

Financial Results for the Term Ended March 2019

[According to Japanese Accounting Standards] (Consolidated)

May 14, 2019

Name of Listed Company UACJ Corporation
 Stock Exchange Listings Tokyo
 Code Number 5741 URL <http://www.uacj.co.jp/english/>
 Representative (Title) Member of the Board, President
 (Name) Miyuki Ishihara
 Contact Person (Title) General Manager, Finance and Accounting Dept.
 (Name) Goro Ueda Phone +81-3-6202-2600
 Scheduled Date for Ordinary General Meeting of Shareholders June 20, 2019
 Scheduled Date for Submitting Financial Statements June 20, 2019
 Scheduled Date of Dividend Distribution June 21, 2019
 Supplementary materials available on financial results: Yes
 Financial results briefing: Yes (For institutional investors, securities analysts)

Note: Figures have been rounded to the nearest million yen.

1. Consolidated Business Performance for the Term Ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated business performance (% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	¥million	%	¥million	%	¥million	%	¥million	%
March 31, 2019	661,330	5.9	14,868	(49.1)	6,201	(68.0)	1,116	(90.9)
March 31, 2018	624,270	9.8	29,205	12.9	19,408	(2.1)	12,253	40.6

(Note) Comprehensive income for the fiscal year ended March 31, 2019: (¥354) million (-%). For the fiscal year ended March 31, 2018: ¥13,243 million (66.1%)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income-total assets ratio	Operating income-sales ratio
Fiscal year ended	¥	¥	%	%	%
March 31, 2019	23.14	—	0.6	0.8	2.2
March 31, 2018	253.96	—	6.5	2.6	4.7

(Reference) Profit based on equity-method investment for the fiscal year ended March 31, 2019: (¥3,184) million. For the fiscal year ended March 31, 2018: (¥5,361) million

Note: The Company conducted a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Accordingly, net income per share is calculated as if the reverse stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of:	¥million	¥million	%	¥
March 31, 2019	807,224	206,204	23.7	3,959.58
March 31, 2018	774,071	208,396	25.1	4,026.28

(Reference) Shareholders' equity: ¥190,998 million as of March 31, 2019; ¥194,235 million as of March 31, 2018

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Outstanding balance of cash and cash equivalent as of the end of term
Fiscal year ended:	¥million	¥million	¥million	¥million
March 31, 2019	10,651	(34,947)	28,971	25,190
March 31, 2018	17,381	(51,853)	13,543	20,794

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (consolidated)	Net asset payout ratio (consolidated)
	1st quarter	2nd quarter	3rd quarter	Year-end	Total			
Year ended/ending:	¥	¥	¥	¥	¥	¥million	%	%
March 31, 2018	—	3.00	—	30.00	—	2,895	23.6	1.5
March 31, 2019	—	0.00	—	60.00	60.00	2,894	259.3	1.5
March 31, 2020 (Forecasts)	—	0.00	—	60.00	60.00		82.7	

(Note) The Company conducted a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Accordingly, the year-end dividend per share for the fiscal year ending March 31, 2018 is calculated after taking into consideration the impact of this reverse stock split. For this reason, a “—” symbol is contained in the column for total dividends for the year. Annual dividends per share, based on calculations following the stock split, were ¥60 for the year ended March 31, 2018, and are set to be ¥60 for the year ended March 31, 2019.

3. Forecast for Consolidated Business Performance in the Term Ending March 31, 2020
(from April 1, 2019 to March 31, 2020)

(Percentage figures represent changes from the corresponding periods of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥
Full year	710,000	7.4	17,500	17.7	11,000	77.4	3,500	213.5	72.56

(Note) As the Company manages its operating performance on an annual basis, we have discontinued the practice of announcing first-half forecasts of consolidated operating performance. For details, please refer to “1. Overview of business performance (1) Overview of business performance in year under review 2 Outlook” on page 3.

*Notes

(1) Changes in significant subsidiaries during the period (Changes in the scope of consolidation of specific subsidiaries): No

(2) Changes in accounting policies, changes in estimates, or restatements

- a. Changes in accounting policies owing to revisions in accounting standards: No
- b. Changes in accounting policies other than a. above: No
- c. Changes in accounting estimates: No
- d. Restatements: No

(3) Number of shares outstanding (common stock)

a. Number of shares issued at the end of the period (including treasury stock)

As of March 31, 2019 48,328,193 shares

As of March 31, 2018 48,328,193 shares

b. Number of shares of treasury stock at the end of the period

As of March 31, 2019 91,347 shares

As of March 31, 2018 86,440 shares

c. Average number of shares outstanding during the period (calculated cumulatively from the beginning of the fiscal year)

For the year ended March 31, 2019 48,239,460 shares

For the year ended March 31, 2018 48,249,442 shares

Note: The Company conducted a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Accordingly, average number of shares outstanding during the period is calculated as if the reverse stock split had been conducted at the beginning of the previous fiscal year.

(Reference) Summary of Non-Consolidated Business Performance

Non-Consolidated Business Performance for the Fiscal Year Ended March 31, 2019 (from April 1, 2018, to March 31, 2019)

(1) Non-consolidated business performance

(Percentage figures indicate year-on-year comparisons)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
March 31, 2019	265,935	(2.6)	4,959	(64.6)	9,508	(51.6)	9,061	(41.3)
March 31, 2018	272,970	5.4	14,001	6.4	19,650	26.0	15,443	42.1

	Net income per share	Fully diluted net income per share
	¥	¥
March 31, 2019	187.84	-
March 31, 2018	320.06	-

Note: The Company conducted a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Accordingly, net income per share is calculated as if the reverse stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal year ended:	¥million	¥million	%	¥
March 31, 2019	578,086	189,490	32.8	3,928.33
March 31, 2018	554,398	182,560	32.9	3,784.27

(Reference) Shareholders' equity: ¥189,490 million as of March 31, 2019; ¥182,560 million as of March 31, 2018

*These financial results are outside the scope of audit by certified public accountants or accounting auditors.

*Explanations pertaining to appropriate use of information concerning future forecasts

The operating results forecasts and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information available to the company at the time the results were announced. Actual performance may differ substantially from these projections due to fluctuations in the economy or a variety of other known and unknown factor.

For assumptions related to performance forecasts, please refer to the section on page 3 of the attached materials entitled "1. Overview of business performance, (1) Overview of business performance in year under review, 2 Outlook."

- List of attachments

1. Overview of business performance	2
(1) Overview of business performance in year under review	2
(2) Overview of financial condition in the year under review	3
2. Basic Perspective on Selection of Accounting Standards	3
3. Consolidated Financial Statements and important notes	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Comprehensive Income . .	6
Consolidated Statements of Income	6
Consolidated Statements of Comprehensive Income	7
(3) Consolidated Statements of Changes in Shareholders' Equity	8
(4) Consolidated Statements of Cash Flows	10
(5) Notes to the Consolidated Financial Statements	11
(Notes on the Assumption of a Going Concern)	11
(Changes in presentation method)	11
(Additional Information)	11
(Segment Information)	11
(Per-Share Information)	14
(Subsequent Events)	14

1. Overview of business performance

(1) Overview of business performance in year under review

1 Business performance in the year under review

During the fiscal year ended March 31, 2019, the worldwide economy was robust, centered on the United States. The tone turned bearish in the second half, however, as the Chinese economy decelerated and performance in the IT and semiconductor sectors worsened due to the impact of trade friction between the United States and China.

In Japan, modest growth continued in both the corporate and household sectors, but the outlook remained opaque due the impact of global economic deceleration.

In this environment, net sales for the UACJ Group were up 5.9% year on year, to ¥661,330 million, helped by the performance at consolidated subsidiaries: Tri-Arrows Aluminum Inc. benefited from higher sales of can stock and aluminum for automotive panels, and UACJ (Thailand) Co., Ltd. benefited from higher sales of can stock and an increase in primary ingot prices. However, profits were affected by worsening inventory valuations and a significant drop in demand for our mainstay products, IT materials and thick plate (used in ships, and for liquid-crystal and semiconductor production equipment). Also, the Company was affected temporarily by equipment failure and a rise in energy costs. As a result, operating income fell 49.1%, to ¥14,868 million, and ordinary income dropped 68.0%, to ¥6,201 million. Net income attributable to owners of the parent declined 90.9%, to ¥1,116 million. Although we recorded a gain due to the sale of our stake in Constellium-UACJ ABS LLC, an equity-method affiliate, net income in the current year was down following a substantial decrease in corporate taxes paid by US subsidiaries in the previous fiscal year due to revisions of the country's tax code.

Information by segment is provided below.

Flat Rolled Products Business

In the flat-rolled products business, within sheet materials, demand for aluminum for beverage cans was down overall year on year. The decline was due in part to a drop in beer-related beverages and an increase in beverages packaged in PET bottles. Automotive demand, meanwhile, remained robust. However, overall sheet product sales volume was down year on year due to lower demand for use in ships and liquid-crystal and semiconductor production equipment. In extruded products, demand for construction materials was favorable, but overall sales volume for extruded products declined due to lower demand for use in vehicles (buses and trucks, passenger cars and motorcycles).

The Group's domestic sales volume was down year on year for sheet materials, with particular declines in IT materials and thick plate, while sales volume for extruded products was essentially flat. However, the UACJ Group's sales volume for rolled aluminum products rose year on year due to a rise in overseas sales volume. Supporting this sales volume was higher demand for can stock and aluminum materials for automotive panels from Tri-Arrows Aluminum Inc. and an increase in orders for can stock from UACJ (Thailand) Co., Ltd.

As a result of these sales conditions, sales in the rolled aluminum products business grew 6.6% year on year, to ¥530,690 million, benefiting from higher sales volume and rise in primary ingot prices. Operating income fell 42.6% year on year, to ¥17,011 million, affected by a sharp decline in demand for our mainstay products, IT materials and thick plate for liquid-crystal and semiconductor production equipment. Also, the Company was affected temporarily by a rise in energy costs and equipment failure, a temporary factor.

Wrought Copper Products Business

In the wrought copper industry, the Group's sales volume of copper pipes was up year on year due to favorable domestic shipments of household room air conditioners and commercial package air conditioners—the principal uses of these pipes. Performance was weak in comparison with the previous year, when primary copper ingot prices increased.

In this environment, sales in the wrought copper products business rose 4.1% during the year under review, to ¥47,490 million. Operating income fell 16.2%, to ¥1,738 million, as worsening inventory valuations and higher energy costs offset improvements in the product mix.

Precision-Machined Components and Related Businesses

Although IT-related sales declined, sales of battery materials and air conditioning parts were favorable. Also, primary ingot prices increased, leading to a 6.8% year-on-year rise in sales in the precision-machined components and related businesses, to ¥197,106 million. Operating income, meanwhile, fell 27.1%, to ¥3,107 million, as profitability worsened due to falling IT-related sales and cost increases associated with launching a new precision-machine components business in the United States.

2 Outlook

Looking ahead to the fiscal year ending March 31, 2020, on the sales front we anticipate an increase in sales of can stock from consolidated subsidiaries Tri-Arrows Aluminum Inc. and UACJ (Thailand) Co., Ltd. As factors affecting profit, we expect profit based on equity-method investment to improve due to the dissolution of the joint venture Constellium-UACJ ABS LLC. We also believe favorable sales and cost reductions will have a positive impact. At the same time, however, we expect inventory valuations to worsen and energy costs to rise.

For the fiscal year, we forecast net sales of ¥710,000 million (up 7.4% year on year), operating income of ¥17,500 million (up 17.7%), ordinary income of ¥11,000 million (up 77.4%), and net income attributable to owners of the parent of ¥3,500 million (up 213.5%).

The above-stated forecasts of business results are forward-looking statements, which are rationally determined based on information available to the company at the time the results were announced. Actual performance may differ substantially from these projections due to fluctuations in the economy or a variety of other known and unknown factor.

(2) Overview of financial condition in the year under review

1 Status of Assets, Liabilities and Equity

Total assets were ¥807,224 million as of March 31, 2019, up 4.3% from a year earlier, mainly as a result of higher accounts receivable and capital expenditures.

Total liabilities amounted to ¥601,020 million, up 6.2%, owing chiefly to a rise in interest-bearing debt associated with strategic investments in Tri-Arrows Aluminum Inc. and UACJ (Thailand) Co., Ltd.

Net assets came to ¥206,204 million, down 1.1%, stemming from a decrease in foreign currency translation adjustments.

2 Cash Flows

Cash and cash equivalents stood at ¥25,190 million on March 31, 2019, up ¥4,395 million from their level on year earlier.

(1) Net cash provided by (used in) operating activities

Net cash provided by operating activities amounted to ¥10,651 million, down ¥6,730 million from the previous year, attributable mostly to lower income before income taxes.

(2) Net cash provided by (used in) investing activities

Net cash used in investing activities was ¥34,947 million, ¥16,906 million less than in the previous year, mainly due to the dissolution of Constellium-UACJ ABS LLC, and the sale of our stake.

(3) Net cash provided by (used in) financing activities

Net cash provided by financing activities amounted to ¥28,971 million, up ¥15,427 million year on year, due mainly to financing through loans payable.

2. Basic Perspective on Selection of Accounting Standards

The UACJ Group employs Japanese accounting standards to facilitate comparison between business periods and companies.

However, the Company intends to consider the adoption of International Financial Reporting Standards (IFRS), taking into account conditions in Japan and overseas.

3. Consolidated Financial Statements and important notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (as of March 31, 2018)	Current fiscal year (as of March 31, 2019)
Assets		
Current assets		
Cash and deposits	22,005	26,510
Notes and accounts receivable-trade	135,181	145,217
Merchandise and finished goods	39,412	38,243
Work in process	60,439	62,300
Raw materials and supplies	45,261	54,567
Other	20,193	21,528
Allowance for doubtful accounts	(30)	(73)
Total current assets	322,461	348,291
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	68,941	70,977
Machinery, equipment and vehicles, net	108,600	117,002
Land	115,730	114,920
Construction in progress	33,848	50,790
Other, net	7,973	9,039
Total property, plant and equipment	335,092	362,728
Intangible assets		
Goodwill	46,435	43,156
Other	14,268	12,835
Total intangible assets	60,703	55,991
Investments and other assets		
Investment securities	26,577	21,384
Retirement benefit assets	483	487
Other	28,826	18,415
Allowance for doubtful accounts	(71)	(72)
Total investments and other assets	55,816	40,214
Total noncurrent assets	451,610	458,933
Total assets	774,071	807,224

(Millions of yen)

	Previous fiscal year (as of March 31, 2018)	Current fiscal year (as of March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	121,335	122,535
Short-term loans payable	61,777	61,601
Current portion of bonds	2,500	—
Current portion of long-term loans payable	50,643	45,579
Other	36,893	43,555
Total current liabilities	273,148	273,269
Noncurrent liabilities		
Long-term loans payable	227,417	267,901
Lease obligations	17,616	17,481
Provision for restructuring	854	318
Retirement benefit obligations	18,465	18,192
Other	28,175	23,860
Total noncurrent liabilities	292,527	327,751
Total liabilities	565,675	601,020
Net assets		
Shareholders' equity		
Capital stock	52,277	52,277
Capital surplus	80,318	80,318
Retained earnings	51,841	51,337
Treasury stock	(295)	(307)
Total shareholders' equity	184,141	183,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,383	1,670
Deferred gains or losses on hedges	(806)	(1,203)
Foreign currency translation adjustment	8,359	6,950
Cumulative adjustments related to retirement benefits	158	(44)
Total accumulated other comprehensive income	10,094	7,373
Non-controlling interests	14,161	15,206
Total net assets	208,396	206,204
Total liabilities and net assets	774,071	807,224

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net sales	624,270	661,330
Cost of sales	540,150	588,956
Gross profit	84,120	72,375
Selling, general and administrative expenses	54,915	57,506
Operating income	29,205	14,868
Non-operating income		
Gain on valuation of derivative	—	857
Interest income	941	853
Dividend income	431	444
Other	1,479	1,424
Total non-operating income	2,851	3,578
Non-operating expenses		
Interest expenses	5,213	6,740
Share of loss of entities accounted for using equity method	5,361	3,184
Other	2,075	2,321
Total non-operating expenses	12,649	12,246
Ordinary income	19,408	6,201
Extraordinary income		
Gain on transfer of equity	—	2,591
Gain on sale of investment securities	826	1,636
Gain on sale of noncurrent assets	512	918
Other	424	395
Total extraordinary income	1,762	5,539
Extraordinary loss		
Loss on retirement of noncurrent assets	841	826
Fire loss	—	374
Loss on sale of noncurrent assets	8	223
Other	628	276
Total extraordinary losses	1,478	1,700
Income before income taxes	19,692	10,041
Income taxes-current	7,138	6,337
Income taxes-deferred	(733)	1,756
Total income taxes	6,405	8,093
Net income	13,287	1,948
Net income attributable to non-controlling interests	1,034	832
Net income attributable to owners of the parent	12,253	1,116

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net income	13,287	1,948
Other comprehensive income		
Valuation difference on available-for-sale securities	(211)	(716)
Deferred gains (losses) on hedges	(170)	(586)
Foreign currency translation adjustment	213	124
Adjustments to retirement benefits	221	(446)
Share of other comprehensive income of entities accounted for using equity method	(97)	(678)
Total other comprehensive income	(44)	(2,302)
Comprehensive income	13,243	(354)
(Attributable to)		
Owners of the parent	13,171	(1,604)
Non-controlling interests	72	1,251

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous fiscal year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	52,277	80,318	42,252	(241)	174,605
Changes of items during the period					
Dividends from surplus			(2,895)		(2,895)
Net income attributable to owners of the parent			12,253		12,253
Purchase of treasury stock				(54)	(54)
Change in scope of application of equity method					—
Reclassification from accumulated other comprehensive income			231		231
Changes (net) during the year to items other than shareholders' equity					
Total changes of items during the period	—	—	9,589	(54)	9,536
Balance at the end of period	52,277	80,318	51,841	(295)	184,141

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Cumulative adjustments related to retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	2,592	(661)	6,851	703	9,485	14,270	198,360
Changes of items during the period							
Dividends from surplus							(2,895)
Net income attributable to owners of the parent							12,253
Purchase of treasury stock							(54)
Change in scope of application of equity method							—
Reclassification from accumulated other comprehensive income							231
Changes (net) during the year to items other than shareholders' equity	(209)	(145)	1,508	(545)	609	(109)	500
Total changes of items during the period	(209)	(145)	1,508	(545)	609	(109)	10,036
Balance at the end of period	2,383	(806)	8,359	158	10,094	14,161	208,396

Current fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	52,277	80,318	51,841	(295)	184,141
Changes of items during the period					
Dividends from surplus			(1,447)		(1,447)
Net income attributable to owners of the parent			1,116		1,116
Purchase of treasury stock				(12)	(12)
Change in scope of application of equity method			(173)		(173)
Reclassification from accumulated other comprehensive income					—
Changes (net) during the year to items other than shareholders' equity					
Total changes of items during the period	—	—	(504)	(12)	(516)
Balance at the end of period	52,277	80,318	51,337	(307)	183,624

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Cumulative adjustments related to retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	2,383	(806)	8,359	158	10,094	14,161	208,396
Changes of items during the period							
Dividends from surplus							(1,447)
Net income attributable to owners of the parent							1,116
Purchase of treasury stock							(12)
Change in scope of application of equity method							(173)
Reclassification from accumulated other comprehensive income							—
Changes (net) during the year to items other than shareholders' equity	(713)	(397)	(1,409)	(202)	(2,721)	1,045	(1,676)
Total changes of items during the period	(713)	(397)	(1,409)	(202)	(2,721)	1,045	(2,192)
Balance at the end of period	1,670	(1,203)	6,950	(44)	7,373	15,206	206,204

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	19,692	10,041
Depreciation and amortization	25,686	27,215
Amortization of goodwill	3,504	3,490
Equity in earnings of affiliated companies	5,361	3,184
Interest and dividends income	(1,372)	(1,298)
Interest expenses	5,213	6,740
Decrease (increase) in notes and accounts receivable-trade	(9,423)	(10,275)
Decrease (increase) in inventories	(29,046)	(9,431)
Increase (decrease) in notes and accounts payable-trade	16,812	1,301
Other	(6,396)	(5,007)
Subtotal	30,032	25,960
Interest and dividends income received	1,807	1,625
Interest expenses paid	(5,197)	(6,681)
Income taxes (paid)	(9,262)	(10,253)
Net cash provided by (used in) operating activities	17,381	10,651
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(47,289)	(46,295)
Purchase of intangible assets	(703)	(696)
Proceeds from sales of investment securities	1,938	4,346
Proceeds from equity transfer	—	11,093
Other	(5,799)	(3,395)
Net cash provided by (used in) investing activities	(51,853)	(34,947)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	10,600	(51)
Proceeds from long-term loans payable	60,123	86,478
Repayment of long-term loans payable	(48,598)	(52,269)
Payment for redemption of bonds	(2,500)	(2,500)
Cash dividends paid	(2,895)	(1,447)
Dividends paid to non-controlling interests	(256)	(205)
Proceeds from sale-and-leaseback	376	1,824
Proceeds from sale and installment back	730	122
Outlays for the repayment of lease obligations	(3,624)	(2,507)
Other	(412)	(474)
Net cash provided by (used in) financing activities	13,543	28,971
Effect of exchange rate change on cash and cash equivalents	598	(278)
Net increase (decrease) in cash and cash equivalents	(20,331)	4,395
Cash and cash equivalents at beginning of period	41,125	20,794
Cash and cash equivalents at end of period	20,794	25,190

(5) Notes to the Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

Not applicable

(Changes in presentation method)

(Changes accompanying application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

The UACJ Group began applying the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018) from the beginning of the fiscal year under review. As a result, deferred tax assets are presented under investments and other assets, and deferred tax liabilities are presented under noncurrent liabilities. We have also revised the notes related to tax effect accounting.

As a result, deferred tax assets of ¥1,857 million, which were presented under “other” within current assets in the consolidated balance sheets for the fiscal year ended March 31, 2018, and ¥8 million in deferred tax liabilities, which were presented under “other” within current liabilities,” are now presented as ¥28,826 million in “other” within investments and other assets and ¥28,175 million within “other” under noncurrent liabilities.

(Additional Information)

(Dissolution of a joint venture with Constellium)

On December 11, 2018, UACJ and its consolidated subsidiary, Tri-Arrows Aluminum Holding Inc., reached an agreement to terminate Constellium-UACJ ABS LLC, a joint venture in the United States with Constellium N.V. and Constellium U.S. Holdings I, LLC, and transfer all holdings to the latter two companies.

(Segment Information)

1. Overview of reportable segments

The Company’s reportable segments are those elements of the Company for which separate financial information is available, and which the Board of Directors regularly examines to determine distribution of management resources and assess performance.

The UACJ Group engages in the manufacture and sale of flat rolled and precision-machined products of nonferrous metals, including aluminum, copper and their alloys. To harness the Group’s comprehensive strengths for each of these products and to facilitate evaluations of their operating performance and investment decision-making, operations have been divided into three reportable segments: Flat Rolled Products, Wrought Copper Products, and Precision-Machined Components and Related Businesses.

The Flat Rolled Products Business handles the manufacture and sale of flat rolled, foil, extruded, cast and forged products of aluminum and its alloys.

The Wrought Copper Products Business handles the manufacture and sale of copper pipe, copper alloy pipe and their fittings.

The Precision-Machined Components and Related Businesses handles the manufacture and sale of precision-machined aluminum and copper components, contracting on related civil engineering work, shipping and freight handling related to the Group’s businesses, and the wholesaling of products and other items.

2. Calculation of amounts of sales and income (loss), assets, liabilities and other items by reportable segment

Accounting treatment methods for reportable segments are the same as those indicated under the “Basis of Presentation of the Consolidated Financial Statements.” Income for reportable segments is calculated on the basis of operating income. Intersegment sales and transfers are calculated on the basis of market prices.

3. Information on sales and income (loss), assets, liabilities and other items by reportable segment

Previous fiscal year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable Segments				Adjustments (Notes) 1	Amounts recorded in the consolidated financial statements (Notes) 2
	Flat Rolled Products	Wrought Copper Products	Precision- machined Components and Related Businesses	Subtotal		
Net sales						
Sales to external customers	438,734	32,604	152,932	624,270	—	624,270
Intersegment sales and transfers	59,168	13,007	31,692	103,867	(103,867)	—
Total	497,903	45,611	184,624	728,137	(103,867)	624,270
Segment income	29,653	2,075	4,262	35,990	(6,785)	29,205
Segment assets	636,118	38,574	102,793	777,485	(3,414)	774,071
Other items						
Depreciation and amortization	21,360	870	2,110	24,340	789	25,129
Goodwill amortization expense	1,996	24	1,484	3,504	—	3,504
Amount of unamortized goodwill	30,639	365	15,431	46,435	—	46,435
Investment in equity-method affiliates	18,327	—	3,104	21,431	—	21,431
Increase in property, plant and equipment and intangible assets	44,681	586	5,470	50,737	458	51,195

(Notes) 1. Adjustment amounts break down as follows.

(1) The negative ¥6,785 million adjustment to segment income includes a negative ¥244 million adjustment in inventories, a negative ¥307 million adjustment for eliminations for intersegment transactions and a negative ¥6,234 million for companywide expenses that were not allocable to individual reportable segments.

Companywide expenses are general management expenses for the parent company that are not ascribed to reportable segments.

(2) The negative ¥3,414 million adjustment to segment assets includes a negative ¥727 million adjustment in inventories, a negative ¥25,966 million in eliminations of intersegment assets, and ¥23,279 million in companywide assets that were not allocable to individual reportable segments.

Companywide assets are mainly parent company investment securities and assets related to general management departments that are not ascribed to reportable segments.

(3) The ¥789 million adjustment in depreciation and amortization is mainly for depreciation and amortization on assets of the parent company's general management departments that are not ascribed to reportable segments.

(4) The adjustments of ¥458 million in increase in property, plant and equipment and intangible assets are mainly in relation to increases in assets of the parent company's general management departments that are not ascribed to reportable segments.

2. Segment income is adjusted to the operating income in the consolidated financial statements.

Current fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable Segments				Adjustments (Notes) 1	Amounts recorded in the consolidated financial statements (Notes) 2
	Flat Rolled Products	Wrought Copper Products	Precision- machined Components and Related Businesses	Subtotal		
Net sales						
Sales to external customers	467,040	32,028	162,262	661,330	—	661,330
Intersegment sales and transfers	63,650	15,462	34,843	113,955	(113,955)	—
Total	530,690	47,490	197,106	775,286	(113,955)	661,330
Segment income	17,011	1,738	3,107	21,855	(6,987)	14,868
Segment assets	682,856	38,925	97,876	819,658	(12,434)	807,224
Other items						
Depreciation and amortization	22,863	720	2,274	25,857	793	26,650
Goodwill amortization expense	1,998	24	1,468	3,490	—	3,490
Amount of unamortized goodwill	29,019	341	13,796	43,156	—	43,156
Investment in equity-method affiliates	17,956	—	—	17,956	—	17,956
Increase in property, plant and equipment and intangible assets	49,518	1,174	1,499	52,191	353	52,544

(Notes) 1. Adjustment amounts break down as follows.

(1) The negative ¥6,987 million adjustment to segment income includes a ¥47 million adjustment in inventories, a negative ¥465 million adjustment for eliminations for intersegment transactions and a negative ¥6,569 million for companywide expenses that were not allocable to individual reportable segments.

Companywide expenses are general management expenses for the parent company that are not ascribed to reportable segments.

(2) The negative ¥12,434 million adjustment to segment assets includes a negative ¥681 million adjustment in inventories, a negative ¥30,616 million in eliminations of intersegment assets, and ¥18,863 million in companywide assets that were not allocable to individual reportable segments.

Companywide assets are mainly parent company investment securities and assets related to general management departments that are not ascribed to reportable segments.

(3) The ¥793 million adjustment in depreciation and amortization is mainly for depreciation and amortization on assets of the parent company's general management departments that are not ascribed to reportable segments.

(4) The adjustments of ¥353 million in increase in property, plant and equipment and intangible assets are mainly in relation to increases in assets of the parent company's general management departments that are not ascribed to reportable segments.

2. Segment income is adjusted to the operating income in the consolidated financial statements.

(Per-Share Information)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net assets per share	4,026.28 JPY	3,959.58 JPY
Net income per share	253.96 JPY	23.14 JPY

Note:

- 1) Fully diluted net income per share is omitted, as there are no potentially dilutive shares
- 2) The Company conducted a 1-for-10 reverse stock split on common shares with an effective date of October 1, 2017. Accordingly, net assets per share and net income per share are calculated as if the reverse stock split had been conducted at the beginning of the previous fiscal year.
- 3) The basis for the calculation of net income per share is as follows.

Net income per share

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Current fiscal year (From April 1, 2018 to March 31, 2019)
Net income attributable to owners of the parent (¥ millions)	12,253	1,116
Amount not attributable to holders of common stock (¥ millions)	—	—
Net income attributable to parent company shareholders of common stock (¥ millions)	12,253	1,116
Average number of shares of common stock during the period (Thousands of shares)	48,249	48,239

(Subsequent Events)

Not applicable