



Results Briefing for the First Half Ended September 30, 2012

November 2, 2012



< Today's Contents >

1. Performance Summary for the First Half Ended September, 2012 (fiscal 2013)
2. Results Forecast for the Fiscal Year Ended March 31, 2013 (fiscal 2013)
3. Topics



1. Performance Summary for the First Half Ended September, 2012 (fiscal 2013)



Overview of Performance in the First Half of Fiscal 2013

■ Differences from the first half of the preceding fiscal year

- Net sales were down approximately ¥7.4 billion, and ordinary income down fell by around ¥1.7 billion.
 - ⇒ As global economic deceleration has grown more pronounced since the preceding fiscal year, demand for rolled aluminum products has fallen off in all categories except thick plate for LNG tanker construction, reducing sales volume 3% year on year.

■ Interim dividend

- ¥3 (as expected)



Results for First Half Ended September (Year on Year)

< Consolidated >

(Billions of yen)

	First half Fiscal 2012 (A)	First half Fiscal 2013 (B)	Change (B) – (A)	Change (%) (B – A) / (A)
Net sales	100.8	93.4	(7.4)	(7.4%)
Operating income	5.1	2.9	(2.3)	(44.1%)
Ordinary income	4.8	3.1	(1.7)	(35.3%)
Net income	2.8	1.8	(1.0)	(34.7%)

< Non-consolidated > (Reference)

(Billions of yen)

	First half Fiscal 2012 (A)	First half Fiscal 2013 (B)	Change (B) – (A)	Change (%) (B – A) / (A)
Net sales (Volume)	87.4 (203k tons)	79.4 (197k tons)	(8.0) (6k tons)	(9.1%) (3.0%)
Operating income	3.9	2.3	(1.7)	(42.4%)
Ordinary income	3.7	2.2	(1.4)	(39.3%)
Net income	2.2	1.4	(0.7)	(34.1%)

Note: Fiscal 2012 and 2013 indicate the fiscal years ended/ending March 31, 2012 and 2013, respectively.



Consolidated Operating Income Analysis

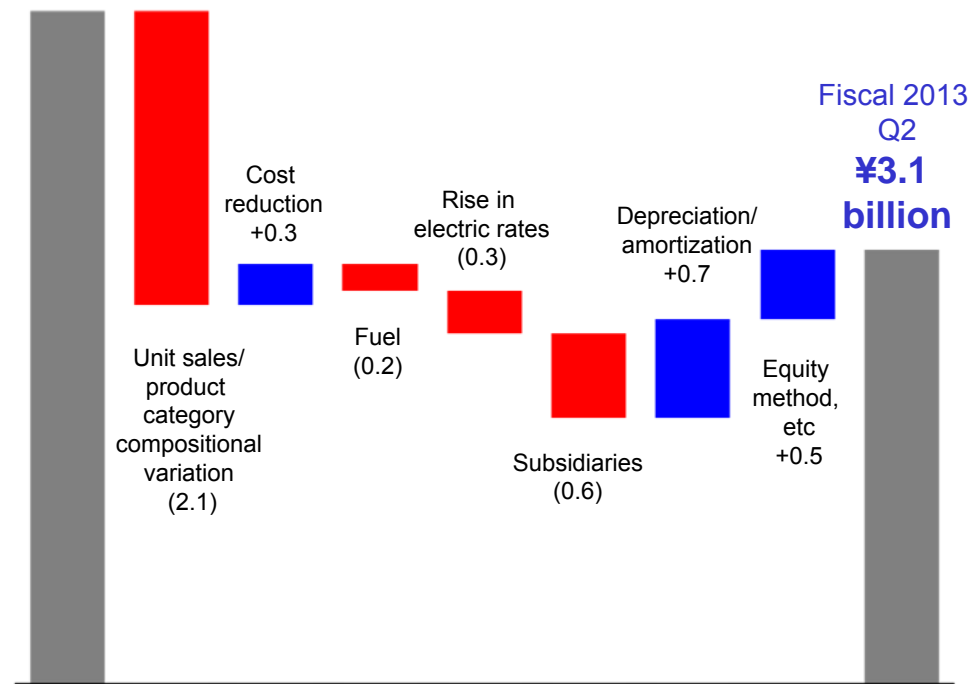
(Fiscal 2012 Q2 → Fiscal 2013 Q2)

Fiscal 2012 Q2 ¥4.8 billion → Fiscal 2013 Q2 ¥3.1 billion (down ¥1.7 billion)

< Unit Sales by Product Category > (Thousands of tons)

Product category		(a) Fiscal 2012 Q2	(b) Fiscal 2013 Q2	(b)-(a) Change	
Sheets	Beverage can stock	69	63	(6)	
	Foil stock	19	17	(2)	
	Gen. domestic demand	55	54	(1)	
	Thick plates	LNG	1	6	5
		Others	13	11	(2)
	Export	29	28	(1)	
Total		185	179	(6)	
Extrusions total		18	17	(1)	
Castings total		1	1	0	
Grand total		203	197	(6)	

Fiscal 2012 Q2
¥4.8 billion





Consolidated Balance Sheet

(Billions of yen)

	Mar. 2012	Sep. 2012	Change
Current Assets	102.7	102.9	0.2
Cash and bank deposits	7.6	5.5	(2.2)
Short-term loans receivable (management)	8.8	10.2	1.4
Notes and accounts receivable-trade	57.1	56.3	(0.8)
Inventories	22.4	24.2	1.8
Other assets	6.8	6.7	(0.1)
Fixed assets	110.3	110.4	0.1
Tangible / Non-tangible fixed assets	87.3	88.1	0.7
Investments and other assets	23.0	22.4	(0.6)
Asset total	213.0	213.3	0.3

	Mar. 2012	Sep. 2012	Change
Current Liabilities	91.3	93.9	2.6
Notes and accounts payable-trade, others	57.4	56.2	(1.2)
Short-term loans payable / Current portion of long-term loans payable / Bonds payable	32.3	35.6	3.3
Other liabilities	1.5	2.0	0.5
Fixed liabilities	50.6	47.3	(3.3)
Long-term loans / bonds payable	38.4	34.6	(3.8)
Other fixed liabilities	12.1	12.6	0.5
Shareholder's equity	70.6	71.5	0.9
Minority interests	0.6	0.7	0.1
Liabilities / Gross capital total	213.0	213.3	0.3



Consolidated Financial Indices

	March 2012	September 2012	Change
Shareholder's equity (billions of yen)	70.6	71.5	0.9
Equity ratio (%)	33.1%	33.5%	0.4
Interest-bearing liabilities (billions of yen)	70.7	70.2	(0.5)
NET interest-bearing liabilities (billions of yen)	54.3	54.6	0.2
D/E ratio	1.00	0.98	(0.02)
NET D/E ratio	0.77	0.76	(0.01)
ROE (%)	5.1%	5.7%	0.6

* ROE as of September 30, 2012, is based on forecasts for the fiscal year 2013.

Note: Figures have been rounded to the nearest billion yen.



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



Overview of Performance Forecast for Fiscal 2013

As global economic stagnation is proving to be more protracted than we had forecast, we now expect that a demand recovery will be delayed, centering on thick plates used in semiconductor and LCD manufacturing equipment and materials used in various types of electronic equipment and components.

Although we have introduced various profit-improvement measures, these are unlikely to compensate for the decline in sales.

⇒ We have revised downward our full-year forecast for net sales, operating income, ordinary income and net income, compared with previously announced figures.



Fiscal 2013 Consolidated Results Forecast

(Billions of yen)

	Fiscal 2013 initial forecast (A)		Fiscal 2013 revised forecast (B)				Change (B) – (A)
	First half	Second half	First half	Second half	First half	Second half	
Net sales	194.0	94.6	99.4	185.2	93.4	91.8	(8.8)
Operating income (loss)	8.2	3.0	5.2	6.0	2.9	3.1	(2.2)
Ordinary income (loss)	9.2	3.6	5.6	6.6	3.1	3.5	(2.6)
Net income (loss)	6.3	2.4	3.9	4.1	1.8	2.3	(2.2)

Second half : Crude oil (Dubai) USD 113 US\$/B, aluminum ingots JPY190/kg, exchange rate JPY 78/US\$

Note: Fiscal 2012 and 2013 indicate the fiscal years ended/ending March 31, 2012 and 2013, respectively.



Consolidated Ordinary Income Analysis

(Initial forecast for full-year Fiscal 2013 → Forecast for full-year Fiscal 2013)

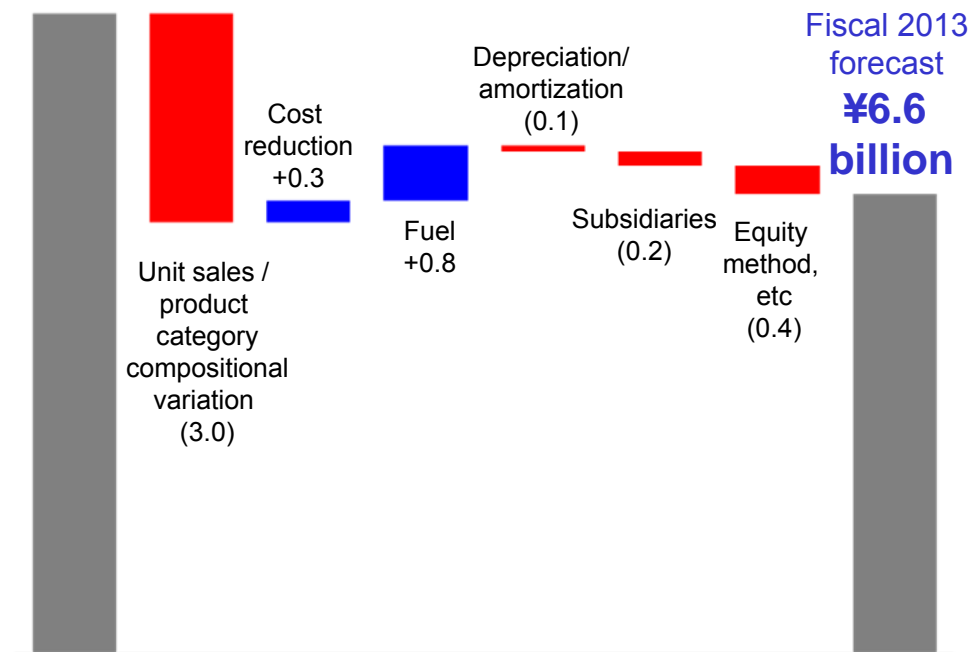
Initial Forecast for Consolidated Ordinary Income in Fiscal 2013 ¥9.2 billion

→ Forecast for in Fiscal 2013 ¥6.6 billion (down ¥2.6 billion)

< Unit Sales by Product Category > (Thousands of tons)

Product category		(a) Fiscal 2013 initial forecast	(b) Fiscal 2013 forecast	(b)-(a) Change	
Sheets	Beverage can stock	123	121	(2)	
	Foil stock	37	34	(3)	
	Gen. domestic demand	110	107	(3)	
	LNG Thick plates	LNG	13	9	(4)
		Others	25	22	(3)
	Export	68	65	(3)	
Total		377	358	(19)	
Extrusions total		34	33	(1)	
Castings total		1	1	0	
Grand total		412	393	(19)	

Fiscal 2013
initial forecast
**¥9.2
billion**





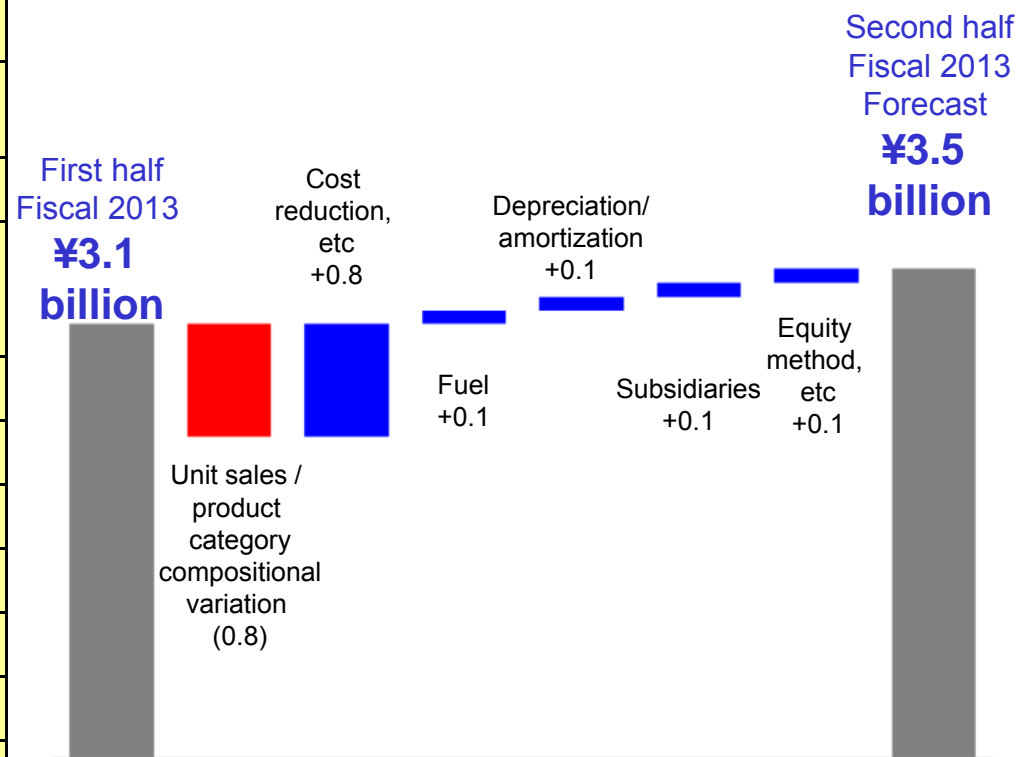
Consolidated Ordinary Income Analysis

(Performance for the first half of Fiscal 2013 → Forecast for the second half of Fiscal 2013)

Performance for the First Half of Fiscal 2013 ¥3.1 billion →
 Forecast for the Second Half of Fiscal 2013 ¥3.5 billion (up ¥0.4 billion)

< Unit Sales by Product Category > (Thousands of tons)

Product category		(a) First half Fiscal 2012	(b) Second half Fiscal 2013	(b)-(a) Change	
Sheets	Beverage can stock	63	58	(5)	
	Foil stock	17	17	0	
	Gen. domestic demand	54	53	(1)	
	Thick plates	LNG	6	3	(3)
		Others	11	11	0
	Export	28	36	8	
Total		179	179	0	
Extrusions total		17	16	(1)	
Castings total		1	1	0	
Grand total		197	196	(1)	



Note: Fiscal 2012 and 2013 indicate the fiscal years ended/ending March 31, 2012 and 2013, respectively.

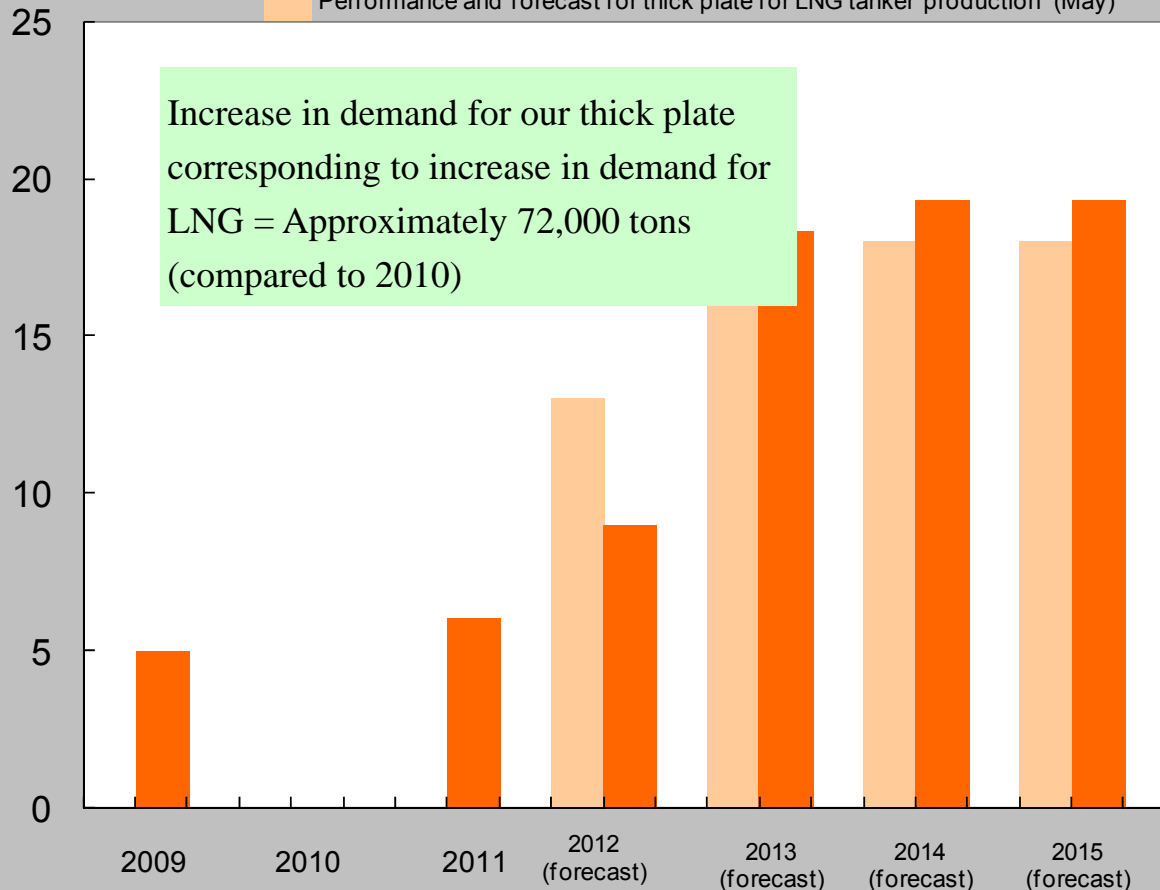


Demand trend ① Thick plate for LNG tankers

Forecast for our thick plate for LNG tanker production

Owing to changes in shipbuilder production schedules, we expect the timing when this plate will be required to slip forward into fiscal 2014 or thereafter.

(Thousand tons/ yr) ■ Performance and forecast for thick plate for LNG tanker production (current) ■ Performance and forecast for thick plate for LNG tanker production (May)



Note: Fiscal 2014 indicate the fiscal years ending March 31, 2014.



Demand trend ② Thick plates used in semiconductor and LCD manufacturing equipment

Forecast for Thick Plates used in Semiconductor and LCD Manufacturing Equipment

Initially, we had anticipated a second-half recovery, but owing to softening demand for semiconductors and large LCD panels, demand for manufacturing equipment has also fallen, making it difficult to forecast future demand. Demand for our thick plates is consequently expected to decline.

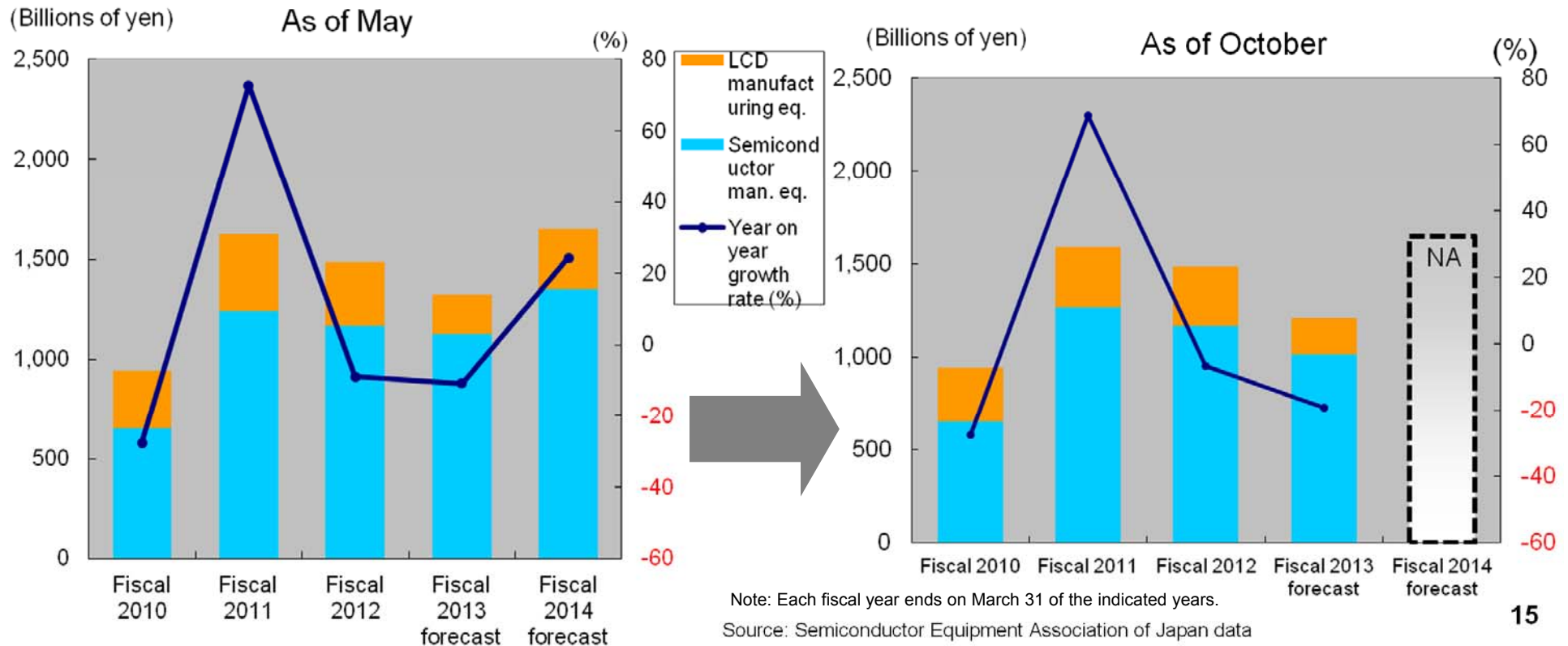
<Changes in status of semiconductor-related companies>

August announcement: Leading semiconductor manufacturers → Fiscal 2014 investment down by half that of fiscal 2013 levels

August announcement: Semiconductor manufacturing equipment maker A → Revised operating performance forecast (net sales down 14%)

October announcement: Semiconductor manufacturing equipment maker B → Revised operating performance forecast (following August revision, net sales down 16%)

Revisions in Projected Sales (Deliveries) of Japanese-Made Semiconductor and LCD Manufacturing Equipment





3. Topics



1. Restructuring in Japan

■ Completed sheet business restructuring (Nikko Works)

- ▶ In October 2012, discontinued upstream processes (casting to cold rolling) at the Nikko Works
 - ⇒ Reconfigured production system with the goal of restructuring the profit base
- ▶ By transferring these operations early on to other works, reduced costs associated with overlapping operations
 - ⇒ Completed transfer two months ahead of schedule



Contribution to income

¥0.6 billion in fiscal 2013

**Full-fledged contribution from fiscal 2014
(¥2.0 billion)**



2-1. New Plant in Southeast Asia

Location	Within the Amata City Industrial Estate, Rayong Province, Thailand
Site area	Approximately 50 hectares
Construction cost	Approximately 50 billion yen
Production capacity	180,000 tons/year
Number of employees	600+ (Planned for 2016, some personnel have begun undergoing training in Japan)
Product categories	Can stock, automotive heat exchangers, general-purpose materials for other electrical components, etc.
Schedule	Phase I operation scheduled for January 2014 Phase II operation scheduled for March 2015

Moving toward Full-Fledged Aluminum Rolling Plant in the Growth Markets of Southeast Asia

March 2012

Start of construction

January 2014

Phase I (Cold-rolling process) operations to commerce (60k tons/year)

March 2015

Phase II (from casting through integrated production) operations to commerce (180k tons/year)





2-2. New Plant in Southeast Asia

Need for Overseas Development

- ▶ Growth in emerging markets
- ▶ Existing customers shifting operations overseas

Trends among Competitors

- ▶ Large-scale equipment upgrades in China and South Korea

Introduction of Leading-Edge, Four-Stand Hot Rolling Mills

- ▶ Respond to client demands for high quality
- ▶ Achieve overwhelming cost competitiveness against competitors
- ▶ Meet future demand increases

A full-fledged aluminum rolling plant that achieves high quality and cost competitiveness



3-1. Business Integration with Sumitomo Light Metal Industries

■ Outline of the Integration

Trade name	A new company name will be determined upon consultation between the Companies
Location of Head Office	To be determined later upon consultation between the Companies Note: A new head office, other than the respective head offices of the Companies
Effective Date of the Merger (Integration Date)	October 1, 2013 (Scheduled)
Form of Integration	Absorption-type merger with Furukawa-Sky as the surviving company
Merger Ratio	Furukawa-Sky: 1, Sumitomo Light Metal Industries: 0.346 (For each share of Sumitomo Light Metal Industries, 0.346 share of Furukawa-Sky will be allotted.)



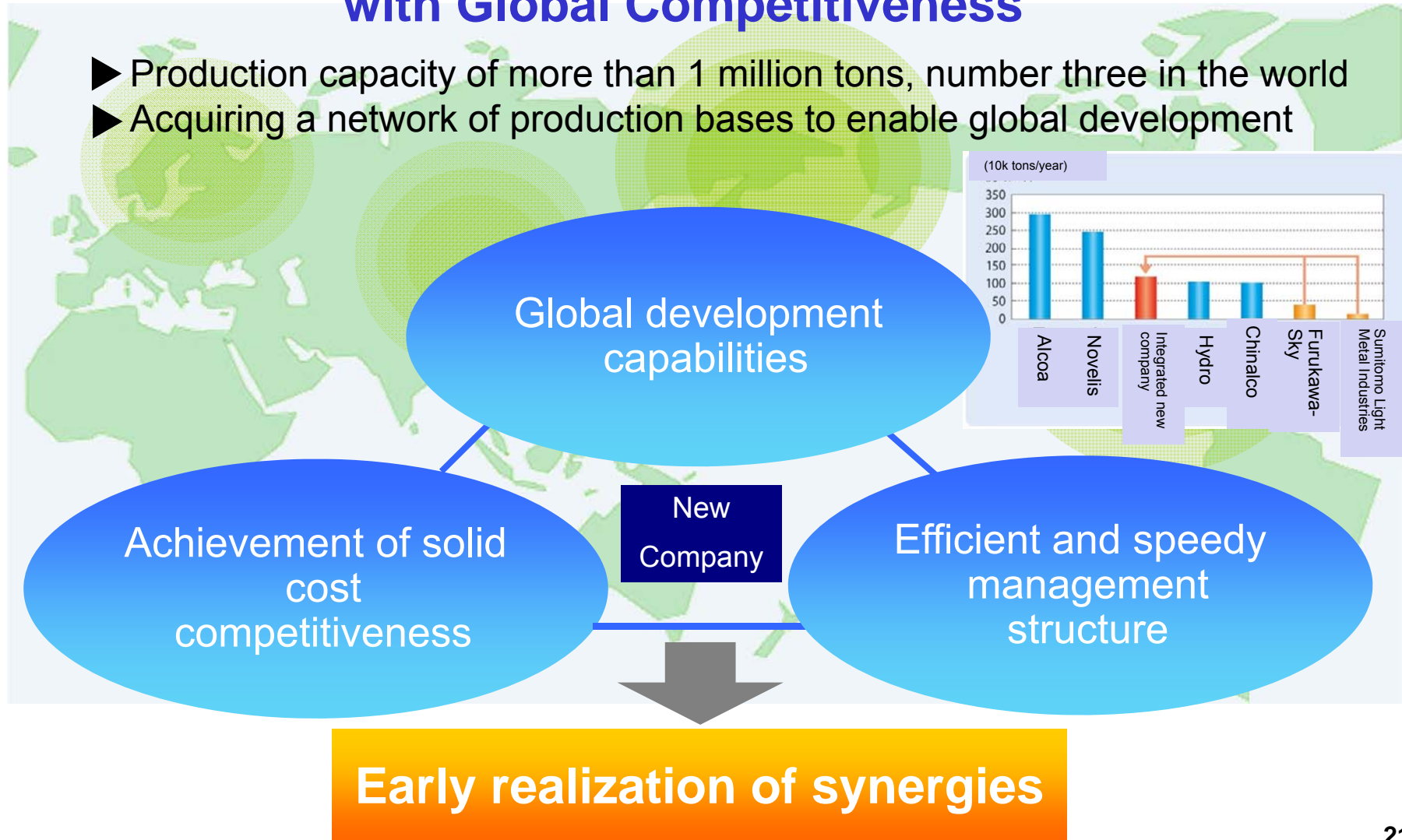
■ State of Progress and Future Schedule (Expected)

- August 29, 2012 Execution of the Basic Integration Agreement
- September 28, 2012 Completion of first-stage screening under Anti-Monopoly Act
- June 2013 Approval of the merger agreement
at the Companies' respective shareholders' meetings
- October 1, 2013 Merger date (integration date)



3-2. Business Integration with Sumitomo Light Metal Industries Becoming a Major Aluminum Company with Global Competitiveness

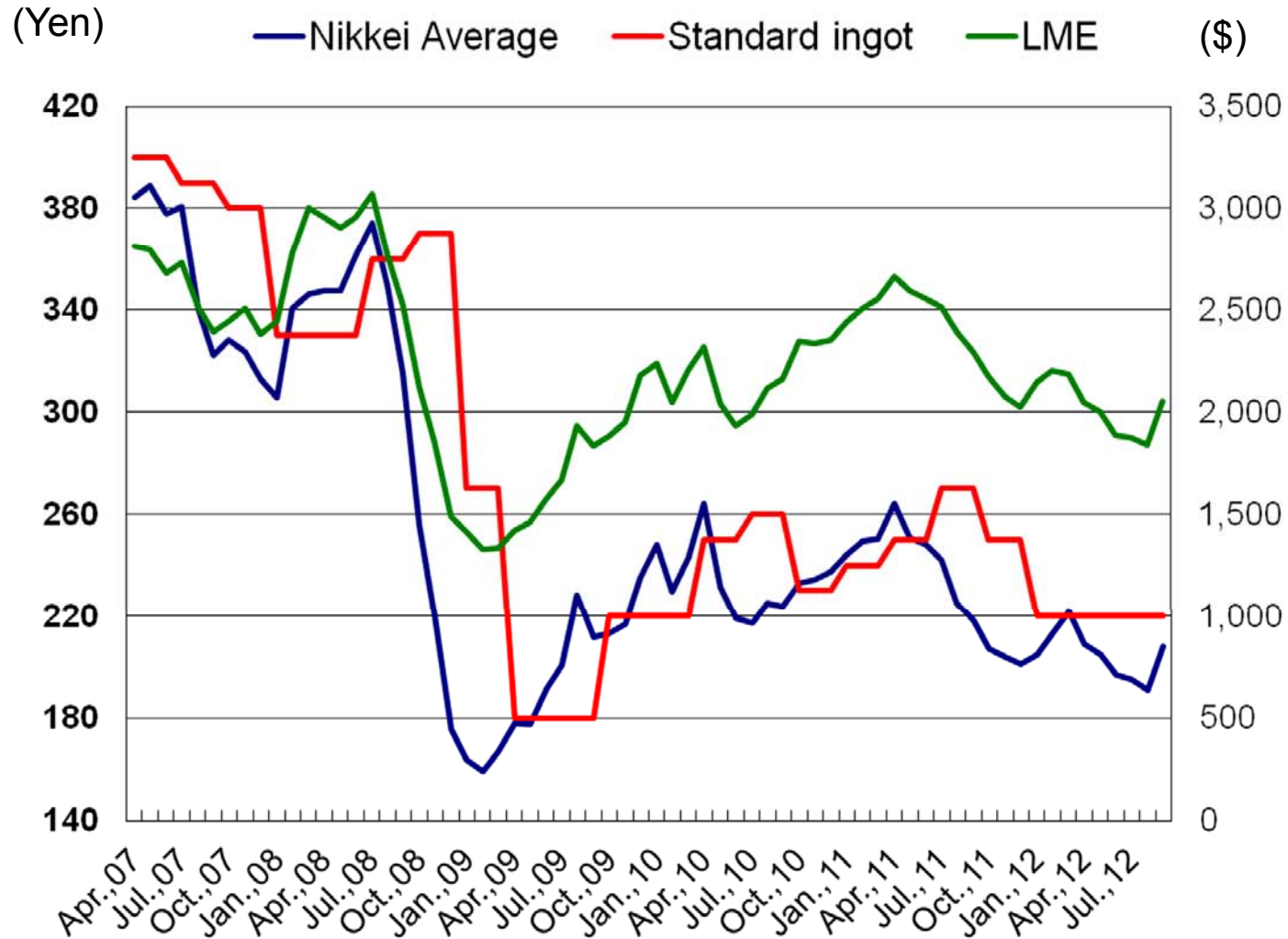
- ▶ Production capacity of more than 1 million tons, number three in the world
- ▶ Acquiring a network of production bases to enable global development





For Reference

Spot aluminum : Nikkei average, standard ingot, LME trend

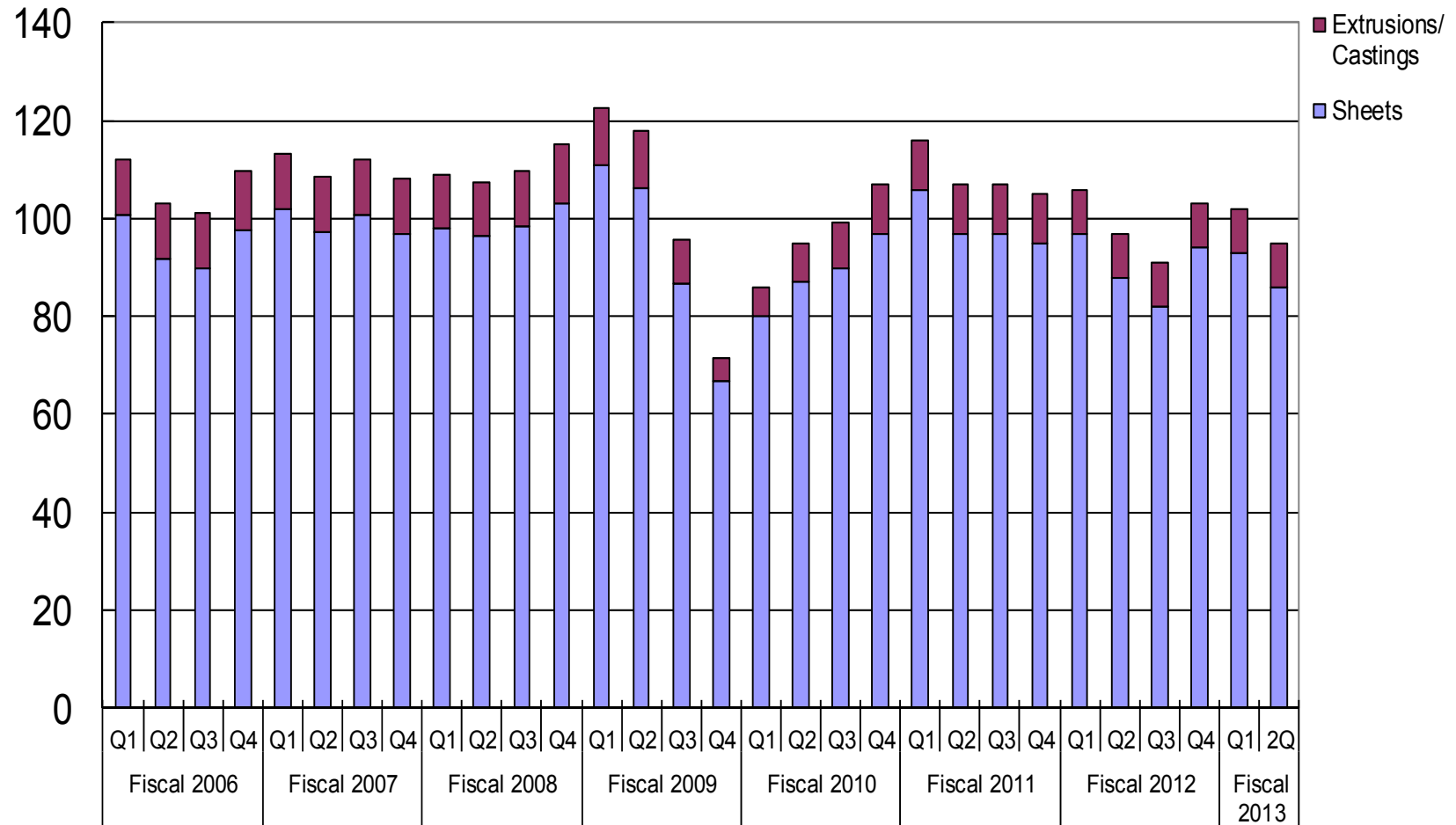




For Reference

Product Volume Movement

(Thousands of tons)



Note: Each fiscal year ends on March 31 of the indicated years, that is, fiscal 2012 refers to the fiscal year ended on March 31, 2012.



■ **Cautionary note concerning forward-looking statements**

This presentation contains various forward-looking statements that are based on current expectations and assumptions of future events. All figures and statements with respect to the future performance, projections and business plans of Furukawa-Sky and its Group companies constitute forward-looking statements. Although Furukawa-Sky believes that its expectations and assumptions are reasonable, actual results and trends of Furukawa-Sky's performance could differ materially from those expressed or implied by such figures or statements due to exchange rate movements and uncertainties in future business circumstances.

Please be advised that these forward-looking statements involve risks and uncertainties, including the possibility actual sales and profits could be different from those described in this supplementary material. Furukawa-Sky makes no assurance or guarantee that there will not be a significant variance between the forecasts herein and actual results. These materials are not intended to provide assistance with investment decision-making.

■ **Regarding copyrights, etc.**

All parts of this supplementary material are owned and copyrighted by Furukawa-Sky. Reproduction, in part or whole, in any form or manner, is strictly forbidden without express permission.

■ **To contact us regarding these materials or with any IR-related inquiries, please direct your questions to the following:**

PR/IR Department Tel: +81-3-5295-3800 Fax: +81-3-5295-3760

URL: <http://www.furukawa-sky.co.jp/english/index.htm>

(Tokyo Stock Exchange, First Section, Code: 5741)