

Note: This is an English translation of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Summary of Consolidated Financial Statements
for the first quarter of the fiscal year ending of March 31, 2025
 (Under Japanese GAAP)

August 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 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, 2024 through June 30, 2024)

(1) Consolidated Results of Operations

	3 months ended June 30, 2023		3 months ended June 30, 2024	
	Amount	YoY(%)	Amount	YoY(%)
Net sales (Millions of Yen)	5,749	△26.2	9,523	+ 65.6
Operating profit or loss(△) (Millions of Yen)	△641	—	△948	—
Ordinary profit or loss(△) (Millions of Yen)	△410	—	△759	—
Net profit or loss(△) attributable to owners of the parent (Millions of Yen)	△406	—	△656	—
Comprehensive Income or loss(△) (Millions of Yen)	△65	—	△514	—
Net profit per share (Yen)	△42.04	—	△68.22	—

(2) Consolidated Financial Position

	As of March 31, 2024	As of June 30, 2024
Total assets(Millions of Yen)	75,606	74,397
Net assets(Millions of Yen)	34,639	33,841
Equity ratio(%)	45.5	45.2
*Reference: Shareholders' equity (Millions of Yen)	34,372	33,611

2. Dividends

	Year ended March 31 2024	Year ending March 31 2025	FY2025 Forecast
1Q-end dividends per share (Yen)	—	—	—
2Q-end dividends per share (Yen)	30.00		40.00
3Q-end dividends per share (Yen)	—		—
Year-end dividends per share (Yen)	30.00		40.00
Annual dividends per share (Yen)	60.00		80.00

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)	47,000	25.9
Operating profit (Millions of Yen)	1,600	89.1
Ordinary profit (Millions of Yen)	1,400	25.9
Net profit attributable to owners of the parent (Millions of Yen)	1,000	28.5
Net profit per share (Yen)	103.88	—

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, 2024 through June 30, 2024) : 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: yes

ii . Changes other than "i." above: None

iii . Changes in accounting estimates: None

iv . Restatements: None

Please refer to Page 6 "2. Consolidated Financial Statements and Major Notes, (3) Notes to Consolidated Financial Statements (Note on the change of accounting policies) " for more information.

(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, 2024	10,057,600	March 31, 2024	10,057,600
2. Number of treasury shares at end of year	June 30, 2024	431,386	March 31, 2024	433,086
3.Average number of shares outstanding (Cumulative quarterly period)	June 30, 2024	9,625,488	June 30, 2023	9,669,676

***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 page 3, "1. Qualitative Information on Quarterly Results (3) Explanation of Forward-Looking Statements" for the assumptions used and precautions regarding the use of earnings forecasts and more information.

1. Qualitative Information on Quarterly Results

(1) Explanation of Business Results

During the first quarter of the year under review, the global economy continued to face an uncertain situation, with uneven economic conditions depending on the region: in Europe, where stagnation continued, China, where recovery was slow, and the USA, where the situation was firm, amid increasing geopolitical tensions worldwide, including the situation in Ukraine and the Middle East.

In the USA, the economy remained robust against a backdrop of strong consumer spending and capital investment, despite continued monetary tightening.

In China, the recovery slowed due to a sluggish property market and a slowdown in consumer spending.

In Japan, corporate capital investment remained strong, while consumer spending was sluggish and the economy remained moderate.

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 9,523 million yen (5,749 million in same period last year, hereinafter figures in brackets() refer to the same period of the previous year), and operating loss amounted to 948 million yen (operating loss 641 million), Ordinary loss was 759 million(ordinary loss 410 million yen),Net loss attributable to owners of the parent amounted to 656 million(net loss of 406 million yen). Orders received by the Group in the current consolidated fiscal year totaled 9,879 million yen(9,264 million yen).As a result, the order backlog at the end of the consolidated fiscal year under review amounted to 40,162 million yen (37,436 million yen).

Segment results are as follows.

(FPD Equipment Business)

In the flat panel display (FPD) equipment business, panel market conditions recovered slightly and capital investment was generally in line with plans. Under these circumstances, orders received in the Group's FPD equipment business during the first quarter totaled 7,237 million yen (6,433 million yen), with an order backlog of 19,497 million yen (24,204 million yen), net sales amounted to 7,639 million yen (4,133 million yen), and operating loss was 334 million yen (operating loss 347 million yen).

(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 2,254 million yen (2,592 million yen), and the order backlog totaled 19,959 million yen (15,958 million yen), net sales amounted to 1,495 million yen (1,377 million yen), and operating loss was 554 million yen (operating loss 204 million yen).

(2) Explanation of Financial Condition

(Assets)

Total assets at the end of the first quarter of the current fiscal year decreased by 1,208 million yen from the end of the previous consolidated fiscal year to 74,397 million yen. This was mainly due to a decrease in "Notes and accounts receivable" of 4,383 million yen, and an increase in "Cash and deposits" of 1,967 million yen.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year year decreased by 410 million yen from the end of the previous consolidated fiscal year to 40,556 million yen. This was mainly due to a decreases of 1,067 million yen in "Long-term borrowings“.

(Net assets)

Net assets decreased by 798 million yen from the end of the previous consolidated fiscal year to 33,841 million yen. This was mainly due to a decrease of 968 million yen in "Retained earnings“.

(3) Explanation of Forward-Looking Statements

As a result of taking into account the results for the first quarter of the year under review and future trends, there are currently no changes to the forecast for the year ending 31 March 2025 from the forecast in the 'Summary of financial results for the year ended 13 May 2024'.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets (Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	23,096	25,063
Notes and accounts receivable - trade	24,716	20,332
Electronically recorded monetary claims - operating	165	799
Merchandise and finished goods	477	443
Work in process	12,274	12,881
Raw materials and supplies	2,780	3,084
Other	3,980	3,340
Allowance for doubtful accounts	△445	△408
Total current assets	67,045	65,537
Non-current assets		
Property, plant and equipment	4,098	4,305
Intangible assets		
Goodwill	515	653
Other	371	346
Total intangible assets	886	1,000
Investments and other assets	3,575	3,553
Total non-current assets	8,560	8,860
Total assets	75,606	74,397
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,429	5,296
Electronically recorded obligations - operating	5,956	5,770
Short-term borrowings	866	1,386
Current portion of long-term borrowings	9,009	8,764
Income taxes payable	285	43
Advances received	4,496	5,645
Provision for product warranties	865	736
Other provisions	390	342
Other	2,000	1,920
Total current liabilities	29,299	29,905
Non-current liabilities		
Long-term borrowings	10,550	9,482
Retirement benefit liability	456	460
Asset retirement obligations	208	209
Provisions	310	324
Other	140	174
Total non-current liabilities	11,666	10,650
Total liabilities	40,966	40,556
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,503	2,504
Retained earnings	29,387	28,418
Treasury shares	△2,011	△2,004
Total shareholders' equity	32,727	31,765
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	242	97
Foreign currency translation adjustment	1,402	1,747
Total accumulated other comprehensive income	1,644	1,845
Non-controlling interests	267	229
Total net assets	34,639	33,841
Total liabilities and net assets	75,606	74,397

(2) Consolidated Statements of Income

<Consolidated Statements of Income> (Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	5,749	9,523
Cost of sales	3,879	7,749
Gross profit	1,870	1,773
Selling, general and administrative expenses	2,511	2,722
Operating loss	△641	△948
Non-operating income		
Interest and dividend income	14	15
Foreign exchange gains	287	206
Other	71	65
Total non-operating income	373	287
Non-operating expenses		
Interest expenses	14	19
Share of loss of entities accounted for using equity method	120	76
Other	7	1
Total non-operating expenses	143	97
Ordinary loss	△410	△759
Extraordinary income		
Gain on sale of non-current assets	–	38
Gain on change in equity	11	–
Total extraordinary income	11	38
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Impairment losses	0	0
Total extraordinary losses	1	1
Loss before income taxes	△400	△721
Income taxes - current	20	45
Income taxes - deferred	16	△51
Total income taxes	37	△6
Loss	△437	△715
Loss attributable to non-controlling interests	△30	△58
Loss attributable to owners of parent	△406	△656

<Consolidated statement of comprehensive income> (Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Loss	△437	△715
Other comprehensive income		
Valuation difference on available-for-sale securities	77	△144
Foreign currency translation adjustment	245	276
Share of other comprehensive income of entities accounted for using equity method	48	68
Total other comprehensive income	371	200
Comprehensive income	△65	△514
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△26	△441
Comprehensive income attributable to non-controlling interests	△38	△72

(3) Notes on Consolidated Financial Statements

<Notes on the financial reporting framework>

The quarterly consolidated financial statements have been prepared in accordance with 1 and 2 below.

1. Article 4.1 of the Standards for the Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc.
2. The accounting standards for quarterly financial statements generally recognised as fair and appropriate in Japan (however, the omission of a statement as stipulated in Article 4.2 of the Standards for the Preparation of Quarterly Financial Statements is applied).

<Note on the change of accounting policies>

Application of the Accounting Standard for Current Income Taxes

The Accounting Standard for Corporate, Inhabitant and Business Taxes (ASBJ Statement No. 27, 28 October 2022; hereafter 'the 2022 Revised Accounting Standard') has been adopted. Hereafter referred to as the 'Revised 2022 Accounting Standard'. and others have been applied from the beginning of the first quarter of the current financial year.

With regard to amendments to the classification of income taxes (taxation on other comprehensive income), the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the 'Guidance on Accounting Standard for Tax Effect Accounting' (ASBJ Guidance No. 28, 28 October 2022; hereinafter 'Guidance on Accounting Standard 2022') were applied. Hereinafter referred to as the '2022 Revised Application Guidelines'). The transitional treatment stipulated in the proviso of paragraph 65-2 (2) is followed. This has no impact on the quarterly consolidated financial statements.

With regard to amendments relating to the revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses on the sale of shares in subsidiaries and other assets arising on the sale of shares in subsidiaries between consolidated companies, the revised 2022 Application Guidance has been applied from the beginning of the first quarter of the current financial year. The change in accounting policy has been applied retrospectively and the quarterly consolidated financial statements and consolidated financial statements for the previous year's quarter and the previous financial year have been applied retrospectively.

The change has no impact on the quarterly consolidated financial statements for the previous year's quarter and the consolidated financial statements for the previous financial year.

<Note on the segment information>

I. Previous financial year (1 April 2023 - 30 June 2023)

Information on sales, income (loss), assets, liabilities, and other items by reportable segment

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Consolidated *3
	FPD equipment business	Semiconductor, photomask equipment business	Total			
Sales						
Revenues from external customers	4,133	1,377	5,511	238	–	5,749
Transactions with other segments	70	–	70	–	△70	–
total	4,204	1,377	5,581	238	△70	5,749
Segment income (△loss)	△347	△204	△551	△89	–	△641

Note

*1. "Other" is a business segment that is not included in the reportable segments and includes OLED lighting and agriculture business.

*2. "Adjustment" refers to elimination of intersegment transactions.

*3. Segment income (loss) is adjusted with operating income in the consolidated financial statements.

II. Current financial year (1 April 2024 - 30 June 2024)>

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Consolidated *3
	FPD equipment business	Semiconductor, photomask equipment business	Reportable segments			
Sales						
Revenues from external customers	7,639	1,495	9,135	387	–	9,523
Transactions with other segments	7	–	7	69	△76	–
total	7,647	1,495	9,142	456	△76	9,523
Segment income (△loss)	△334	△554	△888	△60	–	△948

Note

*1. "Other" is a business segment that is not included in the reportable segments and includes OLED lighting and agriculture business.

*2. "Adjustment" refers to elimination of intersegment transactions.

*3. Segment income (loss) is adjusted with operating income in the consolidated financial statements.

<Notes on significant changes in shareholders' equity>

None

<Notes on going concern assumption>

None

<Notes to the quarterly consolidated cash flow statement>

Depreciation (including amortisation of intangible assets excluding goodwill) and amortisation of goodwill for the first quarter of the financial year are as follows.

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation expense (Million yen)	170	169
Amortisation of goodwill (Million yen)	146	107