



November 7, 2023

**Summary of Consolidated Financial Results for the Second Quarter
of Fiscal Year Ending March 31, 2024
(Six Months Ended September 30, 2023)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: November 10, 2023
 Scheduled commencement date of payment of dividends: November 28, 2023
 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 7, 2023 at 12:30 (GMT +9).

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

**1. Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2024
(April 1, 2023 – September 30, 2023)**

(1) Consolidated results of operations (cumulative) (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	%
Six months ended Sep. 30, 2023	83,757	(9.2)	3,005	(47.1)	3,033	(50.3)	1,916	(53.7)
Six months ended Sep. 30, 2022	92,214	23.7	5,682	1.1	6,105	0.7	4,141	(8.5)

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2023: 5,380 (down 24.9%)
 Six months ended Sep. 30, 2022: 7,163 (up 11.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2023	63.62	-
Six months ended Sep. 30, 2022	137.66	-

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
	Million yen	Million yen	%
As of Sep. 30, 2023	198,074	67,620	33.8
As of Mar. 31, 2023	191,890	63,047	32.6

Reference: Shareholders' equity (million yen) As of Sep. 30, 2023: 66,991 As of Mar. 31, 2023: 62,476

2. Dividends

	Annual dividends				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	-	26.00	-	28.00	54.00
Fiscal year ending Mar. 31, 2024	-	27.00	-	-	-
Fiscal year ending Mar. 31, 2024 (forecast)	-	-	-	27.00	54.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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	177,000	(0.7)	6,200	(26.1)	6,200	(24.2)	4,216	(23.2)	139.89

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

For the earnings forecasts for the fiscal year ending March 31, 2024, please also refer to the Notice of Revision of Business Performance Forecasts and the financial results materials for the second quarter of the fiscal year ending March 31, 2024 released today.

* Notes

(1) Changes in important subsidiaries during the consolidated cumulative first quarter (changes in specified subsidiaries causing a change in the scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

Note: For the details, please refer to “1. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Application of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements)” on page 6 of the attachments.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, etc.: None

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

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

As of Sep. 30, 2023:	31,042,900 shares	As of Mar. 31, 2023:	31,012,500 shares
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2) Number of treasury shares at the end of period

As of Sep. 30, 2023:	905,007 shares	As of Mar. 31, 2023:	907,207 shares
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3) Average number of shares during the period (cumulative for the quarter)

Six months ended Sep. 30, 2023:	30,115,656 shares	Six months ended Sep. 30, 2022:	30,081,034 shares
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Note: ALCONIX has a Board Benefit Trust for the distribution of stock to eligible individuals. Shares of ALCONIX remaining in this trust recorded as treasury shares in shareholders' equity are included in the treasury shares that will be deducted when calculating the average number of shares during the period that was used to calculate net income per share and diluted net income per share.

* A summary of consolidated financial results is not subject to quarterly review by certified public accountants or auditing firms.

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

The forecasts of future consolidated performance set forth above are based on the information currently available to ALCONIX and certain assumptions that ALCONIX determines to be reasonable, and are not intended to be a promise by ALCONIX that such forecasts will be achieved. Actual results may vary significantly due to various factors. For assumptions underlying the forecasts and cautionary notes regarding the use of the forecasts, please also refer to the Notice of Revision of Business Performance Forecasts the financial results materials for the second quarter of the fiscal year ending March 31, 2024 released today.

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

	(Million yen)	
	FY3/23 (As of Mar. 31, 2023)	Second quarter of FY3/24 (As of Sep. 30, 2023)
Assets		
Current assets		
Cash and deposits	26,993	30,366
Notes and accounts receivable-trade	62,483	63,701
Merchandise and finished goods	41,050	40,401
Work in process	4,070	4,468
Raw materials and supplies	4,282	4,395
Other	6,137	6,084
Allowance for doubtful accounts	(804)	(855)
Total current assets	144,212	148,561
Non-current assets		
Property, plant and equipment	31,993	32,515
Intangible assets		
Goodwill	1,357	1,192
Other	2,395	2,251
Total intangible assets	3,753	3,443
Investments and other assets	11,931	13,553
Total non-current assets	47,677	49,512
Total assets	191,890	198,074
Liabilities		
Current liabilities		
Notes and accounts payable-trade	40,910	45,109
Short-term borrowings	38,766	35,603
Commercial papers	6,997	6,997
Current portion of long-term borrowings	5,081	5,310
Current portion of bonds payable	75	-
Income taxes payable	1,635	1,797
Provision for bonuses	1,265	1,238
Other	5,615	5,227
Total current liabilities	100,348	101,284
Non-current liabilities		
Bonds payable	250	250
Long-term borrowings	20,654	20,908
Provision for retirement benefits for directors (and other officers)	293	300
Provision for share-based remuneration for directors (and other officers)	184	169
Retirement benefit liability	1,083	1,139
Long-term accounts payable-other	1,607	1,603
Other	4,420	4,798
Total non-current liabilities	28,494	29,169
Total liabilities	128,843	130,453

	(Million yen)	
	FY3/23 (As of Mar. 31, 2023)	Second quarter of FY3/24 (As of Sep. 30, 2023)
Net assets		
Shareholders' equity		
Share capital	5,810	5,830
Capital surplus	5,273	5,294
Retained earnings	44,398	45,467
Treasury shares	(1,157)	(1,154)
Total shareholders' equity	54,325	55,439
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,135	3,570
Deferred gains or losses on hedges	(20)	4
Foreign currency translation adjustment	6,035	7,975
Total accumulated other comprehensive income	8,150	11,551
Share acquisition rights	48	46
Non-controlling interests	523	583
Total net assets	63,047	67,620
Total liabilities and net assets	191,890	198,074

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Consolidated Cumulative Second Quarter)**

(Million yen)

	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)
Net sales	92,214	83,757
Cost of sales	78,702	72,349
Gross profit	13,512	11,408
Selling, general and administrative expenses	7,829	8,402
Operating profit	5,682	3,005
Non-operating income		
Interest income	24	70
Dividend income	304	309
Foreign exchange gains	32	-
Gain on valuation of derivatives	322	193
Other	176	152
Total non-operating income	861	725
Non-operating expenses		
Interest expenses	355	594
Foreign exchange losses	-	9
Other	82	94
Total non-operating expenses	438	698
Ordinary profit	6,105	3,033
Extraordinary income		
Gain on sales of non-current assets	6	7
Gain on bargain purchase	184	-
Gain on sales of investment securities	87	291
Other	26	33
Total extraordinary income	305	331
Extraordinary losses		
Loss on sales of non-current assets	4	0
Loss on retirement of non-current assets	11	13
Loss on valuation of investment securities	-	3
Other	-	1
Total extraordinary losses	15	18
Profit before income taxes	6,394	3,346
Income taxes	2,166	1,395
Profit	4,228	1,951
Profit attributable to non-controlling interests	87	35
Profit attributable to owners of parent	4,141	1,916

Quarterly Consolidated Statement of Comprehensive Income
(For the Consolidated Cumulative Second Quarter)

(Million yen)

	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)
Profit	4,228	1,951
Other comprehensive income		
Valuation difference on available-for-sale securities	(656)	1,435
Deferred gains or losses on hedges	(299)	24
Foreign currency translation adjustment	3,829	1,968
Share of other comprehensive income of entities accounted for using equity method	61	-
Total other comprehensive income	2,935	3,429
Comprehensive income	7,163	5,380
Comprehensive income attributable to		
Shareholders of parent	7,033	5,316
Non-controlling interests	129	63

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements

Calculation of tax expense

The tax expenses were calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the consolidated fiscal year including this consolidated second quarter, and multiplying that rate by the quarterly profit before income taxes.

Income taxes-deferred are included in and displayed with income taxes.

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