



February 10, 2014

**Summary of Consolidated Financial Results for the Third Quarter
of Fiscal Year Ending March 31, 2014
(Nine Months Ended December 31, 2013)**

[Japanese GAAP]

Company name: ALCONIX CORPORATION

Listing: Tokyo Stock Exchange, First Section

Stock code: 3036

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Scheduled date of filing of Quarterly Report: February 12, 2014

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on February 10, 2014 at 12:30 (GMT +9).

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

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2013

(April 1, 2013 – December 31, 2013)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2013	137,245	6.4	2,892	4.9	2,687	1.3	2,457	75.4
Nine months ended Dec. 31, 2012	129,029	(26.0)	2,757	(36.5)	2,653	(40.8)	1,401	(45.3)

Note: Comprehensive income (million yen): Nine months ended Dec. 31, 2013: 4,615 (up 178.9%)

Nine months ended Dec. 31, 2012: 1,654 (down 25.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2013	386.60	385.30
Nine months ended Dec. 31, 2012	220.57	219.66

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2013	86,158	19,755	22.3	3,027.41
As of Mar. 31, 2013	70,382	15,818	21.8	2,414.98

Reference: Shareholders' equity (million yen) As of Dec. 31, 2013: 19,242 As of Mar. 31, 2013: 15,347

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2013	-	30.00	-	30.00	60.00
Fiscal year ending Mar. 31, 2014	-	30.00	-		
Fiscal year ending Mar. 31, 2014 (forecast)				30.00	60.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	180,000	9.2	3,300	0.4	3,300	14.1	2,700	88.7	424.78

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): None

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

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

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

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

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

As of Dec. 31, 2013:	6,356,400 shares	As of Mar. 31, 2013:	6,355,200 shares
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2) Number of treasury stock shares at the end of period

As of Dec. 31, 2013:	185 shares	As of Mar. 31, 2013:	114 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2013:	6,356,063 shares	Nine months ended Dec. 31, 2012:	6,353,100 shares
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* 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 "(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 US economy continued to gradually recover driven by personal consumption and support from ongoing monetary easing, and Europe's economy showed signs of picking up. Although the Chinese economy and economies in emerging nations showed signs of bottoming out due to the pick up of the US and European economies, they remained weak with no full-scale recovery evident.

The Japanese economy continued to gradually recover due to an ongoing recovery in production particularly in the automobile industry where export profitability improved on benefits from the yen's depreciation, firm public works investment and residential investment, and solid personal consumption.

In the non-ferrous metals industry in which the ALCONIX Group operates, demand was mixed according to end-user demand. For example, demand from hybrid vehicles, smartphones, and tablet PCs continued to expand, but remained weak from PC and other IT equipment, as well as from LCD TVs and other digital appliances.

In this economic environment, the Group saw an increase in exports of aluminum raw materials for auto parts, copper products for air-conditioners and aluminum products, but a decline in titanium and nickel product exports for plants and shipbuilders, and a decline in sales of minor metals and rare earths. In the field of rare earths, sales of heavy rare earth elements dropped particularly sharply year on year due to the impact of slumping market prices and ongoing inventory corrections at major customers. As for profits, a recovery in exports of copper products due to the yen's depreciation, a recovery in the earnings of domestic consolidated subsidiaries, and earnings contributions from two domestic consolidated subsidiaries and a US-based plating manufacturing subsidiary whose results were added to consolidated results beginning from the first quarter, offset the decline in profits from rare earths. Also, the booking of gain on bargain purchase as extraordinary income following the acquisition of stocks in domestic consolidated subsidiaries and the acquisition of business drove a sharp rise in net income.

For the first nine months of the current fiscal year, ALCONIX reported consolidated net sales of 137,245 million yen (up 6.4% year on year), operating income of 2,892 million yen (up 4.9%), ordinary income of 2,687 million yen (up 1.3%) and net income of 2,457 million yen (up 75.4%).

Results by business segment in the first nine months of the current fiscal year were as follows. (Sales in each segment include inter-segment sales).

- Light metals and copper products

In the light metals and copper products segment, both sales and profits increased as sales of automobile and motorcycle materials were firm in Japan and other countries thanks to tailwind from the yen's depreciation, and a domestic distribution subsidiary and a manufacturing subsidiary contributed thanks to a recovery in demand for construction, aircraft, and air-conditioning materials. Also, there was a contribution from a domestic manufacturing company that was made a consolidated subsidiary in the first quarter.

As a result, the segment recorded sales of 56,205 million yen (up 18.4% year on year) and segment profit of 1,112 million yen (up 69.9%).

- Electronic and advanced materials

In the electronic and advanced materials segment, sales of solar cell materials were solid, and exports of copper products and environmental related products for North America grew on the back of the recovering US economy and the yen's depreciation. Exports of titanium and nickel products for power plants in China showed signs of recovery due to shipments of the remaining order balance, and the restart of suspended projects, but exports to Europe dropped due to slumping demand. Sales of materials for smartphones and tablet PCs, a fast-growing market, declined slightly year on year due to trends in sales of end products and model changes.

In the field of minor metals and rare earths, sales of light rare earth elements increased, despite sharply lower prices of rare earths, due in part to the winding down of inventory corrections and an increase in hybrid vehicle production. However, sales and profits of heavy rare earth elements declined sharply year on year due to the ongoing inventory correction among materials producers. A US plating materials maker, which was made a consolidated subsidiary of ALCONIX in the previous fiscal year, contributed to consolidated earnings.

As a result, the segment recorded sales of 52,632 million yen (down 10.4% year on year) and segment profit of 1,314 million yen (down 26.7%).

- Non-ferrous materials

In the non-ferrous materials segment, sales rose strongly year on year due to rising aluminum and copper prices because of the yen's depreciation, and an increase in sales of copper scrap, metal silicon used in chemical products, deoxidizer materials used in steel mills, magnesium ingots used in light metal rolls, and zinc ingots. Together with contributions from a domestic aluminum scrap recycling company that was made a consolidated subsidiary in the first quarter. However, profits from aluminum import alloy ingots, this segment's core product, declined due to more intense competition as the yen's depreciation increased purchase costs.

As a result, the segment recorded sales of 25,091 million yen (up 32.1% year on year) and segment profit of 91 million yen (down 15.1%).

- Construction and industrial materials

In the construction and industrial materials segment, public works investment and residential investment increased, but capital investment in the private sector remained weak despite some recovery. Although the yen's rapid depreciation has increased the prices of basic materials and raw materials, little progress has been made in working the higher materials prices into end product prices due to weak demand in the construction sector resulting from market contraction and delays in post-quake reconstruction and recovery. As a result, sales of construction and industrial materials and piping equipment remained weak in Japan. However, exports and sales of piping equipment and copper alloy materials to Southeast Asia were strong thanks to benefits from the yen's depreciation.

As a result, the segment recorded sales of 9,400 million yen (up 5.8% year on year) and segment profit of 151 million yen (up 67.8%).

(2) Explanation of Financial Position

1) Financial position

a. Current assets

At the end of the third quarter, current assets totaled 67,883 million yen, an increase of 12,528 million yen from the end of the previous fiscal year. The main factors were a 7,247 million yen increase in notes and accounts receivable-trade, a 3,457 million yen increase in inventories, and a 2,291 million yen increase in cash and deposits.

b. Noncurrent assets

Noncurrent assets totaled 18,275 million yen, an increase of 3,247 million yen. The main factors were a 2,131 million yen increase in property, plant and equipment from two domestic consolidated subsidiaries which became consolidated subsidiaries in the first quarter; a 263 million yen increase in intangible assets at overseas consolidated subsidiaries as the yen's depreciation increased foreign exchange gains; and an 853 million yen increase in investments and other assets from the evaluation of listed stock at market value.

c. Current liabilities

Current liabilities totaled 50,965 million yen, an increase of 10,868 million yen. The main factors were a 5,972 million yen increase in notes and accounts payable-trade, a 3,004 million yen increase in short-term loans payable, a

911 million yen increase in current portion of long-term loans payable, and a 525 million yen increase in income taxes payable.

d. Noncurrent liabilities

Noncurrent liabilities totaled 15,437 million yen, an increase of 970 million yen. The main factors were an 804 million yen increase in long-term loans payable and a 300 million yen decrease in bonds payable following the transfer of the category to current liabilities.

e. Net assets

Net assets totaled 19,755 million yen, an increase of 3,937 million yen. The main factors were a 2,038 million yen increase in retained earnings, a 1,454 million yen increase in foreign currency translation adjustment, and a 339 million yen increase in valuation difference on available-for-sale securities due to the evaluation of listed stock at market value.

2) Results of operations

a. Net sales

The main products that saw an increase in sales were recycled aluminum ingots and aluminum scrap for auto parts, copper scrap for copper refining, grinding processing light metal products used in aircraft materials and semiconductor production equipment, copper products including copper tubes due to greater demand for energy-efficient air-conditioners, and exports of aluminum products. The main products that saw a decline in sales were exports of titanium and nickel products to Europe, nickel powder used in secondary battery materials for consumer electronics. As for rare earths, sales of light rare earth elements increased year on year, while sales of heavy rare earth elements were weak due to the impact of slumping market prices and ongoing inventory corrections at customers. The consolidated earnings were benefited from the consolidated subsidiaries which began to contribute from the first quarter. As a result, net sales increased 6.4% year on year to 137,245 million yen in the first nine months of the current fiscal year.

b. Gross profit

Gross profit increased 22.9% to 8,430 million yen thanks to the higher net sales and contributions from consolidated subsidiaries which began to contribute from the first quarter.

c. Selling, general and administrative expenses

Selling, general and administrative expenses rose 35.0% to 5,537 million yen due to the booking of expenses for consolidated subsidiaries which began to contribute from the first quarter.

d. Operating income

Based on the above results, operating income increased 4.9% to 2,892 million yen.

e. Non-operating income, non-operating expenses

Net non-operating income was -205 million yen (compared with -104 million yen in the same period of the previous fiscal year), due to foreign exchange losses related to foreign currency-denominated transactions, following the yen's depreciation. The above foreign exchange loss is inversely correlated to the significant increase in gross profit against the backdrop of a weaker yen.

f. Ordinary income

Based on the above results, ordinary income rose 1.3% to 2,687 million yen.

g. Extraordinary income, extraordinary loss

ALCONIX booked gain on bargain purchase of 839 million yen, following the acquisition of stocks in domestic consolidated subsidiaries which became consolidated subsidiaries in the first quarter and the acquisition of business, and dividends from liquidation of investment securities of 110 million yen, as an extraordinary income. It booked an extraordinary loss of 71 million yen.

h. Net income

ALCONIX recorded income before income taxes and minority interests of 3,575 million yen. From this amount, 1,066 million yen was deducted for income taxes and 51 million yen was subtracted for minority interests in income from four consolidated subsidiaries. As a result, net income increased 75.4% to 2,457 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 press release “Revision of consolidated earnings forecasts” on October 22, 2013.

2. Matters Related to Summary Information (Notes)**(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

- Calculation of tax expense

The tax expenses were calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to income before income taxes and minority interests during the fiscal year, and multiplying that rate by the quarterly income before income taxes and minority interests. Income taxes-deferred were included and displayed with income taxes.

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

Not applicable.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	FY3/13 (As of Mar. 31, 2013)	Third quarter of FY3/14 (As of Dec. 31, 2013)
Assets		
Current assets		
Cash and deposits	11,082	13,374
Notes and accounts receivable-trade	30,055	37,302
Merchandise and finished goods	11,727	14,278
Work in process	388	1,117
Raw materials and supplies	321	499
Other	2,124	1,780
Allowance for doubtful accounts	(345)	(468)
Total current assets	55,355	67,883
Noncurrent assets		
Property, plant and equipment	3,940	6,071
Intangible assets		
Goodwill	2,528	2,651
Other	3,530	3,671
Total intangible assets	6,059	6,323
Investments and other assets	5,026	5,880
Total noncurrent assets	15,027	18,275
Total assets	70,382	86,158
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,243	29,216
Short-term loans payable	12,250	15,254
Current portion of long-term loans payable	1,978	2,889
Current portion of bonds	600	600
Income taxes payable	101	627
Provision for bonuses	406	287
Other	1,516	2,088
Total current liabilities	40,097	50,965
Noncurrent liabilities		
Bonds payable	1,800	1,500
Long-term loans payable	10,297	11,102
Provision for retirement benefits	271	300
Provision for directors' retirement benefits	166	196
Long-term accounts payable-other	73	158
Other	1,858	2,179
Total noncurrent liabilities	14,467	15,437
Total liabilities	54,564	66,403

	(Millions of yen)	
	FY3/13 (As of Mar. 31, 2013)	Third quarter of FY3/14 (As of Dec. 31, 2013)
Net assets		
Shareholders' equity		
Capital stock	2,832	2,833
Capital surplus	1,874	1,875
Retained earnings	10,226	12,264
Treasury stock	(0)	(0)
Total shareholders' equity	14,932	16,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	83	422
Deferred gains or losses on hedges	(36)	24
Foreign currency translation adjustment	367	1,822
Total accumulated other comprehensive income	414	2,269
Subscription rights to shares	42	38
Minority interests	427	473
Total net assets	15,818	19,755
Total liabilities and net assets	70,382	86,158

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statements of Income
(For the Nine-month Period)**

(Millions of yen)

	First nine months of FY3/13 (Apr. 1, 2012 – Dec. 31, 2012)	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)
Net sales	129,029	137,245
Cost of sales	122,171	128,815
Gross profit	6,858	8,430
Selling, general and administrative expenses	4,100	5,537
Operating income	2,757	2,892
Non-operating income		
Interest income	9	65
Purchase discounts	17	13
Dividends income	37	41
Rent income of real estate	35	43
Equity in earnings of affiliates	109	114
Other	50	145
Total non-operating income	259	424
Non-operating expenses		
Interest expenses	177	274
Sales discounts	7	8
Foreign exchange losses	68	222
Loss on sales of notes receivable-trade	38	27
Rent cost of real estate	15	20
Other	56	76
Total non-operating expenses	364	630
Ordinary income	2,653	2,687
Extraordinary income		
Gain on change in equity	20	-
Gain on bargain purchase	-	839
Other	1	119
Total extraordinary income	21	959
Extraordinary loss		
Loss on valuation of investment securities	270	25
Loss on liquidation of subsidiaries and affiliates	-	40
Other	36	4
Total extraordinary losses	307	71
Income before income taxes and minority interests	2,367	3,575
Income taxes	910	1,066
Income before minority interests	1,457	2,508
Minority interests in income	56	51
Net income	1,401	2,457

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

(Millions of yen)

	First nine months of FY3/13 (Apr. 1, 2012 – Dec. 31, 2012)	First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)
Income before minority interests	1,457	2,508
Other comprehensive income		
Valuation difference on available-for-sale securities	30	339
Deferred gains or losses on hedges	(61)	63
Foreign currency translation adjustment	237	1,440
Share of other comprehensive income of associates accounted for using equity method	(9)	262
Total other comprehensive income	197	2,106
Comprehensive income	1,654	4,615
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,599	4,553
Comprehensive income attributable to minority interests	55	62

(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 FY3/13 (Apr. 1, 2012 – Dec. 31, 2012)

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	46,949	56,276	18,495	7,307	129,029
Inter-segment sales and transfers	520	2,441	504	1,576	5,043
Total	47,470	58,717	19,000	8,884	134,072
Segment profit	655	1,792	107	90	2,646

2. Information related to assets for each reportable segment

In the third quarter of FY3/13, UNIVERTICAL HOLDINGS INC. and seven other group companies were included in the scope of consolidation. Accordingly, the effect of this change was to increase segment assets in the “Electronic and advanced materials” segment by 2,193 million yen during the third quarter of FY3/13.

The Company applies provisional accounting method based on reasonable information available at the time the Quarterly Consolidated Financial Statements for the period under review were prepared.

3. Reconciliation of quarterly consolidated statements of income with total profit or loss for reportable segments

(Millions of yen)

Profit	Amount
Total for reportable segments	2,646
Eliminations for inter-segment transactions	7
Ordinary income on the quarterly consolidated statements of income	2,653

4. Information related to impairment of noncurrent assets, goodwill, etc. for each reportable segment

Significant change in goodwill

In the “Electronic and advanced materials” segment, UNIVERTICAL HOLDINGS INC. was newly established and it acquired the stocks in UNIVERTICAL CORPORATION and three other group companies. Accordingly, there has been a significant change in goodwill. The event caused an increase of goodwill by 2,267 million yen in the third quarter of FY3/13.

The Company applies provisional accounting method based on reasonable information available at the time the Quarterly Consolidated Financial Statements for the period under review were prepared.

II. First nine months of FY3/14 (Apr. 1, 2013 – Dec. 31, 2013)

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	55,801	49,975	24,575	6,892	137,245
Inter-segment sales and transfers	404	2,657	515	2,507	6,084
Total	56,205	52,632	25,091	9,400	143,330
Segment profit	1,112	1,314	91	151	2,670

2. Information related to assets for each reportable segment

In the first quarter of FY3/14, OHBA SEIKEN CO., LTD. was included in the scope of consolidation because all the shares of its stock were acquired by the Company. Accordingly, the effect of this change was to increase segment assets in the “Light metals and copper products” segment by 2,109 million yen at the end of the third quarter of FY3/14, compared with the end of FY3/13.

3. Reconciliation of quarterly consolidated statements of income with total profit or loss for reportable segments

(Millions of yen)

Profit	Amount
Total for reportable segments	2,670
Eliminations for inter-segment transactions	16
Ordinary income on the quarterly consolidated statements of income	2,687

4. Information related to impairment of noncurrent assets, goodwill, etc. for each reportable segment

Significant gain on bargain purchase

In the “Light metals and copper products” segment, OHBA SEIKEN CO., LTD. was included in the scope of consolidation because all the shares of its stock were acquired by the Company. Accordingly, gain on bargain purchase of 785 million yen was recorded in the first nine months of FY3/14.

In the “Non-ferrous materials” segment, the Company acquired the operations of the Osaka Aluminum Center from ALUMINUM RECYCLE CORPORATION. Accordingly, gain on bargain purchase of 53 million yen was recorded in the first nine months of FY3/14.

This financial report is solely a translation of content extracted from 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.