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Progress on the Fourth Mid-Term Management Plan for the Flat Rolled Products Business

— Business Collaboration and Response to the Changing External Environment

Keizo Hashimoto

Executive Vice President

Chief Executive, Flat Rolled Products Division



Business Collaboration



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Strengthening Business Collaboration to Achieve the Fourth Mid-Term Management Plan

Addressing customers' diverse needs through cross-business collaboration

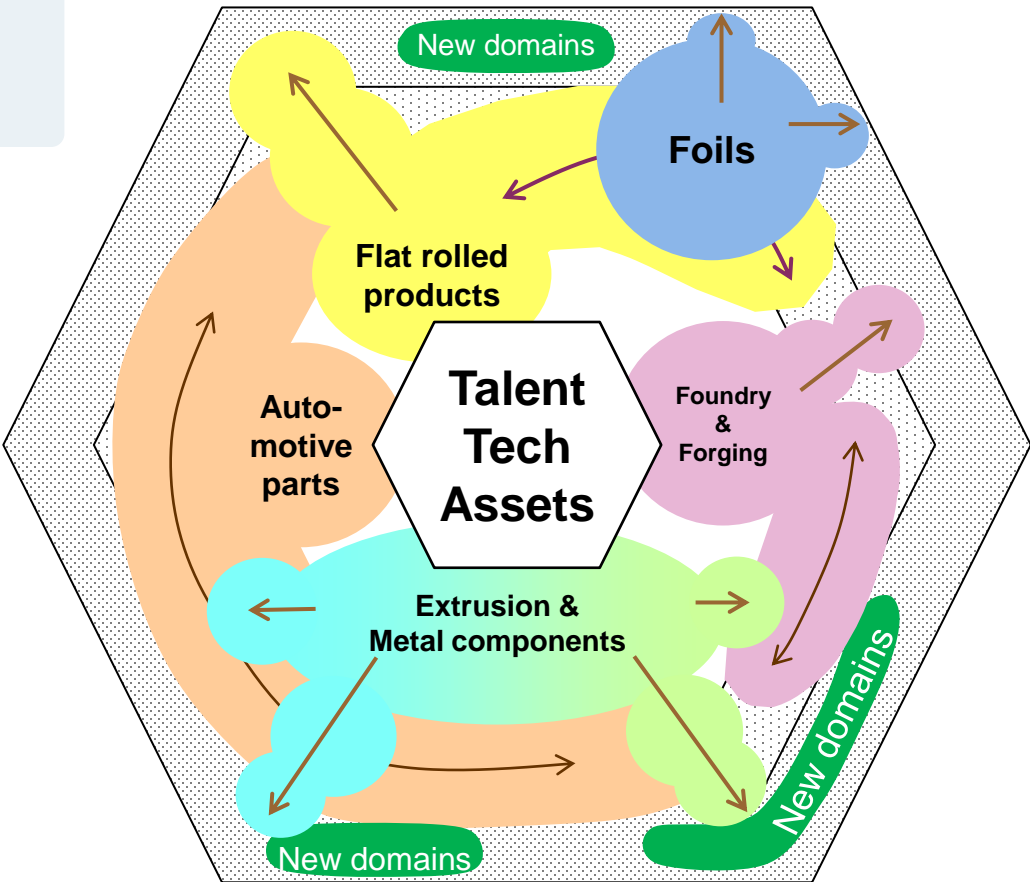
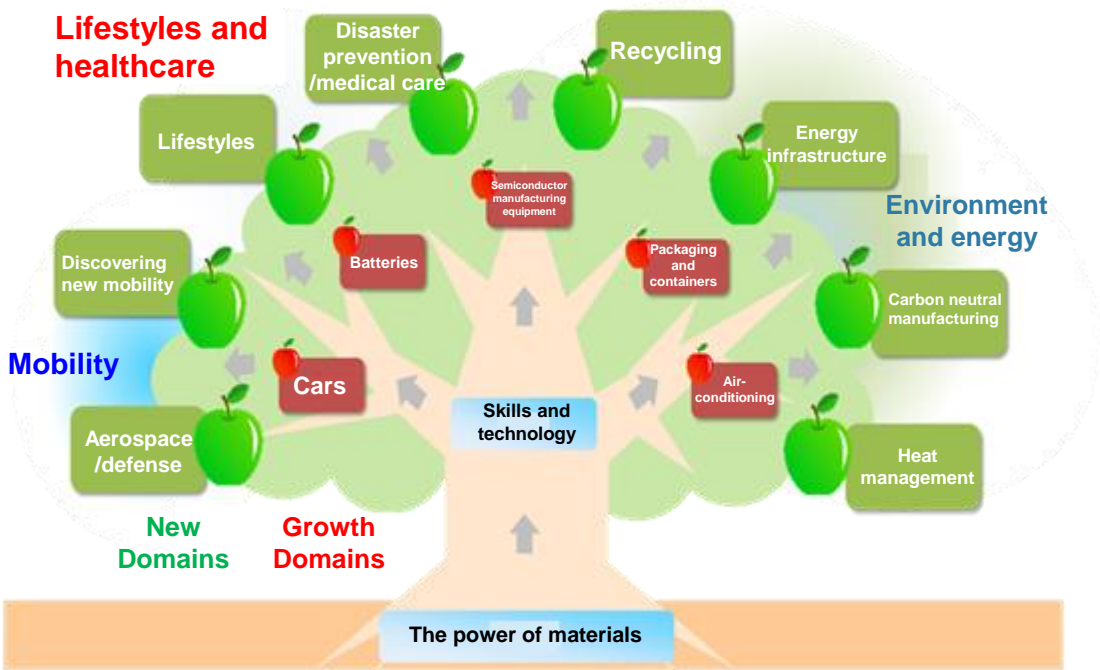
Fourth mid-term management plan: From a provider of materials to a value-adding materials company

- (1) Strategies for growth and added value

Maximize revenue and improve profitability through increased value creation
- (2) Fortifying operational resilience

Build our agile and flexible structure
- (3) Reinforcing business foundations

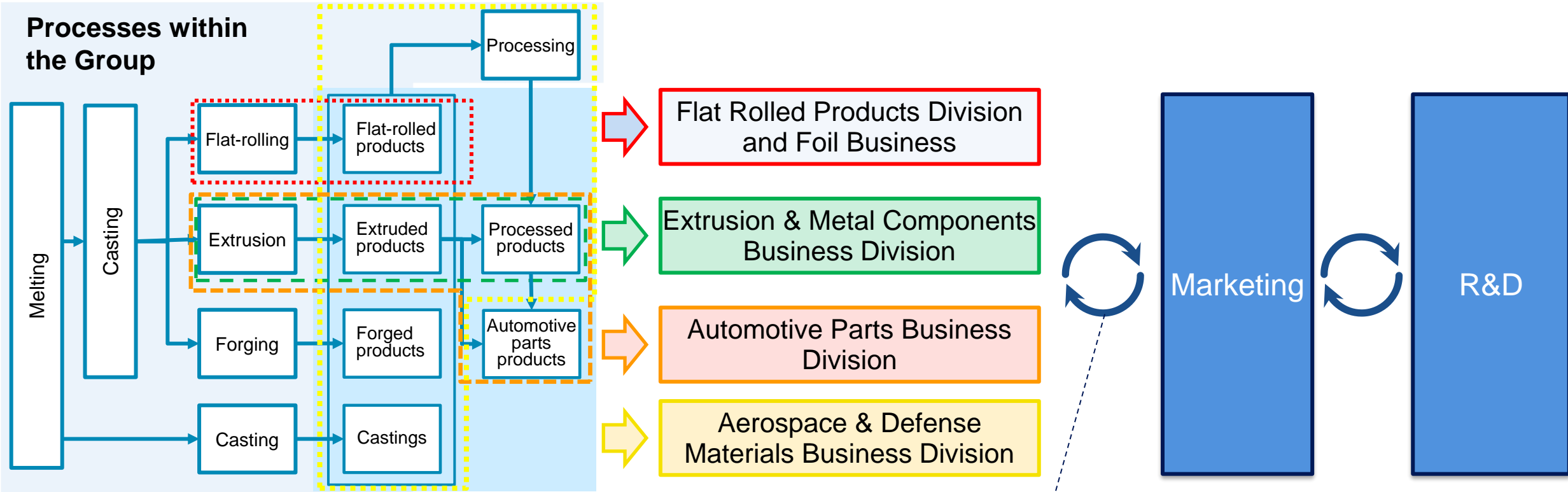
Strengthen foundations supporting value creation and stable business operations



 : Key activity areas in existing domains  : Key activity areas in new domains

A Pillar for Maximizing Our Collective Capabilities

Organically and maximally utilizing all Group-held capital
in accordance with market needs



Recyclability and design requirements

Building materials: 100% recycled aluminum shelves for MUJI, 100% recycled honeycomb panels, etc.

Requirements for recyclability, light weight, thermal conductivity, and support for global supply chains

Automotive: harnesses, interior components, etc.

Requirements for recyclability, light weight, and thermal conductivity

IT: data centers, etc.

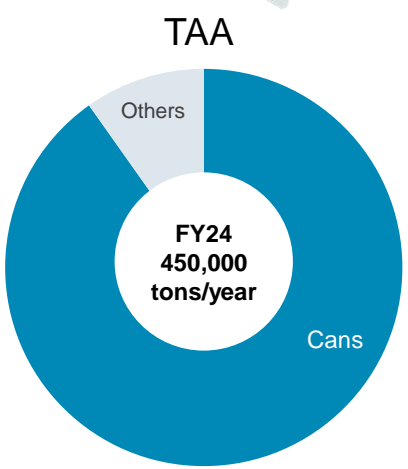
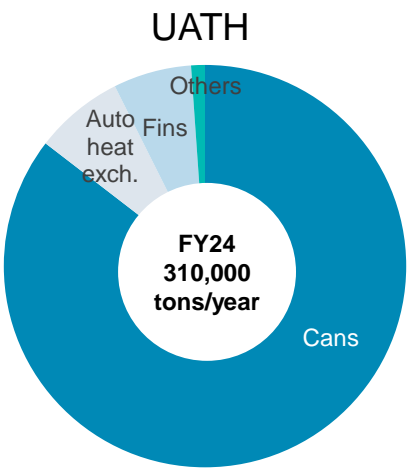
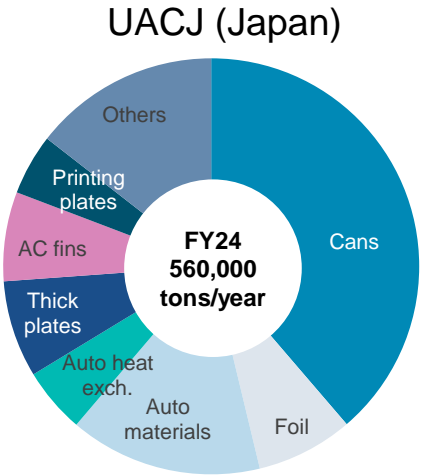
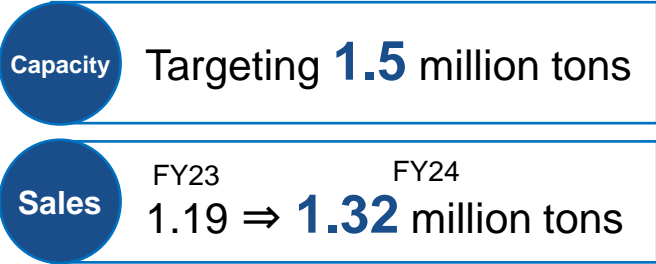
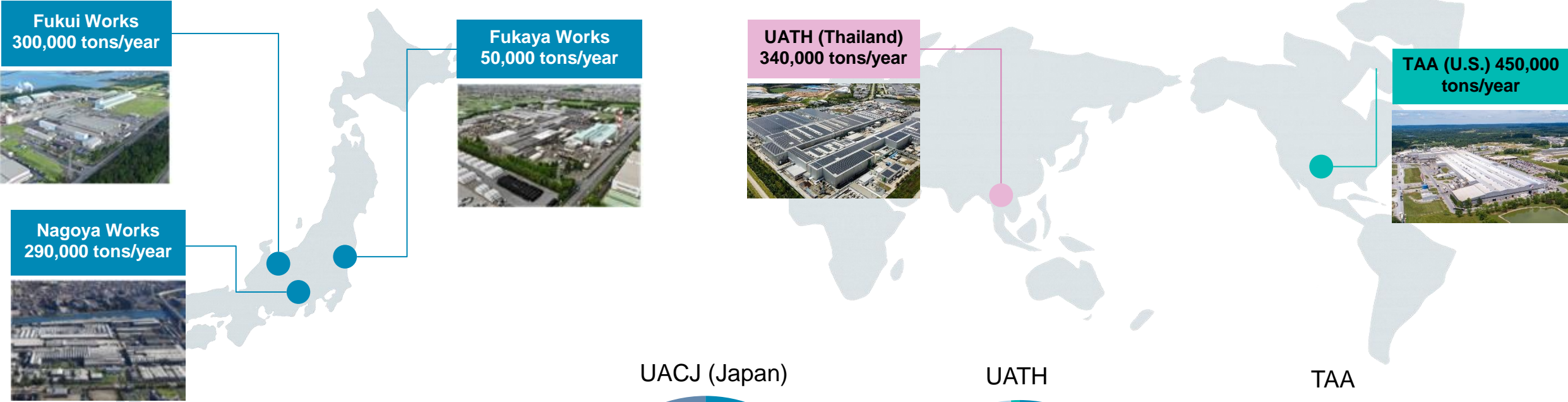
Flat Rolled Products Business



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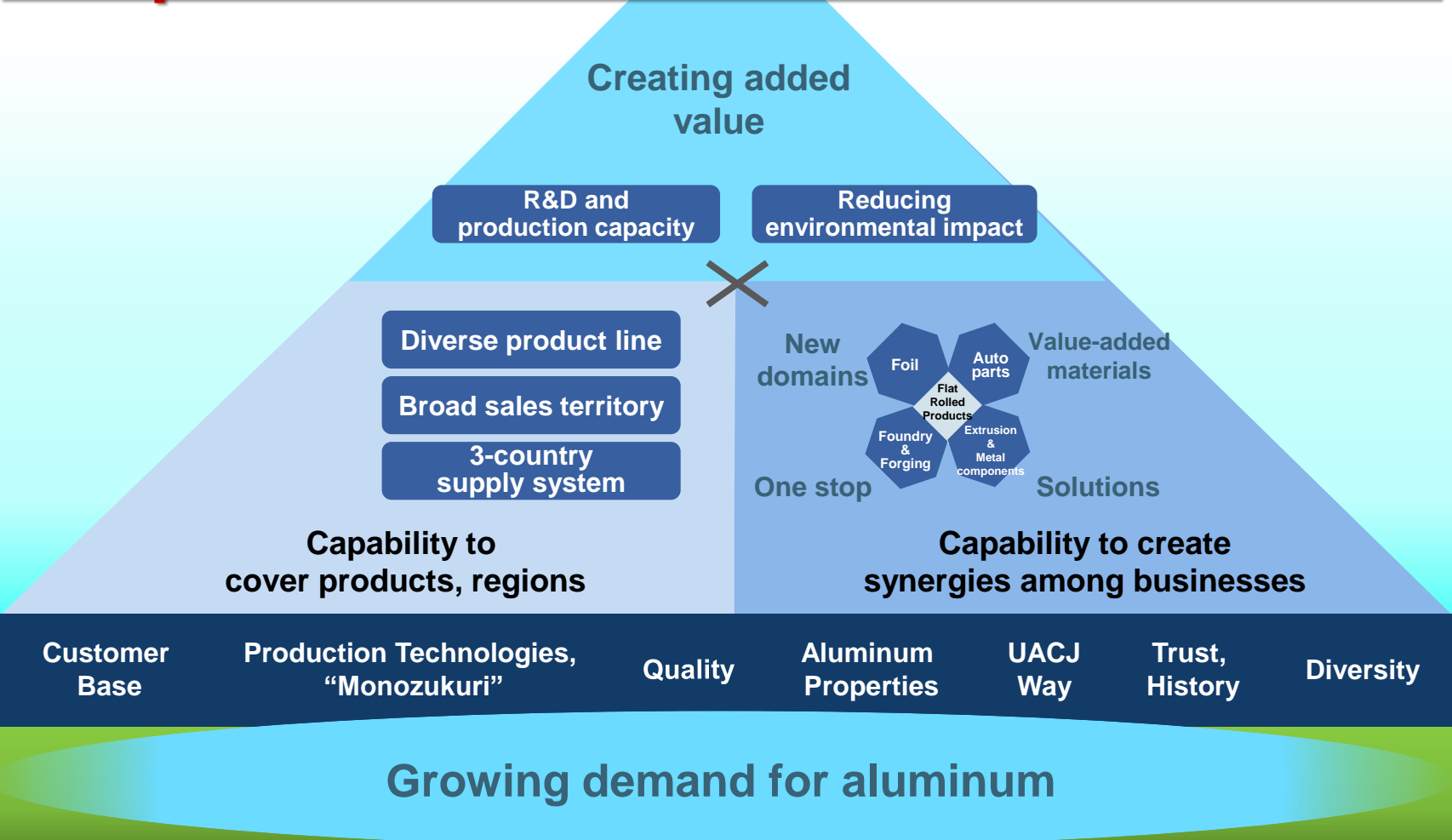
Main Production Bases in the Flat Rolled Products Business

The Flat Rolled Products Business pursues stability and growth through a 3-country supply system centered on Japan, Thailand, and the U.S.



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

World's No. 1 comprehensive aluminum sheet business



Progress of the Fourth Mid-Term Management Plan

1. Shift from quantity to quality


- Enhance profitability, asset efficiency
 - Optimize the sales portfolio
 - Select and expand sales areas
 - Strengthen new development
- Ensure production can respond agilely to changing demand in key segments

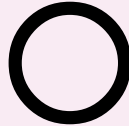
2. Shift from goods to services

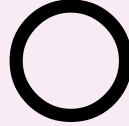
- Providing solutions to environmental issues
- CO₂ reduction and horizontal recycling
- ALmitas+ SMART Mass Balance

3. Evolution of the three-country supply system

- Provide stronger support to customers through the three-country supply network
- Expand UACJ product compatibility with Thailand and the U.S.

- 
- FY2024 results
 - Sales portfolio optimization underway
 - Established a new company in Germany to enhance sales capabilities and technical services
 - Decided to install equipment for thick plate quenching at Fukaya Works
Maximized the effects of equipment installation

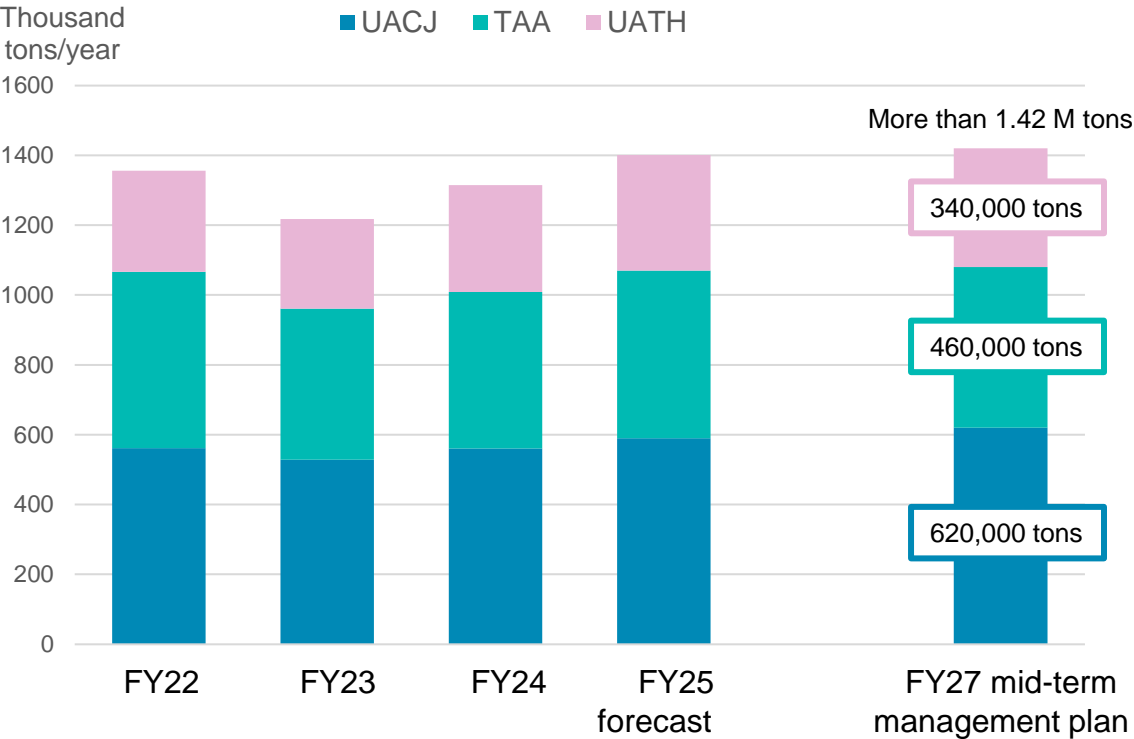
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- FY2024 results
 - Eco-friendly product sales expansion underway
 - Capital investment underway at Fukui, TAA, and UATH to expand use of recycled raw materials
 - UATH is building a regional closed-loop recycling system for can stock

- 
- FY2024 results
 - Compatibility enhancement between UACJ flat rolled products and UATH underway
 - UATH is preparing to produce and sell foil
 - Production capacity increases at TAA and UATH

Trends in Sales Volume and Business Profit in the Flat Rolled Products Business

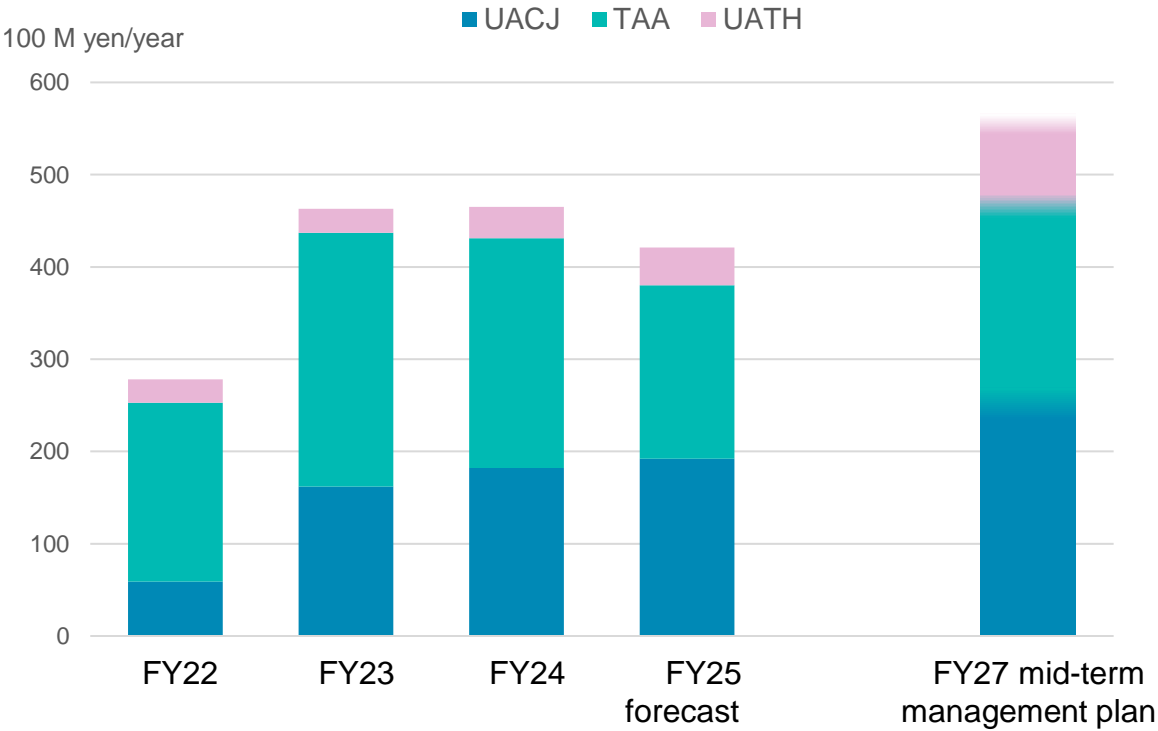
Amid firm demand, we are pursuing higher sales volume and business profit across the three-country structure of the Flat Rolled Products Business

Annual sales volume by site



FY2027: 1.42 M tons

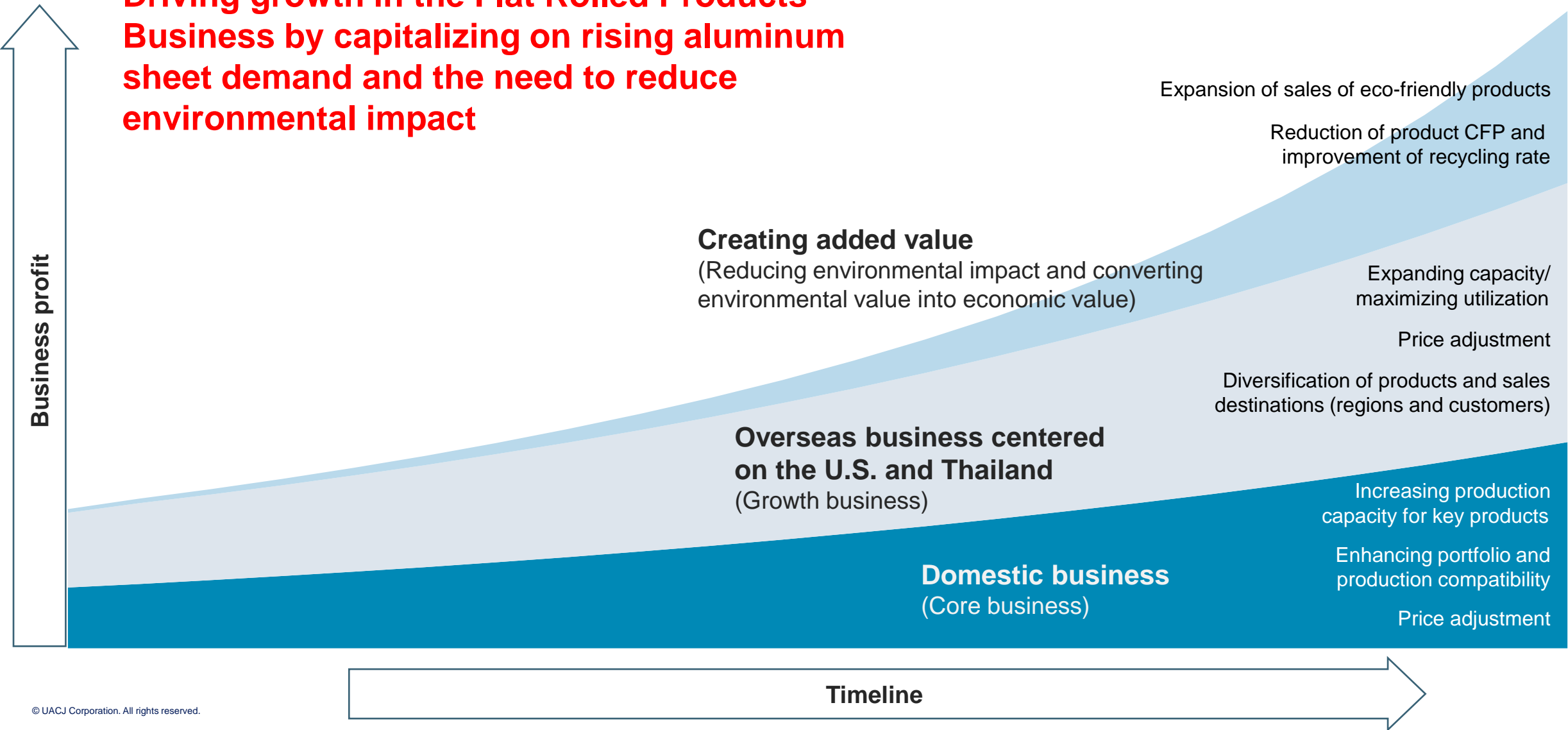
Annual business profit by site



FFY2027: 60 B yen+ (Flat Rolled Products total)

Growth Potential

Driving growth in the Flat Rolled Products Business by capitalizing on rising aluminum sheet demand and the need to reduce environmental impact



Initiatives to Meet Growing Aluminum Sheet Demand

	UACJ	UATH	TAA
Increase production	<ul style="list-style-type: none"> Expanding sales of can stock for Europe Decision made to <u>introduce equipment for producing quenched thick plates (to be operational in 2027)</u> 	<ul style="list-style-type: none"> Establishment of 320,000 → 360,000 production capacity system (by 2030) Preparing for production and sales of new foil for batteries 	<ul style="list-style-type: none"> Renovation of hot and cold rolling facilities to increase production capacity from 410,000 to 460,000 tons (by 2026)
Reduce environmental impact	<ul style="list-style-type: none"> New side-well melting furnace for scrap melting to begin operation (2025) Start of mass production of UBC processing, jointly established with Yamaichi Metal Corporation (2026) 	<ul style="list-style-type: none"> Start of operations for new side-well melting furnace for scrap (2024) 	<ul style="list-style-type: none"> Launched a joint venture for dross processing with a U.S. secondary alloy manufacturer (2024) Expansion of shredder line for UBC processing (2026)
Sales strategy	<ul style="list-style-type: none"> Portfolio optimization Price adjustment Elimination of unprofitable product varieties Improvement of trading conditions Expansion of European sales 	<ul style="list-style-type: none"> Price adjustment Portfolio optimization Expansion of sales in Australia, India, the Middle East, and Africa 	<ul style="list-style-type: none"> Expansion of sales destinations Securing sales volume through long-term contracts

Increase Production: Installation of Equipment for Producing Quenched Thick Plates

Doubling production capacity for quenched thick plates used in aerospace and defense and semiconductor manufacturing equipment

Installation of equipment for producing quenched thick plates at Fukaya Works

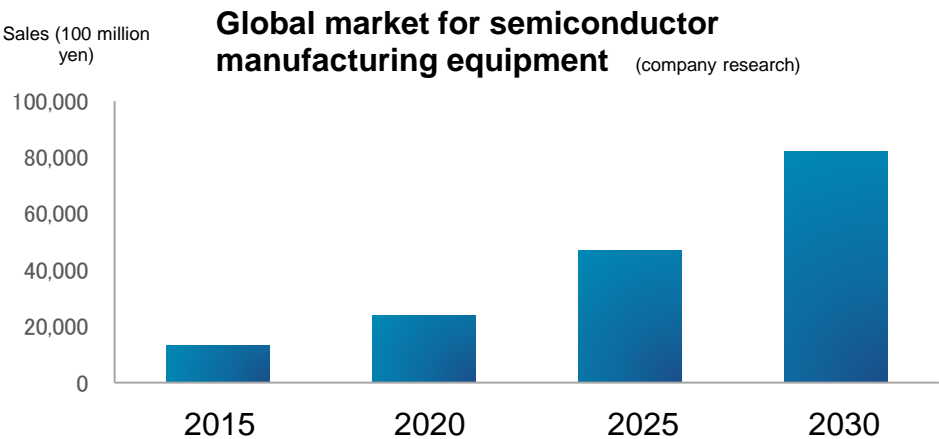
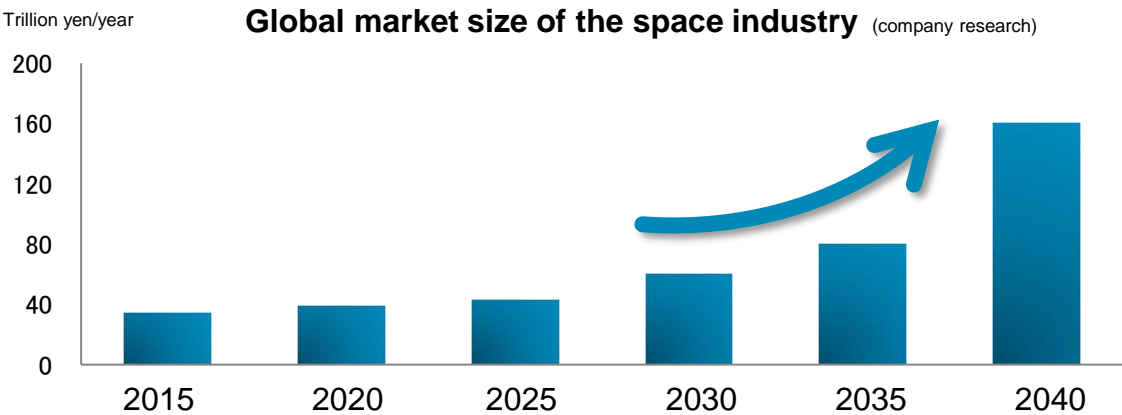
- ✓ Japan’s largest and most efficient equipment for higher quality products
- ✓ Enhancing overall capabilities as a specialized thick plate plant
- ✓ Aiming to replace imported materials and expand sales

Total investment: Approx. ¥11.0 billion

Operation start date: 2H FY2027

Production capacity: Approx. 10,000 tons/year

Areas of demand: Materials for aircraft, space, defense, semiconductor production equipment

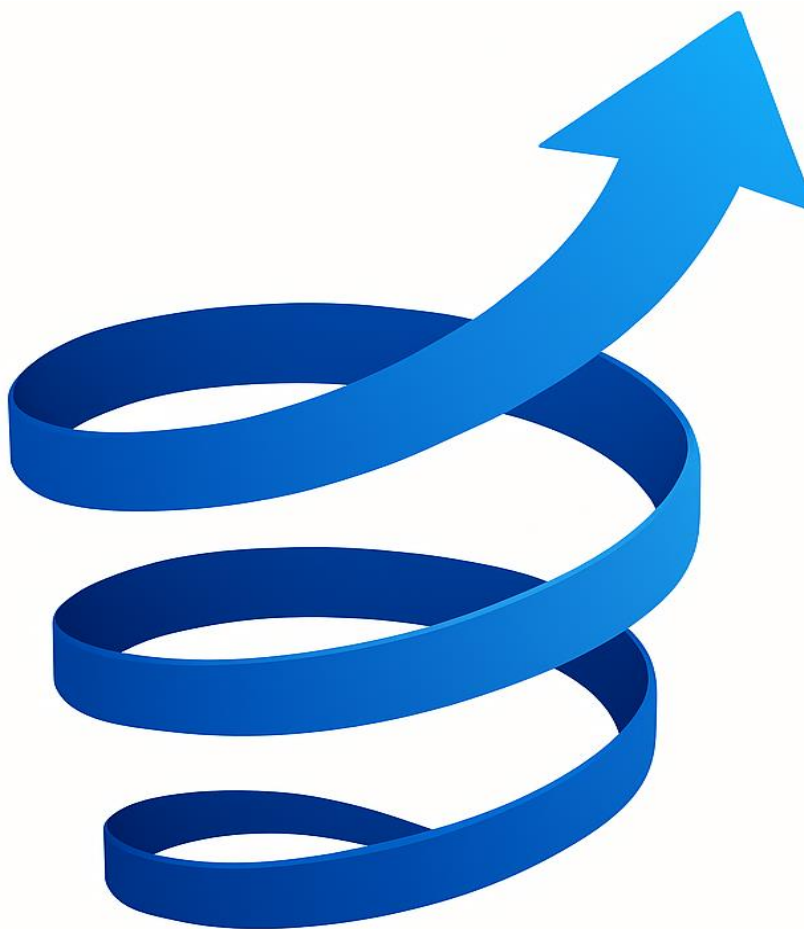


Contributing to the realization of a sustainable society

By helping customers reduce their environmental impact, we promote both the reduction of environmental impact and the conversion of environmental value into economic value

Reducing environmental impact

- Procurement of green virgin aluminum
- Recycling-related capital investment
- Procurement of recycled raw materials
- Development of alloys using recycled raw materials
- Procurement of renewable energy



Converting environmental value into economic value

- Visualization of environmental value
- Expansion of environmentally friendly products
- Acquisition of third-party certification
- Promoting environmental value

Products with Reduced Environmental Impact

Release date		Field	Details
2022	Mar	-	Obtained certification from the Aluminium Stewardship Initiative
	Aug	Cans	World's first 100% recycled cans manufactured in collaboration with Suntory and Toyo Seikan Group Holdings
2023	Apr	Automotive parts	Started offering UACJ SMART Mass Balance, an aluminum sheet material made with green raw materials
	Oct	Building materials	Delivered aluminum shelf tops made from UACJ's 100% recycled materials to MUJI Shinjuku Yasukuni Dori
	Dec	Cans	Jointly developed the beverage can lid EcoEnd™ with Toyo Seikan
2024	Mar	Cans	Established a supply chain for horizontal aluminum can recycling with Sumitomo Realty & Development and Toyo Seikan
	Apr	Building materials	Environmentally friendly aluminum material ALmitas+ SMART adopted for art panels by Sekisui Jushi Plametal Corporation
2025	Apr	Thick plates	Launched ALmitas+ FusPlate SMART, Japan's first thick plate made from 100% recycled raw materials

In addition to fields where products with reduced environmental impact are already in use, further adoption is being considered in home appliances, IT devices (PCs and smartphones), cosmetic cases, etc.

Addressing Rising Costs

Rising costs

General cost increases

- Labor cost
- Secondary materials
- Logistics costs
- Facilities maintenance and update

Raw materials

- Virgin aluminum
- Additive metals
- Recycled raw materials

Energy

- Electricity
- Fuel

Responses

Price revisions

- Periodic price review
- Price revision at the time of long-term contract revision

Surcharge introduction

- Virgin aluminum
- Additive metals
- Energy
- Secondary materials
- Price index
- Ocean freight

Increase in added value

- Highly competitive products
- Aerospace & defense materials
- Eco-friendly products

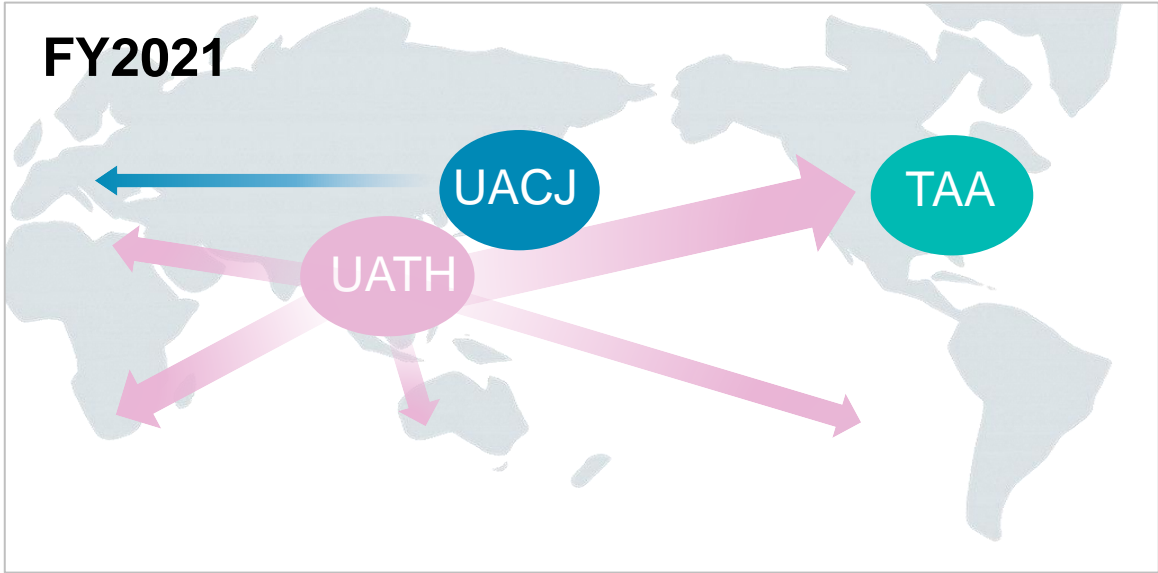
Production

- Improved work and utilization efficiency due to increased production volume, etc.

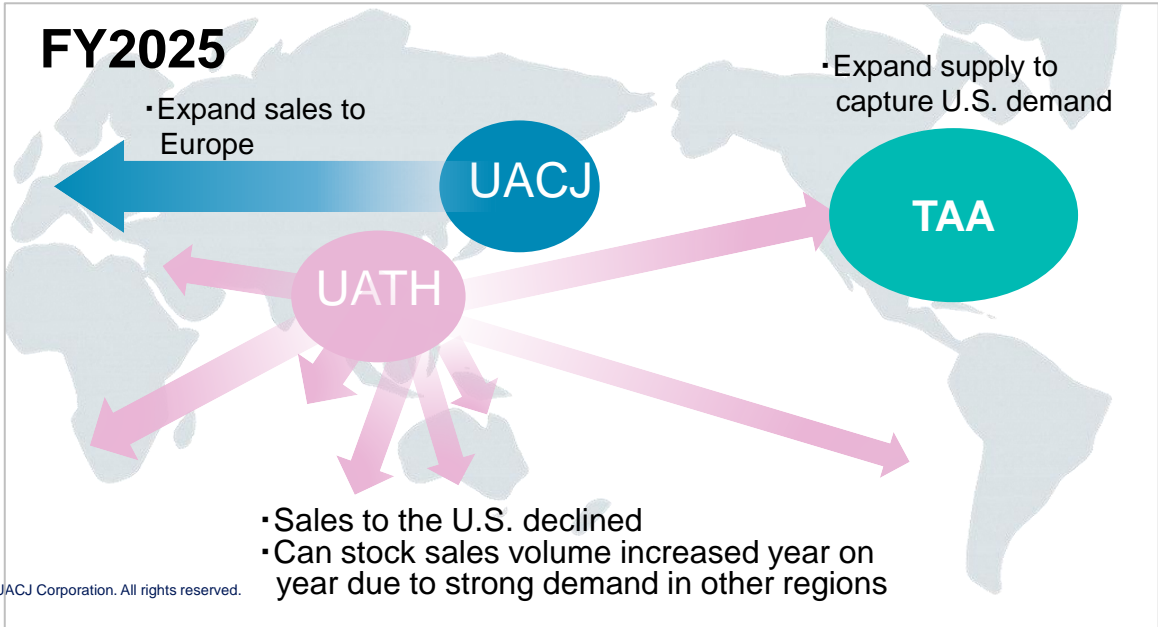
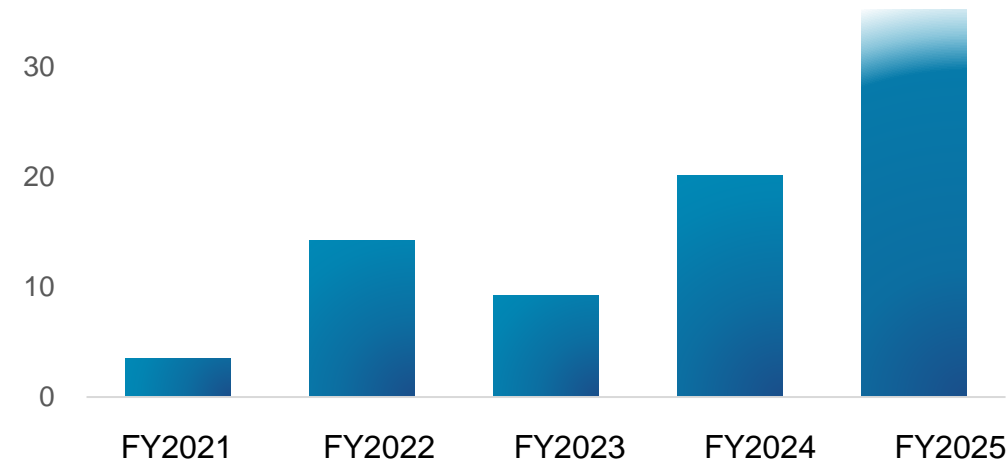
Additional U.S. Tariffs on Aluminum Products and Their Impact

Tariff	Field	Sales impact	Remarks
Additional 25% tariff on aluminum products (Section 232 of the Trade Expansion Act)	Can stock for export to the U.S.	Maintained in FY25 Decline from FY26	Due to the additional tariffs and elimination of the exemption system, sales of can stock exported from Thailand to the U.S. may decline starting in 2026
	Automotive materials for export to the U.S.	Maintained with some addition	Sales of automotive-related materials exported from Japan and Thailand to the U.S. are increasing due to the closure of a domestic supplier's plant in the U.S.
	Aluminum parts exported to the U.S. by Japanese customers	Maintained	Sales are unlikely to decline significantly in the short term, as many products have no alternative suppliers within the U.S.
Additional 25% tariff on automobiles and auto parts (Section 232 of the Trade Expansion Act)	Automotive materials sold to automotive manufacturers	Some impact	Sales of automotive-related materials may decline due to a decrease in the number of vehicles exported from Japan and other countries to the U.S.

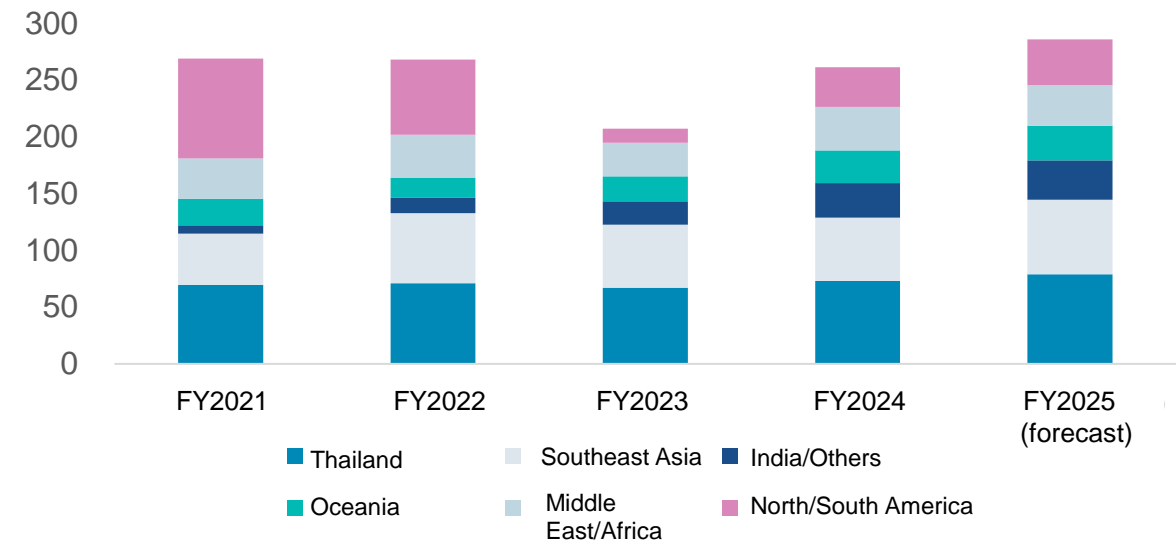
Changes in Can Stock Sales Regions



UACJ can stock sales trends in Europe (thousand tons)

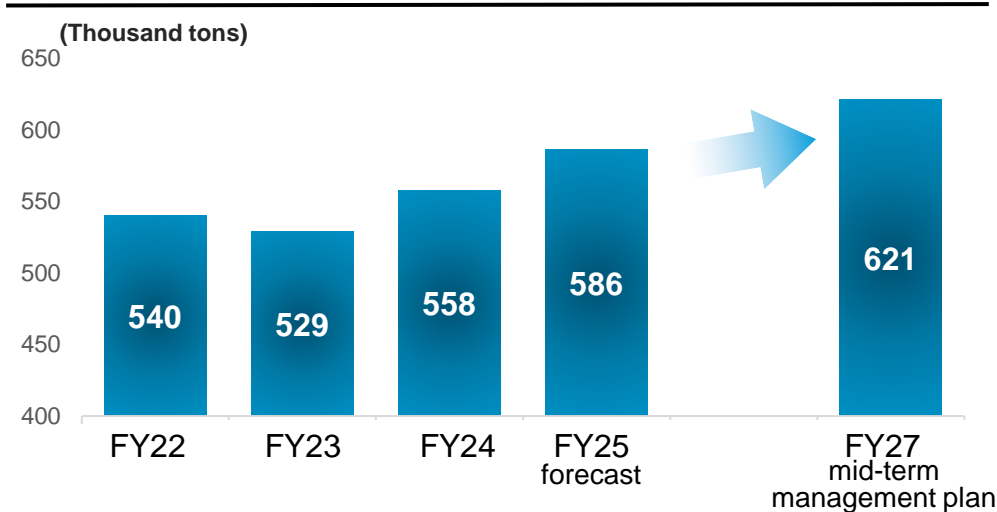


UATH can stock sales trends by region (thousand tons per year)

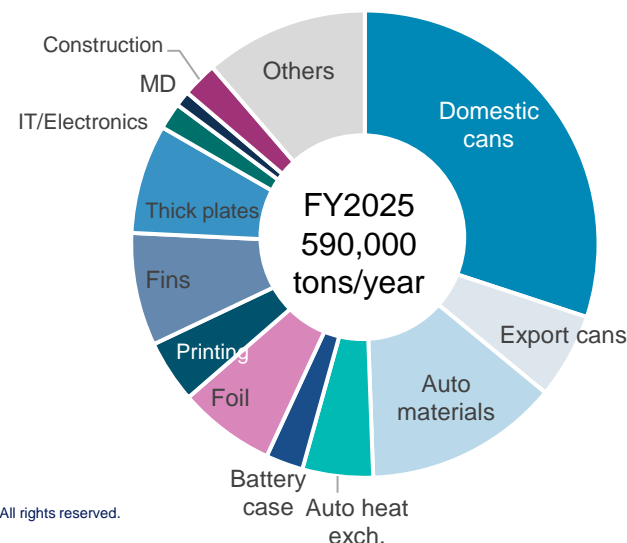


Domestic Flat Rolled Products Sales Plan

Sales volume (Domestic)



Sales mix by product type for FY2025



Product type		Strategy	Sales volume (FY2025)
Can stock		<ul style="list-style-type: none">• Create added value by promoting recycling and stimulating demand for cans• Capture strong European can stock demand	➡
Foil		<ul style="list-style-type: none">• Strengthen collaboration with customers and expand sales for batteries	➡
Automotive materials	Body panels	<ul style="list-style-type: none">• Aim to expand aluminum use• Improve added value by reducing environmental impact, etc.	➡
	Heat exchangers	<ul style="list-style-type: none">• Review product mix and strengthen recycling initiatives	➡
Thick plates		<ul style="list-style-type: none">• Capture recovering and expanding demand for semiconductor manufacturing equipment	➡
Other materials	AC fin materials, etc.	<ul style="list-style-type: none">• Review product mix and strengthen collaboration between bases in Japan and Thailand	➡



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