

Bearish aluminum and bullish dollar

Looking back at the transition of aluminum market at the London Metal Exchange and the US dollar against Japanese yen at Tokyo FX market, it is a remarkable symmetry that aluminum is weak and dollar is strong in the first half of 2013 as the chart on page one shows.

Since September aluminum market has been steady for six months supported by the big expectation of major governments' money supply policy and Chinese public investment. However in 2013, the demand of aluminum does not increase and the stock at LME warehouses heaps up to more than 5 million ton.

While the extremely low money rate is worried about, and the big inflow of fund money seems to stop. It is thought that the prime cause of recent bearish aluminum market.

Contrarily, the US dollar has been bought up successively reflecting the gap of money rate between lower yen and higher dollar. The weaker yen supports narrowly domestic aluminum market in yen. We would like to pay attention against the movement of both markets.

The chart on page one shows aluminum at LME, thick line, and dollar against yen at Tokyo FX market, pale line. Right scale shows dollar for aluminum, and left scale yen for dollar.

Our summer holidays

We are pleased to notify our coming summer holidays as follows.

11 Sunday ~ 18 Sunday August

Import of aluminum and silicon metal in FY 2012

The Ministry of Finance recently revealed the customs clearance report of primary aluminum ingot, aluminum alloy ingot, aluminum scrap, aluminum alloy scrap and silicon metal in fiscal 2012 started in April 2012 and ended in March 2013. According to this report, the comparison with the previous period as follows.

primary aluminum ingot	99.58%
aluminum alloy ingot	91.28%
aluminum scrap	94.28%
aluminum alloy scrap	71.57%
silicon metal	75.52%

The import of primary aluminum ingot was almost no change on volume and export countries, but aluminum alloy ingot decreased. Among others, China decreased 29 per cent from a year earlier. It is thought that their higher costs, especially soared wages, retarded export.

The import of aluminum alloy scrap plunged 28 per cent year on year, succeeding the 23 per cent decrease in fiscal year 2011., which reason is thought by the increased domestic scrap and the slacken scrap export.

Besides, the decrease of silicon metal's import is remarkable. The import from

China decreased 27 per cent from a year earlier. The total production of aluminum alloy ingot in Japan rose 6.8 per cent in the same period, and it is very mysterious. We have no strong sellers of silicon metal but china. We presume that Japanese aluminum alloy producers consumed a lot of silicon metal's stock of domestic traders.

The table on page two and three shows the customs clearance in metric ton, left side is in fiscal 2012 and right side is in fiscal 2011.

notes A. primary aluminum ingot

- (1) Australia (2) Russia (3) Brazil (4) Indonesia (5) New Zealand
- (6) South Africa (7) UAE (8) Argentine (9) Canada (10) Oman
- (11) Others (12) total

B. aluminum alloy ingot

- (1) China (2) Russia (3) UEA (4) Australia (5) New Zealand
- (6) Qatar (7) USA (8) Nigeria (9) Spain (10) Malaysia (11) others
- (12) total

C. aluminum scrap

- (1) Hong Kong (2) Malaysia (3) Taiwan (4) USA (5) Thailand
- (6) Singapore (7) Indonesia (8) Israel (9) Vietnam (10) Belgium
- (11) others (12) total

D. aluminum alloy scrap

- (1) USA (2) UK (3) Singapore (4) Israel (5) Malaysia (6) Australia
- (7) Indonesia (8) Philippines (9) South Africa (10) China (11) others
- (12) total

E. silicon metal

- (1) China (2) Brazil (3) Norway (4) South Africa (5) Thailand
- (6) Australia (7) Kazakstan (8) USA (9) France (10) Vietnam
- (11) others (12) total

Company news

The Safety Driving Center awarded us as an excellent company on managing drivers. The photo on page three above is the testimonial and the splendid trophy presented.

On July 23 ~ 26, we received a student from Isshiki High School for internship. Mr. Yoshiki Tanaka, photo on page three below, experienced various actual job trainings at various sections with us.

Everyone's much-wanted summer holidays, or we call Bon vacation, are soon. "The only bad thing about vacations is that they have to end." murmurs and mutters Chairman Hisashi Amano.

The Japan of today The summer heat strikes

Throughout July, formidable heat wave continued to bathe Japan. Over 20,000 heat exhaustion cases were sent to emergency hospital by ambulances in July, almost who were elderly.

The Meteorological Agency forecasts this hot weather will remain during coming some weeks, and at the same time appeals special caution against elderly .