



August 6, 2020

**Summary of Consolidated Financial Results for the First Quarter
of Fiscal Year Ending March 31, 2021
(Three Months Ended June 30, 2020)**

[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:

August 12, 2020

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

None

Note: The original disclosure in Japanese was released on August 6, 2020 at 12:30 (GMT +9).

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

1. Consolidated Financial Results for the First Quarter Ended June 30, 2020

(April 1, 2020 – June 30, 2020)

(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 | % |
| Three months ended Jun. 30, 2020 | 48,095 | (20.1) | 1,157 | (6.0) | 1,243 | (19.6) | 555 | (38.4) |
| Three months ended Jun. 30, 2019 | 60,181 | (9.7) | 1,281 | (38.9) | 1,547 | (25.3) | 901 | (44.9) |

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2020: 618 (down 38.0%)

Three months ended Jun. 30, 2019: 998 (up 38.4%)

| | Net income per share | Diluted net income per share |
|----------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Three months ended Jun. 30, 2020 | 21.82 | - |
| Three months ended Jun. 30, 2019 | 35.67 | - |

Note: Diluted net income per share 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 Jun. 30, 2020 | 132,890 | 40,974 | 30.2 |
| As of Mar. 31, 2020 | 134,463 | 41,277 | 30.1 |

Reference: Shareholders' equity (million yen) As of Jun. 30, 2020: 40,181 As of Mar. 31, 2020: 40,481

2. Dividends

| | Dividend per share | | | | |
|---|--------------------|--------|--------|----------|-------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended Mar. 31, 2020 | - | 21.00 | - | 21.00 | 42.00 |
| Fiscal year ending Mar. 31, 2021 | - | - | - | - | - |
| Fiscal year ending Mar. 31, 2021 (forecast) | - | 21.00 | - | 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, 2021 (April 1, 2020 – March 31, 2021)

(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 |
| First half | 90,500 | (23.6) | 1,110 | (58.9) | 1,190 | (59.9) | 550 | (71.2) | 21.72 |
| Full year | 210,000 | (9.6) | 3,900 | (24.7) | 4,000 | (26.2) | 2,400 | (33.7) | 94.80 |

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

Regarding consolidated earnings forecasts for the fiscal year ending March 31, 2021, 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, (3) Notes to Quarterly Consolidated Financial Statements (Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)” on page 10 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 Jun. 30, 2020: | 25,915,700 shares | As of Mar. 31, 2020: | 25,915,700 shares |
|----------------------|-------------------|----------------------|-------------------|

2) Number of treasury shares at the end of period

| | | | |
|----------------------|----------------|----------------------|----------------|
| As of Jun. 30, 2020: | 599,109 shares | As of Mar. 31, 2020: | 272,071 shares |
|----------------------|----------------|----------------------|----------------|

3) Average number of shares outstanding during the period

| | | | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Three months ended Jun. 30, 2020: | 25,453,057 shares | Three months ended Jun. 30, 2019: | 25,277,286 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

* 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 quarter of the current fiscal year, the COVID-19 crisis caused big economic downturns as lockdowns imposed by countries worldwide severely restricted economic activity. In the United States, consumer spending fell as people lost their jobs in association with measures to slow down the spread of COVID-19. In Europe, internal demand plummeted and in China the pace of economic growth declined.

In Japan, COVID-19 has had an enormous impact on economic activity as requests for people to stay home in association with the declaration of a state of emergency had negative effects on consumer spending, corporate earnings and other economic indicators.

In the automobile industry, where the ALCONIX Group operates, demand continues to become more diverse along with the increasing use of electronic components, measures to reduce vehicle weight and technologies for self-driving vehicles. Automobile production and sales worldwide have been weak as supply chains disrupted because of a sharp drop in automobile demand caused by COVID-19. In the semiconductor and electronic components industries, most markets are growing along with the increasing volume of data transmissions because of the IoT, AI and other reasons, the increasing use of electronic automobile components, the full-scale launch of 5G mobile telecommunications, and other events. Furthermore, demand for parts and materials used in IT equipment and semiconductor devices is climbing because of the growth of online economic activities and the number of people working from home and other remote locations.

At the ALCONIX Group, shipments of metal processing parts for semiconductor chip mounting equipment, communications equipment and semiconductor manufacturing equipment increased as demand was higher in market sectors involving semiconductors and data communications. In the Trading sector, the transaction volumes of electronic and battery materials used in smartphones and other IT products were higher than one year earlier. However, shipments were down for metal precision stamped parts, carbon brushes for small motors and other products because of the worldwide decline in automobile demand. In the Trading sector, transaction volumes of non-ferrous materials, aluminum rolled products and other products were down from one year earlier. Earnings of electronic and advanced materials increased from the first quarter of the previous fiscal year when there was a valuation loss on inventories of minor metals, which is an issue that has largely ended. Overall, first quarter operating profit, ordinary profit and profit attributable to owners of parent were all lower than one year earlier.

ALCONIX reported consolidated net sales of 48,095 million yen (down 20.1% year on year), operating profit of 1,157 million yen (down 6.0%), ordinary profit of 1,243 million yen (down 19.6%) and profit attributable to owners of parent of 555 million yen (down 38.4%).

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

· Trading—Electronic and Advanced Materials

Sales and earnings for materials used in smartphones and tablets were the same as one year earlier because of inventory reductions caused by COVID-19, mainly in China. Demand for secondary battery and environmental applications remained weak until the middle of the first quarter because of COVID-19 but then recovered quickly, primarily in China. As a result, sales and earnings for these materials increased. Exports of titanium and nickel products to Europe remained steady. In the minor metals and rare earths category, the transaction volume of rare earths used in magnetic materials increased but sales of tungsten and other minor metals were down from one year earlier because of sluggish demand in the automobile industry. There was a big increase in segment profit because earnings one year earlier were reduced by a valuation loss on minor metal inventories, an issue that has largely ended.

As a result, the segment recorded sales of 14,754 million yen (down 22.1% year on year) and segment profit of 314 million yen (segment loss of 14 million yen one year earlier).

• Trading—Aluminum and Copper Products

There is no change in the trend of increasing demand for non-ferrous metals as automakers expand the use of electronic components and reduce the weight of vehicles. However, sales and earnings of products for automotive applications fell sharply because of the global downturn in automobile production and sales volume caused by COVID-19. Meanwhile, this situation had a positive effect on demand for aluminum beverage cans because many people are staying home and on demand for materials associated with semiconductors used in PCs, tablets and other IT products that people are using more as teleworking increases. In the non-ferrous resources category, prices of aluminum, copper and other metals plunged but then rebounded during the first quarter. Sales of aluminum scrap, recycled aluminum ingots and other products, which are a major component of this category, were down significantly as reductions and suspensions of sales and production at companies in the automobile industry reduced demand because of COVID-19.

As a result, the segment recorded sales of 23,184 million yen (down 26.9% year on year) and segment profit of 186 million yen (down 39.1%).

• Manufacturing—Equipment and Materials

There was a small decrease from one year earlier in shipments of plating materials. This was the result of higher demand in the United States for plating materials used for semiconductors and electronic components and lower shipments in China as COVID-19 lowered demand for these materials and reduced the number of days businesses operated. In the non-destructive testing equipment and marking devices category, sales benefited from an increase in shipments of large non-destructive testing equipment involving industrial plants and energy. Shipments of cashew resin products for brake friction materials, carbon brushes for small motors and welding rods all decreased because of weak demand for automobiles in Japan and other countries.

As a result, the segment recorded sales of 5,980 million yen (down 1.5% year on year) and segment loss of 7 million yen (segment profit of 25 million yen one year earlier).

• Manufacturing—Metal Processing

Demand for precision grinding processing parts for semiconductor chip mounting equipment remained firm in the first quarter and shipments were higher than one year earlier. Shipments of precision machining processing parts increased as a result of higher demand for data telecommunications and semiconductors attributable to the full-scale launch of 5G mobile communications and the growth of remote work. However, there was a big downturn in shipments of metal precision stamped parts to major customers because of weak demand for automobiles in Japan and overseas caused by COVID-19. In addition, operations in Mexico held down segment profit due to weak demand for automobiles and up-front expenditures because this business is in the start-up phase.

As a result, the segment recorded sales of 5,054 million yen (down 4.2% year on year) and segment profit of 751 million yen (down 38.2%).

(2) Explanation of Financial Position

1) Financial position

a. Current assets

At the end of the first quarter of the current fiscal year, current assets totaled 93,543 million yen, a decrease of 1,883 million yen from the end of the previous fiscal year. The main factors were a 4,865 million yen decrease in notes and accounts receivable-trade, a 922 million yen decrease in inventories and a 4,126 million yen increase in cash and deposits.

b. Non-current assets

Non-current assets totaled 39,346 million yen, an increase of 310 million yen. The main factors include a 352 million yen decrease in property, plant and equipment and intangible assets including goodwill due to amortization,

and a 662 million yen increase in investments and other assets.

c. Current liabilities

Current liabilities totaled 64,671 million yen, a decrease of 862 million yen. The main factors include a 3,880 million yen decrease in notes and accounts payable-trade, a 1,800 million yen increase in short-term borrowings, and a 340 million yen increase in current portion of long-term borrowings.

d. Non-current liabilities

Non-current liabilities totaled 27,244 million yen, a decrease of 408 million yen. The main factors include a 388 million yen decrease in provision for retirement benefits for directors (and other officers), a 163 million yen decrease in long-term accounts payable-other and a 74 million yen decrease in bonds payable.

e. Net assets

Net assets totaled 40,974 million yen, a decrease of 302 million yen. The main factors include a 537 million yen increase in valuation difference on available-for-sale securities, a 379 million yen decrease in foreign currency translation adjustment, purchase of treasury shares of 371 million yen and a 103 million yen decrease in deferred gains or losses on hedges

2) Results of operations

a. Net sales

Consolidated sales decreased. In the Trading segment, there were increases in the transaction volume of battery and electronic materials for smartphones and tablets, and rare earths used in magnetic materials. However, the transaction volume of aluminum rolled products, copper products, lead ingots for batteries, recycled aluminum ingots, copper scrap and other non-ferrous materials was lower than one year earlier.

In the Manufacturing segment, shipments of grinding processing parts for semiconductor chip mounting equipment, precision machining processing parts for telecommunication and IT sectors, and equipment for non-destructive testing and marking system increased. On the other hand, shipments of metal precision stamped parts, carbon brushes for small motors, cashew resin products, and welding rods decreased.

As a result, net sales decreased 20.1% year on year to 48,095 million yen in the first quarter of the current fiscal year.

b. Gross profit

Although the gross profit decreased to 4,243 million yen because of lower sales, the decline was only 7.1% because of the valuation loss on minor metal inventories in the previous fiscal year's first quarter, an issue that has largely ended.

c. Selling, general and administrative expenses

Selling, general and administrative expenses decreased 7.5% to 3,085 million yen because of lower travel and other expenses due to COVID-19 and a decline in expenses at consolidated subsidiaries.

d. Operating profit

Due to these changes, operating profit decreased 6.0% to 1,157 million yen.

e. Non-operating income, non-operating expenses

Major changes were decreases in dividend income and the share of profit of entities accounted for using the equity method. As a result, there was a net non-operating income (non-operating income – non-operating expenses) of 85

million yen compared with net non-operating income of 314 million yen one year earlier.

f. Ordinary profit

Ordinary profit decreased 19.6% to 1,243 million yen.

g. Extraordinary income, extraordinary losses

There was an extraordinary income of 12 million yen, including subsidy income, and an extraordinary loss of 45 million yen mainly for a loss on valuation of investment securities.

h. Profit attributable to owners of parent

ALCONIX recorded profit before income taxes of 1,210 million yen. From this amount, 637 million yen and 18 million yen were deducted for income taxes and profit attributable to non-controlling interests of 9 consolidated subsidiaries, respectively. As a result, profit attributable to owners of parent decreased 38.4% to 555 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, 2020[Japanese GAAP]” on May 26, 2020.

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

(Millions of yen)

| | FY3/20 (As of Mar. 31, 2020) | First quarter of FY3/21 (As of Jun. 30, 2020) |
|--|---------------------------------|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,754 | 26,880 |
| Notes and accounts receivable-trade | 44,162 | 39,296 |
| Merchandise and finished goods | 20,810 | 19,796 |
| Work in process | 3,353 | 3,405 |
| Raw materials and supplies | 1,936 | 1,975 |
| Other | 3,031 | 2,802 |
| Allowance for doubtful accounts | (622) | (614) |
| Total current assets | 95,426 | 93,543 |
| Non-current assets | | |
| Property, plant and equipment | 20,905 | 20,615 |
| Intangible assets | | |
| Goodwill | 3,120 | 3,060 |
| Other | 3,576 | 3,574 |
| Total intangible assets | 6,697 | 6,634 |
| Investments and other assets | 11,433 | 12,096 |
| Total non-current assets | 39,036 | 39,346 |
| Total assets | 134,463 | 132,890 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 30,920 | 27,040 |
| Short-term borrowings | 24,782 | 26,582 |
| Current portion of long-term borrowings | 4,027 | 4,368 |
| Current portion of bonds payable | 149 | 149 |
| Income taxes payable | 1,056 | 634 |
| Provision for bonuses | 968 | 1,033 |
| Other | 3,627 | 4,861 |
| Total current liabilities | 65,533 | 64,671 |
| Non-current liabilities | | |
| Bonds payable | 375 | 300 |
| Long-term borrowings | 22,313 | 22,407 |
| Provision for retirement benefits for directors (and other officers) | 780 | 392 |
| Retirement benefit liability | 821 | 838 |
| Long-term accounts payable-other | 338 | 174 |
| Other | 3,023 | 3,130 |
| Total non-current liabilities | 27,652 | 27,244 |
| Total liabilities | 93,185 | 91,915 |

| | (Millions of yen) | |
|---|---------------------------------|--|
| | FY3/20 (As of Mar. 31, 2020) | First quarter of FY3/21 (As of Jun. 30, 2020) |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,989 | 2,989 |
| Capital surplus | 2,401 | 2,401 |
| Retained earnings | 33,258 | 33,275 |
| Treasury shares | (329) | (701) |
| Total shareholders' equity | 38,320 | 37,965 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 191 | 729 |
| Deferred gains or losses on hedges | 103 | 0 |
| Foreign currency translation adjustment | 1,865 | 1,486 |
| Total accumulated other comprehensive income | 2,161 | 2,216 |
| Share acquisition rights | 34 | 41 |
| Non-controlling interests | 761 | 751 |
| Total net assets | 41,277 | 40,974 |
| Total liabilities and net assets | 134,463 | 132,890 |

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

(Millions of yen)

| | First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019) | First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020) |
|---|--|--|
| Net sales | 60,181 | 48,095 |
| Cost of sales | 55,613 | 43,852 |
| Gross profit | 4,568 | 4,243 |
| Selling, general and administrative expenses | 3,336 | 3,085 |
| Operating profit | 1,232 | 1,157 |
| Non-operating income | | |
| Interest income | 42 | 16 |
| Purchase discounts | 4 | 3 |
| Dividend income | 235 | 181 |
| Foreign exchange gains | 17 | - |
| Real estate rental income | 20 | 19 |
| Share of profit of entities accounted for using equity method | 62 | 8 |
| Gain on sales of scraps | 60 | 6 |
| Other | 115 | 75 |
| Total non-operating income | 509 | 312 |
| Non-operating expenses | | |
| Interest expenses | 181 | 131 |
| Sales discounts | 2 | 0 |
| Foreign exchange losses | - | 50 |
| Loss on sales of notes receivable-trade | 6 | 4 |
| Rental costs on real estate | 4 | 4 |
| Other | 50 | 35 |
| Total non-operating expenses | 244 | 227 |
| Ordinary profit | 1,547 | 1,243 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 0 | 0 |
| Gain on reversal of share acquisition rights | - | 0 |
| Gain on sales of investment securities | 0 | - |
| Subsidy income | 3 | 12 |
| Subsidy income | 8 | - |
| Total extraordinary income | 11 | 12 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | - | 0 |
| Loss on retirement of non-current assets | 3 | 0 |
| Loss on valuation of investment securities | - | 44 |
| Other | - | 0 |
| Total extraordinary losses | 3 | 45 |
| Profit before income taxes | 1,555 | 1,210 |
| Income taxes | 633 | 637 |
| Profit | 922 | 573 |
| Profit attributable to non-controlling interests | 20 | 18 |
| Profit attributable to owners of parent | 901 | 555 |

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

(Millions of yen)

| | First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019) | First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020) |
|--|--|--|
| Profit | 922 | 573 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (106) | 522 |
| Deferred gains or losses on hedges | 16 | (104) |
| Foreign currency translation adjustment | 156 | (369) |
| Share of other comprehensive income of entities accounted for using equity method | 9 | (3) |
| Total other comprehensive income | 76 | 45 |
| Comprehensive income | 998 | 618 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 981 | 610 |
| Comprehensive income attributable to non-controlling interests | 17 | 8 |

(3) 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

Effect of COVID-19 on accounting estimates

There are no significant changes in the assumptions, including assumptions about the effect of COVID-19 on the ALCONIX Group, in the supplementary information section of the Securities Report for the fiscal year that ended on March 31, 2020.

Segment and Other Information

Segment information

I. First three months of FY3/20 (Apr. 1, 2019 – Jun. 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 | 18,247 | 30,651 | 6,050 | 5,232 | 60,181 |
| Inter-segment sales and transfers | 681 | 1,044 | 23 | 44 | 1,793 |
| Total | 18,929 | 31,696 | 6,073 | 5,276 | 61,975 |
| Segment profit (loss) | (14) | 306 | 25 | 1,214 | 1,532 |

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 | 1,532 |
| Eliminations for inter-segment transactions | 14 |
| Ordinary profit on the quarterly consolidated statement of income | 1,547 |

II. First three months of FY3/21 (Apr. 1, 2020 – Jun. 30, 2020)

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 | 14,163 | 22,986 | 5,927 | 5,017 | 48,095 |
| Inter-segment sales and transfers | 590 | 197 | 52 | 37 | 877 |
| Total | 14,754 | 23,184 | 5,980 | 5,054 | 48,973 |
| Segment profit (loss) | 314 | 186 | (7) | 751 | 1,245 |

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 | 1,245 |
| Eliminations for inter-segment transactions | (2) |
| Ordinary profit on the quarterly consolidated statement of income | 1,243 |

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.