

Supplementary Materials for Fiscal 2014 Financial Results

May 12, 2014
UACJ Corporation



Note: Fiscal 2014 indicates the fiscal year ended March 31, 2014

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Note : Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015 respectively

1 . Results for Fiscal 2014

Note: Fiscal 2014 indicates the fiscal year ended March 31, 2014

Principal UACJ Group Companies, by Field of Operations and Segment



Rolled Aluminum Products

Aluminum sheet metal business

Sheets

- Tri-Arrows Aluminum Inc.
- UACJ (Thailand) Co., Ltd.

Extrusion business

Extruded Products

- UACJ Extrusion Corporation
- UACJ Extrusion (Tianjin) Corporation
- UACJ Extrusion (Thailand) Co., Ltd.
- UACJ Extrusion Czech s.r.o.
- PT. Furukawa Indal Aluminum

Foil business

Foils

- UACJ Foil Corporation
- UACJ Foil Malaysia Sdn. Bhd. *1

Casting and Forging business

Cast and Forged Products

- UACJ Foundry & Forging Corporation
- UACJ Foundry & Forging (Vietnam) Co., Ltd.

*1: Consolidated subsidiary from April 2014

Wrought Copper Products

- UACJ Copper Tube Corporation
- UACJ Copper Tube (Malaysia) Sdn. Bhd.
- UACJ Copper Tube (Guangzhou) Corporation

Precision-machined components and related business

Companies Accounted for under the Method

- Sumikei-Nikkei Engineering Co., Ltd.
- Bridgnorth Aluminium Ltd.
- Ruyuan Dongyangguang Plain Foil Co., Ltd.

NALCO Iwai Co., Ltd.

NIKKEI KAKOH CO., LTD. *2

UACJ Components Fukaya Corporation *2

UACJ Trading Corporation

SK Corporation

ACE21 Corp.

UACJ Logistics Corporation

*2: Merger slated for July 2014

Consolidated subsidiaries: 42 Equity-method affiliates: 5

Net Sales up ¥15.3 Billion Year on Year (Based on Totals for the Two Former Companies), Ordinary Income up ¥3.7 Billion

- Aluminum sheet sales volumes were down, but sales expanded due to the impact of foreign exchange and ingot prices.
- Costs rose due to higher electricity and unit fuel prices, but the restructuring of the Nikko Works and merger effects brought down costs.
These factors, plus the impact of inventory valuations, caused ordinary income to increase.
- Extraordinary income: ¥6.1 billion in gain on step acquisitions in line with the conversion of TAA to a consolidated subsidiary, others
Extraordinary loss: ¥4.8 billion in impairment losses on noncurrent assets

Year-End Dividend of ¥6 per share

- Plan to award a year-end dividend of ¥6 per share
(including a regular dividend of ¥3 and a commemorative dividend of ¥3)
- Full-year dividends of ¥9 per share

Note: Fiscal 2014 indicates the fiscal year ending March 31, 2014.

Results for Fiscal 2014

(Based on Totals for the Two Former Companies)



※Note: Indicated figures before fiscal 2014 are not actual business results, but combined totals for the two former companies*.

(Billions of yen)

	Fiscal 2013 (Based on Totals for the Two Former Companies) (A)	Fiscal 2014 (First Half Totals for the Two Former Companies + Second-Half for UACJ) (B)	Change (B) – (A)
Net sales	519.6	534.9	15.3
Operating income	22.1	25.0	2.9
Ordinary income	17.8	21.5	3.7
Net income	4.7	11.7	7.0

* “Based on totals for the two former companies” refers to the total for the former Furukawa-Sky and the former Sumitomo Light Metal Industries. (A simple reclassification has been made of TAAH from an equity-method affiliate to a consolidated subsidiary.)

Note: Fiscal 2013 and 2014 indicate the fiscal years ended/ending March 31, 2013 and 2014, respectively.

Sales and Operating Income by Segment

(Based on Totals for the Two Former Companies)



(Billions of yen)

	Fiscal 2013 (Based on Totals for the Two Former Companies) (A)		Fiscal 2014 (First Half Totals for the Two Former Companies + Second-Half for UACJ) (B)		Change (B) – (A)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Rolled aluminum products	408.4	21.7	420.1	25.2	11.7	3.5
Wrought copper products	49.1	1.5	47.9	0.8	(1.2)	(0.7)
Precision- machined components and related business	154.2	2.8	147.8	4.0	(6.4)	1.2
(Adjustment)	(92.1)	(3.9)	(80.9)	(5.0)	11.2	(1.1)
Total	519.6	22.1	534.9	25.0	15.3	2.9

Note: Fiscal 2013 and 2014 indicate the fiscal years ended/ending March 31, 2013 and 2014, respectively.

Analysis of Consolidated Ordinary Income

(Fiscal 2013 → Fiscal 2014)
 (Based on Totals for the Two Former Companies)



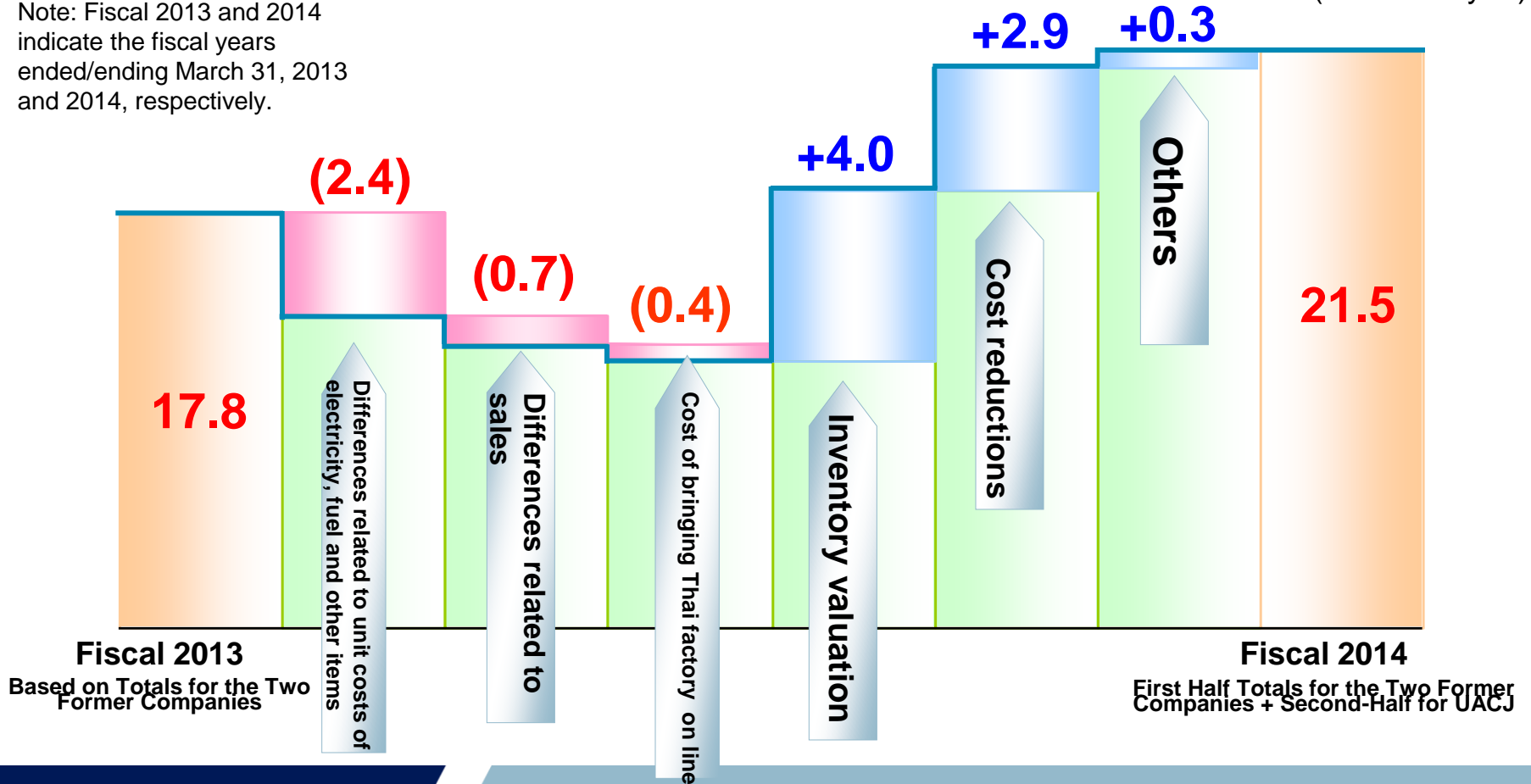
¥17.8 billion (Fiscal 2013 Based on Totals for the Two Former Companies)

→ **¥21.5 billion** (Fiscal 2014 First Half Totals for the Two Former Companies + Second-Half for UACJ)

Includes +¥1.0 Billion in Merger Effects

Note: Fiscal 2013 and 2014 indicate the fiscal years ended/ending March 31, 2013 and 2014, respectively.

(Billions of yen)



Aluminum Sheet Sales Volume by Product Type

(Based on Totals for the Two Former Companies)



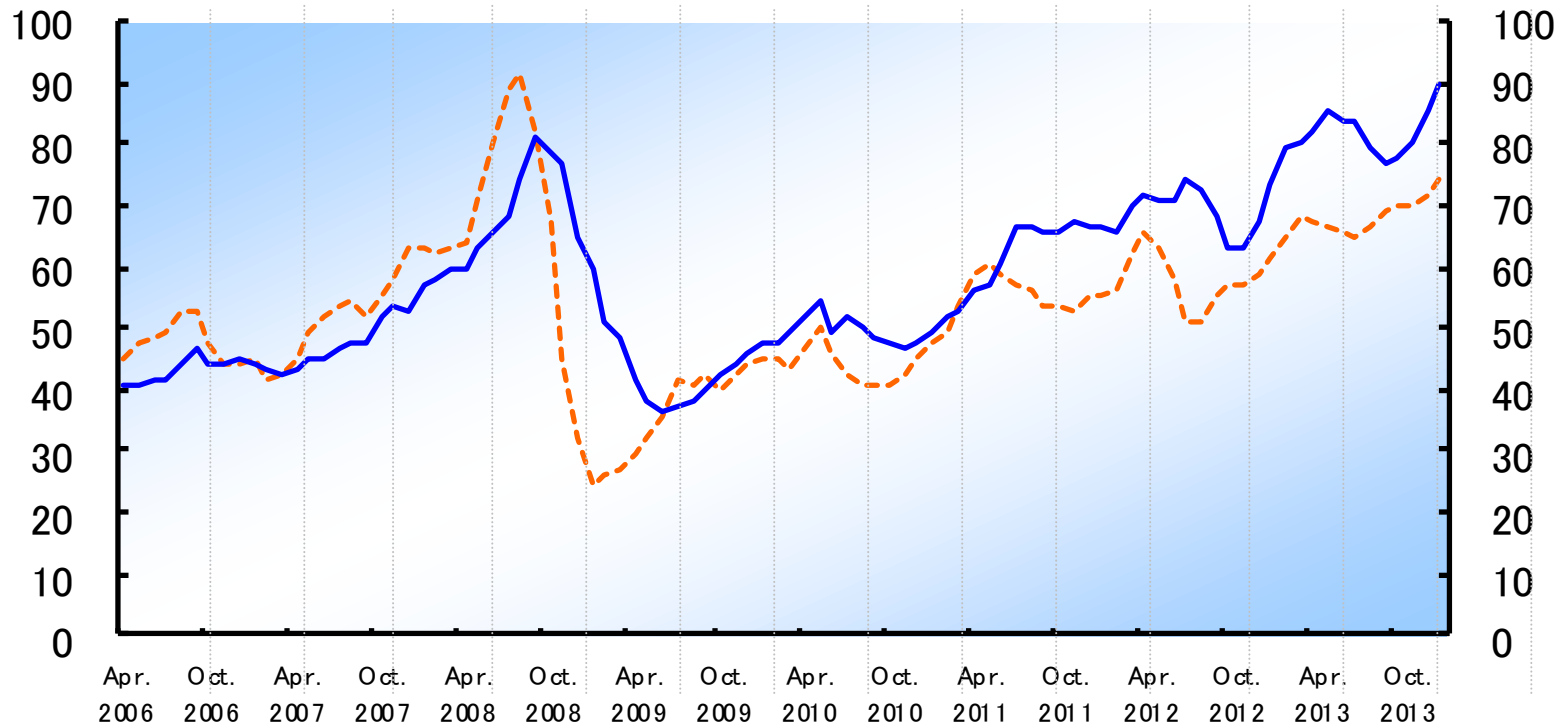
(Thousands of tons)

Product category	Fiscal 2013 (Based on Totals for the Two Former Companies) (A)	Fiscal 2014 (First Half Totals for the Two Former Companies + Second-Half for UACJ) (B)	Change (B) – (A)
Can materials	654	632	(22)
Foil	47	48	1
IT	38	18	(20)
Automobile	75	72	(3)
Thick sheets	31	39	8
Other general-purpose materials	155	151	(4)
Total	1,000	960	(40)
	(For the Japanese market 527 For overseas market 473)	(For the Japanese market 527 For overseas market 433)	(0 (40))

Note: Fiscal 2013 and 2014 indicate the fiscal years ended/ending March 31, 2013 and 2014, respectively.

**LNG CIF
(Yen/kg)**

**Crude Oil CIF
(Yen/L)**



— LNG CIF (Yen/kg)

- - - Crude Oil CIF (Yen/L)

Nikkei Market Price of Aluminum/ Standard Aluminum Metal

(Yen/kg)



	As of March 31, 2014
Shareholders' equity (Billions of yen)	155.5
Shareholders' equity ratio (%)	25.6
Interest-bearing debt (Billions of yen)	256.3
D/E ratio (Times)	1.65
ROE (%) *	7.7

* Based on Totals for the Two Former Companies

2 . Full-Year Forecast for Fiscal 2015

Note: Fiscal 2015 indicates the fiscal year ending March 31, 2015.

Performance Forecast for Full Fiscal Year: Net Sales of ¥560.0 Billion, Ordinary Income of ¥21.5 Billion

- We expect overall costs to increase as we incur additional expenses to bring the Thailand factory on line and due to rising unit prices of electricity and fuel. However, we will work to maintain ordinary income at the previous year's level by quickly realizing merger effects and augmenting unit sales.

Annual Dividend Forecast of ¥6 per Share

- In line with our aim of maintaining stable dividends, we forecast an annual dividend of ¥6 per share (including an interim dividend of ¥3 and a year-end dividend of ¥3).

Note: Fiscal 2015 indicates the fiscal year ending March 31, 2015.

Full-Year Forecast for Fiscal 2015



(Billions of yen)

	Fiscal 2014 (First Half Totals for the Two Former Companies + Second-Half for UACJ) (A)	Fiscal 2015 Forecast (B)	Change (B) – (A)
Net sales	534.9	560.0	25.1
Operating income	25.0	25.5	0.5
Ordinary income	21.5	21.5	0
Net income	11.7	9.5	(2.2)

Assumptions (fiscal 2015): Nikkei average price of aluminum metal of ¥243/kg, exchange rates of ¥100/US\$1.00, crude oil price of ¥110/ B

Note: Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015, respectively.

Forecast Sales and Operating Income by Segment



(Billions of yen)

	Fiscal 2014 (First Half Totals for the Two Former Companies + Second-Half for UACJ) (A)		Fiscal 2015 Forecast (B)		Change (B) – (A)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Rolled aluminum products	420.1	25.2	440.7	25.8	20.6	0.6
Wrought copper products	47.9	0.8	56.5	1.3	8.6	0.5
Precision-machined products and related business	147.8	4.0	152.0	3.8	4.2	(0.2)
(Adjustment)	(80.9)	(5.0)	(89.2)	(5.4)	(8.3)	(0.4)
Total	534.9	25.0	560.0	25.5	25.1	0.5

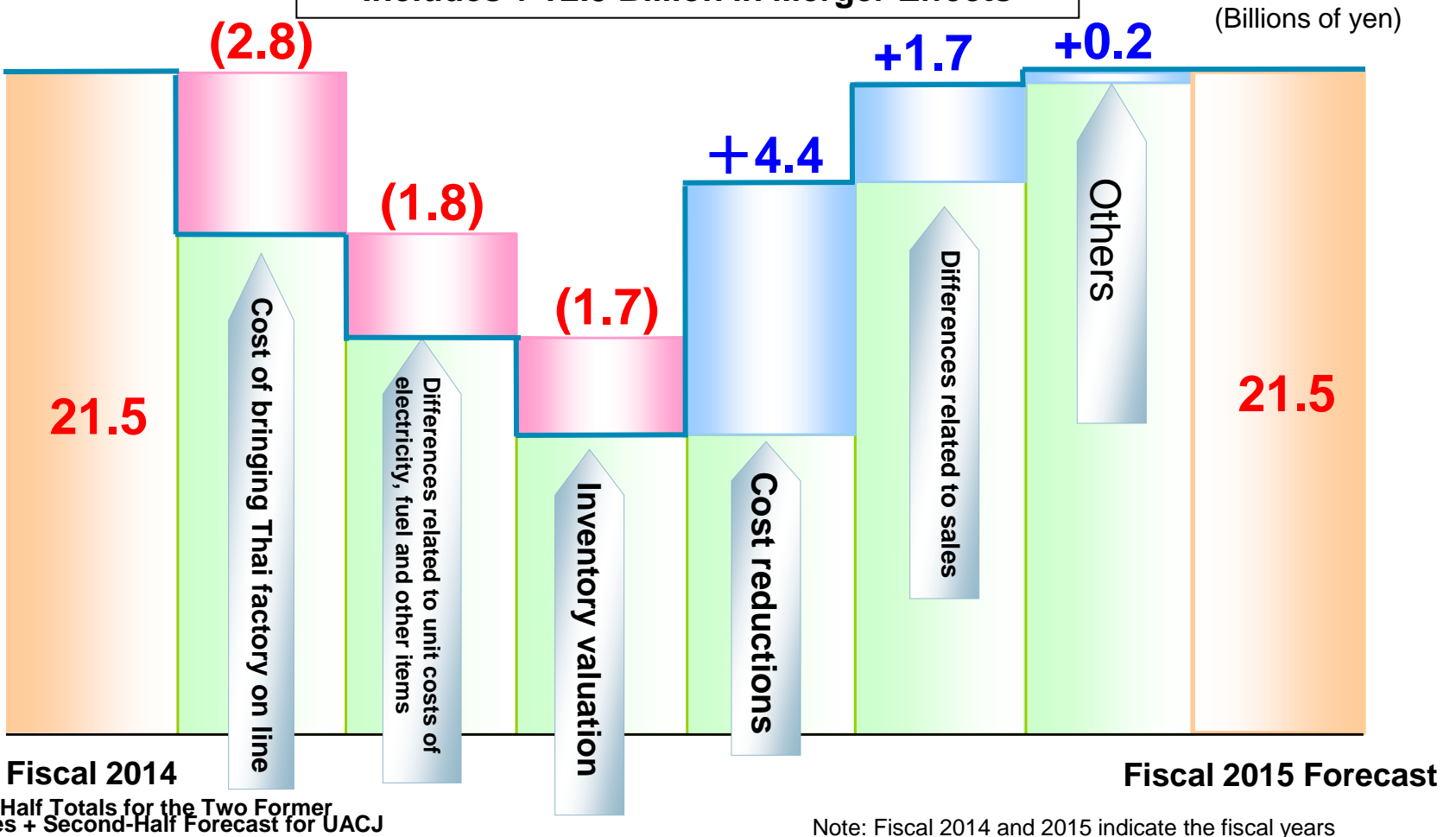
Note: Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015, respectively.

Analysis of Consolidated Ordinary Income (Fiscal 2014 → Fiscal 2015 Forecast)



¥21.5 billion (Fiscal 2014 First Half Totals for the Two Former Companies + Second-Half Forecast for UACJ)
→ **¥21.5 billion** (Fiscal 2015 Forecast)

Includes + ¥2.5 Billion in Merger Effects



Note: Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015, respectively.

Aluminum Sheet Sales Volume by Product Type



(Thousands of tons)

Product category	Fiscal 2014 (First Half Totals for the Two Former Companies + Second-Half for UACJ) (A)	Fiscal 2015 Forecast (B)	Change (B) – (A)
Can materials	632	656	24
Foil	48	49	1
IT	18	26	8
Automobile	72	72	0
Thick sheets	39	49	10
Other general-purpose materials	151	144	(7)
Total	960	996	36
	(For the Japanese market 527 For overseas market 433)	(For the Japanese market 525 For overseas market 471)	((2) 38)

Note: Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015, respectively.

Capital Investment and Depreciation and Amortization Forecasts



(Billions of yen)

		Fiscal 2014 (First Half Totals for the Two Former Companies + Second-Half for UACJ)	Fiscal 2015 Forecast
Capital investment	General investment	13.3	13.0
	Strategic investment	16.4	26.6
	Total	29.7	39.6
Depreciation		23.0	23.4
Strategic investment and loans		2.1	To be determined

Note: Fiscal 2014 and 2015 indicate the fiscal years ended/ending March 31, 2014 and 2015, respectively.

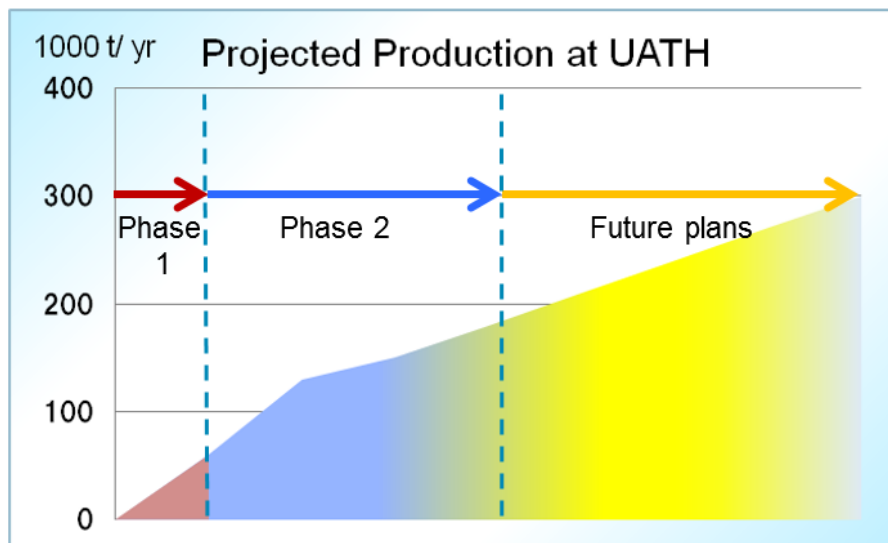
3 . Global Development and Putting in Place a Business Structure

Commencement of Phase 1 Operations at the UACJ (Thailand) Co., Ltd., Rayong Works

- The Rayong Works entered its first phase of operation in January 2014 (cold-rolling) and subsequent processes.
- The second phase of operations is scheduled to commence in fiscal 2016 (integrated production beginning with casting processes).
- The factory will provide rolled sheet products to meet expected demand growth in Southeast Asia and the surrounding area.
- Delivering both high quality and cost competitiveness, this will become our core aluminum sheet manufacturing base in Asia.
- We will consider further facility expansion in line with future demand growth.



Hot rolling line under construction



Note: Fiscal 2014 indicates the fiscal year ended March 31, 2014

■ Moving into the Southeast Asian Market for Foil

- UACJ Foil acquired a Malaysian foil company in a deal that closed in January 2014.
- The newly acquired company is named UACJ Foil Malaysia Sdn. Bhd.
- Going forward, the Rayong Works of UACJ (Thailand) Co., Ltd., will supply foil base to the company, which will develop into a strategic base for us in the Southeast Asian market.



UACJ Foil Malaysia Sdn. Bhd.

■ Commencement of U.S. Joint Venture to Manufacture Body-in-White Aluminum Sheet for Automotive Industry

- U.S. demand is expected to increase substantially as the market continues its full-fledged demand shift toward aluminum automotive panels.
- UACJ has signed an agreement with Constellium N.V. of Europe regarding the business of providing Body-in-White aluminum sheet for the automotive industry.
- The joint investment is expected to amount to ¥150 million for a facility located in the state of Kentucky. The facility will include a continuous heat treatment and conversion line.
- Tri-Arrows Aluminum Inc.'s Logan plant and Constellium's Neuf-Brisach plant in France will supply cold-rolled coil to the facility.
- Production is slated to begin in the first quarter of 2016, with capacity at 100,000 tons/year.



<Policy>

- ▶ Formulate a management system capable of responding flexibly to changes in the business environment.
- ▶ Maintaining and strengthening operations through swift restructuring.

Stronger Business Structure and Management

- Divisional company structure with parallel facilities in the aluminum sheet metal business
- In October 2013, division of companies in the businesses of extrusion, foil, casting/forging, wrought copper, precision-machined components and related businesses

Foil Company Mergers

- In January 2014, Nippon Foil and Sumikei Aluminum Foil merged, starting business anew as UACJ Foil.
- This merger created an integrated management structure for the UACJ Group's foil business.
- We will take advantage of merger effects through this company's collaboration with UACJ Foil Malaysia Sdn. Bhd.

Logistics Company Mergers

- UACJ Logistics and LCOMPO merged in April 2014.
- This merger creates an integrated management structure for the UACJ Group's logistics business and generates merger effects.

Structural Integration in the Precision-Machined Components Business

- In July 2014, we will establish a company to provide overall management in the precision-machined components business, thereby reinforcing management integration in businesses related to precision-machined components.
- This company for providing overall management in the precision-machined components business will promote operations by augmenting collaboration between our domestic and overseas operations, supporting new sales and cultivating customers, paring back overlapping operations and reducing costs.
- At the same time, we will merge UACJ Components Fukaya and NIKKEI KAKOH.
- This move will take full advantage of merger effects within the UACJ Group's precision-machined components business and maximize revenues and profits.

Strengthening global cost competitiveness

Targeted effects	Creation of optimal production system	<ul style="list-style-type: none"> Reduce manufacturing costs through relegation of product categories Reduce costs through optimization of distribution, etc. 	¥8.5 billion	Yearly total of over ¥15 billion
	Reduction in costs and development of new products by consolidating production technologies and R&D	<ul style="list-style-type: none"> Improve productivity through increased capacity for on-site improvements Greater efficiency through improvements to production processes Increase R&D and technological capabilities 	¥3.0 billion	
	Reduction in procurement costs and expenditures	<ul style="list-style-type: none"> Greater efficiency for transportation of raw materials Concentrated procurement of fuel, raw materials, etc. Reduce management costs, such as office/plant expenses 	¥3.0 billion	
	Other effects	<ul style="list-style-type: none"> Greater efficiency through increased coordination in-Group Derivative effects for businesses (casting, forging, copper tubing, precision-machined components, etc.) 	¥0.5 billion	

Performance in fiscal 2014: ¥1.0 billion/year

Performance forecast for fiscal 2015: ¥3.5 billion/year

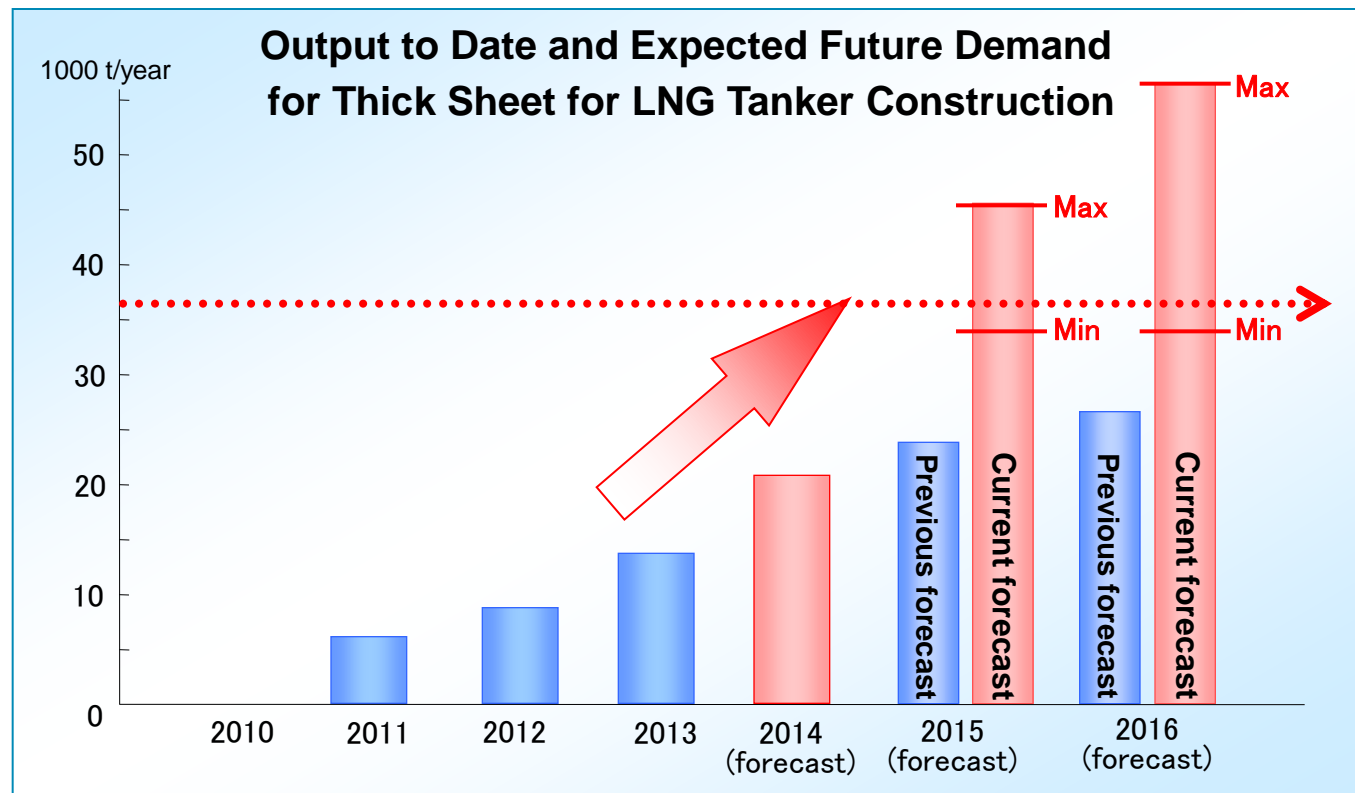
Pursuing steady implementation and further, additional effects

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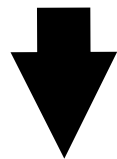
4. Topics

- Exports to Japan of U.S.-produced shale gas are expected to begin in 2017.
- Expected demand for construction of 30–40 new LNG tankers* ⇒ Thick aluminum sheet equivalent of approximately 120,000–160,000 tons
- Taking into account existing projects and Canadian shale gas exports scheduled to begin around 2018, as many as 50 ships will be need by 2020.

Note: From *Nihon Keizai Shimbun* and *Kaiji Press*



UACJ's production capacity = approx. 36,000 tons



We will consider capital investment to make up for the shortfall in our production capacity.

Cautionary note concerning forward-looking statements

This presentation contains various forward-looking statements that are based on current expectations and assumptions of future events. All figures and statements with respect to the future performance, projections and business plans of UACJ and its Group companies constitute forward-looking statements. Although UACJ believes that its expectations and assumptions are reasonable, actual results and trends UACJ's performance could differ materially from those expressed or implied by such figures or statements due to exchange rate movements and uncertainties in future business circumstances.

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