



# **Results Briefing for the Year Ended March 31, 2012**

May 10, 2012

 **Furukawa-Sky Aluminum Corp.**



## **<Today's Content>**

- 1. Performance Summary for the Fiscal Year Ended March 31, 2012 (Fiscal 2012)**
- 2. Results Forecast for the Fiscal Year Ended March 31, 2013 (Fiscal 2013)**
- 3. Topics**



# **1. Performance Summary for the Fiscal Year Ended March 31, 2012 (Fiscal 2012)**



# Fiscal 2012: Main Aspects of Performance

## ■ Changes to income analysis method

The share of equity in (earnings) losses of affiliates among non-operating PL has become large due to our development of overseas (China, England, America) business, so our income analysis has changed from operating income to ordinary income.

## ■ Differences from the previous fiscal year

Net sales down ¥13.3 billion, ordinary profits down ¥5.3 billion

⇒ Compared to last year's fortunate business environment, the situation deteriorated rapidly from the second quarter causing reduced revenue and income.

- This was due to factors such as the global recession caused by the US and European financial crisis, rapid yen appreciation, demand decreases owing to flooding in Thailand, a rise in fuel prices and cost increases due to power supply issues.

## ■ Difference from estimate announced November 4, 2011

- Net sales and ordinary income are about the same as forecast
- Net income was a negative ¥500 million due to tax system revision

## ■ Dividend

- Planned at ¥6 per share (same as the outlook at the beginning of the period)



# Fiscal 2012 Result (Y on Y)

## <Consolidated>

(Billions of yen)

	Fiscal 2011 (A)	Fiscal 2012 (B)	Change (B) - (A)	Change rate (%) (B-A) / (A)
Net Sales	207.2	194.0	(13.3)	(6.4%)
Operating income	12.3	6.4	(6.0)	(48.5%)
Ordinary income	11.7	6.4	(5.3)	(45.1%)
Net income	12.0	3.5	(8.4)	(70.4%)

## <Non-consolidated> (Reference)

(Billions of yen)

	Fiscal 2011 (A)	Fiscal 2012 (B)	Change (B) - (A)	Change rate (%) (B-A) / (A)
Net Sales (Volume)	181.3 (435 K tons)	167.3 (398 K tons)	(14.0) (-37 K tons)	(7.7%) (-8.4%)
Operating income	10.2	4.4	(5.8)	(57.2%)
Ordinary income	9.2	3.7	(5.5)	(59.7%)
Net income	10.3	1.8	(8.5)	(82.3%)

Note: "Fiscal 2011" indicates the fiscal year ended March 31, 2011. "Fiscal 2012" refers to the fiscal year ended March 31, 2012.

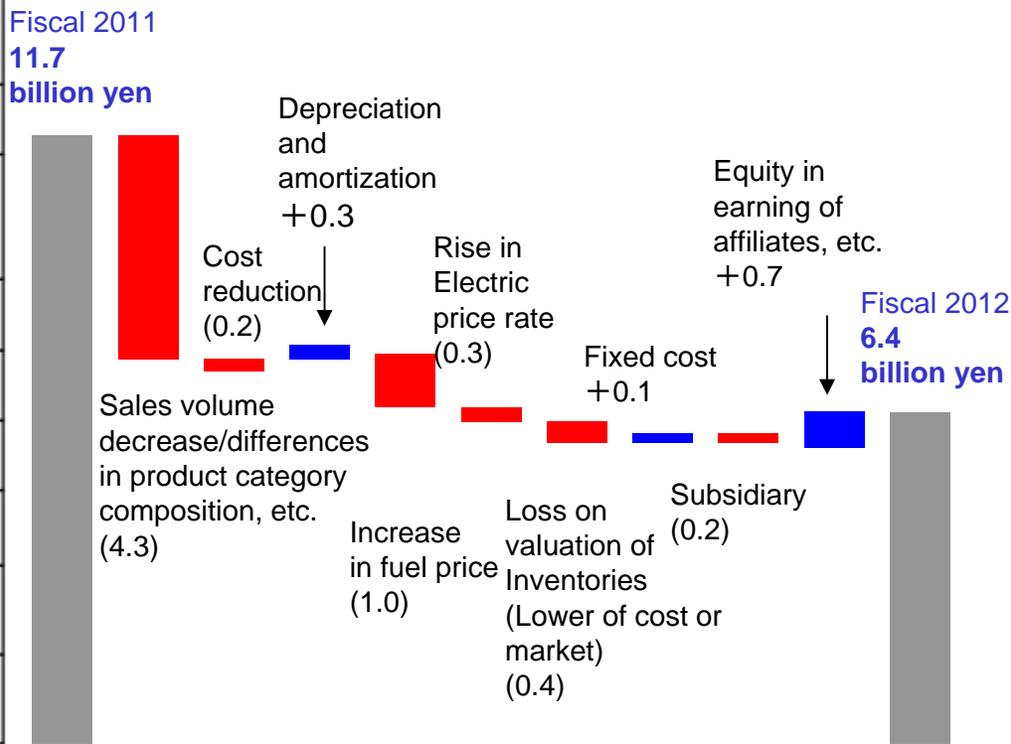
# Analysis of Consolidated Ordinary Income (Fiscal 2011-2012)

Fiscal 2011 (11.7 billion yen) → Fiscal 2012 (6.4 billion yen)

Breakdown of change in consolidated ordinary income (-5.3 billion yen)

<Individual product volumes> (Thousand tons)

Product category		Fiscal 2011 (a)	Fiscal 2012 (b)	Change (b)-(a)	
Sheets	Can materials	127	126	(1)	
	Foil	36	35	(1)	
	General domestic demand	124	109	(15)	
	Thick Sheets	L N G	0	6	6
		Other	28	24	(4)
	Export	81	61	(20)	
Subtotal		395	362	(33)	
Subtotal of Extrusion		38	35	(3)	
Subtotal of Casting/Forging		2	2	0	
<b>Total</b>		<b>435</b>	<b>398</b>	<b>(37)</b>	





# Consolidated Balance Sheets

(Billions of yen)

	March 2011	March 2012	Change
<b>Current assets</b>	<b>112.8</b>	<b>102.7</b>	<b>(10.1)</b>
Cash and deposits	4.7	7.6	2.9
Short-term loans receivable (investment)	17.6	8.8	(8.8)
Notes and accounts receivable-trade	58.2	57.1	(1.1)
Inventories and advance payments-trade	25.2	22.4	(2.8)
Other	7.1	6.8	(0.3)
<b>Noncurrent assets</b>	<b>105.1</b>	<b>110.3</b>	<b>5.2</b>
Tangible and intangible assets	91.3	87.3	(4.0)
Investments and other assets	13.8	23.0	9.2
<b>Total assets</b>	<b>217.9</b>	<b>213.0</b>	<b>(4.9)</b>

	March 2011	March 2012	Change
<b>Current liabilities</b>	<b>88.2</b>	<b>91.3</b>	<b>3.1</b>
Notes and accounts payable-trade, accounts payable-other, accrued expenses	55.0	57.4	2.5
Short term loans payable, current portion of long-term loans payable, bonds	30.9	32.3	1.4
Other	2.3	1.5	(0.8)
<b>Noncurrent liabilities</b>	<b>59.8</b>	<b>50.6</b>	<b>(9.2)</b>
Long-term loans payable and bonds payable	46.0	38.4	(7.5)
Other	13.8	12.1	(1.7)
<b>Total shareholders' equity</b>	<b>69.4</b>	<b>70.6</b>	<b>1.2</b>
<b>Minority interests</b>	<b>0.5</b>	<b>0.6</b>	<b>0</b>
<b>Total liabilities and net assets</b>	<b>217.9</b>	<b>213.0</b>	<b>(4.9)</b>



# Consolidated Key Indicators

	March 31, 2011	March 31, 2012	Change
<b>Owners' equity (billions of yen)</b>	<b>69.4</b>	<b>70.6</b>	<b>1.2</b>
<b>Owners' equity ratio (%)</b>	<b>31.8%</b>	<b>33.1%</b>	<b>1.3</b>
<b>Interest-bearing debt (billions of yen)</b>	<b>76.9</b>	<b>70.7</b>	<b>(6.1)</b>
<b>NET interest-bearing debt (billions of yen)</b>	<b>54.5</b>	<b>54.3</b>	<b>(0.2)</b>
<b>Debt / equity ratio (times)</b>	<b>1.1</b>	<b>1.0</b>	<b>(0.1)</b>
<b>NET Debt / equity ratio (times)</b>	<b>0.8</b>	<b>0.8</b>	<b>(0.0)</b>
<b>ROE (%)</b>	<b>18.6%</b>	<b>5.1%</b>	<b>(13.6)</b>

Note: Figures of less than ¥100,000 have been rounded.



## **2. Results Forecast for the Fiscal Year Ended March 31, 2013 (Fiscal 2013)**



## Fiscal 2013 Main Aspects of Results Forecast

### ■ Comparison with fiscal 2012: Broad rise in profits

- Net income in fiscal 2012 ¥3.5 billion → Broadly higher at ¥6.3 billion in fiscal 2013
- Although problems such as the European/US financial crisis and strong yen remain, the economy is expected to undergo a gradual recovery heading into the second half.

### ■ Trend in demand for core products

The trend in automotive and LNG products is expected to be firm in Q1, with HD materials and C/W expected to recover from Q2 on, and thick sheet for LCDs and semiconductors as well as container materials seen recovering from Q3 on. As the year progresses volumes are expected to steadily increase.

### ■ Cost effects

- Proceeding with restructuring

Steadily execute rolled products business restructuring and build a strong cost structure  
Expected effect in fiscal 2013: + ¥600 million; in fiscal 2014, + ¥2 billion

- Improve unit fuel and power costs
- Reduce depreciation and amortization

### ■ Increased contribution to income by overseas subsidiaries



# Fiscal 2013 Results Forecast

(Billions of yen)

	Fiscal 2012 (A)		Fiscal 2013 (B)			Change (B)–(A)	
	First half	Second half	Forecast				
			First half	Second half			
Net Sales	194.0	100.8	93.2	194.0	94.6	99.4	0
Operating income	6.4	5.1	1.3	8.2	3.0	5.2	1.8
Ordinary income	6.4	4.8	1.6	9.2	3.6	5.6	2.8
Net income	3.5	2.8	0.8	6.3	2.4	3.9	2.8

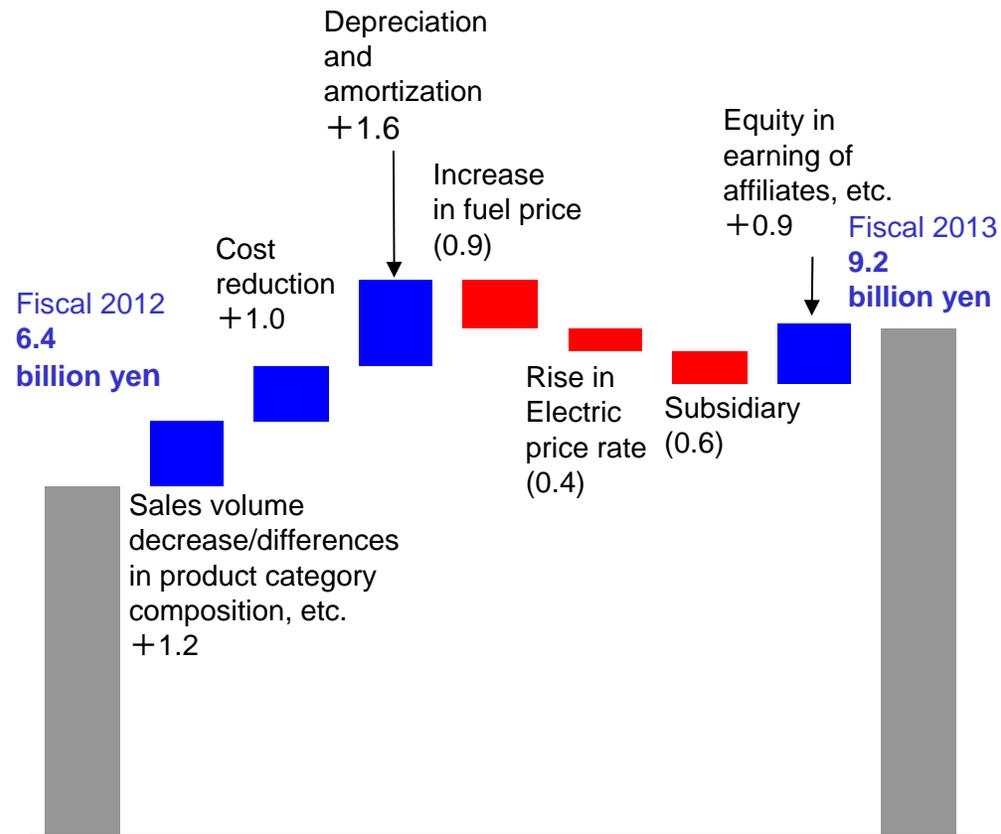
Specification: Crude oil (Dubai) USD 115/B, aluminum ingots JPY 220/kg, exchange rate JPY 82/USD

## Analysis of Consolidated Ordinary Income (Fiscal 2013 forecast year-on-year)

Fiscal 2012 (6.4 billion yen) → Fiscal 2013 (9.2 billion yen)  
 Breakdown of change in consolidated ordinary income forecast (+2.8 billion yen year-on-year)

<Individual product volumes> (Thousand tons)

Product category		Fiscal 2012 (a)	Fiscal 2013 (b)	Change (b)-(a)	
Sheets	Can materials	126	123	(3)	
	Foil	35	37	2	
	General domestic demand	109	110	1	
	Thick Sheets	L N G	6	13	7
		Other	24	25	1
	Export	61	68	7	
Subtotal		362	377	15	
Subtotal of Extrusion		35	34	(1)	
Subtotal of Casting/Forging		2	1	(1)	
<b>Total</b>		<b>398</b>	<b>412</b>	<b>14</b>	



Note: "Fiscal 2012" indicates the fiscal year ended March 31, 2012. "Fiscal 2013" refers to the fiscal year ending March 31, 2013.

## Analysis of Consolidated Ordinary Income

**(Forecast for the First Half of Fiscal 2013 → Forecast for the Second Half of Fiscal 2013)**

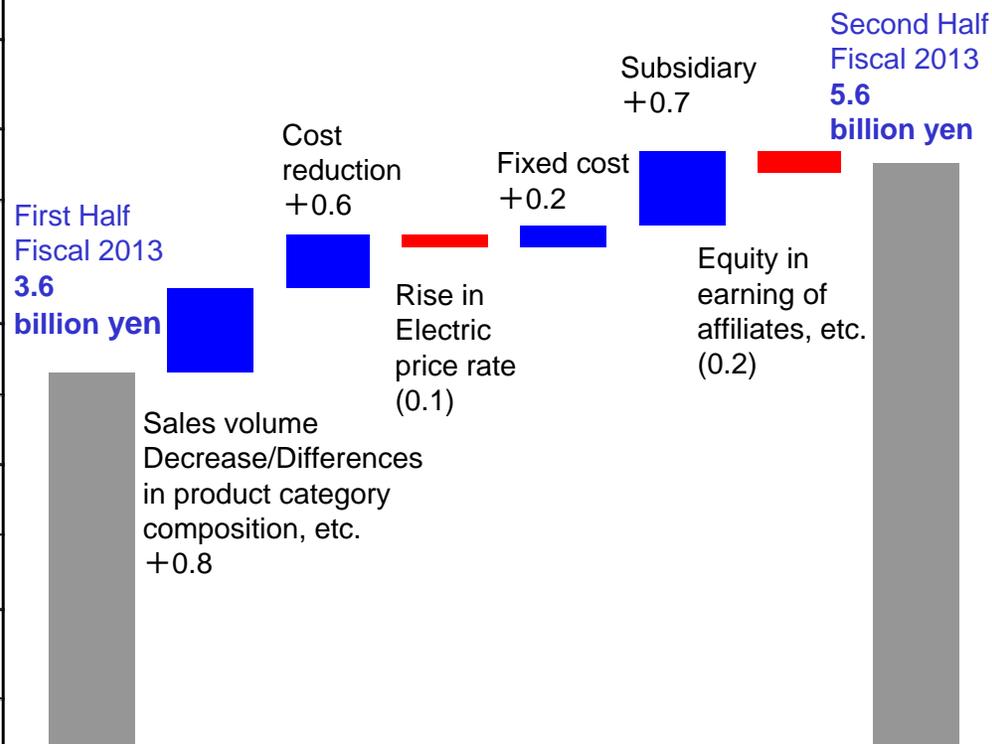
First Half of Fiscal 2013 (3.6 billion yen) → Second Half of Fiscal 2013 (5.6 billion yen)

Breakdown of change in consolidated ordinary income forecast

<Individual product volumes>

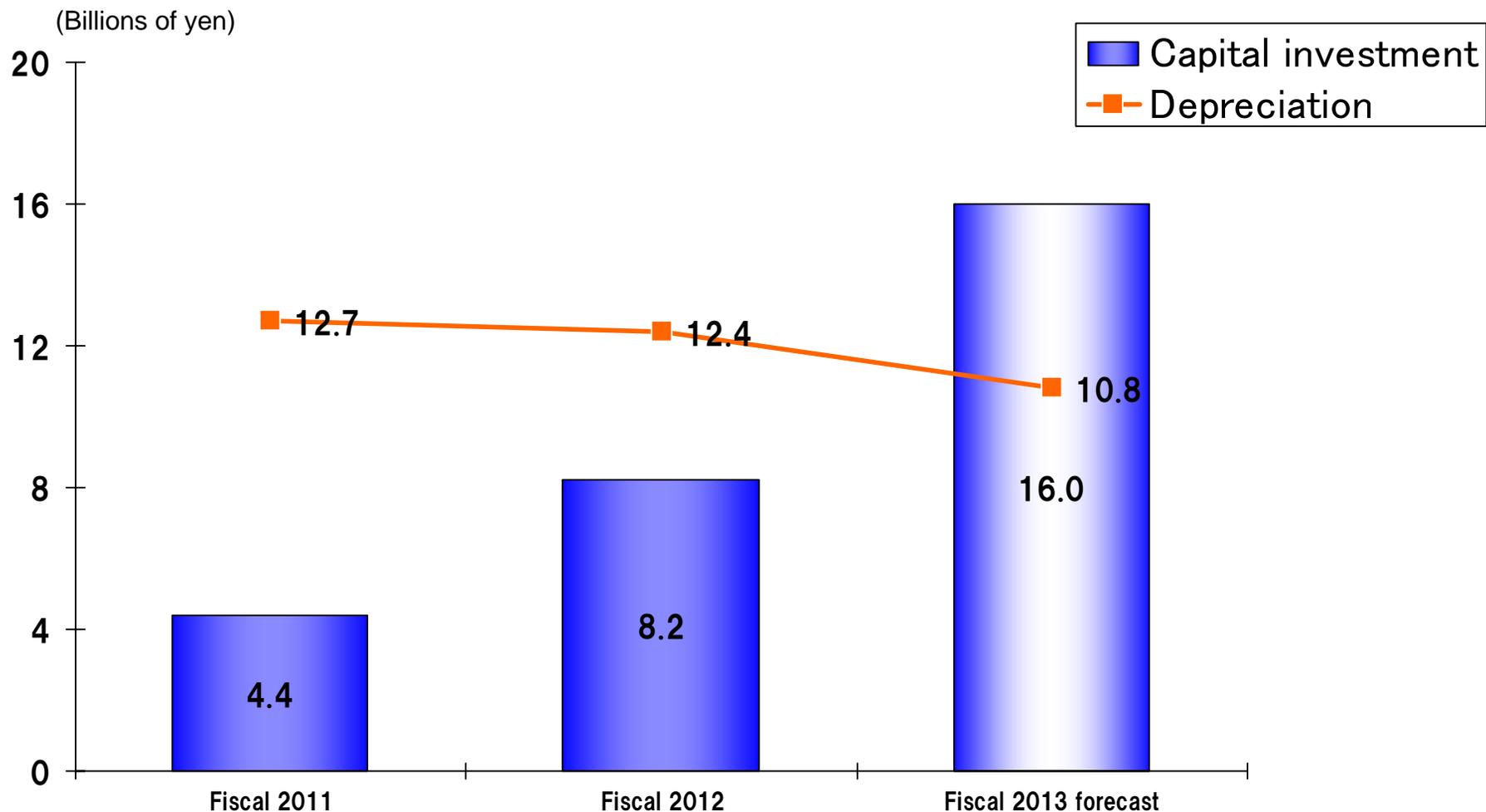
(Thousand tons)

Product category		First Half Fiscal 2013 (a)	Second Half Fiscal 2013 (b)	Change (b)-(a)	
Sheets	Can materials	64	59	(5)	
	Foil	18	19	1	
	General domestic demand	54	56	2	
	Thick Sheets	L N G	7	6	(1)
		Other	11	14	3
	Export	31	37	6	
Subtotal		185	191	6	
Subtotal of Extrusion		17	17	0	
Subtotal of Casting/Forging		1	1	0	
<b>Total</b>		<b>203</b>	<b>209</b>	<b>6</b>	



Note: "Fiscal 2012" indicates the fiscal year ended March 31, 2012.  
"Fiscal 2013" refers to the fiscal year ending March 31, 2013.

# Capital Investment / Depreciation and Amortization (Fiscal 2011–2013 forecast)



Note: "Fiscal 2012" indicates the fiscal year ended March 31, 2012. "Fiscal 2013" refers to the fiscal year ending March 31, 2013.



**(Reference)**

## Consolidated Key Indicators for Year Ending March 31, 2013

	March 31, 2011	March 31, 2012	March 31, 2013
<b>Owners' equity (billions of yen)</b>	<b>69.4</b>	<b>70.6</b>	<b>75.3</b>
<b>Owners' equity ratio (%)</b>	<b>31.8%</b>	<b>33.1%</b>	<b>34.8%</b>
<b>Interest-bearing debt (billions of yen)</b>	<b>76.9</b>	<b>70.7</b>	<b>65.6</b>
<b>NET interest-bearing debt (billions of yen)</b>	<b>54.5</b>	<b>54.3</b>	<b>59.3</b>
<b>Debt / equity ratio (times)</b>	<b>1.1</b>	<b>1.0</b>	<b>0.87</b>
<b>NET Debt / equity ratio (times)</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
<b>ROE (%)</b>	<b>18.6%</b>	<b>5.1%</b>	<b>8.6%</b>

## Analysis of Consolidated Ordinary Income

### (Mid-term Plan during Fiscal 2013 → Forecast for Fiscal 2013)

Mid-term plan during Fiscal 2013 (14.4 billion yen) → Fiscal 2013 (9.2 billion yen)

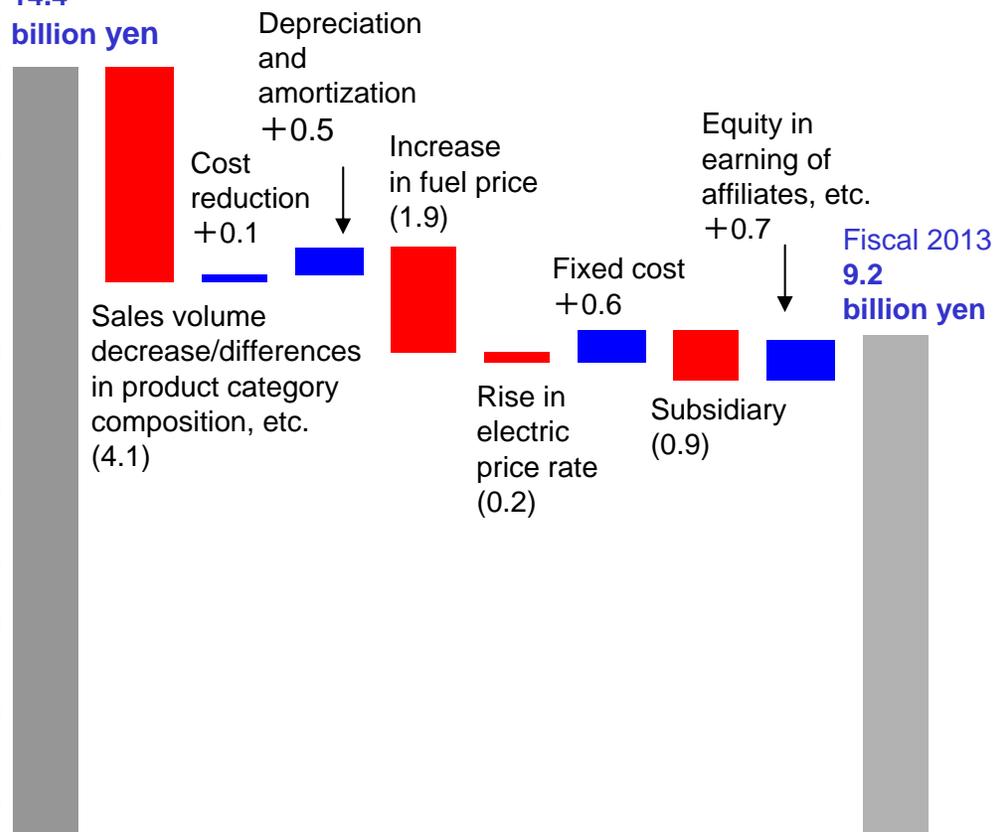
Breakdown of change in consolidated ordinary income forecast

<Individual product volumes>

(Thousand tons)

Product category		Fiscal 2013 Mid-term plan (a)	Fiscal 2013 forecast (b)	Change (b)-(a)	
Sheets	Can materials	117	123	6	
	Foil	36	37	1	
	General domestic demand	130	110	(20)	
	Thick Sheets	L N G	16	13	(3)
		Other	24	25	1
	Export	86	69	(17)	
Subtotal		409	377	(32)	
Subtotal of Extrusion		36	34	(2)	
Subtotal of Casting/Forging		2	1	(1)	
<b>Total</b>		<b>447</b>	<b>412</b>	<b>(35)</b>	

Fiscal 2013  
Mid-term plan  
**14.4**  
billion yen



Note: "Fiscal 2013" refers to the fiscal year ending March 31, 2013.



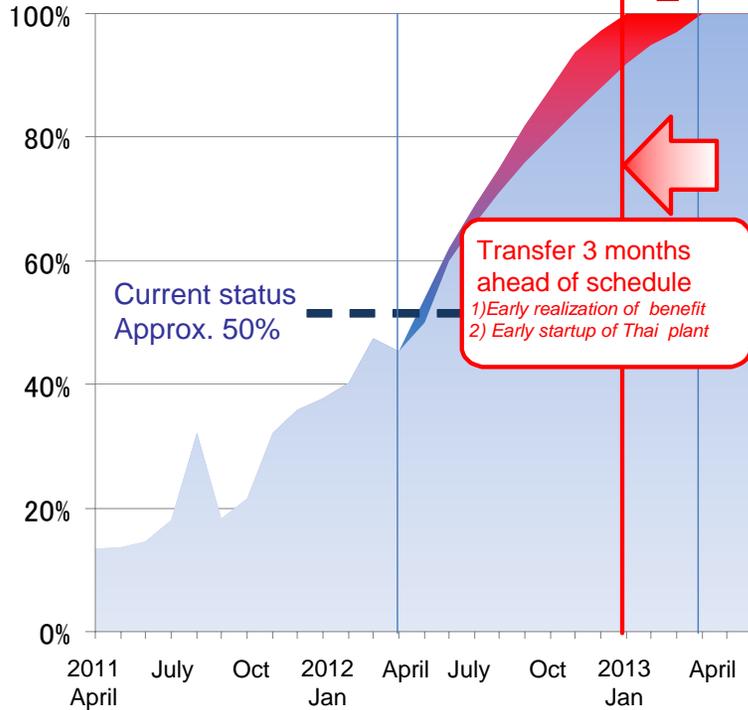
# 3. Topics

# 1. Driving structural reforms and hastening overseas development

## Nikko Works

Trend in rate of transfer of upstream processes

(100% = 上流休止)  
(100% upstream suspension)



**Transfer 3 months ahead of schedule**  
 1) Early realization of benefit  
 2) Early startup of Thai plant

Quickly move equipment from plants where production has ceased to the Thai plant and commence operations



### Thai Plant (FSTH) (Amata City Industrial Estate in Rayong Province)

March 2012                      Began construction

January 2014                  Planned commencement of operations

Production of can ends, automotive heat exchangers, other market-leading products

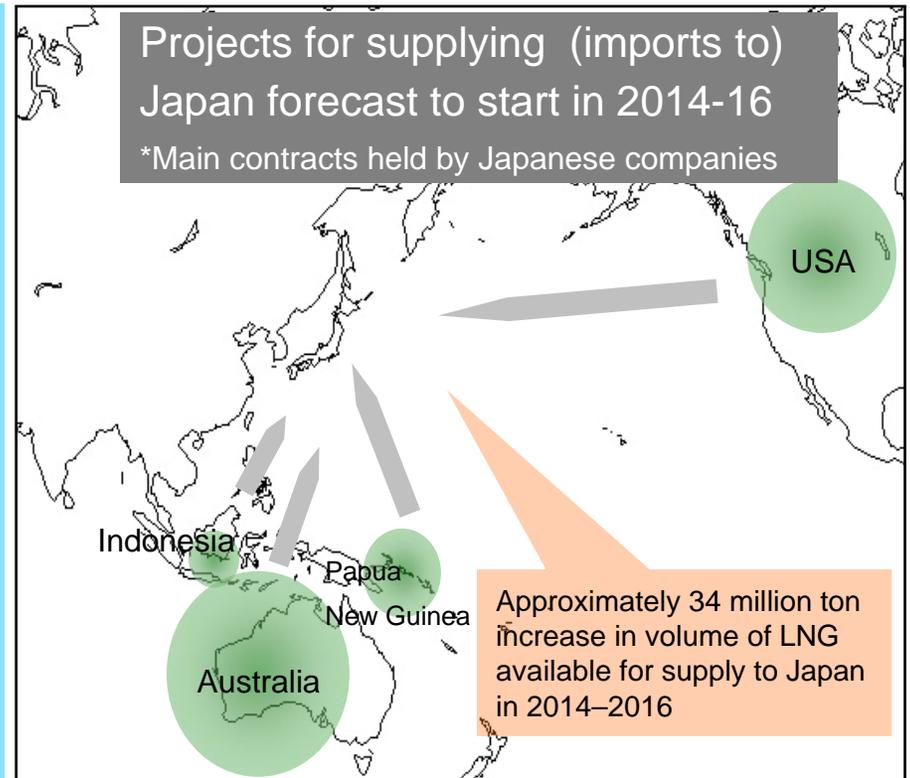
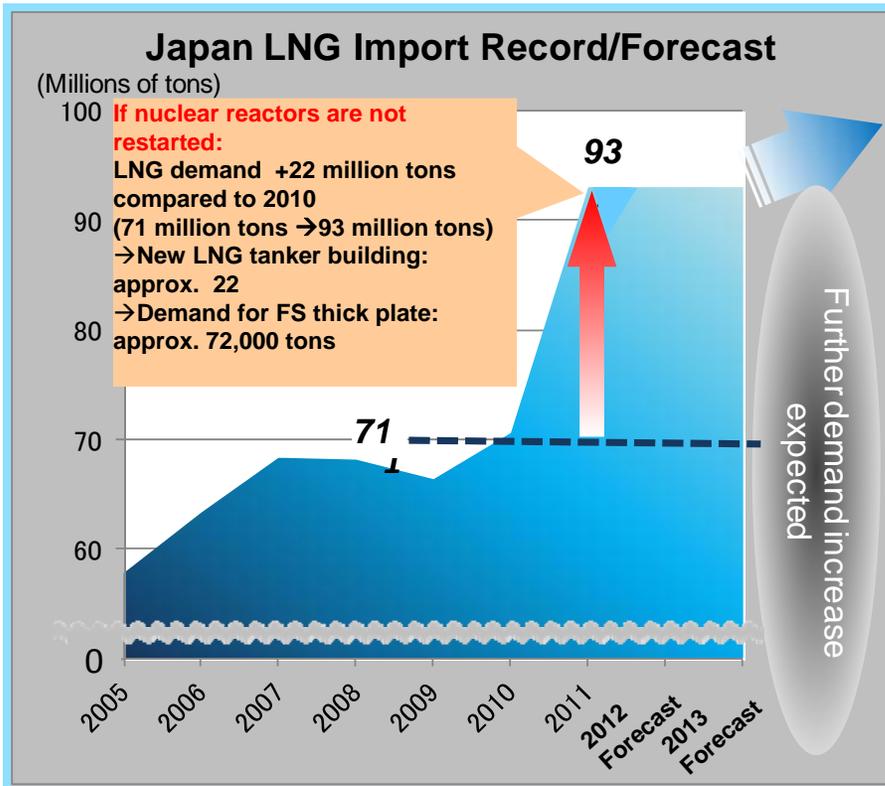
- ✓ Redundancy of operations prior to completion of restructuring puts pressure on revenues, so early transfer is vital. Proceed with early completion, cease upstream operations in December 2012.
- ✓ Benefit will be seen from fiscal 2013 on (fiscal 2013 effect: approximately ¥600 million)  
Broad improvement forecast for fiscal 2014

**Aim to increase sales in growth markets, also look into establishing multiple bases for extruded, cast, foil and other products**

## 2. Status of our market-leading products: Thick plate for LNG tankers 1

### Expected surge in demand for LNG

- ✓ Power shortage from reactor problem → Diversification of power = Increase in thermal power operations
- ✓ 22 million ton or more increase in LNG demand over 2010 is predicted
- ✓ Development of shale gas means elimination of international LNG supply concerns

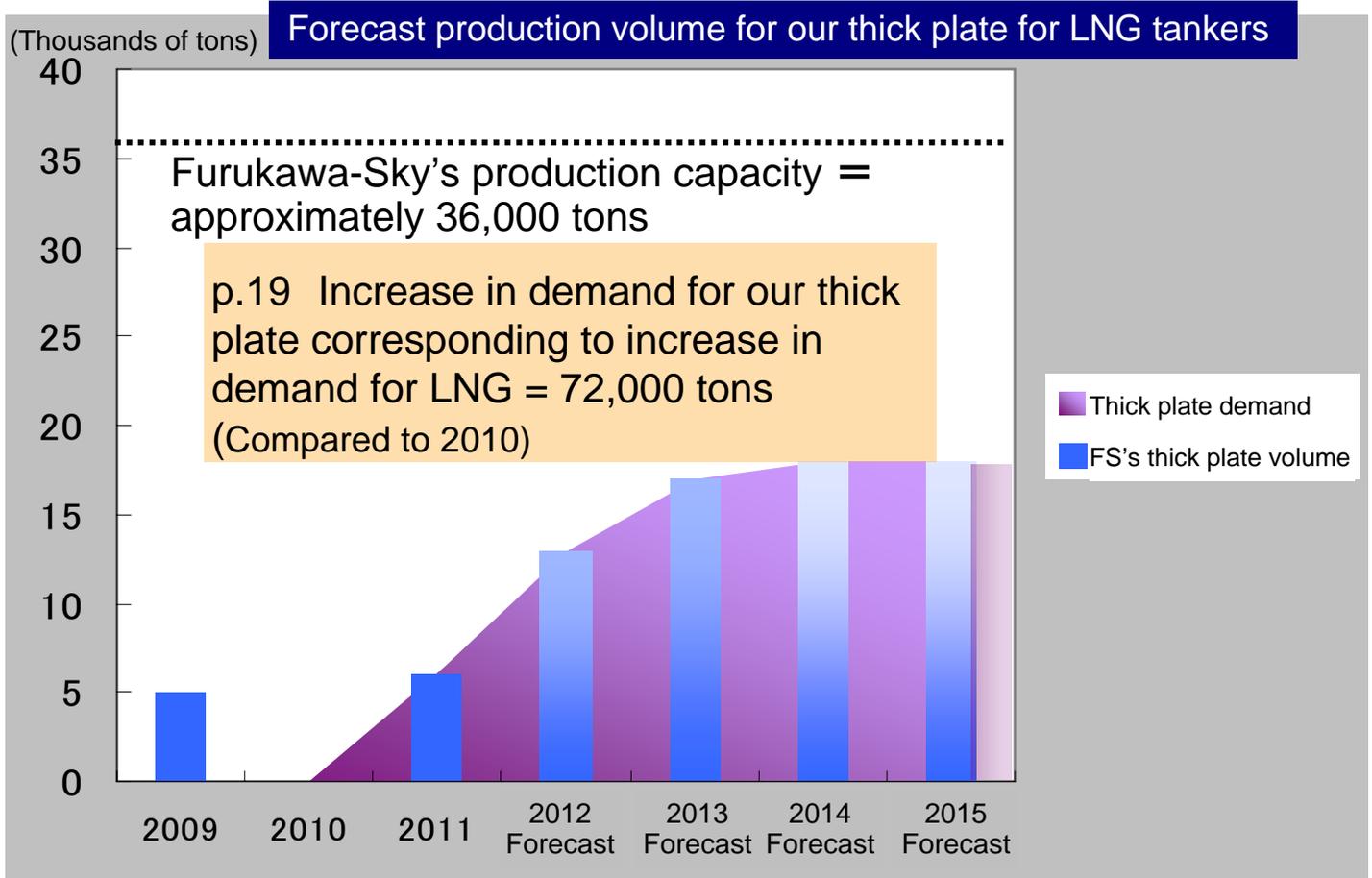


Source: Prepared by Furukawa-Sky based on The Japan Research Institute, Limited Periodical (8/11)

Source: Prepared by Furukawa-Sky based on LNG Almanac 2011 and Nikkei articles

## 2. Status of our market-leading products: Thick plate for LNG tankers 2

- Forecast for Furukawa-Sky thick plate for LNG tanker production
  - ✓ Increased demand for LNG
    - Increase in LNG tanker building, with demand for our thick plate for LNG tankers increasing rapidly
  - ✓ No problems with our thick plate manufacturing structure



### 3 Status of our market-leading products: Thick plate for LCD and semiconductor fabrication equipment 1

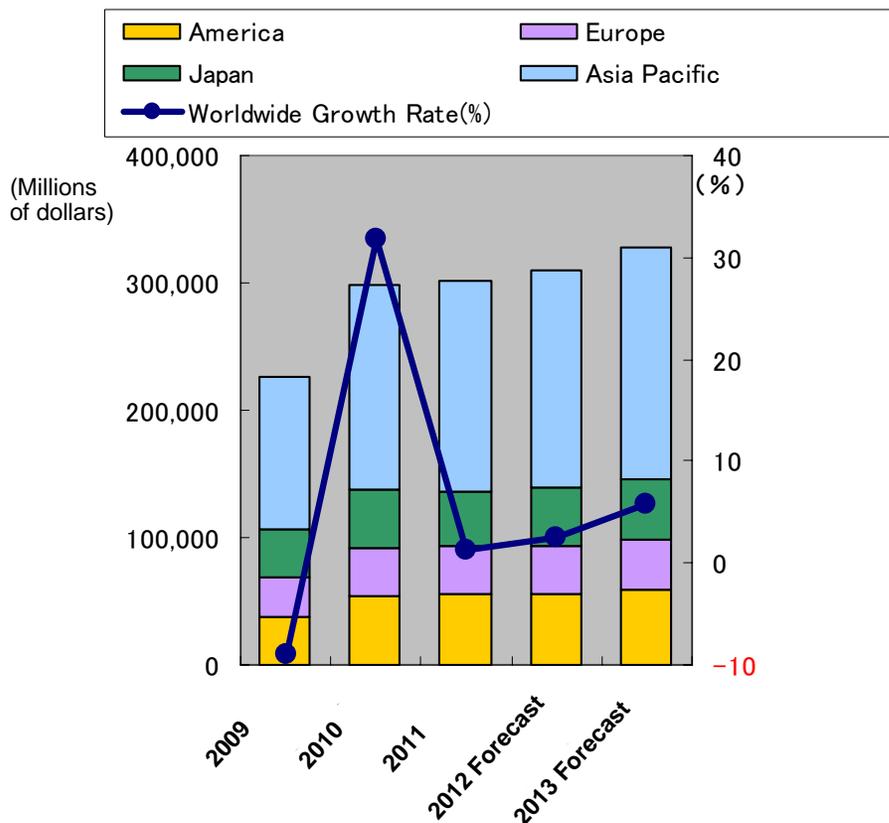
#### World semiconductor demand

Forecast to recover in 2012 due to gradual economic recovery in the US, Europe and Japan

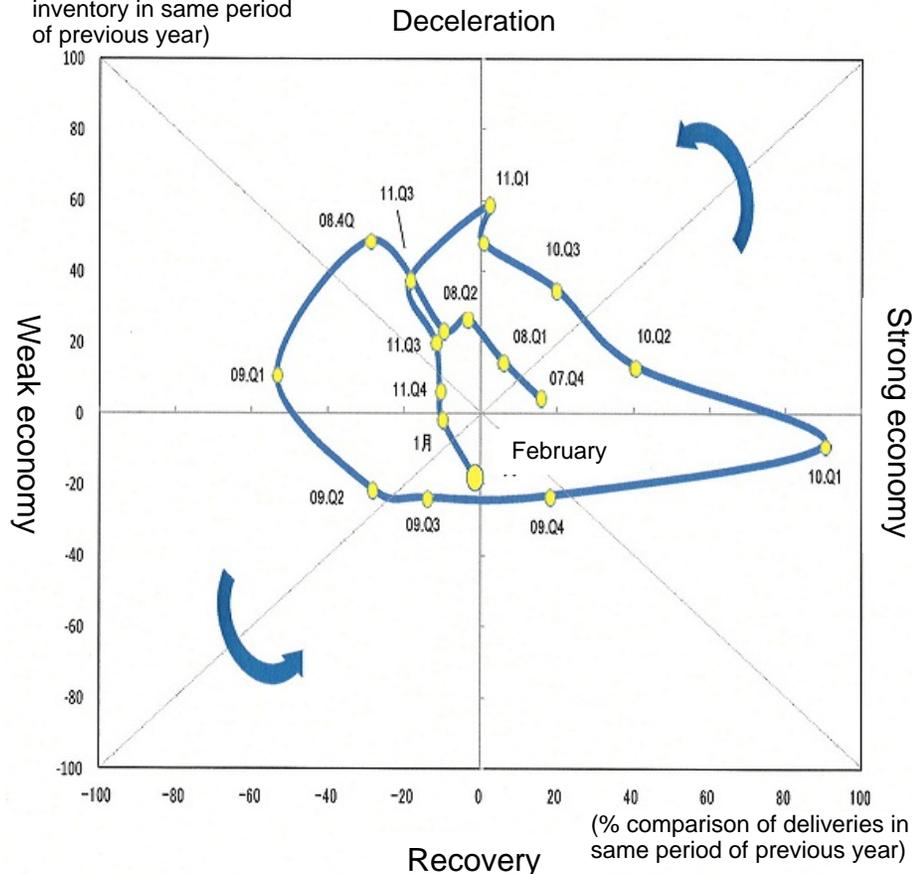
#### Japanese semiconductors (Delivery/Inventory)

Delivery/inventory cycle also forecast to be on the road to recovery in fiscal 2013

World semiconductor demand projection



(% comparison of inventory in same period of previous year)



Source: WSTS "World Semiconductor Market Statistics" (11/2011)

Source: Nomura Securities "Nomura Tech Monthly" (4/2012)

Note: "Fiscal 2013" indicates the fiscal year ending March 31, 2013.

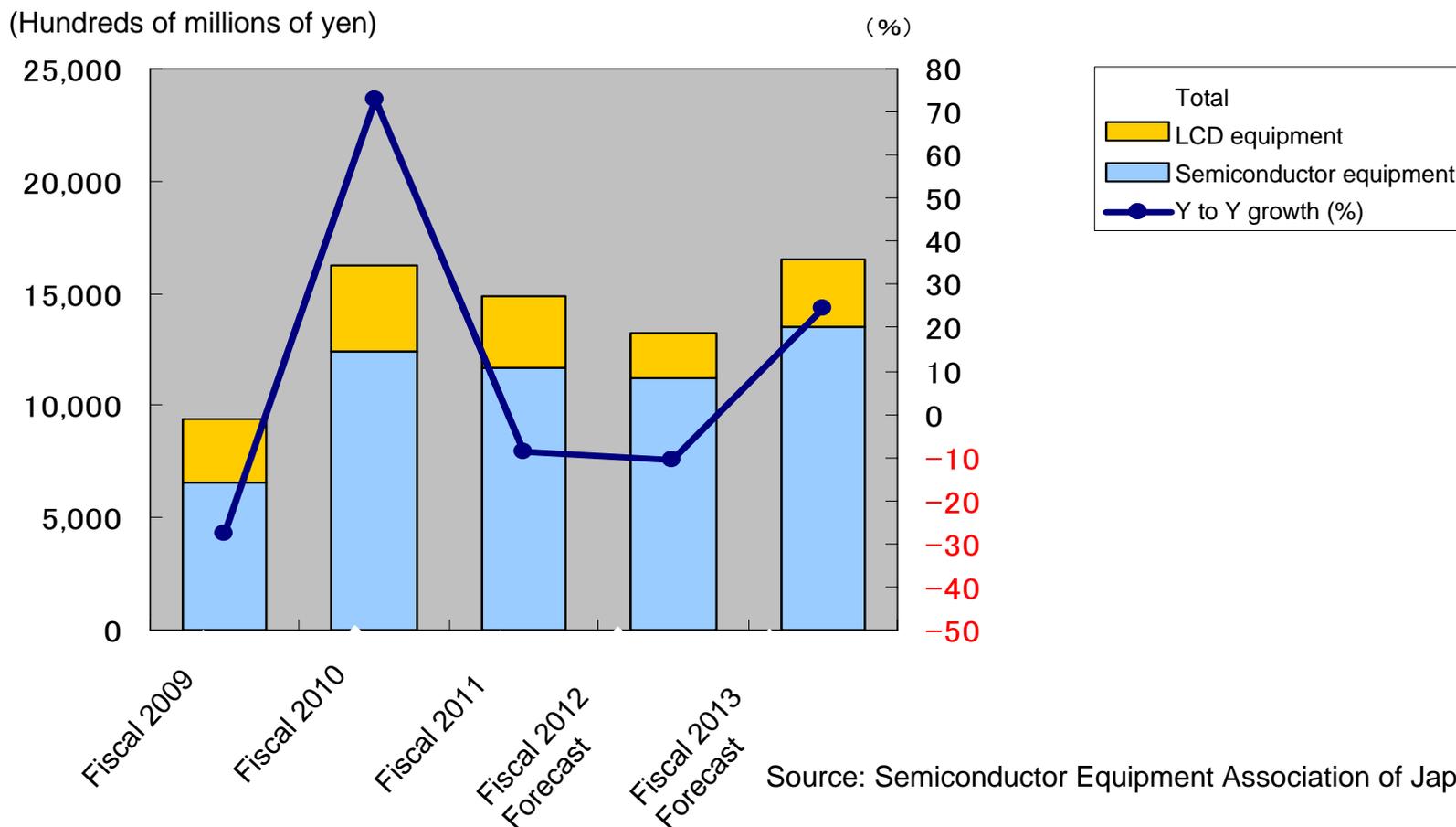
### 3 Status of our market-leading products:

#### Thick plate for LCD and semiconductor fabrication equipment 2

##### ■ Sales of Japanese-made LCD and semiconductor fabrication equipment

Sales of fabrication equipment are expected to leap 24.5% year-on-year in fiscal 2014 due to growth in the global semiconductor market.

Projected sales (deliveries) of Japanese-made LCD and semiconductor fabrication equipment



Source: Semiconductor Equipment Association of Japan data

Note: Fiscal years end on March 31 of the indicated year. For example, "Fiscal 2013" refers to the fiscal year ending March 31, 2013.

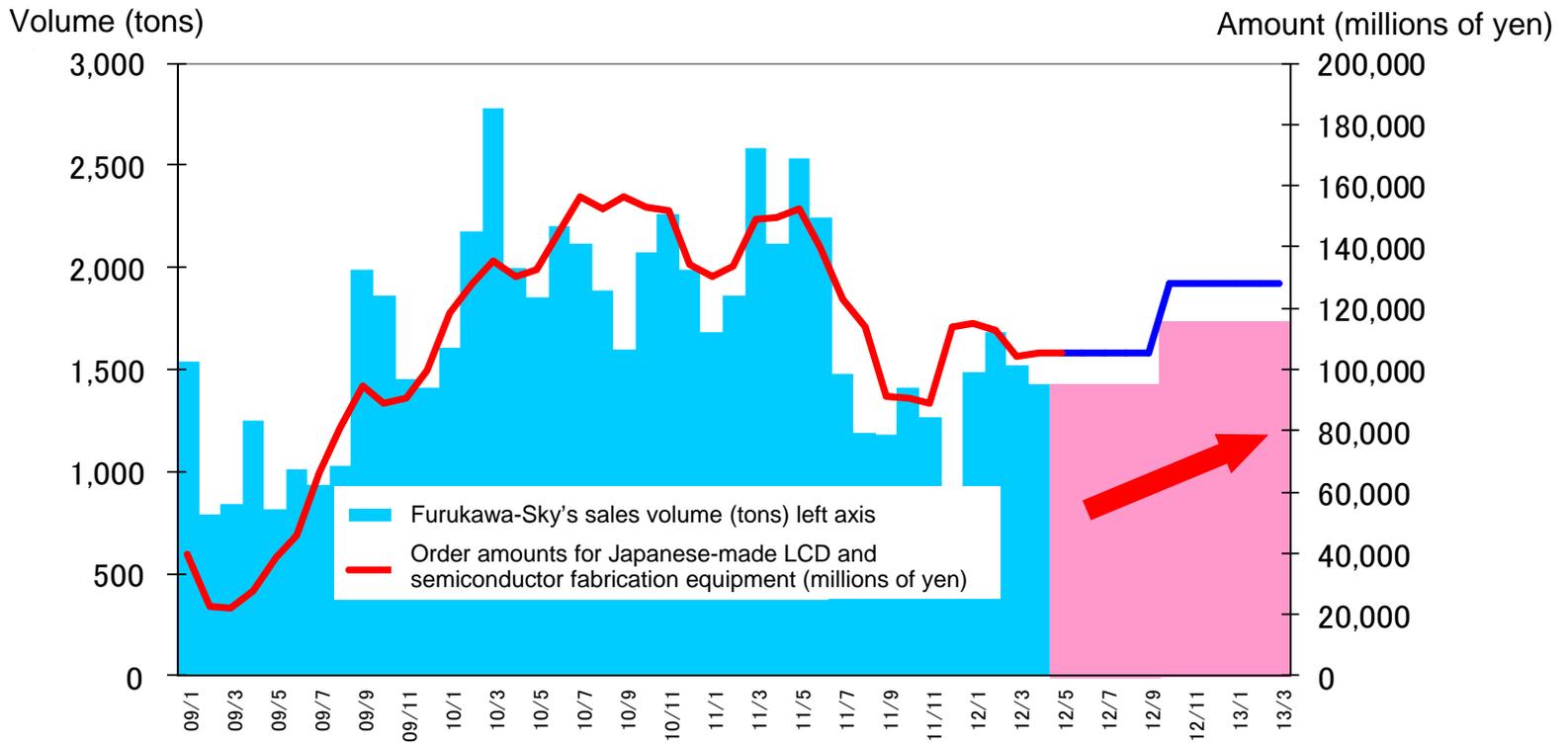


**(3) Status of our market-leading products:**

**Thick plate for LCD and semiconductor fabrication equipment 3**

■ Furukawa-Sky: Demand for thick plate for LCD and semiconductor fabrication equipment  
 Broad increase in sales of fabrication equipment forecast for fiscal 2014 (up 25% year on year)  
 ⇒ We anticipate that sales of our thick plate for LCD and semiconductor fabrication equipment will rebound from the drop in the second half of fiscal 2013.

Order amounts for Japanese-made LCD and semiconductor fabrication equipment, and Furukawa-Sky's sales volume



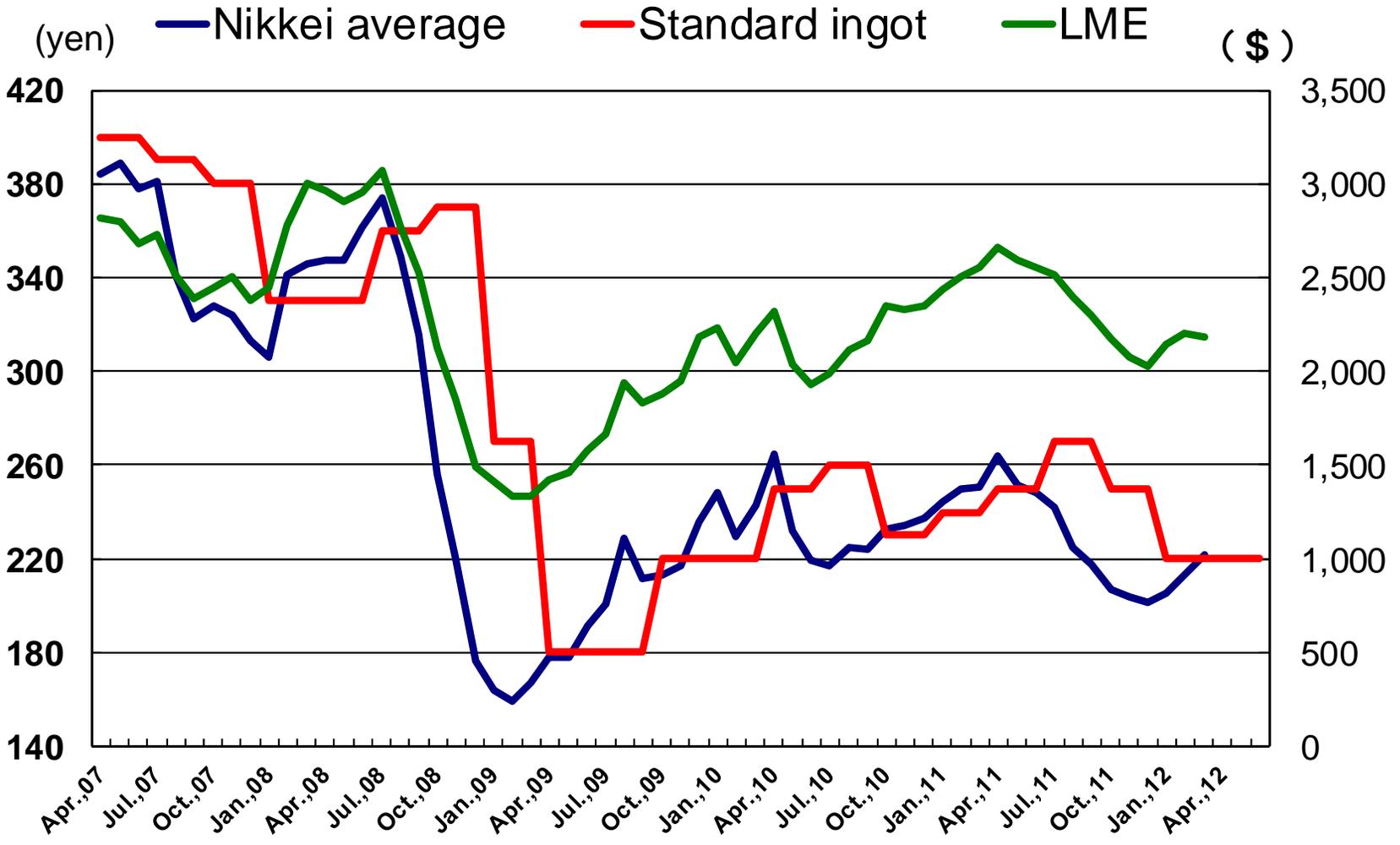
Source: Prepared by Furukawa-Sky based on Semiconductor Equipment Association of Japan data

Note: "Fiscal 2013" indicates the fiscal year ending March 31, 2013. "Fiscal 2014" refers to the fiscal year ending March 31, 2014.



**(Reference)**

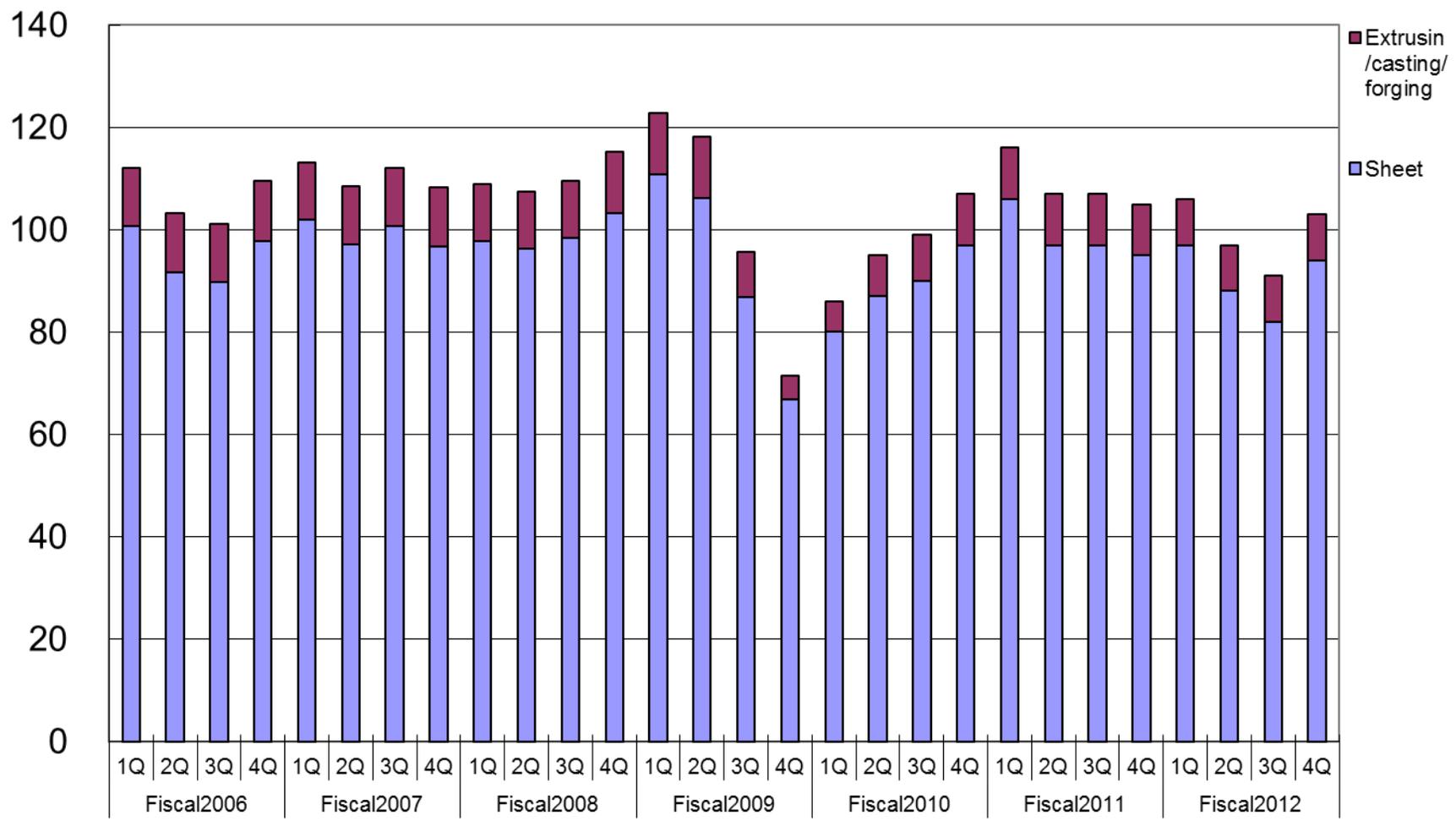
Spot aluminum: Nikkei average, standard ingot, LME trend



**(Reference)**

# Sales Volume Trend (Fiscal 2006 - 2012)

(Thousand tons)



Note: Fiscal years end on March 31 of the indicated year. For example, "Fiscal 2012" refers to the fiscal year ended March 31, 2012.



## ■ 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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