



3. Forecast for Consolidated Business Performance for the Second Quarter Ending September 30, 2013 (from April 1, 2013 to September 30, 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	%	¥
First half	95,500	2.3	4,400	54.2	4,900	56.8	1,600	(11.9)	7.05

Notes: Revisions to consolidated business performance forecasts during the quarter under review: No  
We expect to consider and release our operating result forecasts for the fiscal year ending March 31, 2014, following the business integration with Sumitomo Light Metal Industries, Ltd., which is scheduled for October 1, 2013.

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: 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 June 30, 2013	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, 2013	12,955 shares
As of March 31, 2012	12,955 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, 2013	227,087,045 shares
For the three months ended June 30, 2012	227,087,678 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, 2013

## (1) Consolidated Business Performance

Looking at the economic environment during the first quarter of the fiscal year ending March 31, 2014, the U.S. economy was in a recovery phase. However, several overseas economies remained at risk of a downturn, owing to such factors as the protracted European debt crisis and economic deceleration in emerging markets. The Japanese economy, meanwhile, showed signs of improvement, with the newly elected administration and the Bank of Japan working together on fiscal and monetary policies that have prompted yen depreciation and a recovery in stock prices. Nevertheless, as a full-fledged recovery in personal consumption will require some time, the business outlook remains uncertain.

In the rolled aluminum industry, demand for our mainstay can stock declined. Demand for automotive products also fell, for two reasons. First, automakers' long-term strategic shift toward overseas production and local procurement meant that we were unable to benefit in the short term from the correction to the high yen. Second, the effect of tax breaks on eco-cars, which had resulted in robust sales in the preceding fiscal year, was absent. Demand for foil base also remained lackluster, but demand for the high-purity foil used in capacitors began to recover at the end of 2012. As a result, the Furukawa-Sky Group's sales volume decreased year on year, owing to the overall decline in demand for rolled aluminum products.

Under these conditions, the Group's sales of thick plate for LNG tanker construction remained solid, but sales of our mainstay beverage can stock, automotive products and foil base reflected general rolled aluminum industry trends, with overall sales volume falling approximately 7% year on year.

In accordance with the "Accounting Standard for the Impairment of Fixed Assets," the Group posted an impairment loss of ¥2,410 million, which it recorded as an extraordinary loss.

As a result, first quarter consolidated total net sales were ¥46,798 million (down ¥305 million year-on-year), operating income was ¥2,856 million (an increase of ¥1,343 million compared to Q1 last year), ordinary income was ¥3,018 million (up ¥1,393 million), and quarterly net income was ¥197 million (down ¥705 million).

## (2) Consolidated Financial Position

### (Total assets)

Total assets as of June 30, 2013 increased ¥15,665 million from the end of the previous fiscal year, reaching ¥233,448 million. Current assets amounted to ¥111,500 million as of June 30, 2013, up ¥15,939 million from their level on March 31, 2013. Principal reasons for this increase included a ¥4,499 million rise in short-term loans receivable, due to factors such as an increase in repurchases; ¥2,491 million higher cash and deposits; a ¥3,287 million increase in notes and accounts receivable—trade; and a ¥4,625 million rise in inventories. Fixed assets decreased year-on-year by ¥273 million to ¥121,947 million.

### (Liabilities)

Total liabilities increased ¥14,018 million year-on-year to ¥154,501 million. Principal factors included a ¥4,057 million increase in notes and accounts payable—trade and a ¥2,641 million rise in short-term loans payable due to new borrowings. Long-term loans payable also expanded ¥3,580 million, and noncurrent liability lease obligations grew ¥2,946 million due to the execution of sale-and-leaseback arrangements.

### (Net assets)

Total assets were ¥78,946 million as of June 30, 2013, up ¥1,647 million year-on-year. This is because of a ¥2,124 million increase in the foreign currency translation adjustment and a ¥485 million decrease in retained earnings, reflecting ¥197 million in net income and ¥681 million in dividend payments.

## (3) Forecast for Consolidated Business Performance

Taking recent performance trends into account, we have revised our consolidated operating performance forecast for the first half of the fiscal year ending March 31, 2014 (from April 1, 2013, to September 30, 2013), from the forecast we announced on May 9, 2013.

We expect net sales to be essentially in line with our earlier forecast, but we now believe that operating income and ordinary income will exceed our initial expectations, due to such factors as changes in the sales mix, our efforts to hold down

cost of sales and the impact of inventory valuations. Our current net income outlook is lower than initial expectations, however, due to the reporting of an extraordinary loss stemming from an impairment loss on fixed assets.

For details, please refer to today's (July 31, 2013) news release entitled "Notice on the Recording of an Impairment Loss on Fixed Assets and Revisions to the Operating Performance Forecast."

## 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

Not applicable

## 3. Important Events related to the Assumption of a Going Concern

Not applicable

#### 4. Quarterly Consolidated Financial Statements

##### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2013)	Current fiscal year (As of June 30, 2013)
<b>Assets</b>		
Current assets		
Cash and deposits	9,023	11,514
Notes and accounts receivable-trade	53,878	57,165
Merchandise and finished goods	4,667	5,732
Work in process	9,279	10,774
Raw materials and supplies	9,471	11,536
Deferred tax assets	1,206	786
Short-term loans receivable	3,000	7,499
Accounts receivable-other	4,067	5,041
Other	1,059	1,484
Allowance for doubtful accounts	(89)	(30)
<b>Total current assets</b>	<b>95,561</b>	<b>111,500</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	20,303	20,038
Machinery, equipment and vehicles, net	22,191	20,932
Land	37,500	35,292
Construction in progress	12,559	14,176
Other, net	1,916	1,731
<b>Total property, plant and equipment</b>	<b>94,469</b>	<b>92,169</b>
Intangible assets		
Goodwill	250	201
Software	1,459	1,413
Other	111	117
<b>Total intangible assets</b>	<b>1,820</b>	<b>1,731</b>
Investments and other assets		
Investment securities	17,981	18,948
Long-term prepaid expenses	171	261
Deferred tax assets	2,655	3,438
Other	5,140	5,416
Allowance for doubtful accounts	(16)	(16)
<b>Total investments and other assets</b>	<b>25,932</b>	<b>28,048</b>
<b>Total noncurrent assets</b>	<b>122,221</b>	<b>121,947</b>
<b>Total assets</b>	<b>217,782</b>	<b>233,448</b>

(Millions of yen)

	Previous fiscal year (As of March 31, 2013)	Current fiscal year (As of June 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	35,973	40,031
Electronically recorded obligations	2,871	2,678
Short-term loans payable	21,171	23,811
Current portion of bonds	133	96
Current portion of long-term loans payable	11,050	11,529
Lease obligations	414	1,181
Accounts payable-other	9,429	8,873
Accrued expenses	7,884	8,057
Income taxes payable	877	708
Accrued consumption taxes	40	382
Other	250	615
Total current liabilities	90,093	97,961
Noncurrent liabilities		
Bonds payable	184	203
Long-term loans payable	38,228	41,807
Lease obligations	1,143	4,089
Provision for retirement benefits	8,289	7,928
Provision for directors' retirement benefits	153	106
Provision for environment measures	176	176
Provision for restructuring	724	724
Deferred tax liabilities	125	131
Other	1,369	1,376
Total noncurrent liabilities	50,390	56,540
Total liabilities	140,483	154,501
Net assets		
Shareholders' equity		
Capital stock	16,528	16,528
Capital surplus	35,184	35,184
Retained earnings	22,254	21,770
Treasury stock	(3)	(3)
Total shareholders' equity	73,964	73,480
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	240	278
Deferred gains or losses on hedges	25	(74)
Foreign currency translation adjustment	2,253	4,377
Total accumulated other comprehensive income	2,519	4,581
Minority interests	816	886
Total net assets	77,299	78,946
Total liabilities and net assets	217,782	233,448

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

## Quarterly Consolidated Statements of Income

(Millions of yen)

	Fiscal Year 2013 Q1 (From April 1, 2012 to June 30, 2012)	Fiscal Year 2014 Q1 (From April 1, 2013 to June 30, 2013)
Net sales	47,103	46,798
Cost of sales	41,379	39,375
Gross profit	5,724	7,423
Selling, general and administrative expenses	4,211	4,567
Operating income	1,513	2,856
Non-operating income		
Equity in earnings of affiliates	247	285
Rental income	41	43
Other	116	182
Total non-operating income	405	510
Non-operating expenses		
Interest expenses	255	243
Compensation expenses	28	20
Depreciation on disused noncurrent assets	—	72
Other	11	14
Total non-operating expenses	294	349
Ordinary income	1,625	3,018
Extraordinary income		
Gain on sales of noncurrent assets	1	1
Other	0	0
Total extraordinary income	1	1
Extraordinary loss		
Loss on retirement of noncurrent assets	16	11
Impairment loss	—	2,410
Loss on valuation of capital	50	—
Other	9	84
Total extraordinary losses	76	2,504
Income before income taxes and minority interests	1,549	515
Income taxes-current	77	624
Income taxes-deferred	534	(364)
Total income taxes	611	260
Income before minority interests	938	256
Income of minority shareholders	36	59
Net income	902	197



Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year 2013 Q1 (From April 1, 2012 to June 30, 2012)	Fiscal Year 2014 Q1 (From April 1, 2013 to June 30, 2013)
Income before minority interests	938	256
Other comprehensive income		
Valuation difference on available-for-sale securities	(103)	38
Deferred gains (losses) on hedges	(261)	(23)
Foreign currency translation adjustment	440	1,146
Share of other comprehensive income of associates accounted for using equity method	17	968
Total other comprehensive income	92	2,130
Comprehensive income	1,031	2,385
(Attributable to)		
Parent company shareholders	965	2,259
Minority interests	65	126

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

None

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

None

(Subsequent Events)

None