

September 27, 2019

FOR IMMEDIATE RELEASE

V Technology Co., Ltd.  
Shigeto Sugimoto: President & CEO  
Shogo Yoshimura: IR Group Leader

## **Notice on Establishment of a Joint Venture** **(for small -and- medium sized flexible OLED salvage business)**

V Technology Co., Ltd. (YBP East Tower 9F, 134 Godo-Cho, Hodogaya-Ku, Yokohama City, Kanagawa, JAPAN, President and CEO: Shigeto Sugimoto, “*V-Tech*”) reached a basic agreement to establish a joint venture (V-Tech Shining Color Technology (Kunshan) Co., Ltd.) with TINGLIN CAPITAL (Kunshan) (“*TINGLIN*”) to further expand the small -and- medium sized flexible OLED salvage business in China, and the details are as follows.

### **1. Purpose and Background of Establishment of the Joint Venture**

Flexible OLEDs (Organic EL Displays) have been adopted for cutting-edge smartphones due to the high degree of freedom of screen design.\*1 It is also attracting a great deal of attention as it has been adopted for cutting-edge products that create pioneer new demand, such as foldable smartphones and large rollable TVs.

We have been delivering salvage services\*2 for small -and- medium sized OLEDs to some customers since July 2019. To provide our salvage services for flexible OLEDs of various designs in China and other countries to customers around the world, we reached a basic agreement on the establishment of a joint venture with *TINGLIN*.

We shall take advantage of the strengths of both companies, such as Demura technologies for OLED inspection cultivated over many years with partner companies, and trust relationships with industry partners built through investment in OLED and semiconductor business in China. Moreover, *V-Tech* and *TINGLIN* aim to support the joint venture's sustainable business growth and make it to one of the listed companies on the Chinese securities market.

\*1: Panel design changes every year, such as a design with rounded corners and ridges of the screen, a design with having a gently curved form on the entire panel, a design that allows the front camera to be stored behind the screen, and a design that can process with notching.

\*2: Pay-per-use service for fixing panel mura defective with “Demura” technologies. This service does not require our customers to spend in additional capital investment, and it can improve the yield in a shorter period than the conventional method of increasing the yield of the entire manufacturing process in order from the upstream process.

## 2. Overview of the Joint Venture

1) Trade Name	V-Tech Shining Color Technology (Kunshan) Co., Ltd.
2) Address	Kunshan
3) Title and Name of the Representative	Under discussion
4) Major Businesses	-Provide flexible OLED salvage business for the small -and- medium sized panels
5) Capital	9.26 USD million (current plan) (JPY conversion reference value: about 1,000 JPY million, JPY108 yen / USD)
6) Equity Ratio	V Investment China Co.,Ltd. :50%* <sub>3</sub> /TINGLIN:50%
7) Relationship with <i>V-Tech</i>	-Capital Relationship: The ownership ratio of V Investment China Co., Ltd. (100% Subsidiary of <i>V-Tech</i> ) is 50%. -Personnel Relationship: <i>V-Tech</i> appoints directors. -Trading Relationship: Transactions with customers via our company are assumed.

\*<sub>3</sub>: We invest from V Investment, our wholly-owned Chinese subsidiary (Investment Corporation). For information about “V Investment”, please refer to the press release of “Notice on Establishment of a Subsidiary (Investment Corporation) in China”, published on September 27, 2019.

## 3. Overview of the Partner in the Joint Venture

1) Trade Name	TINGLIN CAPITAL
2) Address	8/F YCLSTP Building No 1699 South Zu Chongzhi Road, Kunshan, Jiangsu
3) Title and Name of the Representative	Chairman: Gu Jian Yu* <sub>4</sub>
4) Major Businesses	Investment in venture companies and Management consulting
5) Capital	5 RMB million (JPY conversion reference value: 75 JPY million yen, JPY 15 yen/ RMB)
6) Equity Ratio	Gu Jian Yu:100%
7) Established Date	August 15, 2016
8) Net Assets	8.27 RMB million (JPY conversion reference value: 124 JPY million yen, JPY 15 yen/ RMB)
9) Total Assets	10.48 RMB million (JPY conversion reference value: 157 JPY million yen, JPY 15 yen/ RMB)
9) Relationship with <i>V-Tech</i>	-Capital Relationship: None -Personnel Relationship: None -Trading Relationship: None

\*<sub>4</sub>: Gu Jian Yu has served as the Director of Kunshan Finance Bureau and the Director of Kunshan Industrial Investment Corporation. He received a high evaluation as the person who led the investment, operation, and establishment of IVO and AUO Kunshan, which were invited to the city, and investment and establishment of Visionox and its group companies.

## 4. Schedule

Resolution Date of Board of Directors	September 25, 2019
Joint Venture Establishment Date	November 2019(current plan)
Sales Start Date of the Joint Venture	April 2020 (current plan)

## 5. Outlook for the Future

The impact on the business forecast for the fiscal year ending March 2020 is expected to be minor. We shall promptly disclose other significant matters separately.