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## Consolidated Financial Results for the Year Ended December 31, 2021 [Japanese GAAP]

February 09, 2022

Company name: Altech Corporation  
 Stock exchange listing: Tokyo  
 Code number: 4641  
 URL: <https://www.alpsgiken.co.jp/>  
 Representative: Atsushi Imamura President  
 Contact: Nobuyuki Watanabe Senior Managing Director General Manager  
 Phone: 042 (774) 3333  
 Scheduled date of Annual General Meeting of Shareholders: March 24, 2022  
 Scheduled date of commencing dividend payments: March 25, 2022  
 Scheduled date of filing annual securities report: March 25, 2022  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 01, 2021 to December 31, 2021)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2021	39,261	9.8	3,875	6.5	4,574	(0.5)	3,095	1.2
December 31, 2020	35,753	(1.7)	3,640	(9.3)	4,595	12.1	3,057	5.1

(Note) Comprehensive income: Fiscal year ended December 31, 2021: ¥ 3,353 million [ 7.8%]  
 Fiscal year ended December 31, 2020: ¥ 3,110 million [ 6.0%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2021	151.00	-	22.6	21.0	9.9
December 31, 2020	149.13	-	24.6	22.7	10.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2021: ¥ - million  
 Fiscal year ended December 31, 2020: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2021	22,545	14,635	64.8	711.48
December 31, 2020	20,996	12,771	60.7	622.21

(Reference) Equity: As of December 31, 2021: ¥ 14,601 million  
 As of December 31, 2020: ¥ 12,746 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2021	3,169	(222)	(1,733)	9,293
December 31, 2020	3,900	(359)	(2,460)	7,998

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2020	-	35.00	-	40.00	75.00	1,535	50.3	12.5
December 31, 2021	-	37.00	-	39.00	76.00	1,558	50.3	11.4
Fiscal year ending December 31, 2022 (Forecast)	-	38.00	-	38.00	76.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 01, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended June 30, 2022	20,100	7.1	1,800	3.9	1,800	(22.2)	1,200	(22.7)	58.47
Full year	42,500	8.2	4,550	17.4	4,590	0.3	3,120	0.8	152.02

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation):

		No
New	- (Company name: )	
Exclusion:	- (Company name: )	

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards:	No
2) Changes in accounting policies other than 1) above:	No
3) Changes in accounting estimates:	No
4) Retrospective restatement:	No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):	
December 31, 2021:	24,746,675 shares
December 31, 2020:	24,746,675 shares

2) Total number of treasury shares at the end of the period:

December 31, 2021:	4,223,393 shares
December 31, 2020:	4,261,696 shares

3) Average number of shares during the period:

Fiscal Year ended December 31, 2021:	20,501,786 shares
Fiscal Year ended December 31, 2020:	20,502,467 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 01, 2021 to December 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2021	30,902	4.3	3,416	3.1	4,142	(0.7)	2,868	1.0
December 31, 2020	29,630	(0.2)	3,312	(7.5)	4,172	11.1	2,838	4.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended December 31, 2021	139.91	-
December 31, 2020	138.47	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2021	19,222	13,010	67.7	633.92
December 31, 2020	18,016	11,492	63.8	561.02

(Reference) Equity: As of December 31, 2021: ¥ 13,010 million  
As of December 31, 2020: ¥ 11,492 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 01, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended June 30, 2022	15,800	4.6	1,900	(15.5)	1,300	(17.4)	63.34
Full year	32,700	5.8	4,170	0.7	2,880	0.4	140.33

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2020	As of December 31,2021
<b>Assets</b>		
Current assets		
Cash and deposits	8,619,755	9,984,642
Notes and accounts receivable - trade	5,227,621	5,465,492
Securities	1,301	1,301
Work in process	267,586	303,014
Raw materials and supplies	50,781	46,659
Other	494,266	534,210
Allowance for doubtful accounts	(3,848)	(3,839)
Total current assets	14,657,463	16,331,481
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,284,234	3,294,499
Accumulated depreciation	(1,538,931)	(1,635,998)
Buildings and structures, net	1,745,303	1,658,501
Machinery, equipment and vehicles	189,774	191,705
Accumulated depreciation	(159,401)	(168,020)
Machinery, equipment and vehicles, net	30,372	23,685
Land	1,529,761	1,529,365
Other	320,933	336,748
Accumulated depreciation	(266,131)	(275,634)
Other, net	54,802	61,114
Total property, plant and equipment	3,360,239	3,272,666
Intangible assets		
Goodwill	411,143	327,133
Other	146,838	145,514
Total intangible assets	557,982	472,647
Investments and other assets		
Investment securities	975,273	1,139,226
Shares of subsidiaries and associates	129,718	77,575
Deferred tax assets	669,693	617,141
Noncurrent assets for rent	66,775	66,775
Accumulated depreciation	(44,528)	(44,983)
Noncurrent asserts for rent, net	22,247	21,792
Other	624,351	612,528
Total investments and other assets	2,421,284	2,468,264
Total non-current assets	6,339,506	6,213,578
Total assets	20,996,970	22,545,059

(Thousand yen)

	As of December 31,2020	As of December 31,2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	182,107	310,198
Short-term borrowings	1,058,716	773,730
Accounts payable - other	1,630,863	1,712,506
Income taxes payable	978,830	657,257
Accrued consumption taxes	962,689	760,431
Provision for bonuses	1,326,338	1,421,931
Provision for bonuses for directors (and other officers)	26,075	32,260
Other	1,602,526	1,774,041
Total current liabilities	7,768,147	7,442,358
Non-current liabilities		
Long-term borrowings	113,897	120,167
Provision for retirement benefits for directors (and other officers)	1,470	1,470
Deferred tax liabilities	2,137	-
Retirement benefit liability	198,160	192,332
Other	141,998	153,565
Total non-current liabilities	457,663	467,535
Total liabilities	8,225,811	7,909,893
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,347,163	2,347,163
Capital surplus	3,086,165	3,124,180
Retained earnings	11,971,018	13,489,035
Treasury shares	(4,981,321)	(4,931,131)
Total shareholders' equity	12,423,026	14,029,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	300,176	439,412
Foreign currency translation adjustment	22,840	133,287
Total accumulated other comprehensive income	323,017	572,700
Non-controlling interests	25,115	33,218
Total net assets	12,771,158	14,635,166
<b>Total liabilities and net assets</b>	<b>20,996,970</b>	<b>22,545,059</b>

Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Net sales	35,753,733	39,261,578
Cost of sales	27,289,613	30,322,570
Gross profit	8,464,120	8,939,007
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	144,787	170,299
Employees' salaries	1,570,759	1,632,604
Provision for bonuses	129,321	144,212
Retirement benefit expenses	32,127	32,597
Depreciation	254,564	268,471
Provision for bonuses for directors (and other officers)	25,923	32,260
Provision of allowance for doubtful accounts	383	(30)
Other	2,665,690	2,782,648
Total selling, general and administrative expenses	4,823,558	5,063,064
Operating profit	3,640,561	3,875,943
Non-operating income		
Interest income	4,612	4,436
Dividend income	20,262	23,889
Subsidy income	887,536	830,334
Compensation income	56,827	9,483
Other	53,876	88,898
Total non-operating income	1,023,116	957,043
Non-operating expenses		
Interest expenses	4,550	5,043
Rental costs	22,827	9,761
Donations	3,000	202,714
Loss on extinguishment share-based compensation expenses	10,216	11,511
Loss on investments in investment partnerships	10,404	12,728
Foreign exchange losses	7,651	8,938
Other	9,264	7,707
Total non-operating expenses	67,915	258,406
Ordinary profit	4,595,762	4,574,579

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Extraordinary income		
Gain on sale of non-current assets	219	171
Donation income	100,000	-
Total extraordinary income	100,219	171
Extraordinary losses		
Impairment losses	-	3,606
Loss on retirement of non-current assets	1,761	1,588
Loss on valuation of investment securities	107,746	-
Loss on valuation of shares of subsidiaries and associates	-	52,143
Total extraordinary losses	109,507	57,338
Profit before income taxes	4,586,474	4,517,413
Income taxes - current	1,573,944	1,415,566
Income taxes - deferred	(46,927)	978
Total income taxes	1,527,016	1,416,545
Profit	3,059,457	3,100,868
Profit attributable to non-controlling interests	1,829	5,135
Profit attributable to owners of parent	3,057,628	3,095,732

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Profit	3,059,457	3,100,868
Other comprehensive income		
Valuation difference on available-for-sale securities	43,003	139,235
Foreign currency translation adjustment	7,783	113,414
Total other comprehensive income	50,787	252,650
Comprehensive income	3,110,244	3,353,518
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,108,450	3,345,415
Comprehensive income attributable to non-controlling interests	1,794	8,103



Consolidated Statements of Changes in Net Assets  
For the fiscal year ended December 31,2020

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,347,163	3,060,564	10,425,509	(3,963,015)	11,870,221
Changes during period					
Dividends of surplus			(1,512,119)		(1,512,119)
Profit attributable to owners of parent			3,057,628		3,057,628
Purchase of treasury shares				(1,068,193)	(1,068,193)
Disposal of treasury shares		25,601		49,887	75,489
Net changes in items other than shareholders' equity					
Total changes during period	-	25,601	1,545,509	(1,018,306)	552,804
Balance at end of period	2,347,163	3,086,165	11,971,018	(4,981,321)	12,423,026

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	257,173	15,021	272,195	23,321	12,165,737
Changes during period					
Dividends of surplus					(1,512,119)
Profit attributable to owners of parent					3,057,628
Purchase of treasury shares					(1,068,193)
Disposal of treasury shares					75,489
Net changes in items other than shareholders' equity	43,003	7,818	50,822	1,794	52,616
Total changes during period	43,003	7,818	50,822	1,794	605,420
Balance at end of period	300,176	22,840	323,017	25,115	12,771,158

For the fiscal year ended December 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,347,163	3,086,165	11,971,018	(4,981,321)	12,423,026
Changes during period					
Dividends of surplus			(1,577,715)		(1,577,715)
Profit attributable to owners of parent			3,095,732		3,095,732
Purchase of treasury shares				51,127	51,127
Disposal of treasury shares		38,014		(938)	37,076
Net changes in items other than shareholders' equity					
Total changes during period	-	38,014	1,518,017	50,189	1,606,221
Balance at end of period	2,347,163	3,124,180	13,489,035	(4,931,131)	14,029,247

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	300,176	22,840	323,017	25,115	12,771,158
Changes during period					
Dividends of surplus					(1,577,715)
Profit attributable to owners of parent					3,095,732
Purchase of treasury shares					51,127
Disposal of treasury shares					37,076
Net changes in items other than shareholders' equity	139,235	110,447	249,682	8,103	257,785
Total changes during period	139,235	110,447	249,682	8,103	1,864,007
Balance at end of period	439,412	133,287	572,700	33,218	14,635,166

## Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,586,474	4,517,413
Depreciation	191,287	193,810
Impairment losses	-	3,606
Amortization of goodwill	71,197	84,010
Increase (decrease) in allowance for doubtful accounts	383	(8)
Increase (decrease) in provision for bonuses for directors (and other officers)	(9,010)	6,185
Increase (decrease) in provision for bonuses	(10,518)	88,265
Increase (decrease) in retirement benefit liability	(10,358)	(5,828)
Interest and dividend income	(24,875)	(28,326)
Subsidy income	(887,536)	(830,334)
Compensation income	(56,827)	(9,483)
Interest expenses	4,550	5,043
Cost of rent income	22,827	9,761
Donation	3,000	202,714
Loss on extinguishment share-based compensation expenses	10,216	11,511
Loss (gain) on investments in investment partnerships	10,404	12,728
Donation income	(100,000)	-
Loss (gain) on sale of non-current assets	(219)	(171)
Loss on retirement of non-current assets	1,761	1,588
Loss (gain) on valuation of investment securities	107,746	-
Loss on valuation of shares of subsidiaries and associates	-	52,143
Decrease (increase) in trade receivables	394,995	(192,409)
Decrease (increase) in inventories	(77,981)	(18,502)
Increase (decrease) in trade payables	14,588	121,109
Increase (decrease) in accounts payable - other	53,521	72,224
Increase (decrease) in accrued consumption taxes	123,198	(202,255)
Decrease (increase) in consumption taxes refund receivable	(3,655)	5,004
Other, net	80,861	212,294
Subtotal	4,496,031	4,312,096
Interest and dividends received	24,875	28,084
Interest paid	(4,548)	(5,050)
Subsidies received	830,373	882,983
Proceeds from contribution revenues	100,000	-
Payment of contribution	(3,000)	(202,714)
Proceeds from compensation	54,265	9,413
Income taxes paid	(1,597,004)	(1,855,032)
Net cash provided by (used in) operating activities	3,900,993	3,169,781

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
<b>Cash flows from investing activities</b>		
Payments into time deposits	(87,816)	(70,003)
Purchase of property, plant and equipment	(46,847)	(50,440)
Proceeds from sale of property, plant and equipment	219	171
Loan advances	-	(45,000)
Purchase of intangible assets	(30,442)	(50,611)
Purchase of noncurrent assets for rent	(33,535)	(3,695)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(26,671)	-
Purchase of shares of subsidiaries and associates	(118,620)	-
Other, net	(15,991)	(2,450)
Net cash provided by (used in) investing activities	(359,705)	(222,030)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	-	80,000
Net increase (decrease) in short-term borrowings	105,903	(330,000)
Repayments of long-term borrowings	(103,659)	(28,716)
Purchase of treasury shares	(1,068,938)	(952)
Dividends paid to non-controlling interests	(467)	(528)
Dividends paid	(1,393,022)	(1,453,028)
Net cash provided by (used in) financing activities	(2,460,183)	(1,733,226)
Effect of exchange rate change on cash and cash equivalents	(4,224)	80,358
Net increase (decrease) in cash and cash equivalents	1,076,879	1,294,883
Cash and cash equivalents at beginning of period	6,921,291	7,998,171
Cash and cash equivalents at end of period	7,998,171	9,293,055

# Non-consolidated Financial Statements

## Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Net sales	29,630,726	30,902,108
Cost of sales	22,347,990	23,515,038
Gross profit	7,282,736	7,387,070
Selling, general and administrative expenses	3,970,128	3,970,653
Operating profit	3,312,607	3,416,417
Non-operating income		
Interest income	90	313
Dividend income	146,585	214,889
Subsidy income	582,915	624,270
Rental income	16,776	33,577
Compensation income	49,821	6,885
Other	132,959	90,583
Total non-operating income	929,148	970,518
Non-operating expenses		
Interest expenses	1,835	1,939
Rental costs	23,641	9,129
Donations	10,618	202,714
Loss on extinguishment share-based compensation expenses	10,216	11,511
Loss on investments in investment partnerships	10,404	12,728
Foreign exchange losses	6,604	3,974
Other	6,321	2,446
Total non-operating expenses	69,641	244,444
Ordinary profit	4,172,114	4,142,492
Extraordinary income		
Gain on sale of non-current assets	219	171
Donation income	100,000	-
Total extraordinary income	100,219	171
Extraordinary losses		
Impairment losses	-	3,606
Loss on retirement of non-current assets	1,748	1,588
Loss on valuation of investment securities	107,746	-
Loss on valuation of shares of subsidiaries and associates	-	52,143
Total extraordinary losses	109,494	57,338
Profit before income taxes	4,162,839	4,085,325
Income taxes - current	1,382,346	1,215,453
Income taxes - deferred	(58,506)	1,552
Total income taxes	1,323,840	1,217,006
Profit	2,838,998	2,868,318