

Estimated aluminum demand in fiscal 2017 increases 0.7%

The Aluminum Survey Group made up of seven bodies (Light Metal Products Association, Japan Aluminum Alloy Refiners Association, Japan Sash Association, Japan Aluminum Association, Japan Electric Wire Association, Japan Die Casting Association and Aluminum Can Recycling Association) recently revealed the presumption of total aluminum demand in fiscal 2016 started in April 2016 and ended March 2017, and its forecast in fiscal 2017 started in April 2017 and ends in March 2018.

According to the announcement, the presumed demand in 2016 increased 1.7 per cent to 4,127,000 ton. Over 4 million ton was three years successive yearly demand. However, the highest record was 4,457,000 ton marked in fiscal 2006

In fiscal 2016, the demand for automobile showed firm with brisk knock-down parts export. The demand for automobile swelled 2.6 per cent, which contributed toward the total demand's upwardness.

Regarding the prediction of total demand in fiscal 2017, it increases 0.7 per cent from the previous fiscal year to 4,156,000 ton. The increase of predicted demand is very small. The 39 per cent of total aluminum demand is occupied by automobile industry. Accordingly, a brisk industrial activity at auto industry is expected.

The chart on page one shows classified aluminum demand in F2016 and F20i7, and the comparison with the previous fiscal years.

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

Aluminum cast and die cast production improve s in February

The Ministry of Economy, Trade and Industry recently revealed the production of aluminum cast and aluminum die cast in February. According to the report, the production of aluminum cast increased 7.1 per cent from the previous same period to 36,243 ton. The production of aluminum die cast rose 8.4 per cent from a year earlier to 83,337 ton.

The favorable production of automobile and the active capital investment contributed to the seven months successive increases from a year earlier for both aluminum cast and aluminum die cast.

The table on page two shows the production of aluminum cast and aluminum die cast in February, and the comparison with the previous period. (1)aluminum cast totaled (2)machines (3) automobile (4)others (5)aluminum die cast totaled (6)machines (7)electrical machine (8)automobile (9)two wheeled vehicle (10)others.

Aluminum market price keeps bullish

In the end of 2014 the aluminum market price fell below \$2,000 at London Metal Exchange, and in the end of 2015, it went down at \$1,400 level. However in 2016, it rose slowly and in the end of the year it rebounded powerfully. At last in February this year, it marked \$1,900.

It is thought that the unprofitable market brought a long term production curtailment. Contrarily, the demand increased favorably. As the result, the LME warehouses' stock decreased gradually, and at the same time, the market reversed powerfully. The international demand of aluminum will be increasing steadily in the future.

The chart on page two shows the aluminum 3 month market price at London Metal Exchange monthly since January 2016.

The future of TPP without USA TPP

TPP is the short for Trans Pacific Strategic Economic Partnership, which was made by an agreement with 12 circumference countries of Pacific Ocean,

Australia Brunei Canada Chili Japan Malaysia Mexico
New Zealand Peru Singapore U.S.A. Vietnam,

to aim at the abolishment of tariff and the liberalization of money and labor.

Since 2006 trying to realize an ideal great economy bloc, so many meetings were held to fix the term of tariff abolishment and excepted list for some thousands of trading goods. At last in 2015, an agreement of basic points was concluded.

The protection of intellectual property and the international investment rule were included in the agreement, which was watched and expected by the whole world as the latest and highest international trade agreement.

TPP without U.S.A.

As soon as Trump new US President took the position, he declared the secession from TPP, which gave a great shock and unrest against all allied countries

The US gross domestic product is really 65 per cent in all 21 countries' GDP, which means a progressed great country gave up the support for smaller countries' development with free trade policy.

Japan and TPP

Japanese government expresses that the existing scheme is the best, and wants to reach the final agreement at Asia Pacific Economic Cooperation Forum (APEC) in coming November. However today, Australia and New Zealand support Japan, and Vietnam , Malaysia and some states try to find a new way.

The future of TPP that Japan hopes won't be bright and even.

Company news

Carp streamers swim vigorously above our plant as the photo on page 3. On May 5, Boys Festival, we hoist them hoping for our boys' healthy future.

We took account of whole stock on April 30 for our settlement, and sincerely thank suppliers and transporters for your big cooperation during last some days. On May 1 new business term starts. We'd liketo make efforts for better quality and service.