

August 19, 2019

FOR IMMEDIATE RELEASE

V Technology Co., Ltd.

Shigeto Sugimoto: President &amp; CEO

Shogo Yoshimura: IR Group Leader

## Notice on Stock Acquisition of NanoSystem Solutions, Inc. (Made it a wholly-owned Subsidiary)

V Technology Co., Ltd. (YBP East Tower 9F, 134 Godo-Cho, Hodogaya-Ku, Yokohama City, Kanagawa, JAPAN, President and CEO: Shigeto Sugimoto, "V-Tech") resolved to acquire all issued shares of **NanoSystem Solutions, Inc.** (5192-8 Haebaru Katsuren, Uruma City, Okinawa, JAPAN, Representative Director: Kazumi Haga, "NSS") at the Board of Directors meeting held on August 19th.

### 1. Purpose and Background of the Stock Acquisition

*V-tech* aims to become one of the world's leading manufacturing solution providers, and we are promoting various efforts to realize stable business growth and sales scale expansion. In the FPD-related equipment business, we are aiming with our clients for the practical application such as innovative laser annealing equipment, vertical deposition equipment to surpass conventional TFT technology and organic EL deposition technology. We are committing to the commercialization of the high-performance vapor deposition mask called "Fine Hybrid Mask (FHM®)" which is indispensable for mass production of small and medium-sized organic EL displays in the FPD-related materials and services business. We are also working on the commercialization of the innovative materials and services that contribute to the enhancement of customer value, such as a defective panel quality improvement service for small and medium-sized OLED (called "Salvage Service") that improves manufacturing yields in a short time.

In addition to initiatives in these FPD-related fields, we are working on the launch of businesses in the semiconductor manufacturing equipment market, where we can expect growth, and we are aiming to commercialize equipment such as semiconductor wafer polishing equipment and IC testers. Furthermore, we resolved to convert NSS, which has superior technologies and achievements in semiconductor wafer inspection and mask-less exposure into a wholly-owned subsidiary as the third step to boost the growth of our semiconductor-related business.

NSS was established in December 2004 with support from the "National Institute of Advanced Industrial Science and Technology". With a focus on their unique optical technology at their core, they started as a research and development venture that addresses needs using specialized technology in the fields of Nano-manufacturing and measurement. NSS's wafer visual inspection system uses unique optical technology and image processing technology to achieve high-accuracy and high-speed inspection of various defects occurring inside and outside of the wafer and has won high praise from customers. Mask-less exposure equipment is indispensable for prototyping semiconductor products and manufacturing photomasks and has gained a wide range of reputations from customers of semiconductor manufacturers and research institutions such as universities in Japan. NSS's business performance of fiscal year ended on December 31, 2018, increased steadily to 1.79 billion yen due to support from the "Okinawa Prefecture New Industry R & D Support Business" and the recovery of the semiconductor market, which was almost double from the fiscal year ended May 31, 2017.

To evolve into one of the world's leading manufacturing solution providers, we shall promote various initiatives as follows.

- Building a total solution in the wafer manufacturing process using our wafer polishing equipment and inspection equipment
- Improving the semiconductor mask lithography equipment utilizing NSS's mask-less exposure technology
- Improving the semiconductor photomask inspection equipment and repair equipment which already deployed by *V-Tech*
- Providing support in terms of sales and R & D, which was not sufficient from the NSS company scale

## 2. Method of Transfer

We will acquire all of the shares held by Kazumi Haga, PMT CORPORATION, Okinawa Manufacturing Promotion Fund, The Okinawa Development Finance Corporation, one other company, and one other person. As a result, *MSS* shall become a consolidated subsidiary of *V-Tech*.

## 3. Outline of the Subsidiary to be transferred (As of March 31, 2019)

1) Trade Name	<b>Nano System Solutions, Inc.</b>		
2) Address	5192-8 Haebaru Katsuren, Uruma City, Okinawa, JAPAN		
3) Title and Name of the Representative	Representative Director: Kazumi Haga		
4) Major Businesses	Development and design of semiconductor manufacturing equipment and inspection equipment Development and design of optical related equipment Development and design of image capture and image analysis equipment Production, sales and maintenance of products related to the above contents		
5) Capital	90 Million yen		
6) Established Date	December 2014		
7) Major Shareholders and Equity Ratio	Kazumi Haga : 22.63% PMT CORPORATION : 22.63% Okinawa Manufacturing Promotion Fund : 21.71% The Okinawa Development Finance Corporation : 14.48% One other company and one other person : 18.55%		
8) Relationship with <i>V-Tech</i>	-Capital Relationship: None -Personnel Relationship: None -Trading Relationship: None		
9) Sales Performance for the last 3 years and Financial Situation			
	Fiscal Year Ended May 31,2016	Fiscal Year Ended December 31,2017 (7months)	Fiscal Year Ended December 31, 2018
Net assets (Millions of JPY)	24	44	171
Total assets (Millions of JPY)	1,667	2,101	1,971
Net assets per share (JPY)	1,300.2	2,296.7	8,952.5
Net sales (Millions of JPY)	826	549	1,794
Operating profit (Millions of JPY)	62	39	132
Ordinary profit (Millions of JPY)	34	19	199
Profit (Millions of JPY)	-495	19	127
Net profit per share (JPY)	-25,819.8	996.5	6,655.8
Dividends per share (JPY)	—	—	—

1. Stated above, "Sales Performance for the last 3 years and Financial Situation" is not subject to a financial review by a certified public accountant or an audit firm.
2. The amount per share is calculated based on 19,187 shares as of Fiscal Year ended on December 31, 2018.
3. We have refrained from disclosing the summary information of the other party who acquired the shares, such as the name of the one other company and one other person that hold 18.55%, because it falls under the business confidentiality of the other party.

## 4. Schedule

Resolution Date of Board of Directors	August 19, 2019
Agreement Date	August 19, 2019
Stock Acquisition Date	August 22, 2019 (current plan)

## **5. Acquisition price, Number of shares acquired and Status of shares held before and after Stock Acquisition**

Number of shares before transfer	0 Share (Ownership Ratio:0%)	Numbers of Voting rights: 0
Number of shares acquired	19,187 Shares	Numbers of Voting rights: 12,243
Number of shares after transfer	19,187 Shares (Ownership Ratio:100%)	Numbers of Voting rights: 12,243

1. The ratio of common shares and preferred shares with voting rights will be 63.8% of issued shares.
2. The acquisition price is not disclosed due to the intention of the other party. The acquisition price is less than 15% of the V-Tech group's consolidated net assets.

## **6. Outlook for the Future**

VSS shall become a consolidated subsidiary from August 22, 2019. The impact on the business forecast for the fiscal year ending March 2020 is expected to be minimal. If there are other important matters to be disclosed, we shall promptly disclose them separately.

\* Please note that "Information on Other Parties to the Stock Acquisition" is not included in this translated material.