



Results Briefing for Fiscal 2019 (FY2019*)

May 19, 2020

* Throughout this document, FY2019 refers to the fiscal year ended March 31, 2020.

1. Results for FY2019

2. Measures for FY2020

3. COVID-19: Impact and Response

4. Progress on Restructuring

1. Results for FY2019

Ordinary income: **¥3.8 billion** (down ¥2.4 billion YoY)

Sales volume: Up YoY

- Growth in demand for can stock from UATH*¹ (Thailand) and TAA*² (United States)
- Increase in demand for automotive products

Ordinary income: Down ¥2.4 billion YoY, or 38.9%

Positive factors

- Improvement in equity-method investment due to CUA*³ JV dissolution
- Improvement in TAA's performance (higher sales, impact of cost reductions)
- Improvement in UATH's performance

Negative factors

- Decline in income due to the impact of inventory valuation
- Decrease in sales as a result of deterioration in the operating environment (US–China trade friction, business environment in Japan)

Annual dividend: Planning for **¥20/share**

Results for FY2019

<Consolidated>	FY2018 (A)	FY2019 (B)	Change (B)-(A)
Net sales	661.3	615.1	(46.2)
Operating income	14.9	10.1	(4.8)
Ordinary income before inventory valuation impact	3.0	9.8	6.8
Inventory valuation impact	3.2	(6.0)	(9.2)
Ordinary income	6.2	3.8	(2.4)
Net income*	1.1	2.0	0.9
Adjusted EBITDA**	42.6	47.3	4.7

* Net income: Net income attributable to owners of the parent

** Adjusted EBITDA: EBITDA excluding the impact of inventory valuation

Breakdown of Extraordinary Loss (net)

	FY2019
Structural reform loss	(1.0)
Loss on valuation of shares of subsidiaries and associates	(5.3)
Gain on sale of investment securities	2.0
Other	(1.1)
Extraordinary income and loss (net)	(5.4)
Total income taxes	4.6

Note: In Q3 FY2019, UACJ revalued the shares wholly owned subsidiary UACJ Australia Pty. Ltd. holds in Boyne Smelters Ltd., as well as UACJ Australia's loans receivable from Boyne Smelters. Judging that future recovery could prove problematic, UACJ posted a ¥5.3 billion loss on valuation of shares of subsidiaries and associates. Applying tax-effect accounting, the Company recorded deferred tax assets in relation to this loss.

Net Sales and Operating Income by Segment



(Billions of yen)

	FY2018 (A)		FY2019 (B)		Change (B)-(A)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Flat-rolled products	530.7	17.0	503.8	12.5	(26.9)	(4.5)
Wrought copper products	47.5	1.7	22.9	0.4	(24.6)	(1.4)
Precision-machined components and related business	197.1	3.1	188.8	3.1	(8.3)	0.0
(Adjustment)	(114.0)	(7.0)	(100.3)	(5.9)	13.6	1.1
Total	661.3	14.9	615.1	10.1	(46.2)	(4.7)

Sales Volume, Flat Rolled Products

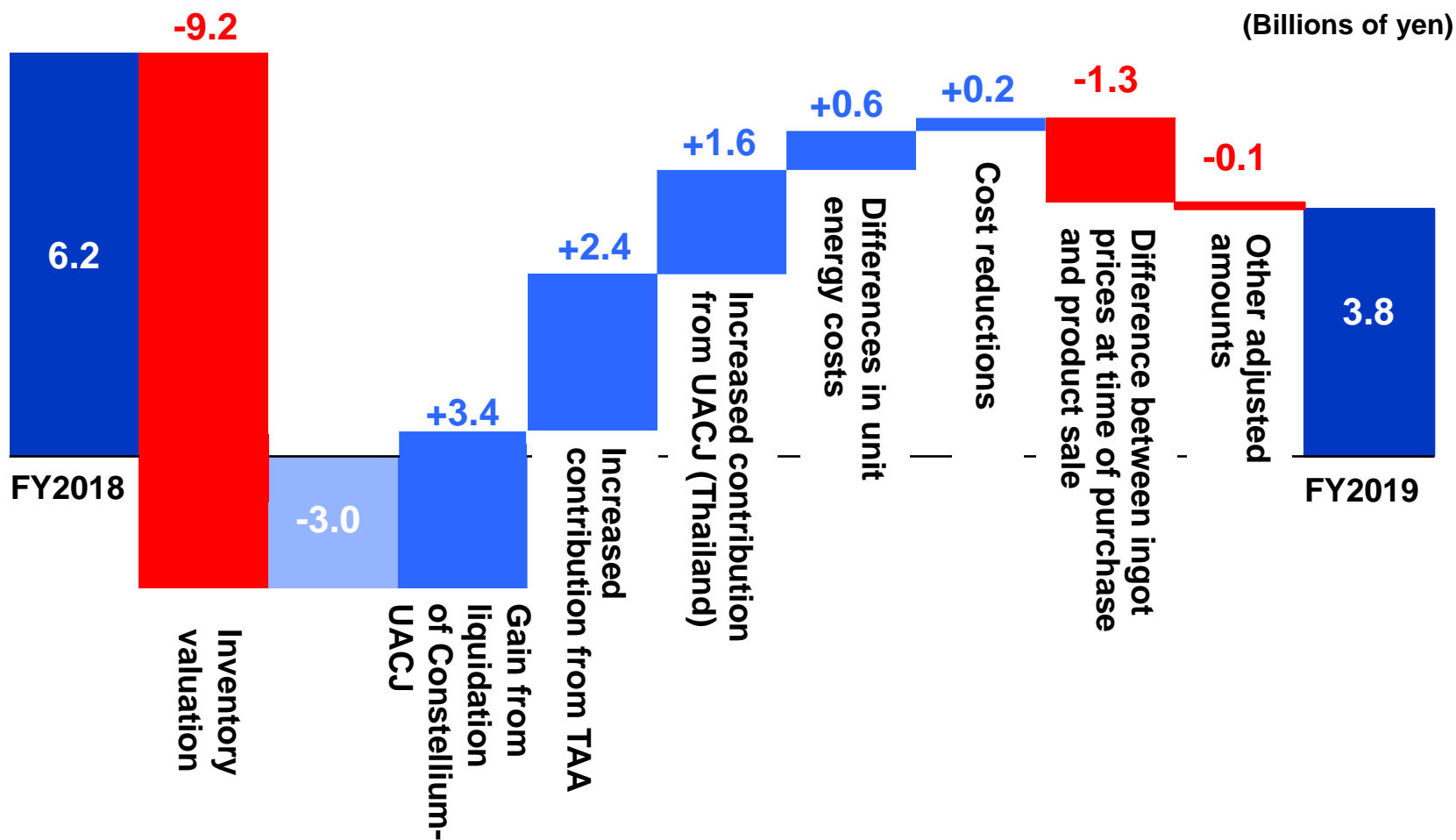


(Thousands of tons)

	FY2018 (A)	FY2019 (B)	Change (B)-(A)
Can stock	666	702	37
Foil	50	44	(6)
IT	15	17	1
Automotive materials	147	152	4
Thick plates	40	39	(1)
Other general-purpose materials	177	199	22
Total	1,094	1,153	59
	(For Japanese market: 504 For overseas market: 590)	(For Japanese market: 483 For overseas market: 669)	((21) 79)

Analysis of Consolidated Ordinary Income (FY2018 → FY2019)

¥6.2 billion (FY2018) → ¥3.8 billion (FY2019)

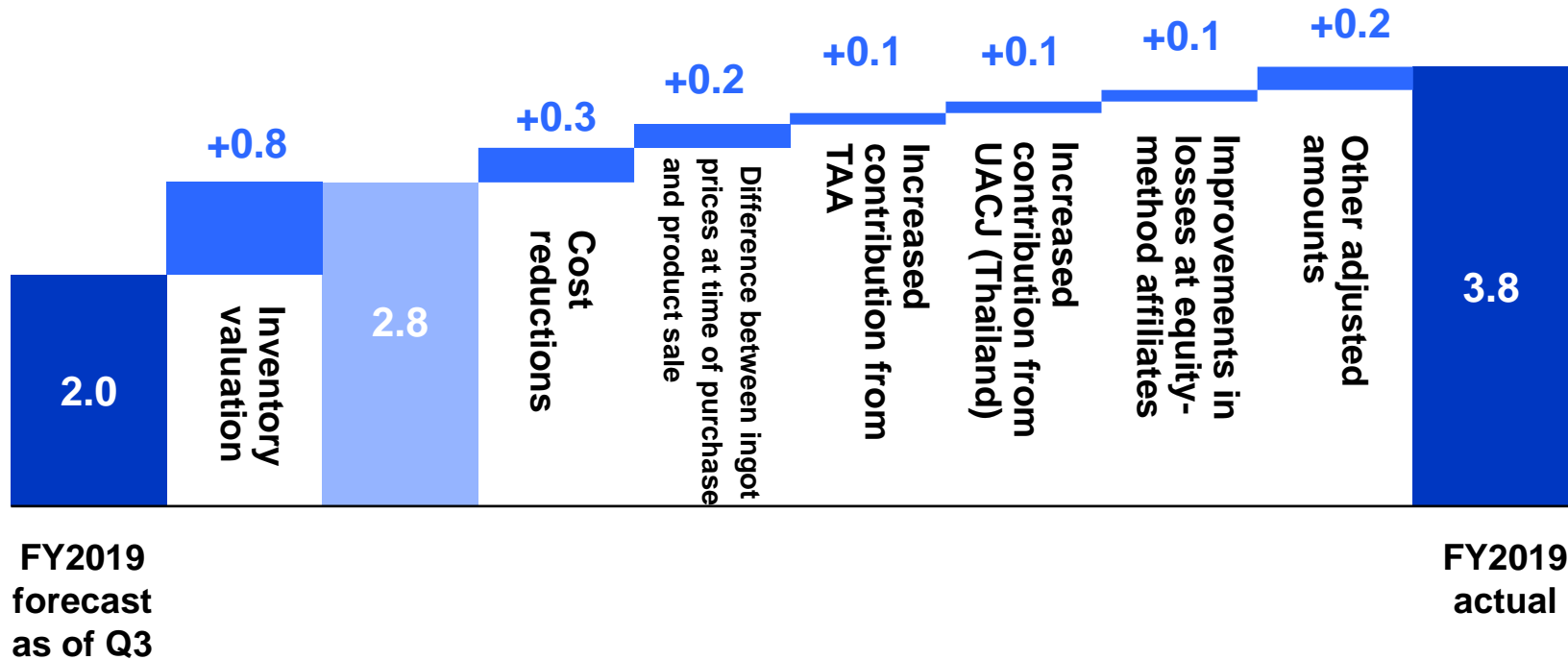


Analysis of Consolidated Ordinary Income (Forecast as of Q3 FY2019 → FY2019)



¥2.0 billion (FY2019 forecast as of Q3) → **¥3.8** billion (FY2019)

(Billions of yen)



Increasing Cash and Asset Efficiency



In FY2019, free cash flow turned positive and interest-bearing debt was down significantly.

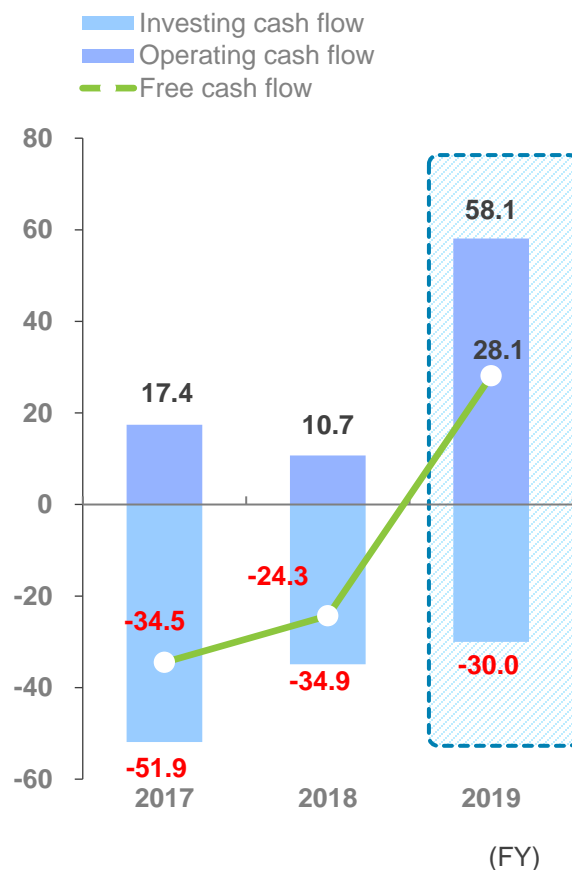
Consolidated Cash Flows in FY2019

(Billions of yen)

Income before income taxes	(1.62)
Loss on valuation of stocks of subsidiaries and affiliates	5.33
Depreciation and amortization (including goodwill)	31.20
Decrease (increase) in inventories	7.93
Receivables and payables	17.54
Corporate taxes	(2.27)
Cash flows from operations	58.11
Capital expenditures	(53.37)
Sale of the wrought copper products business	21.34
Other investing cash flows	2.00
Free cash flow	28.09
Dividends	(2.89)
Other financing cash flows	3.28
Increase (decrease) in cash and deposits	2.59
Repayment of interest-bearing debt	(31.07)

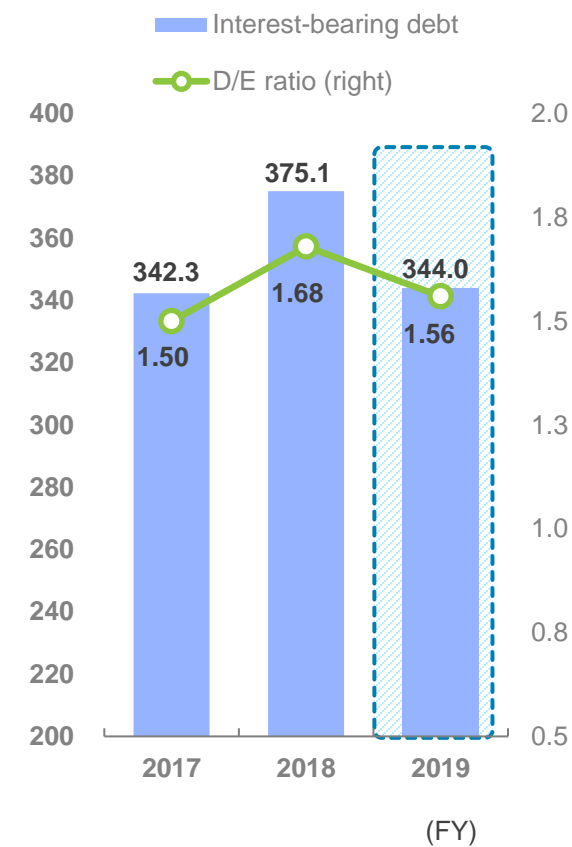
Consolidated Cash Flows

(Billions of yen)



Interest-Bearing Debt, D/E Ratio

(Billions of yen)



Strategic investments were mostly completed in FY2019, so capital investment should decline sharply in FY2020

(Billions of yen)

		FY2019
Capital investment	General investment	14.3
	Strategic investment	34.7
	Total	48.9
Depreciation and amortization		31.2
Strategic investment and loans		0.6

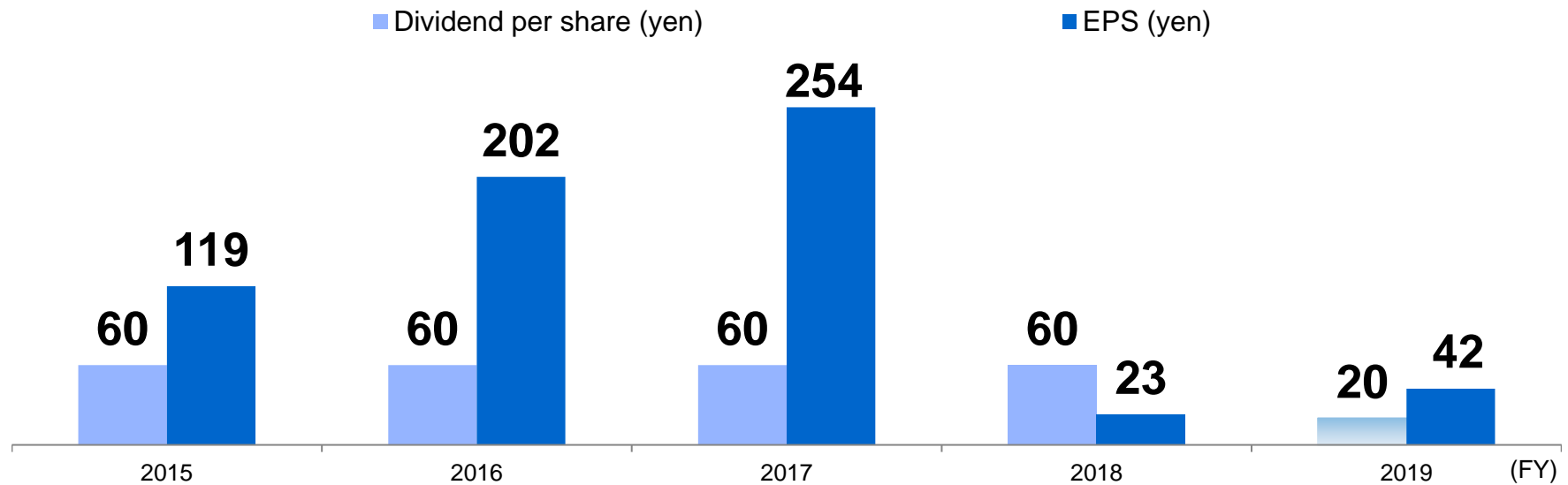
Improvement in ROE due to increase in net income

	As of March 31, 2019	As of March 31, 2020
Shareholders' equity (billions of yen)	191.0	188.4
Shareholders' equity ratio (%)	23.7	25.0
Interest-bearing debt (billions of yen)	375.1	344.0
D/E ratio* (times)	1.68	1.56
ROE (%)	0.6	1.1

*Factoring in subordinated loan

Plan for ¥20/share for FY2019, based on performance for the period

Dividend/EPS (Yen)*1



Revision of system of remuneration for corporate officers

- In addition to consolidated ROIC and consolidated adjusted EBITDA, which are already in use, adopt TSR*2 as a target for assessing the medium- to long-term performance linked compensation of internal directors and corporate officers

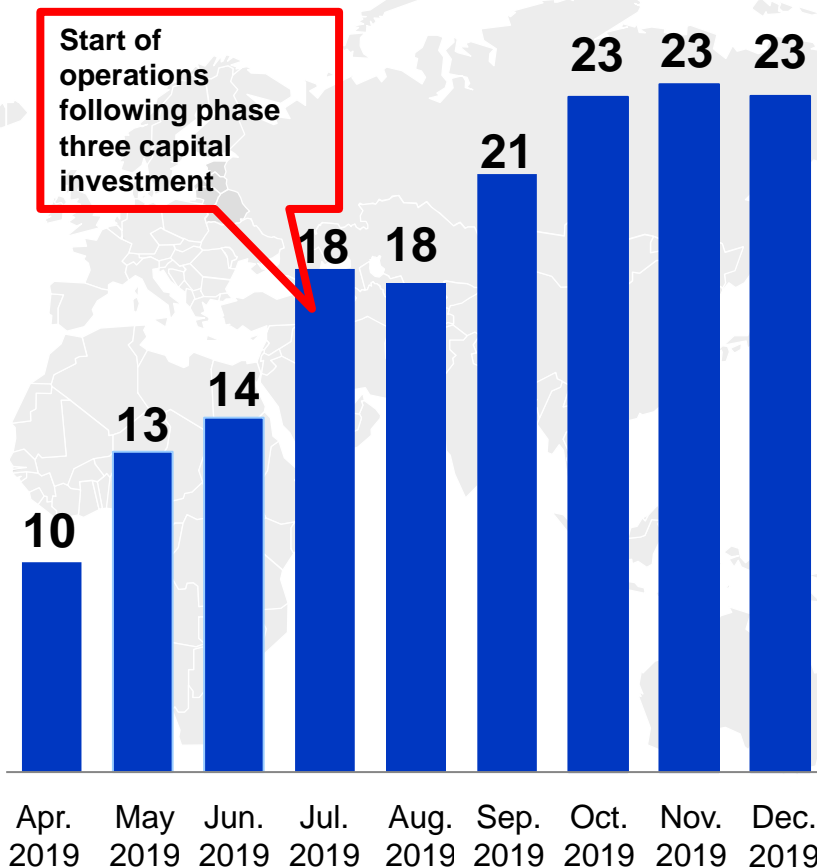
*1 After the reverse stock split on October 1, 2017

*2 TSR: Total shareholder's return (capital gains plus dividends)

Situation in Thailand (UATH) Overview of FY2019

With the production start of phase three capital investment, we have put in place a structure capable of producing 20,000 tons per month (becoming profitable at the operating level).

Monthly production volume at UATH (thousands of tons)



Overview of the year

- Demand for can stock: Robust, centered on Asia
- Production volume: Approx. 203,000 tons/year
- Sales volume: Approx. 200,000 tons/year
- Profit: In line with expectations

+

Accelerating localization on the operating front



2. Measures for FY2020

Current operating environment

- Japan: Domestic economic activity has fallen off dramatically, causing demand to shrink, centered on automobiles and machinery.
- North America: Although demand for can stock for daily necessities is solid, demand for aluminum for automotive parts is being affected by restrictions on economic activity.
- Asia: In many countries, bars, restaurants and retail stores have stopped operating, causing a drop in demand, particularly for can stock.

Operating environment by major products in the region

- Japan
- Can stock: Demand robust, despite event cancellations and government requests to stay indoors
 - Automotive: Affected by global restrictions on economic activity
 - IT stock: Expected rise in demand for IT equipment in response to growing need for working from home and teleworking, but uncertainty high
 - Thick plate: Demand for use in LCD and semiconductor production equipment expected to rise in relation to 5G, but full-fledged recovery likely to take time
- North America
- Can stock: Robust demand for aluminum cans, as needed for everyday items and affected by the shift from plastic
 - Automotive: Affected by restrictions on economic activity
- Asia:
- Can stock: Affected by closure of bars, restaurants and retail stores in many countries
 - Heat exchanger materials: Beginning to be affected by drop in global automobile sales

Financial forecast

Our financial forecast for FY2020 is undetermined. Due to uncertainty about how the COVID-19 pandemic will affect the industries that demand our products, the rational calculation of future performance is currently problematic.

Dividends

As with our financial forecast, our dividend forecast for FY2020 is undetermined.

3. COVID-19: Impact and Response

Although the order scenario is increasingly uncertain, we continue to operate at our major global bases.

Order trends, market situation

Although our direct customer-facing sales activities are restricted, we are leveraging teleworking and striving to obtain the most recent information, despite an uncertain outlook. We responding flexibly, based on the instructions of various countries' governments, supporting the activity of our customers and business partners.

- Can stock and other products needed in everyday life: The impact through April has been slight. The impact became evident as movement fell off during the May holidays.
- Automotive: With the halt of OEM operations, demand temporarily stagnated from May, and production adjustments are underway.
- Electronics: BCP response to suspension of operations in China is expected to boost production temporarily.
- Medical equipment: We are prioritizing the response to demand for products to prevent the spread of infection and maintain healthcare systems.

Operational status in key regions

Japan	In response to the fall in orders, some production lines at Nagoya, Fukui and Fukaya have suspended operations for multiple days. In general, operations are continuing as normal.
North America	TAA continues to operate. In line with government orders, UWH* stopped operating lines at the end of March. Operations recommenced on May 18. In other locations, as well, we are following government instructions and requests.
Thailand	UATH continues to operate. In other locations, we are giving topmost consideration to preventing infection from spreading by, in principle, restricting the movement of people. For extrusion, we are adjusting some operations related to automotive products.
China	Currently, operations are underway at all locations.
Southeast Asia (ex. Thailand)	Currently, operations are underway at all locations.

COVID-19 Prevention and Business Continuity Measures

We have ensured sufficient funds and are implementing through global measures to halt the spread of infection.

Funding

1. Cash on hand: ¥19.5 billion on December 31, 2019 → ¥28.7 billion on March 31, 2020
2. In April and May, raising an additional ¥30 billion as funds to be prepared for COVID-19 measures
3. Have also established ¥43.0 billion in commitment lines with financial institutions

Measures to prevent infection and halt its spread

- While taking thorough measures to prevent infection, we are maintaining production, centering on can stock needed for everyday lifestyle items.
 - We are cooperating with the instructions and requests of national and regional government bodies. Giving top priority to preventing infection from spreading, we are carefully considering management decisions throughout the Group. We are also considering alternative production plans that take into consideration the possibility of infection at one of our plants.
1. In staff departments, personnel are in principal working from home (telework) → More than 80%
Departments related to production and maintenance: Production continues, while thoroughly following government requests related to the prevention of infection.
 2. Company-sponsored events have been postponed for the foreseeable future, and domestic and overseas business trips are in principle banned. We are promoting online meetings and the use of ICT tools.
 3. People assigned to overseas posts are following the instructions of their host countries, responding to the status of infection and healthcare in their host regions.

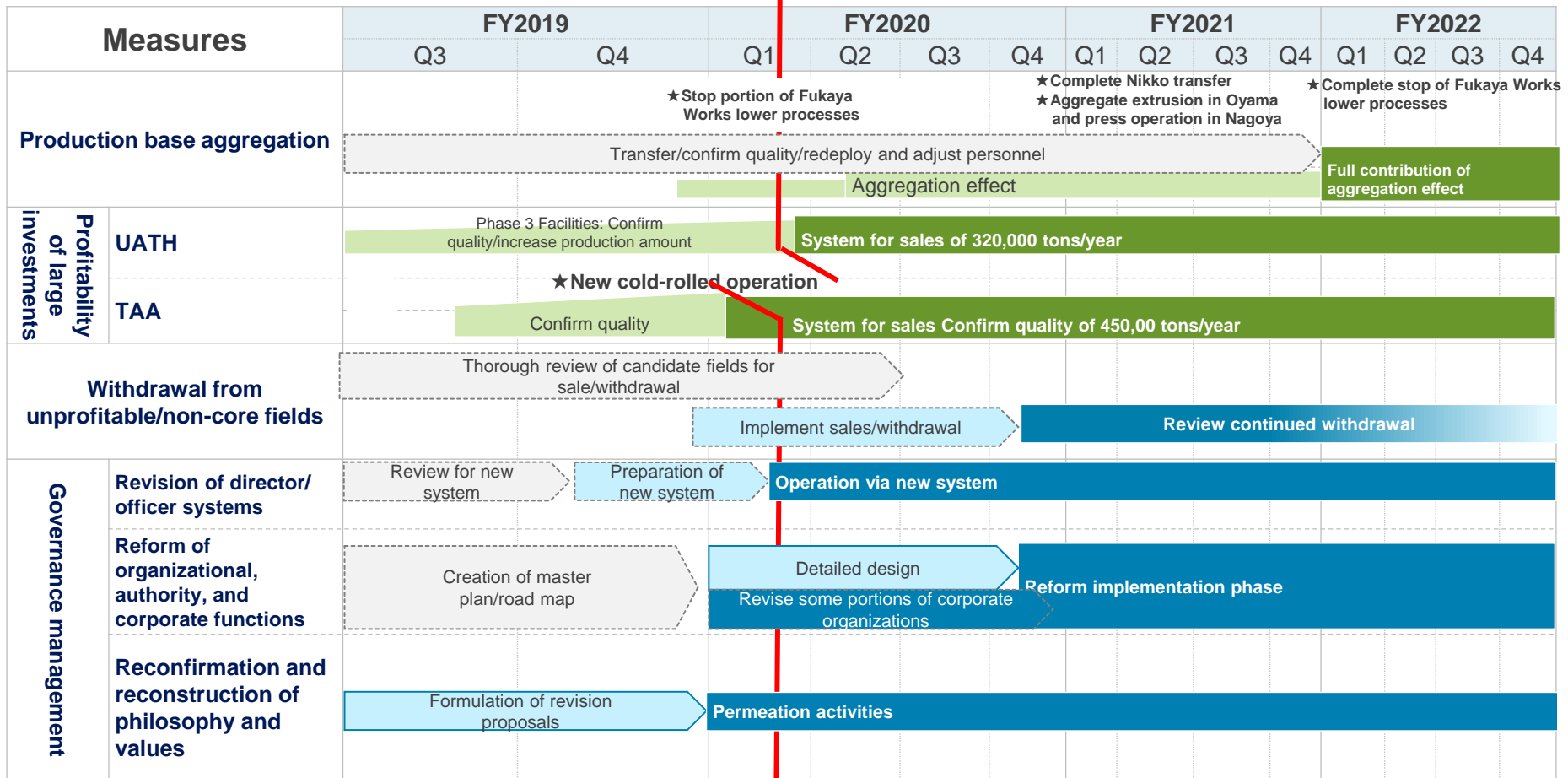
4. Progress on Restructuring

Progress on Restructuring

We are progressing with various restructuring measures as planned in accordance with our roadmap

In general, progressing as planned

Enhance earning power, improve financial standing, augment speed and quality of sales



Steps to Centralize Production in Japan

Progress on stopping lower process at the Fukaya Works and closing the Nikko Works is progressing as planned.

Policy

Reduce fixed costs and increase operating ratio by aggregating production bases

Measures

Progress

Stop lower process at the Fukaya Works → Aggregate to Nagoya and Fukui

Some lower processes stopped as planned
(Some stopped in Q4 2019 / completion in Q4 2021)

Close the Nikko Works → Aggregate automotive heat exchangers to UMP*

Have reached labor/management consensus on changes in personnel assignments and transfers
Negotiating with clients on aggregating automotive heat exchangers to UMP (transfer complete in Q4 2020)

Aggregate/optimize extrusion in Oyama and press operation in Nagoya

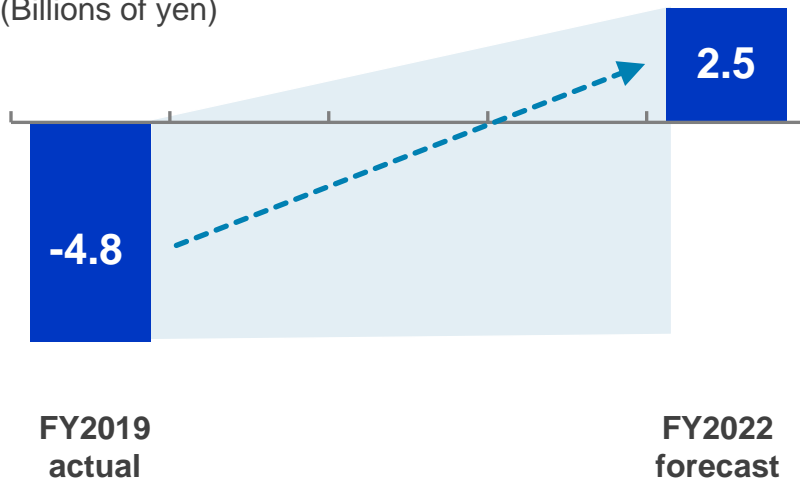
Set up cutting-edge press at Nagoya Works → Stopped operation of previous press, have begun aggregating production

Operations on phase three investment are underway, and efforts to increase sales and reduce costs are accelerating.

Key measures, improvement of ordinary profit/loss (excluding inventory valuation)

- Increase in sales due to full-fledged operation of phase three investment
- New customer acquisition and price revisions due to enhance direct-sales function
- Acquisition of long-term agreements and expanded sales area
- Cost reductions due to impact of production increases

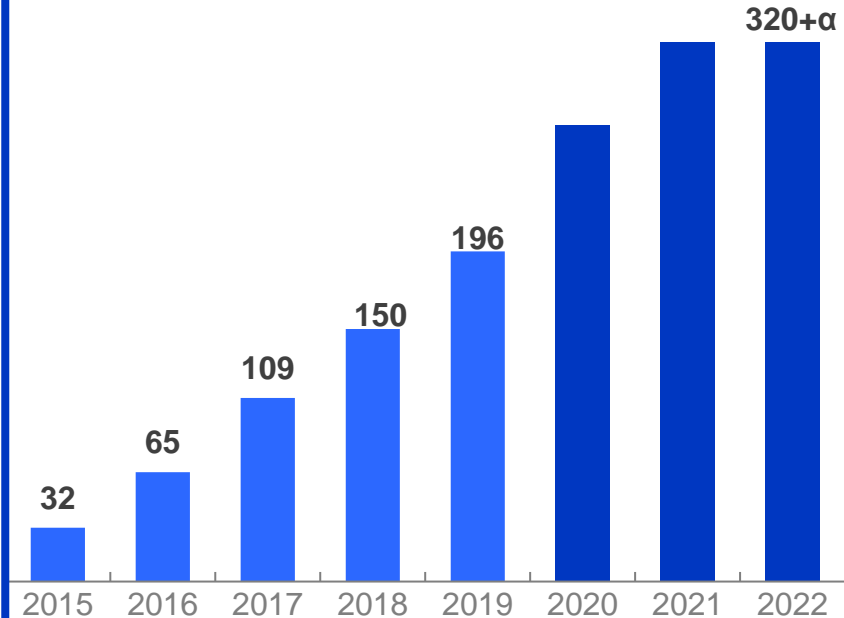
(Billions of yen)



Annual sales volume forecast for UATH

Annual sales volume

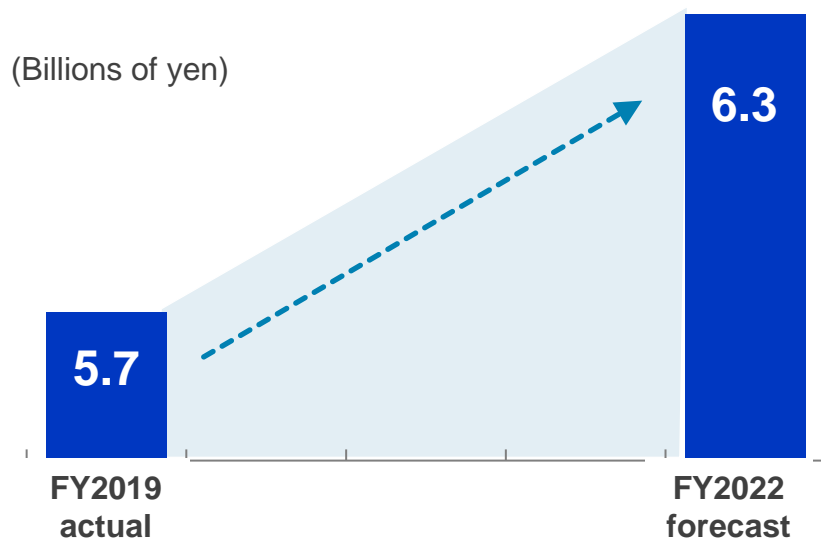
(Thousands of tons)



Given robust demand for can stock, achieve profit increases through higher sales volume, price revisions and cost reductions.

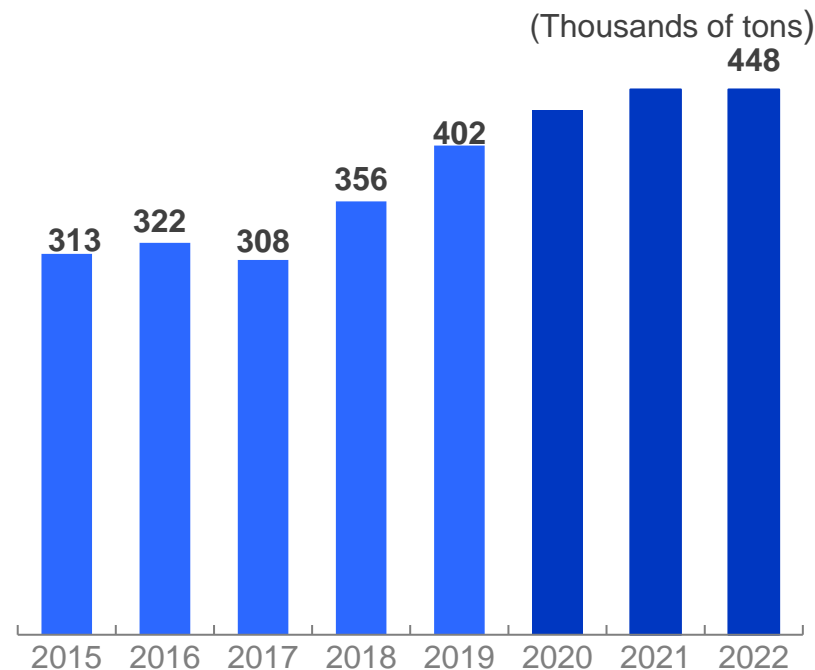
Key measures, improvement of ordinary profit/loss (excluding inventory valuation)

- Increase sales volume now that investment in expanded production is complete
- By renewing long-term agreements, ensure volume and revise prices
- Reduce production costs by using scrap



Annual sales volume forecast for TAA

Annual sales volume



Withdraw from Unprofitable/Non-Core Fields

Efforts to correct or withdraw from unprofitable/non-core fields are accelerating, both in Japan and overseas.

Policy

Correct or withdraw from low-profit fields

Area

Progress

Domestic business



UACJ Metal Components Corporation:
Closed Fukaya Works (May)

Overseas business



- Dissolve extrusion joint venture in Indonesia (June)
- Precision-machined components business in Thailand: Reduce headcount by 60

Revise Board of Directors/Officer Systems

Accelerate decision-making and strengthen the organization by reducing the number of directors and executive officers

Current system

New system

Executive officers	27	14
Internal directors (doubling as executive officers)	8	6
Outside directors	4	4

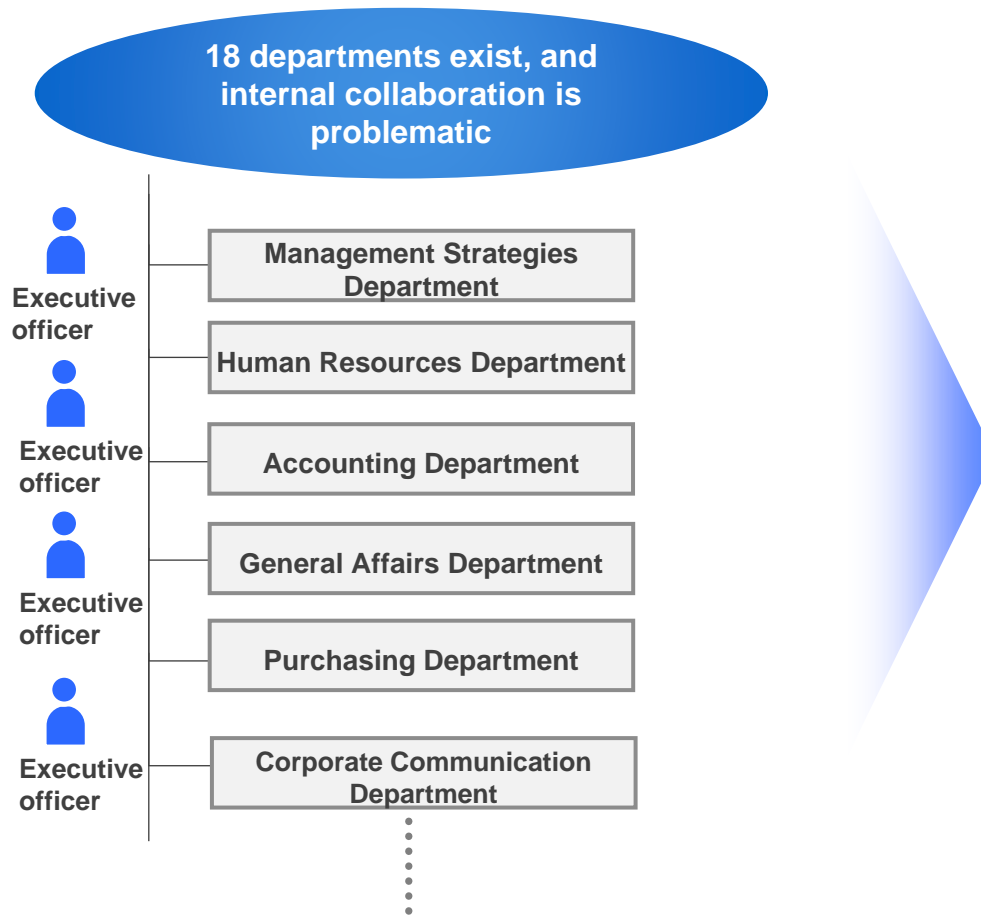
Clarify authority and responsibility

Accelerate decision-making

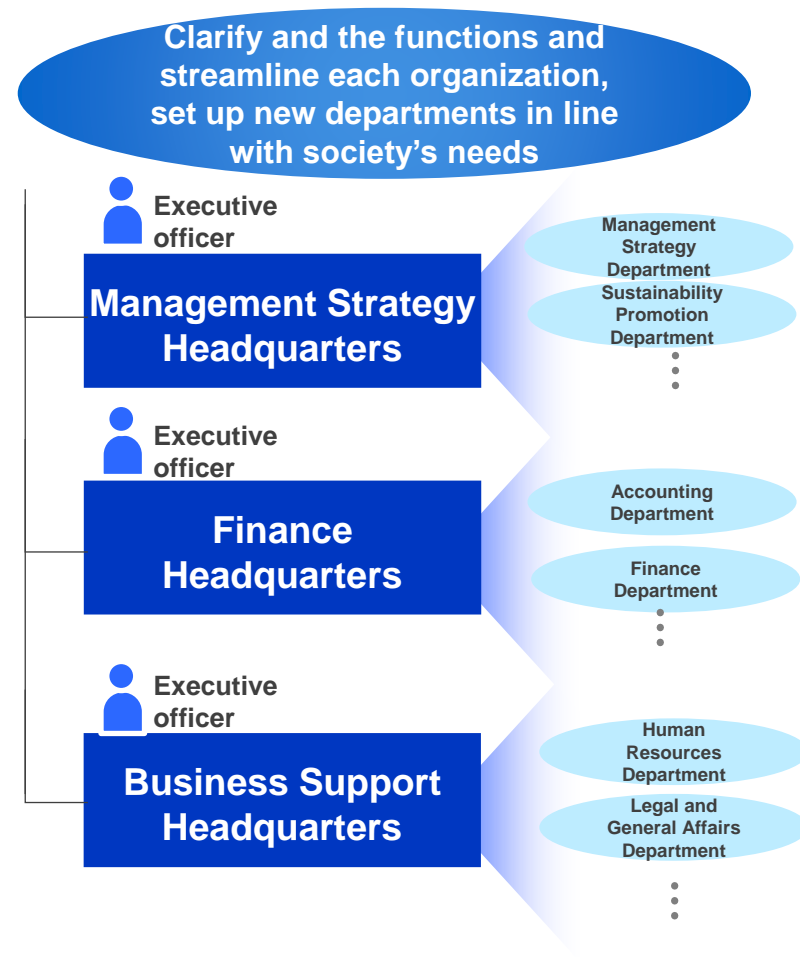
Introducing Headquarters System for Corporate Departments

Review the corporate structure, reinforcing Group governance to achieve structural reform

Current organizational structure



New organizational structure



Review our raison d'être, involve young people on the management team and redefine a philosophy distinctive to UACJ



Our Mission

Contribute to society by using raw materials to manufacture products that enhance prosperity and sustainability.

Our Vision

Aluminum is our passion. It inspires our work in building a better world and a healthier environment.

Our Values

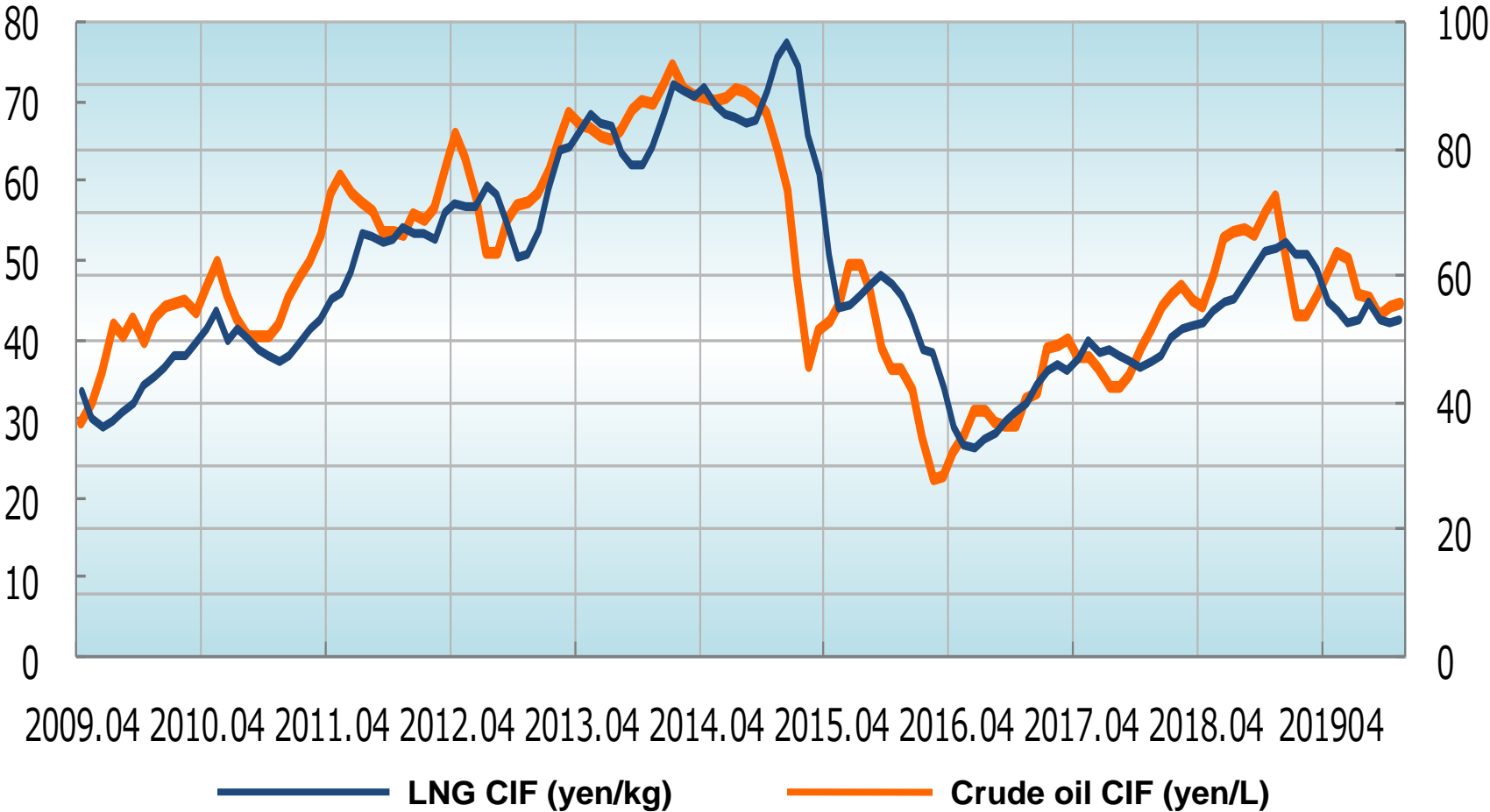
- Respect and understand your associates.
- Embrace honesty and foresight.
- Be curious and challenging.

Based on the new corporate philosophy structure, create a corporate climate and culture unique to UACJ

Reference Data

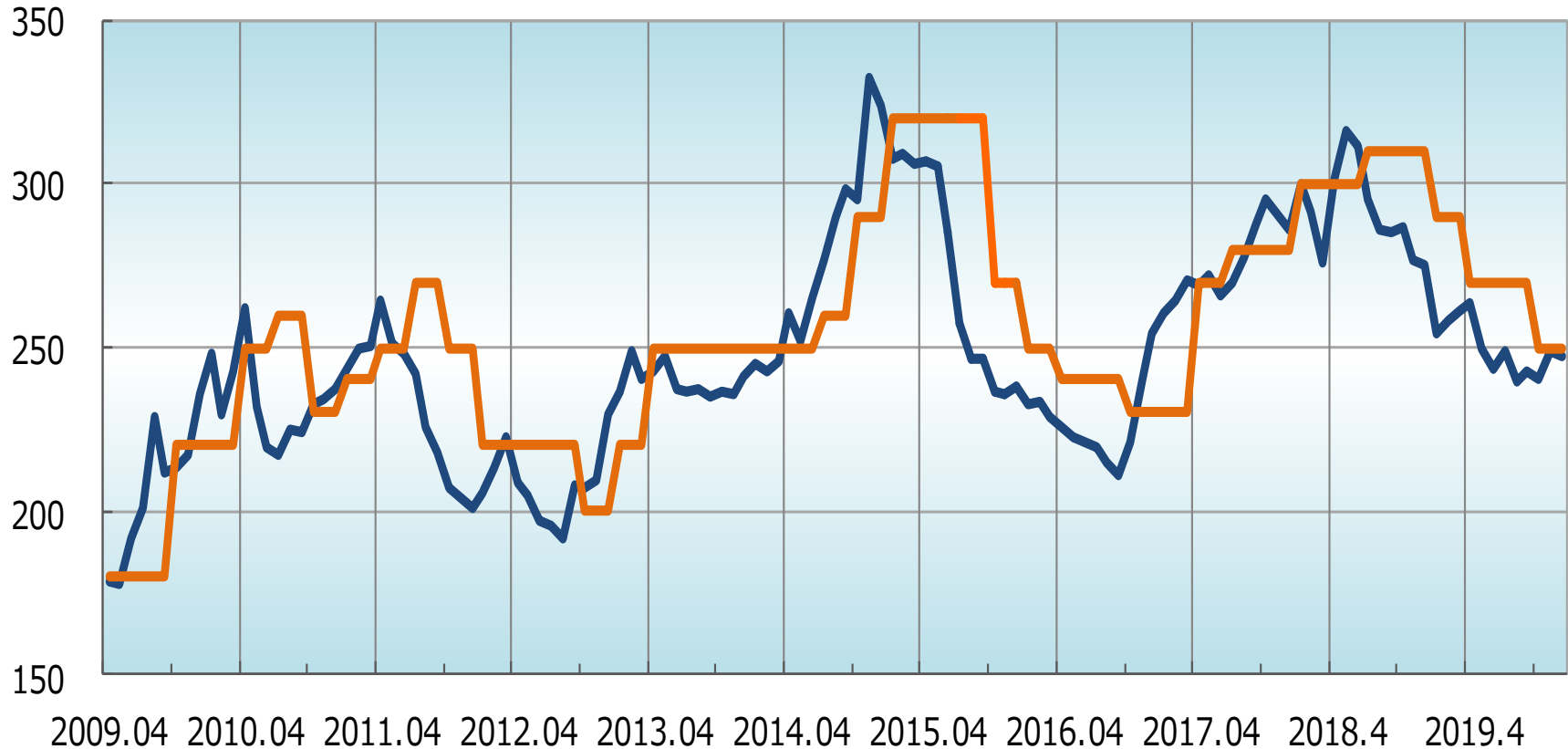
Crude oil CIF
(yen/L)

LNG CIF
(yen/kg)



Nikkei Average Primary Ingot Price/ Standard Primary Aluminum Ingot Price

(Yen/kg)



— Nikkei market price of aluminum

— Standard primary aluminum ingot price

	FY2019 (actual)	Sensitivity on ordinary income
Nikkei average price of aluminum (¥/kg)	245	¥10/kg rise → +¥2.0–3.0 billion/year
LME (\$)	1,749	\$100/t rise → +¥2.2–¥3.5 billion/year
Foreign exchange (¥/\$)	109	Almost no impact
(¥/Thai baht)	3.5	- Fuel and additional material cost: become positive by stronger yen - Rolling margin, forex conversion: become positive by weaker yen
Crude oil (Dubai: \$)	60	\$10 increase → Approx. (¥1.0–¥1.5) billion/year

(Billions of yen)		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales		572.5	575.7	568.3	624.3	661.3	615.1
Operating income		23.7	15.2	25.9	29.2	14.9	10.1
Ordinary income before inventory valuation impact		14.2	20.3	24.0	11.3	3.0	9.8
<Inventory valuation impact>		7.1	(8.3)	(4.2)	8.1	3.2	(6.0)
Ordinary income		21.3	12.0	19.8	19.4	6.2	3.8
Net income attributable to owners of the parent		8.6	5.1	8.7	12.3	1.1	2.0
Adjusted EBITDA		41.7	52.3	56.8	50.7	29.6	47.3
CAPEX	General	12.0	12.4	11.2	14.7	16.1	14.3
	Strategic	34.5	18.1	20.4	36.5	36.5	34.7
	Total	46.5	30.5	31.6	51.2	52.5	48.9
Depreciation		21.8	22.2	22.8	25.1	30.7	31.2
Strategic investment and loans		3.8	5.5	23.1	3.3	-	0.6
Shareholders' equity		172.3	165.0	184.1	194.2	191.0	188.4
Shareholders' equity ratio		25.4	24.9	25.4	25.1	23.7	25.0
Interest-bearing debt		295.9	289.0	323.8	342.3	375.1	344.0
D/E ratio*		1.72	1.75	1.49*	1.50*	1.68*	1.56*
ROE		5.3	3.0	5.0	6.5	0.6	1.1

*Factoring in subordinated loan

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's management believes that its expectations and assumptions are reasonable, actual results and trends in UACJ's performance could differ from those expressed or implied by figures or statements herein due to exchange rate movements fluctuations, and uncertainties in future business circumstances, and other factors.

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