To Our Shareholders,

Securities Code: 9270
November 6, 2019
1-2-70 Konan, Minato-ku, Tokyo
Shinagawa Season Terrace 28F
SOU Inc.
Representative Director and President Shinsuke Sakimoto

Convocation Notice for the 8th Ordinary General Meeting of Shareholders

Dear SOU Inc. Shareholder,
You are cordially invited to the 8th Ordinary General Meeting of Shareholders, the details of which follow.
If you are unable to attend the meeting in person, you may exercise your voting rights in written format. Please review the attached general shareholders' meeting reference materials and indicate your approval or disapproval of resolutions on the voting form enclosed. Please send the enclosed voting form [NOTE: Not included with this translation] so as to arrive by 7:00 PM on Thursday, November 21, 2019 (Japan Standard Time).

Yours Sincerely,

1. Date	Friday, November 22, 2019; 10:00 AM (registration opens at 9:00 AM)	
2. Venue	1-2-70 Konan, Minato-ku, Tokyo Shinagawa Season Terrace 28F SOU Inc. Head Office Auction Room (Note that this location is different from the location of the prior general shareholders' meeting. Please confirm the new location in the map provided at the end of this convocation notice to prevent any mistakes.)	
3. Meeting Agenda	**Reports**	1. Period 8 (September 1, 2018 to August 31, 2019) business report, consolidated financial statements, report on consolidated financial statements by financial statement auditor and the Audit and Supervisory Board 2. Report on financial statements for Period 8 (September 1, 2018 to August 31, 2019)
	Resolutions	**No.1** Approval of absorption-type split agreement **No.2** Partial revision to articles of incorporation (1) **No.3** Partial revision to articles of incorporation (2) [change in corporate name, business purpose] **No.4** Election of three directors (excluding directors who are members of the Audit and Supervisory Committee) **No.5** Election of three directors who are members of the Audit and Supervisory Committee **No.6** Determination of director remuneration (excluding directors who are members of the Audit and Supervisory Committee) **No.7** Determination of director remuneration for directors who are members of the Audit and Supervisory Committee **No.8** Determination of allocation of restricted stock and stock acquisition rights as stock options as director remuneration (excluding directors who are members of the Audit and Supervisory Committee) **No.9** Granting of retirement benefits for retiring directors and retiring members of the Audit & Supervisory Board

4. Matters Related to this Convocation	(1) In the event you will be exercising your voting rights via proxy, said proxy must also be a SOU Inc. shareholder with voting rights. You are limited to the use of one individual as proxy. (2) In the event you intend to exercise your voting rights in a non-uniform manner, please provide SOU Inc. with written notification to this effect and the reasons therefore at least three days prior to the general shareholders' meeting.

Exercise of Voting Rights

We ask our shareholders to exercise their voting rights after carefully reviewing the details of general shareholders' meeting reference materials. You may exercise your voting rights in the following two ways:

Attendance at the General Shareholders' Meeting



Please provide your voting form (enclosed) at the meeting registration desk.

Date ▶ Friday, November 22, 2019; 10:00 AM (registration opens at 9:00 AM)

Mail



Indicate your approval or disapproval of resolutions on the voting form (enclosed) and send by mail so as to arrive before the deadline indicated below:

Deadline to Exercise Voting Rights ▶ Voting forms must be received by 7:00 PM on Thursday, November 21, 2019

- Any revisions to general shareholders' meeting reference materials, business reports, financial statements, or consolidated financial statements will be published on the SOU Inc. corporate website (https://www.ai-sou.co.jp/ir/).
- Of those reports provided in conjunction with this convocation notice, System to Ensure Appropriate Business Management and Operating Status of System to Ensure Appropriate Business Management (business report), Consolidated Statement of Shareholders' Equity and Other Financial Statements and Notes to Consolidated Financial Statements (consolidated financial statements), and Statement of Changes in Shareholders' Equity and Notes to Non-Consolidated Financial Statements (financial statements) have been published on the SOU Inc. corporate website in conformance with relevant laws as well as the provisions of Article 14 of the company's Articles of Incorporation.
- The reports on consolidated financial statements and financial statements by the financial statement auditor and the Audit and Supervisory Board relate to each document attached to this convocation notice and are also published on the SOU Inc. corporate website.

SOU Inc. will not provide any gifts to attendees of the general shareholders' meeting. Thank you for your understanding.

General Shareholders' Meeting Reference Materials

Resolutions and Reference Information

Resolution No.1 Approval of absorption-type split agreement

1. Reasons for the absorption-type split

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. 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 transition to a holding company structure.

SOU Inc. and SOU Preparatory Split Company Inc. (scheduled to change corporate name to Valuence Japan Inc. on December 1, 2019; "Successor Company") have agreed to transfer ("Split") the SOU Inc. reuse business to the Successor Company effective March 1, 2020. Subsequent to the absorption-type split, SOU Inc. will become a holding company, changing our corporate name to Valuence Holdings Inc. as of March 1, 2020.

Further, this Split will become effective subject to approval of the Resolution No.3 below, *Partial revision to articles of incorporation (2) [change in corporate name, business purpose]* as written.

2. Overview of absorption-type split agreement

Absorption-type split agreement (photo)

SOU Inc. (“SOU”) and SOU Preparatory Split Company Inc. (“SOU PSC”) will execute an absorption-type split agreement (“Agreement”) on October 24, 2019 as follows.

Article 1 (Absorption-type split)
In accordance with the provisions of the Agreement, SOU shall transfer the rights and obligations (as defined under Article 3) of the SOU reuse business (“Business”) to SOU PSC via an absorption-type split (“Absorption-Type Split”). SOU PSC shall agree to accept Business.

Article 2 (Corporate name and head office location)
The names and head office locations of the Splitting Company and Split Successor Company with respect to the Absorption-Type Split shall be as follows:
(1) Splitting Company
Corporate Name: SOU Inc.
(planning to change corporate name to Valuence Holdings Inc. as of March 1, 2020)
Head Office: 1-2-70 Konan, Minato-ku, Tokyo
Shinagawa Season Terrace 28F
(2) Split Successor Company
Corporate Name: SOU Preparatory Split Company Inc.
(planning to change corporate name to Valuence Japan Inc. on December 1, 2019)
Head Office: 1-2-70 Konan, Minato-ku, Tokyo
Shinagawa Season Terrace 28F

Article 3 (Rights and obligations of successor company)
Under the Absorption-Type Split, the rights and obligations received by SOU PSC from SOU shall consist of the rights and obligations as provided in the attached Schedule of Transferred Rights and Obligations, which is based on the SOU balance sheet as of August 31, 2019 and other financial statements of the same date. To these rights and obligations shall be added or subtracted rights or obligations (including incidental rights and obligations) existing as of the day prior to the Effective Date (defined under Article 7). With respect to rights transferred from SOU to SOU PSC under Absorption-Type Split, the transfer of rights arising as of the day prior to Effective Date based on lease agreements related to real estate shall be according to the concomitant assumption of debt method, while the transfer of other rights shall be according to indemnified assumption of debt method.

Article 4 (Consideration)
SOU PSC shall grant SOU 200 shares of SOU PSC stock in exchange for these rights and obligations upon the Absorption-Type Split)

Article 5 (SOU PSC stated capital and reserves)
Upon the Absorption-Type Split, no increase will be made to SOU PSC stated capital or reserves.

Article 6 (Board of directors meeting to approve split)
SOU and SOU PSC will be asked to approve matters necessary to Agreement and Absorption-Type Split at the respective general shareholders' meetings scheduled to be held November 22, 2019. Notwithstanding the preceding, SOU and SOU PSC may modify such matters subsequent to discussions when necessary to advance procedures related to the Absorption-Type Split or for other reasons.

Article 7 (Effective date)
The Absorption-Type Split shall be effective as of March 1, 2020 ("Effective Date"). Notwithstanding the preceding, SOU and SOU PSC may modify Effective Date subsequent to discussions when necessary to advance procedures related to the Absorption-Type Split or for other reasons.

Article 8 (Non-compete obligation)
SOU shall not incur a non-compete obligation with SOU PSC subsequent to the Absorption-Type Split coming into effect.

Article 9 (Administration of corporate assets, etc.)
Subsequent to the execution of Agreement, SOU and SOU PSC shall administer and manage their respective execution of business and management of business assets, exercising the due care of a prudent manager. SOU and SOU PSC shall conduct discussions and reach an agreement prior to engaging in acts that may have a significant impact on their respective assets or rights and obligations.

Article 10 (Changes in terms of Absorption-Type Split and cancellation of Agreement)
In the event of significant changes in assets or management status at SOU or SOU PSC due to natural disaster or other reasons, or in the event of a condition that results in significant difficulties to implement the Absorption-Type Split, or in the event that the achievement of the purposes of the Agreement become difficult subsequent to the execution of Agreement and prior to the Effective Date, SOU and SOU PSC shall enter into discussions and reach an agreement to change the terms of the Absorption-Type Split or other details of the Agreement, or may cancel the Agreement.

Article 11 (Effectiveness of Agreement)
This Agreement shall not become effective in the event that approval is not received by SOU or SOU PSC at their respective general shareholders' meetings as provided in Article 6, or in the event that approval is not granted by government authorities as provided by law.

Article 12 (Matters subject to discussion)
In addition to matters provided under this Agreement, other matters necessary for the Absorption-Type Split shall be determined according to discussions between SOU and SOU PSC in accordance with the intent of this Agreement.

As proof of the execution of this Agreement, two copies of this Agreement shall be prepared, one each signed, sealed, and retained by SOU and SOU PSC.

Thursday, October 24, 2019

Shinsuke Sakimoto, Representative Director and President
SOU Inc.
SOU 1-2-70 Konan, Minato-ku, Tokyo
Shinagawa Season Terrace 28F

Shinsuke Sakimoto, Representative Director and President
SOU Preparatory Split Company Inc.
SOU PSC 1-2-70 Konan, Minato-ku, Tokyo
Shinagawa Season Terrace 28F

Attachments

Schedule of Transferred Rights and Obligations

1 Assets

a. Current assets

Cash, deposits, accounts receivable, merchandise, prepaid expenses belonging to Business, as well as all other current assets related to Business.

b. Fixed assets

Buildings (including facilities attached to buildings), tools, equipment and fixtures, leased assets, construction in progress, trademarks, software, and software in progress belonging to Business, as well as all other non-current assets related to Business.

2 Liabilities

a. Current liabilities

Accounts payable, short-term loans, current portion of long-term debt, lease obligations, and accrued expenses belonging to Business, as well as all other current liabilities related to Business.

b. Non-current liabilities

Long-term debt, lease obligations, asset retirement obligations, and long-term accrued expenses belonging to Business, as well as all other non-current liabilities related to Business.

3 Employment Contracts

Of those employees serving in the Business, employment contracts between full-time employees and equivalent of SOU and SOU shall not be transferred. Of those employees serving in the Business, employment contracts between part-time employees of SOU and SOU shall be transferred.

4 Contractual Status of Other Rights and Obligations

(1) Status for all contracts executed by SOU related to the Business as of the Effective Date of Absorption-Type Split agreement and all rights and obligations based thereon. Notwithstanding the preceding, such excludes the contractual status of employment contracts between SOU and full-time employees or equivalent and any rights or obligations based thereon.

(2) All permissions, certifications, registrations, and filings of SOU related to the Business which are legally transferable by SOU to SOU PSC.

(3) All rights and obligations arising in SOU related to the Business in addition to the items listed in (2), above. Notwithstanding the preceding, such excludes all rights and obligations arising in SOU related to employment contracts arising between SOU and full-time employees or equivalent.

3. Overview of Details as Prescribed in Article 183 of the Ordinance for Enforcement of the Companies Act

(1) Appropriateness of consideration

The Successor Company shall issue 200 shares of common stock upon the Split, allocating all said shares to SOU Inc. as the Splitting Company. As a wholly owned subsidiary of SOU Inc., the Successor Company shall not experience a substantive difference in relations between SOU Inc. and Successor Company based on the number of shares allocated and granted to SOU Inc. due to the Split. However, the number of shares issued by the Successor Company have been determined according to discussions between SOU Inc. and Successor Company, with such number judged to be appropriate.

(2) Appropriateness of the determination of stated capital

The Successor Company shall not conduct an increase in stated capital or reserves in connection with the Split.

(3) Appropriateness of the determination of stock options

Not applicable.

4. Matters Related to Financial Statements

(1) Financial statements upon the establishment of Successor Company

The first fiscal year of the Successor Company shall be September 10, 2019 (date of establishment) to August 31, 2020. As the first fiscal year has not been completed as of the date of the preparation of this document, we have not prepared financial statements related to the first fiscal year. The balance sheet of the Successor Company as of the date of establishment is as follows:

Assets		Liabilities	
Account	Amount	Account	Amount
Cash and deposits	JPY10 million	Capital stock	JPY10 million
Total assets	JPY10 million	Total liabilities and net assets	JPY10 million

(2) Events having a significant impact on Successor Company corporate assets subsequent to establishment of Successor Company, including the disposal of major assets, the undertaking of significant liabilities, or other

Not applicable.

(3) Events having a significant impact on SOU Inc. corporate assets subsequent to the last day of the final fiscal year of SOU Inc., including the disposal of major assets, the undertaking of significant liabilities, or other

Not applicable.

(4) Matters related to the disposal of major assets of the companies involved in the Split arising after the subsequent to the last day of the final fiscal year of the respective companies

Not applicable.

Resolution No.2

Partial revision to articles of incorporation (1)

1. Reasons for Revisions

(1) The company has decided to transition from a *Company with Audit & Supervisory Board* to a *Company with Audit and Supervisory Committee* in order to raise our level of corporate governance and effectiveness through a stronger oversight structure and supervisory functions for faster decision-making and improved agility among our board of directors.

To transition to a Company with Audit and Supervisory Committee, we intend to remove rules related to members of the Audit & Supervisory Board and the Audit & Supervisory Board itself, establishing new rules related to Audit and Supervisory Committee members and an Audit and Supervisory Committee. At the same time, we intend to make changes to the relevant text. In addition, as we transition to a Company with Audit and Supervisory Committee, we intend to establish new rules to the effect that all or a part of decisions related to the execution of business may be delegated to directors by resolution of the board of directors.

(2) We intend to establish new rules related to the additional purchases of shares in amounts less than one purchase unit for the purpose of adopting a system for the purchase of fractional shares to facilitate the purchase and sale of shares. At the same time, we intend to revise the existing Article 8 of our Articles of Incorporation (Rights Related to Fractional Share Holdings).

(3) In accordance with the preceding, we intend to change the number of articles and other required revisions in conjunction with the adoption of, revisions to, or deletions of text.

2. Revision Details

The following are the proposed revisions to the company's Articles of Incorporation. (Underlined text indicates changed text)

Further, revisions to our Articles of Incorporation in connection with this resolution will become effective as of the conclusion of this general shareholders' meeting.

Current Article	Proposed Revision
Chapter 1 General Provisions	Chapter 1 General Provisions
Chapter 1 through Chapter 3 <Text omitted>	Chapter 1 through Chapter 3 <As currently adopted>
(Corporate Organization) Article 4 The Company shall consist of a general meeting of shareholders, directors, and the following organizations: (1) Board of directors (2) Audit & Supervisory Board members (3) Audit & Supervisory Board (4) Accounting auditors	(Corporate Organization) Article 4 The Company shall consist of a general meeting of shareholders, directors, and the following organizations: (1) Board of directors (2) Audit and Supervisory Committee <Deleted> (3) Accounting auditors
Article 5 <Text omitted>	Article 5 <As currently adopted>

Current Article	Proposed Revision
Chapter 2 Shares	Chapter 2 Shares
Article 6 through Article 7 <Text omitted> (Rights Related to Fractional Share Holdings) Article 8 Company shareholders may not exercise any rights related to holdings of fractional shares, except those rights stipulated as follows: (1) <Text omitted> (2) <Text omitted> (3) <Text omitted> <New text> <New text>	Article 6 through Article 7 <As currently adopted> (Rights Related to Fractional Share Holdings) Article 8 <As currently adopted> (1) <As currently adopted> (2) <As currently adopted> (3) <As currently adopted> (4) Rights to demands as provided in the following article (Additional Purchases of Fractional Shares) Article 9 As provided in rules related to Shares, Company shareholders may demand the sale of shares in a number resulting in a trading unit when combination with fractional shares already held.
Article 9 through Article 10 <Text omitted>	Article 10 through Article 11 <As currently adopted>
Chapter 3 Shareholders Meeting	Chapter 3 Shareholders Meeting
Article 11 through Article 16 <Text omitted>	Article 12 through Article 17 <As currently adopted>
Chapter 4 Directors and Board of Directors	Chapter 4 Directors and Board of Directors
(Number of Directors) Article 17 The Company shall have ten (10) or fewer directors. <New text>	(Number of Directors) Article 18 The Company shall have ten (10) or fewer directors (excluding directors who are members of the Audit and Supervisory Committee.) 2 The Company shall have five (5) or fewer directors who are members of the Audit and Supervisory Committee.
(Method of Director Appointment) Article 18 Directors shall be elected by the general shareholders meeting. 2 <Text omitted> 3 <Text omitted>	(Method of Director Appointment) Article 19 Directors who are members of the Audit and Supervisory Committee and other directors shall be elected separately and distinctly by the general shareholders' meeting. 2 <As currently adopted> 3 <As currently adopted>
(Term of Office for Directors) Article 19 The term of office for directors shall expire at the close of the ordinary general shareholders meeting ending within one (1) year of the initial assumption of office.	(Term of Office for Directors) Article 20 The term of office for directors (excluding directors who are members of the Audit and Supervisory Committee) shall expire at the close of the ordinary general shareholders' meeting ending within one (1) year

Current Article	Proposed Revision
	of the initial assumption of office.
<New text>	2 The term of office for directors who are members of the Audit and Supervisory Committee shall expire at the close of the ordinary general shareholders' meeting ending within two (2) years of the initial assumption of office.
<New text>	3 The term of office for directors who are members of the Audit and Supervisory Committee elected to fill a vacancy (serve as substitute) created by a director retiring prior to the expiration of his or her term shall be the full term of the retired director in question.
<New text>	4 The term of office for a director elected to fill a vacancy for a director who is a member of the Audit and Supervisory Committee shall expire at the close of the ordinary general shareholders' meeting ending within two (2) years of the initial assumption of office.
Article 20 through Article 21 <Text omitted>	Article 21 through Article 22 <As currently adopted>
(Board of Director Meeting Convocation Notice) Article 22 A convocation notice of a meeting of the board of directors shall be provided to each director and member of the Audit and Supervisory Committee three (3) days prior to the meeting in question. Provided, however, that this notification period may be shortened in the event of an emergency. 2 Board of director meetings may be held without the aforementioned convocation procedures, subject to the consent of all directors and members of the Audit and Supervisory Committee.	(Board of Director Meeting Convocation Notice) Article 23 A convocation notice of a meeting of the board of directors shall be provided to each director and member of the Audit and Supervisory Board three (3) days prior to the meeting in question. Provided, however, that this notification period may be shortened in the event of an emergency. 2 Board of director meetings may be held without the aforementioned convocation procedures, subject to the consent of all directors.
<New text>	(Delegation of Important Decisions Related to Business Execution) Article 24 Under the provisions of Article 399-13 Item 6 of the Companies Act, the board of directors may delegate all or part of decisions related to the execution of important operations (excluding matters listed in item 5 of the same article) to a director.
Article 23 through Article 24 <Text omitted>	Article 25 through Article 26 <As currently adopted>
(Board of Director Remuneration, Etc.) Article 25 Director remuneration, bonuses, and other payment of material benefits by the Company with respect to the execution of duties ("Remuneration, Etc.") shall be as provided by resolution of the general shareholders meeting.	(Board of Director Remuneration, Etc.) Article 27 Director remuneration, bonuses, and other payment of material benefits by the Company with respect to the execution of duties shall be as provided by resolution of the general shareholders' meeting, which addresses directors who are members of the Audit and Supervisory Committee and other directors separately and distinctly.

Current Article	Proposed Revision
Article 26 <Text omitted>	Article 28 <As currently adopted>
Chapter 5 Members of the Audit & Supervisory Board and the Audit & Supervisory Board	<Deleted>
(Number of Audit & Supervisory Board Members) Article 27 The Company shall have five (5) or fewer members of the Audit & Supervisory Board.	<Deleted>
(Appointment of Members of the Audit & Supervisory Board) Article 28 Members of the Audit & Supervisory Board shall be elected by the general shareholders meeting. 2 Election of members of the Audit & Supervisory Board shall be according to a majority of votes exercised by holders of voting rights when at least one-third of all voting rights are represented by shareholders in attendance.	<Deleted>
(Term of Office for Members of the Audit & Supervisory Board) Article 29 The term of office for members of the Audit & Supervisory Board shall expire at the close of the ordinary general shareholders meeting ending within four (4) years of the initial assumption of office. 2 The term of office for members of the Audit & Supervisory Board elected to fill a vacancy (serve as substitute) created by a member retiring prior to the expiration of his or her term shall be the full term of the retired member in question.	<Deleted>
(Effective Period for Pre-Selections of Candidates for Substitute Members of the Audit & Supervisory Board) Article 30 The effective period for pre-selections of candidates for substitute members of the Audit & Supervisory Board shall expire upon the opening of the first ordinary general shareholders meeting held four (4) years subsequent to the initial appointment of said individual.	<Deleted>
(Full-Time Members of the Audit & Supervisory Board) Article 31 Full-time members of the Audit & Supervisory Board shall be elected by resolution of said board.	<Deleted>
(Audit & Supervisory Board Meeting Convocation Notice) Article 32 A convocation notice of a meeting of the Audit & Supervisory Board shall be provided to each member of the Audit & Supervisory Board three (3) days prior to the meeting in question. Provided, however, that this notification period may be shortened in the event of an	<Deleted>

Current Article	Proposed Revision
emergency. 2 Meetings of the Audit & Supervisory Board may be held without the aforementioned convocation procedures, subject to the consent of all members of the Audit & Supervisory Board.	
(Audit & Supervisory Board Rules) Article 33 Audit & Supervisory Board rules shall be adopted as provided by law, by these articles of incorporation, and by rules determined by the Audit & Supervisory Board.	<Deleted>
(Audit & Supervisory Board Members Remuneration, Etc.) Article 34 Audit & Supervisory Board member remuneration shall be determined by a resolutions of the general shareholders meeting.	<Deleted>
(Limitation of Audit & Supervisory Board Member Liability) Article 35 To the extent allowed by law under the provisions of Par.1, Article 426 of the Companies Act, the Company board of directors may resolve to limit Audit & Supervisory Board member responsibility for the compensation of damages arising from negligence in the performance of duties on the part of members of the Audit & Supervisory Board (including former members). 2 The Company may execute agreements with members of the Audit and Supervisory Committee to limit member responsibility for the compensation of damages arising from member negligence in the performance of their duties, as provided by Par.1, Article 427 of the Companies Act. Provided, however, that the limitations of responsibility based on the aforementioned agreements do not fall below the amounts provided by law.	<Deleted>
<New text>	Chapter 5 Audit and Supervisory Committee
<New text>	(Full-Time Members of the Audit and Supervisory Committee) Article 29 Full-time members of the Audit and Supervisory Committee shall be elected by resolution of said committee.
<New text>	(Audit and Supervisory Committee Meeting Convocation Notice) Article 30 A convocation notice of a meeting of the Audit and Supervisory Committee shall be provided to each member of the Audit and Supervisory Committee three (3) days prior to the meeting in question. Provided, however, that this notification period may be shortened in the event of an emergency.

Current Article	Proposed Revision
	2 Meetings of the Audit and Supervisory Committee may be held without the aforementioned convocation procedures, subject to the consent of all members of the Audit and Supervisory Committee.
<New text>	(Audit and Supervisory Committee Rules) Article 31 Audit and Supervisory Committee rules shall be adopted as provided by law, by these articles of incorporation, and by rules determined by the Audit and Supervisory Committee.
Chapter 6 Accounting	Chapter 6 Accounting
Article 36 through Article 39 <Text omitted>	Article 32 through Article 35 <As currently adopted>
<New text>	Supplementary Provisions
<New text>	(Transitional Measures Related to Audit and Supervisory Committee Member Liability) Article 1 To the extent allowed by law, the Company may, according to board of director resolution, exempt Audit and Supervisory Committee members (including persons who have been members) as prescribed in Par.1, Article 423 of the Companies Act for actions conducted prior to the conclusion of the 8th Ordinary General Shareholders' Meeting.

Resolution No.3

Partial revision to articles of incorporation (2) [change in corporate name, business purpose]

1. Reasons for Revisions

As described in resolution No.1, *Approval of absorption-type split agreement*, the Company is scheduled to transfer our reuse business to a wholly owned subsidiary via absorption-type split on March 1, 2020. In turn, the Company will become a holding company. Accordingly, the Company will change our trade name and business purpose in accordance with this organizational change into a holding company.

The revisions to our Articles of Incorporation related to this resolution will be new supplementary provisions that will come into effect on March 1, 2020, assuming the resolution No.1 is approved as proposed and the split in question takes effect.

2. Revision Details

The following are the proposed revisions to the company's Articles of Incorporation. (Underlined text indicates changed text)

Current Article	Proposed Revision
Chapter 1　General Provisions	Chapter 1　General Provisions
(Trade Name) Article 1 The trade name of the company ("the Company") shall be 株式会社ＳＯＵ (*kabushikikaisha SOU*) in Japanese and SOU Inc. in English.	(Trade Name) Article 1 The trade name of the company ("the Company") shall be バリュエンスホールディングス株式会社 (*Baryuensu Horudeingusu Kabushikikaisha*) in Japanese and Valuence Holdings Inc. in English.
(Purpose) Article 2 The purpose of the Company shall be to manage the following businesses:	(Purpose) Article 2 The purpose of the Company shall be to engage in supervision and management of the business activities of the companies in question through the holding of shares and/or equity in companies that conduct the following businesses and overseas companies that conduct equivalent businesses.
1. Purchase, sale, and/or management of auctions related to precious metals, watches, bullion, gems, and all other ancillary items	1. Purchase and sale, rent, sublease, and related intermediary services related to precious metals, bullion, watches, gems, antiques, art works, and other personal property; auction market and online auction operations
2. Purchase, sale, and/or management of auctions related to works of art, craft products, folk art, antiques, secondhand goods, and all other ancillary items	2. Purchase and sale, rent, sublease, and related intermediary services related to real estate; auction market and online auction operations
3. <Text omitted>	3. <As currently adopted>
4. Leasing and subleasing of personal property and real estate	4. Management of nonlife insurance agency offices

Current Article	Proposed Revision
5. Management of nonlife insurance agency offices 6. Planning, management, administration, production, sales, and consulting related to websites and information technology systems 7. Planning, management, administration, production, sales, and consulting related to web applications and content utilizing the internet and mobile phones, etc. 8. Planning, production, sales, and consulting related to packaging, catalogs, flyers, direct mail, posters, etc. 9. Information processing and information security services 10. Marketing and advertising services 11. <Text omitted> Article 3 through Article 35 <Text omitted> <New text> <New text>	5. Internet media business 6. Internet advertising business 7. Planning, development, and sales of internet-related businesses and products 8. IT systems construction and consulting business 9. Systems development and sales websites related to electronic commerce, systems planning, operations, management, production, sales, and consulting 10. Planning, production, sales, and consulting related to packaging, catalogs, flyers, direct mail, posters, etc. 11. <As currently adopted> Article 3 through Article 35 <As currently adopted> Supplementary Provisions Article 2 The revisions to Article 1 (Trade Name) and Article 2 (Purpose) are subject to approval the agenda item *Approval of absorption-type split agreement* by the 8th Ordinary General Shareholders' Meeting scheduled for November 22, 2019, and whether the absorption-type split mentioned above takes effect. Assuming these conditions, the above-referenced revisions will take effect upon the Effective Date of the absorption-type split in question. Further, this article will be deleted upon the absorption-type split taking effect.

Resolution No.4

Election of three directors (excluding directors who are members of the Audit and Supervisory Committee)

If Resolution No.2 *Partial revision to articles of incorporation (1)* is approved as proposed, the Company will transition to a *Company with Audit and Supervisory Committee* and all directors (five persons) will retire from service as their terms of office expire when the revisions to our Articles of Incorporation take effect. Accordingly, we ask for your election of three (3) directors (excluding directors who are members of the Audit and Supervisory Committee; same below in this resolution) upon our transition to a Company with Audit and Supervisory Committee.
This resolution is subject to and will become effective upon the effectiveness of Resolution No.2 *Partial revision to articles of incorporation (1)*.
The candidates for directors are as described below.

Candidate No.	Name	Current Title and Purview with the Company	Candidate Attributes	Board of Director Meeting Attendance
1	Shinsuke Sakimoto	Representative Director and President	Reelection	100% (14/14)
2	Toshihide Ohzono	Director and General Manager, Business Administration Division	Reelection	100% (14/14)
3	Hirokazu Kojima	Director and General Manager, Corporate Division General Manager, Osaka Office and General Manager, Legal Affairs Division	Reelection	100% (11/11)

(Note) Hirokazu Kojima became a newly elected director at the 7th Ordinary General Shareholders' Meeting held November 22, 2018. Mr. Kojima's attendance at board of director meetings represent meetings held since his election.

Candidate No.

1

Shinsuke Sakimoto

Born April 14, 1982

Reelection



Tenure as Director (as of the conclusion of the upcoming general shareholders' meeting)
7 years 11 months

No. of Company Shares Owned
224,000 shares

Board of Director Meeting Attendance
100% (14/14)

Career Summary, Titles, and Purview

2004	June	Managing director, NEW STANDARD GLOBAL OFFICE Inc. (formerly MKS Corporation)
2011	December	Established SOU Inc., named Representative Director and President (current position)
2012	January	Director, IO Co., Ltd.
2012	March	Director, DOROQUIA HOLATHETA Co. Ltd.
2014	July	Director, IBQLO Co., Ltd.
2014	September	Representative Director, BRAND CONCIER
2015	September	Representative Director, STAR BUYERS LIMITED
2017	March	Representative Director, Hakkoudo Inc. (current position)
2019	March	Director, STAR BUYERS LIMITED
2019	August	Representative Director, FAN AND Co., Ltd. (current position)

Significant Concurrent Positions

Representative Director, Hakkoudo Inc.
Representative Director, FAN AND Co., Ltd.

Reasons for Nomination as a Director Candidate

Shinsuke Sakimoto has led the SOU Group as SOU Inc. representative director and president since December 2011. He possesses a broad range of knowledge of the business as a whole and a wealth of experience and achievements. In our judgment, we can expect Mr. Sakimoto to continue to contribute to the Company and have named him as a candidate for the Company director.

Candidate No.

2

Toshihide Ohzono

Born March 9, 1962

Reelection



Tenure as Director (as of the conclusion of the upcoming general shareholders' meeting)
3 years 5 months

No. of Company Shares Owned
11,165 shares

Board of Director Meeting Attendance
100% (14/14)

Career Summary, Titles, and Purview

1988	April	Joined MEIDENSHA CORPORATION
2015	July	Joined SOU Inc., named General Manager, Finance Division
2016	June	Director and General Manager, Finance Division, SOU Inc.
2016	June	Director, Market Insight Co., Ltd.
2018	September	Director and General Manager, Finance Division; General Manager, Corporat Division, SOU Inc.
2018	November	Director and General Manager, Finance Division, SOU Inc. (current position)

Reasons for Nomination as a Director Candidate

Toshihide Ohzono possesses a wealth of experience and achievements in corporate planning, finance, and accounting at SOU Inc. In our judgment, we believe it appropriate for Mr. Ohzono to be named again as director candidate for the Company to take advantage of his wide range of knowledge in management. Accordingly, we have named him as a candidate for Company director.

Candidate No.

3 **Hirokazu Kojima**

Born October 22, 1972

Reelection



Tenure as Director (as of the conclusion of the upcoming general shareholders' meeting)
1 year

No. of Company Shares Owned
10,000 shares

Board of Director Meeting Attendance
100% (11/11)

Career Summary, Titles, and Purview

2006	August	Joined FirstServer, Inc.
2014	July	Joined SOU Inc., named General Manager, Legal Affairs Division
2015	July	General Manager, Osaka Office and General Manager, Legal Affairs Division, SOU Inc.
2016	June	Corporate Auditor, Market Insight Co., Ltd.
2017	August	Director, Hakkoudo Inc. (current position)
2018	November	Director and General Manager, Corporate Division; General Manager, Osaka Office; General Manager, Legal Affairs Division, SOU Inc. (current position)

Significant Concurrent Positions

Director, Hakkoudo Inc.

Reasons for Nomination as a Director Candidate

Hirokazu Kojima possesses a wealth of experience and a high degree of expertise in SOU Inc. legal affairs, corporate governance, and other fields. In our judgment, he is a person of vital importance in the sustainable growth of SOU Inc. corporate value as a person responsible for corporate management within the Company. Accordingly, we have named him as a candidate for Company director.

(Notes) 1. No special relationships exist between director candidates and the Company.
2. Hirokazu Kojima became a newly elected director at the 7th Ordinary General Shareholders' Meeting held November 22, 2018. Mr. Kojima's attendance at board of director meetings represent meetings held since his election.

Resolution No.5

Election of three directors who are members of the Audit and Supervisory Committee

If Resolution No.2 *Partial revision to articles of incorporation (1)* is approved as proposed, the Company will transition to a *Company with Audit and Supervisory Committee*. We ask for your election of three directors who will be members of the Audit and Supervisory Committee.
This resolution has received the approval of the Company's Audit and Supervisory Board.
This resolution is subject to and will become effective upon the effectiveness of Resolution No.2 *Partial revision to articles of incorporation (1)*.
The candidates for directors who will be members of the Audit and Supervisory Committee are as described below.

Candidate No.	Name	Current Title and Purview with the Company	Candidate Attributes	Board of Director Meeting Attendance
1	Masahide Kamachi	Outside Director	New Election Outside Director	100% (14/14)
2	Kiyohito Hamada	Outside Member of the Audit and Supervisory Board	New Election Outside Director Independent Officer	100% (14/14)
3	Takashi Goto	Outside Member of the Audit and Supervisory Board	New Election Outside Director Independent Officer	100% (14/14)

(Note) The attendance of Messrs. Hamada and Goto at board of director meetings reflects their respective statuses as outside members of the Audit and Supervisory Board. In addition, these individuals attended all 12 meetings of the Audit and Supervisory Board.

Candidate No.

1

Masahide Kamachi

Born May 18, 1981

New Election | Outside Director



Tenure as Director (as of the conclusion of the upcoming general shareholders' meeting)
3 years

No. of Company Shares Owned
3,575 shares

Board of Director Meeting Attendance
100% (14/14)

Career Summary, Titles, and Purview

2005	November	Joined Chuo Aoyama Tax Accountants (currently PwC Tax Japan)
2009	September	Registered as a Certified Public Accountant
2014	December	Registered as a Certified Tax Accountant
2015	March	Controller, AfriMedico (current position)
2016	November	Established Kamachi Certified Public Accountants Office, named Partner (current position)
2016	November	Managing Partner, Kamachi Certified Tax Accountants Office (current position)
2016	November	Director, SOU Inc. (non-executive director; current position)
2017	January	Representative Director, WILL CONSULTING (current position)
2017	March	Outside Member of the Audit and Supervisory Board, Medley Inc. (current position)
2017	May	Outside Member of the Audit and Supervisory Board, CHIBO Corporation
2018	September	Outside Director, CHIBO Holdings Co., Ltd. (current position)

Significant Concurrent Positions

Controller, AfriMedico
Partner, Kamachi Certified Public Accountants Office
Managing Partner, Kamachi Certified Tax Accountants Office
Representative Director, WILL CONSULTING
Outside Member of the Audit and Supervisory Board, Medley Inc.
Outside Director, CHIBO Holdings Co., Ltd.

Reasons for Nomination as an Outside Director Candidate

Masahide Kamachi has a wealth of experience and insight as a certified public accountant. He is well qualified to perform management oversight from an objective and independent standpoint based on legal, corporate, and social considerations without being unduly influenced by Company arguments. Accordingly, in our judgment, the presence of Mr. Kamachi will improve the transparency and strengthen the supervisory function of our board of directors. Accordingly, we have named him again as a candidate for outside director.

Candidate No.

2

Kiyohito Hamada

Born November 30, 1957

New Election | Outside Director | Independent Officers



Tenure as Director (as of the conclusion of the upcoming general shareholders' meeting)
3 years 2 months

No. of Company Shares Owned
3,575 shares

Board of Director Meeting Attendance
100% (14/14)

Career Summary, Titles, and Purview

1985	October	Joined Sanwa & Co. (currently Deloitte Touche Tohmatsu Limited)
1989	April	Registered as a Certified Public Accountant
1998	April	Partner, Yotsubasogo Accounting Office (current position)
2007	June	Outside Member of the Audit and Supervisory Board, KITO CORPORATION (current position)
2014	March	Outside Member of the Audit and Supervisory Board, Medical Data Vision Co., Ltd. (current position)
2015	November	Outside Member of the Audit and Supervisory Board, TBI CO., LTD (current position)
2016	September	Member of the Audit and Supervisory Board, SOU Inc.
2017	September	Outside Director, Convano Inc. (current position)
2019	June	Outside Director, Nice Holdings, Inc. (current position)

Significant Concurrent Positions

Partner, Yotsubasogo Accounting Office

Outside Member of the Audit and Supervisory Board, KITO CORPORATION

Outside Member of the Audit and Supervisory Board, Medical Data Vision Co., Ltd.

Outside Member of the Audit and Supervisory Board, TBI CO., LTD

Outside Director, Convano Inc.

Outside Director, Nice Holdings, Inc.

Reasons for Nomination as an Outside Director Candidate

As a certified public accountant, Kiyohito Hamada possesses a wealth of expert knowledge and experience related to corporate accounting. He also has experience in corporate management as a director with several corporations. In our judgment, Mr. Hamada is capable of accomplishing a significant role in the oversight of business execution as a member of the Audit and Supervisory Committee. Accordingly, we have named him again as a candidate for outside director.

Facts Pertaining to Inappropriate Business Conduct at Other Corporations

Kiyohito Hamada serves as an outside director at Nice Holdings, Inc. During his term of service, three directors of Nice Holdings, Inc. were arrested by the Yokohama District Public Prosecutors office for violations of the Financial Instruments and Exchange Act. Mr. Hamada had no prior awareness of the facts in this matter. He has provided the board of directors of the company in question with various advice related to legal compliance on a regular basis, and he has been active in offering advice to prevent the recurrence of said incident, including the implementation of a stronger system of checks and balances.

Candidate No.

3

Takashi Goto

Born June 28, 1979

New Election | Outside Director | Independent Officer



Tenure as Director (as of the conclusion of the upcoming general shareholders' meeting)
2 years

No. of Company Shares Owned
0 shares

Board of Director Meeting Attendance
100% (14/14)

Career Summary, Titles, and Purview

2002	October	Passed the Bar Examination
2004	October	Registered as a Lawyer
2004	October	Joined Mori Hamada & Matsumoto
2008	July	Joined STW & Partners (currently Shiomizaka)
2010	January	Partner, STW & Partners (currently Shiomizaka, current position)
2015	December	Outside Member of the Audit and Supervisory Board, PRAP Japan, Inc. (curre position)
2016	June	Outside Member of the Audit and Supervisory Board, Coreforth Co., Ltd. (curre position)
2017	September	Outside Director, Machine Learning Solutions (current position)
2017	November	Member of the Audit and Supervisory Board, SOU Inc. (current position)
2018	March	Outside Director, Edge Intelligence Systems (current position)
2018	May	Representative Director, Langsmith (current position)

Significant Concurrent Positions

Partner, Shiomizaka
Outside Member of the Audit and Supervisory Board, PRAP Japan, Inc.
Outside Member of the Audit and Supervisory Board, Coreforth Co., Ltd.
Outside Director, Machine Learning Solutions
Outside Director, Edge Intelligence Systems
Representative Director, Langsmith

Reasons for Nomination as an Outside Director Candidate

As a lawyer, Takashi Goto possesses a wealth of expert knowledge and experience (including experience in corporate management as a corporate director) in the law. Further, he combines significant knowledge and character for exercising administration over corporate management. In our judgment, Mr. Goto is capable of accomplishing a significant role in the oversight of business execution as a member of the Audit and Supervisory Committee. Accordingly, we have named him again as a candidate for outside director. Given the reasons provided above, we believe Mr. Goto will properly execute his duties as an outside director.

(Notes) 1. No special relationships exist between director candidates and the Company.
2. Each candidate is a candidate for outside director.
3. Although each director serves concurrently as directors or Audit and Supervisory Board members at other companies, no special relationships exist between director candidates and the Company.
4. Masahide Kamachi is currently a SOU Inc. outside director. His term of service as an outside director will be three years as of the conclusion of the upcoming general shareholders' meeting.
5. Kiyohito Hamada and Takashi Goto are currently SOU Inc. outside members of the Audit and Supervisory Board. Their respective terms of service as outside members of the Audit and Supervisory Board will be three years and two months (Hamada) and two years (Goto) as of the conclusion of the upcoming general shareholders' meeting.
6. The Company has executed agreements with each candidate to limit responsibility for compensation of damages based on Par.1 Article 427 of the Companies Act. The company intends to continue similar agreements with each candidate who is approved for election.
7. In the event Kiyohito Hamada and Takashi Goto are elected, the Company intends to continue to designate these two persons as independent officers via filings with the Tokyo Stock Exchange and based on provisions of the same exchange for independent officers.
8. The attendance of Messrs. Hamada and Goto at board of director meetings reflects their respective statuses as outside members of the Audit and Supervisory Board. In addition, these individuals attended all 12 meetings of the Audit and Supervisory Board.

Resolution No.6 Determination of director remuneration (excluding directors who are members of the Audit and Supervisory Committee)

At the 7th Ordinary General Shareholders' Meeting held November 22, 2018, the Company received approval for an annual amount up to 300 million yen for director remuneration (provided, however, this amount does not include amounts paid to employees), of which an amount up to 30 million yen was approved for outside director remuneration. If resolution No.2 *Partial revision to articles of incorporation (1)* is approved as written, the Company will transition to a Company with Audit and Supervisory Committee, abolishing the current director remuneration structure. In this case, we ask our shareholders to approve a new amount of director remuneration (excluding directors who are members of the Audit and Supervisory Committee; "this Resolution," below) up to an annual 300 million yen (of which an amount up to 30 million yen will be set aside for outside directors) after transition to a Company with Audit and Supervisory Committee in light of various circumstances, including recent economic trends, and, further, that determination of specific amounts for each director and payment timing shall be conducted through board of director resolution.
As in the past, this remuneration does not include payments to persons who serve concurrently as employees and directors.
At present, the Company has five (5) directors. If resolution No.2 *Revision to articles of incorporation (1)* and resolution No.4 *Election of three directors (excluding directors who are members of the Audit and Supervisory Committee)* are approved as written, the Company will have three (3) directors (none of whom are outside directors).
The particulars of this Resolution are subject to and will become effective upon the effectiveness of Resolution No.2 *Partial revision to articles of incorporation (1)*.

Resolution No.7 Determination of director remuneration for directors who are members of the Audit and Supervisory Committee

If resolution No.2 *Revision to articles of incorporation (1)* is approved as written, the Company will transition to a Company with Audit and Supervisory Committee. In this case, we ask our shareholders to approve a new amount of remuneration for directors who are members of the Audit and Supervisory Committee up to an annual 100 million yen after transition to a Company with Audit and Supervisory Committee in light of various circumstances, including recent economic trends, and, further, that determination of specific amounts and payment timing for each director who is a member of the Audit and Supervisory Committee shall be conducted through board of director resolution.
If resolution No.2 *Revision to articles of incorporation (1)* and resolution No.5 *Election of three directors who are members of the Audit and Supervisory Committee* are approved as written, the Company will have three (3) directors who are members of the Audit and Supervisory Committee.
The particulars of this Resolution are subject to and will become effective upon the effectiveness of Resolution No.2 *Partial revision to articles of incorporation (1)*.

Resolution No.8

Determination of allocation of restricted stock and stock acquisition rights as stock options as director remuneration (excluding directors who are members of the Audit and Supervisory Committee)

At the 7th Ordinary General Shareholders' Meeting held November 22, 2018, the Company received approval for an annual amount of up to 100 million yen in restricted stock as director remuneration (of which an amount up to 20 million yen was approved for outside directors) and an annual amount of up to 100 million yen in stock acquisition rights as stock option remuneration (of which an amount up to 20 million yen was set aside for outside directors). If resolution No.2 *Partial revision to articles of incorporation (1)* is approved as written, the Company will transition to a Company with Audit and Supervisory Committee.

Accordingly, the Company intends to abolish the provisions related to the current restricted stock remuneration and stock acquisition rights as stock option remuneration and establish a new amount for monetary compensation claims paid as restricted stock in stock option remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) of up to an annual 100 million yen (of which 20 million yen is set aside for outside directors) within the framework of resolution No.6 *Determination of director remuneration (excluding directors who are members of the Audit and Supervisory Committee)*. Further, the restricted stock in question shall be allocated as described hereafter categorized as two types of common stock for which the provisions for reasons of acquisition without consideration by the Company differ in conformance to provisions related to a defined period of transfer restriction and reasons for acquisition without consideration by the Company (hereafter, "Restricted Stock," referring collectively to the two types of common stock in question). In addition, the Company currently has five (5) directors (one (1) of whom is an outside director). If resolution No.4 *Election of three directors (excluding directors who are members of the Audit and Supervisory Committee)* is approved as written, the Company will have three (3) directors (none of whom are outside directors).

The particulars of this Resolution are subject to and will become effective upon the effectiveness of Resolution No.2 *Partial revision to articles of incorporation (1)*.

Clauses

I. Details and Upper Limit of Restricted Stock for Company Directors

1. Allocation and payment of Restricted Stock

Pursuant to a resolution of the Company's board of directs, the Company shall pay directors monetary compensation claims within the annual scope described above as Restricted Stock. Further, each director shall accept their entire allocation of the Restricted Stock in question as Restricted Stock paid as in-kind contributions.

Further, the amount of Restricted Stock paid shall be based on the closing price of Company common stock on the Tokyo Stock Exchange as of the business day prior to the day of Company board of director resolution (or the most-recent closing price if no transactions were executed on the day in question) related to the issuance and/or disposition of said stock, the value of which is within a scope free of any particular benefit to the directors receiving such Restricted Stock.
In addition, the above-referenced monetary compensation claims shall be paid under the conditions that Company directors agree to the in-kind contribution as described above and that the Restricted Stock Allotment agreement, which includes details provided in 3., below, is executed.

2. Total number of Restricted Stock shares
The total number of Restricted Stock shares to be allocated to Company directors shall be 20,000 shares (4,000 shares of which will be allocated to outside directors), the number of which shall be the upper limit of Restricted Stock shares allocated per fiscal year.
Provided, however, that in the event of a stock split of Company common stock (including non-compensated allotments of Company common stock), a reverse stock split, or other similar event necessitating an adjustment of the total number of Restricted Stock shares to be allocated, the Company shall adjust the total number of Restricted Stock shares in question in a manner deemed rational.

3. Details of Restricted Stock allocation agreement
When allocating Restricted Stock, the Restricted Stock allocation agreement executed between the Company and directors receiving an allocation of Restricted Stock shall include the following details as based on a resolution of the Company board of directors.
a. Details of transfer restriction
Directors receiving an allocation of Restricted Stock may not transfer to a third party, pledge, assign as security rights, use as inter vivo gift, bequest, or engage in any other act of disposal for Restricted Stock allocated to said director for a period determined by the Company board of directors, which shall not be less than two (2) years of the day such allocation is received (“Transfer Restriction”). Further, two types of Restricted Stock are considered within this system. The first is restricted stock for which the Company may acquire automatically without consideration (Allocation Type I) due to the failure to achieve earnings targets and other defined reasons arising within the period of Transfer Restriction. The second is restricted stock not falling under Type I (Allocation Type II).
b. Acquisition of Restricted Stock without consideration
In the event that directors receiving an allocation of Restricted Stock retire as a Company director prior to the conclusion of the Transfer Restriction period, the Company shall automatically acquire Allocation Type I and Allocation Type II restricted stock shares without payment of consideration. This provision excludes reasons which the Company board of directors recognizes as valid.
The Company shall automatically acquire those Allocation Type I and Allocation Type II shares that, as of the time of the conclusion of the Transfer Restriction period described in a., above, have not been released based on the provisions of Transfer Restriction as provided in c., below.

Further, with respect to Allocation Type I shares, the Company may automatically acquire such shares without payment of consideration in the event of failure to achieve earnings targets or other defined reasons arising prior to the conclusion of the period of Transfer Restriction.

c. Release of Transfer Restriction

The Company shall release the Transfer Restriction for Allocation Type I and Allocation Type II shares upon the conclusion of the period of Transfer Restriction, subject to the condition that directors receiving an allocation of Restricted Stock continue status as a director throughout the Transfer Restriction period.

Provided, however, in the event that the director in question retires as a Company director prior to the conclusion of the period of Transfer Restriction due to reasons recognized as valid by the Company board of directors, the number of Allocation Type I shares to be released and the timing of the release of Transfer Restriction and the number of Allocation Type II shares to be released and the timing of the release of Transfer Restriction shall be adjusted rationally as necessary.

d. Reorganizations, etc.

If, during the period of Transfer Restriction, the Company enters into a merger agreement by which the Company becomes the non-surviving company, or the Company enters into a stock exchange agreement or stock transfer plan with a wholly owned subsidiary, or if the Company engages in any other reorganization that is approved by a general shareholders' meeting (provided, however, when such reorganization does not require approval by the general shareholders' meeting, then approval by the Company board of directors), Allocation Type I shares shall not be released from Transfer Restriction and Allocation Type II shares shall be released prior to the effective date of said reorganization in accordance with a Company board of director resolution for a number of shares determined to be rational based on the period between the start of the Transfer Restriction period and the day of approval of the reorganization in question.

In this case, the Company shall acquire automatically without consideration those Allocation Type I shares for which the Transfer Restriction has not released upon determination by the Company board of directors prior to the effective date of the reorganization. The Company shall acquire automatically without consideration those Allocation Type II shares immediately after the release of the Transfer Restriction based on the provisions above.

(Reference)

Subsequent to the conclusion of the upcoming general shareholders’ meeting, the Company intends to allocate restricted stock of similar nature to Allocation Type I and Allocation Type II shares to Company executives and restricted stock of similar nature to Allocation Type II shares to Company employees.

II. Details and Upper Limit of Stock Acquisition Rights as Stock Options for Company Directors

1. Type and number of shares of stock used for stock acquisition rights

The type of stock to be used for stock acquisition rights shall be Company common stock and the number of shares of stock for each stock acquisition right shall be one hundred (100) shares (Granted

Shares). Provided, however, that in the event the Company conducts a stock split (including the allotment of shares of Company stock without contribution; same for reverse stock splits below) or reverse stock split subsequent to the day of the resolution of this matter (Resolution Date), the Company shall use the following formula to adjust the Granted Shares, truncating any fractional shares arising from said adjustment.

Number of shares granted after adjustment = Number of shares before adjustment x stock split or reverse stock split ratio

In addition to the preceding, in the event an adjustment of the number of shares granted becomes necessary in conjunction with a merger, corporate split, or similar change in the Company subsequent to said resolution, the Company shall appropriately adjust the number of shares granted within a rational scope. Further, if the Company makes a change in share trading unit of Company common stock subsequent to said resolution date (excluding cases in connection with a stock split or reverse stock split; same for change in share trading unit noted below), the Company may rationally adjust the number of Granted Shares in ratio to the change in share trading unit for stock acquisition rights for which a board resolution was made to issue said shares subsequent to the effective date of the change in share trading unit noted herein.

2. Total number of stock acquisition rights
The total number of stock acquisition rights allocated to directors shall be 200 units (of which 40 units shall be allocated to outside directors), representing the upper limit of stock acquisition rights that may be allocated each fiscal year. Provided, however, that in the event the number of shares granted are adjusted in conjunction with a change in the share trading unit of Company common stock, the Company may make a rational adjustment in the total number of stock acquisition rights in ratio to said adjustment.

3. Payment of stock acquisition rights
Monetary payments will not be required in exchange for stock acquisition rights.

4. Price of assets contributed during the exercise of stock acquisition rights
The price of assets contributed during the exercise of each stock acquisition right shall be an amount equivalent to the payment per share received in exchange for the exercise of said stock acquisition right ("Strike Price") multiplied by the number of shares granted. The Strike Price shall be an amount equivalent to the average closing price for trades (excluding days in which no trades were executed) of Company common stock on the Tokyo Stock Exchange ("Closing Price") for each day of the month prior to the month in which the stock acquisition right was granted ("Allocation Date") multiplied by a factor of 1.05 (rounded up for fractional shares), or the Closing Price on the Allocation Date (or most-recent trade if no trade is executed on Allocation Date), whichever is higher.
Further, if the Company conducts a split or reverse split of Company common stock subsequent to

Allocation Date, or if the Company issues new shares below market price or disposes of treasury shares (excluding the exercise of stock acquisition rights (including bonds with stock acquisition rights) demanded in exchange for securities converted into Company common stock or conversion of convertible securities or Company common stock related to the sale of treasury stock based on provisions of Article 194 of the Companies Act (*Demand for Sale to Holder of Shares Less than One Unit*), or if the Company conducts an allotment of shares without compensation of different classes of Company common stock or conducts a distribution of shares of the stock of another company to common stock holders, etc., necessitating an adjustment in strike price, the Company shall make such adjustment to the strike price within a scope deemed rational.

5. Stock acquisition right exercise period
A period of not less than two (2) years and not more than eight (8) years subsequent to Allocation Date, as determined by Company board of directors.

6. Restrictions on the acquisition of stock acquisition rights via transfer
The acquisition of stock acquisition rights via transfer is subject to the approval of a Company board of director resolution.

7. Conditions for exercising stock acquisition rights
In the event that the stock acquisition right holder abandons their stock acquisition rights, such individual may not exercise the stock acquisition rights in question.
The Company board of directors shall establish other conditions for the exercise of stock acquisition rights.

Resolution No.9

Granting of retirement benefits for retiring directors and retiring members of the Audit & Supervisory Board

The Company wishes to grant Mr. Kei Fujita and Mr. Tadashi Ishikawa retirement benefits within a scope deemed appropriate under Company prescribed standards in recognition of their service as director and member of the Audit & Supervisory Board, respectively, upon their retirements as of the conclusion of the upcoming general shareholders' meeting. Specific amounts, timing, payment method, etc., shall be determined via board meeting discussion related to the retiring director and Audit and Supervisory Committee discussion for the retiring director-member of said committee.
The following provides a brief career history of the retiring director(s) and member(s) of the Audit & Supervisory Board.

Name	Career History		
Kei Fujita	2014	November	Director, SOU Inc.
	2015	September	Director and General Manager, Corporate Planning Division, SOU Inc.
	2015	December	Executive Director and General Manager, Business Planning Division, SOU Inc.
	2017	March	Executive Director and General Manager, Sales Division; General Manager, Sales Management Division; General Manger, Business Planning Division, SOU Inc.
	2017	November	Executive Director and General Manager, Sales Division; General Manager, Sales Management Division, SOU Inc.
	2019	September	Executive Director and General Manager, Sales Division, SOU Inc. (current position)
Tadashi Ishikawa	2016	September	Member of the Audit and Supervisory Board, SOU Inc. (current position)