

Note: This is an English translation of the Japanese original for reference purposes only.



Summary of Consolidated Financial Statements
for the third quarter of fiscal year end of March 31, 2023
 (under Japanese GAAP)

February 10, 2023

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 Submission of the Securities Report: February 13, 2023

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 December 31, 2022)

(1) Consolidated Results of Operations

	9 months ended		9 months ended	
	December 31 ,2021		December 31 ,2022	
	Amount	YoY(%)	Amount	YoY(%)
Net sales (Millions of Yen)	36,817	△11.3	29,892	△18.8
Operating profit (Millions of Yen)	3,314	△33.6	119	△96.4
Ordinary profit (Millions of Yen)	3,413	△29.4	743	△78.2
Net profit attributable to owners of the parent (Millions of Yen)	2,920	17.2	646	△77.9
Comprehensive Income(Millions of Yen)	3,312	△2.6	803	△75.8
Net profit per share (Yen)	320.05	—	66.87	—
Diluted net profit per share (Yen)	—	—	—	—

(2) Consolidated Financial Position

	As of	As of
	March 31 ,2022	December 31 ,2022
Total assets(Millions of Yen)	72,601	74,695
Net assets(Millions of Yen)	34,540	34,186
Equity ratio(%)	47.1	45.3
Net assets per share(Yen)	3,534.40	3,502.38
*Reference: Shareholders' equity (Millions of Yen)	34,175	33,866

2. Dividends

	Year ended	Year ending	FY2023 Forecast
	March 31 2022	March 31 2023	
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	-	(Forecast)30.00
Annual dividends per share (Yen)	120.00	-	(Forecast)90.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Forecast for the Fiscal Year ending March 31, 2022 (April 1, 2022 through March 31, 2023)

	Amounts	YoY(%)
Net sales (Millions of Yen)	44,000	△14.4
Operating profit (Millions of Yen)	700	△87.2
Ordinary profit (Millions of Yen)	1,500	△74.4
Net profit attributable to owners of the parent (Millions of Yen)	1,200	△71.4
Net profit per share (Yen)	124.10	—

(Note) Revisions to the most recently announced dividend forecast: No

<NOTES>

(1) Changes in significant subsidiaries during the 9 months ended(April 1, 2022 through December 31, 2022)

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

(2) Application of Special Accounting Methods for Preparation of 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: Yes

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

c. Changes in accounting estimates: None

d. Restatements: None

(4) Number of Shares Outstanding (Common stock)

Items	As of	Number of shares	As of	Number of shares
1. Number of shares outstanding at end of year (Including treasury stock)	December 31, 2022	10,057,600	March 31, 2022	10,057,600
2. Number of treasury shares at end of year	December 31, 2022	388,031	March 31, 2022	388,195
3.Average number of shares outstanding (Cumulative quarterly period)	December 31, 2022	9,669,423	December 31, 2021	9,669,457

***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.

1. Explanation of Business Results for this Quarter

(1) Explanation of Business Results

In the global economy during the third quarter of the current consolidated cumulative period, the U.S. and other countries around the world continued monetary tightening policies under the circumstance that the global inflation trend remained high, and in Japan, the allowable range of fluctuation in long-term interest rates was expanded and so, the exchange rate fluctuated significantly. In addition, monetary tightening led to a generally slowdown in economic growth in the U.S., China, and other major economies, further increasing uncertainty about the future.

Under these circumstances, the Group's orders received during the period under review totaled 22,468 Million yen, compared with 42,962 Million yen in the same period of the previous fiscal year. The order backlog at the end of the third quarter of the current fiscal year was 35,298 Million yen (47,084 Million yen in the same period of the previous year).

As for the Group's consolidated business results for the current consolidated cumulative third quarter, net sales were 29,892 Million yen (36,817 Million yen in previous corresponding period), operating income was 119 Million yen (3,314 Million yen of operating income in previous corresponding period), ordinary income was 743 Million yen (3,413 Million yen of ordinary income in previous corresponding period), and net income attributable to owners of the parent was 646 Million yen (2,920 Million yen of net income attributable to owners of the parent in previous corresponding period).

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 year are based on the figures for the same period of the previous year, which have been reclassified into the segment classifications after the change.

(FPD Equipment Business)

In the flat panel display (FPD) equipment business, the continued slump in FPD panel prices confirmed a trend toward a revised capital investment plans. Under these circumstances, orders received in the Group's FPD equipment business during the current consolidated cumulative third quarter totaled 8,786 million yen (36,995 million yen in the same period of the previous year), with an order backlog of 18,010 million yen (40,435 million yen in the same period of the previous year), net sales amounted to 24,954 million yen (30,378 million yen in the same period of the previous year), and operating income was 515 million yen (3,037 million yen in the same period of the previous year).

(Semiconductor and Photomask Equipment Business)

In the semiconductor and photomask equipment business, although market conditions for a part of semiconductor applications deteriorated, capital investment related to our group generally progressed as planned. Under these circumstances, the value of orders received by the Group in the semiconductor and photomask equipment business during the current consolidated cumulative third quarter was 12,951 million yen (5,861 million yen in the same period of the previous year), and the order backlog was 17,287 million yen (6,648 million yen in the same period of the previous year), net sales amounted to 4,207 million yen (6,333 million yen in the same period of the previous year), and operating loss was 237 million yen (operating income of 345 million yen in the same period of the previous year).

(2) Explanation of Financial Condition

Total assets at the end of the third quarter of the current consolidated fiscal year increased by 2,093 million yen from the end of the previous consolidated fiscal year to 74,695 million yen. This was mainly due to an increase in "work in process" of 1,840 million yen.

Liabilities increased by 2,447 million yen from the end of the previous consolidated fiscal year to 40,508 million yen. This was mainly due to an increase in long-term loans payable of 3,097 million yen.

Net assets decreased by 354 million yen from the end of the previous consolidated fiscal year to 34,186 million yen. This was mainly due to an increase of 241 million yen in "Foreign currency translation adjustment" and a decrease of 538 million yen in "Retained earnings".

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

No change in earnings forecast from "Summary of Consolidated Financial Statements for the second quarter of fiscal year end of March 31, 2023" published in November 10th 2022.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	27,898	28,235
Notes and accounts receivable - trade	19,537	19,029
Electronically recorded monetary claims - operating	246	182
Merchandise and finished goods	176	442
Work in process	9,428	11,269
Raw materials and supplies	1,801	2,140
Other	4,500	4,398
Allowance for doubtful accounts	△503	△384
Total current assets	63,085	65,314
Non-current assets		
Property, plant and equipment	4,720	4,833
Intangible assets		
Goodwill	930	689
Other	565	437
Total intangible assets	1,495	1,127
Investments and other assets	3,300	3,419
Total non-current assets	9,516	9,380
Total assets	72,601	74,695
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,323	4,666
Electronically recorded obligations - operating	4,546	4,358
Short-term borrowings	394	300
Current portion of long-term borrowings	2,911	4,806
Income taxes payable	767	111
Advances received	8,334	8,815
Provisions	2,509	1,682
Other	1,272	1,571
Total current liabilities	27,061	26,312
Non-current liabilities		
Long-term borrowings	10,243	13,341
Retirement benefit liability	372	416
Asset retirement obligations	140	163
Provisions	156	217
Other	85	57
Total non-current liabilities	10,999	14,195
Total liabilities	38,060	40,508
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,503	2,503
Retained earnings	30,113	29,574
Treasury shares	△1,916	△1,915
Total shareholders' equity	33,548	33,010
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	79	67
Foreign currency translation adjustment	546	788
Total accumulated other comprehensive income	626	855
Non-controlling interests	365	319
Total net assets	34,540	34,186
Total liabilities and net assets	72,601	74,695

(2) Consolidated Statements of Income

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	36,817	29,892
Cost of sales	26,293	22,687
Gross profit	10,524	7,204
Selling, general and administrative expenses	7,210	7,085
Operating profit	3,314	119
Non-operating income		
Interest and dividend income	27	26
Subsidy income	17	88
Foreign exchange gains	86	594
Other	38	75
Total non-operating income	170	786
Non-operating expenses		
Interest expenses	32	31
Share of loss of entities accounted for using equity method	35	118
Other	3	11
Total non-operating expenses	71	161
Ordinary profit	3,413	743
Extraordinary income		
Gain on sale of non-current assets	834	1
Gain on change in equity	–	489
National subsidies	–	188
Other	5	–
Total extraordinary income	840	679
Extraordinary losses		
Loss on retirement of non-current assets	19	6
Loss on valuation of investment securities	–	19
Other	–	2
Total extraordinary losses	19	28
Profit before income taxes	4,234	1,395
Income taxes - current	933	365
Income taxes - deferred	301	455
Total income taxes	1,234	821
Profit	2,999	573
Profit (loss) attributable to non-controlling interests	79	△72
Profit attributable to owners of parent	2,920	646

<Consolidated statement of comprehensive income>

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,999	573
Other comprehensive income		
Valuation difference on available-for-sale securities	101	△12
Foreign currency translation adjustment	211	79
Share of other comprehensive income of entities accounted for using equity method	—	161
Total other comprehensive income	313	229
Comprehensive income	3,312	803
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,188	868
Comprehensive income attributable to non-controlling interests	124	△65

(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>

The Company adopted the "Guidance on Accounting Standard for Measurement of Fair Value*" hereafter referred to as the Guidance on Accounting Standard for Measurement of Fair Value" from the beginning of the first quarter of the current fiscal year. * The ASBJ Guidance No. 31, June 17, 2021.

In accordance with the transitional treatment stipulated in Paragraph 27-2 of the Guidance on Accounting Standard for Fair Value Estimation, the Company has decided to apply the new accounting policy stipulated by the Guidance on Accounting Standard for Fair Value Estimation prospectively.

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