



December 26, 2019

To Whom It May Concern,

Company Name: SOU Inc.

Representative: Shinsuke Sakimoto, Representative Director

(Securities Code: 9270 TSE Mothers)

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SOU Inc. to Establish New Subsidiary and Launch New Business

At a meeting held today, the SOU Inc. board of directors resolved to establish a subsidiary under which the company will begin real estate business operations.

1. Purpose for Establishing the Subsidiary and New Business Overview

The SOU Group is engaged in the reuse business, buying and selling luxury brand goods, precious metals, watches, gold bullion, gems, antiques, works of art, etc. We purchase goods from general consumers and wholesale these items to vendors in a CtoBtoB business model through our own auctions. The group conducts a total of 210,000 purchase transactions (as of August 2019) annually with general consumers, mainly through a network of 78 buying offices located throughout Japan (as of November 2019).

The group has decided to engage in the real estate business, mainly via brokerage services, through a newly established subsidiary. Here, we intend to leverage existing resources (buying office network, customer traffic, etc.), customer data, and customer attributes to continue more meaningful, long-term relationships with customers who use our buying offices. The SOU Group aims to raise the lifetime value of each customer by providing suggestions for real asset management across all asset categories. The group intends to seek further growth through business related to real estate, one of the most prominent categories of real assets.

2. Overview of Newly Established Subsidiary

(1) Company name	Valuence Real Estate, Inc.	
(2) Head office	1-2-70 Konan, Minato-ku, Tokyo	
(3) Representative	Norihiko Shimura, representative director and president	
(4) Business lines	Real estate brokerage business, other related businesses	
(5) Capital	90 million yen	
(6) Established	March 1, 2020 (tentative)	
(7) Fiscal year end	August 31	
(8) Major shareholders and ownership ratios	SOU Inc. 100%	
(9) Relationship to SOU Inc.	Equity relationship	Valuence Real Estate, Inc. is a wholly owned subsidiary of SOU Inc.
	Personal relationships	SOU Inc. intends to send officers and employees to serve at Valuence Real Estate, Inc.
	Business relationships	As no operations will be started, there are no business relationships between Valuence Real Estate, Inc. and SOU Inc.

3. Schedule

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|----------------------------------|---------------------------|
| (1) Board of director resolution | December 26, 2019 |
| (2) Establishment | March 1, 2020 (tentative) |
| (3) Start of business | June 1, 2020 (tentative) |

4. Total Special Expenses Estimated for New Business

At present, the group does not expect to incur expenses requiring disclosure under timely disclosure standards..

5. Future Outlook

The group expects the establishment of a subsidiary and launch of new business will have only a minor impact on financial results for the current consolidated fiscal year. The group will provide disclosures promptly in the event that the aforementioned subsidiary and business have an impact on group financial results.