

May 26, 2021

Company name:	V Technology Co., Ltd.
Name of representative:	Shigeto Sugimoto, President and 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 the Acquisition of Additional Shares of a Consolidated Subsidiary to Achieve Wholly-Owned Subsidiary Status

The Board of Directors of V Technology Co., Ltd. (hereinafter referred to as The Company) has resolved to acquire additional shares of its consolidated subsidiary today, VETON Tech Limited (hereinafter referred to as VETON, Representative: Chengkai Zhang), making it a wholly owned subsidiary as follows.

Details

1. Reason for the additional acquisition of shares

The Company has established VETON with Epirit corp. (Representative: Sungkai Zhang, hereinafter referred to as Epirit) and has been working with Epirit to expand its business base in China. VETON has succeeded in building a substantial customer network in the flat panel display (FPD) field, and is playing an important role in promoting new businesses.

At the same time, the Group's business activities go beyond the FPD field and extend to other fields such as semiconductors and agriculture. In light of the Group's medium- to long-term stable growth strategy, the Company has resolved to purchase all shares owned by Epirit and make VETON a wholly owned subsidiary to further strengthen its operating base within China and accelerate business development across industrial fields promptly and effectively.

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

2. Overview of the subsidiary to be acquired

(1) Company name	VETON Tech LIMITED		
(2) Location	Unit 706, Haleson Building, No. 1 Jubilee Street, Central, Hong Kong		
(3) Representative	Chengkai Zhang, Chairman		
(4) Business	Sales of products and services related to the manufacture of electronic devices, and development of new businesses in the China region		
(5) Capital	2,795 thousand yuan		
(6) Date of establishment	December 1, 2015.		
(7) Major shareholders and shareholding ratio	V Technology 50%, Epirit 50%.		
(8) Listed companies and Relationship with the company in question	capital ties	The Company owns 50% of the shares of this company.	
	personal relations	Two directors of the said company will be concurrently serving as directors of the Company (capacity of the Board of Directors: three).	
	Business Relationship	Responsible for orders, sales, and development of new business for our products in China.	
(9) Consolidated business results and financial position of the company for the past three years (Unit: million yen)			
Fiscal year end	Fiscal year ending March 31, 2019	Fiscal year ending March 31, 2020	Fiscal year ending March 31, 2021
Net assets	1,564	1,452	1,847
Total assets	2,592	2,085	2,683
Exchange rate (at the end of the fiscal year, JPY@RMB)	16.47	15.31	16.84
Net sales	4,471	3,141	3,095
Operating income	1,736	1,269	1,442
Net income	1,751	1,323	1,407
Exchange rate (average during the fiscal year, JPY@RMB)	16.54	15.6	15.67

3. Outline of the counterparty to the share acquisition

(1) Company name	Epirit corp.	
(2) Location	201 Rogers Office Building, Edwin Wallace Rey Drive, George Hill, Anguilla, B.W.I.	
(3) Representative	Chengkai Zhang, Chairman	
(4) Description of business	Trade and investment in high-tech equipment and components	
(5) Capital	250,000 USD	
(6) Date of establishment	October 16, 2015.	
(7) Listed companies and Relationship with the company in question	capital ties	Not applicable.
	personal relations	Not applicable.
	Business Relationship	Not applicable.
	Status as a related party	Not applicable.

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

4. Number of shares to be acquired, status of shares held before and after the acquisition, and acquisition price

Status of Shares	Number of shares	Percentage of voting rights held
(1) Number of shares held before the change	1,625,000	50%
(2) Number of additional shares to be acquired	1,625,000	50%
(3) Number of shares held after the change	3,250,000	100%
(4) Acquisition cost	Approximately One billion JPY	

The acquisition price was determined based on the shareholders' agreement and after mutual consultation based on a reasonable value calculation by a third party.

5. Schedule

(1) Date of resolution by the Board of Directors	May 26, 2021
(3) Date of Share Transfer Agreement Execution	June 1 st , 2021
(2) Date of completion of share acquisition	June 1 st , 2021

6. Outlook for the future

The impact of the conversion to a wholly owned subsidiary on the current fiscal year's business performance is currently under investigation, and if a significant impact is expected, we will announce it as soon as it is determined.

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