



Fact Book 2008

For the year ended March 31, 2008

 **Furukawa-Sky Aluminum Corp.**

Management Philosophy

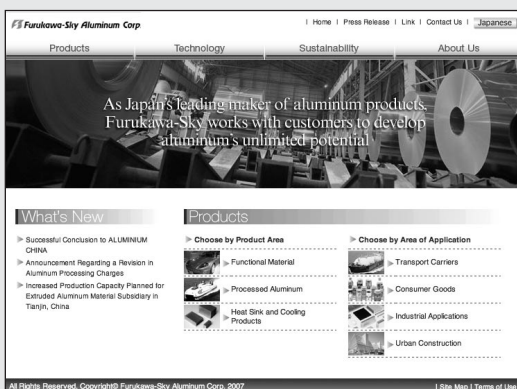
Furukawa-Sky advances its business by providing environmentally sound aluminum products that contribute to the community under the guidance of our management philosophy.

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, 2008)

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:	¥ 16,528.4 million
Employees:	2,081

Website Information



http://www.furukawa-sky.co.jp/english/en_index.htm

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 sale of non-ferrous metal products

Consolidated subsidiaries

ACE21 Corp.

Fukaya-shi, Saitama
Cutting and sales of aluminum sheets

Furukawa-Sky Shiga Corp.

Omiachiman-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 general thick plate, 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, high-precision extrusions
- 5. Casting and Forging Plant** Has one of Asia's largest presses (15,000t). Produces large forged products and high-precision cast products.

Global expansion utilizing accumulated know-how

Furukawa-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.

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) Inc.

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)



Compressor wheels

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.)

Domestic Production Network

1 Fukui Plant

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

3 Nikko Plant

Overview	Manufacture of sheet products
Principal products	Automotive heat exchanger materials Memory disk materials
Location	Nikko-shi, Tochigi

2 Fukaya Plant

Overview	Manufacture of sheet products
Principal products	Printing plates Plate for IT applications Automotive materials
Location	Fukaya-shi, Saitama

4 Oyama Plant

Overview	Manufacturing of extruded products
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 Casting and Forging Plant

Overview	Manufacturing of cast and forged products
Principal products	Cast products for the transportation field Forged products for the electronics field
Location:	Oyama-shi, Tochigi

6 Furukawa-Sky Shiga

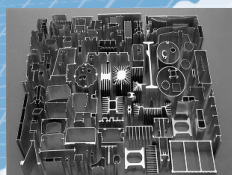
(Furukawa-Sky Shiga Corp.)	
Overview	Manufacture of extrusions
Principal products	Automotive heat exchanger materials Photoconductive drum materials
Location	Omi-Hachiman-shi, Shiga

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.



Rolling mill materials



Extruded materials



Forgings

4

AFSEL S.A.

2

Furukawa-Sky Aluminum (Tianjin) Corp.

3

Furukawa-Sky Aluminum (Vietnam) Inc.

1

PT.Furukawa Indal Aluminum

Consolidated Financial Highlights

5

8

2

0

0

0

0

0

0

0

0

0

0

0

0

0

0

0

0

0

0

0

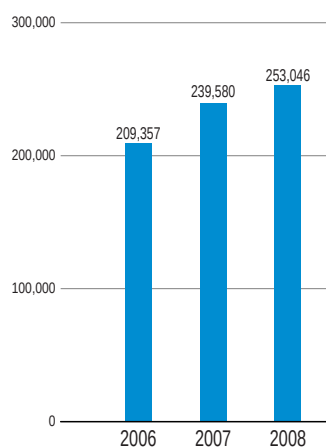
0

0

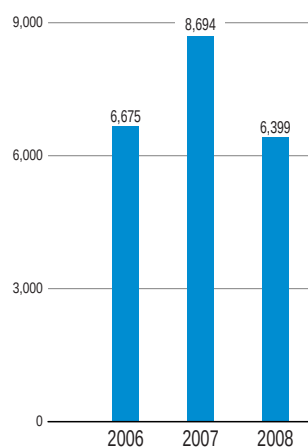
0

Consolidated Financial Highlights Furukawa-Sky Aluminum Corp. and Its Subsidiaries				
For the years ended March 31, 2006, 2007 and 2008	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Net sales	253,046	239,580	209,357	2,530,460
Operating income	13,734	16,459	14,396	137,340
Net income	6,399	8,694	6,675	63,990
Total assets	234,399	245,661	232,618	2,343,990
Total shareholders' equity	73,705	69,121	62,090	737,050

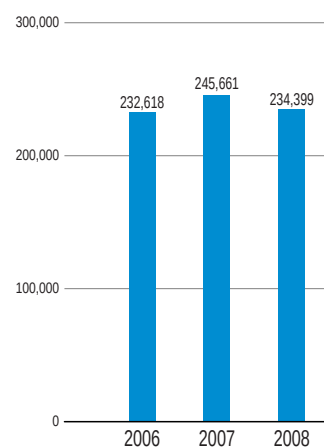
■ Net sales (Millions of yen)



■ Net income (Millions of yen)



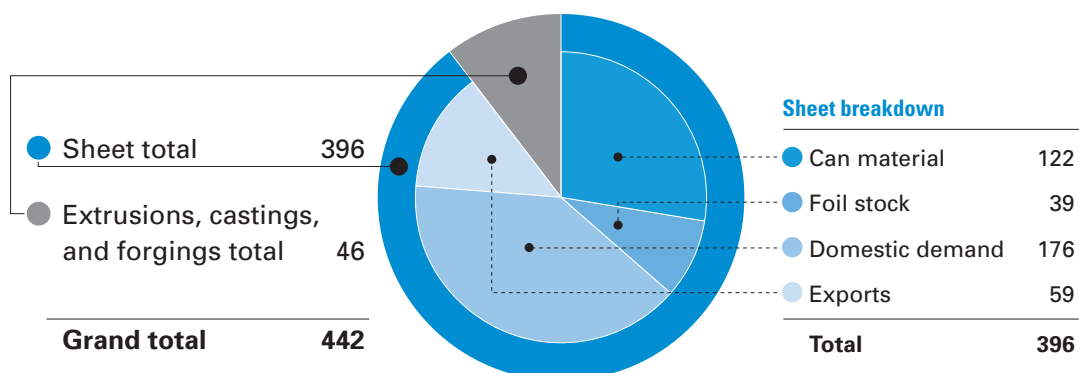
■ Total assets (Millions of yen)



Notes 1) The above financial data is an extract of Furukawa-Sky Aluminum Corp. and its subsidiaries consolidated financial statements year ended March 31, 2007 and 2008, with Independent Auditors' Report.

Notes 2) The rate of ¥100=U.S. \$1, the approximate rate of exchange on March 31, 2008, has been used for purpose of translation.

Unit Sales Contribution by Product Type (Thousands of tons)			
For the years ended March 31, 2006, 2007 and 2008	2008.3	2007.3	2006.3
Sheet total	396	397	380
Can material	122	121	123
Foil stock	39	43	41
Domestic demand	176	188	173
Exports	59	45	43
Extrusions, castings, and forgings total	46	47	47
Total	442	444	427



Consolidated Balance Sheets Furukawa-Sky Aluminum Corp. and Its Subsidiaries			
	Millions of yen		Thousands of U.S. dollars
At March 31, 2008 and 2007	2008	2007	2008
ASSETS			
Current assets :			
Cash and bank deposits	¥ 4,556	¥ 6,176	\$ 45,560
Trade notes and accounts receivable	66,067	74,093	660,670
Inventories	33,905	31,503	339,050
Deferred income taxes	486	1,079	4,860
Other current assets	2,387	5,361	23,870
Total current assets	107,401	118,212	1,074,010
Non-current assets:			
Investments and long-term loans	2,520	3,578	25,200
Property, plant and equipment, net of accumulated depreciation	114,665	113,953	1,146,650
Deferred income taxes	6,798	6,602	67,980
Other assets	3,015	3,316	30,150
Total non-current assets	126,998	127,449	1,269,980
Total	¥ 234,399	¥ 245,661	\$ 2,343,990
LIABILITIES AND NET ASSETS			
Current liabilities :			
Short-term debt	¥ 28,094	¥ 29,354	\$ 280,940
Current portion of long-term debt	13,296	7,799	132,960
Trade notes and accounts payable	54,297	62,264	542,970
Accrued expenses	8,619	8,943	86,190
Accrued income taxes	1,685	3,609	16,850
Other current liabilities	809	697	8,090
Total current liabilities	106,800	112,666	1,068,000
Long-term liabilities:			
Long-term debt	32,753	42,720	327,530
Accrued retirement benefits for employees	15,473	15,512	154,730
Reserve for environmental costs	370	646	3,700
Other non-current liabilities	1,251	921	12,510
Total long-term liabilities	49,847	59,799	498,470
Contingent liabilities			
Net assets			
Shareholders' equity			
Common stock			
Authorized shares, 400,000 thousand in 2008 and 2007			
Issued shares, 227,100 thousand in 2008 and 2007	16,528	16,528	165,280
Capital surplus	35,184	35,184	351,840
Retained earnings	21,993	17,410	219,930
Common treasury stock, at cost			
1,178 thousand in 2008			
928 thousand in 2007	(1)	(1)	(10)
Total shareholders' equity	73,704	69,121	737,040
Valuation, translation adjustments and other ;			
Unrealized (losses) gains on available-for-sale securities	(99)	474	(990)
Deferred gains on derivatives under hedge accounting	1,257	855	12,570
Foreign currency translation adjustments	82	137	820
Total valuation, translation adjustments and other	1,240	1,466	12,400
Minority interests	2,808	2,609	28,080
Total net assets	77,752	73,196	777,520
Total	¥ 234,399	¥ 245,661	\$ 2,343,990

Notes 1) The above financial data is an extract of Furukawa-Sky Aluminum Corp. and its subsidiaries consolidated financial statements year ended March 31, 2008, with Independent Auditors' Report.

Notes 2) The rate of ¥100=U.S. \$1, the approximate rate of exchange on March 31, 2008, has been used for purpose of translation.

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

For the years ended March 31, 2008 and 2007	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Net sales	¥ 253,046	¥ 239,580	\$ 2,530,460
Cost of sales	222,541	207,914	2,225,410
Gross profit	30,505	31,666	305,050
Selling, general and administrative expenses	16,771	15,207	167,710
Operating income	13,734	16,459	137,340
Other income (expenses) :			
Interest and dividends income	88	61	880
Interest expense	(1,508)	(1,359)	(15,080)
Gain on sales of investment securities	—	0	—
Government grant	565	66	5,650
Loss on disposal of property, plant and equipment, net	(631)	(237)	(6,310)
Loss on impairment of property, plant and equipment	(667)	—	(6,670)
Environmental costs	(58)	(234)	(580)
Compensation for damaged products	(308)	(283)	(3,080)
Other, net	(40)	25	(400)
	(2,559)	(1,961)	(25,590)
Income before income taxes and minority interests	11,175	14,498	111,750
Income taxes :			
Current	3,883	6,325	38,830
Deferred	567	(669)	5,670
	4,450	5,656	44,500
Minority interests in income of consolidated subsidiaries	326	148	3,260
Net income	¥ 6,399	¥ 8,694	\$ 63,990

	yen		U.S. dollars
Per share information			
Basic net income	¥ 28.18	¥ 38.28	\$ 0.28
Diluted net income	—	—	—
Cash dividends applicable to the year	¥ 8.00	¥ 8.00	\$ 0.08
Net assets	¥ 330.01	¥ 310.82	\$ 3.30

Notes 1) The above financial data is an extract of Furukawa-Sky Aluminum Corp. and its subsidiaries consolidated financial statements year ended March 31, 2008, with Independent Auditors' Report.

Notes 2) The rate of ¥100=U.S. \$1, the approximate rate of exchange on March 31, 2008, has been used for purpose of translation.

Consolidated Statements Of Cash Flows Furukawa-Sky Aluminum Corp. and Its Subsidiaries			
For the years ended March 31, 2008 and 2007	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Cash flows from operating activities :			
Income before income taxes and minority interests	¥ 11,175	¥ 14,498	\$ 111,750
Adjustments for :			
Depreciation and amortization	10,883	8,076	108,830
Loss on impairment of property, plant and equipment	667	—	6,670
Loss on sales of investment securities	—	18	—
Loss on disposal of property, plant and equipment	631	240	6,310
Government grant	(565)	(66)	(5,650)
Decrease in advance payment	3,681	2,483	36,810
(Decrease) increase in accrued retirement benefits for employees	(39)	342	(390)
Decrease in accrued expenses	(329)	(364)	(3,290)
Interest and dividends income	(88)	(61)	(880)
Interest expense	1,508	1,359	15,080
Decrease (increase) in trade notes and accounts receivable	8,308	(4,666)	83,080
Increase in inventories	(2,423)	(458)	(24,230)
(Decrease) increase in trade notes and accounts payables	(4,291)	8,958	(42,910)
Other	(326)	2,063	(3,260)
	28,792	32,422	287,920
Interest and dividends received	88	61	880
Interest expense paid	(1,502)	(1,359)	(15,020)
Income taxes paid	(5,546)	(6,677)	(55,460)
Net cash provided by operating activities	21,832	24,447	218,320
Cash flows from investing activities :			
Payments for purchase of property, plant and equipment	(16,048)	(17,371)	(160,480)
Proceeds of government grant	565	66	5,650
Other	(219)	(856)	(2,190)
Net cash used in investing activities	(15,702)	(18,161)	(157,020)
Cash flows from financing activities :			
Decrease in short-term debts, net	(1,246)	(1,322)	(12,460)
Proceeds of long-term debt	14,409	8,413	144,090
Repayment of long-term debt	(18,857)	(11,780)	(188,570)
Cash dividends paid	(1,816)	(1,658)	(18,160)
Other	(21)	(53)	(210)
Net cash used in financing activities	(7,531)	(6,400)	(75,310)
Effect of exchange rate changes on cash and cash equivalents	(16)	44	(160)
Net decrease in cash and cash equivalents	(1,417)	(70)	(14,170)
Cash and cash equivalents at beginning of year	5,883	5,953	58,830
Cash and cash equivalents at end of year	¥ 4,466	¥ 5,883	\$ 44,660

Notes 1) The above financial data is an extract of Furukawa-Sky Aluminum Corp. and its subsidiaries consolidated financial statements year ended March 31, 2008, with Independent Auditors' Report.

Notes 2) The rate of ¥100=U.S. \$1, the approximate rate of exchange on March 31, 2008, has been used for 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

*Alcoa Inc. withdrew its investment in 1985.

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.

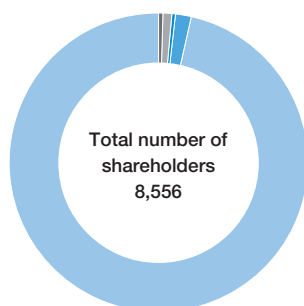
October 2003	SKY Aluminum Co., Ltd. merged with the Light Metal Division of Furukawa Electric Co., Ltd. and was reorganized as Furukawa-Sky Corp.
December 2003	Acquired ALUMINIUM CENTER Co., Ltd., FURUKAWA ALUMINUM COIL CENTER CO., LTD. and Yamato Light Metal Co., Ltd. and reorganized the companies as 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 (At March, 31)

	2006	2007	2008
Total number of shares issued and outstanding	227,100,000	227,100,000	227,100,000
Total number of shareholders	8,944	6,433	8,556

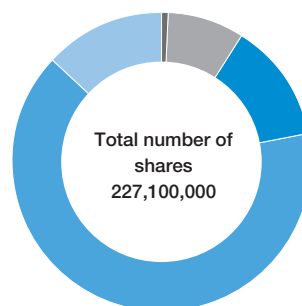
Distribution of Stocks (March 31, 2008)

Number of Shareholders by Shareholder Category



■ Securities companies	40 (0.47%)	■ Domestic corporations, others	146 (1.70%)
■ Foreign corporations	82 (0.96%)	■ Individuals and others	8,255 (96.48%)
■ Financial institutions	33 (0.39%)		

Number of Shares by Shareholder Category



■ Securities companies	1,614 (0.71%)	■ Domestic corporations, others	147,573 (64.98%)
■ Foreign corporations	18,823 (8.29%)	■ Individuals and others	29,692 (13.07%)
■ Financial institutions	29,397 (12.95%)		

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	227,100,000 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.	
Stock exchange	Tokyo Stock Exchange, First Section	
Securities code	5741	
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

TEL 81-3-5295-3800 FAX 81-3-5295-3760

http://www.furukawa-sky.co.jp/english/en_index.htm