

Outline of the Financial Statements, etc. for the Last Business Year of Sumitomo Light Metal Industries, Ltd.

69th Annual Report

〔 From April 1, 2012
To March 31, 2013 〕

Sumitomo Light Metal Industries, Ltd.

Business Report (From April 1, 2012 to March 31, 2013)

1. The Company group's current situation

(1) Business progress and results

The economy in Japan for the first half of the current period demonstrated a slow recovery, due to rebuilding following the 2011 East Japan Earthquake and tsunami, as well as recovery demand, and the effects of economic measures, such as the green car subsidy system. However beginning in the autumn, the economy significantly slowed down due to a stagnating global economy due to continuing issues with European credit, as well as the decline in the national economy accompanying the end of economic measures. From the beginning of the year, the Japanese yen is weakening and Japanese shares are rising due to positive expectations in economic measures that resulted from the change in government, and the Japanese economy is showing signs of recovery.

Given such an environment, in the aluminum rolling industry, overall demand slightly decreased for reasons such as the stagnating demand for foil in condensers. Additionally, in the copper and copper alloy industry, demand decreased compared to the previous year in which there was a high demand for materials, such as those for air conditioners, for reasons including the response to concerns over the insufficient power supply during the summer.

Given this, regarding the business results of the Company group for the current period, net sales were 252,783 million yen because of the impact of the significant decrease in global demand since last autumn, which was less than 2.4% from the previous period, in which sales of aluminum can materials were high due to specific factors such as the earthquake and tsunami. Operating income was 9,730 million yen, which was less than 21.2% from the previous period. Ordinary income was 8,787 million yen, which was less than 13.7% from the previous period. These were due to factors such as a decrease in sales volume and an increase in energy price. Net income decreased by 81.8% compared to the previous period, in which there were additional amounts journalized after reviewing the realizability of deferred tax assets. The net income was 1,510 million yen for reasons such as journalizing loss on the valuation of investment securities accompanying the decrease in real value of investment securities of the Company's own subsidiaries.

Regarding the Company's business results for the current period, net sales for the non-consolidated Company were 130,818 million yen (a 20.2% decrease compared to the previous period), the operating income for the non-consolidated Company was 6,401 million yen (a 22.9% decrease compared to the previous period), and the ordinary income for the non-consolidated Company was 4,367 million yen (a 35.8% decrease compared to the previous period). These were due to factors such as the impact of creating a branch

company for the Company's copper and copper alloy products business in October 2011, in addition to a decrease in sales volume. Both revenues and income decreased compared to the previous period. The net income for the non-consolidated Company was 2,147 million yen, an 87.6% decrease compared to the previous period, in which there was extraordinary income journalized due to gains on sales of investment securities and extraordinary dividends received from subsidiaries, and in which the additional deferred tax assets were journalized.

In order to reward the continuing support of shareholders, the Company distributed an end-of-period dividend of 1.50 yen per share in the previous period and distributed an interim dividend of 1.50 yen per share in the current period. We are considering a proposal for distributing an end-of-period dividend for the current period of 2.00 yen per share. As a result, the annual dividend for the current period will be 3.50 yen per share. We appreciate your understanding.

Dividends per share

	Previous period (68 th period)	Current period (69 th period)
Interim dividend	—	1.50 yen
End-of-period dividend	1.50 yen	(2.00 yen)
Total annual dividend	1.50 yen	(3.50 yen)

Note: The amounts in parenthesis are proposed.

Rolled Aluminum Product Department

While there was an increase in the sales of products for IT machines, there was a decrease in the sales of foils, mainly for condensers. Also, in the first half of the previous period, sales of products for beverage cans, which are the main product of the Department, were high due to reasons such as catching up with insufficient supply after the earthquake and tsunami and the response to the clients' production being ahead of schedule with the anticipation of power restrictions during the summer period. For these and other reasons, regarding the Rolled Aluminum Product Department, net sales for the current period decreased by 2.9% compared to the previous period to 163,680 million yen, and operating income for the current period decreased by 22.0% compared to the previous period to 10,311 million yen.

Copper and Copper Alloy Product Department

The sale of copper pipes for air conditioners, which are the main product of the Department, increased compared to the previous period for reasons such as

the response to requests for a supply from clients affected by the withdrawal of Hitachi Cable Ltd. from the Japanese domestic copper pipe business. As a result, regarding the Copper and Copper Alloy Product Department, net sales for the current period increased by 1.3% compared to the previous period to 51,110 million yen. Additionally, due to reasons such as the effect of the business reorganization carried out in October 2011, operating income for the current period increased by 23.3% compared to the previous period to 1,719 million yen.

Processed Products/Related Business Department

While construction-related demand remained favorable, industrial machine related-demand decreased compared to the previous period. For these and other reasons, regarding the Processed Products/Related Business Department, net sales for the current period decreased by 4.7% compared to the previous period to 37,991 million yen. However, operating income for the current period increased by 3.3% compared to the previous period to 926 million yen for reasons such as the favorable effects of the restructuring of the Processed Product Business, in addition to the increase in construction-related sales.

Information on the Company group segments

Segment name		Previous period	Current period	Relative to previous period (decrease/increase)
		Million yen	Million yen	%
Rolled Aluminum Product Department	Net sales	168,634	163,680	△2.9
	Operating income	13,223	10,311	△22.0
Copper and Copper Alloy Product Department	Net sales	50,444	51,110	1.3
	Operating income	1,395	1,719	23.3
Processed Products/Related Business Department	Net sales	39,847	37,991	△4.7
	Operating income	896	926	3.3
Adjustments	Net sales	-	-	-
	Operating income	△3,165	△3,227	-
Total	Net sales	258,926	252,783	△2.4
	Operating income	12,349	9,730	△21.2

- Notes 1. Adjustments show costs and expenses such as the non-consolidated Company's general administration expenses which do not belong to any one department.
2. The Company group moved some business from the Processed Products/Related Business Department to the Rolled Aluminum Product Department and the Copper and Copper Alloy Product Department from

Fiscal 2012 due to changes in the Company's internal management classification accompanying the business reorganization. Values are shown for Fiscal 2011 after their interpretation of the new categories.

(2) Capital investment and fund procurement

With the aim of “building a global supply system for our users operating overseas” and of “maintaining and strengthening the advantage in technological development,” important topics in “SUMIKEI VISION 2012,” a midterm management plan, we built a new perforated-pipe factory for automobile heat exchangers at SUMIKEI TECHNO (THAILAND) CO., LTD., purchased equipment for copper pipes at Sumikei Copper Tube Co., Ltd. from Hitachi Cable Ltd., and made investments after careful selection, with a focus on strengthening competitive capabilities in our specialized field, in addition to investments in replacing worn out equipment. As a result, the total amount of capital investment on a construction basis for the entire Company group was approximately 6.9 billion yen, and the total amount of capital investment on a construction basis for the non-consolidated Company was approximately 3.2 billion yen.

Funds required for the above capital investment were procured from the Company's own capital and other sources.

(3) Issues to be addressed

It is expected that economic conditions in Japan will recover due to economic measures and monetary easing. It is also expected that economic conditions overseas will recover, particularly in the US and Asia, and the export environment will improve. However, since a clear forecast cannot be made on employment and income, it is expected that a certain period of time will be required before Japanese domestic demand recovers. Additionally, although the Chinese economy is generally recovering, it is expected that its growth will remain slow. There is also a possibility that the European economy may decline, and the above factors may have an impact on the Japanese economy. The Company set up “SUMIKEI VISION 2012,” a midterm business plan, in March 2010. The Company has been aiming to become “the best global partner” for customers and has been working over the last three years by setting the following four topics as important tasks: “maintaining and strengthening the advantage in technological development,” “differentiation from foreign competitors through quality, delivery deadline and technological service, etc.,” “building a global supply system for our users operating overseas,” and “building a stable earnings structure and financial strength to enable sustainable investment for growth.” The current period is in the final fiscal year of the plan.

The main projects during the period were the restructuring of the Processed Product business, the Extrusion Materials/Component business and the Copper and Copper Alloy business, as part of a cost restructuring to strengthen the competitiveness of and profitability of each business. Additionally, as a growth strategy, the Company jointly acquired all shares in Tri-Arrows Aluminum Inc., an American rolled aluminum plate product manufacturing and sales company, together with Furukawa-Sky Aluminum Corp., Sumitomo Corp., Itochu Corp., and Itochu Metals Corp., and obtained a presence in the aluminum can material business in the North American and Central and South American markets. In acquiring these shares, the Company procured funds through a public offering and a related third-party placement of shares to establish and strengthen the foundation of the Company's finances.

The Company worked on the projects including the above ones over the course of the last 3 years. Regarding the profit and loss, numerical targets were not achieved for reasons such as deterioration in the economic environment, including the European credit issues and an increase in energy prices. However, regarding improving the Company's financial situation, the Company reduced interest-bearing liabilities as planned and achieved the target balance for the end of Fiscal 2012 of 145 billion yen. Additionally, the Company eliminated loss brought forward and resumed dividend payments in the previous period.

On August 29, 2012, the Company agreed with Furukawa-Sky Aluminum Corp. to integrate their businesses on October 1, 2013 (scheduled) with the spirit of their relationship being based on equality in order to further strengthen the corporate foundation and improve corporate value. The Company entered into a merger agreement on April 26, 2013. We aim to become a "major aluminum company with global competitiveness" with an irrefutable presence in the global market by exerting synergies through mobilizing the collective effort that each company has built up and combining their resources/assets. We will continue to put efforts into improving corporate value so that we can receive a high evaluation from our shareholders.

We appreciate the continuing support of all shareholders.

(4) Change in sales results and the financial situation

a. Sales results and the financial situation of the Company group

Classification		The 66 th period (FY 2009)	The 67 th period (FY 2010)	The 68 th period (FY 2011)	The 69 th period (FY 2012)
Net sales	(million yen)	233,530	259,476	258,926	252,783
Ordinary income	(million yen)	3,017	11,466	10,184	8,787
Net income	(million yen)	△6,480	7,189	8,298	1,510
Net income per share	(yen)	△15.95	16.64	14.95	2.59
Total assets	(million yen)	309,897	306,649	322,150	318,418

- Notes: 1. △ Indicates losses.
2. Net income per share is calculated based on the number of shares after deducting the average number of treasury shares during the period from the average total number of issued shares during the period.
 3. In the 66th period, net sales decreased due to a decrease in demand because of the economic recession and a sudden decrease in the price of raw materials. However, thanks to various measures such as the reduction of labor costs and other expenses carried out as a part of emergency measures, and for reasons such as the effects of rebuilding the Aluminum Processed Product business, ordinary income ended in the black. However, significant losses were recognized for net income for reasons such as journalizing restructuring loss of the Aluminum Extrusion business and other business.
 4. In the 67th period, net sales increased for reasons such as an increase in sales volume accompanying a recovery in demand. There were also positive effects from cost restructuring, through the reorganization of the Aluminum Extrusion Materials/Component Processing business and the Aluminum Processed Product business. These and other effects brought about significant improvements, both in ordinary income and net income compared to the previous period.
 5. In the 68th period, although there were factors such as an increase in sales prices accompanying an increase in prices of raw materials, net sales remained around the same level due to a decrease in the overall sales volume. There was a decrease in ordinary income because of the impact of factors such as a decrease in sales volume and an increase in energy prices. Large losses on valuation of investment securities were recognized; however, gains on sales of investment securities were recognized through the progress in sales of held shares, and there were additional amounts journalized after reviewing the realizability of deferred

tax assets. These and other factors led to an increase in the net income compared to the previous period.

b. Sales results and the financial situation of the Company

Classification		The 66 th period (FY 2009)	The 67 th period (FY 2010)	The 68 th period (FY 2011)	The 69 th period (FY 2012)
Net sales	(million yen)	173,828	193,557	163,938	130,818
Ordinary income	(million yen)	1,239	8,318	6,800	4,367
Net income	(million yen)	△11,600	6,353	17,254	2,147
Net income per share	(yen)	△28.56	14.70	31.09	3.69
Total assets	(million yen)	259,089	259,161	251,841	259,147

Notes: 1. △ Indicates losses.

2. Net income per share is calculated based on the number of shares after deducting the average number of treasury shares during the period from the average total number of issued shares during the period.
3. In the 66th period, net sales decreased due to a decrease in demand because of the economic recession and a sudden decrease in the price of raw materials. However, thanks to various measures such as the reduction of labor costs and other expenses carried out as a part of emergency measures, ordinary income ended in the black. However, significant losses were recognized for net income for reasons such as journalizing restructuring loss of the Aluminum Extrusion business and other business.
4. In the 67th period, net sales increased for reasons such as an increase in sales volume accompanying a recovery in demand. There were also positive effects from cost restructuring through the reorganization of the Aluminum Extrusion Materials/Component Processing business. These and other effects brought about significant improvements, both in ordinary income and net income compared to the previous period.
5. In the 68th period, there was a decrease in net sales and ordinary income because of the impact of factors such as separating the Copper and Copper Alloy business, in addition to a decrease in sales volume. However, thanks to reasons such as the journalization of extraordinary income due to gains on sales of investment securities and extraordinary dividends received from subsidiaries, and the journalization of additional deferred tax assets, there was a significant increase in net income compared to the previous period.

(5) Details of major businesses

The major businesses of the Company group are as follows.

Aluminium Rolling Products Division

Manufactures and sells plate, extrusions, and other aluminum and aluminum alloy products

Copper Tubes Division

Manufactures and sells copper and copper alloy pipes and joints , titanium pipes, and others

Processed Products/Related Business Division

Manufactures and sells processed products made of aluminum, copper and others, undertakes outsourced-civil engineering work, and carries out cargo transport/cargo handling, etc. related to the business of the group

(6) Main business offices and plants

• The Company

Head Office: Minato-ku, Tokyo

Plant: Nagoya manufacturing site

Laboratory: Research and Development Center (Nagoya city)

• Sumikei Aluminum Foil Co., Ltd.

Head Office: Taito-ku, Tokyo

Plant: Isesaki City, Gunma

• Sumikei Techno Co., Ltd.

Head Office: Chiyoda-ku, Tokyo

• Sumikei Techno Nagoya Co., Ltd.

Head Office, Factory: Minato-ku, Nagoya City

• Sumikei Copper Tube Co., Ltd.

Head Office, Factory: Toyokawa City, Aichi

• Nalco Iwai Co., Ltd.

Head Office: Sumida-ku, Tokyo and Yodogawa-ku, Osaka

• Sumikeisho Corporation

Head Offices: Chuo-ku, Osaka city and Minato-ku, Tokyo

Note:

Nippon Aluminium Co., Ltd. and Nippon Aluminium Shiga Co., Ltd., which were subsidiaries of the Company, merged with Iwai Metal Fabricating Co., Ltd., which is also a subsidiary of the Company, in July 2012. It should be noted that, due to the merger, Iwai Metal Fabricating Co., Ltd. changed its trading name to Nalco Iwai Co., Ltd.

(7) Employees

a. Employees of the Group

Number of employees	Increase or decrease from the end of the previous fiscal year
persons 4,701	persons 165

b. Employees of the Company

Number of employees	Increase or decrease from the end of the previous fiscal year	Average age	The average length of employment
persons 1,491	persons △31	years 37.2	years 15.1

(8) Material subsidiaries

Company name	Capital	Voting rights ratio	Details of Major business
Sumikei Aluminum Foil Co., Ltd.	Million yen 480	% 100.0	Manufacture and sale of aluminium foil
Sumikei Techno Co., Ltd.	490	100.0	Manufacture and sale of aluminium extrusion products and processed products
Sumikei Techno Nagoya Co., Ltd.	410	100.0	Manufacture of aluminium extrusion products
Sumikei Copper Tube Co., Ltd.	2,200	100.0	Manufacture and sale of copper pipe, copper and lead pipe, and titanium pipe
Nalco Iwai Co., Ltd.	80	100.0	Manufacture and sale of metal processed products
Sumikeisho Corporation	1,500	100.0	Wholesale of nonferrous metals
SK Corporation Co., Ltd.	301	51.0	Sale and slit processing of aluminium materials for automobiles

Notes: 1. The voting rights ratio includes shares held by the Company's subsidiaries.
2. Nippon Aluminium Co., Ltd. and Nippon Aluminium Shiga Co., Ltd., which were subsidiaries of the Company, merged with Iwai Metal Fabricating Co., Ltd., which is also a subsidiary of the Company, in July 2012. It should be noted that, due to the merger, Iwai Metal Fabricating Co., Ltd. changed its trading name to Nalco Iwai Co., Ltd.

(9) Main Lenders

Lender	Loans payable
	Million yen
Sumitomo Mitsui Banking Corporation	31,834
Sumitomo Mitsui Trust Bank, Ltd.	15,937
Aozora Bank, Ltd.	7,455
The Norinchukin Bank	7,300
Mitsubishi UFJ Trust and Banking Corporation	6,988
The Gunma Bank, Ltd.	6,283
The Mie Bank, Ltd.	5,990
The Joyo Bank, Ltd.	5,195
The Nanto Bank, Ltd.	4,110
The Ashikaga Bank, Ltd.	3,510

2. The Company's situation (as of March 31, 2013)

(1) Shares of the Company

a. Total number of shares

Total Number of authorized Shares 960,000,000 shares

Total number of shares issued 581,469,275 shares
(excluding 69,592 treasury stock)

b. Number of shareholders 44,178 shareholders

c. Top ten shareholders

Name of shareholder	Number of shares held	Shareholding ratio
	thousands shares	%
Nippon Steel & Sumitomo Metal Corporation	54,179	9.3
Sumitomo Corporation	31,609	5.4
Sumitomo Mitsui Banking Corporation	21,187	3.6
Japan Trustee Services Bank, Ltd. (Trust Account)	18,032	3.1
The Master Trust Bank of Japan, Ltd. (Trust Account)	17,193	3.0
Sumitomo Mitsui Trust Bank, Limited	15,358	2.6
Sumitomo Light Metal Kyoeikai	12,607	2.2
EVERGREEN	10,116	1.7
Sumitomo Life Insurance Company	7,908	1.4
Sumitomo Metal Mining Co., Ltd.	6,239	1.1

Note: The shareholding ratio is the proportion relative to the total number of issued shares (excluding treasury stock) as of the last day of the current fiscal year.

(2) Director, Member of the Board and Audit & Supervisory Board Member of the Company

a. Directors, Members of the Board and Audit & Supervisory Board Members

Position	Name	Responsibilities and important concurrent positions
**Chairman	Kazuhiko Masuda	
*President	Shigenori Yamauchi	
*Director, Member of the Board	Junichiro Ueno	Responsible for the Production Division
Director, Member of the Board	Shujiro Ito	Responsible for the Marketing & Sales Division
Director, Member of the Board	Shigekazu Shiraishi	Responsible for the Corporate Administration Division * President of SLM AUSTRALIA PTY.LTD. * Co-President of Tri-Arrows Aluminum Holding Inc.
Director, Member of the Board	Makoto Ando	Responsible for the Research & Development Center
Director, Member of the Board	Shigenaga Mimura	Responsible for the Internal Control System Development Department, Business Planning Department, Planning & Control Department, and Treasury Department
Director, Member of the Board	Hiroshi Ikeda	* President of Sumikei Copper Tube Co., Ltd. * President of Sumikei (Malaysia) SDN. BHD. * Chairman of Sumikei (Guangzhou) Metal Product Co., Ltd.
Director, Member of the Board	Keizo Shoji	* President of Sumikei Techno Co., Ltd.
Audit & Supervisory Board Member (full-time)	Junji Hatahara	
Audit & Supervisory Board Member	Eiichi Mori	
Audit & Supervisory Board Member	Tetsuya Harada	
Audit & Supervisory Board Member	Akari Asano	
Audit & Supervisory Board Member	Takafumi Sone	

Notes: 1. * Indicates the Representative Directors.

2. Tetsuya Harada, Akira Asano, and Takafumi Sone are the Outside Company Audit & Supervisory Board Members. Additionally, the Company has registered

both Tetsuya Harada and Akira Asano as independent executives at the Tokyo Stock Exchange and the Osaka Stock Exchange based on their rules.

3. Yoichi Koen resigned from the position of Director, Member of the Board as of April 1, 2012.
4. Takafumi Sone was nominated and appointed as an Audit & Supervisory Board Member at the 68th Annual Shareholders' Meeting held on June 28, 2012.
5. Nobuyoshi Amamoto, an Audit & Supervisory Board Member, resigned from his position as an Audit & Supervisory Board Member at the closing of the 68th Annual Shareholders' Meeting held on June 28, 2012.
6. Junji Hatahara, an Audit & Supervisory Board Member, has been responsible for accounting operations of the Company for many years. He has an extensive knowledge of finance and accounting.

b. Remuneration, etc. for the Directors, Members of the Board and the Audit & Supervisory Board Members

Classification	Number of grantees	Amount of remuneration, etc.
Directors	9	273 million Yen
Audit & Supervisory Board Members (of which, the Outside Company Audit & Supervisory Board Members)	6 (4)	46 million Yen (8 million Yen)
Total	15	320 million Yen

c. Matters concerning Outside Company Officers

(a) Important concurrent roles of Outside Company Officers

There are no relevant items.

(b) Main activities of Outside Company Officers

Classification	Name	Main activities
<p style="text-align: center;">Outside Company Audit & Supervisory Board Members</p>	<p style="text-align: center;">Tetsuya Harada</p>	<p>Attended all 15 Board meetings and 19 Audit & Supervisory Board meetings held in the current fiscal year. Attended all audit result report meetings and quarterly review report meetings, and received reports from the accounting auditor. Additionally, he was proactive in participating in interviews with the purpose of auditing Directors' execution of their duties, as well as on-site investigations at related companies. With a view to sound management and to maintaining and improving reputation in community, both within and outside Board meetings and Audit & Supervisory Board meetings, he made statements based on his experience of being responsible for and managing the General Affairs Department, Improvement Department and others.</p>
	<p style="text-align: center;">Akari Asano</p>	<p>Attended all 15 Board meetings and 19 Audit & Supervisory Board meetings held in the current fiscal year. Attended all audit result report meetings and quarterly review report meetings, and received reports from the accounting auditor. Additionally, he was proactive in participating in interviews with the purpose of auditing Directors' execution of their duties, as well as on-site investigations at related companies. With a view to sound management and to maintaining and improving reputation in community, both within and outside Board meetings and Audit & Supervisory Board meetings, he made statements based on his experience of being responsible for and managing the General Affairs Department, the Personnel Department, and others.</p>
	<p style="text-align: center;">Takafumi Sone</p>	<p>Attended 11 out of 12 Board meeting and 13 out of 14 audit meetings held in the current fiscal year. Attended quarterly review report meetings, and received reports from the accounting auditor. Additionally, he was proactive in participating in interviews with the purpose of auditing Directors' execution of their duties, as well as on-site investigations at related companies. With a view to sound management and to maintaining and improving reputation in community, both within and outside Board meetings and Audit & Supervisory Board meetings, he made statements based on his experience as being a manager of marketing & sales and overseas businesses.</p>

(3) Items concerning accounting auditor

a. Name of accounting auditor

Deloitte Touche Tohmatsu LLC

b. Amount of the remuneration for accounting auditor

Classification	Amount
Amount of the remuneration	63 million Yen
Total amount to be paid by the Company and its subsidiaries and income from other assets	69 million Yen

Notes: 1. Since the audit contract between the Company and the accounting auditor does not differentiate between audits based on the Companies Act and those based on the Financial Instruments and jExchange Act, only total amounts are displayed.

2. 11 overseas consolidated subsidiaries of the Company were audited by an accounting auditor other than one of the Company's accounting auditor (parties with overseas qualifications equivalent to those of the Company's auditors).

c. Policies for deciding the dismissal or refusal of reappointment of an accounting auditor

The Company policy states that, in addition to the Company's own reasons, if the relevant accounting auditor infringes or violates the Companies Act or laws and ordinances related to the Certified Public Accountants Act, or if it is determined that the accounting auditor has engaged in antisocial behavior, the Company will submit a proposal for the dismissal or refusal of reappointment of the accounting auditor at the annual general meeting.

3. Development of systems to ensure the appropriateness of operations

The Company has the following rules in relation to organizing the necessary systems (internal control systems) in order to ensure the appropriateness of operations.

(1) System for the storage and management of information concerning the execution of duties by Directors, Members of the Board

The shareholders' meeting minutes, Board meeting minutes, internal memoranda, and others are to be stored and managed in accordance with the law and the Company's internal rules.

(2) Rules and other systems related to the management of risk of loss

Each department responsible is to take appropriate measures as per the Company's internal rules in relation to risks related to compliance, the environment, disasters, quality, and export control.

- (3) System for ensuring that Directors, Members of the Board efficiently execute their duties
- a. Clarify operational targets by setting management plans.
 - b. Aim to improve the efficiency of execution of duties of Directors, Members of the Board by assigning roles to Executive Officers as per the Company's internal rules, while aiming to make rapid decisions by employing a system of Executive Officers.
 - c. Hold monthly meetings with Directors, Members of the Board, Executive Officers, and others, to monitor the state of the Executive Officers' execution of their duties.
- (4) System for ensuring that the execution of duties by the Directors, Members of the Board and employees complies with laws and ordinances and the Articles of Incorporation
- a. Announce behavioral rules for employees in which laws and ordinances, and items with which the Company must comply are clearly stated, and set up the Company's internal rules as required, to ensure a system of compliance by Directors, Members of the Board, Executive Officers, and employees.
 - b. At regular monthly Board meetings and ad hoc Board meetings, make decisions on items stipulated in laws and ordinances as well as in the Company's internal rules, and on important items related to management.
 - c. The Audit & Supervisory Board Members and the Internal Auditing Department are to carry out accounting and operational audits in relation to the execution of duties by the Directors, Members of the Board, Executive Officers, and employees.
- (5) System of ensuring the appropriateness of operations at the Company group consisting of the Company's parent company and its subsidiaries
- The Internal Auditing Department is to carry out operational audits. The results of the audits are to be reported to the Audit & Supervisory Board Members and the Representative Director to ensure compliance. Additionally, the Company obliges the related companies to hold discussions with the Company as per the Company's internal rules on important management-related items at related companies. Rules related to the management of related companies are to be reviewed as required to ensure the appropriateness of operations in the Company group.
- (6) Items concerning employees' providing support for the duties of the Audit & Supervisory Board Members if the Audit & Supervisory Board Members so request
- a. The Internal Auditing Department is to provide support for the duties of the Audit & Supervisory Board Members.

b. Items concerning the independence of the employees stipulated in the above item a from Directors, Members of the Board

A discussion is to be held beforehand with the Audit & Supervisory Board Members before transferring human resources, changing the organization, or making other changes in relation to the Internal Auditing Department.

(7) System for Directors, Members of the Board and employees to make reports to the Audit & Supervisory Board Members and system for making other reports to the Audit & Supervisory Board Members

a. Directors, Members of the Board, Executive Officers, and employees are to report to the Audit & Supervisory Board Members, without delay, with regard to serious infringements of laws and ordinances and the Articles of Incorporation in relation to executing duties, facts regarding improper behavior, and facts that may cause significant damage to the Company.

b. Directors, Members of the Board, Executive Officers, and employees are to report or make decisions at Board meetings in which the Audit & Supervisory Board Members will participate, as per Board member regulations and the Company's other internal rules.

(8) Other systems for ensuring that audits by the Audit & Supervisory Board Members are effectively carried out

In order to keep track of the decision-making process and the state of execution of duties, the auditors may participate in important meetings, in addition to Board meetings, view important internally-circulated memoranda, and seek the opinions of Board members, Executive Officers, and their staff as necessary.



Notes:

1. Monetary amounts given in the present financial report are rounded off.
2. Amounts such as sales amounts do not include taxes such as consumption tax.

Consolidated balance sheet (As of March 31, 2013)

Item	Amount	Item	Amount
(Assets)	million yen	(Liabilities)	million yen
Current assets	96,092	Current liabilities	161,765
Cash and deposits	8,302	Notes and accounts payable-trade	66,806
Notes and accounts receivable-trade	37,708	Short-term loans payable	77,442
Merchandise and finished goods	17,624	Commercial papers	2,999
Work in process	15,484	Lease obligations	2,613
Raw materials and supplies	7,703	Income taxes payable	1,534
Deferred tax assets	2,519	Deferred tax liabilities	8
Other	6,776	Provision for bonuses	412
Allowance for doubtful accounts	△ 26	Other	9,949
Noncurrent assets	222,326	Noncurrent liabilities	95,785
Property, plant and equipment	149,135	Long-term loans payable	64,111
Buildings and structures	24,433	Lease obligations	7,073
Machinery, equipment and vehicles	12,123	Deferred tax liabilities	1,173
Land	95,357	Deferred tax liabilities for land revaluation	7,158
Lease assets	9,131	Provision for retirement benefits	6,977
Construction in progress	6,795	Negative goodwill	120
Other	1,293	Other	9,171
Intangible assets	978	Total liabilities	257,551
Investments and other assets	72,212	(Net assets)	
Investment securities	46,837	Shareholders' equity	58,259
Long-term loans receivable	6,814	Capital stock	28,459
Deferred tax assets	5,859	Capital surplus	5,492
Other	12,803	Retained earnings	24,315
Allowance for doubtful accounts	△ 101	Treasury stock	△ 6
		Accumulated other comprehensive income	1,644
		Valuation difference on available-for-sale securities	972
		Deferred gains or losses on hedges	△ 113
		Revaluation reserve for land	10,653
		Foreign currency translation adjustment	△ 9,867
		Minority interests	962
		Total net assets	60,867
Total assets	318,418	Total Liabilities and net assets	318,418

Consolidated statement of income

(From April 1, 2012
to March 31, 2013)

Item	Amount	
	million yen	million yen
Net sales		252,783
Cost of sales		<u>221,072</u>
Gross profit		31,710
Selling, general and administrative expenses		<u>21,980</u>
Operating income		9,730
Non-operating income		
Interest income	471	
Dividends income	177	
Equity in earnings of affiliates	1,708	
Foreign exchange gains	590	
Other	<u>723</u>	3,671
Non-operating expenses		
Interest expenses	3,213	
Other	<u>1,401</u>	<u>4,614</u>
Ordinary income		8,787
Extraordinary income		
Insurance income	659	
Gain on negative goodwill	501	
Gain on sales of noncurrent assets	153	
Other	<u>121</u>	1,435
Extraordinary loss		
Loss on valuation of investment securities	4,300	
Loss on sales and retirement of noncurrent assets	315	
Other	<u>1,436</u>	<u>6,053</u>
Income before income taxes		4,170
Income taxes-current	2,068	
Income taxes-deferred	<u>499</u>	<u>2,568</u>
Income before minority interests		1,602
Minority interests in income		<u>91</u>
Net income		1,510

Consolidated statement of changes in net assets (From April 1, 2012 to March 31, 2013)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	28,459	5,492	24,355	△ 5	58,301
Change in the consolidated fiscal year					
Dividends from surplus			△ 1,744		△ 1,744
Net income			1,510		1,510
Change of scope of consolidation			168		168
Reversal of revaluation reserve for land			29		29
Reserve for Foreign subsidiary employee incentive welfare fund			△ 3		△ 3
Purchase of treasury stock				△ 1	△ 1
Changes of items other than shareholders' equity in the consolidated fiscal year (net)					—
Total changes in the consolidated fiscal year	—	—	△ 39	△ 1	△ 41
Balance at the end of current period	28,459	5,492	24,315	△ 6	58,259

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	28	△ 201	10,665	△ 16,391	△ 5,898	858	53,261
Change in the consolidated fiscal year							
Dividends from surplus					—		△ 1,744
Net income					—		1,510
Change of scope of consolidation					—		168
Reversal of revaluation reserve for land					—		29
Reserve for Foreign subsidiary employee incentive welfare fund					—		△ 3
Purchase of treasury stock					—		△ 1
Changes of items other than shareholders' equity in the consolidated fiscal year (net)	943	87	△ 12	6,524	7,543	103	7,647
Total changes in the consolidated fiscal year	943	87	△ 12	6,524	7,543	103	7,606
Balance at the end of current period	972	△ 113	10,653	△ 9,867	1,644	962	60,867

1. Notes concerning important items forming the basis for preparing Consolidated Financial Statements

(1) Items concerning the scope of consolidation

Of 41 subsidiaries, 28 companies (Sumikei Aluminum Foil Co., Ltd. Sumikei Copper Tube Co., Ltd., Nalco Iwai Co., Ltd., SLM AUSTRALIA PTY.LTD., and others) are consolidated.

Since the fiscal year of consolidation, the importance of Sumikeisho (Dalian. F.T.Z.) Trading Co., Ltd. and Sumikeisho (Kunshan) Metal Products Co., Ltd. has increased. Therefore, they are included in the scope of consolidation. Further, the Company acquired additional shares of Alcut Co., Ltd., and made it a subsidiary, so it is also included in the scope of consolidation.

Further, SK Slitting Co., Ltd., which is a consolidated subsidiary of the Company in the relevant consolidated fiscal year, merged with SK Corporation, which is a consolidated subsidiary. Also, Nippon Aluminium Co., Ltd. and Nippon Aluminium Shiga Co., Ltd. , which were both consolidated subsidiaries, merged with Iwai Metal Fabricating Co., Ltd., which was also a consolidated subsidiary. Iwai Metal Fabricating Co., Ltd. changed its trading name to Nalco Iwai Co., Ltd., accompanying this merger.

All 13 non-consolidated subsidiaries are small enterprises. The totals of their total capital, net sales, and net income or loss for the period (amounts based on equity), as well as their retained earnings (amounts based on equity) and other items do not have a significant impact on the consolidated financial statements, and therefore they are out of scope for consolidation.

(2) Items concerning the application of the equity method

The equity method is applied to 5 (Sumikei Alupack Co., Ltd., Sumikei Packaging Co., Ltd., Sumikei-Nikkei Engineering Co., Ltd., Tri-Arrows Aluminum Holding Inc., and Tri-Arrows Aluminum Inc.) out of 13 non-consolidated subsidiaries and 8 related companies.

11 non-consolidated subsidiaries and 5 related companies to which the equity method is not applied are excluded from the scope of the equity method as (i) they only have a slight impact on the consolidated financial statements in terms of net income or loss for the period (amount based on equity) and retained earnings (amount based on equity), and (ii) these companies do not have significance as a whole, and therefore they are excluded from the scope of the equity method.

(3) Items concerning the closing date of consolidated subsidiaries

Out of all consolidated subsidiaries, 11 overseas subsidiaries have a closing date on December 31, 2012. In creating the consolidated financial statements, financial documents as of the relevant closing date have been used. However, in relation to important transactions which arose from January 1, 2013 to March

31, 2013, which is the consolidated closing date, adjustments required in terms of consolidation were made.

(4) Items concerning accounting standards

a. Valuation standards and methods for major assets

(a) Available-for-sale securities

Those with market value: Market value based on the market price and other factors on the date of closing

(Valuation gains and losses are reported as a component of net assets, and the cost of securities sold is calculated using the moving average method)

Those without market value: Valued at cost based on the moving average method

(b) Inventories: Mainly valued at cost, determined by the periodic average method

(Amounts in the balance sheet are calculated after book value is written down based on decreased profitability)

(c) Derivatives: Market value method

b. Method of depreciation of major depreciable assets

(a) Property, plant, and equipment (excluding lease assets)

Buildings (excluding accompanying facilities)	}	Mainly using the straight-line method
Machinery and equipment		

Other tangible assets: Mainly using the declining-balance method

Main useful lives

Buildings: 15 to 50 years

Machinery and equipment: 7 years

(b) Intangible assets (excluding lease assets)

Software used by the Company: Straight-line method based on the estimated useful lives (5 years) determined by the Company

Other intangible assets: Straight-line method

(c) Lease assets

The lease period is taken as the number of useful lives, and the straight-line method is used to bring the balance to zero (or, in the case that a residual guarantee has been determined, the guaranteed residual value). Also, within non-ownership-transfer finance lease transactions, the accounting treatment of lease transactions with the lease transaction day commencing on or before March 31, 2008 is based on the method equivalent to ordinary lease transactions.

c. Important allowance accounting standards

(a) Allowance for doubtful accounts: This amount is set in order to prepare for losses due to bad debt on accounts receivable such as notes and accounts receivable-trade. The estimated non-recovery amounts for the general accounts receivables are journalized according to the actual default ratio, and estimated non-recovery amounts for specific accounts receivables where recoverability is in doubt are journalized after considering the possibility of recovery of the amount on a case-by-case basis.

(b) Provision for bonuses: This amount is set as a reserve to pay bonuses to employees and the amount journalized is the future expected payment amount to be added to actual payments made.

(c) Provision for retirement benefits: In order to reserve payments of retirement benefits to the employees, the Company and its consolidated subsidiaries journalized the estimated amount that will arise at the end of the relevant fiscal year based on the estimated amount of retirement benefit obligations and plan assets as of the end of the consolidated fiscal year under review.

Also, differences arising due to a change in accounting standards (24,563 million yen) are treated as an expense amortized over 15 years, and past service liabilities and actuarial gains or losses are amortized using the straight-line method and reported as expenses (actuarial gains or losses are journalized from the following consolidated fiscal year) over a fixed number of years (9 to 13 years) within the remaining service period of employees at the time of recognition.

d. Other important items constituting the basis for the preparation of consolidated financial statements

(a) Criteria for converting significant foreign-currency-denominated assets and liabilities into Japanese Yen

Foreign-currency-denominated monetary receivables and payables are converted into Japanese yen using the spot exchange rate on the day of closing, and the translation differences are treated as gains or losses. Also, the assets, liabilities, income and expenses of overseas consolidated subsidiaries are translated into Japanese yen using the spot exchange rate on the day of closing, and the translation differences are included in foreign currency translation adjustments and minority interests in the net assets section.

(b) Significant hedge accounting methods

Mainly, deferred hedge accounting is applied. Also, for forward exchange contract transactions, assignment accounting treatment (*Furiate-shori*), in

which foreign monetary claims or obligations are translated and allocated at the rate as of the settlement date fixed by the forward exchange contracts, is applied that meets the requirements thereof, and special accounting treatment is applied to interest-rate swaps in cases where requirements for special accounting are satisfied.

(c) Accounting treatment of consumption taxes

The tax-exclusive method is applied.

(5) Method and period for depreciation of goodwill

Goodwill and negative goodwill journalized on or prior to March 31, 2010 are depreciated over five years using a straight-line method.

(6) Changes in accounting policies, etc.

(Changes in accounting policies that are difficult to classify from the changes to accounting estimates)

The method of depreciation of the properties, plants and equipment acquired on or after April 1, 2012 by the Company and certain consolidated subsidiaries accompanying the revision of the Corporate Tax Act has changed to that based on the Corporate Tax Act as revised.

The impact on profits and losses due to this in the current consolidated fiscal year is minor.

(7) Changes in presentation methods

(Those related to the consolidated statement of income)

a. The amount of "Contribution for construction" separately posted in "Non-operating income" in the prior consolidated fiscal year is displayed in "Other" from the present consolidated fiscal year due to its decreased level of importance. The amount of "Contribution for construction" included in "Other" in the current consolidated fiscal year is 20 million yen.

b. The amount of "Gain on sale of investment securities" separately posted in "Extraordinary income" in the prior consolidated fiscal year will be displayed in "Other" from the present consolidated fiscal year due to its decreased level of importance. The amount of "Gain on sale of investment securities" included in "Other" in the current consolidated fiscal year is 59 million yen.

c. The amount of "Impairment losses" separately posted in "Extraordinary loss" in the prior consolidated fiscal year will be displayed in "Other" from the present consolidated fiscal year due to its decreased level of importance. The amount of Impairment losses included in "Other" in the current consolidated fiscal year is 39 million yen.

2. Notes concerning the consolidated balance sheet

(1) Collateral assets and secured debt

a. Collateral assets

Property, plant, and equipment 12,735 million yen (9,416 million yen)

b. Secured debt

Short-term loans payable	}	2,628 million yen (968 million yen)
Long-term loans payable		

Among the above, the figures in parentheses show the amount of factory foundation mortgage and related debts thereto.

(2) Loan equity

Investment securities 2,033 million yen

(3) Accumulated depreciation of property, plant, and equipment

177,622 million yen

(4) Contingent liabilities

Guarantees for financial institution loans such as for employees	1,443 million yen
Notes receivable-trade discounted	690 million yen
Notes receivable-trade endorsed	216 million yen
Export bills discounted	231 million yen

(5) In addition to noncurrent assets stated on the balance sheet, certain manufacturing facilities, computers and their peripherals are being used under lease contract.

(6) Business-use land is revalued based on the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998).

a. Company creating the consolidated financial statements and Sumikei Copper Tube Co., Ltd.

Date of revaluation March 31, 2000

Method of revaluation

The method used was appraisal according to Paragraph 5, Article 2 of the

Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, promulgated on March 31, 1998); however, for some part thereof, a method was performed with rational adjustments made to prices registered on the Land Tax Register Book as per Paragraph 3 of the same Article.

Difference between market value of revalued land at the end of the current consolidated fiscal year and book values following revaluation

△ 11,842 million yen

b. Nalco Iwai Co., Ltd. and Sumikei Techno Nagoya Co., Ltd.

Date of revaluation

March 31, 2001

Method of revaluation

The method used was appraisal according to Paragraph 5, Article 2 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, promulgated on March 31, 1998); however, for some part thereof, a method was performed with rational adjustments made to prices registered on the Land Tax Register Book as per Paragraph 3 of the same Article.

Difference between market value of revalued land at the end of the current consolidated fiscal year and book values following revaluation

△ 1,303 million yen

3. Notes concerning the consolidated statements of income

Book value reduction amount in inventories

Book value reduction amount accompanying the decline in profitability of inventories included in the cost of sales

79 million yen

4. Notes concerning the consolidated statement of changes in net assets

(1) Types and number of issued shares at the end of the current consolidated fiscal year

Ordinary shares 581,538,867 shares

(2) Amount of dividends paid

Decision	Type of shares	Total dividend amount (Million Yen)	Source of funds for dividends	Dividend per share (yen)	Date of record	Effective date
AGM on Jun 28, 2012	Ordinary shares	872	Retained earnings	1.50	Mar 31, 2012	Jun 29, 2012
BOD meeting on Nov 8, 2012	Ordinary shares	872	Retained earnings	1.50	Sept 30, 2012	Dec 07, 2012

(3) Dividends for which the record date belongs to the current consolidated fiscal year, but the effective date is in the following consolidated fiscal year

Decision	Type of shares	Total dividend amount (Million Yen)	Source of funds for dividends	Dividend per share (yen)	Date of record	Effective date
AGM on Jun 27, 2013	Ordinary shares	1,162	Retained earnings	2.00	Mar 31, 2013	Jun 28, 2013

5. Notes concerning financial instruments

(1) Notes concerning the status of financial instruments

The Company group limits the management of capital to instruments such as short-term deposits, and procures funding from loans payable from financial institutions such as banks.

The Company aims to reduce client credit risks related to notes and accounts receivable-trade in-line with Company internal rules. Also, the Company tracks on a quarterly basis the market value of listed shares which are investment securities.

The uses of loans payable are for working capital and capital investment funds, and so on. Interest rate swaps and interest rate options are entered into for the purpose of avoiding some long-term loans payable interest rate fluctuation risks. Derivative transactions are entered into within the scope of actual demand and in-line with the Company's internal rules.

(2) Items concerning market value of financial instruments, etc.

Amounts journalized on the consolidated balance sheet, market value, and the differences between these figures as of the last day of the relevant consolidated fiscal year are as follows.

(Units: Million yen)

	Consolidated balance sheet amount (*1)	Market value (*1)	Difference
a. Cash and deposits	8,302	8,302	—
b. Notes and accounts receivable-trade	37,708	37,708	—
c. Investment securities			
Available-for-sale securities	6,135	6,135	—
d. Long-term loans receivable	8,054		
Allowance for doubtful accounts (*2)	△ 60		
	7,994	7,993	(0)
e. Notes and accounts payable-trade	(66,806)	(66,806)	—
f. Short-term loans payable	(29,723)	(29,723)	—
g. Commercial paper	(2,999)	(2,999)	—
h. Income taxes payable	(1,534)	(1,534)	—
i. Long-term loans payable	(111,829)	(112,562)	(732)
j. Lease obligations	(9,686)	(9,807)	(120)
k. Derivative transactions (*3)	(172)	(172)	—

(*1) Amounts posted under liabilities are displayed in parentheses.

(*2) The Allowance for doubtful accounts is excluded from the individually journalized long-term loans receivable.

(*3) Receivables and payables arising through derivative transactions are displayed as net amounts. Net amounts payable are displayed within parentheses.

Notes 1: Items concerning methods of calculating market values of financial instruments, short-term investment securities, and derivative transactions

- (1) Cash and deposits, as well as (2) Notes and accounts receivable-trade
Since these are settled in the short term, and their market values are almost

the same as their book values, they are as per their relevant book values. Also, as certain foreign-currency-denominated accounts receivable-trade are subject to assignment accounting treatment (*Furiate-shori*), in which foreign monetary claims or obligations are translated and allocated at the rate as of the settlement date fixed by the forward exchange contracts, and as they are treated as a part of the overall hedged accounts receivable-trade, their market value is included within the market value of the accounts receivable-trade (refer to Item 11.)

(3) Investment securities

Prices of shares are based on the market prices on exchanges.

(4) Long-term loans receivable

These are valued according to their present value discounted by an interest rate of an appropriate index added to a credit spread, for each credit risk category. Also, credits for which there is a concern of default are valued at their present value after discounting at an interest rate with a high degree of safety with respect to the remaining period for the anticipated receipt of the principal and interest, reflecting the likelihood of recovery.

Also, the current portion of long-term loans receivable is included in "Other" of current assets in the consolidated balance sheets; however, in the above table, it is included as a part of Long-term loans receivable.

(5) Notes and accounts payable-trade, (6) Short-term loans payable, (7) Commercial paper, and (8) Income taxes payable

Since these are settled in the short term, and their market values are almost the same as their book values, they are as per their relevant book values. Also, the current portion of long-term loans payable is included within Short-term loans payable on the consolidated balance sheets; however, in the above table, it is included as a part of Long-term loans payable (refer to Item 9, below).

Further, as certain foreign currency denominated accounts payable are subject to assignment accounting treatment (*Furiate-shori*), in which foreign monetary claims or obligations are translated and allocated at the rate as of the settlement date fixed by the forward exchange contracts, and as they are treated as a part of the overall hedged accounts payable-trade, their market value is included within the market value of Accounts payable-trade (refer to Item 11, below.)

(9) Long-term loans payable and (10) Lease obligations

The market values of these two items are calculated by discounting the total amount of principal and interest of the relevant long-term loans payable using an assumed interest rate considered to be applicable to similar new borrowings or new lease transactions. Certain long-term loans payable with variable interest rates are in scope for special accounting treatment of interest rate swaps (refer to Item 11, below), and the market values of the long-term

loans payable are calculated by discounting the total amount of principal and interest of the relevant long-term loans payable treated together with the relevant interest rate swaps using an assumed interest rate considered to be applicable to similar new borrowings. Also, the current portion of long-term loans payable is included within the short-term loans payable on the consolidated balance sheet; however, in the above table, it is included as a part of the long-term loans payable (refer to Item 6, above). Further, lease obligations are recorded on the consolidated balance sheet in current liabilities and noncurrent liabilities; however, they are calculated together in the above table.

(11) Derivative transactions

These are valued according to prices, and so on given by counterparty financial institutions. Also, since items in scope for special accounting treatment of interest rate swaps are treated as a part of the long-term loans payable subject to hedging, the market value thereof is included within the market value of the long-term loans payable (refer to Item 9, above). Also, since the amounts subject to assignment accounting treatment (*Furiate-shori*), in which foreign monetary claims or obligations are translated and allocated at the rate as of the settlement date fixed by the forward exchange contracts, are treated as a part of accounts receivable-trade or accounts payable-trade subject to hedging, the market value thereof is included in the market value of accounts receivable-trade or accounts payable-trade (refer to Items 2 and 5, above).

Note 2: Unlisted stocks (value of 22,293 million yen on the consolidated balance sheet) have no market prices, so it is impossible to estimate future cash flows, and as it is extremely difficult to ascertain their market value, therefore, they are not included within 3. Investment securities and available-for-sale securities. Also, the stocks of subsidiaries and affiliates (value of 18,407 million yen on the consolidated balance sheet) are not included in the above table for the same reasons.

6. Notes on per-share information

Net assets per share:	103.02 yen
Net income per share:	2.59 yen

7. Items related to important subsequent events

The Company and Furukawa-Sky Aluminum Corp. have entered into a Basic Integration Agreement on August 29, 2012, regarding integration of their business on October 1, 2013 as the effective date (scheduled), with the spirit of their relationship being based on equality. Further, the Company has entered into a

merger agreement with Furukawa-Sky Aluminum Corp. based on resolutions at the board of directors meeting held on April 26, 2013.

8. Other notes

Amounts have been rounded down to the nearest million yen.

Balance sheets (As of March 31, 2013)

Item	Amount	Item	Amount
(Assets)	million yen	(Liabilities)	million yen
Current assets	68,384	Current liabilities	131,511
Cash and deposits	5,630	Notes payable-trade	13,566
Notes receivable-trade	802	Accounts payable-trade	24,618
Accounts receivable-trade	18,503	Short-term loans payable	26,213
Merchandise and finished goods	5,629	Current portion of long-term loans payable	47,346
Work in process	9,038	Commercial papers	2,999
Raw materials and supplies	2,644	Lease obligations	85
Prepaid expenses	92	Accounts payable-other	3,427
Deferred tax assets	1,815	Accrued expenses	637
Accounts receivable-other	3,322	Income taxes payable	167
Short-term loans receivable	20,905	Advances received	167
Other	6	Deposits received	10,702
Allowance for doubtful accounts	△ 9	Other	1,578
Noncurrent assets	190,763	Noncurrent liabilities	74,698
Property, plant and equipment	96,612	Long-term loans payable	63,497
Buildings	13,012	Lease obligations	165
Structures	1,762	Deferred tax liabilities for land revaluation	5,681
Machinery and equipment	8,188	Provision for retirement benefits	4,444
Vehicles	9	Asset retirement obligations	722
Tools, furniture and fixtures	739	Other	186
Land	67,812	Total liabilities	206,209
Lease assets	240	(Net assets)	
Construction in progress	4,845	Shareholders' equity	44,046
Intangible assets	104	Capital stock	28,459
Patent right	1	Capital surplus	5,492
Software	69	Legal capital surplus	5,492
Right of using facilities	33	Retained earnings	10,101
Investments and other assets	94,046	Legal retained earnings	174
Investment securities	6,154	Other retained earnings	9,927
Stocks of subsidiaries and affiliates	61,231	Retained earnings brought forward	9,927
Investments in capital	28	Treasury stock	△ 6
Investments in capital of subsidiaries and affiliates	10	Valuation and translation adjustments	8,891
Long-term loans receivable	20,898	Valuation difference on available-for-sale securities	815
Long-term prepaid expenses	435	Deferred gains or losses on hedges	△ 80
Deferred tax assets	5,042	Revaluation reserve for land	8,156
Other	250	Total net assets	52,938
Allowance for doubtful accounts	△ 6	Total liabilities and net assets	259,147
Total assets	259,147		

Statements of income

(From April 1, 2012
to March 31, 2013)

Item	Amount	
	million yen	million yen
Net sales		130,818
Cost of sales		<u>115,878</u>
Gross profit		14,939
Selling, general and administrative expenses		<u>8,538</u>
Operating income		6,401
Non-operating income		
Interest income	646	
Dividends income	661	
Fiduciary obligation fee	729	
Rent income	456	
Other	<u>270</u>	<u>2,764</u>
Non-operating expenses		
Interest expenses	2,859	
Fiduciary obligation expenses	697	
Other	<u>1,242</u>	<u>4,798</u>
Ordinary income		4,367
Extraordinary income		
Gain on sales of noncurrent assets	96	
Other	<u>10</u>	<u>107</u>
Extraordinary loss		
Business integration costs	500	
Loss on sales of investment securities	397	
Loss on retirement of noncurrent assets	199	
Other	<u>57</u>	<u>1,155</u>
Income before income taxes		3,318
Income taxes-current	201	
Income taxes-deferred	<u>968</u>	<u>1,170</u>
Net income		2,147

Statements of changes in net asset

(From April 1, 2012
to March 31, 2013)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at the beginning of current period	28,459	5,492	5,492	—	9,665	9,665	△ 5	43,611
Change in the fiscal year								
Dividends from surplus					△ 1,744	△ 1,744		△ 1,744
Provision of legal retained earnings				174	△ 174	—		—
Net income					2,147	2,147		2,147
Reversal of revaluation reserve for land					32	32		32
Purchase of treasury stock							△ 1	△ 1
Changes of items other than shareholders' equity in the fiscal year (net)								—
Total change in the fiscal year	—	—	—	174	261	436	△ 1	434
Balance at the end of current period	28,459	5,492	5,492	174	9,927	10,101	△ 6	44,046

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	△ 71	△ 100	8,173	8,001	51,613
Change in the fiscal year					
Dividends from surplus				—	△ 1,744
Provision of legal retained earnings				—	—
Net income				—	2,147
Reversal of revaluation reserve for land				—	32
Purchase of treasury stock				—	△ 1
Changes of items other than shareholders' equity in the fiscal year (net)	886	19	△ 16	889	889
Total change in the fiscal year	886	19	△ 16	889	1,324
Balance at the end of current period	815	△ 80	8,156	8,891	52,938

1. Notes concerning important accounting policies

(1) Asset valuation standards and valuation methods

a. Valuation standards and valuation methods for short-term investment securities

Investment in subsidiaries and affiliates: Cost method using the moving-average method

Available-for-sale securities

Those with market values: Market value method based on the market price on the date of closing

(Valuation gains or losses are reported as a component of net assets, and the cost of securities sold are calculated using the moving average method)

Those without market values: Cost method using the moving average method

b. Valuation standards and valuation methods for derivatives

Derivatives: Market value method

c. Valuation standards and valuation methods for inventories

Mainly valued at cost, determined by the periodic average method

(Amounts in the balance sheet are calculated after book value is written down based on decreased profitability)

(2) Method of depreciation of noncurrent assets

a. Properties, plants and equipment (excluding lease assets)

Buildings (excluding accompanying facilities)
Machinery and equipment: } straight-line method

Other tangible assets: declining-balance method

Main useful lives

Buildings: 15 to 50 years

Machinery and equipment: 7 years

b. Intangible assets (excluding lease assets)

Software used by the company: Straight-line method based on the estimated useful lives (5 years) determined by the Company

Other intangible assets: Straight-line method

c. Lease assets

The lease period is based on the useful lives, and the straight-line method is used to bring the residual value to zero (or, in the case that a residual guarantee has been determined, the guaranteed residual value).

Also, within non-ownership-transfer finance lease transactions, the

accounting treatment of lease transactions commencing on or before March 31, 2008 are treated based on a method for ordinary loan transactions.

(3) Allowance accounting standards

- a. Allowance for doubtful accounts: This amount is set in order to prepare for losses due to bad debt on accounts receivable such as notes and accounts receivable-trade. The estimated non-recovery amounts for the general accounts receivables are journalized according to the actual default ratio, and estimated non-recovery amounts for specific accounts receivables where recoverability is in doubt are journalized after considering the possibility of recovery of the amount on a case-by-case basis.
- b. Provision for retirement benefits: The Company has a defined-benefit corporate pension system and a retirement lump sum payment system. In order to be prepared for paying retirement allowances through such systems to the Company's employees, provisions are journalized based on the expected amount of retirement benefit obligations and plan assets at the end of the current fiscal year.

Also, net retirement benefit obligation at transition (19,956 million yen) is treated as an expense amortized over 15 years, and past service liabilities and actuarial gains and losses are treated as expenses using the straight-line method (actuarial differences are journalized from the following fiscal year) over a fixed number of years (13 years) within the period of remaining service of employees at the time of recognition.

(4) Other important items constituting the basis for the preparation of financial statements

a. Hedge accounting methods

Mainly, deferred hedge accounting is applied. Also, for forward exchange contract transactions, assignment accounting treatment (*Furiate-shori*), in which foreign monetary claims or obligations are translated and allocated at the rate as of the settlement date fixed by the forward exchange contracts, is applied that meets the requirements thereof, and special accounting treatment is applied to interest-rate swaps in cases where requirements for special accounting are satisfied.

b. Accounting treatment of consumption taxes, etc.

The tax-exclusive method is applied.

- c. Criteria for converting foreign-currency-dominated assets and liabilities into Japanese yen

Foreign-currency-denominated monetary receivables and payables are converted into Japanese yen using the spot exchange rate on the day of closing, and the translation differences are treated as gains or losses.

- (5) Changes in accounting policies, etc.

(Changes to accounting policies that are difficult to classify from changes to accounting estimates)

The method of depreciation of the properties, plants and equipment acquired on or after April 1, 2012 by the Company accompanying the revision of the Corporation Tax Act has changed to that based on the Corporation Tax Act as revised.

The impact on profits and losses due to this in the current fiscal year is minor.

- (6) Changes in presentation methods

(Those related to the balance sheet)

The amount of "Suspense receipt for costs of materials for outsourced work" separately posted in "Current liabilities" for the prior fiscal year is displayed in "Other" from the present fiscal year due to its decreased level of importance. The amount of "Suspense receipt for costs of materials for outsourced work" included in "Other" in the current fiscal year is 1,501 million yen.

(Those related to the statement of income)

a. The amount of "Contribution for construction" separately posted in "Non-operating income" in the prior fiscal year is displayed in "Other" from the present fiscal year due to its decreased level of importance. The amount of "Contribution for construction" included in "Other" in the current fiscal year is 20 million yen.

b. The amount of "Gain on sale of noncurrent assets" displayed in "Other" of "Extraordinary income" in the prior fiscal year is separately posted from the present fiscal year due to its increased level of importance. The amount of "Gain on sale of noncurrent assets" included within "Other" in the previous fiscal year is 9 million yen.

c. The amount of "Gain on sale of investment securities" separately posted in "Extraordinary income" in the prior fiscal year will be displayed in "Other" from the present fiscal year due to its decreased level of importance. The amount of "Gain on sale of investment securities" included in "Other" in the current fiscal year is 8 million yen.

d. The amount of "Impairment losses" separately posted in "Extraordinary loss" in the prior fiscal year will be displayed in "Other" from the present fiscal year due to its decreased level of importance. The amount of Impairment losses included in "Other" in the current fiscal year is 19 million yen.

2. Notes concerning the balance sheet

(1) Collateral assets and secured debt

a. Collateral assets

Properties, plants and equipment 10,302 million yen (9,416 million yen)

b. Secured debt

Short-term loans payable

Current portion of long-term loans payable } 2,628 million yen (968 million yen)

Long-term loans payable }

Among the above, the figures in parentheses show the amount of factory foundation mortgage and related debts thereto.

(2) Loan equity at the end of the current fiscal year

Investment securities 2,033 million yen

(3) Accumulated depreciation of assets

Accumulated depreciation of properties, plants and equipment

136,898 million yen

(4) Guarantees obligations

Amount of guarantee obligations in relation to loans from financial institutions such as those to employees 5,699 million yen

(5) Monetary claims and liabilities to affiliated companies

Short-term monetary claims 33,728 million yen

Long-term monetary claims 20,895 million yen

Short-term monetary liabilities 15,524 million yen

Long-term monetary liabilities 21 million yen

(6) Revaluation of land

Business-use land has been revalued based on the Act concerning Revaluation of Land (Act No. 34, promulgated on March 31, 1998).

Date of revaluation March 31, 2000

Method of revaluation

The method used was appraisal according to Paragraph 5, Article 2 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, promulgated on March 31, 1998); however, for some part thereof, a method was performed with rational adjustments made to prices registered on the Land Tax Register Book as per Paragraph 3 of the same Article.

Differences between the market values of revalued land at the end of the current fiscal year and book value following revaluation

△ 10,597 million yen

3. Notes on the statement of income

(1) Balances of transactions with related companies

Balances of sales transactions	
Sales	52,133 million yen
Purchases	39,285 million yen
Non-sale transaction balance	3,317 million yen

(2) Write-down of book value of Inventories

Write-down of book value accompanying a decrease in the profitability of inventories included in the cost of sales	47 million yen
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4. Notes on the statement of changes in net assets

Classes and number of treasury shares of the Company as of the end of the current fiscal year	
Ordinary shares	69,592 shares

5. Notes on tax effect accounting

Main causes of deferred tax assets and deferred tax liabilities

The main cause of deferred tax assets is deferred losses in terms of tax accounting and the main cause of deferred tax liabilities is valuation difference on available-for-sale securities.

6. Notes on leased noncurrent assets

In addition to noncurrent assets recorded on the balance sheet, some manufacturing equipment, computers and their peripheral equipment are used under non-ownership-transfer finance lease transactions.

7. Notes on transactions with related parties

Subsidiaries, affiliated companies, and others

(Units: Million yen)

Type	Name of company etc.	Proportion of voting rights etc. held (owned)	Relationship with the related party	Details of transaction	Transaction amount (Note 4)	Accounting item	End of period balance (Note 4)
Subsidiary	Sumikeisho Corporation	Directly owned: 100.0%	Sale of the company's products Procurement of raw materials and products Co-appointment of executives	Sale of the company's products (Note 1)	26,701	Accounts Receivable	5,590
				Receiving deposits (Note 2)	2,509	Deposits received	2,780
Subsidiary	SLM Australia PTY. LTD.	Directly owned: 100.0%	Procurement of raw materials Co-appointment of executives	Lending funds (Note 2, 3)	3,600	Long-term loans receivable	3,600
Subsidiary	Nalco Iwai Co., Ltd.	Directly owned: 100.0%	Sale of the company's products Procurement of products Lending funds	Lending funds (Note 2, 3)	2,065	Short-term loans receivable	6,402
Subsidiary	Sumikei Aluminum Foil Co., Ltd.	Directly owned: 100.0%	Sale of the company's products Procurement of products Co-appointment of executives	Lending funds (Note 2, 3)	4,091	Short-term loans receivable	4,700
Subsidiary	Sumikei Techno Co., Ltd.	Directly owned: 100.0%	Procurement of products Co-appointment of executives	Lending funds (Note 2, 3)	340	Long-term loans receivable	4,495
Subsidiary	Sumikei Techno Nagoya Co., Ltd.	Indirectly owned: 100.0%	Sale of the company's products Procurement of raw materials Co-appointment of executives Undertaking outsourced operations	Lending funds (Note 2, 3)	607	Short-term loans receivable	3,730
Subsidiary	Sumikei Copper Tube Co., Ltd.	Directly owned: 100.0%	Procurement of raw materials Lending funds Co-appointment of executives Undertaking outsourced operations	Lending funds (Note 2, 3)	12,400	Long-term loans receivable	10,000

Transaction conditions and policies, etc. for determining them

Note 1: For prices and other transaction conditions, the Company indicates requested prices based on the actual state of the market, and makes a decision after holding price negotiations.

Note 2: Excess funds at subsidiaries are centralized at the Company, and funds are lent to subsidiaries in accordance with the demand for funds. Interest conditions in relation to loans and deposits are determined based on interest rates in the market.

Note 3: Collateral is not accepted when lending funds.

Note 4: Consumption tax, etc. is not included in transaction amounts. End of period balances include consumption tax, etc.

8. Notes on per-share items

Net assets per share	91.04 yen
Net income per share for the period	3.69 yen

9. Notes on important subsequent events

The Company and Furukawa-Sky Aluminum Corp. have entered into a Basic Integration Agreement on August 29, 2012 regarding integration of their business on October 1, 2013 as the effective date (scheduled), with the spirit of their relationship being based on equality. Further, the Company has entered into a merger agreement with Furukawa-Sky Aluminum Corp. based on resolutions at the board of directors meeting held on April 26, 2013.

10. Other notes

Amounts have been rounded down to the nearest million yen.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 8, 2013

To the Board of Directors of
Sumitomo Light Metal Industries, Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Seiji Harada

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Nobuaki Fuse

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kazuki Iwashita

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2013, of Sumitomo Light Metal Industries, Ltd. (the "Company") and its consolidated subsidiaries, and the related statements of income and changes in net assets for the fiscal year from April 1, 2012 to March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material

misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2013, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As discussed in Note 7 to the consolidated financial statements, the Company and Furukawa-Sky Aluminum Corp. have entered into a Basic Integration Agreement on August 29, 2012, regarding the integration of their business on October 1, 2013, as the effective date (scheduled). Further, the Company has entered into a Merger Agreement with Furukawa-Sky Aluminum Corp. based on resolutions at the board of directors' meeting held on April 26, 2013. Our opinion is not qualified in respect to this matter.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 8, 2013

To the Board of Directors of
Sumitomo Light Metal Industries, Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Seiji Harada

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Nobuaki Fuse

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:
Kazuki Iwashita

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2013, of Sumitomo Light Metal Industries, Ltd. (the "Company"), and the related statements of income and changes in net assets for the 69th fiscal year from April 1, 2012 to March 31, 2013, and a summary of significant accounting policies and other explanatory information, and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and

perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2013, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the Company and Furukawa-Sky Aluminum Corp. have entered into a Basic Integration Agreement on August 29, 2012, regarding the integration of their business on October 1, 2013, as the effective date (scheduled). Further, the Company has entered into a Merger Agreement with Furukawa-Sky Aluminum Corp. based on resolutions at the board of directors' meeting held on April 26, 2013. Our opinion is not qualified in respect to this matter.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

The present Audit & Supervisory Board created the present audit report, which shows the consensus opinion of all the Audit & Supervisory Board Members, formed after deliberation based on the audit report created by each Audit & Supervisory Board Member in relation to the execution of duties by directors for the 69th fiscal year from April 1, 2012 to March 31, 2013.

1. The methods and details of the audit carried out by the Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board set up audit policies and an audit plan in relation to duty sharing etc., received reports on the state of the performance of audits as well as the results of audits from each Audit & Supervisory Board Member, received reports on the state of performance of duties from Directors, Members of the Board and accounting auditors, and sought explanations from them as needed.

Each Audit & Supervisory Board Member communicated with Directors, Members of the Board, internal audit departments, and other employees as per audit policies and duty sharing etc. set up by the Audit & Supervisory Board. Each Audit & Supervisory Board Member worked on collecting information and improving the audit environment, attended important meetings such as the board of directors meeting, received reports on the state of duty sharing from Directors, Members of the Board, and other employees, sought explanations on an as needed basis, viewed important financial statements etc., and surveyed the state of business and property at the headquarters and other main offices.

Additionally, Audit & Supervisory Board Members received regular reports from Directors, Members of the Board, and other employees, etc., concerning the status of the establishment and implementation of (i) the contents of the resolutions of the board of directors' meeting regarding the development and maintenance of the system to ensure that the duties performed by Directors, Members of the Board, as listed in the business report, comply with laws, regulations and the articles of incorporation of the Company and other systems that are stipulated in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the business of a joint stock company (*kabushiki kaisha*), and (ii) the systems implemented based on said resolutions (internal control systems), and the Audit & Supervisory Board Members also sought explanations and expressed opinions as necessary.

Moreover, the Audit & Supervisory Board received reports from Directors, Members

of the Board, etc. and Deloitte Touche Tohmatsu LLC on the evaluation of internal controls related to financial reports and the audit status, and the Audit & Supervisory Board Members, and also sought explanations.

The Audit & Supervisory Board received reports from affiliate companies on their respective businesses as necessary by communicating and exchanging information with the Directors, Members of the Board, and Audit & Supervisory Board Members, etc. of each affiliate company. Based on the results of the above-mentioned survey, the Audit & Supervisory Board examined business reports and accompanying supplementary schedules in relation to the current fiscal year.

Furthermore, the Audit & Supervisory Board monitored and examined whether the accounting auditor maintained an independent position, and properly conducted its audit, received reports from the accounting auditor on the status of its performance of duties, and sought explanations as necessary. Additionally, the Audit & Supervisory Board received notification on the establishment of "Systems for Ensuring that the Duties are Properly Conducted" (items given in each Item of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards in Relation to Audits" (Business Accounting Deliberation Council) etc., and sought explanations as necessary.

Based on the above-mentioned methods, the Audit & Supervisory Board examined financial statements (balance sheets, statements of income, statements of changes in net assets, and notes to financial statements), the accompanying supplementary schedules, and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets, and notes to the consolidated financial statements) in relation to the current fiscal year.

2. Results of the Audit

(1) Results of the audit business report, etc.

a. We hereby certify that the business report and the accompanying supplementary schedules fairly represent the status of the Company in accordance with the laws and regulations and the articles of incorporation of the Company.

b. We found no serious misconduct or serious infringements of laws, regulations, or the articles of incorporation of the Company by any of the Directors or Members of the Board carrying out their duties.

c. We certify that the details of the resolutions made at the board of directors meeting on internal control systems are appropriate. Additionally, we did not find any items which should be pointed out in relation to statements given in business

reports and the performance of duties by Directors or Members of the Board in relation to the relevant internal control systems, including the internal control regarding financial reports.

(2) Results of the audit of financial statements and accompanying supplementary schedules

We certify that the methods and the results of the audit carried out by Deloitte Touche Tohmatsu LLC are appropriate.

(3) Results of the audit of the consolidated financial statements

We certify that the methods and the results of the audit carried out by Deloitte Touche Tohmatsu LLC are appropriate.

May 09, 2013

The Audit & Supervisory Board of Sumitomo Light Metal Industries, Ltd.

Junji Hatahara, Audit & Supervisory Board Member (full time)

Eiichi Mohri, Audit & Supervisory Board Member

Tetsuya Harada, Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Akari Asano, Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Takafumi Sone, Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Outside Audit & Supervisory Board Members are Audit & Supervisory Board Members stipulated in Item 16, Article 2 of the Companies Act of Japan.