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Summary of Consolidated Financial Statements for the Third Quarter of the fiscal year ending of March 31, 2025

〔Under Japanese GAAP〕



February 10, 2025

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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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 December 31, 2024)

(1) Consolidated Results of Operations

	Nine months ended December 31, 2023		Nine months ended December 31, 2024	
	Amount	YoY(%)	Amount	YoY(%)
Net sales (Millions of Yen)	19,103	△36.1	31,824	+ 66.6
Operating profit or loss(△) (Millions of Yen)	△2,007	—	56	—
Ordinary profit or loss(△) (Millions of Yen)	△1,900	—	194	—
Net profit or loss(△) attributable to owners of the parent (Millions of Yen)	△1,387	—	53	—
Net profit per share (Yen)	△143.55	—	5.63	—

(2) Consolidated Financial Position

	As of March 31, 2024	As of December 31, 2024
Total assets(Millions of Yen)	75,606	75,461
Net assets(Millions of Yen)	34,639	33,300
Equity ratio(%)	45.5	43.9
*Reference: Shareholders' equity (Millions of Yen)	34,372	33,153

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, 2024 through March 31, 2025)

	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)	105.82	—

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

<Notes>

(1) Changes in significant subsidiaries during the Nine months ended(April 1, 2024 through December 31, 2024) : None.

(2) Application of Special Accounting Methods for Preparation of the Third Quarter 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 Page6 " (4) Notes to the third quarter of Consolidated Financial Statements " for more information.

(4) Number of Shares Outstanding (Common stock)

① Number of shares outstanding at end of year
(Including treasury stock)

② Number of treasury shares at end of year

③ Average number of shares outstanding (Cumulative
Third Quarter period)

As of	Number of shares	As of	Number of shares
December 31, 2024	10,057,600	March 31, 2024	10,057,600
December 31, 2024	607,386	March 31, 2024	433,086
December 31, 2024	9,594,133	December 31, 2023	9,662,402

***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 third quarter of the current fiscal year, the economic outlook remained uncertain due to concerns about the impact of the tense situation in the Middle East and the U.S. presidential election.

In the United States, the economy remained generally strong, supported by strong consumer spending. In China, economic stimulus measures were announced in both fiscal and monetary policy in response to the prolonged slump in domestic demand. In Europe, monetary easing progressed amid a slump in the economy, particularly in the major countries that make up the EU.

In Japan, the economy recovered gradually amid generally strong capital investment.

As for the consolidated business results of V Technology group (herein after "the group" or "the company") for the the third quarter of the current fiscal year, net sales amounted to 31,824 million yen (19,103 million in same period last year, hereinafter figures in brackets() refer to the same period of the previous year), and operating profit amounted to 56 million yen (operating loss 2,077 million), Ordinary profit was 194 million(ordinary loss 1,900 million yen), Net profit attributable to owners of the parent amounted to 53 million(net loss of 1,387 million yen).

Orders received by the Group in the the third quarter of the current fiscal year totaled 26,462 million yen(27,190 million yen). As a result, the order backlog at the the third quarter of the current fiscal year under review amounted to 31,737 million yen (44,734 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 the third quarter of the current fiscal year totaled 12,995 million yen (15,684 million yen), with an order backlog of 10,586 million yen (26,571 million yen), net sales amounted to 22,308 million yen (11,017 million yen), and operating profit was 3 million yen (operating loss 862 million yen).

(Semiconductor and Photomask Equipment Business)

In the semiconductor and photomask equipment business, 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 the third quarter of the current fiscal year totaled 12,412 million yen (10,747 million yen), and the order backlog totaled 21,151 million yen (18,162 million yen), net sales amounted to 8,461 million yen (7,328 million yen), and operating profit was 325 million yen (operating loss 1,017 million yen).

(2) Explanation of Financial Condition

Condition of Assets, Liabilities & Net assets

(Assets)

Total assets at the end of the the third quarter of the current fiscal year decreased by 144 million yen from the end of the last last fiscal year to 75,461 million yen. This was mainly due to an increase in "Cash and deposits" of 3,099 million yen, and a decrease in "Notes and accounts receivable" of 4,534 million yen.

(Liabilities)

Total liabilities at the end of the the third quarter of the current fiscal year increased by 1,194 million yen from the end of the last last fiscal year to 42,161 million yen. This was mainly due to an increase of 4,870 million yen in "Long-term borrowings", and a decreases of 3,192 million yen in "Long-term loans payable due within one year ".

(Net assets)

Net assets decreased by 1,339 million yen from the end of the last fiscal year to 33,300 million yen. This was mainly due to a decrease of 641 million yen in "Retained earnings " including 467 million yen in "Acquisition of treasury stock ".

(3) Explanation of Forward-Looking Statements

As a result of taking into account the results for the Third Quarter of the current fiscal 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)

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	23,096	26,196
Notes and accounts receivable - trade	24,716	20,181
Electronically recorded monetary claims - operating	165	596
Merchandise and finished goods	477	788
Work in process	12,274	12,951
Raw materials and supplies	2,780	3,318
Other	3,980	3,525
Allowance for doubtful accounts	△445	△303
Total current assets	67,045	67,255
Non-current assets		
Property, plant and equipment	4,098	4,221
Intangible assets		
Goodwill	515	582
Other	371	296
Total intangible assets	886	879
Investments and other assets	3,575	3,105
Total non-current assets	8,560	8,206
Total assets	75,606	75,461
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,429	4,932
Electronically recorded obligations - operating	5,956	5,406
Short-term borrowings	866	1,685
Current portion of long-term borrowings	9,009	5,817
Income taxes payable	285	111
Advances received	4,496	5,113
Provision for product warranties	865	583
Other provisions	390	386
Other	2,000	1,615
Total current liabilities	29,299	25,650
Non-current liabilities		
Long-term borrowings	10,550	15,420
Retirement benefit liability	456	491
Asset retirement obligations	208	172
Provisions	310	335
Other	140	91
Total non-current liabilities	11,666	16,510
Total liabilities	40,966	42,161
Net assets		
Shareholders' equity		
Share capital	2,847	2,847
Capital surplus	2,503	2,503
Retained earnings	29,387	28,745
Treasury shares	△2,011	△2,479
Total shareholders' equity	32,727	31,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	242	43
Foreign currency translation adjustment	1,402	1,491
Total accumulated other comprehensive income	1,644	1,534
Non-controlling interests	267	146
Total net assets	34,639	33,300
Total liabilities and net assets	75,606	75,461

(2) Consolidated Statements of Income

<Consolidated Statements of Income> (Millions of yen)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	19,103	31,824
Cost of sales	14,102	24,128
Gross profit	5,001	7,695
Selling, general and administrative expenses	7,079	7,639
Operating profit (loss)	△2,077	56
Non-operating income		
Interest and dividend income	46	43
Foreign exchange gains	249	229
Other	125	213
Total non-operating income	421	486
Non-operating expenses		
Interest expenses	44	89
Share of loss of entities accounted for using equity method	165	252
Other	34	6
Total non-operating expenses	244	348
Ordinary profit (loss)	△1,900	194
Extraordinary income		
Gain on sale of non-current assets	53	78
Gain on change in equity	11	—
Total extraordinary income	65	78
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on retirement of non-current assets	1	37
Impairment losses	3	1
Total extraordinary losses	4	38
Profit (loss) before income taxes	△1,839	234
Income taxes - current	213	179
Income taxes - deferred	△513	128
Total income taxes	△300	308
Loss	△1,539	△74
Loss attributable to non-controlling interests	△152	△127
Profit (loss) attributable to owners of parent	△1,387	53

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

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Loss	△1,539	△74
Other comprehensive income		
Valuation difference on available-for-sale securities	34	△199
Foreign currency translation adjustment	262	44
Share of other comprehensive income of entities accounted for using equity method	71	44
Total other comprehensive income	368	△110
Comprehensive income	△1,170	△184
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,026	△51
Comprehensive income attributable to non-controlling interests	△144	△132

(3) Notes to the third quarter of Consolidated Financial Statements

<Notes on the framework for financial reporting>

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's 'Rules for the Preparation of Quarterly Financial Statements' and the accounting standards for quarterly financial statements generally accepted in Japan (however, the omission of statements stipulated in Article 4, Paragraph 2 of the 'Rules for the Preparation of Quarterly Financial Statements' has been applied).

<Note on the change of accounting policies>

Application of 'Accounting Standards for Corporate Tax, Local Tax and Business Tax, etc.'

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 the third 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 the third 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 (1st April 2023 - 31 December 2023)

Information on sales, income (loss) by reportable segment

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Consolidated *3
	FPD equipment business	Semiconductor,ph otomask equipment business	Total			
Sales						
Revenues from external customers	11,017	7,328	18,345	758	—	19,103
Transactions with other segments	305	—	305	—	△305	—
total	11,322	7,328	18,650	758	△305	19,103
Segment income (△loss)	△862	△1,017	△1,880	△197	—	△2,077

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 (1st April 2024 - 31 December 2024)>

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Consolidated *3
	FPD equipment business	Semiconductor,ph otomask equipment business	Reportable segments			
Sales						
Revenues from external customers	22,308	8,461	30,770	1,054	—	31,824
Transactions with other segments	22	—	22	233	△255	—
total	22,330	8,461	30,792	1,287	△255	31,824
Segment income (△loss)	3	325	329	△272	—	56

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>

In accordance with a resolution passed at a meeting of the Board of Directors held on 9 August 2024, the Company resolved to acquire treasury stock in accordance with the provisions of Article 156 of the Companies Act, as applied pursuant to Article 165-3 of the same act, and acquired treasury stock in the current interim consolidated accounting period.

As a result, treasury stock increased by 499 million yen in the third quarter of the current consolidated fiscal year of accounting period. In addition, it decreased by 32 million yen due to disposal by the stock delivery trust system.

As a result of the above, treasury stock was 2,479 million yen at the end of the third quarter of the current consolidated fiscal year of accounting period.

<Notes on going concern assumption>

None