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Summary of Consolidated Financial Statements
for the first quarter of the fiscal year ending of March 31, 2024
(Under Japanese GAAP)

August 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: August 14, 2023

Planned Date for Start of Dividend Payment: None

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, 2023 through June 30, 2023)

(1) Consolidated Results of Operations

	3 months ended June 30, 2022		3 months ended June 30, 2023	
	Amount	YoY(%)	Amount	YoY(%)
Net sales (Millions of Yen)	7,795	▲40.5	5,749	▲26.2
Operating profit or loss(▲) (Millions of Yen)	452	▲65.5	▲641	—
Ordinary profit or loss(▲) (Millions of Yen)	1,098	▲11.2	▲410	—
Net profit or loss(▲) attributable to owners of the parent (Millions of Yen)	719	▲37.2	▲406	—
Comprehensive Income or loss(▲) (Millions of Yen)	934	▲41.0	▲65	—
Net profit per share (Yen)	74.42	—	▲42.04	—
Diluted net profit per share (Yen)	—	—	—	—

(2) Consolidated Financial Position

	As of March 31, 2023	As of June 30, 2023
Total assets(Millions of Yen)	71,387	68,768
Net assets(Millions of Yen)	33,884	33,720
Equity ratio(%)	47.1	48.4
Net assets per share(Yen)	3,475.25	3,441.40
*Reference: Shareholders' equity (Millions of Yen)	33,604	33,277

2. Dividends

	Year ended March 31 2023	Year ending March 31 2024	FY2024 Forecast
1Q-end dividends per share (Yen)	—	—	—
2Q-end dividends per share (Yen)	60.00		30.00
3Q-end dividends per share (Yen)	—		—
Year-end dividends per share (Yen)	30.00		30.00
Annual dividends per share (Yen)	90.00		60.00

Note: Revision of dividend forecast from the most recently announced dividend forecast is None.

3. Forecast for the Fiscal Year ending March 31, 2024 (April 1, 2023 through March 31, 2024)

	Amounts	YoY(%)
Net sales (Millions of Yen)	40,000	▲7.3
Operating profit (Millions of Yen)	1,000	1.4
Ordinary profit (Millions of Yen)	850	▲50.0
Net profit attributable to owners of the parent (Millions of Yen)	550	111.3
Net profit per share (Yen)	56.88	—

Note: Revision of the forecast from the most recently announced dividend forecast is None.

<Notes>

- (1) Changes in significant subsidiaries during the 3 months ended(April 1, 2023 through June 30, 2023) : 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
 - i . Changes in accounting policies due to changes in accounting standards: None
 - ii . Changes other than "a." above: None
 - iii . Changes in accounting estimates: None
 - iv . 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)	June 30, 2023	10,057,600	March 31, 2022	10,057,600
2. Number of treasury shares at end of year	June 30, 2023	387,917	March 31, 2022	387,954
3.Average number of shares outstanding (Cumulative quarterly period)	June 30, 2023	9,669,676	June 30, 2022	9,669,397

***This Brief Report "Summary of Consolidated Financial Statements" 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.

Refer to "1. Qualitative Information on Quarterly Results (3) Explanation of Forward-Looking Statements" on page 3 of the attached materials for the assumptions used and precautions regarding the use of earnings forecasts.

1. Qualitative Information on Quarterly Results

(1) Explanation of Business Results

During the first quarter of the current fiscal year, the global economy continued to face an uncertain outlook as policy interest rates continued to be raised to curb inflation, particularly in the U.S. and European countries.

In the U.S., amid a monetary tightening phase, the economy remained firm thanks to a relatively strong employment situation and growth in capital investment. On the other hand, for the Chinese economy, the pace of recovery remained moderate due to lackluster consumer spending, sluggish real estate market conditions, and other factors.

The Japanese economy remained firm, driven by growth in capital investment and exports, while prices remained high.

As for the consolidated business results of V Technology group (herein after "the group" or the company) for the first quarter of the current fiscal year, net sales amounted to 5,749 million yen (7,795 million yen for the same period last year), and operating loss amounted to 641 million yen (operating profit 452 million yen for the same period last year), Ordinary loss was 410 million (ordinary income 1,098 million yen in the same period of the previous year), Net loss attributable to owners of the parent for the current fiscal year amounted to 406 million (net profit of 719 million in the same period of the previous fiscal year). Orders received by the Group in the current consolidated fiscal year totaled 9,264 million yen (9,914 million yen in the same period of the previous year). As a result, the order backlog at the end of the consolidated fiscal year under review amounted to 40,162 million yen (44,841 million yen in the same period of the previous year).

Segment results are as follows.

(FPD Equipment Business)

In the flat panel display (FPD) equipment business, capital investment remained sluggish due to concerns about the future of the FPD market. Under these circumstances, orders received in the Group's FPD equipment business during the first quarter totaled 6,433 million yen (4,747 million yen in the same period of the previous year), with an order backlog of 24,204 million yen (32,738 million yen in the same period of the previous year), net sales amounted to 4,133 million yen (6,187 million yen in the same period of the previous year), and operating loss was 347 million yen (operating profit 697 million yen in the same period of the previous year).

(Semiconductor and Photomask Equipment Business)

In the semiconductor and photomask equipment business, although supply and demand continued to deteriorate for some semiconductors, capital investment related to our group generally progressed as planned. Under these circumstances, orders received by the Group in the semiconductor and photomask equipment business during the first quarter of the year totaled 2,592 million yen (4,882 million yen in the same period of the previous year), and the order backlog totaled 15,958 million yen (12,103 million yen in the same period of the previous year), net sales amounted to 1,377 million yen (1,322 million yen in the same period of the previous year), and operating loss was 204 million yen (operating profit 197 million yen in the same period of the previous year).

(2) Explanation of Financial Condition

(Assets)

Total assets at the end of the first quarter of the current fiscal year decreased by 2,618 million yen from the end of the previous consolidated fiscal year to 68,768 million yen. This was mainly due to an decrease in "Notes and accounts receivable" of 2,764 million yen.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year year decreased by 2,454 million yen from the end of the previous consolidated fiscal year to 35,047 million yen. This was mainly due to decreases of 2,147 million yen in "advance received" and 274 million yen in "income taxes payable".

(Net assets)

Net assets decreased by 164 million yen from the end of the previous consolidated fiscal year to 33,720 million yen. This was mainly due to an increase of 162 million yen in "non-controlling payable" and an increase of 294 million yen in "Foreign currency translation adjustment" and a decrease of 698 million yen in "Retained earnings".

(3) Explanation of Forward-Looking Statements

As for the forecast of business results for the fiscal year ending March 31, 2024, the Company has not changed it at this time from the forecast stated in "Summary of Financial Results for the Fiscal Year Ended March 31, 2023" released on May 12, 2023, taking into consideration the consolidated business results for the first quarter of the current fiscal period and future trends.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	26,729	25,215
Notes and accounts receivable - trade	22,408	19,644
Electronically recorded monetary claims - operating	103	158
Merchandise and finished goods	338	402
Work in process	7,219	8,702
Raw materials and supplies	2,532	3,044
Other	3,709	3,182
Allowance for doubtful accounts	△420	△412
Total current assets	62,621	59,937
Non-current assets		
Property, plant and equipment	4,034	4,029
Intangible assets		
Goodwill	1,046	900
Other	413	501
Total intangible assets	1,460	1,401
Investments and other assets	3,270	3,400
Total non-current assets	8,765	8,831
Total assets	71,387	68,768
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,039	3,935
Electronically recorded obligations - operating	2,574	2,328
Short-term borrowings	※ 663	※ 1,347
Current portion of long-term borrowings	4,961	5,130
Income taxes payable	363	89
Advances received	8,221	6,073
Provision for product warranties	1,333	1,132
Other provisions	524	367
Other	1,240	1,523
Total current liabilities	23,922	21,928
Non-current liabilities		
Long-term borrowings	12,662	12,135
Retirement benefit liability	443	468
Asset retirement obligations	181	181
Provisions	238	258
Other	54	75
Total non-current liabilities	13,579	13,119
Total liabilities	37,502	35,047
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,503	2,503
Retained earnings	29,198	28,499
Treasury shares	△1,915	△1,915
Total shareholders' equity	32,635	31,936
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131	209
Foreign currency translation adjustment	837	1,131
Total accumulated other comprehensive income	969	1,340
Non-controlling interests	280	443
Total net assets	33,884	33,720
Total liabilities and net assets	71,387	68,768

(2) Consolidated Statements of Income

<Consolidated Statements of Income>

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	7,795	5,749
Cost of sales	5,212	3,879
Gross profit	2,582	1,870
Selling, general and administrative expenses	2,130	2,511
Operating profit (loss)	452	△641
Non-operating income		
Interest and dividend income	10	14
Subsidy income	17	26
Foreign exchange gains	607	287
Other	56	45
Total non-operating income	691	373
Non-operating expenses		
Interest expenses	9	14
Share of loss of entities accounted for using equity method	27	120
Other	8	7
Total non-operating expenses	45	143
Ordinary profit (loss)	1,098	△410
Extraordinary income		
Gain on sale of non-current assets	1	—
Gain on change in equity	—	11
Total extraordinary income	1	11
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on sale of investment securities	0	—
Impairment losses	—	0
Other	0	—
Total extraordinary losses	0	1
Profit (loss) before income taxes	1,099	△400
Income taxes - current	368	20
Income taxes - deferred	28	16
Total income taxes	397	37
Profit (loss)	702	△437
Loss attributable to non-controlling interests	△17	△30
Profit (loss) attributable to owners of parent	719	△406

<Consolidated statement of comprehensive income>

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	702	△437
Other comprehensive income		
Valuation difference on available-for-sale securities	△53	77
Foreign currency translation adjustment	285	245
Share of other comprehensive income of entities accounted for using equity method	—	48
Total other comprehensive income	232	371
Comprehensive income	934	△65
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	959	△26
Comprehensive income attributable to non-controlling interests	△25	△38

(3) Notes on Consolidated Financial Statements

<Notes on Going Concern Assumptions>

Not applicable

<Notes in the event of significant changes in shareholders' equity>

Not applicable