



Aluminum lightens the world

アルミでかなえる、軽やかな世界

Becoming the world's no. 1 comprehensive aluminum sheet business

– Flat Rolled Products Business Fourth Mid-Term Management Plan

Keizo Hashimoto

Senior Managing Executive Officer

Chief Executive, Flat Rolled Products Division

May 28, 2024

UACJ Corporation



Division Initiatives



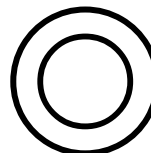
Review of the Third Mid-Term Management Plan

Basic Policies

Assessment

Major Policy (1) Complete structural reforms

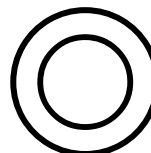
- Suspend product finishing processes at Fukaya Works
- Ensure profitability of large investments



- Finishing processes eliminated at Fukaya Works (as of March 2013)
- Profitable investments made
 - UATH Phase 3 facilities launched (output reached 320,000 tons in 2021)
 - Profitable operation of new cold rolling mill at TAA (operational in June 2020)
 - Profitable operation of continuous finishing line for auto panel materials at Fukui Works (operational in October 2020)

Major Policy (2) Strengthen foundations for growth

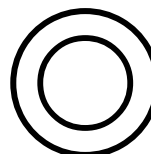
- Leverage three-country supply network to boost can stock sales to global customers
- Establish production facilities at TAA with annual capacity of 450,000 tons
- Establish value-added production facilities at UATH with annual capacity of 320,000 tons



- Capturing global demand for can stock (610,000 tons in FY2023)
- Production facilities established at TAA with 450,000-ton annual capacity
- Production facilities established at UATH with 320,000-ton annual capacity

Major Policy (3) Promote global sustainability

- Expand use of recycled raw materials
- Reduce environmental impact from aluminum products



- Horizontal recycling of aluminum cans promoted
 - Business alliance formed with Toyo Seikan
 - Joint venture formed with Yamaichi Metal
 - UATH participating in closed-loop recycling in the ASEAN region
- ASI certification acquired by Rayong Works, Fukui Works

Aiming to Become the World's No. 1 Comprehensive Aluminum Sheet Business

Becoming the world's No. 1 comprehensive aluminum sheet business that creates added value by reducing environmental impact and helping to resolve social issues

Collaboration covering many products and regions

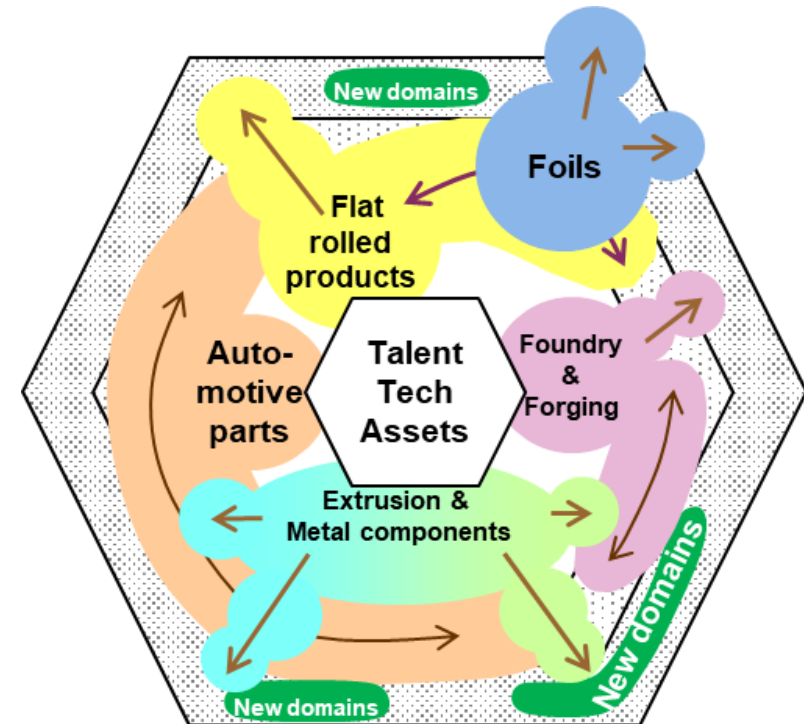
Collaboration creating synergies among businesses

Collaborative advantage of a broad product line and territory

Domains for expansion in the new mid-term plan

		Regional Axis						
		Japan	China	Southeast Asia India	Middle East Africa Australia	Europe	North America	Central/ South America
Product Axis	Cans	UACJ		UATH	UATH	UACJ	TAA	UATH
	Automotive Panels	UACJ						
	Automotive Heat Exch. Mat.	UACJ	UDSG	UATH		UEHEM	UATH	UATH
	Battery Foil	UACJ	UDSG				UACJ	
	AC Fins	UACJ		UATH		UATH UACJ	UATH	UATH
	Functional Materials	UACJ	UACJ	UACJ			UACJ	
	Thick Plates	UACJ	UACJ	UACJ		UACJ	UACJ	

Collaborative advantage of synergies among businesses

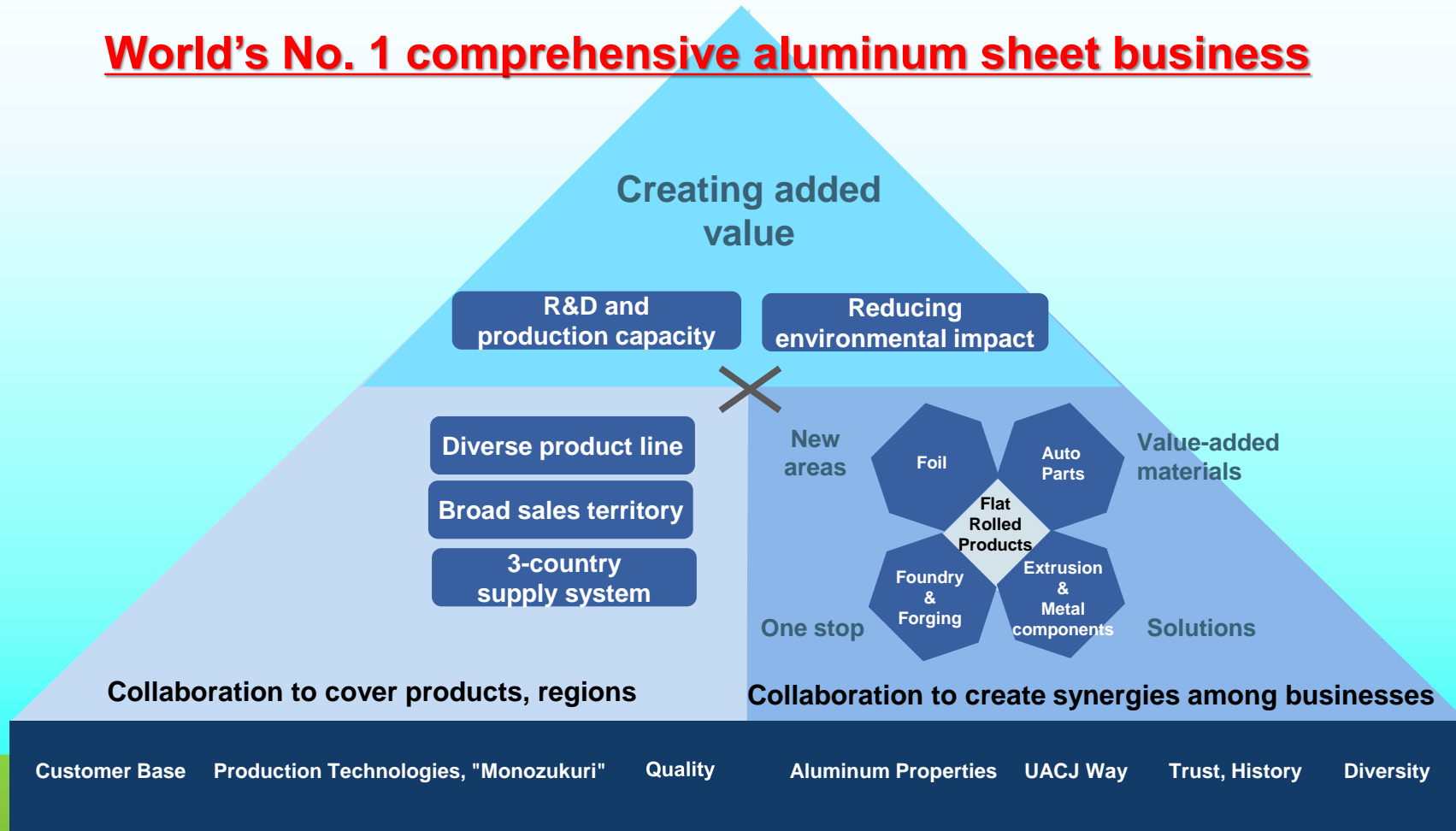


UEHEM: UACJ Elval Heat Exchanger Materials GmbH

UDSG: Shanghai UACJ Dongyangguang Aluminum Sales Corporation

World's No. 1 Comprehensive Aluminum Sheet Business, as Envisioned

World's No. 1 comprehensive aluminum sheet business



Fourth Mid-Term Management Plan: Basic Policy

Become the world's No. 1 comprehensive aluminum sheet business by securing stable earnings and creating added value

Shift from quantity to quality

- Enhance profitability, asset efficiency
 - Optimize the sales portfolio
 - Select and expand sales areas
 - Strengthen new development
- Ensure that production can respond flexibly to higher or lower demand in key segments

Shift from goods to services

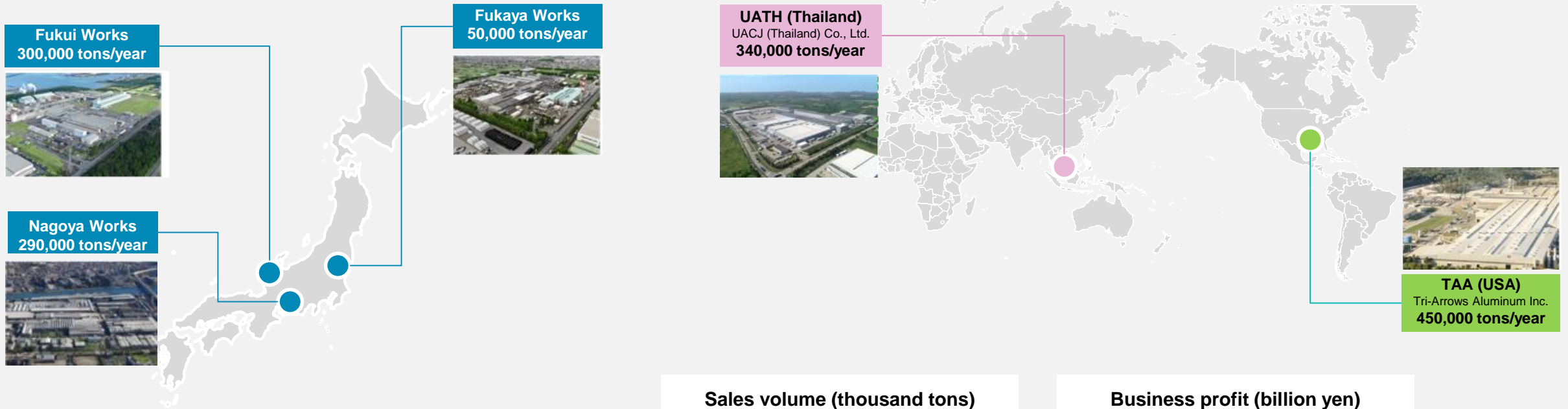
- Provide environmental solutions (such as EcoEnd™)
- Reduce CO₂ emissions, promote horizontal recycling
- ALmitas+ SMART Mass Balance (providing environmental value through third-party guarantees)

Evolution of the three-country supply system

- Provide stronger support to customers through the three-country supply network
- Expand two-country compatibility with UACJ

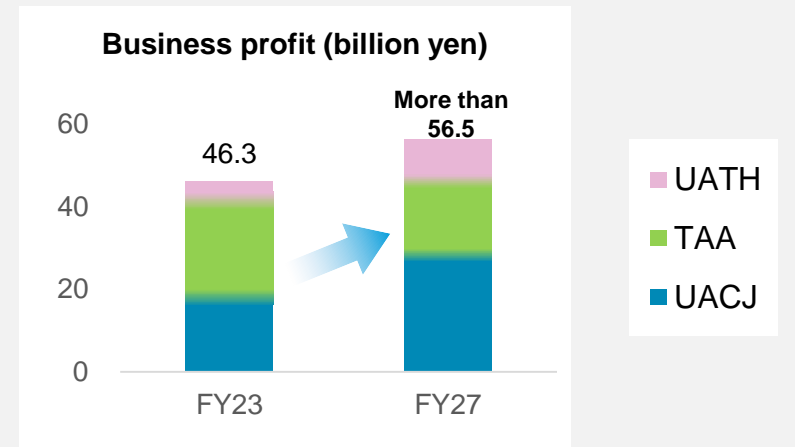
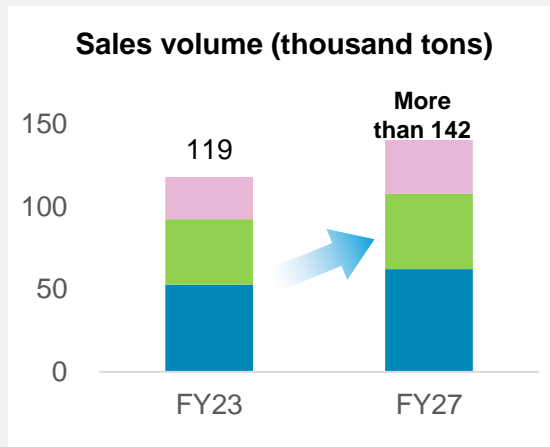
Flat Rolled Products Division: Evolution of the Three-Country Supply System

Strengthen UACJ-UATH intercompatibility, maintain three-country collaboration



Capacity Targeting **1.5 million tons**

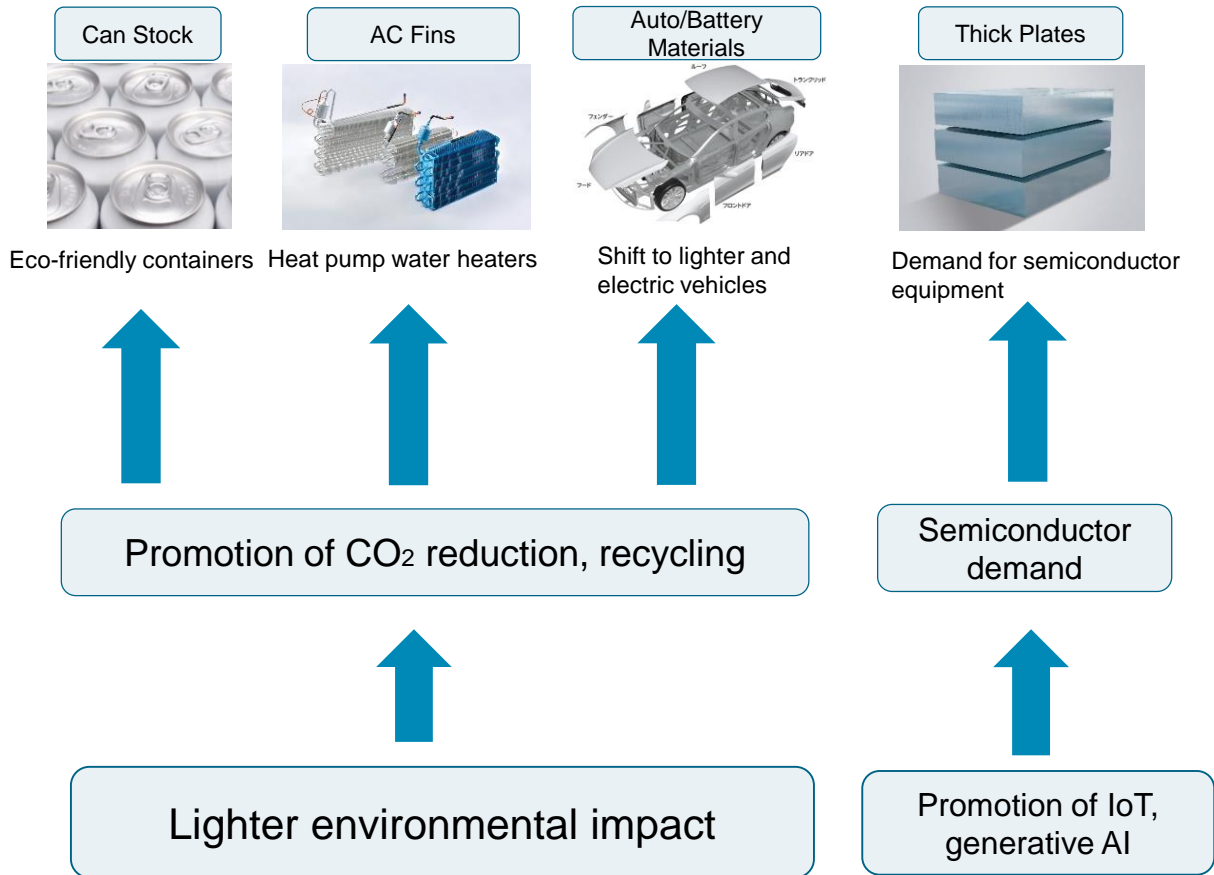
Sales 1.19 ⇒ **1.42 million tons**



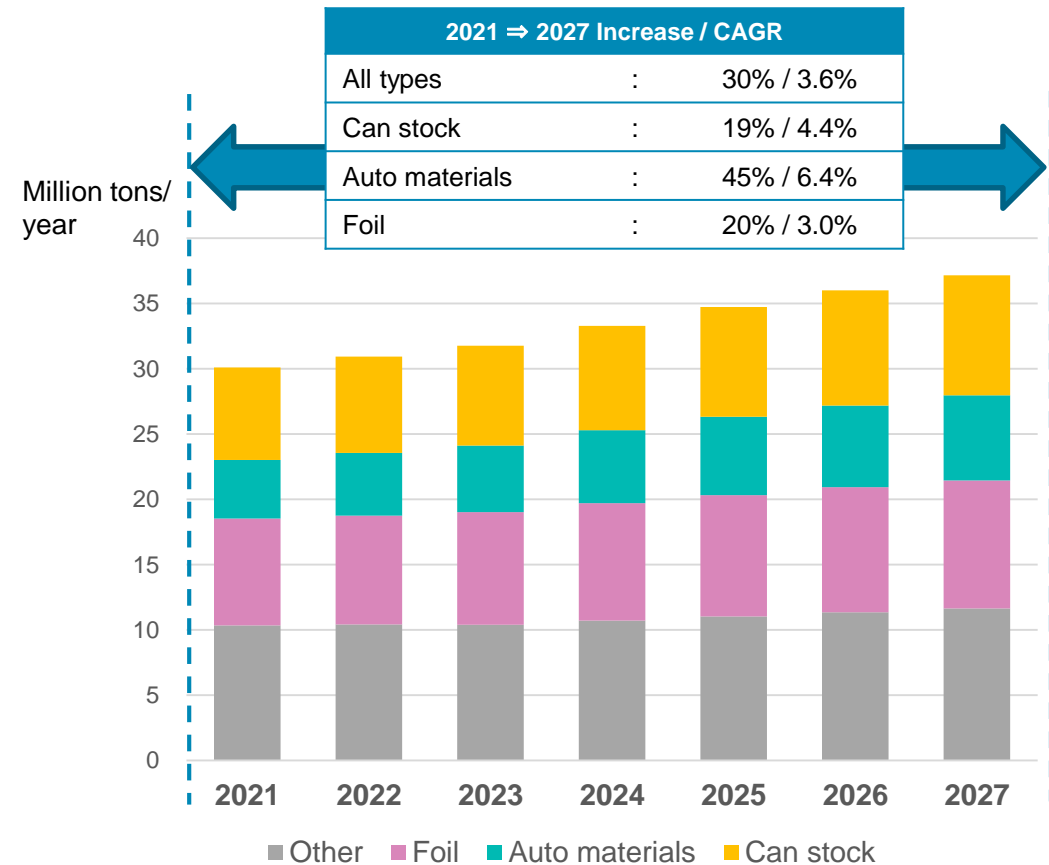
Global Demand Forecast for Aluminum Sheet

Yearly increases in aluminum sheet demand expected

Increased sheet demand: background information



Global demand forecast for aluminum sheet



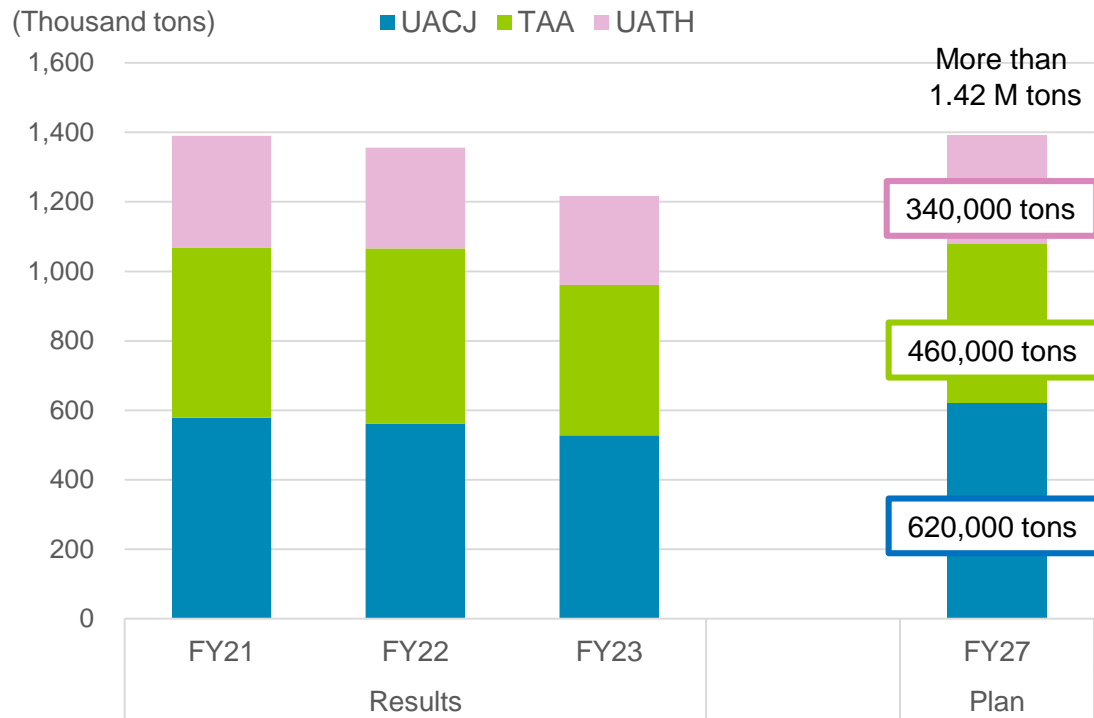
Flat Rolled Product Business Volume, Profit/Loss Forecast



Total Sales Volume and Business Profit for All Three Units

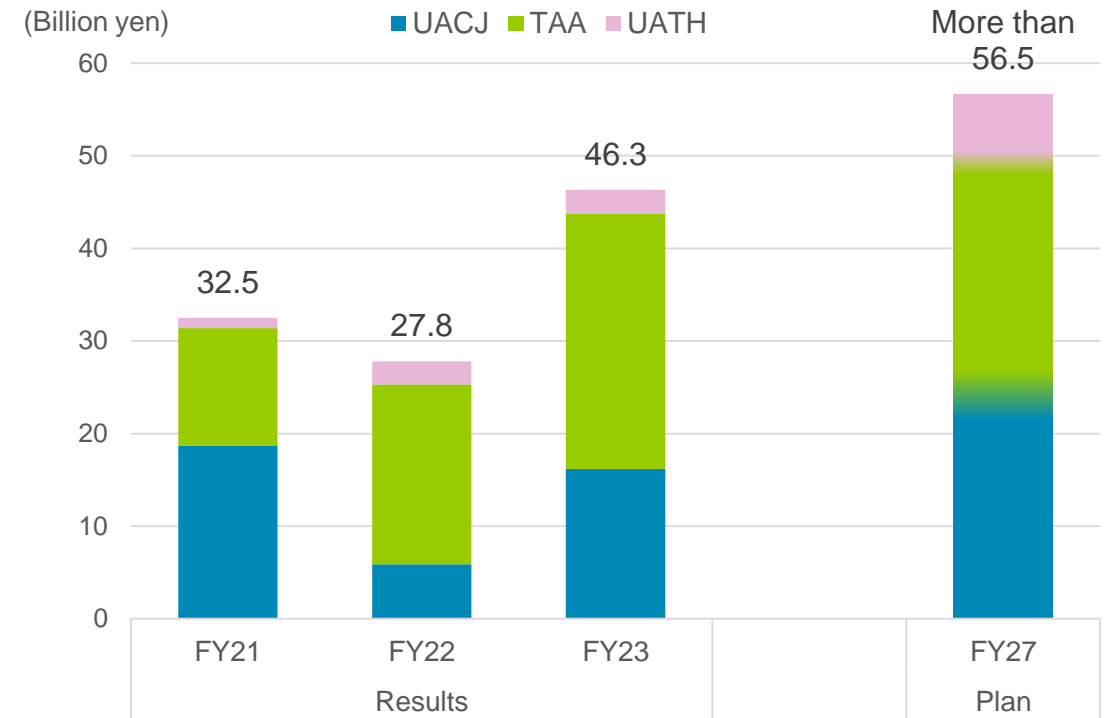
Amid firm demand, we are pursuing higher sales volume and business profit at our three units in flat rolled products business

Annual sales volume by site



FY2027: 1.42 M tons

Annual business profit by site



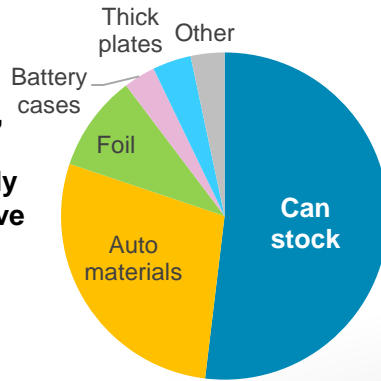
FY2027: 60 B yen+ (flat rolled product total)

Strengths of Japan-Based Works, UATH, and TAA

Doing business utilizing our solid customer base, ability to design products that meet their needs, and production capacity

Fukui Works

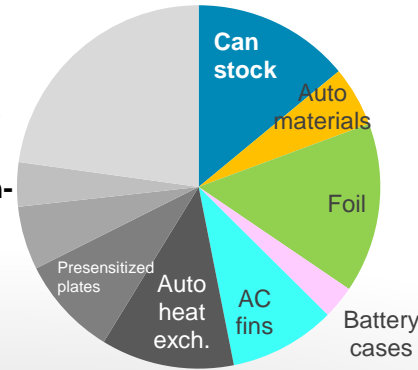
Providing quality, delivery, and service with unrivaled competitiveness, especially in can stock and automotive materials



FY2023: 300,000 tons/year

Nagoya Works

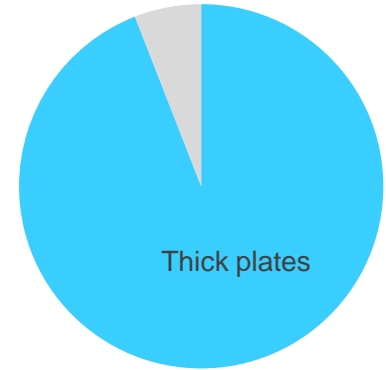
Contributing to the creation of new value for our customers through our ability to handle high-mix production for many applications. Attentive to developing new fields of business



FY2023: 270,000 tons/year

Fukaya Works

Creating added value in thick plates through advanced technology. Responding to higher demand in semiconductor applications



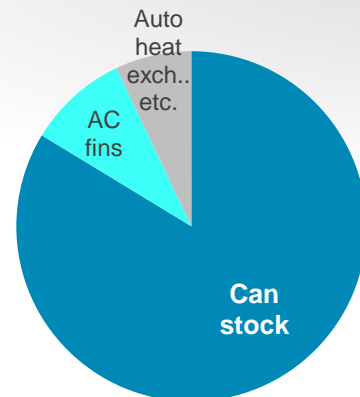
FY2023: 50,000 tons/year

A supply network leveraging the unique qualities of each location

UATH

A global materials supplier for can stock as well as air conditioner fins and automotive heat exchangers

FY2023: 340,000 tons/year



TAA

U.S. location focused on can stock. Capturing growing demand for can stock

FY2023: 490,000 tons/year

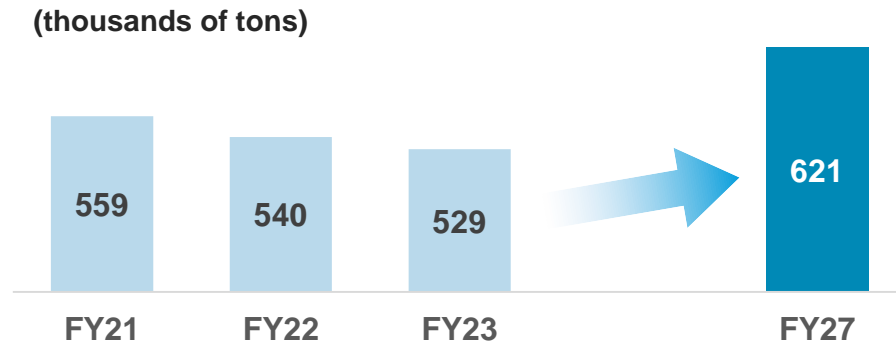


Domestic Initiatives

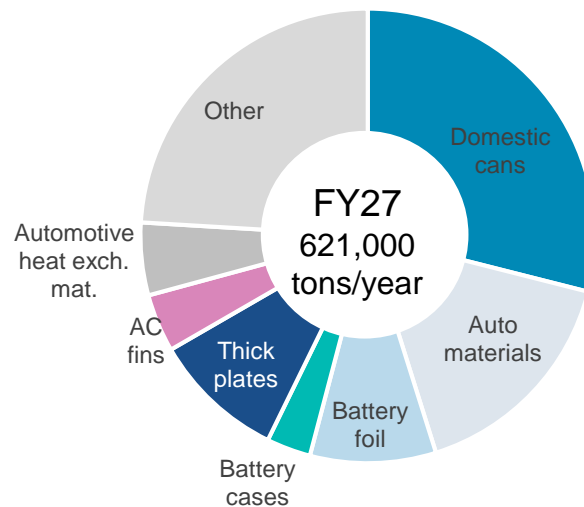


Fourth Mid-Term Management Plan: Sales Plan

Sales volume (domestic market)



FY2027 sales breakdown by product type



Area		Policy	Sales volume
Can stock		<ul style="list-style-type: none"> Create added value by promoting recycling to stimulate demand for cans 	→
Foil		<ul style="list-style-type: none"> Seek expanded sales in growing markets such as battery foil by strengthening relationships with manufacturers 	↗
Automotive materials	Body panels	<ul style="list-style-type: none"> Stabilize earnings by expanding our range of customers and products Add value by reducing environmental impact or in other ways 	↗
	Heat exchangers	<ul style="list-style-type: none"> Review product mix, strengthen support for recycling 	→
Thick plates		<ul style="list-style-type: none"> Expand sales to match semiconductor demand recovery and serve new energy transport applications 	↗
Other general materials	AC fin stock, etc.	<ul style="list-style-type: none"> Review product mix, improve collaboration between sites in Japan and Thailand 	↗

Trends in Segments with High Demand: Can Stock, Automotive Materials

Ensuring a light environmental footprint while strengthening domestic operations

Can stock

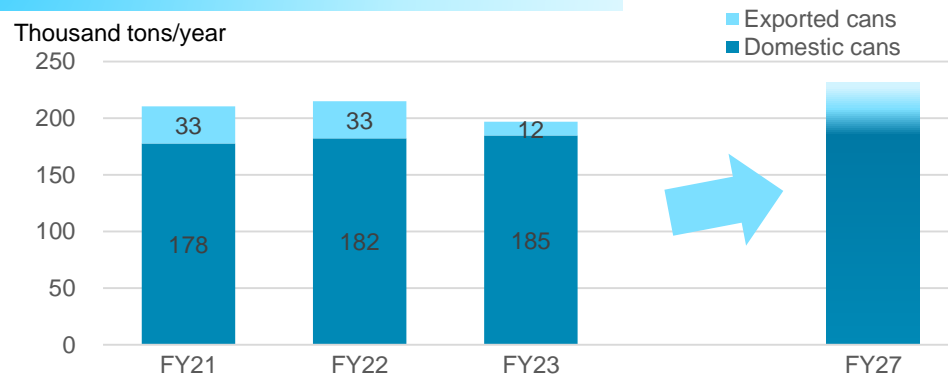
- Maintaining domestic sales volume through strong relationships with can manufacturers
- Expanding supply to growing Europe and North America markets

Projected aluminum can demand in Japan (source: UACJ research)

Area	Trend
Beer, etc.	Trending slightly downward amid population decline and greater health consciousness
RTD*	Volume unchanged, in part due to switching from beer to cheaper RTD options amid higher prices
Soft drinks	Trending slightly downward as people consume less canned coffee

*RTD: Ready-to-drink beverages. Examples include canned chuhai.

UACJ sales volume (domestic + exported cans)



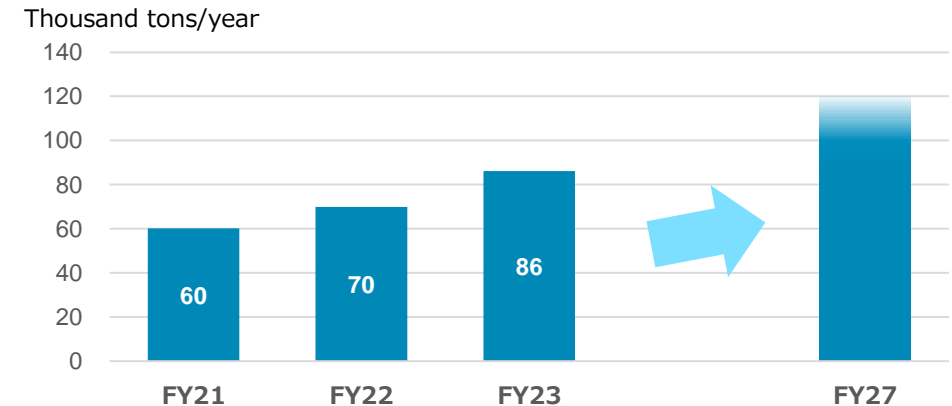
Automotive materials

- Developing new applications as the shift to electric vehicles continues
- Expanding closed-loop recycling, developing eco-friendly materials

Trends in domestic production volume

Domestic production expected to increase from the level of 450 in FY2023 to 510 in FY2027
More widespread used of electric vehicles expected to drive demand for batteries

UACJ sales volume

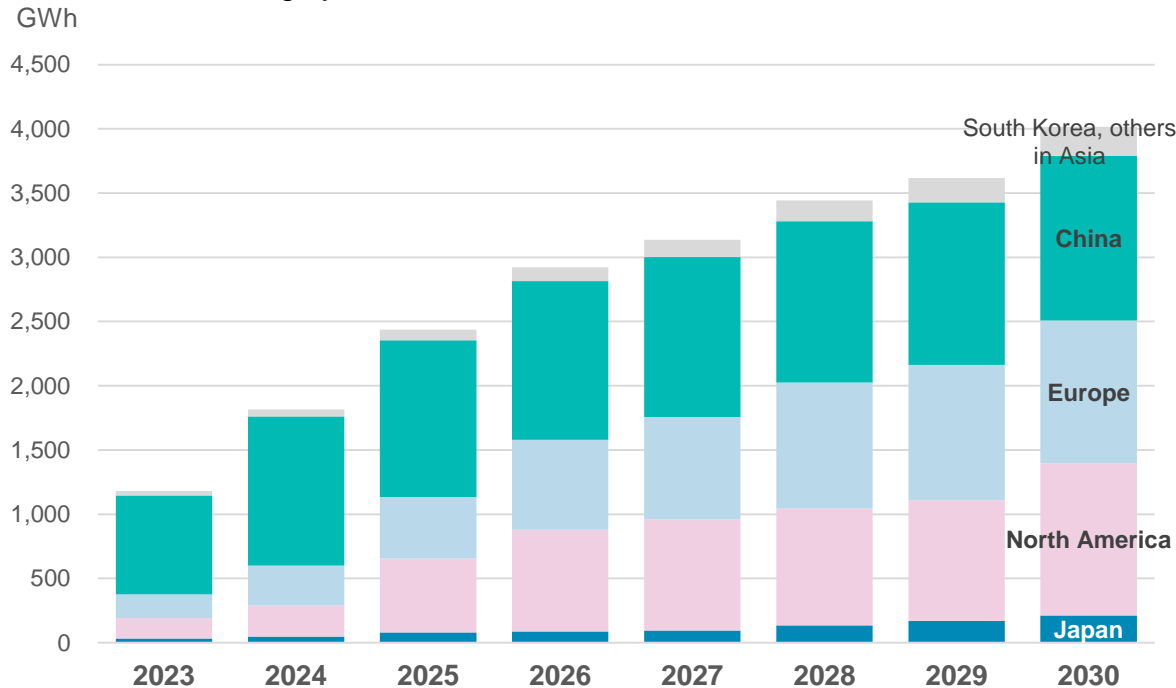


Trends in Segments with High Demand: Battery Foil, Battery Cases

Capturing growing battery demand, supporting manufacturers' overseas expansion

Battery market

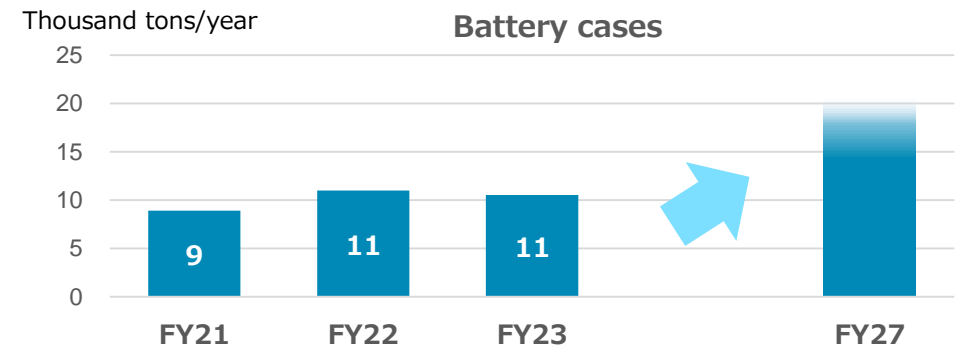
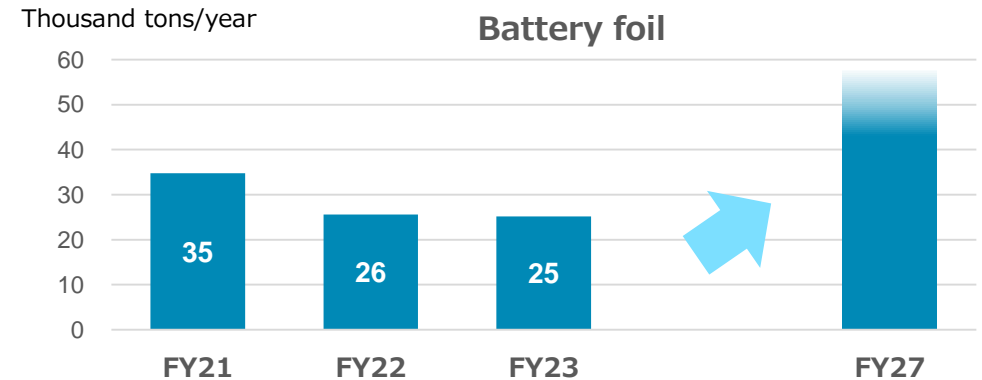
- Battery market expected to increase significantly with the spread of electric vehicles
- Target markets: Japan, Europe, and North America, which have strong demand for highly value-added materials



Source: UACJ research

UACJ sales volume

- Battery foil: Focusing on capturing overseas demand, enhancing profitability
- Battery cases: Focusing on supporting overseas expansion of Japanese battery manufacturers



Trends in Segments with High Demand: Thick Plates, Fins for AC Units

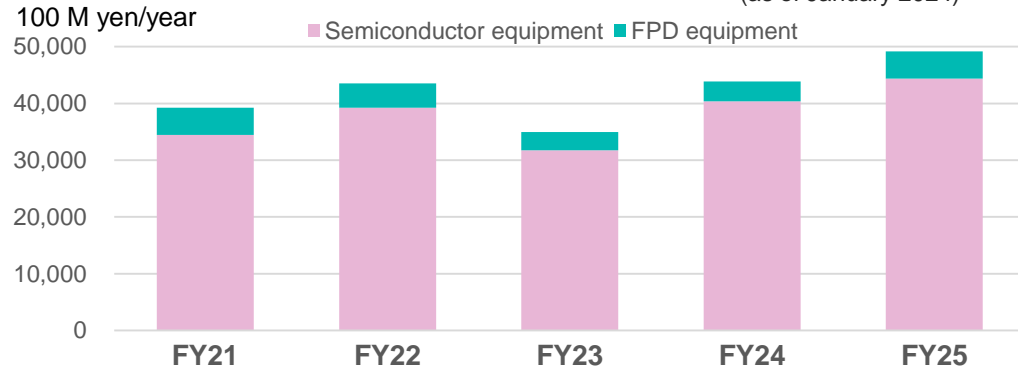
Aiming for business growth by capturing growing domestic/overseas demand

Thick plates

- Gradual recovery of demand in semiconductor production equipment after the market bottomed out in FY2023
- Establishing a supply network that can respond to spikes in demand

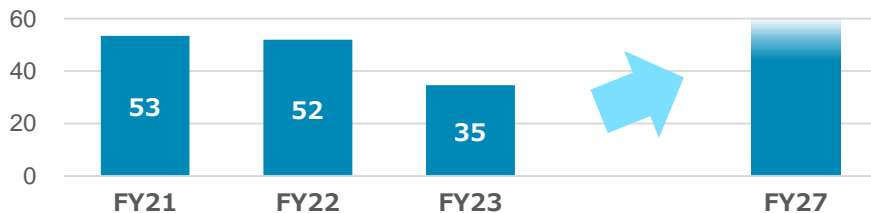
Demand forecast for semiconductor/FPD production equipment

Source: Semiconductor Equipment Association of Japan (as of January 2024)



UACJ sales volume

Thousand tons/year

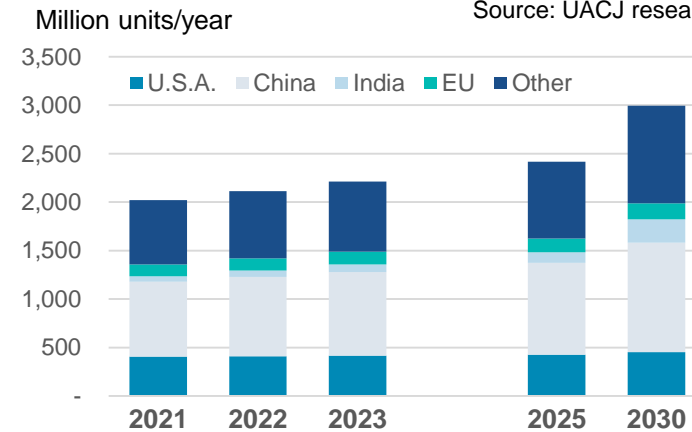


Fin stock for AC units

- Optimal global market supply through Japan–Thailand collaboration
- Establishing aluminum recycling arrangements with air conditioner manufacturers

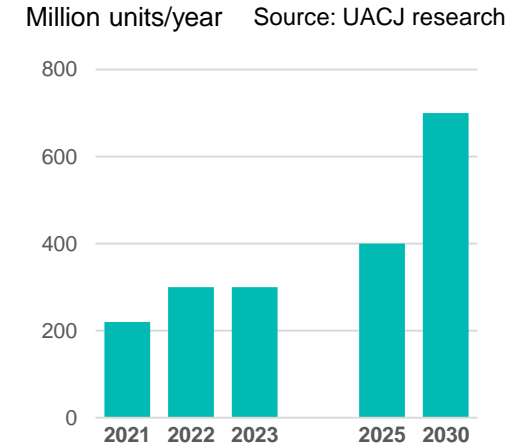
Market forecast for residential air-conditioning

Source: UACJ research



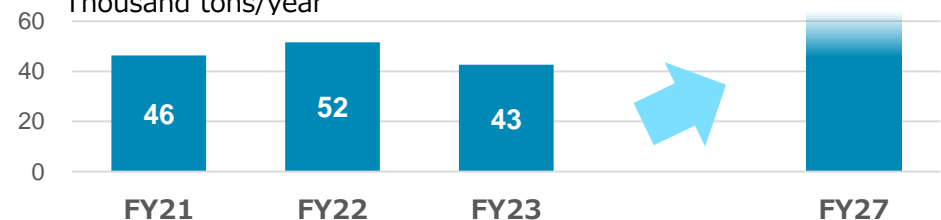
European heat pump water heater market

Source: UACJ research



Sales volume of both UACJ and UATH

Thousand tons/year



Initiatives to Reduce Environmental Impact

Maximizing aluminum's environmental performance, reducing impact globally

ALmitas+ SMART Mass Balance

- **ALmitas+ SMART Mass Balance material features guaranteed environmental performance from green raw materials such as low-carbon aluminum or recycled content, enabling customers to promote their lower environmental impact.**
- **Already in use by Nissan Motor Co., Ltd. and Sekisui Jushi Plametal Corporation, with discussions underway for adoption in other key segments.**

Promotion of horizontal recycling for aluminum cans

Can stock

- **EcoEnd™* jointly developed with Toyo Seikan Co., Ltd.
(Featuring expanded use of recycled materials in can lids, 40% lower GHG emissions)**
- **Joint venture involving Fukui Works established with Yamaichi Metal for UBC processing. Can-to-can recycling promoted through an integrated recycling system that includes melting.**
- **Horizontal recycling promoted by UATH in the ASEAN region through new furnace construction and promotion of regional recycling.**

We are also working on recycling in areas other than can stock.

*** Beverage can lid with higher recycled aluminum content jointly developed with Toyo Seikan.**



Aluminum lightens the world

アルミでかなえる、軽やかな世界