Fact Book 2007

For the year ended March 31, 2007

Furukawa-Sky Aluminum Corp.

Management Philosophy

Furukawa-Sky advances its business by providing environmentally sound aluminum products that contribute to the community under the guidance of our management philosophy.

1. Furukawa-Sky develops and supplies products and services that satisfy our customers in order to enhance corporate value and contribute to improving society.
2. As a responsible corporate citizen, we work toward establishing a sustainable society.
3. We value workers highly and seek to help them realize their full potential.
4. We demonstrate corporate integrity by operating in accordance with ethical business standards and fully complying with prevailing laws and regulations.

Corporate Profile (March 31, 2007)

Name:	Furukawa-Sky Aluminum Corp.
Homepage:	http://www.furukawa-sky.co.jp/
Businesses:	Manufacturing, processing and sales of aluminum and aluminum alloys
Established:	October 2003
Capital:	¥ 16,528 million
Employees:	2,014

Website Information

http://www.furukawa-sky.co.jp/

Location

Sales bases

Tokyo (Head Office)
12th Floor, Akihabara UDX, 14-1,
Sotokanda 4-chome, Chiyoda-ku,
Tokyo, 101-8970
TEL 81-3-5295-3800
FAX 81-3-5295-3760

Osaka (Kansai Office)
6th Floor, Furukawa Bldg., 1-29,
Dojimahama 2-chome, Kita-ku,
Osaka-shi, 530-0004
TEL 81-6-4797-7300
FAX 81-6-4797-7327

Nagoya (Chubu Office)
8th Floor, Telepia Bldg., 14-25,
Higashisakura 1-chome, Higashi-ku,
Nagoya-shi, 461-0005
TEL 81-52-955-6680
FAX 81-52-955-6683

Fukuoka (Kyushu Office)
3rd Floor, Nippon Life Bldg., 2-1,
Hakata-ekimae 3-chome,
Hakata-ku, Fukuoka-shi, 812-0011
TEL 81-92-436-3341
FAX 81-92-436-3349

Production bases

Fukui (rolling)
21-1, Kurome, Mikuni-cho,
Sakai-shi, Fukui, 913-8588
TEL 81-776-82-5840
FAX 81-776-81-6022

Fukaya (rolling)
1351, Uwanodai, Fukaya-shi,
Saitama, 366-8511
TEL 81-48-572-1311
FAX 81-48-573-4162

Nikko (rolling)
1, Kiyotakisakuragaoka-machi,
Nikko-shi, Tochigi, 321-1443
TEL 81-288-54-0567
FAX 81-288-53-3329

Oyama (extrusion, casting, forging)
560, Doto, Oyama-shi, Tochigi,
323-0812
TEL 81-285-23-2111
FAX 81-285-22-1668

Affiliated Companies

Parent company

The Furukawa Electric Co., Ltd.
Chiyoda-ku, Tokyo
Manufacturing and sales of nonferrous products

Consolidated subsidiaries

ACE21 Corp.
Fukaya-shi, Saitama
Cutting and sales of aluminum sheets

Furukawa-Sky Shiga Corp.
Omihachiman-shi, Shiga
Manufacturing of extruded aluminum products

Nikkei Kakoh Co., LTD.
Yodogawa-ku, Osaka
Manufacturing and sales of processed aluminum-based products

LCOMPO Co., Ltd.
Fukaya-shi, Saitama
Warehousing and transport operations, manufacturing and sale of packaging materials

FURUKAWA COLOR ALUMINUM CO., LTD.
Utsunomiya-shi, Tochigi
Painting of aluminum sheets

SKY SERVICE Co., Ltd.
Fukaya-shi, Saitama
General service operations at plants

HIGASHI NIHON TANZO Co., Ltd.
Oyama-shi, Tochigi
Manufacturing of forged aluminum products

PT. Furukawa Indal Aluminum
Indonesia
Manufacturing and sales of extruded aluminum products

SYSTEM SKY Co., Ltd.
Fukaya-shi, Saitama
Software information processing with electronic computer, and development and sales of software

Furukawa-Sky Techno Co., Ltd.
Fukaya-shi, Saitama
Manufacturing and sales of processed aluminum products

Nippon Foil Mfg. Co., Ltd.
Yodogawa-ku, Osaka
Manufacturing and sales of aluminum foil products

NIPPON METAL FOIL CO., LTD.
Chiyoda-ku, Tokyo
Processing and sales of aluminum foil products

Furukawa-Sky Aluminum (Tianjin) Corp.
Tianjin, China
Manufacturing and sales of extruded aluminum products

Furukawa-Sky Aluminum (Vietnam) Inc.
Ho Chi Minh, Vietnam
Manufacturing of precision cast aluminum products

Business Strengths

Japan's foremost comprehensive aluminum manufacturer

Producing and selling more aluminum than any other company in Japan, Furukawa-Sky is the country's foremost comprehensive aluminum manufacturer. Principal business activities are the production and sale of sheets, extrusions, castings, forgings, and fabricated products.

World-class quality and cost competitiveness

1. Fukui Plant	Production of large products, such as beverage can stock and foil stock, using one of the world's largest rolling mills The No.1 market share in Japan for plate materials for LNG tanker ships and thick plate
2. Fukaya Plant	Production of a wide variety of products in medium-size lots, such as printing plates and automotive materials
3. Nikko Plant	Production of high-value-added specialty products, such as automotive heat exchanger materials and memory disk materials
4. Oyama Plant	Production of high-quality and high-precision extruded materials, castings and forgings

Global expansion utilizing accumulated know-how

Furukuwa-Sky is actively investing in Indonesia, China, Vietnam, Greece, and at other locations around the world with the principal aim of meeting overseas demand in the transportation field, which continues to exhibit high growth.

Domestic Production Network

1 Fukui

Overview Manufacture of sheet products

Principal products Beverage can stock (body materials, end stock), foil stock
Large plates for LNG tanker ships and aircraft

Location Sakai-shi, Fukui

2 Fukaya

Overview Manufacture of sheet products

Principal products Printing plates
Plate for IT applications
Automotive materials

Location Fukaya-shi, Saitama

3 Nikko

Overview Manufacture of sheet products

Principal products Automotive heat exchanger materials
Memory disk materials

Location Nikko-shi, Tochigi

4 Oyama

Overview Manufacture of extrusions, castings, and forgings

Principal products Automotive heat exchanger materials
Castings and forgings for the electronics and transportation fields (The plant's 15,000t press machine is one of the largest in Asia)
Photoconductive drum materials

Location Oyama-shi, Tochigi

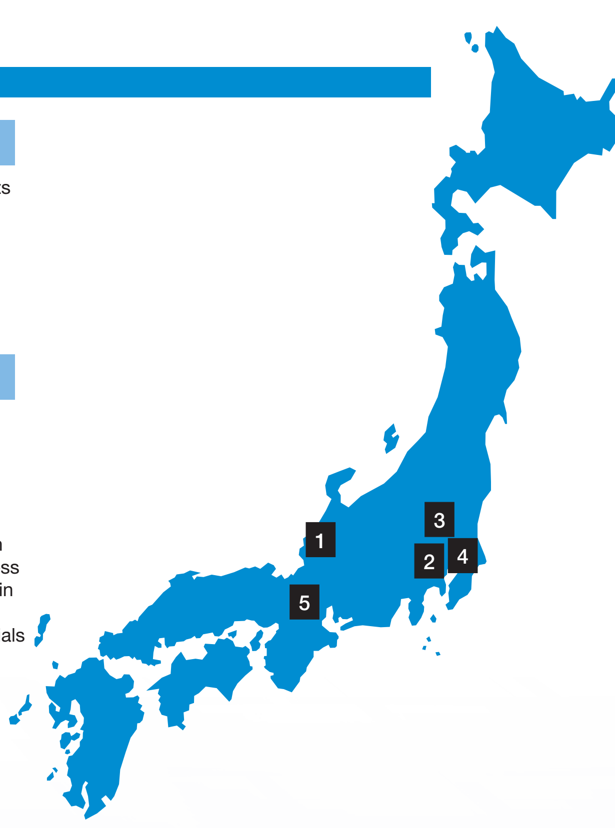
5 Shiga

(Furukawa-Sky Shiga Corp.)

Overview Manufacture of extrusions

Principal products Automotive heat exchanger materials
Photoconductive drum materials

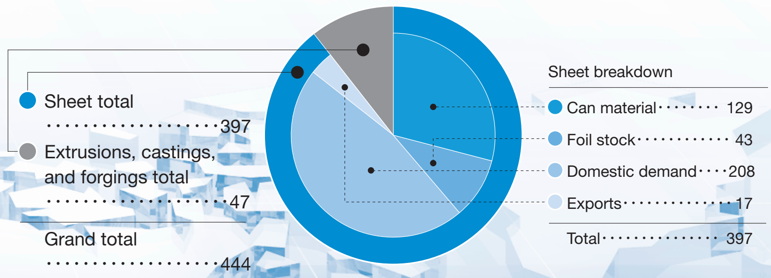
Location Omi-Hachiman-shi, Shiga



ISO Certification Obtained at All Plants

Furukawa-Sky's manufacturing plants engage in comprehensive quality control: all plants have obtained certification for the ISO9001 standard, and the Fukui, Oyama, and Shiga Plants have obtained certification for the AS9100 standard for the promotion of quality, safety, and durability of aerospace products. All plants have obtained certification for the ISO 14001 standard and engage in continuous environmental protection activities.

Fiscal 2007 Unit Sales Contribution by Product Type (Thousands of tons)



Overseas Network

1 PT. Furukawa Indal Aluminum

Established August 1998

Overview Manufacture and sale of extruded materials for automotive heat exchangers

Location Gresik City, Surabaya, Indonesia

Capitalization US$6,000,000
(55% Furukawa-Sky, 40% Indal, 5% Toyota Tsusho)

2 Furukawa-Sky Aluminum (Tianjin) Corp.

Established April 2005

Overview Manufacture and sale of extruded materials for automotive heat exchangers

Location Economic Xiqing Development Area, Tianjin City, China

Capitalization RMB 81,276,000
(100% Furukawa-Sky)

3 Furukawa-Sky Aluminum (Vietnam) Corp.

Established January 2006

Overview Production of cast compressor wheels for automotive turbochargers

Location Ho Chi Minh City, Vietnam

Capitalization US$6,000,000
(100% Furukawa-Sky)

4 AFSEL S.A.

Established January 2007

Overview Sale of automotive heat exchanger materials

Location Athens, Greece

Capitalization €180,000
(50% Furukawa-Sky, 50% Hellenic Aluminum Industry S.A.)

Results of Operations in Fiscal 2007

In fiscal 2007, the Company posted year-on-year increases in sales and profit. Although sales of can stock decreased due to unseasonable weather, demand for products for semiconductor and liquid crystal manufacturing equipment recovered from a slump the previous term, sales of automotive products were favorable, and sales volumes of thick plates for LNG tanker ships and foil stock for electrolytic capacitors increased. Revenues rose owing to an increase in selling prices due to a sharp increase in the price of aluminum ingot, the raw material for aluminum products, coupled with the increase in sales volumes.

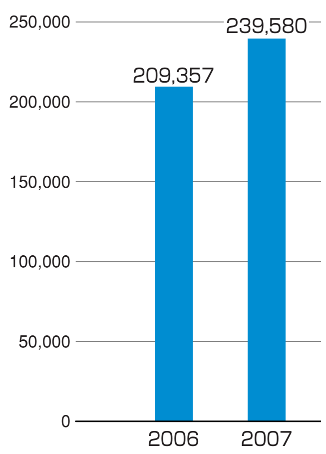
Although profit was negatively affected by high prices of crude oil and raw materials that continued from the previous term, the impact of improvement measures including greater efficiency through rigorous cost reduction and consolidation to reduce product variety contributed to a profit increase.

As a result, consolidated net sales were ¥239,580 million (an increase of 14.4% year on year), consolidated operating income was ¥16,459 million (an increase of 14.3%), and consolidated net income was ¥8,694 million (an increase of 30.3%).

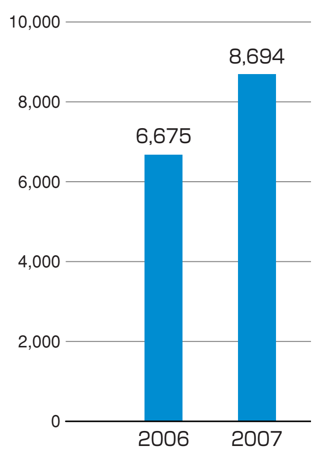
Consolidated Financial Highlights Furukawa-Sky Aluminum Corp. and Its Consolidated Subsidiaries

	Millions of yen		Thousands of U.S. dollars
For the years ended March 31.2007 and 2006	2007	2006	2007
Net sales	239,580	209,357	2,030,339
Operating income	16,459	14,396	139,483
Net income	8,694	6,675	73,678
Total assets	245,661	232,618	2,081,873
Total shareholders' equity	69,121	62,090	585,771

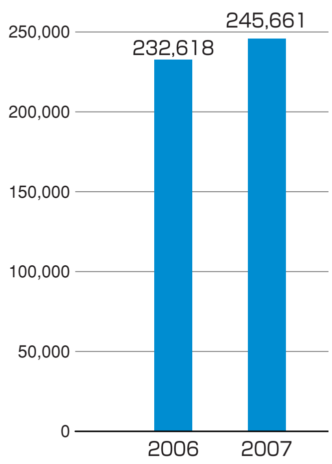
Net sales (Millions of yen)



Net income (Millions of yen)



Total assets (Millions of yen)



Consolidated Balance Sheets Furukawa-Sky Aluminum Corp. and Its Subsidiaries

At March 31, 2007 and 2006	Millions of yen 2007	Millions of yen 2006	Thousands of U.S. dollars 2007
ASSETS			
Current assets :			
Cash and deposits	¥ 6,176	¥ 6,311	$ 52,339
Trade notes and accounts receivable	74,093	69,328	627,907
Inventories	31,503	31,138	266,975
Deferred income taxes	1,079	1,310	9,144
Other current assets	5,361	6,496	45,432
Total current assets	118,212	114,583	1,001,797
Non-current assets:			
Investments and long-term loans	3,578	3,682	30,322
Property, plant and equipment, net of accumulated depreciation	113,953	104,639	965,703
Deferred income taxes	6,602	6,274	55,949
Other assets	3,316	3,440	28,102
Total non-current assets	127,449	118,035	1,080,076
Total	¥ 245,661	¥ 232,618	$ 2,081,873
LIABILITIES AND NET ASSETS			
Current liabilities :			
Short-term borrowings	¥ 29,354	¥ 30,674	$ 248,763
Current portion of long-term debts	7,799	11,511	66,093
Trade notes and accounts payable	48,641	43,102	412,212
Accrued expenses	8,943	9,307	75,788
Accrued income taxes	3,609	3,961	30,585
Reserve for charges with respect to the Antitrust Law	—	370	—
Other current liabilities	14,320	9,163	121,356
Total current liabilities	112,666	108,088	954,797
Long-term liabilities :			
Long-term debts	42,720	42,387	362,034
Accrued retirement benefits for employees	15,512	15,191	131,458
Reserve for environmental costs	646	579	5,474
Other non-current liabilities	921	998	7,805
Total long-term liabilities	59,799	59,155	506,771
Contingent liabilities			
Net assets			
Shareholders' equity			
Common stock			
Authorized shares, 400,000 thousand in 2007 and 2006			
Issued shares, 227,100 thousand in 2007 and 2006	16,528	16,528	140,068
Capital surplus	35,184	35,184	298,169
Retained earnings	17,410	10,378	147,542
Common treasury stock, at cost	(1)	(0)	(8)
Total shareholders' equity	69,121	62,090	585,771
Valuation and translation adjustments			
Unrealized gains on available-for-sale securities	474	503	4,017
Deferred gain on derivatives under hedge accounting	855	—	7,246
Foreign currency translation adjustments	137	72	1,161
Total valuation and translation adjustments	1,466	575	12,424
Minority interests	2,609	2,710	22,110
Total net assets	73,196	65,375	620,305
Total	¥ 245,661	¥ 232,618	$ 2,081,873

Note : The rate of ¥118=U.S. $1, the approximate rate of exchange on March 31, 2007, has been used for the purpose of translation.

Consolidated Statements Of Income Furukawa-Sky Aluminum Corp. and Its Subsidiaries

For the year ended March 31, 2007 and 2006	Millions of yen 2007	Millions of yen 2006	Thousands of U.S. dollars 2007
Net sales	¥ 239,580	¥ 209,357	$ 2,030,339
Cost of sales	207,914	179,855	1,761,983
Gross profit	31,666	29,502	268,356
Selling, general and administrative expenses	15,207	15,106	128,873
Operating income	16,459	14,396	139,483
Other income (expenses) :			
Interest and dividend income	61	66	517
Interest expense	(1,359)	(1,394)	(11,517)
Gain on sales of investment securities	—	1,496	—
Loss on disposal of property, plant and equipment, net	(237)	(547)	(2,008)
Loss on impairment of property, plant and equipment	—	(438)	—
Environmental costs	(234)	(558)	(1,983)
Provision for charges with respect to the Antitrust Law	—	(370)	—
Compensation for damaged products	(283)	—	(2,398)
Other, net	91	(948)	770
	(1,961)	(2,693)	(16,619)
Income before income taxes and minority interests	14,498	11,703	122,864
Income taxes :			
Current	6,325	6,580	53,602
Deferred	(669)	(1,646)	(5,670)
	5,656	4,934	47,678
Minority interests in income of consolidated subsidiaries	148	94	1,254
Net income	¥ 8,694	¥ 6,675	$ 73,678

	yen		U.S. dollars
Per share information			
Basic	¥ 38.28	¥ 32.00	$ 0.32
Diluted	—	—	—
Cash dividends applicable to the year	¥ 8.00	¥ 10.71	$ 0.07

Note : The rate of ¥118=U.S. $1, the approximate rate of exchange on March 31, 2007, has been used for the purpose of translation.

Consolidated Statements Of Cash Flows

Furukawa-Sky Aluminum Corp. and Its Subsidiaries

For the years ended March 31, 2007 and 2006	Millions of yen 2007	Millions of yen 2006	Thousands of U.S. dollars 2007
Cash flows from operating activities :			
Income before income taxes and minority interests	¥ 14,498	¥ 11,703	$ 122,864
Adjustments for :			
Depreciation and amortization	8,076	7,991	68,441
Loss on impairment of property, plant and equipment	—	438	—
Loss (gain) on sales of investment securities	18	(1,494)	153
Loss on disposal of property, plant and equipment	240	671	2,034
Decrease (increase) in advanced payment	2,483	(675)	21,042
Increase in accrued retirement benefits for employees	342	2,502	2,898
Decrease in accrued expenses	(364)	(4,219)	(3,085)
Interest and dividend income	(61)	(66)	(517)
Interest expense	1,359	1,394	11,517
Increase in trade notes and accounts receivables	(4,666)	(1,162)	(39,542)
Increase in inventories	(458)	(2,443)	(3,881)
Increase in trade notes and accounts payables	8,958	1,686	75,915
Other	1,997	(1,448)	16,924
	32,422	14,878	274,763
Interest and dividend received	61	66	517
Interest expense paid	(1,359)	(1,453)	(11,517)
Income taxes paid	(6,677)	(7,429)	(56,585)
Net cash provided by operating activities	24,447	6,062	207,178
Cash flows from investing activities :			
Proceeds from sales of investment securities	—	2,351	—
Payments for purchase of property, plant and equipment	(17,371)	(6,292)	(147,212)
Other	(790)	(371)	(6,695)
Net cash used in investing activities	(18,161)	(4,312)	(153,907)
Cash flows from financing activities :			
Decrease in short-term debts, net	(1,322)	(4,661)	(11,203)
Proceeds from long-term debts	8,413	4,350	71,297
Repayment of long-term debts	(11,780)	(10,875)	(99,831)
Proceeds from issuance of common stock	—	12,992	—
Cash dividends paid	(1,658)	(3,724)	(14,051)
Other	(53)	49	(449)
Net cash used in financing activities	(6,400)	(1,869)	(54,237)
Effect of exchange rate changes on cash and cash equivalents	44	40	373
Net decrease in cash and cash equivalents	(70)	(79)	(593)
Cash and cash equivalents at beginning of year	5,953	6,032	50,449
Cash and cash equivalents at end of year	¥ 5,883	¥ 5,953	$ 49,856

Note : The rate of ¥118=U.S. $1, the approximate rate of exchange on March 31, 2007, has been used for the purpose of translation.

Furukawa Electric Co., Ltd.
(The Light Metal Division)

June 1896	Yokohama Electric Cable Manufacturing established (later changed its name to Furukawa Electric Co., Ltd.)
1921	Started test production of duralumin
1926	Started production of duralumin sheets
1933	Opened aluminum plate production plant in Nikko
June 1944	Opened the Oyama Plant
May 1952	Opened the current Nikko Plant
December 1957	Acquired shares of Nippon Foil Mfg. Co., Ltd. (currently a consolidated subsidiary of the Company)
August 1959	Established Furukawa Aluminum Co., Ltd. jointly with an equity partner, Alcoa Inc. (U.S.)
July 1960	Acquired shares of Nippon Light Metal Mfg. Co., Ltd. (currently Nikkei Kakoh Co., Ltd., a consolidated subsidiary of the Company)
July 1968	Opened the Shiga Plant of Furukawa Aluminum Co., Ltd. (currently Furukawa-Sky Shiga Corp., a consolidated subsidiary of the Company)
September 1968	Established HIGASHI NIHON TANZO Co., Ltd. (currently a consolidated subsidiary of the Company)
July 1973	Established FURUKAWA COLOR ALUMINUM CO., LTD. (currently a consolidated subsidiary of the Company)
May 1983	Opened the Fukui Plant of Furukawa Aluminum Co., Ltd. (currently the Fukui Plant of the Company)
November 1992	Established FURUKAWA ALUMINUM COIL CENTER CO., LTD. (currently ACE21 Corp., a consolidated subsidiary of the Company)
October 1993	Acquired Furukawa Aluminum Co., Ltd. and merged with the company
August 1998	Established a subsidiary in Indonesia, PT. Furukawa Indal Aluminum

SKY Aluminum Co., Ltd.

December 1964	Established SKY Aluminum Co., Ltd. as a joint venture of Showa Denko K.K., Yawata Steel Works (currently Nippon Steel Corp.), and Kaiser Aluminum Corp. (U.S.)*
April 1967	Opened the Fukaya Plant
December 1976	Established SKY SERVICE Co., Ltd. (currently a consolidated subsidiary of the Company)
February 1979	Established Yamato Light Metal Mfg. Co., Ltd. (currently ACE21 Corp., a consolidated subsidiary of the Company)
March 1990	Established SYSTEM SKY Co., Ltd. (currently a consolidated subsidiary of the Company)
	Established SKY TECHNO Co., Ltd. (currently Furukawa-Sky Techno Co., Ltd., a consolidated subsidiary of the Company)
June 1993	Established ALUMINIUM CENTER Co., Ltd. (currently ACE21 Corp., a consolidated subsidiary of the Company)
September 1995	Established LCOMPO Co., Ltd. (currently a consolidated subsidiary of the Company)
June 1997	Relocated the head office from Chuo-ku, Tokyo to Sumida-ku, Tokyo
January 1998	Formed on alliance with Furukawa Electric Co., Ltd. in the aluminum business
October 1998	Established ALFUS LIMITED a joint venture with Furukawa Electric Co., Ltd.
March 2000	Established UNIFUS ALUMINUM CO., LTD.

*In 1973, Kaiser Aluminum Corp. ceased to be our equity partner.

Furukawa-Sky Aluminum Corp.

October 2003	SKY Aluminum Co., Ltd. merged with the Light Metal Division of Furukawa Electric Co., Ltd. and was reorganized as Furukawa-Sky Corp.
December 2003	Acquired ALUMINIUM CENTER Co., Ltd., FURUKAWA ALUMINUM COIL CENTER CO., LTD. and Yamato Light Metal Co., Ltd. and reorganized the companies as ACE21 Corp. (currently a consolidated subsidiary of the Company)
April 2005	Acquired UNIFUS ALUMINUM CO., LTD. and merged if with the Company
	Established a subsidiary in China, Furukawa-Sky Aluminum (Tianjin) Corp. (currently a consolidated subsidiary of the Company)
December 2005	Listed the shares of the Company on the First Section of the Tokyo Stock Exchange
January 2006	Established a subsidiary in Vietnam, Furukawa-Sky Aluminum (Vietnam) Inc. (currently a consolidated subsidiary of the Company)
February 2006	Relocated the head office from Sumida-ku, Tokyo to Chiyoda-ku, Tokyo
January 2007	Established FS Green-net., Ltd. to support the independence of people with disabilities
February 2007	Established local subsidiary AFSEL S.A. in Greece in a joint venture

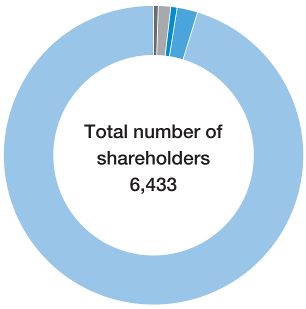
Stock Information

Stock Information (March 31, 2007)

	2006.3	2007.3
Total number of shares issued and outstanding	227,100,000	227,100,000
Total number of shareholders	8,944	6,433

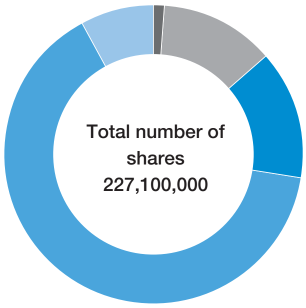
Distribution of Stocks (March 31, 2007)

Number of Shareholders by Shareholder Category



- Securities companies 32 (0.50%)
- Foreign corporations 86 (1.34%)
- Financial institutions 44 (0.68%)
- Domestic corporations, others 143 (2.22%)
- Individuals and others 6,128 (95.26%)

Number of Shares by Shareholder Category



- Securities companies 2,665 (1.17%)
- Foreign corporations 28,128 (12.39%)
- Financial institutions 31,676 (13.95%)
- Domestic corporations, others 146,600 (64.55%)
- Individuals and others 18,028 (7.94%)

Information for Shareholders

Fiscal year	From April 1 to March 31
Ordinary general meeting of shareholders	June
Record dates	Year-end dividend March 31 Interim dividend September 30
Number of shares issued	227,110,000 shares
Shareholding unit	1,000 shares
Transfer agent	Mizuho Trust & Banking Co., Ltd., 2-1 Yaesu 1-chome, Chuo-ku, Tokyo 103-8670
Transfer agent handling office (inquiries and mail)	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd., 2-1 Yaesu 1-chome, Chuo-ku, Tokyo 103-8670
Intermediary office	All domestic branch offices of Mizuho Trust & Banking Co., Ltd. Head office and all domestic branch offices of Mizuho Investors Securities Co., Ltd.
Securities code	5741
Stock exchange	Tokyo Stock Exchange, First Section
Public announcements	Electronic notification Http://www.furukawa-sky.co.jp/ (In the event that electronic notification of public announcements is impossible owing to an unavoidable reason, public announcements will be published in the Nihon Keizai Shimbun.)

Furukawa-Sky Aluminum Corp.
12th Floor, Akihabara UDX, 14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo 101-8970, Japan
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