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(ALCONIX Product Matrix)

1. FY3/23

Financial Results

Performance (FY3/23)

Sales increased mainly because of the yen's depreciation and higher prices of non-ferrous metals. Earnings decreased as customers reduced output and the cost of sales and SG&A expenses rose.

(Unit: Million yen)	FY3/23	FY3/22	YoY	FY3/23 Plan	
	Full-year	Full-year	Growth rate	Initial forecasts	Progress ratio
Net sales	178,333	156,286	+14.1%	170,000	104.9%
Gross Profit	25,075	25,767	-2.7%	25,600	98.0%
Operating profit	8,393	11,020	-23.8%	9,100	92.2%
Ordinary profit	8,176	11,009	-25.7%	9,000	90.9%
Profit attributable to shareholders of parent	5,488	7,507	-26.9%	6,800	80.7%
Net income per share (Yen)	182.39	282.54		225.87	

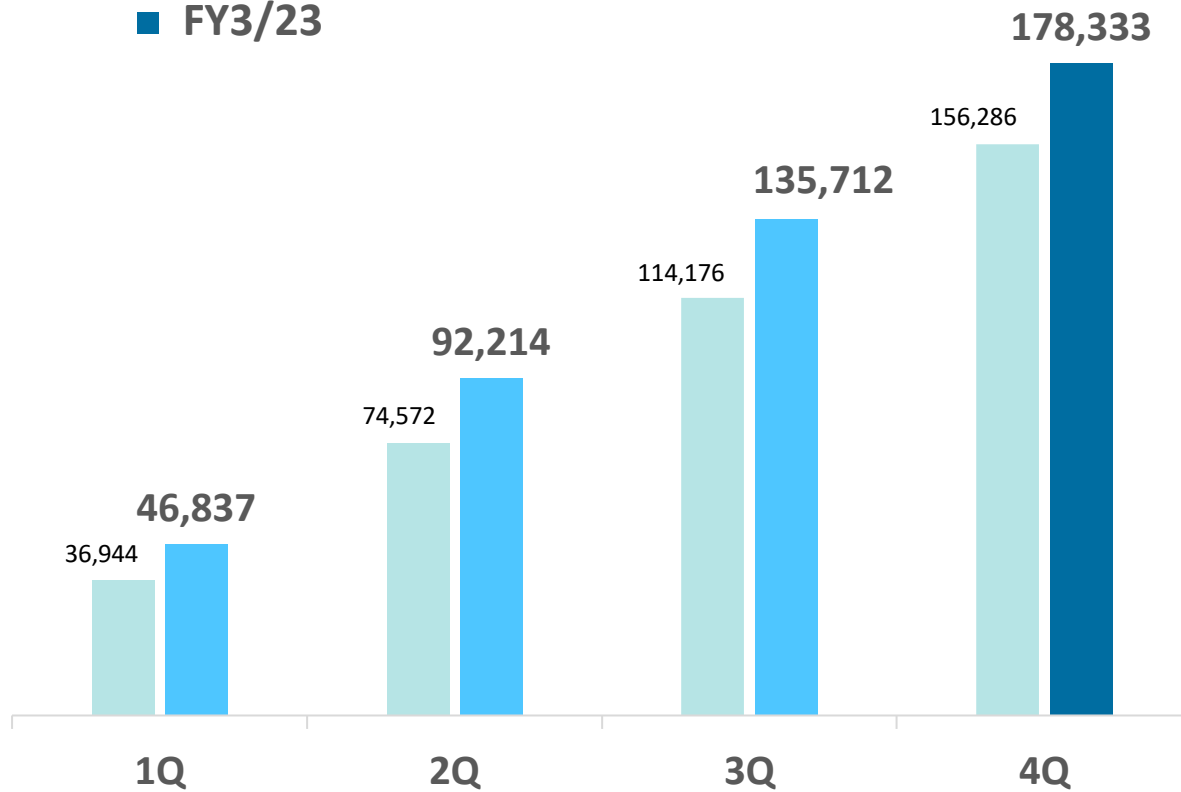
*FY3/23 EBITDA: ¥13,245 million

YoY Comparison of Net Sales / Ordinary Profit (Consolidated)

(Unit: Million yen)

YoY Comparison of Net sales

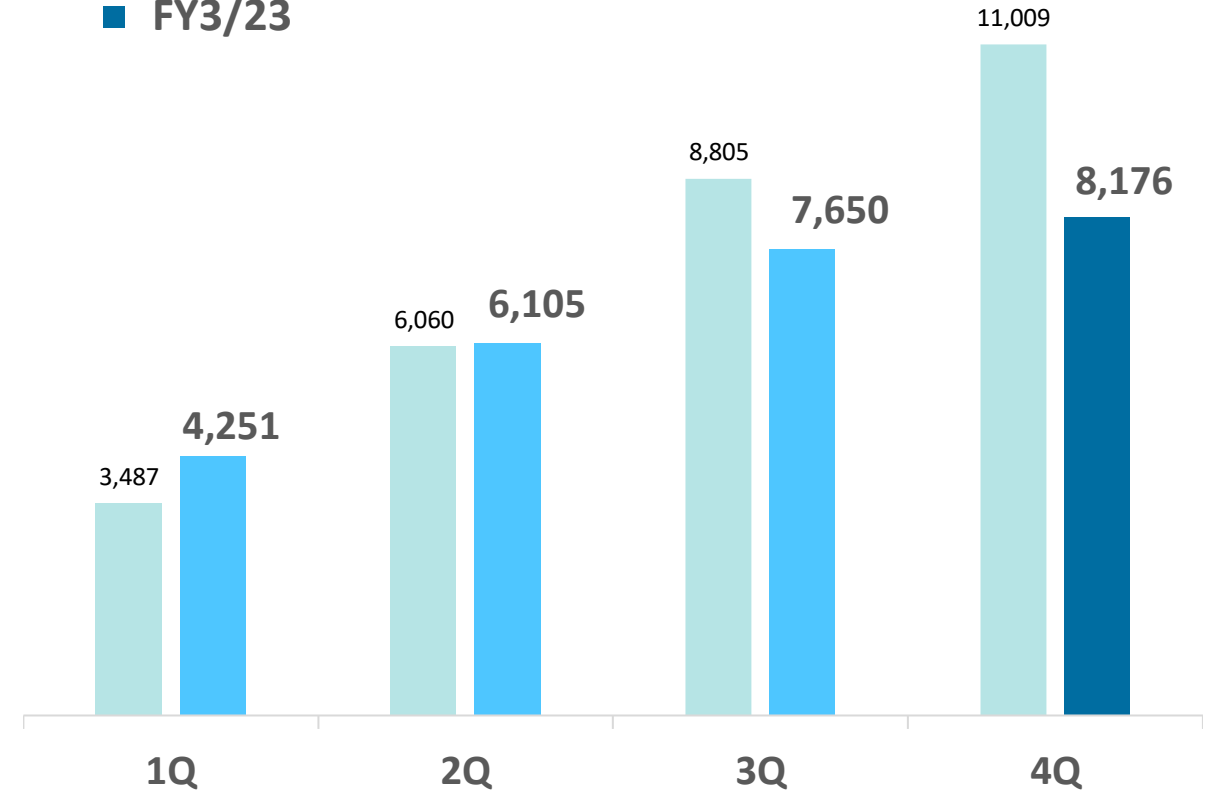
■ FY3/22
■ FY3/23



(Unit: Million yen)

YoY Comparison of Ordinary Profit

■ FY3/22
■ FY3/23



Summary

- ◆ Sales increased because of foreign exchange and higher prices as well as an increase in sales of aluminum rolled products for automotive applications.
- ◆ Sales and profits of products used in smartphones were down as smartphone demand in China fell sharply due to slowing economic growth.
- ◆ Signs of an upturn in automotive sector demand emerged in the second half but there was still no broad-based recovery.

*SOODE NAGANO Co., Ltd., which was acquired in November 2022, is included in the consolidated financial statements beginning with the fourth quarter of FY3/23.

Trading segment

- ◆ The sales amount of all types of battery materials decreased because of the decline in smartphone demand.
- ◆ Firm sales of nickel for electronic components and semiconductor materials in part because the price of nickel increased
- ◆ Higher sales amount of aluminum rolled products because of new orders for automotive parts and solid demand in the construction industry
- ◆ Sales and profits were down due to the higher cost of procuring products and materials overall.

Manufacturing segment

- ◆ Low volume of shipments of metal processing parts for smartphone applications
- ◆ High level of shipments of metal processing parts for semiconductor manufacturing equipment
- ◆ Increase in the sales amount of plating materials because of higher demand in the U.S. and China and higher prices
- ◆ Sales and profits were down due to the higher cost of procuring products and materials overall.

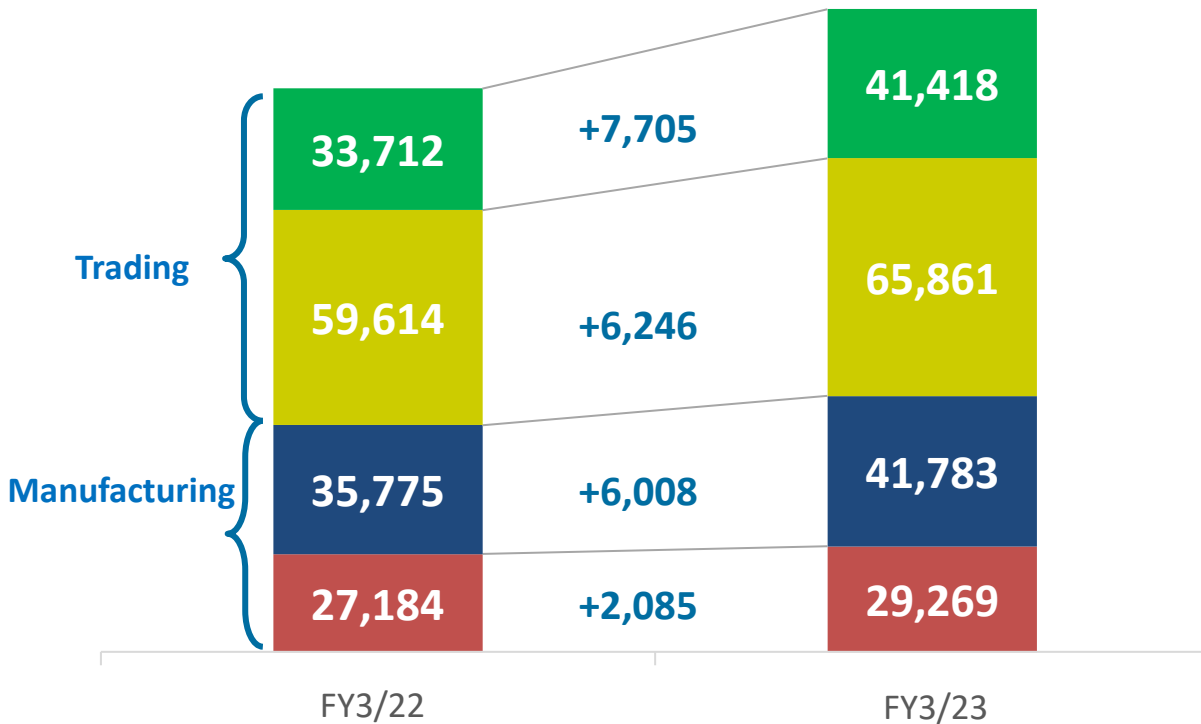
Business Segment Performance (FY3/23)

Sales increased in the trading segment and manufacturing segment because of market conditions and foreign exchange. Earnings were down as the cost of sales increased and shipments declined as customers reduced inventories.

* Excluding elimination of inter-segment profits

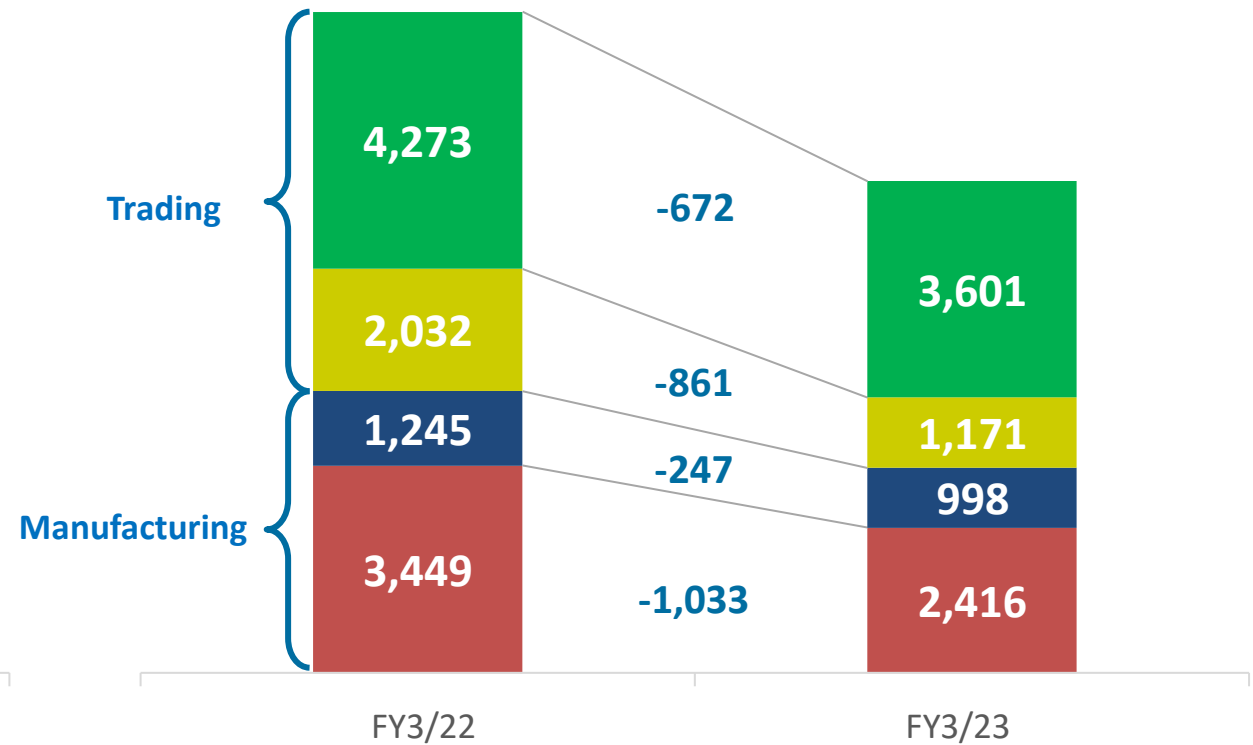
Net sales (External sales) (Unit: Million yen)

■ Metal Processing
 ■ Equipment and Materials
 ■ Aluminum and Copper Products
 ■ Electronic and Advanced Materials



Segment profit (Unit: Million yen)

■ Metal Processing
 ■ Equipment and Materials
 ■ Aluminum and Copper Products
 ■ Electronic and Advanced Materials



Business Segment Summary (1) Net Sales

Sales growth was the result of higher prices of non-ferrous metals, the yen's depreciation and a larger product sales volume.

New subsidiaries contributed to manufacturing segment sales growth.

(Unit: Million yen)	FY3/23 Segment sales results	(Comp.)	FY3/22 Segment sales results	Change (Amount)	Change (Ratio)	Major causes of change in sales	
Trading	Electronic and Advanced Materials	41,418	23.2%	33,712	+7,705	+22.9%	<ul style="list-style-type: none"> • Total sales amount of nickel products for electronic components and semiconductor-related materials increased • Higher market prices of minor metals and rare earths
	Aluminum and Copper Products	65,861	37.0%	59,614	+6,246	+10.5%	<ul style="list-style-type: none"> • Higher total sales amount of aluminum alloy sheets used in automobiles • Higher sales amount of titanium products
Manufacturing	Equipment and Materials	41,783	23.4%	35,775	+6,008	+16.8%	<ul style="list-style-type: none"> • Mainly shipments of plating materials increased in the U.S. and China
	Metal Processing	29,269	16.4%	27,184	+2,085	+7.7%	<ul style="list-style-type: none"> • Inclusion of Jupiter Industry Co., Ltd. and SOODE NAGANO Co., Ltd., as consolidated subsidiaries • Shipment of semiconductor manufacturing equipment increased
The ALCONIX Group		178,333		156,286	+22,046	+14.1%	

*Change: Numbers may not tally exactly due to rounding.

Business Segment Summary (2) Segment Profit

Earnings impacted by higher purchasing cost and an increase in SG&A expenses and, in the manufacturing segment, a shipment volume declined in the automotive and smartphone sector

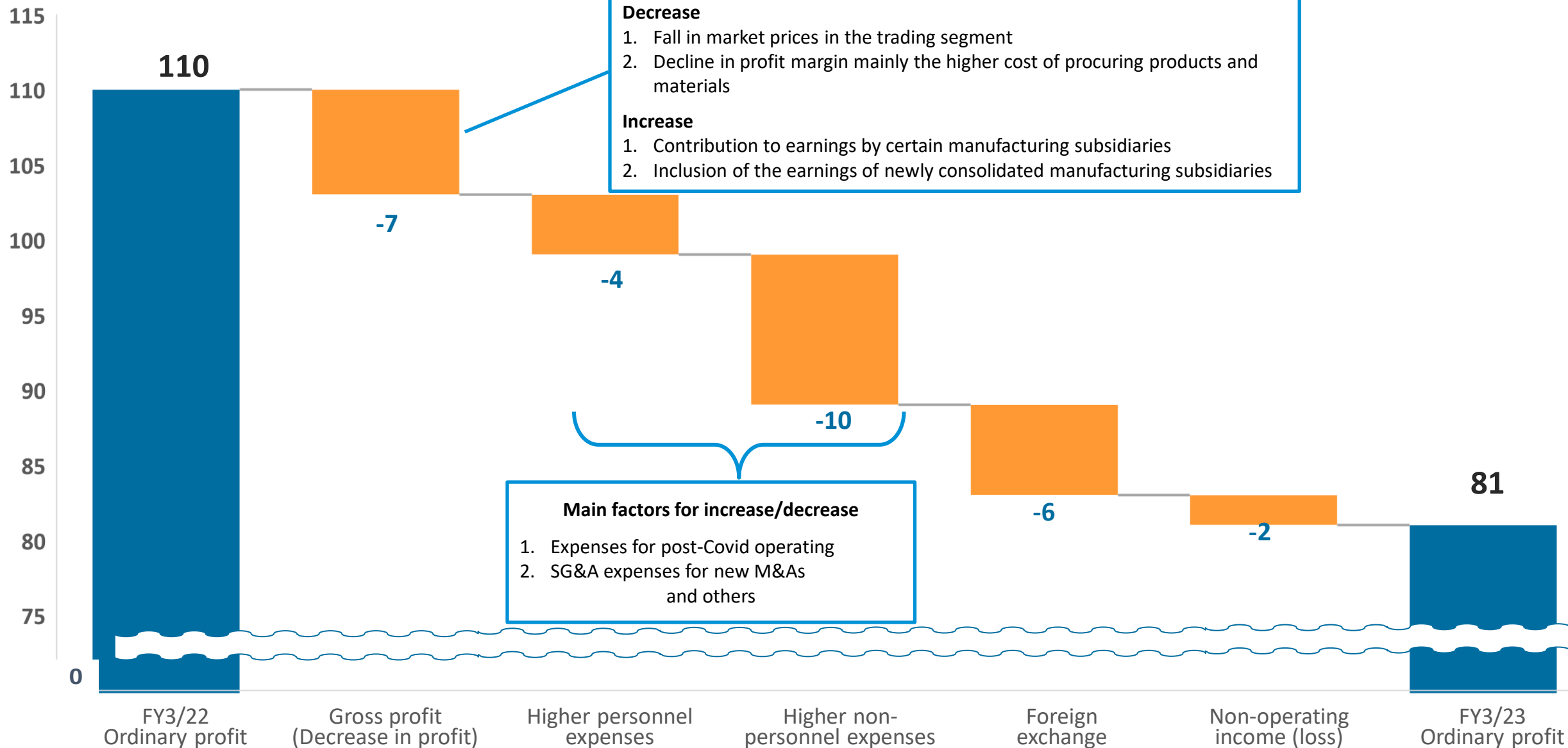
(Unit: Million yen)		FY3/23 Segment profit results	(Comp.)	FY3/22 Segment profit results	Change (Amount)	Change (Ratio)	Major causes of change in segment profit
Trading	Electronic and Advanced Materials	3,601	44.0%	4,273	-672	-15.7%	Lower sales amount of IT-related battery materials
	Aluminum and Copper Products	1,171	14.3%	2,032	-861	-42.4%	The increase in purchasing cost exceeded the increase in sales
Manufacturing	Equipment and Materials	998	12.2%	1,245	-247	-19.8%	Lower shipments for automotive materials and testing equipment
	Metal Processing	2,416	29.6%	3,449	-1,033	-30.0%	Lower shipments of parts for automotive and semiconductor chip mounting equipment applications
(After inter-segment and other eliminations)		-10	-0.1%	7			
The ALCONIX Group		8,176		11,009	-2,832	-25.7%	

*Segment profit is ordinary profit.

*Change: Numbers may not tally exactly due to rounding.

Analysis of Changes in Ordinary Profit

(100 millions of yen)



(Reference) Foreign Exchange and Market Prices (Trading segment)

	FY3/22 Actual average	FY3/23 Assumptions	FY3/23 Actual average
Aluminum	US\$2,341/MT	US\$3,100/MT	US\$2,511/MT
Copper	US\$8,814/MT	US\$9,600/MT	US\$8,548/MT
Nickel	US\$23,756/MT	US\$22,800/MT	US\$25,627/MT
Foreign exchange (US\$/Yen)	133.4 yen/US\$	115 yen/US\$	135 yen/US\$

Aluminum

- ◆ Sales volume declined YoY
- ◆ Sales amount slightly increased YoY due to an increase in shipment for aluminum rolled products

Copper

- ◆ Sales volume was down YoY
- ◆ The total sales amount decreased due to the yen's depreciation

Nickel

- ◆ Sales volume increased YoY
- ◆ Total sales amount also up due to a larger handling volume, rising prices and the yen's depreciation

*All figures are ALCONIX estimates.

Balance sheets (FY3/23)

*Change: Numbers may not tally exactly due to rounding.

(Unit: Million yen)	FY3/23	FY3/22	Change	Major components
Total assets	191,890	176,437	+15,453	
Current assets	144,212	135,119	+9,092	Trade receivables and inventories increased
Non-current assets	47,677	41,317	+6,360	Due to the acquisition of SOODE NAGANO and Jupiter Industry; capital expenditures at manufacturing subsidiaries
Liabilities	128,843	119,106	+9,737	*Interest-bearing debt ¥71,824 million (+¥10,025 million vs. March 31, 2022)
Current liabilities	100,348	94,643	+5,704	Short-term borrowings increased
Non-current liabilities	28,494	24,462	+4,032	Long-term borrowings increased
Net assets	63,047	57,331	+5,716	
Shareholders' equity	54,325	50,431	+3,893	Retained earnings (Profit- dividends paid)

Equity ratio (March 31, 2022)

32.6% (32.2%)

Net D/E ratio (March 31, 2022)

0.7 0.6

Cash flows (FY3/23)

- ◆ **Operating cash flows: ¥226 million;** sales and profits cover changes in receivables and payables
- ◆ **Investing cash flows: ¥-7,045 million;** mainly due to the purchase of non-current assets and the purchase of shares of subsidiaries
- ◆ **Financing cash flows: ¥5,896 million;** mainly due to an increase in borrowings

(Unit: Million yen)	FY3/23	FY3/22	Change
Operating cash flows	226	-3,329	+3,555
Change in working capital, etc.	-8,472	-16,519	+8,046
Investing cash flows	-7,045	-3,257	-3,788
Purchase of property, plant and equipment/intangible assets, etc.	-4,790	-4,261	-529
Financing cash flows	5,896	5,760	+135
Free cash flow	-6,818	-6,586	-232
Effect of exchange rate change	791	87	+704
Net increase (decrease) in cash and cash equivalents	-129	-737	+607

2. FY3/24

Earnings Forecasts

Forecast for FY3/24 (Total and Segments)

In the IT equipment category, the sales volume is expected to recover along with a recovery in the demand for this equipment.

In the automotive category, higher sales and earnings are expected in the trading and manufacturing segments as demand for automobiles recovers and automakers shift more production to electric vehicles.

(Unit: Million yen)	FY3/24 Initial forecast	FY3/23	Change
Net sales	186,000	178,333	+7,666
Electronic and Advanced Materials	47,000	41,418	+5,581
Aluminum and Copper Products	66,000	65,861	+138
Equipment and Materials	42,000	41,783	+216
Metal Processing	31,000	29,269	+1,730
Operating profit	8,400	8,393	+6
Ordinary profit	8,200	8,176	+23
Electronic and Advanced Materials	2,100	3,601	-1,501
Aluminum and Copper Products	900	1,171	-271
Equipment and Materials	1,600	998	+601
Metal Processing	3,600	2,416	+1,183
Profit attributable to shareholders of parent	5,500	5,488	+11

*Change: Numbers may not tally exactly due to rounding.

*Consolidated ordinary profit is after inter-segment eliminations.

3. Appendix

(ALCONIX Product Matrix)

ALCONIX Product Matrix/Strategic Business Domains in Each Segment

Three Priority Business Sectors

Capital expenditures focused on a stronger foundation for business operations and the efficiency of investments.

(Explanation) *Based on gross profit



Up YoY



Down YoY

	Automobiles (Parts and materials)	Semiconductors	Electronic materials and components	Home electric appliances	Others
Electronic and Advanced Materials	<ul style="list-style-type: none"> Materials for EV/FCV parts Materials for automotive batteries 	<ul style="list-style-type: none"> Materials for semiconductors 	<ul style="list-style-type: none"> Materials for parts for mobile phones, etc. Materials for parts for IT devices Materials for many types of batteries 		<ul style="list-style-type: none"> Material used for specialty steel (rare metal) *Nickel, Molybdenum, etc.
Aluminum and Copper Products	<ul style="list-style-type: none"> Automotive electrical components Automotive structural parts 	<ul style="list-style-type: none"> Copper strips for lead frames 	<ul style="list-style-type: none"> Connector parts Printed circuit board parts 	<ul style="list-style-type: none"> Materials for HVAC equipment (Aluminum rolled products and copper products) 	<ul style="list-style-type: none"> Building materials Parts for electrical equipment (bus bars) Aluminum can materials Heat exchanger materials (titanium and others)
Equipment and Materials	<ul style="list-style-type: none"> Plating materials for automotive structural parts Welding materials for automotive part dies Cashew resin for brake pads Non-destructive testing equipment/chemicals for automotive production lines Motor parts for automotive electrical components 		<ul style="list-style-type: none"> Plating materials for printed circuit boards Materials for blocking electromagnetic fields 	<ul style="list-style-type: none"> Motor parts for power tools, vacuum cleaners, etc. 	<ul style="list-style-type: none"> Non-destructive testing equipment/testing chemicals for the steel industry Marking equipment Parts for electrical equipment (bus bars) Materials for blocking electromagnetic fields
Metal Processing	<ul style="list-style-type: none"> Power train parts Prototype parts for automobiles 	<ul style="list-style-type: none"> Parts for manufacturing equipment Parts for chip mounting equipment 	<ul style="list-style-type: none"> Connector terminal parts 	<ul style="list-style-type: none"> Parts for HVAC equipment 	<ul style="list-style-type: none"> Aircraft components

Wrought titanium for healthcare sector

Growth by using ALCONIX Group resources

DISCLAIMER

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