

Note: Changes in dividend forecast during the quarter under review: No

3. Forecast for consolidated business performance in the term ending March 31, 2012

(From April 1 2011 to March 31, 2012)

(% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥
Full year	194,300	(6.2)	6,400	(48.1)	6,200	(46.9)	4,000	(66.6)	17.61

Note: Revisions to consolidated business performance forecasts during the quarter under review: No

4. Others

(1) Changes in significant subsidiaries during the period: No

(2) Application of particular accounting procedures to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in estimates, or restatements

a. Changes in accounting policies owing to revisions in accounting standards: No

b. Changes in accounting policies other than a. above: No

c. Changes in accounting estimates: No

d. Restatements: No

(4) Number of shares outstanding (common stock)

a. Number of shares issued at the end of the period (including treasury stock)

As of December 31, 2011 227,100,000 shares

As of March 31, 2011 227,100,000 shares

b. Number of shares of treasury stock at the end of the period

As of December 31, 2011 12,273 shares

As of March 31, 2011 12,273 shares

c. Average number of shares outstanding during the period (calculated cumulatively from the beginning of the fiscal year)

For the nine months ended December 31, 2011 227,087,727 shares

For the nine months ended December 31, 2010 227,087,876 shares

(Disclosure of Implementation Status of Quarterly Review Procedures)

This earnings report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. The quarterly review procedure for consolidated financial statements under the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this report.

(Explanations or other items pertaining to appropriate use of operating result forecasts)

The operating results forecasts and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information available to the company at the time the results were announced. Actual performance may differ substantially from these projections due to fluctuations in the economy or a variety of other known and unknown factor.

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1. Qualitative Information on Results for the First Three Quarters Ended December 31, 2011

(1) Consolidated Business Performance

Looking at the Japanese economy during the first nine months of the fiscal year ending March 31, 2012, in the first quarter the Great East Japan Earthquake affected numerous industries, centered on the automotive sector. In the second quarter, companies that had been affected by the earthquake began to recover, but electric power restrictions during the summer months continued to impact production efficiency. Economic circumstances worsened overseas, owing to financial uncertainties stemming from a ratings downgrade on U.S. government debt, the Greek debt repayment crisis and other events in the European Union, share price declines in advanced countries, and depreciation of the U.S. dollar and the euro. Meanwhile, inflationary concerns caused interest rates to rise and growth to slow in emerging markets. During the third quarter, the eurozone debt crisis coupled with mounting financial uncertainties caused the yen to continue trading at historically high levels (dollar and euro depreciation). Growth leveled off in emerging markets, owing partly to falling exports to Europe. Furthermore, flooding in Thailand affected the automotive and electronic components industries (such as those involved in hard disk drives.)

Looking at demand in the rolled aluminum industry, of which the Group is a member, domestic demand for automotive items and printing plates fell off in the aftermath of the Great East Japan Earthquake. Exports also dropped as a result of the global economic slowdown, yen appreciation and the flooding in Thailand.

In line with overall demand for rolled aluminum, the Group's sales volume was down 10.6% year on year. These results reflected lower domestic demand for such products as automotive-related items, printing plates and hard disk drive materials, as well as lower exports.

As a result, third quarter consolidated total net sales were ¥146,177 million (down ¥10,514 million year-on-year), operating income was ¥5,808 million (down ¥3,526 million year on year), ordinary income was ¥5,510 million (down ¥3,239 million year on year), and quarterly net income was ¥2,777 million (down ¥4,109 million compared to Q3 last year).

(2) Consolidated Financial Position

(Total assets)

Total assets as of December 31, 2011 were ¥215,563 million (a decrease of ¥2,315 million compared to the end of the previous fiscal year). Of this figure, current assets amounted to ¥103,909 million, down ¥8,873 million from their level on March 31, 2011. This decline was mainly due to a ¥7,799 million decrease in short-term loans, stemming mostly from the increased acquisition of shares using repurchases and other surplus funds, as well as a ¥2,015 million decline in notes and accounts receivable-trade. Total noncurrent assets came to ¥111,653 million, up ¥6,558 million from March 31, 2011. The principal reasons for the rise were the acquisition of shares in a North American manufacturer of rolled aluminum and investment for the construction of a new plant in Thailand, which caused a ¥12,265 million expansion in investment securities, although total property, plant and equipment decreased ¥4,837 million.

(Liabilities)

Total liabilities as of December 31, 2011 were ¥145,982 million (a decrease of ¥1,988 million compared to the end of the previous fiscal year). Major factors include a ¥3,689 million decline in notes and accounts payable-trade, a ¥1,221 million decrease in the current portion of long-term loans payable, the provision for retirement benefits fell ¥1,031 million, and income taxes payable fell ¥1,017 million. Meanwhile, electronically recorded obligations grew ¥2,871 million, accounts payable-other rose ¥1,204 million, and other current liabilities expanded ¥1,022 million.

(Net assets)

Total assets were ¥69,580 million as of December 31, 2011, down ¥327 million compared with March 31, 2011. Among chief factors were a ¥901 million decrease in deferred gains or losses on hedges and a ¥784 million lower foreign currency translation adjustment, while retained earnings rose ¥1,414 million, owing to net income of ¥2,777 million for the first nine months and dividend payments of ¥1,363 million.

(3) Forecast for Consolidated Business Performance

There are no revisions to the consolidated results forecast announced on November 4.

2. Matters Relating to Summary Information (Other)

- (1) Application of particular accounting procedures to the preparation of quarterly consolidated financial statements

Not applicable

- (2) Additional Information

(Application of the Accounting Standard for Accounting Changes and Error Corrections)

Furukawa-Sky began applying the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24,) both released on December 4, 2009, since the beginning of Q1 of the current fiscal year when changes in accounting policies and corrections of prior period errors are made.

(Effects of Changes in the Corporate Income Tax Rate)

Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114, 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117, 2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from the fiscal year beginning on April 1, 2012. As a result of these changes in the tax rate, deferred tax assets (the amount remaining after subtracting deferred tax liabilities) were ¥413 million lower, and income taxes-deferred were ¥400 million higher.

Additionally, beginning from the fiscal year starting on April 1, 2012, the use of tax loss carryforwards will be limited to the equivalent of 80% of taxable income before deducting tax loss carryforwards. The effect of this change on the Group's performance is slight.

- (3) Changes in the Scope of Consolidation and Companies Accounted for under the Equity Method

The importance of Tri-Arrows Aluminum Holding Inc. increased, owing to the August 2011 acquisition of this company's shares. Consequently, Tri-Arrows Aluminum Holding Inc. and Tri-Arrows Aluminum Inc. were included in the Group's equity-method affiliates from the second quarter of the fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2011)	FY2012 3rd Quarter (Term ended December 31, 2011)
Assets		
Current assets		
Cash and deposits	4,747	5,457
Notes and accounts receivable-trade	58,159	56,144
Merchandise and finished goods	4,711	5,994
Work in process	8,982	9,467
Raw materials and supplies	11,521	10,402
Deferred tax assets	1,366	1,160
Short-term loans receivable	17,598	9,799
Accounts receivable-other	5,168	4,853
Other	647	747
Allowance for doubtful accounts	(117)	(115)
Total current assets	112,782	103,909
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	21,494	20,551
Machinery, equipment and vehicles, net	28,012	22,650
Land	36,393	36,387
Construction in progress	1,119	2,658
Other, net	2,398	2,334
Total property, plant and equipment	89,417	84,580
Intangible assets		
Goodwill	640	494
Software	1,145	1,050
Other	105	102
Total intangible assets	1,890	1,645
Investments and other assets		
Investment securities	4,777	17,042
Long-term prepaid expenses	246	212
Deferred tax assets	4,538	3,872
Other	4,406	4,356
Allowance for doubtful accounts	(179)	(53)
Total investments and other assets	13,789	25,428
Total noncurrent assets	105,096	111,653
Total assets	217,878	215,563

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2011)	FY2012 3rd Quarter (Term ended December 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	41,217	37,529
Electronically recorded obligations	751	3,622
Short-term loans payable	27,375	27,551
Current portion of bonds	270	215
Current portion of long-term loans payable	3,219	1,998
Accounts payable-other	4,934	6,138
Accrued expenses	8,085	8,211
Income taxes payable	1,196	180
Accrued consumption taxes	493	256
Other	628	1,650
Total current liabilities	88,169	87,349
Noncurrent liabilities		
Bonds payable	186	254
Long-term loans payable	45,808	45,768
Provision for retirement benefits	10,948	9,917
Provision for directors' retirement benefits	129	119
Deferred tax liabilities	50	41
Provision for environment measures	198	185
Provision for restructuring	755	754
Other	1,728	1,596
Total noncurrent liabilities	59,802	58,634
Total liabilities	147,971	145,982
Net assets		
Shareholders' equity		
Capital stock	16,528	16,528
Capital surplus	35,184	35,184
Retained earnings	18,284	19,699
Treasury stock	(2)	(2)
Total shareholders' equity	69,995	71,409
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	193	125
Deferred gains or losses on hedges	157	(745)
Foreign currency translation adjustment	(982)	(1,766)
Total accumulated other comprehensive income	(633)	(2,386)
Minority interests	546	558
Total net assets	69,907	69,580
Total liabilities and net assets	217,878	215,563

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statement of Income

(Millions of yen)

	FY2011 3rd Quarter (From April 1, 2010 to December 31, 2010)	FY2012 3rd Quarter (From April 1, 2011 to December 31, 2011)
Net sales	156,690	146,177
Cost of sales	134,595	128,012
Gross profit	22,095	18,165
Selling, general and administrative expenses	12,761	12,357
Operating income	9,334	5,808
Non-operating income		
Equity in earnings of affiliates	300	366
Other	294	318
Total non-operating income	593	684
Non-operating expenses		
Interest expenses	862	826
Other	316	156
Total non-operating expenses	1,179	982
Ordinary income	8,749	5,510
Extraordinary income		
Gain on sales of noncurrent assets	13	8
Repayment of allowance for doubtful accounts	39	—
Other	14	0
Total extraordinary income	66	8
Extraordinary loss		
Loss on retirement of noncurrent assets	65	91
Loss on valuation of investment securities	16	200
Impairment charge	226	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	710	—
Other	37	47
Total extraordinary losses	1,054	338
Income before income taxes and minority interests	7,761	5,180
Income taxes-current	435	789
Income taxes-deferred	348	1,540
Total income taxes	783	2,330
Income before minority interests	6,978	2,850
Income of minority shareholders	92	73
Net income	6,886	2,777

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2011 3rd Quarter (From April 1, 2010 to December 31, 2010)	FY2012 3rd Quarter (From April 1, 2011 to December 31, 2011)
Income before minority interests	6,978	2,850
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(68)
Deferred gains (losses) on hedges	(380)	(813)
Foreign currency translation adjustment	(244)	(175)
Share of other comprehensive income of associates accounted for using equity method	(315)	(726)
Total other comprehensive income	(954)	(1,782)
Comprehensive income	6,023	1,068
(Attributable to)		
Parent company shareholders	5,972	1,024
Minority interests	51	44

(3) Notes on the Assumption of a Going Concern

Not applicable

(4) Notes in the Event of Significant Changes in the Amount of Shareholders' Equity

Not applicable