

May 12, 2020

To Whom It May Concern

V Technology Co., Ltd.

(Security Code: 7717)

<Representative>

Shigeto Sugimoto: President & CEO

<For inquiry>

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Notice of the Implementation of the Stock Incentive Plan for the Board of Directors of the Company

V Technology Co., Ltd. (the "Company") has announced today that its Board of Directors meeting resolved today the implementation of the stock incentive plan by the Trust (the "Scheme") for the Board of Directors of the Company (except the outside directors, the "Directors") and we decided to submit the proposal regarding the introduction of this system to the 23rd Ordinary General Meeting of Shareholders (the "General Meeting of Shareholders") which is scheduled to be held on June 25, 2020. Details are as follows.

1. Implementation of the Scheme

The remuneration of the Directors consisted of only the "basic remuneration", however we decided to implement a stock incentive plan for the Directors.

The purpose of the Scheme is to raise the Directors' awareness to improve medium- to long-term performance and the corporate value. The Company shall motivate the Directors by clarifying the connection between the remuneration of the Directors and the Company's performance and share value, and also sharing profits and risks by stock price fluctuations with shareholders.

With the implementation of the Scheme, Directors' remuneration will consist of "basic remuneration" and "stock incentive." In addition, if the shareholders approve the implementation of the Scheme at the General Meeting of Shareholders, we also plan to implement the same Scheme to our employees (including executive officers).

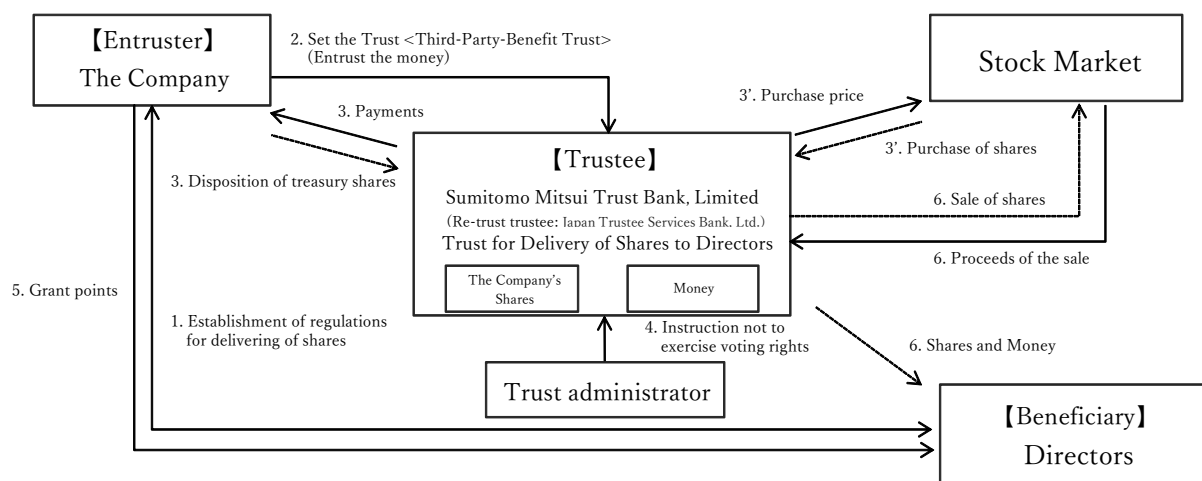
2. Overview of the Scheme

1) Framework of the Scheme

Under the Scheme, a Trust set by the Company's contribution of funds (the "Trust") acquires the Company's shares, and the Company's shares that is equivalent to the number of points granted shall be issued to each directors through the Trust.

With regard to the Scheme, shares of the Company shall be delivered to the Directors those are holding office for five business years ("target period") from the business year ending on March 31, 2021 to the business year ending on March 31, 2025. As a principle, Directors receive the shares of the Company when they retire.

<Overview of the Framework of the Scheme>



1. The Company shall establish the regulations for subject to the Directors for delivering of shares.
2. The Company shall set the Trust for Delivery of Shares to Directors (Third-Party-Benefit Trust) which the Directors shall be the beneficiary. (the "Trust") In this case, the Company shall entrust the trustee with money equivalent to the funds for acquiring the shares (the amount is within the amount approved by the General meeting of Shareholders).
3. The trustee shall collectively acquire a considerable number of the Company's shares that are expected to be delivered in the future (such as disposing of treasury stock or acquisition from the exchange market (including off-hours trading)).
4. Through the Trust period, the Company shall appoint a trust administrator (who are independent of the Company and officers of the Company) that protects the interests of the beneficiary who are subject to the Share Delivery Regulations and oversees the beneficiary. Regarding the shares of the Company in the Trust, the trust administrator shall instruct the trustee not to exercise voting rights, and the trustee shall not exercise voting rights during the Trust period based on the instructions.
5. The Company shall grant points to the Directors according to the regulations for delivering of shares.
6. As a beneficiary of the Trust, directors who meet the requirements of the agreement for the Trust according to the regulations for delivering of shares shall receive the shares of the Company from the trustee in accordance with the points granted.

Also, if it falls under certain circumstances specified in the agreement for the Trust according to the regulations for delivering of shares in advance, we shall sell some of the Company's shares to be delivered on the exchange market and deliver the money.

Remaining assets of the Trust at the end of the term of it, we plan to acquire all of the shares of the Company free of charge and then to cancel them by resolution at the Board of Directors' meeting.

Sumitomo Mitsui Trust Bank, Limited, which shall be the trustee with this scheme, shall re-trust the management of trust assets to Japan Trustee Services Bank, Ltd.

2) Setting the Trust

Subject to the approval of the Scheme at the General Meeting of Shareholders, we shall contribute the necessary funds to set the Trust for us to deliver the shares according to 6) below. We shall acquire the number of shares of the Company in advance reasonably expected to be required for the Trust. As described in 5) below, the Trust shall acquire the Company's shares using the funds contributed by the Company as the capital.

Also, Sumitomo Mitsui Trust Bank, Limited, which shall be the trustee with this Scheme, shall re-trust the management of trust assets to Japan Trustee Services Bank, Ltd.

3) The Trust period

The Trust period shall be approximately five years from August 2020 (scheduled) to August 2025 (scheduled). However, as described in "4" below, we may extend the Trust period.

4) The maximum amount of trust funds contributed to the Trust as stock acquisition funds

The Company shall contribute a total of 300 million yen in total as the funds to acquire the Company's shares necessary to deliver the shares for the directors who are holding office during the target period, and shall set the Trust for the Directors who meet specific requirements as beneficiaries. The trust shall acquire the Company's shares by using the funds that the Company has entrusted by the method of disposing of treasury stock from the Company or by acquiring from the exchange market (including off-hours trading).

Note: The amount of money that the Company entrusts to the Trust is the sum of the funds mentioned above for the acquisition of the Company's shares and the expected amount of necessary expenses such as trust fees and trust administrator fees.

Depending on the decision of Directors, the target period may be extended within a fixed period of five business years each time, along with this extension, the Scheme may continue. (Including extending the Trust period by transferring the Trust funds of the Trust to another Trust set by the Company for the same purpose as this Trust) In this case, the Company shall contribute the amount multiplied to the number of business years of the extension period by 60 million yen as the maximum additional acquisition fund of the Company's shares necessary for delivery to the directors under the Scheme. We shall continue to grant the points 6) below and the shares of the Company. Also, we may extend the Trust period even if it expires without extending the period if there is still a director who has already been granted points but has not retired at the expiration of the period. We may extend it until the director retires, and the delivery of the Company's shares is completed.

5) Method of acquiring the Company's shares by the Trust

The initial plan for acquisition of the Company's shares by the Trust is through the disposal of treasury stock of the Company or from the exchange market within the upper limit of the stock acquisition funds mentioned above in 4). We shall discuss the details of the method after the resolution of this General Meeting of Shareholders and disclose it.

We may entrust the additional fund to the Trust if there is a possibility the number of shares of the Company in the Trust would fall short of the shares corresponding to the points granted to the directors during the Trust period. This method may happen, such as an increase in the number of directors during the Trust

period. The Trust may acquire additional shares of the Company within the upper limit of the fund mentioned above in 4).

6) Calculation method and upper limit of Company shares delivered to directors

1. Method of granting points to Directors

According to the regulations for delivering shares established by Directors, we shall grant points to each director following the position, etc. on the points granting date provided in the regulations during the Trust period. However, the total number of points that the Company grants to Directors is limited to 20,000 points per business year.

2. Delivery of our shares according to the number of points granted

Directors shall receive the shares according to the procedure mentioned below in "3.", according to the number of points granted mentioned above in "1." One point is equivalent to one share of the Company. However, if there is an event such as stock split/consolidation that makes it reasonable to adjust the number of the Company's shares to be delivered, the stock split/consolidation ratio, etc., we shall make reasonable adjustments.

3. Delivery of our shares to the directors

As a principle, the shares of the Company, as mentioned above in "2," shall be delivered to each director from the Trust by the beneficiary confirmation procedure when each director retires. However, a certain percentage of the Company's shares may be sold in cash at the Trust for withholding tax payments, such as withholding income taxes and then paid in cash instead of the Company's shares. Also, The Company's shares in the Trust may be delivered in cash instead of the shares, if shares in the Trust are converted into cash such as applying for a tender offer and settling.

7) Exercise of voting rights

Voting rights for the Company's shares of the Trust shall not be exercised evenly according to the instructions of the trust administrator independent of the Company and officers of the Company. By using this method, the Company intends to ensure neutrality in the management of the Company concerning the exercise of voting rights for the Company's shares in the Trust.

8) Handling of dividends

The Trust shall receive dividends related to the Company's shares, and it shall be used for the acquisition fees of the Company's shares and trust fees for trustees of the Trust.

9) Handling of the Company's shares and money at the end of the Trust

Remaining assets of the Trust at the end of the term of it, we plan to acquire all of the shares of the Company free of charge and then to cancel them by resolution at the Board of Directors' meeting.

*Reference: Overview of the trust agreement for the Trust

Entruster: V Technology Co., Ltd. (the Company)

Trustee: Sumitomo Mitsui Trust Bank, Limited. (Re-trust trustee: Japan Trustee Services Bank, Ltd.)

Beneficiary: Directors of the Company who meet the requirements of the agreement

Trust administrator: the Company shall appoint a trust administrator

(who are independent of the Company and officers of the Company)

Exercise voting rights: Voting rights shall not be exercised towards the shares of the Company during the Trust period

Kind of the Trust: Trust of money other than “money trust” (*kinsen-shintaku*) (Third-Party-Benefit Trust)

Trust contract date: August, 2020 (scheduled)

Trust period: August, 2020 – August 2025 (scheduled)

Purpose of the Trust: Delivering our shares to beneficiaries in accordance with the regulations for delivering of shares