



**Consolidated Financial Statements for the Third Quarter of
Fiscal Year Ending March 31, 2021**
(under Japanese GAAP)

February 10, 2021

Registered Company Name: **V-Technology Co., Ltd.**
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Planned Date for Submission of the Quarterly Report: February 11, 2021
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 Third Quarter of the Fiscal Year Ending March 31, 2021

1) Consolidated Results of Operations (April 1, 2020 to December 31, 2020)

	Nine months ended(%: Changes from previous fiscal year)			
	December 31 ,2019		December 31 ,2020	
		%		%
Net sales (Millions of Yen)	50,715	△ 9.0	41,498	△ 18.2
Operating profit (Millions of Yen)	9,416	△ 30.4	4,992	△ 47.0
Ordinary profit (Millions of Yen)	9,416	△ 31.2	4,832	△ 48.7
Net profit attributable to owners of the parent (Millions of Yen)	5,925	△ 35.4	2,492	△ 57.9
Net profit per share (Yen)	612.78		257.33	
Diluted net profit per share (Yen)	—		—	
*Notes: Comprehensive Income	6,677	△ 35.4	3,399	△ 49.1

*Note: In the Third quarter of the fiscal year ending March 31, 2021, the provisional accounting treatment for the business combination has been finalized. Therefore, the figures for the second quarter of the fiscal year ending March 31, 2020 reflect the finalized figures.

2) Consolidated Financial Position

	As of	
	March 31 ,2020	December 31 ,2020
Total assets (Millions of Yen)	75,119	82,943
Net assets (Millions of Yen)	29,335	31,170
Equity ratio	37.7 %	36.1 %
Net assets per share	2,926.03 Yen	3,094.62 Yen
*Reference: Shareholders' equity (Millions of Yen)	28,293	29,923

*Note:

-Revisions to the latest announcement regarding dividend projection: None

* Note: In the second quarter of the fiscal year ending March 31, 2021, the provisional accounting treatment for the business combination has been finalized. Therefore, the figures for the fiscal year ending March 31, 2020 reflect the finalized figures.

2. Dividends

	Year ended	Year ending
	March 31 2020	March 31 2021
1Q-end dividends per share (Yen)	-	-
2Q-end dividends per share (Yen)	80.00	60.00
3Q-end dividends per share (Yen)	-	-
Year-end dividends per share (Yen)	40.00	60.00 (Forecast)
Annual dividends per share (Yen)	120.00	120.00 (Forecast)

*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)	Year ending	
	December 31, 2020	
		%
Net sales (Millions of Yen)	54,000	△0.6
Operating profit (Millions of Yen)	6,000	6.1
Ordinary profit (Millions of Yen)	5,800	△5.8
Net profit attributable to owners of the parent (Millions of Yen)	3,000	△7.7
Net profit per share (Yen)	310.26	

*Notes:

- Revisions to the latest announcement regarding result projection: None

*Notes:

In the second quarter of the fiscal year ending March 31, 2021, the provisional accounting treatment for the business combination was finalized. Therefore, the percentages of change in "Operating income," "Ordinary income" and "Net income attributable to shareholders of the parent company" compared to the previous fiscal year are shown in comparison to the figures for the previous fiscal year, which reflect the finalized details.

<NOTES>

1) Changes in significant subsidiaries during the nine months ended December 31, 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)

	Number of shares		Number of shares	
	As of December 31, 2020	10,057,600	As of March 31, 2020:	10,057,600
1. Number of shares outstanding at end of year (Including treasury stock)	As of December 31, 2020:	388,135	As of March 31, 2020:	388,111
2. Number of treasury shares at end of year	Nine months ended December 31, 2020:	9,669,483	Nine months ended December 31, 2019:	9,669,516
3. Average number of shares outstanding (Cumulative quarterly period)				

Note

The Company has introduced a stock issuance trust that includes the Company's shares held by the trust in its treasury stock (132,000 shares for the third quarter of the fiscal year ending March 31, 2021).

In addition, the Company's shares held by the Trust are included in the treasury stock to be deducted in the calculation of the average number of shares for the period (132,000 shares for the third quarter of the year ending March 31, 2021).

※This document "Consolidated Financial Statements for the Second 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".

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1. Explanation of Operating Performance and Financial Position

We used provisional accounting treatment in the previous fiscal year for our business combination with Nano System Solutions, Inc. on August 22, 2019, which was finalized in the second quarter of the current fiscal year.

As a result of this provisional accounting treatment's finalization, we have performed a comparative analysis using the retrospectively adjusted figures..

1) Explanation of Operating Performance

During the first nine months of the fiscal year ending March 31, 2021, the global economy continued to be in a severe state as the infection spread again as a whole. However, there were some signs of improvement once the unprecedented scale of economic stimulus measures was implemented in countries worldwide to overcome the corona recession.

The U.S. economy bottomed out in April due to large-scale economic stimulus measures and other factors and began to recover. However, the economic recovery momentum slowed down due to sluggish growth in employment and personal consumption as the new coronavirus infection spread again toward the end of the year.

The Japanese economy showed signs of picking up following various economic stimulus measures. However, personal consumption growth lacked strength and remained at a moderate recovery, and the situation remained unpredictable.

On the other hand, the Chinese economy has resumed its economic activities ahead of the rest of the world. On the way to normalization, further recovery is expected mainly in domestic demand and exports.

In the FPD (Flat Panel Display) equipment market, the start-up of new factories resumed in China, and installation work proceeded mostly smoothly as planned. Besides, relatively large LCD-related inquiries and multiple inquiries related to small- and medium-sized OLEDs and next-generation FPDs were confirmed.

On the other hand, in the semiconductor equipment market, inquiries related to memory and silicon wafers were confirmed against the backdrop of rising demand for equipment in China, and similar inquiries were also confirmed in other regions.

The amount of orders received by V-Technology Group in the third quarter of current consolidated fiscal year was 25,956 million yen (the same period last year: 20,846 million yen). As a result, the balance of orders received at the end of the third quarter of the current consolidated fiscal year was 43,602 million yen (the same period last year: 61,067 million yen).

V-Technology Group posted net sales of 41,498 million yen (the same period last year: 50,715 million yen), operating income is 4,992 million yen (the same period last year: 9,416 million yen), ordinary profit is 4,832 million yen (the same period last year: 9,416 million yen) and profit attributable to owners of parent was ¥2,492 million (the same period last year: 5,925 million yen).

2) Explanation of Financial Position

: Outlook of Assets, Liabilities and Net Assets

1. Assets

As of December 31, 2020, total net assets amounted to 82,943 million yen, up 7,823 million yen from the previous consolidated fiscal year ended March 31, 2020. This is mainly attributed to a 15,078 million yen increase in “ Cash and deposits ” and a 1,071 million yen increase in “Notes and accounts receivable - trade”.

2. Liabilities

As of December 31, 2020, total current liabilities amounted to 51,773 million yen, up 5,988 million yen from the previous consolidated fiscal year ended March 31, 2020. This is mainly attributed to a 4,261 million yen increase in “ long-term borrowing ”, a 1,536 million yen increase in “Income taxes payable “.

3. Net Assets

As of December 31, 2020, total net assets amounted to 31,170 million yen, up 1,834 million yen from the previous consolidated fiscal year ended March 31, 2020. This is mainly attributed to a 1,523 million yen increase in “ retained earnings ”.

3) Explanation of Consolidated Forecast and Other Forecasts

Considering the results of the Third 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 December 31, 2020
Assets		
Current assets		
Cash and deposits	12,101	27,180
Notes and accounts receivable - trade	24,132	25,203
Electronically recorded monetary claims - operating	368	260
Merchandise and finished goods	123	171
Work in process	23,126	16,759
Raw materials and supplies	1,605	1,823
Other	5,317	3,072
Allowance for doubtful accounts	△279	△443
Total current assets	66,494	74,028
Non-current assets		
Property, plant and equipment	4,539	4,707
Intangible assets		
Goodwill	1,034	837
Other	558	457
Total intangible assets	1,592	1,295
Investments and other assets	2,493	2,912
Total non-current assets	8,625	8,915
Total assets	75,119	82,943
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,095	7,372
Electronically recorded obligations - operating	5,051	5,682
Short-term borrowings	200	50
Current portion of long-term borrowings	2,545	2,569
Income taxes payable	115	1,652
Advances received	18,202	18,543
Provisions	1,208	965
Other	1,119	1,425
Total current liabilities	36,539	38,260
Non-current liabilities		
Long-term borrowings	8,861	13,123
Retirement benefit liability	184	202
Asset retirement obligations	93	129
Provisions	-	55
Other	104	1
Total non-current liabilities	9,244	13,512
Total liabilities	45,784	51,773
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,974	2,764
Retained earnings	24,932	26,455
Treasury shares	△2,126	△1,916
Total shareholders' equity	28,628	30,151
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△0	△0
Foreign currency translation adjustment	△335	△227
Total accumulated other comprehensive income	△335	△228

Share acquisition rights	7	5
Non-controlling interests	1,034	1,241
Total net assets	29,335	31,170
Total liabilities and net assets	75,119	82,943

2) Quarterly Consolidated Statements of Income

<Quarterly Consolidated Statements of Income>

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	50,715	41,498
Cost of sales	33,980	29,852
Gross profit	16,734	11,646
Selling, general and administrative expenses	7,318	6,653
Operating profit	9,416	4,992
Non-operating income		
Interest and dividend income	12	17
Subsidy income	–	75
Foreign exchange gains	36	–
Share of profit of entities accounted for using equity method	14	–
Other	27	33
Total non-operating income	90	126
Non-operating expenses		
Interest expenses	26	42
Foreign exchange losses	–	170
Share of loss of entities accounted for using equity method	50	62
Other	12	10
Total non-operating expenses	89	286
Ordinary profit	9,416	4,832
Extraordinary income		
Gain on sales of non-current assets	2	272
Gain on sales of investment securities	0	25
Insurance claim income	40	–
Other	–	2
Total extraordinary income	43	299
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	1	6
Total extraordinary losses	1	6
Profit before income taxes	9,459	5,125
Income taxes - current	2,540	2,446
Income taxes - deferred	138	△613
Total income taxes	2,678	1,832
Profit	6,780	3,293
Profit attributable to non-controlling interests	855	800
Profit attributable to owners of parent	5,925	2,492

<Quarterly Consolidated Statements of Comprehensive Income>

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	6,780	3,293
Other comprehensive income		
Valuation difference on available-for-sale securities	0	△0
Foreign currency translation adjustment	△104	106
Total other comprehensive income	△103	106
Comprehensive income	6,677	3,399
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,856	2,575
Comprehensive income attributable to non-controlling interests	820	824

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