



**Consolidated Financial Statements for Fiscal the First half of  
Fiscal Year Ending March 31, 2022**  
(under Japanese GAAP)

November 8, 2021

Registered Company Name: **V-Technology Co., Ltd.**

Code Number: 7717, First Section of the Tokyo Stock Exchange

URL: <https://www.vtec.co.jp>

Representative: Shigeto Sugimoto (President & CEO)

Contact: Shogo Yoshimura (Leader of IR Group, Office of the President) TEL: 045-338-1980

Planned Date for Submission of the Quarterly Report: November 9, 2021

Supplementary materials for the financial statements: Yes

Briefing session on financial results: Yes (for Institutional investors)

(Amounts less than one million yen have been omitted.)

**1. Business Performance of the First half of the Fiscal Year Ending March 31, 2022**

**1) Consolidated Results of Operations(April 1, 2021 through September 30, 2021)**

	Six months ended		(%: Changes from previous fiscal year)	
	September 30 ,2020	September 30 ,2021		
		%		%
Net sales (Millions of Yen)	28,220	△ 19.5	27,127	△ 3.9
Operating profit (Millions of Yen)	2,941	△ 53.0	2,542	△ 13.6
Ordinary profit (Millions of Yen)	2,877	△ 54.0	2,462	△ 14.4
Net profit attributable to owners of the parent (Millions of Yen)	1,477	△ 61.9	1,893	28.2
Net profit per share (Yen)	152.82	—	195.86	—
*Notes: Comprehensive Income	2,057	△ 51.7		1.0

**2) Consolidated Financial Position**

	As of	As of
	March 31 ,2021	September 30 ,2021
Total assets (Millions of Yen)	80,591	71,285
Net assets (Millions of Yen)	32,915	32,373
Equity ratio	38.8 %	44.9 %
Net assets per share	3,233.74 Yen	3,313.13 Yen
*Reference: Shareholders' equity (Millions of Yen)	31,268	32,036

**2. Dividends**

	Year ended	Year ending	March 31 2022
	March 31 2021	Actual	Forecast
1Q-end dividends per share (Yen)	-	-	-
2Q-end dividends per share (Yen)	60.00	-	60.00
3Q-end dividends per share (Yen)	-	-	-
Year-end dividends per share (Yen)	60.00	-	60.00
Annual dividends per share (Yen)	120.00	-	120.00

(Note) Revisions to the most recently announced dividend forecast: None

### 3. Forecast for the Fiscal Year ending March 31, 2022 (April 1, 2021 through March 31, 2022)

(%: Changes from corresponding period of previous fiscal year)

Forecast for the Fiscal Year ending March 31, 2022 (April 1, 2021 through March 31, 2022)	12months	%
Net sales (Millions of Yen)	53,000	△4.0
Operating profit (Millions of Yen)	5,000	△24.3
Ordinary profit (Millions of Yen)	4,900	△28.3
Net profit attributable to owners of the parent (Millions of Yen)	3,750	6.7
Net profit per share (Yen)	387.82	—

(Note) Revisions to the most recently announced the forecast for the FY22: Yes

Please refer to the "Notice of Revision of Earnings Forecast" released today (November 8, 2021) for the revision of the consolidated earnings forecast.

#### <NOTES>

1) Changes in significant subsidiaries during the three months ended March 31, 2022

(Changes in certain subsidiaries resulting in change in the scope of consolidation): None

2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: None

3) Changes in accounting policies, Changes in accounting estimates, or Restatement

a. Changes in accounting policies due to changes in accounting standards: Yes

b. Changes other than "a." above: None

c. Changes in accounting estimates: None

d. Restatements: None

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" on page 9 of the attached materials.

4) Number of Shares Outstanding (Common stock)

	Number of shares		Number of shares	
	As of <b>March 31, 2022 Q2:</b>		As of <b>March 31, 2021:</b>	
1. Number of shares outstanding at end of year (Including treasury stock)	As of <b>March 31, 2022 Q2:</b>	10,057,600	As of <b>March 31, 2021:</b>	10,057,600
2. Number of treasury shares at end of year	As of <b>March 31, 2022 Q2:</b>	388,135	As of <b>March 31, 2021:</b>	388,135
3. Average number of shares outstanding (Cumulative quarterly period)	As of <b>March 31, 2022: Q2</b>	9,669,465	As of <b>March 31, 2021 Q2:</b>	9,669,489

※The quarterly financial statements are not subject to quarterly review by a certified public accountant or an audit firm.

※Explanation of the appropriate use of earnings forecasts and other special notes

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ materially due to a variety of factors. Actual results may differ significantly due to various factors. Qualitative Information on Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022, (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Statements" on page 3 of the attached materials.

## Index

1. Qualitative Information on Quarterly Results	4~6
(1) Explanation of Operating Performance	4~5
(2) Explanation of Financial Position	5
Outlook of Assets, Liabilities and Net Assets	5
(3) Explanation of Consolidated Forecast and Other Forecasts	6
2. Consolidated Financial Statements and Major Notes	7~8
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income	8
<Consolidated Statements of Income>	8
<Consolidated Statements of Comprehensive Income>	8
(3) Consolidated Statements of Cash Flows	9-10
1) Cash flows from operating activities	9
2) Cash flows from investing activities	10
3) Cash flows from financing activities and others	10
(4) Notes on Consolidated Financial Statements	11
<Notes on Going Concern Assumptions>	11
<Note on the Occurrence of Significant Changes in Amount of Shareholder's Equity >	11
<Changes in accounting policies >	11

## **1. Qualitative Information on Quarterly Results**

### **(1) Explanation of Operating Performance**

During the first half of the current fiscal year, the global economy continued to face difficult conditions overall due to the impact of the new coronavirus infection. China, which was the first to resume economic activities, and the United States, where economic stimulus measures and vaccinations have progressed, are on a recovery track. However, the future of the economy in Japan and overseas remains uncertain due to the shortage of parts and materials, including semiconductors, and the impact of stagnation in the supply chain on production activities.

#### **(Orders & Backlogs)**

Orders received by the Group during the first half of the current fiscal year totaled 27,274 million yen (19,870 million yen in the same period of the previous year), and the order backlog was 41,086 million yen (50,795 million yen in the same period of the previous year).

#### **(Net Sales & Incomes)**

Consolidated net sales for the first half of the current fiscal year were 27,127 million yen (compared to net sales of 28,220 million yen for the same period last year), operating income was 2,542 million yen (compared to operating income of 2,941 million yen for the same period last year), and ordinary income was 2,462 million yen (compared to ordinary income of 2,877 million yen for the same period last year), and net income attributable to owners of the parent was 1,893 million yen (compared with net income attributable to owners of the parent of 1,477 million yen in the same period of the previous fiscal year).

In addition, the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the first quarter of the current fiscal year. For details, please refer to "2. For details, please refer to "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes to Quarterly Consolidated Financial Statements. (3) Changes in accounting policies, procedures and presentation methods for quarterly consolidated financial statements

Results by segment are as follows. The classification of reporting segments has been changed from the first quarter of the current fiscal year, and the following comparisons with the same period of the previous fiscal year are based on the figures for the same period of the previous fiscal year after reclassification to the new segment classification.

### **Business Segments**

#### **(FPD Business)**

In the flat panel display (FPD) equipment business, capital investment related to large FPDs continued, mainly in China. In addition, although many business negotiations related to new plant construction plans, expansion of existing plants, and next-generation technologies continued, some projects took longer to close due to delays in investment plans.

As a result, orders received by the Group's FPD business during the first half of the current fiscal year were 24,509 million yen (19,014 million yen in the same period of the previous year), and the order backlog was 36,674 million yen (48,843 million yen in the same period of the previous year).

As for the consolidated results of the FPD business of the Group for the first half of the current fiscal year, net sales were 23,386 million yen (27,227 million yen in the same period of the previous year), and operating income was 2,322 million yen (2,936 million yen in the same period of the previous year).

## **(Semiconductor Business)**

In the semiconductor equipment business, capital investment related to silicon wafers was firm against the backdrop of a global shortage of semiconductors, and business negotiations continued for the expansion of existing plants.

As a result, orders in the semiconductor business during the first half of the current fiscal year totaled 2,659 million yen (compared with 854 million yen in the same period of the previous fiscal year), and the order backlog was 4,452 million yen (1,951 million yen in the same period of the previous fiscal year).

Regarding the consolidated results of the our Group's semiconductor business for the first half of the current fiscal year, net sales were 3,635 million yen (991 million yen in the same period of the previous fiscal year), and operating income was 324 million yen (89 million yen in the same period of the previous fiscal year).

## **(2) Explanation of Financial Position**

### **: Outlook of Assets, Liabilities and Net Assets**

#### **1. Assets**

Total assets at the end of the first half of the current fiscal year decreased by 9,306 million yen compared to the end of the previous fiscal year to 71,285 million yen. This was mainly due to decreases of 4,302 million yen in "Work in process" and 3,565 million yen in "Cash and deposits".

#### **2. Liabilities**

Liabilities decreased by 8,764 million yen compared to the end of the previous fiscal year, to 38,912 million yen. This was mainly due to decreases in "Advances received" and "income taxes payable" by 5,874 million yen and 1,502 million yen.

#### **3. Net Assets**

Net assets decreased by 541 million yen compared to the end of the previous fiscal year, to 32,373 million yen. This was mainly due to a decrease in "noncontrolling interests" of 1,303 million yen.

### **: Outlook of Cash flows**

Cash and cash equivalents (collectively, "Cash") at the end of the half of the current fiscal year decreased by 3,565 million yen compared to the end of the previous fiscal year, to 29,593 million yen. The following is a summary of each cash flow situation.

#### **1. Net cash provided by operating activities**

Net cash provided by operating activities amounted to 671 million yen (the same period last year: provided 14,593 million). The major positive factors were a 4,719 million yen decrease in "Inventories", a 2,948 million yen increase in "Profit before income taxes". The major negative factors were a 6,407 million yen increase in "Advances received".

#### **2. Net cash used in investing activities**

Net cash used in investing activities amounted to 442 million yen (the same period last year: used 447 million yen). These were mainly due to a payment of 662 million yen for the purchase of "Property, plant and equipment".

#### **3. Net cash provided by financing activities**

Net cash used by financing activities amounted to 3,825 million yen (the same period last year provided 4,302 million yen). The major negative factors were a payment of 1,394 million yen for "Repayments of long-term borrowings", and a payment of 1,051 million yen for "dividends paid to non-controlling interests" and a payment of 1,000 million yen for "Purchase of shares of subsidiaries not resulting in change in scope of consolidation".

### **(3) Explanation of Consolidated Forecast and Other Forecasts**

In light of recent business trends, we have revised our consolidated business forecast for the fiscal year ending March 31, 2022, which was announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2021" released on May 12, 2021. For details, please refer to the "Notice Concerning Revision of Earnings Forecast" released today.

## 2. Consolidated Financial Statements and Major Notes

### (1) Consolidated Balance Sheets

<Assets, Liabilities & Net assets >

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	33,278	29,713
Notes and accounts receivable - trade	19,329	18,668
Electronically recorded monetary claims - operating	51	76
Merchandise and finished goods	196	259
Work in process	13,977	9,675
Raw materials and supplies	1,783	1,684
Other	3,158	2,501
Allowance for doubtful accounts	△396	△392
Total current assets	71,379	62,185
Non-current assets		
Property, plant and equipment	4,382	4,357
Intangible assets		
Goodwill	1,104	933
Other	520	513
Total intangible assets	1,625	1,446
Investments and other assets	3,203	3,296
Total non-current assets	9,212	9,100
Total assets	80,591	71,285
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,477	5,163
Electronically recorded obligations - operating	5,264	5,184
Short-term borrowings	※ 120	※ 190
Current portion of long-term borrowings	2,796	2,758
Income taxes payable	2,288	786
Advances received	15,061	9,187
Provisions	1,027	2,314
Other	1,158	1,154
Total current liabilities	34,195	26,737
Non-current liabilities		
Long-term borrowings	12,964	11,608
Retirement benefit liability	224	243
Asset retirement obligations	136	136
Provisions	79	118
Other	74	66
Total non-current liabilities	13,480	12,174
Total liabilities	47,676	38,912
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,977	2,508
Retained earnings	27,262	28,419
Treasury shares	△1,916	△1,916
Total shareholders' equity	31,172	31,860
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	123
Foreign currency translation adjustment	89	52
Total accumulated other comprehensive income	96	176
Share acquisition rights	5	-
Non-controlling interests	1,641	337
Total net assets	32,915	32,373
Total liabilities and net assets	80,591	71,285

## (2) Consolidated Statements of Income

<Consolidated Statements of Income>

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	28,220	27,127
Cost of sales	20,885	19,817
Gross profit	7,334	7,309
Selling, general and administrative expenses	※ 4,393	※ 4,767
Operating profit	2,941	2,542
Non-operating income		
Interest and dividend income	12	15
Subsidy income	67	14
Other	16	11
Total non-operating income	97	41
Non-operating expenses		
Interest expenses	30	21
Foreign exchange losses	54	–
Share of loss of entities accounted for using equity method	69	96
Other	5	2
Total non-operating expenses	160	121
Ordinary profit	2,877	2,462
Extraordinary income		
Gain on sale of non-current assets	270	496
Other	2	5
Total extraordinary income	273	501
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	3	16
Total extraordinary losses	3	16
Profit before income taxes	3,147	2,948
Income taxes - current	1,694	768
Income taxes - deferred	△573	183
Total income taxes	1,121	952
Profit	2,025	1,996
Profit attributable to non-controlling interests	548	102
Profit attributable to owners of parent	1,477	1,893

<Quarterly Consolidated Statements of Comprehensive Income>

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	2,025	1,996
Other comprehensive income		
Valuation difference on available-for-sale securities	2	116
Foreign currency translation adjustment	29	△35
Total other comprehensive income	31	80
Comprehensive income	2,057	2,077
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,496	1,979
Comprehensive income attributable to non-controlling interests	560	97



### (3) Consolidated Statements of Cash Flows

#### 1) Cash flows from operating activities

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	3,147	2,948
Depreciation	877	689
Amortization of goodwill	118	165
Increase (decrease) in allowance for doubtful accounts	167	1
Increase (decrease) in provision for bonuses	81	53
Increase (decrease) in provision for product warranties	25	△91
Gain on reversal of share acquisition rights	△2	△5
Increase (decrease) in retirement benefit liability	13	18
Increase (decrease) in provision for loss on order received	△49	△13
Increase (decrease) in provision for share awards	35	39
Interest and dividend income	△12	△15
Interest expenses	30	21
Loss on sale of notes receivable - trade	-	0
Share of loss (profit) of entities accounted for using equity method	69	96
Foreign exchange losses (gains)	37	△14
Loss (gain) on sale of property, plant and equipment	△0	△495
Loss on retirement of property, plant and equipment	3	16
Loss (gain) on sale of intangible assets	△270	△0
Loss on retirement of intangible assets	0	-
Loss (gain) on sale of investment securities	△0	-
Decrease (increase) in trade receivables	△2,062	491
Decrease (increase) in inventories	4,809	4,719
Decrease (increase) in advance payments to suppliers	393	△180
Decrease (increase) in other current assets	2,041	850
Decrease (increase) in other non-current assets	△21	△39
Increase (decrease) in trade payables	△281	11
Increase (decrease) in advances received	4,786	△6,407
Increase (decrease) in other current liabilities	243	△22
Subtotal	14,182	2,838
Interest and dividends received	12	15
Interest paid	△31	△19
Income taxes paid	△145	△2,210
Income taxes refund	576	48
Net cash provided by (used in) operating activities	14,593	671

#### 2) Cash flows from investing activities

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from investing activities		
Purchase of property, plant and equipment	△725	△662
Proceeds from sale of property, plant and equipment	0	873
Purchase of intangible assets	△1	△102
Proceeds from sale of intangible assets	320	0
Purchase of investment securities	△39	△200
Proceeds from sale of investment securities	1	-
Purchase of shares of subsidiaries and associates	-	△352
Other, net	△2	1
Net cash provided by (used in) investing activities	△447	△442

### 3) Cash flows from financing activities and others

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	7,100	70
Repayments of short-term borrowings	△7,250	—
Proceeds from long-term borrowings	6,799	—
Repayments of long-term borrowings	△1,790	△1,394
Proceeds from issuance of shares	122	139
Dividends paid	△386	△588
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	△1,000
Dividends paid to non-controlling interests	△292	△1,051
Purchase of treasury shares	△512	—
Proceeds from disposal of treasury shares	512	—
Net cash provided by (used in) financing activities	4,302	△3,825
Effect of exchange rate change on cash and cash equivalents	26	30
Net increase (decrease) in cash and cash equivalents	18,474	△3,565
Cash and cash equivalents at beginning of period	11,981	33,158
Cash and cash equivalents at end of period	※ 30,455	※ 29,593

#### (4) Notes on Consolidated Financial Statements

##### <Notes on Going Concern Assumptions>

Not applicable

##### <Note on the Occurrence of Significant Changes in Amount of Shareholder's Equity>

Not applicable

##### <Changes in accounting policies>

###### **Application of Accounting Standard for Revenue Recognition, etc.**

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition") from the beginning of the current first quarter. The Company will recognize revenue at the amount it expects to receive in exchange for the promised goods or services when control of the goods or services is transferred to the customer.

The Group is mainly engaged in the sale of products such as FPD manufacturing equipment and inspection equipment, etc. For products that require installation at the time of delivery to the customer, the Group previously recognized revenue by defining "post-installation confirmation of operation" as the time when the transfer of goods or completion of services and the establishment of consideration are confirmed, but the Group has changed its method of recognizing revenue by identifying performance obligations based on contracts with customers and defining "completion of installation" as the time when the performance obligations are satisfied.

In addition, effective from the first quarter of the current fiscal year, a portion of personnel expenses and other costs that were previously recorded as cost of sales are now recorded as selling, general and administrative expenses. This is due to a review of the scope of cost aggregation as a result of examining the positioning of costs related to performance obligations related to equipment sales, triggered by the application of the "Accounting Standard for Revenue Recognition" from the first quarter of the current fiscal year.

For the application of the revenue recognition accounting standard, etc., the Company follows the transitional treatment prescribed in the proviso of paragraph 84 of the revenue recognition accounting standard. Then, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the first quarter of the current fiscal year is added to or deducted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting policy is applied from the relevant beginning balance.

As a result, net sales for the first quarter of the current fiscal year decreased by 822 million yen, cost of sales decreased by 852 million yen, selling, general and administrative expenses increased by 237 million yen, and operating income, ordinary income and income before income taxes and minority interests decreased by 207 million yen respectively. In addition, the balance of retained earnings at the beginning of the period decreased by 100 million yen.

In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made for the previous fiscal year using the new presentation method. In addition, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information on revenue from contracts with customers for the first quarter of the previous fiscal year has not been broken down.

###### **Application of Accounting Standards for Calculation of Fair Value, etc.**

The "Accounting Standard for Measurement of Fair Value" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Accounting Standard for Measurement of Fair Value") has been adopted from the beginning of the current first quarter. In accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Market Value Measurements and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policies prescribed by the Accounting Standard for Market Value Measurements, etc. will be applied prospectively.