

Added-value strategy	Initiatives for adding value during the new plan	Focus
	1 Promote recycling	Recycling can stock and other products
	2 Expand fabricated material businesses	Automotive parts Air conditioning Heat management
	3 Contribute to supply chain stability in advanced fields	Battery materials Thick plates for semiconductor manufacturing equipment Products for the aerospace and defense industries
	4 Create and grow new businesses	Mobility Lifestyle and healthcare Environment and energy

Breakdown of factors underlying the targeted growth in business profit

(Billions of yen)



Objective 2

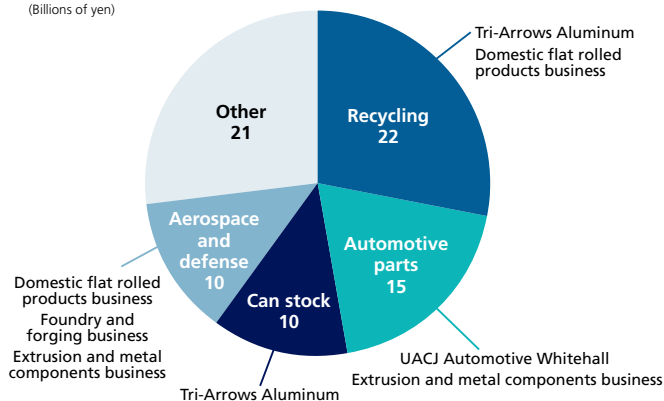
Prioritize investments in high-growth businesses

By limiting investments during the period of its previous mid-term management plan, UACJ improved its financial position, bringing the debt-to-equity ratio down to around 1.0. Under the current mid-term management plan, however, the Company will carry out investments

with a priority on high-growth businesses. During this plan, UACJ will aim for ¥100 billion in adjusted EBITDA by fiscal 2027, and has earmarked ¥78.0 billion for growth investments, which it expects to contribute to earnings during the period of its next mid-term management plan.

Breakdown of growth investment targets

(Billions of yen)



Business	Market	Investment allocation policies under the new plan
Flat rolled products business (Japan)	Recycling Aerospace and defense	Invest in recycling and other value-added areas Invest in businesses supplying products to the aerospace and defense industries
Flat rolled products business (United States)	Recycling Can stock	Prioritize growth investment
Flat rolled products business (Thailand)	Recycling	Improve productivity to increase profitability (without boosting production capacity)
Automotive parts business (United States)	Automotive parts	Prioritize growth investment
Foundry and forging business	Aerospace and defense	Prioritize growth investment in businesses supplying products to the aerospace and defense industries
Extrusion and metal components business	Automotive parts Aerospace and defense Other	Prioritize growth investment in businesses supplying products to the aerospace and defense industries Focus on key areas without making major investments in other areas

Added-value strategy 1

Promote recycling

Toward a transformative business model covering the entire supply chain

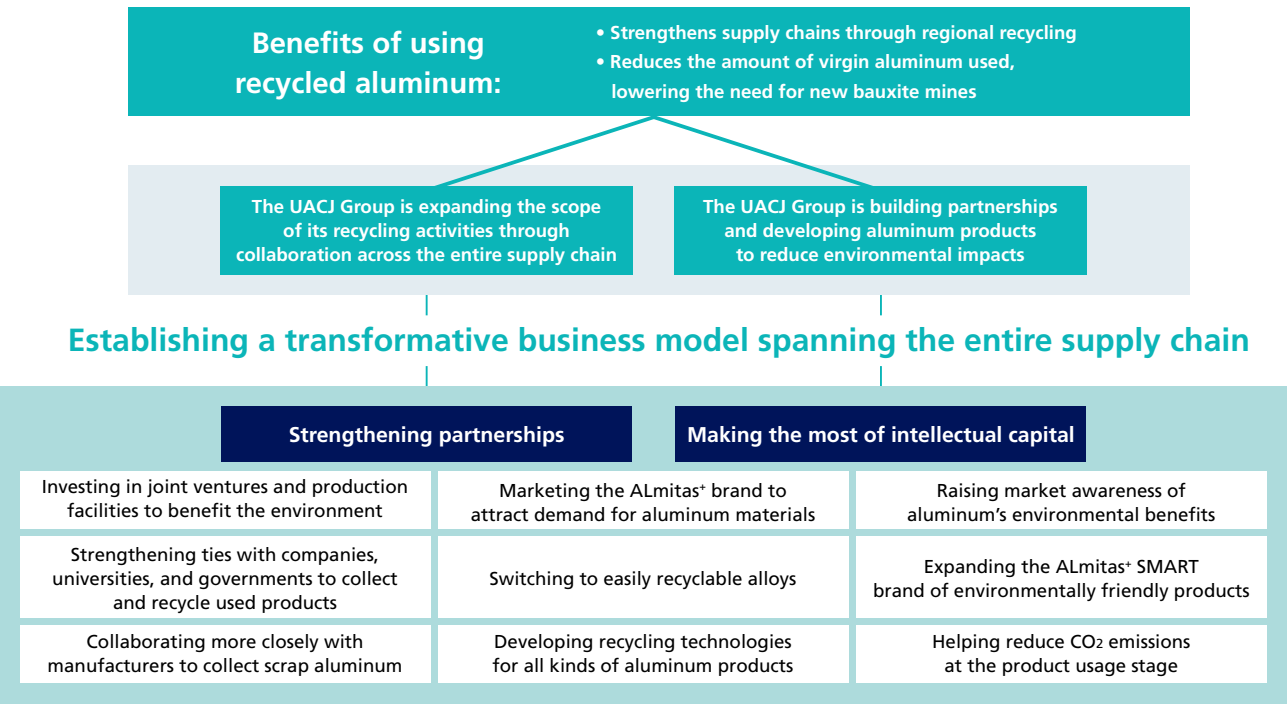
The UACJ Group has been promoting recycling with a vision to be at the heart of a circular economy for aluminum, and has spearheaded efforts to recycle aluminum beverage can stock, its mainstay product. To build a circular economy, the Group recognizes the need to further expand can stock recycling and facilitate the recycling of the many other aluminum products on the market today. Adopting aluminum recycling systems throughout the supply chain and expanding recycling initiatives across Japan and southeast Asia will also be important keys for success.

Indeed, recycling more aluminum regionally can minimize dependance on imports of virgin aluminum, which are influenced by geopolitical risks, thereby ensuring stable supplies of the metal. This will contribute to greater business stability, not only for the Group but also for its customers and other businesses in the upstream supply chain. Moreover, the use of recycled aluminum helps lower greenhouse gas emissions throughout the product lifecycle,

and reduces the need to develop new bauxite mines for the production of virgin aluminum.

Because aluminum recycling contributes in these ways, recycling initiatives can create immense value for regions and for the UACJ Group. Accordingly, the Group regards its own aluminum recycling efforts as critically important. For this reason, it is making the most of its intellectual capital to develop recycling technologies while strategically investing in recycling equipment. At the same time, the Group is strengthening ties and collaborating with suppliers and partners to create recycling systems with a view to establishing a transformative business model spanning the entire supply chain.

The Group envisions a recycling-based business model with two key objectives. First, it will increase the amount of industrial scrap entering the recycling loop. Traditionally, large amounts of virgin aluminum have entered the aluminum recycling loop, while comparatively smaller





amounts of industrial scrap aluminum and recyclable materials from used products were fed back into the loop. Indeed, much of the scrap aluminum remaining after product manufacturing was not recycled into wrought aluminum, but was used for other purposes outside the recycling loop. In contrast, the UACJ Group intends to minimize the amount of scrap leaving the loop and the amount of virgin aluminum entering the loop in order to maximize the recycling process. Second, the Group will work to expand the scale of the recycling loop by increasing the overall amount of aluminum for recycling and the types of products from which the aluminum is obtained. In this way, the recycling process will contribute even more to reducing environmental impacts.

To measure its own progress, the UACJ Group calculates its recycling rate. This rate indicates the ratio of aluminum it melts down from sources other than virgin aluminum, specifically used and scrap aluminum. The recycling rate was

65% as of March 31, 2020, and the Group is aiming to raise the rate to 80% by the end of fiscal 2030.

Method of calculating UACJ's recycling rate

Used and scrap aluminum
melted down in furnaces

All aluminum melted down
in furnaces

×100

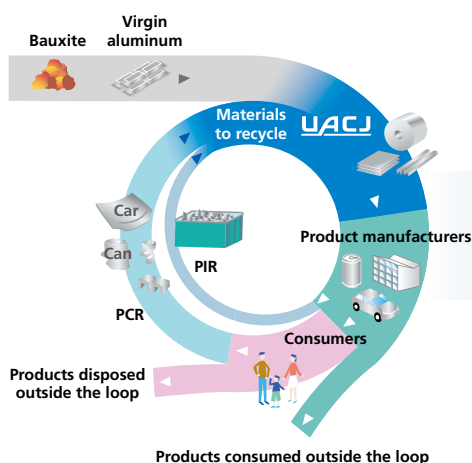
Used and scrap aluminum
is comprised of the following:

- Aluminum from used products
- Industrial scrap aluminum
- Scrap aluminum from in-house manufacturing

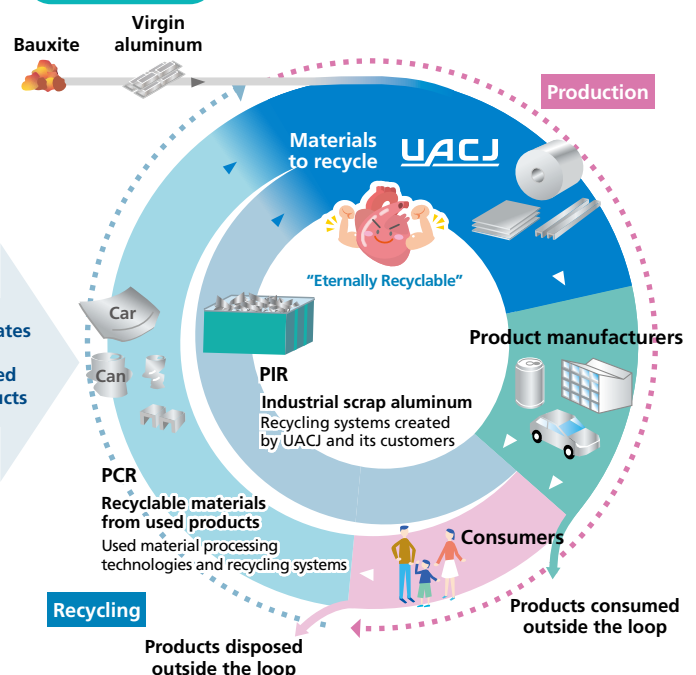
All aluminum melted down
in furnaces is comprised of the
following:

- Virgin aluminum and aluminum alloy additives
- Aluminum from used products
- Industrial scrap aluminum
- Scrap aluminum from in-house manufacturing

Current loop



Vision



Added-value strategy 1 Promote recycling

Close-up

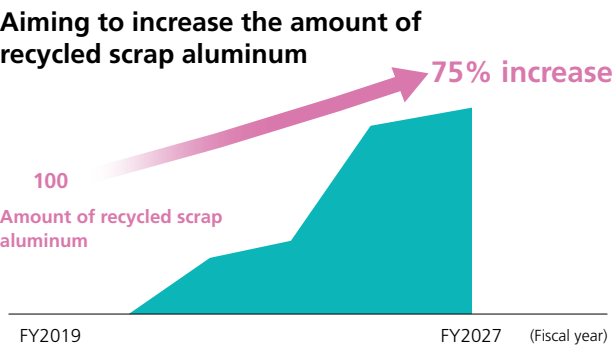
Establishing closed-loop recycling systems for aluminum cans

While recycling systems for aluminum beverage cans are more advanced than for other types of products, the UACJ Group has launched initiatives to make even more progress by enabling closed-loop recycling, which means recycling the same types of products. If this is achieved and all cans are recycled, virgin aluminum will no longer be needed to produce can stock, thereby eliminating the large quantities of greenhouse gas emissions from the smelting process.

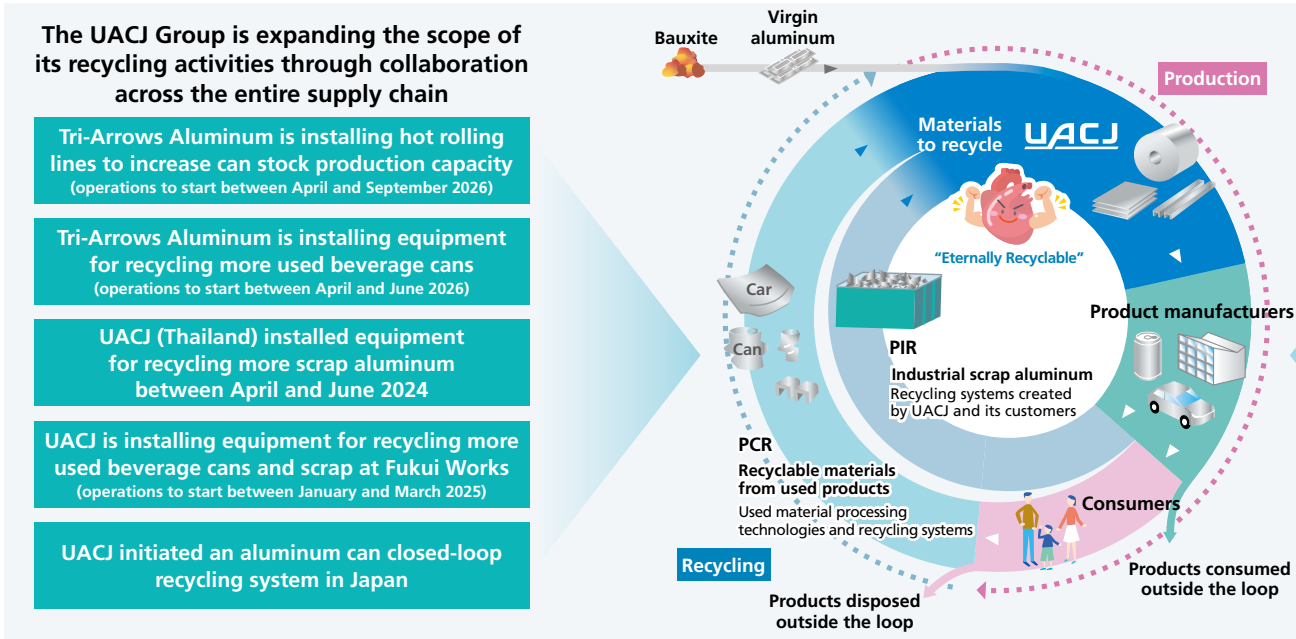
Toward this end, the Group is carrying out projects and initiatives at both the production and recycling stages. At the production stage, UACJ has teamed up with one of Japan's leading beverage producers to manufacture beer cans made entirely of recycled aluminum. In Thailand, UACJ (Thailand) has strengthened ties with a major can manufacturing group and is raising consumer awareness of the importance of recycling in a project called Can to Can Journey. Looking ahead, the Group will sell products under its own new brand, ALmitas+ Smart Mass Balance, which have been certified by a third-party for their contribution to reducing Scope 3 greenhouse gas emissions. UACJ's EcoEnd™ brand of beverage can lids are also set for mass production, which will

emit around 40% less greenhouse gases than the production of conventional can lids (see Spotlight on page 34). At the recycling stage, Tri-Arrows Aluminum has raised its recycling capacity of used beverage cans, and UACJ (Thailand) has increased its scrap aluminum recycling capacity. UACJ also plans to install new equipment for recycling used beverage cans and scrap at Fukui Works, and operate a closed-loop recycling system for aluminum beverage cans through a business partnership (see Spotlight on page 34).

By carrying out all of these initiatives, the Group



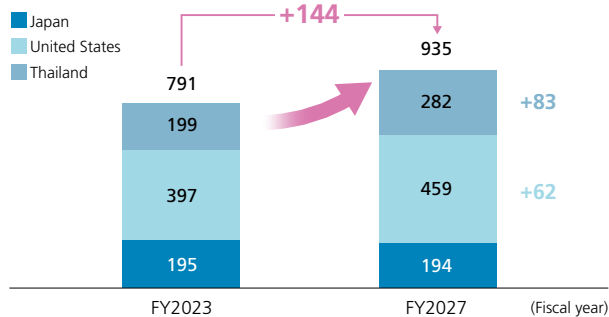
Building closed-loop recycling systems for aluminum cans



intends to increase the total amount of aluminum it recycles, and has set a fiscal 2027 target of raising this amount by 75% compared with in fiscal 2019. By bringing more scrap and used aluminum into its recycling process, the Group will increase the overall amount of aluminum it uses to manufacture products. Accordingly, it will aim to boost sales volume of can stock from 791 thousand tons in fiscal 2023 to 935 thousand tons by fiscal 2027.

Aiming to boost sales volume of can stock by recycling more aluminum

(Thousands of tons)



The UACJ Group is building partnerships and developing aluminum products to reduce environmental impacts

UACJ is releasing products under its ALmitas+ SMART Mass Balance brand in Japan

UACJ developed beverage can lids under the EcoEnd brand in Japan

UACJ (Thailand) has built ties with a leading can manufacturing group in Thailand

UACJ (Thailand) is participating in a recycling awareness campaign called Can to Can Journey in Thailand

UACJ will jointly produce beer cans made entirely of recycled aluminum in Japan

Spotlight

Establishing a next-generation beverage can lid production system that emits 40% less greenhouse gas

UACJ and Toyo Seikan Group Holdings, Ltd., completed their joint development of the EcoEnd™ brand of next-generation beverage can lids in December 2023, and set up a manufacturing system for the product in July 2024. The production system will emit around 40% less greenhouse gases than the production of conventional can lids. This would amount to an annual reduction of about 140 thousand tons* of greenhouse gas emissions if Toyo Seikan replaces all lids of the beverage cans it sells in Japan with the EcoEnd™ lids.

* The reduction is calculated based on the amounts of greenhouse gas emissions resulting from the production of EcoEnd™ lids (per lid) compared with the production of Toyo Seikan's stay-on tabs in fiscal 2019.



Launching a closed-loop recycling system starting from office buildings in Tokyo

UACJ will begin building a supply chain for an aluminum can closed-loop recycling system in Tokyo in partnership with Sumitomo Realty & Development Co., Ltd., and Toyo Seikan Group Holdings, Ltd. Used beverage cans will be collected at office buildings owned by Sumitomo Realty & Development and then recycled into aluminum beverage cups and cans. Through this initiative, the companies also aim to raise wider awareness of recycling among the building occupants.



Added-value strategy 2

Expand fabricated material businesses

Building a model for adding value to products by combining diverse capabilities to launch fabricated material businesses

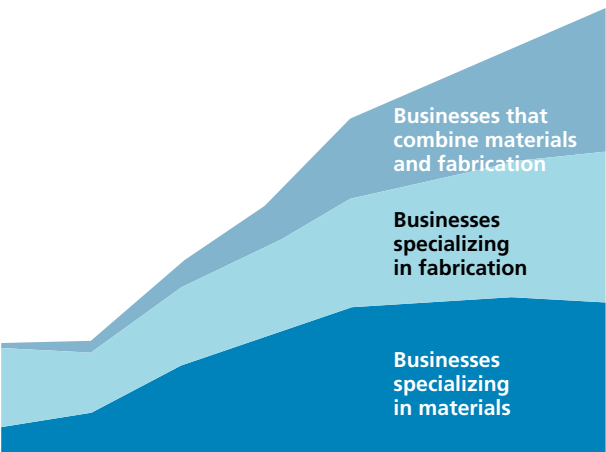
The UACJ Group's diverse processing capabilities are an unmatched competitive advantage in the flat-rolled aluminum industry, and by leveraging these capabilities, the Group is pursuing a unique strategy of expanding its fabricated material businesses. For aluminum to be more widely adopted in society, it must be processed and fabricated for specific applications. The Group intends to proactively broaden such applications because the metal can provide a means to help reduce greenhouse gas emissions across a product's entire lifecycle. By applying its diverse processing techniques to form aluminum products into shapes that are optimal for customers, the Group can contribute to increasing the overall amount of aluminum used. Moreover, these techniques can be applied to provide more value to customers. The Group is already doing so in its automotive parts business, and is working to extend this approach to other aluminum parts businesses targeting the air conditioning and heat management markets.

UACJ's US-based subsidiary in the automotive parts

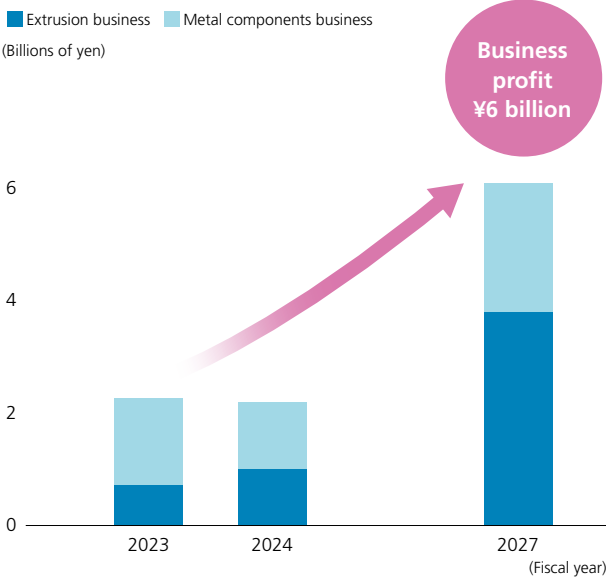
business, UACJ Automotive Whitehall, is making the most of the Group's expertise, from material design through to processing, and is aiming to increase its sales by an average annual rate of 6.5% between fiscal 2023 and fiscal 2027. During the same period, the Group expects to boost sales of products for the heat management market by an average annual rate of 4.2%, by tapping growing demand in air conditioning markets in emerging countries and heat pump markets in Europe, and by mass producing pin fans for power semiconductor cooling systems used in EVs.

This strategy of expanding fabricated material businesses draws on the Group's existing strengths, so it intends to quickly establish a business model for adding value to these materials during the period of its new mid-term management plan. As a major step in this direction, UACJ integrated its former extrusion business and precision-machined components business, and centralized their operations in the Extrusion and Metal Components Division in January 2024, with a view to enhancing its ability

Envisioned expansion of the extrusion and metal components business



Business profit target by the final year of the mid-term management plan





to devise new solutions for customers by leveraging the Group's collective capabilities, particularly each business's related expertise and the synergies between them. By combining fabrication businesses that understand materials with material businesses that understand fabrication, the Group can add value in its own unique ways. While working to expand both its material businesses and fabrication businesses that already have a market presence, the Group

will also aim to expand businesses that integrate materials and fabrication. Specifically, it will work to increase the scale of these businesses by around 1.5 times between fiscal 2023 and fiscal 2027, the final year of the new mid-term management plan. Accordingly, the Extrusion and Metal components Division will work to beat its business profit target of ¥6.0 billion by fiscal 2027.

An exemplary product

The extrusion business and metal components business collaborated to supply train station platform door frames that benefit customers and increase earnings

The UACJ Group's fabricated material businesses have developed several products with high added value, raising expectations for the growth of these businesses going forward. Among these products, aluminum frames for train station platform doors have been installed at train stations in recent years. These frames are made of extruded aluminum, but processes such as folding and bending are also needed to make the finished product.

In the past, orders for such door frame materials and the bending had to be handled separately because the Group's extrusion and metal components businesses had operated independently. To avoid missing out on business opportunities, the two businesses worked together to set up a production system that integrates the extrusion and bending work, and to propose new products to customers. As a result, customers benefited by receiving fully finished products, and brisk orders for the products boosted UACJ's

earnings. Looking ahead, the Group will work to raise profitability and quickly establish new fabricated material businesses by leveraging its diverse processing capabilities.





Added-value strategy 3

Contribute to supply chain stability in advanced fields

Helping build a supply chain for the aerospace and defense industries by supplying added-value products and services

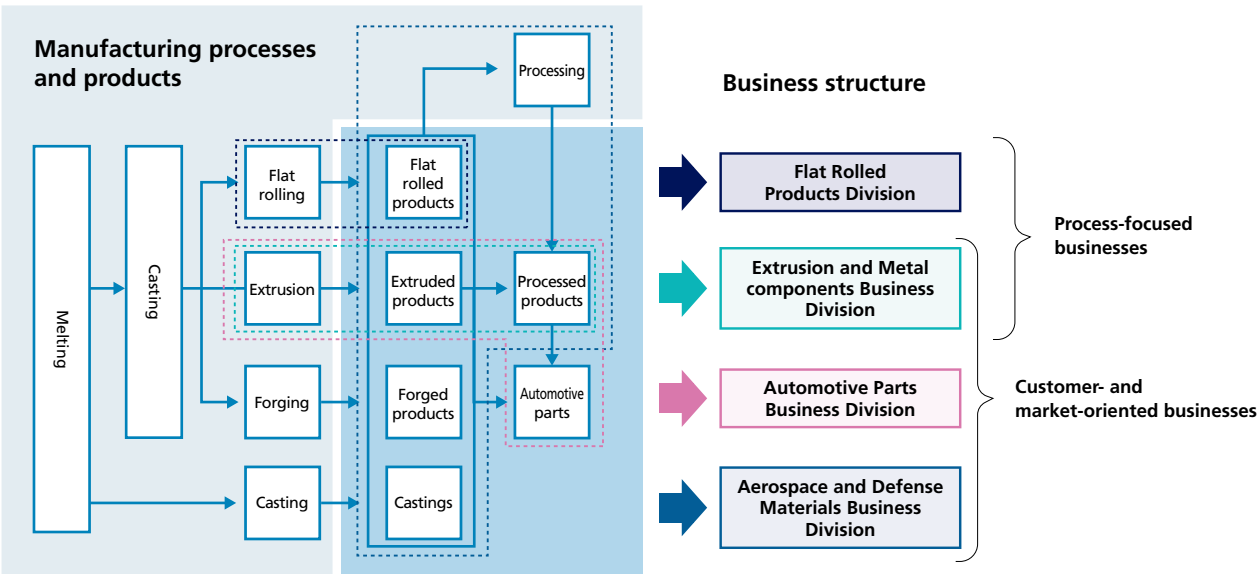
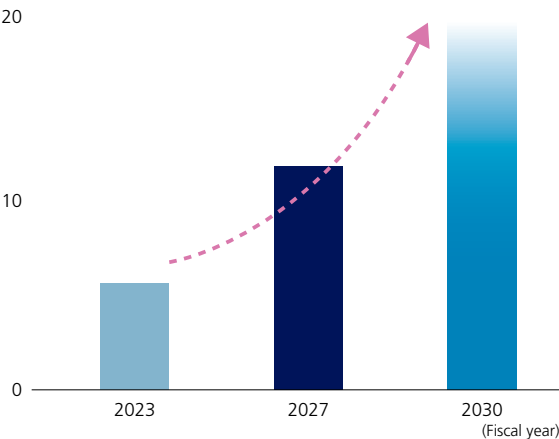
UACJ reorganized its businesses in January 2024 with a view to adding more value to materials. While continuing to classify certain businesses as process-focused, the Company newly classified some as customer- and market-oriented businesses. This change included the establishment of the Aerospace and Defense Materials Business Division to target Japan's growing aerospace and defense markets, which will require a stable supply of products in the future. Different divisions had handled different products even for the same customer in the past, but this division can offer products as a one-stop service. Moreover, it is able to ensure the comparatively high standards for product quality and information security required by the aerospace and defense industries.

The UACJ Group will work to beat its target of ¥10 billion in sales to the aerospace and defense markets by fiscal 2027, and then set a higher target for fiscal 2030 with the goal of increasing sales by an average annual rate of 19.2% between fiscal 2023 and fiscal 2030.

In addition, the Group is stepping up its development and production of products for the EV battery market, which is projected to grow over the medium and long terms despite a recent slowdown in the shift to EVs.

Envisioned sales to the aerospace and defense industries

(Billions of yen)



Added-value strategy 4

Creating and growing new businesses

Creating and expanding new businesses that provide solutions for today's issues

When formulating UACJ Vision 2030, the Group's long-term roadmap launched in 2021, management asked young and mid-career employees about new areas of business that they hoped to be actively involved in over the next decade. Their responses were summarized as mobility, lifestyle and healthcare, and environment and energy. The Group is looking to create and grow new businesses in these sectors by making the most of aluminum's properties and leveraging its diverse technologies and product development capabilities.

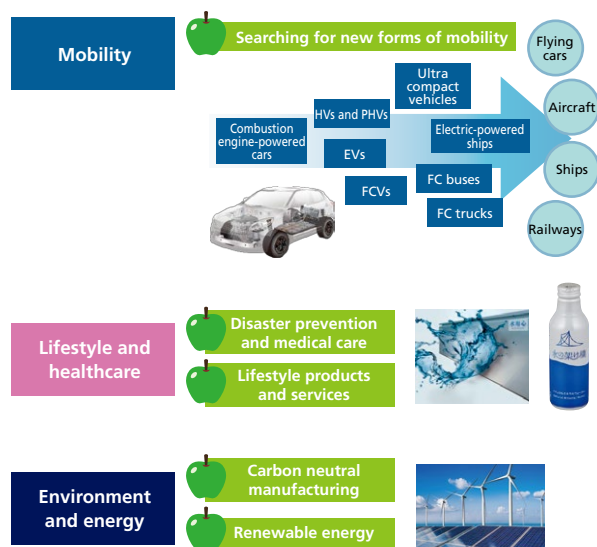
In the mobility sector, people in countries around the world have been searching for means of transportation that can reduce environmental impacts. Internal combustion engine-powered automobiles are being replaced by hybrid vehicles (HVs) and electric vehicles (EVs), and fuel cell vehicles (FCVs) have also been released to the market. Progress is also being made to develop aircraft, ships, and railcars in consideration of the environment. In preparation for such a future, UACJ

is applying its extensive expertise and technologies to create and expand mobility-related businesses.

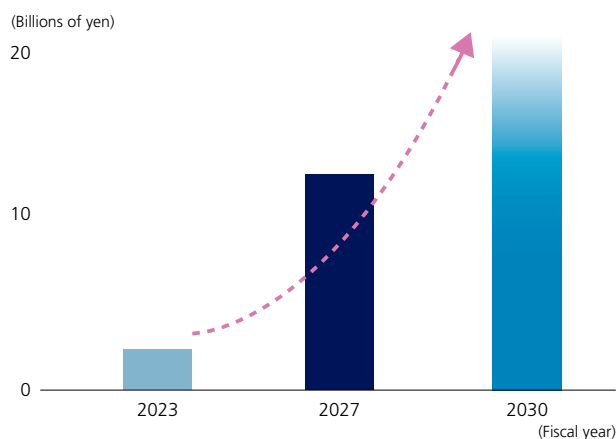
In the lifestyle and healthcare sector, UACJ has been working to develop solutions for people's everyday lives. As an example, it released easy-to-install entranceway flood barriers under the brand name Mizuyojin in 2022. The Company developed this product because flood damage caused by torrential rainfalls has been growing more frequent in Japan due to climate change.

In the environment and energy sector, the Group has been working to provide solutions for the challenges of making factories carbon neutral, which has attracted attention in recent years, and for increasing the feasibility of renewable energy, including solar, hydroelectric, and wind power generation.

The Group is aiming to beat its target of ¥10 billion in sales to these new markets by fiscal 2027, and will set a much higher sales target for fiscal 2030.



Envisioned sales to new markets



Financial Strategies

We are shifting to aggressive financial strategies while maintaining financial discipline with the goal of increasing the equity spread

Teruo Kawashima

Director, Executive Vice President
Responsible for group-wide finance,
corporate communications, and corporate strategies



Raising capital efficiency while building a solid financial position

For the UACJ Group to help build a better world and healthier environment, it will be essential for us to ensure stable operations and generate enterprise value. Therefore, increasing the Company's stock price and improving its equity spread over the medium and long terms are important tasks for management. As the executive vice president overseeing the Group's finances, I have a responsibility to improve capital efficiency, increase financial strength, and build a solid financial position while paying close attention to a range of important factors, including our efforts to improve profitability and the

rate of invested capital, execute capital policies, disclose relevant information, and engage with capital markets.

Looking back on our previous mid-term management plan

Since its establishment in 2013, UACJ has aimed to capitalize on growing global demand for aluminum products by enhancing its ability to provide solutions and boosting production capacity through large-scale capital investments in Japan, the United States, and Thailand. Through these efforts, the UACJ Group's mainstay Rolled Aluminum Products business has established a global supply network based in these three countries.

Results achieved under the previous mid-term management plan

UACJ's stock price rose over the three-year period of the plan, reflecting improvements in profitability and the Company's financial position

Profitability improved

- Structural reforms were completed and systems were established to pass on rising costs to customers
- ROIC was widely deployed as an operational management indicator
→ An emphasis on the cost of capital in management led to a higher return on capital

Financial position strengthened

- Higher earning capacity generated free cash flows
- Cash conversion cycles were improved to lower working capital
- Shareholders' equity grew, reflected by a lower debt-to-equity ratio

Improved financial results

	FY2020		FY2023
Adjusted EBITDA	¥44.6B	▶	¥79.8B
ROIC	2.9%	▶	7.5%
ROE	-1.8%	▶	5.3%
Debt-to-equity ratio	1.6	▶	1.0

Engaged with capital markets

- Disclosed a broader range of in-depth information
- Management emphasized the importance of cooperation with investors for raising enterprise value

Market indicators

The stock price rose 65% between March 2021 and March 2024
The price-to-book ratio improved to 0.77 as of March 2024

Consequently, net sales increased substantially and the Group grew as one of the world's top aluminum product manufacturers.

At the same time, however, the large-scale investments drove up fixed costs, putting pressure on the Company's profitability and financial condition. In response, we carried out a series of structural reforms between October 2019 and March 2023, which included streamlining and selling off businesses, and reducing the number of directors and executive officers as a means to speed up decision-making. Furthermore, during the period of our previous mid-term management plan, which spanned from April 2021 to March 2023, to deal with soaring prices of energy and aluminum alloy additives caused by the COVID-19 pandemic, conflict in Ukraine, and changes in the market, we introduced systems for passing on these prices to customers.

By executing all of these measures in response to changes in our operating environment, we were able to substantially improve and strengthen the Company's profitability and financial position. Indicating this success, between fiscal 2020, the year we initiated the structural reforms, and fiscal 2023, business profit¹ rose from ¥14.6 billion to ¥43.4 billion, and adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA)² increased from ¥44.6 billion to ¥79.8 billion. During the same period, the debt-to-equity ratio³

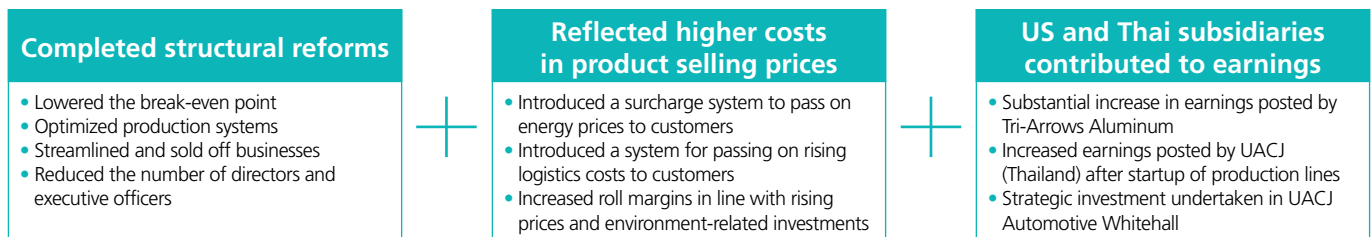
improved from 1.6 to 1.0, indicating a stronger financial position. Among our performance indicators for capital efficiency, return on invested capital (ROIC)⁴ came to 7.5% and return on equity (ROE) was 5.3% in fiscal 2023. These two results were disappointing, so we will need to make improvements to bring them in line with targets in the future.

Financial policies of the new mid-term management plan

Amid rising environmental awareness worldwide, demand for aluminum products is growing significantly. This is a major tailwind in the operating environment, as it allows the Company to take advantage of the expanded production capacity it had previously invested in. Demand for recycled aluminum materials is also projected to increase much more in the future, so the Company will continue investing in recycling equipment while working to raise profit margins with a view to improving capital efficiency and increasing its enterprise value.

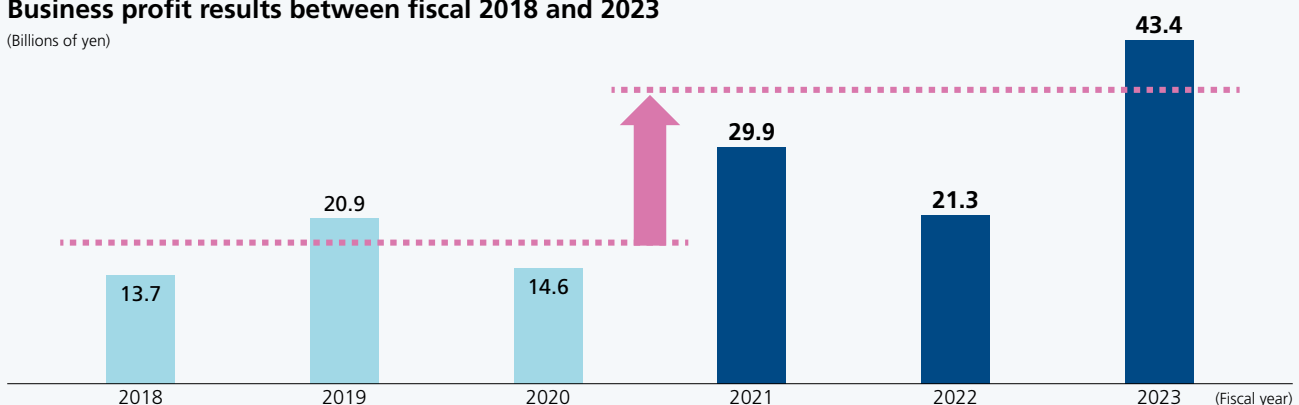
Aiming to step up these efforts and add more value to the Group's aluminum products, we launched our new mid-term management plan in May 2024, which is positioned at the midway point of our long-term roadmap, UACJ Vision 2030. Under this plan, while continuing our efforts to improve the

Highlights of the previous mid-term management plan



Business profit results between fiscal 2018 and 2023

(Billions of yen)



Financial Strategies

Company's profitability and financial position, we have specified the cost of capital, resource allocation, the price-to-book ratio as important operational management indicators. During the three years of the previous mid-term management plan, we built a foundation for raising enterprise value by improving and strengthening the Company's profitability and financial position, so we are now ready to aim higher. From that standpoint, we intend to accelerate growth in the Company's business scale and enterprise value during the period of the new plan. Accordingly, we are targeting ¥1,050 billion in revenue, ¥60 billion in business profit, ¥30 billion in profit attributable to owners of parent, and ¥100 billion in adjusted EBITDA, as well as ROIC of 9%, ROE of 9%. We also aim to keep the debt-to-equity ratio below 1.0. Furthermore, to measure the progress of the financial strategies we will pursue under the plan, we have specified targets, tasks, and initiatives related to capital efficiency, cash allocation, cost of capital, shareholder returns, engagement with capital markets, and more in-depth information disclosure.

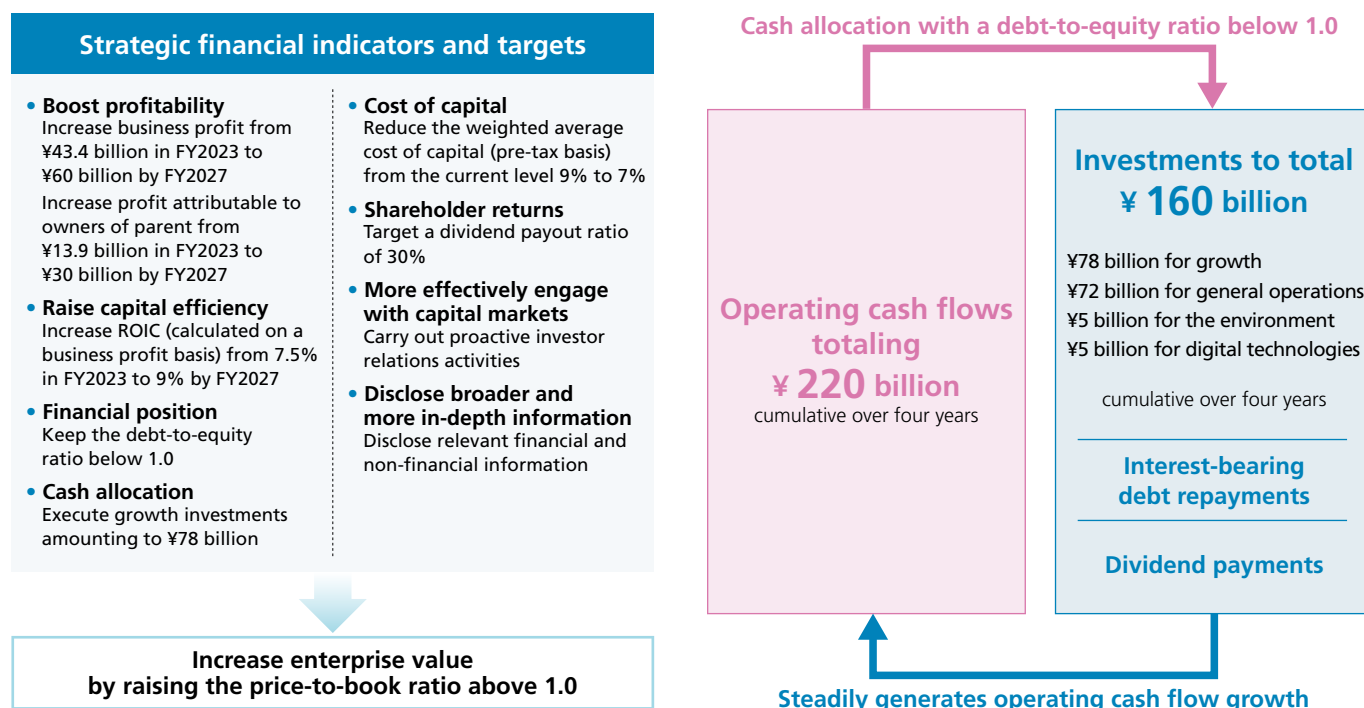
On the profitability front, we will work to increase business profit to ¥60 billion and profit attributable to owners of parent to ¥30 billion by fiscal 2027, the final year of the new plan, from ¥43.4 billion and ¥13.9 billion, respectively, posted in fiscal 2023. At the same time, we will aim to keep the debt-to-equity

ratio, our indicator for financial position, below 1.0, based on a policy of practicing financial discipline while allocating cash for growth investments that lead to higher enterprise value. Specifically, we will invest in businesses that can capitalize on rising demand for flat-rolled aluminum made of recycled materials. Demand for the Group's mainstay products—aluminum can stock and automotive parts—especially, has been on the rise globally amid growing calls for reducing CO₂ emissions and protecting the environment. By investing in these growth businesses, we expect to reach our business profit target of ¥60 billion and generate investment returns from 2028.

Allocating financial resources to boost enterprise value

During the four years of our new mid-term management plan, we forecast operating cash flow of ¥220 billion, of which ¥160 billion is earmarked for capital investment. Of that amount, ¥78 billion will be allocated for growth businesses. We had limited capital investment to around 80% of depreciation expenses during the period of the previous mid-term management plan, which was positioned as a time to utilize expanded production capacity and improve the Company's financial position. Under the new plan, however, we will raise the limit on capital

Financial indicators, targets, and cash allocation



investment to around the same amount of depreciation expenses in order to invest in areas in which demand is projected to grow, particularly recycled aluminum materials, can stock, and automotive parts, with the goal of raising the Company's enterprise value and strengthening its financial position.

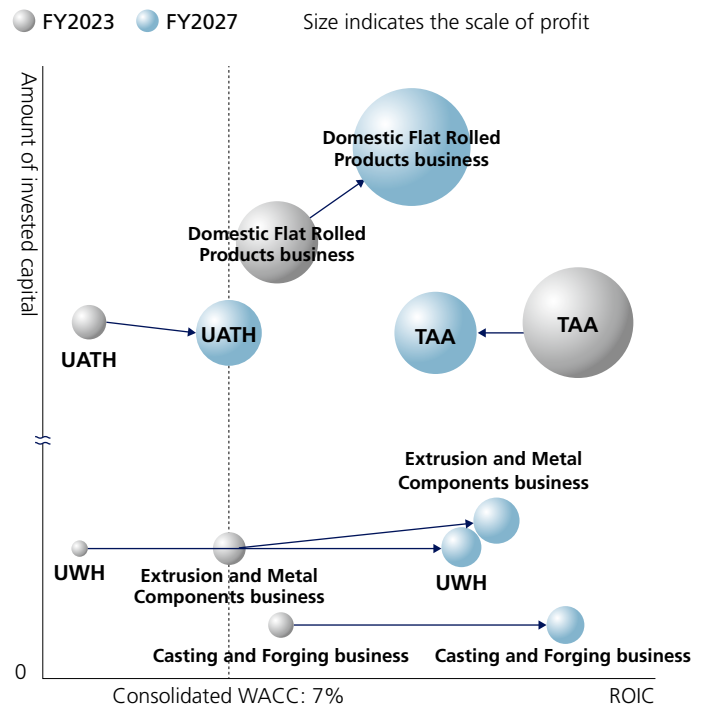
Strengthening the financial position to support growth

Since the period of our previous mid-term management plan, restricting amounts of working capital, which had increased in line with the expansion of the Group's operations, has been an important matter for operational management from the standpoint of improving capital efficiency and strengthening the Company's financial position. Therefore, we have been working to lower working capital by closely monitoring accounts receivable, accounts payable, inventory turnover times, and other factors. To measure this progress, we adopted a cash conversion cycle in each operational division, and have set a fiscal 2027 target of reducing this cycle to 85% of the amount in the base year of fiscal 2020.

Although we did not achieve our targets for the cost of capital and the Company's stock price during the previous mid-term management plan, we made progress toward raising capital efficiency by substantially improving profitability and the financial position overall. During the period of the new

mid-term management plan, we are aiming to raise capital efficiency, improve the equity spread, reduce capital costs, increase enterprise value, and raise the Company's stock price.

Portfolio envisioned in FY2027



Increasing UACJ's stock price

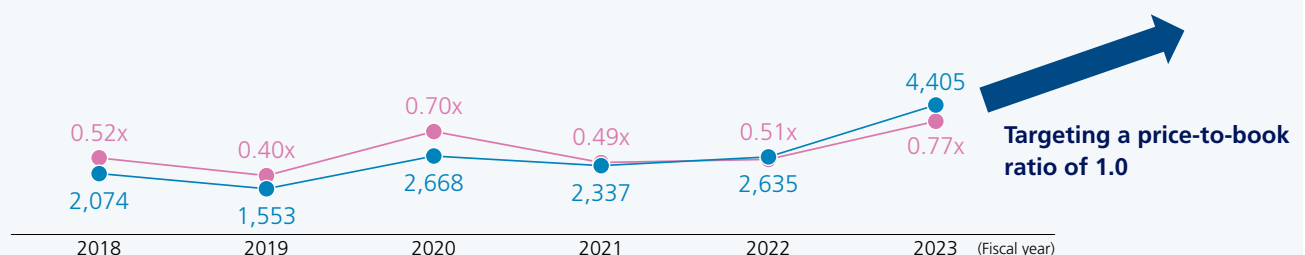
UACJ will work to maintain profits and cash flow while engaging with capital markets in an effort to increase its stock price

➔ Increasing total shareholder return (TSR)

TSR growth over five years from FY2019 to FY2023: **222%**

UACJ's stock price and price-to-book ratio

● Price-to-book ratio ● Stock price as of March 31 (yen)



Financial Strategies

To measure progress in raising capital efficiency, we have used ROE, ROIC, and the debt-to-equity ratio as management indicators for several years. By directly using ROIC, in particular, we can clarify levels of invested capital in each operational division and set internal hurdle rates as targets for capital efficiency in operational management. The internal hurdle rates are set based on the weighted average cost of capital (WACC) on a pre-tax basis, and are deployed by each operational division to monitor both business profit and invested capital. Our targets for WACC and ROIC are 7% and 9%, respectively, by the final year of the new mid-term management plan. ROIC was 7.5% in fiscal 2023, falling short of our target. In our operational management, the use of WACC for internal capital efficiency hurdle rates enables operational divisions to directly grasp capital efficiency. We also implement group-wide financial cost management and tax management, and manage ROE based on profit attributable to owners of parent.

Under the new mid-term management plan, we will work to reduce the cost of capital rate from the current level of 9% to 7% by the plan's final year. At present, the Company's beta value is comparatively high in the aluminum products industry, so in order to reduce it, the Company must generate steady profits and cash flows, expand businesses, stabilize its financial

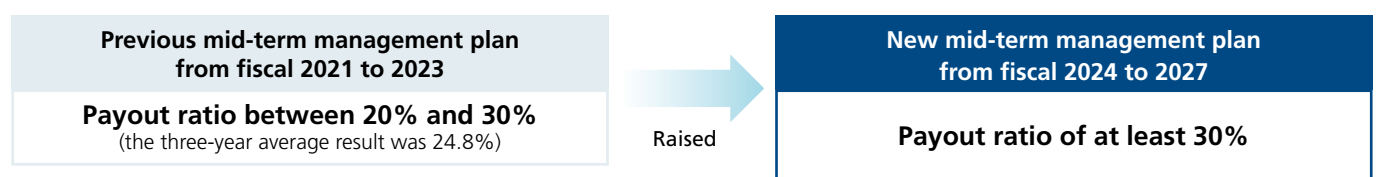
position, achieve profit targets, actively engage with capital markets, and disclose relevant information. We recognize that the Company has been judged harshly in the stock market for its low profit levels, weak financial position, failure to accurately forecast earnings, and other aspects of financial management. We have recently taken steps to address these shortcomings, but are aware that more must be done to improve accuracy and engage more effectively with capital market investors.

Engaging with capital markets

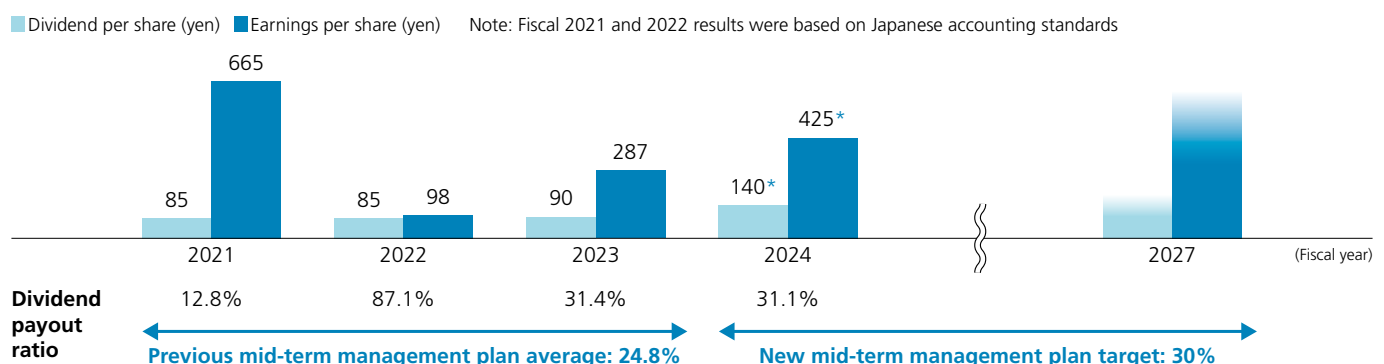
While promptly disclosing detailed information on the UACJ Group's performance and activities, we hold discussions with investors aimed at eliminating the discrepancy between the Company's market value and equity posted in its balance sheets, which can help reduce the cost of capital. In fiscal 2023, we held briefings on quarterly financial results, ESG initiatives, and business activities, as well as an Investor Relations Day featuring presentations by senior managers from Japan, the United States, and Thailand. We also arrange meetings with institutional and individual investors in Japan and other countries to explain the Company's business activities and performance. These efforts have been recognized by an

Shareholder return policy

Continuously pay stable dividends based on a payout ratio of at least 30% of profit attributable to owners of parent



Dividend and earnings per share



* The targets were revised in August 2024

institutional investor magazine that ranked UACJ second in the metals sector for information disclosure.

Today, companies are expected to contribute to sustainability, and I believe that UACJ should continue focusing on this area. We have specified numerical targets for all non-financial performance indicators in our UACJ Vision 2030, and are setting up personnel management systems designed to enhance individual and organizational capabilities. I believe it will be important to actively expand our disclosure of such non-financial information going forward.

Shareholder returns

Under the new mid-term management plan, UACJ's policy on shareholder returns is to continuously pay stable dividends based on a dividend payout ratio of at least 30%, and in addition to dividend income, return profits to shareholders by raising the Company's stock price to provide opportunities for capital gains. The dividend payout ratio averaged 24.8% over the three years of the previous plan, but we are targeting 30% during the period of the new plan. We will aim to push up the Company's stock price by working to generate steady profits and cash flows, execute growth strategies, maintain a sound financial position, and increase total shareholder return through such persistent and continuous efforts. Having improved earnings power and finances during the previous mid-term

management plan, we can now focus on increasing ROE and lowering the cost of capital as a way to increase the stock price as much as possible. Furthermore, to achieve our price-to-book ratio target of 1.0, we have set an equity spread (the difference between ROE and the cost of capital) of 1% as an important target to achieve.

Our stance going forward

The Group's operating environment has changed significantly over the past several years. Following its establishment, UACJ carried out large-scale investments to boost production capacity and expand operations internationally, while also investing in recycling facilities. Now we are responding to steeply growing demand for aluminum products amid growing calls for companies to consider the environment. By making the most of expanded production capacity, we led group-wide efforts to boost profitability and improve the Company's financial position. As a result, profits exceeded targets in fiscal 2023. To build on efforts to raise enterprise value, we intend to shift from a defensive stance to more aggressive financial strategies while continuing to practice financial discipline.

¹ Business profit is operating profit excluding the effect of the metal price lag

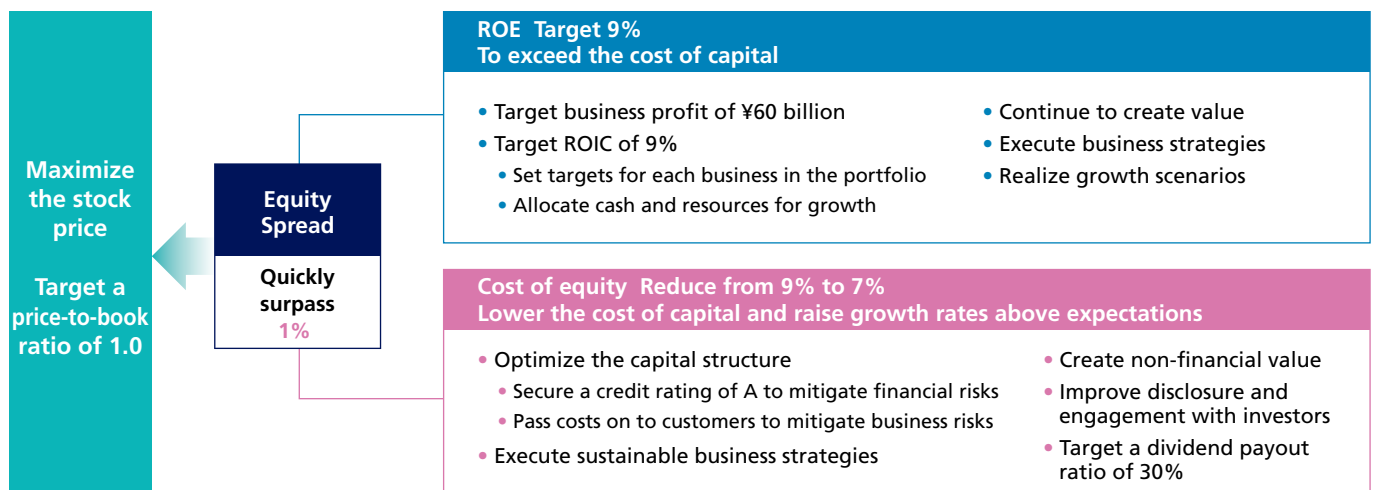
² Adjusted EBITDA is EBITDA excluding the effect of the metal price lag

³ The debt-to-equity ratio excludes subordinated loans

⁴ ROIC is calculated on business profit basis before taxes

Measures for improving the price-to-book ratio

- Management will work to increase ROE by using returns from past investments to boost earnings above levels of invested capital while also effectively allocating operational resources.
- Management will aim to reduce the cost of capital by implementing measures for mitigating financial and business risks, improving information disclosure, and effectively engaging with market players.



Business Strategies

Striving to be the world’s top comprehensive supplier of flat rolled aluminum by adding more value to materials

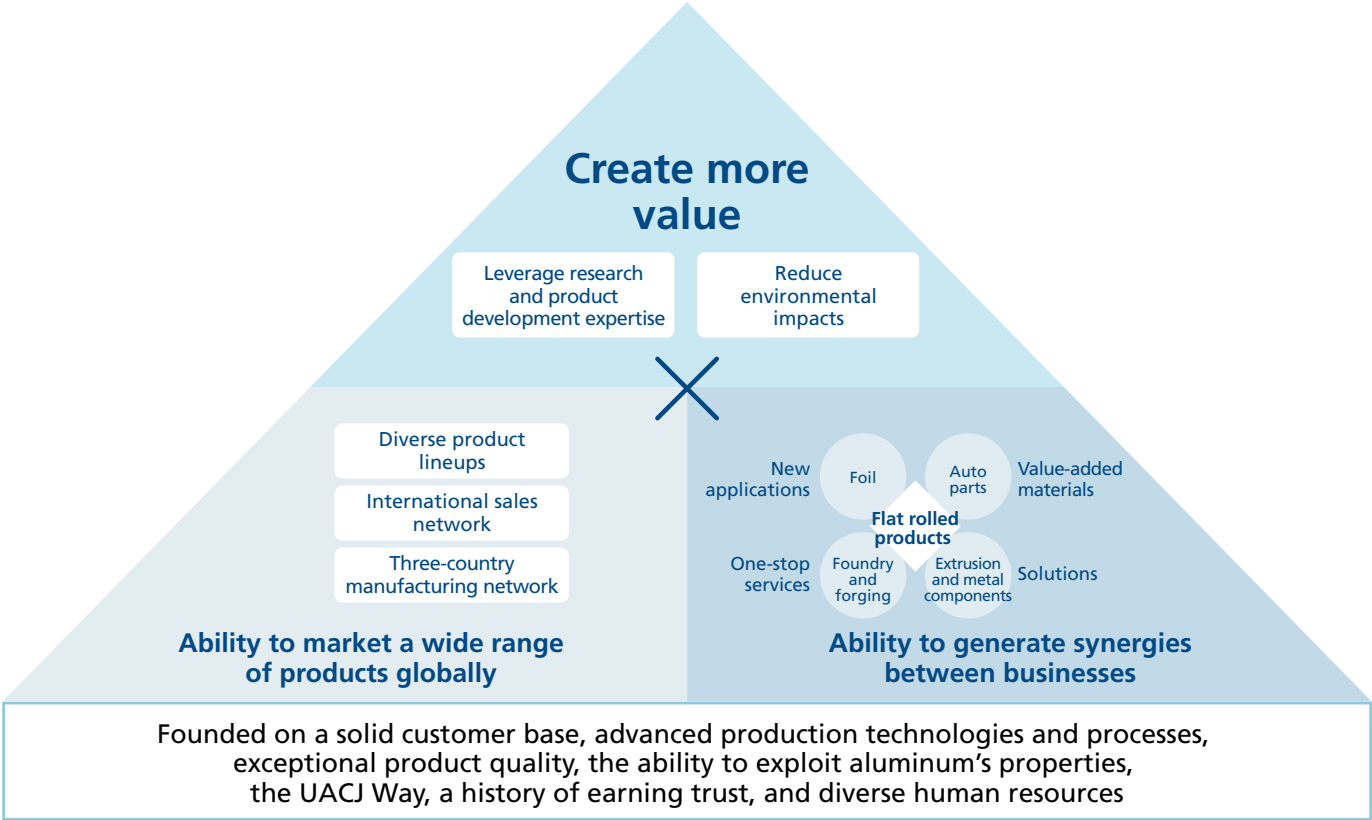
Aiming to supply aluminum materials with even more added value than before under its new mid-term management plan, the UACJ Group has specified three key policies: execute growth and added value strategies, improve operational resilience, and strengthen its foundations. By carrying out these policies, the Group’s flat rolled products business is striving to become the world’s top comprehensive supplier of flat rolled aluminum.

For the UACJ Group, being the best in the world is not measured only by production capacity and product variety; it also means providing more value, especially by reducing environmental impacts and providing solutions for issues facing the world today. “Comprehensive” highlights to the Group’s comprehensive capabilities that are essential for creating value. Encompassing the entire value chain, they include the Group’s expertise in tailoring products for diverse applications needed by customers in a wide range of industries, and its ability to supply

products globally through its three-country manufacturing network based in Japan, the United States, and Thailand. They also include the ability of the flat rolled products business and the Group’s other businesses to work collectively to generate synergies and devise new solutions.

To become the world’s top comprehensive supplier of flat rolled aluminum, the flat rolled products business will combine these collective capabilities with its research and product development expertise while reinforcing the Group’s business foundations, namely its human resources, solid customer base, advanced production technologies and processes, exceptional product quality, and the guiding principles of the UACJ Way. To ensure success, the Group has set three basic policies to carry out: increase both sales volume and product quality, shift from basic products to solutions, and optimize its three-country manufacturing network.

To become the world’s top comprehensive supplier of flat rolled aluminum

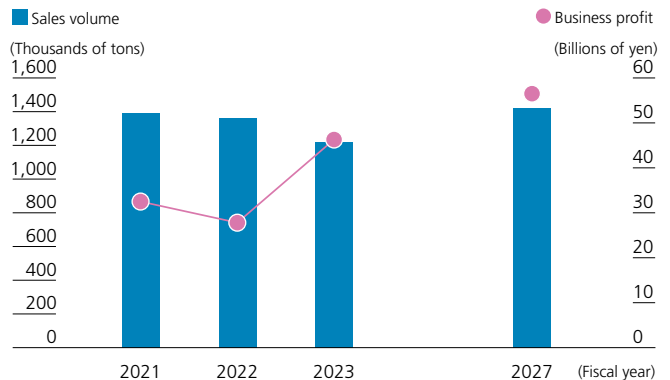


First basic policy: Increase both sales volume and product quality

Amid growing global demand for flat rolled aluminum, the UACJ Group plans to boost its annual production capacity to 1.5 million tons with the goal of 1.4 million tons in annual sales volume by fiscal 2027, the final year of its mid-term management plan.

Aiming to increase business profit over the same period, the Group will work to optimize its product portfolio, expand specific markets to target, step up new product development, use assets more efficiently, and raise profitability. Demand is expected to grow especially for can stock, automotive parts, battery materials, air conditioner compressor fins, and thick plates, so the Group will ensure that its manufacturing operations can flexibly meet changing demand for these products and maintain a stable supply while also raising product quality.

Flat rolled products business's sales volume and business profit



Second basic policy: Shift from basic products to solutions

In addition to supplying products, the UACJ Group will place more emphasis on actively offering solutions for environmental issues. Specifically, it is aiming to help reduce greenhouse gas emissions across the entire supply chain and promote closed-loop recycling of aluminum products. Toward this end, Tri-Arrows Aluminum and UACJ (Thailand) are using scrap melting furnaces to recycle more aluminum, thereby raising the Group's recycling rate. Likewise, UACJ has established a joint venture with Yamaichi Metal Corporation to recycle used beverage cans in Japan, with operations scheduled to commence during the period of the Group's mid-term management plan. Moreover, UACJ is helping customers reduce

environmental impacts by adopting its ALmitas⁺ SMART Mass Balance brand of flat-rolled aluminum, which allows greenhouse gas emissions to be verified through a mass balance approach. The Company is actively promoting this product to manufacturers in a wide range of industries. In addition, UACJ has joined the Aluminium Stewardship Initiative (ASI)¹, and has obtained ASI certification for Fukui Works in Japan and Rayong Works in Thailand, which better positions the Group to supply products to customers that value sustainability initiatives.

¹ The ASI is an international organization that aims to "recognize and collaboratively foster responsible production, sourcing and stewardship of aluminum."

Third basic policy: Optimize the Group's three-country manufacturing network

The UACJ Group has established a three-country manufacturing network based in Japan, the United States, and Thailand. To more effectively respond to customers' needs and changes in market demand, the Group's production facilities in Japan and Thailand are making more of their products compatible with each other, and are working closely together to coordinate the supply of air conditioner compressor fins in anticipation of rising global demand for air conditioners and heat pumps. The Group is also planning to boost its supply of aluminum can stock to regions where demand is projected to grow, and, therefore, will further optimize its three-country manufacturing network to ensure a stable supply going forward.

Three-country manufacturing network





Recognizing rising demand for high-value-added products as growth opportunities while ensuring stable supplies to customers

Keizo Hashimoto
Senior Managing Executive Officer
Chief Executive of the Flat Rolled Products Division



Structural reforms lay a foundation for creating added value

In Japan, the Group’s flat rolled products business began implementing structural reforms in October 2019 in response to changes in the operating environment. We successfully optimized our production network to boost earning capacity by consolidating production facilities and reorganizing their product manufacturing duties. This included making Fukaya Works a dedicated thick plate factory by eliminating other manufacturing operations, and starting up more profitable automotive body panel finishing lines at Fukui Works.

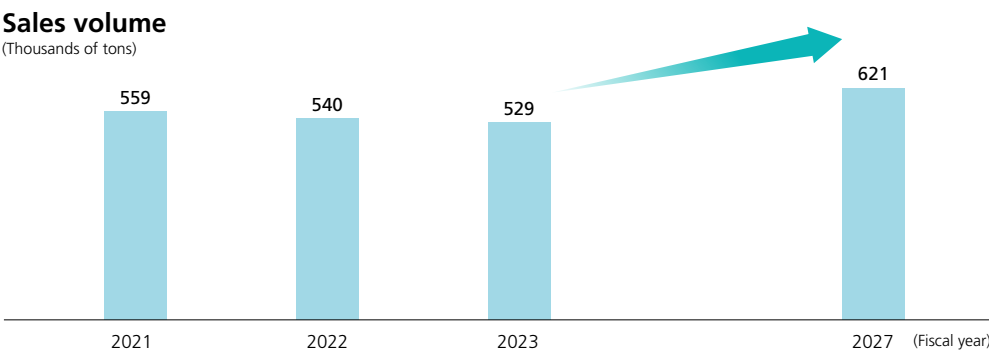
Thanks to these results, the flat rolled products business has

been generating steady profits by drawing on the strengths of each production facility—namely Nagoya Works’ ability to offer diverse products for many applications, Fukui Works’ competitive production capacity, and Fukaya Works’ ability to supply specialized thick plates—while leveraging our solid customer base and expertise in designing products tailored to their needs.

Various changes in the Group’s operating environment must be addressed in the future, such as climate change and advances in mobility. Recognizing these as growth opportunities, we intend to optimize our product portfolio, step up new product development, increase both sales volume and product quality, and shift from basic products to solutions as we strive to create added value.

Business conditions

Market opportunities	UACJ's competitive advantages	Challenges and tasks
<ul style="list-style-type: none">• Adoption of aluminum by automakers amid growing need to reduce environmental impacts• Advances in digital technologies are driving up demand for aluminum materials used in IT-related devices and semiconductors• The packaging and container industries are under increasing pressure to supply recyclable products	<ul style="list-style-type: none">• Overwhelming market share in Japan• Manufacturing diverse types of products• Market-specific strategies• Long history of excellent relations with customers• Ability to flexibly meet customers’ needs	<ul style="list-style-type: none">• Promote aluminum can recycling in partnership with customers• Increase customers in the automobile industry and have Fukui Works boost cost competitiveness• Attract new buyers of thick plates in the hydrogen industry



Executing growth strategies for each product type

Demand for aluminum products is projected to grow in Japan and around the world due to a number of factors, including the need to reduce environmental impacts and expectations for more diverse applications of aluminum based on the metal's properties.

In Japan, however, demand for can stock is expected to decline due to the country's shrinking population. Nevertheless, we plan to stimulate demand by promoting the added value of recycled aluminum cans for helping reduce greenhouse gas emissions, emphasizing how their exceptional recyclability leads to lower environmental impacts. To raise our recycling rate, we have stepped up efforts to establish closed-loop recycling systems. For example, UACJ has jointly developed beverage can lids branded as EcoEnd™ (see page 34) with Toyo Seikan Group Holdings, Ltd., and has established a joint venture with Yamaichi Metal Corporation to recycle used beverage cans. Through these initiatives, we intend to promote the wider adoption of aluminum cans as beverage containers and increase the overall amount of aluminum used. Furthermore, Fukui Works has acquired certification from the Aluminium Stewardship Initiative, and we plan to make use of this certification to boost our exports of aluminum can stock to markets overseas.

At the same time, we will work to generate steady earnings from automotive body panels by broadening sales channels and product lineups. We will aim to add more value to these products by developing environmentally friendly materials and expanding closed-loop recycling systems, while also cultivating the new demand expected from advances in vehicle electrification, led by electric and hybrid vehicles.

Finally, we will aim to boost sales volume of air conditioner

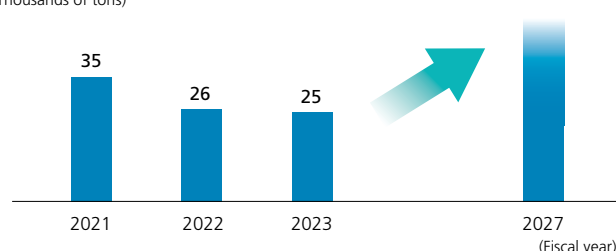
compressor fins amid projected growth in global demand for air conditioners and heat pumps, by having the Group's production facilities in Japan work closely with Rayong Works in Thailand to coordinate the supply of these products to customers.

Battery foil and housing cases

With the electrification of vehicles, the market for automotive lithium-ion batteries is growing markedly, pushing up demand for aluminum foil and housing cases used for these batteries. The UACJ Group is targeting battery foil markets in Japan, the United States, and Europe, which require high-value-added materials. While tapping this growing demand, the Group is focusing on raising profitability by adding more value to its products. The Group is also aiming to increase sales volume of battery housing cases as Japanese battery manufacturers capture rising demand in international markets.

Sales volume of aluminum foil

(Thousands of tons)

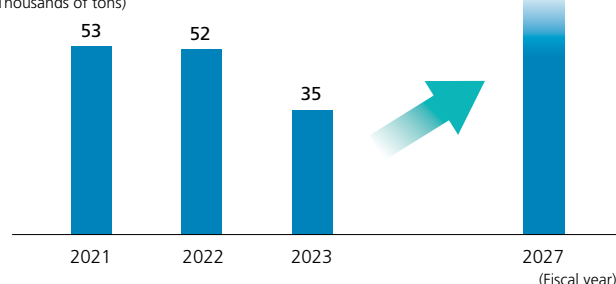


Aluminum thick plates

Demand for aluminum thick plates used in semiconductor manufacturing equipment is forecast to pick up gradually after bottoming out in fiscal 2023. Led by Fukaya Works, UACJ's thick plate manufacturing operations have been set up to meet growing demand going forward. UACJ will also work to capture new demand for thick plates from the marine transport industry as it builds new tanker ships, and from Japan's aerospace and defense industries, which need stable supplies of this product.

Sales volume of aluminum thick plates

(Thousands of tons)



Sales volume outlook by product type

Product type		Objectives	Sales volume outlook
Can stock		<ul style="list-style-type: none"> Stimulate demand for can stock by promoting the added value of recycled cans 	→
Foil		<ul style="list-style-type: none"> Increase sales of battery foil by strengthening ties with battery manufacturers 	↗
Automotive materials	Body panels	<ul style="list-style-type: none"> Generate steady earnings by broadening sales channels and product lineups Add value to products in ways that reduce environmental impacts 	↗
	Heat exchangers	<ul style="list-style-type: none"> Reorganize the product mix and step up recycling initiatives 	→
Thick plates		<ul style="list-style-type: none"> Tap rebounding demand in the semiconductor market and target new tanker ships to increase sales 	↗
Other materials	Air conditioner compressor fins	<ul style="list-style-type: none"> Reorganize the product mix and facilitate cooperation between factories in Japan and Thailand 	↗



Increasing profitability as we enter the phase of generating returns on large-scale capital investments

Tetsuya Yamada
Managing Executive Officer
President of UACJ (Thailand) Co., Ltd.



Aiming to boost annual production capacity beyond 320 thousand tons

To capture growing market demand for aluminum products in Asia, UACJ carried out three phases of capital investment in UACJ (Thailand)'s Rayong Works from the start of the factory's construction in 2012 through to fiscal 2019. As a result, its sales volume reached 321 thousand tons in fiscal 2021, the first year of the previous mid-term management plan. Later, however,

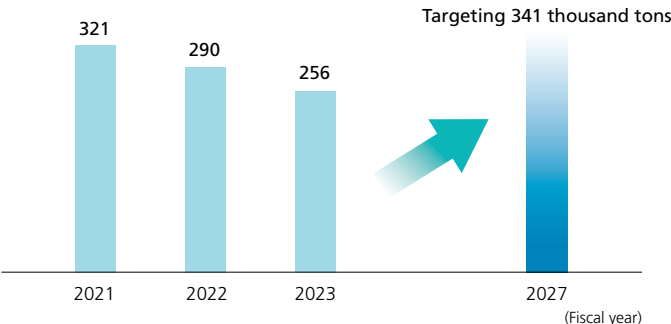
demand slumped temporarily due to the COVID-19 pandemic and inventory adjustments across the aluminum can stock supply chain, but is expected to recover after bottoming out in fiscal 2023.

We have entered the phase of generating returns on these major investments, so we intend to improve profitability while making the most of the expanded production capacity and sales volume during the period of our new mid-term management

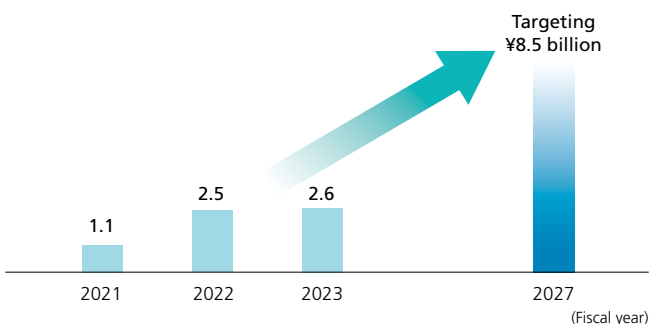
Business conditions

Market opportunities	UACJ (Thailand)'s competitive advantages	Challenges and tasks
<ul style="list-style-type: none">• Steeply rising demand in the Asia-Pacific region backed by economic growth• Increasing exports to countries shifting away from plastic containers	<ul style="list-style-type: none">• Operating Southeast Asia's only state-of-the-art aluminum rolling mill• Excellent access to other Asian countries where demand is projected to grow• Solid relations with beverage can manufacturers from Japan and other countries	<ul style="list-style-type: none">• Increase production capacity beyond 340 thousand tons• Continue securing and training local workers to independently operate manufacturing facilities• Boost earnings by cutting costs and diversifying products, sales regions, and customers• Strengthen ties with international customers• Deploy recycling technologies and establish recycling systems

Total sales volume
(Thousands of tons)



Business profit
(Billions of yen)



plan. Furthermore, we plan to expand production capacity further with the goal of increasing annual sales volume to 341 thousand tons. At the same time, we are stepping up our initiatives for reducing environmental impacts, and continuing to train local employees to manage operations, thereby deepening the company's roots in Thailand.

Carrying out initiatives for three types of products

UACJ (Thailand) manufactures three mainstay products: aluminum can stock, automotive heat exchanger materials, and air conditioner compressor fins.

The company's main target markets for can stock are Thailand, India, and countries in the ASEAN region and Oceania. These markets are expected to continue growing in the future, so we will need to expand capacity in step with rising demand. In addition to these markets, we will continue efforts to expand in the Middle East and Africa during the period of our new mid-term management plan while working to enhance product quality and ensure a stable supply of can stock with the goal of reaching 300 thousand tons per year in sales volume. To increase business profit, we will work to improve roll margins and carry out various cost-cutting measures. At the same time, we will explain to our many customers how recycling aluminum adds more value to the products we supply by improving the environment.

Demand for automotive heat exchanger materials from automakers has been solid, and with the shift to electric and

hybrid vehicles, we believe the need for heat management materials will keep growing, particularly for battery-related materials. We can make good use of our technologies for these applications, so we plan to focus on this market going forward.

We will also focus on marketing air conditioner compressor fins, anticipating that these products will be increasingly used now that air conditioners are not only common in developed countries but are also becoming an indispensable part of people's lives in emerging countries.

Highlighting the value of recycled products

UACJ (Thailand) is working to recycle as much aluminum as possible. As part of these efforts, we began operating a sidewall furnace, which can efficiently melt scrap aluminum, in April 2024 after completing its installation in the previous month. Recycling aluminum in-house is essential for increasing our recycling rate, of course, but it is also necessary to raise public awareness of the importance and value of recycling, as well as the benefits of our products. Toward this end, UACJ (Thailand) has been educating the public about aluminum can recycling through a project called Can to Can Journey, which involves the Thai government, domestic can producers, and other stakeholders. Through this initiative, we intend to highlight the importance of recycling in Thailand, Vietnam, and other Asian countries, and promote the widespread adoption of high-value-added products that benefit the environment.

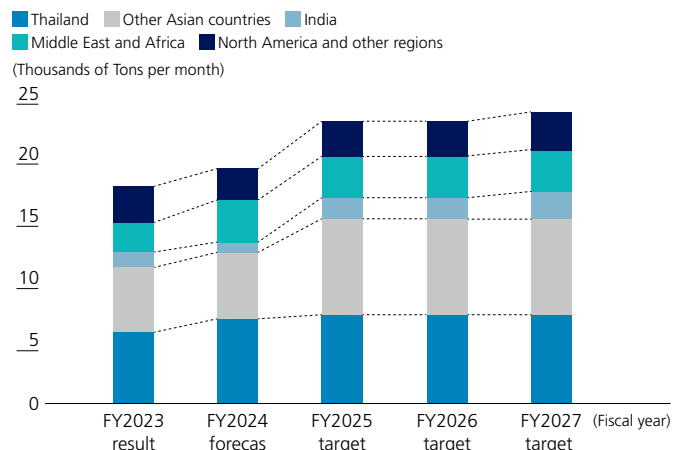
Objectives

- Increase annual sales volume to 341 thousand tons
- Continue selling to customers with sales contracts while promoting sales to new customers
- Ensure a stable product supply and make more products compatible with those produced by UACJ in preparation for changes in demand

Can stock strategy

- Focus on promoting sales to regions originally targeted at the time of the company's establishment, namely the ASEAN region, India, the Middle East, and Africa
- Stabilize earnings by raising selling prices when necessary
- Add more value to can stock by using recycled aluminum to benefit the environment
- Emphasize the ability to dependably supply high-quality products to gain an edge when negotiating sales contracts

Sales volume of can stock by targeted market





Increasing production capacity and optimizing production systems in response to growing needs for aluminum can recycling

Henry Gordinier
Managing Executive Officer
President and CEO, Tri-Arrows Aluminum Inc.



Annual production capacity of can stock increased to 450 thousand tons

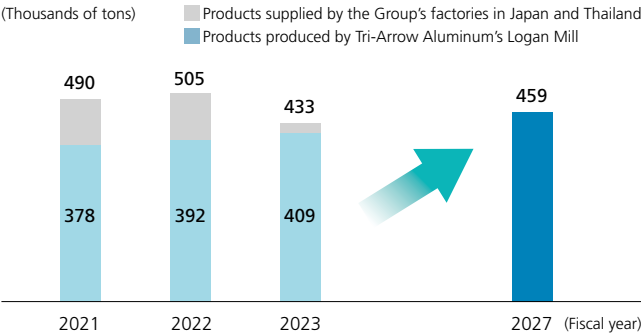
Market demand for aluminum can stock has been on the rise in North America. Although demand fell temporarily in 2023 as beverage makers adjusted their inventories, this was eventually resolved and demand recovered. The market is currently healthy and is projected to grow over the long term.

Against this backdrop, Tri-Arrows Aluminum believes that one driver of this growth will be rising consumer awareness of the sustainability of aluminum beverage cans. Due to their excellent recyclability, these cans are preferred by consumers as environmentally friendly drink containers, and are being widely adopted for new products. Consequently, demand for aluminum can stock is projected to grow by about 3% annually.

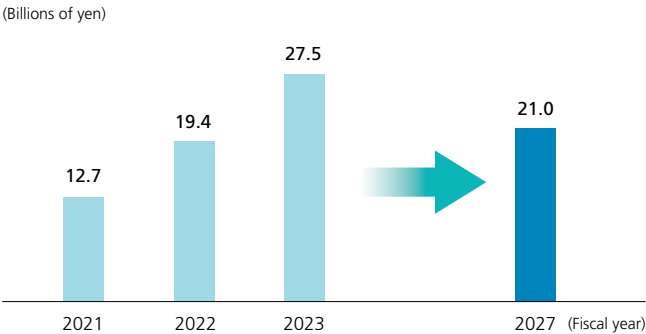
Business conditions

Market opportunities	Tri-Arrows Aluminum's competitive advantages	Challenges and tasks
<ul style="list-style-type: none">• Demand for can stock increasing at a rate of 3% annually• Shift away from plastic is driving up demand for can stock• Rapidly growing market offers potential for pricing power and wider product applications	<ul style="list-style-type: none">• Operating highly productive factories• Long-term relationships with can manufacturers and brands• Very cost competitive due to world-leading productivity• Rapidly progressing sustainability management driven by the application of scrap recycling technologies	<ul style="list-style-type: none">• Expand sources of raw materials• Step up cooperation with UACJ (Thailand) and the Group's companies in Japan• Increase production capacity through strategic investments

Tri-Arrow Aluminum's sales volume and target



Tri-Arrow Aluminum's business profit



To meet this market demand, Tri-Arrows Aluminum will increase its production capacity to 500 thousand tons through capital investment during the period of the UACJ Group's current mid-term management plan, spanning from April 2024 to March 2027. While leveraging this greater capacity to capture demand, the company will strive to create new markets in the future as a supplier of choice among customers.

Continually raising productivity and profitability while promoting recycling

By continually making improvements and removing bottlenecks in manufacturing processes, Tri-Arrows Aluminum has enabled its production system to flexibly respond to temporary increases in orders. It invests in facilities and equipment while considering both profitability and ongoing measures for raising productivity. Furthermore, the company has gained a competitive edge by ensuring high product quality while keeping costs low.

Through such improvements to its manufacturing and supply systems, Tri-Arrows Aluminum has built up a solid customer base and is recognized as a premiere supplier among many customers. This excellent reputation is reflected in sales

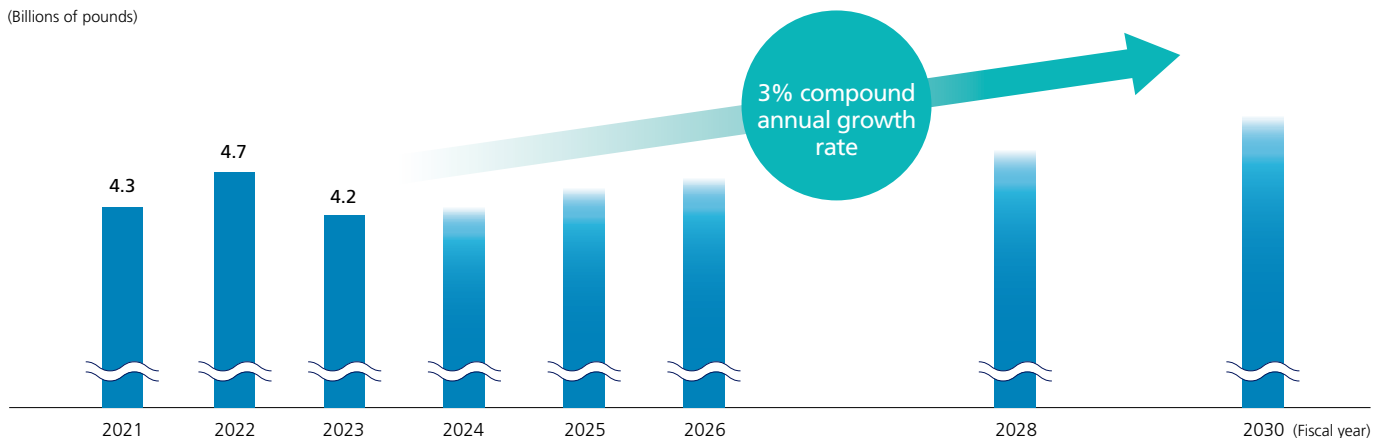
agreements, as the company has already concluded contracts to supply can stock in the years ahead, ensuring that its production facilities operate at full capacity over the three years of the current mid-term management plan.

Anticipating growing market demand going forward, Tri-Arrows Aluminum plans to expand its hot rolling equipment and apply new technologies with the goal of a 13% increase in production capacity by 2026. At the same time, the company will expand its scrap aluminum melting facilities to enable its recycling system to handle more used beverage cans. It will work to raise recycling rates in addition to yields and utilization rates by optimizing these production systems.

In response to growing environmental awareness, the company is acting to help increase the recycling rate of used beverage cans in North America, which is currently about 45%. Toward this end, the company is working with policy makers, industry associations, and partners to develop solutions and an operational model that will increase post-consumer recycling rates.

Projected can stock demand in the United States

(Billions of pounds)



Source: Research by UACJ



Increasing profitability and reducing fixed costs while capitalizing on increased production capacity to meet demand for lighter automobiles

David Cooper
President and CEO,
UACJ Automotive Whitehall Industries, Inc.



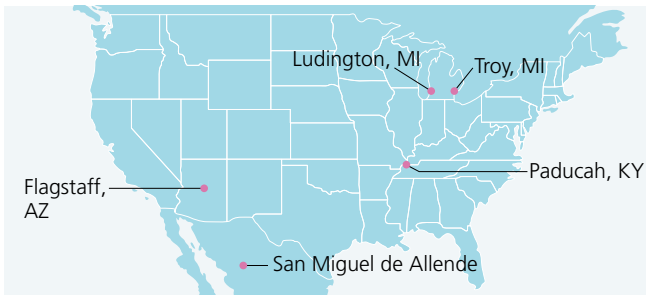
Leveraging a vertically integrated business model

UACJ Automotive Whitehall is a Teir 1 supplier of aluminum products to North America's largest electric vehicle (EV) manufacturer. It has manufacturing facilities in Michigan (two facilities), Kentucky, and Mexico, all of which are posting excellent results, as well as plant in Arizona newly built in 2021 to supply aluminum parts to the growing EV market. The company's sales office is based in Detroit, the historic home of America's auto industry.

When first entering the market, the company supplied extruded and formed auto parts such as sunroof guide rails. Since then, it has expanded its aluminum product range to include automobile bumpers, crash management systems,

body-in-white parts, and crash boxes. At present, it also supplies products for battery parts, side frames, and interior

Locations of UACJ Automotive Whitehall's production facilities



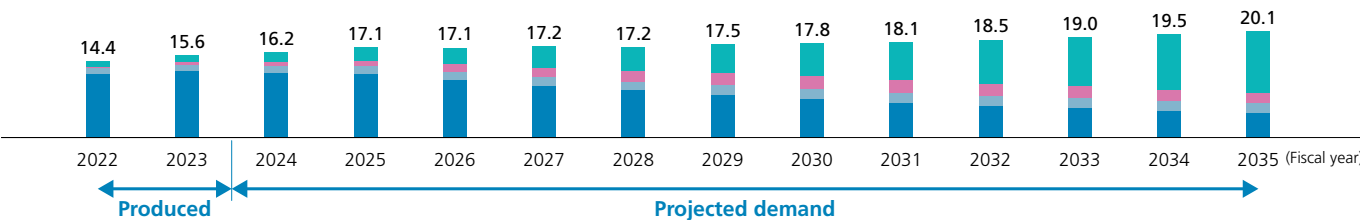
Business conditions

Market opportunities	UACJ Automotive Whitehall's competitive advantages	Challenges and tasks
<ul style="list-style-type: none">• Stricter exhaust gas regulations is increasing demand for aluminum automotive parts• The growing popularity of EVs is pushing up demand for aluminum automotive parts• The US government is moving to raise tariffs on imported aluminum products, giving an advantage to domestic manufacturers	<ul style="list-style-type: none">• Ability to supply finished products with one-stop solutions ranging from extrusion to processing• Extrusion and forming process control technology• Precision-machining technologies refined over five decades• Low turnover rate of workers in manufacturing operations	<ul style="list-style-type: none">• Raise productivity at the new plant in Flagstaff, Arizona• Collaborate more with the Mobility Technology Center and other organizations of the UACJ Group in Japan• Execute strategic investments to boost production capacity

Automobile production and projected demand in North America

(Millions of vehicles)

Internal combustion engine vehicles Hybrid electric vehicles
Plug-in hybrid electric vehicles Battery electric vehicles



components. Lightweight parts are essential not only for EVs but also for hybrid and internal combustion engine vehicles, and UACJ Automotive Whitehall is committed to meeting these needs by supplying its aluminum products.

While the company mainly supplies products to major automobile manufacturers, it attracted attention from emerging EV manufacturers and increased business with them in recent years, thanks to the ability of its relatively flat and agile organizational structure to act quickly. Moreover, one of the company's strengths is a vertically integrated business model that allows it to promptly meet a wide range of needs extending up to finished products, from aluminum extrusion and forming to machining, laser processing, welding, fastening, and assembly work. Although the EV market's growth is slowing, countless new product launches are expected over the medium and long terms. Moreover, new opportunities will be created if Chinese products are subject to tariffs in the United States.

Advanced technologies backed by skilled workers

UACJ Automotive Whitehall's biggest competitive advantage is its control technology deployed in aluminum extrusion and forming processes. It also has exceptional precision-machining technologies that have been refined over five decades. The company applies these technologies to enhance its competitive advantages, lower costs, and surpass world-class quality standards. In fiscal 2023, the rate of defective parts averaged just 13 parts per million shipped to customers. The company's employees who manufacture products with these advanced technologies are a vital operational resource. The company's ability to consistently perform well is driven not only by their individual skills, but also by their unwavering commitment, effective teamwork, and readiness to take on new technical challenges at any time.

Making the most of the UACJ Group's resources

Since joining the UACJ Group in 2017, UACJ Automotive Whitehall has boosted its sales by about 14%. This is the result of UACJ's consistent approach of investing in the future, including capital expenditures and funds for recruiting and training engineers. During the past several years, although prior investments caused some financial strain when shipments stalled due to several factors during the COVID-19 pandemic, the company was able to meet demand from customers ahead of its rivals thanks to its newly built factory and three new extrusion presses, which were planned in anticipation of future demand. During the next three years of the Group's fourth mid-term management plan, UACJ Automotive Whitehall expects to keep boosting sales and profits as it implements additional measures for reducing fixed costs while considering capital investments to boost production capacity in preparation for market growth. In addition, thanks to its ties with UACJ's Mobility Technology Center¹, the company has been receiving orders from Japanese original equipment manufacturers.

With this growth in sales volume, the company expects to boost productivity by making greater use of its production capacity. At the same time, it will focus on selling more profitable products as it continues to improve its product mix.

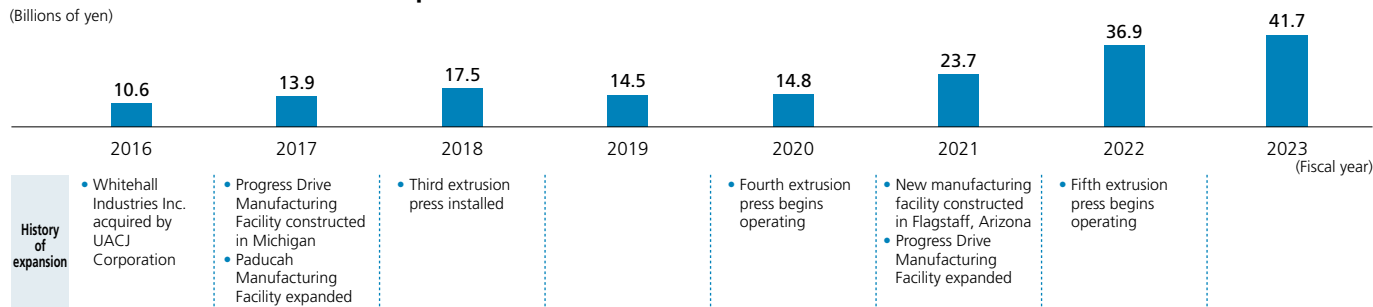
Among its environmental initiatives, UACJ Automotive Whitehall is continuing efforts to reduce Scope 1 and 2 CO₂ emissions, and aims to secure all of the energy consumed by its manufacturing facilities in Michigan from renewable sources by 2028. Furthermore, the company is currently conducting a self-assessment for acquiring Aluminium Stewardship Initiative (ASI) certification².

¹ The Mobility Technology Center is UACJ's global development facility overseen by the Automotive Parts Business Division.

² The ASI is an international organization that aims to "recognize and collaboratively foster responsible production, sourcing and stewardship of aluminum."

UACJ Automotive Whitehall's expansion and net sales*

(Billions of yen)



Note: Fiscal years ended on December 31 from 2016 to 2020 and on March 31 from 2021

Marketing and Technology Strategies

R&D

The R&D Center and the Mobility Technology Center, which mainly focuses on automotive component development, are responsible for R&D at UACJ. R&D areas range from the refinement of basic technologies involved in materials design and production processes to the development of products and utilization technologies.

In fiscal 2023, we began efforts to select core technologies through technology inventories and link them to co-creation activities with customers for use in marketing. We also engage in ongoing collaboration with leading research institutions in Japan and abroad to keep improving our R&D capabilities through acquisition of the latest technologies and expertise.

In the fourth mid-term management plan, which commenced in fiscal 2024, we will pursue aluminum recycling and processing technologies to realize a decarbonized society and create new business domains. As part of these efforts, we are proactively participating in the NEDO¹ projects “Development of Advanced Circulation Technology for Aluminum Materials” and

“High Purification Process for Aluminum by Low-Temperature Electrolysis Method” and we have made it one of our main objectives to discover and cultivate seeds for aluminum technology that will help solve social issues. At the same time, we will refine our fundamental technologies, applying them to the investigation of root causes using the latest analytical techniques, and also to our products and production technologies. This will involve the pursuit of advanced production technologies through digitalization, as well as innovation activities and collaboration with external partners.

Going forward, UACJ will continue to search for new technologies and advance existing technologies, and as we work toward the growth of the Group through innovation, we will also contribute to the “realization of a prosperous and sustainable society” based on our “materials that offer additional value” concept.

¹ New Energy and Industrial Technology Development Organization

R&D Themes

Theme	Issue	Target	KPI	Results for fiscal 2023	Actions planned for fiscal 2024
Participation in national projects • Climate change action/development of energy-saving technologies	Promotion of aluminum recycling	<ul style="list-style-type: none"> Development of upgrade recycling technology (impurity removal and detoxification technologies) Development of high-grade recycling technology (added in fiscal 2024) 	<ul style="list-style-type: none"> Lower impact of impurities in the manufacturing process Greater purity of recycled aluminum (3NAI) 	<ul style="list-style-type: none"> Designed and installed equipment for impurity removal technology (crystal separation) and impurity detoxification technology (vertical CC casting machine) — 	<ul style="list-style-type: none"> Achieve national project goals with installed equipment Impurity removal: Develop technology for 7% Si → 3% Si, 70% recovery rate. Impurity detoxification: Develop manufacturing technology for vertical CC materials with equivalent tensile strength and 90% elongation compared to 6000 series alloy sheets with DC materials Examine elemental technologies for pilot plant construction
	Scope 1 emissions reductions to achieve carbon neutrality	<ul style="list-style-type: none"> Reduction of CO₂ emissions through application of new fuels 	<ul style="list-style-type: none"> Clarification of the effect of ammonia co-firing on molten aluminum 	<ul style="list-style-type: none"> Investigated test conditions and examination criteria regarding the quality of molten metal in ammonia and hydrogen combustion 	<ul style="list-style-type: none"> Various studies using testing facilities. Confirm the effect of ammonia and hydrogen combustion on the quality of aluminum alloys
	Evolution of disaster preparedness flood barrier business through DX	<ul style="list-style-type: none"> Determination of flood barrier specifications using video data Flood barrier installation timing notifications based on detection of local weather events 	<ul style="list-style-type: none"> Time/people required for flood barrier site survey and determination of specifications Effectiveness of flood barrier installation timing notifications 	<ul style="list-style-type: none"> Completed verification of the use and effectiveness of a tool to generate 3D data from video information Started verification testing for flood barrier installation timing notifications 	<ul style="list-style-type: none"> Test deployment of DX tools in daily operations Continue verification testing for flood barrier installation timing notifications
New business cultivation • Integration with digital technology (fusing aluminum and digital) • External collaboration	New commercialization of services using aluminum rupture detection	<ul style="list-style-type: none"> Remote management service for pharmaceutical-related products based on confirmation of package opening by customers 	<ul style="list-style-type: none"> Number of services developed using rupture detection foil 	<ul style="list-style-type: none"> Launched service for verification testing at medical facilities, etc. 	<ul style="list-style-type: none"> Start verification testing and new development in pharmaceutical-related fields. Achieve adoption for non-pharmaceutical applications
Expansion of areas of activity for aluminum • Development of a new aluminum alloy for 3D printers	Development of materials for fuel tanks used in next-generation rockets	<ul style="list-style-type: none"> Maintaining performance equivalent to or better than 2219 alloy at a lower cost 	<ul style="list-style-type: none"> Strength after additive manufacturing equivalent to that of plate processing and welding 	<ul style="list-style-type: none"> Steps up to determination of target alloy composition completed 	<ul style="list-style-type: none"> Target strength has been achieved through prototyping and evaluation of wire for Wire and Arc Additive Manufacturing of candidate components. Begin studies to prepare for mass-production prototypes
Utilization of DX • Application of DX to manufacturing processes	Establishment of new inspection technology through the use of sensing technologies	<ul style="list-style-type: none"> Using digital technologies to improve productivity of plate manufacturing processes 	<ul style="list-style-type: none"> Improved yield Increased production efficiency 	<ul style="list-style-type: none"> Digitized casting material composition analysis data Established data collection and analysis system for DC casting line at casting sites 	<ul style="list-style-type: none"> Computerization of test request forms for casting-related operations Introduce automatic ingot shape measuring system Establish an organizational evaluation system for casting Build a database of casting-related technical services and technical issues
Industry-academia collaboration • Development of human resources and new technologies	Development of cutting-edge technology through industry-academia collaboration and cultivation of the next generation of professional talent	<ul style="list-style-type: none"> Cultivation of human resources who will lead the next generation in the metal materials industry Development of new sustainable aluminum alloys and manufacturing processes 	<ul style="list-style-type: none"> Number of students in joint university courses Number of research projects in joint courses 	<ul style="list-style-type: none"> One bachelor's degree graduate in joint university courses 	<ul style="list-style-type: none"> Achieve annual targets for national projects (development of upgrade recycling technology and high-grade recycling technology) in which we are participating

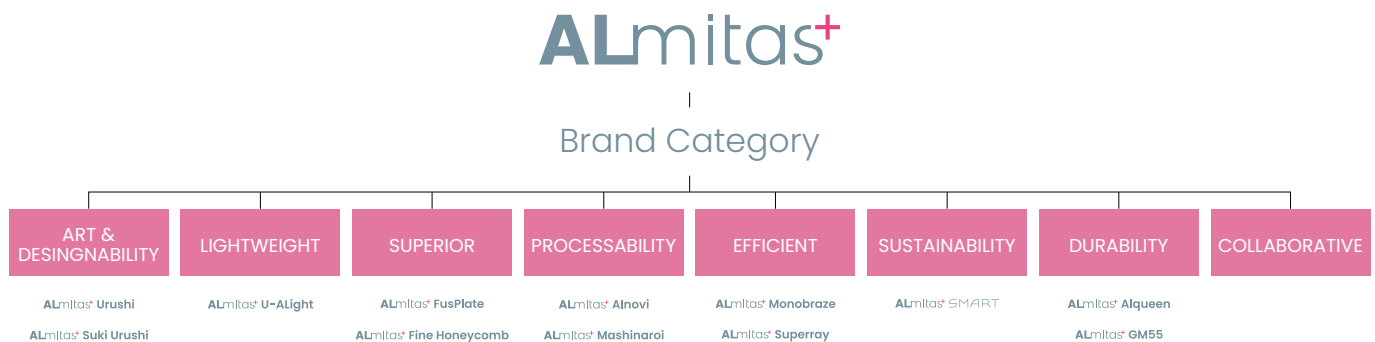
Marketing

We view the concurrent existence of brands from different companies, businesses, and products prior to the merger as an important marketing issue, and are currently working to build a unified image for our product brands separate from our corporate brand.

At the core of this is the global brand “ALmitas+,” which was announced in September 2023 as a product brand that embodies the added value of “materials (aluminum) + α.” The ALmitas+ brand, developed to convey the message that aluminum is interesting, and expressing a sense of excitement

and contentment, will be used as our family brand for a variety of product series in the future.

Taking the technology we have cultivated over many years as a foundation, we will co-create the ever-expanding possibilities and appeal of aluminum materials with various partners, and communicate its value to the world. To this end, marketing and sales departments will work together to conduct branding activities aimed at increasing the presence of the Company and aluminum as a material itself. We will develop ALmitas+ into a brand that stands for reliability and peace of mind.



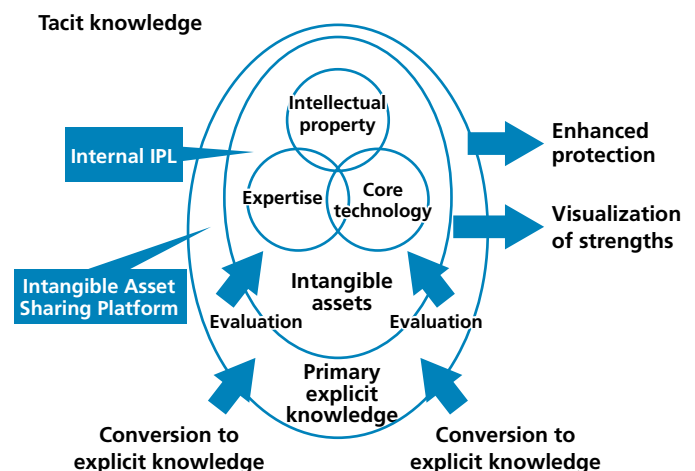
Intellectual Property Activities

In fiscal 2024, we initiated a cross-organizational effort to strengthen our knowledge base. Specifically, this involves the creation of an Intangible Asset Sharing Platform to enable employees to search for knowledge that exists within the Company.

The knowledge database of the Intangible Assets Sharing Platform stores not only patent information, core technology compiled by the R&D Center, sales information, and expertise, but also a variety of business documents. The Intangible Asset Sharing Platform extracts knowledge with high asset value from the knowledge database as intangible assets by making full use of our internally developed information processing technology.

The Intangible Asset Sharing Platform will extract intangible assets produced across a wide range of department, including back-office and sales divisions, and protect and capitalize on these assets to contribute to the realization of management strategies, such as the development of new businesses.

Schematic diagram of the Intangible Asset Sharing Platform and company-internal knowledge



Promoting Sustainability

Approach to Sustainability

For UACJ, sustainability is our Group philosophy. We regard sustainability activities as a core element that has a direct bearing on the very meaning of our business as a company, and we believe it is necessary for our employees, who are the main actors in these activities, to engage with a variety of stakeholders from the society the Group is a part of and undertake the activities as one, based on the principle of “passing down a better world over the next century.”

This way of thinking has been laid down as the UACJ Sustainability Policy, and we are promoting sustainability activities so that environmental and other issues facing modern

society will not be left for the future, and so that our children's generation will enjoy a better world than that of today.

To this end, we have identified issues that we must give priority to in order to grow sustainably with society as “materiality issues.”

We believe that responding flexibly to changes in the times and reviewing the materiality issues at the appropriate time is necessary for not only the sustainability of the environment, society and the economy, but also for the sustainable growth of the UACJ Group. In accordance with this belief, we reorganized our materiality issues in fiscal 2023.



Framework for promoting sustainability

UACJ has established a new framework for promoting sustainability with a view to clarifying responsibilities for sustainability activities, speeding up decision-making, and ensuring all initiatives make steady progress.

Specifically this involves designating a staff member in charge and a supervising department for each materiality issue, and ascertaining the progress of each with respect to KPIs determined in advance. Furthermore, the progress of these

initiatives will be reported and deliberated on at regularly scheduled meetings for each area in order to improve the effectiveness of relevant measures.

In April 2023, we established a new Corporate Sustainability Division. With this new division taking the lead, we will continue striving to create new business models and deliver value to customers rooted in the resolution of issues the world is facing.

Materiality Promotion Structure (Organizations and Committees)

Materiality Issues	Officers in Charge	Organization in Charge	KPI Monitoring (Reporting Body)	
			Committee	Frequency
Leading a Circular Economy in Aluminum	Executive Officer in charge of Climate Change Countermeasures	Climate Change Task Force Department Safety & Environment Department	Environmental Committee	Three times annually (June, October, February)
Measures to address Climate Change				
Supporting Environmental Health and Nature (Nature Positive)				
Respecting Human Rights	Chief Executive of the Business Support Division	Corporate Legal Department	Compliance Committee	Once annually (March)
Promoting Dei-ay (DE&I)	Chief Executive of the Corporate Sustainability Division	Diversity Promotion Department	Human Resources Committee	Twice annually (July, November)
	Chief Executive of the Business Support Division	Human Resources Department		

See our website for more Promoting Sustainability
<https://www.uacj.co.jp/english/sustainability/highlight/csr.htm>



Acquisition of ASI certifications

At UACJ, we participate in a variety of external initiatives that align with our Sustainability Policy. Specific examples include signing the United Nations Global Compact and obtaining evaluations from CDP¹ and EcoVadis². Through these activities, we are working to improve the sustainability of our business and the materials we supply, and we continue to make efforts to demonstrate these efforts to society with a high level of transparency and objectivity.

The ASI³ certifications we obtained in 2022 represents one result of these activities. The ASI is an international initiative aimed at improving sustainability efforts throughout the aluminum supply chain and maximizing contributions to society from an ESG perspective. As of July 2024, more than 360 companies and organizations are members of ASI, including the International Aluminum Institute (IAI), aluminum producers, processors, end users, and others involved with aluminum in various capacities. ASI is responsible for the development of global standards for sustainability performance in the aluminum industry, traceability of production, processing, and distribution processes, as well as the review and approval thereof.

Keeping a close eye on global customers and trends in the aluminum sector, we became Japan's first flat-rolled aluminum manufacturer to join ASI in July 2020. Furthermore, in 2022, we obtained two ASI certifications (Performance Standard: PS⁴ and Chain of Custody Standard: CoC⁵) at our Fukui Works, which supplies products globally, and our Rayong Works at UATH⁶. Obtaining ASI certification entails significant costs, such as dealing with audits in the manufacturing and administrative departments, the increased burden of the wide-ranging

information disclosure required, and higher procurement costs. However, as a major player in the global aluminum market, we recognized the importance of participating in the development of industry sustainability standards and were quick to decide to join and obtain certification.

In the near future, ASI certification is expected to become a requirement for doing business in the industry. Through this certification, we are able to offer our customers around the world reliable materials with a controlled supply chain, as a company worthy of trust in all aspects of ESG. In fact, as we enter the year 2024, major European beverage can manufacturers and others are increasingly specifying ASI certification as a basic condition of doing business. The trend toward placing greater importance on ASI certification is expected to expand to regions such as North America and Asia, and to other applications such as automotive parts and materials for consumer electronics. We believe that our strength lies in our ability to supply a wide variety of products globally, and ASI certification will add an additional element of differentiation in terms of sustainability to this competitive edge. In addition to the product supply perspective discussed here, we will also improve corporate value by raising our standards for sustainability through ASI certification activities.

¹ An international non-profit organization that uses scores to evaluate companies' efforts to address environmental issues

² An international organization that evaluates companies and their supply chains on the basis of four sustainability topics

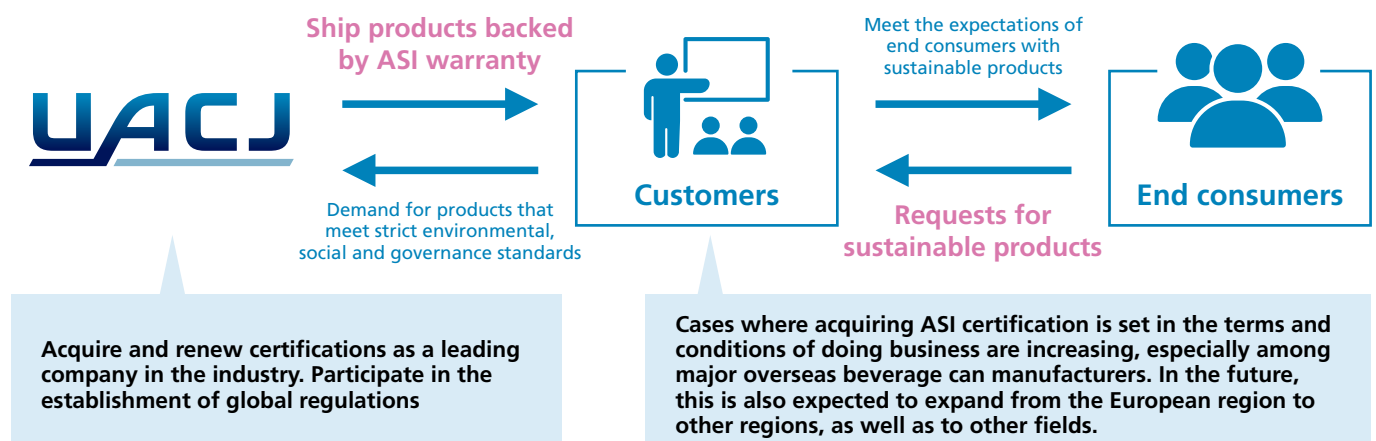
³ Aluminium Stewardship Initiative

⁴ Standards for improving sustainability and transparency with regard to corporate governance, the environment, and social responsibility

⁵ Standards for sustainable development extending to processing and distribution processes

⁶ UACJ (Thailand) Co., Ltd.

Significance of ASI membership for UACJ



Materiality Issues

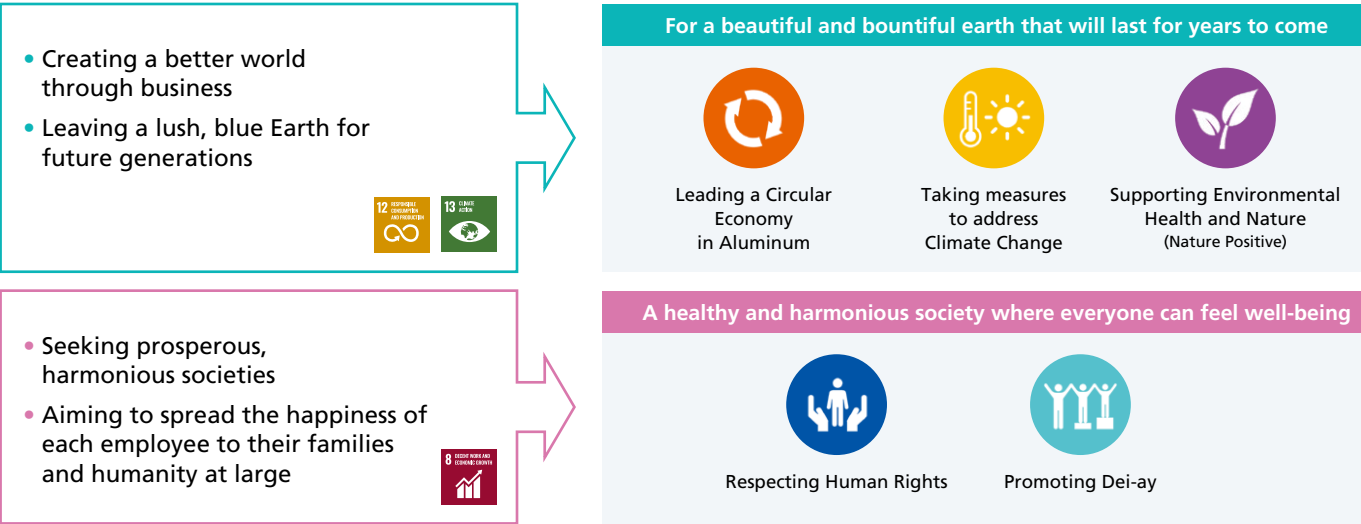
The UACJ Group defines materiality as important issues related to environmental, societal, and economic sustainability that could significantly impact its business over the medium and long terms according to the following three criteria:

- 1) The issue could significantly affect the Group’s stakeholders.
- 2) The issue is recognized by the Group as a vital matter that requires operational resources to be allocated on a priority basis in order to sustainably create value and increase the Group’s value.

- 3) The issue concerns the creation of social and economic value that the Group intends to provide over the medium and long terms.

To make steady progress in addressing its materiality issues, the Group has set clear performance indicators and targets for verifying the progress, and is carrying out measures to achieve these targets.

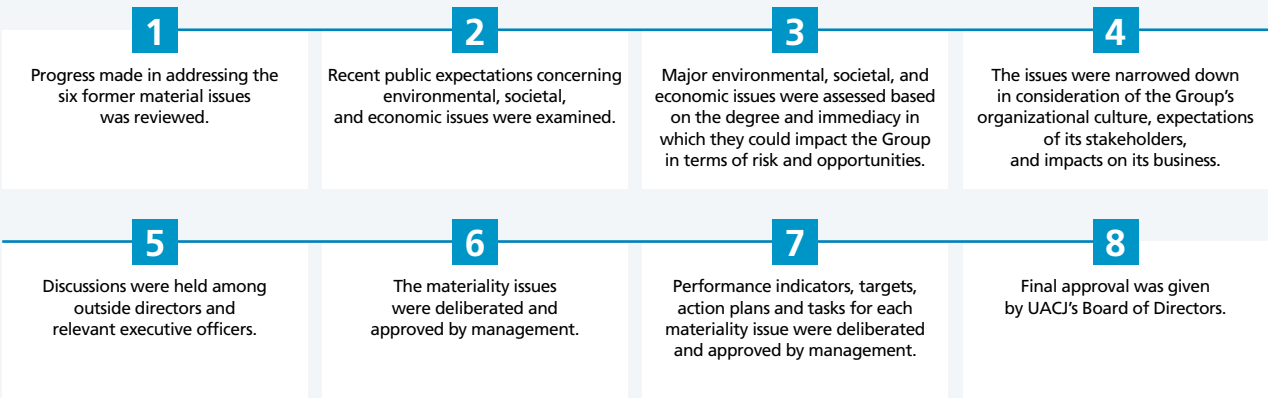
In fiscal 2023, the Group renewed the materiality issues it had specified in fiscal 2020 in response to changing circumstances in Japan and the rest of the world.



Process for renewing the materiality issues

When renewing the materiality issues in fiscal 2023, the Group first reviewed the progress it had made in addressing its previously specified material issues. Then it examined recent expectations from the public, considered how major issues confronting society could impact the Group in terms of both risks and opportunities, and narrowed down those issues in consideration of the Group’s

organizational culture, expectations of its stakeholders, and impacts on its businesses. Next, performance indicators, targets, action plans, and tasks for five newly specified materiality issues were deliberated and approved by management, and then given final approval by UACJ’s Board of Directors.



See our website for more materiality

<https://www.uacj.co.jp/english/sustainability/highlight/materiality.htm>

Step toward achieving the UACJ Group's five materiality targets

Key Sustainability Issues 'Materiality'	Issues to be addressed	Targets to be achieved by FY2030	FY2024 target	FY2030 target
For a beautiful and bountiful earth that will last for years to come				
Leading a Circular Economy in Aluminum	Maximize recycling rate of aluminum alloys	UACJ Recycling Rate Circulated aluminum amount/ Amount charged into the melting furnace *Excludes pure aluminum material	73%	<ul style="list-style-type: none"> 80% (FY2030 target) 100% (FY2050 target)
Taking measures to address Climate Change	Challenge towards carbon neutrality (Scope1&2)	Reduction of Scope 1 and 2 emissions The calculation is based on the Strategic Energy Plan	19.1%	<ul style="list-style-type: none"> 30% (FY2030 target) Achieve carbon neutrality (FY2050 target)
	Minimize GHG emissions along the entire supply chain (Scope3)	Reduction of Scope 3 emissions Category1	13.6%	<ul style="list-style-type: none"> 30% (FY2030 target) Minimize GHG emissions along the entire supply chain (FY2050 target)
Supporting Environmental Health and Nature (Nature Positive)	Minimize water intake through the effective use of water	Reduction in water intake amount Water intake includes industrial water, tap water, well water, and surface water	10%	25% or more
A healthy and harmonious society where everyone can feel well-being				
Respecting Human Rights	Eradicate human rights abuses	Human rights due diligence implementation rate Total number of employees of Group companies and locations where human rights due diligence has been conducted / Total number of employees of Group companies	25%	100%
	Educate on compliance and human rights issues through the Group Code of Conduct	Pervasiveness of respect for human rights Average score of employee engagement survey items relating to compliance and human rights	Over 3.6 / 5.0	3.9 / 5.0
Promoting Dei-ay	Promote Dei-ay	Pervasiveness of Dei-ay Average score of employee engagement survey items relating to Pervasiveness of Dei-ay	Over 3.1 / 5.0	3.4 / 5.0
	Promote diverse human resources	Percentage of women in managerial positions Excluding board members	9.5%	15%

Dialogue Between Outside Directors

Tackling materiality issues with a strong commitment and resolve based on a clear vision to help build a better world and healthier environment

In December 2023, the UACJ Group revised the materiality issues it had originally announced in 2021, and newly specified five materiality issues in response to shifts in its operating environment. Two of UACJ's outside directors, Ryoko Nagata and Makiko Akabane, met to evaluate the new materiality issues and discuss their outlooks and expectations going forward.

UACJ's unique approach to materiality issues continues to evolve

Akabane: UACJ first presented its newly revised materiality issues at an ESG briefing held in December 2023. How would you assess these materiality issues?

Nagata: The previous materiality issues covered a broad range of issues facing society, but frankly speaking, companies in all industries were tackling essentially the same issues. In contrast, the newly revised materiality issues put top priority on leading a circular economy in aluminum, which sends a powerful message to the society. Tackling this issue is something UACJ must do and is capable of doing, so it should work hard to appeal to the public on this matter.

Akabane: I also highly commend the Company's focus on leading a circular economy in aluminum. When management reviewed the original wording of this issue at the draft stage, some suggested that any company could have expressed it that way, while others wondered if it reflected UACJ's uniqueness. The wording was revised after those viewpoints were considered, and the outcome was a materiality issue unique to UACJ.

Nagata: An important policy of the mid-term management plan launched this fiscal year is to supply aluminum materials with even more added value than before, and one way to add value is to promote recycling. By broadening applications and stimulating demand for aluminum as a material with more environmental value, and by helping build a circular economy for the metal, the Group can strive to raise its overall value while also promoting sustainability. Both the newly revised materiality issues and the new mid-term management plan include financial and non-financial goals that align growth strategies and sustainability. That is very commendable, and I



Ryoko Nagata

Outside Director

Ms. Nagata gained extensive experience and a broad management perspective while serving as a senior vice president of Japan Tobacco Inc. and as an auditor at that company and one of its subsidiaries. She also has expertise in sales and marketing as well as sustainability issues.

look forward to seeing steady progress.

Adding value to products through recycling is a source of Group's competitiveness

Akabane: According to data published by the International Aluminium Institute, global demand for aluminum is projected to rise by about 40% between 2020 and 2030. For aluminum product manufacturers, how to respond to such robust demand will be a major issue.

Nagata: Some are concerned that procuring raw materials will become difficult as competition over resources intensifies in the future. We must also deal with rising aluminum demand while considering the impact of climate change, which means reducing energy consumption at the production stage.

Akabane: Recycling will be an essential way to deal with those conflicting issues. By recycling aluminum over and over again, we can use this resource more effectively, of course, while also greatly reducing the energy that would otherwise be needed to produce virgin aluminum¹. Today, companies in the global marketplace are asking manufacturers what kind of energy was used to make their products and materials. Therefore, it is essential to facilitate the use of green energy in production processes while also stepping up recycling efforts.

Nagata: You are exactly right. The UACJ Group can bolster its competitiveness by incorporating aluminum recycling systems in



Makiko Akabane

Outside Director

Ms. Akabane has led CSR initiatives and set up related organizations as head of CSR at multinational companies in various industries. Drawing from her extensive experience and expertise, she currently offers consulting on sustainability-related issues as a representative director of CSR Asia.

its operations while taking proactive steps to supply aluminum products that help reduce environmental impacts because they were made using green energy.

Working together in unison to fulfill our commitment

Nagata: UACJ has specified key performance indicators (KPIs) and targets to achieve by fiscal 2030 and 2050 for each of the five new materiality issues. For the issue of leading a circular economy in aluminum, for example, UACJ set its recycling rate² as a KPI, and will aim to raise this rate to 80% by fiscal 2030 and 100% by fiscal 2050, compared with the baseline year of 2019 when the rate was 65%. These targets are very ambitious, which reflects the Company's strong commitment and resolve to help build a better world and healthier environment.

Akabane: To fulfill that commitment, the Company is urging a wide range of stakeholders to join its efforts in creating recycling loops for aluminum products other than can stock. The Board of Directors will need to monitor the progress of such efforts for all five materiality issues.

Nagata: When monitoring progress, it is important not only to understand what has or hasn't been accomplished, but also to engage in constructive discussions about what actions should be taken next, such as analyzing issues and examining countermeasures. A broad perspective should be adopted

whenever appropriate, taking into account other companies' initiatives, global trends, and so on.

Akabane: I think we should also closely watch the Group's human resources development, even though it was not included among the five new materiality issues.

Nagata: Yes, there were opinions that human resources development should remain as a materiality issue during the review process, but in the end, it was regarded as an operational foundation that should be maintained as a matter of course rather than treated as a priority task on the level of a materiality issue.

Akabane: The successful execution of the mid-term management plan as well as measures related to the materiality issues depend on each and every employee of the Group. Therefore, the Group must continue enhancing its human resources development to allow all employees to demonstrate their full potential. To become a more attractive company that really talented people want to work for, UACJ must ensure that its workplace environment is employee friendly.

Nagata: That will also strengthen the Group's operational foundations. Furthermore, everyone must be strongly committed to executing the growth strategies of the mid-term management plan and the measures for tackling each of the materiality issues. All members of the Board of Directors are working in unison to facilitate the achievement of those objectives.

Notes:

1. The energy needed to produce recycled aluminum materials is only about 3% of the amount needed to produce the same volume of virgin aluminum in the smelting process. Furthermore, by replacing virgin aluminum with recycled aluminum as raw materials for products, greenhouse gas emissions can be reduced by about 97% at the production stage.
2. UACJ's recycling rate is calculated by dividing the total weight of aluminum it recycles by the total weight of all aluminum entered in its melting furnaces.

Environmental Initiatives

For a beautiful and bountiful earth that will last for years to come

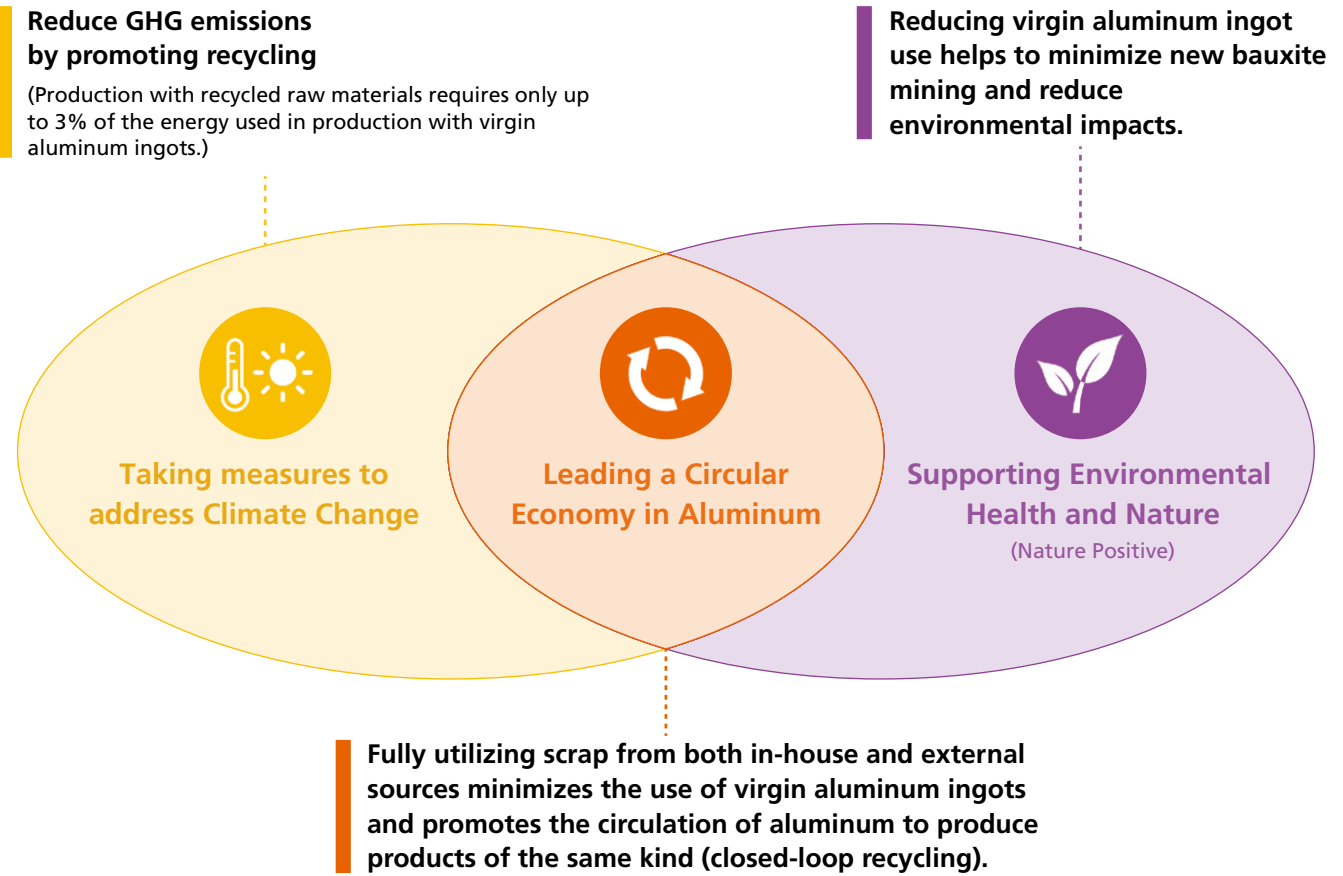
Basic approach

Under the UACJ sustainability slogan, “Passing down a brighter world over the next century,” we are working to realize a beautiful and bountiful earth that will last for years to come. As such, we are focusing on maximizing the environmental performance of aluminum, a contribution to the environment that only UACJ can make. For example, aluminum can be used in automobiles to reduce body weight, thereby improving fuel efficiency and reducing emissions of CO₂ and other GHGs. In addition, recycling reduces GHG emissions by approximately 97% when compared to producing virgin ingots. In this way, reducing environmental impacts through aluminum is value that we are uniquely positioned to provide.

Against the backdrop of these efforts, we have identified three materiality issues in the environmental field: leading a circular economy in aluminum, taking measures to address

climate change, and supporting environmental health and nature (Nature Positive). These are not independent issues, but are interrelated, mutually reinforcing, and integrated, and it is essential that they be addressed as one.

Out of these, it is “leading a circular economy in aluminum” that plays the central role. Recycling aluminum, promoting its use more widely, and recycling aluminum into the same products (closed loop recycling) will not only reduce GHG emissions and thus help address climate change, but also reduce the amount of new ingots used, which will curb the mining of new bauxite, in turn helping to support environmental health and nature (Nature Positive). Accordingly, UACJ is implementing environmental initiatives focused on promoting aluminum recycling.



See our website for more environment
<https://www.uacj.co.jp/english/sustainability/environment/index.htm>



Implementation framework

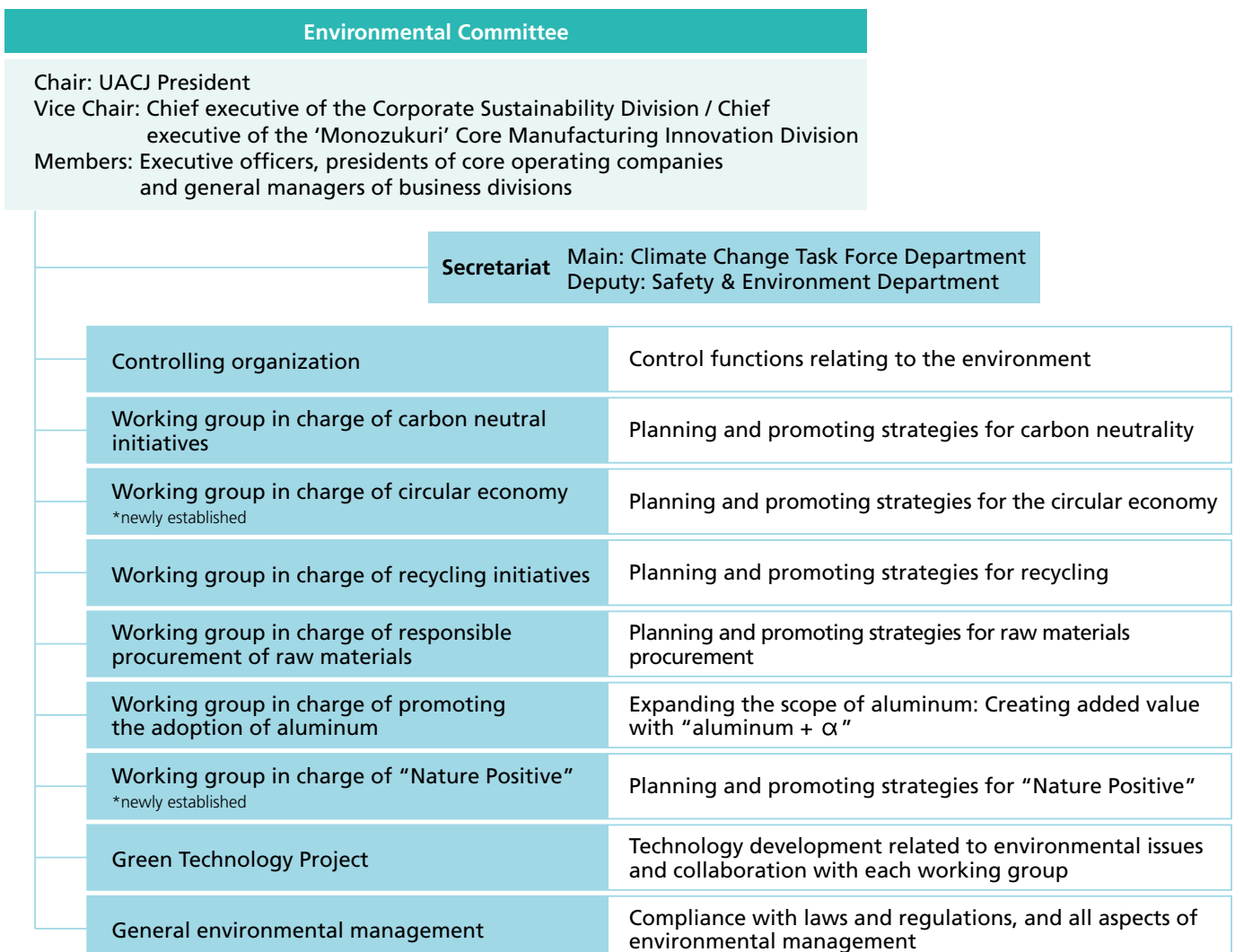
In fiscal 2023, we reorganized our materiality issues and reviewed each of our committees involved in sustainability. As a result, the Environmental Committee, which was responsible for the “defensive” aspects of corporate social responsibility, such as reducing emissions of GHGs and waste, and the Climate Change Countermeasures Steering Committee, which was responsible for the “offensive” aspects, in terms of actively contributing to a decarbonized and recycling-based society, were merged.

In fiscal 2024, we newly established the Environmental Committee, a Group-wide organization that promotes environmental activities and raises environmental awareness

among employees.

The Environmental Committee, attended by executive officers, presidents of core operating companies, and general managers of business divisions, meets three times a year to review the implementation status of environmental activities, including measures for the circular economy, climate change, and “Nature Positive,” develop policies regarding environmental activities for the next fiscal year, and deliberate on targets. Under the Environmental Committee are nine working groups (WGs), each of which is involved in multiple materiality issues, and the Environmental Committee oversees these WGs from a cross-sectoral perspective.

Environmental activities organization chart



Leading a circular economy in aluminum

The promotion of a circular economy through aluminum recycling not only helps to create a recycling-based society, but also contributes to climate change countermeasures and Nature Positive initiatives. To this end, we have formulated and are implementing a road map to serve as the “heart” that promotes the recycling of aluminum, connecting the “arteries” that turn aluminum materials into products and deliver them to society with the “veins” that collect used products and scrap materials and return them to society again as recycled products.

Regarding the stable procurement of PIR¹ scrap, we will continue to establish schemes for can materials, automotive materials, home appliances, etc., and promote the recycling of high-strength 2000 series and 7000 series materials used in the aerospace and defense industries, etc. Meanwhile, for PCR² scrap, we will establish a recycling system for automobiles, home appliances, and similar items. In addition, we will be involved in NEDO³ projects and will be developing the technologies needed to establish a recycling loop.

In addition to these road maps, in order to drive the development of a recycling-based society for aluminum, we have also set a target of achieving a UACJ recycling rate⁴ of 80% by fiscal 2030.

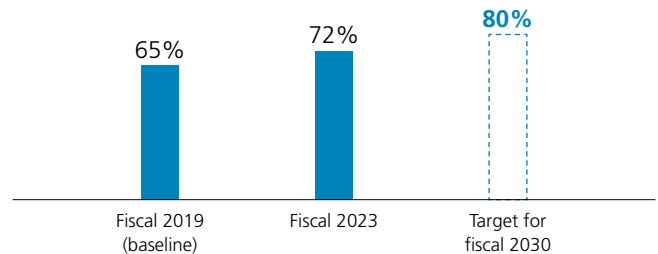
¹ Post-Industrial Recycled: Scrap generated during the processing of materials in the manufacturing industry

² Post-Consumer Recycled: Scrap derived from used products

³ New Energy and Industrial Technology Development Organization

⁴ A UACJ indicator that measures the recyclability of aluminum, calculated as the ratio of recycled aluminum to the amount charged to the melting furnace

UACJ's recycling rate over time



Road map for leading a circular economy in aluminum

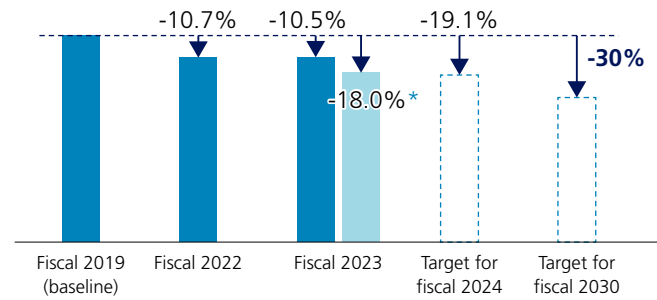
Item	Details	to fiscal 2027	to fiscal 2030
Overall strategy	Formulation of policies for company-wide strategies	Identification of issues and formulation of policies	Strengthening of environmental response capabilities Promotion of recycling through to 2030
		Consideration of investment in scrap pre-processing equipment	
	Maximizing use of UBC	Increase the Can to Can usage rate (175% in 2027 compared to 2019)	
		Vertical startup of UBC processing equipment, consideration of investment expansion	
	Recycled alloy development and production technology	Assessment of current material flow	
		Alloy development (EcoEnd™, etc.)	
		Selection of scrap that can be sustainably procured → Use (“Can to Can closed loop recycling,” etc., starting in city-center offices)	
	NEDO project commercialization (interaction with government agencies)	Project for development of technology to upgrade aluminum resources (NEDO project)	
PIR	Upgrade recycling, vertical continuous casting machines, etc. Pioneering research (low-temperature electrolysis)	Consideration of commercialization following the project	UACJ recycling rate of 80%
	Building relationships with other industries and companies	Research and development (pioneering research) of processes for increasing the purity of aluminum using low-temperature electrolysis	
		Consideration of commercialization following pioneering research	
		Building relationships with other industries and companies	
PCR	Stable procurement of materials for cans, automobiles, home appliances, etc.	Stable procurement of scrap and expansion thereof	
		Increase in volume through the establishment of new scrap procurement schemes	
	Consideration of recycling for high-strength 2000 series and 7000 series	Assessment of the scrap market	
		Improvement of dissolution yields and exploration of the use of purification technology	
		Expansion of aerospace and defense-related products and PIR collection	
	Automobiles	Development of recycling processes that meet the quality standards for automotive components and evaluation of recycled materials	
	Home appliances	Establishment of loops by working with customers and recycling businesses	
		Implement closed-loop recycling of PCR home appliances	
Others	Mixed metal	Search for partner companies	
		Use of PCR in existing and recycled alloys	
	Others	Search for items	
		Search for partner companies	Consideration of measures to cope with increased target volume

Taking measures to address climate change

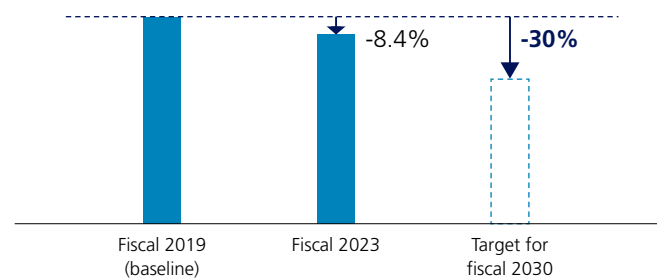
Responding to climate change has become an urgent issue that must be addressed by society as a whole. In order to fulfill this responsibility, we have positioned “achieving carbon neutrality,” including the reduction of GHG emissions, as one of our important issues, and we will not only reduce GHG emissions through our business activities, but also reduce GHG emissions in society as a whole by creating more opportunities for aluminum use, thereby helping to build a sustainable society.

To ensure the effectiveness of these efforts, we have established a road map to achieve carbon neutrality (CN) in Scope 1 and 2 by fiscal 2050, and are proceeding accordingly. For fiscal 2030, the halfway point between 2019 and 2050, we have set a goal of reducing CO₂ emissions per unit of production by 30% relative to fiscal 2019. To this end, we are implementing measures such as purchasing 100% renewable energy-derived electricity at 17 sites in Japan, focusing on manufacturing sites for products close to finished products, aiming to reduce Scope 2 CO₂ emissions to zero (factories running on 100% renewable energy). For Scope 3, meanwhile, we have set a target of a 30% reduction (Category 1, per production unit) by fiscal 2030 relative to fiscal 2019, to be achieved through the promotion of recycling and similar measures.

Scope 1 and 2 CO₂ Emissions Reduction Results and Targets



GHG Emission Reduction Results and Targets (Scope 3)



Road Map for Promoting Measures to Address Climate Change

Item	Description	By FY2023				By FY2050
Scope1 and 2	Promotion of further energy saving	Improve energy consumption efficiency and reduce loss		30% CO ₂ Reduction		Become carbon neutral
	Transition to low-carbon/green fuel	Switch from heavy oil and LPG to LNG and city gas			Hydrogen, ammonia, methanation, etc.	
	Transition to low-carbon/green electricity	Introduce and expand use of renewable energy-derived electricity			Switch to renewable energy for all electricity consumption	
	Introduction of carbon recovery technologies	Investigate and review technology			CO ₂ capture, usage, and storage technology, etc.	
	Carbon offsetting	Timberland investment, emissions trading, etc.			Tree planting, emissions trading, etc.	
Scope3	Promotion/maximization of recycling	Maximize use of all scrap (in-house scrap, customers' scrap, general consumers' scrap)		30% GHG Reduction		Minimize GHG emissions
	Development and practical application of recycled alloys and associated technologies	Development and practical application (NEDO-subsidized project)			Practical application, promotion of widespread adoption	
	Transition to low-carbon/green virgin aluminum	Increase use of virgin aluminum produced with hydroelectricity			Transition to green (carbon-free) virgin aluminum	
	Development/supply of products using UACJ's unique, certified GHG emissions reduction method, "Mass Balance," and including them in regular lineup	Complete formation of framework	Commence supply		Promote usage, make part of regular lineup	
	Promotion of the switch to aluminum	Expand sales and establish ALmitas® SMART Develop new domains and expand sales in them				
Utilize aluminum's environmentally friendly properties, set rules for reducing environmental impacts						
Participation and collaboration with external organizations		Participate in initiatives and collaborate with industry groups				

Supporting environmental health and nature (Nature positive)

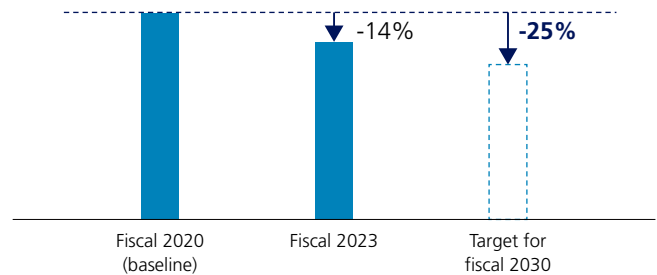
UACJ has designated “supporting environmental health and nature” as a materiality issue in the environmental field, and aims to minimize the impact on nature throughout our supply chain and contribute to Nature Positive (where support for environmental regeneration, creation and conservation is appropriately balanced with the economy).

Specifically, we are actively reducing the environmental impact of our business activities through the active use of recycled materials, recycling of water, and proactive forest conservation activities, while also promoting the restoration and recovery of forests and water resources. With respect to water recycling in particular, we are working to reduce our environmental impact by positioning the reuse of water used in manufacturing as a routine, everyday task, and have set a target of reducing the amount of water withdrawal per unit of production by 25% from the fiscal 2020 level by fiscal 2030. We are also taking measures to minimize our impact on nature, such as reducing the use of new ingots by promoting aluminum

recycling, reducing new mining of bauxite as a raw material, and avoiding deforestation and the endangerment of threatened species.

We are keenly aware that our business activities both benefit and impact the natural environment in various ways, and we will continue to work to reduce our environmental impact and contribute to supporting environmental health and nature in ways that only UACJ can.

Water withdrawal reduction rate over time



Road map for Supporting Environmental Health and Nature (Nature Positive)

Item	Details	to fiscal 2027	to fiscal 2030
Minimization of negative impacts	Promotion of water circulation	Promotion of use of recycled water, reuse of wastewater Avoidance and reduction of ecosystem impacts	25% reduction in water withdrawal per unit of production
	Reduction of water loss	Identifying differences between manufacturing sites, water withdrawal levels, etc.	
	Effective use of unused water	Determining actual usage status Effective use of rainwater, etc.	
	Collaboration with the supply chain	Incorporating a biodiversity perspective Promoting effective use of water resources	
Maximization of positive impacts	Forest conservation and restoration	Ascertaining the amount of groundwater used Ascertaining the scale of water source conservation Forest conservation	Maximize efforts to make a positive impact on biodiversity
	Rollout of ALmitas* SMART (environmentally friendly products)	Expanding sales of ALmitas* SMART Cultivating new fields and expanding sales Reducing environmental impact resulting from increased use	
	Promotion of recycling	Driving a circular economy Reduction of new ingot use	
	Implementation of measures based on scientific evidence (Certification is not mandatory, but will be determined based on the situation)	Set targets with reference to SBTs for Nature (SBTN) ¹ methodology Effective implementation of measures	
Information disclosure	Response to Taskforce on Nature-related Financial Disclosures (TNFD)	Competitive target setting	Enhancing corporate value through information disclosure and steady progress

¹ Setting of goals based on science-based targets for nature

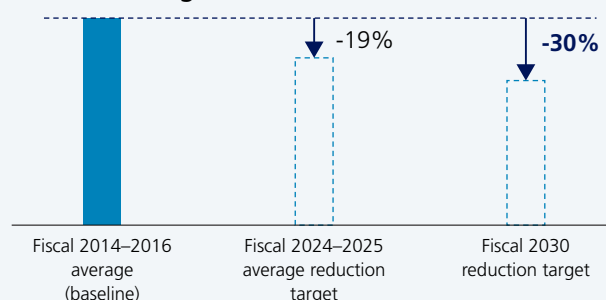
Promoting climate change countermeasures through GX League participation

In April 2024, UACJ joined the GX League, a group of various companies and organizations working to achieve carbon neutrality. The GX League is a framework for collaboration among industry, academia, and government to achieve the Japanese government's goal of reducing greenhouse gas (GHG) emissions by 46% by fiscal 2030 (relative to fiscal 2013). As a leading company in the Japanese aluminum industry, we will continue to spearhead decarbonization efforts in the industry. Moreover, in addition to improving communication with the Japanese government and participating in cross-industry rulemaking, we will work to expand business opportunities through the promotion of climate change countermeasures.

Our reduction target for CO₂ and other GHG emissions (total of Scope 1 and 2) as part of the GX League is a 19% average reduction in fiscal 2024 and 2025, and a 30% reduction

in fiscal 2030, taking the three-year average from fiscal 2014 to fiscal 2016 as a baseline. These targets have been approved by the GX League Secretariat.

Scope 1 and 2 CO₂ reduction targets in the GX League



Toward disclosures based on TNFD recommendations

As part of its Nature Positive initiatives, UACJ is working to minimize its negative impacts, using reduction of water withdrawal per unit of production as a KPI, and to maximize its positive impacts through recycling. As we move forward with these efforts, we are preparing to disclose information in accordance with the TNFD² framework.

An action plan based on the business strategy will be developed in fiscal 2024 and implemented from fiscal 2025 onwards. Disclosures based on the TNFD will be included in the Integrated Report for the next fiscal year.

² Taskforce on Nature-related Financial Disclosures

Road map for TNFD response

	Fiscal 2024				Fiscal 2025				Fiscal 2026				Fiscal 2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compilation of necessary information for TNFD response	Summary of requirements															
	Gap analysis															
					Development of action plan											
					Setting of targets (KPIs)											
TNFD response efforts					Data collection and analysis				Data collection and analysis				Data collection and analysis			
					Summary of data and confirmation of issues				Summary of data and confirmation of issues				Summary of data and confirmation of issues			
					Review and implementation of action plan				Review and implementation of action plan				Review and implementation of action plan			
Information disclosure					Summary of disclosure information ³				Summary of disclosure information ³				Summary of disclosure information ³			

³ Regularly disclose status of TNFD response in the Integrated Report and explain at sustainability briefings

Information Disclosure Based on the TCFD Recommendations

Governance

In its Sustainability Policy, UACJ defines its basic approach and philosophy for promoting sustainability activities, including climate change countermeasures.

As a framework for climate change countermeasures, we have established the “Environmental Committee” (formed in fiscal 2024 by merging the former Environmental Committee and Climate Change Countermeasures Steering Committee), which is chaired by the president. Nine working groups (see ▶ Page 64), including the controlling organization, the working group in charge of carbon neutral initiatives, the working group in charge of circular economy, the working group in charge of recycling initiatives, the working group in charge of responsible procurement of raw materials, and the Green Technology Project, which are subordinate to this committee, are working together to implement initiatives. As part of efforts to strengthen governance, the results of the working groups’ discussions and activities are reported by the Environmental Committee to the Board of Directors for resolution as necessary.

Strategy

UACJ conducted a scenario analysis in fiscal 2021 with reference to future projections by the IEA¹, IPCC², and other organizations, and confirmed that under the 1.5°C scenario, the positive impact would be greater if future implementation of response measures and new opportunities are combined.

“Taking measures to address climate change” has been one of our materiality issues since fiscal 2021. After reorganizing the materiality issues in fiscal 2023 based on the results of our scenario analysis, we have once again made “taking measures to address climate change” one of our materiality issues and are working to reduce GHG emissions accordingly.

In addition, we have positioned the promotion of recycling as an important strategy in our fourth mid-term management plan, which commenced in fiscal 2024. Recycling aluminum, encouraging its widespread use, and circulating the used aluminum as resources for new

products (closed-loop recycling system) will lead to a reduction in GHG emissions. Moreover, by curbing the mining of bauxite, the raw material for new ingots, it will also help reduce the GHG emissions involved in the mining process. Building this kind of circular economy and contributing to Nature Positive have also been identified as materiality issues, and we are working on climate change countermeasures as an important management policy.

¹ IEA (International Energy Agency)

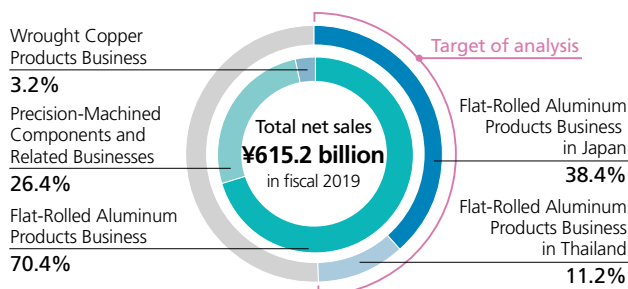
² IPCC (United Nations Intergovernmental Panel on Climate Change)

Risk management

In our “UACJ Report 2023,” we estimated and published the financial impact that a carbon tax would have if introduced in Japan, Thailand, and other countries. However, since then, we have re-calculated our estimates in light of significant changes in our assumptions for estimating factors such as exchange rates, as well as the fact that CBAM³ will be fully applied in Europe from 2026 and discussions are underway in North America and Japan for the introduction of carbon pricing. As a result, we estimated that in comparison with a scenario in which we do not take action, realizing our Scope 1 and 2 target of “30% reduction of CO₂ emissions in fiscal 2030 relative to fiscal 2019 and carbon neutrality in fiscal 2050,” would result in GHG reduction benefits of 7.3 billion yen in fiscal 2030 and 79 billion yen in fiscal 2050, respectively.

³ Carbon Border Adjustment Mechanism

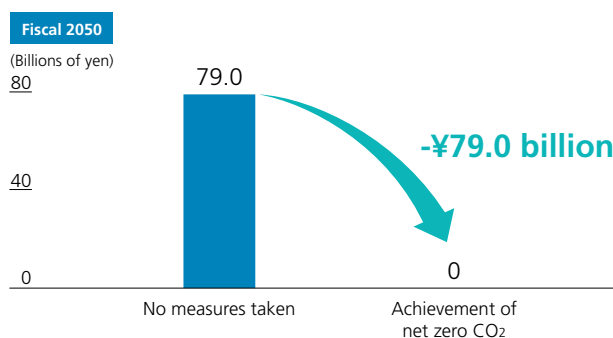
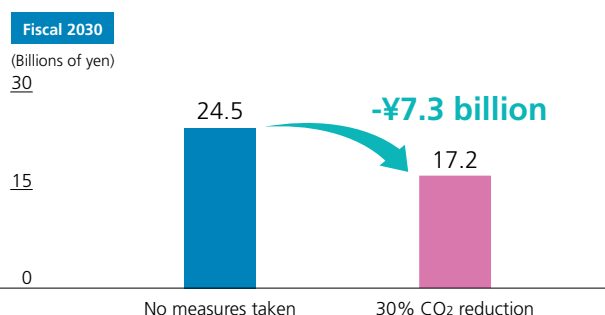
Businesses subject to the scenario analysis



Risk significance assessment: risks and opportunities

		Carbon price (carbon tax / carbon border adjustment mechanism)	Carbon emissions targets / policies in each country (Emissions trading / Mandatory Carbon Footprint Reporting etc.)
Index		Revenue Expenditures	Revenue Expenditures
Business impact	Risk	<ul style="list-style-type: none"> Procurement costs for imported raw materials / materials increase Electricity costs increase 	<ul style="list-style-type: none"> Raw material procurement costs / manufacturing costs increase due to expenses for purchasing carbon credits Expenses increase for updates / introduction of equipment such as aluminum scrap melting furnaces and energy-saving equipment, and enabling changeover to other fuels Production management costs increase due to mandatory carbon footprint recording and reporting
	Opportunities	<ul style="list-style-type: none"> Sales and revenue increase due to reduced competitiveness of imported competitor products from countries/regions with insufficient GHG emissions controls 	<ul style="list-style-type: none"> Carbon tax and other costs can be reduced by reducing procurement of energy-intensive raw materials (virgin aluminum) Demand associated with switching from other materials increases due to tighter regulations There are opportunities to increase revenue by taking advantage of aluminum's light weight, high thermal efficiency, and high recyclability
Evaluation		High	Medium
Future countermeasures to individual risks	Category	Adapted	
	Risk countermeasures example	<ul style="list-style-type: none"> Setting of long-term CO₂ emissions reduction targets Setting of long-term energy use reduction targets Introduction of internal carbon pricing 	
	Initiatives for seizing opportunities example	<ul style="list-style-type: none"> Implementation of long-term CO₂ emissions reduction targets Leveraging of CO₂ absorption through forests, etc., and credit programs Establishment of an evaluation method to measure contribution to making reductions Shifting to energy-saving technologies with an aim toward decarbonization through public-private partnerships and international cooperation 	

Estimated monetary impact of carbon tax



Indicators and targets

In our the UACJ Approach to Combatting Climate Change announced in June 2022, UACJ set a goal of working to “achieve carbon neutrality in Scope 1 and 2 by 2050, and in the process reduce our CO₂ emissions by 30%⁴ by fiscal 2030.

Regarding Scope 3, in December 2023, we set a goal to achieve a 30% reduction in GHG emissions⁵ by fiscal 2030 by expanding recycling and other measures, and to minimize GHG emissions by 2050 by collaborating with

various partners to maximize recycling and reduce emissions throughout the supply chain.

In order to achieve our goals for fiscal 2030 and to achieve carbon neutrality by 2050, we will continue our efforts to reduce emissions of CO₂ and other GHGs.

⁴ Relative to fiscal 2019, per production unit

⁵ Relative to fiscal 2019, per production unit, Category 1

Social Initiatives

Creating a healthy and harmonious society where everyone can feel well-being

Basic approach

We believe that in order to be a company that contributes widely to society at large, it is important to understand the expectations of our stakeholders and to live up to the trust they place in us.

We regard respect for human rights, the promotion of diversity (DE&I), human resource development, and efforts to create a safe and healthy work environment (occupational health and safety) as important topics, and are advancing initiatives aimed at targets set for each.

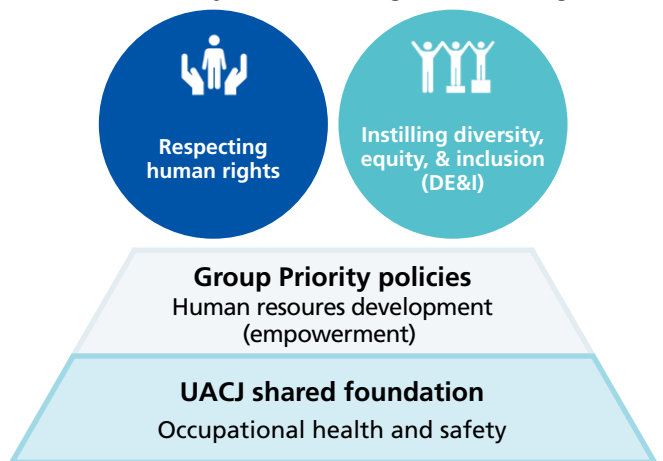
We have established a “Sustainability Compass” to embody our Sustainability Policy, and in order to realize our vision of “passing down a better world over the next century,” we have formulated the message of “creating a healthy and harmonious society where everyone can feel well-being” as our approach to well-being. We believe that “Well-being” acts as a “Wave of Wellness,” whereby wellness in terms of individual health, fulfillment, and happiness leads to wellness among family, peers, community, and society, which in turn leads back to wellness in each individual. This approach involves ensuring that each and every one of our employees can lead a healthy and happy life, and that this extends to those around them, thereby contributing to the realization of a healthy and harmonious society.

We have identified “respect for human rights” and “diversity and equal opportunities (DE&I)” as two materiality issues related to well-being, and have positioned “human resource development” as a major policy and “occupational health and safety” as a common foundation underlying them.

In terms of “respect for human rights,” we will work to ensure that the initiatives required by the UN Guiding Principles on Business and Human Rights and national Action Plans on Business and Human Rights are instilled and take root throughout our entire company. We believe that we can contribute to a society in which everyone can feel happiness through the practice of global business activities in accordance with the ideas of “universal and equal,” “inalienable” and “inviolable.” Meanwhile, with respect to “diversity and equal opportunities” (DE&I), in accordance with “respect and understand your associates” from the UACJ Way, we aim to achieve synergies that will enable employees to feel proud and secure and live a fulfilling life in their own way, while also contributing to sustainable company growth, including the creation of innovation, by allowing them to exercise their

Human capital-related systems

Materiality issues relating to well-being



abilities to the fullest extent possible.

Since the birth of the UACJ Group, we have aimed to build a solid human resource base by actively investing in our human capital. In particular, we have implemented a variety of measures which take into consideration the enhancement of foundational human resources who embody the UACJ Way, and the augmentation of strategic human resources who will drive the achievement of our medium- and long-term strategies. For example, the engagement survey has a response rate of about 80% every year, and the results of the survey are analyzed and reflected in subsequent personnel policies. In addition, we have worked to “visualize” the extent to which the various measures implemented in the past have been reflected and the outcomes achieved as survey results, and have focused on further enhancing relevant systems, including with regard to internal Group recruitment systems, 360 degree feedback, and the formulation of personnel rotation guidelines. In the engagement survey conducted in fiscal 2023, the response score (on a 5-point scale) for the “level of implementation of the UACJ Way” increased from 3.42 to 3.51, and the response scores for items such as “promotion of human resource development” and “realization of appealing compensation packages” also exceeded the previous year’s scores, showing steady results of efforts to enhance our human capital.

See our website for more Human capital-related
<https://www.uacj.co.jp/english/sustainability/social/index.htm>



Human capital value creation process

Inputs/outputs						Outcomes
Measures	Implementation items	Fiscal 2020 results	Fiscal 2021 results	Fiscal 2022 results	Fiscal 2023 results	Work environments that engender growth and job satisfaction Work environments in which each individual is respected Comfortable work environments
Monozukuri human resource development	Position level-specific training participants, locations (technical) ¹	570 people (26 locations)	526 people (26 locations)	534 people (26 locations)	463 people (28 locations)	
	Monozukuri Gakuen program participating locations ¹	Japan 16, overseas 0	Japan 17, overseas 0	Japan 21, overseas 1	Japan 21, overseas 1	
	Technical development seminar participants, topics ¹	168 people (10 topics)	196 people (10 topics)	229 people (10 topics)	256 people (10 topics)	
	UKI participants ¹	360 people	511 people	888 people	1,411 people	
Human resource development promotion	Position level-specific training participants (staff) ¹	381 people	476 people	646 people	811 people	
	Next-generation business leader training participants ¹	0	44 people	20 people	45 people	
	Succession plan creation rate ²	100%	100%	100%	100%	
	360 degree feedback rate ³	99.5%	100.0%	99.2%	—	
Engagement improvement	Engagement survey response rate ¹	81.5%	80.0%	80.0%	90.0%	
	Self-reform declaration rate ¹	—	57.0%	63.5%	72.8%	
	Internal Group recruitment system reassignments ¹	2 people	5 people	1 person	3 people	
Realization of attractive compensation	Wage level gap between men and women ²	—	—	78.4%	78.1%	
Diversity promotion	Ratio of women in management positions ⁴	1.9%	2.2%	3.4%	4.3%	
	Ratio of foreign nationals employed ²	5.4%	8.3%	5.6%	2.5%	
	Ratio of mid-career hires ²	53.0%	68.0%	66.0%	58.0%	
	Employment rate of people with disabilities ¹	2.60%	2.55%	2.44%	2.69%	
Work-life balance	Total actual working hours per year ²	2,026 hours	2,115 hours	2,062 hours	2,060 hours	
	Hours of overtime worked ²	25.1 hours	30.2 hours	28.1 hours	26.8 hours	
	Paid vacation uptake rate ²	53.8%	62.0%	69.0%	67.6%	
	Childcare leave uptake rate ² for men	22.0%	42.0%	69.1%	74.0%	
	Childcare leave update rate ² for women	100.0%	100.0%	100.0%	100.0%	
Health management promotion	Health checkup participation rate ²	100.0%	100.0%	100.0%	100.0%	
	Stress check rate ²	94.3%	90.9%	91.7%	95.4%	

¹ Consolidated ² Non-consolidated ³ Non-consolidated management positions ⁴ UACJ Group in Japan

Human resources strategy

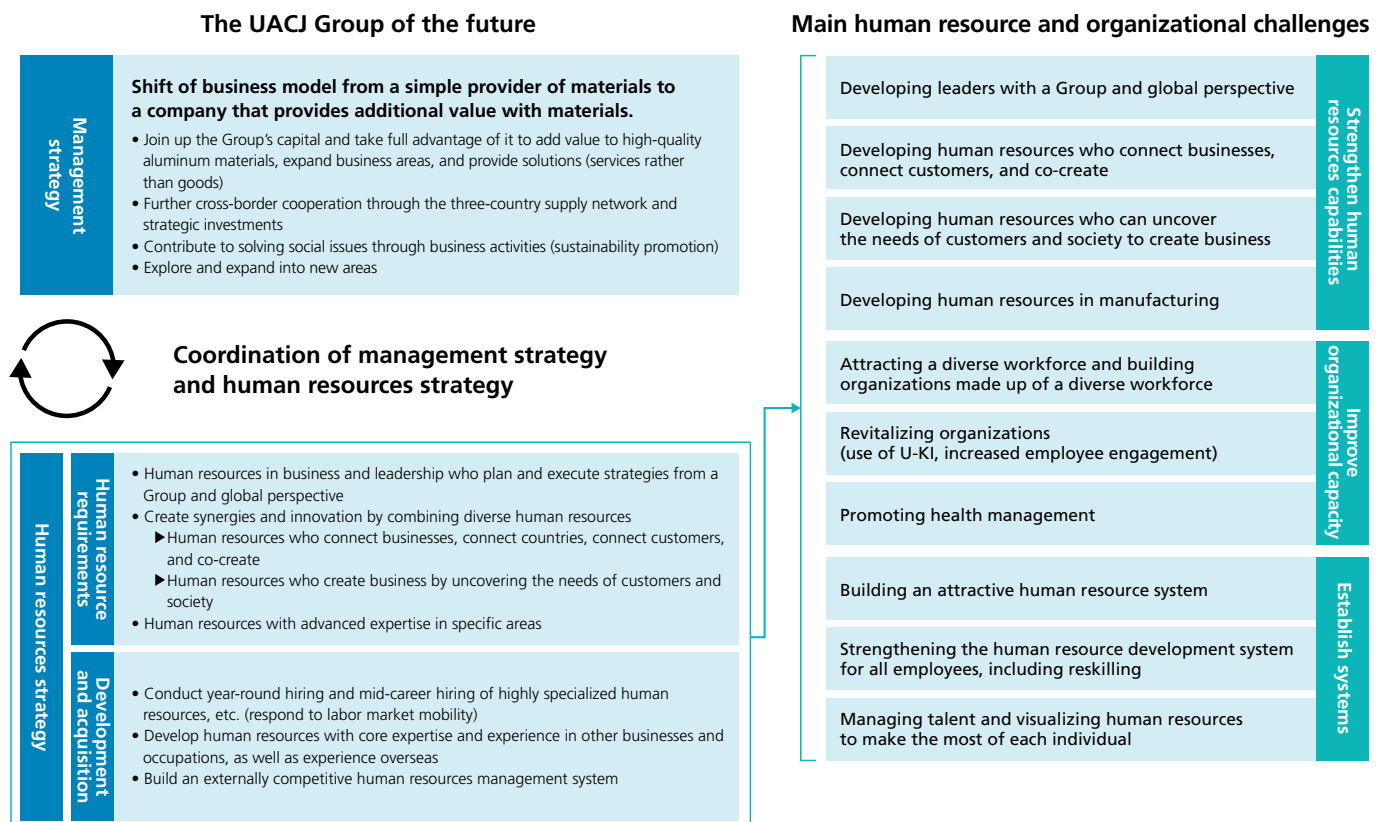
In recent years, there have been significant changes in the employment environment, including a shrinking workforce due to the declining number of children and aging population, greater mobility of human resources, and other significant changes in the values of workers, such as a growing awareness of the importance of work-life balance and careers. Companies must realize that it is now they who are selected by workers, and they must foster an organizational climate that is attractive to employees and create a workplace environment where they can work with vigor and enthusiasm.

Given this context, we have identified three issues: “strengthening human resources (human resources strategy)” to continue to provide sufficient personnel to realize our management philosophy and execute our business strategies in a timely manner; “strengthening organizational capacity” to enhance our strength as an aggregate of the activities of a diverse range of individuals, and “improving mechanisms,” such as reviewing personnel and training systems and visualizing human

resources information to achieve these objectives. In this regard, plans to further strengthen human capital during the period of the fourth mid-term management plan have been developed.

The Human Resources Strategy Project, which commenced in fiscal 2021, focuses on reforming the human resources system in line with current trends and developing human resources from a new perspective, with the aim of viewing human resources as capital and deriving the maximum possible value from them. In this way, we will produce a large number of human resources who can embody the UACJ Way, and will work to ensure the sustainable growth of our company as a whole and our long-term management vision, UACJ Vision 2030 (Vision 2030). We also believe that collaboration and cooperation between each business division and personnel division is essential in implementing this Human Resources Strategy Project. Each business division will consider the human resource requirements needed to achieve its business goals. Meanwhile, personnel divisions will take a step beyond

Coordination of management strategy and human resources strategy



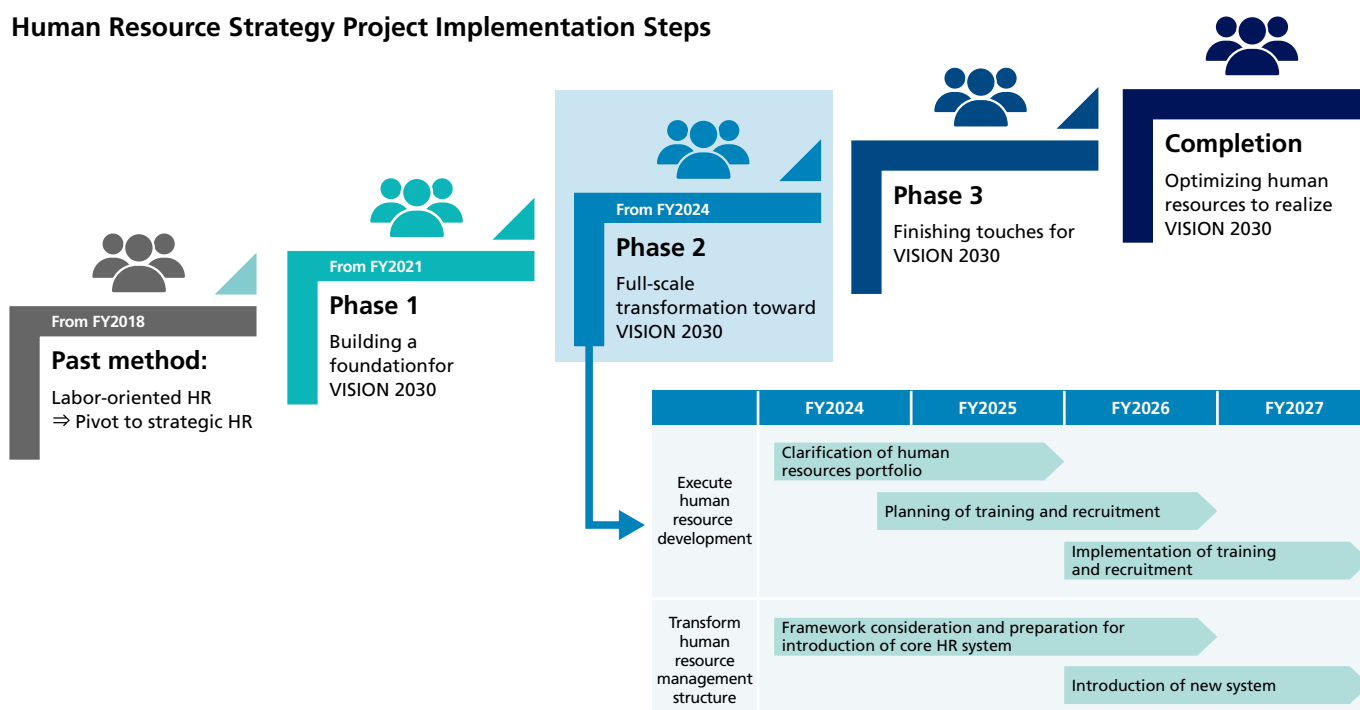
“managing” human resources to become divisions that “support” human resources, establishing Group-wide personnel platforms and providing support for developing talent in each business division. By sharing the wishes of each business division and personnel division, as well as the problems they face, we will work to ensure the optimal placement and development of human resources.

Running over the 10 years up to the fulfilment of Vision 2030, the Human Resources Strategy Project is divided into three phases, 1 to 3, in sync with the mid-term management plans. We plan to step up these efforts as we tackle the themes established for each phase. As part of Phase 1, which was linked to the third mid-term management plan running from fiscal 2021 to fiscal 2023, we not only proceeded with integration with our business and human resources strategies, but also worked to build a foundation for the realization of Vision 2030. This involved developing a profile of “ideal human resources” and conducting interviews to identify the issues faced by each

workplace in terms of human resources. After this was complete, we began consideration of various policies aimed at transforming our human resource management. During Phase 1, with an eye to the future, we also worked with individual business divisions to start the development of succession plans for management staff. As such, we are enhancing our efforts aimed at producing leadership talent, from career development that cuts across business divisions and support for training.

In Phase 2, which began in fiscal 2024, we plan to improve the effectiveness of our human resource portfolio, which was developed as part of the Human Resource Strategy Project, and to build on the various policies and infrastructure put in place during Phase 1 to further speed up reform initiatives. In order to fulfil Vision 2030 and remain a company that is appealing to employees, even amid a business environment undergoing dramatic changes, we are developing our human resource systems and working to further strengthen our human resource capabilities and organizational capacity.

Human Resource Strategy Project Implementation Steps



Respect for human rights

We believe that respecting human rights not only improves the well-being of our employees, but also of society as a whole, including our business partners and local communities. In accordance with this idea, the UACJ Group Code of Conduct also stipulates “respect for human rights,” “prohibition of child labor and forced labor,” “prohibition of harassment,” and “respect for basic labor rights.” Furthermore, in March 2022, we announced the UACJ Group Human Rights Policy and affirmed our commitment to respecting human rights in our business activities, including the prohibition of child labor and forced labor, so that all members of the Group are committed to respecting human rights.

The Compliance Committee¹, having established the above basic policy and annual Group activities, has also established the “UACJ Group Sustainable Procurement Guidelines” and conducts human rights education and human rights due diligence within the Group. Furthermore, as a remedial process in the event of negative human rights impacts, we are also working to establish a grievance mechanism (consultation, discussion, and redress mechanisms), including a reporting system for stakeholders within the Group and for suppliers and other stakeholders.

Under the leadership of the Human Resources Committee, we are also promoting workstyle reform, diversity, and health management.

We believe that respect for human rights will lead to the realization of a comfortable work environment and the elimination of harassment within the Group, which in turn will allow us to secure excellent human resources. It will also have various ripple

effects outside the Group, such as healthier supply chains, which will provide business stability, and the eradication of inequality and poverty, which will curb destruction of the environment.

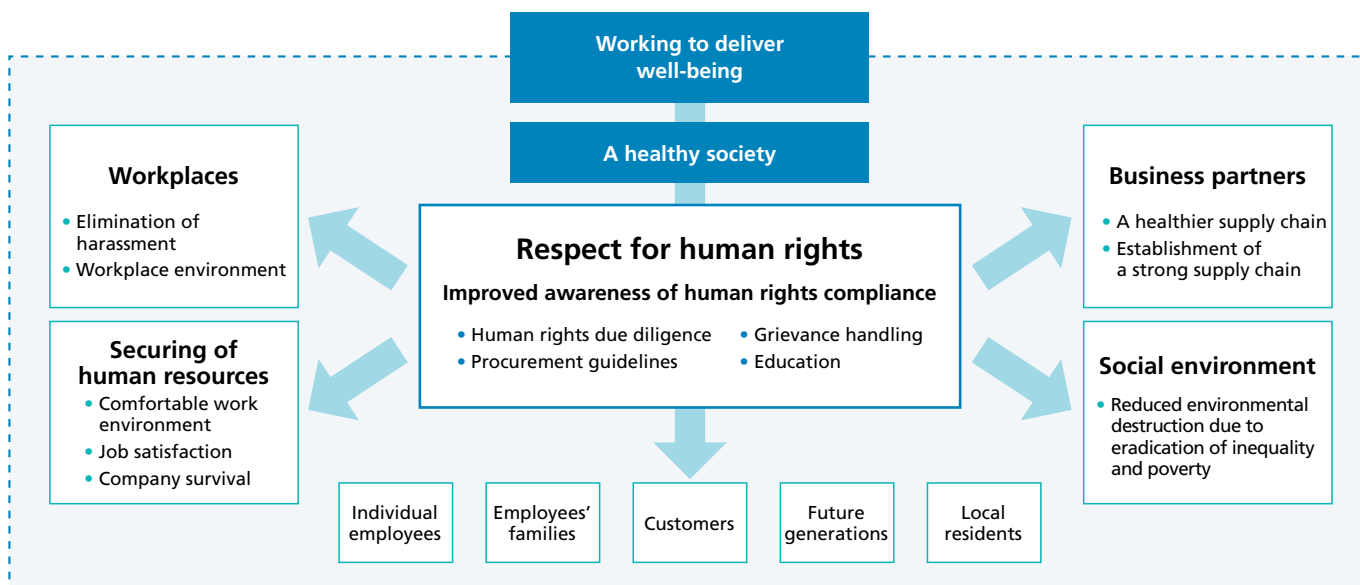
¹ Committee composed of the representative director & president, executive vice president, division chief executives, business managers, and other executive officers, with attendance by directors and Audit & Supervisory Board members also permitted.

Conducting human rights due diligence

UACJ conducts human rights due diligence on our domestic and overseas workplaces in order to identify any negative human rights impacts or risks that may arise through our business operations. We assess negative impacts and risks that have come to light as a result of human rights due diligence, and as well as providing employee education to help prevent and correct such impacts and risks, we have established guidelines such as the “UACJ Group Sustainable Procurement Guidelines.”

In fiscal 2023, with the cooperation of a human rights NGO, we conducted due diligence at three sites: Nagoya Works, UACJ Australia Pty. Ltd. and Kamakura Industry Co., Ltd., and found no serious human rights violations. We will continue conducting human rights due diligence on an ongoing basis with the aim of completing implementation throughout the Group by fiscal 2030, and will work to identify, mitigate, and prevent the emergence of human rights risks associated with our business activities.

Ripple effects of “respect for human rights”



Diversity and equal opportunities (DE&I)

We believe that respecting others' diverse backgrounds leads to "wellness" not only for the Company, but also for society as a whole. The fact that our board members and employees are diverse in terms of personal attributes, work styles, and careers, that they work independently, and that they practice the values that we hold dear, supports our business and engenders a high degree of flexibility and adaptability to change. We believe that by feeling pride and satisfaction in working for UACJ, and by engaging in exciting work with our supervisors and colleagues in better environments, we can help deliver results that exceed our customers' expectations.

In addition to this basic approach, in December 2023, we announced the "Statement of Dei-Ay (DE&I) Promotion," which incorporates the opinions of a wide range of employees. This Statement of Dei-Ay Promotion is intended to express, both inside and outside the Company, UACJ's position on "diversity and equal opportunities (DE&I)," one of our materiality issues, to promote the implementation of the measures, and to further promote diversity (DE&I) as a common understanding among all employees of the UACJ Group. It also aims to help employees fully demonstrate their individuality and abilities, putting the

"respect and understand your associates" part of the UACJ Way into practice. After launching a working group for the enactment of the Declaration in December 2022 and initiating its deliberations, we held a total of 24 meetings in Japan and 3 meetings overseas from June to October 2023 to exchange opinions with a total of more than 100 employees. In the opinion exchange sessions, the draft presented by the working group was used as a springboard for cross-talk in the form of free comment by the participants. The draft declaration, which reflects the opinions of employees presented at the opinion exchange sessions, was approved by the Management Committee and the Board of Directors, and was officially enacted and announced during the ESG briefing in December 2023. In April 2024, we adopted the slogan "Aiming to be a company where DE&I is exercised as a matter of course," and have launched specific measures on this basis.

We will continue working to realize our corporate philosophy by promoting diversity (DE&I), allowing each and every employee working within the Group to feel proud and secure, and to live a fulfilling life in their own way.

Overseas personnel exchanges

Between 2022 and 2023, we launched a personnel exchange program in which three candidates for executive positions from UATH² came to Japan to receive training at Nagoya Works. Since UATH was established from scratch as a UACJ Group base, one of the challenges it faced was the development of human resources. UATH aims to operate primarily with local staff and has begun training with the objective of developing future management personnel.

The training includes not only language study and the acquisition of technical knowledge, but also learning the "5-gen principle," the basic premises of manufacturing, by working together with Japanese staff. After returning to UATH, they have been expanding their activities by applying the knowledge and skills they acquired through the training to help train local staff. The overseas personnel exchanges are still ongoing, with the second batch of three students arriving to Japan to start their training in May 2024.

² UACJ (Thailand) Co., Ltd.

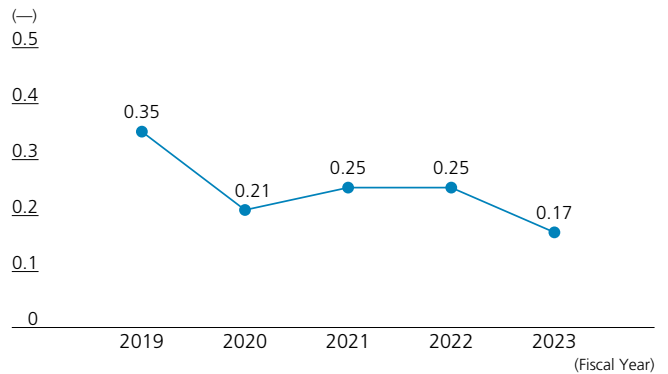


Occupational health and safety

In the belief that “the health and safety of our employees takes precedence over everything,” UACJ is working to create safe, hygienic, and healthy work environments by complying with labor-related laws and internal regulations, establishing an occupational health and safety management system, and conducting appropriate management. Occupational health and safety was listed as one of the materiality issues we identified in fiscal 2021, but in recognition of the fact that “safe workplaces should be pursued as a matter of course,” we decided in fiscal 2023 to position it as one of our “Shared Foundation” — that is, something to be considered a natural state of affairs at UACJ.

As the organization in charge of health and safety, we have established the Health and Safety Committee. The committee, which meets once every year, is chaired by the director in charge of health and safety and includes full-time directors, heads of production facilities, and the presidents of major Group companies as members. In addition, with the aim of creating workplace environments where employees can work with peace of mind, we have established a safety and health management system led by supervising health and safety managers at each of our work sites.

UACJ Group Frequency Rate of Workplace Accidents



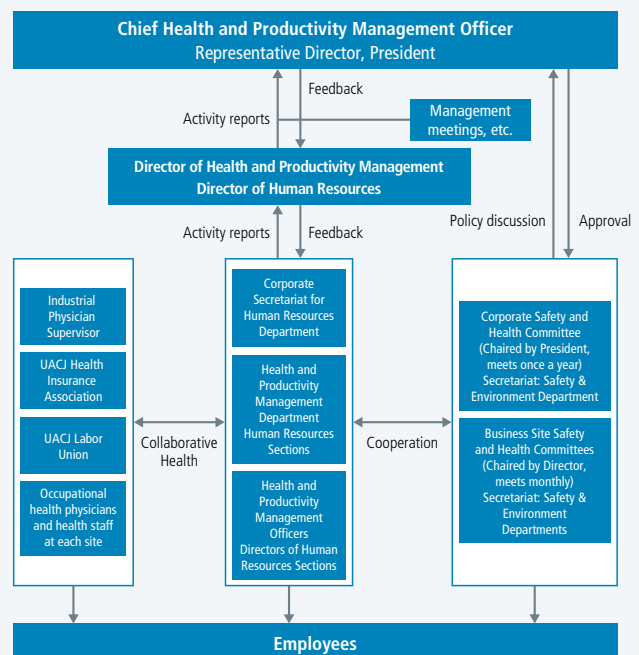
In terms of monitoring of occupational safety, the number of serious accidents and the overall frequency rate are used as evaluation indicators, which are checked monthly at the meeting of Safety and Hygiene Managers’ Committee, and improvements are made where necessary to make the workplace environment safer. In fiscal 2023, the number of serious accidents was 1 and the overall frequency rate was 0.17.

Promoting health management

Based on the UACJ Group’s belief that “monozukuri makes people and that people are the Group’s true strength,” and that “the health and safety of our employees takes precedence over everything,” we have enhanced health management initiatives so that our employees are able to fully demonstrate their capabilities. In September 2021, we announced the UACJ Group’s Health Management Policy, and since that time we have promoted initiatives to strengthen coordination with internal departments such as the Health and Safety Committee and Health Insurance Association.

The establishment of this implementation framework and the adoption of various measures have been highly acclaimed, and for our proactive health promotion and management efforts, we were recognized in the large enterprise category of the KENKO Investment for Health (KIH) program for two years running in fiscal 2022 and 2023. Furthermore, in 2024, we were selected as one of the “KENKO Investment for Health Stocks,” which is given to listed companies that excel in health management, and also selected as one of the “Certified Health & Productivity Management Outstanding Organizations ‘White 500,’” which is awarded to only the top 500 certified companies in the large enterprise category.

Health and Productivity Management Promotion Structure



Human Capital and Enhancing Corporate Value

Efforts to visualize the financial impact of human capital.

How can a company increase its corporate value? We have set out our “value creation process” to increase corporate value through the use of six types of capital. We believe that initiatives addressing human capital are one key factor, and that employee awareness and various human resource policies have a significant impact in achieving higher financial performance and increasing corporate value.

With this in mind, we are working to summarize the relationships between human capital, financial performance, and corporate value improvement, and have begun formulating measures to further enhance corporate value and exploring how we can best capitalize on these relationships. We believe that analyzing the correlations between financial indicators and human capital measures, such as various human resource policies, the promotion of diversity, and the practice of health management, should be used as a reference in developing human resource strategies to improve corporate value.

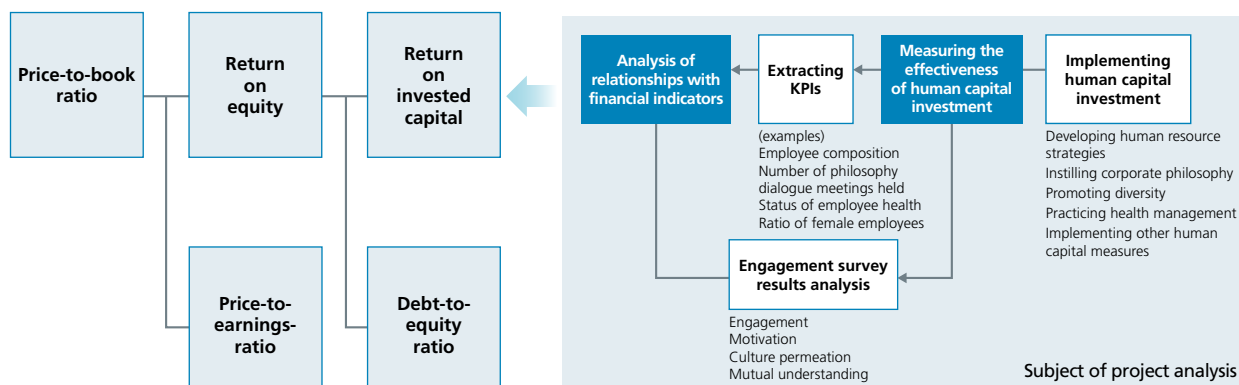
Currently, we conduct ongoing engagement surveys of our employees and apply the survey results to our business and organizational management. The results are communicated to each department, and by understanding changes in employee awareness, we are able to ascertain the effects of various personnel measures and the challenges we currently face. Taking this a step further, based on the relationship between human capital and improvements in business profits and capital efficiency, we are attempting to conduct analyses from the perspectives of what effect the enhancement of human capital achieved through the planning and implementation of human resource strategies has had,

and what sort of actions would increase business profits and improve capital efficiency. By examining the link between human capital and corporate value in this way, we hope to pursue human capital measures that will improve ROIC, and ultimately PBR, in the future.

As part of this effort, since fiscal year 2023, we have been joined by the Nobuyuki Isagawa Laboratory and Kazuo Yamada Laboratory of Kyoto University, and are working together on a project to analyze the impact of human capital on financial performance. In the first fiscal year, the results of engagement surveys conducted to date at Nagoya Works, R&D Center, and Headquarters were analyzed in relation to diversity indicators such as the proportion of female employees, and to matters such as the workplace environment. In fiscal 2024, we plan to conduct a more fine-grained analysis, examine the content of the engagement survey, and set out the correlation between engagement scores and capital efficiency, as shown in the figure below. We will also expand the scope of analysis to cover other manufacturing sites. Based on these findings, we will unravel the correlation between engagement surveys and increased corporate value, thereby connecting these to enhanced human capital and well-being.

After summarizing the effects of human capital on enhancing corporate value and financial figures, we will use this information to develop and implement more effective human resource strategies that maximize the potential of our talent. We believe that proceeding with this project is a very important step in improving corporate value, and that it will prove to be very effective.

Overview for “Visualizing the Financial Impact of Human Capital”



Message from the Chair of the Nomination and Remuneration Advisory Committee



Outside directors played a leading role in executing the succession plan to appoint a new president, and will continue working to establish new management systems and improve corporate governance with a view to raising enterprise value over the medium and long terms

Takahiro Ikeda

Outside Director and Chair of the Nomination and Remuneration Advisory Committee

Mr. Ikeda has served as an executive officer of Mitsubishi Chemical Corporation*, president of Dia Chemical Co., Ltd., and a director and managing executive officer of Mitsubishi Rayon Co., Ltd.*. Having expanded Mitsubishi Chemical Corporation's operations in Indonesia, he is highly familiar with markets in Asia, particularly the ASEAN region.

* Now Mitsubishi Chemical Group

Corporate governance reforms have led to substantial improvements in business execution and management supervision

When I was appointed as an outside director in 2018, UACJ was being forced to implement dramatic structural reforms because prior large-scale investments had not generated returns as expected and market conditions had worsened following trade friction between the United States and China. Therefore, deliberations by the Board of Directors at that time focused on how to implement the structural reforms, maintain stable growth, and raise the Company's enterprise value.

As part of the structural reforms, the Company took steps to strengthen its corporate governance system. In fiscal 2020, the number of directors and executive officers was reduced as a means to speed up management decision-making. Later on, the Company updated its performance-linked remuneration system to meet the latest expectations, adopting total shareholder return and SDG assessments as evaluation indicators, and establishing malus and clawback clauses. Thanks to this series of measures for strengthening corporate governance, the Company's business execution and the Board's management supervision role improved substantially compared to the time I was appointed in 2018. I believe this made it possible to successfully carry out all measures of the reforms, which included streamlining and selling off businesses as well as initiatives for accelerating returns on investments. Efforts to strengthen corporate governance continued into fiscal 2023 with the launch of an outside director mutual evaluation system, which is relatively rare among Japanese companies.

The fact that members of the Board frequently communicate and hold constructive discussions in various settings outside of formal Board meetings is one reason why UACJ's corporate governance has evolved so much over the past

six years. For example, some members participate in deliberations of the Nomination and Remuneration Advisory Committee, which holds two-hour meetings once per month. This is comparatively frequent among Japanese companies with a board committee system. Furthermore, members of the Board routinely interact and hold discussions outside of meetings.

Looking ahead, I believe that UACJ will need to improve its global communications. Based on a discussion I had with the president of an operational subsidiary overseas some time ago, business policies decided by the Board appeared to have been communicated too slowly to the subsidiary. For UACJ to grow as a global company, it must share information more effectively with its subsidiaries around the world to ensure that the Group as a whole pursues the same goals.

The Nomination and Remuneration Advisory Committee played a central role in appointing a new president in a process emphasizing objectivity and transparency

In April 2024, UACJ changed its president for the first time in six years, newly appointing Shinji Tanaka, formerly a director and managing executive officer, as president and representative officer. The Company's succession plan (see page 86) was originally announced in 2019, and this was the first time it was used for the appointment of a new president. After the plan was created, the Nomination and Remuneration Advisory Committee compiled a list of qualified candidates and held a series of deliberations, placing importance of reaching an objective, transparent, and timely decision on a successor. It also held several interviews with candidates to learn more about each individual's values, vision, character, business approach, and other matters that cannot be determined just by observing their track records. Recognizing that the next president would be

responsible for leading more reforms, the committee set a number of requirements, including the ability to adapt to changes, devise strategies, execute plans, envision the future, incorporate feedback, and effectively communicate while respecting diversity. Based on these criteria, the committee gradually narrowed down the candidates and finally nominated Mr. Shinji Tanaka for the position of president. Following approval by the Board of Directors, he assumed this position on April 1, 2024, the starting date of the UACJ Group's new mid-term management plan.

The decision to appoint Mr. Tanaka was approved by all members of the Nomination and Remuneration Advisory Committee and the Board of Directors, as he was an optimal candidate who met a majority of the requirements. For example, he demonstrated his ability to adapt to changes in the operating environment and execute plans as head of the Structural Reform Division in 2021 and 2022. At that time, structural reform plans set in 2019 were derailed by the COVID-19 pandemic, but he was able to execute additional measures in response and finally complete the reforms as planned. Moreover, Mr. Tanaka has almost three decades of practical experience in manufacturing operations, and as an executive officer, he was transferred to Thailand to set up operations at UACJ (Thailand) Co., Ltd. I visited its production plant at that time, and was impressed by his all-out efforts to quickly get production up and running while building trust with local employees through dialogue, despite difficulties with language and different work cultures. This demonstrated his communication competence and respect for diversity, which are important qualities of a leader. For a leader of a global enterprise, however, I believe that international business experience is more important than anything.

Mr. Tanaka was also highly evaluated for his extensive experience and expertise in recycling, which he refined while serving as head of the Sustainability Division until his appointment as president. Promoting recycling is a major pillar of UACJ's medium- and long-term growth strategies, and under the new mid-term management plan, it is an important means to create business opportunities by adding more environmental value to products. During the nomination process, the candidates were asked about what they could do and want to do for UACJ. In response to this critical question, Mr. Tanaka detailed a vision of the future centered on recycling, and appeared to be strongly determined to pursue it.

Looking ahead, the Board of Directors will evaluate President Tanaka's leadership ability and success in establishing a new recycling-driven business model, and closely monitor the

progress of reforms being implemented to achieve the goals of the new mid-term management plan and the long-term roadmap, UACJ Vision 2030.

As an outside director, I will help monitor this process while offering pertinent suggestions and proposals. For example, I believe that cooperation with different industries, including those involved in other metals as well as plastics, may be necessary in the future in order to further expand aluminum applications from can stock to automotive parts, home appliances, and various other products. It will also be essential to work with companies and governments in other parts of the world, including other Asian countries and the United States. Several outside directors on the Board, including me, have done business in other industries and countries, and we can make use of this experience and our networks to devise strategies and form partnerships.

Focusing on systematically grooming leaders and improving the selection process with an eye to the future

In accordance with the Company's succession plan, a new president is officially appointed after being nominated by the Nomination and Remuneration Advisory Committee and then approved by the Board of Directors. We outside directors play a very important role in this selection process, as we make up five of the committee's seven members and over half of the Board. Recognizing the importance of this responsibility, all of us follow procedures properly and draw on our expertise and experience in deliberations. I believe our deliberations grew even more earnest after the Company introduced an outside director mutual evaluation system in fiscal 2023. Perhaps the process could be improved in some respects, but we are proud to have unanimously approved a new president by effectively executing the succession plan. To build on this success, we would like to focus on systematically grooming leaders in the future by giving younger candidates more chances to take on big responsibilities and by offering opportunities for managers to gain experience outside the Company.

We do not know how many years will pass until the next president is chosen, but by that time, the members of the Board of Directors, Nomination and Remuneration Advisory Committee, and secretariats will have changed significantly. Therefore, to ensure that the succession process is even smoother in the future, we are currently revamping current processes and operational procedures so that our experience and know-how remain useful. By fulfilling my responsibility to help pass on the progress we made in corporate governance reforms, I hope to contribute to raising the Company's enterprise value in the years ahead.

Corporate Governance

Basic approach

We view corporate governance as one of the most important issues to be addressed by management. In order to achieve sustainable growth of the UACJ Group and increase its corporate value over the medium to long term through business activities based on the UACJ Group Philosophy, we are working

to develop and enhance an effective governance system, including strengthening management oversight and business execution functions, appropriate disclosure of business information, and thorough compliance and risk management.

Steps to strengthen corporate governance

Year	UACJ's plans and goals	Measures to enhance governance
2013		Appointed the Company's first outside director
2014		Promoted the Company's first non-Japanese nationals to executive officer positions
2015	First mid-term management plan from fiscal 2015 to 2017 Major policies	Appointed the Company's first female outside director
2016	<ul style="list-style-type: none"> Expand into the growing automotive, transport, and energy industries while bolstering operations in Asia and other growth regions Organize optimized manufacturing operations in each business and facilitate technological integration Develop new technologies and products 	Commenced evaluation of the effectiveness of the Board of Directors (Page 84)
2017		Established Nomination and Remuneration Advisory Committee
2018	Second mid-term management plan from fiscal 2018 to 2020 Major policies <ul style="list-style-type: none"> Continue focusing on the growing automotive industry and growth markets in Asia and North America Steadily generate returns on past investments Increase capital efficiency with an emphasis on ROIC Promote shared principles of conduct as the UACJ Way 	Appointed people with experience in business management as outside directors Implemented a system of performance-linked remuneration for full-time directors
2019	Implementation of structural reforms from fiscal 2019 to 2022 Major objectives <ul style="list-style-type: none"> Increase earnings capacity Reform financial structure Increase the speed and efficiency of management decision-making 	Reduced the number of directors and executive officers Reorganized corporate divisions
2020		Full operation of a succession plan begins (Page 86) Introduced TSR for performance-linked remuneration
2021	Third mid-term management plan from fiscal 2021 to 2023 Major policies <ul style="list-style-type: none"> Complete structural reforms Strengthen foundations for growth Contribute to achieving a better world (promote sustainability) 	Evaluation survey of the effectiveness of the Audit & Supervisory Board Introduced non-financial indicators for performance-linked remuneration
2022		Established the Risk Management Promotion Meeting
2023		Implemented peer evaluation of outside directors (Page 86)
2024~	Fourth Mid-term Management Plan from fiscal 2024 to 2027 Major policies <ul style="list-style-type: none"> Maximize revenue and improve profitability through increased value creation Strengthen our agile and flexible structure Strengthen foundations supporting value creation and stable business operations 	Started off-site meetings to discuss important issues (Page 84)
2030	UACJ VISION 2030 <ul style="list-style-type: none"> Capturing demand in growth sectors and growth markets Utilize enhanced aluminum materials to contribute to greater social and economic value Tap into new business domains Cut CO₂ across product lifecycles 	

Message from the Chair of the Board of Directors

From fiscal 2024, I will hand over responsibility for execution to President Tanaka, while I will concentrate on management oversight as Chairman of the Board of Directors.

The Board of Directors provides effective oversight, with Board members taking the Company's management issues seriously and occasionally holding further deliberations on particular matters. Another important function of the Board of Directors is to provide guidance on the Company's future direction. In addition to deliberations on proposals for execution, the Board of Directors also engages in proactive discussions of strategy and provides support for execution as appropriate.

As a non-executive internal director, my role is to act as a catalyst, so to speak, between internal and outside board members. As Chairman of the Board of Directors, I will contribute to enhancing the medium- to long-term corporate value of the Company by combining the diverse knowledge and expertise of each member to maximize the board's effectiveness.

Miyuki Ishihara Chairman of the Board

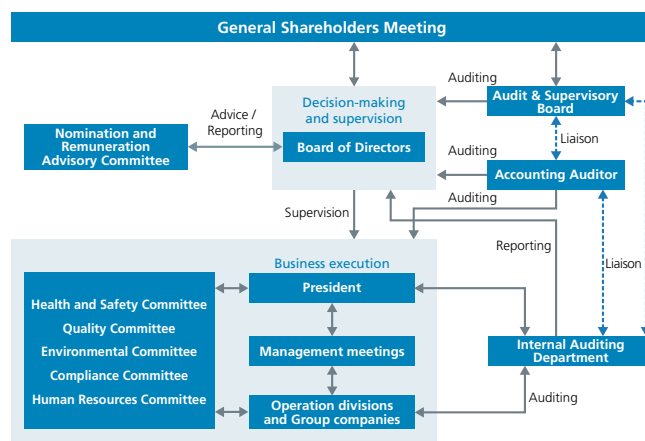
Corporate governance system

UACJ has adopted an Audit & Supervisory Board system. As of June 19, 2024, the Board of Directors consists of 10 directors (including five independent outside directors) and five Audit & Supervisory Board members (including 3 independent outside members), and is chaired by the Chairman of the Board, a non-executive director, to ensure separation of management oversight and business execution. For outside directors and outside Audit & Supervisory Board members, we appoint members with diverse backgrounds who meet our criteria for independence and who can contribute to improving our corporate value over the medium to long term.

The Audit & Supervisory Board meets monthly with the attendance of the auditors, and in compliance with the Code of Audit and Supervisory Board Member Auditing Standards and in accordance with the audit policy and audit plan, etc., members attend important internal meetings including those of the Board of Directors. Moreover, as an independent body that plays a role in corporate governance, the Audit & Supervisory Board is able to audit the execution of duties by directors. Regular audit reports from full-time Audit & Supervisory Board Members ensure the sharing of information and sufficient exchange of opinions with the outside auditors.

Furthermore, the Nomination and Remuneration Advisory Committee has been established as an advisory body to the Board of Directors to enhance objectivity and transparency in the decision-making process regarding the nomination of directors, executive officers and Audit & Supervisory Board members, as well as remuneration of directors and executive officers, and to enhance corporate governance. The committee receives

Corporate Governance System



consultations from the Board of Directors on the nomination and remuneration of directors and executive officers, deliberates on these matters, and reports back to the Board of Directors.

In terms of the business execution system, we have introduced an executive officer system, under which the President serves as the Chief Executive Officer. In addition to deliberation and review of important management matters at the Management Committee, meetings of committees on the environment, health and safety, product quality, etc., chaired by the President & Chief Executive Officer, are held annually to formulate annual plans and implement various measures within the Group. Committee activities are reported to the Board of Directors to ensure that internal control systems are functioning effectively.

Overview of main meeting bodies

	Board of Directors	Audit & Supervisory Board	Nomination and Remuneration Advisory Committee
Overview	Each month, the Board of Directors deliberates on important management matters and reports on the status of business execution, in addition to matters to be resolved in accordance with laws, the Articles of Incorporation, and internal regulations. It is chaired by the Chairman of the Board of Directors, a non-executive director, and works to enhance corporate value by ensuring proper management. In addition, a Board of Directors Secretariat has been established to conduct effectiveness assessments and provide support to outside directors.	The Audit & Supervisory Board audits the directors to ensure that they are performing their duties appropriately. To improve the quality of auditing, a three-way audit system has been adopted for cooperation among Audit & Supervisory Board audits, internal audits, and audits by accounting auditors. Following the established auditing policies and plans, these audits are conducted every year and focus primarily on the development and operational status of internal control systems, prevention of risks, and initiatives to address managerial issues.	The Nomination and Remuneration Advisory Committee is an advisory body to the Board of Directors. The committee consults and deliberates on the nomination and remuneration of directors and executive officers, and reports to the Board of Directors on a case-by-case basis. To ensure objectivity and transparency, the chair of the committee is nominated from among the independent outside directors, and a majority of the committee is composed of independent outside directors.
Members	<div>Internal directors: 5</div> <div>Independent outside directors: 5</div>	<div>Audit & Supervisory Board members (full-time): 2</div> <div>Audit & Supervisory Board members (outside, part-time): 3</div>	<div>Internal directors: 2</div> <div>Independent outside directors: 5</div>
Chair	Chairman of the Board of Directors	Audit & Supervisory Board members (full-time)	Independent outside directors
No. of meetings held	15	14	11

Main activities of the Board of Directors in fiscal 2023

As a company with an Audit & Supervisory Board, we place importance on the decision-making and supervisory functions of the Board of Directors, and we believe that enhancing both functions together will lead to the sustainable growth of our Group and increase our corporate value over the medium to long term.

At the beginning of each fiscal year, the Board of Directors considers the topics to be discussed in light of the effectiveness evaluation and prepares an annual agenda. In fiscal 2023, the board met a total of 15 times to deliberate, make decisions, and supervise important management matters.

During the development of the fourth mid-term management plan, a number of discussions were held in which each outside director actively provided input based on their respective experience and knowledge regarding such issues as whether management resources are being allocated in a way that contributes to growth in a rapidly changing business environment, and whether strategies are being put together around a coherent story. In addition, the committee oversees the third mid-term management plan, sustainability, compliance, and risk management, and also discusses important management issues related to the direction of the company, such as technology and human resource strategies.

In addition, with the aim of further enhancing the functioning of the Board of Directors, the Secretariat of the Board of Directors is responsible for conducting effectiveness evaluations

and providing support for outside directors. In order to maximize the contribution made by outside officers to enhancing the Company's corporate value, we provide information in a timely manner and, in accordance with the purpose of the Corporate Governance Code, plan meetings for the exchange of opinions between the Representative Director and outside officers, meetings for outside officers, and meetings for the exchange of opinions between outside directors and accounting auditors.

We will continue to operate the Board of Directors in an appropriate manner and work to improve its effectiveness.

Main agenda of the Board of Directors

Category	Main agenda items
Management/Strategy	<ul style="list-style-type: none"> Fourth Mid-term Management Plan Human resource strategy Business portfolio Planning for budgets, income/expenses, and borrowing Capital investment Corporate Governance Code compliance Technology strategy DX strategy Risk management
Sustainability	<ul style="list-style-type: none"> Progress on measures for materiality issues Response to climate change Human rights, compliance, etc.
Board of Directors/Officers	<ul style="list-style-type: none"> Appointments and responsibilities of directors and executive officers Remuneration for officers Criteria for non-reappointment of directors, Audit & Supervisory Board members, executive officers, etc. Effectiveness evaluations
Stocks/Shareholders' Meeting/Investors	<ul style="list-style-type: none"> Strategic shareholdings Matters relating to the General Meeting of Shareholders Dialogue with institutional investors, etc.

Main activities of the Nomination and Remuneration Advisory Committee in fiscal 2023

The Nomination and Remuneration Advisory Committee sets the annual agenda at the committee meeting following the Ordinary General Meeting of Shareholders and systematically itemizes important topics relating to nomination and remuneration. In fiscal 2023, the committee met a total of 11 times, deliberating for approximately 2 hours per meeting.

Regarding remuneration, the committee mainly discussed the policy for officers' remuneration in light of the new management structure launching in fiscal 2024. Ahead of implementation of the fourth mid-term management plan, active discussions were held from the viewpoints of whether the system is designed to

motivate each officer to achieve their goals in accordance with their roles, and this led to the revision of the medium- to long-term performance-linked remuneration system.

Regarding nominations, the committee deliberates on the appointment of the President and Chief Executive Officer, as well as the approach to operating a pool of outside officers and the criteria for the reappointment or non-reappointment of officers (including outside directors).

Matters discussed by the Nomination and Remuneration Advisory Committee are reported to the Board of Directors on a case-by-case basis.

Main agenda items

- Appointment of President and Chief Executive Officer
- Peer evaluation of outside directors
- Term of office and reappointment of Audit & Supervisory Board members
- Confirmation of guidelines on exercising voting rights for institutional investors, etc.
- Targets and results of short-term and medium-to long-term performance-linked remuneration
- Approach to operating a pool of human resources for outside officers
- Organization and application of criteria for election, dismissal and non-reappointment of officers
- Succession planning
- Policy on officer remuneration for fiscal 2024, etc.

Evaluation of the effectiveness of the Board of Directors

Each year, we conduct an evaluation of the effectiveness of the Board of Directors, the results of which are reflected in our efforts to improve said effectiveness. In fiscal 2023, given that three years had passed since the previous evaluation, this evaluation was conducted with the assistance of a third-party evaluation organization.

The results confirmed that the overall evaluation of the effectiveness of the Board of Directors was high, with an appropriate composition and active and open exchanges of opinions and discussions. Active discussions also took place at meetings of the Nomination and Remuneration Advisory

Committee, and it was confirmed that outside directors are leading the succession planning process.

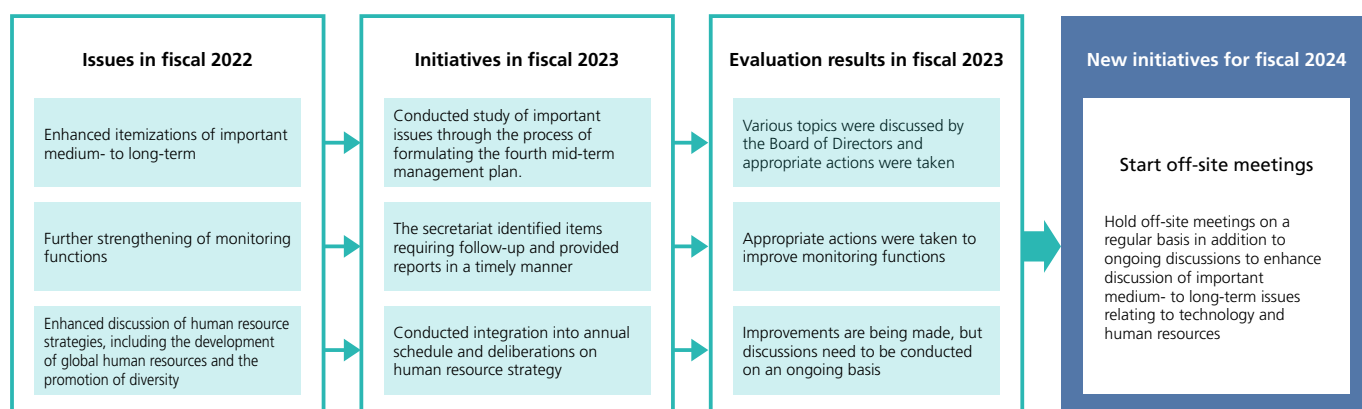
In light of this evaluation, and in order to further improve the effectiveness of the Board of Directors, board members shared their views and held discussions on how the board should operate. Moreover, in order to further enhance the quality of discussions on important medium- to long-term issues, we have decided to promote initiatives such as the use of opportunities for discussion outside of Board of Directors meetings.

Third-party evaluations will continue to be conducted at appropriate intervals, approximately once every three years.

History of improvements to the effectiveness of the Board of Directors

FY	2017	2018	2019	2020	2021	2022	2023
Major items for improvement	<ul style="list-style-type: none"> Improvement of materials that assist with governance 	<ul style="list-style-type: none"> Ensuring the diversity of the Board of Directors Improvements to advance explanations provided to outside directors and Audit & Supervisory Board members, and ensuring that documents are sent at least three days prior to meetings 	<ul style="list-style-type: none"> Introduction of important materials at appropriate times Improvements to discussion of management strategy 	<ul style="list-style-type: none"> Enhance discussion on major directions for the Company Improvement of reports and explanatory materials that assist with governance 	<ul style="list-style-type: none"> Enhance discussion of the Company's main direction Information sharing between the Board of Directors and the Nomination and Remuneration Advisory Committee 	<ul style="list-style-type: none"> Further discussions on diversity of the Board of Directors Enhance support for outside directors Human resource strategy relating to cultivation of global talent (initiative to continue in the following fiscal year) 	<ul style="list-style-type: none"> Enhanced itemizations of important medium- to long-term issues Strengthening of monitoring functions
Initiatives implemented in response to evaluations received	<ul style="list-style-type: none"> Revision of proposal and reporting standards to strengthen supervisory functions Improvements to advance explanations provided to outside directors and Audit & Supervisory Board members 	<ul style="list-style-type: none"> Creation of documentation guidelines for the Board of Directors Improvements to the content of reports made to the Board of Directors 	<ul style="list-style-type: none"> New addition of "deliberation" to the agenda categories Implementation of policy reports to each division 	<ul style="list-style-type: none"> Selection of major themes for the medium to long term Improved support for outside directors and Audit & Supervisory Board members Improving information sharing between the Nomination and Remuneration Advisory Committee and the Board of Directors 	<ul style="list-style-type: none"> Resumed tours of manufacturing facilities for outside officers Provided training opportunities for outside directors Elevated discussion of issues related to human resources strategy 	<ul style="list-style-type: none"> Enhanced topics for medium- to long-term important issues Further enhanced the monitoring function 	<ul style="list-style-type: none"> Discussions on important medium- to long-term issues, including technology and human resource strategies

Processes and initiatives for evaluating effectiveness



Skill matrix

The Nomination and Remuneration Advisory Committee and the Board of Directors have discussed and established the following skills (knowledge, experience, and abilities) that a member of the Board of Directors should possess.

We intend to create a Board of Directors that is overall equipped with nine skill sets for executing effective management oversight. The following table shows these skills.

Reason for selection as a desired skill field

Skill fields	Reasons for appointment
Corporate management/Strategy	Knowledge, experience, and abilities related to a wide range of corporate management and strategies, whether at UACJ or elsewhere, are essential for our Group, which aims to maximize earnings and improve profitability by expanding value creation and working with various stakeholders to address priority issues concerning the business environment.
Finance/Accounting	Strengthening the Group's financial base through management initiatives that emphasize capital efficiency is a priority issue for us, and knowledge, experience, and abilities in finance and accounting are essential for the preparation, supervision, and auditing of proper financial statements.
Sales/Marketing	Knowledge, experience, and abilities in sales and marketing are essential to supplement demand in growing fields and markets and to expand the areas of activity for aluminum as a material with environmental value.
Overseas business	Knowledge, experience, and abilities relating to overseas business are essential for expanding the scope of aluminum's application by taking advantage of our three-country supply network spanning Japan, North America, and Thailand, and for helping to stabilize supply chains in particular countries, industries, and other sectors.
R&D/Manufacturing	In addition to helping to reduce the environmental impact of aluminum products, knowledge, experience, and abilities in R&D and manufacturing are essential in strengthening the foundation that supports value creation and stable business operations.
Legal/Governance	Legal and governance knowledge, experience, and ability are indispensable to ensuring comprehensive compliance and risk management and to executing the corporate governance required of a listed company in the prime market and enhancing corporate value.
IT/Digital	Knowledge, experience, and abilities in IT and digital are essential for creating and expanding new business domains that contribute to fulfilling the UACJ Vision 2030 and for strengthening the foundation that supports stable business operations.
Sustainability	In order to contribute to the "realization of a lighter world," knowledge, experience, and abilities relating to sustainability are essential to drive the construction of a "recycling-based society for aluminum," to utilize and develop the diverse human resources that support our business, and to promote diversity.
Other industries/fields	Knowledge, experience and ability in other fields and industries is indispensable to fulfilling the UACJ Vision 2030 and to providing an outside perspective to supervising management and diversity to the Board of Directors.

Board composition and expertise

	Name	Attributes	Tenure	(i) Corporate management/Strategy	(ii) Finance/Accounting	(iii) Sales/Marketing	(iv) Overseas business	(v) R&D/Manufacturing	(vi) Legal/Governance	(vii) IT/Digital	(viii) Sustainability	(ix) Other industries/fields	Main reasons for indicating proficiency in the relevant skill fields
Directors	Miyuki Ishihara	Internal	—	9 years	○			○	○		○		(i) Experience as President and Chief Executive Officer of UACJ; (v) extensive experience in the manufacturing sector; (vi) and (viii) overseeing corporate governance and sustainability of UACJ as Chair of the Board of Directors
	Shinji Tanaka	Internal	—	3 years	○		○	○			○		(i) President and Chief Executive Officer of UACJ; (iv) many years of experience in overseas business (including experience stationed overseas); (v) many years of experience in manufacturing divisions; (viii) experience as Chief Executive of the Corporate Sustainability Division
	Teruo Kawashima	Internal	—	5 years	○	○	○						(i) Executive Vice President of UACJ; (ii) in charge of Group financial strategy; (iv) experience as CEO of an overseas Group company (including experience stationed overseas)
	Fumiharu Jito	Internal	—	2 years		○		○		○			(iii) Chief Executive of the Marketing & Technology Division; (v) extensive experience in manufacturing departments; (vii) experience in charge of Information System Division
	Joji Kumamoto	Internal	—	1 year	○		○					○	(i) Chief Executive of UACJ's Corporate Strategy Division; (iii), (iv) and (ix) Experience in the sales and overseas business of a major general trading company
	Takahiro Ikeda	Outside	Independent	6 years	○		○					○	(i), (iii), (iv) and (ix) Experience as director of a major chemical manufacturer (experience in sales, marketing, management of overseas business)
	Akio Sakumiya	Outside	Independent	6 years	○				○			○	(i), (vi) and (ix) Experience as director and executive vice president of a major electronic components manufacturer (served as committee member and vice chairperson of various advisory committees), experience as an outside corporate auditor
	Yoshitaka Mitsuda	Outside	Independent	2 years				○		○	○	○	(v), (vii), (viii) and (ix) Experience in education and research on smelting and recycling of non-ferrous metals at university and research institutions, experience in university operations
	Ryoko Nagata	Outside	Independent	1 year	○		○		○			○	(i), (iii), (vi) and (ix) Experience as an executive officer and corporate auditor at a major food manufacturer, experience as an outside director and outside corporate auditor
	Makiko Akabane	Outside	Independent	1 year			○				○	○	(iv), (viii) and (ix) Experience in sustainability consulting and support, experience as an outside director
Audit & Supervisory Board members	Ryu Sawachi	Internal	—	2 years					○		○		(vi) Experience as Vice Chief Executive of the Company's Business Support Division; (viii) Experience as general manager of public relations and IR divisions
	Haruhiro Iida	Internal	—	—		○	○						(ii) Experience as Chief Executive of the Finance and Accounting Division; (iv) experience in overseas business (including overseas assignment)
	Yuki Iriyama	Outside	Independent	6 years	○		○		○			○	(i), (iv), (vi) and (ix) Attorney, experience as managing director of a major steelmaker (experience in overseas business, corporate legal affairs)
	Hiroyuki Yamasaki	Outside	Independent	6 years	○	○			○			○	(i), (ii), (vi) and (ix) Certified public accountant, experience in business execution and as an outside director
	Yoshiro Motoyama	Outside	Independent	6 years	○		○	○				○	(i), (iv), (v) and (ix) Experience as director and senior vice president of a major foreign-affiliated automobile manufacturer (experience as general manager of product engineering departments)

Note: The above table does not indicate the complete range of each individual's knowledge, experience, and ability.

Succession plans

UACJ has put in place succession plans for its president and officers. Every year, the president selects a pool of candidates and confirms measures for their development and other details. Various human resource data is used to identify successor candidates, and an internal process is set up to identify talent from multiple perspectives. In order to provide them with the abilities and experience necessary for senior management, the strengths and issues of each pool member are identified, and they are developed through tough assignments and transfers.

The Nomination and Remuneration Advisory Committee then confirms the content and works to ensure the suitability of the succession plans.

The progress of succession planning is regularly reported to the Board of Directors to ensure objectivity.

The committee also led the evaluation of the final candidates for the new president and determined that Mr. Tanaka was the most suitable for the position, with the Board of Directors resolving at its January 30, 2024 meeting to appoint him.

Succession plan for the Company president

Creation	Assessment	Checking and optimization
<p>A company-wide management human resources development review committee (consisting of the Company president, members of each business division, and the officer in charge of human resources) carries out the following:</p> <ul style="list-style-type: none"> Checks officer candidates and shares information about their associated training issues and organizational management training plan Checks and amends the above content from a cross-divisional, company-wide viewpoint 	<p>The Company president carries out the following:</p> <ul style="list-style-type: none"> Decides on candidates for the presidential succession based on the discussions of the company-wide management human resources development review committee Evaluates the above personnel, and after identifying strengths and areas for development, reviews methods of training (including difficult assignments and transfers) Reports the proposed candidate list based on the results of this assessment to the Nomination and Remuneration Advisory Committee 	<p>The Nomination and Remuneration Advisory Committee carries out the following:</p> <ul style="list-style-type: none"> Checks personnel selection and development issues and measures for president successor candidates, checks personnel selection and development measures for the executive successor pool personnel, and checks and discusses whether internal processes and initiatives including these are appropriate Supervises training (monitoring) Reports president/officer candidate numbers and the status of training to the Board of Directors Observes successor candidates <p>The Board of Directors:</p> <ul style="list-style-type: none"> Reviews the report of the Nomination and Remuneration Advisory Committee and oversees (monitors) development efforts and progress

Selection and nomination of officers

In appointing directors and other senior management, the Nomination and Remuneration Advisory Committee deliberates and makes resolutions based on an evaluation of the candidates' careers and abilities, and the Board of Directors determines the most appropriate officer appointments based on the committee's reports. For candidate Audit & Supervisory Board members, the consent of the Audit & Supervisory Board is obtained in addition to the procedures described above. Regarding independent outside directors, we select candidates who can be expected to contribute

to UACJ through frank and constructive comments at Board of Directors meetings, taking into consideration the Company's criteria for determining independence, and after their appointment, opportunities are provided to evaluate their contribution. Currently, two of the five independent outside directors are women and four have experience in corporate management. We will continue to focus on balancing the knowledge, experience, and abilities of the Board of Directors as a whole, as well as developing a structure that reflects its diversity and size.

Peer evaluation of outside directors

In recognition of the fact that outside directors, who are responsible for management oversight, should be evaluated independently to ensure that they are fulfilling their expected roles and responsibilities appropriately, UACJ has implemented mutual evaluations of outside directors.

In the peer evaluations, each outside director (self-evaluation) and committee member (peer evaluation) responds to a questionnaire prepared by the Nomination and Remuneration Advisory Committee. In addition, directors on the executive side are also asked to complete a questionnaire, thereby ensuring that the evaluation is multifaceted.

The results of the evaluations are reported to the Nomination and Remuneration Advisory Committee, which confirms that each outside director is fulfilling their roles and responsibilities appropriately, and are also used in the process for reappointment or non-reappointment.

Peer evaluations can be conducted only when there is a healthy tension based on mutual trust through discussions at meetings of the Board of Directors and the Nomination and Remuneration Advisory Committee, and they function effectively as an opportunity for reflection on the roles and responsibilities of outside directors.

Remuneration of officers

The Company's remuneration system for officers is designed to enable directors to meet the expectations of stakeholders, create profits that contribute to society through business development, share the benefits and risks of stock price fluctuations with shareholders, and motivate them to contribute to raising the share price, increasing corporate value, and improving business performance over the medium to long term. In this regard, even after the establishment of the system in 2018, we have conducted ongoing reviews to ensure that the system functions better, and have implemented revisions such as introducing share price indicators and non-financial indicators, and increasing the proportion of performance-linked remuneration. The design and operation of the system will be monitored by the Nomination and Remuneration Advisory Committee, which will continue to consider necessary modifications.

Total remuneration of directors and Audit & Supervisory Board members in fiscal 2023

Positions	Number of members	Total amount by type of remuneration			Total remuneration
		Base salary	Short-term performance-linked remuneration	Medium- to long-term performance-linked remuneration	
All directors (Outside directors)	13 (6)	¥270 million (¥66 million)	¥74 million (—)	¥41 million (—)	¥386 million (¥66 million)
All Audit & Supervisory Board members (Outside members)	5 (3)	¥81 million (¥30 million)	— (—)	— (—)	¥81 million (¥30 million)
Total (Outside directors and Audit & Supervisory Board members)	18 (9)	¥351 million (¥96 million)	¥74 million (—)	¥41 million (—)	¥467 million (¥96 million)

Note: The above table includes three directors who retired at the conclusion of the 10th Ordinary General Meeting of Shareholders held on June 21, 2023.

Officer compensation structure for fiscal 2024 onwards

Compensation structure			Range of variation in performance-linked remuneration	Proportion of base salary	Evaluation period	Content of remuneration
Base salary			—	—	—	Cash
Short-term performance-linked remuneration	Company-wide performance	Consolidated net income, consolidated ROE, consolidated ROIC, etc.	Changes within a range of 0 to 200% in accordance with the level of achievement, based on a payment rate of 100% for 100% achievement of the goal	35–40% of base salary*	Single fiscal year	Cash
	Divisional performance	Divisional operating income, divisional ROIC, etc.				
	SDGs evaluation	Evaluation of the level to which activity targets in the materiality issues set out in our long-term management vision were achieved				
	Individual performance	Mainly qualitative evaluation of important initiatives, etc., not reflected in company-wide or divisional performances for a single fiscal year or the SDGs evaluation.				
Medium- to long-term performance-linked remuneration	PSU	Company-wide performance	As above	15% of base salary*	Mid-term management plan period	Half shares, half cash
		TSR				
	RSU	Conditional on continued service and not subject to change based on performance	—	10% of base salary	3 fiscal years	

* For a payment rate of 100%

Breakdown of remuneration (when 100% of short- and medium-term goals are achieved)

Base salary	Short-term performance-linked Remuneration	Medium- to long-term performance-linked remuneration	
		RSU	PSU
	35-40% of the base salary	10% of the base salary	15% of the base salary

Initiatives to date

2018	Reviewed the remuneration system and implemented short-term performance-linked remuneration* and medium- to long-term performance-linked remuneration (PSU: Performance Share Unit)
2020	As the Company worked towards structural reform, increased the short-term performance-linked remuneration ratio, and introduced total shareholder return to the system of medium- to long-term performance-linked remuneration
2021	<ul style="list-style-type: none"> Introduced SDGs assessments as part of evaluations for short-term performance-linked remuneration Introduced RSUs** for medium- to long-term performance-linked remuneration Instituted Shareholding Guidelines Established malus and clawback provisions Abolished the reappointment of directors as a method of deciding individual remuneration
2023	Revised the maximum amount of remuneration for outside directors, taking into consideration the increase in the ratio of outside directors and the increased roles and responsibilities expected of outside directors
2024	Reorganized the remuneration system for non-executive internal directors in accordance with the new officer system, and revised the medium- to long-term performance-linked remuneration system to promote the fourth mid-term management plan

* Outside directors are not subject to the performance-linked remuneration system, as their primary duty is to provide supervision from an independent, objective standpoint.

** Restricted Stock Unit

Strategic shareholdings

We hold shares in companies that we deem necessary for the sustainable growth and smooth conduct of our business, including the maintenance and strengthening of transactions, business alliances, and the stable procurement of raw materials. In accordance with our basic policy of minimizing and reducing such holdings, each year the Board of Directors conducts a comprehensive review of individual cross-shareholdings, examining both quantitative and qualitative aspects such as their significance and economic rationale. Shareholdings that are, as a result of the examination, deemed to have little significance or rationale are to be sold off sequentially. As of the end of March 2024, UACJ held cross-shareholdings in 29 companies. The total amount of cross-shareholdings on the balance sheet at the end of fiscal 2023 was 5.732 billion yen, which represents 1.90% of total consolidated equity.

Compliance

UACJ recognizes that thorough compliance and risk management are important issues in corporate governance. The Compliance Committee is in charge of compliance and the Management Committee is in charge of risk management for the Group as a whole, and their activities are reported to the Board of Directors.

To promote awareness of compliance and understanding of laws and regulations, we provide regular, ongoing education to familiarize employees with the Group Code of Conduct, which includes incorporating it into rank-based education programs. In addition, in order to detect and resolve compliance issues as early as possible, we have established various consultation services, including a group-wide whistleblowing system and a hotline specializing in harassment, to receive consultations and reports on compliance issues.

Dialogue with shareholders and investors

In order to build and maintain long-term relationships of trust with our shareholders and investors while helping them to understand the distinctive attributes of UACJ's business and investments, our internal departments work together organically to ensure timely and appropriate information disclosure and enhance bilateral communication.

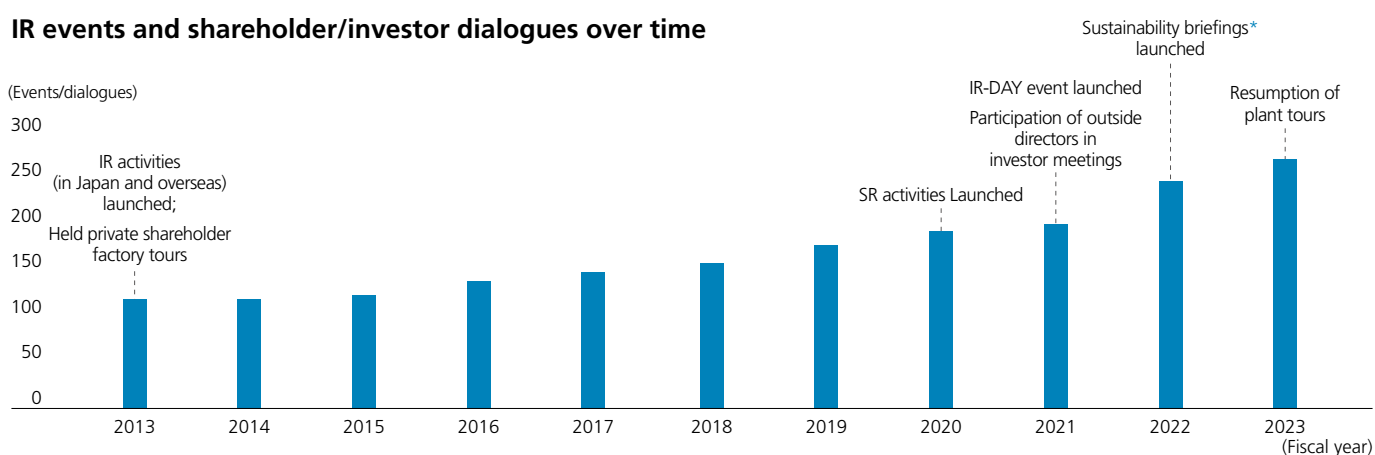
Specifically, we hold financial results briefings once a quarter, IR-Day and sustainability briefings once a year, as well as successive interviews, plant tours, and business briefings. Furthermore, we provide opportunities for dialogue between outside directors and institutional investors to gain an understanding of not only our business but also the effective activities of our outside directors. SR activities for institutional investors are handled by the Secretariat of the General Meeting of Shareholders, which works to promote dialogue by providing regular meeting opportunities once a year.

For overseas shareholders and investors, we are enhancing our provision of information in English, including simultaneous release in English and Japanese of notices of convocation for General Meetings of Shareholders, financial results materials, and presentation materials. In addition, in fiscal 2023, we sought to expand opportunities for dialogue by holding approximately 100 meetings with overseas investors, including a total of seven visits by senior management to investors in the U.S., Europe, and Asia.

Meanwhile, for individual shareholders and investors, we hold seminars and other events. In fiscal 2023, we conducted plant tours, which had been postponed due to the COVID-19 pandemic, for the first time in four years.

Opinions and requests obtained through dialogue with shareholders and investors are fed back to the Board of Directors and other bodies in a timely manner and used to improve our business operations.

IR events and shareholder/investor dialogues over time



Board of Directors (as of June 19, 2024)

Directors



Miyuki Ishihara

Director, Chairman of the Board

Attended 15 of 15 Board of Directors meetings
Attended 11 of 11 Nomination and Remuneration Advisory Committee meetings

Apr. 1981 Joined Sumitomo Light Metal Industries, Ltd.
Oct. 2012 Executive Officer
Oct. 2013 Executive Officer, UACJ Corporation
Jun. 2015 Director, Member of the Board, Executive Officer
Apr. 2017 Director, Member of the Board, Managing Executive Officer
Apr. 2018 Director, Member of the Board
Jun. 2018 Representative Director, President
June 2022 Representative Director, President
April 2024 Chairman of the Board (current)



Shinji Tanaka

Representative Director, President

Attended 15 of 15 Board of Directors meetings

Apr. 1987 Joined Sumitomo Light Metal Industries Co., Ltd.
Jan. 2016 Director, Member of the Board, UACJ (Thailand) Co., Ltd.
Apr. 2018 Executive Officer of UACJ, Executive Vice President of UACJ (Thailand) Ltd.
Apr. 2021 Executive Officer, Chief Executive of the Corporate Strategic Restructuring Office; Vice Chief Executive, Business Support Division; Vice Chief Executive, Finance and Accounting Division
Jun. 2021 Director, Member of the Board, Executive Officer
Apr. 2022 Director, Member of the Board, Managing Executive Officer, Chief Executive, Structural Reform Division
Apr. 2023 Director, Member of the Board Managing Executive Officer, Chief Executive, Corporate Sustainability Division, Vice Chief Executive, Flat Rolled Products Division (Manufacturing Division)
Apr. 2024 Representative Director, President (current)



Teruo Kawashima

Director,
Executive Vice President
Responsible for
group-wide finance,
corporate
communications,
and corporate
strategies

Attended 15 of 15 Board of Directors meetings
Attended 10 of 11 Nomination and Remuneration Advisory Committee meetings

Apr. 1982 Joined Sumitomo Light Metal Industries, Ltd.
Apr. 2013 Deputy General Manager, Administrative Division
Oct. 2013 Executive Officer, UACJ Corporation
Apr. 2016 Executive Officer, UACJ Corporation; CEO, UACJ North America Inc.
Apr. 2019 Managing Executive Officer
Jun. 2019 Director, Member of the Board, Managing Executive Officer
Apr. 2022 Director, Member of the Board, Executive Vice President (current)



Fumiharu Jito

Director, Managing
Executive Officer
Delegated Chief
Executive in charge of
the Marketing &
Technology Division
and DX Promotion
Section

Attended 15 of 15 Board of Directors meetings

Apr. 1988 Joined Furukawa Electric Co., Ltd.
Jun. 2011 General Manager, Production Department, Rolled Products Division, Fukui Works, Furukawa-Sky Aluminum Corp.
Apr. 2019 Senior General Manager, Fukaya Works, Flat Rolled Products Division, UACJ Corporation
Apr. 2021 Senior General Manager, Nagoya Works, Flat Rolled Products Division
Apr. 2022 Executive Officer, Chief Executive, Monozukuri Core Manufacturing Division
Jun. 2022 Director, Member of the Board, Executive Officer, Chief Executive, Monozukuri Core Manufacturing Division
Apr. 2024 Director, Managing Executive Officer, Chief Executive, Marketing & Technology Division (current)



Joji Kumamoto

Director, Managing
Executive Officer
Delegated Chief
Executive, Corporate
Strategy Division

Attended 12 of 12 Board of Directors meetings (following his appointment as a director)

Apr. 1985 Joined SUMITOMO CORPORATION
Aug. 2011 Dispatched to Tri-Arrows Aluminum Inc.
Apr. 2015 General Manager, Tubular Product Planning and Development Dept.
Apr. 2017 Joined UACJ Corporation
Apr. 2020 Vice Chief Executive, Corporate Strategy Division
Apr. 2021 Chief Executive, Corporate Strategy Division
Apr. 2022 Executive Officer, Chief Executive, Corporate Strategy Division
Jun. 2023 Director, Member of the Board, Executive Officer, Chief Executive, Corporate Strategy Division
Apr. 2024 Director, Managing Executive Officer, Delegated Chief Executive, Corporate Strategy Division

Outside Members of the Board



Takahiro Ikeda

Director, Member of the Board (outside, part-time)*

Attended 15 of 15 Board of Directors meetings
Attended 11 of 11 Nomination and Remuneration Advisory Committee meetings

Apr. 1975 Joined Mitsubishi Kasei Kogyo (currently Mitsubishi Chemical Corporation)
Apr. 2006 Executive Officer, Mitsubishi Chemical Corporation, Deputy Division Manager, Polymers Division
Apr. 2007 Executive Officer, General Manager, Chemicals Division
Jul. 2008 Dia Chemical Co. Ltd., President
Jun. 2010 Managing Executive Officer, Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)
Apr. 2013 Director and Managing Executive Officer
Apr. 2015 Advisor
Apr. 2016 Itochu Chemical Frontier Corporation, Executive Advisor
May 2016 TI. Associates, Representative Director (current)
Jun. 2018 Director, Member of the Board (outside and part-time), UACJ Corporation (current)

Rationale for selection: Takahiro Ikeda was invited to serve to utilize his experience as a director at a major chemical manufacturer and long career in corporate management.



Akio Sakumiya

Director, Member of the Board (outside, part-time)*

Attended 15 of 15 Board of Directors meetings
Attended 11 of 11 Nomination and Remuneration Advisory Committee meetings

Apr. 1975 Joined Tateisi Electric Manufacturing Co. (currently OMRON Corporation)
Jun. 2003 Executive Officer, General Manager of Amusement Equipment Business, OMRON Corporation; President and CEO of OMRON Ichinomiya Co., Ltd. (now OMRON Amusement Co., Ltd.)
Apr. 2009 Executive Officer, OMRON Corporation; President, Electronic Components Business Company
Jun. 2010 Managing Executive Officer, OMRON Corporation; President, Electronic and Mechanical Components Business Company
Jun. 2011 Senior Managing Director
Jun. 2014 Executive Vice President
Mar. 2018 Outside Audit & Supervisory Board Member, Asahi Glass Co., Ltd. (now AGC Inc.)
Jun. 2018 Director, Member of the Board (outside and part-time), UACJ Corporation (current)

Rationale for selection: Akio Sakumiya was invited to serve to utilize his corporate management experience as an executive vice president of a major electrical appliance manufacturer and extensive background in corporate governance, including positions of vice-chairperson of several committees involved in the remuneration and affairs of company directors and other personnel.



Yoshitaka Mitsuda

Director, Member of the Board (outside, part-time)*

Attended 15 of 15 Board of Directors meetings
Attended 11 of 11 Nomination and Remuneration Advisory Committee meetings

Jul. 1993 Assistant Professor, Institute of Industrial Science, University of Tokyo
Dec. 2002 Specialist, Higher Education Planning Division, Higher Education Bureau, Ministry of Education, Culture, Sports, Science and Technology
Jun. 2005 Professor, Institute of Industrial Science, University of Tokyo
Apr. 2009 Special Assistant to the President (in charge of financial affairs) and Vice President, Institute of Industrial Science
Apr. 2020 Professor, Research Department, National Institution for Academic Degrees and Quality Enhancement of Higher Education (current)
Jun. 2020 Professor Emeritus, University of Tokyo (current)
Jun. 2022 Director, Member of the Board (outside, part-time), UACJ Corporation (current)
June 2023 Outside Director of EDP Corporation (current)

Rationale for selection: Yoshitaka Mitsuda was invited to serve based on his background in materials-related education and training, and extensive experience in university management and public-private-academic partnerships.



Ryoko Nagata

Director, Member of the Board (outside, part-time)*

Attended 11 of 12 Board of Directors meetings (following her appointment as a director)

Attended 11 of 11 Nomination and Remuneration Advisory Committee meetings

Apr. 1987 Joined Japan Tobacco Inc.
Jun. 2008 Senior Vice President, Head of Beverage Business Division, Food Business Headquarters and Products Division
Jun. 2013 Senior Vice President, in charge of CSR
Jan. 2018 Senior Vice President, Assistant to President
Mar. 2018 Standing Audit & Supervisory Board Member
Jun. 2021 Outside Director, Honda Motor Co., Ltd. (current)
Mar. 2023 Outside Audit & Supervisory Board Member, MEDLEY, INC. (current)
Jun. 2023 Director, Member of the Board (outside, part-time), UACJ Corporation (current)

Rationale for selection: Ryoko Nagata was invited to serve based on her involvement in the management of a major food manufacturer and its group companies as an executive officer and auditor, and her pursuant broad perspective on management.



Makiko Akabane

Director, Member of the Board (outside, part-time)*

Attended 12 of 12 Board of Directors meetings (following her appointment as a director)

Attended 11 of 11 Nomination and Remuneration Advisory Committee meetings

Apr. 1993 Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Limited)
Jan. 2001 Team Manager, Public Relations Office, Environmental and Social Contribution Business, Starbucks Coffee Japan Co., Ltd.
Aug. 2003 General Manager, Social Contribution Department, Salesforce.com Co., Ltd. (currently Salesforce Japan Co., Ltd.)
Nov. 2006 General Manager, CSR Office, Nikko Asset Management Co., Ltd.
Apr. 2010 Representative Director, CSR Asia (current)
Jun. 2022 Outside Director, PIOLIX, INC. (current)
Jun. 2023 Director, Member of the Board (outside, part-time), UACJ Corporation (current)

Rationale for selection: Makiko Akabane was invited to serve based on her extensive knowledge and experience gained through sustainability consulting and support activities for numerous companies, the Ministry of the Environment, universities, etc., and is also familiar with overseas business.

Audit & Supervisory Board Members



Ryu Sawachi

Audit & Supervisory Board Member

Attended 15 of 15 Board of Directors meetings

Attended 14 of 14 Audit & Supervisory Board meetings

Apr. 1985 Joined Furukawa Electric Co., Ltd.
Oct. 2013 General Manager, Public and Investor Relations Department, UACJ Corporation
Apr. 2019 General Manager, Corporate Communication Department
Apr. 2020 Vice Chief Executive, Business Support Division
Jun. 2022 Audit & Supervisory Board Member (current)



Haruhiro Iida

Audit & Supervisory Board Member

Newly appointed in June 2024

Apr. 1988 Joined Sumitomo Light Metal Industries, Ltd.
Apr. 2015 General Manager, Accounting Department, UACJ Corporation
Apr. 2022 Executive Officer; Chief Executive, Finance and Accounting Division
Apr. 2024 Executive Adviser
Jun. 2024 Audit & Supervisory Board Member (current)



Yuki Iriyama

Audit & Supervisory Board Member (outside, part-time)*

Attended 15 of 15 Board of Directors meetings

Attended 14 of 14 Audit & Supervisory Board meetings

Apr. 1970 Joined Nippon Steel Corporation
Jun. 2002 Director, Manager of the Board and General Manager of Overseas Business Development Division Nippon Steel Corporation
Apr. 2006 Managing Executive Officer
Jun. 2009 Executive Advisor
Oct. 2012 Standing Advisor, Nippon Steel Corporation
Jun. 2014 Advisor of Nippon Steel Corporation (part-time)
Mar. 2015 Counsel of Kajitani Law Offices (current)
May 2017 Director of Vallourec S.A. (France)
Jun. 2018 Audit & Supervisory Board Member (outside and part-time), UACJ Corporation (current)

Rationale for selection: Yuki Iriyama was invited to serve to utilize his advanced legal expertise as a lawyer specializing in corporate law, and given his extensive experience in corporate management, including a position of managing director at a major steel manufacturer.



Hiroyuki Yamasaki

Audit & Supervisory Board Member (outside, part-time)*

Attended 15 of 15 Board of Directors meetings

Attended 14 of 14 Audit & Supervisory Board meetings

Oct. 1982 Joined Chuo Accounting Corporation
Oct. 2005 Director, Chuo Aoyama Audit Corporation
May 2006 Acting Chairman
Nov. 2007 Senior Partner of ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC)
Aug. 2008 Managing Director of Ernst & Young ShinNihon LLC
Jul. 2013 Auditor of Japan Venture Capital Association
Jul. 2017 President of Hiroyuki Yamasaki CPA Office (current)
Dec. 2017 Director, Land Business Co., Ltd.
Jun. 2018 Audit & Supervisory Board Member (outside and part-time), UACJ Corporation (current)
Jun. 2018 Outside Director, Sankyo Co., Ltd. (current)
Dec. 2020 Director and Vice President, Land Business Co., Ltd.

Rationale for selection: Hiroyuki Yamasaki was invited to serve to utilize his extensive background in finance and accounting as a certified public accountant specializing in corporate accounting



Yoshiro Motoyama

Audit & Supervisory Board Member (outside, part-time)*

Attended 15 of 15 Board of Directors meetings

Attended 14 of 14 Audit & Supervisory Board meetings

Apr. 1980 Joined Mitsubishi Motors
Mar. 2014 Director, Vice President, General Manager, Production Division, Mitsubishi Fuso Truck and Bus Corporation
Aug. 2017 Takenaka Co. Ltd., Director & CTO
Jun. 2018 Audit & Supervisory Board Member (outside and part-time), UACJ Corporation (current)
Aug. 2019 Director, Takenaka Co., Ltd.
Aug. 2021 Executive Advisor, Takenaka Co., Ltd.

Rationale for selection: Yoshiro Motoyama was invited to serve to utilize the broad outlook he has gained over his career and given his extensive experience in corporate management, including a position of executive vice-president of a major automobile manufacturer.

Outside Members of the Audit & Supervisory Board

Executive Officers

Akinori Yamaguchi Executive Vice President
Keizo Hashimoto Senior Managing Executive Officer
Henry Gordinier Managing Executive Officer
Fumihiko Sato Managing Executive Officer
Tetsuya Yamada Managing Executive Officer

Osamu Kawase Executive Officer
Minami Takahashi Executive Officer
Kenichiro Ijima Executive Officer
Naoki Tokizane Executive Officer
Kazuhiro Miyaji Executive Officer

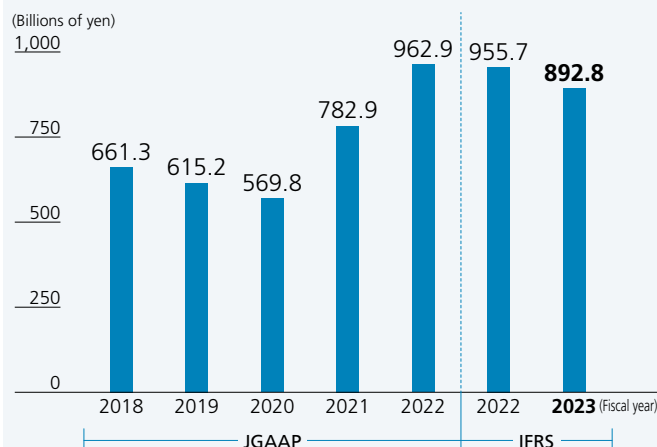
Midori Narita Executive Officer
Kozo Okada Executive Officer
Sachio Urayoshi Executive Officer
Naruhiko Kamiya Executive Officer

* Appointed as an independent officer after being deemed to have no conflict of interests with the Company's ordinary shareholders

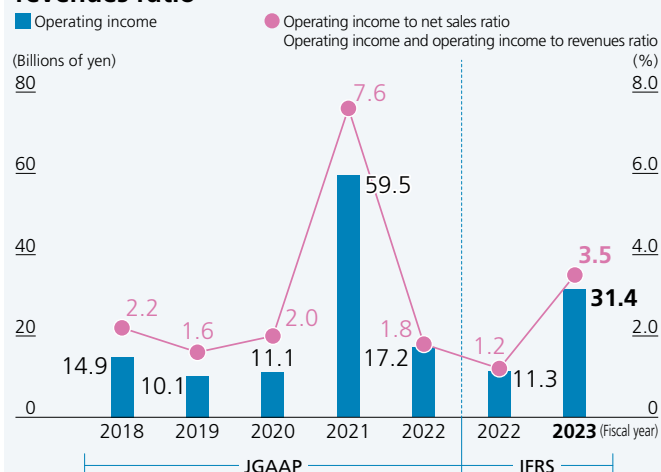
Highlights of Financial and Non-financial Results

Consolidated financial results

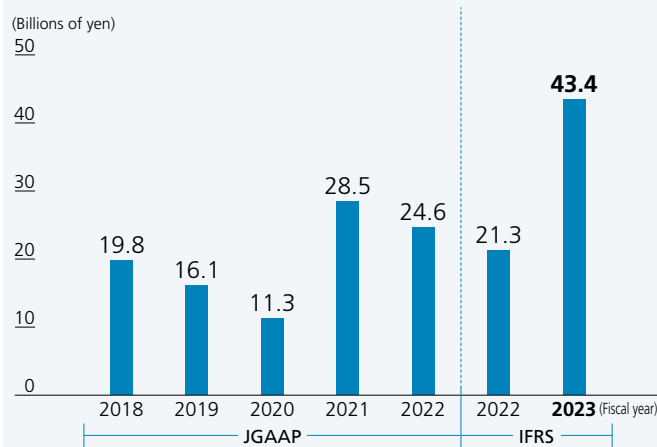
Revenues



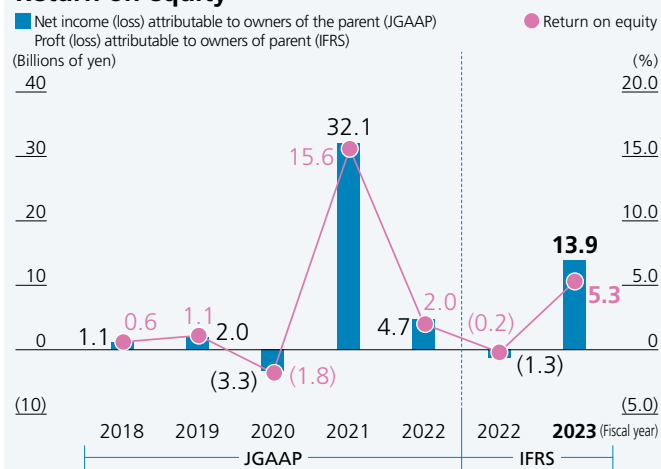
Operating income and operating income to revenues ratio



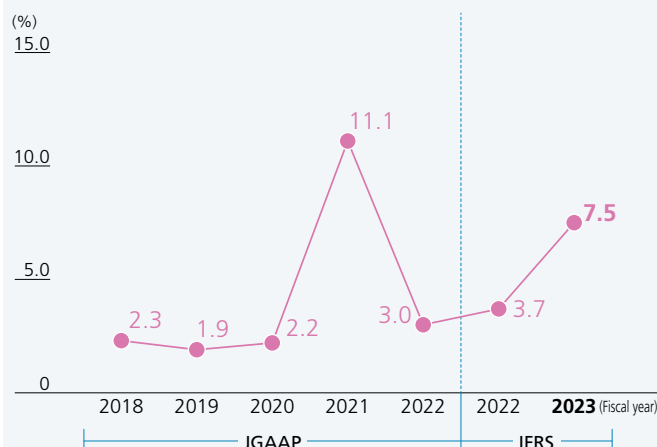
Business profit



Profit (loss) attributable to owners of parent Return on equity

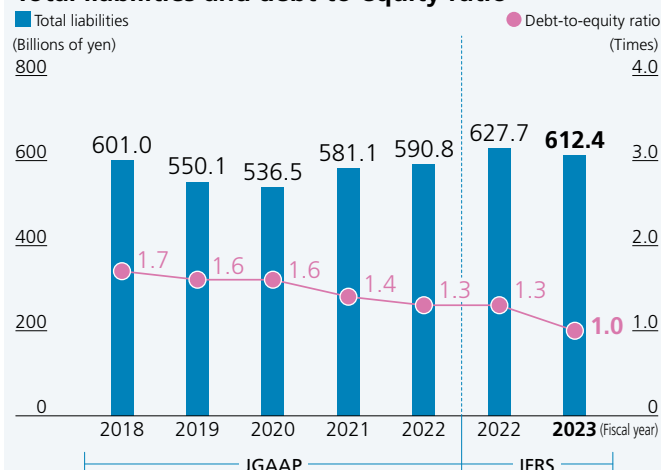


Return on invested capital*



* Calculated based on income (loss) before income taxes

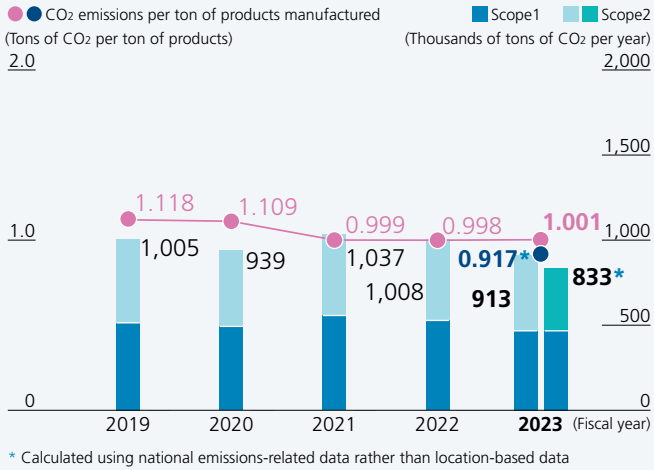
Total liabilities and debt-to-equity ratio*



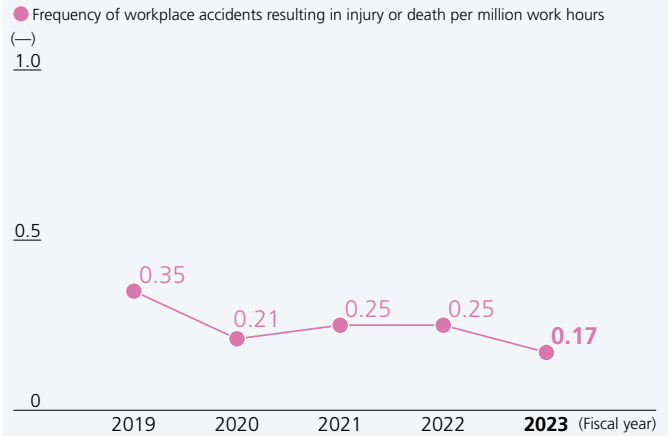
* The debt-to-equity ratio excludes subordinated loans

Non-financial results

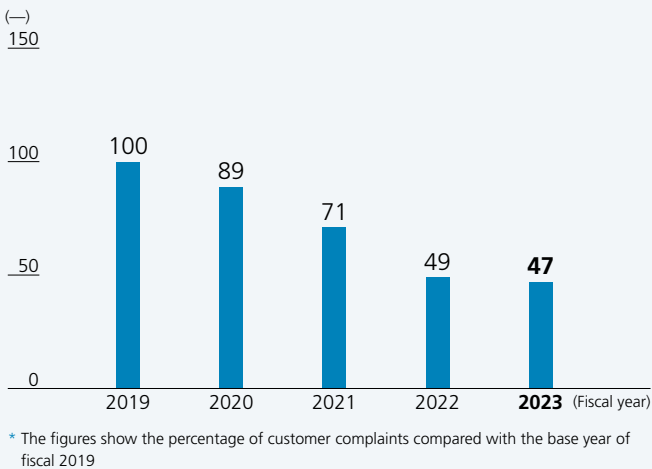
CO₂ emissions



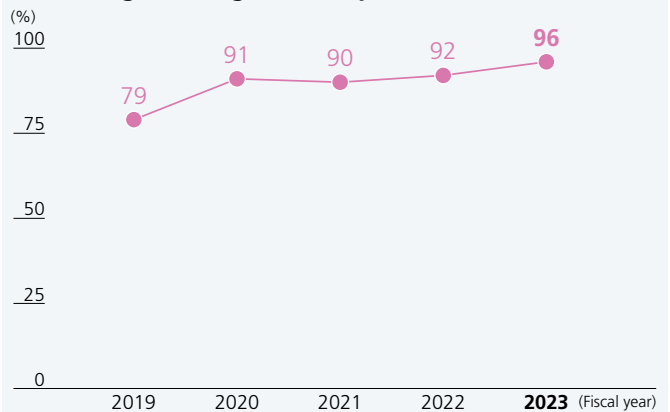
Workplace accidents



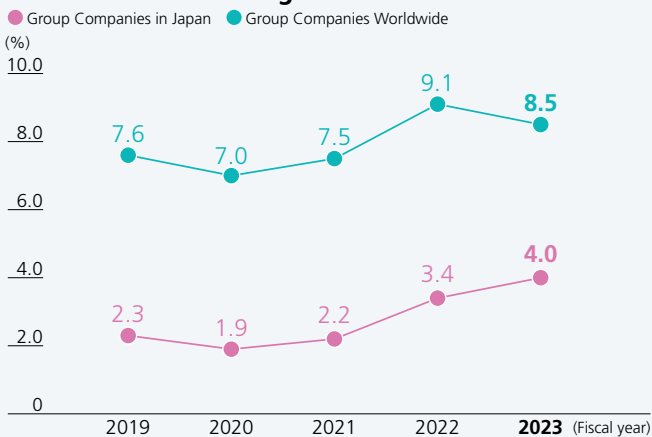
Customer complaints*



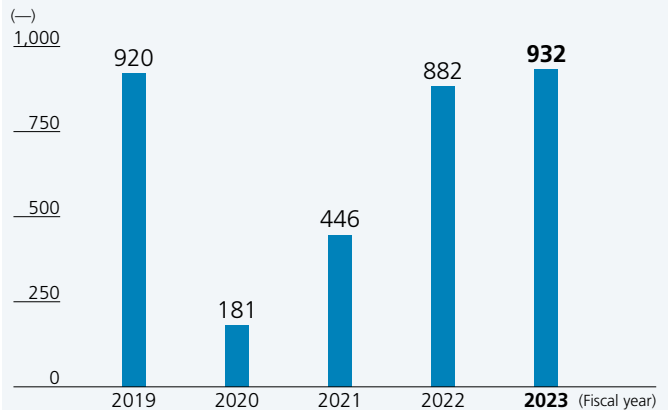
Percentage of employees and officers that participate in training covering the Group Code of Conduct



Ratio of female managers



Number of people receiving support for education



10-Year Financial Highlights

		JGAAP			
Consolidated sales and income		Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Net sales (JGAAP); Revenue	Total	572,541	575,735	568,316	624,270
Business profit ¹	Total	—	—	—	—
Operating income	Total	23,679	15,212	25,869	29,205
Ordinary income	Total	21,337	12,010	19,819	19,408
Income (loss) before income taxes	Total	18,856	13,976	18,281	19,692
Net income (loss) attributable to owners of the parent; Profit (loss) attributable to owners of parent (IFRS)	Total	8,649	5,105	8,715	12,253
Business profit to revenue ratio	Total	—	—	—	—
Operating margin; Operating income to revenue ratio (IFRS)	Total	4.1%	2.6%	4.6%	4.7%
Net income (loss) to net sales ratio; Profit (loss) to revenue ratio (IFRS)	Total	1.5%	0.9%	1.5%	2.0%
Consolidated financial condition					
Total assets ¹	Total	677,952	662,543	725,443	774,071
Net assets	Total	187,136	178,582	198,360	208,396
Shareholders' equity; Equity attributable to owners of parent	Total	172,305	165,030	184,090	194,235
Interest-bearing debt	Total	295,953	289,006	323,825	342,336
Current assets ²	Total	269,889	263,409	305,563	322,461
Fixed assets; Non-current asset ¹	Total	408,063	399,135	419,880	451,610
Current liabilities ²	Total	287,884	249,784	237,650	273,148
Fixed liabilities; Non-current liabilities ¹	Total	202,932	234,177	289,433	292,527
Shareholders' equity ratio; Ratio of equity attributable to owners of parent to total assets ¹	Total	25.4%	24.9%	25.4%	25.1%
ROE (Return on equity; Ratio of equity attributable to owners of parent)	Total	5.3%	3.0%	5.0%	6.5%
Consolidated cash flows					
Cash flows from operating activities	Total	26,777	22,511	28,393	17,381
Cash flows from investing activities	Total	(49,668)	(34,759)	(55,456)	(51,853)
Free cash flow	Total	(22,891)	(12,248)	(27,063)	(34,472)
Cash flows from financing activities	Total	25,694	11,176	49,478	13,543
Per share information					
Net income (loss) per share (yen); Basic earnings (loss) per share ³	Total	20.21	11.94	201.63	253.96
Annual dividend per share (yen) ³	Total	6	6	60	60
Main consolidated expenses					
Capital investment	Total	46,539	30,489	31,556	51,195
Depreciation and amortization	Total	22,636	22,893	23,508	25,686
Research and development expenses	Total	4,619	4,630	4,412	4,409

¹ Business profit is operating profit excluding the effect of the metal price lag as well as temporary and extraordinary factors

(Millions of yen)

IFRS						
Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2022	Fiscal 2023
661,330	615,150	569,756	782,911	962,885	955,717	892,781
—	—	—	—	—	21,295	43,420
14,868	10,126	11,144	59,520	17,207	11,319	31,378
6,201	3,788	5,958	52,286	8,732	—	—
10,041	(1,622)	3,473	50,114	7,166	1,699	21,969
1,116	2,038	(3,269)	32,054	4,703	(1,315)	13,858
—	—	—	—	—	2.2%	4.9%
2.2%	1.6%	2.0%	7.6%	1.8%	1.2%	3.5%
0.2%	0.3%	(0.6%)	4.1%	0.5%	(0.1%)	1.6%
807,224	752,785	732,960	828,729	860,098	895,731	914,430
206,204	202,716	196,445	247,589	269,258	267,987	302,046
190,998	188,363	183,063	227,993	248,037	246,495	277,040
375,080	344,011	335,789	339,447	336,700	340,384	310,854
348,291	288,919	294,502	394,618	409,868	437,650	431,188
458,933	463,866	438,457	434,111	450,230	458,081	483,242
273,269	264,434	251,150	322,136	338,603	371,617	359,284
327,751	285,635	285,365	259,004	252,236	256,127	253,100
23.7%	25.0%	25.0%	27.5%	28.8%	27.5%	30.3%
0.6%	1.1%	(1.8%)	15.6%	2.0%	(0.2%)	5.3%
10,651	58,115	38,623	7,799	52,587	54,219	94,918
(34,947)	(30,021)	(20,950)	(21,035)	(26,928)	(28,223)	(36,196)
(24,296)	28,094	17,673	(13,236)	25,659	25,996	58,722
28,971	(25,852)	(17,008)	(652)	(19,089)	(25,075)	(43,994)
23.14	42.26	(67.79)	664.69	97.54	(27.26)	287.38
60	20	0	85	85	85	90
52,544	48,947	18,090	20,728	26,394	26,394	33,097
27,215	27,748	30,007	30,585	33,493	34,831	36,406
4,529	4,305	4,452	4,259	4,441	4,441	4,643

² The Company has applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (Statement No. 28), issued by the Accounting Standards Board of Japan on February 16, 2018. Accordingly, amounts for total assets, current assets, non-current assets, current liabilities, non-current liabilities, and shareholders' equity ratio were calculated to reflect this application retroactively from fiscal 2017.

³ In fiscal 2017, UACJ conducted a 1-for-10 reverse stock split of common stock on October 1, 2017. Figures for net income per share and annual dividend per share in fiscal 2016 and 2017 were calculated as if the reverse stock split had occurred at the beginning of fiscal 2016.

Corporate and Stock Information

Company Overview (as of October 1, 2024)

Corporate name	UACJ Corporation
Headquarters	Tokyo Sankei Bldg., Otemachi 1-7-2, Chiyoda-ku, Tokyo 100-0004 Japan
Representative Director & President	Shinji Tanaka
Principal business	Manufacture and sales of flat rolled aluminum and casting, forged, and precision-machined products made of aluminum, aluminum alloys, and other nonferrous metals
Capital	¥52.277 billion
Number of employees (consolidated)	10,460 (As of March 31, 2024)
Fiscal year end	March 31
URL	https://www.uacj.co.jp/english/

Locations

Flat Rolled Products Business

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

Extrusion & Metal Components Business

Oyama Works	Doto 560, Oyama-shi, Tochigi 323-0812, Japan
Nagoya Works (Extrusion)	Chitose 3-1-12, Minato-ku, Nagoya-shi, Aichi 455-8670, Japan

Aerospace and Defense Materials Business

Foundry & Forging Works	Doto 560, Oyama-shi, Tochigi 323-0812, Japan
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Sales Office

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 Branch	Hakata Gion M-SQUARE, 2-1 Reisen-machi, Hakata-ku, Fukuoka-shi, Fukuoka 812-0039, Japan

Research Facilities

Research & Development	Chitose 3-1-12, Minato-ku, Nagoya-shi, Aichi 455-8670, Japan
Mobility Technology Center	
Fukui	Kurome 21-1, Mikuni-cho, Sakai-shi, Fukui 913-8588, Japan
Fukaya	Uwanodai 1351, Fukaya-shi, Saitama 366-8511, Japan
R&D Center (North America)	12501 Plantside Dr, Louisville, KY 40299, USA
R&D Center (Thailand)	Innovation Cluster 2 Building, Tower D, Phaholyothin Road 111 Thailand Science Park Amphoe Khlong Luang, Chang Wat Pathum Thani 12120, Thailand

Group Companies in Japan

Flat Rolled Products Business

UACJ Aluminum Center Corporation
UACJ Marketing & Processing Corporation
UACJ Nagoya Alupack Corporation
Sansen Co., Ltd.
UACJ Fukaya Service Corporation
Furukawa UACJ Memory Disk Co., Ltd.

Extrusion Business

UACJ Metal Components Corporation
UACJ Extrusion Anjo Corporation
UACJ Extrusion Gunma Corporation
UACJ Extrusion Shiga Corporation
Light Metals Extrusion Development Co., Ltd.
Nihon Cooler Co., Ltd.

Foil Business

UACJ Foil Corporation
Nikkin Co., Ltd.
UACJ Foil Service Corporation

Others

UACJ Trading Corporation
Izumi Metal Corporation
Kamakura Industry Co., Ltd.
UACJ Logistics Corporation*
UACJ Green-net Corporation

Group Companies outside Japan

Flat Rolled Products Business

UACJ (Thailand) Co., Ltd. (Thailand)
 Tri-Arrows Aluminum Holding Inc. (USA)
 Tri-Arrows Aluminum Inc. (USA)
 Logan Aluminum Inc. (USA)*
 UACJ (Shanghai) Aluminum Corporation (China)
 Ruyuan Dongyangguang UACJ Fine Aluminum Foil Co., Ltd. (China)*
 SHANGHAI UACJ DONGYANGGUANG ALUMINUM SALES CORPORATION (China)
 SHAOGUAN UACJ DONGYANGGUANG ALUMINUM SALES CORPORATION (China)
 UACJ Trading & Processing America, Inc. (USA)
 UACJ Marketing & Processing Mexico, S.A. de C.V. (Mexico)
 UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH (Germany)
 UPIA Co., Ltd. (South Korea)

Automotive Parts Business

UACJ Automotive Whitehall Industries, Inc. (USA)
 Dicastal UACJ Bolv Automotive Components Co., Ltd. (China)*
 Dicastal UACJ Bolv (Tianjin) Extrusion Corporation (China)*
 DICASTAL UACJ BOLV (CHUZHOU) AUTOMOTIVE COMPONENTS CO., LTD. (China)

Extrusion & Metal Components Business

UACJ Extrusion (Thailand) Co., Ltd. (Thailand)
 UACJ Extrusion Czech s.r.o. (Czech Republic)
 UACJ Metal Components North America, Inc. (USA)
 UACJ Metal Components Mexico, S.A. de C.V. (Mexico)
 UACJ Metal Components Central Mexico, S.A. de C.V. (Mexico)
 UACJ Metal Components (Thailand) Co., Ltd. (Thailand)
 PT. YANJIN INDONESIA (Indonesia)

Aerospace and Defense Materials Business

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

Foil Business

UACJ Foil Malaysia Sdn. Bhd. (Malaysia)

Others

UACJ North America, Inc. (USA)
 UACJ Trading (Kunshan) Metal Products Co., Ltd. (China)
 UACJ Trading (Shanghai) Co., Ltd. (China)
 UACJ Trading (Dalian.F.T.Z.) Co., Ltd. (China)
 UACJ Trading Czech s.r.o. (Czech Republic)
 UACJ Trading Poland Sp. Z O.O. (Poland)
 UACJ Trading (Thailand) Co., Ltd. (Thailand)
 Siam UACJ Trading Co., Ltd. (Thailand)
 UACJ Australia Pty. Ltd. (Australia)
 Boyne Smelters Ltd. (Australia)

Stock Overview (as of June 30, 2024)

Total number of shares Issuable 170,000,000 shares*¹
 Total number of shares issued and outstanding 48,328,193 shares*²
 (Including 109,602 shares of treasury stock)
 Number of shareholders 21,114

*¹ The number of shares issuable was revised to 170,000,000 due to a reverse stock split on October 1, 2017.

*² The number of shares became 48,328,193 due to a reverse stock split on October 1, 2017.

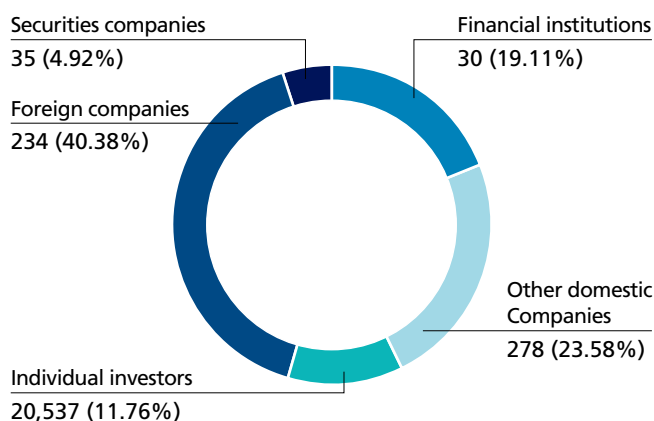
Major Shareholders

Shareholder name	Shareholdings Number of shares held(hundreds)* ³	Percent of total* ⁴
Furukawa Electric Co., Ltd.	94,365	19.57
GOLDMAN SACHS INTERNATIONAL	49,246	10.21
The Master Trust Bank of Japan, Ltd. (investment trust account)	45,325	9.39
Custody Bank of Japan, Ltd. (Securities Trust Account)	20,757	4.30
ECM MF	14,500	3.00
Mizuho Securities Co., Ltd.	13,854	2.87
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	10,099	2.09
MLI FOR SEGREGATED PB CLIENT	10,001	2.07
The UACJ Group Employee Stock Ownership Plan	7,691	1.59
STATE STREET BANK AND TRUST COMPANY 505103	7,549	1.56

*³ The number of shares is shown after rounding off figures of less than 100 shares.

*⁴ Calculations of equity position exclude treasury stock (106,933 shares), and figures have been rounded off below the second decimal place.

Ownership Ratio by Type of Investor*⁵



* Equity-method affiliate

*⁵ Calculations of equity position are rounded down to the second decimal point

Paralym Art contest

Together with the Shougaisha Jiritsu Suishin Kikou Association, UACJ has held a design competition for artists with disabilities since 2021 as part of its initiatives to promote diversity in society.

Under the theme of "Toward a future with aluminum," the 2023 competition received 85 entries. Based on votes by UACJ Group employees, one work was selected to receive the Grand Prize and two works were selected to receive the UACJ Prize.



Grand Prize winner
Kenta
*Aluminum supports the planet's
existence and future*



UACJ Prize winner
Namy
A future with aluminum



UACJ Prize winner
Koto
*Let's reach tomorrow together
with aluminum*

UACJ Corporation

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<https://www.uacj.co.jp/english/>

<https://www.uacj.co.jp/english/inquiry/index.htm>

For comments or suggestions regarding this report,
please use the inquiry form provided (page linked to the above URL).

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and other countries, and are also registered as EUTM (European Union Trade Marks).

About the cover

The Japanese calligraphy shown
on the cover expresses the main
themes of the UACJ Group's new
mid-term management plan:
"Create earnings, build
partnerships, and promote the
environmental benefits of
aluminum."

