November 6, 2014

Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2015 (Six Months Ended September 30, 2014)

[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 10, 2014
Scheduled date of payment of dividend: November 28, 2014
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on November 6, 2014 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, 2014 (April 1, 2014 – September 30, 2014)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2014	97,000	9.1	2,404	28.1	3,108	72.8	2,290	27.2
Six months ended Sep. 30, 2013	88,939	0.5	1,877	9.1	1,799	(10.7)	1,800	77.3

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2014: 1,921 (down 51.5%)
Six months ended Sep. 30, 2013: 3,963 (up 322.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2014	179.96	179.16
Six months ended Sep. 30, 2013	141.60	141.17

Note: ALCONIX conducted a 2-for-1 stock split on August 1, 2014. The net income per share and diluted net income per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2014	87,959	23,093	25.6
As of Mar. 31, 2014	85,664	21,368	24.3

Reference: Shareholders' equity (million yen) As of Sep. 30, 2014: 22,542 As of Mar. 31, 2014: 20,833

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2014	-	30.00	-	35.00	65.00
Fiscal year ending Mar. 31, 2015	-	18.00			
Fiscal year ending Mar. 31, 2015 (forecast)			-	18.00	36.00

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

ALCONIX conducted a 2-for-1 stock split on August 1, 2014. As a result, its total dividend per share forecast for the fiscal year ending March 31, 2015 is based on the number of shares after the stock split. The total dividend forecast is thus equivalent to a dividend of 72 yen per share based on the number of shares before the stock split.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	201,000	9.4	4,120	18.2	4,950	37.5	3,500	11.3	274.01

Note: Revisions to the most recently announced consolidated earnings forecasts: Yes

- The net income per share forecast for the fiscal year ending March 31, 2015 is based on the number of shares after the stock split.
- Regarding the forecast revision, please refer to the press release "Differences between First-half Forecast and Results of Operations, and Revisions to Full-year Forecast (Japanese version)" that was announced today (November 6, 2014).

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

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

Note: Please refer to “2. Matters Related to Summary Information (Notes), (2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” on page 6 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, 2014:	12,773,600 shares	As of Mar. 31, 2014:	12,717,600 shares

2) Number of treasury shares at the end of period

As of Sep. 30, 2014:	370 shares	As of Mar. 31, 2014:	370 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2014:	12,727,912 shares	Six months ended Sep. 30, 2013:	12,711,968 shares

ALCONIX conducted a 2-for-1 stock split on August 1, 2014. The above number of shares is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* Information regarding the implementation of quarterly review procedures

The current quarterly summary report is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for the quarterly financial statements have not been completed.

* 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 the Company’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 US economy continued to recover, backed mainly by private-sector demand. But the European economy was lackluster and economic growth in China is slowing.

In Japan, the economic recovery remained weak because of the falloff in demand following the April 2014 consumption tax hike, unfavorable summer weather and sluggish exports.

In the non-ferrous metals industry, where the ALCONIX Group operates, demand associated with smartphones and tablets continued to increase. Non-ferrous metals demand was also solid in the automobile industry, primarily because of strong growth in overseas demand for vehicles.

In this economic environment, sales at the ALCONIX Group were higher in many sectors. There was sales growth in the electronic materials sector for parts used in smartphones and tablets as well as for environment-related materials and solar cell materials. Sales also increased for aluminum scrap, metal silicon and minor metals such as tungsten and molybdenum. Semiconductor manufacturing equipment parts manufactured by a domestic consolidated subsidiary were another source of sales growth. The transaction volume of light rare earth elements for the automobile industry increased for producing batteries, magnets and catalysts. But total sales of rare earths remained flat from one year earlier because of a drop in prices. The transaction volumes of copper tubes for air conditioners and nickel powder used in battery materials decreased.

As for profits, earnings benefited from the growth in overall group sales, and ordinary income increased sharply because share of profit of entities accounted for using equity method, including gain on bargain purchase, associated with K'MAC Co., Ltd, which became an equity method affiliate in the first quarter, was recognized as non-operating income. There was also a big increase in net income.

For the first half of the current fiscal year, ALCONIX reported consolidated net sales of 97,000 million yen (up 9.1% year on year), operating income of 2,404 million yen (up 28.1%), ordinary income of 3,108 million yen (up 72.8%) and net income of 2,290 million yen (up 27.2%).

Results by business segment in the first half of the current fiscal year were as follows. (Sales in each segment include inter-segment sales).

- Light metals and copper products

Sales were affected by inventory corrections in Japan in the air-conditioning sector following the consumption tax increase and by continuing weakness in demand for housing construction materials caused by the soaring price of materials and shortage of skilled workers. But sales in the automobile, aircraft and semiconductor manufacturing equipment sectors remained strong. In addition, business results of a domestic manufacturing subsidiary maintained strength. Segment profits increased sharply because share of profit of entities accounted for using equity method, including gain on bargain purchase, associated with K'MAC Co., Ltd, which became an equity method affiliate in the first quarter, was recognized as non-operating income.

As a result, the segment recorded sales of 37,123 million yen (up 7.4% year on year) and segment profit of 1,915 million yen (up 152.5%).

- Electronic and advanced materials

Sales continued to climb for materials used in smartphones and tablets, with sales benefiting as well from the introduction of new models. Sales were higher for environment-related materials and solar cell materials. In addition, exports of titanium and nickel products are recovering because of the weaker yen and the resumption of work at power plant projects in China.

In the field of minor metals and rare earths, demand was higher for tungsten and molybdenum as well as for rare earths in the automobile industry for making batteries, magnets and catalysts. However, sales remained unchanged because of a decline in prices.

As a result, the segment recorded sales of 38,526 million yen (up 13.3% year on year) and segment profit of 976 million yen (up 5.0%).

- Non-ferrous materials

Automobile production in Japan, the primary source of demand for this segment, was generally the same as one year earlier despite the negative effect of the consumption tax hike. Steel production was generally stable. Sales of aluminum import alloy and aluminum and copper scrap for refining were solid. In addition, sales of metal silicon and zinc ingots increased.

As a result, the segment recorded sales of 16,533 million yen (up 10.6% year on year) and segment profit of 134 million yen (up 95.9%).

- Construction and industrial materials

New housing starts plunged following the consumption tax hike. Although there are signs of a recovery in private-sector capital expenditures, demand for construction and industrial materials is still weak. As a result, overall sales volume of piping equipment was sluggish. There was a downturn in imports of bulk tanks and forge/foundry materials as the weaker yen raised the cost of these products. On the other hand, valve sales rose in overseas markets, but overseas transactions for copper alloys were down because the yen’s rapid decline eroded the ALCONIX Group ability to compete in price.

As a result, the segment recorded sales of 6,987 million yen (up 0.8% year on year) and segment profit of 97 million yen (down 12.2%).

(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 69,296 million yen, an increase of 2,959 million yen from the end of the previous fiscal year. The main factors were a 3,523 million yen increase in inventories, a 996 million yen decrease in notes and accounts receivable-trade, and a 272 million yen increase in cash and deposits.

b. Non-current assets

Non-current assets totaled 18,663 million yen, a decrease of 664 million yen. The main factors were a 717 million yen decrease in property, plant and equipment, and intangible assets due to the depreciation and goodwill amortization, and a 52 million yen increase in investments and other assets due to an increase of investment securities which outweighed the redemption of bonds.

c. Current liabilities

Current liabilities totaled 52,445 million yen, an increase of 2,258 million yen. The main factors were a 243 million yen decrease in notes and accounts payable-trade, a 2,804 million yen increase in short-term loans payable, and a 79 million yen decrease in current portion of long-term loans payable.

d. Non-current liabilities

Non-current liabilities totaled 12,420 million yen, a decrease of 1,688 million yen. The main factors were a 1,213 million yen decrease in long-term loans payable following a transfer of the category to current liabilities, and a 300 million yen decrease in bonds payable.

e. Net assets

Net assets totaled 23,093 million yen, an increase of 1,725 million yen. The main factors were 22 million yen increases in capital stock and capital surplus due to the exercise of subscription rights to shares, a 2,067 million yen increase in retained earnings, a 222 million yen increase in valuation difference on available-for-sale securities due to the evaluation of listed stock at market value, and a 622 million yen decrease in the foreign currency translation adjustment.

2) Results of operations

a. Net sales

The main products where sales increased were copper alloy strips for semiconductors, aluminum scrap for auto parts, precision grinding processing parts for semiconductor manufacturing equipment and plating materials, metal silicon, tungsten, and molybdenum. The main products where sales decreased were copper tubes for air conditioners, nickel powder used in battery materials, and brass copper rods for export. As for rare earths, the transaction volume of light rare earth elements for the automobile industry increased for producing batteries, magnets and catalysts, while sales of heavy rare earth elements remained weak due to the impact of slumping market prices and ongoing inventory corrections at customers.

As a result, net sales increased 9.1% year on year to 97,000 million yen in the first half of the current fiscal year.

b. Gross profit

The cost of procuring products and materials increased mainly because of the weaker yen but gross profit benefited from growth in the transaction volume at consolidated subsidiaries. As a result, gross profit increased 5.6% to 5,816 million yen.

c. Selling, general and administrative expenses

Selling, general and administrative expenses fell 6.1% to 3,412 million yen due to decreases in the reversal of allowance for doubtful accounts and depreciation.

d. Operating income

Based on the above results, operating income increased 28.1% to 2,404 million yen.

e. Non-operating income, non-operating expenses

Net non-operating income (non-operating income – non-operating expenses) was 703 million yen compared with 78 million yen one year earlier. The difference was mostly due to the posting of 846 million yen of gain on bargain purchase associated with K'MAC Co., Ltd. as share of profit of entities accounted for using equity method.

f. Ordinary income

Based on the above results, ordinary income rose 72.8% to 3,108 million yen.

g. Extraordinary income, extraordinary loss

ALCONIX booked a gain on sales of non-current assets, a gain on reversal of subscription rights to shares and other extraordinary income of 22 million yen. There was an extraordinary loss of 18 million yen from valuation of investment securities, retirement of non-current assets and other items.

h. Net income

ALCONIX recorded income before income taxes and minority interests of 3,112 million yen. From this amount, 788 million yen was deducted for income taxes and 33 million yen was subtracted for minority interests in income of five consolidated subsidiaries. As a result, net income increased 27.2% to 2,290 million yen.

3) Cash flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased 220 million yen from the end of the previous fiscal year to 12,985 million yen (compared with 11,054 million yen in the same period of the previous fiscal year).

The main changes in cash flow from operating, investing, and financing activities are described as below.

a. Cash flows from operating activities

Net cash used in operating activities was 1,086 million yen (compared with 635 million yen used in the same period of the previous fiscal year). Main positive factors include income before income taxes and minority interests of 3,112 million yen, the 660 million yen decrease in notes and accounts receivable-trade, and depreciation and amortization of goodwill of 656 million yen. Meanwhile, major negative factors include the 3,631 million yen increase in inventories, income taxes paid of 918 million yen, and share of profit of entities accounted for using equity method of 846 million yen.

b. Cash flows from investing activities

Net cash provided by investing activities was 554 million yen (compared with 1,744 million yen used in the same period of the previous fiscal year). Main positive factors include proceeds of 900 million yen from the redemption of bonds. Main negative factors include payments of 415 million yen for the purchase of property, plant and equipment due to capital expenditures, and payments of 38 million yen for the purchase of investment securities.

c. Cash flows from financing activities

Net cash provided by financing activities was 848 million yen (compared with 2,087 million yen provided in the same period of the previous fiscal year). Main positive factors include a net increase in short-term loans payable of 2,713 million yen and proceeds of 44 million yen from issuance of new shares due to the exercise of subscription rights to shares. Meanwhile, major negative factors include a net decrease in long-term loans payable of 1,260 million yen and cash dividends paid of 223 million yen.

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

Regarding the consolidated forecast for the fiscal year ending March 31, 2015, the Company has revised the projected figures for net sales, operating income, ordinary income, and net income announced on May 16, 2014 based on the results of operations in the first half of the current fiscal year. For more details, please refer to the press release “Differences between First-half Forecast and Results of Operations, and Revisions to Full-year Forecast (Japanese version)” that was announced today (November 6, 2014).

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) 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 income before income taxes and minority interests during the fiscal year, and multiplying that rate by the quarterly income before income taxes and minority interests. Income taxes-deferred were included and displayed with income taxes.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Not applicable.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	Second quarter of FY3/15 (As of Sep. 30, 2014)
Assets		
Current assets		
Cash and deposits	12,926	13,199
Notes and accounts receivable-trade	35,668	34,672
Merchandise and finished goods	14,311	17,587
Work in process	1,045	1,289
Raw materials and supplies	426	429
Other	2,422	2,437
Allowance for doubtful accounts	(465)	(320)
Total current assets	66,336	69,296
Non-current assets		
Property, plant and equipment	6,365	6,232
Intangible assets		
Goodwill	2,736	2,485
Other	3,870	3,536
Total intangible assets	6,607	6,022
Investments and other assets	6,355	6,408
Total non-current assets	19,327	18,663
Total assets	85,664	87,959
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,138	27,895
Short-term loans payable	14,961	17,765
Current portion of long-term loans payable	3,169	3,090
Current portion of bonds	600	600
Income taxes payable	834	830
Provision for bonuses	450	505
Other	2,032	1,757
Total current liabilities	50,187	52,445
Non-current liabilities		
Bonds payable	1,200	900
Long-term loans payable	9,982	8,769
Provision for directors' retirement benefits	204	224
Net deferred benefit liability	311	305
Long-term accounts payable-other	61	69
Other	2,348	2,152
Total non-current liabilities	14,108	12,420
Total liabilities	64,296	64,866

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	Second quarter of FY3/15 (As of Sep. 30, 2014)
Net assets		
Shareholders' equity		
Capital stock	2,835	2,857
Capital surplus	1,877	1,899
Retained earnings	12,952	15,020
Treasury shares	(0)	(0)
Total shareholders' equity	17,664	19,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	526
Deferred gains or losses on hedges	26	23
Foreign currency translation adjustment	2,837	2,214
Total accumulated other comprehensive income	3,168	2,765
Subscription rights to shares	38	36
Minority interests	495	514
Total net assets	21,368	23,093
Total liabilities and net assets	85,664	87,959

(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 FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)
Net sales	88,939	97,000
Cost of sales	83,428	91,183
Gross profit	5,510	5,816
Selling, general and administrative expenses	3,632	3,412
Operating income	1,877	2,404
Non-operating income		
Interest income	35	38
Purchase discounts	9	7
Dividend income	24	40
Share of profit of entities accounted for using equity method	91	846
Rent income of real estate	27	40
Other	64	116
Total non-operating income	253	1,089
Non-operating expenses		
Interest expenses	179	160
Sales discounts	5	6
Foreign exchange losses	77	165
Loss on sales of notes receivable-trade	17	20
Rent cost of real estate	17	5
Other	34	27
Total non-operating expenses	332	386
Ordinary income	1,799	3,108
Extraordinary income		
Gain on sales of non-current assets	1	17
Gain on bargain purchase	839	-
Gain on reversal of subscription rights to shares	3	2
Subsidy income	3	3
Total extraordinary income	846	22
Extraordinary losses		
Loss on valuation of investment securities	25	17
Loss on liquidation of subsidiaries and affiliates	21	-
Other	4	1
Total extraordinary losses	51	18
Income before income taxes and minority interests	2,594	3,112
Income taxes	759	788
Income before minority interests	1,834	2,323
Minority interests in income	34	33
Net income	1,800	2,290

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

(Millions of yen)

	First six months of FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)
Income before minority interests	1,834	2,323
Other comprehensive income		
Valuation difference on available-for-sale securities	309	212
Deferred gains or losses on hedges	16	1
Foreign currency translation adjustment	1,527	(474)
Share of other comprehensive income of entities accounted for using equity method	274	(142)
Total other comprehensive income	2,128	(402)
Comprehensive income	3,963	1,921
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,919	1,886
Comprehensive income attributable to minority interests	43	34

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	2,594	3,112
Depreciation	540	508
Amortization of goodwill	141	147
Gain on bargain purchase	(839)	-
Increase (decrease) in allowance for doubtful accounts	30	(149)
Increase (decrease) in provision for bonuses	12	55
Increase (decrease) in provision for retirement benefits	19	-
Increase (decrease) in net defined benefit liability	-	(6)
Increase (decrease) in provision for directors' retirement benefits	20	20
Interest and dividend income	(60)	(79)
Interest expenses	179	160
Loss (gain) on valuation of investment securities	25	17
Share of (profit) loss of entities accounted for using equity method	(91)	(846)
Decrease (increase) in notes and accounts receivable-trade	(3,284)	660
Decrease (increase) in inventories	(1,115)	(3,631)
Increase (decrease) in notes and accounts payable-trade	1,419	(37)
Decrease (increase) in consumption taxes refund receivable	38	(310)
Increase (decrease) in income taxes payable-factor based tax	20	0
Decrease (increase) in advance payments	1	(51)
Decrease (increase) in accounts receivable-other	86	136
Increase (decrease) in accounts payable-other	(68)	(23)
Increase (decrease) in advances received	169	(8)
Other, net	(435)	130
Subtotal	(594)	(193)
Interest and dividend income received	126	184
Interest expenses paid	(173)	(159)
Income taxes paid	(370)	(918)
Income taxes refund	375	-
Net cash provided by (used in) operating activities	(635)	(1,086)
Cash flows from investing activities		
Payments into time deposits	(12)	(70)
Proceeds from withdrawal of time deposits	162	10
Purchase of property, plant and equipment	(273)	(415)
Purchase of intangible assets	(61)	(6)
Purchase of investment securities	(108)	(38)
Proceeds from redemption of investment securities	-	900
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(720)	-
Payments for transfer of business	(200)	-
Payments of loans receivable	(1,000)	-
Collection of loans receivable	34	5
Purchase of insurance funds	(6)	(6)
Other, net	442	176
Net cash provided by (used in) investing activities	(1,744)	554

(Millions of yen)

	First six months of FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	951	2,713
Proceeds from long-term loans payable	2,769	650
Repayments of long-term loans payable	(1,026)	(1,910)
Redemption of bonds	(300)	(300)
Proceeds from issuance of common shares	1	44
Cash dividends paid	(198)	(223)
Cash dividends paid to minority shareholders	(16)	(15)
Repayments of finance lease obligations	(136)	(150)
Other, net	42	40
Net cash provided by (used in) financing activities	2,087	848
Effect of exchange rate change on cash and cash equivalents	303	(96)
Net increase (decrease) in cash and cash equivalents	11	220
Cash and cash equivalents at beginning of period	11,042	12,765
Cash and cash equivalents at end of period	11,054	12,985

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

I. First six months of FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)

1. Information related to net sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Total
	Light metals and copper products	Electronic and advanced materials	Non-ferrous materials	Construction and industrial materials	
Net sales					
External sales	34,194	33,412	14,601	6,730	88,939
Inter-segment sales and transfers	368	583	348	205	1,506
Total	34,563	33,995	14,950	6,935	90,445
Segment profit	758	929	68	111	1,868

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	1,868
Eliminations for inter-segment transactions	(69)
Ordinary income on the quarterly consolidated statement of income	1,799

3. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

Significant gain on bargain purchase

In the light metals and copper products segment, OHBA SEIKEN CO., LTD. was included in the scope of consolidation because all the shares of its stock were acquired by the Company. Accordingly, gain on bargain purchase of 785 million yen was recorded in the first six months of FY3/14.

In the non-ferrous materials segment, the Company acquired the operations of the Osaka Aluminum Center from ALUMINUM RECYCLE CORPORATION. Accordingly, gain on bargain purchase of 53 million yen was recorded in the first six months of FY3/14.

II. First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)

1. Information related to net sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Total
	Light metals and copper products	Electronic and advanced materials	Non-ferrous materials	Construction and industrial materials	
Net sales					
External sales	36,692	37,037	16,426	6,844	97,000
Inter-segment sales and transfers	431	1,489	106	143	2,171
Total	37,123	38,526	16,533	6,987	99,171
Segment profit	1,915	976	134	97	3,124

2. Information related to revisions for reportable segments

From the first three months of FY3/15, certain business segments were reclassified for management purposes.

In line with the aforementioned changes, ALCONIX (THAILAND) LTD. and ALCONIX LOGISTICS (THAILAND) LTD. were reclassified from the light metals and copper products segment to the construction and industrial materials segment, and ALCONIX HONGKONG CORP., LTD. from the construction and industrial materials segment to the electronic and advanced materials segment. In addition, the Raw Materials Team of the Sales Div. at the Nagoya Branch was merged into the Nagoya Business Dept. at the Nagoya Branch and reclassified from the non-ferrous materials segment to the light metals and copper products segment.

Segment information for the first six months of FY3/14 has been retrospectively revised based on the revised composition of reportable segments after changes in the organizational structure.

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

(Millions of yen)

Profit	Amount
Total for reportable segments	3,124
Eliminations for inter-segment transactions	(15)
Ordinary income on the quarterly consolidated statement of income	3,108

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.