



Consolidated Financial Statements for Fiscal Year Ended March 31, 2022
〔under Japanese GAAP〕

May 13, 2022

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

Code Number: 7717, Tokyo Stock Exchange

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

Representative: Shigeto Sugimoto (President & CEO)

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Planned Date for annual general shareholder's meeting: June 28, 2022

Planned Date for Submission of the Securities Report: June 29, 2022

Planned Date for Start of Dividend Payment: June 29, 2022

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(April 1, 2021 through March 31, 2022)

(1) Consolidated Results of Operations

	12 months ended			
	March 31 ,2021	YoY(%)	March 31 ,2022	YoY(%)
Net sales (Millions of Yen)	55,186	1.6	51,418	△ 6.8
Operating profit (Millions of Yen)	6,604	16.8	5,461	△ 17.3
Ordinary profit (Millions of Yen)	6,836	11.1	5,868	△ 14.2
Net profit attributable to owners of the parent (Millions of Yen)	3,513	8.1	4,198	19.5
Net profit per share (Yen)	363	-	434	-
*Notes: Comprehensive Income	5,022	29.4	4,476	△ 10.9
Net profit per share (Yen)	363	-	434	-
Diluted net profit per share (Yen)	-	-	-	-
Return (net profit) on equity (%)	12	-	13	-
Return (ordinary profit) on assets (%)	9	-	8	-
Return (operating profit) on sales (%)	12	-	11	-
*Reference: Income or loss on investments(Million JPY):	△ 94	-	△ 64	-

(2) Consolidated Financial Position

	As of	As of
	March 31 ,2021	March 31 ,2022
Total assets (Millions of Yen)	80,591	72,601
Net assets (Millions of Yen)	32,915	34,540
Equity ratio	38.8 %	47.1 %
Net assets per share	3,233.74 Yen	3,534.40 Yen
*Reference: Shareholders' equity (Millions of Yen)	31,268	34,175

(3) Consolidated Cash Flows

	12 months ended	
	March 31 ,2021	March 31 ,2022
Cash flows from operating activities (Millions of Yen)	20,173	1,374
Cash flows from investing activities (Millions of Yen)	△ 1,251	△ 1,521
Cash flows from financing activities (Millions of Yen)	1,972	△ 5,839
Year end balance of cash and cash equivalents (Millions of Yen)	33,158	27,778

2. Dividends

	Year ended		March 31 2023
	March 31 2021	March 31 2022	Forecast
1Q-end dividends per share (Yen)	-	-	-
2Q-end dividends per share (Yen)	60.00	60.00	60.00
3Q-end dividends per share (Yen)	-	-	-
Year-end dividends per share (Yen)	60.00	60.00	60.00
Annual dividends per share (Yen)	120.00	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)

Net sales (Millions of Yen)	45,000	△ 12.5
Operating profit (Millions of Yen)	4,500	△ 17.6
Ordinary profit (Millions of Yen)	4,400	△ 25.0
Net profit attributable to owners of the parent (Millions of Yen)	2,900	△ 30.9
Net profit per share (Yen)	299.92	—

<NOTES>

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

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

(2) 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

(3) Number of Shares Outstanding (Common stock)

	Number of shares		Number of shares	
	As of March 31, 2022		As of March 31, 2021:	
1. Number of shares outstanding at end of year (Including treasury stock)	10,057,600		10,057,600	
2. Number of treasury shares at end of year	388,195		388,135	
3. Average number of shares outstanding (Cumulative quarterly period)	9,669,444		9,669,478	

*Reference: Overview of non-consolidated performance (April 1, 2021 through March 31, 2022)

(1) Non-consolidated operating results

	Year ended(%: Changes from previous fiscal year)			
	March 31 ,2021		March 31 ,20212	
		%		%
Net sales (Millions of Yen)	48,615	1.4	39,366	△ 19.0
Operating profit (Millions of Yen)	6,496	31.9	4,269	△ 34.3
Ordinary profit (Millions of Yen)	7,317	29.4	5,447	△ 25.6
Net profit attributable to owners of the parent (Millions of Yen)	5,411	45.9	3,791	△ 29.9
Net profit per share (Yen)	559.66	—	392.14	—
Diluted net profit per share (Yen)	—	—	—	—

(2) Non-consolidated financial position

	As of	As of
	March 31 ,2021	March 31 ,2022
Total assets (Millions of Yen)	71,398	64,886
Net assets (Millions of Yen)	30,389	32,980
Equity ratio	42.6 %	50.8 %
Net assets per share	3,142.19 Yen	3,410.78 Yen
*Reference: Shareholders' equity (Millions of Yen)	30,383	32,980

*Brief Report of Financial Results is not subject to an audit by a certified public accountant or an audit corporation.

* The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company believes to be reasonable. Actual results may differ materially from these statements due to a variety of factors. For the assumptions underlying the forecasts and precautions regarding their use, please refer to "1. Operating Results (4) Outlook" on page 3 of the attached materials.

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1. Outlook of Operating Performance and Financial Position

(1) Outlook of Operating Performance

During the consolidated fiscal year under review, the global economy as a whole showed a gradual recovery trend as "the new normal" progressed. However, the worsening situation in Ukraine, the impact of the "quantitative tightening" policy of the U.S. on the economies of various countries, the deadlock in China's "zero-corona policy" and the start of lockdowns in major cities, and other factors further increased uncertainty about the future of the global economy.

(Net Sales & Incomes)

Consolidated net sales for the fiscal year were 51,418 million yen (compared to net sales of 55,186 million yen for the same period last year), operating income was 5,461 million yen (compared to operating income of 6,604 million yen for the same period last year), and ordinary income was 5,868 million yen (compared to ordinary income of 6,836 million yen for the same period last year), and net income attributable to owners of the parent was 4,198 million yen (compared with net income attributable to owners of the parent of 3,513 million yen in the same period of the previous fiscal year).

(Orders & Backlogs)

Orders received by the Group for the fiscal year totaled 53,200 million yen (36,980 million yen in the same period of the previous year), and the order backlog was 42,721 million yen (40,939 million yen in the same period of the previous year).

Segment results are as follows. The reporting segments have been changed since the current consolidated fiscal year, and the following year-on-year comparisons are based on the figures for the same period of the previous year, which have been reclassified into the segment categories after the change.

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 fiscal year were 43,965 million yen (31,405 million yen in the same period of the previous year), and the order backlog was 36,093 million yen (35,511 million yen in the same period of the previous year).

As for the consolidated results of the FPD business of the Group for the fiscal year, net sales were 43,375 million yen (52,941 million yen in the same period of the previous year) , and operating income was 5,103 million yen (6,752 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 fiscal year totaled 9,137 million yen (compared with 5,427 million yen in the same period of the previous fiscal year), and the order backlog was 6,627 million yen (5,427 million yen in the same period of the previous fiscal year).

Regarding the consolidated results of the our Group's semiconductor business for the fiscal year, net sales were 7,679 million yen (2,441 million yen in the same period of the previous fiscal year), and operating income was 553 million yen (2 million yen in the same period of the previous fiscal year).

(2) Outlook of Assets, Liabilities and Net Assets

1. Assets

As of March 31, 2022, Total current assets amounted 63,085 million yen ,down 8,294 million yen from the previous fiscal year.This is mainly attributed to a 5,380 million yen decrease in “ Cash and deposits ” and a 4,548 million yen decrease in “Work in process”.

Non-current assets increased by 304 million yen from the end of the previous consolidated fiscal year to 9,516 million yen. Contributing factors were a 673 million yen increase in “Construction in progress” and a 467 million yen increase in “Investments in securities”. As a result, total assets decreased overall by 7,990 million yen compared to the previous fiscal year-end to 72,601 million yen.

2. Liabilities

As of March 31, 2022, Total current liabilities amounted to 27,061 million yen, down 7,134 million yen from the previous fiscal year. This is mainly attributed to a 6,726 million yen decrease in “Advances received”.

Total non-current liabilities amounted to 10,999 million yen, up 2,480 million yen from the previous consolidated fiscal year. This is mainly attributed to a 2,720 million yen increase in “Long-term borrowings”.

As a result, total Liabilities decreased overall by 9,615 million yen compared to the previous fiscal year-end to 38,060 million yen.

3. Net Assets

As of March 31, 2022, total net assets amounted to 34,540 million yen, up 1,625 million yen from the previous consolidated fiscal year ended March 31, 2021. This is mainly attributed to a 2,850 million yen increase in “ retained earnings ” and a 1,276 million yen increase in “Non-controlling interests”.

(3)Outlook of Cash Flows

Cash and cash equivalents (collectively, “Cash”) at the the fiscal year ended March 31, 2022 decreased by 5,380 million yen compared to the end of the previous fiscal year, to 27,778million 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 1,374 million yen(the same period last year: provided 20,173 million). The major positive factors were a 6,450 million yen increase in“ Net income before adjustment for taxes, etc. ”, a 5,139 million yen decrease in “ inventories ” and an 1,351 million yen increase in “Depreciation”. The major negative factors were a 7,352 million yen decrease in “Advances received”, a 3,687 million yen decrease in “Corporate tax expense”.

2. Net cash used in investing activities

Net cash used in investing activities amounted to 1,521 million yen(the same period last year: used 1,521 million yen). These were mainly due to an income of 886 million yen for a sale of fixed assets and a payment of 2,048 million yen for Acquisition of tangible fixed assets.

3. Net cash provided by financing activities

Net cash provided by financing activities amounted to 1,974 million yen(the same period last year provided 4,074 million yen). The major positive factor was a 3,694 million yen increase in "Long-term borrowings". The major negative factors were a payment of 974 million yen for dividends paid and a payment of 821 million yen for dividends paid to non-controlling interests.

(4) Explanation of Consolidated Forecast and Other Forecasts

We expect our semiconductor business, led by our group subsidiaries, to make great strides against the backdrop of the robust semiconductor market.

On the other hand, the spread of coronavirus infection in China and the continuation of the "Zero Corona Policy" are having an adverse impact on plant closures and logistics, and we expect some projects for the fiscal year ending March 2023 to be delayed.Under such circumstances, we expect 45,000 million yen in net sales (Δ 12.5% YoY), 4,500 million yen in operating profit (Δ 17.6% YoY), 4,400 million yen in ordinary profit (Δ 25.0% YoY) and 2,900 million yen in profit attributable to owners of the parent (Δ 30.9% YoY).

Exports of FPD equipment, the Company's main product line, are mainly denominated in yen. Some transactions are denominated in foreign currencies, the Company hedges the risk of exchange rate fluctuations by entering into forward exchange contracts at the time of order receipt, as necessary. Therefore, the impact of exchange rate fluctuations on business is expected to be negligible.

*Above forecasts for next fiscal year were prepared based on information available at this time. Therefore, actual results may be affected by a number of important factors involving various risks and uncertainties and materially different from those discussed in forward-looking statements.

(5) Basic Policy of Profit Sharing and Dividends for the Current and the Next Fiscal Years

Our basic policy on profit sharing and dividends is to attempt stable and continuous profit distribution according to our operating results. We also consider securing appropriate internal reserves in order to accomplish future business expansion through such as M&A, capital investment, R&D investment, and reinforcement of our management.

Based on this policy, we plan to pay a dividend of ¥ 60.00 per share (120.00 yen per year, including an interim dividend of 60.00 yen) for the year-end dividend for the fiscal year ending March 2021. For the next fiscal year, we plan to pay a dividend of 120.00 yen per share per year.

Fiscal Year	(Year ended)	(Current)
	March 31 2021	March 31 2022
Interim (Yen)	60.00	60.00 (Forecast)
Year-end (Yen)	60.00	60.00 (Forecast)
Annual dividends per share (Yen)	120.00	120.00 (Forecast)

2. Basic Rationale for Section of Accounting Standards

In order to ensure comparability with domestic peer companies, we apply Japanese standards for accounting standards. Regarding the application of IFRS, we are considering it appropriately and taking into consideration various domestic and international situations.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

<Assets>

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	33,278	27,898
Notes and accounts receivable - trade	19,329	19,537
Electronically recorded monetary claims - operating	51	246
Merchandise and finished goods	196	176
Work in process	13,977	9,428
Raw materials and supplies	1,783	1,801
Other	3,158	4,500
Allowance for doubtful accounts	△396	△503
Total current assets	71,379	63,085
Non-current assets		
Property, plant and equipment		
Buildings	799	992
Accumulated depreciation	△329	△392
Buildings, net	470	600
Machinery and equipment	6,074	5,160
Accumulated depreciation	△3,811	△3,649
Machinery and equipment, net	2,263	1,510
Tools, furniture and fixtures	2,386	2,332
Accumulated depreciation	△1,760	△1,853
Tools, furniture and fixtures, net	626	479
Land	63	495
Construction in progress	953	1,627
Other	17	21
Accumulated depreciation	△12	△14
Other, net	5	7
Total property, plant and equipment	4,382	4,720
Intangible assets		
Goodwill	1,104	930
Patent right	37	25
Other	483	540
Total intangible assets	1,625	1,495
Investments and other assets		
Shares of subsidiaries and associates	1,167	1,002
Investment securities	193	660
Deferred tax assets	1,306	1,018
Other	560	650
Allowance for doubtful accounts	△23	△31
Total investments and other assets	3,203	3,300
Total non-current assets	9,212	9,516
Total assets	80,591	72,601

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,477	6,323
Electronically recorded obligations - operating	5,264	4,546
Short-term borrowings	120	394
Current portion of long-term borrowings	2,796	2,911
Accounts payable - other	818	724
Income taxes payable	2,288	767
Advances received	15,061	8,334
Provision for bonuses	373	386
Provision for product warranties	634	2,041
Provision for loss on orders received	19	82
Other	340	547
Total current liabilities	34,195	27,061
Non-current liabilities		
Long-term borrowings	12,964	10,243
Deferred tax liabilities	6	7
Retirement benefit liability	224	372
Asset retirement obligations	136	140
Provision for share awards	79	156
Other	68	78
Total non-current liabilities	13,480	10,999
Total liabilities	47,676	38,060
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,977	2,503
Retained earnings	27,262	30,113
Treasury shares	△1,916	△1,916
Total shareholders' equity	31,172	33,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	79
Foreign currency translation adjustment	89	546
Total accumulated other comprehensive income	96	626
Share acquisition rights	5	-
Non-controlling interests	1,641	365
Total net assets	32,915	34,540
Total liabilities and net assets	80,591	72,601

(2) Consolidated Statements of Income

<Consolidated Statements of Income>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	55,186	51,418
Cost of sales	39,481	35,932
Gross profit	15,704	15,486
Selling, general and administrative expenses	9,100	10,024
Operating profit	6,604	5,461
Non-operating income		
Interest and dividend income	22	30
Subsidy income	138	30
Gain on donation	74	–
Foreign exchange gains	122	354
Other	38	102
Total non-operating income	395	518
Non-operating expenses		
Interest expenses	54	42
Share of loss of entities accounted for using equity method	94	64
Other	14	5
Total non-operating expenses	163	111
Ordinary profit	6,836	5,868
Extraordinary income		
Gain on sale of non-current assets	271	834
Other	28	17
Total extraordinary income	299	852
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	78	19
Impairment losses	–	238
Other	3	12
Total extraordinary losses	82	269
Profit before income taxes	7,054	6,450
Income taxes - current	3,049	1,849
Income taxes - deferred	△587	345
Total income taxes	2,462	2,194
Profit	4,592	4,255
Profit attributable to non-controlling interests	1,078	57
Profit attributable to owners of parent	3,513	4,198

<Consolidated statement of comprehensive income>

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	4,592	4,255
Other comprehensive income		
Valuation difference on available-for-sale securities	7	72
Foreign currency translation adjustment	423	148
Total other comprehensive income	430	221
Comprehensive income	5,022	4,476
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,866	4,353
Comprehensive income attributable to non-controlling interests	1,156	123

(3) Consolidated statement of shareholders' equity

Year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,847	2,974	24,932	△2,126	28,628
Changes during period					
Dividends of surplus			△974		△974
Profit attributable to owners of parent			3,513		3,513
Purchase of treasury shares				△512	△512
Disposal of treasury shares			△210	723	512
Other		3	1		4
Net changes in items other than shareholders' equity					
Total changes during period	—	3	2,330	210	2,543
Balance at end of period	2,847	2,977	27,262	△1,916	31,172

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	△0	△335	△335	7	1,034	29,335
Changes during period						
Dividends of surplus						△974
Profit attributable to owners of parent						3,513
Purchase of treasury shares						△512
Disposal of treasury shares						512
Other						4
Net changes in items other than shareholders' equity	7	424	431	△2	606	1,036
Total changes during period	7	424	431	△2	606	3,580
Balance at end of period	6	89	96	5	1,641	32,915

Year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,847	2,977	27,262	△1,916	31,172
Cumulative effects of changes in accounting policies			△100		△100
Restated balance	2,847	2,977	27,161	△1,916	31,071
Changes during period					
Dividends of surplus			△1,176		△1,176
Profit attributable to owners of parent			4,198		4,198
Purchase of treasury shares				△0	△0
Transfer from retained earnings to capital surplus		68	△68		-
Change in ownership interest of parent due to transactions with non-controlling interests		△540			△540
Other		△2	△2		△4
Net changes in items other than shareholders' equity					
Total changes during period	-	△474	2,951	△0	2,477
Balance at end of period	2,847	2,503	30,113	△1,916	33,548

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	6	89	96	5	1,641	32,915
Cumulative effects of changes in accounting policies						△100
Restated balance	6	89	96	5	1,641	32,814
Changes during period						
Dividends of surplus						△1,176
Profit attributable to owners of parent						4,198
Purchase of treasury shares						△0
Transfer from retained earnings to capital surplus						—
Change in ownership interest of parent due to transactions with non-controlling interests						△540
Other						△4
Net changes in items other than shareholders' equity	72	457	530	△5	△1,276	△751
Total changes during period	72	457	530	△5	△1,276	1,725
Balance at end of period	79	546	626	—	365	34,540

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,054	6,450
Depreciation	1,855	1,351
Amortization of goodwill	250	372
Impairment losses	–	238
Loss (gain) on sale of investment securities	△25	△1
Increase (decrease) in allowance for doubtful accounts	103	100
Increase (decrease) in provision for bonuses	△0	△8
Increase (decrease) in provision for product warranties	△139	67
Gain on reversal of share acquisition rights	△2	△5
Increase (decrease) in retirement benefit liability	27	12
Increase (decrease) in provision for loss on orders received	△50	62
Increase (decrease) in provision for share awards	79	76
Interest and dividend income	△22	△30
Interest expenses	54	42
Loss on sale of notes receivable - trade	0	0
Foreign exchange losses (gains)	△27	△209
Share of loss (profit) of entities accounted for using equity method	94	64
Loss (gain) on sale of property, plant and equipment	0	△496
Loss on retirement of property, plant and equipment	78	19
Loss (gain) on sale of intangible assets	△271	△338
Loss on retirement of intangible assets	0	1
Decrease (increase) in trade receivables	5,507	△364
Decrease (increase) in inventories	9,021	5,139
Decrease (increase) in other current assets	1,711	△655
Decrease (increase) in other non-current assets	41	△15
Increase (decrease) in trade payables	△1,384	542
Increase (decrease) in advances received	△3,308	△7,352
Increase (decrease) in other current liabilities	△23	1
Other, net	3	0
Subtotal	20,629	5,066
Interest and dividends received	22	30
Interest paid	△55	△40
Income taxes paid	△1,004	△3,687
Income taxes refund	580	39
Net cash provided by (used in) operating activities	20,173	1,408

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of investment securities	△208	△200
Proceeds from sale of investment securities	105	10
Purchase of shares of subsidiaries and associates	–	△402
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	△132
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	129	–
Purchase of property, plant and equipment	△1,460	△2,048
Proceeds from sale of property, plant and equipment	–	886
Purchase of intangible assets	△137	△176
Proceeds from sale of intangible assets	322	400
Short-term loan advances	△21	△3
Proceeds from collection of short-term loans receivable	21	117
Other proceeds	–	4
Other payments	△1	△9
Net cash provided by (used in) investing activities	△1,251	△1,554
Cash flows from financing activities		
Proceeds from short-term borrowings	7,270	520
Repayments of short-term borrowings	△7,430	△301
Proceeds from long-term borrowings	7,262	–
Repayments of long-term borrowings	△3,567	△2,968
Proceeds from issuance of shares	234	170
Purchase of treasury shares	△512	△0
Proceeds from disposal of treasury shares	512	–
Dividends paid	△974	△1,176
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	△1,000
Dividends paid to non-controlling interests	△821	△1,083
Net cash provided by (used in) financing activities	1,972	△5,839
Effect of exchange rate change on cash and cash equivalents	283	605
Net increase (decrease) in cash and cash equivalents	21,177	△5,380
Cash and cash equivalents at beginning of period	11,981	33,158
Cash and cash equivalents at end of period	33,158	27,778

(5) 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.

<Segment Information etc.>

【Segments Information】

1. Overview of Reportable Segments

The Group's reportable segments provide separate financial information of the Group's constituent units. The Board of Directors regularly reviews them to determine the allocation of management resources and evaluate their performance.

The Group consists of industry segments based on the Company and its consolidated subsidiaries. The two reportable segments are "FPD business" and "Semiconductor business. The overview of each reportable segment is as follows.

(FPD Business)

The FPD business develops, designs, manufactures, sells, and provides related services for manufacturing equipment, inspection equipment, and photomask equipment, as well as materials and components, including evaporation masks for OLEDs.

(Semiconductor Business)

The semiconductor business develops, designs, manufactures, sells, and provides related services for manufacturing equipment, inspection equipment, and equipment for photomasks.

2. Method of calculating sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting method of reportable segments is in accordance with the accounting policies adopted to prepare consolidated financial statements.

Income of reportable segments is based on operating income. Inter-segment revenues and transfers are based on prevailing market prices.

3. Information on net sales, income or loss, assets, liabilities and other items by reportable segment

I Previous Consolidated Financial Year (from April 1, 2020 to March 31, 2021)

	Reportable segments			Other(*1)	Adjustment (*2)	(Unit: Million JPY) Amount recorded in consolidated financial statements(*3)
	FPD business	SEMI business	Total			
Sales						
Sales to external customers	52,941	2,241	55,183	3	-	55,186
Intersegment sales and transfers	11	-	11	-	△ 11	-
Total	52,952	2,411	55,194	3	△ 11	55,186
Segment profit (△/loss)	6,752	2	6,755	△ 151	-	6,604

*1 "Other" is a business segment not included in the reportable segments and includes OLED lighting, etc.

*2 "Adjustment" represents elimination of intersegment transactions.

*3 Segment income (loss) is adjusted with operating income in the consolidated financial statements.

II Previous Consolidated Financial Year (from April 1, 2020 to March 31, 2021)

	Reportable segments			Other(*1)	Adjustment (*2)	(Unit: Million JPY) Amount recorded in consolidated financial statements(*3)
	FPD business	SEMI business	Total			
Sales						
Sales to external customers	43,375	7,679	51,054	363	-	51,418
Intersegment sales and transfers	42	-	42	-	△ 42	-
Total	43,417	7,679	51,097	363	△ 42	51,418
Segment profit (△/loss)	5,103	553	5,656	△ 194	-	5,461

*1 "Other" is a business segment not included in the reportable segments and includes OLED lighting, Agriculture business and so on.

*2 "Adjustment" represents elimination of intersegment transactions.

*3 Segment income (loss) is adjusted with operating income in the consolidated financial statements.

4. Matters concerning changes in reportable segments, etc.

In accordance with the quantitative criteria, the Company's reportable segment was changed to "FPD business" only, and the segment information was omitted. In the current consolidated fiscal year, the quantitative importance of the semiconductor business has increased. We have changed our reportable segments into two segments, "FPD business" and "Semiconductor business. Information on business segments not included in the reportable segments was disclosed as "Other.

Segment information for the previous fiscal year has been restated in accordance with the new reportable segment classifications.

Business segments that are generally similar in terms of markets, types of customers, and services are aggregated.

<Per Share Data>

	Fiscal year ended	
	March 31 ,2021	March 31 ,2022
Net assets per share (JPY)	3,233.74	3,534.40
Net profit per share (JPY)	363.41	434.21
Diluted net profit per share (Yen)	-	-

Note

1. Diluted net income per share is not shown because there are no dilutive securities.
2. The basis for calculating net assets per share is as follows

	Fiscal year ended	
	March 31 ,2021	March 31 ,2022
Total net assets (Millions of JPY)	32,915	34,540
Deduction from total net assets (Millions of JPY)	1,647	365
(Share acquisition rights (Millions of JPY))	(5)	-
(Non-controlling interests (Millions of JPY))	(1,641)	(365)
Year-end net assets related to commonstock (Millions of JPY)	31,268	34,175
Year-end common stock used for thecalculation of net assets per share(shares)	9,669,465	9,669,405

3. The basis for calculating net income per share is as follows

	Fiscal year ended	
	March 31 ,2021	March 31 ,2022
Net income attributable to owners of the parent (Millions of yen)	3,513	34,540
Deduction from total net assets (Millions of JPY)	-	-
Amount not attributable to common shareholders (Millions of yen)	3,513	4,198
Net income attributable to owners of the parent related to common stock (Millions of yen)	9,669,478	6,669,444
Diluted net income per share is not disclosed because there is no dilutive effect.	-	-

4. The Company's shares remaining in the trust, which are recorded as treasury stock in the net assets section, are included in treasury stock deducted in the calculation of the average number of shares during the period for the purpose of calculating net income per share. The average number of shares of treasury stock deducted in the calculation of net income per share was 132,000 shares for the fiscal year ended March 31, 2021 and 2022.

<Subsequent Events>

None