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November 25, 2022

To Whom It May Concern,

Company name: Valuence Holdings Inc.
Representative: Shinsuke Sakimoto, Representative Director
(Securities Code: 9270; TSE Growth Market)
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Announcement Concerning Issue of Stock Acquisition Rights (Stock Options)

At a Board of Directors meeting held today, Valuence Holdings Inc. (the “Company”) passed a resolution concerning the issue of stock acquisition rights (the “Stock Acquisition Rights”) to employees of the Company and to Directors and employees of Company subsidiaries, pursuant to the provisions of Article 236, Article 238, and Article 240 of the Companies Act of Japan. Provided below is an overview.

I. Purpose of and reason for granting the Stock Acquisition Rights

The Stock Acquisition Rights will be issued to strengthen the motivation of employees of the Company and Directors and employees of Company subsidiaries to contribute to medium- to long-term growth in Group corporate value through actions consistent with the interests of shareholders.

II. Guidelines on issuing Stock Acquisition Rights

1. Number of Stock

530 units

The total number of shares to be granted through the exercise of the Stock Acquisition Rights is 53,000 shares of Company’s common stock. If the number of shares to be granted through the Stock Acquisition Rights is adjusted as described under Paragraph 3. (1) below, the total number of shares to be granted will instead be the adjusted number of shares multiplied by the number of Stock Acquisition Rights.

2. Amount paid in exchange for Stock Acquisition Rights

The paid-in amount per Stock Acquisition Right shall be the fair value of the Stock Acquisition Rights, calculated by a fair method, including the Black–Scholes model, as of the date of allocation of the Stock Acquisition Rights.

This paid-in amount shall be offset against claims of the recipient of the Stock Acquisition Rights on the Company for monetary compensation in the same amount (or for claims of a Director or employee of a Company subsidiary toward that subsidiary for monetary compensation, the resulting obligations for which are underwritten by the Company).

In addition, the paid-in amount above is an amount based on the fair value of the Stock Acquisition Rights as above, and particularly favorable conditions do not apply in the relationship with employees of the Company and Directors and employees of Company subsidiaries.

3. Details of Stock Acquisition Rights

(1) Class and number of shares to be subject to Stock Acquisition Rights

The number of shares to be subject to each Stock Acquisition Right (“number of shares granted” hereinafter) shall be 100 shares of Company’s common stock.

However, in the event of a stock split (hereinafter including the gratis allocation of common shares of the Company) or reverse stock split by the Company after the allocation date of Stock Acquisition Rights (the “Date of Allocation”), the number of shares granted shall be adjusted using the formula given below. Note that such adjustment shall be made only for the number of shares to be subject to the Stock Acquisition Rights not yet exercised at that time; any fractional figure of less than one share resulting from such adjustment shall be rounded down.

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of stock split (or reverse stock split)

Following the Date of Allocation of the Stock Acquisition Rights, if the Company needs to adjust the number of shares granted due to merger, corporate split, decrease in capital, or other reasons than those indicated above, the number of shares granted may be adjusted appropriately.

(2) Value of assets financed upon the exercise of the Stock Acquisition Rights and calculation method

The value of assets financed for the exercise of the Stock Acquisition Rights shall be the amount calculated by multiplying the paid-in amount per share (the “exercise price”) by the number of shares granted.

The exercise price shall be the average of the closing price of the shares of the common stock of the Company on the Tokyo Stock Exchange for all days of the month preceding the month in which the Date of Allocation of Stock Acquisition Rights falls (excluding days on which no trading was completed) multiplied by 1.05 (rounding up any fraction less than one yen). If this price is less than the closing price on the Date of Allocation of the Stock Acquisition Rights (if no transactions were completed on that date, the closing price on the nearest preceding day on which there is a closing price), such closing price shall be the exercise price.

In the event of a stock split or reverse stock split by the Company after the Date of Allocation of the Stock Acquisition Rights, the exercise price shall be adjusted using the formula given below; and any fractional figure of less than one yen resulting from such adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of stock split (or reverse stock split)}}$$

After the Date of Allocation of the Stock Acquisition Rights, if the Company issues new shares or disposes of treasury shares of the Company’s common stock at a price less than the market price (excluding issue of new shares or disposal of treasury shares based on exercise of stock acquisition rights or transfer of treasury shares as a result of a share exchange), the exercise price shall be adjusted using the following formula; any fractional figure of less than one yen resulting from such adjustment shall be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares outstanding} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid in per share}}{\text{Market price per share prior to issue of new shares}}}{\text{Number of shares outstanding} + \text{Number of shares newly issued}}$$

In the above formula, “Number of shares outstanding” refers to the total number of shares of the Company’s common stock issued minus the number of shares of the Company’s common stock held as treasury shares. When disposing of shares of the Company’s common stock held as treasury shares, replace “number of shares newly issued” with “number of shares of treasury shares disposed of.”

In addition to the adjustments above, if the Company must adjust the exercise price after the Date of Allocation of the Stock Acquisition Rights due to a merger with another company, corporate spin-off, or other such reasons, it may adjust the exercise price within the range deemed reasonable.

(3) Period in which the Stock Acquisition Rights may be exercised

The period during which the Stock Acquisition Rights may be exercised (“exercise period” hereinafter) shall be from November 26, 2024 through November 24, 2032 (or the preceding banking business day if November 24, 2032 is not a banking business day).

(4) Matters related to capital increases and capital reserves

- (i) The increase in capital on issue of shares through the exercise of the Stock Acquisition Rights shall be equal to one-half of the Maximum Amount of Increase in Stated Capital calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting. Any remainder of less than one yen arising as a result of such calculation shall be rounded up.
- (ii) The increase in capital reserves on the issue of shares through the exercise of the Stock Acquisition Rights shall be the Maximum Amount of Increase in Stated Capital under (i) above minus the amount of the increase in capital described under (i) above.

(5) Restrictions on acquisition of Stock Acquisition Rights through transfer

Approval by resolution of the Company’s Board of Directors is required to acquire Stock Acquisition Rights through transfer.

(6) Conditions on exercise of Stock Acquisition Rights

- (i) A holder of the Stock Acquisition Rights must be a Director, Auditor, or employee of the Company or a Director, Auditor, or employee of an affiliate of the Company (referring to an affiliate as defined in the Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements, etc.) at the time of exercise of the Stock Acquisition Rights, unless he or she has resigned upon the termination of his or her term of office, retired upon mandatory retirement age, or has other good reason to be exempt from this condition.
- (ii) An heir to a holder of the Stock Acquisition Rights may not exercise the Stock Acquisition Rights.
- (iii) Stock Acquisition Rights may not be exercised if the exercise of Stock Acquisition Rights would cause the Company’s total number of shares issued to exceed its authorized total number of shares to be issued at that time.
- (iv) A Stock Acquisition Right may not be exercised fractionally.
- (v) A Stock Acquisition Right may not be exercised in violation of the Agreement on Stock Acquisition Rights.

(7) Matters related to the acquisition of Stock Acquisition Rights

- (i) If the General Meeting of Shareholders issues approval for (or, in a case not requiring the approval of the General Meeting of Shareholders, the Board of Directors passes a resolution on) a merger agreement whereby the Company would be extinguished, an agreement or plan on a corporate spin-off in which the Company would be spun off, or a stock-swap agreement or stock-transfer plan under which the Company would become a wholly owned subsidiary, the Company may acquire all Stock Acquisition Rights gratis as

of the date to be specified separately by the Company's Board of Directors.

(ii) If a holder of Stock Acquisition Rights is no longer able to exercise Stock Acquisition Rights for the reasons specified under Paragraph 3. (6) above, the Company may acquire the Stock Acquisition Rights gratis.

(iii) If a holder of the Stock Acquisition Rights requests their forfeiture, the Company may acquire the Stock Acquisition Rights gratis.

(8) Handling of Stock Acquisition Rights in the event of reorganization

In the event of the merger (but only in cases in which the Company would be extinguished by such merger), spin-off through absorption, spin-off through establishment of a new company, or stock swap or stock transfer (collectively, "acts of reorganization" hereinafter) of the Company, in each such case the Stock Acquisition Rights in a joint-stock company as stipulated in Article 236, Paragraph 1, Subparagraph 8, Sub-subparagraphs ("reorganized company" hereinafter) A-E of the Companies Act shall be issued to holders of the Stock Acquisition Rights as of the effective date of such act of reorganization, subject to the conditions below. This provision shall apply only to cases in which the absorption-type merger agreement, agreement on merger through establishment of a new company, absorption-type spin-off agreement, plan on spin-off through establishment of a new company, stock swap agreement, or stock transfer plan states that Stock Acquisition Rights in the reorganized company are to be issued in accordance with the following conditions:

(i) Number of stock acquisition rights to be issued in reorganized company

To be issued to each holder of the Stock Acquisition Rights in the same number as the Stock Acquisition Rights held by that holder.

(ii) Class of stock in the reorganized company subject to Stock Acquisition Rights

Shares of common stock in reorganized company.

(iii) Number of shares of stock in reorganized company subject to Stock Acquisition Rights

To be determined in accordance with Paragraph 3. (1) above in consideration of the conditions of the act of reorganization.

(iv) Value of assets invested in exercise of the Stock Acquisition Rights

The value of assets invested in the exercise of each Stock Acquisition Right issued shall be the exercise price following reorganization, derived by adjusting the exercise price as described under Paragraph 3. (2) above, multiplied by the number of shares in the reorganized company subject to the Stock Acquisition Rights as determined under Paragraph 3. (8)(iii) above, after considering the conditions, etc. of the act of reorganization.

(v) Period during which Stock Acquisition Rights may be exercised

Period from the start date of the exercise period under Paragraph 3. (3) above or the effective date of the act of reorganization, whichever is later, through the ending date of the exercise period under Paragraph 3. (3) above.

(vi) Matters related to capital increases and capital reserves when issuing shares through the exercise of Stock Acquisition Rights

To be determined in accordance with Paragraph 3. (4) above.

(vii) Restrictions on acquisition of Stock Acquisition Rights through transfer

Approval by resolution of the Board of Directors of the reorganized company is required to acquire Stock Acquisition Rights through transfer.

(viii) Other conditions on exercise of Stock Acquisition Rights

To be determined in accordance with Paragraph 3. (6) above.

(ix) Reasons for and conditions of acquisition of Stock Acquisition Rights

To be determined in accordance with Paragraph 3. (7) above.

(x) Other conditions shall be determined in accordance with the conditions of the reorganized company.

4. Date of allocation of Stock Acquisition Rights

December 23, 2022

5. Matters related to stock option certificates on the Stock Acquisition Rights

The Company shall not issue stock option certificates for the Stock Acquisition Rights.

6. Recipients of Stock Acquisition Rights and numbers thereof

Employees of the Company	1 person	50 units
Directors of Company subsidiaries	4 persons	80 units
Employees of Company subsidiaries	10 persons	400 units