

FY2020 Q3

Financial Announcement

(Supplementary Materials)

February 10,2020

V-Technology Co.,Ltd.

Forward-Looking Statements

This material contains forward-looking statements regarding V Technology Co., Ltd.'s corporate plans, strategies, forecasts, and other statements that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the industries in which V Technology Co., Ltd. operates.

As the expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, including without limitation, changes in economic conditions; fluctuations in currency exchange rates; changes in the competitive environment; the outcome of pending and future litigation; and the continued availability of financing and financial instruments and financial resources, they may cause actual results to differ materially from those presented in such forward-looking statements.

V-Technology Co., Ltd., therefore, wishes to caution that readers should not place undue reliance on forward-looking statements, and, further that V Technology Co., Ltd. undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.

Influence of Foreign Exchange Rates on Equipment Sales

In principle, export sales of our feature FPD production equipment is denominated in yen. There are also some foreign currency settlements, however the risk of exchange fluctuations denominated in foreign currencies are hedged using the forward exchange contract if necessary. Accordingly, the effect of exchange rates on sales of our equipment is negligible.

Numerical Treatment

The amounts listed are rounded down to the nearest unit, and the ratio is rounded off to the unit amount, so it may not match the breakdown.

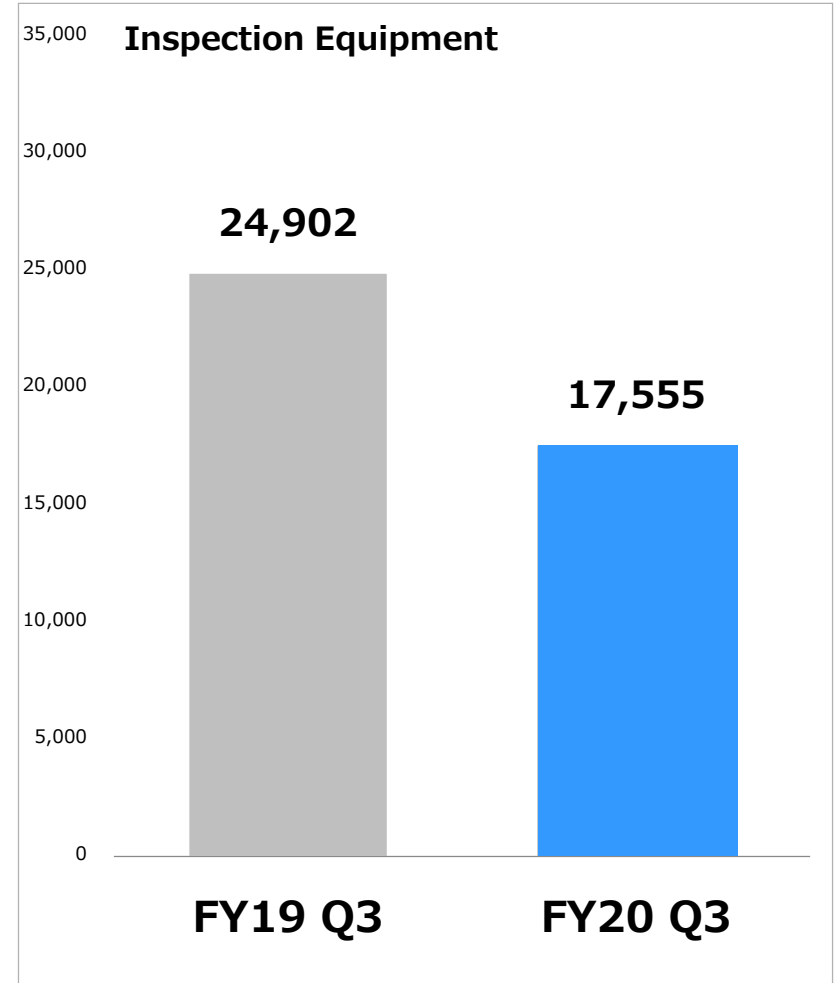
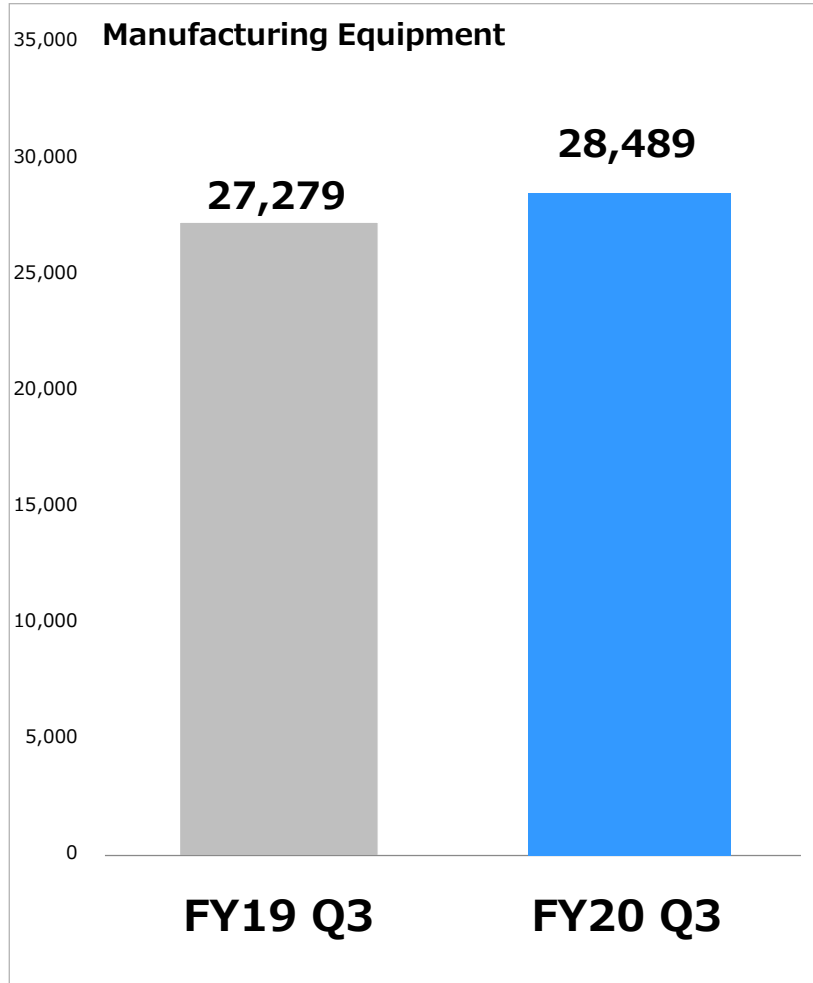
Financial Results

Highlight of FY2020 Q3

- Sales and profit for the Q3 period were generally in line with the initial plan.
- Orders and order backlog decreased due to various reasons such as capital investment related to large panels that bottomed out.
- In light of the impact of the Novel Corona Virus Expansion in China, we revised our business forecast down for the current fiscal year.

	FY19 Q3 ended		FY20 Q3 ended		Y/Y change
	Amount (Millions of JPY)	Margin	Amount (Millions of JPY)	Margin	
Net sales	55,728	—	50,715	—	-9.0%
Gross profit	19,648	35.3%	16,734	33.0%	-14.8%
Operating profit	13,534	24.3%	9,447	18.6%	-30.2%
Ordinary profit	13,691	24.6%	9,447	18.6%	-31.0%
Net profit attributable to owners of parent	9,168	16.5%	5,940	11.7%	-35.2%
Orders received	27,122	—	20,846	—	-23.1%
Backlog	87,030	—	61,670	—	-29.8%

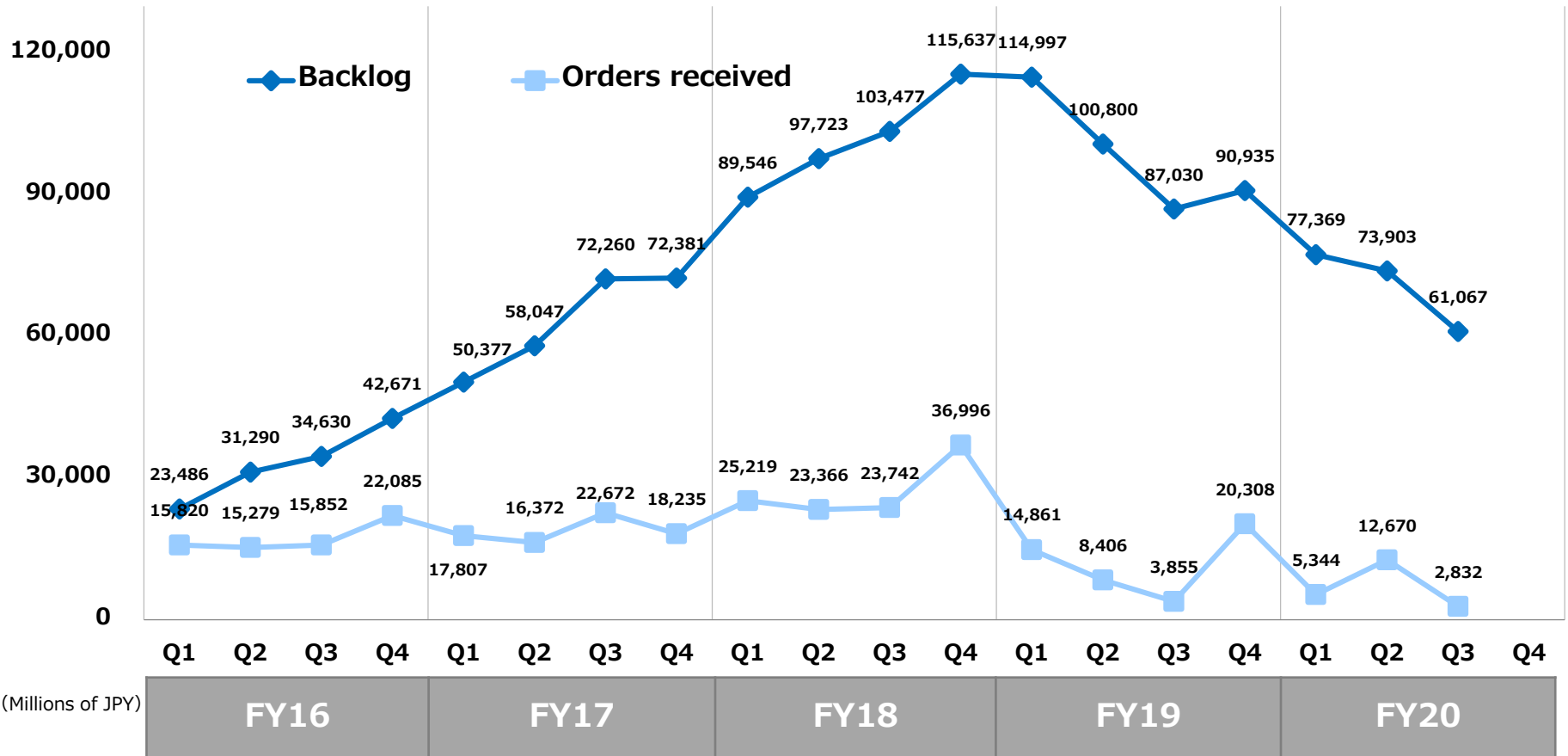
*Reference: Sales by Products



(Millions of JPY)

Transition of Orders Received and Backlog

- Orders in Q3 were sluggish due to the slump of new product and new business startups and business negotiations related to FPD equipment.
- OLED's share in the large-screen panel market is on the rise, and business negotiations related to the establishment of a large panel factory that uses White OLED technology, which requires color filters just like LCDs, are expected to increase over the medium to long term.



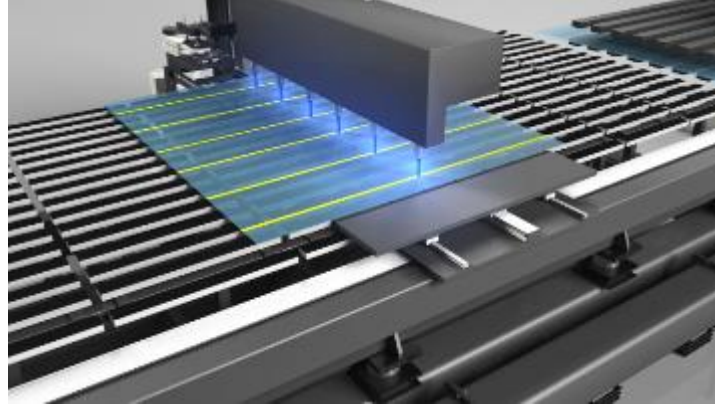
(Millions of JPY)

*Ref: New FPD-related products under development

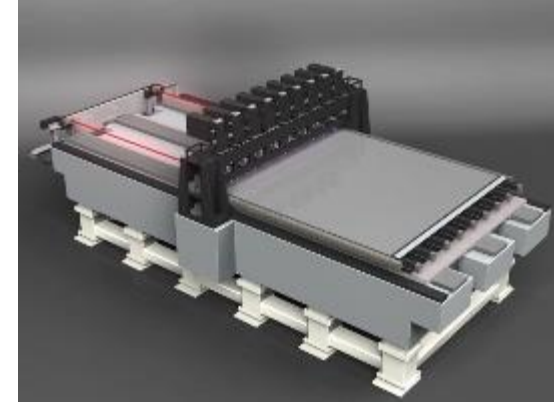
WOLED Deposition Equipment



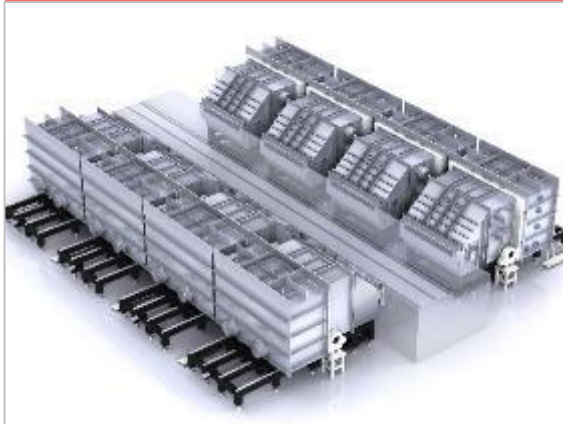
Laser Annealing Equipment



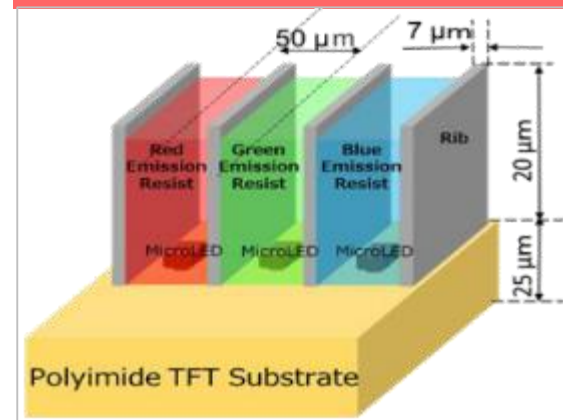
Mask Writer



Vertical Deposition Equipment



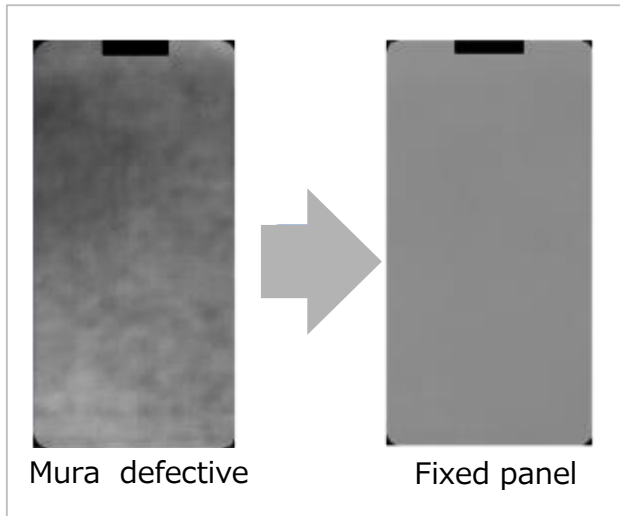
Micro LED



*Ref: New FPD-related products under development

Salvage Service

Small-and-medium sized flexible OLED salvage business
V Tech Shinning Color technology

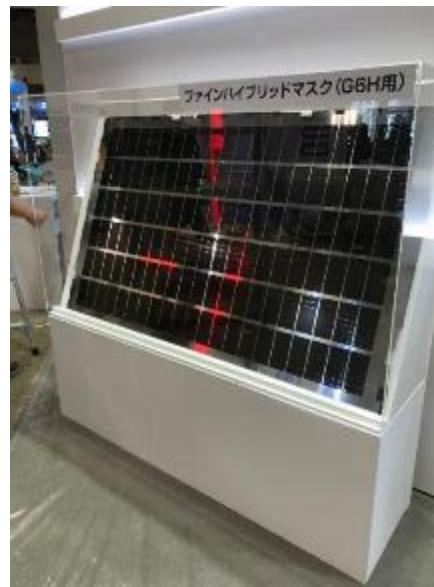


Contributes to improved yield of small and medium-sized flexible OLEDs

Fine Hybrid Mask

OLED Deposition Mask Business

VET

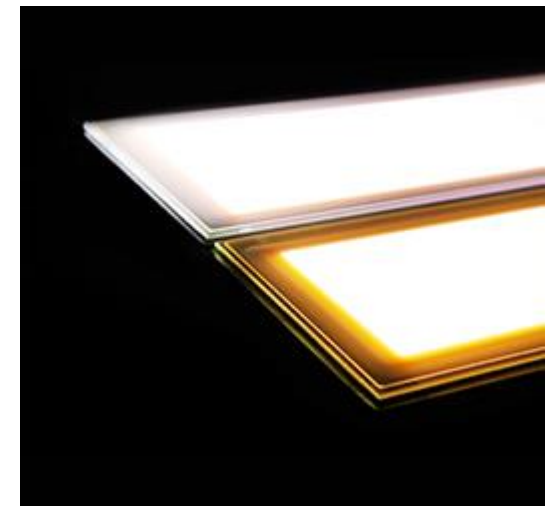


High Definition OLED compatible
Light weight/No assembly needed

OLED Lighting

OLED Lighting Business

Lumiotec

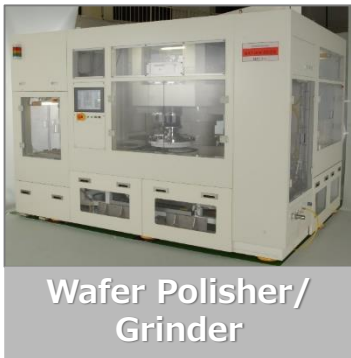
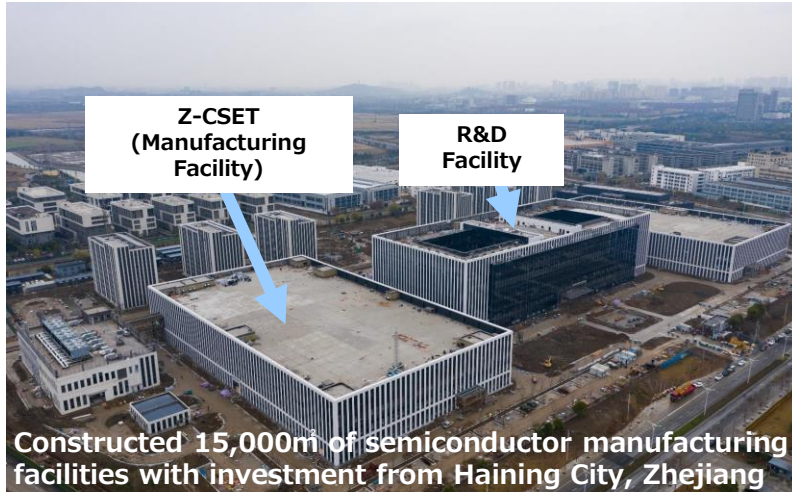


Entering the Chinese Lighting market with Japanese OLED Lighting technologies

*Ref: Semiconductor related Business

Z-CSET

Zhejiang Chip Sunshine Equipment Technology Co., Ltd.
Manufacturing Semiconductor Business in China



NanoSystem Solutions

Mask-less Exposure Equipment

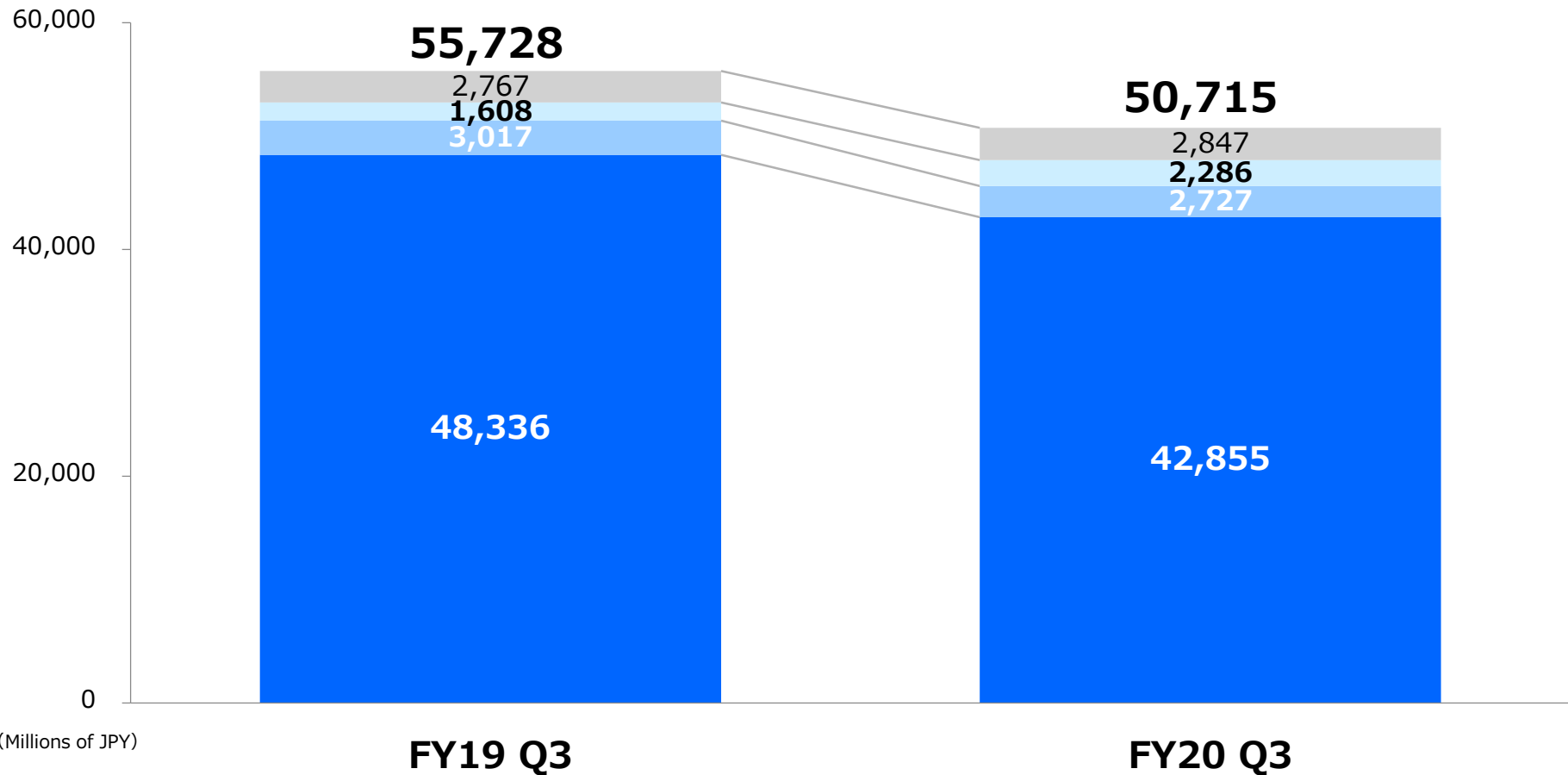


Wafer Inspection



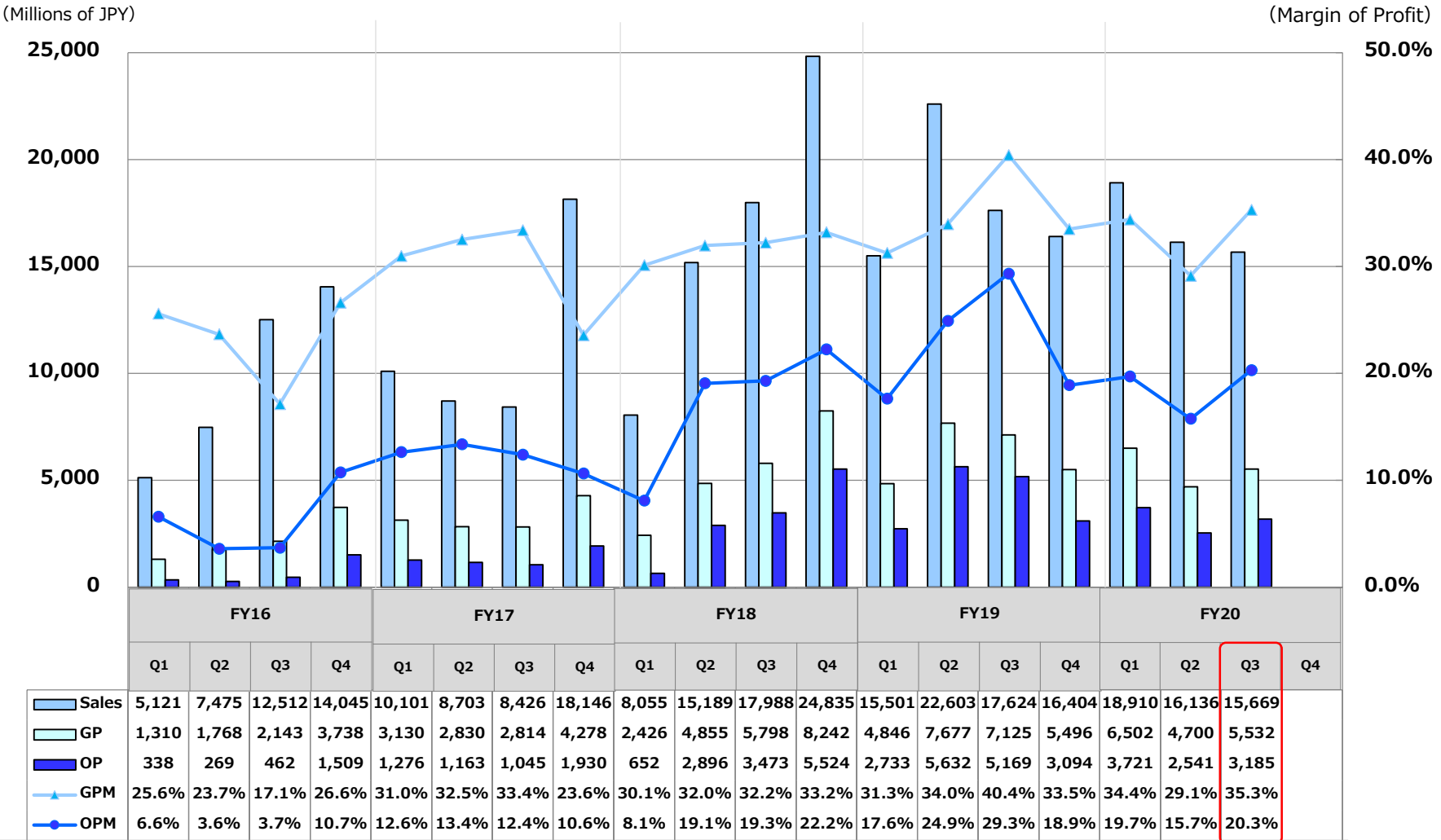
Sales by Countries (YoY Basis)

■ China ■ Taiwan ■ Japan ■ Korea & Other



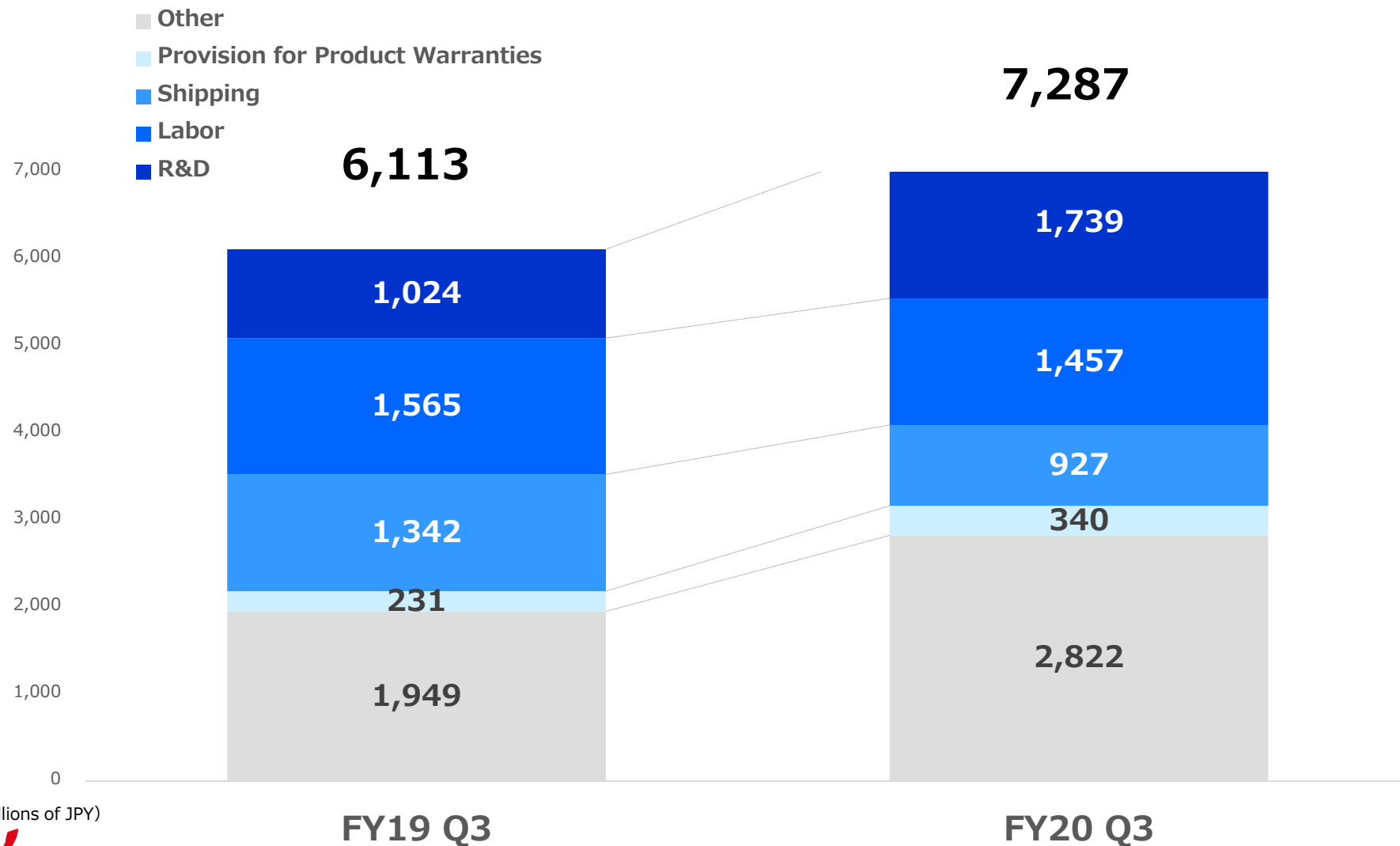
(Millions of JPY)

Transition of Quarterly Sales and Profit



SG&A(Selling, General and Administrative) Expenses (Consolidated)

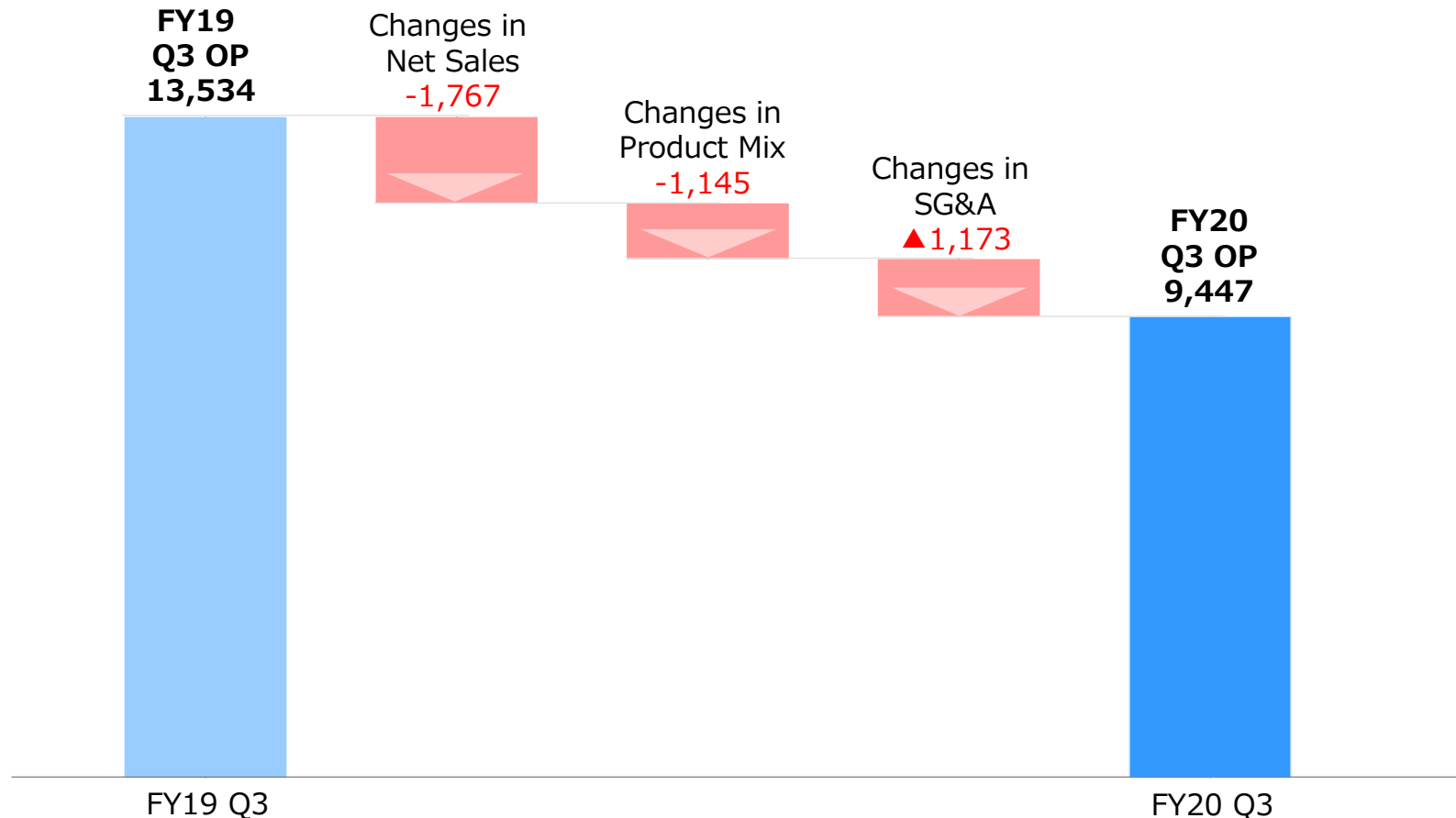
- SG & A expenses increased by 19.2% year-on-year, due to a temporary increase in research and development and litigation-related costs, which is included as other items.



(Millions of JPY)

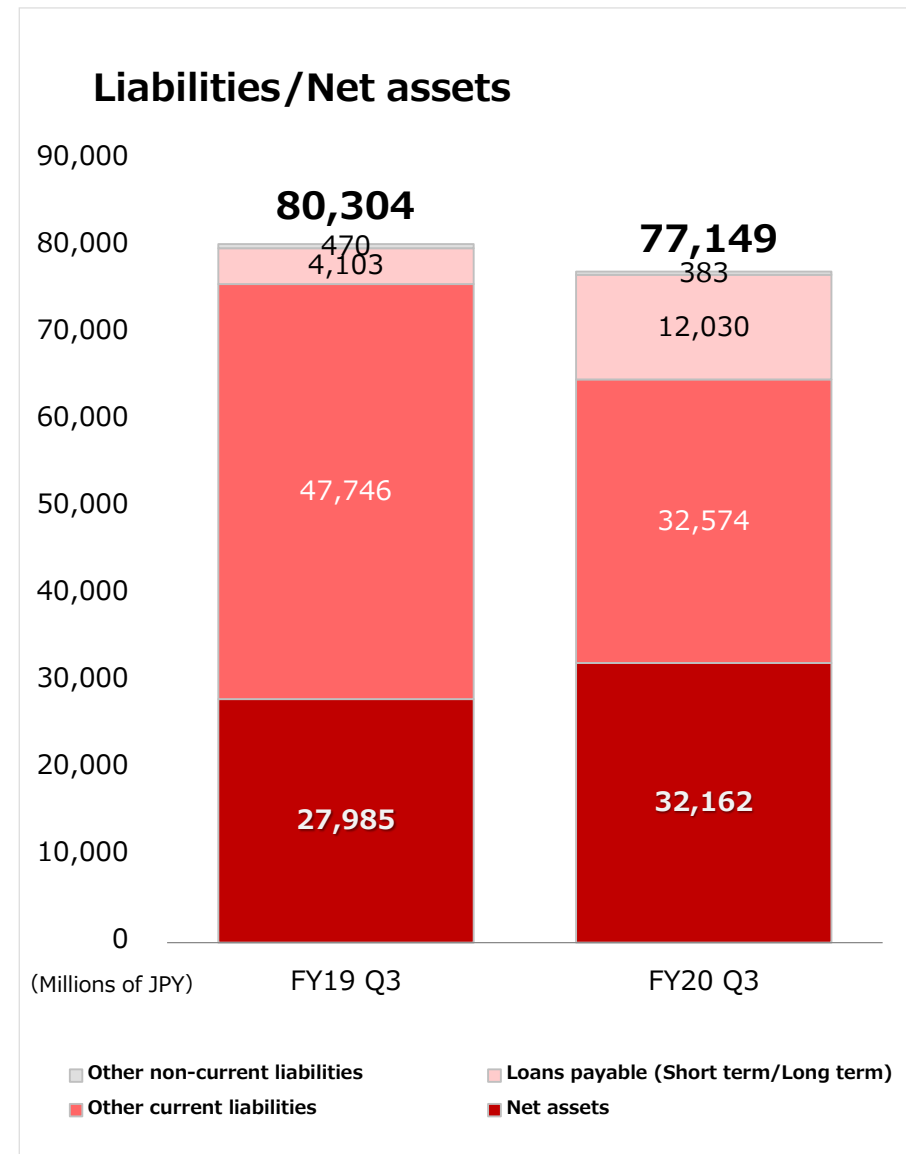
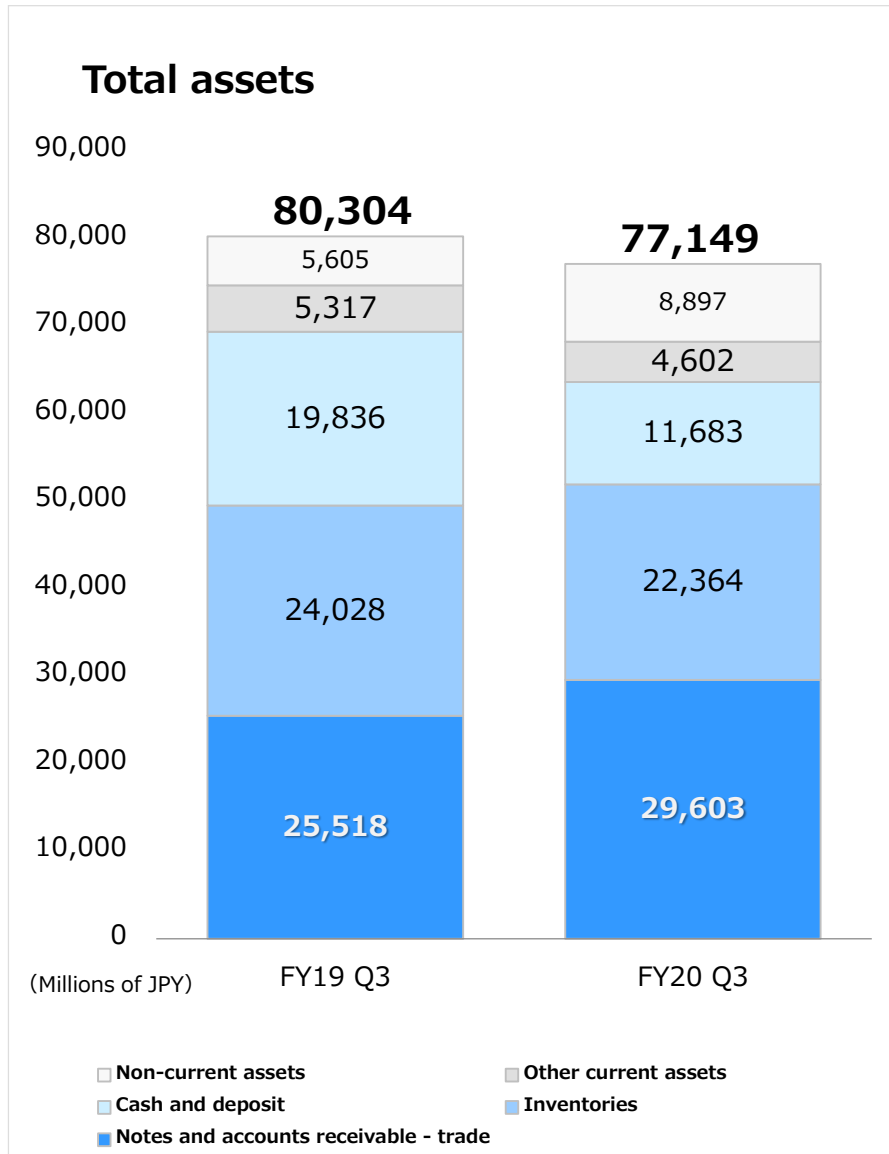
Analysis of Operating Profit Difference

- Operating income for the quarter decreased by 30.4% to 9.4 billion yen, due to a worsening product mix of manufacturing equipment, a decrease in sales of inspection equipment, and an increase in SG & A expenses (R & D expenses and litigation-related expenses).



(Millions of JPY)

Transition of Consolidated Balance Sheets



Business Forecast

Forecast of FY20

- Considering the results of the FY20 Q3, it was generally in line with the plan. However, we revised our business forecast due to impacts of the Novel Corona Virus Pneumonia continues to spread, mainly in Wuhan
 - Ensuring the safety of our employees and to prevent the domestic infectious spread.
 - We have Considered the risks of local logistics and retaining workers needed
 - We have determined that it is necessary to postpone the sales of all Chinese projects (including high-margin projects), which were scheduled to sell in February and March

- Taking into account the business forecast for the fiscal year ending March 2020, the year-end dividend for the fiscal year ending March 2020 will be reduced by JPY40 from the previous forecast of JPY80 to JPY40 per share. (JPY120 per year)

	FY19(Actual)		FY20 (Current Forecast)		compared with the previous forecast
	Amount (Millions of JPY)	Margin	Amount (Millions of JPY)	Margin	
Net sales	72,132	—	54,000	—	-25.1%
Gross profit	16,628	23.1%	5,700	10.6%	-65.7%
Ordinary profit	16,767	23.2%	5,600	10.4%	-66.6%
Net profit attributable to owners of parent	10,901	15.1%	3,100	5.7%	-71.6%
EPS	JPY 1,108.74		JPY 320.60		—

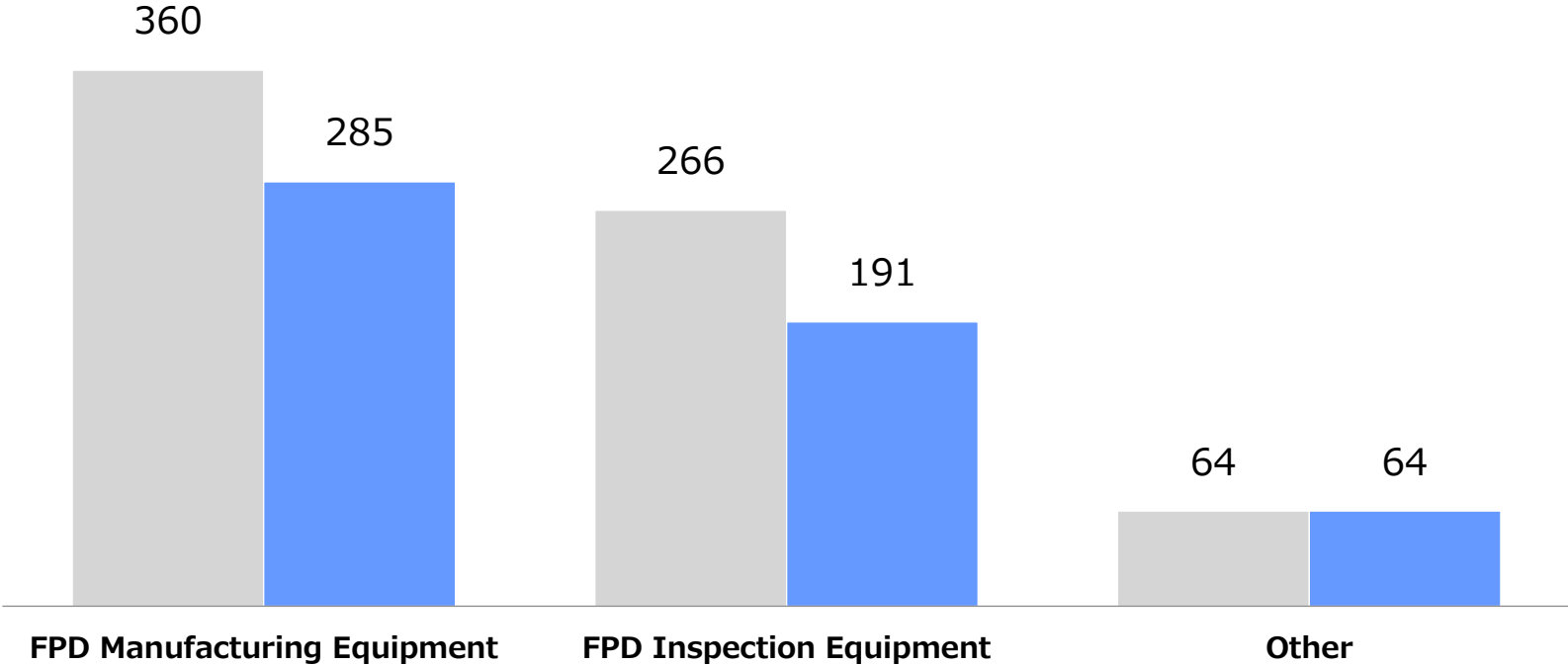
Dividend

FY20 (after stock split)	1 st half : JPY 80 (Actual)	2 nd half : JPY 40 (Forecast)
(Reference) FY19	1 st half : JPY 80 (Actual)	2 nd half : JPY 80 (Actual)

*Reference: Break Down of Net sales in FY2020 Forecast

■ We have determined that it is necessary to postpone the sales of all Chinese projects (including high-margin projects), which were scheduled to sell in February and March, which account for most of our sales plans in Q4.

■ Previous Forecast ■ New Forecast



(Billions of JPY)

