

Results Briefing for the Year Ended March 31, 2011

May 11, 2011



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1. Performance Summary for the Fiscal Year Ended March 31, 2011 (fiscal 2011)



Fiscal 2011: Main Aspects of Performance

■ Income and profits up year-on-year

Net sales and sales volumes (non-consolidated) both up around 12% compared to the previous fiscal year

Operating income up ¥11.7 billion year-on-year

- Favorable trend for facilities investment, such as for manufacturing equipment for LCDs and semiconductors, thick sheet trended strong throughout term
- Exports increased due to strong overseas markets

■ Contribution to ordinary income by equity-method affiliates commenced (350 million yen)

■ Booked income taxes—deferred in the amount of ¥2.9 billion among net income (consolidated)

■ Effects of Great East Japan Earthquake

- Although some buildings and facilities at our company's and among our Group's manufacturing network sustained damage, regular operations were promptly restored.
- Booked special loss of ¥160 million



Fiscal 2011 Result (Y on Y)

< Consolidated >

(Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011 (B)	Change (B) – (A)	Change rate (%) (B-A) / (A)
Net sales	185.6	207.2	21.6	11.6%
Operating income	0.6	12.3	11.7	1,950%
Ordinary income (loss)	(0.7)	11.7	12.4	-
Net income (loss)	(0.8)	12.0	12.8	-

< Non-consolidated > (Reference)

(Billions of yen)

	Fiscal 2010 (A)	Fiscal 2011 (B)	Change (B) – (A)	Change rate (%) (B-A) / (A)
Net sales [Volume]	160.7 [388K tons]	181.2 [435K tons]	20.5 [47K tons]	12.8% [12.1%]
Operating income	0	10.2	10.2	-
Ordinary income (loss)	(0.9)	9.2	10.1	-
Net income (loss)	(0.5)	10.3	10.8	-

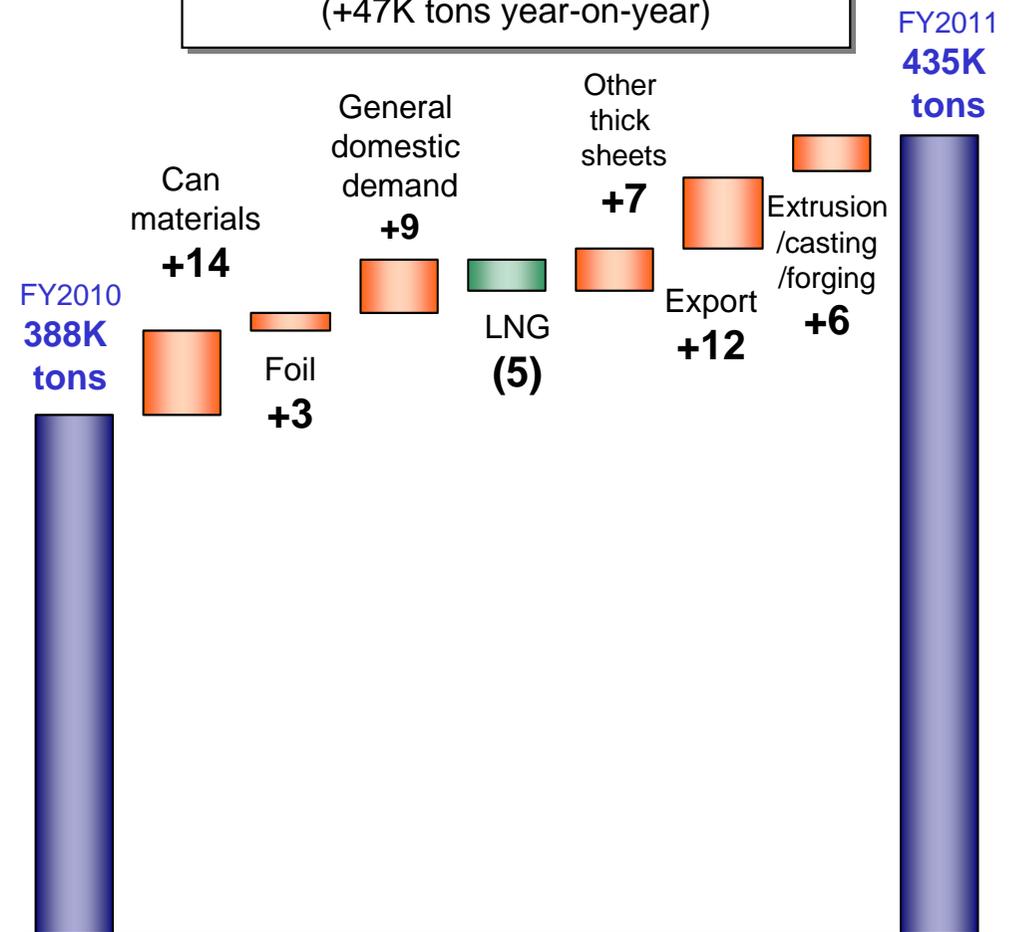


Fiscal 2011: Comparison of Sales Volumes by Product Category (Y on Y)

(Thousand tons)

Product category		FY2010	FY2011	Y on Y (%)	
Sheets	Can materials	113	127	112	
	Foil	33	36	109	
	General domestic demand	115	124	108	
	Thick Sheets	LNG	5	0	-
		Other	21	28	133
	Export	60	81	117	
	Subtotal	355	395	111	
Subtotal of Extrusion		32	38	119	
Subtotal of Casting/Forging		2	2	100	
Total		388	435	112	

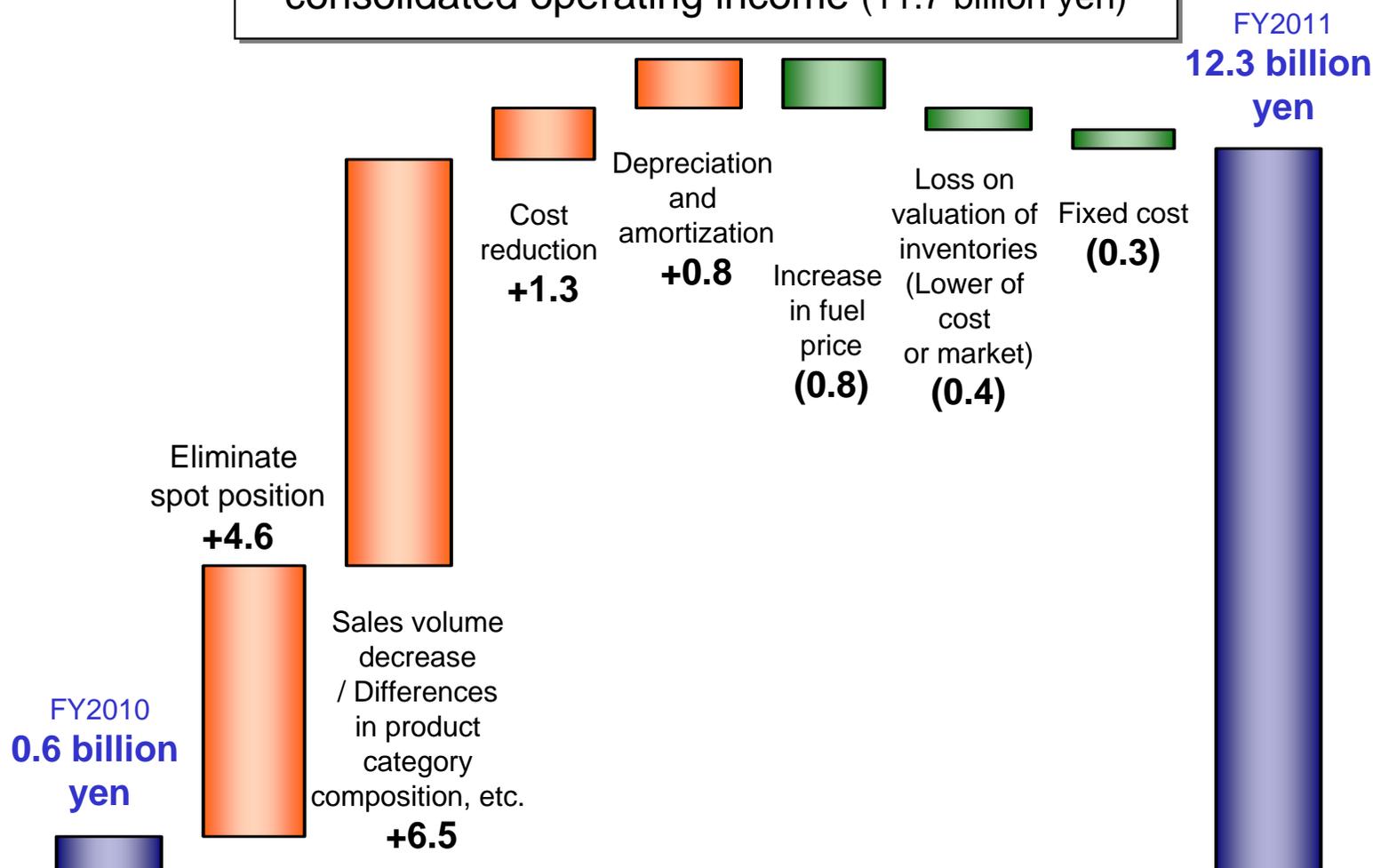
FY2011 breakdown of change in sales volume
(+47K tons year-on-year)





Analysis of Consolidated Operating Income (Fiscal 2010-2011)

FY2010 to 2011 breakdown of change in consolidated operating income (11.7 billion yen)





Consolidated Balance Sheets

(Billions of yen)

	March 2010	March 2011	Change
Current assets	89.2	112.7	23.5
Cash and deposits	4.2	4.7	0.5
Notes and accounts receivable-trade	58.3	58.2	(0.1)
Inventories and advance payments-trade	21.0	25.2	4.2
Other	5.8	*1 24.6	18.8
Noncurrent assets	110.9	105.1	(5.8)
Tangible and intangible assets	100.2	91.3	(8.9)
Investments and other assets	10.7	13.8	3.1
Total assets	200.2	217.9	17.7

	March 2010	March 2011	Change
Current liabilities	85.7	88.2	2.5
*2 Notes and accounts payable-trade, accounts payable-other, accrued expenses	51.8	55.0	3.2
Short-term loans payable, current portion of long-term loans payable, bonds	32.8	30.9	(1.9)
Other	1.1	2.3	1.2
Noncurrent liabilities	54.9	59.8	4.9
Long-term loans payable and bonds payable	40.4	46.0	5.6
Other	14.5	13.8	(0.7)
Total shareholders' equity	59.1	69.4	10.3
Minority interests	0.5	0.5	0
Total liabilities and net assets	200.2	217.9	17.7

*1 Invested assets, including repurchases, of ¥17.6 billion

*2 Including electronically recorded obligations



Net Interest-Bearing Debt

(Billions of yen)

	FY2010 (a)	FY2011 (b)	Change (b) – (a)
Interest-bearing debt	73.2	76.9	3.7
Cash, deposits, etc.	4.2	22.3	18.1
Net interest-bearing debt	69.0	54.6	(14.4)

<Reasons for increase in cash reserves>

- Building up funds for future growth
- Our level of interest-bearing debt is maintained in consideration of various economic conditions (impact of the Great East Japan Earthquake, etc.)



Consolidated Key Indicators

	FY2010	FY2011
Operating margin	0.3%	6.0%
Owners' equity ratio	29.5%	32.0%
ROE	(1.3)%	19.0%
Debt/equity ratio	1.2	1.1

(FYI)

Owners' equity ratio = [Net assets (end of fiscal year) - minority interests] / total assets (end of fiscal year)

ROE = Net income/loss / [net assets (end of term average) - minority interests (end of term average)]

Debt/equity ratio = Balance of interest-bearing debt (end of fiscal year) / [net assets (end of fiscal year) - minority interests]



2. Results Forecast for the Fiscal Year Ended March 31, 2012 (Fiscal 2012)



Fiscal 2012

Main Aspects of Results Forecast

■ Decrease in income and profit compared to FY2011

Although a number of factors remain uncertain, we have determined our forecast for FY2012 based on information at hand.

■ Business environment

The direction of oil prices, foreign exchange markets and materials prices is unclear.

One negative factor included in the forecast is expense increases due to a rise in fuel prices of ¥1.8 billion.

■ Effects of Great East Japan Earthquake

- The future direction of major markets such as automotive and electronics is very unclear due to fragmentation of the supply chain.
- If power supply restrictions occur due to shortages, we will make the most of plants in our manufacturing network outside the affected areas (Fukui Works, Furukawa-Sky Shiga).



Fiscal 2012 Results Forecast

(Billions of yen)

	Fiscal 2011 (A)		Fiscal 2012 forecast (B)			Change (B) - (A)	
	First half	Second half	First half	Second half			
Net sales	207.2	106.0	101.2	203.9	101.7	102.2	(3.3)
Operating income	12.3	7.1	5.2	10.5	6.0	4.5	(1.8)
Ordinary income	11.7	6.8	4.9	10.3	5.7	4.6	(1.4)
Net income	12.0	5.4	6.5	6.9	4.0	2.9	(5.1)

Specification: Crude oil (Dubai) USD115/B, aluminum ingots JPY240/kg, exchange rate JPY85/USD

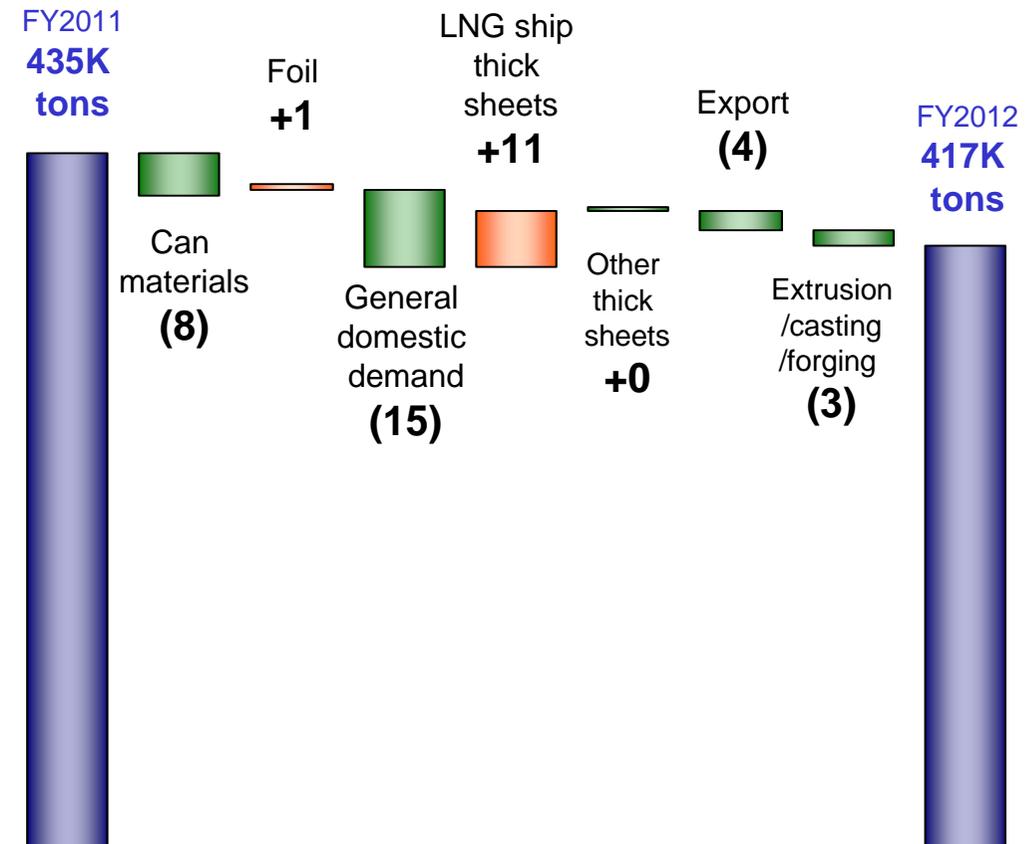


Forecast of Sales Volumes by Product Category for Fiscal 2012 (Fiscal 2011-2012)

(Thousand tons)

Product category		FY2011	FY2012	Y on Y (%)	
Sheets	Can materials	127	119	94	
	Foil	36	37	103	
	General domestic demand	124	109	88	
	Thick sheets	LNG	0	11	—
		Other	28	28	100
	Export	81	77	95	
	Subtotal	395	381	96	
Subtotal of extrusion		38	35	92	
Subtotal of casting/forging		2	2	100	
Total		435	417	96	

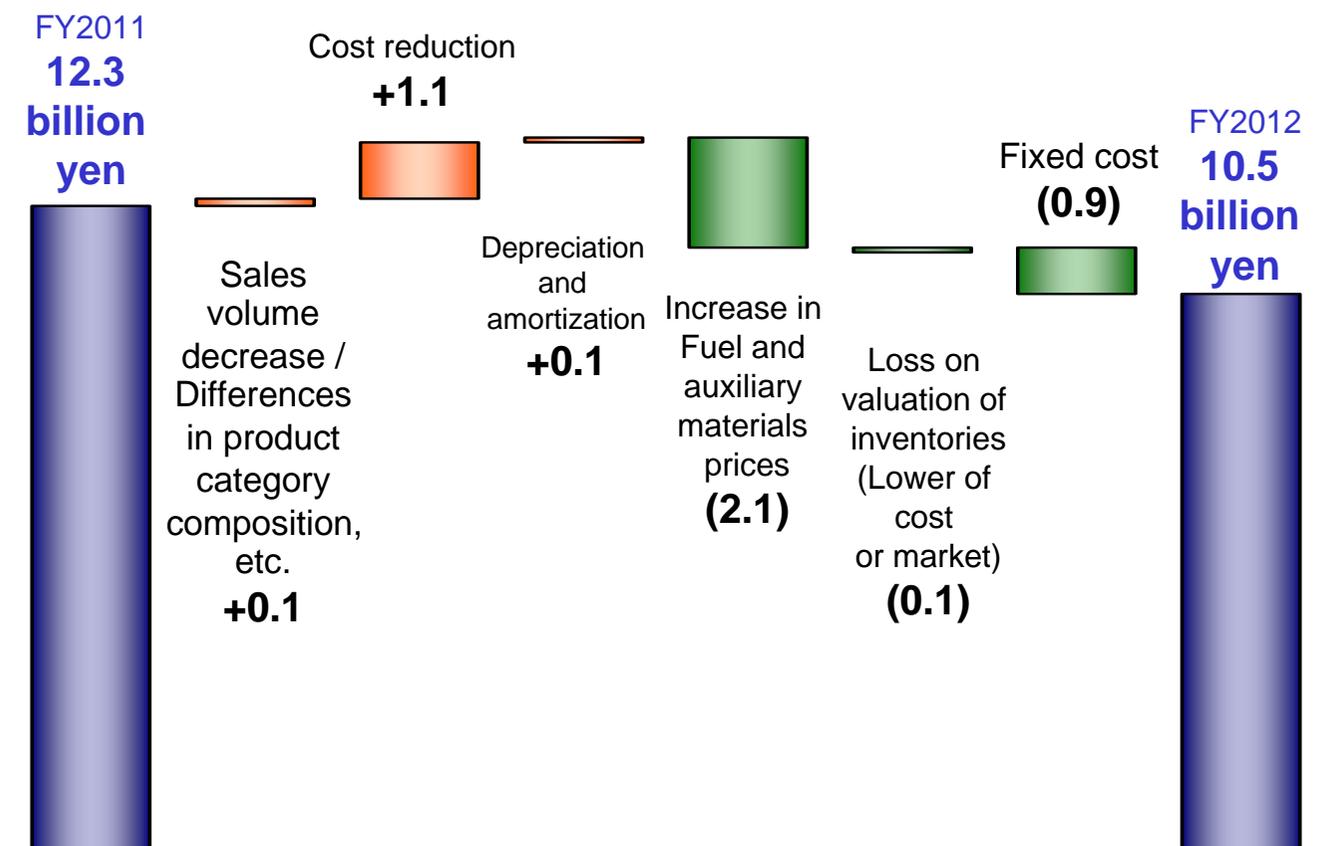
FY2011 to 2012 breakdown of change in sales volume forecast
(-18K tons year-on-year)





Analysis of Consolidated Operating Income (Fiscal 2012 forecast year-on-year)

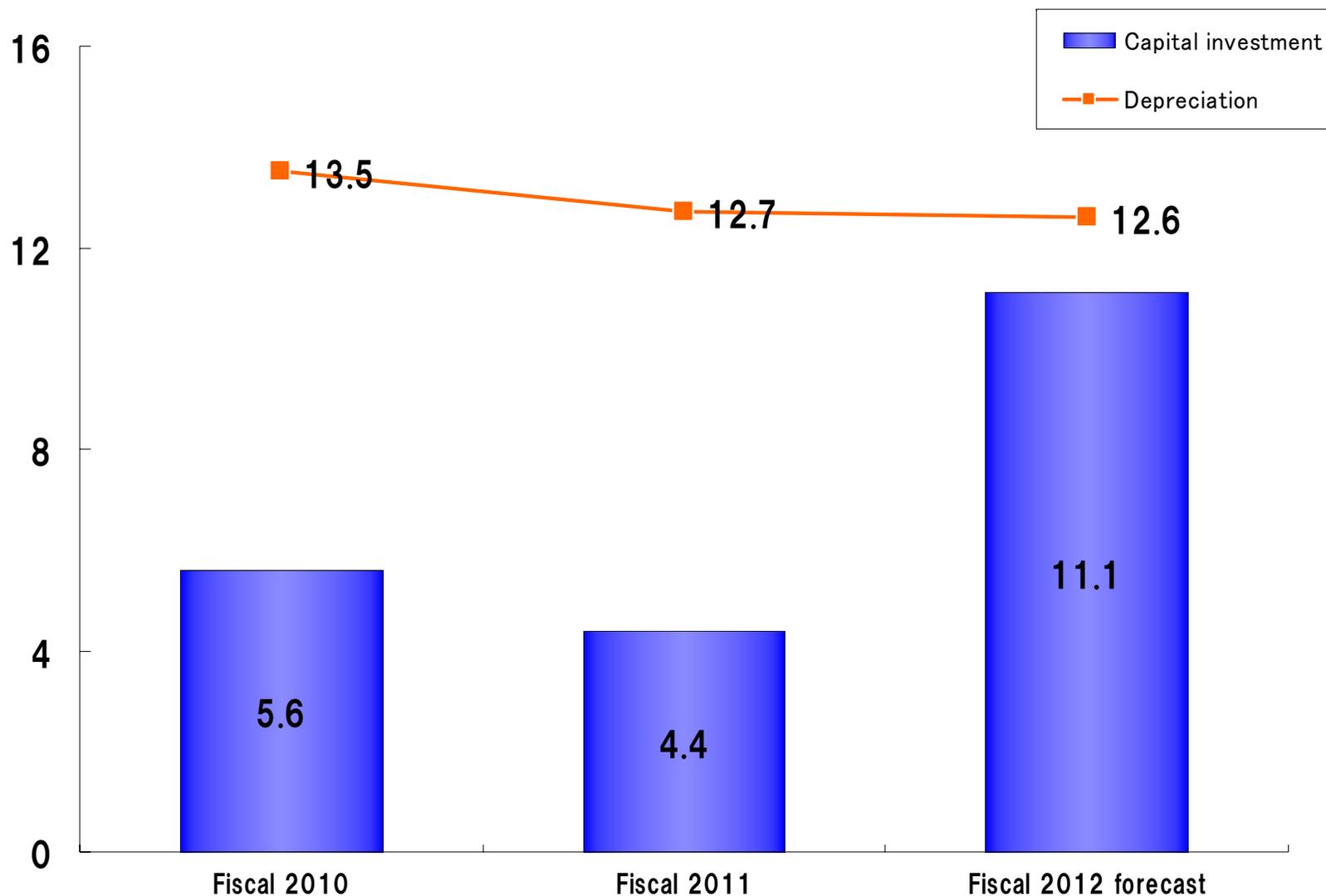
FY2011 to 2012 breakdown of change in consolidated operating income forecast
(-1.8 billion yen year-on-year)





Capital Investment / Depreciation and Amortization (Fiscal 2010-2012 forecast)

Billions of yen





3. Toward Achieving the Medium-Term Plan

—Status of progress of important measures—



FY2013 Medium-Term Plan Policy

Japan

**Promoting structural reform
and strengthening business
foundation**

Overseas

**Appropriate response to
growing markets overseas**

**First step toward renewed growth
and a stronger business foundation
for operational expansion**

**Strengthening growth-
product and next-generation
product**

New product development



Status of Execution and Progress (Main Business Strategies)

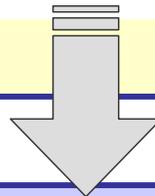
		Fiscal 2011	Fiscal 2012	Fiscal 2013
Japan	Structural reform	Structural reform in sheet business (suspend upstream processes at Nikko Works) Produce appraisal materials, client appraisal		Suspend upstream processes
	Strengthening Foundation			Expanded slab heating furnace facilities (Increased hot rolling capacity)
Overseas	Sheet	Technology transfer to Ruyuan Dongyangguang in China	Investment in can material base in North America (Tri-Arrows aluminum Inc.)	Examine approach toward South American markets
		Introduce equipment at Thai SL company (FSTH Thailand)	Launch sales	
	Extrusion/casting		Increase compressor wheel production capacity (FSV Vietnam)	Increase capacity at extrusion plants in China, Indonesia (FSAT, FIA)
	Other	Establish sales company in China (FSSH Shanghai)	Launch sales	
New products	<ul style="list-style-type: none"> Highly conductive heat sinks Alloy materials for lithium-ion battery cases Aluminum foil for positive electrodes for cathode current collectors 		Look into battery-use foil business with Guangdong Dongyangguang	
	Exhibit at BATTERY JAPAN rechargeable battery expo	Lithium-ion batteries: Develop aluminum foil for cathode current collectors and for battery cover materials EV-related: Structural materials, motor parts materials		



Strengthening Business Foundation in Japan

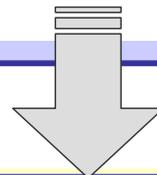
Structural reform

- Structural reform in sheet business ••• suspend upstream processes at Nikko Works; look into optimal plant structure for rolled product manufacturing at Fukui and Fukaya Works
- Extrusion ••• Look into optimal manufacturing structure



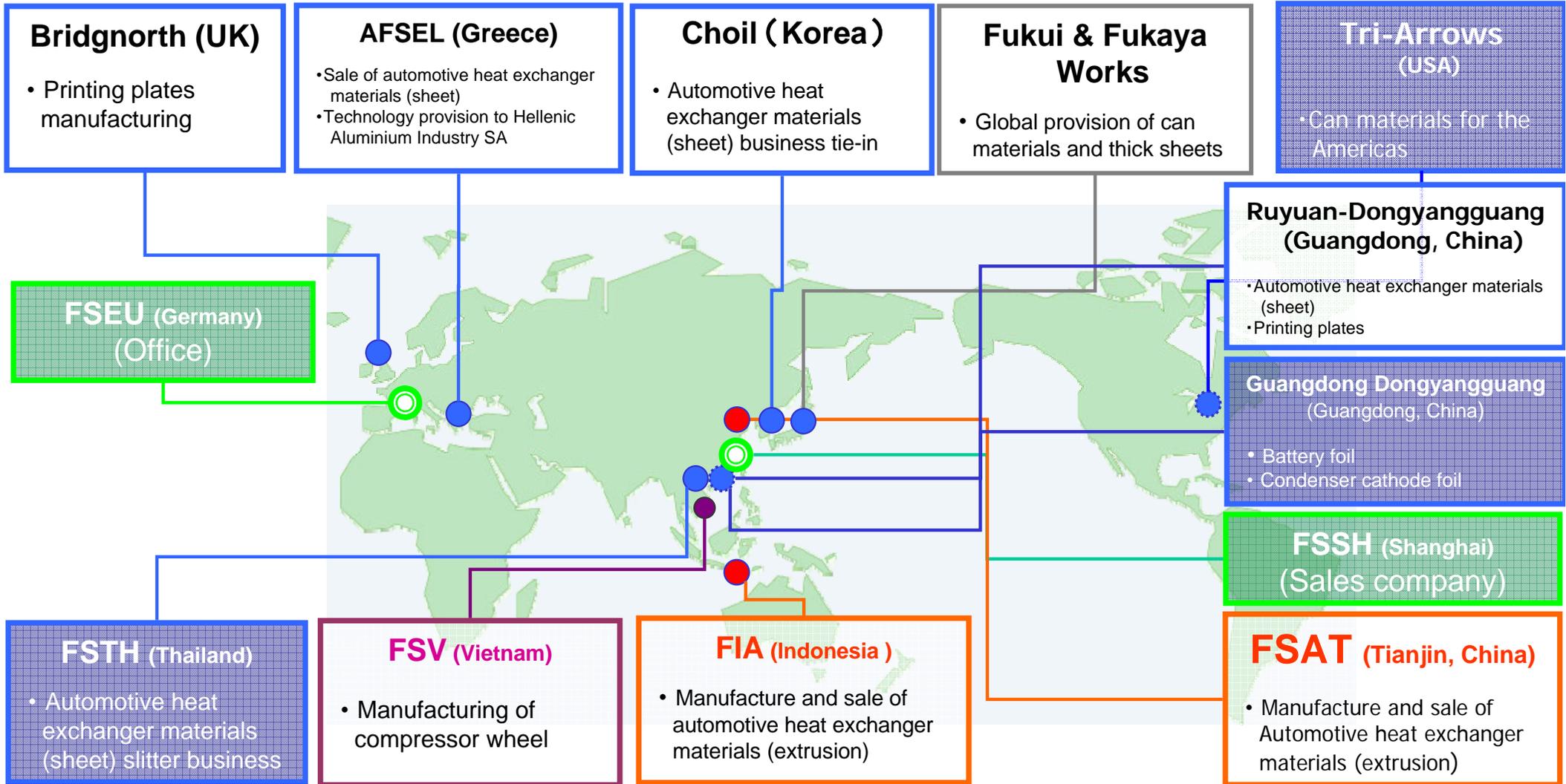
Strengthening business foundation

- Improve competitiveness of core sheet plant ••• Expanded slab heating furnace facilities at Fukui Works (increase production, reduce costs)
- Proceed to invest in rationalization and reduced workforce ••• reduce fixed cost, improve cost-competitiveness



Strengthen profitability, invest in new growth strategies

Response to Overseas Markets (Global Bases)

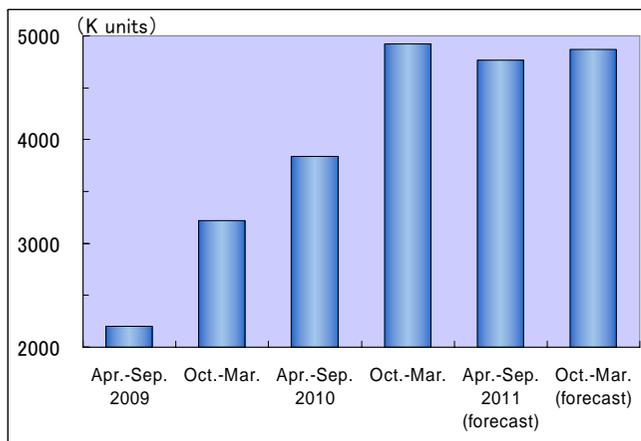


- Strengthening sheet business bases ... Thailand (automotive heat exchange slitter business), North America (can materials)
- Develop overseas battery foil business ... Look into joint business with Guangdong Dongyangguang, China
- Strengthen sales bases and marketing functions ... Sales company in China, European offices

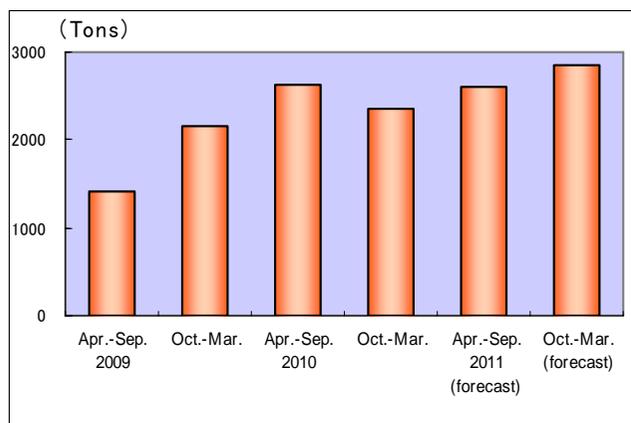
- Sheet
- Extrusion
- Casting / forging
- ◎ Sales/marketing bases

Status of Overseas Business Network (Sales Volume Trends)

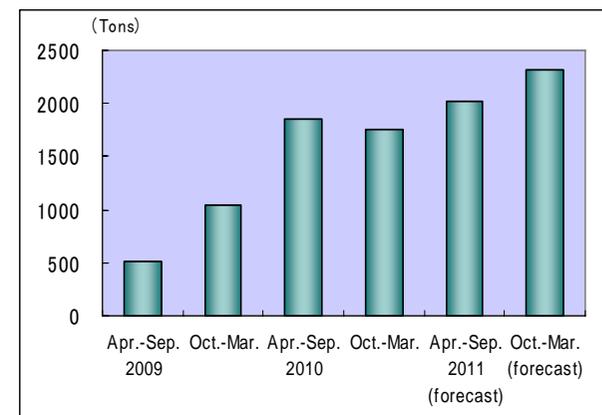
Furukawa-Sky Aluminum (Vietnam) Inc.
 (Vietnam) 【subsidiary】
 Compressor wheel for turbochargers



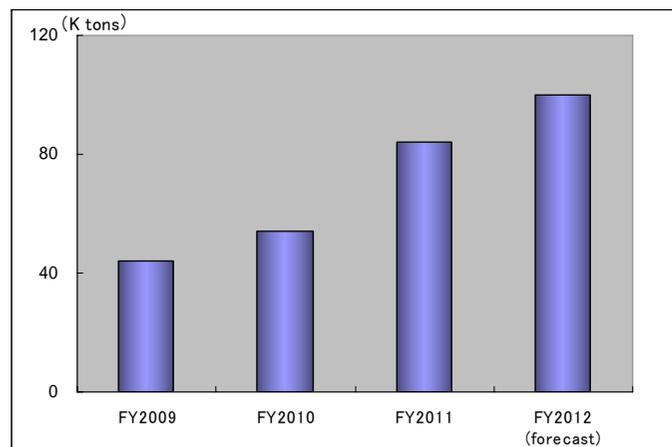
PT.Furukawa Indal Aluminum
 (Indonesia) 【subsidiary】
 Extruded materials for automotive heat exchanger



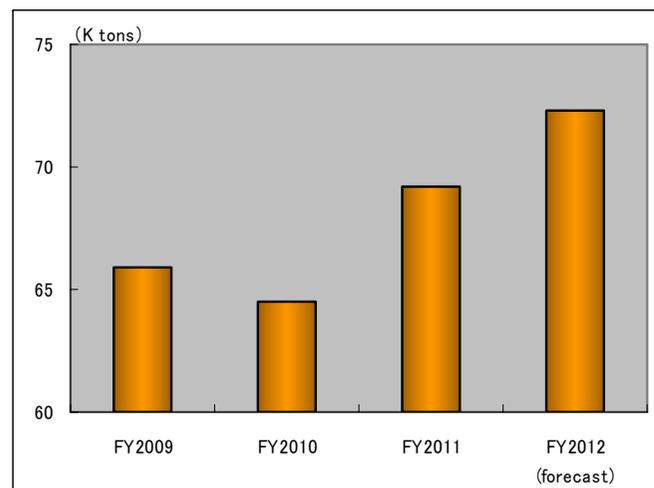
Furukawa-Sky Aluminum (Tianjin) Corp.
 (China) 【subsidiary】
 Extruded materials for automotive heat exchanger



Ruyuan Dongyangguang Plain Foil Co., Ltd.
 (China) 【equity method affiliate】
 Sheet materials for automotive heat exchanger



Bridgnorth Aluminium Ltd.
 (UK) 【equity method affiliate】
 Printing plates



【Subsidiary】

Trending toward increased revenue and profits at each overseas base

FSV · · Investment underway in facilities to meet increased demand

FIA, FSAT · · Planned investment corresponding to increased demand

【Equity method affiliate】

Trend toward increased revenue and profits after investment is made
 Forecast for increased profits through new investment corresponding to growing markets



Overseas Sales Ratio

Capital participation agreement with Ruyuan Dongyangguang, China

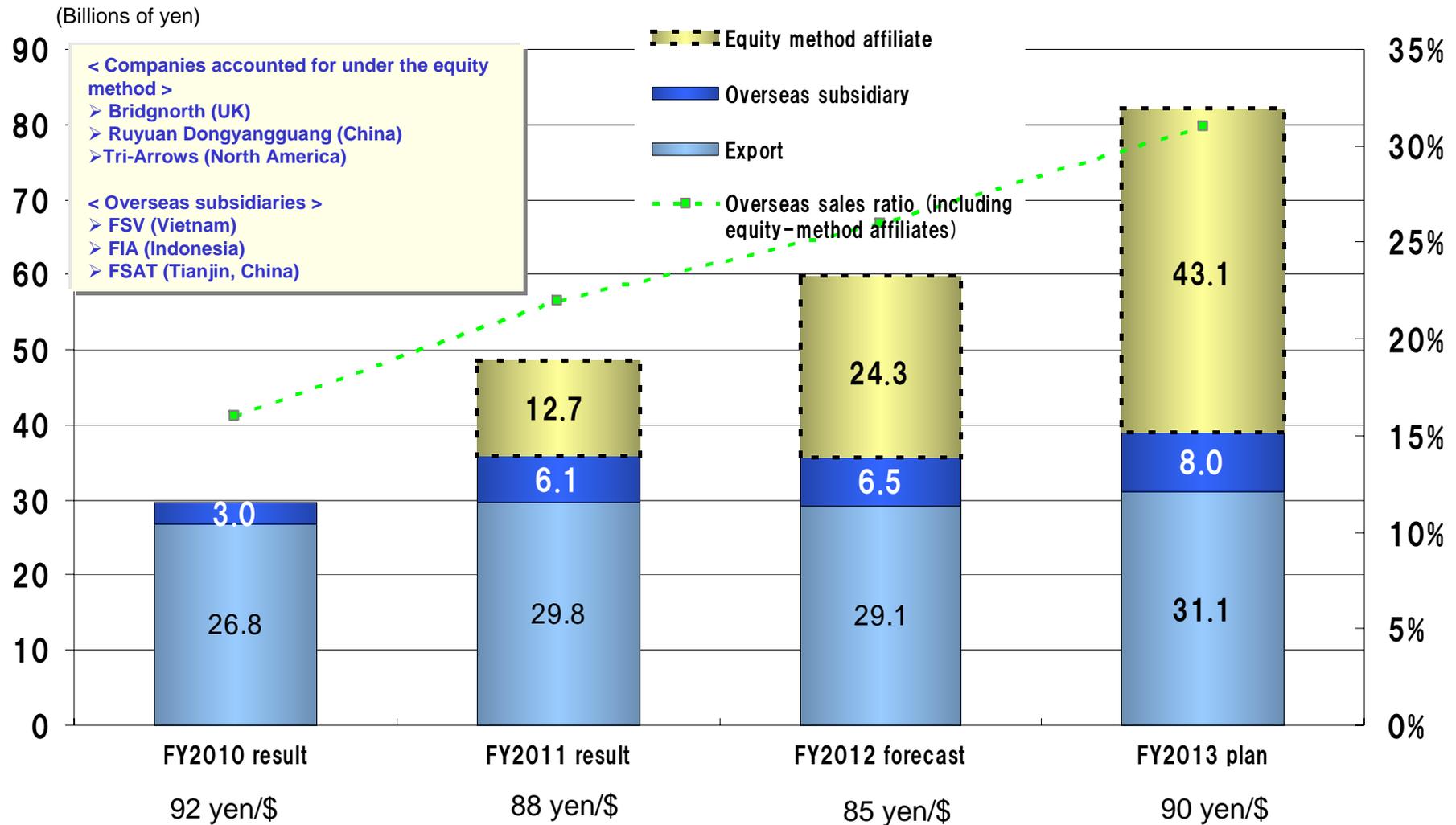
Full-scale technical support for Ruyuan Dongyangguang, China

Investment in can material base in North America

Establish SL company in Thailand

Establish Sales company in China

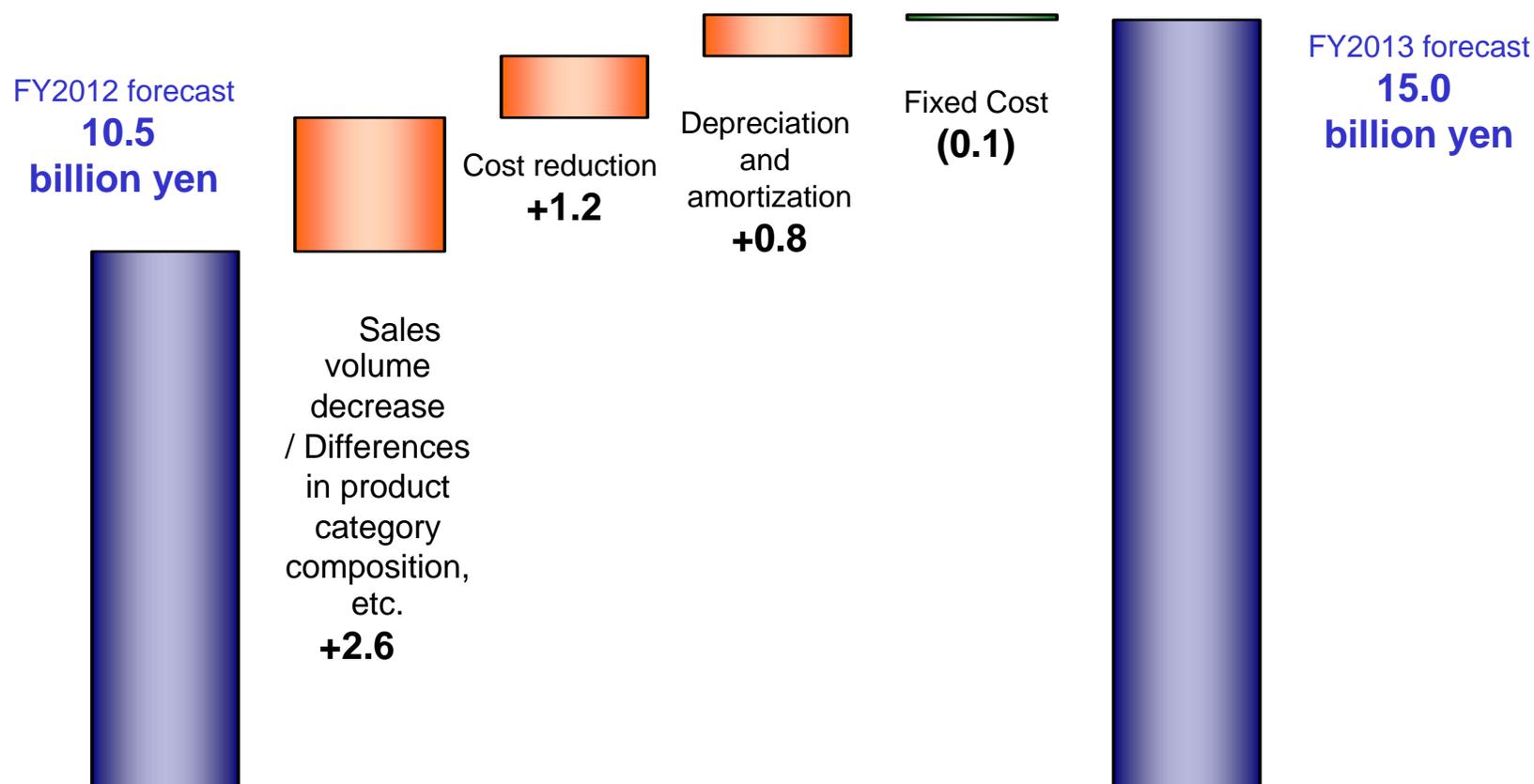
Look into strengthening existing bases (Extrusion subsidiaries: Tianjin, China, Indonesia Manufacturing compressor wheel: Vietnam)





Forecast of Medium-Term Plan (consolidated operating income)

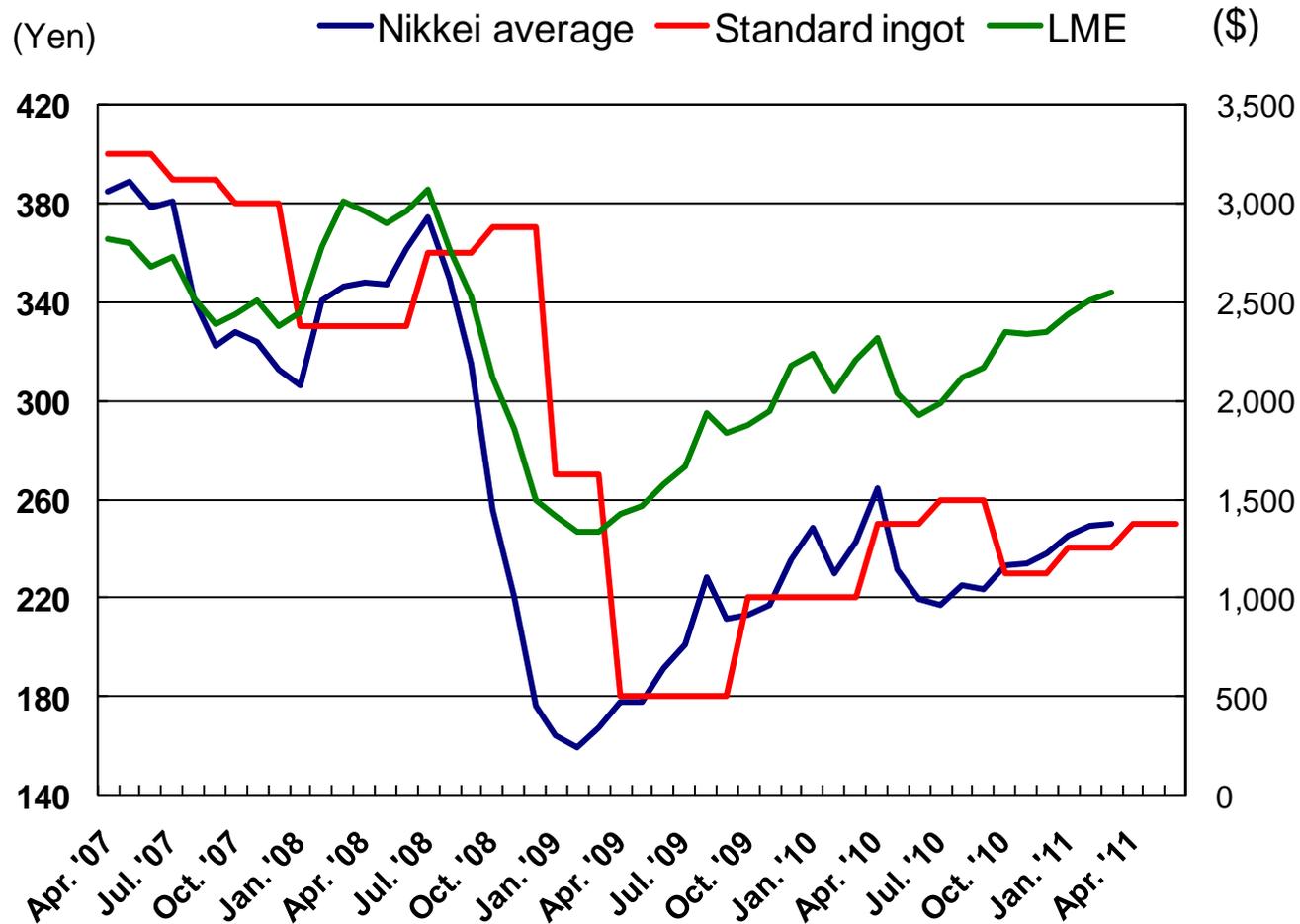
FY2012 to 2013 breakdown of change in consolidated operating income forecast (+4.5 billion yen)





Reference Data

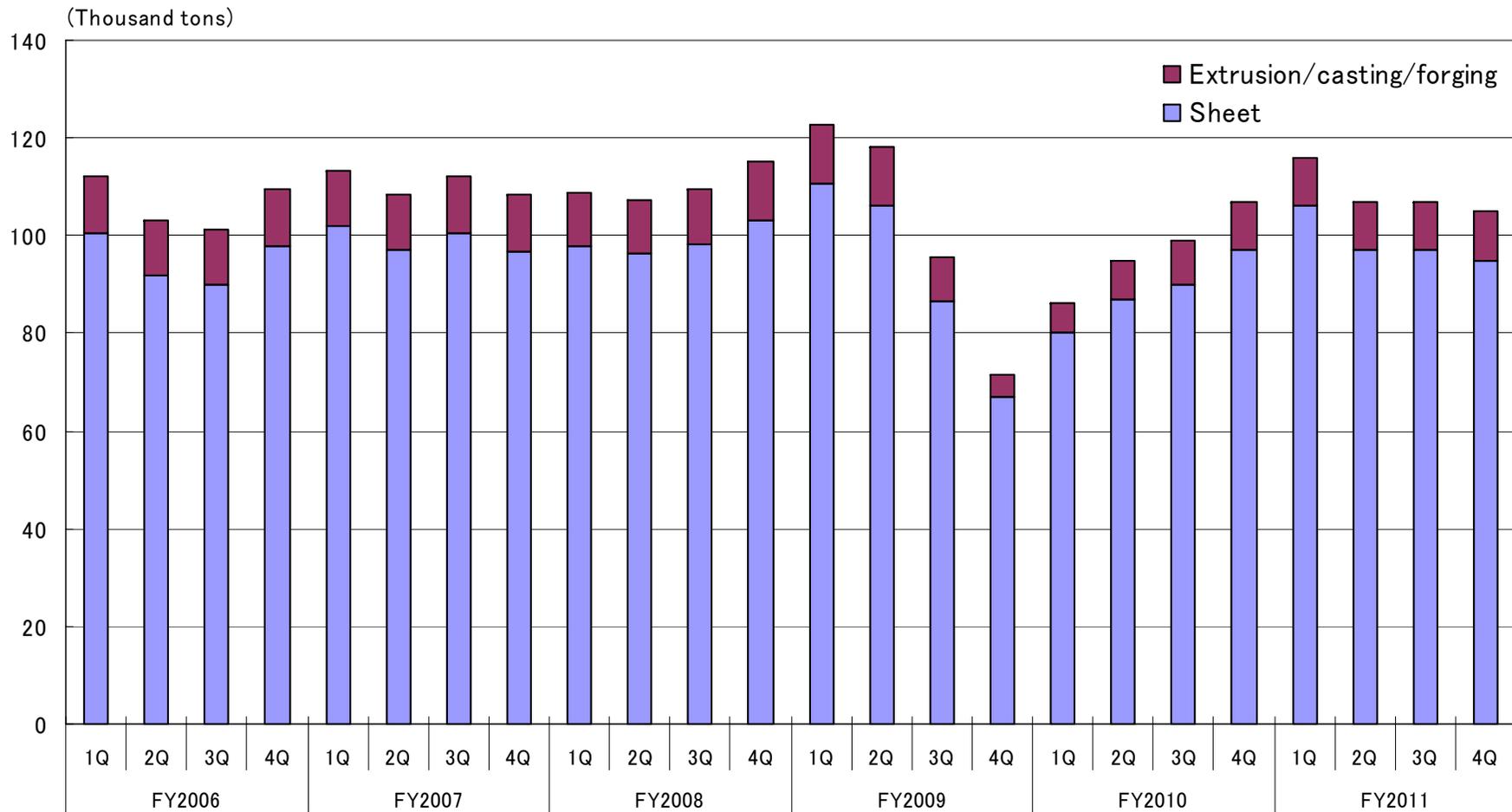
Spot aluminum: Nikkei average, standard ingot, LME trend





Reference Data

Sales Volume Trend (Fiscal 2006-2011)





■ **Forward-looking statements**

Other than historical or current factual information concerning plans for sales, profits, etc. listed in this document, all forward-looking statements concerning factors which may affect performance, including those pertaining to industry trends related to the Group's businesses, as well as economic conditions, exchange rates and other factors, shall be presumed to be based on the Company's hypotheses and judgments formed in light of currently available information.

Forecasts made in this document contain known and unknown risks and uncertainties, and actual sales and profits, as well as the plans listed in this document, may in the future vary greatly from the forward-looking statements due to a variety of factors, so please be aware that no guarantees or warranties are implied or presented. Moreover, this document is not intended as an enticement to invest.

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