



V-Technology Co., Ltd.

FY2021 Q3

Financial Announcement

(Supplementary Materials)

February 10, 2021

Forward-Looking Statements

▶ Forward-looking statements

- ▶ The Company's plans, strategies, outlooks, and other statements that are not historical facts are forward-looking statements. These items are based on currently available expectations, estimates, and projections. These expectations, estimates, and forecasts are subject to a number of potential risks, uncertainties and processes, including, but not limited to, changes in economic and market conditions, changes in the competitive environment, changes in the policies of the countries in which our customers operate, and the outcome of pending and future litigation. Therefore, these expectations, estimates, and projections are subject to change, and actual results may differ materially from those in the forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no obligation to update these forward-looking statements based on new information or future events.

▶ Foreign Exchange Risk

- ▶ In principle, export sales of our mainstay flat panel display manufacturing equipment are conducted in yen. The Company hedges foreign exchange risk by entering into forwarding exchange contracts when receiving orders, if necessary. Therefore, the impact of exchange rate fluctuations on equipment sales is negligible.

▶ Treatment of figures

- ▶ Amounts listed are rounded down to the nearest unit, and percentages are rounded off to the nearest unit, so they may not match the breakdown.

▶ Finalization of provisional accounting treatment

- ▶ The provisional accounting treatment for the business combination with Nano System Solutions, Inc. on August 22, 2019, was applied in the previous consolidated fiscal year but was finalized in the second quarter of the consolidated fiscal year. Following this provisional accounting treatment's determination, comparative analysis has been conducted using figures after retrospective adjustment.

Executive Summary

Financial Results(P4~12)

- ▶ **Despite the impact of corona, sales and profits were generally in line with the initial plan**
 - Steady progress in localization of installation work, etc.
 - Good progress toward the forecast for the fiscal year ending March 31, 2021
- ▶ **Orders increased 24.5% YoY due to steady business negotiations in FPD and semiconductor-related fields.**
 - Orders for semiconductor-related equipment and small- and medium-sized OLED-related equipment were strong.
 - Quarterly orders are expected to bottom out in Q3 and recover in Q4 due to increased business negotiations.

Business Forecast(P13~15)

- ▶ **No change from the earnings forecast disclosed on May 12**

SEMI Manufacturing Equipment(P16)

- ▶ **Semiconductor equipment business to increase in volume through M&A and in-house technology development**
 - Made Lithotech Japan a subsidiary in December 2020
- ▶ **Semiconductor equipment business will drive growth as the second pillar of the business**
 - Steady demand for equipment in Japan and overseas
 - Continue aggressive growth strategy (strengthen competitiveness of existing businesses + M&A)



自動塗布現像装置

| Financial Results

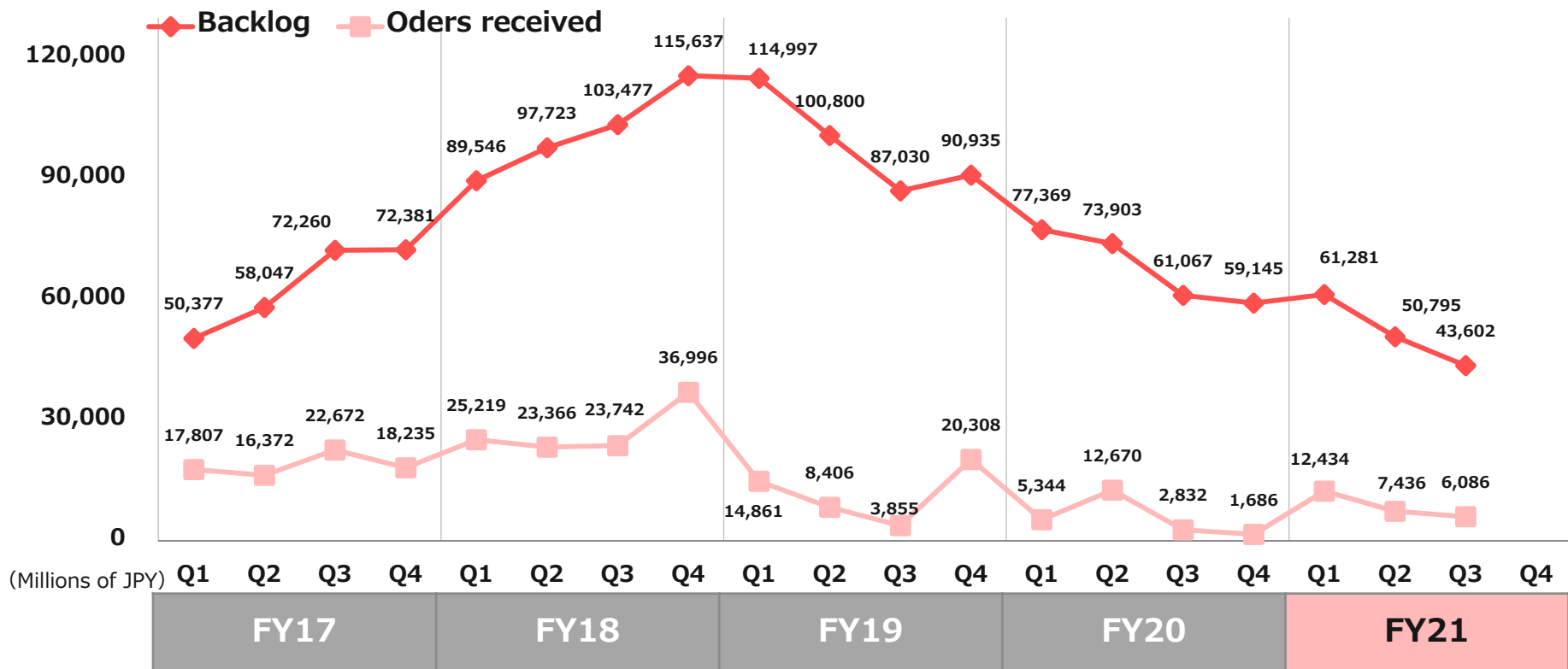
Financial results of FY2021 9months ended

- ▶ **Both sales and profits are generally in line with the initial plan, and progress toward the forecast for the current fiscal year is also positive.**
 - ▶ Installation work is progressing smoothly, even during periods when it is impossible for engineers to travel to the site due to the localization of installation work.
 - ▶ Progress against the forecast is excellent, with sales at 76.8% and operating income at 83.2%.

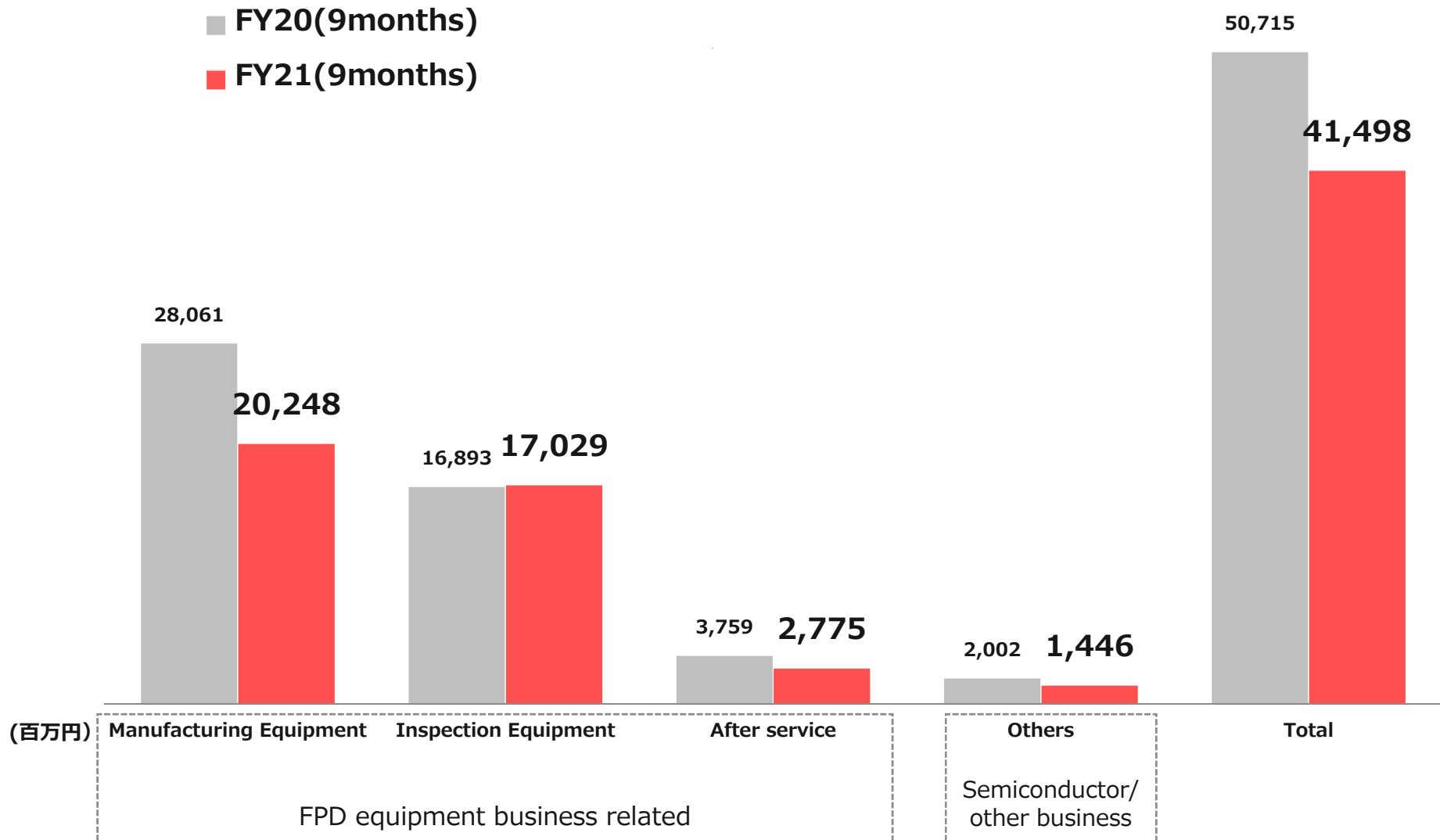
	FY20(9 months ended)		FY21(9 months ended)		Y/Y change
	Amount (Millions of JPY)	Margin	Amount (Millions of JPY)	Margin	
Net sales	50,715	—	41,498	—	△18.2%
Gross profit	16,734	33.0%	11,646	28.1%	△30.4%
Operating profit	9,416	18.6%	4,992	12.0%	△47.0%
Ordinary profit	9,416	18.6%	4,832	11.6%	△48.7%
Net profit attributable to owners of parent	5,925	11.7%	2,492	6.0%	△57.9%

Transition of Orders Received and Backlog

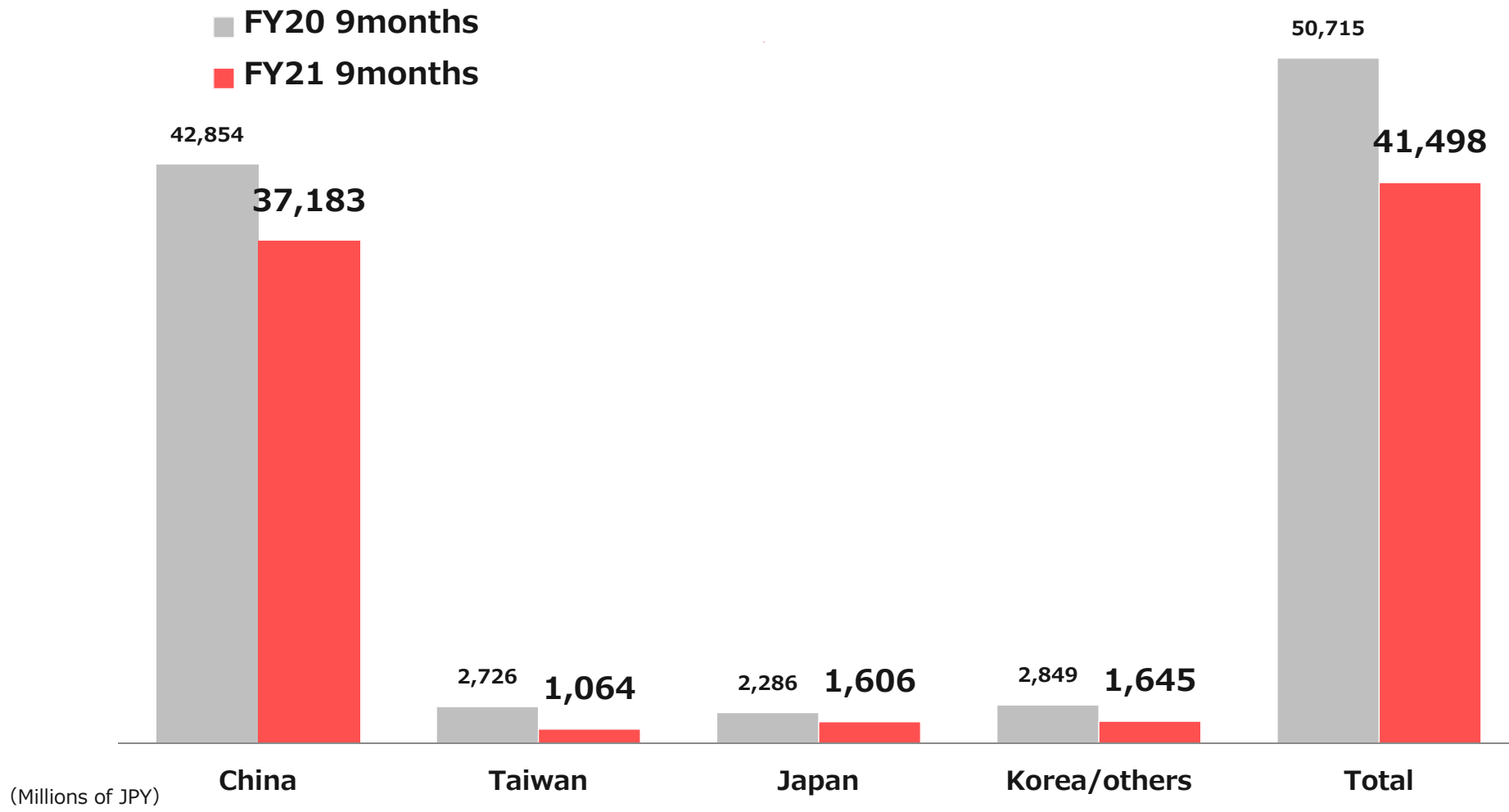
- ▶ Cumulative orders received increased 24.5% YoY to 25,956 million yen.
- ▶ Quarterly orders are expected to bottom out in Q3 and recover in Q4.
 - ▶ Orders in Q3 (3 months) increased 114.9% YoY to 6,086 million yen, driven by small- and medium-sized OLED and semiconductor-related orders.
 - ▶ FPD and semiconductor-related business negotiations surged on the back of nest egg demand.
 - ▶ Confirmed progress in new product development and materialization of related business negotiations.



Sales by Products and Services (YoY basis)



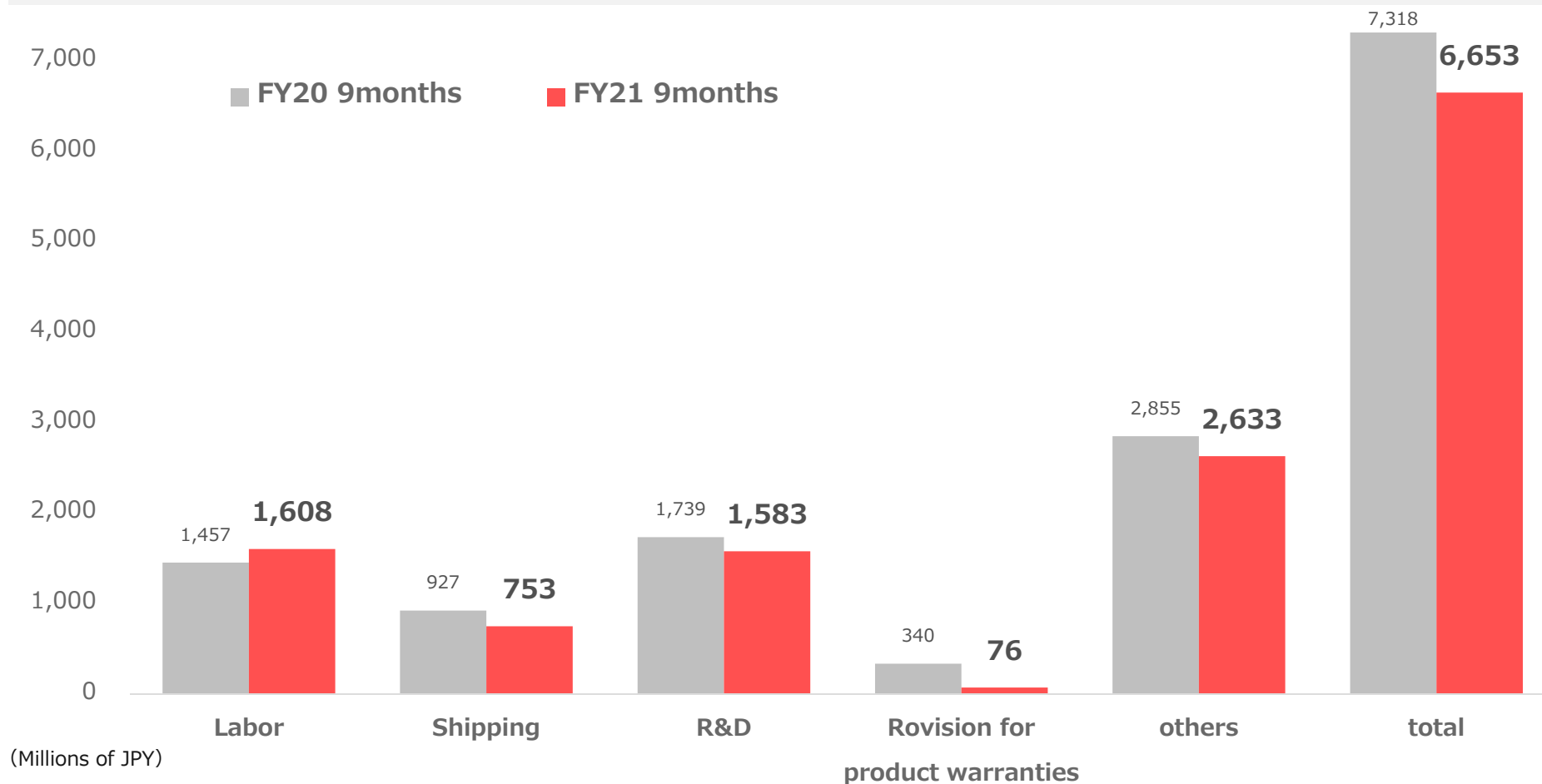
Sales by Countries (YoY basis)



SG&A(Selling, general and administrative) Expenses

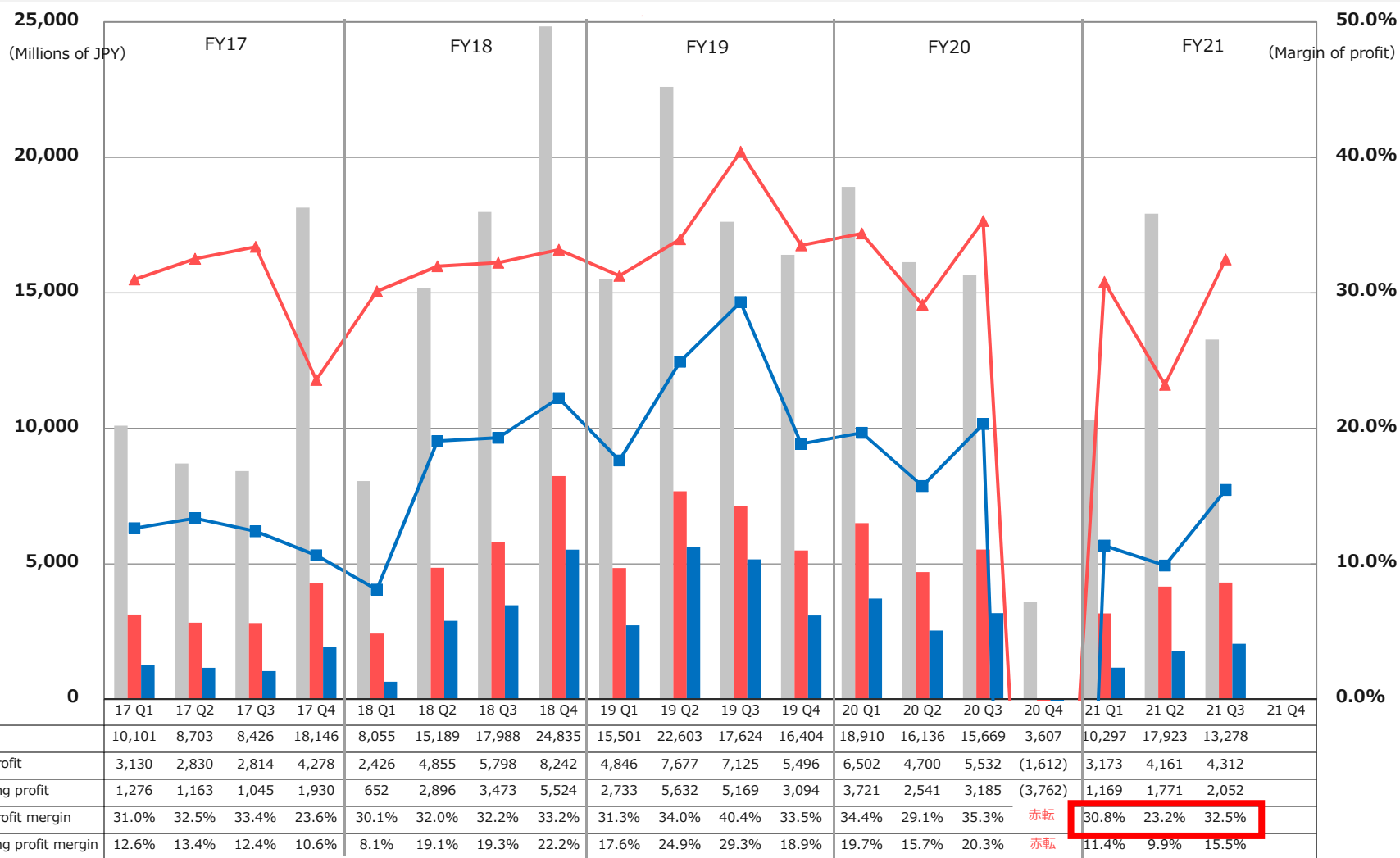
▶ SG&A expenses decreased by 665 million yen (Δ 9%)

- ▶ Despite an increase in personnel expenses due to the acquisition of NSS as a subsidiary, shipping expenses, R&D expenses, and product warranty-related expenses decreased due to lower sales and reduced business travel at Corona Peripherals.

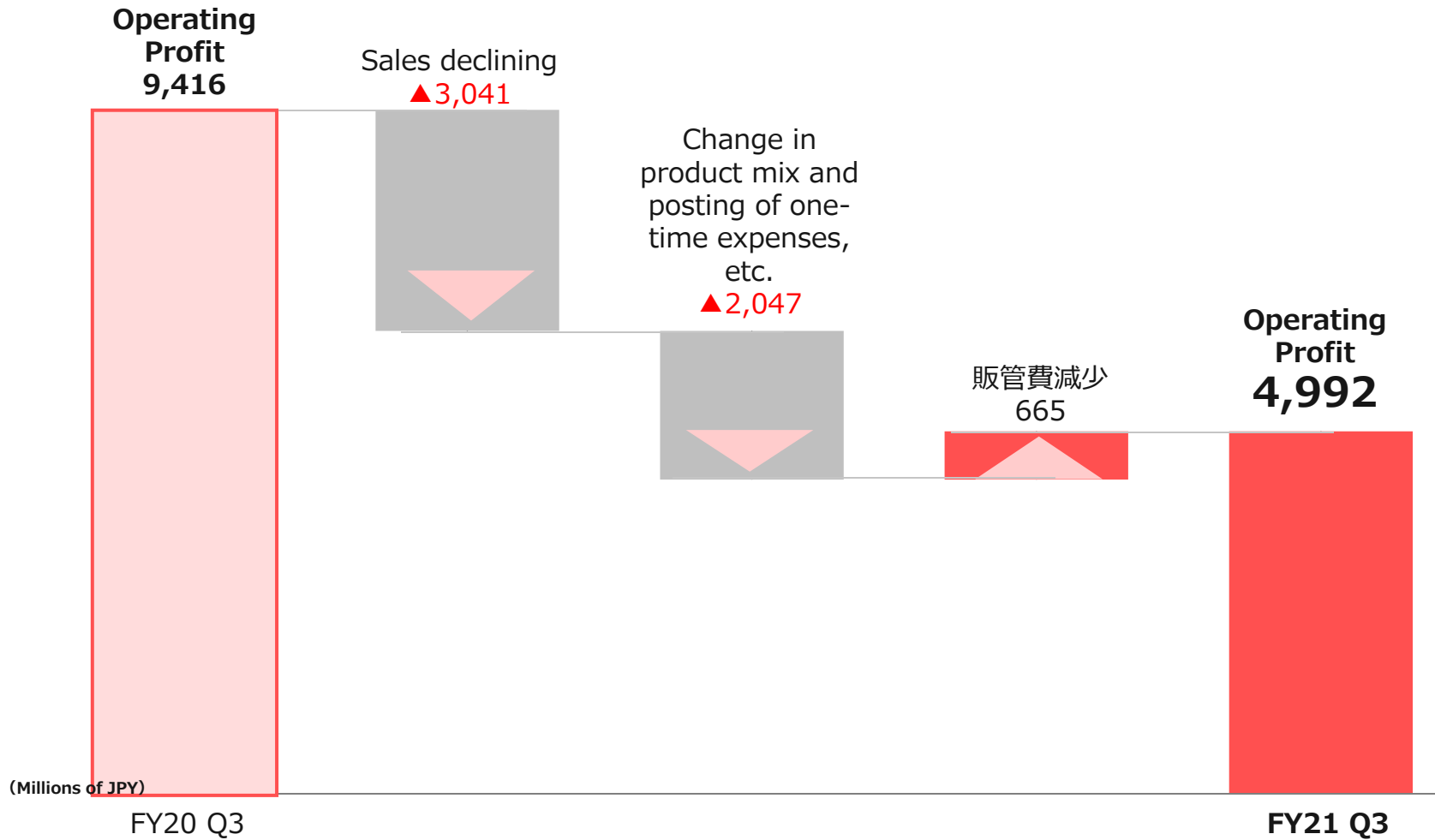


Transition of Quarterly Sales and Profit

- ▶ Sales and profit for the quarter were generally in line with the initial plan.
 - Gross profit margin declined due to one-time expenses such as inventory valuation loss in Q2, but recovered in Q3.



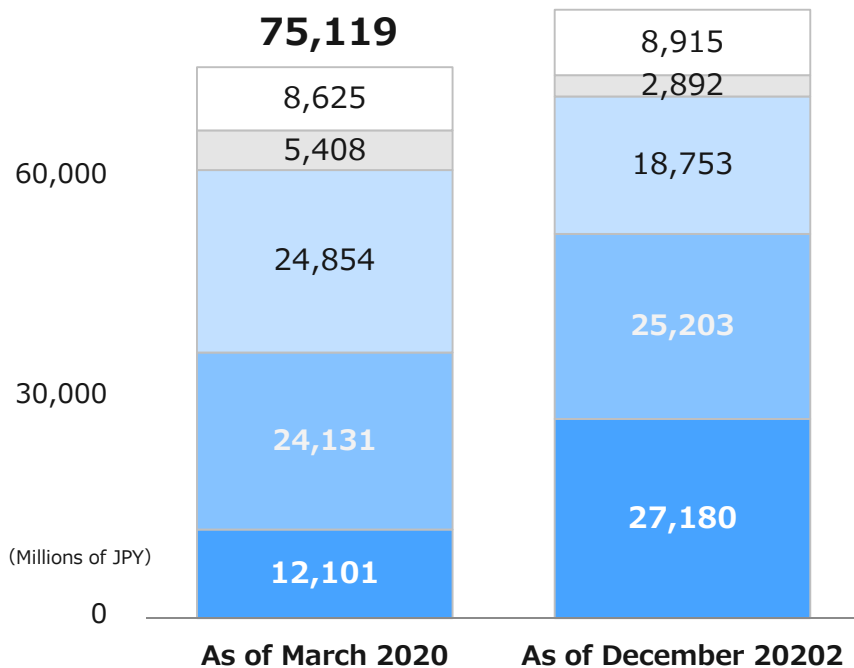
Analysis of Operating Profit Deference



Transition of Consolidated Balance Sheets

Total assets

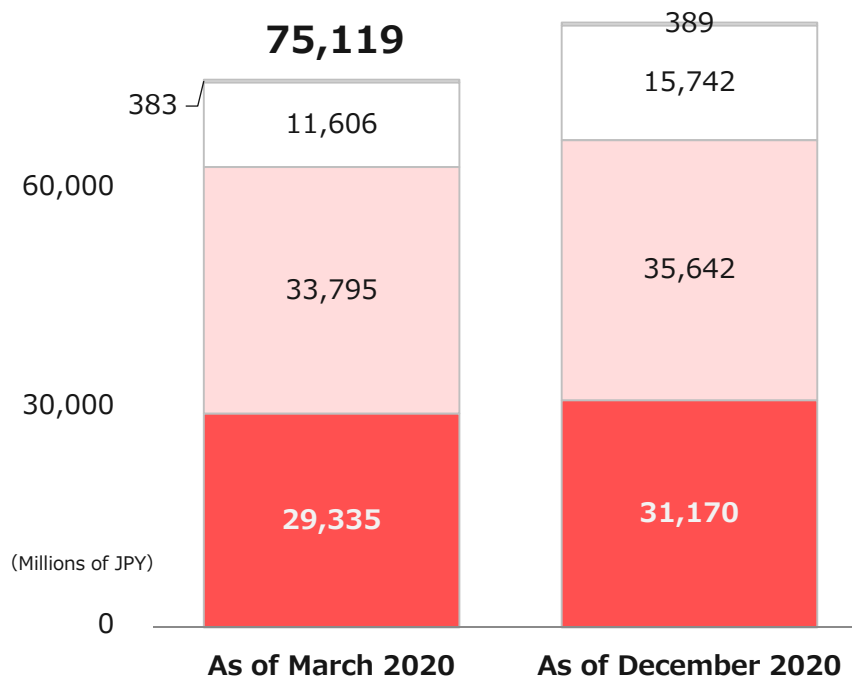
90,000



- Cash and deposits
- Notes and accounts receivable-trade
- Non-current assets
- Receivable trade inventory
- Other current assets

Liabilities/Net assets

90,000



- Net assets
- Loans payable(short/long term)
- Other current liabilities
- Other non-current liabilities

| Business Forecast

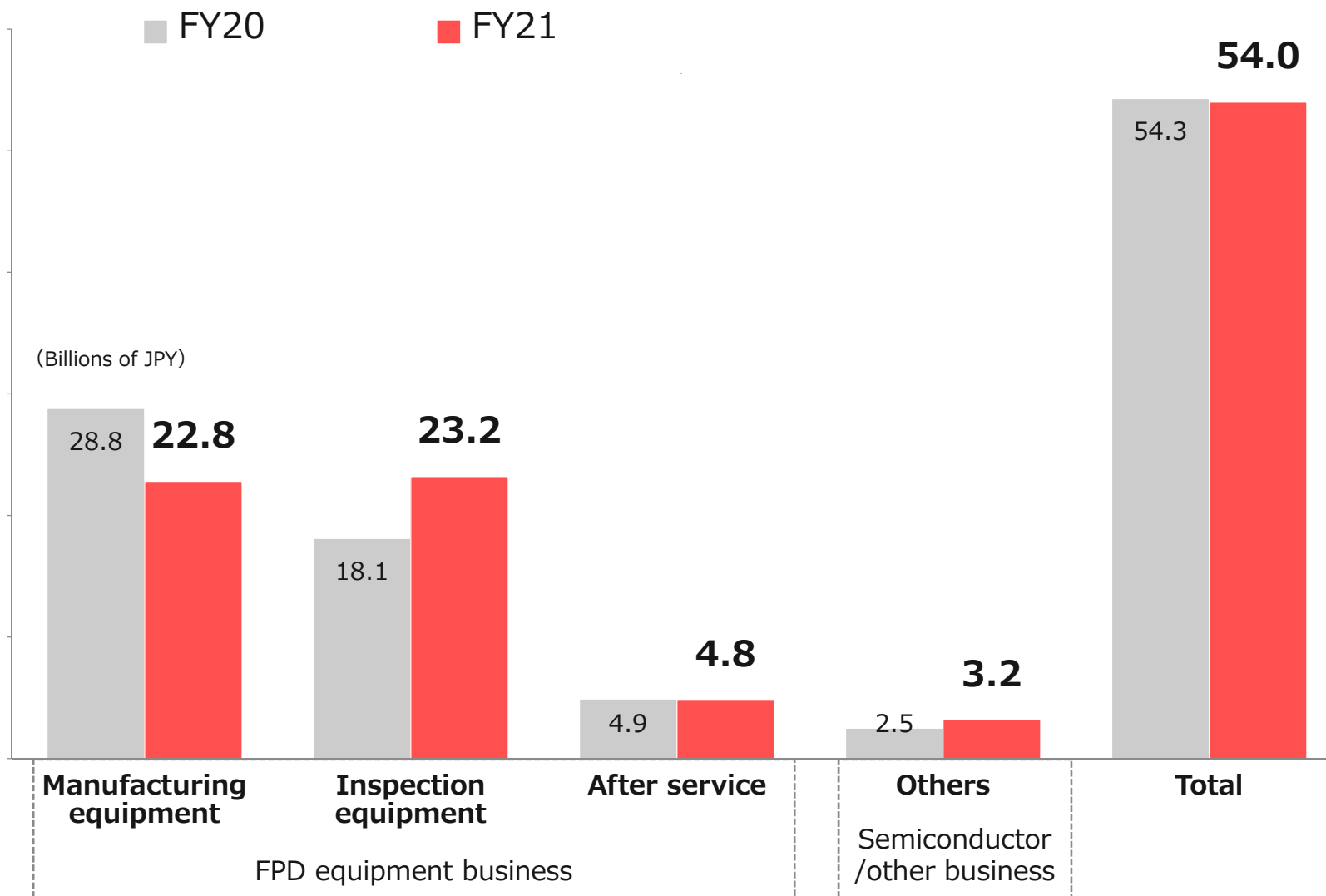
The earnings and dividend forecast of FY2021

▶ No change from the earnings forecast disclosed on May 12

Earnings	FY20(Actual)		FY21(Forecast)		compared with the previous forecast
	Amount (Millions of JPY)	Margin	Amount (Millions of JPY)	Margin	
Net sales	54,322	—	54,000	—	△0.6%
Gross profit	5,663	10.4%	6,000	11.1%	6.1%
Ordinary profit	6,156	11.3%	5,800	10.7%	△5.8%
Net profit attributable to owners of parent	3,251	6.0%	3,000	5.6%	△7.7%
EPS(JPY)	336.29円		310.25円		—

Dividend(JPY)	FY20(Actual)	FY21
1H	40	60(Actual)
2H	80	60(Forecast)

Breakdown of full-year sales forecast for the fiscal year ending March 31, 2021



Topics “Semiconductor Equipment business”

▶ Acquisition of Lithotech Japan as a subsidiary

- ▶ Expanding semiconductor equipment business through M&A and in-house technology development/ Considering overseas development of contract services

▶ Driving the Group's growth as the second pillar of the business

- ▶ Strong demand for equipment in Japan and overseas, especially in China, and strong order activity
- ▶ Accelerate growth in 2021 and beyond by strengthening competitiveness of existing businesses + M&A

1. Lithotech Japan

Overview: Established in 1993 / A group of experts in semiconductor lithography technology

Strengths: R&D equipment, contract services for evaluation and research

Major customers: Semiconductor and material manufacturers, etc.

Synergies: Utilization of our supply chain

Synergies in lithography technology development: Improvement of development speed, etc.

2. Business environment

Equipment demand and inquiries in the Chinese market are on the rise.

- Continued group-wide activities to win orders
- Expect to make progress in business negotiations during Q4

Received orders for wafer-related equipment (December)

- Selling some of them under Z-CSET brand

3. History of Semiconductor Business

Business	Products	2016	2017	2018	2019	2020	2021
Lithotech Japan	Coater/developer(R&D)						M&A(Jan.)
NSS	Wafer inspection				M&A(Aug.)		
	Mask writer				M&A(Aug.)		
V-Technology	Mask repair/measurement			In-house Development			
Z-CSET	IC tester			JV(Mar)/Business alliance(Nov.)			
	Wafer polisher			JV(Mar)/In-house Development(Apr.)			
OHT	O/S tester for PKG/MRAM	M&A(Apr.)					



V-TECHNOLOGY