



**Consolidated Financial Statements for the First Quarter of
Fiscal Year Ending March 31, 2021**
〔under Japanese GAAP〕

August 7, 2020

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

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

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

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Planned Date for Submission of the Quarterly Report: August 11, 2020

Planned Date for Start of Dividend Payment: —

Supplementary materials for the quarterly financial statements: Yes

Briefing session on quarterly financial results: None

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

1. Business Performance of the First Quarter of the Fiscal Year Ending March 31, 2021

1) Consolidated Results of Operations (April 1, 2020 through June 30, 2020)

(%: Changes from previous fiscal year)

	Net sales (Millions of Yen)	% Change	Operating profit (Millions of Yen)	% Change	Ordinary profit (Millions of Yen)	% Change
Three months ended June 30, 2021	10,297	△45.5	1,192	△68.0	1,142	△68.9
Three months ended June 30, 2020	18,910	22.0	3,721	36.1	3,676	29.7

*Notes: Comprehensive Income

Three months ended June 30, 2020: 834 Million Yen (△66.3%)

Three months ended June 30, 2019: 2,474 Million Yen (△11.3%)

	Net profit attributable to owners of the parent (Millions of Yen)	% Change	Net profit per share (Yen)	Diluted net profit per share (Yen)
Three months ended June 30, 2021	644	△71.8	66.66	—
Three months ended June 30, 2020	2,283	15.2	236.15	—

2) Consolidated Financial Position

	Total assets (Millions of Yen)	Net assets (Millions of Yen)	Equity ratio (%)	Net assets per share (Yen)
As of June 30, 2020	78,454	29,608	36.4	2,954.01
As of March 31, 2020	75,146	29,361	37.7	2,928.74

*Reference: Shareholders' equity: As of June 30, 2020: 28,563 Million Yen

As of March 31, 2020: 28,319 Million Yen

2. Dividends

	Dividends per share				
	End of first quarter (Yen)	End of second quarter (Yen)	End of third quarter (Yen)	Year-end (Yen)	For the year (Yen)
Year ended March 31, 2020	—	80.00	—	40.00	120.00
Year ended March 31, 2021	—				
Year ended March 31, 2021 (Forecast)	—	60.00	—	60.00	120.00

*Note:

-Revisions to the latest announcement regarding dividend projection: None

3. Forecast for the Fiscal Year ending March 31, 2021 (April 1, 2020 through March 31, 2021)

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

	Net sales (Millions of Yen)	% Change	Operating profit (Millions of Yen)	% Change	Ordinary profit (Millions of Yen)	% Change	Net profit attributable to owners of the parent (Millions of Yen)	% Change	Net profit per share (Yen)
Year ending March 31, 2021	54,000	△0.6	6,000	5.1	5,800	△6.6	3,000	△8.5	310.25

*Notes:

- Revisions to the latest announcement regarding result projection: None

<NOTES>

1) Changes in significant subsidiaries during the three months ended June 30, 2020

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

2) Application of special accounting methods for 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: None

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

c. Changes in accounting estimates: None

d. Restatements: None

4) Number of Shares Outstanding (Common stock)

	Numbers of shares outstanding (Common Stock)		
	1. Number of shares outstanding at end of year (Including treasury stock)	2. Number of treasury shares at end of year	3. Average number of shares
Three months ended June 30, 2020	10,057,600	388,111	9,669,489
12 months ended March 31, 2020	10,057,600	388,111	—
Three months ended June 30, 2019	—	—	9,669,542

Note:

* This document "Consolidated Financial Statements for the First Quarter of Fiscal Year ending March 31, 2021" is not subject to quarterly financial review by a certified public accountants or an audit firm.

* Explanation regarding proper use of the projected financial results and other notes

Above forecasts were prepared based on information available at this time and therefore actual results may be affected by a number of important factors and materially different from those discussed in forward-looking statements. For further information on the above forecasts, please refer to page 2 of the attached document;

"1. Explanation of Operating Performance and Financial Position for the Quarter; 3) Explanation of Consolidated Forecast and Other Forecasts".

Index

1. Explanation of Operating Performance and Financial Position for the Quarter.....	2
1) Explanation of Operating Performance	2
2) Explanation of Financial Position	2
3) Explanation of Consolidated Forecast and Other Forecasts	2
2. Quarterly Consolidated Financial Statements and Major Notes	3~5
1) Quarterly Consolidated Balance Sheets	3~4
2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	4~5
<Quarterly Consolidated Statements of Income>	4~5
<Quarterly Consolidated Statements of Comprehensive Income>	5
3) Notes on Quarterly Consolidated Financial Statements	5
<Notes on Going Concern Assumptions>	5
<Note Regarding the Occurrence of Significant Changes in Amount of Shareholder's Equity>	5
<Subsequent Events>	5

1. Explanation of Operating Performance and Financial Position

1) Explanation of Operating Performance

Regarding the global economy in the first quarter consolidated cumulative period, there was a severe recession, with a significant decline in both private consumption and corporate activity due to the global pandemic of the novel coronavirus disease (COVID-19).

In the US, private consumption, capital investment and housing investment all fell sharply, resulting in an unprecedented recession. In China, economic activity has resumed since April following the successful containment of the COVID-19, and the economy has returned to a positive growth trend with significant easing of fiscal and monetary policies, such as investment in 5G-related infrastructure, etc. In Japan, the spread of the COVID-19 has led to further stagnation in consumer spending and a decline in capital investment, and the country has fallen into a serious recession.

In the flat panel display (FPD) market, a large number of the major FPD manufacturers in China, who are our key customers, resumed panel production and the start-up of new plants, etc., while taking infection control measures. There was also resumption of business talks about capital investment.

The amount of orders received by V-Technology Group in the first quarter of current consolidated fiscal year was 12,434 million yen (the same period last year: 5,344 million yen). As a result, the balance of orders received at the end of the first quarter of the current consolidated fiscal year was 61,281 million yen (the same period last year: 77,369 million yen).

V-Technology Group posted net sales of 10,297 million yen (the same period last year: 18,910 million yen), operating income is 1,192 million yen (the same period last year: 3,721 million yen), ordinary profit is 1,142 million yen (the same period last year: 3,676 million yen) and profit attributable to owners of parent was ¥ 644 million (the same period last year: 2,283 million yen).

2) Explanation of Financial Position

1. Assets

As of June 30, 2020, total net assets amounted to 78,454 million yen, down(up) 3,308 million yen from the previous consolidated fiscal year ended March 31, 2020. This is mainly attributed to a 5,881 million yen increase in “ Cash and deposits ” and a 246 million yen increase in “ Electronically recorded monetary claims operating ”.

2. Liabilities

As of June 30, 2020, total current liabilities amounted to 48,846 million yen, up 3,062 million yen from the previous consolidated fiscal year ended March 31, 2020. This is mainly attributed to a 5,117 million yen increase in “ long-term borrowing ”, a 490 million yen increase in “ income taxes payable ”.

3. Net Assets

As of June 30, 2020, total net assets amounted to 29,608 million yen, up 246 million yen from the previous consolidated fiscal year ended March 31, 2020. This is mainly attributed to a 259 million yen increase in “ retained earnings ”.

3) Explanation of Consolidated Forecast and Other Forecasts

Considering the results of the First Quarter of the current consolidated cumulative period and future trends, there are no changes to the earnings forecast for the fiscal year ending March 2021 from the earnings forecast stated in the “Financial Results for the Fiscal Year Ending March 31, 2020” which we published on May 12, 2020.

3. Quarterly Consolidated Financial Statements and Major Notes

1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	12,101	17,983
Notes and accounts receivable - trade	24,132	24,052
Electronically recorded monetary claims - operating	368	615
Merchandise and finished goods	123	138
Work in process	23,126	23,194
Raw materials and supplies	1,605	1,718
Other	5,317	2,689
Allowance for doubtful accounts	△279	△443
Total current assets	66,494	69,948
Non-current assets		
Property, plant and equipment	4,539	4,634
Intangible assets		
Goodwill	1,304	1,220
Other	206	142
Total intangible assets	1,511	1,363
Investments and other assets, gross	2,600	2,509
Total non-current assets	8,651	8,506
Total assets	75,146	78,454
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,095	7,934
Electronically recorded obligations - operating	5,051	4,368
Short-term borrowings	200	400
Current portion of long-term borrowings	2,545	2,592
Income taxes payable	115	605
Advances received	18,202	16,214
Provisions	1,208	1,017
Other	1,119	1,321
Total current liabilities	36,539	34,454
Non-current liabilities		
Long-term borrowings	8,861	13,979
Retirement benefit liability	184	193
Asset retirement obligations	93	116
Other	104	102
Total non-current liabilities	9,244	14,392
Total liabilities	45,784	48,846
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,974	2,974

Retained earnings	24,958	25,218
Treasury shares	△2,126	△2,126
Total shareholders' equity	28,654	28,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△0	△0
Foreign currency translation adjustment	△335	△350
Total accumulated other comprehensive income	△335	△350
Share acquisition rights	7	7
Non-controlling interests	1,034	1,036
Total net assets	29,361	29,608
Total liabilities and net assets	75,146	78,454

2) Quarterly Consolidated Statements of Income

<Quarterly Consolidated Statements of Income>

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	18,910	10,297
Cost of sales	12,407	7,124
Gross profit	6,502	3,173
Selling, general and administrative expenses	2,781	1,981
Operating profit	3,721	1,192
Non-operating income		
Interest income	4	3
Share of profit of entities accounted for using equity method	14	–
Other	4	17
Total non-operating income	23	20
Non-operating expenses		
Interest expenses	4	15
Foreign exchange losses	61	7
Share of loss of entities accounted for using equity method	2	42
Other	0	3
Total non-operating expenses	68	70
Ordinary profit	3,676	1,142
Extraordinary income		
Gain on sales of non-current assets	1	270
Insurance claim income	40	–
Total extraordinary income	41	270
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	3,718	1,413

Income taxes - current	1,141	554
Income taxes - deferred	△60	9
Total income taxes	1,080	563
Profit	2,638	849
Profit attributable to non-controlling interests	354	205
Profit attributable to owners of parent	2,283	644

<Quarterly Consolidated Statements of Comprehensive Income>

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	2,638	849
Other comprehensive income		
Valuation difference on available-for-sale securities	△0	△0
Foreign currency translation adjustment	△163	△15
Total other comprehensive income	△163	△15
Comprehensive income	2,474	834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,152	633
Comprehensive income attributable to non-controlling interests	321	200

3) Notes on Consolidated Financial Statements

<Notes on Going Concern Assumptions>

Not applicable

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

Not applicable

<Subsequent Events>

Not applicable