

# FY11/2022 FINANCIAL REPORT

February 13, 2023  
ALTECH CO.,LTD.  
(Listed on TSE1 : 9972)

- **FY2022 FINANCIAL HIGHLIGHTS**
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# FY2022 FINANCIAL HIGHLIGHT

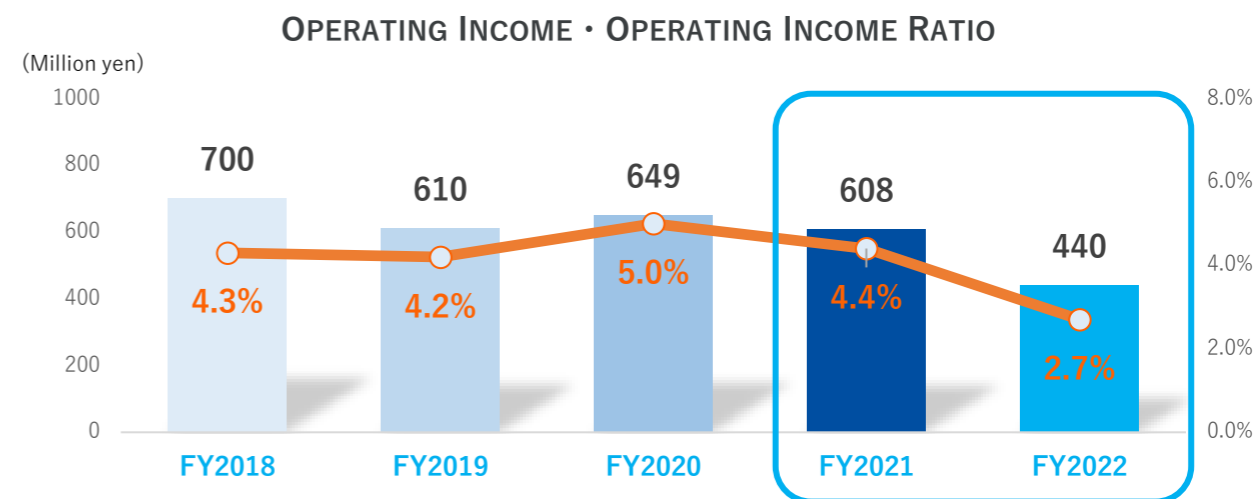
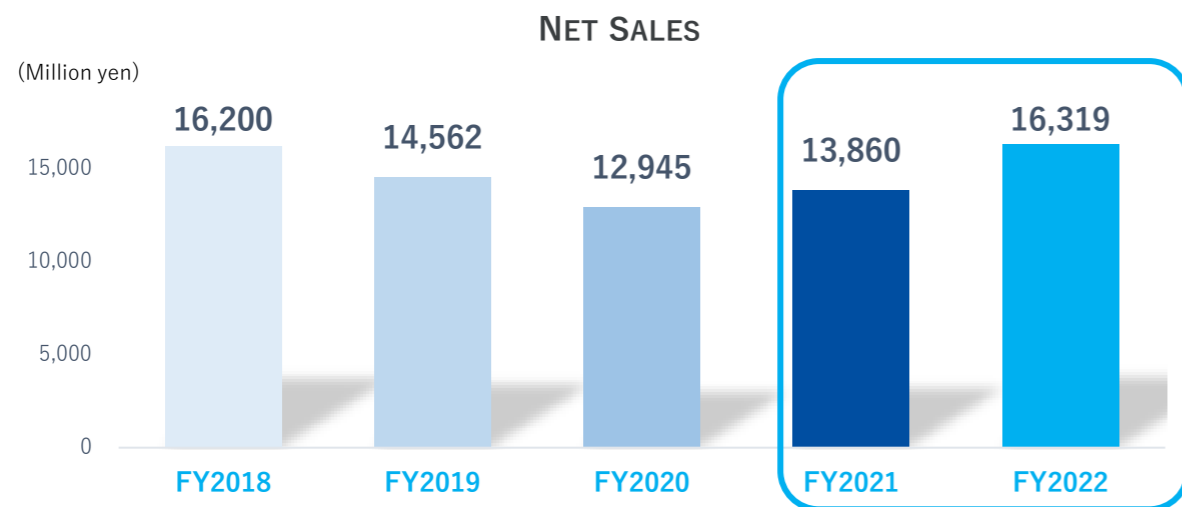
# FY2022 CONSOLIDATED RESULTS (Dec. 1, 2021, ~ Nov. 30, 2022)

NET SALES (Million yen)

**16,319** FY2021: 13,860

OPERATING INCOME (Million yen)

**440** FY2021: 608



**【ECONOMIC ENVIRONMENT】**

Downside risks such as the rapid depreciation of the yen, rising prices, rising energy prices due to Russia's invasion of Ukraine, and the slowdown of the Chinese economy became apparent.

**CONSOLIDATED FINANCIAL RESULTS**

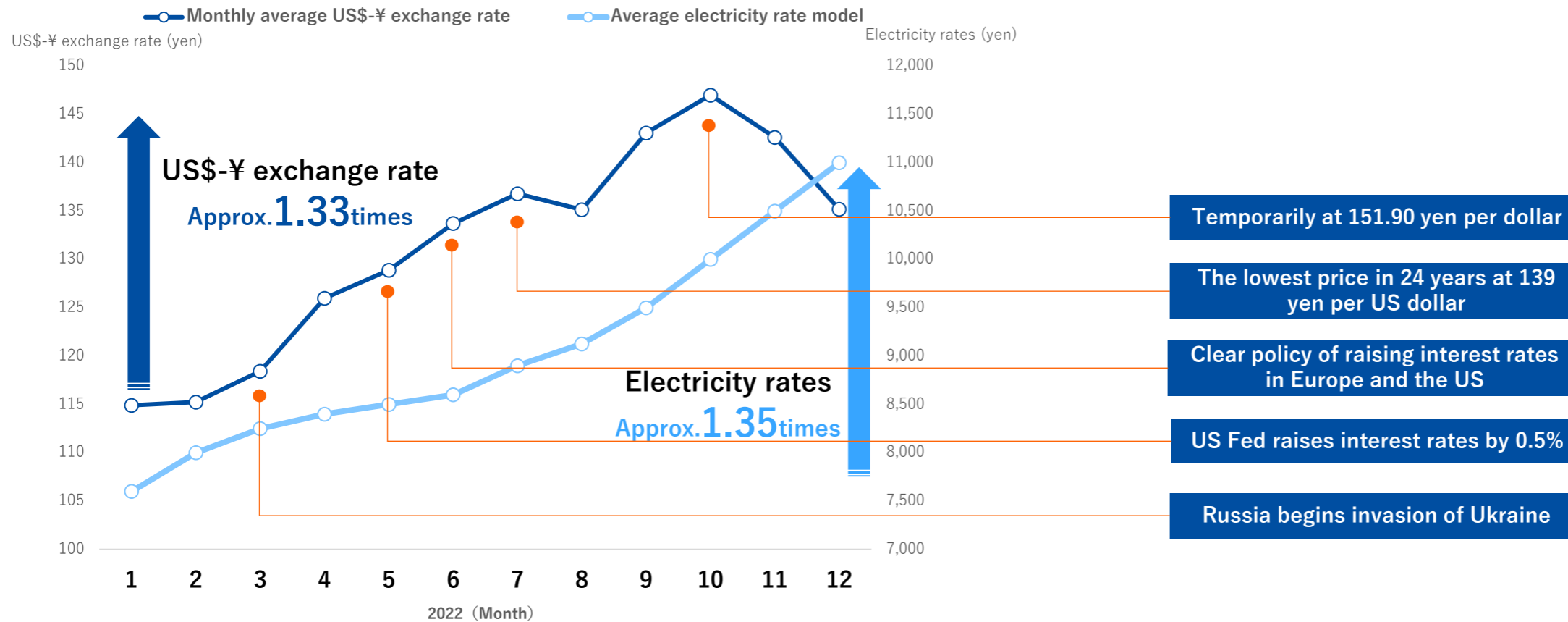
(Million yen)

	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	16,200	14,562	12,945	13,860	<b>16,319</b>
Operating income	700	610	649	608	<b>440</b>
Operating income ratio	4.3 %	4.2 %	5.0 %	4.4 %	<b>2.7 %</b>
Ordinary income	721	587	700	654	<b>476</b>
Ordinary income ratio	4.5 %	4.0 %	5.4 %	4.7 %	<b>2.9 %</b>
Net income	583	509	595	542	<b>402</b>
EPS	34.02 yen	30.11 yen	37.56 yen	35.96 yen	<b>28.22 yen</b>

# FY2022 CONSOLIDATED RESULTS (Dec. 1, 2021 ~ Nov. 30, 2022)

## UNCERTAIN ECONOMIC ENVIRONMENT in the CURRENT FISCAL YEAR

CHANGES in ELECTRICITY PRICES (AVERAGE MODEL) and the US\$ – ¥ EXCHANGE RATE



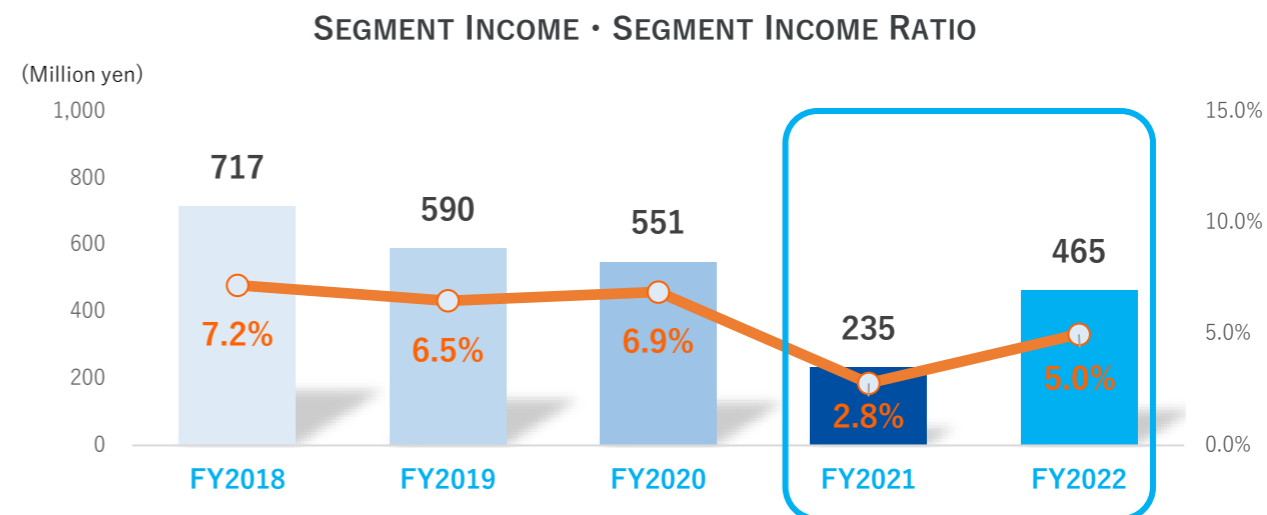
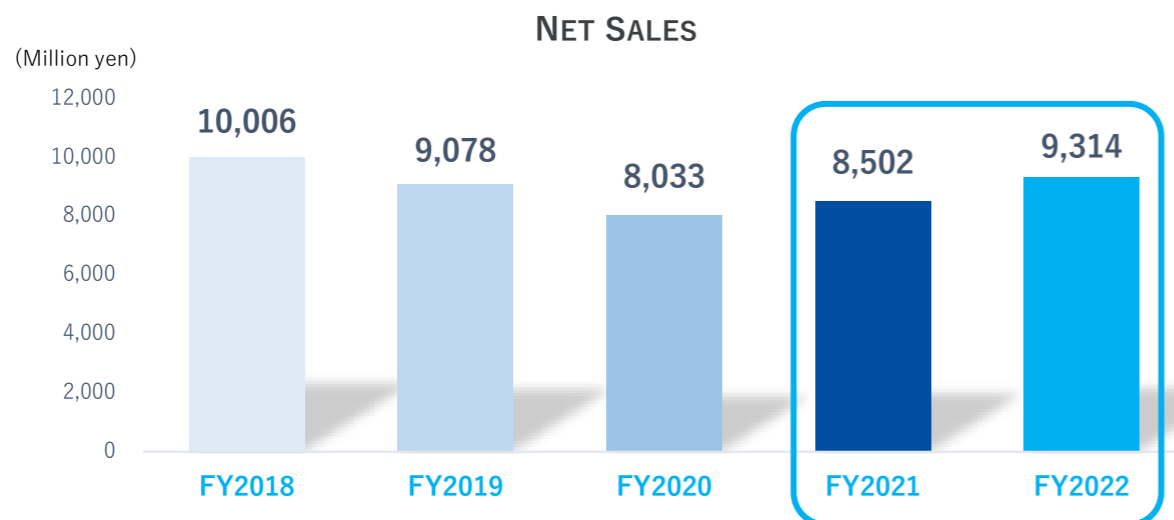
Source : TEPCO electricity price average model      Source : 77 Bank list of US dollar to yen, Yahoo News

# FY2022 RESULTS BY SEGMENT

# FY2022 SUMMARY OF TRADING BUSINESS RESULTS (Dec. 1, 2021 ~ Nov. 30, 2022)

**NET SALES** (Million yen)  
**9,314** FY2021: 8,502

**SEGMENT INCOME** (Million yen)  
**465** FY2021: 235



**【MAIN FACTORS】**

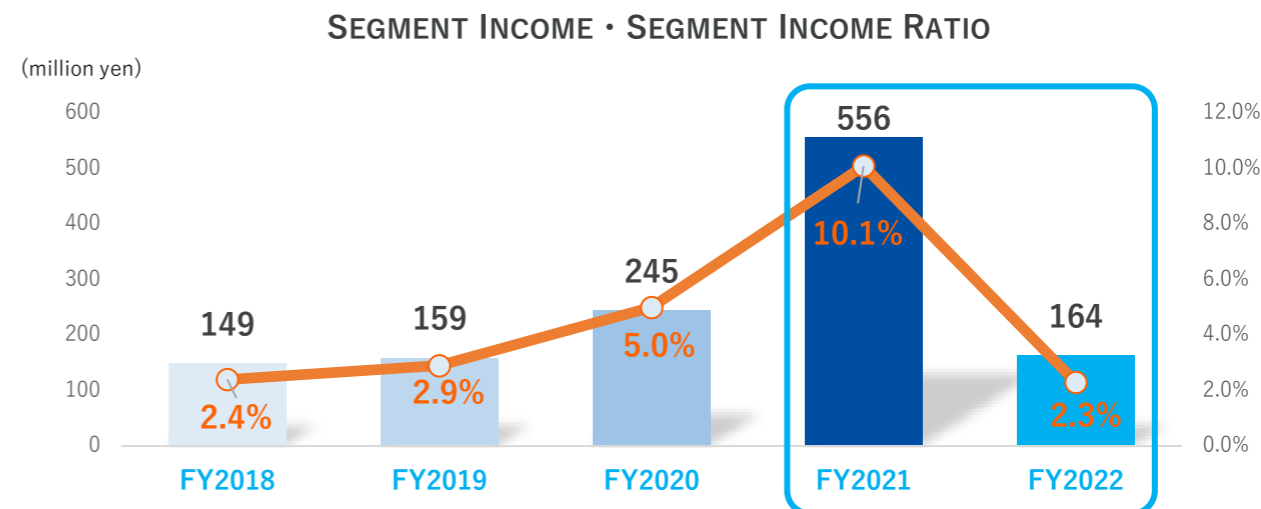
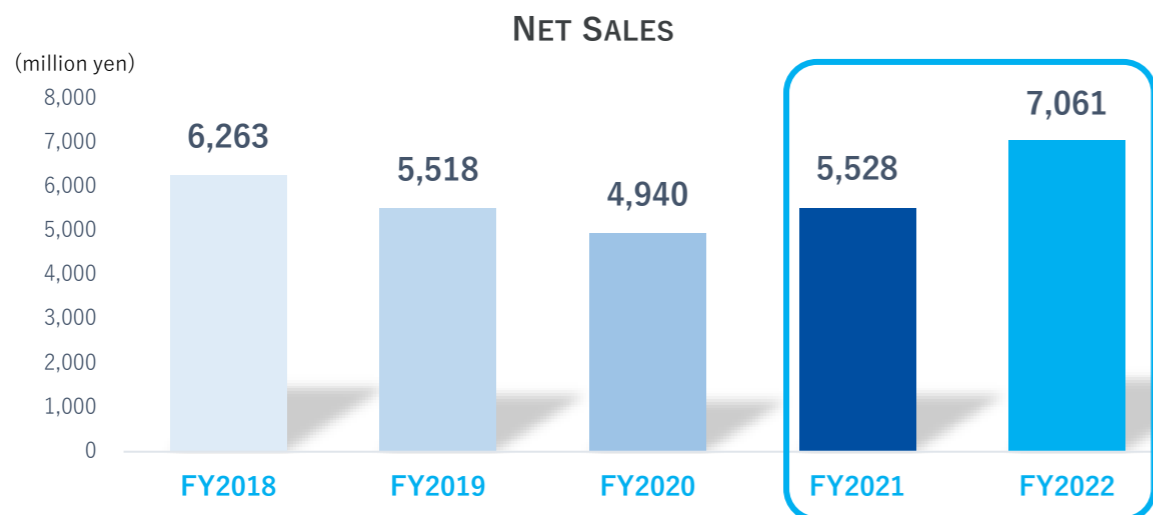
Both sales and income increased due to the completion of acceptance inspection of a mineral water production line, glass strengthening furnace equipment, and RFID tag production equipment, as well as cost control efforts.

- Net sales 9,314 million yen, up 812 million yen from the previous period
- Segment income 465 million yen, up 230 million yen from the previous period

**SUMMARY of TRADING BUSINESS RESULTS**

	(million yen)				
	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	10,006	9,078	8,033	8,502	<b>9,314</b>
Segment income	717	590	551	235	<b>465</b>
Segment income ratio	7.2 %	6.5 %	6.9 %	2.8 %	<b>5.0 %</b>

# FY2022 SUMMARY OF PREFORM BUSINESS RESULTS (Dec. 1, 2021 ~ Nov. 30, 2022)



**【MAIN FACTORS】**

**Sales increased due to higher sales volume of preforms for beverages, but income decreased due to higher raw material prices.**

- Sales 7,061 million yen, up 1,532 million yen from the previous period
- Segment income: 164 million yen, a decrease of 392 million yen from the previous period

**SUMMARY of PREFORM BUSINESS RESULTS**

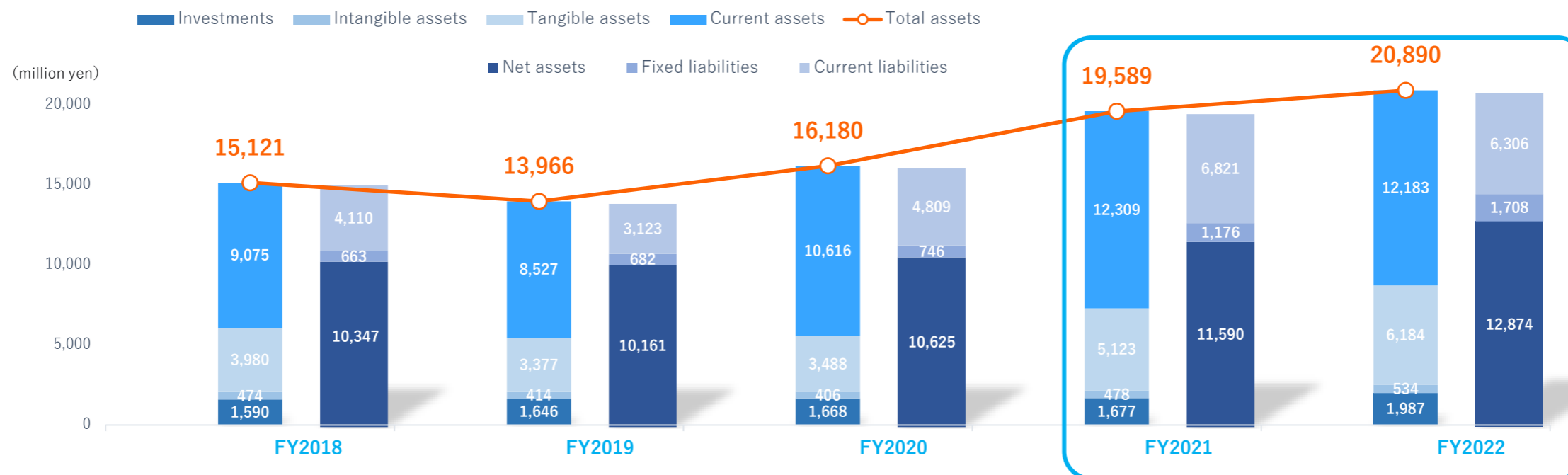
(million yen)

	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	6,263	5,518	4,940	5,528	<b>7,061</b>
Segment income	149	159	245	556	<b>164</b>
Segment income ratio	2.4 %	2.9 %	5.0 %	10.1%	<b>2.3%</b>



# FY2022 CONSOLIDATED FINANCIAL POSITION

## FY2022 SUMMARY BALANCE SHEET

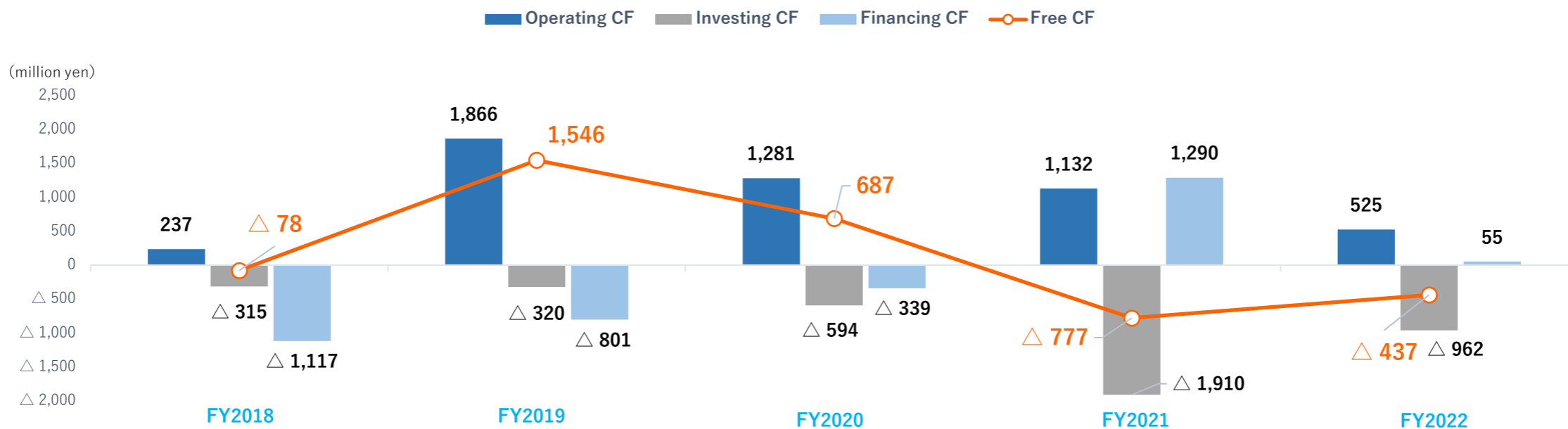


## SUMMARY BALANCE SHEET

(million yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	Amount of change	Main reasons for changes
Current assets	9,075	8,527	10,616	12,309	12,183	△ 125	Cash & deposits : △104 Merchandise & finished goods : △410 Notes & receivable-trade : +391
Tangible assets	3,980	3,377	3,488	5,123	6,184	+1,060	
Intangible assets	474	414	406	478	534	+55	
Investments (other assets)	1,590	1,646	1,668	1,677	1,987	+309	
<b>Total assets</b>	<b>15,121</b>	<b>13,966</b>	<b>16,180</b>	<b>19,589</b>	<b>20,890</b>	<b>+1,301</b>	
Current liabilities	4,110	3,123	4,809	6,821	6,306	△ 515	Arrears : +147 Accrued expenses : +82 Advance received : △924
Fixed liabilities	663	682	746	1,176	1,708	+532	Long-term loans payable : +259 Lease obligations : +257
<b>Net assets</b>	<b>10,347</b>	<b>10,161</b>	<b>10,625</b>	<b>11,590</b>	<b>12,874</b>	<b>+1,284</b>	Acquisition of treasury stock : △299 Retained earnings : +358 Foreign currency translation adjustments : +1.287
<b>Total liabilities &amp; Net assets</b>	<b>15,121</b>	<b>13,966</b>	<b>16,180</b>	<b>19,589</b>	<b>20,890</b>	<b>+1,301</b>	

# FY2022 CONSOLIDATED CASH FLOWS

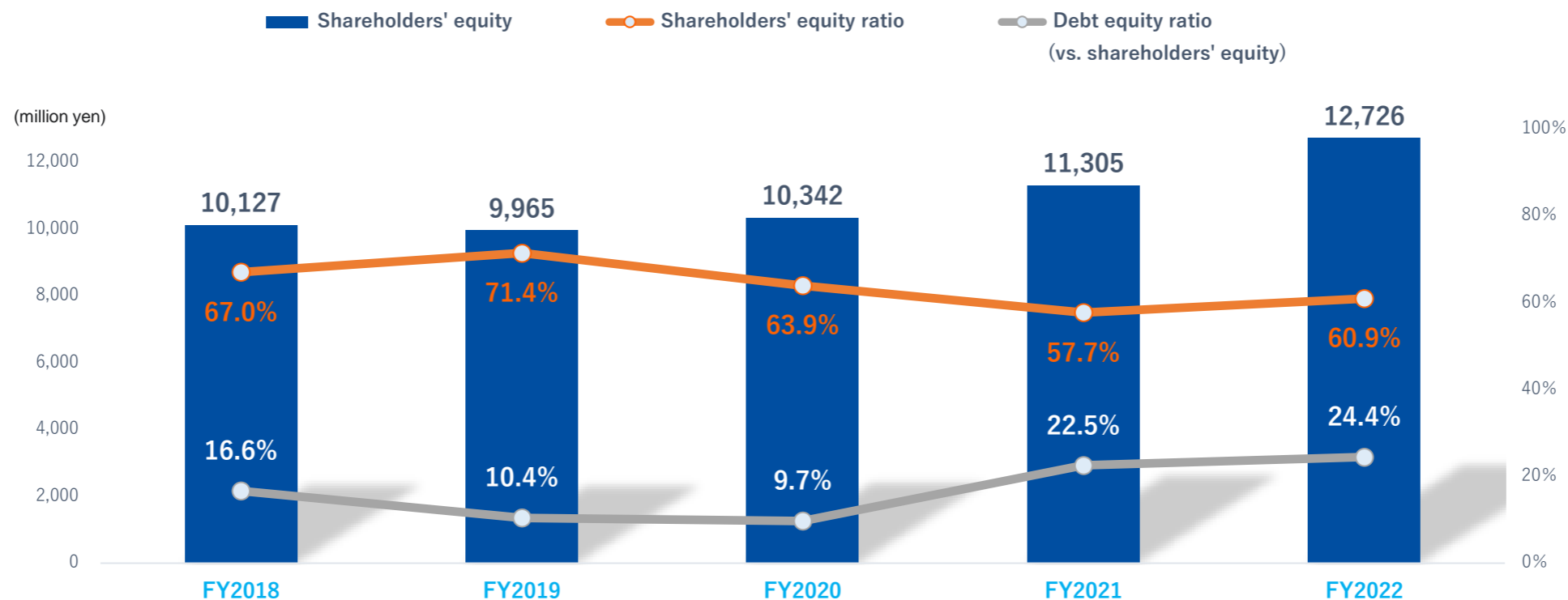


## CONSOLIDATED CASH FLOWS

(million yen)

	FY2018	FY2019	FY2020	FY2021	FY2022
Cash flows from operating activities	237	1,866	1,281	1,132	525
Cash flows from investing activities	△ 315	△ 320	△ 594	△ 1,910	△ 962
Free cash flow	△ 78	1,546	687	△ 777	△ 437
Cash flows from financing activities	△ 1,117	△ 801	△ 339	1,290	55
Cash & cash equivalents at end of year	2,766	3,444	3,815	4,187	4,074

# FY2022 SHAREHOLDERS' EQUITY



## SHAREHOLDERS' EQUITY

(million yen)

	FY2018	FY2019	FY2020	FY2021	FY2022
Shareholders' equity	10,127	9,965	10,342	11,305	<b>12,726</b>
Shareholders' equity ratio	67.0%	71.4%	63.9%	57.7%	<b>60.9%</b>
Debt equity ratio (vs. shareholders' equity)	16.6%	10.4%	9.7%	22.5%	<b>24.4%</b>

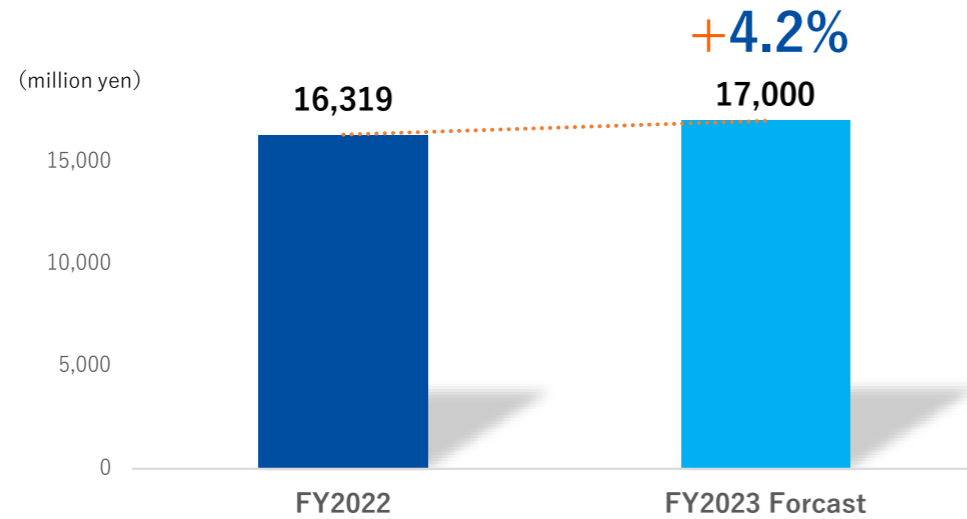
# FY2023 CONSOLIDATED BUSINESS FORECASTS

# FY2023 CONSOLIDATED BUSINESS FORECASTS (Dec. 1, 2022 ~ Nov. 30, 2023)

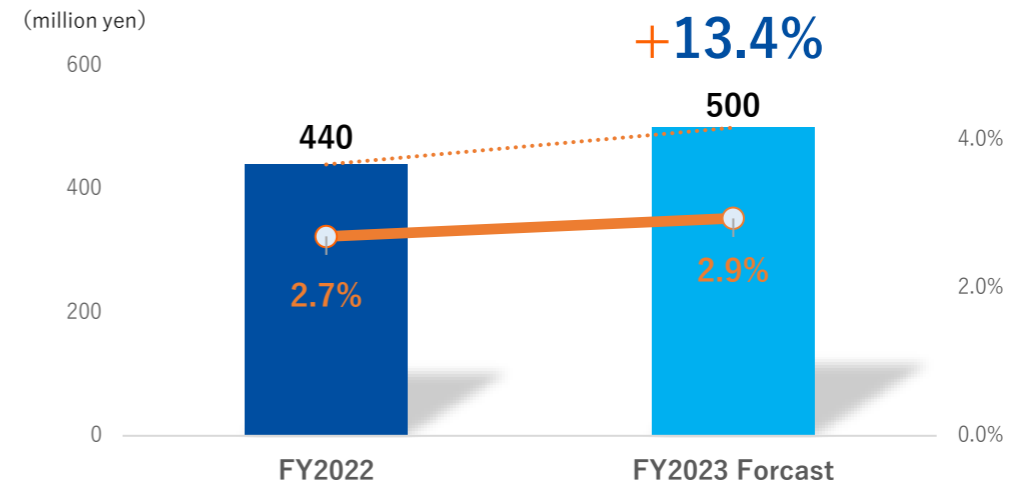
**NET SALES** (Million yen)  
**17,000** YoY (Increase/Decrease) **+4.2%** (+680)

**OPERATING INCOME** (Million yen)  
**500** YoY (Increase/Decrease) **+13.4%** (+59)

NET SALES



OPERATING INCOME / OPERATING INCOME RATIO



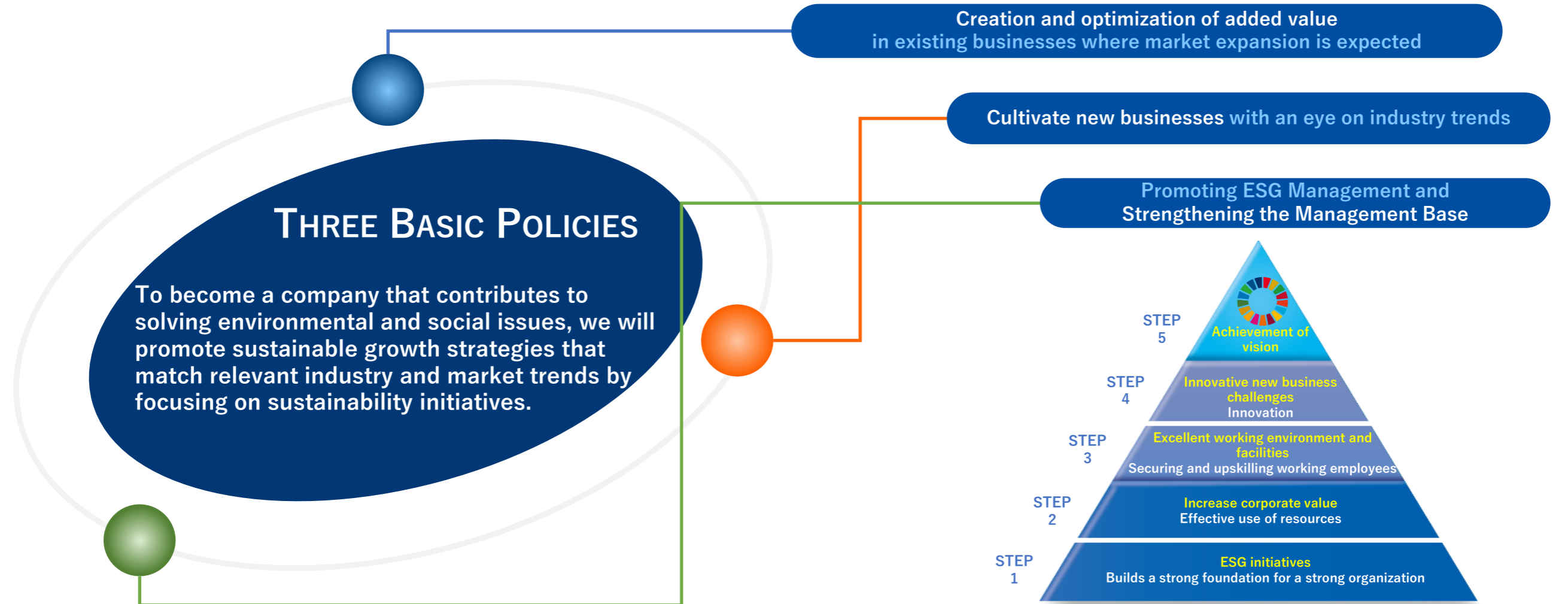
※The above forecasts are based on information available as of the date of publication of this document and may differ significantly from actual results due to various factors such as future economic conditions and changes in demand.

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# FY2023 GROWTH STRATEGIES

# BASIC POLICIES OF THE MID-TERM MANAGEMENT PLAN

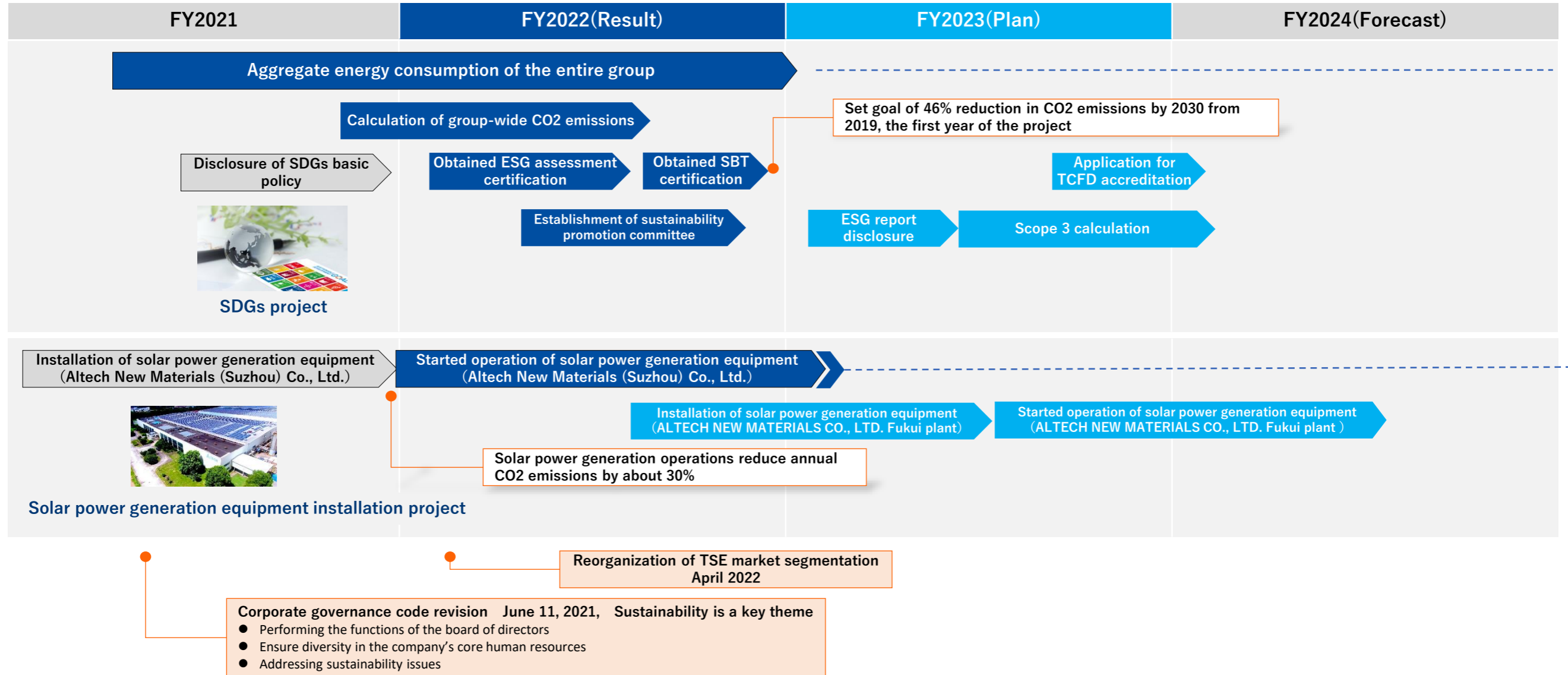
We will further strengthen our sustainability initiatives and promote ESG management the balances the enhancement of corporate value and the resolution of social issues by promoting proposals for sustainable products and technologies and we aim to achieve our vision of “contribute to society by providing excellent products of the world and supporting manufacturing”.





# PROMOTING ESG MANAGEMENT and STRENGTHENING the MANAGEMENT BASE

Addressing issues surrounding sustainability (Medium to long-term sustainability, including ESG factors)



# PROMOTING ESG MANAGEMENT and STRENGTHENING the MANAGEMENT BASE

## Greenhouse gas emission reduction targets set for 2030

The entire supply chain and all greenhouse gas emissions associated with our business must be reduced.

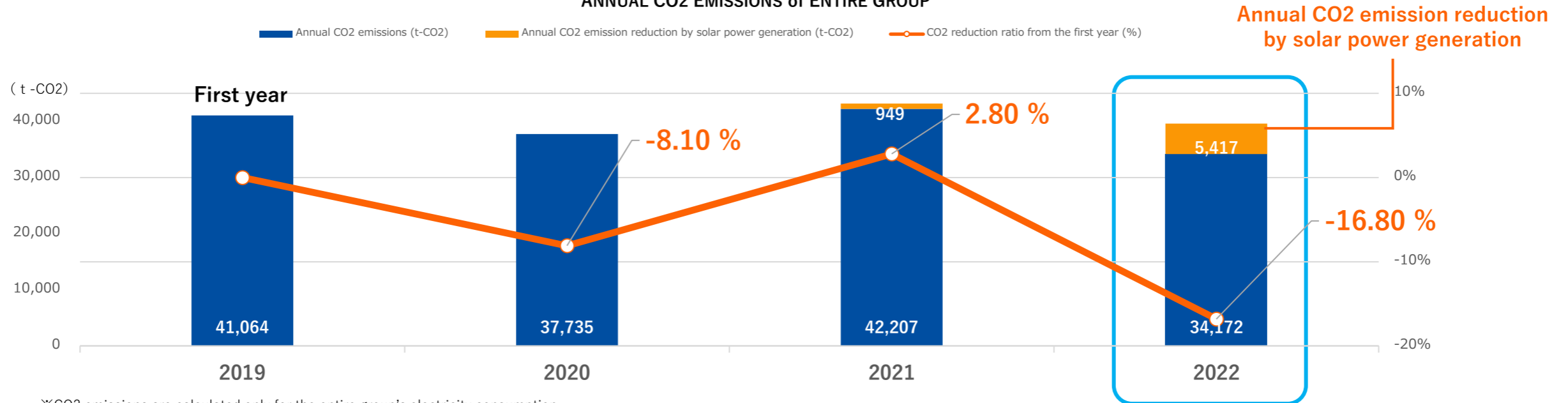
Altech group participates in the international initiative 「SBTi (Science Based Targets initiative)」, and we have set a greenhouse gas reduction target of 46% below 2019 levels by 2030 (1.5°C target).

### GREENHOUSE GAS CO2 EMISSION REDUCTION TARGETS

Scope 1・2	<ul style="list-style-type: none"> <li>● 46% reduction from 2019 base year by 2030</li> <li>● Achieve 100% renewable energy by 2050</li> </ul>
Scope 3	<ul style="list-style-type: none"> <li>● Commitment to measure and reduce scope 3 emissions</li> </ul>



### ANNUAL CO2 EMISSIONS of ENTIRE GROUP

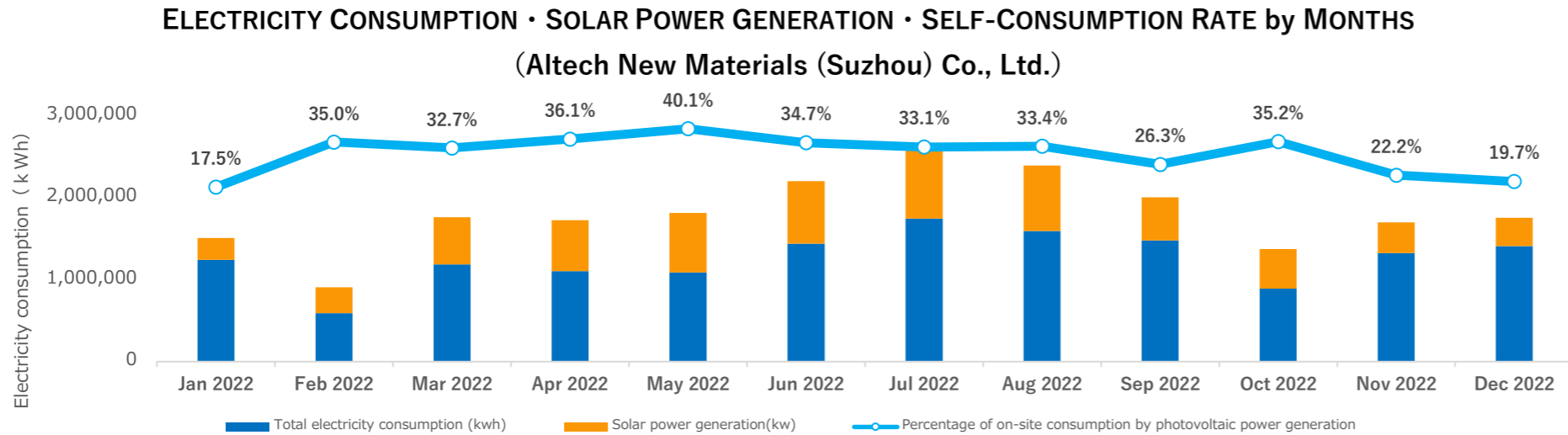


※CO2 emissions are calculated only for the entire group's electricity consumption

# PROMOTING ESG MANAGEMENT and STRENGTHENING the MANAGEMENT BASE

**Proactive introduction of photovoltaic power generation equipment reduces annual consumption of electricity from fossil fuel-derived power generation by approximately 28%**

In October 2021, 15,000 solar panels were installed on approximately 37,500 m<sup>2</sup> of the roof of the preform manufacturing plant of Altech Group company Altech New Materials (Suzhou) Co., Ltd., creating a 6-megawatt solar power generation system. It generates about 6.7 gigawatts of electricity per year and consumes about 28% of its total electricity consumption.



Solar panels installed at the Suzhou plant

**Plans to install a solar power generation system on the roof of Altech New Materials (Fukui) plant in 2023.**

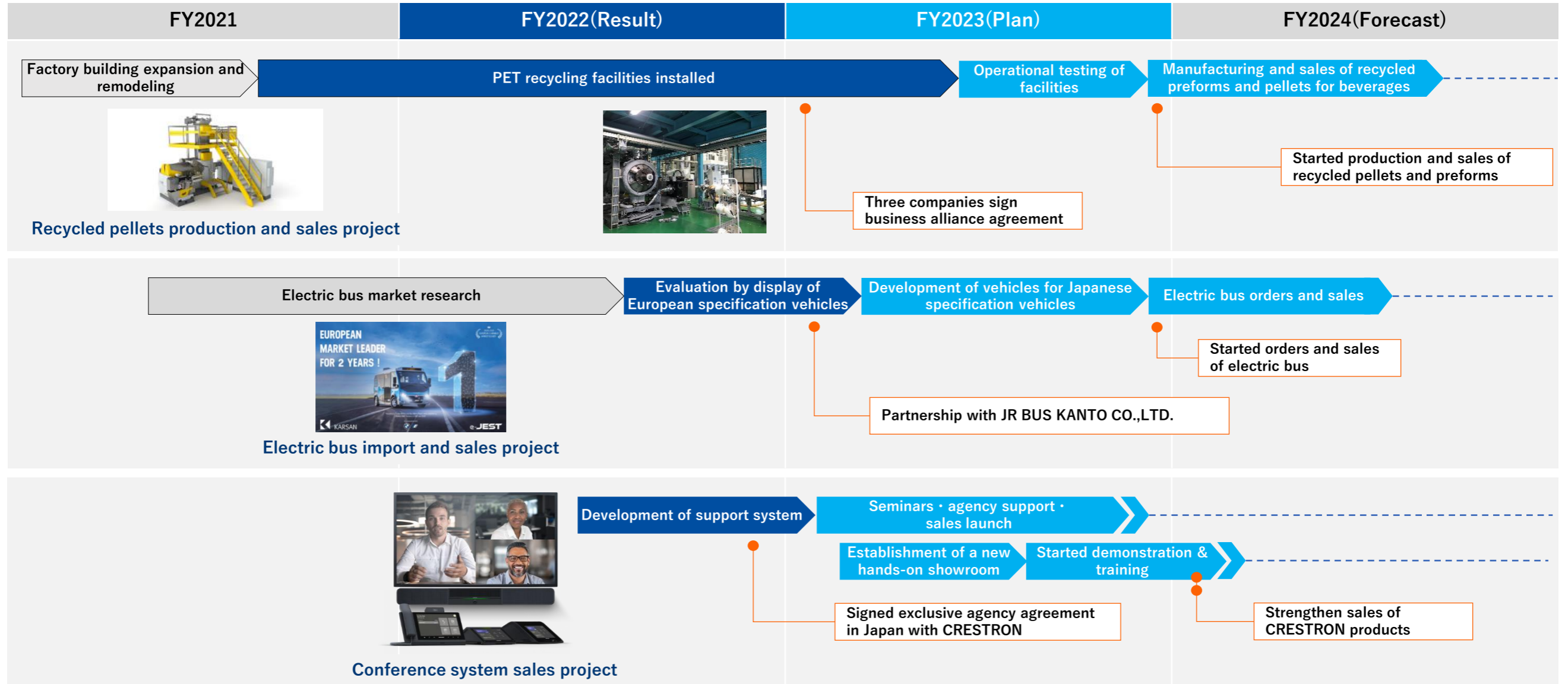
Plans call for installing 1,200 solar panels on the roof of the plant of Altech New Materials (Fukui) plant, an Altech domestic group company, to generate approximately 450 kilowatts of solar power.



Fukui plant where solar panels will be installed

# CULTIVATE NEW BUSINESSES with AN EYE on INDUSTRY TRENDS

Promote commercialization by utilizing domestic and foreign resources



# CULTIVATE NEW BUSINESSES with AN EYE on INDUSTRY TRENDS

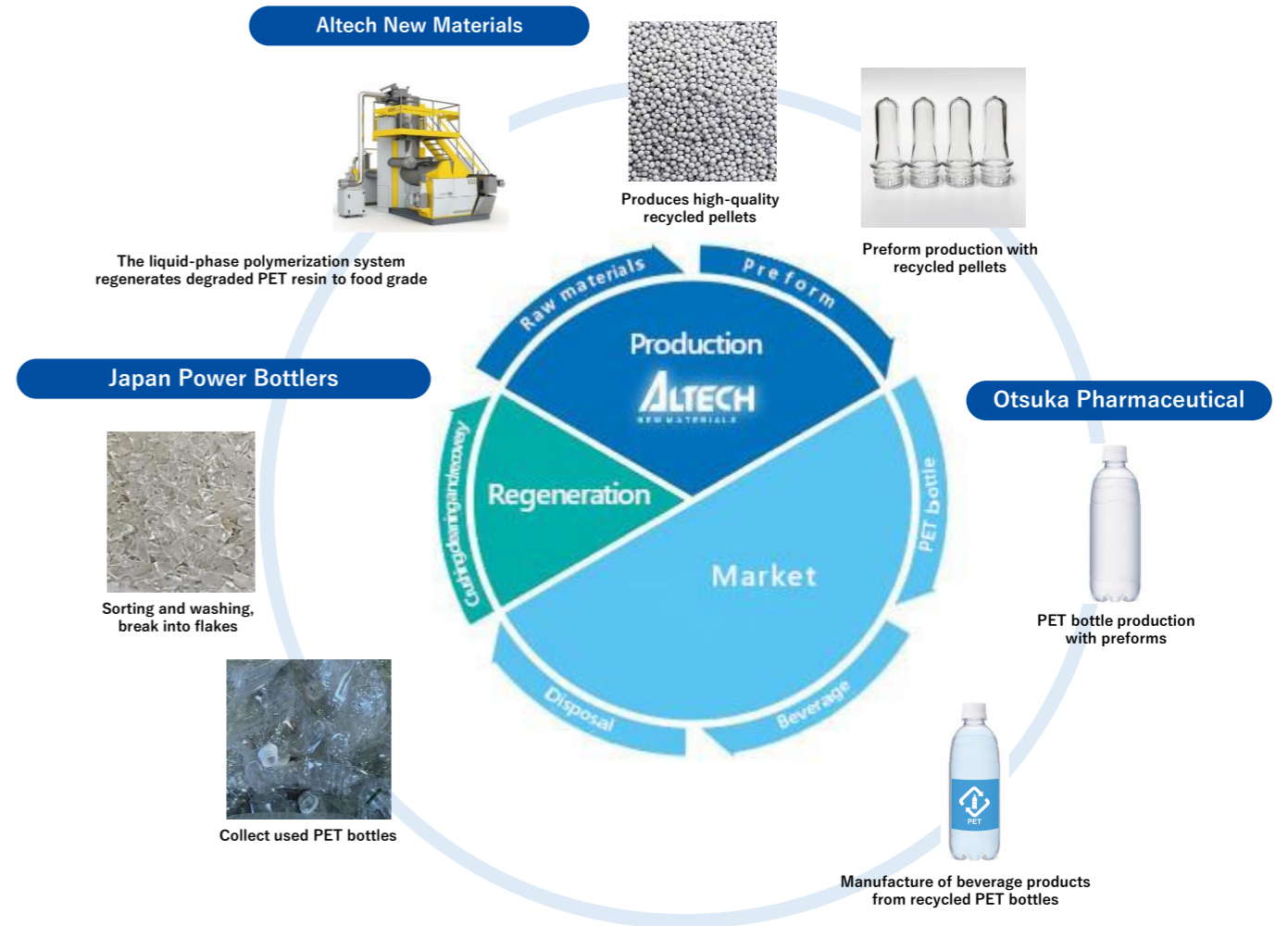
The realization of a recycling-oriented society for PET bottles will be communicated from Fukui

Otsuka Pharmaceutical · Altech · Japan Power Bottlers sign a business alliance agreement.

Altech signed a comprehensive business alliance agreement with Otsuka Pharmaceutical and Japan Power Bottlers for the purpose of promoting “Bottle-to-bottle horizontal recycling” and achieving a sustainable society.



## BOTTLE-to-BOTTLE HORIZONTAL RECYCLING



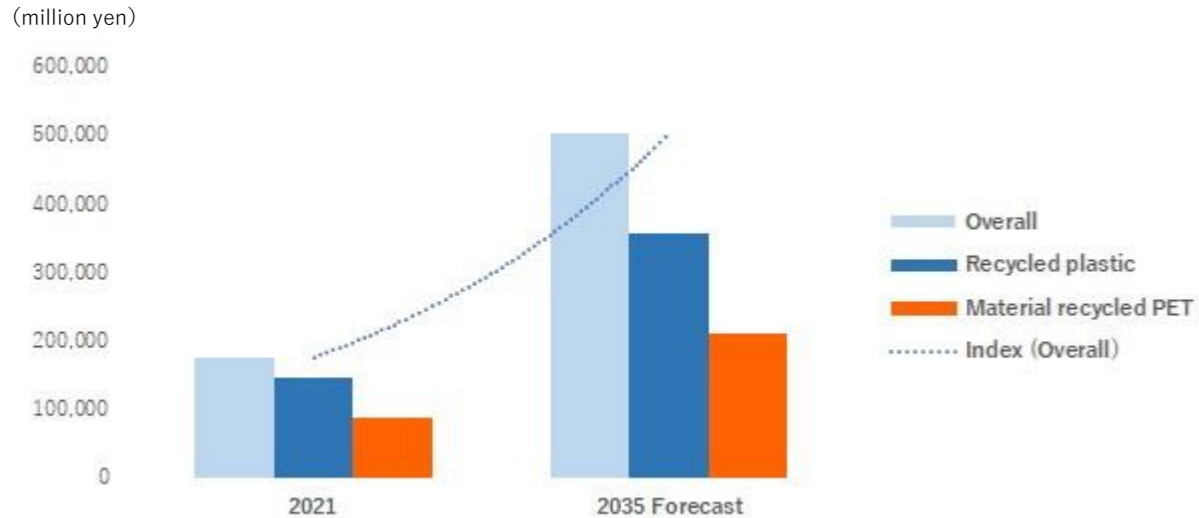
# CULTIVATE NEW BUSINESSES with AN EYE on INDUSTRY TRENDS

## Domestic market size forecast for recycled plastics

MR-PET (material-recycled PET) driven by MR plastics 212.0 billion yen (2.4 times)  
 Beverage makers are promoting bottle-to-bottle, expanding the market

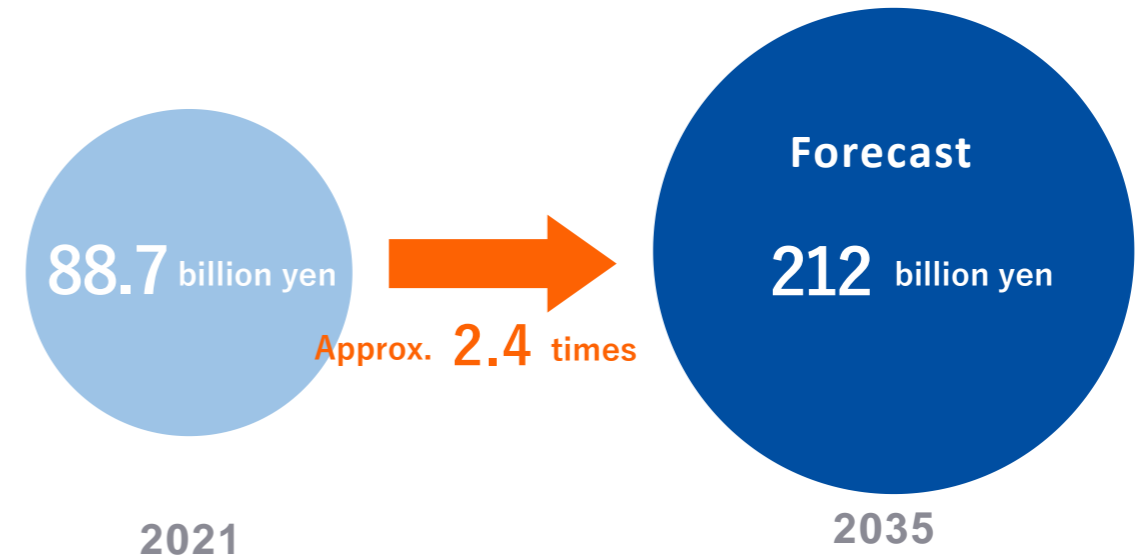
Leading companies such as beverage and consumer goods manufacturers have pledged to increase the recycling rate of plastic packaging to at least 50% by 2030. This is expected to drive demand for food-grade certified recycled materials.

DOMESTIC MARKET for RECYCLABLE PLASTICS and MATERIALS



Reference : FUJI KEIZAI CO., LTD., Domestic market for recyclable plastics and materials

DOMESTIC MARKET FORECAST for MATERIAL PET RECYCLING



Reference : FUJI KEIZAI CO., LTD., Domestic market for recyclable plastics and materials

# CULTIVATE NEW BUSINESSES with AN EYE on INDUSTRY TRENDS

## Started market research for small non step EV buses active in Europe with a view to entering the Japanese market

In cooperation with KARSAN, a Turkish commercial vehicle manufacturer, we have formed a partnership with JR Bus Kanto, which is actively working on environmental issues, and are jointly developing EV buses with Japanese specifications for plan to import and sale.

■ Compact EV bus “e-JEST” is contributes to environmental, social and economic sustainability



“e-JEST”, a small electric bus manufactured by KARSAN, was exhibited at the “2022 8th Bus Tech in Tokyo Metropolitan Area” held on Nov. 22, 2022 at the Makuhari Messe open-air exhibition hall.



■ Equipped for convenience and comfort



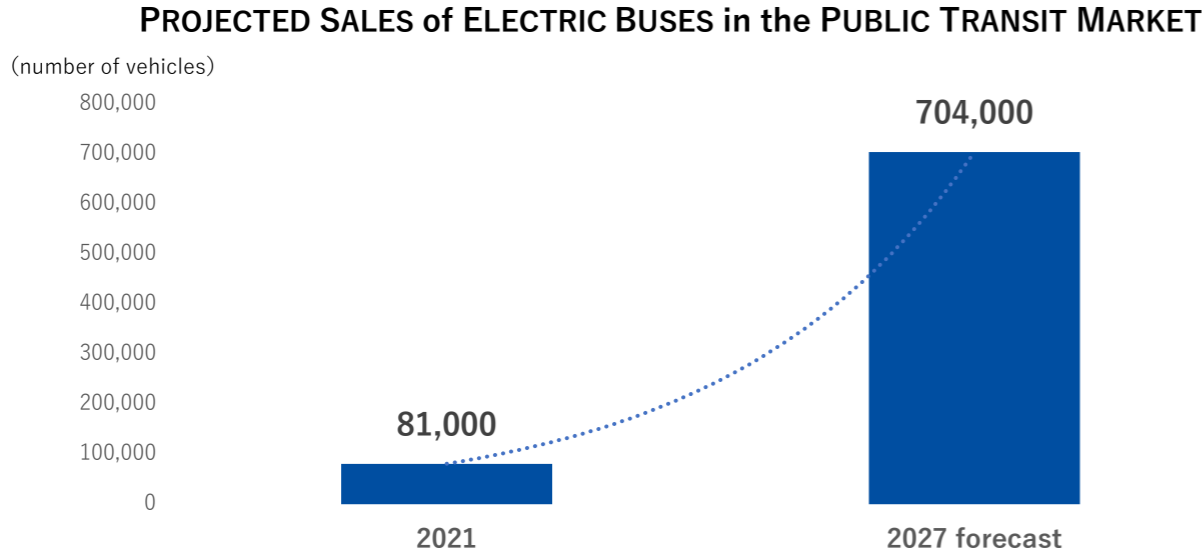
# CULTIVATE NEW BUSINESSES with AN EYE on INDUSTRY TRENDS

## Global market size forecast for electric buses

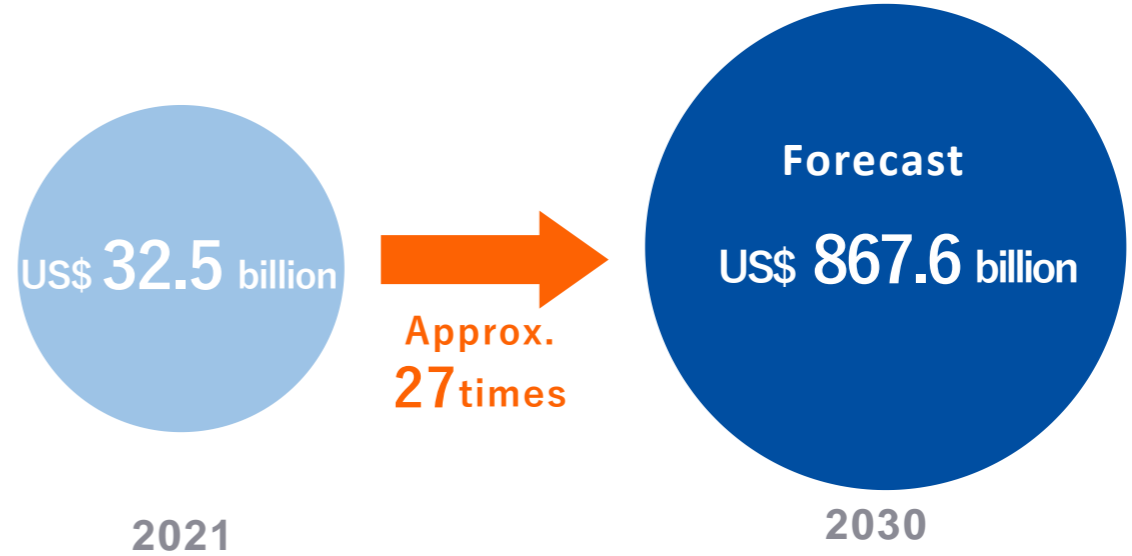
In Asia-Pacific, the public electric bus segment dominated the market, reaching US\$32.5 billion in 2021. It is projected to reach US\$867.6 billion by 2030.

The Asia-Pacific region is projected to be the fastest growing market, given the high demand for electric buses in China, Japan, South Korea, and India. Growth in the public market segment is attributed to the government’s introduction of several CO2 emission reductions to curb increased transportation demand, air pollution, and noise, and to reduce reliance on fossil fuels.

### GLOBAL ELECTRIC BUS MARKET SIZE and FORECAST



Reference : Global Information, Inc. Global market for electric buses (~2027)



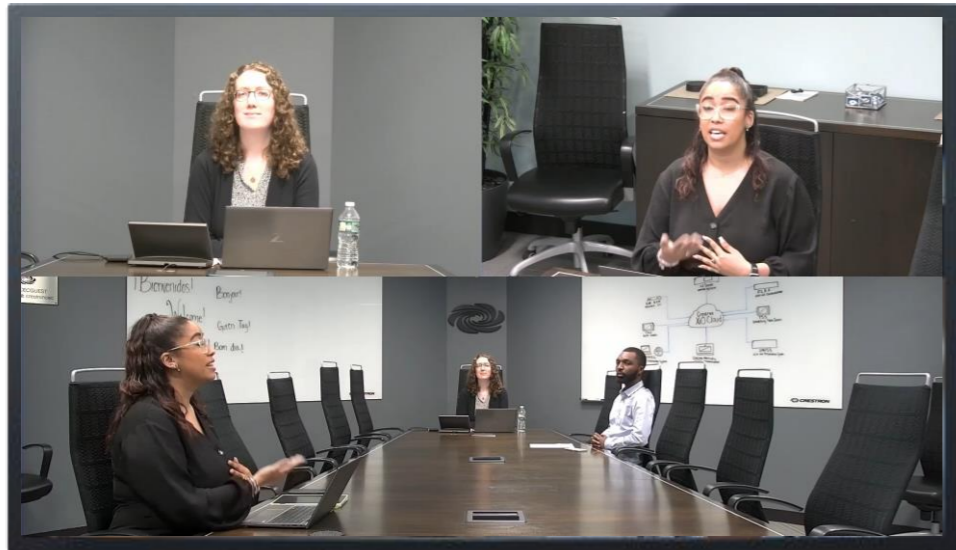
Reference : Grand View Research Electric Bus Market Analysis and Segment Forecast to 2030



# CULTIVATE NEW BUSINESSES with AN EYE on INDUSTRY TRENDS

## New experiential showroom with state-of-the-art equipment

We will be selling Crestron’s conferencing solutions with hardware and software solutions that revolutionize the hybrid telework/office environment and new structures in enterprise, education and various other markets.



It allows dispersed employees to easily meet in one place.



Image : Crestron Experience Centers (Singapore)



Speaker tracking



Group framing



Presenter tracking

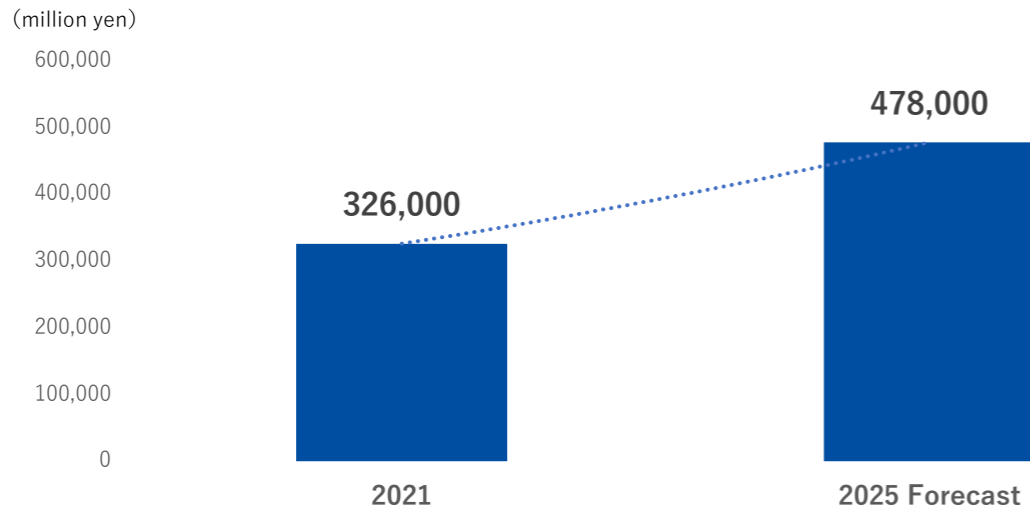
# CULTIVATE NEW BUSINESSES with AN EYE on INDUSTRY TRENDS

## Global market size forecast for video conferencing systems

The video conferencing market size is projected to grow at a CAGR of 19.7% from US\$ 9.2 billion in 2021 to reach US\$ 22.5 billion by 2026.

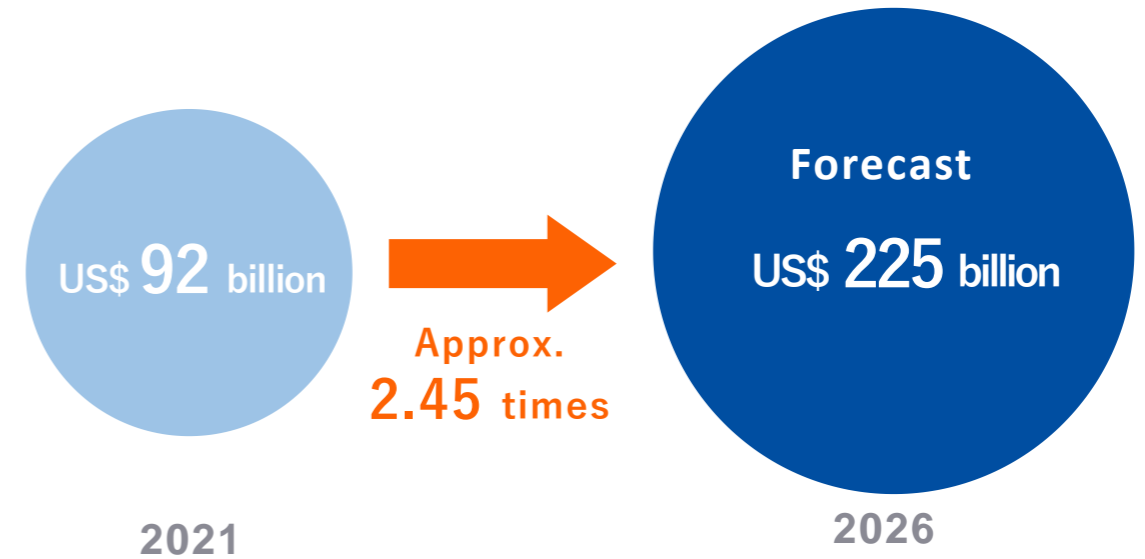
The market is expected to continue to grow with increased use of webinars and online events. Even after the COVID-19 pandemic is resolved, a certain number of companies are expected to establish telecommuting, and web conferencing is expected to continue to be used for meetings regardless of work location, so the market is expected to grow, albeit at a slower rate.

### DOMESTIC WEB CONFERENCE SYSTEM MARKET SIZE TRENDS and FORECASTS



Reference : ITR Market View : Collaboration 2021

### GLOBAL MARKET SIZE FORECAST for WEB CONFERANCING SYSTEMS



Reference : Secondary Research, Expert interviews, and MarketsandMarkets Analysis

# MARKET is EXPECTED to EXPAND CREATION and OPTIMIZATION of ADDED VALUE for EXISTING BUSINESSES

## Responding to changes in the market environment and diversification of customer needs

With the recent theme of de-plasticization and recycling, we will promote the handling of products with innovative technologies that ambitiously address the issues of plastic saving, weight reduction, and sorted recycling.



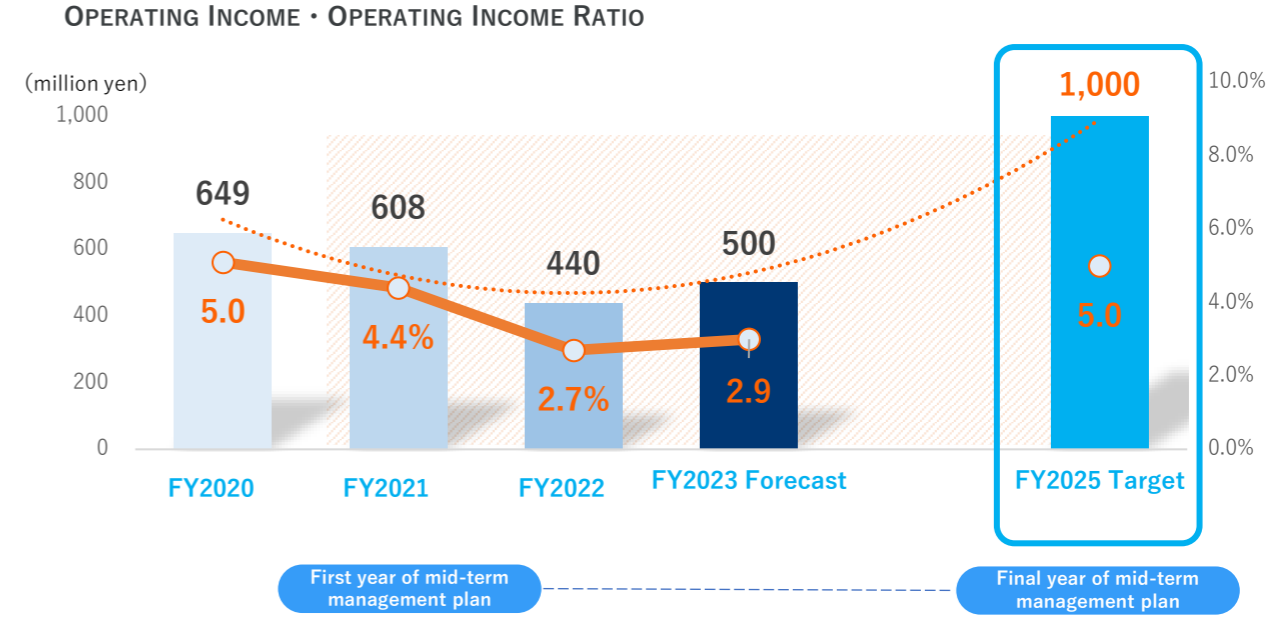
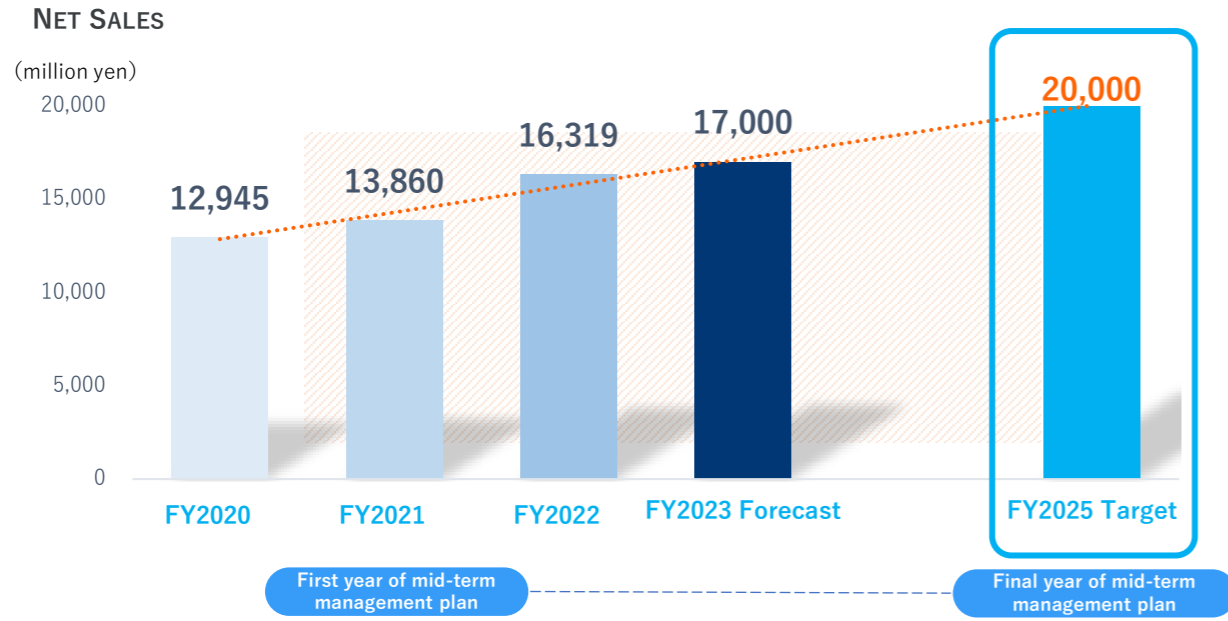
# NUMERICAL MANAGEMENT TARGETS and PROGRESS of the MID-TERM MANAGEMENT PLAN

**NET SALES**  
**20,000** million yen

**OPERATING INCOME**  
**1,000** million yen

**OPERATING INCOME RATIO**  
**5.0** % or more

**ROE**  
**8.0** % or more



**【ADHIEVING GOALS】**

- Upfront investment for next growth
- Improve services and expand business by increasing engineers, etc.
- Stabilization of product quality
- Use of business partners
- Increased orders from target customers

**OPERATING INCOME RATIO • ROE TRANSITION FORECAST**

	FY2020	FY2021	FY2022	FY2023 Forecast	FY2025 Target
Operating income ratio	5.0%	4.4%	2.7%	2.9%	5.0% or more
ROE	5.9%	5.0%	3.4%	—	8.0% or more

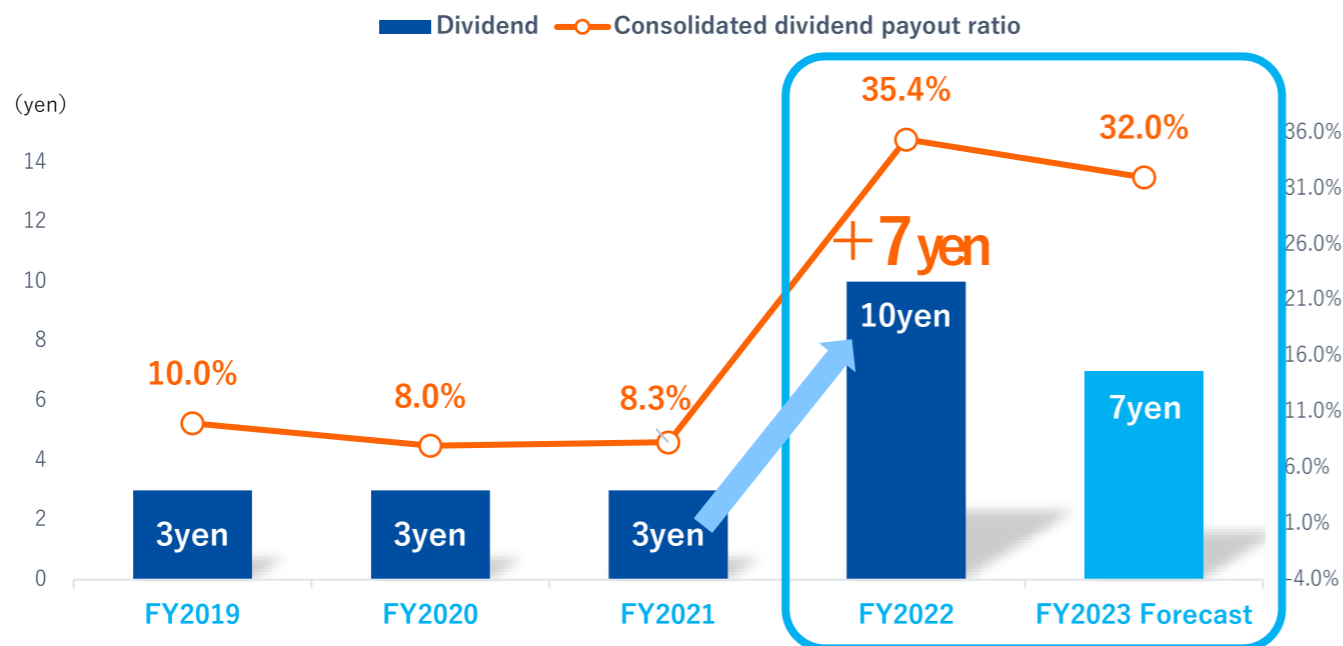
# SHAREHOLDER RETURNS (DIVIDENDS • CONSOLIDATED PAYOUT RATIO • EPS)

We regard the return of profits to shareholders as one of our highest management priorities and will strive to further enhance shareholder returns by improving corporate performance and capital efficiency.

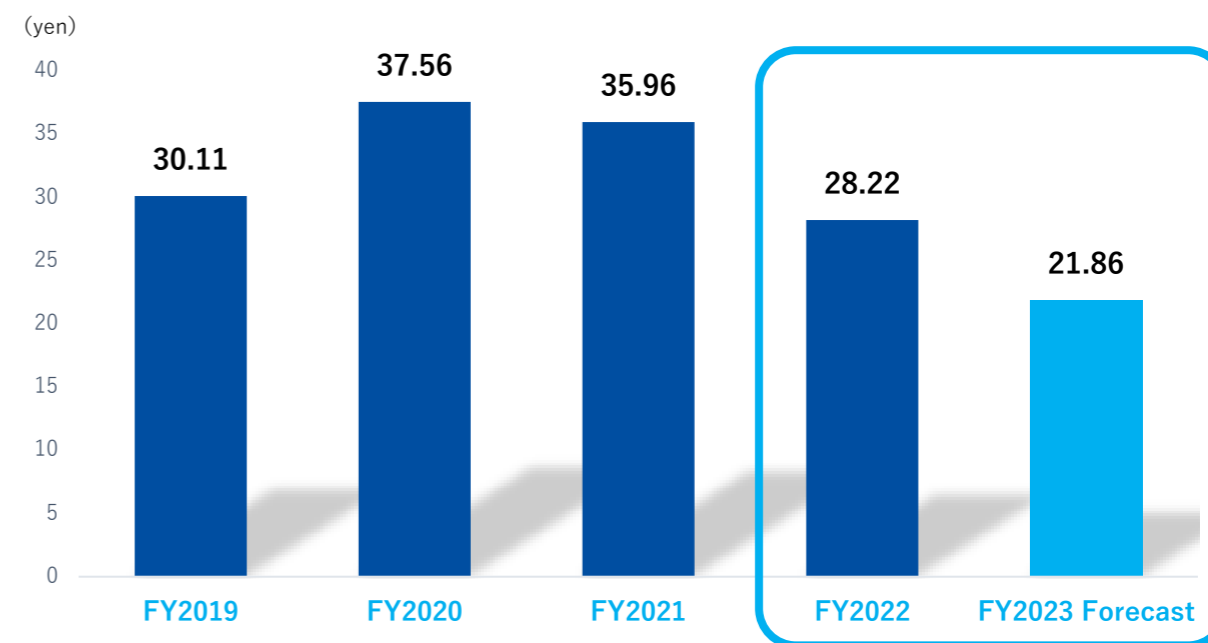
- For profit distribution, attention is paid to strengthening the financial structure in preparation for changes in the business environment and future business development.
- Dividends from surplus are stable, taking into consideration the level of retained earnings on a consolidated and non-consolidated basis.
- **Target consolidated dividend payout ratio of 30% or more.**

	FY2019	FY2020	FY2021	FY2022	FY2023 Forecast
Dividend	3 yen	3 yen	3 yen	10 yen	7 yen

CHANGES in DIVIDEND RESULTS



NET INCOME per SHARE (EPS)

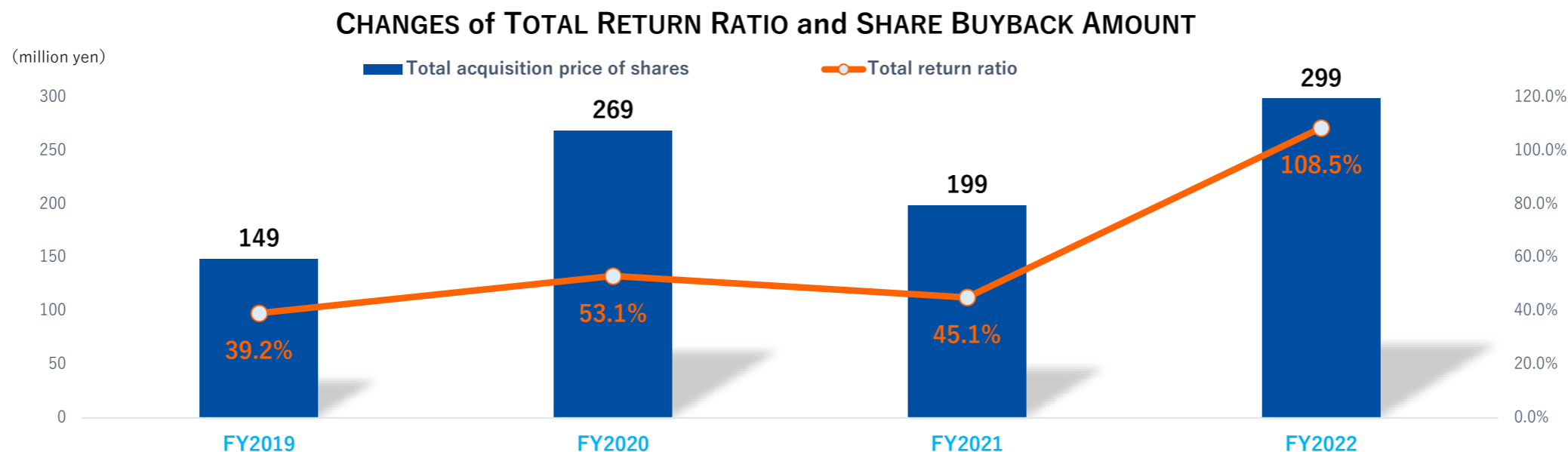


## SHAREHOLDER RETURNS (TOTAL RETURN RATIO)

With respect to share repurchases for the purpose of improving capital efficiency, etc., we will strive to return profits to shareholders, taking into consideration the level of investment capacity and retained earnings, as well as the consolidated total return ratio. Furthermore the acquired treasury stock will be cancelled at an appropriate time when it is no longer expected to be used.

### SHARE REPURCHASE RESULTS

	FY2019	FY2020	FY2021	FY2022
Total number of shares repurchased	672,500 shares	1,113,800 shares	639,900 shares	1,087,600 shares
Total acquisition price of shares	149 million yen	269 million yen	199 million yen	299 million yen





※NOTE REGARDING FORWARD-LOOKING STATEMENTS

The data and future projections disclosed in this material are based on our judgment and assumptions based on the information available as of the date of publication of this material and include potential risks and uncertainties. No assurances can be made that these targets or forecasts will be achieved or that future results will be achieved. Such information is subject to change without notice. The use of this information and materials should be made at the discretion of the user, after checking with information obtained by other means. We shall not be liable for any loss or damage of any kind incurred as a result of the use of this material.