



November 6, 2018

**Summary of Consolidated Financial Results for the Second Quarter
of Fiscal Year Ending March 31, 2019
(Six Months Ended September 30, 2018)**

[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 8, 2018

Scheduled date of payment of dividend:

November 29, 2018

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 6, 2018 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, 2018

(April 1, 2018 – September 30, 2018)

(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, 2018	129,737	8.4	3,833	10.5	3,747	(1.1)	2,767	(0.5)
Six months ended Sep. 30, 2017	119,635	26.8	3,469	93.0	3,788	83.1	2,781	66.9

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2018: 2,205 (down 26.7%)
Six months ended Sep. 30, 2017: 3,008 (up 278.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2018	106.96	-
Six months ended Sep. 30, 2017	107.73	107.53

Note: Diluted net income per share for the six months ended September 30, 2018 is not stated because dilutive shares do not exist.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2018	131,883	40,308	29.2
As of Mar. 31, 2018	130,197	38,626	28.3

Reference: Shareholders' equity (million yen) As of Sep. 30, 2018: 38,490 As of Mar. 31, 2018: 36,826

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2018	-	13.00	-	19.00	32.00
Fiscal year ending Mar. 31, 2019	-	19.00			
Fiscal year ending Mar. 31, 2019 (forecast)			-	19.00	38.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(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	270,000	8.9	7,000	(4.4)	7,700	(3.0)	5,500	3.1	212.51

Note: Revisions to the most recently announced consolidated earnings forecasts: None

Regarding consolidated earnings forecasts for the fiscal year ending March 31, 2019, 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.

*** 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, 2018:	25,882,200 shares	As of Mar. 31, 2018:	25,864,800 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2018:	1,031 shares	As of Mar. 31, 2018:	961 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2018:	25,871,705 shares	Six months ended Sep. 30, 2017:	25,818,847 shares
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* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* 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 ALCONIX'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, there were concerns about the risk of an economic downturn in the United States caused by trade friction due to protectionist policies and to interest rate hikes for monetary tightening. Overall, the U.S. economy continued to grow because of solid corporate earnings and a favorable job market. In Europe, signs of an economic slowdown are appearing in some regions. In China, there was an economic recovery, backed primarily by consumer spending.

In Japan, the economy continued to recover gradually. Exports are slowly recovering, consumer spending is rebounding and capital expenditures continue to climb with the support of strong corporate earnings.

In the non-ferrous metals industry, where the ALCONIX Group operates, the business climate improved as non-ferrous metal prices increased. Non-ferrous metal demand continued to grow for automotive applications as automakers rapidly increase the use of electronic components and reduce the weight of vehicles. There was also strong demand for non-ferrous metals in the semiconductor industry. However, growth in production had slowed slightly in the smartphone sector.

The ALCONIX Group's manufacturing subsidiaries in Japan and overseas, especially companies in the semiconductor manufacturing and mounting equipment, automobile, and plating materials sectors, made contributions to consolidated results of operations. Furthermore, sales increased because of growth in the volume of products in the Trading segment, including aluminum, electronic and other materials. Operating profit increased as the contribution to earnings from higher sales more than offset the increase in selling, general and administrative expenses. But there was a foreign exchange loss resulting from the revaluation of foreign currency-denominated debt due to changes in foreign exchange rates. As a result, there were small decreases in ordinary profit and profit attributable to owners of parent.

In the first half, ALCONIX reported consolidated net sales of 129,737 million yen (up 8.4% year on year), operating profit of 3,833 million yen (up 10.5%), ordinary profit of 3,747 million yen (down 1.1%) and profit attributable to owners of parent of 2,767 million yen (down 0.5%).

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

· Trading—Electronic and Advanced Materials

Demand for materials used in smartphones and tablets was generally steady, although there were inventory reductions for some materials. Demand for materials used in secondary batteries and in environmental applications recovered, too. Sales of titanium and nickel products remained steady for exports to Europe. The transaction volume of minor metals and rare earths was higher than one year earlier because of growth in demand for these materials used for electronic materials. However, earnings in this segment declined because of a foreign exchange loss resulting from the revaluation of foreign currency-denominated debt due to changes in foreign exchange rates.

As a result, the segment recorded sales of 43,973 million yen (up 24.6% year on year) and segment profit of 615 million yen (down 13.2%).

· Trading—Aluminum and Copper Products

Demand for aluminum and copper products was firm as automakers increase the use of electronic components and reduce the weight of vehicles. However, natural disasters in Japan had a negative effect on the demand for these products and non-ferrous metal demand is becoming weaker in China due to trade friction with the United States. There was also a slowdown in shipments of materials used by semiconductor manufacturers. In addition, the transaction volume of aluminum used for beverage cans decreased because of the shift from cans to PET beverage containers and demand for materials used in organic EL displays was down in some sectors.

In the non-ferrous resources category, the transaction volume of aluminum used in automotive applications remained high. However, the volume of copper scrap decreased because of a decline in the price of non-ferrous metals in the fiscal year's second quarter.

As a result, the segment recorded sales of 67,430 million yen (up 1.1% year on year) and segment profit of 550 million yen (down 9.9%).

· Manufacturing—Equipment and Materials

Shipments of plating materials were strong at operations in both North America and China and first half plating materials sales and earnings were much higher than one year earlier. In addition, continuous growth in demand in the automobile industry resulted in a large volume of welding rod shipments and thermal spraying orders. In the non-destructive testing equipment and marking device category, shipments of replacement supplies and other items to companies in the automobile and steel industries in Japan and other countries were steady at all business locations. But earnings in this category were lower than one year earlier because shipments of some equipment were carried over to the second half of the fiscal year.

As a result, the segment recorded sales of 10,672 million yen (up 13.3% year on year) and segment profit of 536 million yen (up 71.7%).

· Manufacturing—Metal Processing

Shipments of grinding processing parts for semiconductor chip mounting equipment remained firm because robust demand for mounting equipment continued. However, a number of factors caused a small decrease in earnings. Orders for prototypes for automotive applications were slightly down from one year earlier, depreciation expenses started at a factory completed in February 2018, and the cost of sales increased mainly because of higher labor and outsourcing expenses due to the large volume of work. Sales of precision machining processing parts were strong, mainly for parts used in aircraft and semiconductor manufacturing equipment. There was also growth in shipments of metal precision stamped parts as demand increased in Japan's automobile industry.

As a result, the segment recorded sales of 10,467 million yen (up 5.1% year on year) and segment profit of 2,057 million yen (down 4.5%).

(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 97,536 million yen, an increase of 2,507 million yen from the end of the previous fiscal year. The main factors were a 1,889 million yen increase in cash and deposits, a 1,609 million yen decrease in notes and accounts receivable-trade, and a 2,589 million yen increase in inventories.

b. Non-current assets

Non-current assets totaled 34,346 million yen, a decrease of 822 million yen. The main factors include a 114 million yen increase in property, plant and equipment, a 611 million yen decrease in amortization of intangible assets including goodwill, and a 324 million yen decrease in investments and other assets.

c. Current liabilities

Current liabilities totaled 74,312 million yen, an increase of 1,919 million yen. The main factors include an 865 million yen decrease in notes and accounts payable-trade, a 4,167 million yen increase in short-term loans payable, and a 467 million yen increase in current portion of long-term loans payable.

d. Non-current liabilities

Non-current liabilities totaled 17,262 million yen, a decrease of 1,915 million yen. The main factors include a 1,825 million yen decrease in long-term loans payable.

e. Net assets

Net assets totaled 40,308 million yen, an increase of 1,682 million yen. The main factors include a 2,275 million yen increase in retained earnings, a 217 million yen decrease in valuation difference on available-for-sale securities, and a 502 million yen decrease in foreign currency translation adjustment.

2) Results of operations

a. Net sales

The first half increase in sales was mainly attributable to higher sales at manufacturing subsidiaries in Japan and other countries and higher sales of electronic and advanced materials in the Trading segment. In the Trading segment, there was growth in the transaction volume of minor metals and rare earths for electronic materials applications, recycled aluminum ingots, aluminum scrap and other non-ferrous materials, and metal silicon. In the Manufacturing segment, there was growth in shipments of plating materials, precision machining processing parts, grinding processing parts and precision stamped parts.

As a result, net sales increased 8.4% year on year to 129,737 million yen in the first half of the current fiscal year.

b. Gross profit

Gross profit increased 9.4% to 9,960 million yen because of higher sales at manufacturing subsidiaries and higher sales of electronic and advanced materials in the Trading segment.

c. Selling, general and administrative expenses

Selling, general and administrative expenses increased 8.8% to 6,127 million yen due to an increase in expenditures for establishing a solid business foundation of ALCONIX and its group companies.

d. Operating profit

Due to the increase in sales, gross profit and expenses, operating profit increased 10.5% to 3,833 million yen.

e. Non-operating income, non-operating expenses

Major changes were an increase in dividend and interest income, a decrease in the share of profit of entities accounted for using the equity method because of the sale of stock of an equity-method affiliate, and a foreign exchange loss resulting from the revaluation of foreign currency-denominated debt due to changes in foreign exchange rates. As a result, there was a net non-operating expense (non-operating income – non-operating expenses) of 86 million yen compared with net non-operating income of 318 million yen one year earlier.

f. Ordinary profit

Ordinary profit decreased 1.1% to 3,747 million yen.

g. Extraordinary income, extraordinary losses

There was extraordinary income of 198 million yen mainly for subsidy income, and an extraordinary loss of 6 million yen mainly for a loss on sales of investment securities.

h. Profit attributable to owners of parent

ALCONIX recorded profit before income taxes of 3,939 million yen. From this amount, 1,078 million yen and 93 million yen were deducted for income taxes and profit attributable to non-controlling interests of ten consolidated subsidiaries, respectively. As a result, profit attributable to owners of parent decreased 0.5% to 2,767 million yen.

3) Cash flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased 1,854 million yen from the end of the previous fiscal year to 20,423 million yen (compared with 18,078 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 1,283 million yen (compared with 2,201 million yen provided in the same period of the previous fiscal year). Main positive factors include profit before income taxes of 3,939 million yen, depreciation including goodwill of 1,429 million yen, and a 1,072 million yen decrease in notes and accounts payable-trade. Meanwhile, major negative factors include a 2,652 million yen increase in inventories, a 561 million yen decrease in notes and accounts payable-trade, income taxes paid of 2,297 million yen, and share of profit of entities accounted for using equity method of 89 million yen.

b. Cash flows from investing activities

Net cash used in investing activities was 1,379 million yen (compared with 3,575 million yen used in the same period of the previous fiscal year). Main negative factors include the payments of 1,472 million yen for the purchase of property, plant and equipment mainly associated with capital expenditures.

c. Cash flows from financing activities

Net cash provided by financing activities was 2,124 million yen (compared with 2,767 million yen provided in the same period of the previous fiscal year). Main positive factors include net increase in short-term loans payable of 4,096 million yen and proceeds of 22 million yen from the issuance of new common shares due to the exercise of share acquisition rights. Meanwhile, major negative factors include net decrease in long-term loans payable of 1,364 million yen and cash dividends paid to owners of parent of 490 million yen.

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

ALCONIX currently maintains the full-year consolidated earnings forecasts that we disclosed in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]” on May 15, 2018. An announcement will be made promptly if the review of impact on the ALCONIX Group’s business performance requires a revision to these forecasts.

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

(Millions of yen)

	FY3/18 (As of Mar. 31, 2018)	Second quarter of FY3/19 (As of Sep. 30, 2018)
Assets		
Current assets		
Cash and deposits	18,698	20,588
Notes and accounts receivable-trade	47,495	45,886
Merchandise and finished goods	20,718	23,031
Work in process	2,222	2,429
Raw materials and supplies	1,128	1,199
Other	4,935	4,572
Allowance for doubtful accounts	(171)	(170)
Total current assets	95,028	97,536
Non-current assets		
Property, plant and equipment	14,811	14,926
Intangible assets		
Goodwill	3,478	3,170
Other	4,232	3,928
Total intangible assets	7,710	7,099
Investments and other assets	12,646	12,321
Total non-current assets	35,168	34,346
Total assets	130,197	131,883
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,922	33,056
Short-term loans payable	26,635	30,802
Current portion of long-term loans payable	4,442	4,909
Current portion of bonds	149	149
Income taxes payable	2,054	1,109
Provision for bonuses	947	961
Other	4,241	3,323
Total current liabilities	72,393	74,312
Non-current liabilities		
Bonds payable	675	600
Long-term loans payable	14,150	12,325
Provision for directors' retirement benefits	823	837
Net defined benefit liability	565	601
Long-term accounts payable-other	30	30
Other	2,932	2,867
Total non-current liabilities	19,178	17,262
Total liabilities	91,571	91,574

	(Millions of yen)	
	FY3/18 (As of Mar. 31, 2018)	Second quarter of FY3/19 (As of Sep. 30, 2018)
Net assets		
Shareholders' equity		
Capital stock	2,956	2,968
Capital surplus	1,978	1,990
Retained earnings	27,698	29,974
Treasury shares	(0)	(0)
Total shareholders' equity	32,633	34,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,366	1,148
Deferred gains or losses on hedges	(31)	53
Foreign currency translation adjustment	2,858	2,356
Total accumulated other comprehensive income	4,193	3,558
Share acquisition rights	1	2
Non-controlling interests	1,797	1,815
Total net assets	38,626	40,308
Total liabilities and net assets	130,197	131,883

(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 FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)	First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)
Net sales	119,635	129,737
Cost of sales	110,532	119,776
Gross profit	9,103	9,960
Selling, general and administrative expenses	5,633	6,127
Operating profit	3,469	3,833
Non-operating income		
Interest income	32	83
Purchase discounts	7	8
Dividend income	185	203
Foreign exchange gains	3	-
Rent income of real estate	43	40
Share of profit of entities accounted for using equity method	204	89
Gain on sales of scraps	108	128
Other	62	92
Total non-operating income	648	646
Non-operating expenses		
Interest expenses	235	326
Sales discounts	4	4
Foreign exchange losses	-	328
Loss on sales of notes receivable-trade	11	14
Rent cost of real estate	10	8
Other	66	49
Total non-operating expenses	329	732
Ordinary profit	3,788	3,747
Extraordinary income		
Gain on sales of non-current assets	0	3
Gain on reversal of share acquisition rights	12	1
Gain on sales of investment securities	12	36
Subsidy income	3	3
Subsidy income	-	154
Other	1	-
Total extraordinary income	30	198
Extraordinary losses		
Loss on sales of non-current assets	3	0
Loss on retirement of non-current assets	3	0
Loss on sales of investment securities	-	5
Loss on sales of membership	6	-
Total extraordinary losses	14	6
Profit before income taxes	3,804	3,939
Income taxes	944	1,078
Profit	2,859	2,860
Profit attributable to non-controlling interests	78	93
Profit attributable to owners of parent	2,781	2,767

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

(Millions of yen)

	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)	First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)
Profit	2,859	2,860
Other comprehensive income		
Valuation difference on available-for-sale securities	550	(229)
Deferred gains or losses on hedges	9	90
Foreign currency translation adjustment	(371)	(475)
Share of other comprehensive income of entities accounted for using equity method	(38)	(39)
Total other comprehensive income	149	(654)
Comprehensive income	3,008	2,205
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,925	2,132
Comprehensive income attributable to non-controlling interests	83	73

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)	First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)
Cash flows from operating activities		
Profit before income taxes	3,804	3,939
Depreciation	1,068	1,159
Amortization of goodwill	275	269
Increase (decrease) in allowance for doubtful accounts	(6)	1
Increase (decrease) in provision for bonuses	120	15
Increase (decrease) in net defined benefit liability	(6)	36
Increase (decrease) in provision for directors' retirement benefits	1	14
Interest and dividend income	(218)	(286)
Interest expenses	235	326
Share of (profit) loss of entities accounted for using equity method	(204)	(89)
Decrease (increase) in notes and accounts receivable-trade	(1,566)	1,072
Decrease (increase) in inventories	(937)	(2,652)
Increase (decrease) in notes and accounts payable-trade	(191)	(561)
Decrease (increase) in consumption taxes refund receivable	327	(71)
Increase (decrease) in income taxes payable-factor based tax	19	(27)
Decrease (increase) in advance payments	(134)	726
Decrease (increase) in accounts receivable-other	169	160
Increase (decrease) in accounts payable-other	(7)	(108)
Increase (decrease) in advances received	50	112
Other, net	120	(406)
Subtotal	2,919	3,630
Interest and dividend income received	198	260
Interest expenses paid	(213)	(339)
Income taxes paid	(866)	(2,297)
Income taxes refund	163	29
Net cash provided by (used in) operating activities	2,201	1,283
Cash flows from investing activities		
Payments into time deposits	(91)	(131)
Proceeds from withdrawal of time deposits	40	94
Purchase of property, plant and equipment	(871)	(1,472)
Purchase of intangible assets	(82)	(61)
Purchase of investment securities	(11)	(11)
Proceeds from sales of investment securities	14	76
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,548)	-
Payments of loans receivable	(122)	(20)
Collection of loans receivable	0	2
Purchase of insurance funds	(8)	(8)
Other, net	105	153
Net cash provided by (used in) investing activities	(3,575)	(1,379)

	(Millions of yen)	
	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)	First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,657	4,096
Proceeds from long-term loans payable	3,320	850
Repayments of long-term loans payable	(1,806)	(2,214)
Redemption of bonds	(100)	(74)
Proceeds from issuance of common shares	34	22
Cash dividends paid	(283)	(490)
Dividends paid to non-controlling interests	(36)	(45)
Repayments of finance lease obligations	(17)	(17)
Other	(0)	(0)
Net cash provided by (used in) financing activities	2,767	2,124
Effect of exchange rate change on cash and cash equivalents	(128)	(175)
Net increase (decrease) in cash and cash equivalents	1,265	1,854
Cash and cash equivalents at beginning of period	16,813	18,569
Cash and cash equivalents at end of period	18,078	20,423

(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.

Additional Information

ALCONIX has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018), etc. from the beginning of the first quarter of the current fiscal year. Accordingly, deferred tax assets and deferred tax liabilities are reclassified and included in the investments and other assets section and the non-current liabilities section, respectively.

Segment and Other Information

Segment information

I. 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. 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

II. First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)

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	41,966	66,861	10,585	10,323	129,737
Inter-segment sales and transfers	2,007	568	87	143	2,807
Total	43,973	67,430	10,672	10,467	132,544
Segment profit	615	550	536	2,057	3,759

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	3,759
Eliminations for inter-segment transactions	(12)
Ordinary profit on the quarterly consolidated statement of income	3,747

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.