Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2020 (Based on Japanese GAAP)

May 12, 2020

Company name: Altech Corporation
Stock exchange listing: Tokyo
Stock code: 4641 URL https://www.alpsgiken.co.jp/
Representative: President Atsushi Imamura
Inquiries: Director General Manager Akira Kouno TEL 042(774)3333
Scheduled date to file Quarterly Securities Report: May 13, 2020
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: No
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2020 (from January 1, 2020 to March 31, 2020)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2020	8,978	9.9	1,052	18.0	1,055	16.1	613	(10.2)
Three months ended March 31, 2019	8,171	7.8	891	4.5	909	4.4	683	18.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2020	29.77	–
Three months ended March 31, 2019	32.69	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2020	18,384	10,846	58.9
As of December 31, 2019	19,471	12,165	62.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2019	–	35.00	–	38.00	–
Year ending December 31, 2020	–				
Year ending December 31, 2020 (Forecast)		35.00	–	35.00	70.00

3. Forecast of consolidated financial results for the year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2020	18,120	9.2	1,780	8.3	1,790	5.8	1,210	0.3	57.81
Full year	38,320	5.4	4,270	6.4	4,270	4.2	2,910	0.1	139.02

4. Notes

(1) Changes in significant subsidiaries during the three months ended March 31, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	24,746,675 shares	As of December 31, 2019	24,746,675 shares

Number of treasury shares at the end of the period

As of March 31, 2020	4,300,226 shares	As of December 31, 2019	3,797,910 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2020	20,617,349 shares	Three months ended March 31, 2019	20,914,103 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	7,442,059	6,392,678
Notes and accounts receivable - trade	5,382,018	5,163,313
Work in process	155,568	144,579
Raw materials and supplies	961	961
Other	426,694	436,388
Allowance for doubtful accounts	(2,115)	(2,156)
Total current assets	13,405,188	12,135,764
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,013,586	3,014,511
Accumulated depreciation	(1,286,261)	(1,310,525)
Buildings and structures, net	1,727,325	1,703,986
Land	1,449,757	1,449,757
Construction in progress	–	679
Other	397,364	403,666
Accumulated depreciation	(317,000)	(321,806)
Other, net	80,364	81,860
Total property, plant and equipment	3,257,447	3,236,283
Intangible assets		
Goodwill	277,321	262,725
Other	160,120	153,132
Total intangible assets	437,442	415,858
Investments and other assets		
Investment securities	1,020,504	837,694
Deferred tax assets	643,338	1,066,997
Other	928,485	914,083
Accumulated depreciation	(220,968)	(221,889)
Other,net	707,517	692,193
Total investments and other assets	2,371,360	2,596,886
Total non-current assets	6,066,250	6,249,028
Total assets	19,471,438	18,384,793

(Thousands of yen)

	As of December 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	112,052	102,191
Short-term borrowings	700,000	700,000
Accounts payable - other	1,559,567	1,104,705
Income taxes payable	864,974	785,585
Provision for bonuses	1,333,112	2,479,413
Provision for bonuses for directors (and other officers)	32,085	6,995
Other	2,386,442	2,052,303
Total current liabilities	6,988,234	7,231,195
Non-current liabilities		
Retirement benefit liability	206,035	200,006
Other	111,430	107,540
Total non-current liabilities	317,466	307,547
Total liabilities	7,305,700	7,538,742
Net assets		
Shareholders' equity		
Share capital	2,347,163	2,347,163
Capital surplus	3,060,564	3,060,564
Retained earnings	10,425,509	10,243,188
Treasury shares	(3,963,015)	(5,029,228)
Total shareholders' equity	11,870,221	10,621,687
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257,173	196,250
Foreign currency translation adjustment	15,021	4,323
Total accumulated other comprehensive income	272,195	200,574
Non-controlling interests	23,321	23,788
Total net assets	12,165,737	10,846,050
Total liabilities and net assets	19,471,438	18,384,793

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Net sales	8,171,584	8,978,965
Cost of sales	6,040,477	6,688,810
Gross profit	2,131,106	2,290,154
Selling, general and administrative expenses	1,239,729	1,237,898
Operating profit	891,377	1,052,256
Non-operating income		
Interest income	770	262
Dividend income	100	100
Subsidy income	11,147	3,966
Rental income	8,926	1,536
Foreign exchange gains	306	–
Other	11,444	13,825
Total non-operating income	32,695	19,690
Non-operating expenses		
Interest expenses	825	462
Foreign exchange losses	–	4,453
Other	13,476	11,209
Total non-operating expenses	14,301	16,125
Ordinary profit	909,771	1,055,820
Extraordinary income		
Gain on sales of non-current assets	25	183
donation income	100,000	–
Total extraordinary income	100,025	183
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	–	95,549
Total extraordinary losses	0	95,549
Profit before income taxes	1,009,797	960,454
Income taxes - current	685,400	745,187
Income taxes - deferred	(359,323)	(399,060)
Total income taxes	326,076	346,126
Profit	683,720	614,328
Profit attributable to non-controlling interests	52	596
Profit attributable to owners of parent	683,668	613,732

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Profit	683,720	614,328
Other comprehensive income		
Valuation difference on available-for-sale securities	(19,883)	(60,922)
Foreign currency translation adjustment	4,115	(10,827)
Total other comprehensive income	(15,768)	(71,749)
Comprehensive income	667,952	542,578
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	667,954	542,111
Comprehensive income attributable to non-controlling interests	(1)	467