

May 12, 2021

Company name: V Technology Co., Ltd.

Name of representative: Shigeto Sugimoto, President & CEO
(Securities code: 7717; 1st Section of the Tokyo Stock Exchange)

Inquiries: Shogo Yoshimura, Group leader of Office of Presidents
(Telephone: +81-45-338-1980)

Notice on Entry into the Agricultural Business and Establishment of a Joint Venture

V Technology Co., Ltd. (Yokohama City, Kanagawa Prefecture, President and CEO: Shigeto Sugimoto, hereinafter referred to as "the Company") has resolved at a meeting of its Board of Directors held today that the Company has newly entered the agricultural business, and its wholly owned subsidiary, V Investment China Co., Ltd.(hereinafter referred as "VIC", has entered into an agreement with Mebiol Inc.(Hiratsuka City, Kanagawa Prefecture, Chairman: Yuichi Mori, hereinafter referred to as "Mebiol") and Tinglin Foundry (Kunshan) Investment (Kunshan City, Jiangsu Province, China, Chairman: Kenyu Gu, hereinafter referred as "Tinglin") to establish Aibijak Agricultural Technology (China) Co.Ltd. (tentative name) in Kunshan City, Jiangsu Province, China.

Details

< Background and future development >

As part of our corporate management with sustainability, we have decided to consider businesses that solve social issues on a global scale without being bound by existing business fields, and we have been focusing on businesses in the agricultural sector, which is facing a food crisis and a shortage of workers.

Under these circumstances, we have discussed with Mebiol and decided to consider the establishment of a joint venture in China related to the Imec agricultural method*1. We have decided to establish a joint venture in China because we can reduce our business risks including cost burden by utilizing our network in China, which we have cultivated through our existing business.

In the future, in Japan as well, we plan to consider cultivating and selling high value-added tomatoes through our directly managed farms and collaborative projects with partner farmers, as well as development and demonstration experiments that will contribute to high-tech agriculture.

< About the joint venture's business >

The joint venture will start with a "directly managed farm business" where high value-added tomatoes will be grown and sold at directly managed farms. In order to dramatically expand the business, the joint venture will purchase all the tomatoes grown by the partner farmers and sell them together with the tomatoes produced by the directly managed farms. The joint venture will also sell the Imec film system to the partner farmers.

Tomatoes grown using the IMEC method are not only tasty, high in sugar content and nutritional value, but also safe and environmentally friendly, as they require less water for cultivation. We aim to achieve stable sales by accurately promoting these high value-added products to consumers and the market.

Reference Material, Please refer to the original document for details.

< Schedule >

Date of resolution by the Board of Directors: May 12, 2021
Date of conclusion of joint venture agreement: May 18, 2021 (planned)
Date of establishment of joint venture: Late July 2021 (planned)

< Outline of the joint venture company >

Name (tentative name): Imec Agricultural Technology (China) Co Ltd.
Representative: Nominated by the Company
Registered capital: 30 million RBM (approximately 500 million yen in Japanese yen)
Address: Kunshan City, Jiangsu Province
Investment ratio: VIC 50%, Mebiol 25%, Tinglin Founding 25%

< Outline of Mebiol Inc. >

Mebiol is the world's first company to develop a sustainable agricultural technology (imec®) that produces safe and highly nutritious agricultural products by applying hydrogel technology, which has been developed for medical use, to agriculture.

In Japan, high value-added tomato production is being carried out by agricultural corporations and farmers who have introduced imec®. Overseas, it is expected to be a farming method to break through water shortage and soil degradation, and to solve the problem of food shortage, and is expanding globally. The main source of revenue is royalty income based on technology patents that have been applied for in 134 countries and registered in over 130 countries. For more information, please visit: <https://www.mebiol.co.jp/>

< Outline of Tinglin Foundry (Kunshan) Investment Co. >

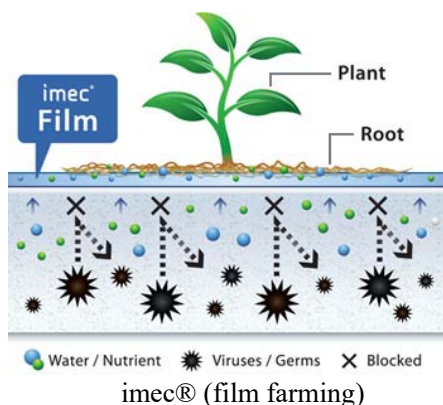
The company is led by Mr. Gu Jiangyu, who has a proven track record in corporate investment and attracting companies to Kunshan City as the Director of the Kunshan City Finance Bureau and Chairman of the Kunshan City Investment Company, and provides venture company investment and management consulting.

About " imec®" (a film farming)

This is the world's first technology that uses hydrogel film to solve environmental problems. In IMEC®, plants grow on a thin hydrogel film. The film has countless nano-sized holes in it, allowing only water and nutrients to pass through. This prevents contamination by bacteria, germs, and viruses without the use of pesticides, making it possible to produce safe crops. Plants produce a lot of sugars and amino acids as they try to absorb the hard-to-absorb water in the hydrogel, enabling the cultivation of crops with high sugar content and high nutritional value.

Features

1. Minimizing water usage: Water usage is greatly reduced compared to hydroponics.
2. Stable production with small amount of water, regardless of soil conditions: Because of film cultivation, stable production of crops is possible regardless of soil conditions.
3. High quality/high nutritional value: Tomatoes with very good taste, high sugar content and high nutritional value can be produced.



Tomato cultivation using the imec® system

END