

January 28, 2025

To Whom It May Concern

Company: Metaplanet Inc.
Representative: Representative Director
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Notice Regarding Issuance of the 13th to 17th Series of Stock Acquisition Rights with Adjustable Exercise Prices and Suspension Provisions through Third-Party Allotment, and the Conclusion of a Stock Acquisition Rights Purchase Agreement

Metaplanet Inc. (the “Company”) hereby announces that, pursuant to a resolution of the Board of Directors meeting held on January 28, 2025, it has approved the issuance of the 13th to 17th series of stock acquisition rights (the “Stock Acquisition Rights”) through a third-party allotment to EVO FUND (Cayman Islands, Representatives: Michael Larch and Richard Chisholm, the “Scheduled Allottee” or “EVO FUND”). In addition, the Company has resolved to enter into a Stock Acquisition Rights Purchase Agreement (the “Purchase Agreement”) with EVO FUND, conditional upon the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act.

Each series of stock acquisition rights shall be referred to individually as the “13th Series Stock Acquisition Rights,” “14th Series Stock Acquisition Rights,” “15th Series Stock Acquisition Rights,” “16th Series Stock Acquisition Rights,” and “17th Series Stock Acquisition Rights,” or collectively as the “Stock Acquisition Rights.” The issuance of these Stock Acquisition Rights and the conclusion of the Purchase Agreement will be collectively referred to as the “Third-Party Allotment.” The issuance of the Stock Acquisition Rights and the funds raised through their exercise will be referred to as the “Financing Scheme” or the “Capital Raising Plan.”

1. Overview of the Offering

<The Stock Acquisition Rights>

(1)	Allocation Date	February 17, 2025
(2)	Number of Stock Acquisition Rights Issued	210,000 units (100 common shares per unit) 13th Series Stock Acquisition Rights: 42,000 units 14th Series Stock Acquisition Rights: 42,000 units 15th Series Stock Acquisition Rights: 42,000 units 16th Series Stock Acquisition Rights: 42,000 units 17th Series Stock Acquisition Rights: 42,000 units
(3)	Issuance Price	Total: 76,230,000 yen 13th Series Stock Acquisition Rights: 363 yen per right 14th Series Stock Acquisition Rights: 363 yen per right 15th Series Stock Acquisition Rights: 363 yen per right

		16th Series Stock Acquisition Rights: 363 yen per right 17th Series Stock Acquisition Rights: 363 yen per right
(4)	Number of Potential Shares from this Issuance	21,000,000 common shares (100 shares per unit) There is no upper limit on the exercise price. The lower limit of the exercise price is 2,555 yen. Even at the lower limit, the maximum potential number of shares remains 21,000,000.
(5)	Amount of Funds to be Raised	116,313,730,000 yen (Note)
(6)	Exercise Price and Exercise Price Adjustments Terms	The initial exercise price will be set at 5,555 yen. The exercise price of the Stock Acquisition Rights will first be adjusted on or after February 17, 2025 (inclusive). Subsequent adjustments will occur at the end of each trading day (a trading day is defined as any day when trading is conducted on the Tokyo Stock Exchange, hereinafter the "Exchange"). These adjustment days are hereinafter referred to individually or collectively as the "Adjustment Dates." On each Adjustment Date, the exercise price will be adjusted to an amount equivalent to 100% of the closing price of the Company's common shares on the trading day immediately preceding the Adjustment Date (the "Pricing Date"), rounded down to the nearest yen. However, if this adjusted price falls below the aforementioned lower limit, the lower limit shall apply. If no closing price is available on the Pricing Date, the exercise price will not be adjusted. Additionally, if events triggering adjustments under Clause 11 of the Stock Acquisition Rights issuance terms occur on the Pricing Date, the closing price on the Pricing Date will be reasonably adjusted to account for such events.
(7)	Method of Offering or Allotment (Scheduled Allottee)	All Stock Acquisition Rights will be allocated to EVO FUND through third-party allotment.
(8)	Exercise period	The exercise period for the 13th to 17th Series Stock Acquisition Rights will commence on February 18, 2025 (inclusive) and conclude on February 17, 2027.

(9)	Other	<p>After the securities registration statement under the Financial Instruments and Exchange Act becomes effective, the Company plans to enter into a Stock Acquisition Rights Purchase Agreement with the Scheduled Allottee, which will stipulate terms such as suspension provisions, restrictions requiring Board approval for transfers of the Stock Acquisition Rights by the Scheduled Allottee, lock-up provisions, and preemptive rights.</p> <p>Lock-Up Provisions:</p> <p>The Company shall not, without prior written consent from the Scheduled Allottee or EVOLUTION JAPAN Securities Co., Ltd. (4-1 Kioicho, Chiyoda-ku, Tokyo; Representative Director: Sean Lawson; hereinafter referred to as “EJS”), directly or indirectly engage in the solicitation, pledge, issuance, sale, sale contract, granting of purchase options, granting of subscription rights, granting of underwriting rights, lending, transfer, or disposal of the Company’s common shares or securities convertible to or exchangeable for common shares during the period from the execution date of the Purchase Agreement until the Stock Acquisition Rights remain outstanding. Furthermore, the Company shall not enter into swaps or any other arrangements that transfer, in whole or in part, the economic consequences of owning the Company’s common shares to a third party. The Company shall also ensure that no party acting under its instructions engages in such activities.</p> <p>However, the above restrictions shall not apply in the following cases:</p> <ol style="list-style-type: none"> 1) Issuance or delivery of common shares by the Company in connection with a stock split. 2) Gratis allotment of common shares by the Company. 3) Sale of treasury stock pursuant to Article 194, Paragraph 3 of the Companies Act. 4) Issuance or delivery of stock acquisition rights or common shares under the Company’s stock option program. 5) Issuance or delivery of common shares resulting from the exercise of the Stock Acquisition Rights. 6) Cases where issuance or delivery is required under applicable laws and regulations. <p>Preemptive Rights:</p> <p>During the term of the Stock Acquisition Rights, if the Company intends to issue or deliver additional shares, stock acquisition rights, bonds with stock acquisition rights, or other securities convertible to or exchangeable for the Company’s common shares or class shares (hereinafter referred to as "Additional New Shares, etc.") to any third party other than the Scheduled Allottee (hereinafter referred to as "Additional New Share</p>
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		<p>Issuances, etc."), it must notify EJS in writing (hereinafter referred to as the "Notice") at least three weeks prior to the Board of Directors' resolution approving such issuance.</p> <p>The Notice must specify the principal terms and details of the Additional New Share Issuances, etc., including the type, price, quantity, payment date, conditions of the underwriting agreement, and the name and address of the intended allottee.</p> <p>The Scheduled Allottee shall, within one week from the receipt of the Notice (excluding the receipt date), notify the Company in writing whether it intends to subscribe to the Additional New Shares, etc., on the terms and conditions specified in the Notice. If the Scheduled Allottee notifies the Company of its intention to subscribe under the same terms and conditions (hereinafter referred to as the "Acceptance Notice"), the Company shall issue or deliver the Additional New Shares, etc., to the Scheduled Allottee and shall not issue or deliver them to the third party.</p> <p>The Company may only resolve the Additional New Share Issuances, etc., on the terms and conditions specified in the Notice if it has not received an Acceptance Notice from the Scheduled Allottee.</p> <p>The above provisions do not apply in the following cases:</p> <ol style="list-style-type: none">1. Issuance of stock options or common shares to the Company's officers, employees, consultants, or advisors, excluding cases related to the exercise of stock options granted for stock option purposes, provided that such issuances comply with the Company's Board-approved capital policy and account for less than 5% of the total issued shares at the time of the Purchase Agreement.2. Execution of the conversion or exercise of already-issued securities, such as shares, stock acquisition rights, or bonds with stock acquisition rights, as disclosed in the documentation in accordance with applicable laws at the time of the Purchase Agreement, provided that such conversion or exercise adheres to the original conditions without any modifications.3. Any other cases where the Company and EJS mutually agree in writing to exclude such issuance from the preemptive rights provisions.
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(Note) The amount of funds to be raised is calculated by adding the total amount of payment for the Stock Acquisition Rights to the value of the assets contributed upon the exercise of the Stock Acquisition Rights and then deducting the estimated issuance expenses. The value of the assets contributed upon the exercise of the Stock Acquisition Rights assumes that all Stock Acquisition Rights are exercised at the initial exercise price. If the exercise price is adjusted or modified, or if the Company cancels any Stock Acquisition Rights it has acquired, the amount of funds raised may increase or decrease. Furthermore, if no exercise occurs during the exercise period of the Stock Acquisition Rights, the amount of funds raised will fluctuate.

2. Purpose and Rationale for Fundraising

The majority of the funds raised through this offering are planned to be strategically allocated to the purchase of Bitcoin. As disclosed in the announcement titled "Notice Regarding the Purchase of Bitcoin" dated April 8, 2024, the company decided to hold Bitcoin as part of its financial management strategy. Additionally, as disclosed in the announcements titled "Strategic Shift in Metaplanet's Financial Management and Adoption of Bitcoin" dated May 13, 2024, and "Notice Regarding the Launch of the Bitcoin Treasury Business" dated December 18, 2024, the company has clearly prioritized a "Bitcoin-first, Bitcoin-only" approach. This strategy involves utilizing long-term debt and periodic equity issuances as financial tools to continuously increase Bitcoin holdings instead of holding a weakening yen, positioning this as a core business initiative.

Moving forward, as a Bitcoin treasury company, the company will continue to play a pioneering role in the Bitcoin space in Japan. The company aims to raise funds in yen whenever possible and convert them into Bitcoin to preserve asset value, thereby increasing its Bitcoin holdings. In January 2025, Bitcoin reached a new all-time high, further underscoring its increasing value. Meanwhile, the Japanese yen continues to lose value, with the exchange rate against the US dollar nearing 160 yen, leaving the future outlook uncertain. Given this situation, the importance of increasing Bitcoin holdings is growing. The company has determined that it is essential to raise funds and purchase Bitcoin as quickly as possible and has decided to proceed with the fundraising disclosed today.

3. Overview of Financing Method and Selection Rationale

(1) Overview of Financing Method

This financing will be executed through the allocation of stock acquisition rights to EVO FUND, with the Company's capital increasing as the allottee exercises these rights.

Regarding the Stock Acquisition Rights, the Company will enter into a Purchase Agreement with EVO FUND, the designated allottee, following the effectiveness of the securities registration statement. The agreement includes the following key provisions:

1. Exercise Price Adjustment

The exercise price of the Stock Acquisition Rights will be initially adjusted on or after February 17, 2025 (inclusive) and will be further adjusted at the end of each subsequent trading day. In such cases, the exercise price will be adjusted to an amount equivalent to 100% of the closing price of the Company's common shares on the Exchange on the pricing date, rounded down to the nearest yen. However, if no closing price exists on the pricing date, no adjustment to the exercise price will be made.

While it is common for the exercise price of stock acquisition rights with adjustable exercise price clauses to include a discount to the closing price of the issuer's common shares, this particular issuance of Stock Acquisition Rights is designed with no discount. By eliminating the discount, the exercise will

occur at a price that deviates minimally from the market price, thereby minimizing the impact on existing shareholders and taking their interests into account as much as possible. Furthermore, because the exercise price is set without a discount, the funds raised through the exercise of these Stock Acquisition Rights are expected to be higher.

The lower limit for the exercise price will be set at 2,555 yen and will be subject to adjustments pursuant to the provisions outlined in Clause 11 of the issuance terms of each Stock Acquisition Right. The level of the lower limit exercise price has been determined following discussions between the Scheduled Allottee and the Company, taking into account a comparison with similar financing transactions and the need to enhance the likelihood of successful financing.

② Request by the Company to Suspend Exercise (Exercise Suspension Clause)

If the Company requests the suspension of the exercise of the Stock Acquisition Rights (hereinafter referred to as the "Suspension Designation"), the Scheduled Allottee will not be able to exercise some or all of the Stock Acquisition Rights remaining as of the commencement date of the suspension period (defined below) during the suspension period. The Company may issue such Suspension Designations at any time and as many times as necessary. Specific details are as follows:

The Company may designate any period within the exercise period of the Stock Acquisition Rights as the period during which the Scheduled Allottee is unable to exercise some or all of the Stock Acquisition Rights (hereinafter referred to as the "Suspension Period").

The Suspension Period shall begin two trading days after the date the Company notifies EJS of the Suspension Designation (inclusive of the second trading day) and last until the date specified by the Company (inclusive of the specified end date). If the Company issues a Suspension Designation, it will disclose such action via a press release each time.

The Suspension Period must fall within the exercise period of the Stock Acquisition Rights.

The Company may cancel the Suspension Designation by notifying EJS. If the Company cancels a Suspension Designation, it will disclose such action via a press release each time.

The Suspension Designation can be applied separately to each series of Stock Acquisition Rights. While there are no differences in the terms of the 13th to 17th Series Stock Acquisition Rights, dividing them into separate series allows the Company to issue Suspension Designations for each series independently. This approach aims to mitigate concerns over a rapid increase in dilution and the associated risk of a stock price decline, while ensuring that the dilution caused by the exercise of Stock Acquisition Rights progresses gradually in accordance with the Company's funding needs. This design is intended to provide a clear and structured message to investors.

③ Prohibition of Excess Limit Exercise

The Purchase Agreement includes the following provisions:

(a) In accordance with Article 434, Paragraph 1 of the Securities Listing Regulations and Articles 436, Paragraphs 1 to 5 of the same Enforcement Rules established by the Exchange, the Company shall, as a general rule, prevent the Scheduled Allottee from exercising the Stock Acquisition Rights to acquire shares in excess of 10% of the number of listed shares as of the payment date of the Stock Acquisition Rights during any single calendar month (such exercise exceeding the 10% limit is hereinafter referred to as "Excess Limit Exercise").

(b) The Scheduled Allottee agrees not to engage in the exercise of the Stock Acquisition Rights that would constitute an Excess Limit Exercise, except in cases where specific exemptions apply. When exercising the Stock Acquisition Rights, the Scheduled Allottee shall confirm with the Company in advance that the exercise of the Stock Acquisition Rights does not constitute an Excess Limit Exercise.

(c) If the Scheduled Allottee transfers the Stock Acquisition Rights, it shall require the transferee to agree in advance to undertake the same obligations regarding the Excess Limit Exercise as stipulated in the agreement with the Company. Furthermore, if the transferee subsequently transfers the Stock Acquisition Rights to a third party, the Scheduled Allottee shall require the transferee to ensure that the third party assumes the same obligations to the Company.

(2) Reasons for Selecting the Financing Method

The Company considered financing methods that align with the purposes outlined in "2. Purpose and Reason for the Offering" above. In late December 2024, EJS proposed this scheme, a financing method involving the issuance of the Stock Acquisition Rights. EVO FUND, the Scheduled Allottee, has a proven track record of continuously subscribing to the Company's issued new shares, stock acquisition rights, and corporate bonds, thereby contributing significantly to the Company's fundraising efforts.

While this scheme, as proposed by EVO FUND, may result in the dilution of existing shareholders' rights, the improvement in the liquidity of the Company's shares is expected to enhance the ease of disposal of the Company's shares by shareholders. From a medium- to long-term perspective, this is considered to benefit all shareholders of the Company.

After examining the advantages and disadvantages of this scheme, as described in "(3) Characteristics of the Scheme" below, as well as other financing methods outlined in "(4) Alternative Financing Methods," the Company concluded that this scheme provides a high likelihood of securing the necessary funds within a defined timeframe for the uses specified in "4. Amount, Use, and Expected Timing of Fund Expenditures (2) Specific Use of Funds to be Raised." Based on this comprehensive evaluation, the Company decided to adopt this scheme.

Although this financing is expected to increase the number of shares outstanding both currently and in the future, the impact of this increase on the Company's shareholders is addressed in "6. Reasonableness of the Issuance Terms, (2) Basis for Judging the Scale of Issuance Quantity and Dilution as Reasonable," as described below.

(3) Characteristics of the Scheme

This financing scheme has the following advantages and disadvantages:

Advantages:

① Issuance of Shares Without Discount

Typically, in cases involving stock acquisition rights with adjustable exercise price clauses, shares are issued at a price discounted by approximately 8–10% from the reference stock price. In contrast, the Stock Acquisition Rights in this scheme involve the issuance of shares at an amount equivalent to 100% of the closing price on the pricing date, with no discount applied to the reference stock price. This represents a significant advantage for existing shareholders.

② Limitation on Maximum Number of Issuable Shares

The number of common shares of the Company to be issued under these Stock Acquisition Rights is fixed at a total of 21,000,000 shares. Regardless of stock price fluctuations, the maximum number of issuable shares is capped.

③ Acquisition Clause

In the event that the need for financing through the Stock Acquisition Rights no longer exists in the future, or if better financing options become available, the Company's Board of Directors may designate a date for the acquisition of any or all remaining Stock Acquisition Rights and notify the Scheduled Allottee. The acquisition price will be equal to the issuance price, with no cancellation fees or additional costs incurred.

④ Increase in Funds Raised During Stock Price Appreciation

Since the exercise price of the Stock Acquisition Rights is adjusted in tandem with stock price movements, a rise in the stock price will lead to an increase in the amount of funds raised.

⑤ Incentive to Exercise During Stock Price Appreciation

For the 21,000,000 shares scheduled to be issued upon the exercise of these Stock Acquisition Rights, if the stock price rises significantly during the exercise period, the Scheduled Allottee, as an investor, may exercise the rights promptly without waiting for the expiration of the exercise period to realize early capital gains. This is expected to facilitate the swift execution of the fundraising.

⑥ Reduction of Impact on Stock Price

The Stock Acquisition Rights are designed with a lower limit for the exercise price, ensuring that the adjusted exercise price will not be revised to a value below this lower limit. This design prevents an excessive supply of the Company's common shares, which could further exacerbate stock price declines in situations where the stock price falls below the lower limit exercise price or during periods of stock price stagnation.

Additionally, since the Company can control, to a certain extent, the quantity and timing of the exercise of the Stock Acquisition Rights based on the exercise suspension clause, it can flexibly raise funds while mitigating the risk of significant, sudden dilution of stock value. This approach allows the Company to account for its funding needs and market conditions while preventing a sharp decline in stock price value. Furthermore, under the Purchase Agreement, if the Scheduled Allottee sells the shares acquired through the exercise of the Stock Acquisition Rights for hedging purposes, such sales will be capped at 10% of the trading volume during the immediately preceding half-day session (for the morning session, the previous day's afternoon session volume applies; for the afternoon session, the same day's morning session volume applies).

In addition, although the terms of the 13th to 17th Series Stock Acquisition Rights are identical, dividing the Stock Acquisition Rights into five series and applying Suspension Designations to each series individually is intended to address concerns over a sudden increase in dilution. This also ensures

that the gradual dilution caused by the exercise of the Stock Acquisition Rights corresponds to funding needs and is communicated clearly to investors.

⑦ Transfer Restrictions on Stock Acquisition Rights under the Purchase Agreement

The Purchase Agreement is expected to include a transfer restriction clause that requires prior approval from the Company's Board of Directors for the transfer of the Stock Acquisition Rights. Consequently, without the Company's prior approval, the Scheduled Allottee will not be able to transfer the Stock Acquisition Rights to a third party.

Disadvantages

① Inability to Secure Full Funding Initially
A characteristic of stock acquisition rights is that funds are raised only when the rights are exercised by the stock acquisition rights holder. The amount of funds raised is equal to the exercise price multiplied by the number of shares subject to the exercise. Therefore, full funding will not be secured at the time of the initial issuance of the Stock Acquisition Rights.

② Risk of Reduced or No Funding in Periods of Declining Stock Prices
If the stock price remains below the price on the business day prior to the issuance resolution for an extended period during the exercise period of the Stock Acquisition Rights, the amount of funds raised may fall below the amount initially anticipated based on the initial exercise price. Additionally, since a lower limit for the exercise price is set, there is a possibility that the Stock Acquisition Rights will not be exercised if the stock price is below the threshold. However, the exercise price will not be adjusted below the lower limit.

③ Risk of Stock Price Decline Due to Market Sales of Common Shares by the Scheduled Allottee
Since the Scheduled Allottee's policy for holding the Company's common share is for short-term purposes, there is a possibility that the Scheduled Allottee will sell the shares acquired through the exercise of the Stock Acquisition Rights in the market. Such sales could result in a decline in the Company's stock price. Nevertheless, as described in Advantage ⑥ above, the Company mitigates this risk of stock price decline by controlling the quantity and timing of the exercise of the Stock Acquisition Rights based on the exercise suspension clause, restricting the number of shares sold for hedging purposes to a specific volume, and dividing the Stock Acquisition Rights into five series.

④ Limitations in Accessing a Broad Range of New Investors

Since the financing method involves a third-party allotment agreement exclusively between the Company and the Scheduled Allottee, the Company cannot benefit from the advantages of soliciting funds from a broad and unspecified group of new investors.

⑤ Occurrence of Dilution

If all the Stock Acquisition Rights are exercised, the total number of shares to be issued will be 21,000,000 shares (equivalent to 210,000 voting rights). Based on the Company's total number of issued shares of 39,168,334 and voting rights of 386,651 as of January 6, 2025, the dilution rate would be 53.61% (54.31% on a voting-rights basis). Therefore, the issuance of the Stock Acquisition Rights will result in a certain degree of dilution of the Company's common shares. However, the Stock

Acquisition Rights are expected to be exercised gradually over approximately two years, meaning that such dilution will not occur all at once.

⑥ Lock-Up Clause

The Purchase Agreement is expected to include a lock-up clause stipulating that the Company may not conduct equity-based financing without prior written consent from the Scheduled Allottee or EJS. As a result, the Company will be restricted from equity-based financing for a certain period. However, this restriction will only apply while the Stock Acquisition Rights remain outstanding. Once all Stock Acquisition Rights are exercised, the Company will regain the freedom to conduct equity-based financing.

(4) Alternative Financing Methods

① Capital Increase Through Issuance of New Shares

(a) Public Offering

While a public offering allows for the possibility of raising funds in a single instance, the amount of capital that can be raised is limited by the Company's market capitalization and stock liquidity. Considering the Company's current market capitalization and liquidity, it is deemed difficult to raise the necessary funds through this method.

Furthermore, a public offering requires significant time for deliberation, preparation, and execution. Whether a public offering can be conducted is heavily influenced by the stock price and overall market trends at the time. If the timing is missed, the process would likely be delayed by at least several months due to the timing of financial disclosures, such as earnings announcements, semiannual reports, and securities reports. This lack of flexibility makes the scheme presented in this disclosure more advantageous in terms of fundraising agility.

Additionally, given the Company's current business performance and financial condition, it is considered difficult to find a securities firm willing to underwrite new shares of the Company. Based on these considerations, a public offering has been deemed unsuitable as a financing method for this round of fundraising.

(b) Capital Increase Through Allotment to Shareholders

As disclosed in the August 6, 2024 "Notice Regarding Gratis Allotment of Stock Acquisition Rights (Unlisted)," the Company implemented a capital increase on September 5, 2024, by granting stock acquisition rights free of charge to all shareholders. Many shareholders have since requested a repeat of the shareholder allotment method for raising funds.

While the Company recognizes this as a potential option for future consideration, it would require appropriate timing and preparation. For this round of fundraising, however, the decision was made to prioritize swift execution, and therefore, this method has been set aside.

(c) Capital Increase Through Third-Party Allotment of New Shares While the issuance of new shares through a third-party allotment allows for fundraising in a single instance, it also results in immediate

dilution of earnings per share, which could directly impact the stock price. Furthermore, at this time, no suitable allottee has been identified.

According to the Scheduled Allottee, they are only willing to provide capital through a format where contributions are made progressively by exercising the Stock Acquisition Rights in stages and, depending on the risk situation, selling the shares acquired through the exercise of the Stock Acquisition Rights as appropriate.

② Bonds with Stock Acquisition Rights (Including MSCBs)

Bonds with stock acquisition rights offer the advantage of allowing the issuing company to secure the full amount of payment at the time of issuance, thereby meeting funding needs promptly. However, if the bonds are not converted, the issuing company must redeem them upon maturity.

In the case of MSCBs (Moving Strike Convertible Bonds), the number of shares issued upon conversion is generally determined based on the conversion price. As a result, the total number of shares to be issued through conversion remains uncertain until the conversions are completed. If the conversion price is adjusted downward, the number of potential shares increases, which is likely to have a significant direct impact on the stock price.

③ Capital Increase Through Gratis Allotment of Stock Acquisition Rights (Rights Issue)

A capital increase through the gratis allotment of stock acquisition rights to all shareholders, commonly referred to as a rights issue, can be conducted in two forms: a commitment-type rights issue, in which the Company enters into an underwriting agreement with a financial instruments business operator, and a non-commitment-type rights issue, in which no such agreement is made, and the exercise of stock acquisition rights is left to the discretion of shareholders.

Regarding the commitment-type rights issue, there is a lack of precedent for its implementation in Japan, and the method has not yet matured as a viable fundraising option. Additionally, concerns exist about increasing costs, such as underwriting fees, and limitations on the amount of funds that can be raised due to the Company's market capitalization and stock liquidity. Therefore, it has been determined that this method may not be an appropriate financing option at this time.

As for the non-commitment-type rights issue, the Company has recorded recurring losses over the past two years and does not meet the listing criteria prescribed by the Securities Listing Regulations of the Exchange. Consequently, the Company cannot adopt this method.

As disclosed in the August 6, 2024, "Notice Regarding Gratis Allotment of Stock Acquisition Rights (Unlisted)," the Company implemented a capital increase through the gratis allotment of stock acquisition rights to all shareholders on September 5, 2024. Many shareholders have already requested the reimplementing of a shareholder-allotment-based capital increase. While this option is recognized as a future consideration, the Company has decided to prioritize the swift execution of this round of fundraising and has opted not to adopt this method at this time.

④ Fundraising Through Borrowing, Bonds, or Subordinated Debt

Raising the target amount solely through debt would significantly increase the debt-to-asset ratio given that the Company's total assets are only a fraction of the target amount. Considering the Company's financial condition, such an approach would not be appropriate. Therefore, this method has been deemed unsuitable for the current fundraising.

4. Amount, Use, and Expected Timing of Funds to be Raised

(1) Estimated Net Proceeds from the Issuance of these Stock Acquisition Rights

①	Total Amount Raised	116,722,200,000 yen
	Total Amount to be Raised for these Stock Acquisition Rights	67,200,000 yen
	Value of Assets to be Contributed Upon Exercise of Stock Acquisition Rights	116,655,000,000 yen
②	Approximate amount of issuance costs	417,500,000 yen
③	Approximate Net Proceeds	116,304,700,000yen

(Note)

1. Total Payment Amount

The total payment amount is the sum of the following:

Series	Total Payment Amount
13th Series Stock Acquisition Rights:	15,246,000 yen
14th Series Stock Acquisition Rights:	15,246,000 yen
15th Series Stock Acquisition Rights:	15,246,000 yen
16th Series Stock Acquisition Rights:	15,246,000 yen
17th Series Stock Acquisition Rights:	15,246,000 yen

Series	Proceeds Upon Exercise
13th Series Stock Acquisition Rights:	23,331,000,000 yen
14th Series Stock Acquisition Rights:	23,331,000,000 yen

15th Series Stock Acquisition Rights:	23,331,000,000 yen
16th Series Stock Acquisition Rights:	23,331,000,000 yen
17th Series Stock Acquisition Rights:	23,331,000,000 yen

2. Estimated Issuance Costs

The estimated total issuance expenses include investigation costs of 500,000 yen, registration fees of 408 million yen, stock administration costs of 4 million yen, legal fees of 2 million yen, fair value calculation fees for the stock acquisition rights of 1 million yen, and third-party committee costs of 2 million yen, for a total amount. Consumption tax and local consumption tax are not included.

The total payment amount has been calculated based on the assumption that all stock acquisition rights are exercised at the initial exercise price. If the exercise price of the stock acquisition rights is revised or adjusted, the total payment amount and the estimated net proceeds may increase or decrease. Additionally, if the stock acquisition rights are not exercised during the exercise period or if the rights acquired by the company are canceled, the total payment amount and estimated net proceeds will decrease.

(2) Specific Use of Proceeds

The total amount of funds expected to be raised through the issuance of these stock acquisition rights and their exercise by the proposed allottee is approximately 116.313 billion yen. The specific use of the funds to be raised is planned as follows:

Intended Use	Amount (million yen)	Expenditure Period
① Purchase of Bitcoin	111,313	February 2025 – February 2025
② Bitcoin Income Generation Strategy	5,000	February 2025 – December 2025
Total	116,304	

- (Note)
1. Prior to deployment, proceeds will be held in bank deposit accounts.
 2. The priority for fund use will follow the order from ① onward. However, allocations will be adjusted flexibly according to the timing requirements of each item.
 3. If the funds raised are insufficient, the Company will consider obtaining additional funding through short-term borrowings from financial institutions, taking into account the costs of such financing as needed.
 4. Depending on stock price movements, the Company may implement bridge financing through bonds to facilitate the purchase of Bitcoin prior to the exercise of the Stock

Acquisition Rights. In such cases, the funds raised through the exercise of the Stock Acquisition Rights will be used to redeem the bonds. If this occurs, the Company will disclose and announce changes to the use of funds accordingly.

Details of how the funds to be raised will be used are as follows.

1. Purchase Bitcoin

Given Japan's current challenging economic environment, characterized by high debt levels, prolonged negative real interest rates, and persistent yen depreciation, the Company has strategically shifted its financial management focus to adopt Bitcoin as its primary reserve asset, as disclosed in the announcement titled "Strategic Shift in Metaplanet's Financial Management and Utilization of Bitcoin" dated May 13, 2024. This decision aims to mitigate asset risks associated with yen depreciation and leverage Bitcoin's potential for long-term appreciation.

By issuing the Stock Acquisition Rights and continuing to increase its Bitcoin holdings, the Company believes it can shield itself from the collapse of yen value, eliminate the effects of inflation, and achieve sustainable growth in corporate value. As such, the Company plans to allocate 111.3 billion yen for Bitcoin purchases. As of January 28, 2025, the Company holds 1761.98 Bitcoins (market value approximately 27.7 billion yen).

2. Bitcoin Income Generation Strategy

Holding Bitcoin alone does not generate income, such as interest. Therefore, as part of its Bitcoin treasury business, the company secures revenue through put-option sales. As disclosed on December 18, 2024, in the announcement titled "Notice Regarding Consolidated Earnings Forecast for the Fiscal Year Ending December 2024," this business generated profits exceeding 500 million yen in the previous fiscal year (ending December 2024).

The company intends to continue building profits this fiscal year to ensure operating profitability for the entire year. Accordingly, 5 billion yen of the funds raised will be allocated to this business.

<Use of funds in past fundraising>

Regarding the allocation of funds raised through the issuance of the 12th stock acquisition rights (hereinafter referred to as the "12th Stock Acquisition Rights"), resolved at the meeting of the Board of Directors on November 28, 2024, the status is as follows:

Specific Use	Amount (in millions of yen)	Expected Timing of Expenditures
① Redemption of Bonds	9,500	January 2025
② Working Capital	7	December 2024 – December 2025
Total	9,507	

As disclosed in the "Notice of Change in Use of Funds" dated December 17, 2024, the funds raised through the issuance of the 4th corporate bonds were allocated to Bitcoin purchases, which were initially planned as the specific use of funds raised through the 12th Stock Acquisition Rights. In

exchange, the funds raised through the exercise of the 12th Stock Acquisition Rights were allocated to redeem the 4th corporate bonds, resulting in a change in the use of funds.

Additionally, as disclosed in the "(Progress Disclosure) Notice of Change in Use of Funds" dated December 20, 2024, the funds raised through the issuance of the 5th corporate bonds were also allocated to Bitcoin purchases, initially planned as the specific use of funds from the 12th Stock Acquisition Rights. In exchange, the funds raised through the exercise of the 12th Stock Acquisition Rights were allocated to redeem the 5th corporate bonds, resulting in another change in the use of funds.

Furthermore, as disclosed in the "Notice Regarding Additional Bitcoin Purchases" dated December 23, 2024, the company purchased a total of 9.5 billion yen worth of Bitcoin (619.70 Bitcoin) using funds raised through the 4th and 5th corporate bonds. As of December 23, 2024, the company holds a total of 1,761.98 Bitcoin.

5. Thoughts on the rationality of the use of funds

As described in "2. Purpose and Reason for the Offering" above, the funds raised through this financing will be allocated to the purposes outlined in "4. Amount of Funds to Be Raised, Use, and Expected Timing of Expenditures (2) Specific Use of Funds." This includes the additional purchase of Bitcoin and the increase in the number of Bitcoins held, which will help isolate assets from the collapse in the value of the Japanese yen and contribute to the stabilization of the Company's financial foundation.

Therefore, the planned use of funds is deemed to be aimed at enhancing corporate value and is considered reasonable as it serves the interests of the Company's existing shareholders.

Additionally, the Company considers the market risks associated with Bitcoin to be primarily short-term, based on the fact of Bitcoin's price increase over the past 10 years. Should risks materialize, the Company will examine the scope of risk it can tolerate on a case-by-case basis and consider appropriate measures accordingly.

6. Rationality of Issuance Terms

(1) Basis and Specific Details for Determining the Rationality of Issuance Terms

The Company commissioned a third-party evaluation of the Stock Acquisition Rights based on the issuance terms and conditions stipulated in the planned Purchase Agreement with the Scheduled Allottee.

The evaluation was conducted by Tokyo Financial Advisors Co., Ltd. (Representative Director: Gen Nose, Address: 11-28 Nagatacho 1-chome, Chiyoda-ku, Tokyo), a third-party valuation agency. The Company selected this third-party institution due to its extensive experience in valuing third-party allotment transactions, its expertise in the issuance and valuation of stock acquisition rights, and its recognition as a reliable evaluator. There are no significant conflicts of interest between the valuation agency, the Company, or the Scheduled Allottee.

The evaluation agency considered various pricing models, including the Black-Scholes model and the binomial model, and determined that the Monte Carlo simulation was the most suitable for valuing the stock acquisition rights. This decision was based on the ability of the Monte Carlo simulation, as a general pricing model, to appropriately reflect the terms of issuance and other conditions outlined in the purchase agreement to be executed with the allottee.

The evaluation was conducted using the closing price of the company's common stock on the Tokyo Stock Exchange (4,035 yen) on January 27, 2025, the business day prior to the Board of

Directors' resolution. Other assumptions included an exercise price of 5,555 yen, daily stock price volatility of 92.21%, an exercise period of two years, a risk-free interest rate of 0.700%, a projected dividend rate of 0%, a market risk premium of 9.1%, a beta coefficient of 0.771 relative to the index, and a credit cost of 116.68%. The evaluation also considered the liquidity of the stock to estimate the number of shares that could be sold, costs associated with stock disposal reflected in cash flows upon exercise, and the market environment as of the evaluation date. Additionally, examples of public equity offerings and stock acquisition rights issued by other companies were reviewed to estimate a reasonable benchmark.

Based on the valuation provided by the evaluation agency using these assumptions, the company consulted with the allottee and set the payment price per stock acquisition right as follows: 363 yen each for the 13th, 14th, 15th, 16th, and 17th series of stock acquisition rights.

The initial exercise price of the stock acquisition rights was set at 5,555 yen, calculated as 37.67% above the closing price of the company's common stock on January 27, 2025, in accordance with the method for adjusting the exercise price. The lower limit exercise price was set at 2,555 yen. The initial exercise price of 5,555 yen was determined based on the recent performance of the company's stock price and the expectation that the announcement of this fundraising would be well-received by the market, potentially leading to continued stock price increases up to the start of the exercise period.

The lower limit exercise price of 2,555 yen was determined after consultations with the allottee and a review of similar fundraising cases. This level was considered reasonable to enhance the likelihood of successfully raising the planned funds while maintaining a price level appropriate for the scale of the fundraising.

The issuance price of the Stock Acquisition Rights was determined to be fair and appropriate based on the valuation results provided by the independent third-party valuation agency. The valuation agency used the Monte Carlo simulation, a commonly accepted method for calculating fair value, and accounted for events that could impact the fair valuation of the Stock Acquisition Rights. Since the payment amount matches the valuation and was determined through discussions with the Scheduled Allottee, the issuance price does not constitute a favorable issuance and is judged to be reasonable and appropriate.

Furthermore, all three corporate auditors of the Company (all of whom are external auditors) expressed the opinion that the issuance of the Stock Acquisition Rights does not constitute a favorable issuance under particularly advantageous terms and is lawful. This opinion is based on the valuation provided by Tokyo Financial Advisors Co., Ltd., an independent external valuation agency with no transactional relationships with the Company. The agency considered assumptions such as the exercise price, stock price, volatility, and exercise period, and used the Monte Carlo simulation to calculate fair value, which was deemed reasonable. The payment amount was confirmed to align with this valuation.]

(2) Rationale for Determining the Reasonableness of Issuance Volume and Scale of Dilution

If all Stock Acquisition Rights are exercised, the total number of shares issued will be 21,000,000 (equivalent to 210,000 voting rights). Based on the Company's total issued shares of 39,168,334 shares and 386,651 voting rights as of January 6, 2025, the dilution rate would be 53.61% (or 54.31% based on voting rights).

Additionally, within the six months preceding this issuance resolution, the issuance of 4,915,487 shares (49,154 voting rights) resulting from the exercise of the 11th Series Stock Acquisition Rights

allotted to EVO FUND on October 21, 2024, and 2,900,000 shares (29,000 voting rights) from the exercise of the 12th Series Stock Acquisition Rights allotted to EVO FUND on December 11, 2024, brings the total potential shares to 28,815,487 common shares (288,154 voting rights). This number, when compared to the total issued shares of 31,350,559 shares (312,827 voting rights) as of October 15, 2024, represents a dilution rate of 91.91% (or 92.11% based on voting rights).

As a result, the issuance of these Stock Acquisition Rights will result in significant dilution of the Company's common shares.

However, the Stock Acquisition Rights are designed to be exercised incrementally over approximately two years, thereby limiting the impact of dilution while enabling the Company to secure the necessary funding at its desired timing. Moreover, the funds raised through these Stock Acquisition Rights will be allocated to the uses specified in "4. Amount of Funds to Be Raised, Use, and Expected Timing of Expenditures (2) Specific Use of Funds." These allocations are intended to support investments in the Company's focus areas and contribute to the stabilization of its financial foundation, thereby benefiting existing shareholders from a medium- to long-term perspective.

Additionally, the average daily trading volume of the company's common stock over the past six months was 3,309,156 shares, indicating sufficient liquidity to facilitate smooth sales in the market during the exercise period. Furthermore, under the purchase agreement, if the proposed allottee sells shares acquired through the exercise of the stock acquisition rights for hedging purposes, such sales will be capped at 10% of the trading volume during the half-day immediately preceding the sale (referring to the afternoon trading session of the previous trading day for morning sales and the morning session of the same trading day for afternoon sales).

Since the dilution rate exceeds 25%, the Company established a third-party committee (the "Third-Party Committee") in accordance with Article 432 of the Securities Listing Regulations set forth by the stock exchange. The committee comprises three attorneys—Yosuke Koike, Maho Takenoshita, and Akito Hiratsuka—from Koike Ito Law Office, an independent law firm with no conflicts of interest with the Company.

The Third-Party Committee carefully deliberated on the reasonableness of the dilution scale, the appropriateness of the fundraising method, and the suitability of the Scheduled Allottee. As stated in "10. Matters Related to Corporate Code of Conduct Procedures," the committee expressed its opinion that the necessity and appropriateness of this fundraising are recognized.

Therefore, the dilution caused by the fundraising through the Stock Acquisition Rights is not deemed excessive in scale, will not overly affect the market, and is considered reasonable from the perspective of enhancing shareholder value.

7. Reasons for Selection of the Scheduled Allottee, etc.

(1) Overview of Scheduled Allottee

(a)	Name	EVO FUND (Evo Fund)
(b)	Location	c/o Intertrust Corporate Services (Cayman) Limited One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands
(c)	Establishment Basis	Tax exempt limited liability company under Cayman Islands law

(d)	Formation Purpose	Investment purposes	
(e)	Formation Date	December 2006	
(f)	Total Investment	Paid-in capital: 1 USD Net Assets: Approximately 111.6 million USD	
(g)	Investors/Investment Ratio	Voting rights: 100% Evolution Japan Group Holding Inc. (100% of the voting rights of Evolution Japan Group Holding Inc. are indirectly held by Michael Larch)	
(h)	Representatives	Representative Director Michael Larch Representative Director Richard Chisolm	
(i)	Overview of Domestic Agent	Name	EVOLUTION JAPAN Securities Co., Ltd.
		Location	4-1 Kioicho, Chiyoda-ku, Tokyo
		Representative's title and name	Representative Director and President Sean Lawson
		Business content	Financial products trading business
		Capital	999,058,875 yen
(j)	Relationship between the Company and the Fund	Relationship between the Company and the Fund:	As of January 6, 2025, the Scheduled Allottee holds 2,900,000 shares of the Company's common stock.
		Relationship between the Company and the Fund Representative	None applicable.
		Relationship between our company and domestic agents	None applicable.

(Note)

The information provided in the "Overview of the Scheduled Allottee" section is as of November 30, 2024, unless otherwise specified.

The Company has confirmed that the Scheduled Allottee, EVO FUND, its indirect 100% owner and officer Michael Larch, and its officer Richard Chisholm have no connections with anti-social forces. To this end, the Scheduled Allottee has submitted a written pledge affirming that it has no relationships with anti-social forces.

Additionally, the Company requested an investigation into EVO FUND, Michael Larch, and Richard Chisholm from JP Research & Consulting Co., Ltd. (Representative Director: Keisuke Furuno, Address: Toranomom Annex 6th Floor, 3-7-12 Toranomom, Minato-ku, Tokyo), a third-party investigative agency specializing in corporate investigations, credit checks, and related matters. The investigation included verification against the agency's database and other checks. On January 16, 2025, the Company received a report confirming that there were no facts indicating any involvement with anti-social forces concerning the Scheduled Allottee, its investors, or its officers. Based on these findings, the Company has comprehensively determined that the Scheduled Allottee, its investors, and its officers have no connections with anti-social forces. A confirmation document certifying the absence of any relationship with anti-social forces has been submitted to the stock exchange.

(2) Reasons for Selection of Scheduled Allottee

As described in "2. Purpose and Reason for the Offering," the Company has considered several options for flexible and reliable fundraising methods to allocate funds to the uses specified in "4. Amount of Funds to Be Raised, Use, and Expected Timing of Expenditures (2) Specific Use of Funds."

In pursuit of this goal, the Company consulted with multiple securities firms and, in late December 2024, received a proposal from EJS regarding fundraising through the issuance of Stock Acquisition Rights. After internal discussions and comparative analysis, the Company determined that this scheme would enable the necessary funds to be raised with a high degree of certainty, while minimizing temporary impacts on the stock price and avoiding excessive effects on existing shareholders. The scheme was judged to be an effective fundraising method.

Furthermore, the Scheduled Allottee, EVO FUND, has a proven track record of contributing to the Company's fundraising by consistently subscribing to previously issued new shares, stock acquisition rights, and corporate bonds.

The scheme, which allows for incremental funding through the exercise of Stock Acquisition Rights, aligns closely with the Company's financing needs. After weighing the merits and demerits mentioned earlier and consulting with the Scheduled Allottee, the Company concluded that fundraising through the issuance of Stock Acquisition Rights is the best option.

The Scheduled Allottee is a fund established in December 2006 under Cayman Islands law as an exempted limited liability company for the purpose of investing in listed stocks. It has a history of exercising all stock acquisition rights allocated through third-party allotments and contributing to issuers' fundraising efforts. The Scheduled Allottee has no investors other than Michael Larch, and its operational funds consist entirely of its own capital, except for short-term borrowings from its prime broker business partners.

The arranger for this fundraising is EJS, a related company of the Scheduled Allottee, which facilitated the transaction as part of its intermediation business for related companies. EJS is a wholly owned subsidiary of Tiger-In Enterprise Limited, a company based in the British Virgin Islands (Craigmuir Chambers, PO Box 71, Road Town, Tortola VG1110, British Virgin Islands; Representative Directors: Michael Larch, Richard Chisholm).

(Note) The allocation of Stock Acquisition Rights related to this transaction is made to the Scheduled Allottee through the mediation of EJS, a member of the Japan Securities Dealers Association. The offering is conducted under the "Rules on Handling of Third-Party Allotment, etc." as stipulated by the Japan Securities Dealers Association (self-regulatory rules).]

(3) Scheduled Allottee's Holding Policy and Exercise Restrictions

(3) Holding Policy of the Scheduled Allottee and Exercise Restriction Measures

The Scheduled Allottee is pursuing pure investment and does not intend to hold the Company's common stock obtained through the exercise of Stock Acquisition Rights for an extended period. Acting in the interests of its investors, the Scheduled Allottee plans to sell the Company's common stock obtained through the exercise of Stock Acquisition Rights primarily in the market, taking into account the impact on the market. If a block trade counterparty is found, the Scheduled Allottee may sell shares directly outside the market.

The Scheduled Allottee has verbally confirmed that it will not engage in transactions that obscure the actual number of shares held by EVO FUND, such as entering into swap transactions with financial institutions or institutional investors during the exercise period of the Stock Acquisition Rights. Additionally, the Scheduled Allottee has stated it has no plans to transfer the Stock Acquisition Rights to financial institutions such as prime brokers.

The Company and the Scheduled Allottee will enter into a Purchase Agreement that includes the following provisions regarding the Stock Acquisition Rights:

(a) In accordance with Article 434, Paragraph 1, and Article 436, Paragraphs 1–5 of the Securities Listing Regulations, the number of shares acquired by the Scheduled Allottee through the exercise of Stock Acquisition Rights within a single calendar month shall not exceed 10% of the total listed shares as of the payment date of the Stock Acquisition Rights. If convertible bonds or similar instruments issued during the same calendar month include overlapping exercise periods with the Stock Acquisition Rights, the shares acquired through the exercise of such instruments will be included in the calculation. The Company will not allow the exercise of rights exceeding this limit (referred to as "excessive exercise").

(b) The Scheduled Allottee agrees not to exercise Stock Acquisition Rights that fall under "excessive exercise" unless specified exceptions apply. It will confirm with the Company beforehand whether the exercise constitutes an "excessive exercise."

(c) If the Scheduled Allottee transfers the Stock Acquisition Rights, it will require the transferee to assume the obligation to comply with the restrictions on excessive exercise. This obligation will also apply if the transferee further transfers the rights to a third party.

The Purchase Agreement will also stipulate that the transfer of Stock Acquisition Rights requires prior approval from the Company's Board of Directors. If the Scheduled Allottee wishes to transfer any of the Stock Acquisition Rights, the Company will review the transferee's background, confirm the payment source for the exercise price, and verify the transferee's holding policy for the shares obtained through the exercise. If deemed appropriate, the transfer will be approved by the Board, and the Company will promptly disclose the approval and transfer details. As of now, the Scheduled Allottee has confirmed verbally that it has no plans to transfer the Stock Acquisition Rights.

(4) Details Confirmed Regarding Existence of Assets Required for Payment by Scheduled Allottee

The Company has reviewed balance reports as of December 31, 2024, from multiple prime brokers detailing the Scheduled Allottee's cash, securities, and other assets net of borrowings. Based on these reports, the Company has determined that the Scheduled Allottee has sufficient funds to pay the total amount of the issuance price for the Stock Acquisition Rights and the exercise price on the allocation date.

Since the Scheduled Allottee is expected to exercise the Stock Acquisition Rights incrementally and recoup funds by selling the shares obtained through the exercise or shares borrowed under the

following stock loan agreement, there will be no need for large sums of funds at any one time. Therefore, the Company has judged that the Scheduled Allottee has sufficient funds to exercise the Stock Acquisition Rights.

Although the Scheduled Allottee holds Stock Acquisition Rights of other companies, the incremental exercise and sale process ensures that the amount of funds required at any given time remains modest. Even when considering the total amount of funds required, the Company has judged that the Scheduled Allottee's net assets are sufficient to cover the payment and exercise costs of the Stock Acquisition Rights.

(5) Share Lending Agreement

In connection with the issuance of the Stock Acquisition Rights, the major shareholder, MMXX Ventures Limited, and EVO FUND will terminate the stock loan agreement executed during the issuance of the 12th Series Stock Acquisition Rights. A new stock loan agreement for the Stock Acquisition Rights will be executed. Contract Period: January 29, 2025 – February 22, 2027. Maximum Loaned Shares: 1,900,000 shares. Collateral: None. At the request of MMXX Ventures Limited, loan fees will not be disclosed to prevent the exposure of its investment and operational policies concerning competitors.

8. Major Shareholders and Shareholding Ratios

Before the Offering (as of October 29, 2024)	
MMXX VENTURES LIMITED (Standing proxy EVOLUTION JAPAN Securities Co., Ltd.)	11.12%
INTERACTIVE BROKERS LLC (Standing proxy: Interactive Brokers Securities Japan Inc.)	9.09%
EVO FUND (Standing proxy: EVOLUTION JAPAN Securities Co., Ltd.)	7.42%
SPENCER DAVID JONATHAN (Standing proxy EVOLUTION JAPAN Securities Co., Ltd.)	3.84%
Simon Gerovich	3.61%
Rakuten, Inc.	3.61%
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	3.56%
BNYM AS AGT/CLTS 10 PERCENT (Standing proxy: Mitsubishi UFJ Bank, Ltd.)	3.38%
UBS AG SINGAPORE (Standing proxy: Citibank, N.A. Tokyo Branch)	2.92%
Etou Batara	1.92%

(Note) 1. The shareholding ratios have been calculated by adding 2,900,000 shares of the Company's common shares issued upon full exercise of the 12th Series Stock Acquisition

Rights as of January 6, 2025, to the number of shares listed in the shareholder registry as of December 31, 2024.

2. The Scheduled Allottee's stated purpose for holding the Stock Acquisition Rights is investment. The Scheduled Allottee has indicated that it intends to sell the Company's common shares obtained through the exercise of the Stock Acquisition Rights. Therefore, the Scheduled Allottee is not expected to hold the Company's common shares for an extended period after exercising the Stock Acquisition Rights. Accordingly, the post-offering major shareholders and shareholding ratios have not been listed.
3. Shareholding ratios have been rounded to the nearest third decimal place.
4. As stated in the large shareholding report made available for public inspection on January 10, 2025, Capital Research and Management Company was reported to hold the following shares as of December 31, 2024. However, as of January 28, 2025, the company cannot confirm the actual number of shares effectively held. Therefore, this information has not been included in the aforementioned major shareholder details. The contents of the large shareholding report are as follows:

Name or Entity	Address	Number of shares held (shares)	Shareholding Ratio (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, California, United States	2,012,800	5.55

9. Future Outlook

The impact of this third-party allotment on the consolidated financial results for the fiscal years ending December 2024 and December 2025 is expected to be minimal. However, if any disclosure becomes necessary, it will be promptly announced.

10. Matters Concerning Procedures under Corporate Governance Code

As the dilution ratio resulting from this fundraising exceeds 25%, pursuant to Article 432 of the Securities Listing Regulations established by the stock exchange, either (1) an opinion on the necessity and appropriateness of the allotment from a party reasonably independent of management, or (2) confirmation of shareholder intent through a resolution of a general meeting of shareholders regarding the allotment, is required.

The Company has determined that the funds raised through this third-party allotment, unlike the issuance of new shares, do not immediately result in stock dilution. Furthermore, considering the current financial condition of the Company and the need for prompt execution of this fundraising, obtaining shareholder approval through an extraordinary general meeting would require approximately two months to prepare and execute. Additionally, holding an extraordinary general meeting would involve significant costs.

Based on a comprehensive review, the Company decided to obtain an opinion on the necessity and appropriateness of this fundraising from a third-party committee reasonably independent of management.

Therefore, as described in "6. Reasonableness of Issuance Terms (2) Grounds for Determining the Scale of Issuance and Stock Dilution as Reasonable," the Company established the third-party committee to

seek an objective opinion regarding the necessity and appropriateness of this fundraising. The Company obtained the following opinion statement on January 27, 2025:
(Summary of the Opinion from the Third-Party Committee)

1. Content of the Opinion

The necessity and appropriateness of this third-party allotment are recognized.

2. Reasons for the Opinion

(1) Necessity of Fundraising

Your company has decided to hold Bitcoin as part of its financial management strategy, adopting a "Bitcoin First, Bitcoin Only" approach. You have clarified your intent to position this as a core business strategy, leveraging long-term debt and periodic equity issuance as strategic financial options to continually increase Bitcoin holdings instead of maintaining the weakening yen.

In practice, as disclosed in the announcement dated October 3, 2024, titled "Bitcoin Put Option Transactions and Increase in Holdings," your company has engaged in Bitcoin put option transactions. Furthermore, as disclosed in the announcement dated October 25, 2024, titled "Adoption of 'BTC Yield' as a Key Management Metric," you have adopted BTC Yield (a metric that measures the ratio of total Bitcoin holdings to fully diluted shares outstanding) as a key management indicator. These initiatives demonstrate your active engagement in Bitcoin treasury management.

Going forward, your company plans to continue its role as a Bitcoin treasury company, fully aware of its position as a pioneer in the Bitcoin space in Japan. The plan includes maximizing the procurement of Japanese yen and converting it into Bitcoin to preserve asset value while increasing the total Bitcoin holdings.

When considering the market value of Bitcoin, it is worth noting that the price of Bitcoin reached an all-time high on November 7, 2024, demonstrating an upward trajectory. On the other hand, the Japanese yen, as the national currency, continues to lose its value, with the USD/JPY exchange rate nearing the 160-yen range on the same day, reflecting ongoing depreciation and an uncertain future outlook.

In such circumstances, your company has determined that increasing Bitcoin holdings is of heightened importance and that prompt fundraising to purchase Bitcoin is necessary.

Based on the facts above, there appears to be no particular irrationality in your explanation that large-scale fundraising is indispensable. Therefore, assuming the accuracy of the explanations and materials provided by your company, the necessity of this third-party allotment for fundraising is recognized.

2. Appropriateness of Measures

(1) Regarding Fundraising Methods

Your company, as mentioned above, has decided to hold Bitcoin as part of your financial management strategy amid the uncertain future prospects of the value of the Japanese yen. By clearly adopting a "Bitcoin First, Bitcoin Only" approach, you have positioned the strategic use of long-term debt and periodic equity issuance as a financial strategy to continuously accumulate Bitcoin, replacing the weakening yen. This approach is central to your business operations. At the same time, your company recognizes the necessity of raising substantial funds quickly to purchase Bitcoin and has determined that prompt fundraising is essential as a Bitcoin treasury company.

On the other hand, your company has judged that raising the targeted amount of funds through debt-financing methods such as bank loans, corporate bonds, or subordinated debt is inappropriate given

the current financial situation, where total assets amount to only a fraction of the debt size, which would significantly raise your debt ratio to an excessive level.

Additionally, with respect to equity-based fundraising, your company has judged that public offerings are not appropriate due to their relatively higher fundraising costs and the longer preparation period required for procedures.

Furthermore, while shareholder allotments and capital increases through free allotment of stock acquisition rights remain future options for consideration, your company has decided to forgo these methods for this round of fundraising, prioritizing rapid execution. Similarly, your company has determined that issuing new shares through third-party allotments is not suitable because this method would immediately dilute earnings per share (EPS) and could directly impact stock prices. Additionally, there are currently no suitable third-party allotment recipients.

Regarding methods such as bonds with stock acquisition rights, your company has determined that these are not appropriate fundraising methods. If the bonds are not converted, they must be redeemed upon maturity. In the case of Mandatory Securities Convertible Bonds (MSCBs), the total number of shares issued upon conversion remains uncertain until the conversion is completed, and downward revisions of the conversion price could increase the number of potential shares, significantly impacting stock prices.

Your company has designed the stock acquisition rights for this round with a minimum exercise price to mitigate stock price impacts. This ensures that the adjusted exercise price cannot fall below the minimum, preventing excessive dilution of your common shares during periods of stock price stagnation. Furthermore, provisions allow your company to control the number and timing of exercises to some extent, considering funding needs and market conditions, enabling flexible fundraising while avoiding significant, immediate dilution of stock value. To address concerns about abrupt dilution, the rights are divided into five tranches, ensuring investors can understand the gradual progression of dilution based on your funding needs.

As such, your company ultimately decided that improving stock liquidity, despite its potential disadvantages to existing shareholders, contributes to the ease of disposal for shareholders and, from a medium- to long-term perspective, serves the interests of all shareholders.

No errors or shortcomings in judgment were found in your company's explanations and considerations, and no unreasonable aspects were observed. While a simple third-party allotment of new shares would cause immediate dilution and make securing the full amount of required funds challenging, this judgment is deemed reasonable given your company's financial situation.

Based on the explanations and materials provided by your company, it is considered rational to select the issuance of stock acquisition rights for third-party allotment as a fundraising method, as debt-financing is difficult and equity-based financing is deemed necessary.

(2) Reasons for Selecting the Allotment Recipient

Your company plans to use the funds raised to purchase Bitcoin in light of Japan's current challenging economic environment, characterized by high debt levels, prolonged negative real interest rates, and ongoing yen depreciation. This would mitigate asset risks arising from yen depreciation and leverage

the potential long-term appreciation of Bitcoin. Additionally, the funds will support your Bitcoin treasury business by securing revenue through put-option sales, enabling further Bitcoin accumulation, and protecting assets from the collapse of the yen's value, thereby stabilizing your financial foundation.

To achieve this, your company determined that it requires investors capable of providing equity-based funding who understand your new financial management strategy. After consulting with multiple securities companies, your company received a proposal from EJS in late December 2024 regarding funding through stock acquisition rights. Following internal discussions and comparative evaluations, this scheme was deemed effective, as it ensures the required funds can be raised with a high probability, minimizes temporary impacts on stock prices, and avoids excessive adverse effects on existing shareholders.

The proposed allotment recipient, EVO FUND, has a proven track record of supporting your company's funding efforts by consistently underwriting your newly issued shares, stock acquisition rights, and corporate bonds. Additionally, the company has confirmed EVO FUND's financial stability through reports of its net assets as of December 31, 2024, verified by its multiple prime brokers, which show cash, securities, and other assets net of liabilities.

Furthermore, to confirm that the proposed allotment recipient is not associated with any antisocial forces, your company conducted a specialized investigation through JP Research & Consulting. The investigation report, received on January 16, 2025, confirmed that neither EVO FUND nor its officers or contributors have any connections with antisocial forces. A written pledge was also obtained from the allotment recipient affirming no relationships with such entities.

Additionally, your company disclosed that major shareholders MMXX Ventures Limited and EVO FUND plan to terminate the existing share-lending contract related to the issuance of the 12th stock acquisition rights and sign a new contract for this issuance (contract period: January 29, 2025 – February 22, 2027; maximum number of shares: 1,900,000; collateral: none).

Based on the explanations and materials provided by your company, it is deemed reasonable to select the proposed allotment recipient.

(3) Summary

As outlined above, the choice of the third-party allotment as a fundraising method and the selection of the allotment recipient are both deemed appropriate.

3. Appropriateness of the Issuance Terms

(1) Issuance Price of the New Stock Acquisition Rights

Your company has decided on an issuance price of 363 yen per stock acquisition right for this third-party allotment.

Tokyo Financial Advisors Co., Ltd., an independent third-party evaluation agency, was engaged to evaluate the price of the stock acquisition rights. The agency employed the Monte Carlo simulation, a standard pricing model, using the following assumptions: a reference stock price of 4,035 yen

(closing price on January 27, 2025), an exercise price of 5,555 yen, volatility of 92.21%, an exercise period of two years, a risk-free rate of 0.70%, a dividend yield of 0.00%, a market risk premium of 9.1%, a beta coefficient of 0.771 (based on SPEEDA's five-year daily data), and credit costs of 116.68%.

The evaluation also considered liquidity constraints, stock disposal costs, market conditions, and comparisons with similar public equity and stock acquisition right issuances. Based on this analysis, the payment price for the 13th to 17th series of stock acquisition rights was set at 363 yen per right. The exercise price was determined at 5,555 yen, reflecting the January 27, 2025 closing price adjusted upward by 37.67%, with a lower limit of 2,555 yen.

The lower limit exercise price was judged reasonable after consultation with the allotment recipient, balancing the need for fundraising certainty and the stock price's doubling over six months. The evaluation method was deemed fair and appropriate, with no unreasonable elements found. As the payment price was aligned with the evaluation result and determined in agreement with the allotment recipient, the issuance price is neither favorable nor inappropriate, ensuring fairness and reasonableness.

Based on the above, the issuance price of the new stock acquisition rights was finalized through sincere discussions and negotiations with the allotment recipient. Your company judged that this represents the best possible terms under the current circumstances. No errors in judgment or deficiencies in consideration have been observed.

Therefore, based on the explanations and materials provided by your company, the issuance price of the stock acquisition rights through this third-party allotment is deemed appropriate.

(2) Exercise Price of the New Stock Acquisition Rights

Your company has determined the exercise price of the stock acquisition rights in this third-party allotment as follows:

The initial exercise price is set at 5,555 yen. Starting from February 17, 2025 (inclusive), the exercise price will be adjusted for the first time and will continue to be adjusted daily thereafter. If the exercise price is adjusted under these terms, it will be modified to the closing price of your company's common shares on the exchange as announced on the pricing date, rounded down to the nearest yen (100% of the closing price). However, if the calculated price is lower than the minimum exercise price, the minimum exercise price will apply. If there is no closing price on the pricing date, the exercise price will not be adjusted. Additionally, if events specified under Article 11 of the terms of issuance occur on the pricing date, the closing price announced by the exchange will be reasonably adjusted to reflect those events.

This exercise price reflects the necessity of fundraising, the absence of alternative funding methods, and a comprehensive consideration of factors such as your company's financial performance, stock price trends, liquidity, and the substantial time required for the allottee to exercise all the rights. It was ultimately agreed upon after sincere discussions and negotiations with the proposed allotment recipient.

Your company has judged this to be the best possible condition under the current circumstances, and there are no errors in judgment or deficiencies in consideration. Based on the explanations and materials provided by your company, the exercise price of the stock acquisition rights in this third-party allotment is deemed appropriate.

(3) Dilution

If all stock acquisition rights are exercised, the number of shares to be issued would total 21,000,000 shares equivalent to 210,000 voting rights. Using the total issued shares of 39,168,334 shares and 386,651 voting rights as of January 6, 2025, the dilution rate would amount to 53.61% based on the total issued shares and 54.31% based on voting rights.

Additionally, within the six months prior to this issuance decision, 4,915,487 shares (49,154 voting rights) were issued on October 21, 2024, upon the exercise of the 11th stock acquisition rights transferred to EVO FUND. Furthermore, 2,900,000 shares (29,000 voting rights) were issued on December 11, 2024, upon the exercise of the 12th stock acquisition rights allocated to EVO FUND. Adding these shares to the maximum number of shares to be issued from this new allotment results in a total of 28,815,487 shares (288,154 voting rights), representing a dilution rate of 91.91% of the total issued shares and 92.11% of the total voting rights as of October 15, 2024. This indicates significant dilution of your common shares, with the dilution rate exceeding 25%. Therefore, this third-party allotment falls under the category of "large-scale third-party allotments" as defined by the "Notes for Disclosure under Form No. 2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, Article 23-6," which requires attention to this matter.

Nevertheless, the stock acquisition rights are designed to be exercised in stages over approximately two years, thereby limiting the impact of dilution while enabling the company to secure the necessary funds at the desired timing. The funds raised through this allotment are planned to be allocated as outlined in "4. Amount of Funds Raised, Uses, and Planned Timing of Expenditures," contributing to investments in focus areas and stabilizing the financial foundation. From a medium- to long-term perspective, this is expected to benefit existing shareholders, and the rationale for proceeding with the third-party allotment despite the substantial dilution remains valid.

Additionally, the average daily trading volume of your company's common shares over the past six months was 3,309,156 shares. Given the two-year exercise period, the stock has sufficient liquidity to allow for smooth sales in the market. Moreover, under the terms of the purchase agreement, if the allottee sells the shares obtained through exercising the stock acquisition rights for hedging purposes, the volume of sales during a half-day trading session (morning or afternoon) will be limited to 10% of the volume traded in the immediately preceding session. This provision ensures that the dilution caused by the stock acquisition rights will not have an excessive impact on the market and is reasonable from the perspective of enhancing shareholder value.

Based on the explanations and materials provided by your company, the dilution caused by this third-party allotment is deemed reasonable.

(4) Summary

Based on the above, the issuance terms of this third-party allotment are deemed appropriate.

4. Conclusion

Taking into account the results of the aforementioned review, it is concluded that this third-party allotment is both necessary and appropriate. Following discussions and considerations based on the above opinion statement, the company resolved at today's board of directors' meeting to proceed with this fundraising.

11. Business Performance for the Past Three Years and Status of Equity Financing

(1) Business Performance for the Past Three Years (Consolidated)

	Issue 23 December 2021 issue	Issue 24 December 2022 issue	Issue 25 December 2023 issue
Sales (thousand yen)	518,451	366,121	261,633
Ordinary loss (Δ) (thousand yen)	Δ1,230,727	Δ836,658	Δ414,710
Attributes to parent company shareholders Net income or Net loss (Δ) (thousand yen)	Δ737,240	977,845	Δ683,923
Comprehensive income (thousand yen)	Δ777,978	993,985	Δ632,639
Net assets (thousand yen)	Δ373,414	617,518	1,152,087
Total assets (thousand yen)	13,091,183	5,357,296	1,666,137
Net assets per share (yen)	Δ6.66	10.72	9.86
Net income per share Or net loss (Δ) (yen)	Δ12.89	17.10	Δ6.29

(Note) The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the 24th term, and the key management indicators for the 24th term and thereafter reflect the application of this accounting standard.

(2) Current Status of Issued Shares and Potential Shares (as of November 27, 2024)

	Number of shares	Ratio to number of outstanding shares
Number of issued shares	39,168,334	100.00%
Potential number of shares at current	—	—

conversion price (exercise price)		
Number of potential shares at the lower limit conversion price (exercise price)	—	—
Number of potential shares at the upper limit conversion price (exercise price)	—	—

(3) Recent Stock Price Trends

① Status for the Past Five Years

Term	Issue 22 December 2020 issue	Issue 23 December 2021 issue	Issue 24 December 2022 issue	Issue 25 December 2023 issue	Issue 26 December 2024 issue
Opening price (yen)	1,120 (112)	560 (56)	410 (41)	470 (47)	180 (18)
High price (yen)	1,200 (120)	680 (68)	1,070 (107)	480 (48)	4,270
Low price (yen)	440 (44)	380 (38)	300 (30)	140 (14)	140 (14)
Closing price (yen)	550 (55)	400 (40)	470 (47)	170 (17)	3,480

(Note) 1. The highest and lowest stock prices are from the Tokyo Stock Exchange (Standard Market) since April 4, 2022, and prior to that from the Tokyo Stock Exchange (JASDAQ Standard).

2. On August 1, 2024, the company implemented a 1-for-10 reverse stock split for its common shares. The stock prices listed reflect the post-split highest and lowest prices, with the pre-split highest and lowest prices shown in parentheses.

② Status for the Past Six Months

	August	September	October	November	December	January
Opening price (yen)	1,089	1,309	1,008	1,423	2,351	3,745
High price (yen)	1,888	1,329	1,633	2,747	4,270	4,935

Low price (yen)	596	941	901	1,400	2,260	3,365
Closing price (yen)	1,393	991	1,425	2,310	3,480	4,035

(Note) 1. All stock prices are based on listings on the Tokyo Stock Exchange (Standard Market).

2. Data for January 2025 reflects values as of January 27, 2025.

③ Stock Prices on the Business Day Prior to the Issuance Resolution

Date	January 27, 2025
Opening Price (yen)	4,200
High Price (yen)	4,380
Low Price (yen)	4,015
Closing Price (yen)	4,035

(4) History of Equity Financing for the Past Three Years

Issuance of 9th Series Stock Acquisition Rights by Third-Party Allotment

Allocation Date	February 8, 2023
Number of Stock Acquisition Rights Allocated (Initial), Category, and Number of Recipients:	By third-party allocation: MMXX Ventures Limited EVO FUND
Number of Stock Acquisition Rights allotted (initial)	By third party allocation method MMXX Ventures Limited 335,000 EVO FUND
Exercise Period for Stock Acquisition Rights:	From February 8, 2026 (including the day) to February 7, 2033 (including the day)
Planned Fund Procurement at Time of Issuance	1,355,410,000 Breakdown: Amount raised by issuing Stock Acquisition Rights: 15,410,000 Amount raised through exercise of Stock Acquisition Rights: 1,340,000,000
Exercise price (yen)	20

Total number of issued shares on Allocation Date	114,692,187
Exercise status (rights)	670,000
Initial use of funds	Working capital, investment business, repayment of loans, etc.
Planned Expenditure Period:	February 2023 ~ December 2025
Current Allocation Status:	Working capital, investment business, repayment of loans, etc.

(Note) As announced on June 10, 2024 in "Full Exercise of the 9th Series of Stock Acquisition Rights" the exercise of the 9th Stock Acquisition Rights has been completed. As announced in the "Notice Regarding Change in Use of Proceeds" dated June 11, 2024, WEB3, which was planned at the time when the Company's board of directors resolved to issue the 9th stock acquisition rights on December 28, 2022, We have decided to cancel these and Metaverse-related businesses as there is still no prospect of profitability, and have decided to incorporate the purchase and holding of Bitcoin as part of our stated corporate treasury strategy.

Issuance of 11th Series Gratis Allotment of Stock Acquisition Rights (Unlisted)

Allocation Date	September 6, 2024
Number of Stock Acquisition Rights Allocated (Initial), Category, and Number of Recipients:	Depending on the shareholder allotment method. Shareholders listed or recorded in the shareholder register as of September 6, 2024
Number of Stock Acquisition Rights allotted (initial)	Depending on the shareholder allotment method 18,099,116 (after excluding own company)
Exercise Period for Stock Acquisition Rights:	From September 6, 2024 to November 5, 2024
Planned Fund Procurement at Time of Issuance	10,045,009,380 breakdown: Amount raised by issuing stock acquisition rights: 0 Amount raised through exercise of stock acquisition rights: 10,045,009,380

Exercise price (yen)	555
Total number of issued shares on Allocation Date	18,169,218
Exercise status (rights)	18,099,116
Initial Intended Use of Funds at Time of Issuance:	Redemption of corporate bonds, purchase of Bitcoin, working capital
Initially Planned Timing of Expenditure:	September 2024 to December 2026
Current Status of Fund Allocation:	Redemption of corporate bonds, purchase of Bitcoin, working capital

(Note) As disclosed in our "Notice Regarding Change in Use of Proceeds" dated October 1, 2024, while we had resolved to conduct a rights issue of the 11th Series Stock Acquisition Rights (Unlisted) (hereinafter "these Stock Acquisition Rights") as announced in our disclosure material "Notice Regarding Allotment of Stock Acquisition Rights (Unlisted)" dated August 6, 2024, as announced in our disclosure material "Notice Regarding Loan and Purchase of Bitcoin" dated August 8, 2024, we borrowed funds totaling 1 billion yen from MMXX Ventures Limited (hereinafter "MMXX") for the purpose of purchasing Bitcoin, and we have modified the use of proceeds to repay this borrowing.

Issuance of the 12th Stock Acquisition Rights via Third-Party Allotment

Effective Date	December 16, 2024
Categories and Number of Allottees	By third-party allotment: EVO FUND
Number of Stock Acquisition Rights allotted (initial)	By third-party allotment EVO FUND: 29,000
Exercise Period for Stock Acquisition Rights:	From December 17, 2024 (inclusive) to June 16, 2025 (inclusive)
Planned Amount of Funds to Be Raised at Issuance (yen)	9,553,006,000 yen Amount raised by issuing stock acquisition rights: 17,806,000 yen Amount raised through exercise of stock acquisition rights: 9,535,200,000 yen
Exercise price (initial, yen)	3,288

Number of Issued Shares on Allotment Date (Shares)	2,900,000
Current Exercise Status (Rights)	29,000
Initial Intended Use of Funds at Time of Issuance:	Purchase of Bitcoin Working capital
Initially Planned Timing of Expenditure:	From December 17, 2024 (inclusive) to June 16, 2025 (inclusive)
Current Status of Fund Allocation	9,500,000,000 yen allocated for bond redemption 7,000,000 yen unallocated for working capital

(Note) As announced on January 16, 2025, in the "Monthly Exercise Status of the 12th Stock Acquisition Rights Issued via Third-Party Allotment (with Exercise Price Adjustment Clause), Large-Scale Exercise, Completion of Exercise, and Early Redemption of the 4th and 5th Corporate Bonds," the exercise of the 12th stock acquisition rights has been completed.

As disclosed on December 17, 2024, in the "Notice of Change in Use of Funds," and on December 20, 2024, in the "(Progress Disclosure) Notice of Change in Use of Funds," the company decided to secure funds initially intended for Bitcoin purchases, as resolved by the Board of Directors on November 27, 2024, through the issuance of the 4th and 5th corporate bonds. Instead, the funds raised through the exercise of the 12th stock acquisition rights were allocated for the redemption of these bonds.