



November 8, 2019

**Summary of Consolidated Financial Results for the Second Quarter  
of Fiscal Year Ending March 31, 2020  
(Six Months Ended September 30, 2019)**

**[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 12, 2019

Scheduled date of payment of dividend:

December 2, 2019

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, 2019 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, 2019**

**(April 1, 2019 – September 30, 2019)**

(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, 2019	118,432	(8.7)	2,699	(29.6)	2,968	(20.8)	1,912	(30.9)
Six months ended Sep. 30, 2018	129,737	8.4	3,833	10.5	3,747	(1.1)	2,767	(0.5)

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2019: 1,381 (down 37.4%)

Six months ended Sep. 30, 2018: 2,205 (down 26.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2019	75.71	-
Six months ended Sep. 30, 2018	106.96	-

Note: Diluted net income per share are 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, 2019	138,101	40,282	27.9
As of Mar. 31, 2019	143,851	39,673	26.3

Reference: Shareholders' equity (million yen) As of Sep. 30, 2019: 38,530 As of Mar. 31, 2019: 37,901

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2019	-	19.00	-	20.00	39.00
Fiscal year ending Mar. 31, 2020	-	21.00	-	-	-
Fiscal year ending Mar. 31, 2020 (forecast)	-	-	-	21.00	42.00

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

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)**

(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	232,000	(9.9)	5,300	(15.3)	6,000	(4.1)	4,400	9.7	174.23

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

Regarding consolidated earnings forecasts for the fiscal year ending March 31, 2020, 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, 2019:	25,915,700 shares	As of Mar. 31, 2019:	25,882,200 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2019:	661,769 shares	As of Mar. 31, 2019:	437,635 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2019:	25,258,405 shares	Six months ended Sep. 30, 2018:	25,871,705 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, the outlook for the global economy has become increasingly unclear due to the protracted U.S.-China trade friction, slowing economic growth in China, no resolution in sight regarding Brexit negotiations and other factors.

In Japan, the economy remained generally stable. Improvements in the job market and personal income continued but there are signs of weakness in corporate earnings and exports due to slowing economic growth in China and other reasons.

In the business sectors where the ALCONIX Group operates, overall demand declined in the automobile industry because of slowing economic growth in China. One positive trend in this industry is the diversification of demand as automakers increase the use of electronic components, reduce the weight of vehicles and begin using automated driving technologies. In the semiconductor and electronic components industries, broad-based growth is continuing as the IoT, AI and other technologies raise the volume of data that must be processed and automakers use more electronic parts. However, demand was weak for smartphones and semiconductor manufacturing equipment.

The performance of ALCONIX Group's manufacturing subsidiaries in the metal processing sector made contributions to consolidated results of operations. However, sales were lower than one year earlier in the Trading segment due mainly to declines in transaction volumes of electronic materials, and automotive parts. In addition, shipments were lower in the Equipment and Materials segment. Earnings were negatively affected by the decrease in sales as well as a valuation loss of some inventories of minor metals and other reasons. As a result, operating profit, ordinary profit and profit attributable to owners of parent were all lower than one year earlier.

ALCONIX reported consolidated net sales of 118,432 million yen (down 8.7% year on year), operating profit of 2,699 million yen (down 29.6%), ordinary profit of 2,968 million yen (down 20.8%) and profit attributable to owners of parent of 1,912 million yen (down 30.9%).

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

#### · Trading—Electronic and Advanced Materials

The transaction volume of materials used in smartphones and tablets was slightly higher than one year earlier as demand remained weak. Demand for secondary battery and environmental applications remained firm and the transaction volume of titanium and nickel products was higher, mainly in Europe. The transaction volume of minor metals and rare earths fell because of a decline in the prices of these metals and stagnant demand.

Due to the posting of a valuation loss on some minor metal inventories, segment profit declined sharply in the first half.

As a result, the segment recorded sales of 37,322 million yen (down 15.1% year on year) and segment profit of 88 million yen (down 85.6%).

#### · Trading—Aluminum and Copper Products

Although the trend toward increasing demand for non-ferrous metals continues to climb due to the expanding adoption of IoT as automakers expand the use of electronic components and reduce the weight of vehicles, shipments of materials used by the automobile and semiconductor manufacturers remained weak as the Chinese economy slowed due to the impact of the seemingly protracted U.S.-China trade friction. In addition, the transaction volume of materials used in air conditioning equipment was lower than one year earlier because of unfavorable weather. In the non-ferrous resources category, the transaction volume of recycled aluminum ingots and brass copper rods, major components of this category, decreased because of lower prices of aluminum, copper and other non-ferrous metals and a weaker business sentiment.

As a result, the segment recorded sales of 61,712 million yen (down 8.5% year on year) and segment profit of 435 million yen (down 20.8%).

· Manufacturing—Equipment and Materials

Shipments of plating materials were lower than one year earlier at operations in both North America and China because of a decrease in demand linked to slower economic growth in China and to declining prices of these materials. Shipments of cashew resin products for brake friction materials were as planned despite a somewhat weaker demand. However, sales and earnings at Fuji Carbon, which was included in the consolidated financial statements beginning with the first half of the current fiscal year, were lower than planned. Sales of this company's carbon brushes for small motors declined in Japan and overseas because of a downturn in demand in the automobile industry in Japan and other countries. Demands for non-destructive testing equipment and marking devices were firm in Japan but shipments of detection materials and other replacement supplies to major clients at overseas subsidiaries were down from one year earlier.

As a result, the segment recorded sales of 12,367 million yen (up 15.9% year on year) and segment profit of 69 million yen (down 87.0%).

· Manufacturing—Metal Processing

Shipments of grinding processing parts for semiconductor chip mounting equipment were higher than one year earlier because of strong demand for this equipment. But lower demand for semiconductor manufacturing equipment caused shipments of precision machining processing parts to be less than in the previous fiscal year's first half. Shipments of metal precision stamped parts for automotive applications were higher than one year earlier mainly because of new orders and orders for prototypes. Segment profit increased because of share of profit of affiliates accounted for using the equity method.

As a result, the segment recorded sales of 10,860 million yen (up 3.8% year on year) and segment profit of 2,363 million yen (up 14.9%).

## (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 98,010 million yen, a decrease of 6,219 million yen from the end of the previous fiscal year. The main factors were a 569 million yen increase in cash and deposits, a 2,898 million yen decrease in notes and accounts receivable-trade, and a 2,362 million yen decrease in inventories.

#### b. Non-current assets

Non-current assets totaled 40,090 million yen, an increase of 469 million yen. The main factors include a 208 million yen increase in property, plant and equipment, a 652 million yen decrease in intangible assets including goodwill due to amortization, and a 913 million yen increase in investments and other assets.

#### c. Current liabilities

Current liabilities totaled 69,948 million yen, a decrease of 4,974 million yen. The main factors include a 3,359 million yen decrease in notes and accounts payable-trade, a 1,420 million yen decrease in short-term borrowings, and a 485 million yen decrease in current portion of long-term borrowings.

#### d. Non-current liabilities

Non-current liabilities totaled 27,870 million yen, a decrease of 1,385 million yen. The main factors include a 1,152 million yen decrease in long-term borrowings.

#### e. Net assets

Net assets totaled 40,282 million yen, an increase of 608 million yen. The main factors include a 1,403 million yen increase in retained earnings, a 44 million yen increase in valuation difference on available-for-sale securities, and a 587 million yen decrease in foreign currency translation adjustment.

## 2) Results of operations

### a. Net sales

Sales increased in the Manufacturing segment but were lower in the Trading segment. The result was a decrease in consolidated sales. In the Trading segment, there were increases in the transaction volume of copper scrap, lead ingots for batteries, battery and electronic materials for automotive applications, smartphones and tablets, and exports of titanium products. However, the transaction volume of aluminum rolled products, copper products, recycled aluminum ingots and other non-ferrous materials was lower than one year earlier.

In the Manufacturing segment, sales of grinding processing parts for semiconductor chip mounting equipment and metal precision stamped parts increased. In addition, there were contributions to sales from Fuji Carbon, a manufacturer of carbon brushes for small motors that was consolidated in the first half of the current fiscal year, and from Tohoku Chemical Industries, a manufacturer of cashew resin products for brake friction materials that has been included in the consolidated financial statements since January 2019. On the other hand, shipments of plating materials, precision machining processing parts for semiconductor manufacturing equipment, non-destructive testing equipment and marking device decreased.

As a result, net sales decreased 8.7% year on year to 118,432 million yen in the first half of the current fiscal year.

### b. Gross profit

Gross profit decreased 6.8% to 9,286 million yen. The main reasons were a decrease in profit resulting from lower sales of the Trading segment, and the posting of a valuation loss on some minor metal inventories.

### c. Selling, general and administrative expenses

Selling, general and administrative expenses increased 7.5% to 6,587 million yen because of the consolidation of two manufacturing subsidiaries.

### d. Operating profit

Due to these changes, operating profit decreased 29.6% to 2,699 million yen.

### e. Non-operating income, non-operating expenses

Major changes were an increase in dividend income, an increase in the share of profit of entities accounted for using the equity method, and foreign exchange losses. As a result, there was a net non-operating income (non-operating income – non-operating expenses) of 268 million yen compared with net non-operating expenses of 86 million yen one year earlier.

### f. Ordinary profit

Ordinary profit decreased 20.8% to 2,968 million yen.

### g. Extraordinary income, extraordinary losses

There was an extraordinary income of 14 million yen mainly for subsidy income, and an extraordinary loss of 6 million yen mainly for a loss on the retirement of non-current assets.

### h. Profit attributable to owners of parent

ALCONIX recorded profit before income taxes of 2,976 million yen. From this amount, 1,045 million yen and 18 million yen were deducted for income taxes and profit attributable to non-controlling interests of 10 consolidated subsidiaries, respectively. As a result, profit attributable to owners of parent decreased 30.9% to 1,912 million yen.

### 3) Cash flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased 408 million yen from the end of the previous fiscal year to 22,812 million yen (compared with 20,423 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 5,212 million yen (compared with 1,283 million yen provided in the same period of the previous fiscal year). Main positive factors include profit before income taxes of 2,976 million yen, depreciation including goodwill of 1,752 million yen, a 2,505 million yen decrease in notes and accounts receivable-trade, and a 2,155 million yen decrease in inventories. Meanwhile, major negative factors include a 3,154 million yen decrease in notes and accounts payable-trade, income taxes paid of 1,168 million yen, and share of profit of entities accounted for using equity method of 146 million yen.

#### b. Cash flows from investing activities

Net cash used in investing activities was 813 million yen (compared with 1,379 million yen used in the same period of the previous fiscal year). Main negative factors include the payments of 1,160 million yen for the purchase of property, plant and equipment mainly associated with capital expenditures. Meanwhile, major positive factors include proceeds from sales of investment securities of 1,360 million yen.

#### c. Cash flows from financing activities

Net cash used in financing activities was 3,753 million yen (compared with 2,124 million yen provided in the same period of the previous fiscal year). Main negative factors include net decrease in short-term loans payable of 1,183 million yen, net decrease in long-term loans payable of 1,627 million yen, cash dividends paid to owners of parent of 503 million yen, and payments of 283 million yen for the purchase of treasury shares.

### **(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 “Notice of Revisions to Consolidated Earnings Forecast” on October 29, 2019. 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)

	FY3/19 (As of Mar. 31, 2019)	Second quarter of FY3/20 (As of Sep. 30, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	23,600	24,170
Notes and accounts receivable-trade	47,055	44,156
Merchandise and finished goods	25,212	22,382
Work in process	2,866	3,182
Raw materials and supplies	1,595	1,747
Other	4,599	3,060
Allowance for doubtful accounts	(700)	(690)
Total current assets	104,230	98,010
Non-current assets		
Property, plant and equipment	18,804	19,013
Intangible assets		
Goodwill	3,714	3,368
Other	4,036	3,729
Total intangible assets	7,750	7,097
Investments and other assets	13,066	13,979
Total non-current assets	39,621	40,090
Total assets	143,851	138,101
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	34,727	31,368
Short-term borrowings	28,921	27,501
Current portion of long-term borrowings	5,240	4,755
Current portion of bonds	149	149
Income taxes payable	931	1,106
Provision for bonuses	1,058	1,056
Other	3,894	4,010
Total current liabilities	74,922	69,948
Non-current liabilities		
Bonds payable	525	450
Long-term borrowings	23,571	22,418
Provision for retirement benefits for directors (and other officers)	932	758
Retirement benefit liability	851	774
Long-term accounts payable-other	30	338
Other	3,343	3,130
Total non-current liabilities	29,255	27,870
Total liabilities	104,177	97,818



	(Millions of yen)	
	FY3/19 (As of Mar. 31, 2019)	Second quarter of FY3/20 (As of Sep. 30, 2019)
Net assets		
Shareholders' equity		
Share capital	2,968	2,989
Capital surplus	1,990	2,011
Retained earnings	30,725	32,129
Treasury shares	(516)	(800)
Total shareholders' equity	35,166	36,329
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	513	558
Deferred gains or losses on hedges	(23)	(14)
Foreign currency translation adjustment	2,244	1,656
Total accumulated other comprehensive income	2,734	2,200
Share acquisition rights	10	20
Non-controlling interests	1,761	1,731
Total net assets	39,673	40,282
Total liabilities and net assets	143,851	138,101

**(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 FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)
Net sales	129,737	118,432
Cost of sales	119,776	109,145
Gross profit	9,960	9,286
Selling, general and administrative expenses	6,127	6,587
Operating profit	3,833	2,699
Non-operating income		
Interest income	83	85
Purchase discounts	8	9
Dividend income	203	268
Real estate rental income	40	40
Share of profit of entities accounted for using equity method	89	146
Gain on sales of scraps	128	109
Other	92	167
Total non-operating income	646	826
Non-operating expenses		
Interest expenses	326	360
Sales discounts	4	3
Foreign exchange losses	328	107
Loss on sales of notes receivable-trade	14	12
Rental cost on real estate	8	8
Other	49	65
Total non-operating expenses	732	558
Ordinary profit	3,747	2,968
Extraordinary income		
Gain on sales of non-current assets	3	3
Gain on sales of investment securities	36	0
Gain on reversal of share acquisition rights	1	-
Subsidy income	3	3
Subsidy income	154	8
Total extraordinary income	198	14
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	0	6
Loss on sales of investment securities	5	-
Total extraordinary losses	6	6
Profit before income taxes	3,939	2,976
Income taxes	1,078	1,045
Profit	2,860	1,930
Profit attributable to non-controlling interests	93	18
Profit attributable to owners of parent	2,767	1,912

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

(Millions of yen)

	First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)
Profit	2,860	1,930
Other comprehensive income		
Valuation difference on available-for-sale securities	(229)	37
Deferred gains or losses on hedges	90	7
Foreign currency translation adjustment	(475)	(550)
Share of other comprehensive income of entities accounted for using equity method	(39)	(43)
Total other comprehensive income	(654)	(549)
Comprehensive income	2,205	1,381
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,132	1,378
Comprehensive income attributable to non-controlling interests	73	3

**(3) Quarterly Consolidated Statement of Cash Flows**

(Millions of yen)

	First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)
Cash flows from operating activities		
Profit before income taxes	3,939	2,976
Depreciation	1,159	1,439
Amortization of goodwill	269	313
Increase (decrease) in allowance for doubtful accounts	1	(113)
Increase (decrease) in provision for bonuses	15	1
Increase (decrease) in retirement benefit liability	36	(77)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	14	(174)
Interest and dividend income	(286)	(353)
Interest expenses	326	360
Share of loss (profit) of entities accounted for using equity method	(89)	(146)
Decrease (increase) in trade receivables	1,072	2,505
Decrease (increase) in inventories	(2,652)	2,155
Increase (decrease) in trade payables	(561)	(3,154)
Decrease (increase) in consumption taxes refund receivable	(71)	51
Increase (decrease) in income taxes payable-factor based tax	(27)	9
Decrease (increase) in advance payments-trade	726	43
Decrease (increase) in accounts receivable-other	160	24
Increase (decrease) in accounts payable-other	(108)	249
Increase (decrease) in advances received	112	46
Other, net	(406)	(125)
Subtotal	3,630	6,031
Interest and dividend received	260	432
Interest paid	(339)	(345)
Income taxes paid	(2,297)	(1,168)
Income taxes refund	29	263
Net cash provided by (used in) operating activities	1,283	5,212
Cash flows from investing activities		
Payments into time deposits	(131)	(259)
Proceeds from withdrawal of time deposits	94	85
Purchase of property, plant and equipment	(1,472)	(1,160)
Purchase of intangible assets	(61)	(56)
Purchase of investment securities	(11)	(677)
Proceeds from sales of investment securities	76	1,360
Proceeds from redemption of investment securities	-	54
Loan advances	(20)	(449)
Collection of loans receivable	2	285
Purchase of insurance funds	(8)	(12)
Other, net	153	16
Net cash provided by (used in) investing activities	(1,379)	(813)

	(Millions of yen)	
	First six months of FY3/19 (Apr. 1, 2018 – Sep. 30, 2018)	First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,096	(1,183)
Proceeds from long-term borrowings	850	920
Repayments of long-term borrowings	(2,214)	(2,547)
Redemption of bonds	(74)	(74)
Proceeds from issuance of shares	22	-
Purchase of treasury shares	(0)	(283)
Dividends paid	(490)	(503)
Dividends paid to non-controlling interests	(45)	(25)
Repayments of finance lease obligations	(17)	(53)
Net cash provided by (used in) financing activities	2,124	(3,753)
Effect of exchange rate change on cash and cash equivalents	(175)	(237)
Net increase (decrease) in cash and cash equivalents	1,854	408
Cash and cash equivalents at beginning of period	18,569	22,404
Cash and cash equivalents at end of period	20,423	22,812

#### **(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**

###### Reclassifications

###### Quarterly Consolidated Statement of Cash Flows

“Purchase of treasury shares,” which was included in “Other, net” under “Net cash provided by (used in) financing activities” in the first half of the previous fiscal year, is reclassified and presented as a separate item in the same period of the current fiscal year since it has increased the materiality of impact in the context of quarterly consolidated financial statements. To conform to this change, the financial statements for the previous first half are reclassified.

As a result, “Other, net” ((0) million yen) under “Net cash provided by (used in) financing activities” shown in the previous first half’s quarterly consolidated statement of cash flows is reclassified to “Purchase of treasury shares” ((0) million yen).

**Segment and Other Information**

## Segment information

## I. 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

## II. First six months of FY3/20 (Apr. 1, 2019 – Sep. 30, 2019)

## 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	35,908	59,478	12,306	10,738	118,432
Inter-segment sales and transfers	1,413	2,233	60	121	3,829
Total	37,322	61,712	12,367	10,860	122,262
Segment profit	88	435	69	2,363	2,957

## 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	2,957
Eliminations for inter-segment transactions	10
Ordinary profit on the quarterly consolidated statement of income	2,968

*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.*