



# Medium-Term Management Plan (FY25-FY27)



# Purpose/Mission

**Purpose**

# **Circular Design for the Earth and Us**

# Mission



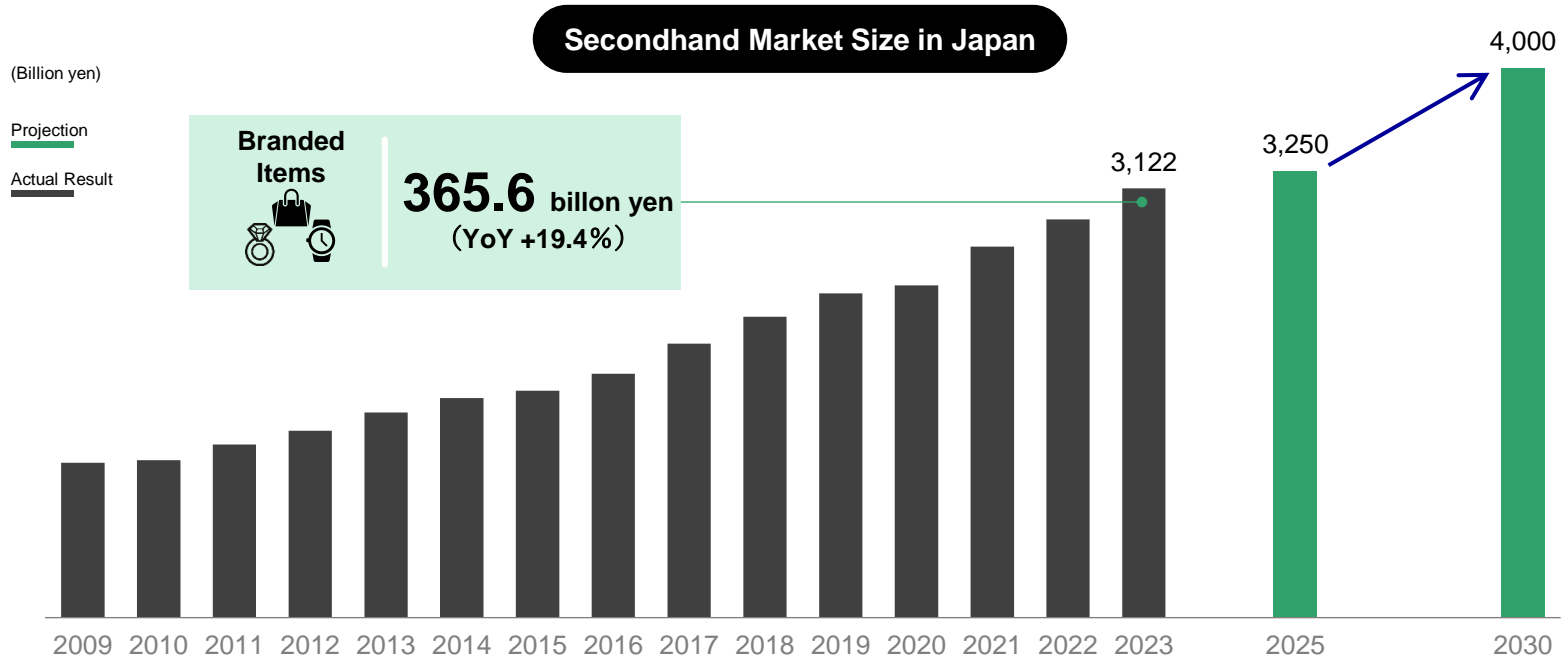
**To Encourage More People  
to Focus on What is Most Important  
in Their Lives**



# Market Trends

# Secondhand Market Size in Japan

- In 2023, the domestic reuse market increased by 7.8% YoY to 3.1 trillion yen, of which branded items increased by 19.4% YoY to 365.6 billion yen.
- Market expansion is expected to continue, reaching 4 trillion yen by 2030.



\*1 Source) "2024 Estimate of the Reuse Industry's Market Size (2023 Edition)" published by The Japan Journal of Remodeling (September 2024)

\*2 Retail customer market size: Figures excluding housing and automobile.

# Secondhand Market Size Overseas

- The global luxury reuse market in 2023 exceeded 5 trillion yen and is expected to reach 7 trillion yen in 2030.

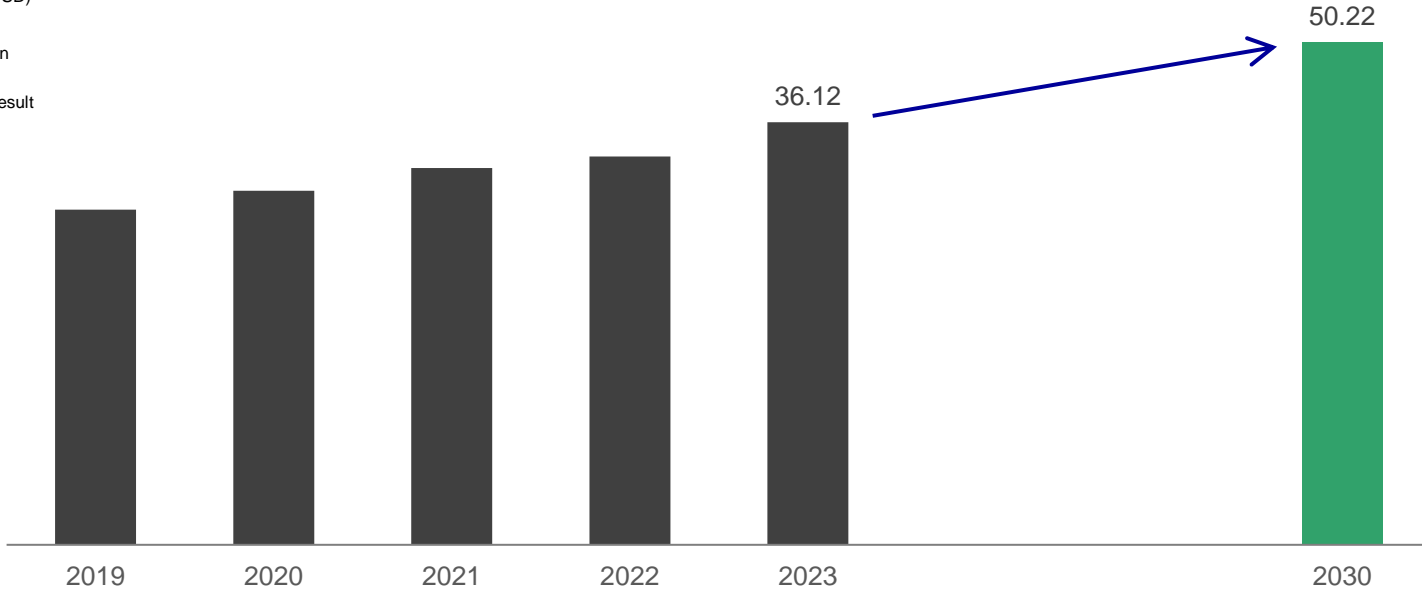
※Exchange rate is calculated at 140 yen to the dollar.

## Luxury Secondhand Market Size Overseas

(Billion USD)

Projection

Actual Result



\*1 Source) BlueWeave Consulting

\*2 For luxury brand watches, bags, jewelry, clothing, accessories, etc.

# External Environment and Our Strengths

- Domestically, imitation of our business model is increasing, and commoditization is advancing. In order to acquire further advantages, we will proceed with overseas expansion utilizing the know-how it has cultivated domestically, while also focusing on retailing by leveraging the strengths of its toB model. In this way, we will strengthen and transform its business model.

Competitive situation

## Purchases

- Domestically, there is a proliferation of companies, both large and small.
- Purchase competition intensifies year by year.

- Communication-oriented customer service.
- Creating sophisticated offices to reverse the conventional reuse image.
- High-precision pricing based on use of sales database and HQ support system.
- Strengthen procurement other than directory operated buying offices, such as alliances and overseas.

Strengths

## Auction

- Entry into the auction business is trending upward due to the shift to online after COVID-19.

- Largest auction both domestically and overseas.
- A platform that boasts an extensive product lineup and implements a variety of services, including consignment.
- Increasing industry recognition as a high-priced auction with a large number of overseas partners.

## Retail sales

- We have grown by specializing in CtoBtoB models, but we recognize that entering CtoBtoC model is a late entrant.

- Creation luxury stores comparable to high-brand stores.
- We have recently steered toward strengthening retail sales, and is still accumulating know-how.
- Aiming to acquire a competitive advantage by conducting retail sales leveraging the strengths of toB models.

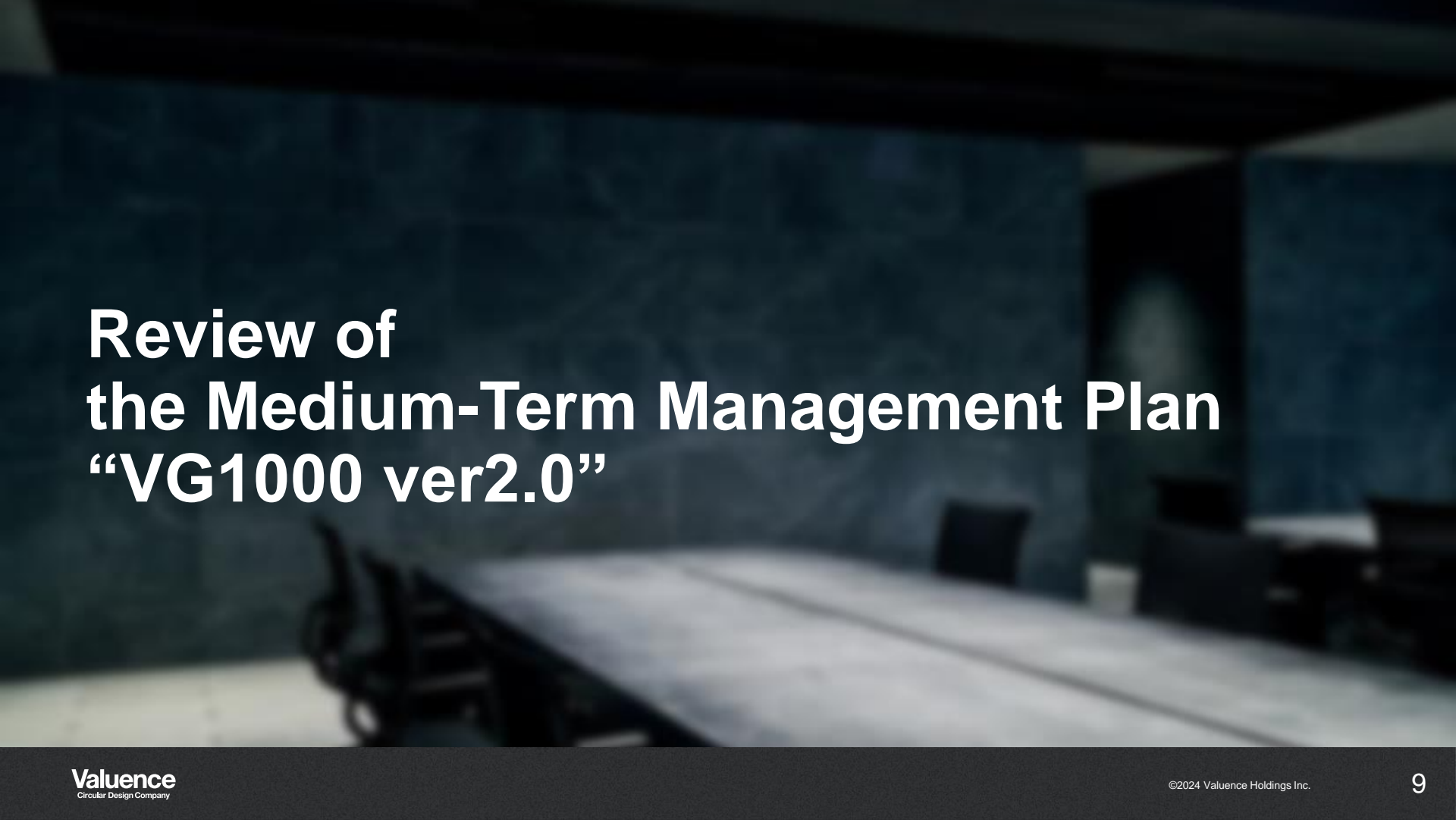
Domestically, imitation of our business model is increasing

⇒ Commoditization is advancing

With a certain purchasing power, we will strengthen our retail business by making the most of our advantage in auctions.

Building a business model that is difficult to imitate.

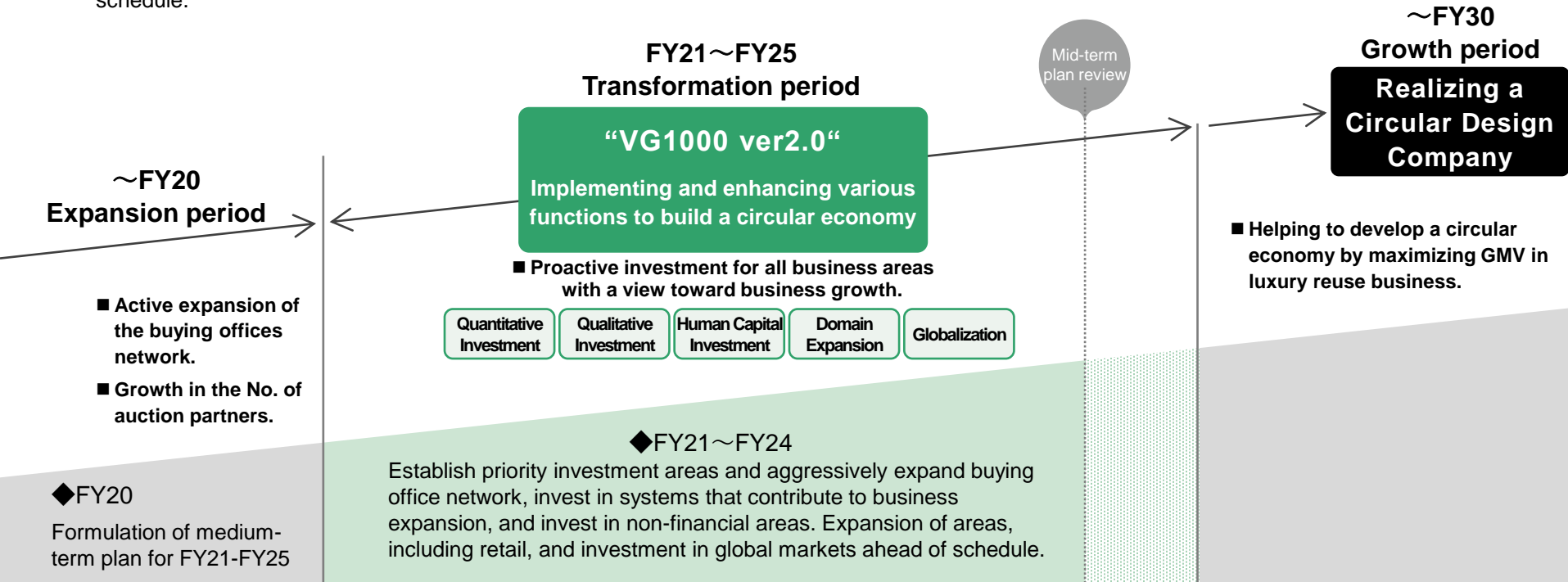




# Review of the Medium-Term Management Plan “VG1000 ver2.0”

# Review of the Medium-Term Management Plan “VG1000 ver2.0” ①

- Investments in the priority investment areas set for the four years starting in FY21 were carried out ahead of schedule, and we evaluated that we were able to implement and enhance the functions necessary for future growth.
- On the other hand, in view of the current external environment, our recent financial results, etc., we have determined that it will be difficult to achieve the numerical targets of the currently announced medium-term management plan, and will revise the medium-term management plan one year ahead of schedule.



## Review of the Medium-Term Management Plan “VG1000 ver2.0” ②

- In “VG1000 ver2.0”, we invested aggressively in various areas. From FY25 onward, we will focus particularly on retail sales and strengthening purchasing abroad.

	Details of the invest	KPI	Result	Future policy												
<b>Quantitative Investment</b>	<ul style="list-style-type: none"> <li>Expansion of domestic buying office network</li> </ul>	<table border="1"> <thead> <tr> <th></th> <th>FY20</th> <th></th> <th>FY24</th> </tr> </thead> <tbody> <tr> <td>No. of domestic offices</td> <td>84</td> <td>→</td> <td>140</td> </tr> </tbody> </table>		FY20		FY24	No. of domestic offices	84	→	140	<ul style="list-style-type: none"> <li>Target (170 offices by FY25) not achieved despite expansion of buying office network through M&amp;A and opening of around 5-10 directory operated buying offices per year.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to open new buying offices, focus on improving efficiency per office.</li> </ul>				
	FY20		FY24													
No. of domestic offices	84	→	140													
<b>Qualitative Investment</b>	<ul style="list-style-type: none"> <li>Promotion of DX</li> </ul>	<table border="1"> <thead> <tr> <th></th> <th>FY20</th> <th></th> <th>FY24</th> </tr> </thead> <tbody> <tr> <td>Consignment ratio of the auction</td> <td>3.7%</td> <td>→</td> <td>29.0%</td> </tr> </tbody> </table>		FY20		FY24	Consignment ratio of the auction	3.7%	→	29.0%	<ul style="list-style-type: none"> <li>New SaaS function have been launched. Usage is expanding.</li> <li>Fulfillment service has started.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous enhancement of platform functions and promotion of use.</li> </ul>				
	FY20		FY24													
Consignment ratio of the auction	3.7%	→	29.0%													
<b>Human Capital Investment</b>	<ul style="list-style-type: none"> <li>Personnel expansion</li> </ul>	<table border="1"> <thead> <tr> <th></th> <th>FY20</th> <th></th> <th>FY24</th> </tr> </thead> <tbody> <tr> <td>No. of employees</td> <td>587</td> <td>→</td> <td>1,074</td> </tr> <tr> <td>Engagement score</td> <td>3.3<sub>※</sub></td> <td>→</td> <td>3.6</td> </tr> </tbody> </table>		FY20		FY24	No. of employees	587	→	1,074	Engagement score	3.3 <sub>※</sub>	→	3.6	<ul style="list-style-type: none"> <li>In response to the opening of new buying offices and to business expansion including the automobile business, the number of employees has increased.</li> </ul>	<ul style="list-style-type: none"> <li>Balancing business growth and human resource growth.</li> </ul>
	FY20		FY24													
No. of employees	587	→	1,074													
Engagement score	3.3 <sub>※</sub>	→	3.6													
<b>Domain Expansion</b>	<ul style="list-style-type: none"> <li>Full-scale launch of the automobile business</li> <li>Real estate business initiatives</li> <li>Strengthening of the retail business</li> </ul>	<table border="1"> <thead> <tr> <th></th> <th>FY20</th> <th></th> <th>FY24</th> </tr> </thead> <tbody> <tr> <td>No. of retail stores</td> <td>2</td> <td>→</td> <td>4</td> </tr> </tbody> </table> <p><small>* 1store under preparation</small></p>		FY20		FY24	No. of retail stores	2	→	4	<ul style="list-style-type: none"> <li>Automotive business expanded through M&amp;A.</li> <li>Began strengthening the retail business by opening new retail stores, strengthening EC and launching ALLU Fashion Market.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on expanding retailing, through seamless listings on the auction leveraging toB strengths and strengthening domestic and overseas EC.</li> </ul>				
	FY20		FY24													
No. of retail stores	2	→	4													
<b>Globalization</b>	<ul style="list-style-type: none"> <li>Expansion of overseas buying office network</li> <li>Development of auction partners</li> </ul>	<table border="1"> <thead> <tr> <th></th> <th>FY20</th> <th></th> <th>FY24</th> </tr> </thead> <tbody> <tr> <td>No. of overseas offices</td> <td>2</td> <td>→</td> <td>46</td> </tr> <tr> <td>No. of overseas partners</td> <td>109</td> <td>→</td> <td>1,082</td> </tr> </tbody> </table>		FY20		FY24	No. of overseas offices	2	→	46	No. of overseas partners	109	→	1,082	<ul style="list-style-type: none"> <li>Completed expansion into major regions of Europe, North America, and Asia.</li> <li>Steady increase in partner offices, but target (100 offices by FY25) not achieved.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to accelerate development in terms of procurement, specializing in areas such as Asia and the Middle East, where Capex is low.</li> </ul>
	FY20		FY24													
No. of overseas offices	2	→	46													
No. of overseas partners	109	→	1,082													

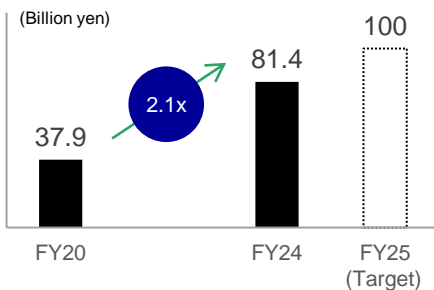
\*The engagement score was not calculated in FY20, so the FY21 results are listed here.

Key strategies

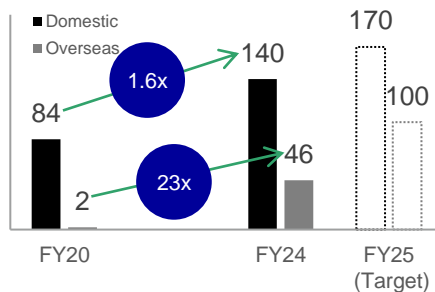
# Review of the Medium-Term Management Plan “VG1000 ver2.0” ③

- The status of achievement of KPIs and management indicators in “VG1000 ver2.0” is as follows.

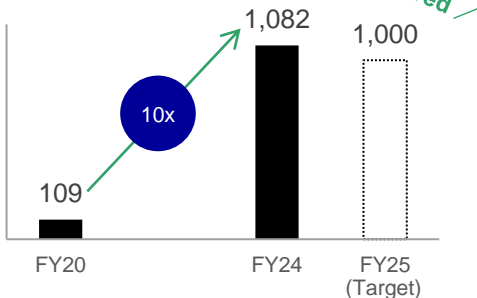
## Sales



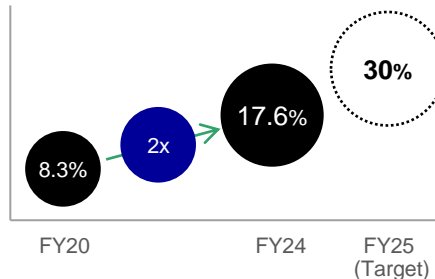
## No. of buying offices



## No. of overseas partners



## Overseas ratio of sales



## Key Management Indicators

	FY24	FY25 (Target)
Operating profit growth rate (CAGR)	— (Operating loss)	40%
ROE	— (Net loss)	20%
Dividend payout ratio	— (No dividends)	30% or more

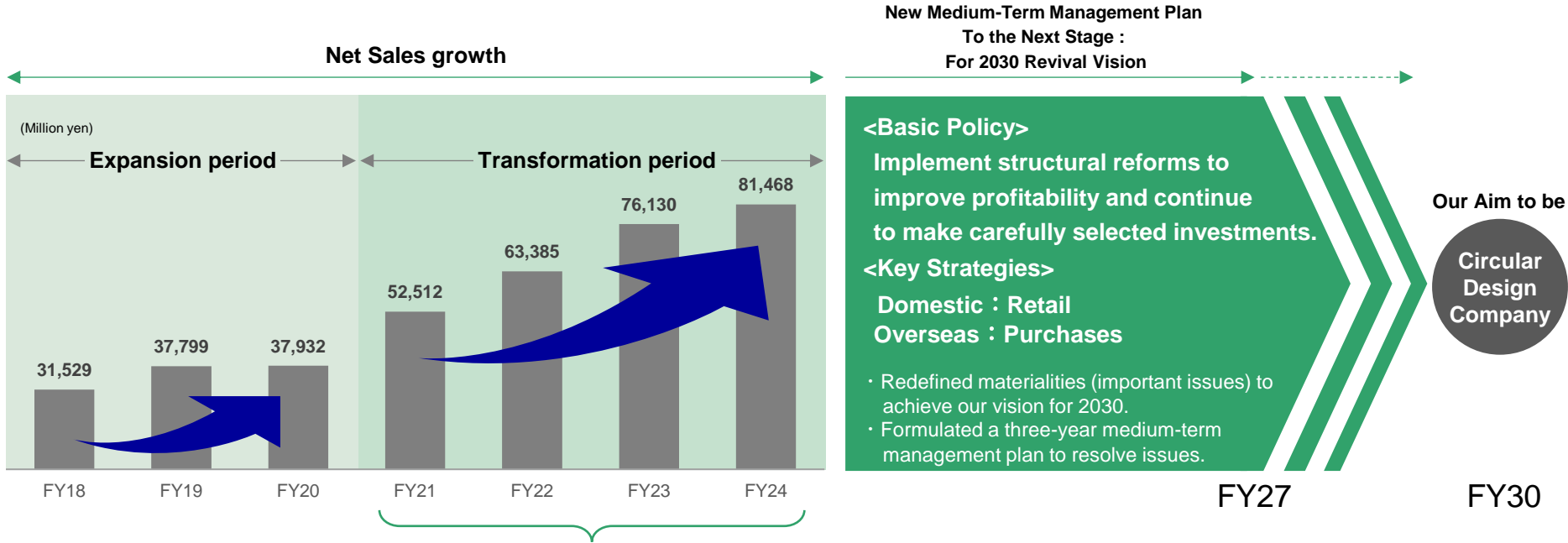


# Formulate new Medium-Term Management Plan

~ To the Next Stage : For 2030 Revival Vision

# Formulated new Medium-Term Management Plan “To the Next Stage: For 2030 Revival Vision”

- Formulate a new three-year (FY25-FY27) medium-term management plan to realize our goal of becoming “Circular Design Company” in 2030.

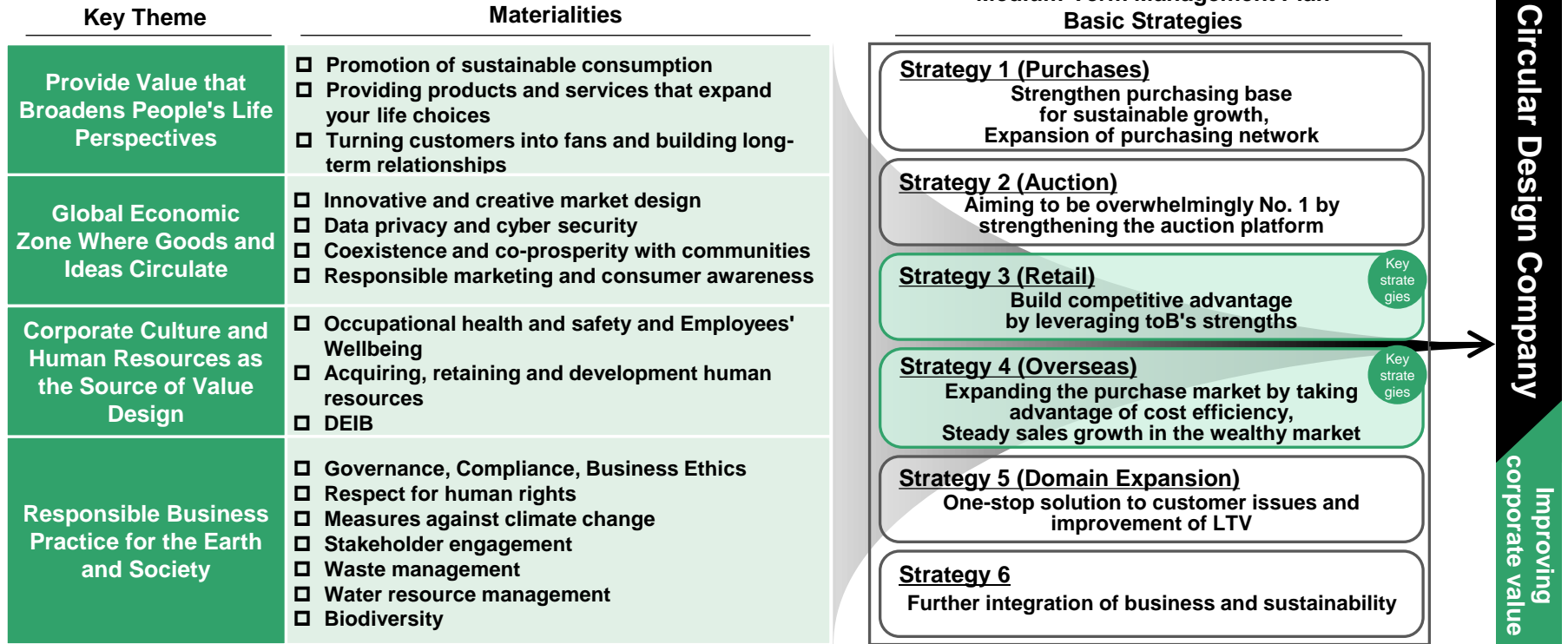


In addition to investments aimed at business expansion, such as M&A, system investments, and global investments, we actively invest in non-financial areas such as securing human resources.

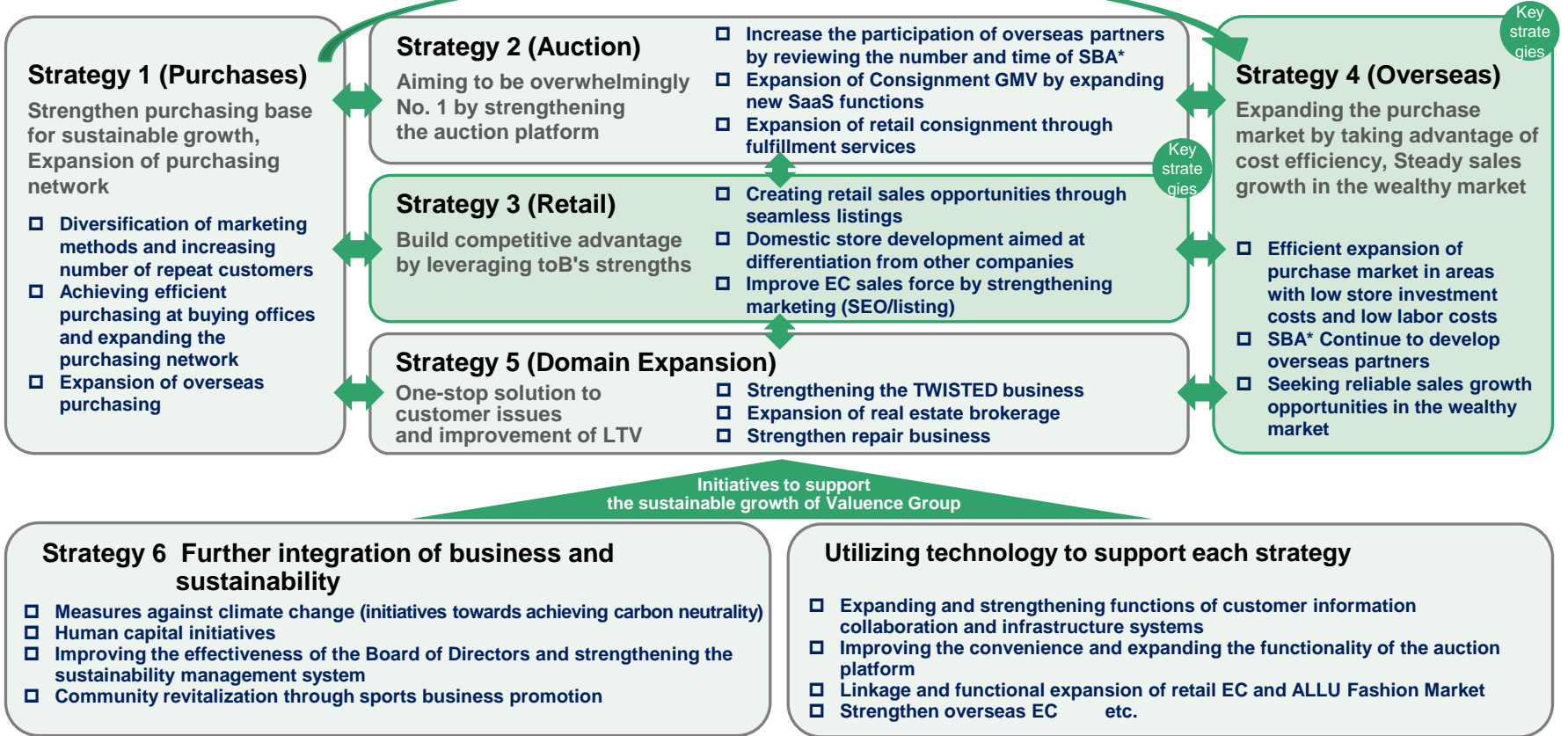
# Toward our vision of becoming a “Circular Design Company” in 2030

- In formulating this medium-term management plan, we aim to redefine materialities (important issues) and incorporate them into six basic strategies to increase corporate value.

Vision  
for 2030



# Six basic strategies of medium-term management plan







# Strategy

# Basic Strategy 1. Purchases

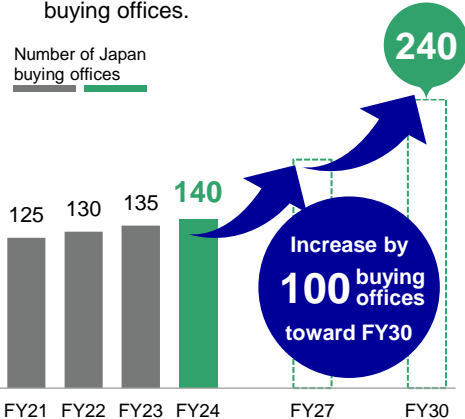
## – Strengthen purchasing base for sustainable growth, Expansion of purchasing network

- Focus on efficient buying office management and measures for repeat customers based on the buying office network expanded through aggressive buying office openings and M&A to date.

### Buying offices opening strategy focused on efficiency

- ✓ For directly managed buying offices, we will focus on efficiency per store by allocating resources according to the fluctuations of buying offices. We will also open buying offices in carefully selected areas.
- ✓ We are considering opening domestic buying offices in the same format as overseas partner buying offices openings and horizontal expansion of the “i’m green” model, and are planning to expand across the country by opening buying offices other than directly managed buying offices.

Number of Japan buying offices



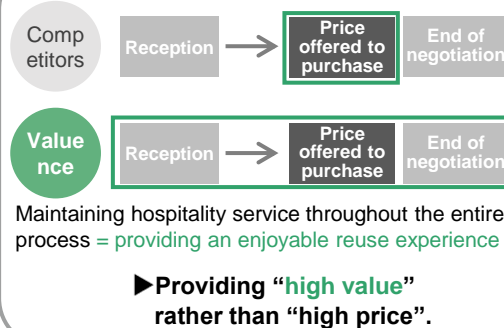
- Opening of directly operated buying offices is approximately 5 per year.
- Considering “i’m green” model and expansion of partner offices in Japan, etc.

- Promotion of sustainable consumption
- Providing products and services that expand your life choices
- Turning customers into fans and building long-term relationships
- Responsible marketing and consumer awareness

### Attracting customers

- ✓ By strengthening One to One marketing, we will realize the optimal provision of services that capture the latent and apparent needs of each client, leading to the acquisition of repeat customers.
- ✓ In addition to WEB marketing, which had been one of our strengths, it will diversify its methods and efficiently attract customers through optimal resource allocation.
- ✓ While acquiring new customers, we aim to achieve a repeat customer ratio of over 50%.
- ✓ It will also expand customer inflows from repair services and other peripheral services.

### Communication-oriented service



### Sustainable efforts

- ✓ Uses sustainable materials such as scrap wood for its interior, and introduces its initiatives through in-store displays.
- ✓ Calculated Resale Impact and posted it on the *Namboya* website.



\* Interior displays at Nanboya Himeji Festa and Nanboya GranduoTachikawa.

# Basic Strategy 1. Purchases

## — Strengthen purchasing base for sustainable growth, Expansion of purchasing network

- Carefully selects areas for directly operated buying office openings by placing greater emphasis on improving efficiency.
- By strengthening the purchasing network other than purchases at buying offices, the company aims to grow domestic purchases in response to intensifying purchase competition.

- ❑ Promotion of sustainable consumption
- ❑ Providing products and services that expand your life choices
- ❑ Turning customers into fans and building long-term relationships

Alliance

### In-home, Delivery, Online

- Strengthen the development of services that are highly convenient for customers.
- A new specialized team has been established for online purchases.

### The “i'm green” project with Isetan Mitsukoshi Ltd.

- 5 buying offices as of the end of FY24.
- Nationwide expansion while holding events, etc.

### Customer referrals from other industries (financial institutions, etc.)

### Other expansion of purchasing

- Expansion through alliances with other industries (examples include the “i'm green” model and the development of partner offices in Japan).
- Utilization of purchasing in line with retail product strategies.
- Consideration of expansion through M&A, etc.

▶ Aim to improve efficiency through optimization of resource allocation.

▶ We can buy from the super-rich and those who do not use our buying offices, who we have not been able to reach.

▶ Covering purchases for sales expansion, including retail.

**KPI : Ratio of purchasing other than from *Nanboya*** \*Including overseas

**FY27 25% over**

**Focusing on measures to expand purchasing without opening new offices**

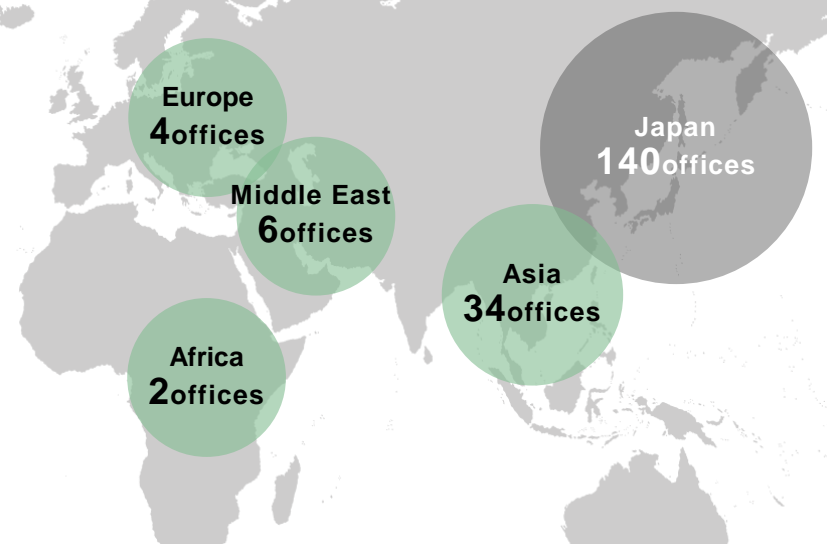
# Basic Strategy 1. Purchases

— Strengthen purchasing base for sustainable growth, Expansion of purchasing network

- Aim to grow purchases by developing mainly in Asia/Middle East where store investment costs and labor costs are low, and particularly in regions where GDP is growing at a high rate.
- Focus on attracting customers through WEB marketing also overseas by leveraging the know-how cultivated domestically.

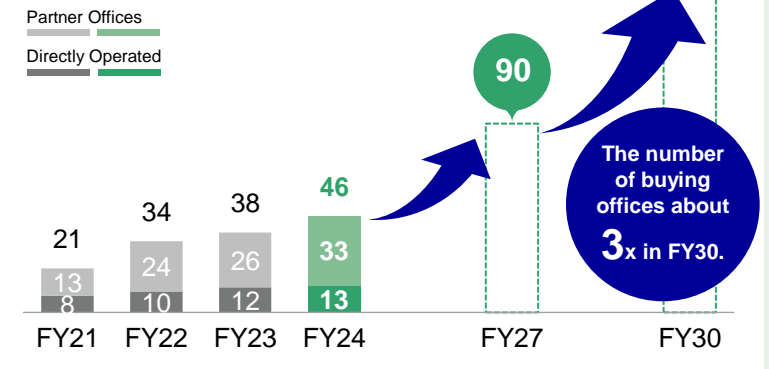
- Promotion of sustainable consumption
- Providing products and services that expand your life choices
- Turning customers into fans and building long-term relationships
- Responsible marketing and consumer awareness

## 46 buying offices in 14 countries overseas



- ✓ Through overseas investments to date, completed the opening of directly operated buying offices, which will become the flagship in each region.
- ✓ Based on our experience in opening directly operated offices, focusing on purchasing in Asia, the Middle East, and other regions, rather than Europe and the United States, where investment costs and personnel costs are high.
- ✓ Develop mainly in partner offices.

## Overseas



# Basic Strategy 2. Auction

— Aiming to be overwhelmingly No. 1 by strengthening the auction platform

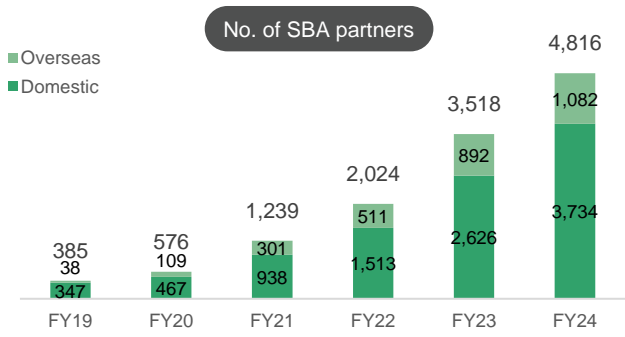
- Continue to expand the functions of auction platform, which is our greatest strength.
- Aim for auctions that are easier to participate in from a global perspective, and focus on expanding consignments as a measure to expand the auction GMV without relying on the amount of our own purchases.

- Promotion of sustainable consumption
- Innovative and creative market design

## Strengthening the toB Platform

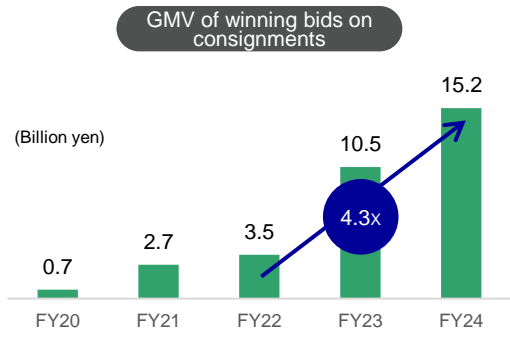
### STAR BUYERS AUCTION

- ✓ Both domestic and overseas partners expanded favorably.
- ✓ Aim to expand participation of overseas partners by increasing the number of auctions held and devising holding times.
- ✓ As a No.1 platform, expand ancillary services such as repair services to increase added value and differentiate itself from competitors' auctions.



### Consignments

- ✓ GMV of winning bids on consignments grew steadily, and the consignment ratio of the auction in FY24 was 29.0%.
- ✓ Provision of new SaaS functions is contributing to the expansion of consignments GMV, and we continue to focus on acquiring users.
- ✓ With the increase in the allocation of inventory to retail, it is possible to further expand consignment acceptance in auctions.



**KPI :**  
**Consignment ratio of the auction**  
 FY27 **40%** over

# Basic Strategy 2. Auction

— Aiming to be overwhelmingly No. 1 by strengthening the auction platform

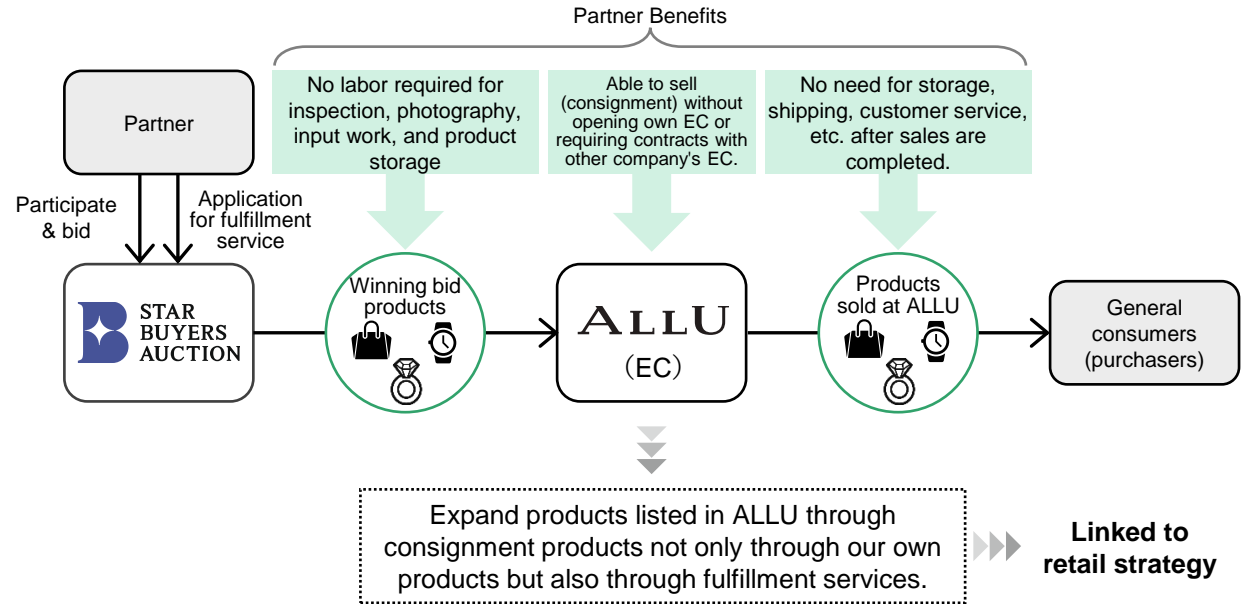
- By providing fulfillment services, aim to realize a one-stop solution from procurement to sales for partner, thereby increasing the added value of the platform and expanding retail consignment.

- Promotion of sustainable consumption
- Innovative and creative market design

## Strengthening the toB Platform

### Fulfillment service

- ✓ Enhancing the convenience of partners and contributing to the securing of retail products. And increasing the number of EC posted also help boost the value of EC websites.
- ✓ Contribute to improved profitability by expanding commission income.
- ✓ Enhance added value as a platform by also providing post-winning bid retail functions.
- ✓ Products that are not listed on SBA\* can be handled. It is possible to sell at a higher price than other companies' retail sales by providing ancillary services such as our repair service, while reducing the labor involved in partner retail sales.

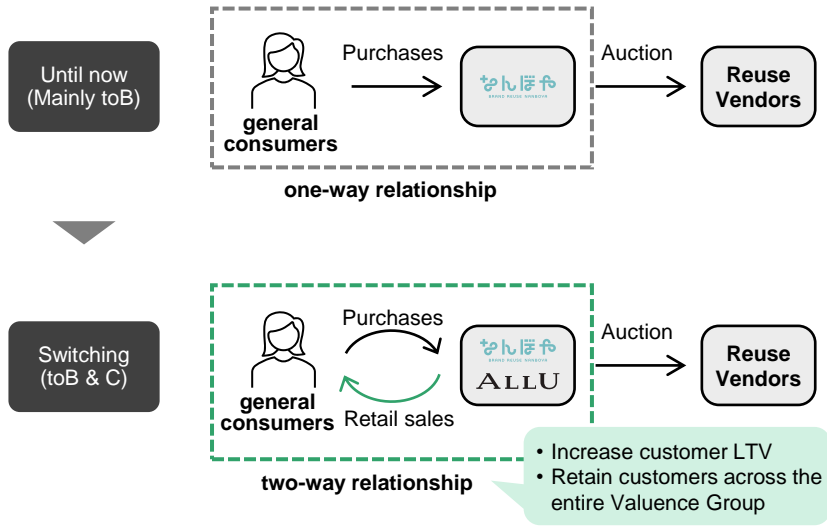


# Basic Strategy 3. Retail

— Build competitive advantage by leveraging toB's strengths

- Expand points of contact with general consumers by strengthening retail sales, and promote the cycle of retail sales and purchases.
- Promote a retail sales expansion strategy that leverages the strengths of toB sales.

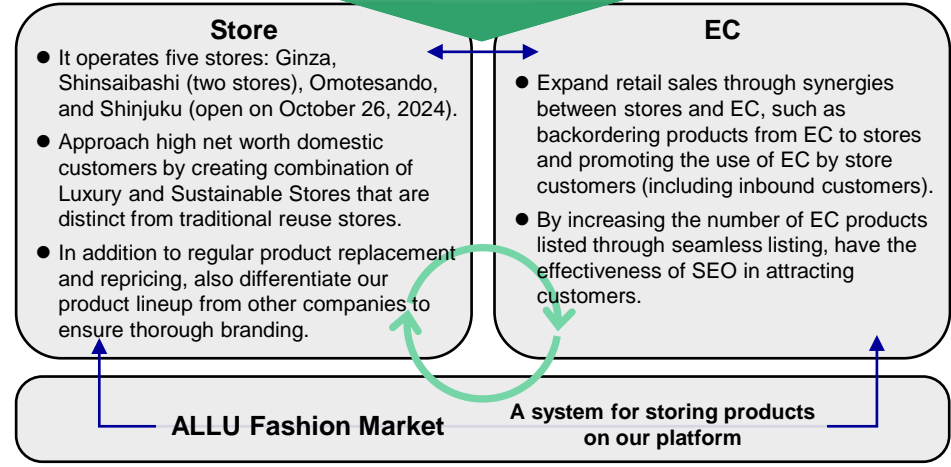
Expand contact points with customers, especially the wealthy, and realize a cycle of retail sales ↔ purchases



- ❑ Promotion of sustainable consumption
- ❑ Providing products and services that expand your life choices
- ❑ Turning customers into fans and building long-term relationships
- ❑ Innovative and creative market design

**KPI : Sale composition ratio of retail sales**  
 FY27 **25% over**

Leveraging its strengths in toB sales, particularly in SBA, it prioritizes supplying products to ALLU, thereby maximizing sales opportunities in retailing without worsening inventory turnover periods (seamless listing).

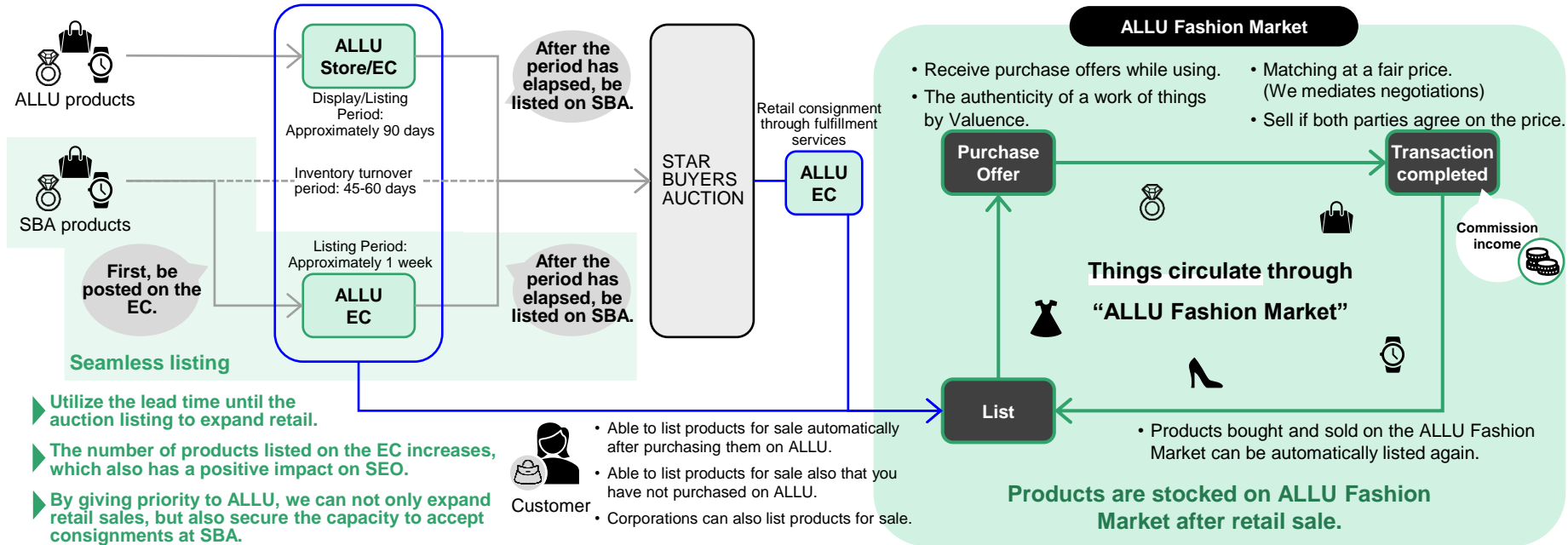


# Basic Strategy 3. Retail

— Build competitive advantage by leveraging toB's strengths

- ❑ Promotion of sustainable consumption
- ❑ Providing products and services that expand your life choices
- ❑ Turning customers into fans and building long-term relationships
- ❑ Innovative and creative market design

- Expand retail sales opportunities through seamless listing without lengthening inventory turnover periods. Aim to improve sales ratio.
- In addition to expanding retail sales, realize a system in which products are stocked on ALLU Fashion Market after sales are made. Furthermore, aim to complete collaboration between ALLU EC and ALLU Fashion Market at an early stage and further circulate products.



- ▶ Utilize the lead time until the auction listing to expand retail.
- ▶ The number of products listed on the EC increases, which also has a positive impact on SEO.
- ▶ By giving priority to ALLU, we can not only expand retail sales, but also secure the capacity to accept consignments at SBA.



# Basic Strategy 4. Overseas

– Expanding the purchase market by taking advantage of cost efficiency, Steady sales growth in the wealthy market

- Accelerate buying office openings, centered on partner offices, in Asia and the Middle East, where store investment costs and labor costs are low and GDP growth rates exceed the global average.

**Purchases** Focusing on opening partner stores, we are focusing on Asia and the Middle East.

KPI : Number of buying offices overseas  
 FY27 **90** / FY30 **150**

KPI :  
 Growth rate of overseas purchases until FY27  
 CAGR **25%**

- 🚩 Location of base
- Areas with many wealthy people
- Areas of focus for purchases

- Promotion of sustainable consumption
- Providing products and services that expand your life choices
- Innovative and creative market design

- ✓ Making steady progress in expanding into areas with large number of wealthy people from around the world.
- ✓ Especially in Asia, where store investment costs and labor costs are low, both directly operated buying offices and partner offices saw strong purchases.
- ✓ From now on, in addition to Asian region, we will also actively expand our business in the Middle East, focusing on partner offices.
- ✓ Focus on SEO to contribute to the expansion of purchasing abroad.

GDP growth rate (YoY)			
	2023	2024 (forecast)	2025 (forecast)
World average	3.2%	3.2%	3.2%
East Asia ↳ Hong Kong, China, South Korea, Taiwan	4.7%	4.5%	4.2%
Southeast Asia ↳ Singapore, Indonesia, Philippines, etc.	4.1%	4.6%	4.7%

(Source) Asian Development Bank (ADB) "Asian Development Outlook (ADO) April 2024"  
 International Monetary Fund (IMF) "World Economic Outlook (WEO) April 2024"

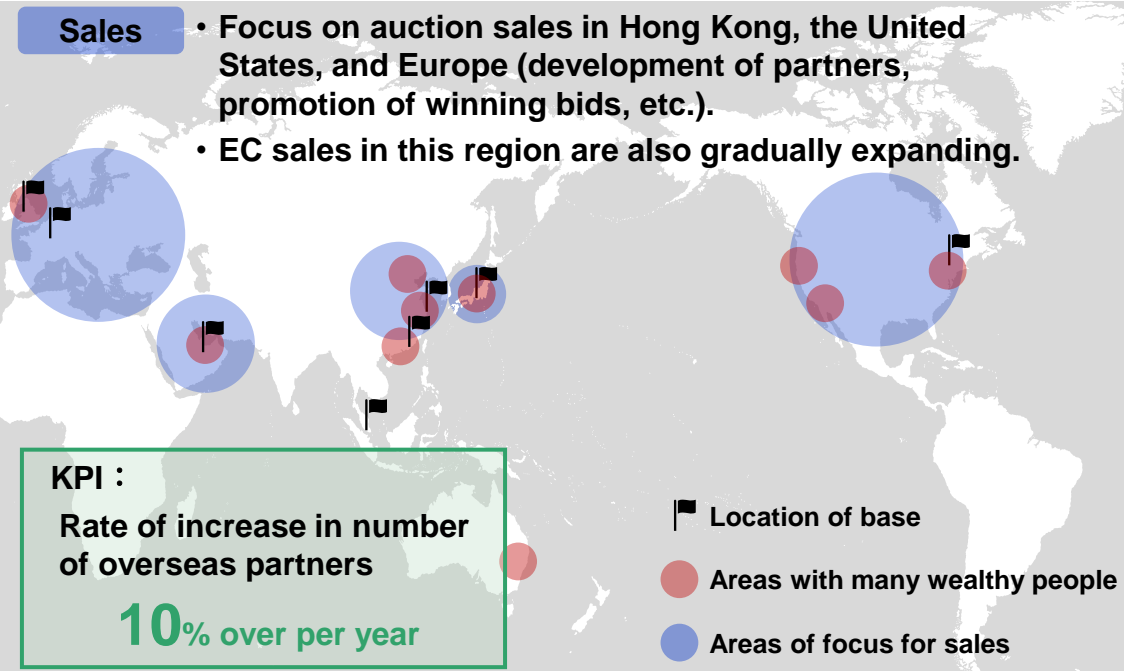
# Basic Strategy 4. Overseas

– Expanding the purchase market by taking advantage of cost efficiency, Steady sales growth in the wealthy market

- Continue to focus on expanding the number of SBA participating partners, and expand sales for overseas partners in auctions.
- Through cross-border EC development, aim to expand overseas retail sales, including turning inbound customers into repeat customers.

## Sales

- Focus on auction sales in Hong Kong, the United States, and Europe (development of partners, promotion of winning bids, etc.).
- EC sales in this region are also gradually expanding.



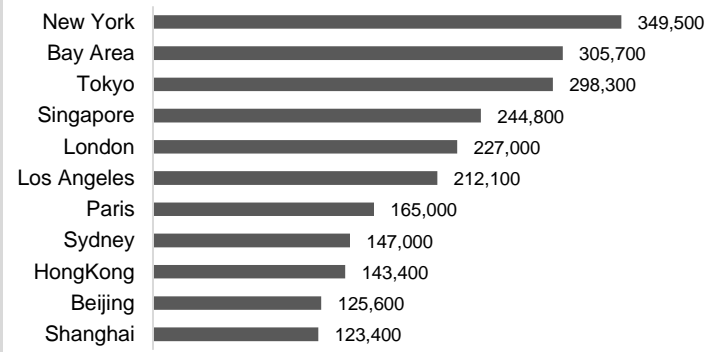
**KPI :**  
 Rate of increase in number of overseas partners  
**10% over per year**

- Location of base
- Areas with many wealthy people
- Areas of focus for sales

- Promotion of sustainable consumption
- Providing products and services that expand your life choices
- Innovative and creative market design

- ✓ Continue to focus on attracting overseas partners to participate in auctions.
- ✓ Utilizing cross-border EC, also focusing on retail sales. While utilizing other companies' EC platforms, planning to switch to its own EC in the future.
- ✓ Inbound customers acquired at domestic stores are turned into repeat customers as ALLU customers through the strengthening of overseas EC.

Total number of millionaires in the world in 2023 (Unit: people)

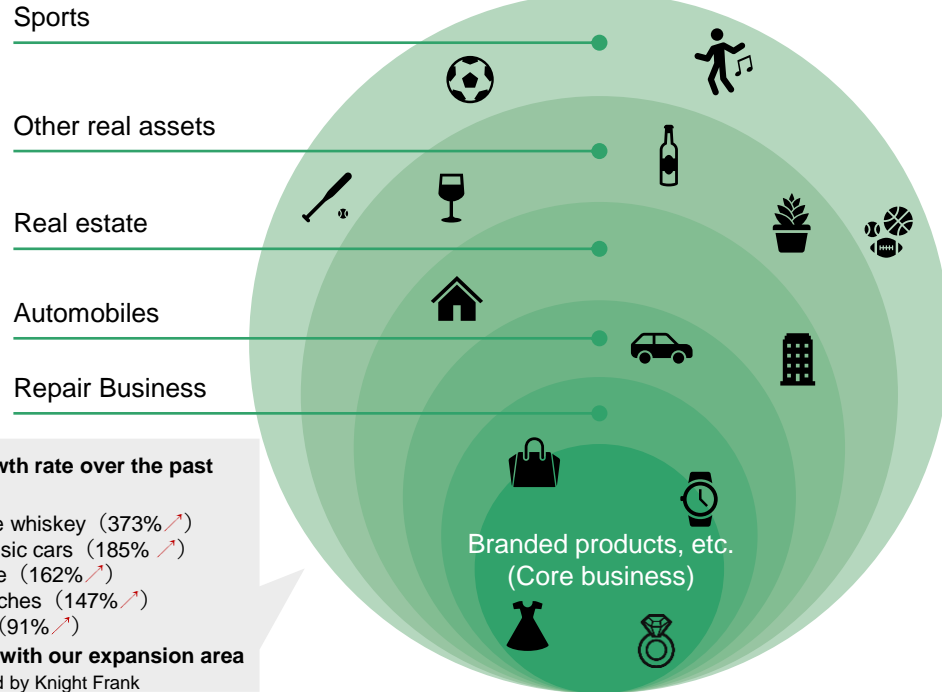


Source) Henley & Partners, New World Wealth

# Basic Strategy 5. Domain Expansion

— One-stop solution to customer issues and improvement of LTV

- Continue to focus on expanding handling areas other than brand products such as automobiles and real estate.
- Aiming to expand repair business to promote sustainable consumption.



**Price growth rate over the past 10 years\***

- No.1 Rare whiskey (373% ↗)
- No.2 Classic cars (185% ↗)
- No.3 Wine (162% ↗)
- No.4 Watches (147% ↗)
- No.5 Art (91% ↗)

► Consistent with our expansion area

\*Data provided by Knight Frank

- Promotion of sustainable consumption
- Providing products and services that expand your life choices
- Turning customers into fans and building long-term relationships
- Innovative and creative market design
- Coexistence and co-prosperity with communities
- Stakeholder engagement

↑ **Expand business by offering emotional richness as a value**

- Contributing to corporate branding, recruitment, etc. (non-financial value).

↑ **Expanding our business into areas with a high affinity for brand products, etc.**

- Improve customers' LTV and promote repeat customers by providing one-stop solutions to real assets-related issues.
- Expand real estate and automotive businesses by sending customers from *Nanboya*.
- Expand customer contact points by expanding the scope of handling and contribute to brand reuse, which is the core business.
- In addition to watch repair, which is the largest scale equipment and technology in the reuse industry, started a repair business for bags from FY24. It also aims to lock in customers while promoting sustainable consumption.

## Basic Strategy 5. Domain Expansion

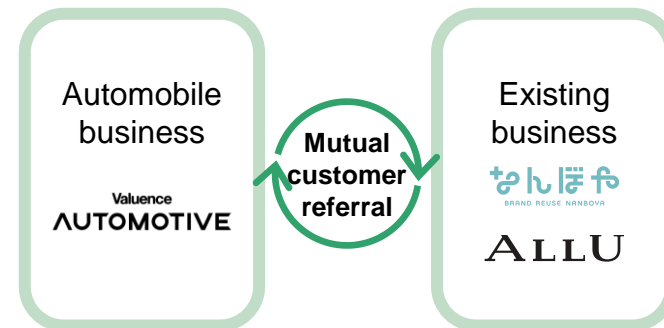
### — One-stop solution to customer issues and improvement of LTV

- In the automobile business, we have launched the “Valuence AUTOMOTIVE” service brand and will be engaged in the purchase and sale of new and used cars in Japan and overseas.
- In particular, we will strengthen our efforts in the “TWISTED” business to realize a circular economy in the automotive field.

- Promotion of sustainable consumption
- Providing products and services that expand your life choices
- Turning customers into fans and building long-term relationships
- Innovative and creative market design

## Achieving circular economy in the automotive field

- ✓ Aiming to extend the lifespan of vehicles through maintenance and contribute to the realization of a circular economy.
- ✓ While continuing to purchase and sell through mutual customer referrals with *Nanboya*, ALLU, etc., we will also focus on leveraging our technical capabilities to increase orders for maintenance and expand the TWISTED business.



**In addition to promoting sustainability, we plan to create synergies with existing businesses**

### < TWISTED >

TWISTED is a uniquely restored and customized DEFENDER vehicle from JAGUAR LAND ROVER LIMITED. In Japan, Valuence Japan Inc. exclusively sells “TWISTED”.



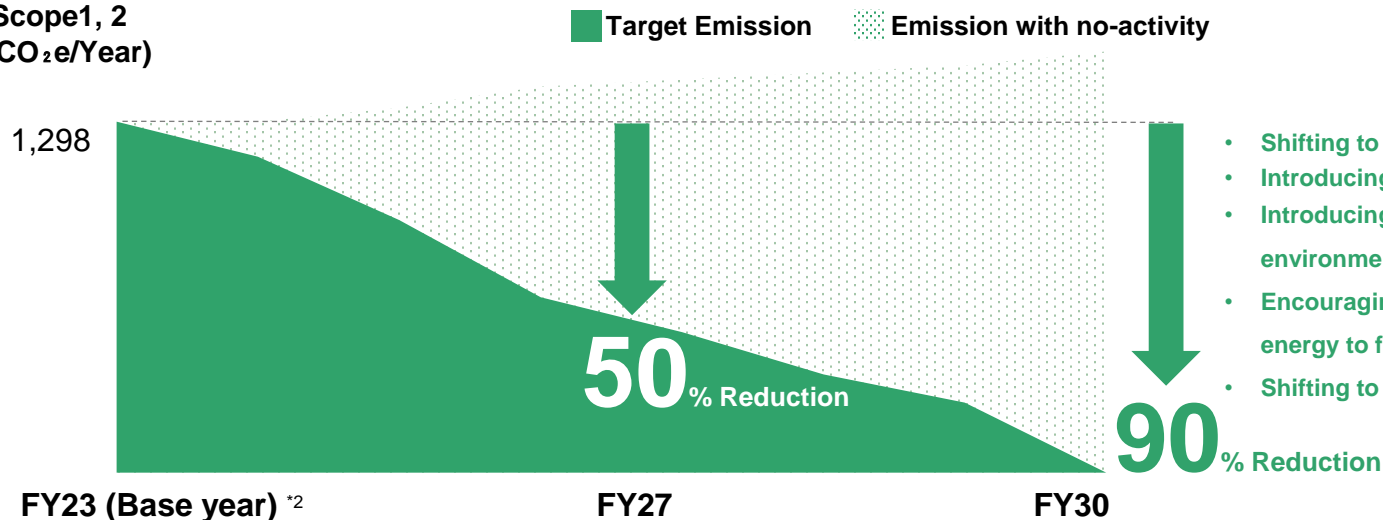
## Basic Strategy 6. Further integration of business and sustainability

□ Measures against climate change

### — Measures against climate change (initiatives towards achieving carbon neutrality)

- New reduction targets set for Scope 1 and Scope 2 to achieve carbon neutrality in FY30\*1
  - Reduce Scope 1 and Scope 2 emissions by 50% by FY27 and by 90% by FY30
  - Ratio of renewable energy introduction will be 50% by FY27 and 100% by FY30

Scope 1, 2  
(t-CO<sub>2</sub>e/Year)



- Shifting to renewable energy electricity
- Introducing energy-efficient equipment
- Introducing renewable energy using environmental certificates
- Encouraging the introduction of renewable energy to facilities
- Shifting to low-carbon company vehicles

\*1 Regarding Scope 3, we plan to develop a roadmap to achieve the target after refining calculations and considering specific measures to reduce emissions.

\*2 FY23 has been set as a new base year, expanding the scope of calculation to include group consolidation including overseas subsidiaries.

\*3 It is assumed that the remaining emissions even after reduction efforts will be offset in a manner compliant with SBT Initiative.

# Basic Strategy 6. Further integration of business and sustainability

## – Human capital initiatives

- With “Corporate Culture and Human Resources as the Source of Value Design” as our priority theme, we aim to achieve sustainable growth and improve corporate value by increasing employee satisfaction and productivity and creating an inclusive work environment that emphasizes diversity.

### Human resources management policy

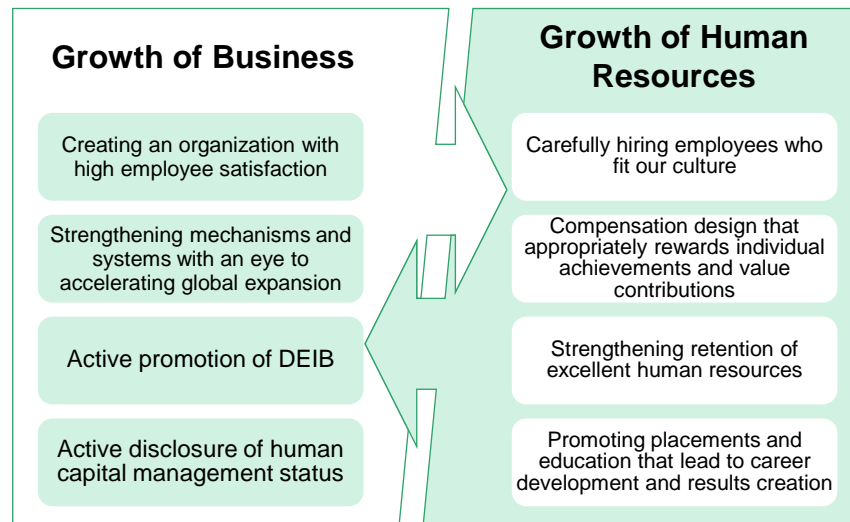
Based on the purpose “Circular Design for the Earth and Us” and the mission “To Encourage More People to Focus on What is Most Important in Their Lives” we promote human capital management and aim to achieve both business growth and human resource growth.

Point of view	Human resources management policy
Business growth	Take a bird's-eye view of things from the perspective of improving corporate value over the medium to long term and introduce necessary personnel measures.
Securing human resources	Carefully select, hire and retain human resources who can sympathize with our culture, regardless of nationality, gender, age, etc.
Arrangement	Provide an environment where all employees can try what they like and what they are good at of their own free will.
Treatment	Fair and balanced evaluation and treatment of contributions and achievements that contribute to improving corporate value.
Nurturing	Maximize the potential of diverse individuals and proactively provide opportunities that lead to personal growth and, ultimately, to the growth of us.
Organizational culture	We will ensure human relationships based on compassion and psychological safety, and provide an environment where all employees can work in their own way.

- ❑ Occupational health and safety and Employees' Wellbeing
- ❑ Acquiring, retaining and development human resources
- ❑ DEIB

### Organizational / human resources strategy

We create a cycle of business growth and human resources growth, formulate strategies that can achieve sustainable growth, and aim to improve corporate value.









# Basic Strategy 6. Further integration of business and sustainability

□ Governance, Compliance, Business Ethics

## – Improving the effectiveness of the Board of Directors and strengthening the sustainability management system

- The majority of executives are outside directors to strengthen governance

						Outside Directors					
						     					
Name	Shinsuke Sakimoto	Susumu Muguruma	Shinichiro Sato	Mitsutoshi Tomita	Kenta Takami	Hiroki Tomiyama	Kenji Fuma	Ibun Hirahara	Masahide Kamachi	Takashi Goto	Emi Omura
Title	Representative Director	Director	Director	Director	Full-time Audit and Supervisory Committee	Director	Director	Director	Audit and Supervisory Committee	Audit and Supervisory Committee	Audit and Supervisory Committee
Attribute	Internal/External	Internal	Internal	Internal	Internal	External	External	External	External	External	External
	Independence					Independent		Independent	Independent	Independent	Independent
	Gender	Male	Male	Male	Male	Male	Male	Female	Male	Male	Female
Experience, knowledge, expertise, etc.	Corporate management	◆	◆			◆					
	Finance, accounting				◆			◆			
	Legal affairs, risk management			◆	◆					◆	◆
	Personnel Affairs	◆						◆			
	Global business		◆				◆	◆			◆
	Sustainability	◆		◆			◆	◆			◆
	Technology				◆						
	Marketing				◆						

\*1 The skills that Company particularly expect are marked with ◆.

\*2 Above director structure is tentative and will be in place after the conclusion of the 13th Regular General Meeting of Shareholders scheduled for November 22, 2024. Yoshihiko Takubo will retire as an outside director at 13th Regular General Meeting of Shareholders scheduled for November 22, 2024.

## Basic Strategy 6. Further integration of business and sustainability

### – Community revitalization through sports business promotion

- Improving corporate value by creating a new circular economy that connects things and thoughts.

#### HATTRICK

- ✓ Utilizing the know-how cultivated through toB auctions, we contribute to the creation of revenue sources and fan growth for athletes.
- ✓ Also considering new value creation initiatives such as upcycling.

<https://auction.hattrick.world/?locale=en>



#### Valence INFINITIES

- ✓ Aiming to improve corporate recognition through participation in the D.LEAGUE.
- ✓ Contributing to the spread of dance culture and player development, such as by holding academies and forming youth teams.
- ✓ Aiming to win the 24-25 SEASON by acquiring powerful players such as HIRO10.



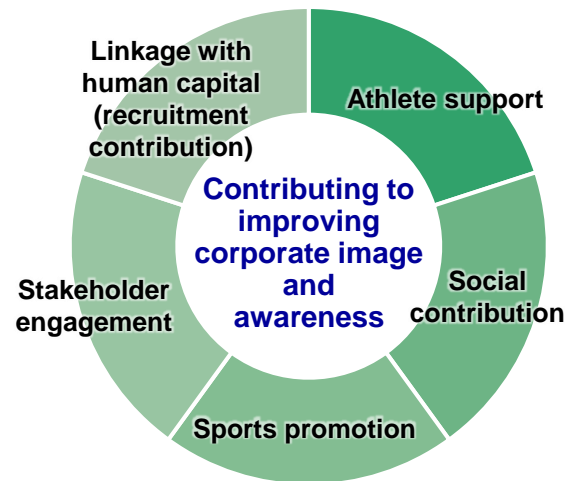
#### Nankatsu SC

- ✓ Contributing to sports promotion and regional revitalization.
- ✓ Plan to improve corporate recognition by leveraging character popularity.
- ✓ By combining the characters of "Captain Tsubasa", which is loved around the world, with the strengths of Valence's overseas expansion, we are actively aiming for business growth by leveraging the resources of both companies.



- Promotion of sustainable consumption
- Providing products and services that expand your life choices
- Turning customers into fans and building long-term relationships
- Coexistence and co-prosperity with communities
- Acquiring, retaining and development human resources
- Stakeholder engagement

### Promoting sports business as a non-financial value initiative





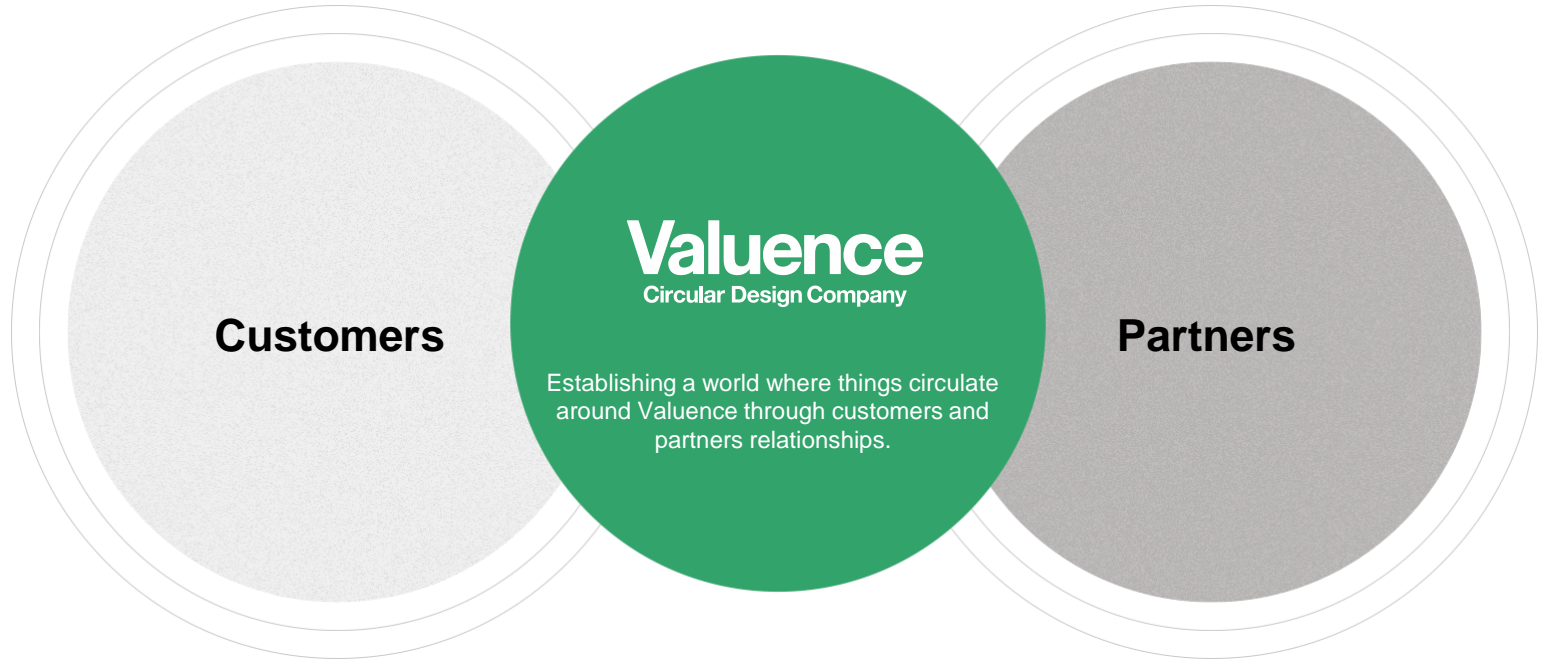
# Indicators and targets based on materialities

Key Theme	Materialities	KPI	FY24 Results	FY27 Targets	FY30 Targets
Provide Value that Broadens People's Life Perspectives	<ul style="list-style-type: none"> <li><input type="checkbox"/> Promotion of sustainable consumption</li> <li><input type="checkbox"/> Providing products and services that expand your life choices</li> <li><input type="checkbox"/> Turning customers into fans and building long-term relationships</li> </ul>	Ratio of purchases (inc. overseas) other than from <i>Nanboya</i>	16.1%	25% or more	
		Ratio of repeat customers*1	46.8%	50% or more	
		Number of repair services provided	About 40,000	More than 50,000	
Global Economic Zone Where Goods and Ideas Circulate	<ul style="list-style-type: none"> <li><input type="checkbox"/> Innovative and creative market design</li> <li><input type="checkbox"/> Data privacy and cyber security</li> <li><input type="checkbox"/> Coexistence and co-prosperity with communities</li> <li><input type="checkbox"/> Responsible marketing and consumer awareness</li> </ul>	Consignment ratio of the auction	29.0%	40% or more	
		Sales composition ratio of retail sales	16.7%	25% or more	
		Growth rate of overseas purchases	—	CAGR 25% or more	
Corporate Culture and Human Resources as the Source of Value Design	<ul style="list-style-type: none"> <li><input type="checkbox"/> Occupational health and safety and Employees' Wellbeing</li> <li><input type="checkbox"/> Acquiring, retaining and development human resources</li> <li><input type="checkbox"/> DEIB</li> </ul>	Employee engagement score	3.6	4.0	4.2
		DEIB : Proportion of Women in director post	16.7%	—	30%
		DEIB : Proportion of Women in management post	14.6%	25%	30%
		DEIB : Proportion of Men that childcare leave taken	76.9%	80%	100%
		DEIB : Gender pay gap	77.6%	80%	85%
Responsible Business Practice for the Earth and Society	<ul style="list-style-type: none"> <li><input type="checkbox"/> Governance, Compliance, Business Ethics</li> <li><input type="checkbox"/> Respect for human rights</li> <li><input type="checkbox"/> Measures against climate change</li> <li><input type="checkbox"/> Stakeholder engagement</li> <li><input type="checkbox"/> Waste management</li> <li><input type="checkbox"/> Water resource management</li> <li><input type="checkbox"/> Biodiversity</li> </ul>	Corporate Governance Code *TSE Prime Market Criteria	—	—	Comply all items
		Ratio of renewable energy introduction	0%	50%	100%
		GHG emissions reduction ratio (Scope 1, 2)	—	50%	90%
		GHG emissions reduction ratio (Scope 1, 2, 3)	—	—	Carbon Neutral

\*1 Ratio of repeat customers = Number of Unique Users who completed purchases after their second visit to the store / Number of unique users who completed purchases

\*2 For other KPIs, please refer to our corporate site (<https://www.valuence.inc/en/sustainability/>)

# ”Circular Design Company” the Goal for FY30



Creating new earning opportunities by offering a broad range of choices and promoting circular use of the things not only owned by us but also owned by customers and partners.