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CORPORATE GOVERNANCE

Valuence Holdings Inc.

Last Updated: November 25, 2026
Valuence Holdings Inc.
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The corporate governance of Valuence Holdings Inc. (the "Company") is described below.

I. Corporate Governance Philosophy, Capital Structure, Corporate Attributes, Other Basic Information

1. Basic Philosophy

The Valuence Group including the Company has established "Circular Design for the Earth and Us" as our purpose and "To Encourage More People to Focus on What Is Most Important in Their Lives" as our mission. We are working to maintain and improve management transparency, fairness, and speed by implementing and strengthening corporate governance. Through dialogue with all stakeholders, we are working to achieve sustainable growth and increase corporate and shareholder value over the medium to long term.

[Reasons for not implementing the principles in the Corporate Governance Code]

The Company has implemented all of the General Principles of the Corporate Governance Code.

2. Capital Structure

Percentage of Shares Held by Foreign Nationals	10% or more but less than 20%

[Major Shareholders]

Name of Individual or Company	No. of Shares Held (Shares)	Shareholding Ratio (%)
SF Property Management Inc.	7,368,200	55.89
Shinsuke Sakimoto	617,400	4.68
Kouji Sakimoto	448,000	3.39
SIX SIS LTD.	407,900	3.09
TAKUMI CAPITAL MANAGEMENT MASTER FUND LP	354,400	2.68
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	312,796	2.37
MORGAN STANLEY & CO. LLC	225,405	1.70
JPMorgan Securities Japan Co., Ltd.	131,580	0.99
Daiwa Securities Co. Ltd.	113,300	0.85
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	89,469	0.67

Controlling Shareholder (Excluding Parent Company)	SF Property Management Inc.
Parent Company	None

Supplementary Explanation

1. The above Percentage of Shares Held by Foreign Nationals and Major Shareholders are as of August 31, 2026.
2. The percentage of shares held has been calculated after excluding treasury shares (752,510 shares). The values are rounded down to the second decimal place.

3. In a publicly available Report on Changes to Statement of Large Volume Holdings dated August 1, 2025, it is stated that as of July 25, 2025, VIS Advisors, LP held 846,600 shares, but as the Company has been unable to confirm the actual number of shares held as of August 31, 2026, this information is not included in the major shareholders above.
4. SF Property Management Inc. functions as the personal asset management entity of Representative Director Shinsuke Sakimoto.

3. Corporate Attributes

Stock Exchange Listing and Section	Tokyo – Growth
Fiscal Year-End	August
Industry Sector	Wholesale
No. of Employees at End of Previous Fiscal Year (Consolidated)	1,000 or more
Net Sales in the Previous Fiscal Year (Consolidated)	From 100 billion yen to less than 1 trillion yen
No. of Consolidated Subsidiaries at the End of Previous Fiscal Year	From 10 to less than 50

4. Guidelines on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

While the Company, as a general principle, does not engage in transactions with its controlling shareholder or such shareholder's relatives, any such transaction, if undertaken, must be conducted under conditions equivalent to those applicable to ordinary transactions. Regardless of the transaction amount, the content and appropriateness of the transaction must be reviewed, taking into consideration the views of independent directors and Audit and Supervisory Committee members, and must obtain approval from the Board of Directors. Through this process, the Company endeavors to protect the interests of minority shareholders.

5. Other Special Conditions That May Have a Major Influence on Corporate Governance

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II. Administrative Organizational Structure Covering Decision-Making, Execution, and Supervision in Management Activities, and Other Corporate Governance Systems

1. Matters Related to Institutional Structure and Organizational Operations

Organizational Form	Company with Audit and Supervisory Committee

[Director Relationships]

No. of Directors Under Articles of Incorporation	15
Director Term of Service Under Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
No. of Directors	10
Appointment of Outside Directors	Appointed
No. of Outside Directors	5
No. of Outside Directors Designated as Independent Officers	5

Relationships to the Company (1)

Name	Category	Relationship to the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ibun Hirahara	From another company											
Masahide Kamachi	Certified Public Accountant											
Takashi Goto	Attorney											
Mina Kobayashi	Attorney											
Shinobu Amagoshi	Certified Public Accountant											

* Categories of Relationships to the Company

* A ○ icon indicates a category applicable to the said person currently or recently. A △ icon indicates a category applicable to the said person in the past.
* A ● icon indicates a category applicable to a close family member currently or recently. A ▲ icon indicates a category applicable to a close family member in the past.

a Executive of the Company or its subsidiary
b Executive or non-executive director of the parent company of the Company
c Executive of a fellow subsidiary of the Company
d Person/entity for which the Company is a major client, or an executive thereof
e Major client of the Company or an executive of the said company
f Consultant, accounting expert, or legal expert receiving a large monetary sum or other property other than corporate officer remuneration
g Major shareholder of the Company (if the major shareholder is a corporation, an executive of the said corporation)
h Executive (said person only) of a client (not covered by items d, e, and f) of the Company
i Executive (said person only) of an entity with which outside officers are mutually appointed
j Executive (said person only) of an entity to whom the Company makes donations
k Other relationship

Relationships to the Company (2)

Name	Audit and Supervisory Committee Members	Independent Officers	Supplementary Explanation Related to Applicable Items	Reason for Selection
Ibun Hirahara		Yes	—	Ms. Ibun Hirahara has insight into sustainability, human resource development and international business, gained through studying abroad in several countries and working at a major pharmaceutical company, among others. We have received practical and objective advice on the Company Group's overseas strategy and organizational HR areas. We have determined that she can be expected to continue to contribute to the further growth of the Company's Group in the future. Furthermore, as she has no special interests in the Company, there is no risk of a conflict of interest with general shareholders, and her independence is duly ensured.
Masahide Kamachi	Yes	Yes	—	Mr. Masahide Kamachi possesses advanced expert knowledge developed as a certified public accountant and tax accountant, as well as a wealth of experience as an outside officer at other companies, equipping him with significant knowledge to oversee corporate management. In our judgment, he can be expected to continue to play a significant role in the supervision of business execution, etc., as an Audit and Supervisory Committee Member. Furthermore, as he has no special interests in the Company, there is no risk of a conflict of interest with general shareholders, and his independence is duly ensured.
Takashi Goto	Yes	Yes	—	Mr. Takashi Goto possesses a wealth of expert knowledge as a lawyer, as well as a wealth of experience as an outside officer at other companies, equipping him with significant knowledge to oversee corporate management. In our judgment, he can be expected to continue to play a significant role in the supervision of business execution, etc., as an Audit and Supervisory Committee Member. Furthermore, as he has no special interests in the Company, there is no risk of a conflict of interest with general shareholders, and his independence is duly ensured.
Mina Kobayashi	Yes	Yes	—	Ms. Mina Kobayashi possesses extensive knowledge and a high level of professional insight cultivated through her experience as an attorney, and has actively provided constructive input on the Group's global expansion and ESG initiatives. In our judgment, she can be expected to continue to play a significant role in the supervision of business execution, etc., as an Audit and Supervisory Committee Member. Furthermore, as she has no special interests in the Company, there is no risk of a conflict of interest with general shareholders, and her independence is duly ensured.

Name	Audit and Supervisory Committee Members	Independent Officers	Supplementary Explanation Related to Applicable Items	Reason for Selection
Shinobu Amagoshi	Yes	Yes	—	Ms. Shinobu Amagoshi possesses a wealth of expert knowledge as a certified public accountant, as well as experience serving as a director and auditor at other companies, equipping her with significant insight into corporate management and governance. We believe that she will be able to provide proactive and constructive opinions on further strengthening the governance of our Group. Furthermore, as she has no special interests in the Company, there is no risk of a conflict of interest with general shareholders, and her independence is duly ensured.

[Audit and Supervisory Committee]

Member Composition and Attributes of Chairperson

	Total No. of Members	No. of Full-time Members	No. of Internal Directors	Outside Director	Chairperson
Audit and Supervisory Committee	5	1	1	4	Outside director

Directors and Employees who Should Assist in the Duties of the Audit and Supervisory Committee	None

Reason for Adopting the Current System

Of the members of the Audit and Supervisory Committee, 1 internal director works full-time and conducts regular information gathering including attendance at important meeting bodies such as the Executive Management Meeting while ensuring appropriate communication of information in coordination with the internal audit office. Therefore, there are no directors or employees who should assist in the duties of the Audit and Supervisory Committee. Should the Audit and Supervisory Committee request personnel to assist in its duties in the future, the Company will appoint and assign such personnel.

Coordination Among Members of the Audit and Supervisory Committee, External Auditor, and Internal Audit Department

The Audit and Supervisory Committee receives explanations of audit planning and reports on audit results from the External Auditor, and monitors/verifies that the External Auditor maintains an independent position and conducts appropriate audits. In addition, the Committee shares information with the Internal Audit Office and the External Auditor once a quarter, share issues found in the audit process, and work to ensure appropriate audits. The Internal Audit Office regularly reports the results of internal audits to the representative director as well as to the Audit and Supervisory Committee, exchanging information on these occasions in the interest of mutual cooperation.

[Optional Committees]

Establishment of an Optional Committee Corresponding to a Nominating Committee or Remuneration Committee	Yes

Establishment Status of Optional Committees, Member Compositions and Attributes of Chairpersons

	Name of Committee	Total No. of Members	No. of Full-time Members	No. of Internal Directors	Outside Director	No. of Outside Experts	No. of Others	Chair-person
Optional Committee Corresponding to a Nominating Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Outside director
Optional Committee Corresponding to a Remuneration Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Outside director

Supplementary Explanation

The Company's Nomination and Remuneration Committee consists of three or more directors appointed by resolution of the Board of Directors, including one Representative Director, the majority of whom are independent directors. Currently, the Nomination and Remuneration Committee is comprised of 3 members: Shinsuke Sakimoto, representative director; Takashi Goto, independent director (chairperson); and Masahide Kamachi, independent director.

The Nomination and Remuneration Committee deliberates on the following matters as consulted by the Board of Directors, and reports to the Board of Directors.

(1) Matters regarding the appointment and dismissal of directors (matters to be resolved by the general shareholder meeting)

(2) Matters regarding the selection and dismissal of representative director

(3) Matters regarding the selection and dismissal of directors with special titles

(4) Matters regarding the remuneration, etc. of directors (excluding members of the Audit and Supervisory Committee)

(5) Matters regarding the maximum remuneration of directors (members of the Audit and Supervisory Committee) (matters to be resolved by the general shareholder meeting)

(6) Matters regarding the succession plan (including successor development)

(7) Other important management matters that are deemed necessary by the Board of Directors

[Independent Officer Relationships]

No. of Independent Officers	5

Other Items Related to Independent Officers

The Company has established the criteria for independence of outside directors (https://www.valuence.inc/wp-content/uploads/2025/11/independence-criteria-en.pdf) in order to ensure the independence of independent officers and to establish a corporate governance system. After assessing the independence of outside directors based on these criteria, the Company designates all outside directors who qualify as independent officers as independent officers.

[Incentives]

Remunerative Incentives for Directors	Introduction of performance-linked remuneration plan

Supplementary Explanation

At the 7th Annual General Meeting of Shareholders held on November 22, 2018, the Company resolved to introduce a Restricted Stock Remuneration Plan with the aim of strengthening the linkage between director remuneration and the Company's business performance and share price. The purpose of this plan is to heighten directors' motivation to contribute to the improvement of business performance and corporate value by enabling them to share not only the benefits arising from increases in the share price, but also the risks associated with declines in business performance or the share price, together with shareholders. With respect to incentives for directors of the Company (excluding directors who serve as Audit and Supervisory Committee members), at the Board of Directors meeting held on September 30, 2021, the Company resolved the policy for determining the remuneration, etc. for each individual director, and introduced two types of performance-linked restricted stock remuneration plans as consideration for contributions to the enhancement of both short-term and long-term business performance and corporate value. Furthermore, at the 14th Annual General Meeting of Shareholders held on November 26, 2025, the Company resolved that the total monetary claims to be granted as remuneration related to restricted stock shall be limited to an annual amount of up to 500 million yen, and that the total number of restricted shares to be allotted shall be capped at 500,000 shares per fiscal year.

Persons Eligible for Stock Options	Employees, directors of subsidiaries, employees of subsidiaries

Supplementary Explanation

The reason why employees of the Company, directors and employees of our subsidiaries are eligible for the award is to link our performance with the interests of employees of the Company, directors and employees of our subsidiaries in order to further motivate them to contribute to the mid- to long-term improvement of the Group's performance and corporate value.

[Matters Related to Director Remuneration]

Disclosure of Individual Director Remuneration	The Company makes individual disclosure for some directors.

Supplementary Explanation

The total amount of remuneration, etc. of directors for the fiscal year ended August 31, 2026 was 312 million yen, and the breakdown by director category is as follows:
Remuneration for Directors (excluding Audit and Supervisory Committee members and outside directors) was 256 million yen (4 persons)
Remuneration for Audit and Supervisory Committee members (excluding outside directors) was 16 million yen (1 person)
Remuneration for Outside directors was 40 million yen (7 persons)
In addition, individuals whose total remuneration is 100 million yen or more are disclosed on an individual basis in the Annual Securities Report for the 15th fiscal period.

Policy for Determining Remuneration Amount and Method of Calculation	Yes

Disclosure of Policy for Determining Remuneration Amounts and Calculation Methods

1. Policy for Determining Individual Remuneration, etc., for Directors
(1) Basic remuneration
Basic remuneration consists of fixed monetary remuneration paid monthly as consideration for the execution of duties by directors. The amount is a prescribed amount based on the position of the director and his or her role and contributions.
(2) Short-term performance-linked remuneration (share-based remuneration)
Short-term performance-linked remuneration consists of restricted stock remuneration paid each year as consideration for the director's contribution to short-term earnings and the improvement of corporate value. In restricted stock remuneration, a number of shares equivalent to 25-40% of basic remuneration is granted to the director in accordance with the position of the director and his or her role and contributions. After the transfer restriction period of 1 year has passed, transfer restrictions are lifted in accordance with the level of achievement of consolidated operating profit targets. If the level of achievement is 70-100%, transfer restrictions are lifted on the equivalent proportion of the restricted stock, with the Company acquiring any shares on which restrictions have not been lifted without consideration. Furthermore, if the achievement rate is 100% or higher, the transfer restrictions on all shares will be lifted, whereas if the achievement rate is less than 70%, the Company will acquire all shares without consideration.

(3) Long-term performance-linked remuneration (share-based remuneration)
Long-term performance-linked remuneration consists of restricted stock remuneration paid each year to directors as consideration for long-term earnings and the improvement of corporate value during their time in office. In restricted stock remuneration, a number of shares equivalent to 25% of basic remuneration is granted as a flat percentage to directors, regardless of their role. The transfer restriction period lasts until a director retires. Furthermore, if a director retires on or before the day preceding the first Annual General Meeting of Shareholders held after the start of the transfer restriction period, the Company will acquire all applicable shares granted without consideration.
(4) Ratio of payment amounts by type of remuneration, etc.
Based on the understanding that approaching management from a medium- to long-term perspective is important, when determining the proportions of basic remuneration and share-based remuneration, the Company prioritizes the level and stability of basic remuneration, while also considering the enhancement of earnings over the medium to long term and shareholders' interests. Based on the above, the Company sets the ratio of share-based remuneration to total remuneration for directors at approximately 20-40%, depending on their respective responsibilities.

2. Methods for determining the content of remuneration, etc.
(1) Nomination and Remuneration Committee
In order to improve fairness, transparency, and objectivity of procedures relating to the remuneration, etc. of directors and to enhance corporate governance, the Company has established the Nomination and Remuneration Committee, which consists of 1 representative director, as well as independent directors for a majority of its members.
(2) Method of determining remuneration
The Board of Directors determines the policy for determining the individual remuneration, etc., of directors, after deliberation by the Nomination and Remuneration Committee. In addition, the Board of Directors determines the amounts of remuneration for individual directors following deliberation by and upon receiving recommendations from the Nomination and Remuneration Committee, based on the aforementioned policy and taking into consideration such factors as the position of each director and his or her role and contribution. Furthermore, the remuneration of directors who are members of the Audit and Supervisory Committee is determined by discussion among directors who are members of the Audit and Supervisory Committee.

[Support System for Outside Directors]

With regard to the support system for outside directors, the Legal Division, which serves as the secretariat for the Board of Directors, sends materials regarding board meetings in advance to all officers including outside directors who are members of the Audit and Supervisory Committee, so that they can attend board meetings after understanding the specific details of the agenda. In addition, supplementary explanations are given as needed.

2. Matters on Functions Related to Business Execution, Auditing and Supervision, Appointments, and Remuneration (Overview of Current Corporate Governance System)

1. Board of Directors
The Company's Board of Directors is composed of 10 members: 5 directors who are not members of the Audit and Supervisory Committee, of whom 1 is an outside director, and 5 directors who are members of the Audit and Supervisory Committee, of which 4 are outside directors. Of the total, 5 directors are independent directors.
The board meets regularly once per month, as well as in special board meetings convened as necessary. The board supervises business operations and makes important management decisions, including company policies and business strategy. Directors who are Audit and Supervisory Committee members attend all board of director meetings to audit the state of business execution by the directors.
In the fiscal year ended August 2026, a total of 16 Board of Directors meetings were held, and all directors (excluding those appointed during the fiscal year) attended all meetings. Ms. Mina Kobayashi, who was newly appointed at the 14th Annual General Meeting of Shareholders held on November 26, 2025, attended all 13 meetings of the Board of Directors convened following her appointment.
At the meetings of the Board of Directors held during the fiscal year ended August 2026, matters deliberated for resolution included financial results, business plans (including investment strategies that take into account the cost of capital), management policies and strategies, and matters concerning directors and officers (including remuneration). Matters reported to the Board included business performance, business progress and outlook, management strategies based on the medium-term management plan, internal controls, compliance, and other relevant topics.

2. Audit and Supervisory Committee
The Company's Audit and Supervisory Committee consists of 5 members, of which 4 are outside directors. In principle, this committee meets once each month. In addition, the committee exchanges information and opinions with the External Auditor and Internal Audit Office as necessary, working to substantially improve audits.
In the fiscal year ended August 2026, a total of 12 meetings of the Audit and Supervisory Committee were held, and all committee members (excluding those appointed during the fiscal year) attended all meetings. Ms. Mina Kobayashi, who was newly appointed at the 14th Annual General Meeting of Shareholders held on November 26, 2025, attended all 10 meetings of the Audit and Supervisory Committee held following her appointment.
At the meetings of the Audit and Supervisory Committee held during the fiscal year ended August 2026, deliberations were conducted regarding the annual audit policy, audit plan, audit procedures, and the allocation of responsibilities among

committee members. The Committee also evaluated and consented to the reappointment of the External Auditor and provided consent regarding the remuneration of the External Auditor, among other matters.

3. Executive Management Meeting
In order to speed up and improve the efficiency of business execution, the Company holds the Executive Management Meeting twice a month in principle. The meeting consists of the Representative Director, directors designated by the representative director and executive officers, etc. to formulate business strategies, check progress, and share issues between departments. The executive management meeting functions effectively as an entity for directing and communicating important business matters, as well as in promoting a unified awareness organization-wide. The director who is a full-time member of the Audit and Supervisory Committee attends all meetings of the Executive Management Meeting, striving to grasp the situations within the Company as well as risks.

4. Nomination and Remuneration Committee
The Company has established the Nomination and Remuneration Committee as an optional advisory body to the Board of Directors. The Nomination and Remuneration Committee consists of the representative director and 2 independent directors to improve fairness, transparency, and objectivity of the procedures relating to the nomination and remuneration, etc. of directors and strive to enhance corporate governance.
In the fiscal year ended August 2026, a total of 9 meetings of the Nomination and Remuneration Committee were held, and all committee members attended all meetings. At the meetings of the Nomination and Remuneration Committee held during the fiscal year ended August 2026, deliberations were conducted on matters such as the nomination of director candidates, executive remuneration, and succession plans.

5. Risk Management Committee
The Company has established the Risk Management Committee, chaired by the representative director. The Risk Management Committee meets once per month in principle and collects and analyzes organization-wide compliance and risk information, manages risks exhaustively and comprehensively, and reports the results to the Board of Directors.

6. ESG Promotion Committee
The Company has established the ESG Promotion Committee chaired by the director in charge of ESG promotion. ESG Promotion Committee meets once per month in principle and discusses major policies and measures related to the promotion of ESG and reports on the planning and progress to the Board of Directors.

7. Internal Audits
The Company's internal audits are carried out by the Internal Audit Office (comprised of 4 members), established as an independent division directly reporting to the representative director, and internal audits on all areas of business are conducted based on the internal audit plan formulated at the beginning of each fiscal year. As a section independent from the sections being audited, the Internal Audit Office conducts activities that include checking on the state of compliance with internal rules, laws, regulations, etc., based on the Internal Audit Rules, checking on the state of operation of internal control systems, and identifying and reporting on matters related to efficiency, security, etc. As an effort to ensure the effectiveness of internal audits, the results of audits by the Internal Audit Office are reported directly to the representative director each month, and the Head of the Internal Audit Office attends meetings of the Board of Directors to report on the results of internal audits. In addition, the Internal Audit Office attends the Audit and Supervisory Committee, which is held every month, to share audit results and related risk issues and discuss them. It instructs audited sections on making improvements based on the audit results and requires them to report on the state of such improvements without delay following the audit, to ensure the efficacy of internal audits.

8. Evaluation of effectiveness of Board of Directors
The Company analyzes and evaluates the effectiveness of the Board of Directors as follows.

1) Method of evaluation
The secretariat of the Board of Directors created an effectiveness evaluation survey after obtaining the opinion of an outside organization, and sent it to all directors, who each provided answers.
An outside organization was commissioned to analyze the results of the survey and provide a report to the Board of Directors, including a comparison with other companies. The secretariat for the Board of Directors also analyzed the results and considered proposals for measures to address issues, which were deliberated at a meeting of the Board of Directors.

2) Survey items
The major items covered in the survey were as follows.
1. The role and structure of the Board of Directors
2. Composition of the Board of Directors
3. Operation of the Board of Directors
4. Management Strategy and Business Plans
5. Internal Controls and Risk Management
6. Nomination and Remuneration
7. Performance of outside directors
8. Dialogue with Shareholders (Investors)
9. Directors' own initiatives
10. Evaluation of the Audit and Supervisory Committee

11. Overall Assessment

3) Summary of Survey Results
Although the average score across all survey questions showed an improving trend, the following issues identified in the previous fiscal year continued to be recognized as issues: discussions on management strategies and business plans; discussions on ESG and sustainability initiatives and their integration into management strategies; and the formulation and implementation of succession plans. While the quality of discussions improved, the evaluation indicated that further improvements were needed in discussions on medium- to long-term management issues and in strengthening directors' expertise in global management and management strategies.

(Key Issues Identified)
- Discussions on medium- to long-term management issues, including long-term corporate value enhancement, business portfolio transformation, growth investments, and cash allocation.
- Development and implementation of succession plans, including training and development of directors and executive officers, as well as human resource strategies.
- Strengthening the global management framework, including overseas operations, clarification of roles and responsibilities, enhanced risk awareness, and improved sharing of risk-related information.

(Key Initiatives for the fiscal year ending August 31, 2027)
In the fiscal year ending August 31, 2027, the Company will provide opportunities for the Board of Directors to discuss medium- to long-term management issues, review the progress of succession plans through the Nomination and Remuneration Committee, and establish a framework for reporting risk-related information, including risks associated with overseas operations.

By addressing the issues identified, the Company will strive to improve the effectiveness of the Board of Directors and strengthen its governance framework.

3. Reasons for Selecting the Current System of Corporate Governance

In order to speed up decision making and improve the agility of the Board of Directors, and to further improve corporate governance and enhance effectiveness through further strengthening of the monitoring system and supervisory function, the Company has adopted the system of a company with an Audit and Supervisory Committee.

III. Measures for Shareholders and Other Stakeholders

1. Efforts to Boost Participation in General Shareholder Meeting and to Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Shareholder Meetings	The Company strives to close financial records quickly to facilitate sending convening notices as early as possible.
Scheduling Meetings to Avoid Peak Meeting Days	The Company endeavors to avoid scheduling general shareholders' meetings during the peak meeting days in Japan.
Exercise of Voting Rights by Electromagnetic Means	The exercise of voting rights via the internet is possible.
Participation in Electronic Voting Platform and other measures to improve the environment for Institutional Investors to exercise voting rights	The Company participates in an electronic voting platform, to improve the environment for domestic and overseas institutional investors to exercise their voting rights.
Provision of Convening Notices (Summary) in English	The Company provides convening notices in a narrow sense as well as reference materials for the general shareholder meeting in English.

2. Investor Relations Activities

	Supplementary Explanation	Explanation from Representative
Creation and Announcement of Disclosure Policy	The Company establishes a Disclosure Policy and announces it on its website. (https://www.valuence.inc/en/ir/management/policy/)	
Regular Investor Briefings for Individual Investors	The Company regularly holds individual investor briefings.	No
Regular Investor Briefings for Analysts and Institutional Investors	Briefings on financial results and future business strategies for analysts and institutional investors by the Representative Director or Director in charge of IR are held every quarter after the announcement of financial results. IR meetings with domestic and overseas institutional investors and analysts are also held on a regular basis.	Yes
Regular Investor Briefings for Overseas Investors	IR meetings with overseas institutional investors and analysts are held regularly. Information that the Company deems necessary to be disclosed in English (timely disclosure materials, press releases, financial results presentation materials, transcripts of financial results meetings, Q&A, corporate governance reports, etc.) is actively disclosed on the Company's English website.	Yes
Posting of IR Materials on Website	Timely disclosure materials are posted on the Company's website immediately after disclosure. Past disclosure materials are also posted on the IR page of its website. In addition, the Company holds quarterly financial results briefings for analysts and institutional investors and discloses the materials of these briefings on the Timely Disclosure network (TDnet) and posts videos of the second quarter and full-year financial results briefings on the Company's website (https://www.valuence.inc/en/ir/).	

Establishment of Investor Relations Department	The Corporate Planning Division is in charge of investor relations, with the Division Manager of the Corporate Planning Division as the responsible party.

3. Respecting the Position of Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company strives to promptly provide information to all stakeholders, including shareholders and investors, based on the principles of transparency, fairness and continuity. The Company's basic policy is to disclose information in accordance with the Timely Disclosure Rules stipulated by the Financial Instruments and Exchange Act and the Tokyo Stock Exchange. For information that is not subject to the Timely Disclosure Rules, the Company strives to disclose such information in a proactive and timely manner as much as possible, if the Company deems it useful in gaining an understanding of the Company. In addition, the Company endeavors to enhance information disclosure in English by establishing its English-language corporate website and preparing English versions of convening notices of general shareholder meetings, financial results presentation materials, important timely disclosure documents and press releases.
Implementation of Environmental Preservation Activities, CSR Activities, etc.	Recognizing that sustainability is one of the Group's important management issues, the Group has established various policies on sustainability initiatives based on its purpose, "Circular Design for the Earth and Us," and is promoting company-wide initiatives that contribute to sustainability. In September 2022, the Company Group expressed its support for the TCFD (Task Force on Climate-related Financial Disclosures) established by the Financial Stability Board and is promoting disclosure based on TCFD recommendations. The Company has also adopted greenhouse gas (GHG) emissions as a key metric for its climate change initiatives. In the fiscal year ended August 31, 2026, the Company revised its GHG emissions reduction targets, setting a near-term target for the fiscal year ending August 31, 2030 and a long-term net-zero target for the fiscal year ending August 31, 2050, both with the fiscal year ended August 31, 2024 as the base year. These targets were validated by the Science Based Targets initiative (SBTi) in October 2026. Going forward, the Company will continue to develop and implement specific measures to reduce GHG emissions while further enhancing its disclosures.
Formulation of Guidelines for Providing Information to Stakeholders	In keeping with the Disclosure Policy published on the Company's website, the Company's policy is to provide timely and appropriate information actively to all stakeholders through financial documents, financial briefings, and other information published through its website. In handling inside information, the Company appropriately manages such information in accordance with the Insider Trading Management Rules.

IV. Matters Related to Internal Control Systems

1. Basic Philosophy and Creation of Internal Control Systems

1. Systems for Ensuring the Execution of Duties by Company and Subsidiary Directors, Executive Officers, and Employees In Compliance with Laws, Regulations, and Articles of Incorporation
(1) To fulfill its social responsibilities to shareholders, customers, business partners, local communities, officers and employees, and other stakeholders, the Company has adopted sustainable growth and enhancement of corporate value as its basic management policy. To this end, the Company has established the Compliance Rules to ensure that officers and employees of the Company and its subsidiaries strictly comply with laws, regulations and the articles of incorporation. Further, the Internal Audit Office conducts internal audits of the Company and subsidiaries. The Company strives to build stronger internal control systems by improving the risk management structure, which includes internal reporting and external reporting systems.
(2) The Company has established the Compliance Rules and the Valuence Group Code of Conduct to ensure that officers and employees of the Company and its subsidiaries strictly comply with laws, regulations and the articles of incorporation. The Company also maintains a system for the ongoing improvement of internal control functions related to compliance.
(3) The Company has established Internal Reporting Rules to provide a system for internal reporting related to any acts discovered that are in violation of compliance. The Company has established an internal contact point, as well as an external contact point (the Company's legal counsel), to which reports may be made.
(4) To enable third parties to report compliance violations by directors, officers, or employees of the Company and its subsidiaries, the Company has established the External Reporting Rules and made an external reporting contact point publicly available through the Group’s external whistleblowing system.

2. Systems for the Storage and Management of Information Related to the Execution of Duties by Directors
The Company practices the appropriate storage and management of the minutes of general shareholder meetings and meetings of the Board of Directors, as well as important information and documents related to management and business execution in compliance with laws, regulations, the record management rules, the approval regulations, and other internal rules and related manuals.

3. Rules and other Systems to Manage the Risk of Loss by the Company and its Subsidiaries
(1) The Company has established the Risk Management Committee, chaired by the representative director, which makes determinations on systems and policies for risk management and evaluates and, if necessary, improves risk management structures within the Company group, including subsidiaries. The Company’s Legal Division serves as the risk management division, controlling risk management activities and verifying/revising the Risk Management Rules.
(2) The Company has established an emergency response system, including a business continuity plan, to prepare against large-scale disasters.

4. Systems to Ensure Company and Subsidiary Directors Execute Duties Efficiently
(1) To ensure directors of the Company and its subsidiaries execute their duties efficiently, the Company has established the Board of Directors Rules, which provide for the operation of the Board of Directors. Regular Board of Director meetings are held once a month to make important decisions and oversee the status of business execution. Extraordinary meetings of the Board of Directors are also held when deemed necessary.
(2) The Company has adopted an executive officer system to delegate authority and clarify accountability for business execution, allowing directors to focus on management decision-making and strengthening their supervisory functions.
(3) In accordance with the Board of Directors Rules, the Board of Directors that includes outside directors determines execution policies for management, matters prescribed by laws and regulations, and other important management matters, and supervises the status of business execution.
(4) In order to ensure fairness, transparency, and objectivity in the decision-making process to determine nomination and remuneration, etc. of directors, etc. at the Board of Directors, as well as to strengthen accountability, the Company establishes an optional Nomination and Remuneration Committee consisting of one representative director and independent directors, with independent directors constituting a majority of its members. The Nomination and Remuneration Committee reports the results of its deliberation on the nomination and remuneration, etc. of directors, etc. to the Board of Directors.
(5) The directors strive to grasp management information promptly and accurately by constructing an information system utilizing IT.

5. Systems to Ensure Appropriate Business Management for the Corporate Group, Consisting of the Company and its Subsidiaries
(1) Based on compliance policies for the Company’s Group, etc., the Company provides direction and support to subsidiaries regarding the development of systems for compliance with laws and regulations and other systems to ensure appropriate business management.
(2) The Company appoints directors and auditors to its subsidiaries as necessary to enhance sound and efficient management. The Company’s General Administration Division oversees the business operations of its subsidiaries. In accordance with the Affiliated Company Management Rules, subsidiaries obtain the Company’s approval for matters requiring approval, regularly report on the progress of their business operations, and share information on business management and risk management, while ensuring appropriate systems for business execution.
(3) In accordance with the Affiliated Company Management Rules, any important matters related to the business operations

of subsidiaries are deliberated at the Executive Management Meeting of the Company, and submitted as agenda items at meetings of the Board of Directors.
(4) If Representative Director identifies the danger of losses at a subsidiary, he or she immediately reports the details of the risk, the amount of losses that would occur, the impact on the Company, and other matters to the Board of Directors of the Company.
(5) The Internal Audit Office conducts regular audits of the Company and subsidiaries according to the Internal Audit Rules. The Head of the Internal Audit Office reports the status of internal audits to the Representative Director and also reports to the Board of Directors.

6. Matters concerning Directors and Employees Assisting the Audit and Supervisory Committee in Its Duties, Their Independence from Directors (Excluding Directors Who Are Audit and Supervisory Committee Members), and Ensuring the Effectiveness of Instructions Given to Them
(1) The Company does not have directors or employees assigned to assist members of the Audit and Supervisory Committee in their duties. However, the Company may appoint or assign such directors or employees if requested by the Audit and Supervisory Committee.
(2) The appointment or transfer of directors or employees assisting members of the Audit and Supervisory Committee requires approval by the Audit and Supervisory Committee.
(3) Directors and employees assigned to assist in the duties of the Audit and Supervisory Committee shall be considered as under the authority of the committee, and directors (excluding directors who are members of the Audit and Supervisory Committee) shall not have the authority to direct the said directors or employees. Evaluations of these directors or employees shall be made after hearing the opinions of the Audit and Supervisory Committee.

7. System for Directors (Excluding Directors who are Members of the Audit and Supervisory Committee) and Employees to Report to the Audit and Supervisory Committee, Other Systems Related to Reporting to the Audit and Supervisory Committee
(1) Members of the Audit and Supervisory Committee attend meetings of the Board of Directors, as well as important meetings such as those of the Executive Management Meeting, and receive reports related to matters of importance to the Company, matters that may have a negative impact on the Company.
(2) Directors who are members of the Audit and Supervisory Committee shall receive reports as necessary from the Internal Audit Office.
(3) Directors and employees report important matters discussed at the board of director meetings and other important meetings, the status of internal audits, and other important matters deemed necessary to the Audit and Supervisory Committee.
(4) Directors and employees shall provide necessary reports and information promptly to the Audit and Supervisory Committee upon request.

8. System for Directors, Audit & Supervisory Board Members, etc. and Employees of the Company's Subsidiaries, and Persons Receiving Reports from Such Individuals to Report to the Audit and Supervisory Committee; Other Systems Related to Reporting to the Audit and Supervisory Committee
Directors, Audit & Supervisory Board Members, etc. and Employees of the Company's Subsidiaries, and Persons Receiving Reports from Such Individuals shall report promptly to the Audit and Supervisory Committee upon discovering material matters that significantly affect the management or performance of the subsidiaries, serious violations of laws, regulations or the articles of incorporation, or other matters that may cause significant damage to the Group.
Directors, Audit & Supervisory Board Members, etc. and employees of the Company's subsidiaries provide necessary reports and information promptly to the Audit and Supervisory Committee upon request.

9. System to Ensure Individuals Reporting to the Audit and Supervisory Committee are not Subjected to Disadvantageous Treatment
The Company's Internal Reporting Rules and External Reporting Rules prohibit any disadvantageous treatment of individuals who submit reports. This protection also applies to individuals who report to the Audit and Supervisory Committee, as described in the preceding two paragraphs.
10. Policy on Procedures for Prepayment or Reimbursement of Expenses Arising from the Execution of Duties by Audit and Supervisory Committee Members and Other Treatment of Such Expenses or Debts
When a member of the Audit and Supervisory Committee requests that the Company prepays expenses, the relevant department shall review the request and the Company shall promptly settle such expenses or debts, except where such expenses or debt is proven unnecessary to the execution of duties by the Audit and Supervisory Committee.

11. Other Systems to Ensure that Audits by the Audit and Supervisory Committee Are Conducted Effectively
The Audit and Supervisory Committee holds regular meetings with the representative director to ensure communication and exchange opinions.
Further, the Audit and Supervisory Committee shares information and exchanges opinions with the External Auditor and the Internal Audit Office as necessary to improve the effectiveness and quality of audits.

12. Systems to Ensure Reliability of Financial Reporting
The Company recognizes the close interconnection among the 4 objectives of internal control system from the standpoint of financial reporting reliability: operational effectiveness and efficiency, financial reporting reliability, compliance with laws and regulations related to business activities, and safeguarding of assets. Accordingly, the Representative Director establishes, evaluates and continuously improves internal control over financial reporting through the development and operation of internal

control systems and reports on internal audit results from the Internal Audit Office, etc.

2. Philosophy and Systems for Dealing with Anti-Social Forces

The Company rejects and eliminates relationships with anti-social forces and their organizations that may threaten social order and safety. Further, directors and employees constantly remain vigilant of anti-social forces. The Company has established a framework to ensure a prompt, organization-wide response to unreasonable demands or other incidents involving anti-social forces, in close cooperation with relevant government authorities and legal experts, in accordance with the Rules for Response to Anti-Social Forces and the Manual for Response to Anti-Social Forces.

V. Other Matters

1. Anti-Takeover Measures

Anti-Takeover Measures	None

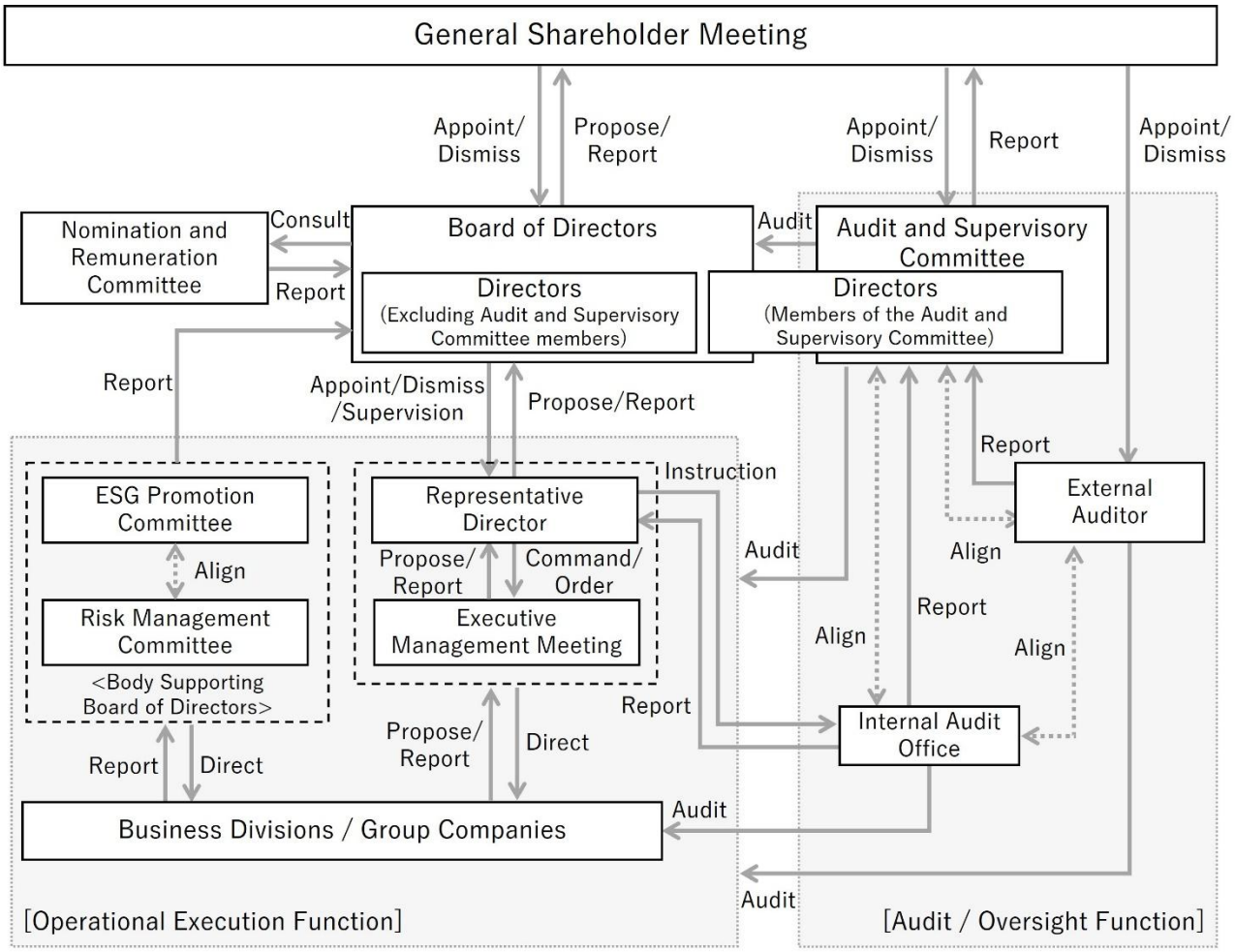
Supplementary Explanation

The Company has determined in its Basic Policy on Corporate Governance that it will not adopt anti-takeover measures. If the Company adopts and implements anti-takeover measures, the Board of Directors and the Audit and Supervisory Committee will thoroughly analyze the necessity and reasonableness of the introduction and operation of any such measures, ensure the appropriate procedures are followed, and provide sufficient explanation to shareholders, from the perspective of fulfilling their fiduciary responsibilities to shareholders, to ensure that such measures would not be intended to protect the interests of management and the Board of Directors.

2. Other Matters Related to Corporate Governance

The Company's diagrams of corporate governance structure, skill matrix of the Company's directors, and timely disclosure administrative procedures are attached for reference.

[Corporate Governance Structure]



[Expertise and Experience of the Company's Directors (Skill Matrix)]

Name	Title	Attributes		Experience, knowledge, expertise, etc.					
		Gender	Independence	Corporate management	Finance, accounting	Legal affairs, risk management	Human resource development	International business	Sustainability
Shinsuke Sakimoto	Representative Director	Male		◆			◆		◆
Susumu Muguruma	Director	Male		◆				◆	
Shinichiro Sato	Director	Male			◆	◆			◆
Mitsutoshi Tomita	Director	Male		◆					
Ibun Hirahara	Outside Director	Female	●				◆	◆	◆
Kenta Takami	Director (Full-time Member of the Audit and Supervisory Committee)	Male			◆	◆			
Masahide Kamachi	Outside Director (Member of the Audit and Supervisory Committee)	Male	●		◆				
Takashi Goto	Outside Director (Member of the Audit and Supervisory Committee)	Male	●			◆			
Mina Kobayashi	Outside Director (Member of the Audit and Supervisory Committee)	Female	●			◆		◆	◆
Shinobu Amagoshi	Outside Director (Member of the Audit and Supervisory Committee)	Female	●		◆				

[Overview of Timely Disclosure Administrative Procedures]

