



Aluminum lightens the world
アルミでかなえる、軽やかな世界

Results Briefing for Q2 Fiscal 2024

November 7, 2024
UACJ Corporation



Key Points of Today's Announcements

- **1H FY2024 Business profit*:** ¥30.0 billion (YoY: +¥9.0 billion)
- **FY2024 Full-year forecast:** ¥45.5 billion; **Dividend Forecast:** ¥140/share

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■ 1H FY2024 Business profit: ¥30.0 billion (YoY: +¥9.0 billion)

- ✓ Japan: Can stock and thick plates, etc. made steady progress and secured earnings
- ✓ Overseas: Higher revenue and profits achieved by capturing solid demand for can stock globally, but centered on North America

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■ FY2024 Full-year forecast: ¥45.5 billion (YoY: +¥2.1 billion)

- ✓ Global can stock demand expected to be robust, in line with assumptions
- ✓ Earnings forecasts are left unchanged, and ascertain impact of external environment going forward
- ✓ Net profit: ¥20.5 billion (YoY: +¥6.6 billion), annual dividend: ¥140/share (YoY: +50/share)

* Business profit: The end result of sustainable business activities. Obtained by deducting from operating profit the impact of metal price lag, and other material profit or loss items that are temporary or extraordinary in nature

Key Points of Today's Announcements

1H FY2024 results and full-year outlook

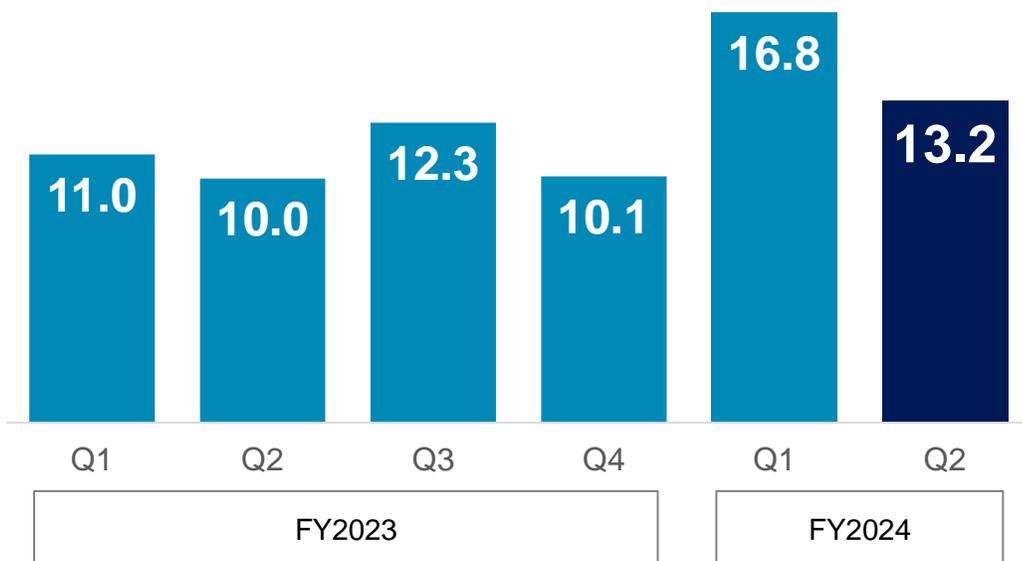
- ✓ 1H results: Came in ahead of initial forecasts
 - Overseas: Strong sales for Global Business as a whole
 - Japan: Positive change in product mix
(Can stock: Increase in sales driven by seasonal; Plates: Temporary rising demand caused by normalization of distribution inventory)
- ✓ 2H and beyond: Global stock demand expected to be robust, in line with assumptions
- ✓ Going forward into 2H, we will ascertain trends in foreign exchange markets and raw material price



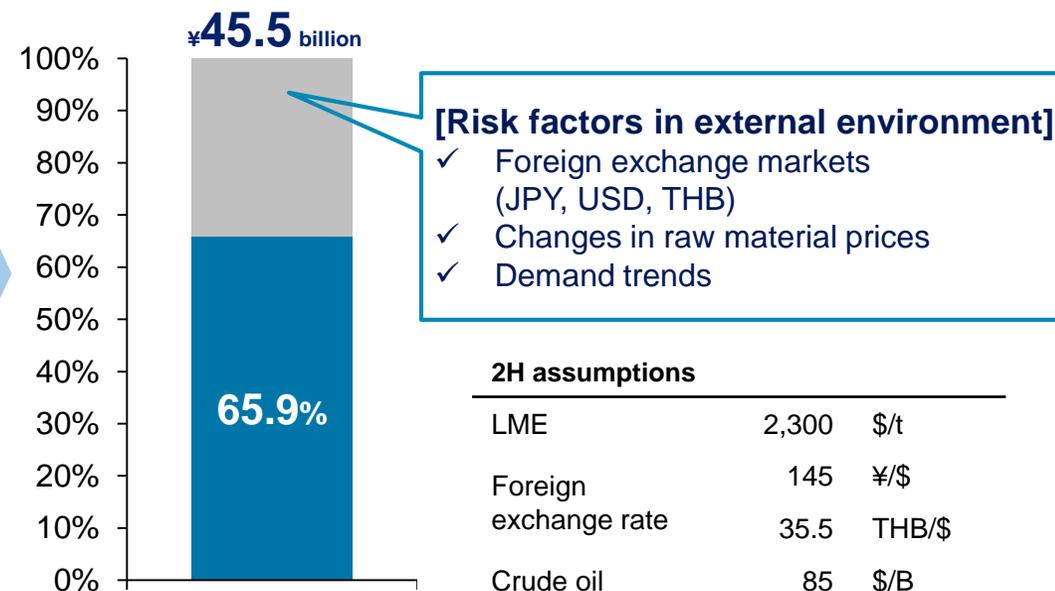
We expect to achieve business profit forecast of

¥45.5 billion

Business profit by quarter (billion yen)



FY2024 progress in business profit



1 | Results for 1H FY2024

2 | Forecasts for FY2024

3 | Initiatives Aimed at Enhancing Corporate Value

4 | Reference Data

1. Results for 1H FY2024



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Results for 1H FY2024

(Billions of yen)	1H FY2023 (A)	1H FY2024 (B)	Change (B)−(A)
Revenue	434.9	487.1	52.2
Business profit	21.0	30.0	9.0
Metal price lag, etc.	(8.1)	5.7	13.8
Operating profit	12.9	35.7	22.8
Profit (loss) attributable to owners of parent	4.5	16.7	12.2
Net profit (loss) per share (yen/share)	94	346	252
(Reference) Profit (loss) attributable to owners of parent based on business profit	10.2	12.1	1.9
(Reference) Net profit (loss) per share based on business profit (yen/share)	211	251	40
Adjusted EBITDA*1	39.1	48.7	9.7

*1 Adjusted EBITDA: EBITDA − Metal price lag

Sales Volume, Flat-rolled Products

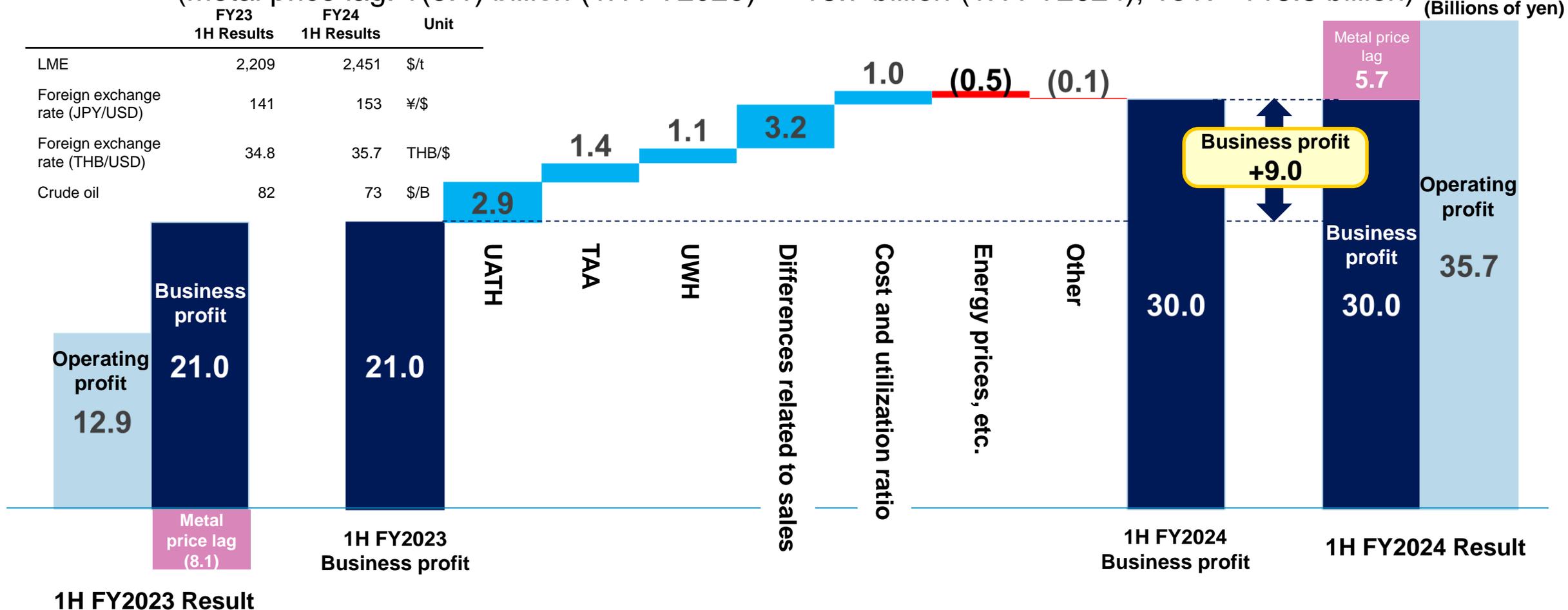
(Thousands of tons)

	1H FY2023 (A)	1H FY2024 (B)	Change (B)−(A)
Can stock*1	385	428	43
Foil	22	21	(1)
IT	3	5	2
Automotive materials	69	68	(1)
Thick plates	16	21	5
Other general-purpose materials	83	90	7
Total	578	633	55
	For Japanese market 233 For overseas market 345	For Japanese market 250 For overseas market 383	For Japanese market 17 For overseas market 38

Analysis of Business Profit (1H FY2023 → 1H FY2024)

Business profit: ¥21.0 billion (1H FY2023) → ¥30.0 billion (1H FY2024)

(Metal price lag: ¥(8.1) billion (1H FY2023) → ¥5.7 billion (1H FY2024), YoY: +¥13.8 billion)



Consolidated Balance Sheet

Working capital increased due to a rise in inventories

Consolidated Balance Sheet

(Billions of yen)	Mar. 31, 2024 (A)	Sept. 30, 2024 (B)	Change (B) – (A)
Cash and cash equivalents	40.2	30.8	(9.4)
Trade and other receivables	179.7	194.6	14.9
Inventories	187.9	215.7	27.8
Other current assets	23.4	24.5	1.1
Property, plant and equipment	385.2	381.7	(3.4)
Other non-current assets	98.1	96.2	(1.8)
Total assets	914.4	943.6	29.1
Trade and other payables	141.7	136.6	(5.0)
Borrowings	310.9	326.4	15.5
Other	159.9	163.2	3.3
Total equity attributable to owners of parent	277.0	292.2	15.1
Non-controlling interests	25.0	25.2	0.2
Total liabilities and equity	914.4	943.6	29.1

Application of Funds Statement

	Application of funds	Sources of funds
Long-term funds	Capital expenditures 19.9	Profit (loss) before tax 26.0
	Payment of income taxes 4.3	Depreciation and amortization 18.7
	Surplus of long-term funds 20.5	
Short-term funds	Change in working capital 48.4	Shortage of short-term funds 48.4

Long-term funds ¥20.5 billion

Short-term funds ¥(48.4) billion

Free cash flow ¥(27.8) billion

Consolidated Cash Flow Statement

Maintaining D/E ratio at FY2024 target of 1.0x

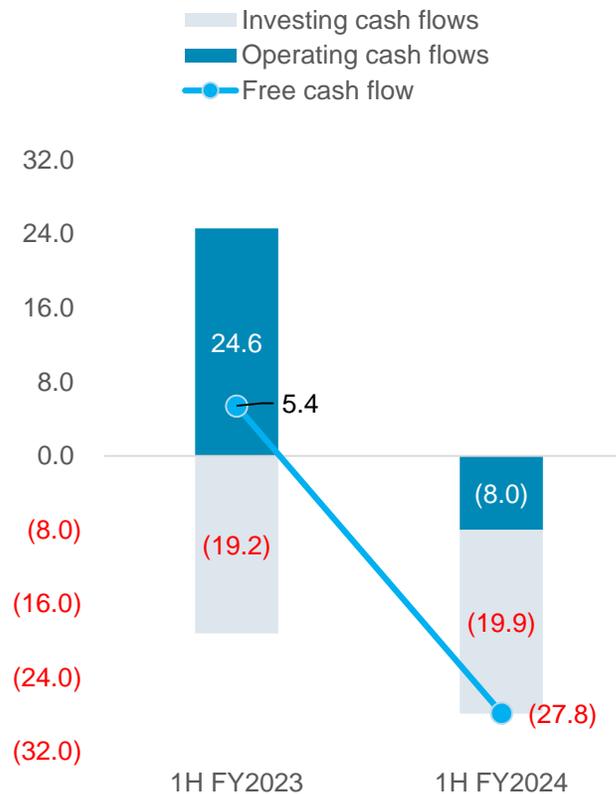
Consolidated Cash Flows in 1H FY2024

(Billions of yen)

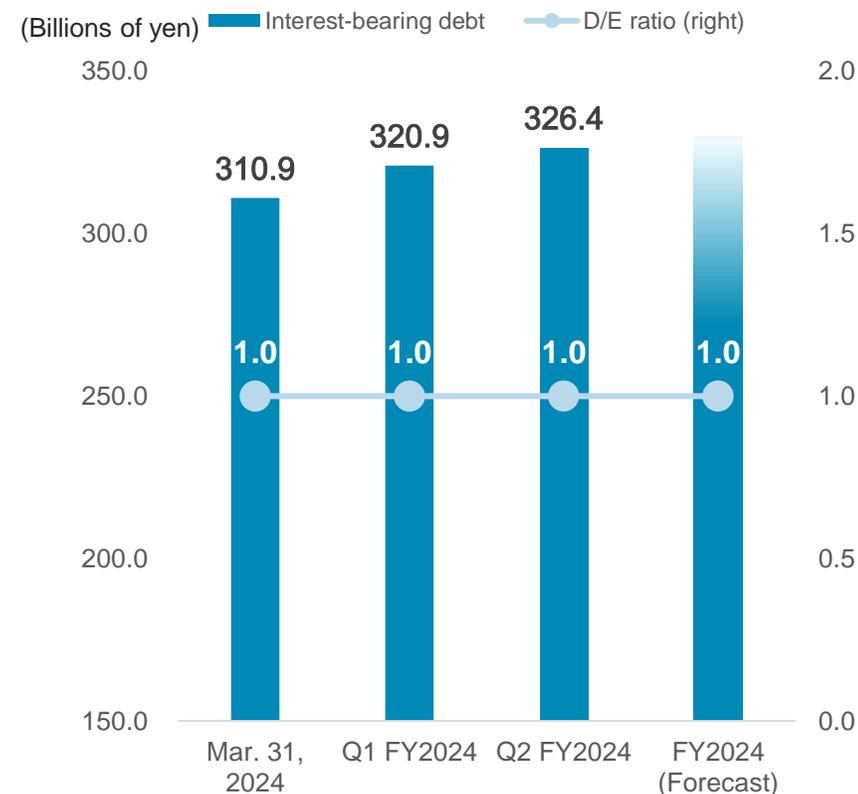
Profit (loss) before tax	26.0
Depreciation and amortization	18.7
Change in payables/receivables, etc.	(52.7)
Cash flows from operations	(8.0)
Capital expenditures	(19.9)
Free cash flow	(27.8)
Financing schemes, dividends, etc.	1.7
Decrease (increase) in cash and deposits	9.4
Conversion losses (gains) on foreign currency-denominated borrowings	1.3
Interest-bearing debt (increase)	(15.5)

Consolidated Cash Flows

(Billions of yen)



Interest-Bearing Debt, D/E Ratio*



Capital Investment and Depreciation and Amortization

Capital investment will be held firmly within the range of depreciation

		1H FY2024 Results	FY2024 Forecast	FY2024-2027 Plan	FY2021-2023 Results
	(Billions of yen)				
Capital investment	General investment	10.0	16.0	82.0	55.6
	Strategic investment	4.7	20.5	78.0	24.7
	Total	14.7	36.5	160.0	80.3
Depreciation and amortization		18.7	36.5	160.0	101.8

Situation in Thailand (UATH)

Sales and profits increased, to efforts to capture can stock demand globally

Overview

Demand : Global can stock demand is expected to recover and to grow at a rate of 3-4% until 2030

Sales : **[North America]**
Shipments of products continued in response to recovery in can stock demand
[ASEAN and other regions]

- Worked to win new customers, expanded sales area
- In response to competition from Chinese materials, negotiated contracts based on our strengths of stable supply and high quality

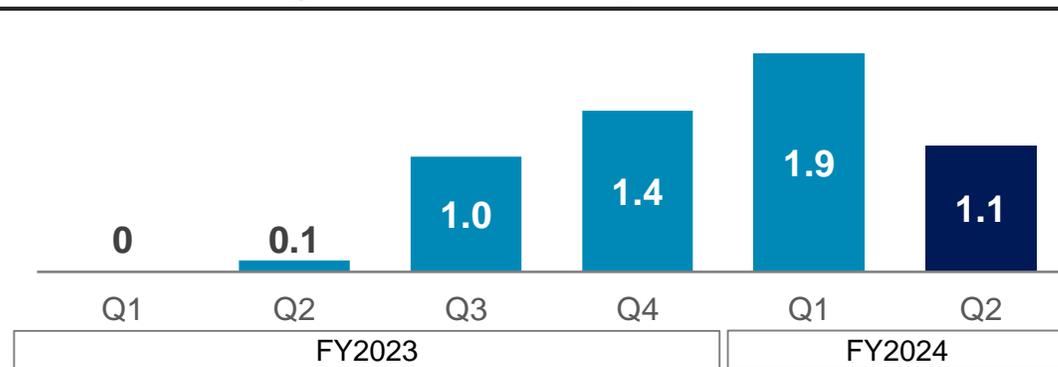
Profit : Secured earnings through recovery in sales volume
(Billions of yen)

	1H FY2023 (Apr.-Sept.)	1H FY2024 (Apr.-Sept.)	YoY
Sales volume (Thousands of tons)*	126	149	23
Revenue	69.2	94.7	25.5
Operating profit	(1.3)	5.9	7.2
Business profit	0.1	3.0	2.9

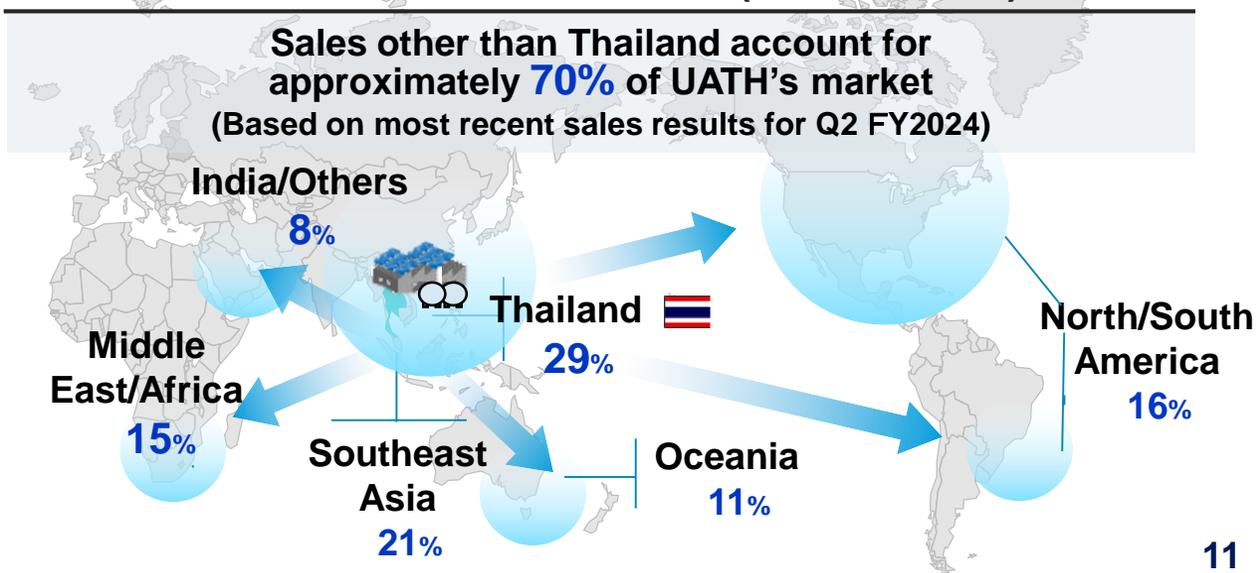
*Includes shipments to TAA
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*Refer to p.28 for performance since FY2023.

Changes in business profit (billion yen)



Sales Ratio in Sales Areas (25 Countries)



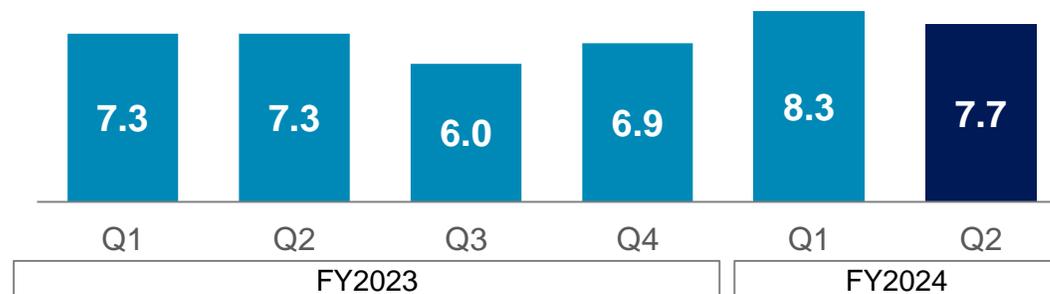
Situation in United States (TAA)

Demand robust throughout can stock supply chain, with increases in sales volume driving higher revenue and profits

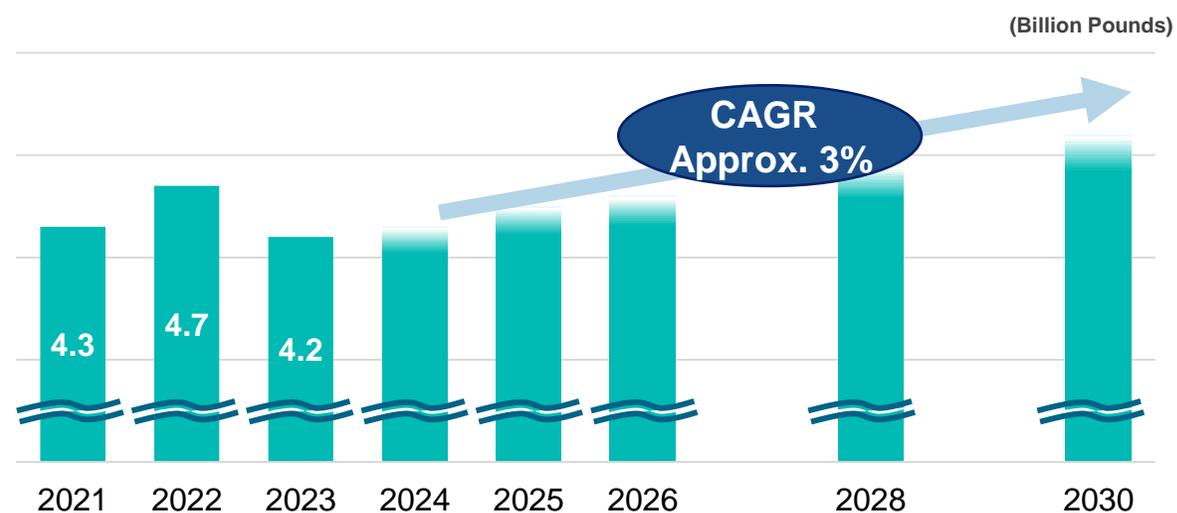
Overview

- Demand** :
 - No change in long-term trend of rising demand for can stock in North America
 - Recently we have seen can stock demand shift from restocking to a more stable phase
- Production** :
 - Production continuing at high levels
 - Capacity expansion is making satisfactory progress
- Sales** : Sales volume increased 19,000 tons YoY

Changes in business profit (billion yen)



Changes in US Can Stock Demand



	(Billions of yen)		
	1H FY2023 (Apr.-Sept.)	1H FY2024 (Apr.-Sept.)	YoY
Sales volume (Thousands of tons)	208	227	19
Revenue	121.9	143.4	21.5
Operating profit	10.1	18.1	8.0
Business profit	14.6	16.0	1.4

*Refer to p.28 for performance since FY2023.

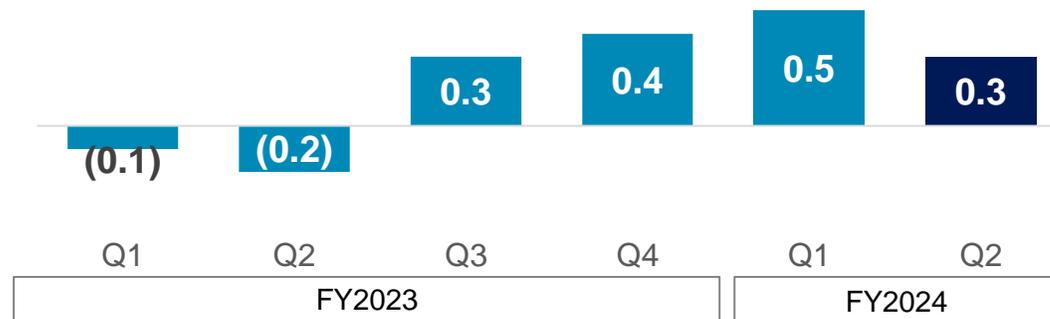
Situation in United States (UWH)

Thorough implementation of cost-reduction initiatives underway since 2H FY2023 drove return to the black in 1H FY2024

Overview

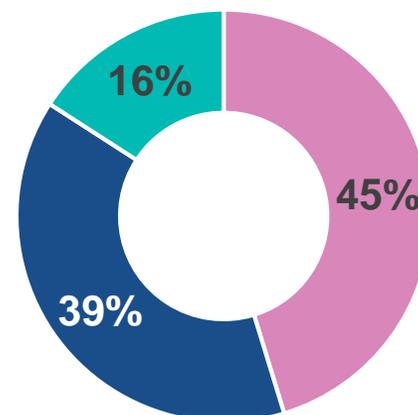
- Business environment** :
 - Rising demand for lighter vehicle weight in response to environmental regulations, etc.
 - Although EV market demand is temporarily weak, we see no change in the medium- to long-term growth of the automotive market as a whole
- Sales** :
 - Continued to provide stable supply to Japanese OEMs
 - Activities for capturing rising demand generated by shift to lighter vehicle weight, etc. and winning new projects
- Profit** :
 - Negotiated with customers to secure earnings, following on from the end of the previous fiscal year
 - Thoroughly implementing cost-reduction initiatives that have been continuing since 2H FY2023

Changes in business profit (billion yen)



Comparison of sales ratio

1h FY2024



• Breakdown of sales not wholly dependent on EV

- For EVs
- For HV, ICE etc.
- Other

	(Billions of yen)		
	1H FY2023 (Apr.-Sept.)	1H FY2024 (Apr.-Sept.)	YoY
Revenue	21.0	19.5	(1.5)
Operating profit	0.3	0.6	0.3
Business profit	(0.3)	0.8	1.1

*Refer to p.28 for performance since FY2023.

2. Forecasts for FY2024



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Full-Year Forecast for FY2024

Full-year earnings forecasts unchanged from those of August announcement, and making steady progress towards achieving targets

(Billions of yen)	FY2023 Results (A)	FY2024 Forecast (unchanged from Aug. announcement) (B)	Change (B)–(A)
Revenue	892.8	930.0	37.2
Business profit	43.4	45.5	2.1
Metal price lag, etc.	(12.0)	1.0	13.0
Operating profit	31.4	46.5	15.1
Profit (loss) attributable to owners of parent	13.9	20.5	6.6
Net profit (loss) per share (yen/share)	287	425	138
(Reference) Profit (loss) attributable to owners of parent based on business profit	22.1	19.8	(2.3)
(Reference) Net profit (loss) per share based on business profit (yen/share)	458	411	(47)
Adjusted EBITDA	79.8	82.0	2.2
Annual dividends	90 yen/share	140 yen/share	50 yen/share

2H assumptions

LME	2,300	\$/t
Foreign exchange rate	145	¥/\$
	35.5	THB/\$
Crude oil	85	\$/B

Sales Volume, Flat-rolled Products

(Thousands of tons)

	FY2023 Results (A)	FY2024 Forecast (unchanged from Aug announced) (B)	Change (B)−(A)
Can stock*1	791	854	63
Foil	45	45	0
IT	8	10	2
Automotive materials	142	139	(3)
Thick plates	34	38	4
Other general-purpose materials	175	175	0
Total	1,195	1,262	67
	For Japanese market 475	For Japanese market 485	For Japanese market 10
	For overseas market 720	For overseas market 777	For overseas market 57

Shareholder Returns Policy

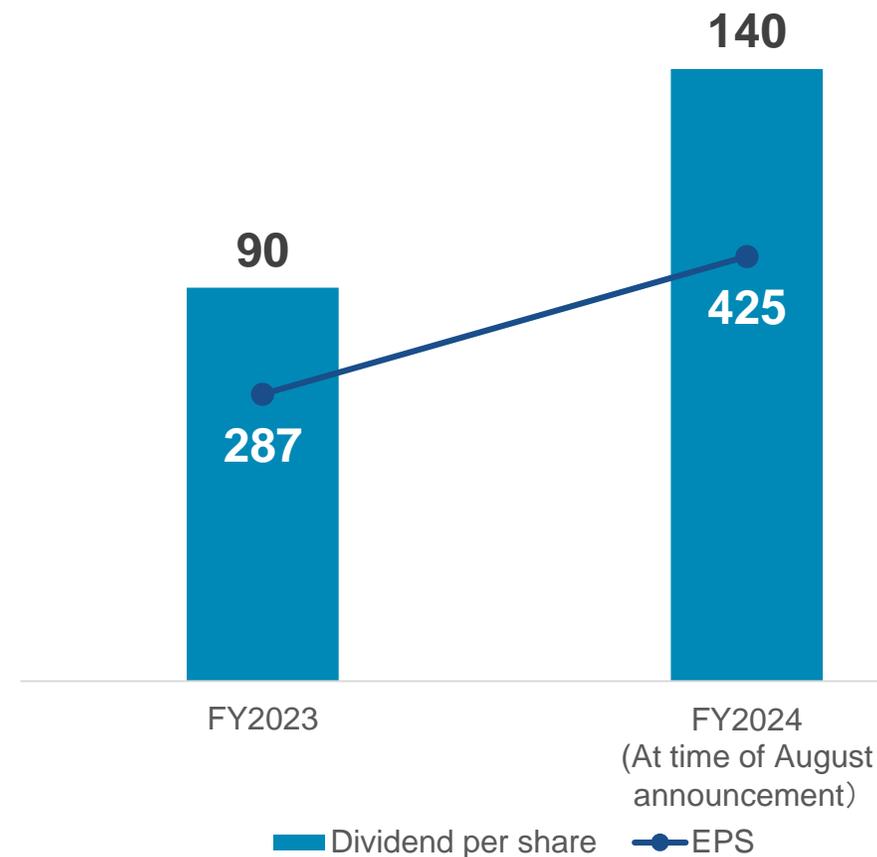
No change to annual dividend forecast of 140 yen per share - adhering strictly to our returns policy

Dividend policy for Fourth Mid-term Management Plan period

Aim to pay a stable and continuous dividend
Targeting dividend payout ratio of
30% or more of net profit*

	FY2023		FY2024 (unchanged from Aug announcement)	
Net profit	¥13.9 billion		¥20.5 billion	
Annual dividends	90 yen		140 yen	
Dividend payout ratio	31.3%		32.9%	
Breakdown	Interim	Year-end	Interim	Year-end
	45 yen	45 yen	70 yen	70 yen

Dividend per share (yen)/EPS (yen)



3. Initiatives Aimed at Enhancing Corporate Value



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Toward Management Conscious of Cost of Capital and Stock Price

Coordinating internally to maximize shareholder value
(as announced in Fourth Mid-term Management Plan)

ROE improvement (Target: 9% or more)

- Business profit target: ¥60 billion
- ROIC target: 9% or more
- Review of value creation process
- Formulation of business strategies
- Establishment of growth scenario

Reduction of capital cost (Target: 7% range) Higher expected growth rate

- Creating an optimal capital structure
- Dividend payout ratio of 30% or more
- Formulation of sustainable business strategy
- Non-financial value creation
- Strengthen disclosure and engagement

Equity spread

Quickly reaching
1% or more

Maximizing
stock price
(PBR 1.0 or more)

PBR trends



3. Initiatives Aimed at Enhancing Corporate Value

R&D Activities Aimed at Achieving a Circular Economy - Participation in National Projects

[1. Project for development of advanced circulation technology (upgrade recycling technology)]

- Participation in NEDO subsidized project that has been underway since 2021 as a public-private-academic collaboration
- UACJ aims to lead the development of technology to reduce impure elements and of advanced processing technologies to render trace impurities harmless
- In September we completed installation within the R&D Center of a vertical high-speed twin-roll caster prototype, with the aiming of being the first to achieve mass production globally

[Our vision for the future]

- ✓ Expanding annual manufacturing capacity by around 200,000 tons through use of wrought material scrap
- ✓ Enabling the domestic circulation of aluminum scrap resources through closed-loop recycling, thus making a significant contribution to the global environment
- ✓ Targeting a reduction of about 18 million tons of CO₂ emissions in aluminum supply chain by 2050



Vertical high-speed twin-roll caster prototype (R&D Center: Nagoya)

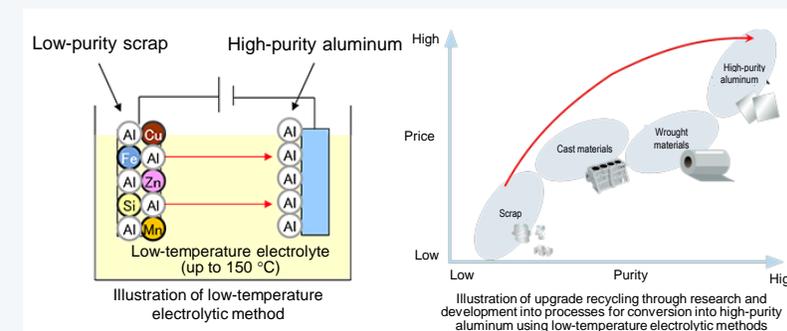
<https://www.uacj.co.jp/release/20240911.htm>

[2. Selected for research and development into processes for conversion into high-purity aluminum using low-temperature electrolytic methods (led by NEDO)]

- Public-private-academic collaboration to verify suitability for volume production of technology to enable recycling of low-purity aluminum scrap (High-grade recycling), which had hitherto been discarded, into aluminum with a level of purity equivalent of that of new ingots (99.9%), thus enabling social implementation (to FY2026, at the latest)

[Our vision for the future]

- ✓ Reuse of discarded aluminum resources (domestic circulation of aluminum resources)
- ✓ Significant reduction in CO₂ emissions compared to current manufacturing methods for new ingots



<https://www.uacj.co.jp/release/20240823.htm>

Dialogue with Capital Markets



2024 Award for Excellence
in Corporate Disclosure

— Industries —



The Securities Analysts
Association of Japan

**Awards for Excellence in Corporate
Disclosure (2024)**
**Won No.1 spot in Steel/Non Ferrous Metal
for the first time**

The Company won high praise for the following items:

- Attitude of the management team toward IR
- Fair disclosure

As a result, it won the No.1 spot in Steel/Non Ferrous Metal for the first time in the Awards for Excellence in Corporate Disclosure (2024).

Going forward, **we will continue to work proactively to increase opportunities for dialogue with stakeholders and improve the quality and volume of information disclosure**, aiming to deepen understanding of our medium- and long-term management strategies and business activities, and striving to enhance corporate value.

Future Schedule

Briefing for Sustainability

Wednesday, November 27, 2024 10:00-12:00

Speakers: Shinji Tanaka	Representative Director & President
Teruo Kawashima	Director, Executive Vice President
Midori Narita	Chief Executive, Corporate Sustainability Division Executive Officer

Takahiro Ikeda	Independent Outside Director
Ryoko Nagata	Independent Outside Director

Business Briefing (Recycling Related)

*Speakers are subject to change depending on future schedules.

Tuesday, December 10, 2024 13:00-14:20

Speakers: Yoshiyuki Imanishi	Senior General Manager, Nagoya Works
Ikuo Goto	General Manager, Climate Change Task Force Department, Corporate Sustainability Division
Toshikazu Hisamoto	General Manager, Casting Supervises Department, Flat Rolled Products Division
Yu Matsui	Manager, Recycling Technology Section, Casting Supervises Department. Flat Rolled Products Division

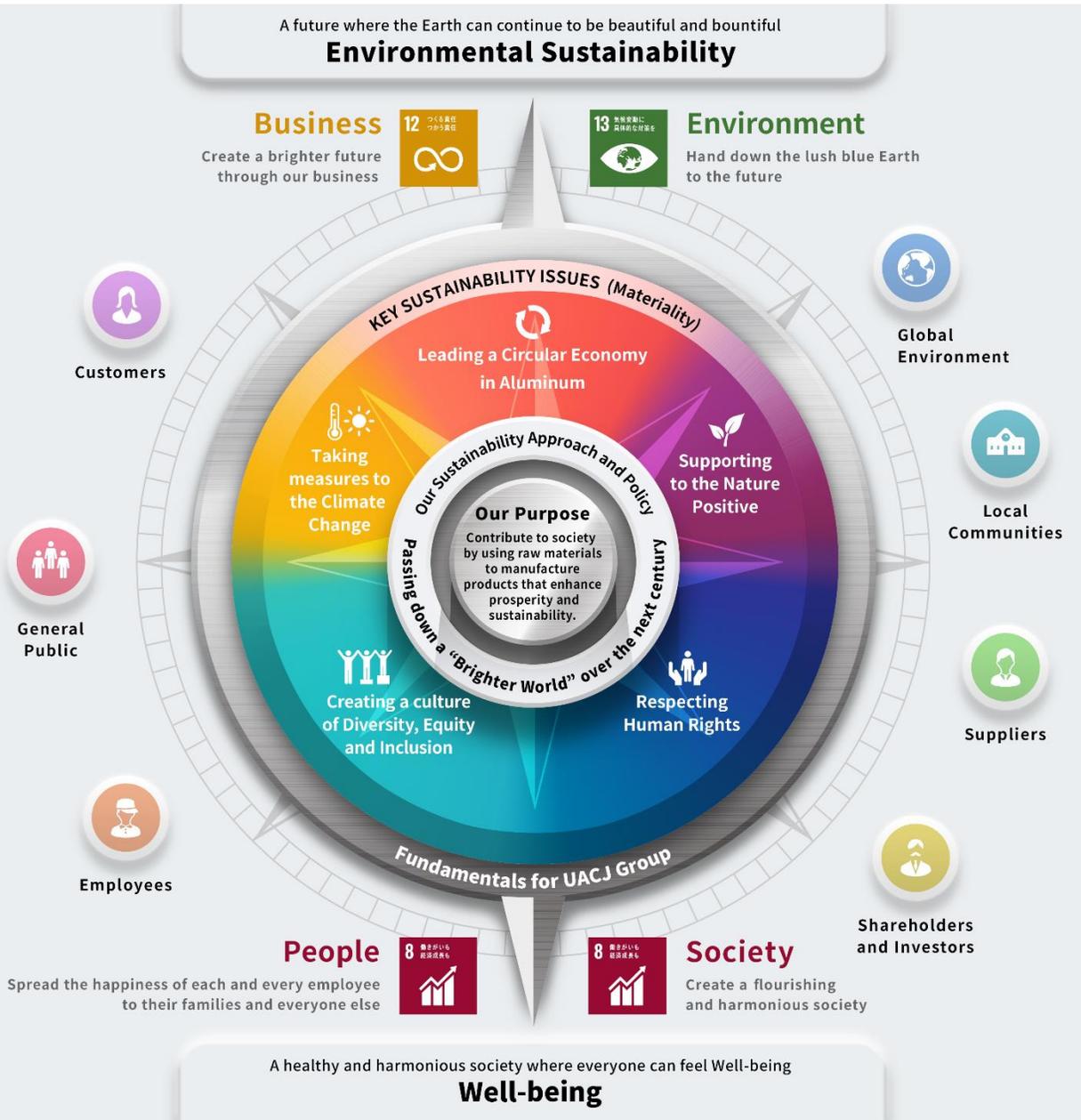
4. Reference Data



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Corporate Philosophy and Sustainability Policy



Passing down a “Brighter World” over the next century

Aluminum is a fundamental material that supports our daily lives. It is a material that is freely transformable in its shape and has unlimited potential. It can be eternally recyclable as the same product over and over again. This is the unique characteristic of aluminum. So to speak, aluminum is the sustainable material.

The aluminum’s potential has been maximized by the UACJ Group who has the cutting-edge technologies and seasoned expertise.

We realize a future in which the Earth can continue to be beautiful and bountiful with the wisdom and the passion for technologies and expertise we have built up over the years.

That make us be reworded that our business is to be environmentally friendly, and to be approached to solve the various challenges our society on the global has faced.

We contribute to create a healthy and harmonious society where everyone can feel Well-being.

Each of the UACJ Group’s people respect diversity, act to create synergy from the diversity together with all of stakeholders and local community.

A brighter tomorrow with aluminum.

A beautiful planet and a sustainable society for the next generation of the future.

This is what the UACJ Group believes the “Brighter World” is all about.

4. Reference Data

Trends in Key Indicators

		Japanese GAAP				IFRS					(Billions of yen)
		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Q1 (non-cumulative)	FY2024 Q2 (non-cumulative)	FY2024 1H	FY2024 (Current forecast)	
Net sales		615.2	569.8	782.9	962.9	892.8	247.6	238.3	487.1	930.0	
Operating income		10.1	11.1	59.5	17.2	31.4	21.9	13.8	35.7	46.5	
Business profit		-	-	-	-	43.4	16.8	13.2	30.0	45.5	
Ordinary income before metal price lag		9.8	6.2	21.3	16.1	-	-	-	-	-	
Ordinary income		3.8	6.0	52.3	8.7	-	-	-	-	-	
Profit (loss) attributable to owners of the parent		2.0	(3.3)	32.1	4.7	13.9	14.7	2.3	16.7	20.5	
Capital investment	General investment	14.3	10.9	12.9	21.0	21.7	3.5	6.5	10.0	16.0	
	Strategic investment	34.7	7.2	7.9	5.4	11.4	2.4	2.3	4.7	20.5	
	Total	48.9	18.1	20.7	26.4	33.1	5.9	8.8	14.7	36.5	
Depreciation and amortization		31.2	33.4	34.0	37.3	36.4	9.4	9.3	18.7	36.5	
Interest-bearing debt		344.0	335.8	339.4	336.7	310.9	320.9	326.4	326.4	-	
ROE (%)		1.1	(1.8)	15.6	1.9	5.3	-	-	-	-	
ROIC (%)		1.9	2.2	11.1	3.0	7.5	-	-	-	-	
D/E ratio (x)		1.56	1.56	1.36	1.25	1.0	1.0	-	1.0	-	
Operating cash flows		58.1	38.6	7.8	52.6	94.9	(4.1)	(8.0)	(8.0)	-	
Investing cash flows		(30.0)	(21.0)	(21.0)	(26.9)	(36.2)	(9.9)	(19.9)	(19.9)	-	
Free cash flow		28.1	17.7	(13.2)	25.7	58.7	(14.0)	(27.8)	(27.8)	-	
Shareholders' equity (JGAAP)		182.7	177.5	209.0	209.6	210.5	222.8	223.2	223.2	-	

Trends in Performance at Main Overseas Subsidiaries

(Billions of yen)

UATH

	FY2023						
	Q1	Q2	1H	Q3	Q4	2H	Full-year
Sales volume (1,000 tons)	62	65	126	65	65	130	257
Revenue	34.0	35.2	69.2	36.6	36.7	73.4	142.6
Operating profit	(1.4)	0	(1.3)	1.5	0.4	1.8	0.5
(Metal price lag)	(1.4)	(0.1)	(1.5)	0.4	(1.1)	(0.6)	(2.1)
Business profit	0	0.1	0.1	1.0	1.4	2.5	2.6

	FY2024			
	Q1	Q2	1H	Full-year forecast
Sales volume (1,000 tons)	72	77	149	304
Revenue	45.3	49.4	94.7	171.3
Operating profit	5.2	0.7	5.9	5.8
(Metal price lag)	3.3	(0.4)	2.9	0.3
Business profit	1.9	1.1	3.0	5.5

TAA

	FY2023						
	Q1	Q2	1H	Q3	Q4	2H	Full-year
Sales volume (1,000 tons)	98	110	208	103	122	225	433
Revenue	57.0	64.8	121.9	59.5	72.2	131.7	253.6
Operating profit	6.6	3.4	10.1	3.6	6.3	9.9	20.0
(Metal price lag)	(0.7)	(3.8)	(4.5)	(2.4)	(0.6)	(3.0)	(7.5)
Business profit	7.3	7.3	14.6	6.0	6.9	12.9	27.5

	FY2024			
	Q1	Q2	1H	Full-year forecast
Sales volume (1,000 tons)	109	118	227	436
Revenue	71.3	72.1	143.4	269.0
Operating profit	10.7	7.5	18.1	22.5
(Metal price lag)	2.4	(0.2)	2.2	0
Business profit	8.3	7.7	16.0	22.5

UWH

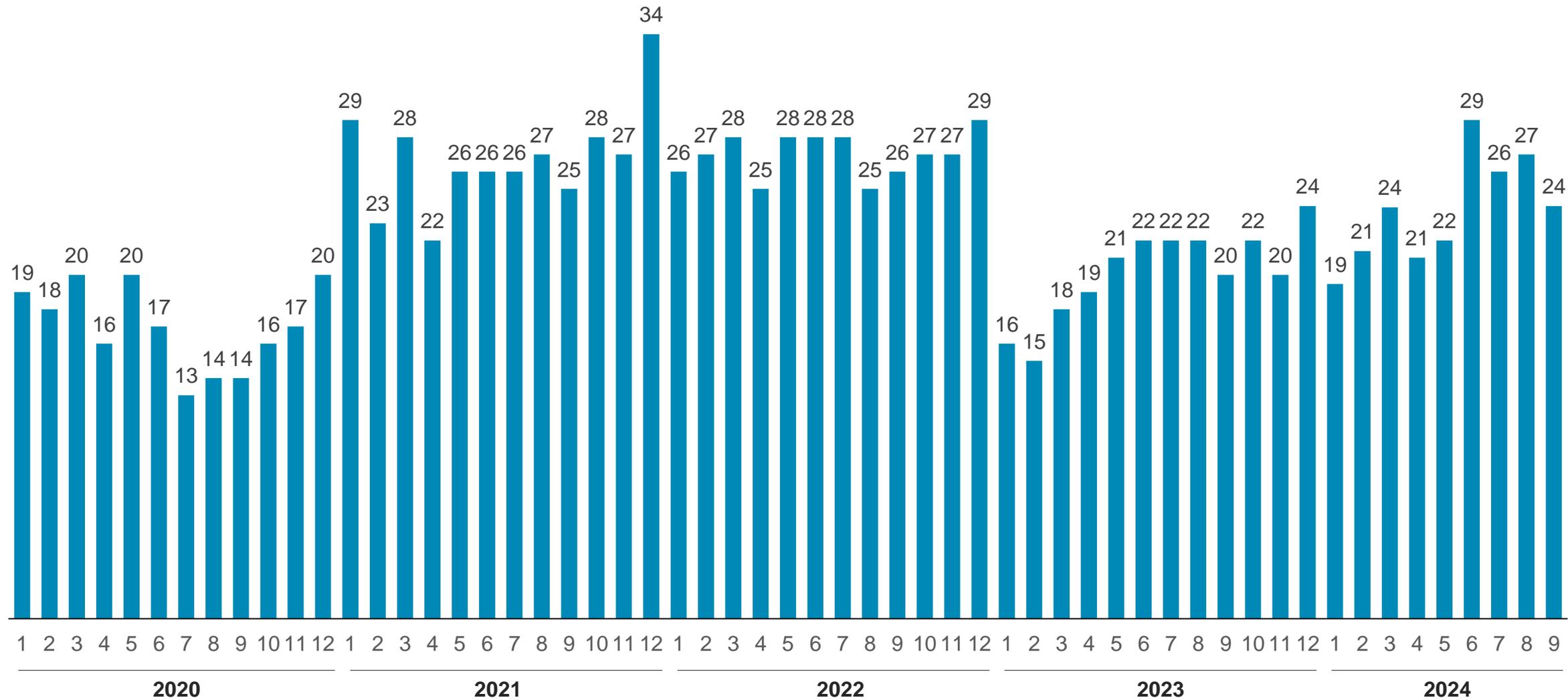
	FY2023						
	Q1	Q2	1H	Q3	Q4	2H	Full-year
Revenue	10.5	10.4	21.0	10.0	10.7	20.7	41.7
Operating profit	0.1	0.2	0.3	0.4	0.4	0.8	1.1
(Metal price lag)	0.2	0.4	0.6	0.1	0	0.1	0.7
Business profit	(0.1)	(0.2)	(0.3)	0.3	0.4	0.7	0.4

	FY2024			
	Q1	Q2	1H	Full-year forecast
Revenue	10.1	9.3	19.5	39.8
Operating profit	0.4	0.2	0.6	0.9
(Metal price lag)	(0.1)	0	(0.2)	(0.3)
Business profit	0.5	0.3	0.8	1.1

4. Reference Data

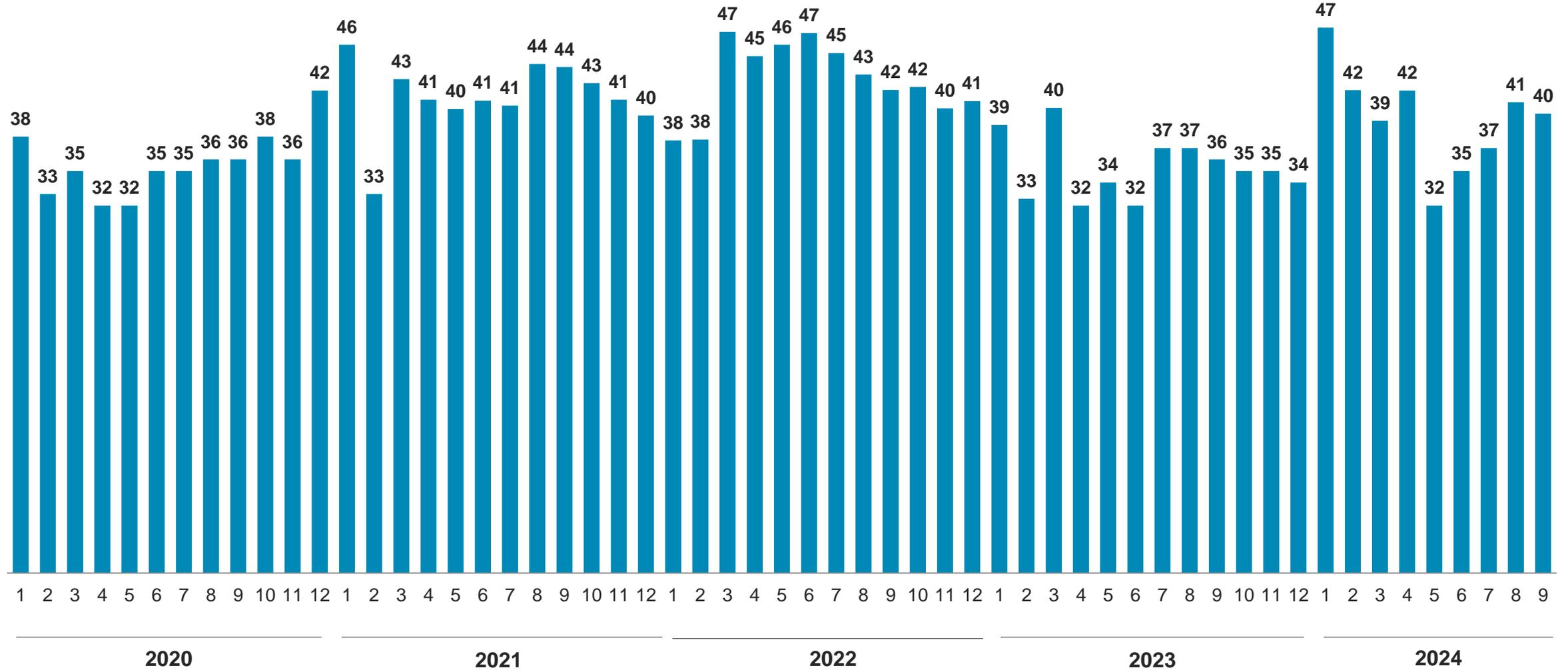
Monthly Sales Volume at UATH

(Thousands of tons)



Monthly Sales Volume at TAA

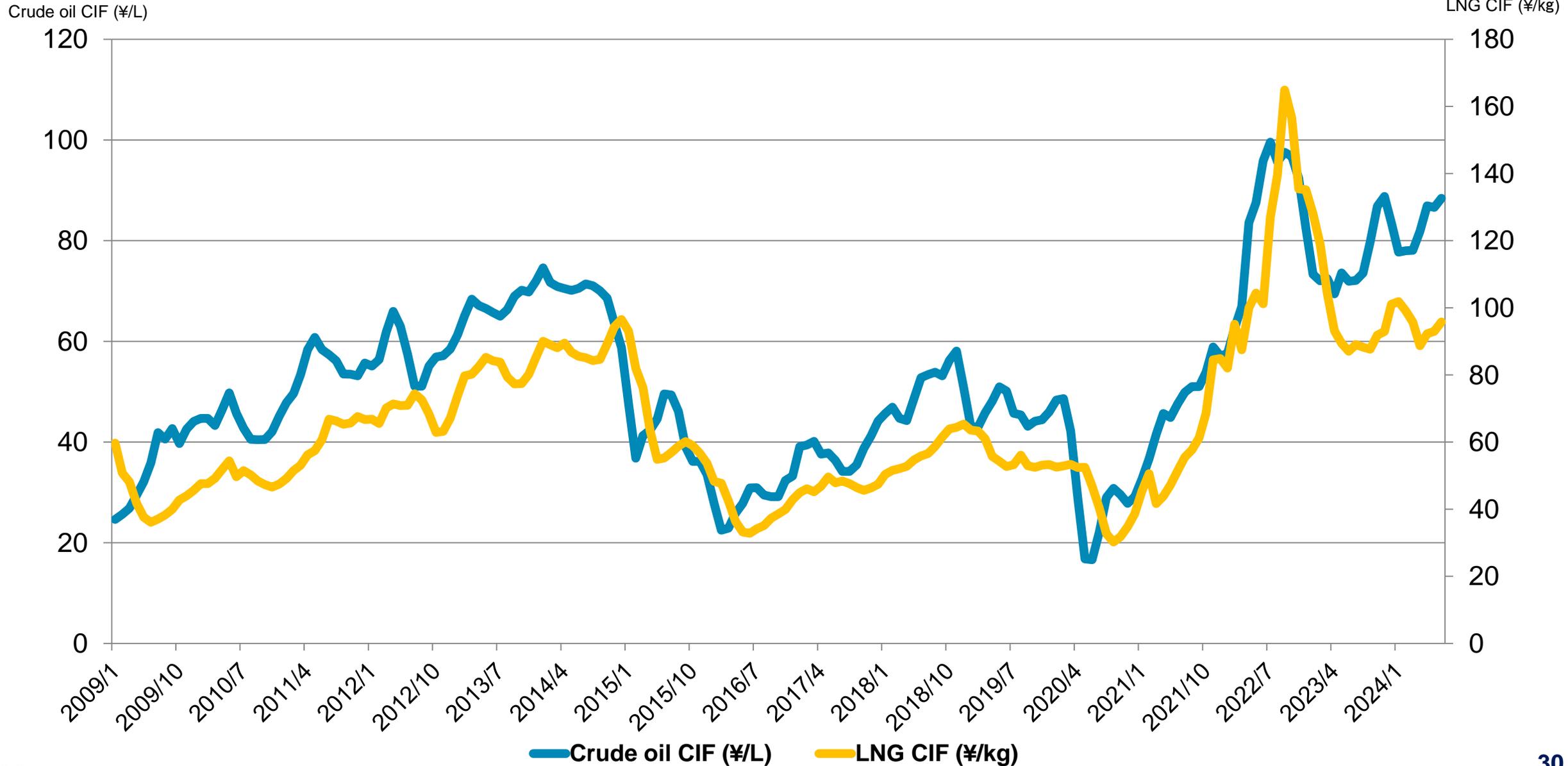
(Thousands of tons)



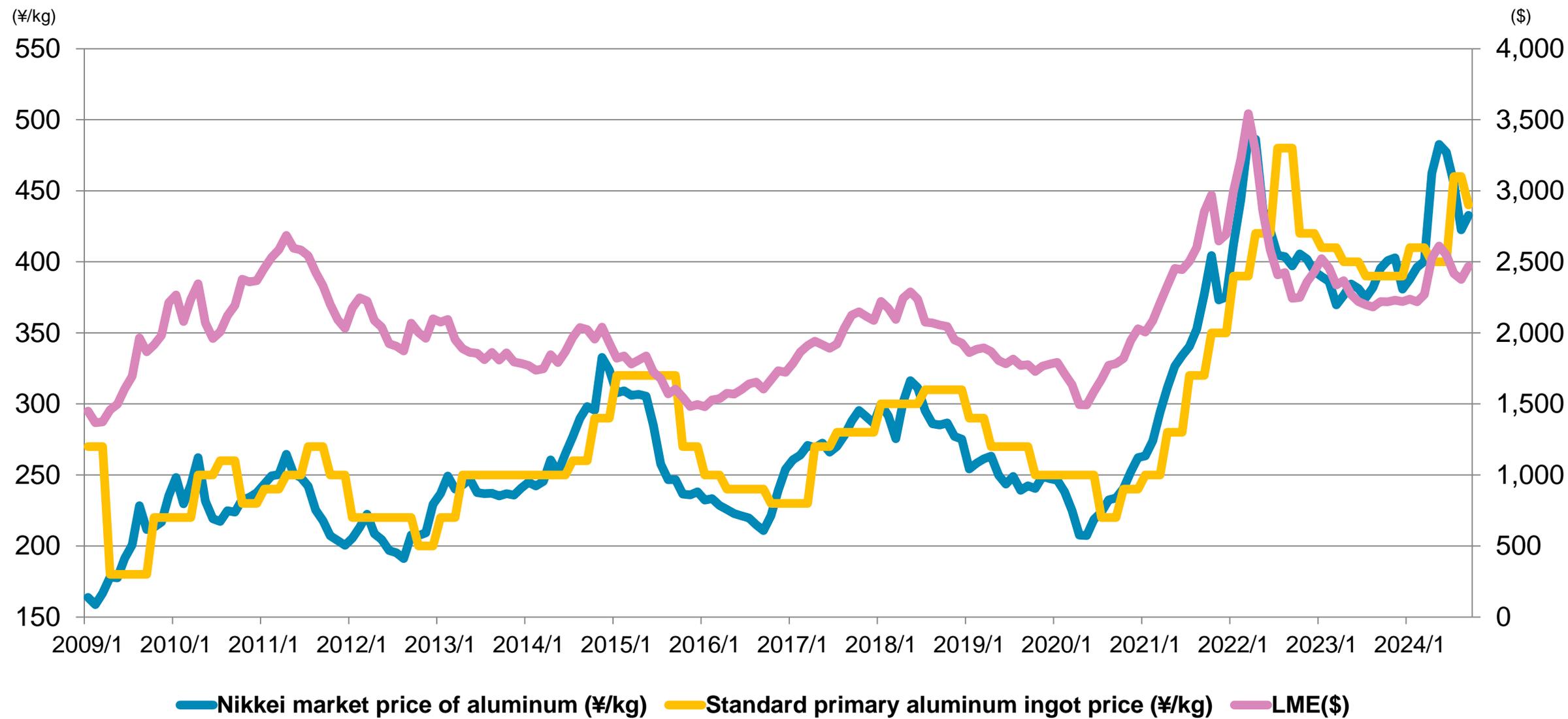
Assumptions and Sensitivities

	FY2022 Ave. during the period	FY2023 Ave. during the period	FY2024 Ave. during 1H	Sensitivity on operating profit
LME (\$)	2,490	2,202	2,451	\$100/t rise → +¥2.2-¥3.5 billion/year
Foreign exchange (¥/\$)	136	145	153	<ul style="list-style-type: none"> • Fuel and additional metal cost: become positive by stronger yen • Rolling margin, forex conversion: become positive by weaker yen
Foreign exchange (¥/Thai baht)	3.8	4.1	4.3	
Foreign exchange (Thai baht/\$)	35.1	35.2	35.7	<ul style="list-style-type: none"> • Fuel and additional metal cost: become positive by stronger THB • Rolling margin: become positive by weaker THB
Crude oil (Dubai: \$)	92	82	82	\$10 increase → Approx. ¥(1.0)-¥(1.5) billion/year

Unit Fuel Costs



Nikkei Average Primary Ingot Price/Standard Primary Aluminum Ingot Price



To Be a Company That Continues to Be Chosen by Customers – Obtain ASI Certification

Aluminium Stewardship Initiative (ASI)

An international initiative aimed at enhancing sustainability initiatives across the aluminum supply chain as a whole and maximizing contribution to society from an ESG perspective

ASI was established in 2012, and participants include companies that are involved with aluminum in one way or another, such as the International Aluminium Institute, aluminum producers, manufacturers of processed aluminum products, and end-users.

In FY2018, ASI also began carrying out evaluations and third-party certification.

Today, over 360 companies and organizations around the world have joined ASI.

The Fukui Works and UATH Rayong Works have obtained two certifications issued by ASI

Significance of ASI membership for UACJ



Demand for products that meet strict environmental, social and governance standards

Requests for sustainable products

Acquire and renew certifications as a leading company in the industry. Participate in the establishment of global regulations

Cases where acquiring ASI certification is set in the terms and conditions of doing business are increasing, especially among major overseas beverage can manufacturers. In the future, this is also expected to expand from the European region to other regions, as well as to other fields.

Metal Price Lag

Metal price lag in the aluminum rolled product business

(1) Material cost calculation using the average method

Calculate material costs using a weighted average of beginning-of-period inventory and aluminum ingot purchased during the period (Affected by beginning-of-period inventory)

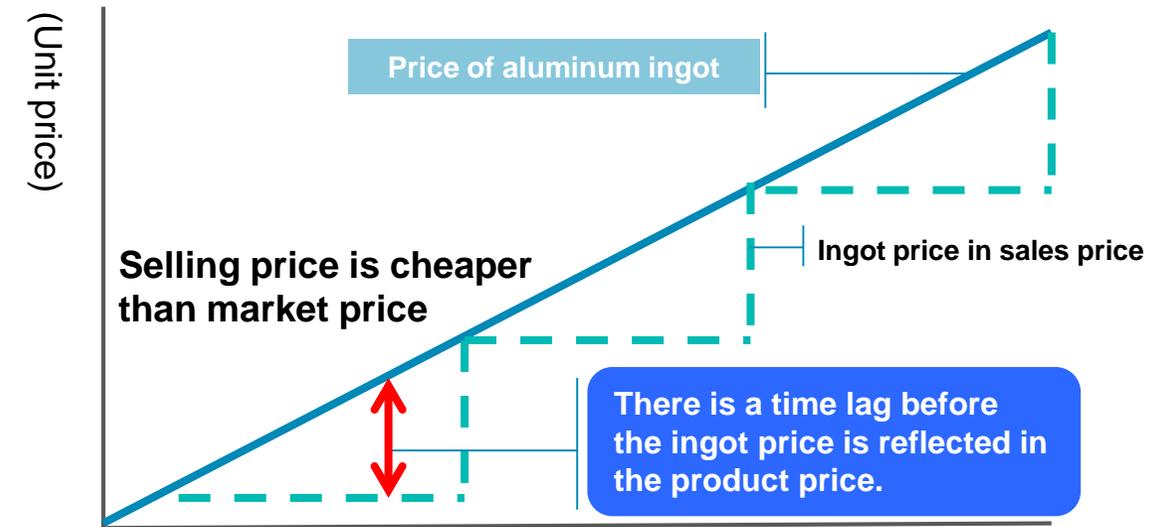
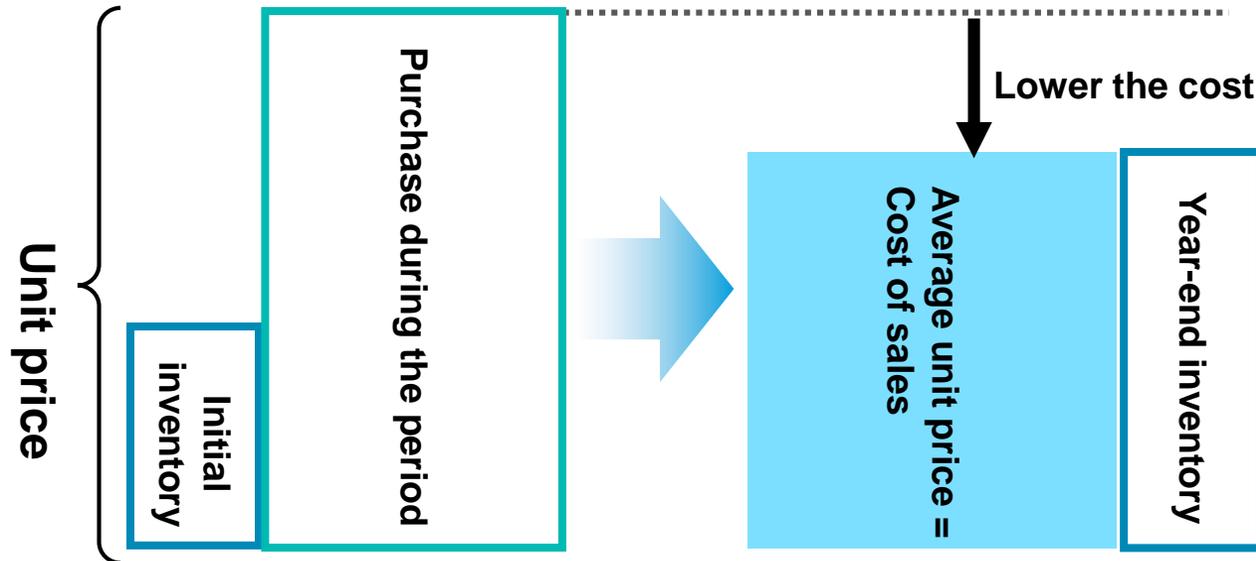
(2) Time difference for aluminum ingot price fluctuations to be reflected in the selling price

(1) + (2) = Metal Price Lag

[Increase in aluminum ingot prices]

(1) Material cost calculation using the average method

(2) Time difference for aluminum ingot price fluctuations to be reflected in the selling price



Changes in the External Environment and Our Countermeasures

With the aim of stabilizing profits, we established a pricing scheme that will be resilient to changes in the business external environment

	Japan 	TAA (United States) 	UATH (Thailand) 
Increase in aluminum ingot prices	Pass on to sales prices		
Soaring unit energy prices	Pass-through to sales prices <u>already implemented on schedule</u> Continuing to consider additional burden of electricity costs on to sales prices	Pass through to sales prices <u>(already introduced pricing system linked to market prices)</u>	<u>Updated contracts (including new ones)</u> <u>Already introduced</u> pricing system linked to market prices <u>Revisions during contract period for existing contracts</u> Reached agreements with some customers concerning the pass-through of high energy prices
Soaring additive metals prices	We have introduced a pricing system linked to market prices for products that include many additive metals		
Increase in logistics costs	—		Pass through to sales prices <u>(already introduced formula system)</u>

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, uncertainties in future business circumstances, and other factors.

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