



November 8, 2017

**Summary of Consolidated Financial Results for the Second Quarter
of Fiscal Year Ending March 31, 2018
(Six Months Ended September 30, 2017)**

[Japanese GAAP]

Company name: ALCONIX CORPORATION

Listing: Tokyo Stock Exchange, First Section

Stock code: 3036

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Scheduled date of filing of Quarterly Report: November 10, 2017

Scheduled date of payment of dividend: November 28, 2017

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes

Note: The original disclosure in Japanese was released on November 8, 2017 at 12 : 30(GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2017

(April 1, 2017 – September 30, 2017)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2017	119,635	26.8	3,469	93.0	3,788	83.1	2,781	66.9
Six months ended Sep. 30, 2016	94,345	(6.8)	1,797	(17.9)	2,069	(10.6)	1,666	(3.1)

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2017: 3,008 (-%)

Six months ended Sep. 30, 2016: (795) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2017	107.73	107.53
Six months ended Sep. 30, 2016	64.71	64.68

The Company conducted a 2-for-1 stock split on September 1, 2017. Net income per share and diluted net income per share are calculated as if the stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2017	124,594	36,842	28.2
As of Mar. 31, 2017	113,647	34,119	28.5

Reference: Shareholders' equity (million yen) As of Sep. 30, 2017: 35,073 As of Mar. 31, 2017: 32,378

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2017	-	22.00	-	22.00	44.00
Fiscal year ending Mar. 31, 2018	-	13.00			
Fiscal year ending Mar. 31, 2018 (forecast)			-	13.00	26.00

Note: Revisions to the most recently announced dividend forecast: None

The Company conducted a 2-for-1 common stock split on September 1, 2017. The dividend per share forecast for the fiscal year ending March 31, 2018 has been adjusted to reflect the stock split. Prior to this adjustment, the dividend forecast was 52 yen per share.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	238,000	17.9	6,230	49.5	6,800	56.2	4,900	58.9	189.56

Note: Revisions to the most recently announced consolidated earnings forecasts: Yes

Net income per share forecast for the fiscal year ending March 31, 2018 is based on the number of shares after the stock split.

Regarding revisions to the consolidated forecast, please refer to the press release that was announced today (November 8, 2017, English translation of this release to be announced shortly).

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements (Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)” on page 12 of the attachments for further information.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Sep. 30, 2017:	25,850,400 shares	As of Mar. 31, 2017:	25,788,000 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2017:	912 shares	As of Mar. 31, 2017:	826 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2017:	25,818,847 shares	Six months ended Sep. 30, 2016:	25,761,206 shares
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The Company conducted a 2-for-1 common stock split on September 1, 2017. The above number of shares is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* The current quarterly financial report is not subject to quarterly review procedures.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company’s management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements” on page 5 of the attachments for assumptions for forecasts and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half of the current fiscal year, backed by strong job market, consumer spending and capital expenditures were firm in the United States. The economy continued to recover in Europe, too. In China, there was an economic recovery, backed primarily by consumer spending and public-works expenditures, due to government spending and other measures.

In Japan, the economy continued to recover due to improvements in corporate earnings and employment as well as to strong capital expenditures and rebound in exports.

In the non-ferrous metals industry, where the ALCONIX Group operates, the business climate improved as non-ferrous metal prices increased and the yen depreciated. The industry is also benefiting from the rapid growth of electrical components in automobiles and firm demand for non-ferrous metals used in smartphones and tablets.

The Group's manufacturing subsidiaries in Japan and overseas, particularly companies associated with semiconductor manufacturing equipment, made a big contribution to first half consolidated performance. Furthermore, there was growth from one year earlier in the volume of products in the Trading segment, especially for copper, aluminum, copper products, aluminum rolled products, and electronic materials used in smartphones and tablets. First half performance of the ALCONIX Group also benefited from the newly consolidated FUJI PRESS Corporation, which is in the Manufacturing—Metal Processing segment,

In the first half, ALCONIX reported consolidated net sales of 119,635 million yen (up 26.8% year on year), operating profit of 3,469 million yen (up 93.0%), ordinary profit of 3,788 million yen (up 83.1%) and profit attributable to owners of parent of 2,781 million yen (up 66.9%).

Results by business segment were as follows, with sales in each segment including inter-segment sales.

• Trading—Electronic and Advanced Materials

Sales of materials used in smartphones and tablets increased as demand remained active. There was also growth in export transactions of titanium and nickel products, mainly for exports to Europe. The transaction volume of minor metals and rare earths started to recover as the brief stagnation in demand, mainly for materials used in automotive magnets and electronic materials, came to an end.

As a result, the segment recorded sales of 35,288 million yen (up 38.5% year on year) and segment profit of 709 million yen (up 30.3%).

• Trading—Aluminum and Copper Products

Automakers are increasing the number of electrical components in vehicles and raising share of aluminum parts to improve fuel efficiency. As a result, the volume of automotive parts including copper products and aluminum rolled products supplied to the automobile industry continued to increase. Subsidiaries in Japan contributed to this segment's performance as sales were strong, mainly for materials used in semiconductors, construction and homebuilding materials, and air conditioning equipment. In the non-ferrous resources category, there was a contribution to earnings from growth in the transaction volume of recycled aluminum ingots and aluminum and copper scrap, the primary products in this category, resulting from higher prices of aluminum, copper and other non-ferrous metals.

As a result, the segment recorded sales of 66,666 million yen (up 15.4% year on year) and segment profit of 610 million yen (up 120.0%).

• Manufacturing—Equipment and Materials

Shipments of plating materials were firm at operations in North America and China. Growth was very strong in China, where the full-scale operation of a chemical products production line completed in May 2016 has started. Segment performance also benefited from growth in shipments in Japan of non-destructive testing equipment and product

identification marking devices as well as replacement supplies for this equipment to companies in the automobile and steel industries. In addition, shipments of detection materials and other products recovered at subsidiaries in South Korea and China where performance was weak one year earlier. Overall, this performance enabled this segment to become profitable after goodwill amortization.

As a result, the segment recorded sales of 9,419 million yen (up 13.0% year on year) and segment profit of 312 million yen (up 894.8%).

· Manufacturing—Metal Processing

Shipments of grinding processing parts for chip mounters remained strong because of robust demand and there was steady growth in orders for prototypes for automotive applications. Orders for precision machining processing parts were high, mainly for parts used in semiconductor manufacturing equipment and organic EL manufacturing equipment. In the same period of the previous fiscal year, measures for small-lot production and short lead times caused the cost of manufacturing to increase. In the second quarter, earnings were significantly higher because of actions for increasing manufacturing efficiency and making other improvements. FUJI PRESS, which was newly consolidated in this fiscal year, made a contribution to consolidated performance as this company's shipments of automotive precision stamped parts, its main product category, were in line with the first half outlook.

As a result, the segment recorded sales of 9,960 million yen (up 114.1% year on year) and segment profit of 2,154 million yen (up 76.7%).

(2) Explanation of Financial Position

1) Financial position

a. Current assets

At the end of the second quarter of the current fiscal year, current assets totaled 87,769 million yen, an increase of 5,445 million yen from the end of the previous fiscal year. The main factors were a 2,915 million yen increase in notes and accounts receivable-trade, a 1,354 million yen increase in inventories, and a 1,315 million yen increase in cash and deposits.

b. Non-current assets

Non-current assets totaled 36,825 million yen, an increase of 5,501 million yen. The main factors include a 3,338 million yen increase in property, plant and equipment in association with the consolidation of FUJI PRESS, and a 2,385 million yen increase in investments and other assets.

c. Current liabilities

Current liabilities totaled 67,460 million yen, an increase of 4,440 million yen. The main factors include a 355 million yen increase in notes and accounts payable-trade, a 2,029 million yen increase in short-term loans payable, and a 1,278 million yen increase in current portion of long-term loans payable.

d. Non-current liabilities

Non-current liabilities totaled 20,291 million yen, an increase of 3,782 million yen. The main factors include a 3,248 million yen increase in long-term loans payable.

e. Net assets

Net assets totaled 36,842 million yen, an increase of 2,723 million yen. The main factors include a 26 million yen increase each in capital stock and capital surplus due to the exercise of subscription rights to shares, a 2,497 million yen increase in retained earnings, and a 421 million yen decrease in foreign currency translation adjustment.

2) Results of operations

a. Net sales

Sales increased primarily because of higher sales at ALCONIX and almost all of its group companies. In the Trading segment, there was growth in sales of non-ferrous materials including copper and aluminum scrap, electronic materials used in smartphones and tablets, tungsten, and rare earths used in magnetic materials. In the manufacturing segment, there was growth in sales of plating materials, precision machining processing parts and grinding processing parts. In addition, the inclusion of consolidated subsidiary FUJI PRESS contributed to sales growth due to its sales of automotive precision stamped parts.

As a result, net sales increased 26.8% year on year to 119,635 million yen in the first half of the current fiscal year.

b. Gross profit

Gross profit increased 30.0% year-on-year to 9,103 million yen because of higher sales at group companies and growth in earnings at manufacturing subsidiaries, including FUJI PRESS which joined the Group.

c. Selling, general and administrative expenses

Selling, general and administrative expenses increased 8.3% to 5,633 million yen due to the inclusion of consolidated subsidiary FUJI PRESS.

d. Operating profit

Due to these changes in sales, gross profit and expenses, operating profit increased 93.0% to 3,469 million yen.

e. Non-operating income, non-operating expenses

As a result of growth in dividend income, net non-operating income (non-operating income - non-operating expenses) was 318 million yen compared with 271 million yen one year earlier.

f. Ordinary profit

Ordinary profit increased 83.1% to 3,788 million yen.

g. Extraordinary income, extraordinary losses

There was extraordinary income of 30 million yen mainly for a gain on sales of investment securities and a gain on reversal of subscription rights to shares, and an extraordinary loss of 14 million yen mainly for a loss on sales of membership.

h. Profit attributable to owners of parent

ALCONIX recorded profit before income taxes of 3,804 million yen. From this amount, 944 million yen and 78 million yen were deducted respectively for income taxes and profit attributable to non-controlling interests of ten consolidated subsidiaries. As a result, profit attributable to owners of parent increased 66.9% to 2,781 million yen.

3) Cash flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased 1,265 million yen from the end of the previous fiscal year to 18,078 million yen (compared with 15,027 million yen in the same period of the previous fiscal year). The main changes in cash flows from operating, investing, and financing activities are described as below.

a. Cash flows from operating activities

Net cash provided by operating activities was 2,201 million yen (compared with 2,328 million yen provided in the

same period of the previous fiscal year). Main positive factors include profit before income taxes of 3,804 million yen and depreciation including goodwill of 1,343 million yen. Meanwhile, major negative factors include a 1,566 million yen increase in notes and accounts receivable-trade, a 937 million yen increase in inventories, a 191 million yen decrease in notes and accounts payable-trade, income taxes paid of 866 million yen, and share of profit of entities accounted for using equity method of 204 million yen.

b. Cash flows from investing activities

Net cash used in investing activities was 3,575 million yen (compared with 1,101 million yen used in the same period of the previous fiscal year). Main negative factors include the payments of 871 million yen for the purchase of property, plant and equipment mainly associated with capital expenditures, and the payments of 2,548 million yen for purchase of shares of subsidiaries resulting in change in scope of consolidation in association with the consolidation of FUJI PRESS.

c. Cash flows from financing activities

Net cash provided by financing activities was 2,767 million yen (compared with 4,562 million yen used in the same period of the previous fiscal year). Main positive factors include net increase in short-term loans payable of 1,657 million yen, net increase in long-term loans payable of 1,513 million yen, and proceeds of 34 million yen from the issuance of new common shares due to the exercise of subscription rights to shares. Meanwhile, major negative factors include redemption of bonds of 100 million yen, and cash dividends paid to owners of parent of 283 million yen.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

Regarding the consolidated forecast for the fiscal year ending March 31, 2018, ALCONIX has revised the net sales, operating profit, ordinary profit, and net income forecasts announced on May 15, 2017 based on the results of operations in the first half of the current fiscal year. For more details, please refer to the press release “Notice of Forecast Revision (Japanese version)” that was announced today (November 8, 2017, English translation of this release to be announced shortly.)

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Assets		
Current assets		
Cash and deposits	16,885	18,201
Notes and accounts receivable-trade	42,821	45,737
Merchandise and finished goods	17,075	17,812
Work in process	1,612	1,971
Raw materials and supplies	756	1,014
Other	3,332	3,183
Allowance for doubtful accounts	(160)	(151)
Total current assets	82,323	87,769
Non-current assets		
Property, plant and equipment	10,601	13,940
Intangible assets		
Goodwill	3,660	3,738
Other	4,731	4,429
Total intangible assets	8,391	8,168
Investments and other assets	12,331	14,717
Total non-current assets	31,324	36,825
Total assets	113,647	124,594
Liabilities		
Current liabilities		
Notes and accounts payable-trade	32,728	33,083
Short-term loans payable	21,841	23,871
Current portion of long-term loans payable	4,266	5,544
Current portion of bonds	274	249
Income taxes payable	699	1,057
Provision for bonuses	518	757
Other	2,690	2,895
Total current liabilities	63,020	67,460
Non-current liabilities		
Bonds payable	825	750
Long-term loans payable	10,883	14,131
Provision for directors' retirement benefits	438	833
Net defined benefit liability	527	556
Long-term accounts payable-other	49	49
Other	3,785	3,971
Total non-current liabilities	16,508	20,291
Total liabilities	79,528	87,752

	(Millions of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Net assets		
Shareholders' equity		
Capital stock	2,924	2,951
Capital surplus	1,946	1,973
Retained earnings	22,981	25,479
Treasury shares	(0)	(0)
Total shareholders' equity	27,853	30,403
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,227	1,784
Deferred gains or losses on hedges	(0)	7
Foreign currency translation adjustment	3,298	2,877
Total accumulated other comprehensive income	4,525	4,669
Subscription rights to shares	21	2
Non-controlling interests	1,718	1,766
Total net assets	34,119	36,842
Total liabilities and net assets	113,647	124,594

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Net sales	94,345	119,635
Cost of sales	87,343	110,532
Gross profit	7,001	9,103
Selling, general and administrative expenses	5,203	5,633
Operating profit	1,797	3,469
Non-operating income		
Interest income	20	32
Purchase discounts	6	7
Dividend income	130	185
Foreign exchange gains	-	3
Rent income of real estate	40	43
Share of profit of entities accounted for using equity method	245	204
Gain on sales of scraps	12	108
Other	54	62
Total non-operating income	510	648
Non-operating expenses		
Interest expenses	163	235
Sales discounts	3	4
Foreign exchange losses	5	-
Loss on sales of notes receivable-trade	11	11
Rent cost of real estate	7	10
Other	48	66
Total non-operating expenses	239	329
Ordinary profit	2,069	3,788
Extraordinary income		
Gain on sales of non-current assets	9	0
Gain on reversal of subscription rights to shares	3	12
Gain on sales of investment securities	28	12
Subsidy income	3	3
Other	-	1
Total extraordinary income	43	30
Extraordinary losses		
Loss on retirement of non-current assets	0	3
Loss on sales of membership	-	6
Other	0	3
Total extraordinary losses	0	14
Profit before income taxes	2,112	3,804
Income taxes	567	944
Refund of income taxes for prior periods	(168)	-
Profit	1,714	2,859
Profit attributable to non-controlling interests	47	78
Profit attributable to owners of parent	1,666	2,781

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-month Period)

(Millions of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Profit	1,714	2,859
Other comprehensive income		
Valuation difference on available-for-sale securities	120	550
Deferred gains or losses on hedges	109	9
Foreign currency translation adjustment	(2,256)	(371)
Share of other comprehensive income of entities accounted for using equity method	(482)	(38)
Total other comprehensive income	(2,509)	149
Comprehensive income	(795)	3,008
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(834)	2,925
Comprehensive income attributable to non-controlling interests	38	83

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Cash flows from operating activities		
Profit before income taxes	2,112	3,804
Depreciation	793	1,068
Amortization of goodwill	252	275
Increase (decrease) in allowance for doubtful accounts	(63)	(6)
Increase (decrease) in provision for bonuses	36	120
Increase (decrease) in net defined benefit liability	31	(6)
Increase (decrease) in provision for directors' retirement benefits	20	1
Interest and dividend income	(150)	(218)
Interest expenses	163	235
Share of (profit) loss of entities accounted for using equity method	(245)	(204)
Decrease (increase) in notes and accounts receivable-trade	2,896	(1,566)
Decrease (increase) in inventories	(495)	(937)
Increase (decrease) in notes and accounts payable-trade	(2,190)	(191)
Decrease (increase) in consumption taxes refund receivable	93	327
Increase (decrease) in income taxes payable-factor based tax	20	19
Decrease (increase) in advance payments	(388)	(134)
Decrease (increase) in accounts receivable-other	(48)	169
Increase (decrease) in accounts payable-other	137	(7)
Increase (decrease) in advances received	38	50
Other, net	79	120
Subtotal	3,094	2,919
Interest and dividend income received	239	198
Interest expenses paid	(167)	(213)
Income taxes paid	(1,010)	(866)
Income taxes refund	172	163
Net cash provided by (used in) operating activities	2,328	2,201
Cash flows from investing activities		
Payments into time deposits	(117)	(91)
Proceeds from withdrawal of time deposits	176	40
Purchase of property, plant and equipment	(1,186)	(871)
Purchase of intangible assets	(25)	(82)
Purchase of investment securities	(110)	(11)
Proceeds from sales of investment securities	32	14
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(2,548)
Payments of loans receivable	-	(122)
Collection of loans receivable	0	0
Purchase of insurance funds	(11)	(8)
Other, net	139	105
Net cash provided by (used in) investing activities	(1,101)	(3,575)

	(Millions of yen)	
	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(11,517)	1,657
Proceeds from long-term loans payable	8,296	3,320
Repayments of long-term loans payable	(1,693)	(1,806)
Proceeds from issuance of bonds	900	-
Redemption of bonds	(200)	(100)
Proceeds from issuance of common shares	15	34
Cash dividends paid	(283)	(283)
Dividends paid to non-controlling interests	(62)	(36)
Repayments of finance lease obligations	(18)	(17)
Other	-	(0)
Net cash provided by (used in) financing activities	(4,562)	2,767
Effect of exchange rate change on cash and cash equivalents	(1,410)	(128)
Net increase (decrease) in cash and cash equivalents	(4,745)	1,265
Cash and cash equivalents at beginning of period	19,773	16,813
Cash and cash equivalents at end of period	15,027	18,078

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Calculation of tax expense

The tax expenses were calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the fiscal year, and multiplying that rate by the quarterly profit before income taxes.

Income taxes-deferred were included in and displayed with income taxes.

Segment and Other Information

Segment information

I. First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Total
	Trading		Manufacturing		
	Electronic and advanced materials	Aluminum and copper products	Equipment and materials	Metal processing	
Net sales					
External sales	24,057	57,354	8,328	4,603	94,345
Inter-segment sales and transfers	1,417	410	9	49	1,885
Total	25,474	57,765	8,338	4,652	96,230
Segment profit	544	277	31	1,219	2,072

2. Reconciliation of quarterly consolidated statement of income with total profit or loss for reportable segments

(Millions of yen)

Profit	Amount
Total for reportable segments	2,072
Eliminations for inter-segment transactions	(3)
Ordinary profit on the quarterly consolidated statement of income	2,069

II. First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment				Total
	Trading		Manufacturing		
	Electronic and advanced materials	Aluminum and copper products	Equipment and materials	Metal processing	
Net sales					
External sales	34,096	66,350	9,372	9,816	119,635
Inter-segment sales and transfers	1,192	315	46	144	1,699
Total	35,288	66,666	9,419	9,960	121,335
Segment profit	709	610	312	2,154	3,786

2. Information related to assets for each reportable segment

In the first quarter of FY3/18, FUJI PRESS Corporation and Sanna Kogyo Co., Ltd. were included in the scope of consolidation because the shares of their stock were acquired by ALCONIX. Accordingly, the effect of this change was to increase segment assets in the “Metal Processing” segment by 8,125 million yen at the end of the first six months of FY3/18, compared with the end of FY3/17.

3. Reconciliation of quarterly consolidated statement of income with total profit or loss for reportable segments

(Millions of yen)

Profit	Amount
Total for reportable segments	3,786
Eliminations for inter-segment transactions	1
Ordinary profit on the quarterly consolidated statement of income	3,788

This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.