



February 10, 2025

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025

(April 1, 2024 – December 31, 2024)

[Japanese GAAP]

Company name: ALCONIX CORPORATION

Listing: Tokyo Stock Exchange

Stock code: 3036

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Scheduled commencement date of payment of dividends: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: Yes

Note: The original disclosure in Japanese was released on February 10, 2025 at 12:30 (GMT +9).

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

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025

(April 1, 2024 – December 31, 2024)

(1) Consolidated results of operations (cumulative)

(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	%
Nine months ended Dec. 31, 2024	146,827	12.2	5,424	27.2	5,356	19.7	3,574	27.6
Nine months ended Dec. 31, 2023	130,846	(3.6)	4,263	(41.2)	4,476	(41.5)	2,801	(45.0)

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2024: 3,209 (down 53.3%)

Nine months ended Dec. 31, 2023: 6,875 (down 18.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2024	118.37	-
Nine months ended Dec. 31, 2023	93.01	-

Note: Diluted net income per share is not stated because dilutive shares did not exist.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2024	200,053	67,834	33.6
As of Mar. 31, 2024	182,890	66,350	35.9

Reference: Shareholders' equity (million yen) As of Dec. 31, 2024: 67,190 As of Mar. 31, 2024: 65,702

2. Dividends

	Annual dividends				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	-	27.00	-	28.00	55.00
Fiscal year ending Mar. 31, 2025	-	32.00	-	-	-
Fiscal year ending Mar. 31, 2025 (forecast)	-	-	-	32.00	64.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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	185,000	5.8	7,200	31.8	7,200	32.2	4,500	181.6	148.85

Notes: 1. Revisions to the most-recently announced earnings forecasts: None

2. On July 12, 2024, the Board of Directors approved the issuance of new shares as restricted stock compensation, which was announced on the same date. The net income per share forecast for the fiscal year ending March 31, 2025 is adjusted to reflect the issuance of new shares.

* Notes

(1) Material changes in the scope of consolidation during the consolidated cumulative third quarter: Yes

Newly added: 1 company (Sakamoto Electric MFG Co., Ltd.)

Removed: 1 company (ALCONIX TOHOKU CHEMICAL INDUSTRIES CORPORATION)

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

Note: For the details, please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements)” on page 9 of the attachments.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, etc.: Yes

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: For the details, please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 9 of the attachments.

(4) Number of issued shares (common stock)

1) Number of issued shares at the end of period (including treasury shares)

As of Dec. 31, 2024:	31,070,000 shares	As of Mar. 31, 2024:	31,042,900 shares
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2) Number of treasury shares at the end of period

As of Dec. 31, 2024:	837,501 shares	As of Mar. 31, 2024:	905,007 shares
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3) Average number of shares during the period (cumulative)

Nine months ended Dec. 31, 2024:	30,193,311 shares	Nine months ended Dec. 31, 2023:	30,123,095 shares
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Note: ALCONIX has a Board Benefit Trust and an employee stock distribution trust for the distribution of stock to eligible individuals. Shares of ALCONIX remaining in these trusts recorded as treasury shares in shareholders' equity are included in the treasury shares that will be deducted when calculating the average number of shares during the period that is used to calculate net income per share and diluted net income per share.

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Explanation regarding appropriate use of earnings forecasts, and other special items

The consolidated earnings forecasts set forth above are based on the information currently available to ALCONIX and certain assumptions that ALCONIX determines to be reasonable, and are not intended to be a promise by ALCONIX that such forecasts will be achieved. Actual results may vary significantly due to various factors.

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1. Overview of Results of Operations, etc.

(1) Overview of Quarterly Results of Operations

In terms of the global economic conditions during the first nine months of the current fiscal year, there were several events involving the economy that affected the operations of the ALCONIX Group. In China, there was stagnation in the domestic economy and the resulting excess production capacity was shifted to exports. The rapid fluctuations in the exchange rate also influenced the business climate. The yen depreciated during the first several months of the fiscal year, strengthened between the middle of July and the end of September, and then weakened again during the remainder of 2024.

In the industries and markets in which the ALCONIX Group is closely involved, global semiconductor sales remained strong due to large AI-related data center investments. However, in the automobile industry, worldwide production by Japanese automakers was down 6.5% year-on-year between April and November mainly due to sluggish sales in China. As for non-ferrous metal products, shipments of rolled aluminum products and production of copper products in Japan were higher year-on-year in some months and lower in others in response to favorable and unfavorable market trends. Prices of aluminum, copper and nickel started falling in May and then rebounded somewhat in September. Since then, the price of aluminum has been stable but the prices of copper and nickel declined. As a result, the average prices of aluminum and copper during the first nine months were higher year-on-year and the average price of nickel was lower.

Under such an environment, sales of the ALCONIX Group in the first nine months increased year-on-year in three segments: Aluminum and Copper Products, Equipment and Materials, and Metal Processing segments. This was due to strong sales of aluminum materials, transactions involving semiconductor manufacturing equipment, and other reasons. Sales in the Electronic and Advanced Materials segment decreased year-on-year mainly because of the downturn in the price of nickel. Overall, there was a year-on-year increase in sales. Supported by strong demand, earnings in the first nine months increased year-on-year in three segments: the Aluminum and Copper Products, Equipment and Materials, and Metal Processing segments. In the Electronic and Advanced Materials segment, earnings slightly decreased year-on-year because of lower sales. Overall, there was a year-on-year increase in earnings.

Financial highlights for the first nine months of the fiscal year ending March 31, 2025 are as follows:

	First nine months of FY3/24 (Million yen)	First nine months of FY3/25 (Million yen)	Year-on-year change (Million yen)	Year-on-year change (%)
Net sales	130,846	146,827	15,981	12.2
Operating profit	4,263	5,424	1,161	27.2
Ordinary profit	4,476	5,356	880	19.7
Profit attributable to owners of parent	2,801	3,574	773	27.6

Business segment performance for the first nine months of the fiscal year ending March 31, 2025 is as follows, with sales in each segment including inter-segment sales:

		First nine months of FY3/24 (Million yen)	First nine months of FY3/25 (Million yen)	Year-on-year change (Million yen)	Year-on- year change (%)
Trading—Electronic and Advanced Materials	Sales	25,269	25,158	(111)	(0.4)
	Segment profit	1,663	1,662	(0)	(0.0)
Trading—Aluminum and Copper Products	Sales	53,279	63,134	9,854	18.5
	Segment profit	392	615	223	56.9
Manufacturing— Equipment and Materials	Sales	31,675	34,742	3,066	9.7
	Segment profit	453	732	279	61.6
Manufacturing—Metal Processing	Sales	24,132	26,956	2,824	11.7
	Segment profit	1,963	2,350	387	19.7

• Trading—Electronic and Advanced Materials

Sales decreased year-on-year mainly due to a decline in sales price of nickel raw materials and rare earths. Lower sales were offset by an increase in earnings from rare metal scrap transactions and an improvement in the profitability of nickel raw material transactions, but the segment profit slightly decreased year-on-year.

• Trading—Aluminum and Copper Products

Sales increased year-on-year due to factors such as aluminum ingot and aluminum scrap transactions, which remained strong in terms of both demand and market prices. Segment profit increased year-on-year due to additional factors such as an improvement in the profitability of copper sheets and strips.

• Manufacturing—Equipment and Materials

Sales increased year-on-year due to strong sales of plating materials and testing supplies outside Japan. Segment profit increased year-on-year due to sales growth as well as an improvement in the profitability of carbon brushes.

• Manufacturing—Metal Processing

Sales increased year-on-year due to strong demand for processed products related to semiconductor manufacturing equipment and parts for rechargeable batteries. Segment profit increased year-on-year due to the additional factor of improved profitability of processed copper products.

(2) Overview of Quarterly Financial Position

1) Financial position

a. Current assets

Current assets totaled 147,971 million yen, an increase of 15,421 million yen from the end of the previous consolidated fiscal year. The main changes include a 3,635 million yen increase in cash and deposits, a 6,538 million yen increase in notes and accounts receivable-trade, and a 3,532 million yen increase in inventories.

b. Non-current assets

Non-current assets totaled 52,081 million yen, an increase of 1,740 million yen from the end of the previous consolidated fiscal year. The main changes include a 3,761 million yen increase in property, plant and equipment and a 2,031 million yen decrease in investments and other assets.

c. Current liabilities

Current liabilities totaled 106,698 million yen, an increase of 17,004 million yen from the end of the previous consolidated fiscal year. The main changes include a 8,348 million yen increase in notes and accounts payable-trade and an 8,115 million yen increase in short-term borrowings.

d. Non-current liabilities

Non-current liabilities totaled 25,520 million yen, a decrease of 1,326 million yen from the end of the previous consolidated fiscal year. The main changes include a 1,011 million yen decrease in long-term borrowings.

e. Net assets

Net assets totaled 67,834 million yen, an increase of 1,484 million yen from the end of the previous consolidated fiscal year. The main changes include a 1,752 million yen increase in retained earnings, a 388 million yen increase in foreign currency translation adjustment, and an 856 million yen decrease in valuation difference on available-for-sale securities.

2) Results of operations

a. Net sales

Net sales increased 12.2% year-on-year to 146,827 million yen due to revenue growth in the Aluminum and Copper Products, Equipment and Materials and Metal Processing segments.

b. Gross profit

Gross profit increased 13.2% year-on-year to 19,359 million yen due to higher earnings in the Aluminum and Copper Products, Equipment and Materials and Metal Processing segments.

c. Selling, general and administrative expenses

Selling, general and administrative expenses increased 8.6% year-on-year to 13,935 million yen due to an increase in labor costs.

d. Operating profit

As a result of the above, operating profit increased 27.2% year-on-year to 5,424 million yen.

e. Non-operating income, non-operating expenses

Due to interest payments, etc., there were net non-operating expenses (non-operating income *minus* non-operating expenses) of 67 million yen compared with a net non-operating income of 212 million yen during the first nine months of the previous fiscal year.

f. Ordinary profit

As a result of the above, ordinary profit increased 19.7% year-on-year to 5,356 million yen.

g. Extraordinary income, extraordinary losses

There was extraordinary income of 583 million yen, including gain on sales of investment securities, and an extraordinary loss of 272 million yen, including business restructuring expenses.

h. Profit attributable to owners of parent

Profit before income taxes was 5,666 million yen. From this amount, 2,066 million yen and 26 million yen were deducted for income taxes and profit attributable to non-controlling interests, respectively. As a result, profit attributable to owners of parent in the first nine months increased 27.6% year-on-year to 3,574 million yen.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

ALCONIX currently maintains the full-year consolidated earnings forecasts that were announced in the Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP] dated May 15, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Million yen)	
	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	21,471	25,107
Notes and accounts receivable-trade	51,361	57,900
Electronically recorded monetary claims-operating	5,632	7,067
Merchandise and finished goods	40,679	43,564
Work in process	4,756	4,806
Raw materials and supplies	3,787	4,384
Other	5,699	5,948
Allowance for doubtful accounts	(838)	(807)
Total current assets	132,549	147,971
Non-current assets		
Property, plant and equipment	31,737	35,499
Intangible assets		
Goodwill	1,022	994
Other	2,065	2,104
Total intangible assets	3,088	3,099
Investment and other assets		
Investment securities	11,899	9,988
Other	4,857	4,812
Allowance for doubtful accounts	(1,241)	(1,318)
Investments and other assets	15,515	13,483
Total non-current assets	50,340	52,081
Total assets	182,890	200,053
Liabilities		
Current liabilities		
Notes and accounts payable-trade	36,542	44,891
Electronically recorded obligations-operating	8,225	7,094
Short-term borrowings	23,730	31,845
Commercial papers	6,994	6,993
Current portion of long-term borrowings	6,148	5,648
Income taxes payable	1,536	1,556
Provision for bonuses	1,381	1,007
Provision for share awards	-	43
Provision for share awards for directors (and other officers)	-	59
Provision for business restructuring	57	88
Other	5,077	7,469
Total current liabilities	89,693	106,698
Non-current liabilities		
Bonds payable	250	250
Long-term borrowings	18,077	17,065
Retirement benefit liability	1,126	1,216
Provision for retirement benefits for directors (and other officers)	331	334
Provision for share awards for directors (and other officers)	169	-
Provision for business restructuring	630	683
Long-term accounts payable-other	1,603	1,721
Other	4,658	4,248
Total non-current liabilities	26,846	25,520
Total liabilities	116,540	132,218

	(Million yen)	
	FY3/24 (As of Mar. 31, 2024)	Third quarter of FY3/25 (As of Dec. 31, 2024)
Net assets		
Shareholders' equity		
Share capital	5,830	5,851
Capital surplus	5,294	5,330
Retained earnings	44,332	46,085
Treasury shares	(1,154)	(1,070)
Total shareholders' equity	54,304	56,197
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,784	2,928
Deferred gains or losses on hedges	(3)	58
Foreign currency translation adjustment	7,617	8,006
Total accumulated other comprehensive income	11,398	10,993
Share acquisition rights	46	45
Non-controlling interests	601	598
Total net assets	66,350	67,834
Total liabilities and net assets	182,890	200,053

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Consolidated Cumulative Third Quarter)**

	(Million yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Net sales	130,846	146,827
Cost of sales	113,745	127,467
Gross profit	17,101	19,359
Selling, general and administrative expenses	12,837	13,935
Operating profit	4,263	5,424
Non-operating income		
Interest income	115	116
Dividend income	619	539
Foreign exchange gains	13	-
Other	451	312
Total non-operating income	1,200	967
Non-operating expenses		
Interest expenses	861	721
Foreign exchange losses	-	31
Other	126	282
Total non-operating expenses	988	1,035
Ordinary profit	4,476	5,356
Extraordinary income		
Gain on sale of non-current assets	23	25
Gain on sale of investment securities	413	398
Gain on liquidation of subsidiaries	-	128
Other	38	31
Total extraordinary income	475	583
Extraordinary losses		
Loss on retirement of non-current assets	16	23
Loss on sale of investment securities	58	-
Loss on valuation of investment securities	3	64
Provision of allowance for doubtful accounts	-	63
Business restructuring expenses	-	107
Other	0	13
Total extraordinary losses	79	272
Profit before income taxes	4,872	5,666
Income taxes	2,014	2,066
Profit	2,858	3,600
Profit attributable to non-controlling interests	56	26
Profit attributable to owners of parent	2,801	3,574

Quarterly Consolidated Statement of Comprehensive Income
(For the Consolidated Cumulative Third Quarter)

(Million yen)

	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Profit	2,858	3,600
Other comprehensive income		
Valuation difference on available-for-sale securities	1,206	(856)
Deferred gains or losses on hedges	(33)	62
Foreign currency translation adjustment	2,844	402
Total other comprehensive income	4,017	(391)
Comprehensive income	6,875	3,209
Comprehensive income attributable to:		
Owners of parent	6,783	3,168
Non-controlling interests	92	40

(3) Notes to Quarterly Consolidated Financial Statements

Changes in Accounting Policies

Application of Revised Accounting Standard for Current Income Taxes

Beginning with the first quarter of the current consolidated fiscal year, ALCONIX is applying the Revised Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022).

This Revised Accounting Standard includes a revision to the category used to recognize income and other taxes (taxation of other comprehensive income). This revision is applied in accordance with the transitional treatment specified in the proviso to paragraph 20-3 of the Revised Accounting Standard and the transitional treatment specified in the proviso to paragraph 65-2(2) of the Revised Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). This will have no effect on the quarterly consolidated financial statements.

There is also a revision concerning a reexamination of the treatment in consolidated financial statements of the deferral for tax purposes of income from the sale of stock, etc. of subsidiaries between consolidated companies. Beginning with the first quarter of the current consolidated fiscal year, ALCONIX is applying this revision in the Revised Guidance. Furthermore, this change in accounting policies has been applied retroactively to the quarterly and full-year consolidated financial statements for the fiscal year that ended in March 2024. This will have no effect on the quarterly and full-year consolidated financial statements for the fiscal year that ended in March 2024.

Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements

Calculation of tax expenses

The tax expenses were calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the consolidated fiscal year including this consolidated third quarter and multiplying that estimated effective tax rate by the quarterly profit before income taxes.

Income taxes-deferred are included in and displayed with income taxes.

Segment and Other Information

[Segment information]

I. First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)

1. Information related to net sales and profit or loss for each reportable segment and breakdown of revenue

(Million yen)

	Reportable segment				Total
	Trading		Manufacturing		
	Electronic and Advanced Materials	Aluminum and Copper Products	Equipment and Materials	Metal Processing	
Net sales					
Revenue from contracts with customers	23,631	52,115	31,234	23,865	130,846
External sales	23,631	52,115	31,234	23,865	130,846
Inter-segment sales or transfers	1,638	1,164	440	267	3,511
Total	25,269	53,279	31,675	24,132	134,358
Segment profit	1,663	392	453	1,963	4,472

2. Reconciliation of the amount in the quarterly consolidated statement of income with total profit or loss for reportable segments

(Million yen)

Profit	Amount
Total for reportable segments	4,472
Eliminations for inter-segment transactions	3
Ordinary profit on the consolidated statement of income for the first nine months	4,476

II. First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)

1. Information related to net sales and profit or loss for each reportable segment and breakdown of revenue

(Million yen)

(million yen)

	Reportable segment				Total
	Trading		Manufacturing		
	Electronic and Advanced Materials	Aluminum and Copper Products	Equipment and Materials	Metal Processing	
Net sales					
Revenue from contracts with customers	23,431	62,266	34,378	26,750	146,827
External sales	23,431	62,266	34,378	26,750	146,827
Inter-segment sales or transfers	1,726	867	364	206	3,165
Total	25,158	63,134	34,742	26,956	149,992
Segment profit	1,662	615	732	2,350	5,361

2. Information related to assets for each reportable segment

In the first half of FY3/25, Sakamoto Electric MFG Co., Ltd. was included in the scope of consolidation because ALCONIX acquired shares of this company. Accordingly, segment assets in the “Metal Processing” segment increased by 2,396 million yen compared to the last day of FY3/24.

3. Reconciliation of the amount in the quarterly consolidated statement of income with total profit or loss for reportable segments

(Million yen)

Profit	Amount
Total for reportable segments	5,361
Eliminations for inter-segment transactions	(5)
Ordinary profit on the quarterly consolidated statement of income	5,356

4. Information related to impairment of non-current assets or goodwill for each reportable segment

Significant impairment losses on non-current assets

In the “Metal Processing” segment, an impairment loss on non-current assets of 83 million yen was recorded and included in business restructuring expenses under extraordinary losses.

Significant change in goodwill

In the “Metal Processing” segment, Sakamoto Electric MFG Co., Ltd. was included in the scope of consolidation because ALCONIX acquired shares of this company. Accordingly, goodwill increased by 211 million yen in the first nine months of FY3/25.

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Quarterly Consolidated Statement of Cash Flows

The Quarterly Consolidated Statement of Cash Flows for the first nine months of the fiscal year ending March 31, 2025 has not been prepared. Depreciation (includes amortization expenses related to intangible assets excluding goodwill) and amortization of goodwill for the first nine months of each fiscal year are as follows:

	(Million yen)	
	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)	First nine months of FY3/25 (Apr. 1, 2024 – Dec. 31, 2024)
Depreciation	3,295	3,262
Amortization of goodwill	253	245

Other Information**Employee incentive plan**

In accordance with a resolution approved on May 15, 2024 by its Board of Directors, ALCONIX introduced an employee incentive plan effective June 4, 2024.

(1) Overview of transaction

The incentive plan uses a trust established and funded by ALCONIX to purchase ALCONIX common stock. Employees who meet certain requirements will receive points granted in accordance with the stock distribution rules established by the directors of ALCONIX. The points are used to determine the number of shares of ALCONIX common stock to be received by employees from the trust. (However, such shares will be subject to transfer restrictions until separation of employment pursuant to a transfer restriction agreement that will be entered into between ALCONIX and each employee.)

There is no cost to employees because ALCONIX covers the entire cost of stock purchases made by the trust.

(2) Shares of ALCONIX stock remaining in the trust

The book value (excluding associated expenses) of shares of ALCONIX stock held by the trust is recognized as treasury shares in the Net Assets section of the quarterly consolidated balance sheet. As of the end of the third quarter of the current consolidated fiscal year, the number of such treasury shares were 145,000 shares with a book value of 195 million yen.

(3) Book value of borrowings recognized by using the gross price method

Not applicable.

This financial results is a translation of the ALCONIX'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. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. ALCONIX assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.