



FY11/19
Financial Report

February 14,2020

ALTECH CO.,LTD.

(Listed on TSE1 : 9972)

I. FY11/19 Financial Report

II. FY11/20 Business forecasts

**III. Mid-term Management Plan
(3rd Year)**

I . FY11/19 Financial Report

FY11/19 Financial results highlights (Consolidation)

	Results	YoY
Net Sales	14,562 Million yen	△ 10.1 %
Operating income	610 Million yen	△ 12.9 %

Trading Business

- As the labor shortage becomes more serious due to the declining working population due to the declining birthrate and aging population, capture investment demand of rationalization and labor saving.
- On the other hand, sales and profits declined due to slowing demand for production capacity enhancement and maintenance and renewal investment.

Preform Business

- Beverage preform sales volume decreased due to the effects of the long rainy season in the summer.
- On the other hand, Decrease in income and increase in profit due to efforts to improve productivity and reduce costs.

FY11/19 Financial Report

FY11/19 Financial Report Consolidated PL Summary

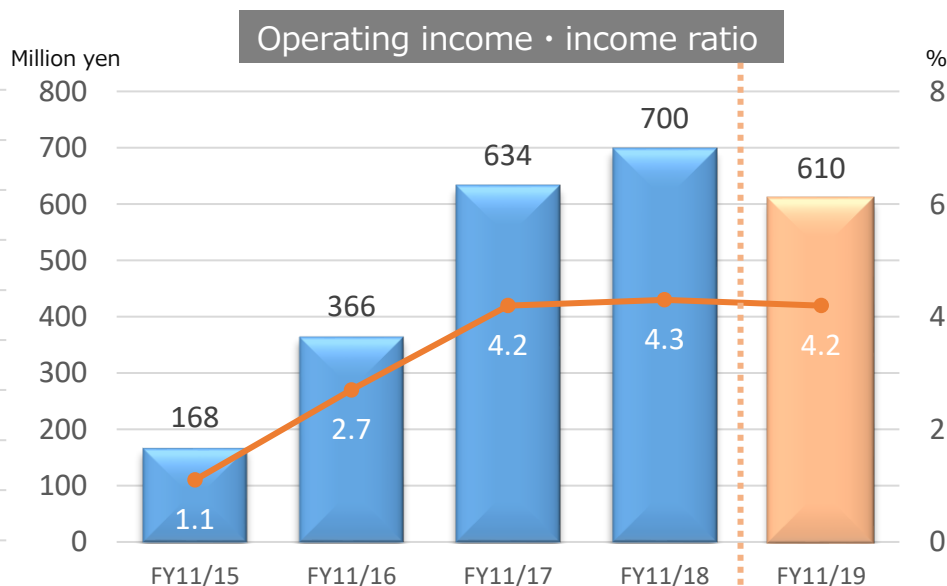
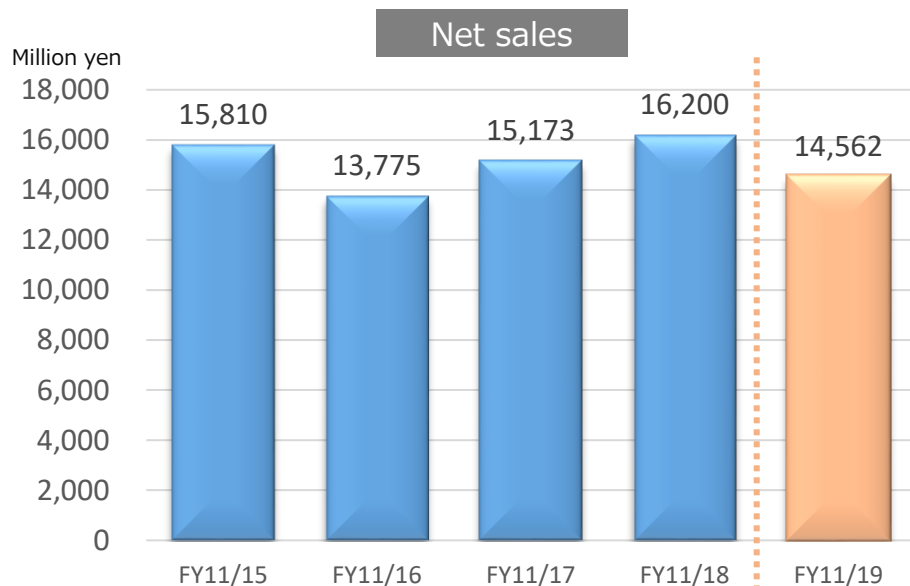
(Million yen)

	FY11/18	FY11/19	
	Results	Results	
	Amount	Amount	YoY
Net sales	16,200	14,562	△10.1%
Operating income	700	610	△12.9%
Operating income ratio	4.3%	4.2%	
Ordinary income	721	587	△18.5%
Net income	583	509	△12.7%
EPS	¥34.02	¥30.11	

FY11/19 Consolidated business results (2015~2019)

(Million yen)

	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results	FY11/19 Results
Net sales	15,810	13,775	15,173	16,200	14,562
Operating income	168	366	634	700	610
Operating income ratio	1.1%	2.7%	4.2%	4.3%	4.2%



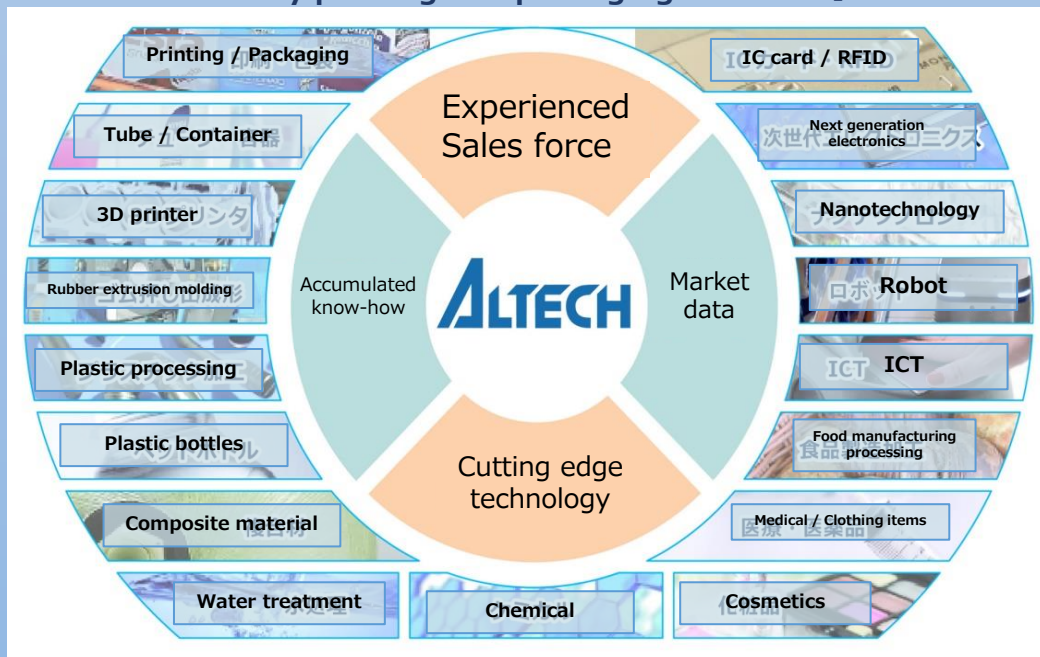
- FY11/15~FY11/16 : Net sales trended downward due to the impact of the liquidation of low-profit commercial rights. FY11/17~FY11/18 : Shifted to an upward trend in both sales and profits due to the focus on competitive commercial rights and the implementation of cost structure reforms.
- FY11/19: Sales and profits decreased due to stagnant demand for investment to increase production capacity, which has a large weight.

The percentage of sales by segment (Consolidation)

Trading business

Net sales : 9,078 million yen **62%**

[Selling a wide range of machines and equipment, mainly printing and packaging machines]



Preform business

Net sales : 5,518 million yen **38%**

[Manufacture and sales of PET bottle preform]



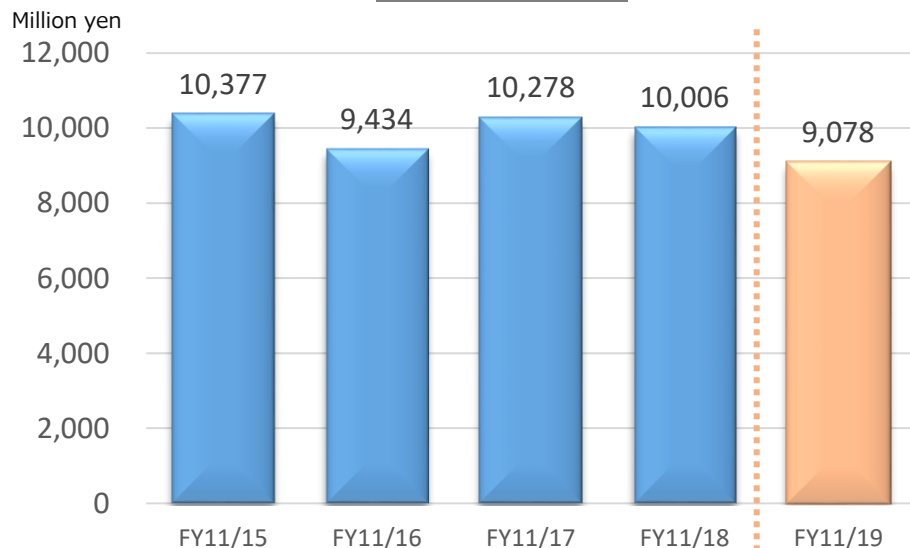
FY11/19 Financial Report (Trading Business)

FY11/19 Results of Trading Business (2015~2019)

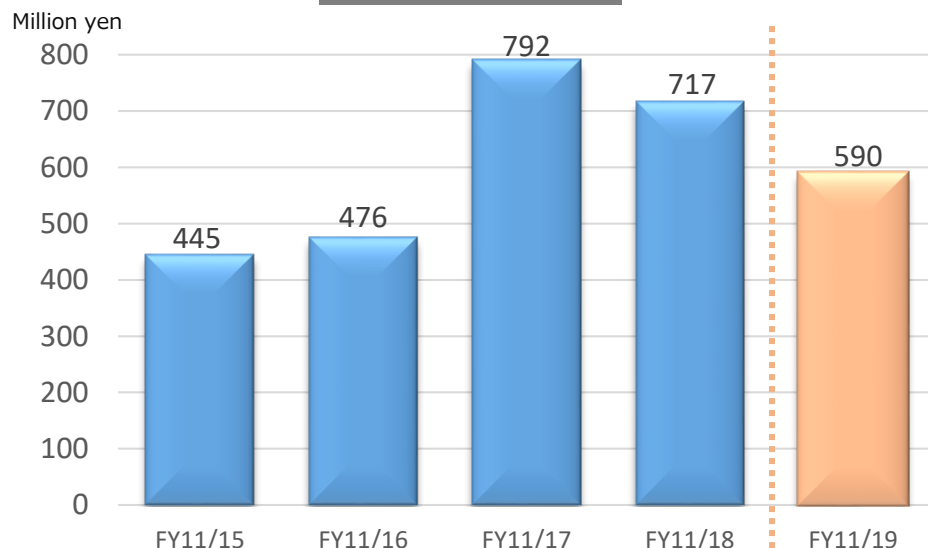
(Million yen)

	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results	FY11/19 Results
Net sales	10,377	9,434	10,278	10,006	9,078
Segment income	445	476	792	717	590

Net sales



Segment income



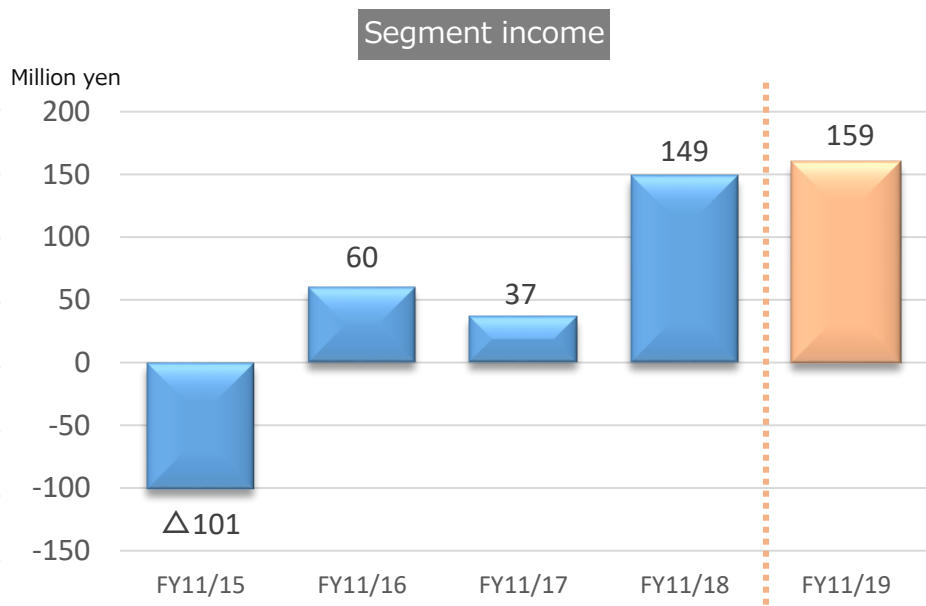
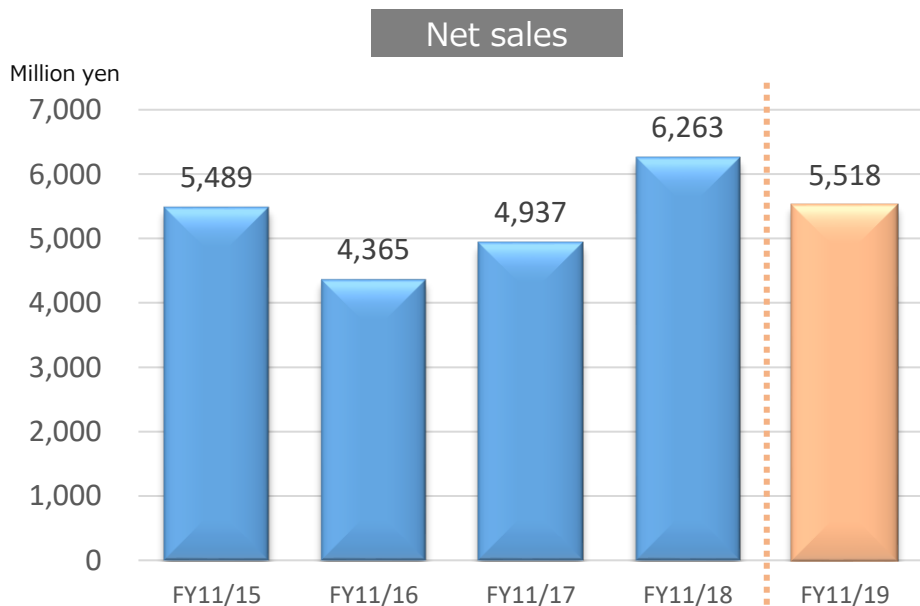
(Note) This includes the amount of internal transactions between segments.

FY11/19 Financial Report (Preform Business)

FY11/19 Results of Preform Business (2015~2019)

(Million yen)

	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results	FY11/19 Results
Net sales	5,489	4,365	4,937	6,263	5,518
Segment income	△101	60	37	149	159



(Note) This includes the amount of internal transactions between segments.

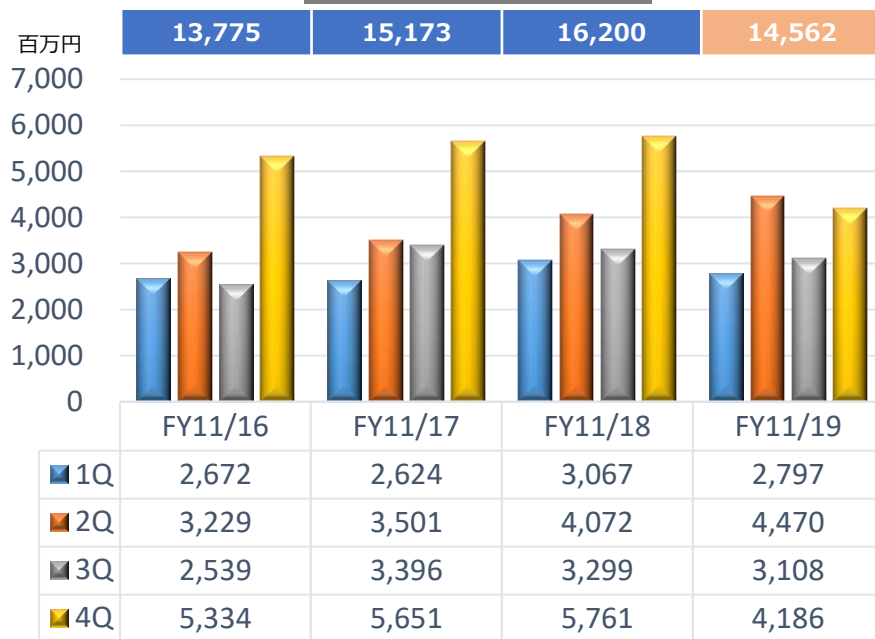
FY11/19 Financial Report (Quarterly Trends)

Quarterly Performance Trends (Latest 3-Year Period, 2016~2019)

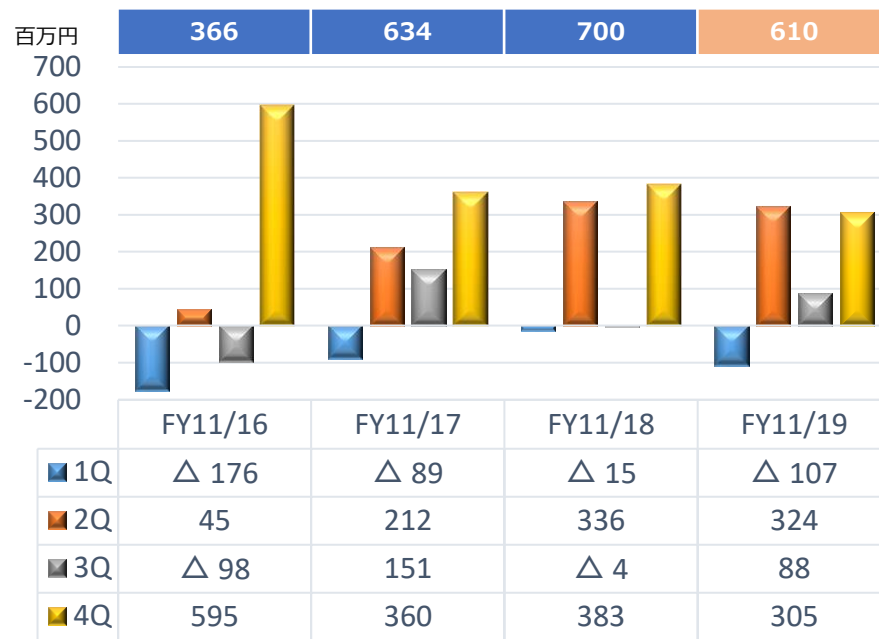
(Million yen)

	FY11/16 Results	FY11/17 Results	FY11/18 Results	FY11/19 Results
Net sales	13,775	15,173	16,200	14,562
Operating income	366	634	700	610

Cumulative sales



Cumulative Operating Income



- Our Group's operating results are subject to seasonal fluctuations.
- As the average delivery time for the industrial machinery we handle is six months, sales are concentrated in the fourth quarter.

FY11/19 Financial Report (Consolidated financial status)

Consolidated financial status (Summary Balance Sheets)

(Million yen)

	FY11/18	composition ratio	FY11/19	composition ratio
TOTAL ASSETS	15,121		13,966	
CURRENT ASSETS	9,075	60.0%	8,527	61.0%
PROPERTY PLANT AND EQUIPMENT	3,980	26.3%	3,377	24.1%
INTANGIBLE ASSETS, NET	474	3.1%	414	2.9%
INVESTMENTS AND OTHER ASSETS	1,590	10.5%	1,646	11.8%
LIABILITIES	4,773		3,805	
CURRENT LIABILITIES	4,110	86.1%	3,123	82.1%
LONG-TERM LIABILITIES	663	13.9%	682	17.9%
NET ASSETS	10,347	68.4%	10,161	72.8%

◆Decreases in liabilities◆

As for current liabilities, bills and accounts payable decreased by 319million yen and short-term debt decreased by 473million yen.

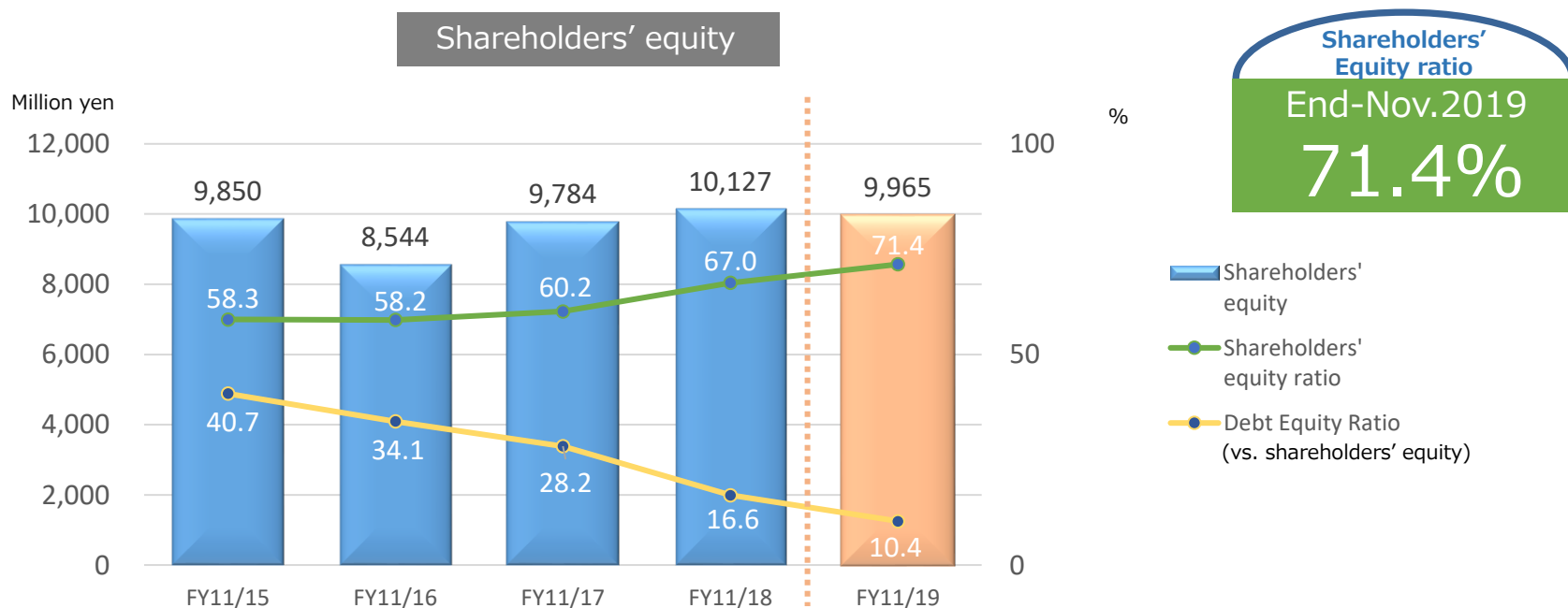
◆Decreases in net assets◆

Foreign currency translation adjustments account decreased by 442million yen and decreased due to acquisition of own shares of 149million yen.

FY11/19 Financial Report (Shareholders' equity)

(Million yen)

	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results	FY11/19 Results
Shareholders' equity	9,850	8,544	9,784	10,127	9,965
Shareholders' equity ratio	58.3%	58.2%	60.2%	67.0%	71.4%
Debt Equity Ratio (vs. shareholders' equity)	40.7%	34.1%	28.2%	16.6%	10.4%

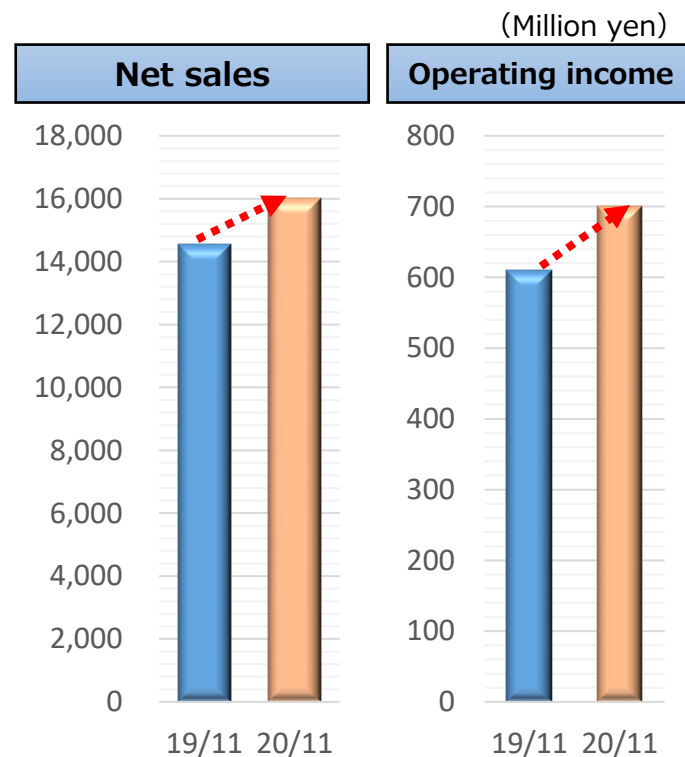


II. FY11/20 Business Forecasts

FY11/20 Business Forecasts

FY11/20 Consolidated business forecasts

	FY11/19	FY11/20	
	Results	Forecasts	YoY (%)
Net sales	14,562	16,000	9.9
Operating income	610	700	14.7
Operating income ratio	4.2%	4.4%	-
Ordinary income	587	600	2.0
Net income	509	500	△1.8
EPS	30.11yen	31.30yen	-



- Domestic demand continues to be on a steady and gradual recovery trend against the backdrop of the Tokyo Olympics and Paralympics.
- It also, as the sense of labor shortage grows, capital investment to increase productivity such as automation and labor saving in active.
- In addition, production capacity expansion and equipment maintenance and renewal investment have recovered.

Ⅲ. Mid-term Management Plan (3rd Year)

Mid-term Management Plan (Progress of Priority Measures)

To create added value in business

3rd year achievement
[Expanding business opportunities]
Expand sales of service robots



Measures for the 4th year

- Strengthen sales expansion of existing commercial rights where demand is expected to increase
- Strengthening the development of new commercial rights centered on service robots
- Strategy strengthening of white space

Improvement of fixed cost efficiency

3rd year achievement
[Further improvement of Earning power]
Cost improvement

Measures for the 4th year

- Strengthen efforts to maintain and improve quality, improve productivity, and improve business efficiency

Building a Global Management Structure

3rd year achievement
[Strengthening Human Resources and Organizational Capabilities to Achieve Sustainable Growth]
Nurturing next-generation leaders

Measures for the 4th year

- Continue to strengthen human resource development activities

Achievement of priority measures

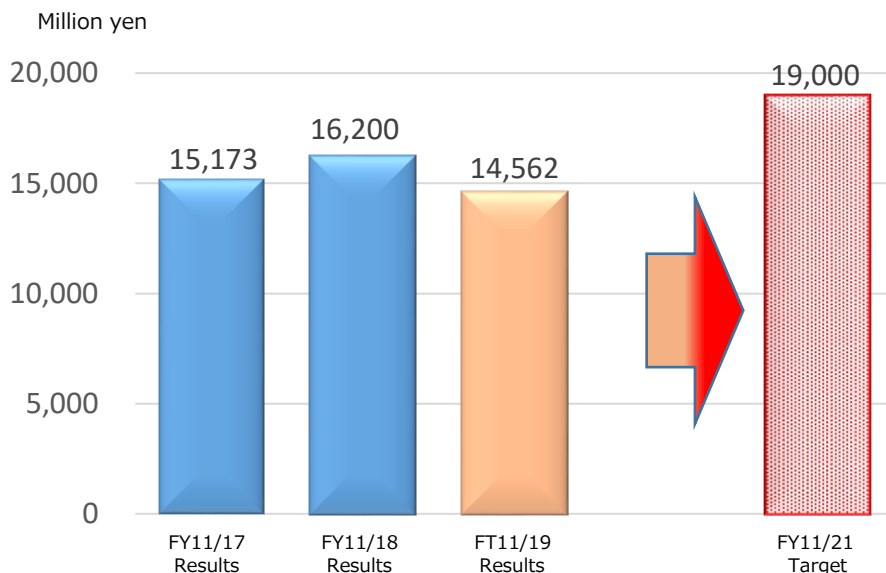
Mid-term Management Plan Consolidated Target

Consolidated target

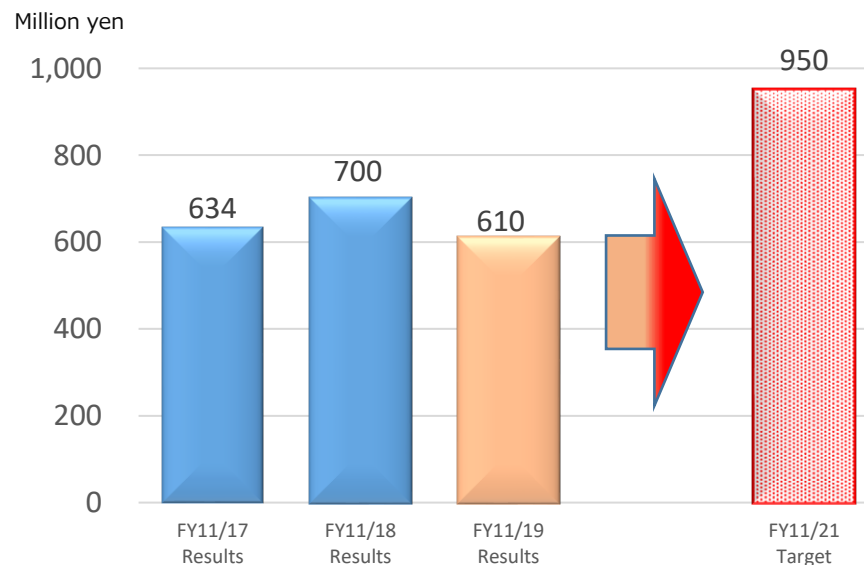
(Million yen)

	FY11/17 Results Medium-term Management Plan (first year)	FY11/18 Results Medium-term Management Pplan (2nd year)	FY11/19 Results Medium-term Management Plan (3rd year)	FY11/21 Target 5th year of Medium-term Management Plan (final year)
Net sales	15,173	16,200	14,562	19,000
Operating income	634	700	610	950

Net sales



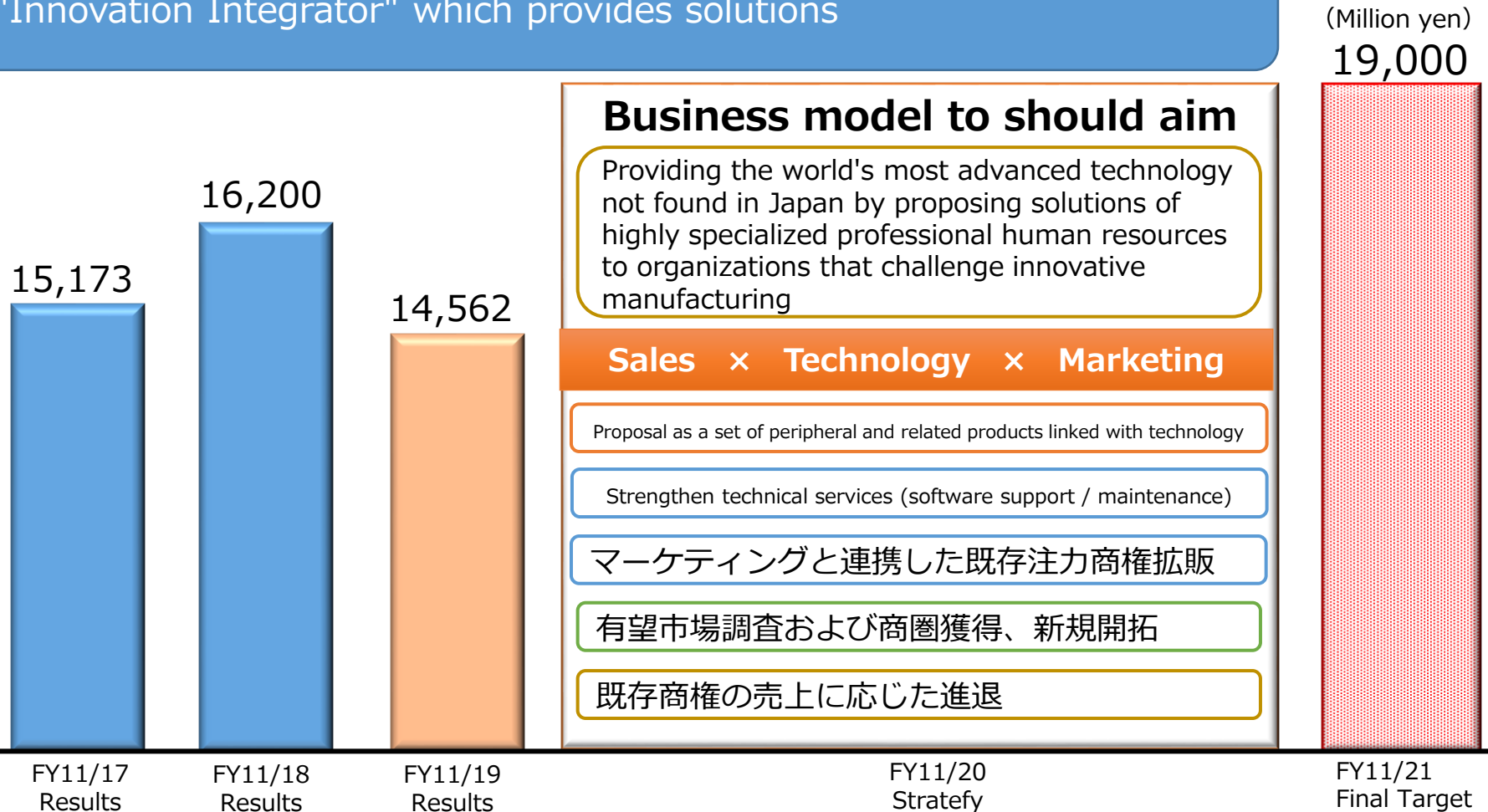
Operating income



Marketing strategies for achieving goals

Toward Achieving Net Sales Targets

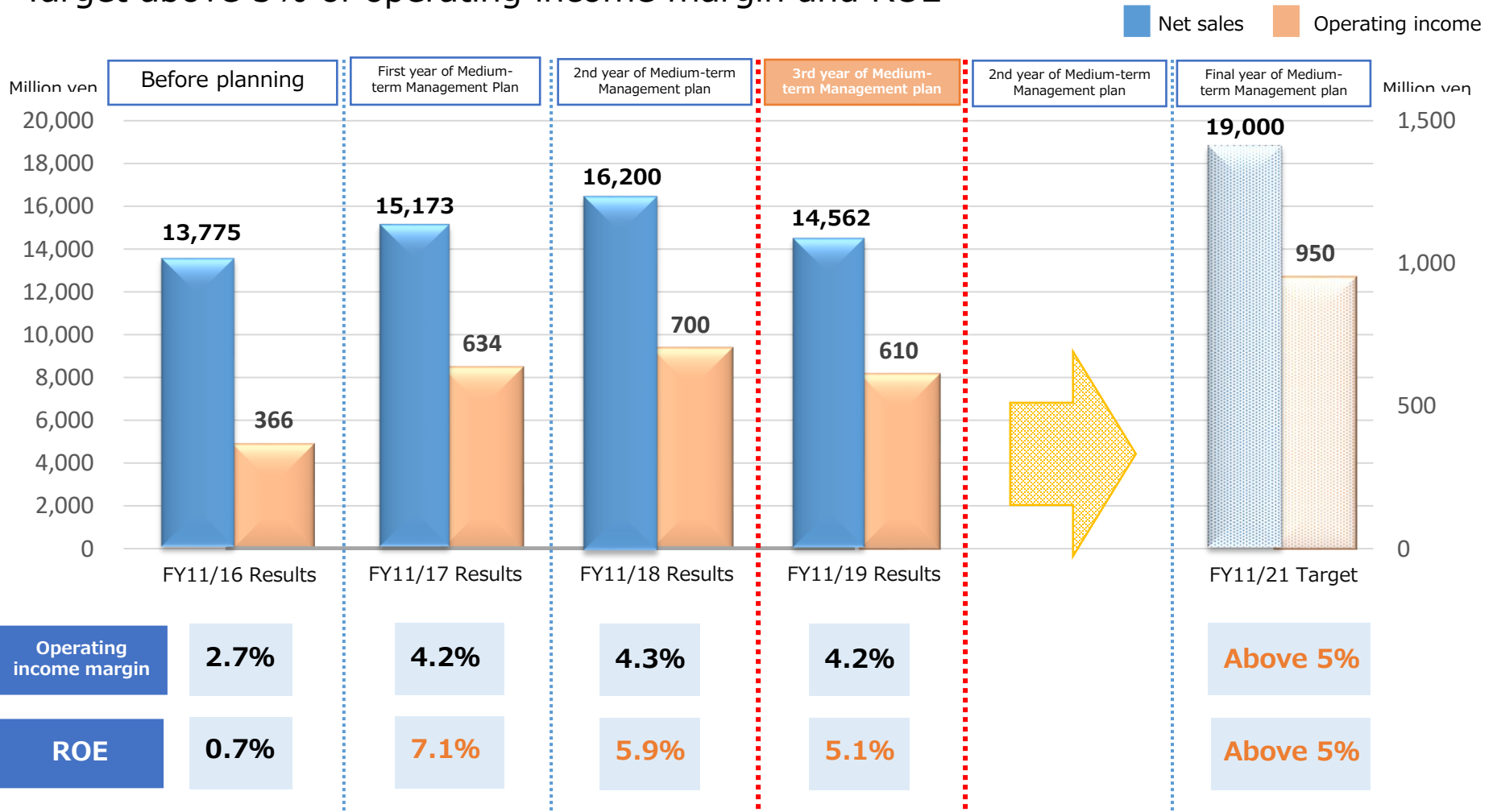
- Evolution from "Machinery Importer" which sells machines to "Innovation Integrator" which provides solutions



Management Numerical Target

Management Numerical Target

Target above 5% of operating income margin and ROE



Initiatives for SDGs

「The Sustainable Development Goals (SDGs)」 clarified that towards 2030, global priority task and what the world should be. As a trading company specializing in a wide variety of products, we will continue to face the social issues represented by the SDGs (17 goals) and contribute to the realization of a sustainable society by meeting the expectations of our stakeholders through our business.

《Sustainable Environment》



“Ensure access to and sustainable management of water and for all people”

Automatic Washing Filtration System



Water is the source of life and the most important resource that supports the foundation of all industries.

We will conserve limited water resources and achieve both energy conservation and reduced environmental impact through efficient “filtration”.

– Providing high-quality, safe water with the world’s most advanced filtration technology –

We will always think about that and contribute to the development of industry and people’s lives.



Initiatives for SDGs

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《Sustainable Economy》



“Develop a strong infrastructure and promote inclusive and sustainable industrialization and expand technological innovation”

RFID tag



In order to reduce labor costs through the introduction of unmanned stores and self-checkout systems, and to improve the efficiency of stores and warehouses, RFID tags are being used extensively in logistics sites and warehouses, following convenience stores and apparel-related business. We will contribute by supplying manufacturing and inspection equipment to companies that are short on manpower and need to improve work efficiency.

3D printer



Prototypes and Parts, etc. the ability to manufacture items that you have designed yourself on the spot improves work efficiency and reduces manufacturing time. We will contribute greatly to the development of the manufacturing industry by making it possible to manufacture detailed shapes that were previously impossible to achieve.

Autonomous Transport Robot / Automated Storage System



The shortage of manpower due to the declining birthrate and aging population is becoming a serious problem in logistics and manufacturing sites. Autonomous transport robots that can transport goods instead of people will contribute to improving labor productivity.

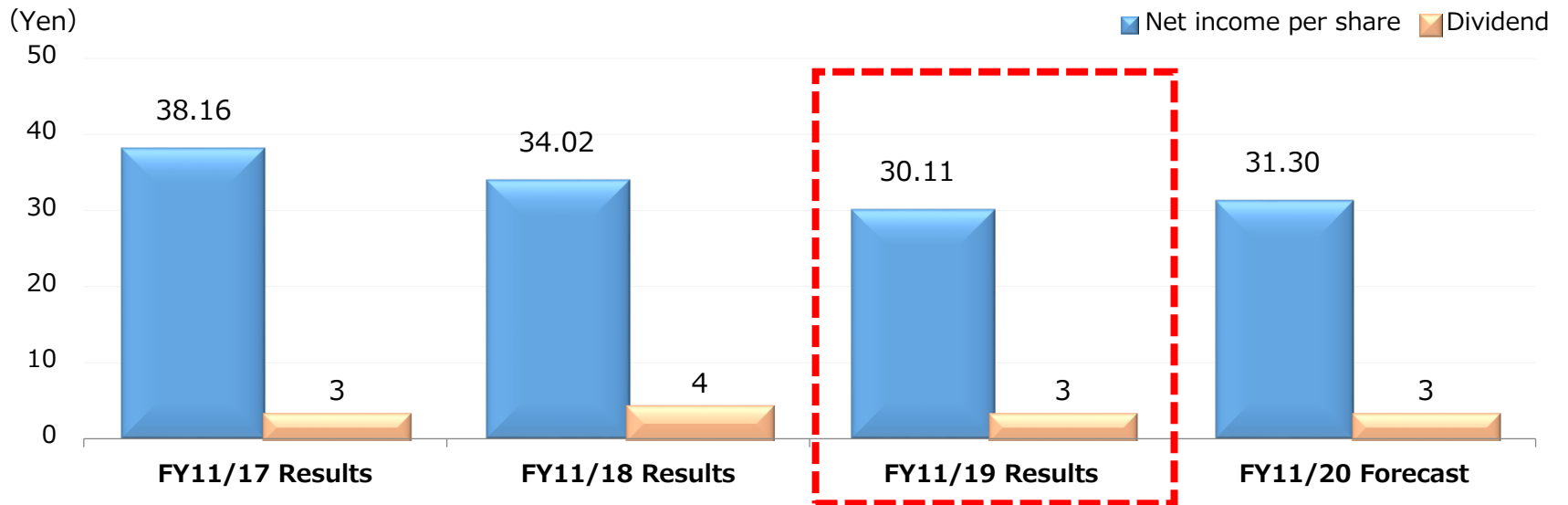
Automated storage systems will become an essential item for product storage in companies that have a large inventory of products. All you have to do is enter the product code, and the products will be automatically brought to the retrieval port, improving the picking efficiency of workers and greatly reducing their workload.

Shareholder Return

Basic policy of shareholder return

- Changes in dividend performance and net income per share.

Annual Dividend Results and Dividend Forecast for FY11/20



- Results of share repurchases.

Repurchases of treasury share (FY11/19 Results) Implemented share repurchase of up to 150 million yen

Acquisition period	1st time 2019/4/1~5/31	2nd time 2019/7/1~8/31	3rd time 2019/10/7~11/30	3times total
Total number of shares acquired	225,600 shares	236,600 shares	210,300 shares	672,500 shares
Total amount of acquisition cost of shares	49,998,400 yen	49,992,500 yen	49,977,100 yen	149,968,000 yen

(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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