

Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2021 (Based on Japanese GAAP)

August 10, 2021

Company name: Altech Corporation
 Stock exchange listing: Tokyo
 Stock code: 4641 URL <https://www.alpsgiken.co.jp/>
 Representative: President Atsushi Imamura
 Inquiries: Senior Managing Director General Manager Nobuyuki Watanabe TEL 042(774)3333
 Scheduled date to file Quarterly Securities Report: August 11, 2021
 Scheduled date to commence dividend payments: September 17, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2021 (from January 1, 2021 to June 30, 2021)

(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	%
Six months ended June 30, 2021	18,770	7.4	1,732	(3.0)	2,314	8.2	1,552	8.8
Six months ended June 30, 2020	17,483	5.4	1,785	8.6	2,139	26.4	1,426	18.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2021	75.75		-	
Six months ended June 30, 2020	69.48		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	21,786	13,661	62.6
As of December 31, 2020	20,996	12,771	60.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2020	-	35.00	-	40.00	75.00
Year ending December 31, 2021	-	37.00	-	-	-
Year ending December 31, 2021 (Forecast)	-	-	-	38.00	75.00

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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
Full year	40,000	11.9	4,000	9.9	4,400	(4.3)	3,060	0.1	149.25

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2021
 (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 June 30, 2021	24,746,675 shares	As of December 31, 2020	24,746,675 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	4,251,641 shares	As of December 31, 2020	4,261,696 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2021	20,489,711 shares	Six months ended June 30, 2020	20,538,478 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	8,619,755	8,947,010
Notes and accounts receivable - trade	5,227,621	5,256,564
Work in process	267,586	343,721
Raw materials and supplies	50,781	50,698
Other	495,567	730,962
Allowance for doubtful accounts	(3,848)	(3,796)
Total current assets	14,657,463	15,325,162
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,284,234	3,291,433
Accumulated depreciation	(1,538,931)	(1,589,235)
Buildings and structures, net	1,745,303	1,702,198
Land	1,529,761	1,529,761
Construction in progress	–	1,025
Other	510,708	533,332
Accumulated depreciation	(425,533)	(436,389)
Other, net	85,174	96,943
Total property, plant and equipment	3,360,239	3,329,927
Intangible assets		
Goodwill	411,143	369,138
Other	146,838	165,424
Total intangible assets	557,982	534,562
Investments and other assets		
Investment securities	975,273	1,037,286
Shares of subsidiaries and associates	129,718	129,718
Deferred tax assets	669,693	819,635
Other	691,127	654,867
Accumulated depreciation	(44,528)	(44,756)
Other, net	646,599	610,111
Total investments and other assets	2,421,284	2,596,752
Total non-current assets	6,339,506	6,461,242
Total assets	20,996,970	21,786,404

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	182,107	123,012
Short-term borrowings	1,058,716	1,058,722
Accounts payable - other	1,630,863	1,371,145
Income taxes payable	978,830	955,482
Provision for bonuses	1,326,338	1,859,507
Provision for bonuses for directors (and other officers)	26,075	16,130
Other	2,565,216	2,248,142
Total current liabilities	7,768,147	7,632,141
Non-current liabilities		
Deferred tax liabilities	2,137	2,303
Retirement benefit liability	198,160	193,792
Other	257,365	296,275
Total non-current liabilities	457,663	492,370
Total liabilities	8,225,811	8,124,512
Net assets		
Shareholders' equity		
Share capital	2,347,163	2,347,163
Capital surplus	3,086,165	3,098,774
Retained earnings	11,971,018	12,703,688
Treasury shares	(4,981,321)	(4,966,334)
Total shareholders' equity	12,423,026	13,183,291
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	300,176	362,783
Foreign currency translation adjustment	22,840	88,177
Total accumulated other comprehensive income	323,017	450,961
Non-controlling interests	25,115	27,639
Total net assets	12,771,158	13,661,892
Total liabilities and net assets	20,996,970	21,786,404

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Net sales	17,483,725	18,770,152
Cost of sales	13,274,548	14,555,419
Gross profit	4,209,176	4,214,733
Selling, general and administrative expenses	2,423,374	2,482,416
Operating profit	1,785,802	1,732,317
Non-operating income		
Interest income	2,164	2,692
Dividend income	14,265	15,559
Subsidy income	303,057	536,293
Rental income	2,103	2,655
Compensation income	43,503	4,869
Other	25,033	43,137
Total non-operating income	390,129	605,208
Non-operating expenses		
Interest expenses	923	2,565
Foreign exchange losses	5,519	6,340
Loss on extinguishment of Share-based remuneration expenses	6,625	6,768
Other	22,974	7,209
Total non-operating expenses	36,042	22,883
Ordinary profit	2,139,888	2,314,641
Extraordinary income		
Gain on sales of non-current assets	183	16
donation income	100,000	–
Total extraordinary income	100,183	16
Extraordinary losses		
Loss on retirement of non-current assets	0	210
Loss on valuation of investment securities	79,214	–
Total extraordinary losses	79,214	210
Profit before income taxes	2,160,857	2,314,447
Income taxes - current	864,981	923,186
Income taxes - deferred	(131,839)	(161,714)
Total income taxes	733,141	761,471
Profit	1,427,715	1,552,976
Profit attributable to non-controlling interests	732	906
Profit attributable to owners of parent	1,426,983	1,552,069

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Profit	1,427,715	1,552,976
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,141)	62,190
Foreign currency translation adjustment	(4,992)	66,954
Total other comprehensive income	(16,133)	129,145
Comprehensive income	1,411,582	1,682,121
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,410,948	1,679,597
Comprehensive income attributable to non-controlling interests	633	2,524