



December 24, 2020

To whom it may concern,

Company name: Valuence Holdings Inc.
 Representative: Shinsuke Sakimoto,
 Representative Director and President
 (Securities Code: 9270; TSE Mothers)
 Contact: Shinichiro Sato, Director and CFO
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Notice of Change in Specified Subsidiary

Valuence Holdings Inc. (“the Company” hereinafter) has announced a resolution passed in today’s Board of Directors meeting to increase capital in Valuence International Limited, the Company’s consolidated subsidiary. Valuence International Limited will now qualify as a specified subsidiary. Details are provided below.

Details

1. Reasons for the change

The Company has resolved to increase capital in Valuence International Limited to accelerate the Group’s international business expansion in various ways, including by developing overseas facilities and expanding its purchasing business overseas. Since the move renders the capital of Valuence International Limited equivalent to 10% or more of the Company’s total capital, Valuence International Limited now qualifies as a specified subsidiary of the Company.

2. Overview of the subsidiary subject to this change

(1) Name	Valuence International Limited	
(2) Headquarters	Nathan Hill, 38 Hillwood Road, Tsim Sha Tsui, Kowloon, Hong Kong	
(3) Name and title of representative	Susumu Muguruma, Representative Director and President	
(4) Lines of business	Reuse business for branded and other products overseas including: Operation of corporate auctions Operation of <i>Nanboya</i> buying offices	
(5) Capital	1 million HKD	
(6) Date established	November 19, 2008	
(7) Major shareholder and percentage of shares held	Valuence Holdings Inc.: 100%	
(8) Relationships between the listed company and the subsidiary	Capital relationships	The Company owns 100% of shares.
	Personnel relationships	The Company’s directors and employees serve concurrently as directors of the subsidiary.
	Business relationships	None worthy of note

(9) Financial results and financial position of the subsidiary over the most recent three years:			
Fiscal period	Fiscal Year ending August 2018	Fiscal Year ending August 2019	Fiscal Year ending August 2020
Net assets	121 million yen	211 million yen	244 million yen
Total assets	183 million yen	259 million yen	825 million yen
Net assets per share	121,663 yen	212 yen	244 yen
Net sales	200 million yen	245 million yen	1,592 million yen
Operating income	128 million yen	96 million yen	81 million yen
Ordinary income	119 million yen	100 million yen	39 million yen
Net income	102 million yen	86 million yen	31 million yen
Net income per share	102,007 yen	171 yen	32 yen

3. Details of capital increase

(1) Amount of capital increase	37 million HKD
(2) Capital (after increase)	38 million HKD
(3) Percentage of shares held (after increase)	The Company will own 100% of shares.
(4) Date of completion of capital increase	January 15, 2021 (planned)

4. Future outlook

This change will have minimal effect on consolidated financial results for the fiscal year ending August 2021.