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Consolidated Financial Results for the Six Months Ended June 30, 2023 [Japanese GAAP]

August 8, 2023

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: August 9, 2023
 Scheduled date of commencing dividend payments: September 15, 2023
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023)

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

| | 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, 2023 | 22,820 | 9.7 | 2,380 | 8.5 | 2,470 | 19.3 | 1,814 | 15.3 |
| June 30, 2022 | 20,811 | 10.9 | 2,195 | 26.7 | 2,070 | (10.5) | 1,573 | 1.4 |

(Note) Comprehensive income: Six months ended June 30, 2023: ¥ 1,932 million [17.8%]
 Six months ended June 30, 2022: ¥ 1,640 million [(2.5)%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended June 30, 2023 | 90.50 | - |
| June 30, 2022 | 77.97 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|---------------------|-----------------|-----------------|------------------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2023 | 24,392 | 15,990 | 65.4 |
| December 31, 2022 | 24,274 | 15,741 | 64.6 |

(Reference) Equity: As of June 30, 2023: ¥ 15,941 million
 As of December 31, 2022: ¥ 15,687 million

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, 2022 | - | 38.00 | - | 47.00 | 85.00 |
| Fiscal year ending December 31, 2023 | - | 52.00 | | | |
| Fiscal year ending December 31, 2023 (Forecast) | | | - | 43.00 | 95.00 |

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending December 31, 2023 :

| | |
|------------------------|--------|
| Commemorative dividend | 10 yen |
| Special dividend | - yen |

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023(January 1, 2023 to December 31, 2023)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-----|------------------|-----|-----------------|------|-----------------------------------------|-----|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 46,600 | 6.8 | 5,000 | 7.5 | 5,060 | 10.9 | 3,420 | 0.1 | 169.62 |

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2023

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

New - (Company name:)

Exclusion: 1 (Company name: PANA R&D CO., LTD.)

(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: No

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):

June 30, 2023: 21,746,675 shares

December 31, 2022: 21,746,675 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 1,873,928 shares

December 31, 2022: 1,600,065 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2023: 20,054,756 shares

Six months ended June 30, 2022: 20,186,546 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

| | As of December 31, 2022 | As of June 30, 2023 |
|------------------------------------------------------------|-------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 10,696,566 | 10,178,167 |
| Notes and accounts receivable - trade, and contract assets | 6,622,872 | 6,998,511 |
| Merchandise and finished goods | 1,074 | 1,074 |
| Work in process | 238,003 | 319,422 |
| Raw materials and supplies | 57,597 | 68,756 |
| Other | 535,665 | 713,375 |
| Total current assets | 18,151,780 | 18,279,308 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 3,301,101 | 3,357,494 |
| Accumulated depreciation | (1,737,179) | (1,831,075) |
| Buildings and structures, net | 1,563,922 | 1,526,419 |
| Land | 1,527,337 | 1,541,637 |
| Other | 560,786 | 684,840 |
| Accumulated depreciation | (473,658) | (478,960) |
| Other, net | 87,127 | 205,880 |
| Total property, plant and equipment | 3,178,388 | 3,273,936 |
| Intangible assets | | |
| Goodwill | 243,122 | 201,116 |
| Other | 141,115 | 135,647 |
| Total intangible assets | 384,237 | 336,764 |
| Investments and other assets | | |
| Investment securities | 1,049,802 | 966,259 |
| Shares of subsidiaries and associates | 32,218 | 32,218 |
| Deferred tax assets | 862,242 | 979,230 |
| Other | 661,449 | 524,577 |
| Accumulated depreciation | (45,592) | - |
| Other, net | 615,857 | 524,577 |
| Total investments and other assets | 2,560,120 | 2,502,285 |
| Total non-current assets | 6,122,746 | 6,112,986 |
| Total assets | 24,274,526 | 24,392,294 |

(Thousands of yen)

| | As of December 31, 2022 | As of June 30, 2023 |
|----------------------------------------------------------|-------------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 459,100 | 503,142 |
| Short-term borrowings | 274,391 | 241,033 |
| Accounts payable - other | 1,978,431 | 1,741,313 |
| Income taxes payable | 897,393 | 1,039,501 |
| Provision for bonuses | 1,704,119 | 2,051,168 |
| Provision for bonuses for directors (and other officers) | 28,497 | 15,750 |
| Other | 2,791,114 | 2,421,651 |
| Total current liabilities | 8,133,048 | 8,013,559 |
| Non-current liabilities | | |
| Long-term borrowings | 45,276 | 30,607 |
| Deferred tax liabilities | 4,012 | 4,208 |
| Retirement benefit liability | 177,916 | 165,406 |
| Other | 172,331 | 188,322 |
| Total non-current liabilities | 399,535 | 388,543 |
| Total liabilities | 8,532,583 | 8,402,103 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,347,163 | 2,347,163 |
| Capital surplus | 2,784,651 | 2,798,742 |
| Retained earnings | 11,973,136 | 12,841,180 |
| Treasury shares | (1,987,433) | (2,738,628) |
| Total shareholders' equity | 15,117,517 | 15,248,458 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 385,442 | 437,352 |
| Foreign currency translation adjustment | 184,722 | 255,802 |
| Total accumulated other comprehensive income | 570,165 | 693,155 |
| Non-controlling interests | 54,259 | 48,577 |
| Total net assets | 15,741,943 | 15,990,190 |
| Total liabilities and net assets | 24,274,526 | 24,392,294 |

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

| | For the six months ended June 30, 2022 | For the six months ended June 30, 2023 |
|----------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Net sales | 20,811,430 | 22,820,591 |
| Cost of sales | 15,868,851 | 17,387,690 |
| Gross profit | 4,942,579 | 5,432,900 |
| Selling, general and administrative expenses | 2,747,528 | 3,052,063 |
| Operating profit | 2,195,050 | 2,380,837 |
| Non-operating income | | |
| Interest income | 3,374 | 4,140 |
| Dividend income | 14,601 | 16,137 |
| Subsidy income | 62,391 | 8,596 |
| Foreign exchange gains | - | 17,761 |
| Other | 42,468 | 64,618 |
| Total non-operating income | 122,836 | 111,253 |
| Non-operating expenses | | |
| Interest expenses | 1,690 | 581 |
| Loss on extinguishment share-based compensation expenses | 5,619 | 7,133 |
| Loss on investments in investment partnerships | 12,089 | 4,789 |
| Donations | 200,000 | - |
| Foreign exchange losses | 21,950 | - |
| Other | 5,855 | 9,046 |
| Total non-operating expenses | 247,205 | 21,551 |
| Ordinary profit | 2,070,681 | 2,470,539 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 101 | 364 |
| Gain on sale of investment securities | - | 257,611 |
| Donation income | 300,000 | - |
| Total extraordinary income | 300,101 | 257,975 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | 30 |
| Impairment losses | 2,782 | - |
| Total extraordinary losses | 2,782 | 30 |
| Profit before income taxes | 2,367,999 | 2,728,484 |
| Income taxes - current | 1,000,893 | 1,013,013 |
| Income taxes - deferred | (206,941) | (95,750) |
| Total income taxes | 793,952 | 917,262 |
| Profit | 1,574,047 | 1,811,221 |
| Profit (loss) attributable to non-controlling interests | 189 | (3,661) |
| Profit attributable to owners of parent | 1,573,857 | 1,814,883 |

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

(Thousands of yen)

| | For the six months ended June 30, 2022 | For the six months ended June 30, 2023 |
|----------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Profit | 1,574,047 | 1,811,221 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (73,688) | 51,909 |
| Foreign currency translation adjustment | 139,870 | 69,059 |
| Total other comprehensive income | 66,181 | 120,969 |
| Comprehensive income | 1,640,228 | 1,932,190 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,636,525 | 1,937,872 |
| Comprehensive income attributable to non-controlling interests | 3,703 | (5,681) |