

August 20, 2020

To whom it may concern

Company name: Valuence Holdings Inc.  
Representative: Shinsuke Sakimoto,  
Representative Director and President  
(Securities Code: 9270 TSE Mothers)  
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### **Notice Concerning Acquisition of Shares by a Company Consolidated Subsidiary (New Sub-Subsidiary)**

Valuence Holdings Inc. (“the Company” hereinafter) announced a resolution at the Board of Directors meeting held today whereby Valuence Japan Inc., the Company’s consolidated subsidiary, will purchase all shares of stock in NEO-STANDARD Co., Ltd. (“NEO-STANDARD” hereinafter). Details are as follows.

#### **1. Reasons for this purchase of shares**

The Group is engaged in the business of reusable merchandise, mainly through the purchase and sale of branded products, precious metals, watches, bullion, jewelry and antiques, and works of art. It has adopted a C2B2B business model under which it purchases products from consumers and wholesales them to vendors, chiefly through its own auctions.

It is currently enhancing its purchasing operations by progressively opening new outlets, most of which are Nanboya buying offices. It operates 83 outlets across Japan as of the end of May 2020.

NEO-STANDARD operates buying offices for used merchandise in six prefectures, including the Tokyo Metropolitan Area. The Board of Directors has determined that this shares acquisition may strengthen the Group’s buying structure.

#### **2. Overview of subsidiary acquiring shares**

(1) Name	Valuence Japan Inc.
(2) Headquarters	28F, Shinagawa Season Terrace, 2-70 Konan 1-chome, Minato-ku, Tokyo
(3) Name and title of representative	Kei Fujita, Representative Director
(4) Lines of business	Purchase and sale of branded products, precious metals, jewelry, etc.
(5) Capital	10 million yen
(6) Date established	September 2019

#### **3. Overview of new subsidiary (sub-subsidiary)**

(1) Name	NEO-STANDARD Co., Ltd.
(2) Headquarters	25-17 Oshiage 3-chome, Sumida-ku, Tokyo
(3) Name and title of representative	Masaru Goto, Representative Director
(4) Lines of business	<ul style="list-style-type: none"><li>• Purchasing of used branded items and reusable items</li><li>• Auction listing agency services</li><li>• Watch repair and overhaul services</li></ul>
(5) Capital	5 million yen

(6) Date established	January 2004		
(7) Major shareholder and percentage of shares held	Nakago, Y.K.: 100%		
(8) Relationships between the listed company and the company concerned	Capital relationships	Not applicable	
	Human relationships	Not applicable	
	Transaction relationships	Not applicable	
(9) The company's financial results and financial standing over the three most recent years			
Fiscal period	FY ending April 2018	FY ending April 2019	FY ending April 2020
Net assets	611 million yen	465 million yen	265 million yen
Total assets	976 million yen	798 million yen	632 million yen
Net assets per share	611,367 yen	465,081 yen	265,973 yen
Net sales	4,195 million yen	4,036 million yen	3,608 million yen
Operating profit	-189 million yen	-471 million yen	-206 million yen
Ordinary profit	-191 million yen	-463 million yen	-211 million yen
Profit attributable to owners of parent	111 million yen	-146 million yen	-199 million yen
Basic earnings per share	111,857 yen	-146,286 yen	-199,107 yen
Dividends per share	- yen	- yen	- yen

#### 4. Overview of counterparty in this shares acquisition

(1) Name	Nakago, Y.K.	
(2) Headquarters	6-6 Shibadaimon 1-chome, Minato-ku, Tokyo	
(3) Name and title of representative	Noriyuki Goto, Representative Director	
(4) Lines of business	<ul style="list-style-type: none"> <li>Real estate leasing, management, ownership, and asset management</li> <li>Securities purchasing, ownership, and asset management</li> <li>Merchandise sales</li> </ul>	
(5) Capital	Omitted from disclosure at the request of the counterparty	
(6) Date established	March 2003	
(7) Net assets	Omitted from disclosure at the request of the counterparty	
(8) Total assets	Omitted from disclosure at the request of the counterparty	
(9) Major shareholder and percentage of shares held	Omitted from disclosure at the request of the counterparty	
(10) Relationships between the listed company and the company concerned	Capital relationships	Not applicable
	Human relationships	Not applicable
	Transaction relationships	Not applicable
	Interested party status	Not applicable

#### 5. Number of shares to be acquired, purchase price, and ownership share before and after acquisition

(1) Number of shares owned before acquisition	0 shares (percentage of voting rights held: 0.0%)
(2) Number of shares to be acquired	1,000 shares (percentage of voting rights: 100.0%)
(3) Purchase price	While the purchase price will not be disclosed in accordance with the consultation with the counterparty, an independent agency undertook the due diligence to calculate the purchase price. The price determined reflects estimates of future profitability and current asset conditions.
(4) Number of shares owned after acquisition	1,000 shares (percentage of voting rights held: 100.0%)

6. Schedule

(1) Date of Board of Directors resolution	August 20, 2020
(2) Date of conclusion of agreement on transfer of shares	August 20, 2020
(3) Date of shares transfer	September 30, 2020 (planned)

7. Future outlook

This shares acquisition will have minimal impact on consolidated financial results for this period.