Financial Results for the Term Ended March 2011
[According to Japanese Accounting Standards] (Consolidated)

May 10, 2011

Name of Listed Company Furukawa-Sky Aluminum Corp. Stock Exchange Listings Tokyo
Code Number 5741 URL http://www.furukawa-sky.co.jp/english/en_index.htm
Representative (Title) President and Chief Executive Officer
(Name) Masateru Yoshihara
Contact Person (Title) Director
(Name) Hisashi Hasegawa Phone +81-3-5295-3800

Scheduled Date for Ordinary General Meeting of Shareholders June 23, 2011
Scheduled Date of Dividend Distribution June 24, 2011
Scheduled Date for Submitting Financial Statements June 23, 2011
Supplementary Financial Information : No
Financial Results Presentation Meeting : Yes (For Securities Analysts)

Note: Figures have been rounded down to the nearest million yen.

1. Consolidated Business Performance for the Term Ended March 2011 (from April 1, 2010 to March 31, 2011)

(1) Consolidated business performance (% indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
April 1, 2010 – March 31, 2011	207,223	11.7	12,338	–	11,680	–	11,968	–
April 1, 2009 – March 31, 2010	185,588	(18.8)	572	(31.1)	(660)	–	(770)	–

(Note) Comprehensive income for the fiscal year ended March 31, 2011: ¥11,440 million (148.6%)
For the fiscal year ended March 31, 2010: ¥4,602 million (-%)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income-total assets ratio	Operating income-sales ratio
	¥	¥	%	%	%
April 1, 2010 – March 31, 2011	52.70	–	18.6	5.6	6.0
April 1, 2009 – March 31, 2010	(3.39)	–	(1.3)	(0.3)	0.3

(Reference) Profit based on equity-method investment balance was ¥355 million as of March 31, 2011; Loss on this basis was ¥87 million as of March 31, 2010.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of:	¥million	¥million	%	¥
March 31, 2011	217,878	69,907	31.8	305.44
March 31, 2010	200,176	59,617	29.5	260.39

(Reference) Shareholders' equity: ¥69,362 million as of March 31, 2011,
¥59,131 million as of March 31, 2010

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Outstanding balance of cash and cash equivalents as of the end of term
	¥million	¥million	¥million	¥million
April 1, 2010 – March 31, 2011	20,434	(7,070)	2,700	20,115
April 1, 2009 – March 31, 2010	13,337	(12,509)	(190)	4,111

2. Dividends

	Cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Net asset payout ratio (Consolidated)
(Entitlement date)	1st quarter	2nd quarter	3rd quarter	Year-end	Annual			
Year ended/ending:	¥	¥	¥	¥	¥	¥million	%	%
March 31, 2011	—	0.00	—	2.00	2.00	454	—	0.8
March 31, 2012	—	3.00	—	3.00	6.00	1,363	11.4	2.1
March 31, 2012 (Forecasts)	—	3.00	—	3.00	6.00		19.8	

3. Forecast for consolidated business performance in the term ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Percentage figures represent changes from the corresponding periods of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥
First half	101,700	(4.1)	6,000	(15.9)	5,700	(15.8)	4,000	(26.4)	17.61
Full year	203,900	(1.6)	10,500	(14.9)	10,300	(11.8)	6,900	(42.3)	30.38

4. Other

(1) Changes in significant subsidiaries during the term (Changes in the scope of consolidation of specific subsidiaries): No

(2) Changes in accounting policies, processes, presentation methods, etc., related to the preparation of consolidated financial statements (significant changes for the consolidated financial statements)

a. Changes owing to revisions in accounting standards : Yes

b. Changes other than a. above: Yes

Note: For details, please refer to the "Significant changes for the consolidated financial statements" on page 20.

(3) Number of shares outstanding (common stock)

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

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

As of March 31, 2010 227,100,000 shares

b. Shares of treasury stock at the end of the period

As of March 31, 2011 12,273 shares

As of March 31, 2010 12,107 shares

c. Average number of shares issued and outstanding

For the year ended March 31, 2011 227,087,842 shares

For the year ended March 31, 2010 227,090,227 shares

Note: For the number of shares used as the basis for computing net income per share (consolidated), please refer to the section entitled Per-Share Information on page 22.

(Indication of audit procedure implementation status)

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

(Cautionary note concerning forward-looking statements)

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 factors.

Please refer to the section entitled “1. Business Performance (a) Analysis of Business Performance” on page 2 for information concerning assumptions forming the bases of performance forecasts.

List of attachments

1. Business Performance

(a) Analysis of Business Performance

(Results for the Term Ended March 31, 2011)

The global economy during the year under review was marked by steady movement toward recovery among the developed countries, with growth in the economies of developing countries.

While the Japanese economy also began to pick up, the recovery remained dependent on external factors, with future direction unclear due to issues of concern such as the strong yen and rapid oil price increases. The Great East Japan Earthquake that struck on March 11 had an enormous impact on the lives and industries in the Tohoku and Kanto areas where the damage was focused, and is also expected to strongly affect the economy as a whole due to impending power supply problems.

Deliveries of rolled aluminum products were up in comparison to the previous fiscal year in most categories, such as automotive, electrical equipment, wholesale and retail, due to the recovery of the global economy that began in the second half of the year before last. Signs of a decline in business were seen in the third quarter due to factors such as a drop in domestic vehicle sales caused by the cessation of government subsidiaries for eco-car purchases, but business rallied in the fourth quarter due to demand in the developing economies and the US, resulting in an overall improvement of 9% over the previous fiscal year.

Amidst this environment, the Group’s first half sales volume was 22% higher overall than in the same period in the previous fiscal year, led by beverage can stock, with the majority of other categories, such as automotive heat exchanger materials, memory disk materials, and sheet for LCDs and semiconductors broadly improving over last year. As we entered the second half, sales of automotive heat exchanger materials and memory disk materials, which had been firm, turned negative in the third quarter, but nonetheless in the fourth quarter sales of automotive heat exchanger materials recovered and foil stock sales gained, leading to an improvement over the same period in the previous year. Second half sales results were overall 3% higher than those for the same period in the previous year, with a 12% year-on-year improvement overall.

In April 2010 the Group announced a new Medium-Term Plan targeting major new gains, which come to its conclusion in fiscal 2013. In the interim we have made progress in structural reforms of our sheet business at the Nikko plant, strengthening our business foundation while making appropriate moves into growing overseas markets as we steadily respond to major changes in our economic environment. The establishment of business offices in Germany and a sales network in China are facets of expansion of our overseas presence. We have also been enhancing growth-product and next-generation product businesses such as battery technology, with our advances in that field exhibited at the 2nd International Rechargeable Battery Expo.

In the P/L category, a extraordinary loss on existing assets due to the change of accounting standards related to asset retirement obligations of ¥710 million was booked, but nevertheless as a result of sales volume recovery, as well as the rationalization of our spot position and calculation of the amount of standalone deferred tax assets recoverable based upon Tax Effect Accounting, the Group booked income taxes-deferred in the amount of ¥2,889 million.

As a result, net sales for the consolidated fiscal year were ¥207,223 million (an 11.7% increase year-on-year), operating income was ¥12,338 million (previous fiscal year’s operating income: ¥572 million), ordinary income was ¥11,680 million (last year’s result was a loss of ¥660 million), and net income was ¥11,968 million (last year’s result was a net loss of ¥770 million).

Overseas net sales for the fiscal year ended March 31, 2011 were ¥35,989 million (the previous fiscal year’s net sales overseas were ¥29,819 million), with the share of consolidated net sales taken by overseas sales increasing 17.4% (the share of overseas sales among consolidated net sales in the fiscal year ended March 31, 2010 was 16.1%).

(Performance Forecasts)

Our forecast takes into consideration that while growth in the developing economies, primarily China, will continue to be strong, the direction of the developed economies, including the US and the EU, remains an open question. The future of the Japanese economy also remains unclear, given consideration of the impact of the imminent rise of the yen and a leap in oil prices. Also, the Great East Japan Earthquake not only had an enormous impact on the lives and industries in the Tohoku and Kanto areas where the damage was focused, but is also expected to strongly affect the economy as a whole due to impending power supply problems and instability in supplies of materials and parts. Therefore, we anticipate the persistence of an economic environment that does not warrant optimism.

Although the environment is severe, our Group has made progress in structural reforms of our sheet business and continues to cut costs by improving productivity, so as to achieve the goals of the new Medium-Term Plan which comes to a conclusion in fiscal 2013. By making investments that will eliminate production constraints we are taking our "first steps toward even more rapid progress," strengthening our business foundation by developing new products as we consider timely investments in growing overseas markets.

Also, although overall demand for aluminum products in Japan is expected to be tight due to the impact of the Great East Japan Earthquake and other factors, we will employ the benefits of maintaining a number of plants in Japan to the fullest, and plan to meet all of our production and supply responsibilities.

Our forecast results for the fiscal year ended March 31, 2012, which is the second year of our Medium-Term Plan, is for half-year total net sales of ¥101,700 million, operating income of ¥6,000 million, ordinary income of ¥5,700 million, and net income of ¥4,000 million, while forecast totals for the full year are net sales of ¥203,900 million, operating income of ¥10,500 million, ordinary income of ¥10,300 million, and net income of ¥6,900 million.

(b) Analysis of Financial Position

(Status of Assets, Liabilities and Equity as of March 31, 2011)

Consolidated total assets as of March 31, 2011 increased ¥17,701 million from the end of the previous fiscal year, reaching ¥217,878 million. Current assets increased by ¥23,543 million to ¥112,782 million, which was mainly due to an increase in short-term loans receivable of ¥17,576 million caused by repurchases, etc. of surplus funds. Fixed assets decreased year-on-year by ¥5,842 million to ¥105,096 million due mainly because while tangible fixed assets decreased ¥8,411 million, deferred tax assets increased ¥2,841 million.

Meanwhile, total liabilities increased ¥7,411 million year-on-year to ¥147,971 million, mainly because long-term debt increased ¥5,745 million, and accounts payable-trade increased ¥3,301 million.

Total net assets increased ¥10,291 million year-on-year to ¥69,907 million. This was mainly due to a posting of net income of ¥11,968 million, resulting in an increase in retained earnings of ¥10,832 million.

(Cash Flows)

Consolidated cash and cash equivalents on March 31, 2011, came to ¥20,115 million, ¥16,005 million more than the end of the preceding year.

Cash flows from operating activities, investing activities and financial activities at the end of the fiscal year ended March 31, 2011 are as follows:

(1) Net cash provided by (used in) operating activities

Net cash provided by operating activities was ¥20,434 million, or ¥7,097 million more than in the preceding fiscal year. Major sources of cash were income before income taxes and minority shares of ¥10,498 million and depreciation and amortization of ¥12,703.

(2) Net cash provided by (used in) investing activities

Net cash used in investing activities amounted to ¥7,070 million, or ¥5,439 million less than in the preceding fiscal year. The principal factors in this category were the purchase of property, plant and equipment, which used ¥4,635 million, and an increase in short-term loans receivable other than those used for repurchases of ¥2,000 million.

(3) Net cash provided by (used in) financing activities

Net cash used in financing activities was ¥2,700 million, or ¥2,890 million more than in the preceding fiscal year. Major factors included repayments of long-term debt of ¥4,651 million (despite proceeds from long-term debt of ¥9,120 million), and cash dividends paid used ¥1,135 million.

Reference: Trends in Cash Flow Related Indicators

	Term ended March 31, 2008	Term ended March 31, 2009	Term ended March 31, 2010	Term ended March 31, 2011
Shareholders' equity ratio (%)	32.0	28.4	29.5	31.8
Shareholders' equity ratio based on market value (%)	20.3	17.8	26.1	25.2
Interest-bearing debt coverage ratio (%)	3.4	5.1	5.5	3.8
Interest coverage ratio (times)	14.5	10.4	10.8	17.9

Shareholders' equity ratio: Shareholders' equity/total assets

Shareholders' equity ratio based on market value: Total market value of stock/total assets

Interest-bearing debt coverage ratio: Interest-bearing debt / cash flows

Interest coverage ratio: Cash flows/interest paid

Notes:

1. All calculated according to financial figures on a consolidated basis
2. The calculation of the total market value of stock is based on the total number of shares outstanding, excluding treasury stock.
3. "Cash flows" refers to cash flows from operations.
4. The scope of interest-bearing debt is all liabilities in the Consolidated Balance Sheets for which interest is payable.

(c) Basic Policy on Profit Distribution, and Dividends for the Current and Upcoming Fiscal Years

We believe in the importance of returning profits to shareholders in the form of dividends. While it is our basic policy to provide stable, sustainable dividends, we also take factors, including company performance, financing needs and future business developments intended to increase corporate value, into consideration when determining the dividend amount.

The Company plans to pay ¥3 per share for the year-end dividend.

We also expect to pay an interim dividend of ¥3 per share, and a total dividend of ¥6 per share for the year ending March 31, 2012.

(d) Business Risks

Our Group's results are affected by the economic conditions in the various markets in which we offer our goods and services. Potential risk factors pertaining to operating results, share price, and financial condition are as follows.

Any forward-looking statements contained in the following are based on the best information available to the Group at the end of that consolidated fiscal year.

(1) Economic climate and business trends

While our Group focuses on offering a product lineup characterized by technical superiority, as a comprehensive rolled aluminum manufacturer we aim to create a business foundation that does not depend on demand in a particular market sector for steady operating results. Nonetheless, our results can be affected by changes in the overall Japanese economy, as well as by stalling product demand or lower demand due to occurrences such as cool summers or warm winters.

(2) Materials procurement

Our Group's procurement of certain auxiliary materials, such as magnesium and silicon, is overconcentrated in China, mainly due to highly advantageous production costs. Also, the supply of some aluminum ingots (which are our main raw material) we use for special purposes is limited, so costs can rise due to factors at the producers themselves, so constraints on supply can occur.

(3) Fluctuations in material and fuel prices

Aluminum ingots (our Group's main raw material) are traded on the commodity markets, and as such prices can fluctuate beyond expectations due to global conditions and market trends. Product selling prices basically consist of "spot price + processing fees," and while according to rules decided in advance we anticipate being able for the most part to pass on costs due to spot market fluctuation to customers, in the event of sudden fluctuations not all of these costs can be passed on in the short term depending on the aforementioned rules and the purchase amount at that time. Also, there exist a few customers to whom the above fluctuation rules do not apply, so price adjustments may not occur on time. At the same time, rises in the prices of metal materials used to make alloys, as well as oil price increases, not to mention higher prices for the various secondary materials, result in higher fuel and processing costs, as well as broadly increased power costs. This can have an adverse effect on Group performance and financial condition.

(4) Exchange rate fluctuations

Currently, the elements of our business affected by exchange rates include the purchase of materials, mainly aluminum ingots, export sales, payment for equipment exported by foreign subsidiaries and the earnings dividend. Our Group seeks to make sure the effect on operating results of fluctuations in the forex markets is minor by entering into forex futures contracts, but greater-than-expected market fluctuations may have an adverse effect on our Group's operating results.

(5) Interest rate risk

The majority of our long-term interest-bearing debt is at a fixed rate of interest, and that which is at a variable rate of interest is covered by interest swaps taken in response to interest rate fluctuations, but it is still impossible to avoid rate fluctuation risk entirely. Interest rate fluctuations may have an adverse effect on our Group's operating results.

(6) Infringement of intellectual property and other third-party rights

Our Group strives to avoid infringing on third-party intellectual property or other rights in the course of developing, manufacturing, using or selling our products and software, or any of our other business activities. Our efforts include preliminary investigation, and when necessary we also employ means such as the purchase of usage rights. Nonetheless, there is no guaranty that disputes among third parties, such as lawsuits claiming infringement of third-party intellectual property or other rights, will not arise. Infringement of third-party rights may cause cessation of production and sales, as well as the payment of large damages or settlement monies. When such is unavoidable there is the possibility of an adverse effect on our Group's performance and financial condition.

(7) Product defects

Our Group provides products and services in accordance with the regulations and standards of Japan and other countries as well as the quality control standards we have developed over our many years in operation. Nonetheless, there is no guaranty that all of our products and services will be defect-free, or that we will not be forced to pay compensation for losses resulting from defects in the future. Defects in products such as drink cans and auto parts in particular may result in large additional costs. While we hold product liability insurance covering foreseeable risk, there is no guaranty that it will be sufficient to cover the final amount of damages. Product defects associated with large-scale compensation for loss or product liability may result in huge costs and have a serious effect on Group valuation, and may have an adverse effect on our Group's performance and financial condition.

(8) Asset impairment

Marked decreases in market prices for assets held by our Group as well decreases in the earning capacity produced from our assets may occur as a result of a worsening of the market situation or business environment. Such cases may result in impairment losses for those assets.

(9) Response to environmental issues

Our Group strives to use materials and maintain production environments in compliance with the environmental regulations of every area in which we operate, both within and outside Japan. Nonetheless, in certain cases we are compelled to bear costs associated with new cleanup or removal measures, such as dealing with soil contamination or asbestos removal resulting from past manufacturing practices. In such cases, we prioritize environmental improvements in such areas. Also, waste and byproducts are produced in the course of production. Our Group handles these items properly in compliance with all laws and regulations, but the strengthening of environmental laws may have an adverse effect on performance.

(10) Effect of accidents on operation

We conduct high-temperature, high-pressure operations using our main equipment, such as casting furnaces and hardening furnaces. We take all possible precautions to prevent accidents during the use of such equipment, but a serious accident could impair production and may have an adverse effect on performance.

(11) Changes in overseas political environments

Our Company carefully examines the operating environment and the possibility for business continuity when developing business in socialist countries, such as China and Vietnam, and politically unstable countries such as Indonesia and Thailand. Nonetheless, shifts in political direction may cause changes in exchange rate policy and tax incentives, as well as operational problems caused by social unrest. The manifestation of such unforeseeable risks may have a serious effect on the performance of our subsidiaries, as well as on the Group's investment in them.

(12) Fluctuation in prices of investment securities

Fluctuations in the prices of investment securities accompanying changes in the prices of listed stocks may have an adverse effect on our Group's performance.

The occurrence of phenomena other than those listed above which are currently unforeseeable may have an adverse effect on our Group's performance and financial condition.

(13) Natural disaster

A large-scale disaster such as an earthquake or typhoon may cause damage to Group's facilities, equipment, or personnel, as well as similarly cause damage at affiliate companies, and depending upon the severity of that damage may have a serious adverse effect on our Group's performance.

Furthermore, widespread damage such as that caused by the Great East Japan Earthquake in March 2011 can be anticipated to cause production decreases on the part of our customers due to materials supply interruptions and other problems, and therefore may have a not inconsequential impact on Group sales and performance.

The Great East Japan Earthquake caused some damage to Group manufacturing centers, as well as to our affiliates, located in the Tohoku and the Kanto regions, and also damaged assets such as some buildings, production equipment, and leased molds. We also faced temporary supply shortages for items such as solvents used in coating processes and the zinc used in making alloys. Fortunately, there was little impact on our production capacity or customer service. We have been able to use this experience to make progress in further revising our business continuity plan (BCP) for implementation in the event of a major natural disaster, and also in shoring up our risk-readiness through measures such as improving quake resistance at our manufacturing centers and diversifying our materials suppliers and contractors.

While concerns exist that the power supply limitations imposed in response to power shortage concerns this summer will reduce production capacity in the regions affected, we are taking all possible measures to ensure our supply capacity by making preliminary estimates of the impact of possible power cuts and maximizing the advantage our Group enjoys in maintaining a number of plants, so as to enable us to respond sufficiently to customer demand.

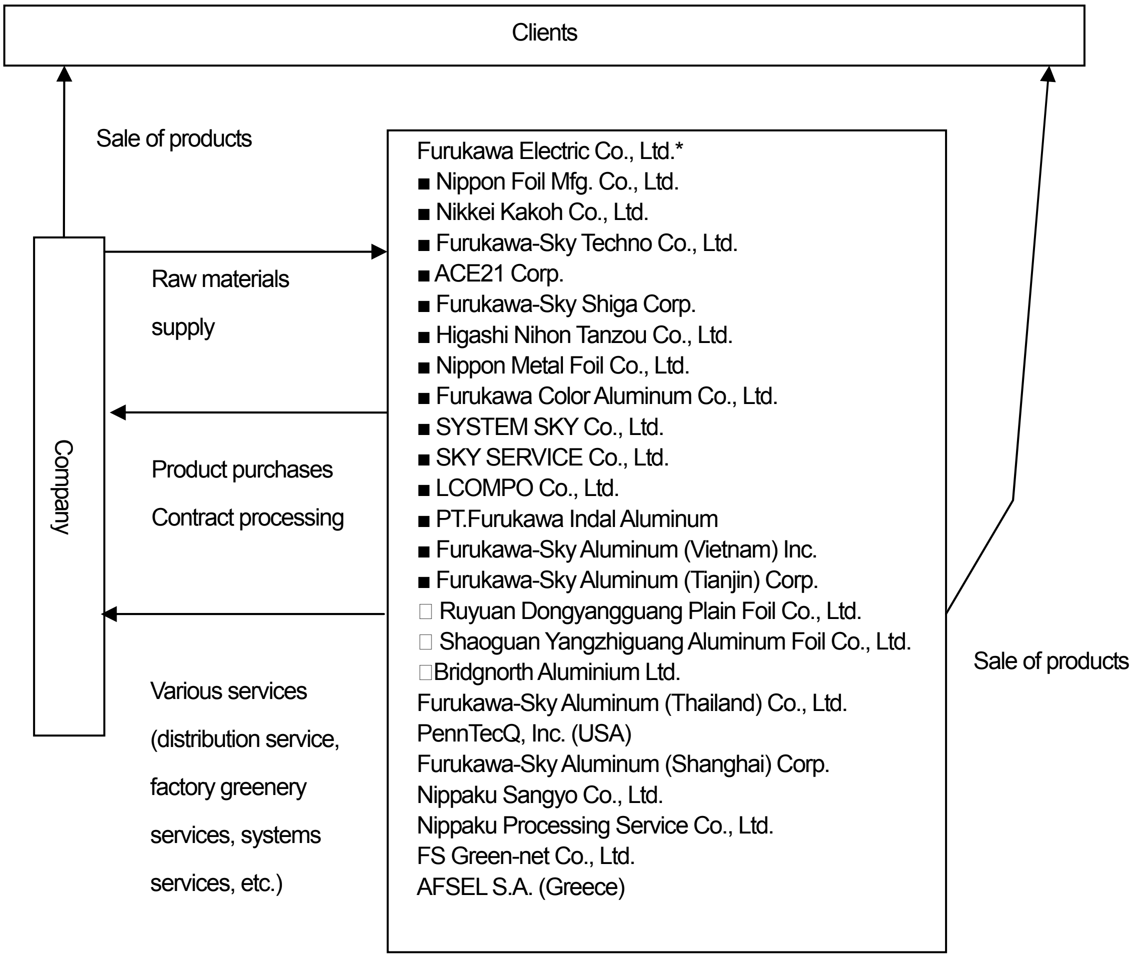
2. The Corporate Group Situation

In this consolidated fiscal year the Group (Furukawa-Sky Aluminum Corp. (the Company) and its affiliated companies) was composed of the Company, 20 consolidated subsidiaries, and four other affiliates. The Group's main businesses are the manufacture and sale of cast and forged aluminum products and the processing and sale of products containing aluminum as their main material, with a focus on the manufacture and sale of rolled aluminum products.

Among the Group centered on our parent company, Furukawa Electric Co., Ltd., the Company is the enterprise engaged in the manufacture and sale of aluminum products.

The following is an organizational diagram of the Group:

(Business Schematic Diagram)



Notes: 1. ■ stands for consolidated subsidiary, □ for equity method affiliate, and * for parent company.

2. Shaoguan Yangzhiguang Aluminum Foil Co., Ltd., an equity method affiliate, merged with Ruyuan Dongyangguang Plain Foil Co., Ltd., also an equity method affiliate, in January 2011, so clearing procedures are still underway.

(Status of Affiliated Companies)

Name	Location	Capital stock (¥million)	Main Business	Share of voting interest owned/not owned (%)	Relationship details
(Parent company) Furukawa Electric Co., Ltd. *1	Chiyoda-ku, Tokyo	69,395	Manufacture and sale of non-ferrous metal products	Not owned 53.00	Purchaser of products Contracting
(Consolidated subsidiaries) Nippon Foil Mfg. Co., Ltd.	Chiyoda-ku, Tokyo	490	Manufacture and sale of aluminum foil products	100.00	Purchaser of sheet
Nikkei Kakoh Co., Ltd.	Yodogawa-ku, Osaka-shi	195	Manufacture and sale of processed aluminum products	89.74	Manufacture of some processed products
Furukawa-Sky Techno Co., Ltd.	Fukaya-shi, Saitama	100	Manufacture and sale of processed aluminum products	100.00	Manufacture and sale of processed products
ACE21 Corp.	Fukaya-shi, Saitama	95	Cutting and sales of aluminum sheets	100.00	Cutting and sales of sheets
Furukawa-Sky Shiga Corp.	Omihanman-shi, Shiga	80	Manufacture of extruded aluminum products	100.00	Manufacture of extruded products
Higashi Nihon Tanzou Co., Ltd.	Oyama-shi, Tochigi	50	Manufacture of forged aluminum products	100.00	Manufacture of some forged products
Nippon Metal Foil Co., Ltd. *2	Chiyoda-ku, Tokyo	48	Manufacture and sale of aluminum foil products	100.00 (100.00)	Purchaser of Nippon Metal Foil Co., Ltd.
Furukawa Color Aluminum Co., Ltd.	Utsunomiya-shi, Tochigi	30	Painting of aluminum sheets	100.00	Painting of sheets
SYSTEM SKY Co., Ltd.	Fukaya-shi, Saitama	30	Software information processing with electronic computer, and development and sales of software	100.00	Systems development and operation
SKY SERVICE Co., Ltd.	Fukaya-shi, Saitama	20	Reprocessing of aluminum raw materials	100.00	Work on premises
LCOMPO Co., Ltd.	Fukaya-shi, Saitama	10	Transport, sale of packing materials, and warehousing	100.00	Distribution contracting
PT.Furukawa Indal Aluminum	Indonesia	US$ 6,000,000	Manufacture and sale of extruded aluminum products	55.00	Manufacture and sales of extruded product
Furukawa-Sky Aluminum (Vietnam) Inc.	Vietnam	US$ 6,000,000	Manufacture and sale of automotive-use precision-cast aluminum	100.00	Manufacture of automotive-use precision-cast aluminum
Furukawa-Sky Aluminum (Tianjin) Corp.	China	RMB 81,276,000	Manufacture and sale of extruded aluminum products	100.00	Manufacture and sales of extruded products
(Equity method affiliates) Ruyuan Dongyangguang Plain Foil Co., Ltd.	China	RMB 250,000,000	Manufacture and sale of rolled aluminum products	25.00	Technical consultation concerning the manufacture of rolled aluminum products
Shaoguan Yangzhiguang Aluminum Foil Co., Ltd. *3	China	RMB 496,500,000	Manufacture and sale of rolled aluminum products	25.00	Technical consultation concerning the manufacture of rolled aluminum products
Bridgnorth Aluminium Ltd.	UK	£29,333,000	Manufacture and sale of rolled aluminum products	25.00	Technical consultation concerning the manufacture of rolled aluminum products

Notes: 1. The Group files a Financial Report.

2. Figures inside ( ) in “share of voting interest owned” are for the share held indirectly.

3. Shaoguan Yangzhiguang Aluminum Foil Co., Ltd., an equity method affiliate, merged with Ruyuan Dongyangguang Plain Foil Co., Ltd., also an equity method affiliate, in January 2011, so clearing procedures are still underway.

3. Management Policy

(a) Basic Management Policies

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.

We adhere to the following Guiding Principles in conducting business. In the event of noncompliance, we will determine its cause and take action to prevent its recurrence.

1) We develop and offer socially useful products and services to satisfy customers and earn their confidence.
2) We communicate extensively with stockholders, investors, and other stakeholders, proactively providing them with appropriate corporate information in a timely manner.
3) We consider efforts to counter global warming and build a recycling-oriented economic society an essential part of our corporate existence and activity. Accordingly, we take a proactive and voluntary role in such activities.
4) As a good corporate citizen, we proactively promote and sponsor social action programs.
5) We respect the personality, individuality, and diversity of Group employees. We provide a safe and comfortable working environment so that our employees can maximize their performance.
6) We compete in a fair, transparent, and equitable manner, conducting transactions on a rational basis.
7) We tolerate no relationships with antisocial groups or organizations.
8) As a member of the international community, we respect local cultures and practices and contribute to their development.

(b) Medium-Term Management Strategies

Although domestic demand strongly rebounded in 2010 after hitting its lowest level in 20 years in 2009, the yen continued to strengthen and oil prices shot up, so an optimistic forecast is not warranted. The problems caused by the Great East Japan Earthquake, including the subsequent power shortages, make prospects appear even worse, resulting in circumstances that actually test the fabric of a corporation.

Our Group is responding to these trying times through measures to improve revenue and also to strengthen overall Group soundness by continuing structural reforms of the rolled aluminum business. We are also pushing forward with our efforts in growing global markets in Europe and Asia, including China.

1. New Medium-term Management Plan Execution

   The new Medium-term Management Plan, established in April 2010, shall proceed as follows in response to the serious changes in the business environment described above.

<u>First step toward renewed growth and a stronger business foundation for operational expansion</u>

1. Domestic business: Promote structural reform in existing businesses and develop a stronger business foundation
2. Overseas business: Effectively respond to overseas growth markets
3. New products: Develop business for high-growth products and next-generation products

These basic policies will provide the foundation for continuous strengthening of our financial condition and both recover and increase profit levels, which sank deeply in 2009. They also provide a response that takes into account ongoing development after the mid-term period, through appropriate investment in production in Japan and overseas that can support growth, promotion of development of new products and technologies, and investment in new business overseas.

2. Strengthening global competitiveness

An increasing number of market competitors are responding to the growing demand for aluminum products such as automotive and electronic components, and including beverage can stock and similar products, as well as to the effects of the rapid rise in the yen and natural disasters by shifting manufacturing overseas to where customers are located. Many also possess the latest in manufacturing facilities in neighboring countries. These competitors are improving product quality, which is allowing them to increase the intensity of their participation in the domestic market. Therefore, improving our competitiveness by cutting costs at our Japanese plants and expanding our overseas production are urgent tasks.

Our primary goals in expanding the ingot casting facilities at our Fukui works were to eliminate equipment-related production constraints and increase productivity so as to achieve more efficient production in Japan.

Our efforts outside Japan include the establishment of a coil center in Thailand in 2010, creating a structure for local supply of rolled aluminum sheet to the region. We have also opted to increase investment in the facilities at Vietnam FSV to meet growing demand for compressor wheels used in turbo chargers. We will continue to respond to customer demands by increasing the capacity and quality of our sheet-rolling, extrusion and forging operations at our existing overseas plants, while moving forward with our close investigation of establishing new facilities for successful dynamic growth.

3. Management Emphasizing CSR

Our Group is managed with an emphasis on CSR, in keeping with our goal of earning the trust of all our stakeholders. Furukawa-Sky’s CSR efforts encompass four main categories-legal compliance, safety improvement, environmental conservation, and human resource development-and we are achieving steady success in each. One facet of our CSR efforts is our establishment FS Green-net., Ltd., our subsidiary which works to support the self-reliance of the physically-challenged. We established a second base for FS Green-net’s operations in Oyama City, Tochigi Prefecture in December 2009, as an adjunct to the company’s original site in Fukaya, Saitama Prefecture. FS Green-net has been successively expanding its network of activities, from those based within our plants to projects such as environmental enhancement in public facilities, such as parks. Such efforts as a good corporate citizen to build a sustainable society will continue.

We look forward to continuing to receive our shareholders’ guidance and encouragement in the future.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2010)	Current fiscal year (Term ended March 31, 2011)
Assets		
Current assets		
Cash and deposits	4,201	4,747
Notes and accounts receivable-trade	58,262	58,159
Merchandise and finished goods	4,663	4,711
Work in process	7,064	8,982
Raw materials and supplies	9,248	11,521
Advance payments-trade	0	—
Deferred tax assets	1,459	1,366
Short-term loans receivable	—	17,598
Accounts receivable-other	4,060	5,168
Uncollected corporate tax refunds	44	54
Other	366	593
Allowance for doubtful accounts	(128)	(117)
Total current assets	89,239	112,782
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	22,902	21,494
Machinery, equipment and vehicles, net	34,517	28,012
Land	36,634	36,393
Construction in progress	946	1,119
Other, net	2,829	2,398
Total property, plant and equipment	97,828	89,417
Intangible assets		
Goodwill	835	640
Software	1,470	1,145
Other	104	105
Total intangible assets	2,409	1,890
Investments and other assets		
Investment securities	4,385	4,777
Long-term prepaid expenses	223	246
Deferred tax assets	1,697	4,538
Other	4,441	4,406
Allowance for doubtful accounts	(45)	(179)
Total investments and other assets	10,701	13,789
Total noncurrent assets	110,938	105,096
Total assets	200,176	217,878

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2010)	Current fiscal year (Term ended March 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	37,916	41,217
Electronically recorded obligations	—	751
Short-term loans payable	28,001	27,375
Current portion of bonds	240	270
Current portion of long-term loans payable	4,559	3,219
Accounts payable-other	5,567	4,934
Accrued expenses	8,320	8,085
Income taxes payable	572	1,196
Accrued consumption taxes	129	493
Other	394	628
Total current liabilities	85,699	88,169
Noncurrent liabilities		
Bonds payable	290	186
Long-term loans payable	40,063	45,808
Provision for retirement benefits	12,169	10,948
Provision for directors' retirement benefits	168	129
Deferred tax liabilities	69	50
Provision for environment measures	207	198
Provision for restructuring	755	755
Other	1,140	1,728
Total noncurrent liabilities	54,861	59,802
Total liabilities	140,560	147,971
Net assets		
Shareholders' equity		
Capital stock	16,528	16,528
Capital surplus	35,184	35,184
Retained earnings	7,452	18,284
Treasury stock	(2)	(2)
Total shareholders' equity	59,162	69,995
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	169	193
Deferred gains or losses on hedges	47	157
Foreign currency translation adjustment	(247)	(982)
Total accumulated other comprehensive income	(31)	(633)
Minority interests	486	546
Total net assets	59,617	69,907
Total liabilities and net assets	200,176	217,878

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

Consolidated Statement of Income

(Millions of yen)

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Net sales	185,588	207,223
Cost of sales	168,182	178,318
Gross profit	17,406	28,905
Selling, general and administrative expenses	16,834	16,566
Operating income	572	12,338
Non-operating income		
Interest income	25	7
Dividends income	29	36
Equity in earnings of affiliates	—	355
Rental income	126	123
Technical consulting fees	39	—
Income from sale of goods	59	97
Interest on corporate tax refunds	60	—
Other	108	190
Total non-operating income	445	807
Non-operating expenses		
Interest expenses	1,238	1,140
Compensation expenses	236	170
Other	202	156
Total non-operating expenses	1,677	1,466
Ordinary income (loss)	(660)	11,680
Extraordinary income		
Gain on sales of noncurrent assets	—	19
Subsidy income	—	13
Repayment of allowance for doubtful accounts	65	40
Other	16	6
Total extraordinary income	81	78
Extraordinary loss		
Loss on sales of noncurrent assets	1	—
Loss on retirement of noncurrent assets	199	—
Loss on valuation of investment securities	11	—
Impairment loss	3	226
Business restructuring costs	2,018	—
Loss due to disaster	—	158
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	710
Other	262	166
Total extraordinary losses	2,494	1,260
Income (loss) before income taxes and minority interests	(3,072)	10,498
Income taxes-current	537	1,292
Income taxes-deferred	(2,783)	(2,889)
Total income taxes	(2,246)	(1,597)
Income before minority interests	-	12,095
Income (loss) of minority shareholders	(56)	127

(Millions of yen)

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Net income (loss)	(770)	11,968

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Income before minority interests	—	12,095
Other comprehensive income		
Valuation difference on available-for-sale securities	—	23
Deferred gains or losses on hedges	—	84
Foreign currency translation adjustment	—	(321)
Share of other comprehensive income of affiliates accounted for using equity method	—	(442)
Total other comprehensive income	—	(655)
Comprehensive income	—	11,440
(Attributable to)		
Parent company shareholders	—	11,367
Minority interests	—	74

(3) Consolidated Statement of Changes in Shareholders' Equity

(Millions of yen)

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	16,528	16,528
Balance at the end of current period	16,528	16,528
Capital surplus		
Balance at the end of previous period	35,184	35,184
Balance at the end of current period	35,184	35,184
Retained earnings		
Balance at the end of previous period	8,676	7,452
Changes of items during the period		
Dividends from surplus	(454)	(1,135)
Net income (loss)	(770)	11,968
Total changes of items during the period	(1,224)	10,832
Balance at the end of current period	7,452	18,284
Treasury stock		
Balance at the end of previous period	(1)	(2)
Changes of items during the period		
Purchase of treasury stock	(2)	(0)
Total changes of items during the period	(2)	(0)
Balance at the end of current period	(2)	(2)
Total shareholders' equity		
Balance at the end of previous period	60,388	59,162
Changes of items during the period		
Dividends from surplus	(454)	(1,135)
Net income (loss)	(770)	11,968
Purchase of treasury stock	(2)	(0)
Total changes of items during the period	(1,226)	10,832
Balance at the end of current period	59,162	69,995
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(30)	169
Changes of items during the period		
Net changes of items other than shareholders' equity	199	23
Total changes of items during the period	199	23
Balance at the end of current period	169	193
Deferred gains or losses on hedges		
Balance at the end of previous period	(4,915)	47
Changes of items during the period		
Net changes of items other than shareholders' equity	4,961	110
Total changes of items during the period	4,961	110
Balance at the end of current period	47	157
Foreign currency translation adjustment		
Balance at the end of previous period	(407)	(247)
Changes of items during the period		

(Millions of yen)

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Net changes of items other than shareholders' equity	160	(735)
Total changes of items during the period	160	(735)
Balance at the end of current period	(247)	(982)
Other total accumulated comprehensive income		
Balance at the end of previous period	(5,352)	(31)
Changes of items during the period		
Net changes of items other than shareholders' equity	5,321	(601)
Total changes of items during the period	5,321	(601)
Balance at the end of current period	(31)	(633)
Minority interests		
Balance at the end of previous period	1,654	486
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,168)	60
Total changes of items during the period	(1,168)	60
Balance at the end of current period	486	546
Total net assets		
Balance at the end of previous period	56,690	59,617
Changes of items during the period		
Dividends from surplus	(454)	(1,135)
Net income (loss)	(770)	11,968
Purchase of treasury stock	(2)	(0)
Net changes of items other than shareholders' equity	4,153	(542)
Total changes of items during the period	2,927	10,291
Balance at the end of current period	59,617	69,907

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(3,072)	10,498
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	710
Loss on adjustment for changes of accounting standard for asset retirement obligations	13,519	12,703
Impairment loss	3	226
Business restructuring costs	2,018	—
Interest and dividends income	(53)	(43)
Interest expenses	1,238	1,140
Foreign exchange loss (gain)	(64)	9
Loss on removal of tangible fixed assets	199	99
Loss (gain) on valuation of investment securities	11	16
Decrease (increase) in notes and accounts receivable-trade	(18,082)	(298)
Decrease (increase) in inventories	6,256	(4,355)
Decrease (increase) in advance payments-trade	6	—
Increase (decrease) in notes and accounts payable-trade	10,110	4,160
Increase (decrease) in provision for retirement benefits	(1,405)	(1,221)
Increase (decrease) in provision for directors' retirement benefits	23	—
Increase (decrease) in accrued expenses	671	(223)
Other, net	1,316	(1,170)
Subtotal	12,695	22,250
Income taxes (paid) / refunded	1,769	(720)
Interest and dividends income received	115	42
Interest expenses paid	(1,242)	(1,139)
Net cash provided by (used in) operating activities	13,337	20,434
Net cash provided by (used in) investing activities		
Decrease (increase) in Short-term loans receivable	—	(2,000)
Purchase of property, plant and equipment	(6,865)	(4,635)
Proceeds from sales of property, plant and equipment	31	—
Purchase of intangible assets	(298)	(139)
Purchase of investment securities	(108)	—
Proceeds from sales and distributions of investment securities	16	—
Purchase of stocks of subsidiaries	(2,180)	(328)
Investments in capital of subsidiaries and affiliates	(3,544)	(93)
Other, net	438	126
Net cash provided by (used in) investing activities	(12,509)	(7,070)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(112)	(536)

(Millions of yen)

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Proceeds from long-term loans payable	7,590	9,120
Repayment of long-term loans payable	(7,212)	(4,651)
Proceeds from issuance of bonds	270	200
Redemption of bonds	(200)	(274)
Cash dividends paid	(454)	(1,135)
Cash dividends paid to minority shareholders	(15)	(14)
Other	(57)	(10)
Net cash provided by (used in) financing activities	(190)	2,700
Effect of exchange rate change on cash and cash equivalents	7	(60)
Net increase (decrease) in cash and cash equivalents	646	16,005
Cash and cash equivalents at beginning of period	3,465	4,111
Cash and cash equivalents at end of period	4,111	20,115

(5) Notes on the Assumption of a Going Concern

Not applicable

(6) Significant Changes for the Consolidated Financial Statements

1. Accounting Standard for Asset Retirement Obligations
   Effective from the fiscal year ended March 31, 2011, the Group adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008).
   As a result, in the fiscal year ended March 31, 2011, operating income and ordinary income each decreased by ¥16 million, and net income before income taxes decreased by ¥726 million. The change in the amount of asset retirement obligations due to the adoption of these accounting standards is ¥751 million.

2. Change in the translation method for revenues and expenses at overseas subsidiaries
   Previously, revenue and expenses of overseas subsidiaries were converted to yen according to the rate on the settlement date, but effective from the consolidated fiscal year under review forward translation is performed according to the average rates of exchange during the period.
   This change was implemented because, as the overseas subsidiaries have grown in importance, converting each revenue and expense category according to the rate on the settlement date over the course of the fiscal could make it impossible to display the operating results of the overseas subsidiaries accurately. The change avoids this issue by displaying the company's condition more realistically.
   As a result, net sales in the fiscal year ended March 31, 2011 increased ¥398 million, while operating income, ordinary income, income before income taxes and minority interest and net income each increased, by ¥56 million, ¥95 million, ¥93 million and ¥79 million, respectively.

3. Application of "Accounting Standard for Equity Method of Accounting"
   Effective from the fiscal year ended March 31, 2011, the Company adopted the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16 issued on March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24 issued on March 10, 2008).
   There is no impact on operating income, ordinary income, and net income before income taxes of the fiscal year ended March 31, 2011 as a result of this change.

(7) Changes in the Presentation

(Consolidated Balance Sheets)

1. "Advance payments-trade," presented separately in the previous fiscal year, is included in "Other" under current assets since its amount is below 5% (¥0 million in the fiscal year under review) of total assets in the fiscal year under review.
2. "Short-term loans receivable" (¥22 million in the previous fiscal year), included in "Other" in the previous fiscal year, is presented separately since its amount is greater than 5% of total assets in the fiscal year under review.

(Consolidated Statement of Income)

1. Effective from the fiscal year ended March 31, 2011, based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of December 26, 2008), the Company applies the "Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No.5, March 24, 2009). As a result "Income before minority interests" is included in the consolidated financial statements for the year ended March 31, 2011.

2. “Technical consulting fees” (¥28 million in the fiscal year ended March 31, 2011), a non-operating income category presented separately in the previous fiscal year, is included in “Other” under non-operating income since its amount is below 10% of total non-operating income in the fiscal year under review.
3. “Gain on sales of noncurrent assets” (¥8 million in the fiscal year ended March 31, 2010), which was included in “Other” under extraordinary income in the previous fiscal year, is presented separately since its amount is greater than 10% of total extraordinary income in the fiscal year under review.
4. The categories “Loss on sales of noncurrent assets” (¥12 million in the fiscal year ended March 31, 2011), “Loss on retirement of noncurrent assets” (¥99 million in the fiscal year ended March 31, 2011), and “Loss on valuation of investment securities” (¥16 million in the fiscal year ended March 31, 2011) are included in “Other” under extraordinary loss since they are below 10% of the total extraordinary loss in the fiscal year under review.

(Consolidated Statement of Cash Flows)

1. “Decrease (increase) in Short-term loans receivable” (¥257 million in the fiscal year ended March 31, 2010), which was included in “Other” under “Net cash provided by (used in) investing activities” in the previous fiscal year, is presented separately as a reflection of its increased importance.
2. “Decrease (increase) in notes and accounts receivable-trade” (¥0 in the fiscal year ended March 31, 2011) and “Increase (decrease) in provision for directors' retirement benefits” ((¥39 million) in the fiscal year ended March 31, 2011), which were presented separately under “Net cash provided by (used in) operating activities” in the previous fiscal year, are included in “Other” under “Net cash provided by (used in) operating activities” as a reflection of their decreased importance.
3. The following items, which were presented separately under “Net cash provided by (used in) investing activities” in the previous fiscal year, are included in “Other” in that category in the fiscal year under review as a reflection of their decreased importance: “Proceeds from sales of property, plant and equipment” (¥22 million in the fiscal year under review), “Proceeds from sales and distributions of investment securities” (¥22 million in the fiscal year under review), and “Purchase of investment securities” ((¥11 million) in the fiscal year under review).

(8) Additional Information

Effective from this fiscal year, the Group applies “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No.25 June 30, 2010). However, the amount of “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” in the consolidated fiscal year are shown as “Valuation, translation adjustments and others” and “Total valuation, translation adjustments and others.”

Comprehensive income for the year ended March 31, 2010

Comprehensive income attributable to parent company shareholders:	4,550 million yen
Comprehensive income attributable to minority interests:	51 million yen
Total	4,602 million yen

Other comprehensive income for the year ended March 31, 2010

Valuation difference on available-for-sale securities:	302 million yen
Deferred gains or losses on hedges:	4,961 million yen
Foreign currency translation adjustment:	30 million yen
Share of other comprehensive income of affiliates accounted for using equity method:	135 million yen
Total	5,428 million yen

(9) Notes to the Consolidated Financial Statements

(Segment Information)

I Current fiscal year (From April 1, 2010 to March 31, 2011)

1. Overview of reportable segments

The Company's reportable segments are those elements of the Company for which separate financial information is available, and which the Board of Directors regularly examines to determine distribution of management resources and assess performance.

The Company devises a comprehensive domestic and overseas strategy, with two reportable segments, "Rolled" and "Processed products," as the elements comprising its business activities.

"Rolled" refers to the manufacture and sale of sheet, foil, extruded products, cast products, and forged products.

"Processed products" refers to the processing and sale of products mainly composed of aluminum.

2. Information on sales and income (loss), identifiable assets, liabilities and other items by reportable segment

Net sales and operating income from "Rolled" make up more than 90% of consolidated net sales and consolidated operating income, so listing is omitted.

(Additional information)

Effective from the year ended March 31, 2011, the Company adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No.17, issued on March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No.20, issued on March 21, 2008).

(Per-Share Information)

Previous fiscal year (From April 1, 2009 To March 31, 2010)		Current fiscal year (From April 1, 2010 To March 31, 2011)	
Net assets per share	260.39 JPY	Net assets per share	305.44 JPY
Net loss per share	3.39 JPY	Net income per share	52.70 JPY

Note: Basis for calculation

1. Net assets per share

	Previous fiscal year ended March 31, 2010	Current fiscal year ended March 31, 2011
Total net assets (¥ millions)	59,617	69,907
Amount deducted from total net assets (¥ millions)	486	546
(of which, minority interest) (¥ millions)	(486)	(546)
End of period net assets ascribed to common stock (¥ millions)	59,131	69,362

Number of shares of common stock at end of period (thousands)	227,088	227,088

2. Net loss per share and fully diluted net loss per share

	Previous fiscal year (From April 1, 2009 To March 31, 2010)	Current fiscal year (From April 1, 2010 To March 31, 2011)
Net income (loss) per share		
Net income (loss) (Millions of yen)	(770)	11,968
Amount not attributable to holders of common stock (Millions of yen)	–	–
Net income (loss) ascribed to common stock (Millions of yen)	(770)	11,968
Average number of shares of common stock during the period (Thousands of shares)	227,090	227,088

(Subsequent Events)

Furukawa-Sky, together with Sumitomo Light Metal Industries, Ltd. ("SLM"), Sumitomo Corporation ("Sumitomo Corp"), ITOCHU Corporation ("ITOCHU"), and ITOCHU Metals Corporation ("IMC") announced on April 4, 2011, that they have agreed with BP Company North America Inc. (Headquartered in Houston, Texas, USA; Steven Bray, President; "BP") with respect to the acquisition of 100% of the outstanding shares of ARCO Aluminum, Inc. (Headquartered in Louisville, Kentucky; Patrick Franc, President; "ARCO"), a wholly owned subsidiary of BP serving as a manufacturer and supplier of rolled aluminum sheet.

The following is a summary of the transaction.

1. Rationale for the Acquisition of Shares

ARCO owns an approximate 45% interest in the aggregate assets in an aluminum rolling mill in Logan County, Kentucky (hereinafter, "Logan Mill") that supplies aluminum sheet to beverage can makers and also owns a 60 percent stake in Logan Aluminum Inc. (Headquartered in Russellville, Kentucky, USA; "Logan"), the operator of Logan Mill. The other owner of interests in Logan and Logan Mill is Novelis Corporation (Headquartered in Atlanta, Georgia, USA; Philip Martens, President & CEO). Each of ARCO and Novelis supplies its own raw materials to Logan Mill for processing and owns and markets its own share of output.

Based on the joint acquisition together with the four other partners of all shares in ARCO from BP at a cost of US$680 million, Furukawa-Sky intends to enhance production and distribution of aluminum can materials in North America, the largest market in the world, through participation in management of ARCO and technological support to ARCO. In addition, Furukawa-Sky also envisages a plan to expand its business volume in Latin America, a promising market with great growth potential.

As for the management and control of ARCO, the five Partners have set up a special purpose vehicle in the U.S. owning a whole stake in ARCO. This vehicle will urge the Partners to make important decisions through consultation.

Furukawa-Sky determined to participate in the deal jointly with SLM, Sumitomo Corp, ITOCHU and IMC instead of taking independent action in consideration of the scale of participation in the management of the North American manufacturer, which has world-class rolled aluminum sheet manufacturing facilities. On that basis, Furukawa-Sky will promote business activities so as to secure a presence in the North American and Latin American markets and accordingly to enhance the influential power in the global market.

The shares will be subscribed by the Partners with the following ownership ratio:

Furukawa-Sky: 35%; SLM: 40%; Sumitomo Corp: 20%; ITOCHU: 2%; and IMC: 3%

2. Profile of ARCO Aluminum Inc.
Name: ARCO Aluminum Inc.
Established: 1984
Head Quarters: Louisville, Kentucky
Capital stock: US$1,000,000
Business: Manufacture and sale of aluminum products
Annual net sales: Approximately US$900,000,000 (2010)
Annual sales volume: Approximately 300,000 tons (2010)
Employees: 32 (As of March 2011)

3. Profile of joint holding company
Name: ARROW Aluminum Holding Inc.
Head Quarters: Wilmington, Delaware
Capital stock: US$5,000,000 (As of March 31, 2011)
Business: Holding of ARCO stock

4. Schedule
Between July and September 2011: Closing of the Share Acquisition (planned)
Note, however, that the closing date is subject to change depending on circumstances, such as the approval by competition authorities.

5. Sources and methods of raising funds
About half of the funds to be used for this acquisition are planned to be raised through a non-recourse loan by the US joint holding company, with the entirety of the remainder of our Company's share to be acquired using funds on hand.

5. Others

(1) Changes in directors and statutory auditors of the Company

a. Change in Representative Director

・Scheduled retirement of Representative Director

Tatsuru Matsuoka

Senior Managing Director and Representative Director (Appointment as Advisor planned)

b. Other changes in directors and statutory auditors

・New Director candidate(s)

Hironori Tsuchiya

Director (Present post: General Manager, Fukui Works, Rolled Products Div.)

c. Scheduled date of change

June 23, 2011

(Reference) Background of director candidate

・Hironori Tsuchiya

Born on October 5, 1956, in Tokyo; age 54

March 1980: Graduated from Faculty of Science and Engineering, Mechanical Engineering Department Waseda University

April 1980: Joined Furukawa Electric Co., Ltd.

June 2003: General Manager, Production Dept., Fukui Plant, Light Metals Company

October 2003: General Manager, Production Dept., Fukui Plant, Rolled Products Div.

October 2005: General Manager, Production Dept., Fukaya Plant, Rolled Products Div.

April 2008: General Manager, Nikko Works, Rolled Products Div.

June 2010: General Manager, Fukui Works, Rolled Products Div.

(2) Other

None