



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

February 10, 2022

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: February 14, 2022

Supplementary materials for the financial statements: Yes

Briefing session on financial results: None

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

1. Business Performance of the Third Quarter of the Fiscal Year Ending March 31, 2022

1) Consolidated Results of Operations(April 1, 2021 through December 31, 2021)

	Nine months ended		(%: Changes from previous fiscal year)	
	December 31 ,2020	December 31 ,2021	%	%
Net sales (Millions of Yen)	41,498	36,817	△ 18.2	△ 11.3
Operating profit (Millions of Yen)	4,992	3,314	△ 47.0	△ 33.6
Ordinary profit (Millions of Yen)	4,832	3,413	△ 48.7	△ 29.4
Net profit attributable to owners of the parent (Millions of Yen)	2,492	2,920	△ 57.9	17.2
Net profit per share (Yen)	257.77	302.05	—	—
*Notes: Comprehensive Income	3,399	3,312	△ 49.1	△ 2.6

2) Consolidated Financial Position

	As of	As of
	March 31 ,2021	December 31 ,2021
Total assets (Millions of Yen)	80,591	73,029
Net assets (Millions of Yen)	32,915	33,003
Equity ratio	38.8 %	44.7 %
Net assets per share	3,233.74 Yen	3,375.69 Yen
*Reference: Shareholders' equity (Millions of Yen)	31,268	32,640

2. Dividends

	Year ended	Year ending	
	March 31 2021	Actual	March 31 2022 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)		%
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: None

<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 March 31, 2022 Q3:		As of March 31, 2021:	
1. Number of shares outstanding at end of year (Including treasury stock)	As of March 31, 2022 Q3:	10,057,600	As of March 31, 2021:	10,057,600
2. Number of treasury shares at end of year	As of March 31, 2022 Q3:	388,195	As of March 31, 2021:	388,135
3. Average number of shares outstanding (Cumulative quarterly period)	As of March 31, 2022: Q3	9,669,457	As of March 31, 2021 Q3:	9,669,483

※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	4~5
(1) Explanation of Operating Performance	4~5
(2) Explanation of Financial Position	4~5
Outlook of Assets, Liabilities and Net Assets	4~5
(3) Explanation of Consolidated Forecast and Other Forecasts	5
2. Consolidated Financial Statements and Major Notes	6~8
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income	7
<Consolidated Statements of Income>	7
<Consolidated Statements of Comprehensive Income>	7
(3) Notes on Consolidated Financial Statements	8
<Notes on Going Concern Assumptions>	8
<Note on the Occurrence of Significant Changes in Amount of Shareholder's Equity >	8
<Changes in accounting policies >	8

1. Qualitative Information on Quarterly Results

(1) Explanation of Operating Performance

During the third Quarter of the current fiscal year (9months), the global economy showed a gradual recovery trend as vaccinations against the new coronavirus progressed mainly in developed countries.

On the other hand, at present, the uncertainty of the global economy is increasing again due to soaring prices of crude oil and other raw materials, long delivery times for semiconductors and other components, and high logistics costs, as well as the rapid spread of new coronavirus mutants in many countries. The economic recovery in China slowed down somewhat, while the U.S. economy remained strong due to the recovery of consumer spending.

(Orders & Backlogs)

During the third Quarter of the current fiscal year (9months), Orders received by the Group totaled 42,962 million yen (25,956 million yen in the same period of the previous year), and the order backlog was 47,084 million yen (43,602 million yen in the same period of the previous year).

(Net Sales & Incomes)

Consolidated net sales for the third Quarter of the current fiscal year (9months) were 36,817 million yen (compared to net sales of 41,498 million yen for the same period last year), operating income was 3,314 million yen (compared to operating income of 4,992 million yen for the same period last year), and ordinary income was 3,413 million yen (compared to ordinary income of 4,832 million yen for the same period last year), and net income attributable to owners of the parent was 2,920 million yen (compared with net income attributable to owners of the parent of 2,492 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 in FPDs was made mainly in in China.

As a result, orders received by the Group's FPD business during the third Quarter of the current fiscal year were 37,799 million yen (23,461 million yen in the same period of the previous year), and the order backlog was 41,964 million yen (40,403 million yen in the same period of the previous year).

As for the consolidated results of the FPD business of the Group for the third Quarter of the current fiscal year, net sales were 31,338 million yen (40,055 million yen in the same period of the previous year) , and operating income was 3,045 million yen (5,047 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 third Quarter of the current fiscal year totaled 5,056 million yen (compared with 2,492 million yen in the same period of the previous fiscal year), and the order backlog was 5,119 million yen (3,199 million yen in the same period of the previous fiscal year).

Regarding the consolidated results of the our Group's semiconductor business for the third Quarter of the current fiscal year, net sales were 5,373 million yen (1,441 million yen in the same period of the previous fiscal year), and operating income was 337 million yen (66 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 third Quarter of the current fiscal year decreased by 7,562 million yen compared to the end of the previous fiscal year to 73,029 million yen. This was mainly due to decreases of 6,156 million yen in "Cash and deposits" and 2,486 million yen in "Work in progress".

2. Liabilities

Liabilities decreased by 7,650 million yen compared to the end of the previous fiscal year, to 40,025 million yen. This was mainly due to decreases in "Advances received" and " Long-term borrowings " by 4,565 million yen and 2,105 million yen.

3. Net Assets

Net assets increased by 88 million yen compared to the end of the previous fiscal year, to 33,003 million yen. This was mainly due to a increase in "Retained earnings" of 1,581 million yen and a decrease in "Non-controlling interests" of 1,278 million yen.

(3) Explanation for the forecast of consolidated financial results and other future information

Regarding Earnings Forecast for the Fiscal Year Ending March 31, 2022, We have taken into consideration the business results for the third quarter of the fiscal year and future trends. As a result, there is no change at this time to the forecast of financial results announced in the "Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022" released on November 8, 2021.

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 December 31, 2021
Assets		
Current assets		
Cash and deposits	33,278	27,122
Notes and accounts receivable - trade	19,329	18,860
Electronically recorded monetary claims - operating	51	307
Merchandise and finished goods	196	225
Work in process	13,977	11,491
Raw materials and supplies	1,783	1,744
Other	3,158	4,371
Allowance for doubtful accounts	△396	△392
Total current assets	71,379	63,729
Non-current assets		
Property, plant and equipment	4,382	4,790
Intangible assets		
Goodwill	1,104	846
Other	520	584
Total intangible assets	1,625	1,430
Investments and other assets	3,203	3,079
Total non-current assets	9,212	9,300
Total assets	80,591	73,029
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,477	5,971
Electronically recorded obligations - operating	5,264	5,060
Short-term borrowings	120	320
Current portion of long-term borrowings	2,796	2,739
Income taxes payable	2,288	492
Advances received	15,061	10,495
Provisions	1,027	2,147
Other	1,158	1,341
Total current liabilities	34,195	28,569
Non-current liabilities		
Long-term borrowings	12,964	10,859
Retirement benefit liability	224	248
Asset retirement obligations	136	136
Provisions	79	138
Other	74	74
Total non-current liabilities	13,480	11,456
Total liabilities	47,676	40,025
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,977	2,503
Retained earnings	27,262	28,843
Treasury shares	△1,916	△1,916
Total shareholders' equity	31,172	32,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	108
Foreign currency translation adjustment	89	253
Total accumulated other comprehensive income	96	361
Share acquisition rights	5	-
Non-controlling interests	1,641	362
Total net assets	32,915	33,003
Total liabilities and net assets	80,591	73,029

(2) Consolidated Statements of Income

<Consolidated Statements of Income>

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	41,498	36,817
Cost of sales	29,852	26,293
Gross profit	11,646	10,524
Selling, general and administrative expenses	6,653	7,210
Operating profit	4,992	3,314
Non-operating income		
Interest and dividend income	17	27
Subsidy income	75	17
Foreign exchange gains	–	86
Other	33	38
Total non-operating income	126	170
Non-operating expenses		
Interest expenses	42	32
Foreign exchange losses	170	–
Share of loss of entities accounted for using equity method	62	35
Other	10	3
Total non-operating expenses	286	71
Ordinary profit	4,832	3,413
Extraordinary income		
Gain on sale of non-current assets	272	834
Gain on sale of investment securities	25	–
Other	2	5
Total extraordinary income	299	840
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	6	19
Total extraordinary losses	6	19
Profit before income taxes	5,125	4,234
Income taxes - current	2,446	933
Income taxes - deferred	△613	301
Total income taxes	1,832	1,234
Profit	3,293	2,999
Profit attributable to non-controlling interests	800	79
Profit attributable to owners of parent	2,492	2,920

(3) 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.