



FY11/18
Financial Report

February 13,2019

ALTECH CO.,LTD.

(Listed on TSE1 : 9972)

**I . FY11/18 Financial Report
FY11/19 Business Forecasts**

**II . Mid-term Management Plan
(2 nd Year)**

■ Reference Material

I . FY11/18 Financial Report

FY11/19 Business Forecasts

FY11/18 Financial Report Consolidated PL Summary

FY11/18 Financial Report

(Million yen)

	FY11/17	FY11/18			
	Results	Initial Plan (Jan 12,2018)	Results	Increase-decrease rate	
				YoY (%)	Vs.plan (%)
Net sales	15,173	16,000	16,200	6.8	1.3
Operating income	634	500	700	10.4	40.1
Operating income ratio	4.2%	3.1%	4.3%	-	-
Ordinary income	654	400	721	10.2	80.3
Net income	654	300	583	△10.9	94.4
EPS	¥38.16	¥17.50	¥34.02	-	-

- Net sales
- Operating income ratio
- Ordinary income
- Net income

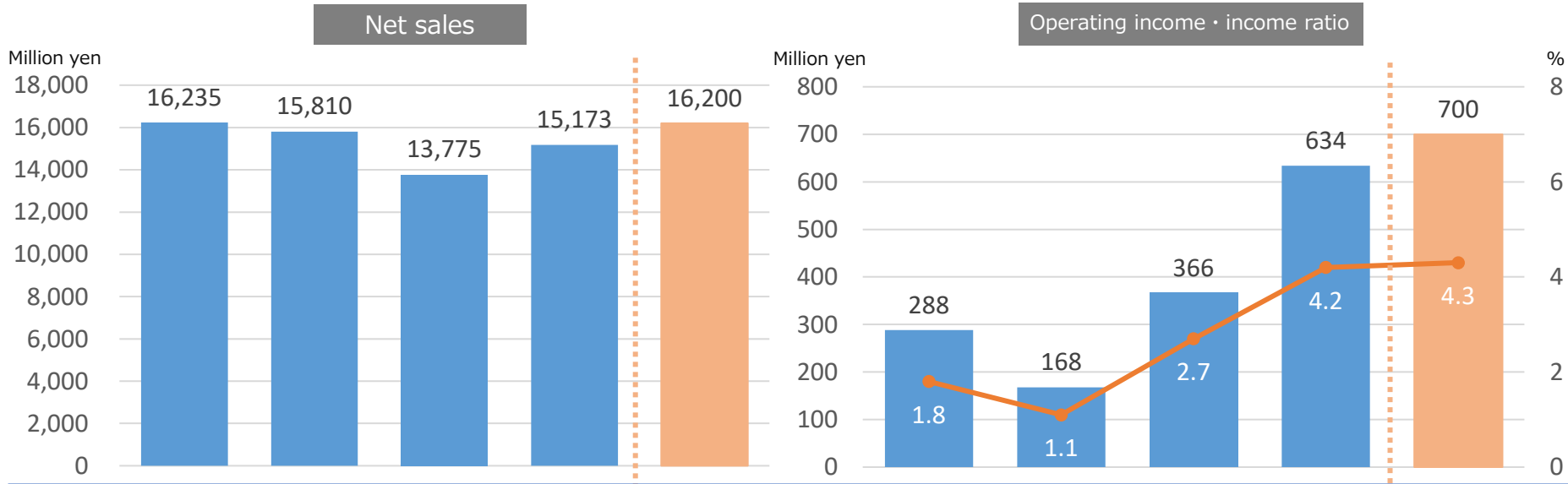
: Sales increased due to steady sales volume of preforms for beverages, mainly due to the effects of hot summer weather.
 : Despite an increase in SG & A expenses, operating income increased due to an increase in gross profit due to increased sales.
 : Operating profit increased and profit on equity method investment increased.
 : In the reaction to deferred tax assets recorded in the previous year, tax expenses increased and profits decreased.

FY11/18 Financial Report (Consolidated business results)

Consolidated business results (2014~2018)

(Million yen)

	FY11/14 Results	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results
Net sales	16,235	15,810	13,775	15,173	16,200
Operating income	288	168	366	634	700
Operating income ratio	1.8%	1.1%	2.7%	4.2%	4.3%



■ FY11/14~FY11/16 : Net sales trended downward due to the impact of the liquidation of low-profit commercial rights.
 FY11/17~FY11/18 : Shifted to an upward trend in both sales and profits due to the focus on competitive commercial rights and the implementation of cost structure reforms.

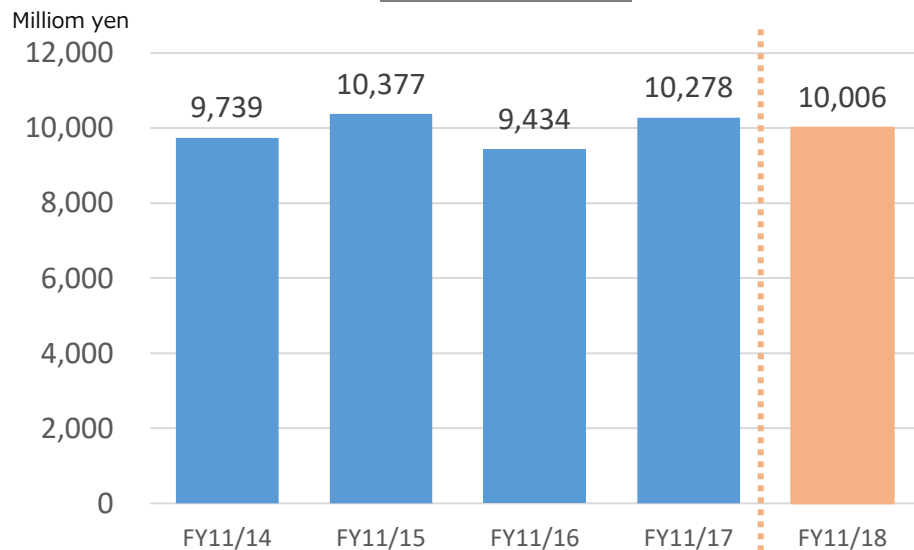
FY11/18 Financial Report (Trading Business)

Results of Trading Business (2014~2018)

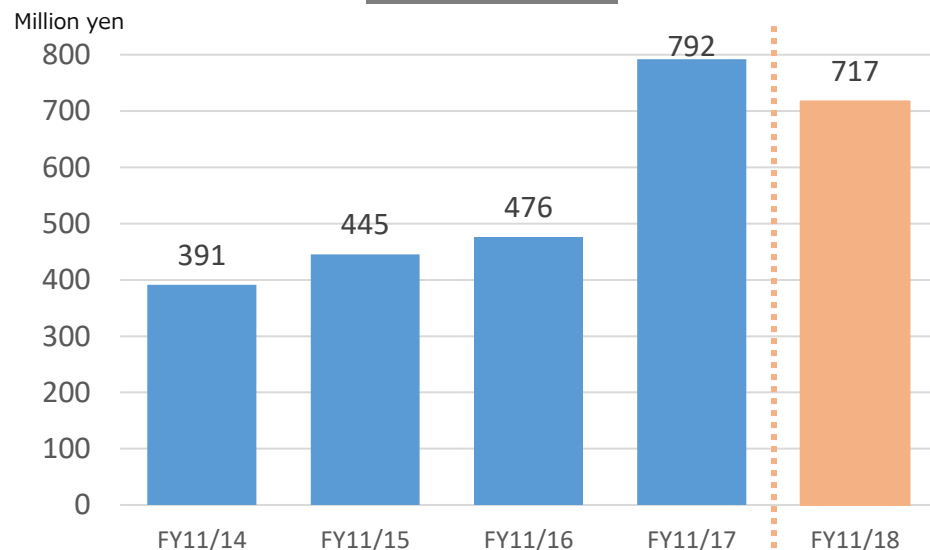
(Million yen)

	FY11/14 Results	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results
Net sales	9,739	10,377	9,434	10,278	10,006
Segment income	391	445	476	792	717

Net sales



Segment income

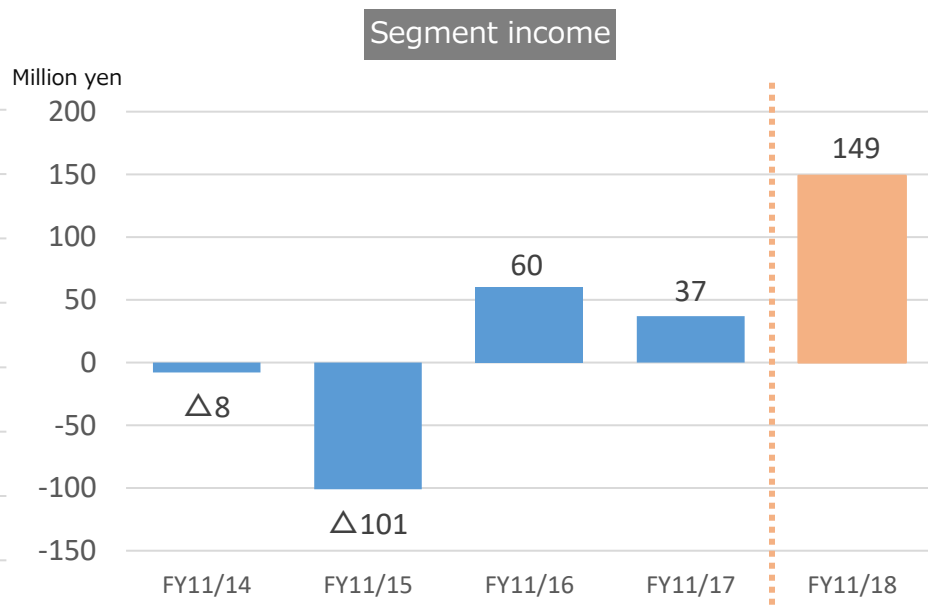
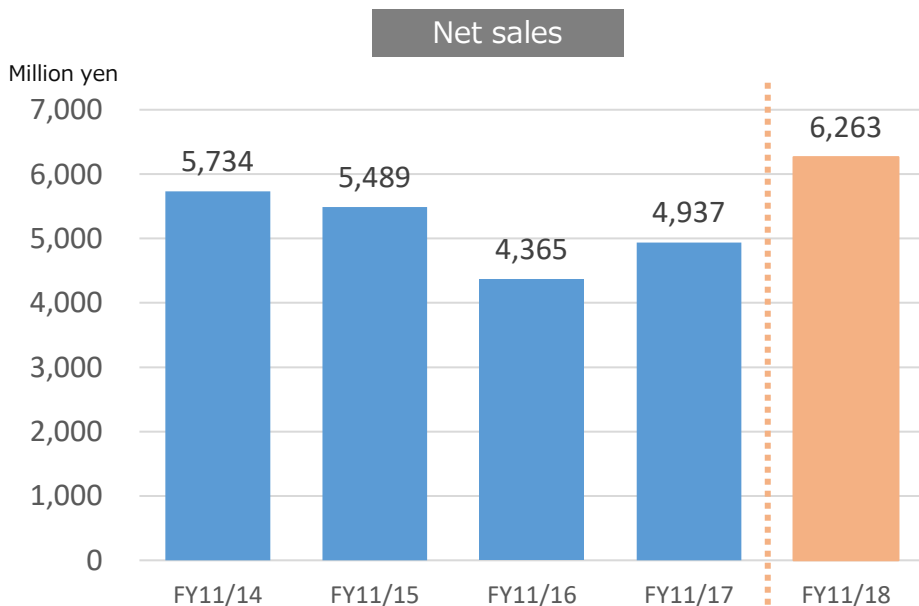


FY11/18 Financial Report (Preform Business)

Results of Preform Business (2014~2018)

(Million yen)

	FY11/14 Results	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results
Net sales	5,734	5,489	4,365	4,937	6,263
Segment income	△8	△101	60	37	149



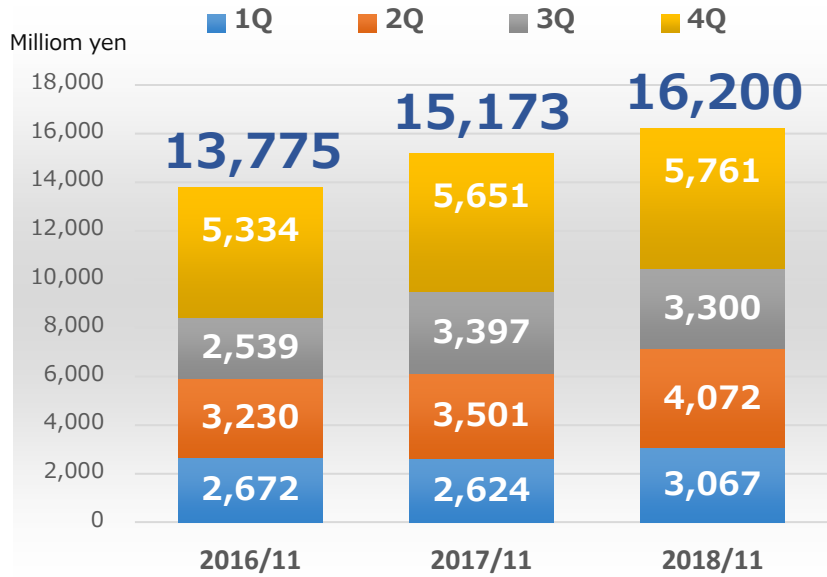
FY11/18 Financial Report (Quarterly Trends)

Quarterly Performance Trends (Latest 3-Year Period, 2016-2018)

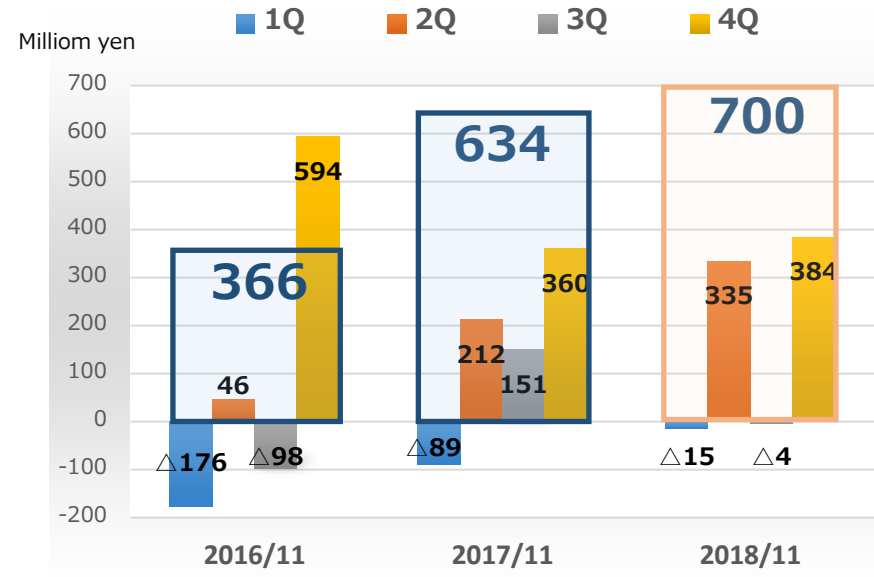
(Million yen)

	FY11/16 Results	FY11/17 Results	FY11/18 Results
Net Sales	13,775	15,173	16,200
Operating income	366	634	700

Cumulative sales



Cumulative Operating Income



- Our Group's operating results are subject to seasonal fluctuations.
- As the average delivery time for the industrial machinery we handle is six months, sales are concentrated in the fourth quarter.

FY11/18 Financial Report (Consolidated financial status)

Consolidated financial status (Summary Balance Sheets)

(Million yen)

FY11/17			
TOTAL ASSETS 16,247			
ASSETS		LIABILITIES AND NET ASSETS	
CURRENT ASSETS	9,837	CURRENT LIABILITIES	4,863
PROPERTY PLANT AND EQUIPMENT	4,520	LONG-TERM LIABILITIES	1,398
INTANGIBLE ASSETS,NET	511	NET ASSETS	9,985
INVESTMENTS AND OTHER ASSETS	1,377		



FY11/18			
TOTAL ASSETS 15,185			
ASSETS		LIABILITIES AND NET ASSETS	
CURRENT ASSETS	9,218	CURRENT LIABILITIES	4,110
PROPERTY PLANT AND EQUIPMENT	3,980	LONG-TERM LIABILITIES	727
INTANGIBLE ASSETS,NET	474	NET ASSETS	10,347
INVESTMENTS AND OTHER ASSETS	1,511		

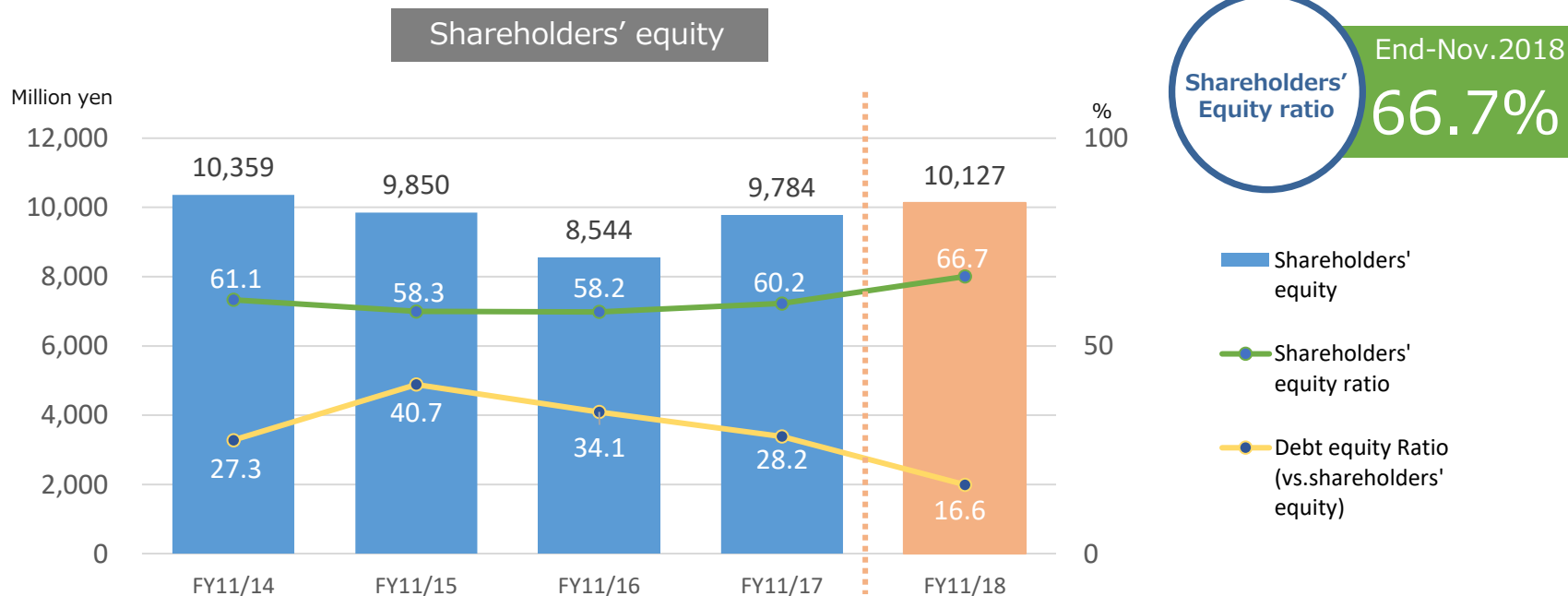
	CURRENT ASSETS	PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS,NET	INVESTMENTS AND OTHER ASSETS	CURRENT LIABILITIES	LONG-TERM LIABILITIES	NET ASSETS
Fluctuation	△618	△539	△36	+133	△752	△670	+361

- Decrease in assets : Investments (other assets) increased due to the recording of equity in earnings of affiliates, but in current assets, advances and other payments decreased, while non-current assets decreased due to depreciation and other factors.
- Decrease in liabilities : Current and long-term liabilities decreased mainly due to repayment of interest-bearing debt.
- Increase in net assets : Despite a decrease in foreign currency translation adjustments, retained earnings increased due to the recording of net income and other factors.

FY11/18 Financial Report (Shareholders' equity)

(Million yen)

	FY11/14 Results	FY11/15 Results	FY11/16 Results	FY11/17 Results	FY11/18 Results
Shareholders' equity	10,359	9,850	8,544	9,784	10,127
Shareholders' equity ratio	61.1%	58.3%	58.2%	60.2%	66.7%
Debt Equity Ratio (vs. shareholders' equity)	27.3%	40.7%	34.1%	28.2%	16.6%



FY11/19 Business Forecasts

FY11/19 Consolidated business forecasts

(Million yen)

	FY11/18	FY11/19	
	Results	Forecasts	YoY (%)
Net sales	16,200	17,000	4.9
Operating income	700	500	△28.6
Operating income ratio	4.3%	2.9%	-
Ordinary income	721	500	△30.7
Net income	583	400	△31.4
EPS	34.02円	23.33円	-

◆Trading Business◆

- The company forecasts an increase in sales due to labor shortages caused by the declining birthrate and aging population, as well as demand for labor-saving investments aimed at improving operational efficiency.
- On the earnings front, the company expects profits to decline as it expects profitability to become severe in light of uncertain economic conditions, such as trade frictions between the United States and China, and plans to spend on personnel reinforcement and strategic upfront investments to develop new commercial rights.

◆Preform Business◆

- Sales and profits are forecast to increase in light of growing demand for PET bottled coffee and the impact of increased production by existing customers.

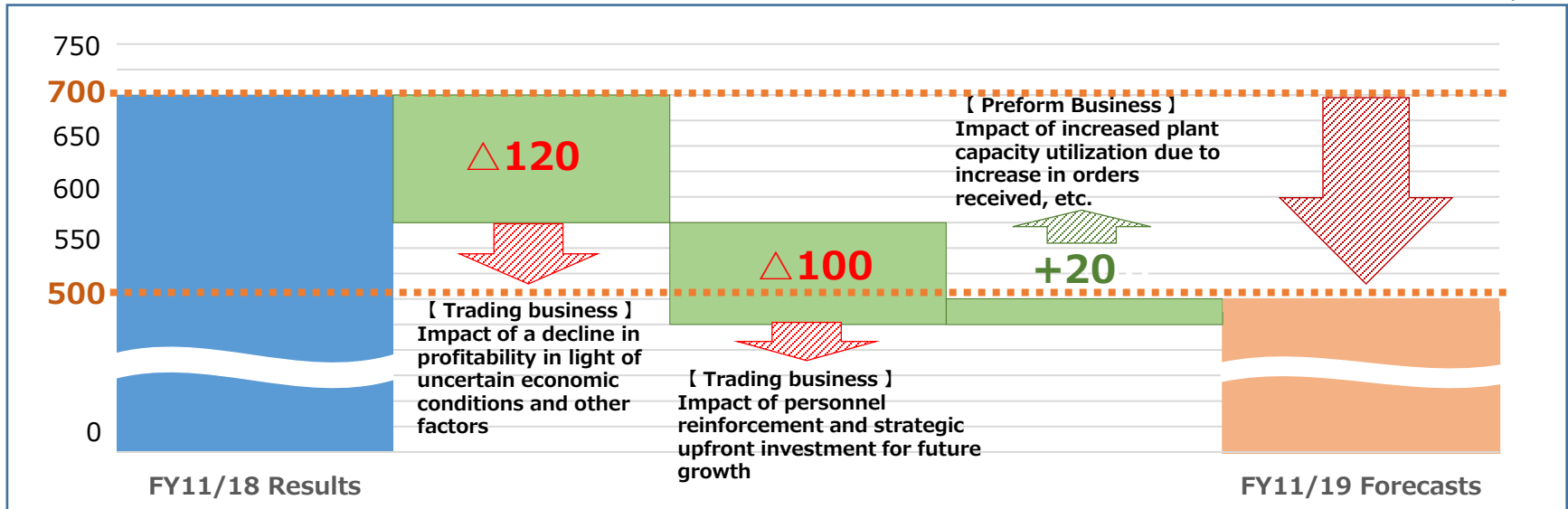
Operating income decrease factor

(Million yen)

	Results	Business forecasts	Fluctuation	Mid-term Management Plan Target
	FY11/18	FY11/19		FY11/21
Operating income	700	500	△200	950
Operating income ratio	4.3%	2.9%	—	Above 5%

[Operating income change factor]

(Million yen)



Ⅱ. Mid-term Management Plan (2nd Year)

Mid-term Management Plan(Progress of Priority Measures)

◆ Basic Policy ◆

1. Creating added value in our business operations

- Discovery of strategic business areas(products)
- Enhancing client satisfaction
- Strengthen cooperation with technical department

2. Increasing fixed cost efficiency

- Implementing cost structure reforms
- Streamlining our overseas facilities

3. Building a global management structure

- Establishing a supervisory structure for each region
- Strengthening our organizational and human resources

◆ Priority Measures ◆

◆ Actual State ◆

1st

2nd

- The spread of existing commercial right for Continual Demand Creation
- Existing Service for White Space Foray
- Service Robot, Newly Commercial Right Reclamation such as IoT
- Newly Developing Countries Market Reclamation Accelerating



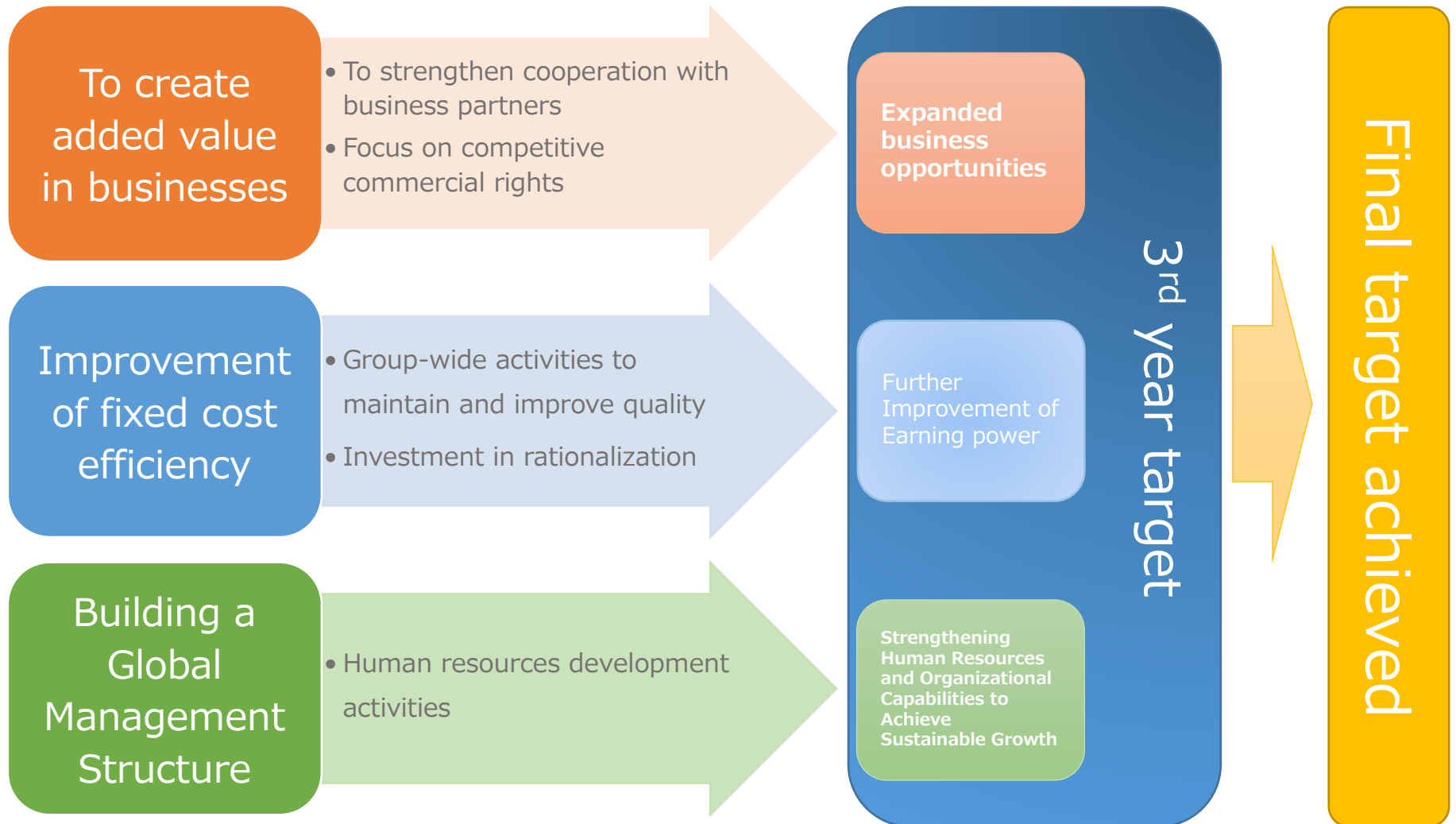
- Less profitable business commercial right fixing
- Less profitable business hub disposition



- Onset on oversea overall framework construction
- Coming generation management cultivation
- Marketing department New Construction
- Engineering department absorption



Mid-term Management Plan(Concrete Measures)



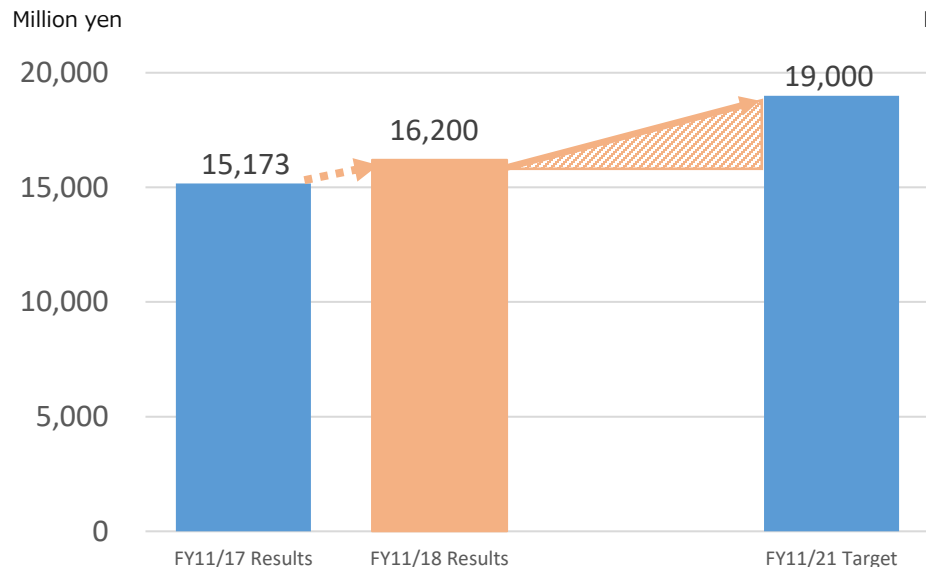
Mid-term Management Plan Consolidated Target

Consolidated target

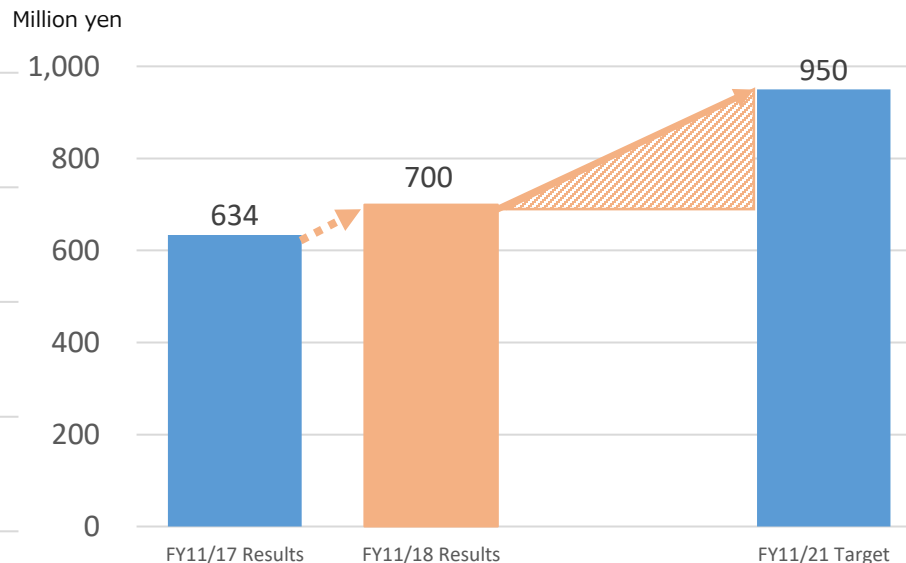
(Million yen)

	FY11/17 Results Medium-term plan (first year)	FY11/18 Results Medium-Term Management Plan (2nd Year)	FY11/21 Target 5th year of medium-term management plan (final year)
Net sales	15,173	16,200	19,000
Operating income	634	700	950

Net sales

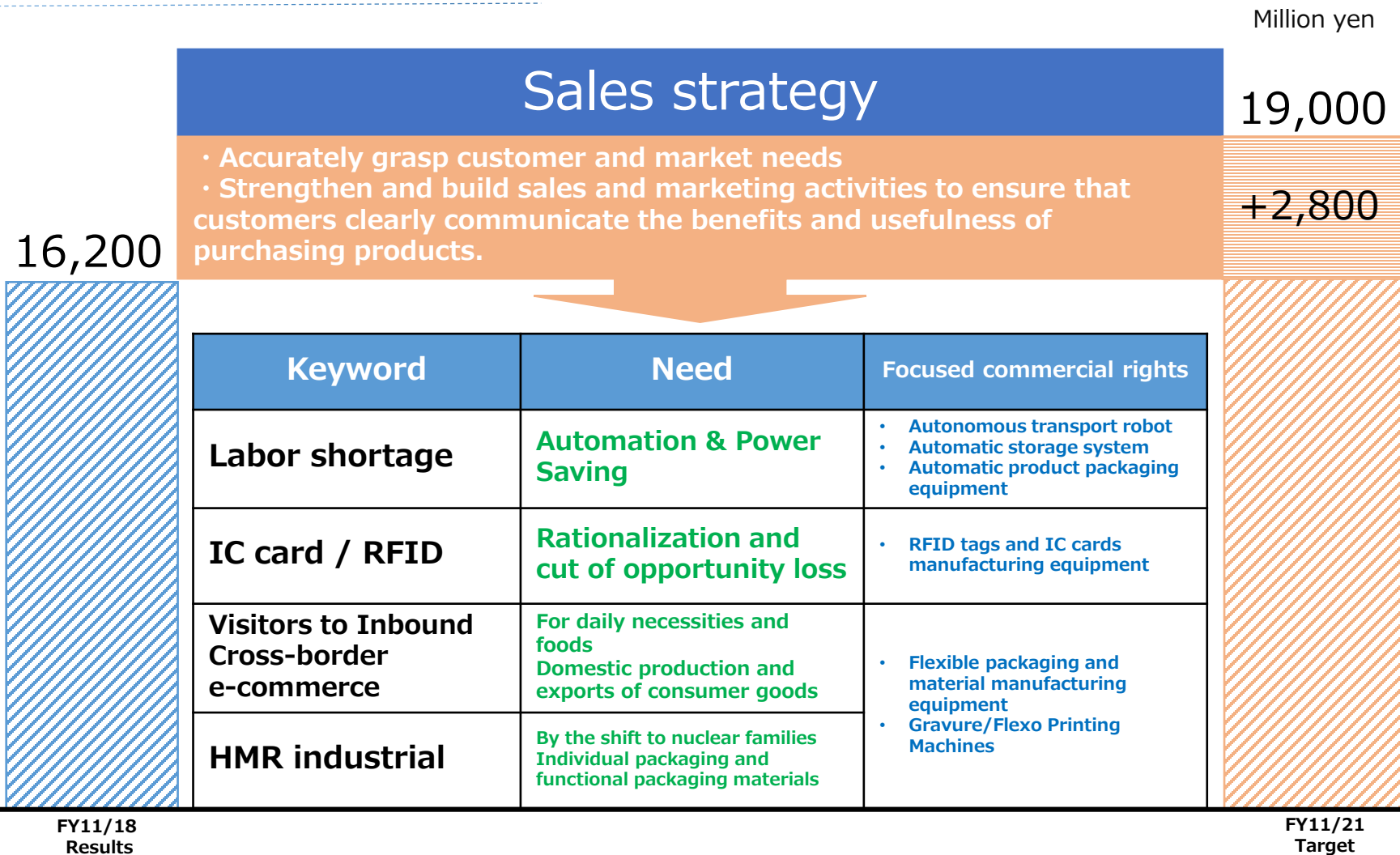


Operating income



Marketing strategies for achieving goals

Toward Achieving Net Sales Targets



Focused commercial rights (1)

To solve problems in the distribution, manufacturing, and distribution industries

In the midst of growing calls for labor shortages, this situation is becoming extremely serious, especially in the logistics, manufacturing, and distribution industries.

Eliminate labor shortages and reform work styles by improving the productivity of workplaces by eliminating latent waste in processes.

Commercial rights to improve and support labor shortages

Automation

Autonomous transport robot (OTTO)



Inventory control

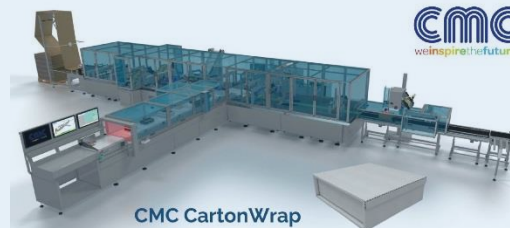
RFID tags and IC cards manufacturing equipment (Muehlbauer)



Automatic storage system (KARDEX)



On-demand automated product packaging equipment (CMC)



Focused commercial rights(2)

Increased production of daily necessities and foods, contributing to the HMR industrial

We will contribute to demand for flexible packaging, which is expanding due to changes in lifestyles, inbound tourists, and the conversion of containers into tubes.

Printing and packaging equipment related to tube products and individual packaging packages

Packaging equipment

Laminated Tube and Plastic Tube Manufacturing Lines (PSG)



Printing equipment

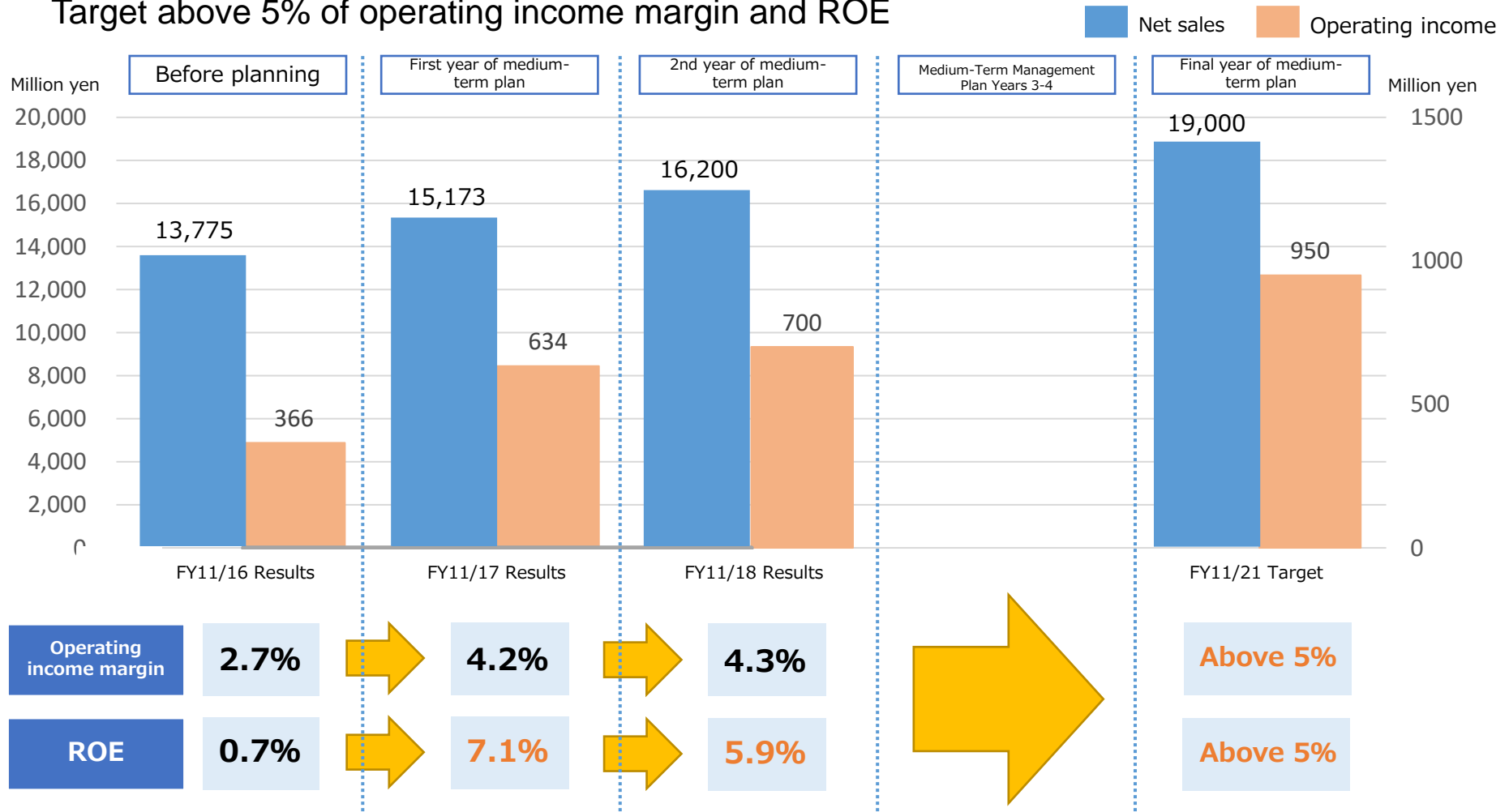
Gravure Printing Machine (BOBST Italia)



Management Numerical Target

Management Numerical Target

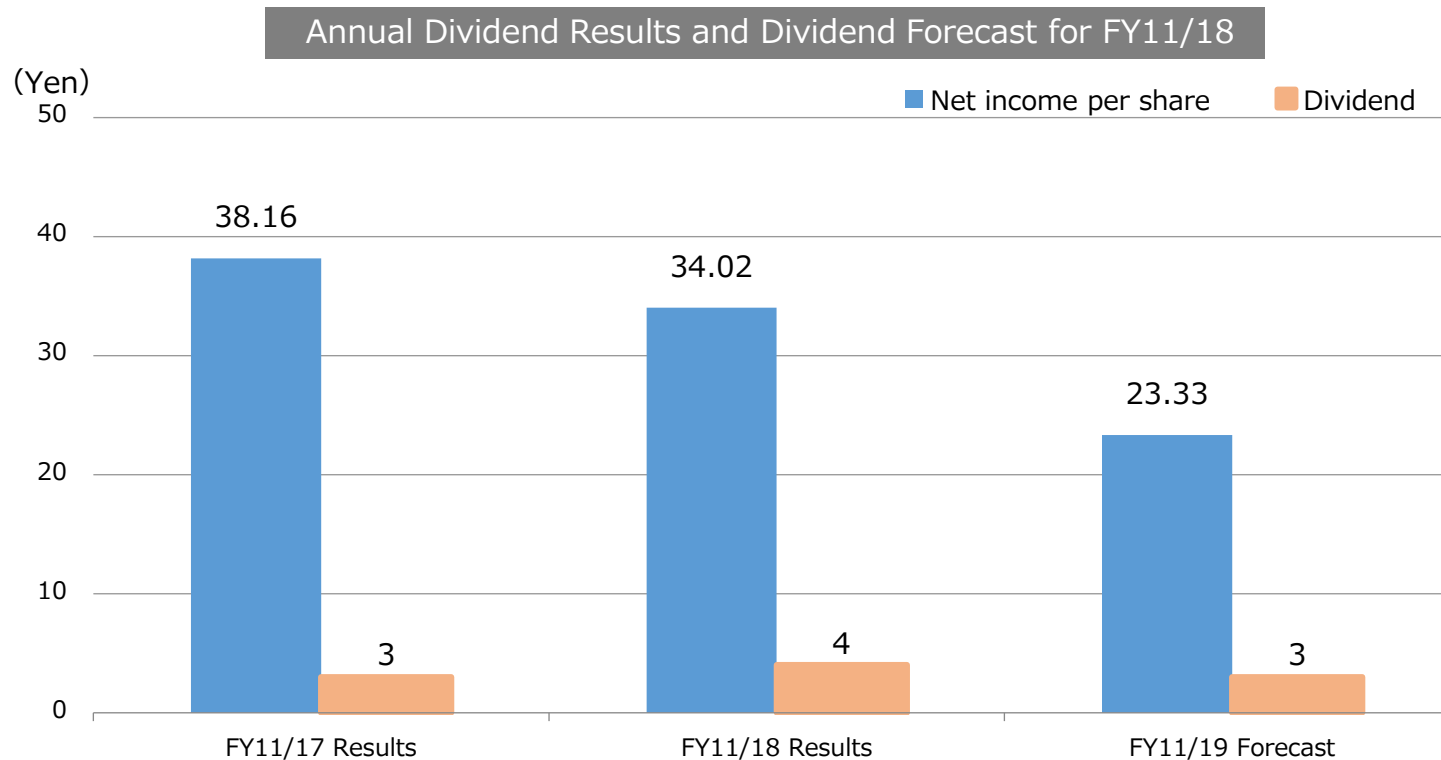
Target above 5% of operating income margin and ROE



Shareholder Return

Basic policy of shareholder return

First priority on returning its profits to shareholders in a continuous manner, while ensuring sufficient internal reserves to strengthen its corporate structure



(Precautions regarding forward-looking statements)

- Data and forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared, and contain latent risks and uncertainties. The company does not make promises about the achievements.
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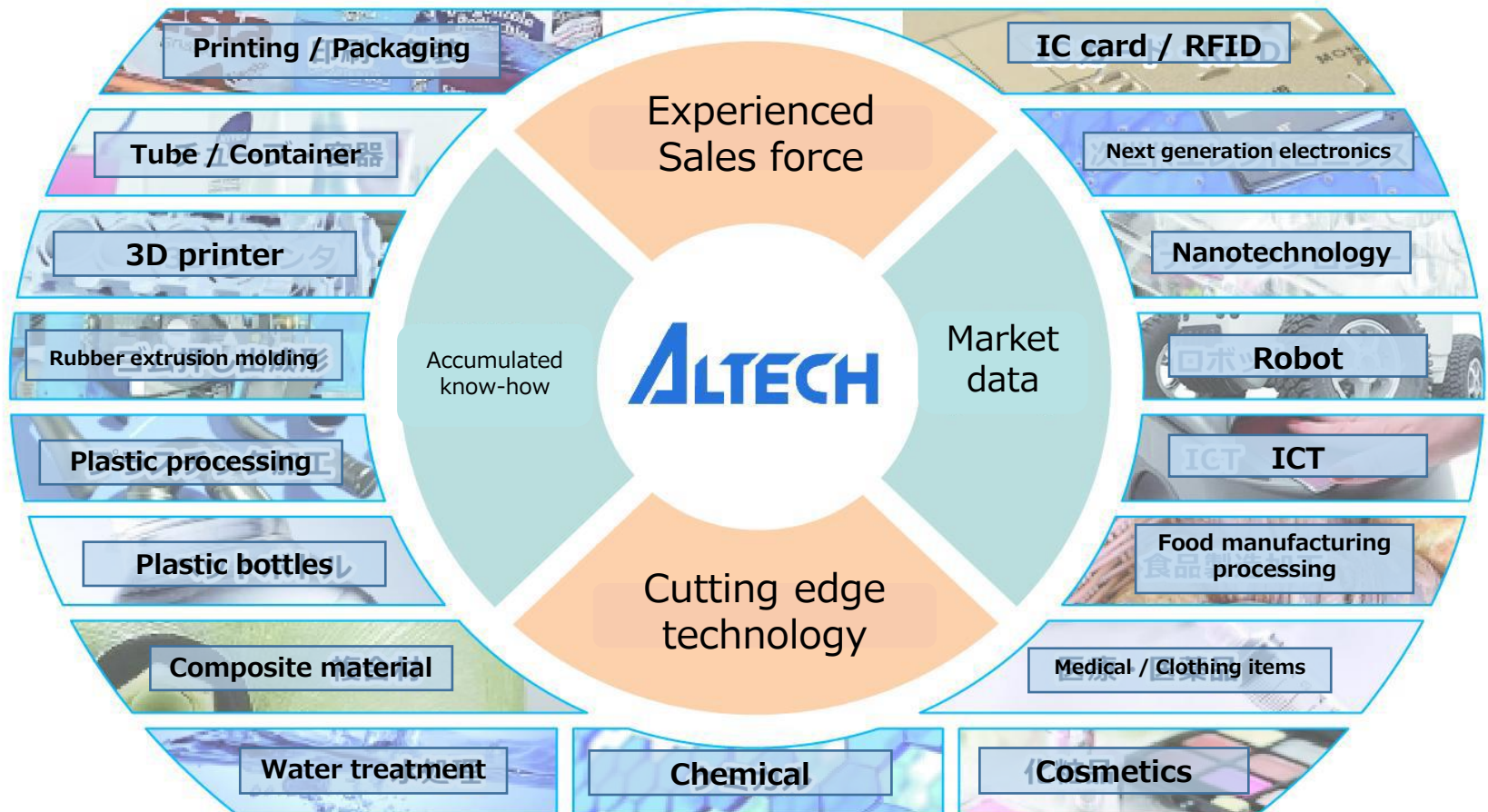
- **Reference material**

Company name	ALTECH CO.,LTD.
Established	May 15, 1976
Listing market	Listed on TSE1 in May 2000
Location	1-1 Irifune 2-chome, Chuo-ku, Tokyo
Capital	5,527 million yen
Business	Import and sale of printing and packaging machinery Manufacture and sales of PET bottle preforms
Representative	Norihiro Chono, President & CEO
No. of employees	Consolidated:425名 (Non-consolidated:138)
No. of affiliated company	Consolidated subsidiary:9 Equity Method Affiliated Company:1

Our Business -Trading Business-

Trading business

We will constantly accept the challenge of entering new fields while combining the know-how accumulated since our foundation with the analysis of market data to provide long-term total solutions



Our Business -Preform Business-

Preform business

Manufacture and sales of PET bottle preform

- Preform for heat-resistant PET bottle for beverage makers
- Preform for aseptic filled PET bottle
- Preform for PET bottle for cooking oil
- Caps for PET bottles for cooking oil



Domestic base

ALTECH NEW MATERIALS CO.,LTD.



Address: 68-12 Makuoka-cho Koguro, Sakai-shi, Fukui
URL : <http://altech-fukui.co.jp/>

Overseas base



Altech New Materials (Suzhou) Co., Ltd.



Altech New Materials (Wuhan) Co., Ltd.



Altech New Materials (Guangzhou) Co., Ltd.



Chongqing Altech New Materials Co., Ltd.

Our group's network of bases

Supporting Customers' Business Development in Japan, China, and ASEAN

- Trading Business : which supports customers' manufacturing in the same way as in Japan, in overseas markets
- Preform Business : Network that provides high-quality products and services in Japan and overseas



Trading Business ☆

- Thailand (Bangkok)
- Indonesia (Jakarta)
- Vietnam (Ho Chi Minh City)

Preform Business △

- Japan (Fukui)
- China (Suzhou, Guangzhou, Chongqing, Wuhan)