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April 14, 2023

To Whom It May Concern,

Company name: Valence Holdings Inc.
 Representative: Shinsuke Sakimoto, Representative Director
 (Securities Code: 9270; TSE Growth Market)
 Contact: Shinichiro Sato, Director and CFO
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Announcement Concerning Revision to Financial Results Forecast

In light of recent trends in business performance and other related factors, Valence Holdings Inc. (the "Company") announces that the Company has revised the consolidated financial results forecast for the fiscal year ending August 31, 2023, originally released on October 14, 2022.

1. Revision of consolidated financial results forecast (September 1, 2022 – August 31, 2023)

	Net sales (Million yen)	Operating Profit (Million yen)	Ordinary Profit (Million yen)	Profit attributable to owners of parent (Million yen)	Basic earnings per share (Yen)
Original forecast (A)	78,500	2,500	2,350	1,300	101.14
Revised forecast (B)	75,000	2,500	2,350	1,240	96.12
Change (B-A)	(3,500)	-	-	(60)	
Change (%)	(4.5%)	-	-	(4.6%)	
(Reference) FY2022 performance	63,385	1,888	1,791	969	74.06

2. Reason for the revision

Purchases in the second quarter (Dec.- Feb.) totaled 11,519 million yen, down 2,380 million yen from the previous quarter (Sept.- Nov.), due to seasonal factors as well as a difficult purchasing environment caused by the continuing downward trend in watch prices. As a result, net sales for the second quarter (Dec.- Feb.) were 16,378 million yen, lower than initially planned.

However, even under the difficult purchasing environment, the Company was able to secure a gross profit margin of 27.3% in the second quarter (Dec.- Feb.), up 1.3 percentage points year-over-year, mainly due to retail sales of those inventories strategically secured in the first quarter (Sept.- Nov.).

Considering the current purchasing environment is on a recovery track and the Company's purchasing trend in the second half of each year, the Company expects to be able to recover its purchasing volume to the same level as the third quarter of the fiscal year ended August 31, 2022 from the third quarter of the current fiscal year onward. In addition, the Company expects to maintain the gross profit margin throughout the current consolidated fiscal year by continuing to strengthen retail measures.

In light of the foregoing considerations, the Company has revised the consolidated earnings forecast for the fiscal year ending August 31, 2023 as shown above. The full-year operating profit forecast is expected to remain unchanged from the initial plan of 2.5 billion yen.

For details, please refer to the "Financial Results Presentation for Q2 FY8/2023" released today.

3. Dividends forecast

There is no change to the dividend forecast per share (year-end dividend of 30 yen) announced on October 14, 2022.

*Forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable.