November 6, 2015

Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2016 (Six Months Ended September 30, 2015)

[Japanese GAAP]

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Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes

Note: The original disclosure in Japanese was released on November 6, 2015 at 12:30 (GMT +9).

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

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2015 (April 1, 2015 – September 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2015	101,185	4.3	2,190	(8.9)	2,314	(25.5)	1,719	(24.9)
Six months ended Sep. 30, 2014	97,000	9.1	2,404	28.1	3,108	72.8	2,290	27.2

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2015: 1,502 (down 21.8%)
Six months ended Sep. 30, 2014: 1,921 (down 51.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2015	133.92	133.53
Six months ended Sep. 30, 2014	179.96	179.16

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2015	86,987	28,220	31.7
As of Mar. 31, 2015	89,848	26,951	29.3

Reference: Shareholders' equity (million yen) As of Sep. 30, 2015: 27,576 As of Mar. 31, 2015: 26,315

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	18.00	-	22.00	40.00
Fiscal year ending Mar. 31, 2016	-	22.00			
Fiscal year ending Mar. 31, 2016 (forecast)			-	22.00	44.00

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

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
Full year	206,000	2.2	3,900	(14.9)	4,100	(21.2)	4,800	36.9	372.83

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

*** 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: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting-based estimates: None
4) Restatements: None

Note: Please refer to “2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements” on page 6 of the attachments for further information.

(4) Number of outstanding shares (common stock)

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

As of Sep. 30, 2015:	12,874,800 shares	As of Mar. 31, 2015:	12,813,200 shares

2) Number of treasury shares at the end of period

As of Sep. 30, 2015:	413 shares	As of Mar. 31, 2015:	413 shares

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2015:	12,842,103 shares	Six months ended Sep. 30, 2014:	12,727,912 shares

* Information regarding the implementation of quarterly review procedures

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

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

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company’s management at the time the materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements” on page 5 of the attachments for assumptions for forecasts and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half of the current fiscal year, the strong recovery of the U.S. economy continued as household spending offset weakness in industrial output caused by the dollar's strength and slowing growth in emerging countries. In Europe, the economy is recovering slowly but the economic growth rate in China is declining mainly because surplus capacity is impacting the manufacturing sector.

In Japan, the negative effects of the April 2014 consumption tax hike are ending and capital expenditures are rebounding as corporate earnings improve. However, the pace of the economic recovery is slow due to lackluster manufacturing output and exports.

In the non-ferrous metals industry, where the ALCONIX Group operates, growth in demand for these metals is weakening because of slowing economic growth in emerging countries. Demand is still strong in a few categories, notably for metals associated with smartphones and tablets as the performance of these products continues to advance.

Manufacturing and sales were higher for titanium products for export, materials for parts used in smartphones and tablets, copper tubes and copper scrap, and at manufacturing and sales subsidiaries in Japan. Sales of minor metals and rare earths were lower than one year earlier due to continued falling prices of these materials mainly caused by weak demand in China.

Earnings benefited from growth in gross profit owing to the higher sales, but an increase in selling, general and administrative expenses caused operating income to decline. In addition, earnings in the previous fiscal year included gain on bargain purchase recorded in association with the April 2014 conversion of K' MAC Co., Ltd. to an equity-method affiliate. Due to this one-time gain in the previous fiscal year, ordinary income and profit attributable to owners of parent were lower than one year earlier.

For the first half of the current fiscal year, ALCONIX reported consolidated net sales of 101,185 million yen (up 4.3% year on year), operating income of 2,190 million yen (down 8.9%), ordinary income of 2,314 million yen (down 25.5%) and profit attributable to owners of parent of 1,719 million yen (down 24.9%).

Results by business segment were as follows, with sales in each segment including inter-segment sales.

- Light metals and copper products

Although slower economic growth in China negatively affected demand in this segment, demand was generally solid for light metals and copper products used in building air conditioning systems, automobiles, motorcycles and aircraft. But shipments of the materials used for residential air conditioners, housing construction, and semiconductor applications have peaked. OHBA SEIKEN CO., LTD, which performs grinding processes, continued to perform well. Furthermore, despite lower prices of copper and aluminum, ALCONIX SANSHIN CORPORATION, HAYASHI METAL CORP. and other sales subsidiaries in Japan had strong performances. Segment earnings were down because non-operating income in the previous fiscal year included gain on bargain purchase of 628 million yen, which is included in the share of profit of entities accounted for using equity method, resulting from an April 2014 investment at below book value.

As a result, the segment recorded sales of 40,622 million yen (up 9.4% year on year) and segment profit of 1,384 million yen (down 27.7%).

- Electronic and advanced materials

Demand for materials used in smartphones and tablets was firm. Major reasons are the increasing number of parts used in these products as communication capabilities become more advanced and introductions of new models. Exports of titanium and nickel products to Europe and China increased in part because of a recovery in demand and favorable foreign exchange rates. Sales of environment-related materials slowed somewhat due in part to a one-time inventory reduction. Sales of solar cell materials are decreasing, too. Sales of minor metals and rare earths were

down from one year earlier because of falling prices of these metals mainly caused by weak demand in China.
As a result, the segment recorded sales of 37,560 million yen (down 2.5% year on year) and segment profit of 839 million yen (down 14.1%).

- Non-ferrous materials

In Japan, automobile production continued to decrease and steel production was sluggish as well during the fiscal year's first half. The result was a downturn in transaction volumes for recycled aluminum ingots, zinc alloys, deoxidizer materials used in steel mills and metal silicon for aluminum. But segment sales were higher because of growth in sales of copper scrap for copper refining. However, earnings fell sharply because of a copper and aluminum scrap valuation loss recorded in the first half caused by the rapid drop in prices of copper and aluminum.

As a result, the segment recorded sales of 19,107 million yen (up 15.6 % year on year) and segment profit of 24 million yen (down 82.1%).

- Construction and industrial materials

Housing starts in Japan have been sluggish following delays in construction schedules due to a shortage of construction workers and the higher cost of materials due to the weaker yen. In the current fiscal year, housing starts finally started posting year-on-year growth and there are signs of a slow rebound in private-sector capital expenditures. Although positive signs are emerging, demand in Japan for materials used to make pipes was still weak. Furthermore, the rising cost of imported materials caused by the continuing depreciation of the yen has brought down the volume of imported bulk tanks and forge/foundry materials. However, exports of materials for pipes and overseas transactions are strong because of the weak yen.

As a result, the segment recorded sales of 6,803 million yen (down 2.6% year on year) and segment profit of 68 million yen (down 30.1%).

(2) Explanation of Financial Position

1) Financial position

a. Current assets

At the end of the second quarter of the current fiscal year, current assets totaled 65,615 million yen, a decrease of 3,587 million yen from the end of the previous fiscal year. The main factors were a 472 million yen decrease in notes and accounts receivable-trade, a 2,019 million yen decrease in inventories, and a 423 million yen decrease in cash and deposits.

b. Non-current assets

Non-current assets totaled 21,372 million yen, an increase of 726 million yen. The main factors were a 937 million yen increase in property, plant and equipment due to the consolidation of TOKAI YOGYO CO., LTD. and capital expenditures at existing consolidated subsidiaries, a 236 million yen decrease in intangible assets due to amortization of goodwill, and a 25 million yen increase in investments and other assets.

c. Current liabilities

Current liabilities totaled 48,458 million yen, a decrease of 2,992 million yen. The main factors were a 718 million yen decrease in notes and accounts payable-trade, a 1,477 million yen decrease in short-term loans payable, a 274 million yen decrease in current portion of long-term loans payable, and a 374 million yen decrease in income taxes payable.

d. Non-current liabilities

Non-current liabilities totaled 10,308 million yen, a decrease of 1,138 million yen. The main factor was a 1,053 million yen decrease in long-term loans payable following a transfer to current liabilities.

e. Net assets

Net assets totaled 28,220 million yen, an increase of 1,269 million yen. The main factors were 36 million yen increases in capital stock and capital surplus due to the exercise of subscription rights to shares, a 1,437 million yen increase in retained earnings, and a 250 million yen decrease in accumulated other comprehensive income.

2) Results of operations

a. Net sales

Main sources of sales growth were materials for parts used in smartphones and tablets, copper scrap for copper refining, copper tubes, exports of titanium and nickel products for industrial plants and shipbuilding, and a higher transaction volume at manufacturing subsidiaries. Sales were negatively affected by lower transaction volumes of recycled aluminum ingots, metal silicon, aluminum scrap, copper alloy strips and semiconductor materials. Transactions of minor metals and rare earths decreased from one year earlier due to the impact of slumping markets and the drop in unit prices.

As a result, net sales increased 4.3% year on year to 101,185 million yen in the first half of the current fiscal year.

b. Gross profit

Gross profit increased 5.3% to 6,127 million yen due to higher sales at manufacturing subsidiaries in Japan and overseas.

c. Selling, general and administrative expenses

Selling, general and administrative expenses increased 15.4% to 3,936 million yen in conjunction with the expansion of business at consolidated subsidiaries in Japan and overseas, an increase in depreciation due to capital expenditures, and a decrease in reversal of the allowance for doubtful accounts.

d. Operating income

Based on the above results, operating income decreased 8.9% to 2,190 million yen.

e. Non-operating income, non-operating expenses

Net non-operating income (non-operating income – non-operating expenses) was 123 million yen compared with 703 million yen one year earlier, which reported a gain on bargain purchase that was included in share of profit of entities accounted for using equity method. The net non-operating income was mainly due to an increase in dividend income and the shift from a foreign exchange loss to a gain.

f. Ordinary income

Based on the above results, ordinary income fell 25.5% to 2,314 million yen.

g. Extraordinary income, extraordinary loss

ALCONIX booked a subsidy income at a subsidiary in Japan and other extraordinary income of 11 million yen. There was an extraordinary loss of 34 million yen including loss on liquidation of subsidiaries and affiliates associated with the liquidation of an overseas affiliate.

h. Profit attributable to owners of parent

ALCONIX recorded income before income taxes and minority interests of 2,291 million yen. From this amount, 198 million yen was adjusted for refund of income taxes for prior periods as well as 737 million yen and 32 million yen was deducted respectively for income taxes and profit attributable to non-controlling interests of five consolidated subsidiaries. As a result, profit attributable to owners of parent decreased 24.9% to 1,719 million yen.

3) Cash flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year decreased 496 million yen from the end of the previous fiscal year to 12,018 million yen (compared with 12,985 million yen in the same period of the previous fiscal year).

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

a. Cash flows from operating activities

Net cash provided by operating activities was 4,259 million yen (compared with 1,086 million yen used in the same period of the previous fiscal year). Main positive factors include income before income taxes and minority interests of 2,291 million yen, a 707 million yen decrease in notes and accounts receivable-trade, a 2,150 million yen decrease in inventories, and depreciation including goodwill of 760 million yen. Meanwhile, major negative factors include a 774 million yen decrease in notes and accounts payable-trade, income taxes paid of 1,229 million yen, and share of profit of entities accounted for using equity method of 168 million yen.

b. Cash flows from investing activities

Net cash used in investing activities was 1,421 million yen (compared with 554 million yen provided in the same period of the previous fiscal year). Main negative factors include payments of 695 million yen for the purchase of property, plant and equipment associated with capital expenditures, payments of 537 million yen for acquiring control of TOKAI YOGYO CO., LTD., and the payments of 250 million yen for loans to the company before the control acquisition.

c. Cash flows from financing activities

Net cash used in financing activities was 3,518 million yen (compared with 848 million yen provided in the same period of the previous fiscal year). Main positive factors include proceeds of 66 million yen from issuance of new shares due to the exercise of subscription rights to shares. Meanwhile, major negative factors include repayments of short-term loans payable of 1,548 million yen, net decrease in long-term loans payable of 1,333 million yen, redemption of bonds of 300 million yen, and cash dividends paid to owners of parent of 281 million yen.

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

Regarding the consolidated forecast for the fiscal year ending March 31, 2016, ALCONIX has revised the net sales, operating income, ordinary income, and net income forecasts announced on May 15, 2015 based on the results of operations in the first half of the current fiscal year. For more details, please refer to the press release “Notice of Forecast Revision (Japanese version)” that was announced today (November 6, 2015). (English translation of this release to be announced shortly.)

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 in and displayed with income taxes.

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

Changes in Accounting Policies

Application of the Accounting Standard for Business Combinations, etc.

The Company has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) from the first quarter of the current fiscal year. Under these accounting standards, the Company has revised the method to record gains or losses arising from a change in the Company’s equity in subsidiaries in cases where control is retained to that recognizing such gains or losses as capital surplus and the acquisition costs in connection with business combinations as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the quarterly consolidated financial statements that includes the acquisition date. In addition, the presentation of net income and other items has been revised and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first half of the previous fiscal year and the previous fiscal year have been revised.

In the quarterly consolidated statement of cash flows for the first half of the current fiscal year, cash flows associated with purchase or sales of shares of subsidiary not resulting in changes in the scope of consolidation are included in cash flows from financing activities. On the other hand, cash flows associated with acquisition costs arising from changes in scope of consolidation or expenses for sales or acquisition of shares of subsidiaries that does not result in changes in scope of consolidation are included in cash flows from operating activities.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The effect of this matter on the profit and loss is insignificant.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY3/15 (As of Mar. 31, 2015)	Second quarter of FY3/16 (As of Sep. 30, 2015)
Assets		
Current assets		
Cash and deposits	12,689	12,265
Notes and accounts receivable-trade	34,108	33,635
Merchandise and finished goods	17,838	15,929
Work in process	1,506	1,502
Raw materials and supplies	519	413
Other	2,744	2,044
Allowance for doubtful accounts	(204)	(176)
Total current assets	69,202	65,615
Non-current assets		
Property, plant and equipment	6,533	7,471
Intangible assets		
Goodwill	2,784	2,651
Other	3,995	3,891
Total intangible assets	6,779	6,543
Investments and other assets	7,332	7,358
Total non-current assets	20,645	21,372
Total assets	89,848	86,987
Liabilities		
Current liabilities		
Notes and accounts payable-trade	26,323	25,605
Short-term loans payable	17,884	16,407
Current portion of long-term loans payable	3,204	2,929
Current portion of bonds	600	500
Income taxes payable	1,050	675
Provision for bonuses	532	558
Other	1,856	1,782
Total current liabilities	51,450	48,458
Non-current liabilities		
Bonds payable	600	400
Long-term loans payable	7,842	6,788
Provision for directors' retirement benefits	234	353
Net defined benefit liability	322	381
Long-term accounts payable-other	68	56
Other	2,379	2,328
Total non-current liabilities	11,446	10,308
Total liabilities	62,897	58,766

(Millions of yen)

	FY3/15 (As of Mar. 31, 2015)	Second quarter of FY3/16 (As of Sep. 30, 2015)
Net assets		
Shareholders' equity		
Capital stock	2,873	2,910
Capital surplus	1,915	1,952
Retained earnings	16,005	17,443
Treasury shares	(0)	(0)
Total shareholders' equity	20,794	22,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	740	377
Deferred gains or losses on hedges	129	(32)
Foreign currency translation adjustment	4,651	4,926
Total accumulated other comprehensive income	5,521	5,271
Subscription rights to shares	36	29
Non-controlling interests	599	614
Total net assets	26,951	28,220
Total liabilities and net assets	89,848	86,987

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

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

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Net sales	97,000	101,185
Cost of sales	91,183	95,058
Gross profit	5,816	6,127
Selling, general and administrative expenses	3,412	3,936
Operating income	2,404	2,190
Non-operating income		
Interest income	38	38
Purchase discounts	7	6
Dividend income	40	47
Foreign exchange gains	-	10
Share of profit of entities accounted for using equity method	846	168
Rent income of real estate	40	37
Other	116	81
Total non-operating income	1,089	390
Non-operating expenses		
Interest expenses	160	183
Sales discounts	6	6
Foreign exchange losses	165	-
Loss on sales of notes receivable-trade	20	17
Rent cost of real estate	5	5
Other	27	54
Total non-operating expenses	386	267
Ordinary income	3,108	2,314
Extraordinary income		
Gain on sales of non-current assets	17	8
Gain on reversal of subscription rights to shares	2	-
Subsidy income	3	3
Total extraordinary income	22	11
Extraordinary losses		
Loss on valuation of investment securities	17	-
Loss on liquidation of subsidiaries and associates	-	34
Other	1	0
Total extraordinary losses	18	34
Income before income taxes and minority interests	3,112	2,291
Income taxes	788	737
Refund of income taxes for prior periods	-	(198)
Profit	2,323	1,752
Profit attributable to non-controlling interests	33	32
Profit attributable to owners of parent	2,290	1,719

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

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Profit	2,323	1,752
Other comprehensive income		
Valuation difference on available-for-sale securities	212	(356)
Deferred gains or losses on hedges	1	(163)
Foreign currency translation adjustment	(474)	211
Share of other comprehensive income of entities accounted for using equity method	(142)	58
Total other comprehensive income	(402)	(249)
Comprehensive income	1,921	1,502
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,886	1,469
Comprehensive income attributable to non-controlling interests	34	32

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	3,112	2,291
Depreciation	508	574
Amortization of goodwill	147	186
Increase (decrease) in allowance for doubtful accounts	(149)	(38)
Increase (decrease) in provision for bonuses	55	19
Increase (decrease) in net defined benefit liability	(6)	24
Increase (decrease) in provision for directors' retirement benefits	20	18
Interest and dividend income	(79)	(86)
Interest expenses	160	183
Loss (gain) on valuation of investment securities	17	-
Loss (gain) on liquidation of subsidiaries and affiliates	-	34
Share of (profit) loss of entities accounted for using equity method	(846)	(168)
Decrease (increase) in notes and accounts receivable-trade	660	707
Decrease (increase) in inventories	(3,631)	2,150
Increase (decrease) in notes and accounts payable-trade	(37)	(774)
Decrease (increase) in consumption taxes refund receivable	(310)	375
Increase (decrease) in income taxes payable-factor based tax	0	8
Decrease (increase) in advance payments	(51)	270
Decrease (increase) in accounts receivable-other	136	(27)
Increase (decrease) in accounts payable-other	(23)	(56)
Increase (decrease) in advances received	(8)	(177)
Other, net	130	(14)
Subtotal	(193)	5,502
Interest and dividend income received	184	133
Interest expenses paid	(159)	(188)
Income taxes paid	(918)	(1,229)
Income taxes refund	-	40
Net cash provided by (used in) operating activities	(1,086)	4,259
Cash flows from investing activities		
Payments into time deposits	(70)	(71)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(415)	(695)
Purchase of intangible assets	(6)	(66)
Purchase of investment securities	(38)	(2)
Proceeds from redemption of investment securities	900	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(537)
Payments of loans receivable	-	(2,250)
Collection of loans receivable	5	2,000
Purchase of insurance funds	(6)	(5)
Other, net	176	197
Net cash provided by (used in) investing activities	554	(1,421)

(Millions of yen)

	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,713	(1,548)
Proceeds from long-term loans payable	650	300
Repayments of long-term loans payable	(1,910)	(1,633)
Redemption of bonds	(300)	(300)
Proceeds from issuance of common shares	44	66
Cash dividends paid	(223)	(281)
Dividends paid to non-controlling interests	(15)	(17)
Repayments of finance lease obligations	(150)	(103)
Other, net	40	-
Net cash provided by (used in) financing activities	848	(3,518)
Effect of exchange rate change on cash and cash equivalents	(96)	183
Net increase (decrease) in cash and cash equivalents	220	(496)
Cash and cash equivalents at beginning of period	12,765	12,514
Cash and cash equivalents at end of period	12,985	12,018

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

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

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

(Millions of yen)

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

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

(Millions of yen)

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

II. First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)

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	40,125	35,593	18,933	6,532	101,185
Inter-segment sales and transfers	497	1,967	174	270	2,909
Total	40,622	37,560	19,107	6,803	104,095
Segment profit	1,384	839	24	68	2,316

2. Information related to assets for each reportable segment

In the second quarter of FY3/16, TOKAI YOGYO CO., LTD. was included in the scope of consolidation because all the shares of its stock were acquired by ALCONIX. Accordingly, the effect of this change was to increase segment assets in the "Construction and industrial materials" segment by 735 million yen at the end of the second quarter of FY3/16, compared with the end of FY3/15.

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	2,316
Eliminations for inter-segment transactions	(1)
Ordinary income on the quarterly consolidated statement of income	2,314

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

Significant change in goodwill

In the “Construction and industrial materials” segment, TOKAI YOGYO CO., LTD. was included in the scope of consolidation because all the shares of its stock were acquired by ALCONIX. As a result, goodwill of 13 million yen arose, and was written off when accrued due to immateriality of the amount.

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.