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FY11/17 Financial Report  
and  
Mid-term Management Plan

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February 9,2018  
ALTECH CO.,LTD.

**I . Company Profile and Business Description**

**II . FY11/17 Financial Report  
FY11/18 Business Forecasts**

**III . Mid-term Management Plan Report**

# **I . Company Profile and Business Description**

# Company profile

Nov.30,2017

<b>Company name</b>	ALTECH CO.,LTD.
<b>Established</b>	May 15,1976
<b>Listing market</b>	Listed on TSE1 (code : 9972)
<b>Location</b>	1-1 Irifune 2-chome, Chuo-ku, Tokyo
<b>Capital</b>	5,527 million yen
<b>Business</b>	Import and sale of printing and packaging machinery Manufacture and sales of PET bottle preforms
<b>Representative</b>	Norihiro Chono, President & CEO
<b>No. of employees</b>	Consolidated: 426 (Non-consolidated : 134)
<b>No. of affiliated Company</b>	Consolidated subsidiary : 12, Equity Method Affiliated Company : 1
<b>Consolidated</b>	Net sales : 15,173 million yen Operating income : 634 million yen

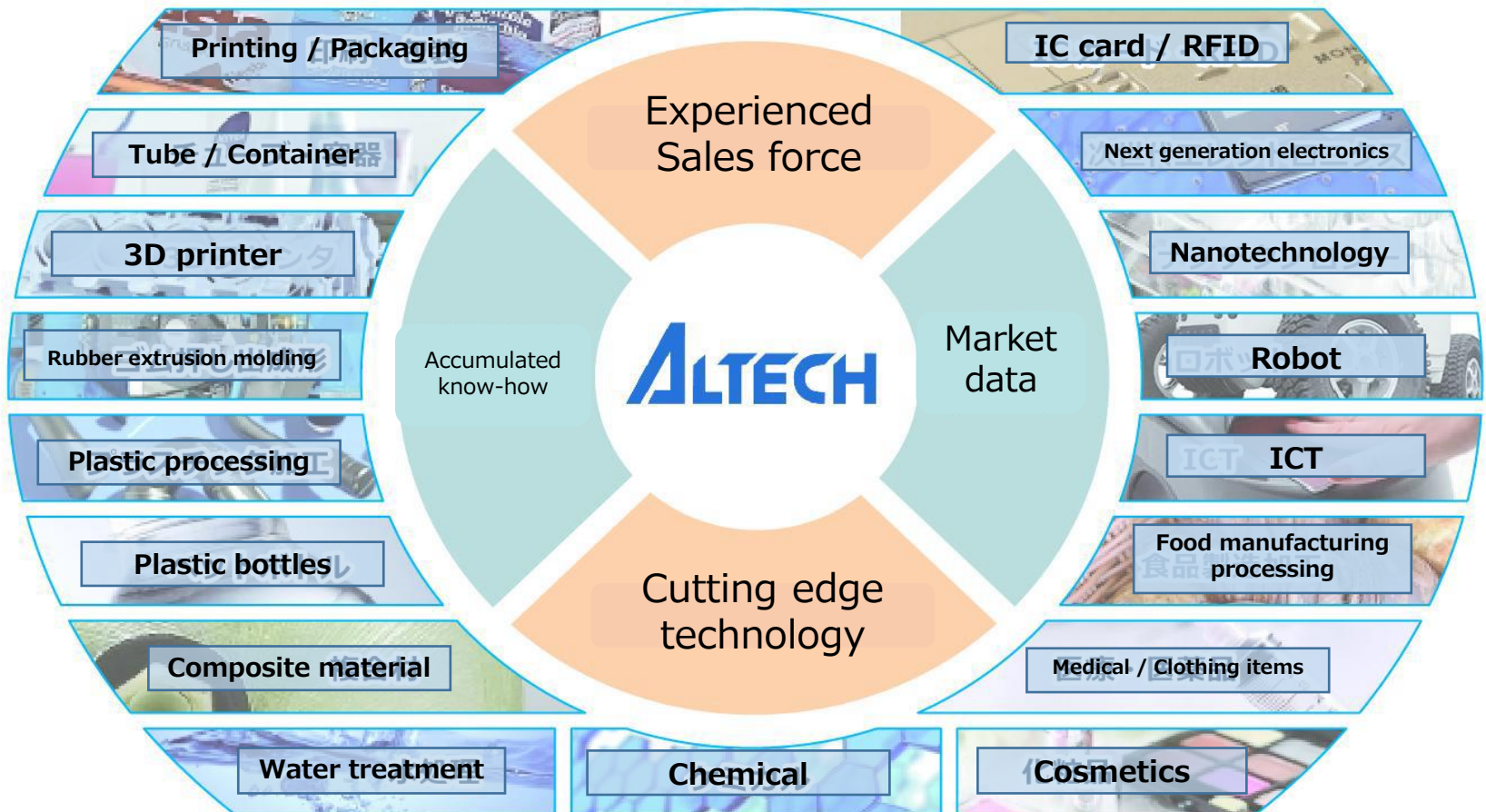
(Million yen)

	<b>Trading Business</b>	<b>Preform Business</b>
<b>Net sales</b>	10,278	4,937
<b>Segment income</b>	792	37
<b>No. of employees</b>	136	264

## 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 Maruoka-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. FY11/17 Financial Report FY11/18 Business Forecasts**

# FY11/17 Financial Report(Consolidated PL Summary)

## FY11/17 Financial Report

- ◆ Net Sales : Increase disbursement of sales in both trading company business and preform business
- ◆ Operating income : Although the profit decreased due to an increase in raw material costs in the preform business, profitability increased due to improvement of profitability due to a review of products handled in the trading company business.
- ◆ Ordinary income : Foreign exchange gain 6 million yen (previous fiscal year : Foreign exchange loss of 182 million yen) Receive compensation 26 million yen
- ◆ Net income : Corporate income taxes adjusted to △126 million yen due to deferred tax assets

(Million yen)

	FY11/16 Results	FY11/17 Results	YoY
Net sales	13,775	15,173	10.2%
Operating income	366	634	73.2%
Operating income ratio	2.7%	4.2%	-
Ordinary income	181	654	261.3%
Net income	64	654	906.9%
EPS	(¥3.79)	(¥38.16)	-



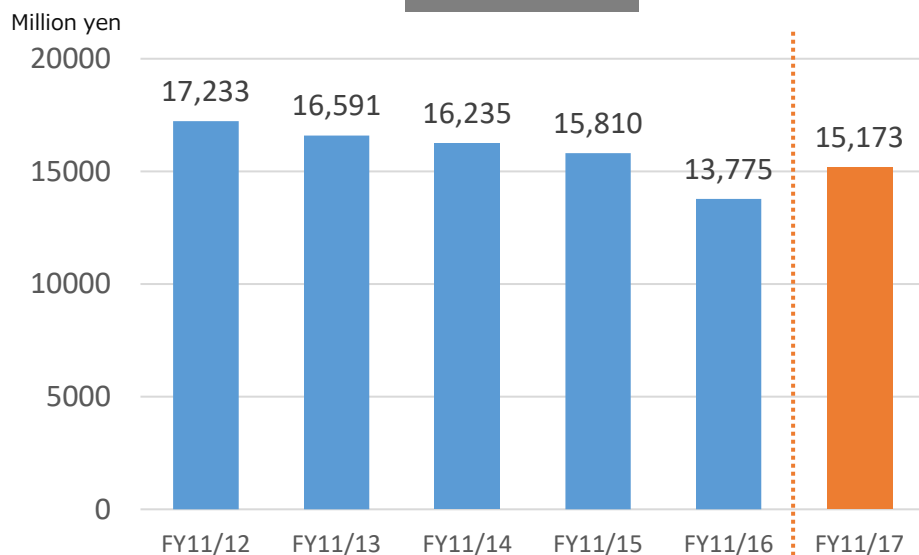
## FY11/17 Financial Report(Consolidated business results)

### Consolidated business results (2012~2017)

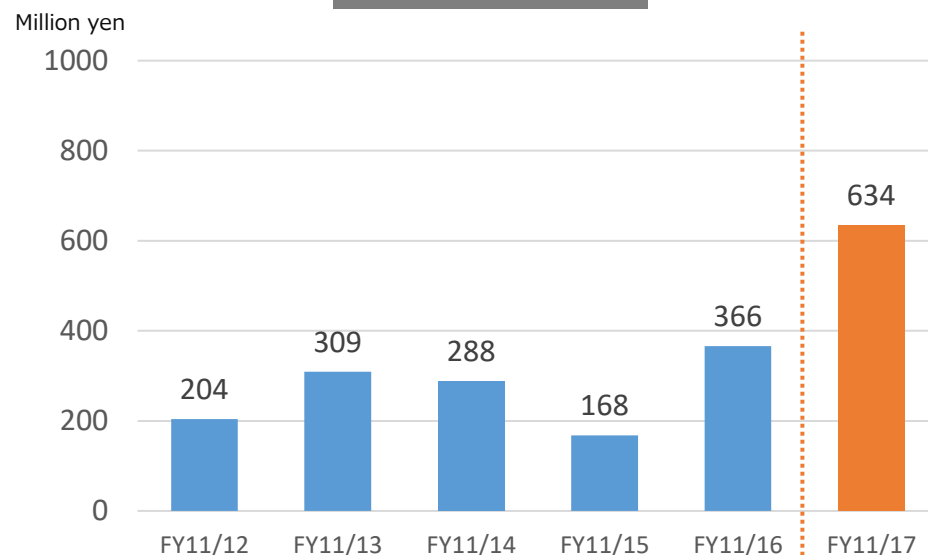
(Million yen)

	FY11/12 Results	FY11/13 Results	FY11/14 Results	FY11/15 Results	FY11/16R esults	FY11/17 Results
<b>Net sales</b>	17,233	16,591	16,235	15,810	13,775	15,173
<b>Operating income</b>	204	309	288	168	366	634

Net sales



Operating income



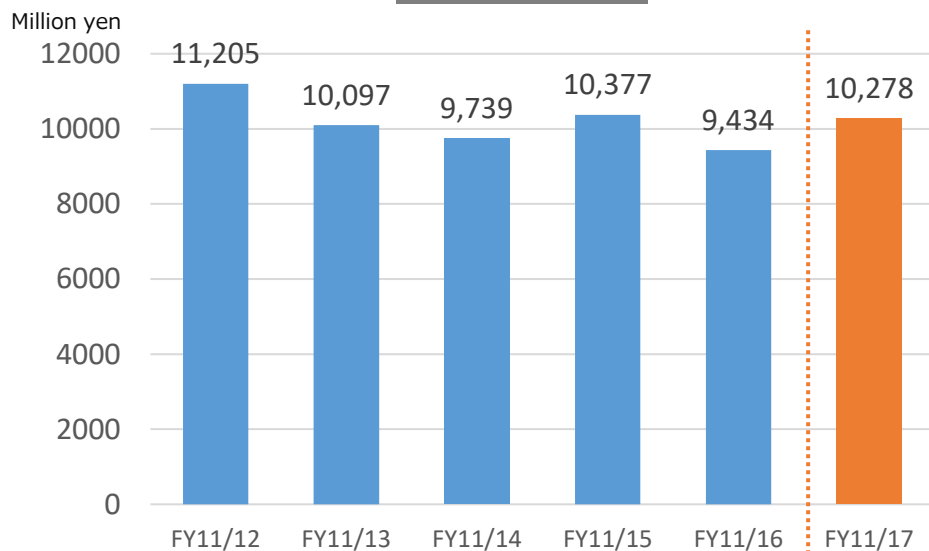
# FY11/17 Financial Report(Trading Business)

## Results of Trading Business (2012~2017)

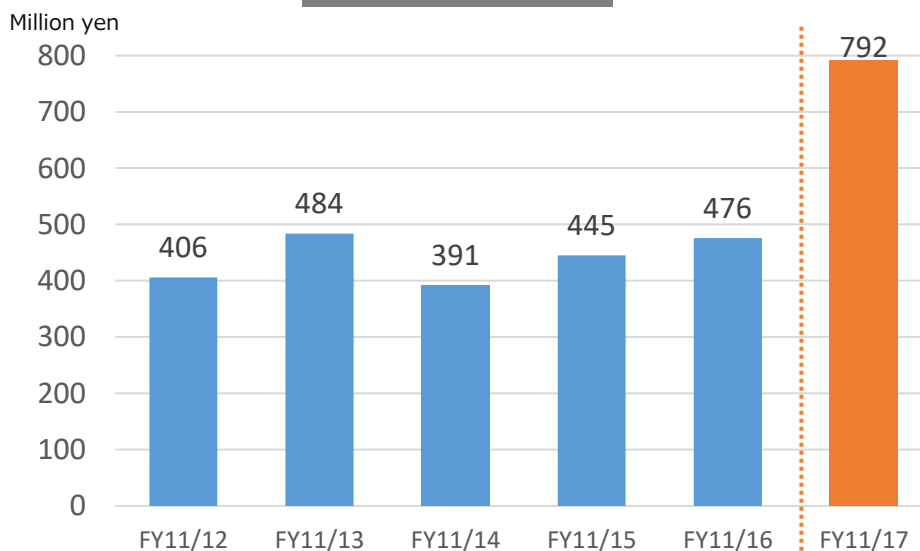
(Million yen)

	FY11/12 Results	FY11/13 Results	FY11/14 Results	FY11/15 Results	FY11/16 Results	FY11/17 Results
Net sales	11,205	10,097	9,739	10,377	9,434	10,278
Segment income	406	484	391	445	476	792

Net sales



Segment income

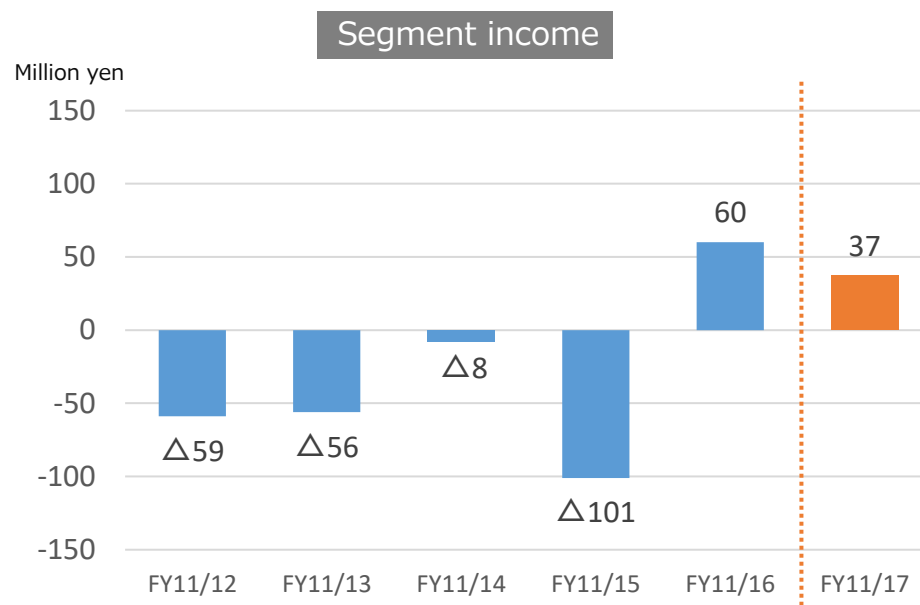
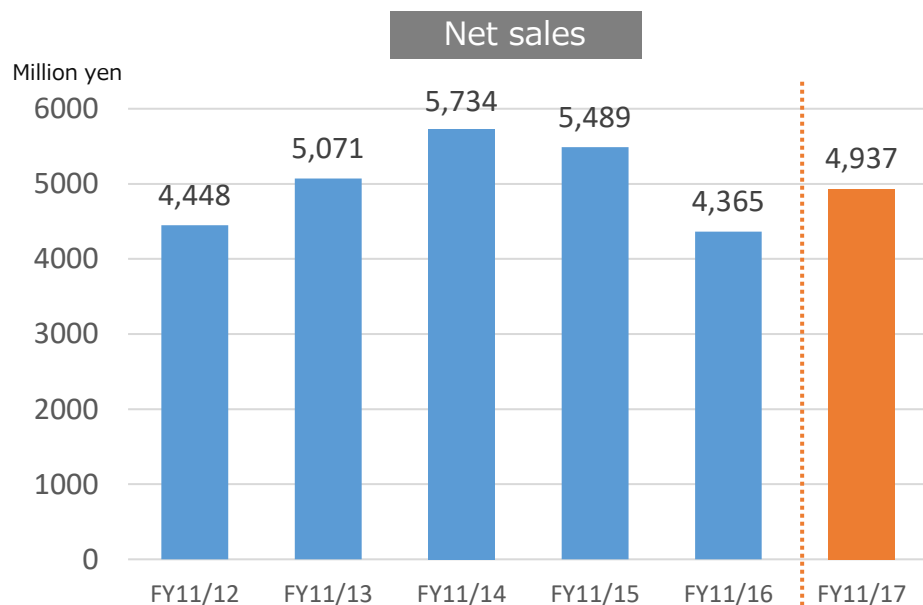


# FY11/17 Financial Report(Preform Business)

## Results of Preform Business (2012~2017)

(Million yen)

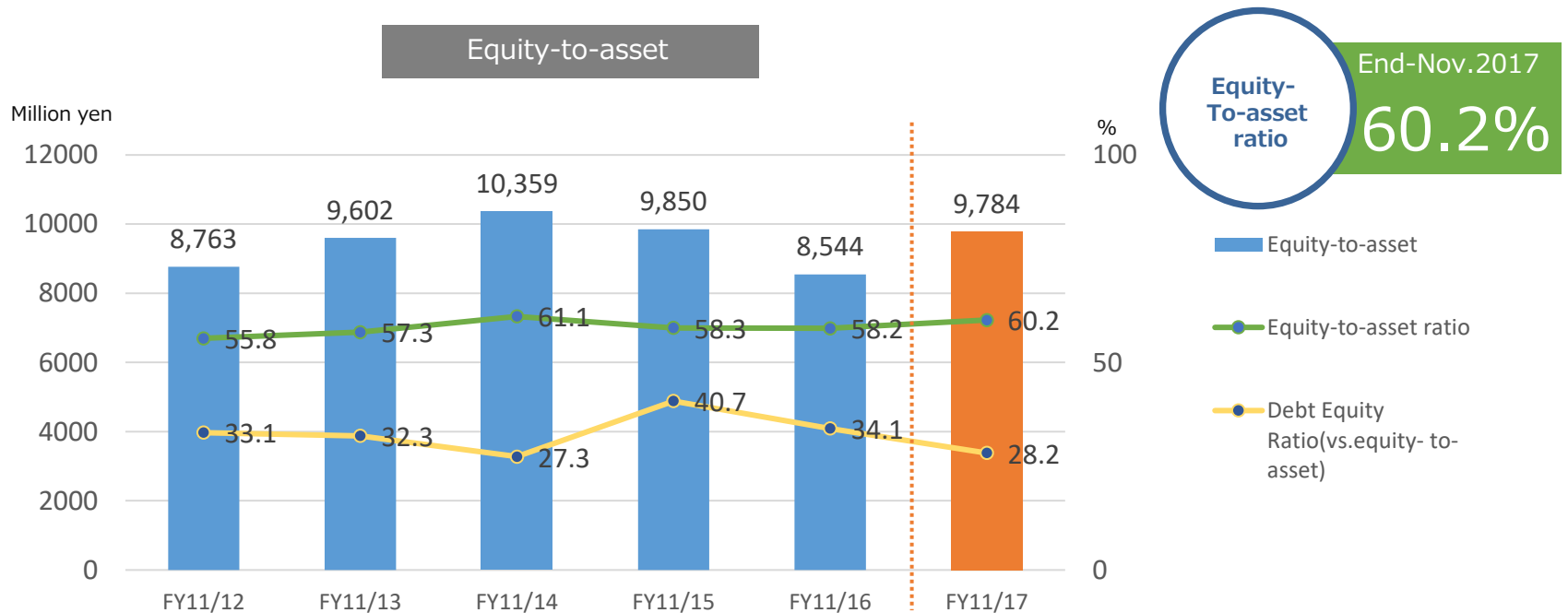
	FY11/12 Results	FY11/13 Results	FY11/14 Results	FY11/15 Results	FY11/16 Results	FY11/17 Results
<b>Net sales</b>	4,448	5,071	5,734	5,489	4,365	4,937
<b>Segment income</b>	△59	△56	△8	△101	60	37



# FY11/17 Financial Report (Equity-to-asset ratio)

(Million yen)

	FY11/12 Results	FY11/13 Results	FY11/14 Results	FY11/15 Results	FY11/16 Results	FY11/17 Results
Equity-to-asset	8,763	9,602	10,359	9,850	8,544	9,784
Equity-to-asset ratio	55.8%	57.3%	61.1%	58.3%	58.2%	60.2%
Debt Equity Ratio (vs. Equity-to-asset ratio)	33.1%	32.3%	27.3%	40.7%	34.1%	28.2%



# FY11/18 Consolidated business forecasts

## FY11/18 Consolidated business forecasts

### ◆ Trading Business ◆

- With regard to sales, sales are expected to increase in anticipation of acquisition of capital investment demand due to labor shortages due to declining birthrates and aging populations, business efficiency needs, and expansion of the market for functional packaging materials.
- With regard to operating income, we expect to see a decrease in profits, incorporating an increase in operating expenses by implementing upfront investments in order to strengthen human resources and strengthen marketing for future growth.

### ◆ Preform Business ◆

- With regard to sales, sales are expected to increase due to the development of new customers.
- With regard to operating income, we anticipated an increase in profit swells by absorbing factors such as a decrease in profit margins due to higher material costs, mainly due to increased sales and reductions in fixed costs due to restructuring of manufacturing bases.

(Million yen)

	FY11/17 Results	FY11/18 Forecasts	YoY
<b>Net sales</b>	15,173	16,000	5.4%
<b>Operating income</b>	634	500	△21.2%
<b>Ordinary income</b>	654	400	△38.9%
<b>Net income</b>	654	300	△54.1%
<b>EPS</b>	38.16円	17.50円	-

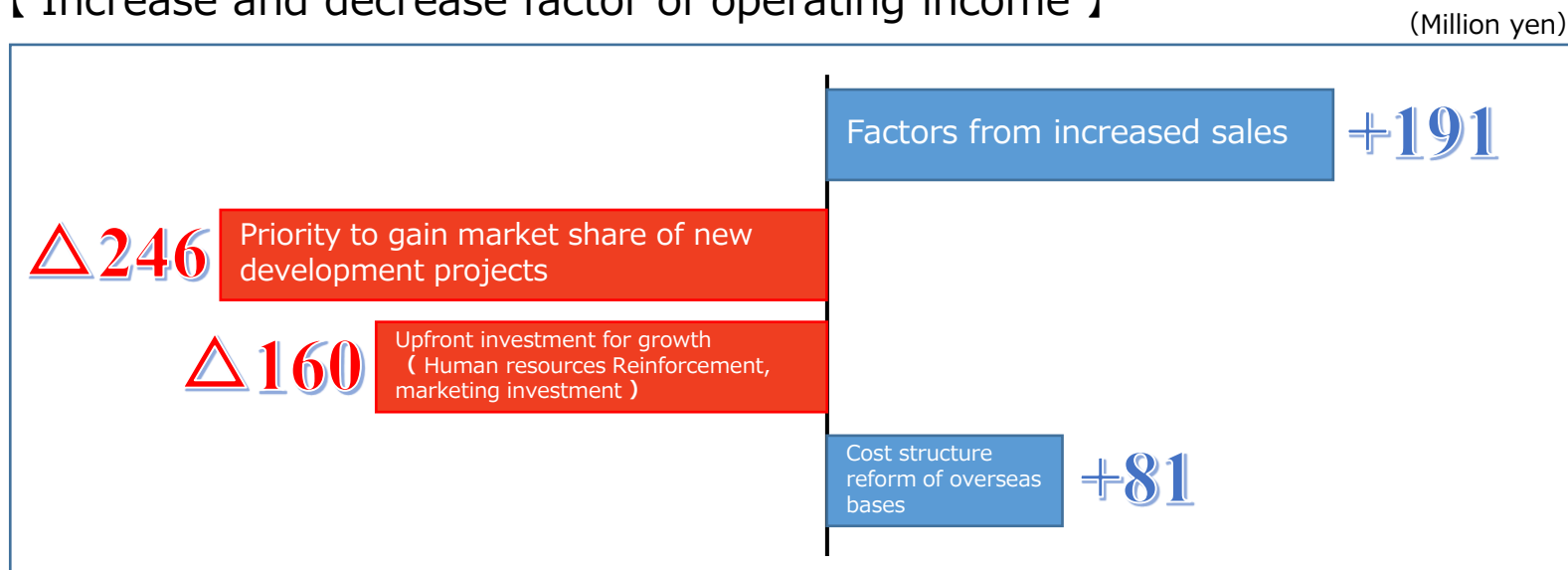
## Operating income (FY11/18)

### Operating income Decrease factor

(Million yen)

	Results	Consolidated business forecasts	Fluctuation	Mid-term Management Plan Target
	2017/11	2018/11		2021/11
Operating income	634	500	△134	950
Operating income ratio	4.2%	3.1%	—	Above 5%

### 【 Increase and decrease factor of operating income 】



## **Ⅲ. Mid-term Management Plan Report**

## Mid-term Management Plan Priority Measures

### ◆ Basic Policy ◆

#### 1. Creating added value to business

- Discovery of strategic commercial rights (products)
- Improve the satisfaction of business partners
- Strengthening cooperation with the technical dept.

#### 2. Improved fixed cost efficiency

- Breaking cost structural reform
- Slimming down overseas bases

#### 3. Establishment of a global management system

- Establishment of a regional management system
- Strengthening organizations and human resources

### ◆ Priority Measures ◆

- Expand sales of existing commercial rights with the goal of creating continuous demand
- White Space Exploits for Existing Services
- Development of new commercial rights for service robots, IoT, etc.
- Newly Developing Countries Market Reclamation Accelerating

- Organizing low-profit commercial rights
- Organizing low-profit locations

- Onset on the establishment of an overseas management system
- Fostering next-generation management
- Established a new marketing department
- Integration of the Engineering Dept.

### ◆ Actual State ◆





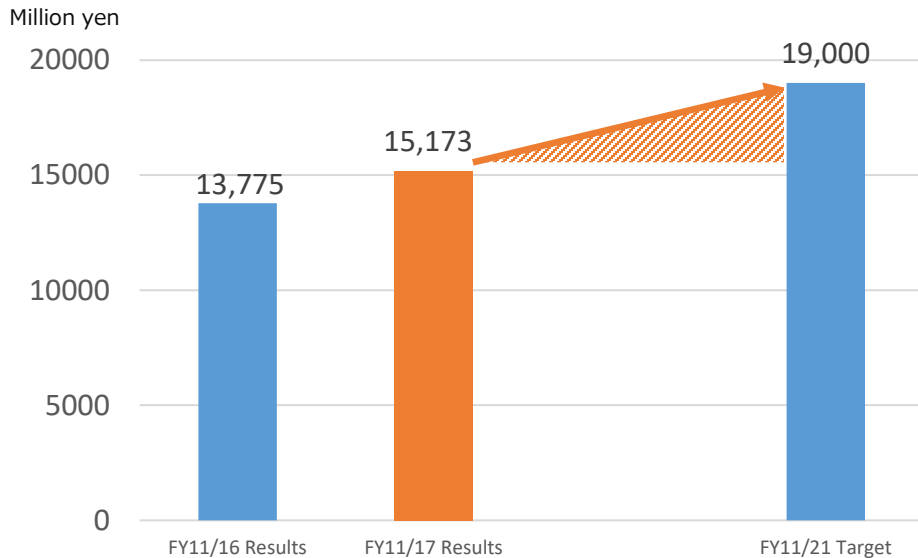
## Mid-term Management Plan 2021 Consolidated Target

### Consolidated Target

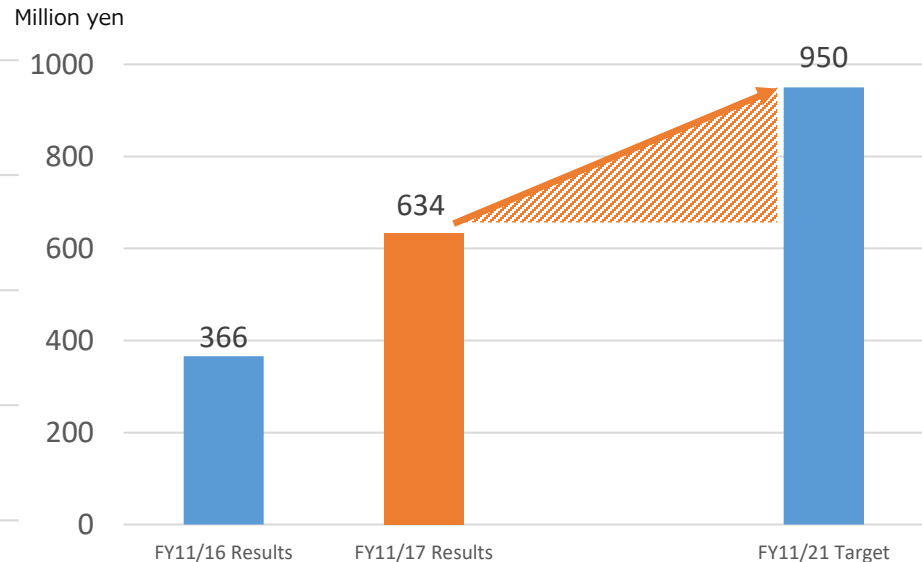
(Million yen)

	FY11/16 Results	FY11/17 Results	FY11/21 Target
Net sales	13,775	15,173	19,000
Operating income	366	634	950

Net sales



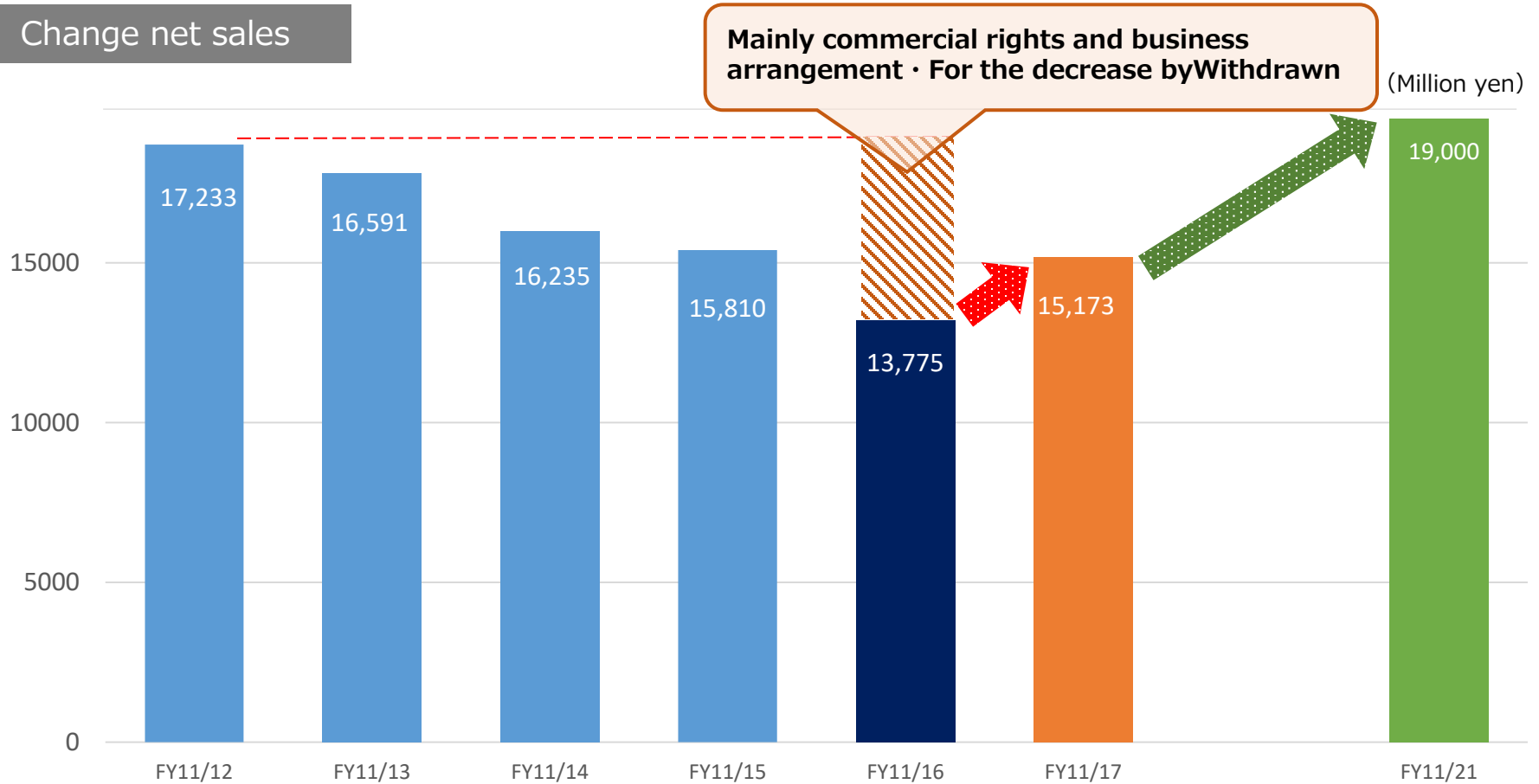
Operating income



## Decrease of net sales in the past

### Consolidated net sales

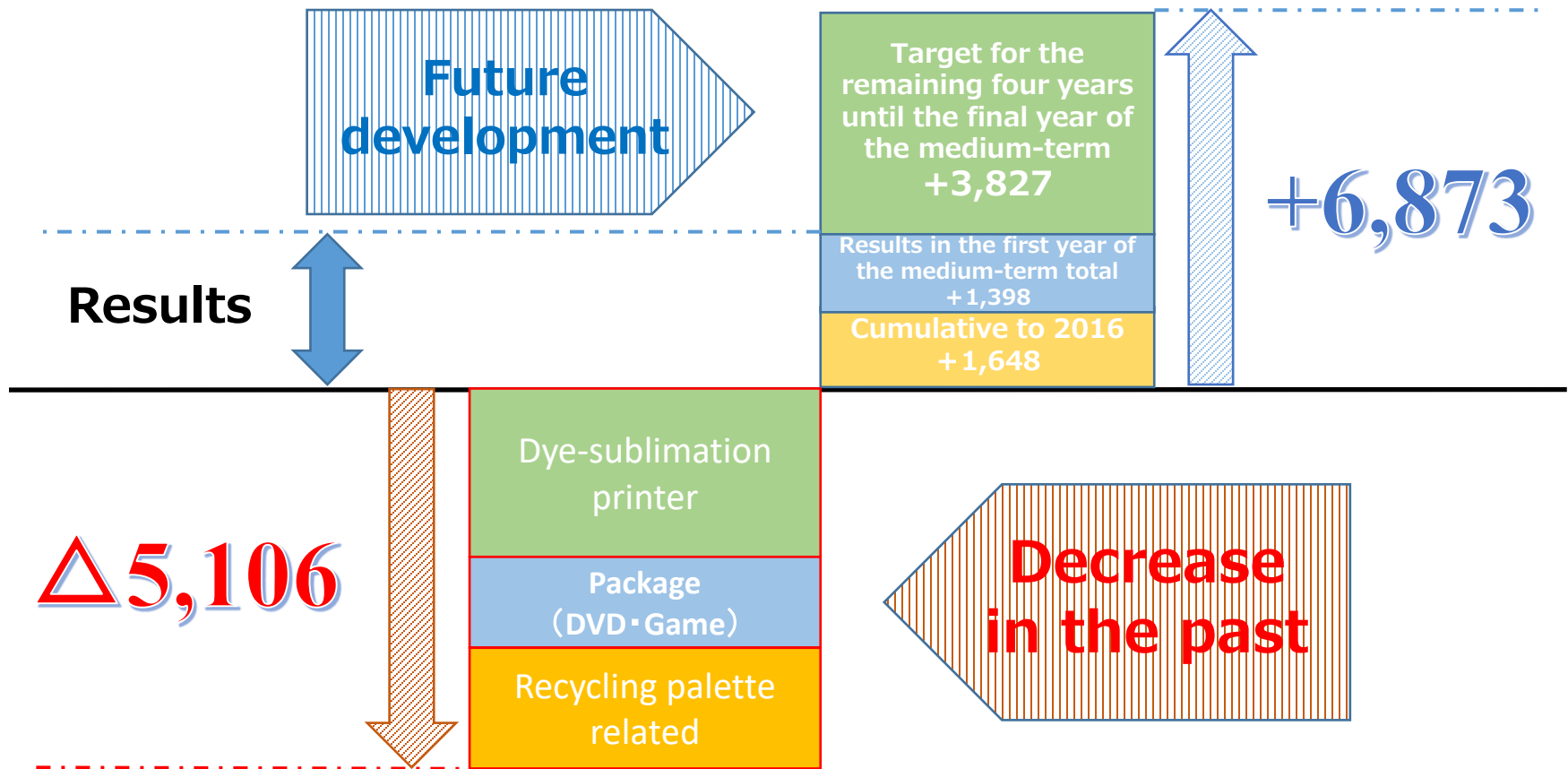
Change net sales



## Future development and decrease in the past

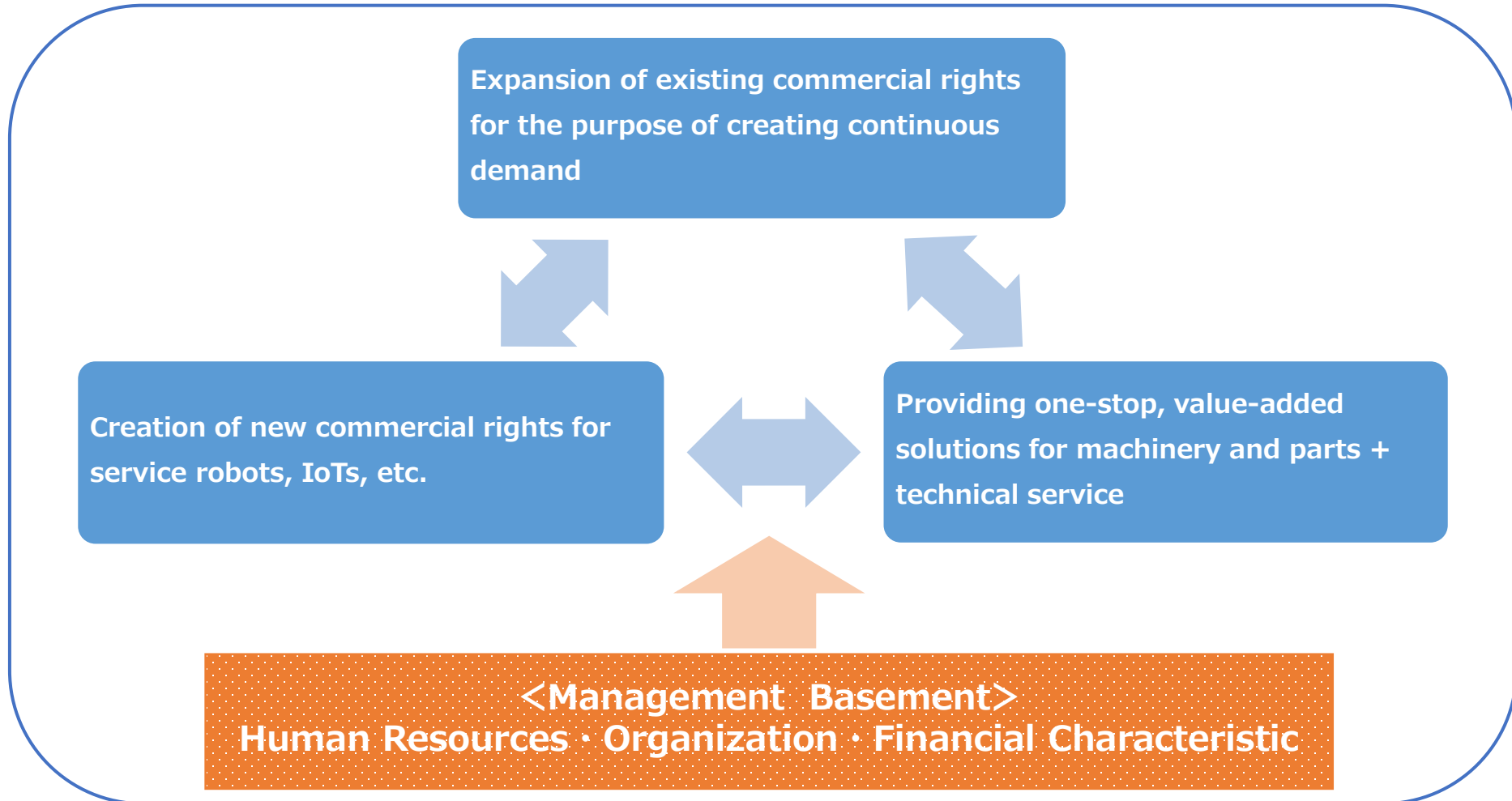
### Breakdown of increase or decrease of net sales

(Million yen)



## Sales Measures and Strategy

### ◆ Sales Measures and Strategy ◆



## Sales Measures Important Department · Commercial goods

### Printing and packaging related departments

- Proposal of equipment and solutions for state-of-the-art flexo/gravure printing machines and laminators related to package printing.
- Proposal of manufacturing equipment for various packaging containers centered on lamination/plastic tube manufacturing lines.

#### Keyword

- Food service industry, eco-friendly package, explosive buying
- Increase in the absolute number of packages by individual packaging such as side dishes sold at convenience stores and supermarkets and tubing of containers such as seasonings.



Center Drum Type Printing Machine  
(Bobst Bielefeld GmbH)



Lamination · Plastic Tube Production Line  
(Packsys Global AG)

### RFID · IC card related departments

- In the field of IC card and RFID tags, and eSIM, we propose solutions to solve issues such as id card and passport manufacturing, credit card payment EMVCo, which is the world standard, solutions for contactless power supply, and hardware security.

#### Keyword

- Labor shortage, Data administration

#### Recent Movement

- Introduction of activating RFID tag systems into flagship companies of convenient store chain industry and leading apparel companies. Unmanned · Labor saving.



RFID Manufacturing Machine  
(Muehlbauer)



Contact Angle/Non-contact IC card & test Machine  
(Micropress SAS)

## Sales Measures Important Department · Commercial goods

### Advanced Surface related departments

- By focusing on the important process of deposition, coating, hardening, sintering, examination and evaluation of advanced surface techniques related to Nano-technology and printed electronics expected in new market by technique innovation, innovative machines such as ultrasonic spray and light sintered and the solutions are provided.

#### Keyword

- Technology Innovation, Environment Low load, Nano-technology , Printed electronics

#### Recent Movement

- Attention is focused on the hybrid technology that combines conventional techniques and coating processes with flexible technology for IoT.



Ultrasonic Spray Machine (Sono – Tek)

Photosintering UV curing device(Xenon)

### Robot related departments

- In the logistics and manufacturing sites, there is a rapid progress in labor shortages and efforts to improve operational efficiency. With the declining birthrate and aging population in the future, we propose a new labor-saving and unmanned solution called service robots that work on behalf of people.

#### Keyword

- Declining birthrate and aging population, labor shortages, and operational efficiency
- Recent movement
- The robot industry pays attention in all fields based on labor shortages and operational efficiency.
- The OTTO1500 autonomous transport robot can carry up to 1,500 kg of heavy material.



Self-driving vehicle (Clearpath Robotics)

Automated Storage(Kardex Remstar)

### Beverage System related departments

- Development of molds and bottle designs for blow molding machines for PET bottles to support the manufacture and production of beverages.

#### Keyword

- “Differentiation” and “Product value-added improvement” with other competitor’s products

#### Recent movement

- The modified additional of PET bottle container shape(design) by beverage makers of japan



Pet bottle mold



Preform

### Water Treatment related departments

- For the manufacturing plant on conventional target of private customers, more efficiency of operation and the problem-solving proposal related to water disposal aiming to improve the product quality is proposed.

#### Keyword

- Manpower saving, Energy saving, Energy space, Water conservation, Environmental Load Reduce

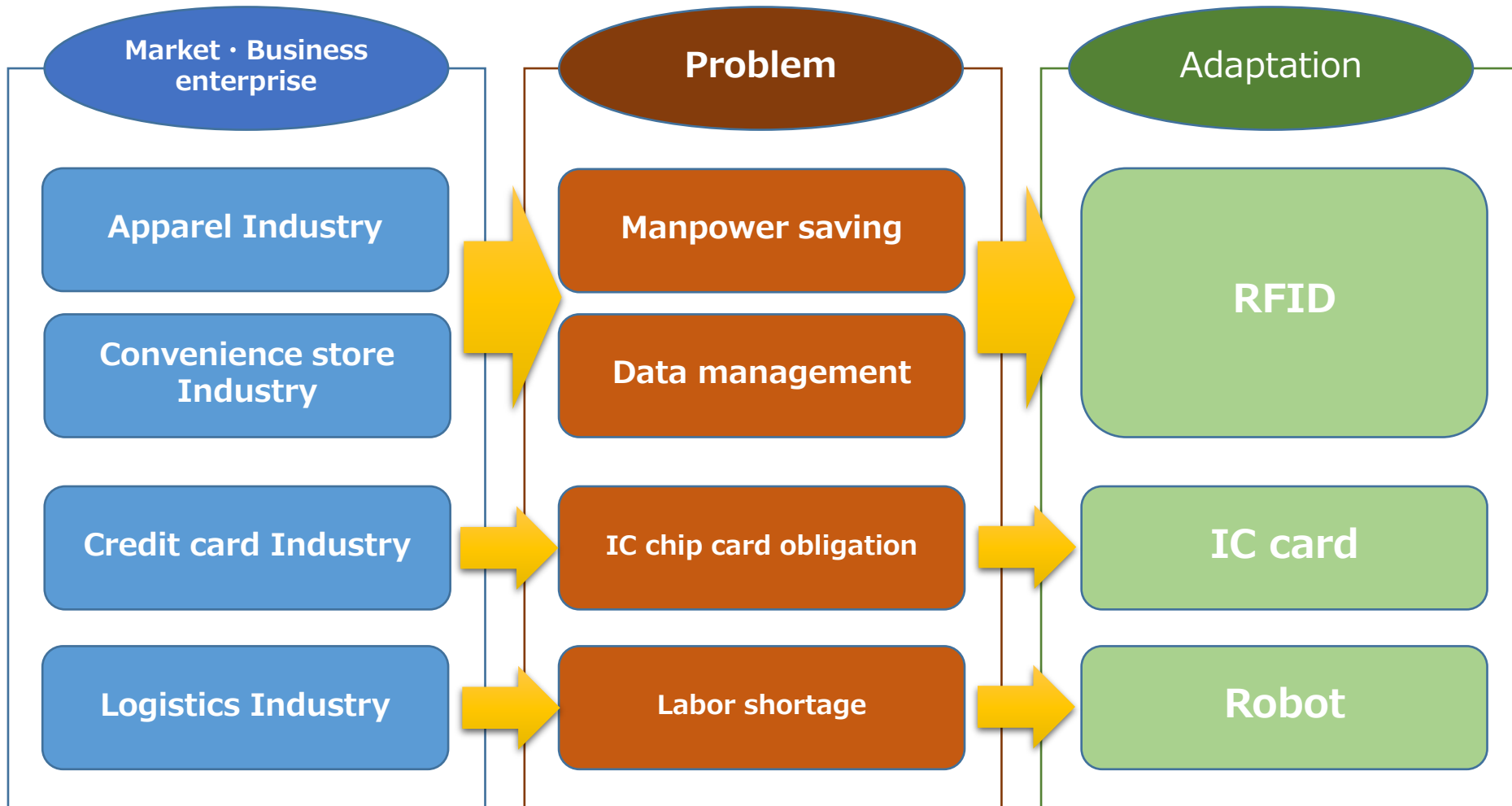
#### Recent movement

- Domestic water market which many replacement demand is expected regarding aging water purifying plant



Self-cleaning filtration machine (Amiad Water Systems)

### Adaptation of market change

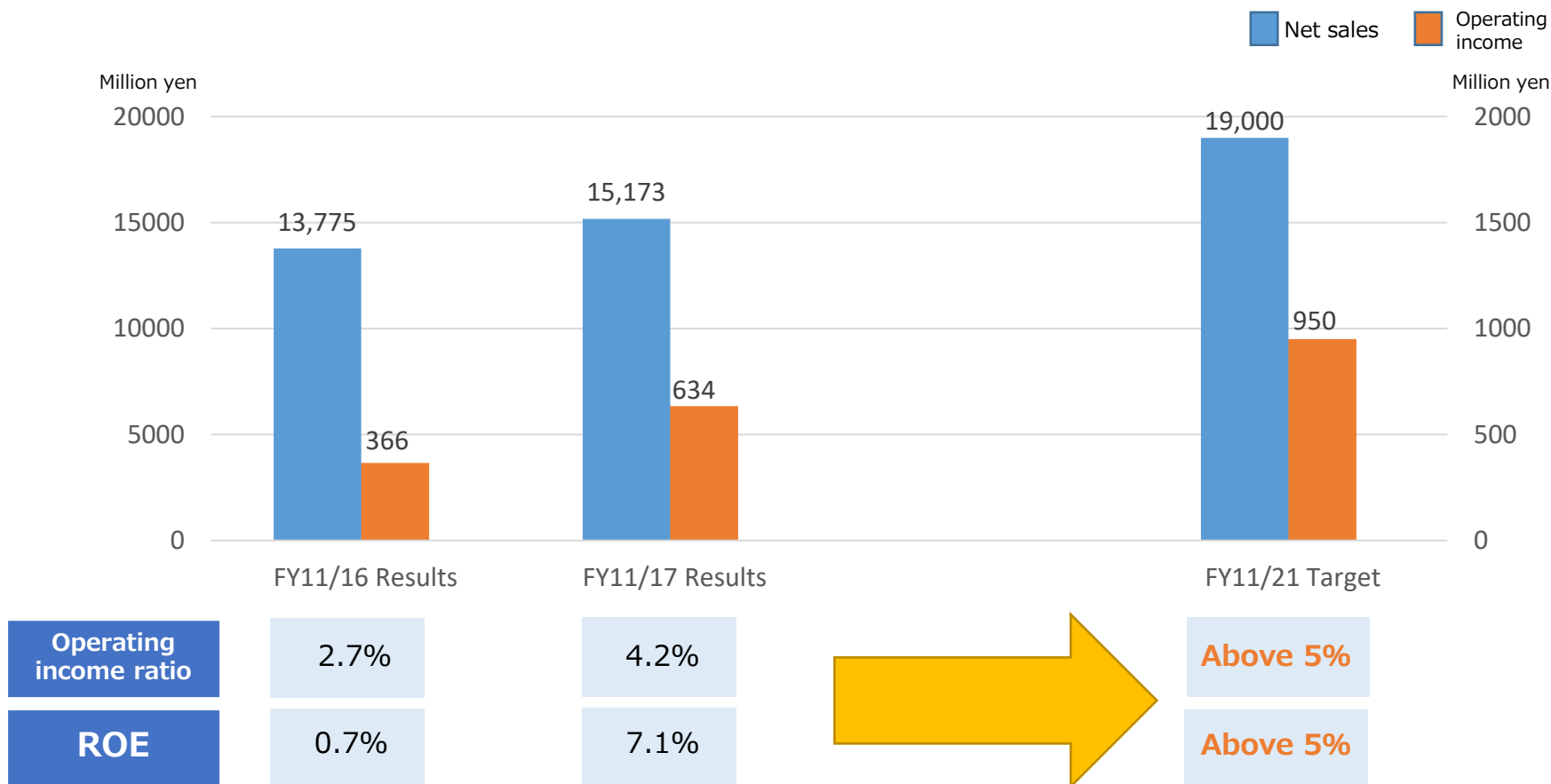




## Management Numerical Target

### Management Numerical Target

Target above 5% of operating income margin and ROE

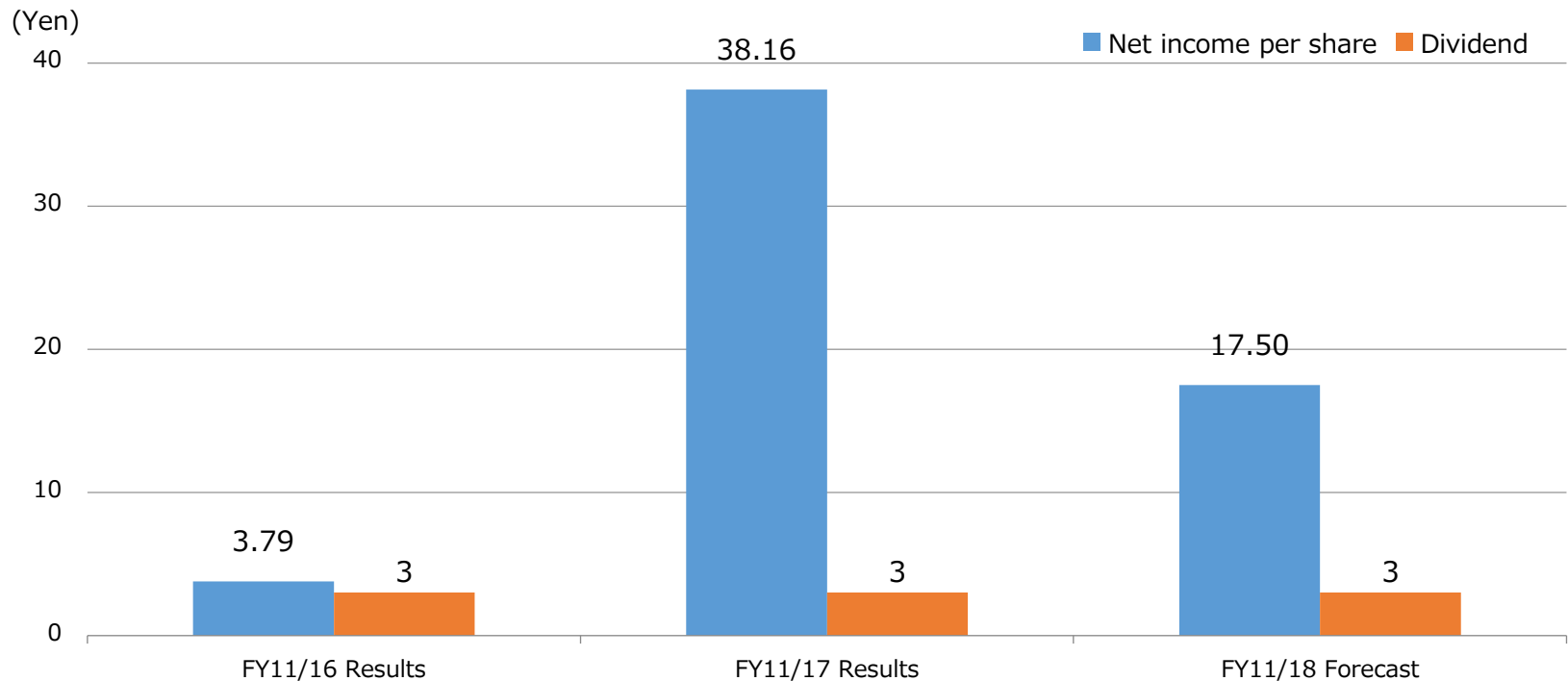


## Shareholder Return

### Basic policy of shareholder return

While making continuous return on profits to shareholders a top priority, we will enhance internal reserves to stabilize our corporate base.

Annual Dividend Results and Dividend Forecast for FY11/18



## **(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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