



NEWS RELEASE

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Company name: ALCONIX CORPORATION

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Stock code: 3036

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Notice of Establishment of China Joint Venture

The Board of Directors of ALCONIX CORPORATION approved a resolution today to establish a company in China that will be owned by ALCONIX, Shinwa Co., Ltd. and Guangdong Chuangfu Metal Products Co., Ltd. The directors also approved a basic agreement concerning a plan for the business operations of the new company, which will manufacture and sell scaffolding and other temporary materials used at construction sites.

1. Reason for establishing the jointly owned company

Shinwa Co., Ltd. (President: Hiroshi Yamada), which will be one of the shareholders of the jointly owned company, is listed on the first section of the Tokyo Stock Exchange and is a major supplier of scaffolding in Japan. Shinwa manufactures a variety of equipment used during construction and produces equipment used in the logistics sector. Large construction companies and leasing companies are Shinwa's primary customers in Japan. Shinwa develops and manufactures scaffolding and other construction site equipment that has outstanding safety, ease of installation and noise suppression along with innovative technologies and features. Shinwa is well known in Japan's construction industry as the leading brand for scaffolding and other equipment used at construction sites.

Guangdong Chuangfu Metal Products is an equity-method affiliate of ALCONIX, which owns 35% of this company's stock. This affiliate manufactures many types of aluminum products and supplies aluminum frames for construction applications to major construction companies and real estate companies in China. Guangdong Chuangfu Metal Products is well-known in China as a supplier of products to construction companies.

In China, there is a growing concern for worker safety and environmental impact in the construction industry and strong need for the products that can improve the safety and efficiency of construction sites. ALCONIX acts as a managing specialist to combine the technologies and other knowledge of Shinwa with the manufacturing and sales operation of Guangdong Chuangfu Metal Products. Forming this jointly owned company is expected to result in the creation of new forms of value and expansion of our business in China's construction market.

2. Profile of the jointly owned company to be established

(1) Company name	Guangdong Rixin Chuangfu Construction New Material Co., Ltd. (tentative)	
(2) Representative	Kurio Noritake (Executive Managing Director of Shinwa Co., Ltd.) (tentative)	
(3) Location	Foshan, Guangdong, China (tentative)	
(4) Establishment	June 2019 (tentative)	
(5) Business	Import, manufacture and sale of temporary equipment used at construction sites	
(6) Capital	25 million Chinese yuan (tentative)	
(7) Major shareholders	Shinwa Co., Ltd.:	51.0%
	Guangdong Chuangfu Metal Products Co., Ltd.:	34.0%
	ALCONIX CORPORATION:	15.0%

3. Profile of Shinwa Co., Ltd. and Guangdong Chuangfu Metal Products Co., Ltd.

(1) Company name	Shinwa Co., Ltd.	
(2) Representative	Hiroshi Yamada, President	
(3) Location	30-7 Hiratacho Bushigawa, Kaizu, Gifu, Japan	
(4) Capital	150,125,050 yen	
(5) Business	Manufacture, sale and rental of temporary equipment used at construction sites and manufacture and sale of equipment for the logistics sector	
(6) Establishment	August 11, 2014	
(7) Major shareholders	GOLDMAN SACHS INTERNATIONAL:	8.68%
	BNY GCM CLIENT ACCOUNT JPRD ACISG (FE-AC):	6.48%
	Japan Trustee Services Bank, Ltd. (Trust Account):	6.27%

(8) Relationships between ALCONIX and Shinwa	Capital	There is no significant capital relationship between ALCONIX and Shinwa, and there are no significant capital relationships between persons or companies affiliated with ALCONIX and persons or companies affiliated with Shinwa.
	Personnel	There is no significant personnel relationship between ALCONIX and Shinwa, and there are no significant personnel relationships between persons or companies affiliated with ALCONIX and persons or companies affiliated with Shinwa.
	Business	There is no significant business relationship between ALCONIX and Shinwa, and there are no significant business relationships between persons or companies affiliated with ALCONIX and persons or companies affiliated with Shinwa.

(1) Company name	Guangdong Chuangfu Metal Products Co., Ltd.	
(2) Representative	Ouyang Tianzhuo, Chairman	
(3) Location	No. 168, Lunjiao Yang Road, Shunde District, Foshan, Guangdong, China	
(4) Capital	68 million Chinese yuan	
(5) Business	Machining, grinding, plating and other processing of aluminum, brass, iron, stainless steel and other metals Sale and import/export of OEM home appliances, solar cell frames, automobile parts and home appliance parts	
(6) Establishment	June 27, 2006	
(7) Major shareholders	Baoda Enterprise Management Consultant:	65.0%
	ALCONIX CORPORATION:	35.0%

(8) Relationships between ALCONIX and Guangdong Chuangfu Metal Products	Capital	ALCONIX holds 35% of the outstanding shares of Guangdong Chuangfu Metal Products and made this company an equity-method affiliate.
	Personnel	ALCONIX sends its director and employee to Guangdong Chuangfu Metal Products as part-time directors, and also dispatches its employee as part-time Audit & Supervisory Board member.
	Business	ALCONIX and its overseas consolidated subsidiary ALCONIX (SHANGHAI) CORP. sell copper products and automobile metal processing parts to Guangdong Chuangfu Metal Products.

4. Schedule

(1) Signing of basic agreement:	March 26, 2019
(2) Establishment of Guangdong Rixin Chuangfu Construction New Material:	Late June 2019 (tentative)

5. Impact on the earnings forecasts for the current fiscal year

The planned establishment of this joint venture will have only a negligible effect on consolidated results of operations in the current fiscal year. An announcement will be made promptly if ALCONIX subsequently determines that there is an effect on results of operations.