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Consolidated Financial Results for the Nine Months Ended September 30, 2022 [Japanese GAAP]

November 10, 2022

Company name: Altech Corporation
 Stock exchange listing: Tokyo
 Code number: 4641
 URL: <https://www.alpsgiken.co.jp/>
 Representative: Atsushi Imamura President
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 Scheduled date of filing quarterly securities report: November 11, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2022 (January 01, 2022 to September 30, 2022)

(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	%
Nine months ended September 30, 2022	32,105	13.7	3,514	38.8	3,487	2.6	2,402	5.6
September 30, 2021	28,243	8.7	2,532	(2.3)	3,397	2.5	2,274	2.5

(Note) Comprehensive income: Nine months ended September 30, 2022: ¥ 2,424 million [(0.9)%]
 Nine months ended September 30, 2021: ¥ 2,446 million [8.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended September 30, 2022	Yen 119.10	Yen -
September 30, 2021	110.99	-

(Notes) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020) has been adopted from the start of the first quarter of the current consolidated fiscal year, and the figures for the Third quarter of the fiscal year ending December 2022 are the figures after application of this accounting standard.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2022	Million yen 23,655	Million yen 14,767	%
December 31, 2021	22,545	14,635	64.8

(Reference) Equity: As of September 30, 2022: ¥ 14,702 million
 As of December 31, 2021: ¥ 14,601 million

(Notes) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020) has been adopted from the start of the first quarter of the current consolidated fiscal year, and the figures for the Third quarter of the fiscal year ending December 2022 are the figures after application of this accounting standard.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	-	37.00	-	39.00	76.00
Fiscal year ending December 31, 2022	-	38.00	-		
Fiscal year ending December 31, 2022 (Forecast)				38.00	76.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending December 31, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

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
Full year	42,500	8.2	4,550	17.4	4,590	0.3	3,120	0.8	152.02

(Note) Revision to the financial results forecast announced most recently: No

(Notes) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020) has been adopted from the start of the first quarter of the current consolidated fiscal year, and the figures for the Third quarter of the fiscal year ending December 2022 are the figures after application of this accounting standard.

* Notes:

(1) Changes in significant subsidiaries during the nine months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: DONKEY Corporation)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

September 30, 2022: 21,746,675 shares

December 31, 2021: 24,746,675 shares

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

September 30, 2022: 1,598,931 shares

December 31, 2021: 4,223,393 shares

3) Average number of shares during the period:

Nine months ended September 30, 2022: 20,167,480 shares

Nine months ended September 30, 2021: 20,494,501 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2021	As of September 30,2022
Assets		
Current assets		
Cash and deposits	9,984,642	9,977,525
Notes and accounts receivable - trade	5,465,492	-
Notes and accounts receivable - trade, and contract assets	-	6,174,872
Merchandise and finished goods	-	1,074
Work in process	303,014	270,861
Raw materials and supplies	46,659	58,481
Other	531,672	530,668
Total current assets	16,331,481	17,013,484
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,294,499	3,296,477
Accumulated depreciation	(1,635,998)	(1,711,726)
Buildings and structures, net	1,658,501	1,584,750
Land	1,529,365	1,527,337
Other	528,454	558,229
Accumulated depreciation	(443,654)	(464,220)
Other, net	84,800	94,009
Total property, plant and equipment	3,272,666	3,206,098
Intangible assets		
Goodwill	327,133	264,124
Other	145,514	134,270
Total intangible assets	472,647	398,395
Investments and other assets		
Investment securities	1,139,226	1,003,522
Shares of subsidiaries and associates	77,575	32,218
Deferred tax assets	617,141	1,365,978
Other	679,304	681,451
Accumulated depreciation	(44,983)	(45,428)
Other, net	634,320	636,022
Total investments and other assets	2,468,264	3,037,743
Total non-current assets	6,213,578	6,642,237
Total assets	22,545,059	23,655,721

(Thousand yen)

	As of December 31,2021	As of September 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	310,198	358,246
Short-term borrowings	773,730	261,392
Accounts payable - other	1,712,506	1,108,814
Income taxes payable	657,257	1,320,827
Provision for bonuses	1,421,931	3,228,873
Provision for bonuses for directors (and other officers)	32,260	21,365
Other	2,534,473	2,158,738
Total current liabilities	7,442,358	8,458,257
Non-current liabilities		
Long-term borrowings	120,167	78,458
Retirement benefit liability	192,332	178,634
Other	155,035	172,821
Total non-current liabilities	467,535	429,913
Total liabilities	7,909,893	8,888,171
Net assets		
Shareholders' equity		
Share capital	2,347,163	2,347,163
Capital surplus	3,124,180	2,784,651
Retained earnings	13,489,035	10,958,220
Treasury shares	(4,931,131)	(1,987,054)
Total shareholders' equity	14,029,247	14,102,981
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	439,412	350,987
Foreign currency translation adjustment	133,287	248,609
Total accumulated other comprehensive income	572,700	599,596
Non-controlling interests	33,218	64,972
Total net assets	14,635,166	14,767,550
Total liabilities and net assets	22,545,059	23,655,721

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended September 30,2021	For the nine months ended September 30,2022
Net sales	28,243,076	32,105,070
Cost of sales	22,037,081	24,539,922
Gross profit	6,205,994	7,565,148
Selling, general and administrative expenses	3,673,546	4,050,950
Operating profit	2,532,447	3,514,197
Non-operating income		
Interest income	3,570	5,133
Dividend income	15,559	20,822
Subsidy income	808,342	130,509
Other	74,479	66,241
Total non-operating income	901,952	222,706
Non-operating expenses		
Interest expenses	3,805	2,179
Donations	-	200,000
Foreign exchange losses	2,144	16,933
Other	30,918	30,262
Total non-operating expenses	36,868	249,375
Ordinary profit	3,397,531	3,487,528
Extraordinary income		
Gain on sale of non-current assets	144	101
Donation income	-	300,000
Total extraordinary income	144	300,101
Extraordinary losses		
Loss on retirement of non-current assets	210	8
Impairment losses	3,606	128,330
Total extraordinary losses	3,817	128,338
Profit before income taxes	3,393,858	3,659,291
Income taxes - current	1,713,158	1,970,798
Income taxes - deferred	(596,866)	(710,147)
Total income taxes	1,116,291	1,260,651
Profit	2,277,566	2,398,639
Profit (loss) attributable to non-controlling interests	2,820	(3,376)
Profit attributable to owners of parent	2,274,746	2,402,016

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousand yen)

	For the nine months ended September 30,2021	For the nine months ended September 30,2022
Profit	2,277,566	2,398,639
Other comprehensive income		
Valuation difference on available-for-sale securities	91,761	(88,425)
Foreign currency translation adjustment	77,062	113,873
Total other comprehensive income	168,823	25,447
Comprehensive income	2,446,390	2,424,087
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,441,547	2,428,912
Comprehensive income attributable to non-controlling interests	4,842	(4,825)