



NEWS RELEASE
November 24, 2021

Company name: ALCONIX CORPORATION
Representative: Masato Takei, President and CEO
Listing: Tokyo Stock Exchange, First Section
Stock code: 3036
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Notice Concerning Issuance of New Shares and Secondary Offering of Shares

ALCONIX CORPORATION (the “Company”) hereby announces that its Board of Directors resolved on November 24, 2021 to issue new shares and conduct a secondary offering of its shares as set forth below.

1. Issuance of New Shares by way of Public Offering (the “Public Offering”)

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| (1) Class and Number of Shares to be Offered | 4,348,000 shares of common stock of the Company |
| (2) Method of Determination of the Amount to be Paid | The amount to be paid shall be determined on the date of determination of the issue price, etc. (which shall be a day falling in the period from Wednesday, December 1, 2021 to Tuesday, December 7, 2021) (the “Pricing Date”) pursuant to Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association (the “JSDA”). |
| (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased | The amount of stated capital to be increased shall be half of the maximum amount of stated capital to be increased, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen. The amount of the additional paid-in capital to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased from the maximum amount of stated capital to be increased. |
| (4) Method of Offering | <p>The offering will be a public offering. All of the new shares shall be purchased for sale by the underwriting syndicate led by an underwriter designated as lead manager (the “Underwriters”).</p> <p>The issue price (offer price) with regard to the offering shall be determined based on the provisional range calculated by multiplying the closing price in regular trading of shares of common stock of the Company on the Tokyo Stock Exchange on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately</p> |

Note: This press release does not constitute an investment solicitation for any securities for sale. This press release has been prepared for the purpose of publicly announcing that the Company has resolved matters relating to the issuance of new shares, the secondary offering of its shares and the issuance of new shares by way of third-party allotment, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release does not constitute an offer of investment in nor solicitation for purchase securities within the United States or elsewhere.

The securities referred to in this press release have not been, and will not, registered under the U.S. Securities Act of 1933 or any relevant securities law of any state. The securities may not be offered or sold in the United States absent registration or an exemption from registration requirements under the U.S. Securities Act of 1933. No offer of securities for sale in the United States will be made in connection with the above-mentioned transactions.

preceding date) by 0.90-1.00 (with any fraction less than one yen being rounded down), in accordance with Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the JSDA, taking into account market demand and other conditions.

As part of the offering, shares may be sold to investors in overseas markets such as Europe and Asia (excluding the United States and Canada).

- (5) Consideration to be paid to the Underwriters The Company shall not pay any underwriting fees to the Underwriters. Instead, the aggregate amount of the difference between (a) the issue price (offer price) with respect to the offering and (b) the amount to be paid to the Company by the Underwriters shall be retained by the Underwriters.
- (6) Payment Date The payment date shall be a day falling in the period from Thursday, December 9, 2021 to Monday, December 13, 2021; provided, however, when the Pricing Date shall be a day falling in the period from Wednesday, December 1, 2021 to Friday, December 3, 2021, the payment date is Thursday, December 9, 2021, when the Pricing Date is Monday, December 6, 2021, the payment date is Friday, December 10, 2021 and when the Pricing Date is Tuesday, December 7, 2021, the payment date is Monday, December 13, 2021.
- (7) Mr. Masato Takei, President and CEO of the Company has been authorized to determine the amount to be paid, the amounts of stated capital and additional paid-in capital to be increased and any other matters necessary for the issuance of new shares.
- (8) Each item above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan (the “FIEA”).

2. Secondary Offering of Shares of the Company by way of Over Allotment (the “Secondary Offering”)
(See paragraph 1. of “References” below)

- (1) Class and Number of Shares to be Sold 652,000 shares of common stock of the Company.
The number of shares set out above is the maximum number of shares which may be sold. The above number may decrease, or the Secondary Offering may be cancelled in its entirety, depending on market demand and other conditions in the issuance of new shares. The number of shares to be sold shall be determined on the Pricing Date, taking into account market demand and other conditions in the issuance of new shares.
- (2) Seller The lead manager

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- (3) Selling Price Undetermined. (The selling price shall be determined on the Pricing Date; provided, however, that such selling price shall be the same as the issue price (offer price) in the Public Offering.)
- (4) Method of Secondary Offering Taking into account market demand and other conditions for the Public Offering, the lead manager will undertake a secondary offering of shares of common stock of the Company (up to 652,000 shares) borrowed from certain shareholder(s) of the Company.
- (5) Delivery Date The delivery date shall be the next business day after the payment date in respect of the Public Offering.
- (6) Mr. Masato Takei, President and CEO of the Company has been authorized to determine the selling price and any other matters necessary for the Secondary Offering.
- (7) Each item above shall be subject to the effectiveness of the securities registration statement filed under the FIEA.

3. Issuance of New Shares by way of Third-Party Allotment (the “Third-Party Allotment”) (See paragraph 1. of “References” below)

- (1) Class and Number of Shares to be Offered 652,000 shares of common stock of the Company.
- (2) Method of Determination for the Amount to be Paid The amount to be paid shall be determined on the Pricing Date; provided, however, that such amount to be paid shall be the same as the amount to be paid in respect of the Public Offering.
- (3) Amount of Stated Capital and Additional Paid-in Capital to be Increased The amount of stated capital to be increased shall be half of the maximum amount of stated capital to be increased, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen. The amount of the additional paid-in capital to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased from the maximum amount of stated capital to be increased.
- (4) Allottee The lead manager
- (5) Payment Date Monday, December 27, 2021
- (6) Shares not subscribed within the subscription period shall not be issued.
- (7) Mr. Masato Takei, President and CEO of the Company has been authorized to determine the amount to be paid, the amounts of stated capital and additional paid-in capital to be increased and any other matters necessary for the issuance of new shares by way of third-party allotment.
- (8) Each item above shall be subject to the effectiveness of the securities registration statement filed under the FIEA.

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1. Secondary Offering and other matters

The Secondary Offering described under “2. Secondary Offering of Shares of the Company by way of Over Allotment” above is a secondary offering of shares of common stock of the Company, to be made in conjunction with the Public Offering described under “1. Issuance of New Shares by way of Public Offering” above in an amount not exceeding 652,000 shares, which will be borrowed by the lead manager from certain shareholder(s) of the Company, taking into account market demand and other conditions. The maximum number of shares to be offered in the Secondary Offering will be 652,000 shares provide however, the number may decrease or the Secondary Offering may be cancelled entirely, depending on market demand and other conditions.

In connection with the Secondary Offering, the board of directors of the Company resolved, at the meeting held on Wednesday, November 24, 2021, that the Company will issue 652,000 shares of common stock to the lead manager, the allottee, by way of the third-party allotment described under “3. Issuance of New Shares by way of Third-party Allotment”, with a payment date of Monday, December 27, 2021, for the purpose of enabling the lead manager to procure the shares necessary to return the shares borrowed from the Company’s shareholder(s) (the “Borrowed Shares”).

2. Use of Proceeds

The maximum net approximate total amount of 7,634,650,000 yen from the Public Offering and the Third-Party Allotment is scheduled to be allocated as follows: 3,100 million yen through investments and loans for our consolidated subsidiaries by the end of March 2024 for capital investment in our group; 300 million yen for investments to Corporate Venture Capital fund (Hereinafter referred to as "CVC Fund".) jointly owned by the Company and Alconix Ventures Inc., a consolidated subsidiary of the Company, by the end of March 2025; and any remainder will be used for repayment of the borrowings for the Company’s past mergers and acquisitions by the end of March 2024.

Of the capital investment to be made in our group, Aluminum & Copper Recycling Center Corporation will allocate approximately 2,000 million yen for land acquisition and capital investment to expand its resource recycling business by the end of March 2024, and Fuji Press Co., Ltd. will allocate approximately 1,100 million yen to fund investments, including the purchase of press machine parts to expand its press business in Mexico by the end of March 2024.

The fund investments to CVC Fund is scheduled to be used for CVC Fund’s management and operation expenses.

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