Aluminum lightens the world
アルミでかなえる、軽やかな世界

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

– UATH (Thailand) 4th Mid-term Management Plan

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UACJ Corporation

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Overview of UACJ (Thailand) Co., Ltd. (UATH)

Aiming to strengthen systems toward becoming a core plant in Southeast Asia with 340,000 tons of capacity

Number of employees	Items manufactured	Areas covered	Customer base
Approx. 1,310	Can stock, automotive heat exchangers, fin stock for AC units, other general materials	Can stock: 26 countries Automotive heat exch.: 12 countries Fin stock: 8 countries	Approx. 80 companies

- One-of-a-kind, state-of-the-art aluminum flat-rolled product plant in Southeast Asia
- Good access to Asian region, where future demand growth is expected
- Relationships of trust with Japanese and other can manufacturers

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UATH's Investment and Sales Volume

Seeking steady growth and expansion through capturing robust demand

Investment up to FY2021

Phase 1 (FY2015–16) **Scale of 60,000 tons/year**

- ✓ Cold rolling
- ✓ Surface treatment/coating

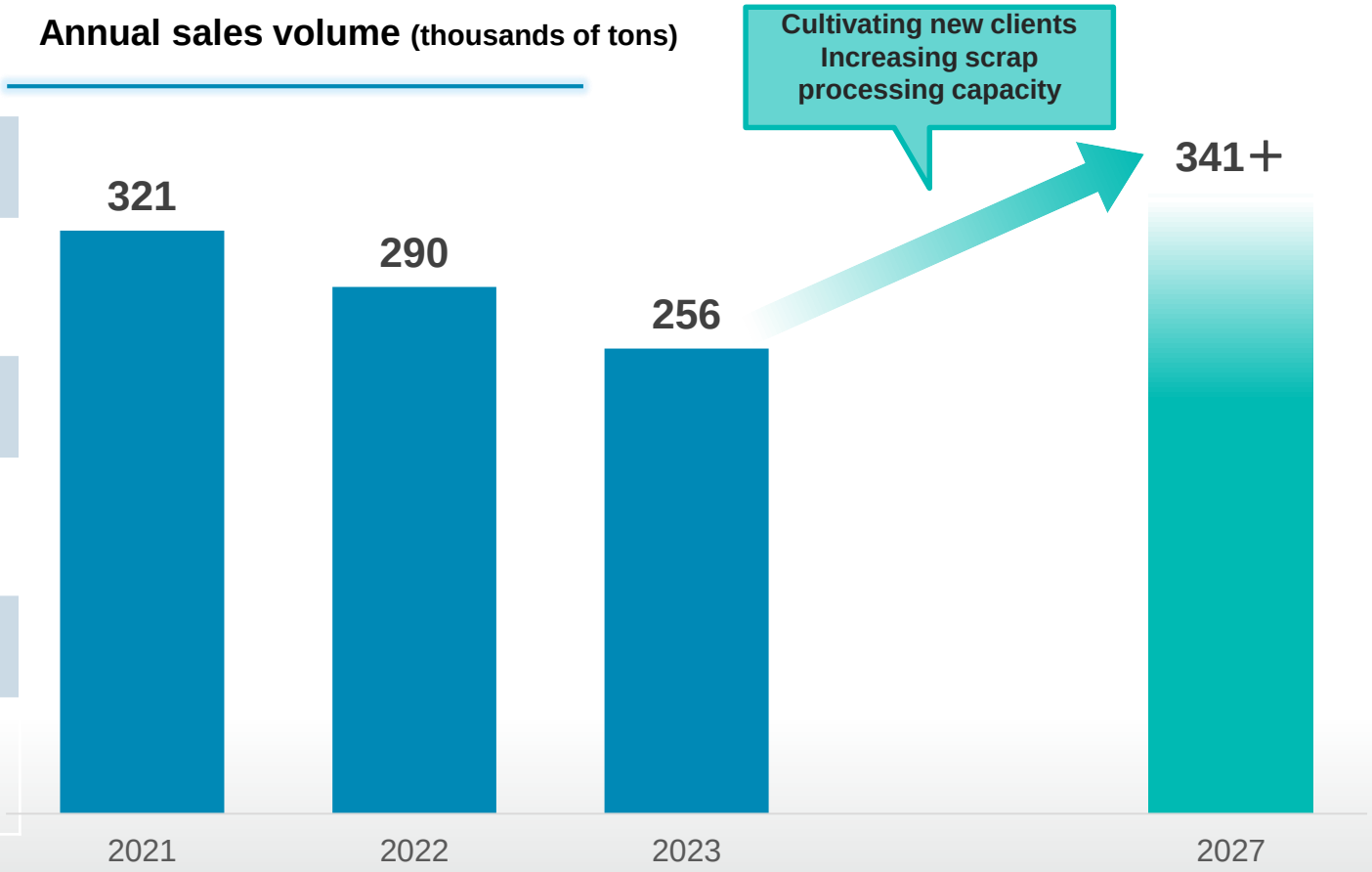
Phase 2 (FY2017–19) **Scale of 180,000 tons/year**

- ✓ Casting
- ✓ Hot rolling

Phase 3 (FY2019–21) **Scale of 320,000 tons/year**

- ✓ Casting …expanded
- ✓ Cold rolling …expanded
- ✓ Surface treatment/coating …expanded

Annual sales volume (thousands of tons)



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Review of the Third Mid-Term Management Plan

Major Policies	Main Objectives	Assessment
Achieving benefits of Phase 3 start-up, thoroughly utilizing existing facilities	Phase 3 start-up effect: Increasing capacity for production volume to exceed 320,000 tons/year	◎ 320,000 tons/year achieved. Measures underway to increase capacity; target: 360,000 tons/year.
	Improving profitability: Optimal product type/region/customer mix Initiatives for new product types Cost-cutting	◎ Despite sluggish demand, we are expanding sales channels, cutting costs, and strengthening our foundations for earnings.
	Achieving smart factories Achieving locally operated factories	○ Closer ties with Japan in training programs, promotion of localized management.
Pursuing new technologies to help reduce environmental impact	Developing recycling technology (increase in scrap rate) Coating film technology and lightweight can stock with low environmental impact	◎ 4SWF construction complete, operational in April 2024.Development of recycling technology underway.
	Building a Can to Can Closed Loop Acquiring ASI Certification* (acquired Mar. 2022)	○ Spreading can-to-can closed-loop recycling in the ASEAN region.

4th Mid-Term Management Plan Issues

Enhance profitability, asset efficiency	Expand sales areas and customers, pursue added value, shorten CCC, enhance productivity, optimize and localize personnel, promote recycling, and appropriately pass on cost fluctuations
Strengthen responsiveness to market changes	Expand sales, customers, and product compatibility with UACJ Can to Can Closed Loop must be made more familiar locally and steps taken to expand the program

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*ASI Certification: Certification managed by the Aluminum Stewardship Initiative, an international initiative aimed at improving sustainability throughout the aluminum value chain

Fourth Mid-Term Management Plan Basic Policy

01

Enhance our value locally as the only company with mills in Southeast Asia

Continue the start-up plan of 320,000 tons/year by securing steady sales volume in ASEAN countries and elsewhere

- Secure can stock market share in Southeast Asia, Oceania, and India
- Maximize sales of fin stock for AC units (systematic increase in production capacity)
- Promote switching to recycled alloys for automotive heat exchangers and secure market share through expanded sales of Monobraze

Environmental contribution through Can to Can Loop, supporting expanded regional market share

- Increase local collection of UBC/class scrap (stabilize scrap purchases)

02

Maximize production capacity of the Flat Rolled Products Business Division

Achieve 360,000 tons/year production capacity through maximum use of existing facilities

- Maximize casting and cold rolling capacity
- Can stock production capacity: 300,000 tons/year
- Optimize UACJ/UATH production of fin stock for AC units

Support domestic UACJ production by utilizing surplus production capacity

- Support domestic production capacity for thin products of pure aluminum through integrated fin strip production

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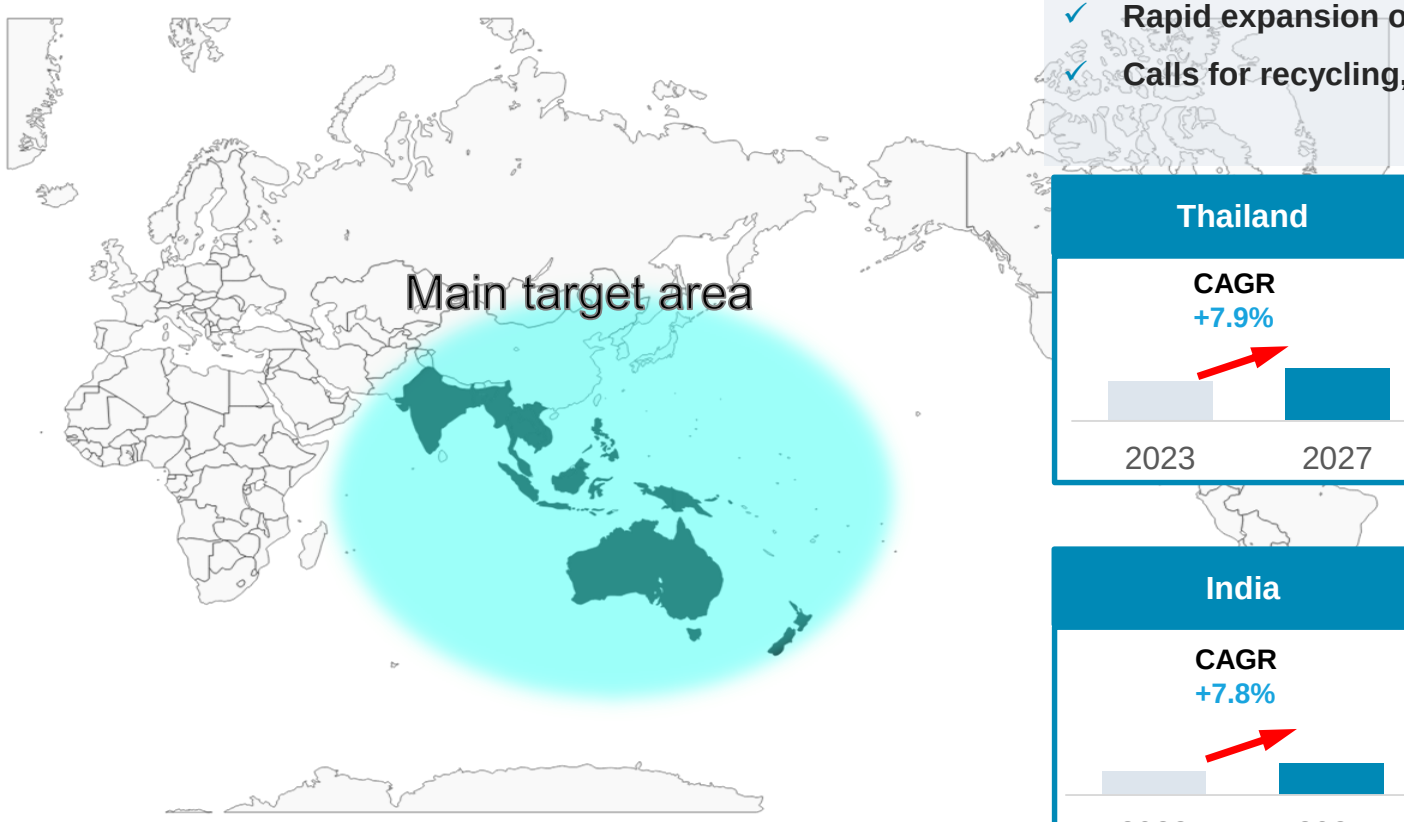
Market Awareness for Can Stock



- ✓ Slow recovery in Southeast Asian can market after an inventory adjustment phase
- ✓ Rapid expansion of Indian can market as the economy grows
- ✓ Calls for recycling, driven by greater environmental awareness

Thailand

CAGR
+7.9%

Vietnam

CAGR
+7.8%

Southeast Asia
(excluding Thailand, Vietnam)

CAGR
+8.4%

India

CAGR
+7.8%

Oceania

CAGR
+6.3%

CAGR

Market
(total of target countries/regions)

+7.7%

Source: Aluminum Beverage Can Sheet Market Outlook, March 2024 Report, CRU

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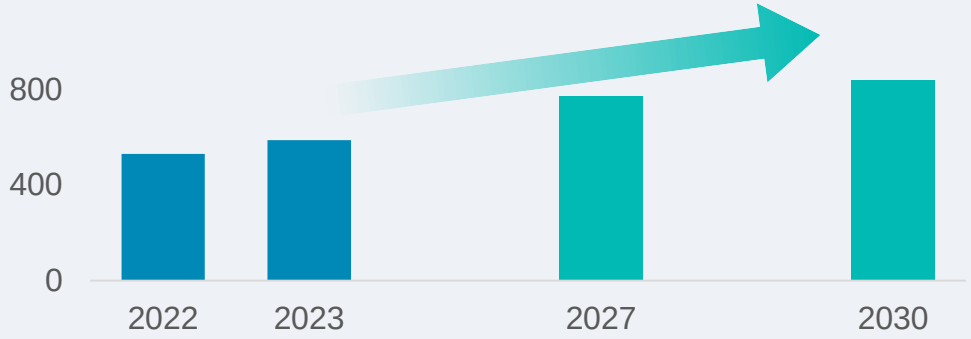
Market Awareness and Sales Strategy for Heat Exchanger and Fin Materials

Automotive heat exchanger materials

Greater global demand for automotive heat exchangers will be driven by the shift to electric vehicles and the need for thermal management

Global demand forecast for automotive heat exchangers (thousand tons)

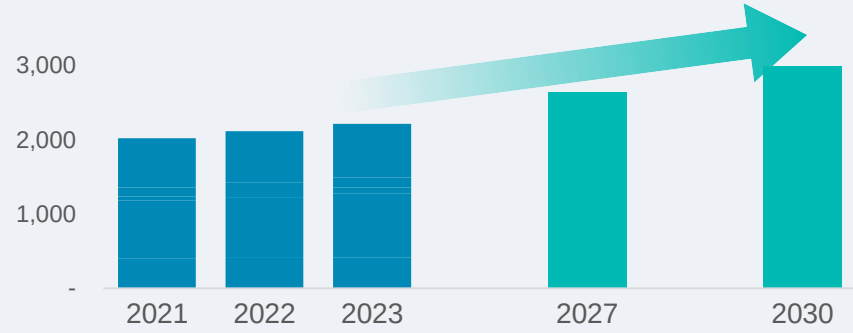


- ✓ Expand eco-friendly materials and other new products
- ✓ Maintain and expand ASEAN and North American market share
- ✓ Find business opportunities for new-generation heat exchangers

Air conditioner fin materials

Demand is expected to increase steadily as the world's population grows and air conditioners are needed in more areas

Residential AC market forecast by area (million units)



- ✓ Propose new coatings and technical support in line with customer needs
- ✓ Expand market share in the ASEAN region, North America, and Europe
- ✓ Expand sales territory

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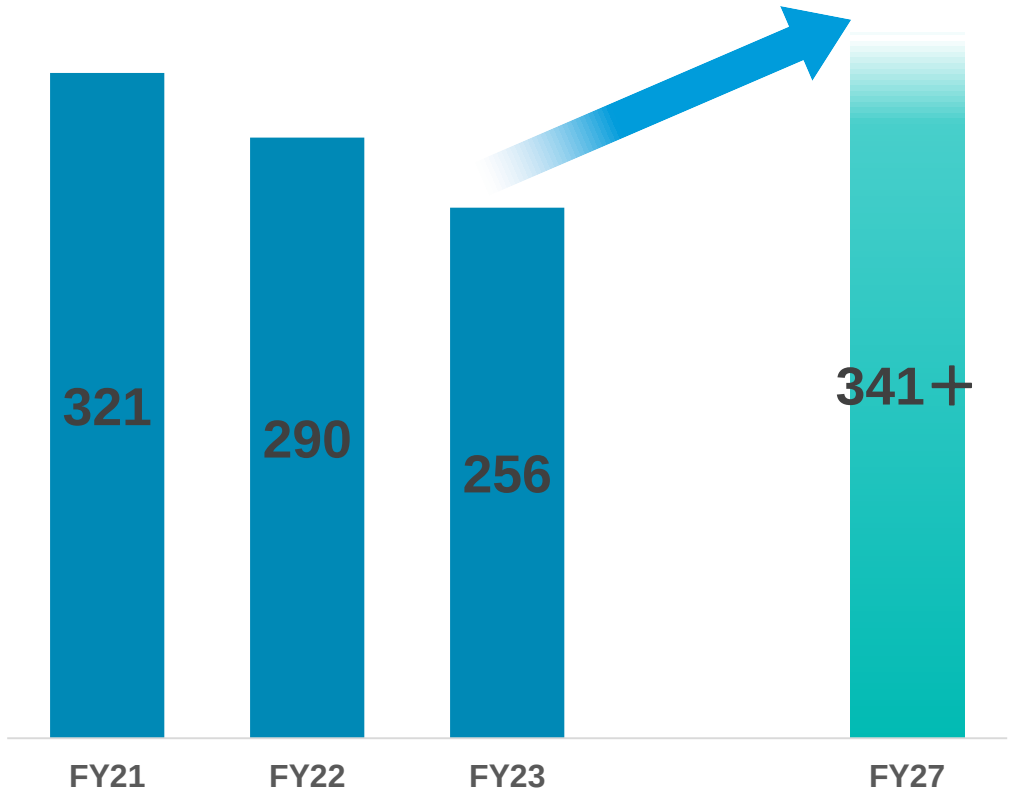
Sales Volume, Business Profit Plan

Capture India, Middle East, and Africa demand to enhance profitability during the new mid-term plan

Sales Volume (thousands of tons)

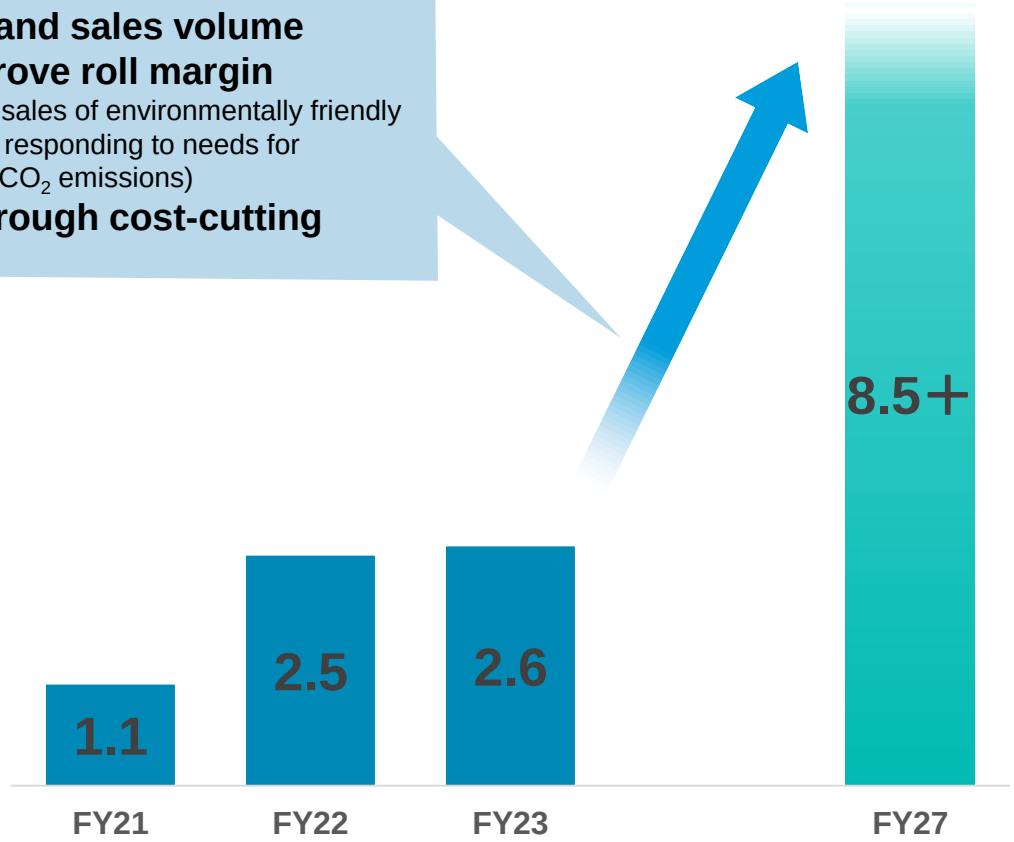


Business Profit (billions of yen)

- **Expand sales volume**
- **Improve roll margin**

(Expand sales of environmentally friendly products responding to needs for reduced CO_2 emissions)

- **Thorough cost-cutting**



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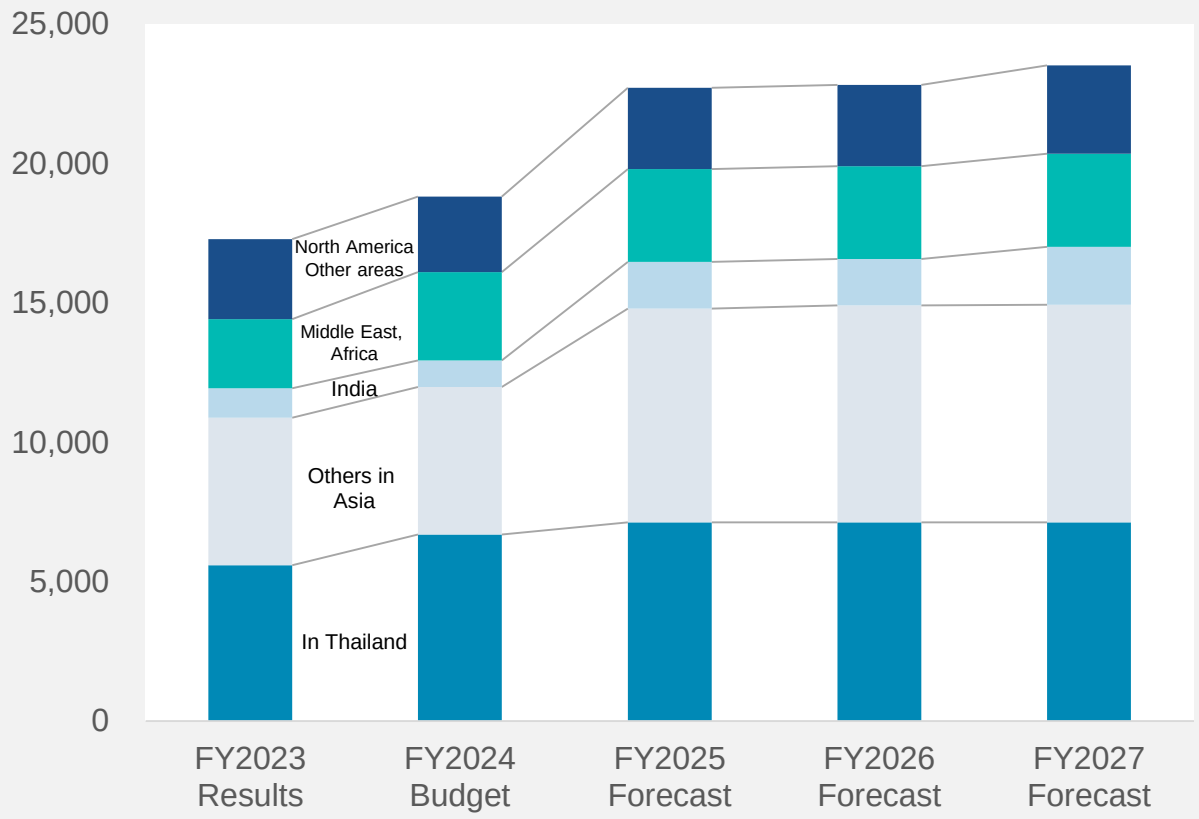
Growth Strategy for Can Stock

Strengthen intercompatibility with operations in Japan to secure stable volume and expand sales to new customers

Can stock sales plan by area (t/month)



Basic policy

- Establish sales network for 340,000 tons/year
- Maintain existing contracts, expand new sales
- Expand compatibility with UACJ in anticipation of future demand fluctuation; strengthen stable supply capacity

Can stock strategy

- Focus on expanding sales to areas targeted at the time of UATH establishment: ASEAN region, India, Middle East, Africa, and elsewhere
- Stabilize earnings by revising selling prices as needed
- Provide high added value through environmental contributions via promotion of recycling
- In contract negotiation, leverage competitive advantages in stable supply and high quality

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Initiatives to Reduce Environmental Impact

Driving a circular economy in aluminum

- Maximizing aluminum alloy recycling rates

Addressing climate change

- Taking on carbon neutrality (Scope 1, 2)
- Minimizing GHG emissions across the entire supply chain (Scope 3)

Conservation, restoration, and nurturing of nature (nature-positive)

- Minimize water intake through effective use of water

UACJ Sustainability

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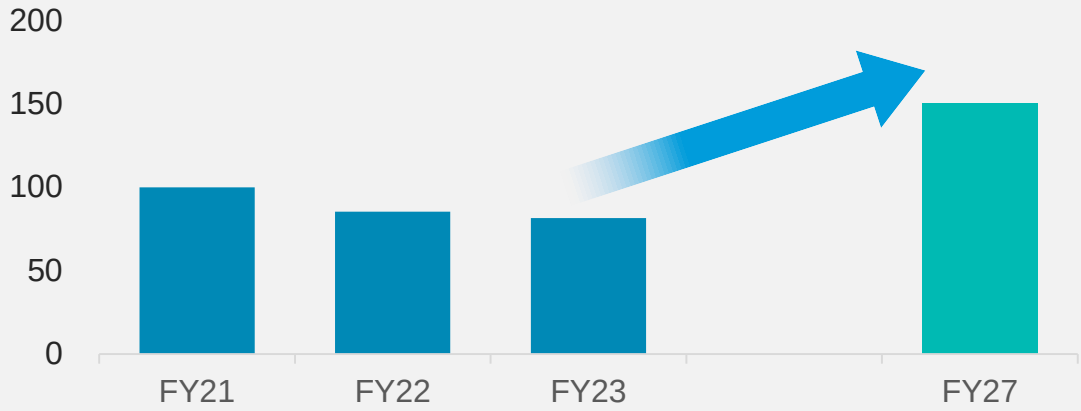
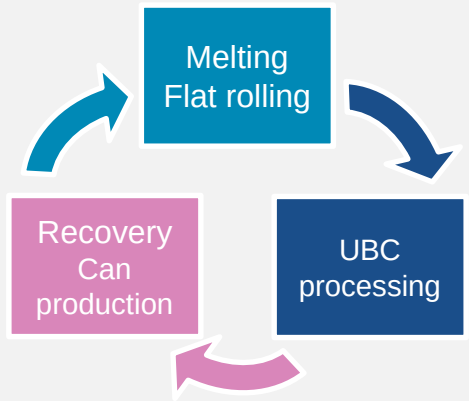
Initiatives to Reduce Environmental Impact: Steps Toward Maximum Recycling

With recycling facilities operational in April 2024, we are working to increase UACJ recycling rates*

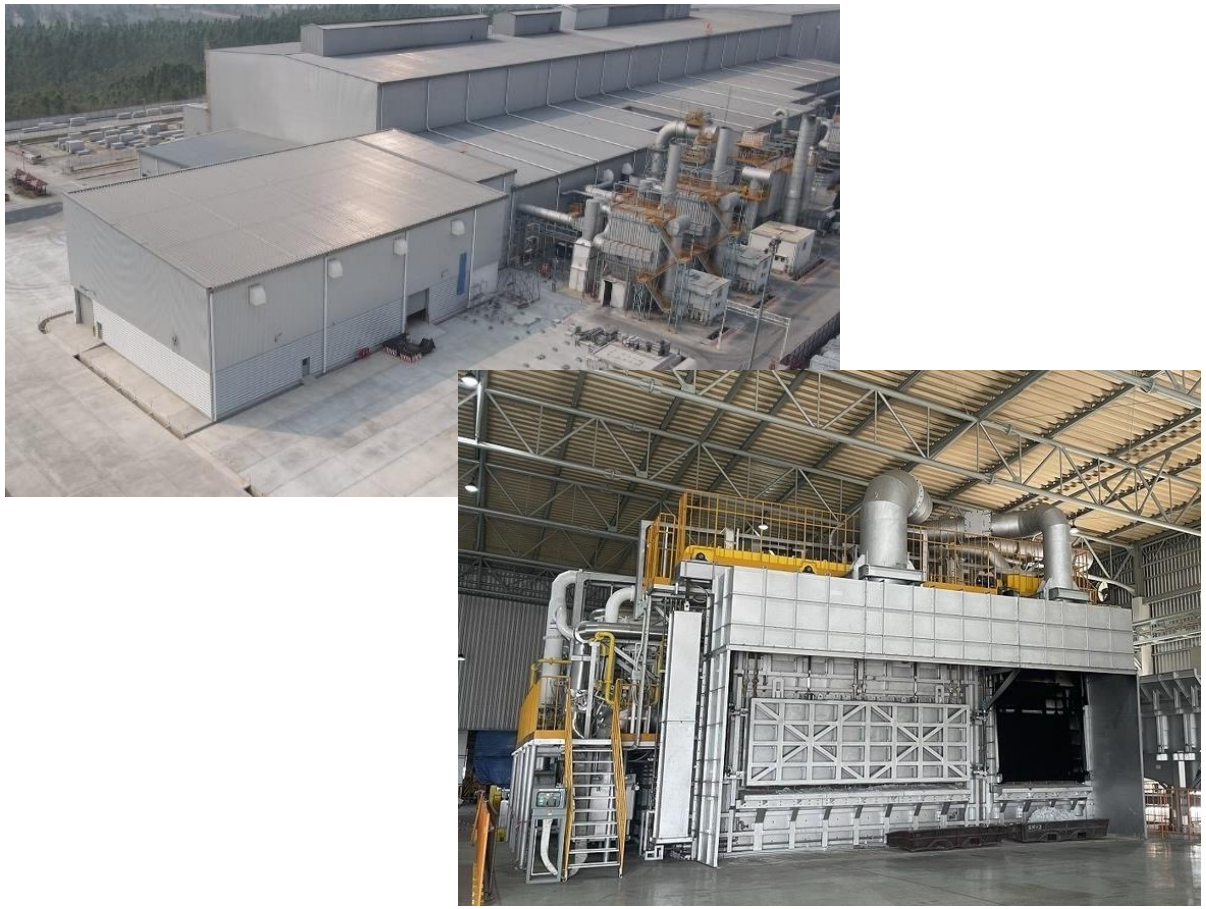
Trends in UBC utilization (with FY21 utilization as 100)



Expanding the can-to-can loop



Can-to-can loop initiatives in and around Thailand are accelerating.
The target collection volume was achieved in FY2023, and FY2024 we have increased the target relative to this level by 25%.



Side-well furnace
Molten metal capacity: 120 tons (highest capacity in UACJ Group)

*Amount of recycled aluminum ÷ amount loaded into furnaces (excluding pure aluminum)

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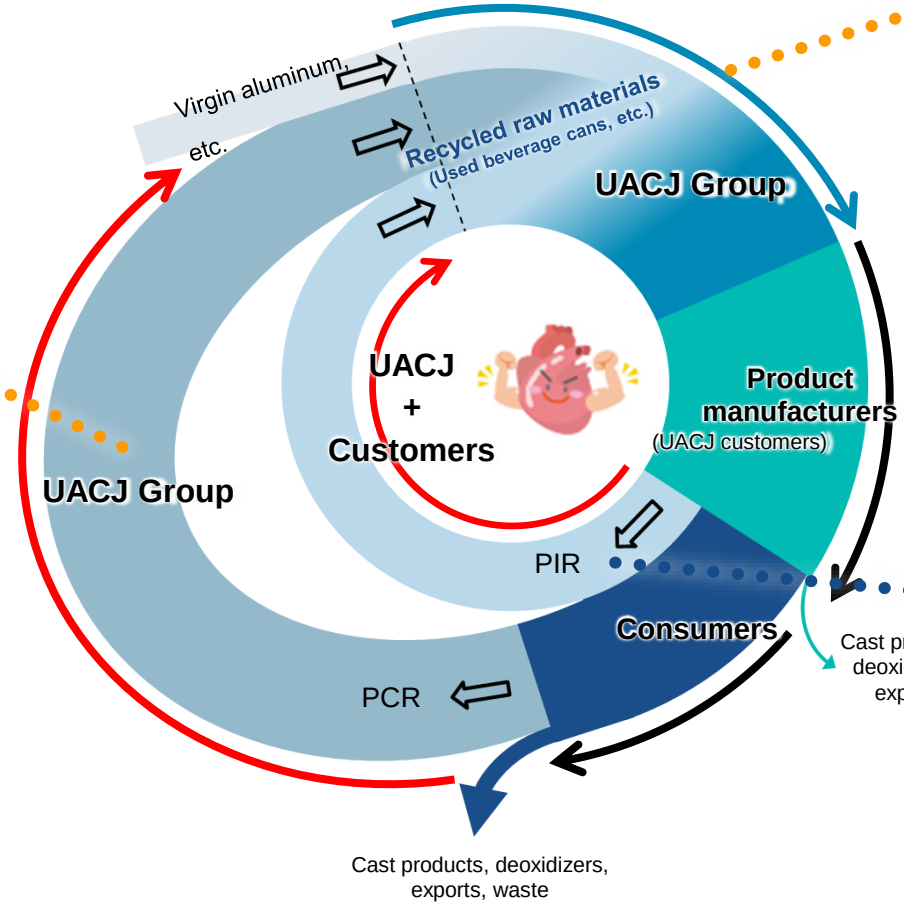
Initiatives to Reduce Environmental Impact: Can to Can Journey

Expanding the central circular economy role envisioned by UACJ to the ASEAN region

Intensify and expand efforts to raise awareness of recycling

Used beverage cans (UBCs) recovered at UATH



Increase scrap processing capacity
(operational in 1Q FY24)

Build ties with leading can manufacturing group

Can to Can Journey

Current initiatives

Initiatives under the 4th MTP

*PIR: Post-industrial recycled material. Scrap generated at the material processing stage in manufacturing.
*PCR: Post-consumer recycled material. Scrap from used products.

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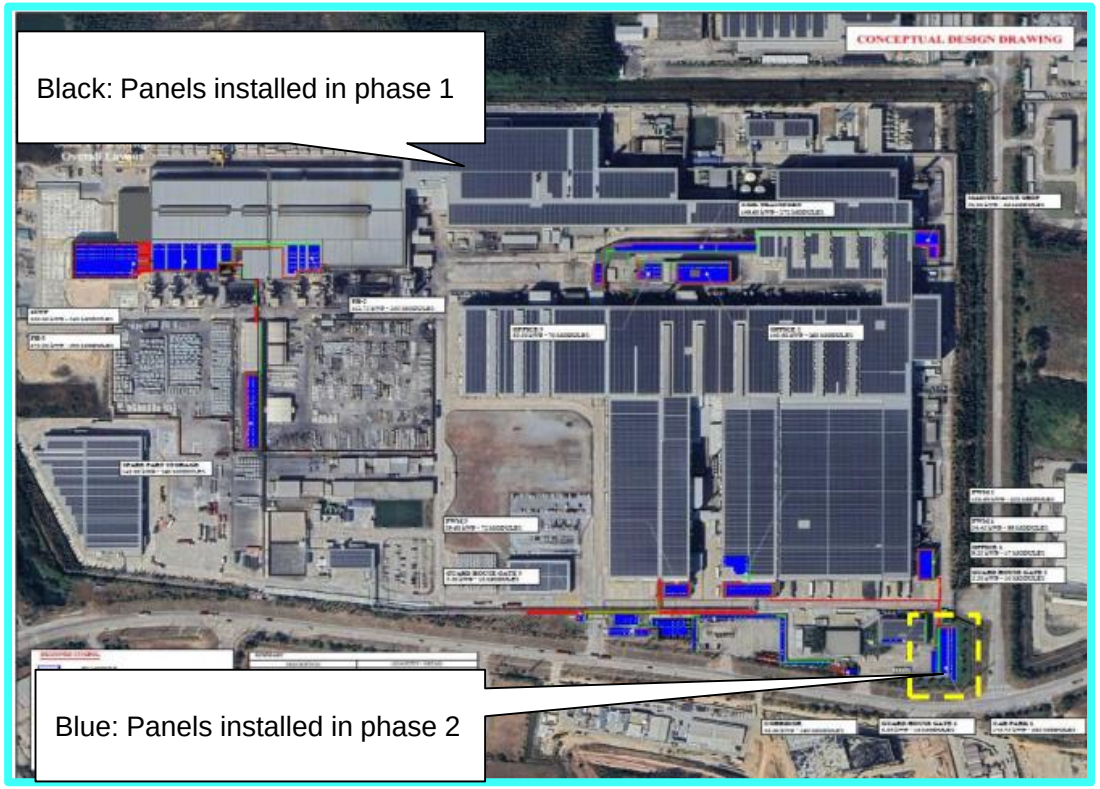
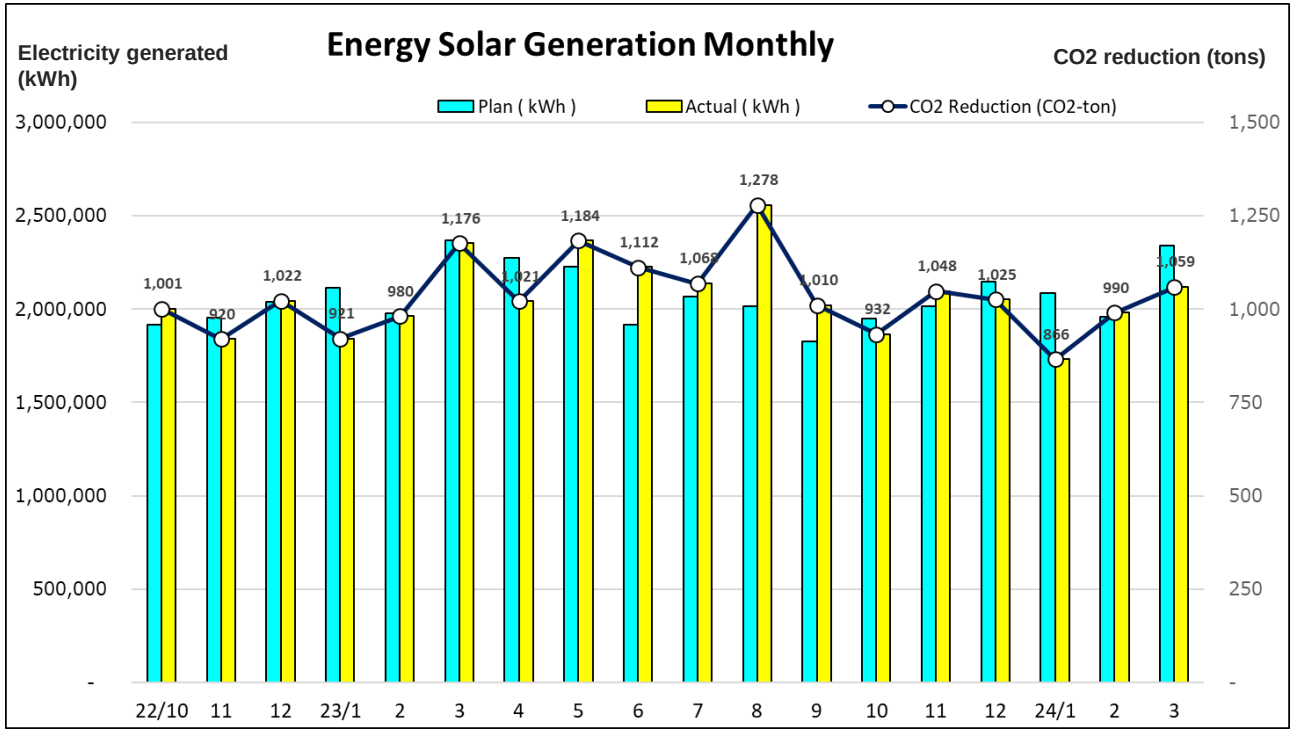
Reduce Environmental Impact: 2nd Phase of Photovoltaic System Installation

Phase 2 of solar panel installation





Phase 1: Electricity is being generated as planned
(Sept. 2022–Dec. 2023 results: 33,056 MWh)

Overview of Phase 2

Capacity: 1.83 MW (total incl. phase 1: approx. 20.0 MW)
CO_2 reduction: 1,153 tons/year (total incl. phase 1: 15,197 tons/year)
Test generation: July 2024 (power available)
Full-scale generation: after government/utility notification by Feb. 2025

CO_2 reduction in FY2023: 12,592 tons (about 5% of emission intensity)

We will continue to expand renewable energy to meet Group targets

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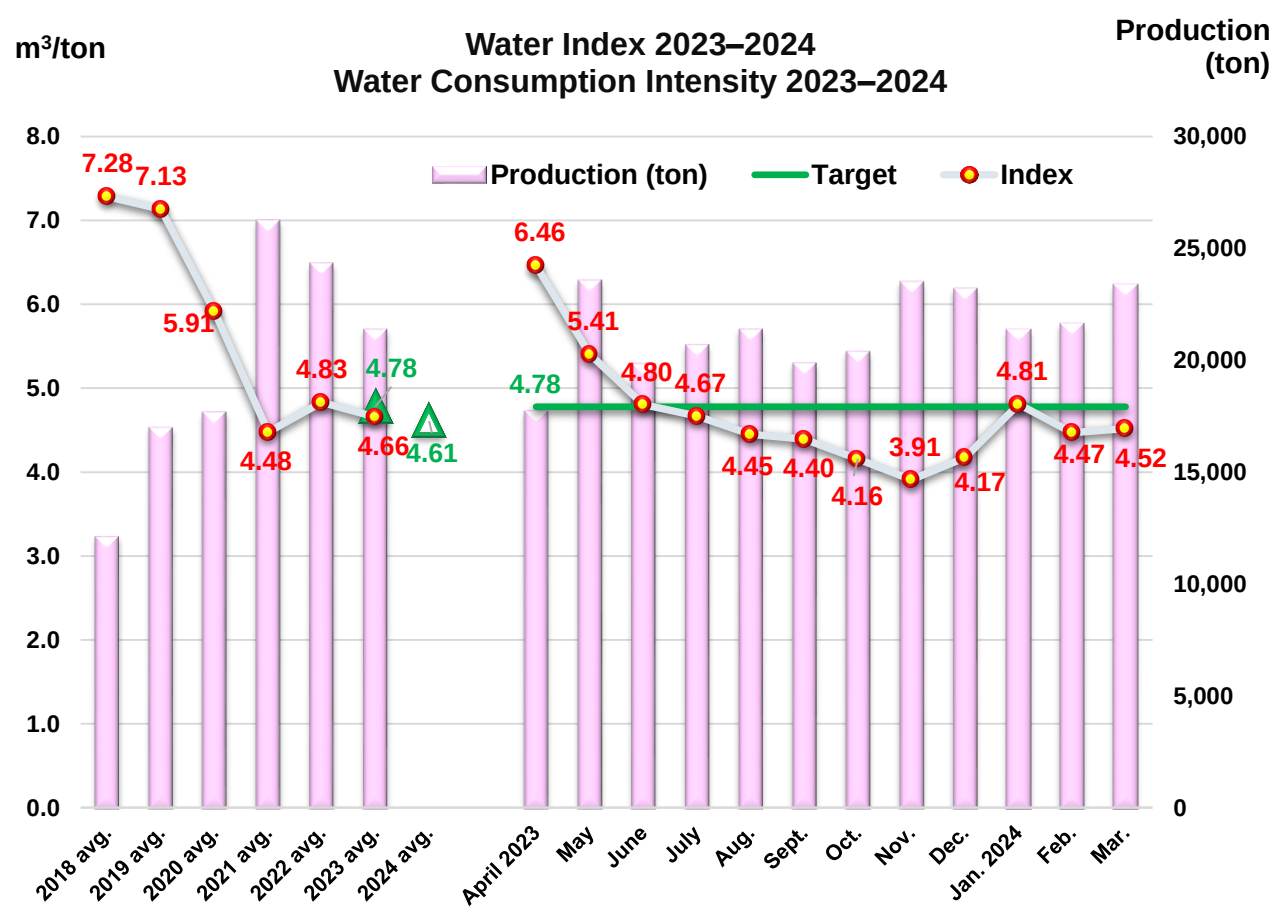
Initiatives to Reduce Environmental Impact: Effective Use of Water Resources

Using water resources effectively to reduce intake, contributing to environmental regeneration, creation, and conservation



FY2023 Initiatives

Focusing on optimal water usage, we engage in locally responsive conservation

- Supply is adjusted to suit furnace operating conditions
- Wastewater is reduced through equipment inspections
- Intake is reduced through wastewater recycling

→ **Successfully reduced water consumption intensity**

Recipient of the highest distinction (Platinum) at the Amata Best Waste Management Awards 2023, marking the fifth consecutive year

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Human Resource Development, Localization of UATH Operations

Instilling UACJ Corporate Culture	• Ongoing Group philosophy discussion meetings • Ongoing UACJ Way training • Ongoing training on policy management documentation, expansion of scope

Revision of Personnel System	• Revising the personnel system
	  • Reviewing and revising the personnel grading system in line with conditions at UATH
	  • Linking the assessment system, policy management, and human resource development

Human Resource Development	• Enhancing motivation of individual employees through visualization of career paths • Encouraging individual and team growth through UACJ knowledge-intensive staff innovation (U-KI) • Establishing UMAT, a Thai version of the Monozukuri Gakuen (manufacturing academy)
Reform for Non-Production Departments	• Introducing succession planning, and for managers, long-term training in Japan • Introducing a talent management system • Offering classes to study Japanese and English

*UACJ knowledge-intensive staff innovation: Innovation in working styles aimed at creating teams that continuously and simultaneously produce better results and promote the growth of people and organizations.

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