October 24, 2019

To Whom It May Concern

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

Announcement Concerning Transition to Holding Company Structure via Company Split and Partial Amendments to Articles of Incorporation (Changes in Trade Name and Purpose)

SOU Inc. (the "Company") announces that at a Board of Directors meeting held today, a resolution was made to propose a transition to a holding company structure via a company split and partial amendments to the Articles of Incorporation at the Eighth Ordinary General Meeting of Shareholders of the Company (the "Ordinary General Meeting of Shareholders") to be held on November 22, 2019, described as follows. While the Company will become a holding company via the company split (the "Split") and change its trade name to Valuence Holdings Inc. on March 1, 2020, it will continue to be public company.

The Split and change in trade name are conditional upon approval at the Ordinary General Meeting of Shareholders and approval by related government regulatory agencies.

I. Transitioning to Holding Company Structure via Company Split

1. Purpose for Transitioning to a Holding Company Structure

From the beginning, SOU Inc. has pursued a mission to provide global access to pricing and value data for smarter lifestyles. The Company has a long history of success and a foundation of expertise, continuing to open buying offices to source products. The Company's personal asset management app attracts new customers, representing one more initiative as SOU becomes the No.1 company in the Japanese luxury brand reuse market, and eventually No.1 in the world.

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. Furthermore, 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, the Company made the decision to transition to a holding company structure.

2. Overview of the Split

(1) Split schedule

Establishment of split preparatory company	September 10, 2019
Board of Directors meeting to approve absorption-type split agreement	October 24, 2019
Absorption-type split agreement execution	October 24, 2019
Ordinary General Meeting of Shareholders to approve absorption-type split agreement	November 22, 2019 (tentative)
Effective date of absorption-type split	March 1, 2020 (tentative)

(2) Method of the Split

A spin-off type absorption company split, in which the Company will be a split company and SOU Split Preparatory Company, Inc. (the “Successor Company”), the Company’s wholly owned subsidiary, will be the Successor Company.

This split method was adopted to ensure that the Successor Company can obtain related approval and permissions and prepare a structure for receiving business in order to commence business activities smoothly from the effective date of the company split.

(3) Details of allotment related to the Split

Upon the Split, the Successor Company will issue 200 shares of common stock, all of which will be allotted to the Company.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights accompanying the Split

There will be no change in the handling of stock acquisition rights issued by the Company due to the Split.

The Company has issued no bonds with stock acquisition rights.

(5) Capital increase/decrease due to the Split

There will be no change in the Company’s capital.

(6) Rights and obligations to be succeeded to by the Successor Company

As a result of the Split, among rights and obligations relating to the reuse business and other related business belonging to the Company as of the effective date, the Successor Company will succeed those from the Company which are set forth in the absorption-type split agreement on the Split. Regarding obligations succeeded by the Successor Company, those arising on or prior to the day before the effective date based on the real estate lease contract will be assumed concomitantly with the Company, and other obligations will be assumed without any further liability to the Company.

(7) Prospect of fulfillment of obligations

The amount of assets of the Company and the Successor Company after the Split is expected to be equivalent to or over the amount of liabilities and the occurrence of circumstances that will impede the fulfillment of obligations to be borne is not currently anticipated in earnings conditions. Therefore, the Company deems there to be no issues relating to the prospect of fulfillment of obligations after the Split.

3. Outline of Companies Involved in the Split

3-1. Split Company

	As of August 31, 2019
(1) Trade name	SOU Inc. (Trade name will change to Valuence Holdings Inc. on March 1, 2020.)
(2) Location	1-2-70 Konan, Minato-ku, Tokyo
(3) Position and name of representative	Shinsuke Sakimoto, Representative Director
(4) Business lines	Operation of reuse business and other related business
(5) Capital	1,027 million yen
(6) Date of establishment	December 28, 2011
(7) Number of shares issued	6,373,930
(8) Fiscal year end	August 31
(9) Number of employees	387 (non-consolidated)
(10) Major business partners	NET JAPAN Co., Ltd.
(11) Major banks	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited
(12) Major shareholders and ownership ratios	SF Property Management Inc. 57.90% Japan Trustee Services Bank, Ltd. (Trust account) 10.81% BBH/SUMITOMO MITSUI TRUST (UK) LIMITED FOR SMT TRUSTEES (IRELAND) LIMITED FOR JAPAN SMALL CAP FUND CLT AC 3.65% Koji Sakimoto 3.52%

(13) Financial position and business results for the most recent three years

	Fiscal year ended August 31, 2017	Fiscal year ended August 31, 2018	Fiscal year ended August 31, 2019
Net assets	3,200 million yen	5,613 million yen	6,539 million yen
Total assets	9,118 million yen	11,023 million yen	13,118 million yen
Net assets per share	571.99 yen	924.76 yen	1027.79 yen
Net sales	21,849 million yen	29,478 million yen	35,574 million yen
Operating profit	856 million yen	1,676 million yen	2,194 million yen
Ordinary profit	976 million yen	1,621 million yen	2,236 million yen
Profit	488 million yen	1,126 million yen	1,477 million yen
Basic earnings per share	87.67 yen	194.05 yen	242.38 yen

3-2. Successor Company

	As of establishment on September 10, 2019
(1) Trade name	SOU Split Preparatory Company, Inc. (Trade name will change to Valuence Japan Inc. on December 1, 2019.)
(2) Location	1-2-70 Konan, Minato-ku, Tokyo
(3) Position and name of representative	Shinsuke Sakimoto, CEO

(4) Main business	Operation of reuse business and other related business
(5) Capital	10 million yen
(6) Date of establishment	September 10, 2019
(7) Number of shares issued	200
(8) Fiscal year end	August 31
(9) Major shareholders and ownership ratios	SOU Inc. 100%

4. Outline of the Business Segment to be Split

(1) Description of the business of the segment to be split

Reuse business and other related business

(2) Business results of the segment to be split (fiscal year ended August 31, 2019)

	Results of the segment (a)	Results of the Company (b)	Ratio (a/b)
Net sales	35,574 million yen	35,574 million yen	100%

(3) Items and amounts of assets and liabilities to be split (as of August 31, 2019)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	7,269 million yen	Current liabilities	4,422 million yen
Non-current assets	1,626 million yen	Non-current liabilities	258 million yen
Total	8,895 million yen	Total	4,680 million yen

Note: The above amounts are calculated based on the Company's balance sheet as of August 31, 2019 and the actual amounts to be succeeded will be determined by adjusting charges that accrue up to the effective date.

5. Status after the Split

5-1. Split Company

	As of March 1, 2020 (tentative)
(1) Trade name	Valuence Holdings Inc.
(2) Business lines	Business strategy planning, business management, etc. of the entire group
(3) Location of the head office	1-2-70 Konan, Minato-ku, Tokyo
(4) Position and name of representative	Shinsuke Sakimoto, Representative Director
(5) Capital	1,027 million yen
(6) Fiscal year end	August 31
(7) Net assets	There will be no change in net assets (consolidated) due to the Split.
(8) Total assets	There will be no change in total assets (consolidated) due to the Split.

5-2. Successor Company

	As of March 1, 2020 (tentative)
(1) Trade name	Valuence Japan Inc.
(2) Business lines	Reuse business and other related business
(3) Location of the head office	1-2-70 Konan, Minato-ku, Tokyo
(4) Position and name of representative	Shinsuke Sakimoto, CEO
(5) Capital	10 million yen
(6) Fiscal year end	August 31

6. Future Outlook

Since the Successor Company in the Split will be a wholly owned subsidiary of the Company, the Split will have a negligible impact on consolidated business results for the current fiscal year.

II. Change of Trade Name and Partial Amendments to Article of Incorporation

1. Reason of Change

The Company will transition to a holding company structure on March 1, 2020, and, in accordance with this transition, change its trade name and purposes. Therefore, necessary changes will be made to Article 1 (Trade Name) and Article 2 (Purposes) in the current Articles of Incorporation and a supplementary provision will be added.

2. Change of Trade Name

The change is as follows. This change will become effective on the effective date of the Split, or March 1, 2020 (tentative), subject to effectuation of the Split.

Current trade name	New trade name
SOU Inc.	Valuence Holdings Inc.

3. Details of Amendments to Articles of Incorporation

The details of amendments are as follows. These amendments will become effective on the effective date of the Split, or March 1, 2020 (tentative), subject to effectuation of the Split.

(Changes are underlined.)

Current Articles of Incorporation	Proposed amendment
Chapter 1. General Provisions (Trade Name) Article 1. The Company shall be called Kabushiki Kaisha SOU and the English name of the Company shall be SOU Inc.	Chapter 1. General Provisions (Trade Name) Article 1. The Company shall be called Valuence Holdings Kabushiki Kaisha and the English name of the Company shall be Valuence Holdings Inc.

(Purposes)	(Purposes)
Article 2. The purposes of the Company shall be to engage in the following businesses:	Article 2. The purposes of the Company shall be to control and manage business activities of companies engaged in the following businesses and foreign companies engaged in equivalent businesses through the holding of shares or interests:
1. Purchase, sale, and holding of auction markets for precious metals, watches, bullion, jewels, and other accessories	1. Purchase, sale, lease, and sublease of precious metals, bullion, watches, jewels, antiques, artworks, and other personal property and brokerage of the above as well as operation of auction markets and online auctions
2. Purchase, sale, and holding of auction markets for artworks, craft products, folk crafts, antiques, and other accessories	2. Purchase, sale, lease, and sublease of real estate and brokerage of the above as well as operation of auction markets and online auctions
3. (Omitted)	3. (Unchanged)
4. Lease and sublease of personal property and real estate	4. Non-life insurance agency business
5. Non-life insurance agency business	5. Internet media business
6. Planning, operation, management, production, sales, and consulting for websites and systems	6. Internet advertisement business
7. Planning, operation, management, production, sales, and consulting for web application content utilizing the internet, mobile phones, etc.	7. Planning, development, and sale of internet-related services and products
8. Planning, production, sale, and consulting for packages, catalogues, leaflets, direct mails, posters, etc.	8. Building of IT systems and consultancy business
9. Providing information processing and information security services	9. Development of e-commerce-related systems and planning, operation, management, production, sales, and consulting for selling websites and systems
10. Marketing and advertising businesses	10. Planning, production, sale, and consulting for packages, catalogues, leaflets, direct mails, posters, etc.
11. (Omitted)	11. (Unchanged)
Article 3. through Article 35. (Omitted)	Article 3. through Article 35. (Unchanged)
	Supplementary Provisions
(Newly established)	Article 2. The changes in Article 1 (Trade Name) and Article 2 (Purpose) shall become effective on the effective date

	of the absorption-type split on condition that “Approval for the Absorption-type Split Agreement” to be proposed at the Eighth Ordinary General Meeting of Shareholders to be held on November 22, 2019, is approved and the aforementioned absorption-type split becomes effective. This Article shall be deleted on the effective date of the absorption-type split.

4. Schedule of Change of Trade Name and Partial Amendments to Articles of Incorporation

Board of Directors meeting to approve the change of trade name and partial amendments to the Articles of Incorporation October 24, 2019

Ordinary General Meeting of Shareholders to approve the change of trade name and partial amendments to the Articles of Incorporation November 22, 2019 (tentative)

Effective date of the change of trade name and partial amendments to the Articles of Incorporation March 1, 2020 (tentative)