

Estimated aluminum demand in fiscal 2014 increases 0.5%

The Aluminum Survey Group made up of seven bodies (Light Metal Manufacturers Association, Japan Aluminum Alloy Refiners Association, Japan Sash Association, Japan Aluminum Association, Japan Electric Wire Association, Japan Diecast Association and Aluminum Can Recycling Association) recently revealed the presumption of total aluminum demand in fiscal 2013 started in April 2013 and ended in March 2014, and its forecast in fiscal 2014 started in April 2014 and ends in March 2015.

According to the announcement, the presumed demand in fiscal 2013 increased 2.8% from a year earlier to 4.001 million ton. The demand was pushed up by the moderate prosperity and moreover the rushed demand for automobile, housing and electric appliances against consumption tax increase affected to take an upturn

The prediction of total demand in fiscal 2014 increases 0.5% from the previous year to 4.022 million ton. It is thought that there is a big reaction from a rushed demand in the previous fiscal year, however the demand for beverage can is expected to keep a pretty increase.

Notes for the table on page one is classified aluminum demand in F2012, F2013, F2014 and the comparison with the previous fiscal year.

- |                                  |                           |
|----------------------------------|---------------------------|
| (1) sheet (car only)             | (7) steel                 |
| extrusion (car only)             | (8) powder                |
| total (car only)                 | (9) others                |
| (2) cast car / others / total    | (10) import               |
| (3) diecast car / others / total | (11) domestic total       |
| (4) cast + diecast               | (12) export               |
| (5) forge (car only)             | (13) total demand         |
| (6) electric wire                | (14) total demand for car |

Metal Japan is held in Tokyo

The first exhibition, Metal Japan, was held at Tokyo Big Sight in Ariake Tokyo on April 16, 17 and 18 by the Lead Exhibition Japan Limited, where many metals producers and traders attended to show their newest products and technical services of all metals, copper, aluminum, special steel and rare metals. The newest metals technologies supporting today's social life were assembled here, and attracted all the visitors, metal men.

Regarding aluminum industry, UACJ showed their high grade thick sheet for LNG carrier. Kobe Steel displayed their high quality sheet, forge and cast for aircraft industry. Nippon Light Metal exhibited the higher quality foil "Lukal" for mirror and the ultra strong sheet of 7,000 series. Sankyo Material showed their major products, extruded aluminum. Kyushu Mitsui Aluminum displayed 99.9995% super high purity aluminum.

Besides, Japan Copper Elongation Association, Japan Copper Center, Japan Titan Association and Japan Magnesium Association displayed their activities respectively, every which attracted many visitors.

On the second day, the Keynote Address was held by three key metal men. The first was “The outlook for high function metals” addressed by Mr. Hiroshi Oikawa, Chief of nonferrous metals Dpt. The Ministry of Economy, Trade and Industry (photo on page two). He concluded that it is the most important to rationalize the managing resources through business reshuffle, and also to build up the strength against new market, under our domestic demand reaches the ceiling.

The second speaker was Mr. Shigenori Yamauchi, Chairman of U A C J, who addressed “High function aluminum products”, and the last speech was “High function copper alloy” by Mr. Ichiro Sawamura, Executive Director of JX Nikkou Nisseki Metals.

There was an audience of 1,000 at the first exhibition, Metal Japan, which fair was a great success.

### Memorial Mr. Nobuhiro Okada

Mr. Nobuhiro Okada, Chairman of Kozakai Alloy Industry, Ltd., passed away on April 17 at the age of 79, and the funeral service was held on April 19 at Kozakai Memorial Hall solemnly. He has achieved remarkable services to the great growth of both his company and the diecasting world.

We really miss him. May he rest in peace.

### Two aluminum prices in Tokyo and in London

It hasn't been common sense today that the aluminum market price is formed at London Metal Exchange. Today, the LME price is cheaper than Tokyo market by \$365/ton, or 20 per cent, and this differential is called Japan premium, which fluctuates regardless of the market at LME and seems to be upward.

It is said that the root is the warehouse activity depressed by excessive large inventory. Today at LME warehouses, the stock has piled up to 5.3 million ton, or 10 per cent of worldwide consumption, and such a great stock prevents the delivery service extremely.

The origin of excessive stock comes from the huge investment of hedge funds and investment banks supported by major governments' super low money rate deal. Under these circumstances, buyers at LME feel uneasy to get spot, and the market price at LME has been comparatively at lower than Tokyo price.

Of course, LME has made efforts to improve the warehouses' shipping service, but major primary aluminum smelters don't want to improve the delivery shipping service hoping not to decrease the stock at warehouses,

However we are afraid surplus stock at warehouses brings the lower LME market constantly. Furthermore, if the interest rate market should rise to normal level, this huge stock would spread all over the world market in a short time.

We hope LME makes haste to improve and reform the delivery system soon.

### Company News

Carp streamers swim above us vigorously as page 3 photo enjoying Children Day, National Holiday on May 5, and hoping for our boy's healthy future.