

January 26, 2017

Announcement of Medium-term Management Plan

ALTECH CO., LTD. announces that the Company has formulated its medium-term management plan from the fiscal year ending November 2017 to the fiscal year ending November 2021.

In the Medium-term Management Plan, ALTECH aims to establish its brand as a global niche company with the policy of “As a value creation company, we contribute to society by delivering greater satisfaction to our customers, through establishing bonds (trust relationship) with customers to establish the management base, and exploring our industry while constantly challenging new domains”

1. Background of formulation of mid-term management plan

The Group has been working to implement a business structural reform with the aim of establishing a stable profit base with our trading business and our preform business as the twin principal columns of our operations. As a result, we have finally established a business structure that can withstand the changes in the market environment.

Given these circumstances, the Group has now decided to formulate a Medium-term Management Plan for the next five years and to embark upon a fresh start towards becoming a company that has the capacity both to continue to develop as well as to make a permanent contribution to society.

2. Basic policy of mid-term management plan

We will strive to achieve our plan based on the following key policies:

- i. Creating added value in our business operations.
 - ‘Discovery of strategic business areas (products)
 - Enhancing client satisfaction
- ii. Increasing fixed cost efficiency
 - Implementing cost structure reforms
 - Streamlining our overseas facilities
 -
- iii. Building a global management structure
 - Establishing a supervisory structure for each region
 - Strengthening our organizational and human resources

Based on the above policy, we will attempt to evolve from being a Machinery Importer purely engaged in machinery sales to becoming an Innovation Integrator providing solutions for trading business. In the preform business, we will strive to localize management.

As a measure in support of our Medium-term Management Plan, we shall introduce a system for appointing highly talented staff and introducing training systems. Furthermore, we will also review our organizational structure with a view to strengthening our strategy and undertaking new projects.

3. Mid-term Management Target (Consolidated)

(Million yen)

Contents	FY11/16 (Results)	FY11/21 (Target)
Net sales	13,775	19,000
Operating income	366	950
Operating income margin	2.6%	Above 5.0%
Return on equity (ROE)	0.7%	Above 5.0%

FY11/16 Financial Report
and
Mid-term Management Plan
- Evolve to Becoming an Innovation Integrator -

January 26, 2017
ALTECH CO., LTD.

I . Company Profile and Business Description

II . FY11/16 Financial Report FY11/17 Business Forecasts

III . Mid-term Management Plan

I . Company Profile and Business Description

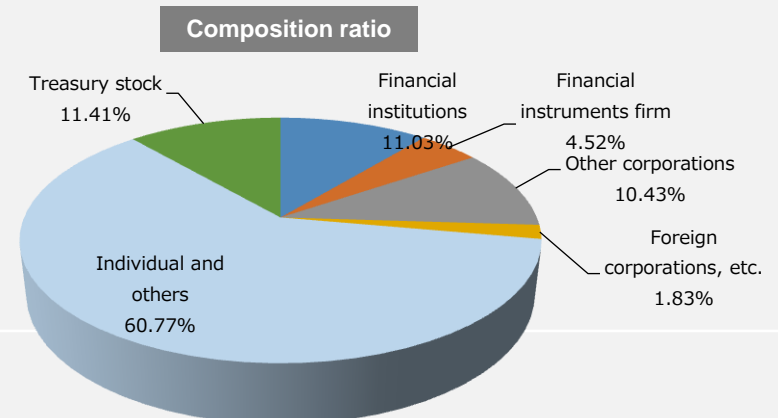
Company profile

Nov. 30, 2016

Company name	ALTECH CO.,LTD.
Established	May 15, 1976
Listing market	Listed on TSE1 in May 2000 (JASDAQ: May 1994, TSE2: Sep. 1998)
Location	1-1 Irifune 2-chome, Chuo-ku, Tokyo
Capital	5,527 million yen
Business	Import and sale of printing and packaging machinery Manufacture and sales of PET bottle preforms
Representative	Norihiro Chono, President & CEO
No. of employees	Consolidated: 426 (Non-consolidated:133)
No. of affiliated company	Consolidated subsidiary:12, Equity Method Affiliated Company:1

Total no. shares outstanding : 19,354,596 shares, No. of shareholders : 8,209

Major shareholders	
ALTECH CO.,LTD. (Treasury stock)	11.4%
Masaaki Takeuchi	4.7%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.6%
Kansai Tube Co.,Ltd.	2.5%
Kazuhisa Yuri	2.3%

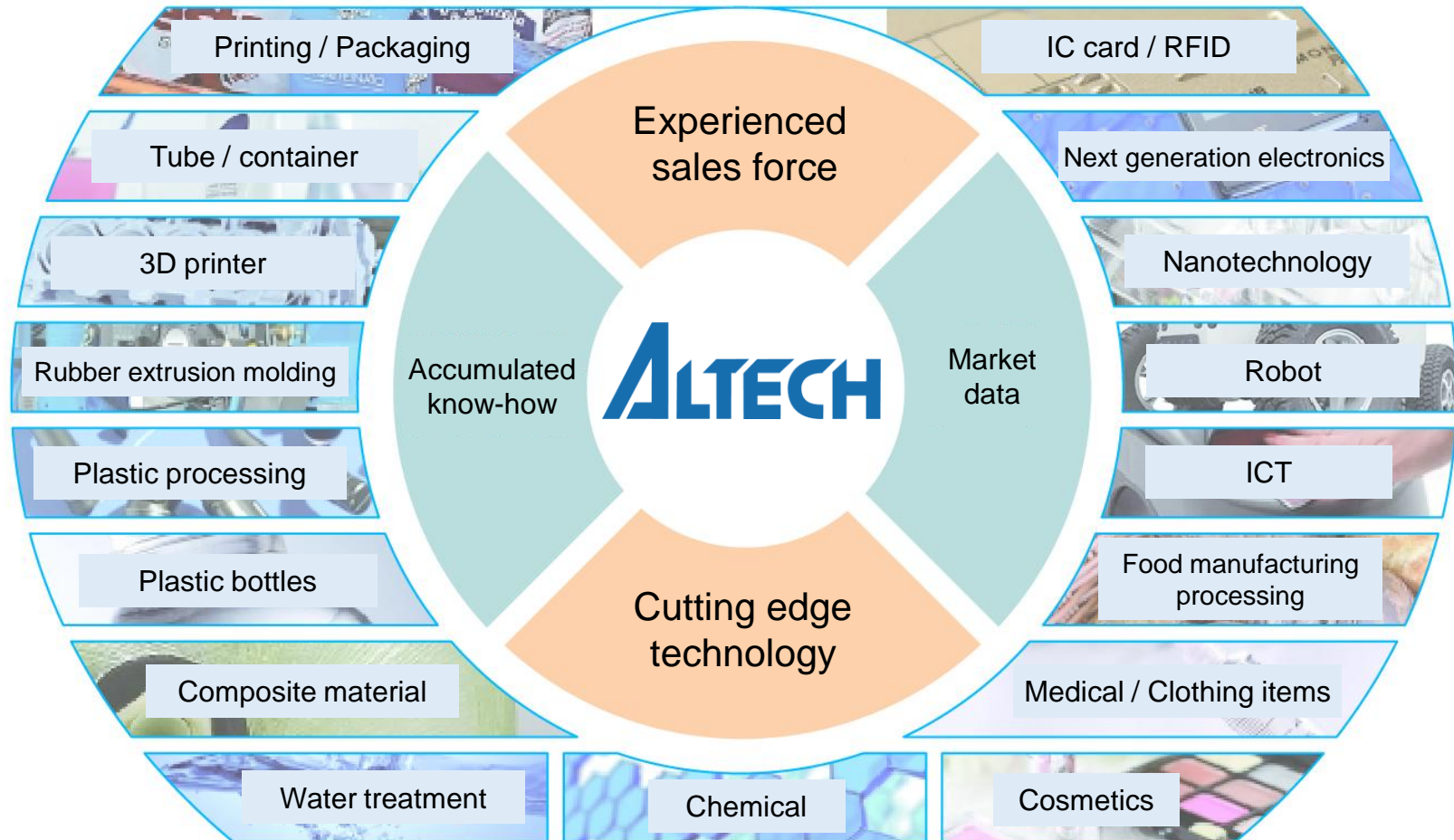


Shareholder composition

Our Business -Trading Business-

Trading business

We will constantly accept the challenge of entering new fields while combining the know-how accumulated since our foundation with the analysis of market data to provide long-term total solutions



Our Business -Preform Business-

Preform business

Manufacture and sales of PET bottle preform

- Preform for heat-resistant PET bottles for beverage makers
- Preform for aseptic filled PET bottle
- Preform for PET bottle for cooking oil
- Caps for PET bottles for cooking oil



Domestic base

ALTECH NEW MATERIALS CO., LTD.



Address: 68-12 Makuoka-cho Koguro, Sakai-shi, Fukui
URL : <http://altech-fukui.co.jp/>

Overseas base



Altech New Materials (Suzhou) Co., Ltd.



Altech New Materials (Wuhan) Co., Ltd.



Altech New Materials (Guangzhou) Co., Ltd.



Chongqing Altech New Materials Co., Ltd.

II . FY11/16 Financial Report FY11/17 Business Forecasts

FY11/16 Financial Report (Consolidated PL Summary)

FY11/16 Financial Report

- ◆ Sales: decrease in trading house business and preform business
- ◆ Operating income: implemented thorough cost control of trading business and cost structure reform of preform business
- ◆ Ordinary income: posted foreign exchange loss of 182 million yen due to the yen-appreciation
- ◆ Net income: posted extraordinary loss of 135 million yen, mainly due to expenses for business structure reform in the preform business and losses on withdrawal from business (previous fiscal year: impairment loss of 997 million yen in preform business)

(Unit: million yen)

	FY11/15 Results (Previous fiscal year)	FY11/16 Results (Current fiscal year)	YoY
Net sales	15,810	13,775	(12.9%)
Operating income	168	366	118.0%
Ordinary income	(104)	181	-
Net income	(998)	64	-
EPS	(¥58.23)	¥3.79	-

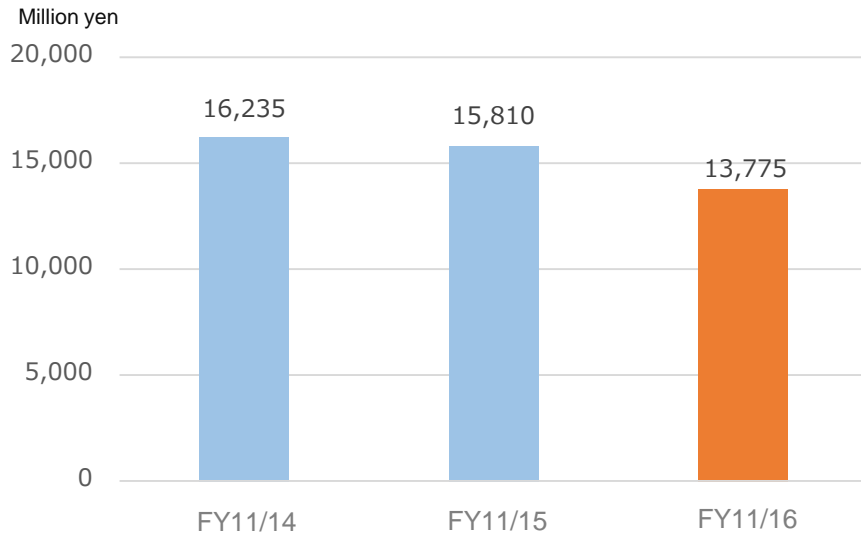
FY11/16 Financial Report (Consolidated business results)

Consolidated business results (2014-2016)

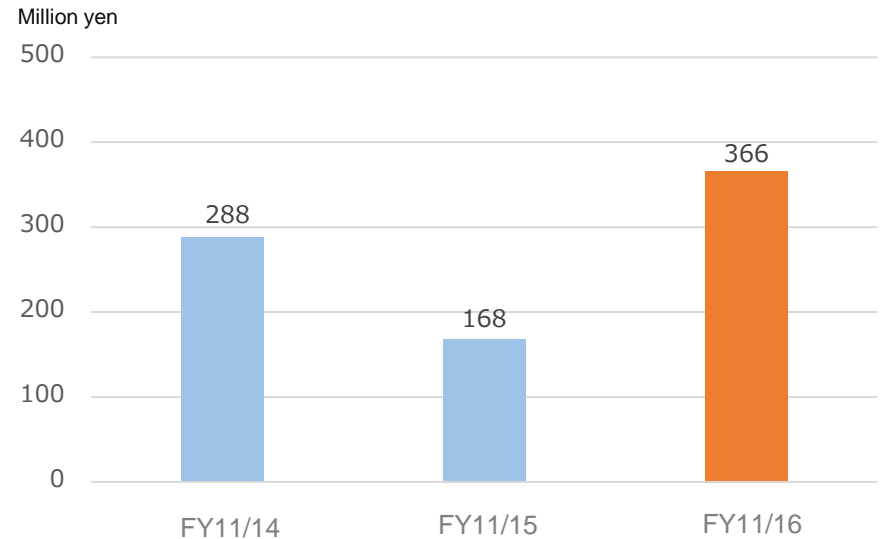
(Million yen)

	FY11/14 Results	FY11/15 Results	FY11/16 Results
Net sales	16,235	15,810	13,775
Operating income	288	168	366

Net sales



Operating income



FY11/16 Financial Report (Trading Business)

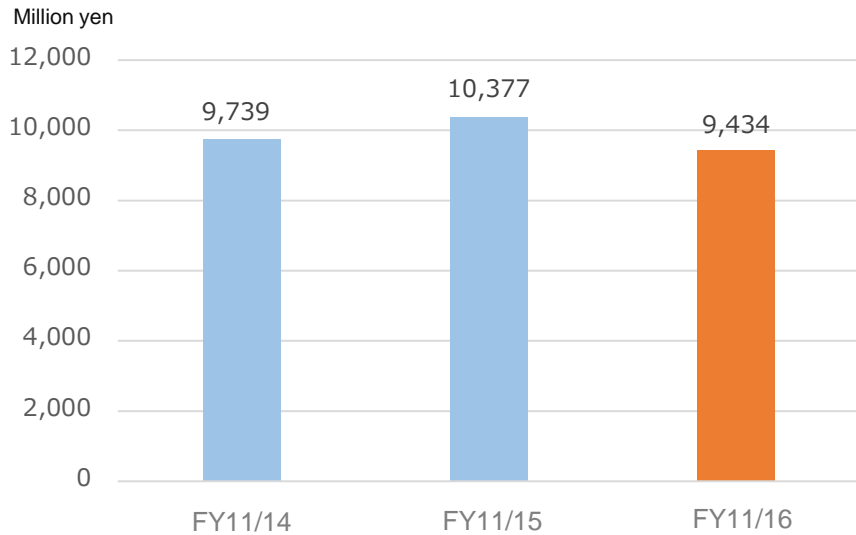
Results of Trading Business (2014-2016)

(Million yen)

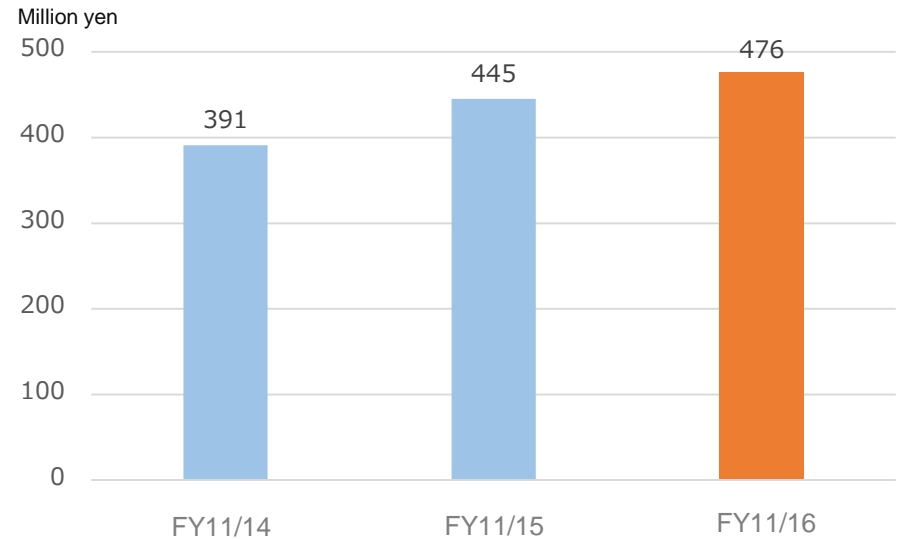
	FY11/14 Results	FY11/15 Results	FY11/16 Results
Net sales	9,739	10,377	9,434
Segment income	391	445	476

Note: figures include internal transaction between segments.

Net sales



Segment income



FY11/16 Financial Report (Preform Business)

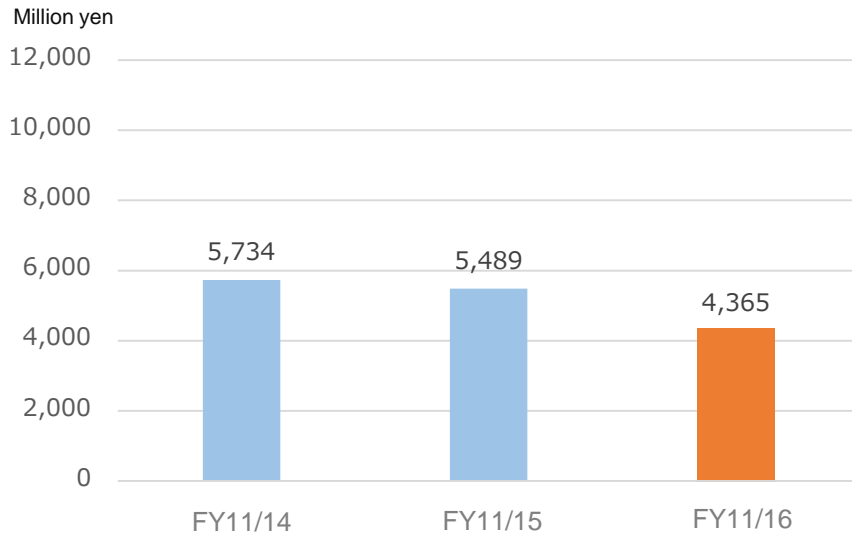
Results of Preform Business (2014-2016)

(Million yen)

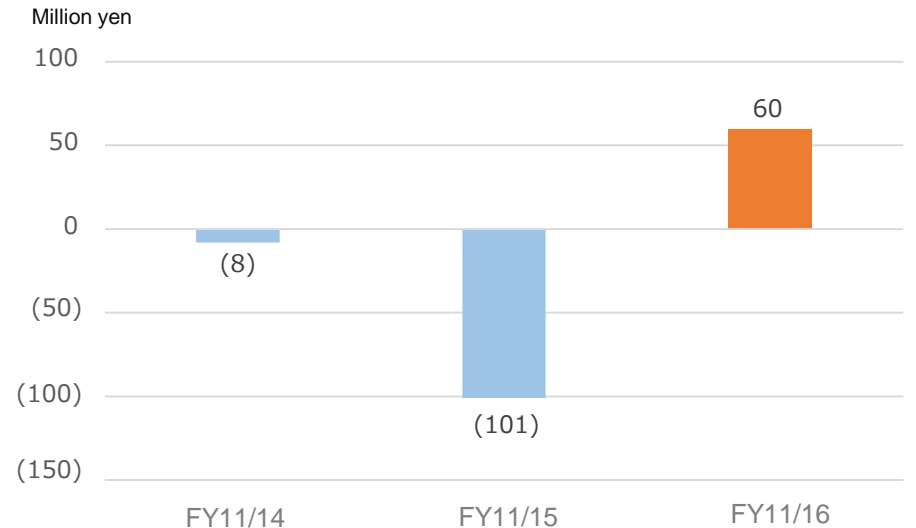
	FY11/14 Results	FY11/15 Results	FY11/16 Results
Net sales	5,734	5,489	4,365
Segment income	(8)	(101)	60

Note: figures include internal transaction between segments.

Net sales



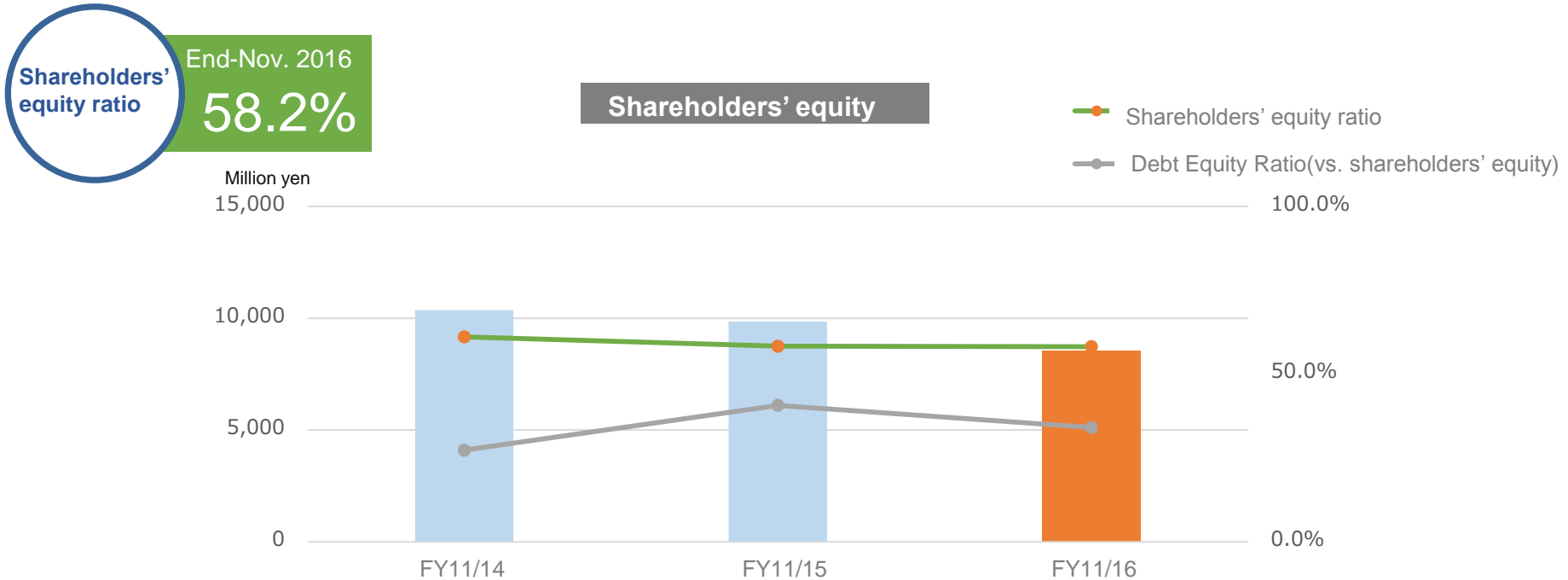
Segment income



FY11/16 Financial Report (Shareholders' equity)

(Million yen)

	FY11/14 Results	FY11/15 Results	FY11/16 Results
Shareholders' equity	10,359	9,850	8,544
Shareholders' equity ratio	61.1%	58.3%	58.2%
Debt Equity Ratio (vs. shareholders' equity)	27.3%	40.7%	34.1%



FY11/17 Business Forecasts

FY11/17 Consolidated business forecasts

- ◆ Trading business: expect recovery of orders such as printing machinery and food machinery, on the premise that the gradual recovery trend in the domestic economy will continue
- ◆ Preform business: expect a decline in sales on orders, on the premise that the tough market environment will continue as a result of slowdown of economic growth in China

(Unit: million yen)

	FY11/16 Results	FY11/17 Forecasts	YoY
Net sales	13,775	15,000	8.9%
Operating income	366	320	(12.7%)
Ordinary income	181	200	10.4%
Net income	64	100	53.9%
EPS	¥3.79	¥5.83	-

III. Mid-term Management Plan

“As a value creation company, we contribute to society by delivering greater satisfaction to our customers, through establishing bonds (trust relationship) with customers to establish the management base, and exploring our industry while constantly challenging new domains”

Code of Conduct

【Research】 Action guidelines for acquiring a broad and deep knowledge about the industry

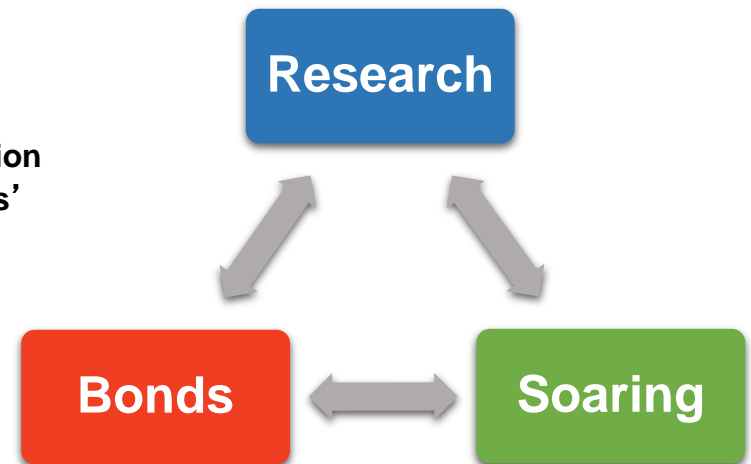
Provide value creation in problem solving for the industry by building relations with and collecting information from customers and manufacturers

【Soaring】 Action guidelines for finding new technical information and taking on the challenge of solving our customers' problems

Always searching for opportunities for growth, maintaining a willingness to boldly accept the challenge if such opportunities arise and to link them with our own individual growth and that of Altec too

【Bonds】 Action guidelines for deepening ties with customers

We understand our customers by getting to know our customers, by becoming good consultation partners, and by providing them with high-level solutions in consultations at a much faster speed than they expect us to deliver



1 Creating added value in our business operations

- Discovery of strategic business areas (products)
- Enhancing client satisfaction
- Strengthen cooperation with technical department

2 Increasing fixed cost efficiency

- Implementing cost structure reforms
- Streamlining our overseas facilities

3 Building a global management structure

- Establishing a supervisory structure for each region
- Strengthening our organizational and human resources



**Evolve
from
Machinery Importer
to
becoming
Innovation Integrator**

**Machinery Sales +
Added Value
(Providing solution)**

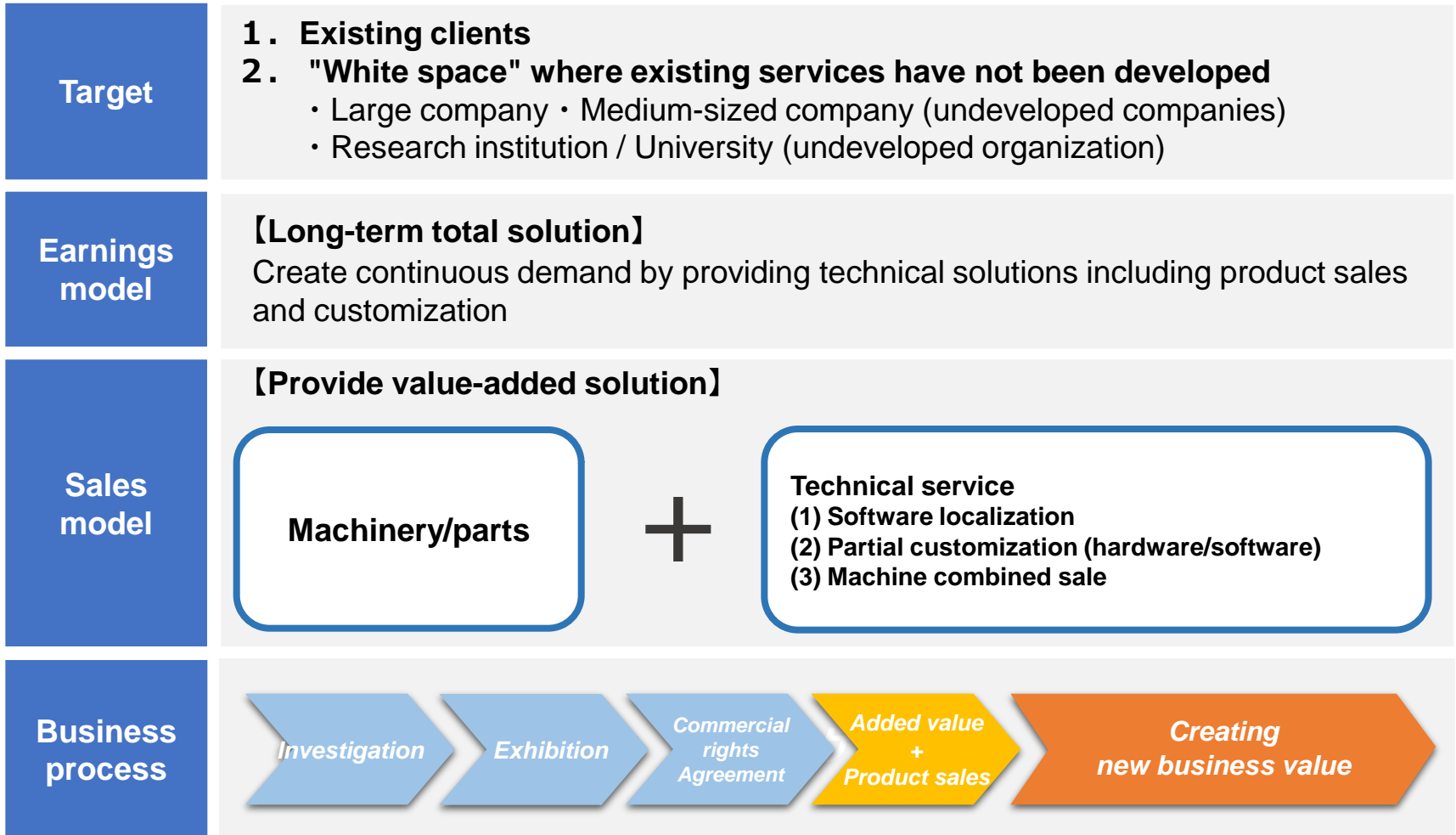
1 Growth strategies for existing and new commercial rights

- Accelerate the pace of development into emerging markets
- Development of new commercial rights in areas such as service robots, and IoT (Internet of Things)
- Expansion of existing commercial rights targeting the creation of continuous demand
- Strategy for capturing the white space between existing services

2 Building the foundations for further growth

- Continuation of structural reform
- Training next-generation management
- Strengthening organizational system to promote Medium-term Plan
 - Establishing Marketing Dept.
 - Integrating Engineering Dept.

Business Model



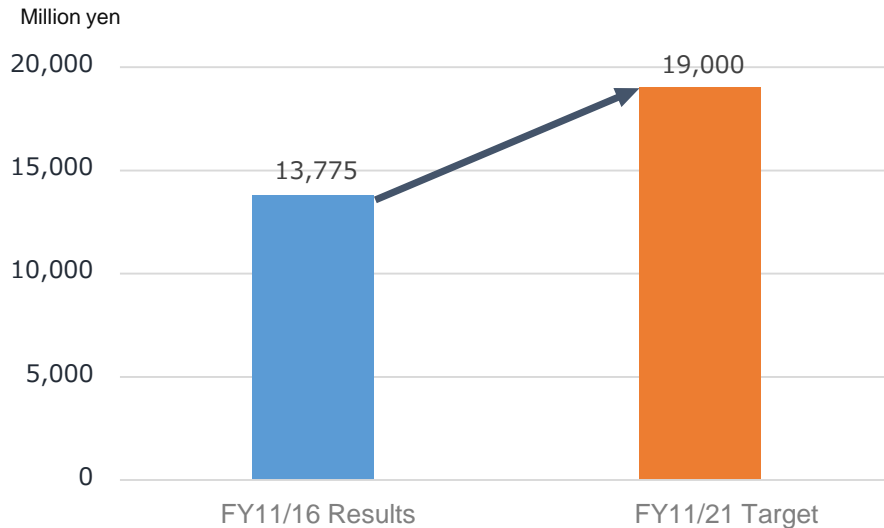
Mid-term Management Plan 2021 Consolidated Target

Consolidated target

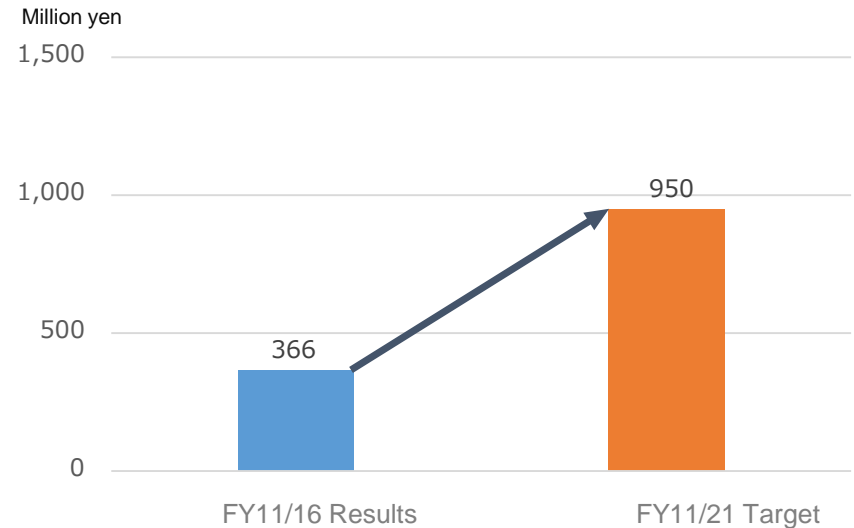
(Million yen)

	FY11/16 Results	FY11/21 Target
Net sales	13,775	19,000
Operating income	366	950

Net sales



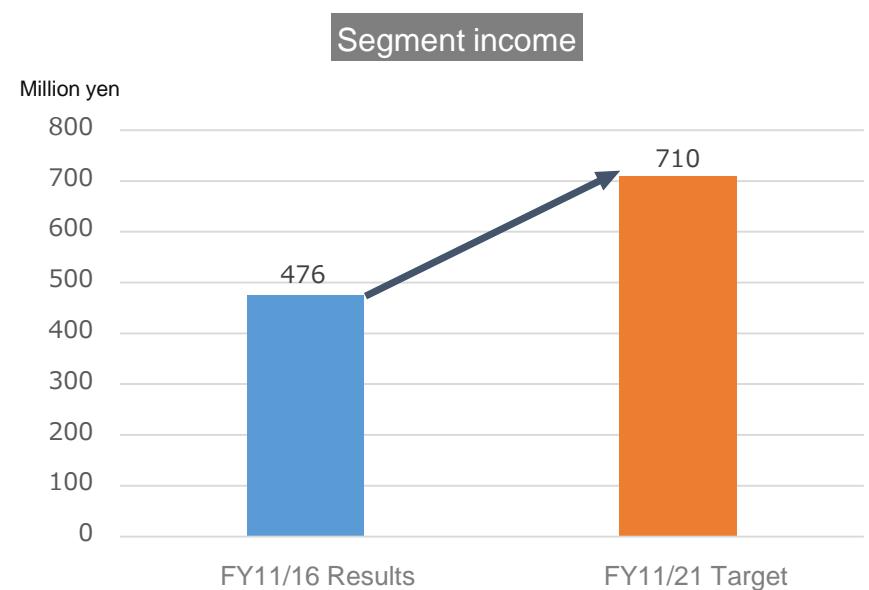
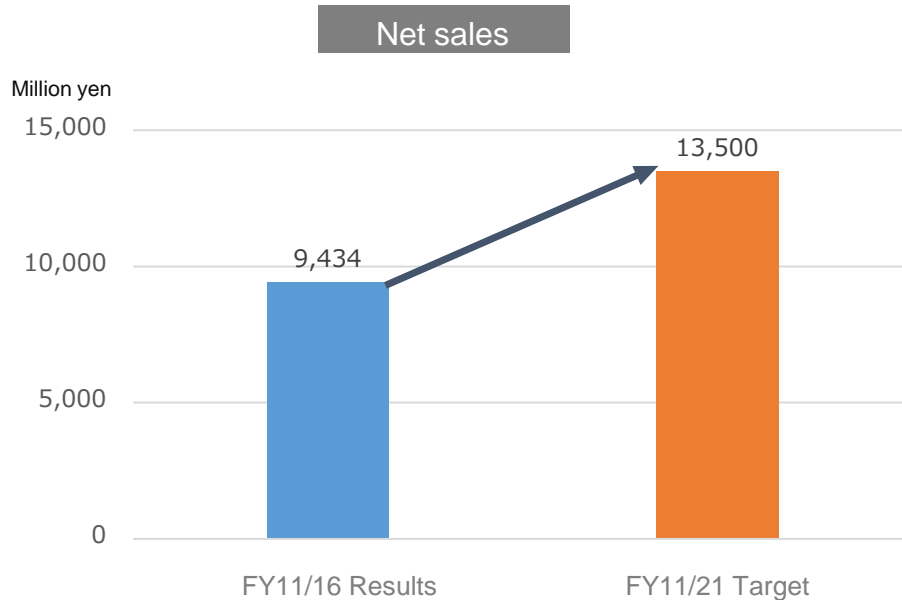
Operating income



Mid-term Management Plan 2021 Target (Trading business)

Trading business target

	(Million yen)	
	FY11/16 Results	FY11/21 Target
Net sales	9,434	13,500
Segment income	476	710

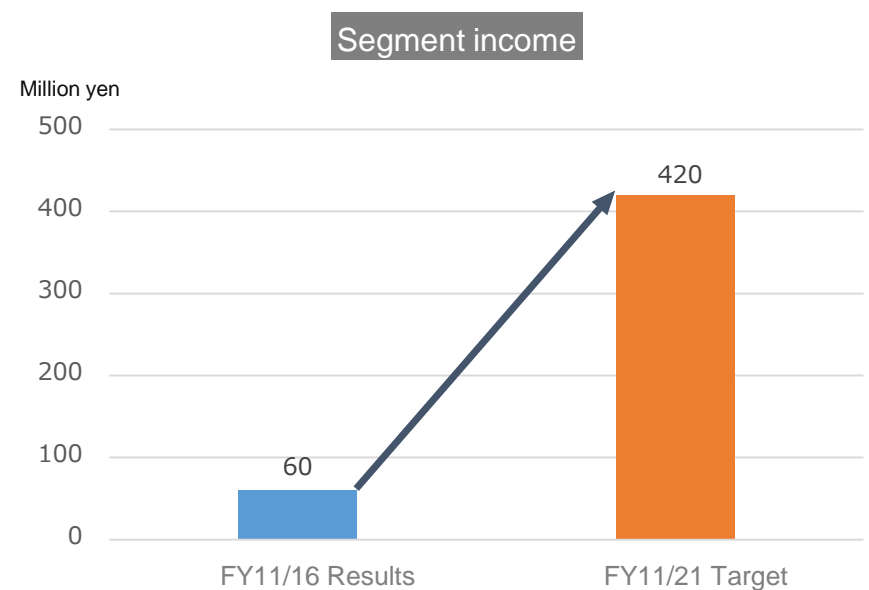
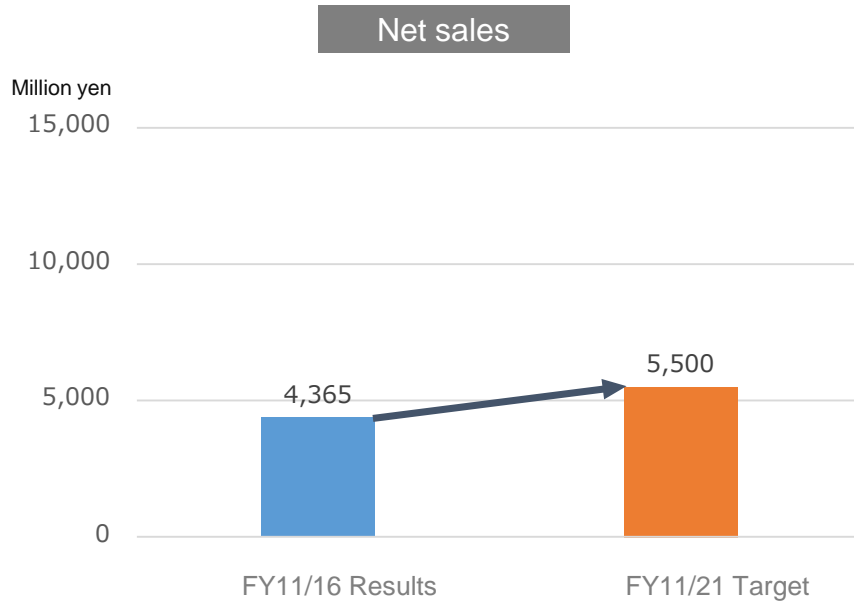


Note: figures include internal transaction between segments.

Mid-term Management Plan 2021 Target (Preform business)

Preform business target

	(Million yen)	
	FY11/16 Results	FY11/21 Target
Net sales	4,365	5,500
Segment income	60	420

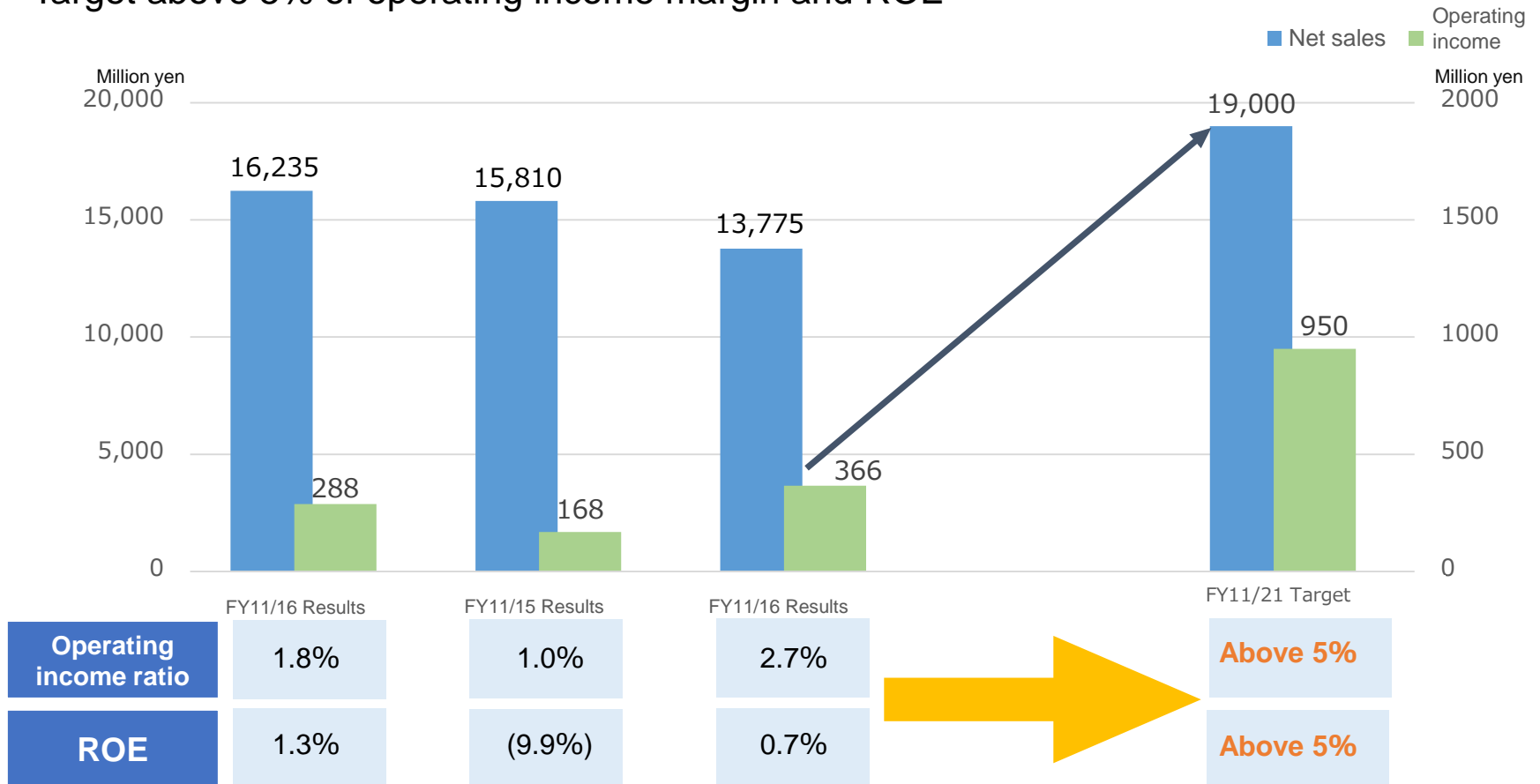


Note: figures include internal transaction between segments.

Management Numerical Target

Management Numerical Target

Target above 5% of operating income margin and ROE

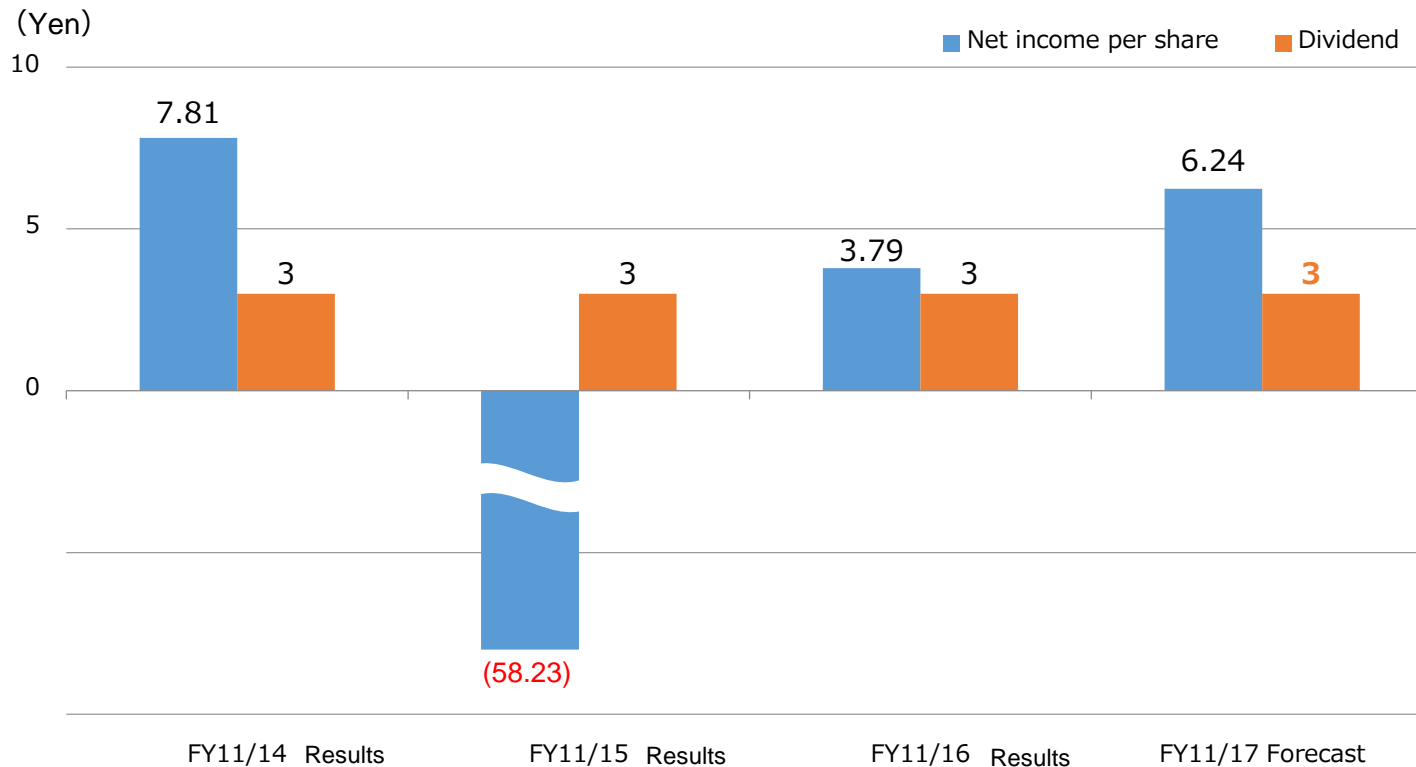


Shareholder Return

Basic policy of shareholder return

First priority on returning its profits to shareholders in a continuous manner, while ensuring sufficient internal reserves to strengthen its corporate structure

Annual Dividend Results and Dividend Forecast for FY11/17



(Precautions regarding forward-looking statements)

- Data and forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared, and contain latent risks and uncertainties. The company does not make promises about the achievements.
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