



Consolidated Financial Statements
for the first quarter of fiscal year ended March 31, 2023
 (under Japanese GAAP)

Augst 10, 2022

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

Code Number: 7717, Tokyo Stock Exchange

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

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Planned Date for Submission of the Securities Report: Augst 12, 2022

Planned Date for Start of Dividend Payment: -

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(April 1, 2022 through June 30, 2022)

(1) Consolidated Results of Operations

3 months ended

	June 30 ,2021		June 30 ,2022	
		YoY(%)		YoY(%)
Net sales (Millions of Yen)	13,094	27.2	7,795	△ 40.5
Operating profit (Millions of Yen)	1,312	12.2	452	△ 65.5
Ordinary profit (Millions of Yen)	1,238	10.6	1,098	△ 11.3
Net profit attributable to owners of the parent (Millions of Yen)	1,145	80.9	719	△ 37.2
*Notes: Comprehensive Income	1,582	92.3	934	△ 41.0
Net profit per share (Yen)	118.49	-	74.42	-
Diluted net profit per share (Yen)	-	-	-	-

(2) Consolidated Financial Position

As of

As of

	March 31 ,2022	June 30 ,2022
	Total assets (Millions of Yen)	72,601
Net assets (Millions of Yen)	34,540	34,909
Equity ratio	47.1 %	46.8 %
Net assets per share	3,534.40 Yen	3,571.42 Yen
*Reference: Shareholders' equity (Millions of Yen)	34,533	34,175

2. Dividends

	Year ended		March 31 2023
	March 31 2022	March 31 2023	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)

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	—

(Note) Revisions to the most recently announced dividend forecast: None

<NOTES>

(1) Changes in significant subsidiaries during the 3 months ended(April 1, 2022 through June 30, 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
1. Number of shares outstanding at end of year (Including treasury stock)	As of June 30, 2022	10,057,600	As of March 31, 2022:	10,057,600
2. Number of treasury shares at end of year	As of June 30, 2022	388,231	As of March 31, 2022:	388,195
3. Average number of shares outstanding (Cumulative quarterly period)	As of June 30, 2022	9,669,397	As of June 30, 2021	9,669,465

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

*** Explanation of the appropriate use of earnings forecasts and other special notes**

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 (3) Outlook" on page 2 of the attached materials.

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1. Qualitative Information on Financial Results for the First Quarter of the Fiscal Year

(1) Explanation of Operating Performance

During the first quarter of the consolidated fiscal year under review, the global economy became more uncertain as the economy slowed down in the U.S., China, and other countries due to soaring resource prices caused by the escalating situation in Ukraine and other factors, lockdown of major cities based on China's "zero-corona policy," global disruptions in supply chains, high global inflation and tight monetary policies in the U.S. and other countries.

Net Sales & Incomes

As for the Group's consolidated business results for the first quarter of the current fiscal year, net sales were 7,795 million yen (13,094 million yen in the same period last year), operating income was 452 million yen (1,312 million yen in the same period last year), ordinary income was 1,098 million yen (1,238 million yen in the same period last year), net income attributable to owners of the parent was 719 million yen (1,145 million yen in the same period of the previous fiscal year).

Orders & Backlogs

Orders received by the Group in the first quarter of the current fiscal year totaled 9,914 million yen (18,616 million yen in the same period of the previous fiscal year). The order backlog was 44,841 million yen (46,461 million yen in the same period of the previous year).

Business Segments

Segment results are as follows. Effective from the first quarter of the current fiscal year, the Company has changed the classification of its reportable segments, 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, which have been reclassified into the new segment classification.

(FPD Equipment Business)

In the FPD (flat panel display) equipment business, supply chain disruptions due to lockdowns in major Chinese cities, sluggish panel prices, and other factors caused delays in business negotiations and other activities, as well as moves to review capital investment plans.

The order amount for the Group's FPD equipment business in the first quarter under review was 4,747 million yen (17,339 million yen in the same period of the previous year), and the order backlog was 32,738 million yen (40,720 million yen in the same period of the previous year).

Consolidated results of the Group's FPD Equipment business for the first quarter of the current fiscal year, net sales were 6,187 million yen (10,438 million yen for the same period last year), and operating income was 697 million yen (1,176 million yen in the same period of the previous fiscal year).

(Semiconductor and Photomask Equipment Business)

In the semiconductor and photomask equipment business, capital investment in silicon wafers and other equipment remained strong due to the global expansion of semiconductor demand.

Orders received by the Group in the semiconductor and photomask equipment business during the first quarter of the current consolidated cumulative period were 4,882 million yen (1,171 million yen in the same period of the previous year), and the order backlog was 12,103 million yen (5,741 million yen in the same period of the previous year).

Consolidated results of the Group's semiconductor and photomask equipment business for the first

quarter of the current fiscal year, net sales were 1,322 million yen (2,550 million yen for the same period last year), and operating loss was 197 million yen (operating profit was 163 million yen for the same period last year).

(2) Explanation of Financial Condition

Total assets

Total assets at the end of the first quarter of the current fiscal year increased by 1,172 million yen from the end of the previous fiscal year to 73,774 million yen. This was mainly due to an increase of 3,708 million yen in "work in process" and decreases of 1,167 million yen in "cash and deposits" and 852 million yen in "notes and accounts receivable-trade".

Liabilities

Liabilities increased by 804 million yen from the end of the previous fiscal year to 38,865 million yen. This was mainly due to increases of 1,929 million yen in "electronically recorded monetary obligations" and 807 million yen in "advances received," and decreases of 530 million yen in "notes and accounts payable-trade" and 701 million yen in "long-term loans payable.

Net assets

Net assets increased by 368 million yen from the end of the previous fiscal year to 34,909 million yen. This was mainly due to an increase of 285 million yen in "foreign currency translation adjustment.

(3) Explanation of Consolidated Forecast and Other Forecasts

Regarding the forecast of business results for the fiscal year ending March 31, 2023, we have taken into consideration the consolidated business results for the first quarter of the current fiscal year and future trends. As a result, there are no changes to the forecasts for the fiscal year ending March 31, 2023 from those stated in the "Summary of Consolidated Financial Results for the Year Ended March 31, 2022" released on May 13, 2022.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	27,898	26,730
Notes and accounts receivable - trade	19,537	18,684
Electronically recorded monetary claims - operating	246	207
Merchandise and finished goods	176	558
Work in process	9,428	13,137
Raw materials and supplies	1,801	1,936
Other	4,500	3,612
Allowance for doubtful accounts	△503	△487
Total current assets	63,085	64,380
Non-current assets		
Property, plant and equipment	4,720	4,620
Intangible assets		
Goodwill	930	931
Other	565	526
Total intangible assets	1,495	1,458
Investments and other assets	3,300	3,314
Total non-current assets	9,516	9,393
Total assets	72,601	73,774
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,323	5,792
Electronically recorded obligations - operating	4,546	6,476
Short-term borrowings	※ 394	※ 265
Current portion of long-term borrowings	2,911	2,900
Income taxes payable	767	435
Advances received	8,334	9,142
Provisions	2,509	1,978
Other	1,272	1,523
Total current liabilities	27,061	28,516
Non-current liabilities		
Long-term borrowings	10,243	9,541
Retirement benefit liability	372	407
Asset retirement obligations	140	141
Provisions	156	177
Other	85	81
Total non-current liabilities	10,999	10,348
Total liabilities	38,060	38,865
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,503	2,504
Retained earnings	30,113	30,239
Treasury shares	△1,916	△1,916
Total shareholders' equity	33,548	33,674
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	79	26
Foreign currency translation adjustment	546	832
Total accumulated other comprehensive income	626	858
Non-controlling interests	365	375
Total net assets	34,540	34,909
Total liabilities and net assets	72,601	73,774

(2) Consolidated Statements of Income

<Consolidated Statements of Income>

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	13,094	7,795
Cost of sales	9,407	5,212
Gross profit	3,687	2,582
Selling, general and administrative expenses	2,374	2,130
Operating profit	1,312	452
Non-operating income		
Interest and dividend income	8	10
Subsidy income	10	17
Foreign exchange gains	–	607
Other	5	56
Total non-operating income	24	691
Non-operating expenses		
Interest expenses	11	9
Foreign exchange losses	36	–
Share of loss of entities accounted for using equity method	50	27
Other	0	8
Total non-operating expenses	98	45
Ordinary profit	1,238	1,098
Extraordinary income		
Gain on sale of non-current assets	496	1
Other	0	–
Total extraordinary income	496	1
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on sale of investment securities	–	0
Other	–	0
Total extraordinary losses	0	0
Profit before income taxes	1,735	1,099
Income taxes - current	370	368
Income taxes - deferred	46	28
Total income taxes	416	397
Profit	1,318	702
Profit (loss) attributable to non-controlling interests	172	△17
Profit attributable to owners of parent	1,145	719

<Consolidated statement of comprehensive income>

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,318	702
Other comprehensive income		
Valuation difference on available-for-sale securities	176	△53
Foreign currency translation adjustment	87	285
Total other comprehensive income	264	232
Comprehensive income	1,582	934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,413	959
Comprehensive income attributable to non-controlling interests	169	△25

(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 the "Guidance on Accounting Standard for Measurement of Fair Value")

(Application of the Accounting Standard for Fair Value Calculation" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as "Guidance on Accounting Standard for Fair Value Calculation") The "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) The new accounting policy stipulated by the "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) is applied from the beginning of the current consolidated first quarter, and the new accounting policy will be applied prospectively in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Guidance.

This change has no impact on the quarterly consolidated financial statements.