



NEWS RELEASE
February 19, 2019

Company name: ALCONIX CORPORATION
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Stock code: 3036
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Notice of Establishment of Hong Kong Joint Venture and Change in Specified Subsidiary

ALCONIX CORPORATION has approved a resolution to establish a company in Hong Kong that will be owned jointly with Dai Nippon Printing Co., Ltd. and a partner company in Hong Kong. This action is pursuant to the provisions of Article 370 of the Companies Act and Article 23 of the ALCONIX Articles of Incorporation (a written resolution in lieu of a resolution by the Board of Directors). This company will be classified as a specified subsidiary of ALCONIX as its capital stock is more than 10 percent of the capital stock of ALCONIX. (Japanese legal requirement)

1. Reason for establishing the jointly owned company

ALCONIX has been taking actions to enlarge its electronic materials business as one step to strengthen operating revenue, which is one of goals of the current medium-term business plan. The battery materials business, which ALCONIX operates on a global scale, is one of the highest priorities for achieving growth of the electronic materials business. Demand for lithium ion batteries is expected to grow worldwide especially in China and emerging countries as more batteries are needed for smartphones, tablets and electric vehicles. The decision was made to establish a jointly owned company in Hong Kong in order to directly meet the demand of customers as well as to establish new business channels in electronic materials.

2. Profile of Hong Kong Andex Electronic Material

(1) Company name	Hong Kong Andex Electronic Material Co., Ltd. (tentative)
(2) Representative	Toshiya Imagawa (ALCONIX employee) (tentative)
(3) Location	Harbour Road, Wan Chai, Hong Kong
(4) Establishment	June 2019 (tentative)
(5) Business	Operation of lithium ion battery materials business
(6) Capital	500 million yen
(7) Major shareholders	ALCONIX CORPORATION: 60.0% Dai Nippon Printing Co., Ltd.: 25.1% Dongguan ALI System Co., Ltd.: 14.9%

3. Profile of Dai Nippon Printing and Dongguan ALI System

(1) Company name	Dai Nippon Printing Co., Ltd.
(2) Representative	Yoshinari Kitajima, President
(3) Location	1-1-1, Ichigaya-Kagacho, Shinjuku-ku, Tokyo
(4) Capital	114,464 million yen
(5) Business	Printing business, etc.
(6) Establishment	January 19, 1894
(7) Major shareholders	The Master Trust Bank of Japan, Ltd. (Trust Account): 8.99% Japan Trustee Services Bank, Ltd. (Trust Account): 5.99% and others

(8) Relationships between ALCONIX and Dai Nippon Printing	Capital	There is no significant capital relationship between ALCONIX and Dai Nippon Printing, and there are no significant capital relationships between persons or companies affiliated with ALCONIX, and persons or companies affiliated with Dai Nippon Printing.
	Personnel	There is no significant personnel relationship between ALCONIX and Dai Nippon Printing, and there are no significant personnel relationships between persons or companies affiliated with ALCONIX, and persons or companies affiliated with Dai Nippon Printing.
	Business	ALCONIX purchases electronic materials from Dai Nippon Printing. There are no other significant business relationships between persons or companies affiliated with ALCONIX, and persons or companies affiliated with Dai Nippon Printing.

- (1) Company name Dongguan ALI System Co., Ltd.
- (2) Representative Li Xinhong, Chairman
- (3) Location No. 3 Lingxing Street, Lingxia Industrial Zone, Liaobu Town, Dongguan, Guangdong, China
- (4) Capital 106.12 million Chinese yuan
- (5) Business Manufacture of machinery and equipment
- (6) Establishment June 27, 2006
Li Xinhong: 14.3%
- (7) Major shareholders Dongguan Hongyi Equity Investment Partnership (Limited Partnership): 12.0% and others

(8) Relationships between ALCONIX and Dongguan ALI System	Capital	There is no significant capital relationship between ALCONIX and Dongguan ALI System, and there are no significant capital relationships between persons or companies affiliated with ALCONIX, and persons or companies affiliated with Dongguan ALI System.
	Personnel	There is no significant personnel relationship between ALCONIX and Dongguan ALI System, and there are no significant personnel relationships between persons or companies affiliated with ALCONIX, and persons or companies affiliated with Dongguan ALI System.
	Business	There is no significant business relationship between ALCONIX and Dongguan ALI System, and there are no significant business relationships between persons or companies affiliated with ALCONIX, and persons or companies affiliated with Dongguan ALI System.

4. Schedule

- (1) Contract signing: February 19, 2019 (tentative)
- (2) Establishment of Hong Kong Andex Electronic Material: Late June 2019 (tentative)

5. Impact on the earnings forecasts for the current fiscal year

The planned establishment of this joint venture will have only a negligible effect on consolidated results of operations in the current fiscal year. An announcement will be made promptly if ALCONIX subsequently determines that there is an effect on results of operations. ALCONIX plans to classify the new company as a consolidated subsidiary once this company starts business operations.