



May 15, 2024

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

Company name: ALCONIX CORPORATION Listing: Tokyo Stock Exchange  
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Scheduled date of Annual General Meeting of Shareholders: June 19, 2024  
 Scheduled date of filing of Annual Securities Report: June 20, 2024  
 Scheduled commencement date of payment of dividends: June 20, 2024  
 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, 2024 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, 2024 (April 1, 2023 – March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	174,901	(1.9)	5,463	(34.9)	5,447	(33.4)	1,598	(70.9)
Fiscal year ended Mar. 31, 2023	178,333	14.1	8,393	(23.8)	8,176	(25.7)	5,488	(26.9)

Note: Comprehensive income (million yen)

Fiscal year ended Mar. 31, 2024: 4,926 (down 32.7%) Fiscal year ended Mar. 31, 2023: 7,318 (down 25.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2024	53.05	-	2.5	2.9	3.1
Fiscal year ended Mar. 31, 2023	182.40	-	9.2	4.4	4.7

Reference: Share of profit (loss) of entities accounted for using equity method (million yen)

Fiscal year ended Mar. 31, 2024: - Fiscal year ended Mar. 31, 2023: 4

Note: Diluted net income per share is not stated because dilutive shares do not exist.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	182,890	66,350	35.9	2,180.07
As of Mar. 31, 2023	191,890	63,047	32.6	2,075.25

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 65,702 As of Mar. 31, 2023: 62,476

### (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, 2024	15,215	(2,622)	(19,281)	19,721
Fiscal year ended Mar. 31, 2023	226	(7,045)	5,896	25,814

## 2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2023	Yen -	Yen 26.00	Yen -	Yen 28.00	Yen 54.00	Million yen 1,625	% 29.6	% 2.7
Fiscal year ended Mar. 31, 2024	-	27.00	-	28.00	55.00	1,664	103.7	2.6
Fiscal year ending Mar. 31, 2025 (forecast)	-	29.00	-	29.00	58.00			

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	185,000	5.8	7,200	31.8	7,200	32.2	4,500	181.6	149.31

Notes: 1. Forecasts for the second quarter of the fiscal year ending March 31, 2025 are not announced since it is currently difficult to reasonably determine the forecasts; only the consolidated earnings forecasts for the fiscal year ending March 31, 2025 are announced. Please refer to "1. Overview of Results of Operations, etc., (1) Analysis of Results of Operations, Forecasts for the fiscal year ending March 31, 2025" on page 3 of the attachments for further information.  
 2. The ALCONIX Group's medium-term business plan through the fiscal year ending March 31, 2026 is scheduled to be disclosed on May 26, 2024.



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## 1. Overview of Results of Operations, etc.

### (1) Analysis of Results of Operations

Results for the fiscal year ended March 31, 2024

Many events worldwide had an effect on the operations of the ALCONIX Group during the fiscal year. Significant events include slowing economic growth in China including a real estate sector downturn, an increase in the cost of labor, rising interest rates worldwide, higher logistics expenses due to Middle East turmoil, and other events.

In industries closely linked with the operations of the ALCONIX Group, automobile production in Japan recovered in the 2023 calendar year and increased year-on-year but the slowdown of global semiconductor sales that began in the second half of 2022 continued until October 2023, when year-on-year sales increased. Slow semiconductor sales also held down shipments of semiconductor manufacturing equipment and chip mounting equipment. Prices of non-ferrous metals were generally low throughout the fiscal year due to slower economic growth in China and other reasons. Shipments of copper products and aluminum rolled products in Japan have been lower year-on-year on a monthly basis for more than two years.

Sales were higher than in the previous fiscal year in the Aluminum and Copper Products, Equipment and Materials, and Metal Processing segments due to factors such as a larger volume of business with customers in the automobile industry. Sales decreased in the Electronic and Advanced Materials segment because of a lower volume of nickel and other raw materials. As a result, overall sales were lower than the previous fiscal year.

Overall, operating profit and ordinary profit were lower than in the previous fiscal year. Ordinary profit increased in the Metal Processing segment mainly because of a larger volume of automobile industry business. Ordinary profit was down in the Electronic and Advanced Materials, Aluminum and Copper Products, and Equipment and Materials segments due partly to delays in raising prices to pass on the higher cost of manufacturing products.

Profit attributable to owners of parent decreased from the previous fiscal year mainly because of extraordinary losses of 1,999 million yen. These losses are mainly the result of two events that were disclosed on April 23, 2024. First is the addition to the allowance for doubtful accounts for receivables for amounts owed by a construction material manufacturing company in China to consolidated subsidiary ALCONIX (SHANGHAI) CORP. Second is the recognition of structural reform expenses at consolidated subsidiary Fuji Carbon Manufacturing Co.

The results of operations and business segment performance published in the summary of financial results are set forth in the tables below.

Financial highlights for the fiscal year ended March 31, 2024 were as follows.

	FY3/23 (Million yen)	FY3/24 (Million yen)	Year-on-Year Change (Million yen)	Year-on-Year Change (%)
Net sales	178,333	174,901	(3,431)	(1.9)
Operating profit	8,393	5,463	(2,929)	(34.9)
Ordinary profit	8,176	5,447	(2,729)	(33.4)
Profit attributable to owners of parent	5,488	1,598	(3,890)	(70.9)

Business segment performance for the fiscal year ended March 31, 2024 was as follows, with sales in each segment including inter-segment sales.

		FY3/23 (Million yen)	FY3/24 (Million yen)	Change (Million yen)	Change (%)
Trading—Electronic and Advanced Materials	Sales	42,161	32,321	(9,839)	(23.3)
	Segment profit	3,601	1,740	(1,860)	(51.7)
Trading—Aluminum and Copper Products	Sales	66,804	71,940	5,135	7.7
	Segment profit	1,171	300	(870)	(74.4)
Manufacturing—Equipment and Materials	Sales	42,464	43,252	788	1.9
	Segment profit	998	955	(43)	(4.4)

Manufacturing—Metal Processing	Sales	29,715	31,863	2,147	7.2
	Segment profit	2,416	2,465	49	2.1

• Trading—Electronic and Advanced Materials

Sales decreased mainly because of a decline in demand for nickel and other raw materials and reductions of inventories of these products by customers due to the weaker demand. Ordinary profit was down for several reasons: a decline in profit margins caused by low price of nickel, the negative impact on sales of rechargeable battery materials due to the slow recovery of demand for IT terminal devices, and the low volume of business in the rare earths transactions.

• Trading—Aluminum and Copper Products

Sales increased due to an increase in the volume of business involving aluminum ingots, rolled and processed aluminum products, and other products used in the automobile industry as production recovered in Japan. Ordinary profit decreased because of lower profit margins on sales of raw materials, the result of low market prices of non-ferrous metals, and delays in raising selling prices of some products to offset higher expenses caused by rising interest rates and other reasons.

• Manufacturing—Equipment and Materials

Sales increased as sales of non-destructive testing materials, welding rods, cashew products and other products increased with the recovery of automobile production in Japan. Ordinary profit decreased because of lower sales of carbon brushes in China and the slow pace of price revisions to reflect the rising cost of manufacturing some of the products in this segment.

• Manufacturing—Metal Processing

Sales and operating profit in this segment were higher than one year earlier. One reason is an increase in sales of automotive parts at a company that makes precision stamped parts as automobile production in Japan recovered. In addition, a precision stamping company that was newly consolidated in the fiscal year contributed to sales and earnings.

Outlook for the next fiscal year

Forecasts for the fiscal year ending March 31, 2025

	FY3/24 (Million yen)	FY3/25 (Million yen)	Change (Million yen)	Change (%)
Net sales	174,901	185,000	10,099	5.8
Operating profit	5,463	7,200	1,737	31.8
Ordinary profit	5,447	7,200	1,753	32.2
Profit attributable to owners of parent	1,598	4,500	2,902	181.6

The outlook for the business climate is for logistics and other expenses to continue increasing due to inflation and geopolitical risk and for a continuation of the negative impact on demand of slower economic growth in China. On the other hand, in the case of automobiles, semiconductors and IT terminal devices, which are industries and markets in which the ALCONIX Group is deeply involved, demand and production are expected to gradually recover.

In the Electronic and Advanced Materials (Trading) segment, higher sales and earnings are expected as sales growth due to recovering demand for semiconductors and IT terminal devices and cost cutting, including inventory reductions, offset an expected decline in profit margins caused by more heated competition primarily involving companies in China. In the Aluminum and Copper Products (Trading) segment, higher sales and earnings are expected because of sales growth supported by a recovery of market prices of aluminum and copper, price increases to reflect higher costs, and cost reduction measures. In the Equipment and Materials (Manufacturing) segment, a

recovery of automobile production in Japan is expected to increase sales and earnings. In the Metal Processing (Manufacturing) segment, sales and earnings are expected to increase. The outlook is for the recovery of the automobile, semiconductor and smartphone markets to raise sales and for earnings to benefit from sales growth and cost reductions at some subsidiaries.

The ALCONIX Group will continue to make new investments for growth, pursue greater synergies among group companies, use M&A for new opportunities, and make corporate venture capital investments. At the same time, measures to make the existing businesses more profitable will continue. Structural reforms of businesses with low profitability will continue too. All such activities are based on the policy of managing business operations with emphasis on the cost of capital and stock price.

## (2) Analysis of Financial Position

### 1) Assets, liabilities, and net assets

Changes in the financial position during the fiscal year ended March 31, 2024 are described as below.

The major changes in the assets category were a 5,521 million yen decrease in cash and deposits, a 5,561 million yen decrease in notes and accounts receivable-trade, a 664 million yen decrease in intangible assets, a 255 million yen decrease in property, plant and equipment, and a 3,583 million yen increase in investments and other assets. As a result, assets amounted to 182,890 million yen, a decrease of 9,000 million yen from the end of the previous fiscal year.

The major changes in the liabilities category were a 15,036 million yen decrease in short-term borrowings, a 2,577 million yen decrease in long-term borrowings, a 2,282 million yen increase in notes and accounts payable-trade, a 1,574 million yen increase in electronically recorded obligations – operating, and a 1,066 million yen increase in current portion of long-term borrowings. As a result, liabilities amounted to 116,540 million yen, a decrease of 12,302 million yen from the end of the previous fiscal year.

The major changes in the net assets category were a 1,649 million yen increase in valuation difference on available-for-sale securities, a 1,582 million yen increase in foreign currency translation adjustment and a 65 million yen decrease in retained earnings. As a result, net assets totaled amounted to 66,350 million yen, an increase of 3,302 million yen from the end of the previous fiscal year.

### 2) Cash flows

Cash and cash equivalents (“Funds”) at the end of the fiscal year ended on March 31, 2024 amounted to 19,721 million yen, a decrease of 6,093 million yen from the end of the previous fiscal year.

The cash flows in the fiscal year ended on March 31, 2024 from operating, investing, and financing activities are described as below.

	Description
Cash flow from operating activities	Cash flow from operating activities increased by 15,215 million yen. Main positive factors included profit before income taxes of 3,826 million yen, depreciation including amortization of goodwill of 4,789 million yen, a 3,448 million yen decrease in trade receivables and a 2,896 million yen increase in trade payables. Major negative factors included income taxes paid of 3,452 million yen and interest paid of 1,112 million yen.
Cash flow from investing activities	Cash flow from investing activities decreased by 2,622 million yen. Main positive factors included proceeds from sales of investment securities of 1,625 million yen. Main negative factors included payments of 3,444 million yen for the purchase of property, plant and equipment and intangible assets in connection with the strengthening of facilities mainly at manufacturing subsidiaries and payments of 466 million yen for the purchase of investment securities.
Cash flow from financing activities	Cash flow from financing activities decreased by 19,281 million yen. Main negative factors included a net decrease in short-term borrowings of 15,704 million yen, a net decrease in long-term borrowings of 1,567 million yen and cash dividends paid of 1,663 million yen.

Reference: Changes in indicators relating to cash flow

	As of the end of FY3/23	As of the end of FY3/24
Shareholders' equity ratio (%)	32.6	35.9
Shareholders' equity ratio based on market value (%)	21.4	24.1
Ratio of interest-bearing debt to cash flows (%)	317.0	3.6
Interest coverage ratio (multiple)	0.3	13.7

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market value: Market capitalization based on closing share price at the end of the period / 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.

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

\* 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.

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

ALCONIX's basic policy regarding profit distribution is to continuously pay 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 effectively invest in the improvement of human resources.

As announced in the news release titled "Notice of Dividend Increase" dated May 15, 2024, ALCONIX plans to pay a year-end dividend of 28 yen per share for the fiscal year that ended on March 31, 2024. With the interim dividend of 27 yen per share paid in the second quarter, this will result in an annual dividend of 55 yen per share.

### 2. 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 IFRS taking into consideration active discussion regarding IFRS and the adoption of IFRS by other companies in the same line of business.

**3. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

	(Million yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	26,993	21,471
Notes and accounts receivable-trade	56,923	51,361
Electronically recorded monetary claims-operating	5,560	5,632
Merchandise and finished goods	41,050	40,679
Work in process	4,070	4,756
Raw materials and supplies	4,282	3,787
Other	6,137	5,699
Allowance for doubtful accounts	(804)	(838)
Total current assets	144,212	132,549
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,022	22,726
Accumulated depreciation	(11,478)	(12,355)
Buildings and structures, net	10,544	10,370
Machinery, equipment and vehicles	35,125	37,184
Accumulated depreciation	(26,170)	(28,496)
Machinery, equipment and vehicles, net	8,954	8,687
Tools, furniture and fixtures	9,226	9,436
Accumulated depreciation	(8,283)	(8,554)
Tools, furniture and fixtures, net	943	881
Land	9,529	9,549
Leased assets	3,172	3,422
Accumulated depreciation	(2,001)	(2,253)
Leased assets, net	1,170	1,169
Construction in progress	849	1,079
Total property, plant and equipment	31,993	31,737
Intangible assets		
Goodwill	1,357	1,022
Software	348	419
Other	2,046	1,645
Total intangible assets	3,753	3,088
Investments and other assets		
Investment securities	10,511	11,899
Long-term loans receivable	23	20
Long-term accounts receivable-other	-	3,307
Deferred tax assets	423	436
Other	994	1,093
Allowance for doubtful accounts	(21)	(1,241)
Total investments and other assets	11,931	15,515
Total non-current assets	47,677	50,340
Total assets	191,890	182,890



	(Million yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	34,260	36,542
Electronically recorded obligations-operating	6,650	8,225
Short-term borrowings	38,766	23,730
Commercial papers	6,997	6,994
Current portion of long-term borrowings	5,081	6,148
Current portion of bonds payable	75	-
Income taxes payable	1,635	1,536
Provision for bonuses	1,265	1,381
Provision for business restructuring	-	57
Other	5,615	5,077
<b>Total current liabilities</b>	<b>100,348</b>	<b>89,693</b>
<b>Non-current liabilities</b>		
Bonds payable	250	250
Long-term borrowings	20,654	18,077
Deferred tax liabilities	3,229	3,490
Provision for retirement benefits for directors (and other officers)	293	331
Provision for share-based remuneration for directors (and other officers)	184	169
Provision for business restructuring	-	630
Retirement benefit liability	1,083	1,126
Long-term accounts payable-other	1,607	1,603
Other	1,191	1,167
<b>Total non-current liabilities</b>	<b>28,494</b>	<b>26,846</b>
<b>Total liabilities</b>	<b>128,843</b>	<b>116,540</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,810	5,830
Capital surplus	5,273	5,294
Retained earnings	44,398	44,332
Treasury shares	(1,157)	(1,154)
<b>Total shareholders' equity</b>	<b>54,325</b>	<b>54,304</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,135	3,784
Deferred gains or losses on hedges	(20)	(3)
Foreign currency translation adjustment	6,035	7,617
<b>Total accumulated other comprehensive income</b>	<b>8,150</b>	<b>11,398</b>
Share acquisition rights	48	46
Non-controlling interests	523	601
<b>Total net assets</b>	<b>63,047</b>	<b>66,350</b>
<b>Total liabilities and net assets</b>	<b>191,890</b>	<b>182,890</b>

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Million yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	178,333	174,901
Cost of sales	153,257	151,980
Gross profit	25,075	22,921
Selling, general and administrative expenses	16,682	17,457
Operating profit	8,393	5,463
Non-operating income		
Interest income	64	185
Dividend income	445	632
Foreign exchange gains	55	4
Other	359	434
Total non-operating income	924	1,257
Non-operating expenses		
Interest expenses	840	1,099
Other	300	174
Total non-operating expenses	1,141	1,273
Ordinary profit	8,176	5,447
Extraordinary income		
Gain on sales of non-current assets	86	35
Gain on sales of investment securities	87	414
Subsidy income	17	55
Gain on bargain purchase	346	-
Other	43	24
Total extraordinary income	581	530
Extraordinary losses		
Provision of allowance for doubtful accounts	-	1,214
Business restructuring expenses	-	785
Amortization of goodwill	170	-
Other	113	151
Total extraordinary losses	284	2,150
Profit before income taxes	8,473	3,826
Income taxes-current	2,727	2,724
Income taxes-deferred	206	(549)
Total income taxes	2,934	2,175
Profit	5,539	1,650
Profit attributable to non-controlling interests	50	52
Profit attributable to owners of parent	5,488	1,598

**Consolidated Statement of Comprehensive Income**

(Million yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Profit	5,539	1,650
Other comprehensive income		
Valuation difference on available-for-sale securities	(103)	1,648
Deferred gains or losses on hedges	(341)	16
Foreign currency translation adjustment	2,369	1,610
Share of other comprehensive income of entities accounted for using equity method	(145)	-
Total other comprehensive income	1,779	3,275
Comprehensive income	7,318	4,926
Comprehensive income attributable to		
Owners of parent	7,253	4,845
Non-controlling interests	64	80

**(3) Consolidated Statement of Changes in Equity**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,787	5,238	40,563	(1,157)	50,431
Changes during period					
Issuance of new shares	23	23			46
Dividends of surplus			(1,631)		(1,631)
Profit attributable to owners of parent			5,488		5,488
Change in scope of equity method			(9)		(9)
Transfer to capital surplus from retained earnings		12	(12)		(0)
Disposal of treasury shares				-	-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					-
Total changes during period	23	35	3,834	-	3,893
Balance at end of period	5,810	5,273	44,398	(1,157)	54,325

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling 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 period	2,238	321	3,825	6,386	51	462	57,331
Changes during period							
Issuance of new shares							46
Dividends of surplus							(1,631)
Profit attributable to owners of parent							5,488
Change in scope of equity method							(9)
Transfer to capital surplus from retained earnings							(0)
Disposal of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	(103)	(341)	2,210	1,764	(2)	60	1,822
Total changes during period	(103)	(341)	2,210	1,764	(2)	60	5,716
Balance at end of period	2,135	(20)	6,035	8,150	48	523	63,047

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,810	5,273	44,398	(1,157)	54,325
Changes during period					
Issuance of new shares	20	20			41
Dividends of surplus			(1,663)		(1,663)
Profit attributable to owners of parent			1,598		1,598
Change in scope of equity method			-		-
Transfer to capital surplus from retained earnings		0	(0)		0
Disposal of treasury shares				3	3
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					-
Total changes during period	20	20	(65)	3	(20)
Balance at end of period	5,830	5,294	44,332	(1,154)	54,304

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling 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 period	2,135	(20)	6,035	8,150	48	523	63,047
Changes during period							
Issuance of new shares							41
Dividends of surplus							(1,663)
Profit attributable to owners of parent							1,598
Change in scope of equity method							-
Transfer to capital surplus from retained earnings							0
Disposal of treasury shares							3
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	1,649	16	1,582	3,247	(2)	78	3,323
Total changes during period	1,649	16	1,582	3,247	(2)	78	3,302
Balance at end of period	3,784	(3)	7,617	11,398	46	601	66,350

**(4) Consolidated Statement of Cash Flows**

(Million yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,473	3,826
Depreciation	3,977	4,451
Amortization of goodwill	874	337
Gain on bargain purchase	(346)	-
Increase (decrease) in allowance for doubtful accounts	60	1,177
Increase (decrease) in provision for bonuses	(7)	107
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(168)	37
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	91	(15)
Increase (decrease) in retirement benefit liability	17	32
Interest and dividend income	(509)	(817)
Interest expenses	840	1,099
Business restructuring expenses	-	785
Loss (gain) on sale of investment securities	(87)	(342)
Decrease (increase) in trade receivables	(10)	3,448
Decrease (increase) in inventories	(3,924)	937
Increase (decrease) in trade payables	(4,537)	2,896
Other, net	829	216
Subtotal	5,573	18,179
Interest and dividend received	436	819
Interest paid	(838)	(1,112)
Income taxes paid	(4,961)	(3,452)
Income taxes refund	17	780
Net cash provided by (used in) operating activities	226	15,215
<b>Cash flows from investing activities</b>		
Payments into time deposits	(892)	(1,528)
Proceeds from withdrawal of time deposits	615	974
Purchase of property, plant and equipment	(4,704)	(3,224)
Purchase of intangible assets	(86)	(219)
Purchase of investment securities	(476)	(466)
Proceeds from sales of investment securities	157	1,625
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,030)	-
Payments for acquisition of businesses	(120)	-
Other, net	492	217
Net cash provided by (used in) investing activities	(7,045)	(2,622)

(Million yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,383	(15,704)
Net increase (decrease) in commercial papers	1,997	(2)
Proceeds from long-term borrowings	6,780	3,609
Repayments of long-term borrowings	(6,529)	(5,176)
Redemption of bonds	(149)	(75)
Proceeds from issuance of shares	0	-
Dividends paid	(1,631)	(1,663)
Dividends paid to non-controlling interests	(16)	(10)
Repayments of finance lease obligations	(288)	(542)
Proceeds from sale and leaseback transactions	350	284
Net cash provided by (used in) financing activities	5,896	(19,281)
Effect of exchange rate change on cash and cash equivalents	791	594
Net increase (decrease) in cash and cash equivalents	(129)	(6,093)
Cash and cash equivalents at beginning of period	25,944	25,814
Cash and cash equivalents at end of period	25,814	19,721

**(5) Notes to Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Segment Information**

[Segment information]

1. Overview of reportable segment

Segments used for financial reporting are ALCONIX'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.

ALCONIX's businesses are broadly divided into Trading or Manufacturing in order to clarify its business activities and earnings structure of each business division. Furthermore, four reportable segments are used based on the goods and products. They include: Electronic and Advanced Materials, Aluminum and Copper Products, Equipment and Materials, and Metal Processing.

In the Electronic and Advanced Materials segment, we handle compound semiconductors, electronic materials, nickel products, rare metals, and other materials.

In the Aluminum and Copper Products segment, we handle aluminum products (rolling products, extruded materials, forged and cast products, beverage cans, foil, etc.), copper products (sheets, strips, rods, and other fabricated products and parts, etc.), secondary aluminum alloy ingots, non-ferrous metal scraps (aluminum, copper, special metal, used home electronics, etc.), metal silicon, zinc alloy ingots, magnesium ingots, various piping equipment, forge/foundry materials, aluminum die cast products, metal molds, cast metal products, metal fitting work, commercial and residential building renovation, titanium and nickel products, and other products.

In the Equipment and Materials segment, we handle cooper, nickel, plating materials and related chemicals, non-destructive testing equipment, marking devices and related consumables, metal mold building-up welding rods and thermal spraying work, cashew resin (brake friction materials and other products), products using cashew-based materials, radio wave absorbing materials, carbon brushes for small motors used for automobiles and general industrial applications.

In the Metal Processing segment, we handle precision mechanical parts, made of aluminum, titanium and other light alloys, for use in telecommunications equipment and other devices, semiconductor surface mounting machines (chip mounters), precision grinding processing parts for manufacturing equipment in the automobile and industrial machinery industries, precision stamping dies and stamping parts for the automobile industry, metal processed components used in air conditioning equipment and automotive parts, stamping work for precision connector metal terminal parts, and stamping and cutting work for lithium-ion batteries and HDD parts.

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 used for preparing the consolidated financial statements.

Profits for reportable segments are ordinary profit figures.

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



## 3. Information related to net sales, profits/losses, assets, and other items for each reportable segment and breakdown of revenue

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Million yen)

	Reportable segment				Total
	Trading		Manufacturing		
	Electronic and Advanced Materials	Aluminum and Copper Products	Equipment and Materials	Metal Processing	
Net sales					
Revenue from contracts with customers	41,418	65,861	41,783	29,269	178,333
External sales	41,418	65,861	41,783	29,269	178,333
Inter-segment sales and transfers	743	943	680	446	2,812
Total	42,161	66,804	42,464	29,715	181,145
Segment profit	3,601	1,171	998	2,416	8,187
Segment assets	35,778	74,541	45,830	43,951	200,101
Other items					
Depreciation	116	116	1,428	2,316	3,977
Amortization of goodwill (Note)	-	10	815	49	874
Interest income	14	10	36	3	64
Interest expenses	329	339	63	107	840
Equity in earnings of affiliates	-	-	-	4	4
Increase in property, plant and equipment and intangible assets	305	947	1,378	3,169	5,800

Note: Amortization of goodwill in the “Equipment and Materials” segment includes goodwill amortization of 170 million yen recorded as extraordinary losses.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Million yen)

	Reportable segment				Total
	Trading		Manufacturing		
	Electronic and Advanced Materials	Aluminum and Copper Products	Equipment and Materials	Metal Processing	
Net sales					
Revenue from contracts with customers	30,144	70,561	42,672	31,523	174,901
External sales	30,144	70,561	42,672	31,523	174,901
Inter-segment sales and transfers	2,177	1,378	580	339	4,476
Total	32,321	71,940	43,252	31,863	179,378
Segment profit	1,740	300	955	2,465	5,461
Segment assets	34,177	72,852	44,316	40,465	191,811
Other items					
Depreciation	143	131	1,461	2,715	4,451
Amortization of goodwill	-	24	264	49	337
Interest income	89	9	76	10	185
Interest expenses	508	370	83	136	1,099
Equity in earnings of affiliates	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	95	202	1,088	2,427	3,813

## 4. Reconciliation of amounts on consolidated financial statements with totals for reportable segments

(Million yen)

Net sales	FY3/23	FY3/24
Total for reportable segments	181,145	179,378
Eliminations for inter-segment transactions	(2,812)	(4,476)
Net sales on the consolidated financial statements	178,333	174,901

(Million yen)

Profit	FY3/23	FY3/24
Total for reportable segments	8,187	5,461
Eliminations for inter-segment transactions	(10)	(14)
Ordinary profit on the consolidated financial statements	8,176	5,447

(Million yen)

Assets	FY3/23	FY3/24
Total for reportable segments	200,101	191,811
Eliminations for inter-segment transactions	(8,210)	(8,920)
Total assets on the consolidated financial statements	191,890	182,890

## [Related information]

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

## 1. Information by product or service

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

## 2. Information by region

## (1) Net sales

(Million yen)

Japan	Asia	China	North America	Europe	Other regions	Total
104,199	19,890	28,827	22,006	2,914	494	178,333

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

(Million yen)

Japan	Asia	China	North America	Europe	Total
22,829	1,710	2,532	4,919	1	31,993

Note: Asia does not include China.

## 3. Information by major customer

This information is omitted because no external customer accounts for 10% or more of consolidated net sales to external customers on the consolidated statement of income.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

## 1. Information by product or service

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

## 2. Information by region

## (1) Net sales

(Million yen)

Japan	Asia	China	North America	Europe	Other regions	Total
100,835	18,159	28,992	22,182	4,567	163	174,901

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 (Million yen)

Japan	Asia	China	North America	Europe	Total
22,297	2,179	2,393	4,865	1	31,737

Note: Asia does not include China.

## 3. Information by major customer

This information is omitted because no external customer accounts for 10% or more of consolidated net sales to external customers on the consolidated statement of income.

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

In the “Equipment and Materials” segment, an impairment loss of non-current assets of 100 million yen was recorded and included in business restructuring expenses under extraordinary losses.

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023) (Million yen)

	Reportable segment					Elimination or corporate	Total
	Trading		Manufacturing		Subtotal		
	Electronic and Advanced Materials	Aluminum and Copper Products	Equipment and Materials	Metal Processing			
Balance at end of period	-	110	1,036	211	1,357	-	1,357

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

Unamortized goodwill in the Aluminum and Copper Products segment increased due to the acquisition of a business.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024) (Million yen)

	Reportable segment					Elimination or corporate	Total
	Trading		Manufacturing		Subtotal		
	Electronic and Advanced Materials	Aluminum and Copper Products	Equipment and Materials	Metal Processing			
Balance at end of period	-	86	771	164	1,022	-	1,022

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

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

FY3/23 (Apr. 1, 2022 - Mar. 31, 2023)

In the “Metal processing” segment, Jupiter Industry Co., Ltd. and its subsidiaries Qingdao Jupiter Industry Co., Ltd. and Suzhou Jupiter Industry Co., Ltd., and SOODE NAGANO Co., Ltd. were included in the scope of consolidation because ALCONIX acquired the shares of these companies. Accordingly, a gain on bargain purchase of 346 million yen was recorded.

FY3/24 (Apr. 1, 2023 - Mar. 31, 2024)

Not applicable.

**Per Share Information**

(Yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	2,075.25	2,180.07
Net income per share	182.40	53.05

Note: The following are the figures used to calculate net income per share.

(Million yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent	5,488	1,598
Amounts not available to common stock shareholders	-	-
Profit attributable to owners of parent available to common stock	5,488	1,598
Average number of shares outstanding during the period (thousand shares)	30,093	30,126
Summary of potential stock not included in the calculation of “Diluted net income per share” since there was no dilutive effect	Share acquisition rights No.7 (Number of share acquisition rights: 690) Share acquisition rights No.8 (Number of share acquisition rights: 631)	Share acquisition rights No.7 (Number of share acquisition rights: 659) Share acquisition rights No.8 (Number of share acquisition rights: 603)

Notes: 1. Diluted net income per share is not stated because dilutive shares do not exist.

- Shares of ALCONIX stock held by Custody Bank of Japan, Ltd. (Trust E account) as trust property of the Board Benefit Trust are included in treasury shares under shareholders' equity and deducted from the number of shares outstanding at the end of period that was used to calculate net assets per share. (FY3/23: 130,000 shares, FY3/24: 127,000 shares)
- Shares of ALCONIX stock held by Custody Bank of Japan, Ltd. (Trust E account) as trust property of the Board Benefit Trust are included in treasury shares under shareholders' equity and deducted from the average number of shares outstanding during the period that was used to calculate net income per share. (FY3/23: 130,000 shares, FY3/24: 128,000 shares)

**Material Subsequent Events**

Not applicable.

**4. Non-consolidated Financial Statements and Notes****(1) Balance Sheet**

	(Million yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	799	388
Notes receivable-trade	864	403
Electronically recorded monetary claims-operating	2,223	1,764
Accounts receivable-trade	28,298	28,853
Merchandise and finished goods	17,806	18,420
Advance payments-trade	88	90
Prepaid expenses	165	194
Short-term loans receivable	20,928	20,340
Other	2,926	2,268
Allowance for doubtful accounts	(177)	(213)
Total current assets	73,924	72,508
Non-current assets		
Property, plant and equipment		
Buildings	33	28
Vehicles	5	6
Tools, furniture and fixtures	59	60
Assets for lease	50	40
Land	861	861
Total property, plant and equipment	1,010	997
Intangible assets		
Goodwill	110	86
Software	41	88
Telephone subscription right	5	5
Total intangible assets	157	179
Investments and other assets		
Investment securities	2,817	3,589
Shares of subsidiaries and associates	22,554	22,661
Investments in capital of subsidiaries and associates	893	1,199
Long-term prepaid expenses	9	8
Long-term guarantee deposits	162	157
Other	65	66
Total investments and other assets	26,503	27,683
Total non-current assets	27,671	28,861
Total assets	101,595	101,369

	(Million yen)	
	FY3/23	FY3/24
	(As of Mar. 31, 2023)	(As of Mar. 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable-trade	2,520	6,145
Accounts payable-trade	18,855	20,029
Short-term borrowings	17,066	5,883
Commercial papers	6,997	6,994
Current portion of long-term borrowings	3,509	4,474
Current portion of bonds payable	75	-
Accounts payable-other	1,018	630
Accrued expenses	180	230
Income taxes payable	39	100
Advances received	497	401
Deposits received	5,662	10,745
Provision for bonuses	242	294
Other	210	101
<b>Total current liabilities</b>	<b>56,878</b>	<b>56,032</b>
<b>Non-current liabilities</b>		
Long-term borrowings	16,868	15,393
Long-term accounts payable-other	129	127
Provision for retirement benefits	219	262
Provision for share awards for directors (and other officers)	184	169
Deferred tax liabilities	46	135
Other	-	11
<b>Total non-current liabilities</b>	<b>17,449</b>	<b>16,100</b>
<b>Total liabilities</b>	<b>74,327</b>	<b>72,132</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,810	5,830
<b>Capital surplus</b>		
Legal capital surplus	4,852	4,873
Other capital surplus	27	27
<b>Total capital surpluses</b>	<b>4,880</b>	<b>4,901</b>
<b>Retained earnings</b>		
Legal retained earnings	10	10
<b>Other retained earnings</b>		
General reserve	400	400
Retained earnings brought forward	16,456	17,747
<b>Total retained earnings</b>	<b>16,866</b>	<b>18,158</b>
Treasury shares	(1,157)	(1,154)
<b>Total shareholders' equity</b>	<b>26,400</b>	<b>27,736</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	834	1,463
Deferred gains or losses on hedges	(15)	(8)
<b>Total valuation and translation adjustments</b>	<b>819</b>	<b>1,454</b>
Share acquisition rights	48	46
<b>Total net assets</b>	<b>27,268</b>	<b>29,236</b>
<b>Total liabilities and net assets</b>	<b>101,595</b>	<b>101,369</b>

**(2) Statement of Income**

(Million yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	54,701	57,831
Cost of sales	49,392	53,410
Gross profit	5,308	4,420
Selling, general and administrative expenses	3,967	4,772
Operating profit (loss)	1,341	(351)
Non-operating income		
Interest income	88	108
Purchase discounts	17	15
Dividend income	3,349	3,346
Outsourcing service income	393	395
Other	104	72
Total non-operating income	3,953	3,938
Non-operating expenses		
Interest expenses	295	370
Foreign exchange losses	133	20
Loss on investments in capital	105	139
Provision of allowance for doubtful accounts	-	36
Other	121	110
Total non-operating expenses	656	678
Ordinary profit	4,638	2,908
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	17	-
Gain on liquidation of subsidiaries and associates	4	-
Gain on sales of investment securities	-	37
Other	5	2
Total extraordinary income	28	39
Extraordinary losses		
Loss on retirement of non-current assets	12	0
Loss on valuation of shares of subsidiaries and associates	13	-
Loss on sale of investment securities	-	0
Loss on valuation of investment securities	-	3
Total extraordinary losses	26	5
Income before income taxes	4,640	2,943
Income taxes-current	361	112
Income taxes-deferred	107	(124)
Total income taxes	469	(11)
Profit	4,171	2,954

**(3) Statement of Changes in Equity**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Million yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	5,787	4,829	27	4,857	10	400	13,916	14,327	(1,157)	23,814
Changes during period										
Issuance of new shares	23	23		23				-		46
Dividends of surplus				-			(1,631)	(1,631)		(1,631)
Profit				-			4,171	4,171		4,171
Disposal of treasury shares				-				-	-	-
Net changes in items other than shareholders' equity				-				-		-
Total changes during period	23	23	-	23	-	-	2,539	2,539	-	2,585
Balance at end of period	5,810	4,852	27	4,880	10	400	16,456	16,866	(1,157)	26,400

	Valuation and translation adjustments			Share acquisition rights	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 period	689	(28)	661	51	24,526
Changes during period					
Issuance of new shares			-		46
Dividends of surplus			-		(1,631)
Profit			-		4,171
Disposal of treasury shares			-		-
Net changes in items other than shareholders' equity	145	12	158	(2)	155
Total changes during period	145	12	158	(2)	2,741
Balance at end of period	834	(15)	819	48	27,268



FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Million yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings				Total retained earnings
						General reserve	Retained earnings brought forward			
Balance at beginning of period	5,810	4,852	27	4,880	10	400	16,456	16,866	(1,157)	26,400
Changes during period										
Issuance of new shares	20	20		20				-		41
Dividends of surplus				-			(1,663)	(1,663)		(1,663)
Profit				-			2,954	2,954		2,954
Disposal of treasury shares				-				-	3	3
Net changes in items other than shareholders' equity				-				-		-
Total changes during period	20	20	-	20	-	-	1,291	1,291	3	1,335
Balance at end of period	5,830	4,873	27	4,901	10	400	17,747	18,158	(1,154)	27,736

	Valuation and translation adjustments			Share acquisition rights	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 period	834	(15)	819	48	27,268
Changes during period					
Issuance of new shares			-		41
Dividends of surplus			-		(1,663)
Profit			-		2,954
Disposal of treasury shares			-		3
Net changes in items other than shareholders' equity	628	6	634	(2)	632
Total changes during period	628	6	634	(2)	1,968
Balance at end of period	1,463	(8)	1,454	46	29,236

## 5. Others

### (1) Changes in Directors

The appointment and resignation will be subject to a resolution at the Annual General Meeting of Shareholders to be held on June 19, 2024.

#### 1) Change in representative director

-Retiring Representative Director

Masato Takei (Current Chairman and Representative Director)

#### 2) Changes in other directors, etc.

-Candidate for New Director

Outside Director: Hideki Matsuo

-Retiring Director

Outside Director: Toshiya Tsugami

-Retiring Company Auditor

Outside Company Auditor: Kimiko Ohga

### (2) Others

Not applicable.

*This summary of financial results is a translation of the ALCONIX'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. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. ALCONIX assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.*