May 15, 2015

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 [Japanese GAAP]

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Scheduled date of Annual General Meeting of Shareholders: June 23, 2015
Scheduled date of filing of Annual Securities Report: June 24, 2015
Scheduled date of payment of dividend: June 24, 2015
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 15, 2015 at 12：30 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Consolidated results of operations (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2015	201,543	9.7	4,584	31.6	5,205	44.6	3,505	11.5
Fiscal year ended Mar. 31, 2014	183,749	11.5	3,484	6.0	3,600	24.5	3,144	119.8

Note: Comprehensive income (million yen): Fiscal year ended Mar. 31, 2015: 5,945 (down 4.5%)
Fiscal year ended Mar. 31, 2014: 6,224 (up 216.5%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2015	274.76	273.45	14.9	5.9	2.3
Fiscal year ended Mar. 31, 2014	247.38	246.50	17.4	4.6	1.9

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2015: 973
Fiscal year ended Mar. 31, 2014: 136

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	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2015	89,848	26,951	29.3	2,053.83
As of Mar. 31, 2014	85,664	21,368	24.3	1,638.21

Reference: Shareholders' equity (million yen) As of Mar. 31, 2015: 26,315 As of Mar. 31, 2014: 20,830

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2015	550	(105)	(1,445)	12,514
Fiscal year ended Mar. 31, 2014	1,992	(2,428)	1,414	12,765

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2014	-	30.00	-	35.00	65.00	413	13.1	2.3
Fiscal year ended Mar. 31, 2015	-	18.00	-	22.00	40.00	511	14.6	2.2
Fiscal year ending Mar. 31, 2016 (forecast)	-	22.00	-	22.00	44.00		14.1	

Note: ALCONIX conducted a 2-for-1 stock split on August 1, 2014. As a result, its total dividend per share for the fiscal year ended March 31, 2015 is based on the number of shares after the stock split. The total dividend is thus equivalent to a dividend of 80 yen per share based on the number of shares before the stock split.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	106,500	9.8	2,300	(4.4)	2,500	(19.6)	2,460	7.4	192.00
Full year	216,000	7.2	4,350	(5.1)	4,800	(7.8)	4,000	14.1	312.19

*** Notes**

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

(2) 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

(3) Number of outstanding shares (common stock)

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

As of Mar. 31, 2015: 12,813,200 shares As of Mar. 31, 2014: 12,717,600 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2015: 413 shares As of Mar. 31, 2014: 370 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2015: 12,758,624 shares Fiscal year ended Mar. 31, 2014: 12,712,714 shares

Note: 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.

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Non-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	%
Fiscal year ended Mar. 31, 2015	122,724	8.3	1,403	27.2	1,561	26.7	1,086	27.9
Fiscal year ended Mar. 31, 2014	113,296	1.9	1,103	(13.7)	1,232	6.4	849	75.5

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2015	85.15	84.77
Fiscal year ended Mar. 31, 2014	66.80	66.63

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) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2015	47,411	9,898	20.8	769.69
As of Mar. 31, 2014	49,714	8,713	17.4	682.13

Reference: Shareholders' equity (million yen): As of Mar. 31, 2015: 9,861 As of Mar. 31, 2014: 8,674

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

* Indication of audit procedure implementation status

At the time when this summary report was released, the audit procedures for financial statements based on the Financial Instruments and Exchange Act 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.

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1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

In the fiscal year that ended on March 31, 2015, the U.S. economy continued to expand, backed mainly by private-sector demand. In Europe, the economy was sluggish although economic slowdown came to an end. Growth in China slowed due to weakness in real estate investment and private-sector capital expenditures.

In Japan, although the falloff in demand following the last-minute rush to buy before the consumption tax hike to bottom out and capital expenditures recovered, personal consumption was still lackluster. Along with the effects of unfavorable summer weather and sluggish exports, the result was a gradual economic recovery.

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 recycled aluminum ingots, aluminum and copper scrap, and metal silicon. 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 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 an increase in net income.

For the current fiscal year, ALCONIX reported consolidated net sales of 201,543 million yen (up 9.7% year on year), operating income of 4,584 million yen (up 31.6%), ordinary income of 5,205 million yen (up 44.6%) and net income of 3,505 million yen (up 11.5%).

Results by business segment were as follows.

- Light metals and copper products

Sales were impacted by weak shipments in Japan throughout the fiscal year 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 from a manufacturing subsidiary in Japan that serves primarily the semiconductor manufacturing equipment and aircraft sectors. 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 76,687 million yen (up 6.6% year on year) and segment profit of 3,003 million yen (up 81.9%).

- Electronic and advanced materials

Sales of materials used in smartphones and tablets increased steadily because of the continuing introduction of new models. Sales of environment-related materials and solar cell materials recorded healthy growth due to growing demand combined with the yen’s weakness and subsidies. In addition, exports of titanium and nickel products increased led by a rebound in demand, chiefly in Europe, and the weaker yen.

In the field of minor metals and rare earths, demand for rare earth in the automobile industry for batteries, magnets and catalysts increased, but sales declined due to drop in prices. Segment profits increased due to the benefits from higher sales and earnings at consolidated subsidiaries while there was a loss on valuation of foreign

exchange resulting from the exchange rate used at the end of the period for foreign currency-denominated loans.

As a result, the segment recorded sales of 77,750 million yen (up 9.6% year on year) and segment profit of 1,734 million yen (up 2.4%).

- Non-ferrous materials

Although automobile and steel production in Japan declined slightly due to the falloff in demand following the last-minute rush to buy before the consumption tax hike, exports of parts, benefitting from the weaker yen and favorable U.S. economy, remained strong. This boosted production of light metal rolling products and copper products underpinning demand for non-ferrous materials was firm throughout the year. As a result, sales were also higher for recycled aluminum ingots and metal silicon. Furthermore, the transaction volume of magnesium ingots used in light metal rolls was firm. In the non-ferrous metals recycling business, contribution from the aluminum recycling business of the Company's domestic consolidated subsidiary and the establishment of a copper recycling center in Kitakyushu through an acquisition in November 2014 created synergy that translated into an expanded range of products and service area. Accordingly, the transaction volume of aluminum and copper scrap increased.

As a result, the segment recorded sales of 36,621 million yen (up 18.5% year on year) and segment profit of 268 million yen (up 363.8%).

- 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 April 2014 consumption tax hike. In addition, a shortage of construction workers is holding down new housing starts. Overall, demand for construction and industrial materials in Japan was weak due to the lack of strength in private-sector capital expenditures despite signs of a recovery. 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 exports and overseas sales of piping equipment and large increase in exports of copper alloy tubes.

As a result, the segment recorded sales of 14,320 million yen (up 6.9% year on year) and segment profit of 207 million yen (up 8.1%).

Forecasts for the new fiscal year

In the fiscal year ending on March 31, 2016, the Group expects the downturn in demand in Japan following the last-minute rush to buy before the April 2014 consumption tax hike to bottom out. Benefitting from the favorable economy in North America, demand from the automobile industry is expected to increase. Furthermore, the continuing expansion of the smartphone and tablet markets and the shift toward high-performance models should lift demand. On the other hand, there are concerns about U.S. financial policy, financial uncertainty in Europe, tensions in Russia and slowing economic growth in China. But ALCONIX foresees higher production and exports, with growth centered on the North American economy, to underpin demand for non-ferrous metals.

The ALCONIX Group anticipates higher sales and earnings because of rising exports led by demand for materials used in automobiles, semiconductor and IT and growth in overseas business volume backed by higher demand. Against this backdrop, ALCONIX forecasts continuing increase in sales and earnings at the parent company and consolidated subsidiaries. Demand for minor metals and rare earths is expected to head toward recovery due to the end of the downturn in this sector as inventory corrections at customers wind down and demand for these materials from the auto sector gets a lift due to increasing amount of electrical components in automobiles. However, rising production means that the market is likely to be weak. ALCONIX forecasts a decrease in ordinary income for the fiscal year ending March 31, 2016 because the fiscal year that ended on March 31, 2015 included a one-time income of 628 million yen from gain on bargain purchase as "share of profit of entities accounted for using equity method" under "non-operating income." Profit attributable to owners of parent is expected to increase from the previous fiscal year as new acquisitions through M&A contribute to earnings.

The ALCONIX Group forecasts FY3/16 consolidated net sales of 216,000 million yen (up 7.2% year on year), operating income of 4,350 million yen (down 5.1%), ordinary income of 4,800 million yen (down 7.8%), and profit attributable to owners of parent of 4,000 million yen (up 14.1%).

(2) Analysis of Financial Position

1) Financial position

Changes in financial position in the fiscal year under review are described as below.

In the assets category, the main factors of increase were a 4,081 million yen increase in inventories, a 976 million yen increase in investments and other assets due to an increase of investment securities which outweighed the redemption of bonds, a 340 million yen increase in property, plant and equipment and intangible assets mainly due to capital expenditures at consolidated subsidiaries. The main factor of decrease was a 1,560 million yen decrease in notes and accounts receivable-trade. The result was a 4,183 million yen increase in assets over the end of the previous fiscal year to 89,848 million yen.

In the liabilities category, the main factor of increase was a 2,923 million yen increase in short-term loans payable. The main factors of decrease were a 2,140 million yen decrease in long-term loans payable following a transfer of the category to current liabilities, 600 million yen decrease in bonds payable, and a 1,815 million yen decrease in notes and accounts payable-trade. The net result was the 1,398 million yen decrease in liabilities over the end of the previous fiscal year to 62,897 million yen.

In the net assets category, the main factors of increase were 38 million yen increases in each of capital stock and capital surplus due to the exercise of subscription rights to shares, a 3,053 million yen increase in retained earnings, a 436 million yen increase in valuation difference on available-for-sale securities due to the market value evaluation of listed stock, and a 1,813 million yen increase in foreign currency translation adjustment. As a result, net assets increased 5,582 million yen over the end of the previous fiscal year to 26,951 million yen.

2) Cash flows

Cash and cash equivalents (hereinafter, “Cash”) at the end of the current fiscal year decreased 250 million yen from the end of the previous fiscal year to 12,514 million yen.

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

	Description
Cash flows from operating activities	Net cash provided by operating activities was 550 million yen. Main positive factors include income before income taxes and minority interests of 5,213 million yen, depreciation including amortization of goodwill of 1,392 million yen, and a 2,656 million yen decrease in notes and accounts receivable-trade. Meanwhile, major negative factors include a 3,299 million yen increase in inventories, a 2,380 million yen decrease in notes and accounts payable-trade, income taxes paid of 1,742 million yen, and share of profit of entities accounted for using equity method of 973 million yen including gain on bargain purchase due to conversion of a domestic affiliated company into an equity-method affiliate.
Cash flows from investing activities	Net cash used in investing activities was 105 million yen. Main positive factor was proceeds from the redemption of bonds of 900 million yen. Meanwhile, main negative factors include purchase of property, plant and equipment of 801 million yen and payments for transfer of business of 360 million yen relating to the acquisition of copper scrap business by a domestic consolidated subsidiary.
Cash flows from financing activities	Net cash used in financing activities was 1,445 million yen. Main positive factors include net increase in short-term loans payable of 1,936 million yen and proceeds from issuance of common shares of 76 million yen due to the exercise of subscription rights to shares. Meanwhile, major negative factors include a net decrease in long-term loans payable of 2,159 million yen, redemption of bonds of 600 million yen and cash dividends paid of 452 million yen.

Reference: Cash flow indicators

	FY3/14	FY3/15
Shareholders' equity ratio (%)	24.3	29.3
Shareholders' equity ratio based on market value (%)	16.1	25.3
Ratio of interest-bearing debt to cash flows (%)	15.0	54.7
Interest coverage ratio (times)	5.6	1.7

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market value: Market capitalization based on closing share price at period end/ Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

* All indicators are calculated based on consolidated figures.

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

* Operating cash flow and interest payments are taken from "Net cash provided by (used in) operating activities" and "Interest expenses paid" on the consolidated statement of cash flows, respectively.

* Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

ALCONIX's basic policy regarding dividends is to continuously provide stable dividends while securing adequate internal reserves for future business development and the bolstering of the management structure.

Regarding internal reserves, ALCONIX will strengthen its business structure to meet the needs of the market as the business environment changes, will pursue M&A and business investment, and will invest in the development of its overseas strategy.

ALCONIX plans to pay a year-end dividend of 22 yen per share for the fiscal year that ended on March 31, 2015, an increase of 4 yen from one year earlier based on the results of operations. With the interim dividend of 18 yen per share, this will result in an annual dividend of 40 yen per share. ALCONIX conducted a 2-for-1 stock split on August 1, 2014. An annual dividend is thus equivalent to a dividend of 80 yen per share based on the number of shares before the stock split.

2. Corporate Group

The ALCONIX Group comprises of the Company (ALCONIX CORPORATION), 23 consolidated subsidiaries, and 7 affiliates (including four equity-method affiliates.) We are a trading group that specializes in non-ferrous metals, and our mainstay operations are the export, import, and domestic sale of products and raw materials of aluminum, copper, nickel, and minor metals (such as titanium, tungsten, molybdenum, and rare earths).

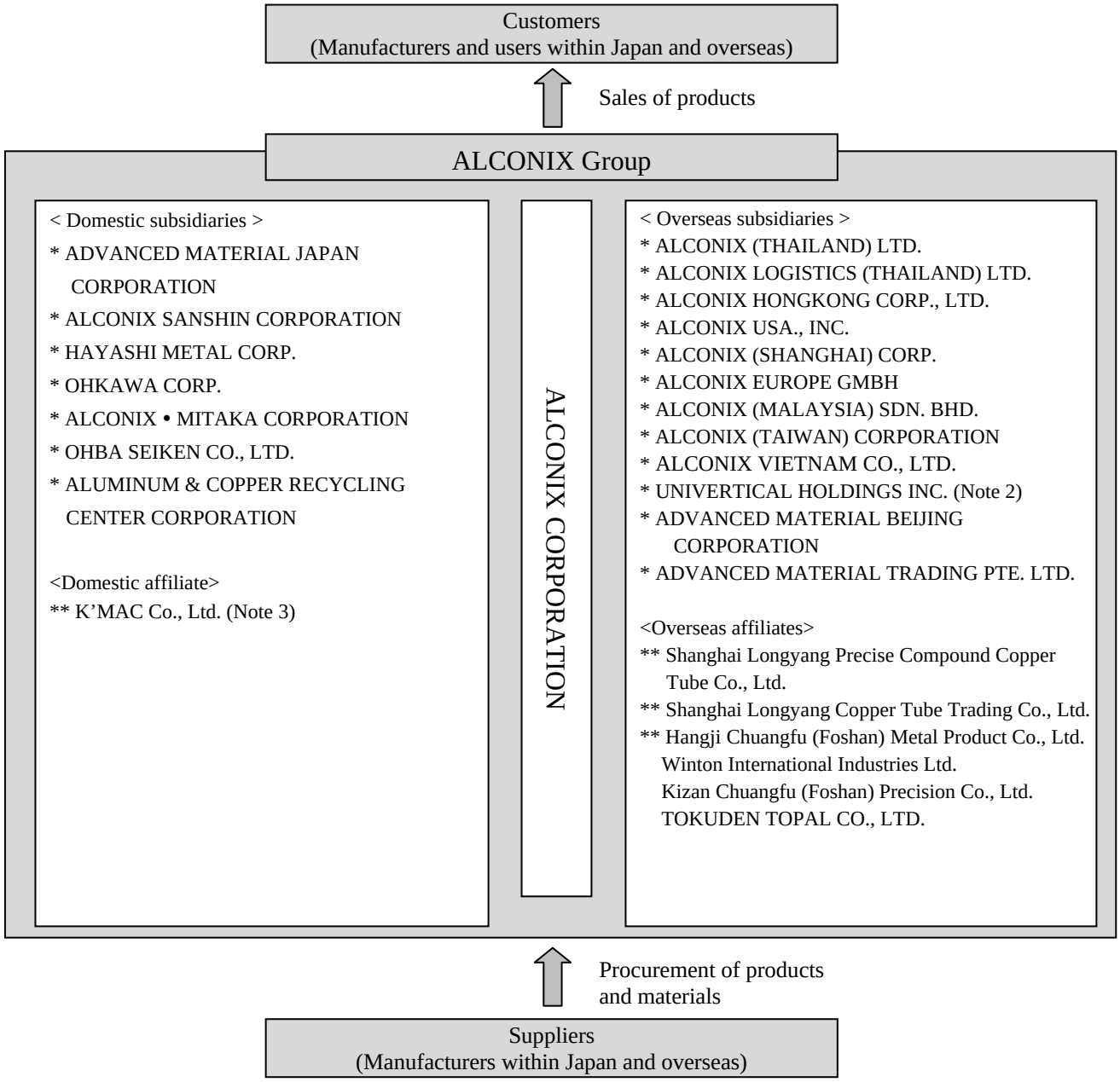
The following table shows the Group's business content, mainstay items, and the positioning of the Company and its related companies in each business segment.

Business segments	Major products	Main group companies
Light metals and copper products	- Aluminum products for consumer electronics, aircraft, and autos (rolling products, extruded materials, forged and cast products, and other fabricated products and parts) - Aluminum plate materials for beverage cans, foil, and printing plates - Copper products (sheets, strips, rods, and other fabricated products and parts)	ALCONIX (SHANGHAI) CORP. ALCONIX (MALAYSIA) SDN. BHD. ALCONIX VIETNAM CO., LTD. ALCONIX SANSHIN CORPORATION HAYASHI METAL CORP. OHKAWA CORPORATION ALCONIX• MITAKA CORPORATION OHBA SEIKEN CO., LTD.
Electronic and advanced materials	- Semiconductors and electronics-related materials such as compound semiconductors - Printed wire boards, electronic materials for batteries - Titanium products used in power generation equipment and chemical industrial equipment - Steel additives, nickel products for secondary batteries - Minor metals such as titanium, tungsten, molybdenum, gallium, indium, and rare earths - Plating materials and chemicals used in plating processes	ALCONIX USA., INC. ALCONIX EUROPE GMBH ADVANCED MATERIAL JAPAN CORPORATION ALCONIX (TAIWAN) CORPORATION ALCONIX HONGKONG CORP., LTD. (Note1) UNIVERTICAL HOLDINGS INC. ADVANCED MATERIAL BEIJING CORPORATION ADVANCED MATERIAL TRADING PTE. LTD.
Non-ferrous materials	- Secondary aluminum alloy ingots - Non-ferrous metal scrap, special metal scrap, used home electronics scrap - Metal silicon, zinc alloy ingots and magnesium ingots	ALUMINUM & COPPER RECYCLING CENTER CORPORATION (Note2)
Construction and industrial materials	- Various piping equipment and parts such as joint valves and flange gauges - Copper alloy materials - Aluminum die cast products, metal molds and cast metals - Metal fitting works, renovation of commercial and residential building	ALCONIX (THAILAND) LTD. (Note1) ALCONIX LOGISTICS (THAILAND) LTD. (Note1)

Notes: 1: In the current fiscal year, the Company reclassified business segments of its consolidated subsidiaries ALCONIX HONGKONG CORP., LTD., ALCONIX (THAILAND) LTD., and ALCONIX LOGISTICS (THAILAND) LTD. Please refer to "5. Consolidated Financial Statements (5) Notes to Consolidated Financial Statements, Segment and Other Information" on page 22 of the attachments for further information.

2. ALUMINUM & COPPER RECYCLING CENTER was renamed from OSAKA ALUMI CENTER CORPORATION as of September 1, 2014.

The discussion above can be illustrated by the following business diagram.



Notes:

1. * Consolidated subsidiaries ** Equity-method affiliates
2. Four consolidated subsidiaries of UNIVERTICAL HOLDINGS INC., a consolidated subsidiary of the Company, are also included as consolidated subsidiaries of the ALCONIX Group.
3. K'MAC Co., Ltd. is included as an equity-method affiliate of the ALCONIX Group because the Company has purchased additional shares of K'MAC, which the Company previously owned 18.6% and owns 20% of outstanding shares after the purchase.
4. Overseas subsidiaries Komatsu Precision Products (Hongkong) Co., Ltd., Hangji Chuangfu Investment Limited and Komatsu Chuangfu (Foshan) Cold Forging Limited were excluded from the ALCONIX Group following their liquidation.

3. Management Policies

(1) Basic Management Policy

The ALCONIX Group's corporate policy is "to contribute to society by creating new value through non-ferrous metal trading," and its slogan is to challenge "new materials" "new markets" "new services" and "new business fields." The Group conducts honest, fair, and transparent operations in compliance with laws, regulations, and business ethics, and maintains favorable relationships with shareholders, customers, employees, and the local community. The Group aims to be trusted by not just local communities but the whole world.

(2) Performance Targets (Medium-term business plan covering three year period from the fiscal year ended March 31, 2016)

1) Profit targets

Consolidated ordinary income:	Over 6,500 million yen (Fiscal year ending March 31, 2018)
Consolidated net income:	Over 4,300 million yen (Fiscal year ending March 31, 2018)

2) Management benchmarks

Return on equity (ROE):	Around 13 – 15%
Net debt equity (DE) ratio:	Around 1.0 – 1.3x

3) Investment plans

20 billion yen over three years. (Investment targets: M&As, business investments, capital expenditures, etc.)

(3) Medium- and Long-term Business Plan

The ALCONIX Group adopts a "rolling-style" business plan that it updates once a year to quickly respond to changes in the business environment surrounding the Group.

This fiscal year the Group formulated a new medium-term business plan covering the three year period (fiscal years ending March 31, 2016 to 2018) as detailed in "(4) Challenges" below.

(4) Challenges

The ALCONIX Group positions as its overall strategy the following management policies in its medium-term business plan and aims for greater corporate value and sustainable growth on a consolidated basis. To achieve these goals, it has established concrete numerical management targets as described in "(2) Performance Targets" and will aggressively and boldly implement the five-point action plan discussed below.

Management policies

1) Promote upstream to midstream and downstream M&A to expand the business, and explore and promote new business investment opportunities.
2) Strengthen further the rapidly growing minor metals and electronic and advanced materials businesses.
3) Expand trading in aluminum and copper - the core business of the ALCONIX Group.
4) Bolster the recycling business for environmental protection.
5) Maximize trading firm capabilities to further expand the network of overseas offices to meet client needs, and increase local and trilateral transactions.

(Action plan)

1) Strengthen operating revenue

- ALCONIX will strengthen its efforts in the fields of crystal materials, metallic powder, LCD and battery materials, semiconductor-related materials, and advanced materials and other electronic materials. Also, it will work together with its subsidiary ADVANCED MATERIALS JAPAN CORPORATION (AMJ) to strengthen its trading foundation for minor metals including titanium sponges, tungsten, and molybdenum, and rare earths for mostly magnetic materials applications, in order to become a major force in the industry offering raw materials (minor metals and rare earths) through products (electronic and advanced materials).
- ALCONIX will strengthen businesses and investment in fields related to environmental problems. It will expand its trading of various materials for solar cells, fuel cells, electric vehicles, hybrid vehicles, and eco-diesel engines, as well as LED materials for energy-saving applications. There will also be measures to expand aluminum and copper scrap yard operations in Japan and enlarge recycling operations on a global scale, particularly for minor metals and rare earths.
- ALCONIX will aim for greater consolidated earnings globally by expanding local transactions with Japanese companies and foreign companies through its overseas subsidiaries and joint ventures, and by expanding trilateral business transactions. It will also aim to establish overseas bases in Indonesia, India, Central and South America, and other regions to bolster its overseas network.
- ALCONIX aims to move beyond the traditional framework of trading firms by using M&A and business investments to expand manufacturing operations and establish a unified manufacturing and sales structure that utilizes synergies with trading company functions. It also plans to strengthen downstream operations through the promotion of coordination among ALCONIX SANSHIN CORPORATION, HAYASHI METAL CORP. and ALCONIX・MITAKA CORPORATION to achieve synergies.

2) Promote investment activities

ALCONIX will promote, as an important policy in Japan and other countries, M&A which is effective for short-term business expansion, investment in and loans to metals fabrication and sales to develop new trade channels, and investment in and loans to recycling and other projects to secure natural resources.

(To be implemented in the fiscal year ending March 31, 2016)

- Promote M&As (in Japan and other countries)
  Target wide variety of fields with a focus on steel, chemicals and non-ferrous metals through the sectors below.
  - ➔ Upstream: manufacturers and recycle centers
  - ➔ Midstream: trading firms
  - ➔ Downstream: wholesalers and retailers
- Acquire the share of HEIWA KINZOKU CO., LTD. and make it a subsidiary
- Invest in and loan to minor metal recycling business overseas
- Invest in and loan to minor metal mines overseas
- Invest in extrusion and reprocessing company in China

(To be implemented in the fiscal years ending March 31, 2017 and 2018)

- Promote M&As (upstream: manufacturers and recycle centers; midstream: trading firms; downstream: wholesalers and retailers)
- Invest in and loan to minor metal, rare earth mines or smelting business

(Plan for capital expenditures)

Manufacturing companies in the ALCONIX Group will take measures centered on constructing a plant for processing aircraft parts, purchase production equipment in China and take other measures to meet demand for metal plating materials in emerging countries. These expenditures are expected to total approximately 3.5 billion

yen over three years.

3) Reinforce the financial backbone

- Aim to improve the shareholders' equity ratio and other financial ratios by bolstering profitability
- Further diversify fundraising channels while securing sufficient liquidity and reduce funding costs
- Strive to optimize working capital and move free cash flow into the black

4) Train human resources

- As a listed company, pro-actively work to hire talented human resources, both new graduates and experienced professionals, and improve labor productivity by appropriately positioning employees and bolstering internal training
- Aim to train "professional," "challenging," and "cooperative" human resources in line with the Company's personnel policy

5) Strengthen corporate infrastructure and internal governance

- Aim for more speedy management and a stronger internal governance system through more effective use of the new mission-critical system introduced in the fiscal year ended march 31, 2009
- Upgrade and improve the Group's accounting system in preparation for the introduction of international financial reporting standards (IFRS)
- Strengthen administrative framework to prepare for increase and diversification of subsidiaries and affiliates
- Promote internal training more broadly to enhance timely disclosure

(5) Other Important Management Items

Not applicable.

4. Basic Approach to the Selection of Accounting Standards

The ALCONIX Group currently applies Japanese accounting standards for its consolidated financial statements to facilitate comparisons with prior-year performance and the performance of other companies in Japan.

The Alconix Group will consider adopting International Financial Reporting Standards (IFRS) taking into consideration active discussion regarding IFRS and the upcoming use of IFRS by other companies in the same line of business.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Assets		
Current assets		
Cash and deposits	12,926	12,689
Notes and accounts receivable-trade	35,668	34,108
Merchandise and finished goods	14,311	17,838
Work in process	1,045	1,506
Raw materials and supplies	426	519
Deferred tax assets	446	490
Other	1,976	2,253
Allowance for doubtful accounts	(465)	(204)
Total current assets	66,336	69,202
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,123	3,225
Accumulated depreciation	(1,533)	(1,660)
Buildings and structures, net	1,589	1,564
Machinery, equipment and vehicles	5,003	5,748
Accumulated depreciation	(3,862)	(4,338)
Machinery, equipment and vehicles, net	1,140	1,410
Tools, furniture and fixtures	597	678
Accumulated depreciation	(449)	(537)
Tools, furniture and fixtures, net	148	141
Land	2,956	2,805
Leased assets	1,856	1,933
Accumulated depreciation	(1,380)	(1,458)
Leased assets, net	475	475
Construction in progress	53	135
Total property, plant and equipment	6,365	6,533
Intangible assets		
Goodwill	2,736	2,784
Software	199	172
Other	3,670	3,822
Total intangible assets	6,607	6,779
Investments and other assets		
Investment securities	5,793	6,674
Long-term loans receivable	14	8
Deferred tax assets	102	76
Other	469	624
Allowance for doubtful accounts	(23)	(52)
Total investments and other assets	6,355	7,332
Total non-current assets	19,327	20,645
Total assets	85,664	89,848

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,138	26,323
Short-term loans payable	14,961	17,884
Current portion of long-term loans payable	3,169	3,204
Current portion of bonds	600	600
Income taxes payable	834	1,050
Provision for bonuses	450	532
Deferred tax liabilities	1	0
Other	2,030	1,855
Total current liabilities	50,187	51,450
Non-current liabilities		
Bonds payable	1,200	600
Long-term loans payable	9,982	7,842
Provision for retirement benefits	2,089	2,220
Provision for directors' retirement benefits	204	234
Net defined benefit liability	311	322
Long-term accounts payable-other	61	68
Other	259	159
Total non-current liabilities	14,108	11,446
Total liabilities	64,296	62,897
Net assets		
Shareholders' equity		
Capital stock	2,835	2,873
Capital surplus	1,877	1,915
Retained earnings	12,952	16,005
Treasury shares	(0)	(0)
Total shareholders' equity	17,664	20,794
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	304	740
Deferred gains or losses on hedges	26	129
Foreign currency translation adjustment	2,837	4,651
Total accumulated other comprehensive income	3,168	5,521
Subscription rights to shares	38	36
Minority interests	495	599
Total net assets	21,368	26,951
Total liabilities and net assets	85,664	89,848

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net sales	183,749	201,543
Cost of sales	172,754	189,452
Gross profit	10,995	12,091
Selling, general and administrative expenses	7,510	7,506
Operating income	3,484	4,584
Non-operating income		
Interest income	87	69
Purchase discounts	18	13
Dividend income	41	102
Fiduciary obligation fee	10	23
Share of profit of entities accounted for using equity method	136	973
Insurance premiums refunded cancellation	334	-
Rent income of real estate	64	77
Other	159	202
Total non-operating income	853	1,463
Non-operating expenses		
Interest expenses	363	334
Sales discounts	12	13
Foreign exchange losses	220	370
Loss on sales of notes receivable-trade	37	37
Rent cost of real estate	23	10
Other	80	75
Total non-operating expenses	737	841
Ordinary income	3,600	5,205
Extraordinary income		
Gain on sales of non-current assets	8	25
Subsidy income	45	27
Gain on bargain purchase	839	7
Gain on liquidation of investment securities	110	1
Other	9	8
Total extraordinary income	1,013	71
Extraordinary losses		
Loss on valuation of investment securities	57	17
Loss on liquidation of investment securities	-	24
Loss on change in equity	-	19
Loss on liquidation of subsidiaries and associates	40	-
Other	6	1
Total extraordinary losses	104	63
Income before income taxes and minority interests	4,509	5,213
Income taxes-current	1,516	1,928
Income taxes-deferred	(223)	(286)
Total income taxes	1,293	1,642
Income before minority interests	3,215	3,571
Minority interests in income	70	65
Net income	3,144	3,505

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Income before minority interests	3,215	3,571
Other comprehensive income		
Valuation difference on available-for-sale securities	220	422
Deferred gains or losses on hedges	63	103
Foreign currency translation adjustment	2,279	1,508
Share of other comprehensive income of entities accounted for using equity method	444	339
Total other comprehensive income	3,008	2,373
Comprehensive income	6,224	5,945
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,140	5,858
Comprehensive income attributable to minority interests	83	87

(3) Consolidated Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,832	1,874	10,226	(0)	14,932
Changes of items during period					
Issuance of new shares	2	2			5
Dividends of surplus			(418)		(418)
Net income			3,144		3,144
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	2	2	2,726	(0)	2,732
Balance at end of current period	2,835	1,877	12,952	(0)	17,664

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	83	(36)	367	414	42	427	15,818
Changes of items during period							
Issuance of new shares							5
Dividends of surplus							(418)
Net income							3,144
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	220	62	2,470	2,754	(4)	67	2,818
Total changes of items during period	220	62	2,470	2,754	(4)	67	5,550
Balance at end of current period	304	26	2,837	3,168	38	495	21,368

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,835	1,877	12,952	(0)	17,664
Changes of items during period					
Issuance of new shares	38	38			76
Dividends of surplus			(452)		(452)
Net income			3,505		3,505
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	38	38	3,053	(0)	3,129
Balance at end of current period	2,873	1,915	16,005	(0)	20,794

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	304	26	2,837	3,168	38	495	21,368
Changes of items during period							
Issuance of new shares							76
Dividends of surplus							(452)
Net income							3,505
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	436	103	1,813	2,352	(2)	103	2,453
Total changes of items during period	436	103	1,813	2,352	(2)	103	5,582
Balance at end of current period	740	129	4,651	5,521	36	599	26,951

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	4,509	5,213
Depreciation	1,070	1,086
Amortization of goodwill	288	305
Gain on bargain purchase	(839)	(7)
Increase (decrease) in allowance for doubtful accounts	91	(243)
Increase (decrease) in provision for bonuses	1	80
Increase (decrease) in provision for directors' retirement benefits	38	29
Increase (decrease) in net defined benefit liability	39	10
Interest and dividend income	(129)	(171)
Interest expenses	363	334
Loss on valuation of investment securities	57	17
Share of (profit) loss of entities accounted for using equity method	(135)	(973)
Loss on liquidation of subsidiaries and associates	-	24
Decrease (increase) in notes and accounts receivable-trade	(4,042)	2,656
Decrease (increase) in inventories	(2,060)	(3,299)
Increase (decrease) in notes and accounts payable-trade	3,979	(2,380)
Decrease (increase) in consumption taxes refund receivable	14	(303)
Increase (decrease) in income taxes payable-factor based tax	3	10
Decrease (increase) in advance payments	(194)	(17)
Decrease (increase) in accounts receivable-other	68	92
Increase (decrease) in accounts payable-other	(103)	5
Increase (decrease) in advances received	114	(260)
Other, net	(410)	91
Subtotal	2,723	2,300
Interest and dividend income received	195	320
Interest expenses paid	(354)	(328)
Income taxes paid	(948)	(1,742)
Income taxes refund	375	-
Net cash provided by (used in) operating activities	1,992	550
Cash flows from investing activities		
Payments into time deposits	(82)	(150)
Proceeds from withdrawal of time deposits	232	150
Purchase of property, plant and equipment	(681)	(801)
Purchase of intangible assets	(100)	(47)
Proceeds from sales of investment securities	-	95
Proceeds from redemption of investment securities	-	900
Purchase of investment securities	(645)	(140)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(720)	-
Payments for transfer of business	(200)	(360)
Payments of loans receivable	(1,001)	-
Collection of loans receivable	94	6
Purchase of insurance funds	(12)	(11)
Proceeds from cancellation of insurance funds	697	1
Other, net	(8)	253
Net cash provided by (used in) investing activities	(2,428)	(105)

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,950	1,936
Proceeds from long-term loans payable	3,155	1,325
Repayments of long-term loans payable	(2,394)	(3,484)
Redemption of bonds	(600)	(600)
Proceeds from issuance of common shares	5	76
Proceeds from issuance of common stock to minority shareholders	-	12
Cash dividends paid	(388)	(452)
Cash dividends paid to minority shareholders	(16)	(15)
Repayments of finance lease obligations	(339)	(282)
Other, net	42	40
Net cash provided by (used in) financing activities	1,414	(1,445)
Effect of exchange rate change on cash and cash equivalents	743	749
Net increase (decrease) in cash and cash equivalents	1,722	(250)
Cash and cash equivalents at beginning of period	11,042	12,765
Cash and cash equivalents at end of period	12,765	12,514

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries: 23

Names of consolidated subsidiaries:

ADVANCED MATERIAL JAPAN CORPORATION
ALCONIX SANSHIN CORPORATION
OHKAWA CORPORATION
OHBA SEIKEN CO., LTD.
ALCONIX (SHANGHAI) CORP.
ALCONIX EUROPE GMBH
UNIVERTICAL HOLDINGS INC.

UNIVERTICAL HOLDINGS INC.'s subsidiaries UNIVERTICAL CORPORATION, UNIVERTICAL CHEMICAL COMPANY, UNIVERTICAL SEMICONDUCTOR PRODUCTS INC. and WALKER INVESTMENTS LLC. were excluded from the consolidation in the current fiscal year since these four companies are merged with UNIVERTICAL LLC. on January 9, 2014 through the incorporation-type merger.

2. Application of equity method

(1) Number of affiliates accounted for under the equity method: 4

Name of affiliates:

Shanghai Longyang Precise Compound Copper Tube Co., Ltd.
K'MAC Co., Ltd.

K'MAC Co., Ltd. and its four subsidiaries were included in the scope of application of the equity method as the Company has purchased additional K'MAC shares and make this company an affiliate accounted for under the equity method in the current fiscal year.

(2) Number of affiliates not accounted for under the equity method: 3

Name of affiliate:

Winton International Industries Ltd.

Komatsu Precision Products (Hongkong) Co., Ltd., Hangji Chuangfu Investment Limited and Komatsu Chuangfu (Foshan) Cold Forging Limited were removed as affiliate companies following their liquidation in the current fiscal year.

Non-equity method affiliates are not accounted for under the equity method, since they have a very minor effect on net income/loss (equity in earnings) and retained earnings (equity in earnings) and are relatively insignificant in the context of the consolidated financial statements.

3. Fiscal year of consolidated subsidiaries

The fiscal year end of the 16 overseas consolidated subsidiaries is December 31.

The consolidated financial statements include the financial statements of these consolidated subsidiaries as of December 31, and necessary adjustments have been made for the consolidation concerning material transactions arising between this date and the consolidated balance sheet date.

4. Accounting standards

(1) Valuation standards and methods for principal assets

1) Marketable securities

Available-for-sale securities

a. Securities with market quotations

Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of

securities sold is determined by the moving-average method.)

b. Securities without market quotations

Stated at cost determined by the moving-average method.

2) Derivatives

Stated at fair value.

3) Inventories

Merchandise, finished goods and work in process

Copper tubes, etc. for small-lot sales:

Stated at cost determined by the first-in first-out method and by the moving-average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

Other inventories:

Mainly stated at cost determined by the specific identification method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

Raw materials and supplies:

Stated at cost determined by the moving-average method. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

(2) Depreciation and amortization of significant depreciable assets

1) Property, plant and equipment

Depreciation of property, plant and equipment at the Company and its domestic consolidated subsidiaries is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 (excluding attached structures) on which depreciation is calculated by the straight-line method.

Overseas consolidated subsidiaries mainly applied the straight-line method.

Useful life of principle assets is as follows:

Buildings and structures:	2-50 years
Machinery, equipment and vehicles:	2-20 years
Tools, furniture and fixtures:	2-20 years

2) Intangible assets

Amortization of intangible assets is calculated by the straight-line method. Software for internal use is amortized over an expected useful life of five years by the straight-line method.

3) Lease assets

Lease assets associated with finance leases where there is transfer of ownership
The same method as amortization method used for fixed assets held by the Company is applied.

(3) Recognition of significant allowances

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are booked for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectability.

2) Provision for bonuses

To provide for employee bonus obligation at the Company and certain consolidated subsidiaries, an amount accrued for the current fiscal year among the estimated future obligations is designated in the reserve account.

3) Provision for directors' retirement benefits

To provide for directors' retirement benefits, the Company and certain domestic consolidated subsidiaries provide an allowance for the aggregate amount payable at the end of the current fiscal year pursuant to the Company's rules on directors' retirement benefits.

(4) The accounting treatment methods for retirement benefits

The Company and its consolidated subsidiaries calculate net defined benefit liability and retirement benefit expenses by using a simplified method in which retirement benefit obligations are equal to the amount that would be paid if all employees voluntarily requested benefits at the end of the fiscal year.

(5) Translation of significant foreign currency-denominated assets and liabilities

Foreign currency-denominated monetary assets and liabilities are translated into yen at the spot exchange rate in effect on the balance sheet date. Exchange gain or loss is accounted as income or loss. The balance sheet accounts of overseas consolidated subsidiaries are also translated into yen at the spot exchange rate in effect on their balance sheet dates. The income statement accounts of overseas consolidated subsidiaries are translated into yen at the average exchange rate for their accounting periods. Translation adjustments are included in the foreign currency translation adjustments and minority interests in net assets.

(6) Accounting for hedges

1) Hedging method

The Company applies deferred hedge accounting. However, the short-cut method is applied for forward exchange rate contracts that meet hedge accounting criteria.

2) Hedging instruments and risks hedged

The Company uses forward exchange rate contracts to hedge the risk of foreign exchange rate volatility for foreign currency-denominated transactions. The Company uses commodity futures to hedge the risk of future prices of commodities handled (non-ferrous metals).

3) Hedging policy

The Company’s policy is to limit derivative transactions to within the scope of real demand. The Company hedges in order to minimize risks from foreign exchange rate volatility and commodity market volatility in line with its internal guidelines (risk management policy).

4) Evaluation method for the effectiveness of hedges

Hedges are applied only after confirming beforehand that important criteria related to hedging instruments and risks hedged are generally met. The effectiveness of the hedge is confirmed afterward based on reports from the division that executes derivatives. However, the effectiveness of forward exchange rate contracts based on the short-cut method is not assessed.

(7) Amortization of goodwill

Goodwill is amortized over 5 years or 10 years by the straight-line method.

(8) Scope of cash and cash equivalents on the consolidated statement of cash flows

Cash and cash equivalents consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and present insignificant risk of change in value.

(9) Other significant accounting policies in the preparation of the consolidated financial statements

Accounting for consumption taxes

All amounts stated are exclusive of consumption taxes.

Segment and Other Information

[Segment information]

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

ALCONIX has individual business divisions at its headquarters that oversee specific products and merchandise categories. As part of their activities, each division conducts business in line with the comprehensive strategies they have devised for products and merchandise in both domestic and overseas markets.

The four reportable segments that ALCONIX uses are based on the products and merchandise traded by these business divisions. They include: light metals and copper products, electronic and advanced materials, non-ferrous materials, and construction and industrial materials.

The light metals and copper products segment trades aluminum products (rolling products, extruded materials, forged and cast products, and other fabricated products and parts), aluminum plate materials, and copper products (sheets, strips, rods, and other fabricated products and parts). The electronic and advanced materials segment trades in compound materials for semiconductors, electronic materials, titanium products, nickel products, minor metals, and plating materials and chemicals used in plating processes. The non-ferrous materials segment trades secondary aluminum alloy ingots, non-ferrous metal scrap, metal silicon, zinc alloy ingots, and magnesium ingots. The construction and industrial materials segment trades piping equipment and materials, copper alloy materials, aluminum die cast products, and cast metals. It also oversees renovation of commercial and residential buildings.

Following the changes in the composition of segments, 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 in the current fiscal year.

Segment information for the previous fiscal year has been retrospectively revised based on the revised composition of reportable segments.

2. Calculation methods for net sales, profits/losses, assets, and other items for each reportable segment

The accounting methods for reportable segments are the same as those listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are generally ordinary income figures.

Inter-segment sales and transfers are based on market prices.

Application of the accounting standard for retirement benefits

As described in the section "Changes in Accounting Policies," the Company has applied the "Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012)" and the "Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015)" from the current fiscal year.

There is no impact on segment profits for the current fiscal year in association with this change because the Company and its consolidated subsidiaries apply simplified method.

3. Information related to net sales, profit/losses, assets, and other items for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014) (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	71,114	69,078	30,441	13,113	183,749
Inter-segment sales and transfers	850	1,882	458	281	3,473
Total	71,965	70,961	30,900	13,395	187,222
Segment profit	1,651	1,693	57	191	3,594
Segment assets	40,640	34,766	6,814	4,057	86,278
Other items					
Depreciation	556	450	35	6	1,049
Amortization of goodwill	2	286	-	-	288
Interest income	21	65	0	0	87
Interest expenses	170	134	38	19	363
Equity in earnings (losses) of affiliates	145	-	-	(9)	136
Investment in equity-method affiliates	2,231	-	-	-	2,231
Increase in property, plant and equipment and intangible assets	901	102	149	3	1,156

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015) (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	75,831	75,276	36,400	14,035	201,543
Inter-segment sales and transfers	856	2,474	220	284	3,836
Total	76,687	77,750	36,621	14,320	205,380
Segment profit	3,003	1,734	268	207	5,213
Segment assets	39,416	36,744	10,293	4,144	90,599
Other items					
Depreciation	587	469	26	2	1,086
Amortization of goodwill	-	305	0	-	305
Interest income	14	52	1	0	69
Interest expenses	171	119	28	14	334
Equity in earnings (losses) of affiliates	973	-	-	-	973
Investment in equity-method affiliates	3,919	-	-	-	3,919
Increase in property, plant and equipment and intangible assets	684	168	83	0	936

4. Reconciliation of reported consolidated financial statements with total profit (or loss) for reportable segments

(Millions of yen)

Net sales	FY3/14	FY3/15
Total for reportable segments	187,222	205,380
Eliminations for inter-segment transactions	(3,473)	(3,836)
Net sales on the consolidated financial statements	183,749	201,543

(Millions of yen)

Profit	FY3/14	FY3/15
Total for reportable segments	3,594	5,213
Eliminations for inter-segment transactions	5	(7)
Ordinary income on the consolidated financial statements	3,600	5,205

(Millions of yen)

Assets	FY3/14	FY3/15
Total for reportable segments	86,278	90,599
Corporate assets (Note)	236	198
Eliminations for inter-segment transactions	(850)	(949)
Total assets on the consolidated financial statements	85,664	89,848

Note: Corporate assets are deferred tax assets at the Company.

[Related information]

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales (Millions of yen)

Japan	Asia	China	North America	Europe	Other regions	Total
112,035	26,873	19,331	18,488	5,656	1,364	183,749

Notes: 1. Classification of net sales is based on the location of the client and categorized by country or region.
2. Asia does not include China.

(2) Property, plant and equipment (Millions of yen)

Japan	Asia	USA	Europe	Total
5,396	318	649	0	6,365

3. Information by major client

This information is omitted because no specific external client accounts for more than 10% of consolidated net sales on the consolidated statement of income.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Information by product or service

This information is omitted because the same information is presented in segment information.

2. Information by region

(1) Net sales (Millions of yen)

Japan	Asia	China	North America	Europe	Other regions	Total
119,316	28,367	24,614	17,914	8,896	2,435	201,543

Notes: 1. Classification of net sales is based on the location of the client and categorized by country or region.
2. Asia does not include China.

(2) Property, plant and equipment (Millions of yen)

Japan	Asia	USA	Europe	Total
5,385	368	778	0	6,533

3. Information by major client

This information is omitted because no specific external client accounts for more than 10% of consolidated net sales on the consolidated statement of income.

[Information related to impairment of non-current assets for each reportable segment]

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)
Detailed explanations are omitted due to immateriality of the amount.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Detailed explanations are omitted due to immateriality of the amount.

[Information related to goodwill amortization and the unamortized balance for each reportable segment]

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014) (Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Light metals and copper products	Electronic and advanced materials	Non-ferrous materials	Construction and industrial materials	Subtotal		
Balance at end of period	-	2,736	-	-	2,736	-	2,736

Note: Goodwill amortization is omitted because the same information is presented in segment information.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015) (Millions of yen)

	Reportable segment					Elimination or corporate	Total
	Light metals and copper products	Electronic and advanced materials	Non-ferrous materials	Construction and industrial materials	Subtotal		
Balance at end of period	-	2,782	1	-	2,784	-	2,784

Note: Goodwill amortization is omitted because the same information is presented in segment information.

[Information related to gain on bargain purchase for each reportable segment]

FY3/14 (Apr. 1, 2013－Mar. 31, 2014)

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 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 FY3/14.

FY3/15 (Apr. 1, 2014－Mar. 31, 2015)

In the “Non-ferrous materials” segment, ALUMINUM & COPPER RECYCLING CENTER CORPORATION acquired the operations of Daiko Shokai. Accordingly, gain on bargain purchase of 7 million yen was recorded in FY3/15.

Per Share Information

(Yen)

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)		FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	
Net assets per share	1,638.21	Net assets per share	2,053.83
Net income per share	247.38	Net income per share	274.76
Diluted net income per share	246.50	Diluted net income per share	273.45

Notes: 1. The Company conducted a 2-for-1 stock split on August 1, 2014. The net assets per share, net income per share and diluted net income per share are calculated as if this stock split had taken place at the beginning of FY3/14.

2. The following is a reconciliation of net income per share and diluted net income per share.

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net income per share		
Net income	3,144	3,505
Amounts not available to common stock shareholders	-	-
Net income available to common stock	3,144	3,505
Average number of shares outstanding during the period (Thousand shares)	12,712	12,758
Diluted net income per share		
Adjusted net income	3	1
(of which, adjusted net income related to the potential stock of consolidated subsidiaries)	(3)	(1)
Increase in the number of shares of common stock (Thousand shares)	32	56
(of which, stock acquisition rights)	(32)	(56)
Summary of potential stock not included in the calculation of “Diluted net income per share” since there was no dilutive effect	Stock acquisition rights No.4 (Number of stock acquisition rights: 216), Stock acquisition rights No.5 (Number of stock acquisition rights: 624), Stock acquisition rights No.6 (Number of stock acquisition rights: 772)	Stock acquisition rights No.5 (Number of stock acquisition rights: 588)

Subsequent Events

Not applicable.

Omission of Disclosure

Disclosure of the notes on consolidated financial statements, leases, financial instruments, marketable securities, derivatives, retirement benefits, stock options, deferred tax accounting, business combinations, asset retirement obligations, rental and other properties, and related party transactions was omitted in this report due to the minor necessity of disclosure.

6. Non-consolidated Financial Statements

(1) Balance Sheet

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Assets		
Current assets		
Cash and deposits	2,818	2,545
Notes receivable-trade	1,862	1,818
Accounts receivable-trade	23,390	18,448
Merchandise and finished goods	6,884	9,825
Advance payments-trade	56	54
Prepaid expenses	81	110
Deferred tax assets	221	198
Short-term loans receivable	429	487
Accounts receivable-other	456	174
Consumption taxes receivable	338	675
Other	185	288
Allowance for doubtful accounts	(417)	(123)
Total current assets	36,307	34,504
Non-current assets		
Property, plant and equipment		
Buildings	17	14
Vehicles	0	2
Tools, furniture and fixtures	28	18
Total property, plant and equipment	45	35
Intangible assets		
Goodwill	0	-
Software	21	15
Telephone subscription right	5	5
Total intangible assets	27	21
Investments and other assets		
Investment securities	3,258	2,347
Shares of subsidiaries and associates	9,717	10,184
Investments in capital of subsidiaries and associates	173	173
Long-term prepaid expenses	1	1
Deferred tax assets	34	-
Insurance funds	8	11
Long-term guarantee deposits	119	111
Other	19	19
Total investments and other assets	13,333	12,849
Total non-current assets	13,406	12,906
Total assets	49,714	47,411

(Millions of yen)

	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Liabilities		
Current liabilities		
Notes payable-trade	5,262	7,633
Accounts payable-trade	16,618	12,907
Short-term loans payable	4,974	5,328
Current portion of long-term loans payable	2,236	2,006
Current portion of bonds	400	400
Accounts payable-other	350	384
Accrued expenses	78	94
Income taxes payable	180	259
Advances received	29	124
Deposits received	581	370
Provision for bonuses	183	234
Other	292	234
Total current liabilities	31,187	29,978
Non-current liabilities		
Bonds payable	800	400
Long-term loans payable	8,623	6,616
Long-term accounts payable-other	61	68
Provision for retirement benefits	193	190
Provision for directors' retirement benefits	134	153
Deferred tax liabilities	-	105
Total non-current liabilities	9,812	7,534
Total liabilities	41,000	37,513
Net assets		
Shareholders' equity		
Capital stock	2,835	2,873
Capital surplus		
Legal capital surplus	1,877	1,915
Total capital surpluses	1,877	1,915
Retained earnings		
Legal retained earnings	10	10
Other retained earnings		
General reserve	400	400
Retained earnings brought forward	3,246	3,880
Total retained earnings	3,657	4,291
Treasury shares	(0)	(0)
Total shareholders' equity	8,369	9,079
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	274	652
Deferred gains or losses on hedges	31	130
Total valuation and translation adjustments	305	782
Subscription rights to shares	38	36
Total net assets	8,713	9,898
Total liabilities and net assets	49,714	47,411

(2) Statement of Income

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net sales	113,296	122,724
Cost of sales	109,424	119,028
Gross profit	3,872	3,695
Selling, general and administrative expenses	2,768	2,292
Operating income	1,103	1,403
Non-operating income		
Interest income	31	15
Purchase discounts	15	12
Interest on securities	11	1
Dividend income	448	657
Fiduciary obligation fee	95	118
Other	28	26
Total non-operating income	630	831
Non-operating expenses		
Interest expenses	219	185
Sales discounts	4	4
Interest on bonds	8	5
Foreign exchange losses	177	336
Loss on sales of notes receivable-trade	31	31
Provision of allowance for doubtful accounts	5	53
Other	54	55
Total non-operating expenses	501	673
Ordinary income	1,232	1,561
Extraordinary income		
Gain on liquidation of investment securities	110	1
Other	4	2
Total extraordinary income	114	3
Extraordinary losses		
Loss on valuation of investment securities	57	17
Loss on valuation of shares of subsidiaries and associates	-	24
Loss on liquidation of investment securities	82	5
Loss on liquidation of subsidiaries and associates	40	-
Other	0	0
Total extraordinary losses	181	47
Income before income taxes	1,165	1,517
Income taxes-current	345	445
Income taxes-deferred	(29)	(15)
Total income taxes	316	430
Net income	849	1,086

(3) Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Retained earnings			Total retained earnings	Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings				
					General reserve	Retained earnings brought forward			
Balance at beginning of current period	2,832	1,874	1,874	10	400	2,778	3,189	(0)	7,895
Changes of items during period									
Issuance of new shares	2	2	2						5
Dividends of surplus						(381)	(381)		(381)
Net income						849	849		849
Purchase of treasury shares								(0)	(0)
Net changes of items other than shareholders' equity									
Total changes of items during period	2	2	2	-	-	467	467	(0)	473
Balance at end of current period	2,835	1,877	1,877	10	400	3,246	3,657	(0)	8,369

(Millions of yen)

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	79	(23)	55	42	7,994
Changes of items during period					
Issuance of new shares					5
Dividends of surplus					(381)
Net income					849
Purchase of treasury shares					(0)
Net changes of items other than shareholders' equity	194	54	249	(4)	245
Total changes of items during period	194	54	249	(4)	719
Balance at end of current period	274	31	305	38	8,713

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of current period	2,835	1,877	1,877	10	400	3,246	3,657	(0)	8,369
Changes of items during period									
Issuance of new shares	38	38	38						76
Dividends of surplus						(452)	(452)		(452)
Net income						1,086	1,086		1,086
Purchase of treasury shares								(0)	(0)
Net changes of items other than shareholders' equity									
Total changes of items during period	38	38	38	-	-	633	633	(0)	710
Balance at end of current period	2,873	1,915	1,915	10	400	3,880	4,291	(0)	9,079

(Millions of yen)

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	274	31	305	38	8,713
Changes of items during period					
Issuance of new shares					76
Dividends of surplus					(452)
Net income					1,086
Purchase of treasury shares					(0)
Net changes of items other than shareholders' equity	377	99	476	(2)	474
Total changes of items during period	377	99	476	(2)	1,184
Balance at end of current period	652	130	782	36	9,898

7. Others

(1) Changes in Directors

1) Changes in representative

Not applicable.

2) Changes in other directors

Not applicable.

(2) Others

Not applicable.

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.