February 5, 2016

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2016 (Nine Months Ended December 31, 2015)

[Japanese GAAP]

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Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2015 (April 1, 2015 – December 31, 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	%
Nine months ended Dec. 31, 2015	153,614	1.3	3,107	(18.4)	3,348	(24.1)	4,506	39.9
Nine months ended Dec. 31, 2014	151,606	10.5	3,810	31.7	4,410	64.1	3,221	31.1

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2015: 4,166 (up 4.4%)
Nine months ended Dec. 31, 2014: 3,992 (down 13.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2015	350.62	349.86
Nine months ended Dec. 31, 2014	252.77	251.58

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2015	103,002	31,207	29.0
As of Mar. 31, 2015	89,848	26,951	29.3

Reference: Shareholders' equity (million yen) As of Dec. 31, 2015: 29,855 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	0.00	18.00	0.00	22.00	40.00
Fiscal year ending Mar. 31, 2016	0.00	22.00	0.00		
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: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): Yes

Newly added: 1 (HEIWA KINZOKU CO., LTD.) Excluded: -

Note: Please refer to "2. Matters Related to Summary Information (Notes), (1) Changes in Significant Subsidiaries during the Period" on page 5 of the attachments for further information.

(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 5 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 Dec. 31, 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 Dec. 31, 2015:	413 shares	As of Mar. 31, 2015:	413 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	12,852,903 shares	Nine months ended Dec. 31, 2014:	12,745,334 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 nine months of the current fiscal year, the U.S. economy continued to recover as strong consumer spending offset weakness in industrial output caused by the decline in crude oil prices and slowing growth in emerging countries. In Europe, the economy recovered slowly but the economic growth rate in China declined mainly because of surplus capacity problems and adjustments in real estate market conditions.

In Japan, the negative effects of the April 2014 consumption tax hike was ending and capital expenditures has rebounded as corporate earnings improved. However, the pace of the economic recovery was 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 weakened because of slowing economic growth in China. Demand was still strong in a few categories, notably for metals associated with smartphones and tablets as the performance of these products continues to advance.

Sales were higher for titanium products for export and materials for parts used in smartphones and tablets. HEIWA KINZOKU CO., LTD., which was consolidated in October 2015, also contributed to sales growth. Sales of minor metals and rare earths were lower than one year earlier as prices of these materials continued to fall mainly due to 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 conversion of K’ MAC Co., Ltd. to an equity-method affiliate. Due to this one-time gain in the previous fiscal year, ordinary income was lower than one year earlier. Profit attributable to owners of parent increased year on year since the Company posted a gain on bargain purchase of 1,975 million yen as an extraordinary income in association with the acquisition of stock of HEIWA KINZOKU CO., LTD. This company became a consolidated subsidiary in the third quarter of the current fiscal year.

For the first nine months, ALCONIX reported consolidated net sales of 153,614 million yen (up 1.3% year on year), operating income of 3,107 million yen (down 18.4%), ordinary income of 3,348 million yen (down 24.1%) and profit attributable to owners of parent of 4,506 million yen (up 39.9%).

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

- Light metals and copper products

Shipments of copper products and aluminums were relatively strong despite the weak volume in some market sectors, including the semiconductor and housing construction materials categories. There was firm demand for these materials in the automobile, air conditioning systems, beverage can, aircraft and other sectors. In addition, operating rates were high at manufacturing subsidiaries in Japan because of strong demand for manufacturing equipment used to make smartphone components and for aircraft products. Sales subsidiaries in Japan, including HEIWA KINZOKU CO., LTD., which became a consolidated subsidiary in the third quarter due to the acquisition of its stock, performed well despite weakness in non-ferrous metal prices. 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 in April 2014.

As a result, the segment recorded sales of 64,657 million yen (up 12.8% year on year) and segment profit of 2,043 million yen (down 24.3%).

- Electronic and advanced materials

Demand for materials used in passive components and other parts for smartphones and tablets remained firm despite slowing growth in the volume of products sold. Demand is supported by the need for more components in order to further improve communication capabilities. On the other hand, sales of environment-related materials were down

due to a protracted inventory reduction. Sales of solar cell materials are decreasing, too. Exports of titanium and nickel products to Europe and China increased in part because of favorable foreign exchange rates and a recovery in demand at power plant projects in China. Sales of minor metals and rare earths, particularly of those used in magnetic materials, 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 56,123 million yen (down 5.2% year on year) and segment profit of 1,154 million yen (down 10.1%).

- Non-ferrous materials

Plunging prices of crude oil and other natural resources caused mainly by sluggish demand in China are prompting many users of non-ferrous metals and other materials to reduce inventories. The result was a downturn in transaction volumes for recycled aluminum ingots, zinc alloys, deoxidizer materials used in steel mills, metal silicon used in chemical products and rolling magnesium ingots. In addition, earnings fell sharply because of a copper and aluminum scrap valuation loss recorded in the first nine months of the current fiscal year.

As a result, the segment recorded sales of 26,580 million yen (down 2.3% year on year) and segment profit of 43 million yen (down 84.8%).

- Construction and industrial materials

Demand in Japan’s construction market 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. Although there are signs of a slow rebound in private-sector capital expenditures, 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 die cast products significantly. However, exports of materials for pipes and overseas transactions are strong in part because of the weak yen. TOKAI YOGYO CO., LTD., which was acquired and consolidated in the first half of the fiscal year, also contributed to earnings.

As a result, the segment recorded sales of 9,774 million yen (down 9.9% year on year) and segment profit of 115 million yen (down 27.9%).

(2) Explanation of Financial Position

1) Financial position

a. Current assets

At the end of the third quarter of the current fiscal year, current assets totaled 78,134 million yen, an increase of 8,932 million yen from the end of the previous fiscal year. The main factors were a 7,221 million yen increase in notes and accounts receivable-trade due mainly to consolidation of HEIWA KINZOKU CO., LTD. and a 4,744 million yen increase in cash and deposits.

b. Non-current assets

Non-current assets totaled 24,867 million yen, an increase of 4,222 million yen. The main factors were a 1,183 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 511 million yen decrease in intangible assets due mainly to amortization of goodwill, and a 3,550 million yen increase in investments and other assets due mainly to consolidation of HEIWA KINZOKU CO., LTD.

c. Current liabilities

Current liabilities totaled 60,901 million yen, an increase of 9,450 million yen. The main factors were a 6,279 million yen increase in notes and accounts payable-trade due mainly to the consolidation of HEIWA KINZOKU CO., LTD., a 4,439 million yen increase in short-term loans payable, a 469 million yen decrease in current portion of

long-term loans payable, and a 768 million yen decrease in income taxes payable.

d. Non-current liabilities

Non-current liabilities totaled 10,893 million yen, a decrease of 552 million yen. The main factor was a 1,389 million yen decrease in long-term loans payable following a transfer to current liabilities and a 691 million yen increase in deferred tax liabilities.

e. Net assets

Net assets totaled 31,207 million yen, an increase of 4,256 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 3,941 million yen increase in retained earnings, and a 474 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. In addition, sales of can materials and copper products at HEIWA KINZOKU CO., LTD., which was acquired and consolidated in the third quarter, contributed to higher sales. On the other hand, 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 1.3% year on year to 153,614 million yen in the first nine months of the current fiscal year.

b. Gross profit

Gross profit increased 2.8% to 9,216 million yen due mainly to higher sales at manufacturing subsidiaries in Japan and overseas.

c. Selling, general and administrative expenses

Selling, general and administrative expenses increased 18.6% to 6,108 million yen in conjunction with the expansion of business at consolidated subsidiaries in Japan and overseas, including the consolidations of TOKAI YOGYO CO., LTD. and HEIWA KINZOKU CO., LTD. in the first nine months of the fiscal year, and a decrease in reversal of the allowance for doubtful accounts.

d. Operating income

Based on the above results, operating income decreased 18.4% to 3,107 million yen.

e. Non-operating income, non-operating expenses

Net non-operating income (non-operating income – non-operating expenses) was 240 million yen compared with 599 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 a decrease in foreign exchange loss.

f. Ordinary income

Based on the above results, ordinary income fell 24.1% to 3,348 million yen.

g. Extraordinary income, extraordinary loss

ALCONIX booked a gain on bargain purchase of 1,975 million yen in association with the acquisition of the share of HEIWA KINZOKU CO., LTD., which became a consolidated subsidiary in the third quarter, as an extraordinary income. On the other hand, there was an extraordinary loss of 40 million yen for a loss on liquidation of subsidiaries and associates as an overseas affiliate was liquidated.

h. Profit attributable to owners of parent

ALCONIX recorded income before income taxes and non-controlling interests of 5,297 million yen. From this amount, 198 million yen was adjusted for refund of income taxes for prior periods as well as 886 million yen and 102 million yen was deducted respectively for income taxes-current and profit attributable to non-controlling interests of six consolidated subsidiaries. As a result, profit attributable to owners of parent increased 39.9% to 4,506 million yen.

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

ALCONIX currently maintains the full-year consolidated earnings forecasts that we disclosed in the “Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2016 [Japanese GAAP]” and the “Revisions to Forecast for the Fiscal Year Ending March 31, 2016” on November 6, 2015.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

In the third quarter of the current fiscal year, HEIWA KINZOKU CO., LTD. was included in the consolidation due to the additional acquisition of its shares by ALCONIX.

(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 non-controlling interests during the fiscal year, and multiplying that rate by the quarterly income before income taxes and non-controlling 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 nine months of the previous fiscal year and the previous fiscal year have been revised.

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)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	12,689	17,434
Notes and accounts receivable-trade	34,108	41,329
Merchandise and finished goods	17,838	15,316
Work in process	1,506	1,388
Raw materials and supplies	519	326
Other	2,744	2,567
Allowance for doubtful accounts	(204)	(227)
Total current assets	69,202	78,134
Non-current assets		
Property, plant and equipment	6,533	7,716
Intangible assets		
Goodwill	2,784	2,510
Other	3,995	3,757
Total intangible assets	6,779	6,268
Investments and other assets	7,332	10,882
Total non-current assets	20,645	24,867
Total assets	89,848	103,002
Liabilities		
Current liabilities		
Notes and accounts payable-trade	26,323	32,602
Short-term loans payable	17,884	22,324
Current portion of long-term loans payable	3,204	2,734
Current portion of bonds	600	500
Income taxes payable	1,050	281
Provision for bonuses	532	342
Other	1,856	2,116
Total current liabilities	51,450	60,901
Non-current liabilities		
Bonds payable	600	400
Long-term loans payable	7,842	6,452
Provision for directors' retirement benefits	234	366
Net defined benefit liability	322	467
Long-term accounts payable-other	68	51
Other	2,379	3,156
Total non-current liabilities	11,446	10,893
Total liabilities	62,897	71,795

(Millions of yen)

	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Net assets		
Shareholders' equity		
Capital stock	2,873	2,910
Capital surplus	1,915	1,952
Retained earnings	16,005	19,947
Treasury shares	(0)	(0)
Total shareholders' equity	20,794	24,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	740	621
Deferred gains or losses on hedges	129	(27)
Foreign currency translation adjustment	4,651	4,452
Total accumulated other comprehensive income	5,521	5,046
Subscription rights to shares	36	29
Non-controlling interests	599	1,322
Total net assets	26,951	31,207
Total liabilities and net assets	89,848	103,002

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

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

(Millions of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Net sales	151,606	153,614
Cost of sales	142,642	144,397
Gross profit	8,963	9,216
Selling, general and administrative expenses	5,152	6,108
Operating income	3,810	3,107
Non-operating income		
Interest income	52	51
Purchase discounts	10	9
Dividend income	67	212
Rent income of real estate	58	57
Share of profit of entities accounted for using equity method	928	249
Other	211	94
Total non-operating income	1,329	674
Non-operating expenses		
Interest expenses	246	277
Sales discounts	9	10
Foreign exchange losses	390	30
Loss on sales of notes receivable-trade	29	25
Rent cost of real estate	8	9
Other	44	80
Total non-operating expenses	729	433
Ordinary income	4,410	3,348
Extraordinary income		
Gain on sales of non-current assets	17	11
Gain on sales of investment securities	4	-
Gain on bargain purchase	-	1,975
Subsidy income	3	3
Other	2	-
Total extraordinary income	27	1,990
Extraordinary losses		
Loss on valuation of investment securities	17	-
Loss on liquidation of subsidiaries and associates	-	34
Loss on step acquisitions	-	4
Other	1	1
Total extraordinary losses	18	40
Income before income taxes and non-controlling interests	4,419	5,297
Income taxes	1,145	886
Refund of income taxes for prior periods	-	(198)
Profit	3,273	4,609
Profit attributable to non-controlling interests	52	102
Profit attributable to owners of parent	3,221	4,506

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

(Millions of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Profit	3,273	4,609
Other comprehensive income		
Valuation difference on available-for-sale securities	251	(75)
Deferred gains or losses on hedges	40	(157)
Foreign currency translation adjustment	347	(150)
Share of other comprehensive income of entities accounted for using equity method	79	(58)
Total other comprehensive income	718	(442)
Comprehensive income	3,992	4,166
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,931	4,031
Comprehensive income attributable to non-controlling interests	61	135

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

I. First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)

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

(Millions of yen)

	Reportable segment				Total
	Light metals and copper products	Electronic and advanced materials	Non-ferrous materials	Construction and industrial materials	
Net sales					
External sales	56,677	57,258	27,030	10,639	151,606
Inter-segment sales and transfers	634	1,936	169	206	2,947
Total	57,312	59,195	27,199	10,846	154,553
Segment profit	2,699	1,284	283	159	4,426

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

(Millions of yen)

Profit	Amount
Total for reportable segments	4,426
Eliminations for inter-segment transactions	(15)
Ordinary income on the quarterly consolidated statement of income	4,410

II. First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 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	63,908	53,895	26,344	9,466	153,614
Inter-segment sales and transfers	748	2,228	235	307	3,520
Total	64,657	56,123	26,580	9,774	157,135
Segment profit	2,043	1,154	43	115	3,356

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 672 million yen at the end of the third quarter of FY3/16, compared with the end of FY3/15.

In the third quarter of FY3/16, HEIWA KINZOKU CO., LTD. was included in the scope of consolidation because 77.35% of the shares of its stock were additionally acquired by ALCONIX. Accordingly, the effect of this change was to increase segment assets in the "Light metals and copper products" segment by 15,234 million yen at the end of the third 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	3,356
Eliminations for inter-segment transactions	(7)
Ordinary income on the quarterly consolidated statement of income	3,348

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

Significant gain on bargain purchase

In the “Light metals and copper products” segment, HEIWA KINZOKU CO., LTD. was included in the scope of consolidation because 77.35 % of the shares of its stock were additionally acquired by ALCONIX. Accordingly, gain on bargain purchase of 1,975 million yen was recorded in the first nine months of FY3/16.

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.