



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

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

4. Other

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

(2) Application of simplified methods of accounting and specific accounting methods: No

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

a. Changes owing to revisions in accounting standards: No

b. Changes other than a. above: Yes

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 June 30, 2011 227,100,000 shares

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

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

As of June 30, 2011 12,273 shares

As of March 31, 2011 12,273 shares

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

For the three months ended June 30, 2011 227,087,727 shares

For the three months ended June 30, 2010 227,087,893 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. Quarterly Consolidated Business Performance

## (1) Consolidated Business Performance

The Great East Japan Earthquake had a profound impact on the Japanese economy in the first quarter of the current fiscal year, with supply chain disruption and delays in production in many industries, particularly the automotive and semiconductor sectors. Due to factors such as a cooling of personal spending, with consumers cutting back on travel and events, the actual GDP for this period dropped 0.7%. At the same time, while the economic tone in the developing economies was mostly firm, the fiscal crisis in Greece and other EU countries and as the expanding US deficits underlay instability in overseas markets. The yen also continues to strengthen against this backdrop.

The Great East Japan Earthquake had an impact on demand for our Group's rolled aluminum products, and we experienced a broad drop in demand compared with the same period in the previous fiscal year not only in automotive materials, but also in printing plates, electronics, and most other segments. At the same time, in some areas of demand, including our core can stock segment, customers accelerated production in the April-June period due to concerns about the possibility of power shortages in July-September, so that segment posted a 10% increase year-on-year. Nonetheless, overall rolled product demand was negative.

Sales volumes were mostly in line with overall demand for rolled products. By segment, the impact of the Great East Japan Earthquake was most strongly felt in sales of automotive-related products, which were down by just under 30% in comparison to the same period last year. Also, commercial advertising was down due to the cancellation of various events and shortages of ink and paper, causing printing plate sales to drop around 10% compared to the same period last year. Still, in preparation for power supply limitations during the coming summer season, can manufacturers accelerated their production, so our sales of can stock were up year-on-year. Nonetheless, sales volumes were down about 8% compared to last year.

As a result, first quarter consolidated total net sales were ¥52,294 million (down ¥2,651 million year-on-year), operating income was ¥3,617 million (a decrease of ¥791 million compared to Q1 last year), ordinary income was ¥3,542 million (down ¥571 million year-on-year), and quarterly net income was ¥2,128 million (down ¥682 million compared to Q1 last year).

## (2) Consolidated Financial Position

### (Total assets)

Total assets as of June 30, 2011 were ¥220,479 million (an increase of ¥2,601 million compared to the end of the previous fiscal year). This was mainly due to an increase of ¥2,694 million in total current assets, with notes and accounts receivable-trade up ¥4,084 million, work in process up ¥1,028 million, and raw materials and supplies up ¥924 million, while short-term loans receivable were down ¥2,800 million.

### (Liabilities)

Total liabilities as of June 30, 2011 were ¥149,303 million (an increase of ¥1,333 million compared to the end of the previous fiscal year). This was mainly due to the fact that while electronically recorded obligations increased ¥3,171 million, notes and accounts payable-trade decreased ¥1,002 million, and income taxes payable decreased ¥540 million.

### (Net assets)

Total assets were ¥71,176 million as of June 30, 2011, up ¥1,268 million compared with March 31, 2011. This was mainly due to the fact that while there was a decrease of ¥371 million in the category of deferred gains or losses on hedges, retained earnings increased ¥1,446 million due to the booking of net income for the quarter of ¥2,128 million.

### (Shareholders' equity ratio)

The shareholders' equity ratio as of June 30, 2011 was 32.0% (a 0.2-point increase compared to the end of Q1 last year).

### (Net assets per share)

Net assets per share as of June 30, 2011 were ¥311.00, up ¥5.56 compared to the end of the fiscal year ended March 31, 2011.

### (3) Forecast for Consolidated Business Performance

There are no revisions to the consolidated results forecast announced on May 10.

## 2. Other Information

### (1) Application of special accounting treatment in the preparation of quarterly consolidated financial statements

Not applicable

### (2) Additional Information

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.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2011)	FY2012 1st Quarter (Term ended June 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	4,747	3,861
Notes and accounts receivable-trade	58,159	62,242
Merchandise and finished goods	4,711	4,725
Work in process	8,982	10,010
Raw materials and supplies	11,521	12,446
Deferred tax assets	1,366	1,037
Short-term loans receivable	17,598	14,799
Accounts receivable-other	5,168	5,597
Uncollected corporate tax refunds	54	119
Other	593	777
Allowance for doubtful accounts	(117)	(135)
<b>Total current assets</b>	<b>112,782</b>	<b>115,477</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	21,494	21,104
Machinery, equipment and vehicles, net	28,012	26,064
Land	36,393	36,395
Construction in progress	1,119	1,537
Other, net	2,398	2,365
<b>Total property, plant and equipment</b>	<b>89,417</b>	<b>87,465</b>
Intangible assets		
Goodwill	640	591
Software	1,145	1,093
Other	105	107
<b>Total intangible assets</b>	<b>1,890</b>	<b>1,791</b>
Investments and other assets		
Investment securities	4,777	6,864
Long-term prepaid expenses	246	241
Deferred tax assets	4,538	4,430
Other	4,406	4,378
Allowance for doubtful accounts	(179)	(167)
<b>Total investments and other assets</b>	<b>13,789</b>	<b>15,746</b>
<b>Total noncurrent assets</b>	<b>105,096</b>	<b>105,002</b>
<b>Total assets</b>	<b>217,878</b>	<b>220,479</b>

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2011)	FY2012 1st Quarter (Term ended June 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	41,217	40,215
Electronically recorded obligations	751	3,921
Short-term loans payable	27,375	27,487
Current portion of bonds	270	276
Current portion of long-term loans payable	3,219	3,133
Accounts payable-other	4,934	4,823
Accrued expenses	8,085	8,084
Income taxes payable	1,196	656
Accrued consumption taxes	493	547
Other	628	851
<b>Total current liabilities</b>	<b>88,169</b>	<b>89,996</b>
Noncurrent liabilities		
Bonds payable	186	276
Long-term loans payable	45,808	45,706
Provision for retirement benefits	10,948	10,598
Provision for directors' retirement benefits	129	101
Deferred tax liabilities	50	51
Provision for environment measures	198	194
Provision for restructuring	755	754
Other	1,728	1,626
<b>Total noncurrent liabilities</b>	<b>59,802</b>	<b>59,307</b>
<b>Total liabilities</b>	<b>147,971</b>	<b>149,303</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,528	16,528
Capital surplus	35,184	35,184
Retained earnings	18,284	19,731
Treasury stock	(2)	(2)
<b>Total shareholders' equity</b>	<b>69,995</b>	<b>71,441</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	193	153
Deferred gains or losses on hedges	157	(214)
Foreign currency translation adjustment	(982)	(755)
<b>Total accumulated other comprehensive income</b>	<b>(633)</b>	<b>(816)</b>
Minority interests	546	551
<b>Total net assets</b>	<b>69,907</b>	<b>71,176</b>
<b>Total liabilities and net assets</b>	<b>217,878</b>	<b>220,479</b>

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

## Quarterly Consolidated Statement of Income

(Millions of yen)

	FY2011 1st Quarter (From April 1, 2010 to June 30, 2011)	FY2012 1st Quarter (From April 1, 2011 to June 30, 2011)
Net sales	54,945	52,294
Cost of sales	46,183	44,529
Gross profit	8,763	7,766
Selling, general and administrative expenses	4,355	4,149
Operating income	4,408	3,617
Non-operating income		
Equity in earnings of affiliates	76	124
Other	91	146
Total non-operating income	167	270
Non-operating expenses		
Interest expenses	288	276
Other	174	70
Total non-operating expenses	463	346
Ordinary income	4,112	3,542
Extraordinary income		
Gain on sales of noncurrent assets	0	4
Repayment of allowance for doubtful accounts	39	—
Other	14	0
Total extraordinary income	53	4
Extraordinary loss		
Loss on retirement of noncurrent assets	17	6
Loss on adjustment for changes of accounting standard for asset retirement obligations	710	—
Loss due to disaster	—	7
Other	44	3
Total extraordinary losses	771	16
Income before income taxes and minority interests	3,394	3,530
Income taxes-current	137	694
Income taxes-deferred	425	680
Total income taxes	562	1,373
Income before minority interests	2,832	2,156
Income of minority shareholders	23	29
Net income	2,810	2,128



Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2011 1st Quarter (From April 1, 2010 to June 30, 2011)	FY2012 1st Quarter (From April 1, 2011 To June 30, 2011)
Income before minority interests	2,832	2,156
Other comprehensive income		
Valuation difference on available-for-sale securities	(131)	(40)
Deferred gains (losses) on hedges	(1,081)	(337)
Foreign currency translation adjustment	31	64
Share of other comprehensive income of associates accounted for using equity method	(3)	139
Total other comprehensive income	(1,184)	(174)
Comprehensive income	1,648	1,982
(Attributable to)		
Parent company shareholders	1,620	1,944
Minority interests	27	38

(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

(5) Subsequent Events

FY2011 1st Quarter (from April 1, 2010 to June 30, 2010)

Not applicable

FY2012 1st Quarter (from April 1, 2011 to June 30, 2011)

Furukawa-Sky, together with Sumitomo Light Metal Industries, Ltd. ("SLM," headquartered in Minato-ku, Tokyo), Sumitomo Corporation ("Sumitomo Corp," headquartered in Chuo-ku, Tokyo), ITOCHU Corporation ("ITOCHU," headquartered in Minato-ku, Tokyo), and ITOCHU Metals Corporation ("IMC," headquartered in Minato-ku, Tokyo) 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 for USD680 million 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.

Furukawa-Sky, together with Sumitomo Light Metal Industries, Ltd. ("SLM," headquartered in Minato-ku, Tokyo), Sumitomo Corporation ("Sumitomo Corp," headquartered in Chuo-ku, Tokyo), ITOCHU Corporation ("ITOCHU," headquartered in Minato-ku, Tokyo), and ITOCHU Metals Corporation ("IMC," headquartered in Minato-ku, Tokyo) 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 for USD680 million 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 acquisition went ahead as scheduled on August 1, 2011. 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%.

ARCO Aluminum Inc. was renamed Tri-Arrows Aluminum Inc. as of August 1, 2011.