

V Technology Co.,Ltd.

THE GENERAL SHAREHOLDER'S MEETING 2021

June 24,2021

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【Reports】

1. Business Report and Consolidated Financial Statements for the 24th Fiscal Year(from April 1,2020 to March 31st, 2021), as well as the audit reports on the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors.
2. Report on Financial Statements for the 24th Fiscal Year (from April 1, 2020, to March 31st, 2021)

【Agenda】

Proposal No.1: Appropriation of Surplus

Proposal No.2: Partial Amendments to the Articles of Incorporation

Reports

- 1. Business Report and Consolidated Financial Statements for the 24th Fiscal Year**
(from April 1,2019 to March 31st, 2020)

(1) Business progress and results

① Overview of Business(1/2)

- Business environment in the current consolidated fiscal year (economic environment)

Global Economy	Overall conditions remained severe throughout the year due to the reemergence of new coronavirus infections.
United States	Recovery due to large-scale economic stimulus measures
China	Quickly resumed economic activities and recovered
Japan	Despite the economic stimulus measures, the outlook remains uncertain due to the reemergence of the new coronavirus infection.

(1) Business progress and results

① Overview of Business(2/2)

- Business environment in the current consolidated fiscal year (FPD/SEMI)

FPD

Business results were almost in line with the forecast at the beginning of the fiscal year, supported by the resumption of new factory start-up operations in China and strong FPD sales backed by nest egg consumption, etc.

SEMI

Strong demand for equipment was confirmed against the backdrop of a global shortage of semiconductors.

(1) Business progress and results

① Capital investment

- ✓ Capital investment : 1,625 million JPY
- ✓ Mainly used for machinery and equipment (including 145 million yen for intangible fixed assets due to purchase of software)

② Fund procurement

- ✓ No significant fund procurement.



VET Co., Ltd.
(Headquarters and the factory)

(2) Status of significant business restructuring

- ① April, 2020: Established V-Tech Shining Color Technology(Kunshan)Co.,Ltd.(Shareholding ratio: 50%)
- ② January, 2021: Whole Stock Acquisition of Litho Tech Japan Corporation
- ③ Kunshan V Technology Co., Ltd. and Shanghai VN Systems Co., Ltd. will merge by absorption, with Kunshan V Technology Co., Ltd.

V-Tech Shining Color Technology

Providing "Salvage Service" to turn defective panels into good ones



(3) Changes in Assets and Profit and Loss (1/3)

① Consolidated Profit and Loss

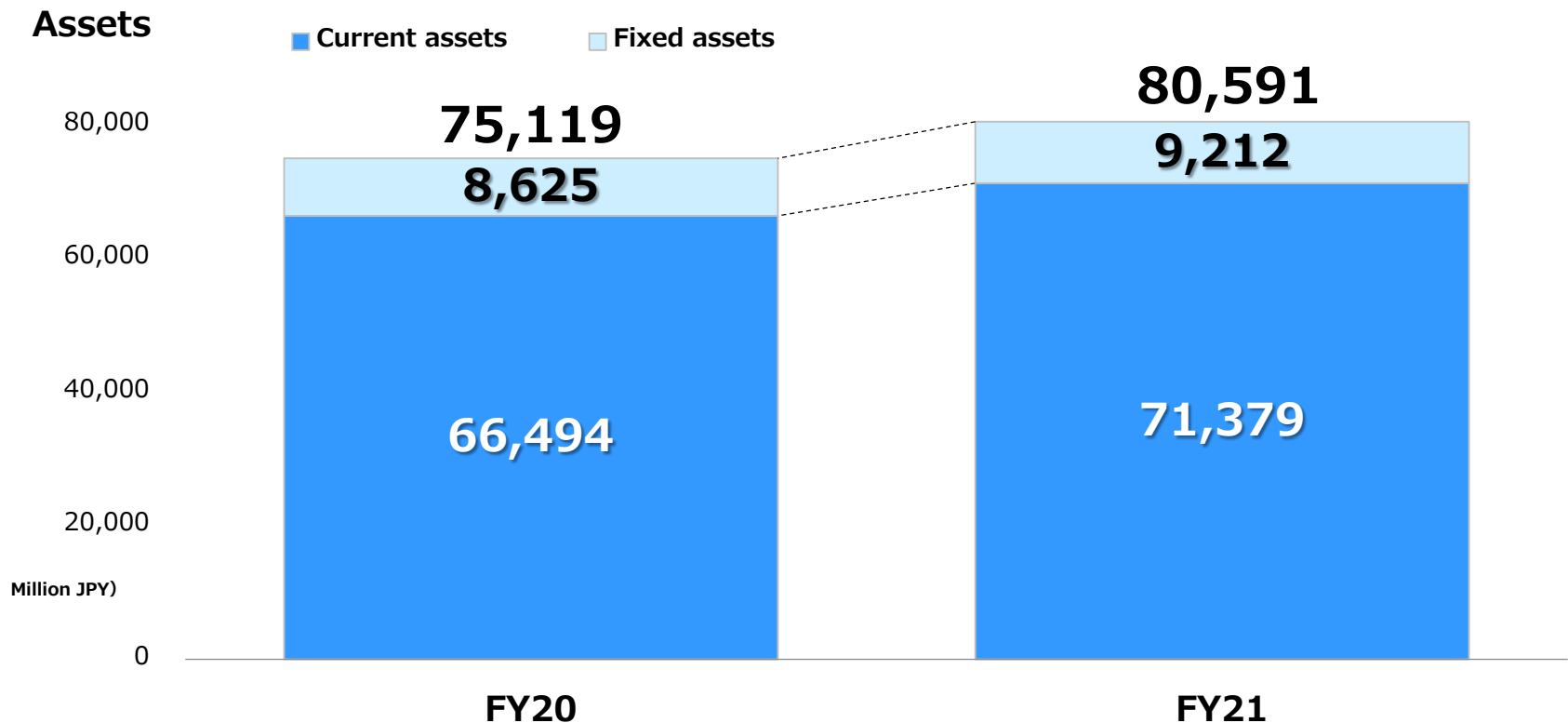
- ✓ Despite the impact of corona, sales and profits were mostly in line with the plan, and sales and profits were higher than the previous year.
- ✓ Sales and profit increased year on year due to change in product mix and cost reduction effects

(Million of JPY)	FY20		FY21		Y/Y change
	Amount	Margin	Amount	Margin	
Net sales	54,322	100.0%	55,186	100.0%	+ 1.6%
Gross profit	15,122	27.8%	15,704	28.5%	+ 3.8%
Operating profit	5,653	10.4%	6,604	12.0%	+ 16.8%
Ordinary profit	6,156	11.3%	6,836	12.4%	+ 11.0%
Net profit attributable to owners of parent	3,251	6.0%	3,513	6.4%	+ 8.1%

(3) Changes in Assets and Profit and Loss (2/3)

① Consolidated total assets

- Total assets increased by 5,472 million yen from the previous fiscal year to 80,591 million yen.
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 - Fixed assets: 9,212 million yen (up 587 million yen YoY), mainly due to an increase in construction in progress.

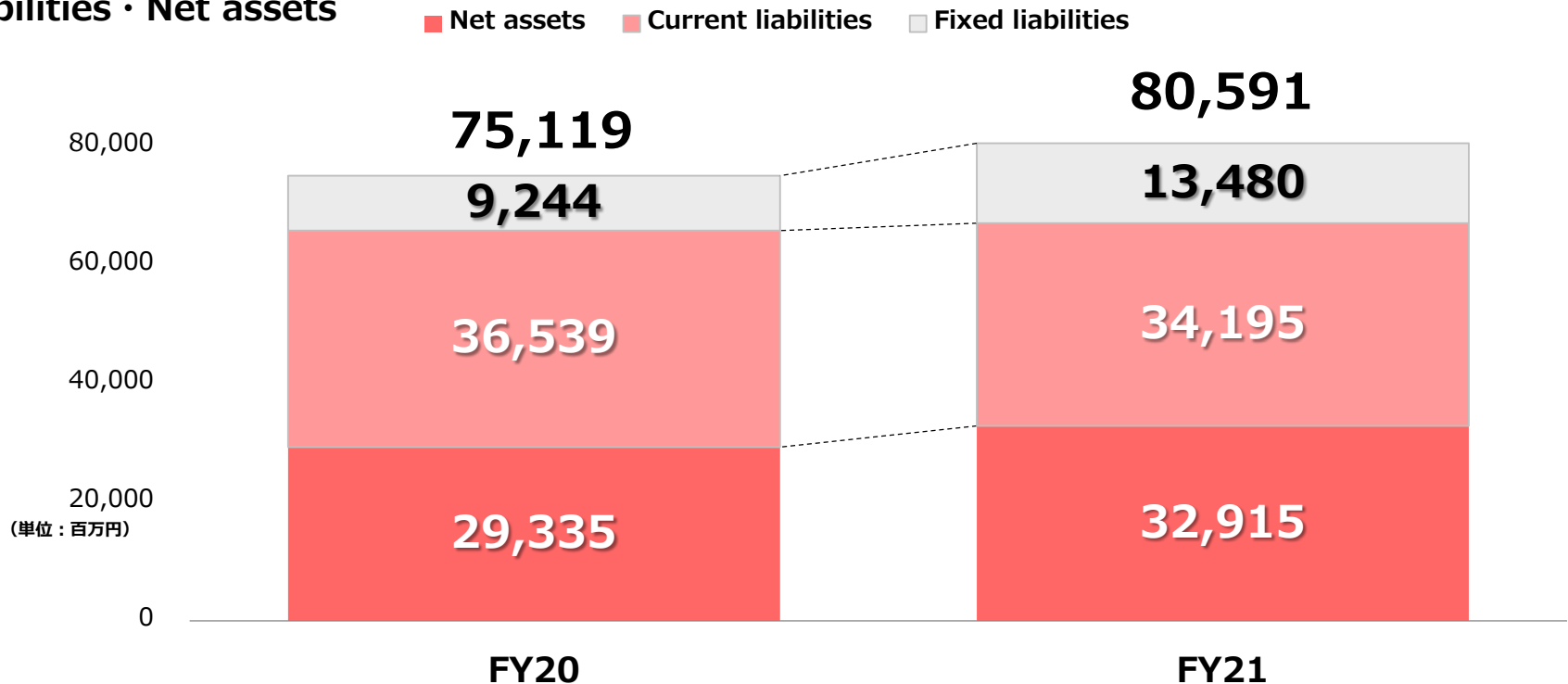


(3) Changes in Assets and Profit and Loss (3/3)

① Consolidated Net assets and Liabilities

- Liabilities increased by 1,892 million yen year-on-year to 47,676 million yen.
 - Current liabilities: 34,195 million yen (down 2,344 million yen year-on-year) due to a decrease in "advances received" and other items
 - Long-term liabilities: 13,480 million yen (up 4,235 million yen YoY) due to an increase in long-term loans payable
- Net assets increased by 3,580 million yen year-on-year to 32,915 million yen, mainly due to an increase in retained earnings.

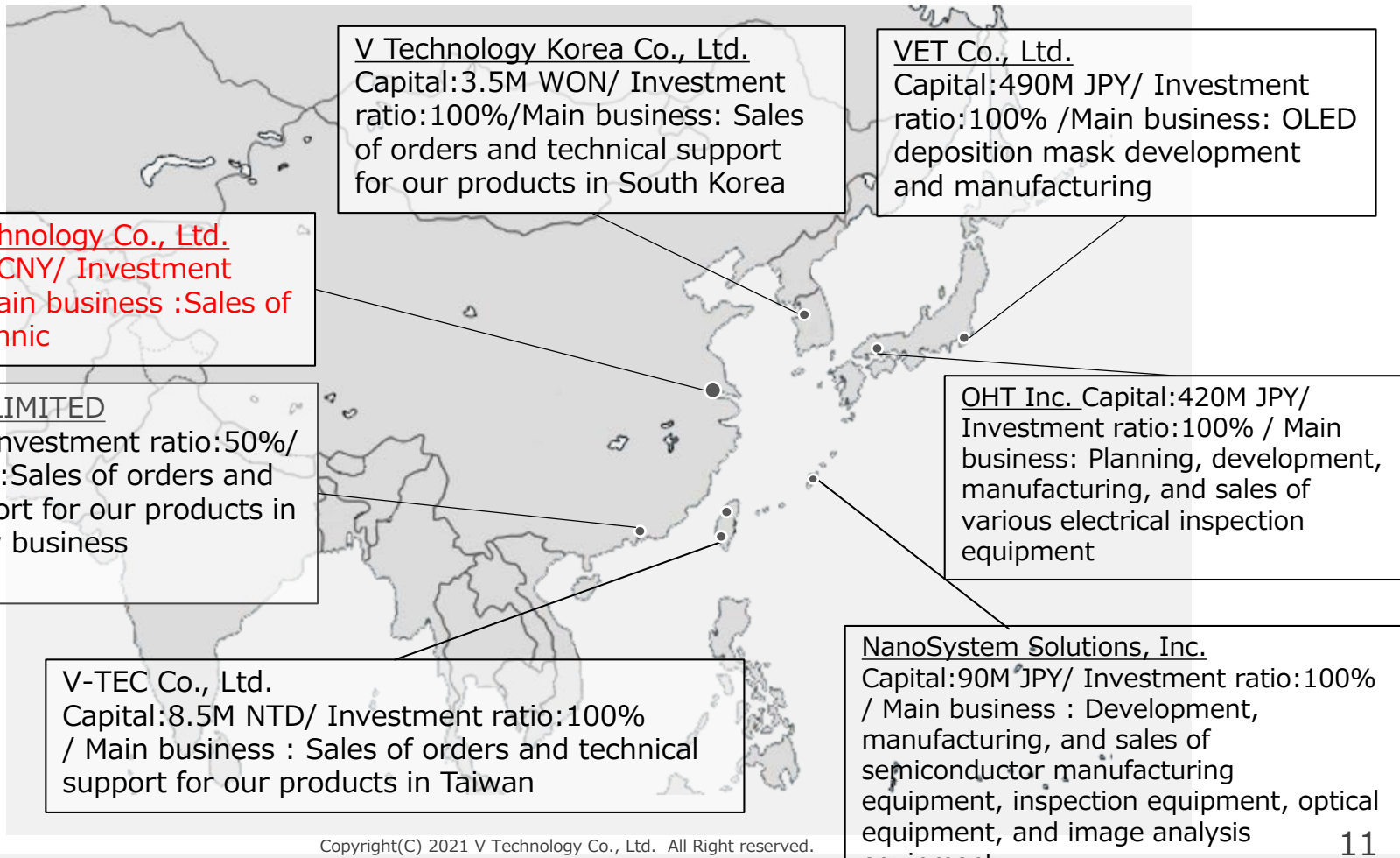
Liabilities · Net assets



(4) Status of parent company and subsidiaries

- ① Parent company : None
- ② Subsidiaries : Made NanoSystem Solutions, Inc. a wholly-owned subsidiary

List of important subsidiaries

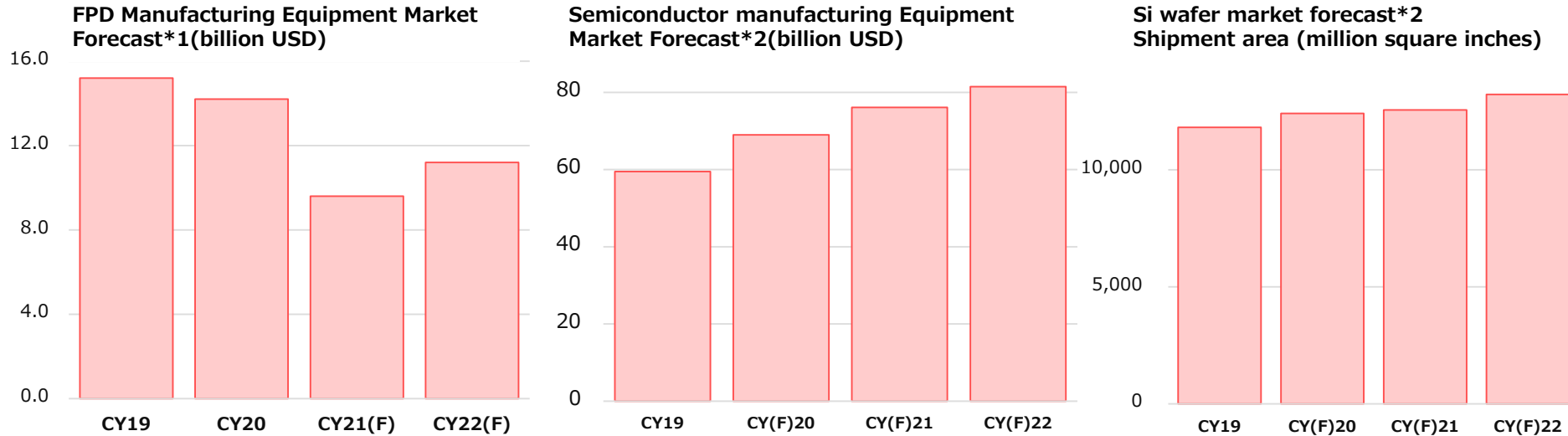


(5) Issues to be addressed

① Business Environment

- DX (Digital Transformation), resumption of automobile production, and other factors will increase demand for semiconductors and FPDs (Flat Panel Displays).
- With regard to FPD capital investment, there was a lull in the construction of new large-scale FPD plants, but there was an increase in business negotiations related to the expansion of existing plants.
- Demand for semiconductors, from low-end to high-end, remained at a high level, and business negotiations for semiconductor production equipment increased.

1. Related markets



1: Based on OMDIA (OLED and LCD Supply Demand Equipment Tracker (2021))

2: Compiled by our company from SEMI 2020 and 2021 presentation materials.

(5) Issues to be addressed

② Initiatives to Achieve Medium- to Long-Term Growth (V-Technology non-consolidated) 1/5

FPD

1. Strengthen conventional equipment business

Implemented various measures

organization

Organizational changes to improve speed of commercialization, equipment performance, and customer satisfaction

Exporsure/Repair equipment



Main Themes

- Performance
- Cost reduction
- Customer support

3. Next-generation FPD technology①

WOLED VS Mini-LED(LCD)、μLED

Mini-LEDs with few weaknesses are attracting attention, while μLEDs are actively developed.

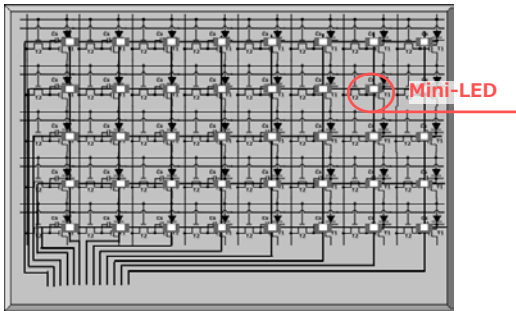
	LCD	White OLED	printing	Mini-LED	μ-LED
Picture quality	△	◎	○	○	◎
Productivity	◎	△	△	○	△
Life-time	◎	△	×	◎	◎

Comparison of different FPD technologies (image quality/productivity/life)

3. Next-generation FPD technology② Mini-LED/μLED関連の技術開発

① Image quality issues with Mini-LED

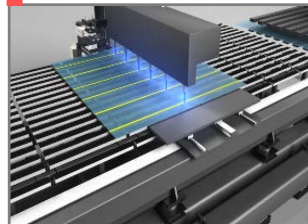
- ✓ Flickering and low brightness (by passive drive)
- ✓ Active drive + Mini-LED high-density mounting can solve the problem
- ✓ BLDA improves TFT at low cost (high electron mobility, lightfastness)



(Conceptual diagram) MiniLED backlight unit with active circuit

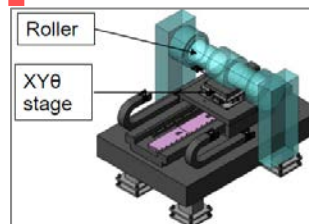
② Joint development delayed due to Corona disaster, but prototype will be released in FY21 and full-scale business is expected to be launched in the next fiscal year.

Laser-annealing(BLDA)



Formation of silicon films on glass substrates with a crystal structure suitable for various FPDs by a semiconductor laser

Roll transfer system



Simultaneous development of laser lift-off equipment, defective chip correction equipment, and other key process equipment

SEMI

5.R&D for semiconductor-related products

① Development of new inspection and repair systems for legacy semiconductor photomasks

Compact Repair System



② Development of exposure systems for semiconductor packages based on FPD exposure system technology

- High resolution/high productivity

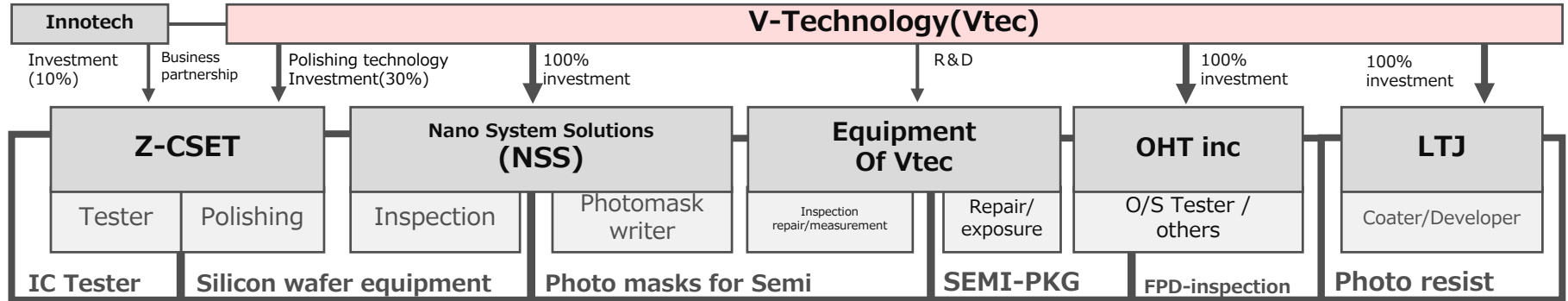
(5) Issues to be addressed

② Initiatives to Achieve Medium- to Long-Term Growth (Subsidiaries, semiconductors) 2/5

1. Promote growth initiatives and actively enter fields where we can leverage our strengths

Expand business in a short period of time by making full use of M&A, business alliances, and R&D

(Figure) Capital relationship with major equipment-related subsidiaries, and products and target markets



2. Nano System Solutions

Surge in business negotiations on the back of growth in the wafer and semiconductor markets, and the Group's resources are concentrated to strengthen its response.

①Rapid increase in business negotiations for Si wafer inspection equipment as production lines are expanded in Japan and overseas.



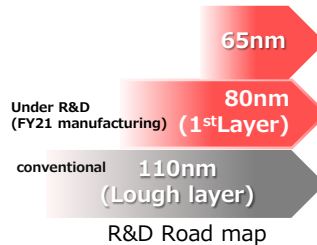
Si wafer inspection

②Increase in replacement demand for semiconductor mask writing equipment due to increased demand for legacy semiconductors



Semiconductor mask writer

③Developing the next generation of semiconductor mask writing systems



3. Z-CSET

succeeds in receiving full-scale orders for IC testers



Wafer polisher

- Additional negotiations underway
- Utilize the strength of local production, build up a track record of mass production application, and expand market share

- Succeeded in receiving orders from major memory manufacturers
- Looking to enter the peripheral components and equipment market



IC Tester

(5) Issues to be addressed

② Initiatives to Achieve Medium- to Long-Term Growth(Subsidiaries, parts and materials) 2/5

VSC (Salvage Service)/Small/Medium OLED Market

Salvage Service

- ① Production of driver ICs with IP delayed; full-scale operation scheduled to begin in June
- ② Expected annual demand of 1000K~1500K panels



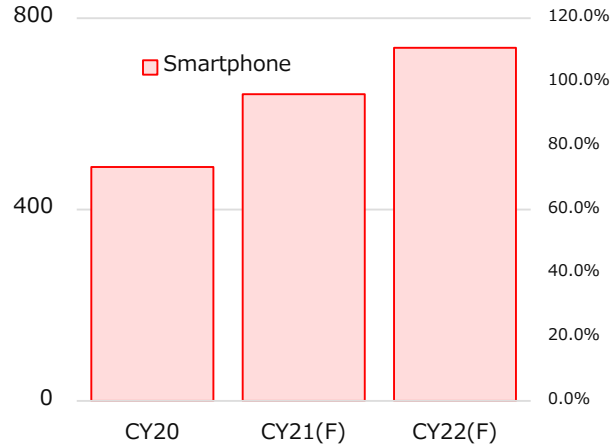
Kunshan Factory



Demura equipment

Small- and medium-sized OLED market will recover

Small- and medium-sized OLED demand forecast*1

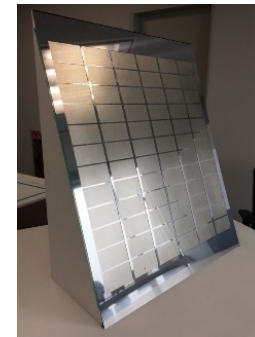


*1、OMDIA(OLED and LCD Supply Demand Equipment Tracke(2021)より作成

9. VET(OLED deposition mask)

① Delayed joint evaluation with customers, accelerated to make up for the delay, accelerated to start sales in the second half

② Deposition Mask (Fine Hybrid Mask)



(Pic)FHM

Features

- Adopts a hybrid structure of resin and metal
- Lightest weight/highest definition/highest positioning accuracy
- No assembly work required

1 0. Sales of OLED lighting and lighting fixtures

① OLED Lighting

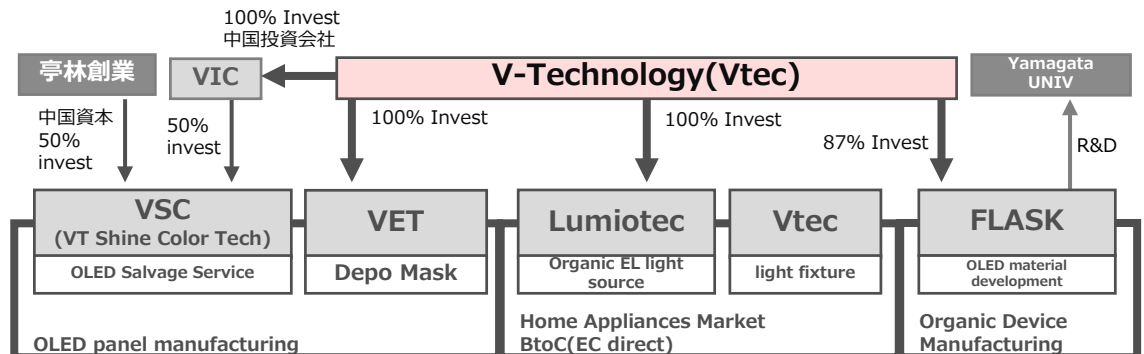
- ✓ Production line improvement of CHVT installation
- ✓ Longer life of elements / cost reduction

② Light fixture, etc.

- ✓ Steady progress in design planning, etc. for original brand products, aiming for sales from this fiscal year.

(Reference) Business conditions in the materials and services field

(Figure) Capital relationship with major subsidiaries in the materials and services industry, and products and target markets



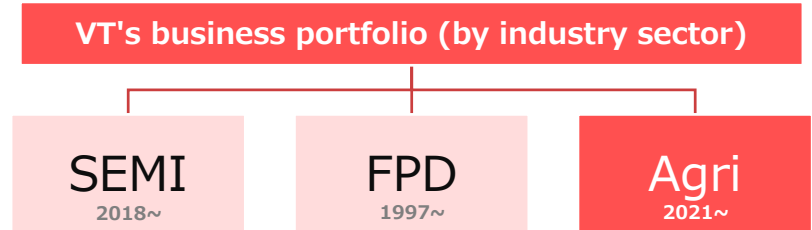
(5) Issues to be addressed

② Initiatives to Achieve Medium- to Long-Term (agriculture) 4/5

1. The Board of Directors resolved to establish an agricultural joint venture company and amend the Articles of Incorporation at a meeting held on May 12.

Achieve stable growth over the medium to long term by commercializing solutions to environmental and social issues from the perspective of sustainable management

- ① **As a first step, we will utilize our own management resources and enter a field where stable demand is expected.**
 - Joint Venture to Produce and Sell High Value-Added Tomatoes
 - Stable demand for agricultural products that are outstanding in terms of taste and quality
 - Tomato production using imec® with its superior environmental characteristics
- ② **Risk diversification perspective**
 - 95% overseas export ratio, low weighting of domestic business
 - Capital investment cycle influences business performance
 - Changes in high-tech industry policy in each country / Changes in international situation such as US-China issues

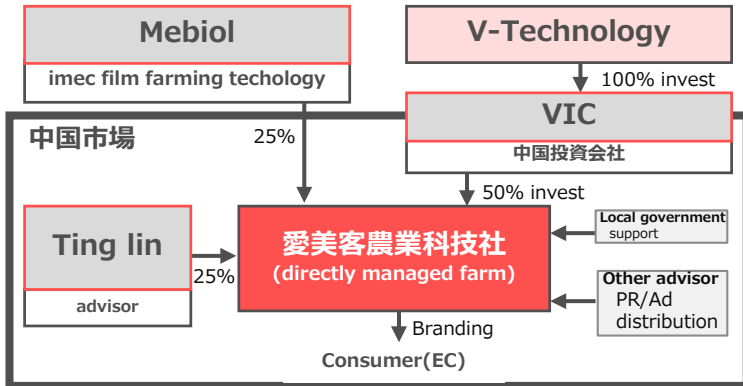


2. JV "Imec tech(China)"

VIC, Mebiol, and Teijin Foundry establish JV

- Registered capital: 30 million (RMB)
- Production and sales of IMEC tomatoes in direct farming

(Figure) Relationship between the joint venture and each company



3. Mebiol/imec

World's First Application of Hydrogel Technology to Agriculture and Development of IMEC



Mebiol Inc

Developed the world's first sustainable agricultural technology (IMEC®) to produce safe, highly nutritious agricultural products by applying membrane and hydrogel technologies developed for medical use to agriculture.

Website →



*Realization of high concentration and high sugar content

*Safe and secure

*Patented in many countries around the world

*Can be grown in any soil
Even inexperienced people can learn in a short time

Tomato cultivation using the IMEC® system

(5) Issues to be addressed

② Initiatives to Achieve Medium- to Long-Term 5/5

We will work to achieve sustainable growth of the company and realize our management philosophy from the perspective of sustainability.

Mission

Contributing to society with fervor and great ambition, through our world-class innovative manufacturing solutions.

Management Policy

We aim to become one of the world's leading manufacturing solution providers by expanding our scale and stabilizing our earnings with our unique strengths. We aim to become one of the world's leading manufacturing solution providers.

Sector	FPD		SEMI		Parts/material		Agri/other	
Measures	M&A		R&D	Customer		SCM		Human Resources

Sustainability	Environment	<ul style="list-style-type: none"> • Climate change (FPD's power saving technology development) • Resource protection (FPD/semi-conductor improvement technology) • Pollution prevention (production activities that are qualified by local environmental laws)
	Society	<ul style="list-style-type: none"> • Safety(Safety Education/Safety Measures for Equipment) • Social Contribution(Judo Support/Women's Judo Club Operation/Youth Development) • Strengthening supply chain management(Soukikai)
	Governance	<ul style="list-style-type: none"> • Separation of supervision and execution 5 directors (including 2 outside directors), establishment of Nomination and Compensation Committee, etc. • Strengthen risk management (establish a divisional system and an affiliated company management office) • Dialogue with stakeholders (establish a system for information disclosure and dialogue)

Executive and Employee action guidelines

- 1. Have I lacked in spiritual vigor?**
- 2. Have I been responsible for my speech and behavior?**
- 3. Have I committed myself to work with zeal and effort?**

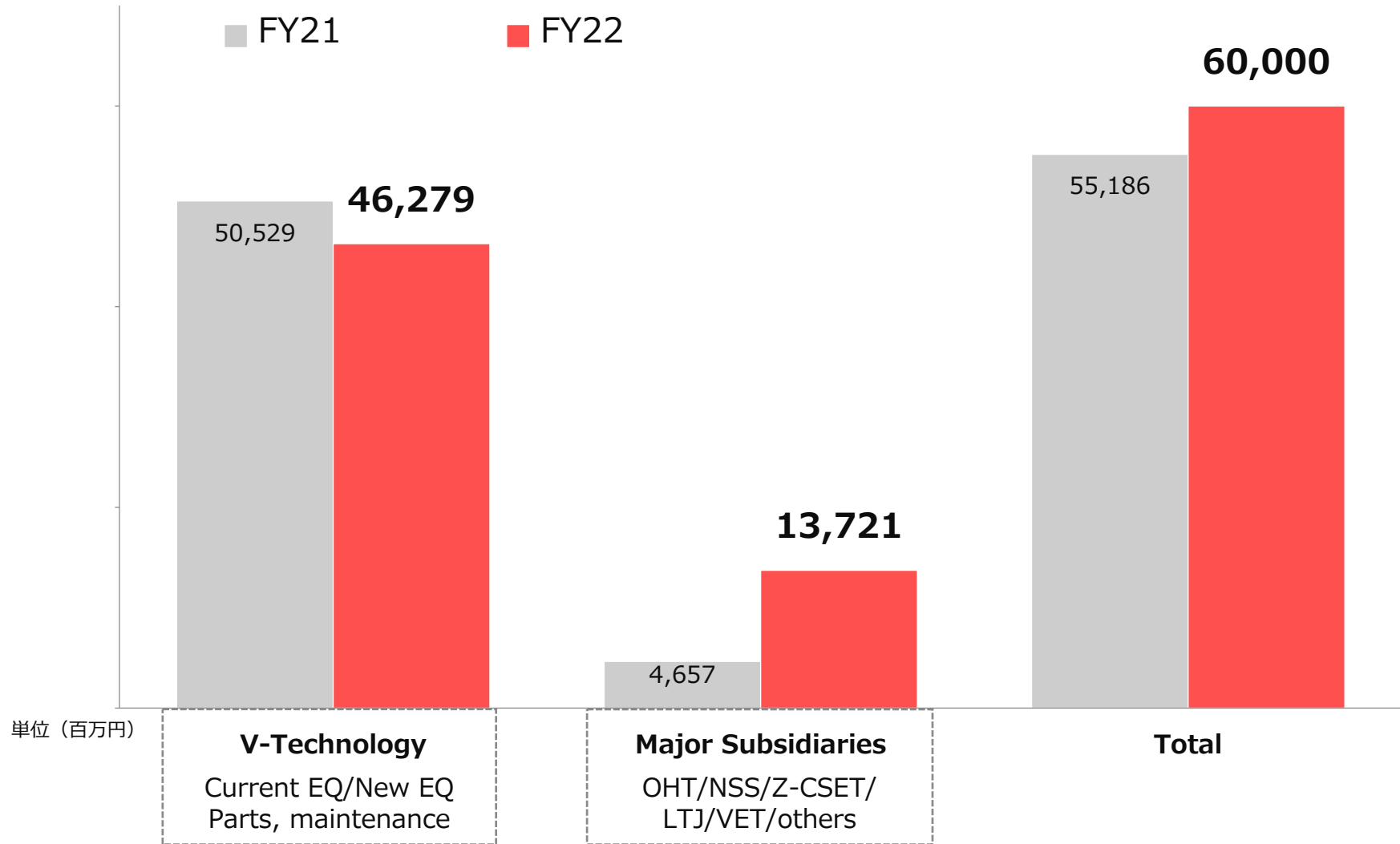
The earnings and dividend forecast of FY2022

Earnings (Million JPY)	FY2021(Actual)		FY2022(Forecast)		Change
	Amount	Margin	Amount	Margin	
Net sales	55,186	—	60,000	—	8.7%
Gross profit	6,604	12.0%	7,200	12.0%	9.0%
Ordinary profit	6,836	12.4%	7,050	11.8%	3.1%
Net profit attributable to owners of parent	3,513	6.4%	4,300	7.2%	22.4.%
EPS(JPY)	363.41円		444.70円		—

Dividend(JPY)	FY21	FY22 Forecast
1H	60(actual)	60
2H	60(planned)	60

Breakdown of full-year sales forecast for the fiscal year ending March 31, 2022

A breakdown by application is shown on slide 25.



Proposal No.1 Appropriation of Surplus

Our basic policy on profit sharing and dividends is to attempt stable and continuous profit distribution according to our operating results. We also consider securing appropriate internal reserves to accomplish future business expansion and reinforcement of our management. Based on this policy, and the results for the current period, the year-end dividend for the 23rd Fiscal Year is as follows.

Year-end Dividend	:	Per share of common stocks: JPY60
The effective date of the dividend of surplus	:	Friday, June 25, 2021

Proposal No.2: Partial Amendment to the Articles of Incorporation

Reason for the proposal: To make necessary changes to Article 2 [Objectives] of the Articles of Incorporation in order to commercialize solutions to global social issues in the field of agriculture, without being bound by existing businesses, as part of sustainability-conscious corporate management.

Existing Articles of Incorporation	Proposed Amendments
<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following business:</p> <ol style="list-style-type: none"> 1. ~2. (Not amended) <p>(Newly added)</p> <ol style="list-style-type: none"> 3. Equipment, products and parts listed in each of the preceding items Import and export of equipment, products and parts <ol style="list-style-type: none"> 4. ~7. (articles omitted) 	<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following business:</p> <ol style="list-style-type: none"> 1. ~2. (Not amended) 3. Production and sales of agricultural Products 4. Development, manufacture and sale of equipment and materials related to the production of agricultural products 5. Import and export of equipment, products, parts, and agricultural products listed in the preceding items. <ol style="list-style-type: none"> 6. ~9. (Not amended)