

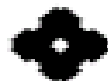


Be “The Best Global Partner” for Customers

**The Fourth Medium-Term
Management Plan:**

**SLM’s VISION 2012
【 SV12 】**

March 1, 2010



SUMITOMO LIGHT METAL INDUSTRIES, LTD.

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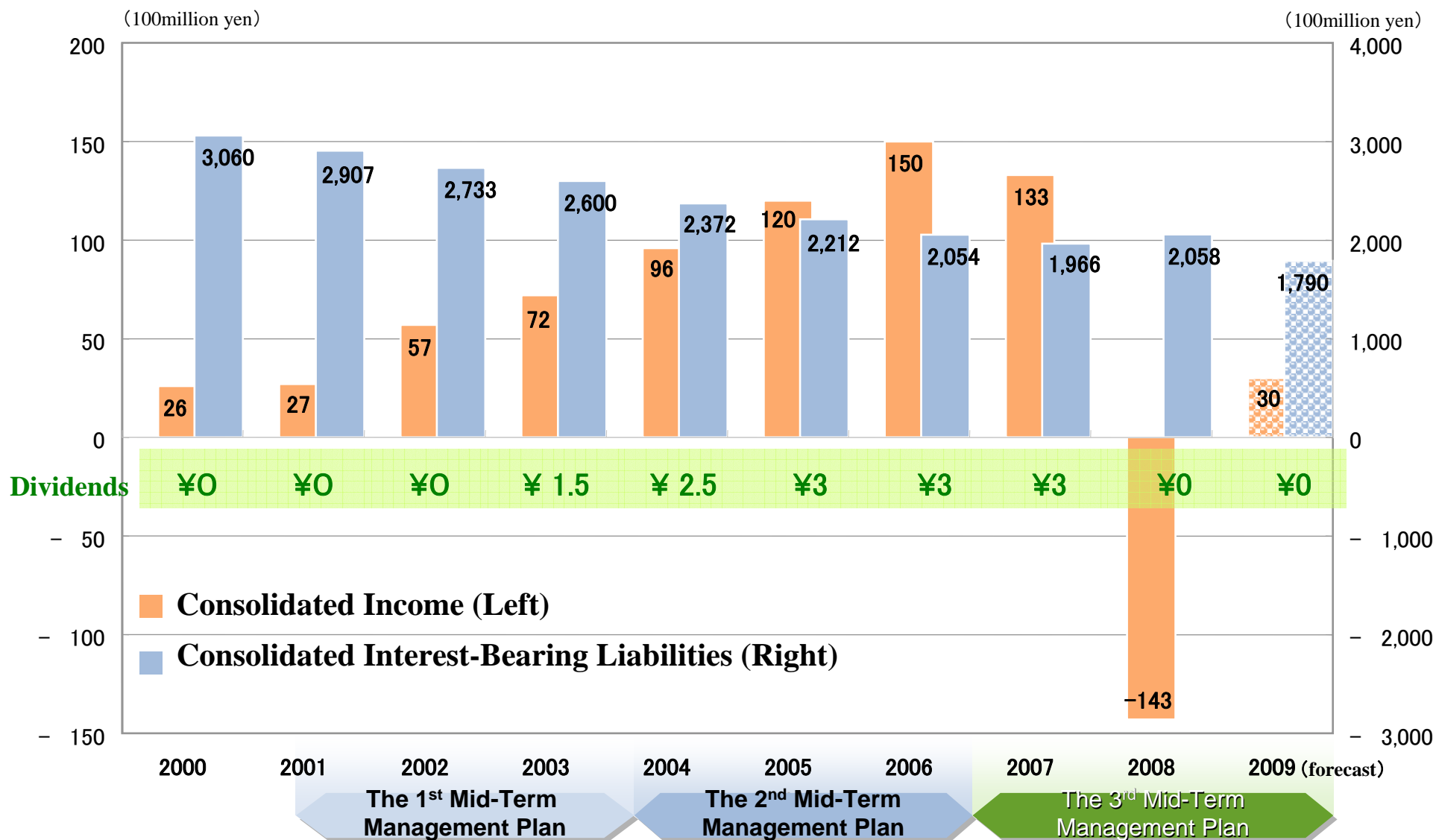


I . Review of Past Three Mid-Term Management Plans

Review of Past Three Mid-Term Management Plans

		Fundamental policies	Changes in economic environment and main business measures
The First Mid-Term Management Plan	2001	<ul style="list-style-type: none"> Remove accumulated loss and resume payout of dividends 	<ul style="list-style-type: none"> Accomplish removal of accumulated loss, resume dividend payout and improve balance sheet
	2002	<ul style="list-style-type: none"> Reduce consolidated interest-bearing liabilities by ¥40 billion in three years 	
	2003		
The Second Mid-Term Management Plan	2004	<ul style="list-style-type: none"> Secure stable earnings for stockholders and society 	<ul style="list-style-type: none"> Profit pressures due to rising price of raw materials and fuels Disposal and reorganization of non-core business Aggressive investment in core business units
	2005	<ul style="list-style-type: none"> Improve balance sheet by continuously reducing interest-bearing liabilities 	
	2006	<ul style="list-style-type: none"> Strengthen competitiveness through effective utilization of SLM group's management resources 	
	2007	<ul style="list-style-type: none"> Aim to be No. 1 in every business unit 	
The Third Mid-Term Management Plan (2010 Plan)	2008	<ul style="list-style-type: none"> ① Enhance technological development 	<p>Frozen Credit Markets ⇒ Global Recession Drastic changes in economic environment</p> <ul style="list-style-type: none"> Emergency measures for improving income Significant decrease in sales volume and raw material inventory write-downs Subsequent rebound in demand up to 70-80% Make new Mid-Term Management Plan reflecting the drastic changes in economic environment, and implement.
	2009	<ul style="list-style-type: none"> ② Strengthen core business units ③ Establish and develop an internal control system and compliance system ④ Further reduce interest-bearing liabilities 	
	2010	<ul style="list-style-type: none"> ⑤ Effectively utilize and restructure SLM group's management resources 	

Numerical Review



**II. “Awareness of Business Environment”
and
“Mid- to Long-Term Challenges”**

Awareness of Business Environment

Users change their policy to increase their overseas operations

- Further acceleration to overseas operations
- From export to local production (Export competitiveness weakened due to a strong yen)
- From Japanese customer-oriented to local customer-oriented

Growing threat

from foreign manufacturers of rolled aluminum, especially Chinese and Korean manufacturers

- Equipment enhancement using latest machinery
- Consistent improvement of production technology and quality
- Chinese government’s encouragement of exports

A scramble for the global developing market

- Decline in demand from developed countries
- Increase in demand from developing countries (China, Southeast Asia, India, Middle East etc.)



The intensifying competition in the growing market of developing countries

The growth in new products

- Automobile weight reduction
- New energy sector
- Other environmental-related sectors

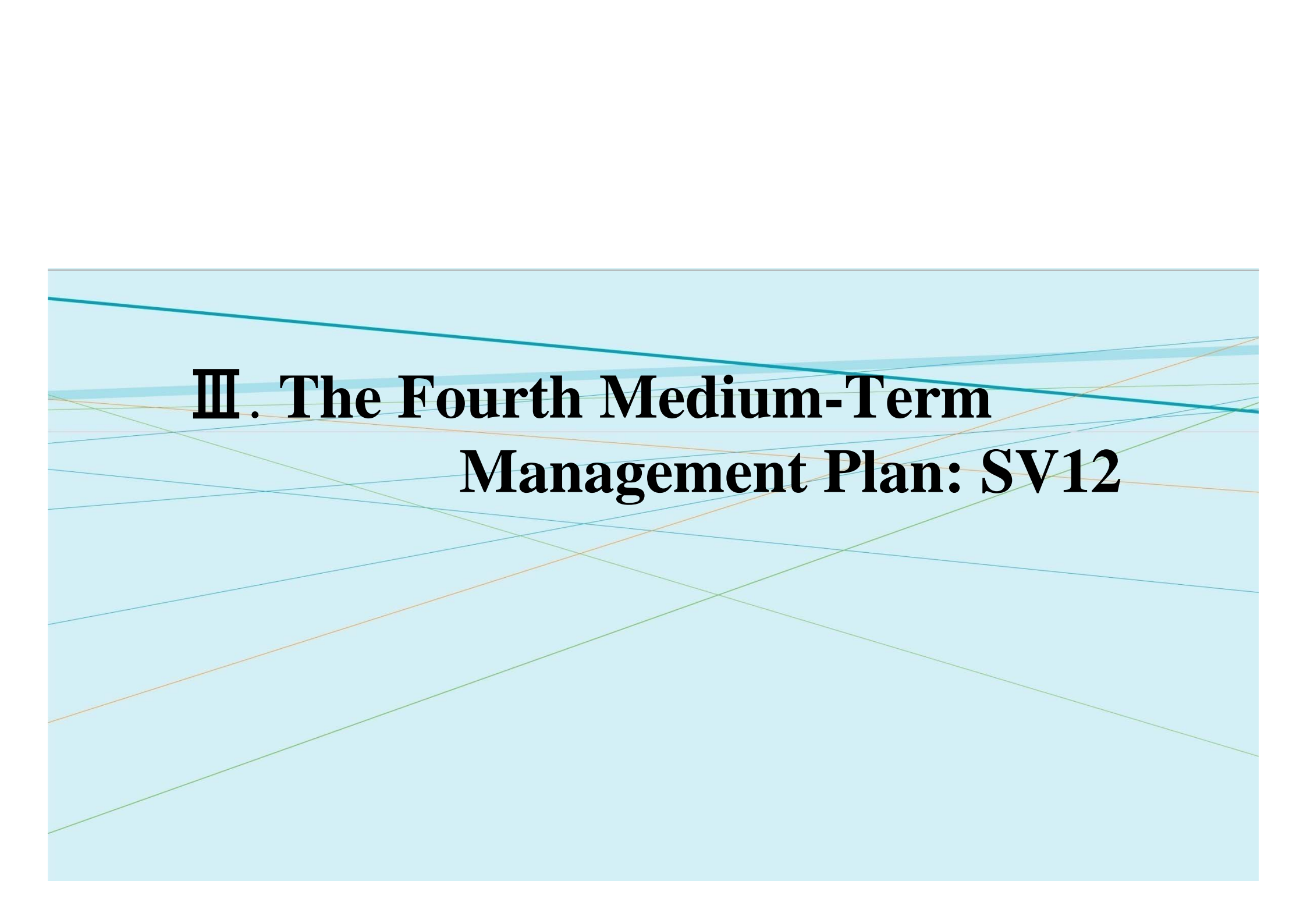
Mid- to Long-Term Challenges

“SLM’s Vision”

Be the Best Global Partner for Customers

Mid- to long- term challenges for achieving SLM’s vision

1	Maintain and strengthen the advantage in technological development both in existing products and new products
2	Differentiate from foreign competitors through quality, delivery deadline and technological service, etc.
3	Build a global supply system for our users operating overseas, which should be competitive enough for use by local users
4	Build a stable earnings structure and financial strength to enable sustainable investment for growth, including the above



**III. The Fourth Medium-Term
Management Plan: SV12**

1. Fundamental Policies

Take more risks for growth, while solidifying our position

1 Structural reform in costs and rapid improvement of balance sheet

- Implement restructuring of Fabricated Products Division and Aluminum Extrusions Division as planned
- Examine and implement strengthening of Copper Tubes Division
- Further reduce interest-bearing liabilities (efficient utilization of assets by “Post C-200 Action”)

2 Promote growth strategy

- Maintain and strengthen the advantage in technological development in existing core business units
- Secure No.1 supplier position in the newly growing products area, such as products for automobile weight reduction, new energy sectors and other environmental sectors
- Actively build a global supply system for users operating overseas
- Actively seek business opportunities abroad
- Examine and implement more effective utilization of group’s management resources
- Examine possibility of forming alliances with peer companies in other sector

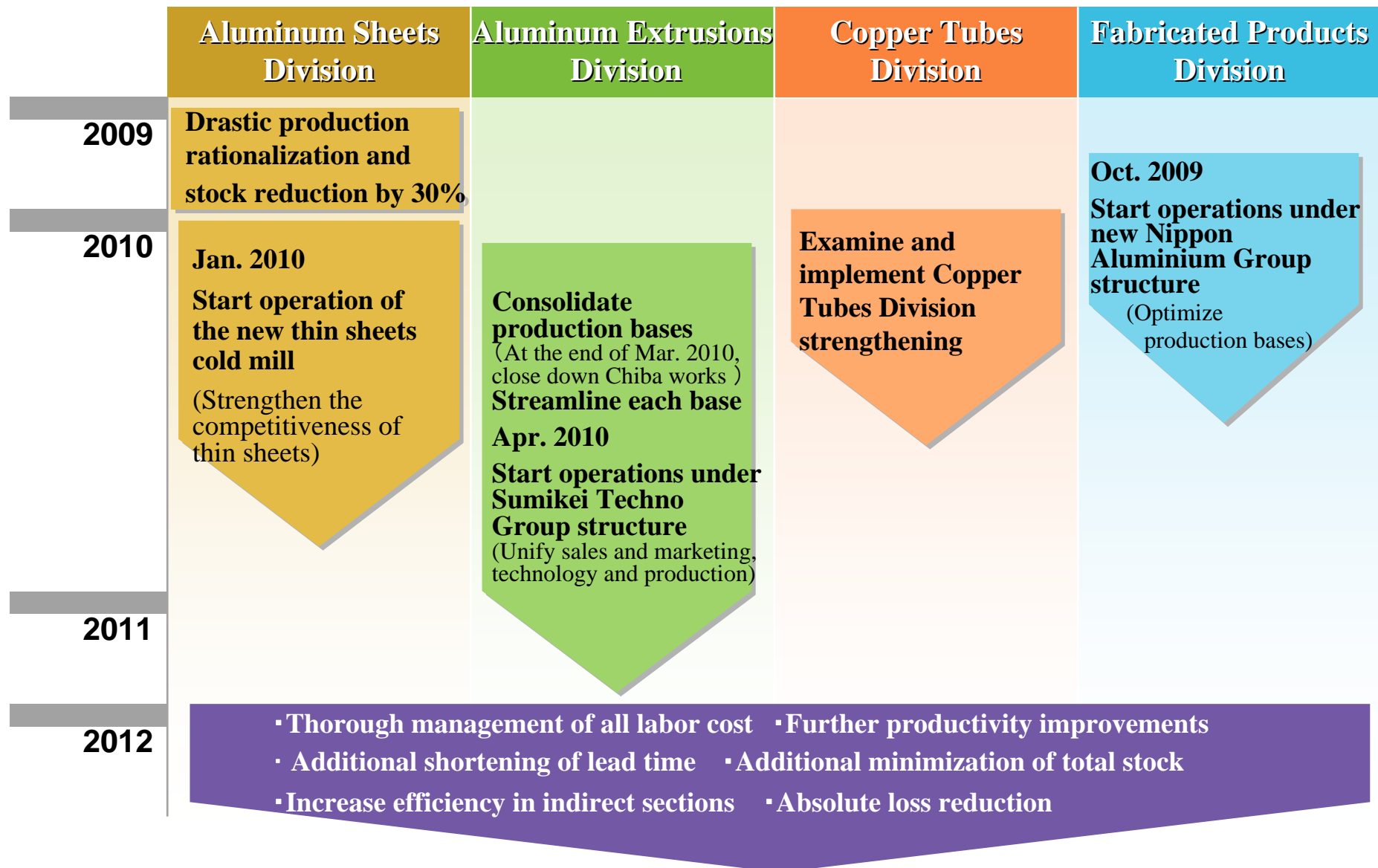
3 Further enhance technological development

- Not only the narrow definition of technological development, but also the wider definition including both “Genbaryoku”-continually improving the actions of the manufacturing lines and “Staff-ryoku”- increasing the efficiency of staff.

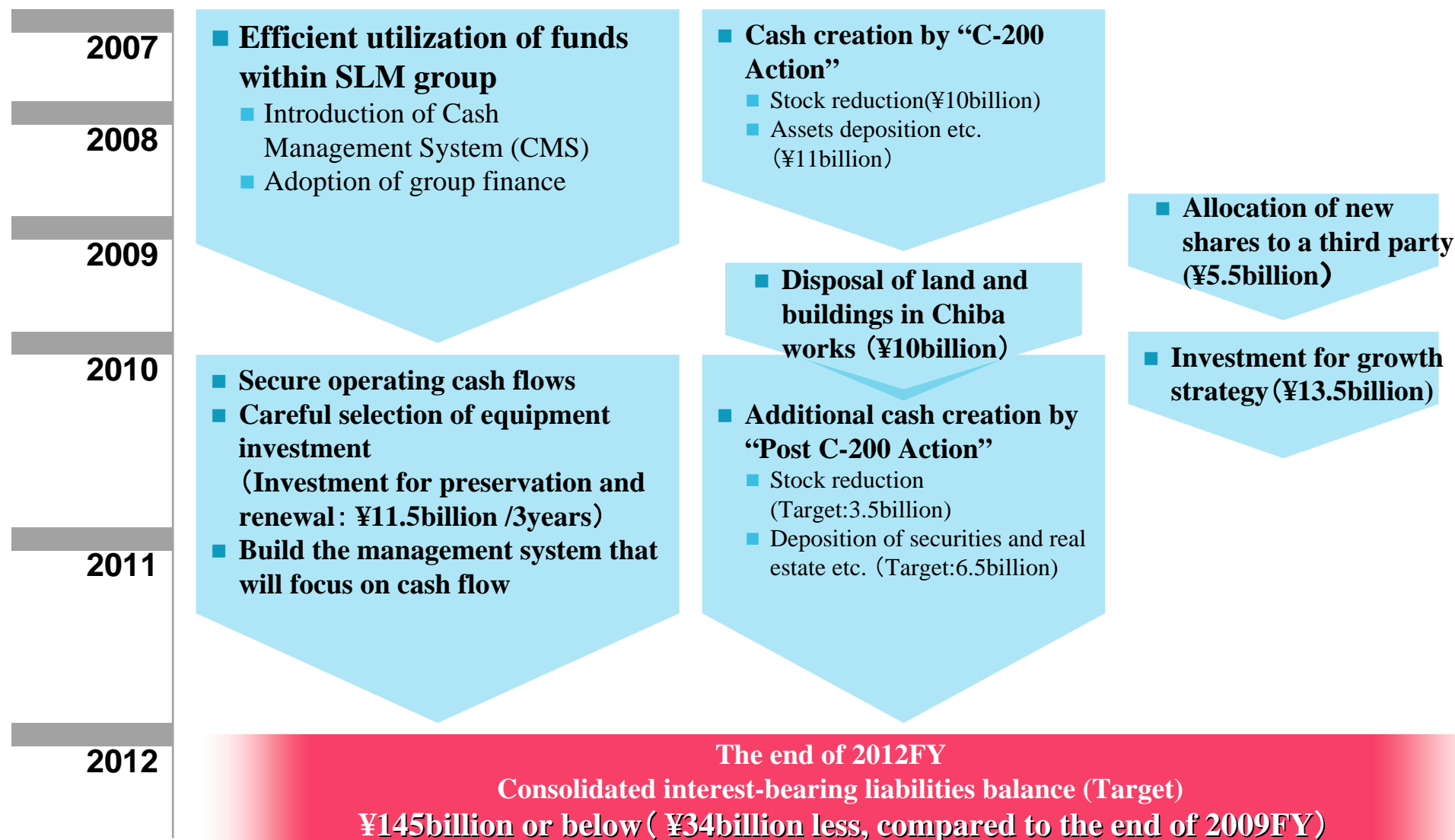
4 Step up corporate governance and compliance system initiatives

5 Early resumption of dividends

2. Structural Reform Costs



3. Rapid Improvement of Balance Sheet



4. Promote Growth Strategies

Aluminum Sheets Division, including Aluminum Foil business

(1) Maintain and strengthen the advantage in technological development in existing core business units

Existing core business units

- ① Beverage cans
- ② Pre-sensitized (PS) plates
- ③ Air-conditioner fins
- ④ Automobiles
- ⑤ Heat exchangers for automobiles
- ⑥ Condenser foil

■ Further enhance technological development

(Maintain and strengthen the advantage)

- Technology for thin sheets
- Technology for surface processing

■ Build a global supply system (ref. P.13)

- Supply system for users operating overseas
- High-functional products
- Products for local high-volume zone (lower cost products)

Beverage cans



Automobiles (PRIUS)



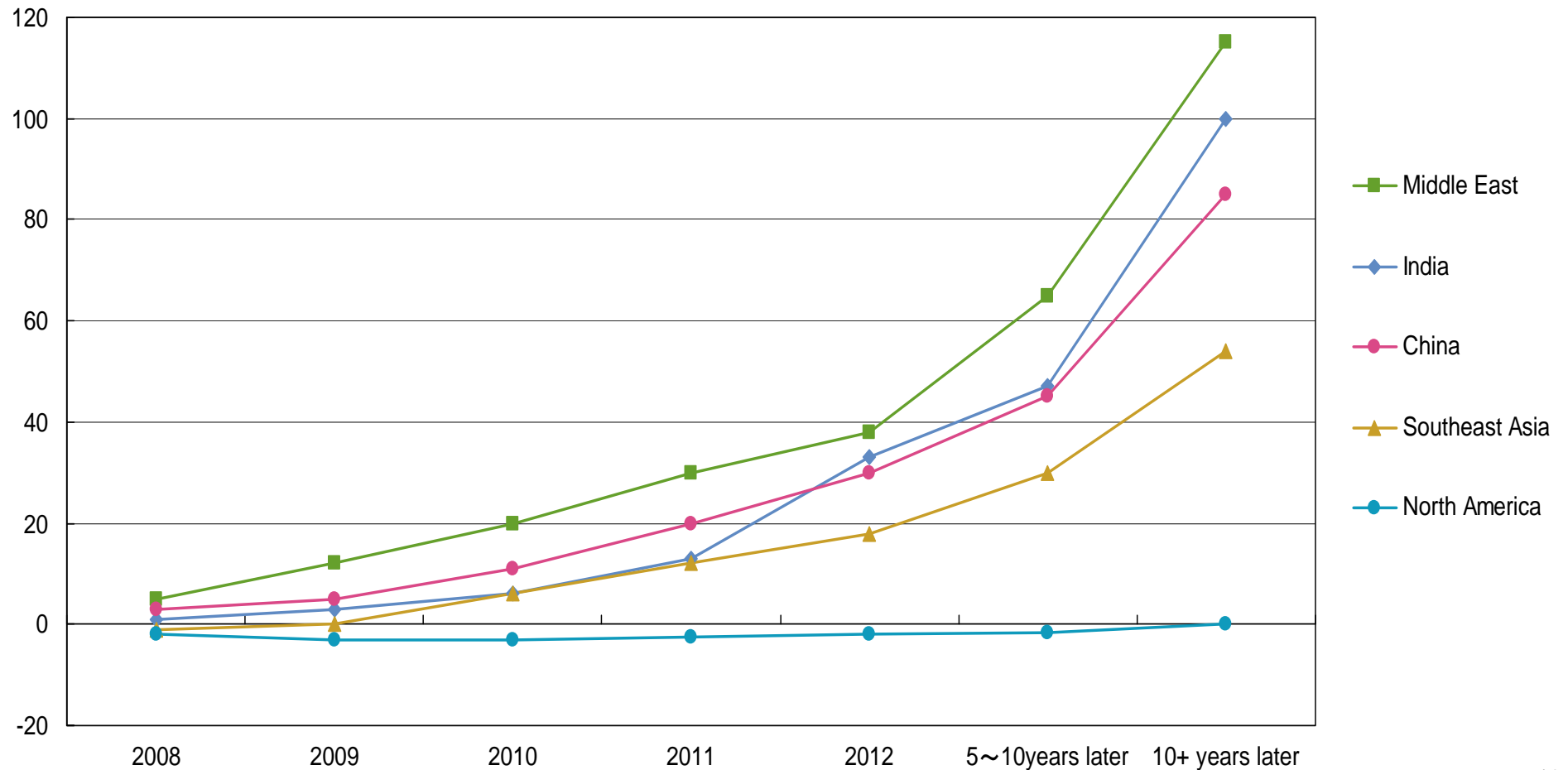
Recognition by TOYOTA



4. Promote Growth Strategies

Regional growth rates of 5 core business units in Aluminum Sheets Division (Rates are our estimates: percentages compared to 2007FY)

5 core business units: Beverage cans, PS plates, Automobiles, Air-conditioner fins, Heat exchangers for automobiles



4. Promote Growth Strategies

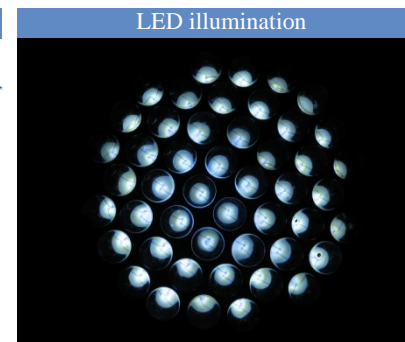
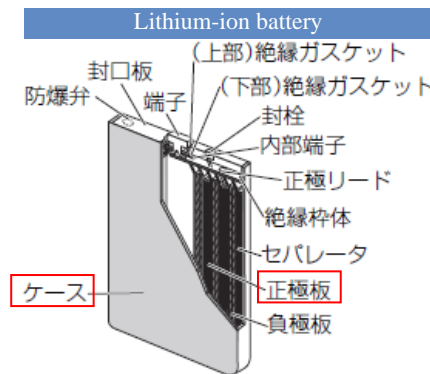
(2) Secure No.1 supplier position in newly growing products areas

Newly growing products areas

- ①Automobiles parts
- ②Lithium-ion battery (current collectors, cases)
- ③Solar batteries
- ④Electric double layer capacitors
- ⑤LED illumination
- ⑥Fabricated foil for medical products
- ⑦IT devices parts

- Put resources into technological development
- Comprehensive endeavor of whole SLM Group

■ **Become No.1 supplier in every products area**



(3) Actively seek business opportunities abroad

New growth regions

China, India, Middle East, and Southeast Asia, etc.

- **Actively research and tap into business opportunities**
 - Expansion of Coil Center in China (Sumikeisho Kunshan)
 - Increase the number of expatriate staff

4. Promote Growth Strategies

Aluminum Extrusions Division

(Sumikei Techno, Sumikei Techno Nagoya, Sumikei Techno Anjo, Sumikei Techno Gunma, Sumikei Techno Ena, Sumikei Techno Czech)

(1) Maintain and strengthen the advantage in technological development in existing core business units

Existing core business units

- ① Heat exchangers for automobiles
- ② Automobiles parts
- ③ Motorcycles
- ④ Rail vehicles
- ⑤ Aircrafts and National defense

Further enhance technological development by:

- Position sales staff with technological knowledge, and
- Improve measuring techniques, control techniques and productivity

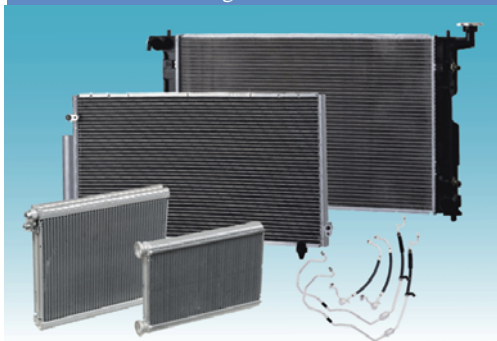
Build a global supply system for users operating overseas 【Promising products】

Heat exchangers for automobiles (multi-port tubes, pipes and hose joint pipes), rail vehicles, automobiles parts, and home electrical appliance parts

【Examining the global supply system of heat exchangers for automobiles】

- Southeast Asia:
 - Decided to build a plant in Thailand, scheduled to begin operation in 2011
 - Positioned expatriate staff to identify new demand for automobile parts, home electrical appliance parts, etc.)
 - Utilization of NALCO in Thailand and Iwai Metal in Indonesia
- Europe: Under examination
(Increasing equipment of Sumikei Techno Czech)
- China: Under examination
- North America: Under examination
(Utilization of Iwai Metal in Mexico etc.)

Heat exchanger for automobiles



Provided by Denso Co.

4. Promote Growth Strategies

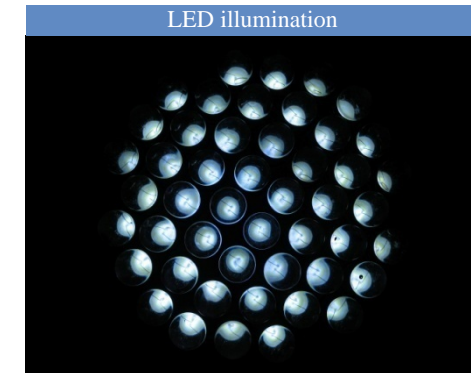
(2) Secure No.1 supplier position in newly growing products areas

Newly growing products areas

- ① Electrical power-generating and transmission units
- ② LED illumination
- ③ Solar batteries
- ④ IT devices parts
- ⑤ Various secondary batteries

■ Resource loading for technological development

■ Become No.1 supplier in every products area



(3) Increase added value in other ordinary products

From “material only ” to “fabricated parts”

■ Combine material technology with fabrication technology

Cooperation of Nippon Aluminium Group and Iwai Metal Group

■ Double sales of fabricated products

4. Promote Growth Strategies

Copper Tubes Division

(1) Maintain and strengthen the advantage in technological development in existing core business units

Existing core business units

- ① Air-conditioners
- ② Eco-cutes
- ③ Plumbing for building and refrigerant
- ④ Condensers
(Electrical plants and desalination plants)
- ⑤ Titanium Tubes
(Nuclear power plants and thermal power plants)

■ Further enhance technological development

- Expansion of high-strength copper tubes for air-conditioners and eco-cutes

■ Focus on area expected to grow

- Increase production and establish an expansive sales system of titanium tubes
80T/month → 150T/month (2012 Target: 200T/month)
2lines → 3lines : scheduled to begin operation in November 2010

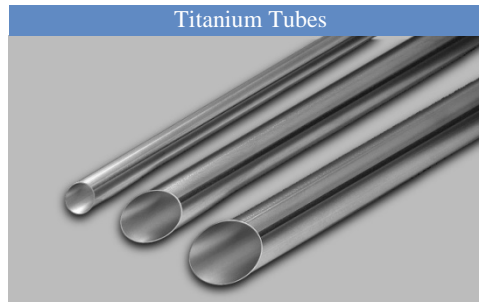
■ Strengthen competitiveness in the business area of plumbing for buildings and refrigerants

■ Respond to the domestic excess supply structure

Air-conditioners



Titanium Tubes



4. Promote Growth Strategies

(2) Focus on newly growing products areas

Newly growing products areas

- ① Industrial instruments for railroad and equipment
 - ② Gas coolers
 - ③ Next-generation vehicles
 - ④ All-aluminum heat exchangers
- } Fabricated heat exchangers

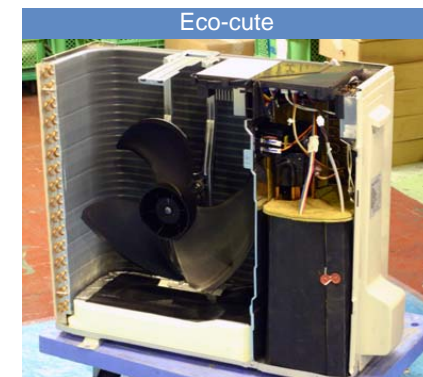
- **Put resources into technological development**
 - Secure and train thermal designers
- **Mobilize whole SLM Group**
 - Study production optimization of fabricated heat exchangers
- **Put all of SLM group's capabilities into all-aluminum heat exchangers, including Aluminum Extrusions Division**

(3) Actively seek business opportunities abroad

New areas of growth (Existing business)

- Air-conditioners
- China, India, Southeast Asia, South America, etc.

- **Strengthen competitiveness abroad, e.g. in Malaysia and China**
 - Shift to local procurement of raw material tubes(Examine alliance possibility)



4. Promote Growth Strategies

Fabricated Products Division

《Nippon Aluminium Group (Nippon Aluminium, Nippon Aluminium Shiga, Sumikei Engineering, NALCO)》

(1) Maintain and strengthen the advantage in technological development in existing core business units

Existing core business units

- ① Industrial transport and other equipment
- ② Industrial arts facilities
- ③ Architectural expansion joints
- ④ Heat exchangers for refrigerators

- Develop and strengthen technology for fabricated products
 - Maximum utilization of welding technology center
- Develop new businesses by introducing utilities of our industrial arts facilities
- Reduce cost through efficient production
 - Assembly line, Cell production, One-piece-at-a-time production
- Promote cost reduction through cooperation of Nippon Aluminium Shiga and Sumikei Engineering



4. Promote the Growth Strategies

(2) Sales expansion of newly growing products areas

Newly growing products areas

- ① Nuclear power plants
- ② New energy
- ③ Rail vehicles
- ④ School new deal program
- ⑤ Green electric appliances

- **Promote active technological development which will lead to increased orders**

(Centralizing development power of core business)

- **Products for developing and expanding sales**

- ① Nuclear power storage pool lining and other parts
- ② Products for wind and biomass power generators
- ③ Products for applying honeycomb panels (bonding and jointing)
- ④ Earthquake resistant strengthening braces
- ⑤ High efficiency heat exchangers for refrigerators
- ⑥ Aluminum floor slabs etc.

Nuclear power storage pool lining



Earthquake resistant strengthening brace



Aluminum floor slabs



(Manufactured by Nippon Aluminium Group and distributed by Sumikei-Nikkei Engineering Co.,Ltd.)

4. Promote Growth Strategies

(3) Actively seek business opportunities abroad

Industrial arts facilities

Promising orders from Korea and Taiwan

Industrial transport and other equipment

Overseas operation centralizing NALCO as production base

《Iwai Metal Group (Iwai Metal, Iwai Metal in America, Iwai Metal in Mexico, Iwai Metal in Indonesia)》

(1) Maintain and strengthen the advantage in technological development in existing core business units

Existing core business units

- ① Prefabricated bath parts
- ② Hand rails
- ③ Rail vehicles parts
- ④ Fabricated products from other metals

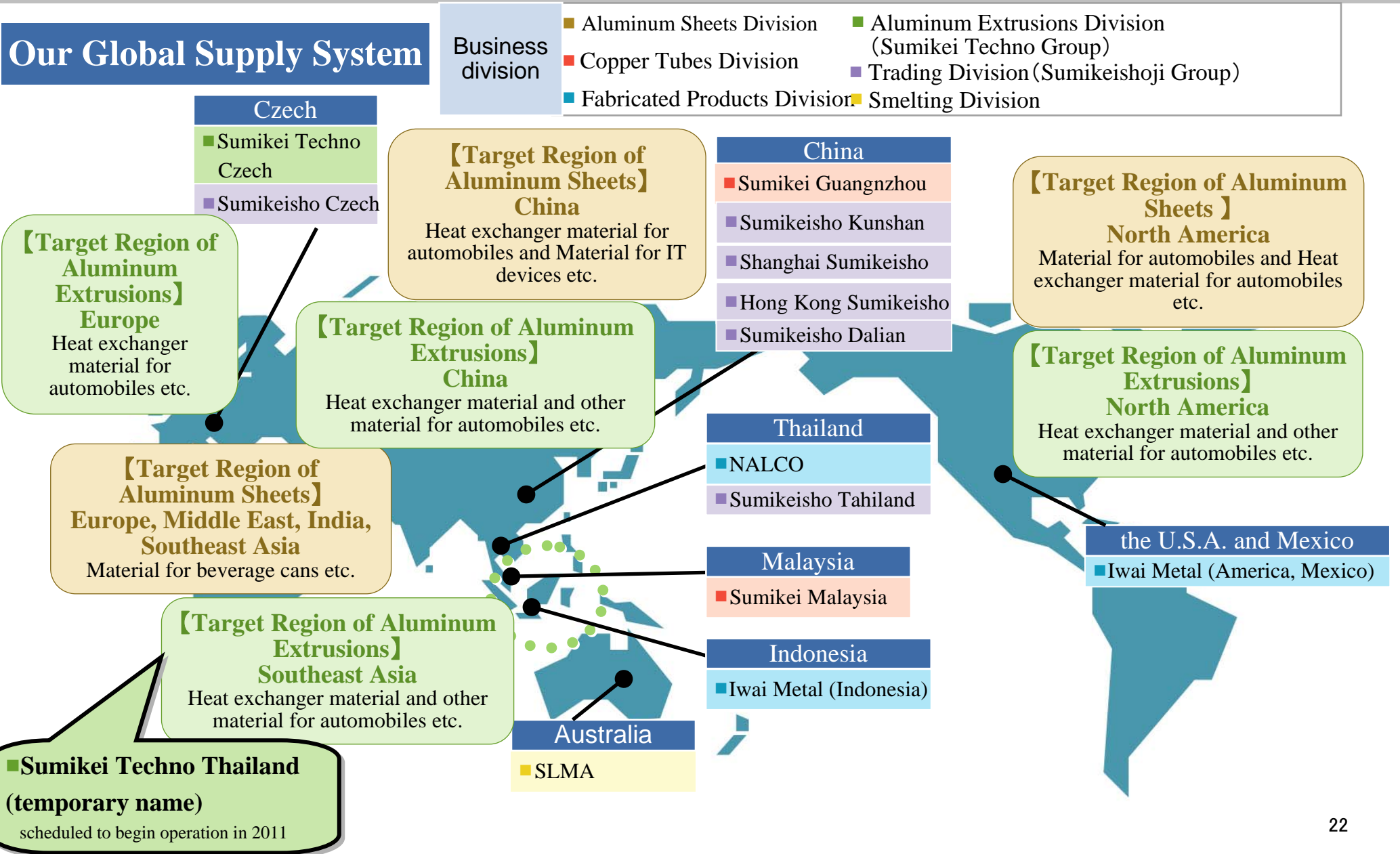
(2) Sales expansion of the newly growing products areas

Newly growing products areas

- ① Automobile parts
- ② LED illumination parts

- Strengthen cooperation between Sumikei Techno Group and Nippon Aluminium Group in sales and marketing, R&D and production
- Expand operations (Press work for aluminum and steel in Japan)

4. Promote the Growth Strategies



5. Further Enhance Technological Development

Mobilize all of SLM

Technological
Development



Cooperation of R&D, manufacturing and sales and marketing

(Now)

R&D for products
and
production technology



(Future)

Advanced products
Advanced production process

“Genba-ryoku”



■ **Kaizen activities**

- Led by an external consultant to train eye for kaizen etc.
- Voluntary kaizen activity at each base of SLM Group

■ **Human resource development (HRD)**

- Skill transfer training
- Corporate training
- Departmental training
- Accreditation acquisition

“Staff-ryoku”

Kaizen activities and HRD

【SK50 action】

(Kaizen activities by operation’s staff to improve efficiency by 50%)

- Own-process completion
- 5S action
- HRD for each departments

Customer
satisfaction
and
trust

6. Step up Corporate Governance and Compliance System Initiatives

Sumitomo's Business Spirit

- 1.Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.
- 2.Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

SLM Group's Management Principles

Management Principles

We strive to provide products and service that can gain our customers' satisfaction and trust, and contribute to society as a whole through sound business development.

Management Policies

We aim to be a global organization that centers rolled aluminum and copper manufacturing business.

- 1.Enhance and expand aluminum and copper manufacturing business through technological development
- 2.Exert all of SLM Group's integrated corporate strength
- 3.Ensure employees' safety and health, and preservation of global environment

Activity Guidelines

1. Respond to all changes creatively
2. Share information and have active discussions
3. Gather knowledge and wisdom for achieving goals and solving problems, and act promptly
4. Be aware of Corporate Social Responsibility (CSR) and act accordingly

CSR Activities

Educational Campaign of Compliance System

Educate all of SLM Group's employees through "SLM Group's business ethical behavior handbook"

Corporate Governance

Step up corporate governance

Established Internal Control System Preparation Office in 2007



Established Internal Control System Development Department

Established Internal Control Committee in 2008

Risk Management

Prevent critical equipment breakdown

Prepare for large-scale earthquakes

Protect against disasters in each base

Safety and Environmental Contributions

Basic safety guidelines, and Basic environmental guidelines

Trust by
customers,
stockholders,
employees,
clients and
local society

7. Numerical Targets

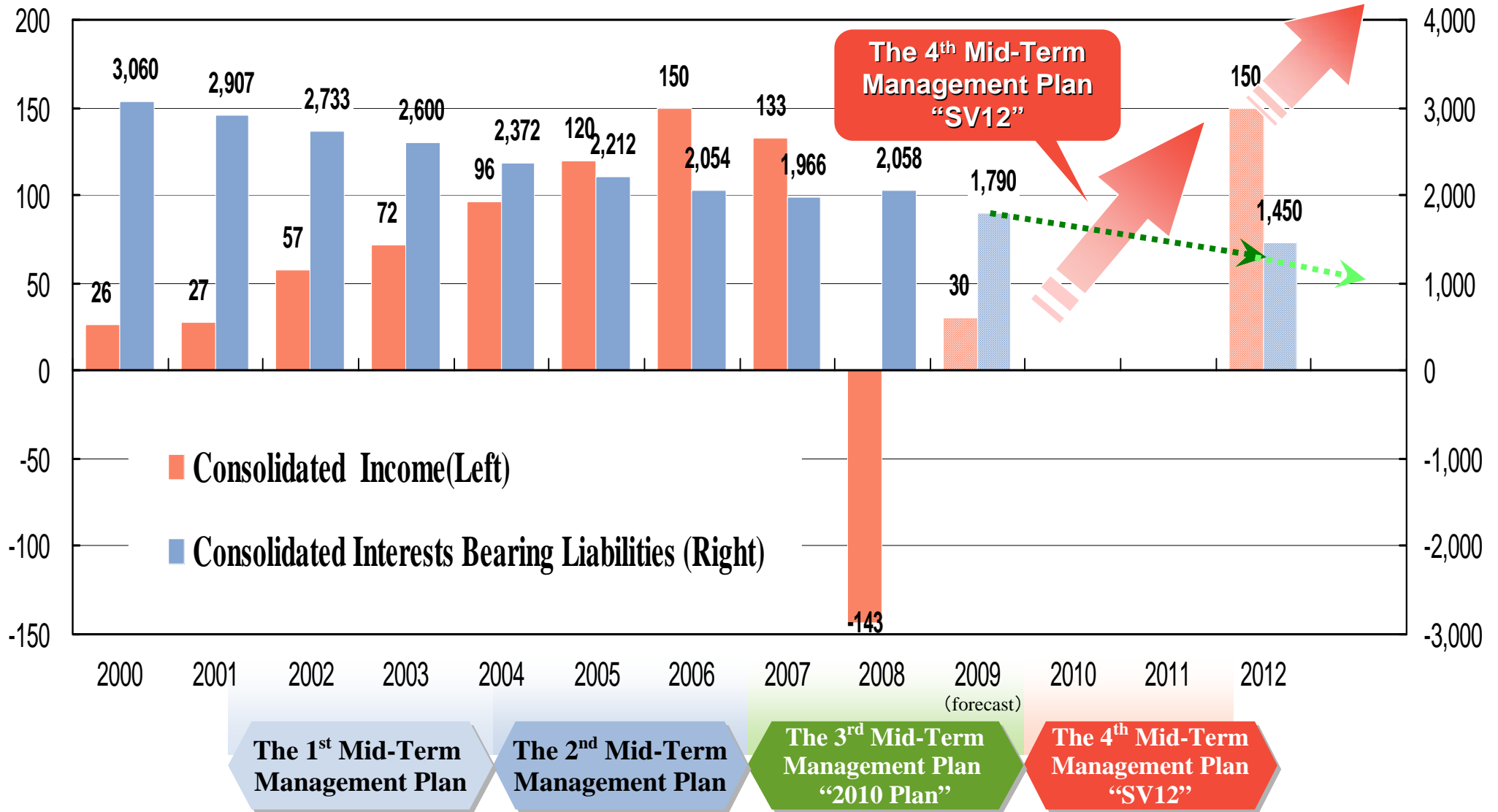
Consolidated financial summary

Yen in 100million

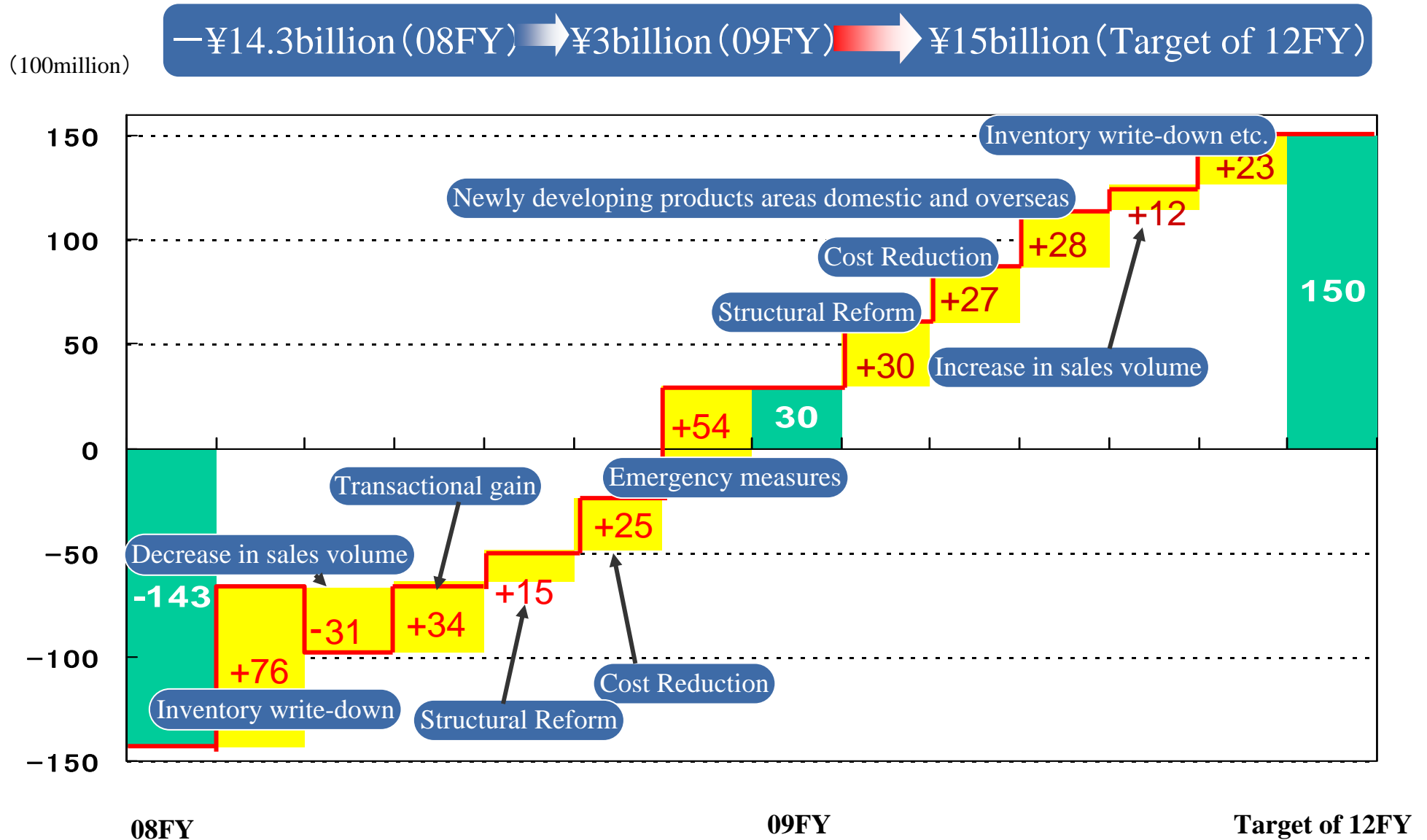
	H19('07)FY Result	H20('08)FY Result	H21('09)FY Forecast	H24('12)FY Target
Net sales	3,276	2,782	2,300	2,600
Operating income	180	-77	55	190
Income	133	-143	30	150
Return on asset (ROA)	5%	-2%	2%	7%
Interest-bearing Liabilities	1,966	2,058	1,790	1,450
Capital Ratio	15%	6%	9%	20%
Capital Investment	82	92	50	250/3years*

* Including investment for growth strategy

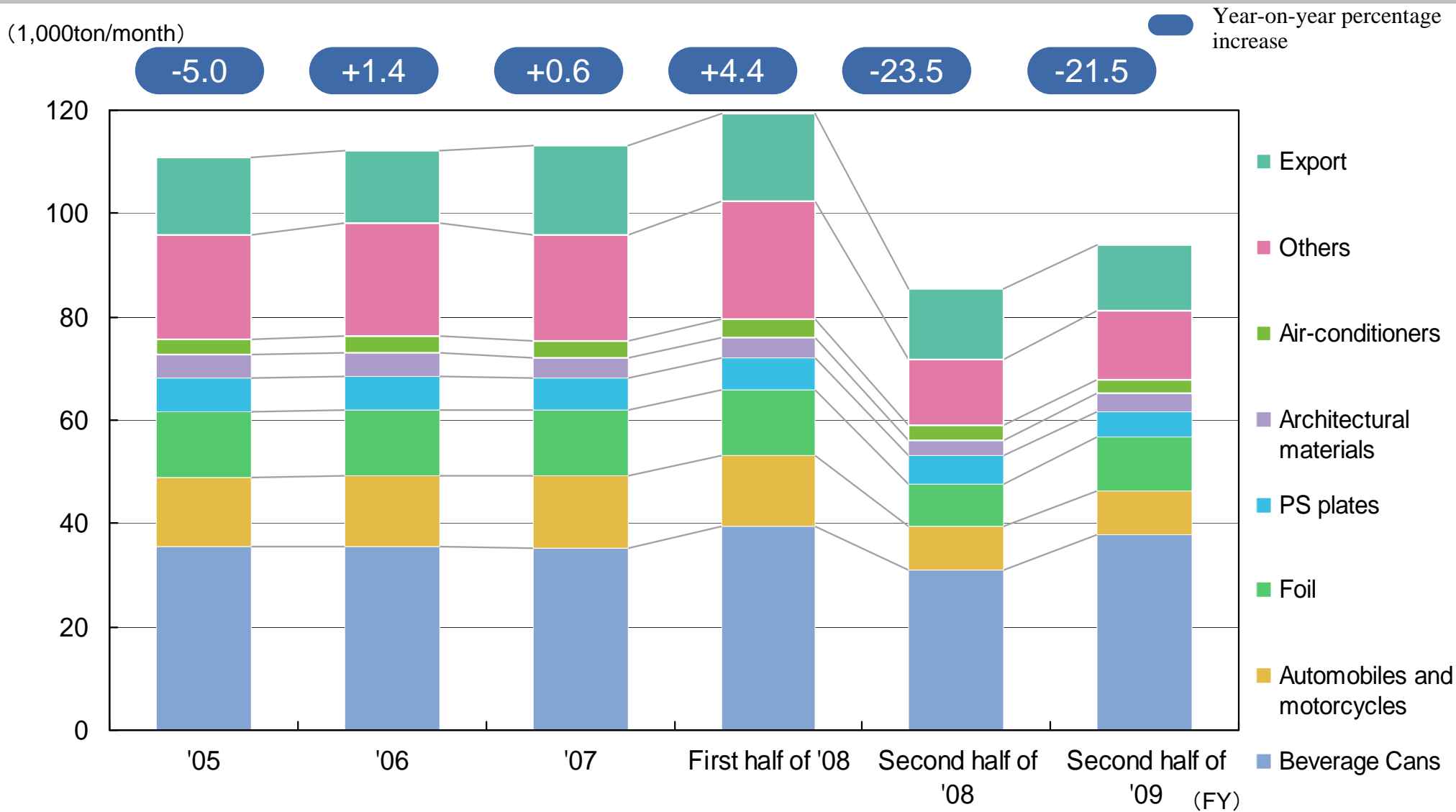
7. Numerical Targets Graphic



8. Analysis of Income Growth

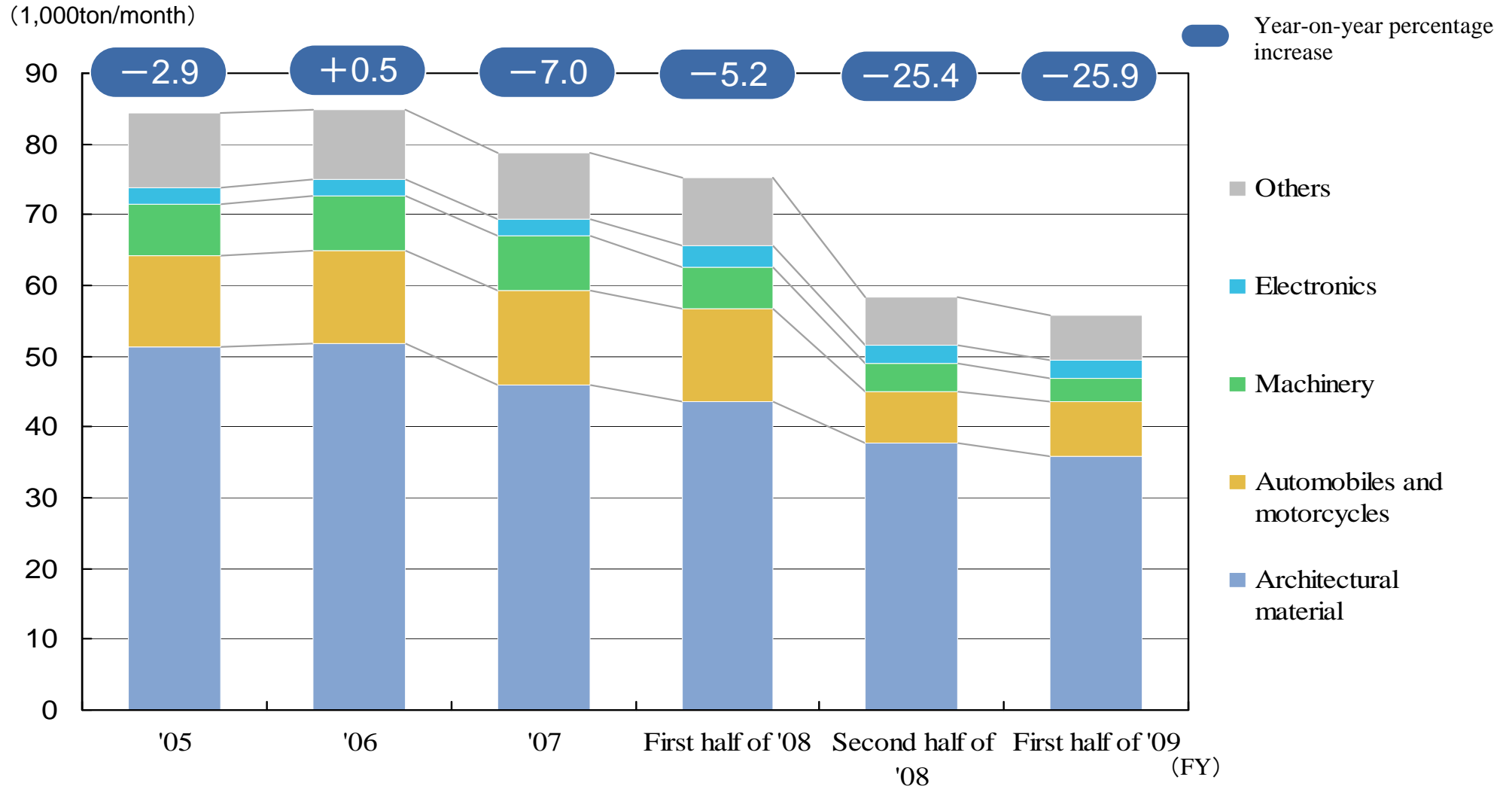


Appendix ① Industry-wide Shipping Volume of Aluminum Sheets



Data: Japan Aluminium Association

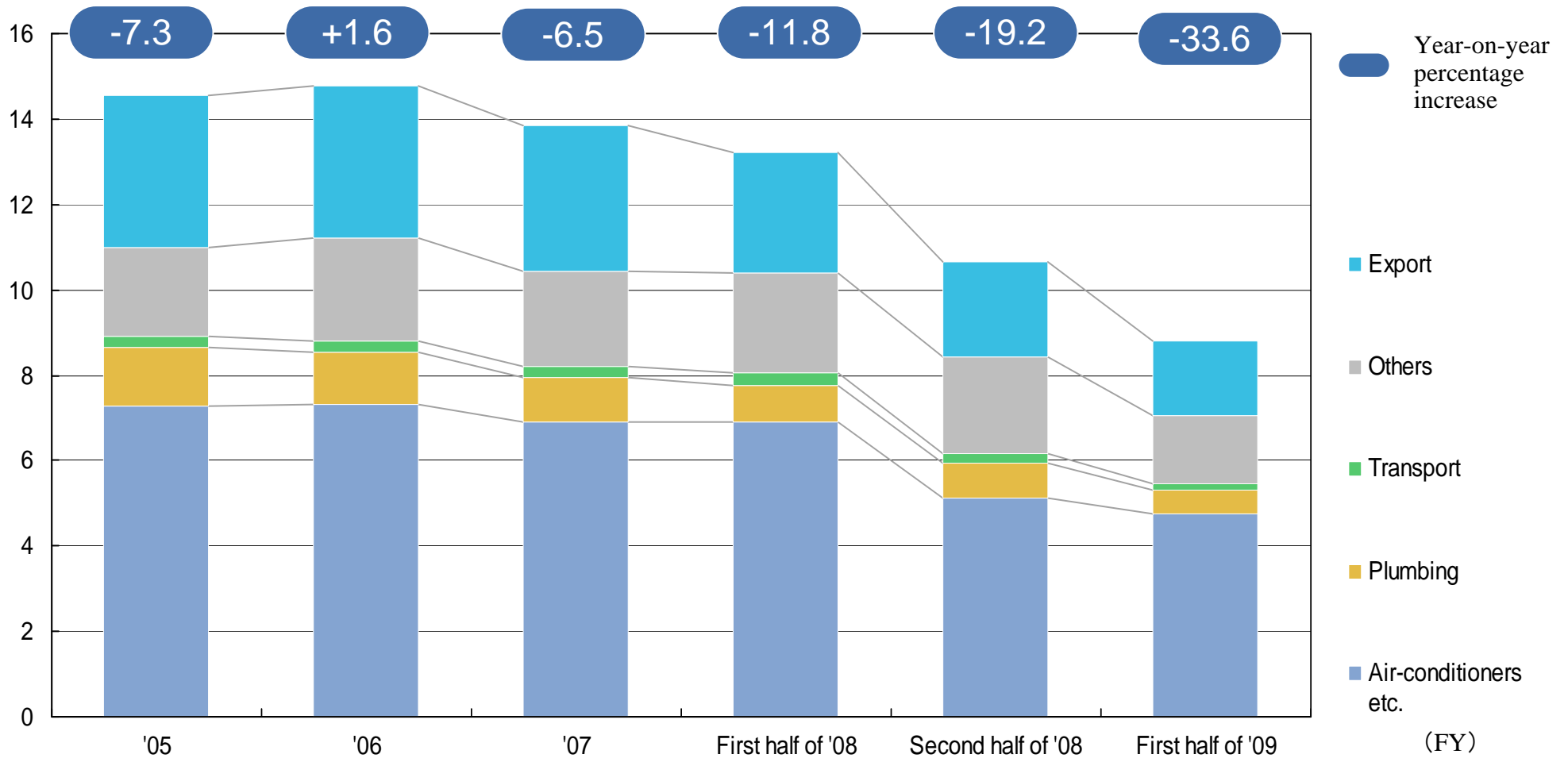
Appendix② Industry-wide Shipping Volume of Aluminum Extrusions



Data: Japan Aluminium Association

Appendix③ Industry-wide Shipping Volume of Copper Tubes

(1,000ton/month)



Data: Japan Copper and Brass Association

Cautionary Statement with Respect to Forward-Looking Statements

This document is not a disclosure document under Financial Instruments and Exchange Act, so the statements contained in it do not imply guarantees of its accuracy and completeness. This document contains forward-looking statements which reflect SLM's expectations, estimates, plans, strategies and beliefs. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause SLM's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Copyright, trademark right and other intellectual property right in this document belong to SLM.