

Quarterly Financial Results for the First Quarter Ended June 30, 2012

[According to Japanese Accounting Standards] (Consolidated)

August 2, 2012

Name of Listed Company Furukawa-Sky Aluminum Corp. Stock Exchange Listings Tokyo
Code Number 5741 URL <http://www.furukawa-sky.co.jp/english/index.htm>
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Scheduled Date for Submitting Financial Statements August 10, 2012
Scheduled Date of Dividend Distribution —
Supplementary materials available on quarterly financial results : Yes
Quarterly results briefing : No (For securities analysts)

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

1. Consolidated Business Performance for the First Quarter, Ended June 30, 2012 (from April 1, 2012 to June 30, 2012)

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

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
Three months ended June 30, 2012	47,103	(9.9)	1,513	(58.2)	1,625	(54.1)	902	(57.6)
Three months ended June 30, 2011	52,294	(4.8)	3,617	(17.9)	3,542	(13.9)	2,128	(24.3)

(Note) Comprehensive income: three months ended June 30, 2012: ¥1,031 million (-48.0%); three months ended June 30, 2011: ¥1,982 million (20.3%)

	Net income per share	Fully diluted net income per share
Three months ended June 30, 2012	¥ 3.97	—
Three months ended June 30, 2011	9.37	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of:	¥million	¥million	%	¥
June 30, 2012	214,347	71,498	33.1	312.07
March 31, 2012	212,998	71,179	33.1	310.82

(Reference) Shareholders' equity: ¥70,867 million as of June 30, 2012, ¥70,583 million as of March 31, 2012

2. Dividends

	Cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
Year ended/ending:	¥	¥	¥	¥	¥
March 31, 2012	—	3.00	—	3.00	6.00
March 31, 2013 (Forecasts)		3.00	—	3.00	6.00

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

3. Forecast for consolidated business performance in the term ending March 31, 2013
(from April 1, 2012 to March 31, 2013)

(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	%	¥
Six months ending September 30, 2012	94,600	(6.2)	3,000	(41.2)	3,600	(25.5)	2,400	(13.7)	10.57
Year ending March 31, 2013	194,000	0.0	8,200	28.9	9,200	43.5	6,300	77.9	27.74

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

Notes

(1) Changes in significant subsidiaries during the period (Changes in the scope of consolidation of specific subsidiaries): 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: Yes

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

c. Changes in accounting estimates: Yes

d. Restatements: No

This briefing is composed in accordance with the stipulations in Article 10-5 of the "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements." For details, please refer to "(3) Changes in accounting policies, changes in estimates, or restatements" in "2. Matters Relating to Summary Information (Notes)" on page 3.

(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, 2012 227,100,000 shares

As of March 31, 2012 227,100,000 shares

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

As of June 30, 2012 12,469 shares

As of March 31, 2012 12,273 shares

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

For the three months ended June 30, 2012 227,087,678 shares

For the three months ended June 30, 2011 227,087,727 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 Quarter Ended June 30, 2012

(1) Consolidated Business Performance

The economic environment of the first quarter was marked by the deterioration of the European debt issues and financial instability into a long-term problem, as well as a slowdown in the economic growth of the emerging economies, with an increasing sense of overseas demand deceleration. Meanwhile, the Japanese economy experienced a mild recovery due to a rebound in reconstruction demand after the Great East Japan Earthquake and eco-car subsidies, but nonetheless Japanese industry, which is faced with a yen at historic highs and decreasing overseas demand, is in the midst of a harsh business environment focused on the export industries.

Looking at demand in the rolled aluminum industry, of which the Group is a member, domestic demand for automotive items increased broadly year-on-year, but in addition to decreased demand for mainstay can stock, demand for foil also decreased, as demand for use in electronic components was sluggish, reducing demand for use in capacitors. As a result, overall demand for aluminum was slightly lower than in this period in the previous year.

Amidst this environment, Group sales of heat exchange equipment and body sheets for the automotive industry were higher, and there was a broad increase in demand for thick sheet for LNG tanker construction as a result of the increase in LNG imports for gas-fired power plants in the wake of the nuclear plant closings. In contrast, can stock, foil and thick sheet for LCDs and semiconductor manufacturing equipment were all lower, bringing overall sales down around 4% year-on-year. Nonetheless, due to the rebound in domestic demand, demand in the quarter under review was around 4% higher than in the Q4 that preceded it.

As a result, first quarter consolidated total net sales were ¥47,103 million (down ¥5,191 million year-on-year), operating income was ¥1,513 million (a decrease of ¥2,104 million compared to Q1 last year), ordinary income was ¥1,625 million (down ¥1,917 million year-on-year), and quarterly net income was ¥902 million (down ¥1,225 million compared to Q1 last year).

(2) Consolidated Financial Position

(Total assets)

Total assets as of June 30, 2012 were ¥214,347 million (an increase of ¥1,349 million compared to the end of the previous fiscal year). Of this figure, current assets amounted to ¥104,798 million, up ¥2,128 million from their level at the end of the previous fiscal year. This increase was mainly due to a ¥2,533 million increase in notes and accounts receivable-trade. Total noncurrent assets came to ¥109,549 million, down ¥778 million from the end of the previous fiscal year. This was mainly due to decrease in total property, plant and equipment of ¥670 million.

(Liabilities)

Total liabilities as of June 30, 2012 were ¥142,849 million (an increase of ¥1,030 million compared to the end of the previous fiscal year). This was mainly due to decreases in accounts payable-other of ¥858 million and in provision for retirement benefits of ¥351 million, while at the same time there were increases in electronically recorded obligations of ¥276 million, in current liability lease obligations of ¥302 million, and in noncurrent liability lease obligations of ¥1,217 million.

(Net assets)

Total assets were ¥71,498 million as of June 30, 2012, up ¥320 million compared with March 31, 2012. Chief factors were a ¥207 million decrease in deferred gains or losses on hedges and a decrease in the valuation difference on available-for-sale securities of ¥103 million, while the foreign currency translation adjustment increased ¥373 million. Owing to quarterly net income of ¥902 million and cash dividends paid of ¥681 million, retained earnings rose ¥221 million.

(3) Forecast for Consolidated Business Performance

There are no revisions to the consolidated results forecast announced on May 10, 2012.

2. Matters Relating to Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

There was no change in the scope of consolidation of specific subsidiaries.

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

Not applicable

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

(Changes in accounting policies that are difficult to differentiate from changes in accounting estimates)

Due to changes in the tax code, from the quarter under review onward in the case of some domestic subsidiaries the depreciation method applied to property, plants and equipment acquired on or after April 1, 2012 has been changed in line with the revised corporate tax code. The effect on profits is slight.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2012)	FY2013 1st Quarter (Term ended June 30, 2012)
Assets		
Current assets		
Cash and deposits	7,619	6,953
Notes and accounts receivable-trade	57,054	59,587
Merchandise and finished goods	4,412	4,470
Work in process	8,801	9,269
Raw materials and supplies	9,173	8,743
Deferred tax assets	1,452	1,205
Short-term loans receivable	8,801	9,300
Accounts receivable-other	4,906	4,329
Other	563	1,041
Allowance for doubtful accounts	(109)	(99)
Total current assets	102,670	104,798
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	20,541	20,304
Machinery, equipment and vehicles, net	24,361	23,091
Land	36,332	36,339
Construction in progress	2,230	3,150
Other, net	2,302	2,213
Total property, plant and equipment	85,766	85,096
Intangible assets		
Goodwill	445	396
Software	1,024	981
Other	105	109
Total intangible assets	1,574	1,486
Investments and other assets		
Investment securities	14,851	14,767
Long-term prepaid expenses	177	179
Deferred tax assets	3,564	3,468
Other	4,412	4,569
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	22,987	22,967
Total noncurrent assets	110,328	109,549
Total assets	212,998	214,347

(Millions of yen)

	Previous fiscal year (Term ended March 31, 2012)	FY2013 1st Quarter (Term ended June 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	37,401	37,410
Electronically recorded obligations	3,349	3,625
Short-term loans payable	23,334	23,373
Current portion of bonds	182	170
Current portion of long-term loans payable	8,791	8,763
Lease obligations	119	421
Accounts payable-other	8,208	7,350
Accrued expenses	8,453	8,487
Income taxes payable	504	168
Accrued consumption taxes	141	406
Other	779	1,511
Total current liabilities	91,261	91,685
Noncurrent liabilities		
Bonds payable	247	169
Long-term loans payable	38,173	38,044
Lease obligations	83	1,300
Provision for retirement benefits	9,540	9,190
Provision for directors' retirement benefits	128	128
Provision for environment measures	172	169
Provision for restructuring	732	732
Deferred tax liabilities	41	43
Other	1,442	1,389
Total noncurrent liabilities	50,559	51,164
Total liabilities	141,819	142,849
Net assets		
Shareholders' equity		
Capital stock	16,528	16,528
Capital surplus	35,184	35,184
Retained earnings	20,267	20,488
Treasury stock	(2)	(3)
Total shareholders' equity	71,978	72,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	180	76
Deferred gains or losses on hedges	(423)	(629)
Foreign currency translation adjustment	(1,151)	(778)
Total accumulated other comprehensive income	(1,394)	(1,331)
Minority interests	596	631
Total net assets	71,179	71,498
Total liabilities and net assets	212,998	214,347

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	FY2012 1st Quarter (From April 1, 2011 to June 30, 2011)	FY2013 1st Quarter (From April 1, 2012 to June 30, 2012)
Net sales	52,294	47,103
Cost of sales	44,529	41,379
Gross profit	7,766	5,724
Selling, general and administrative expenses	4,149	4,211
Operating income	3,617	1,513
Non-operating income		
Equity in earnings of affiliates	124	247
Other	146	158
Total non-operating income	270	405
Non-operating expenses		
Interest expenses	276	255
Other	70	38
Total non-operating expenses	346	294
Ordinary income	3,542	1,625
Extraordinary income		
Gain on sales of noncurrent assets	4	1
Other	0	0
Total extraordinary income	4	1
Extraordinary loss		
Loss on retirement of noncurrent assets	6	16
Loss due to disaster	7	—
Loss on valuation of capital	—	50
Other	3	9
Total extraordinary losses	16	76
Income before income taxes and minority interests	3,530	1,549
Income taxes-current	694	77
Income taxes-deferred	680	534
Total income taxes	1,373	611
Income before minority interests	2,156	938
Income of minority shareholders	29	36
Net income	2,128	902

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2012 1st Quarter (From April 1, 2011 to June 30, 2011)	FY2013 1st Quarter (From April 1, 2012 To June 30, 2012)
Income before minority interests	2,156	938
Other comprehensive income		
Valuation difference on available-for-sale securities	(40)	(103)
Deferred gains (losses) on hedges	(337)	(261)
Foreign currency translation adjustment	64	440
Share of other comprehensive income of associates accounted for using equity method	139	17
Total other comprehensive income	(174)	92
Comprehensive income	1,982	1,031
(Attributable to)		
Parent company shareholders	1,944	965
Minority interests	38	65

(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

Not applicable