

**Quarterly Financial Results for the Third Quarter**  
**Ended December 31, 2020**  
**[According to Japanese Accounting Standards] (Consolidated)**

February 4, 2021

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)      Manager, Accounting Section, and Deputy General Manager, Finance  
    and Accounting Department  
    (Name)      Atsushi Sakagami      Phone      +81-3-6202-2600  
 Scheduled Date for Submitting Financial Statements      February 10, 2021  
 Scheduled Date of Dividend Distribution      -  
 Supplementary materials available on quarterly financial results      : Yes  
 Quarterly results briefing      : Yes      (For institutional investors, securities analysts)

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

**1. Consolidated Business Performance for the Third Quarter, Ended December 31, 2020**  
 (from April 1, 2020 to December 31, 2020)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	¥million	%	¥million	%	¥million	%	¥million	%
Nine months ended December 31, 2020	407,439	(12.0)	3,075	(45.4)	(598)	—	(4,685)	—
December 31, 2019	462,756	(7.0)	5,632	(59.5)	1,349	(81.1)	560	(53.3)

(Note) Comprehensive income: nine months ended December 31, 2020: -¥13,696 million (-%) : nine months ended December 31, 2019: -¥94 million (-%)

	Net income per share	Fully diluted net income per share
	¥	¥
Nine months ended December 31, 2020	(97.13)	—
December 31, 2019	11.61	—

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio
	¥million	¥million	%
As of:			
December 31, 2020	734,761	186,640	23.5
March 31, 2020	752,785	202,716	25.0

(Reference) Shareholders' equity: ¥172,845 million as of December 31, 2020, ¥188,363 million as of March 31, 2020

## 2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
Year ended/ending:	¥	¥	¥	¥	¥
March 31, 2020	—	0.00	—	20.00	20.00
March 31, 2021	—	0.00	—		
March 31, 2021 (Forecasts)		—		0.00	0.00

Note: Changes in dividend forecast during the quarter under review: No

## 3. Forecast for consolidated business performance in the term ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	
Full year	560,000	(9.0)	8,000	(21.0)	1,000	(73.6)	(6,500)	—	(134.77)

Note: Revisions to consolidated business performance forecasts during the quarter under review: Yes

For more details, please view the “UACJ Revises Full-Year Consolidated Earnings Forecasts” released on February 4, 2021.

## Notes

- (1) Changes in significant subsidiaries during the period (Changes in the scope of consolidation of specific subsidiaries): No
- (2) Application of particular accounting procedures to the preparation of quarterly consolidated financial statements: No
- (3) 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
- (4) Number of shares outstanding (common stock)
  - a. Number of shares issued at the end of the period (including treasury stock)

As of December 31, 2020	48,328,193 shares
As of March 31, 2020	48,328,193 shares
  - b. Number of shares of treasury stock at the end of the period

As of December 31, 2020	101,025 shares
As of March 31, 2020	97,121 shares
  - c. Average number of shares outstanding during the period (calculated cumulatively from the beginning of the fiscal year)

For the nine months ended December 31, 2020	48,229,537 shares
For the nine months ended December 31, 2019	48,234,739 shares

\*These financial results are outside the scope of quarterly review 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.

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## 1. Qualitative Information on Results for the Third Quarter Ended December 31, 2020

### (1) Consolidated Business Performance

During the first nine months of the fiscal year ending March 31, 2021, in some regions (centered on China) the global economy showed signs of recovery. However, conditions remained challenging in the face of the growing COVID-19 pandemic. Although the Japanese economy is also starting to show signs of a resurgence, early in 2021 the national government issued a state of emergency declaration applying to some parts of the country. As a result, our overall business environment remains opaque.

In this environment, sales volume increased at Tri-Arrows Aluminum Inc. and UACJ (Thailand) Co., Ltd., but overall sales volume decreased due to the impact of COVID-19, and consolidated net sales came to ¥407,439 million (down 12.0% year on year). Owing to the lower sales volume, UACJ posted consolidated operating income of ¥3,075 million (down 45.4% year on year). The consolidated ordinary loss was ¥598 million (ordinary income of ¥1,349 million in the first nine months of the preceding fiscal year), and the Company generated a net loss attributable to owners of the parent of ¥4,685 million (net income of ¥560 million), due to the posting of a structural reform loss and tax expenses. Also, in the corresponding period of the previous fiscal year the Company posted a loss on valuation of shares of subsidiaries and associates and deferred tax assets in relation to this loss.

Information by segment is provided below.

#### Rolled Aluminum Products Business

In the flat-rolled products business, within sheet materials, domestic demand for aluminum for beverage cans decreased slightly year on year. Automotive demand was down substantially. Overall domestic demand for sheet products decreased year on year, due to lower demand for use in electrical and precision machinery, as well as for LCD and semiconductor production equipment. In extruded products, demand for use in transportation equipment (buses and trucks, automotive heat exchangers and motorcycles) was down, and overall demand decreased year on year as a result.

The Group's domestic sales volume for sheet products was down slightly year on year. Demand was solid in the IT sector, but sales volume was down for can stock, automotive materials, electrical and precision machinery, and thick plate for LCD and semiconductor production equipment, as was sales volume of extruded products.

Looking at the UACJ Group's overseas sales volume, can stock sales volume rose year on year at Tri-Arrows Aluminum Inc. and UACJ (Thailand) Co., Ltd. However, the Group's overall volume of rolled aluminum products was down.

Accordingly, sales in the flat-rolled products business fell 9.1% year on year in the first nine months of the fiscal year, to ¥341,438 million. This decline occurred as a result of lower domestic sales volume and falling primary ingot prices. Operating income rose 3.9% year on year, to ¥7,277 million, partly thanks to robust sales at Tri-Arrows Aluminum Inc.

#### Precision-machined Components and Related Businesses

Although COVID-19 continues to expand, certain fields are showing signs of resurgence and recovery. However, sales fell in such areas as automotive and air conditioning parts. Accordingly, in the first nine months sales in the Precision-machined Components and Related Businesses came to ¥122,068 million (down 15.1% year on year), and the operating loss was ¥712 million (operating income of ¥2,525 million).

### (2) Consolidated Financial Position

The Company increased cash and deposits and interest-bearing debt as preparation for potential funding risks due to the COVID-19 pandemic and to ensure sufficient funding for business activities. However, depreciation reduced noncurrent assets, and the sale of shares reduced holdings of consolidated subsidiaries. As a result, total assets as of December 31, 2020 amounted to ¥734,761 million (down 2.4% from March 31, 2020), and total liabilities were ¥548,121 million (down 0.4%).

Total net assets came to ¥186,640 million (down 7.9% year on year), due to a net loss attributable to owners of the parent and a decrease in the foreign currency translation adjustment.

### (3) Forecast for Consolidated Business Performance

Despite the ongoing impact of COVID-19, due to an upturn in inventory valuation (stemming from aluminum ingot prices) and an improved operating rate we have revised our consolidated earnings forecast from the "Notice of Earnings

and Dividend Forecasts” released on November 5, 2020.

We forecast net sales of ¥560,000 million, operating income of ¥8,000 million, an ordinary income of ¥1,000 million and a net loss attributable to owners of the parent of ¥6,500 million.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (as of March 31, 2020)	Current fiscal year (as of December 31, 2020)
Assets		
Current assets		
Cash and deposits	28,741	46,701
Notes and accounts receivable-trade	100,913	111,300
Merchandise and finished goods	45,608	33,395
Work in process	50,153	51,504
Raw materials and supplies	40,158	39,445
Other	23,444	17,579
Allowance for doubtful accounts	(98)	(230)
Total current assets	288,919	299,693
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	72,353	77,410
Machinery, equipment and vehicles, net	137,232	144,292
Land	104,957	104,642
Other, net	60,825	25,363
Total property, plant and equipment	375,366	351,706
Intangible assets		
Goodwill	39,148	35,560
Other	10,968	9,093
Total intangible assets	50,116	44,653
Investments and other assets		
Investment securities	13,036	13,986
Other	25,423	24,781
Allowance for doubtful accounts	(75)	(58)
Total investments and other assets	38,384	38,708
Total noncurrent assets	463,866	435,068
Total assets	752,785	734,761

(Millions of yen)

	Previous fiscal year (as of March 31, 2020)	Current fiscal year (as of December 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	96,023	97,763
Short-term loans payable	54,298	74,565
Current portion of long-term loans payable	53,494	35,206
Other	60,619	35,223
Total current liabilities	264,434	242,757
Noncurrent liabilities		
Long-term loans payable	236,218	237,046
Retirement benefit obligations	18,182	18,115
Other	31,234	50,203
Total noncurrent liabilities	285,635	305,364
Total liabilities	550,069	548,121
Net assets		
Shareholders' equity		
Capital stock	52,277	52,277
Capital surplus	80,318	80,318
Retained earnings	50,481	44,832
Treasury stock	(319)	(327)
Total shareholders' equity	182,756	177,099
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71	636
Deferred losses on hedges	(2,042)	(1,769)
Foreign currency translation adjustment	10,079	(913)
Cumulative adjustments related to retirement benefits	(2,501)	(2,209)
Total accumulated other comprehensive income	5,607	(4,254)
Non-controlling interests	14,353	13,796
Total net assets	202,716	186,640
Total liabilities and net assets	752,785	734,761



(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Nine months ended December 31, 2020)

(Millions of yen)

	FY2019 3rd Quarter (From April 1, 2019 to Dec 31, 2019)	FY2020 3rd Quarter (From April 1, 2020 to Dec 31, 2020)
Net sales	462,756	407,439
Cost of sales	415,354	364,581
Gross profit	47,402	42,857
Selling, general and administrative expenses	41,770	39,782
Operating income	5,632	3,075
Non-operating income		
Employment adjustment subsidy	—	756
Gain on valuation of derivatives	679	544
Other	1,542	1,126
Total non-operating income	2,221	2,427
Non-operating expenses		
Interest expenses	5,160	4,896
Other	1,344	1,204
Total non-operating expenses	6,504	6,099
Ordinary income or loss	1,349	(598)
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	1,941
Other	548	83
Total extraordinary income	548	2,024
Extraordinary loss		
Structural reform loss	954	2,236
Loss on valuation of shares of subsidiaries and associates	5,367	—
Other	799	494
Total extraordinary loss	7,120	2,730
Loss before income taxes	(5,223)	(1,303)
Total income taxes	(6,207)	2,014
Net income or loss	984	(3,317)
Net income attributable to non-controlling interests	424	1,367
Net income or loss attributable to owners of the parent	560	(4,685)

Quarterly Consolidated Statements of Comprehensive Income

(Nine months ended December 31, 2020)

(Millions of yen)

	FY2019 3rd Quarter (From April 1, 2019 to Dec 31, 2019)	FY2020 3rd Quarter (From April 1, 2020 to Dec 31, 2020)
Net income or loss	984	(3,317)
Other comprehensive income		
Valuation difference on available-for-sale securities	(212)	565
Deferred gains (losses) on hedges	(334)	517
Foreign currency translation adjustment	243	(11,483)
Adjustments to retirement benefits	(219)	(146)
Share of other comprehensive income of entities accounted for using equity method	(556)	169
Total other comprehensive income	(1,078)	(10,379)
Comprehensive income	(94)	(13,696)
(Attributable to)		
Parent company shareholders	(247)	(14,546)
Non-controlling interests	153	850

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

Not applicable

(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Changes in the Scope of Consolidation and Application of the Equity Method)

(1) Significant changes in the scope of consolidation

Due to its establishment, Shaoguan UACJ Dongyangguang Aluminum Sales Corporation has been included in the scope of consolidation from the first quarter of the fiscal year ending March 31, 2021.

On October 1, 2020, UACJ Aluminum Center Corporation, a consolidated subsidiary, conducted an absorption-type merger of ACE21 Corp. and Metal Cut Co., Ltd. , another consolidated subsidiaries.

Owing to the transfer of all shares of PT. UACJ-Indal Aluminum, this company was excluded from UACJ's scope of consolidation as of December 31, 2020.

The Company transferred some shares in UACJ Logistics Corporation, a consolidated subsidiary. As a result, that company was excluded from UACJ's scope of consolidation as of December 31, 2020.

(2) Changes in the scope of application of the equity method

Due to its establishment, Dicastal UACJ Bolv Automotive Parts Co., Ltd. has been included in the scope of application of the equity method from the first quarter of the fiscal year ending March 31, 2021.

The Company transferred some shares in UACJ Logistics Corporation, a consolidated subsidiary. As a result, as of December 31, 2020 that company was excluded from UACJ's scope of consolidation and included as an equity-method affiliate.

(Additional Information)

(Accounting Estimates Related to the COVID-19 Pandemic)

When preparing the quarterly financial statements, the UACJ Group employs impairment accounting for fixed assets and estimates the recoverability of deferred tax assets based on the information available to it at the time. We have assumed that the COVID-19 pandemic's impact on the Group, its businesses and the regions in which it operates will continue for approximately one more year.

COVID-19's impact on economic activity is highly uncertain. If the above assumptions change, the Group's financial position and business performance in the next quarter and thereafter could be affected.

(Posting of structural reform losses)

Details of structural reform losses are as follows.

Impairment loss	1,602 (Millions of yen)
Loss on sale of shares of subsidiaries and associates	313
Loss on valuation of shares of subsidiaries and associates	297
Other	23

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Total

2,236

UACJ has decided to transfer its business of manufacturing and selling all-aluminum heat exchangers for the outside units of cooling-only air conditioners and close its Ayutthaya Plant. Accordingly, we have posted an impairment loss of ¥1,484 million on consolidated subsidiary UACJ Extrusion (Thailand) Co., Ltd. and a loss on valuation of shares of subsidiaries and associates of ¥297 million.

We also posted an impairment loss of ¥118 million in relation to the closure of some facilities at the Shiga Works of UACJ Foil Corporation, a consolidated subsidiary, in the aim of increasing the production efficiency of aluminum rolling.

The Company posted a ¥ 313 million loss on sale of shares of subsidiaries and associates in relation to the transfer of shares in PT. UACJ-Indal Aluminum, a consolidated subsidiary.

(Segment Information, etc.)  
Segment Information

I First nine months of the Fiscal Year Ended March 31, 2020 (April 1, 2019 to Dec 31, 2019)  
Information on sales and income by reportable segment

(Millions of yen)

	Reportable Segments				Adjustments (Notes) 1	Amount recorded in the quarterly consolidated statements of income (Notes) 2
	Rolled Aluminum Products Business	Wrought Copper Products Business	Precision- machined Components and Related Businesses	Subtotal		
Net sales						
Sales to external customers	326,073	15,597	121,086	462,756	—	462,756
Intersegment sales and transfers	49,616	7,317	22,682	79,615	(79,615)	—
Total	375,689	22,914	143,768	542,371	(79,615)	462,756
Segment income	7,001	373	2,525	9,899	(4,268)	5,632

(Notes) 1. The negative ¥4,268 million adjustment to segment income includes a ¥52 million adjustment for inventories, negative ¥256 million in eliminations for intersegment transactions, and a negative ¥4,064 million for companywide expenses that were not allocable to individual reporting segments. Companywide expenses are general management expenses for the parent company that are not ascribed to reportable segments.

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

II First nine months of the Fiscal Year Ending March 31, 2021 (April 1, 2020 to Dec 31, 2020)  
1. Information on sales and income by reportable segment

(Millions of yen)

	Reportable Segments			Adjustments (Notes) 1	Amount recorded in the quarterly consolidated statements of income (Notes) 2
	Rolled Aluminum Products Business	Precision-machined Components and Related Businesses	Subtotal		
Net sales					
Sales to external customers	299,315	108,123	407,439	—	407,439
Intersegment sales and transfers	42,123	13,945	56,068	(56,068)	—
Total	341,438	122,068	463,506	(56,068)	407,439
Segment income or loss	7,277	(712)	6,565	(3,490)	3,075

(Notes) 1. The negative ¥3,490 million adjustment to segment income or loss includes a ¥153 million adjustment for inventories, negative ¥76 million in eliminations for intersegment transactions, and a negative ¥3,566 million for companywide expenses that were not allocable to individual reporting segments. Companywide expenses are general management expenses for the parent company that are not ascribed to reportable segments.

2. Segment income or loss is adjusted to the operating loss in the quarterly consolidated statements of income.

## 2. Items Related to Changes in Reporting Segments

The Company transferred the Wrought Copper Products Business in the preceding fiscal year. Accordingly, from the first three months under review the Company has two reportable segments ("Rolled Aluminum Products Business," and "Precision-machined Components and Related Businesses") rather than the previous three ("Rolled Aluminum Products Business," "Wrought Copper Products Business" and "Precision-machined Components and Related Businesses").