



# **Financial Results for the 2nd quarter of the FY ending June 2021, and Medium- to Long-Term Strategy**

**March 2021**

**Abalance Corporation**

**Securities code: 3856 (Second Section  
of the Tokyo Stock Exchange)**

# Consolidated Financial Results (2nd Quarter, FY06/2021)



- The solar panel manufacturing business that was newly established after the consolidation of Vietnam VSUN Co., Ltd. drives the consolidated results
- Business Structure Transition (From Flow-type to Stock-type Model)
  - Year-on-year Comparison ; **Sales:+278%, Ordinary income:+625%**

Unit: million yen

June 30	FY2020		FY2021		
	2Qresults	2Qresults	Year-on-year basis	Fiscal year plan amounts	Progress rate
Sales	3,060	11,573	+278%	23,500	49%
Operating income	212	845	+297%	1,110	76%
Ordinary income	121	881	+625%	1,080	81%
Profit attributable to owners of parent	55	348	+529%	430	80%

# Full-year consolidated earnings forecast revised upward



Full-year earnings forecast was revised upward as the recording of net sales and operating income exceeded the initial forecast due to the consolidation of Vietnam VSUN

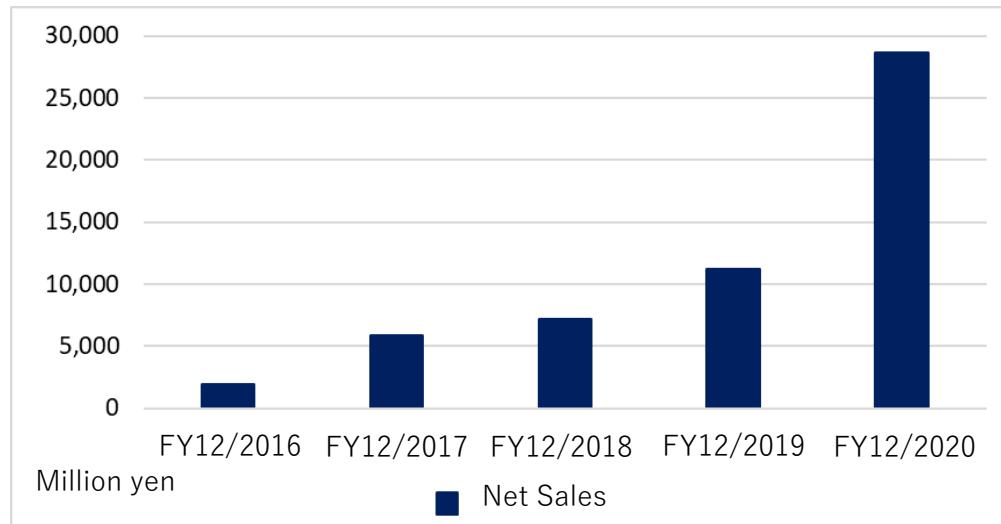
(Unit: million yen)

	Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
(A) Initial forecast	20,000	700	560	311	60.21yen
(B) Revised forecast, Announced on February 15, 2020	23,500	1,110	1,080	430	80.97yen
(C) Increase amount (B-A)	3,500	410	520	119	—
(D) Increase Ratio (C/A)	+17%	+58%	+92%	+38%	—
Previous term results (FY06 / 2019)	6,678	361	305	211	40.91yen

# VSUN' s Results

**VSUN becoming a consolidated subsidiary of our company was press released in October 2020**

- Established in Vietnam in 2016
- Rapid growth in solar panel manufacturing and sales for Europe and the United States
- Considering IPO in Vietnam
- World Module Manufacturer Ranking 16th place (Based on Bloomberg tabulation)
- Our group is the largest Japanese solar panel manufacturer



VSUN owns a consolidated subsidiary. Figures for prior years have not been audited and are non-consolidated.

**We will consider disclosing future target values in the new medium-term management plan, etc.**

# Summary of Consolidated Financial Results

## 1. Conversion to stock model

- From selling solar power plants (flow) to owning (stock)
- To obtain stable income from selling electricity

## 2. Promotion of overseas business

- Rapid growth of VSUN
- Investment decisions based on “appropriate risk management “

## 3. Healthcare related business

- Promote sales expansion of hygiene products and antibacterial / antiviral products by franchise stores and distributors through “Photocatalyst LIFE “



## 4. New business, etc.

- Promotion of self-consumption power generation business
- Initiatives for wind power development (land / small size)
- Promotion of storage battery business

□ Common stock	108,400 shares (new shares issued)
□ Procurement amount	224 million yen (issue price 2,068 yen / share)
□ Implementation date	December 2020
□ Background	<ul style="list-style-type: none"><li>■ Securing stable income and cash flow based on medium- to long-term electricity sales income</li><li>■ Rapid expansion of VSUN</li><li>■ Enhancing equity capital to prepare for flexible investment in medium- to long-term investment projects</li></ul>



# Kakuda solar power plant

Our group's largest solar power plant starts selling electricity

➤ Annual power sales revenue ; 750 million yen

◆ Start selling electricity	March 1, 2021
◆ Annual power generation	Assuming power consumption for about 4,150 ordinary households
◆ FIT	36yen
◆ Power generation period	About 20 years

【Kakuda solar power plant】



We will further promote ESG and SDGs initiatives and contribute to the supply of electricity to the region so that we can make a positive contribution to the arrival of a green energy society.

Valor's Co., Ltd., a consolidated subsidiary of our company acquired the BLESS Co., Ltd on February 26, 2021.

◆ Acquisition cost	281 million yen
◆ Acquired shares	100%
◆ Overview	Acquired rights to a solar power plant located in Nishi-ku, Kobe through the acquisition of BLESS Co., Ltd
◆ Annual power generation	Assuming power consumption for about 510 ordinary households
◆ FIT	27yen
◆ Power generation period	About 20 years

We will continue to promote “increasing corporate value” with a view to M&A.



## Corporate Value (Aware of ROIC)

### To become a renewable energy global company in Asia

3 <sup>rd</sup> Step	New business, Storage battery, Wind power development, and M&A for Renewable energy company
2 <sup>nd</sup> Step	Promotion of overseas investment VSUN, Joint venture such as Vietnam, Malaysia, Taiwan, etc.
1 <sup>st</sup> Step	Owned power plant 1GW (domestic + overseas until 2030)

**ESG/SDGs Promote Green Energy**



Medium- to  
Long-Term  
Strategy

- We are considering the formulation of a new medium-term management plan based on the "Investor-Corporate Dialogue Guidelines (Financial Services Agency)" and "Capital Market Survey(\*)" under the tailwind environment such as "Paris Agreement" and "2050 Carbon Neutral".

(\*) "About efforts toward revitalization of the stock market" and "realization of a sustainable society" through asset management of life insurance companies" (The Life Insurance Association of Japan)

■ Basic policy : **Stable dividend continues**

Considering the balance between “return of profits” and “retained earnings to secure growth funds”

■ FY06/2021 (interim) : 7yen, End of term undecided

## 【Dividend record】

	Profit attributable to owners of parent (million yen)	Interim dividend	Year-end dividend	Total	Dividend payout ratio
FY06 / 2020	211	7yen	10yen	17yen	41.6%
FY06 / 2019	316	7yen	10yen	17yen	27.8%
FY06 / 2018	756	7yen	10yen	17yen	11.7%

## Effects of COVID-19 and the Fukushima Prefecture Offshore Earthquake

- **There are no major obstacles to our power plants and other businesses currently under development by our group companies, and there are no significant effects on the consolidated results of our company.**

# Disclaimer

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- This document has been prepared by our company to provide an understanding of the current status of Abalance Corporation.
- The information included in this document is based on our findings and information available at the time of preparation of this document.
- We are not obligated to update this material in the event of new information or events in the future.

