



Become an integrated company that combines
trading and manufacturing capabilities

ALCONIX CORPORATION

Listed on TSE First Section **Code 3036**

Financial Results Materials

Fiscal Year Ended March 31, 2021

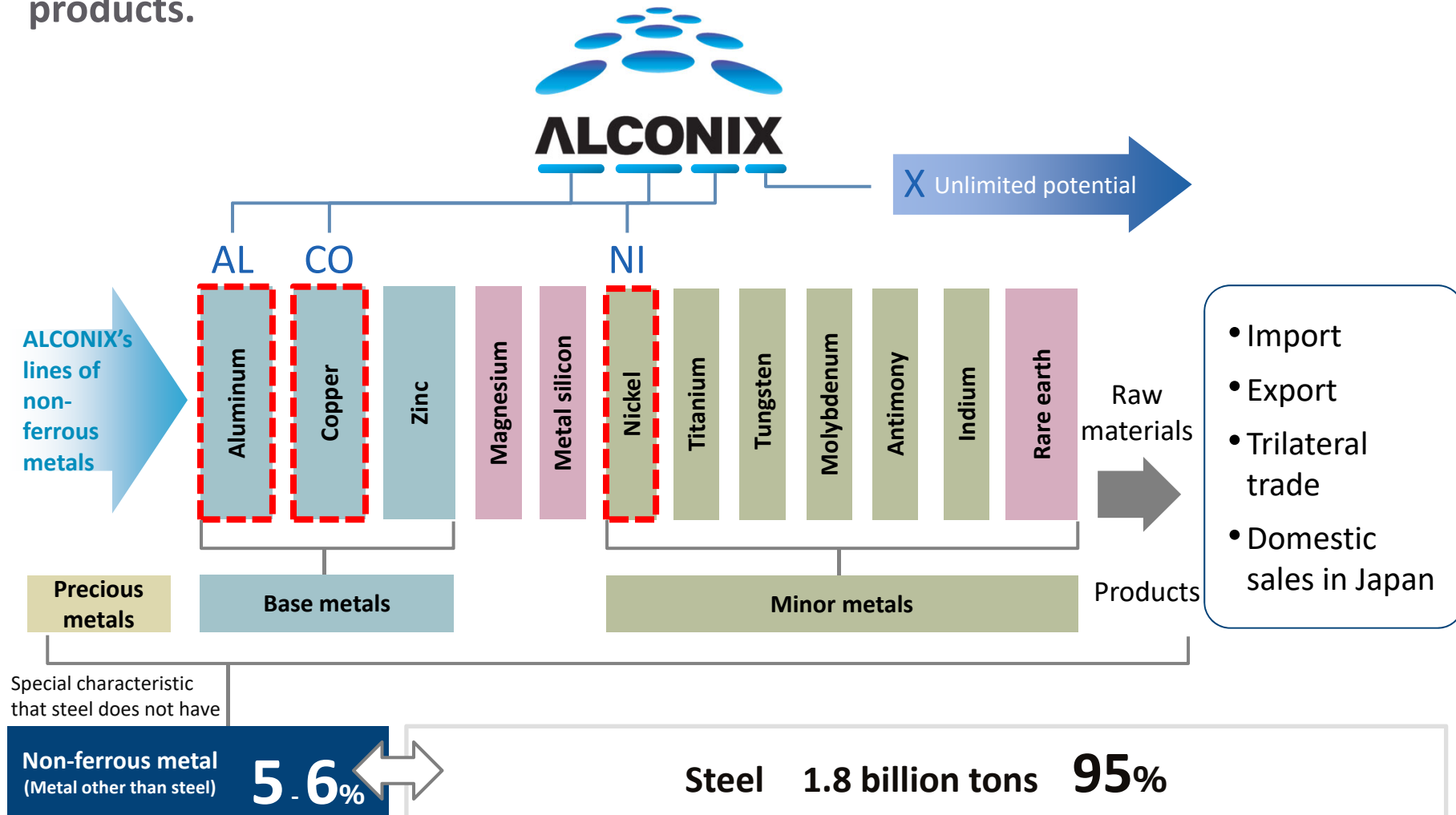
Company Overview / Appendix

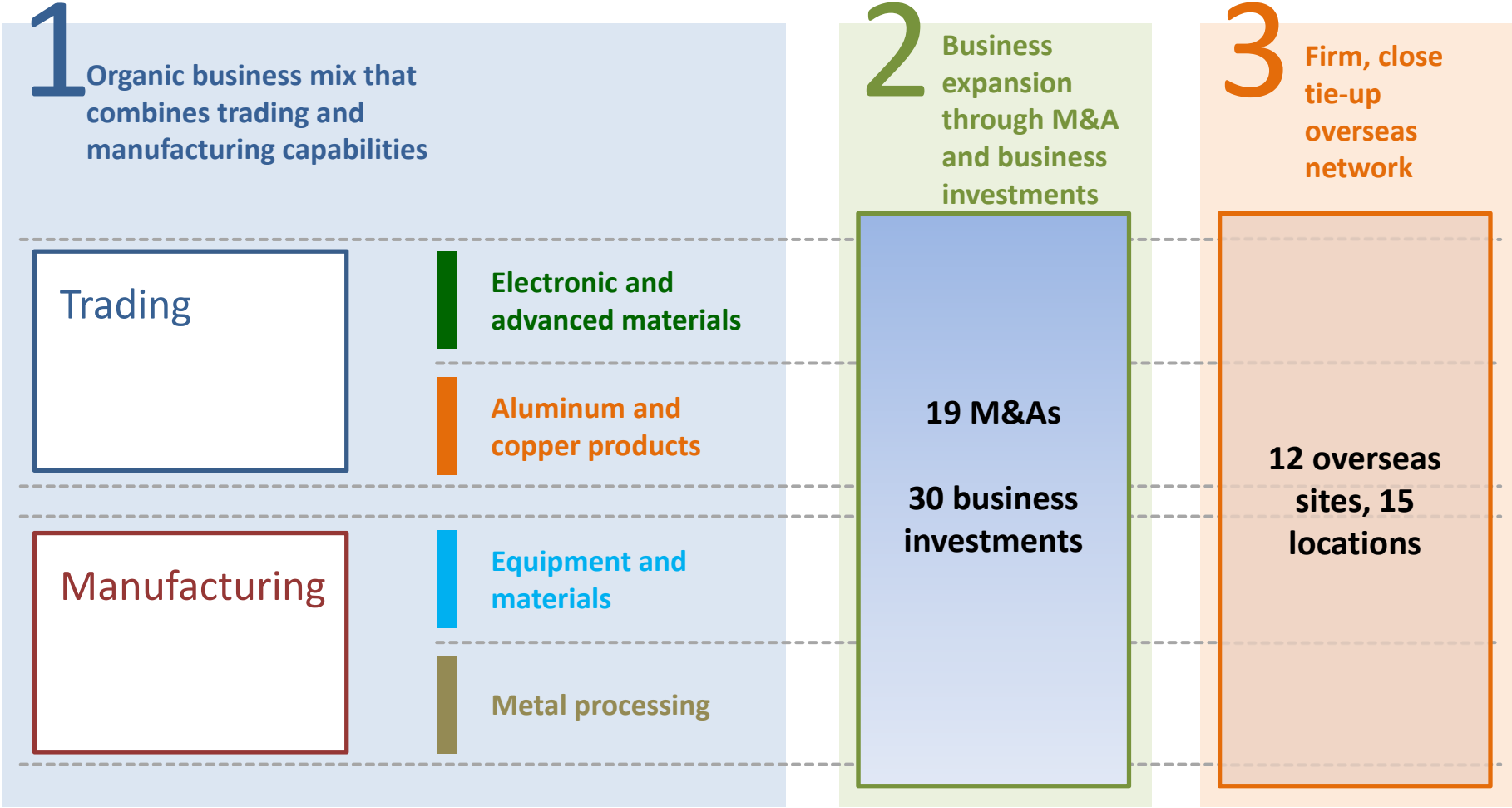
May 2021

About ALCONIX

Business Summary

ALCONIX is an integrated company that encompasses everything from the distribution and sale of non-ferrous metals to the manufacture of metal products.





Trading/ Electronic and advanced materials, Aluminum and copper products

Business summary

(As of March 31, 2021)

Businesses	Our trading products	End products	Main business areas
<p>Electronic and advanced materials</p> <p>Segment weighting (sales) 28.1%</p> <p>Segment weighting (profits) 28.6%</p>	<p>Titanium coils</p> <p>Compound semiconductors and other electronic materials</p> <p>Rare earth strips</p> <p>Titanium sponge</p> <p>Rare earth compounds</p> <p>Rare earth ingots</p>	<p>Automobiles (magnetic and battery materials for various motors)</p> <p>Tablet PCs, smartphones (battery materials, etc.)</p> <p>LCD panels</p> <p>Wind power generation (turbines)</p> <p>Titanium products (heat exchangers)</p> <p>Window materials (coating agents)</p>	<p>Japan, North America, Europe, China, Asia</p> <p>Consolidated subsidiaries</p> <p>ADVANCED MATERIAL JAPAN, overseas subsidiaries, etc.</p>
<p>Aluminum and copper products</p> <p>Segment weighting (sales) 50.2%</p> <p>Segment weighting (profits) 7.1%</p>	<p>Aluminum coils</p> <p>Copper products</p> <p>Metal scraps</p> <p>Aluminum alloy ingots</p> <p>Brass copper rod</p>	<p>Aircrafts (used in structural parts)</p> <p>Motorcycles (aluminum frames, etc.)</p> <p>Automobiles (bodies)</p> <p>Air conditioners (copper tubes)</p> <p>Lead frames (for semiconductor)</p> <p>Aluminum cans</p>	<p>Main business areas</p> <p>Japan, China, Asia, Europe, Latin America</p> <p>Consolidated subsidiaries</p> <p>ALCONIX SANSHIN, HAYASHI METAL, ALCONIX•MITAKA, HEIWA KINZOKU, ALUMINUM & COPPER RECYCLING CENTER, overseas subsidiaries</p>

(As of March 31, 2021)

Businesses	Our trading products	End products	Main business areas
<p>Equipment and materials</p> <p>Segment weighting (sales) 11.5%</p> <p>Segment weighting (profits) 9.1%</p>	<p>Plating materials</p> <p>Welding rods</p> <p>Non-destructive testing (equipment)</p> <p>Non-destructive testing (detection materials)</p> <p>Cashew products</p>	<p>Vehicle (plating, metal mold building-up welding rods, non-destructive testing)</p> <p>Steel (marking)</p> <p>Semiconductor (PWB plating)</p> <p>Construction materials (plating)</p> <p>Power generation plant (non-destructive testing)</p>	<p>Japan, China, North America, Europe, Asia</p> <p>Consolidated subsidiaries</p> <p>UNIVERETICAL, TOKAI YOGYO, MARKTEC, Tohoku Chemical Industries, Fuji Carbon Manufacturing</p>
<p>Metal processing</p> <p>Segment weighting (sales) 10.2%</p> <p>Segment weighting (profits) 55.2%</p>	<p>Precision fabricated parts</p> <p>Precision grinding processing parts</p> <p>High precision stamped parts</p>	<p>Aircrafts (engine parts)</p> <p>Artificial satellite (communication parts)</p> <p>Chip mounters</p> <p>Tablet PCs, smartphones (PWBs)</p> <p>Automobiles (driving parts, trial parts)</p>	<p>Main business areas</p> <p>Japan, China, Asia</p> <p>Consolidated subsidiaries</p> <p>OHKAWA CORP., OHBA SEIKEN, FUJI PRESS, FUJI ALCONIX MEXICO, Fujine Sangyo, Guandon Chuangfu Metal Product*</p> <p>* Equity-method affiliate</p>

Business Expansion

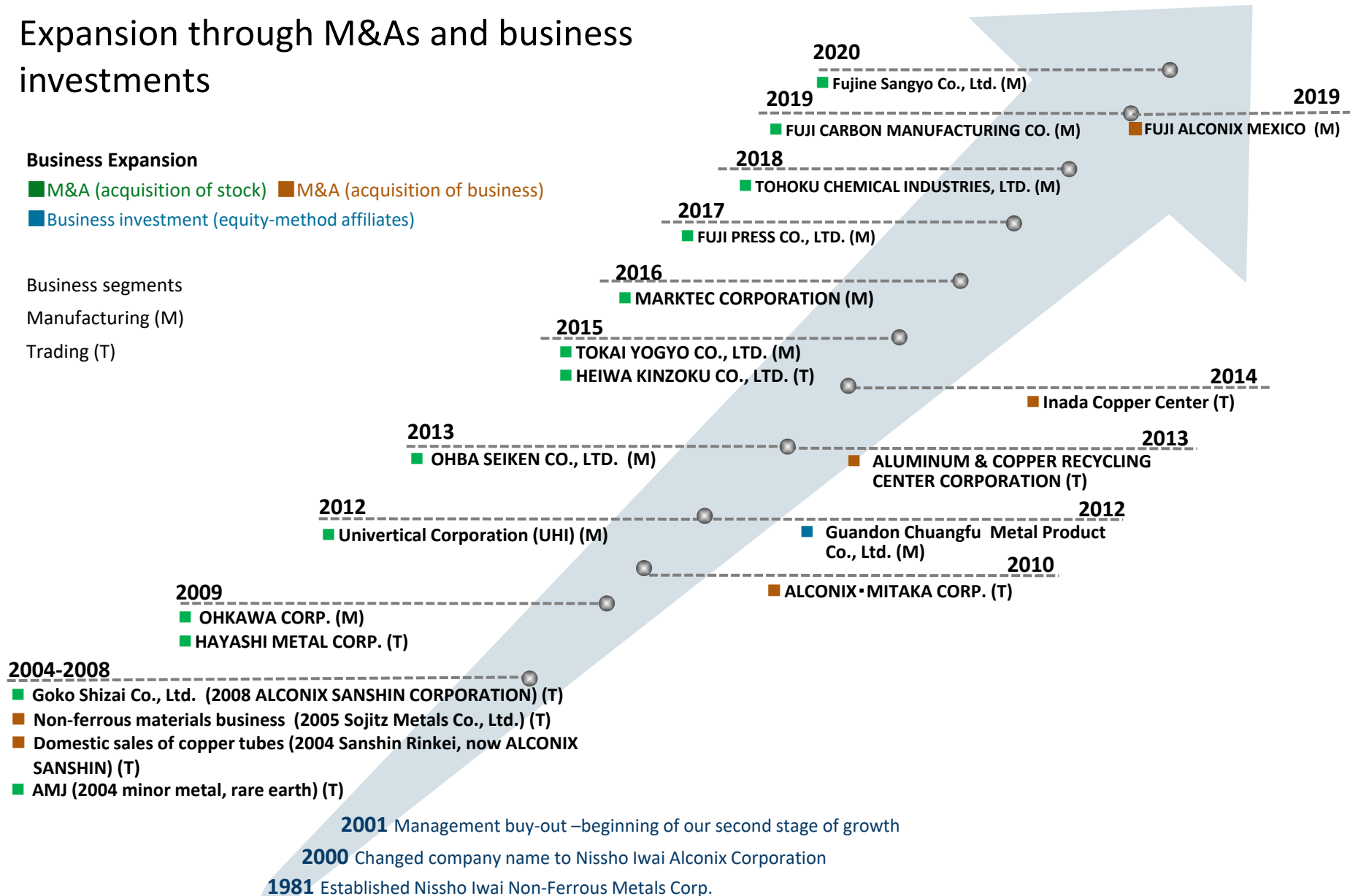
Expansion through M&As and business investments

Business Expansion

- M&A (acquisition of stock)
- M&A (acquisition of business)
- Business investment (equity-method affiliates)

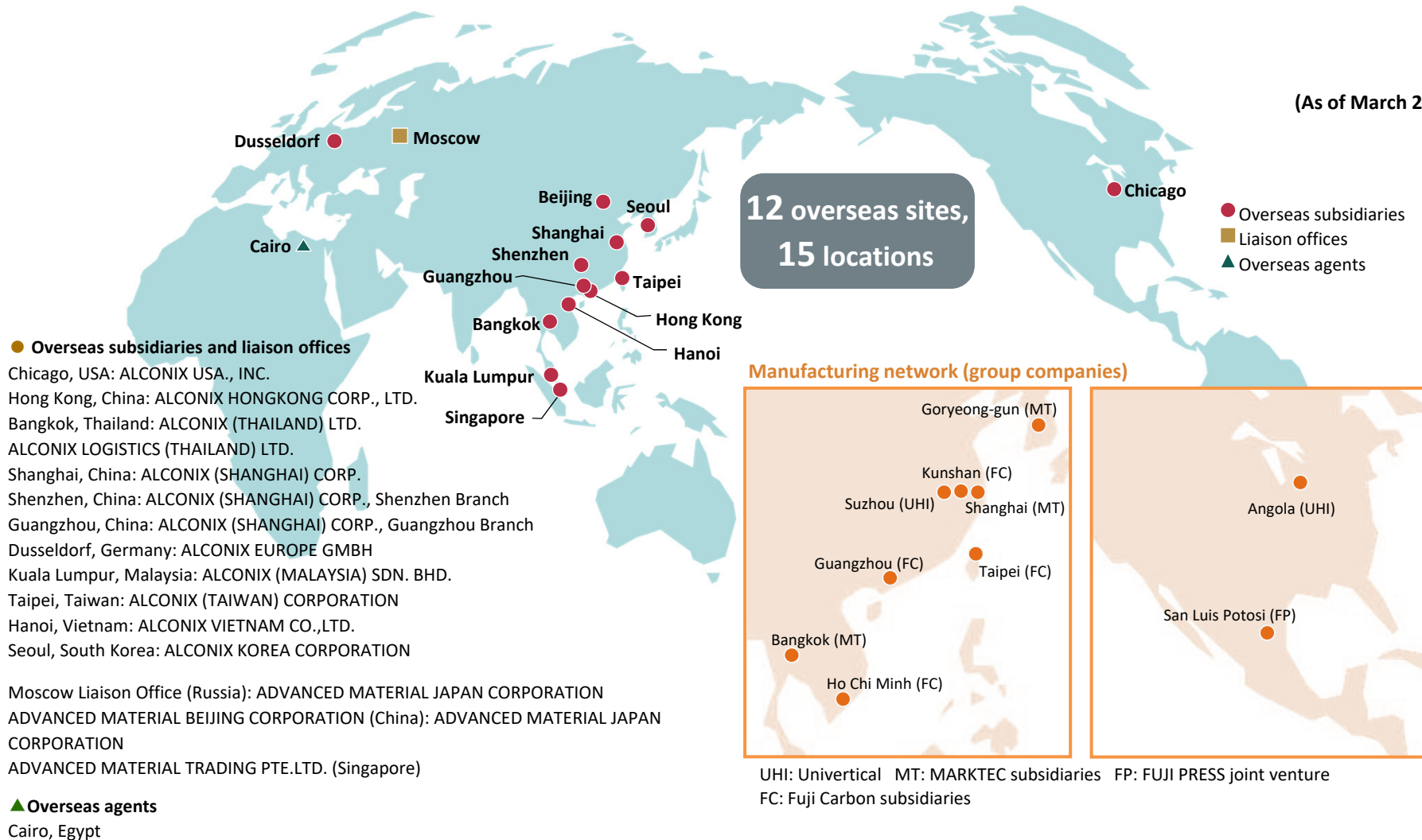
Business segments

- Manufacturing (M)
- Trading (T)



The ALCONIX Group has a unique overseas network that emphasized profitability

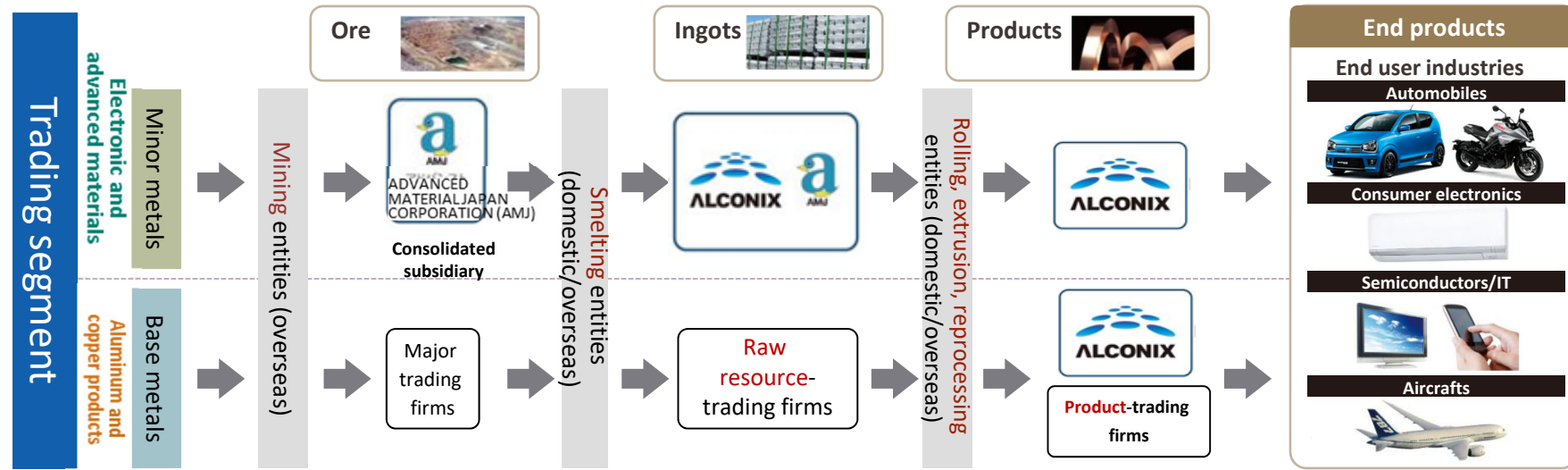
(As of March 2021)



Business Model

Business fields

Business model



Business style	Business flow	Inventory	Profitability	Profit source	When market prices rise	
					Amount of profit	Profit margin
Intermediary	<ul style="list-style-type: none"> ALCONIX concludes each contract with clients or supplier individually ALCONIX facilitates and controls distribution 	No inventory	<ul style="list-style-type: none"> No inventory risk Profitability tends to be relatively high 	Margin/ commission	○ (Eager to purchase)	○
Direct	<ul style="list-style-type: none"> Contract conditions (price, delivery date, amount) are concluded between our client and supplier Supplier delivers directly to our client 	No inventory	<ul style="list-style-type: none"> No inventory risk Profitability tends to be low 	Commission (fixed amount) Commission (transaction price x fixed rate) Commission (processing costs x fixed rate)	○(Eager to purchase) ○(Eager to purchase) ○(Eager to purchase)	Slightly ○ - Slightly △
Inventory-1 (Already contracted)	<ul style="list-style-type: none"> ALCONIX takes an order from specific client, holds inventory and delivers just in time 	Hold inventory	<ul style="list-style-type: none"> No inventory risk Profitability tends to be average 	Margin/ commission	○(Eager to purchase)	-
Inventory-2 (No sales contract)	<ul style="list-style-type: none"> ALCONIX controls, and holds inventory regardless of any clients order 	Hold inventory	<ul style="list-style-type: none"> Existence of inventory risk Profitability tends to be high 	Margin	○(Eager to purchase)	○

○: Positive △: Negative —: Neutral

- Market price rise → expansion of client demand; Market price drop → restraint in client demand
- Relatively small impact of market volatility on our transactions
 - Some "Intermediary" and "Inventory-2" transactions are directly impacted by the market.
 - "Inventory-2" transactions account for only 5% of total transactions. This limits the direct impact of market volatility on our profits.

Corporate Data

Consolidated financial summary

Corporate data

(Unit: million yen)

	FY3/07	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21
Net sales	172,781	215,839	165,439	109,192	157,979	220,703	164,769	183,749	201,543	201,755	201,948	247,931	257,437	232,242	214,987
Cost of sales	166,668	208,571	159,582	103,259	149,710	210,060	156,010	172,754	189,452	189,574	187,472	228,892	238,230	213,620	196,415
Gross profit	6,112	7,268	5,857	5,932	8,268	10,642	8,759	10,995	12,091	12,181	14,476	19,038	19,207	18,622	18,571
SG&A expenses	3,631	4,195	4,212	4,395	5,191	5,955	5,473	7,510	7,506	8,388	10,307	11,715	12,949	13,445	12,949
Operating profit	2,480	3,072	1,645	1,537	3,077	4,687	3,286	3,484	4,584	3,792	4,168	7,323	6,257	5,176	5,621
Ordinary profit	1,910	2,452	1,577	1,402	2,963	4,499	2,892	3,600	5,205	4,281	4,352	7,939	6,254	5,416	5,718
Profit before income taxes	1,903	2,512	564	2,456	3,376	4,453	2,594	4,509	5,213	5,103	4,446	7,482	6,460	5,813	4,989
Profit	1,076	1,427	181	1,799	1,901	2,450	1,430	3,144	3,505	4,977	3,083	5,336	4,009	3,617	2,860
Total assets	49,973	54,290	39,137	40,219	64,561	68,600	70,382	85,664	89,848	111,570	113,647	130,197	143,851	134,463	147,917
Net assets	5,263	7,152	7,325	9,157	12,144	14,020	15,818	21,368	26,951	31,323	34,119	38,626	39,673	41,277	43,372
Interest-bearing debt	10,520	14,505	13,175	11,915	25,345	23,148	26,926	29,913	30,130	38,611	38,091	46,053	58,408	51,648	59,122

Listed on
TSE 2nd
Section

Designated for
listing on TSE
1st Section

Main financial indicators

Corporate data

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21
Net assets per share (cons.) (yen)	466.99	535.85	603.74	819.11	1,026.91	1,155.66	1,255.62	1,423.87	1,489.59	1,578.62	1,709.55
Net income per share (cons.) (yen)	84.83	96.43	56.29	123.69	137.38	193.54	119.66	206.56	155.20	143.25	113.60
Dividend per share (yen)	12.50	15.00	15.00	16.25	20.00	22.00	22.00	32.00	39.00	42.00	42.00
(of which commemorative dividend)	1.25										
(of which interim dividend)		(6.25)	(7.50)	(7.50)	(9.00)	(11.00)	(11.00)	(13.00)	(19.00)	(21.00)	(21.00)
Dividend payout ratio	14.7%	15.6%	26.6%	13.1%	14.6%	11.4%	18.4%	15.5%	25.1%	29.3%	37.0%
Number of shares outstanding	25,391,200	25,412,800	25,420,800	25,435,200	25,626,400	25,751,200	25,788,000	25,864,800	25,882,200	25,915,700	25,943,100
Return on equity (cons.)	18.3%	19.2%	9.9%	17.4%	14.9%	17.8%	9.9%	15.4%	10.7%	9.2%	6.9%
Return on assets (cons.)	5.7%	6.8%	4.2%	4.6%	5.9%	4.3%	3.9%	6.5%	4.6%	3.9%	4.1%
Equity ratio (cons.)	18.4%	19.8%	21.8%	24.3%	29.3%	26.7%	28.5%	28.3%	26.3%	30.1%	28.9%
Net debt equity ratio	1.45	0.93	1.03	0.82	0.67	0.63	0.66	0.75	0.95	0.71	0.77
Number of employees (cons.)	402	411	511	752	797	1,132	1,148	1,424	2,417	2,439	2,821

Note: ALCONIX conducted a 2-for-1 stock split on September 1, 2017. The per share figures before FY3/17 was assumed that the stock split was previously conducted.

- Net income per share: Not considered potential stock
- Return on assets = Ordinary profit / (Average of year-start and year-end total assets of FY)
- Return on equity = Profit / (Average of year-start and year-end net assets of FY, excluding non-controlling interests and share acquisition rights)
- Net debt equity ratio = (Interest-bearing debt - Cash and deposits) / Net assets
- Number of employees: Excludes directors of the Company and employees dispatched from temporary staff agencies, but includes seconded employees dispatched from the Company to other companies, contract staff, and staff dispatched from other companies. All figures are based on the securities report ("Yukashoken Hokokusho").

Main shareholders

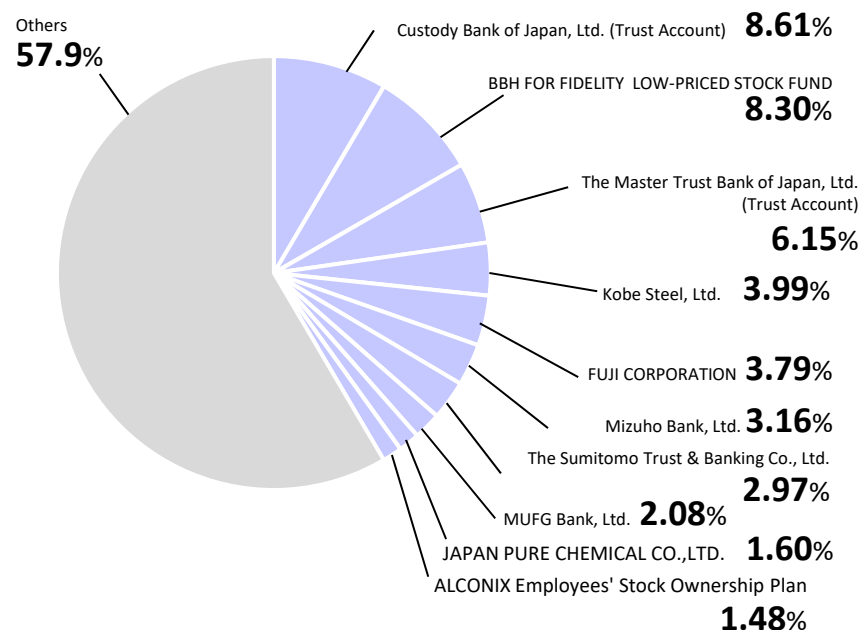
Corporate data

Shareholder Distribution by Type of Shareholders

(As of March 31, 2021)

Category	Number of shares held	Shareholding ratios	Number of shareholders	Composition
Financial institutions	7,986,700	30.79%	26	0.21%
Securities companies	356,325	1.37%	36	0.29%
Other Japanese entities	4,541,270	17.50%	104	0.85%
Overseas entities (of which, 8,400 foreigners)	5,393,896	20.79%	109	0.89%
Individual investors, others	6,757,702	26.05%	11,952	97.75%
Treasury shares	907,207	3.50%	1	0.01%
Total	25,943,100	100.00%	12,228	100.00%

Note: Above shares include shares less than one unit for holders of shares less than one unit.

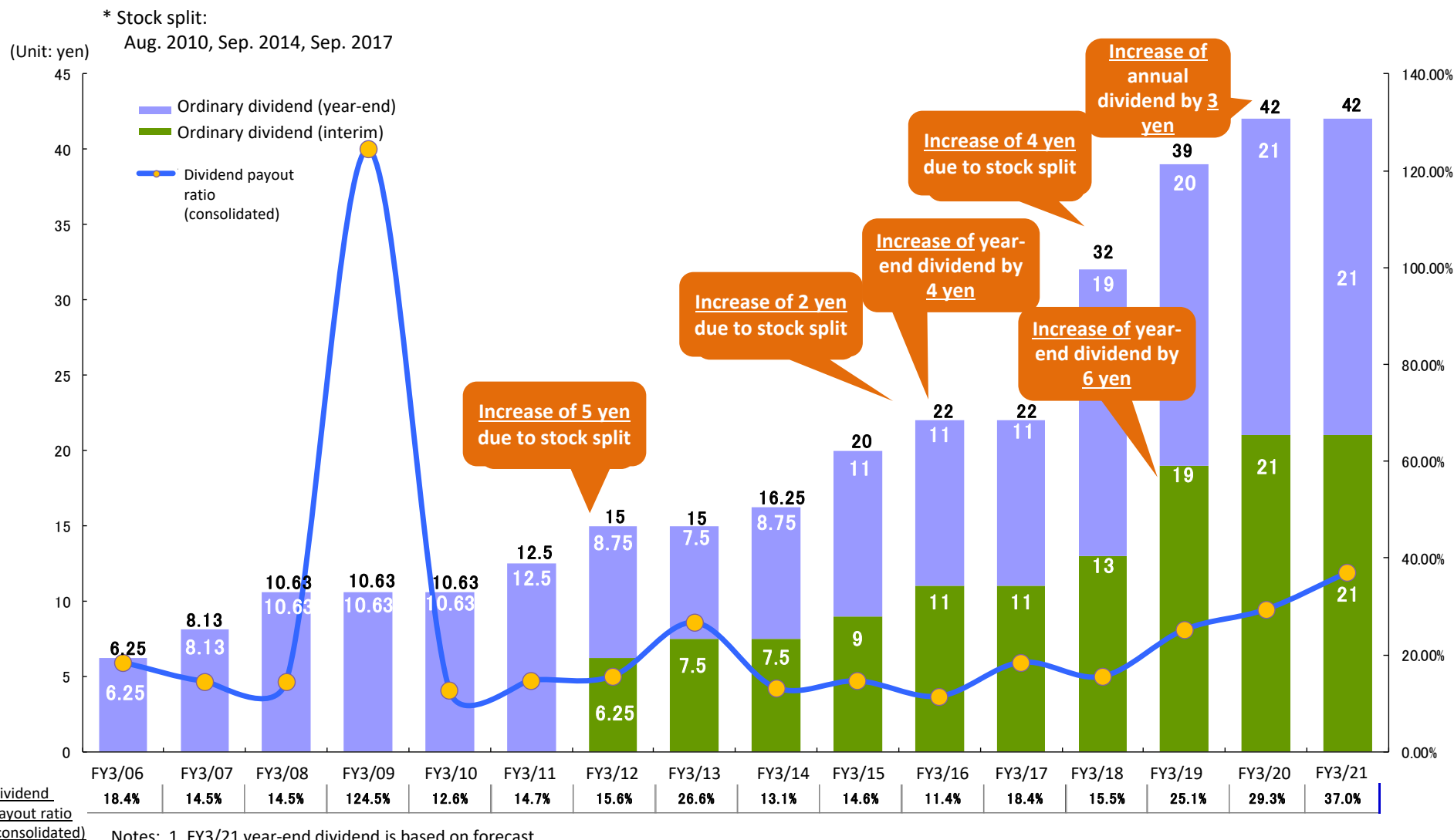


Shareholders

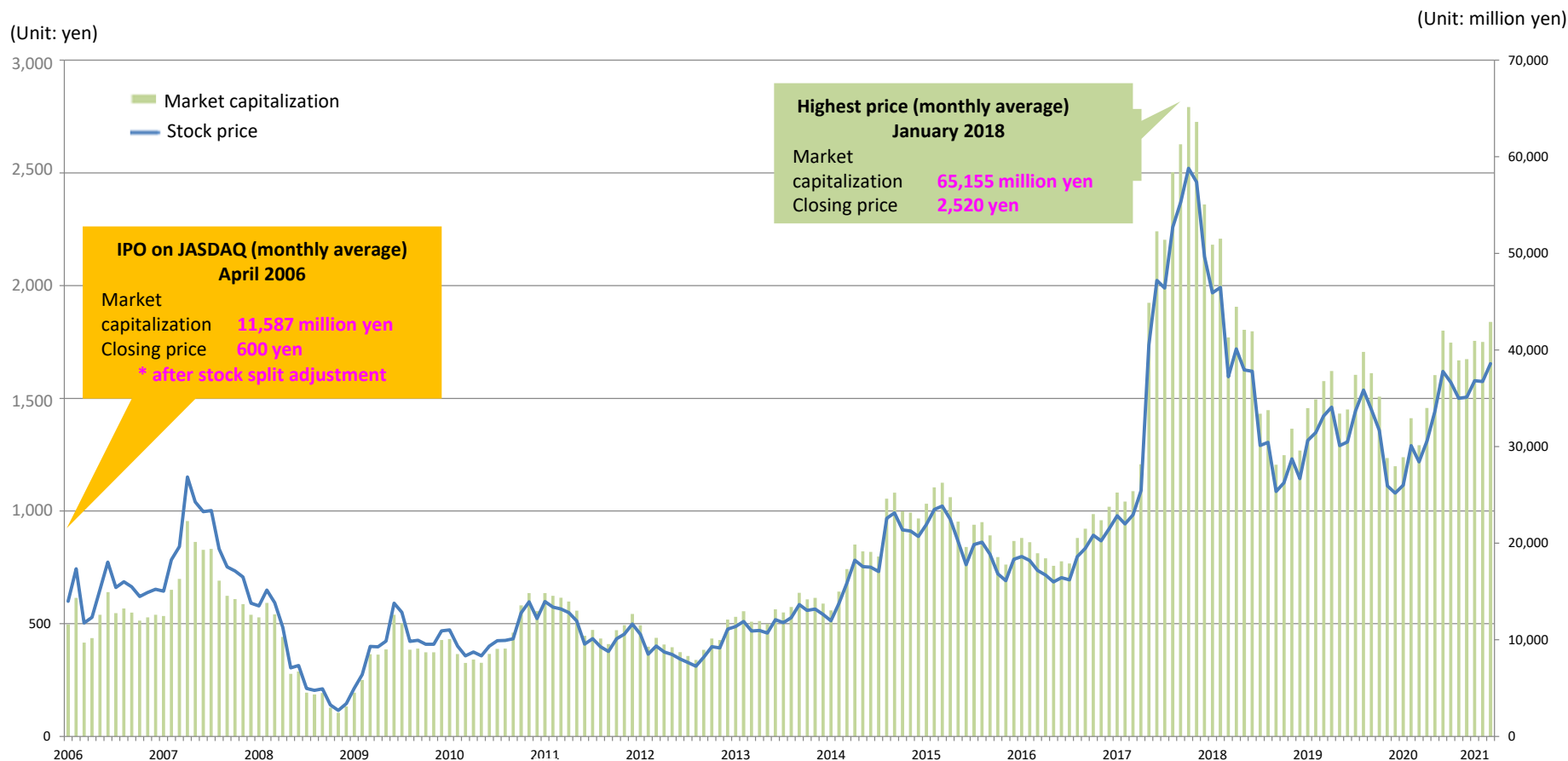
(As of March 31, 2021)

Name of shareholders	Number of shares held	Shareholding ratios
Custody Bank of Japan, Ltd. (Trust Account)	2,155,300	8.61%
BBH FOR FIDELITY LOW-PRICED STOCK FUND	2,078,060	8.30%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,540,300	6.15%
Kobe Steel, Ltd.	1,000,000	3.99%
FUJI CORPORATION	948,000	3.79%
Mizuho Bank, Ltd.	792,000	3.16%
The Sumitomo Trust & Banking Co., Ltd.	744,000	2.97%
MUFG Bank, Ltd.	520,000	2.08%
JAPAN PURE CHEMICAL CO.,LTD.	400,000	1.60%
ALCONIX Employees' Stock Ownership Plan	370,100	1.48%
Others	14,488,133	57.9%
Total	25,035,893	100.00%

Shareholder returns: Trend in dividend per share and dividend payout ratio



Stock price April 2006 – March 2021



Notes: 1. Adjusted closing price and market capitalization represent monthly average.
 2. Adjusted closing price has been adjusted to reflect the stock splits conducted in prior years.

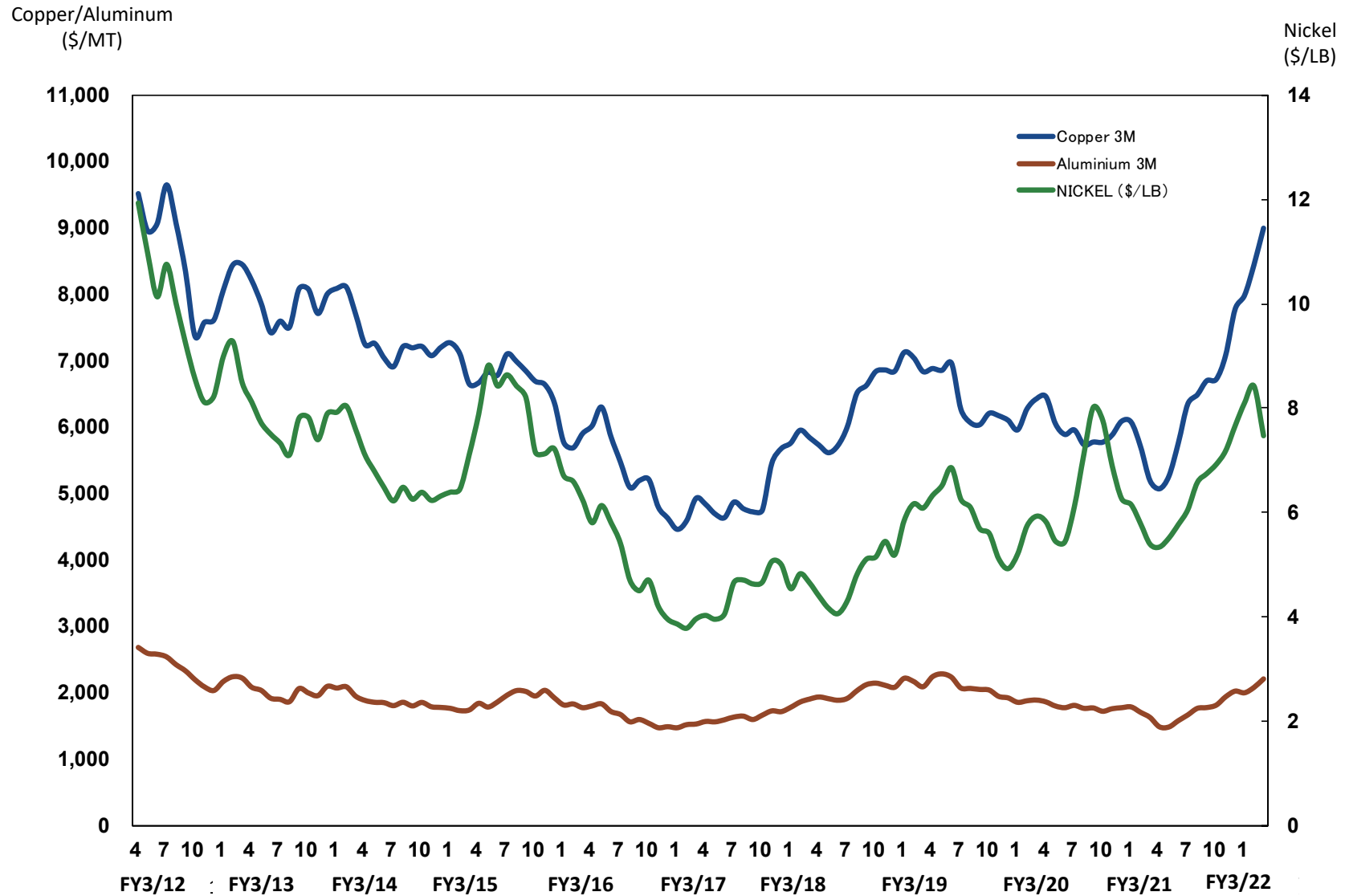
Market Chart (Reference Materials)

Market trends

(main non-ferrous metals: copper, aluminum and nickel)

Market chart (reference materials)

* Based on London Metal Exchange (LME)

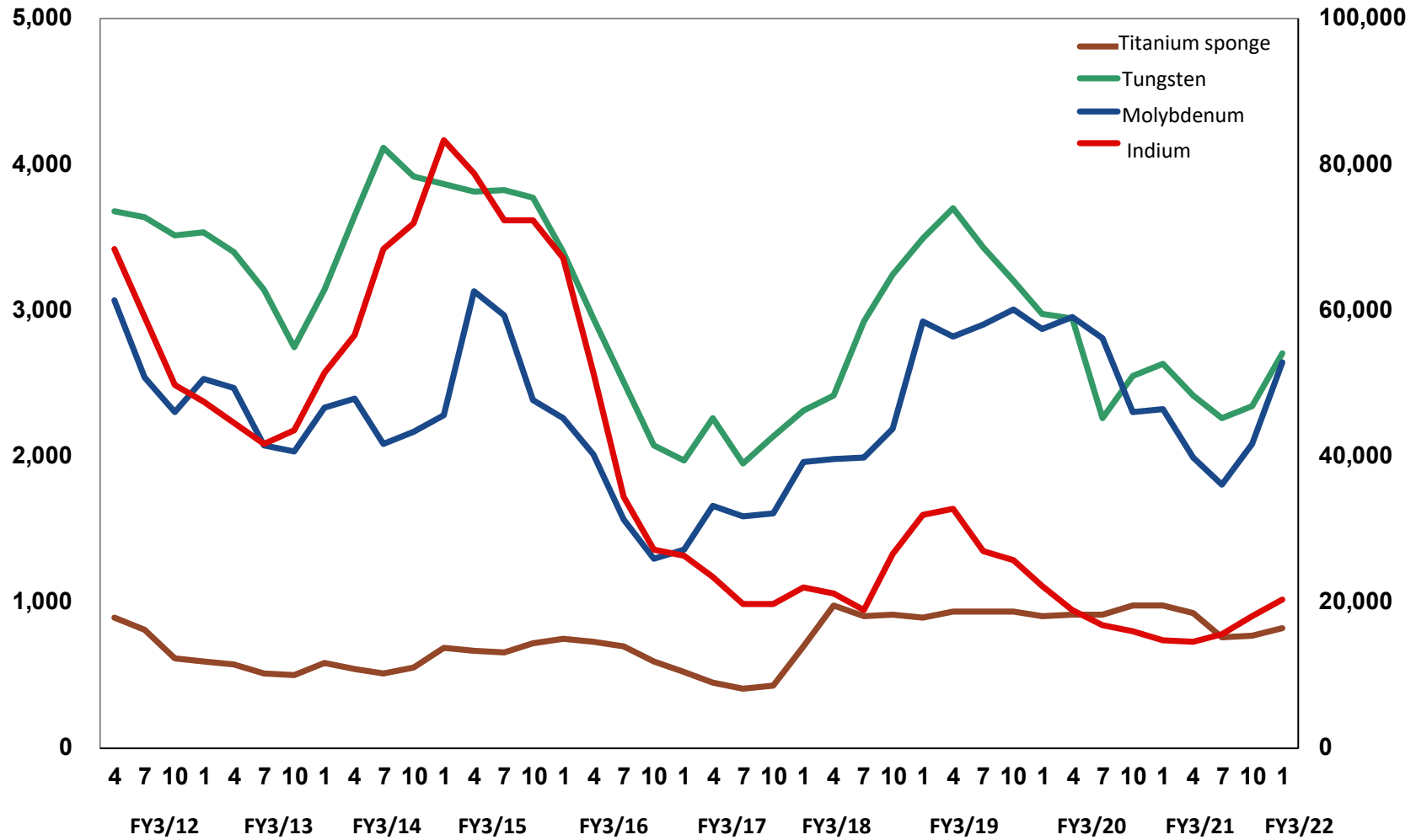


Market trends (minor metals)

Market chart (reference materials)

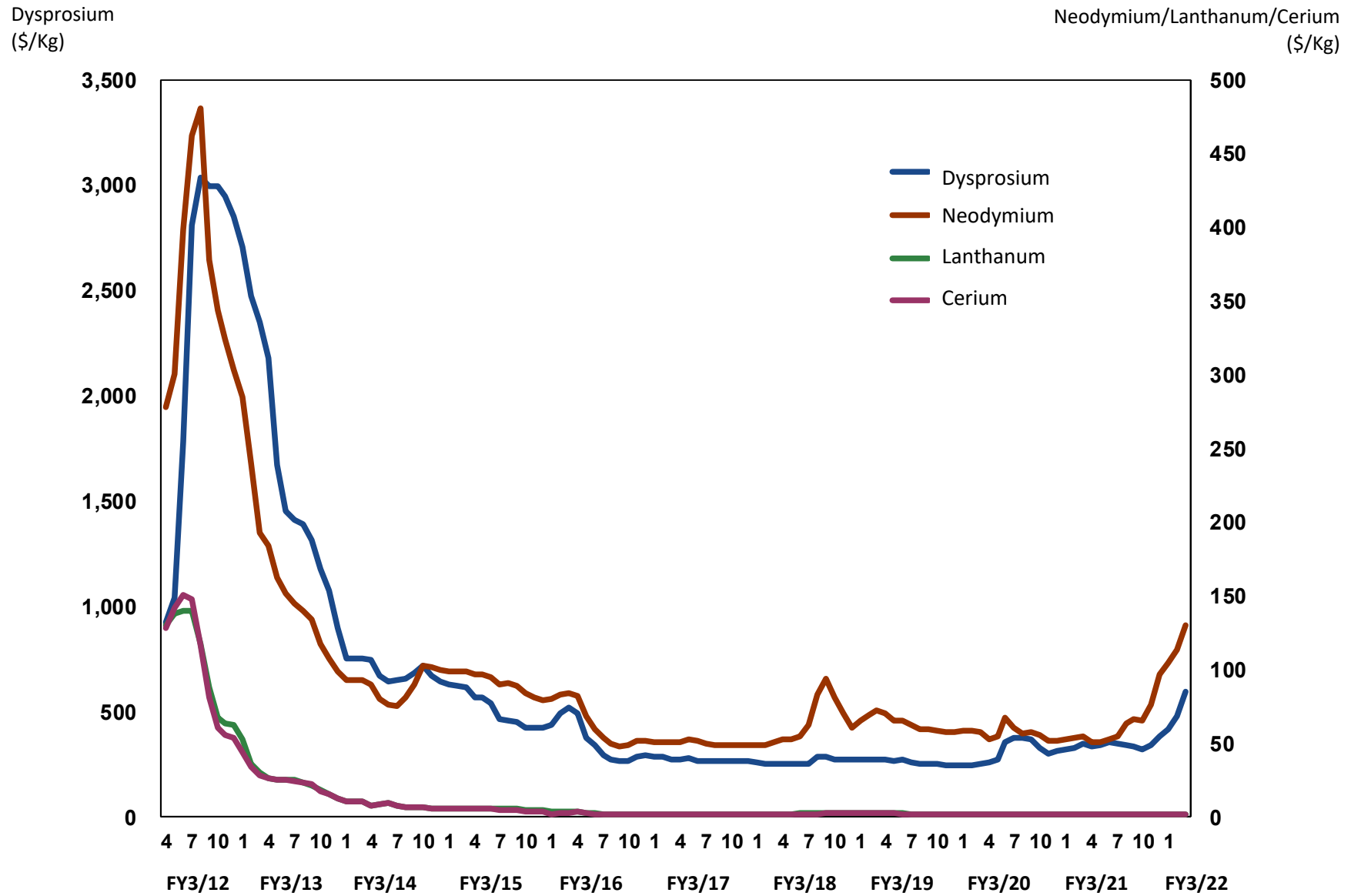
Molybdenum/Tungsten/Titanium sponge
(¥/Kg)

Indium
(¥/Kg)



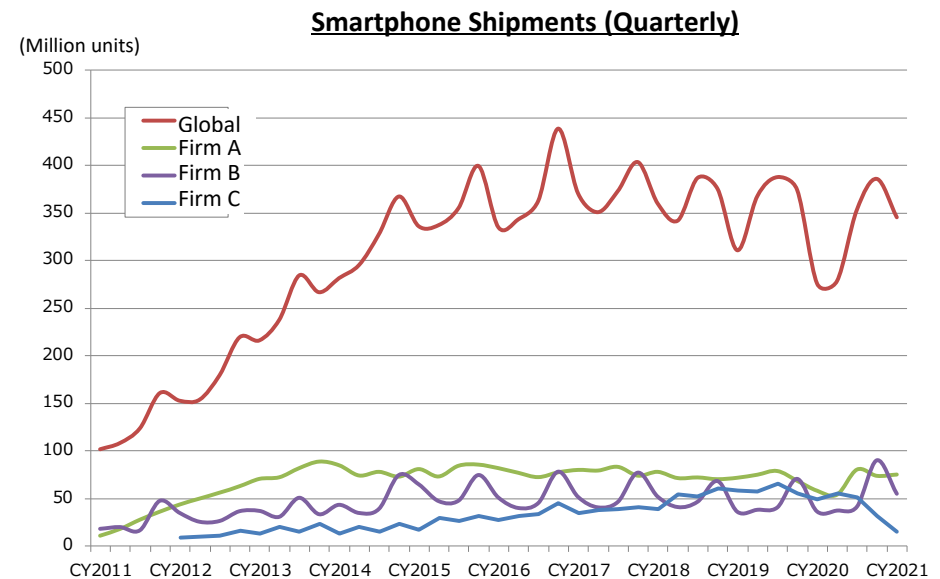
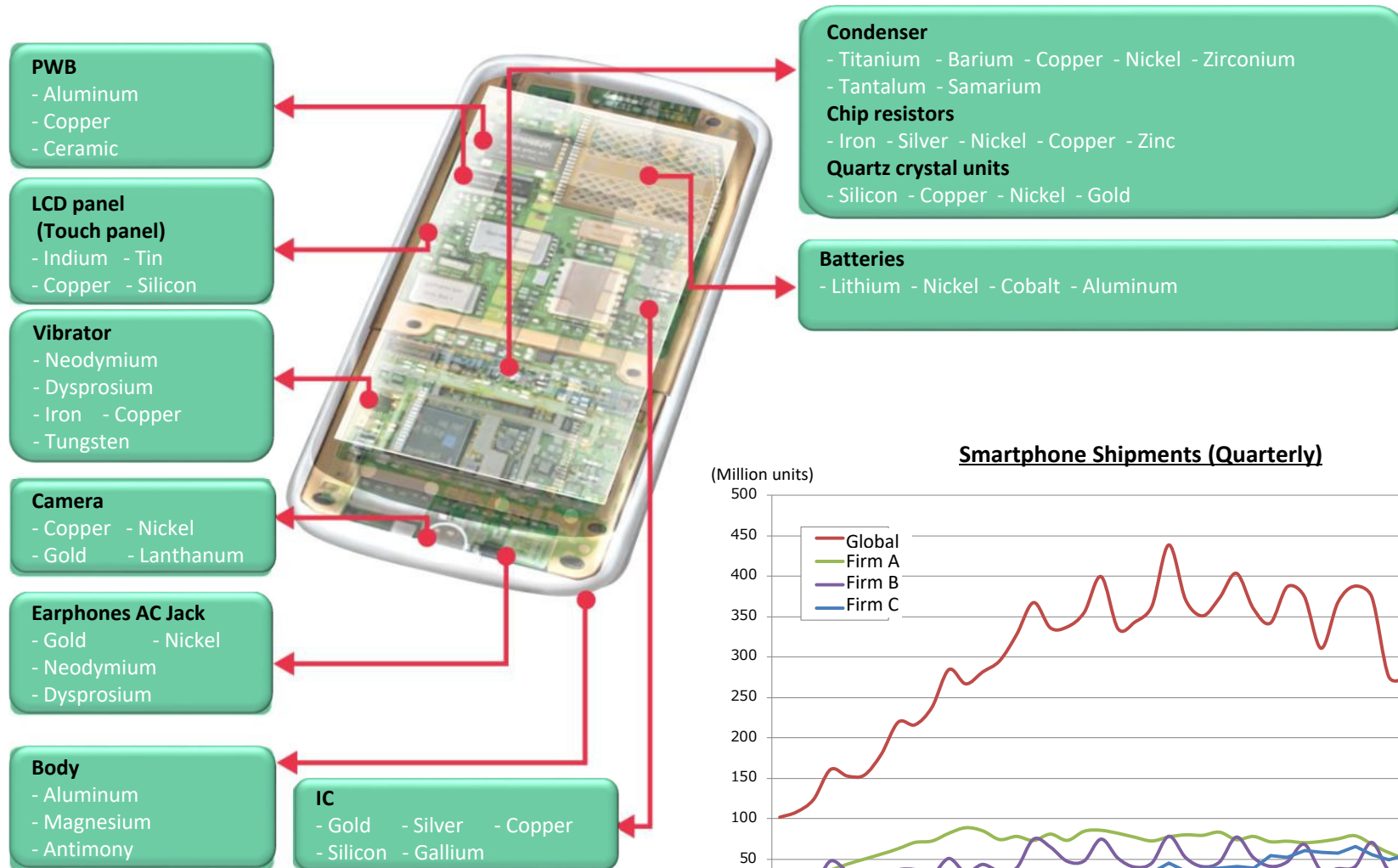
Market trends (rare earth)

Market chart (reference materials)



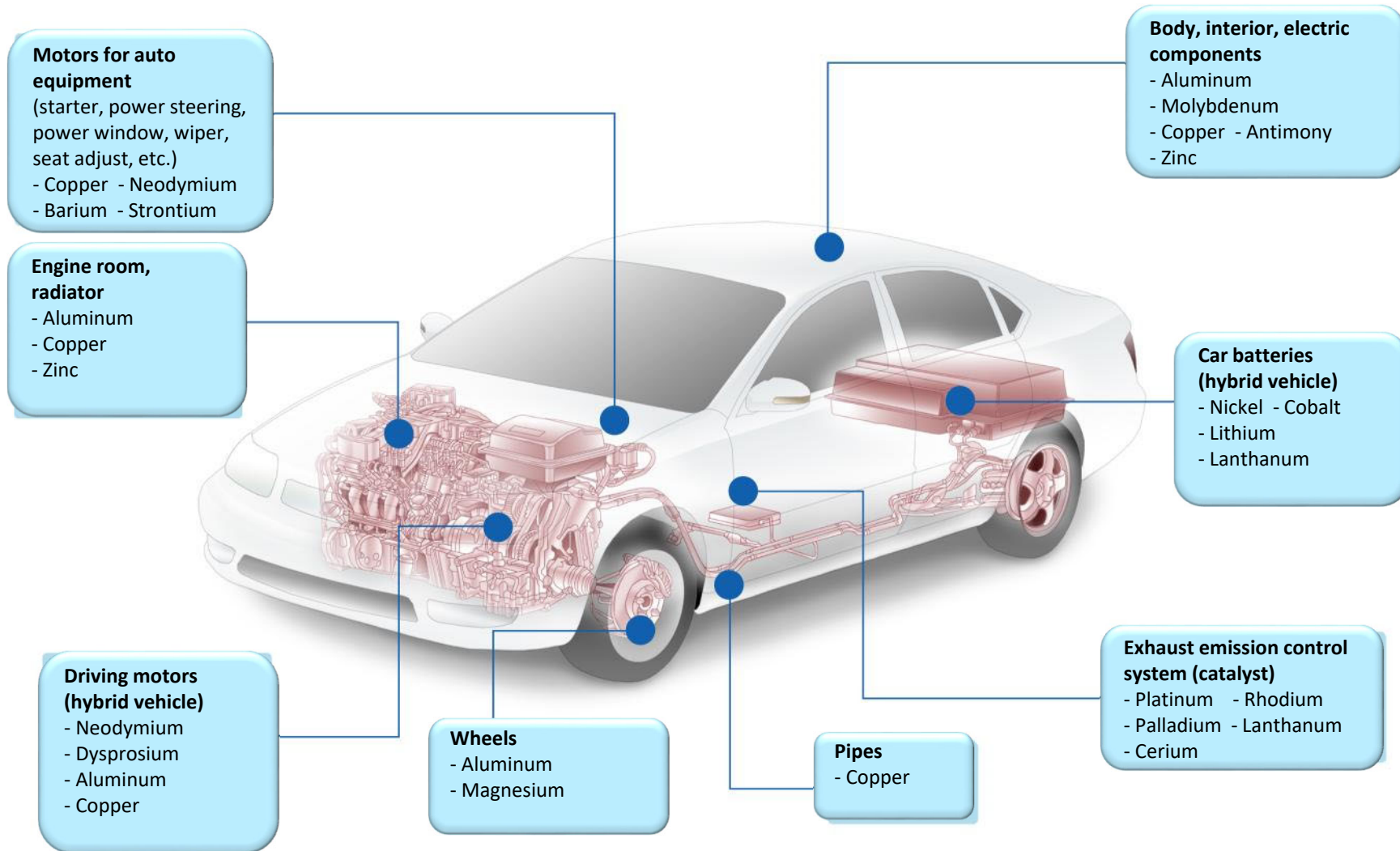
Non-ferrous metal application 1 (smartphones)

Market chart (reference materials)



Non-ferrous metal application 2 (automobiles)

Market chart (reference materials)



Note

A series of horizontal dotted lines for taking notes.

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