

## Criteria for Determining the Independence of Outside Directors

Valuence Holdings Inc. (hereinafter, the “Company”) has established the following criteria for determining the independence of outside directors in order to ensure the independence of independent outside directors and to establish a corporate governance system.

If, as a result of an investigation conducted by the Company to the extent reasonably possible, it is confirmed that an outside director does not fall under any of the following items, the Company shall determine that such outside director is independent from the Company and that there is no risk of conflict of interest with general shareholders.

### 1. Business Executors of the Company

Business executors of the Company or its subsidiaries (hereinafter collectively referred to as the “Company Group”)

- The term “business executors” refers to executive directors, executive officers, other officers who execute the business of a corporation, etc., and employees, etc.

### 2. Major Parties Concerned with the Company Group’s Business

(1) Major business partners of the Company Group or their business executors

- The term “major business partners of the Company Group” refers to parties that have made payments to the Company Group in an amount exceeding 1% of the Company Group’s consolidated net sales for the previous fiscal year.

(2) Parties that have the Company Group as a major business partner or their business executors

- The term “parties that have the Company Group as a major business partner” refers to parties that have received payment from the Company Group in an amount exceeding 1% of the consolidated net sales of the party in the previous fiscal year. If the party does not have consolidated accounts, the non-consolidated net sales instead of consolidated net sales of the party shall be used as the basis.

(3) Lenders to the Company Group or their business executors

### 3. Professional Service Providers

(1) Parties that receive money or other assets from the Company Group other than officer’s compensation, including accounting professionals such as consultants, certified public accountants, tax accountants, etc., and legal professionals such as lawyers, etc. (if the party

receiving such assets is an organization such as a corporation, partnership, etc., members of such organization).

- (2) Parties that belong to an audit corporation that is the financial statement auditor of the Company Group.

#### **4. Voting Rights Holders**

- (1) Parties that directly or indirectly hold 1% or more of the total voting rights of the Company or their business executors.
- (2) Parties in which the Company Group directly or indirectly holds 1% or more of the total voting rights, or their business executors.

#### **5. Donation or Subsidy Recipients**

Parties that have received a large donation or subsidy from the Company Group, or a director or other business executor of such corporation, partnership, etc.

- The term “large donation or subsidy” refers to a donation or subsidy of 10 million yen or more per year.

#### **6. Former Applicable Parties**

- (1) Parties that have fallen under 1 above for the past 10 years.
- (2) Parties that have fallen under 2, 3, or 5 above for the past 5 years.
- (3) In the event that a party falling under 1 above is an important party, the spouse or a relative within the second degree of kinship of that party.
  - The term “important party” refers to executive directors, executive officers, corporate officers, and employees who perform important duties such as department managers.