September 10, 2019

To Whom It May Concern,

Company Name: SOU Inc.
Representative: Shinsuke Sakimoto, CEO
(Securities Code: 9270 TSE Mothers)
Contact: Ryoji Fukaya, General Manager, Office of the President
(Phone +81-3-4580-9983)

Announcement Concerning Preparation for Transition to Holding Company Structure via Company Split and Establishment of Subsidiary (Preparatory Split Company)

At a meeting held today, the SOU Inc. board of directors resolved to initiate preparations for transitioning to a holding company structure via company split, to be executed March 1, 2020 (tentative date). The board also resolved to establish a preparatory split company as a wholly owned subsidiary (Preparatory Split Company).

This transition to a holding company structure via company split is conditioned upon the approval of a related resolution at the 8th General Meeting of Shareholders scheduled for November 2019, as well as approval by government regulatory agencies as necessary.

1. Background and Purpose for Transitioning to a Holding Company Structure

Since its founding, SOU Inc. has pursued a mission to provide global access to pricing and value data for smarter lifestyles based on a history of expertise and success. The company has continued to open offices and use a personal asset management app to uncover latent customers, engaging in initiatives to become the No.1 company in the Japanese luxury brand reuse market and expand globally.

To achieve further corporate value and sustainable growth, the SOU Group believes it is now necessary to restructure the group organization for greater management efficiency and to better adapt flexibly to market changes.

This transition to a holding company structure will strengthen the group’s management strategy planning and conceptual functions to respond flexibly to the market environment. Further, the group intends to build a dynamic organizational structure for expanding business lines through mergers and acquisitions. These changes will allow the group to grow corporate value and achieve sustainable growth. Accordingly, SOU made the decision to begin preparing for the transition to a holding company structure.

2. Overview of the Company split

(1) Company split method

Absorption-type company split in which SOU Inc. will be the splitting company with a new wholly owned company established and serving as the absorption-type split successor company to absorb the Preparatory Split Company.

(2) Split schedule

Establishment of Preparatory Split Company September 10, 2019

Board of directors meeting to approve absorption-type split October 15, 2019 (tentative)

Absorption-type split agreement execution October 15, 2019 (tentative)

Ordinary general meeting of shareholders to approve absorption-type split agreement November 22, 2019 (tentative)

Effective date of the absorption-type split March 1, 2020 (tentative)

3. Overview of Preparatory Split Company

(1) Company name	SOU Preparatory Split Company Inc.	
(2) Head office	1-2-70 Konan, Minato-ku, Tokyo	
(3) Representative	Shinsuke Sakimoto, CEO	
(4) Business lines	Reuse business and other related business for luxury brand goods, antiques, art, etc.	
(5) Capital	10 million yen	
(6) Established	September 10, 2019	
(7) Fiscal year end	August 31	
(8) Major shareholders and ownership ratios	SOU Inc. 100%	
(9) Relationship to SOU Inc.	Equity relationship	SOU Preparatory Split Company Inc. is intended to be a wholly owned subsidiary of SOU Inc.
	Personal relationships	SOU Inc. intends to send officers and employees to serve at SOU Preparatory Split Company Inc.
	Business relationships	As no operations will be started, there are no business relationships between SOU Preparatory Split Company Inc. and SOU Inc.

4. Future Outlook

SOU Inc. will provide group strategy planning, execution, and management functions, continuing to list shares for public trading as the holding company encompassing each operating subsidiary company.

SOU Inc. will publish more announcements in the future as decisions are made regarding the split company in question and details of matters subsequent to the transition to a holding company structure.