

Part 3

Management Strategies

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

Mid-term Management Plan

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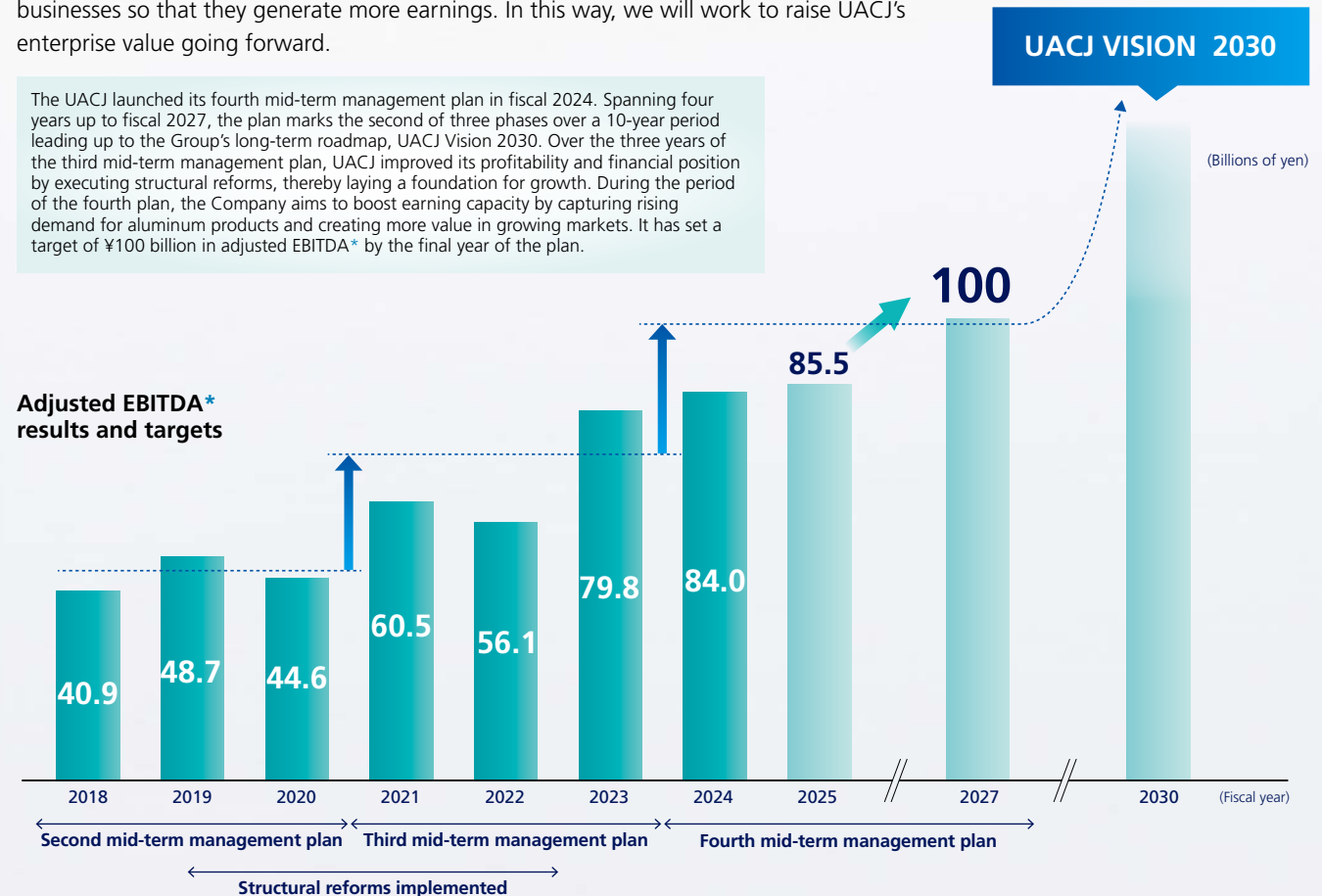
We are executing the fourth mid-term management plan for achieving sustainable growth and providing more added value.

Under our current mid-term management plan, spanning from fiscal 2024 to 2027, we want the UACJ Group to play a central role in expanding and raising public awareness of aluminum recycling around the world by recycling various products that are in demand with a focus on the development of related technologies. At the same time, we are redefining the value of the Group's products in the market while using aluminum to help devise solutions for issues facing the world today. Our plan is designed to transform the Group so that it can provide more value and grow sustainably together with society.

We are striving to achieve the financial targets of the plan by executing measures for ensuring the sustainable growth of our businesses so that they generate more earnings. In this way, we will work to raise UACJ's enterprise value going forward.

The UACJ launched its fourth mid-term management plan in fiscal 2024. Spanning four years up to fiscal 2027, the plan marks the second of three phases over a 10-year period leading up to the Group's long-term roadmap, UACJ Vision 2030. Over the three years of the third mid-term management plan, UACJ improved its profitability and financial position by executing structural reforms, thereby laying a foundation for growth. During the period of the fourth plan, the Company aims to boost earning capacity by capturing rising demand for aluminum products and creating more value in growing markets. It has set a target of ¥100 billion in adjusted EBITDA* by the final year of the plan.

Adjusted EBITDA* results and targets



* EBITDA excluding the effect of the metal price lag

Mid-term Management Plan

The fourth mid-term management plan spanning from fiscal 2024 to 2027

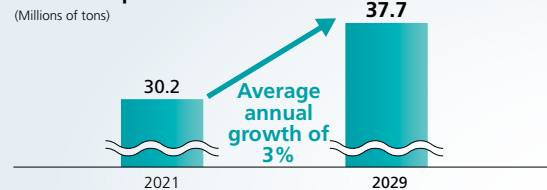
Aluminum is light in weight, strong, and very easy to recycle. Thanks to these properties, demand for the metal is solid. For example, global demand for flat rolled aluminum is projected to grow at a compound annual rate of about 3% between 2021 and 2029. We believe this will open up opportunities for the Group to respond to the growing need to recycle aluminum and capture demand for highly advanced products in new markets, including the aerospace and defense materials markets, while continuing to meet growing demand for its mainstay products, particularly aluminum can stock and automotive parts.

During the four years of the plan, we will strive to supply aluminum materials with even more added value than before. Based on the plan's three key policies, we will take steps to improve the Group's operational resilience and strengthen its business foundations while aiming to expand its businesses by creating value, with the goals of boosting earning capacity, increasing capital returns, and streamlining and strengthening operations.

Operating environment

Projected growth in global demand for rolled aluminum products

(Millions of tons)



Global demand for aluminum can stock (Thousands of tons)

	2021	2031	CAGR
Global	6,900	8,900	3%
Japan	400	350	-1%
North America	2,150	2,900	3%
Asia* and Oceania	750	1,100	4%
India, Middle East, and Africa	450	750	5%
Europe	1,150	1,600	3%

* Excluding Japan, China, India, and the Middle East

Source: Research by UACJ

Opportunities for the Group to provide value-added materials

Expand the can stock and automotive parts businesses

- Tap rising global demand for aluminum can stock
- Meet growing needs for parts that reduce vehicle weight amid the shift to electric vehicles

Expand aluminum recycling initiatives

- Meet demand for aluminum products amid growing environmental awareness and the shift away from plastics
- Help build a circular economy across the supply chain

Supply more value-added materials and products

- Provide the aerospace and defense industries with advanced materials that they increasingly need, leveraging UACJ's Aerospace and Defense Materials Business Division
- Tap growing demand for aluminum materials in the heat management and semiconductor markets

Key policies and financial indicators of the current mid-term management plan: Aiming to supply aluminum materials with even more added value than before

Key policies

1. Execute growth and added value strategies

Maximize revenues and raise profitability by creating more value

2. Improve operational resilience

Streamline and strengthen operations

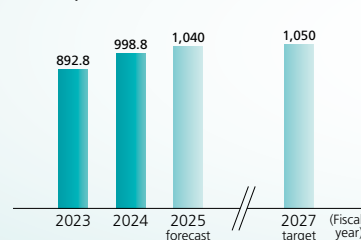
3. Strengthen business foundations

Improve capabilities for creating value and maintaining stable operations

Financial indicators

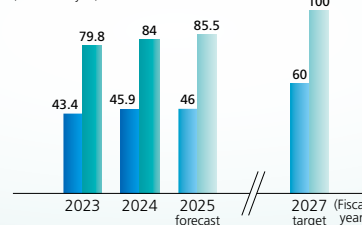
Revenue
¥1,050 billion

(Billions of yen)



Business profit
¥60 billion

(Billions of yen)

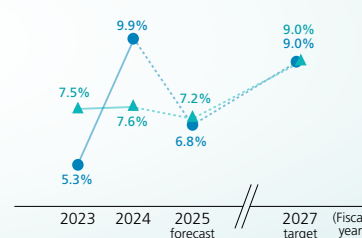


Adjusted EBITDA
¥100 billion

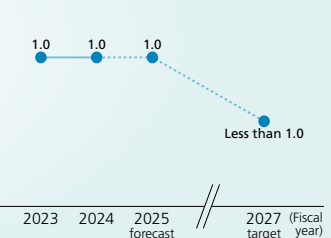
ROE
9.0%

ROIC
9.0%

ROE ROIC



Debt-to-equity ratio
Less than 1.0



Mid-term Management Plan

Overview of main policies

1. Execute growth and added value strategies

Maximize revenues and raise profitability by creating more value

1. Promote recycling

Main activities: Recycling aluminum can stock and other materials

2. Expand fabricated material business

Targeted markets: Automotive, air conditioning, heat management

3. Contribute to supply chain stability in advanced fields

Targeted markets: Batteries, semiconductor manufacturing equipment, aerospace and defense materials

4. Create and grow new business

Business categories: Mobility, lifestyles and healthcare, environment and energy

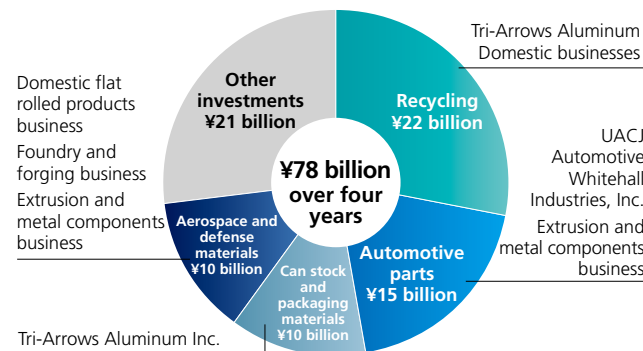
We are aiming to increase business profit from ¥43.4 billion in fiscal 2023 to ¥60.0 billion by fiscal 2027. To accomplish this, we are executing growth and added value strategies, particularly through four important areas of activities specified in our fourth mid-term management plan.

Among these strategies, promoting recycling is our top priority. Thanks to growing sales of can stock and the Group's expanded recycling facilities, profits from recycling activities have been higher than originally planned. On the other hand, growth in the EV market has stalled and inflation has driven up costs to higher levels than initially expected, dragging down results. Therefore, we are implementing necessary measures in response to these changes in the operating environment.

Meanwhile, we have earmarked ¥78 billion for growth investments, particularly in businesses that we expect to be highly profitable, so that these businesses continue contributing to earnings during the period of our next mid-term management plan commencing from fiscal 2028. While we expect high demand from the aerospace and defense materials markets, the stalled growth of the EV

market could impact demand for automotive parts, so we will flexibly allocate capital for investments in consideration of such changing circumstances.

Breakdown of growth investments



Spotlight on growth strategies

Increasing UACJ's production capacity of quenched aluminum thick plate

Demand for quenched aluminum thick plate used for aerospace and defense materials as well as semiconductor manufacturing equipment is projected to rise significantly in the future. Therefore, UACJ plans to install new production equipment at Fukaya Works with an annual capacity of 10,000 tons of quenched aluminum thick plate, thereby matching the capacity of Fukui Works and doubling total capacity to about 20,000 tons annually. The new equipment will be among the largest and most efficient in Japan, enabling Fukaya Works to supply high-quality products and enhance its overall capabilities as a dedicated thick plate factory.

While taking advantage of market growth, the Company will promote sales to domestic customers by highlighting the advantages of switching from imports to domestically made products. Furthermore, by increasing sales of hardened thick plate with high added value, UACJ will be able to improve profitability on a group-wide basis.

Overview of the planned expansion

Total investment amount: Approximately ¥11 billion
Start of operations: Second half of fiscal 2027
Production capacity: Approximately 10,000 tons annually
Growth markets to target: Aircraft components, aerospace materials, military equipment, and semiconductor manufacturing equipment

Projected net contributions to business profit (Billions of yen)

Targeted net contributions to business profit by FY2027 (compared with FY2023)

	Four-year net contributions	Expectations during the four years of the plan
Increase sales volume of existing business	+5.0	· Capture rising global demand for can stock
1 Promote recycling	+8.5	· Generate profits by expanding recycling facilities in Japan, the US, and Thailand
2 Expand fabricated material business	+10.5	· Tap growing demand for automotive parts as the EV market expands · Increase sales of heat management products
3 Contribute to supply chain stability in advanced fields	+5.5	· Supply products to the growing aerospace and defense materials markets · Boost sales of materials for semiconductor production equipment if demand recovers in fiscal 2026 and 2027
4 Expand other businesses, including new businesses	+8.0	· Increase sales of materials for electrical machinery and transport equipment · Launch new businesses
Higher costs resulting from inflation and other factors	-20.9	· Growing demand for recycled raw materials will drive up market prices · Inflation will lead to higher labor, logistics, and other costs
Net total	+16.6	Aiming to increase business profit from ¥43.4 billion in fiscal 2023 to ¥60.0 billion in fiscal 2027

Projected net contributions to business profit over the first two years of the plan

Progress	Two-year net contributions	Trends and actions taken
◎	+3.9	· Benefiting from higher-than-expected demand for can stock mainly in North America
◎	+8.3	· Operations of recycling facilities are proceeding as planned · Sales of can stock are above expectations
△	+0.5	· Sales of automotive parts are below expectations due to stalled growth of the EV market · Focusing on tapping rising demand in the air conditioning and heat management markets
○	+1.5	· Sales to the aerospace and defense materials markets have started off well · Carrying out capital investment to boost earnings during the final two years of the plan
○	+5.6	· Demand for products supplied by new businesses are below expectations despite solid demand for products overall
△	-17.2	· Cost increases have accelerated because market prices of recycled raw materials went up earlier than expected on the back of rising demand for recycled materials
○	+2.6	Aiming to increase business profit from ¥43.4 billion in fiscal 2023 to ¥46.0 billion in fiscal 2025

◎: Above expectations / ○: In line with expectations / △: Below expectations

Mid-term Management Plan

2. Improve operational resilience

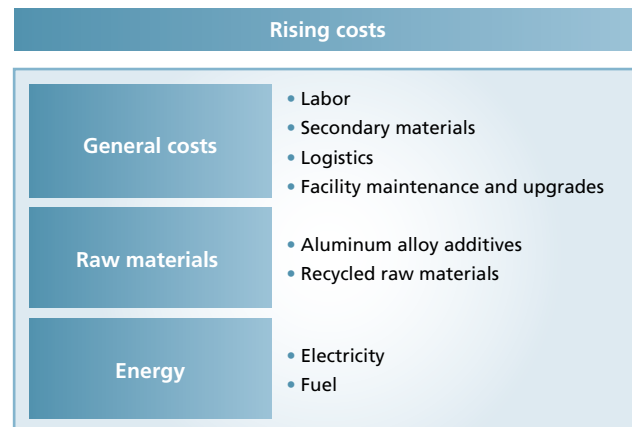
Streamline and strengthen operations

1. Enhance capabilities for addressing changes in the operating environment
2. Increase the asset turnover ratio
3. Increase automation and improve safety and productivity

We strive to improve the Group's ability to respond to changes in its operating environment, especially sudden increases in costs. We have already introduced a surcharge system to deal with rising market prices, and to address steeply rising costs of labor, commodities, and recycled raw materials, we intend to raise product prices, sell more high-value-added products, and increase productivity to raise profitability.

To increase its asset turnover ratio, the Company shortened its cash conversion cycle by five days in the fiscal year ended March 31, 2025, and is working to streamline operations by increasing automation and making office work more efficient.

Responding to rising costs

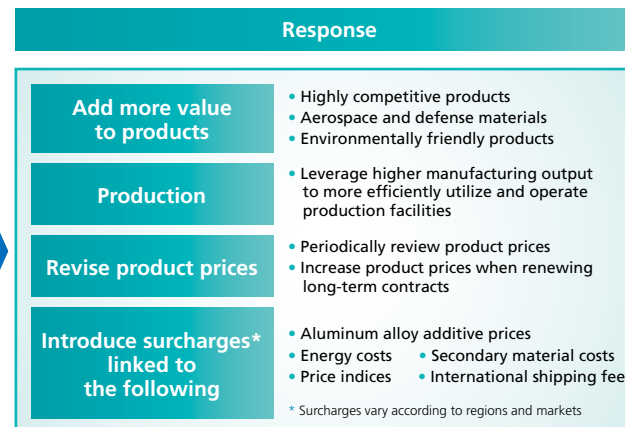


3. Strengthen business foundations

Improve capabilities for creating value and maintaining stable operations

1. Attract and develop diverse talent and increase employee engagement
2. Acquire, strengthen, and leverage intangible assets such as technologies and brands
3. Use digital technologies to strengthen competitiveness and organizational capabilities
4. Develop better solutions by facilitating internal collaboration and promoting more cooperation with partners in the supply and value chains

To strengthen the foundations of its operational management, the Group revised its approach to human capital and related policies, and created the UACJ People Statement and a new framework for human capital management. The Group is also implementing various initiatives for building new foundations, such as investing in and applying digital technologies, facilitating cooperation between businesses to generate synergies, and improving its brand power and technologies—the source of its value creation.



Responding to changes in the operating environment following the launch of the fourth mid-term management plan

New changes in the operating environment since the launch of the current mid-term management plan

- Rapidly rising labor costs and commodity prices
- New tariffs imposed in the US following a changeover in government
- Sluggish demand for electric vehicles

Responses to business conditions

FY2024 results	In Japan: Generated earnings on the back of solid sales of can stock and thick plate Outside Japan: Captured growing demand for can stock mainly in the US
FY2025 plans	• Tap growing market demand →Demand for can stock is rising globally amid growing environmental awareness, population growth, and economic development →Demand is increasing in automotive-related markets that are forecast to grow over the medium and long terms • Continue to negotiate higher product prices with customers to pass on rising prices of raw materials • Monitor risks associated with US tariffs, despite expectations of their limited tangible impact on results • Execute strategic investments with an eye to achieving fiscal 2027 targets
FY2026 – FY2027 outlook	• Capture demand for can stock, aerospace and defense materials, and materials for semiconductor production equipment • Generate returns on strategic investments in recycling facilities group-wide and expanded hot rolling capacity in the United States • Create environmental value and make progress toward UACJ's recycling rate target of 80% by fiscal 2030

We are aiming to achieve the targets of our current mid-term management plan by flexibly responding to changes in the Group's operating environment that occurred after the plan was launched in May 2024. Specifically, we will work to capture growing market demand by strategically investing in businesses that have high growth potential, including the Group's mainstay can stock business as well as the aerospace and defense materials business. We will also invest in recycling-related initiatives with a view to create more environmental value. In response to new tariff policies in the United States, although their impact has been limited thus far, we are identifying risks and will immediately take action if circumstances change.

Financial Strategies

Financial policies and business portfolio

In our operational management, we place importance on the return on invested capital (ROIC) and debt-to-equity ratio, and by improving results for these performance indicators, we aim to increase the return on equity (ROE). During the period of our current mid-term management plan, ending in fiscal 2027, we will work to increase ROE and ROIC to at least 9%, respectively, and keep the debt-to-equity ratio below 1.0.

We regard ROIC as an indicator of our efforts to reflect the cost of capital in operational management, and use it to measure the profitability and capital efficiency of each business. In this way, we can verify whether invested capital is being used efficiently by each business unit.

We use the debt-to-equity ratio as an indicator for ensuring financial soundness, as it enables us to confirm the

balance between growth investments and financial discipline.

Furthermore, in our operational management, we pay close attention to the cost of capital, and set internal hurdle rates based on the weighted average cost of capital (WACC) in consideration of group-wide expenses and interest rates in each country where the Group operates. By setting internal hurdle rates based on WACC, we can directly determine capital efficiently in each business unit. During the period of the plan, we are targeting WACC of 7% on a pre-tax basis along with ROIC of 9%.

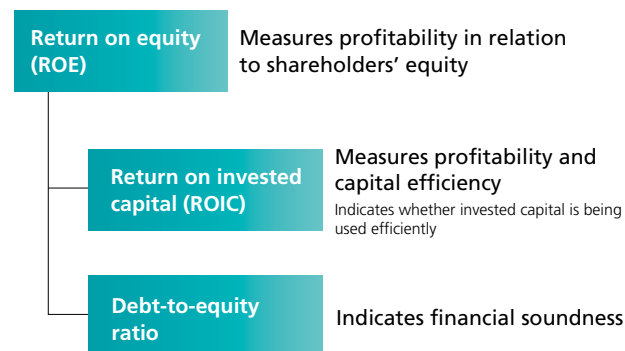
To effectively manage the Group's business portfolio, we prioritize businesses and projects that can generate high capital returns when investing capital in order to increase capital returns on a group-wide basis.

Cash allocation

Our basic approach to cash allocation is to use financial resources for increasing the Company's enterprise value by improving its financial position and ability to stably increase cash going forward.

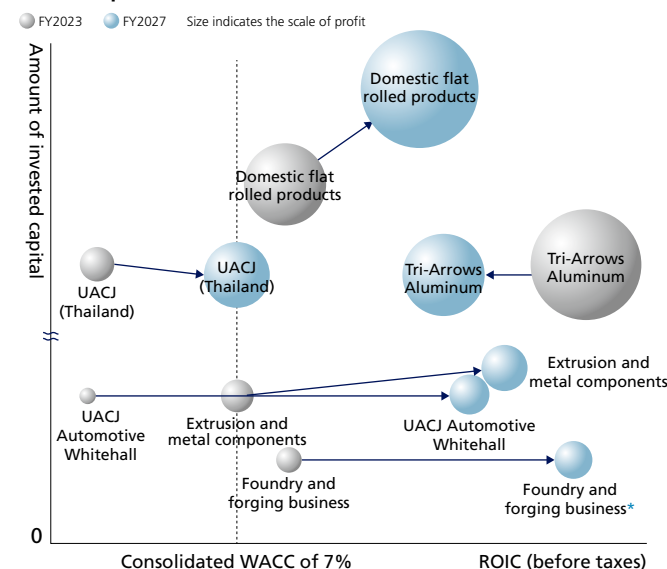
Over the four years of our current mid-term management plan, operating cash flow is forecast to total ¥220 billion. Of that amount, we plan to invest a total of ¥160 billion, which will include investments in designated growth areas such as recycling and the aerospace and defense materials business. We have capped the total amount of investment to the same level as depreciation expenses in order to maintain financial soundness. Besides this investment, we will allocate the ¥60 billion remaining from the total for shareholder returns and the repayment of interest-bearing debt.

Key financial indicators



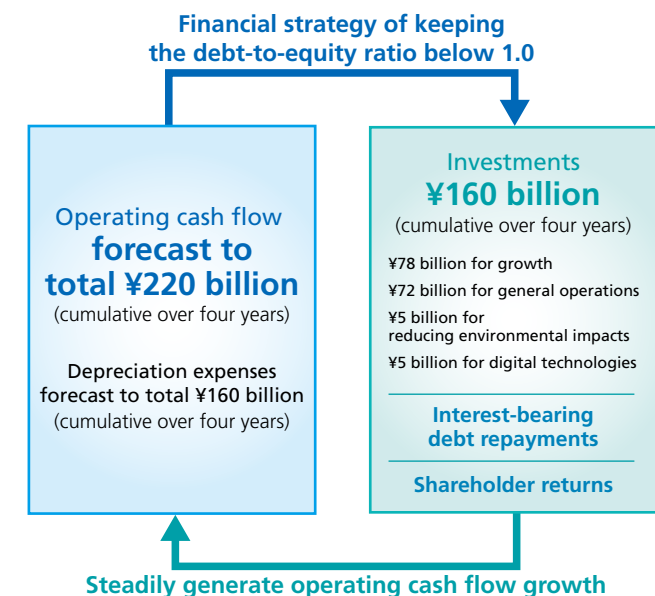
	FY2023 result	FY2024 result	FY2027 target
ROE	5.3%	9.9%	9%
ROIC	7.5%	7.6%	9%
Debt-to-equity ratio	1.0	1.0	Below 1.0

Business portfolio envisioned in fiscal 2027



* The Foundry & Forging Business Division was re-established as the Aerospace and Defense Materials Business Division effective from October 1, 2024.

Breakdown of cash allocation during the period of the fourth mid-term management plan



Financial Strategies

Shareholder return policy and results

UACJ's dividend payout ratio averaged 24.8% over the three years of the previous mid-term management plan. However, in light of the progress made in improving its financial position and profitability during that time, the Company has set a payout ratio of at least 30% for the current mid-term management plan, and will maintain its shareholder return policy of continuously paying stable dividends based on that ratio.

At the same time, the Company will work to increase its share price and total shareholder return by generating profits and cash flows while continuing to engage with capital markets.

In line with this approach, UACJ acquired 3,000,000 of its own shares, equivalent to about 6% of total shares issued and outstanding, in February 2025. Between fiscal 2020 and 2024, total shareholder return increased by 333.5%, beating the total return index for steel and nonferrous metal companies listed on the Tokyo Stock Exchange, which increased by 266.1% during the same period.

Approach and actions to increase the price-to-book ratio to 1.0

We are placing priority on increasing UACJ's price-to-book ratio to at least 1.0 as soon as possible. To achieve this, we are taking steps to increase ROE and reduce the cost of capital.

We are aiming to increase ROE to at least 9% during the period of the current mid-term management plan, and will work to achieve this target by raising ROIC and generating profits from growing businesses.

The Company reduced its cost of capital rate from 9% in fiscal 2023 to about 8% in fiscal 2024 by improving its beta value. During the period of the plan, we will aim to reduce this rate to about 7% by optimizing the Company's capital structure to maintain its A credit rating, and by stepping up engagement with capital markets.

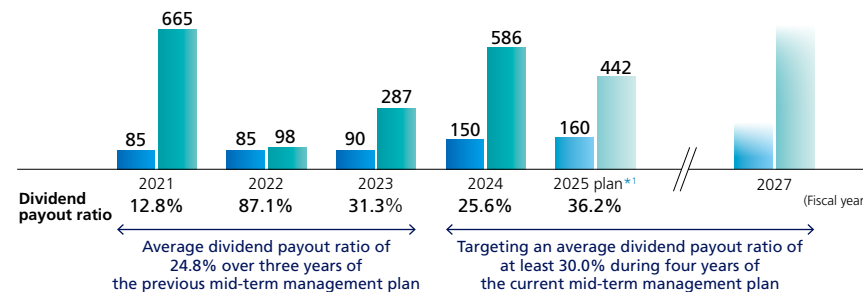
As another way to raise the price-to-book ratio to 1.0, we will work to maintain an equity spread (the difference between ROE and the cost of capital) of at least 1.0%.

Shareholder return policy and results

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

(Yen) ■ Dividend per share ■ Earnings per share



Results were based on Japanese accounting standards up to fiscal 2022 and International Financial Reporting Standards from fiscal 2023

*1 The planned dividend per share (with a record date of September 30, 2025) takes into account a four-to-one stock split effective from October 1, 2025.

Share buybacks (Acquired on February 13, 2025)

- Type of shares acquired: The Company's common stock
- Number of shares acquired: 3,000,000
- Total value of shares acquired: ¥15,090 million

Cancellation of treasury stock

(Effective from March 14, 2025)

- Type of stock cancelled: The Company's common stock
- Number of shares cancelled*2: 2,000,000

*2 The Company decided to cancel 2,000,000 shares of the 3,000,000 acquired on February 13, 2025, in order to allocate the remaining 1,000,000 shares to its stock compensation plans.

Increasing shareholder value

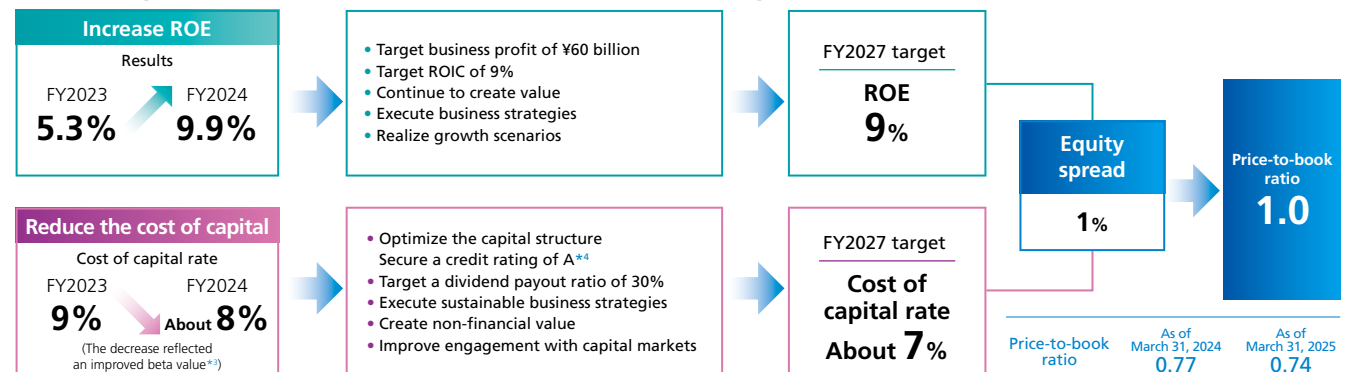
Aiming to increase shareholder value by securing steady profits and cash flows while continuing to engage with capital markets

Increase total shareholder return

Increased 333.5% between March 31, 2020, and March 31, 2025 (compared with a 266.1% increase of Japan's steel and nonferrous metal index)

Measures and approach for increasing the price-to-book ratio to 1.0

Management will continue working to increase ROE and reduce the cost of capital in order to raise the price-to-book ratio to at least 1.0 as soon as possible

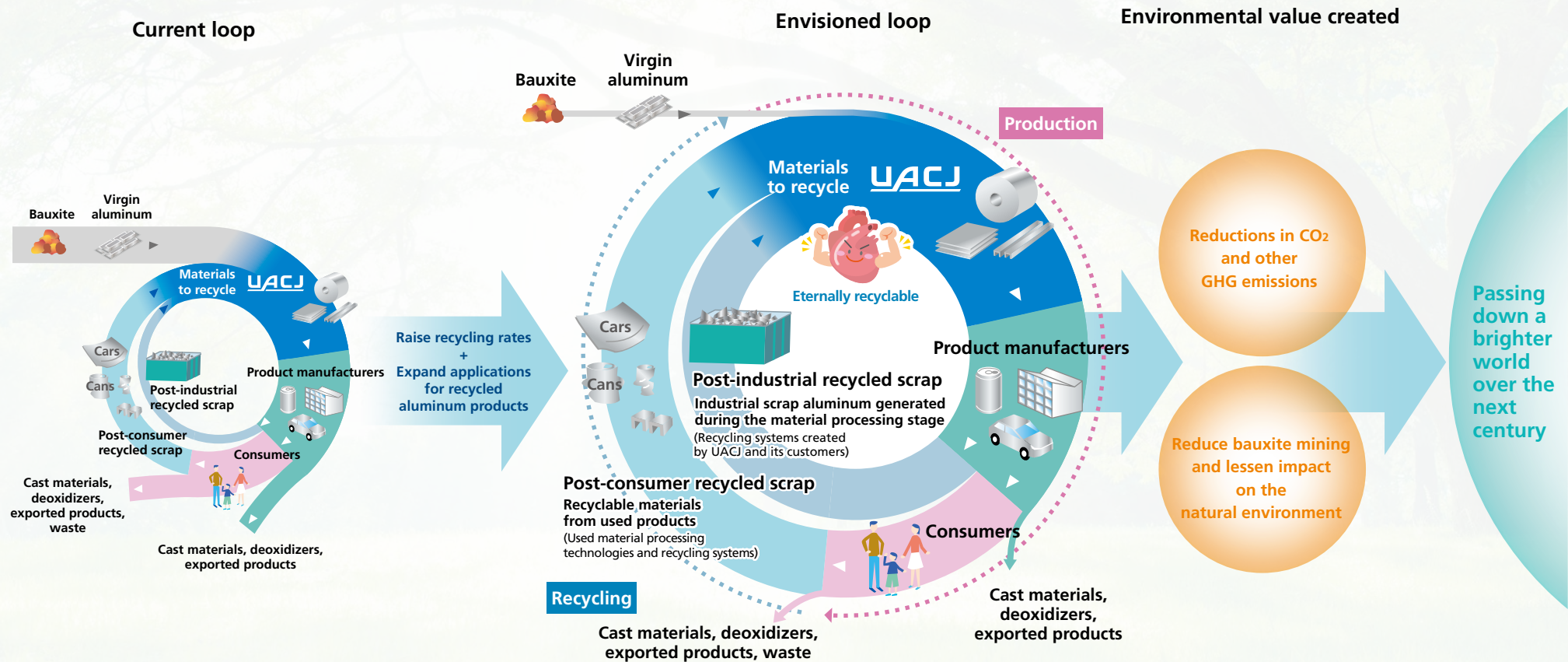


*3 The beta value is a metric for measuring a stock's volatility in relation to the market.

*4 UACJ had received ratings of A (Stable) from Rating and Investment Information, Inc., and A- from Japan Credit Rating Agency, Ltd., as of July 31, 2025

Promoting Recycling

The UACJ Group promotes aluminum recycling in unique ways as it strives to be at the heart of a circular economy



Promoting Recycling

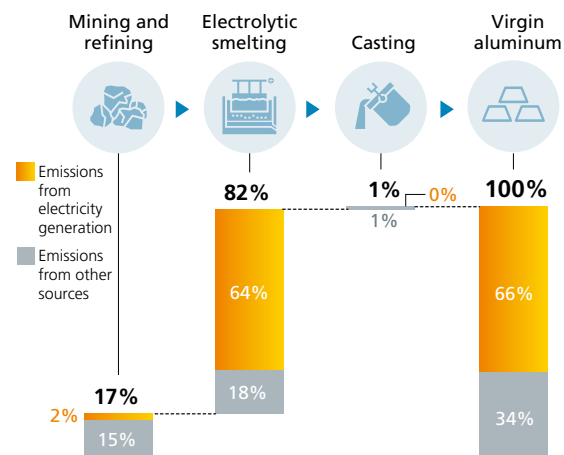
Reducing environmental impacts through recycling by significantly cutting GHG emissions across the supply chain

Over the course of producing aluminum products, the vast majority of GHG emissions come from the production of virgin ingots. This is because electrolytic smelting consumes huge amounts of electricity, resulting in approximately 14.8 kilograms of GHG emissions per kilogram of virgin aluminum

Environmental impacts of virgin aluminum ingots production

In the production of virgin aluminum, the electrolytic smelting process consumes large amounts of electricity, and the GHG emissions from this electricity account for approximately two-thirds of the total GHG emissions generated by new ingot production (world average). This is why aluminum cans have been referred to as "electricity in a can" in Japan.

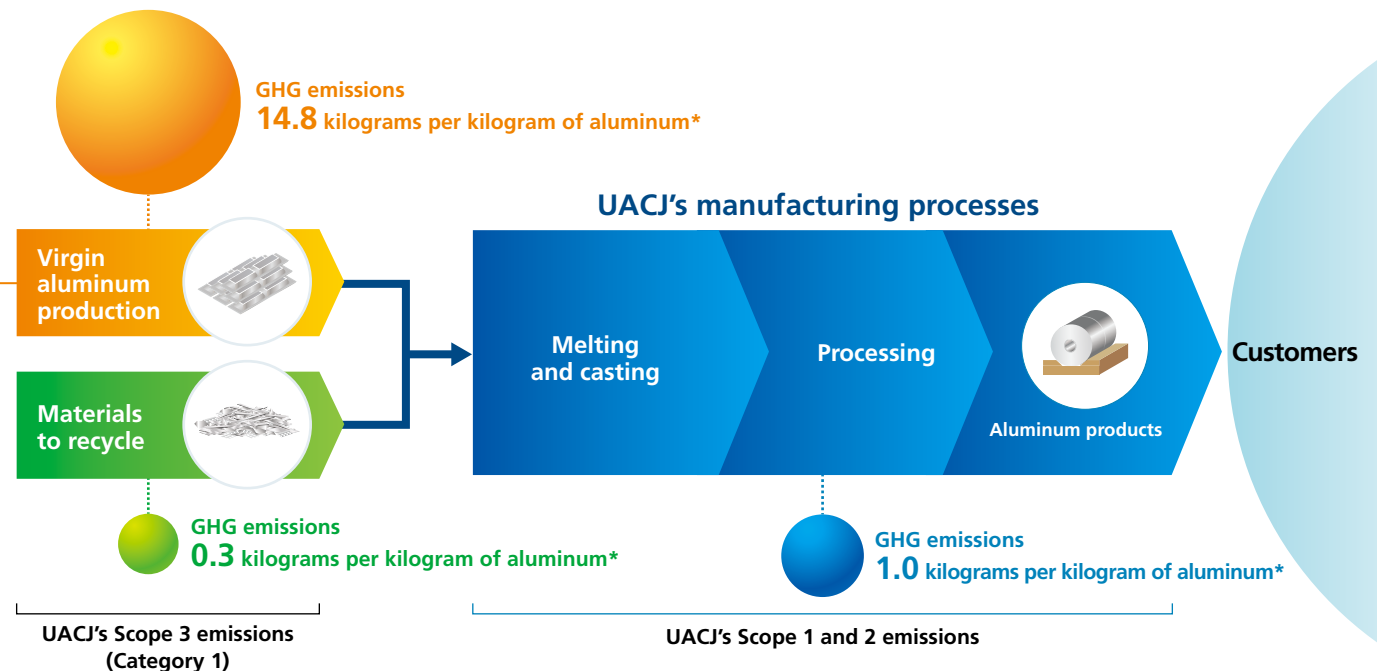
Breakdown of GHG emissions by process in virgin aluminum production



Source: Compiled by UACJ based on materials from the International Aluminium Institute (IAI) and the Japan Aluminium Association

produced (world average). By contrast, UACJ's manufacturing, which includes aluminum melting, casting and processing, generates no more than 1.0 kilograms of GHG emissions per kilogram of products. Therefore, to reduce environmental impacts across the entire supply chain, it is essential for UACJ to switch the raw materials it uses from virgin aluminum to aluminum produced with lower GHG emissions, while also working to reduce emissions from its own manufacturing facilities.

GHG emissions from the manufacturing of aluminum products



* Calculated as kilograms of CO₂ equivalent divided by kilograms of aluminum products

Recycling Roadmap

Aiming to increase its recycling rate to 80% by fiscal 2030, UACJ is working to advance a circular economy through aluminum recycling

Advancing a circular economy through aluminum recycling will not only expand recycling systems throughout society, but also help combat climate change and become nature positive. To play a role at the heart of circular economy, UACJ has created a roadmap and following it to expand the scope of aluminum recycling.

UACJ is working with customers and other partners to collect and reuse a larger amount of post-industrial recycled scrap^{*1}. It is also leading efforts to set up sorting and separation systems for post-consumer recycled scrap^{*2}, including for products besides can stock, such as closed-loop recycling systems for consumer electronic products.

Additionally, efforts are underway to advance the development of new technologies through industry-academia-government collaboration, including participation in national projects led by Japan's New Energy and Industrial Technology Development Organization (NEDO). The projects include research on upgrade recycling, by which aluminum scrap with high levels of impurities is recycled into wrought aluminum.

UACJ is aiming to increase its recycling rate to 80% by fiscal 2030, and is carrying out initiatives for achieving this target.

Notes:

^{*1} Post-industrial recycled scrap refers to scrap materials generated during the material processing stage in manufacturing

^{*2} Post-consumer recycled scrap refers to scrap materials derived from used products

^{*3} UACJ's recycling rate is an indicator of the proportion of aluminum it recycles, calculated by dividing the amount of used and scrap aluminum by the total amount of aluminum melted down in furnaces.

· Calculations exclude pure aluminum (1000 series and 8000 series of products).

· Calculations are based on results from UACJ's manufacturing facilities (Nagoya Works, Fukui Works, Fukaya Works and Oyama Works) and UACJ (Thailand)'s Rayong Works.

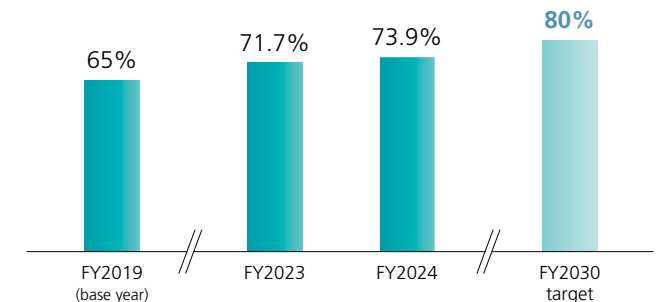
· The amount of used and scrap aluminum includes scrap from material processing in the manufacturing process, scrap from used products, and scrap from all other internal processes at the manufacturing facilities listed above.

· The total amount of aluminum melted down in furnaces includes recycled aluminum, virgin aluminum, and aluminum alloy additives.

Roadmap for leading a circular economy in aluminum

Item	Details	to FY2027	to FY2030
Overall strategy	Policy formulation, verification, and revision	Issue identification and policy formulation Setting of goals and measures for each location and product	Verification of implementation, correction, modification Implementation of measures and verification of necessary investments, responses to change
	Acquisition and recovery of scrap Establishment and expansion of recycling loops (Expand the scope of the cycle)	Flow of materials Investigation and assessment of current status	Construction of optimal systems for information updates and collection of post-industrial recycled scrap Stable procurement of scrap and its expansion
		Maximized use of used beverage cans	
		Investigation and establishment of a collection loop for scrap from consumer electronics	Stable procurement of post-industrial and post-consumer recycled scrap through collection loops
		Investigation and establishment of a collection loop for mixed metals	
	Full utilization of scrap Technology capabilities in the development and manufacturing of recycled alloys	Preparation for installation of used beverage can processing equipment Alloy development (EcoEnd™, new recycled alloys, etc.) and enhancement of production technology capabilities	Startup of full operations and consideration of investment to expand facilities
	Development of new technologies, investment in recycling facilities	Upgrading of aluminum resources Technology development projects (NEDO projects)	Ongoing business development Review of actual equipment
		Increased purity of aluminum through low-temperature electrolysis Promotion of process research and development (pioneering research)	Promotion of commercialization studies following pioneering research
	Networking with other industries and companies	Consideration of post-industrial and post-consumer recycled scrap pre-processing equipment and other equipment Networking activities with other industries and companies, collaboration with government agencies, educational institutions, and other stakeholders	
	Creation of mechanisms for further value enhancement	Promoting the circular economy, advocating for environmental value	
Post-industrial recycled scrap ^{*1}	Material flow tracking, recovery, and reuse	Investigation of material flows and updating of information Building of collaborative partnerships with stakeholders such as customers and trading companies, and expansion of volume through the establishment of procurement schemes	Improvement of melting yields
Post-consumer recycled scrap ^{*2}	Acquisition of used beverage cans and maximization of volume used	Prevention of used beverage can leakages through collaboration with government agencies and the Japan Aluminium Association, expansion of EcoEnd™ sales, and promotion of individual projects	Improvement of recycling rates through use of purification technology
	Consumer electronics scrap (from air conditioner compressor fins)	Implementation of closed-loop recycling for post-consumer recycled scrap from consumer electronics	
	Mixed metals	Usage of post-consumer recycled scrap for existing alloys and recycled alloys Search for partner companies	

UACJ's recycling rate^{*3}



Recycling Initiatives

Specific initiatives for creating environmental value

By creating value in the form of reduced environmental impacts and converting that into economic value through the establishment of aluminum recycling systems, UACJ is working to enhance its corporate value. [▶ See page 18](#)

Specific initiatives include expanding recycling capacity in the UACJ Group's main can stock operations. This will be achieved by establishing and expanding used beverage can processing facilities in Japan, the United States, and Thailand, to increase the amount recycled.

In Japan, UACJ established a joint venture with Yamaichi Metal Co., Ltd., through which new facilities for processing

and recycling used beverage cans will be constructed at Fukui Works. In the United States, Tri-Arrows Aluminum has expanded its used beverage can shredding line, and in Thailand, UACJ (Thailand) commenced operations of a newly installed scrap melting furnace in fiscal 2024.

To make progress in recycling, collection and utilization systems must be set up throughout society. The UACJ Group collaborates with aluminum associations in Japan, the United States, and Thailand, as well as the International Aluminium Institute, to advocate for the development of recycling infrastructure to governments and related industries in an effort to raise recycling rates.

Products that contribute to reducing environmental impact

Amid the growing need to reduce CO₂ emissions in recent years, UACJ has been receiving an increasing number of inquiries from customers about how recycling aluminum can be beneficial for helping them reduce emissions.

From 2022 to 2025, UACJ released various products that contribute to reducing environmental impacts in key industries such as can stock, automotive parts, building materials, and thick plates. The Company also examined specific ways of using aluminum in other industries, including consumer electronics, IT devices (PCs and smartphones), and cosmetics, as it looks to broaden applications for its products going forward.

Global initiatives to improve the recycling of aluminum beverage cans



* A joint venture with Yamaichi Metal Co., Ltd. established on the premises of UACJ Fukui Works

Specific products and initiatives aimed at reducing environmental impacts

Year and month of product release	Sector	Details
2022	August	Beverage cans Joint development of the world's first 100% recycled can with Suntory Spirits Ltd. and Toyo Seikan Group Holdings, Ltd.
2023	April	Automotive parts Supply begins of UACJ SMART Mass Balance** aluminum sheets made from green raw materials
	October	Construction materials UACJ's aluminum shelf tops made from 100% recycled materials delivered to Muji department store's Shinjuku Yasukuni-dori outlet
	December	Beverage cans Joint development of EcoEnd™ beverage can lid with Toyo Seikan Co., Ltd.
2024	March	Beverage cans Establishment of a supply chain for closed-loop recycling of aluminum cans with Sumitomo Realty & Development Co., Ltd. and Toyo Seikan Co., Ltd.
	April	Construction materials Environmentally friendly ALmitas® SMART aluminum material adopted for Sekisui Jushi Plametal Corporation's art panels
2025	April	Thick plates Launch of ALmitas® FusPlate SMART thick plate made from 100% recycled materials, a first in Japan
	September	General-purpose thin sheets Launch of Japan's first general-purpose thin sheets made from 100% recycled aluminum

** Currently branded as ALmitas® SMART Mass Balance

**Fumiharu Jito**

Director, Managing Executive Officer
Chief Executive of Marketing & Technology Division,
in charge of advancing digital transformation

Yoshitaka Mitsuda

Independent Outside Director
Professor Emeritus, University of Tokyo

Dialogue on Technology and Marketing

Adding more value to products and raising public awareness of aluminum's potential are keys to sustainable growth



Marketing

Strengthening marketing to add more value to products

Jito: How do you view the Company now that three years have passed since you were appointed as an outside director?

Mitsuda: I would characterize UACJ as a company that applies a diverse range of advanced processing technologies to supply aluminum products to customers in a wide span of industries.

Jito: The history of our product development started with duralumin, an early aluminum-copper alloy used for airships. One of the Company's original founders, Sumitomo Metal Industries, began developing an aluminum alloy for aircraft in Japan with even more strength and corrosion-resistance than duralumin. It succeeded in 1936 with a version it called Extra Super Duralumin, which was included in an archive of Japanese technologies in 2023*. This is an example of how we have been refining our technologies and knowledge of aluminum, which has enabled us to meet the needs of various industries. Today, we are supplying products to industries that are essential for society and people's lives, such as the beverage can, automotive, medical packaging, magnetic disk, and building materials industries.

Mitsuda: So past efforts like developing alloys in response to customer needs have made the Company what it is today.

Jito: Yes, that's right. In the future, however, we will not be able to grow substantially just by responding to customer needs. From that standpoint, we integrated our technology and marketing organizations to establish the Marketing & Technology Division in 2023.

Mitsuda: The Company is working to transform itself into an organization that can devise solutions derived from its long-established technologies. I think this is highly commendable. When I was first appointed as an outside director, I asked about who was in charge of marketing on a number of occasions in board meetings.

Dialogue on Technology and Marketing

Jito: In the current mid-term management plan, our goal is to add even more value to aluminum materials, and marketing is essential for creating the added value that is actually necessary. The Group possesses a wide array of technologies, so by fusing them with each other and combining them with the latest technologies, we should be able to develop products that more precisely meet market needs. We are now beginning to combine needs and seeds while taking stock of our technologies, and envisioning how they can lead to future businesses. Signs of progress are starting to appear.

Mitsuda: That is a good direction to take. At present, however, the Company's marketing seems to be limited to business-to-business relationships with its already established customers. Expanding into new markets is a key strategy of the current mid-term management plan, so the Company will need to approach new customers and industries. Getting rejected at first is perfectly fine. Unless you repeatedly contact customers and move aggressively, you will not be able to build new business pillars.

Jito: We recognize that the somewhat passive approach taken in the past is a problem. The Company must take the initiative to propose solutions and opportunities for

co-creation. Switching to that approach is essential, and, actually, we have already had some success with this. For example, we supplied shoe racks to the operator of pop-up stores selling the ECOALF brand of sustainable fashion. We proposed our lightweight and strong aluminum racks after hearing that the steel racks they had been using were heavy and difficult to transport and install. The ECOALF brand promotes the use of recycled materials, so we produced the racks using our ALmitas+ SMART brand of aluminum, which is mainly made of recycled materials.

Mitsuda: I also hope the Company will identify underlying technological needs. This is essential in many more cases than you might expect. What types of products are customers developing and expanding? What kind of future do they envision and what materials will they need for that? I would like marketing to study these things.

Recycling and fabricated materials Converting value from recycling into economic value

Mitsuda: Among its environmental objectives, UACJ aims to be at the heart of aluminum recycling.

Jito: Our basic policy is to recycle the same types of products in a closed loop, meaning that cans are recycled back into cans, and automotive parts are recycled into such parts.

Mitsuda: The closed-loop recycling rate of aluminum cans is relatively high in Japan, reaching 75.7% in 2024**. I think this is mainly due to the short product life cycle of aluminum cans, which is only several months, as well as the use of particular alloys to produce the cans.

Jito: Indeed, because the closed-loop recycling rate is already so high, raising it even higher is difficult. For that to happen, in addition to our own efforts, the cooperation of our customers is essential, as the scrap left over from their

aluminum can forming and machining processes must be collected.

Mitsuda: I guess recycling other types of aluminum products isn't so easy, since their product life cycles can be several years or longer, and they are often made as composite materials.

Jito: That's right. The hurdles to recycling them are high. We must find ways to extract the aluminum from composite materials, and we need technologies for sorting and separating materials, and for making products with alloys that are easy to recycle.

Mitsuda: Generally, alloys are developed for specific product applications, which has resulted in a huge number of different alloys. That becomes an issue when trying to recycle them.

Jito: The growing number of alloys is also a result of meeting customer specifications, which makes this issue difficult to address. Nevertheless, efforts to reduce the number of alloys are making progress. We are participating in a project led by Japan's New Energy and Industrial Technology Development Organization (NEDO). The project is working to develop technologies for upgrade recycling, by which scrap aluminum containing a somewhat high amount of impurities is recycled into high-quality wrought aluminum, and high-upgrade recycling, by which scrap aluminum containing an even higher amount of impurities is recycled into high-purity aluminum products.

Mitsuda: I have big expectations for upgrade recycling technologies. They will be absolutely essential over the next 100 years. By recycling aluminum, the CO₂ emissions from virgin aluminum production can be reduced by 97%, so I hope UACJ is doing what it can to make people aware of this benefit.

Jito: As you point out, it is extremely important to explain



"Rainbow anodized aluminum" changes color depending on the angle of light.



Dialogue on Technology and Marketing

how recycling adds value and how that is converted into economic value. In the world today, it is easier to make people recognize such value, and we believe that they will see that in aluminum, so we do our best to promote it.

Recognizing and enhancing added value from various perspectives

Mitsuda: How are technologies being applied to create more value in other areas besides recycling, especially in businesses that provide added value without just charging processing fees to meet customer specifications?

Jito: Our fabricated material businesses have a very promising future in the heat management industry. For example, by combining heat simulation and low-pressure casting technologies, the Company has developed pin fins for heat sinks that achieve high cooling efficiency, and we expect these products to meet growing demand for cooling applications, such as in electric vehicles and data centers.

Mitsuda: In the past, aluminum was literally called “lightweight silver” in Japan because of its beautiful silvery color. Its classy appearance can add a lot of value to designs, such as the shoe racks you mentioned earlier.

Jito: That is certainly the case with our “rainbow anodized aluminum” currently under development. Thanks to a new surface treatment process, the surface of this material changes color depending on the angle of light, opening up all-new possibilities for design. We think it will be used for things that have a classy look, like IT devices and automobile emblems.

Mitsuda: It would be great if the Company adds products with such high quality and added value to its portfolio.

Jito: Our U-AI Laboratory is focusing on marketing activities and the co-creation of aluminum applications with customers. We believe that our ALmitas* brand will be key in this regard because the products are organized according to

their functionality, which shifts the focus of customers away from just technical concerns.

Challenges in the buildup to 2050 Contributing to industrial development while raising the Group's value

Mitsuda: What do you think is necessary for increasing the overall value of the UACJ Group?

Jito: Well, I think our marketing activities should contribute to creating value and new markets. As a major manufacturer in Japan, the Group can also increase its value by helping to develop the country's industries. It must play a central role as an industry leader in making rules and regulations needed for all kinds of projects related to recycling, which we are focusing on, and the global challenge of reducing CO₂ emissions. To do that, we must collaborate with other industries, the government, and academic institutions. That means working with NEDO and our corporate partners, of course, as well as cooperating with the Japan Aluminium Association and lobbying the government when necessary. The primary purpose of partnering with universities is joint research, but another goal is to provide opportunities for students to conduct research on aluminum. The Company can play a part in attracting more students to our industry by having them learn about the benefits of aluminum through research.

Mitsuda: That will be important as the competition for talent heats up.

Jito: At the same time, we must focus on boosting workplace productivity to deal with the decline in Japan's population. We are attempting to use AI for production planning, which has been based on the know-how of veteran employees. This reduces the risks associated with depending on a small number of people to handle this work while also allowing personnel to be reassigned to other jobs, so we can not only



raise productivity but also optimize human capital.

Mitsuda: AI applications have just begun, but I think the adoption of AI on production lines will be difficult. Automakers change their lines for each vehicle model, so they can plan the timing of AI upgrades, but material manufacturers generally operate the same lines constantly, leaving them with practically no time for such upgrades. That would be like refurbishing a train station while the trains are still running.

Jito: Nevertheless, we have a vast amount of manufacturing-related data, which comes from producing a wide array of products and from having the highest production volume and most diverse customer base in our industry. There is no reason not to take advantage of this data. We are determined to lead the industry in this regard.

Mitsuda: Bolstering the Company's competitiveness is directly connected to the aluminum industry's development, and raising its presence in the industry will help increase its value overall. As an outside director, I look forward to offering advice on how the Group can grow sustainably in the future.

Notes:

* The archive is held by the National Museum of Nature and Science.

** The figure is from the Japan Aluminum Can Recycling

Technology and Marketing Strategies: Assets

Contributing to the sustainable development of society and industry through technology and intellectual property strategies

Technology-driven value creation

UACJ aims to achieve a fusion of technology-driven value creation and marketing-driven market creation. In pursuit of value creation, it will build partnerships to advance technology together in collaboration with knowledge communities such as academic societies and partner companies. With respect to market creation, UACJ will harness its wide-ranging manufacturing capabilities to realize and deliver new value in response to signs of change in the industry, captured through existing business activities, and new business opportunities, identified through exploration of new markets. This will allow the development of new markets based on the concept of

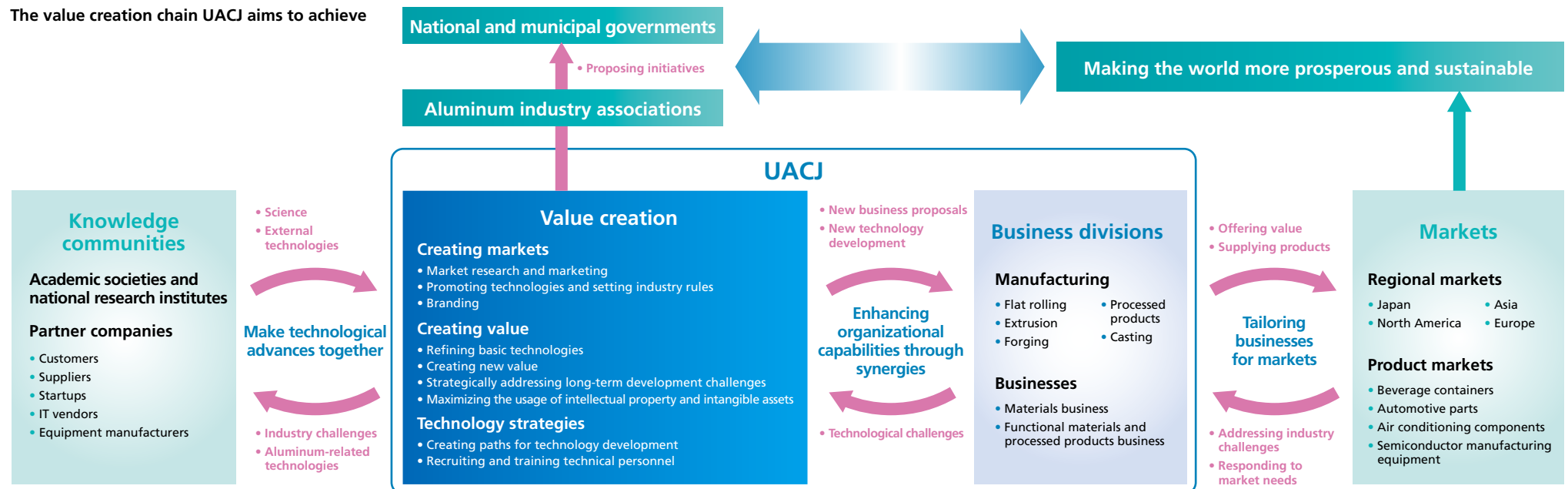
adding more value to materials. Furthermore, collaboration with industry associations will allow the proposal of new visions for the industry, and engagement with government and local authorities will contribute to solving broader challenges facing society. As such, UACJ aims to establish a situation in which this chain of internal and external collaboration becomes a growth driver for both organizations and the industry. The Marketing & Technology Division, established as a new division in April 2023, is an organization that integrates marketing functions into the research and development departments. This organizational reform represents a step toward realizing the Company's vision for its value creation departments.

Intellectual property

By practically applying diverse intangible assets acquired through research and development activities and business operations, UACJ aims to create materials with even more value through synergies among the Groups technological resources.

Furthermore, through intellectual property analysis in collaboration with the Company's value creation departments, efforts will be made to explore technical challenges to tackle jointly with partner companies, using intellectual property rights as a starting point to build mutually productive relationships between partner companies and the Group.

The value creation chain UACJ aims to achieve



Close Up

Promoting technological development in upgrade recycling through industry-government-academia collaboration Aiming for further advances in a circular economy for aluminum

UACJ promotes closed-loop recycling, which involves reusing materials from used products to produce new products of the same type, such as recycling aluminum cans back into can stock, and is developing high upgrade recycling methods for recycling aluminum scrap with high impurity levels into wrought aluminum. The Company is also participating in a project to develop advanced recycling technologies for aluminum materials funded by the New Energy and Industrial Technology Development

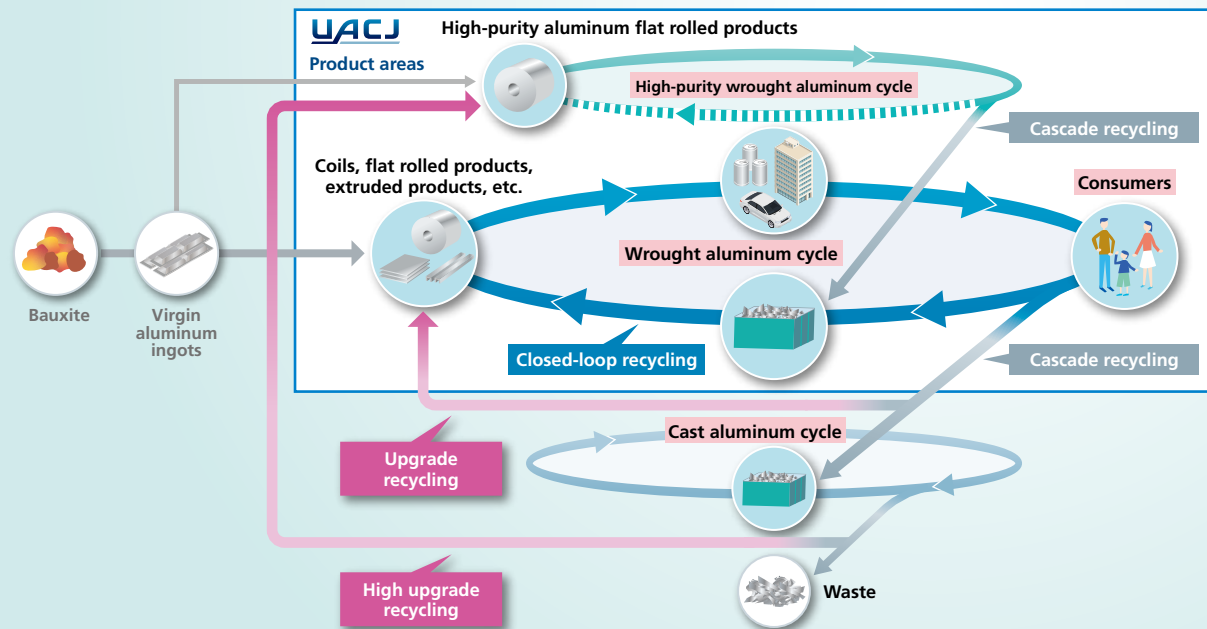
Organization (NEDO). Launched in 2021, the project promotes collaboration between industry, government, and academia. In September 2024, UACJ completed the main equipment for this project—the world's first experimental vertical high-speed twin roll casting machine for mass production—and installed it at its R&D Center. Advanced processing technologies that reduce and neutralize impurities such as iron and silicon enable the use of large quantities of recycled materials. The target for the

future is to expand production capacity using scrap to 200,000 tons annually, and to reduce CO₂ emissions across the aluminum supply chain by 18 million tons by 2050.

Furthermore, efforts are underway to advance research and development of high upgrade recycling, through which low-purity aluminum scrap, which has previously been discarded, is recycled into 99.9% pure aluminum, a purity level equivalent to or higher than that of virgin aluminum. UACJ has been collaborating with other companies along with governmental and academic organizations in a project to research and develop a high-purity aluminum production process using low-temperature electrolysis. In 2024, this project was included in NEDO's program for innovative research on energy and environmental technologies. Industrially produced aluminum is typically refined by melting it at approximately 1,000°C and then using electrodeposition to obtain high-purity aluminum. Conversely, low-temperature electrolysis is a technique for refining high-purity aluminum directly from scrap aluminum at temperatures below 150°C. Laboratory-scale testing has confirmed that this method can reduce power consumption to 25% or less of that of current smelting technologies. If this research and development is put into practical use, it will contribute to reducing waste and CO₂ emissions through the recycling of low-purity scrap, as well as promoting the recycling of aluminum resources in Japan.

UACJ will continue to collaborate with other industry players as well as governmental and academic organizations to advance research and development, with the goal to build a circular economy for aluminum.

Positioning of upgrade recycling and high upgrade recycling



Close Up

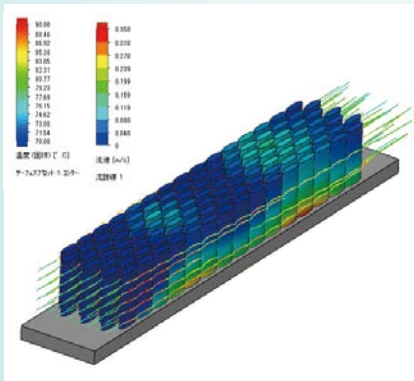
Development of aluminum heat dissipation components to contribute to the growing field of thermal management

In recent years, a growing awareness of environmental issues has led to demands for energy conservation across a wide range of fields, making the improvement of cooling efficiency in air conditioning equipment and automobiles an urgent priority. Additionally, with new heat sources such as EVs and data centers on the rise, thermal management has become more and more pressing.

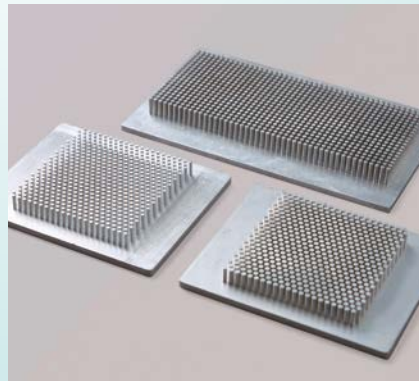
Amidst this trend, aluminum's advantages in terms of weight and cost are making it an increasingly attractive option as a cooling material. As part of this shift, UACJ is advancing the development of pin fins using low-pressure aluminum casting technology.

With multiple rows of vertically oriented pins, pin fins help increase surface area, thereby acting as a cooling component to dissipate heat. UACJ uses thermal fluid simulation to determine the optimal arrangement and shape of the pins for each object to be cooled, thereby achieving an optimal flow path and high heat dissipation performance. Furthermore, in mass production, the Company's low-pressure casting technology is utilized to manufacture parts of various shapes with high precision.

Flow path design using thermal fluid simulation



Pin fins produced using low-pressure aluminum casting technology



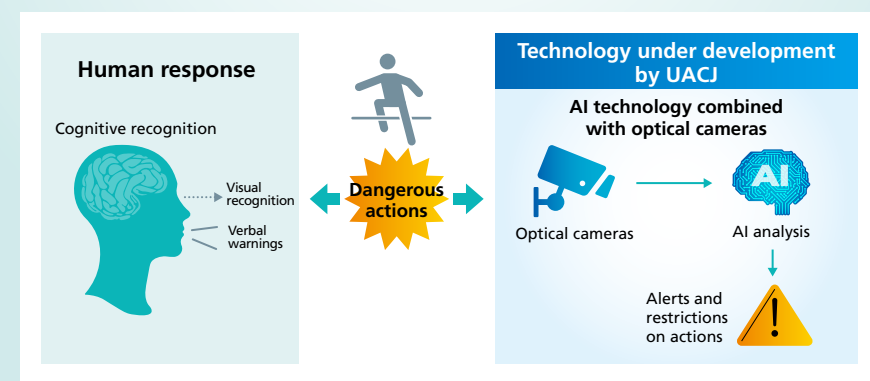
Close Up

Developing security camera-based disaster prevention technology by applying AI techniques honed in inspection processes

UACJ has been striving to improve productivity in manufacturing processes by developing and investing in IoT systems and digital technologies. For example, in its inspection processes, the Company has developed automated inspection technology combining optical imaging equipment with AI-based image analysis inspection capabilities. This has enabled cost reductions, enhanced scalability through deep learning, and the digital recording and storage of information.

Furthermore, the AI technology acquired so far is being harnessed to develop disaster prevention technologies. When acting to prevent danger, people visually recognize the situation, cognitively assess the danger, and call out and wave to others to warn them or prevent certain actions. In a similar way, the technology under development aims to establish a disaster prevention system using safety cameras linked to AI technology. This system utilizes optical cameras and AI to detect signs of danger and issue warnings, replacing people's perception, cognition and verbal and physical abilities. Currently, image data collection for target behaviors is underway, alongside AI training using collected images to improve recognition accuracy. Future plans include practical implementation at various manufacturing plants.

Preventing accidents using AI-powered security cameras



Technology and Marketing Strategies: Marketing

Promoting sales with appealing brands that align aluminum's unique properties and solutions with market demand and customer needs

Marketing activities

UACJ divides its marketing strategies into four areas depending on whether its products and target markets are already established or new, and its Marketing & Technology Division collaborates with each business division to conduct marketing activities accordingly. With a view to realizing its long-term management roadmap, UACJ Vision 2030, the Group tailors new products featuring more added value for its established markets, and offers new products to new markets by matching up its technological seeds with market needs with the goal of creating future businesses.

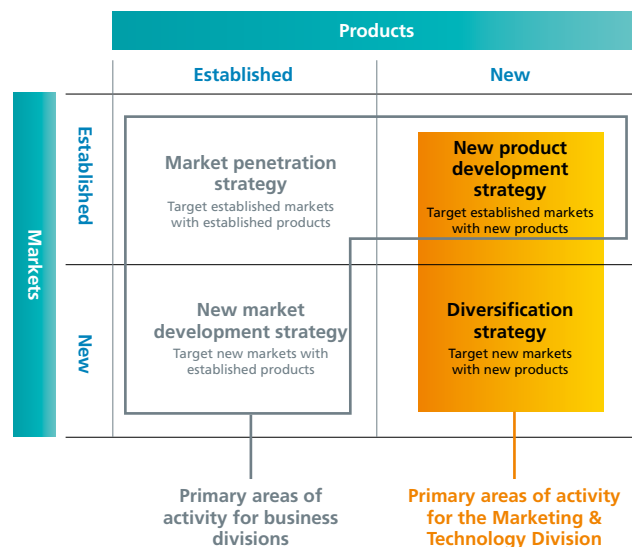
UACJ is also engaged in branding efforts, promoting ALmitas⁺ as a family brand for its products.

For product groups that emphasize the environmental and recyclability aspects expected of aluminum products today, the Company is developing the ALmitas⁺ SMART brand. This covers green aluminum, which is produced with renewable electricity sources during smelting, and products manufactured using recycled aluminum raw materials and renewable energy within the Company as environmentally certified materials. Demand is growing for these environmentally friendly materials that meet market

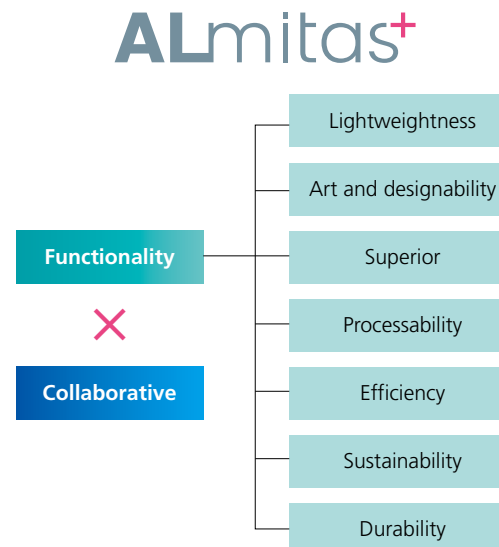
demand and customer needs, and efforts are underway to further increase sales.

Going forward, UACJ will strive to further expand its ALmitas⁺ product lineup with new functional value in collaboration with its customers.

Marketing and product strategies



ALmitas⁺ brand categories



ALmitas⁺ brand website



UACJ launched this brand website in July 2025 as a platform to communicate the value of its aluminum products to the market and customers and to foster co-creation. <https://almitas.uacj-group.com/> (Japanese only)

Technology and Marketing Strategies: Initiatives

Expanding business with international customers by obtaining industry standard ASI certification

Through participation in external initiatives, UACJ is committed to enhancing the sustainability of its operations and the materials it is supplied with, and strives to ensure high levels of transparency and objectivity.

One of these is the Aluminium Stewardship Initiative (ASI), the largest international initiative in the aluminum industry. ASI aims to “recognize and collaboratively foster responsible production, sourcing and stewardship of aluminum.” In 2020, UACJ became the first Japanese manufacturer to join the ASI, and then obtained certification in 2022. In practice, this has enabled the Company to secure new projects from international can manufacturers that require ASI certification and supply materials from its certified manufacturing facilities.

Furthermore, the Group is expanding the number of certified sites by sharing the know-how gained in the process of obtaining ASI certification. In the Group's core business

of flat rolled products, certification has been obtained by UACJ's Fukui Works, UACJ (Thailand)'s Rayong Works, and manufacturing facilities operated by Tri-Arrows Aluminum and Logan Aluminum, while Nagoya Works is in the process of being certified. In the automotive parts business, certification has been obtained by manufacturing facilities operated in Mexico by UACJ Automotive Whitehall and in China by Dicastal UACJ Bolv Automotive Components. The acquisition of factory certifications enables the establishment of a system capable of global supply of certified materials for a wide variety of products.

Sales volume of ASI-certified aluminum products in fiscal 2024 was approximately twenty times higher than in fiscal 2022, and further expansion is being planned in the lead up to fiscal 2027. UACJ will continue working to capture growing global demand by expanding ASI certification and enhancing its ability to supply customers around the world.

Certified factories and subsidiaries

Business	Factory or subsidiary
Flat rolled products business	• Fukui Works (Japan) • UACJ (Thailand)'s Rayong Works (Thailand) • Tri-Arrows Aluminum Inc. and Logan Aluminum Inc. (USA) • Nagoya Works* (Japan)
Automotive parts business	• UACJ Automotive Whitehall's San Miguel de Allende Manufacturing Plant (Mexico) • Dicastal UACJ Bolv Automotive Components Co., Ltd.** (China)

Notes:

* Certification is currently in process

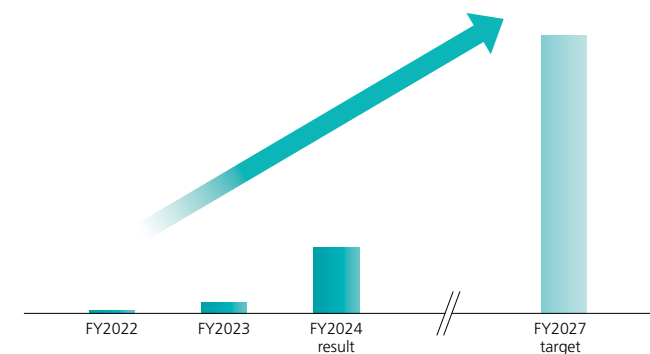
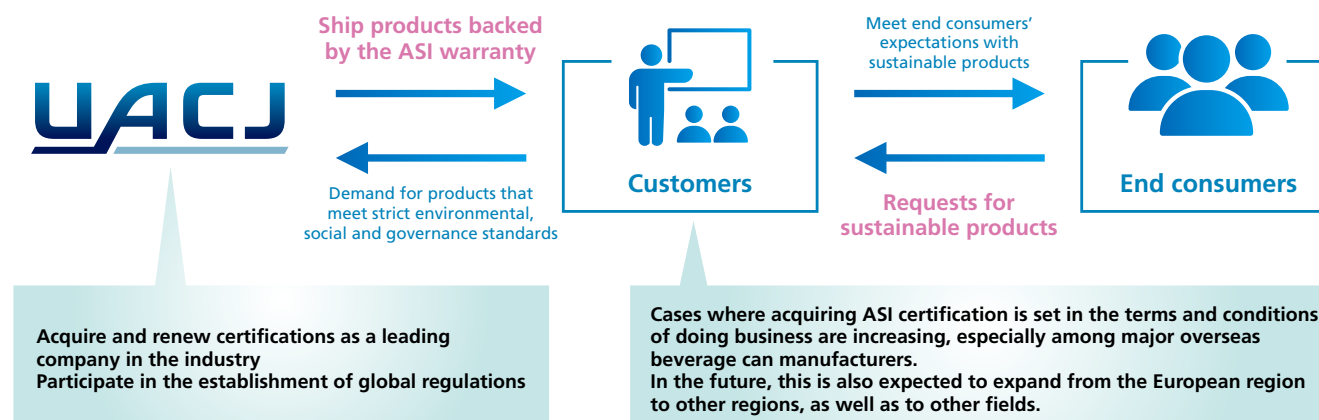
** Established as an affiliate (under the equity method)

Sales volume of ASI-certified materials

Main factors behind increased sales

- UACJ concluded a new agreement from a global can manufacturer in Europe
- ASI certification was acquired for automotive panels and parts

Importance of membership in the Aluminium Stewardship Initiative (ASI)



Human Resources Strategies

Creating a brighter future by enhancing the well-being of employees and improving individual and organizational capabilities in a virtuous cycle

We recently created the UACJ People Statement and a new framework for human capital management, and established the Human Resources Strategy Department as a strategic organization for leading related initiatives. For UACJ, human resources are the source of the value we create in the future. We believe that if every employee works with a sense of well-being, their individual skills and our organizational capabilities will improve together in a virtuous cycle. Indeed, developing and bringing people together to create a brighter future will be essential for realizing our management philosophy.



Sachio Urayoshi

Executive Officer, Chief Executive
of the Business Support Division

We have created the UACJ People Statement and a framework for human capital management

In recent years, human resources have been recognized in Japan as essential capital for raising the value of companies over the medium and long terms. Strategically positioning human capital in a company's value creation process, and effectively utilizing and optimizing it while increasing employee engagement have become important matters to address in management strategies. This shift has occurred in the context of various trends in Japan, including its declining population, diversifying personal lifestyles, and changing relationships between individuals and organizations. Today human capital is regarded as an important component of corporate management and an essential driver of organizational growth.

Against this backdrop, we revamped the UACJ Group's approach to human resources and related initiatives, recognizing that all of its members must move in the same direction based on a single management vision and a shared set of fundamental approaches and strategies.

As the Group works to pass down a better world over the next 100 years, we will strive to contribute to the well-being of people and their communities. Furthermore, we recognize, as a basic principle of our human capital management, that the value of the UACJ Group and the well-being of its employees are deeply interconnected, because working with satisfaction ultimately leads to economic value and the Group's value as an enterprise.

From this standpoint, to build on our previous human

resources strategies and to place importance on the well-being of all employees, we have specified our basic approach to human capital in the new UACJ People Statement, and reorganized our human resources strategies under a new framework for human capital management. Furthermore, among the measures we are taking to execute three key strategies centered on organization building, human resources development, and workplace improvements, we will implement measures for enhancing employee well-being and creating a virtuous cycle of improving individual and organizational capabilities. All of these activities will be integrated in the Group's human capital management. Based on this approach, I believe that human capital management practices will be essential for realizing the Group's management philosophy.

The Human Resources Strategy Department and other relevant departments have been working together to devise measures for enhancing employee well-being and improving individual and organizational capabilities. They have been formulating a roadmap of these activities and appointing relevant managers and organizations with the goal of implementing the measures under the framework for human capital management starting from fiscal 2026. They also plan to explain and promote the Group's approach to human capital to employees through a variety of means, including regularly held meetings on the UACJ Group Philosophy.

Adopting a Human Capital Approach for Human Resources Strategies

UACJ People Statement and framework for human capital management

Through Teamwork, We Empower Our People to Create a "Lighter Future"

UACJ Group's Approach to Human Capital

The future of UACJ Group begins with each one of us, working in the harmony of our UACJ Group philosophy.

To realize growth and to build an ever-stronger company, the first step is to nurture a sense of "Well."

It is from this foundation that each of us can best connect and collaborate in all that we do.

In this way, we can become a team — where everyone shines, where we celebrate each other's growth, and where we realize the success of the business.

UACJ Group is committed to develop people, to foster teams, and to enhance our "working environment." From these initiatives, UACJ Group will build a culture that empowers each of us to grow together, in pursuit of Shared Objectives.

Together, Let's Make it Happen
— As One Team.

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

Enhancing the well-being of everyone—each one of us who works here

Through Teamwork, We Empower Our People to Create a "Lighter Future"

Strengthening People and Organizational Capabilities



Our Work Well

The excitement of collaborating with diverse teammates, forging connections, and achieving goals as a unified team



My Work Well

The joy in having personal growth and achievements recognized, and the pride in contributing to society through work.



My Mind and Body Well

The happiness of living each day in safety, security, and good health, and the fulfillment that arises from a harmonious balance between work and personal life



Organization Building

Uniting the strengths of each one of us to build an ever more durable Group



People Development

Pairing diverse talent and people-centered management such that each person can contribute to our growth in a meaningful way



Workplace Environment Enhancement

Establishing a safe, secure, and healthy work environment that promotes "Well" and facilitates ease of work



Creating a virtuous cycle between "Well" of each one of us and people and organizational development to drive the growth of UACJ Group

Aligning Management Strategies and Human Resources Strategies

Laying a solid foundation for human resources by improving individual and organizational capabilities

The UACJ Group is aiming to supply aluminum materials with even more added value than before during the period of its fourth mid-term management plan launched in April 2024. To lay a solid foundation for enabling the Group's human resources to create value and ensure stable operations, we must attract and develop diverse talent to enhance the overall capabilities of our workforce while also increasing employee engagement and improving organizational capabilities.

Based on our strategies for building organizations, developing human resources, and improving workplace conditions, we will carry out various activities to improve individual and organizational capabilities, such as expanding

leadership training, promoting diversity, equity and inclusion, recruiting and retaining employees, providing training programs, offering competitive remuneration and benefits, and providing health and productivity management programs.

To improve individual capabilities, in particular, each division is taking steps to clarify any gaps between our current workforce and the human resources portfolio we will ultimately need in order to realize our long-term roadmap, UACJ Vision 2030, and will aim to close these gaps through the measures we plan to execute from fiscal 2026.

Clarifying how human capital can create corporate value

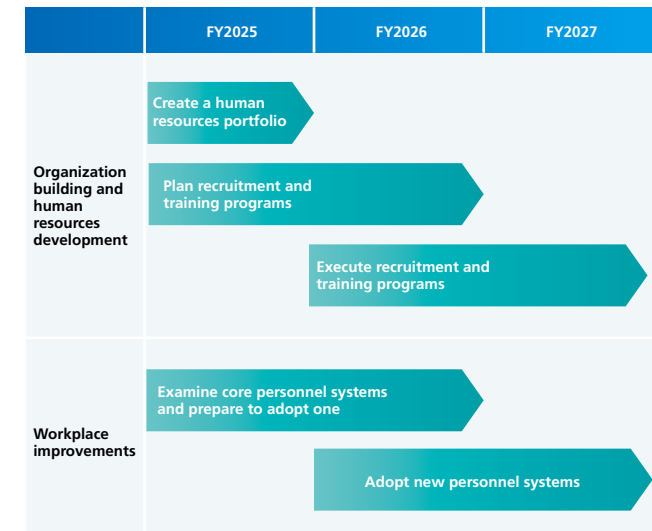
We have been examining how human capital can be deployed to create corporate value*, recognizing that this is essential for formulating and executing more effective human resources strategies. Up until fiscal 2024, we had analyzed the results of previously conducted employee engagement surveys, organizing the findings by job types and main production facilities in Japan. In light of these results, we have been formulating a framework for deploying human capital and creating corporate value, and will aim to complete it by the end of fiscal 2026 in preparation for discussions on our next mid-term management plan.

* In cooperation with Kyoto University researchers Nobuyuki Isagawa and Kazuo Yamada

Aligning management strategies and human resources strategies



Roadmap of human resources initiatives



Human Resources Strategies

Key performance indicators and targets for human capital

Human resources strategies	Human resources objectives	Issues	KPIs	Scope	FY2023 results	FY2024 results	FY2027 targets	Progress to date
 Organization building	Develop more leaders	Continuous development of personnel to support the sustainable growth of the Group and its businesses	Percentage of general manager positions that can be filled by successor candidates within three years*	Domestic Group companies	31.0%	50.0%	75.0%	A succession plan targeting positions from manager and up across all domestic Group companies has been developed, and job rotations and business leader development programs based on the succession plan have been implemented.
	Improve employee engagement	Making organizations more dynamic	Average score (from one to five) of employee engagement survey questions about job satisfaction and fulfillment	Domestic Group companies	3.27	3.30	3.40	An annual employee engagement survey has been conducted at domestic Group companies, with results reported as feedback to management and general managers. Every year, all departments carry out activities to improve employee engagement.
	Promote diversity and equal opportunity	Raising awareness of diversity and equal opportunities among employees	Employee engagement survey** Diversity and equal opportunity	Domestic Group companies	3.11	3.12	3.20	Meetings between management and employees have been held to raise awareness of UACJ's stated commitment to diversity and equal opportunity, and employee networks have been organized, including a childcare network.
		Promoting the active participation of diverse human resources	Percentage of women in managerial positions	Domestic and overseas Group companies	10.4%	11.1%	12.5%	The number of women in management positions has steadily increased thanks to the development of personnel systems that support balancing home and work, and efforts to actively recruit, develop, and promote highly motivated and capable women.
			Percentage of people with disabilities among employees	Domestic Group companies	2.30%	2.57%	2.70%	Working environments have been improved so that more workplaces encourage employees with disabilities to work with peace of mind. Collaborative efforts with special needs schools and similar institutions have been stepped up to create new employment opportunities for people with disabilities at agricultural facilities.
			Ratio of employees remaining in their jobs for five years after being re-hired following their retirement	UACJ Corporation	62.0%	73.0%	73.0%	Salaries of re-employed retirees were put on par with those for current employees, with a view to further promoting the active participation of older workers. Initiatives were also undertaken to hire workers over the age of 65.
 Human resources development	Attract and retain talent	Ensuring continuous inflows of talent to support the sustainable growth of the Group and its businesses	Ratio of newly hired employees (new graduates and mid-career) to the number of planned job offers	Domestic Group companies	83.1%	75.5%	80.0%	In addition to new graduate recruitment, efforts are being made to hire mid-career workers, referred workers, and former employees. Furthermore, from the perspective of acquiring diverse talent, a 20% target has been set for the percentage of hires made up by women.
	Develop human resources	Developing human resources to create new businesses	Cumulative number of employees leading efforts to develop new businesses since FY2021	Domestic and overseas Group companies	13	17	Over 20	UACJ established an independent, dedicated department to drive the planning, development, and execution of new ventures. It also implemented an internal venture program to actively support employees' efforts in taking on the challenge of business development.
		Developing personnel with a group-wide and global perspective	Number of managerial-level personnel transfers between business divisions and Group companies	Domestic Group companies	11	8	20 (cumulative total since FY2024)	To strategically and systematically develop talent with a group-wide and global perspective, UACJ has facilitated transfers between business divisions and Group companies through open recruitment systems and job rotations.
			Number of personnel dispatched from Japan to workplaces in other countries through the international training program	Domestic Group companies	0	1	Two per fiscal year	From the perspective of strategically and systematically developing talent with a group-wide and global perspective, UACJ has been dispatching employees from Japan to other countries through its international training program. Revisions to the program are also under consideration.
		Rebuilding human resources development systems for all employees, including reskilling programs	Number of participants in job-tiered training programs	Domestic Group companies	946	1,121	1,000 per fiscal year	UACJ established a manufacturing academy in April 2025 to develop employee's capabilities and enhance and transfer skills in line with its human resources strategies. It has also reviewed its reskilling and career development programs.
 Workplace improvements	Improve remuneration and benefits programs	Rebuilding an appealing personnel system that attracts job candidates	Average score (from one to five) of employee engagement survey questions about the attractiveness of personnel systems, evaluations, and remuneration	Domestic Group companies	2.93	2.93	3.00	The highest-ever wage increase was made in fiscal 2025, surpassing the previous record set in fiscal 2024. Additionally, as approximately ten years have passed since the establishment of its current personnel system, UACJ is giving consideration to revising it into a more flexible system capable of accommodating diverse approaches to work.
	Promote health and productivity management	Establishing a safe and secure workplace environment	Composite score of the Japanese government's annual health and productivity management survey	UACJ Corporation	62.8	64.0	61.0	Based on the UACJ Group Health and Productivity Management Policy announced in fiscal 2021, measures have been taken to promote employee health awareness, prevent lifestyle-related diseases, address mental health issues, help employees quit smoking, and combat excessive workloads.

Notes:

* Results and targets could reach 200%.

** The employee engagement survey utilizes a survey tool from an external organization. A higher score on a five-point scale indicates a more positive response.

Human Resources Strategies

Close Up

Organizing the “MONOZUKURI Academy” to promote talent development that embodies the UACJ Way

The UACJ Group has designated the “MONOZUKURI Academy” as a place for passing down the skills and techniques of the manufacturing workplace, and has been fostering manufacturing talent. In April 2025, we have developed the “MONOZUKURI Academy” into an organization and systematized our training and education programs. The new academy has created a founding credo and set the goal of developing human resources that exemplify the UACJ Way and contribute to society's sustainability and prosperity.

Besides providing specialized technical training, the manufacturing academy is offering new specialized staff training, general education, and job-tiered training programs. By establishing programs for passing down and acquiring specialized skills, the Group will offer even more value to its employees.

In addition, through “U-KI”^{*1} activities, we aim to build a highly engaged workplace that solve problems through teamwork.

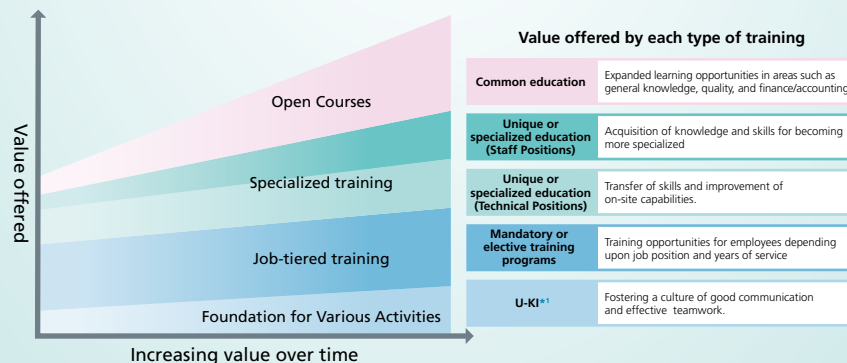
^{*1} U-KI : UACJ-Knowledge Intensive Staff Innovation

Founding credo

Practicing “Manufacturing is People Development” to realize the UACJ Group Philosophy

We inherit the “skills” and “techniques” of our predecessors, take on new challenges, and create a professional group of manufacturing experts. We continuously nurture human resources and support the growth of both individuals and organizations.

Offering more value to employees

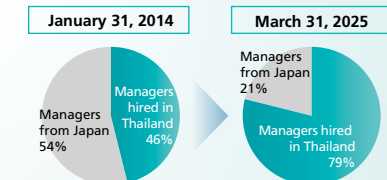


Close Up

Stepping up training of local personnel to independently manage operations in Thailand

UACJ (Thailand) Co., Ltd., began operating Rayong Works in 2014 as Southeast Asia's sole integrated aluminum products factory. Because a great deal of expertise is needed to manage such a factory, UACJ dispatched personnel from Japan to provide support in the lead up to the start of operations. In recent years, however, UACJ has been training personnel originally hired in Thailand to manage Rayong Works so that it will be able to operate independently in the future. The training includes UACJ's program for developing knowledge-intensive staff and sparking innovation, which aims to foster good working relations and resilient workplaces that can deal with challenges. A manager formerly in charge of production at Logan Mill, operated by Tri-Arrows Aluminum in the United States, was also invited in April 2025 to lead team building exercises aimed at improving the factory's collective capabilities. Thanks to these efforts, among all managers at Rayong Works, the percentage of those hired in Thailand increased from 46% in January 2014 to 79% in March 2025. Moreover, UACJ (Thailand) appointed its first Thai national as an executive officer in April 2025. These results show how the company is making steady progress toward independent operations.

Percentage of managers hired in Thailand



Vichit Chantavee
Vice Factory Manager &
Executive Officer
UACJ (Thailand) Co., Ltd.

Local staff will drive future growth

Our shift from Japan-led management to local leadership is vital for sustainable growth. By developing local talent, UACJ (Thailand) will ensure long-term autonomy, cost efficiency, and strong regional integration, which are key to thriving in Southeast Asia's competitive market and globally.

Human Resources Strategies

Close Up

Employees identify more with the Group's management vision and philosophy thanks to meetings with management

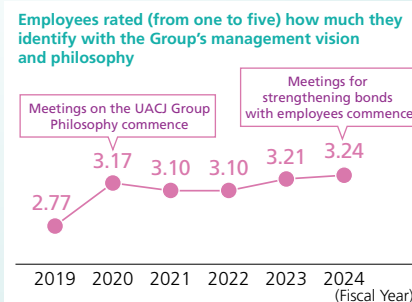
Following the renewal of the UACJ Group Philosophy in 2020, the Group has been holding meetings between managers and employees to increase awareness of the philosophy, improve employee engagement, and promote the UACJ Way as a set of guidelines for conduct. Between April 2020 and March 2025, the meetings were held 1,440 times with 8,373 employees participating. By engaging in frank discussions about the philosophy and the UACJ Way in the meetings, the participants have been fostering a corporate culture rooted in the philosophy. In fiscal 2024, President Shinji Tanaka began holding meetings aimed at strengthening bonds with employees in various regions. The purpose of the meetings is to have employees learn more about aluminum, which is essential for executing strategies, through their discussions with the president, and strengthen bonds with each other, which facilitates workflows. Between April 2024 and March 2025, these meetings were held 28 times with a total of 139 participants.

Thanks to their discussions with management in these meetings, employees increasingly identify with the Group's management vision and philosophy, as indicated by the results of employee engagement surveys.



Members of UACJ Metal Components Corporation's factory in Hiroshima met with President Shinji Tanaka (the third from the left) in a meeting for strengthening bonds with employees

Average scores among respondents in an employee engagement survey



Message from an Outside Director

The newly created UACJ People Statement as well as the UACJ Human Capital Management Framework, presented for the first time in this report, represent the Group's renewed approach to human capital and human capital management. The report clearly expresses this approach and successfully links it to the UACJ Group Sustainability Compass, its current framework for well-being, as well as to the UACJ Well Wave, its new concept of well-being. Not only the Japanese version, but also the English version of this report are well-written.



Makiko Akabane
Independent Outside Director

When promoting the new statement and approach to capital management group-wide, I would like to suggest that the Group's management emphasize teamwork and leadership, because that will help steer the Group towards its goals going forward. In my experience, leadership provides a basis for cultivating mutual trust among team members. Mutual trust then serves as the foundation of an organization's culture and sense of belonging among its members, and that, in turn, leads to enhanced individual performance. Thus, emphasizing teamwork and leadership has a major impact on employees and organizations.

When management was considering the new statement and capital management framework, I offered advice from my standpoint as an independent outside director, referring to global indices while emphasizing the importance of narrowing the gap between objectives and current circumstances. Investors, in particular, expect quantitative data for human capital. I highlighted ISO 30414 as the most widely recognized international standard for human capital reporting, one that provides a formula for calculating return on investment in human capital among its indicators of productivity. I believe that using such international standards to comparatively evaluate UACJ's performance will contribute to further improvements.

To successfully implement its human resources strategies, UACJ is working to raise the productivity of its office workers. I expect it will make further progress in the future by introducing more digital technologies as well as AI. I also hope it will improve the productivity of its factories by setting up systems grounded on workplace safety.

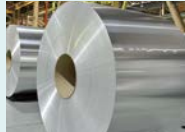
I believe that the Group can accelerate its growth by creating a long-term vision for the next 50 years and empowering the human resources it will need to achieve that vision. As a member of the Board of Directors, I intend to closely monitor the progress of the Group's human capital management.

Review of Operations

Increasing sales volume and business profit by maximizing world-leading supply capacity to capture robust demand

The UACJ Group has been meeting global demand for aluminum products, which is on the rise thanks to aluminum's excellent recyclability, light weight, and other benefits, while making coordinated efforts to maximize the use of all its available capital in response to market needs. Furthermore, the Group is targeting growth markets by expanding its businesses and executing necessary capital investments.

While UACJ does not divide its operations into separate reportable segments for financial disclosure, information on each of the UACJ Group's four main businesses (organized by product category) is presented below.

	Percentage of total revenue in FY2024*	Products	Applications
Flat Rolled Products Business ▶ See page 54	87.0% ¥845.8 billion	 Thin sheet coils  Thick and ultra-thick plates  Foil	 Beverage cans  Automotive parts  Semiconductor manufacturing equipment  Lithium-ion batteries
Extrusion & Metal Components Business ▶ See page 56	7.3% ¥70.9 billion	 Large aluminum tanks  Honeycomb panels	 Motorcycle parts  Train station platform doors
Automotive Parts Business ▶ See page 57	4.3% ¥41.5 billion	 Bumpers  Sunroof guide rails	 Automotive parts
Aerospace and Defense Materials Business ▶ See page 58	1.4% ¥13.7 billion	 Large-scale forged rings for satellites	 Aircraft parts  Rocket parts Photograph ©JAXA

* Calculated by excluding ¥26.9 billion in revenue from other product categories not included in the table from ¥998.8 billion in consolidated revenue for fiscal year 2024.

Keizo Hashimoto

Executive Vice President,
Chief Executive of the Flat Rolled
Products Division



Flat Rolled Products Business

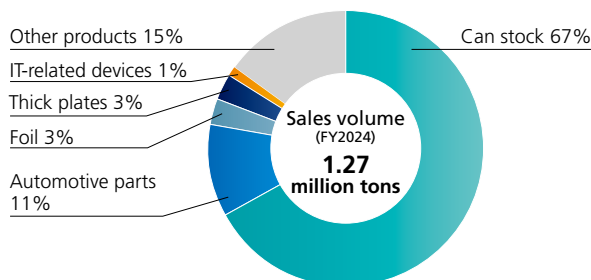
Business overview

The flat rolled products business manufactures and sells flat rolled aluminum products around the world through its manufacturing network based in Japan, the United States, and Thailand. Leveraging a solid customer base and advanced technological and manufacturing capabilities, the business responds to growing demand for flat rolled aluminum by offering a comprehensive portfolio that covers a wide range of products and regions while creating synergies with other businesses. The Group's sales volume for fiscal 2024 reached 1.27 million tons—the second largest in the world—with can stock for aluminum cans making up about 67% of the total.

Market outlook

Global demand for can stock, the Group's mainstay product, is expected to grow steadily at a compound annual rate of about 3%. In North America, the Group's largest market, aluminum cans are increasingly used as beverage containers amid a shift away from plastic. In Europe, rising energy prices are driving a shift from glass bottles to aluminum cans. In emerging economies such as Southeast Asia and India,

Breakdown of sales volume by product type



Aiming for business growth by capturing growing demand for flat rolled aluminum and meeting the need to reduce environmental impact

demand for aluminum cans is growing significantly due to population growth and rising living standards.

Beyond can stock, demand for aluminum body panels in the automotive market is expected to grow over the medium and long terms, driven by the need for reductions in vehicle weight. Furthermore, demand for thick plates is expected to rebound in line with a recovery of the semiconductor manufacturing equipment market, and demand for air conditioner compressor fins is also projected to rise.

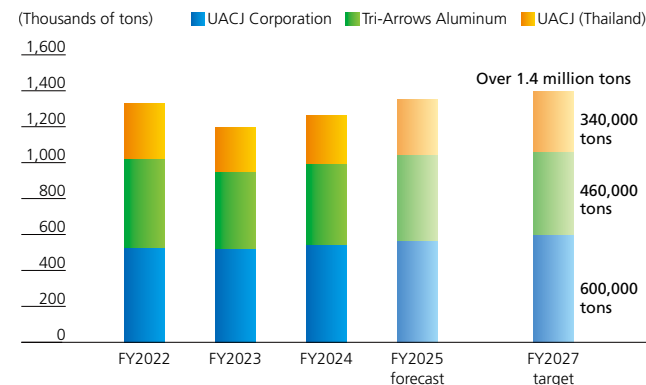
Results and challenges

Under its current mid-term management plan, UACJ is pursuing various initiatives based on the basic policies of increasing both sales volume and product quality, shifting from basic products to solutions, and optimizing its three-country manufacturing network, with a view to improving profitability and asset efficiency while adding more value to products.

To increase sales volume and product quality, UACJ established a new sales and technical service company in Germany to capture Europe's robust demand for can stock while also targeting the Middle East and Africa. Additionally,

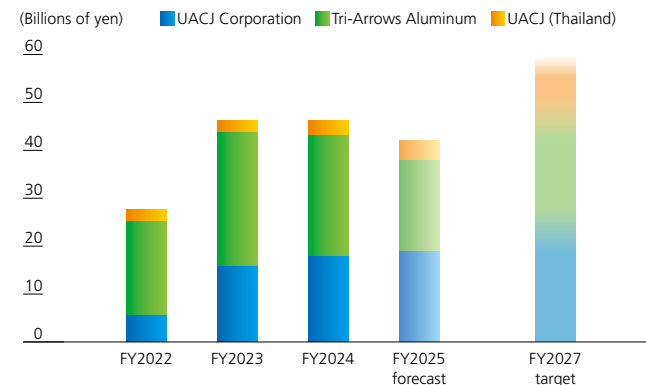
the Company decided to install equipment for manufacturing quenched thick plates at its Fukaya Works to meet anticipated global demand growth in the aerospace, defense materials, and semiconductor manufacturing equipment markets. With operations scheduled to commence in the second half of fiscal

Sales volume by group company**



** Excluding sales within the UACJ Group

Business profit by group company



Demand for can stock by region

(Millions of tons)

	2021	2031	CAGR
Global	6.9	8.9	3%
Japan	0.4	0.35	-1%
North America	2.15	2.9	3%
Asia* and Oceania	0.75	1.1	4%
India, Middle East, and Africa	0.45	0.75	5%
Europe	1.15	1.6	3%

* Excluding Japan, China, India, and the Middle East
Source: Research by UACJ

Review of Operations: Flat Rolled Products Business

year 2027, this new manufacturing equipment will roughly double production capacity of quenched thick plates. The higher output of high-value-added quenched materials is expected to significantly contribute to the Group's overall profitability.

To shift from basic products to solutions, UACJ will work to convert environmental value into economic value. Specifically, it will further create added value by using more recycled materials and procuring green aluminum produced using renewable energy sources in order to reduce environmental impacts. It will also expand its lineups of environmentally friendly products while working to promote and increase awareness of this environmental value.

To optimize the three-country manufacturing network, UACJ and UACJ (Thailand) have been taking steps to improve the compatibility of their can stock, automotive heat exchanger materials, and air conditioner compressor fins. UACJ (Thailand) has also been making preparations for the production and sale of aluminum foil. Furthermore, the Group has been expanding

production capacity of can stock in the United States and Thailand in order to meet robust global demand.

Reflecting the factors above and its efforts to capitalize on rising global demand for can stock, the Group posted an increase in sales volume in fiscal 2024 compared with the previous year. Business profit remained largely on par with the previous fiscal year despite rising costs for raw materials.

Approach going forward

The Group will carry out various initiatives in fiscal 2025 and beyond. In Japan, it will focus on expanding capacity for quenched thick plates, improving profitability through portfolio and pricing optimization, and boosting sales by strengthening exports of can stock to Europe. In the United States, it will boost rolling capacity and recycling processing capacity to meet robust demand, aiming for further sales growth. In Thailand, it will increase production capacity to increase sales in regions with growing demand, such

as Australia and India, while simultaneously improving profitability through appropriate pricing.

In addition to these efforts, the Group will add even more value by expanding its lineup of environmentally friendly products and improving recycling rates in an effort to reduce environmental impacts.

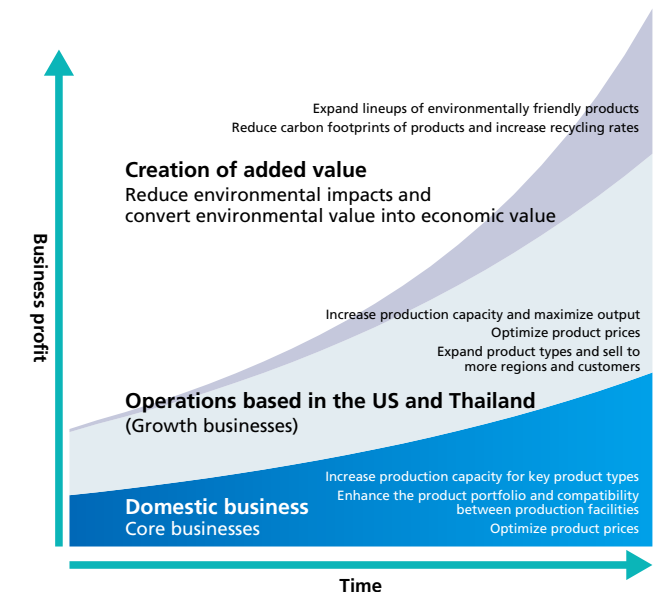
Meanwhile, the Group will address rising costs, including surging prices of recycled materials and increased expenses due to inflation, by periodically revising product prices, promoting sales of high-value-added products, and capitalizing on higher production output to improve efficiency.

Through these initiatives, by fiscal 2027, the final year of the current medium-term management plan, the Group's flat rolled products business will aim to achieve sales volume of over 1.40 million tons and business profit of over ¥60 billion.

Meeting growing demand for rolled aluminum

	UACJ	Tri-Arrows Aluminum	UACJ (Thailand)
Increased production	- Expansion of can stock sales to European market - Decision to introduce equipment for thick plate quenching (operational in 2027)	Upgrade of hot rolling and cold rolling facilities, increasing production capacity from 410,000 to 460,000 tons (to 2026)	- Establishment of a production system to increase capacity from 320,000 to 360,000 tons (2030) - Preparations for start of production and sales of foil (batteries)
Reduced environmental impact	- Operation of Sidwell melting furnace for scrap melting (2025) - A manufacturer jointly established by UACJ and Yamaichi Metal Corporation will start processing used beverage cans (from 2026)	- Establishment of a joint venture for dross processing in collaboration with a U.S. secondary alloy manufacturer (2024) - Expansion of the UBC shredding line (2026)	Operation of Sidwell melting furnace for scrap melting (2024)
Sales policies	- Portfolio optimization - Price optimization - Elimination of unprofitable product types - Improvement of transaction terms - Expansion of sales in Europe	- Expansion of sales channels - Securing sales volume through long-term contracts	- Price optimization - Portfolio optimization - Expansion of sales in Australia, Middle East, India, and Africa

Approach to increasing business profit



Extrusion & Metal Components Business

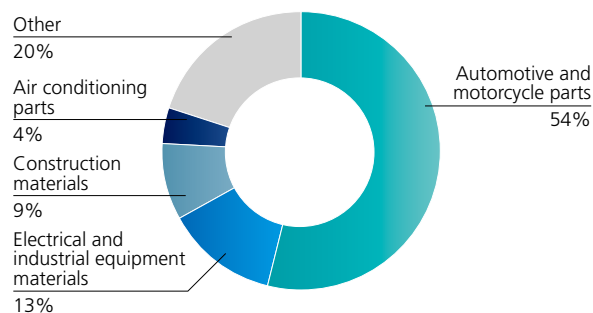
Business overview

This business handles products a variety of products, including extruded pipes and rods, as well as machined products manufactured using various elemental machining technologies. The business is particularly strong in thermal management products for the automotive sector, with sales of automobile and motorcycle parts accounting for more than half of revenue.

Market outlook

The Group recognizes that the growing need for products with added value through material processing, such as extruded products, will bring new business opportunities. For example, with the growth of generative AI, demand for processed aluminum products for data center server enclosures is increasing. Furthermore, with the demand for lightweight materials for automotive and mobility applications, there is an ongoing shift toward aluminum for various components.

Breakdown of revenue by products in FY2024



Combining expertise in materials and processing to add even more value to products

Results, challenges, and approach going forward

This business is working to add more value to products by combining its expertise in materials and processing. The processing of extruded materials enhances their added value, and the adoption of these materials is increasing in infrastructure construction markets, which are experiencing rising demand for safety equipment and new construction equipment, such as train station platform doors and bridge inspection scaffolding.

The Group has begun to produce results in these new markets, particularly with respect to disaster response equipment, such as by selling entranceway flood barriers. It will continue to develop products tailored for market needs with the goal of generating earnings.

This business operates through a network of 11 manufacturing facilities in Japan and six in other countries, and optimizes production by making the most effective use of these facilities. By manufacturing at locations closer to customers, the Group is shortening lead times, improving technical services, and reducing logistics costs and CO₂ emissions. In addition, the Group's manufacturing facilities in and outside Japan are working to secure customer orders in the air conditioning markets of emerging countries.

Major policies

- Leverage expertise in materials and processing to add even more value to products
- Increase sales of thermal management products to the automotive industry, where the Group has a competitive advantage
- Strengthen international collaboration with manufacturing facilities in Southeast Asia and other regions
- Contribute to the environment by promoting recycling and using green raw materials

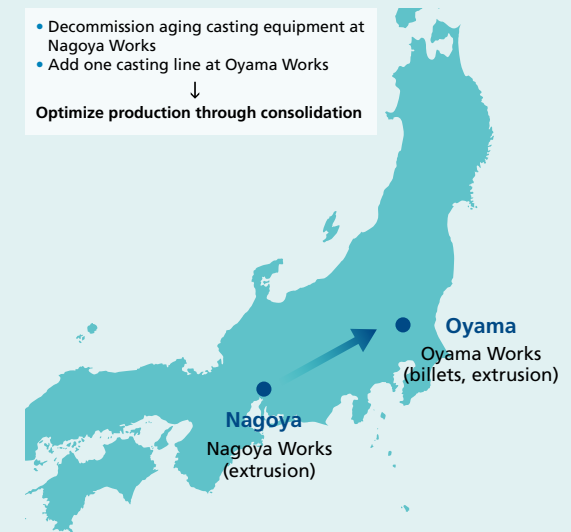
Highlights

Optimizing the billet supply system

UACJ has been carrying out billet casting, an upstream extrusion process, at Oyama Works and Nagoya Works. However, it will decommission aging casting equipment at Nagoya Works and install an additional casting line at the Oyama Works, with operations scheduled to begin in 2026. Consolidating operations at Oyama Works is expected to yield cost benefits through production optimization and improved recyclability. It will also promote labor savings and quality enhancement through the introduction of state-of-the-art equipment.

Consolidate billet casting at Oyama Works

- Decommission aging casting equipment at Nagoya Works
 - Add one casting line at Oyama Works
- ↓
- Optimize production through consolidation





Automotive Parts Business

Business overview

This business handles automotive components such as aluminum bumpers, battery parts, and side frames. Its operations are mainly led by UACJ Automotive Whitehall Industries, Inc., in the United States, which UACJ acquired in 2016, along with UACJ in Japan and Dicastal UACJ Bolv Automotive Components Co., Ltd., (an affiliate under the equity method) in China.

Market outlook

Amidst the trend toward lighter vehicles and environmental measures, demand for aluminum components is increasing, particularly for electric vehicles (EVs) and hybrid vehicles (HVs) equipped with heavy batteries. This business mainly targets the North American market, which is expected to grow moderately overall. While the pace of EV adoption has slowed down, the shift from internal combustion engine

Aiming for growth by responding to the need for lighter automobiles and capturing demand in North America amid advances in vehicle electrification

vehicles to EVs is projected to continue over the long term amid growing environmental awareness.

Furthermore, the impact of US tariff policies has created new business opportunities for UACJ Automotive Whitehall Industries, Inc., the Group's main manufacturer in the United States.

Results and challenges

UACJ Automotive Whitehall has established itself as a Tier 1 supplier of North America's largest EV manufacturer, leveraging its ability to provide products as a one-stop service, from extrusion to processing. Sales for HVs have also increased in recent years, with steady growth over the past decade.

In fiscal 2024, while impacted by the slowing of growth in the North American EV market, the business maintained profitability through productivity improvements such as automation and labor savings, along with various cost-cutting measures.

The challenges facing the business include developing and selling new products and acquiring new customers. To address these challenges, the Group will work to improve its technological expertise and ability to offer solutions, such

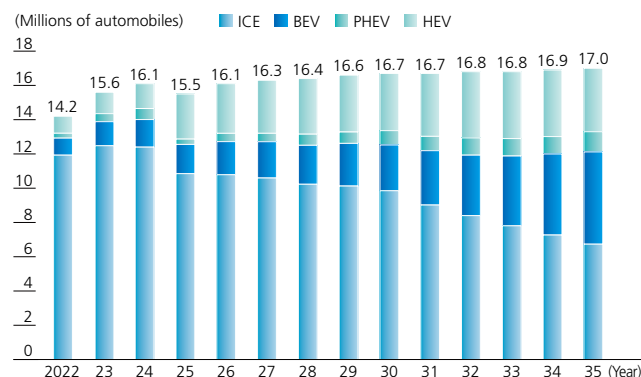
as by facilitating collaboration between UACJ Automotive Whitehall and the Mobility Technology Center, the business' global development hub.

Approach going forward

Over the medium to long term in the US, the need for lighter vehicles will increase amid expectations for the wider adoption of EVs. Therefore, the Group expects significant growth opportunities to open up for UACJ Automotive Whitehall.

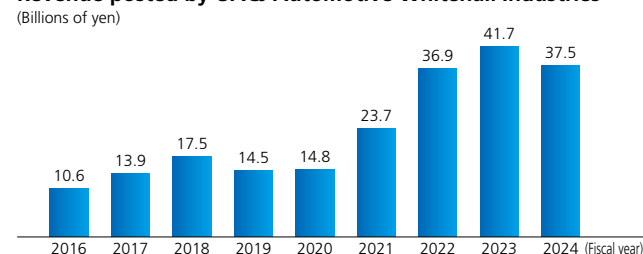
To achieve steady growth and improve profitability, the Group will focus on securing new orders from Japanese and North American original equipment manufacturers and selling higher-margin products, thereby improving its product mix. By making greater use of its production capacity, the Group will boost production volume and raise production efficiency. It will also work to increase profitability by improving quality and reducing costs through technological advancements, such as automation and machining.

Automobile production volume in North America*

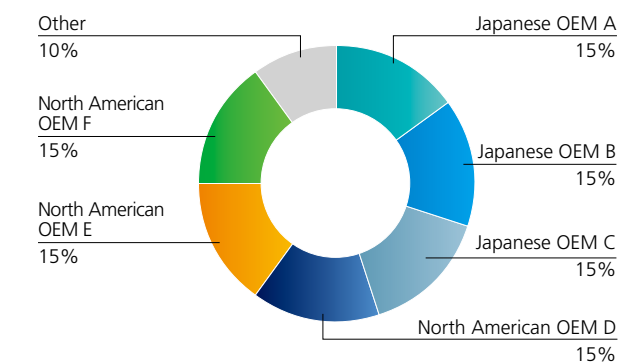


* Based on UACJ research, 2025 and beyond are predictions

Revenue posted by UACJ Automotive Whitehall Industries



Future customer composition target for UWH





Aerospace and Defense Materials Business

Business overview

This business provides four types of products for the aerospace and defense markets: forged products, flat rolled products, extruded products, and processed products. Established from the Group's former casting and forging business following its reorganization in October 2024, the new aerospace and defense materials business is a one-stop supplier of products to these markets, which are expected to experience strong growth.

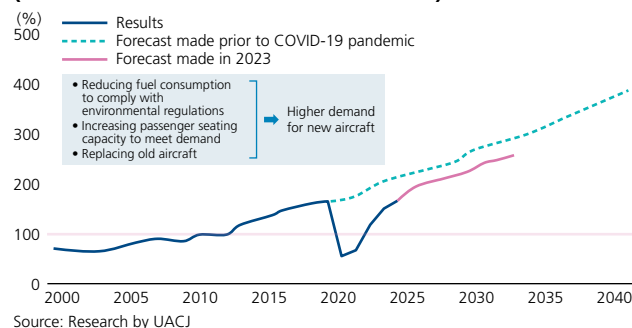
Market outlook

In the aviation market, demand for new aircraft is rising as airlines aim to accommodate more passengers, improve fuel efficiency, and increase seating capacity. Demand for aircraft parts and components is also rising as the two major aircraft manufacturers in Europe and the United States ramp up production.

In the aerospace market, the number of rocket launches in 2030 is expected to be four times higher than in 2020, driven by an increase in satellite launches associated with advances in information and communication technology.

In the defense sector, Japan has been increasing its

Aircraft passenger volume
(Result in 2010 set as index value of 100%)



Increasing production capacity to capture growing demand in the aerospace and defense markets

defense-related expenditures in response to geopolitical shifts and other factors. Its five-year plan from fiscal 2023 to 2027 totals ¥43 trillion, about 2.7 times higher than the previous five-year plan from fiscal 2019 to 2023. Consequently, demand for defense materials is expected to grow.

Results, challenges, and approach going forward

UACJ excels in the development and manufacturing of aluminum alloys, as well as the production of large-scale materials using Japan's largest forging equipment. Nevertheless, its production capacity of large-scale forged products and heat treatment facilities is smaller than that of its rivals in Europe and the United States. To address this, the Company is boosting production capacity of quenched thick plate in its flat rolled products business, and expanding machining, inspection, and assembly facilities in its forged products business. UACJ will promote sales of these products to customers in Japan by highlighting the advantages of switching from imports to domestically made products.

Likewise, the Group is aiming to supply more aircraft

components to North American aircraft manufacturers by working together with their domestically based prime suppliers to shift from the use of materials manufactured in North America. At the same time, the Group will promote its products to aircraft manufactures in Europe in an effort to enter new markets.

In the aerospace market, UACJ estimates that it has secured shares of between 60% and 70% for aluminum components, including fuel tank components for rockets produced in Japan. The Company will aim to boost sales further as the country increases its rocket launches in the future and shifts to domestically produced rockets. UACJ also plans to enter the domestic startup rocket market as well as rocket markets in other countries.

In the defense materials market, UACJ will respond to the need for higher performance and production capacity of defense equipment in Japan by integrating and increasing the scale of aluminum product manufacturing to lower costs and improve performance, while drawing its strengths as a Japanese manufacturer, particularly with respect to product quality and delivery reliability.

Through these efforts, the Company will work to increase sales to the aviation, aerospace, and defense materials markets to 2.3 times the level of fiscal 2024 by fiscal 2030.

Objectives for each business

Aircraft parts	• Increase market share of various aluminum parts for aircraft manufacturers in North America • Secure new agreements to supply various aluminum parts to aircraft manufacturers in Europe
Rocket parts	• Boost production in line with growing demand • Supply products needed for completely domestically made rockets • Offer products to rocket startup firms in Japan • Enter rocket markets outside Japan
Defense materials	• Increase production capacity and manufacturing scope in response to increased production and sophistication of defense equipment

Projected sales to the aerospace and defense materials markets (Result in FY2024 set as index value of 100%)

