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

February 9, 2024

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

Code Number: 7717, Tokyo Stock Exchange

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

Representative: Shigeto Sugimoto (President & CEO)

Contact: Shogo Yoshimura (Leader of IR Group, Office of the President) TEL: 045-338-1980

Planned Date for Submission of the Securities Report: February,13 2024

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 December 31, 2023)

(1) Consolidated Results of Operations

	9 months ended December 31, 2022		9 months ended December 31, 2023	
	Amount	YoY(%)	Amount	YoY(%)
Net sales (Millions of Yen)	29,892	▲18.8	19,103	▲36.1
Operating profit or loss(▲) (Millions of Yen)	119	▲96.4	▲2,077	—
Ordinary profit or loss(▲) (Millions of Yen)	743	▲78.2	▲1,900	—
Net profit or loss(▲) attributable to owners of the parent (Millions of Yen)	646	▲77.9	▲1,387	—
Comprehensive Income or loss(▲) (Millions of Yen)	803	▲75.8	▲1,170	—
Net profit per share (Yen)	66.87	—	▲143.55	—
Diluted net profit per share (Yen)	—	—	—	—

(2) Consolidated Financial Position

	As of March 31 ,2023	As of December 31, 2023
Total assets(Millions of Yen)	71,387	72,588
Net assets(Millions of Yen)	33,884	32,211
Equity ratio(%)	47.1	44.1
Net assets per share(Yen)	3,475.25	3,314.35
*Reference: Shareholders' equity (Millions of Yen)	33,604	31,899

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	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)	56.87	—

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 December 31, 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)	December 31, 2023	10,057,600	March 31, 2022	10,057,600
2. Number of treasury shares at end of year	December 31, 2023	433,086	March 31, 2022	387,954
3.Average number of shares outstanding (Cumulative quarterly period)	December 31, 2023	9,662,402	December 31, 2022	9,669,423

***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 nine months ended December 31, 2023, the global economy continued to face an uncertain outlook in general, as the situation in the Middle East became increasingly tense in addition to the long-standing crisis in Ukraine. In addition, the regional economies are uneven, with Europe showing a noticeable deceleration trend, China sluggish, and the U.S. relatively robust.

The U.S. economy, despite the monetary tightening phase, has been strong on the back of strong consumer spending, while the Chinese economy has slowed amid continued weakness in the real estate market and lackluster capital investment and consumer spending. Japan's economy continued to grow moderately, supported by growth in personal consumption and corporate capital investment.

As for the consolidated business results of V Technology group (herein after "the group" or the company) for the third quarter(nine months) of the current fiscal year, net sales amounted to 19,103 million yen (29,892 million yen for the same period last year), and operating loss amounted to 2,077 million yen (operating profit 119 million yen for the same period last year), Ordinary loss was 1,900 million(ordinary income 743 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 1,387 million(net profit of 646 million in the same period of the previous fiscal year). Orders received by the Group was 27,190 million yen(22,468 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 44,734 million yen (35,298 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, panel demand was generally weak and capital investment stagnated.

Under these circumstances, orders received in the Group's FPD equipment business during the third quarter(nine months) totaled 15,684 million yen (8,786 million yen in the same period of the previous year), with an order backlog of 26,571 million yen (18,010 million yen in the same period of the previous year), net sales amounted to 11,017 million yen (24,954 million yen in the same period of the previous year), and operating loss was 862 million yen (operating profit 515 million yen in the same period of the previous year).

(Semiconductor and Photomask Equipment Business)

In the semiconductor and photomask equipment business, while the supply-demand balance for semiconductors, particularly memory, improved slightly, inventory adjustments for semiconductor materials such as wafers went into full swing, but capital investment related to our business generally proceeded as planned.

Under these circumstances, orders received by the Group in the semiconductor and photomask equipment business during the third quarter(nine months) of the year totaled 10,747 million yen (12,951 million yen in the same period of the previous year), and the order backlog totaled 18,162 million yen (17,287 million yen in the same period of the previous year), net sales amounted to 7,328 million yen (4,207 million yen in the same period of the previous year), and operating loss was 1,017 million yen (operating loss 237 million yen in the same period of the previous year).

(2) Explanation of Financial Condition

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(Assets)

Total assets at the end of the third quarter of the current fiscal year increased by 1,002 million yen from the end of the previous consolidated fiscal year to 72,389 million yen. This was mainly due to an increase in " Work in process" of 7,891 million yen, and a decrease in " Notes and accounts receivable " of 4,855 million yen.

(Liabilities)

Total liabilities at the end of the third quarter of the current fiscal year increased by 2,675 million yen from the end of the previous consolidated fiscal year to 40,178 million yen. This was mainly due to an increase in " Current portion of long-term borrowings " of 4,357 million yen.

(Net assets)

Net assets decreased by 1,672 million yen from the end of the previous consolidated fiscal year to 32,211 million yen. This was mainly due to a decrease of 1,977 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	26,729	23,303
Notes and accounts receivable - trade	22,408	17,552
Electronically recorded monetary claims - operating	103	232
Merchandise and finished goods	338	522
Work in process	7,219	15,111
Raw materials and supplies	2,532	2,811
Other	3,709	4,162
Allowance for doubtful accounts	△420	△401
Total current assets	62,621	63,294
Non-current assets		
Property, plant and equipment	4,034	4,114
Intangible assets		
Goodwill	1,046	607
Other	413	391
Total intangible assets	1,460	999
Investments and other assets	3,270	3,981
Total non-current assets	8,765	9,095
Total assets	71,387	72,389
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,039	4,883
Electronically recorded obligations - operating	2,574	5,966
Short-term borrowings	663	907
Current portion of long-term borrowings	4,961	9,318
Income taxes payable	363	114
Advances received	8,221	3,957
Provision for product warranties	1,333	919
Other provisions	524	309
Other	1,240	1,357
Total current liabilities	23,922	27,734
Non-current liabilities		
Long-term borrowings	12,662	11,353
Retirement benefit liability	443	463
Asset retirement obligations	181	197
Provisions	238	295
Other	54	134
Total non-current liabilities	13,579	12,443
Total liabilities	37,502	40,178
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,503	2,503
Retained earnings	29,198	27,220
Treasury shares	△1,915	△2,011
Total shareholders' equity	32,635	30,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131	166
Foreign currency translation adjustment	837	1,171
Total accumulated other comprehensive income	969	1,337
Non-controlling interests	280	312
Total net assets	33,884	32,211
Total liabilities and net assets	71,387	72,389

(2) Consolidated Statements of Income

<Consolidated Statements of Income>

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	29,892	19,103
Cost of sales	22,687	14,102
Gross profit	7,204	5,001
Selling, general and administrative expenses	7,085	7,079
Operating profit (loss)	119	△2,077
Non-operating income		
Interest and dividend income	26	46
Foreign exchange gains	594	249
Other	164	125
Total non-operating income	786	421
Non-operating expenses		
Interest expenses	31	44
Share of loss of entities accounted for using equity method	118	165
Other	11	34
Total non-operating expenses	161	244
Ordinary profit (loss)	743	△1,900
Extraordinary income		
Gain on sale of non-current assets	1	53
Gain on change in equity	489	11
National subsidiaries	188	—
Total extraordinary income	679	65
Extraordinary losses		
Loss on retirement of non-current assets	6	1
Loss on valuation of investment securities	19	—
Impairment losses	—	3
Other	2	—
Total extraordinary losses	28	4
Profit (loss) before income taxes	1,395	△1,839
Income taxes - current	365	213
Income taxes - deferred	455	△513
Total income taxes	821	△300
Profit (loss)	573	△1,539
Loss attributable to non-controlling interests	△72	△152
Profit (loss) attributable to owners of parent	646	△1,387

<Consolidated statement of comprehensive income>

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	573	△1,539
Other comprehensive income		
Valuation difference on available-for-sale securities	△12	34
Foreign currency translation adjustment	79	262
Share of other comprehensive income of entities accounted for using equity method	161	71
Total other comprehensive income	229	368
Comprehensive income	803	△1,170
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	868	△1,026
Comprehensive income attributable to non-controlling interests	△65	△144

(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

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

(Acquisition of treasury stock)

In accordance with the resolution of the Board of Directors meeting held on November 10, 2023, the Company acquired treasury stock during the third quarter of the current consolidated cumulative period, based on the resolution on matters pertaining to the acquisition of treasury stock in accordance with Article 156 of the Companies Act as applied pursuant to Article 165-3 of the same act. As a result, treasury stock increased by 96 million yen during this consolidated cumulative third quarter, including the increase due to the purchase of odd-lot shares and the disposal under the stock delivery trust program.