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October 14, 2021

To Whom It May Concern,

Company name: Valence Holdings Inc.
Representative: Shinsuke Sakimoto,
Representative Director and President
(Securities Code: 9270; TSE Mothers)
Contact: Shinichiro Sato, Director and CFO
(Phone +81-3-4580-9983)

Announcement Concerning Recording of Extraordinary Losses in Non-consolidated Financial Results

Valence Holdings Inc. (the “Company”) announces that the Company has recorded extraordinary losses in non-consolidated financial results for the fiscal year ended August 31, 2021. Please refer to the details below.

The losses have no impact on consolidated results, as they are fully eliminated in consolidated financial statements.

1. Details of extraordinary losses

With respect to shares in Valence Art & Antiques Inc., which is the Company’s consolidated subsidiary, as the net asset value significantly declined compared with the acquisition cost, the Company has recorded losses on valuation of shares of Valence Art & Antiques Inc. of 501 million yen as extraordinary losses.

For your information, Valence Japan Inc., which is the Company’s consolidated subsidiary, merged by absorption with Valence Art & Antiques Inc. on September 1, 2021, for the purposes of improving operational efficiency of sales and administration and expanding its business scale.

2. Impact on the financial results

The aforementioned losses on valuation of shares of Valence Art & Antiques Inc. are fully eliminated in consolidated financial statements and therefore, there is no impact on consolidated results.