

August 17, 2020

To Whom It May Concern

V Technology Co., Ltd.
(Security Code: 7717)<Representative>
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Notice of the Disposal of Treasury Stock by Third-Party Allotment in conjunction with the Introduction of the Stock Incentive Plan

V Technology Co., Ltd. (the "Company") hereby announces that a resolution was made at a meeting of the Board of Directors held today to dispose of treasury stock (hereinafter called the "disposal of treasury stock") in connection with the Stock Incentive Plan. The details are as follows:

1. Outline of Disposition

(1)	Date of disposition	September 9, 2020
(2)	Number of shares to be disposed	132,000 yen common shares
(3)	Price of disposition	3,885 yen per share
(4)	Amount of Proceeds	512,820,000 yen
(5)	Subscriber	Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trustee: Custody Bank of Japan, Ltd.)
(6)	Other	This disposal of treasury stock shall be conditional upon the coming into force of the notification in accordance with the stipulations of the Financial Instruments and Exchange Act.

2. Objective of and Reason for Disposition

At the Board of Directors meeting on May 12, 2020, the Company resolved to introduce the stock incentive plan (hereinafter "the Plan"). The Plan is designed to motivate Directors to contribute more to enhancing the medium to long term business performance of the Company and its corporate value, through further clarifying linkage between remuneration for Directors and the Company's business performance as well as to share the profits and risks of stock price fluctuations with shareholders. The introduction to the Company's directors was approved at the 74th Ordinary General Meeting of Shareholders held on June 26, 2020.

Please refer to "Notice of the Implementation of the Stock Incentive Plan for the Board of Directors of the Company" dated May 12, 2020, for an overview of this plan.

In addition, at the Board of Directors on May 12, 2020, the company resolved to introduce an incentive plan for the purpose of expanding the welfare system for employees of the Company (including executive officers; the same applies below) in order to raise awareness of medium- to long-term business performance improvement and stock price rise, and the sense of belonging of employees, to cultivate awareness of management participation.

The disposition of treasury stock will be conducted to the Trust Account of Sumitomo Mitsui Trust Bank, Limited, (Re trustee: Custody Bank of Japan, Ltd.) which is the trustee for the trust established for the introduction of the Plan.

The total number of shares of treasury stock to be disposed of is equal to the number of shares expected to be delivered to the Company's Directors and Employees (hereinafter "Directors, etc.") during the period of the Trust based on the Share Delivery Regulations that the Company will establish on the introduction of the Plan. The level of share dilution as against the total number of shares issued and outstanding as of March 31, 2020 of 10,057,600 will be 1.31 %, the ratio as against the total number of voting rights as of March 31, 2020 of 96,610 will be 1.37% (rounded to the second decimal place, respectively).

The Company believe that this system will lead to the enhancement of our medium- to long-term corporate value, and the impact on the trading market is not material through this disposition.

(Reference) Outline of the Trust agreement

(1) Name of trust	Board Benefit Trust	Employee Benefit Trust
(2) Entrustor	The Company	
(3) Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trusted to Custody Bank of Japan, Ltd.)	
(4) Beneficiaries	Directors who meet the requirements	Employees who meet the requirements
(5) Trust administrator	To be selected from third parties having no conflict of interests with the Company and its Directors	
(6) Exercise of voting rights	No voting rights will be exercised for the shares in the Trust during the Trust period	The trust administrator will instruct the exercise of voting rights for the shares in the trust
(7) Type of trust	Money trust other than cash trusts (third-party-benefit trust)	
(8) Date of conclusion of the Trust Agreement	September 2, 2020(Estimated)	
(9) Trust Period	September 2, 2020- September 31, 2025(Estimated)	
(10) Objective of the trust	To deliver the Company shares to Beneficiaries based on the Share Delivery Regulations	

3. Basis of calculation of the price of disposition and the specific details

The price of disposition has been fixed at 3,885yen per share, which is the closing price of the Company's shares on the Tokyo Stock Exchange on August 14, 2020, the business day immediately prior to the date of the meeting of the Board of Directors in order to set a price that eliminates any arbitrary elements in view of the recent trends in the price of the Company's shares.

The average closing price of the Company's common shares for the immediately preceding one month (July 15, 2020 - August 14, 2020) was 3,660 yen (rounded down to the nearest whole yen) representing a divergence ratio of 6.15%. Likewise, the average closing price of the Company's common shares for the immediately preceding three months (May 15, 2020 - August 14, 2020) was 3,827 yen (rounded down to the nearest whole yen), representing a divergence ratio of 1.52%. In addition, the average closing price of the Company's common shares for the immediately preceding six months (February 17, 2020 - August 14, 2020) was 3,693 yen (rounded down to the nearest whole yen), representing a divergence ratio of 5.20%.

Therefore, the Company believes that the calculation of the price of disposition is reasonable and not especially favorable to the subscriber.

In addition, all of the Audit & Supervisory Board Members (two out of the total of four are Outside Audit & Supervisory Board Members) who attended the meeting of the Board of Directors, have expressed the opinion that the price of disposition is not especially favorable to the subscriber for the above-stated reasons.

4. Procedures under the Code of Corporate Conduct

This disposition of treasury stock does not require the acquisition of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (1) the dilution ratio is less than 25% and (2) the disposition does not involve a change in controlling shareholders.