February 6, 2015

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2015 (Nine Months Ended December 31, 2014)

[Japanese GAAP]

Company name: ALCONIX CORPORATION
Listing: Tokyo Stock Exchange, First Section
Stock code: 3036
URL: http://www.alconix.com
Representative: Eiitsu Masaki, President and CEO
Contact: Yasushi Miyazaki, Director, Managing Executive Officer, Finance & Account Div.
Tel: +81-3-3596-7400
Scheduled date of filing of Quarterly Report: February 10, 2015
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 February 6, 2014 at 12:30 (GMT +9).

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

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2014 (April 1, 2014 – December 31, 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	%
Nine months ended Dec. 31, 2014	151,606	10.5	3,810	31.7	4,410	64.1	3,221	31.1
Nine months ended Dec. 31, 2013	137,245	6.4	2,892	4.9	2,687	1.3	2,457	75.4

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2014: 3,992 (down 13.5%)
Nine months ended Dec. 31, 2013: 4,615 (up 178.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2014	252.77	251.58
Nine months ended Dec. 31, 2013	193.30	192.65

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 Dec. 31, 2014	90,516	24,946	26.9
As of Mar. 31, 2014	85,664	21,368	24.3

Reference: Shareholders' equity (million yen) As of Dec. 31, 2014: 24,368 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	273.69

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

・ 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.

*** 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 5 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 Dec. 31, 2014:	12,788,800 shares	As of Mar. 31, 2014:	12,717,600 shares

2) Number of treasury shares at the end of period

As of Dec. 31, 2014:	413 shares	As of Mar. 31, 2014:	370 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2014:	12,745,334 shares	Nine months ended Dec. 31, 2013:	12,712,126 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 nine months of the current fiscal year, the US economy continued to recover, backed mainly by private-sector demand. In Europe, the economy was sluggish and economic growth in China slowed due to weakness in real estate investments and private-sector capital expenditures.

In Japan, although the falloff in demand after the April 2014 consumption tax hike came to end, consumption was still lackluster. Along with the effects of unfavorable summer weather and sluggish exports, the result was a continuation of economic weakness.

In the non-ferrous metals industry, where the ALCONIX Group operates, demand associated with smartphones and tablets continued to increase. There was also strong overseas demand for these metals in the automobile industry in North America and other regions.

In this economic environment, the Group saw 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, copper scrap, metal silicon and minor metals such as titanium, tungsten and molybdenum. Semiconductor manufacturing equipment parts manufactured by a domestic consolidated subsidiary were another source of sales growth. The transaction volume of rare earth for the automobile industry increased for producing batteries, magnets and catalysts. But total sales declined 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 nine months of the current fiscal year, ALCONIX reported consolidated net sales of 151,606 million yen (up 10.5% year on year), operating income of 3,810 million yen (up 31.7%), ordinary income of 4,410 million yen (up 64.1%) and net income of 3,221 million yen (up 31.1%).

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

- Light metals and copper products

Sales were impacted by weak shipments in Japan in the housing construction and air-conditioning sectors due to the consumption tax hike. But sales in the automobile, aircraft and semiconductor manufacturing equipment sectors remained steady There was a significant contribution to consolidated performance by a manufacturing subsidiary in Japan that serves primarily the semiconductor manufacturing equipment, aircraft and other market sectors where demand is currently steady 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 April 2014, was recognized as non-operating income.

As a result, the segment recorded sales of 57,312 million yen (up 8.0% year on year) and segment profit of 2,699 million yen (up 145.3%).

- Electronic and advanced materials

Sales of materials used in smartphones and tablets increased steadily because of the continuing introduction of new models. Sales were higher for environment-related materials and solar cell materials too, in part due to the yen’s weakness. In addition, exports of titanium and nickel products are recovering because of a rebound in demand,

chiefly in Europe, and the weaker yen.

In the field of minor metals and rare earths, sales of tungsten and molybdenum increased, but rare earth sales in the automobile industry for making batteries, magnets and catalysts declined due to drop in prices. Segment profits decreased because of a loss on valuation of foreign exchange resulting from the exchange rate used at the end of the third quarter for foreign currency-denominated loans.

As a result, the segment recorded sales of 59,195 million yen (up 11.0% year on year) and segment profit of 1,284 million yen (down 6.1%).

- Non-ferrous materials

Automobile production in Japan, our primary source of demand, remained high backed by a rush demand before the consumption tax hike. In addition, steel production in Japan remained firm. Sales were higher for imported aluminum alloy ingots for the automobile industry, deoxidizer materials used in steel mills, metal silicon, zinc ingots, and magnesium used in light metal rolls. Furthermore, there was an increase in the transaction volume of aluminum and copper scraps due to the successful start of a recycling business.

As a result, the segment recorded sales of 27,199 million yen (up 17.5% year on year) and segment profit of 283 million yen (up 314.6%).

- Construction and industrial materials

The sales volume of construction and industrial materials was sluggish. One reason is the decline in demand in Japan’s construction market following the consumption tax hike. In addition, a shortage of construction workers is holding down new housing starts. Overall, demand for construction and industrial materials was weak despite signs of a recovery in private-sector capital expenditures. Performance was also impacted by weak sales of imported bulk tanks and forge/foundry materials as the yen’s rapid depreciation pushed up the cost of imported products. But the yen’s weakness led to growth in overseas sales of valves and exports of copper alloy tubes.

As a result, the segment recorded sales of 10,846 million yen (up 6.7% year on year) and segment profit of 159 million yen (up 8.5%).

(2) Explanation of Financial Position

1) Financial position

a. Current assets

At the end of the third quarter of the current fiscal year, current assets totaled 71,050 million yen, an increase of 4,714 million yen from the end of the previous fiscal year. The main factors were a 5,199 million yen increase in inventories, a 131 million yen increase in notes and accounts receivable-trade, and a 917 million yen decrease in cash and deposits.

b. Non-current assets

Non-current assets totaled 19,466 million yen, an increase of 138 million yen. The main factors were a 331 million yen decrease in property, plant and equipment, and intangible assets due to the depreciation and goodwill amortization, and a 469 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 53,457 million yen, an increase of 3,270 million yen. The main factors were a 157 million

yen decrease in notes and accounts payable-trade, a 4,040 million yen increase in short-term loans payable, and a 118 million yen decrease in current portion of long-term loans payable.

d. Non-current liabilities

Non-current liabilities totaled 12,112 million yen, a decrease of 1,996 million yen. The main factors were a 1,638 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 24,946 million yen, an increase of 3,578 million yen. The main factors were 28 million yen increases in capital stock and capital surplus due to the exercise of subscription rights to shares, a 2,769 million yen increase in retained earnings, a 261 million yen increase in valuation difference on available-for-sale securities due to the evaluation of listed stock at market value, and a 410 million yen increase in the foreign currency translation adjustment.

2) Results of operations

a. Net sales

The main reason for an increase in sales was a higher transaction volume of copper alloy strips, aluminum and copper scraps, precision grinding processing parts for semiconductor manufacturing equipment and plating materials, metal silicon, titanium, tungsten, and molybdenum. The main reason for a decrease in sales was a lower transaction volume of copper tubes, nickel powder used in battery materials, and brass copper rods for export.

Sales of rare earths decreased due to the drop in prices, while transaction volume increased backed by the demand from the automobile industry.

As a result, net sales increased 10.5% year on year to 151,606 million yen in the first nine months 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 6.3% to 8,963 million yen.

c. Selling, general and administrative expenses

Selling, general and administrative expenses fell 6.9% to 5,152 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 31.7% to 3,810 million yen.

e. Non-operating income, non-operating expenses

Net non-operating income (non-operating income – non-operating expenses) was 599 million yen compared with -205 million yen one year earlier. The difference was mostly due to the posting of 928 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 64.1% to 4,410 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 27 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 4,419 million yen. From this amount, 1,145 million yen was deducted for income taxes and 52 million yen was subtracted for minority interests in income of five consolidated subsidiaries. As a result, net income increased 31.1% to 3,221 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 press release “Differences between First-half Forecast and Results of Operations, and Revisions to Full-year Forecast” on 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)	Third quarter of FY3/15 (As of Dec. 31, 2014)
Assets		
Current assets		
Cash and deposits	12,926	12,008
Notes and accounts receivable-trade	35,668	35,800
Merchandise and finished goods	14,311	19,240
Work in process	1,045	1,369
Raw materials and supplies	426	374
Other	2,422	2,421
Allowance for doubtful accounts	(465)	(163)
Total current assets	66,336	71,050
Non-current assets		
Property, plant and equipment	6,365	6,305
Intangible assets		
Goodwill	2,736	2,607
Other	3,870	3,727
Total intangible assets	6,607	6,334
Investments and other assets	6,355	6,825
Total non-current assets	19,327	19,466
Total assets	85,664	90,516
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,138	27,981
Short-term loans payable	14,961	19,002
Current portion of long-term loans payable	3,169	3,051
Current portion of bonds	600	600
Income taxes payable	834	614
Provision for bonuses	450	368
Other	2,032	1,840
Total current liabilities	50,187	53,457
Non-current liabilities		
Bonds payable	1,200	900
Long-term loans payable	9,982	8,343
Provision for directors' retirement benefits	204	234
Net deferred benefit liability	311	312
Long-term accounts payable-other	61	74
Other	2,348	2,247
Total non-current liabilities	14,108	12,112
Total liabilities	64,296	65,570

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	Third quarter of FY3/15 (As of Dec. 31, 2014)
Net assets		
Shareholders' equity		
Capital stock	2,835	2,863
Capital surplus	1,877	1,905
Retained earnings	12,952	15,721
Treasury shares	(0)	(0)
Total shareholders' equity	17,664	20,490
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	565
Deferred gains or losses on hedges	26	64
Foreign currency translation adjustment	2,837	3,248
Total accumulated other comprehensive income	3,168	3,878
Subscription rights to shares	38	36
Minority interests	495	541
Total net assets	21,368	24,946
Total liabilities and net assets	85,664	90,516

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Nine-month Period)

(Millions of yen)

	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)
Net sales	137,245	151,606
Cost of sales	128,815	142,642
Gross profit	8,430	8,963
Selling, general and administrative expenses	5,537	5,152
Operating income	2,892	3,810
Non-operating income		
Interest income	65	52
Purchase discounts	13	10
Dividend income	41	67
Rent income of real estate	43	58
Share of profit of entities accounted for using equity method	114	928
Other	145	211
Total non-operating income	424	1,329
Non-operating expenses		
Interest expenses	274	246
Sales discounts	8	9
Foreign exchange losses	222	390
Loss on sales of notes receivable-trade	27	29
Rent cost of real estate	20	8
Other	76	44
Total non-operating expenses	630	729
Ordinary income	2,687	4,410
Extraordinary income		
Gain on sales of non-current assets	2	17
Gain on sales of investment securities	-	4
Gain on bargain purchase	839	-
Subsidy income	3	3
Other	114	2
Total extraordinary income	959	27
Extraordinary losses		
Loss on valuation of investment securities	25	17
Loss on liquidation of subsidiaries and associates	40	-
Other	4	1
Total extraordinary losses	71	18
Income before income taxes and minority interests	3,575	4,419
Income taxes	1,066	1,145
Income before minority interests	2,508	3,273
Minority interests in income	51	52
Net income	2,457	3,221

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

(Millions of yen)

	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)
Income before minority interests	2,508	3,273
Other comprehensive income		
Valuation difference on available-for-sale securities	339	251
Deferred gains or losses on hedges	63	40
Foreign currency translation adjustment	1,440	347
Share of other comprehensive income of entities accounted for using equity method	262	79
Total other comprehensive income	2,106	718
Comprehensive income	4,615	3,992
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,553	3,931
Comprehensive income attributable to minority interests	62	61

(3) 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 nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 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	52,463	52,110	22,742	9,928	137,245
Inter-segment sales and transfers	595	1,209	398	239	2,443
Total	53,059	53,320	23,141	10,168	139,689
Segment profit	1,100	1,367	68	147	2,682

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	2,682
Eliminations for inter-segment transactions	4
Ordinary income on the quarterly consolidated statement of income	2,687

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 nine 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 nine months of FY3/14.

II. First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 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	56,677	57,258	27,030	10,639	151,606
Inter-segment sales and transfers	634	1,936	169	206	2,947
Total	57,312	59,195	27,199	10,846	154,553
Segment profit	2,699	1,284	283	159	4,426

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 integrated 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 nine 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	4,426
Eliminations for inter-segment transactions	(15)
Ordinary income on the quarterly consolidated statement of income	4,410

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.