

V-Technology Co., Ltd.

FY2022 First Quarter Result

Supplementary Materials

August 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.

▶ Changes in Accounting Policies (For details, please refer to Page 7 of the Summary of Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2022)

① Changes in Accounting Policies (For details, please refer to Page 9 of the Summary of Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2022)

- ▶ The Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition"), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, and will recognize revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer.

② Application of Accounting Standards for Calculation of Fair Value, etc.

- ▶ The Company has adopted the Accounting Standard for Measurement of Fair Value (hereinafter referred to as the "Accounting Standard for Measurement of Fair Value"* 1), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022.
- ▶ In accordance with the transitional treatment prescribed by the Accounting Standard for Market Value Calculation*2, the Company will apply the new accounting policies prescribed by the Accounting Standard for Market Value Calculation, etc. in the future.
- ▶ The adoption of these accounting standards will have no impact on the quarterly consolidated financial statements.
- ▶ *1 Corporate Accounting Standard No. 30 (July 4, 2019). *2 Based on paragraph 19 of the Corporate Accounting Standards and paragraph 44-2 of the Accounting Standard for Financial Instruments (Corporate Accounting Standard No. 10, July 4, 2019).

▶ Matters related to changes in reportable segments, etc.

- ▶ Previously, segment information was omitted because the Company's only reportable segment was the "FPD business" based on quantitative criteria. In the first quarter of the fiscal year ending March 31, 2022, the Company changed its reportable segments from a single segment to two segments, "FPD business" and "Semiconductor business," due to the increase in the importance of volume, and disclosed segment information as "Other" for business segments not included in the reportable segments.
- ▶ Business segments that are generally similar in terms of markets, types of customers and services have been aggregated.

Financial Highlights of First Quarter in FY2022

- ▶ **Q1 consolidated results increased in both sales and profit YoY, and orders received were strong**
 - ▶ Company-wide orders increased 49.7% YoY and 68.9% QoQ
- ▶ **First half earnings forecast released**
 - ▶ The latest full-year sales plan confirms the concentration of high-profit projects in the second half
- ▶ **Strong semiconductor business**
 - ▶ Sales up 268% YoY, orders up 227% YoY
 - ▶ Accelerated growth as the second pillar of the business; added "Semiconductor Business" to the reportable segments
- ▶ **Received orders for equipment for μ LED displays**
 - ▶ Laser lift-off system, μ LED transfer system
 - ▶ Shows strength in tact, mounting position accuracy, etc.
- ▶ **Decided to establish the Innovation Center (tentative name)**
 - ▶ Established in Yokosuka Research Park, which has excellent access to customers from overseas
 - ▶ FPD and semiconductor related research facilities will be concentrated in this center to improve operational efficiency. In addition, integrated production of key components and research and development of agricultural production technology will be carried out.

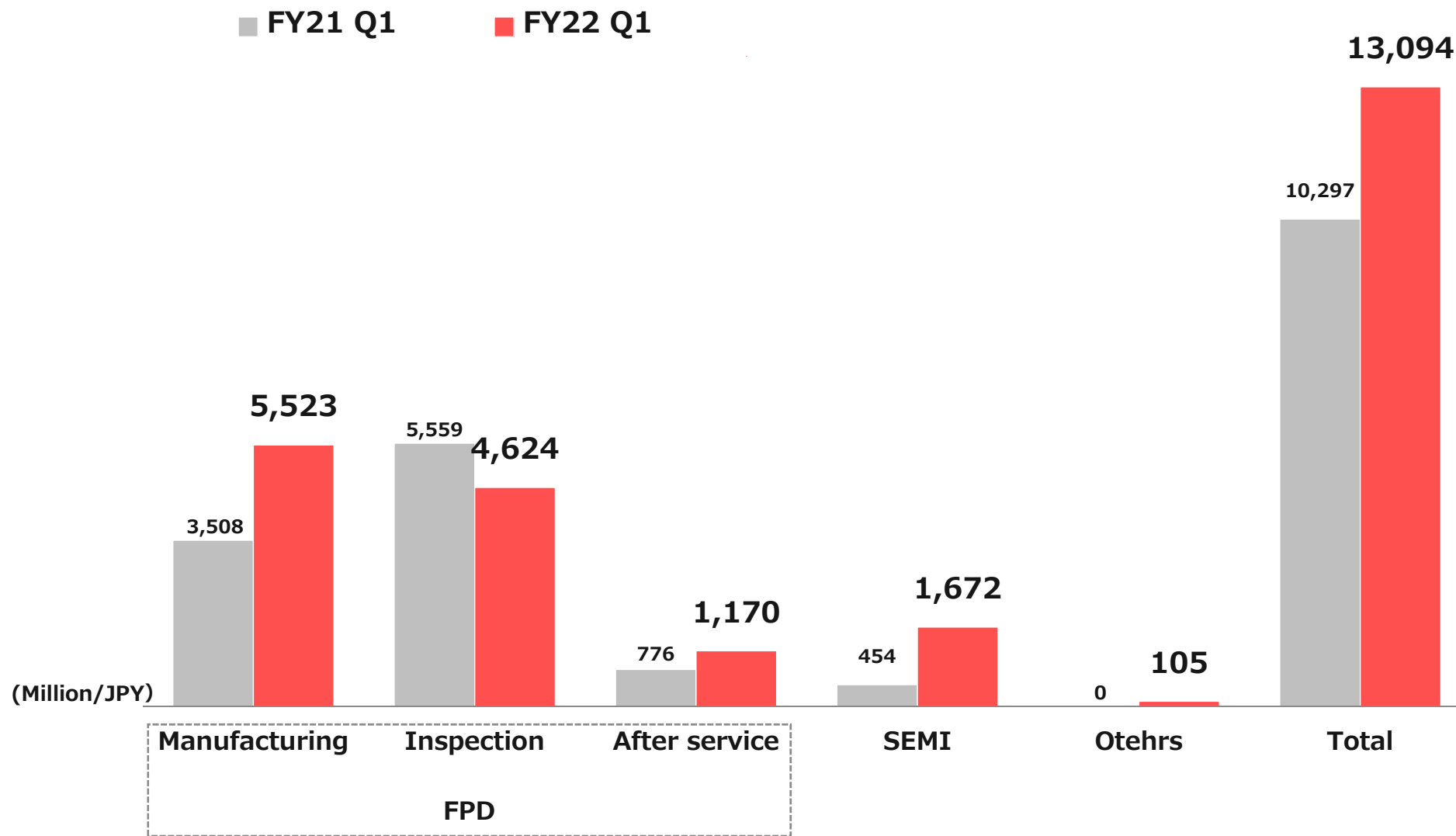
Profit and Loss

(Million of JPY)	FY2021 Q1		FY2022 Q1		
	Amount	Margin	Amount	Margin	Y/Y Change
Net sales	10,297	100.0%	13,094	100.0%	+27.2%
Gross profit	3,173	30.8%	3,687	28.2%	+16.2%
Operating profit	1,169	11.4%	1,312	10.0%	+12.2%
Ordinary profit	1,119	10.9%	1,238	9.5%	+10.6%
Net profit attributable to owners of parent	633	6.1%	1,145	8.7%	+80.9%

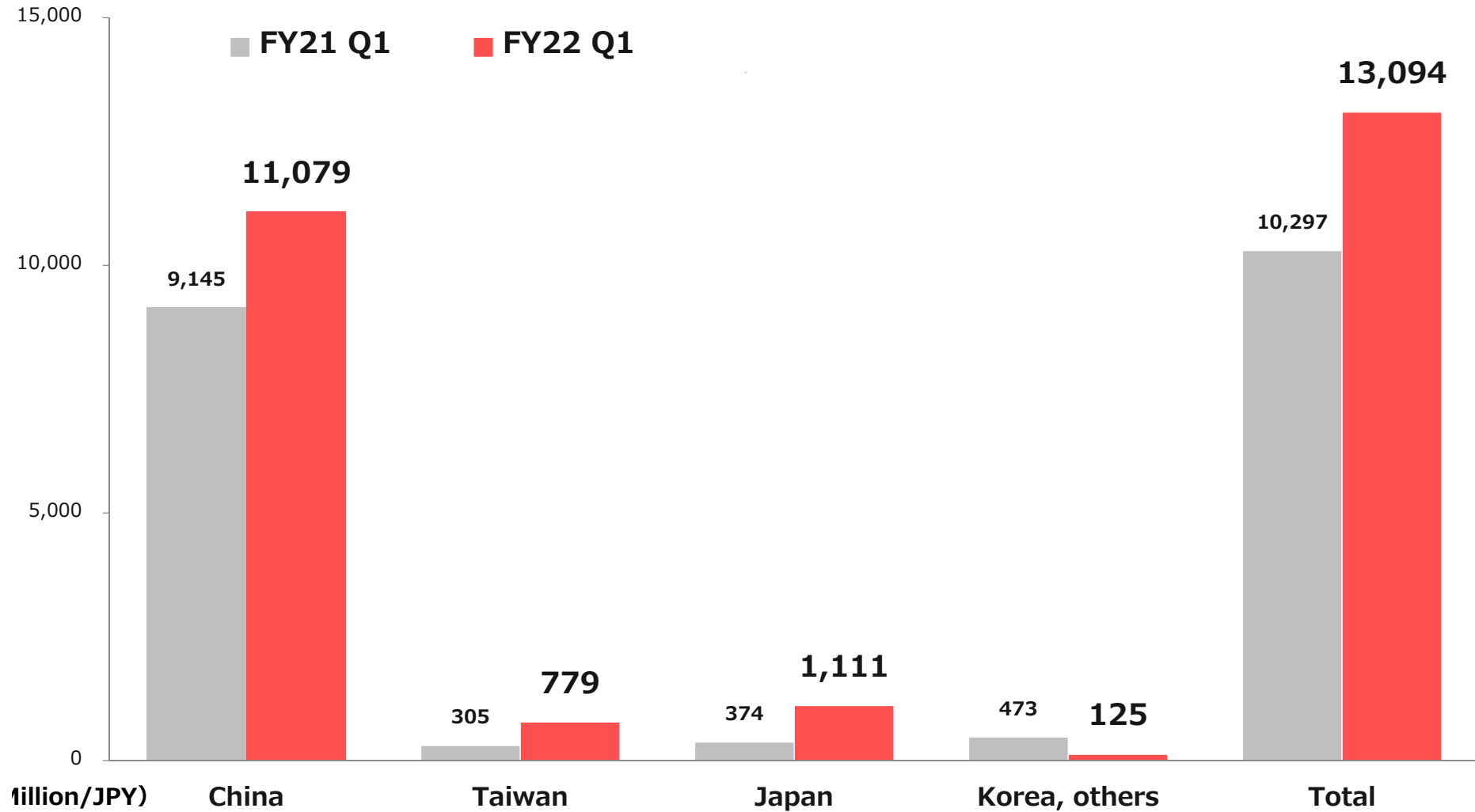
Profit and Loss(by business segments)

Profit and loss		FY21QF1	FY2022Q1		
		Amount	Amount	Y/Y	Information on segments
FPD	Net sales	9,842	11,316	15.0%	<ul style="list-style-type: none"> Consists of Vtec and OHT's business Sales increased due to continued capital investment in large FPDs, but profit margin declined due to sales of projects with low profitability. VET and VSC are expected to be in full swing in the second half of the year.
	Profit(loss▲)	1,265	1,231	-2.7%	
	Margin	12.9%	10.9%	-2.0%	
SEMI	Net sales	454	1,672	268.3%	<ul style="list-style-type: none"> Semiconductor-related sales increased (up 268% from the previous year) and the importance of the business increased, so we added a new reporting segment. Consists of semiconductor and PCB businesses of NSS, Z-CSET, Lithotec Japan, OHT and V-Tech Segment profit margin was slightly sluggish due to poor profitability of some businesses, despite healthy sales and profit of Si wafer related equipment.
	Profit(loss▲)	▲53	108	—	
	Margin	—	6.5%	+6.5%	
Other	Net sales	0	105	—	<ul style="list-style-type: none"> Consists of vapor deposition mask business (VET), small- and medium-sized OLED reproduction business (VSC), organic LE lighting business (Lumiotec), and OLED materials business (FLASK) Business is expected to get on track and go into full swing in the second half of this fiscal year
	Profit(loss▲)	▲42	▲27	—	
	Margin	—	—	—	
Total	Net sales	10,297	13,094	27.2%	—
	Profit(loss▲)	1,169	1,312	12.2%	
	Margin	11.4%	10.0%	-1.4%	

Sales by business segments(for details)

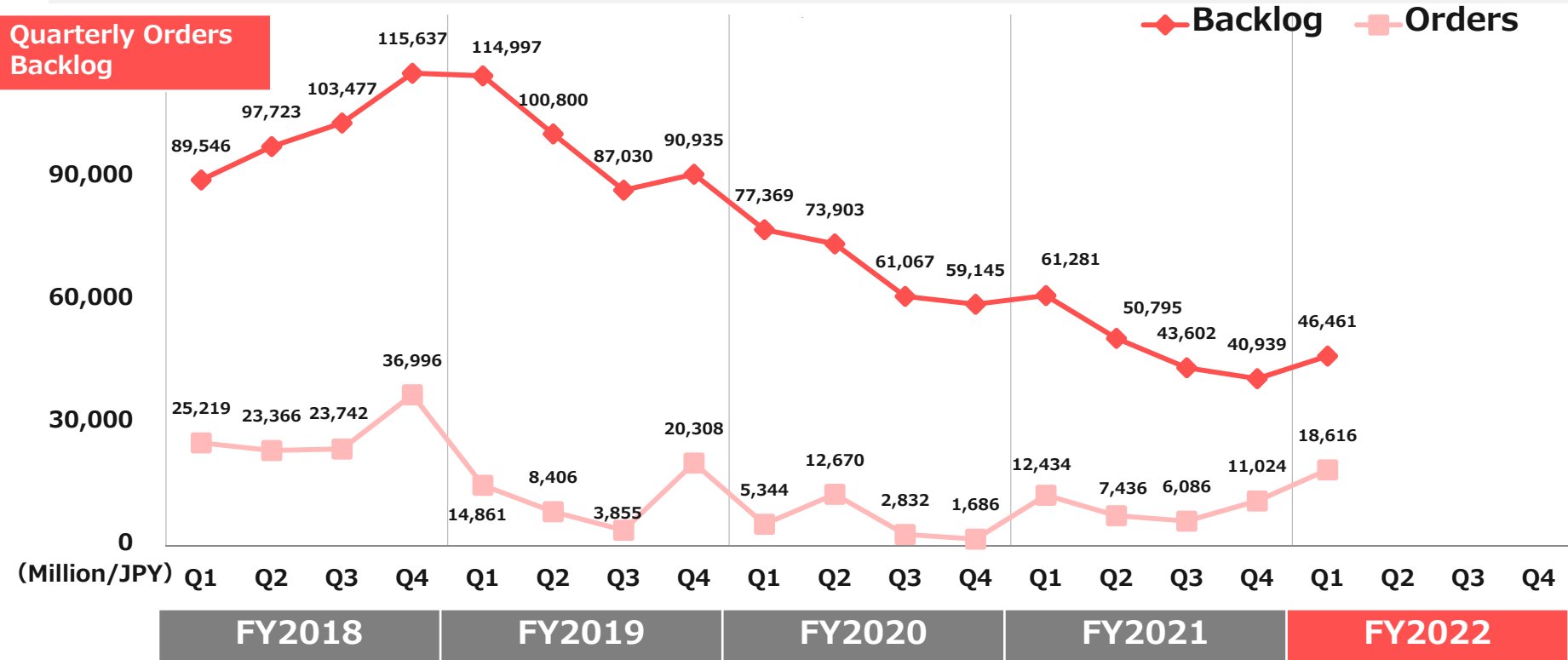


Sales by Countries (YoY basis)



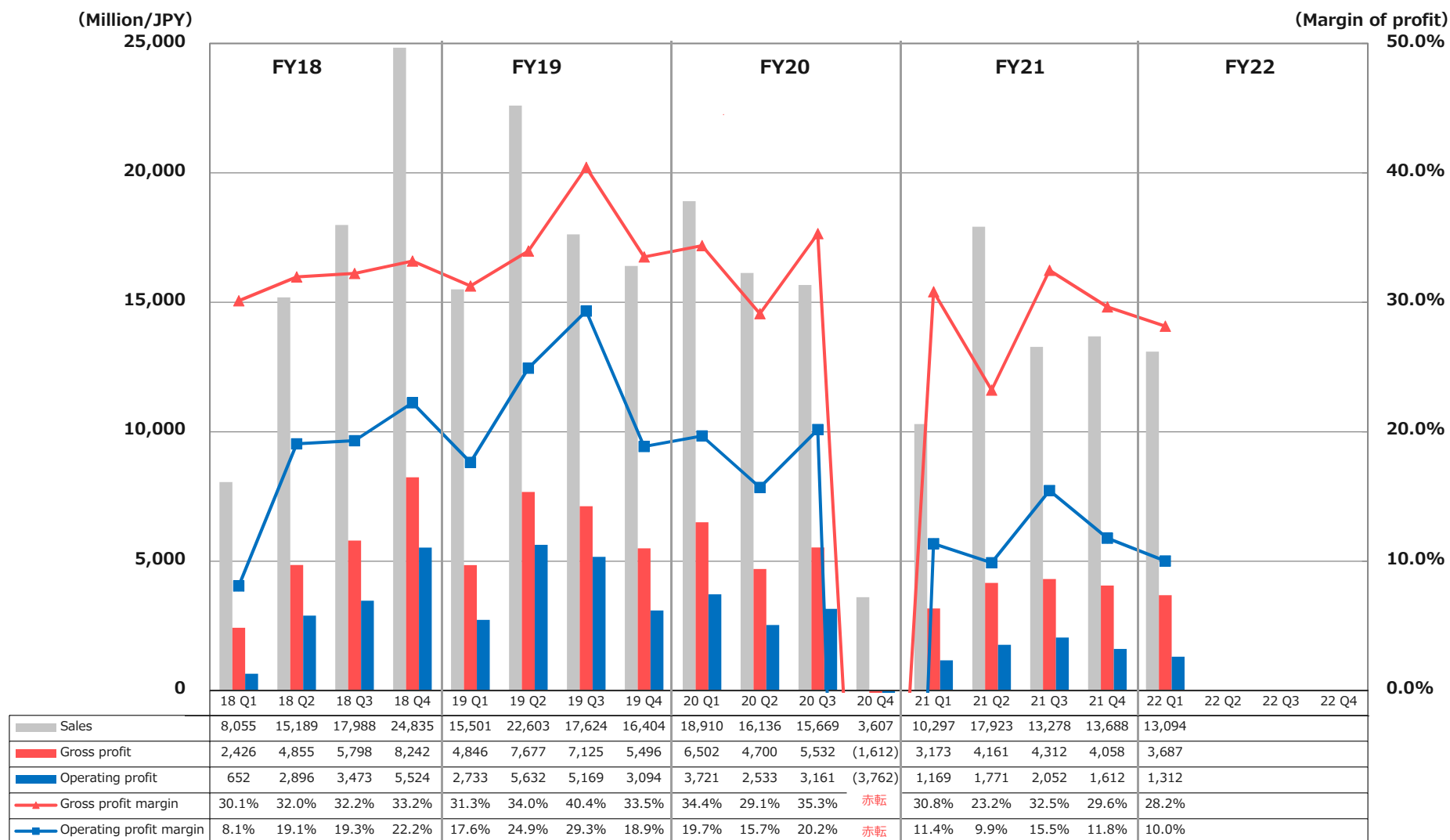
Transition of Quarterly Orders Received and Backlog

- ▶ Orders for both FPDs and semiconductors increased significantly from the previous fiscal year.(YoY+49.7%/QoQ+68.9%)
 - Orders increased due to the conclusion of business negotiations for the construction and expansion of FPD plants and next-generation FPD-related projects as expected.

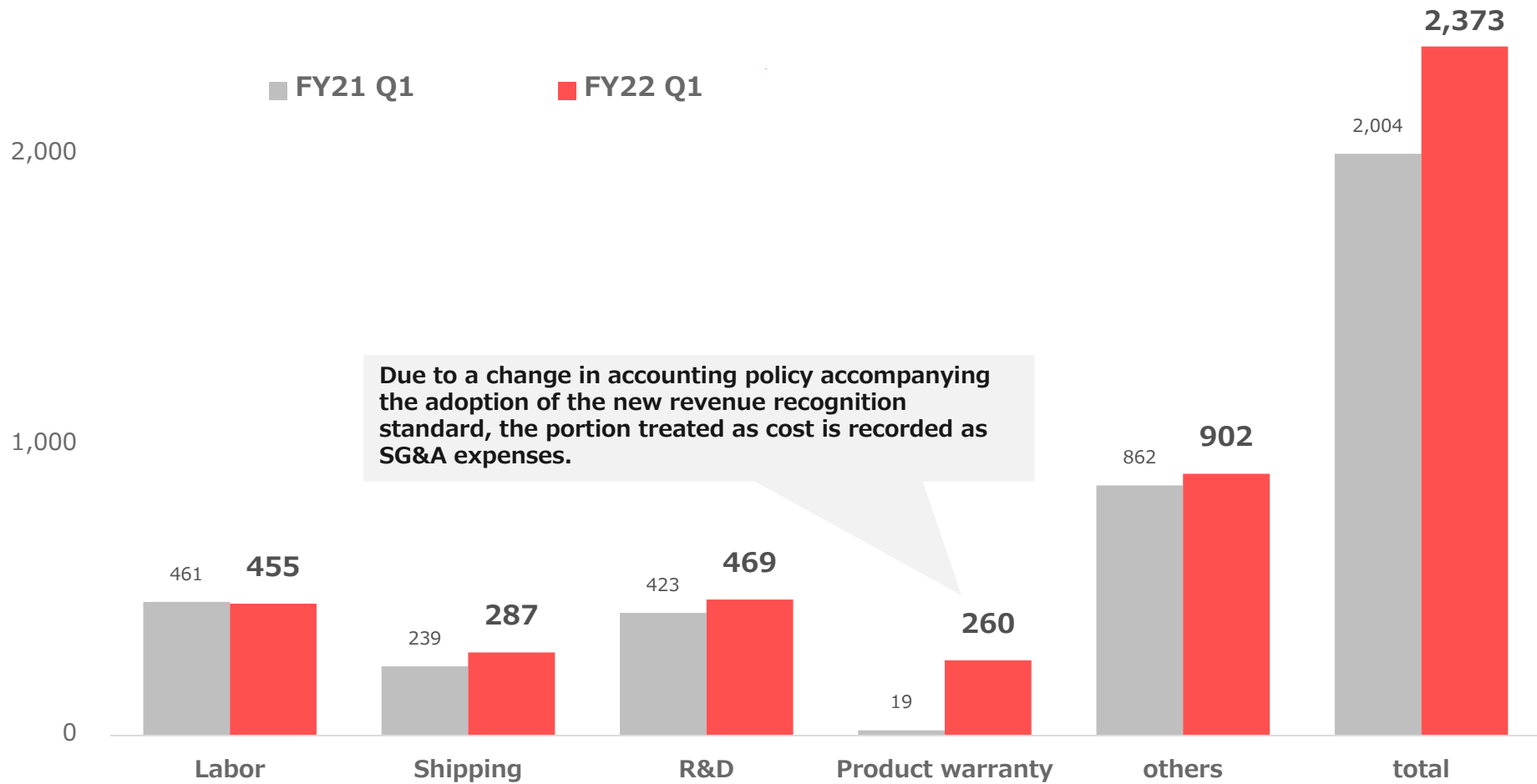


Orders/Backlog by segments (Million/JPY)	Orders		Backlog	
	FY2021Q1	FY2022Q1	FY2021Q1	FY2022Q1
FPD	12,146	17,568	59,359	41,764
SEMI	288	942	1,921	4,697

Transition of Quarterly Sales and Profit

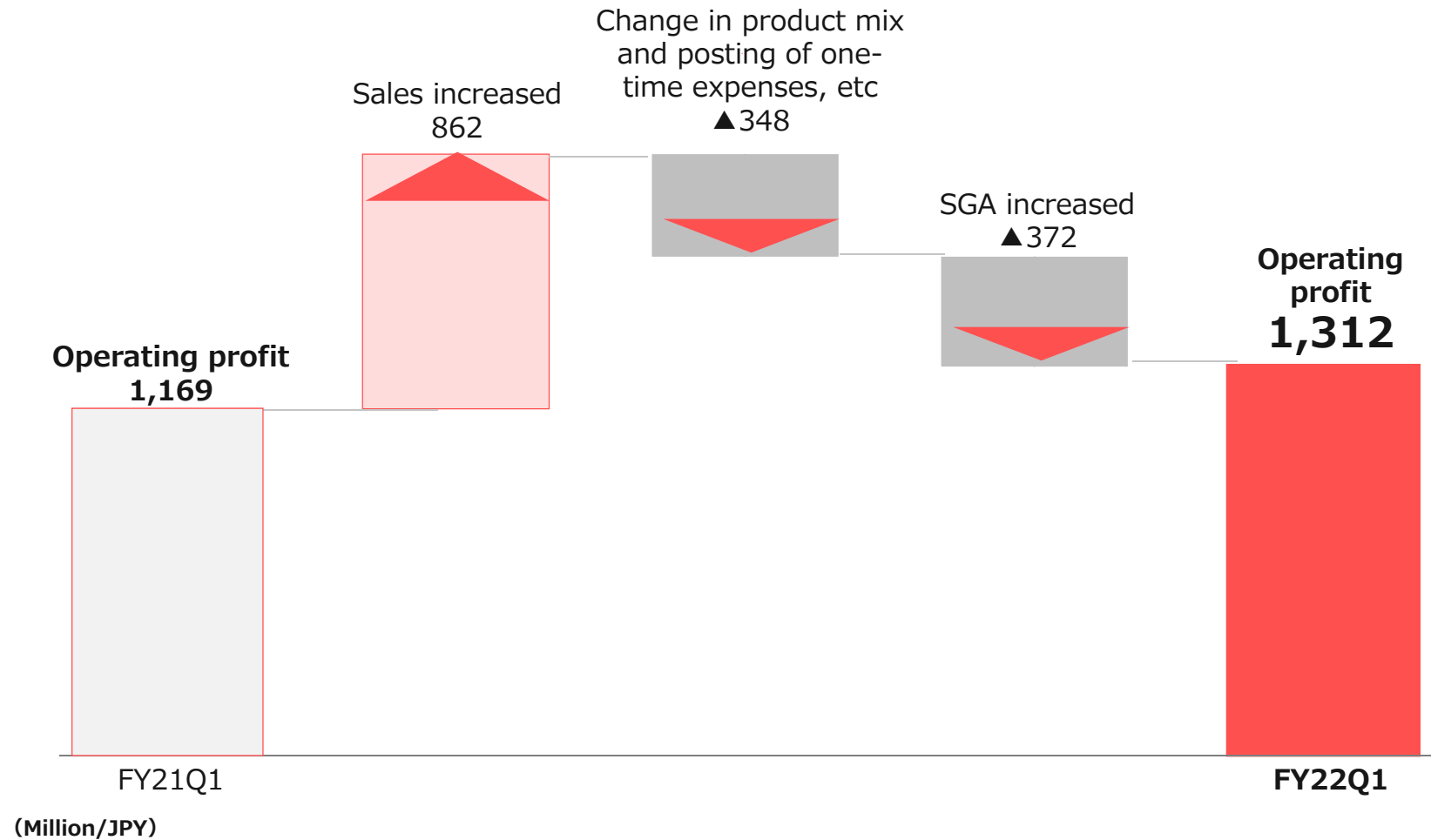


SG&A(Selling, general and administrative) Expenses



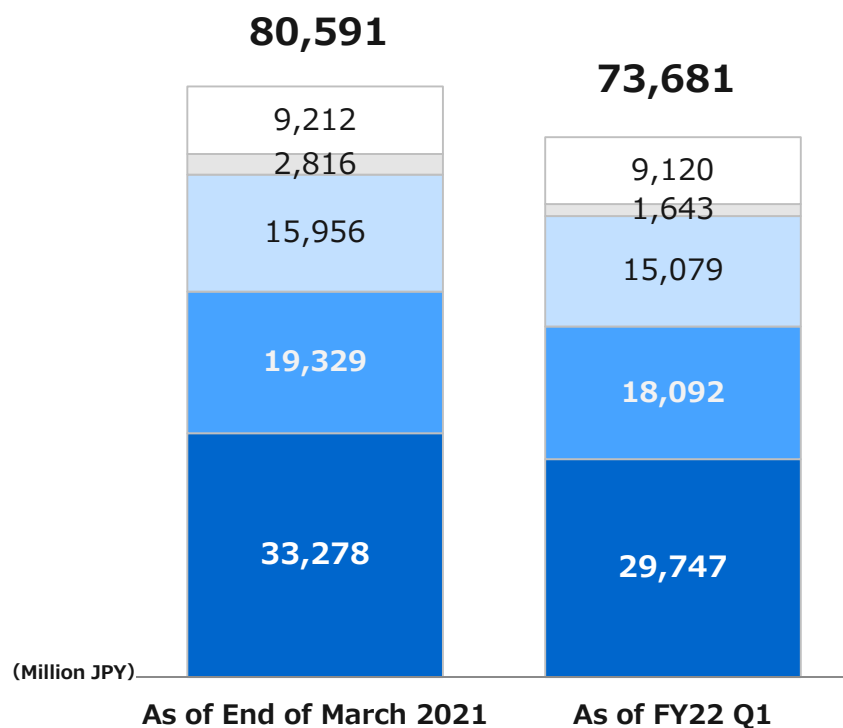
(単位：百万円)

Analysis of differences in consolidated operating profit



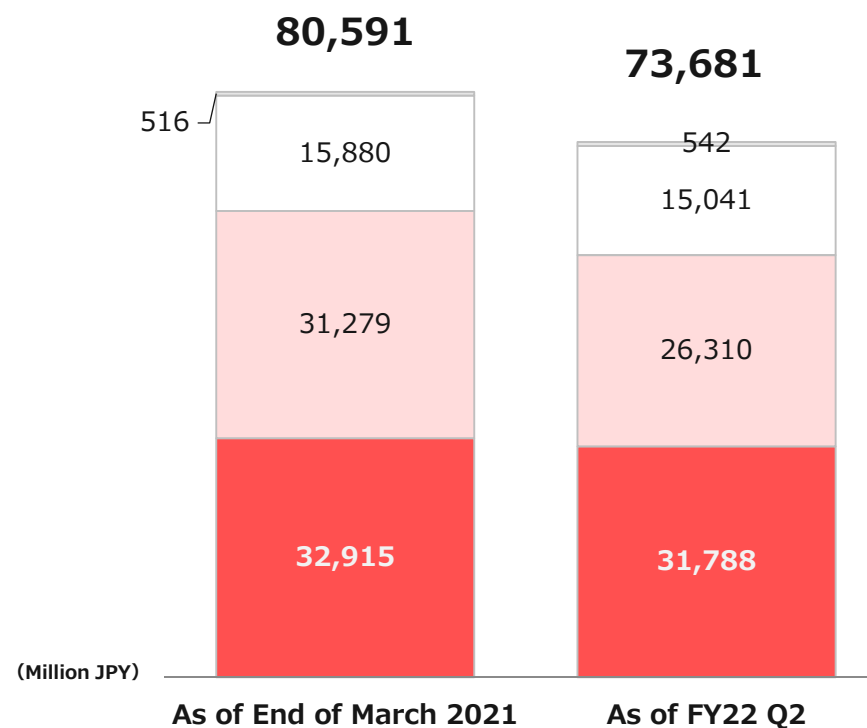
Transition of Consolidated Balance Sheets

Assets



- Non-current assets
- Other current assets
- Inventory
- Bills receivable and accounts receivable
- Cash and deposits

Net assets and liabilities



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

| Business Forecast

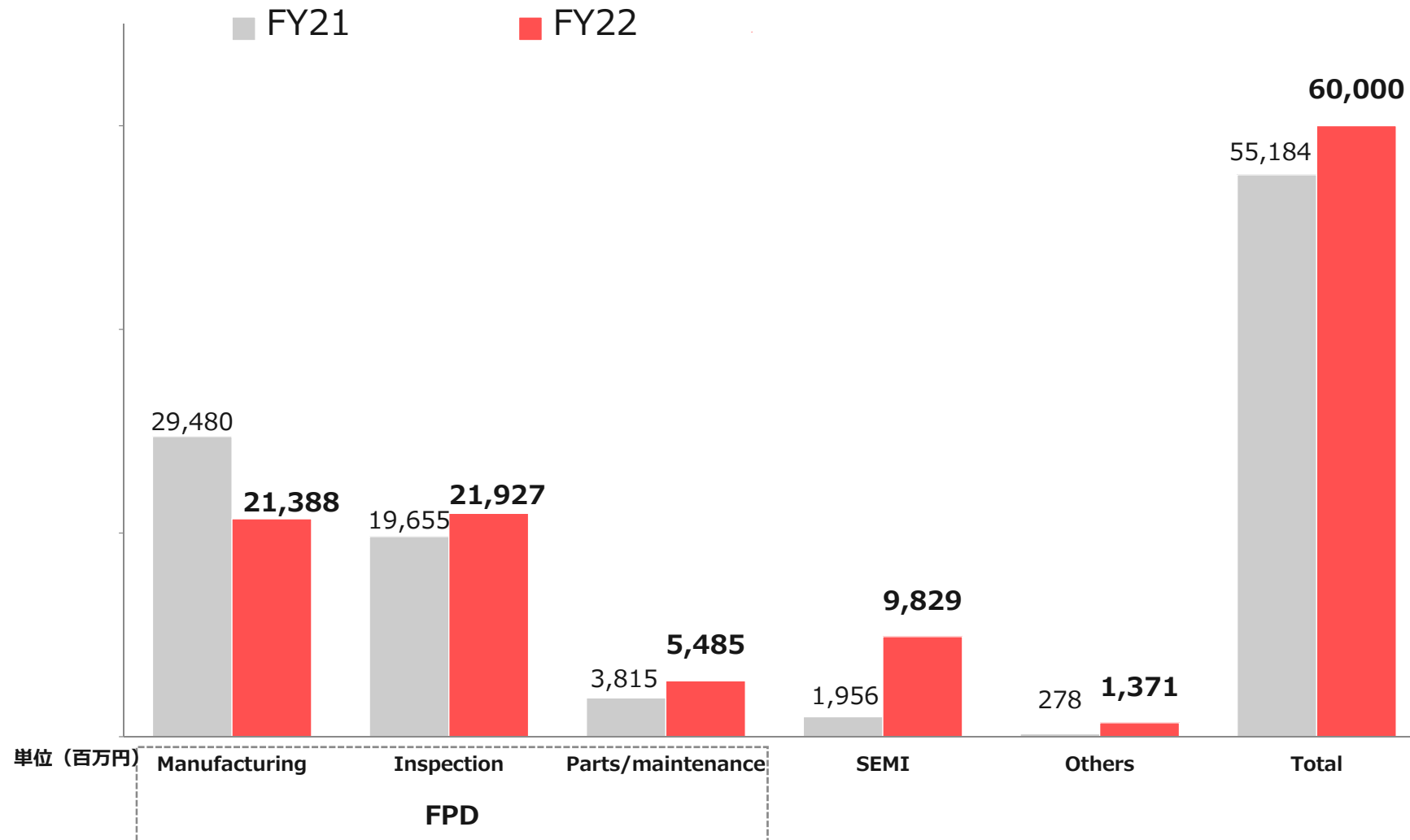
The earnings and dividend forecast of FY2022

- ▶ Full-year earnings and dividend forecasts remain unchanged from those announced on May 12.
- ▶ Additional disclosure of first-half earnings forecast due to expected bias toward second-half earnings.
 - Based on the latest customer information, we have reviewed our sales plan and expect that high-margin projects will be concentrated in the second half of the year. For this reason, we have added the first half forecast to the full-year forecast announced in May.

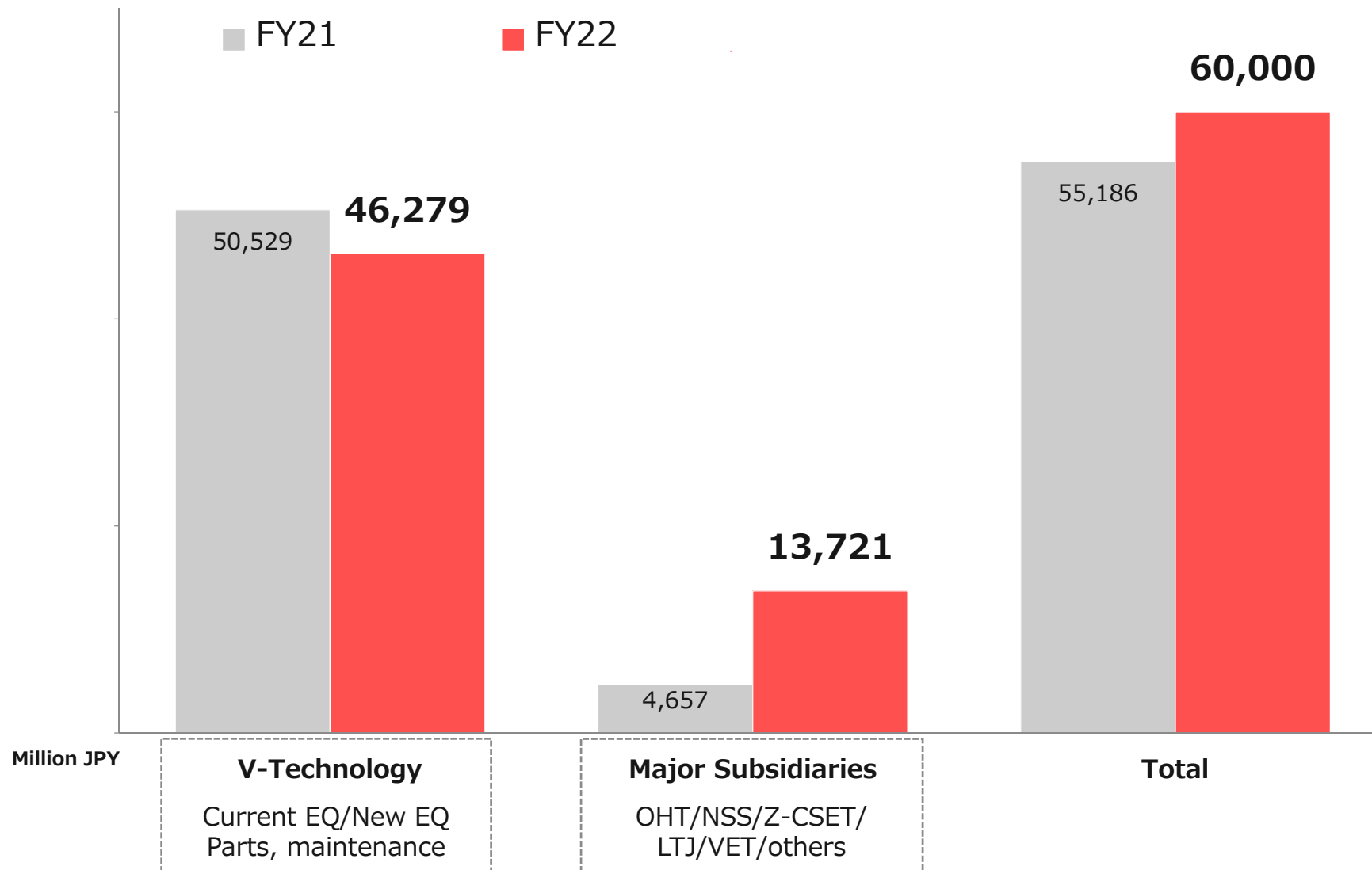
Earnings (Million JPY)	1 st Half(6months)		1 year(12 months)		FY21(Actual)
	Amount (Million JPY)	Margin (YoY Change)	Amount (Million JPY)	Margin (YoY Change)	Amount (Million JPY)
Net sales	27,350	100.0% (▲3.3%)	60,000	100.0% (8.7%)	55,186
Gross profit	2,100	7.7% (▲28.6%)	7,200	12.0% (9.0%)	6,604
Ordinary profit	2,050	7.5% (▲28.8%)	7,050	11.8% (3.1%)	6,836
Net profit attributable to owners of parent	1,650	6.0% (11.7%)	4,300	7.2% (22.4%)	3,513
EPS(JPY)	-		444.70		363.41

Dividend (forecast and actual)	FY22(1 st Half)	FY22(2 nd Half)	FY21(1year)
Dividend(JPY)	60(forecast)	60(forecast)	120(actual)

Breakdown of full-year sales forecast for FY2022 by business segments



Breakdown of full-year sales forecast for FY2022 by company





V-TECHNOLOGY